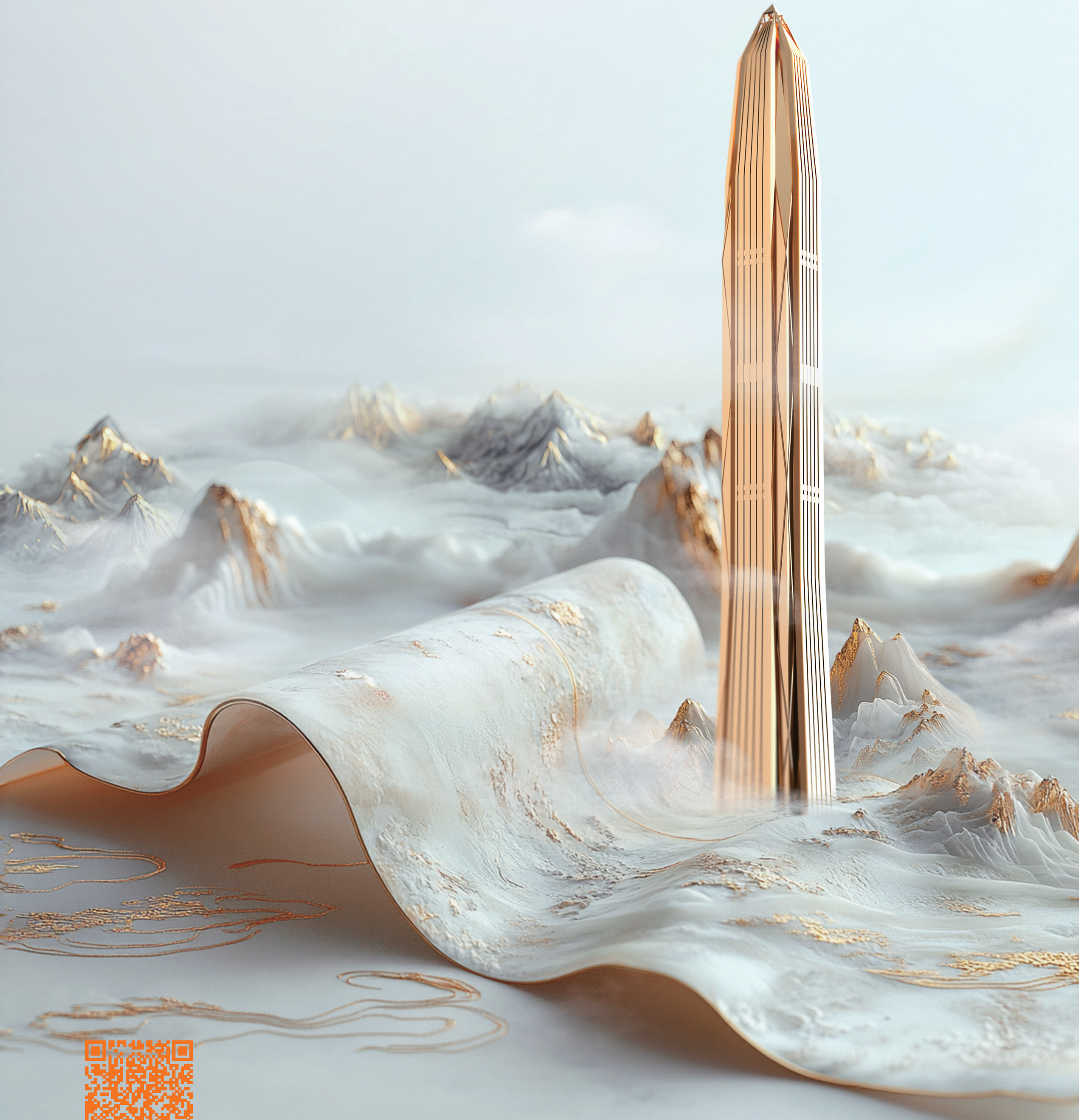
PING AN

Expertise Creates Value

Expertise Makes Life Easier



2024 Annual Report

Contents

Cautionary Statements Regarding Forward-Looking Statements

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

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

中国平安 PING AN

The Guardian of Every Family

A new AI monsoon sweeps the land

A guardian of every family, we firmly stand

Humanoid robots dance, and spring awakes

Big data surges, the world in flux

New tech-enabled digital advantages
For serving over 240 million customers

Worry-free, time-saving, money-saving

Underwrite life insurance policies in seconds

Around the clock, our AI representatives serve

At home, smart terminals diagnose 5,000 diseases

Financial advisers, family doctors, senior care concierges

Professional data-driven heartwarming services

Stay true to our original aspiration
Bolster "five key sectors" for national rejuvenation

Support the real economy by funding numerous businesses

Deliver reliable and enjoyable senior care services

For risk reduction, our risk system tracks clouds on satellite images

For rural vitalization, tens of billions of yuan in interest-free loans

For green development, we provide insurance for ancient trees

Finance plus health and senior care, two tech-enabled drivers

Ride and lead the wave of digital revolution

With love and AI, happy to lend a hand

Be the guardian of every family
That is our eternal quest

Five-Year Summary

(in RMB million)	**2024/ December 31, 2024**	2023/ December 31, 2023	2022/ December 31, 2022	2021/ December 31, 2021	2020/ December 31, 2020
INTEGRATED FINANCE					
Number of retail customers (in million)	**242.47**	231.57	226.64	221.91	213.44
Number of customers holding ≥4 contracts within the Group (in million)	**62.18**	58.56	59.12	55.64	50.69
Number of contracts per customer (contract)	**2.92**	2.95	2.97	2.91	2.81
Operating profit per customer[1] (in RMB)	**446.90**	468.28	579.54	585.81	576.17
HEALTH AND SENIOR CARE					
Retails customers entitled to service benefits in our health and senior care ecosystem (in million)	**152.09**	147.13	144.82	142.09	N/A
THE GROUP					
Operating profit attributable to shareholders of the parent company[1]	**121,862**	111,728	146,895	147,961	139,470
Net profit attributable to shareholders of the parent company	**126,607**	85,665	111,008	101,618	143,099
Total assets	**12,957,827**	11,583,417	11,009,940	10,142,026	9,527,870
Total liabilities	**11,653,115**	10,354,453	9,823,944	9,064,303	8,539,965
Equity attributable to shareholders of the parent company	**928,600**	899,011	869,191	812,405	762,560
Group comprehensive solvency margin ratio (%)	**204.1**	208.0	217.6	233.5	236.4
Operating ROE[1] (%)	**12.7**	12.5	17.9	18.9	19.5
Dividend per share (in RMB)	**2.55**	2.43	2.42	2.38	2.20
Basic operating earnings per share[1] (in RMB)	**6.89**	6.31	8.42	8.40	7.89
LIFE AND HEALTH INSURANCE BUSINESS					
Operating ROE[1] (%)	**25.7**	30.2	37.3	32.3	35.0
Operating profit[1]	**96,022**	99,775	109,810	97,075	93,666
New business value ("NBV")[2]	**28,534**	31,080	28,820	37,898	49,575
Contractual service margin ("CSM")	**731,312**	768,440	818,683	N/A	N/A
Comprehensive solvency margin ratio of Ping An Life (%)	**189.2**	194.7	219.7	230.4	241.8
PROPERTY AND CASUALTY INSURANCE BUSINESS					
Net profit	**15,021**	8,958	10,112	16,192	16,159
Combined ratio ("COR") (%)	**98.3**	100.7	99.6	98.0	99.1
Auto insurance COR (%)	**98.1**	97.7	96.6	98.9	98.2
Comprehensive solvency margin ratio (%)	**205.3**	207.8	220.0	278.4	241.4
BANKING BUSINESS					
Net profit	**44,508**	46,455	45,516	36,336	28,928
Net interest margin (%)	**1.87**	2.38	2.75	2.79	2.88
Cost-to-income ratio (%)	**27.66**	27.90	27.45	28.30	29.11
Non-performing loan ratio (%)	**1.06**	1.06	1.05	1.02	1.18
Provision coverage ratio (%)	**250.71**	277.63	290.28	288.42	201.40
Core tier 1 capital adequacy ratio (%)	**9.12**	9.22	8.64	8.60	8.69
ASSET MANAGEMENT BUSINESS					
Net profit	**(11,114)**	(19,522)	3,803	13,952	12,292
FINANCE ENABLEMENT BUSINESS					
Operating profit	**349**	2,980	6,697	9,448	8,221

Notes: (1) The Company lowered the long-run investment return assumption to 4.0% in 2024, and has retrospectively adjusted data for 2023 as per the adjusted investment return assumption.

(2) Ping An prudently lowered the L&H embedded value ("EV") long-run investment return assumption to 4.0% and the risk discount rate to 8.5%/7.5% in 2024 in view of the macroeconomic environment and the long-run trend of interest rates. Based on the end-2023 assumptions and model, NBV for 2024 amounted to RMB40,024 million, up 28.8% on a like-for-like basis.

WHO WE ARE

A world-leading "integrated finance + health and senior care" services group

Since we were established 36 years ago, we have grown into **a world-leading "integrated finance + health and senior care" services group and one of the world's leading integrated financial groups, ranking No. 1 by brand value among global insurance groups.** We provide high-quality services for over **240 million** retail customers and over **4 million** corporate customers. We are dually listed on the main board of the Stock Exchange of Hong Kong (2318.HK) and the Shanghai Stock Exchange (601318.SH).

2318.HK

The Stock Exchange of Hong Kong

601318.SH

Shanghai Stock Exchange

Corporate Mission

WHY WE HERE

We are committed to becoming a world-leading integrated finance, health and senior care services group, creating value for customers, employees, shareholders and society.

Over the years, we have been seeking ways to address customer pain points in financial, health and senior care services by providing "worry-free, time-saving, and money-saving" services under the service philosophy and business purpose of "Expertise makes life easier."

Amid market developments and technological advancements, we provide customers with "worry-free, time-saving, and money-saving" services to meet their needs.

Worry-Free

We simplify complexities by offering one-stop integrated finance services, 24/7 online and offline health care, and "3-in-1" (AI concierges, life concierges and doctor concierges) senior care via professional financial advisers, family doctors, and senior care concierges.

Time-Saving

We improve service speed and efficiency via convenient integrated financial services and "online, in-store, in-home and in-company" health and senior care services. One-stop products and one-click services save customers time and trouble.

Money-Saving

We help customers minimize costs, optimize risk management and maximize benefits by recommending suitable products to them, optimizing claim solutions, cutting service costs, delivering the most cost-effective services, and integrating benefits and loyalty points.

Opportunities of Our Times

WHY WE HERE

The Chinese economy is in a stage of medium-to-high speed growth after over 40 years of high-speed development. Many industries present new room for growth, among which **the financial, health and senior care industries** have become key drivers of high-quality economic development **due to huge market sizes and growth potential**.

As the financial industry is facing the challenge of intense competition among existing players and homogeneous offerings, "service differentiation" is key to industrial breakthroughs. Moreover, the financial, health and senior care industries are all facing structural conflicts between growing consumer demands and **supply shortages, a lack of standards, and inconsistent service levels**. Therefore, it is urgent to make breakthroughs via digital innovation and service differentiation.

- **The rise of the middle class and the diversification of their assets are fueling strong demand for integrated financial services**

China's increasingly expanding middle class is expected to account for one-third of the world's middle class by 2030. This group has not only relatively high incomes, but also diversified assets, including multiple insurance policies, credit cards, bank accounts, wealth management products, vehicles and homes. Wealth accumulation drives middle-class families' growing demand for integrated and customized financial services. Therefore, one-stop services covering multiple areas including wealth management, insurance protection and consumer finance have become an important trend.

1/3

China's middle class as a proportion of global middle class by 2030

- **Growing health care demand and uneven resource distribution is driving the urgent need for efficient health care services**

China's health expenditure is expected to grow continuously as it is currently far lower than developed countries'. The size of China's health care services market will reach RMB16 trillion by 2030. The Chinese government has adopted multiple policies to promote high-quality development of the health care industry. However, "the difficulty in seeing a doctor and the high cost of getting a treatment" remain prominent, reflecting uneven resource distribution and low efficiency of the industry. Increasingly urgent consumer demand for comprehensive, professional and efficient one-stop health care services provides an important opportunity for the health care industry to upgrade services and improve efficiency.

RMB 16 trn

Expected size of China's health care market by 2030

- **Accelerating population aging and the evolving senior care pattern are driving long-term demand for high-quality senior care services**

China's accelerating population aging dramatically boosts the demand for senior care services. Over 20% of China's population will be aged 65 and above by 2030, and China's silver economy is expected to reach RMB30 trillion by 2035, accounting for 10% of the country's GDP. The senior care industry faces supply shortages of high-quality one-stop medical, health and senior care services under China's "9073" senior care pattern (90% of the elderly are cared for at home, 7% depend on community care, and 3% live in senior care institutions); in particular, home-based senior care services urgently need to be upgraded. This trend provides a broad development space for the senior care industry in terms of product and service model innovation, resource integration, and quality improvement.

RMB 30 trn

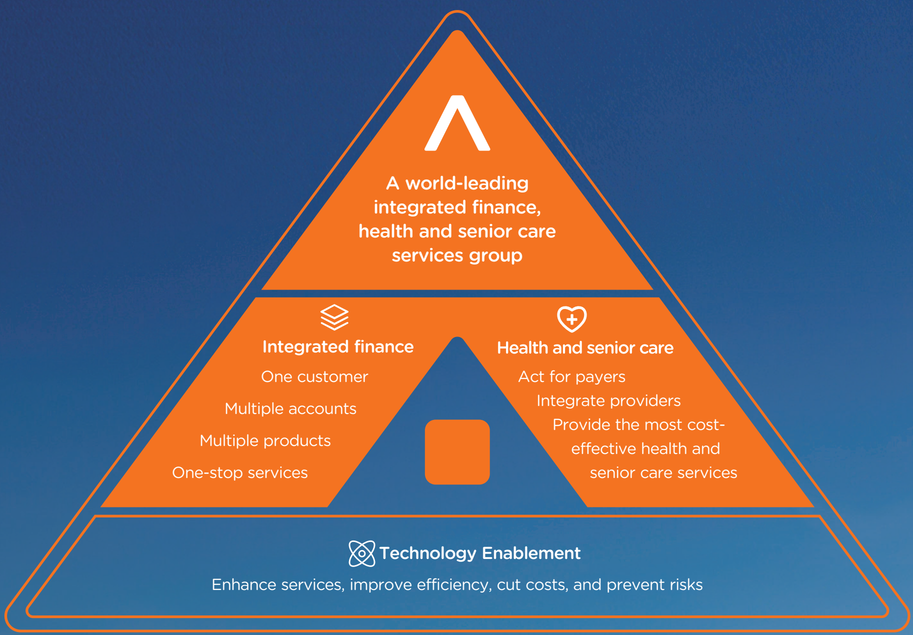
Expected size of China's silver economy by 2035

Notes:
(1) The expected percentage of China's middle class by 2030 is from Credit Suisse Research Institute.
(2) The expected size of China's health care services market by 2030 is from the *Outline of the Healthy China 2030 Plan.*
(3) The expected size of China's silver economy by 2035 is from the *Blue Book on Silver Economy: Report on Development of China's Silver Economy (2024).*

Corporate Strategy
WHAT WE DO

The financial industry is profoundly transforming from "pure financial services" into "finance + services" driven by intense competition in the industry and upgrading of customer needs. As an important part of the financial industry, the insurance sector has taken the lead in transformation, and upgraded its mainstream products from traditional "financial protection" to "insurance + health and senior care services" integrated solutions.

Amid intense competition among existing players and homogeneous offerings in the financial market, we continuously advance our "integrated finance + health and senior care" strategy to sharpen our core competitive edge via "service differentiation," providing customers with all-around professional financial advisory, family doctor, and senior care concierge services.



INTEGRATED FINANCE

Under the customer needs-oriented philosophy, we build a technology-enabled financial supermarket service framework featuring "one customer, multiple accounts, multiple products, and one-stop services." By giving customers "worry-free, time-saving, and money-saving" service experience, we increase customer loyalty and achieve continuous growth in the number of retail customers, contracts per customer and profit per customer. In this way, we build a benchmark platform with a strong word-of-mouth effect.

Exploring **customer** needs

We provide customers with personalized, scenario-based, and one-stop integrated financial services. Combining in-depth insights into and analysis of over 240 million retail customers' data with our strong resource integration and technological innovation capabilities, we dig into potential customer needs and pain points, and customize product and service solutions for them. In this way, we fully meet customers' diverse financial needs including wealth management, insurance protection, and consumer finance. By seamlessly integrating financial services into home buying, education, senior care and other daily-life scenarios, we provide customers with convenient and considerate scenario-based integrated financial service experience via our online and offline channels.

98.0%
Retention of customers holding 4+ contracts

242 mn
Retail customers

Upgrading the **account** system

We build a one-stop financial and daily-life service platform for customers. By integrating accounts in finance, health care, senior care and other areas and including related daily-life service accounts, we develop an all-around, expandable integrated account system with a unified, convenient online portal. Customers can easily get their various financial and daily-life needs satisfied in our account system, enjoying significantly improved convenience and experience without the need to switch between multiple platforms or accounts.

~290 mn
"Ping An Jin Guan Jia" app users

170 mn+
"Ping An Pocket Bank" app users

~236 mn
"Ping An Auto Owner" app users

Building the **product** matrix

We provide customers with all-around professional services covering financial advisory, family doctor and senior care concierge services to meet their demands for steady asset appreciation, effective risk management, and diverse health and senior care services. We continuously build strong market influence and reputations in "auto insurance claims, health and senior care, and credit card services," striving to further improve service value and customer satisfaction with smart, convenient service models and differential customer experience.

No.1 auto insurance brand
Honored by MIIT for 14 consecutive years

100%
Coverage of top 100 and 3A hospitals

46.92 mn+
Accounts of credit cards in circulation

Providing **one-stop** services

We provide customers with all-around "worry-free, time-saving, and money-saving" service experience. By creating an integrated account system and integrating service resources in finance, health and senior care and other sectors, we build a one-stop service ecosystem providing upgraded customer experience in all aspects. By leveraging artificial intelligence ("AI") and big data, we intelligentize business processes and advance the close coordination of online and offline services. In this way, we significantly reduce customer waiting time and continuously optimize service experience. Through precise asset allocation, loyalty point integration and holistic benefit design, we provide more benefits to customers by helping them reduce risks and cut costs.

2.92
Contracts per customer

RMB446.90/person
Profit per customer

Corporate Strategy

WHAT WE DO

HEALTH AND SENIOR CARE

Acting for payers and integrating providers, we provide the most cost-effective health and senior care services. Via professional family doctors and senior care concierges, we provide customers with "worry-free, time-saving, and money-saving" experience.

Acting for payers, we build an integrated payment and service platform

We actively implement the "Healthy China" initiative. Acting for payers including insurers and enterprises, we provide retail customers and enterprise employees with proactive health management services. Our health and senior care services have been used by over 31 million paying retail customers and nearly 67,000 paying corporate clients, benefiting over 29 million employees. We have served over 50% of large and medium-sized state-owned enterprises ("SOEs"), central enterprises, and foreign-invested enterprises ("FIEs"). Thanks to our massive user base and extensive market coverage, we have strong bargaining power and resource integration advantages in the industry, capable of providing customers with higher-quality and more competitive service solutions.

31 mn+

Ping An Health's paying users of strategic business

50%+

Large and medium-sized SOEs, central enterprises and FIEs served

Integrating providers to build an all-around service system

Ping An builds a convenient, transparent and efficient one-stop health and senior care service system for customers. Ping An integrates premium health and senior care resources, optimizes resource allocation, improves service efficiency, and cuts service costs by setting standards, centralizing procurement, and supervising services. Moreover, Ping An builds a broad collaborative network covering doctors, hospitals, health management institutions, pharmacies and so on under innovative all-around, multi-dimensional home-based senior care models of "Nursing, Housing, and Entertainment Alliances." The network has expanded to 35 countries and regions worldwide. Via the all-around service system, Ping An continuously makes its services more standardized and cost-effective.

36K+

Partner hospitals

104K+

Partner health management institutions

The most cost-effective health and senior care services via professional family doctors and senior care concierges

Ping An leverages professional family doctors and senior care concierges to provide customers with "online, in-store, in-home and in-company" services, creating an all-around, multi-level health and senior care service ecosystem. Using internal and external premium medical resources with Peking University International Hospital at the core, Ping An builds a 24/7 online-to-offline ("O2O") "family doctor" service system. This system connects domestic and overseas top medical experts to offer convenient, professional health management services. Ping An provides customers with one-stop, all-around "senior care concierge" services by integrating three functional modules, namely AI concierges, life concierges and doctor concierges. The services cover ten scenarios, namely medical care, dining, housing, exercise, wealth, rehabilitation, wellness, entertainment, nursing and hospice, to meet diverse customer demands for premium health and senior care.

~50K

In-house & external doctors

Hundreds

Senior care concierge service benefits

TECHNOLOGY ENABLEMENT

Oriented by customer needs and focusing on core business enablement, we transform our business management models from “experience-based decision-making” into “data-driven decision-making” by promoting technologies including large AI models and big data across the Group, building industry-leading five laboratories and nine databases, and continuously implementing comprehensive data-driven business, data-driven operations, data-driven management, data-driven marketing and so on. This enables applications in business scenarios including finance, health care and senior care, provides a solid technological foundation for the professional competence of financial advisers, family doctors and senior care concierges, and supports our “integrated finance + health and senior care” strategy. In this way, we enhance services, improve efficiency, cut costs and prevent risks, providing strong momentum for high-quality business development.

Enhance services

Ping An integrates accounts and products with technologies, and adopts an O2O service system to provide data-driven customer services. By precisely identifying and meeting customer needs, Ping An efficiently offers the most suitable products and services to customers, delivering personalized, scenario-based, one-stop service experience.

5K+ diseases

Data-driven precise diagnosis

Improve efficiency

Via AI-enabled smart business decision-making and processes, Ping An leverages human-AI collaboration to shorten response times and improve service precision and quality. Moreover, Ping An significantly improves customer service efficiency by providing 24/7 online services.

93%

Life policies underwritten within seconds

Cut costs

Via automated processes and smart technologies, AI replaces and assists humans to significantly cut service costs for customers. By integrating financial accounts, products and premium health and senior care resources, Ping An helps customers avoid unnecessary expenditures and optimize costs via data-driven precise allocation and recommendation.

80%

Service volume handled by AI

Prevent risks

By combining ex ante risk data analysis and AI, Ping An effectively mitigates credit risk for customers by analyzing behavior patterns at source. Moreover, Ping An leverages smart asset allocation, big data and quantitative models to help customers avoid investment risks. In addition, Ping An continuously supervises health and senior services and standardizes service quality by technological means to reduce service-related risks for customers.

RMB11.94 bn

Ping An P&C's claims savings via smart fraud detection

Business Highlights

RMB121,862 mn

OPAT attributable to shareholders of the parent company

1. Steady overall business

OPAT attributable to shareholders of the parent company was RMB121,862 million, up 9.1% YoY.
Net profit attributable to shareholders of the parent company was RMB126,607 million, up 47.8% YoY.
Revenue was RMB1,141,346 million, up 10.6% YoY.

Note: Revenue grew 12.6% YoY to RMB1,028,925 million in 2024 under the *Accounting Standards for Business Enterprises* and other applicable regulations issued by the Ministry of Finance.

5%

YoY growth in full-year DPS

2. Cash dividends have risen for 13 consecutive years

Proposed 2024 final dividend is RMB1.62 per share in cash.
Full-year cash dividend will be RMB2.55 per share, up 5% YoY.
Cash dividend payout ratio based on OPAT attributable to shareholders of the parent company will be 37.9%.

28.8%

YoY growth in Life & Health NBV

3. Life & Health develops steadily with enhanced channels and high quality

Life & Health NBV increased 28.8% YoY.
13-month persistency ratio rose 3.6 pps YoY.
Agent channel NBV grew 26.5% YoY.
Bancassurance channel NBV climbed 62.7% YoY.
Ping An Life's sales agents grew steadily for 3 consecutive quarters to 363 thousand.

Note: YoY growth in NBV is like-for-like based on end-2023 assumptions.

98.3%

COR of Ping An P&C

4. Ping An P&C's steady revenue growth and good business quality

Insurance revenue was RMB328,146 million, up 4.7% YoY.
Net profit was RMB15,021 million, up 67.7% YoY.
Overall COR improved by 2.3 pps YoY to 98.3%.
Auto insurance COR was 98.1%, continuously better than the market average.
Honored as "**No.1 Brand**" in China's auto insurance market by the Ministry of Industry and Information Technology for 14 consecutive years; the industry's **highest consumer protection rating**.

5.8%

Comprehensive investment yield

5. Excellent insurance funds investment results

Comprehensive investment yield: 5.8%, up 2.2 pps YoY.
Life & Health comprehensive investment yield was 6.0%, up 2.4 pps YoY.
10-year average net investment yield was 5.0%.
10-year average comprehensive investment yield was 5.1%.

RMB44,508 mn

Net profit of Ping An Bank

6. Ping An Bank keeps steady business performance and asset quality

Net profit was RMB44,508 million.
Non-performing loan ratio was 1.06%.
Provision coverage ratio was 250.71%.

98.0%

Retention of customers holding 4+ contracts

7. Integrated finance-enabled core competitive moat and customer development

Retail customers increased 4.7% YTD to 242 million.
25.6% of customers held 4 or more contracts, with a 98.0% retention rate.
72.2% of customers were served for 5 or more years, with a 94.7% retention rate.

~70%

Ping An Life's NBV from customers entitled to health & senior care benefits

8. Differentiation-enabled core businesses under health & senior care strategy

Ping An partnered with 100% of China's top 100 hospitals and 3A hospitals.
Customers entitled to service benefits in the health and senior care ecosystem contributed about 70% of Ping An Life's NBV.
"**Medical, Nursing, Housing, and Entertainment Alliances**" for home-based senior care services. Premium health and senior care communities have been unveiled in **5 cities**.
PKU Healthcare Group continued its positive trend and achieved **significant operational improvement**.

1.3 mn+

Sales service team members

9. Strong offline customer development and service capabilities

Ping An has over 7,000 outlets and over 1.3 million sales service team members for property and casualty insurance, life insurance and so on in 330 cities nationwide.

~RMB10.14 trn

Cumulative investment to bolster the real economy

10. CSRs, green development and rural vitalization

Cumulative investment to bolster the real economy was nearly RMB10.14 trillion.
Green investment of insurance funds was RMB124,712 million.
Green loan balance was RMB157,762 million.
Green insurance premium income was RMB58,608 million.
Funding for rural industrial vitalization was RMB52,014 million.
MSCI ESG Rating rose to AA; No.1 in the multi-line insurance and brokerage industry in Asia-Pacific.

Notes: (1) The above is based on the Company's business results for 2024.
(2) Figures may not match the calculation due to rounding.

Chairman's Statement

The future is already here; the only constant is change. The essence of business endures, upheld by integrity and driven by innovation. As changes unseen in a century accelerate across the world, a new wave of digital revolution represented by artificial intelligence ("AI") has come. Every business in every industry is riding the wave to pursue transformation and break through growth bottlenecks. How can we make more contributions to Chinese modernization? In the AI-driven industrial transformation, how can we further enhance digital strengths and build new growth momentum? **It is not about how to adapt to change, but to become the change itself; it is not about how to survive the wave, but to ride it and shape its direction.** This is what we, as a Chinese enterprise in the new era, will show to the world.

We must change with the times and innovate smartly. 2024 marks the 75th anniversary of the founding of the People's Republic of China. The Third Plenary Session of the 20th Central Committee of the Communist Party of China ("CPC") sounded the clarion call for further deepening reform comprehensively. China's long-term economic outlook remained positive and the domestic economy was generally stable. However, China still faced challenges including lackluster domestic demand, volatile markets, and insufficient confidence in the short and medium term amid mounting uncertainties in the external environment. Facing opportunities and challenges, we adhered to our original aspiration of providing people-centered financial services, made active adjustments, and honed our strengths under the strong leadership of the CPC and the state. We unswervingly deepened our reform of integrated finance, strengthened our presence in health and senior care, improved and upgraded our risk management and investment systems, and advanced our comprehensive digital transformation and "worry-free, time-saving, and money-saving" value proposition, with some new achievements. With solid fundamentals and rebounding core businesses, **we have achieved high-quality development characterized by steady progress, innovation-driven growth, and outstanding resilience.**

Ping An's operating profit attributable to shareholders of the parent company increased 9.1% year on year to RMB121,862 million and net profit attributable to shareholders of the parent company rose 47.8% year on year to RMB126,607 million in 2024. Revenue was RMB1,028,925 million in 2024, up 12.6% year on year. Ping An attaches importance to shareholder returns, with cash dividends increasing for 13 consecutive years. Ping An plans to pay a final dividend of RMB1.62 per share in cash for 2024. The full-year cash dividend will be RMB2.55 per share, up 5% year on year. The cash dividend payout ratio based on operating profit attributable to shareholders of the parent company will be 37.9%, with total dividends increasing for 13 consecutive years. Life & Health NBV rose 28.8% year on year, and NBV per agent surged 43.3% in 2024 thanks to Ping An Life's unwavering reform and the recovery of market demand. Ping An delivered excellent results in insurance funds investment. In a complex and volatile market environment, Ping An's insurance funds investment portfolio achieved a comprehensive investment yield of 5.8% in 2024, up 2.2 pps year on year. Ping An is at the forefront of the market by investment income.

Ping An offers innovative "worry-free, time-saving, and money-saving" services to address "troublesome, time-consuming, and costly" customer pain points. The Chinese economy is in a stage of medium-to-high speed growth. Many industries present new room for growth. The financial and insurance, health and senior care industries in which we are engaged have great growth potential and strong customer demand. However, the three industries are all facing conflicts between growing consumer demands and challenges including supply-demand imbalances, a lack of standards, and inconsistent service levels. There are a variety of financial products, involving multiple savings and wealth management accounts, credit cards, homes and insurance policies, making it difficult to manage them. Health and senior care services are irreplaceable in people's lives, and consume a lot of energy and resources. They not only fit naturally with finance, but also are about love and responsibility. Therefore, we need to think long. Nowadays, consumers seeking financial, health and senior care services often experience "troublesome, time-consuming, and costly" pain points. Such services are **troublesome** because they involve complex and cumbersome policies, clauses, terminologies and procedures, which often consume a great deal of mental and physical energy. They are **time-consuming** because the handling of traditional financial, health and senior care services takes a lot of time while consumers are already busy with work and life. They are **costly** because such services account for the largest proportions in consumers' cost of living today.

Ping An adheres to its original aspiration of making life easier with expertise. Under a people-centered philosophy, meeting people's aspiration to live a better life is the foundation of our existence and the value of our development. Only those companies that can effectively tackle industry pain points, meet customer demands, and help people fulfill their aspirations will stand out from fierce competition. **Market development, technological advancements, and the rapid adoption of AI have enabled us to better meet customer needs. We have built an integrated finance model of "one customer, multiple accounts, multiple products, and one-stop services." We have developed professional teams of "financial advisers, family doctors, and senior care concierges." We free our customers from worry by making things easier, save them time by leveraging technology to enhance efficiency, and save them money by cutting costs and optimizing resource allocation.**

A patient is accompanied by a medical concierge from Ping An Health Insurance during a medical visit.

Ping An builds its core service advantages by advancing its integrated finance model in all aspects. Our upgraded customer-centric business philosophy has driven the growth in our "three key numbers" (the number of retail customers, contracts per customer, and profit per customer) over the past decade. We continuously improve the efficiency of customer development by meeting all-around, full-lifecycle customer needs with one-stop services. Ping An had 242 million retail customers as of December 31, 2024; 25.6% of them held four or more contracts within the Group, with a retention rate of 98.0%. Customer growth is continuously supported by Ping An's comprehensive integrated finance product portfolio and diverse sales channels. There were 32.07 million new customers in 2024, up 9.8% year on year. Our strong online-merge-offline channel networks covering the whole country enable us to reach and acquire customers efficiently. Currently, Ping An has over 7,000 outlets in 330 cities nationwide, and over 1.30 million sales service team members for property and casualty insurance, life insurance and so on. In addition, Ping An has abundant online user traffic, including approximately 290 million registered users of the "Ping An Jin Guan Jia" app, over 170 million registered users of the "Ping An Pocket Bank" app, and nearly 236 million registered users of the "Ping An Auto Owner" app.

Life & Health achieved steady business development and delivered significant results of channel reform. Both the number and quality of agents increased, driving high-quality development of the channel. Agent channel NBV on a like-for-like basis grew by 26.5% year on year, with NBV per agent up by 43.3% year on year in 2024. The number of Ping An Life's sales agents reached 363 thousand as of December 31, 2024. Ping An Life's 13-month persistency ratio of insurance policies rose by 3.6 pps year on year, and 25-month persistency ratio climbed by 3.9 pps year on year in 2024, indicating steadily improving business quality. Life & Health achieved excellent results in insurance funds investment, with a 6.0% comprehensive investment yield, up by 2.4 pps year on year in 2024.

Chairman's Statement

Ping An P&C grew insurance revenue steadily with good business quality. Ping An P&C's insurance revenue rose by 4.7% year on year to RMB328,146 million in 2024. Net profit grew by 67.7% year on year to RMB15,021 million. Overall COR was 98.3%, improved by 2.3 pps year on year in 2024. Auto insurance COR was 98.1%, continuously better than the market average. **Ping An Bank maintained steady business performance and stable overall asset quality.** Ping An Bank's net profit amounted to RMB44,508 million in 2024. Non-performing loan ratio was 1.06% and provision coverage ratio was 250.71% as of December 31, 2024, indicating adequate risk provisions.

Ping An continued to implement its health and senior care ecosystem strategy, building a new driver of value growth. Ping An continuously developed the "insurance + health care" synergistic model through the coordinated operations of business lines including insurance, health care, investment and technology. Ping An provides the most cost-effective health and senior care services by building a service system to empower retail financial customers and corporate clients as well as develop an online flagship medical platform and proprietary medical institutions. Ping An's health and senior care ecosystem had nearly 67,000 paying corporate clients in 2024. Ping An Health had over 31 million paying users of its strategic business during the 12 months ended December 31, 2024. Ping An achieved over RMB140 billion in health insurance premium income in 2024. Customers entitled to service benefits in the health and senior care ecosystem contributed about 70% of Ping An Life's NBV in 2024.

In respect of "finance + senior care services," Ping An prioritizes the development of "insurance + home-based senior care" and "insurance + high-end senior care" products to provide convenient, premium senior care services up to international standards. Ping An has built "Medical, Nursing, Housing, and Entertainment Alliances" for home-based senior care. Ping An cumulatively contracted over 150 home-based senior care service providers in 75 cities nationwide and launched hundreds of 10-dimensional home-based senior care service benefits as of December 31, 2024. Over 160,000 customers have qualified for home-based senior care services. Premium health and senior care communities have been unveiled in five cities. The communities in Shanghai and Shenzhen are scheduled to open for business in the second half of 2025.

In respect of "finance + health care services," Ping An provides customers with "heartwarming services" by focusing on "insurance + health" products. In 2024, over 21 million customers of Ping An Life used health management services, and the proportion of Ping An Life's customers who used such services was 2.1 pps higher than in 2023. Notably, nearly 79% of Ping An Life's newly-enrolled customers used health management services in 2024. For large and medium-sized corporate clients, Ping An provides employee health management programs featuring comprehensive benefits, premium services, and high cost-effectiveness via "commercial insurance + health care fund + health care service" products.

Ping An develops its health care partner networks and proprietary flagships by integrating domestic and overseas premium resources**.** Ping An provides “online, in-store, in-home and in-company” services including medical services, health services, commodities and medicines. Ping An had about 50,000 in-house and contracted external doctors and partnered with all top 100 hospitals and 3A hospitals in China as of December 31, 2024. PKU Healthcare Group continued its positive trend and achieved significant operational improvement, with revenue reaching approximately RMB5.51 billion in 2024.

Ping An has a 3-level large model system, 3 financial databases and 5 health care databases as shown in this picture generated by Ping An’s text-to-image model.

Our self-developed vertical large AI models enable the accelerating development of our ecosystems. We carried out deep exploration and extensive practice in AI and big data over the past decade around our “integrated finance + health and senior care” strategy. We developed vertical large models for domains including finance, health care and senior care, applied the models to the industries, and reshaped industry ecosystems. **Under a requirement-oriented development approach**, we established a three-level large model system supporting large speech models, large language models, large vision models and so on, with industry-leading accuracy rates in scenarios. **We broke down data silos,** and built three financial databases and five health care databases which, with 30 trillion bytes of data, rank among the world’s largest financial and health care databases. **Digging deep into business scenarios,** we accelerated the development of our ecosystems by extensively applying our large models to 85 scenarios across the Group.

In digital finance, Ping An built an integrated smart voice agent system. The volume of services provided by Ping An’s AI service representatives reached about 1.84 billion times, accounting for 80% of Ping An’s total customer service volume in 2024. The AI service representatives responded to and served consumers swiftly. Via smart underwriting, smart claim settlement, and smart renewal, 93% of life insurance policies were underwritten within seconds, and 56% of life insurance claims were settled through Smart Quick Claim. To solve the difficulties in auto insurance loss assessment management, Ping An developed and launched the world’s first image-based Smart Quick Claim system for auto insurance. The system enables loss assessment within seconds after relevant photos are uploaded, speeding up the loss assessment process by 4,000 times. Moreover, Ping An P&C’s claims savings via smart fraud detection grew 10.4% year on year to RMB11.94 billion as Ping An continuously strengthened risk management.

In respect of health care, Ping An delivers China’s leading health and senior care solutions via digital enablement. Ping An Health has built a doctor’s workbench named “Ping An Doctor’s Home,” a large multi-modal model named “Ping An Medical Master,” and 12 AI-driven models. These initiatives promote whole-process AI enablement in medical business scenarios, improving the service efficiency of “Ping An Family Doctor” by about 62%. Moreover, Ping An Health has independently developed an AI-based medical system together with a leading remote consultation and treatment platform, with medical expertise covering over 2,000 diseases, an AI-powered recommendation accuracy rate of 99%, and an AI-assisted diagnosis accuracy rate above 95%.

Chairman's Statement

Ping An goes with the green development trend and fulfills its social responsibilities actively. In the autumn of 2024, my colleagues and I conducted a survey in Jiangmen, Guangdong Province for the "Hundred, Thousand, and Ten Thousand Project." We visited the "Bird Paradise" on a tributary of the Tanjiang River. It is a small island formed by a single 406-year-old banyan tree. The ancient tree has lush branches and leaves, with bird flocks thriving continuously. Ping An provides "ancient and notable trees" insurance for this ancient banyan tree to safeguard the beautiful scene of harmonious coexistence between humans and nature. Via the innovative "ancient and notable trees" protection and rescue insurance, Ping An had provided RMB166 million worth of insurance coverage for 10,135 "ancient and notable trees" nationwide as of December 31, 2024, establishing a long-term eco-protection mechanism. Ping An's green investment of insurance funds and green loan balance reached RMB124,712 million and RMB157,762 million respectively as of December 31, 2024. Ping An's green insurance premium income amounted to RMB58,608 million and funds provided for rural industrial vitalization via "Ping An Rural Communities Support" totaled RMB52,014 million in 2024. Ping An rose to AA in MSCI ESG ratings in 2024, ranking No.1 in the multi-line insurance and brokerage industry in Asia-Pacific for three consecutive years.

Chairman Ma Mingzhe visits Ping An's smart agriculture demonstration base in Jiangmen during a survey for Guangdong Province's "Hundred, Thousand, and Ten Thousand Project" on September 12, 2024.

In 2024, we enhanced internal strengths, consolidated the foundation, and made progress while maintaining stability. Looking ahead, we are fully prepared to move forward, innovate and reform, and achieve leapfrog development! 2025 is the final year of China's 14th Five-Year Plan and a crucial preparatory year for the 15th Five-Year Plan. Uncertainties in the external environment will still persist. Different industries are undergoing profound changes and transformations, posing severe short- and medium-term difficulties and challenges. However, the favorable conditions for and fundamental trend of China's positive long-term outlook have not changed. Therefore, **Ping An's financial, health and senior care businesses have new huge growth momentum.**

From the perspective of market trends, there are strong demands for diverse financial services, and the demands and potential in the health care sector are huge, including a strong demand for high-quality senior care services. Therefore, Ping An's "integrated finance + health and senior care" strategy has a great prospect. Ping An will further focus on core financial businesses and enhance customer development to effectively improve customer acquisition, activation, migration and retention, driving steady growth in the number of retail customers, contracts per customer and profit per customer. Moreover, Ping An will unlock more synergies to advance the "worry-free, time-saving, and money-saving" value proposition.

From the perspective of technology enablement, open-source large AI models represented by DeepSeek are fundamentally reshaping the global technological revolution, redefining the underlying logic of corporate value creation, and profoundly impacting the financial and insurance industries. **"Reform and innovation" is a key theme of Ping An's 2025 business policy, with a comprehensive digitalization strategy as the top priority at the start of the year.** Ping An will accelerate the deep integration of AI, big data, and open-source large models, fully embrace and quickly deploy them to start a new chapter of its digitalization strategy. Leveraging its first-mover advantage in previous basic research and development ("R&D") and business applications, Ping An is actively deploying and rapidly connecting to relevant open-source large models while keeping risks under control. Ping An is developing a wide range of vertical applications and service functionalities, which are widely applied across five major systems, namely "digital business, digital operations, digital management, digital marketing, and digital services." Ping An strives to provide "the most professional financial advisory, family doctor, and senior care concierge" services via an "online, in-store, in-home and in-company" health and senior care network. In this way, Ping An will further sharpen its cutting edge of applying AI to finance and health care, taking comprehensive digitalization as the "driver" and "enabler" of sustainable development!

From the perspective of business operation, as China's interest rate pivot moves downward, the asset side is facing new opportunities and challenges. On the one hand, we should seize opportunities from the downward cycle of liabilities and accelerate the development of core financial businesses. On the other hand, we should strengthen the linkage between assets and liabilities, enhance asset allocation strategies that go through macroeconomic cycles, and give full play to the long liability duration and large scale of our insurance funds. We will continuously increase investment in strategic emerging industries, advanced manufacturing, next-generation infrastructure, and value-based assets to fulfill the responsibility and accountability of "patient capital."

Thunderstorms are normal. After the squall, let us witness how new branches emerge through old broken limbs. Times are changing, so are markets, technologies, industries and customer needs. **Progress comes to the reformers, strength to the innovators, and victory to those who embrace reform and innovation!** To this end, we will work together and forge ahead with one heart and stronger beliefs, undertaking our mission bravely. We will fully implement the CPC Central Committee's decisions and deployment for economic work in 2025, and seek progress while maintaining stability. We will firmly implement our business policy of "focusing on core businesses, boosting revenue and cutting costs, advancing reform and innovation, and preventing risks" and further advance our technology-enabled "integrated finance + health and senior care" dual-driver strategy. We will advance our comprehensive digital transformation and "worry-free, time-saving, and money-saving" value proposition. We will make greater efforts to serve the real economy, strictly enforce risk limits, and bolster five key financial sectors (i.e. technology finance, green finance, inclusive finance, pension finance, and digital finance), contributing to the high-quality development of the financial industry with Chinese characteristics and the growth of China into a financial powerhouse.

Chairman

Shenzhen, PRC
March 19, 2025

Honors and Awards

In 2024, Ping An maintained its leading brand value, received wide recognition and praise, and won various honors and awards from domestic and foreign rating agencies and media in respect of comprehensive strength, corporate governance, corporate social responsibility, and so on.

Fortune
No. 53 on the *Fortune* Global 500 list, and No. 9 among global financial services companies

Forbes
No. 29 on the *Forbes* Global 2000 list

The Hong Kong Institute of Directors
Ping An's Board of Directors received the Directors Of The Year Award 2024

China Association for Public Companies
2024 Best Practice of the Board of Directors of Listed Companies

Extel (formerly known as *Institutional Investor*)
Best Board of Directors
Best IR Program

MSCI ESG Ratings
Upgraded to AA; No. 1 in the multi-line insurance and brokerage industry in Asia-Pacific for 3 consecutive years

China ESG Listed Company Pioneer 100 list
On the CCTV 2024 China ESG Listed Company Pioneer 100 list as No. 1 in China's financial industry for 2 consecutive years

Ministry of Civil Affairs of the PRC
The 12th China Charity Award

Kantar BrandZ
No. 9 on the BrandZ™ Top 100 Most Valuable Chinese Brands list

Brand Finance
No. 1 on the Brand Finance Insurance 100 list
No. 31 on the Brand Finance Global 500 list

Integrated Finance

THE INTEGRATED FINANCE STRATEGY

Ping An's integrated finance strategy is focused on the development of retail customers[1] under a customer needs-oriented philosophy. Ping An digs deep into customer needs, upgrades the account system, develops advantageous products, and delivers financial solutions of **"one customer, multiple accounts, multiple products, and one-stop services."** In this way, Ping An delivers **"worry-free, time-saving, and money-saving"** service experience to customers, increases customer loyalty, drives continuous growth in the number of retail customers, contracts per customer and profit per customer, and builds a benchmark platform with a strong word-of-mouth effect.

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

Ping An's Unique Advantages in Integrated Finance

- An integrated financial services group with a full suite of financial licenses, extensive presence and strong synergies

Ping An is an integrated financial services group with a full suite of financial licenses and a robust shareholding structure. Ping An's core member companies have all developed into Chinese market leaders capable of providing customers with all-around financial services. Under the integrated finance model, member companies closely collaborate with each other to improve customer acquisition, activation, migration and retention, and reduce operational and risk costs.

- An industry leader focusing on Chinese markets and core financial businesses

The Chinese mainland is the key market for Ping An's retail integrated finance business. Ping An Life is the second largest life insurer in China by premium income. Ping An P&C is the second largest property and casualty insurer in China by premium income. Ping An Asset Management is the second largest insurance asset manager in China by assets under management ("AUM"). Ping An Bank ranks firmly among top joint-stock commercial banks in China by a combination of assets, net profit and so on.

Integrated Finance

Strong online-merge-offline channel networks

Offline, Ping An has over 7,000 outlets in 330 cities across China, and over 1.3 million sales service team members for property and casualty insurance, life insurance and so on who provide professional financial advisory services for customers. Online, Ping An has developed multiple apps including Ping An Jin Guan Jia, Ping An Pocket Bank, Ping An Auto Owner, and Ping An Health to provide customers with convenient services and premium products.

Robust ecosystem-based service capability

The coupling of Ping An's breadth of business with its powerful online ecosystems enables the Group to provide diverse products and services in a full range of health and senior care scenarios. Nearly 63% of Ping An's retail customers were entitled to service benefits in the health and senior care ecosystem as of December 31, 2024. They held approximately 3.37 contracts and RMB59.9 thousand in AUM per capita, 1.6 times and 3.8 times those held by retail customers not entitled to these service benefits respectively.

Strong technology platform capabilities

Ping An has a world-leading integrated operations center which is the largest in Asia. AI service representatives handled a customer service volume of approximately 1.84 billion times, covering 80% of Ping An's total customer service volume in 2024. Ping An advances comprehensive digital transformation, and employs technologies to improve the quality, efficiency, and risk management of its financial businesses. Ping An P&C's claims savings via smart fraud detection amounted to RMB11.94 billion in 2024. Leveraging the technological strength of integrated finance, Ping An continuously enhances its service capability and efficiency to meet its customers' diverse financial needs.

Highly synergistic organizational culture

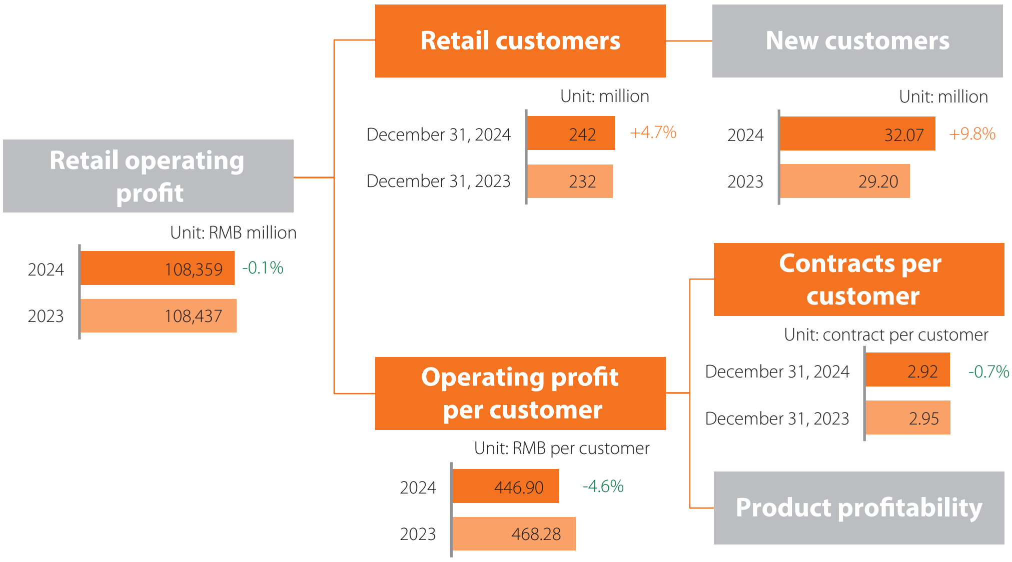
The "One Ping An" culture centering on value maximization allows member companies to cooperate closely in various businesses under the common goal of boosting customer value and the common business philosophy of "one customer, multiple accounts, multiple products, and one-stop services." Ping An realizes synergies and coordination of its management culture in customer development, risk management, investment, back-office centralization and operations, consumer rights protection, brand management, and the value system. This enables close cooperation and resource saving among businesses, driving steady growth in the Group's number of retail customers, contracts per customer and profit per customer as well as value.

Results of Integrated Finance

One-stop integrated finance services, which meet all-around, full-lifecycle customer needs, enable Ping An to continuously increase contracts per customer and hence profit per customer. Moreover, profitability continuously improves thanks to customer acquisition and operating cost advantages brought by integrated finance.

Growth Drivers

Ping An's retail operating profit is driven by "three key numbers," namely the number of retail customers, contracts per customer, and profit per customer. The number of retail customers stood at 242 million as of December 31, 2024, with 2.92 contracts per customer. Operating profit per customer amounted to RMB446.90 in 2024. Thanks to continuously expanded customer acquisition channels and optimized customer retention, the number of retail customers grew by 4.7% from the beginning of 2024, 2.2 times the growth rate in 2023. However, growth rates of contracts per customer and profit per customer were under benign pressure due to the rising proportion of new customers and our active adjustment of the credit portfolio. Ping An has full confidence in the future as macroeconomic policies work continuously and markets recover further. Ping An will continue to advance its integrated finance strategy to meet customer needs, develop business with existing high-value customers, and create value steadily.



Notes: (1) The above operating profits are the operating profits attributable to the shareholders of the parent company.
(2) The computation of operating profit for the current period and the same period last year is based on the end-2024 long-run investment return assumption (4.0%).
(3) Figures may not match the calculation due to rounding.

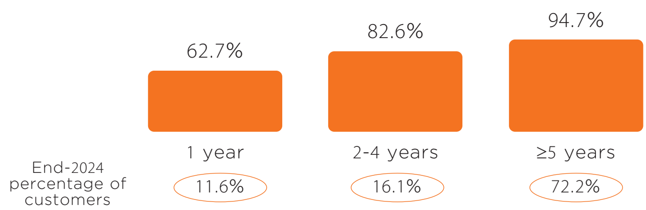
Higher Customer Retention

The Group's retail customer retention rate rose steadily by 1.6 pps year on year to 90.9% in 2024 thanks to continuous customer development.

Customers with longer tenures have higher retention rates

As customer development advances, the longer a consumer receives services from Ping An, the higher the customer retention rate. 72.2% of our customers have received services from the Group for five or more years, with a customer retention rate of 94.7%, 32 pps higher than that of first-year customers.

Customer retention rates by tenure

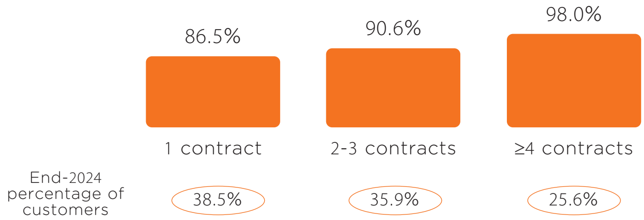


Integrated Finance

Customers with multiple products have higher retention rates

Benefiting from the business model of "one customer, multiple accounts, multiple products, and one-stop services," Ping An's retail customer retention rate continuously rises. Retention rate of customers holding four or more contracts within the Group was 98.0%, 11.5 pps higher than that of those holding only one contract.

Customer retention rates by number of contracts



Better Customer Growth

The number of Ping An's retail customers was 242 million as of December 31, 2024, up 4.7% from the beginning of 2024. Customer growth is continuously supported by Ping An's comprehensive integrated finance product portfolio and diverse sales channels. There were 32.07 million new customers in 2024, up 9.8% year on year.

Multiple Channels for Customer Acquisition

Benefiting from its strong online-merge-offline channel networks covering the whole country, Ping An reaches and acquires customers efficiently.

Strong offline customer development and services

7,000+
Offline life and P&C insurance and banking outlets

330
Cities covered by offline outlets nationwide

1.30 mn+
Sales service team members for P&C and life insurance, etc.

Abundant online user traffic

~290 mn
Registered users of "Ping An Jin Guan Jia" app

170 mn+
Registered users of "Ping An Pocket Bank" app

~236 mn
Registered users of "Ping An Auto Owner" app

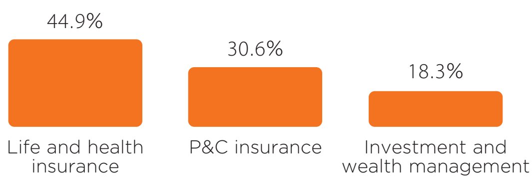
Deeper Product Penetration

By meeting customers' diverse financial needs, Ping An continuously promotes products' penetration of its retail customer base, driving continuous growth in profit per customer.

Penetration rates of main products rise continuously

Penetration rates of life and health insurance products and property & casualty insurance products were relatively high and grew steadily to 44.9% (up 2.2 pps year on year) and 30.6% (up 0.5 pps year on year) respectively as of December 31, 2024.

Penetration rates of main products



Health and Senior Care

Ping An seamlessly combines its online/offline health and senior care ecosystem with financial businesses in which Ping An acts as a payer, leveraging its over ten years of operational and management experience in insurance and health care industries.

Over the past decade, Ping An has been building a health and senior care ecosystem in China with increasingly significant differential advantages. The advantages include "online, in-store, in-home and in-company" service capabilities, wide coverage of hundreds of health and senior care service resources, and access to high-quality proprietary resources. This is very important for quality assurance purposes.

~50K
In-house & external doctors

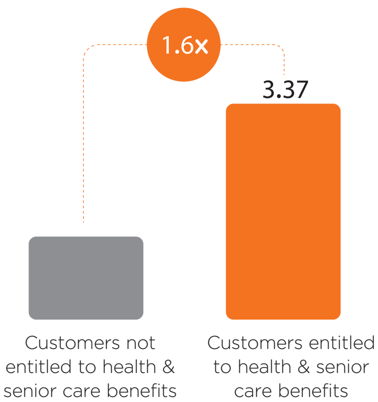
36K+
Partner hospitals

104K+
Partner health management institutions

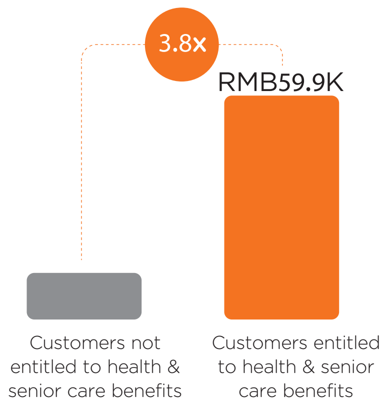
235K
Partner pharmacies

Ping An's health and senior care ecosystem is creating both standalone direct value and significant indirect value by enabling its core financial businesses via differentiated "Product + Service" offerings. Nearly 63% of Ping An's 242 million retail customers were entitled to service benefits in the health and senior care ecosystem as of December 31, 2024.

Contracts per customer



AUM per customer



Health and Senior Care

"HEALTH AND SENIOR CARE ECOSYSTEM" STRATEGY

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

There is significant room for the development of China's medical resources supply:

- China's per capita health expenditure(1) is over RMB5,400 (versus Japan's approximately RMB28,000 and Singapore's approximately RMB26,000), indicating huge room for growth.
- China's elderly population(2) exceeded 210 million in 2023 (and is forecast to be over 300 million by 2035), larger than Japan's about 37.44 million and Singapore's about 0.95 million.

Therefore, Ping An's health and senior care ecosystem builds its service moat on three fronts, and seamlessly combines differentiated health and senior care services with financial businesses in which Ping An acts as a payer to create unique business models:

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

Notes: (1) Per capita health expenditure for 2021. Data on China is from the database of the National Bureau of Statistics of China. Data on Japan and Singapore is from the World Bank's database and estimated in RMB.
(2) Elderly population data on China is from the database of the National Bureau of Statistics of China and the *Research Report on Aging in China 2023*. Elderly population data on Japan and Singapore is from the World Bank's database.
(3) The elderly population refers to people aged 65 and above.

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

"HEALTH AND SENIOR CARE ECOSYSTEM" PROGRESS

Ping An continuously empowers retail and corporate customers by seamlessly combining differentiated health and senior care services with financial businesses in which Ping An acts as a payer. By acting for payers and integrating providers, Ping An provides the most cost-effective health and senior care services. On the payer side, Ping An has made remarkable progress in developing both retail and corporate customers. On the provider side, Ping An has continuously expanded its health and senior care service network by further integrating PKU Healthcare Group with Ping An's existing health care ecosystem and integrating domestic and overseas premium resources. Moreover, Ping An has continuously launched innovative service models, developed unique services, and improved the cost-effectiveness and accessibility of its health and senior care services.

RMB 140 bn+
Health insurance premium income

- Ping An achieved over RMB140 billion in health insurance premium income in 2024. Customers entitled to service benefits in the health and senior care ecosystem contributed about 70% of Ping An Life's NBV in 2024, including over 31% from customers entitled to health care benefits and over 38% from those entitled to senior care benefits.

Payers

Ping An made significant progress in both retail and corporate customer development by effectively integrating insurance with health and senior care services. Ping An's health and senior care ecosystem had nearly 67,000 paying corporate clients in 2024. Ping An Health had over 31 million paying users of its strategic business during the 12 months ended December 31, 2024. Over 160,000 customers have qualified for home-based senior care services.

"Finance + health care":

- **For mid-range and high-end retail customers**
  Ping An provides "heartwarming services" by focusing on "insurance + health" products. Since its launch in 2021, Ping An Zhen Xiang RUN Health Services Plan ("Ping An Zhen Xiang RUN") has been upgraded on the basis of interactive health management via the introduction of 18 service items including five highlights, namely unique checkups, blood sugar control, online consultation, outpatient appointment assistance and accompanying consultation, and critical illness management. In 2024, over 21 million customers of Ping An Life used health management services, and the proportion of Ping An Life's customers who used such services was 2.1 pps higher than in 2023. Notably, nearly 79% of Ping An Life's newly-enrolled customers used health management services in 2024.

- **For large and medium-sized corporate clients**
  Ping An provides employee health management programs featuring comprehensive benefits, premium services, and high cost-effectiveness via "commercial insurance + health care fund + health care service" products. Nearly 67,000 corporate clients and their 29 million plus employees were served in 2024.

21 mn+
Ping An Life's customers who used health management services

~79%
Newly-enrolled customers who used health management services

~67K
Paying corporate clients

29 mn+
Corporate employees served

Health and Senior Care

"Finance + senior care services":
Ping An prioritizes the development of "insurance + home-based senior care" and "insurance + high-end senior care" products to provide high-value customers with convenient, premium senior care services up to international standards.

Home-based senior care
Ping An contracted over 150 home-based senior care service providers in 75 cities nationwide and launched hundreds of 10-dimensional home-based senior care service benefits as of December 31, 2024. Over 160,000 customers have qualified for the home-based senior care services, an increase of over 70,000 from the beginning of 2024. Ping An continuously built the alliances centering on "medical care, nursing, housing and entertainment," the four major senior care scenarios. Following the launch of the "Nursing Alliance" in 2023, Ping An Health launched the "Housing Alliance" and the "Entertainment Alliance" in March and August 2024 respectively. The four models of "Medical, Nursing, Housing, and Entertainment Alliances" are crucial to Ping An's home-based senior care business. The models integrate excellent service providers and industry experts in various scenarios to meet different groups' home-based senior care needs under a standard product and service framework. Moreover, Ping An Health applies Ping An's standard operating procedures ("SOPs") to its "blockbuster services," and supervises providers' service quality through a set of service personnel apps to ensure fulfillment. In addition, Ping An Health requests partners to continuously improve service cost-effectiveness and protect consumer' rights and interests.

High-end senior care
Ping An had unveiled a total of six premium health and senior care communities in five cities as of December 31, 2024, which are currently under construction. The communities in Shanghai and Shenzhen are scheduled to open for business in the second half of 2025.

Providers

Proprietary flagships

PKU Healthcare Group's revenue has continued to grow, driven by its robust operations and faster development since its takeover by Ping An in 2021. PKU Healthcare Group's revenue reached approximately RMB5.51 billion in 2024. Peking University International Hospital continuously strengthened discipline development, streamlined operations management, and comprehensively improved patient services. Peking University International Hospital's revenue exceeded RMB2.48 billion, outpatient visits exceeded 1.25 million, and number of available beds reached 1,306 in 2024. Ping An had five general hospitals, one rehabilitation hospital, one cardiovascular and cerebrovascular hospital, eighteen health management centers and ten children's rehabilitation centers as of December 31, 2024.

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

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

- **Unique services**
  Ping An Health continuously developed unique services to meet customers' "physical needs, safety needs, and emotional needs" in 2024. Regarding physical needs, Ping An Health provides in-home rehabilitative care services, and continuously enhances whole-process quality control and service supervision. Regarding safety needs, Ping An Health upgrades smart senior-friendly devices to enable quick installation and precise monitoring. Regarding emotional needs, Ping An Health provides diverse AI chatbot companions for customers.

- **Ping An Family Doctor**
  The number of "Ping An Family Doctor" members exceeded 14 million, and they used the family doctor service five times per capita in 2024. "Ping An Family Doctor" provides professional and continuous health care for policyholders, meeting their demands for full-cycle management of minor, chronic, and critical diseases. Before visits, "Ping An Family Doctor" provides 24/7 seconds-level consultation, precisely recommends famous doctors and hospitals, and helps policyholders make appointments. During visits, "Ping An Family Doctor" provides worry-free, time-saving "hospital visit guidance" and accompanying service. After visits, "Ping An Family Doctor" provides customized "recovery guidance" and tracks policyholders' follow-up visits. In this way, "Ping An Family Doctor" enables "accurate preparation before visits, efficient treatment during visits, and worry-free rehabilitation after visits."

Partner networks

Ping An provides services via an "online, in-store, in-home and in-company" network by integrating domestic and overseas premium resources including medical services, health services, commodities and medicines.

Ping An had about 50,000 in-house and contracted external doctors in China as of December 31, 2024. Ping An partnered with over 36,000 hospitals (including all top 100 hospitals and 3A hospitals), over 104,000 health management institutions, and approximately 235,000 pharmacies (over 35% of all pharmacies, up by over 4,000 from the beginning of 2024) in China as of December 31, 2024. Moreover, Ping An launched hundreds of 10-dimensional home-based senior care service benefits as of December 31, 2024.

Overseas, Ping An partnered with over 1,300 medical institutions in 35 countries across the world, including 7 of global top 10 and 56 of global top 100[1].

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

In addition, Ping An continuously advances healthtech R&D. Ping An had one of the world's largest health care databases, enabled precise diagnosis of over 5,000 diseases, and proactively built a leading remote consultation and treatment platform as of December 31, 2024. In this way, Ping An effectively supports the sustainable development of its health and senior care ecosystem by building technological capabilities in a forward-looking manner.

Health and Senior Care

POSITIVE RESULTS FROM A PROPRIETARY "HEALTH AND SENIOR CARE ECOSYSTEM"

Ping An's proprietary health and senior care ecosystem provides customers with excellent, efficient service experience

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

Ping An's health and senior care ecosystem empowers its core financial businesses through customer acquisition and retention

Synergies between integrated finance and the health and senior care ecosystem give Ping An Health and PKU Healthcare Group access to corporate and retail customers of Ping An's financial businesses. Meanwhile, they also give companies including Ping An Life access to service benefits in the Group's health and senior care ecosystem.

Nearly 63% of Ping An's 242 million retail customers were entitled to service benefits in the health and senior care ecosystem as of December 31, 2024. They held 3.37 contracts and RMB59.9 thousand in AUM per capita, 1.6 times and 3.8 times those held by retail customers not entitled to these service benefits respectively.

Core business enablement case 1

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

Core business enablement case 2

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

In the long run, Ping An Health will continuously promote its services' penetration of the Group's retail financial customer base by unlocking synergies with the core insurance business. Centering on family doctors, Ping An Health will boost business by enhancing user retention and free-to-paid conversion in Ping An's health and senior care ecosystem via active user development.

Moreover, Ping An Health will continuously integrate premium health and senior care resources to develop its "online, in-store, in-home and in-company" service network, increasing cost-effectiveness via the economies of scale. In this way, Ping An Health will become a long-term profit center while enabling the Group's core financial businesses.

Performance Overview
Business Results of the Group

CONSOLIDATED RESULTS

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

China's long-term economic outlook remained positive in 2024, but China still faced short- and medium-term challenges including lackluster domestic demand. Facing opportunities and challenges, Ping An focused on core financial businesses and strengthened the insurance protection function to serve the real economy. Ping An implemented its business policy of "focusing on core businesses, boosting revenue and cutting costs, advancing reform and innovation, and preventing risks." Advancing the technology-enabled "integrated finance + health and senior care" dual-driver strategy, Ping An continuously consolidated its integrated finance advantages, remained customer needs-oriented, and pursued high-quality development.

RMB121,862 mn

OPAT attributable to shareholders of the parent company

- The Group's operating profit attributable to shareholders of the parent company increased 9.1% year on year to RMB121,862 million and net profit attributable to shareholders of the parent company rose 47.8% year on year to RMB126,607 million in 2024. Basic operating earnings per share increased 9.2% year on year to RMB6.89.

Key Indicators of the Group

(in RMB million)	2024	2023	Change
Operating profit attributable to shareholders of the parent company(1)	**121,862**	111,728	9.1%
Basic operating earnings per share (in RMB)(1)	**6.89**	6.31	9.2%
Operating ROE (%)(1)	**12.7**	12.5	0.2 pps
Dividend per share (in RMB)	**2.55**	2.43	5%
Net profit attributable to shareholders of the parent company	**126,607**	85,665	47.8%
ROE (%)	**13.8**	9.7	4.1 pps

Notes: (1) The Company lowered the long-run investment return assumption to 4.0% in 2024, and has retrospectively adjusted data for the comparative period as per the adjusted investment return assumption.
(2) Figures may not match the calculation due to rounding.

Business Results of the Group

OPERATING PROFIT OF THE GROUP

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

- Short-term investment variance applies to Life & Health business excluding the part subject to the variable fee approach (the "VFA")(1). This short-term investment variance is the variance between the actual investment return on the aforesaid business and the embedded value long-run investment return assumption. Net of the short-term investment variance, the investment return on the aforesaid Life & Health business is locked at 4.0%(2). Debt investments at fair value through other comprehensive income backing such business are measured at cost.
- The impact of one-off material non-operating items and others is the impact of material items that management considered to be non-operating incomes and expenses. Such impact in 2024 comprised a one-off gain or loss resulting from the consolidation of Lufax Holding to the Group, a revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company, a revaluation gain or loss on the conversion value of the USD convertible bonds issued by the Company, and so on. Such impact in the same period last year comprised a revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company.

Notes: (1) Insurance finance income or expenses of liabilities subject to the VFA match the changes in the fair value of the underlying items backing such business. Therefore, no adjustment is made when operating metrics are measured.
(2) The Company lowered the long-run investment return assumption to 4.0% in 2024, and has retrospectively adjusted data for the comparative period as per the adjusted investment return assumption.

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

	2024						
(in RMB million)	Life and health insurance business	Property and casualty insurance business	Banking business	Asset management business	Finance enablement business	Other businesses and elimination	The Group
Operating profit attributable to shareholders of the parent company	**96,975**	**14,952**	**25,796**	**(11,899)**	**(29)**	**(3,932)**	**121,862**
Operating profit attributable to non-controlling interests	**(953)**	**69**	**18,712**	**785**	**378**	**1,110**	**20,101**
Operating profit (A)	**96,022**	**15,021**	**44,508**	**(11,114)**	**349**	**(2,822)**	**141,964**
Plus:							
Short-term investment variance (B)	**(3,925)**	**-**	**-**	**-**	**-**	**-**	**(3,925)**
Impact of one-off material non-operating items and others (C)	**-**	**-**	**-**	**-**	**12,936**	**(4,242)**	**8,694**
Net profit (D=A+B+C)	**92,097**	**15,021**	**44,508**	**(11,114)**	**13,285**	**(7,064)**	**146,733**
Net profit attributable to shareholders of the parent company	**93,025**	**14,952**	**25,796**	**(11,899)**	**12,907**	**(8,174)**	**126,607**
Net profit attributable to non-controlling interests	**(928)**	**69**	**18,712**	**785**	**378**	**1,110**	**20,126**

(in RMB million)	2023 (restated)						
	Life and health insurance business	Property and casualty insurance business	Banking business	Asset management business	Finance enablement business	Other businesses and elimination	The Group
Operating profit attributable to shareholders of the parent company	98,809	8,918	26,925	(20,747)	1,905	(4,083)	111,728
Operating profit attributable to non-controlling interests	966	40	19,530	1,225	1,075	946	23,782
Operating profit (A)	99,775	8,958	46,455	(19,522)	2,980	(3,137)	135,509
Plus:							
Short-term investment variance (B)	(26,383)	–	–	–	–	–	(26,383)
Impact of one-off material non-operating items and others (C)	–	–	–	–	149	–	149
Net profit (D=A+B+C)	73,391	8,958	46,455	(19,522)	3,129	(3,137)	109,274
Net profit attributable to shareholders of the parent company	72,598	8,918	26,925	(20,747)	2,054	(4,083)	85,665
Net profit attributable to non-controlling interests	793	40	19,530	1,225	1,075	946	23,609

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 finance enablement business represents the results of relevant member companies including Lufax Holding, OneConnect, Ping An Health, and Autohome. Eliminations are mainly offsets against shareholding among business lines.

(2) The computation of operating profit for the current period and the same period last year is based on the end-2024 long-run investment return assumption (4.0%).

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

Performance Overview
Business Results of the Group

OPERATING PROFIT AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

(in RMB million)	2024	2023	Change (%)
Life and health insurance business	**96,975**	98,809	(1.9)
Property and casualty insurance business	**14,952**	8,918	67.7
Banking business	**25,796**	26,925	(4.2)
Asset management business	**(11,899)**	(20,747)	Loss down by 42.6%
Finance enablement business	**(29)**	1,905	N/A
Other businesses and elimination	**(3,932)**	(4,083)	Loss down by 3.7%
The Group	**121,862**	111,728	9.1

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

OPERATING ROE

(%)	2024	2023	Change (pps)
Life and health insurance business	**25.7**	30.2	(4.5)
Property and casualty insurance business	**11.5**	7.4	4.1
Banking business	**10.1**	11.4	(1.3)
Asset management business	**(13.8)**	(19.8)	6.0
Finance enablement business	**0.0**	2.0	(2.0)
Other businesses and elimination	**N/A**	N/A	N/A
The Group	**12.7**	12.5	0.2

OPERATING EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

(in RMB million)	December 31, 2024	December 31, 2023	Change (%)
Life and health insurance business(1)	**408,757**	344,892	18.5
Property and casualty insurance business	**135,854**	124,647	9.0
Banking business	**257,826**	244,777	5.3
Asset management business	**79,452**	92,836	(14.4)
Finance enablement business	**86,841**	97,250	(10.7)
Other businesses and elimination	**34,159**	13,090	161.0
The Group(1)	**1,002,889**	917,492	9.3

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

Performance Overview
Life and Health Insurance Business

BUSINESS OVERVIEW

The Company conducts its Life & Health business through Ping An Life, Ping An Annuity, and Ping An Health Insurance.

RMB28,534 mn
Life & Health NBV

- **Life & Health business grew continuously.** In 2024, Life & Health NBV amounted to RMB28,534 million, up 28.8% year on year on a like-for-like basis.

26.5%
YoY growth in agent channel NBV

- **Ping An Life achieved high-quality development in multiple channels.** On a like-for-like basis, agent channel NBV rose 26.5% year on year in 2024 driven by a 43.3% year-on-year increase in NBV per agent. Bancassurance channel NBV grew 62.7% year on year. Innovative channels including bancassurance and community finance contributed 18.7% of Ping An Life's NBV in 2024. The number of Ping An Life's individual sales agents grew steadily for three consecutive quarters to 363 thousand as of December 31, 2024.

21 mn+
Customers of health management services

- **"Insurance + service" offerings are gaining traction.** Ping An Life provided health management services to over 21 million customers in 2024. Over 160,000 customers qualified for home-based senior care services, which covered 75 cities nationwide as of December 31, 2024. Ping An has unveiled premium health and senior care communities in five cities, which are currently under construction. The communities in Shanghai and Shenzhen are scheduled to open for business in the second half of 2025.

3.6 pps
YoY increase in 13-month persistency ratio

- **Business quality improved steadily.** Ping An Life significantly improved persistency ratios in 2024, with the 13-month persistency ratio up 3.6 pps year on year and the 25-month persistency ratio up 3.9 pps year on year.

CHANNEL DEVELOPMENT

Under the value orientation of high-quality development, Ping An Life continued to deepen transformation and build multi-channel professional sales capabilities, significantly improving the development quality.

Agent channel

- Ping An Life continued to deepen transformation, focusing on the high-quality development of teams. Agent channel NBV grew 26.5% year on year in 2024.
- Ping An Life boosted agent productivity via core initiatives such as creating customer service scenarios, increasing "product + service" benefits, and providing hands-on training. NBV per agent increased by 43.3% year on year in 2024.
- Ping An Life improved the retention of high-quality new agents and the overall quality of teams by cultivating, promoting, recruiting and retaining high-quality agents. The percentage of new agents with a junior college or higher degree increased by 0.5 pps year on year in 2024.

43.3%
YoY growth in NBV per agent

Performance Overview
Life and Health Insurance Business

(in RMB million)	2024	2023	Change (%)
Agent productivity and income			
Agent channel NBV[(1)]	**31,870**	25,187	26.5
NBV per agent[(1)] (RMB per agent per year)	**101,271**	70,689	43.3
Agent activity ratio[(2)] (%)	**52.8**	53.3	-0.5 pps
Agent income (RMB per agent per month)	**10,395**	9,813	5.9
Including: Income from Ping An Life's products (RMB per agent per month)	**8,227**	7,402	11.1

Notes: (1) The computation of NBV for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate assumption (9.5%).
(2) Agent activity ratio = annual total of monthly agents who issued insurance policies / annual total of monthly agents on board.

Bancassurance channel

- Focusing on value-driven operations, Ping An Life achieved significant high-quality development. Bancassurance channel NBV rose 62.7% year on year in 2024.
- Under the "5+5+N" strategy, Ping An Life consolidated partnerships with five major state-owned banks, expanded all-around cooperation with five national joint-stock commercial banks, and explored cooperation with multiple high-potential urban commercial banks. Moreover, Ping An Life boosted operational efficiency by increasing high-quality partner outlets and standardizing outlet operations.
- Ping An Life strengthened the high-quality development of teams via upskilling and productivity promotion.

62.7%

YoY growth in bancassurance channel NBV

Community finance and other channels

In respect of the community finance channel, Ping An Life made continuous breakthroughs in customer development by continuously developing the community finance channel and maintaining the high-quality development of outlets and teams.

- In respect of value, the 13-month policy persistency ratio of "retained customers[(1)]" within community finance networks improved by 5.7 pps year on year in 2024, with NBV up by nearly 300% year on year.
- In respect of outlets, Ping An Life had set up 131 community finance outlets in 93 cities as of December 31, 2024, up by 66 outlets and 42 cities respectively from the beginning of 2024.
- In respect of teams, Ping An Life had built elite teams of nearly 24,000 "high-competence, high-performing, and high-quality" agents as of December 31, 2024.

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

In respect of the lower-tier channel, Ping An Life continuously promoted sales in seven provinces, innovated and upgraded business models, and gradually built stable sales channels in 2024.

131

Community finance outlets in 93 cities

~24K

Agents of elite teams

Number of individual life insurance sales agents

Ping An Life	December 31, 2024	December 31, 2023	Change (%)
Number of individual life insurance sales agents (in thousand)	**363**	347	4.6

Note: The number of individual life insurance sales agents refers to the number of agents who have signed insurance agency contracts with Ping An Life, including the agent channel, bancassurance channel, community finance and other channels.

LIFE INSURANCE PRODUCTS

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

Insurance products

Ping An Life actively implemented China's new "Ten National Guidelines" for the insurance industry in 2024. Ping An Life continued to upgrade and optimize its product portfolio to meet customer demands for diverse insurance products in accordance with regulatory policies and guidelines. In addition, Ping An Life delved deeper into insurance protection, pension and wealth management markets, and actively built its business presence in inclusive insurance.

Developing insurance protection market

For critical illness insurance, Ping An Life took multiple measures to meet customers' multi-level protection needs. Ping An Life upgraded "Shou Hu Bai Fen Bai" which is a whole life critical illness insurance product, launched "Ping An Ru Yi" which combines wealth management and critical illness insurance, and released "Fu Man Fen" which combines critical illness insurance and senior care. **For non-critical illness insurance**, Ping An Life provided attractive protection products for taxpayers in response to government policies on tax-preferential health insurance products. Ping An Life launched a brand-new "Zhi Ying Bei Hu" long-term care insurance product and an "e Wan Jia" medical insurance product.

Expanding pension market

Ping An Life proactively participated in the development of the third pillar of China's pension system by integrating senior care services with its products.
Ping An Life upgraded "Jin Yue Annuity" by reserving the flexible means of receiving pension benefits and extending the age limit for enrollment. Moreover, Ping An Life upgraded "Yi Xiang Yan Nian," an annuity product allowing customers to receive pension benefits for life after retirement. The two annuity products may be integrated with senior care services to meet comprehensive customer demands for pension reserves + senior care services.

Penetrating wealth management market

While upgrading conventional flagship products, Ping An Life strengthened the R&D of floating income products to meet different customers' diverse demands for product types and preferences for premium payment terms.
Ping An Life upgraded "Jin Yue Zun Xiang" and "Yu Xiang Jin Yue," two whole life participating insurance products, and launched "Sheng Shi Nian Nian," a participating annuity product, while offering more options for premium payment terms.

Building presence in inclusive insurance

Ping An Life actively developed inclusive finance to provide insurance protection for specific groups including rural residents, the elderly, females, and low- and middle-income people.
Ping An Life upgraded a rural version of "RMB1mn Travel Benefits" covering diverse accidents, a long-term comprehensive accident insurance product for the elderly, a series of protection products for females, and a term critical illness insurance product exclusively for Shenzhen. Moreover, Ping An Life continuously promoted "i Wu You," a medical insurance product for the elderly aged up to 80, and "e Wu You," an inclusive medical insurance product for new urban citizens.

Performance Overview
Life and Health Insurance Business

Insurance services

Insurance + health care

Ping An Zhen Xiang RUN has provided customers with full-lifecycle health care services including five highlights, namely unique checkups, blood sugar control, online consultation, outpatient appointment assistance and accompanying consultation, and critical illness management, since its launch in 2021. Ping An Life provides customers with full-lifecycle protection by delivering "worry-free, time-saving, and money-saving" one-stop health care services. Ping An Life provided over 21 million customers with health management services in 2024, which were widely welcomed by customers.

Insurance + home-based senior care

Ping An continuously explored heartwarming "insurance + home-based senior care" service models, focusing on scenarios of the elderly's core needs. Following the "Nursing Alliance," Ping An launched the "Housing Alliance" and the "Entertainment Alliance," joining hands with enterprises, universities and research institutes to develop industry standards and ecosystems for better senior care.

Over 160,000 customers had qualified for Ping An's home-based senior care services, which covered 75 cities nationwide as of December 31, 2024.

Insurance + high-end senior care

Ping An is committed to developing the premium senior care market and delivering innovative "one-stop" full-lifecycle senior care solutions. Under the core philosophy of "seven-dimensional health care(1)" and the value proposition of "prime life, exclusive services, and respectful care," Ping An provides customized, exclusive health and senior care services and high-quality, heartwarming, brand-new health and senior care experience to meet the growing demand for premium senior care in China.

Ping An had unveiled a total of six premium health and senior care communities in five cities as of December 31, 2024, which are currently under construction. The communities in Shanghai and Shenzhen are scheduled to open for business in the second half of 2025.

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

Ping An Life's business quality improved steadily, indicated by significantly increased persistency ratios of insurance policies. The 13-month persistency ratio rose by 3.6 pps year on year, and the 25-month persistency ratio climbed by 3.9 pps year on year in 2024.

(%)	2024	2023	2022
Ping An Life			
13-month persistency ratio	**96.4**	92.8	90.3
25-month persistency ratio	**89.7**	85.8	79.0

KEY INDICATORS

(in RMB million)	2024/ December 31, 2024	2023/ December 31, 2023	Change (%)
NBV on a like-for-like basis[1]	**40,024**	31,080	28.8
NBV margin (based on annualized new premium ("ANP"), %) on a like-for-like basis[1]	**31.8**	26.2	5.6 pps
NBV[2]	**28,534**	22,710	25.6
NBV margin[2] (based on ANP, %)	**22.7**	19.2	3.5 pps
First-year premium ("FYP") used to calculate NBV	**154,026**	165,784	(7.1)
EV on a like-for-like basis[1]	**960,608**	830,974	15.6
EV[2]	**835,093**	N/A	N/A
Operating ROEV[3] (%)	**11.0**	10.6	0.4 pps
New business CSM	**35,405**	38,951	(9.1)
New business CSM margin (%)	**9.0**	10.1	-1.2 pps
Present value of expected premiums from new business sold	**395,481**	384,254	2.9
Operating profit after tax[4]	**96,022**	99,775	(3.8)
Operating ROE[4] (%)	**25.7**	30.2	-4.5 pps
Net profit	**92,097**	73,391	25.5

Notes: (1) The computation of NBV for the current period and the same period last year and EV as of the end of the current period and the end of last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate assumption (9.5%).
(2) Ping An prudently lowered the L&H EV long-run investment return assumption to 4.0% and the risk discount rate to 8.5%/7.5% in 2024 in view of the macroeconomic environment and the long-run trend of interest rates, and retrospectively adjusted the NBV for 2023 as per the adjusted economic assumptions.
(3) The computation of operating ROEV is based on a 4.5% long-run investment return assumption and a 9.5% risk discount rate.
(4) The computation of operating profit for the current period and the same period last year is based on the end-2024 long-run investment return assumption (4.0%).
(5) Figures may not match the calculation due to rounding.

ANALYSIS OF OPERATING PROFIT AND PROFIT SOURCES

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

- Short-term investment variance applies to Life & Health business excluding the part subject to the VFA[1]. This short-term investment variance is the variance between the actual investment return on the aforesaid business and the embedded value long-run investment return assumption. Net of the short-term investment variance, the investment return on the aforesaid Life & Health business is locked at 4.0%[2]. Debt investments at fair value through other comprehensive income backing such business are measured at cost; and
- The impact of one-off material non-operating items and others is the impact of material items that management considered to be non-operating incomes and expenses.

Notes: (1) Insurance finance income or expenses of liabilities subject to the VFA match the changes in the fair value of the underlying items backing such business. Therefore, no adjustment is made when operating metrics are measured.
(2) The Company lowered the long-run investment return assumption to 4.0% in 2024, and has retrospectively adjusted data for the comparative period as per the adjusted investment return assumption.

Performance Overview
Life and Health Insurance Business

(in RMB million)	2024	2023	Change (%)
Insurance service result and others	**86,031**	88,587	(2.9)
Release of CSM	**71,140**	74,787	(4.9)
CSM release base	**802,452**	843,227	(4.8)
CSM release rate (%)	**8.9**	8.9	–
Change in risk adjustment for non-financial risk	**6,859**	6,029	13.8
Opening risk adjustment	**157,162**	142,249	10.5
Risk adjustment release rate (%)	**4.4**	4.2	0.1 pps
Operating variances and others	**8,032**	7,771	3.4
Investment service result(1)	**17,552**	17,177	2.2
Operating profit before tax	**103,583**	105,764	(2.1)
Income tax	**(7,561)**	(5,989)	26.2
Operating profit	**96,022**	99,775	(3.8)
Short-term investment variance	**(3,925)**	(26,383)	(85.1)
Impact of one-off material non-operating items and others	**-**	–	N/A
Net profit	**92,097**	73,391	25.5

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

(in RMB million)	2024	2023	Change (%)
Opening CSM	**768,440**	818,683	(6.1)
Contribution from new business ("New Business CSM")	**35,405**	38,951	(9.1)
Present value of expected premiums from new business sold	**395,481**	384,254	2.9
New business CSM margin (%)	**9.0**	10.1	-1.2 pps
Expected interest growth	**24,051**	25,332	(5.1)
Changes in estimates that adjust CSM(1)	**(20,640)**	(46,374)	(55.5)
Changes in financial risks of insurance contracts subject to VFA	**(4,804)**	6,635	N/A
CSM release base	**802,452**	843,227	(4.8)
Release of CSM	**(71,140)**	(74,787)	(4.9)
Closing CSM	**731,312**	768,440	(4.8)

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

INSURANCE PRODUCT INFORMATION

The following table lists the top five insurance products of Ping An Life by premium income in 2024.

(in RMB million)	Sales channel	Premium income	Surrender
Ping An Sheng Shi Jin Yue (Exclusive Version) Whole Life Insurance	Individual agents, direct selling	30,463	33
Ping An Yu Xiang Jin Yue Whole Life Insurance	Individual agents, professional agencies	23,895	9
Ping An Sheng Shi Jin Yue (Exclusive Version 2023) Whole Life Insurance	Individual agents, professional agencies	17,310	8
Ping An Sheng Shi Jin Yue (Supreme Version 2024) Annuity Insurance	Individual agents, direct selling	14,553	8
Ping An Yu Xiang Jin Rui Annuity Insurance	Individual agents, bancassurance	13,878	425

SOLVENCY MARGIN

Solvency margin ratios of Ping An Life, Ping An Annuity, and Ping An Health Insurance were all significantly above the regulatory requirements as of December 31, 2024.

	Ping An Life		Ping An Annuity		Ping An Health Insurance	
(in RMB million)	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
Core capital	**490,983**	415,458	**12,742**	9,509	**10,005**	7,829
Actual capital	**797,818**	770,771	**19,206**	14,368	**11,764**	9,631
Minimum capital	**421,693**	395,780	**5,263**	5,436	**3,468**	3,147
Core solvency margin ratio (%)	**116.4**	105.0	**242.1**	174.9	**288.5**	248.8
Comprehensive solvency margin ratio (%)	**189.2**	194.7	**364.9**	264.3	**339.2**	306.1

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

INSURANCE REVENUE AND INSURANCE SERVICE EXPENSES

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

(in RMB million)	2024	2023
Insurance revenue	**223,302**	223,600
Premium allocation approach ("PAA")	**29,314**	29,764
Non-PAA	**193,988**	193,836

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

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

(in RMB million)	2024	2023
Insurance service expenses	**134,628**	133,978
PAA	**26,249**	26,430
Non-PAA	**108,379**	107,548

Performance Overview
Life and Health Insurance Business

INSURANCE CONTRACT LIABILITIES

(in RMB million)	December 31, 2024	December 31, 2023
Insurance contract liabilities	**4,703,643**	3,899,625
PAA	**22,383**	21,404
Non-PAA	**4,681,260**	3,878,221

WRITTEN PREMIUM

Written premium refers to all premium received from insurance policies issued. Life & Health's written premium amounted to RMB629,695 million in 2024.

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

(in RMB million)	2024	2023
Retail business	**610,311**	582,716
New business	**189,081**	181,973
Agent channel	**148,804**	143,887
Including: Regular premium	**98,643**	89,976
Bancassurance channel	**21,794**	19,699
Including: Regular premium	**12,174**	12,139
Community finance channel, tele and others	**18,483**	18,387
Including: Regular premium	**3,603**	4,261
Renewed business	**421,230**	400,743
Agent channel	**373,835**	358,237
Bancassurance channel	**25,795**	20,388
Community finance channel, tele and others	**21,600**	22,118
Group business	**19,384**	19,218
New business	**19,117**	18,965
Renewed business	**267**	253
Total	**629,695**	601,934

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

(in RMB million)	2024	2023
Participating insurance	**65,040**	62,723
Universal insurance	**104,299**	115,759
Traditional life insurance	**209,859**	163,480
Long-term health insurance	**107,051**	109,604
Accident & short-term health insurance	**39,510**	39,966
Annuity	**103,676**	110,126
Investment-linked insurance	**260**	276
Total	**629,695**	601,934

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

(in RMB million)	2024	2023
Guangdong	**108,344**	103,049
Beijing	**42,430**	40,479
Shandong	**39,822**	37,621
Jiangsu	**39,707**	36,674
Zhejiang	**39,267**	35,397
Subtotal	**269,570**	253,220
Total	**629,695**	601,934

LAPSE RATE

(%)	2024	2023
Lapse rate	**1.91**	2.06

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

Performance Overview
Property and Casualty Insurance Business

BUSINESS OVERVIEW

98.3%
Overall COR

- **Supporting high-quality development with steady growth**
  Ping An P&C maintained steady business growth in 2024, with insurance revenue up 4.7% year on year to RMB328,146 million. Ping An P&C's overall COR improved by 2.3 pps year on year to 98.3% in 2024 mainly due to a decrease in underwriting loss from guarantee insurance business.

RMB220 trn
Insurance coverage for small and micro-enterprises

- **Bolstering five key financial sectors**
  To serve the real economy, Ping An P&C continuously explores the new model of "insurance + technology + service" for improving the quality and efficiency of the real economy and bolstering five key financial sectors, i.e. technology finance, green finance, inclusive finance, pension finance and digital finance. Ping An P&C developed 6,500 products covering over 20 industries, and provided RMB220 trillion worth of insurance coverage for 2.40 million small and micro-enterprises in 2024. Ping An P&C issued 2.31 million science and technology insurance policies, and provided RMB9 trillion worth of insurance coverage for 69 thousand technology companies in 2024. Ping An P&C helped launch 124 city-customized medical insurance programs, which covered over 30 million citizens and provided over RMB60 trillion worth of insurance coverage. Ping An P&C undertook long-term care insurance programs which covered over 10 million insureds, and cumulatively paid nearly RMB180 million of long-term care benefits in 2024.

~236 mn
Registered users of "Ping An Auto Owner" app

- **Promoting sci-tech self-reliance and self-strengthening**
  The "Ping An Auto Owner" app is committed to providing one-stop services covering "auto insurance, auto services and auto life," offering 82 service items that cover all auto use scenarios. Precise insights into customer needs allow Ping An P&C to precisely recommend services to customers, with a service satisfaction degree of over 97%. The "Ping An Auto Owner" app had nearly 236 million registered users as of December 31, 2024. Monthly active users of the app peaked at over 41 million in 2024.

10.55 bn
Total disaster alerts

- **Improving service quality and efficiency via risk reduction**
  Ping An and the China Association for Disaster Prevention ("CADP") jointly hosted a public welfare event themed on fire prevention, and published a series of books including the *Guidelines for Urban Fire Safety, Prevention and Control*. Moreover, Ping An published the *White Paper on Enabling Risk Reduction Services with Technologies* in conjunction with institutions including Central University of Finance and Economics and Beijing Normal University to enhance people's disaster risk awareness and prevention capabilities. Ping An P&C has independently developed Digital Risk System 3.0 ("DRS 3.0") which comprises four major modules, namely natural disasters, accidents, safety responsibility services, and the Internet of Everything. DRS 3.0 gave a total of 10.55 billion alerts on typhoons, rainstorms, floods and other disasters to 67.34 million retail and corporate customers in 2024, helping them improve their disaster prevention and mitigation capabilities.

Performance Overview
Property and Casualty Insurance Business

OPERATING DATA BY PRODUCT TYPE

Auto insurance

Premium income rose 4.4% year on year to RMB223,301 million. COR rose 0.3 pps year on year to 98.1% mainly due to the higher cost of debt arising from a lower risk discount rate under IFRS 17 and a year-on-year increase in natural disasters including rainstorms.

- Ping An P&C ensured overall steady and orderly operations by maintaining consistency between regulatory filings and actual operations, refining operations, and making breakthroughs in the new energy vehicle insurance sector.
- Ping An P&C improved the profitability of its auto insurance business by actively exploring risk reduction services and constantly optimizing the exclusive pricing models, claims system and customer development system for new energy vehicle insurance.

Liability insurance

Premium income rose 4.4% year on year to RMB24,232 million. COR improved by 3.6 pps year on year to 102.7%.

- Centering around five key financial sectors, namely technology finance, green finance, inclusive finance, pension finance, and digital finance, Ping An P&C strived for sustainable, high-quality development by supporting China's green development, growth into a manufacturing powerhouse, and livelihood security.
- In risk reduction, Ping An P&C continuously improved the accuracy of its risk pricing model and expanded the model's scope of application.
- In product innovation, Ping An P&C pioneered multiple products including energy storage system loss compensation liability insurance, chemical battery attenuation compensation liability insurance, and carbon sink insurance, providing strong financial support for new quality productive forces.

Health insurance

Premium income grew 38.3% year on year to RMB18,328 million. COR improved by 1.8 pps year on year to 93.4%.

- Ping An P&C thoroughly implemented the "Healthy China" strategy and actively developed health insurance, giving full play to health insurance's role as a complement to China's multi-layered medical security system.
- Under a "people's health-centered" customer development approach, Ping An P&C continuously identified the needs of customer segments of different age ranges, regions and health status to meet multi-level risk protection needs and diverse health management needs.

Accidental injury insurance

Premium income grew 20.2% year on year to RMB12,214 million. COR improved by 7.0 pps year on year to 99.0%.

- Ping An P&C provided the culture and tourism industry with strong accident insurance protection in active response to the government's call.
- Committed to providing customers with full-scenario, all-around accident insurance protection, Ping An P&C increased insurance protection supply for specific groups including "the elderly, the young, and new citizens."

Agricultural insurance

Premium income grew 32.4% year on year to RMB10,720 million. COR improved by 5.7 pps year on year to 99.8%.

- In intelligent operations, Ping An P&C protected farmers' interests by developing digital maps for precise underwriting and claim settlement and improving an integrated risk prevention, reduction and emergency assistance system.
- In service innovation, Ping An P&C provided farmers with "worry-free, time-saving, and money-saving" services by continuously upgrading functions including underwriting and claims on the "Ai Nong Bao" platform. Ping An P&C actively explored "insurance + technology" smart industry chain models to support the integration and development of industries.

Guarantee insurance

Premium income amounted to RMB-2,353 million. COR improved by 28.9 pps year on year to 102.2%.

- The balance of outstanding guarantee insurance liabilities decreased continuously and the risk exposure was reduced rapidly in 2024. Underwriting loss and impact on Ping An P&C's overall business quality decreased significantly year on year due to the gradual recovery of claims under in-force insurance policies.

(in RMB million)	Insured amount	Premium income	Insurance revenue	Insurance service expenses	Underwriting profit	COR	Net insurance contract liabilities
Auto insurance	328,140,391	223,301	220,026	211,670	4,201	98.1%	200,638
Liability insurance	873,814,024	24,232	23,978	23,470	(644)	102.7%	26,296
Health insurance	174,060,261	18,328	14,865	13,709	987	93.4%	10,329
Accidental injury insurance	1,365,558,909	12,214	11,323	10,966	111	99.0%	10,087
Agricultural insurance	402,410	10,720	10,044	9,636	20	99.8%	690
Guarantee insurance	49,403	(2,353)	11,533	11,535	(248)	102.2%	4,128

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

KEY INDICATORS

(in RMB million)	2024	2023	Change (%)
Operating profit	**15,021**	8,958	67.7
Operating ROE (%)	**11.5**	7.4	4.1 pps
COR(1) (%)	**98.3**	100.7	-2.3 pps
Including:			
Combined expense ratio(2) (%)	**27.3**	29.2	-1.9 pps
Combined loss ratio(3) (%)	**71.0**	71.5	-0.5 pps
Insurance revenue	**328,146**	313,458	4.7
Including: Auto insurance	**220,026**	209,538	5.0
Non-auto insurance	**108,120**	103,920	4.0

Notes: (1) COR = (insurance service expenses + (allocation of reinsurance premiums paid – amount recovered from reinsurer) + (net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held) + changes in insurance premium reserves)/ insurance revenue.
(2) Combined expense ratio = (acquisition cost amortization + maintenance expenses)/ insurance revenue.
(3) Combined loss ratio = (settled loss + outstanding loss + profit or loss of loss contracts + (allocation of reinsurance premiums paid – amount recovered from reinsurer) + (net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held) + changes in insurance premium reserves)/ insurance revenue.
(4) Figures may not match the calculation due to rounding.

(%)	2024	Average in 2022-2024
COR	**98.3**	99.5
Combined loss ratio	**71.0**	71.3

Performance Overview
Property and Casualty Insurance Business

Analysis of Profit Sources

(in RMB million)	2024	2023	Change (%)
Insurance revenue	**328,146**	313,458	4.7
Insurance service expenses	**(314,356)**	(306,390)	2.6
Net expense from reinsurance contracts held(1)	**(2,531)**	(3,956)	(36.0)
Net insurance financial result and others(2)	**(5,796)**	(5,195)	11.6
Underwriting profit	**5,463**	(2,083)	N/A
COR (%)	**98.3**	100.7	-2.3 pps
Total investment income(3)	**16,125**	12,316	30.9
Other net revenue and expenses	**(3,107)**	(1,415)	119.6
Profit before tax	**18,481**	8,818	109.6
Income tax	**(3,460)**	140	N/A
Net profit	**15,021**	8,958	67.7
Operating profit	**15,021**	8,958	67.7

Notes: (1) Net expense from reinsurance contracts held = allocation of reinsurance premiums paid – amount recovered from reinsurer.
(2) Net insurance financial result and others = net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held + changes in insurance premium reserves.
(3) Total investment income includes interest revenue from non-banking operations, investment income, share of profits and losses of associates and joint ventures, impairment losses on investment assets, and interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions.
(4) Figures may not match the calculation due to rounding.

SOLVENCY MARGIN

Ping An P&C's core and comprehensive solvency margin ratios were above the regulatory requirements as of December 31, 2024.

(in RMB million)	December 31, 2024	December 31, 2023
Core capital	**115,692**	102,875
Actual capital	**138,649**	126,230
Minimum capital	**67,536**	60,734
Core solvency margin ratio (%)	**171.3**	169.4
Comprehensive solvency margin ratio (%)	**205.3**	207.8

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

PREMIUM INCOME

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

(in RMB million)	2024 Amount	2024 Percentage (%)	2023 Amount	2023 Percentage (%)
Agencies	**237,353**	**73.8**	227,044	75.2
Brokers	**52,886**	**16.4**	46,936	15.5
Direct selling	**31,582**	**9.8**	28,180	9.3
Total	**321,821**	**100.0**	302,160	100.0

Notes: (1) Channel classification was adjusted in 2024, and data for 2023 has been restated.
(2) Figures may not match the calculation due to rounding.

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

(in RMB million)	2024 Amount	2024 Percentage (%)	2023 Amount	2023 Percentage (%)
Auto insurance	**223,301**	**69.4**	213,851	70.8
Liability insurance	**24,232**	**7.5**	23,221	7.7
Health insurance	**18,328**	**5.7**	13,250	4.4
Accidental injury insurance	**12,214**	**3.8**	10,160	3.4
Agricultural insurance	**10,720**	**3.3**	8,098	2.7
Guarantee insurance	**(2,353)**	**(0.7)**	665	0.2
Other product types	**35,379**	**11.0**	32,915	10.8
Total	**321,821**	**100.0**	302,160	100.0

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

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

(in RMB million)	2024	2023
Guangdong	**55,858**	51,832
Zhejiang	**23,492**	21,015
Jiangsu	**23,398**	22,401
Shanghai	**18,918**	18,288
Sichuan	**17,759**	16,733
Subtotal	**139,425**	130,269
Total	**321,821**	302,160

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

REINSURANCE ARRANGEMENTS

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

(in RMB million)	2024	2023
Premiums ceded to reinsurers	**18,536**	16,973
Auto insurance	**6,082**	5,563
Non-auto insurance	**12,454**	11,410
Inward reinsurance premium	**196**	258
Auto insurance	**8**	144
Non-auto insurance	**188**	114

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

INSURANCE CONTRACT LIABILITIES

(in RMB million)	December 31, 2024	December 31, 2023
Insurance contract liabilities	**282,048**	261,153
PAA	**268,496**	244,892
Non-PAA	**13,553**	16,261

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

Performance Overview
Insurance Funds Investment Portfolio

INVESTMENT PORTFOLIO OVERVIEW

The Company's insurance funds investment portfolio is comprised of investable funds from Life & Health and Ping An P&C.

RMB5.73 trn+
Insurance funds investment portfolio

- The Company's insurance funds investment portfolio grew 21.4% from the beginning of 2024 to over RMB5.73 trillion as of December 31, 2024.

5.8%
Comprehensive investment yield

- The Company adheres to the philosophies of long-term investing and liability matching for its insurance funds investment. The Company's insurance funds investment portfolio achieved a comprehensive investment yield of 5.8% in 2024, up 2.2 pps year on year. Life & Health achieved a comprehensive investment yield of 6.0%, up 2.4 pps year on year. The portfolio achieved a 5.0% average net investment yield and a 5.1% average comprehensive investment yield over the past decade, both higher than the EV long-run investment return assumption.

INVESTMENT STRATEGY

Fixed income investment

The Company proactively manages the risk of falling interest rates, actively allocates to interest rate bonds when interest rates are high, and boosts investment returns by increasing allocation to held-for-trading fixed income assets.

Equity investment

The Company increases allocation to value stocks and growth tech stocks under the philosophy of long-term investing in order to outperform the market with robust long-term investment returns.

Alternative investment

The Company actively increases high-quality alternative assets, invests in the real economy, and diversifies the sources of assets and incomes.

INVESTMENT PORTFOLIO (BY CATEGORY)

(in RMB million)	December 31, 2024 Carrying value	Percentage (%)	December 31, 2023 Carrying value	Percentage (%)
Cash and cash equivalents	**166,001**	**2.9**	121,613	2.6
Term deposits	**244,573**	**4.3**	206,076	4.4
Debt financial assets				
Bond investments	**3,534,584**	**61.7**	2,743,086	58.1
Bond funds	**103,917**	**1.8**	107,169	2.3
Preferred stocks	**114,968**	**2.0**	113,991	2.4
Perpetual bonds	**107,157**	**1.9**	50,388	1.1
Debt schemes	**184,118**	**3.2**	189,349	4.0
Wealth management products[1]	**182,511**	**3.2**	227,461	4.8
Equity financial assets				
Stocks	**437,379**	**7.6**	292,109	6.2
Equity funds	**133,410**	**2.3**	144,340	3.1
Wealth management products[1]	**49,948**	**0.9**	68,399	1.4
Unlisted equities	**120,363**	**2.1**	106,840	2.3
Long-term equity stakes	**198,229**	**3.5**	205,281	4.3
Investment properties	**134,015**	**2.3**	128,059	2.7
Other investments[2]	**20,236**	**0.3**	18,067	0.3
Total investments	**5,731,409**	**100.0**	4,722,228	100.0

Notes: (1) Wealth management products include trust plans from trust companies, products from insurance asset management companies, and wealth management products from commercial banks.
(2) Other investments mainly include statutory deposits for insurance operations, three-month or longer-term financial assets purchased under reverse repurchase agreements, and derivative financial assets.
(3) Total investments exclude assets of investment-linked insurance.
(4) Figures may not match the calculation due to rounding.

INVESTMENT PORTFOLIO (BY ACCOUNTING MEASUREMENT)

(in RMB million)	December 31, 2024 Carrying value	Percentage (%)	December 31, 2023 Carrying value	Percentage (%)
Financial assets at fair value through profit or loss	**1,445,335**	**25.2**	1,114,074	23.6
Fixed income	967,686	16.9	676,958	14.3
Stocks	174,221	3.0	117,012	2.5
Equity funds	133,410	2.3	144,340	3.1
Other equity financial assets	170,018	3.0	175,764	3.7
Financial assets at fair value through other comprehensive income	**3,258,062**	**56.8**	2,645,104	56.0
Fixed income	2,993,899	52.2	2,469,121	52.3
Stocks	263,158	4.6	175,097	3.7
Other equity financial assets	1,005	–	886	–
Financial assets measured at amortized cost	**695,666**	**12.1**	629,160	13.3
Others[1]	**332,346**	**5.9**	333,890	7.1
Total investments	**5,731,409**	**100.0**	4,722,228	100.0

Notes: (1) Others include long-term equity stakes, investment properties, and derivative financial assets.
(2) Total investments exclude assets of investment-linked insurance.
(3) Figures may not match the calculation due to rounding.

Insurance Funds Investment Portfolio

INVESTMENT INCOME

The Company's insurance funds investment portfolio achieved a comprehensive investment yield of 5.8% in 2024, up 2.2 pps year on year mainly due to a balanced asset allocation strategy and a significant year-on-year improvement in the performance of equity assets. Net investment yield declined by 0.4 pps year on year to 3.8% mainly because existing assets matured partially and yields to maturity on newly added fixed income assets were lower.

(in RMB million)	2024	2023	Change (%)
Net investment income(1)	**175,420**	176,424	(0.6)
Net realized and unrealized gains(2)	**41,150**	(51,239)	N/A
Impairment losses on investment assets	**(10,145)**	(1,286)	688.9
Total investment income	**206,425**	123,899	66.6
Comprehensive investment income(3)	**266,570**	147,907	80.2
Net investment yield(4) (%)	**3.8**	4.2	-0.4 pps
Comprehensive investment yield(4) (%)	**5.8**	3.6	2.2 pps

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

(%)	2022-2024	2015-2024
Average net investment yield	**4.2**	5.0
Average comprehensive investment yield	**4.0**	5.1

Life & Health's and Ping An P&C's investment yields in 2024 are as below:

	2024	2023	Change
Life & Health			
Net investment yield(4) (%)	**3.9**	4.2	-0.3 pps
Comprehensive investment yield(4) (%)	**6.0**	3.6	2.4 pps
Ping An P&C			
Net investment yield(4) (%)	**3.2**	4.3	-1.1 pps
Comprehensive investment yield(4) (%)	**4.5**	3.6	0.9 pps

Notes: (1) Net investment income includes interest income from deposits and debt financial assets, dividend income from equity financial assets, operating lease income from investment properties, and the share of profits and losses of associates and joint ventures.
(2) Net realized and unrealized gains include capital gains on securities investments and fair value gains or losses.
(3) Comprehensive investment income excludes a fair value change of RMB320,421 million in debt investments at fair value through other comprehensive income backing Life & Health business in 2024.
(4) Average investment assets used as the denominator are computed in line with principles of the Modified Dietz method. The computation of investment yields excludes changes in the fair values of debt investments at fair value through other comprehensive income backing Life & Health business.

CORPORATE BONDS

The Company held RMB122,511 million worth of corporate bonds in its insurance funds investment portfolio as of December 31, 2024, which accounted for 2.1% of the total investment assets, up by 0.4 pps from the beginning of 2024. The corporate bond portfolio enjoys high credit ratings with about 99.9% rated AA or higher externally and about 63.6% having AAA or higher external ratings. In terms of credit loss risk, corporate bonds in the portfolio are secure as their risks are under control.

DEBT SCHEMES AND DEBT WEALTH MANAGEMENT PRODUCTS

Debt schemes and debt wealth management products include debt investment schemes undertaken by insurance asset management companies, debt trust plans issued by trust companies, and debt wealth management products issued by commercial banks. Debt schemes and debt wealth management products in the Company's insurance funds investment portfolio totaled RMB366,629 million as of December 31, 2024, accounting for 6.4% of the portfolio, down by 2.4 pps from the beginning of 2024.

Structure and yield distribution of debt schemes and debt wealth management products

The Company pays close attention to credit risk in the market, ensuring the overall risks of debt schemes and debt wealth management products held by Ping An in its insurance funds investment portfolio are under control. Debt schemes and debt wealth management products in the Company's insurance funds investment portfolio have good credit ratings. Over 99.2% of the debt schemes and trust schemes held by Ping An have AAA external credit ratings, and about 0.8% of them have AA+ external credit ratings. Apart from some high-credit rating entities which do not need credit enhancement for financing, the vast majority of the assets held by the Company have guarantees or collateral. In terms of industry and geographic distribution, Ping An proactively avoids high-risk industries and regions. Ping An's target assets are diversified in the non-banking financial services industry, the expressway industry and so on, and are mainly concentrated in economically developed and coastal areas including Beijing, Shanghai and Guangdong.

Industry	Investment proportion (%)	Nominal yield (%)	Remaining maturity (year)
Infrastructure	**63.7**	**4.41**	**3.74**
Expressway	8.7	4.23	3.46
Electric power	8.1	4.56	4.03
Infrastructure and development zones	25.1	4.34	4.54
Others (water supply, environmental protection, railway, and so on)	21.8	4.51	2.82
Non-banking financial services(2)	**13.3**	**4.12**	**2.92**
Real estate industry(3)	**10.5**	**4.53**	**2.64**
Others	**12.5**	**4.27**	**2.60**
Total	**100.0**	**4.37**	**3.37**

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

EQUITY WEALTH MANAGEMENT PRODUCTS

Equity wealth management products in the Company's insurance funds investment portfolio totaled RMB49,948 million as of December 31, 2024, accounting for 0.9% of the portfolio. The vast majority of equity wealth management products held by Ping An are from insurance asset managers. These products' underlying assets are mainly tradable shares of domestic and foreign high-quality companies in the secondary market, indicating no significant liquidity risk. Private equity funds account for a small proportion, and their underlying assets are mainly equities in central or local governments' partnerships, with risks under control.

REAL ESTATE INVESTMENTS

The balance of real estate investments in the Company's insurance funds investment portfolio was RMB202,519 million as of December 31, 2024, accounting for 3.5% of the portfolio. The real estate investments are mainly in real properties (including developer-owned real properties invested in directly or in the form of equity stakes in project companies) measured at cost, which represent 81.7% of real estate investments. Such investments were made primarily in rent-collecting properties including commercial and office properties, logistics real estate, industrial parks, and long-term rental apartments, to match the duration of liabilities. Such investments generate relatively stable incomes including rents and dividends as well as capital appreciation. Besides, debt investments and other equity investments account for 15.1% and 3.2% of real estate investments respectively.

INVESTMENT RISK MANAGEMENT

The Company attaches great importance to risk management in matching assets and liabilities, and continuously improves a risk appetite framework in which solvency margin ratios serve as key quantitative indicators. The Company continuously conducts stress tests and reviews, embedding ex ante risk management in asset allocation processes. In the event of increased market volatility, the Company will increase the frequency of stress tests in response to emergencies to ensure the security of the portfolio under market impacts.

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

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

The Company continuously enhances forecasts about market trends and macroeconomic policies. The Company constantly upgrades its risk monitoring framework and risk management information system, and improves its risk management databases to enable end-to-end online management of investment risks.

Performance Overview
Banking Business

BUSINESS OVERVIEW

Ping An Bank adheres to its strategic objective of being "China's most outstanding, world-leading smart retail bank" under the strategic policy of "strong retail banking, selective corporate banking, and specialized interbank business." Ping An Bank continuously upgrades its retail, corporate and interbank business strategies. While doing its best to bolster five key financial sectors (i.e. technology finance, green finance, inclusive finance, pension finance, and digital finance), Ping An Bank continuously strengthens risk management and advances digital transformation for high-quality development.

RMB**44,508** mn
Net profit

- **Ping An Bank maintains steady overall business performance**. Net profit amounted to RMB44,508 million in 2024. Moreover, Ping An Bank continuously served the real economy, with the corporate loan balance growing 12.4% from the beginning of 2024 as of December 31, 2024.

1.06%
NPL ratio

- **Ping An Bank continuously strengthens risk management and maintains adequate risk provisions**. Non-performing loan ratio and provision coverage ratio were 1.06% and 250.71% respectively as of December 31, 2024.

RMB**4,194,074** mn
Retail AUM

- **Ping An Bank promotes the high-quality, sustainable development of retail business**. Retail AUM rose 4.0% from the beginning of 2024 to RMB4,194,074 million, and the retail deposit balance grew 6.6% from the beginning of 2024 to RMB1,287,180 million as of December 31, 2024.

RETAIL BUSINESS

Ping An Bank adheres to its retail business strategy and adapts to changes in the market environment. Being customer-centric, Ping An Bank focuses on team development, product upgrading, and customer development to advance the strategic transformation of retail business. In addition, Ping An Bank promotes the high-quality, sustainable development of retail business by continuously upgrading two main business sectors.

In lending business, Ping An Bank proactively optimized its loan portfolio by increasing home mortgage loans, collateral mortgage loans, and new energy vehicle loans. Moreover, Ping An Bank upgraded risk management strategies and optimized risk models to improve the quality of new assets, striking a balance between "volumes, prices and risks." Retail loan balance decreased 10.6% from the beginning of 2024 to RMB1,767,168 million as of December 31, 2024, in which the proportion of secured loans rose to 62.8%. Newly-granted retail new energy vehicle loans grew 73.3% year on year in 2024.

RMB**1,767,168** mn

Retail loan balance of which secured loans rose to 62.8%

Performance Overview
Banking Business

In deposit and wealth management business, Ping An Bank continuously developed core business activities including investment & wealth management, payroll, and payment settlement. Moreover, Ping An Bank unlocked the momentum of integrated operations by strengthening the integration of retail banking and corporate banking. In this way, Ping An Bank expanded the scale and optimized the mix of retail deposits. Retail deposit balance grew 6.6% from the beginning of 2024 to RMB1,287,180 million as of December 31, 2024. Deposits from payroll and batch payment customers increased 18.8% from the beginning of 2024 to RMB355,509 million as of December 31, 2024. Moreover, Ping An Bank improved the quality and efficiency of services and optimized customer experience by upgrading its professional asset allocation capability and unique benefit & service system for private banking and wealth management business and developing multi-strategy products to meet customers' overseas asset allocation needs.

RMB**1,287,180** mn

Retail deposit balance up 6.6% YTD

RMB**355,509** mn

Deposits from payroll & batch payment customers up 18.8% YTD

(in RMB million)	2024	2023	Change (%)
Retail banking operating results			
Revenue from retail banking	**71,255**	96,161	(25.9)
Proportion of revenue from retail business (%)	**48.6**	58.4	-9.8 pps
Operating profit from retail business before impairment losses on assets	**49,219**	66,047	(25.5)
Proportion of operating profit from retail business before impairment losses on assets (%)	**47.0**	56.4	-9.4 pps
Net profit from retail banking	**289**	5,525	(94.8)
Proportion of net profit from retail business (%)	**0.6**	11.9	-11.3 pps

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

	December 31, 2024	December 31, 2023	Change (%)
Number of retail customers[1] (in thousand)	**125,537.9**	125,432.0	0.1
Including: wealth management customers (in thousand)	**1,456.2**	1,377.5	5.7
Including: Private banking customers[2] (in thousand)	**96.8**	90.2	7.3
Retail AUM (in RMB million)	**4,194,074**	4,031,177	4.0
Including: AUM of private banking customers (in RMB million)	**1,975,471**	1,915,515	3.1

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

CORPORATE BUSINESS

In corporate business, Ping An Bank continued to serve the real economy, focusing on industrial finance, technology finance, supply chain finance, cross-border finance and inclusive finance. Moreover, Ping An Bank upgraded the mechanism for integrating retail banking and corporate banking to promote balanced development.

Selected sectors
Building sector-specific differential advantages, Ping An Bank granted new loans of RMB442,456 million to four basic industries, namely infrastructure, the auto ecosystem, public utilities and real estate in 2024, up 35.4% year on year. Moreover, Ping An Bank granted new loans of RMB215,988 million to three emerging industries, namely new manufacturing, new energy and new lifestyle in 2024, up 41.9% year on year.

RMB215,988 mn

New loans to 3 emerging industries

Selected customers
Ping An Bank builds a tiered development framework for customers from strategic ones to small and micro-enterprises. Ping An Bank had 853.3 thousand corporate customers as of December 31, 2024, up 13.2% from the beginning of 2024.

853.3K

Corporate customers

Selected products
Focusing on core customer groups, Ping An Bank enhances its sector-specific, differentiated and comprehensive product portfolio, and improves comprehensive customer service capabilities. Ping An Bank's supply chain financing amounted to RMB1,598,312 million in 2024, up 19.9% year on year.

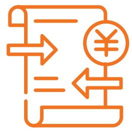
RMB1,598,312 mn

Supply chain financing

INTERBANK BUSINESS

In interbank business, Ping An Bank improves its investment, trading and sales capabilities to boost the high-quality development of the financial market through an "investment trading + customer business" dual-driver strategy.

Investment trading



Ping An Bank strengthens macroeconomic analysis, optimizes trading strategies, and achieves optimal asset allocation to obtain sustainable, steady investment income while ensuring the liquidity and security of assets. Ping An Bank's market share measured by bond trading volume increased 1.2 pps year on year to 4.4% in 2024.

Customer business

Ping An Bank proactively engages in market making, hedging, institutional sales, custody and so on by leveraging its strengths in comprehensive customer services. RMB4.54 trillion worth of cash bonds were sold by domestic and foreign institutions in 2024, up 46.0% year on year. The number of customers that conducted spot and derivative foreign exchange hedging at Ping An Bank increased 16.5% year on year to 14,987 in 2024. The AUM balance of asset management products distributed under the "ET-Bank" climbed 33.2% from the beginning of 2024 to RMB266,705 million as of December 31, 2024. Net assets under custody grew 4.6% from the beginning of 2024 to RMB9.10 trillion as of December 31, 2024.

KEY INDICATORS

(in RMB million)	2024	2023	Change (%)
Operating results			
Revenue	**146,695**	164,699	(10.9)
Net profit	**44,508**	46,455	(4.2)
Cost-to-income ratio (%)	**27.66**	27.90	-0.24 pps
Average return on total assets (%)	**0.78**	0.85	-0.07 pps
Weighted average ROE (%)	**10.08**	11.38	-1.30 pps
Net interest margin (%)	**1.87**	2.38	-0.51 pps

(in RMB million)	December 31, 2024	December 31, 2023	Change
Deposits and loans(1)			
Deposits	**3,533,678**	3,407,295	3.7%
Including: Retail deposits	**1,287,180**	1,207,618	6.6%
Corporate deposits	**2,246,498**	2,199,677	2.1%
Total loans and advances	**3,374,103**	3,407,509	(1.0%)
Including: Retail loans	**1,767,168**	1,977,719	(10.6%)
Corporate loans	**1,606,935**	1,429,790	12.4%
Asset quality			
Non-performing loan ratio (%)	**1.06**	1.06	–
Provision coverage ratio (%)	**250.71**	277.63	-26.92 pps
Deviation of loans more than 60 days overdue(2)	**0.80**	0.74	0.06
Capital adequacy ratio			
Core tier 1 capital adequacy ratio(3) (%)	**9.12**	9.22	-0.10 pps

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

Analysis of Profit Sources

Ping An Bank's revenue totaled RMB146,695 million in 2024, down 10.9% year on year due to factors including active asset portfolio adjustments and market changes. Meanwhile, Ping An Bank enhanced operational cost-effectiveness via digital transformation, cutting general and administrative expenses by 11.7% year on year to RMB40,582 million. Ping An Bank strengthened asset quality control and management and enhanced non-performing asset recovery and disposal, reducing impairment losses on credit and other assets by 16.4% year on year to RMB49,428 million. Net profit amounted to RMB44,508 million in 2024, down 4.2% year on year.

Ping An Bank's net interest margin narrowed by 0.51 pps year on year to 1.87% in 2024 mainly due to factors such as falling market interest rates and actively reduced high-risk retail assets.

Ping An Bank boosted its net non-interest revenue by 14.0% year on year to RMB53,268 million in 2024 mainly by seizing market opportunities to increase net non-interest revenues from bond investment and other businesses. Meanwhile, net non-interest revenues from credit card and bancassurance businesses declined driven by factors including the macroeconomic environment.

(in RMB million)	2024	2023	Change (%)
Net interest revenue	**93,427**	117,991	(20.8)
Average balance of interest-earning assets	**4,994,494**	4,966,063	0.6
Net interest margin(1) (%)	**1.87**	2.38	-0.51 pps
Net non-interest revenue	**53,268**	46,708	14.0
Including: Net fee and commission revenue	**24,112**	29,430	(18.1)
Other net non-interest revenue(2)	**29,156**	17,278	68.7
Revenue	**146,695**	164,699	(10.9)
General and administrative expenses	**(40,582)**	(45,959)	(11.7)
Cost-to-income ratio(3) (%)	**27.66**	27.90	-0.24 pps
Tax and surcharges	**(1,479)**	(1,718)	(13.9)
Operating profit before impairment losses on assets	**104,634**	117,022	(10.6)
Impairment losses on credit and other assets	**(49,428)**	(59,094)	(16.4)
Including: Loan impairment loss	**(52,924)**	(62,833)	(15.8)
Average balance of loans and advances	**3,397,523**	3,387,714	0.3
Credit cost(4) (%)	**1.56**	1.85	-0.29 pps
Other expenses	**(468)**	(210)	122.9
Profit before tax	**54,738**	57,718	(5.2)
Income tax	**(10,230)**	(11,263)	(9.2)
Net profit	**44,508**	46,455	(4.2)

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

Performance Overview
Banking Business

ASSET QUALITY

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

(in RMB million)	December 31, 2024	December 31, 2023	Change (%)
Loan quality			
Pass	**3,273,405**	3,311,741	(1.2)
Special mention	**64,960**	59,732	8.8
Non-performing loans	**35,738**	36,036	(0.8)
Total loans and advances	**3,374,103**	3,407,509	(1.0)
Non-performing loan ratio (%)	**1.06**	1.06	–
Percentage of special mention loans (%)	**1.93**	1.75	0.18 pps
Provision coverage ratio (%)	**250.71**	277.63	-26.92 pps
Provision to loan ratio (%)	**2.66**	2.94	-0.28 pps
Percentage of loans more than 60 days overdue (%)	**0.84**	0.78	0.06 pps

(%)	December 31, 2024	December 31, 2023	Change
Non-performing loan ratios			
Retail loans	**1.39**	1.37	0.02 pps
Corporate loans	**0.70**	0.63	0.07 pps

In respect of retail asset quality, Ping An Bank's retail non-performing loan ratio rose by 0.02 pps from the beginning of 2024 as some retail customers' debt repayment capacity remained under pressure. Ping An Bank continuously upgraded risk models to improve its customer identification capability, thereby achieving more precise customer segmentation. Moreover, Ping An Bank proactively adjusted its customer mix and asset portfolio, differentiated risk management policies, increased high-quality assets, and enhanced non-performing loan disposal. As a result, retail non-performing loan ratio declined by 0.04 pps compared with September 30, 2024.

In respect of corporate asset quality, Ping An Bank continuously upgraded its risk policies and improved its asset quality management mechanisms. As a result, corporate credit risk metrics remained good.

CAPITAL ADEQUACY

Ping An Bank continuously enhanced its capacity for internal capital accumulation and refined capital management, keeping capital adequacy ratios stable.

(%)	December 31, 2024	December 31, 2023	Change
Capital adequacy ratio			
Core tier 1 capital adequacy ratio	**9.12**	9.22	-0.10 pps
Tier 1 capital adequacy ratio	**10.69**	10.90	-0.21 pps
Capital adequacy ratio	**13.11**	13.43	-0.32 pps

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

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

OVERVIEW OF PING AN WEALTH MANAGEMENT

Ping An Wealth Management, a wholly-owned subsidiary of Ping An Bank, ensures strict risk and compliance management, continuously develops channels, implements prudent investment strategies, diversifies its product portfolio, and fulfills its social responsibilities. The balance of wealth management products managed by Ping An Wealth Management increased by 19.8% from the beginning of 2024 to RMB1,214,152 million as of December 31, 2024.

Performance Overview
Asset Management Business

ASSET MANAGEMENT BUSINESS OVERVIEW

The Company conducts asset management business primarily through companies including Ping An Securities, Ping An Trust, Ping An Financial Leasing, and Ping An Asset Management.

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

RMB8 trn+
AUM

- Ping An's AUM[1] increased steadily to over RMB8 trillion as of December 31, 2024.

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

SECURITIES BUSINESS

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

Ping An Securities closely followed the strategic deployment of the Company to fulfill its mission of "creating value for society via 'worry-free, time-saving, and money-saving' services" in 2024. Under the vision of becoming a "heartwarming securities platform service provider," Ping An Securities took integrated finance, professional quality, and technology enablement as strategic priorities. Focusing on quality, differentiation and efficiency, Ping An Securities comprehensively upgraded its service system and accelerated the development of closed-loop services. Centering around strategic goals and focusing on customer services, Ping An Securities advanced five strategic initiatives, namely customer insight and resource integration, process reengineering, data support, internal control enhancement, and organizational guarantee. In this way, Ping An Securities demonstrated strong business resilience and achieved robust profit growth in a complex market environment.

Furthering wealth management transformation in brokerage business

Leveraging on an integrated service system centered around the entire customer journey, Ping An Securities reduces leakage, promotes conversion, and retains customers through services. Under the service-oriented philosophy, Ping An Securities improves its service quality by enriching product contents, conducting service-oriented content management, and building service brands. In this way, Ping An Securities aims to become a unique platform provider of wealth management concierge services throughout customer journeys. Ping An Securities had over 24.73 million retail customers as of December 31, 2024, ranking first in the industry. Moreover, Ping An Securities maintained a leading edge in app user engagement within the industry, ranking among top three brokers firmly by number of monthly active users as of December 31, 2024. The market share of Ping An Securities in terms of equity and fund trading volume (excluding seat leasing)[1] reached 3.95% in 2024, up 33 bps year on year.

24.73 mn+
Retail customers

3.95%
Market share in terms of equity and fund trading volume

Adhering to the business strategy of selective investment banking

- Investment banking business
  Ping An Securities effectively serves the real economy by promoting the modernization, transformation and upgrading of industries. Ping An Securities thoroughly implements the philosophies of customer-centricity, full product coverage and one-stop services, and continuously advances systematic strategies.

- Equity business
  Ping An Securities actively enhances three lines of defense by following the regulatory requirement of "improving the quality of listed companies via stricter control over initial public offerings." Ping An Securities continuously develops private equity business by pursuing breakthroughs in key sectors and regions, striving to improve pipelines and conversion efficiency.

- Debt business
  Ping An Securities focuses on key regions and products, promotes the integration of sourcing forces, and exploits regional synergies among sourcing, underwriting and sales. Ping An Securities remained among top players in the industry by issuance volume, ranking second in asset-backed securities(2) underwriting and sixth in bond(2) underwriting respectively in 2024.

Enhancing professional capabilities in trading and asset management businesses

- Trading business
  Ping An Securities furthers its "trading + services" strategy and advances digital transformation. By extending its advantages in trading, Ping An Securities expanded its customer business presence and built closed loops of services, with the returns in trading exceeding market benchmarks in 2024.

- Asset management business
  Ping An Securities promoted transformation toward active management and enhanced its "fixed income +" capability, focusing on institutional clients' investment needs. Ping An Securities created the MOM (manager of managers) service model for insurance funds in a forward-looking manner, ranking among the industry's top 10 by average monthly AUM(3).

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

TRUST BUSINESS

Positioned as a capital-light service provider, Ping An Trust focuses on its core, capital-light businesses including financial service trusts. Ping An Trust prudentially controlled risks and optimized mechanisms in 2024. In controlling risks, Ping An Trust enhanced the efficiency of risk management by improving the operational mechanisms of risk maps. In optimizing mechanisms, Ping An Trust effectively fulfilled fiduciary duties throughout the business cycle by using management tools such as compilations of rules and strengthening risk accountability.

Ping An Trust had RMB19,209 million in net capital as of December 31, 2024. The ratio of net capital to total risk capital was 264.3% and the ratio of net capital to net assets was 77.2% as of December 31, 2024, both meeting regulatory requirements (i.e. not less than 100% and 40% respectively).

Ping An Trust remains committed to financial service trusts, seeking economies of scale in family trusts and insurance trusts and further securing its dominant market presence. Moreover, Ping An Trust proactively expands into other financial service trust businesses in line with a new regulation that specifies three trust business categories, continuously exploring new business models and service scenarios. Total assets held in trust amounted to RMB992,958 million as of December 31, 2024.

PING AN FINANCIAL LEASING

Ping An Financial Leasing engages in financial leasing via a nationwide business network as an industry leader by comprehensive strength. Ping An Financial Leasing has built its presence in various areas including engineering and construction, manufacturing and processing, next-generation infrastructure, urban development, city operations, auto financial leasing, commercial vehicles, financial leasing for small and micro-enterprises, strategic channels, structured financing, and Ping An factoring. In the future, Ping An Financial Leasing will remain true to the original aspiration of serving the real economy, promoting industry development, and supporting industrial upgrading. By doing so, Ping An Financial Leasing will strive to become a world-leading innovative financial leasing expert focusing on industries, serving the real economy, and adopting unique models.

Ping An Financial Leasing maintains steady overall operations by continuously strengthening risk management and refining management before, during and after leasing deals. Non-performing asset ratio dropped significantly from the beginning of 2024 to 1.04% as of December 31, 2024. Sufficient provisions have been set aside, indicating an ample risk buffer. Moreover, Ping An Financial Leasing keeps overall risks under control by continuously optimizing its asset portfolio, improving leased asset management, enhancing risk assessment and business operations, and upgrading end-to-end integrated monitoring and disposal capabilities.

PING AN ASSET MANAGEMENT

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

Adhering to the philosophies of value investing and long-term investing, Ping An Asset Management is widely recognized in the market for its customer-centric approach and commitment to doing the right things in the long term. As one of the largest and most influential institutional investors in China, Ping An Asset Management has profound experience in asset management.

Ping An Asset Management's AUM amounted to RMB5.80 trillion as of December 31, 2024.

Performance Overview
Finance Enablement Business

TECHNOLOGY ENABLEMENT

Ping An continuously invests in R&D to build leading technological capabilities, which have been widely utilized to enable its core financial businesses and accelerate the development of its ecosystems. Ping An promotes technology enablement in diverse business scenarios, and strives to improve the industry ecosystem and technology as well.

55,080
Patent applications

- Ping An remains focused on developing core technologies and securing proprietary intellectual property rights. The Group cumulatively won 30 championships in domestic and overseas AI competitions and cumulatively filed 55,080 patent applications as of December 31, 2024, leading most international financial institutions. Ping An has accumulated vast amounts of data that can be used to train large models, and continuously develops vertical large models for domains including finance, health care and senior care. Thanks to a domain data corpus containing 3.2 trillion tokens, approximately 310 thousand hours of labeled speeches and over 7.5 billion images, Ping An's large speech models, large language models, and large vision models have achieved industry-leading accuracy rates in scenarios. Going forward, Ping An will further integrate large models with business application scenarios.

~1.84 bn times
Volume of services by AI service reps

- From the perspective of transforming and upgrading Ping An's core businesses, technology benefits are reflected in lower costs, better business efficiency, and stronger risk management. The volume of services provided by Ping An's AI service representatives[1] reached about 1.84 billion times, accounting for 80% of Ping An's total customer service volume in 2024. The AI service representatives swiftly responded to and handled customer inquiries and complaints, effectively reducing the costs of human service representatives. Via smart underwriting, smart claim settlement and smart policy renewal, 93% of life insurance policies were underwritten within seconds, 56% of life insurance claims were settled through Smart Quick Claim, and 27% more life insurance policies were reinstated. Moreover, Ping An P&C's claims savings via smart fraud detection grew 10.4% year on year to RMB11.94 billion as Ping An continuously strengthened risk management.

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

Lufax Holding

Lufax Holding (NYSE: LU; SEHK: 06623.HK) is a leading financial services enabler for small business owners ("SBOs") in China. Lufax Holding is committed to providing SBOs with comprehensive, convenient financial products and services as well as enabling financial institutions to reach and serve SBOs efficiently.

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

OneConnect

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

OneConnect focused on product upgrading, customer engagement and overseas expansion in 2024, leveraging its resources to roll out high-value, high-threshold products. In digital banking, OneConnect provides digital retail banking, digital credit management, and digital operation solutions to meet the digital transformation needs of financial institutions in the banking industry. In digital insurance, OneConnect provides property & casualty insurance and life insurance solutions to help insurers realize end-to-end digital management of marketing, customer development, and claim settlement. In terms of Gamma Platform, OneConnect integrates a range of solutions that can be widely applied in the financial services industry, including AI customer services and technological infrastructure. By doing so, OneConnect enables financial institutions to rapidly expand remote AI services, improve AI utilization, and cut operating costs. OneConnect continuously enhances its global presence, improves products and explores innovative cooperation models to satisfy overseas demands and address financial institutions' business pain points. Going forward, OneConnect will expand its overseas presence by increasing investment and focusing on markets including the Philippines, Malaysia, Vietnam, Thailand, Singapore and Indonesia.

Financial Data[1]

(in RMB million)	2024	2023	Change (%)
Revenue	**2,248**	3,522	(36.2)
Gross profit[2]	**858**	1,423	(39.7)
Net loss[3]	**(669)**	(211)	Loss up by 216.6%

Notes: (1) The above is the financial data of OneConnect's continuing operations.
(2) Gross profit is non-IFRS adjusted gross profit.
(3) Net loss refers to net loss attributable to OneConnect's shareholders of the parent company.
(4) Figures may not match the calculation due to rounding.

Operational Data

	2024	2023	Change (%)
Premium-plus customers[1]	**173**	208	(16.8)

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

Ping An Health

Ping An Health (SEHK: 01833.HK; stock short name: PA GOODDOCTOR) is an integral part of Ping An Group's "insurance + health care" synergistic model, and a flagship of Ping An Group's health and senior care ecosystem. Ping An Health, centering on family doctor membership and senior care concierge services as two core hubs, acts for payers and integrates providers to seamlessly combine differentiated health and senior care services with financial businesses in which Ping An acts as a payer. Ping An Health has developed a specialized, comprehensive, high-quality and one-stop "health and senior care" services platform to provide users with "worry-free, time-saving, and money-saving" health and senior care services. Ping An Health achieved RMB4,808 million in revenue and RMB81 million in net profit in 2024. Adjusted net profit[1] was RMB158 million, and cash flows from operating activities amounted to RMB99 million.

Note: (1) Adjusted net profit is based on Ping An Health's net profit less share-based compensation and foreign exchange gains or losses.

- In respect of ecosystem development, Ping An Health implemented the "insurance + health care" synergistic model and continuously strengthened synergies with Ping An Group under the "integrated finance + health and senior care" strategy to help the Group develop its service moat and competitive differentiation, enabling the sustained development of Ping An Group's core integrated finance business. F-end: As the Group's internal health and senior care service provider, Ping An Health serves the Group's retail integrated finance customers to enable payers including Ping An Life, Ping An P&C, Ping An Health Insurance, and Ping An Bank. B-end: Ping An Health offers employee health management programs to corporate clients by integrating health and senior care services with the employee benefit products of Ping An Annuity, Ping An Health Insurance and so on.

MANAGEMENT DISCUSSION AND ANALYSIS

Performance Overview
Finance Enablement Business

- In respect of medical service capabilities, Ping An Health continuously enhanced family doctor membership as a core hub, and upgraded its family doctor service brand "Ping An Family Doctor" in 2024. Ping An Health integrated supply-side health care resources and improved O2O closed-loop services. Moreover, Ping An Health helped users address breakpoints in online and offline services to meet full-lifecycle, pan-healthcare user needs with professional, efficient and heartwarming services under business models including "insurance + health and senior care membership," "collaboration between health care and claim settlement" and "health care benefit services." In this way, Ping An Health enabled the Group to establish competitive differentiation in integrated finance business. The members used the family doctor service five times per capita, with a proactive service rate of 100% in 2024.

- In respect of senior care service capabilities, Ping An Health continuously consolidates the "3-in-1" senior care concierge service system combining AI concierges, life concierges and doctor concierges. This comprehensive system is underpinned by the "3-in-1" senior care concierges, 10 scenarios, and a robust service supervision system. Ping An Health strives to deliver "worry-free, time-saving, and money-saving" service experience by building alliances, setting service standards, and promoting technology enablement for home-based senior care. By creating innovative alliances, Ping An Health has joined hands with enterprises, universities and research institutes to develop industry standards and ecosystems. Ping An Health has launched "Nursing, Housing, and Entertainment Alliances" together with alliance partners for better senior care and financial services.

- In respect of customer acquisition capabilities, Ping An Health seeks customers from payers by maintaining close collaboration with the Group's core financial businesses and leveraging Ping An Health's own channels. Regarding integrated finance channels (F-end), Ping An Health maintains close collaboration with the Group's core financial businesses through "insurance + health and senior care membership," "collaboration between health care and claim settlement," "health care benefit services" and so on. Ping An Health promotes its services' penetration of the Group's retail financial customer base by continuously enhancing user experience through proactive operations, service upgrading, product and service model innovation, and so on. Moreover, Ping An Health leverages the Group's abundant corporate client resources to acquire large and medium-sized corporate clients. In collaboration with Ping An Group, Ping An Health has established a preliminary "Ping An Corporate Health Protection Plan" product suite (including health care fund management, membership-based health management services, and "insurance +") for enterprises and their employees. In addition, Ping An Health provides these employees with proactive health management through an integrated payment and service platform to safeguard employee health and well-being. Ping An Health had over 31 million paying users of its strategic business during the past 12 months and cumulatively served over 2,000 enterprises as of December 31, 2024.

Via the improving O2O network, Ping An Health provides large numbers of retail financial users, corporate clients, and retail consumers with full-scenario, high-quality health and senior care services in five scenarios, namely health, sub-health, disease, chronic disease and senior care management. Going forward, Ping An Health will continuously foster synergies with Ping An Group's integrated finance business to advance full implementation of the "integrated finance + health and senior care" business strategy.

(in RMB million)	2024	2023	Change (%)
Revenue	**4,808**	4,674	2.9
Gross profit	**1,523**	1,509	1.0
Net profit(1)	**81**	(323)	N/A

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

Autohome

Autohome (NYSE: ATHM; SEHK: 02518.HK), the leading online destination for automobile consumers in China, is committed to developing a smart auto ecosystem centered on data and technology. Within this ecosystem, Autohome provides auto consumers with diverse products and services across the full auto lifecycle. Autohome's mobile daily active users[1] increased 13.6% year on year to 77.48 million in December 2024. In addition, Autohome continuously upgrades its "ecosystem strategy" to provide all-around services for consumers, automakers, and various players in the auto ecosystem. Autohome's revenue and net profit reached RMB7,040 million and RMB2,050 million respectively in 2024.

(in RMB million)	2024	2023	Change (%)
Revenue	**7,040**	7,184	(2.0)
Net profit(2)	**2,050**	2,160	(5.1)

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

Analysis of Embedded Value

- Life and health insurance business EV amounted to RMB835,093 million as of December 31, 2024.
- On a like-for-like basis, L&H NBV grew 28.8% in 2024. Based on the latest assumptions including the return on investment and the risk discount rate, L&H NBV amounted to RMB28,534 million.

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

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

We have reviewed the Analysis of Embedded Value and Operating Profit of Ping An Insurance (Group) Company of China, Ltd. (the "Company") as of December 31, 2024. The EV and Operating Profit results include embedded value, new business value after cost of capital ("NBV"), valuation methodology and assumptions, first-year premium of new business, profit margin of new business, embedded value movement, sensitivity analysis, operating profit, sources of earnings and contractual service margin related data as at December 31, 2024.

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

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

- Review the embedded value and NBV of the Company as of December 31, 2024;
- Review the embedded value movement analysis;
- Review the sensitivity analysis of the embedded value and NBV; and
- Review the operating profit of the Company, source of earnings and contractual service margin related data of L&H.

Our review procedures included, but were not limited to, considering whether the methodology and assumptions of the EV results are consistent with the Standards and available market information, considering whether the methodology of the operating profit results is consistent with the disclosed methodology in the Annual Report 2024, validating actuarial models on the basis of sample testing, and inspecting related documentation. In forming our conclusion, we have relied on the accuracy and completeness of the audited and unaudited data and information provided by the Company.

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

Analysis of Embedded Value

OPINION:
Based on our review procedures, we have concluded that:

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

- The EV and Operating Profit results, in all material aspects, are consistent with the methodology and assumptions stated in the Analysis of Embedded Value chapter in the Annual Report 2024.

We also confirm that the EV and Operating Profit results disclosed in the Analysis of Embedded Value chapter in the Annual Report 2024 are consistent with the results we reviewed.

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

Liang Yong Hua, Actuary
Ernst & Young (China) Advisory Limited
March 19, 2025

KEY INDICATORS

(in RMB million)	**2024/ December 31, 2024**	2023/ December 31, 2023	Change (%)
L&H EV on a like-for-like basis(1)	**960,608**	830,974	15.6
L&H value of one year's new business after cost of capital (NBV) on a like-for-like basis(1)	**40,024**	31,080	28.8
L&H EV(2)	**835,093**	N/A	N/A
L&H value of one year's new business after cost of capital (NBV)(2)	**28,534**	22,710	25.6
L&H operating ROEV(3) (%)	**11.0**	10.6	0.4 pps
Long-run investment return assumption (%)	**4.0**	4.5	-0.5 pps
Risk discount rate (%)	**8.5/7.5**	9.5	-1.0/2.0 pps

Notes: (1) The computation of NBV for the current period and the same period last year and EV as of the end of the current period and the end of last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate assumption (9.5%).
(2) In view of the macroeconomic environment and the long-run trend of interest rates, Ping An prudently lowered the L&H EV long-run investment return assumption to 4.0% and the risk discount rate to 8.5%/7.5% in 2024, and made retrospective adjustments to NBV in 2023 using the end-2024 economic assumptions.
(3) Operating ROEV is based on a 4.5% long-run investment return and a 9.5% risk discount rate.

ANALYSIS OF EMBEDDED VALUE

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

The *Standards for Actuarial Practice: Valuation Standard for Embedded Value of Life Insurance* (the "Standards") issued by the China Association of Actuaries became effective in November 2016. The Company has disclosed the embedded value for 2024 in accordance with the Standards and China Risk Oriented Solvency System ("C-ROSS"), and engaged Ernst & Young (China) Advisory Limited to review the reasonableness of the methodology, assumptions and calculation results of the Company's analysis of embedded value as of December 31, 2024.

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

Components of Economic Value

(in RMB million)	December 31, 2024	December 31, 2023
L&H adjusted net asset value (ANA)	**435,493**	384,510
Value of in-force insurance business before cost of capital	**522,100**	550,593
Cost of capital	**(122,500)**	(104,128)
L&H EV(1)	**835,093**	830,974
Other business ANA	**587,509**	559,152
Group EV	**1,422,602**	1,390,126

Notes: (1) L&H EV was RMB960,608 million as of December 31, 2024 based on the end-2023 assumptions and model.
(2) Figures may not match the calculation due to rounding.

(in RMB million)	2024	2023
Value of one year's new business	**34,993**	37,614
Cost of capital	**(6,459)**	(6,534)
Value of one year's new business after cost of capital(1)	**28,534**	31,080

Notes: (1) Value of one year's new business after cost of capital was RMB40,024 million as of December 31, 2024 based on the end-2023 assumptions and model.
(2) Figures may not match the calculation due to rounding.

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

Analysis of Embedded Value

Key Assumptions

The assumptions used in the embedded value calculation as at December 31, 2024 have been made on a "going concern" basis, assuming continuation of the economic and legal environment currently prevailing in China. The calculation is in line with the Standards and capital requirement under C-ROSS. Certain portfolio assumptions are based on the Company's own recent experience as well as considering the more general China market and other life insurance markets' experience. The principal bases and assumptions used in the calculation are described below:

1. **Risk discount rate**
   The discount rate for calculating the value of in-force and the value of new business of the life and health insurance business is set by product type at 8.5% for traditional insurance and 7.5% for non-traditional insurance such as participating and universal insurance.

2. **Investment return**
   For non-investment-linked insurance funds, the future annual investment return is assumed to be 4.0%. For investment-linked funds, future investment returns have been assumed to be slightly higher than the above non-investment-linked fund investment returns assumption. These returns have been derived by consideration of the current capital market conditions, the Company's current and expected future asset allocations and associated investment returns for a range of major asset classes.

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

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

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

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

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

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

New Business Value

The new business volumes based on the end-2023 assumptions and model measured by first-year premium and its new business value by segment are:

(in RMB million)	FYP used to calculate New Business Value 2024	2023	Change (%)	New Business Value 2024	2023	Change (%)
Retail business	**125,001**	133,662	(6.5)	**39,781**	30,644	29.8
Agency	**88,421**	100,513	(12.0)	**31,870**	25,187	26.5
Bancassurance	**19,643**	18,091	8.6	**4,825**	2,965	62.7
Community finance, tele and others	**16,937**	15,058	12.5	**3,086**	2,492	23.8
Group business	**29,026**	32,122	(9.6)	**243**	436	(44.3)
Total	**154,026**	165,784	(7.1)	**40,024**	31,080	28.8

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

The NBV margin based on the end-2023 assumptions and model measured by segment is as follows:

(%)	By FYP 2024	2023	By ANP 2024	2023
Retail business	**31.8**	22.9	**37.8**	31.4
Agency	**36.0**	25.1	**41.9**	35.6
Bancassurance	**24.6**	16.4	**37.5**	23.3
Community finance, tele and others	**18.2**	16.6	**18.2**	17.3
Group business	**0.8**	1.4	**1.2**	2.1
Total	**26.0**	18.7	**31.8**	26.2

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

Quarterly NBV based on the end-2024 assumptions and model is as follows:

(in RMB million)	NBV	FYP used to calculate NBV	NBV margin (%)
First quarter of 2024	9,555	56,628	16.9
Second quarter of 2024	6,424	35,590	18.1
Third quarter of 2024	8,459	46,406	18.2
Fourth quarter of 2024	4,095	15,403	26.6
Year of 2024	28,534	154,026	18.5

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

Analysis of Embedded Value

Embedded Value Movement

The table below shows how the Company's embedded value changed from the opening balance of RMB1,390,126 million as of December 31, 2023 to the closing balance of RMB1,422,602 million as of December 31, 2024.

(in RMB million)		2024	Note
L&H Opening EV	[1]	**830,974**	
Expected return on opening EV	[2]	57,433	
Including: Unwinding of in-force value		43,591	In-force unwind at the 9.5% risk discount rate
ANA return		13,842	
NBV post-risk diversification benefits	[3]	32,271	
Including: NBV pre-risk diversified		28,534	Reported NBV based on a cost of capital calculated at policy level
Diversification effects		3,737	Diversification within new business and diversification between new business and in-force lower cost of capital
Operating assumptions and model changes	[4]	(13,490)	Mainly due to adjustments of disease incidence and lapse rates based on experience
Operating variances and others	[5]	15,367	Favorable operating experience, mostly from variance in mortality spread gain
L&H EV operating profit	[6]=[2]+...+[5]	**91,581**	
Economic assumptions changes	[7]	(84,063)	Adjustments of assumptions including the EV long-run investment return and the risk discount rate
Market value adjustment	[8]	15,895	Change in market value adjustment of free surplus during the Reporting Period
Investment return variance	[9]	21,722	Investment return higher than the assumption
Non-operating one-off item and others	[10]	–	
L&H EV profit	[11]=[6]+...+[10]	**45,136**	
Shareholder dividends		(40,114)	Dividends upstreamed from Ping An Life and Ping An Health Insurance to the Company
Employee stock ownership plan		(902)	L&H's Long-term Service Plan and Key Employee Share Purchase Plan, as well as the offset effect for the amortization during the Reporting Period

(in RMB million)	2024	Note
L&H Closing EV	**835,093**	
Other business opening ANA	**559,152**	
Operating profit of other business	24,888	
Non-operating profit of other business	8,694	A one-off gain or loss resulting from the consolidation of Lufax Holding to the Group, a revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company, a revaluation gain or loss on the conversion value of the USD convertible bonds issued by the Company, and so on.
Market value adjustment and other variance	819	
Other business closing ANA before capital changes	**593,553**	
Dividends received	40,114	Dividends upstreamed from Ping An Life and Ping An Health Insurance to the Company
Dividends paid	(44,002)	Dividends paid by the Company to shareholders
Employee stock ownership plan	(2,156)	Long-term Service Plan and Key Employee Share Purchase Plan, as well as the offset effect for the amortization during the Reporting Period
Other business closing ANA	**587,509**	
Closing group EV	**1,422,602**	
Closing group EV per share (in RMB)	**78.12**	

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

Analysis of Embedded Value

EV operating profit of L&H in 2024 was RMB91,581 million, mainly comprised of the NBV and expected return on opening EV.

(in RMB million)		2024	2023
L&H EV operating profit	[6]	**91,581**	84,684
L&H operating ROEV(1) (%)	[12]=[6]/[1]	**11.0**	10.6

Notes: (1) Operating ROEV is based on a 4.5% long-run investment return and a 9.5% risk discount rate.
(2) Figures may not match the calculation due to rounding.

SENSITIVITY ANALYSIS

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

- Assumptions and model used in 2023
- A 50 bps increase or decrease in investment return
- A 50 bps increase or decrease in risk discount rate
- A 10% increase in mortality, morbidity and accident rates
- A 10% increase in policy discontinuance rates
- A 10% increase in maintenance expenses
- A 5% increase in the policyholders' dividend payout ratio
- A 10% decrease in the fair value of equity assets

Sensitivity to Key Assumptions

(in RMB million)	Group EV	L&H EV	NBV
Base case	1,422,602	835,093	28,534
Assumptions and model used in 2023	1,548,117	960,608	40,024
Investment return increased by 50 bps per annum	1,556,126	968,617	37,535
Risk discount rate increased by 50 bps per annum	1,398,722	811,213	27,020
Investment return decreased by 50 bps per annum	1,289,237	701,728	19,517
Risk discount rate decreased by 50 bps per annum	1,448,842	861,333	30,179
10% increase in mortality, morbidity and accident rates	1,394,666	807,157	25,891
10% increase in policy discontinuance rates	1,425,295	837,786	28,501
10% increase in maintenance expenses	1,418,309	830,800	28,149
5% increase in the policyholders' dividend payout ratio	1,414,766	827,257	28,379
10% decrease in the fair value of equity assets	1,386,995	809,247	N/A

ANALYSIS OF OPERATING PROFIT

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

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

Operating Profit of the Group

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

- Short-term investment variance applies to Life & Health business excluding the part subject to the VFA(1). This short-term investment variance is the variance between the actual investment return on the aforesaid business and the embedded value long-run investment return assumption. Net of the short-term investment variance, the investment return on the aforesaid Life & Health business is locked at 4.0%(2). Debt investments at fair value through other comprehensive income backing such business are measured at cost;

- The impact of one-off material non-operating items and others is the impact of material items that management considered to be non-operating incomes and expenses. Such impact in 2024 comprised a one-off gain or loss resulting from the consolidation of Lufax Holding to the Group, a revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company, a revaluation gain or loss on the conversion value of the USD convertible bonds issued by the Company, and so on. Such impact in the same period last year comprised a revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company.

Notes: (1) Insurance finance income or expenses of liabilities subject to the VFA match the changes in the fair value of the underlying items backing such business. Therefore, no adjustment is made when operating metrics are measured.
(2) The Company lowered the long-run investment return assumption to 4.0% in 2024, and has retrospectively adjusted data for the comparative period as per the adjusted investment return assumption.

The Group's operating profit after tax attributable to shareholders of the parent company in 2024 was RMB121,862 million, up 9.1% year on year, with an operating ROE of 12.7%. L&H operating profit after tax attributable to shareholders of the parent company was RMB96,975 million, down 1.9% year on year, with an operating ROE of 25.7%.

Analysis of Embedded Value

Operating Profit after Tax Attributable to Shareholders of the Parent Company

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

(in RMB million)		The Group 2024	The Group 2023	L&H 2024	L&H 2023
Operating profit attributable to shareholders of the parent company		**121,862**	111,728	**96,975**	98,809
Operating profit attributable to non-controlling interests(1)		**20,101**	23,782	**(953)**	966
Operating profit	[1]	**141,964**	135,509	**96,022**	99,775
Plus:					
Short-term investment variance of L&H(2)	[2]	**(3,925)**	(26,383)	**(3,925)**	(26,383)
Impact of one-off material non-operating items and others(2)	[3]	**8,694**	149	**-**	–
Net profit	[4]=[1]+[2]+[3]	**146,733**	109,274	**92,097**	73,391
Net profit attributable to shareholders of the parent company		**126,607**	85,665	**93,025**	72,598
Net profit attributable to non-controlling interests		**20,126**	23,609	**(928)**	793

Notes: (1) Operating profit attributable to non-controlling interests = net profit attributable to non-controlling interests in the consolidated financial statements – (1 – proportion of shares held by the Company) * the above adjusted items.
(2) The short-term investment variance is based on a long-run investment return assumption of 4.0%, and data for the comparative period has been retrospectively adjusted as per the adjusted investment return assumption. The short-term investment variance and impact of one-off material non-operating items and others set out above are net of tax.
(3) Figures may not match the calculation due to rounding.

(in RMB million)	2024	2023	Change (%)
Life and health insurance business	**96,975**	98,809	(1.9)
Property and casualty insurance business	**14,952**	8,918	67.7
Banking business	**25,796**	26,925	(4.2)
Asset management business	**(11,899)**	(20,747)	Loss down by 42.6%
Finance enablement business	**(29)**	1,905	N/A
Other businesses and elimination	**(3,932)**	(4,083)	Loss down by 3.7%
The Group	**121,862**	111,728	9.1

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

Operating ROE

(%)	2024	2023	Change (pps)
Life and health insurance business	**25.7**	30.2	(4.5)
Property and casualty insurance business	**11.5**	7.4	4.1
Banking business	**10.1**	11.4	(1.3)
Asset management business	**(13.8)**	(19.8)	6.0
Finance enablement business	**0.0**	2.0	(2.0)
Other businesses and elimination	**N/A**	N/A	N/A
The Group	**12.7**	12.5	0.2

Operating Equity Attributable to Shareholders of the Parent Company

(in RMB million)	**December 31, 2024**	December 31, 2023	Change (%)
Life and health insurance business[1]	**408,757**	344,892	18.5
Property and casualty insurance business	**135,854**	124,647	9.0
Banking business	**257,826**	244,777	5.3
Asset management business	**79,452**	92,836	(14.4)
Finance enablement business	**86,841**	97,250	(10.7)
Other businesses and elimination	**34,159**	13,090	161.0
The Group[1]	**1,002,889**	917,492	9.3

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

Quarterly OPAT based on the embedded value long-run investment return assumption of 4.0% is as follows:

(in RMB million)	**OPAT attributable to shareholders of the parent company**	
	The Group	**L&H**
First quarter of 2024	37,008	25,588
Second quarter of 2024	37,978	25,573
Third quarter of 2024	33,459	26,167
Fourth quarter of 2024	13,417	19,647

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

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

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

(in RMB million)		**2024**	2023
Insurance service result and others	[1]=[2]+[5]+[8]	**86,031**	88,587
Release of CSM	[2]	**71,140**	74,787
CSM release base	[3]	**802,452**	843,227
CSM release rate (%)	[4]=[2]/[3]	**8.9**	8.9
Change in risk adjustment for non-financial risk	[5]	**6,859**	6,029
Opening risk adjustment	[6]	**157,162**	142,249
Risk adjustment release rate (%)	[7]=[5]/[6]	**4.4**	4.2
Operating variances and others	[8]	**8,032**	7,771
Investment service result[1]	[9]	**17,552**	17,177
Operating profit before tax	[10]=[1]+[9]	**103,583**	105,764
Income tax	[11]	**(7,561)**	(5,989)
Operating profit after tax	[12]=[10]+[11]	**96,022**	99,775

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

Analysis of Embedded Value

As of December 31, 2024, the contractual service margin of life and health insurance business was RMB731,312 million. The movement of L&H contractual service margin in 2024 is presented below:

(in RMB million)		2024	2023	Note
Opening CSM	[1]	**768,440**	818,683	
Contribution from new business ("New Business CSM")	[2]	**35,405**	38,951	
Present value of expected premiums from new business sold	[3]	**395,481**	384,254	
New business CSM margin (%)	[4]=[2]/[3]	**9.0**	10.1	Mainly affected by changes in business mix and downward market interest rates
Expected interest growth	[5]	**24,051**	25,332	
Changes in estimates that adjust CSM(1)	[6]	**(20,640)**	(46,374)	Mainly affected by improvement of policy withdrawal and differences of adjustments to noneconomic assumptions
Changes in financial risks of insurance contracts subject to the VFA	[7]	**(4,804)**	6,635	Mainly affected by fluctuations in capital markets and downward market interest rates
CSM release base	[8]=[1]+[2]+[5]+[6]+[7]	**802,452**	843,227	
Release of CSM	[9]=X%*[8]	**(71,140)**	(74,787)	
Closing CSM	[10]=[8]+[9]	**731,312**	768,440	

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

APPENDIX

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

For the twelve months ended December 31, 2024 (in RMB million)	FYP used to calculate NBV	FYP disclosed in MD&A	Difference	Reasons
Retail business	**125,001**	**189,081**	(64,080)	The FYP disclosed in MD&A includes survival benefits and dividends transferred into universal insurance accounts as premiums of products sold in previous periods, while the FYP used to calculate NBV excludes them.
Group business	**29,026**	**19,117**	9,909	In compliance with current accounting standards, group investment contracts are not included in FYP disclosed in MD&A, but included in FYP used to calculate NBV due to their contribution to NBV
Total of L&H	**154,026**	**208,198**	(54,172)	

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

Liquidity and Capital Resources

- Ping An's comprehensive solvency margin ratio and core solvency margin ratio under the *Regulatory Rules on Solvency of Insurance Companies (II)* (the "C-ROSS Phase II") were 204.1% and 165.2% respectively as of December 31, 2024, both well above regulatory requirements.
- Ping An plans to pay a final dividend of RMB1.62 per share in cash for 2024. The full-year cash dividend will be RMB2.55 per share, up 5% year on year. The cash dividend payout ratio based on operating profit attributable to shareholders of the parent company will be 37.9%, with total dividends increasing for 13 consecutive years.

OVERVIEW

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

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

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

(in RMB million)	**December 31, 2024**	December 31, 2023	Change (%)
Total assets	**12,957,827**	11,583,417	11.9
Total liabilities	**11,653,115**	10,354,453	12.5
Total liabilities to total assets ratio (%)	**89.9**	89.4	0.5 pps

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

CAPITAL STRUCTURE

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

Liquidity and Capital Resources

The following table shows the balances of capital bonds issued by the Group and its main subsidiaries as of December 31, 2024:

Issuer	Type	Par value (in RMB million)	Coupon rate	Issuance year	Maturity
Ping An Group	Convertible bonds (Offshore)	3,500 (USD)	0.875%	2024	5 years
Ping An Life	Undated capital bonds	15,000	First 5 years: 2.24% Adjusted every 5 years	2024	Undated
Ping An Life	Capital supplementary bonds	20,000	First 5 years: 3.58% Next 5 years: 4.58% (If not redeemed)	2020	10 years
Ping An P&C	Capital supplementary bonds	10,000	First 5 years: 2.27% Next 5 years: 3.27% (If not redeemed)	2024	10 years
Ping An Bank	Tier 2 capital bonds	3,000	Fixed rate of 2.50%	2024	15 years
Ping An Bank	Tier 2 capital bonds	27,000	Fixed rate of 2.32%	2024	10 years
Ping An Bank	Undated capital bonds	20,000	First 5 years: 2.45% Adjusted every 5 years	2024	Undated
Ping An Bank	Undated capital bonds	30,000	First 5 years: 3.85% Adjusted every 5 years	2020	Undated
Ping An Bank	Tier 2 capital bonds	30,000	Fixed rate of 3.69%	2021	10 years
Ping An Securities	Perpetual subordinated bonds	5,000	First 5 years: 3.86% Adjusted every 5 years	2021	Undated
Ping An Securities	Subordinated corporate bonds	1,900	3.10%	2022	3 years
Ping An Securities	Subordinated corporate bonds	1,100	3.56%	2022	5 years
Founder Securities	Subordinated corporate bonds	1,200	4.10%	2023	3 years
Founder Securities	Subordinated corporate bonds	1,500	3.68%	2023	2 years
Founder Securities	Subordinated corporate bonds	500	3.80%	2023	3 years

FREE CASH OF THE PARENT COMPANY

Free cash of the parent company includes bonds, bank deposits and cash equivalents that the parent company holds. Free cash of the parent company is mainly invested in subsidiaries or used for daily operations or dividend distribution. Free cash of the parent company remained reasonable at RMB74,565 million as of December 31, 2024.

(in RMB million)	2024
Opening balance of free cash	**37,407**
Dividends from subsidiaries	**58,002**
Dividends paid out to shareholders	**(44,002)**
Net proceeds from the issue of convertible bonds	**24,692**
Others	**(1,534)**
Closing balance of free cash	**74,565**

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

The major free cash inflows were the dividends of RMB58,002 million from subsidiaries as detailed below:

(in RMB million)	2024
Ping An Life	**39,791**
Ping An Bank	**9,282**
Ping An P&C	**4,182**
Ping An Asset Management	**1,480**
Ping An Financial Leasing	**1,250**
Ping An Trust	**1,205**
Ping An Securities	**492**
Ping An Health Insurance	**320**
Total	**58,002**

DIVIDEND DISTRIBUTION

According to the *Articles of Association*, the Company shall attach importance to reasonable investment returns for investors in terms of profit distribution. The profit distribution policy of the Company shall maintain its continuity and stability. The accumulated profit to be distributed in cash for the past three years shall not be less than 30% of the average yearly distributable profit realized in the past three years, provided that the annual distributable profit of the Company (namely the profit after tax of the Company after covering losses and making contributions to the revenue reserve) is positive in value and such distributions are in compliance with the prevailing laws and regulations and the requirements of regulatory authorities for solvency margin ratios. In determining the specific cash dividend payout ratio, the Company shall consider its profitability, cash flows, solvency position, and operational and business development needs. The Board of Directors of the Company is responsible for formulating and implementing a profit distribution proposal in accordance with the *Articles of Association*. The Board of Directors will ensure the continuity and stability of the profit distribution policy so that the Group can seize opportunities for future growth while maintaining financial flexibility. The Board of Directors proposed to pay a final dividend of RMB1.62 per share (tax inclusive) in cash for 2024. As the Company already paid an interim cash dividend of RMB0.93 per share (tax inclusive), the full-year cash dividend for 2024 will be RMB2.55 per share (tax inclusive), up 5% year on year.

Liquidity and Capital Resources

Dividend payouts of the parent company are decided by taking account of the Group's operating profit attributable to shareholders of the parent company. The Company's cash dividends and cash dividend payout ratios based on operating profit attributable to shareholders of the parent company for the past five years are shown in the table below. Ping An has grown its full-year cash dividend amount at a 4.3% compound annual growth rate over the past five years.

	Cash dividend per share (in RMB)	Growth of cash dividend per share	Cash dividend amount (in RMB million)	Cash dividend payout ratio based on operating profit attributable to shareholders of the parent company	Share repurchase amount (in RMB million)	Cash dividend payout ratio based on net profit attributable to shareholders of the parent company (inclusive of share repurchases)
2024	2.55	5%	46,174	37.9%	–	36.5%
2023	2.43	0.4%	44,002	37.3%	–	51.4%
2022	2.42	1.7%	43,820	29.5%	1,101	53.6%
2021	2.38	8.2%	43,136	29.2%	3,900	46.3%
2020	2.20	7.3%	40,063	28.7%	994	28.7%

Notes: (1) For 2022, the cash dividend payout ratio based on restated operating profit attributable to shareholders of the parent company was 29.8%, and the cash dividend payout ratio based on restated net profit attributable to shareholders of the parent company (inclusive of share repurchases) was 40.5%.
(2) Cash dividend per share includes the interim dividend and final dividend for the year. Pursuant to the *Shanghai Stock Exchange's Guidelines for Self-regulation of Listed Companies No.7 – Repurchase of Shares* promulgated by the SSE, the Company's A shares in the Company's repurchased securities account are not entitled to dividend distribution.
(3) Except for the 2024 final dividend pending approval at the 2024 Annual General Meeting, profit distributions for other years were completed in relevant years.
(4) Figures may not match the calculation due to rounding.

CAPITAL ALLOCATION

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

GROUP SOLVENCY MARGIN

Ping An Group's solvency margin ratios were significantly above the regulatory requirements as of December 31, 2024. Stable solvency margin ratios ensure that the Company meets capital requirements specified by external institutions including regulators and rating agencies, and support the Company in developing business and continuously creating value for shareholders.

(in RMB million)	**December 31, 2024**	December 31, 2023
Core capital	**1,457,074**	1,320,654
Actual capital	**1,799,586**	1,714,110
Minimum capital	**881,890**	823,985
Core solvency margin ratio (%)	**165.2**	160.3
Comprehensive solvency margin ratio (%)	**204.1**	208.0

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

Test results showing the impacts of declines in interest rates and equity assets on solvency margin ratios of Ping An Group, Ping An Life, and Ping An P&C as at December 31, 2024 are disclosed below:

	Core solvency margin ratio			Comprehensive solvency margin ratio		
December 31, 2024	Ping An Group	Ping An Life	Ping An P&C	Ping An Group	Ping An Life	Ping An P&C
Base case	165.2%	116.4%	171.3%	204.1%	189.2%	205.3%
50 bps decline in current interest rates	162.2%	105.8%	174.2%	199.8%	175.6%	208.1%
10% decrease in fair value of equity assets	161.7%	109.8%	167.9%	201.1%	184.6%	202.3%

LIQUIDITY RISK MANAGEMENT

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

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

Liquidity and Capital Resources

CASH FLOW ANALYSIS

(in RMB million)	2024	2023	Change (%)
Net cash flows from operating activities	**382,474**	360,403	6.1
Net cash flows from investing activities	**(416,251)**	(104,001)	300.2
Net cash flows from financing activities	**30,951**	(222,056)	N/A

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

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

Net cash inflows from financing activities increased year on year mainly due to a year-on-year increase in cash inflows from Ping An Life's repo business.

CASH AND CASH EQUIVALENTS

(in RMB million)	December 31, 2024	December 31, 2023	Change (%)
Cash	**381,829**	317,130	20.4
Bonds of original maturities within 3 months	**8,660**	3,995	116.8
Financial assets purchased under reverse repurchase agreements of original maturities within 3 months	**88,556**	159,347	(44.4)
Total	**479,045**	480,472	(0.3)

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

Risk Management

Ping An strives to become a world-leading "integrated finance, health and senior care" services group. To achieve this goal, the Group continuously optimizes the risk management system and strengthens the risk management platform. By identifying, evaluating, and mitigating risks, Ping An strikes a balance between risks and returns, which ultimately contributes to healthy business growth.

RISK MANAGEMENT OBJECTIVES

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

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

RISK MANAGEMENT ORGANIZATIONAL STRUCTURE

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

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

Risk Management

The Audit and Risk Management Committee under the Board of Directors is responsible for thoroughly understanding the Company's major risk exposures and relevant management situations, monitoring the effectiveness of the risk management system, deliberating the following matters, and giving opinions and suggestions to the Board of Directors on the following matters:

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

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

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

The Group Executive Committee leads all the aspects of the Group's risk management. The Risk Management Executive Committee (the "RMEC") under the Group Executive Committee directly reports and is responsible to the Group Executive Committee as the supreme risk management organ under the Group Executive Committee. The RMEC is responsible for strategic planning, rule-making and policy formulation for comprehensive risk management, overall management of various risks, research and determination of directions, supervision of implementation, and result evaluation. The RMEC is also responsible for dealing with major risks, adhering to the bottom line of "no systemic risk." In addition, the RMEC promotes an integrated risk prevention and management framework among the Group and its member companies to ensure full coverage of risk management. A senior vice president at the Group level in charge of risk management acts as the RMEC's chairman. Members of the RMEC are the relevant executives at the Group level in charge of different risk categories, who have clearly-defined responsibilities for risk management and comprehensively cover the Group's various risks.

In 2024, the Group continuously improved its comprehensive risk management system, and further consolidated the basis for comprehensive risk management in line with the latest regulatory requirements and internal management needs. In respect of risk management coverage, the Company's comprehensive risk management system covers all kinds of general risks and insurance group-specific risks. In respect of risk management responsibilities, the Company clarified the management responsibilities and implemented a risk management structure of "dual management" by the Group and its member companies. In respect of risk limit management, the Group defined limits for various risks at the Group level by setting risk appetites, established a comprehensive risk indicator system, and continuously monitors its implementation. In respect of risk management standards, the Group reviews and standardizes the risk management procedures and requirements, and incorporates them into management policies. The Group requires member companies to implement the management requirements at the Group level. In this way, the Group adheres to the risk limits through effective risk management. Moreover, the Group further improved its risk appetite system, optimized the comprehensive risk indicator system, and enhanced the risk monitoring, alerting and reporting mechanisms. The Group also applied digital risk management to ensure that all risks are effectively identified and managed on a timely basis. In addition, the Group continued to conduct risk reviews of business development and optimized capital utilization to maintain a balance between business development and risk management. The Group fully implemented regulatory requirements to support the Company's sustainable, healthy strategic and business development. The Group established and continuously enhanced risk appraisal and evaluation mechanisms to strengthen risk control and raise risk awareness.

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

Risk Management

RISK MANAGEMENT CULTURE

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

RISK APPETITE SYSTEM

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

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

The Company's business development and risk management came under pressure due to internal and external environments in 2024. The Group implemented a prudent risk appetite, operated in strict compliance with laws and regulations, took reasonable and appropriate risks, effectively controlled credit, market and other risks, prevented operational, compliance, IT and brand reputation risk events, strengthened strategic risk management, and appropriately managed ESG-related risks. Moreover, the Group ensured that its solvency position was always in line with regulatory requirements, and kept overall risk under control.

RISK MANAGEMENT METHODOLOGY

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

- The Group improves its risk governance framework and risk management reporting mechanism, includes risk indicators in its performance appraisal system, and integrates its risk management culture into its corporate culture. In this way, the Group has laid the foundation for healthy, sustainable and stable business development;

- The Group improves the risk appetite framework in line with its business development strategy. The Group also optimizes risk management policies and standardizes risk management requirements for its member companies;

- The Group strengthens consolidated risk monitoring, conducts holistic management of its member companies' risks, carries out comprehensive risk review and assessment, and improves the system of risk monitoring indicators;

- The Group continuously improves the management framework for general risks including credit risk and group-level risks including concentration risk. The Group has strengthened its ability to manage various risks via rule formulation, risk limit management, system development, and risk reporting, so as to comprehensively improve the Group's risk management for its integrated finance business;

- The Group utilizes tools and methods including scenario analysis, stress tests and risk limits to continuously develop and optimize quantitative techniques and models of risk management, analyze risk exposures and evaluate their quantitative and qualitative impacts on the risk limits. Such measures enable the Group to plan ahead and take necessary precautions in a timely manner to prevent and mitigate risks;

- The Group has improved its risk warning mechanism, providing timely and effective alerts on industry developments, regulatory information and risk events, and effectively guarding against potential risks. The Group has also enhanced its risk emergency management mechanism; and

- Member companies are encouraged to employ smart system platforms in risk management and effectively apply IT capabilities to the entire risk management cycle to enhance risk management capabilities and execute the Company's strategies.

Risk Management

RISK ANALYSIS

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

1. General Risks

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

1.1 Insurance Risk

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

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

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

December 31, 2024 (in RMB million)	Change in a single variable	Increase/(decrease) in profit before tax		Increase/(decrease) in equity before tax	
		Before reinsurance	After reinsurance	Before reinsurance	After reinsurance
Mortality, morbidity, accident rates, etc.(1)	+10%	(8,798)	(8,310)	(20,652)	(18,981)
Policy lapse rates	+/-10%	(2,524)	(2,509)	(6,028)	(6,037)
Maintenance expense rates	+5%	(585)	(581)	(1,031)	(1,027)

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

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

December 31, 2024 (in RMB million)	Change in average claim costs	Increase/(decrease) in profit before tax		Increase/(decrease) in equity before tax	
		Before reinsurance	After reinsurance	Before reinsurance	After reinsurance
Property and casualty insurance	+5%	(7,343)	(6,465)	(7,343)	(6,465)
Short-term life insurance	+5%	(637)	(531)	(637)	(531)

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

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

1.2 Market Risk

Market risk refers to the risk that causes losses to the Group due to unfavorable changes in interest rates, equity prices, foreign exchange rates, and real estate prices.

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

Market Risk – Interest Rate Risk

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

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

December 31, 2024 (in RMB million)	Change in interest rate	Increase/(decrease) in profit before tax	Increase/(decrease) in equity before tax
Debt investments classified as financial assets measured at fair value through profit or loss and measured at fair value through other comprehensive income	+10 bps	(3,428)	(47,949)

Market Risk – Equity Risk

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

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

December 31, 2024 (in RMB million)	Increase/(decrease) in equity before tax
Listed equities and securities investment funds classified as financial assets measured at fair value through profit or loss and measured at fair value through other comprehensive income	(58,596)

Market Risk – Foreign Exchange Risk

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

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

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

December 31, 2024 (in RMB million)	Increase/(decrease) in equity before tax
Net exposure to fluctuations in exchange rates assuming a simultaneous and uniform depreciation of 5% of all foreign currency-denominated monetary assets and liabilities and non-monetary assets and liabilities measured at fair value against the Renminbi	(6,340)

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

Market Risk – Real Estate Price Risk

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

The fair value of the Group's holding of buildings under investment properties stood at RMB157,988 million as of December 31, 2024.

1.3 Credit Risk

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

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

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

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

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

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

December 31, 2024	As a percentage of carrying value
Low-risk financial assets measured at amortized cost held by the Group	92.5%

1.4 Operational Risk

Operational risk refers to the risk of losses resulting from flawed internal procedures, employees and information technology systems as well as external events, including legal risk but excluding strategic risk and reputation risk.

The Group continuously implements applicable new regulations and its operational risk management strategies. The Group uses the existing compliance management and internal control framework as the basis to integrate domestic and foreign regulators' advanced standards, methods, and tools for operational risk management. The Group optimizes the structure, amends policies, and improves three lines of defense for operational risk management. The Group defines the principal responsibilities of each department, and strengthens collaboration and cooperation between departments. The Group has established daily monitoring and reporting mechanisms to provide regular reports to the management on the overall operational risk situation. Moreover, the Group clarifies rules and standards for operational risk management, and strengthens operational risk management system development to effectively prevent operational risk and reduce losses. The Group constantly improves its capability of handling the impacts of internal and external events to ensure resilient business operations.

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

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

1.5 Strategic Risk

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

With a robust strategic risk management system and relevant procedures, the Group studies macroeconomic conditions in China and abroad, impacts of the regulatory landscape, and market competition dynamics to conduct thorough evaluation and research of the Group's general strategies and development plans. The Group coordinates and regularly formulates its general strategies and annual business plans, sets out strategic priorities for the Group and its member companies, and ensures not only the consistency between member companies' and the Group's strategic goals, but also the coordination between member companies' strategic goals. Furthermore, the Group oversees and evaluates member companies' implementation of strategic plans and annual plans to ensure effective implementation of the Group's general strategic plans. The Group strengthened the management of its product strategy, investment strategy, brand strategy and overseas development strategy, and effectively implemented relevant plans in accordance with the strategic risk management rules in 2024.

1.6 Reputation Risk

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

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

1.7 Liquidity Risk

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

Risk Management

2. Group-level Risks

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

2.1 Risk Contagion

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

While unlocking synergies in integrated finance, the Group has comprehensively strengthened the management of risk contagion within the Group by building firewalls, managing related party transactions, outsourcing and integrated finance, and centralizing branding, communications and information disclosure to prevent risk contagion among member companies.

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

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

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

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

Fourthly, information firewalls. The Group and its member companies continuously improve the network and data security governance structure, and have established an accountability system for cybersecurity, data security, and personal information protection. The Group and its member companies have specified responsible departments and personnel, and formulated management rules and supporting documents for network and data security to ensure network access control and information/data segregation. Attaching great importance to customer information security, the security of their products, and the cybersecurity of their businesses, the Group and its member companies strictly comply with laws, regulations and regulatory requirements including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. The Group and its member companies have set up an all-around mechanism for ex ante control, in-the-process monitoring and ex post audits, and put in place security controls over all the stages of the data lifecycle, including data collection, transmission, storage, use, exchange and destruction, to protect the security, integrity and usability of customer information and data.

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

The Group has constantly improved the management of related party transactions. The Group and its member companies constantly enhance the management of related party transactions in strict accordance with applicable laws, regulations and regulatory requirements and the management principles of good faith, fairness and equity, penetration verification and clear structures. Adhering to risk prevention and control, the Group constantly consolidates the management systems, optimizes structures and mechanisms, improves the management procedures, and enhances related party transaction identification, review and fair value-based pricing to ensure the compliance and fairness of related party transactions. The Group continuously increases transparency by disclosing and reporting related party transactions in strict accordance with industries' regulatory rules. Furthermore, the Group continuously strengthens all its employees' compliance awareness about related party transactions by developing a culture of related party transaction management compliance through constant training and education. The Group enhances system-based management and related party transaction governance by continuously promoting the informatization and intelligentization of related party management and related party transaction management.

Risk Management

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

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

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

2.2 Organizational Structure Non-transparency Risk

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

The Group has established a complete corporate governance structure in accordance with applicable laws, regulations and regulatory documents including the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, with international corporate governance norms and the Group's situations taken into account. The General Meetings of Shareholders, the Board of Directors, the Supervisory Committee, and the senior management exercise their rights and perform their obligations in accordance with the *Articles of Association*. The Group engages in no specific business activity, while its member companies engage in various businesses including insurance, banking, asset management and technology. The Group manages its member companies through shareholding, but neither participates in nor intervenes in the member companies' routine business. The Group and its member companies have clearly defined roles and responsibilities of their respective functions, and each performs its own duties and responsibilities. There is no overlap, lack, or overconcentration of powers and responsibilities. The Group has a robust governance structure and a transparent management structure. The Group bans cross-shareholding and illegal subscription for capital instruments.

2.3 Concentration Risk

The Group's concentration risk refers to the risk that member companies' single or combined risks, when aggregated at the Group level, may have a material direct or indirect impact on the Group's normal operations. The Group manages concentration risks from the perspectives of counterparties, investment assets, industries, regions, customers, and businesses.

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

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

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

To manage the concentration risk in regions, the Group has set upper limits for the insurance member companies' overseas investment proportions and emerging market investments with insurance funds under the principle of reasonably controlling the concentration risk in regions in accordance with applicable regulatory requirements for the management of regional concentration risk.

To manage the concentration risk in customers, the Group has set customer concentration risk limits under the principle of reasonably controlling the concentration risk in customers, and evaluates, analyzes, monitors and reports the overall customer concentration. In this way, the Group prevents risks caused by the overconcentration of the Group's revenue from a single customer or the same group of customers, to avoid impact on the stability and quality of the Group's business.

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

2.4 Non-insurance Risk

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

The Group is an integrated finance group authorized by the State Council to engage in separate operations under a listed holding group subject to separate regulation. While focusing on core financial businesses, the Group is committed to satisfying customers' diverse financial service needs and realizing the objective of "one customer, multiple accounts, multiple products, and one-stop services." Moreover, the Group improves its overall specialized capabilities and market competitiveness to effectively promote its core financial businesses. The Group strictly manages its non-insurance member companies' strategic planning processes, and regularly evaluates and adjusts its diversification strategy.

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

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

SOLVENCY MANAGEMENT

The CBIRC released the C-ROSS Phase II at the end of December 2021, aiming to prompt insurers to focus on insurance protection and core financial businesses, better serve the real economy, prevent and mitigate risks in the insurance industry, and accelerate opening-up of the financial sector. The C-ROSS Phase II will make solvency regulation more rational, effective, and comprehensive. Insurers have implemented the C-ROSS Phase II since 2022. Insurers more exposed to the C-ROSS Phase II are allowed to implement some of the regulatory rules in stages and implement all of them by 2026.

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

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

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

The CBIRC conducted the first onsite SARMRA of Ping An Group in 2022 and released the SARMRA score in April 2023. The Group's SARMRA score was 81.53, allowing its minimum capital requirement to decrease by RMB13,475 million as of December 31, 2024.

The CBIRC conducted an onsite SARMRA of Ping An Life in 2022. Ping An Life's SARMRA score was 84.03, allowing its minimum capital requirement to decrease by RMB4,841 million as of December 31, 2024.

The CBIRC conducted an onsite SARMRA of Ping An P&C in 2021. Ping An P&C's SARMRA score was 85.06, allowing its minimum capital requirement to decrease by RMB1,276 million as of December 31, 2024.

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

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

The Group's solvency margin ratios met the regulatory requirements as of December 31, 2024. Below are the details:

(in RMB million)	December 31, 2024	December 31, 2023
Core capital	**1,457,074**	1,320,654
Actual capital	**1,799,586**	1,714,110
Minimum capital	**881,890**	823,985
Core solvency margin ratio (%)	**165.2**	160.3
Comprehensive solvency margin ratio (%)	**204.1**	208.0

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

Test results showing the impacts of declines in interest rates and equity assets on solvency margin ratios of Ping An Group, Ping An Life, and Ping An P&C as at December 31, 2024 are disclosed below:

	Core solvency margin ratio			Comprehensive solvency margin ratio		
December 31, 2024	Ping An Group	Ping An Life	Ping An P&C	Ping An Group	Ping An Life	Ping An P&C
Base case	165.2%	116.4%	171.3%	204.1%	189.2%	205.3%
50 bps decline in current interest rates	162.2%	105.8%	174.2%	199.8%	175.6%	208.1%
10% decrease in fair value of equity assets	161.7%	109.8%	167.9%	201.1%	184.6%	202.3%

Sustainability

- Ping An continuously serves the real economy by leveraging its integrated finance advantages. Ping An cumulatively invested nearly RMB10.14 trillion as of December 31, 2024 to bolster the real economy.
- Ping An contributes to China's carbon peak and neutrality goals by continuously upgrading its green finance initiative. Ping An's green investment of insurance funds totaled RMB124,712 million, and green loan balance reached RMB157,762 million as of December 31, 2024. Green insurance premium income totaled RMB58,608 million in 2024.
- Ping An actively promotes rural vitalization by supporting industries, health care and education. Ping An provided RMB52,014 million for rural industrial vitalization through "Ping An Rural Communities Support" in 2024.

SUSTAINABLE STRATEGIC MANAGEMENT

Sustainable development is Ping An's development strategy as well as the basis for maximizing the Company's long-term value. Based on sustainability-related planning, Ping An carried out related work around 13 key initiatives, namely sustainable insurance, responsible banking, responsible investment, responsible products, consumer protection and experience, development and welfare of employees and agents, rural vitalization and community impact, technology-powered sustainable development, sustainable supply chains, climate change and carbon neutrality, corporate governance, business code of conduct, and information security and AI governance, in an orderly manner, and completed the work review for 2024.

Ping An regularly reviews the impacts of sustainability initiatives on the Group's business as well as their economic, social and environmental impacts. Following the double materiality principle, Ping An assessed the identified sustainability initiatives systematically from the impact materiality and financial materiality perspectives in 2024. The assessments serve as an important reference for the Company's overall sustainability management.

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

- Strategy: The Board of Directors and its Strategy and Investment Committee oversee all ESG issues, in charge of the Company's sustainability-related strategic planning, risk management, policy making, performance review and so on.
- Management: The Group ESG and Sustainable Development Office under the Group Executive Committee guides the practice management of green finance, rural vitalization and other key ESG initiatives, external communications for the Company's sustainability issues and so on.
- Execution: The Group ESG secretariat acts as the coordinator of the Group's ESG-related work, leads the implementation of the management's work plans, and coordinates and conducts sustainability work in line with ESG-related strategic planning and the Group ESG and Sustainable Development Office's instructions.
- Practice: A matrix consisting of the Company's various functions and member companies is responsible for ESG practices.

Sustainability

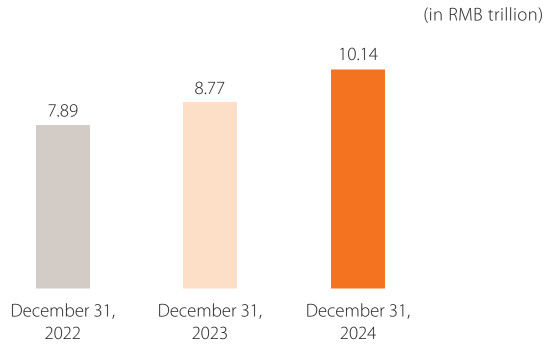
Ping An has established performance appraisal mechanisms with rational, comprehensive indicators and clear, standardized processes in accordance with the *Corporate Governance Guidelines for Banking and Insurance Institutions*. In this way, Ping An incorporates compliant operation indicators, risk management indicators, economic benefit indicators and social responsibility indicators into the performance appraisal mechanisms. Key performance indicators relating to sustainability initiatives such as rural vitalization and green finance have been incorporated into appraisal programs for the Group's senior management, subject to regular review.

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

SUPPORT FOR REAL ECONOMY

Ping An continuously serves the real economy by leveraging its integrated finance advantages. Ping An cumulatively invested nearly RMB10.14 trillion as of December 31, 2024 to bolster the real economy. Ping An P&C provided over RMB4.5 trillion worth of insurance coverage for over 1,800 key engineering projects across China as of December 31, 2024. Moreover, Ping An provided over RMB1.5 trillion worth of insurance coverage for public facilities in 112 countries and regions under the Belt and Road Initiative as of December 31, 2024. Ping An Asset Management cumulatively invested over RMB1.5 trillion directly in the real economy as of December 31, 2024 to serve national strategies through debt investment plans, asset funding plans, insurance private equity funds and so on, including over RMB60 billion invested in 2024.

Cumulative investments supporting real economy

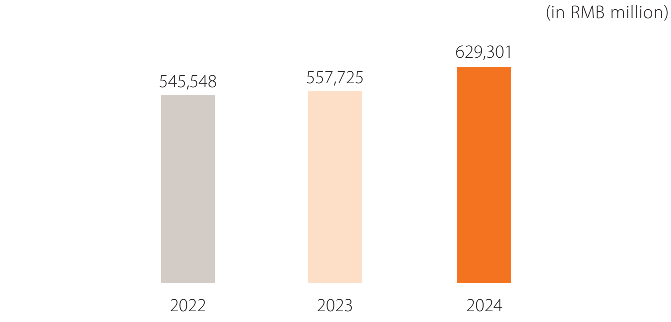


In respect of inclusive finance, Ping An provides financial services for key customer segments such as small and micro-enterprises, new urban citizens and low-income individuals via member companies including Ping An P&C, Ping An Bank and Lufax Holding. Ping An conducted the "Month of Inclusive Finance" campaign under the theme of "Inclusive Financial Services Benefiting Enterprises and Households" in March 2024 to explore various sectors' and groups' demands and meet them with dedicated innovative solutions. During the campaign, Ping An communicated inclusive finance policies via its branches nationwide, and conducted extensive demand surveys and business communications via 7,142 exchange events involving 31,416 market entities. As of December 31, 2024, Ping An Bank had 782 thousand small and micro-enterprise customers with inclusive loan balances, which totaled RMB495,706 million, including RMB141,946 million in agriculture-related loans. Ping An granted RMB220,973 million inclusive loans to small and micro-enterprises in 2024. Lufax Holding provides SBOs and retail customers with offline-to-online credit enablement services from offline consultation to online application. In 2024, Ping An P&C cumulatively provided RMB220 trillion worth of insurance coverage for 2.40 million small and micro-enterprises. Moreover, Ping An P&C's "Agricultural Gig Insurance" products for flexible employment in agriculture cumulatively reaped nearly RMB40 million in premiums and provided over RMB200 billion worth of insurance coverage for over one million flexible workers nationwide in sectors including main grain planting, fruit picking and fish farming.

SUSTAINABLE INSURANCE

Ping An continuously advances the R&D and promotion of sustainable insurance products. In respect of green insurance, Ping An focuses on developing products and services in areas including green industries, green living and ecological agriculture to facilitate comprehensive green transformation of the economy and society. These products and services include chemical battery attenuation compensation liability insurance and arable land productivity index insurance. In respect of social insurance, Ping An increases support for people's livelihoods and meets diverse needs of social development by launching products including comprehensive home insurance, scientific research project R&D expense insurance, "e Hui Bao" million-cover insurance, and children's tax-credit long-term medical insurance. In respect of inclusive insurance, Ping An constantly innovates insurance products and upgrades services to develop inclusive insurance products for small and micro-enterprises, agricultural workers, new urban citizens and groups with special needs, providing risk protection for their business development, production, operations, employment and livelihoods. Ping An had a total of 11,139 sustainable insurance products as of December 31, 2024. Premium income of sustainable insurance increased 12.8% year on year to RMB629,301 million in 2024.

Premium income of sustainable insurance



(in RMB million)	**2024**	2023	2022
Premium income of sustainable insurance	**629,301**	557,725	545,548
Including: Green insurance(1)	**58,608**	37,296	25,105
Social insurance(2)	**554,996**	506,336	490,951
Inclusive insurance(3)	**15,697**	14,093	29,492

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

(2) Social insurance includes liability insurance (e.g. food safety insurance), medical insurance, and critical illness insurance.

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

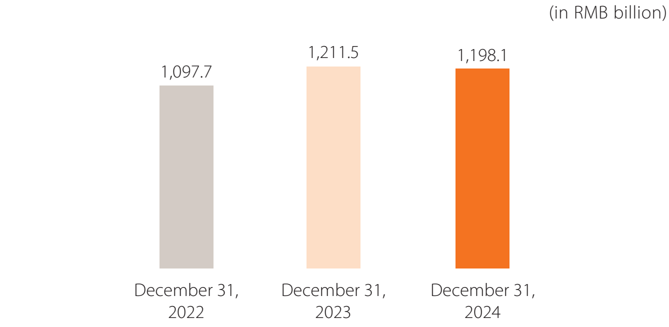
Sustainability

RESPONSIBLE BANKING

Ping An promotes economic development, social progress and environmental improvement via responsible banking. Ping An embeds the sustainability philosophy and the ESG risk management philosophy in banking business development and operations to actively support various economic activities with environmental and social benefits. Ping An Bank formulated and released the *Environmental (Climate), Social and Governance Risk Management Procedure for Corporate Credit Customers*, and developed and operated the "ESG (Including Climate) Risk Assessment and Classification System" in 2024. By doing so, Ping An Bank realized bank-wide ESG (including climate) risk management throughout credit processes before, during and after lending for corporate credit customers.

The scale of Ping An's responsible banking business amounted to nearly RMB1.20 trillion as of December 31, 2024, including RMB184,260 million in green banking business(1) (including a green loan balance of RMB157,762 million), RMB654.2 billion in inclusive banking business(2) and RMB359.6 billion in social banking business(3).

Scale of responsible banking business



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

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

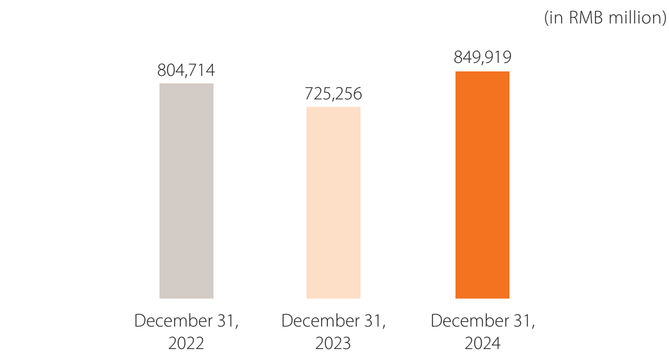
(3) Social banking business includes Ping An Bank's loans for infrastructure construction, pharmaceutical and health care sectors, education and culture, and rural vitalization as well as related businesses of Ping An Trust and Ping An Financial Leasing.

RESPONSIBLE INVESTMENT

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

Ping An's responsible investment of insurance funds[1] amounted to RMB849,919 million as of December 31, 2024, including RMB124,712 million in green investment[2], RMB710,566 million in social investment[3] and RMB14,642 million in inclusive investment[4].

Responsible investment of insurance funds



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

Sustainability

RESPONSIBLE PRODUCTS

Ping An continuously develops diverse products to meet new customer needs for health and senior care. Ping An participates in the construction of senior-friendly communities at multiple levels, serving consumers by innovating health and senior care and developing pension finance. In respect of health care management, Ping An continuously develops the "insurance + health care" synergistic model, which enables financial businesses via differentiated "Product + Service" offerings. Nearly 63% of Ping An's 242 million retail customers were entitled to service benefits in the health and senior care ecosystem as of December 31, 2024. Over 21 million customers of Ping An Life used health management services in 2024. Notably, nearly 79% of Ping An Life's newly-enrolled customers used health management services in 2024. Ping An officially upgraded its family doctor service brand "Ping An Family Doctor" in June 2024 by promising proactive health management, effective chronic disease management and whole-course disease management in support of the systematization, standardization and high-quality development of "Internet + Family Doctor." In respect of senior care services, Ping An successively launched the "Housing Alliance" and "Entertainment Alliance" models for home-based senior care in 2024. "Housing Alliance" helps the elderly improve their home environment, and "Entertainment Alliance" provides the elderly with a multi-level emotional companionship system. As such, Ping An created its "Medical, Nursing, Housing, and Entertainment Alliances" for home-based senior care services, covering service scenarios including health care, home renovation, rehabilitation nursing, and cultural entertainment.

SUPPORTING RURAL VITALIZATION

Ping An proactively supports China's rural vitalization strategy, leveraging its advantages in "integrated finance + health and senior care" to continuously advance "Ping An Rural Communities Support." Focusing on "Village Industry, Village Doctor and Village Teacher" programs, Ping An supports rural vitalization in three key areas, namely industries, health care and education. Ping An conducted surveys on rural vitalization in Guangdong, Gansu, Guizhou, Chongqing, Inner Mongolia and other regions in 2024, and launched multiple rural vitalization programs covering industrial vitalization, financial support, consumption assistance and people's livelihoods. Ping An provided RMB52,014 million for industrial vitalization through financial services such as "revitalization insurance" and "agricultural loans" in 2024. Under the "Village Doctor Program," Ping An upgraded 45 village clinics and provided 45 sessions of complimentary medical consultations in rural areas. Committed to education public welfare, Ping An launched the "Together with Hope" initiatives to provide one-on-one support and grants to financially-challenged hardworking rural students. Under the "Juvenile Science and Technology Literacy Enhancement" program, Ping An provided Ping An Hope Elementary Schools and other rural schools with a series of scenario-based courses, which were taken by learners 34.97 million times.

VOLUNTEER SERVICES

Ping An continuously conducts volunteer activities including first aid as well as disaster prevention and reduction. Under the "Ping An Guardian" initiative, the Ping An Volunteers Association held nearly 30,000 public welfare events and provided first aid training for over 10,000 trainees in various places in 2024. On the "San Cun Hui" public welfare platform, Ping An cumulatively launched 1,491 "Beside You" public welfare initiatives, in which Ping An's employees participated as volunteers over 1.15 million times. The "San Cun Hui" public welfare platform had nearly 3.51 million registered users, including over 490 thousand employees and agents of Ping An as of December 31, 2024.

CONSUMER PROTECTION AND EXPERIENCE

Remaining customer needs-oriented, Ping An leverages its unique integrated finance advantages and constantly upgrades, optimizes and innovates its services to meet consumers' diverse financial needs. Ping An made every effort to promote its "worry-free, time-saving, and money-saving" value proposition in 2024. Under the "integrated finance + health and senior care" business strategy, Ping An comprehensively upgraded and advanced the "worry-free, time-saving, and money-saving" value proposition. Ping An launched "2024 Customer Listening Day" in May 2024 by coordinating member companies' efforts to hold events including "front-line listening by senior executives" and "customer listening and surveys at 1,000 outlets in 100 cities." By doing so, Ping An obtained deep insights into customer needs and developed "worry-free, time-saving, and money-saving" customer experience.

Ping An constantly explores digital measures to protect financial consumer rights. Ping An adopts a daily reporting mechanism for consumer rights protection, conducts training on consumer rights protection, and builds a knowledge sharing platform to develop an internal culture of fair and honest consumer rights protection. All new junior employees finished their online courses on consumer rights protection as of December 31, 2024. Moreover, Ping An held financial consumer education events in 2024 under a theme of "Protecting Rights and Preventing Risks via Financial Consumer Protection" to promote consumers' financial literacy and security awareness. In addition, Ping An provides 24/7 customer services through a dedicated national service hotline 95511 and 24/7 complaint channels on platforms including its official websites and WeChat accounts. There were 670 million inbound calls via 95511 in 2024, with an average of about 1.83 million inquiries per day and a connection rate of 98.0%.

DEVELOPMENT AND WELFARE OF EMPLOYEES

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

Sustainability

BUSINESS CODE OF CONDUCT

Adhering to its moral codes, Ping An continuously standardizes business conduct, employee conduct and product responsibilities, and effectively improves its management practices in line with the "Regulation + 1" standard. All of Ping An's employees received integrity culture and anti-corruption education as of December 31, 2024. In addition to business ethics, Ping An strictly complies with laws, regulations and industry norms regarding information security and AI governance, and always implements the Company's information security norms to the highest standard possible. Moreover, Ping An focuses on the prevention and control of technology-related ethical risks in AI and other areas, promotes responsible innovation, and continuously improves internal control policies and processes to ensure operational compliance with laws and regulations.

CLIMATE CHANGE AND CARBON NEUTRALITY

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

Ping An attaches importance to climate risk governance. Under an ESG governance structure, Ping An has set up climate risk-related management mechanisms with clear objectives and responsibilities. Ping An provided climate and ESG training for the Board members and ESG personnel in 2024, increasing their ESG-related expertise and awareness.

Ping An grasps business opportunities arising from climate change by developing diverse products and services in green finance, increasing green investment in low-carbon technologies or enterprises, and advancing green operations and green buildings. Ping An P&C issued China's first rainforest carbon sink index insurance policy in 2024, leveraging market-based means to promote ecological conservation. Ping An Bank helped the traditional iron and steel industry pursue green transformation by approving and cumulatively granting RMB2 billion and RMB1.24 billion in project loans respectively. Ping An Securities underwrote RMB115 million worth of a carbon asset funding plan for micro-, small and medium-sized enterprises, the first carbon asset securitization product in China, opening up a new channel for monetizing green assets. Ping An Finance Center cut carbon emissions by 3,469 tons of carbon dioxide equivalent via its North Tower Energy-saving and Carbon-reduction Renovation Project. The emission cut became carbon credits as it was registered and listed on Guizhou Green Finance and Emissions Exchange. This innovative market-based approach to carbon reduction in the building industry serves as the first benchmark case of building carbon credits in the Greater Bay Area.

Attaching importance to the impact of climate change-related risks on insurance business, Ping An has engaged professional consultants to identify and assess climate change-related risks. After assessment, the Company believes that the physical risk of climate change may have an impact on Ping An's subject matters of insurance, which in turn affects loss ratios and increases underwriting risks. Ping An tackles the impact of climate risks on insurance business by developing probability models for disasters including typhoons and rainstorms based on extensive natural disaster factors, and applying climate risk data to insurance pricing, risk management and other aspects. Such data serves as an important reference for product pricing and risk management.

Ping An actively conducts research on climate change-related insurance risks. Ping An, Southern University of Science and Technology, and Tsinghua University jointly published the *Report on Adaptation to Climate Change and Disaster Risk Management: Practice and Outlook of Insurance Industry* in July 2024. The report covers topics including insurers' roles in China's national strategy to address climate change, how to actively participate in building a climate risk governance system, and how to promote green and low-carbon development. The report serves as a practical reference for the insurance industry to address climate change.

Ping An provides insurance coverage to help customers cope with extreme meteorological disasters. Ping An P&C provided 625 thousand corporate customers and 26.31 million retail customers with early warnings and post-disaster assistance through its proprietary Digital Risk System 3.0 when super typhoons including Gaemi and Yagi struck in 2024.

Ping An actively responds to China's carbon peak and neutrality goals and has developed a low-carbon action roadmap, with a promise to achieve operational carbon neutrality by 2030. In reducing operational carbon emissions, Ping An had over 180 thousand employees covered by the carbon account, who cumulatively reduced carbon dioxide emissions 2.26 million times by 23,662 tons as of December 31, 2024. On this basis, the Group's 1+N carbon account system not only supports its own operational carbon emission management internally, but also enables multiple businesses externally to provide individual and corporate clients with services related to green living and carbon emission management.

Prospects of Future Development

MAJOR INDUSTRY TRENDS, MARKET LANDSCAPE, AND RISKS

2024 is a crucial year to achieve the objectives and tasks of the 14th Five-Year Plan. During the year, China's economic recovery faced some difficulties and challenges while geopolitical risks significantly heightened outside China. Despite challenges, the Chinese economy achieved steady progress amid overall stability as China made new progress in high-quality development, comprehensively advanced reform and opening-up, and maintained overall economic and social stability under the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core.

2025 marks the final year of the 14th Five-Year Plan. The external environment is still complex and severe while domestic growth momentum still needs to be strengthened in the short term. However, there will be new business opportunities for the Company in the long term. Consumer demands for insurance and health management will increase due to people's growing awareness of health and senior care, creating huge room for the development of our "integrated finance + health and senior care" service framework. In addition, as demand for digital transformation grows stronger driven by government policies and technological advancement, Ping An is accelerating the innovation of its financial and health care business models to enable business growth.

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

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

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

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

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

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

DEVELOPMENT STRATEGY AND BUSINESS PLAN

Facing internal and external challenges, the Company took multiple measures to implement the philosophy of "Expertise creates value" by leveraging its resources and advantages in finance, health and senior care, and technology in 2024. The Company actively pursued high-quality development, focused on core financial businesses, and continuously optimized business portfolios. In addition, the Company fulfilled its insurance mission and corporate social responsibilities to support the real economy and China's "domestic circulation" strategy. Ping An continuously delivered on its brand promise of "Expertise makes life easier." Moreover, Ping An achieved its business goals for 2024 by strengthening risk management, optimizing rules, and furthering digital transformation. The Company focused on the development of its core financial businesses, and continued to pursue the technology-enabled "integrated finance + health and senior care" dual-driver strategy. By doing so, the Company maintained the healthy, sustainable development of its core businesses.

In 2025, the Company will continue striving to become a world-leading integrated finance, health and senior care services group under the business policy of "focusing on core businesses, boosting revenue and cutting costs, advancing reform and innovation, and preventing risks."

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

Prospects of Future Development

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

- For banking business, the Company will strengthen and uphold the CPC's leadership, and actively implement the spirit of the 20th National Congress of the CPC, China's Central Financial Work Conference and Central Economic Work Conference. The Company will adhere to the people-centered development philosophy of seeking progress while maintaining stability, continuously advance strategic transformation, and bolster five key financial sectors, i.e. technology finance, green finance, inclusive finance, pension finance, and digital finance. The Company will increase financial support for resident consumption, private enterprises, manufacturing and so on. Moreover, the Company will continuously enhance its ability to provide financial services for the real economy, strengthen financial risk prevention and management, and make every effort to promote high-quality development.

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

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

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

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

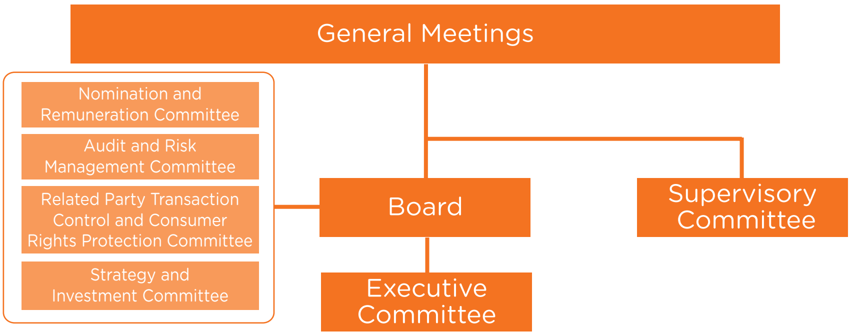
Corporate Governance Report

Ping An continuously adopts global best practices in corporate governance and improves its corporate governance structure built on both local advantages and international standards. The Company's board of directors (the "Board" or "Board of Directors") hereby reports to the shareholders on the Company's corporate governance for the year ended December 31, 2024 (the "Reporting Period").

GENERAL APPRAISAL OF CORPORATE GOVERNANCE

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

Corporate Governance Structure of Ping An



GENERAL MEETINGS AND SHAREHOLDERS

General Meetings

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

The Company held the Annual General Meeting for 2023 in Shenzhen on May 30, 2024, and all the 15 then Directors of the Company attended the meeting. At the meeting, the attendees deliberated and approved 12 proposals including the *Report of the Board of Directors of the Company for 2023*, the *Report of the Supervisory Committee of the Company for 2023*, the Annual Report of the Company for 2023 and Its Summary, the *Report on Final Accounts of the Company for 2023*, the *Profit Distribution Plan of the Company for 2023* and the *Reappointment of Auditors of the Company for 2024*. The resolutions of the above general meeting have been published on the websites of SSE (www.sse.com.cn) and HKEX (www.hkexnews.hk).

Shareholders' Rights

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

Extraordinary general meetings may be convened on the written request of shareholder(s) individually or collectively holding 10% or more of the Company's shares pursuant to Article 52(3) of the *Articles of Association*. Such request shall state clearly the matters to be deliberated at the general meetings and shall be signed by the requester(s) and submitted to the Board in writing. Shareholders shall follow the requirements and procedures as set out in the *Articles of Association* for convening an extraordinary general meeting.

In addition, shareholder(s) individually or collectively holding 1% or more of the Company's shares may submit an interim proposal in writing to the Board ten days before the date of the general meeting pursuant to Article 55 of the *Articles of Association*.

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

Information Disclosure and Investor Relations

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

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

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

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

The Board has reviewed the shareholder communications policy on a regular basis (including in 2024) and ensured its effectiveness, and believes the shareholder communications policy is effective and adequate.

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

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

BOARD AND DIRECTORS

Corporate Governance Functions of the Board

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

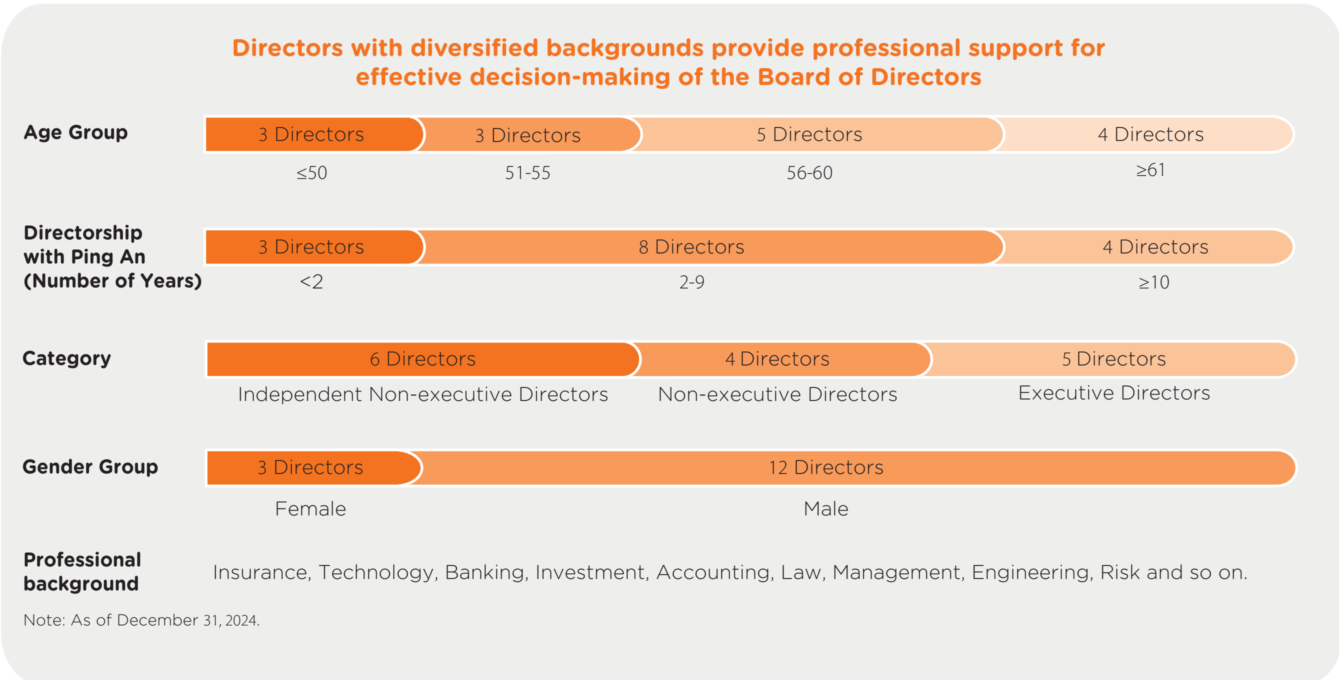
- determining the Group's overall directions, objectives and strategies, business plans and investment proposals as well as monitoring and supervising the management's performance;
- determining the Company's annual budget plans and final accounting plans;
- formulating the Company's annual financial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

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

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

Board Diversity

As of December 31, 2024, the Board consisted of 15 members, namely five Executive Directors, four Non-executive Directors and six Independent Non-executive Directors. The profile of each Director is set out in the section headed "Directors, Supervisors, Senior Management and Employees" of this Report. As far as is known to the Company, there is no relationship between the Board members and between Chairman of the Board and Co-CEOs in terms of finance, business, family members, or other major related aspects. The number of Directors and the composition of the Board follow all the applicable laws and regulations. As provided in the *Articles of Association*, Directors shall be elected by the General Meetings with a term of three years, and are eligible for re-election upon expiry of such term. However, Independent Non-executive Directors shall not hold office cumulatively for more than six years. The term of office of the 13th Board is from May 2024 to the date of the 2026 Annual General Meeting.



Convening of Board of Directors Meetings

Session of the Board Meeting	Date	Resolutions of the Board Meeting
The 21st meeting of the 12th session of the Board	February 8, 2024	The Board Meeting deliberated and approved the *Proposal on Reviewing Material Related Party Transactions between the Company and Its Subsidiaries.*
The 22nd meeting of the 12th session of the Board	March 21, 2024	The Board Meeting deliberated and approved the *Proposal on Reviewing the Annual Report of the Company for 2023 and Its Summary,* the *Report on Final Accounts of the Company for 2023*, the *Profit Distribution Plan of the Company for 2023*, and the *Report of the Board of Directors for 2023.*
The 23rd meeting of the 12th session of the Board	April 23, 2024	The Board Meeting deliberated and approved proposals including the 2024 First Quarter Report and the Unaudited Results for the Three Months Ended March 31, 2024 of the Company.
The 1st meeting of the 13th session of the Board	May 30, 2024	The Board Meeting deliberated and approved the *Proposal on Electing the Chairman of the 13th Session of the Board of Directors,* the *Proposal on Reviewing the Composition of Each Specialized Committee under the 13th Session of the Board of Directors*, and the *Proposal on the Reappointment of the Management of the Company.*
The 2nd meeting of the 13th session of the Board	July 3, 2024	The Board Meeting deliberated and approved the *Proposal on Releasing Joint Announcement in Accordance with Hong Kong Code on Takeovers and Mergers.*
The 3rd meeting of the 13th session of the Board	July 15, 2024	The Board Meeting deliberated and approved the *Proposal on Issuing Bonds Convertible into the Company's H Shares,* the *Proposal on Reviewing the Report on In-office Audit of Mr. Michael Guo as Co-CEO and Senior Vice President of the Company*, and the *Proposal on Reviewing the Report on In-office Audit of Ms. Zhang Xiaolu as Compliance Officer of the Company and Off-office Audit of Ms. Zhang Xiaolu as Chief Risk Officer of the Company.*
The 4th meeting of the 13th session of the Board	August 22, 2024	The Board Meeting deliberated and approved proposals including the *Proposal on Reviewing the 2024 Interim Results Report of the Company and Its Summary* and the *Proposal on Distributing Interim Dividend for 2024.*
The 5th meeting of the 13th session of the Board	October 21, 2024	The Board Meeting deliberated and approved the 2024 Third Quarter Report and the Unaudited Results for the Nine Months Ended September 30, 2024 of the Company.
The 6th meeting of the 13th session of the Board	December 24, 2024	The Board Meeting deliberated and approved proposals including the *Proposal on Reviewing the Insurance Anti-fraud Management Procedure of the Company (2024)* and the *Proposal on Reviewing the Reputation Risk Management Procedure of the Company (2024).*

Performance of Duties by Directors

Attendance Records of Directors

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

		Meetings attended in person/Meetings required to attend					
Members	Date of Appointment as Directors	General Meetings	Board	Nomination and Remuneration Committee	Audit and Risk Management Committee	Related Party Transaction Control and Consumer Rights Protection Committee	Strategy and Investment Committee
Executive Directors							
Ma Mingzhe (Chairman)	March 21, 1988	1/1	9/9	–	–	–	2/2
Xie Yonglin	April 3, 2020	1/1	9/9	–	–	–	–
Michael Guo(1)	September 18, 2024	–	2/2	–	–	–	–
Cai Fangfang	July 2, 2014	1/1	9/9	–	–	2/2	–
Fu Xin(1)	September 18, 2024	–	2/2	–	–	–	–
Non-executive Directors							
Soopakij Chearavanont	June 17, 2013	1/1	9/9	–	–	–	–
Yang Xiaoping	June 17, 2013	1/1	9/9	–	7/7	–	2/2
He Jianfeng	July 1, 2022	1/1	9/9	–	–	–	2/2
Cai Xun	July 1, 2022	1/1	9/9	–	–	–	–
Yao Jason Bo (Retired)(1)	June 9, 2009	1/1	3/3	–	–	3/3	–
Tan Sin Yin (Retired)(1)	April 3, 2020	1/1	3/3	–	–	3/3	–
Independent Non-executive Directors							
Ng Sing Yip	July 17, 2019	1/1	9/9	3/3	7/7	5/5	–
Chu Yiyun	July 17, 2019	1/1	9/9	3/3	7/7	–	–
Liu Hong	July 17, 2019	1/1	9/9	3/3	–	–	2/2
Ng Kong Ping Albert	August 20, 2021	1/1	9/9	–	7/7	5/5	–
Jin Li	August 20, 2021	1/1	9/9	3/3	–	5/5	2/2
Wang Guangqian	July 20, 2023	1/1	9/9	3/3	7/7	2/2	–

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

Objections of Directors to Relevant Matters of the Company

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

CORPORATE GOVERNANCE

Adoption of Directors' Suggestions on the Company

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

Continuous Professional Development of the Directors

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

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

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

In 2024, all the Directors of the Company attended professional training on corporate governance, regulatory rules and the Company's business including the interpretation of the *Anti-money Laundering Law of the People's Republic of China*, training on the performance of duties of listed companies' directors, supervisors and senior management, and training on climate change and ESG, as well as training organized by the Insurance Association of China on insurance industry-related topics; all the Independent Non-executive Directors of the Company attended training on key points in and advice on the anti-fraud performance of listed companies' independent directors, training on new regulations for independent directors, and so on. In addition, Mr. Ng Sing Yip and Mr. Wang Guangqian, Independent Non-executive Directors of the Company, attended the SSE's follow-up training for listed companies' independent directors.

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

Performance of Duties by Independent Non-Executive Directors

The 13th Board currently includes six Independent Non-executive Directors, exceeding one-third of the total number of the members of the Board, which complies with the applicable regulatory rules of the Company's listing jurisdictions. The Company's Independent Non-executive Directors are professionals with extensive experience in their respective fields, including finance, accounting, law and technology, crucial to the Company's smooth development. All the Independent Non-executive Directors meet specific independence guidelines set out in the applicable regulatory rules of the Company's listing jurisdictions, and have presented to the Company their annual independence confirmations. Therefore, the Company continues to believe that they are independent. Independent Non-executive Directors owe fiduciary duties to the Company and its shareholders, and are especially responsible for protecting the interests of minority shareholders. As a key part of the Company's corporate governance, Independent Non-executive Directors play a significant check-and-balance role in the Board's decision-making by ensuring the Board's access to independent views and opinions.

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

SPECIALIZED COMMITTEES UNDER THE BOARD

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

Nomination and Remuneration Committee

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

Members

Independent Non-executive Directors

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

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

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

In 2024, the Nomination and Remuneration Committee held a total of three meetings, all convened in accordance with the *Articles of Association* and the *Charter of the Nomination and Remuneration Committee of the Board*. All of the members' opinions and suggestions were adopted by the Company. During the Reporting Period, the Nomination and Remuneration Committee implemented the remuneration policies for Directors strictly. The attendance records of each member of the Nomination and Remuneration Committee are set out in the part headed "Attendance Records of Directors" of this section.

Date	Contents of the Meeting
March 21, 2024	The meeting deliberated and approved proposals including the *Proposal on Reviewing the Remuneration of the Group's Senior Management*, the *Proposal on Reviewing the Corporate Governance Report for 2023 – the Incentive and Restraint Mechanisms*, and the *Proposal on Reviewing the Annual Performance Appraisal Results of the Company's Senior Management for 2023*.
May 30, 2024	The meeting deliberated and approved the *Proposal on the Reappointment of the Management of the Company*.
December 24, 2024	The meeting deliberated and approved proposals including the *Proposal on Recommending Fu Xin as Chief Financial Officer (Financial Director) of the Company*.

Audit and Risk Management Committee

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

Members

Independent Non-executive Directors

Ng Kong Ping Albert (Chairman),
Ng Sing Yip,
Chu Yiyun,
Wang Guangqian

Non-executive Director

Yang Xiaoping

In 2024, the Audit and Risk Management Committee held a total of seven meetings, all convened in accordance with the *Articles of Association* and the *Charter of the Audit and Risk Management Committee of the Board*. All of the members' opinions and suggestions were adopted by the Company. Furthermore, the Audit and Risk Management Committee convened a meeting to review the unaudited financial report for 2024 and agreed to deliver it to auditors for auditing. The Audit and Risk Management Committee also reviewed the audited financial report for the year ended December 31, 2024 at the first meeting in 2025, was satisfied with the basis of preparation of the financial report, including the appropriateness of the assumptions, accounting policies and standards adopted, and made recommendations to the Board for consideration. The attendance records of each member of the Audit and Risk Management Committee are set out in the part headed "Attendance Records of Directors" of this section.

Date	Contents of the Meeting
March 20, 2024	The meeting deliberated and approved the *Proposal on Reviewing the Annual Report of the Company for 2023 and Its Summary*, the *Ernst & Young's Report on Audit of the Annual Financial Report of the Company for 2023*, the *Report on Final Accounts of the Company for 2023*, the *Proposal on Reviewing the Annual Compliance Work Report of the Company for 2023*, and the *Proposal on Reviewing the Internal Control Assessment and Evaluation Report of Ping An for 2023.*
April 23, 2024	The meeting deliberated and approved proposals including the 2024 First Quarter Report and the Unaudited Results for the Three Months Ended March 31, 2024 of the Company and the *Proposal on Reviewing the 2024 First Quarter Internal Audit Report of the Company.*
May 30, 2024	The meeting deliberated and approved the *Proposal on Reappointing Financial Director and Person-in-charge of Auditing of the Company.*
July 15, 2024	The meeting deliberated and approved the *Proposal on Reviewing the Report on In-office Audit of Mr. Michael Guo as Co-CEO and Senior Vice President of the Company* and the *Proposal on Reviewing the Report on In-office Audit of Ms. Zhang Xiaolu as Compliance Officer of the Company and Off-office Audit of Ms. Zhang Xiaolu as Chief Risk Officer of the Company.*
August 21, 2024	The meeting deliberated and approved proposals including the *Proposal on Reviewing the 2024 Interim Results Report of the Company and Its Summary*, the *Proposal on Reviewing the Solvency Report of the Group for First Half of 2024*, and the *Ernst & Young's Report on Review of the Interim Financial Report for 2024.*
October 21, 2024	The meeting deliberated and approved proposals including the 2024 Third Quarter Report and the Unaudited Results for the Nine Months Ended September 30, 2024 of the Company, the *Ernst & Young's Report on Annual Audit Plan for 2024*, and the *Proposal on Reviewing the 2024 Third Quarter Internal Audit Report of the Company.*
December 24, 2024	The meeting deliberated and approved proposals including the *Proposal on Reviewing the Insurance Anti-fraud Management Procedure of the Company (2024)* and the *Proposal on Reviewing the Report on Off-office Audit of Mr. Deng Bin as Assistant President and Chief Investment Officer.*

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

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

According to the resolution of the Company's 2023 Annual General Meeting, the Company reappointed Ernst & Young Hua Ming LLP and Ernst & Young (collectively "EY") as auditors of the Company's financial statements under CAS and IFRS respectively for 2024. EY has acted as auditors of the Company for four consecutive years. Remuneration payable to EY for the Reporting Period is set out as follows:

(in RMB million)	Fees payable
Audit services for financial statements – audits, reviews and agreed-upon procedures	103
Audit services for internal controls	8
Other assurance services	15
Non-assurance services	27
Total	153

Related Party Transaction Control and Consumer Rights Protection Committee

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

In 2024, the Related Party Transaction Control and Consumer Rights Protection Committee held a total of five meetings, all convened in accordance with the *Articles of Association* and the *Charter of the Related Party Transaction Control and Consumer Rights Protection Committee of the Board*. All of the members' opinions and suggestions were adopted by the Company. The attendance records of each member of the Related Party Transaction Control and Consumer Rights Protection Committee are set out in the part headed "Attendance Records of Directors" of this section.

Members

Independent Non-executive Directors

Ng Sing Yip (Chairman),
Ng Kong Ping Albert,
Jin Li,
Wang Guangqian

Executive Director

Cai Fangfang

Date	Contents of the Meeting
February 8, 2024	The meeting deliberated and approved the *Proposal on Reviewing Material Related Party Transactions between the Company and Its Subsidiaries*.
March 20, 2024	The meeting deliberated and approved the *Proposal on Reviewing the Report on Related Party Transactions of the Company for 2023*, the *Proposal on Reviewing the Report on Consumer Rights Protection of Ping An Group for 2023*, and *the Proposal on Reviewing Material Related Party Transactions between the Company and Ping An Bank*.
April 23, 2024	The meeting deliberated and approved the *Proposal on Reviewing Framework Agreement for Material Related Party Transactions of the Company's Subsidiaries*.
August 21, 2024	The meeting deliberated and approved the *Proposal on Reviewing the Report on Consumer Rights Protection of Ping An Group for the First Half of 2024*.
October 21, 2024	The meeting reviewed the *Report on the List of the Company's Related Parties as Defined by the NFRA in the Second Half of 2024*.

Strategy and Investment Committee

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

In 2024, the Strategy and Investment Committee held a total of two meetings in accordance with the *Articles of Association* and the *Charter of the Strategy and Investment Committee of the Board*. All of the members' opinions and suggestions were adopted by the Company. The attendance records of each member of the Strategy and Investment Committee are set out in the part headed "Attendance Records of Directors" of this section.

Members

Executive Director

Ma Mingzhe (Chairman)

Independent Non-executive Directors

Liu Hong,
Jin Li

Non-executive Directors

Yang Xiaoping,
He Jianfeng

Date	Contents of the Meeting
March 21, 2024	The meeting deliberated and approved proposals including the *Proposal on Reviewing the Company's 2024 Annual Work Plan* and the *Proposal on Reviewing the 2023 Sustainability Report of the Company*.
July 15, 2024	The meeting deliberated and approved the *Proposal on Issuing Bonds Convertible into H Shares*.

Corporate Governance Report

SUPERVISORY COMMITTEE AND SUPERVISORS

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

THE EXECUTIVE COMMITTEE

The Company has established an Executive Committee, which is the highest execution authority under the Board. The primary duty of the Executive Committee is to review the Company's internal business reports, policies in relation to investment and profit distribution, and management policies, development plans and resource allocation plans. The Executive Committee is also responsible for deciding and promoting significant matters including the Company's strategic planning, compliance/risk management, capital management and fund utilization, human resource synergy and brand culture. In addition, the Executive Committee is responsible for reviewing business plans of the Company's subsidiaries and evaluating the subsidiaries' financial performance. The Company has established several specialized committees under the Executive Committee, including the Asset-Liability Management Committee, the Budget Plan Management Committee, the Risk Management Executive Committee, and the Consumer Rights Protection Committee; the Company has also established several specialized functional offices under the Executive Committee, including the Investor Relations Office, the Related Party Transaction Management Office, the Anti-Money Laundering Office, the Reputation Risk Management Office, and the ESG and Sustainable Development Office.

OTHER MATTERS REGARDING CORPORATE GOVERNANCE IN THE REPORTING PERIOD

Amendments to the *Articles of Association*

In accordance with the CSRC's *Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Enterprises*, the *Essential Clauses in Articles of Association of Companies Listed Abroad* was repealed from March 31, 2023. The Company conducted a comprehensive review of its *Articles of Association* and proposed amendments accordingly. In addition, the Company further improved the *Articles of Association* in accordance with the *Company Law of the People's Republic of China* which has been implemented since July 1, 2024 as well as applicable regulations and regulatory documents. The 2023 Annual General Meeting of the Company deliberated and approved the amendments to the *Articles of Association*, which were approved by the NFRA and took effect on January 21, 2025. For more information, please refer to the announcements published by the Company on the websites of SSE (www.sse.com.cn) and HKEX (www.hkexnews.hk).

Compliance with the *Corporate Governance Code*

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

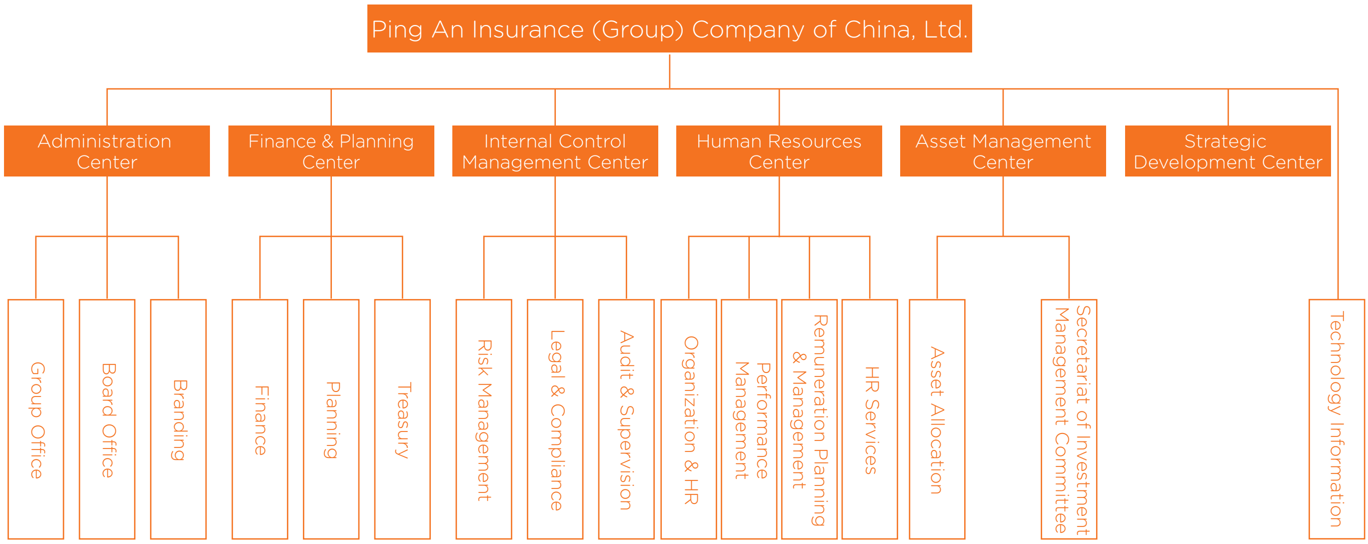
During the Reporting Period, the Board held meetings to review the Company's compliance with the *Corporate Governance Code* and the contents disclosed in the Corporate Governance Report.

None of the Directors is aware of any information that would reasonably indicate that the Company did not meet the applicable Code Provisions set out in the *Corporate Governance Code* any time from January 1, 2024 to December 31, 2024.

Compliance with the *Model Code*

In August 2007, the Company adopted a code of conduct regarding securities transactions conducted by its Directors and Supervisors (the "Code of Conduct"), which was amended in August 2022, on terms no less exacting than the required standards set out in the *Model Code*. Specific inquiries have been made to all the Directors and Supervisors of the Company, who have confirmed that they complied with the required standards set out in the *Model Code* and the Code of Conduct from January 1, 2024 to December 31, 2024.

The Organization Structure of the Company



Establishment and Perfection of the Internal Control System

The Company earnestly implements the spirit of China's Central Economic Work Conference. Actively in line with various requirements of regulators, the Company continuously enhances its ability to provide financial services for the real economy. Adhering to the people-centered philosophy of development, the Company embraces a holistic view of insurance and contributes to overall economic and social progress, dedicated to bolstering five key financial sectors, namely technology finance, green finance, inclusive finance, pension finance, and digital finance. The Company effectively prevents and mitigates financial risks, comprehensively improves its rule formulation and internal control system, and consolidates the accountability for compliant operations. In this way, the Company continuously enhances its ability to achieve organic growth while promoting the development of new quality productive forces.

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

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

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

In respect of management of money laundering, terrorist financing risk and sanctions compliance (hereinafter referred to as "money laundering risk"), the Group strictly abides by applicable laws and regulations, implements the state's decisions and arrangements to fight financial crimes and maintain financial security and stability, and promotes the practice of anti-money laundering management as a financial group. In this way, the Group continuously enhances the effectiveness of its anti-money laundering activities. Firstly, in active response to the state's call to "promote the high-quality development of anti-money laundering in the new era with innovations in systems," the Group has established a quality certification system for anti-money laundering of financial groups throughout the process covering the establishment and implementation of standards, certification, and utilization of results. By focusing on major risks, key institutions, important businesses and key personnel, the system enables the Group to realize more systematic and standardized money laundering risk management and more effective duty performance. Secondly, the Group improved its risk identification capability by enhancing money laundering risk assessment and testing as well as improving product and business risk assessment mechanisms, processes and systems. By building an innovative three-in-one (testing, verification and tracking) anti-money laundering supervision and inspection model, the Group guides member companies to strengthen traceability analysis and implement rectification under the "risk-based" principle. In this way, the Group is able to "identify, detect and dispose of money laundering risk more quickly." Thirdly, the Group continued to improve its anti-money laundering information sharing and risk monitoring across different business lines. Without compromising information security and compliance, the Group prudently promoted risk information sharing across business lines and explored ways to improve the yields from platform resources. The Group continuously strengthened risk monitoring, early warning and control capacities, and worked with financial regulators and competent authorities to combat money laundering threats effectively. Fourthly, the Group upgraded and improved its sanctions compliance management system, and comprehensively optimized its overall management framework, process and mechanism development, internal control implementation, and data system assurance. As a result, the Group has effectively improved its capability of identifying, judging and managing sanctions risks in the processes of business operations and day-to-day management, fully prepared for preventing and tackling all kinds of sanctions risk emergencies. Fifthly, earnestly fulfilling its social responsibilities, the Group has actively carried out anti-money laundering education activities to let the public know the illegality, danger and forms of money laundering activities. By doing so, the Group aims to maintain national financial security and social stability by forming a joint effort of the whole society to fight money laundering. Moreover, the Group has actively assisted regulators in promoting the operation and management of anti-money laundering industry self-regulatory organizations, strengthening the export and sharing of professional results of self-regulatory organizations, and promoting the information exchange, cooperation and innovation in anti-money laundering in the financial industry and across industries. In this way, Ping An contributes to the development of an "anti-money laundering safety net."

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

In 2024, the Company's internal control assessments covered the following: corporate governance, organizational structures, corporate strategies, human resources, corporate culture, social responsibilities and ESG management, sales management, fund utilization management, actuarial management, investment and financing management, liquidity management, anti-money laundering management, related party transaction management, legal and compliance management, comprehensive risk management, operations management, financial management, tax management, asset management, document and seal management, inquiries, complaints and customer surveys, information system management, information and communications, internal supervision, and consumer rights protection. The Company paid close attention to the following high-risk areas: corporate governance, sales management, fund utilization management, actuarial management, investment and financing management, anti-money laundering, consumer rights protection, related party transaction management, comprehensive risk management, operations management, financial management, and information system management. The Company maintained effective internal controls over financial reporting in all major aspects in accordance with the *Basic Norms for Internal Controls of Enterprises* and relevant rules in 2024. The internal control assessment report for the current year has been approved by the Board of Directors. The Company has engaged Ernst & Young to audit the effectiveness of internal controls over financial reporting, issue the *Internal Control Audit Report*, and pay attention to the effectiveness of internal controls over non-financial reporting matters.

For details of the Company's internal controls, please refer to the *Internal Control Assessment Report of Ping An for 2024* and the *Internal Control Audit Report on Ping An for 2024* released on the website of SSE (www.sse.com.cn) at the same date as this Report.

RISK MANAGEMENT

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

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

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

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

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

As disclosed above, the Audit and Risk Management Committee held a total of seven meetings in the Reporting Period to review the Group's risk management and internal control systems. Through the Audit and Risk Management Committee, the Board has conducted an annual review of the effectiveness of the Group's risk management and internal control systems for the year ended December 31, 2024, covering all material financial, operational and compliance controls as well as environmental, social and governance performance, and has considered the Group's risk management and internal controls to be effective and adequate.

By order of the Board of Directors

Ma Mingzhe
Chairman

Shenzhen, PRC
March 19, 2025

Changes in the Share Capital and Shareholders' Profile

CHANGES IN SHARE CAPITAL

Statement of Changes in Share Capital

There was no change in the total number of shares and shareholding structure of the Company during the 12 months ended December 31, 2024 (the "Reporting Period").

	January 1, 2024		Changes during the Reporting Period					December 31, 2024	
Unit: Shares	Number of shares	Percentage (%)	Issue of new shares	Bonus issue	Transfer from reserve	Others	Sub-total	Number of shares	Percentage (%)
I. Selling-restricted shares	-	-	-	-	-	-	-	-	-
II. Selling-unrestricted circulating shares									
1. RMB ordinary shares	10,762,657,695	59.10	-	-	-	-	-	10,762,657,695	59.10
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	7,447,576,912	40.90	-	-	-	-	-	7,447,576,912	40.90
4. Others	-	-	-	-	-	-	-	-	-
Subtotal	18,210,234,607	100.00	-	-	-	-	-	18,210,234,607	100.00
III. Total number of shares	18,210,234,607	100.00	-	-	-	-	-	18,210,234,607	100.00

Security Issuance and Listing

Security Issuance of the Company

For details of the issuance of bonds convertible into the Company's H shares, please refer to the section headed "Report of the Board of Directors and Significant Events."

Staff Shares

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

SHAREHOLDERS' INFORMATION

Number of Shareholders and Their Shareholdings

Number of Shareholders

Unit: Shareholder	December 31, 2024	February 28, 2025
Total number of shareholders	784,515 (including 780,353 domestic shareholders)	792,196 (including 788,035 domestic shareholders)

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

Name of shareholder	Nature of shareholder[1]	Shareholding percentage (%)	Total number of shares held (shares)	Changes during the Reporting Period (shares)	Type of shares	Number of selling-restricted shares held (shares)	Number of pledged, marked or frozen shares (shares)
Hong Kong Securities Clearing Company Nominees Limited[2]	Overseas legal person	36.76	6,694,215,263	-272,470,336	H share	-	Unknown
Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	5.29	962,719,102	-	A share	-	-
Hong Kong Securities Clearing Company Limited[3]	Others	3.84	698,983,519	+213,194,379	A share	-	-
China Securities Finance Corporation Limited	Others	3.01	547,459,258	-	A share	-	-
Long-term Service Plan of Ping An Insurance (Group) Company of China, Ltd.[4]	Others	2.70	491,338,749	+140,431,986	A share + H share	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	2.58	470,302,252	-	A share	-	-
Business Fortune Holdings Limited[5]	Overseas legal person	2.52	459,466,189	-369,891	H share	-	385,136,584 pledged shares
Shum Yip Group Limited	State-owned legal person	1.42	257,728,008	-	A share	-	-
Industrial and Commercial Bank of China - SSE 50 Exchange Traded Open-End Index Securities Investment Fund	Securities investment fund	1.11	202,210,531	+71,076,515	A share	-	-
Dacheng Fund - Agricultural Bank of China - Dacheng Zhongzheng Financial Asset Management Plan	Others	1.11	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) 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.

(4) Participants in the Long-term Service Plan of the Company are the employees of the Company and its subsidiaries. Over 150,000 employees have participated in the Long-term Service Plan cumulatively throughout the years. The source of funding is the remunerations payable to employees. The Long-term Service Plan of the Company owned 219,920,749 A shares and 271,418,000 H shares of the Company, and such H shares have been registered under the name of HKSCC Nominees Limited. In order to avoid double counting, the H shares of the Company owned by the Long-term Service Plan of the Company have been deducted from the shares held by HKSCC Nominees Limited.

(5) Business Fortune Holdings Limited is an indirect wholly-owned subsidiary of Charoen Pokphand Group Co., Ltd. ("CP Group Ltd."), and the shares owned by Business Fortune Holdings Limited have been registered under the name of HKSCC Nominees Limited. In order to avoid double counting, the shares owned by Business Fortune Holdings Limited have been deducted from the shares held by HKSCC Nominees Limited.

(6) The above A shareholders did not participate in securities margin trading or securities lending as of the end of the Reporting Period.

Changes in the Share Capital and Shareholders' Profile

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

The Company is not aware of any connected relationship or acting-in-concert relationship among the above-mentioned shareholders.

Voting delegation, delegated voting right or waiver of voting right regarding the top 10 shareholders:

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

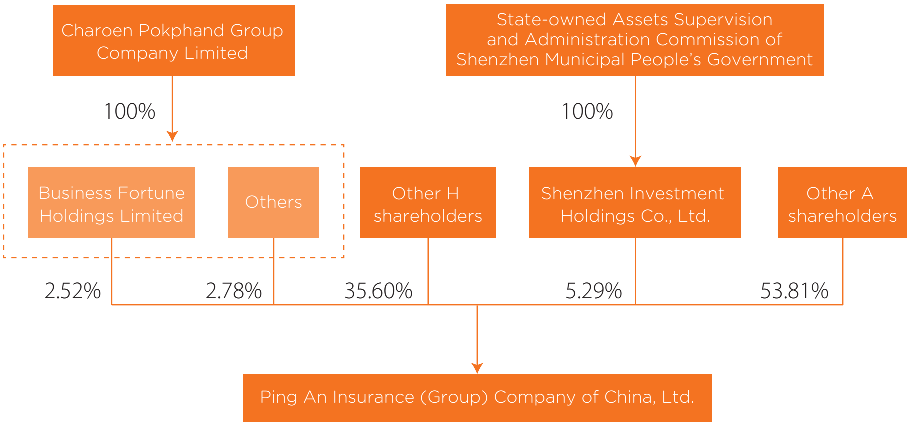
Particulars of Controlling Shareholder and De Facto Controlling Party

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

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

As of December 31, 2024, CP Group Ltd. indirectly held 964,427,077 H shares of the Company in total, representing 5.30% of the total share capital of the Company, through Business Fortune Holdings Limited and other subsidiaries; Shenzhen Investment Holdings Co., Ltd. held 962,719,102 A Shares of the Company, representing 5.29% of the total share capital of the Company.

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



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

Established in 2004, Shenzhen Investment Holdings Co., Ltd. is an important means for implementing the strategies of the CPC Shenzhen Municipal Committee and the Shenzhen Municipal People's Government as well as a supporting platform for the State-owned Assets Supervision and Administration Commission ("SASAC") of Shenzhen to perform its responsibilities as a capital contributor. Its legal representative is He Jianfeng. With RMB33,186 million in registered capital as of December 31, 2024, the company has 48 wholly-owned or controlled second-tier subsidiaries, ranking 370th on the *Fortune* Global 500 list in 2024. Shenzhen Investment Holdings Co., Ltd. has become a "service provider for tech startups" by providing high and new technology companies with financial services, industrial space, industrial cultivation, supply chain support and so on nearly 100,000 times in recent years. The company was put by the SASAC of the State Council on the list of "world-class demonstration enterprises" in 2023, being one of the seven local state-owned enterprises nationwide and the only local state-owned enterprise in Guangdong province on the list.

Directors, Supervisors, Senior Management and Employees

From left to right:

Mr. Guo Shibang | Mr. Huang Baoxin | Ms. Cai Fangfang | Mr. Hu Jianfeng | Mr. Xie Yonglin

Mr. Ma Mingzhe | Mr. Michael Guo | Ms. Fu Xin | Ms. Zhang Zhichun | Mr. Sun Jianping

Directors, Supervisors, Senior Management and Employees

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

Directors

Mr. Ma Mingzhe
Founder of the Company
Chairman (Executive Director)
Aged 69

Director since March 1988

Work experience

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

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

Educational background and qualifications

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

Mr. Xie Yonglin
Executive Director, President and Co-CEO
Aged 56

Joined the Company in 1994
Director since April 2020

Other positions held within the Group

Mr. Xie is the Chairman of Ping An Bank, and a Non-executive Director of Ping An Asset Management and Lufax Holding.

Past offices

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

Educational background and qualifications

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

Mr. Michael Guo
Executive Director, Co-CEO,
Senior Vice President
Aged 53

Joined the Company in 2019
Director since September 2024

Other positions held within the Group

Mr. Guo is a Non-executive Director of a number of controlled subsidiaries of the Company including Ping An Life, Ping An P&C, Ping An Bank and Ping An Health.

Other major offices

Mr. Guo is a Non-executive Director of OneConnect.

Past offices

Mr. Guo successively held the positions of the Vice Chief Human Resources Officer and the Chief Human Resources Officer of the Company from August 2022 to September 2023. Before then, he served as the Special Assistant to the Chairman and an Executive Vice President of Ping An P&C.

Prior to joining the Company, Mr. Guo was a Partner and Managing Director of Boston Consulting Group, and a Global Co-CEO of Willis Towers Watson Capital Markets.

Educational background and qualifications

MBA degree from the University of New South Wales, Australia

Ms. Cai Fangfang
Executive Director,
Senior Vice President
Aged 51

Joined the Company in 2007
Director since July 2014

Other positions held within the Group

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

Past offices

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

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

Educational background and qualifications

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

Directors, Supervisors, Senior Management and Employees

Ms. Fu Xin
Executive Director,
Senior Vice President
Aged 45

Joined the Company in 2017
Director since September 2024

Other positions held within the Group

Ms. Fu is a Non-executive Director of a number of controlled subsidiaries of the Company including Ping An Life, Ping An Bank, Ping An Asset Management, Lufax Holding and Ping An Health.

Other major offices

Ms. Fu is a Non-executive Director of OneConnect.

Past offices

Ms. Fu served as the General Manager of the Company's Planning Department from October 2017 to January 2023, the Company's Deputy Chief Financial Officer from March 2020 to March 2022, and the Company's Chief Operating Officer from March 2022 to September 2023.

Prior to joining the Company, Ms. Fu served as a Financial Services Partner at Roland Berger International Management Consulting and an Executive Director of PricewaterhouseCoopers.

Educational background and qualifications

MBA degree from Shanghai Jiao Tong University

Mr. Soopakij Chearavanont
Non-executive Director
Aged 61

Director since June 2013

Other major offices

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

Past offices

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

Educational background and qualifications

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

Mr. Yang Xiaoping
Non-executive Director
Aged 61

Director since June 2013

Other major offices

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

Past offices

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

Educational background and qualifications

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

Mr. He Jianfeng
Non-executive Director
Aged 53

Director since July 2022

Other major offices

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

Past offices

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

Educational background and qualifications

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

Directors, Supervisors, Senior Management and Employees

Ms. Cai Xun
Non-executive Director
Aged 50

Director since July 2022

Other major offices

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

Past offices

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

Educational background and qualifications

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

Mr. Ng Sing Yip
Independent Non-executive Director
Aged 74

Director since July 2019

Other major offices

Mr. Ng currently serves as a member of the Professional Advisory Board of the Asian Institute of International Financial Law of the University of Hong Kong, the Chairman of the Board of Supervisors of HSBC Bank Vietnam Limited, and an Independent Non-executive Director of Multifield International Holdings Limited and Oriental Explorer Holdings Limited.

Past offices

Mr. Ng served as a Crown Counsel in the Attorney General's Chambers in Hong Kong before going into private practice. Mr. Ng joined HSBC in June 1987 as an Assistant Group Legal Consultant, was later appointed as a Deputy Head of the Legal and Compliance Department, and the Head of Legal and Compliance in Asia Pacific. Mr. Ng was a Non-executive Director of HSBC Bank (China) Limited, an Independent Non-executive Director of Hang Seng Bank Limited and HSBC Bank Australia Limited, and the Vice Chairman of the Legal Committee of the Hong Kong General Chamber of Commerce.

Educational background and qualifications

Bachelor's degree and Master's degree in Laws (L.L.B. and L.L.M.) from the University of London
Bachelor's degree in Laws (L.L.B.) from Peking University
Solicitor to the supreme courts of England, Hong Kong, and Victoria, Australia

Mr. Chu Yiyun
Independent Non-executive Director
Aged 60

Director since July 2019

Other major offices

Mr. Chu's former name was Chu Yiyun (儲一昀). He is a National Tier 2 professor and doctoral supervisor at the School of Accountancy of Shanghai University of Finance and Economics, a Renowned Accounting Expert designated by the Ministry of Finance, a full-time researcher at the Accounting and Finance Research Institute of Shanghai University of Finance and Economics, a Key Research Institute of Humanities and Social Sciences under the Ministry of Education, a member of the first and second Senior Accounting Professional Qualification Evaluation Committee of the National Government Offices Administration, and a Director of the Eighth and Ninth Council of the Accounting Society of China. Mr. Chu is also an Independent Non-executive Director of Bank of Hebei Co., Ltd. and United Overseas Bank (China) Limited, and an Independent Supervisor of Bank of China Co., Ltd.

Past offices

Mr. Chu was a member of the First Accounting Standards Advisory Committee of the Ministry of Finance, the Executive Secretary-General of the Accounting Education Branch of the Accounting Society of China (formerly known as Chinese Accounting Professors Association), and an Independent Non-executive Director of Universal Scientific Industrial (Shanghai) Co., Ltd. and Tellhow Sci-tech Co., Ltd.

Educational background and qualifications

Ph.D., Master's and Bachelor's degrees in Accounting from Shanghai University of Finance and Economics

Mr. Liu Hong
Independent Non-executive Director
Aged 57

Director since July 2019

Other major offices

Mr. Liu is currently a professor and doctoral supervisor at Peking University, a Vice President of the Chinese Association for Artificial Intelligence, a member of the leading expert group of the national key R&D program of "Intelligent Robots" under the "13th Five-Year Plan," one of the first experts under the "National High-level Talent Special Support Plan," and an Independent Director of Skyworth Digital Co., Ltd.

Past offices

Mr. Liu served as an Independent Director of Shenzhen JingQuanHua Electronics Co., Ltd.

Educational background and qualifications

Ph.D. in Engineering from Harbin Institute of Technology
Completed postdoctoral research at Peking University

Directors, Supervisors, Senior Management and Employees

Mr. Ng Kong Ping Albert
Independent Non-executive Director
Aged 67

Director since August 2021

Other major offices

Mr. Ng is currently the President of the Hong Kong China Chamber of Commerce, an Honorary Advisor of the Hong Kong Business Accountants Association, and a member of the Advisory Board of the School of Accountancy of The Chinese University of Hong Kong. Mr. Ng is a member of the Audit Committee of The Chinese University of Hong Kong, Shenzhen and a Council Member of the Education Foundation of The Chinese University of Hong Kong, Shenzhen. Mr. Ng is also an Independent Non-executive Director of China International Capital Corporation Limited and Shui On Land Limited, and an Independent Director of Alibaba Group Holding Limited.

Past offices

Mr. Ng served as the Chairman of Ernst & Young China, Managing Partner of Ernst & Young in Greater China, and a member of the EY Global Executive. He has over 30 years of professional experience in the accounting industry in Hong Kong and the Chinese mainland. Before joining Ernst & Young, Mr. Ng was the partner-in-charge of Arthur Andersen LLP in Greater China, the partner-in-charge of China business of PricewaterhouseCoopers, and the Managing Director of Citigroup China Investment Banking. Mr. Ng served as a member of the First and Second Accounting Standards Advisory Committee of the Ministry of Finance, and an Independent Non-executive Director of Beijing Airdoc Technology Co., Ltd.

Educational background and qualifications

Bachelor's degree and Master's degree in Business Administration from The Chinese University of Hong Kong
A member of HKICPA, CA ANZ, CPAA and ACCA

Mr. Jin Li
Independent Non-executive Director
Aged 54

Director since August 2021

Other major offices

Mr. Jin is currently a Vice President and Chair Professor of Southern University of Science and Technology, a member of the Committee for Economic Affairs of the 14th CPPCC National Committee, a member of the Central Committee of Jiusan Society, a member of the Board of Directors and the Academic Committee of the Global Corporate Governance Forum, and a Vice Chairman of China Management Science Society. Mr. Jin is also an Independent Director of TCL Technology Group Corporation.

Past offices

Mr. Jin was an Associate Dean of Guanghua School of Management, Peking University, a tenured professor and a doctoral supervisor in the Department of Finance at Oxford University's Saïd Business School, and an associate professor in the Department of Finance at Harvard Business School. He was also an Independent Non-executive Director of Yingda International Trust Company Limited, Beijing Financial Holdings Group, Dacheng Fund Management Co., Ltd. and CITIC aiBank Corporation Limited, and an Independent Director of S.F. Holding Co., Ltd. and Guosen Securities Co., Ltd.

Educational background and qualifications

Ph.D. in Finance from Massachusetts Institute of Technology, USA

Mr. Wang Guangqian
Independent Non-executive Director
Aged 69

Director since July 2023

Other major offices

Mr. Wang is currently a professor at the School of Finance of Central University of Finance and Economics, a Vice President of China Society for Finance and Banking, and a Vice President of China Modern Financial Society.

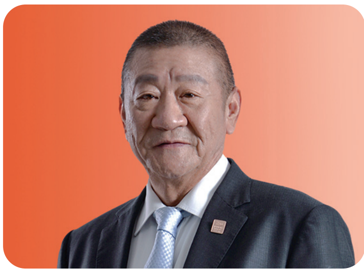
Past offices

Mr. Wang was a Vice Dean of Central College of Finance (now Central University of Finance and Economics) and then a Vice President and the President of Central University of Finance and Economics.

Educational background and qualifications

Ph.D. in Economics from Renmin University of China

Supervisors



Mr. Sun Jianyi
Chairman of Supervisory Committee (Employee Representative Supervisor)
Aged 72

Joined the Company in 1990
Supervisor since August 2020

Past offices

After joining the Company in July 1990, Mr. Sun served as the General Manager of the Management Department, Senior Vice President, Executive Vice President, Deputy Chief Executive Officer and Vice Chairman of the Company, and the Chairman of Ping An Bank successively.

Prior to joining the Company, Mr. Sun was the Head of the Wuhan Branch of the People's Bank of China, a Deputy General Manager of the Wuhan Branch of the People's Insurance Company of China, and the General Manager of Wuhan Securities Company.

Mr. Sun was also a Non-executive Director of China Vanke Co., Ltd., a Non-executive Director of China Insurance Security Fund Co., Ltd., and an Independent Non-executive Director of Haichang Ocean Park Holdings Ltd.

Educational background and qualifications

Diploma in Finance from Zhongnan University of Economics and Law (previously known as Zhongnan University of Finance and Economics)

Directors, Supervisors, Senior Management and Employees

Ms. Zhu Xinrong
Independent Supervisor
Aged 68

Supervisor since July 2022

Other major offices

Ms. Zhu is currently a second-tier professor and doctoral supervisor of finance at Zhongnan University of Economics and Law, an expert entitled to a special government allowance from the State Council, a national master teacher, and the Director of the Collaborative Innovation Center of "Industrial Upgrade and Regional Finance," a university-affiliated think tank at Zhongnan University of Economics and Law. Ms. Zhu also serves as an executive council member of the China Society for Finance and Banking and an expert in the consulting expert pool of the Monetary Policy Committee of the PBC.

Past offices

Ms. Zhu was a member of the National Supervisory Committee for Professional Degrees in Finance and the Vice President of Hubei Finance Society. Ms. Zhu served as an Independent Non-executive Director of Guangdong Sanhe Pile Co., Ltd., Hubei Xianning Rural Commercial Bank Co., Ltd. and Wuhan Credit Investment Group Co., Ltd.

Educational background and qualifications

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

Mr. Liew Fui Kiang
Independent Supervisor
Aged 58

Supervisor since July 2022

Other major offices

Mr. Liew currently serves as an Independent Non-executive Director of Shandong Gold Mining Co., Ltd., Zhaoke Ophthalmology Limited, Zhengye International Holdings Company Limited, and Zhongchang International Holdings Group Limited.

Past offices

Mr. Liew served as an Independent Non-executive Director of Baoshan Iron & Steel Company Limited and Gilston Group Limited (previously known as China Apex Group Limited) and the Chairman of PacRay International Holdings Limited.

Educational background and qualifications

MBA degree from the University of Hull Business School, United Kingdom
Bachelor of Laws degree from the University of Leeds, United Kingdom
General Management Certificate of Achievement from the University of Cambridge Judge Business School, United Kingdom
Solicitor of Hong Kong and Solicitor of England and Wales
Certificate for ESG Investing from the CFA Institute, United States of America
Fellow of the Hong Kong Institute of Directors

Mr. Hung Ka Hai Clement
Independent Supervisor
Aged 69

Supervisor since July 2022

Other major offices

Mr. Hung's former name was Hung Yu Sum Clement (洪如心). He is currently serving as an Independent Non-executive Director of Starjoy Wellness and Travel Company Limited (formerly known as Aoyuan Healthy Life Group Company Limited), China East Education Holdings Limited, Huarong International Financial Holdings Limited, Skyworth Group Limited, USPACE Technology Group Limited (formerly known as Hong Kong Aerospace Technology Group Limited), and Capital Estate Limited.

Past offices

Mr. Hung served Deloitte China for 31 years where he assumed the Chairman role of Deloitte China and a board member of Deloitte International. Mr. Hung served as an adviser to the Guangzhou Institute of Certified Public Accountants. He also served as a member of the Political Consultative Committee of Luohu District, Shenzhen and was appointed as an expert adviser to the Ministry of Finance.

Mr. Hung was an Independent Non-executive Director and then a Non-executive Director of SMI Holdings Group Limited, an Independent Non-executive Director, then a Non-executive Director and subsequently a re-designated Independent Non-executive Director of Lerthai Group Limited (formerly known as LT Commercial Real Estate Limited). Mr. Hung was also an Independent Non-executive Director of Zhongchang International Holdings Group Limited (formerly known as Henry Group Holdings Limited), Tibet Water Resources Ltd., SY Holdings Group Limited (formerly known as Sheng Ye Capital Limited), Gome Finance Technology Co., Ltd. (formerly known as Sino Credit Holdings Limited) and JX Energy Ltd., and a Non-executive Director of High Fashion International Limited.

Educational background and qualifications

Bachelor of Arts in Accountancy from the University of Lincoln, United Kingdom (previously known as The Polytechnic, Huddersfield)
Life member of The Institute of Chartered Accountants in England and Wales

Mr. Wang Zhiliang
Employee Representative Supervisor
Aged 45

Joined the Company in 2002
Supervisor since August 2017

Other positions held within the Group

Mr. Wang is the Chief Administrative Affairs Officer of the Group.

Past offices

Mr. Wang served as the Administrative Director and the Director of General Office of the Group, a Deputy General Manager of the Group's Shanghai Head Office, a Deputy Director of the Group's General Office and the Chairman of Ping An Financial Leasing, and served in the Administration Department of Tianjin Branch of Ping An Life.

Educational background and qualifications

Bachelor's degree in Economic Information Management from Tianjin University of Finance and Economics (previously known as Tianjin Institute of Finance and Economics)

Directors, Supervisors, Senior Management and Employees

Senior Management and Key Personnel

For the work experience and concurrent positions of Mr. Ma Mingzhe, Mr. Xie Yonglin, Mr. Michael Guo, Ms. Cai Fangfang and Ms. Fu Xin, please refer to "Directors" in this section.

Mr. Huang Baoxin

Senior Vice President

Aged 60

Joined the Company in 2015

Term of office:

April 2020-present

Other positions held within the Group

Mr. Huang is the General Manager of the Group's Beijing Head Office.

Past offices

Prior to joining the Company, Mr. Huang served as a Deputy Division Director of the Industrial Transportation Department of the Ministry of Finance, a Deputy Director General of the Second Secretary Bureau of the General Office of the State Council of the PRC, a Deputy Director General and then the Director General of the Supervisory Bureau of the General Office of the State Council of the PRC, and a deputy head of the discipline inspection team at the Publicity Department of the Central Committee of the CPC accredited by the Central Commission for Discipline Inspection of the CPC.

Educational background and qualifications

Bachelor's degree in Finance from Zhongnan University of Economics and Law (previously known as Zhongnan University of Finance and Economics)

Master's degree in Political Economics from Renmin University of China

Ph.D. in Public Finance from the Chinese Academy of Fiscal Sciences (previously known as Research Institute for Fiscal Science, Ministry of Finance)

Mr. Sheng Ruisheng

Board Secretary,

Company Secretary

Aged 55

Joined the Company in 1997

Term of office:

April 2017-present

Other positions held within the Group

Mr. Sheng serves as the Brand Director and spokesperson of the Company.

Past offices

Mr. Sheng served as the Assistant to the General Manager, a Deputy General Manager, and the General Manager of the Company's Branding Department from August 2002 to January 2014.

Educational background and qualifications

Bachelor of Arts degree from Nanjing University

MBA degree from The Chinese University of Hong Kong

Ms. Zhang Zhichun
Chief Financial Officer
(Financial Director)
Aged 48

Joined the Company in 1998
Term of office:
January 2023-present

Other positions held within the Group

Ms. Zhang is a Non-executive Director of a number of controlled subsidiaries of the Company including Ping An P&C, Ping An Securities and Ping An Annuity.

Past offices

Ms. Zhang successively served as the Assistant President, Chief Investment Officer, Financial Director, and Board Secretary of Ping An P&C from December 2017 to December 2022. Before then, she served as a Deputy General Manager of Ping An P&C's Planning Department and a Deputy General Manager and then the General Manager of the Company's Planning Department.

Educational background and qualifications

Bachelor's degree in Actuarial Science from Shanghai University of Finance and Economics
Associate of China Association of Actuaries

Mr. Sun Jianping
Chief Human Resources Officer
Aged 63

Joined the Company in 1988

Other positions held within the Group

Mr. Sun serves as a Non-executive Director of a number of controlled subsidiaries of the Company including Ping An Securities, Ping An Technology and Ping An Finserve.

Past offices

After joining the Company in 1988, Mr. Sun served as a Senior Vice President, an Executive Vice President, the President, and the Chairman and CEO of Ping An P&C successively.

Educational background and qualifications

Bachelor of Engineering degree from Huazhong University of Science and Technology (previously known as Huazhong Institute of Technology)
Master of Economics degree from Zhongnan University of Economics and Law
Senior Economist

Directors, Supervisors, Senior Management and Employees

Mr. Guo Shibang
Assistant President and
Chief Risk Officer
Aged 59

Joined the Company in 2011
Term of office:
March 2024-present

Other positions held within the Group

Mr. Guo is a Non-executive Director of Ping An Financial Leasing, Ping An Overseas Holdings, and Lufax Holding.

Past offices

Mr. Guo served as a Vice President, the Chief Risk Officer and the Compliance Director of Ping An Securities from September 2014 to October 2016, and a Special Assistant to the Chairman, an Assistant President, an Executive Director and a Vice President of Ping An Bank from October 2016 to December 2023. Before then, Mr. Guo served as the Director and the President of Ping An Bank's Microfinance Business Unit.

Prior to joining the Company, Mr. Guo served as a Chief Officer and a Deputy Director-level Consultant (presiding) at the Treasury Planning Department of Industrial and Commercial Bank of China, and the Manager of Beijing Shangdi Subbranch, a Party Committee Member and a Deputy General Manager of Beijing Management Department, the Party Committee Secretary and the General Manager of Dalian Branch, and the Vice Chairman of the Head Office Retail Management Committee and the General Manager of the Retail Banking Department of China Minsheng Bank.

Educational background and qualifications

Doctor of Economics degree from Peking University
Master of Economics degree from Peking University
Bachelor of Engineering degree from Shanghai Jiao Tong University
Senior Economist

Mr. Huang Yuqiang
Person-in-charge of Auditing
Aged 43

Joined the Company in 2004
Term of office:
June 2023-present

Other positions held within the Group

Mr. Huang serves as the General Manager of the Group's Audit and Supervision Department.

Past offices

After joining the Company in July 2004, Mr. Huang successively held the positions of the General Manager of Asset Monitoring of the Risk Management Department of Ping An Bank and a Deputy General Manager (presiding) of the Risk Management Department of the Group.

Educational background and qualifications

Bachelor of Business Administration degree from Nanjing University

POSITIONS HELD IN CORPORATE SHAREHOLDERS BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Name of corporate shareholder	Position	Period of engagement
Soopakij Chearavanont	CP Group	Chairman	Since January 2017
Yang Xiaoping	CP Group	Senior Vice Chairman	Since January 2017
He Jianfeng	Shenzhen Investment Holdings Co., Ltd.	Secretary of Party Committee and Chairman	Since July 2021
Cai Xun	Shum Yip Group Limited	Deputy Secretary of Party Committee and Employee Director	Since July 2020

APPOINTMENT OR REMOVAL OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position	Gender	Age	Period of appointment
Michael Guo(1)	Newly-appointed Executive Director	Male	53	Since September 2024
Fu Xin(1)	Newly-appointed Executive Director	Female	45	Since September 2024
Guo Shibang(2)	Newly-appointed Senior Management	Male	59	Since March 2024
Yao Jason Bo(3)	Retired Non-executive Director	Male	54	June 2009 – May 2024
Tan Sin Yin(3)	Retired Non-executive Director	Female	47	April 2020 – May 2024
Zhang Xiaolu(4)	Resigned Senior Management	Female	57	June 2021 – March 2025
Deng Bin(5)	Resigned Senior Management	Male	55	March 2022 – December 2024

Notes: (1) Mr. Michael Guo and Ms. Fu Xin took office as Executive Directors of the Company on September 18, 2024. Both of them have confirmed that they obtained the legal advice under Rule 3.09D of the *SEHK Listing Rules* on August 9, 2024 and understood their obligations as Directors of the Company.
(2) Mr. Guo Shibang took office as the Assistant President and Chief Risk Officer of the Company on March 26, 2024.
(3) Mr. Yao Jason Bo and Ms. Tan Sin Yin retired as Non-executive Directors of the Company on May 30, 2024.
(4) Ms. Zhang Xiaolu resigned as the Compliance Officer of the Company on March 13, 2025.
(5) Mr. Deng Bin resigned as the Assistant President and Chief Investment Officer of the Company on December 2, 2024.

Directors, Supervisors, Senior Management and Employees

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

1. Mr. Soopakij Chearavanont, a Non-executive Director of the Company, took office as a Non-executive Director of Honma Golf Limited in November 2024.

2. Mr. Ng Sing Yip, an Independent Non-executive Director of the Company, ceased to be an Independent Non-executive Director of HSBC Bank Australia Limited in October 2024, and took office as an Independent Non-executive Director of Multifield International Holdings Limited and Oriental Explorer Holdings Limited in December 2024.

3. Mr. Chu Yiyun, an Independent Non-executive Director of the Company, took office as an Independent Non-executive Director of United Overseas Bank (China) Limited in June 2024.

4. Mr. Ng Kong Ping Albert, an Independent Non-executive Director of the Company, ceased to be an Independent Non-executive Director of Beijing Airdoc Technology Co., Ltd. in August 2024.

5. Mr. Liu Hong, an Independent Non-executive Director of the Company, took office as an Independent Director of Skyworth Digital Co., Ltd. in April 2024.

6. Mr. Jin Li, an Independent Non-executive Director of the Company, took office as an Independent Director of TCL Technology Group Corporation in May 2024, and ceased to be an Independent Director of Guosen Securities Co., Ltd. in June 2024.

7. Mr. Hung Ka Hai Clement, an Independent Supervisor of the Company, ceased to be an Independent Non-executive Director of JX Energy Ltd. in December 2024, and ceased to be a Non-executive Director of High Fashion International Limited in January 2025.

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

PENALTIES IMPOSED ON THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT BY SECURITIES REGULATORY AUTHORITIES IN THE LAST THREE YEARS

The current Directors, Supervisors and senior management of the Company and those who vacated office during the Reporting Period were not subject to any punishment by securities regulatory authorities over the past three years.

SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Change in the Number of Shares Held in the Company

As of December 31, 2024, the interests of the current Directors, Supervisors and senior management of the Company and those who vacated office during the Reporting Period in the shares of the Company which shall be disclosed pursuant to the *Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – Contents and Formats of Annual Reports* issued by the CSRC were as follows:

Name	Capacity	H/A shares	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Change (shares)	Reason for the change	Nature of interest	Percentage of total issued H/A shares (%)	Percentage of total issued shares (%)
Ma Mingzhe	Beneficial owner	A	2,524,802	2,922,749	+397,947	Key Employee Share Purchase Plan	Long position	0.02716	0.01605
Sun Jianyi	Beneficial owner	A	5,048,596	5,048,596	-	-	Long position	0.04691	0.02772
Xie Yonglin	Beneficial owner	A	942,767	1,320,296	+377,529	Key Employee Share Purchase Plan	Long position	0.01227	0.00725
Michael Guo	Beneficial owner	A	22,993	70,123	+47,130	Key Employee Share Purchase Plan	Long position	0.00065	0.00039
Cai Fangfang	Beneficial owner	A	477,260	617,741	+140,481	Key Employee Share Purchase Plan	Long position	0.00574	0.00339
Fu Xin	Beneficial owner	A	42,474	78,509	+36,035	Key Employee Share Purchase Plan	Long position	0.00073	0.00043
Wang Zhiliang	Beneficial owner	A	76,840	87,756	+10,916	Key Employee Share Purchase Plan	Long position	0.00082	0.00048
Huang Baoxin	Beneficial owner	A	114,707	136,744	+22,037	Key Employee Share Purchase Plan	Long position	0.00127	0.00075
Sheng Ruisheng	Beneficial owner	A	453,412	551,948	+98,536	Key Employee Share Purchase Plan	Long position	0.00513	0.00303
Zhang Zhichun	Beneficial owner	A	106,370	122,304	+15,934	Key Employee Share Purchase Plan	Long position	0.00114	0.00067
Huang Yuqiang	Beneficial owner	A	–	4,518	+4,518	Key Employee Share Purchase Plan	Long position	0.00004	0.00002
Yao Jason Bo	Beneficial owner	A	837,826	804,620	-33,206	Key Employee Share Purchase Plan, sale	Long position	0.00748	0.00442
	Beneficial owner	H	24,000	24,000	-	-	Long position	0.00032	0.00013
Tan Sin Yin	Beneficial owner	A	714,249	1,004,620	+290,371	Key Employee Share Purchase Plan, purchase	Long position	0.00933	0.00552
	Beneficial owner	H	40,000	24,000	-16,000	Sale	Long position	0.00032	0.00013
Zhang Xiaolu	Beneficial owner	A	46,535	118,123	+71,588	Key Employee Share Purchase Plan	Long position	0.00110	0.00065
	Beneficial owner	H	10,000	10,000	-	-	Long position	0.00013	0.00005
Deng Bin	Beneficial owner	A	5,328	19,083	+13,755	Key Employee Share Purchase Plan	Long position	0.00018	0.00010

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

Save as disclosed above, as of December 31, 2024, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company which shall have been notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, Supervisors or chief executives of the Company are taken as or deemed to have under such provisions of the SFO), or are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or are otherwise required to be notified by the Directors, Supervisors and chief executives to the Company and the SEHK pursuant to the *Model Code*, were as follows:

Name	Capacity	H/A shares	Interests held at the beginning of the period (shares)	Interests held at the end of the period (shares)	Change (shares)	Reason for the change	Nature of interest	Percentage of total issued H/A shares (%)	Percentage of total issued shares (%)
Ma Mingzhe	Interest of his spouse	H	20,000	20,000	-	-	Long position	0.00027	0.00011
	Others[1]	A	1,631,038	1,631,038	-	-	Long position	0.01515	0.00896
	Others[1]	H	-	754,988	+754,988	Others[1]	Long position	0.01014	0.00415
Sun Jianyi	Others[1]	A	126,381	126,381	-	-	Long position	0.00117	0.00069
Xie Yonglin	Others[1]	A	1,223,278	1,223,278	-	-	Long position	0.01137	0.00672
	Others[1]	H	-	452,992	+452,992	Others[1]	Long position	0.00608	0.00249
Michael Guo	Others[1]	A	103,368	103,368	-	-	Long position	0.00096	0.00057
	Others[1]	H	-	332,194	+332,194	Others[1]	Long position	0.00446	0.00182
Cai Fangfang	Others[1]	A	815,519	815,519	-	-	Long position	0.00758	0.00448
	Others[1]	H	-	301,995	+301,995	Others[1]	Long position	0.00405	0.00166
Fu Xin	Others[1]	A	139,893	139,893	-	-	Long position	0.00130	0.00077
	Others[1]	H	-	241,596	+241,596	Others[1]	Long position	0.00324	0.00133
Yang Xiaoping	Interest of a controlled corporation	H	100,000	100,000	-	-	Long position	0.00134	0.00055
Wang Zhiliang	Others[1]	A	92,334	92,334	-	-	Long position	0.00086	0.00051
	Others[1]	H	-	30,199	+30,199	Others[1]	Long position	0.00041	0.00017

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

Change in the Number of Shares Held in Associated Corporations of the Company

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

Save as disclosed above, as of December 31, 2024, none of the Directors, Supervisors and chief executives held or was deemed to hold any interests or short positions in the shares, underlying shares or debentures of the Company's associated corporations (as defined in the SFO), which shall have been notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO, or are recorded in the register required to be kept under Section 352 of the SFO, or are otherwise required to be notified by the Directors, Supervisors and chief executives to the Company and the SEHK pursuant to the *Model Code*.

THE ASSESSMENT & EVALUATION AND REMUNERATION SYSTEMS OF THE COMPANY

The purpose of the Company's remuneration policy is to attract, retain, and motivate talented people so as to help achieve the Company's operating objectives. The principle of the remuneration policy is to characterize a clear orientation, motivate performances, respond to the market, and keep costs reasonable. The remuneration package for the Company's employees includes base salaries, performance-based salaries, benefits, and allowances. Base salaries are determined according to the post value, market levels, and so on. Performance-based salaries are linked to the Company's overall business results, personal performance, and so on. Benefits and allowances are determined in accordance with government regulations and industry standards. The specific structure and strategic arrangement of a remuneration package is adjusted and optimized according to market situations and the Company's business development needs.

The Executive Directors' and senior management's remunerations are determined according to the Company's remuneration policy and their administrative positions within the Company. The Non-executive Directors' emoluments are determined as per the standards approved at the Company's General Meetings.

The Company's appraisal schemes for senior management are determined by the Company in line with business plans, risk management and compliance requirements, and social responsibility requirements. Appraisal results are linked to senior management's performance-based remunerations and so on. Moreover, the Company has established a performance-based remuneration clawback mechanism for senior management and key personnel to give full play to the guiding role of performance-based remunerations in the Company's operations and management, ensure that remuneration incentives match risk-adjusted performance, prevent aggressive business behaviors and violations of laws and regulations, and promote prudent operations and sustainable development.

Directors, Supervisors, Senior Management and Employees

REMUNERATIONS OF DIRECTORS, SUPERVISORS, AND SENIOR MANAGEMENT

Name	Total after-tax remunerations received from the Company during the Reporting Period (in RMB thousand)	Individual income tax payable on total remunerations received from the Company during the Reporting Period (in RMB thousand)	Whether received any remuneration from related parties of the Company during the Reporting Period
Ma Mingzhe	3,587.0	2,512.7	No
Sun Jianyi	4,079.4	2,930.3	No
Xie Yonglin	4,012.9	2,698.7	No
Michael Guo	7,699.9	5,719.1	No
Cai Fangfang	3,641.2	2,215.2	No
Fu Xin	4,177.2	2,802.1	No
Huang Baoxin	3,309.7	2,133.6	No
Sheng Ruisheng	2,325.7	1,411.1	No
Zhang Zhichun	2,865.5	1,701.0	No
Guo Shibang	2,544.1	1,645.7	No
Huang Yuqiang	2,053.7	1,000.6	No
Zhang Xiaolu	6,099.2	4,582.8	No
Deng Bin	1,928.7	1,170.6	No
Wang Zhiliang	2,448.4	1,342.6	No
Tan Sin Yin	221.6	56.7	No
Yao Jason Bo	221.6	56.7	No
Soopakij Chearavanont	533.3	136.7	Yes
Yang Xiaoping	533.3	136.7	Yes
He Jianfeng	–	–	Yes
Cai Xun	527.8	142.2	Yes
Ng Sing Yip	533.3	136.7	No
Chu Yiyun	527.8	142.2	No
Liu Hong	527.8	142.2	No
Ng Kong Ping Albert	533.3	136.7	Yes
Jin Li	410.6	109.4	No
Wang Guangqian	527.8	142.2	No
Zhu Xinrong	527.8	142.2	No
Liew Fui Kiang	533.3	136.7	Yes
Hung Ka Hai Clement	533.3	136.7	Yes

Notes: (1) The remunerations of Directors, Supervisors and senior management are calculated based on their respective periods in office during the Reporting Period.

(2) Parts of the performance-based remunerations of the Company's senior management will be deferred and paid over a period of three years in accordance with the *Code of Corporate Governance of Banking and Insurance Institutions* and the *Guidelines for Insurance Companies' Remuneration Management (Trial)* issued by the CBIRC. The deferred, unpaid parts are included in the total remunerations received by the Company's senior management from the Company during the Reporting Period.

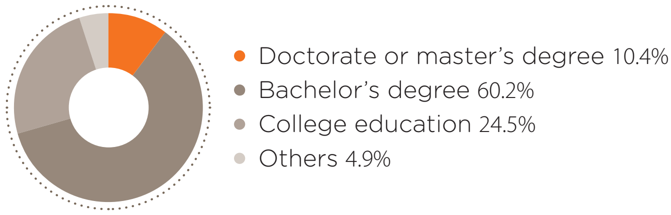
(3) The final remunerations of the Company's full-time Directors, Supervisors and senior management are being recognized, and will be disclosed after recognition in accordance with applicable rules.

NUMBER OF EMPLOYEES BY PROFESSION AND EDUCATIONAL BACKGROUND

As of December 31, 2024, the Company had 273,053 current employees, of whom 259,520 were in the parent company and major subsidiaries, as well as 662 retired employees for whom the parent company and major subsidiaries needed to bear costs. By profession, 144,925 of the current employees were in the insurance business, 41,011 in the banking business, 17,029 in the asset management business, 48,114 in the technology business, and 21,974 in other businesses. By education, 28,362 of the current employees held a doctorate or a master's degree, 164,362 held a bachelor's degree, 66,994 attained college education, and 13,335 had other educational backgrounds. By gender, 134,127 employees were male and 138,926 female.

By profession

By education



STAFF TRAINING PROGRAMS

Under the philosophy of "Knowledge Creates Value," the Company is committed to combining employee's self-growth and value realization with corporate development. The Company provides personalized learning and growth paths, diverse course resources and a smart learning platform for employees in different positions, at different levels and with different professional backgrounds. In this way, the Company boosts the value of both employees and the Company by supporting employees' continuous, efficient learning and development.

In 2024, the Company advanced the digital transformation of its training system by fully implementing a "learning points passport" framework. The Company quantified employees' learning with "learning points," created an online "learning points passport" for each employee, and set annual goals to help employees plan their learning. Moreover, the Company linked learning outcomes to career development, and provided diverse high-quality course resources to help employees achieve learning goals. All employees have activated their passports; over 99% of employees have achieved their goals in terms of points. Moreover, the Company launched contests to create an atmosphere of "learning and competition."

The Company builds a broad platform for employee development by continuously optimizing its employee career development and training framework, which covers all employees, all career stages and full lifecycles. In 2024, the Company comprehensively upgraded its new employee orientation framework covering a development cycle from pre-job training to one year after joining the Company. The Company helped new employees integrate into teams and develop competence with functionalities including online learning paths, metaverse-based learning, and AI mentoring. The Company continuously optimized special development mechanisms for managers. In 2024, the Company provided special training camps for key high-potential employees by inviting professors, industry gurus and top consultants to give lectures and workshops addressing the Company's core issues. In this way, the Company helped senior managers transform and upskill comprehensively.

Directors, Supervisors, Senior Management and Employees

Ping An develops a multi-dimensional curriculum on the basis of course contents, capability levels, and development stages to meet employees' growth needs and the Company's development needs. In particular, the Company develops basic compulsory courses on things all employees should know about "strategy and culture, management rules, and core skills." The Company makes serious contents interesting by interactive means of little theaters, AI-powered digital humans, interactive quizzes and so on to improve learning experience. The Company provided approximately 90,000 internal and external high-quality online courses as of December 31, 2024. The courses were attended by over 40 million trainees in 2024.

The Company continuously upgrades learning resources for professional positions through platforms and mechanisms including job learning panoramas, intelligent coaching, and course sharing. In 2024, the Company upgraded its professional position-specific training system by setting tiered training goals for professionals, mapping and profiling professionals' skills, creating precise, standard tiered and categorized course contents, improving test banks, and diversifying examination approaches. Committed to providing employees with vocational skill certification, the Company worked with industry associations and universities to jointly build a professional certification and development system. In addition, the Company provided targeted training programs for positions in business segments such as insurance, banking, asset management and technology. By doing so, the Company helped employees develop their professional competence comprehensively.

Report of the Board of Directors and Significant Events

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries (the "Group") comprise the provision of a wide range of financial products and services with a focus on the businesses of insurance, banking, asset management, and finance enablement. There were no significant changes in the nature of the Group's principal activities during 2024.

MAJOR CUSTOMERS

Revenue from the Group's five largest customers accounted for less than 1% of the total revenue for 2024.

IMPLEMENTATION OF CASH DIVIDEND POLICY AND PROFIT DISTRIBUTION PLAN DURING THE REPORTING PERIOD

Cash Dividend Policy

According to Article 184 of the *Articles of Association*, the Company shall attach importance to the reasonable investment returns for investors in its profit distribution. The profit distribution policy shall maintain its continuity and stability. The accumulated profit to be distributed in cash for the recent three years shall not be less than 30% of the average annual distributable profit realized in the recent three years, provided that the Company's annual distributable profit (namely the Company's profit after tax after covering the losses and making contributions to the surplus reserve) is positive in value and such distribution is in compliance with the prevailing laws and regulations and the requirements of regulatory authorities for solvency margin ratios. In determining a specific cash dividend payout ratio, the Company shall consider its profit, cash flow, solvency, and operational and business development requirements. The Board of Directors is responsible for formulating and implementing a distribution plan in accordance with the provisions of the *Articles of Association*.

In preparing a profit distribution plan, the Board of Directors shall fully listen to and take into account views and advice from shareholders (in particular the minority shareholders), independent directors, and independent supervisors in various ways. When a specific cash dividend distribution plan is put forward for consideration at a general meeting, a variety of channels shall be provided for communication and opinion exchange with shareholders, in particular the minority shareholders, whose opinions and demands shall be fully heard, and prompt responses shall be given to any issues the minority shareholders are concerned about.

Where an adjustment to our profit distribution policy is required due to the applicable laws and regulations and new rules promulgated by the CSRC regarding listed companies' profit distribution policies or significant changes in the Company's external business environment and/or operating situations, the adjustment shall be done for the purpose of safeguarding the shareholders' interests and in strict compliance with the decision-making procedures. To this end, the Board of Directors shall draft an adjustment plan based on the operating situations of the Company and the applicable regulations of the CSRC, and then submit the adjustment plan to a general meeting for deliberation. Implementation of the adjustment plan is conditional upon approval by shareholders (including their proxies) holding at least two thirds of voting rights present at the general meeting.

Report of the Board of Directors and Significant Events

Implementation of Profit Distribution Plan

The 2023 profit distribution plan of the Company was deliberated and approved at the 2023 Annual General Meeting, pursuant to which the Company paid in cash the 2023 final dividend of RMB1.50 (tax inclusive) per share, totaling RMB27,161,462,992.50 (tax inclusive) based on 18,107,641,995 shares, the actual number of shares entitled to the dividend distribution (exclusive of A shares of the Company in the repurchased securities account).

The Company's 2024 interim profit distribution plan was deliberated and approved at the 4th meeting of the 13th session of the Board of Directors held on August 22, 2024, pursuant to which the Company paid in cash the 2024 interim dividend of RMB0.93 per share (tax inclusive), totaling RMB16,840,107,055.35 (tax inclusive) based on 18,107,641,995 shares, the actual number of shares entitled to the dividend distribution (exclusive of the Company's A shares in the repurchased securities account).

The decision-making procedure and mechanism of the above profit distribution plans were complete, and the dividend payout standards and ratios were clear. The above profit distribution plans were in line with the *Articles of Association* and the applicable deliberation procedures, which fully protected the minority shareholders' legitimate interests. The above profit distribution plans have been implemented.

ANNUAL RESULTS AND PROFIT DISTRIBUTION

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

As stated in the 2024 audited consolidated financial statements of the Group prepared under CAS and IFRS respectively, the net profit attributable to shareholders of the parent company was RMB126,607 million and the net profit of the parent company was RMB54,779 million. Pursuant to the *Articles of Association* and other relevant requirements, the Company shall make an appropriation to the statutory surplus reserve based on 10% of the net profit of the parent company as shown in the financial statements under CAS before determining the profit available for distribution to shareholders. Appropriation to the statutory surplus reserve may cease to apply if the balance of the statutory surplus reserve has reached 50% or more of the registered capital of the Company. After making the above profit distribution and carrying forward the retained profit from the previous year, in accordance with the *Articles of Association* and other applicable requirements, the profit available for distribution to shareholders of the Company based on undistributed profit in financial statements of the parent company under CAS or IFRS (whichever is lower) was RMB148,425 million.

The Company distributed the 2024 interim dividend of RMB0.93 per share (tax inclusive) in cash, which amounted to RMB16,840,107,055.35 (tax inclusive). The Board of Directors proposed to distribute the 2024 final dividend of RMB1.62 per share (tax inclusive) in cash to the shareholders of the Company. Pursuant to the *Shanghai Stock Exchange's Guidelines for Self-regulation of Listed Companies No.7 – Repurchase of Shares* and other applicable regulations, the Company's A shares in the Company's repurchased securities account (if any) after trading hours on the record date of A shareholders for the final dividend will not be entitled to the final dividend distribution. The actual total amount of final dividend payment is subject to the total number of shares that will be entitled to the dividend distribution on the record date. The total amount of the final dividend payment for 2024 is RMB29,334,380,031.90 (tax inclusive) based on the total share capital of 18,210,234,607 shares less the 102,592,612 A shares of the Company in the repurchased securities account as of December 31, 2024. The final dividend payment will have no material impact on the Group's solvency margin ratios. After the final dividend payment, the Group's solvency margin ratios will still meet the relevant regulatory requirements. The remaining undistributed profit of the Company will be carried forward to 2025. The undistributed profit of the Company is mainly for the purpose of its organic capital accumulation to maintain reasonable solvency margin ratios as well as provide funding for subsidiaries to support subsidiaries' business development for stable shareholder returns and maintain subsidiaries' solvency margin or capital adequacy ratios at reasonable levels.

The above plan will be implemented upon deliberation and approval at the 2024 Annual General Meeting. The profit distribution plan is in line with the *Articles of Association* and the relevant deliberation procedures. The Company maintains the continuity and stability of its profit distribution policy, and fully protects the legitimate interests of all its shareholders including minority shareholders.

For dividend payouts of the Company over the past five years, please refer to the section headed "Liquidity and Capital Resources."

DISTRIBUTABLE RESERVES

As of December 31, 2024, the Company's distributable reserves totaled RMB148,425 million. The Company has proposed to distribute the 2024 final dividend of RMB1.62 per share (tax inclusive) in cash. After deduction of the 2024 final dividend, the remaining distributable reserves will be carried forward to 2025. Moreover, the Company's capital reserve and surplus reserve amounted to RMB134,976 million, which can be distributed in a future capital issue.

SHARE CAPITAL

The change in the share capital of the Company in 2024 and the share capital structure of the Company as of December 31, 2024 are set out in the section headed "Changes in the Share Capital and Shareholders' Profile."

PROPERTY AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of changes in the property and equipment and investment properties of the Group during 2024 are set out in Notes 32 and 31 to the financial statements respectively.

PRE-EMPTIVE RIGHTS

According to the *Company Law of the People's Republic of China* and the *Articles of Association*, the shareholders of the Company have no pre-emptive rights.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities or sold any of the Company's treasury shares from January 1, 2024 to December 31, 2024.

BONDS CONVERTIBLE INTO THE COMPANY'S H SHARES

On July 22, 2024, the Company issued an aggregate principal amount of USD3.5 billion 0.875% convertible bonds (the "Convertible Bonds" convertible into the Company's H shares) due 2029, with an initial conversion price of HKD43.71 per H share. The Convertible Bonds have been listed and traded on the SEHK since July 23, 2024. According to the terms and conditions of the Convertible Bonds, considering the interim dividend declared by the Company for the six-month period ended June 30, 2024, the conversion price of the Convertible Bonds has been adjusted to HKD42.61 per H share (the "Adjusted Conversion Price") effective from September 12, 2024.

The total outstanding principal amount of the Convertible Bonds was USD3.5 billion as of December 31, 2024. No conversion right of the Convertible Bonds was exercised, and neither any holder of the Convertible Bonds nor the Company exercised any redemption right during the Reporting Period. The Company had a total of 18,210,234,607 issued shares as of December 31, 2024. Based on the Adjusted Conversion Price applicable to the date and assuming full conversion of the Convertible Bonds on December 31, 2024, the Convertible Bonds would be converted into 641,343,581 H shares (the "Conversion Shares"), representing approximately 3.52% of the total issued shares as of December 31, 2024 and approximately 3.40% of the enlarged total issued shares after the issuance of the Conversion Shares (assuming no other change in the total issued shares).

Assuming the Convertible Bonds were fully converted on December 31, 2024, the dilutive effect on the Company's current issued shares and shareholding structure would be as follows:

		Shareholding structure before full conversion of Convertible Bonds		Shareholding structure after full conversion of Convertible Bonds at Adjusted Conversion Price	
Shareholder	H/A shares	Number of shares	Approximate percentage of total issued shares (%)	Number of shares	Approximate percentage of total issued shares after dilution (%)
CP Group Ltd.	H	964,427,077	5.30	964,427,077	5.12
Shenzhen Investment Holdings Co., Ltd.	A	962,719,102	5.29	962,719,102	5.11
Holders of Convertible Bonds	H	–	–	641,343,581	3.40
Other shareholders	A+H	16,283,088,428	89.42	16,283,088,428	86.38
Total	A+H	18,210,234,607	100.00	18,851,578,188	100.00

Notes: (1) There were 102,592,612 A shares of the Company in its repurchased securities account as of December 31, 2024.
(2) Figures may not match the calculation due to rounding.

Upon full conversion of the Convertible Bonds, the potential issuance and allotment of the Conversion Shares will have an anti-dilutive effect on earnings per share. For further details, please refer to Note 18.(2) to the financial statements.

In view of the Group's financial and liquidity position, the Company expects to have the ability to fulfill its redemption obligation under the Convertible Bonds.

For the holders of the Convertible Bonds, when the Company's share price approaches the Adjusted Conversion Price in the future, conversion or redemption based on the internal rate of return on the Convertible Bonds will be equally profitable.

USE OF PROCEEDS

On July 22, 2024, the Company completed the issue of an aggregate principal amount of USD3.5 billion convertible bonds due 2029 under a general mandate. Net proceeds from the issue of the Convertible Bonds amounted to approximately USD3,461 million, which will be used to further develop the Group's core business and strengthen the Group's capital position, support the Group's new strategic initiatives in the health and senior care sectors and for general corporate purposes. The Company had not used the net proceeds from the issue of the Convertible Bonds as of December 31, 2024. The Company expects to use the net proceeds in full within five years of the issue of the Convertible Bonds for the proposed purposes. There has been no change in the previously disclosed proposed purposes of the net proceeds. Going forward, the Company will use the proceeds in strict compliance with regulatory requirements, and perform corresponding regulatory procedures to ensure the use conforms with laws and regulations. For more details, please refer to the Company's announcements dated July 16, 2024, July 22, 2024 and July 23, 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this Report, being March 19, 2025, at all times during the year ended December 31, 2024, not less than 20% of the Company's issued share capital (being the minimum public float applicable to the Company's shares) was held in public hands.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND REMUNERATIONS

The Company entered into service contracts with all the Directors and Supervisors in office. As of December 31, 2024, no Directors or Supervisors had a service contract with the Company or any of its subsidiaries which requires the Company to pay compensation (except statutory compensation) if the Company terminates the contract within one year.

Name lists of the Directors and Supervisors as well as details of their remunerations for the year ended December 31, 2024 are set out in Note 54 to the financial statements.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

In 2024, no Director or Supervisor of the Company or entity connected with the Directors or Supervisors had a material interest, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES

In 2024, no right to acquire benefits by means of acquisition of shares or debentures of the Company was granted to or exercised by any Directors, Supervisors or their respective spouse or minor children, and neither the Company nor any of its subsidiaries was a party to any arrangement which enables the Directors or Supervisors to acquire any such rights in any other legal entity.

DIRECTORS' AND SUPERVISORS' INTERESTS IN A COMPETING BUSINESS

As far as the Directors are aware, none of the Directors or Supervisors of the Company has any competing interest in a business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

PERMITTED INDEMNITY PROVISION

The Company has renewed the liability insurance for Directors, Supervisors and senior management for the period from 2024 to 2025 for possible legal actions against its Directors, Supervisors and senior management arising out of corporate activities, which was in force during the Reporting Period and up to the date of this Report. The scope of the insurance covers the economic compensation liability for the economic loss suffered by a third party due to the negligent acts of the Company's Directors, Supervisors and senior management in performing their duties. The insurer shall offer the economic compensation in accordance with the terms and conditions of the insurance contract, with a sum insured of USD30 million and a premium of RMB2,045.3 thousand.

POST BALANCE SHEET EVENTS

Details of the post balance sheet events are set out in Note 60 to the financial statements.

AUDITORS

According to the resolution passed at the Company's 2023 Annual General Meeting, the Company engaged Ernst & Young Hua Ming LLP and Ernst & Young as the auditors of the Company's financial statements under CAS and IFRS respectively for the year 2024, and engaged Ernst & Young Hua Ming LLP as the auditor of the Company's internal controls.

Report of the Board of Directors and Significant Events

GENERAL ANALYSIS OF EXTERNAL INVESTMENT

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

Material Equity Investment

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

Material Non-Equity Investment

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

Financial Instruments Measured at Fair Value

Details of the Company's financial instruments measured at fair value are set out in Note 50 to the financial statements.

SALE OF MAJOR ASSETS AND EQUITIES

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

Material Acquisitions and Disposals of Subsidiaries, Joint Ventures or Associates

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

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

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

MAJOR SUBSIDIARIES AND ASSOCIATES OF THE COMPANY

Details of major subsidiaries and associates of the Company are set out in Note 4.(1) and Note 29 to the financial statements respectively.

STRUCTURED ENTITIES CONTROLLED BY THE COMPANY

Structured entities controlled by the Company are detailed in Note 4.(2) to the financial statements.

CONNECTED TRANSACTIONS

In respect of connected transactions and continuing connected transactions, the Company has complied with requirements under the *SEHK Listing Rules* as amended from time to time. During the Reporting Period, the Company had no material connected transaction that was required to be disclosed under the *SEHK Listing Rules*. The Company's related party transactions stated in accordance with the accounting standards used in the preparation of financial statements for the year ended December 31, 2024 are presented in Note 56 to the financial statements.

IMPLEMENTATION OF SHARE PURCHASE PLANS OF THE COMPANY

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

Key Employee Share Purchase Plan

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

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

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

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

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

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

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

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

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 member companies 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.

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

There were 31,026 participants in the Long-term Service Plan for 2019. A total of 54,294,720 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,296,112,202.60 (expenses inclusive), accounting for approximately 0.297% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 133 employees qualified and applied for vesting, and their shares were vested; 837 employees were disqualified due to reasons including their resignation; and 1,250,228 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 32,022 participants in the Long-term Service Plan for 2020. A total of 49,759,305 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB3,988,648,517.41 (expenses inclusive), accounting for approximately 0.272% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 57 employees qualified and applied for vesting, and their shares were vested; 984 employees were disqualified due to reasons including their resignation; and 2,471,006 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 90,960 participants in the Long-term Service Plan for 2021. A total of 57,368,981 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,184,093,674.69 (expenses inclusive), accounting for approximately 0.314% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 24 employees qualified and applied for vesting, and their shares were vested; 4,328 employees were disqualified due to reasons including their resignation; and 4,092,054 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 90,960 participants in the Long-term Service Plan for 2022. A total of 93,314,482 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,438,825,366.37 (expenses inclusive), accounting for approximately 0.510% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 20 employees qualified and applied for vesting, and their shares were vested; 5,626 employees were disqualified due to reasons including their resignation; and 7,700,815 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 83,651 participants in the Long-term Service Plan for 2023. A total of 96,608,364 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,450,946,615.20 (expenses inclusive), accounting for approximately 0.528% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 15 employees qualified and applied for vesting, and their shares were vested; 6,335 employees were disqualified due to reasons including their resignation; and 9,407,519 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 75,175 participants in the Long-term Service Plan for 2024. A total of 106,896,000 H shares of the Company were purchased in the secondary market at market prices for a total amount of HKD3,845,543,293.31 (expenses inclusive), accounting for approximately 0.587% of the Company's total share capital at that time. For details of the share purchase, please refer to the *Announcement Regarding the Completion of Share Purchase under the 2024 Long-term Service Plan* published by the Company on the websites of the HKEX and the SSE on September 23, 2024 and September 24, 2024 respectively. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 4,538 employees were disqualified due to reasons including their resignation; and 5,370,839 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

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

The Long-term Service Plan held a total of 491,338,749 A and H shares of the Company as at the end of the Reporting Period, accounting for approximately 2.698% of the Company's total share capital.

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

IMPLEMENTATION OF SHARE INCENTIVE SCHEME OF THE COMPANY AND ITS EFFECTS

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

MATERIAL CONTRACTS AND THEIR PERFORMANCE

Guarantee

(in RMB million)	External guarantee of the Company and its subsidiaries (excluding the guarantee in favor of its subsidiaries)
Total external guarantee incurred during the Reporting Period	–
Total external guarantee balance as at the end of the Reporting Period	–
	Guarantee of the Company and its subsidiaries in favor of its subsidiaries
Total guarantee in favor of its subsidiaries incurred during the Reporting Period	(1,119)
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period	11,549
	Total guarantee of the Company (including the guarantee in favor of its subsidiaries)
Total guarantee	11,549
Total guarantee as a percentage of the Company's net assets (%)	1.2
Including: Direct or indirect guarantee for the companies with a total liabilities to total assets ratio over 70% (as of December 31, 2024)	7,945
The amount by which the total guarantee balance of the Company and its subsidiaries exceeded 50% of the Company's net assets	–

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

(2) The total guarantee incurred during the Reporting Period was the guarantee withdrawal of RMB2,033 million less the guarantee repayment of RMB3,152 million.

(3) As Lufax Holding became a subsidiary of the Group on July 30, 2024, the total guarantee in favor of the Group's subsidiaries incurred during the Reporting Period includes Lufax Holding's guarantee in favor of the Group's subsidiaries incurred from the date of consolidation to the end of the Reporting Period; the total guarantee balance in favor of the Group's subsidiaries as at the end of the Reporting Period includes Lufax Holding's guarantee balance in favor of the Group's subsidiaries.

Specific Statements of Independent Non-Executive Directors on External Guarantees of the Company

According to the *Guidelines for Supervision of Listed Companies No.8 – Regulatory Requirements for Fund Transactions and External Guarantees of Listed Companies* issued by the CSRC, the Independent Non-executive Directors of the Company conducted a prudent review of the Company's external guarantees in 2024. Their specific statements are set out as follows:

1. The Company provided no guarantee to any controlling shareholder or other related parties in which the Company holds less than 50% shares, any non-legal-person entities, or individuals during the Reporting Period;

2. The total guarantee withdrawal provided by the Company and its subsidiaries during the Reporting Period amounted to RMB2,033 million. The total guarantee balance of the Company and its subsidiaries was RMB11,549 million as of December 31, 2024, representing 1.2% of the Company's net assets. The balance did not exceed 50% of the Company's net assets as stated in its consolidated financial statements for the latest fiscal year;

3. The Company strictly observed the approval procedures and internal control policies regarding external guarantee as set out in the *Articles of Association*, and there was no non-compliant external guarantee during the Reporting Period;

4. The Company fulfilled its obligation to disclose information on external guarantee and honestly provided chartered accountants with all the details about the Company's external guarantee in strict accordance with the *SSE Listing Rules* and the *Articles of Association* during the Reporting Period.

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

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

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

INFORMATION OF TAX DEDUCTION FOR HOLDERS OF LISTED SECURITIES

Enterprise Income Tax of Overseas Non-Resident Enterprise Shareholders

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

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

Individual Income Tax of Overseas Individual Shareholders

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

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

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

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

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

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

- For the Chinese mainland securities investment funds that invest in the Company's H shares via the Hong Kong Stock Connect Program, the Company will withhold individual income tax in the distribution of the dividend pursuant to the above provisions.

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

Income Tax of A Shareholders via the Shanghai Stock Connect Program

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

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

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

ENVIRONMENTAL PROTECTION

The Company is not a key pollutant discharging unit announced by the environmental protection department. For more information on environmental protection, please refer to the Company's *2024 Sustainability Report*.

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

CHARITABLE AND OTHER DONATIONS

Charitable donations made by the Company in 2024 totaled RMB362 million.

SEIZURE, DISTRAINMENT OR FREEZE OF MAJOR ASSETS

During the Reporting Period, the Company had no event of seizure, distrainment or freeze of major assets that was required to be disclosed.

INTEGRITY CONDITIONS OF THE COMPANY

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

RELATIONSHIPS WITH CUSTOMERS

The Group aims to provide customers with "worry-free, time-saving, and money-saving" premium financial services. Adhering to a "customer-centric" business philosophy, the Group has embedded consumer rights protection in its corporate governance, corporate culture and development strategy.

In accordance with applicable regulations of the NFRA, the Group has set up the Related Party Transaction Control and Consumer Rights Protection Committee under the Board of Directors. The Related Party Transaction Control and Consumer Rights Protection Committee oversees the protection of consumer rights, determines the responsibilities for consumer rights protection, improves the consumer rights protection framework, strengthens the implementation and oversight of decisions on consumer rights protection, conducts front-line supervision and examination of consumer protection and complaint handling, promotes consumer protection reviews and evaluations, enhances the consumer rights protection culture, ensures the effective execution of policies and the achievement of goals for consumer rights protection, and constantly upgrades consumer rights protection capabilities.

There was no material and serious dispute between the Group and its customers in 2024.

MANAGEMENT AND CONTROL OVER SUBSIDIARIES

The Company implemented the *Measures for the Supervision and Administration of Insurance Group Companies* and managed the Group's human resources, finance and accounting, data governance, information systems, fund utilization, branding, and corporate culture. The Company instructed its subsidiaries to establish standard corporate governance structures, and continued to improve the group-wide risk management, internal control, compliance and internal audit frameworks. Moreover, the Company organized its subsidiaries to monitor and assess the effectiveness of internal control systems in accordance with the *Basic Norms for Internal Controls of Enterprises* and the *Basic Principles for Internal Controls of Insurers*, continuously improving the Group's operational efficiency and risk prevention capability. For the matters covered, high-risk areas and conclusions of the internal control assessments over subsidiaries, please refer to the section headed "Establishment and Perfection of the Internal Control System" in this Report.

Report of the Board of Directors and Significant Events

COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Group maintained compliance with applicable laws and regulations that have significant impacts on the Group's operations.

MATERIAL LITIGATION AND ARBITRATION

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

PENALTIES AND RECTIFICATION

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

FULFILLMENT OF UNDERTAKINGS

Undertakings in Respect of the Major Asset Restructuring with Shenzhen Development Bank

(1) The Company undertakes that, after the completion of the major asset restructuring with Shenzhen Development Bank, and during the period when the Company remains as the controlling shareholder of Shenzhen Development Bank, and in respect of the businesses or commercial opportunities similar to those of Shenzhen Development Bank that the Company and other enterprises under its control intend to carry out or have substantially obtained whereby assets and businesses arising from such businesses or commercial opportunities may possibly form potential competition with those of Shenzhen Development Bank, neither the Company nor other enterprises under its control shall engage in the businesses identical or similar to those carried out by Shenzhen Development Bank, so as to avoid direct or indirect competition with Shenzhen Development Bank's operations.

(2) The Company undertakes that, after the completion of the major asset restructuring with Shenzhen Development Bank, and in respect of transactions between the Company and other enterprises under its control and Shenzhen Development Bank which constitute related party transactions of Shenzhen Development Bank, the Company and other enterprises under its control shall enter into such transactions with Shenzhen Development Bank on the principles of openness, fairness and justness at fair and reasonable market prices, shall go through the decision-making process in accordance with applicable laws, regulations and regulatory documents, and shall perform their obligations of information disclosure as required by law. The Company undertakes that neither the Company nor other enterprises under its control shall procure any illegal interests or make Shenzhen Development Bank undertake any illicit obligations through transactions with Shenzhen Development Bank.

(3) The Company undertakes that, after the completion of the major asset restructuring and during the period when the Company remains as the controlling shareholder of Shenzhen Development Bank, the Company shall maintain Shenzhen Development Bank's independence and ensure that Shenzhen Development Bank is independent from the Company and other enterprises under its control in respect of personnel, assets, finance, organization and business.

As of December 31, 2024, the above undertakings were still being performed and there was no breach of the above undertakings.

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

As far as is known to any Directors or Supervisors of the Company, as of December 31, 2024, the following persons (other than the Company's Directors, Supervisors and chief executives) had interests or short positions in the Company's shares and underlying shares which shall be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept under Section 336 of the SFO:

Name of substantial shareholder	H/A shares	Capacity	Notes	Number of H/A shares	Nature of interest	Percentage of total number of H/A shares in issue (%)	Percentage of total shares in issue (%)
CP Group Ltd.	H	Interest of controlled corporations	(1)	964,427,077	Long position	12.95	5.30
UBS Group AG	H	Interest of controlled corporations	(2)	762,987,981	Long position	10.24	4.19
		Interest of controlled corporations	(2)	572,999,331	Short position	7.69	3.15
BNP PARIBAS SA	H	Interest of controlled corporations	(3)	446,336,598	Long position	5.99	2.45
		Interest of controlled corporations	(3)	194,862,135	Short position	2.62	1.07
JPMorgan Chase & Co.	H	Beneficial owner	(4)	171,200,846	Long position	2.30	0.94
		Investment manager		67,924,674	Long position	0.91	0.37
		Person having a security interest in shares		12,211,976	Long position	0.16	0.07
		Trustee		27,382	Long position	0.00	0.00
		Approved lending agent	(4)	185,998,867	Lending pool	2.50	1.02
		Total:	(4)	437,363,745		5.87	2.40
		Beneficial owner	(4)	176,607,155	Short position	2.37	0.97
		Investment manager		6,615,634	Short position	0.09	0.04
		Total:	(4)	183,222,789		2.46	1.01
BlackRock, Inc.	H	Interest of controlled corporations	(5)	430,773,187	Long position	5.78	2.37
		Interest of controlled corporations	(5)	4,028,500	Short position	0.05	0.02
Citigroup Inc.	H	Person having a security interest in shares	(6)	1,640	Long position	0.00	0.00
		Interest of controlled corporations	(6)	50,458,425	Long position	0.68	0.28
		Approved lending agent	(6)	341,605,854	Lending pool	4.59	1.88
		Total:	(6)	392,065,919		5.26	2.15
		Interest of controlled corporations	(6)	30,636,957	Short position	0.41	0.17
Shenzhen Investment Holdings Co., Ltd.	A	Beneficial owner		962,719,102	Long position	8.94	5.29

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

(2) According to the disclosure form filed by UBS Group AG on December 24, 2024, UBS Group AG was deemed to be interested in a total of 762,987,981 H shares (long position) and 572,999,331 H shares (short position) of the Company by virtue of its control over several corporations.

The entire interests and short positions of UBS Group AG in the Company included 497,182,818 H shares (long position) and 455,828,249 H shares (short position) held through derivatives as follows:

Derivatives	Nature of interest	Number of H shares
Listed derivatives – Physically settled	Long position	100,915
Listed derivatives – Cash settled	Long position	458,900
	Short position	500
Listed derivatives – Convertible instruments	Long position	90,506,753
	Short position	62,376,102
Unlisted derivatives – Physically settled	Long position	337,878,386
	Short position	304,724,018
Unlisted derivatives – Cash settled	Long position	68,237,864
	Short position	88,727,629

(3) According to the disclosure form filed by BNP PARIBAS SA on January 2, 2025, BNP PARIBAS SA was deemed to be interested in a total of 446,336,598 H shares (long position) and 194,862,135 H shares (short position) of the Company by virtue of its control over several corporations.

The entire interests and short positions of BNP PARIBAS SA in the Company included 283,466,385 H shares (long position) and 36,407,422 H shares (short position) held through derivatives as follows:

Derivatives	Nature of interest	Number of H shares
Listed derivatives – Convertible instruments	Long position	134,811,588
	Short position	17,683,926
Unlisted derivatives – Cash settled	Long position	134,911,055
	Short position	4,459,792
Unlisted derivatives – Physically settled	Long position	13,743,742
	Short position	14,263,704

(4) According to the disclosure form filed by JPMorgan Chase & Co. on January 6, 2025, JPMorgan Chase & Co. was deemed to be interested in a total of 437,363,745 H shares (long position) and 183,222,789 H shares (short position) of the Company. The entire interests and short positions of JPMorgan Chase & Co. in the Company included a lending pool of 185,998,867 H shares (long position). In addition, 141,142,212 H shares (long position) and 143,378,530 H shares (short position) were held through derivatives as follows:

Derivatives	Nature of interest	Number of H shares
Listed derivatives – Physically settled	Long position Short position	24,621,000 13,234,000
Listed derivatives – Cash settled	Long position Short position	520,900 11,721,785
Unlisted derivatives – Physically settled	Long position Short position	14,780,848 32,230,887
Unlisted derivatives – Cash settled	Long position Short position	55,958,939 81,061,108
Listed derivatives – Convertible instruments	Long position Short position	45,260,525 5,130,750

(5) According to the disclosure form filed by BlackRock, Inc. on January 2, 2025, BlackRock, Inc. was deemed to be interested in a total of 430,773,187 H shares (long position) and 4,028,500 H shares (short position) of the Company by virtue of its control over several corporations.
The entire interests and short positions of BlackRock, Inc. in the Company included 14,177,881 H shares (long position) and 4,028,500 H shares (short position) held through derivatives as follows:

Derivatives	Nature of interest	Number of H shares
Unlisted derivatives – Cash settled	Long position Short position	6,665,000 4,028,500
Listed derivatives – Convertible instruments	Long position	7,512,881

(6) According to the disclosure form filed by Citigroup Inc. on October 4, 2024, Citigroup Inc. was deemed to be interested in a total of 392,065,919 H shares (long position) and 30,636,957 H shares (short position) of the Company.
The entire interests and short positions of Citigroup Inc. in the Company included a lending pool of 341,605,854 H shares (Long position). In addition, 28,811,011 H shares (long position) and 24,375,241 H shares (short position) were held through derivatives as follows:

Derivatives	Nature of interest	Number of H shares
Listed derivatives – Physically settled	Long position Short position	3,550,800 5,330,500
Listed derivatives – Convertible instruments	Long position	2,143,919
Unlisted derivatives – Physically settled	Long position Short position	10,693,521 13,568,995
Unlisted derivatives – Cash settled	Long position Short position	12,422,771 5,475,746

(7) The percentage figures may not add up to the presented totals due to rounding. The percentage figures are based on the number of shares of the Company as of December 31, 2024.

Report of the Board of Directors and Significant Events

Save as disclosed above, to the best knowledge of the Directors and Supervisors, as of December 31, 2024, no person (other than the Company's Directors, Supervisors and chief executives) had any interest or short position in the Company's shares or underlying shares which shall be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept under Section 336 of the SFO.

By order of the Board of Directors

Ma Mingzhe
Chairman

Shenzhen, PRC
March 19, 2025

Report of the Supervisory Committee

During the Reporting Period, all the members of the Supervisory Committee duly carried out their supervisory duties in a stringent manner and adhered to the principle of good faith to effectively protect the rights and interests of the shareholders, the Company and its employees in accordance with the *Articles of Association*.

ATTENDANCE RECORDS OF SUPERVISORS

During the Reporting Period, the Supervisors attended one General Meeting and seven Supervisory Committee meetings in person, and sat in on Board meetings held by the Company. The Supervisors devoted sufficient time and energy to the supervision work, and attached importance to professional learning and experience summarization to further improve their ability to perform duties. The Supervisors had no objection to the matters under supervision.

The attendance records of each Supervisor at the meetings are as follows:

Members	Date of Appointment as Supervisors	Meetings attended in person/ Meetings required to attend	
		General Meetings	Supervisory Committee Meetings
Employee Representative Supervisors			
Sun Jianyi (Chairman)	August 28, 2020	1/1	7/7
Wang Zhiliang	August 6, 2017	1/1	7/7
Independent Supervisors			
Zhu Xinrong	July 18, 2022	1/1	7/7
Liew Fui Kiang	July 18, 2022	1/1	7/7
Hung Ka Hai Clement	July 18, 2022	1/1	7/7

INSPECTIONS AND REVIEWS AT BRANCHES OF SUBSIDIARIES

All the members of the Supervisory Committee conducted on-site inspections and reviews at branches of subsidiaries including Ping An Bank, Ping An Life, Ping An Property & Casualty and Ping An Annuity in Xinjiang in September 2024. Opinions collected from employees were consolidated and an investigation report was submitted to the Company's management. The management paid high attention to relevant issues, tackled each of them, and submitted a feedback report to all the Directors and Supervisors.

INDEPENDENT OPINIONS ON RELEVANT ISSUES FROM THE SUPERVISORY COMMITTEE

The Supervisory Committee held seven meetings in 2024 to deliberate 23 proposals including the Work Report of the Supervisory Committee for 2023 and the Report on Consumer Rights Protection of Ping An Group for 2023 and the First Half of 2024, hear 12 reports on the annual performance appraisal results of senior management, internal control assessment and evaluation, performance in reputation risk management, and the implementation of the relevant regulatory opinions and requirements of the NFRA, and review 15 filed documents including a brief report on the Company's compliance with governance guidelines, internal audit reports, and the meeting minutes of the Audit and Risk Management Committee under the Board of Directors. All the Supervisors fulfilled their duties strictly and exercised their voting rights appropriately.

Report of the Supervisory Committee

Lawful Operations
During the Reporting Period, the Company operated and managed its businesses in accordance with laws and regulations, and its operational results were objective and truthful. There was substantial development and improvement in the depth and breadth of internal control management, and the internal control system was complete, reasonable and effective. The Company's operational decision-making processes were legitimate. The Directors and senior management were cautious, conscientious and diligent in the business operations and management processes, and they were not found to have breached any laws, regulations, or the *Articles of Association* or harmed the shareholders' interests.

Authenticity of the Financial Statements
Ernst & Young Hua Ming LLP and Ernst & Young have issued the standard unqualified auditor's reports in accordance with the PRC and international auditing standards respectively on the Company's financial statements for 2024. The financial statements truthfully, objectively and accurately reflect the Company's financial status and operating results.

Use of Proceeds
Use of proceeds raised is presented in the section headed "Report of the Board of Directors and Significant Events." During the Reporting Period, there was no violation of rules in the use and management of the proceeds.

Related Party Transactions
The Supervisory Committee considered the related party transactions of the Company to be fair and reasonable during the Reporting Period, and did not find any harm against the interests of the shareholders and the Company.

Internal Control System
During the Reporting Period, the Supervisory Committee reviewed the *Internal Control Assessment and Evaluation Report of Ping An*, and was of the opinion that the Company had set up a complete, reasonable and effective internal control system.

Performance of the Board of Directors and Senior Management in Reputation Risk Management
Members of the Supervisory Committee, by sitting in on the Board meetings and reviewing reports, heard the reports made by the senior management on the Company's reputation risk management, and supervised the Board's performance in reputation risk management.

Implementation of the Resolutions Approved by the General Meetings
Members of the Supervisory Committee sat in on the Board meetings and the General Meetings, and had no objection to the reports and proposals submitted to the General Meetings by the Board of Directors. The Supervisory Committee monitored the implementation of the resolutions approved by the General Meetings, and was of the opinion that the Board of Directors could duly implement the resolutions approved by the General Meetings.

Implementation of the Cash Dividend Policy
The Supervisory Committee acknowledges that the Board of Directors strictly carried out the cash dividend policy and the shareholder return plan, performed relevant decision-making procedures for cash dividends in strict compliance, and disclosed relevant information truthfully, accurately and completely.

Appraisal of Directors' Performance of Duties

All Supervisors evaluated the composition of the Board of Directors, Directors' meeting attendance records, participation in training sessions and provision of opinions, and concluded unanimously that all the Company's Directors performed their duties and responsibilities as stipulated under applicable laws, regulations and the *Articles of Association* in a faithful, loyal, diligent and conscientious manner in 2024. Specialized committees of the Board of Directors fully performed their duties and provided professional opinions and advice for the Board of Directors' decision-making processes. All Supervisors agree that the performance appraisal results of all the Company's Directors for 2024 are "competent."

Appraisal of Senior Management's Performance of Duties

During the Reporting Period, the Company's management strictly abided by the *Articles of Association* and carried out business management in a lawful and compliant manner; all the senior management of the Company duly performed their duties and responsibilities in accordance with relevant requirements including loyalty and diligence obligations.

Implementation of the Company's Information Disclosure Management Rules

During the Reporting Period, the Supervisory Committee supervised the Company's information disclosure, reviewed the Company's regular reports, and put forward written review opinions. No violation of laws or regulations was found in the Company's information disclosure throughout the year.

Performance of the Board of Directors and Senior Management in Operational Risk Management

Members of the Supervisory Committee, by sitting in on the Board meetings and reviewing reports, heard the reports made by the senior management on the Company's operational risk management, and supervised the performance of the Board and senior management in operational risk management. The Company's overall operational risk was kept under control in line with regulatory requirements on operational risk appetites and limits in 2024.

SUMMARY AND OUTLOOK

In accordance with the *Rules for Appraisal of Supervisors' Performance of Duties*, the Supervisory Committee organized and conducted the appraisal of Supervisors' performance of duties for 2024. According to comprehensive evaluation, all the Company's Supervisors performed their duties and responsibilities as stipulated under applicable laws, regulations and the *Articles of Association* in a faithful, loyal, diligent and conscientious manner in 2024, and the performance appraisal results of all the Company's Supervisors for 2024 are "competent."

In the coming year, the Supervisory Committee will further expand its approach to work and continue to carry out its duties in accordance with the *Articles of Association* and the listing rules. The Supervisory Committee will adhere to the principle of good faith, maximize its supervisory efforts with an aim to protect the interests of the Company and its shareholders, and perform supervisory duties faithfully and diligently to achieve the best results in all respects.

By order of the Supervisory Committee

Sun Jianyi
Chairman of the Supervisory Committee

Shenzhen, PRC
March 19, 2025

Independent Auditor's Report

To the shareholders of Ping An Insurance (Group) Company of China, Ltd.
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Ping An Insurance (Group) Company of China, Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 186 to 355, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities	
As at 31 December 2024, the Group's insurance contract liabilities amounted to RMB4,984,795 million, representing 43% of total liabilities. We identified the valuation of insurance contract liabilities as a key audit matter, as it requires significant estimates and judgements. The valuation of insurance contract liabilities involves significant judgement and estimates over the eligibility for the measurement approach, the determination of coverage unit and the uncertain future cash flows.	With the support of our internal experts, we performed the following audit procedures: – Reviewed the Group's accounting policies in relation to the valuation of insurance contract liabilities. – Evaluated and tested the design and operating effectiveness of key controls over the valuation of insurance contract liabilities. – Evaluated and tested the design and operating effectiveness of the related IT systems and controls over the valuation of insurance contract liabilities, including IT general controls, data transmission and computational logic of the related systems.

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KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities (continued)	
Complex actuarial models and actuarial assumptions with highly judgemental nature are used to support the valuation of insurance contract liabilities. Key assumptions include mortality, morbidity, lapse rates, discount rates, expenses, claim ratios, policy dividends and risk adjustment for non-financial risk, etc. Relevant disclosures are included in Note 2.(27), Note 3.(4), Note 3.(5), Note 3.(6), Note 3.(7), Note 43 and Note 49.(1) to the consolidated financial statements.	– Evaluated the reasonableness of key judgements and assumptions. – Assessed the appropriateness of the valuation approaches of insurance contract liabilities. Performed independent recalculation on insurance contract liabilities of selected typical insurance products or groups of insurance contracts. – Tested the completeness and accuracy of the underlying data used in the valuation of insurance contract liabilities. – Evaluated the overall reasonableness of the insurance contract liabilities by performing movement analysis and assessing the impact of changes in assumptions.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income	
As at 31 December 2024, the Group's loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income represented 26%, 10% and 25% of total assets and the amounts of expected credit loss provision for loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income were RMB98,144 million, RMB63,133 million and RMB9,071 million respectively. We identified the impairment assessment of loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income as a key audit matter, as it involves significant management judgements and assumptions. The Group uses a number of models and assumptions in the measurement of expected credit losses, for example: – Significant increase in credit risk – The selection of criteria for identifying significant increase in credit risk is highly dependent on judgement and may have a significant impact on the expected credit losses for loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income with longer remaining periods to maturity.	We evaluated and tested the design and operating effectiveness of key controls over the approval process, post approval credit management, credit rating system, collateral monitoring, deferred principal and interest payments as well as impairment assessment of loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income, including relevant data quality and information systems. We adopted a risk-based sampling approach in our credit review procedures on loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income. We assessed the debtors' repayment capacity and evaluated the Group's credit rating, taking into consideration post lending or investing investigation reports, debtors' financial information, collateral valuation reports and other available information. With the support of our internal experts, we evaluated and tested the important parameters of the expected credit loss model, management's significant judgements and related assumptions, mainly focusing on the following aspects. 1) Expected credit loss model: – In response to the macroeconomic changes, we assessed the reasonableness of the expected credit loss model methodology and related parameters, including probability of default, loss given default, exposure at default, and significant increase in credit risk.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

Impairment assessment of loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income (continued)

- Models and parameters – Inherently complex models are used to measure expected credit losses. Modelled parameters have numerous inputs and the parameter estimation involves many judgements and assumptions.
- Forward-looking information – Expert judgement is used to create macroeconomic forecasts and to consider the impact on expected credit losses under multiple economic scenarios given different weights.
- Individual impairment assessment – Identifying credit impaired loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income requires consideration of a range of factors, and individual impairment assessments are dependent upon estimates of future cash flows.

Relevant disclosures are included in Note 2.(11), Note 3.(3), Note 24, Note 26, Note 27 and Note 49.(3) to the consolidated financial statements.

How our audit addressed the key audit matter

- Assessed the forward-looking information management used to determine expected credit losses, including the forecasts of macroeconomic variables and the assumptions and weightings of multiple macroeconomic scenarios.
- Evaluated the models and the related assumptions used in individual impairment assessment and analysed the amount, timing and likelihood of management's estimated future cash flows, especially cash flows from collateral.

2) Design and operating effectiveness of key controls:

- Evaluated and tested the data and processes used to determine expected credit losses, including business data, internal credit rating data, macroeconomic data, as well as impairment system computational logic, inputs and interfaces among relevant systems.
- Evaluated and tested key controls over expected credit loss models, including approval of model changes, ongoing monitoring of model performance, model validation and parameter calibration.

We evaluated and tested the design and operating effectiveness of internal controls related to disclosures of credit risk and impairment allowance.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit and Risk Management Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Audit and Risk Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Risk Management Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Risk Management Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is *Cheung Bing Yin Benny*.

Ernst & Young
Certified Public Accountants

Hong Kong
19 March 2025

Consolidated Income Statement

For the year ended 31 December 2024

(in RMB million)	Notes	2024	2023
Insurance revenue	6	**551,186**	536,440
Interest revenue from banking operations	7	**197,961**	227,552
Interest revenue from non-banking operations	8	**123,627**	118,503
Fees and commission revenue from non-insurance operations	9	**45,786**	45,806
Investment income	10	**161,074**	33,324
Share of profits and losses of associates and joint ventures		**(3,479)**	1,434
Other revenues and other gains	11	**65,191**	68,804
Total revenue		**1,141,346**	1,031,863
Insurance service expenses	12	**(449,102)**	(440,178)
Allocation of reinsurance premiums paid		**(14,692)**	(14,179)
Less: Amount recovered from reinsurer		**11,091**	10,448
Net insurance finance expenses for insurance contracts issued	43(5)	**(172,662)**	(123,959)
Less: Net reinsurance finance income for reinsurance contracts held		**960**	542
Interest expenses on banking operations	7	**(104,048)**	(108,605)
Fees and commission expenses on non-insurance operations	9	**(7,841)**	(8,773)
Net impairment losses on financial assets	13	**(85,582)**	(77,744)
Net impairment losses on other assets	14	**(7,177)**	(1,327)
Foreign exchange gains/(losses)		**380**	120
General and administrative expenses	15(2)	**(84,052)**	(83,877)
Changes in insurance premium reserves		**(356)**	(230)
Interest expenses on non-banking operations		**(19,405)**	(24,346)
Other expenses	15(3)	**(38,365)**	(39,638)
Total expenses		**(970,851)**	(911,746)
Profit before tax	15(1)	**170,495**	120,117
Income tax	16	**(23,762)**	(10,843)
Profit for the year		**146,733**	109,274
Attributable to:			
– Owners of the parent		**126,607**	85,665
– Non-controlling interests		**20,126**	23,609
		146,733	109,274
Earnings per share attributable to ordinary equity holders of the parent:		**RMB**	RMB
– Basic	18(1)	**7.16**	4.84
– Diluted	18(2)	**6.99**	4.74

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

(in RMB million)	2024	2023
Profit for the year	**146,733**	109,274
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Changes in the fair value of debt instruments at fair value through other comprehensive income	**242,840**	91,144
Credit risks provision of debt instruments at fair value through other comprehensive income	**(1,111)**	(314)
Insurance finance expenses for insurance contracts issued	**(298,681)**	(117,017)
Reinsurance finance income for reinsurance contracts held	**669**	240
Reserve from cash flow hedging instruments	**291**	358
Exchange differences on translation of foreign operations	**777**	812
Share of other comprehensive income of associates and joint ventures	**1,610**	(579)
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	**44,167**	17,575
Insurance finance expenses for insurance contracts issued	**(30,871)**	(11,062)
Share of other comprehensive income of associates and joint ventures	**1,524**	(16)
Other comprehensive income for the year, net of tax	**(38,785)**	(18,859)
Total comprehensive income for the year	**107,948**	90,415
Attributable to:		
– Owners of the parent	**86,993**	66,819
– Non-controlling interests	**20,955**	23,596
	107,948	90,415

Consolidated Statement of Financial Position

As at 31 December 2024

(in RMB million)	Notes	31 December 2024	31 December 2023
Assets			
Cash and amounts due from banks and other financial institutions	19	**1,018,027**	804,077
Balances with the Central Bank	20	**265,552**	270,976
Financial assets purchased under reverse repurchase agreements	21	**91,840**	167,660
Accounts receivable		**36,006**	35,636
Derivative financial assets	22	**68,698**	44,978
Insurance contract assets	43	**–**	3
Reinsurance contract assets		**26,084**	22,215
Finance lease receivable	23	**210,176**	180,674
Loans and advances to customers	24	**3,391,837**	3,318,122
Financial assets at fair value through profit or loss	25	**2,377,074**	1,803,047
Financial assets at amortized cost	26	**1,232,450**	1,243,353
Debt financial assets at fair value through other comprehensive income	27	**3,186,937**	2,637,008
Equity financial assets at fair value through other comprehensive income	28	**356,493**	264,877
Investments in associates and joint ventures	29	**185,514**	258,877
Statutory deposits for insurance operations	30	**16,404**	14,903
Investment properties	31	**119,158**	121,406
Property and equipment	32	**48,603**	50,401
Intangible assets	33	**97,263**	99,078
Right-of-use assets	34	**8,527**	9,794
Deferred tax assets	46	**122,012**	101,337
Other assets	35	**99,172**	134,995
Total assets		**12,957,827**	11,583,417
Equity and liabilities			
Equity			
Share capital	36	**18,210**	18,210
Reserves	37	**221,594**	263,752
Treasury shares	40	**(5,001)**	(5,001)
Retained profits	37	**693,797**	622,050
Equity attributable to owners of the parent		**928,600**	899,011
Non-controlling interests	37	**376,112**	329,953
Total equity		**1,304,712**	1,228,964

(in RMB million)	Notes	31 December 2024	31 December 2023
Liabilities			
Due to banks and other financial institutions	41	**838,183**	963,718
Financial liabilities at fair value through profit or loss		**172,768**	48,619
Derivative financial liabilities	22	**74,937**	44,531
Assets sold under agreements to repurchase	42	**462,292**	241,803
Accounts payable		**6,871**	8,858
Income tax payable		**14,970**	7,117
Insurance contract liabilities	43	**4,984,795**	4,159,801
Reinsurance contract liabilities		**569**	53
Customer deposits and payables to brokerage customers	44	**3,710,167**	3,534,539
Bonds payable	45	**967,042**	964,007
Lease liabilities	34	**8,801**	10,234
Deferred tax liabilities	46	**13,977**	14,148
Other liabilities	47	**397,743**	357,025
Total liabilities		**11,653,115**	10,354,453
Total equity and liabilities		**12,957,827**	11,583,417

The financial statements on pages 186 to 355 were approved and authorized for issue by the Board of Directors on 19 March 2025 and were signed on its behalf.

MA Mingzhe	**XIE Yonglin**
Director	*Director*

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Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	For the year ended 31 December 2024											
		Reserves										
(in RMB million)	Share capital	Share premium	Financial assets at FVOCI reserves	Insurance finance expenses for insurance contracts issued	Others	Surplus reserve funds	General reserves	Exchange differences on translation of foreign operations	Treasury shares	Retained profits	Non-controlling interests	Total equity
As at 1 January 2024	**18,210**	**123,739**	**195,899**	**(214,296)**	**13,092**	**12,164**	**130,353**	**2,801**	**(5,001)**	**622,050**	**329,953**	**1,228,964**
Profit for the year	-	-	-	-	-	-	-	-	-	**126,607**	**20,126**	**146,733**
Other comprehensive income for the year	-	-	**283,538**	**(327,950)**	**3,944**	-	-	**854**	-	-	**829**	**(38,785)**
Total comprehensive income for the year	-	-	**283,538**	**(327,950)**	**3,944**	-	-	**854**	-	**126,607**	**20,955**	**107,948**
Dividends declared (Note 17)	-	-	-	-	-	-	-	-	-	**(44,002)**	-	**(44,002)**
Appropriations to general reserves	-	-	-	-	-	-	**13,961**	-	-	**(13,961)**	-	-
Disposal of equity investments at fair value through other comprehensive income	-	-	**(1,835)**	**997**	**(2,265)**	-	-	-	-	**3,103**	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	**(13,178)**	**(13,178)**
Acquisition of subsidiaries	-	-	-	-	**(16,607)**	-	-	-	-	-	**32,842**	**16,235**
Equity transactions with non-controlling interests	-	**5,867**	-	-	**7**	-	-	-	-	-	**(8,547)**	**(2,673)**
Contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	-	**33**	**33**
Key Employee Share Purchase Plan (Note 38)	-	-	-	-	**(17)**	-	-	-	-	-	-	**(17)**
Long-term Service Plan (Note 39)	-	-	-	-	**(3,042)**	-	-	-	-	-	-	**(3,042)**
Other equity instruments issued/redeemed by subsidiaries	-	-	-	-	-	-	-	-	-	-	**13,562**	**13,562**
Others	-	-	-	-	**390**	-	-	-	-	-	**492**	**882**
As at 31 December 2024	**18,210**	**129,606**	**477,602**	**(541,249)**	**(4,498)**	**12,164**	**144,314**	**3,655**	**(5,001)**	**693,797**	**376,112**	**1,304,712**

	For the year ended 31 December 2023											
		Reserves										
(in RMB million)	Share capital	Share premium	Financial assets at FVOCI reserves	Insurance finance expenses for insurance contracts issued	Others	Surplus reserve funds	General reserves	Exchange differences on translation of foreign operations	Treasury shares	Retained profits	Non-controlling interests	Total equity
As at 1 January 2023	18,280	118,095	84,966	(84,153)	17,738	12,164	117,868	2,046	(10,996)	593,183	316,805	1,185,996
Profit for the year	-	-	-	-	-	-	-	-	-	85,665	23,609	109,274
Other comprehensive income for the year	-	-	107,935	(127,456)	(80)	-	-	755	-	-	(13)	(18,859)
Total comprehensive income for the year	-	-	107,935	(127,456)	(80)	-	-	755	-	85,665	23,596	90,415
Dividends declared (Note 17)	-	-	-	-	-	-	-	-	-	(44,002)	-	(44,002)
Appropriations to general reserves	-	-	-	-	-	-	12,485	-	-	(12,485)	-	-
Disposal of equity investments at fair value through other comprehensive income	-	-	2,998	(2,687)	-	-	-	-	-	(311)	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(7,023)	(7,023)
Equity transactions with non-controlling interests	-	-	-	-	(106)	-	-	-	-	-	(1,817)	(1,923)
Contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	-	48	48
Key Employee Share Purchase Plan (Note 38)	-	-	-	-	(30)	-	-	-	-	-	-	(30)
Long-term Service Plan (Note 39)	-	-	-	-	(3,979)	-	-	-	-	-	-	(3,979)
Cancellation of repurchased shares	(70)	(5,925)	-	-	-	-	-	-	5,995	-	-	-
Other equity instruments issued/redeemed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,675)	(2,675)
Others	-	11,569	-	-	(451)	-	-	-	-	-	1,019	12,137
As at 31 December 2023	18,210	123,739	195,899	(214,296)	13,092	12,164	130,353	2,801	(5,001)	622,050	329,953	1,228,964

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

(in RMB million)	Notes	2024	2023
Net cash flows from operating activities	53	**382,474**	360,403
Cash flows from investing activities			
Purchases of property and equipment, intangibles and other long-term assets		**(6,678)**	(7,810)
Proceeds from disposal of property and equipment, intangibles and other long-term assets, net		**409**	1,068
Proceeds from disposal of investments		**2,007,272**	1,756,672
Purchases of investments		**(2,624,731)**	(2,066,919)
Disposal of subsidiaries, net		**-**	65
Interest received		**145,533**	139,390
Dividends received		**61,944**	73,533
Net cash flows used in investing activities		**(416,251)**	(104,001)
Cash flows from financing activities			
Capital injected into subsidiaries by non-controlling interests		**38,252**	2,999
Proceeds from bonds issued		**891,175**	1,064,814
Increase/(decrease) in assets sold under agreements to repurchase of insurance operations, net		**156,749**	(81,822)
Proceeds from borrowings		**97,127**	107,295
Repayment of borrowings		**(1,038,128)**	(1,202,227)
Interest paid		**(17,762)**	(22,380)
Dividends paid		**(56,907)**	(50,707)
Decrease in insurance placements from banks and other financial institutions, net		**(1,200)**	(5,166)
Payment of shares purchased for Long-term Service Plan		**(3,540)**	(4,451)
Repayment of lease liabilities		**(4,922)**	(5,522)
Payment of redemption for other equity instruments by subsidiaries		**(24,500)**	(5,650)
Others		**(5,393)**	(19,239)
Net cash flows from/(used in) financing activities		**30,951**	(222,056)
Net (decrease)/increase in cash and cash equivalents		**(2,826)**	34,346
Net foreign exchange differences		**1,399**	1,924
Cash and cash equivalents at the beginning of the year		**480,472**	444,202
Cash and cash equivalents at the end of the year	52	**479,045**	480,472

1. CORPORATE INFORMATION

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

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

These consolidated financial statements are presented in millions of Renminbi ("RMB") unless otherwise stated.

2. MATERIAL ACCOUNTING POLICIES

(1) BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, amendments to IFRS Accounting Standards and interpretations issued by the International Accounting Standards Board ("IASB"), also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the applicable disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for some financial instruments, insurance contract assets or liabilities and reinsurance contract assets or liabilities.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

(2) ISSUED BUT NOT YET EFFECTIVE STANDARDS, AMENDMENTS AND INTERPRETATIONS

The Group has not adopted the following revised IFRS Accounting Standards that have been issued but are not yet effective.

Standards/Amendments	Content	Effective for annual periods beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(2) ISSUED BUT NOT YET EFFECTIVE STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)

IFRS 18

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

These amendments are not expected to have any significant impact on the Group's financial statements.

(3) BUSINESS COMBINATIONS AND GOODWILL

Business combinations that are not under common control are accounted for using the acquisition method. The cost of an acquisition is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or a liability that is a financial instrument and within the scope of IFRS 9 is measured at fair value with changes in fair value either recognized in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS Accounting Standards. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the net identifiable assets acquired and liabilities assumed. If the sum of this consideration and the amount recognized for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(3) BUSINESS COMBINATIONS AND GOODWILL (CONTINUED)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

(4) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends, are eliminated on consolidation in full, unless the transaction provides evidence of an impairment of the transferred asset.

Total comprehensive income within a subsidiary is still attributed to the non-controlling interest even if it results in a deficit balance. If the Group loses control over a subsidiary, it:

(a) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;

(b) Derecognizes the carrying amount of any non-controlling interest;

(c) Derecognizes the cumulative translation differences recorded in equity;

(d) Recognizes the fair value of the consideration received;

(e) Recognizes the fair value of any investment retained;

(f) Recognizes any surplus or deficit in profit or loss; and

(g) Reclassifies the Group's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(5) SUBSIDIARIES

A subsidiary is an entity (including structured entities) over which the Company has control. The Company controls an entity when the Company has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

(6) STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual or related arrangements.

The Group determines whether it is an agent or a principal in relation to those structured entities in which the Group acts as an asset manager on management's judgement. If an asset manager is agent, it acts primarily on behalf of others and so does not control the structured entity. It may be principal if it acts primarily for itself, and therefore controls the structured entity.

The Group has determined that all of its fund products, trust products, debt investment plans, equity investment plans and asset funding plans, which are not controlled by the Group, are unconsolidated structured entities. Fund products, trust products, equity investment plans and asset funding plans are managed by affiliated or unaffiliated trust companies or asset managers and invest the funds raised in bonds, stocks and loans or equities of other companies. Debt investment plans are managed by affiliated or unaffiliated asset managers and its major investment objectives are infrastructure funding projects. Fund products, trust products, debt investment plans, equity investment plans and asset funding plans finance their operations by issuing beneficiary certificates which entitle the holders to agreed stake according to contractual terms in the respective fund products', trust products', debt investment plans', equity investment plans' and asset funding plans' income.

The Group holds beneficiary certificates in its fund products, trust products, debt investment plans, equity investment plans and asset funding plans.

(7) ASSOCIATES

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealized losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(7) ASSOCIATES (CONTINUED)

The financial statements of the associates are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize impairment losses on the Group's investments in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognizes any remaining investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment, as well as the gain on disposal of the associates, are recognized in profit or loss.

The results of associates are included in the Group's income statement to the extent of dividends received and receivable. The Group's investments in associates are treated as non-current assets and are stated at cost less any impairment losses.

(8) JOINT VENTURES

The Group has assessed the nature of its joint ventures and determined them to be joint ventures. The Group has rights to the net assets of these joint ventures. The Group's investments in its joint ventures are accounted for using the equity method of accounting, less any impairment losses. Refer to Note 2.(7) for details of the equity method of accounting.

(9) FOREIGN CURRENCIES

These financial statements are presented in RMB, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognized in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss on change arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in profit or loss and other comprehensive income, respectively).

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(9) FOREIGN CURRENCIES (CONTINUED)

The functional currency of most of overseas subsidiaries is the Hong Kong dollar. At the end of the reporting period, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their income statements are translated into RMB at the average exchange rate for the year. The resulting exchange differences are recognized in other comprehensive income and accumulated in the exchange differences on translation of foreign operations reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates for their functional and currencies ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rate for the year.

(10) CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, demand deposits, current accounts with the Central Bank and short term highly liquid investments including assets purchased under reverse repurchase agreements and others which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

(11) FINANCIAL ASSETS

Recognition

The Group shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Classification and measurement

The Group classifies its financial assets in the following measurement categories, which depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows:

(a) those to be measured at amortized cost ("AC");

(b) those to be measured at fair value through other comprehensive income ("FVOCI"); or

(c) those to be measured at fair value through profit or loss ("FVPL").

The Group determines the classification of debt investments according to its business model and the contractual cash flow characteristics of the financial assets. The debt investments shall be classified as FVPL if the cash flows characteristics cannot pass the test on solely payments of principal and interest on the principal amount. Otherwise, the classification of debt investments will depend on the business model provided the fair value option is not elected. Investments in equity instruments are classified as FVPL in general, except those designated as at FVOCI.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(11) FINANCIAL ASSETS (CONTINUED)

Classification and measurement (continued)

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds, etc. Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at FVPL are measured at amortized cost. Interest income from these financial assets is included in the interest revenue using the effective interest rate method. Any gain or loss arising from derecognition or impairment is recognized directly in profit or loss. Such assets held by the Group mainly include cash and amounts due from banks and other financial institution, balances with the Central Bank, accounts receivable, finance lease receivable, financial assets at AC, loans and advances to customers measured at AC, etc.

(b) FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in the interest revenue using the effective interest rate method. Such assets held by the Group mainly include debt financial assets at FVOCI and loans and advances to customers measured at FVOCI, etc.

(c) FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. The gains or losses from fair value changes on the debt investments measured at FVPL are recognized in profit or loss. The Group also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends, representing a return on such investments, continue to be recognized in profit or loss when the Group's right to receive payments is established.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(11) FINANCIAL ASSETS (CONTINUED)

Impairment

Expected credit loss refers to the weighted average amount of credit loss of financial instruments based on the probability of default. Credit loss refers to the difference between all contractual cash flows that are due to the entity in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI, and with the exposure arising from loan commitments and financial guarantee contracts that are not accounted for as "insurance contracts". A number of significant judgements are required in measuring the expected credit loss ("ECL"), such as:

(a) Choosing appropriate models and assumptions for the measurement of ECL including exposure at default (EAD), probability of default (PD), loss given default (LGD), etc.;

(b) Determining criteria for significant changes in credit risk;

(c) Forward-looking information.

For the financial instruments subject to ECL measurement, the Group assesses the significant increase in credit risk since initial recognition or whether an instrument is considered to be credit impaired, outlines a "three-stage" model expected credit loss models are established and staging definition are set for each of these financial assets class. Incorporating forward-looking information, expected credit losses for financial assets are recognized into the different stages and measured the impairment provisions respectively.

Stage 1: A financial instrument that is not credit-impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the Group. The impairment provisions are measured at an amount equal to the 12-month expected credit losses for the financial assets which are not considered to have significantly increased in credit risk since initial recognition;

Stage 2: If a significant increase in credit risk ("SICR") since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The impairment provisions are measured based on expected credit losses on a lifetime basis;

Stage 3: If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3". The impairment provisions are measured based on expected credit losses on lifetime basis.

For the financial instruments at Stage 1 and Stage 2, the interest income is calculated based on its gross carrying amount (i.e., amortized cost) before adjusting for impairment provision using the effective interest method. For the financial instruments at Stage 3, the interest income is calculated based on the carrying amount of the asset, net of the impairment provision, using the effective interest method. Financial assets that are originated or purchased credit impaired are financial assets that are impaired at the time of initial recognition, and the impairment provision for these assets is the expected credit loss for the entire lifetime since initial recognition as purchased or originated credit-impaired financial assets.

The Group recognizes or reverses the impairment provision through profit or loss. For debt instruments measured at FVOCI, impairment gains or losses are included in the net impairment losses on financial instruments and correspondingly reduce the accumulated changes in fair value included in the other comprehensive income reserves of equity.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(11) FINANCIAL ASSETS (CONTINUED)

Impairment (Continued)

For account receivables, the Group refers to historical experience of credit loss, combines with current situation and forward-looking information, formulate the lifetime expected credit loss of the financial assets.

For loan commitments' the loss allowance is recognized as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognized together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognized as a provision.

Derecognition

Financial assets are derecognized when:

(a) the contractual rights to receive the cash flows from the financial assets have expired;

(b) they have been transferred and the Group transfers substantially all the risks and rewards of ownership;

(c) they have been transferred and the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

When the equity financial assets measured at FVOCI are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to retained profits. When the other financial assets are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

(12) FINANCIAL LIABILITIES

At initial recognition, the Group classifies a financial liability at fair value through profit or loss or other financial liabilities. The Group measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial liability. Transaction costs of financial liabilities carried at FVPL are expensed in profit or loss.

When a financial liability (or part of it) is extinguished, the Group derecognizes the financial liability (or part of it). The difference between the carrying amount of the derecognized liability and the consideration is recognized in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(12) FINANCIAL LIABILITIES (CONTINUED)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Financial liabilities held for trading are the financial liabilities that:

(a) are incurred principally for the purpose of repurchasing in the near term;

(b) on initial recognition are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;

(c) are derivatives (except for a derivative that is a designated and effective hedging instrument or a financial guarantee contract).

The above financial liabilities are subsequently measured at fair value. All the realized and unrealized gains/(losses) are recognized in profit or loss.

The Group may, at initial recognition, designate a financial liability as at fair value through profit or loss when one of the following criteria is met:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases;

(b) a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel;

(c) a contract contains one or more embedded derivatives, with the host being not an asset within the scope of IFRS 9, and the embedded derivative(s) do(es) significantly modify the cash flows.

Once designated as financial liabilities at fair value through profit or loss at initial recognition, the financial liabilities shall not be reclassified to other financial liabilities in subsequent periods. Financial liabilities designated at FVPL are subsequently measured at fair value. Any changes in fair value are recognized in profit or loss, except for changes in fair value arising from changes in the Group's own credit risk which are recognized in other comprehensive income. Changes in fair value due to changes in the Group's own credit risk are not subsequently reclassified to profit or loss upon derecognition of the liabilities.

Other financial liabilities

The Group measures other financial liabilities subsequently at amortized cost, using the effective interest method. Other financial liabilities of the Group mainly include customer deposits and payables to brokerage customers, short-term borrowings, long-term borrowings and bonds payable, etc.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(12) FINANCIAL LIABILITIES (CONTINUED)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss, which incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. The Group initially measures such contracts at fair value. The fair value at inception is likely to equal the premium received. This amount is recognized rateably over the period of the contract in fees and commission income. Subsequently, the liabilities arising from the financial guarantee contracts are measured at the higher of premium received on the initial recognition less income recognized in accordance with the principles of IFRS 15, and the amount of impairment provision calculated as described in Note 2.(11) -impairment.

Apart from the above financial guarantee contracts issued by the Group's banking operations and loan related operations which are accounted for under IFRS 9, the Group has also regarded certain financial guarantee contracts as insurance contracts.

Convertible bonds

The Group issues convertible bonds with the terms determining whether they contain both liabilities and equity components. If the convertible bonds issued only contain liability components and embedded derivatives, and the conversion option of convertible bonds exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognized as the derivative component is recognized as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognized. The portion of the transaction costs relating to the liability component is recognized initially as part of the liability. The portion relating to the derivative component is recognized immediately in the statement of profit or loss.

(13) DERIVATIVE FINANCIAL INSTRUMENTS

The Group's derivative financial instruments mainly include interest rate swaps, forward currency contracts and swap transaction, credit swap and stock index futures, etc. Such derivative financial instruments are initially recognized at fair value on the date of which the related derivative contracts are entered into and are subsequently measured at fair value. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Except for those related to hedge accounting, the gains or losses from fair value changes of derivatives are recognized in profit or loss.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host-with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(13) DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

If a hybrid contract contains a host that is not an asset within the scope of IFRS 9, an embedded derivative shall be separated from the host and accounted for as a derivative if, and only if:

(a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host;

(b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(c) the hybrid contract is not measured at fair value with changes in fair value recognized in profit or loss (i.e., a derivative that is embedded in the hybrid contract at fair value through profit or loss is not separated).

For the above assets, the Group may bifurcate the embedded derivative and measured it at fair value through profit or loss, or designate the entire hybrid instrument to be measured at fair value through profit or loss.

(14) FAIR VALUE OF FINANCIAL INSTRUMENTS

For financial instruments where there is active market, the fair value is determined by quoted prices in active markets. For financial instruments where there is no active market, the fair value is determined by using valuation techniques. Such techniques should be appropriate in the circumstances for which sufficient data is available, and the inputs should be consistent with the objective of estimating the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions, and maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Such techniques include using recent prices in arm's length transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis and/or option pricing models. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate for similar instruments. Certain financial instruments, including derivative financial instruments, are valued using pricing models that consider, among other factors, contractual and market prices, correlation, time value of money, credit risk, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair values.

Determining whether to classify financial instruments into level 3 of the fair value hierarchy is generally based on the significance of the unobservable factors involved in valuation methodologies.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(15) OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(16) ASSETS PURCHASED UNDER REVERSE REPURCHASE AGREEMENTS AND ASSETS SOLD UNDER REPURCHASE AGREEMENTS

Assets sold under repurchase agreements continue to be recognized but a liability is recognized and presented as "assets sold under agreements to repurchase" for the proceeds from selling such assets. The Group may be required to provide additional collateral based on the fair value of the underlying assets and such non-cash collateral assets continue to be recognized on the balance sheet. The difference between the selling price and repurchasing price is recognized as interest expense over the term of the agreement using the effective interest method.

The amounts advanced under these agreements are recognized and presented as "financial assets purchased under reverse repurchase agreements". The Group may not take physical possession of assets purchased under such agreements. In the event of default by the counterparty to repurchase the assets, the Group has the right to the underlying assets. The difference between the purchasing price and reselling price is recognized as interest income over the term of the agreement using the effective interest method.

Sale of assets under repurchase agreements and purchase of assets under reverse repurchase agreements conducted in the bank and securities businesses are included in the operating activities of consolidated statement of cash flows and sale of assets under repurchase agreements and purchase of assets under reverse repurchase agreements conducted in the insurance business are included in the financing and investing activities of consolidated statement of cash flows.

(17) FINANCE LEASE RECEIVABLE AND UNEARNED FINANCE INCOME

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. At the commencement of the lease term, the Group recognizes the minimum lease payments receivable by the Group, the initial direct costs and the unguaranteed residual value in the finance lease receivable. The difference between (a) the aggregate of the minimum lease payments, the unguaranteed residual value and the initial direct costs and (b) the aggregate of their present values is recognized as unearned finance lease income. Finance lease receivable net of unearned finance lease income which represents the Group's net investment in the finance lease is presented as finance lease receivable in the consolidated statement of financial position. Unearned finance lease income is allocated over the lease term based on a pattern reflecting a constant periodic return on the Group's net investment in the finance lease, and is recognized as "other revenues and other gains".

The impairment provision measurement and derecognition of finance lease receivable are complied with the basic accounting policy of the financial assets (Note 2.(11)). The Group incorporates forward looking information in estimating the expected credit loss for finance lease receivable. The Group derecognizes finance lease receivables when the rights to receive cash flows from the finance lease have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Refer to Note 13 and Note 23 for details.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(18) PRECIOUS METALS

The Group's precious metals represent gold and other precious metals. Precious metals that are not related to the Group's precious metals trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net recoverable amount. Precious metals acquired by the Group for trading purposes are initially measured at fair value and subsequent changes in fair value are recorded in income statement.

(19) INVESTMENT PROPERTIES

Investment properties are interests in land and buildings that are held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, which is the fair value of the consideration given to acquire them, including transaction costs. Subsequently, all investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis, after taking into account the estimated residual value (0% to 10% of original cost), over the estimated useful lives. The estimated useful lives of investment properties vary from 15 to 40 years.

The useful life and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from the individual investment properties.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Transfers to, or from, investment properties are made when, and only when, there is evidence of a change in use or the investment property is sold.

(20) PROPERTY AND EQUIPMENT

Property and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the income statement in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalized as an additional cost of that asset or as a replacement.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(20) PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. The principal assumptions used for this purpose are as follows:

	Estimated residual values	Estimated useful lives
Leasehold improvements	–	Over the shorter of economic useful lives and terms of the leases
Buildings	0% – 10%	15 – 40 years
Equipment, furniture and fixtures	0% – 17%	2 – 15 years
Motor vehicles	0% – 15%	3 – 25 years

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from the items of property and equipment.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

(21) CONSTRUCTION IN PROGRESS

Construction in progress mainly represents costs incurred in the construction of building premises, as well as the cost of equipment pending installation, less any impairment losses.

No provision for depreciation is made on construction in progress until such time the relevant assets are completed and ready for use.

(22) INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized on the straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(22) INTANGIBLE ASSETS (OTHER THAN GOODWILL) (CONTINUED)

Core deposits

Core deposits are accounts that a financial institution expects to maintain for an extended period of time due to ongoing business relationships. The intangible asset value associated with core deposits reflects the present value of additional cash flow resulted from the use of the deposits at a lower cost alternative source of funding in the future periods.

Expressway operating rights

Expenditures on acquiring the expressway operating rights are capitalized as intangible assets and subsequently amortized on the straight-line basis over the contract terms.

Prepaid land premiums

Prepaid land premiums are prepayments for land under PRC law for fixed periods. Prepaid land premiums are initially stated at cost and subsequently amortized on the straight-line basis over the lease terms. All lands related to the Group's prepaid land premiums are located in Mainland China.

Trademarks

Trademarks are initially stated at cost and subsequently amortized on the straight-line basis over the estimated useful lives.

The estimated useful lives of intangible assets are set as below:

	Estimated useful lives
Expressway operating rights	20 – 30 years
Prepaid land premiums	26 – 50 years, indefinite
Core deposits	5 years, 20 years
Trademarks	10 – 40 years, indefinite
Software and others (including patents and know-how, customer relationships and contract rights, etc.)	2 – 40 years

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(23) FORECLOSED ASSETS

Foreclosed assets are initially recognized at fair value. The difference between the initial fair value and the sum of the related loan principal, interest receivable and impairment provision is taken into the income statement. At the end of the reporting period, the foreclosed assets are measured at the lower of their carrying value and net recoverable amount. When the carrying value of the foreclosed assets is higher than the net recoverable amount, a provision for the decline in value of foreclosed assets is recognized as impairment losses in the income statement.

(24) INVENTORIES

The Group's inventories comprise raw materials, product in progress, finished goods, other supplemental materials, etc. and lands purchased for property development by real estate subsidiaries. Inventory is initially measured at cost which includes purchasing cost, processing cost and other costs which made the inventory to the present place and condition.

The actual cost of inventory is priced based on moving weighted average method.

At the end of the reporting period, inventory is measured at the lower of its cost and net realizable value. If the net realizable value is lower than cost, inventory impairment provisions are allotted.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and related taxes. Estimates of net recoverable amount are based on the most reliable evidence available at the time the estimates are made, also taking into consideration the purpose for which the inventory is held and the influence of events after the end of the reporting period.

Inventory impairment provisions should be accrued when the cost of individual inventory item is higher than its net realizable value.

After allotting inventory impairment provisions, if the influencing factors of previous inventory impairment provisions have disappeared, and hence the net realizable value of the inventories are higher than their cost, the previous written down amount should be recovered and the reversed amount which is within the amount of original allotted inventory impairment provisions should be included in current profit and loss.

(25) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that a non-financial asset other than deferred tax assets may be impaired. If any such indication exists, or when annual impairment testing for a non-financial asset is required, the Group makes an estimate of the asset's recoverable amount. A non-financial asset's recoverable amount is the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where the carrying amount of a non-financial asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to disposal, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(25) IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

For non-financial assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the income statement.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. The recoverable amount is the higher of its fair value less costs to disposal and its value-in-use, determined on an individual asset (or cash-generating unit) basis, unless the individual asset (or cash-generating unit) does not generate cash flows that are largely independent from those of other assets or groups of assets (or groups of cash-generating units). Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

Intangible assets with indefinite useful lives are tested for impairment annually at each year end either individually or at the cash-generating unit level, as appropriate.

(26) INSURANCE GUARANTEE FUND

The Group calculates the insurance guarantee fund based on the sum of benchmark rate and risk differential rate for the year:

(a) Benchmark rate: 0.8% of the consideration received for property insurance, short-term health insurance and accident insurance; 0.3% of the consideration received for life insurance, long-term health insurance and annuities; including 0.05% of the consideration received for investment-linked insurance.

(b) Risk differential rate: based on the result of the solvency integrated risk rating.

No additional provision is required for Ping An Life Insurance Company of China, Ltd. ("Ping An Life"), Ping An Annuity Insurance Company of China, Ltd. ("Ping An Annuity") and Ping An Health Insurance Company of China, Ltd. ("Ping An Health Insurance"), when the accumulated insurance guarantee fund balances of life insurance industry reach 1% of the industry total assets. For Ping An Property & Casualty Insurance Company of China, Ltd. ("Ping An Property & Casualty"), no additional provision is required when the accumulated balance of property and casualty insurance industry reaches 6% of the industry total assets.

The consideration received used in the calculation of the insurance guarantee fund is the amount agreed in the insurance policies, excluding VAT.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS

(27.1) Definition of insurance contract

Insurance contract is a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insured event is an uncertain future event covered by an insurance contract that creates insurance risk. Insurance risk is the risk, other than financial risk, transferred from the holder of a contract to the issuer.

The Group applies International Financial Reporting Standard 17 Insurance Contracts ("IFRS 17") to:

(a) insurance contracts, including reinsurance contracts, the Group issues;

(b) reinsurance contracts the Group holds;

(c) insurance contracts the Group acquired in a transfer of insurance contracts or a business combination;

(d) investment contracts with discretionary participation features the Group issues.

Reinsurance contract is an insurance contract issued by the reinsurer to compensate the cedent for claims arising from one or more insurance contracts issued by the cedent.

Investment contract with discretionary participation features is a financial instrument that provides a particular investor with the contractual right to receive, as a supplement to an amount not subject to the discretion of the issuer, additional amounts:

(a) that are expected to be a significant portion of the total contractual benefits;

(b) the timing or amount of which are contractually at the discretion of the issuer; and

(c) that are contractually based on the returns on specified items.

Insurance contract with direct participation features is an insurance contract that meet the following conditions at inception:

(a) the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;

(b) the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and

(c) the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Reinsurance contracts issued and reinsurance contracts held cannot be insurance contracts with direct participation features.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.2) Identification of insurance contract

The Group assesses the significance of insurance risk contract by contract. A contract is an insurance contract only if it transfers significant insurance risk. A contract that meets the definition of an insurance contract remains an insurance contract until all rights and obligations are extinguished (i.e., discharged, cancelled or expired), unless the contract is derecognized because of a contract modification.

Below assessments are performed to determine whether the insurance risk is significant:

(a) Insurance risk is significant if, and only if, an insured event could cause the Group to pay additional amounts that are significant in any single scenario that has commercial substance, even if the insured event is extremely unlikely, or even if the expected probability-weighted present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract. The additional amounts refer to the present value of amounts that exceed those that would be payable if no insured event had occurred. Those additional amounts include claims handling and assessment costs.

(b) In addition, a contract transfers significant insurance risk only if there is a scenario that has commercial substance in which the Group has a possibility of a loss on a present value basis. However, even if a reinsurance contract does not expose the issuer to the possibility of a significant loss, that contract is deemed to transfer significant insurance risk if it transfers to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts.

(27.3) Combination of insurance contracts

A set or series of insurance contracts with the same or a related counterparty may achieve, or be designed to achieve, an overall commercial effect. In order to report the substance of such contracts, the Group treats the set or series of contracts as a whole.

(27.4) Separating components from an insurance contract

An insurance contract may contain more components. The Group separates the following non-insurance components from such contracts:

(a) embedded derivatives that should be separated in accordance with IFRS 9;

(b) distinct investment components, except for those that can meet the definition of investment contract with discretionary participation features;

(c) promises to transfer distinct goods or services other than insurance contract services.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.4) Separating components from an insurance contract (Continued)

Investment component is the amounts that an insurance contract requires the Group to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. An investment component is distinct if, and only if, both the following conditions are met:

(a) the investment component and the insurance component are not highly interrelated. An investment component and an insurance component are highly interrelated if, and only if:

    (i) the Group is unable to measure one component without considering the other. Thus, if the value of one component varies according to the value of the other, the two components are highly interrelated; or

    (ii) the policyholder is unable to benefit from one component unless the other is also present. Thus, if the lapse or maturity of one component in a contract causes the lapse or maturity of the other, the two components are highly interrelated; and

(b) a contract with equivalent terms is sold, or could be sold, separately in the same market or the same jurisdiction, either by entities that issue insurance contracts or by other parties.

Insurance contract services are the services that the Group provides to a policyholder of an insurance contract, including: coverage for an insured event (insurance coverage); for insurance contracts without direct participation features, the generation of an investment return for the policyholder (investment-return service); and for insurance contracts with direct participation features, the management of underlying items on behalf of the policyholder (investment-related service). The Group separates from an insurance contract a promise to transfer distinct goods or services other than insurance contract services to a policyholder. For the purpose of separation, the Group does not consider activities that the Group must undertake to fulfil a contract unless the Group transfers a good or service other than insurance contract services to the policyholder as those activities occur. A good or service other than an insurance contract service promised to a policyholder is distinct if the policyholder can benefit from the good or service either on its own or together with other resources readily available to the policyholder. A good or service other than an insurance contract service that is promised to the policyholder is not distinct if: the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance components in the contract; and the Group provides a significant service in integrating the good or service with the insurance components.

After the separation of any cash flows related to embedded derivatives and distinct investment component, the Group attributes the remaining cash flows to insurance component (including unseparated embedded derivatives, non-distinct investment component and promises to transfer goods or services other than insurance contract services which are not distinct) and promises to transfer distinct goods or services other than insurance contract services.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.5) Level of aggregation of insurance contracts

The Group identifies portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. The Group divides portfolios of insurance contracts into groups of insurance contracts and applies the recognition and measurement requirements to the groups of insurance contracts. Insurance contracts issued more than one year apart are not included in the same group. The Group determines the group to which contracts belong by considering individual contracts. If the Group has reasonable and supportable information to conclude that a set of contracts will all be in the same group, the Group may measure the set of contracts to determine the group.

The Group divides a portfolio of insurance contracts issued into a minimum of:

(a) a group of contracts that are onerous at initial recognition, if any;

(b) a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and

(c) a group of the remaining contracts in the portfolio, if any.

(27.6) Recognition of insurance contracts

The Group recognizes a group of insurance contracts it issues from the earliest of the following:

(a) the beginning of the coverage period of the group of contracts;

(b) the date when the first payment from a policyholder in the group becomes due; and

(c) for a group of onerous contracts, when the group becomes onerous.

For individual contract that meet one of the criteria set out above, the Group determines the group to which it belongs at initial recognition and does not reassess the composition of the groups subsequently. Coverage period is the period during which the Group provides insurance contract services.

The Group recognizes an asset for insurance acquisition cash flows paid or payable before the related group of insurance contracts is recognized. The Group allocates insurance acquisition cash flows to groups of insurance contracts using a systematic and rational method. Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Group derecognizes an asset for insurance acquisition cash flows when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts. At the end of each reporting period, the Group assesses the recoverability of an asset for insurance acquisition cash flows if facts and circumstances indicate the asset may be impaired. If the Group identifies an impairment loss, the Group adjusts the carrying amount of the asset and recognizes the impairment loss in profit or loss. The Group recognizes in profit or loss a reversal of some or all of an impairment loss previously recognized and increase the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.7) Measurement of insurance contracts

(27.7.1) General model

Measurement on initial recognition

On initial recognition, the Group shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The contractual service margin represents the unearned profit the Group will recognize as it provides insurance contract services under the insurance contracts in the group. The fulfilment cash flows comprise:

(a) estimates of future cash flows;

(b) an adjustment to reflect the time value of money and the financial risks related to the future cash flows; and

(c) a risk adjustment for non-financial risk.

Risk adjustment for non-financial risk is the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the Group fulfils insurance contracts. The fulfilment cash flows do not reflect the non-performance risk of the Group.

When the Group estimates the future cash flows at a higher level of aggregation, the Group allocates the resulting fulfilment cash flows to individual groups of contracts. The estimates of future cash flows shall:

(a) be unbiased probability-weighted mean;

(b) be consistent with observable market prices for market variables;

(c) be current – the estimates shall reflect conditions existing at the measurement date, including assumptions at that date about the future;

(d) be explicit – the Group shall estimate the cash flows separately from the adjustment for the time value of money and financial risk, unless the most appropriate measurement technique combines these estimates.

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

(a) the Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or

(b) the Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.7) Measurement of insurance contracts (Continued)

(27.7.1) General model (Continued)

Measurement on initial recognition (Continued)

The Group uses appropriate discount rate to adjust the estimates of future cash flows to reflect the time value of money and the financial risks related to those cash flows, to the extent that the financial risks are not included in the estimates of cash flows. The discount rates applied to the estimates of the future cash flows shall:

(a) reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;

(b) be consistent with observable current market prices for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, and exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

The Group adjusts the estimate of the present value of the future cash flows to reflect the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The Group calculates the total amount of below items on initial recognition of a group of insurance contracts:

(a) the fulfilment cash flows;

(b) the derecognition at the date of initial recognition of any asset for insurance acquisition cash flows and any other asset or liability previously recognized for cash flows related to the group of contracts;

(c) any cash flows arising from the contracts in the group at that date.

If the total amount represents net cash inflows, the Group recognizes it as contract service margin. If the total amount represents net cash outflows, the Group recognizes a loss in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.7) Measurement of insurance contracts (Continued)

(27.7.1) General model (Continued)

Subsequent measurement

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future service allocated to the group at that date and the contractual service margin of the group at that date. The liability for incurred claims comprises the fulfilment cash flows related to past service allocated to the group at that date.

For insurance contracts without direct participation features, the carrying amount of the contractual service margin of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for:

(a) the effect of any new contracts added to the group.

(b) interest accreted on the carrying amount of the contractual service margin during the reporting period, measured at the discount rates determined at the date of initial recognition of a group of contracts, applied to nominal cash flows that do not vary based on the returns on any underlying items.

(c) the changes in fulfilment cash flows relating to future service, except that such increases in the fulfilment cash flows exceed the carrying amount of the contractual service margin, giving rise to a loss; or except that such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.

(d) the effect of any currency exchange differences on the contractual service margin.

(e) the amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

The Group recognizes the reduction in the liability for remaining coverage because of services provided in the period as insurance revenue. The Group recognizes the increase in the liability for incurred claims because of claims and expenses incurred in the period and any subsequent changes in fulfilment cash flows relating to incurred claims and incurred expenses as insurance service expenses. Insurance revenue and insurance service expenses presented in profit or loss has excluded any investment components.

The Group determines insurance service expenses related to insurance acquisition cash flows in a systematic way on the basis of the passage of time. The Group recognizes the same amount as insurance revenue to reflect the portion of the premiums that relate to recovering those cash flows.

The Group recognizes the change in the liability for remaining coverage and the liability for incurred claims because of the effect of the time value of money and the effect of financial risk as insurance finance income or expenses.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.7) Measurement of insurance contracts (Continued)

(27.7.1) General model (Continued)

Subsequent measurement (Continued)

The Group makes accounting policy choices to portfolios of insurance contracts between:

(a) including insurance finance income or expenses for the period in profit or loss; or

(b) disaggregating insurance finance income or expenses for the period to include in profit or loss an amount determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts, the difference between the insurance finance income or expenses and the total insurance finance income or expenses for the period is included in other comprehensive income.

When applying IAS 21 The Effects of Changes in Foreign Exchange Rates to a group of insurance contracts that generate cash flows in a foreign currency, the Group treats the group of contracts, including the contractual service margin, as a monetary item. The Group includes exchange differences on changes in the carrying amount of groups of insurance contracts in the statement of profit or loss, unless they relate to changes in the carrying amount of groups of insurance contracts included in other comprehensive income for insurance finance income or expenses, in which case they are included in other comprehensive income.

(27.7.2) Measurements for insurance contract with direct participation features (Variable Fee Approach)

The Group assesses whether an insurance contract can meet the definition of insurance contracts with direct participation features by using its expectations at inception of the contract and does not perform reassessment afterwards.

Insurance contracts with direct participation features are contracts under which the Group's obligation to the policyholder is the net of:

(a) the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and

(b) a variable fee that the Group will deduct from (a) in exchange for the future service provided by the insurance contract, comprising:

  (i) the amount of the Group's share of the fair value of the underlying items; less

  (ii) fulfilment cash flows that do not vary based on the returns on underlying items.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.7) Measurement of insurance contracts (Continued)

(27.7.2) Measurements for insurance contract with direct participation features (Variable Fee Approach) (Continued)

For insurance contracts with direct participation features, the carrying amount of the contractual service margin of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for:

(a) the effect of any new contracts added to the group.

(b) the change in the amount of the Group's share of the fair value of the underlying items, except to the extent that:

(i) if the Group mitigates the effect of financial risk using derivatives or reinsurance contracts held, when meets certain conditions, the Group may choose to recognize insurance finance income or expenses for the period in profit or loss to reflect some or all of the changes in the effect of the time value of money and financial risk on the amount of the Group's share of the underlying items. However, if the Group chooses to disaggregate insurance finance income or expenses of such reinsurance contracts held between profit or loss and other comprehensive income, the insurance finance income or expenses mentioned above should also be disaggregated accordingly;

(ii) the decrease in the amount of the Group's share of the fair value of the underlying items exceeds the carrying amount of the contractual service margin, giving rise to a loss; or

(iii) the increase in the amount of the Group's share of the fair value of the underlying items is allocated to the loss component of the liability for remaining coverage.

(c) the changes in fulfilment cash flows relating to future service and do not vary based on the returns on underlying items, except to the extent that:

(i) if the Group mitigates the effect of financial risk using derivatives, reinsurance contracts held or non-derivative financial instruments measured at fair value through profit or loss, when meets certain conditions, the Group may choose to recognize insurance finance income or expenses for the period in profit or loss to reflect some or all of the changes in the effect of the time value of money and financial risk on the fulfilment cash flows. However, if the Group chooses to disaggregate insurance finance income or expenses of such reinsurance contracts held between profit or loss and other comprehensive income, the insurance finance income or expenses mentioned above should also be disaggregated accordingly;

(ii) such increases in the fulfilment cash flows exceed the carrying amount of the contractual service margin, giving rise to a loss; or

(iii) such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.7) Measurement of insurance contracts (Continued)

(27.7.2) Measurements for insurance contract with direct participation features (Variable Fee Approach) (Continued)

(d) the effect of any currency exchange differences arising on the contractual service margin.

(e) the amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

For insurance contracts with direct participation features that the Group holds the underlying items, the Group makes the accounting policy choice of disaggregating insurance finance income or expenses for the period between profit or loss and other comprehensive income, includes in profit or loss an amount that exactly match the income or expenses included in profit or loss for the underlying items, resulting in the net of the separately presented items being nil.

(27.7.3) Measurements for onerous insurance contracts

If a group of insurance contracts is onerous at the date of initial recognition, or if additional loss caused by contracts added to the group of onerous contracts, the Group recognizes a loss as insurance service expenses in profit or loss for the net outflow for the group of onerous contracts, resulting in the carrying amount of the liability for remaining coverage for the group being equal to the fulfilment cash flows.

A group of insurance contracts becomes onerous (or more onerous) on subsequent measurement if meets one of the following conditions, the Group recognizes a loss as insurance service expenses in profit or loss and increases the liability for remaining coverage:

(a) the amount of unfavourable changes relating to future service in the fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk exceed the carrying amount of the contractual service margin;

(b) for a group of insurance contracts with direct participation features, the decrease in the amount of the Group's share of the fair value of the underlying items exceed the carrying amount of the contractual service margin.

After the Group has recognized a loss on an onerous group of insurance contracts, the Group allocates below changes of the liability for remaining coverage on a systematic basis between the loss component of the liability for remaining coverage and the liability for remaining coverage excluding the loss component:

(a) estimates of the present value of future cash flows for claims and expenses released from the liability for remaining coverage because of incurred insurance service expenses;

(b) changes in the risk adjustment for non-financial risk recognized in profit or loss because of the release from risk; and

(c) insurance finance income or expenses.

Any amounts allocated to the loss component of the liability for remaining coverage shall not be recognized as insurance revenue.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.7) Measurement of insurance contracts (Continued)

(27.7.3) Measurements for onerous insurance contracts (Continued)

After the Group has recognized a loss on an onerous group of insurance contracts, the subsequent measurements are:

(a) for any subsequent increases relating to future service in fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk, and any subsequent decreases in the amount of the Group's share of the fair value of the underlying items, the Group recognizes a loss as insurance service expenses in profit or loss and increases the liability for remaining coverage;

(b) for any subsequent decreases relating to future service in fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk, and any subsequent increases in the amount of the Group's share of the fair value of the underlying items, the Group reverses the insurance service expenses in profit or loss and decreases the loss component of the liability for remaining coverage until that component is reduced to zero, the Group adjusts the contractual service margin only for the excess of the decrease over the amount allocated to the loss component.

(27.7.4) Premium Allocation Approach

The Group simplifies the measurement of a group of insurance contracts using the premium allocation approach if, and only if, at the inception of the group:

(a) the Group reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying general model, unless the Group expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage during the period before a claim is incurred; or

(b) the coverage period of each contract in the group is one year or less.

For contracts issued to which the Group applies the premium allocation approach, the Group assumes no contracts in the portfolio are onerous at initial recognition, unless facts and circumstances indicate otherwise.

Using the premium allocation approach, on initial recognition, the carrying amount of the liability for remaining coverage is the premiums received at initial recognition, minus any insurance acquisition cash flows at that date, and plus or minus any amount arising from the derecognition at that date of any asset for insurance acquisition cash flows and any other asset or liability previously recognized for cash flows related to the group of contracts.

At the end of each subsequent reporting period, the carrying amount of the liability for remaining coverage is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus any amounts relating to the amortization of insurance acquisition cash flows recognized as insurance service expenses in the reporting period, plus any adjustment to a financing component, minus the amount recognized as insurance revenue for services provided in that period, and minus any investment component paid or transferred to the liability for incurred claims.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.7) Measurement of insurance contracts (Continued)

(27.7.4) Premium Allocation Approach (Continued)

The Group adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using the discount rates determined on initial recognition. The Group is not required to adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk if, at initial recognition, the Group expects that the time between providing each part of the services and the related premium due date is no more than a year.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, to the extent that the fulfilment cash flows exceed the carrying amount of the liability for remaining coverage, the Group recognizes a loss as insurance service expenses in profit or loss and increase the liability for remaining coverage.

The Group measures the liability for incurred claims for the group of insurance contracts at the fulfilment cash flows relating to incurred claims and other related expenses. The Group is not required to adjust future cash flows for the time value of money and the effect of financial risk if those cash flows are expected to be paid or received in one year or less from the date the claims are incurred. The Group would also not include in the fulfilment cash flows mentioned above any such adjustment.

When the Group applies the premium allocation approach, insurance revenue for the period is the amount of expected premium receipts (excluding any investment component and adjusted to reflect the time value of money and the effect of financial risk) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time; but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred insurance service expenses.

(27.8) Recognition and measurement for reinsurance contracts held

In addition to the requirements for insurance contracts set out above, the recognition and measurement for reinsurance contracts held are modified as follows. The requirements of measurements for onerous insurance contracts are not applicable for reinsurance contracts held.

(27.8.1) Recognition for reinsurance contracts held

The Group divides portfolios of reinsurance contracts held into a minimum of:

(a) a group of contracts that there is a net gain at initial recognition, if any;

(b) a group of contracts that at initial recognition have no significant possibility of becoming to have net gain subsequently, if any; and

(c) a group of the remaining contracts in the portfolio, if any.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.8) Recognition and measurement for reinsurance contracts held (Continued)

(27.8.1) Recognition for reinsurance contracts held (Continued)

The Group recognizes a group of reinsurance contracts held from the earlier of the following:

(a) the beginning of the coverage period of the group of reinsurance contracts held; and

(b) the date the Group recognizes an onerous group of underlying insurance contracts.

If a group of reinsurance contracts held provide proportionate coverage, the Group recognizes such group of reinsurance contracts held from the earlier of the following:

(a) the later date of the beginning of the coverage period of the group of reinsurance contracts held and the date that any underlying insurance contract is initially recognized; and

(b) the date the Group recognizes an onerous group of underlying insurance contracts.

(27.8.2) Measurement for reinsurance contracts held

On initial recognition, the Group measures a group of reinsurance contracts held at the total of the fulfilment cash flows and the contractual service margin. The contractual service margin represents the net cost or net gain the Group will recognize as it receives insurance contract services from the reinsurer.

The Group uses consistent assumptions to measure the estimates of the present value of the future cash flows for the group of reinsurance contracts held and the estimates of the present value of the future cash flows for the group of underlying insurance contracts. In addition, the Group includes in the estimates of the present value of the future cash flows for the group of reinsurance contracts held the effect of any risk of non-performance by the issuer of the reinsurance contract.

The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred by the holder of the group of reinsurance contracts to the issuer of those contracts.

On initial recognition for a group of reinsurance contracts held, the Group calculates the sum of:

(a) the fulfilment cash flows;

(b) the amount derecognized at that date of any asset or liability previously recognized for cash flows related to the group of reinsurance contracts held;

(c) any cash flows arising at that date; and

(d) loss-recovery component of assets for remaining coverage of reinsurance contracts held.

The Group recognizes any net cost or net gain of the above total amounts as a contractual service margin. If the net cost relates to events that occurred before the purchase of the group of reinsurance contracts held, the Group recognizes such a cost immediately in profit or loss as an expense.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.8) Recognition and measurement for reinsurance contracts held (Continued)

(27.8.2) Measurement for reinsurance contracts held (Continued)

If the reinsurance contract held is entered into before or at the same time as the onerous underlying insurance contracts are recognized, when the Group recognizes a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group, the Group recognizes a loss-recovery component of the asset for remaining coverage for such groups of reinsurance contracts held by multiplying:

(a) the loss recognized on the underlying insurance contracts; and

(b) the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held.

The Group adjusts the same amount calculated above to contractual service margin and recognizes as amount recovered from reinsurer in profit or loss.

The Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts. The carrying amount of the loss-recovery component does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

The Group measures the contractual service margin at the end of the reporting period for a group of reinsurance contracts held as the carrying amount determined at the start of the reporting period, adjusted for:

(a) the effect of any new contracts added to the group;

(b) interest accreted on the carrying amount of the contractual service margin, measured at the discount rates determined at the date of initial recognition of a group of contracts, to nominal cash flows that do not vary based on the returns on any underlying items;

(c) the loss-recovery component of the asset for remaining coverage for such groups of reinsurance contracts held, and reversals of a loss-recovery component recognized to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held;

(d) the changes in the fulfilment cash flows relating to future service, except that such change results from a change in fulfilment cash flows allocated to a group of underlying insurance contracts that does not adjust the contractual service margin for the group of underlying insurance contracts; or except that such change results from onerous contracts, if the Group measures a group of underlying insurance contracts applying the premium allocation approach;

(e) the effect of any currency exchange differences arising on the contractual service margin;

(f) the amount recognized in profit or loss because of services received in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period of the group of reinsurance contracts held.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.8) Recognition and measurement for reinsurance contracts held (Continued)

(27.8.2) Measurement for reinsurance contracts held (Continued)

The Group recognizes the reduction in the asset for remaining coverage because of insurance contract services received from the reinsurer in the period as allocation of reinsurance premiums paid. The Group recognizes the increase in the asset for incurred claims because of claims and expenses that are expected to be reimbursed in the period and any subsequent related changes in fulfilment cash flows as amount recovered from reinsurer. The Group treats amounts from the reinsurer that it expects to receive that are not contingent on claims of the underlying contracts as the reduction to the allocation of reinsurance premiums paid. Allocation of reinsurance premiums paid and amount recovered from reinsurer presented in profit or loss has excluded any investment components.

The Group uses the premium allocation approach to simplify the measurement of a group of reinsurance contracts held, if at the inception of the group:

(a) the Group reasonably expects the resulting measurement would not differ materially from the result of not applying the premium allocation approach set out above, unless the Group expects significant variability in the fulfilment cash flows that would affect the measurement of the asset for remaining coverage during the period before a claim is incurred; or

(b) the coverage period of each contract in the group of reinsurance contracts held is one year or less.

(27.9) Investment contracts with discretionary participation features

In addition to the requirements for insurance contracts set out above, the recognition and measurement for investment contract with discretionary participation features are modified as follows:

(a) the date of initial recognition is the date the Group becomes party to the contract.

(b) the contract boundary is modified so that cash flows are within the contract boundary if they result from a substantive obligation of the Group to deliver cash at a present or future date. The Group has no substantive obligation to deliver cash if the Group has the practical ability to set a price for the promise to deliver the cash that fully reflects the amount of cash promised and related risks.

(c) the allocation of the contractual service margin is modified so that the Group recognizes the contractual service margin over the duration of the group of contracts in a systematic way that reflects the transfer of investment services under the contract.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.10) Modification and derecognition

If the terms of an insurance contract are modified, the Group derecognizes the original contract and recognizes the modified contract as a new contract, if, and only if, any of the conditions below are satisfied:

(a) if the modified terms had been included at contract inception:

   (i) the modified contract would have been excluded from the scope of IFRS 17;

   (ii) the Group would have separated different components from the host insurance contract, resulting in a different insurance contract to which IFRS 17 would have applied;

   (iii) the modified contract would have had a substantially different contract boundary; or

   (iv) the modified contract would have been included in a different group of contracts.

(b) the original contract met the definition of an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or

(c) the Group applied the premium allocation approach to the original contract, but the modifications mean that the contract no longer meets the eligibility criteria for that approach.

If a contract modification meets none of the conditions above, the Group treats changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

The Group derecognizes an insurance contract when it is extinguished, i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled. The Group derecognizes an insurance contract from within a group of contracts by applying the following requirements:

(a) the fulfilment cash flows allocated to the group are adjusted to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognized from the group;

(b) the contractual service margin of the group is adjusted; and

(c) the number of coverage units for expected remaining insurance contract services is adjusted.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) INSURANCE CONTRACTS (CONTINUED)

(27.10) Modification and derecognition (Continued)

When the Group derecognizes an insurance contract because it transfers the contract to a third party or derecognizes an insurance contract and recognizes a new contract, the Group applies the following requirements:

(a) adjusts the contractual service margin of the group from which the contract has been derecognized, for the difference between (i) and either (ii) for contracts transferred to a third party or (iii) for contracts derecognized due to modification:

(i) the change in the carrying amount of the group of insurance contracts resulting from the derecognition of the contract.

(ii) the premium charged by the third party.

(iii) the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

(b) measures the new contract recognized assuming that the Group received the premium described in (a) (iii) at the date of the modification.

If the Group derecognizes an insurance contract because it transfers the contract to a third party or derecognizes an insurance contract due to modification, the Group reclassifies to profit or loss as a reclassification adjustment any remaining amounts for the group that were previously recognized in other comprehensive income, unless for insurance contracts with direct participation features that the Group holds the underlying items.

(28) PROVISIONS

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the effect of discounting is material, the amount recognized is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation.

Except for contingent considerations deriving from or contingent liabilities assumed in business combinations and the provision recognized for the loss allowance of off-balance sheet credit exposure, contingent liabilities are recognized as provisions if the following conditions are met:

(a) An entity has a present obligation as a result of a past event;

(b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(c) A reliable estimate can be made of the amount of the obligation.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) PROVISIONS (CONTINUED)

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period with the consideration of risks, uncertainties and the present value. Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

The Group incorporates forward looking information in estimating the expected credit loss for loan commitments and financial guarantee contracts. Refer to Note 13 and Note 47 for details.

(29) REVENUE RECOGNITION

The Group's main revenue is recognized on the following bases:

Insurance revenue

The Group recognizes insurance revenue as it provides insurance contract services under groups of insurance contracts.

For insurance contracts not measured under the premium allocation approach, insurance revenue comprises the relevant amount arising from changes of the liability for remaining coverage that relate to services for which the Group expects to receive consideration, excludes investment components, and the amortization of insurance acquisition cash flows, the details are as follows:

(a) Amounts relating to the changes in the liability for remaining coverage:

 (i) expected insurance service expenses incurred in the period;

 (ii) change in the risk adjustment for non-financial risk;

 (iii) amount of contractual service margin recognized for services provided in the period;

 (iv) other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any.

(b) For insurance acquisition cash flows recovery, the Group allocates a portion of premiums related to the recovery in a systematic way based on the passage of time over the expected coverage of a group of contracts. The allocated amount is recognized as insurance revenue with the same amount recognized as insurance service expenses.

For insurance contracts measured under the premium allocation approach, the Group recognizes insurance revenue for the period based on the passage of time by allocating expected premium receipts to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred insurance service expenses.

Interest income

Interest income for interest bearing financial instruments, is recognized in the income statement using the effective interest rate method. When a financial asset is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(29) REVENUE RECOGNITION (CONTINUED)

Fees and commission income of non-insurance operations

The fees and commission income of non-insurance operations from a diverse range of services it provides to its customers are recognized when the control of services is transferred to customers. Fee income can be divided into the following main categories:

Fee income earned from services that are provided over a certain period of time

Fees earned from the provision of services over a period of time are accrued over that period. These fees include investment fund administration fees, custodian fees, fiduciary fees, credit related fees, asset management fees, portfolio and other management fees, advisory fees, post-origination service fees, etc.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities, or the purchase or sale of businesses, or the execution of loan agreements between funding partners and borrowers, are recognized on the completion of the underlying transaction and the control of services is transferred to customers. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria. These fees may include underwriting fees, corporate finance fees, brokerage fees and loan enablement fees.

Dividend income

Dividend income is recognized when the right to receive dividend payment is established.

Expressway toll fee income

Expressway toll fee income is recognized upon the completion of the performance obligation of services.

Sale of goods

Revenue from the sale of goods is recognized when control of the goods has been transferred. Control of goods or services refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the goods or services.

The amount of revenue from the sale of goods shall be measured by the transaction price, which is allocated to each performance obligation. The transaction price is the amount of consideration to be entitled in exchange for transferring promised goods to a customer. The Group considers the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the Group considers the effects of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer.

The part with unconditional rights is recognized as a receivable by the Group, while the rest is recognized as contracts assets. And the impairment provisions of receivables and contracts assets are recognized based on ECL. If the consideration received or receivable from the contract exceeds the performance completed, the excess part would be recognized as contracts liabilities. The Group presents the net amount by the offsetting between contracts assets and contracts liabilities under one contact.

(30) LEASES

Leases refer to a contract in which the lessor transfers the right to use the assets to the lessee for a certain period of time to obtain the consideration. Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(30) LEASES (CONTINUED)

As lessor of operating leases

Where the Group is the lessor, assets leased by the Group under operating leases are included in investment properties and rentals receivable under such operating leases are credited to the income statement on the straight-line basis over the lease terms. Contingent rents are recognized as profit or loss in the period in which they are earned.

Group as a lessee

The Group mainly leases buildings as right-of-use assets. The Group applies the lease recognition exemption to short-term leases and leases of low-value assets, and does not recognize the right-of-use assets and lease liabilities. Lease payments on short-term leases and leases of low-value assets are recognized as costs of asset or expenses on a straight-line basis over the lease term. Except for lease applying lease recognition exemption, leases are recognized as a right-of-use asset at the date at which the lease begins, lease liabilities are initial measured at the present value of the lease payments that have not been paid. Lease payments include fixed payments, variable lease payment based on an index or a rate, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and payments of penalties for terminating the lease, etc. The variable lease payments determined on a certain percentage of sales are not included in the lease payments and are recognized in profit or loss when incurred.

Right-of-use assets are initial measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and deduct any lease incentives receivable. The right-of-use asset is depreciated over the asset's useful life on a straight-line basis if the Group can reasonably determine the ownership of the assets at the end of the lease term; The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term if the ownership of the assets is uncertain at the end of the lease term. When the recoverable amount is lower than the carrying amount of the right-of-use asset, the Group reduces its carrying amount to the recoverable amount.

(31) EMPLOYEE BENEFITS

Pension obligations

The employees of the Group are mainly covered by various defined contribution pension plans. The Group makes and accrues contributions on a monthly basis to the pension plans, and relevant government authorities are responsible for the pension liability to retired employees. The Group is unable to forfeit any payments made, which are expensed as incurred. The Group has no other significant legal or constructive obligations for retirement benefits beyond the said contributions.

Housing benefits

The employees of the Group are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

Medical benefits

The Group makes monthly contributions for medical benefits to the local authorities in accordance with the relevant local regulations for the employees. The Group's liability in respect of employee medical benefits is limited to the contributions payable in each period.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(32) SHARE-BASED PAYMENT

Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments.

The total amount to be expensed is determined by reference to the fair value of the shares granted, which includes the impact of market performance conditions (for example, an entity's share price) but excludes the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period) and includes the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time). The Group estimates the number of total shares expected to vest taking into consideration of service and non-market performance conditions. Based on number of shares expected to vest, related cost or expense is recognized over the vesting period according to fair value of the shares granted on granted date.

At the end of each reporting period, the Group revises its estimates of the number of options and awarded shares that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The Company settles with the awardees under the share purchase scheme upon vesting.

(33) TAX

Income tax comprises current and deferred tax. Income tax is recognized in the income statement, or in other comprehensive income or in equity if it relates to items that are recognized in the same or a different period directly in other comprehensive income or in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(a) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

(b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(33) TAX (CONTINUED)

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

(a) when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

(b) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Conversely, previously unrecognized deferred tax assets are reassessed by the end of each reporting period and are recognized to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(34) DIVIDENDS

When the final dividends proposed by the directors have been approved by the shareholders and declared, they are recognized as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognized immediately as a liability when they are proposed and declared.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(35) RELATED PARTIES

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

Or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same Group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(36) SEGMENT REPORTING

For management purposes, the Group is organized into operating segments based on the internal organization structure, management requirements and internal reporting. The reportable segments are determined and disclosed based on operating segments and the presentation is consistent with the information reported to the Board of Directors.

Operating segments refer to the Group's component that satisfies the following conditions:

(a) The component produces income and expenses in its daily operation;

(b) The management of the Company regularly assesses the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment;

(c) The Group is able to obtain the accounting information such as the financial position, operating results and cash flows of the component.

Two or more operating segments can be merged as one if they have similar characteristics and satisfy certain conditions.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Group makes estimates and judgements that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities in these financial statements. Estimates and judgements are continually assessed based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, management has made the following judgements and accounting estimation, which have the significant effect on the amounts recognized in the financial statements.

(1) FAIR VALUE OF FINANCIAL INSTRUMENTS DETERMINED USING VALUATION TECHNIQUES

Fair value, in the absence of an active market, is estimated by using valuation techniques, applying currently applicable and sufficiently available data, and the valuation techniques supported by other information, mainly include market approach and income approach, reference to the recent arm's length transactions, current market value of another instrument which is substantially the same, and by using the discounted cash flow analysis and option pricing models.

When using valuation techniques to determine the fair value of financial instruments, the Group would choose the input value in consistent with market participants, considering the transactions of related assets and liabilities. All related observable market parameters are considered in priority, including interest rate, foreign exchange rate, commodity prices and share prices or index. When related observable parameters are unavailable or inaccessible, the Group uses unobservable parameters and makes estimates for credit risk, market volatility and liquidity adjustments.

Using different valuation techniques and parameter assumptions may lead to significant difference of fair value estimation.

(2) CLASSIFICATION OF FINANCIAL ASSETS

The judgements in determining the classification of financial assets include the analysis of business models and the contractual cash flows characteristics.

An entity's business model refers to how an entity manages its financial assets in order to generate cash flows. That is, the entity's business model determines whether cash flows are arising from collecting contractual cash flows, selling financial assets or both. The business model of managing financial assets is not determined by a single factor or activity. Instead, the entity should consider all relevant evidence available when making the assessment. Relevant evidence mainly includes, but not limited to, how the cash flow of the group of assets is collected, how the performance of the group of assets is reported to key management personnel, and how the risk of group of assets is being assessed and managed.

The contractual cash flows characteristics of financial assets refer to the cash flow attributes of the financial assets reflecting the economic characteristics of the relevant financial assets (i.e., whether the contractual cash flows generated by the relevant financial assets on a specified date solely represents the payments of principal and interest). The principal amount refers to the fair value of the financial asset at initial recognition. The principal amount may change throughout the lifetime of the financial assets due to prepayment or other reasons. The interest includes the time value of money, the credit risk associated with the outstanding principal amount for a specific period, other basic lending credit risks, and the consideration of costs and profits.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

(3) MEASUREMENT OF THE EXPECTED CREDIT LOSSES

The measurement of the expected credit losses for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 49.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

(a) Determining criteria for significant increase in credit risk;

(b) Choosing appropriate models and assumptions for the measurement of ECL;

(c) Establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL; and

(d) Establishing groups of similar financial assets for the purposes of measuring ECL.

(4) LEVEL OF AGGREGATION AND RECOGNITION OF GROUP OF INSURANCE CONTRACTS

For contracts issued to which the Group does not apply the premium allocation approach, the judgements exercised in determining whether contracts are onerous on initial recognition or those that have no significant possibility of becoming onerous subsequently are:

(a) based on the likelihood of changes in assumptions which, if they occurred, would result in the contracts becoming onerous; and

(b) using information about profitability estimation for the relevant group of products.

(5) ELIGIBILITY FOR THE PREMIUM ALLOCATION APPROACH AND THE VARIABLE FEE APPROACH

The Group assesses the eligibility for the premium allocation approach and the variable fee approach when measures a group of insurance contracts on initial recognition, based on the characteristics of the insurance contracts and applicable facts and circumstances.

(6) DETERMINATION OF COVERAGE UNIT

The Group allocates the contractual service margin at the end of the period equally to each coverage unit provided in the current period and expected to be provided in the future, and recognizes as insurance revenue in each period. The Group identifies the coverage units of a group of insurance contracts in each period. The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period.

In assessing the quantity of services provided by insurance contracts, the Group considers the terms and benefit features of the contracts, based on the service pattern of insurance coverage, investment-return service and investment-related service, as applicable. For contracts providing multiple services, the Group determines the relative weighting of each services based on related factors, including the expected maximum benefits, investment component, etc.

Expected coverage period is derived based on the consideration of the contract terms and estimates used when measures fulfilment cash flows, including mortality rates, morbidity rates, lapse rate, etc.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

(7) ESTIMATION OF THE FULFILMENT CASH FLOWS OF INSURANCE CONTRACTS

At the end of the reporting period, when measuring the insurance contract liabilities, the Group needs to make a reasonable estimate of the present value of the fulfilment cash flows within the boundary of insurance contract, based on information currently available at the end of the reporting period, and considers the risk adjustment for non-financial risk.

The main assumptions used in measuring the present value of the fulfilment cash flows include discount rates, insurance incident occurrence rates, lapse rates, expense assumption, policy dividend assumptions, claim ratios, risk adjustment for non-financial risk, etc.

(a) Discount rates

For the estimated fulfilment cash flows that do vary based on the returns on underlying items and those that do not, the Group determines discount rates applying the bottom-up approach, which means the discount rates are determined by base rate curve with comprehensive premium in consideration of the time value of money. The comprehensive premium is added by considering taxation impacts, the liquidity and other relevant factors. The current discount rate assumption for the measurement as at 31 December 2024 ranged from 1.49% to 4.60% (31 December 2023: 2.62% to 4.60%).

The discount rate assumptions are affected by the future macro-economy, capital market, investment channels of insurance funds, investment strategy, etc., and therefore subject to uncertainty.

(b) Insurance incident occurrence rates

The Group uses reasonable estimates, based on market and actual experience and expected future development trends, in deriving assumptions of mortality rates, morbidity rates, disability rates, etc.

The assumption of mortality rates is based on the Group's prior experience data on mortality rates, estimates of current and future expectations, the industrial benchmark and the understanding of the China insurance market. The assumption of mortality rates is presented as a percentage of "China Life Insurance Mortality Table (2010-2013)", which is the industry standard for life insurance in China. The assumption of morbidity rates is determined based on the industrial benchmark, the Group's assumptions used in product pricing, experience data of morbidity rates, and estimates of current and future expectation. The assumptions of mortality and morbidity rates are affected by factors such as changes in lifestyles of national citizens, social development, and improvement of medical treatment, and hence subject to uncertainty.

(c) Lapse rates

The Group uses reasonable estimates, based on actual experience and future development trends, in deriving lapse rate assumptions. The assumptions of lapse rates are determined by reference to different pricing interest rates, product categories and sales channels.

(d) Expense assumption

The Group uses reasonable estimates, based on an expense study and future development trends, in deriving expense assumptions. If the future expense level becomes sensitive to inflation, the Group will consider the inflation factor as well in determining expense assumptions. The expense assumptions include assumptions of insurance acquisition cash flows, policy administration and maintenance costs, and claim handling costs.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

(7) ESTIMATION OF THE FULFILMENT CASH FLOWS OF INSURANCE CONTRACTS (CONTINUED)

(e) Policy dividend assumptions

The Group uses reasonable estimates, based on expected investment returns of participating insurance accounts, participating dividend policy, policyholders' reasonable expectations, etc. in deriving policy dividend assumptions. As at 31 December 2024, policyholder dividend assumption was determined based on 75% (31 December 2023: 75%) of the interest and mortality surplus for individual participating business.

(f) Claim ratios

The Group uses reasonable estimates, based on historical claim development experience and claims paid, with consideration of adjustments to company policies like underwriting policies, level of premium rates, claim management and the changing trends of external environment such as macroeconomic, regulations, and legislation, in deriving claim development factors and claim ratios.

(g) Risk adjustment for non-financial risk

The Group uses the confidence level, confidence level conversion to determine the risk adjustment for non-financial risk. As at 31 December 2024, the risk adjustment for non-financial risk of insurance contracts and reinsurance contracts held was determined based on the confidence level of 75% (31 December 2023: 75%).

(8) DETERMINATION OF CONTROL OVER THE STRUCTURED ENTITIES

To determine whether the Group controls the structured entities of which the Group acts as an asset manager, management applies judgement based on all relevant fact and circumstance to determine whether the Group is acting as the principal or agent for the structured entities. If the Group is acting as the principal, it has control over the structured entities. In assessing whether the Group is acting as the principal, the Group considers factors such as scope of the asset manager's decision-making authority, rights held by other parties, remuneration to which it is entitled, and exposure to variable returns results from its additional involvement with structured entities. The Group will perform reassessment once the fact and circumstance changes leading to changes in above factors.

For further disclosure in respect of the maximum risk exposure of unconsolidated structured entities of the Group, see Note 49.(8).

4. SCOPE OF CONSOLIDATION

(1) Particulars of the Company's principal subsidiaries as at 31 December 2024 are set out below:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Ping An Life	Shenzhen, Corporation	Life insurance, Shenzhen	99.51%	-	99.51%	33,800,000,000
Ping An Property & Casualty	Shenzhen, Corporation	Property and casualty insurance, Shenzhen	99.55%	-	99.55%	21,000,000,000
Ping An Bank Co., Ltd. (ii) ("Ping An Bank")	Shenzhen, Corporation	Banking, Shenzhen	49.56%	8.40%	58.00%	19,405,918,198
Ping An Trust Co., Ltd. ("Ping An Trust")	Shenzhen, Corporation	Investment and trust, Shenzhen	99.88%	-	99.88%	13,000,000,000
Ping An Securities Co., Ltd. ("Ping An Securities")	Shenzhen, Corporation	Securities investment and brokerage, Shenzhen	40.96%	55.59%	96.62%	13,800,000,000
Ping An Annuity	Shanghai, Corporation	Annuity insurance, Shanghai	94.18%	5.79%	100.00%	11,603,419,173
Ping An Asset Management Co., Ltd.	Shanghai, Corporation	Asset management, Shanghai	98.67%	1.33%	100.00%	1,500,000,000
Ping An Health Insurance	Shanghai, Corporation	Health insurance, Shanghai	74.33%	0.68%	75.01%	4,616,577,790
China Ping An Insurance Overseas (Holdings) Limited	Hong Kong, Corporation	Investment holding, Hong Kong	100.00%	-	100.00%	HKD7,085,000,000
China Ping An Insurance (Hong Kong) Company Limited	Hong Kong, Corporation	Property and casualty insurance, Hong Kong	-	100.00%	100.00%	HKD490,000,000
Ping An International Financial Leasing Co., Ltd. ("Ping An Financial Leasing")	Shanghai, Corporation	Financial leasing, Shanghai	69.44%	30.56%	100.00%	14,500,000,000
Ping An of China Asset Management (Hong Kong) Company Limited	Hong Kong, Corporation	Asset management, Hong Kong	-	100.00%	100.00%	HKD395,000,000
Shenzhen Ping An Innovation Capital Investment Co., Ltd.	Shenzhen, Corporation	Investment holding, Shenzhen	-	99.88%	100.00%	4,000,000,000
Ping An Trendwin Capital Management Co., Ltd.	Shanghai, Corporation	Investment consulting, Shanghai	-	99.75%	100.00%	100,000,000
Ping An Real Estate Co., Ltd. ("Ping An Real Estate")	Shenzhen, Corporation	Property management and investment management, Shenzhen	-	99.62%	100.00%	21,160,523,628

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2024 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Ping An Technology (Shenzhen) Co., Ltd.	Shenzhen, Corporation	IT services, Shenzhen	37.66%	62.34%	100.00%	5,310,315,757
Shenzhen Ping An Finserve Co., Ltd.	Shenzhen, Corporation	IT and business process outsourcing services, Shenzhen	-	100.00%	100.00%	598,583,070
Ping An E-wallet Electronic Commerce Company Limited ("Ping An E-wallet")	Shenzhen, Corporation	Internet service, Shenzhen	-	77.14%	78.63%	1,000,000,000
eLink Commerce Company Limited	Hong Kong, Corporation	Money service, Hong Kong	-	99.89%	100.00%	HKD25,124,600
Shenzhen Wanlitong Network Information Technology Co., Ltd.	Shenzhen, Corporation	Custom loyalty service, Shenzhen	-	77.14%	100.00%	200,000,000
Shenzhen Ping An Commercial Property Investment Co., Ltd. ("Ping An Commercial Property Investment")	Shenzhen, Corporation	Property leasing and property management, Shenzhen	-	99.50%	99.99%	1,810,000,000
Ping An Futures Co., Ltd.	Shenzhen, Corporation	Futures brokerage, Shenzhen	-	96.64%	100.00%	721,716,042
Shenzhen Ping An Real Estate Investment Co., Ltd.	Shenzhen, Corporation	Real estate investment and management, Shenzhen	-	100.00%	100.00%	1,310,000,000
Shanghai Pingpu Investment Co., Ltd.	Shanghai, Corporation	Investment management, Shanghai	-	99.51%	100.00%	9,130,500,000
Anseng Investment Company Limited	British Virgin Islands, Corporation	Project investment, British Virgin Islands	-	99.51%	100.00%	USD50,000
Shenzhen Ping An Financial Technology Consulting Co., Ltd. ("Ping An Financial Technology")	Shenzhen, Corporation	Corporation management advisory services, Shenzhen	100.00%	-	100.00%	30,406,000,000
Ping An Tradition International Money Broking Company Ltd.	Shenzhen, Corporation	Currency brokerage, Shenzhen	-	66.92%	67.00%	50,000,000
Pingan Haofang (Shanghai) E-commerce Co., Ltd.	Shanghai, Corporation	Property agency, Shanghai	-	100.00%	100.00%	1,930,000,000
Ping An Wealthtone Investment Management Co., Ltd.	Shenzhen, Corporation	Asset management, Shenzhen	-	68.11%	100.00%	800,000,000

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2024 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Ping An Fund Management Company Limited	Shenzhen, Corporation	Fund raising and distribution, Shenzhen	-	68.11%	68.19%	1,300,000,000
Shenzhen Ping An Financial Center Development Company Ltd.	Shenzhen, Corporation	Property leasing and property management, Shenzhen	-	99.51%	100.00%	6,688,870,000
Ping An Insurance Sales Services Co., Ltd.	Shenzhen, Corporation	Sales agency of insurance, Shenzhen	-	66.85%	100.00%	515,000,000
Ping An Chuang Zhan Insurance Sales & Service Co., Ltd.	Guangzhou, Corporation	Insurance agent, Shenzhen	-	99.55%	100.00%	50,000,000
Reach Success International Limited	British Virgin Islands, Corporation	Project investment, British Virgin Islands	-	99.51%	100.00%	USD50,000
Jade Reach Investments Limited	British Virgin Islands, Corporation	Project investment, British Virgin Islands	-	99.51%	100.00%	USD50,000
Shenyang Shengping Investment Management Co., Ltd. (iii)	Shenyang, Corporation	Property management and investment management, Shenyang	-	99.51%	100.00%	269,000,000
Tongxiang Ping An Investment Co., Ltd.	Jiaxing, Corporation	Investment management, Jiaxing	-	99.62%	100.00%	500,000,000
Ping An Commercial Factoring Co., Ltd.	Shanghai, Corporation	Commercial factoring, Shanghai	-	100.00%	100.00%	2,700,000,000
Shanxi Changjin Expressway Co., Ltd.	Taiyuan, Corporation	Expressway operation, Jincheng	-	59.71%	60.00%	750,000,000
Shanxi Jinjiao Expressway Co., Ltd.	Taiyuan, Corporation	Expressway operation, Jincheng	-	59.71%	60.00%	504,000,000
Ping An Caizhi Investment Management Company Limited	Shenzhen, Corporation	Equity investment, Shenzhen	-	96.55%	100.00%	300,000,000
Ping An of China Securities (Hong Kong) Company Limited	Hong Kong, Corporation	Investment holding, Hong Kong	-	96.55%	100.00%	HKD663,514,734
Ping An of China Futures (Hong Kong) Company Limited	Hong Kong, Corporation	Futures brokerage, Hong Kong	-	96.55%	100.00%	HKD20,000,000

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2024 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Ping An of China Capital (Hong Kong) Company Limited	Hong Kong, Corporation	Investment management, Hong Kong	-	96.55%	100.00%	HKD20,000,000
China PA Securities (Hong Kong) Company Limited	Hong Kong, Corporation	Securities investment and brokerage, Hong Kong	-	96.55%	100.00%	HKD440,000,000
Shanghai Lufax Fund Sales Co., Ltd.	Shanghai, Corporation	Fund sales, Shanghai	-	95.43%	100.00%	20,000,000
Fuer Insurance Broker Co., Ltd.	Shanghai, Corporation	Insurance brokerage service, Shanghai	-	99.51%	100.00%	50,000,000
Beijing Shuangronghui Investment Co., Ltd.	Beijing, Corporation	Property leasing, Beijing	-	99.51%	100.00%	256,323,143
Chengdu Ping An Property Investment Co., Ltd. (iii)	Chengdu, Corporation	Real estate investment and management, Chengdu	-	99.51%	100.00%	540,000,000
Hangzhou Pingjiang Investment Co., Ltd.	Hangzhou, Corporation	Real estate development and management, Hangzhou	-	99.51%	100.00%	1,430,000,000
Beijing Jingxinlize Investment Co., Ltd.	Beijing, Corporation	Investment management, Beijing	-	99.51%	100.00%	1,160,000,000
Anbon Allied Investment Company Limited	Hong Kong, Corporation	Real estate investment and management, United Kingdom	-	99.51%	100.00%	GBP90,000,160
Talent Bronze Limited	Hong Kong, Corporation	Real estate investment and management, United Kingdom	-	99.51%	100.00%	GBP133,000,000
Ping An Pioneer Capital Co., Ltd.	Shenzhen, Corporation	Financial products and equity investment, Shenzhen	-	96.55%	100.00%	1,000,000,000
Shenzhen Pingke Information Consulting Co., Ltd.	Shenzhen, Corporation	Management consulting, Shenzhen	-	100.00%	100.00%	5,092,341,943
Beijing Jingping Shangdi Investment Co., Ltd.	Beijing, Corporation	Property leasing, Beijing	-	99.51%	100.00%	45,000,000

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2024 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Guangzhou Xinping Property Investment Co., Ltd.	Guangzhou, Corporation	Property leasing, Guangzhou	-	99.51%	100.00%	50,000,000
Shanghai Jahwa (Group) Company Ltd. ("Shanghai Jahwa")	Shanghai, Corporation	Production and sale of consumer chemicals, Shanghai	-	99.51%	100.00%	5,268,261,234
Shanghai Jahwa United Co., Ltd. (iii)	Shanghai, Corporation	Industry, Shanghai	-	51.86%	52.12%	676,223,860
Falcon Vision Global Limited	British Virgin Islands, Corporation	Investment management, Shanghai	-	99.51%	100.00%	USD50,000
Shanghai Zean Investment Management Company Limited (iii)	Shanghai, Corporation	Property leasing, Shanghai	-	99.51%	100.00%	3,660,000,000
PA Dragon LLC	USA, Corporation	Logistics and real estate, USA	-	99.52%	100.00%	USD143,954,940
Shanghai Pingan Automobile E-commerce Co., Ltd.	Shanghai, Corporation	E-commerce, Shanghai	-	94.74%	94.74%	63,330,000
Shanghai Gezhouba Yangming Property Co., Ltd.	Shanghai, Corporation	Real estate development and management, Shanghai	-	99.51%	100.00%	20,000,000
Shanghai Jinyao Investment Management Co., Ltd.	Shanghai, Corporation	Investment management, Shanghai	-	99.05%	100.00%	1,290,000,000
Shanghai Pingxin Asset Management Co., Ltd.	Shanghai, Corporation	Asset management, Shanghai	-	100.00%	100.00%	1,010,000,000
Shenzhen Qianhai Credit Service Centre Co., Ltd.	Shenzhen, Corporation	Credit information services, Shenzhen	-	100.00%	100.00%	345,075,000
Pingan Real Estate Capital Limited	Hong Kong, Corporation	Investment platform, Hong Kong	-	99.62%	100.00%	2,536,129,600
Shenzhen Pulian Consulting Co., Ltd.	Shenzhen, Corporation	Investment consulting, Shenzhen	-	100.00%	100.00%	100,000,000
Guangzhou Ping An Good Loan Microfinance Co., Ltd.	Guangzhou, Corporation	Micro loan, Guangzhou	-	100.00%	100.00%	600,000,000

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2024 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
An Ke Technology Company Limited	Hong Kong, Corporation	Investment management and investment consulting, Hong Kong	-	100.00%	100.00%	USD582,996,000
Ping An Pay Technology Service Co., Ltd.	Shenzhen, Corporation	Internet service, Shenzhen	-	77.14%	100.00%	680,000,000
Ping An Pay Electronic Payment Co., Ltd.	Shanghai, Corporation	Fund settlement for using bank card, Shanghai	-	77.14%	100.00%	489,580,000
Tongxiang Anhao Investment Management Co., Ltd.	Jiaxing, Corporation	Investment management, Jiaxing	-	99.81%	100.00%	300,000,000
Ping An Infrastructure Investment Fund Management Co., Ltd.	Shenzhen, Corporation	Investment management, Shenzhen	-	98.02%	99.00%	1,000,000,000
Ping An Fortune Management Co., Ltd.	Shanghai, Corporation	Consulting services, Shanghai	-	100.00%	100.00%	100,000,000
Shenzhen Ping An Evergreen Investment Development Holding Co., Ltd.	Shenzhen, Corporation	Investment consulting, Shenzhen	-	100.00%	100.00%	1,500,100,000
Ping An International Financial Leasing (Tianjin) Co., Ltd.	Tianjin, Corporation	Financial leasing, Tianjin	-	100.00%	100.00%	10,400,000,000
Shenzhen Anpu Development Co., Ltd.	Shenzhen, Corporation	Logistics and warehousing, Shenzhen	-	79.61%	80.00%	5,625,000,000
China PA Asset Management (Hong Kong) Company Limited	Hong Kong, Corporation	Asset management, Hong Kong	-	96.55%	100.00%	HKD10,000,000
Shanghai Tianhe Insurance Brokerage Co., Ltd.	Shanghai, Corporation	Insurance brokerage, Shanghai	-	42.89%	100.00%	50,000,000
Helios P.A. Company Limited	Hong Kong, Corporation	Project investment, Hong Kong	-	99.51%	100.00%	USD677,161,910
Ping An Urban-Tech (Shenzhen) Co., Ltd. (iii)	Shenzhen, Corporation	IT services, Shenzhen	-	89.47%	100.00%	258,234,363
Shenzhen Ping An Chuangke Investment Management Co., Ltd.	Shenzhen, Corporation	Investment management, Shenzhen	-	99.81%	100.00%	100,000,000

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2024 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Shenzhen Anchuang Investment Management Co., Ltd.	Shenzhen, Corporation	Investment management, Shenzhen	-	99.81%	100.00%	100,000,000
Lianxin (Shenzhen) Investment Management Co., Ltd.	Shenzhen, Corporation	Investment management, Shenzhen	-	99.72%	100.00%	5,100,000,000
Autohome Inc.	Cayman Islands, Corporation	Automotive internet platform, Beijing	-	42.89%	46.90%	USD1,273,469
Mayborn Group Limited	United Kingdom, Corporation	Infant products, United Kingdom	-	51.86%	100.00%	GBP1,154,873
Jiaxing Ping An Cornerstone I Equity Investment Management Co., Ltd.	Jiaxing, Corporation	Investment management, Shanghai	-	99.51%	100.00%	1,000,000
Ping An Wealth Management Co., Ltd.	Shenzhen, Corporation	Asset management, Shenzhen	-	57.96%	100.00%	5,000,000,000
TTP Car Inc.	Cayman Islands, Corporation	Second-hand car platform, Shanghai	-	21.87%	51.00%	USD15,753
Shenzhen Shengjun Investment Management Co., Ltd.	Shenzhen, Corporation	Investment management, Shenzhen	-	99.72%	100.00%	5,000,000
Overseas W.H. Investment Company Limited (iii)	Cayman Islands, Corporation	Investment holding, Cayman Islands	-	100.00%	100.00%	USD4,459,442,233
Shenzhen Pingjia Investment Management Co., Ltd.	Shenzhen, Corporation	Investment platform, Shenzhen	-	99.81%	100.00%	5,000,000
Chongqing Youshengda Real Estate Consulting Co., Ltd.	Chongqing, Corporation	Real estate consulting, Chongqing	-	99.51%	100.00%	12,537,286,000
Hangzhou Xiaoshan Ping An Cornerstone II Equity Investment Co., Ltd. (iii)	Hangzhou, Corporation	Investment management, Shanghai	-	99.51%	100.00%	9,090,082
Shenzhen Hengchuang Investment Management Co., Ltd.	Shenzhen, Corporation	Investment platform, Shenzhen	-	99.62%	100.00%	5,000,000
Global Voyager Fund (HK) Company Limited (iii)	Hong Kong, Corporation	Asset management, Hong Kong	-	100.00%	100.00%	USD15,476,983

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2024 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
China PA Wealth Management (Hong Kong) Company Limited	Hong Kong, Corporation	Insurance brokerage, Hong Kong	-	96.55%	100.00%	HKD1,000,000
Ping An Commodities Trading Co., Ltd.	Shenzhen, Corporation	Commodity trade, Shenzhen	-	96.64%	100.00%	1,000,000,000
Shanghai Raffles Kaixuan Commercial Management Service Co., Ltd.	Shanghai, Corporation	Property leasing and property management, Shanghai	-	69.66%	70.00%	2,208,601,418
Shanghai Huaqing Real Estate Management Co., Ltd.	Shanghai, Corporation	Property leasing and property management, Shanghai	-	59.71%	60.00%	USD30,000,000
Beijing Xinjie Real Estate Development Co., Ltd.	Beijing, Corporation	Property leasing and property management, Beijing	-	69.66%	70.00%	USD24,500,000
Chengdu Raffles City Industry Co., Ltd.	Chengdu, Corporation	Property leasing and property management, Chengdu	-	69.66%	70.00%	USD217,700,000
Raffles City (Hangzhou) Real Estate Development Co., Ltd.	Hangzhou, Corporation	Property leasing and property management, Hangzhou	-	69.66%	70.00%	USD299,740,000
Ningbo Xinyin Business Management Service Co., Ltd.	Ningbo, Corporation	Property leasing and property management, Ningbo	-	69.66%	70.00%	800,000,000
Beijing Jinkunlize Property Co., Ltd.	Beijing, Corporation	Property leasing and property management, Beijing	-	99.51%	100.00%	3,380,000,000
New Founder (Beijing) Enterprise Management Development Co., Ltd.	Beijing, Corporation	Corporation management, Beijing	-	99.51%	100.00%	50,000,000
New Founder Holding Development Company Limited ("New Founder Group")	Zhuhai, Corporation	Investment and technical services, Beijing	-	66.18%	66.51%	7,250,000,000
Founder Securities Co., Ltd. ("Founder Securities")	Changsha, Corporation	Securities brokerage, Changsha	-	19.00%	28.71%	8,232,101,395

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2024 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
PKU Healthcare Management Co., Ltd.	Zhuhai, Corporation	Hospital management, Beijing	-	66.18%	100.00%	3,000,000,000
Founder Cifco Futures Co., Ltd.	Beijing, Corporation	Futures brokerage, Beijing	-	17.56%	92.44%	1,005,000,000
Founder Financing Securities Co., Ltd.	Beijing, Corporation	Securities underwriting and sponsorship, Beijing	-	19.00%	100.00%	1,400,000,000
Shanghai Jifeng Investment Management Co., Ltd.	Shanghai, Corporation	Investment management, Shanghai	-	17.56%	100.00%	500,000,000
Beijing Founder Fubon Crown Asset Management Co., Ltd.	Beijing, Corporation	Customer-specific asset management, Beijing	-	12.67%	100.00%	130,000,000
Founder Securities (Hong Kong) Limited	Hong Kong, Corporation	Securities trading and consulting, Hong Kong	-	19.00%	100.00%	HKD410,000,000
Founder Asset Management (Hong Kong) Limited	Hong Kong, Corporation	Asset management, Hong Kong	-	19.00%	100.00%	HKD22,000,000
Founder Fubon Fund Management Co., Ltd.	Beijing, Corporation	Fund raising and distribution, Beijing	-	12.67%	66.70%	660,000,000
Lufax Holding Ltd (iv) (v) ("Lufax Holding")	Cayman Islands, Corporation	Investment holding, Shanghai	-	66.85%	66.85%	USD100,000
Ping An Consumer Finance Co., Ltd. (iv) ("Ping An Consumer Finance")	Shanghai, Corporation	Consumer finance business, Shanghai	30.00%	46.79%	100.00%	5,000,000,000
Ping An Rongyi (Jiangsu) Financing Guarantee Co., Ltd. (iv)	Nanjing, Corporation	Financing guarantee service, Nanjing	-	66.85%	100.00%	USD3,109,801,102
Gem Alliance Limited (iv)	Cayman Islands, Corporation	Intermediate holding, Cayman Islands	-	66.85%	100.00%	USD1,828,535,620
Harmonious Splendor Limited (iv)	Hong Kong, Corporation	Intermediate holding, Hong Kong	-	66.85%	100.00%	USD2,165,088,878
Ping An Puhui Enterprise Management Co., Ltd. (iv)	Shenzhen, Corporation	Enterprise management service, Shenzhen	-	66.85%	100.00%	9,435,425,000
Shenzhen Ping An Rongyi Investment Consulting Co., Ltd. (iv)	Shenzhen, Corporation	Investment consulting service, Shenzhen	-	66.85%	100.00%	1,251,363,637

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2024 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Ping An Rongyi (Heilongjiang) Information Service Co., Ltd. (iv)	Harbin, Corporation	Information technology service, Harbin	-	66.85%	100.00%	1,000,000,000
PAO Bank Limited (iv)	Hong Kong, Corporation	Digital banking, Hong Kong	-	66.85%	100.00%	HKD2,000,000,000
Heilongjiang Jinlianyuntong Small Loan Co., Ltd. (iv)	Harbin, Corporation	Lending service, Harbin	-	66.85%	100.00%	5,000,000,000

Notes:

(i) The proportion of ordinary shares, as shown in the above table, is the sum product of direct holding by the Company and indirect holding by a multiplication of the proportion of shares held in each holding layer. The proportion of votes is the sum product of the proportion of votes held directly by the Company and indirectly via subsidiaries controlled by the Company.

(ii) For the year ended 31 December 2024, Ping An Bank's profit attributable to its non-controlling interest was RMB18,712 million (2023: RMB19,530 million), the dividend paid to its non-controlling interest was RMB10,207 million (2023: RMB4,667 million). As at 31 December 2024, Ping An Bank's equity attributable to its non-controlling interest was RMB237,016 million (31 December 2023: RMB227,551 million). Ping An Bank's summarized financial information is disclosed in "segment reporting" under the "Banking" segment.

(iii) The registered capitals of these subsidiaries were changed in 2024.

(iv) The subsidiaries were incorporated into the scope of consolidation in 2024.

(v) On 30 July 2024, the Company's wholly-owned subsidiaries An Ke Technology Company Limited and China Ping An Insurance Overseas (Holdings) Limited received a total of 509,880,257 new shares allotted and issued by Lufax Holding through its special dividend plan for 2023. The Company's aggregate shareholding in Lufax Holding through An Ke Technology Company Limited and China Ping An Insurance Overseas (Holdings) Limited increased from 41.40% to 56.82%, and Lufax Holding became a subsidiary of the Group with effect from 30 July 2024 ("the date of consolidation"). The Group engaged an independent valuer to evaluate the fair values of the consolidated identifiable assets and liabilities of Lufax Holding as at the date of consolidation. The impact of a one-off gain or loss on the Group's consolidated statements due to the consolidation of Lufax Holding to the Group amounted to RMB12,755 million. In December 2024, An Ke Technology Company Limited increased shares of Lufax Holding through option exercise and share transfer. As at 31 December 2024, the Group held 66.85% of Lufax Holding shares in total.

The Company and its subsidiaries are subject to the Company Law as well as various listing requirements, where applicable. Capital or asset transactions between the Company and its subsidiaries might be subject to regulatory requirements. Certain of the Company's subsidiaries are subject to regulatory capital requirements. As such, there are restrictions on the Group's ability to access or use the assets of these subsidiaries or use them to settle the liabilities of these subsidiaries. Please refer to Note 49.(7) for detailed disclosure on the relevant regulatory capital requirements.

4. SCOPE OF CONSOLIDATION (CONTINUED)

(2) As at 31 December 2024, the Group consolidated the following principal structured entities:

Name	Attributable equity interest	Paid-in capital (RMB)	Principal activities
Ping An Asset Xinxiang No.28 Assets Management	99.51%	15,873,477,127	Investment in wealth management products
Ping An Asset Xinxiang No.19 Assets Management	99.51%	5,453,956,312	Investment in wealth management products
Ping An Asset Xinxiang No.5 Assets Management	99.55%	38,516,961	Investment in wealth management products
Ping An Asset Xinxiang No.20 Assets Management	99.51%	4,955,351,084	Investment in wealth management products
Ping An Asset Xinxiang No.18 Assets Management	99.51%	5,222,528,661	Investment in wealth management products
Ping An Fund – Ping An Life Fixed Income No. 1 MOM Single Asset Management Plan	99.51%	9,317,206,183	Investment in wealth management products
Ping An Fund – Ping An Life Equity No. 2 MOM Single Asset Management Plan	99.51%	18,654,196,821	Investment in wealth management products
Ping An Fund – Ping An Life Fixed Income No. 3 MOM Single Asset Management Plan	99.51%	19,155,253,060	Investment in wealth management products
Ping An Asset Chuangying No.19 Assets Management	99.51%	15,198,411,384	Investment in wealth management products

5. SEGMENT REPORTING

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

- The life and health insurance segment offers a comprehensive range of life insurance products to individual and corporate customers, including term, whole-life, endowment, annuity, investment-linked, universal life and health care and medical insurance, reflecting performance summary of Ping An Life, Ping An Annuity and Ping An Health Insurance[i];

- The property and casualty insurance segment offers a wide variety of insurance products to individual and corporate customers, including auto insurance, non-auto insurance, accident and health insurance, reflecting performance of Ping An Property & Casualty;

- The banking segment undertakes loan and intermediary business with corporate customers and retail customers as well as wealth management and credit card services with individual customers, reflecting performance of Ping An Bank;

- The asset management segment provides trust products services, brokerage services, trading services, investment banking services, investment management services, finance lease business and other asset management services, reflecting performance summary of Ping An Trust, Ping An Securities, Ping An Asset Management Co., Ltd. and Ping An Financial Leasing and the other asset management subsidiaries;

- The finance enablement segment provides various financial and daily-life services through internet platforms such as financial transaction information service platform, health care service platform, reflecting performance summary of the finance enablement subsidiaries, associates and joint ventures.

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

Management monitors the operating results of the Group's business units separately for the purpose of making decisions with regard to resource allocation and performance assessment. Segment performance is assessed based on key performance indicators.

Transfer prices between operating segments are based on the amount stated in the contracts agreed by both sides.

During 2024 and 2023, revenue from the Group's top five customers accounted for less than 1% of the total revenue for the year.

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

5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2024 and for the year then ended is as follows:

(in RMB million)	Life and health insurance	Property and casualty insurance	Banking	Asset management	Finance enablement	Other businesses and elimination	Total
Insurance revenue	223,302	328,146	-	-	-	(262)	551,186
Interest revenue from banking operations	-	-	198,380	-	113	(532)	197,961
Fees and commission revenue from non-insurance operations	6,843	-	27,844	10,170	2,997	(2,068)	45,786
Including: Inter-segment fees and commission revenue from non-insurance operations	(3)	-	1,274	252	484	(2,007)	-
Interest revenue from non-banking operations	99,899	6,781	-	11,361	7,636	(2,050)	123,627
Including: Inter-segment interest revenue from non-banking operations	133	23	-	2,534	138	(2,828)	-
Investment income	114,697	11,431	27,765	(984)	13,725	(5,560)	161,074
Including: Inter-segment investment income	1,641	10	(4)	32	1	(1,680)	-
Including: Operating lease income from investment properties	8,234	536	57	57	-	(1,406)	7,478
Share of profits and losses of associates and joint ventures	2,852	(1,034)	-	(1,234)	(662)	(3,401)	(3,479)
Other revenues and other gains	34,080	1,132	548	29,005	18,995	(18,569)	65,191
Including: Inter-segment other revenues	9,370	360	19	3,146	5,315	(18,210)	-
Including: Non-operating gains	581	216	37	31	54	(7)	912
Total revenue	481,673	346,456	254,537	48,318	42,804	(32,442)	1,141,346

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5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2024 and for the year then ended is as follows (continued):

(in RMB million)	Life and health insurance	Property and casualty insurance	Banking	Asset management	Finance enablement	Other businesses and elimination	Total
Insurance service expenses	(134,628)	(314,356)	-	-	-	(118)	(449,102)
Allocation of reinsurance premiums paid	(3,694)	(11,762)	-	-	-	764	(14,692)
Less: Amount recovered from reinsurer	2,222	9,231	-	-	-	(362)	11,091
Net insurance finance expenses for insurance contracts issued	(166,339)	(6,287)	-	-	-	(36)	(172,662)
Less: Net reinsurance finance income for reinsurance contracts held	85	847	-	-	-	28	960
Interest expenses on banking operations	-	-	(104,953)	-	(55)	960	(104,048)
Fees and commission expenses on non-insurance operations	(1,915)	-	(3,732)	(2,255)	-	61	(7,841)
Net impairment losses on financial assets and other assets	(22,284)	(1,469)	(49,428)	(13,056)	(6,799)	277	(92,759)
Including: Loan impairment losses, net	-	-	(52,924)	-	(3,321)	-	(56,245)
Including: Impairment losses on investment assets	(13,071)	(475)	4,383	(7,976)	(2,949)	274	(19,814)
Including: Impairment losses on receivables and others	(9,213)	(994)	(887)	(5,080)	(529)	3	(16,700)
Foreign exchange gains/(losses)	94	22	880	(407)	(35)	(174)	380
General and administrative expenses	(20,125)	(1,973)	(42,061)	(13,729)	(16,995)	10,831	(84,052)
Changes in insurance premium reserves	-	(356)	-	-	-	-	(356)
Interest expenses on non-banking operations	(6,273)	(700)	-	(13,614)	(1,808)	2,990	(19,405)
Including: Financial costs	(4,037)	(122)	-	(12,326)	(1,808)	3,018	(15,275)
Including: Interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions	(2,236)	(578)	-	(1,288)	-	(28)	(4,130)
Other expenses	(30,467)	(1,172)	(505)	(12,751)	(3,749)	10,279	(38,365)
Total expenses	(383,324)	(327,975)	(199,799)	(55,812)	(29,441)	25,500	(970,851)
Profit before tax	98,349	18,481	54,738	(7,494)	13,363	(6,942)	170,495
Income tax	(6,252)	(3,460)	(10,230)	(3,620)	(78)	(122)	(23,762)
Profit for the year	92,097	15,021	44,508	(11,114)	13,285	(7,064)	146,733
– Attributable to owners of the parent	93,025	14,952	25,796	(11,899)	12,907	(8,174)	126,607

5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2024 and for the year then ended is as follows (continued):

(in RMB million)	Life and health insurance	Property and casualty insurance	Banking	Asset management	Finance enablement	Other businesses and elimination	Total
Cash and amounts due from banks and other financial institutions	414,177	40,832	402,763	145,067	62,101	(46,913)	1,018,027
Balances with the Central Bank and statutory deposits for insurance operations	12,000	4,399	265,552	-	5	-	281,956
Accounts receivable	3,440	19	-	30,776	2,489	(718)	36,006
Reinsurance contract assets	6,860	20,475	-	-	-	(1,251)	26,084
Finance lease receivable	-	-	-	210,176	-	-	210,176
Loans and advances to customers	-	-	3,294,053	-	111,509	(13,725)	3,391,837
Financial assets at fair value through profit or loss	1,338,512	182,567	629,571	155,026	37,781	33,617	2,377,074
Financial assets at amortized cost	170,245	156,075	785,075	189,315	3,361	(71,621)	1,232,450
Debt financial assets at fair value through other comprehensive income	2,926,430	23,196	176,655	50,458	1,156	9,042	3,186,937
Equity financial assets at fair value through other comprehensive income	331,155	31,822	5,773	684	49	(12,990)	356,493
Investments in associates and joint ventures	138,169	25,797	-	53,881	19,072	(51,405)	185,514
Others	313,932	33,937	209,828	67,616	33,157	(3,197)	655,273
Segment assets	5,654,920	519,119	5,769,270	902,999	270,680	(159,161)	12,957,827

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5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2024 and for the year then ended is as follows (continued):

(in RMB million)	Life and health insurance	Property and casualty insurance	Banking	Asset management	Finance enablement	Other businesses and elimination	Total
Due to banks and other financial institutions	**32,374**	**-**	**589,627**	**289,133**	**51,198**	**(124,149)**	**838,183**
Assets sold under agreements to repurchase	**225,802**	**42,415**	**131,181**	**60,826**	**502**	**1,566**	**462,292**
Accounts payable	**5,396**	**150**	**-**	**1,304**	**854**	**(833)**	**6,871**
Insurance contract liabilities	**4,703,643**	**282,048**	**-**	**-**	**-**	**(896)**	**4,984,795**
Reinsurance contract liabilities	**-**	**569**	**-**	**-**	**-**	**-**	**569**
Customer deposits and payables to brokerage customers	**66,616**	**-**	**3,592,313**	**102,230**	**3,934**	**(54,926)**	**3,710,167**
Bonds payable	**72,235**	**10,111**	**695,200**	**165,356**	**-**	**24,140**	**967,042**
Others	**133,391**	**47,152**	**266,107**	**187,943**	**76,972**	**(28,369)**	**683,196**
Segment liabilities	**5,239,457**	**382,445**	**5,274,428**	**806,792**	**133,460**	**(183,467)**	**11,653,115**
Segment equity	**415,463**	**136,674**	**494,842**	**96,207**	**137,220**	**24,306**	**1,304,712**
– Attributable to owners of the parent	**334,468**	**135,854**	**257,826**	**79,452**	**86,841**	**34,159**	**928,600**
Other segment information:							
Capital expenditures	**5,572**	**730**	**3,809**	**598**	**1,631**	**341**	**12,681**
Depreciation and amortization	**9,571**	**1,388**	**5,631**	**1,101**	**1,890**	**(470)**	**19,111**
Total other non-cash expenses charged to consolidated results	**22,284**	**1,469**	**49,428**	**13,056**	**6,799**	**(277)**	**92,759**

As at 31 December 2024, the total accumulated changes in the fair value and credit risks provision of debt financial assets at fair value through other comprehensive income, and insurance finance expenses for insurance contracts issued in other comprehensive income that may be reclassified subsequently to profit or loss, net of tax, of Life and health insurance segment is RMB -74,289 million.

5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2023 and for the year then ended is as follows:

(in RMB million)	Life and health insurance	Property and casualty insurance	Banking	Asset management	Finance enablement	Other businesses and elimination	Total
Insurance revenue	223,600	313,458	–	–	–	(618)	536,440
Interest revenue from banking operations	–	–	227,617	–	–	(65)	227,552
Fees and commission revenue from non-insurance operations	5,424	–	35,042	9,277	–	(3,937)	45,806
Including: Inter-segment fees and commission revenue from non-insurance operations	(10)	–	3,510	331	–	(3,831)	–
Interest revenue from non-banking operations	99,000	7,956	–	13,284	801	(2,538)	118,503
Including: Inter-segment interest revenue from non-banking operations	82	34	–	3,048	81	(3,245)	–
Investment income	19,483	4,623	15,750	(5,173)	493	(1,852)	33,324
Including: Inter-segment investment income	2,057	133	(17)	132	42	(2,347)	–
Including: Operating lease income from investment properties	7,893	387	50	41	–	(1,465)	6,906
Share of profits and losses of associates and joint ventures	3,166	465	–	921	583	(3,701)	1,434
Other revenues and other gains	37,663	1,249	915	29,550	18,457	(19,030)	68,804
Including: Inter-segment other revenues	9,890	58	25	3,136	5,187	(18,296)	–
Including: Non-operating gains	423	254	49	85	5	–	816
Total revenue	388,336	327,751	279,324	47,859	20,334	(31,741)	1,031,863

5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2023 and for the year then ended is as follows (continued):

(in RMB million)	Life and health insurance	Property and casualty insurance	Banking	Asset management	Finance enablement	Other businesses and elimination	Total
Insurance service expenses	(133,978)	(306,390)	–	–	–	190	(440,178)
Allocation of reinsurance premiums paid	(2,714)	(12,496)	–	–	–	1,031	(14,179)
Less: Amount recovered from reinsurer	2,538	8,540	–	–	–	(630)	10,448
Net insurance finance expenses for insurance contracts issued	(118,509)	(5,483)	–	–	–	33	(123,959)
Less: Net reinsurance finance income for reinsurance contracts held	55	518	–	–	–	(31)	542
Interest expenses on banking operations	–	–	(109,626)	–	–	1,021	(108,605)
Fees and commission expenses on non-insurance operations	(1,415)	–	(5,612)	(1,815)	–	69	(8,773)
Net impairment losses on financial assets and other assets	(1,850)	(505)	(59,094)	(17,251)	(269)	(102)	(79,071)
Including: Loan impairment losses, net	–	–	(62,833)	–	–	–	(62,833)
Including: Impairment losses on investment assets	(1,422)	(119)	5,239	(13,493)	–	(145)	(9,940)
Including: Impairment losses on receivables and others	(428)	(386)	(1,500)	(3,758)	(269)	43	(6,298)
Foreign exchange gains/(losses)	4	(80)	662	(138)	(41)	(287)	120
General and administrative expenses	(21,274)	(682)	(47,677)	(13,650)	(13,066)	12,472	(83,877)
Changes in insurance premium reserves	–	(230)	–	–	–	–	(230)
Interest expenses on non-banking operations	(8,628)	(1,446)	–	(17,801)	(179)	3,708	(24,346)
Including: Financial costs	(5,533)	(837)	–	(16,684)	(179)	3,767	(19,466)
Including: Interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions	(3,095)	(609)	–	(1,117)	–	(59)	(4,880)
Other expenses	(31,979)	(679)	(259)	(13,833)	(3,841)	10,953	(39,638)
Total expenses	(317,750)	(318,933)	(221,606)	(64,488)	(17,396)	28,427	(911,746)
Profit before tax	70,586	8,818	57,718	(16,629)	2,938	(3,314)	120,117
Income tax	2,805	140	(11,263)	(2,893)	191	177	(10,843)
Profit for the year	73,391	8,958	46,455	(19,522)	3,129	(3,137)	109,274
– Attributable to owners of the parent	72,598	8,918	26,925	(20,747)	2,054	(4,083)	85,665

5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2023 and for the year then ended is as follows (continued):

(in RMB million)	Life and health insurance	Property and casualty insurance	Banking	Asset management	Finance enablement	Other businesses and elimination	Total
Cash and amounts due from banks and other financial institutions	316,898	47,827	317,991	119,676	27,725	(26,040)	804,077
Balances with the Central Bank and statutory deposits for insurance operations	10,573	4,320	270,976	–	5	5	285,879
Accounts receivable	4,650	224	–	29,356	1,747	(341)	35,636
Insurance contract assets	–	3	–	–	–	–	3
Reinsurance contract assets	6,066	17,454	–	–	–	(1,305)	22,215
Finance lease receivable	–	–	–	180,674	–	–	180,674
Loans and advances to customers	–	–	3,320,110	–	–	(1,988)	3,318,122
Financial assets at fair value through profit or loss	1,049,278	137,743	450,293	149,211	7,821	8,701	1,803,047
Financial assets at amortized cost	166,712	167,956	772,467	189,477	976	(54,235)	1,243,353
Debt financial assets at fair value through other comprehensive income	2,399,977	16,348	161,931	50,762	–	7,990	2,637,008
Equity financial assets at fair value through other comprehensive income	251,417	20,138	6,214	46	49	(12,987)	264,877
Investments in associates and joint ventures	140,452	26,859	–	62,507	78,112	(49,053)	258,877
Others	307,410	37,151	287,134	83,402	22,012	(7,460)	729,649
Segment assets	4,653,433	476,023	5,587,116	865,111	138,447	(136,713)	11,583,417

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5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2023 and for the year then ended is as follows (continued):

(in RMB million)	Life and health insurance	Property and casualty insurance	Banking	Asset management	Finance enablement	Other businesses and elimination	Total
Due to banks and other financial institutions	41,197	1,828	725,633	277,985	645	(83,570)	963,718
Assets sold under agreements to repurchase	90,788	34,603	58,152	57,396	–	864	241,803
Accounts payable	6,292	168	–	1,863	830	(295)	8,858
Insurance contract liabilities	3,899,625	261,153	–	–	–	(977)	4,159,801
Reinsurance contract liabilities	–	53	–	–	–	–	53
Customer deposits and payables to brokerage customers	51,587	–	3,458,287	64,797	–	(40,132)	3,534,539
Bonds payable	57,101	10,543	728,328	165,253	–	2,782	964,007
Others	113,125	42,257	144,388	186,784	21,210	(26,090)	481,674
Segment liabilities	4,259,715	350,605	5,114,788	754,078	22,685	(147,418)	10,354,453
Segment equity	393,718	125,418	472,328	111,033	115,762	10,705	1,228,964
– Attributable to owners of the parent	326,411	124,647	244,777	92,836	97,250	13,090	899,011
Other segment information:							
Capital expenditures	5,784	859	4,672	1,611	518	(350)	13,094
Depreciation and amortization	10,560	1,497	6,324	1,156	1,739	(619)	20,657
Total other non-cash expenses charged to consolidated results	1,850	505	59,094	17,251	269	102	79,071

As at 31 December 2023, the total accumulated changes in the fair value and credit risks provision of debt financial assets at fair value through other comprehensive income, and insurance finance expenses for insurance contracts issued in other comprehensive income that may be reclassified subsequently to profit or loss, net of tax, of Life and health insurance segment is RMB -18,481 million.

6. INSURANCE REVENUE

(in RMB million)	2024	2023
Insurance contracts not measured under the premium allocation approach		
Insurance revenue relating to the changes in the liability for remaining coverage		
Amount of contractual service margin recognized in profit or loss	**71,814**	77,864
Change in the risk adjustment for non-financial risk	**7,624**	7,224
Expected insurance service expenses incurred in the period	**80,470**	85,516
Others	**(71)**	(7)
Amortization of insurance acquisition cash flows	**49,095**	48,218
Subtotal	**208,932**	218,815
Insurance contracts measured under the premium allocation approach	**342,254**	317,625
	551,186	536,440

(in RMB million)	2024	2023
Contracts under the fair value approach	**19,799**	19,824
Contracts under the modified retrospective approach	**139,057**	160,400
Other contracts	**392,330**	356,216
	551,186	536,440

7. NET INTEREST INCOME FROM BANKING OPERATIONS

(in RMB million)	2024	2023
Interest revenue from banking operations		
Due from the Central Bank	**3,438**	3,844
Due from and placements with banks and other financial institutions and financial assets purchased under reverse repurchase agreements	**10,194**	8,776
Loans and advances to customers	**153,787**	183,807
Financial investments	**30,542**	31,125
Subtotal	**197,961**	227,552
Interest expenses on banking operations		
Due to the Central Bank	**2,778**	4,101
Due to and placements from banks and other financial institutions and assets sold under agreements to repurchase	**12,900**	12,539
Customer deposits	**71,802**	74,927
Bonds payable	**16,568**	17,038
Subtotal	**104,048**	108,605
Net interest income from banking operations	**93,913**	118,947

8. INTEREST REVENUE FROM NON-BANKING OPERATIONS

(in RMB million)	2024	2023
Financial assets at amortized cost	**37,546**	33,202
Debt financial assets at fair value through other comprehensive income	**86,081**	85,301
	123,627	118,503

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

(in RMB million)	2024	2023
Fees and commission revenue from non-insurance operations		
Brokerage commission	**11,407**	9,045
Underwriting commission	**815**	960
Trust service fees	**618**	939
Fees and commission from the banking business	**26,570**	31,532
Others	**6,376**	3,330
Subtotal	**45,786**	45,806
Fees and commission expenses on non-insurance operations		
Brokerage commission	**2,930**	2,392
Fees and commission on the banking business	**3,732**	5,612
Others	**1,179**	769
Subtotal	**7,841**	8,773
Net fees and commission income from non-insurance operations	**37,945**	37,033

10. INVESTMENT INCOME

(in RMB million)	2024	2023
Net investment income	**92,259**	92,296
Realized gains/(losses)	**2,311**	(49,933)
Unrealized gains/(losses)	**66,504**	(9,039)
Total investment income	**161,074**	33,324

(1) NET INVESTMENT INCOME

(in RMB million)	2024	2023
Financial assets at fair value through profit or loss	**63,214**	67,259
Equity financial assets at fair value through other comprehensive income	**21,567**	18,131
Operating lease income from investment properties	**7,478**	6,906
	92,259	92,296

(2) REALIZED GAINS/(LOSSES)

(in RMB million)	2024	2023
Financial instruments at fair value through profit or loss	**(26,831)**	(53,184)
Debt financial assets at fair value through other comprehensive income	**3,596**	599
Financial assets at amortized cost	**693**	(506)
Derivative financial instruments	**3,644**	(43)
Gains on disposals of loans and advances at fair value through other comprehensive income	**3,393**	2,403
Precious metal transactions investment gains	**475**	410
Investment in subsidiaries, associates and joint ventures	**15,695**	388
Gains on debt restructuring	**1,646**	–
	2,311	(49,933)

(3) UNREALIZED GAINS/(LOSSES)

(in RMB million)	2024	2023
Financial assets at fair value through profit or loss		
Bonds	**23,497**	8,497
Funds	**25,096**	(3,850)
Stocks	**20,081**	(5,286)
Wealth management investments, debt schemes and other investments	**5,731**	(10,760)
Financial liabilities at fair value through profit or loss	**(1,546)**	2,295
Derivative financial instruments	**(6,355)**	65
	66,504	(9,039)

11. OTHER REVENUES AND OTHER GAINS

(in RMB million)	2024	2023
Sales revenue	**25,577**	27,413
Expressway toll fee	**803**	899
Annuity management fee	**1,733**	1,558
Management fee and consulting fee income	**6,129**	7,017
Finance lease income	**17,850**	16,592
Others	**13,099**	15,325
	65,191	68,804

12. INSURANCE SERVICE EXPENSES

(in RMB million)	2024	2023
Claims and other expenses	**316,890**	309,810
Amortization of insurance acquisition cash flows	**122,027**	120,708
Losses on onerous contracts and reversal of those losses	**10,185**	9,660
	449,102	440,178

13. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

(in RMB million)	2024	2023
Accounts receivable	**462**	152
Loans and advances to customers	**56,245**	62,833
Debt financial assets at fair value through other comprehensive income	**1,224**	476
Financial assets at amortized cost	**16,952**	7,719
Finance lease receivable	**1,683**	697
Placements with banks and other financial institutions	**221**	(1,485)
Credit commitments	**(3,576)**	3,689
Due from banks and other financial institutions	**(242)**	(1,512)
Others	**12,613**	5,175
	85,582	77,744

14. NET IMPAIRMENT LOSSES ON OTHER ASSETS

(in RMB million)	2024	2023
Investments in associates and joint ventures	**4,420**	864
Others	**2,757**	463
	7,177	1,327

15. PROFIT BEFORE TAX

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

(in RMB million)	2024	2023
General and administrative expenses (Note 15.(2))	**84,052**	83,877
Other expenses (Note 15.(3))	**38,365**	39,638
Net impairment losses on financial assets (Note 13)	**85,582**	77,744
Net impairment losses on other assets (Note 14)	**7,177**	1,327

(2) GENERAL AND ADMINISTRATIVE EXPENSES

(in RMB million)	2024	2023
Employee costs	**81,442**	80,768
Including: Wages, salaries and bonuses	**61,291**	61,505
Retirement benefits, social security contributions and welfare benefits	**18,264**	17,364
Property and equipment costs	**17,717**	20,702
Including: Depreciation of property and equipment	**5,435**	7,486
Amortization of intangible assets	**2,781**	2,509
Depreciation of right-of-use assets	**4,137**	4,736
Operation expenses and regulatory charges	**56,799**	59,184
Administrative costs	**2,628**	2,979
Taxes and surcharges	**3,579**	3,665
Others	**7,547**	8,657
Including: Audit fee	**130**	125
	169,712	175,955
Less: Expenses directly attributable to insurance contracts		
Insurance acquisition cash flows recognized in liabilities for remaining coverage	**(51,290)**	(55,377)
Amounts recognized in insurance service expenses	**(34,370)**	(36,701)
	(85,660)	(92,078)
	84,052	83,877

(3) OTHER EXPENSES

(in RMB million)	2024	2023
Cost of sales	**14,471**	14,827
Depreciation of investment properties	**4,632**	4,692
Interest expenses on finance lease operations	**6,971**	7,150
Others	**12,291**	12,969
	38,365	39,638

16. INCOME TAX

(in RMB million)	2024	2023
Current income tax	**25,297**	17,699
Deferred income tax	**(1,535)**	(6,856)
	23,762	10,843

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

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

According to the rules of Pillar Two legislation, low-tax jurisdictions with effective tax rate below 15% may have a top-up tax impact. There are differences in the computation of effective tax rate between Pillar Two legislation and IFRS Accounting Standards. The Group has performed an assessment of the potential impact of the Pillar Two legislation. Based on the assessment, the Group should benefit from the transitional safe harbour for most of the affected jurisdictions in which the Group operates in 2024. Among the remaining affected jurisdictions, the Group does not expect a material exposure to Pillar Two income taxes. The Group continues to follow and evaluate the potential impact of the Pillar Two legislation on future financial performance.

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate of 25% (2023: 25%) is as follows:

(in RMB million)	2024	2023
Profit before tax	**170,495**	120,117
Tax at the applicable tax rate of 25% (2023: 25%)	**42,624**	30,029
Expenses not deductible for tax	**6,563**	3,343
Income not subject to tax	**(35,272)**	(32,250)
Adjustments in respect of current income tax of previous years	**242**	2,122
Others	**9,605**	7,599
Income tax per consolidated income statement	**23,762**	10,843

Taxes for taxable income attained from outside of the PRC are measured at the tax rates under local and PRC law, regulations and conventions. The income tax credited by the Group is verified by official tax bureau.

17. DIVIDENDS

(in RMB million)	2024	2023
2023 final dividend declared in 2024 – RMB1.50 (2022 final dividend declared in 2023 – RMB1.50) per ordinary share (i)	**27,161**	27,161
2024 interim dividend – RMB0.93 (2023 interim dividend -RMB0.93) per ordinary share (ii)	**16,840**	16,840

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

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

(ii) On 22 August 2024, the Board of Directors of the Company approved the Profit Distribution Plan of the Company for Interim Dividend of 2024, and declared an interim cash dividend of RMB0.93 (tax inclusive) per share. The total amount of the cash dividend was RMB16,840 million (tax inclusive).

(iii) On 19 March 2025, the Board of Directors of the Company approved the Profit Distribution Plan of the Company for 2024, and declared a final cash dividend of 2024 in the amount of RMB1.62 (tax inclusive) per share. Pursuant to the *Shanghai Stock Exchange's Guidelines for Self-regulation of Listed Companies No.7 – Repurchase of Shares* and other applicable regulations, the Company's A shares in the Company's repurchased securities account after trading hours on the record date of A shareholders for the final dividend will not be entitled to the final dividend distribution. The actual total amount of final dividend distribution is subject to the total number of shares that will be entitled to the dividend distribution on the record date. The total amount of the final dividend distribution for 2024 is RMB29,334,380,031.90 (tax inclusive) based on the total share capital of 18,210,234,607 shares less the 102,592,612 A shares of the Company in the repurchased securities account as at 31 December 2024, which was not recognized as a liability as at 31 December 2024.

18. EARNINGS PER SHARE

(1) BASIC

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Group.

	2024	2023
Profit attributable to owners of the parent (in RMB million)	**126,607**	85,665
Weighted average number of ordinary shares in issue (million shares)	**17,693**	17,717
Basic earnings per share (in RMB)	**7.16**	4.84

Weighted average number of ordinary shares in issue (million shares)	2024	2023
Issued ordinary shares as at 1 January	**18,210**	18,280
Weighted average number of shares held by the Key Employee Share Purchase Plan	**(27)**	(26)
Weighted average number of shares held by the Long-term Service Plan	**(387)**	(331)
Weighted average number of shares held by the consolidated assets management schemes	**-**	(33)
Weighted average number of the treasury shares cancelled	**-**	(39)
Weighted average number of shares held by the treasury share	**(103)**	(134)
Weighted average number of ordinary shares in issue	**17,693**	17,717

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18. EARNINGS PER SHARE (CONTINUED)

(2) DILUTED

Diluted earnings per share was computed by dividing the adjusted profit attributable to owners of the parent based on assuming conversion of all dilutive potential shares for the year by the adjusted weighted average number of ordinary shares in issue. The shares granted by the Company under the Key Employee Share Purchase Plan (Note 38) and Long-term Service Plan (Note 39) have a potential dilutive effect on the earnings per share. As the inclusion of potential ordinary shares from the convertible bonds would be anti-dilutive, it is not included in the calculation of diluted earnings per share in 2024.

	2024	2023
Earnings (in RMB million)		
Profit attributable to owners of the parent	**126,607**	85,665
Weighted average number of ordinary shares (million shares)		
Weighted average number of ordinary shares in issue	**17,693**	17,717
Adjustments for:		
Assumed vesting of Key Employee Share Purchase Plan	**27**	26
Assumed vesting of Long-term Service Plan	**387**	331
Weighted average number of ordinary shares for diluted earnings per share in issue (million shares)	**18,107**	18,074
Diluted earnings per share (in RMB)	**6.99**	4.74

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

(in RMB million)	31 December 2024	31 December 2023
Cash on hand	**3,424**	3,690
Term deposits	**289,752**	259,756
Due from banks and other financial institutions	**457,913**	319,924
Placements with banks and other financial institutions	**266,938**	220,707
	1,018,027	804,077

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

(in RMB million)	31 December 2024	31 December 2023
Measured at amortized cost		
Placements with banks	**53,296**	68,410
Placements with other financial institutions	**214,798**	153,229
Gross	**268,094**	221,639
Less: Provision for impairment losses	**(1,156)**	(932)
Net	**266,938**	220,707

As at 31 December 2024, cash and amounts due from banks and other financial institutions of RMB18,001 million (31 December 2023: RMB7,961 million) were restricted from use.

As at 31 December 2024, cash and amounts due from overseas amounted to RMB50,219 million (31 December 2023: RMB30,224 million).

20. BALANCES WITH THE CENTRAL BANK

(in RMB million)	31 December 2024	31 December 2023
Statutory reserve deposits with the Central Bank for banking operations	**202,900**	227,324
Including: Statutory reserve deposits with the Central Bank for banking operations – RMB	**201,126**	225,304
Statutory reserve deposits with the Central Bank for banking operations – foreign currencies	**1,774**	2,020
Surplus reserve deposits with the Central Bank	**61,078**	43,450
Fiscal deposits with the Central Bank	**1,574**	202
	265,552	270,976

In accordance with relevant regulations, subsidiaries of the Group engaged in bank operations are required to place mandatory reserve deposits with the People's Bank of China for customer deposits in both local currency and foreign currencies. As at 31 December 2024, the mandatory deposits are calculated at 6.0% (31 December 2023: 7.0%) of customer deposits denominated in RMB and 4.0% (31 December 2023: 4.0%) of customer deposits denominated in foreign currencies. Mandatory reserve deposits are not available for use by the Group in its day-to-day operations.

21. FINANCIAL ASSETS PURCHASED UNDER REVERSE REPURCHASE AGREEMENTS

Classified by collateral:

(in RMB million)	31 December 2024	31 December 2023
Bonds	**81,745**	156,011
Bills	**7,878**	8,787
Stocks and others	**2,536**	3,112
Gross	**92,159**	167,910
Less: Provision for impairment losses	**(319)**	(250)
Net	**91,840**	167,660

22. DERIVATIVE FINANCIAL INSTRUMENTS

	31 December 2024			
	Assets		Liabilities	
(in RMB million)	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps	**2,838,377**	**25,637**	**4,456,949**	**26,549**
Currency forwards and swaps	**1,362,940**	**39,188**	**1,343,689**	**37,376**
Conversion rights of convertible bonds	**-**	**-**	**25,159**	**7,871**
Gold derivative instruments	**47,478**	**1,391**	**51,080**	**1,377**
Stock index options	**9,748**	**527**	**2,579**	**144**
Stock index swaps	**4,717**	**419**	**2,373**	**294**
Others	**13,478**	**1,536**	**21,149**	**1,326**
	4,276,738	**68,698**	**5,902,978**	**74,937**

	31 December 2023			
	Assets		Liabilities	
(in RMB million)	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps	3,956,299	14,070	2,587,657	12,718
Currency forwards and swaps	1,228,639	27,015	1,218,587	27,780
Gold derivative instruments	20,804	702	25,476	1,999
Stock index options	27,999	1,255	2,469	145
Stock index swaps	7,993	333	9,372	128
Others	15,508	1,603	2,493	1,761
	5,257,242	44,978	3,846,054	44,531

23. FINANCE LEASE RECEIVABLE

(in RMB million)	31 December 2024	31 December 2023
Finance lease receivables, net of unrealized financial gains	**215,040**	185,658
Less: Provision for impairment losses	**(4,864)**	(4,984)
	210,176	180,674

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

24. LOANS AND ADVANCES TO CUSTOMERS

(1) ANALYSED BY CORPORATE AND INDIVIDUAL

(in RMB million)	31 December 2024	31 December 2023
Measured at amortized cost		
Corporate customers		
Loans	**1,137,131**	973,872
Individual customers		
Mortgage loans	**326,098**	303,568
Credit card receivables	**434,997**	514,092
Consumer loans	**539,573**	545,291
Business loans	**582,298**	614,768
Gross	**3,020,097**	2,951,591
Add: Interest receivable	**9,647**	9,954
Less: Provision for impairment losses	**(97,187)**	(97,353)
Net	**2,932,557**	2,864,192
Measured at fair value through other comprehensive income		
Corporate customers		
Loans	**273,551**	239,131
Discounted bills	**185,729**	214,799
Subtotal	**459,280**	453,930
Carrying amount	**3,391,837**	3,318,122

As at 31 December 2024, discounted bills with a carrying amount of RMB6,584 million (31 December 2023: RMB26 million) were pledged for amounts due to the Central Bank.

As at 31 December 2024, the provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income was RMB957 million (31 December 2023: RMB2,692 million). Please refer to Note 24.(6).

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24. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(2) ANALYSED BY INDUSTRY

(in RMB million)	31 December 2024	31 December 2023
Loans and advances to customers		
Agriculture, husbandry and fishery	**3,179**	3,575
Mining	**24,418**	17,821
Manufacturing	**223,749**	200,675
Energy	**44,745**	37,527
Transportation and communication	**70,494**	59,744
Wholesaling and retailing	**142,938**	151,160
Real estate	**245,313**	255,322
Social service, technology, culture and sanitary industries	**330,109**	246,241
Construction	**65,974**	52,760
Individual customers	**1,882,966**	1,977,719
Others	**445,492**	402,977
Gross	**3,479,377**	3,405,521
Add: Interest receivable	**9,647**	9,954
Less: Provision for impairment losses	**(97,187)**	(97,353)
Carrying amount	**3,391,837**	3,318,122

(3) ANALYSED BY TYPE OF COLLATERAL HELD

(in RMB million)	31 December 2024	31 December 2023
Unsecured	**1,386,316**	1,315,512
Guaranteed	**290,046**	226,971
Secured by collateral		
Secured by mortgages	**1,274,540**	1,313,001
Secured by monetary assets	**342,746**	335,238
Subtotal	**3,293,648**	3,190,722
Discounted bills	**185,729**	214,799
Gross	**3,479,377**	3,405,521
Add: Interest receivable	**9,647**	9,954
Less: Provision for impairment losses	**(97,187)**	(97,353)
Carrying amount	**3,391,837**	3,318,122

(4) AGING ANALYSIS OF PAST DUE LOANS BY PASS DUE DAYS

	31 December 2024				
(in RMB million)	**Within 3 months**	**3 months to 1 year**	**1 to 3 years**	**More than 3 years**	**Total**
Unsecured	**18,004**	**9,840**	**379**	**54**	**28,277**
Guaranteed	**807**	**684**	**444**	**3**	**1,938**
Secured by collateral					
Secured by mortgages	**19,062**	**9,520**	**584**	**584**	**29,750**
Secured by monetary assets	**3,367**	**2,239**	**317**	**–**	**5,923**
	41,240	**22,283**	**1,724**	**641**	**65,888**

24. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(4) AGING ANALYSIS OF PAST DUE LOANS BY PASS DUE DAYS (CONTINUED)

	31 December 2023				
(in RMB million)	Within 3 months	3 months to 1 year	1 to 3 years	More than 3 years	Total
Unsecured	22,378	12,372	404	127	35,281
Guaranteed	1,115	1,056	19	4	2,194
Secured by collateral					
Secured by mortgages	13,584	4,714	1,223	34	19,555
Secured by monetary assets	1,504	1,109	258	–	2,871
	38,581	19,251	1,904	165	59,901

Past due loans refer to the loans with either principal or interest being past due by one day or more.

(5) ANALYSED BY REGION

	31 December 2024		31 December 2023	
(in RMB million)	**Amount**	**%**	Amount	%
Eastern	**792,154**	**22.77%**	780,270	22.91%
Southern	**680,298**	**19.55%**	706,021	20.73%
Western	**304,678**	**8.76%**	335,842	9.86%
Northern	**525,982**	**15.12%**	559,056	16.42%
Head office	**1,126,385**	**32.37%**	991,440	29.11%
Overseas	**49,880**	**1.43%**	32,892	0.97%
Gross	**3,479,377**	**100.00%**	3,405,521	100.00%
Add: Interest receivable	**9,647**		9,954	
Less: Loan allowance	**(97,187)**		(97,353)	
Carrying amount	**3,391,837**		3,318,122	

(6) LOAN IMPAIRMENT PROVISION

(in RMB million)	**2024**	2023
Measured at amortized cost		
As at 1 January	**97,353**	97,919
Acquisitions of subsidiaries	**7,299**	–
Charge for the year	**58,064**	62,973
Write-off and transfer during the year	**(83,490)**	(80,727)
Recovery of loans written off previously	**18,081**	17,779
Unwinding of discount of impairment provisions recognized as interest income	**(112)**	(83)
Others	**(8)**	(508)
As at 31 December	**97,187**	97,353
Measured at fair value through other comprehensive income		
As at 1 January	**2,692**	3,277
Reversal for the year	**(1,819)**	(140)
Write-off and transfer during the year	**(40)**	(445)
Recovery of loans written off previously	**124**	–
As at 31 December	**957**	2,692
As at 31 December	**98,144**	100,045

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(in RMB million)	31 December 2024	31 December 2023
Bonds		
Government bonds	**288,136**	200,566
Finance bonds	**545,284**	307,378
Corporate bonds	**134,872**	78,485
Funds	**507,934**	475,511
Stocks	**204,583**	156,514
Preferred shares	**23,193**	22,929
Unlisted equity investments	**136,962**	127,304
Debt schemes	**73,039**	72,237
Wealth management investments	**315,956**	258,313
Other investments	**147,115**	103,810
Total	**2,377,074**	1,803,047
Listed	**402,520**	316,044
Unlisted	**1,974,554**	1,487,003
	2,377,074	1,803,047

26. FINANCIAL ASSETS AT AMORTIZED COST

(in RMB million)	31 December 2024	31 December 2023
Bonds		
Government bonds	**899,265**	892,641
Finance bonds	**44,236**	32,113
Corporate bonds	**36,758**	47,433
Debt schemes	**15,415**	14,196
Wealth management investments	**111,117**	117,172
Other investments	**188,792**	186,775
Gross	**1,295,583**	1,290,330
Less: Provisions for impairment losses	**(63,133)**	(46,977)
Net	**1,232,450**	1,243,353
Listed	**59,846**	62,757
Unlisted	**1,172,604**	1,180,596
	1,232,450	1,243,353

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

(in RMB million)	31 December 2024	31 December 2023
Bonds		
Government bonds	**2,493,010**	1,973,152
Finance bonds	**410,742**	352,063
Corporate bonds	**95,586**	75,772
Debt schemes	**102,884**	108,515
Wealth management investments	**84,715**	127,506
Total	**3,186,937**	2,637,008
Listed	**398,075**	364,740
Unlisted	**2,788,862**	2,272,268
	3,186,937	2,637,008

As at 31 December 2024, the total provision for impairment losses recognized in debt financial assets at fair value through other comprehensive income is RMB9,071 million (31 December 2023: RMB8,818 million).

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

Equity financial assets at fair value through other comprehensive income comprise the following individual investments:

(in RMB million)	31 December 2024	31 December 2023
Stocks	**267,082**	177,686
Preferred shares	**82,575**	81,893
Other equity investments	**6,836**	5,298
Total	**356,493**	264,877
Listed	**350,431**	259,579
Unlisted	**6,062**	5,298
	356,493	264,877

For the equity investments which are not held for trading but for long-term investments, the Group has irrevocably elected to recognize them in this category at initial recognition.

In 2024, for the consideration of optimizing asset allocation and asset-liability management, the Group disposed of equity financial assets at fair value through other comprehensive income amounting to RMB23,259 million (2023: RMB21,956 million), and the net cumulative gains of RMB838 million (2023: net cumulative losses of RMB311 million) on disposal was transferred from other comprehensive income to retained profits.

The dividend income of equity financial assets at fair value through other comprehensive income recognized during the year are disclosed in Note 10(1).

29. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Group's investments in the principal associates and joint ventures as at 31 December 2024 are as follows:

	2024							
(in RMB million)	As at 1 January	Additional investment	Increase/ (decrease) in current year	As at 31 December	Provision balance as at 31 December	Change of provision in current year	Cash dividends in current year	Proportion of ordinary shares held by the Group (%)[(i)]
Associates								
Veolia Water (Kunming) Investment Co., Ltd. ("Veolia Kunming")	305	-	20	325	(38)	-	-	23.88%
Shanxi Taichang Expressway Co., Ltd. ("Shanxi Taichang")	1,147	-	42	1,189	-	-	109	29.85%
Beijing-Shanghai High-Speed Railway Equity Investment Scheme ("Beijing-Shanghai Railway")	9,493	-	(4,911)	4,582	-	-	209	60.87%
Massive Idea Investments Limited	1,102	-	(281)	821	-	-	-	36.66%
Guangzhou Jinglun Property Development Co., Ltd.	644	-	(480)	164	-	-	-	39.92%
Lufax Holding	52,465	-	(52,465)	-	-	-	-	-
Ping An Healthcare and Technology Co., Ltd. ("Ping An Health")	18,673	-	(3,897)	14,776	-	-	-	39.41%
HealthKonnect Medical and Health Technology Management Company Limited ("Ping An HealthKonnect")	3,236	-	405	3,641	-	-	-	40.35%
OneConnect Financial Technology Co., Ltd. ("OneConnect")	1,913	-	81	1,994	-	-	-	32.12%
Shenzhen China Merchants-Ping An Asset Management Co., Ltd.	992	-	173	1,165	-	-	-	38.81%
ZhongAn Online P&C Insurance Co., Ltd. ("ZhongAn Online")	2,008	-	101	2,109	-	-	-	10.21%
Beijing Beiqi Penglong Automobile Service Co., Ltd.	1,768	-	(65)	1,703	-	-	75	39.18%
China Yangtze Power Co., Ltd.	16,141	-	418	16,559	-	-	812	4.03%
China Traditional Chinese Medicine Holdings Co., Ltd.	2,905	-	(400)	2,505	(513)	(513)	-	11.94%
China Fortune Land Development Co., Ltd. ("China Fortune")	1,740	-	(599)	1,141	(9,820)	-	-	25.02%
China Jinmao Holding Group Co., Ltd.	5,606	-	(2,077)	3,529	(3,799)	(2,241)	49	13.18%
Ping An Consumer Finance	1,533	-	(1,533)	-	-	-	-	-
Vivid Synergy Limited	10,216	-	223	10,439	-	-	-	29.85%
Shanghai Yibin Property Co., Ltd.	13,329	-	(11)	13,318	-	-	-	41.80%
Guangzhou Futures Exchange Co., Ltd.	495	-	160	655	-	-	-	15.00%
Others	31,473	7,959	(6,604)	32,828	(1,803)	(840)	2,401	
Subtotal	177,184	7,959	(71,700)	113,443	(15,973)	(3,594)	3,655	
Joint ventures								
Beijing Zhaotai Property Development Co., Ltd.	1,278	-	13	1,291	-	-	-	24.95%
Wuhan DAJT Property Development Co., Ltd.	460	-	(2)	458	-	-	-	49.81%
Founder Meiji Yasuda Life Insurance Co., Ltd.	2,982	-	(689)	2,293	(957)	(758)	-	33.75%
Others	76,973	90	(9,034)	68,029	(68)	(68)	1,646	
Subtotal	81,693	90	(9,712)	72,071	(1,025)	(826)	1,646	
Total	258,877	8,049	(81,412)	185,514	(16,998)	(4,420)	5,301	

29. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The Group's investments in the principal associates and joint ventures as at 31 December 2023 are as follows:

	2023							
(in RMB million)	As at 1 January	Additional investment	Increase/ (decrease) in current year	As at 31 December	Provision balance as at 31 December	Change of provision in current year	Cash dividends in current year	Proportion of ordinary shares held by the Group (%)(i)
Associates								
Veolia Kunming	309	-	(4)	305	(37)	-	-	23.88%
Veolia Water (Yellow River) Investment Co., Ltd.	140	-	(140)	-	-	-	-	-
Veolia Water (Liuzhou) Investment Co., Ltd.	147	-	(147)	-	-	-	-	-
Shanxi Taichang	1,032	-	115	1,147	-	-	-	29.85%
Beijing-Shanghai Railway	9,489	-	4	9,493	-	-	16	59.14%
Massive Idea Investments Limited	1,131	-	(29)	1,102	-	-	-	36.66%
Guangzhou Jinglun Property Development Co., Ltd.	637	-	7	644	-	-	-	39.92%
Lufax Holding	52,845	-	(380)	52,465	-	-	594	41.43%
Ping An Health	18,739	-	(66)	18,673	-	-	-	39.41%
Ping An HealthKonnect	2,988	-	248	3,236	-	-	-	29.55%
OneConnect	2,079	-	(166)	1,913	-	-	-	32.12%
Shenzhen China Merchants-Ping An Asset Management Co., Ltd.	1,098	-	(106)	992	-	-	-	38.81%
ZhongAn Online	1,499	-	509	2,008	-	-	-	10.21%
Beijing Beiqi Penglong Automobile Service Co., Ltd.	1,807	-	(39)	1,768	-	-	111	39.18%
China Yangtze Power Co., Ltd.	15,882	-	259	16,141	-	-	845	4.03%
China Traditional Chinese Medicine Holdings Co., Ltd.	2,790	-	115	2,905	-	-	28	11.94%
China Fortune	2,522	-	(782)	1,740	(9,820)	-	-	25.02%
China Jinmao Holding Group Co., Ltd.	7,139	-	(1,533)	5,606	(1,558)	-	58	13.18%
Ping An Consumer Finance	1,386	-	147	1,533	-	-	-	30.00%
Vivid Synergy Limited	10,070	-	146	10,216	-	-	-	29.85%
Shanghai Yibin Property Co., Ltd.	13,338	-	(9)	13,329	-	-	-	41.80%
Guangzhou Futures Exchange Co., Ltd.	465	-	30	495	-	-	-	15.00%
Others	38,047	412	(6,986)	31,473	(1,347)	(354)	2,689	
Subtotal	185,579	412	(8,807)	177,184	(12,762)	(354)	4,341	
Joint ventures								
Beijing Zhaotai Property Development Co., Ltd.	1,619	-	(341)	1,278	-	-	339	24.95%
Wuhan DAJT Property Development Co., Ltd.	468	-	(8)	460	-	-	-	49.81%
Founder Meiji Yasuda Life Insurance Co., Ltd.	2,795	867	(680)	2,982	(199)	(199)	-	33.75%
Others	90,332	976	(14,335)	76,973	(311)	(311)	2,925	
Subtotal	95,214	1,843	(15,364)	81,693	(510)	(510)	3,264	
Total	280,793	2,255	(24,171)	258,877	(13,272)	(864)	7,605	

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29. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The financial information summary of the Group's principal associates and joint ventures as at 31 December 2024 and for the year then ended are as follows:

(in RMB million)	Place of business	Place of incorporation	Principal activities	Significant to the Group's operation	Total assets	Total liabilities	Total revenue	Net profit/ (loss)(ii)
Associates								
Ping An Health	China	Cayman	Online health care	Yes	**16,780**	**13,200**	**4,808**	**81**
OneConnect	China	Cayman	Technology-as-a-service cloud platform for financial institutions	Yes	**3,967**	**1,463**	**2,248**	**(669)**

The financial information summary of the Group's principal associates and joint ventures as at 31 December 2023 and for the year then ended are as follows:

(in RMB million)	Place of business	Place of incorporation	Principal activities	Significant to the Group's operation	Total assets	Total liabilities	Total revenue	Net profit/ (loss)(ii)
Associates								
Ping An Health	China	Cayman	Online health care	Yes	16,520	3,253	4,674	(323)
OneConnect	China	Cayman	Technology-as-a-service cloud platform for financial institutions	Yes	8,068	5,121	3,522	(211)

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

Note i: The proportion of ordinary shares, as shown in the above table, is the multiplication of the proportion of shares held in each holding layer.

Note ii: Net profit/(loss) refers to the net profit/(loss) from continuing operations attributable to shareholders of the parent company of Ping An Health and OneConnect respectively.

30. STATUTORY DEPOSITS FOR INSURANCE OPERATIONS

(in RMB million)	31 December 2024	31 December 2023
Ping An Life	**8,065**	6,760
Ping An Property & Casualty	**4,200**	4,200
Ping An Annuity	**2,322**	2,322
Ping An Health Insurance	**970**	1,100
Others	**13**	18
Subtotal	**15,570**	14,400
Less: Provision for impairment losses	**(4)**	(5)
Add: Interest receivable	**838**	508
Total	**16,404**	14,903

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

31. INVESTMENT PROPERTIES

(in RMB million)	2024	2023
Cost		
As at 1 January	**147,669**	136,091
Acquisition of subsidiaries	**8,145**	11,081
Additions	**2,141**	2,379
Transfer to property and equipment, net	**(2,457)**	(1,716)
Disposals of subsidiaries	**(2,006)**	–
Disposals	**(2,470)**	(166)
As at 31 December	**151,022**	147,669
Accumulated depreciation		
As at 1 January	**26,215**	21,327
Acquisition of subsidiaries	**540**	911
Charge for the year	**4,632**	4,692
Transfer from/(to) property and equipment, net	**412**	(714)
Disposals of subsidiaries	**(216)**	–
Disposals	**(472)**	(1)
As at 31 December	**31,111**	26,215
Impairment losses		
As at 1 January	**48**	1
Charge for the year	**705**	48
Transfer from property and equipment, net	**10**	–
Disposals	**(10)**	(1)
As at 31 December	**753**	48
Net carrying amount		
As at 31 December	**119,158**	121,406
As at 1 January	**121,406**	114,763
Fair value		
As at 31 December	**157,988**	162,654
As at 1 January	**162,654**	154,690

The fair value of the investment properties as at 31 December 2024 were estimated by the Group, based on valuation performed by independent valuers. It falls under level 3 in the fair value hierarchy.

The rental income arising from investment properties for the year 2024 amounted to RMB7,478 million (2023: RMB6,906 million), which is included in net investment income.

As at 31 December 2024, investment properties with a carrying amount of RMB8,381 million (31 December 2023: RMB11,613 million) were pledged as collateral for long-term and short-term borrowings with a carrying amount of RMB5,670 million (31 December 2023: RMB7,937 million).

The Group was still in the process of applying for title certificates for certain investment properties with a carrying amount of RMB2,013 million as at 31 December 2024 (31 December 2023: RMB3,669 million).

32. PROPERTY AND EQUIPMENT

	2024					
(in RMB million)	Leasehold improvements	Buildings	Equipment, furniture and fixtures	Motor vehicles	Construction in progress	Total
Cost						
As at 1 January	13,503	50,347	26,325	1,823	4,047	96,045
Acquisitions of subsidiaries	964	58	427	1	-	1,450
Additions	121	172	1,421	29	2,085	3,828
Transfer from/(to) construction in progress	328	1,692	61	-	(2,817)	(736)
Transfer from investment properties, net	-	2,457	-	-	-	2,457
Disposals of subsidiaries	(1)	(592)	(36)	(1)	-	(630)
Disposals	(172)	(184)	(3,487)	(123)	(204)	(4,170)
As at 31 December	14,743	53,950	24,711	1,729	3,111	98,244
Accumulated depreciation						
As at 1 January	10,514	14,999	18,836	1,124	-	45,473
Acquisitions of subsidiaries	916	9	368	1	-	1,294
Charge for the year	1,154	1,911	2,589	55	-	5,709
Transfer to investment properties, net	-	(412)	-	-	-	(412)
Disposals of subsidiaries	(1)	(92)	(33)	(1)	-	(127)
Disposals	(166)	(70)	(2,566)	(100)	-	(2,902)
As at 31 December	12,417	16,345	19,194	1,079	-	49,035
Impairment losses						
As at 1 January	-	67	61	43	-	171
Additions	-	182	288	-	2	472
Transfer to investment properties, net	-	(10)	-	-	-	(10)
Disposals	-	-	(24)	(3)	-	(27)
As at 31 December	-	239	325	40	2	606
Net carrying amount						
As at 31 December	2,326	37,366	5,192	610	3,109	48,603
As at 1 January	2,989	35,281	7,428	656	4,047	50,401

32. PROPERTY AND EQUIPMENT (CONTINUED)

(in RMB million)	2023					
	Leasehold improvements	Buildings	Equipment, furniture and fixtures	Motor vehicles	Construction in progress	Total
Cost						
As at 1 January	12,970	48,953	26,544	2,236	2,718	93,421
Acquisitions of subsidiaries	–	–	15	–	–	15
Additions	128	210	1,843	70	2,228	4,479
Transfer from/(to) construction in progress	727	31	95	–	(853)	–
Transfer from investment properties, net	–	1,716	–	–	–	1,716
Disposals of subsidiaries	–	–	(2)	(3)	–	(5)
Disposals	(322)	(563)	(2,170)	(480)	(46)	(3,581)
As at 31 December	13,503	50,347	26,325	1,823	4,047	96,045
Accumulated depreciation						
As at 1 January	9,254	12,599	16,368	1,345	–	39,566
Acquisitions of subsidiaries	–	–	14	–	–	14
Charge for the year	1,432	1,935	4,309	132	–	7,808
Transfer from investment properties, net	–	714	–	–	–	714
Disposals of subsidiaries	–	–	(2)	(1)	–	(3)
Disposals	(172)	(249)	(1,853)	(352)	–	(2,626)
As at 31 December	10,514	14,999	18,836	1,124	–	45,473
Impairment losses						
As at 1 January	–	83	72	43	–	198
Additions	–	18	29	–	–	47
Disposals	–	(34)	(40)	–	–	(74)
As at 31 December	–	67	61	43	–	171
Net carrying amount						
As at 31 December	2,989	35,281	7,428	656	4,047	50,401
As at 1 January	3,716	36,271	10,104	848	2,718	53,657

The Group was still in the process of applying for title certificates for its buildings with a carrying amount of RMB425 million as at 31 December 2024 (31 December 2023: RMB523 million).

33. INTANGIBLE ASSETS

	2024						
(in RMB million)	Goodwill (i)	Expressway operating rights	Prepaid land premiums	Core deposits	Trademarks	Software and others	Total
Cost							
As at 1 January	44,407	5,129	38,741	15,082	10,074	17,283	130,716
Acquisitions of subsidiaries	-	-	621	21	18	543	1,203
Additions	29	-	1,549	-	8	928	2,514
Disposals of subsidiaries	-	-	(41)	-	-	(63)	(104)
Disposals	-	-	(408)	-	-	(499)	(907)
As at 31 December	44,436	5,129	40,462	15,103	10,100	18,192	133,422
Accumulated amortization							
As at 1 January	-	3,524	4,646	9,394	990	12,745	31,299
Acquisitions of subsidiaries	-	-	53	-	-	275	328
Charge for the year	-	189	1,128	757	95	1,671	3,840
Disposals of subsidiaries	-	-	(5)	-	-	(2)	(7)
Disposals	-	-	-	-	-	(391)	(391)
As at 31 December	-	3,713	5,822	10,151	1,085	14,298	35,069
Impairment losses							
As at 1 January	291	-	-	-	-	48	339
Acquisitions of subsidiaries	-	-	-	-	-	64	64
Additions	606	-	39	-	-	67	712
Disposals of subsidiaries	-	-	-	-	-	(6)	(6)
Disposals	-	-	-	-	-	(19)	(19)
As at 31 December	897	-	39	-	-	154	1,090
Net carrying amount							
As at 31 December	43,539	1,416	34,601	4,952	9,015	3,740	97,263
As at 1 January	44,116	1,605	34,095	5,688	9,084	4,490	99,078

33. INTANGIBLE ASSETS (CONTINUED)

(in RMB million)	2023 Goodwill (i)	Expressway operating rights	Prepaid land premiums	Core deposits	Trademarks	Software and others	Total
Cost							
As at 1 January	44,338	5,129	37,130	15,082	10,056	15,965	127,700
Acquisitions of subsidiaries	–	–	1,138	–	–	1	1,139
Additions	127	–	823	–	18	1,476	2,444
Disposals of subsidiaries	–	–	–	–	–	(1)	(1)
Disposals	(58)	–	(350)	–	–	(158)	(566)
As at 31 December	44,407	5,129	38,741	15,082	10,074	17,283	130,716
Accumulated amortization							
As at 1 January	–	3,335	3,744	8,640	893	11,387	27,999
Acquisitions of subsidiaries	–	–	23	–	–	–	23
Charge for the year	–	189	918	754	97	1,412	3,370
Disposals of subsidiaries	–	–	–	–	–	(1)	(1)
Disposals	–	–	(39)	–	–	(53)	(92)
As at 31 December	–	3,524	4,646	9,394	990	12,745	31,299
Impairment losses							
As at 1 January	278	–	–	–	–	12	290
Additions	13	–	–	–	–	38	51
Disposals	–	–	–	–	–	(2)	(2)
As at 31 December	291	–	–	–	–	48	339
Net carrying amount							
As at 31 December	44,116	1,605	34,095	5,688	9,084	4,490	99,078
As at 1 January	44,060	1,794	33,386	6,442	9,163	4,566	99,411

As at 31 December 2024, expressway operating rights with a carrying amount of RMB500 million (31 December 2023: RMB1,467 million) were pledged as collateral for long-term borrowings amounting to RMB137 million (31 December 2023: RMB157 million).

As at 31 December 2024, prepaid land premiums with a carrying amount of RMB943 million (31 December 2023: RMB981 million) were pledged as collateral for long-term borrowings amounting to RMB608 million (31 December 2023: RMB638 million).

As at 31 December 2024, the Group has no prepaid land premiums without title certificates (31 December 2023: nil).

33. INTANGIBLE ASSETS (CONTINUED)

(I) GOODWILL

(in RMB million)	2024 As at 1 January	Increase	Decrease	As at 31 December
Ping An Bank	**8,761**	**–**	**–**	**8,761**
Shanghai Jahwa	**2,502**	**–**	**–**	**2,502**
Mayborn Group Limited	**1,884**	**24**	**–**	**1,908**
Ping An Securities	**328**	**–**	**–**	**328**
Ping An Commercial Property Investment	**66**	**–**	**–**	**66**
Beijing Shuangronghui Investment Co., Ltd.	**134**	**–**	**–**	**134**
Shanghai Gezhouba Yangming Property Co., Ltd.	**241**	**–**	**–**	**241**
Ping An E-wallet	**1,073**	**–**	**–**	**1,073**
Autohome Inc.	**5,265**	**–**	**–**	**5,265**
TTP Car Inc.	**2,438**	**–**	**–**	**2,438**
New Founder Group	**20,977**	**–**	**–**	**20,977**
Other	**738**	**5**	**–**	**743**
Total	**44,407**	**29**	**–**	**44,436**
Less: Impairment losses	**(291)**	**(606)**	**–**	**(897)**
Net carrying amount	**44,116**	**(577)**	**–**	**43,539**

(in RMB million)	2023 As at 1 January	Increase	Decrease	As at 31 December
Ping An Bank	8,761	–	–	8,761
Shanghai Jahwa	2,502	–	–	2,502
Mayborn Group Limited	1,766	118	–	1,884
Ping An Securities	328	–	–	328
Ping An Commercial Property Investment	66	–	–	66
Beijing Shuangronghui Investment Co., Ltd.	134	–	–	134
Shanghai Gezhouba Yangming Property Co., Ltd.	241	–	–	241
Ping An E-wallet	1,073	–	–	1,073
Autohome Inc.	5,265	–	–	5,265
TTP Car Inc.	2,438	–	–	2,438
New Founder Group	20,977	–	–	20,977
Other	787	9	(58)	738
Total	44,338	127	(58)	44,407
Less: Impairment losses	(278)	(13)	–	(291)
Net carrying amount	44,060	114	(58)	44,116

33. INTANGIBLE ASSETS (CONTINUED)

(I) GOODWILL (CONTINUED)

When assessing the impairment of goodwill, the main valuation technique used to determine the recoverable amount of the groups of assets (or groups of cash-generating units) are Fair Value Less Cost to Sell and Present Value of Future Cash Flows.

Fair value is based on the fair value of stocks issued in the public market or applicable valuation techniques. The present value of future cash flows is based on business plans approved by management covering a five-year period and a risk adjusted discount rate. Cash flows beyond that period have been extrapolated using a steady growth rate and terminal value. Discount rates used by the Group range from 10% to 17% (2023: from 10% to 17%) and growth rates, where applicable, range from 2% to 20% (2023: from 2% to 25%) for 2024.

The Group's right-of-use assets include the above prepaid land premiums and right-of-use assets disclosed in Note 34.

34. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

	2024		
(in RMB million)	Buildings	Others	Total
Cost			
As at 1 January	15,661	12	15,673
Additions	4,185	42	4,227
Disposals	(5,433)	(5)	(5,438)
As at 31 December	14,413	49	14,462
Accumulated depreciation			
As at 1 January	5,868	8	5,876
Charge for the year	4,925	5	4,930
Disposals	(4,872)	(2)	(4,874)
As at 31 December	5,921	11	5,932
Impairment provision			
As at 1 January	3	-	3
As at 31 December	3	-	3
Net carrying amount			
As at 31 December	8,489	38	8,527
As at 1 January	9,790	4	9,794

34. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

RIGHT-OF-USE ASSETS (CONTINUED)

	2023		
(in RMB million)	Buildings	Others	Total
Cost			
As at 1 January	19,721	9	19,730
Additions	3,919	4	3,923
Disposals	(7,979)	(1)	(7,980)
As at 31 December	15,661	12	15,673
Accumulated depreciation			
As at 1 January	7,146	4	7,150
Charge for the year	4,787	5	4,792
Disposals	(6,065)	(1)	(6,066)
As at 31 December	5,868	8	5,876
Impairment provision			
As at 1 January	–	–	–
Additions	3	–	3
As at 31 December	3	–	3
Net carrying amount			
As at 31 December	9,790	4	9,794
As at 1 January	12,575	5	12,580

The Group's right-of-use assets include the above assets and prepaid land premiums disclosed in Note 33.

The amount recognized in the Consolidated Income Statement and the Consolidated Statement of Cash Flows for the year relating to the lease contracts are as follows:

(in RMB million)	**2024**	2023
Interest expense on lease liabilities	**369**	451
Expense relating to leases of low-value assets and short-term leases applied the simplified approach	**578**	660
Total cash outflows for lease	**5,444**	6,107

35. OTHER ASSETS

(in RMB million)	31 December 2024	31 December 2023
Other receivables	**73,606**	76,052
Foreclosed assets	**5,116**	1,804
Prepayments	**2,709**	2,211
Precious metals held for trading	**12,736**	10,043
Dividends receivable	**4,494**	378
Amounts in the processing clearance and settlement	**6,370**	39,036
Others	**19,927**	18,987
Gross	**124,958**	148,511
Less: Impairment provisions	**(25,786)**	(13,516)
Including: Other receivables	**(21,507)**	(9,530)
Foreclosed assets	**(1,952)**	(1,587)
Precious metals held for trading	**(116)**	(363)
Others	**(2,211)**	(2,036)
Net	**99,172**	134,995

36. SHARE CAPITAL

(million shares)	Domestic listed A shares, par value RMB1.00 per share	Overseas listed H shares, par value RMB1.00 per share	Total
31 December 2024	**10,762**	**7,448**	**18,210**
31 December 2023	**10,762**	**7,448**	**18,210**

37. RESERVES, RETAINED PROFITS AND NON-CONTROLLING INTERESTS

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

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

38. KEY EMPLOYEE SHARE PURCHASE PLAN

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

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

(in RMB million)	**Cost of shares held for Key Employee Share Purchase Plan**	**Value of employee services**	**Total**
As at 1 January 2024	**(1,261)**	**861**	**(400)**
Purchased (i)	**(584)**	**–**	**(584)**
Share-based compensation expenses (ii)	**–**	**509**	**509**
Exercised	**564**	**(564)**	**–**
Expired	**58**	**–**	**58**
As at 31 December 2024	**(1,223)**	**806**	**(417)**

(in RMB million)	Cost of shares held for Key Employee Share Purchase Plan	Value of employee services	Total
As at 1 January 2023	(1,137)	767	(370)
Purchased (i)	(694)	–	(694)
Share-based compensation expenses (ii)	–	609	609
Exercised	515	(515)	–
Expired	55	–	55
As at 31 December 2023	(1,261)	861	(400)

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

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

(ii) The share-based compensation expenses of the Key Employee Share Purchase Plan and the total value of employee services were RMB509 million during 2024 (2023: RMB609 million).

38. KEY EMPLOYEE SHARE PURCHASE PLAN (CONTINUED)

(iii) Movement of shares relating to the Key Employee Share Purchase Plan is as follows (refer to Note 54.(3) for details about directors):

Period of purchase	Average price of shares purchased	Type	Unvested as at 1 January 2024	Addition during the year[1]	Vested during the year[2]	Unvested as at 31 December 2024
From 26 April 2021 to 29 April 2021	RMB73.13 per share	Directors	560,124	–	560,124	–
		The five highest paid individuals	–	–	–	–
		Other employees	1,916,349	–	1,818,086	–
From 18 March 2022 to 25 March 2022	RMB47.56 per share	Directors	1,866,100	–	933,046	933,054
		The five highest paid individuals	–	–	–	–
		Other employees	5,969,677	–	2,827,472	2,828,996
From 16 March 2023 to 23 March 2023	RMB46.13 per share	Directors	2,900,407	–	966,800	1,933,607
		The five highest paid individuals	–	–	–	–
		Other employees	12,128,378	–	3,681,928	7,666,250
From 13 May 2024 to 13 June 2024	RMB42.89 per share	Directors	–	2,822,040	–	2,822,040
		The five highest paid individuals	–	–	–	–
		Other employees	–	10,783,832	–	10,783,832

[1] The closing price of the domestic listed A shares on the trading day before the period of purchase was RMB42.93 per share. The lock-up period of the relevant shares is from 15 June 2024 to 14 June 2025. One third of the shares under the Key Employee Share Purchase Plan will be unlocked each year and vested in batches to employees after the lock-up period according to rules of the Key Employee Share Purchase Plan, if employees achieve the requirements of the Company's performance indicators (including compliant operation indicators, risk management indicators, economic efficiency indicators, and social responsibility indicators).

[2] The weighted average price of the domestic listed A shares on the trading day before the grant date was RMB42.49 per share.

[3] From 1 January 2024 to 31 December 2024, the number of shares lapsed under the Key Employee Share Purchase Plan (excluding directors and the five highest paid individuals) reached 1,191,672; there was no share cancellation under the Key Employee Share Purchase Plan.

[4] The relevant shares are locked for one year from the purchasing date; one third of the shares will be unlocked each year and vested in batches to employees after the lock-up period according to rules of the Key Employee Share Purchase Plan.

39. LONG-TERM SERVICE PLAN

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

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

(in RMB million)	Cost of shares held for Long-term Service Plan	Value of employee services	Total
As at 1 January 2024	**(21,324)**	**1,429**	**(19,895)**
Purchased (i)	**(3,540)**	**-**	**(3,540)**
Share-based compensation expenses (ii)	**-**	**498**	**498**
Exercised	**56**	**(56)**	**-**
As at 31 December 2024	**(24,808)**	**1,871**	**(22,937)**

(in RMB million)	Cost of shares held for Long-term Service Plan	Value of employee services	Total
As at 1 January 2023	(16,886)	970	(15,916)
Purchased (i)	(4,451)	–	(4,451)
Share-based compensation expenses (ii)	–	472	472
Exercised	13	(13)	–
As at 31 December 2023	(21,324)	1,429	(19,895)

(i) From 23 August 2024 to 20 September 2024, 106,896,000 ordinary H shares were purchased from the market. The average price of shares purchased was HKD35.85 per share. The total purchasing cost was RMB3,540 million (transaction expenses included).

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

(ii) The share-based compensation expenses and the total value of employee services of the Long-term Service Plan were RMB498 million during 2024 (2023: RMB472 million).

39. LONG-TERM SERVICE PLAN (CONTINUED)

(iii) Movement of shares relating to the Long-term Service Plan is as follows (refer to Note 54.(3) for details about directors):

Period of purchase	Average price of shares purchased	Type	Unvested as at 1 January 2024	Addition during the year[1]	Vested during the year[2]	Unvested as at 31 December 2024
From 7 May 2019 to 14 May 2019	RMB79.10 per share	Directors	714,052	–	–	714,052
		The five highest paid individuals	25,276	–	–	25,276
		Other employees	53,281,540	–	407,327	52,874,213
From 24 February 2020 to 28 February 2020	RMB80.15 per share	Directors	723,560	–	–	723,560
		The five highest paid individuals	24,950	–	–	24,950
		Other employees	48,864,029	–	269,665	48,594,364
From 26 April 2021 to 29 April 2021	RMB72.92 per share	Directors	788,667	–	–	788,667
		The five highest paid individuals	13,985	–	–	13,985
		Other employees	56,555,540	–	13,560	56,541,980
From 18 March 2022 to 25 March 2022	RMB47.56 per share	Directors	1,210,884	–	–	1,210,884
		The five highest paid individuals	23,124	–	–	23,124
		Other employees	92,073,597	–	8,686	92,064,911
From 16 March 2023 to 23 March 2023	RMB46.06 per share	Directors	1,074,401	–	–	1,074,401
		The five highest paid individuals	25,177	–	–	25,177
		Other employees	95,507,981	–	10,590	95,497,391
From 23 August 2024 to 20 September 2024	HKD35.85 per share	Directors	–	2,083,765	–	2,083,765
		The five highest paid individuals	–	30,199	–	30,199
		Other employees	–	104,782,036	–	104,782,036

[1] The closing price of the domestic listed H shares on the trading day before the period of purchase was HKD34.30 per share. Shares shall be vested and awarded to the employees when they retire from the Company, and the number of shares eligible for vesting is determined according to their performance.

[2] The weighted average price of the domestic listed A shares on the trading day before the grant date was RMB49.66 per share.

[3] From 1 January 2024 to 31 December 2024, there was no share lapse or cancellation, and there was a share conversion, resulting in a decrease of 130,276,186 A shares and an increase of 164,522,000 H shares, under the Long-term Service Plan.

[4] Shares shall be vested and awarded to the employees participating in the Long-term Service Plan, subject to the confirmation of their applications made and the payment of relevant taxes when they retire from the Company.

40. TREASURY SHARES

(in RMB million)	31 December 2023	Additions	Disposals	31 December 2024
Treasury shares	**5,001**	**–**	**–**	**5,001**

As at 31 December 2024, 102,592,612 uncancelled A shares had been purchased from the Shanghai Stock Exchange by centralized bidding (31 December 2023: 102,592,612 shares). The total repurchasing cost was RMB5,001 million (31 December 2023: RMB5,001 million) (transaction expenses included).

41. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

(in RMB million)	31 December 2024	31 December 2023
Deposits from other banks and financial institutions	**534,371**	526,452
Due to the Central Bank	**86,110**	208,783
Short-term borrowings	**95,662**	93,322
Long-term borrowings	**122,040**	135,161
	838,183	963,718

42. ASSETS SOLD UNDER AGREEMENTS TO REPURCHASE

(in RMB million)	31 December 2024	31 December 2023
Bonds	**460,757**	228,250
Others	**1,535**	13,553
	462,292	241,803

As at 31 December 2024, bonds with a carrying amount of RMB393,290 million (31 December 2023: RMB171,868 million) were pledged as collateral for financial assets sold under agreements to repurchase resulted from repurchase transactions entered into by the Group in the inter-bank market. The collaterals are restricted from trading during the period of the repurchase transactions.

As at 31 December 2024, the carrying amount of bonds deposited in the collateral pool was RMB269,941 million (31 December 2023: RMB304,409 million). The collaterals are restricted from trading during the period of the repurchase transactions. The Group can withdraw the exchange-traded bonds from the collateral pool in short time provided that the value of the bonds is no less than the balance of related repurchase transactions.

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

43. INSURANCE CONTRACT ASSETS AND LIABILITIES

(1) THE ANALYSIS OF LIABILITIES FOR REMAINING COVERAGE AND LIABILITIES FOR INCURRED CLAIMS IS AS FOLLOWS:

	2024								
	Contracts not measured under the premium allocation approach				Contracts measured under the premium allocation approach				
	Liabilities for remaining coverage				Liabilities for remaining coverage		Liabilities for incurred claims		
(in RMB million)	Excluding loss component	Loss component	Liabilities for incurred claims	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total
Net insurance contract liabilities as at 1 January	3,825,144	6,332	62,799	3,894,275	122,419	5,792	132,701	4,611	265,523
Including: Insurance contract liabilities	3,825,144	6,332	62,799	3,894,275	122,427	5,792	132,696	4,611	265,526
Insurance contract assets	-	-	-	-	(8)	-	5	-	(3)
Insurance revenue	(208,932)	-	-	(208,932)	(342,254)	-	-	-	(342,254)
Incurred claims and other expenses	-	(2,230)	80,582	78,352	-	(5,342)	272,205	3,213	270,076
Amortization of insurance acquisition cash flows	49,095	-	-	49,095	72,932	-	-	-	72,932
Losses on onerous contracts and reversal of those losses	-	4,978	-	4,978	-	5,207	-	-	5,207
Changes to liabilities for incurred claims	-	-	(7,945)	(7,945)	-	-	(20,919)	(2,674)	(23,593)
Insurance service expenses	49,095	2,748	72,637	124,480	72,932	(135)	251,286	539	324,622
Insurance service result	(159,837)	2,748	72,637	(84,452)	(269,322)	(135)	251,286	539	(17,632)
Insurance finance expenses	605,281	202	292	605,775	2,532	41	3,588	128	6,289
Total changes in the statement of comprehensive income	445,444	2,950	72,929	521,323	(266,790)	(94)	254,874	667	(11,343)
Investment components	(234,876)	-	234,876	-	(7,462)	-	7,462	-	-
Premiums received	573,594	-	-	573,594	374,609	-	-	-	374,609
Insurance acquisition cash flows	(44,604)	-	-	(44,604)	(71,495)	-	-	-	(71,495)
Claims and other expenses paid	-	-	(249,255)	(249,255)	-	-	(246,488)	-	(246,488)
Other cash flows	1,158	-	-	1,158	(19,495)	-	-	-	(19,495)
Total cash flows	530,148	-	(249,255)	280,893	283,619	-	(246,488)	-	37,131
Other movements	50,117	-	(51,933)	(1,816)	(143)	-	(1,049)	1	(1,191)
Net insurance contract liabilities as at 31 December	4,615,977	9,282	69,416	4,694,675	131,643	5,698	147,500	5,279	290,120
Including: Insurance contract liabilities	4,615,977	9,282	69,416	4,694,675	131,643	5,698	147,500	5,279	290,120
Insurance contract assets	-	-	-	-	-	-	-	-	-

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(1) THE ANALYSIS OF LIABILITIES FOR REMAINING COVERAGE AND LIABILITIES FOR INCURRED CLAIMS IS AS FOLLOWS (CONTINUED):

	2023								
	Contracts not measured under the premium allocation approach				Contracts measured under the premium allocation approach				
	Liabilities for remaining coverage				Liabilities for remaining coverage		Liabilities for incurred claims		
(in RMB million)	Excluding loss component	Loss component	Liabilities for incurred claims	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total
Net insurance contract liabilities as at 1 January	3,356,921	5,606	60,285	3,422,812	114,066	5,395	124,676	4,228	248,365
Including: Insurance contract liabilities	3,356,921	5,606	60,285	3,422,812	114,066	5,395	124,676	4,228	248,365
Insurance revenue	(218,815)	-	-	(218,815)	(317,625)	-	-	-	(317,625)
Incurred claims and other expenses	-	(3,516)	97,347	93,831	-	(5,200)	251,567	2,798	249,165
Amortization of insurance acquisition cash flows	48,218	-	-	48,218	72,490	-	-	-	72,490
Losses on onerous contracts and reversal of those losses	-	4,081	-	4,081	-	5,579	-	-	5,579
Changes to liabilities for incurred claims	-	-	(7,630)	(7,630)	-	-	(23,040)	(2,516)	(25,556)
Insurance service expenses	48,218	565	89,717	138,500	72,490	379	228,527	282	301,678
Insurance service result	(170,597)	565	89,717	(80,315)	(245,135)	379	228,527	282	(15,947)
Insurance finance expenses	288,799	161	247	289,207	2,566	18	2,840	100	5,524
Total changes in the statement of comprehensive income	118,202	726	89,964	208,892	(242,569)	397	231,367	382	(10,423)
Investment components	(216,298)	-	216,298	-	(6,843)	-	6,843	-	-
Premiums received	612,322	-	-	612,322	349,777	-	-	-	349,777
Insurance acquisition cash flows	(45,806)	-	-	(45,806)	(73,582)	-	-	-	(73,582)
Claims and other expenses paid	-	-	(302,075)	(302,075)	-	-	(228,934)	-	(228,934)
Other cash flows	624	-	-	624	(18,280)	-	-	-	(18,280)
Total cash flows	567,140	-	(302,075)	265,065	257,915	-	(228,934)	-	28,981
Other movements	(821)	-	(1,673)	(2,494)	(150)	-	(1,251)	1	(1,400)
Net insurance contract liabilities as at 31 December	3,825,144	6,332	62,799	3,894,275	122,419	5,792	132,701	4,611	265,523
Including: Insurance contract liabilities	3,825,144	6,332	62,799	3,894,275	122,427	5,792	132,696	4,611	265,526
Insurance contract assets	-	-	-	-	(8)	-	5	-	(3)

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(2) THE ANALYSIS BY MEASUREMENT COMPONENT OF CONTRACTS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH IS AS FOLLOWS:

	2024			
(in RMB million)	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net insurance contract liabilities as at 1 January	2,964,209	158,628	771,438	3,894,275
Including: Insurance contract liabilities	2,964,209	158,628	771,438	3,894,275
Contractual service margin recognized for services provided	-	-	(71,814)	(71,814)
Change in the risk adjustment for non-financial risk for risk expired	-	(7,475)	-	(7,475)
Experience adjustments	(2,196)	-	-	(2,196)
Changes that relate to current services	(2,196)	(7,475)	(71,814)	(81,485)
Contracts initially recognized in the period	(35,826)	2,401	35,748	2,323
Changes in estimates that adjust the contractual service margin	34,848	(8,009)	(26,839)	-
Changes in estimates that do not adjust the contractual service margin	2,604	51	-	2,655
Changes that relate to future services	1,626	(5,557)	8,909	4,978
Adjustments to liabilities for incurred claims	(7,694)	(251)	-	(7,945)
Changes that relate to past services	(7,694)	(251)	-	(7,945)
Insurance service result	(8,264)	(13,283)	(62,905)	(84,452)
Insurance finance expenses	567,330	14,301	24,144	605,775
Total changes in the statement of comprehensive income	559,066	1,018	(38,761)	521,323
Premiums received	573,594	-	-	573,594
Insurance acquisition cash flows	(44,604)	-	-	(44,604)
Claims and other expenses paid	(249,255)	-	-	(249,255)
Other cash flows	1,158	-	-	1,158
Total cash flows	280,893	-	-	280,893
Other movements	(1,816)	-	-	(1,816)
Net insurance contract liabilities as at 31 December	3,802,352	159,646	732,677	4,694,675
Including: Insurance contract liabilities	3,802,352	159,646	732,677	4,694,675

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43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(2) THE ANALYSIS BY MEASUREMENT COMPONENT OF CONTRACTS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH IS AS FOLLOWS (CONTINUED):

	2023			
(in RMB million)	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net insurance contract liabilities as at 1 January	2,455,001	144,589	823,222	3,422,812
Including: Insurance contract liabilities	2,455,001	144,589	823,222	3,422,812
Contractual service margin recognized for services provided	–	–	(77,864)	(77,864)
Change in the risk adjustment for non-financial risk for risk expired	–	(7,174)	–	(7,174)
Experience adjustments	8,272	–	–	8,272
Changes that relate to current services	8,272	(7,174)	(77,864)	(76,766)
Contracts initially recognized in the period	(44,495)	3,055	42,547	1,107
Changes in estimates that adjust the contractual service margin	32,717	9,257	(41,974)	–
Changes in estimates that do not adjust the contractual service margin	2,803	171	–	2,974
Changes that relate to future services	(8,975)	12,483	573	4,081
Adjustments to liabilities for incurred claims	(7,194)	(436)	–	(7,630)
Changes that relate to past services	(7,194)	(436)	–	(7,630)
Insurance service result	(7,897)	4,873	(77,291)	(80,315)
Insurance finance expenses	254,534	9,166	25,507	289,207
Total changes in the statement of comprehensive income	246,637	14,039	(51,784)	208,892
Premiums received	612,322	–	–	612,322
Insurance acquisition cash flows	(45,806)	–	–	(45,806)
Claims and other expenses paid	(302,075)	–	–	(302,075)
Other cash flows	624	–	–	624
Total cash flows	265,065	–	–	265,065
Other movements	(2,494)	–	–	(2,494)
Net insurance contract liabilities as at 31 December	2,964,209	158,628	771,438	3,894,275
Including: Insurance contract liabilities	2,964,209	158,628	771,438	3,894,275

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(3) THE EFFECT ON THE MEASUREMENT COMPONENTS OF INSURANCE CONTACTS ARISING FROM THE INITIAL RECOGNITION OF CONTRACTS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH THAT WERE INITIALLY RECOGNIZED IN THE PERIOD IS AS FOLLOWS:

	2024		
(in RMB million)	**Onerous contracts**	**Others**	**Total**
Insurance acquisition cash flows	**4,825**	**41,817**	**46,642**
Other cash outflows	**31,813**	**285,306**	**317,119**
Estimates of the present value of future cash outflows	**36,638**	**327,123**	**363,761**
Estimates of the present value of future cash inflows	**(34,867)**	**(364,720)**	**(399,587)**
Risk adjustment for non-financial risk	**552**	**1,849**	**2,401**
Contractual service margin	**–**	**35,748**	**35,748**
Losses recognized on initial recognition	**2,323**	**–**	**2,323**

	2023		
(in RMB million)	Onerous contracts	Others	Total
Insurance acquisition cash flows	2,874	46,203	49,077
Other cash outflows	14,135	287,540	301,675
Estimates of the present value of future cash outflows	17,009	333,743	350,752
Estimates of the present value of future cash inflows	(16,412)	(378,835)	(395,247)
Risk adjustment for non-financial risk	510	2,545	3,055
Contractual service margin	–	42,547	42,547
Losses recognized on initial recognition	1,107	–	1,107

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(4) THE ANALYSIS OF CONTRACTUAL SERVICE MARGIN FOR CONTRACTS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH IS AS FOLLOWS:

	2024			
(in RMB million)	Contracts under the fair value approach	Contracts under the modified retrospective approach	Other contracts	Total
Contractual service margin as at 1 January	112,549	586,626	72,263	771,438
Changes that relate to current services				
Contractual service margin recognized for services provided	(8,566)	(53,631)	(9,617)	(71,814)
Changes that relate to future services				
Contracts initially recognized in the period	-	-	35,748	35,748
Changes in estimates that adjust the contractual service margin	(465)	(20,244)	(6,130)	(26,839)
Insurance service result	(9,031)	(73,875)	20,001	(62,905)
Insurance finance expenses	1,020	19,963	3,161	24,144
Total changes in the statement of comprehensive income	(8,011)	(53,912)	23,162	(38,761)
Contractual service margin as at 31 December	104,538	532,714	95,425	732,677

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(4) THE ANALYSIS OF CONTRACTUAL SERVICE MARGIN FOR CONTRACTS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH IS AS FOLLOWS (CONTINUED):

	2023			
(in RMB million)	Contracts under the fair value approach	Contracts under the modified retrospective approach	Other contracts	Total
Contractual service margin as at 1 January	124,149	659,970	39,103	823,222
Changes that relate to current services				
Contractual service margin recognized for services provided	(9,247)	(59,365)	(9,252)	(77,864)
Changes that relate to future services				
Contracts initially recognized in the period	–	–	42,547	42,547
Changes in estimates that adjust the contractual service margin	(3,436)	(36,372)	(2,166)	(41,974)
Insurance service result	(12,683)	(95,737)	31,129	(77,291)
Insurance finance expenses	1,083	22,393	2,031	25,507
Total changes in the statement of comprehensive income	(11,600)	(73,344)	33,160	(51,784)
Contractual service margin as at 31 December	112,549	586,626	72,263	771,438

As at 31 December 2024, the Group expects that 61% (31 December 2023: 61%) of the contractual service margin will be recognized in profit or loss within the next 10 years.

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(5) THE ANALYSIS OF INSURANCE FINANCE EXPENSES/(INCOME) IS AS FOLLOWS:

	2024		
(in RMB million)	**Insurance contracts not measured under the premium allocation approach**	**Insurance contracts measured under the premium allocation approach**	**Total**
Insurance finance expenses/(income)			
Changes in fair value of underlying items of contracts with direct participation features	**331,192**	**–**	**331,192**
Interest accreted to insurance contracts using locked-in rate and effect of changes in financial assumptions	**274,576**	**6,289**	**280,865**
Foreign exchange gains	**7**	**–**	**7**
Total	**605,775**	**6,289**	**612,064**
Represented by:			
Amounts recognized in profit or loss	**166,388**	**6,274**	**172,662**
Amounts recognized in other comprehensive income	**439,387**	**15**	**439,402**

	2023		
(in RMB million)	Insurance contracts not measured under the premium allocation approach	Insurance contracts measured under the premium allocation approach	Total
Insurance finance expenses/(income)			
Changes in fair value of underlying items of contracts with direct participation features	150,691	–	150,691
Interest accreted to insurance contracts using locked-in rate and effect of changes in financial assumptions	138,506	5,524	144,030
Foreign exchange gains	10	–	10
Total	289,207	5,524	294,731
Represented by:			
Amounts recognized in profit or loss	118,436	5,523	123,959
Amounts recognized in other comprehensive income	170,771	1	170,772

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(6) THE COMPOSITION OF THE UNDERLYING ITEMS FOR CONTRACTS WITH DIRECT PARTICIPATION FEATURES AND THEIR FAIR VALUES ARE AS FOLLOWS:

(in RMB million)	**2024**	2023
Financial assets at fair value through profit or loss	**646,276**	517,595
Debt financial assets at fair value through other comprehensive income	**1,699,594**	1,484,003
Equity financial assets at fair value through other comprehensive income	**222,448**	187,127
Others	**35,709**	102,325
	2,604,027	2,291,050

(7) THE RECONCILIATION OF CUMULATIVE AMOUNTS INCLUDED IN OTHER COMPREHENSIVE INCOME FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME RELATED TO THE GROUPS OF CONTRACTS TO WHICH THE GROUP APPLIED THE MODIFIED RETROSPECTIVE APPROACH OR THE FAIR VALUE APPROACH AS AT 1 JANUARY 2022, IS PROVIDED IN THE TABLE BELOW.

(in RMB million)	**2024**	2023
Carrying amount as at 1 January	**119,284**	53,463
Changes in fair value	**217,338**	83,169
Amounts reclassified to profit or loss	**1,257**	991
Amounts reclassified to retained profits	**(1,336)**	3,601
Income tax	**(54,315)**	(21,940)
Carrying amount as at 31 December	**282,228**	119,284

44. CUSTOMER DEPOSITS AND PAYABLES TO BROKERAGE CUSTOMERS

(in RMB million)	**31 December 2024**	31 December 2023
Current and savings accounts		
Corporate customers	**792,204**	868,022
Individual customers	**358,339**	290,352
Term deposits		
Corporate customers	**1,432,688**	1,321,068
Individual customers	**958,217**	938,713
Subtotal	**3,541,448**	3,418,155
Payables to brokerage customers		
Individual customers	**150,242**	90,301
Corporate customers	**18,477**	26,083
Subtotal	**168,719**	116,384
Total	**3,710,167**	3,534,539

As at 31 December 2024, bonds classified as financial assets carried at amortized costs with a carrying amount of RMB28,011 million (31 December 2023: RMB31,059 million) were pledged as main collaterals for term deposit with the Central Bank.

45. BONDS PAYABLE

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

(in RMB million)

Issuer	Type	Guarantee	Maturity	Early redemption/ Selling back option	Par value	Issue year	Interest type	Coupon rate (per annum)	31 December 2024	31 December 2023
Ping An Financial Leasing	Corporate bonds	None	5 years	End of the third year	2,474	2019	Fixed	3.00%-3.45%	**-**	2,513
Ping An Financial Leasing	Corporate bonds	None	4 years	End of the second year	718	2020	Fixed	3.00%-3.10%	**-**	729
Ping An Financial Leasing	Corporate bonds	None	5 years	End of the third year	1,840	2020	Fixed	3.60%-3.70%	**1,865**	1,869
Ping An Financial Leasing	Corporate bonds	None	2-4 years	End of the second year	2,400	2021	Fixed	3.85%-4.40%	**2,433**	2,437
Ping An Financial Leasing	Corporate bonds	None	3-5 years	End of the third year	1,700	2021	Fixed	2.30%-3.70%	**1,723**	1,726
Ping An Financial Leasing	Corporate bonds	None	3-4 years	End of the second year	7,605	2022	Fixed	2.25%-3.70%	**7,709**	8,937
Ping An Financial Leasing	Corporate bonds	None	5 years	End of the third year	1,500	2022	Fixed	3.33%-3.80%	**1,521**	1,523
Ping An Financial Leasing	Corporate bonds	None	2 years	End of the first year	3,200	2022	Fixed	2.50%-3.15%	**-**	3,250
Ping An Financial Leasing	Corporate bonds	None	4 years	End of the second year	5,600	2023	Fixed	3.37%-4.35%	**5,677**	5,687
Ping An Financial Leasing	Corporate bonds	None	2 years	End of the first year	3,250	2023	Fixed	2.25%-3.00%	**3,295**	3,554
Ping An Financial Leasing	Private corporate bonds	None	5 years	End of the third year	629	2019	Fixed	3.70%	**-**	639
Ping An Financial Leasing	Medium term notes	None	2 years	End of the first year	1,000	2024	Fixed	2.85%	**1,014**	-
Ping An Financial Leasing	Corporate bonds	None	2 years	End of the first year	4,300	2024	Fixed	2.18%-2.61%	**4,359**	-
Ping An Financial Leasing	Corporate bonds	None	4 years	End of the second year	3,900	2024	Fixed	2.39%-2.97%	**3,954**	-
Ping An Financial Leasing	Corporate bonds	None	5 years	End of the third year	2,370	2024	Fixed	2.30%-2.38%	**2,403**	-
Ping An Bank	Tier-2 Capital bonds	None	10 years	End of the fifth year	30,000	2019	Fixed	4.55%	**-**	30,907
Ping An Bank	Financial bonds	None	3 years	None	20,000	2021	Fixed	3.45%	**-**	20,630
Ping An Bank	Tier-2 Capital bonds	None	10 years	End of the fifth year	30,000	2021	Fixed	3.69%	**30,153**	30,153
Ping An Bank	Financial bonds	None	3 years	None	20,000	2022	Fixed	2.45%	**20,098**	20,098
Ping An Bank	Financial bonds	None	3 years	None	5,000	2022	Fixed	2.45%	**5,020**	5,020
Ping An Bank	Financial bonds	None	3 years	None	5,000	2022	Fixed	2.45%	**5,020**	5,020
Ping An Bank	Financial bonds	None	3 years	None	20,000	2022	Fixed	2.45%	**20,069**	20,069
Ping An Bank	Financial bonds	None	3 years	None	30,000	2023	Fixed	2.77%	**30,599**	30,598
Ping An Bank	Financial bonds	None	3 years	None	15,000	2024	Fixed	2.46%	**15,331**	-
Ping An Bank	Financial bonds	None	3 years	None	5,000	2024	Fixed	2.46%	**5,110**	-
Ping An Bank	Tier-2 Capital bonds	None	10 years	End of the fifth year	27,000	2024	Fixed	2.32%	**27,297**	-
Ping An Bank	Tier-2 Capital bonds	None	15 years	End of the tenth year	3,000	2024	Fixed	2.50%	**3,036**	-

45. BONDS PAYABLE (CONTINUED)

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

(in RMB million)

Issuer	Type	Guarantee	Maturity	Early redemption/ Selling back option	Par value	Issue year	Interest type	Coupon rate (per annum)	31 December 2024	31 December 2023
Ping An Life	Capital supplement bonds	None	10 years	End of the fifth year	20,000	2020	Fixed	First 5 years: 3.58% Next 5 years: 4.58% (if not redeemed)	**20,983**	20,873
Ping An Property & Casualty	Capital supplement bonds	None	10 years	End of the fifth year	10,000	2019	Fixed	First 5 years: 4.64% Next 5 years: 5.64% (if not redeemed)	**-**	10,543
Ping An Property & Casualty	Capital supplement bonds	None	10 years	End of the fifth year	10,000	2024	Fixed	First 5 years: 2.27% Next 5 years: 3.27% (if not redeemed)	**10,111**	-
Ping An Securities	Corporate bonds	None	3 years	None	3,000	2021	Fixed	3.40%	**-**	3,060
Ping An Securities	Corporate bonds	None	3 years	None	2,400	2021	Fixed	3.48%	**-**	2,446
Ping An Securities	Corporate bonds	None	3 years	None	1,200	2021	Fixed	3.50%	**-**	1,222
Ping An Securities	Corporate bonds	None	3 years	None	1,800	2021	Fixed	3.25%	**-**	1,826
Ping An Securities	Corporate bonds	None	3 years	None	3,000	2021	Fixed	3.05%	**-**	3,035
Ping An Securities	Corporate bonds	None	5 years	None	2,000	2021	Fixed	3.47%	**2,025**	2,025
Ping An Securities	Corporate bonds	None	3 years	None	2,600	2021	Fixed	3.37%	**-**	2,617
Ping An Securities	Private corporate bonds	None	2 years	None	1,500	2022	Fixed	3.07%	**-**	1,544
Ping An Securities	Corporate bonds	None	3 years	None	2,300	2022	Fixed	3.00%	**2,349**	2,349
Ping An Securities	Corporate bonds	None	5 years	None	500	2022	Fixed	3.42%	**512**	512
Ping An Securities	Subordinated corporate bonds	None	3 years	None	1,900	2022	Fixed	3.10%	**1,937**	1,937
Ping An Securities	Subordinated corporate bonds	None	5 years	None	1,100	2022	Fixed	3.56%	**1,124**	1,124
Ping An Securities	Corporate bonds	None	3 years	None	3,000	2022	Fixed	2.80%	**3,036**	3,035
Ping An Securities	Corporate bonds	None	3 years	None	500	2022	Fixed	2.75%	**505**	505
Ping An Securities	Corporate bonds	None	5 years	None	1,000	2022	Fixed	3.22%	**1,012**	1,012
Ping An Securities	Corporate bonds	None	3 years	None	2,500	2022	Fixed	2.65%	**2,519**	2,518
Ping An Securities	Corporate bonds	None	5 years	None	1,800	2023	Fixed	3.60%	**1,856**	1,855
Ping An Securities	Corporate bonds	None	3 years	None	1,200	2023	Fixed	3.33%	**1,235**	1,234
Ping An Securities	Corporate bonds	None	5 years	None	750	2023	Fixed	3.60%	**772**	772
Ping An Securities	Corporate bonds	None	3 years	None	500	2023	Fixed	3.39%	**514**	514
Ping An Securities	Corporate bonds	None	3 years	None	1,000	2023	Fixed	3.15%	**1,022**	1,021
Ping An Securities	Corporate bonds	None	2 years	None	2,000	2023	Fixed	3.02%	**2,042**	2,041
Ping An Securities	Corporate bonds	None	3 years	None	1,000	2023	Fixed	3.03%	**1,018**	1,018
Ping An Securities	Corporate bonds	None	2 years	None	1,500	2023	Fixed	2.90%	**1,527**	1,526
Ping An Securities	Corporate bonds	None	3 years	None	2,000	2023	Fixed	2.95%	**2,032**	2,031
Ping An Securities	Corporate bonds	None	2 years	None	1,000	2023	Fixed	2.78%	**1,015**	1,015
Ping An Securities	Corporate bonds	None	5 years	None	1,500	2023	Fixed	3.25%	**1,522**	1,521
Ping An Securities	Corporate bonds	None	3 years	None	500	2023	Fixed	2.95%	**506**	506
Ping An Securities	Corporate bonds	None	3 years	None	1,500	2023	Fixed	3.00%	**1,505**	1,504
Ping An Securities	Corporate bonds	None	3 years	None	800	2023	Fixed	3.00%	**801**	800
Ping An Securities	Corporate bonds	None	2 years	None	1,200	2023	Fixed	2.98%	**1,201**	1,200

45. BONDS PAYABLE (CONTINUED)

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

(in RMB million)

Issuer	Type	Guarantee	Maturity	Early redemption/ Selling back option	Par value	Issue year	Interest type	Coupon rate (per annum)	31 December 2024	31 December 2023
Ping An Securities	Corporate bonds	None	2 years	None	500	2024	Fixed	2.75%	**513**	-
Ping An Securities	Corporate bonds	None	3 years	None	1,150	2024	Fixed	2.80%	**1,180**	-
Ping An Securities	Corporate bonds	None	3 years	None	500	2024	Fixed	1.92%	**500**	-
Ping An Securities	Corporate bonds	None	3 years	None	1,500	2024	Fixed	2.23%	**1,505**	-
Ping An Securities	Corporate bonds	None	5 years	None	1,000	2024	Fixed	2.22%	**1,006**	-
Ping An Securities	Corporate bonds	None	74 days	None	2,000	2024	Fixed	1.89%	**2,003**	-
Ping An Securities	Corporate bonds	None	3 years	None	1,000	2024	Fixed	2.12%	**1,005**	-
Ping An Securities	Corporate bonds	None	102 days	None	2,000	2024	Fixed	1.88%	**2,003**	-
Ping An Securities	Corporate bonds	None	3 years	None	2,000	2024	Fixed	2.21%	**2,003**	-
Ping An Real Estate	Corporate bonds	None	7 years	End of the fifth year	750	2019	Fixed	4.40%	**756**	766
Ping An Real Estate	Corporate bonds	None	7 years	End of the fifth year	940	2019	Fixed	4.30%	**941**	957
Ping An Financial Technology	Private corporate bonds	None	5 years	End of the third year	150	2020	Fixed	4.00%	**153**	153
Founder Securities	Corporate bonds	None	2 years	None	1,000	2022	Fixed	3.49%	**-**	1,026
Founder Securities	Corporate bonds	None	2 years	None	700	2022	Fixed	3.40%	**-**	716
Founder Securities	Corporate bonds	None	2 years	None	600	2022	Fixed	3.18%	**-**	611
Founder Securities	Corporate bonds	None	3 years	None	1,000	2022	Fixed	2.95%	**1,007**	1,007
Founder Securities	Corporate bonds	None	2 years	None	700	2022	Fixed	2.75%	**-**	703
Founder Securities	Corporate bonds	None	3 years	None	1,300	2022	Fixed	2.94%	**1,305**	1,305
Founder Securities	Corporate bonds	None	2 years	None	400	2022	Fixed	4.30%	**-**	400
Founder Securities	Corporate bonds	None	2 years	None	1,600	2023	Fixed	3.56%	**1,650**	1,648
Founder Securities	Subordinated corporate bonds	None	3 years	None	1,200	2023	Fixed	4.10%	**1,235**	1,234
Founder Securities	Subordinated corporate bonds	None	2 years	None	1,500	2023	Fixed	3.68%	**1,535**	1,534
Founder Securities	Subordinated corporate bonds	None	3 years	None	500	2023	Fixed	3.80%	**512**	511
Founder Securities	Corporate bonds	None	3 years	None	3,000	2023	Fixed	3.23%	**3,036**	3,035
Founder Securities	Corporate bonds	None	3 years	None	500	2023	Fixed	3.28%	**505**	504
Founder Securities	Corporate bonds	None	3 years	None	3,000	2023	Fixed	3.50%	**3,018**	3,016
Founder Securities	Corporate bonds	None	2 years	None	2,000	2023	Fixed	3.14%	**2,006**	2,005
Founder Securities	Corporate bonds	None	2 years	None	2,000	2023	Fixed	3.20%	**2,002**	2,000
Founder Securities	Corporate bonds	None	2 years	None	3,000	2024	Fixed	2.90%	**3,081**	-
Founder Securities	Corporate bonds	None	2 years	None	3,000	2024	Fixed	2.59%	**3,062**	-
Founder Securities	Corporate bonds	None	2 years	None	2,000	2024	Fixed	2.40%	**2,033**	-
Founder Securities	Corporate bonds	None	3 years	None	1,500	2024	Fixed	2.40%	**1,522**	-
Founder Securities	Corporate bonds	None	3 years	None	2,000	2024	Fixed	2.29%	**2,002**	-
Founder Securities	Corporate bonds	None	3 years	None	2,000	2024	Fixed	2.03%	**1,999**	-
The Company	Convertible bonds	None	5 years	End of the third year (Note 1)	USD 3,500	2024	Fixed	0.875%	**21,381**	-

45. BONDS PAYABLE (CONTINUED)

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

As at 31 December 2024, the original terms of interbank certificates of deposit and certificates of deposit issued by Ping An Bank, but unmatured were from 3 months to 1 year, and the annual interest rates were from1.60% to 5.04% (31 December 2023: the original terms were from 3 months to 1 year, and the annual interest rates were from 2.22% to 5.32%). The carrying amount was RMB533,467 million (31 December 2023: RMB565,833 million).

As at 31 December 2024, the original terms of short-term financial bonds issued by Ping An Securities, but unmatured were from 93 days to 365 days, and the annual interest rates were from 1.70% to 2.09% (31 December 2023: the original terms were from 91 days to 274 days, and the annual interest rates were from 2.20% to 2.79%). The carrying amount was RMB20,108 million (31 December 2023: RMB16,107 million).

As at 31 December 2024, the original terms of short-term financial bonds issued by Ping An Financial Leasing, but unmatured were from 120 days to 365 days, and the annual interest rates were from 2.16% to 3.40% (31 December 2023: the original terms were from 120 days to 365 days, and the annual interest rates were from 2.16% to 3.40%). The carrying amount was RMB14,294 million (31 December 2023: RMB12,745 million).

As at 31 December 2024, the original terms of short-term financial bonds issued by Founder Securities, but unmatured were from 177 days to 365 days, and the annual interest rates were from 1.84% to 2.95% (31 December 2023: the original terms were from 140 days to 365 days, and the annual interest rates were from 2.70% to 3.40%). The carrying amount was RMB15,797 million (31 December 2023: RMB7,711 million).

As at 31 December 2024, the original terms of income certificates issued by Ping An Securities, but unmatured were from 90 days to 365 days, and the annual interest rates were from 2.00% to 2.55% (31 December 2023: the original terms were from 14 days to 90 days, and the annual interest rates were from 2.30% to 5.10%). The carrying amount was RMB4,823 million (31 December 2023: RMB122 million).

As at 31 December 2024, the original terms of income certificates issued by Founder Securities, but unmatured were from 366 days to 687 days, and the annual interest rates were from 2.10% to 3.40% (31 December 2023: the original terms were from 366 days to 733 days, and the annual interest rates were from 3.00% to 4.40%). The carrying amount was RMB3,944 million (31 December 2023: RMB7,262 million).

Note 1: The Company issued H-share convertible bonds with a total principal amount of USD3.5 billion ("convertible bonds") on 22 July 2024. The convertible bonds have a maturity term of five years from 22 July 2024 to 22 July 2029 and bear a fixed interest rate of 0.875% per annum payable semi-annually. If the convertible bonds do not be called for redemption by the Company before the maturity date, the convertible bond holders may exercise their rights to convert the convertible bonds into the Company's H shares at the stipulated conversion price at any time on or after 41st day after the issue date up to the close of business on the date falling seven working days prior to the maturity date. The convertible bonds have cash settlement option, issuer's redemption option, and bond holders' redemption option under certain conditions. The initial conversion price was HK$43.71 per H Share. The conversion price of the convertible bonds will be adjusted, subject to terms and formulae provided for in the bond contracts.

46. DEFERRED TAX ASSETS AND LIABILITIES

(in RMB million)	31 December 2024	31 December 2023
Deferred tax assets	**122,012**	101,337
Deferred tax liabilities	**(13,977)**	(14,148)

The deferred tax assets are analysed as follows:

	2024					
(in RMB million)	**As at 1 January**	**Charged to profit or loss**	**Charged to equity**	**Other changes**	**As at 31 December**	**Temporary difference as at 31 December**
Fair value adjustments on financial assets and liabilities carried at fair value through profit or loss	**6,263**	**2,490**	**–**	**55**	**8,808**	**(35,232)**
Fair value adjustments on financial assets at fair value through other comprehensive income	**764**	**–**	**434**	**(13)**	**1,185**	**(4,740)**
Insurance contract liabilities	**69,334**	**(12,889)**	**109,518**	**–**	**165,963**	**(663,852)**
Impairment provisions	**54,932**	**9,361**	**371**	**3,367**	**68,031**	**(272,124)**
Others	**36,675**	**25,424**	**(279)**	**3,798**	**65,618**	**(262,472)**
	167,968	**24,386**	**110,044**	**7,207**	**309,605**	**(1,238,420)**

	2023					
(in RMB million)	As at 1 January	Charged to profit or loss	Charged to equity	Other changes	As at 31 December	Temporary difference as at 31 December
Fair value adjustments on financial assets and liabilities carried at fair value through profit or loss	5,668	589	–	6	6,263	(25,052)
Fair value adjustments on financial assets at fair value through other comprehensive income	2,087	–	(1,414)	91	764	(3,056)
Insurance contract liabilities	41,897	(16,152)	43,589	–	69,334	(277,336)
Impairment provisions	53,815	1,016	101	–	54,932	(219,728)
Others	19,940	17,870	(1,038)	(97)	36,675	(146,700)
	123,407	3,323	41,238	–	167,968	(671,872)

46. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The deferred tax liabilities are analysed as follows:

(in RMB million)	2024 As at 1 January	Charged to profit or loss	Charged to equity	Other changes	As at 31 December	Temporary difference as at 31 December
Fair value adjustments on financial assets and liabilities carried at fair value through profit or loss	**(3,148)**	**(21,160)**	**-**	**(93)**	**(24,401)**	**97,604**
Fair value adjustments on financial assets at fair value through other comprehensive income	**(64,323)**	**-**	**(94,967)**	**-**	**(159,290)**	**637,160**
Intangible assets-core deposits	**(1,422)**	**189**	**-**	**-**	**(1,233)**	**4,932**
Intangible assets valuation premium from acquisition of Autohome Inc.	**(1,845)**	**39**	**-**	**-**	**(1,806)**	**7,224**
Assets valuation premium from disposal of subsidiaries	**(3,615)**	**-**	**-**	**-**	**(3,615)**	**14,460**
Others	**(6,426)**	**(1,919)**	**(1,219)**	**(1,661)**	**(11,225)**	**44,900**
	(80,779)	**(22,851)**	**(96,186)**	**(1,754)**	**(201,570)**	**806,280**

(in RMB million)	2023 As at 1 January	Charged to profit or loss	Charged to equity	Other changes	As at 31 December	Temporary difference as at 31 December
Fair value adjustments on financial assets and liabilities carried at fair value through profit or loss	(2,606)	(542)	-	-	(3,148)	12,592
Fair value adjustments on financial assets at fair value through other comprehensive income	(28,669)	-	(35,654)	-	(64,323)	257,292
Intangible assets-core deposits	(1,610)	188	-	-	(1,422)	5,688
Intangible assets valuation premium from acquisition of Autohome Inc.	(1,884)	39	-	-	(1,845)	7,380
Assets valuation premium from disposal of subsidiaries	(3,615)	-	-	-	(3,615)	14,460
Others	(9,919)	3,848	(81)	(274)	(6,426)	25,704
	(48,303)	3,533	(35,735)	(274)	(80,779)	323,116

46. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

As at 31 December 2024, unrecognized tax losses of the Group were RMB60,617 million (31 December 2023: RMB53,158 million).

The following table shows unrecognized tax losses based on its expected expiry date:

(in RMB million)	31 December 2024	31 December 2023
2024	–	5,855
2025	**6,875**	7,261
2026	**7,153**	7,267
2027	**11,433**	11,572
2028	**13,045**	18,349
2029 and afterwards	**22,111**	2,854
	60,617	53,158

The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	31 December 2024		31 December 2023	
(in RMB million)	Offsetting	Net	Offsetting	Net
Deferred tax assets	**(187,593)**	**122,012**	(66,631)	101,337
Deferred tax liabilities	**187,593**	**(13,977)**	66,631	(14,148)

47. OTHER LIABILITIES

(in RMB million)	31 December 2024	31 December 2023
Other payables	**171,442**	168,866
Payables to non-controlling interests of consolidated structured entities	**47,803**	10,207
Salaries and welfare payable	**56,564**	49,771
Other tax payable	**8,800**	8,571
Contingency provision	**16,159**	18,795
Insurance guarantee fund	**987**	1,000
Provision payables	**4,313**	5,140
Accruals	**13,459**	10,638
Deferred income	**1,740**	1,765
Contract liabilities	**5,530**	5,345
Finance lease deposits	**5,858**	10,035
Others	**65,088**	66,892
	397,743	357,025

48. FIDUCIARY ACTIVITIES

(in RMB million)	31 December 2024	31 December 2023
Assets under trust schemes	**981,907**	650,133
Assets under annuity investments and annuity schemes	**855,482**	750,293
Assets under asset management schemes	**1,916,445**	1,784,841
Entrusted loans of banking operations	**156,603**	155,382
Entrusted investments of banking operations	**1,214,152**	1,013,060
	5,124,589	4,353,709

49. RISK AND CAPITAL MANAGEMENT

(1) INSURANCE RISK

Type of insurance risk

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

(i) Occurrence risk – the possibility that the number of insured events will differ from those expected.

(ii) Severity risk – the possibility that the cost of the events will differ from those expected.

(iii) Development risk – the possibility that changes may occur in the amount of an insurer's obligation at the end of the contract period.

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

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

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

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(1) INSURANCE RISK (CONTINUED)

Type of insurance risk (Continued)

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

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

Concentration of insurance risks

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

Assumptions and sensitivities

(a) Long-term life insurance contracts

Assumptions

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

Sensitivities

The Group has measured the impact on long-term life insurance contract liabilities using sensitivity analysis, of varying independently certain assumptions under reasonable and possible circumstances. The following changes in assumptions have been considered:

(i) a 10% increase in mortality, morbidity, accident rates, etc. (a 10% increase in mortality rates of annuity policies before the payment period, a 10% decrease in the payment period);

(ii) a 10% increase or decrease in policy lapse rates (depends on which situation results in the unfavourable changes in fulfilment cash flows by insurance product); and

(iii) a 5% increase in maintenance expense rates.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(1) INSURANCE RISK (CONTINUED)

Assumptions and sensitivities (Continued)

(a) Long-term life insurance contracts (Continued)

Sensitivities (Continued)

		31 December 2024			
		Increase/(decrease) in profit before tax		Increase/(decrease) in equity before tax	
(in RMB million)	Change in assumptions	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Mortality, morbidity, accident rates, etc.	**+10%**	**(8,798)**	**(8,310)**	**(20,652)**	**(18,981)**
Policy lapse rates	**+/-10%**	**(2,524)**	**(2,509)**	**(6,028)**	**(6,037)**
Maintenance expense rates	**+5%**	**(585)**	**(581)**	**(1,031)**	**(1,027)**

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

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

Assumptions

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

Other key assumptions include delays in settlement, etc.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(1) INSURANCE RISK (CONTINUED)

Assumptions and sensitivities (Continued)

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

Sensitivities

The liabilities for incurred claims of property and casualty and short-term life insurance are sensitive to the above key assumptions. The sensitivity of certain variables including legislative change, uncertainty in the estimation process, etc., is not possible to quantify. Furthermore, because of delays that arise between the occurrence of a claim and its subsequent notification and eventual settlement, the liabilities for incurred claims are not known with certainty at the end of the reporting period.

Reproduced below is an exhibit that shows the development of gross liabilities for incurred claims of property and casualty insurance and short-term life insurance by the accident year and reconciliation with the aggregate carrying amount:

(in RMB million)	2020	2021	2022	2023	**2024**	Total
Estimates of undiscounted cumulative claims:						
As at the end of accident year	196,080	223,617	226,604	257,451	**266,956**	
One year later	188,032	217,423	216,105	246,580		
Two years later	185,344	211,506	209,661			
Three years later	179,704	209,290				
Four years later	178,299					
Estimated cumulative claims	178,299	209,290	209,661	246,580	**266,956**	1,110,786
Cumulative claims paid	(176,070)	(202,915)	(198,876)	(217,974)	**(168,198)**	(964,033)
Subtotal						146,753
Prior year adjustments, unallocated loss adjustment expenses, risk adjustment for non-financial risk and effect of discounting						12,848
Total gross liabilities for incurred claims						159,601

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(1) INSURANCE RISK (CONTINUED)

Assumptions and sensitivities (Continued)

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

Sensitivities (Continued)

Reproduced below is an exhibit that shows the development of net liabilities for incurred claims of property and casualty insurance and short-term life insurance by the accident year and reconciliation with the aggregate carrying amount:

(in RMB million)	2020	2021	2022	2023	**2024**	Total
Estimates of undiscounted cumulative claims:						
As at the end of accident year	184,805	205,113	211,821	244,937	**252,817**	
One year later	176,760	200,356	202,307	234,418		
Two years later	174,567	194,925	196,287			
Three years later	169,280	192,502				
Four years later	167,938					
Estimated cumulative claims	167,938	192,502	196,287	234,418	**252,817**	1,043,962
Cumulative claims paid	(166,250)	(188,438)	(187,651)	(210,124)	**(164,082)**	(916,545)
Subtotal						127,417
Prior year adjustments, unallocated loss adjustment expenses, risk adjustment for non-financial risk and effect of discounting						12,498
Net liabilities for incurred claims						139,915
Amounts recoverable on incurred claims						19,686
Total gross liabilities for incurred claims						159,601

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49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(1) INSURANCE RISK (CONTINUED)

Assumptions and sensitivities (Continued)

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

Sensitivities (Continued)

To illustrate the sensitivities of ultimate claims costs, for example, a respective percentage change in the average claim costs alone results in a similar percentage change in liabilities for incurred claims:

		31 December 2024			
		Increase/(decrease) in profit before tax		Increase/(decrease) in equity before tax	
(in RMB million)	Change in assumptions	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Average claim costs					
Property and casualty insurance	**+5%**	**(7,343)**	**(6,465)**	**(7,343)**	**(6,465)**
Short-term life insurance	**+5%**	**(637)**	**(531)**	**(637)**	**(531)**

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

(c) Reinsurance

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

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

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK

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

(a) Foreign currency risk

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

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the pre-tax impact on profit and equity (due to changes in fair value of foreign currency denominated non-monetary assets and liabilities measured at fair value, as well as monetary assets and liabilities). The correlation of variables will have a significant effect on determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

		31 December 2024		31 December 2023	
(in RMB million)	Change in variables	**Increase/ (decrease) in profit before tax**	**Increase/ (decrease) in equity before tax**	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity before tax
USD	+5%	**3,438**	**5,472**	2,528	4,304
HKD	+5%	**(416)**	**38**	(320)	209
Other currencies	+5%	**412**	**830**	449	821
		3,434	**6,340**	2,657	5,334
USD	-5%	**(3,438)**	**(5,472)**	(2,528)	(4,304)
HKD	-5%	**416**	**(38)**	320	(209)
Other currencies	-5%	**(412)**	**(830)**	(449)	(821)
		(3,434)	**(6,340)**	(2,657)	(5,334)

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK (CONTINUED)

(a) Foreign currency risk (Continued)

The main monetary assets and liabilities of the Group and non-monetary assets and liabilities measured at fair value are analysed as follows by currency:

	31 December 2024				
(in RMB million)	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	RMB equivalent total
Assets					
Cash and amounts due from banks and other financial institutions	**933,050**	**66,728**	**10,335**	**7,914**	**1,018,027**
Balances with the Central Bank and statutory deposits for insurance operations	**278,424**	**3,068**	**464**	**-**	**281,956**
Financial assets purchased under reverse repurchase agreements	**91,840**	**-**	**-**	**-**	**91,840**
Accounts receivable	**35,915**	**27**	**-**	**64**	**36,006**
Reinsurance contract assets	**21,765**	**3,761**	**558**	**-**	**26,084**
Finance lease receivable	**210,176**	**-**	**-**	**-**	**210,176**
Loans and advances to customers	**3,219,164**	**109,206**	**36,519**	**26,948**	**3,391,837**
Financial assets at fair value through profit or loss	**2,260,032**	**98,129**	**924**	**17,989**	**2,377,074**
Financial assets at amortized cost	**1,201,349**	**27,597**	**886**	**2,618**	**1,232,450**
Debt financial assets at fair value through other comprehensive income	**3,151,944**	**33,338**	**1,512**	**143**	**3,186,937**
Equity financial assets at fair value through other comprehensive income	**353,773**	**231**	**2,489**	**-**	**356,493**
Other assets	**57,881**	**4,600**	**3,262**	**172**	**65,915**
	11,815,313	**346,685**	**56,949**	**55,848**	**12,274,795**
Liabilities					
Due to banks and other financial institutions	**763,740**	**48,705**	**9,936**	**15,802**	**838,183**
Financial liabilities at fair value through profit or loss	**172,517**	**251**	**-**	**-**	**172,768**
Assets sold under agreements to repurchase	**457,453**	**4,839**	**-**	**-**	**462,292**
Accounts payable	**6,871**	**-**	**-**	**-**	**6,871**
Insurance contract liabilities	**4,973,324**	**10,376**	**1,072**	**23**	**4,984,795**
Reinsurance contract liabilities	**569**	**-**	**-**	**-**	**569**
Customer deposits and payables to brokerage customers	**3,508,843**	**156,215**	**30,863**	**14,246**	**3,710,167**
Bonds payable	**920,348**	**45,955**	**739**	**-**	**967,042**
Other liabilities	**311,925**	**4,013**	**1,251**	**73**	**317,262**
	11,115,590	**270,354**	**43,861**	**30,144**	**11,459,949**
Net position of foreign currency		**76,331**	**13,088**	**25,704**	**115,123**
Notional amount of foreign exchange derivative financial instruments		**33,100**	**(12,336)**	**(9,086)**	**11,678**
		109,431	**752**	**16,618**	**126,801**
Off-balance sheet credit commitments	**2,067,005**	**27,176**	**3,716**	**7,913**	**2,105,810**

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK (CONTINUED)

(a) Foreign currency risk (Continued)

The main monetary assets and liabilities of the Group and non-monetary assets and liabilities measured at fair value are analysed as follows by currency (continued):

(in RMB million)	31 December 2023 RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	RMB equivalent total
Assets					
Cash and amounts due from banks and other financial institutions	719,538	70,282	8,074	6,183	804,077
Balances with the Central Bank and statutory deposits for insurance operations	282,634	2,830	415	–	285,879
Financial assets purchased under reverse repurchase agreements	167,660	–	–	–	167,660
Accounts receivable	35,555	1	–	80	35,636
Insurance contract assets	3	–	–	–	3
Reinsurance contract assets	19,218	2,565	432	–	22,215
Finance lease receivable	180,674	–	–	–	180,674
Loans and advances to customers	3,170,396	84,875	31,833	31,018	3,318,122
Financial assets at fair value through profit or loss	1,688,592	92,046	4,786	17,623	1,803,047
Financial assets at amortized cost	1,202,740	36,037	1,223	3,353	1,243,353
Debt financial assets at fair value through other comprehensive income	2,605,544	29,574	1,876	14	2,637,008
Equity financial assets at fair value through other comprehensive income	261,926	345	2,606	–	264,877
Other assets	103,979	1,244	2,239	182	107,644
	10,438,459	319,799	53,484	58,453	10,870,195
Liabilities					
Due to banks and other financial institutions	883,796	64,555	3,892	11,475	963,718
Financial liabilities at fair value through profit or loss	47,645	974	–	–	48,619
Assets sold under agreements to repurchase	237,017	4,786	–	–	241,803
Accounts payable	8,858	–	–	–	8,858
Insurance contract liabilities	4,152,100	6,844	832	25	4,159,801
Reinsurance contract liabilities	53	–	–	–	53
Customer deposits and payables to brokerage customers	3,337,590	166,007	13,407	17,535	3,534,539
Bonds payable	939,205	24,258	544	–	964,007
Other liabilities	272,251	4,582	854	58	277,745
	9,878,515	272,006	19,529	29,093	10,199,143
Net position of foreign currency		47,793	33,955	29,360	111,108
Notional amount of foreign exchange derivative financial instruments		38,294	(29,779)	(12,936)	(4,421)
		86,087	4,176	16,424	106,687
Off-balance sheet credit commitments	1,914,722	20,232	2,764	9,251	1,946,969

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49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK (CONTINUED)

(b) Price risk

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

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

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

The analysis below is performed for a 10% increase or decrease in equity prices with all other variables held constant, for the financial instruments and insurance contracts, showing the pre-tax impact on the Group's profit and equity.

		31 December 2024		31 December 2023	
(in RMB million)	Equity prices	**Increase/ (decrease) in profit before tax**	**Increase/ (decrease) in equity before tax**	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity before tax
Financial instruments	+10%	**31,650**	**58,394**	30,668	48,436
Insurance contracts	+10%	**(11,051)**	**(27,528)**	(11,872)	(24,839)
		20,599	**30,866**	18,796	23,597
Financial instruments	-10%	**(31,852)**	**(58,596)**	(30,668)	(48,436)
Insurance contracts	-10%	**11,051**	**27,528**	11,871	24,837
		(20,801)	**(31,068)**	(18,797)	(23,599)

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK (CONTINUED)

(c) Interest rate risk

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

The insurance segment

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

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

The analysis below is performed for a 10 basis points decrease or increase in interest rates with all other variables held constant, for the financial instruments and life insurance contracts/reinsurance contracts, showing the pre-tax impact on the Group's profit and equity.

		31 December 2024		31 December 2023	
(in RMB million)	Interest rate	**Increase/ (decrease) in profit before tax**	**Increase/ (decrease) in equity before tax**	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity before tax
Financial instruments	-10bps	**3,428**	**47,949**	2,349	35,669
Insurance contracts, net of reinsurance contracts held	-10bps	**(2,236)**	**(54,871)**	(1,142)	(40,733)
		1,192	**(6,922)**	1,207	(5,064)
Financial instruments	+10bps	**(3,428)**	**(47,949)**	(2,349)	(35,669)
Insurance contracts, net of reinsurance contracts held	+10bps	**2,094**	**54,189**	1,116	40,304
		(1,334)	**6,240**	(1,233)	4,635

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK (CONTINUED)

(c) Interest rate risk (Continued)

The banking segment

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

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

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

In respect of the financial assets and liabilities at fair value through profit or loss of the Group's banking segment, the interest rate risk arising from this portfolio is not significant. For other financial assets and liabilities, the Group mainly uses a gap analysis to measure and control the related interest rate risk. As at 31 December 2024 and 31 December 2023, the gap analyses of the financial assets and liabilities (excluding financial assets and liabilities at fair value through profit or loss) were as follows. The analysis of the net interest income is based on the effect of a reasonable possible change in interest rates on the net interest income before tax for one year, in respect of the financial assets and liabilities (excluding financial assets and liabilities at fair value through profit or loss) held at the balance sheet date. The analysis of equity is based on the effect of a reasonable possible change in interest rates on the equity before tax, which calculated by revaluing the year end portfolio of fixed-rate financial assets at fair value through other comprehensive income.

		31 December 2024		31 December 2023	
(in RMB million)	Interest rate	**Increase/ (decrease) in net interest income**	**Increase/ (decrease) in equity**	Increase/ (decrease) in net interest income	Increase/ (decrease) in equity
Financial assets and liabilities	–50bps	**2,160**	**2,061**	2,105	1,540
Financial assets and liabilities	+50bps	**(2,160)**	**(2,061)**	(2,105)	(1,540)

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK

Credit risks refer to the risk of losses incurred by the inabilities of debtors or counterparties to fulfil their contractual obligations or by the adverse changes in their credit conditions. The Group is exposed to credit risks primarily associated with its deposit arrangements with commercial banks, loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income, reinsurance arrangement with reinsurers, policy loans, margin financing, financial guarantee contracts and loan commitments, etc. The Group uses a variety of controls to identify, measure, monitor and report credit risk.

(a) Credit risk management

Credit risk of banking business

The banking business of the Group has formulated a set of credit management processes and internal control mechanisms, so as to carry out the whole process management of credit business. Credit management procedures for its corporate and individual loans of comprise credit origination, credit review, credit approval, disbursement, post credit management. In addition, the banking business of the Group has formulated procedure manuals for credit management, which clarifies the duties of each part in the credit management processes, effectively monitoring credit risk and enhancing credit compliance.

Credit risks arising from credit commitments are similar to those of loans and advances. Therefore, financial guarantees and loan commitments are also subject to the same application, post credit management and collateral requirements as loan and advances business.

Credit risk of investment business

As to debt investment, the Group rates these investments by internal credit rating policies, selects counterparties with high credit quality and sets strict entry criteria.

The Group's debt investment mainly includes domestic government bonds, the Central Bank bills, financial institution bonds, corporate bonds and debt investment schemes, wealth management investments, etc. The Group manages the credit risk for these investments mainly through controlling the investment scales, selecting counterparties within the financial institutions with appropriate credit quality prudently, balancing the credit risks and rate of return of investment and considering the internal and external credit rating information comprehensively.

Credit risk of insurance business

The Group evaluated the credit rating of the reinsurance companies before signing the reinsurance contracts, and chose the reinsurance companies with higher credit quality to reduce the credit risk.

The limits of policy loans are based on the cash values of valid insurance policies, with appropriate discounts, and the validity periods of policy loans are within the validity periods of insurance policies. The credit risk associated with policy loans did not have material impact on the Group's consolidated financial statements.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss

The Group formulates the credit losses of financial assets at amortized cost, debt financial assets at FVOCI, finance lease receivable and other financial assets, as well as loan commitment and financial guarantee contracts using expected credit loss models according to IFRS 9 requirements.

Parameters of ECL model

The parameters and assumptions involved in ECL model are described below.

The Group considers the credit risk characteristics of different financial instruments when determining if there is significant increase in credit risk. For financial instruments with or without significant increase in credit risk, 12-month or lifetime expected credit losses are provided respectively. The expected credit loss is the result of discounting the product of EAD, PD and LGD.

(i) Exposure at Default (EAD): EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

(ii) Probability of Default (PD): The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

(iii) Loss Given Default (LGD): LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the Lifetime. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grading band. This is supported by historical analysis.

Judgement of significant increase in credit risk ("SICR")

Under IFRS 9, when considering the impairment stages for financial assets, the Group evaluates the credit risk at initial recognition and also whether there is any significant increase in credit risk for each reporting period. The Group considers various reasonable supporting information to judge if there is significant increase in credit risk, including the forward-looking information, when determining the ECL staging for financial assets, Major factor being considered include regulatory and operating environment, internal and external credit ratings, solvency, and operational capabilities. The Group could base on individual financial instruments or portfolios of financial instruments with similar credit risk characteristics to determine ECL staging by comparing the credit risks of the financial instruments at the reporting date with initial recognition.

The Group set quantitative and qualitative criteria to judge whether the credit risk has SICR after initial recognition. The judgement criteria mainly include the PD changes of the debtors, changes of credit risk categories and other indicators of SICR, etc. In the judgement of whether the financial instruments have SICR after initial recognition, the Group considers the 30 days past due as one of criteria of SICR, in accordance with the standard.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

The definition of credit-impaired assets

Under IFRS 9, in order to determine whether credit impairment occurs, the defined standards adopted by the Group are consistent with the internal credit risk management objectives for relevant financial assets, while considering quantitative and qualitative indicators. When the Group assesses whether the debtor has credit impairment, the following factors are mainly considered:

(i) The debtor has overdue more than 90 days after the contract payment date;

(ii) Internal credit rating is default grade;

(iii) The lender gives the debtor concessions for economic or contractual reasons due to the debtor's financial difficulties, where such concessions are normally reluctant to be made by the lender;

(iv) The debtor has significant financial difficulties;

(v) The debtor is likely to go bankrupt or other financial restructuring;

(vi) The active market for financial assets disappears.

The credit impairment of financial assets may be caused by the joint effects of multiple events, and may not be caused by separately identifiable events.

Forward-looking information

The determinations of 12 months and the lifetime EAD, PD and LGD also incorporates forward-looking information. The Group has performed historical data analysis and identified the key macroeconomic variables associated with credit risk and expected credit losses for each portfolio. The Group has developed macroeconomic forward looking adjustment model by establishing a pool of macro-economic indicators, preparing data, filtering model factors and adjusting forward-looking elements, and the indicators include gross domestic product (GDP) accumulated year on year percentage change, broad measure of money supply (M2) year on year percentage change, purchasing manager's index (PMI) and other macroeconomic variables. Through regression analysis, the relationship among these economic indicators in history with EAD, PD and LGD is determined, and the EAD, PD, LGD are then determined through forecasting economic indicator.

During the reporting period, the Group adjusted the predicted values of forward-looking economic indicators by statistical analysis and also considered the range of possible outcomes represented by each scenario, to determine the final macroeconomic scenarios and weights for measuring the relevant expected credit loss. The impact of these economic indicators on PD and LGD varies to different businesses. The Group comprehensively considers internal and external data, expert forecasts and statistical analysis to determine the relationship between these economic indicators with PD and LGD. The Group evaluates and forecasts these economic indicators at least annually, provides the best estimates for the future, and regularly evaluates the results. Similar to other economic forecasts, the estimates of economic indicators have high inherent uncertainties, actual results may have significant difference with estimates. The Group considered the estimates above represented the optimal estimation of possible outcomes.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

Forward-looking information (Continued)

In 2024, the key macroeconomic assumptions used by the Group to estimate expected credit losses in different macroeconomic scenarios include GDP accumulated year on year percentage change, M2 year on year percentage change, PMI and other macroeconomic variables. For the GDP accumulated year on year percentage change, the average predictive value in the base scenario in year 2025 is about 4.86%, and is 0.40 percentage upper in the upside scenario while 0.37 percentage lower in the downside scenario. The average predictive value in the base scenario in year 2026 is about 4.74%, and is 0.41 percentage upper in the upside scenario while 0.48 percentage lower in the downside scenario.

Sensitivity analysis

Expected credit losses are sensitive to the parameters used in the model, the macroeconomic variables of the forward-looking forecast, the weight probabilities in the three scenarios, and other factors considered in the application of expert judgement. Changes in these input parameters, assumptions, models, and judgements will have an impact on the significant increase in credit risk and the measurement of expected credit losses.

The Group has the highest weight of the base scenario, and the weight of the base scenario is slightly higher than the sum of the weight of other base scenarios. The banking business of the Group assumed that if the weight of the upside scenario increased by 10% and the weight of the base scenario reduced by 10%, the Group's ECL impairment provision on 31 December 2024 would be reduced by RMB1,213 million (31 December 2023: RMB1,982 million); if the weight of the downside scenario increased by 10% and the weight of the base scenarios reduced by 10%, the Group's ECL impairment provision would be increased by RMB1,389 million (31 December 2023: RMB1,236 million).

In 2024, the Group's management has also taken into account and consequently charged provision for losses for situations such as the external environment that are not reflected in the model, thus further increasing the risk offsetting capacity.

Credit exposure

Without considering the impact of collateral and other credit enhancements, for on-balance sheet assets, the maximum exposures are based on net carrying amounts as reported in the consolidated financial statements. The Group also assumes credit risk due to credit commitments and financial guarantee contracts. The details are disclosed in Note 57.(2).

Please refer to Note 24.(2) and (5) for an analysis of concentration of loans and advances by industry and geographical region.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Policies are established regarding to the selection of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

(i) for policy loans, collaterals are cash value of policies;

(ii) for reverse repurchase transactions, collaterals are quoted securities;

(iii) for commercial loans, collaterals are real estate properties, inventories, equity investments and trade receivables, etc.;

(iv) for retail lending loans to individuals, collaterals are residential properties mortgages.

Management monitors the market value of the collateral, and requires additional collateral when needed according to contracts, when assessing the adequacy of impairment.

It is the Group's policy to dispose of collateral orderly. The proceeds are used to repay all or part of the outstanding balance. Generally, the Group would not use the collateralised assets for business purpose.

Restructured loans and advances to customers

Restructured loans and advances to customers are those loans and advances to customers for which the Group has renegotiated the contract terms with borrowers as a result of the deterioration in their financial position or of their inability to make payments when due. Concessions are given by the Group that would not otherwise be granted to these borrowers for economic or legal reasons relating to their financial difficulties. As at 31 December 2024, the Group's restructured loans and advances to customers was RMB40,638 million (31 December 2023: RMB32,030 million).

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

The following table presents the credit risk exposure of the financial assets under the scope of expected credit loss. Without considering guarantee or any other credit enhancement measures, for on-balance sheet assets, the maximum credit risk exposure is presented as the net carrying amount of the financial assets:

	31 December 2024			
Carrying amount (in RMB million)	Stage 1	Stage 2	Stage 3	Maximum credit risk exposure
Cash and amounts due from banks and other financial institutions	1,018,027	-	-	1,018,027
Balances with the Central Bank and statutory deposits for insurance operations	281,956	-	-	281,956
Financial assets purchased under reverse repurchase agreements	91,614	-	226	91,840
Accounts receivable	35,975	12	19	36,006
Finance lease receivable	206,817	2,206	1,153	210,176
Loans and advances to customers	3,275,691	102,687	13,459	3,391,837
Financial assets at amortized cost	1,184,379	5,628	42,443	1,232,450
Debt financial assets at fair value through other comprehensive income	3,184,090	2,324	523	3,186,937
Other assets	58,473	380	6,189	65,042
Subtotal	9,337,022	113,237	64,012	9,514,271
Credit commitments	2,097,959	5,858	415	2,104,232
Total	11,434,981	119,095	64,427	11,618,503

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (continued)

	31 December 2023			
Carrying amount (in RMB million)	Stage 1	Stage 2	Stage 3	Maximum credit risk exposure
Cash and amounts due from banks and other financial institutions	804,077	–	–	804,077
Balances with the Central Bank and statutory deposits for insurance operations	285,879	–	–	285,879
Financial assets purchased under reverse repurchase agreements	167,073	200	387	167,660
Accounts receivable	35,528	46	62	35,636
Finance lease receivable	175,988	4,021	665	180,674
Loans and advances to customers	3,219,967	83,167	14,988	3,318,122
Financial assets at amortized cost	1,187,863	16,505	38,985	1,243,353
Debt financial assets at fair value through other comprehensive income	2,631,520	3,564	1,924	2,637,008
Other assets	95,640	676	10,887	107,203
Subtotal	8,603,535	108,179	67,898	8,779,612
Credit commitments	1,932,131	4,621	320	1,937,072
Total	10,535,666	112,800	68,218	10,716,684

The Group closely monitors collateral of credit-impaired financial assets.

As at 31 December 2024, the fair value of collateral of credit-impaired loans and advances to customers is RMB21,511 million (31 December 2023: RMB13,940 million). The fair value of collateral of credit-impaired financial assets at amortized cost is RMB6,828 million (31 December 2023: RMB6,074 million).

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49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (continued)

The following tables explain the changes in the gross carrying amount and impairment provision of the main financial assets between the beginning and the end of the annual period due to these factors:

(in RMB million)		2024						
				Stages transfers				
Gross carrying amount	Stage	1 January	Net increase/ (decrease) (Note)	Transfer between Stage 1 and Stage 2	Transfer between Stage 1 and Stage 3	Transfer between Stage 2 and Stage 3	Write-offs	31 December
Loans and advances to customers	Stage 1	**3,269,769**	**167,948**	**(113,057)**	**249**	**-**	**-**	**3,324,909**
	Stage 2	**107,615**	**(26,503)**	**113,057**	**-**	**(68,083)**	**-**	**126,086**
	Stage 3	**38,091**	**(2,208)**	**-**	**(249)**	**68,083**	**(65,688)**	**38,029**
	Total	**3,415,475**	**139,237**	**-**	**-**	**-**	**(65,688)**	**3,489,024**
Financial assets at amortized cost	Stage 1	**1,192,100**	**8,430**	**(10,330)**	**(2,297)**	**-**	**-**	**1,187,903**
	Stage 2	**19,647**	**(2,989)**	**10,330**	**-**	**(20,376)**	**-**	**6,612**
	Stage 3	**78,583**	**598**	**-**	**2,297**	**20,376**	**(786)**	**101,068**
	Total	**1,290,330**	**6,039**	**-**	**-**	**-**	**(786)**	**1,295,583**
Debt financial assets at fair value through other comprehensive income	Stage 1	**2,631,520**	**552,570**	**-**	**-**	**-**	**-**	**3,184,090**
	Stage 2	**3,564**	**(1,240)**	**-**	**-**	**-**	**-**	**2,324**
	Stage 3	**1,924**	**(1,401)**	**-**	**-**	**-**	**-**	**523**
	Total	**2,637,008**	**549,929**	**-**	**-**	**-**	**-**	**3,186,937**

Note: Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

(in RMB million)		2024							
					Stages transfers				
Impairment provision	Stage	1 January	Net increase/ (decrease) (Note 1)	Charge/ (reversal) for the year (Note 2)	Transfer between Stage 1 and Stage 2	Transfer between Stage 1 and Stage 3	Transfer between Stage 2 and Stage 3	Write-offs	31 December
Loans and advances to customers	Stage 1	**52,320**	**14,979**	**(7,913)**	**(9,604)**	**312**	**-**	**-**	**50,094**
	Stage 2	**24,455**	**(2,543)**	**17,107**	**9,604**	**-**	**(25,215)**	**-**	**23,408**
	Stage 3	**23,270**	**16,859**	**25,298**	**-**	**(312)**	**25,215**	**(65,688)**	**24,642**
	Total	**100,045**	**29,295**	**34,492**	**-**	**-**	**-**	**(65,688)**	**98,144**
Financial assets at amortized cost	Stage 1	**4,237**	**(399)**	**104**	**(418)**	**-**	**-**	**-**	**3,524**
	Stage 2	**3,142**	**(140)**	**(349)**	**418**	**-**	**(2,087)**	**-**	**984**
	Stage 3	**39,598**	**752**	**16,974**	**-**	**-**	**2,087**	**(786)**	**58,625**
	Total	**46,977**	**213**	**16,729**	**-**	**-**	**-**	**(786)**	**63,133**
Debt financial assets at fair value through other comprehensive income	Stage 1	**2,164**	**(49)**	**(135)**	**-**	**-**	**-**	**-**	**1,980**
	Stage 2	**969**	**(76)**	**256**	**-**	**-**	**-**	**-**	**1,149**
	Stage 3	**5,685**	**(763)**	**1,020**	**-**	**-**	**-**	**-**	**5,942**
	Total	**8,818**	**(888)**	**1,141**	**-**	**-**	**-**	**-**	**9,071**

Note 1: Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

Note 2: Changes in PDs, EADs, and LGDs in the current year, arising from regular update of inputs to models.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (continued)

The following tables explain the changes in the gross carrying amount and impairment provision of the main financial assets between the beginning and the end of the annual period due to these factors (continued):

(in RMB million)		2023						
				Stages transfers				
Gross carrying amount	Stage	1 January	Net increase/ (decrease) (Note)	Transfer between Stage 1 and Stage 2	Transfer between Stage 1 and Stage 3	Transfer between Stage 2 and Stage 3	Write-offs	31 December
Loans and advances to customers	Stage 1	3,205,464	170,692	(106,821)	434	–	–	3,269,769
	Stage 2	91,725	(21,507)	106,821	–	(69,424)	–	107,615
	Stage 3	38,784	(1,098)	–	(434)	69,424	(68,585)	38,091
	Total	3,335,973	148,087	–	–	–	(68,585)	3,415,475
Financial assets at amortized cost	Stage 1	1,079,637	132,684	(19,967)	(254)	–	–	1,192,100
	Stage 2	18,518	(515)	19,967	–	(18,323)	–	19,647
	Stage 3	66,683	(6,018)	–	254	18,323	(659)	78,583
	Total	1,164,838	126,151	–	–	–	(659)	1,290,330
Debt financial assets at fair value through other comprehensive income	Stage 1	2,497,506	136,763	(2,564)	(185)	–	–	2,631,520
	Stage 2	1,000	–	2,564	–	–	–	3,564
	Stage 3	2,284	(545)	–	185	–	–	1,924
	Total	2,500,790	136,218	–	–	–	–	2,637,008

Note: Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

(in RMB million)		2023							
					Stages transfers				
Impairment provision	Stage	1 January	Net increase/ (decrease) (Note 1)	Charge/ (reversal) for the year (Note 2)	Transfer between Stage 1 and Stage 2	Transfer between Stage 1 and Stage 3	Transfer between Stage 2 and Stage 3	Write-offs	31 December
Loans and advances to customers	Stage 1	56,531	24,435	(22,272)	(6,782)	408	–	–	52,320
	Stage 2	17,357	(3,870)	20,752	6,782	–	(16,566)	–	24,455
	Stage 3	27,308	4,197	44,192	–	(408)	16,566	(68,585)	23,270
	Total	101,196	24,762	42,672	–	–	–	(68,585)	100,045
Financial assets at amortized cost	Stage 1	7,919	620	(3,645)	(635)	(22)	–	–	4,237
	Stage 2	3,373	10	638	635	–	(1,514)	–	3,142
	Stage 3	29,511	(816)	10,026	–	22	1,514	(659)	39,598
	Total	40,803	(186)	7,019	–	–	–	(659)	46,977
Debt financial assets at fair value through other comprehensive income	Stage 1	3,175	(393)	(425)	(140)	(53)	–	–	2,164
	Stage 2	227	–	602	140	–	–	–	969
	Stage 3	5,155	(235)	712	–	53	–	–	5,685
	Total	8,557	(628)	889	–	–	–	–	8,818

Note 1: Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

Note 2: Changes in PDs, EADs, and LGDs in the current year, arising from regular update of inputs to models.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (continued)

The Group internally grades the financial instruments based on the credit quality and risk characteristics. The credit rating of the financial instruments could further be classified as "low risk", "medium risk", "high risk" and "default" according to the internal rating scale. "Low risk" means that the asset quality is good, there is sufficient evidence to show that the asset is not expected to have default, or there is no reason to suspect that the asset had incurred default. "Medium risk" means that the asset quality is acceptable or there are factors revealing potential negative impact on the asset quality, but there is no sufficient reason to suspect that the asset had incurred default. "High risk" means that there are factors revealing significant adverse impact on the asset quality, but there is no event indicating incurred default. The criteria of "default" are consistent with those of "credit-impaired".

The following table contains an analysis of the credit risk grading of loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income. The carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

Loans and advances to customers

	31 December 2024			
(in RMB million)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Credit grade				
Low risk	**2,043,265**	**8,184**	**–**	**2,051,449**
Medium risk	**1,259,936**	**47,159**	**–**	**1,307,095**
High risk	**21,708**	**70,743**	**–**	**92,451**
Default	**–**	**–**	**38,029**	**38,029**
Gross carrying amount	**3,324,909**	**126,086**	**38,029**	**3,489,024**
Loss allowance	**(49,218)**	**(23,399)**	**(24,570)**	**(97,187)**
Carrying amount	**3,275,691**	**102,687**	**13,459**	**3,391,837**

	31 December 2023			
(in RMB million)	Stage 1	Stage 2	Stage 3	Total
Credit grade				
Low risk	1,754,904	7,777	–	1,762,681
Medium risk	1,488,318	41,077	–	1,529,395
High risk	26,547	58,761	–	85,308
Default	–	–	38,091	38,091
Gross carrying amount	3,269,769	107,615	38,091	3,415,475
Loss allowance	(49,802)	(24,448)	(23,103)	(97,353)
Carrying amount	3,219,967	83,167	14,988	3,318,122

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (continued)

Financial assets at amortized cost

	31 December 2024			
(in RMB million)	Stage 1	Stage 2	Stage 3	Total
Credit grade				
Low risk	**1,140,344**	**–**	**–**	**1,140,344**
Medium risk	**41,558**	**2,982**	**–**	**44,540**
High risk	**6,001**	**3,630**	**–**	**9,631**
Default	**–**	**–**	**101,068**	**101,068**
Gross carrying amount	**1,187,903**	**6,612**	**101,068**	**1,295,583**
Impairment provision	**(3,524)**	**(984)**	**(58,625)**	**(63,133)**
Carrying amount	**1,184,379**	**5,628**	**42,443**	**1,232,450**

	31 December 2023			
(in RMB million)	Stage 1	Stage 2	Stage 3	Total
Credit grade				
Low risk	1,137,714	–	–	1,137,714
Medium risk	40,564	5,316	–	45,880
High risk	13,822	14,331	–	28,153
Default	–	–	78,583	78,583
Gross carrying amount	1,192,100	19,647	78,583	1,290,330
Impairment provision	(4,237)	(3,142)	(39,598)	(46,977)
Carrying amount	1,187,863	16,505	38,985	1,243,353

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (continued)

Debt financial assets at fair value through other comprehensive income

	31 December 2024			
(in RMB million)	Stage 1	Stage 2	Stage 3	Total
Credit grade				
Low risk	**3,134,989**	**–**	**–**	**3,134,989**
Medium risk	**45,881**	**10**	**–**	**45,891**
High risk	**3,220**	**2,314**	**–**	**5,534**
Default	**–**	**–**	**523**	**523**
Carrying amount	**3,184,090**	**2,324**	**523**	**3,186,937**

	31 December 2023			
(in RMB million)	Stage 1	Stage 2	Stage 3	Total
Credit grade				
Low risk	2,574,907	–	–	2,574,907
Medium risk	53,509	1,000	–	54,509
High risk	3,104	2,564	–	5,668
Default	–	–	1,924	1,924
Carrying amount	2,631,520	3,564	1,924	2,637,008

(4) LIQUIDITY RISK

Liquidity risk is the risk of not having access to sufficient funds or being unable to realize an asset in a timely manner at a reasonable price to meet the Group's obligations as they become due.

The Group is exposed to liquidity risk on insurance policies that permit surrender, withdrawal or other forms of early termination. When surrender, withdrawal or other forms of early termination happens, the Group determines the amounts that are payable on demand to policyholders in accordance with the terms of insurance contracts, which are usually the unearned premiums or the cash values of the relevant part of contracts, after deducting the applicable early termination fees. The Group seeks to manage its liquidity risk by matching to the extent possible the duration of its investment assets with the duration of its insurance policies and to ensure that the Group is able to meet its payment obligations and fund its lending and investment operations on a timely basis.

The banking business of the Group is exposed to potential liquidity risk. The Group utilizes multiple regulatory methods, establish comprehensive liquidity risk management framework, effectively recognize, measure, monitor and control liquidity risk, maintain sufficient liquidity level to satisfy various funds requirement and to face adverse market status. In case of monitoring liquidity risks effectively, the Group pays attention to the funds resources and diversified utilization, keeps relatively high liquidity assets consistently. The Group monitors the sourcing and usage of funds, deposit to loan ratio, and quick ratio on a daily basis. Moreover, when adopting various benchmarks for management of liquidity risk, the Group compares the expected results against the ones derived from stress tests, critically assesses the potential impact to the future liquidity risk, and formulates remedial actions according to specific situations. The Group seeks to mitigate the liquidity risk of the banking business by optimizing the assets and liabilities structure, and maintaining stable deposits, etc.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(4) LIQUIDITY RISK (CONTINUED)

The table below summarizes the remaining contractual maturity profile of the financial assets, financial liabilities, insurance contract liabilities and reinsurance contract liabilities of the Group based on undiscounted contractual cash flows/expected cash flows:

	31 December 2024						
(in RMB million)	Undated	Repayable on demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Cash and amounts due from banks and other financial institutions	-	393,903	192,512	203,919	234,367	1,979	1,026,680
Balances with the Central Bank and statutory deposits for insurance operations	202,821	62,731	3,502	3,802	8,973	977	282,806
Financial assets purchased under reverse repurchase agreements	-	619	89,523	1,493	285	-	91,920
Accounts receivable	-	1,370	7,560	18,167	10,089	34	37,220
Reinsurance contract assets	-	-	2,107	8,036	11,189	37,167	58,499
Finance lease receivable	-	1,200	30,409	76,381	129,303	1,139	238,432
Loans and advances to customers	-	22,000	888,495	950,762	1,264,838	662,478	3,788,573
Financial assets at fair value through profit or loss	1,122,096	12,773	40,285	215,452	731,424	507,961	2,629,991
Financial assets at amortized cost	-	24,258	117,572	289,530	441,300	645,088	1,517,748
Debt financial assets at fair value through other comprehensive income	-	168	57,731	213,895	663,289	3,451,046	4,386,129
Equity financial assets at fair value through other comprehensive income	356,493	-	-	-	-	-	356,493
Other assets	-	37,557	25,046	23,066	4,932	1,283	91,884
	1,681,410	556,579	1,454,742	2,004,503	3,499,989	5,309,152	14,506,375
Due to banks and other financial institutions	-	377,545	234,250	166,754	82,254	932	861,735
Financial liabilities at fair value through profit or loss	103	3,129	167,204	1,908	48	-	172,392
Assets sold under agreements to repurchase	-	-	460,929	1,447	-	-	462,376
Accounts payable	-	2,911	447	2,864	649	-	6,871
Insurance contract liabilities	-	-	81,952	56,866	81,627	8,986,705	9,207,150
Reinsurance contract liabilities	-	-	(27)	28	568	-	569
Customer deposits and payables to brokerage customers	-	1,342,447	765,187	789,732	875,648	-	3,773,014
Bonds payable	-	-	236,666	492,553	226,259	43,993	999,471
Lease liabilities	-	272	1,033	2,825	5,366	538	10,034
Other liabilities	-	42,019	61,218	79,330	78,265	9,375	270,207
	103	1,768,323	2,008,859	1,594,307	1,350,684	9,041,543	15,763,819
Derivative cash flows							
Derivative financial instruments settled on a net basis	-	(8)	214	236	(53)	87	476
Derivative financial instruments settled on a gross basis							
Cash inflow	-	2,107	1,376,257	1,155,401	184,452	-	2,718,217
Cash outflow	-	(2,170)	(1,378,331)	(1,152,495)	(183,541)	-	(2,716,537)
	-	(63)	(2,074)	2,906	911	-	1,680

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49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(4) LIQUIDITY RISK (CONTINUED)

	31 December 2023						
(in RMB million)	Undated	Repayable on demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Cash and amounts due from banks and other financial institutions	–	269,825	235,400	116,808	177,595	108	799,736
Balances with the Central Bank and statutory deposits for insurance operations	227,230	43,746	648	1,610	13,650	–	286,884
Financial assets purchased under reverse repurchase agreements	–	728	161,088	5,356	622	–	167,794
Accounts receivable	–	277	7,695	18,493	9,804	461	36,730
Insurance contract assets	–	–	(1)	8	(3)	–	4
Reinsurance contract assets	–	–	3,112	7,244	9,396	37,733	57,485
Finance lease receivable	–	1,854	29,223	72,867	99,471	640	204,055
Loans and advances to customers	–	12,050	835,038	955,224	1,246,550	718,242	3,767,104
Financial assets at fair value through profit or loss	971,867	11,631	39,357	96,894	457,670	354,002	1,931,421
Financial assets at amortized cost	–	21,212	112,933	231,570	520,938	657,214	1,543,867
Debt financial assets at fair value through other comprehensive income	–	809	54,303	179,775	694,082	3,150,720	4,079,689
Equity financial assets at fair value through other comprehensive income	264,877	–	–	–	–	–	264,877
Other assets	–	75,107	25,703	24,523	4,580	1,298	131,211
	1,463,974	437,239	1,504,499	1,710,372	3,234,355	4,920,418	13,270,857
Due to banks and other financial institutions	–	285,004	363,817	256,511	70,989	1,628	977,949
Financial liabilities at fair value through profit or loss	120	2,190	44,337	1,857	146	–	48,650
Assets sold under agreements to repurchase	–	–	236,229	5,700	–	–	241,929
Accounts payable	–	3,815	713	3,560	768	2	8,858
Insurance contract liabilities	–	–	73,294	60,148	3,474	8,465,604	8,602,520
Reinsurance contract liabilities	–	–	–	82	100	–	182
Customer deposits and payables to brokerage customers	–	1,296,804	744,754	577,390	992,925	–	3,611,873
Bonds payable	–	–	300,756	436,516	216,078	41,389	994,739
Lease liabilities	–	225	1,022	3,048	6,897	367	11,559
Other liabilities	–	48,248	45,562	47,915	89,733	14,209	245,667
	120	1,636,286	1,810,484	1,392,727	1,381,110	8,523,199	14,743,926
Derivative cash flows							
Derivative financial instruments settled on a net basis	–	(8)	552	(376)	(119)	45	94
Derivative financial instruments settled on a gross basis							
Cash inflow	–	3,344	1,146,342	1,047,088	235,881	–	2,432,655
Cash outflow	–	(4,303)	(1,146,911)	(1,050,180)	(235,306)	–	(2,436,700)
	–	(959)	(569)	(3,092)	575	–	(4,045)

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(4) LIQUIDITY RISK (CONTINUED)

The table below summarizes the remaining contractual maturity profile of the credit commitments of the Group:

(in RMB million)	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
31 December 2024						
Credit commitments	**1,101,596**	**280,355**	**605,084**	**110,761**	**8,014**	**2,105,810**
31 December 2023						
Credit commitments	1,127,398	285,355	482,993	43,555	7,668	1,946,969

Management expects the credit commitments will not be entirely used during the commitment period.

(5) MISMATCHING RISK OF ASSETS AND LIABILITIES

The objective of the Group's asset and liability management is to match the maturity and interest rates of assets and liabilities. Under the current constraints of the shortage of long-term interest rate bond market, however, the Group does not have sufficient long-duration assets for investment to match the duration of insurance and investment contract liabilities. As permitted by law regulations and market conditions, the Group actively invests in preferred stocks and other broad-term duration assets, and continuously improves the allocation of long-duration assets, considering the requirements for asset-liability duration matching and revenue-cost matching.

(6) OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failure of proper internal controls on business processes, employees and systems or from uncontrollable external events. Operational risk in this context includes legal risk, but does not include strategic risk and reputational risk. The Group is exposed to many types of operational risks in the conduct of its business. The Group manages operational risk by establishing and continuously improving risk management framework, formalizing policies and standards, using management tools and reporting mechanism, strengthening staff education and training.

(7) CAPITAL MANAGEMENT

The Group's capital requirements are primarily dependent on the scale, products of insurance business, and the type of business that it undertakes, as well as the industry and geographic location in which it operates. The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and to maintain healthy capital ratios in order to support its business and to maximize shareholders' value.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(7) CAPITAL MANAGEMENT (CONTINUED)

The Group manages its capital requirements by assessing shortfalls, if any, between the reported and the required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in economic conditions and risk characteristics of the Group's activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, return capital to ordinary shareholders or issue capital securities.

The Group computes solvency margin ratios and recognizes, assesses and manages related risks in accordance with the *Regulatory Rules on Solvency of Insurance Companies (II)*, the *Notice on the Implementation of Regulatory Rules on Solvency of Insurance Companies (II)*, and the *National Financial Regulatory Administration's Circular on Improving Regulatory Standards for Solvency of Insurance Companies*. The Group was compliant with the requirements of regulatory authorities for solvency margin ratios as of December 31, 2024.

The table below summarizes the minimum regulatory capital for the Group and its major insurance subsidiaries and the regulatory capital held against each of them.

	31 December 2024		
	The Group	Ping An Life	Ping An Property & Casualty
Core capital	**1,457,074**	**490,983**	**115,692**
Actual capital	**1,799,586**	**797,818**	**138,649**
Minimum capital	**881,890**	**421,693**	**67,536**
Core solvency margin ratio	**165.2%**	**116.4%**	**171.3%**
Comprehensive solvency margin ratio	**204.1%**	**189.2%**	**205.3%**

	31 December 2023		
	The Group	Ping An Life	Ping An Property & Casualty
Core capital	1,320,654	415,458	102,875
Actual capital	1,714,110	770,771	126,230
Minimum capital	823,985	395,780	60,734
Core solvency margin ratio	160.3%	105.0%	169.4%
Comprehensive solvency margin ratio	208.0%	194.7%	207.8%

The banking business subsidiary measures the capital adequacy ratio in accordance with the Capital Rules for Commercial Banks from 2024. According to the requirements, risk weighted assets for credit risk is measured by Weighted Approach, risk weighted assets for market risk is measured by Standardised Approach, and risk weighted assets for operation risk is measured by Standardised Approach.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(7) CAPITAL MANAGEMENT (CONTINUED)

The banking operation's core Tier 1 capital adequacy ratio, Tier 1 capital adequacy ratio and capital adequacy ratio are shown below:

	31 December 2024	31 December 2023
Core Tier 1 capital adequacy ratio	**9.12%**	9.22%
Tier 1 capital adequacy ratio	**10.69%**	10.90%
Capital adequacy ratio	**13.11%**	13.43%

(8) THE GROUP'S MAXIMUM EXPOSURE TO STRUCTURED ENTITIES

The Group uses structured entities in the normal course of business for a number of purposes, for example, structured transactions for customers, to provide finance to public and private sector infrastructure projects, and to generate fees from managing assets on behalf of third-party investors. These structured entities are financed through the issue of beneficiary notes or trust units to investors. Refer to Note 3.(8) for the Group's consolidation consideration related to structured entities.

The following table also shows the size, the Group's funding and the Group's maximum exposure to the unconsolidated structured entities representing the Group's maximum possible risk exposure that could occur as a result of the Group's arrangements with structured entities. The maximum exposure is contingent in nature and approximates the sum of direct investments made by the Group.

The size of unconsolidated structured entities and the Group's funding and maximum exposure are shown below:

	Unconsolidated structured entities			
31 December 2024 (in RMB million)	Size	Carrying amount	The Group's maximum exposure	Interest held by the Group
Securitization and usufruct transfer	**18,644**	**3,769**	**3,769**	Investment income and service fee
Assets management products managed by affiliated entities	**3,154,480**	**256,128**	**256,128**	Investment income and service fee
Assets management products managed by third parties	**Note 1**	**799,163**	**799,163**	Investment income
Wealth management products managed by affiliated entities	**1,214,152**	**11,903**	**11,903**	Investment income and service fee
Wealth management products managed by third parties	**Note 1**	**12,109**	**12,109**	Investment income

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49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(8) THE GROUP'S MAXIMUM EXPOSURE TO STRUCTURED ENTITIES (CONTINUED)

31 December 2023 (in RMB million)	Unconsolidated structured entities Size	Carrying amount	The Group's maximum exposure	Interest held by the Group
Securitization	21,639	3,903	3,903	Investment income and service fee
Assets management products managed by affiliated entities	2,685,824	250,850	250,850	Investment income and service fee
Assets management products managed by third parties	Note 1	787,772	787,772	Investment income
Wealth management products managed by affiliated entities	1,013,060	10,358	10,358	Investment income and service fee
Wealth management products managed by third parties	Note 1	5,702	5,702	Investment income

Note 1: These assets management products and wealth management products are sponsored by third party financial institutions and the information related to size of these structured entities were not publicly available.

The Group's interests in unconsolidated structured entities are recorded as wealth management investments under FVPL, FVOCI and AC, and beneficial right under trust schemes under assets purchased under reverse repurchase agreements.

50. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

(1) CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

(in RMB million)	Carrying amount		Fair value	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Financial assets				
Cash and amounts due from banks and other financial institutions	**1,018,027**	804,077	**1,018,027**	804,077
Balances with the Central Bank and statutory deposits for insurance operations	**281,956**	285,879	**281,956**	285,879
Financial assets purchased under reverse repurchase agreements	**91,840**	167,660	**91,840**	167,660
Accounts receivable	**36,006**	35,636	**36,006**	35,636
Derivative financial assets	**68,698**	44,978	**68,698**	44,978
Finance lease receivable	**210,176**	180,674	**210,176**	180,674
Loans and advances to customers	**3,391,837**	3,318,122	**3,391,837**	3,318,122
Financial assets at fair value through profit or loss	**2,377,074**	1,803,047	**2,377,074**	1,803,047
Financial assets at amortized cost	**1,232,450**	1,243,353	**1,326,847**	1,272,437
Debt financial assets at fair value through other comprehensive income	**3,186,937**	2,637,008	**3,186,937**	2,637,008
Equity financial assets at fair value through other comprehensive income	**356,493**	264,877	**356,493**	264,877
Other assets	**65,042**	107,203	**65,042**	107,203
Financial liabilities				
Due to banks and other financial institutions	**838,183**	963,718	**838,183**	963,718
Financial liabilities at fair value through profit or loss	**172,768**	48,619	**172,768**	48,619
Derivative financial liabilities	**74,937**	44,531	**74,937**	44,531
Assets sold under agreements to repurchase	**462,292**	241,803	**462,292**	241,803
Accounts payable	**6,871**	8,858	**6,871**	8,858
Customer deposits and payables to brokerage customers	**3,710,167**	3,534,539	**3,710,167**	3,534,539
Bonds payable	**967,042**	964,007	**969,271**	962,802
Other liabilities	**247,025**	213,717	**247,025**	213,717

Fair value of financial instruments not carried at fair value

The following describes the methods and assumptions used to determine fair value of financial instruments measured at amortized cost.

Financial instruments for which fair value approximates to carrying amount

For financial assets and financial liabilities that have a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to term deposits, and savings accounts without a specific maturity. For other variable rate instruments, adjustment is also made to reflect the subsequent changes in the market rate after initial recognition.

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

(1) CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of financial instruments not carried at fair value (Continued)

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortized cost is estimated by comparing market interest rates when they were first recognized with current market rates for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money market interest rates for financial products with similar credit risk and maturity. For quoted debts issued, the fair values are determined based on quoted market prices. For those debts issued where quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity and credit spreads.

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

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

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

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

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

Valuation methods for Level 2 and Level 3 financial instruments

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

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

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

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

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

	31 December 2024			
(in RMB million)	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Financial assets				
Financial assets at fair value through profit or loss				
Bonds	**10,684**	**957,381**	**227**	**968,292**
Funds	**287,321**	**214,203**	**6,410**	**507,934**
Stocks	**202,689**	**1,772**	**122**	**204,583**
Wealth management investments, debt schemes and other investments	**165**	**528,588**	**167,512**	**696,265**
	500,859	**1,701,944**	**174,271**	**2,377,074**
Derivative financial assets				
Interest rate swaps	**-**	**25,637**	**-**	**25,637**
Currency forwards and swaps	**-**	**39,188**	**-**	**39,188**
Others	**-**	**2,302**	**1,571**	**3,873**
	-	**67,127**	**1,571**	**68,698**
Debt financial assets at fair value through other comprehensive income				
Bonds	**14,537**	**2,984,596**	**205**	**2,999,338**
Wealth management investments, debt schemes and other investments	**-**	**184,967**	**2,632**	**187,599**
	14,537	**3,169,563**	**2,837**	**3,186,937**
Equity financial assets at fair value through other comprehensive income				
Stocks	**266,795**	**-**	**287**	**267,082**
Preferred shares	**-**	**82,575**	**-**	**82,575**
Other equity investments	**629**	**2,279**	**3,928**	**6,836**
	267,424	**84,854**	**4,215**	**356,493**
Loans and advances to customers measured at fair value through other comprehensive income	**-**	**459,280**	**-**	**459,280**
Total financial assets	**782,820**	**5,482,768**	**182,894**	**6,448,482**
Financial liabilities				
Derivative financial liabilities				
Interest rate swaps	**-**	**26,549**	**-**	**26,549**
Currency forwards and swaps	**-**	**37,376**	**-**	**37,376**
Others	**-**	**1,862**	**9,150**	**11,012**
	-	**65,787**	**9,150**	**74,937**
Placements from banks and other financial institutions measured at fair value through profit or loss	**8,331**	**-**	**-**	**8,331**
Financial liabilities at fair value through profit or loss	**2,888**	**167,084**	**2,796**	**172,768**
Total financial liabilities	**11,219**	**232,871**	**11,946**	**256,036**

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

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

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

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

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

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

The following table shows an analysis of financial instruments not recorded at fair value but for which fair value is disclosed by level of the fair value hierarchy:

	31 December 2024			
(in RMB million)	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Financial assets				
Financial assets at amortized cost	**261**	**1,158,509**	**168,077**	**1,326,847**
Total	**261**	**1,158,509**	**168,077**	**1,326,847**
Financial liabilities				
Bonds payable	**13,135**	**956,136**	**–**	**969,271**
Total	**13,135**	**956,136**	**–**	**969,271**

	31 December 2023			
(in RMB million)	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Financial assets at amortized cost	383	1,107,349	164,705	1,272,437
Total	383	1,107,349	164,705	1,272,437
Financial liabilities				
Bonds payable	22,088	940,714	–	962,802
Total	22,088	940,714	–	962,802

Financial assets and liabilities for which fair value approximates carrying amount are not included in the above disclosure.

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

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

Reconciliation of movements in Level 3 financial instruments measured at fair value is as follows:

(in RMB million)	2024	2023
Financial assets at fair value through profit or loss		
As at 1 January	**170,810**	203,547
Additions	**39,217**	27,022
Disposals	**(24,261)**	(43,476)
Transfers into Level 3	**4,738**	758
Transfers from Level 3	**–**	(2,232)
Total gains/losses		
Losses through profit or loss	**(16,233)**	(14,809)
As at 31 December	**174,271**	**170,810**
Debt financial assets at fair value through other comprehensive income		
As at 1 January	**4,446**	51,152
Disposals	**(243)**	(209)
Settlement	**–**	(49,132)
Transfers into Level 3	**–**	2,779
Total gains/losses		
Losses through profit or loss	**(1,281)**	(43)
Losses through other comprehensive income	**(85)**	(101)
As at 31 December	**2,837**	4,446
Equity financial assets at fair value through other comprehensive income		
As at 1 January	**3,290**	2,991
Additions	**331**	554
Disposals	**(16)**	(270)
Transfers into Level 3	**2**	–
Transfers from Level 3	**(13)**	–
Total gains/losses		
Gains through other comprehensive income	**621**	15
As at 31 December	**4,215**	3,290

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

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

The gains or losses of level 3 financial instruments included in the income statement for the year are presented as follows:

	2024		
(in RMB million)	Realized gains	Unrealized gains	Total
Financial assets at fair value through profit or loss	**(423)**	**(15,810)**	**(16,233)**
Debt financial assets at fair value through other comprehensive income	**(281)**	**(1,000)**	**(1,281)**
	(704)	**(16,810)**	**(17,514)**

	2023		
(in RMB million)	Realized gains	Unrealized gains	Total
Financial assets at fair value through profit or loss	1,377	(16,186)	(14,809)
Debt financial assets at fair value through other comprehensive income	–	(43)	(43)
	1,377	(16,229)	(14,852)

Transfers

For the year ended 31 December 2024 and the year ended 31 December 2023, there were no significant transfers between Level 1 and Level 2 fair value measurements.

51. TRANSFERRED FINANCIAL ASSETS

The Group enters into transactions in the normal course of business by which it transfers recognized financial assets to third parties or to structured entities. When the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset and retained control of the asset, the Group continues to recognize the financial asset to the extent of the Group's continuing involvement, in which case, the Group also recognizes an associated liability. In other cases where the transferred financial assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these financial assets, the Group continued to recognize the transferred financial assets.

The Group's subsidiaries, Ping An Bank and Ping An Financial Leasing, entered into loan securitization transactions. The Group may retain risks or rewards in the securitization business which would give rise to the Group's continuing involvement in the transferred assets. Those financial assets are recognized on the statement of financial position to the extent of the Group's continuing involvement, otherwise the financial assets are derecognized.

51. TRANSFERRED FINANCIAL ASSETS (CONTINUED)

Other transferred financial assets that do not qualify for derecognition mainly include debt securities held by counterparties as collateral under repurchase agreements. The counterparties are allowed to sell or repledge those securities sold under repurchase agreements in the absence of default by the Group, but has an obligation to return the securities at the maturity of the contract. If the securities increase or decrease in value, the Group may in certain circumstances require the counterparties to provide additional or return collateral. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognized them.

The following table analyses the carrying amount of the above-mentioned financial assets transferred to third parties that did not qualify for derecognition or continuing involvement and their associated financial liabilities:

	31 December 2024		31 December 2023	
(in RMB million)	**Carrying amount of transferred or continuing involvement financial assets**	**Carrying amount of associated liabilities**	Carrying amount of transferred or continuing involvement financial assets	Carrying amount of associated liabilities
Repurchase transactions	**13,495**	**12,675**	3,235	2,918
Assets securitization	**1,447**	**1,447**	1,487	1,487

52. CASH AND CASH EQUIVALENTS

(in RMB million)	**31 December 2024**	31 December 2023
Cash		
Cash and amounts due from banks and other financial institutions		
Cash on hand	**3,424**	3,690
Term deposits	**8,798**	20,158
Due from banks and other financial institutions	**243,903**	169,477
Placements with banks and other financial institutions	**64,649**	80,373
Balances with the Central Bank	**61,055**	43,432
Subtotal	**381,829**	317,130
Cash equivalents		
Bonds	**8,660**	3,995
Financial assets purchased under reverse repurchase agreements	**88,556**	159,347
Subtotal	**97,216**	163,342
Total	**479,045**	480,472

53. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(1) RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES:

(in RMB million)	2024	2023
Profit before tax	**170,495**	120,117
Adjustments for:		
Depreciation of investment properties	**4,632**	4,692
Depreciation of property and equipment	**5,709**	7,808
Amortization of intangible assets	**3,840**	3,370
Depreciation of right-of-use assets	**4,930**	4,792
Amortization of long-term deferred expenses	**458**	591
Gains on disposal of investment properties, property and equipment, intangible assets and other long-term assets	**(3)**	(563)
Investment income and interest revenue from non-banking operations	**(190,136)**	(156,452)
Fair value losses/(gains) on investments at fair value through profit or loss	**(66,504)**	9,039
Interest expenses on non-banking operations	**19,405**	24,346
Foreign exchange gains/(losses)	**(380)**	(120)
Net impairment losses of financial assets and other assets	**92,759**	79,071
Operating profit before working capital changes	**45,205**	96,691
Changes in operating assets and liabilities:		
Changes in balances with the Central Bank and statutory deposits	**21,547**	12,661
Changes in amounts due from banks and other financial institutions	**(97,421)**	(97,449)
Changes in reinsurance contract assets/liabilities	**(2,461)**	(1,332)
Changes in account receivable	**(305)**	330
Changes in inventories	**2,954**	1,576
Changes in loans and advances to customers	**(52,121)**	(165,754)
Changes in assets purchased under agreements to resell of banking and securities business	**4,968**	(506)
Changes in other assets	**(190,049)**	69,876
Changes in due to banks and other financial institutions	**(146,107)**	90,799
Changes in customer deposits and payables to brokerage customers	**119,976**	111,984
Changes in insurance contract assets/liabilities	**385,595**	317,849
Changes in assets sold under agreements to repurchase of banking and securities business	**74,541**	51,034
Changes in other liabilities	**234,029**	(100,698)
Cash generated from operations	**400,351**	387,061
Less: Current income tax charged for the year	**(25,297)**	(17,699)
Changes in income tax payable	**7,420**	(8,959)
Net cash flows from operating activities	**382,474**	360,403

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53. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(2) NET DEBT RECONCILIATION:

This section sets out an analysis of net debt and movements in net debt of current year:

(in RMB million)	Short-term borrowings	Long-term borrowings	Bonds payable	Total
As at 1 January 2024	**79,217**	**48,962**	**944,748**	**1,072,927**
Cash flows	**(24,305)**	**(18,831)**	**(6,690)**	**(49,826)**
Foreign exchange adjustments	**31**	**37**	**346**	**414**
Other non-cash movements	**8,167**	**1,220**	**12,011**	**21,398**
As at 31 December 2024	**63,110**	**31,388**	**950,415**	**1,044,913**

54. COMPENSATION OF KEY MANAGEMENT PERSONNEL

(1) KEY MANAGEMENT PERSONNEL COMPRISE THE COMPANY'S DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The summary of compensation of key management personnel for the year is as follows:

(in RMB million)	2024	2023
Salaries and other short-term employee benefits after tax	**57**	63
Individual income tax	**36**	40

The estimated amount of total compensation has been provided in the Group's 2024 financial statements. The final remunerations of the Company's full-time directors, supervisors and senior management are being recognized, and will be disclosed after recognition in accordance with applicable rules.

Parts of the performance-based remunerations of the Company's senior management will be deferred and paid over a period of 3 years in accordance with the *Code of Corporate Governance of Banking and Insurance Institutions* and the *Guidelines for Insurance Companies' Remuneration Management (Trial)*. The deferred, unpaid parts are included in the total remunerations received by the Company's senior management from the Company during the Reporting Period.

(2) COMPENSATION OF KEY MANAGEMENT PERSONNEL OTHER THAN DIRECTORS AND SUPERVISORS IS AS FOLLOWS

(in RMB million)	2024	2023
Salaries and other short-term employee benefits after tax	**21**	29
Individual income tax	**14**	20

54. COMPENSATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(3) DIRECTORS' AND SUPERVISORS' EMOLUMENTS

The remuneration of every director and supervisor is set out below:

For the year ended 31 December 2024:

	2024									
(in RMB thousand)	Fees	Salaries	Discretionary bonuses (ii)	Housing allowance	Other employee benefits	Employer's contribution to a retirement benefit scheme	Remunerations received or receivable in respect of accepting office as director	Emoluments received or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total	Individual income tax
Ma Mingzhe (iii)	-	2,853	725	2	7	-	-	-	3,587	2,513
Xie Yonglin	-	3,841	-	36	52	84	-	-	4,013	2,699
Michael Guo (iv)	-	5,210	2,391	-	37	62	-	-	7,700	5,719
Cai Fangfang	-	3,023	462	36	49	71	-	-	3,641	2,215
Fu Xin (v)	-	2,739	1,308	36	32	62	-	-	4,177	2,802
Yao Jason Bo (vi)	222	-	-	-	-	-	-	-	222	57
Tan Sin Yin (vii)	222	-	-	-	-	-	-	-	222	57
Soopakij Chearavanont	533	-	-	-	-	-	-	-	533	137
Yang Xiaoping	533	-	-	-	-	-	-	-	533	137
He Jianfeng (viii)	-	-	-	-	-	-	-	-	-	-
Cai Xun	528	-	-	-	-	-	-	-	528	142
Ng Sing Yip	533	-	-	-	-	-	-	-	533	137
Chu Yiyun	528	-	-	-	-	-	-	-	528	142
Liu Hong	528	-	-	-	-	-	-	-	528	142
Ng Kong Ping Albert	533	-	-	-	-	-	-	-	533	137
Jin Li (ix)	411	-	-	-	-	-	-	-	411	109
Wang Guangqian (x)	528	-	-	-	-	-	-	-	528	142
Sun Jianyi	-	2,130	1,940	2	7	-	-	-	4,079	2,930
Wang Zhiliang	-	1,384	923	36	25	80	-	-	2,448	1,343
Zhu Xinrong	528	-	-	-	-	-	-	-	528	142
Hung Ka Hai Clement	533	-	-	-	-	-	-	-	533	137
Liew Fui Kiang	533	-	-	-	-	-	-	-	533	137

54. COMPENSATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(3) DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

For the year ended 31 December 2023:

	2023									
(in RMB thousand)	Fees	Salaries	Discretionary bonuses (ii)	Housing allowance	Other employee benefits	Employer's contribution to a retirement benefit scheme	Remunerations received or receivable in respect of accepting office as director	Emoluments received or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total	Individual income tax
Ma Mingzhe (iii)	-	2,853	725	2	7	-	-	-	3,587	2,513
Xie Yonglin	-	3,743	-	34	53	80	-	-	3,910	2,797
Cai Fangfang	-	3,000	469	34	49	68	-	-	3,620	2,242
Yao Jason Bo (vi)	378	1,802	-	-	9	14	-	-	2,203	1,449
Tan Sin Yin (vii)	-	5,708	1,702	-	33	43	-	-	7,486	5,520
Soopakij Chearavanont	548	-	-	-	-	-	-	-	548	142
Yang Xiaoping	548	-	-	-	-	-	-	-	548	142
He Jianfeng	500	-	-	-	-	-	-	-	500	130
Cai Xun	548	-	-	-	-	-	-	-	548	142
Ouyang Hui (xi)	304	-	-	-	-	-	-	-	304	77
Ng Sing Yip	548	-	-	-	-	-	-	-	548	142
Chu Yiyun	548	-	-	-	-	-	-	-	548	142
Liu Hong	548	-	-	-	-	-	-	-	548	142
Ng Kong Ping Albert	548	-	-	-	-	-	-	-	548	142
Jin Li	548	-	-	-	-	-	-	-	548	142
Wang Guangqian (x)	244	-	-	-	-	-	-	-	244	66
Michael Guo (iv)	-	1,506	641	-	9	16	-	-	2,172	1,358
Sun Jianyi	-	2,130	1,940	2	7	-	-	-	4,079	2,930
Wang Zhiliang	-	1,383	735	34	15	75	-	-	2,242	1,191
Zhu Xinrong	548	-	-	-	-	-	-	-	548	142
Liew Fui Kiang	548	-	-	-	-	-	-	-	548	142
Hung Ka Hai Clement	548	-	-	-	-	-	-	-	548	142

54. COMPENSATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(3) DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

(i) Other non-monetary benefits include the Key Employee Share Purchase Plan and the Long-Term Service Plan

The participation of the Company's directors and supervisors in the Key Employee Share Purchase Plan is as follows:

Period of purchase	Average price of shares purchased	Name	Unvested as at 1 January 2024	Addition during the year	Vested during the year	Unvested as at 31 December 2024
From 26 April 2021 to 29 April 2021	RMB73.13 per share	Ma Mingzhe	166,668	–	166,668	–
		Xie Yonglin	153,822	–	153,822	–
		Michael Guo	14,067	–	14,067	–
		Cai Fangfang	54,683	–	54,683	–
		Fu Xin	6,835	–	6,835	–
		Yao Jason Bo	76,556	–	76,556	–
		Tan Sin Yin	87,493	–	87,493	–
		Wang Zhiliang	2,734	–	2,734	–
From 18 March 2022 to 25 March 2022	RMB47.56 per share	Ma Mingzhe	518,396	–	259,197	259,199
		Xie Yonglin	494,014	–	247,007	247,007
		Michael Guo	46,250	–	23,125	23,125
		Cai Fangfang	176,050	–	88,024	88,026
		Fu Xin	29,426	–	14,712	14,714
		Yao Jason Bo	298,460	–	149,229	149,231
		Tan Sin Yin	303,504	–	151,752	151,752
		Wang Zhiliang	11,630	–	5,815	5,815
From 16 March 2023 to 23 March 2023	RMB46.13 per share	Ma Mingzhe	832,946	–	277,648	555,298
		Xie Yonglin	798,619	–	266,206	532,413
		Michael Guo	118,633	–	39,544	79,089
		Cai Fangfang	302,440	–	100,813	201,627
		Fu Xin	106,101	–	35,367	70,734
		Yao Jason Bo	205,441	–	68,480	136,961
		Tan Sin Yin	536,227	–	178,742	357,485
		Wang Zhiliang	15,546	–	5,182	10,364
From 13 May 2024 to 13 June 2024	RMB42.89 per share	Ma Mingzhe	–	914,856	–	914,856
		Xie Yonglin	–	879,895	–	879,895
		Michael Guo	–	342,057	–	342,057
		Cai Fangfang	–	343,735	–	343,735
		Fu Xin	–	143,759	–	143,759
		Tan Sin Yin	–	197,738	–	197,738
		Wang Zhiliang	–	31,863	–	31,863

54. COMPENSATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(3) DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

(i) Other non-monetary benefits include the Key Employee Share Purchase Plan and the Long-Term Service Plan (continued)

The participation of the Company's directors and supervisors in the Long-term Service Plan is as follows:

Period of purchase	Average price of shares purchased	Name	Unvested as at 1 January 2024	Addition during the year	Vested during the year	Unvested as at 31 December 2024
From 7 May 2019 to 14 May 2019	RMB79.10 per share	Ma Mingzhe	252,762	–	–	252,762
		Xie Yonglin	189,571	–	–	189,571
		Cai Fangfang	126,381	–	–	126,381
		Fu Xin	18,957	–	–	18,957
		Yao Jason Bo	126,381	–	–	126,381
		Sun Jianyi	126,381	–	–	126,381
		Wang Zhiliang	12,638	–	–	12,638
From 24 February 2020 to 28 February 2020	RMB80.15 per share	Ma Mingzhe	249,504	–	–	249,504
		Xie Yonglin	187,128	–	–	187,128
		Michael Guo	18,712	–	–	18,712
		Cai Fangfang	124,752	–	–	124,752
		Fu Xin	18,712	–	–	18,712
		Yao Jason Bo	124,752	–	–	124,752
		Wang Zhiliang	18,712	–	–	18,712
From 26 April 2021 to 29 April 2021	RMB72.92 per share	Ma Mingzhe	274,224	–	–	274,224
		Xie Yonglin	205,668	–	–	205,668
		Michael Guo	20,566	–	–	20,566
		Cai Fangfang	137,112	–	–	137,112
		Fu Xin	13,985	–	–	13,985
		Yao Jason Bo	137,112	–	–	137,112
		Wang Zhiliang	13,985	–	–	13,985
From 18 March 2022 to 25 March 2022	RMB47.56 per share	Ma Mingzhe	420,446	–	–	420,446
		Xie Yonglin	315,335	–	–	315,335
		Michael Guo	31,533	–	–	31,533
		Cai Fangfang	210,223	–	–	210,223
		Fu Xin	23,124	–	–	23,124
		Yao Jason Bo	210,223	–	–	210,223
		Wang Zhiliang	23,124	–	–	23,124
From 16 March 2023 to 23 March 2023	RMB46.06 per share	Ma Mingzhe	434,102	–	–	434,102
		Xie Yonglin	325,576	–	–	325,576
		Michael Guo	32,557	–	–	32,557
		Cai Fangfang	217,051	–	–	217,051
		Fu Xin	65,115	–	–	65,115
		Wang Zhiliang	23,875	–	–	23,875
From 23 August 2024 to 20 September 2024	HKD35.85 per share	Ma Mingzhe	–	754,988	–	754,988
		Xie Yonglin	–	452,992	–	452,992
		Michael Guo	–	332,194	–	332,194
		Cai Fangfang	–	301,995	–	301,995
		Fu Xin	–	241,596	–	241,596
		Wang Zhiliang	–	30,199	–	30,199

54. COMPENSATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(3) DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

(ii) Discretionary bonuses for the Group's executive directors and senior management are determined on the bonus scheme approved by the Board of Directors and the personal performance of senior management.

(iii) MA Mingzhe is the Founder, Chairman (Executive Director) of the Company.

(iv) Michael Guo took office as a Co-CEO of the Company on 27 September 2023, as a Senior Vice President of the Company on 20 December 2023, and as an Executive Director of the Company on 18 September 2024.

(v) Fu Xin was appointed as an Executive Director of the Company on 18 September 2024.

(vi) Yao Jason Bo was re-designated from an Executive Director to a Non-executive Director of the Company on 26 April 2023, and resigned as a Non-executive Director on 30 May 2024.

(vii) Tan Sin Yin resigned as a Non-executive Director on 30 May 2024.

(viii) He Jianfeng has voluntarily waived his remunerations (including the basic pay and the work allowance) for serving as a Non-executive Director of the Company during the reporting period. The total amount of remuneration waived by He Jianfeng is RMB0.67 million before tax in 2024.

(ix) Jin Li has voluntarily waived part of his basic pay for serving as an Independent Non-executive Director of the Company during the reporting period. The total amount of remuneration waived by Jin Li is RMB0.15 million before tax in 2024.

(x) Wang Guangqian was appointed as an Independent Non-executive Director of the Company on 20 July 2023.

(xi) Ouyang Hui resigned as an Independent Non-executive Director on 20 July 2023 since his term of office exceed six years.

55. FIVE HIGHEST PAID INDIVIDUALS

The total emoluments of the five highest paid individuals in the Group, except for key management personnel whose emoluments were reflected in Note 54, are as follows:

(in RMB million)	2024	2023
Salaries and other short-term employee benefits after tax	**110**	91

The number of five highest paid individuals in the Group whose emoluments after tax fell within the following bands is as follows:

	2024	2023
RMB5,000,001 – RMB10,000,000	**1**	2
RMB10,000,001 – RMB15,000,000	**2**	1
RMB15,000,001 – RMB20,000,000	**–**	–
RMB20,000,001 – RMB25,000,000	**–**	–
RMB25,000,001 – RMB30,000,000	**–**	–
RMB30,000,001 – RMB35,000,000	**–**	2
RMB35,000,001 – RMB40,000,000	**1**	–
RMB40,000,001 – RMB45,000,000	**1**	–

The five highest paid individuals in the Group pay individual income tax in strict accordance with the local tax rules. The tax rate is between 15% and 45%.

56. SIGNIFICANT RELATED PARTY TRANSACTIONS

(1) SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY'S SHARE ARE AS SET OUT BELOW:

Name of related parties	Relationship with the Company
Charoen Pokphand Group Co., Ltd. ("CP Group")	Parent of shareholders
Shenzhen Investment Holdings Co., Ltd. ("SIHC")	Shareholder

As at 31 December 2024, CP Group indirectly held 5.30% (31 December 2023: 5.84%) equity interests in the Company and is the largest shareholder of the Company.

(2) THE SUMMARY OF SIGNIFICANT MAJOR RELATED PARTY TRANSACTIONS IS AS FOLLOWS:

(in RMB million)	2024	2023
CP Group		
Premiums received	**80**	60
Claims paid	**22**	33
Rental revenue from	**27**	27
Interest expenses to	**2**	2
Other revenues from	**1**	5
Other expenses to	**12**	6
SIHC		
Premiums received	**2**	4
Claims paid	**1**	3
Interest revenue from	**40**	33
Interest expenses to	**47**	59
Other expenses to	**5**	6
Lufax Holding		
Interest revenue from	**8**	11
Interest expenses to	**184**	464
Other revenues from	**810**	1,998
Other expenses to	**842**	1,609
Ping An Health		
Interest expenses to	**52**	71
Other revenues from	**585**	578
Other expenses to	**2,101**	1,772
Ping An HealthKonnect		
Interest revenue from	**16**	28
Interest expenses to	**69**	51
Other revenues from	**18**	104
Other expenses to	**5**	9
OneConnect		
Interest expenses to	**15**	18
Other revenues from	**822**	1,407
Other expenses to	**1,440**	2,233

56. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(2) THE SUMMARY OF SIGNIFICANT MAJOR RELATED PARTY TRANSACTIONS IS AS FOLLOWS (CONTINUED):

Lufax Holding was changed to a subsidiary of the Group since 30 July 2024. The above related party transactions with Lufax Holding in year 2024 only included transactions from 1 January 2024 to 29 July 2024.

(3) THE SUMMARY OF BALANCES OF THE GROUP WITH MAJOR RELATED PARTIES IS AS FOLLOWS:

(in RMB million)	**31 December 2024**	31 December 2023
CP Group		
Customer deposits	**2**	117
SIHC		
Customer deposits	**2,918**	2,657
Loans and advances to customers	**1,851**	745
Ping An Health		
Customer deposits	**1,887**	2,704
Accounts payable and other payables	**804**	1,211
Accounts receivable and other receivables	**145**	93
Ping An HealthKonnect		
Customer deposits	**286**	667
Loans and advances to customers	**403**	871
Accounts payable and other payables	**82**	126
Accounts receivable and other receivables	**25**	177
OneConnect		
Customer deposits	**193**	785
Derivative financial liabilities	**40**	38
Accounts payable and other payables	**573**	1,302
Accounts receivable and other receivables	**273**	866

57. COMMITMENTS

(1) CAPITAL COMMITMENTS

The Group had the following capital commitments relating to investments and property development projects.

(in RMB million)	31 December 2024	31 December 2023
Contracted, but not provided for	**9,569**	9,751
Authorized, but not contracted for	**6,923**	6,469
	16,492	16,220

(2) CREDIT COMMITMENTS

(in RMB million)	31 December 2024	31 December 2023
Bank acceptances	**804,745**	744,855
Guarantees issued	**102,292**	92,852
Letters of credit issued	**174,586**	148,823
Others	**68,017**	–
Subtotal	**1,149,640**	986,530
Unused limit of credit cards and loan commitments	**956,170**	960,439
Total	**2,105,810**	1,946,969
Credit risk weighted amounts of credit commitments	**771,534**	594,788

Credit commitments disclosed in the table above do not include the financial guarantees accounted for as insurance contracts by the Group.

(3) INVESTMENT COMMITMENTS

The Group's investment commitments to associates and joint ventures are as follows:

(in RMB million)	31 December 2024	31 December 2023
Contracted but not provided for	**6,368**	7,839

58. EMPLOYEE BENEFITS

(1) PENSION

The employees of the Group are mainly covered by various defined contribution pension plans. The Group makes and accrues contributions on a monthly basis to the pension plans, and relevant government authorities are responsible for the pension liability to retired employees. The Group is unable to forfeit any payments made, which are expensed as incurred. The Group has no other significant legal or constructive obligations for retirement benefits beyond the said contributions.

58. EMPLOYEE BENEFITS (CONTINUED)

(2) HOUSING BENEFITS

The employees of the Group are entitled to participate in and make contributions to various government sponsored funds for housing purposes. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

(3) MEDICAL BENEFITS

The Group makes monthly contributions for medical benefits to the local authorities in accordance with relevant local regulations for the employees. The Group's liability in respect of employee medical benefits is limited to the contributions payable in each period.

(4) KEY EMPLOYEE SHARE PURCHASE PLAN

The Group has adopted a Key Employee Share Purchase Plan for the key employees of the Company and its subsidiaries. Refer to Note 38 for more details.

(5) LONG-TERM SERVICE PLAN

The Company has adopted a Long-term Service Plan for the employees of the Company and its subsidiaries. Refer to Note 39 for more details.

59. CONTINGENT LIABILITIES

Owing to the nature of the insurance, bank and other related business, the Group is involved in contingencies and legal proceedings in the ordinary course of business, including, but not limited to, being the plaintiff or the defendant in litigations and arbitrations. Legal proceedings mostly involve claims on the Group's insurance policies and other claims. Provision has been made for probable losses to the Group, including those claims where management can reasonably estimate the outcome of the lawsuits taking into account any applicable legal advice.

No provision has been made for pending assessments, lawsuits or possible violations of contracts when the outcome cannot be reasonably estimated or management believes the probability is low or remote. For pending lawsuits, management also believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group or any of its subsidiaries.

60. EVENTS AFTER THE REPORTING PERIOD

(1) PROFIT DISTRIBUTION

On 19 March 2025, the Board of Directors of the Company approved the Profit Distribution Plan of the Company for 2024, and declared a final cash dividend of 2024 in the amount of RMB1.62 (tax inclusive) per share as disclosed in Note 17.

61. COMPARATIVE FIGURES

Certain comparative figures have been reclassified or restated to conform to the current year's presentation.

62. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(1) STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(in RMB million)	**31 December 2024**	31 December 2023
Assets		
Cash and amounts due from banks and other financial institutions	**25,894**	20,627
Financial assets purchased under reverse repurchase agreements	**5,777**	2,440
Financial assets at fair value through profit or loss	**35,455**	9,070
Financial assets at amortized cost	**32,715**	30,654
Debt financial assets at fair value through other comprehensive income	**9,493**	8,000
Investments in subsidiaries and associates	**238,963**	238,113
Investment properties	**1,199**	1,055
Property and equipment	**21**	28
Intangible assets	**985**	995
Right-of-use assets	**85**	169
Other assets	**486**	456
Total assets	**351,073**	311,607
Equity and liabilities		
Equity		
Share capital	**18,210**	18,210
Reserves	**139,396**	139,075
Treasury shares	**(5,001)**	(5,001)
Retained profits	**148,425**	137,648
Total equity	**301,030**	289,932
Liabilities		
Due to banks and other financial institutions	**18,743**	20,011
Derivative financial liabilities	**7,871**	–
Assets sold under agreements to repurchase	**370**	–
Bonds payable	**21,381**	–
Lease liabilities	**88**	172
Other liabilities	**1,590**	1,492
Total liabilities	**50,043**	21,675
Total equity and liabilities	**351,073**	311,607

The statement of financial position of the Company was approved by the Board of Directors on 19 March 2025 and was signed on its behalf.

MA Mingzhe	**Xie Yonglin**
Director	*Director*

62. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(2) RESERVE MOVEMENT OF THE COMPANY

	For the year ended 31 December 2024						
(in RMB million)	**Share premium**	**Financial assets at FVOCI reserves**	**Others**	**Surplus reserve fund**	**General reserve**	**Retained profits**	**Total**
As at 1 January	**122,812**	**247**	**3,457**	**12,164**	**395**	**137,648**	**276,723**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**54,779**	**54,779**
Other comprehensive income	**–**	**10**	**20**	**–**	**–**	**–**	**30**
Dividend declared	**–**	**–**	**–**	**–**	**–**	**(44,002)**	**(44,002)**
Employee Share Purchase Plan	**–**	**–**	**284**	**–**	**–**	**–**	**284**
Others	**–**	**–**	**7**	**–**	**–**	**–**	**7**
As at 31 December	**122,812**	**257**	**3,768**	**12,164**	**395**	**148,425**	**287,821**

	For the year ended 31 December 2023						
(in RMB million)	Share premium	Financial assets at FVOCI reserves	Others	Surplus reserve fund	General reserve	Retained profits	Total
As at 1 January	128,737	215	2,992	12,164	395	128,895	273,398
Profit for the year	–	–	–	–	–	52,755	52,755
Other comprehensive income	–	32	7	–	–	–	39
Dividend declared	–	–	–	–	–	(44,002)	(44,002)
Employee Share Purchase Plan	–	–	456	–	–	–	456
Cancellation of repurchased shares	(5,925)	–	–	–	–	–	(5,925)
Others	–	–	2	–	–	–	2
As at 31 December	122,812	247	3,457	12,164	395	137,648	276,723

According to the Company's articles of association, the Company shall set aside 10% of its net profit determined in its statutory financial statements, prepared in accordance with PRC Accounting Standards, to a statutory surplus reserve fund. The Company can cease such profit appropriation to this fund if its balance reaches 50% of the Company's registered share capital. The Company may also make appropriations from its net profit to the discretionary surplus reserve fund provided the appropriation is approved by a resolution of the shareholders. These reserves cannot be used for purposes other than those for which they are created. Profits are used to offset prior year losses before allocations to such reserves.

Subject to resolutions passed in shareholders' meetings, the statutory surplus reserve fund, discretionary surplus reserve fund and capital reserve can be transferred to share capital. The balance of the statutory surplus reserve fund after transfers to share capital shall not be less than 25% of the registered capital.

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

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

Ping An Milestones

1988	Founding of the Company	Ping An Insurance Company was established as the first joint-stock insurance company in China.
1992	Expanding nationwide	The Company was renamed Ping An Insurance Company of China, becoming a national insurance company.
1994	Foreign investors	Ping An brought on board Morgan Stanley and Goldman Sachs as its shareholders, becoming the first financial institution in China to have foreign investors.
1995	Founding of Ping An Securities	Ping An made a breakthrough in non-insurance financial business by establishing Ping An Securities Co., Ltd.
1996	Building trust business presence	Ping An acquired ICBC Pearl River Delta Financial Trust Joint Company, which was then renamed Ping An Trust & Investment Company.
2002	Stake acquired by HSBC	HSBC Group took a stake in Ping An, becoming its single largest shareholder.
2003	Founding of the Group	Ping An Insurance (Group) Company of China, Ltd. was established, becoming a pilot company for integrated operations in China's financial industry.
2004	H-share listing	Ping An Group enhanced its capital strength by going public in Hong Kong, which was the largest initial public offering ("IPO") in Hong Kong that year.
2007	A-share listing	Ping An Group was listed on the Shanghai Stock Exchange, which was the world's largest IPO of an insurance company by then.
2011	Acquiring SDB	Ping An became the controlling shareholder of Shenzhen Development Bank, which later merged with the former Ping An Bank, was renamed Ping An Bank, and built banking business presence nationwide.
2012	Founding of Lufax	Lufax was established as Ping An began to build finance enablement business presence.
2016	Record high written premium	Ping An Life's written premium exceeded RMB300 billion, and new business premium exceeded RMB100 billion.
2017	Market cap exceeded RMB1 trillion	Ping An hit a record high with a market cap of over RMB1 trillion, ranking first among insurance groups and joining top 10 financial services groups worldwide. Ping An's brand value ranked first in the global insurance industry in several international ratings.
2018	Ping An Rural Communities Support	In response to the government's call for poverty alleviation, Ping An launched "Ping An Rural Communities Support" (comprising Village Industry Program, Village Doctor Program, and Village Teacher Program) in nine provinces or autonomous regions nationwide at its 30th anniversary.
2019	OneConnect's listing	OneConnect completed its IPO on the New York Stock Exchange, being the first U.S.-listed technology company incubated by Ping An.
2020	Fighting COVID-19	Ping An fought the global pandemic promptly by providing insurance protection, healthtech, charitable donations and so on.
2021	Implementing health care ecosystem strategy	Ping An built a closed loop of supply, demand and payment by exploring the innovative "insurance + health care" synergistic model to provide customers with "worry-free, time-saving, and money-saving" health care services.
2022	Upgrading the logo slogan	Ping An returned its logo slogan to "Expertise Creates Value" to highlight its commitment to providing the most professional financial advisory, family doctor and senior care concierge services, aiming to build a century-old trusted, first-choice service brand.
2023	35th Anniversary	In celebration of its 35th anniversary, Ping An provided numerous customers with "worry-free, time-saving, and money-saving" "integrated finance + health and senior care" services via thanksgiving programs, and gave back to society via charitable activities.
2024	Upgrading the "worry-free, time-saving, and money-saving" value proposition	Ping An comprehensively upgraded its "worry-free, time-saving, and money-saving" value proposition as 242 million customers' "most professional financial adviser, family doctor, and senior care concierge."

Glossary

In this Report, unless the context otherwise indicates, the following expressions shall have the following meanings:

Ping An, Company, the Company, Group, the Group, Ping An Group	Ping An Insurance (Group) Company of China, Ltd.
Ping An Life	Ping An Life Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Health Insurance	Ping An Health Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Annuity	Ping An Annuity Insurance Company of China, Ltd., a subsidiary of the Company
Ping An P&C, Ping An Property & Casualty	Ping An Property & Casualty Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Bank	Ping An Bank Co., Ltd., a subsidiary of the Company
SDB, Shenzhen Development Bank	Shenzhen Development Bank Co., Ltd. became an associate of the Company in May 2010, became a subsidiary of the Company in July 2011 and was renamed “Ping An Bank Co., Ltd.” on July 27, 2012
Ping An Wealth Management	Ping An Wealth Management Co., Ltd., a subsidiary of Ping An Bank
Ping An Trust	Ping An Trust Co., Ltd., a subsidiary of the Company
Ping An Securities	Ping An Securities Co., Ltd., a subsidiary of Ping An Trust
Ping An Financial Leasing	Ping An International Financial Leasing Co., Ltd., a subsidiary of the Company
Ping An Asset Management	Ping An Asset Management Co., Ltd., a subsidiary of the Company
Ping An Overseas Holdings	China Ping An Insurance Overseas (Holdings) Limited, a subsidiary of the Company
Ping An Financial Technology	Shenzhen Ping An Financial Technology Consulting Co., Ltd., a subsidiary of the Company
Ping An Technology	Ping An Technology (Shenzhen) Co., Ltd., a subsidiary of Ping An Financial Technology
Ping An Finserve	Shenzhen Ping An Finserve Co., Ltd., a subsidiary of Ping An Financial Technology
Lufax Holding	Lufax Holding Ltd, a subsidiary of Ping An Financial Technology

Glossary

Ping An Health	Ping An Healthcare and Technology Company Limited, an associate of Ping An Financial Technology during the Reporting Period
OneConnect	OneConnect Financial Technology Co., Ltd., an associate of Ping An Financial Technology
Autohome	Autohome Inc., a subsidiary of the Company
New Founder Group	New Founder Holding Development Company Limited, a subsidiary of Ping An Life
Founder Securities	Founder Securities Co., Ltd., a subsidiary of New Founder Group
CP Group Ltd.	Charoen Pokphand Group Company Limited, a parent company of C.P. Group
RMB	Chinese Renminbi unless otherwise specified
CAS	The *Accounting Standards for Business Enterprises* and other relevant regulations issued by the Ministry of Finance of the People's Republic of China
IFRS	The *International Financial Reporting Standards* issued by the International Accounting Standards Board
Written premium	All premiums received from insurance policies underwritten by the Company, which are prior to the significant insurance risk testing and separation of hybrid contracts
HKEX	Hong Kong Exchanges and Clearing Limited
The Stock Exchange of Hong Kong, SEHK	The Stock Exchange of Hong Kong Limited
SEHK Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
SSE	Shanghai Stock Exchange
SSE Listing Rules	The Rules Governing the Listing of Stocks on Shanghai Stock Exchange
Corporate Governance Code	The Corporate Governance Code as contained in Appendix C1 to the SEHK Listing Rules

SFO	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Model Code	The Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the SEHK Listing Rules
Articles of Association	The Articles of Association of Ping An Insurance (Group) Company of China, Ltd.
PBC	The People's Bank of China
Ministry of Finance	The Ministry of Finance of the People's Republic of China
CBIRC	The former China Banking and Insurance Regulatory Commission
NFRA	The National Financial Regulatory Administration
CSRC	The China Securities Regulatory Commission

Corporate Information

REGISTERED NAMES

Full name of the Company (Chinese/English)

中國平安保險(集團)股份有限公司
Ping An Insurance (Group) Company of China, Ltd.

Short name of the Company (Chinese/English)

中國平安
Ping An

LEGAL REPRESENTATIVE

Ma Mingzhe

TYPES OF SECURITIES AND LISTING PLACES

A share	Shanghai Stock Exchange
H share	The Stock Exchange of Hong Kong Limited

STOCK SHORT NAMES AND CODES

A share	中國平安	601318
H share	Ping An	2318 (HKD counter)
	Ping An-R	82318 (RMB counter)

AUTHORIZED REPRESENTATIVES

Michael Guo
Sheng Ruisheng

SECRETARY OF THE BOARD OF DIRECTORS

Sheng Ruisheng

COMPANY SECRETARY

Sheng Ruisheng

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DESIGNATED MEDIA FOR A-SHARE INFORMATION DISCLOSURE

China Securities Journal
Shanghai Securities News
Securities Times
Securities Daily

WEBSITES FOR PUBLICATION OF REGULAR REPORTS

www.sse.com.cn
www.hkexnews.hk

LOCATION OF REGULAR REPORTS AVAILABLE FOR INSPECTION

Board Office of the Company

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AMERICAN DEPOSITARY SHARES REGISTRAR

The Bank of New York Mellon

A gently unfolding traditional Chinese scroll reveals mountains, rivers and vast land. Ping An Finance Center, like a giant ink brush, composes a magnificent poetic masterpiece with big strokes.

Created with AI to a great extent, the front cover of this year's annual report perfectly combines tradition and modernity to symbolize Ping An will adhere to its original aspiration and continuously seek innovation to create a brand-new future.

This report is printed on environmental friendly paper manufactured from elemental chlorine-free pulp and acid free.