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# 中国平安保险(集团)股份有限公司

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

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

### ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2022

The board of directors (the “**Board of Directors**”) of Ping An Insurance (Group) Company of China, Ltd. (“**Ping An**” or the “**Company**”) announces the unaudited results (the “**First Quarter Results**”) of the Company and its subsidiaries (the “**Group**”) for the three months ended March 31, 2022 (the “**Reporting Period**”). The Board of Directors and its Audit and Risk Management Committee have reviewed the First Quarter Results.

#### 1. KEY BUSINESS PERFORMANCE

##### 1.1 Business Highlights

- Ping An achieved steady business results. Operating profit attributable to shareholders of the parent company rose 10.0% year on year to RMB43,047 million in the first three months of 2022.
- Customer development continued to yield greater results. Retail customers exceeded 223 million as of March 31, 2022, and contracts per customer grew 1.0% year to date to 2.94. Written premium of the corporate channel achieved through cross-selling increased 28.2% year on year in the first three months of 2022.
- Ping An Life unswervingly advanced its reform and transformation and constantly upgraded its products and services. Ping An Life refined the tiered management of its agent force to optimize the team structure. The proportion of agents with a college education background and above rose 3.5 pps year on year as of March 31, 2022. Ping An Life’s “Sheng Shi Jin Yue,” a whole life insurance product with a growing annual sum assured, has been widely recognized by customers since its launch in the first three months of 2022.
- Ping An Property and Casualty (“Ping An P&C”) maintained good business quality with steady growth in its written premium. Premium income increased 10.3% year on year to RMB73,018 million in the first three months of 2022. Combined ratio maintained a healthy level of 96.8% in the first three months of 2022 due to robust business management and risk screening.

- Ping An Bank maintained stable business growth and asset quality. Revenue grew 10.6% year on year to RMB46,207 million and net profit rose 26.8% year on year to RMB12,850 million in the first three months of 2022. Non-performing loan ratio remained unchanged year to date at 1.02% and provision coverage ratio rose 0.68 pps year to date to 289.10% as of March 31, 2022.
- Ping An continued to implement its healthcare ecosystem strategy. Ping An empowers its main financial businesses by offering one-stop “worry-free, time-saving, and money-saving” services covering health, chronic disease, disease and eldercare management via its world-leading healthcare ecosystem. Ping An’s healthcare ecosystem partnered with all top 100 hospitals and 3A hospitals and nearly 203,000 pharmacies in China as of March 31, 2022. Ping An Smart Healthcare cumulatively served 187 cities and over 54,000 medical institutions, and empowered approximately 1.38 million doctors as of March 31, 2022.

## 1.2 Key Figures

For the three months ended March 31	2022	2021	Change (%)
Operating profit attributable to shareholders of the parent company (in RMB million)	<b>43,047</b>	39,120	10.0
Basic operating earnings per share (in RMB)	<b>2.46</b>	2.21	11.3
Net profit attributable to shareholders of the parent company (in RMB million)	<b>20,658</b>	27,223	(24.1)
Life and health insurance business (“Life & Health”) NBV <sup>(1)</sup> (in RMB million)	<b>12,589</b>	18,980	(33.7)
Property & Casualty combined ratio (%)	<b>96.8</b>	95.2	1.6 pps
	<b>March 31, 2022</b>	December 31, 2021	Change (%)
Number of retail customers (in million)	<b>223.43</b>	221.91	0.7
Contracts per retail customer (contract)	<b>2.94</b>	2.91	1.0

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

## 2. PERFORMANCE REVIEW FOR KEY BUSINESSES

### 2.1 Overview

Global capital markets experienced substantial volatilities in a complex, severe international environment where the COVID-19 pandemic continued and a geopolitical conflict broke out in the first three months of 2022. Domestic economic growth faced three headwinds, namely shrinking demands, supply chain disruptions, and weakening expectations amid sporadic COVID-19 outbreaks. Household consumption recovery still encountered various challenges, with impacts on Ping An's long-term protection insurance business. Facing challenges, Ping An adhered to the business policy of "focusing on financial business, introducing reforms and innovations, increasing revenue and reducing expenditure, and ensuring compliant business operations." Ping An pressed firmly ahead with Ping An Life's quality-oriented reform and transformation, continuously strengthened the advantages of integrated finance, and built the "HMO managed care model." Moreover, Ping An laid a solid foundation for long-term sustainable, healthy growth by delivering "heartwarming financial services" and providing customers with "worry-free, time-saving, and money-saving" experience.

The Group's operating profit attributable to shareholders of the parent company rose 10.0% year on year to RMB43,047 million in the first three months of 2022. Net profit attributable to shareholders of the parent company decreased 24.1% year on year to RMB20,658 million mainly due to volatile capital markets.

#### *Operating profit*

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

- Short-term investment variance, which is the variance between the actual investment return of Life & Health and the embedded value (EV) long-run investment return assumption, net of the associated impact on insurance and investment contract liabilities. The investment return of Life & Health is locked at 5% after excluding the short-term investment variance;
- The impact of discount rate<sup>(1)</sup> change is the effect on the insurance contract liability of Life & Health due to changes in the discount rate; 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. Such impact in the first three months of 2022 and 2021 comprised the revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Group.

*Note:* (1) Refer to the significant accounting policies in the notes to the Company's 2021 Annual Report for the information about the discount rate.

2022

For the three months ended March 31 (in RMB million)	Life and health insurance business	Property and casualty insurance business	Banking business	Asset management business	Technology business	Other businesses and elimination	The Group
<b>Net profit attributable to shareholders of the parent company</b>	7,214	3,003	7,448	2,579	2,194	(1,780)	20,658
Net profit attributable to non-controlling interests	137	14	5,402	335	106	598	6,592
<b>Net profit (A)</b>	<b>7,351</b>	<b>3,017</b>	<b>12,850</b>	<b>2,914</b>	<b>2,300</b>	<b>(1,182)</b>	<b>27,250</b>
<b>Excluding:</b>							
Short-term investment variance (B)	(19,715)	-	-	-	-	-	(19,715)
Impact of discount rate change (C)	(2,613)	-	-	-	-	-	(2,613)
Impact of one-off material non-operating items and others (D)	-	-	-	-	(551)	-	(551)
<b>Operating profit (E=A-B-C-D)</b>	<b>29,678</b>	<b>3,017</b>	<b>12,850</b>	<b>2,914</b>	<b>2,851</b>	<b>(1,182)</b>	<b>50,129</b>
<b>Operating profit attributable to shareholders of the parent company</b>	<b>29,052</b>	<b>3,003</b>	<b>7,448</b>	<b>2,579</b>	<b>2,745</b>	<b>(1,780)</b>	<b>43,047</b>
Operating profit attributable to non-controlling interests	627	14	5,402	335	106	598	7,082

2021

For the three months ended March 31 (in RMB million)	Life and health insurance business	Property and casualty insurance business	Banking business	Asset management business	Technology business	Other businesses and elimination	The Group
<b>Net profit attributable to shareholders of the parent company</b>	12,403	5,096	5,872	2,280	3,300	(1,728)	27,223
Net profit attributable to non-controlling interests	181	23	4,260	358	405	561	5,788
<b>Net profit (A)</b>	<u>12,584</u>	<u>5,119</u>	<u>10,132</u>	<u>2,638</u>	<u>3,705</u>	<u>(1,167)</u>	<u>33,011</u>
<b>Excluding:</b>							
Short-term investment variance (B)	(10,328)	-	-	-	-	-	(10,328)
Impact of discount rate change (C)	(2,667)	-	-	-	-	-	(2,667)
Impact of one-off material non-operating items and others (D)	-	-	-	-	967	-	967
<b>Operating profit (E=A-B-C-D)</b>	<u>25,580</u>	<u>5,119</u>	<u>10,132</u>	<u>2,638</u>	<u>2,738</u>	<u>(1,167)</u>	<u>45,040</u>
<b>Operating profit attributable to shareholders of the parent company</b>	25,267	5,096	5,872	2,280	2,333	(1,728)	39,120
Operating profit attributable to non-controlling interests	<u>313</u>	<u>23</u>	<u>4,260</u>	<u>358</u>	<u>405</u>	<u>561</u>	<u>5,920</u>

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

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

## 2.2 Customer Development

**Ping An's retail customers continued to increase.** Ping An's retail customers<sup>(1)</sup> grew 0.7% year to date to over 223 million as of March 31, 2022. Contracts per customer grew 1.0% year to date to 2.94. The Group's internet users<sup>(2)</sup> increased 1.6% year to date to over 657 million as of March 31, 2022. The number of yearly active users<sup>(3)</sup> exceeded 345 million as of March 31, 2022.

(in million)	March 31, 2022	December 31, 2021	Change (%)
Number of retail customers	223.43	221.91	0.7
Number of internet users	657.49	647.32	1.6

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

(2) Internet users refer to unique registered users with accounts on the internet services platforms (including webpage platforms and mobile apps) of the Group's member companies including technology companies and core financial companies.

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

(4) The Company improved the definitions of retail customers and contracts per customer in the first three months of 2022 by removing unreachable customers but including distributed contracts. Comparable data of 2021 was restated correspondingly.

**Corporate customer development yielded significant results, with continued growth in business scale.** Despite the impact of COVID-19, Ping An benefited from the operating results of the integrated finance strategy in the first three months of 2022. Corporate premiums achieved through cross-selling grew 9.4% year on year to RMB4,812 million, in which written premium of the corporate channel rose 28.2% year on year. New financing scale achieved through corporate business cross-selling increased 9.0% year on year to RMB192,969 million in the first three months of 2022.

For the three months ended March 31 (in RMB million)	2022	2021	Change (%)
Corporate premiums achieved through cross-selling <sup>(1)</sup>	4,812	4,400	9.4
Including: Written premium of the corporate channel <sup>(2)</sup>	2,044	1,594	28.2
New financing scale achieved through corporate business cross-selling <sup>(3)</sup>	<u>192,969</u>	<u>177,034</u>	<u>9.0</u>

Notes: (1) The corporate premiums achieved through cross-selling refer to written premiums of insurance policies sold by the Group to corporate customers through cross-selling.

(2) The written premium of the corporate channel refers to the corporate premiums achieved through cross-selling less that achieved by Ping An Life.

(3) The new financing scale achieved through corporate business cross-selling refers to the scale of new financing projects achieved by the Group's member companies through cross-selling.

### 2.3 Healthcare as a New Driver of Value Growth

Ping An developed an innovative “new healthcare” model by combining differentiated healthcare services with insurance businesses as a payer. In this way, Ping An empowered its main financial businesses by providing comprehensive risk protection and one-stop “worry-free, time-saving, and money-saving” healthcare services for retail and corporate customers. Over 65% of Ping An’s over 657 million internet users used services from the healthcare ecosystem as of March 31, 2022. Over 64% of Ping An’s over 223 million retail customers used services from the healthcare ecosystem as of March 31, 2022. Health insurance premium income exceeded RMB40 billion in the first three months of 2022.

- **In respect of proprietary flagship offerings,** Ping An’s dedicated family doctors provide retail and corporate customers with healthcare services by connecting “online, in-store, and home-delivered” service networks, covering entire consultation, diagnosis, treatment and service processes. Ping An achieved a 60-second connection rate of 99.9% in online services, and realized 24/7 active management. Through participation in the restructuring of Founder Group, Ping An enhanced its strategic offline presence in the healthcare industry by integrating PKU Healthcare’s excellent resources into Ping An’s healthcare ecosystem. These resources include five general hospitals and six specialty medical institutions, among which Peking University International Hospital is a flagship hospital. Ping An Longhua General Hospital, co-built by Shenzhen Longhua District People’s Government and Ping An, has already been established. Ping An is injecting its proprietary medical resources, technological strengths, and managerial capabilities into this hospital to help it build the No.1 high-end healthcare service brand in Shenzhen. Moreover, Ping An had 14 health management centers as of March 31, 2022.

- **In respect of the partner network**, Ping An cooperates with domestic and overseas high-quality service providers to develop its healthcare ecosystem. Ping An partnered with all top 100 hospitals and 3A hospitals in China and had over 50,000 domestic and overseas contracted doctors as of March 31, 2022. Moreover, Ping An partnered with nearly 98,000 healthcare management institutions and nearly 203,000 (approximately 34% of all) pharmacies in China as of March 31, 2022.

In addition to integration of healthcare resources, Ping An also provides information services. Ping An empowers the management of diseases, medical institutions, and medical workers by building a smart public health supervision platform. Ping An Smart Healthcare cumulatively served 187 cities and over 54,000 medical institutions, and empowered approximately 1.38 million doctors as of March 31, 2022.

## 2.4 Life and Health Insurance Business

Uncertainties increased in the first three months of 2022 amid the complex, changing economic situations and the continued impact of COVID-19. Facing challenges, Ping An Life adhered to its original aspiration of reform, and advanced the quality-oriented transformation via its two-pronged “channel + product” strategy. NBV of Life & Health fell 33.7% year on year to RMB12,589 million in the first three months of 2022 due to the agent force adjustment, product mix change, and the high base that resulted from a critical illness insurance purchase spree triggered by critical illness definition changes in the first three months of 2021.

**In respect of channels, Ping An Life firmly promoted the quality-oriented transformation of the agent force, strengthened cooperation with Ping An Bank, and explored innovative channels including Community Grid and the lower-tier channel to facilitate multi-channel development.**

- **Agent channel.** Ping An Life refined the tiered management of its agent force to optimize the team structure. The proportion of agents with a college education background and above rose 3.5 pps year on year as of March 31, 2022. In respect of Diamond Agents, Ping An Life further improved the team’s capabilities and structure through exclusive projects including the incentive system upgrade, product suite upgrade, and organizational development. In respect of new agents, Ping An Life implemented “Talent +” to upgrade and tighten agent recruitment, aiming to raise the proportion of high-quality new agents gradually through high-quality existing ones. Ping An Life also implemented training upgrades, preferential policies, and organizational support to boost new agents’ income. Going forward, Ping An Life will continue to promote the pilot reform of digital business outlets, and gradually expand the pilots on the premise of ensuring quality.

- **Bancassurance channel.** The bancassurance channel continuously built the professional operations framework of “channel + product + technology.” Ping An Life continuously deepened cooperation with Ping An Bank to build an exclusive product suite, share training resources, and accelerate the development of Ping An Bank’s Private Wealth Advisers. The Private Wealth Advisers are gradually becoming an elite force who are insurance specialists within the wealth management team as its quality is improving and its contributions are increasing. Moreover, Ping An Life strengthened cooperation with external major banks to standardize outlet operations. Ping An Life improved the bancassurance product suite according to the needs of bank customers. In addition, Ping An Life empowered its business with technologies to improve insurance application processes and customer experience.
- **Other channels.** Ping An Life diversified its channels and actively explored the Community Grid channel, whereby highly competent grid-based specialists dig deep into local communities like “farmers” and focus on increasing the persistency ratio of “orphan policies<sup>(1)</sup>” under an “online-merge-offline” high-quality, sustainable service model. Ping An Life successfully piloted the model in cities including Shanghai, Shenzhen and Shenyang as of March 31, 2022, and established the whole process covering hiring, online-merge-offline operations, renewal premium collection, and sales. Some results have already been achieved. In addition, Ping An Life initiated and promoted pilots at eight more cities. Through an online-merge-offline model for collecting renewal premiums, the 13-month persistency ratio of “orphan policies” improved sharply year on year. Ping An Life will continue to roll out pilots at an accelerated pace. In respect of the telemarketing channel, Ping An Life continued to enhance the “services before sales” operational model, and maintained a leading market share by upgrading products, optimizing services, and improving customer experience. In addition, Ping An Life continued to develop an innovative model leveraging insurance consumption scenarios in lower-tier markets.

**In respect of products, Ping An Life increased the supply of competitive products to meet customer demands under the philosophy of developing “heartwarming insurance.” Moreover, Ping An Life created differentiated advantages with three core services, namely “insurance + health management,” “insurance + high-end eldercare,” and “insurance + home-based eldercare,” by leveraging the Group’s healthcare ecosystem.**

- **Insurance products:** Ping An Life continuously innovates and upgrades product offerings by supplying diverse products revolving around customers’ differentiated insurance demands. In order to meet customers’ demand for long-term and stable wealth appreciation, Ping An Life launched a whole life insurance product named “Sheng Shi Jin Yue” in the first three months of 2022. Taking into account safety and return, the product offers a cash value and an annual sum assured that grow constantly. The product’s “dual insureds” design extends the time horizon where the annual sum assured and the cash value can keep growing, realizing wealth inheritance from one generation to the next. This product has been widely recognized by customers for its unique advantages.

*Note:* (1) Orphan policies are in-force policies sold by Ping An Life’s former agents before their agency relationship terminated.

- Services:** Ping An Life capitalized on the Group’s healthcare ecosystem to offer heartwarming services to insurance customers. **In respect of “insurance + health management,”** Ping An Life has continuously gained insights into customer demands and upgraded Ping An Zhen Xiang RUN Health Services Plan (“Ping An Zhen Xiang RUN”) twice since it was launched in 2021. Ping An Zhen Xiang RUN covered over 22 million critical illness insurance customers as of March 31, 2022, with an overall service satisfaction degree of 98% and high customer recognition. Based on professional family doctors and health records, Ping An Zhen Xiang RUN offers solutions covering three healthcare scenarios, namely health, chronic disease, and disease management, providing customers with “worry-free, time-saving, and money-saving” health service experience. Going forward, Ping An Life will further improve and diversify its service items to better meet diverse customer needs. **In respect of “insurance + high-end eldercare,”** Ping An is committed to developing the high-quality eldercare market, which has large room for development in China at present. Ping An aims to fully satisfy the needs of the elderly and meet their demands for high-quality eldercare services by providing “prime life, exclusive services, and respectful care.” Ping An Zhen Yi Nian launched “Shenzhen Shekou Yi Nian Cheng,” its first high-end eldercare community project, in March 2022 to offer brand-new heartwarming, high-quality eldercare services. **In respect of “insurance + home-based eldercare,”** Ping An provides customers with one-stop home-based eldercare services through whole-hearted concierges to make the elderly comfortable and their offspring worry-free. Ping An launched pilots in Shenzhen and Nanjing, and received positive feedback and recognition from customers. Ping An will roll out home-based eldercare services covering ten scenarios including medical care, nursing, dining, entertainment, and health preservation in over 20 domestic cities in 2022, striving to build the No.1 home-based eldercare brand in China.

### ***Key indicators of Life & Health***

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

	<b>2022</b>	2021	Change (%)
Operating profit	<u>29,678</u>	<u>25,580</u>	<u>16.0</u>
First-year premium used to calculate NBV	<b>51,203</b>	60,527	(15.4)
NBV <sup>(1)</sup>	<b>12,589</b>	18,980	(33.7)
NBV margin (%)	<u><b>24.6</b></u>	<u>31.4</u>	<u>-6.8 pps</u>

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

	<b>March 31, 2022</b>	December 31, 2021	Change (%)
Ping An Life			
Number of individual life insurance sales agents (person)	<u><b>537,864</b></u>	<u>600,345</u>	<u>(10.4)</u>

## 2.5 Property and Casualty Insurance Business

**Ping An P&C maintained good business quality with steady growth in its written premium.** Ping An P&C’s premium income increased 10.3% year on year to RMB73,018 million in the first three months of 2022. Premium growth returned to normal as the cyclical impact of the auto insurance pricing reform ended. Overall combined ratio rose 1.6 pps year on year to 96.8% due to rising claims of the guarantee insurance business amid the COVID-19 pandemic. That said, overall business quality remained good and risks under control due to enhanced business management and risk screening.

**Ping An P&C continued to apply technologies to data-driven customer development and build the auto services ecosystem.** “Ping An Auto Owner,” the largest automotive service app in China, had over 153 million registered users as of March 31, 2022, with over 97 million vehicles linked to the app.

**Ping An P&C’s leading online claims services offer superior user experience.** Ping An P&C launched contact-free fast tracks for auto insurance claims in pandemic-stricken regions. 91.1% of Ping An P&C’s family auto insurance claims were processed via “One-click Claims Services” in the first three months of 2022. Ping An P&C launched the “Fast, Easy, and Free” claims services which cut the number of documents required for small-amount claims, helping small and micro-businesses enhance their risk resistance capacity against COVID-19.

For the three months ended March 31

(in RMB million)	2022	2021	Change (%)
Operating profit	<u>3,017</u>	<u>5,119</u>	<u>(41.1)</u>
Premium income	<b>73,018</b>	66,175	10.3
Including: Auto insurance	<b>47,083</b>	42,638	10.4
Non-auto insurance	<b>18,679</b>	18,297	2.1
Accident and health insurance	<b>7,256</b>	<u>5,240</u>	<u>38.5</u>
Combined ratio (%)	<u><b>96.8</b></u>	<u>95.2</u>	<u>1.6 pps</u>

## 2.6 Investment Portfolio of Insurance Funds

**The Company continued to improve the asset allocation of its insurance fund investment portfolio and the management of asset-liability matching.** The Company's insurance fund investment portfolio grew 4.6% year to date to nearly RMB4.10 trillion as of March 31, 2022. The investment portfolio of insurance funds achieved an annualized net investment yield<sup>(1)</sup> of 3.3% and an annualized total investment yield<sup>(1)</sup> of 2.3% in the first three months of 2022.

The United States Federal Reserve accelerated the interest rate hike and balance sheet reduction, and the geopolitical conflict pushed up inflation expectations and risk aversion in the first three months of 2022. As a result, global capital markets experienced substantial volatilities, where stock markets generally declined, and interest rates in major economies rose rapidly. The mismatch of economic cycles between China and the United States as well as Europe intensified, industrial restructuring in China deepened, and the COVID-19 pandemic had an impact on economic activities. Downward pressure on China's economic growth increased and risk premiums expanded significantly in the first three months of 2022. Major onshore and offshore stock indexes fell significantly, along with range-bound interest rates and widening credit spreads. As a result, investment yields on the Company's investment portfolio of insurance funds were under pressure.

Debt schemes and debt wealth management products accounted for 11.3% of the total investment assets as of March 31, 2022. The debt schemes and debt wealth management products held by Ping An in its investment portfolio of insurance funds had high credit ratings, with risks under control.

The Company continued to improve the asset-liability matching of insurance funds. The Company ensured long-term, sound asset-liability duration matching of insurance funds by holding large amounts of long-duration assets including central and local government bonds. The Company will maintain the current risk appetite for its investment portfolio of insurance funds, given the policy environment, economic conditions, and market situations.

The Company constantly strengthens its post-investment management capability and upgrades its post-investment management system. The Company has established and improved a three-tier management framework of "a post-investment management committee + a post-investment middle office + project post-investment teams." In line with its top-level strategy, the Company conducts in-depth, meticulous, and strong post-investment management of portfolio companies' operations, promoting cultural integration with portfolio companies based on deep understanding of industry trends and cycles. The Company conducts overall management of post-investment mechanisms on the basis of compliance and full respect for the independent operations of member companies. By doing so, the Company ensures pre-investment participation, post-investment tracking, risk warning, and operational empowerment to enhance its post-investment management capability and maximize the value of its investments.

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

## 2.7 Banking Business

Ping An Bank continuously upgraded the operation strategies for retail, corporate and interbank businesses, and promoted comprehensive digital operations to reshape asset-liability operations, maintaining stable, healthy business growth.

**Ping An Bank maintained stable business growth.** Revenue grew 10.6% year on year to RMB46,207 million and net profit grew 26.8% year on year to RMB12,850 million in the first three months of 2022. Ping An Bank's net interest margin in the first three months of 2022 was 2.80%, down 0.07 pps year on year but up 0.06 pps from the fourth quarter of 2021. The average cost of deposits in the first three months of 2022 was 2.05%, down 0.01 pps year on year.

- **Ping An Bank further advanced its retail business transformation.** Ping An Bank's retail assets under management ("AUM") (including securities assets) rose 5.6% year to date to RMB3,360,669 million as of March 31, 2022. Retail customers increased 1.6% year to date to approximately 120,097,500, among which wealth management customers increased 6.1% year to date to approximately 1,166,500. The balance of retail deposits increased 9.0% year to date to RMB839,575 million. The balance of retail loans grew 0.2% year to date to RMB1,913,471 million. The balance of Xinyidai unsecured loans and that of auto loans both increased 4.1% year to date.
- **Ping An Bank continued to enhance corporate banking.** The number of corporate customers increased by approximately 20,000 or 3.9% year to date to approximately 530,400 as of March 31, 2022. The balance of corporate deposits grew 5.3% year to date to RMB2,308,043 million as of March 31, 2022. The average daily balance of corporate deposits was RMB2,291,179 million in the first three months of 2022, up 13.5% year on year. The balance of corporate loans grew 7.6% year to date to RMB1,241,024 million as of March 31, 2022.
- **Ping An Bank upgraded the interbank business model.** Market share by transaction volume of bonds was 2.9% in the first three months of 2022. "Ping An Hedging" foreign exchange and interest rate derivatives trading volume grew 76.3% year on year to USD10,852 million. Interbank institutional sales reached RMB673,990 million, up 45.9% year on year in the first three months of 2022.

**Ping An Bank kept asset quality stable.** Non-performing loan ratio remained unchanged year to date at 1.02% and provision coverage ratio rose 0.68 pps year to date to 289.10% as of March 31, 2022. The deviations of loans more than 60 days overdue and loans more than 90 days overdue were 0.91 and 0.76 respectively.

**Ping An Bank maintained stable capital adequacy.** Ping An Bank's capital adequacy ratios at all levels satisfied minimum regulatory requirements as of March 31, 2022. Among them, the core tier 1 capital adequacy ratio rose 0.04 pps year to date.

For the three months ended March 31

(in RMB million)	2022	2021	Change (%)
Net profit	12,850	10,132	26.8
Revenue	46,207	41,788	10.6
Net interest margin (annualized, %)	2.80	2.87	-0.07 pps

(in RMB million)	March 31, 2022	December 31, 2021	Change (%)
Deposits <sup>(1)</sup>	3,147,618	2,961,819	6.3
Total loans and advances <sup>(1)</sup>	3,154,495	3,063,448	3.0
Non-performing loan ratio (%)	1.02	1.02	–
Provision coverage ratio (%)	289.10	288.42	0.68 pps
Core tier 1 capital adequacy ratio (%) <sup>(2)</sup>	8.64	8.60	0.04 pps

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

- (2) Ping An Bank and its wholly-owned subsidiary Ping An Wealth Management Co., Ltd. are included in the computation of the above capital adequacy ratios in accordance with the *Administrative Measures for the Capital of Commercial Banks (Trial)* issued by the former China Banking Regulatory Commission on June 7, 2012. The minimum regulatory requirement for the core tier 1 capital adequacy ratio is 7.5%.

## 2.8 Asset Management Business

Net profit of the asset management business grew 10.5% year on year to RMB2,914 million in the first three months of 2022.

**Ping An Securities achieved steady growth by leveraging the Group’s integrated financial business model and technological strengths.** In brokerage business, the market share of Ping An Securities in terms of the equity and fund trading volume (excluding seat leasing)<sup>(1)</sup> remained unchanged year on year at approximately 3.69% in the first three months of 2022. In the bond business of investment banking, Ping An Securities was among top players in the industry by bond business scale. Ping An Securities ranked 2nd in asset-backed securities<sup>(2)</sup> volume and 7th in bonds<sup>(2)</sup> underwriting respectively in the first three months of 2022.

**Ping An Trust vigorously developed its core trust businesses by adhering to its transformation direction.** Assets held in trust increased 3.8% year to date to RMB478,653 million as of March 31, 2022. The proportion of assets under active management grew to 81.1%. Assets held in trust in the investment category increased by RMB32,735 million or 12.7% year to date.

Notes: (1) The computation of the market share in terms of equity and fund trading volume (excluding seat leasing) excludes the Northbound Stock Connect market.

- (2) Asset-backed securities (ABS) refer to ABS products regulated by the China Securities Regulatory Commission, and bonds refer to corporate bonds and bonds issued by state-owned enterprises.

## 2.9 Technology Business

Ping An continues to further its technology strategies and develop business steadily. Total revenue of the technology business<sup>(1)</sup> increased 3.7% year on year to RMB24,717 million in the first three months of 2022.

**Lufax Holding** (NYSE: LU) is one of the leading technology-empowered personal financial services platforms in China. Lufax Holding engages in two major businesses, namely retail credit facilitation and wealth management. In retail credit facilitation, Lufax Holding efficiently connects borrowers with financial resources providers including banks, trust companies and insurers on its “Aggregate Model” retail lending platform to provide small and micro-business owners with quick, convenient lending services. In wealth management, Lufax Holding cooperates with financial product providers and builds a technology-powered smart business framework, using AI to match customers with products and providing middle-class and affluent investors with diverse, customized offerings.

**OneConnect** (NYSE: OCFT) is a technology-as-a-service provider for financial institutions. OneConnect provides clients with “full stack” integrated products, including Digital Banking, Digital Insurance, and Gamma Platform, which offers fintech infrastructure services. OneConnect facilitates the digital transformation of the financial services ecosystem, and provides governments, regulators, and enterprises with technological services relating to trade, supply chains, data security, risk management and so on.

**Ping An Health** (HKEX: 01833.HK; stock short name: PA GOODDOCTOR) is China’s leading online healthcare services platform. As an integral part of the Group’s “HMO managed care model,” Ping An Health effectively reaches potential users under the fees-based “basic benefit packages + individual value-added services” model. Starting with members’ dedicated family doctors, Ping An Health covers five healthcare scenarios, namely health, sub-health, disease, chronic disease, and eldercare management. Capitalizing on its online-to-offline (O2O) service network, Ping An Health has developed an online-merge-offline “medical + healthcare” services platform to provide users with high-quality and more convenient healthcare services.

**Autohome** (NYSE: ATHM; HKEX: 02518.HK), China’s leading online auto services platform, is dedicated to developing a smart auto ecosystem centering on data and technology. In the ecosystem, Autohome provides auto consumers with diverse products and services across the entire auto lifecycle. Autohome continuously promotes the upgrade of its “ecosystem strategy.” By developing the dual ecosystem based on Autohome and Ping An’s cooperation, Autohome builds its new business portfolio and provides comprehensive services for consumers, automakers and various players in the auto ecosystem.

*Note:* (1) The total revenue of the technology business is the sum of revenues of technology companies in our technology segment, without considering the shareholding proportions in the respective companies.

## 2.10 Technology-Powered Business Transformation

**Ping An attaches great importance to developing core technologies and securing proprietary intellectual property rights.** Ping An's technology patent applications increased by 2,048 year to date to 40,468 as of March 31, 2022, more than most other international financial institutions'.

**Ping An leverages cutting-edge technologies to comprehensively upgrade the end-to-end services of its core financial businesses.**

In respect of sales, Ping An Life continued to promote its online-merge-offline sales model through the "AI Customer Visit Assistant." The AI Customer Visit Assistant enables live streaming for online customer interactions, and provides agents with audio- and video-based guidance as well as insurance and disease tips during offline customer visits. The AI Customer Visit Assistant facilitated a monthly average of 2.36 hours of interactions per agent with existing and potential customers in the first three months of 2022, an increase of 55% year on year. Ping An Life's "Jin Guan Jia" app had over 272 million registered users as of March 31, 2022, providing users with wider access to service benefits. Customized service benefits were provided nearly 10.90 million times in the first three months of 2022.

In respect of operations, Ping An leverages technologies to optimize and reengineer financial business processes, boost operational efficiency, and improve customer experience. In property and casualty insurance operations management, Ping An leverages AI robot assistants to reform traditional operational models and streamline operational processes. A "Robot Factory" was built to comprehensively rationalize and create a property and casualty insurance knowledge graph which improves the identification of customer intentions based on natural language processing. The robot assistants can "listen, speak, read, think and act" due to integration with voice recognition and voice-to-text technologies. As a result, 75% of policies were issued through self-service in March 2022.

In respect of services, Ping An empowers human service representatives with AI, which has been widely used in financial business scenarios. AI service representatives provided services more than 580 million times in the first three months of 2022, covering a series of services including lending, credit cards, and insurance.

## 2.11 Prospects of Future Development

Amid the COVID-19 pandemic, domestic and international environments are becoming even more complex, severe, and uncertain. Domestic consumption and investment will pick up slowly as sporadic COVID-19 breakouts will weigh on domestic economic recovery in the short run, posing challenges to Ping An's business growth. Moreover, credit risks will increase, asset quality will remain under pressure, and equity markets will become more volatile due to the complex, severe international environment. However, there will be new opportunities for Ping An's business development in the long run. On one hand, consumer demands for insurance and health management will be gradually generated due to increasing health awareness and demands for medical management and eldercare services, creating huge potential for Ping An's financial and healthcare businesses. On the other hand, as the demand for digital transformation grows stronger driven by technological advancement and government policies, Ping An will accelerate the innovation of its financial and healthcare business models to empower business growth.

China's economic fundamentals will remain positive in the long run, with strong potential and favorable conditions for the development of the financial and healthcare industries. Ping An will implement the spirit of the 14th Five-Year Plan, uphold the compliance philosophy of "Regulations + 1," operate in accordance with laws, strengthen risk management, and improve operations. Ping An will act proactively in response to the Communist Party of China and the state's call to seek steady, high-quality development. Ping An will contribute to the "Healthy China" initiative and respond to the national strategy of actively coping with population aging. Ping An will advance the "integrated finance + healthcare" strategic upgrade under a customer-centric approach in line with national strategies and people's livelihoods. Ping An will strive to become a world-leading integrated financial and healthcare services provider by providing retail and corporate customers with comprehensive risk protection and one-stop healthcare services. Moreover, Ping An will continue to fulfill its social responsibilities under a people-centric approach, pursue national rejuvenation, and create steadily growing value for customers, shareholders, and society. Ping An will make unremitting efforts to realize people's aspiration for a better life and the common prosperity of society.

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

As of March 31, 2022, the total share capital of the Company was 18,280,241,410 shares, of which 10,832,664,498 were A shares and 7,447,576,912 were H shares.

Total number of shareholders as of the end of the Reporting Period		Total number of shareholders was 1,214,814, of which 1,210,542 were holders of A shares and 4,272 were holders of H shares.				
Shareholdings of top ten shareholders						
Name of shareholder	Nature of shareholder <sup>(1)</sup>	Shareholding percentage (%)	Total number of shares held (shares)	Type of shares	Number of shares subject to selling restrictions (shares)	Number of pledged, marked or frozen shares (shares)
Hong Kong Securities Clearing Company Nominees Limited <sup>(2)</sup>	Overseas legal person	37.01	6,765,166,356 <sup>(3)</sup>	H Share	-	Unknown
Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	5.27	962,719,102	A Share	-	341,740,000 pledged shares
Hong Kong Securities Clearing Company Limited <sup>(4)</sup>	Others	3.34	609,758,727	A Share	-	-
China Securities Finance Corporation Limited	Others	2.99	547,459,258	A Share	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	2.57	470,302,252	A Share	-	-
Business Fortune Holdings Limited	Overseas legal person	2.43	443,639,264	H Share	-	269,768,865 pledged shares
Shum Yip Group Limited	State-owned legal person	1.41	257,728,008	A Share	-	-
Long-term Service Plan of Ping An Insurance (Group) Company of China, Ltd. <sup>(5)</sup>	Others	1.39	254,684,848	A Share	-	-
Plenty Ace Investments (SPV) Limited	Overseas legal person	1.20	219,127,694	H Share	-	-
Dacheng Fund - Agricultural Bank of China - Dacheng Zhongzheng Financial Asset Management Plan	Others	1.10	201,948,582	A Share	-	-

- Notes:*
- (1) Nature of the holders of A shares represents the nature of accounts held by the holders of A shares registered on the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.
  - (2) Hong Kong Securities Clearing Company Nominees Limited (“HKSCC Nominees Limited”) is the nominee holder of the shares held by non-registered H shareholders of the Company.
  - (3) Business Fortune Holdings Limited and Plenty Ace Investments (SPV) Limited are indirect wholly-owned subsidiaries of CP Group Ltd., and the shares owned by these two companies have been registered under the name of HKSCC Nominees Limited. In order to avoid double counting, the shares owned by the above two companies have been deducted from the shares held by HKSCC Nominees Limited.
  - (4) The shares held by Hong Kong Securities Clearing Company Limited refer to the shares held by non-registered shareholders of the Northbound Trading of the Shanghai-Hong Kong Stock Connect Program.
  - (5) Participants in the Long-term Service Plan of the Company are the employees of the Company and its subsidiaries. Over 110,000 employees have participated in the Long-term Service Plan cumulatively. The source of funding is the remunerations payable to employees.

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

Business Fortune Holdings Limited and Plenty Ace Investments (SPV) Limited are indirect wholly-owned subsidiaries of CP Group Ltd., and they are presumed to be acting in concert with each other since they are under the common control of CP Group Ltd. CP Group Ltd. indirectly held 1,243,259,627 H shares of the Company, representing approximately 6.80% of the total share capital of the Company as of March 31, 2022, through the above two companies and other subsidiaries.

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

#### 4. SIGNIFICANT EVENTS

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

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

As deliberated at the 16th meeting of the ninth Board of Directors held on October 28, 2014 and approved at the first extraordinary general meeting for 2015 held on February 5, 2015, the Key Employee Share Purchase Plan of the Company has been implemented since 2015. For the Key Employee Share Purchase Plan of the Company, the participants are key employees of the Company and its subsidiaries including the directors, employee representative supervisors, and senior management. The sources of funding are legitimate incomes and performance bonuses of the employees.

Eight phases of the Key Employee Share Purchase Plan were implemented as of the end of the Reporting Period. Among them, all shares under the four phases for 2015-2018 were unlocked, and the four phases for 2019-2022 were implemented as follows:

There were 1,267 participants in the Key Employee Share Purchase Plan for 2019. A total of 8,078,395 A shares of the Company were purchased for a total amount of RMB588,197,823.00 (expenses inclusive), accounting for approximately 0.044% of the total share capital of the Company at that time.

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

There were 1,754 participants in the Key Employee Share Purchase Plan for 2021. A total of 9,162,837 A shares of the Company were purchased for a total amount of RMB670,258,495.86 (expenses inclusive), accounting for approximately 0.050% of the total share capital of the Company at that time.

There were 1,703 participants in the Key Employee Share Purchase Plan for 2022. A total of 12,518,547 A shares of the Company were purchased for a total amount of RMB595,602,067.09 (expenses inclusive), accounting for approximately 0.068% of the total share capital of the Company at that time. For details of the share purchase, please refer to the *Announcement Regarding the Completion of Share Purchase under the 2022 Key Employee Share Purchase Plan* published by the Company on the websites of The Stock Exchange of Hong Kong Limited (the “HKEX”) and the Shanghai Stock Exchange (the “SSE”) on March 27, 2022 and March 28, 2022 respectively.

During the Reporting Period, no change was made in equity under the four phases of the Key Employee Share Purchase Plan for 2019-2022, and the manager of the Key Employee Share Purchase Plan was not changed.

The key employees held 33,502,306 A shares of the Company in total through the Key Employee Share Purchase Plan as at the end of the Reporting Period, accounting for approximately 0.183% of the total share capital of the Company.

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

The Company has implemented the Long-term Service Plan since 2019 as deliberated at the third meeting of the 11th Board of Directors held on October 29, 2018 and approved at the second extraordinary general meeting for 2018 held on December 14, 2018. Participants in the Long-term Service Plan of the Company are the employees of the Company and its subsidiaries including directors, employee representative supervisors, and senior management. The source of funding is the remunerations payable to employees.

Four 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 for a total amount of RMB4,296,112,202.60 (expenses inclusive), accounting for approximately 0.297% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 394 employees were disqualified due to reasons including their resignation; 702,965 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 for a total amount of RMB3,988,648,517.41 (expenses inclusive), accounting for approximately 0.272% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 501 employees were disqualified due to reasons including their resignation; 762,238 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 for a total amount of RMB4,184,093,674.69 (expenses inclusive), accounting for approximately 0.314% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 2,042 employees were disqualified due to reasons including their resignation; 1,296,187 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 for a total amount of RMB4,438,825,366.37 (expenses inclusive), accounting for approximately 0.510% of the total share capital of the Company at that time. For details of the share purchase, please refer to the *Announcement on Completion of Share Purchase under the 2022 Long-term Service Plan* published by the Company on the websites of the HKEX and the SSE on March 27, 2022 and March 28, 2022 respectively.

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

The Long-term Service Plan held a total of 254,684,848 A shares of the Company as at the end of the Reporting Period, accounting for approximately 1.393% of the total share capital of the Company.

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

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

The *Resolution regarding Share Repurchase* was considered and approved at the 4th meeting of the 12th session of the Board of Directors held by the Company on August 26, 2021. Under this resolution, a total of 77,765,090 A shares of the Company were repurchased by the Company by means of centralized bidding transaction via the system of the SSE, representing approximately 0.42541% of the total share capital of the Company as of March 31, 2022. The total amount of funds paid was RMB3,899,441,135.30 (exclusive of transaction costs)/RMB3,900,104,053.43 (inclusive of transaction costs). The lowest transaction price was RMB48.18 per share and the highest transaction price was RMB51.96 per share. The repurchased A shares of the Company will be reserved exclusively for the employee stock ownership plans of the Company, including but not limited to the Long-term Service Plan which has been deliberated and approved at the general meeting of the Company. There were a total of 147,771,893 A shares of the Company in the Company's repurchased securities account as of March 31, 2022.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months from January 1, 2022 to March 31, 2022.

## 5. SOLVENCY MARGIN OF SUBSIDIARIES

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

<b>As of March 31, 2022</b>	<b>Ping An Life</b>	<b>Ping An P&amp;C</b>	<b>Ping An Annuity</b>	<b>Ping An Health Insurance</b>
Core capital (in RMB million)	529,920	103,326	14,028	3,496
Actual capital (in RMB million)	934,535	127,723	16,411	4,585
Minimum capital (in RMB million)	371,922	61,672	7,168	2,506
Core solvency margin ratio (%)	142.5	167.5	195.7	139.5
Comprehensive solvency margin ratio (%)	251.3	207.1	229.0	183.0

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.

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

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

## 6. GUARANTEE

(in RMB million)

<b>External guarantee of the Company and its subsidiaries (excluding the guarantee in favor of its controlled subsidiaries)</b>	
Total external guarantee incurred during the Reporting Period	–
Total external guarantee balance as of the end of the Reporting Period	–
<b>Guarantee of the Company and its subsidiaries in favor of its subsidiaries</b>	
Total guarantee in favor of its subsidiaries incurred during the Reporting Period <sup>(2)</sup>	(2,785)
Total guarantee balance in favor of its subsidiaries as of the end of the Reporting Period	33,867
<b>Total guarantee of the Company (including the guarantee in favor of its subsidiaries)</b>	
Total guarantee	33,867
Total guarantee as a percentage of the Company's net assets (%)	4.1
Including: Direct or indirect guarantee for the companies with a total liabilities to total assets ratio over 70% (as of March 31, 2022)	30,109
The amount by which the total guarantee balance of the Company and its subsidiaries exceeded 50% of the Company's net assets	–

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

(2) During the Reporting Period, the total guarantee incurred was the guarantee withdrawal of RMB417 million less the guarantee repayment of RMB3,202 million.

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

### 7.1 Consolidated Income Statement

*For the three-month period ended 31 March 2022*

<b>For the three-month period ended 31 March (in RMB million)</b>	<b>2022 (Unaudited)</b>	2021 (Unaudited)
Gross written premiums	<b>246,607</b>	243,941
Less: Premiums ceded to reinsurers	<b>(7,084)</b>	(7,278)
Net written premiums	<b>239,523</b>	236,663
Change in unearned premium reserves	<b>(3,534)</b>	(1,382)
Net earned premiums	<b>235,989</b>	235,281
Reinsurance commission revenue	<b>2,142</b>	1,667
Interest revenue from banking operations	<b>56,308</b>	52,048
Interest revenue from non-banking operations	<b>30,296</b>	31,373
Fees and commission revenue from non-insurance operations	<b>12,876</b>	13,165
Investment income	<b>(22,192)</b>	14,817
Share of profits and losses of associates and joint ventures	<b>3,115</b>	2,558
Other revenues and other gains/(losses)	<b>15,681</b>	15,885
<b>Total revenue</b>	<b>334,215</b>	366,794
Gross claims and policyholders' benefits	<b>(187,582)</b>	(192,720)
Less: Reinsurers' share of claims and policyholders' benefits	<b>3,965</b>	3,733
Claims and policyholders' benefits	<b>(183,617)</b>	(188,987)
Commission expenses on insurance operations	<b>(22,743)</b>	(26,568)
Interest expenses on banking operations	<b>(24,094)</b>	(22,031)
Fees and commission expenses on non-insurance operations	<b>(2,470)</b>	(3,014)
Net impairment losses on financial assets	<b>(17,501)</b>	(22,628)
Net impairment losses on other assets	<b>(628)</b>	(7,237)
Foreign exchange gains/(losses)	<b>497</b>	312
General and administrative expenses	<b>(41,427)</b>	(42,067)
Interest expenses on non-banking operations	<b>(5,781)</b>	(7,699)
Other expenses	<b>(7,830)</b>	(8,222)
<b>Total expenses</b>	<b>(305,594)</b>	(328,141)

<b>For the three-month period ended 31 March (in RMB million)</b>	<b>2022 (Unaudited)</b>	2021 (Unaudited)
Profit before tax	<b>28,621</b>	38,653
Income tax	<b>(1,371)</b>	(5,642)
<b>Profit for the period</b>	<b><u>27,250</u></b>	<u>33,011</u>
<b>Attributable to:</b>		
– Owners of the parent	<b>20,658</b>	27,223
– Non-controlling interests	<b>6,592</b>	5,788
	<b><u>27,250</u></b>	<u>33,011</u>
	<b>RMB</b>	RMB
<b>Earnings per share attributable to ordinary equity holders of the parent:</b>		
– Basic	<b>1.18</b>	1.54
– Diluted	<b>1.17</b>	1.53

## 7.2 Consolidated Statement of Comprehensive Income

For the three-month period ended 31 March 2022

For the three-month period ended 31 March (in RMB million)	2022 (Unaudited)	2021 (Unaudited)
Profit for the period	<u>27,250</u>	<u>33,011</u>
<b>Other comprehensive income</b>		
Items that may be reclassified subsequently to profit or loss:		
Changes in the fair value of debt instruments at fair value through other comprehensive income	(1,080)	(2,083)
Credit risks provision of debt instruments at fair value through other comprehensive income	639	1,512
Shadow accounting adjustments	266	121
Reserve from cash flow hedging instruments	(10)	(48)
Exchange differences on translation of foreign operations	(300)	456
Share of other comprehensive income of associates and joint ventures	(23)	269
Others	–	(133)
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	14,281	17,520
Shadow accounting adjustments	(8,412)	(10,213)
Share of other comprehensive income of associates and joint ventures	<u>(169)</u>	<u>333</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>5,192</u>	<u>7,734</u>
<b>Total comprehensive income for the period</b>	<u><u>32,442</u></u>	<u><u>40,745</u></u>
<b>Attributable to:</b>		
– Owners of the parent	25,829	34,886
– Non-controlling interests	<u>6,613</u>	<u>5,859</u>
	<u><u>32,442</u></u>	<u><u>40,745</u></u>

### 7.3 Consolidated Statement of Financial Position

As at 31 March 2022

(in RMB million)	31 March, 2022 (Unaudited)	31 December, 2021 (Audited)
<b>ASSETS</b>		
Cash and amounts due from banks and other financial institutions	687,203	584,995
Balances with the Central Bank	350,918	308,348
Financial assets purchased under reverse repurchase agreements	70,007	61,429
Premium receivables	79,279	79,834
Accounts receivable	26,267	26,628
Derivative financial assets	31,230	30,957
Reinsurers' share of insurance liabilities	26,747	26,852
Policy loans	181,473	178,298
Finance lease receivable	204,715	200,701
Loans and advances to customers	3,069,180	2,980,975
Financial assets at fair value through profit or loss	1,478,215	1,426,677
Financial assets at amortized cost	2,845,968	2,768,995
Debt financial assets at fair value through other comprehensive income	433,067	428,530
Equity financial assets at fair value through other comprehensive income	279,727	268,215
Investments in associates and joint ventures	281,814	284,061
Statutory deposits for insurance operations	12,598	12,606
Investment properties	89,658	86,041
Property and equipment	48,307	49,758
Intangible assets	69,246	68,462
Right-of-use assets	13,027	14,185
Deferred tax assets	68,139	65,360
Other assets	165,464	154,117
Policyholder account assets in respect of insurance contracts	24,946	31,847
Policyholder account assets in respect of investment contracts	3,902	4,155
<b>Total assets</b>	<b>10,541,097</b>	<b>10,142,026</b>

<b>(in RMB million)</b>	<b>31 March, 2022 (Unaudited)</b>	31 December, 2021 (Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	18,280	18,280
Reserves	235,334	234,186
Treasury shares	(9,895)	(9,895)
Retained profits	<u>589,796</u>	<u>569,834</u>
Equity attributable to owners of the parent	833,515	812,405
Non-controlling interests	<u>263,563</u>	<u>265,318</u>
<b>Total equity</b>	<b><u>1,097,078</u></b>	<b><u>1,077,723</u></b>
<b>Liabilities</b>		
Due to banks and other financial institutions	870,539	797,646
Financial liabilities at fair value through profit or loss	87,734	57,376
Derivative financial liabilities	34,290	35,049
Assets sold under agreements to repurchase	184,268	127,477
Accounts payable	6,347	6,663
Income tax payable	19,180	16,247
Insurance payables	130,496	150,767
Policyholder dividend payable	68,990	67,276
Customer deposits and payables to brokerage customers	3,204,564	3,002,049
Bonds payable	1,029,398	1,097,523
Insurance contract liabilities	3,373,390	3,261,354
Investment contract liabilities for policyholders	72,675	72,839
Lease liabilities	13,349	14,208
Deferred tax liabilities	13,303	13,605
Other liabilities	<u>335,496</u>	<u>344,224</u>
<b>Total liabilities</b>	<b><u>9,444,019</u></b>	<b><u>9,064,303</u></b>
<b>Total equity and liabilities</b>	<b><u>10,541,097</u></b>	<b><u>10,142,026</u></b>

## 7.4 Consolidated Statement of Cash Flows

*For the three-month period ended 31 March 2022*

<b>For the three-month period ended 31 March (in RMB million)</b>	<b>2022 (Unaudited)</b>	<b>2021 (Unaudited)</b>
<b>Net cash flows from operating activities</b>	<b><u>246,716</u></b>	<b><u>64,872</u></b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment, intangibles and other long-term assets	<b>(1,219)</b>	<b>(4,875)</b>
Proceeds from disposal of property and equipment, intangibles and other long-term assets, net	<b>102</b>	<b>21</b>
Proceeds from disposal of investments	<b>436,019</b>	<b>477,417</b>
Purchases of investments	<b>(634,159)</b>	<b>(538,997)</b>
Acquisition of subsidiaries, net	<b>–</b>	<b>(6)</b>
Disposal of subsidiaries, net	<b>243</b>	<b>285</b>
Interest received	<b>39,050</b>	<b>44,538</b>
Dividends received	<b>8,524</b>	<b>7,690</b>
Rentals received	<b>1,553</b>	<b>933</b>
Increase in policy loans, net	<b><u>(3,182)</u></b>	<b><u>(5,641)</u></b>
<b>Net cash flows used in investing activities</b>	<b><u>(153,069)</u></b>	<b><u>(18,635)</u></b>

<b>For the three-month period ended 31 March (in RMB million)</b>	<b>2022 (Unaudited)</b>	2021 (Unaudited)
<b>Cash flows from financing activities</b>		
Capital injected into subsidiaries by non-controlling interests	179	2,938
Proceeds from bonds issued	246,563	291,569
Increase/(decrease) in assets sold under agreements to repurchase of insurance operations, net	96,614	(46,360)
Proceeds from borrowings	50,409	52,181
Repayment of borrowings	(373,775)	(316,735)
Interest paid	(6,466)	(10,557)
Dividends paid	(2,173)	(2,296)
Decrease in insurance placements from banks and other financial institutions, net	(1,575)	(300)
Payment of shares purchased for Long-term Service Plan	(4,439)	–
Repayment of lease liabilities	(1,475)	(1,807)
Payment of redemption for other equity instruments by subsidiaries	(4,900)	(50)
Others	(4,094)	3,228
	<u>(5,132)</u>	<u>(28,189)</u>
<b>Net cash flows used in financing activities</b>		
	<u>(5,132)</u>	<u>(28,189)</u>
<b>Net increase in cash and cash equivalents</b>	<b>88,515</b>	18,048
Net foreign exchange differences	(1,031)	(51)
Cash and cash equivalents at the beginning of the period	403,125	424,748
	<u>403,125</u>	<u>424,748</u>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>490,609</u></b>	<b><u>442,745</u></b>

## 8. RELEASE OF RESULTS ANNOUNCEMENT

This results announcement is simultaneously available on the website of the HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.pingan.cn](http://www.pingan.cn)). This results announcement is prepared in accordance with IFRSs. The full report of the First Quarter Results for 2022 prepared in accordance with the *Accounting Standards for Business Enterprises* issued by the Ministry of Finance of the People's Republic of China and other relevant regulations will be published on the Company's website ([www.pingan.cn](http://www.pingan.cn)) at the same time as it is published on the website of the SSE ([www.sse.com.cn](http://www.sse.com.cn)).

By order of the Board of Directors

**Ma Mingzhe**

*Chairman*

Shenzhen, the PRC, April 29, 2022

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