

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

**Summary of Solvency Report
for 2022**

Company Overview and Reporting Contact

Company name (Chinese): 中国平安保险（集团）股份有限公司

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

Legal representative: Ma Mingzhe

Registered address: 47th, 48th, 109th, 110th, 111th and 112th Floors,
Ping An Finance Center,
No.5033 Yitian Road,
Futian District,
Shenzhen

Registered capital: RMB18,280,241,410

Corporate license number of insurance institution: 000016

Business commencement date: March 21, 1988

Business scope: Investing in insurance enterprises, supervising and managing the domestic and international businesses of subsidiaries, engaging in insurance fund utilization, conducting domestic and international insurance business as approved by regulators, and other businesses approved by the insurance regulator and relevant government agencies

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Note:

The Summary of Solvency Report for 2022 is prepared in accordance with relevant regulations of the China Banking and Insurance Regulatory Commission (the “CBIRC”), including the *Regulatory Rules on Solvency of Insurance Companies (II)* (the “C-ROSS Phase II”).

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I. Statement by the Board of Directors and the Management

This report has been approved by the Board of Directors of the Company. The Board of Directors and the management of the Company warrant that the information contained in this report is true, accurate, complete and legally compliant and there are no false representations, misleading statements contained in or material omissions from this report, and severally and jointly accept legal responsibility for the above.

The statement is hereby given.

II. Basic Information of the Group

(I) Shareholding Structure, Shareholders and Their Changes

(1) Shareholding Structure and Its Changes

There was no change in the total number of shares and shareholding structure of the Company during the 12 months ended December 31, 2022 (the “Reporting Period”).

Unit: Shares	January 1, 2022		Changes during the Reporting Period				December 31, 2022		
	Number of shares	Percentage (%)	Issue shares	Bonus issue	Transfer from reserve	Others	Subtotal	Number of shares	Percentage (%)
I. Selling-restricted shares	–	–	–	–	–	–	–	–	–
II. Selling-unrestricted circulating shares									
1. RMB ordinary shares	10,832,664,498	59.26	–	–	–	–	–	10,832,664,498	59.26
2. Domestically listed foreign shares	–	–	–	–	–	–	–	–	–
3. Overseas listed foreign shares	7,447,576,912	40.74	–	–	–	–	–	7,447,576,912	40.74
4. Others	–	–	–	–	–	–	–	–	–
Subtotal	18,280,241,410	100.00	–	–	–	–	–	18,280,241,410	100.00
III. Total number of shares	18,280,241,410	100.00	–	–	–	–	–	18,280,241,410	100.00

(2) 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	36.85	6,736,653,069 ⁽³⁾	-28,181,987	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 ⁽⁴⁾	Others	3.87	707,763,991	+40,770,325	A Share	–	–
China Securities Finance Corporation Limited	Others	2.99	547,459,258	–	A Share	–	–
Business Fortune Holdings Limited	Overseas legal person	2.58	471,674,832	+28,035,568	H Share	–	365,438,909 pledged shares
Central Huijin Asset Management Ltd.	State-owned legal person	2.57	470,302,252	–	A Share	–	–
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. ⁽⁵⁾	Others	1.39	254,463,584	+93,087,118	A Share	–	–
Plenty Ace Investments (SPV) Limited	Overseas legal person	1.20	219,127,694	–	H Share	–	–
Dacheng Fund – Agricultural Bank of China – Dacheng Zhongzheng Financial Asset Management Plan	Others	1.10	201,948,582	–	A Share	–	–

Notes:

- (1) Nature of the holders of A shares represents the nature of accounts held by the holders of A shares registered on the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.
- (2) Hong Kong Securities Clearing Company Nominees Limited (“HKSCC Nominees Limited”) is the nominee holder of the shares held by non-registered H shareholders of the Company.
- (3) Business Fortune Holdings Limited and Plenty Ace Investments (SPV) Limited are indirect wholly-owned subsidiaries of Charoen Pokphand Group Company Limited (“CP Group Ltd.”), and the shares owned by these two companies have been registered under the name of HKSCC Nominees Limited. In order to avoid double counting, the shares owned by the above two companies have been deducted from the shares held by HKSCC Nominees Limited.
- (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 throughout the years. The source of funding is the remunerations payable to employees.

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

Business Fortune Holdings Limited and Plenty Ace Investments (SPV) Limited are indirect wholly-owned subsidiaries of CP Group Ltd., and they are presumed to be acting in concert with each other since they are under the common control of CP Group Ltd. CP Group Ltd. indirectly held 1,191,512,764 H shares of the Company, representing approximately 6.52% of the total share capital of the Company as of December 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.

(3) 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.

(II) Shareholding or Control Relations between the Group Parent Company and Member

Companies

The Group's member companies under the C-ROSS Phase II, with clear shareholding structures, engage in businesses including insurance, banking, investment, and technology. Shareholding or control relations with and basic information of the main member companies of Ping An Group as of December 31, 2022 are as follows:

(1) Shareholding or Control Relations with and Basic Information of the Subsidiaries of the Group

The Group had the following main consolidated subsidiaries as of December 31, 2022:

Company name	Principal place of business	Place of registration	Nature of business	Shareholding proportion		Registered capital (in RMB unless otherwise specified)
				Direct	Indirect	
Ping An Life Insurance Company of China, Ltd.	Shenzhen	Shenzhen	Life insurance	99.51%		33,800,000,000
Ping An Property & Casualty Insurance Company of China, Ltd.	Shenzhen	Shenzhen	Property and casualty insurance	99.55%		21,000,000,000
Ping An Bank Co., Ltd.	Shenzhen	Shenzhen	Banking	49.56%	8.40%	19,405,918,198
Ping An Trust Co., Ltd.	Shenzhen	Shenzhen	Trust investment	99.88%		13,000,000,000
Ping An Securities Co., Ltd.	Shenzhen	Shenzhen	Securities investment and brokerage	40.96%	55.59%	13,800,000,000
Ping An Annuity Insurance Company of China, Ltd.	Shanghai	Shanghai	Annuity insurance	94.18%	5.79%	11,603,419,173
Ping An Asset Management Co., Ltd.	Shanghai	Shanghai	Asset management	98.67%	1.33%	1,500,000,000
Ping An Health Insurance Company of China, Ltd.	Shanghai	Shanghai	Health insurance	74.33%	0.68%	4,616,577,790
China Ping An Insurance Overseas (Holdings) Limited	Hong Kong	Hong Kong	Investment holding	100.00%		HKD7,085,000,000
China Ping An Insurance (Hong Kong) Company Limited	Hong Kong	Hong Kong	Property and casualty insurance		100.00%	HKD490,000,000
Ping An International Financial Leasing Co., Ltd.	Shanghai	Shanghai	Financial leasing	69.44%	30.56%	14,500,000,000
Ping An of China Asset Management (Hong Kong) Company Limited	Hong Kong	Hong Kong	Asset management		100.00%	HKD395,000,000
Shenzhen Ping An Innovation Capital Investment Co., Ltd.	Shenzhen	Shenzhen	Investment holding		99.88%	4,000,000,000
Ping An Trendwin Capital Management Co., Ltd.	Shanghai	Shanghai	Investment consulting		99.75%	100,000,000
Ping An Real Estate Co., Ltd.	Shenzhen	Shenzhen	Property management and investment management		99.62%	21,160,523,628
Ping An Technology (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	IT services	37.66%	62.34%	5,310,315,757
Shenzhen Ping An Finserve Co., Ltd.	Shenzhen	Shenzhen	IT and business process outsourcing services		100.00%	598,583,070
Ping An E-wallet Electronic Commerce Company Limited	Shenzhen	Shenzhen	Internet service		77.14%	1,000,000,000
Shenzhen Wanlitong Network Information Technology Co., Ltd.	Shenzhen	Shenzhen	Customer loyalty service		77.14%	200,000,000

(II) Shareholding or Control Relations between the Group Parent Company and Member Companies (continued)

Company name	Principal place of business	Place of registration	Nature of business	Shareholding proportion		Registered capital (in RMB unless otherwise specified)
				Direct	Indirect	
Shenzhen Ping An Commercial Property Investment Co., Ltd.	Shenzhen	Shenzhen	Property leasing and property management		99.50%	1,567,000,000
Ping An Futures Co., Ltd.	Shenzhen	Shenzhen	Futures brokerage		96.66%	721,716,042
Shenzhen Ping An Real Estate Investment Co., Ltd.	Shenzhen	Shenzhen	Real estate investment management		100.00%	1,310,000,000
Shanghai Pingpu Investment Co., Ltd.	Shanghai	Shanghai	Investment management		99.51%	9,130,500,000
Ansheng Investment Company Limited	British Virgin Islands	British Virgin Islands	Project investment		99.51%	USD50,000
Shenzhen Ping An Financial Technology Consulting Co., Ltd.	Shenzhen	Shenzhen	Corporation management advisory services	100.00%		30,406,000,000
Ping An Tradition International Money Broking Company Ltd.	Shenzhen	Shenzhen	Currency brokerage		66.92%	50,000,000
Pingan Haofang (Shanghai) E-commerce Co., Ltd.	Shanghai	Shanghai	Property agency		100.00%	1,930,000,000
Ping An Wealthtone Investment Management Co., Ltd.	Shenzhen	Shenzhen	Asset management		68.11%	800,000,000
Ping An Fund Management Company Limited	Shenzhen	Shenzhen	Fund raising and distribution		68.11%	1,300,000,000
Shenzhen Ping An Financial Center Development Company Ltd.	Shenzhen	Shenzhen	Property leasing and property management		99.51%	6,688,870,000
Ping An Insurance Sales Services Co., Ltd.	Shenzhen	Shenzhen	Sales agency of insurance		75.10%	515,000,000
Ping An Chuang Zhan Insurance Sales & Service Co., Ltd.	Shenzhen	Guangzhou	Insurance agent		99.55%	50,000,000
Reach Success International Company Limited	British Virgin Islands	British Virgin Islands	Project investment		99.51%	USD50,000
Jade Reach Investment Company Limited	British Virgin Islands	British Virgin Islands	Project investment		99.51%	USD50,000
Shenyang Shengping Investment Management Co., Ltd.	Shenyang	Shenyang	Property and investment management		99.51%	419,000,000
Tongxiang Ping An Investment Co., Ltd.	Jiaxing	Jiaxing	Investment management		99.62%	500,000,000
Ping An Commercial Factoring Co., Ltd.	Shanghai	Shanghai	Commercial factoring advisory services		100.00%	2,700,000,000
Shanxi Changjin Expressway Co., Ltd.	Jincheng	Taiyuan	Expressway operation		59.71%	750,000,000
Shanxi Jinjiao Expressway Co., Ltd.	Jincheng	Taiyuan	Expressway operation		59.71%	504,000,000
Ping An Caizhi Investment Management Company Limited	Shenzhen	Shenzhen	Equity investment		96.55%	600,000,000
Ping An of China Securities (Hong Kong) Company Limited	Hong Kong	Hong Kong	Investment holding		96.55%	HKD663,514,734
Ping An of China Futures (Hong Kong) Company Limited	Hong Kong	Hong Kong	Futures brokerage		96.55%	HKD20,000,000
Ping An of China Capital (Hong Kong) Company Limited	Hong Kong	Hong Kong	Investment management		96.55%	HKD20,000,000

(II) Shareholding or Control Relations between the Group Parent Company and Member Companies (continued)

Company name	Principal place of business	Place of registration	Nature of business	Shareholding proportion		Registered capital (in RMB unless otherwise specified)
				Direct	Indirect	
China PA Securities (Hong Kong) Company Limited	Hong Kong	Hong Kong	Securities investment and brokerage		96.55%	HKD440,000,000
Shanghai Lufax Fund Sales Co., Ltd.	Shanghai	Shanghai	Fund sales		100.00%	20,000,000
Fuer Insurance Broker Co., Ltd.	Shanghai	Shanghai	Insurance brokerage service		100.00%	50,000,000
Beijing Shuangronghui Investment Co., Ltd.	Beijing	Beijing	Property leasing		99.51%	256,323,143
Chengdu Ping An Property Investment Co., Ltd.	Chengdu	Chengdu	Real estate investment management		99.51%	840,000,000
Hangzhou Pingjiang Investment Co., Ltd.	Hangzhou	Hangzhou	Real estate investment and management		99.51%	1,430,000,000
Beijing Jingxinlize Investment Co., Ltd.	Beijing	Beijing	Investment management		99.51%	1,160,000,000
Anbon Allied Investment Company Limited	United Kingdom	Hong Kong	Real estate investment management		99.51%	GBP90,000,160
Talent Bronze Limited	United Kingdom	Hong Kong	Real estate investment management		99.51%	GBP133,000,000
Ping An Pioneer Capital Co., Ltd.	Shenzhen	Shenzhen	Financial products and equity investment		96.55%	1,000,000,000
Shenzhen Pingke Information Consulting Co., Ltd.	Shenzhen	Shenzhen	Management consulting		100.00%	5,092,341,943
Beijing Jingping Shangdi Investment Co., Ltd.	Beijing	Beijing	Property leasing		99.51%	45,000,000
Guangzhou Xinping Property Investment Co., Ltd.	Guangzhou	Guangzhou	Property leasing		99.51%	50,000,000
Shanghai Jahwa (Group) Company Ltd.	Shanghai	Shanghai	Production and sale of consumer chemicals		99.51%	5,268,261,234
Shanghai Jahwa United Co., Ltd.	Shanghai	Shanghai	Industry		51.36%	679,634,461
Falcon Vision Global Limited	Shanghai	British Virgin Islands	Investment management		99.51%	USD50,000
Shanghai Zean Investment Management Company Limited	Shanghai	Shanghai	Property leasing		99.51%	4,810,000,000
PA Dragon LLC	USA	USA	Logistics and real estate		99.52%	USD143,954,940
Shanghai Pingan Automobile E-commerce Co., Ltd.	Shanghai	Shanghai	E-commerce		94.74%	63,330,000
Shanghai Gezhouba Yangming Property Co., Ltd.	Shanghai	Shanghai	Real estate investment and management		99.51%	20,000,000
Shanghai Jinyao Investment Management Co., Ltd.	Shanghai	Shanghai	Investment management		99.05%	1,290,000,000
Shanghai Pingxin Asset Management Co., Ltd.	Shanghai	Shanghai	Asset management		100.00%	1,010,000,000
Shenzhen Qianhai Credit Service Centre Co., Ltd.	Shenzhen	Shenzhen	Credit Information services		100.00%	345,075,000
Pingan Real Estate Capital Limited	Hong Kong	Hong Kong	Investment platform		99.62%	2,536,129,600
Shenzhen Qianhai Inclusive Crowdfunding & Trading Co., Ltd.	Shenzhen	Shenzhen	Investment consulting		100.00%	100,000,000
Guangzhou Ping An Good Loan Microfinance Co., Ltd.	Guangzhou	Guangzhou	Micro loan		100.00%	600,000,000

(II) Shareholding or Control Relations between the Group Parent Company and Member Companies (continued)

Company name	Principal place of business	Place of registration	Nature of business	Shareholding proportion		Registered capital (in RMB unless otherwise specified)
				Direct	Indirect	
Ping An International Financial Leasing (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	Financial leasing		100.00%	1,800,000,000
An Ke Technology Company Limited	Hong Kong	Hong Kong	Investment management and investment consulting		100.00%	USD582,996,000
Ping An Pay Technology Service Co., Ltd.	Shenzhen	Shenzhen	Internet service		77.14%	680,000,000
Ping An Pay Electronic Payment Co., Ltd.	Shanghai	Shanghai	Internet service		77.14%	489,580,000
Tongxiang Anhao Investment Management Co., Ltd.	Jiaxing	Jiaxing	Investment management		99.81%	300,000,000
Ping An Infrastructure Investment Fund Management Co., Ltd.	Shenzhen	Shenzhen	Investment management		98.01%	1,000,000,000
Ping An Fortune Management Co., Ltd.	Shanghai	Shanghai	Consulting services		100.00%	100,000,000
Ping An International Financial Leasing (Tianjin) Co., Ltd.	Tianjin	Tianjin	Financial leasing		100.00%	10,400,000,000
Shenzhen Anpu Development Co., Ltd.	Shenzhen	Shenzhen	Logistics and warehousing		79.61%	5,625,000,000
China PA Asset Management (Hong Kong) Company Limited	Hong Kong	Hong Kong	Asset management		96.55%	HKD10,000,000
Shanghai Tianhe Insurance Brokerage Co., Ltd.	Shanghai	Shanghai	Insurance broker		41.71%	50,000,000
Helios P.A. Company Limited	Hong Kong	Hong Kong	Project investment		99.51%	USD677,161,910
Value Success International Limited	British Virgin Islands	British Virgin Islands	Project investment		100.00%	USD50,000
Ping An Urban-Tech (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	IT services		79.21%	50,000,000
Shenzhen Ping An Chuangke Investment Management Co., Ltd.	Shenzhen	Shenzhen	Investment management		99.81%	100,000,000
Shenzhen Anchuang Investment Management Co., Ltd.	Shenzhen	Shenzhen	Investment management		99.72%	100,000,000
Lianxin (Shenzhen) Investment Management Co., Ltd.	Shenzhen	Shenzhen	Investment management		99.72%	5,100,000,000
Autohome Inc.	Beijing	Cayman Islands	Automotive internet platform		41.71%	USD1,273,469
Mayborn Group Limited	United Kingdom	United Kingdom	Infant products		51.36%	GBP1,154,873
Jiaxing Ping An Cornerstone I Equity Investment Management Co., Ltd.	Shanghai	Jiaxing	Investment management		99.51%	1,000,000
Shenzhen Qianhai Jinxuan Investment Co., Ltd.	Shenzhen	Shenzhen	Investment management and investment consulting		99.91%	2,270,000,000
eLink Commerce Company Limited	Hong Kong	Hong Kong	E-commerce trade		99.89%	HKD25,124,600
Overseas W.H. Investment Company Limited	Cayman Islands	Cayman Islands	Investment holding		100.00%	USD5,038,967,126
Global Voyager Fund (HK) Company Limited	Hong Kong	Hong Kong	Asset management		100.00%	USD14,794,701
Shenzhen Ping An Evergreen Investment Development Holding Co., Ltd.	Shenzhen	Shenzhen	Investment consulting		100.00%	1,500,100,000
Shenzhen Dingshuntong Investment Co., Ltd.	Shenzhen		Investment consulting		100.00%	100,000,000

(II) Shareholding or Control Relations between the Group Parent Company and Member Companies (continued)

Company name	Principal Place of business	Place of registration	Nature of business	Shareholding proportion		Registered capital (in RMB unless otherwise specified)
				Direct	Indirect	
China PA Wealth Management (Hong Kong) Company Limited	Hong Kong	Hong Kong	Insurance brokerage		96.55%	HKD1,000,000
Ping An Commodities Trading Co., Ltd.	Shenzhen	Shenzhen	Commodity trade		96.66%	1,000,000,000
Shenzhen Shengjun Investment Management Co., Ltd.	Shenzhen	Shenzhen	Investment management		99.72%	5,000,000
Shenzhen Hengchuang Investment Management Co., Ltd.	Shenzhen	Shenzhen	Investment platform		99.62%	5,000,000
Chongqing Youshengda Real Estate Consulting Co., Ltd.	Chongqing	Chongqing	Real estate consulting		99.51%	12,537,286,000
Shenzhen Pingjia Investment Management Co., Ltd.	Shenzhen	Shenzhen	Investment platform		99.81%	5,000,000
Ping An Wealth Management Co., Ltd.	Shenzhen	Shenzhen	Asset management		57.96%	5,000,000,000
Hangzhou Xiaoshan Ping An Cornerstone II Equity Investment Co., Ltd.	Shanghai	Hangzhou	Investment management		99.51%	10,000,000
TTP Car Inc.	Shanghai	Cayman Islands	Second-hand car platform		21.27%	USD15,753
Beijing Xinjie Real Estate Development Co., Ltd.	Beijing	Beijing	Property leasing and property management		69.66%	USD24,500,000
Shanghai Orient Overseas Kaixuan Real Estate Co., Ltd.	Shanghai	Shanghai	Property leasing and property management		69.66%	2,208,601,418
Shanghai Huaqing Real Estate Management Co., Ltd.	Shanghai	Shanghai	Property leasing and property management		59.71%	USD30,000,000
Chengdu Raffles City Industry Co., Ltd.	Chengdu	Chengdu	Property leasing and property management		69.66%	USD217,700,000
Raffles City (Hangzhou) Real Estate Development Co., Ltd.	Hangzhou	Hangzhou	Property leasing and property management		69.66%	USD299,740,000
Ningbo Xinyin Business Management Service Co., Ltd.	Ningbo	Ningbo	Property leasing and property management		69.66%	800,000,000
Beijing Jinkunlize Property Co., Ltd.	Beijing	Beijing	Property leasing and property management		99.51%	3,380,000,000
New Founder (Beijing) Enterprise Management Development Co., Ltd.	Beijing	Beijing	Business management		99.51%	50,000,000
New Founder Holding Development Company Limited	Beijing	Zhuhai	Investment and technical service		66.18%	7,250,000,000
Founder Securities Co., Ltd.	Changsha	Changsha	Securities brokerage		19.00%	8,232,101,395
Founder Cifco Futures Co., Ltd.	Beijing	Beijing	Futures brokerage		17.56%	1,005,000,000
Founder Financing Securities Co., Ltd.	Beijing	Beijing	Securities underwriting and sponsorship		19.00%	1,400,000,000
Shanghai Jifeng Investment Management Co., Ltd.	Shanghai	Shanghai	Investment management		17.56%	350,000,000
Beijing Founder Fubon Crown Asset Management Co., Ltd.	Beijing	Beijing	Specific client asset management		12.67%	130,000,000
Founder Securities (Hong Kong) Limited	Hong Kong	Hong Kong	Securities trading and advisory services		19.00%	HKD410,000,000
Founder Asset Management (Hong Kong) Limited	Hong Kong	Hong Kong	Asset management		19.00%	HKD22,000,000
Founder Fubon Fund Management Co.,Ltd	Beijing	Beijing	Fund raising and distribution		12.67%	660,000,000

Note: 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.

(2) Shareholding Structures and Basic Information of Joint Ventures

The Group had the following main joint ventures as of December 31, 2022:

Company name	Principal place of business	Place of registration	Nature of business	Shareholding proportion	Registered capital (in RMB unless otherwise specified)
Beijing Zhaotai Property Development Co., Ltd.	Beijing	Beijing	Property development	25.00%	5,000,000,000
Wuhan DAJT Property Development Co., Ltd.	Wuhan	Wuhan	Property development	50.00%	500,000,000
Founder Meiji Yasuda Life Insurance Co., Ltd.	Shanghai	Shanghai	Life insurance	51.00%	2,880,000,000

(III) Major Punishments Imposed on the Company by Financial Regulators including the CBIRC during the Reporting Period

(Yes No)

III. Operation of Major Member Companies

(I) Ping An Life Insurance Company of China, Ltd. (“Ping An Life”)

In multiple regions, the agent force’s offline activities including business development and training were hindered in 2022. Chinese residents’ capacity and willingness to consume weakened, which reduced sales opportunities for agents, making it more challenging to both recruit and retain agents. Changes in the market environment and demands weighed on the Company’s value growth. Ping An Life’s premium income dropped 3.9% year on year to RMB439,277 million in 2022. Despite severe external challenges, Ping An Life firmly pressed ahead with its reform. Ping An Life refined the tiered management of agent force by controlling recruitment quality and enhancing team development, reversing course from the “mass in, mass out” agent development model. On digital business outlets, Ping An Life completed rolling out smart operations to outlets nationwide.

In respect of channels, the agent channel was optimized as Ping An life completed rolling out smart operations to outlets nationwide and innovative channels gradually took shape. As a result, Ping An Life’s comprehensive strength in channels was effectively enhanced. In respect of the agent channel, Ping An Life optimized the structure of agent force by firmly advancing quality-oriented transformation and refining tiered management. Monthly income per agent amounted to RMB7,051, up 22.5% year on year in 2022. The proportion of agents with a college education background and above rose by 3.4 pps year on year as of December 31, 2022. For new agents, Ping An Life constantly upgraded its “Talent +” program to improve team structure and competence, and raised the proportion of high-quality new agents through high-quality existing ones. The proportion of “Talent +” new agents increased by 14.1 pps year on year in 2022. For Diamond Agents, Ping An Life furthered the Diamond Agent development strategy, optimized team structure, and improved team productivity. In addition, Ping An Life completed rolling out smart operations to outlets nationwide. In respect of the bancassurance channel, Ping An Life promoted high-quality development by accelerating the transformation of the bancassurance channel. Ping An Life’s exclusive distribution model in cooperation with Ping An Bank started to pay off. Leveraging Ping An’s integrated finance advantages, Ping An Life and Ping An Bank conducted in-depth cooperation in terms of training, products and services via convenient, efficient communication and operation mechanisms, delivering more comprehensive, professional customer

services. Ping An Life focuses on helping Ping An Bank develop a team of Private Wealth Advisers for bancassurance. More than 1,600 Private Wealth Advisers have been recruited, over 90% of whom hold a bachelor's degree. Moreover, Ping An Life actively partners with external banks, improves the bancassurance "Product +" suite based on bank customers' characteristics and demands, and optimizes customer experience by offering comprehensive, one-stop insurance protection and value-added services. In respect of the Community Grid and other channels, Ping An Life has been rolling out the Community Grid model, whereby highly competent grid-based specialists have an initial focus on increasing the policy persistency ratio of "retained customers" under an online-merge-offline service model. Ping An Life successfully rolled out Community Grid in 25 cities and built a team of nearly 8,000 high-quality specialists as of December 31, 2022. Moreover, Ping An Life effectively optimized the whole process covering online-merge-offline operations, renewal premium collection, and upselling. Ping An Life's 13-month policy persistency ratio of "retained customers" improved by over 14 pps year on year. Community specialists provide "Pre-sell, Soft-sell, Cross-sell and Up-sell" services to precisely recommend products to customers based on their protection gaps. Customer upselling met expectations. Ping An Life also explored sales models for the lower-tier channel in 2022, focusing on tier-3 and tier-4 cities as well as county-level life insurance markets. Ping An Life piloted such models in seven provinces as of December 31, 2022, upgrading business processes and exploring innovative models by leveraging insurance consumption scenarios in lower-tier markets.

In respect of products, Ping An Life upgraded its insurance product portfolio and reformed its three core services, namely health management, home-based eldercare and high-end eldercare. Moreover, Ping An Life created differentiation advantages under the "insurance + service" framework by leveraging the Group's healthcare ecosystem. In respect of insurance products, Ping An Life focused on three markets, namely wealth management, pension, and insurance protection in 2022. Ping An Life continues to meet customers' different insurance demands for wealth appreciation and inheritance, pension savings, and health protection by upgrading the product portfolio and optimizing the product mix. Ping An Life developed wealth management and pension insurance markets. Insurance wealth management products outperformed other financial products in terms of long-term stability amid new asset management regulations, declining market interest rates, and volatile equity markets. Ping An Life launched "Yuxiang Caifu" and "Yuxiang Jinrui," two traditional annuity products offering better customer benefits. Moreover, to meet elderly customers' demands, Ping An Life rolled out an eldercare version of "Yuxiang Caifu" with relaxed age requirements for application. In addition, Ping An Life launched and continuously promoted "Sheng Shi Jin Yue," a whole life insurance product, to facilitate long-term capital preservation and appreciation. Ping An Life continued to enhance protection insurance products. The per capita sum assured against critical illnesses is generally low in China, indicating significant potential demand for protection products. Adhering to insurance protection, Ping An Life has been in the critical illness insurance market for a long time and built a critical illness product line. Ping An Life launched "Children Protector 100% Plus," a child critical illness insurance product with upgraded benefits, and "Ping An Juvenile Shouhu Baifenbai Quanneng Endowment + Ping An Shouhu Quanneng Dread Disease Rider," a product bundle covering minor, moderate and major conditions of critical illnesses. In addition, Ping An Life continues to penetrate other protection insurance markets including whole life insurance and long-term medical insurance, providing customers with more diverse protection insurance products.

In respect of services, Ping An Life leveraged the Group's healthcare ecosystem to offer healthcare management services to insurance customers. In respect of "insurance + health management," Ping An Life served approximately 18.59 million customers in 2022. Over 76% of newly enrolled customers used health management services, which received wide recognition from customers. Since its launch in 2021, Ping An Zhen Xiang RUN has provided customers with full-lifecycle healthcare services including five highlights, namely unique checkups, online consultation, outpatient appointment assistance and escort, blood sugar control, and critical illness management. Ping An Life is committed to providing premium services, namely health checkups, sub-health management, online consultation for mild diseases, expert teams for chronic disease, and critical illness

management. In respect of “insurance + home-based elderlcare,” Ping An integrates internal and external service providers to offer one-stop, home-based elderlcare solutions through committed AI concierges, life concierges and doctor concierges, making the elderly comfortable and their children worry-free. The solutions cover ten scenarios including medical care, housing, nursing, dining and entertainment, enabling 24/7 customer services. With a robust service supervision system, Ping An ensures customer rights protection and helps the elderly to live a dignified life at home, striving to build the No.1 home-based elderlcare brand in China. Ping An’s home-based elderlcare services covered 32 cities across China as of December 31, 2022, providing over 500 service items. Over 20,000 customers have qualified for the home-based elderlcare services, giving positive feedback after using the services. In respect of “insurance + high-end elderlcare,” Ping An is committed to developing the premium elderlcare market and delivering innovative “one-stop” full-lifecycle elderlcare solutions. Under the core philosophy of “seven-dimensional healthcare” and the value proposition of “prime life, exclusive services, and respectful care,” Ping An provides customized elderlcare services and high-quality heartwarming elderlcare experience to meet the growing demand for premium elderlcare in China. Ping An held a groundbreaking ceremony to start the construction of its first Yi Nian Cheng community, which is located in Shekou, Shenzhen, on July 25, 2022. Moreover, Ping An unveiled its second Yi Nian Cheng community, which is located in Guangzhou, in November 2022. The “Yi Xiang Cheng” product line was unveiled in October 2022, with its first project located in Foshan as an initial presence in the Guangdong-Hong Kong-Macao Greater Bay Area.

Ping An Life’s core solvency margin ratio and comprehensive solvency margin ratio were 124.1% and 219.7% respectively as of December 31, 2022, both well above regulatory requirements.

(II) Ping An Property & Casualty Insurance Company of China, Ltd. (“Ping An P&C”)

The Company conducts property and casualty insurance business mainly through Ping An P&C whose business scope covers all lawful property and casualty insurance business lines including auto, corporate property and casualty, engineering, cargo, liability, guarantee, credit, home contents, and accident & health insurance, as well as international reinsurance business. Ping An P&C has been honored as “No.1 Brand” in China’s auto insurance and property and casualty insurance markets by the Ministry of Industry and Information Technology for 12 consecutive years.

Ping An P&C maintained stable business growth, with premium income up 10.4% year on year to RMB298,038 million in 2022. Ping An P&C remained the second largest property and casualty insurance company in China by premium income. Combined ratio rose by 2.3 pps year on year to 100.3% in 2022. Specifically, auto insurance combined ratio improved significantly by 3.1 pps year on year. However, overall combined ratio fluctuated mainly because the claim expenses of guarantee insurance business rose due to changes in the market environment.

Ping An P&C proactively applies technologies to data-driven online customer development. “Ping An Auto Owner,” the largest automotive service app in China, is committed to providing one-stop services covering “auto insurance and auto life” for users, and retaining users through popular content and information related to car use, car maintenance and road travel. The app had over 174 million registered users as of December 31, 2022, with over 100 million vehicles linked to it. Monthly active users of the app exceeded 37 million in December 2022. Ping An P&C’s leading online claims services offer superior user experience. Ping An P&C launched a matrix of “one-click, worry-free, time-saving, and money-saving” services in 2022, taking advantage of online claims to create the most time-saving, worry-free, end-to-end online claims service experience. With excellent customer services, Ping An P&C scored 95.13 in the Auto Insurance Service Quality Index evaluation by China Banking and Insurance Information Technology Management Co., Ltd., No.1 in the property and casualty insurance industry.

Ping An P&C’s core solvency margin ratio and comprehensive solvency margin ratio were 177.6% and 220.0% respectively as of December 31, 2022, both well above regulatory requirements.

(III) Ping An Bank Co., Ltd. (“Ping An Bank”)

Ping An Bank adhered to its mission to be “China’s most outstanding, world-leading smart retail bank” under the strategy of “technological empowerment, retail banking breakthroughs, and corporate banking enhancements”. Ping An Bank is positioned as “a digital bank, an ecosystem-based bank, and a platform-based bank.” In 2022, Ping An Bank continuously upgraded its retail, corporate and interbank strategies, reshaped asset-liability operations, enhanced its capability of serving the real economy, strengthened financial risk management, and maintained stable, healthy business growth.

Ping An Bank continued to make its outlets smarter, and improved their geographic distribution. Ping An Bank (excluding Ping An Wealth Management) had 109 branches and 1,191 business outlets as of December 31, 2022. Ping An Bank’s revenue grew 6.2% year on year to RMB179,895 million and net profit rose 25.3% year on year to RMB45,516 million in 2022.

Regarding retail business, Ping An Bank actively carries out its original mission of serving the real economy and supporting people’s livelihoods with financial services. By leveraging integrated finance and technological empowerment, Ping An Bank builds “Smart Bank 3.0” under a new retail transformation model of an “open bank, AI bank, remote bank, offline bank, and comprehensive bank.” In basic retail business, Ping An Bank continued to strengthen omni-channel customer acquisition and full-scenario business development. “Ping An Pocket Bank” app’s registered users increased 13.3% from the beginning of 2022 to approximately 152,883,200 as of December 31, 2022. Specifically, monthly active users of the app grew 5.1% from the beginning of 2022 to approximately 50,684,400. Ping An Bank adhered to the operation policy of growing the size, optimizing the portfolio, strengthening the customer base, and controlling the costs. The balance of retail deposits increased 34.3% from the beginning of 2022 to RMB1,034,970 million as of December 31, 2022. In private banking and wealth management business, Ping An Bank continuously upgraded its products, customer development, teams and other capabilities to boost private banking and wealth management business comprehensively. Ping An Bank’s retail AUM rose 12.7% from the beginning of 2022 to RMB3,587,274 million as of December 31, 2022, including RMB1,620,785 million in AUM of qualified private banking customers, up 15.3% from the beginning of 2022. Ping An Bank continued to diversify and optimize its offerings. The AUM of Ping An Bank’s new family trusts and insurance trusts amounted to RMB54,607 million in 2022, up 43.6% year on year. In respect of team upgrade, Ping An Bank focuses on building a new wealth management team who understands insurance well, to provide customers with more comprehensive asset allocation services under the integrated finance model. In consumer finance, Ping An Bank strengthened digital operations and comprehensive service capabilities for retail credit products, further improving the business portfolio and customer mix. The balance of retail loans reached RMB2,047.39 billion as of December 31, 2022, up 7.2% from the beginning of 2022.

In corporate business, Ping An Bank closely followed national strategies, and continued to increase financing support for key areas including the manufacturing sector, specialized and sophisticated enterprises that produce new and unique products, non-state-owned enterprises, micro-, small and medium-sized enterprises (“MSMEs”), rural revitalization, green finance, and infrastructure. Ping An Bank developed and strengthened key customer segments to serve the real economy. Focusing on the following two sectors, Ping An Bank achieved stable growth in corporate business by leveraging its competitive edge in technology and platforms. Firstly, Ping An Bank aims to become a digital-driven new transaction bank. Leveraging the “Nebula-IoT” platform and massive multi-dimensional data, Ping An Bank advances iterative innovation in products and models. Ping An Bank shares “finance + technology” capabilities in a componentized, standardized manner through the open bank to provide numerous MSMEs with ecosystem-based services. Ping An Bank’s supply chain financing reached RMB1,168,496 million in 2022, up 21.7% year on year. Cumulative registered business users of “Ping An Bank Digital Pocket” increased 63.4% from the beginning of 2022 to approximately 13,296,400 as of December 31, 2022. The corporate open bank served 50,968 corporate customers, up 68.2% from the beginning of 2022. Secondly, Ping An Bank aims

to provide industry-driven modern industrial financial services. Ping An Bank focuses on new energy, next-generation infrastructure, new manufacturing and other areas in line with the development trends of modern industries and capital markets. Ping An Bank serves the real economy and supports the industrial upgrade by providing one-stop integrated financial services under a “commercial banking + investment banking + investment” model. Sophisticated investment and financing reached RMB987,676 million in 2022, including RMB617,378 million in investment banking business.

In interbank business, Ping An Bank continuously enhances “five golden business cards” of circular value chains under the philosophy of “serving financial markets, interbank customers, and the real economy.” Ping An Bank builds a core moat with professional trading and sales capabilities, and drives business growth via value creation. In respect of financial trading, Ping An Bank proactively prevents financial market volatility risks, continuously strengthens multi-product and cross-market trading capabilities, and actively provides onshore and offshore institutions with trading services. Market share measured by bond trading volume improved by 0.9 pps year on year to 3.2% in 2022. Ping An Bank had 837 active institutional trading customers, with RMB2.20 trillion of cash bonds sold by the institutions in 2022. In respect of hedging services, the “Ping An Hedging” business leverages professional financial market trading capabilities to continuously improve services for MSMEs. The “Ping An Hedging” foreign exchange hedging volume grew 54.0% year on year to USD33,566 million in 2022. In respect of interbank business, Ping An Bank efficiently connects the supply and demand sides of products via the “ET-Bank+” service model. Ping An Bank’s interbank institutional sales volume grew 11.9% year on year to RMB1,659.8 billion in 2022. The balance of third-party funds distributed under the “ET-Bank” increased 262.4% from the beginning of 2022 to RMB111.27 billion as of December 31, 2022. In respect of asset custody, Ping An Bank continuously diversifies its comprehensive services and advances integrated investment, financing and custody services by building an asset custody big data platform. Net assets under custody increased 7.9% from the beginning of 2022 to RMB8.22 trillion as of December 31, 2022. In respect of asset management, Ping An Wealth Management focuses on building capabilities in terms of channels, investment, products, technology and so on. Ping An Bank had RMB875,238 million worth of net asset value-type products in compliance with the new asset management regulations as of December 31, 2022, up 4.4% from the beginning of 2022.

In respect of asset quality, the macroeconomic recovery slowed down and remained significantly imbalanced among regions and sectors, with some enterprises and individuals struggling to repay debts in 2022. As such, banks still faced challenges in managing asset quality. In line with national strategies, Ping An Bank served the real economy, supported non-state-owned enterprises and MSMEs, enhanced non-performing asset disposal, and kept overall asset quality stable. In respect of retail asset quality, Ping An Bank’s retail non-performing loan ratio rose 0.11 pps from the beginning of 2022 to 1.32% as of December 31, 2022 as retail customers’ jobs and incomes were impacted by economic slowdowns in 2022. As a result, retail non-performing loan ratio rose. Ping An Bank has increased reviews of pre-lending policies, strictly controlled customer admittance, expanded collection channels, and enhanced efforts to dispose of non-performing loans since the second half of 2021. Ping An Bank optimized its retail lending business portfolio by gradually increasing the proportion of secured loans in 2022. Ping An Bank has improved customer risk identification by using industry-leading technologies and risk models, and enhanced its ability to withstand risks by implementing differentiated risk management policies. In line with regulators’ financial relief policies, Ping An Bank provided relief services including considerate collection and deferred principal/interest repayment for customers suffering temporary operating difficulties or income declines due to the macroeconomic environment, tidying over difficulties together with customers. Moreover, Ping An Bank took proactive measures such as upfront reminders, exclusive collection resources and comprehensive relief kits to mitigate the impact of deferred loan repayment on future asset quality. In respect of corporate asset quality, Ping An Bank focused on key industries, regions and customers, selected industries with low cyclicity, stable growth and good asset quality, and reduced exposure to high-risk customers. As a result, corporate credit metrics remained good. Ping An Bank’s corporate non-performing loan ratio was 0.61% as of December 31, 2022, down 0.10 pps from the beginning of 2022.

In respect of capital adequacy ratios, Ping An Bank continuously enhances its internal capital accumulation capacities and optimize its on- and off-balance-sheet asset portfolios, proactively reducing inefficient and unnecessary capital utilization to raise capital allocation efficiency. Ping An Bank’s core tier 1 capital adequacy ratio was 8.64% as of December 31, 2022, up 0.04 pps from the beginning of 2022.

(IV) Ping An Trust Co., Ltd. (“Ping An Trust”)

Ping An Trust conducts businesses in accordance with the new asset management regulations and other regulatory requirements, ensuring effective implementation of the new asset management regulations. In direct sales, Ping An Trust prevents risks by applying AI-based face-to-face contract signing, electronic contracting, video-based verification and other technologies to accredited investor verification, audio and video recording for products, and risk disclosure. For distribution, Ping An Trust partners with licensed financial institutions only, and minimizes the risk of partners’ mis-selling by tightening qualification requirements for distribution channels and strengthening post-sales supervision and inspection. Institutional customers accounted for more than 70% of assets held in trust as of December 31, 2022.

Ping An Trust focuses on its core businesses including trust services, institutional asset management, and private equity. Ping An Trust prudentially controlled risks and adjusted the portfolio in 2022. In controlling risks, Ping An Trust further optimized its comprehensive risk management system by improving risk governance structure, strictly controlling asset quality, strengthening post-investment closed-loop management, promoting risk review and mitigation, and upgrading the smart risk management platform. Ping An Trust strictly adhered to the bottom line of risk compliance, conducted accountability enhancement programs, established and improved whole-process management mechanisms covering fundraising, investment, management and exit. Moreover, Ping An Trust ensured full lifecycle management of products to fulfill its responsibilities as a manager. In adjusting the business portfolio, Ping An Trust significantly improved its portfolio by actively promoting the standard-asset investment and service categories while significantly reducing the financing category.

Ping An Trust had RMB20,461 million in net capital as of December 31, 2022. The ratio of net capital to total risk capital was 360.3% and the ratio of net capital to net assets was 77.8%, both meeting regulatory requirements (i.e. not less than 100% and 40% respectively).

(V) Ping An Securities Co., Ltd. (“Ping An Securities”)

Ping An Securities adheres to its strategy of building a smart securities services platform under Ping An’s integrated financial services strategy. Ping An Securities continuously upgrades strategies for brokerage, investment banking, trading and asset management businesses, focusing on customer demands and carrying out smart operations. Ping An Securities continuously improves its platform-based integrated operations model. As a result, business growth remains steady. Net profit of Ping An Securities grew 16.3% year on year to RMB4,455 million, and core business indicators continued to improve in 2022.

Ping An Securities furthered its strategic transformation for brokerage business. Ping An Securities built a leading smart brokerage platform to meet customer demands and provide solutions under the strategy of “brokerage, wealth management and a smart platform.” Ping An Securities ranked 1st in the industry by number of retail customers (over 22 million), and top three by activeness of app users as of December 31, 2022. The market share of Ping An Securities in terms of equity and fund trading volume (excluding seat leasing) reached 3.72% in 2022.

Ping An Securities continued to develop into a boutique investment bank, driving investment banking business with “research, customers, products, and platforms.” Ping An Securities expanded its customer base on the basis of cornerstone customers, and focused on key areas and industries to better serve the real economy. Ping An Securities remained among top players in the industry by bond underwriting scale, ranking 2nd in asset-backed securities volume and 7th in bond underwriting

respectively in 2022.

Ping An Securities enhanced its expertise and service quality in trading and asset management businesses. In trading business, Ping An Securities continuously consolidated bond trading advantages with expertise and technology, showing excellent timing and hedging capabilities and delivering a year-on-year increase in investment income in 2022. In asset management, Ping An Securities continuously strengthened its active management capability and improved its service quality. As a result, AUM increased from the beginning of 2022.

(VI) Ping An International Financial Leasing Co., Ltd. (“Ping An Financial Leasing”)

Ping An Financial Leasing is committed to becoming a world-leading innovative financial leasing expert focusing on industries and serving the real economy. With business presences in various industries, Ping An Financial Leasing actively advances its strategic transformation and upgrade by successfully exploring areas including auto leasing, micro-finance, and commercial factoring. Ping An Financial Leasing continued to strengthen risk management amid domestic macroeconomic conditions, maintaining steady, healthy operations. Non-performing asset ratio declined slightly, and sufficient provisions had been set aside as of December 31, 2022, indicating an ample risk buffer.

(VII) Ping An Asset Management Co., Ltd. (“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. Ping An Asset Management adheres to the philosophies of value investing and long-term investing. Ping An Asset Management is widely recognized in the market for its customer-centric approach and commitment to doing the right things in the long term. As one of the largest and most influential institutional investors in China, Ping An Asset Management has profound experience in asset management. AUM amounted to RMB4.37 trillion as of December 31, 2022, including stocks, bonds, funds, debts, and equity stakes on open and non-open capital markets as well as money markets. Moreover, Ping An Asset Management possesses capabilities of cross-market asset allocation and full-spectrum asset investment.

IV. Opinions from External Institutions

(I) Audit Opinions on the Group's Solvency Statements

Ernst & Young Hua Ming LLP, an auditor engaged by the Company, issued the Solvency Audit Report on Ping An for 2022, and was of the view that the Company's insurance group solvency statements as of December 31, 2022 were prepared, in all material respects, in accordance with the basis of preparation set forth in the *Regulatory Rules on Solvency of Insurance Companies (II)* and the *Circular of the CBIRC on Implementation of Regulatory Rules on Solvency of Insurance Companies (II)*.

(II) Audit Opinions on the Group's Financial Statements and Internal Controls

Ernst & Young Hua Ming LLP, an auditor engaged by the Company, issued the Independent Auditor's Report on Ping An for 2022, and was of the view that the consolidated and company balance sheets as at December 31, 2022, as well as the consolidated and company income statements, statements of changes in shareholders' equity, and cash flow statements for the year 2022 and the notes to the financial statements were prepared, in all material respects, in accordance with the *Enterprise Accounting Standards*, which gave a fair view of the consolidated and company's financial position as at December 31, 2022 and the consolidated and company's performance results and cash flows for the year 2022.

Ernst & Young Hua Ming LLP, an auditor engaged by the Company, issued the Internal Control Audit Report on Ping An for 2022, and was of the view that the Company maintained effective internal controls over financial reporting in all material respects as of December 31, 2022 in accordance with the *Basic Norms for Internal Controls of Enterprises* and relevant requirements.

(III) Credit Rating Results

1. Name of the external agency providing rating service: China Chengxin International Credit Rating Co., Ltd.;
2. Purpose of rating: proactive arrangements based on solvency regulations regarding credit rating;
3. Rated entity: Ping An Insurance (Group) Company of China, Ltd.;
4. Rating results: the corporate credit rating is AAA, and the rating outlook is stable;
5. Valid period of rating: August 2022.

(IV) Change of External Institutions during the Reporting Period

1. During the Reporting Period, did the Company replace an accounting firm that provided auditing services for the Company? (Yes No)

2. During the Reporting Period, did the Company replace an external institution that issued other independent opinions? (Yes No)

V. Solvency Statements

(I) Solvency Statement of Insurance Holding Group

Insurance group name: Ping An Insurance (Group) Company of China, Ltd.
December 31, 2022

(in RMB million)

Item	Line	December 31, 2022 (under C-ROSS Phase II)	December 31, 2021 (under C-ROSS Phase I)
Actual capital	(1) = (2) + (3) + (4) + (5)	1,783,771.58	1,899,988.76
Core tier 1 capital	(2)	1,143,789.33	1,703,744.49
Core tier 2 capital	(3)	219,623.60	157,742.01
Supplementary tier 1 capital	(4)	409,088.08	38,502.26
Supplementary tier 2 capital	(5)	11,270.57	-
Minimum Capital	(6) = (7) + (21) + (22)	819,568.21	813,781.04
Minimum capital for quantifiable risks	(7) = (8) + (9) + (10) + (11) + (12) + (13) - (20)	819,568.21	813,781.04
Minimum capital of the parent company	(8)	-	-
Minimum capital of insurance member companies	(9)	467,089.04	507,553.67
Minimum capital of banking member companies	(10)	318,014.61	285,317.21
Minimum capital of securities member companies	(11)	28,785.35	13,957.75
Minimum capital of trust member companies	(12)	5,679.21	6,952.41
Minimum capital for group-level quantifiable specific risks	(13) = (14) + (15)	-	-
Minimum capital for risk contagion	(14)	-	N/A
Minimum capital for concentration risk	(15) = (16) + (17) + (18) - (19)	-	N/A
Minimum capital for counterparty concentration risk	(16)	-	N/A
Minimum capital for industry concentration risk	(17)	-	N/A
Minimum capital for customer concentration risk	(18)	-	N/A
Risk diversification effect	(19)	-	N/A
Capital requirement decrease due to risk diversification	(20)	-	-
Minimum capital for control risks	(21)	-	-
Additional capital buffer	(22)	-	-
Core solvency margin surplus	(23) = (2) + (3) - (6) × 50%	953,628.83	1,454,595.98
Core solvency margin ratio	(24) = [(2) + (3)] / (6) × 100%	166.36%	228.75%
Comprehensive solvency margin surplus	(25) = (1) - (6)	964,203.37	1,086,207.72
Comprehensive solvency margin ratio	(26) = (1) / (6) × 100%	217.65%	233.48%

Note: The group-level capital requirement decrease due to risk diversification and additional capital buffer will be separately stipulated by the CBIRC.

(II) Actual Capital Statement of Insurance Holding Group

Insurance group name: Ping An Insurance (Group) Company of China, Ltd.
December 31, 2022

(in RMB million)

Item	Line	December 31, 2022 (under C-ROSS Phase II)	December 31, 2021 (under C-ROSS Phase I)
Core tier 1 capital	(1) = (2) + (3) + (12) + (13) + (14) + (15) + (16)	1,143,789.33	1,703,744.49
Net assets in group consolidated financial statements	(2)	1,175,298.00	1,077,723.00
Adjustment for insurance member companies	(3) = (4) + (5) + (6) + (7) + (8) + (9) + (10) + (11)	130,535.20	745,660.80
Book value of unadmitted assets	(4)	(27,249.83)	(12,267.10)
Difference between admitted value and book value of long-term equity investments	(5)	(4,456.95)	-
Difference between admitted value and book value (exclusive of the effect of income tax) of investment property (including investment property held by insurance companies through property rights or subsidiaries, etc.)	(6)	-	-
Deferred income tax assets (excluding deferred income tax assets caused by operating losses)	(7)	(29,394.23)	-
Catastrophe risk reserves for agricultural insurance	(8)	71.91	2.30
Policy future surplus included in core tier 1 capital	(9)	191,659.88	757,925.60
Amount of capital instruments attributable to liabilities that meet the core tier 1 capital standards and may be included in core tier 1 capital	(10)	-	-
Other adjustments stipulated by the CBIRC	(11)	(95.58)	-
Adjustment for banking member companies	(12)	(76,421.05)	(76,399.13)
Adjustment for trust member companies	(13)	(5,842.24)	(5,239.06)
Adjustment for securities and futures member companies	(14)	(32,559.18)	(11,730.81)
Goodwill	(15)	(36,491.70)	(15,607.03)
Other adjustments stipulated by the CBIRC	(16)	(10,729.70)	(10,663.28)
Core tier 2 capital	(17) = (18) + (23) + (24)	219,623.60	157,742.01
Core tier 2 capital of insurance member companies	(18) = (19) + (20) + (21) - (22)	57,568.29	-
Preferred stock	(19)	-	-
Policy future surplus included in core tier 2 capital	(20)	57,614.57	-
Other core tier 2 capital	(21)	-	-
Less: the amount that should be deducted for exceeding the limit	(22)	46.28	-
Other tier 1 capital of banking member companies	(23)	58,371.20	58,391.15
Tier 2 capital instruments of banking member companies	(24)	103,684.11	99,350.86
Supplementary tier 1 capital	(25) = (26) + (27) + (28) + (29) + (30) + (31) - (32)	409,088.08	38,502.26
Subordinated term debt	(26)	-	-
Capital supplementary bonds	(27)	30,000.00	33,500.00
Convertible subordinated debt	(28)	-	-
Deferred income tax assets (excluding deferred income tax assets caused by operating losses)	(29)	29,394.23	-
Policy future surplus included in supplementary tier 1 capital	(30)	342,455.95	-
Other supplementary tier 1 capital	(31)	7,482.10	5,002.26
Less: the amount that should be deducted for exceeding the limit	(32)	244.20	-
Supplementary tier 2 capital	(33) = (34) + (35) - (36)	11,270.57	-

Contingent capital and other supplementary tier 2 capital	(34)	-	-
Policy future surplus included in supplementary tier 2 capital	(35)	11,270.57	-
Less: the amount that should be deducted for exceeding the limit	(36)	-	-
Total actual capital	(37) = (1) + (17) + (25) + (33)	1,783,771.58	1,899,988.76

VI. Management Discussion and Analysis

(I) Changes in Solvency Margins

Ping An Group has implemented the C-ROSS Phase II starting from 2022 as required by the CBIRC. The solvency data as of December 31, 2022 reflects the C-ROSS Phase II, while the solvency data as of December 31, 2021 reflects the C-ROSS Phase I.

Ping An's core solvency margin ratio and comprehensive solvency margin ratio under the C-ROSS Phase II were 166.36% and 217.65% respectively as of December 31, 2022, both well above regulatory requirements.

(II) Changes in Integrated Risk Ratings

Not applicable. The CBIRC has not yet conducted the Integrated Risk Rating of insurance groups.

(III) Risk Analysis of the Group

The Group's overall risk profile was stable in 2022, with all types of risks meeting the risk appetite. Under the impact of the external environment, the Group focused on the management and control of relevant risk areas. In respect of credit risk, the default risk of some industries and customer segments involving investment and financing increased due to economic slowdowns and other factors. In respect of market risk, fluctuations in equity markets had some impact on the investment income of some insurance subsidiaries. In respect of liquidity risk, the Group paid attention to and managed the impact of changes in the external environment on the business and financing of some member companies. In respect of insurance risk, the overall risk profile was stable, and all the insurance member companies kept their risk limit indicators within the normal range. There was no major solvency risk event in respect of strategic risk, brand and reputation risk, and compliance and operational risk. In respect of group-level specific risk management, the Group proactively implemented applicable regulatory requirements, and enhanced the management of group-level specific risks including risk contagion, organizational structure non-transparency risk, concentration risk, and risks in non-insurance areas. Among them, the Group focused on strengthening the concentration management of counterparties and industries, and continued to enhance position monitoring and risk management for the key industries and large-value transaction counterparties. Moreover, the Group continued to improve the related party transaction management, and enhanced the management of the equity structure as well as equity investments in non-financial subsidiaries.

In 2022, the Group reshaped its comprehensive risk management framework covering all kinds of general risks and insurance group-specific risks in line with new regulatory requirements under the C-ROSS Phase II and internal management needs. Moreover, the Group actively implemented the latest requirements under the C-ROSS Phase II, started to optimize internal C-ROSS Phase II risk management, and conducted gap analysis and management improvement regarding new rules under the C-ROSS Phase II, further improving the Group's solvency risk management framework.

VII. Significant Events

(I) Major Investments

During the Reporting Period, equity investments made by the parent company in its subsidiaries included:

(in RMB million)

No.	Type	Investee	Time of investment	Investment amount		Change	Book value as at the end of the Reporting Period
				As at the beginning of the Reporting Period	As at the end of the Reporting Period		
1	Subsidiary	Ping An Annuity Insurance Company of China, Ltd.	March and June 2022	4,185.0000	19,305.0000	15,120.0000	19,305.0000
2	Subsidiary	Ping An Health Insurance Company of China, Ltd.	April 2022	1,481.1354	3,431.3954	1,950.2600	3,431.3954
3	Subsidiary	Ping An Property & Casualty Insurance Company of China, Ltd.	April 2022	20,992.6443	21,005.1755	12.5312	21,005.1755

Note: The parent company made no new investments in its associates and joint ventures during the Reporting Period.

(II) Material Investment Losses

During the Reporting Period, there was no material investment loss as stipulated under the regulatory rules on solvency.

(III) Material Guarantees

During the Reporting Period, there was no material guarantee by the parent company as stipulated under the regulatory rules on solvency.

(IV) Major Financing Activities

During the Reporting Period, there was no major financing activity by the parent company as stipulated under the regulatory rules on solvency.

(V) Material Related Party Transactions

According to the *Regulatory Rules on Solvency of Insurance Companies (II)*, the Group had one material related party transaction during the Reporting Period under the CBIRC's rules on related party transactions to identify related parties and determine material related party transactions. Details are as follows:

On April 28, 2022, the Company entered into the *Capital Increase Agreement* with Ping An Annuity Insurance Company of China, Ltd. ("Ping An Annuity"). Other shareholders of Ping An Annuity, including Ping An Life Insurance Company of China, Ltd., Ping An Property & Casualty Insurance Company of China, Ltd., Ping An Trust Co., Ltd., and Shenzhen Ping An Innovation Capital Investment Co., Ltd., waived the pre-emptive rights in connection with the capital increase. The waived part was subscribed for by the Company. The Company injected RMB10,520 million into Ping An Annuity.

This related party transaction was deliberated and approved at the 1st meeting of the Related Party Transaction Control and Consumer Rights Protection Committee for 2022 held by the Company on March 17, 2022, and was deliberated and approved at the 8th meeting of the 12th session of the Board of Directors held by the Company on March 17, 2022.

(VI) Significant Lawsuits

1. Was there any significant lawsuit on which a decision was enforced in the Reporting Period? (Yes No)
2. Pending significant lawsuits during the Reporting Period are as follows:

Ping An's party to litigation	The other party to litigation	Ping An's status in litigation	Cause of action	Status of litigation	Time of initiation	Subject matter value (in RMB million)	Estimated value or scope of potential loss (in RMB million)
Ping An Securities Co., Ltd.	2,000 persons including Shanghai Junying Asset Management Partnership Enterprise (Limited Partnership)	Defendant (24 defendants in total)	Disputes over the liability for securities misrepresentation	First Instance	May 12, 2021	4,571.3572 (filed by plaintiffs, pending verification by the court)	The value or scope of potential loss is inestimable as the case is complicated and controversial, involving many plaintiffs and defendants
Peking University Science Park Co., Ltd. (acquired in 2022)	Huaneng Guicheng Trust Corp., Ltd.	Defendant (2 defendants in total)	Disputes over the loan contract	Retrial First Instance	May 6, 2020	3,548.5891	The value or scope of potential loss is inestimable because the loss in question is highly disputable
Zhejiang Lande Real Estate Development Co., Ltd. (acquired in 2022)	Western Trust Co., Ltd.	Defendant (2 defendants in total)	Disputes over the loan contract	Second Instance	March 30, 2022	2,575.3706	921.1979

(VII) Material Reinsurance Contracts

Not applicable to the parent company. For insurance subsidiaries' material reinsurance contracts in the Reporting Period, refer to their respective solvency reports.

(VIII) The Group's Member Companies Facing Financial Crises or Being Taken Over by Other Regulators

During the Reporting Period, no member company of the Group faced financial crises or was taken over by other regulators.

(IX) Other Significant Events

The 2021 profit distribution plan of the Company was deliberated and approved at the 2021 Annual General Meeting, pursuant to which the Company paid in cash the 2021 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 2022 interim profit distribution plan of the Company was deliberated and approved at the 11th meeting of the 12th session of the Board of Directors held on August 23, 2022, pursuant to which the Company paid in cash the 2022 interim dividend of RMB0.92 per share (tax inclusive), totaling RMB16,659,030,635.40 (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 implementation of the distribution plan had been completed.

The Board of Directors proposed to distribute the 2022 final dividend of RMB1.50 (tax inclusive) per share 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 after trading hours on the record date of A shareholders will not be entitled to the final dividend distribution. The actual total amount of the final dividend payment is subject to the total number of shares that will be entitled to the dividend distribution on the record date of A shareholders. The total amount of the final dividend payment for 2022 is estimated at RMB27,161,462,992.50 (tax inclusive) based on the total share capital of 18,280,241,410 shares less the 172,599,415 A shares of the Company in the repurchased securities account as of December 31, 2022. The dividend payment will have no material impact on the Group's solvency margin ratios. After the dividend payment, the Group's solvency margin ratios will still meet the relevant regulatory requirements.

VIII. Risk Management Capability

(I) Solvency Risk Governance

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. The Group has in place a comprehensive risk management organizational structure which holds the Board of Directors ultimately accountable, and which is directly upheld by the management. Supported closely by various committees and relevant functions, the framework covers risk management across all of the Group's members 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 the enterprise risk management function. Its functions include:

- (1) To review and approve overall objectives of the Group's comprehensive risk management, risk appetites and tolerance, and risk management policies;
- (2) To review and approve the organizational structure and responsibilities of the Group's comprehensive risk management;
- (3) To supervise whether the management effectively manages and controls the Group's overall risk;
- (4) To review and approve the Group's comprehensive risk management reports, including the Group's solvency reports, risk assessment reports, capital plans and other risk-related reports; and
- (5) To review and approve other significant events related to comprehensive risk management.

The Audit and Risk Management Committee under the Board of Directors conducts relevant tasks authorized by the Board of Directors, deliberates matters related to comprehensive risk management, and gives opinions and recommendations to the Board of Directors. Its functions include:

- (1) To deliberate overall objectives of the Group's comprehensive risk management, risk appetites and tolerance, and risk management policies;
- (2) To deliberate the organizational structure and responsibilities of the Group's comprehensive risk management;
- (3) To deliberate the Group's solvency reports and submit them to the Board of Directors for review and approval;
- (4) To deliberate comprehensive risk management reports, including the Group's risk assessment reports and other special risk reports, and have a thorough understanding of the Group's and its member companies' risk exposures and management situations;
- (5) To assess the operational effectiveness of the Group's comprehensive risk management framework;
- (6) To assess risks in the Group's significant business activities, and deliberate solutions to significant events related to comprehensive risk management;
- (7) Other tasks arranged by the Board of Directors.

The Group Executive Committee leads all the aspects of the Group's risk management. The Risk Management

Executive Committee (RMEC), as a specialized committee under the Group Executive Committee, directly reports and is responsible to the Group Executive Committee and holds the supreme risk management power under the Group Executive Committee. The RMEC is responsible for the design and implementation of risk management frameworks, and performing management functions, including comprehensive risk management strategies, policies and rules, implementation and handing out awards and punishments. In addition, the RMEC develops an integrated risk management framework for the Group and its member companies to ensure full coverage of risk management.

An executive at the Group level in charge of risk management acts as the RMEC's chairman. Members of the RMEC are the executives in charge of different risk categories, each of whom has clearly-defined responsibilities for managing various risks.

In 2022, the Group reshaped its enterprise risk management framework, and further consolidated the basis for enterprise risk management in line with the latest regulatory requirements and internal management needs. In respect of risk management coverage, the Company specified that its enterprise risk management framework 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 bottom line management, the Group defined bottom lines for various risks at the Group level by setting risk appetites, established an enterprise risk management 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 continuously urges member companies to implement the management requirements at the Group level. In this way, the Group secures the bottom lines through effective risk management.

(II) Introduction to and Implementation of Risk Management Strategies

(1) Risk Management Strategies

Ping An Group developed effective solvency risk management strategies by continuing to strengthen its enterprise risk management system and improve its organizational structure. Meanwhile, the Group urged its member companies to formulate risk management strategies according to their actual conditions and features.

In respect of risk appetites, tolerance, and limits, Ping An Group set a risk appetite framework covering all kinds of general risks and insurance group-specific risks in line with regulatory policies, strategic business plans, overall capital position, market landscapes, and business features of member companies. This framework constitutes a core part of the Group's solvency risk management strategies.

In respect of risk identification, evaluation, and monitoring, Ping An Group introduced a solvency risk warning mechanism with matched comprehensive risk monitoring indicators to identify, evaluate and monitor risks in a timely manner.

In respect of risk responses and crisis management, Ping An Group continued to improve its risk warning mechanism, providing effective alerts on industry developments, regulatory information and risk events. The Group also enhanced its risk emergency management mechanism, effectively guarding against potential risks.

In respect of assessment of the effectiveness of risk management, Ping An Group conducted holistic management of member companies' risks, reviewing and assessing the overall solvency risk management to

improve the risk management system.

In respect of the prevention against risk contagion and transmission, Ping An Group strengthened the risk contagion system and management mechanism, gave relevant publicity and training sessions, set indicators of risk contagion, risk appetites and risk limits, and monitored and reported on risks on a regulator basis.

In respect of resource allocation of risk management in human resources, finance and organizations, Ping An put a Chief Risk Officer in place responsible for the solvency risk management. As an independent risk management department, the Group's Risk Management Department headed up the Group's solvency risk management, being well-staffed and with necessary qualifications.

(2) Risk Appetite Rules and Objective

A risk appetite system is central to Ping An's overall strategy and enterprise 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.

Amid the macroeconomic downturn and complex market environment in 2022, Ping An maintained a prudent risk appetite, operated in strict compliance with laws and regulations, took reasonable and appropriate risks, prevented operational, compliance, IT and brand reputation risk events, effectively controlled credit risk, market risk and so on, and strengthened strategic risk management. Moreover, Ping An kept its solvency position in line with regulatory requirements, and maintained a stable overall risk status.

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 enterprise 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 early warning, so as to support business decision-making and strike a balance between risk management and business development.

(3) Risk Management Tools

Ping An Group stepped up the use of risk management tools including comprehensive budget, asset-liability management, capital plan and allocation, and stress testing, to manage inherent risks of the Group and its main member companies within the scope of business. Ping An Group clarified the management plans and main processes of the Group and member companies, and provided regular monitoring and supervision to ensure the effective implementation and application of risk management tools.

In respect of comprehensive budget, Ping An Group assisted in the Group's major business management through comprehensive budget by taking into account risk appetites and risk limits. Member companies promoted the implementation of comprehensive budget under the guidance of the Group.

In respect of asset-liability management, Ping An Group adopted a prudent asset-liability risk management policy, focusing on improving asset quality and operating performances. Member companies are responsible for making independent decisions on asset-liability risk management within their own jurisdiction, and setting up a robust asset-liability risk management system.

In respect of capital plan and allocation, Ping An Group developed a forward-looking program for capital plan and allocation management in line with factors including strategic goals, business development and industry landscapes, to keep improving the Company's capability for risk prevention. Member companies organized and implemented related capital management work in accordance with the Group's management requirements, their own development strategies and business plans, and other requirements.

In respect of stress testing, Ping An Group conducted sensitivity and scenario stress testing to keep a close eye on the changes in solvency. Member companies carried out stress testing as required by the Group.

(III) Identification and Evaluation of 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, the concentration risk, and risks in non-insurance areas.

(1) Risk Contagion

Risk contagion refers to a situation where the risk created by a member of the Group spreads to another member of the Group by means of related party transactions or other activities, causing unexpected losses to such other member or the Group. As the Group promotes synergies in integrated finance, in order to prevent intra-group risk contagion, the Group has strengthened management and coordination across the Group by building firewalls, managing related party transactions, outsourcing and integrated financial services, and centralizing branding, communications and information disclosure. The management of risk contagion within the Group has been fully improved.

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 to ensure 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 has established an information security governance structure with three lines of defense. Member companies have appointed owners of and functions for cybersecurity, data security and personal information protection, and strictly implement the Group's information security policies for effective control over information access and effective information segregation. Attaching great importance to customer information security, the security of its products, and the cybersecurity of its businesses, the Group strictly complies with laws and regulations 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*, and has set up and effectively implemented the comprehensive mechanism for ex ante control, in-the-process monitoring and ex-post audits to protect the security, integrity and availability 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 enhanced management of related party transactions in strict accordance with laws and regulations as well as the requirements of regulators on related party transactions. The Group's Related Party Transaction Control and Consumer Rights Protection Committee and the Related Party Transaction Management Office operate effectively. The Group has constantly optimized the management systems, structures and mechanisms, improved the management procedures, and enhanced related party transaction identification, review and fair value-based pricing to ensure the compliance and fairness of related party transactions. The Group continued to increase transparency by disclosing and reporting related party transactions in strict accordance with regulatory rules. The Group has further improved system-based related party transaction management to empower governance of related party transactions. Furthermore, the Group has developed a culture of strong compliance awareness for related party transactions through constant training and education emphasizing every employee's responsibility for the management of related party transactions. The Group's related party transaction management systems and mechanisms have been strengthened and operating effectively.

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 improves the follow-up management of outsourcing, strengthens risk monitoring, and reviews services and duty performance on a regular basis. The Group has established communication and service evaluation mechanisms for outsourcing. 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 financial services. The Group's retail integrated financial service 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 financial 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 framework in accordance with applicable laws and regulations and regulatory requirements. The Group adheres to a reputation risk management philosophy centering on prevention, 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) 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 laws and regulations 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 have exercised their rights and performed 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 comprehensive governance structure, and a transparent management structure. The Group bans cross-shareholding and illegal subscription for capital instruments.

(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 directly or indirectly threaten the Group's solvency position. 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 based on 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 insurance member companies have set the upper limits for the

proportions of overseas investments and emerging market investments with insurance funds in accordance with the CBIRC's regulations for region-specific concentration risk limits.

To manage the concentration risk in customers, the Group evaluates, analyzes, monitors and reports the overall customer concentration based on the CBIRC's requirements for the management of customer concentration risk. 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 affecting the Group's operation stability and management quality.

To manage the concentration risk in businesses, the Group evaluates, analyzes, monitors and reports the concentration of its businesses in accordance with the CBIRC's rules for concentration risk management of insurance groups' insurance and non-insurance 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 framework. The Group has effectively prevented the concentration risk through regular evaluation, monitoring, and warning of the concentration risk in insurance and non-insurance businesses.

(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 financial service 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 improves its overall specialized capabilities and market competitiveness through its diversified business presence in non-insurance sectors 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 businesses, 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 specified mechanisms for management before, during and after investment deals. Moreover, the Group regularly tracks and analyzes its investments, and evaluates investment targets and the risk-return profiles of various businesses.

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.

(IV) Results of Regulatory Assessment

In 2022, the CBIRC issued the *Circular on Carrying out the Assessment of the Solvency Risk Management of Insurance Companies for 2022* (Yin Bao Jian Fa [2022] No.17). The CBIRC Guangdong Office conducted the SARMRA of the Group in the third quarter of 2022, but has not released the results yet as of the Reporting Date.

IX. Integrated Risk Rating

(I) Two Recent Integrated Risk Ratings

Not applicable. The CBIRC has not yet conducted the Integrated Risk Rating of insurance groups.

(II) Improvement Measures Adopted or to Be Adopted by the Group

Not applicable. The CBIRC has not yet conducted the Integrated Risk Rating of insurance groups.