

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

**Summary of Solvency Report
for First Half of 2024**

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: RMB18,210,234,607

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 First Half of 2024* is prepared in accordance with applicable regulations including the *Regulatory Rules on Solvency of Insurance Companies (II) (the "C-ROSS Phase II")* released by the former China Banking and Insurance Regulatory Commission (the "CBIRC") and the *National Financial Regulatory Administration's Circular on Improving Regulatory Standards for Solvency of Insurance Companies*.

CONTENTS

I. Statement by the Board of Directors and the Management.....	1
II. Basic Information of the Group	2
III. Operation of Major Member Companies	10
IV. Opinions from External Institutions	16
V. Solvency Statements	17
VI. Management Discussion and Analysis	19
VII. Significant Events.....	20
VIII. Risk Management Capability.....	21
IX. Integrated Risk Rating	28

I. Statement by the Board of Directors and the Management

This report has been approved by the Board of Directors of Ping An Insurance (Group) Company of China, Ltd. (hereinafter referred to as “Ping An,” the “Company” or the “Group”). 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

Unit: Shares	January 1, 2024		Changes during the Reporting Period					June 30, 2024	
	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	10,762,657,695	59.10	–	–	–	–	–	10,762,657,695	59.10
2.Domestically listed foreign shares	–	–	–	–	–	–	–	–	–
3.Overseas listed foreign shares	7,447,576,912	40.90	–	–	–	–	–	7,447,576,912	40.90
4.Others	–	–	–	–	–	–	–	–	–
Subtotal	18,210,234,607	100.00	–	–	–	–	–	18,210,234,607	100.00
III. Total number of shares	18,210,234,607	100.00	–	–	–	–	–	18,210,234,607	100.00

(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	38.26	6,966,786,564 ⁽³⁾	+100,965	H Share	–	Unknown
Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	5.29	962,719,102	–	A Share	–	67,550,000 pledged shares
Hong Kong Securities Clearing Company Limited ⁽⁴⁾	Others	3.18	578,422,247	+92,633,107	A Share	–	–
China Securities Finance Corporation Limited	Others	3.01	547,459,258	–	A Share	–	–
Central Huijin Asset Management Ltd.	State-owned legal person	2.58	470,302,252	–	A Share	–	–
Business Fortune Holdings Limited	Overseas legal person	2.52	459,466,189	-369,891	H Share	–	385,136,584 pledged shares
Long-term Service Plan of Ping An Insurance (Group) Company of China, Ltd. ⁽⁵⁾	Others	1.93	350,550,894	-355,869	A Share	–	–
Shum Yip Group Limited	State-owned legal person	1.42	257,728,008	–	A Share	–	–
Dacheng Fund - Agricultural Bank of China - Dacheng Zhongzheng Financial Asset Management Plan	Others	1.11	201,948,582	–	A Share	–	–
Huaxia Fund - Agricultural Bank of China - Huaxia Zhongzheng Financial Asset Management Plan	Others	1.10	199,511,462	–	A Share	–	–

Notes:

- (1) Nature of the holders of A shares represents the nature of accounts held by the holders of A shares registered 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 is an indirect wholly-owned subsidiary of Charoen Pokphand Group Company Limited (“CP Group Ltd.”), and the shares owned by Business Fortune Holdings Limited have been registered under the name of HKSCC Nominees Limited. In order to avoid double counting, the shares owned by Business Fortune Holdings Limited have been deducted from the shares held by HKSCC Nominees Limited.
- (4) The shares held by Hong Kong Securities Clearing Company Limited refer to the shares held by non-registered shareholders of the Northbound Trading of the Shanghai-Hong Kong Stock Connect Program.
- (5) Participants in the Long-term Service Plan of the Company are the employees of the Company and its subsidiaries. Over 140,000 employees have participated in the Long-term Service Plan cumulatively throughout the years. The source of funding is the remunerations payable to employees.
- (6) The above A shareholders do not participate in securities margin trading or securities lending.

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

Business Fortune Holdings Limited is an indirect wholly-owned subsidiary of CP Group Ltd. CP Group Ltd. indirectly held 964,427,077 H shares of the Company, representing approximately 5.30% of the Company’s total share capital as of June 30, 2024, through Business Fortune Holdings Limited 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 Ping An Group's main member companies as of June 30, 2024 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 June 30, 2024:

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	Investment and trust	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	74.38%	0.63%	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
eLink Commerce Company Limited	Hong Kong	Hong Kong	E-commerce trade		99.89%	HKD25,124,600

(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 Wanlitong Network Information Technology Co., Ltd.	Shenzhen	Shenzhen	Custom loyalty service		77.14%	200,000,000
Shenzhen Ping An Commercial Property Investment Co., Ltd.	Shenzhen	Shenzhen	Property leasing and property management		99.50%	1,810,000,000
Ping An Futures Co., Ltd.	Shenzhen	Shenzhen	Futures brokerage		96.64%	721,716,042
Shenzhen Ping An Real Estate Investment Co., Ltd.	Shenzhen	Shenzhen	Real estate investment and management		100.00%	1,310,000,000
Shanghai Pingpu Investment Co., Ltd.	Shanghai	Shanghai	Investment management		99.51%	9,130,500,000
Anseng 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 Chuang Zhan Insurance Sales & Service Co., Ltd.	Shenzhen	Guangzhou	Insurance agent		99.55%	50,000,000
Reach Success International Limited	British Virgin Islands	British Virgin Islands	Project investment		99.51%	USD50,000
Jade Reach Investments Limited	British Virgin Islands	British Virgin Islands	Project investment		99.51%	USD50,000
Shenyang Shengping Investment Management Co., Ltd.	Shenyang	Shenyang	Property management 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		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%	300,000,000
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

(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 of China Capital (Hong Kong) Company Limited	Hong Kong	Hong Kong	Investment management		96.55%	HKD20,000,000
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		95.43%	20,000,000
Fuer Insurance Broker Co., Ltd.	Shanghai	Shanghai	Insurance brokerage service		99.51%	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 and management		99.51%	840,000,000
Hangzhou Pingjiang Investment Co., Ltd.	Hangzhou	Hangzhou	Real estate development 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 and management		99.51%	GBP90,000,160
Talent Bronze Limited	United Kingdom	Hong Kong	Real estate investment and 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%	5,268,261,000
Shanghai Jahwa United Co., Ltd.	Shanghai	Shanghai	Industry		51.56%	678,873,194
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 development 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 Pulian Consulting Co., Ltd.	Shenzhen	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	
Guangzhou Ping An Good Loan Microfinance Co., Ltd.	Guangzhou	Guangzhou	Micro loan		100.00%	600,000,000
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		98.02%	1,000,000,000
Ping An Fortune Management Co., Ltd.	Shanghai	Shanghai	Consulting services		100.00%	100,000,000
Shenzhen Dingshuntong Investment Co., Ltd.	Shenzhen	Shenzhen	Investment consulting		100.00%	100,000,000
Shenzhen Ping An Evergreen Investment Development Holding Co., Ltd.	Shenzhen	Shenzhen	Investment consulting		100.00%	1,500,100,000
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 brokerage		42.37%	50,000,000
Helios P.A. Company Limited	Hong Kong	Hong Kong	Project investment		99.51%	USD677,161,910
Ping An Urban-Tech (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	IT services		88.99%	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		99.81%	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		42.37%	USD1,273,469
Mayborn Group Limited	United Kingdom	United Kingdom	Infant products		51.56%	GBP1,154,873
Jiaxing Ping An Cornerstone I Equity Investment Management Co., Ltd.	Shanghai	Jiaxing	Investment management		99.51%	1,000,000
Ping An Wealth Management Co., Ltd.	Shenzhen	Shenzhen	Asset management		57.96%	5,000,000,000
TTP Car Inc.	Shanghai	Cayman Islands	Second-hand car platform		21.61%	USD15,753
Shenzhen Shengjun Investment Management Co., Ltd.	Shenzhen	Shenzhen	Investment management		99.72%	5,000,000
Overseas W.H. Investment Company Limited	Cayman Islands	Cayman Islands	Investment holding		100.00%	USD4,459,442,233
Shenzhen Pingjia Investment Management Co., Ltd.	Shenzhen	Shenzhen	Investment platform		99.81%	5,000,000

(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	
Chongqing Youshengda Real Estate Consulting Co., Ltd.	Chongqing	Chongqing	Real estate consulting		99.51%	12,537,286,000
Hangzhou Xiaoshan Ping An Cornerstone II Equity Investment Co., Ltd.	Shanghai	Hangzhou	Investment management		99.51%	9,090,082
Shenzhen Hengchuang Investment Management Co., Ltd.	Shenzhen	Shenzhen	Investment platform		99.62%	5,000,000
Global Voyager Fund (HK) Company Limited	Hong Kong	Hong Kong	Asset management		100.00%	USD15,476,983
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		96.64%	1,000,000,000
Shanghai Raffles Kaixuan Commercial Management Service 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
Beijing Xinjie Real Estate Development Co., Ltd.	Beijing	Beijing	Property leasing and property management		69.66%	USD24,500,000
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	Corporation management		99.51%	50,000,000
New Founder Holding Development Company Limited	Beijing	Zhuhai	Investment and technical services		66.18%	7,250,000,000
Founder Securities Co., Ltd.	Changsha	Changsha	Securities brokerage		19.00%	8,232,101,395
PKU Healthcare Management Co., Ltd.	Beijing	Zhuhai	Hospital management		66.18%	3,000,000,000
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%	500,000,000
Beijing Founder Fubon Crown Asset Management Co., Ltd.	Beijing	Beijing	Customer-specific asset management		12.67%	130,000,000
Founder Securities (Hong Kong) Limited	Hong Kong	Hong Kong	Securities trading and consulting		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 shareholding proportion, as shown in the above table, is the sum of direct holding by the Company and indirect holding calculated via the multiplication of shareholding proportions at various holding layers.

(2) Shareholding Structures and Basic Information of Joint Ventures

The Group had the following main joint ventures as of June 30, 2024:

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%	4,580,000,000

(III) Material penalties imposed on the Company by the National Financial Regulatory Administration and other financial regulatory authorities

(Yes No)

III. Operation of Major Member Companies

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

Ping An Life continued to enhance its channels and improve business quality under the “4 channels + 3 products” strategy in the first half of 2024. By upgrading “insurance + service” solutions, Ping An Life continuously strengthened its presence in health and senior care sectors and provided customers with professional, heart-warming services, empowering high-quality development of the Company. Ping An Life’s premium income increased 5.1% year on year to RMB300,784 million in the first half of 2024.

In respect of channel development, under the value orientation of high-quality development, Ping An Life continued to deepen the transformation and build multichannel professional sales capabilities, significantly improving the development quality. In respect of the agent channel, Ping An Life continued to deepen the transformation and improve the team structure under the value orientation of high-quality development. Ping An Life focused on recruiting high-quality new agents through high-quality existing ones, with the sources of new recruits constantly improving. The proportion of “Talent +” new agents increased by 10.2 pps year on year. The number of Ping An Life’s individual life insurance sales agents was about 340,000 as of June 30, 2024. In respect of the bancassurance channel, Ping An Life adhered to its value-oriented transformation strategy and focused on high-quality growth, continuously increasing the bancassurance channel’s value contributions. In respect of cooperation with banks, Ping An Life strengthened long-term mutual trust and cooperation by furthering the exclusive agency model with Ping An Bank, consolidating partnerships with large state-owned banks, and developing potential channels including major joint-stock banks and urban commercial banks. In respect of team development, Ping An Life built high-productivity teams by tightening recruitment rules, and promoted high-quality development of the teams via accelerated cultivation and upskilling. In respect of supporting services, Ping An Life improved customer service experience by advancing the centralized operation model, delivering efficient and convenient end-to-end enrollment services, and offering diverse value-added services. In respect of Community Grid and other channels, Ping An Life continuously rolled out Community Grid, focusing on “retained customers” and providing high-quality, sustainable and heartwarming services. Ping An Life has set up 126 Community Grid outlets in 90 cities as of June 30, 2024, an increase of 39 cities year to date, covering all core cities cross China. Ping An Life has built a team of approximately 15,000 highly competent specialists as of June 30, 2024, who perform effective service operations by implementing and upgrading the “Pre-sell, Soft-sell, Cross-sell and Up-sell” business model. As a result, Community Grid’s 13-month policy persistency ratio of retained customers improved by 5.8 pps year on year in the first half of 2024, and FYP was 2.6 times that for the same period last year. In this way, Ping An Life made continuous breakthroughs in customer development. In respect of the lower-tier channel, Ping An Life continuously promoted sales in seven provinces, innovated and upgraded business models, and gradually built robust sales channels in the first half of 2024.

In respect of life insurance products, Ping An Life actively follows national strategies, serving as both an economic shock absorber and a social stabilizer. Under the customer-centric philosophy, Ping An Life continuously diversifies and upgrades its insurance product portfolio to provide more comprehensive products. By leveraging the Group’s health and senior care ecosystem, Ping An Life rolls out “insurance + service” products in an orderly manner, providing customers with heartwarming services. In respect of insurance products, Ping An Life focuses on core customer demands for health protection, pension reserves and wealth management, constantly diversifies its offerings, and optimizes its product portfolio to provide customers with worry-free and heartwarming insurance protection. Ping An Life develops the insurance protection market. For critical illness insurance, Ping An Life launched new “Ping An Ru Yi” which combines wealth management and critical

illness insurance, and upgraded its flagship “Shou Hu Bai Fen Bai” to meet customers’ multilevel protection needs. For non-critical illness insurance, Ping An Life responded to government policies on health insurance tax credits by launching more attractive protection products for taxpayers, including “Zhi Ying Bei Hu” long-term care insurance and “e Wan Jia” medical insurance. Ping An Life expands the pension market. In response to longer life expectancy in China, Ping An Life launched “Jin Yue Annuity 24,” an upgraded version offering an extended age limit for enrollment and a more flexible means of receiving pension benefits. Ping An Life also launched “Yi Xiang Yan Nian 24,” an upgraded annuity product which offers diverse optional pension plans. Ping An Life strengthens the wealth management market. Centering on “Jin Yue” products, Ping An Life continuously upgraded products by launching participating products based on traditional ones and diversifying premium payment periods to meet different customer demands and preferences. In respect of “insurance + health care,” Ping An Life provided nearly 16 million customers with health management services, which were widely welcomed by customers, in the first half of 2024. Since its launch in 2021, Ping An Zhen Xiang RUN Health Services Plan (“Ping An Zhen Xiang RUN”) has provided customers with full-lifecycle health care services including five highlights, namely unique checkups, blood sugar control, online consultation, outpatient appointment assistance and accompanying consultation, and critical illness management. Ping An Life upgraded Ping An Zhen Xiang RUN by including health management plans, health diagnostics and family doctor services and upgrading chronic disease prevention and control services. In this way, Ping An Life provides customers with full-lifecycle protection by delivering “worry-free, time-saving, and money-saving” one-stop health care experience in three main service scenarios, namely health, medical care and chronic disease. In respect of “insurance + home-based senior care,” Ping An continuously develops its service framework covering scenarios including medical care, housing, nursing, and entertainment to optimize customer experience. Ping An established “Ping An Concierge Senior Care Service Alliance” jointly with partners and launched “5-7-3 Home Safety Renovation Service” in March 2024. Parties involved jointly set up service standards and a supervision framework to meet the elderly’s home safety needs. Moreover, Ping An launched the “Cheng Nuan Xia Ling” public welfare program in multiple cities to popularize knowledge about home safety and raise public awareness of aging-in-place renovation. Ping An’s home-based senior care services covered 64 cities across China as of June 30, 2024, and over 120,000 customers qualified for such services, giving positive general feedback. In respect of “insurance + high-end senior care,” Ping An is committed to developing the premium senior care market and delivering innovative “one-stop” full-lifecycle senior care solutions. Under the core philosophy of “seven-dimensional health care” and the value proposition of “prime life, exclusive services, and respectful care,” Ping An provides customized health and senior care services and high-quality heartwarming health and senior care experience to meet the growing demand for premium senior care in China. Ping An has unveiled premium health and senior care communities in five cities as of June 30, 2024, which are currently under construction and will be open for business from 2025 onward.

Ping An Life’s core and comprehensive solvency margin ratios were 123.6% and 208.8% respectively as of June 30, 2024, both significantly above the 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, hull, cargo, liability, guarantee, credit, special risk, home contents, and accident & health insurance, as well as international reinsurance business. Ping An P&C’s premium income grew by 4.1% year on year to RMB160,397 million in the first half of 2024.

Ping An P&C maintained stable business growth in the first half of 2024. Ping An P&C’s overall combined ratio (“COR”) improved by 0.2 pps year on year to 97.8% in the first half of 2024 mainly due to a decrease in underwriting loss from guarantee insurance business. Auto insurance COR rose by 1.0 pps year on year to 98.1% mainly due to a year-on-year

increase in natural disasters including rainstorms. Ping An P&C applies technologies to data-driven online operations and services. The “Ping An Auto Owner” app is committed to providing one-stop services covering “auto insurance, auto services and auto life,” offering 82 service items including emergency assistance, annual inspection and designated driver services by integrating over 260,000 partners in the ecosystem. The “Ping An Auto Owner” app had over 218 million registered users as of June 30, 2024, with over 142 million vehicles linked to it. Monthly active users of the app exceeded 37.88 million in June 2024.

Ping An P&C continuously improved claims services and comprehensively upgraded basic services to meet customer needs under the “worry-free, time-saving, and money-saving” value proposition. Ping An P&C further improved customers’ claims experience by launching “Hassle-free Repair and Worry-free Claims” services featuring hassle-free auto repair, whole-process transparency, and concierge-style services. With excellent customer services, Ping An P&C scored 90.87 in the Auto Insurance Service Quality Index evaluation by China Banking and Insurance Information Technology Management Co., Ltd., ranking among top players in the property and casualty insurance industry.

Ping An P&C’s core and comprehensive solvency margin ratios were 181.9% and 205.0% respectively as of June 30, 2024, both significantly above the regulatory requirements.

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

Ping An Bank adheres to its mission to be “China’s most outstanding, world-leading smart retail bank” under the strategy of “strong retail banking, selective corporate banking, and specialized interbank business.” Ping An Bank continuously upgrades its retail, corporate and interbank business strategies, enhances its ability to serve the real economy, strengthens risk management, advances digital transformation, and maintains steady overall business performance. Ping An Bank (excluding Ping An Wealth Management) had 109 branches and 1,180 business outlets as of June 30, 2024.

Ping An Bank’s revenue totaled RMB77,132 million in the first half of 2024, down 13.0% year on year mainly due to ongoing support for the real economy and the adjusted asset portfolio. Ping An Bank improved operational cost-effectiveness via digital transformation, strengthened asset quality control and management, and enhanced non-performing asset recovery and disposal, boosting net profit by 1.9% year on year to RMB25,879 million in the first half of 2024.

Regarding retail business, Ping An Bank adheres to its retail business strategy and continuously promotes its business transformation. In response to changes in the external environment, Ping An Bank drives high-quality, sustainable development of retail business by adjusting structure, improving quality, increasing profitability, and upgrading two main business sectors. In lending business, Ping An Bank proactively adjusted its loan portfolio by increasing home mortgage loans, collateral mortgage loans and new energy vehicle loans. Moreover, Ping An Bank upgraded risk management strategies and optimized risk models to improve the quality of new assets, striking a balance between “volumes, prices and risks.” Retail loan balance decreased 7.9% year to date to RMB1,821,335 million as of June 30, 2024, in which the proportion of secured loans rose to 60.6%. Newly-granted retail new energy vehicle loans grew 38.4% year on year in the first half of 2024. In deposit and wealth management business, Ping An Bank grew retail deposits and improved the business portfolio by developing core business scenarios such as investment & wealth management, payroll, and payment settlement. Retail deposit balance grew 6.9% year to date to RMB1,290,345 million as of June 30, 2024. Moreover, Ping An Bank improved customer experience by continuously upgrading private banking products, services and team capabilities as well as building a professional, competitive benefit service system. Retail assets under management (“AUM”) rose 2.2% year to date to RMB4,120,630 million as of June 30, 2024, including RMB1,944,879 million in AUM of private banking customers, up 1.5% year to date.

In corporate business, Ping An Bank closely follows national strategies, and continuously increases 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 vitalization, green finance, and infrastructure. Ping An Bank develops and strengthens strategic customer groups to serve the real economy. Corporate loan balance grew 11.4% year to date to RMB1,592,139 million as of June 30, 2024. Corporate deposit balance grew 3.7% year to date to RMB2,280,467 million. In respect of selected sectors, Ping An Bank builds sector-specific differential advantages. Ping An Bank granted new loans of RMB200,540 million to four basic industries, namely infrastructure, the auto ecosystem, public utilities and real estate in the first half of 2024, up 42.1% year on year. Moreover, Ping An Bank granted new loans of RMB106,142 million to three emerging industries, namely new manufacturing, new energy and new lifestyle in the first half of 2024, up 47.1% year on year. In respect of selected customers, Ping An Bank has established a tiered development framework for customers from strategic ones to small and micro-enterprises to build “long-term” operational capabilities. Ping An Bank had 802.7 thousand corporate customers as of June 30, 2024, up by 48.7 thousand or 6.5% year to date. In respect of selected products, focusing on core customer groups, Ping An Bank enhances its sector-specific, differentiated and comprehensive product portfolio, and develops innovative business models with its “finance + technology” strength to offer comprehensive services. Ping An Bank’s supply chain financing amounted to RMB725,318 million in the first half of 2024, up 30.6% year on year.

In interbank business, Ping An Bank continuously develops financial services as a new growth driver and enhances market competitiveness through an “investment trading + customer business” strategy. In respect of investment trading, Ping An Bank continuously strengthens macroeconomic analysis and enhances the research and development of trading strategies to obtain sustainable, steady investment income while ensuring the liquidity and security of assets. Ping An Bank’s market share measured by bond trading volume increased 0.6 pps year on year to 3.5% in the first half of 2024. In respect of customer business, Ping An Bank optimizes financial products and service processes, meets interbank and corporate customers’ financial service demands, and promotes financial markets’ high-quality development by leveraging its strengths in comprehensive customer services and proactively engaging in the fund ecosystem, asset custody, bond market making, corporate hedging and so on. The AUM balance of asset management products distributed under the “ET-Bank” climbed 43.8% year to date to RMB287,816 million as of June 30, 2024. Net assets under custody grew 3.6% year to date to RMB9.01 trillion as of June 30, 2024. RMB1.67 trillion worth of cash bonds were sold by domestic and foreign institutions in the first half of 2024, up 9.2% year on year. The number of customers that conducted spot and derivative foreign exchange hedging at Ping An Bank increased 12.8% year on year to 11,058 in the first half of 2024.

In respect of asset quality, China’s macroeconomy kept an upward trend in the first half of 2024. However, the foundations of continuous recovery still needed to be consolidated, and repayment capacity of retail customers and small and medium-sized enterprises remained under pressure. In line with national strategies, Ping An Bank actively served the real economy, 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 by 0.05 pps year to date to 1.42% as of June 30, 2024. China’s macroeconomy recovered in the first half of 2024, but structural differences still existed. Retail non-performing loan ratio rose as some retail customers’ debt repayment capacity was still recovering. Ping An Bank continuously upgraded risk models to improve its customer identification capability, thereby achieving more precise customer segmentation. Moreover, Ping An Bank proactively adjusted its customer mix and asset portfolio, implemented differentiated risk management policies, steadily invested in high-quality assets, proactively expanded loan collection channels, and enhanced non-performing loan disposal. In respect of corporate asset quality, Ping An Bank’s corporate non-performing loan ratio was 0.66% as of June 30, 2024, up 0.03 pps year to date. Ping An Bank continuously upgraded its risk policies and improved its asset quality management mechanisms. As a result, corporate credit risk metrics remained good.

In respect of capital adequacy, benefiting from net profit growth and refined capital management, Ping An Bank’s core

tier 1 capital adequacy ratio rose to 9.33% as of June 30, 2024.

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

Ping An Trust focuses on asset service trust business including family trusts and insurance trusts in 2024. For direct selling, Ping An Trust strictly implements the requirements regarding accredited investor identification, product suitability, audio and video recording, and risk disclosure. For distribution, Ping An Trust partners with licensed financial institutions only, strictly controls channel admittance, and carries out stringent ex post supervision. In respect of management, Ping An Trust builds systems, establishes mechanisms, and controls risks. By developing Comprehensive Risk Management System 2.0, an extensive risk management network, Ping An Trust strengthens business risk management and improves risk prediction and mitigation. Moreover, Ping An Trust advances transformation and development in accordance with the new regulation on trust classification.

Total assets held in trust amounted to RMB838,158 million as of June 30, 2024. Ping An Trust had RMB19.9 billion in net capital as of June 30, 2024. The ratio of net capital to total risk capital was 299.8% and the ratio of net capital to net assets was 76.2% as of June 30, 2024, 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 specified its “worry-free, time-saving, and money-saving” value proposition focused on customer needs in the first half of 2024. Centering on quality, differentiation and efficiency, Ping An Securities improved business efficiency and developed sustainable competitiveness by advancing five strategic initiatives, comprehensively upgrading service systems, and building service and brand moats.

In brokerage business, Ping An Securities continuously furthers the transformation of wealth management. Ping An Securities built a closed-loop customer acquisition and development system centered on customer journeys for brokerage business. Moreover, Ping An Securities built a professional and heartwarming 24/7 advisory service system for customers through a unified product and service framework, data-driven investment advisory capabilities, and an industry-leading smart brokerage service platform. As a result, Ping An Securities realized steady growth in both the number of customers and market share. Ping An Securities had over 24.05 million retail customers and ranked among top three brokers firmly by app user activeness as of June 30, 2024. The market share of Ping An Securities in terms of equity and fund trading volume (excluding seat leasing) reached 3.76% in the first half of 2024, up 18 bps year on year.

Ping An Securities adheres to its business strategy of selective investment banking. In investment banking business, Ping An Securities effectively serves the real economy by promoting the modernization, transformation and upgrading of industries. Ping An Securities thoroughly implements the philosophy of “customer-centricity, full product coverage, and one-stop services” and continuously advances systematic strategies. In equity business, Ping An Securities develops private equity business by pursuing breakthroughs in key sectors and regions. In debt business, Ping An Securities focuses on key regions and products, ensures business sustainability, and exploits synergies among sourcing, underwriting and sales. Ping An Securities remained among top players in the industry by debt underwriting scale, ranking 2nd in asset-backed securities volume and 6th in bond underwriting respectively in the first half of 2024.

Ping An Securities continuously enhances its professional capabilities in trading and asset management businesses. In trading business, Ping An Securities continuously upgrades its “human + machine” platform to empower trading capabilities and enhance competitive advantages with technologies. Yield of trading outperformed

the market benchmark in the first half of 2024. In asset management business, Ping An Securities improves its investment research management framework under the value proposition of seeking absolute returns, focusing on investment needs of institutional clients including insurers and bank wealth managers. Ping An Securities ranked 9th by average monthly AUM in the industry in the first half of 2024, up one place year to date.

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

Ping An Financial Leasing strives to become a world-leading innovative financial leasing expert focusing on industries, serving the real economy, and adopting unique models. Ping An Financial Leasing has built its presence in various areas including engineering and construction, manufacturing and processing, next-generation infrastructure, urban development, city operations, auto finance, commercial vehicles, small and micro finance, strategic channels, structured financing, and Ping An factoring. In the future, Ping An Financial Leasing will accelerate its presence in new energy, next-generation infrastructure and new lifestyles, and actively explore operation-oriented, management-oriented and service-oriented business models.

Ping An Financial Leasing maintains steady overall operations by continuously strengthening risk management and refining management before, during and after leasing deals. Non-performing asset ratio dropped significantly year to date to 1.04% as of June 30, 2024. Sufficient provisions have been set aside, indicating an ample risk buffer. Moreover, Ping An Financial Leasing keeps overall risks under control by tightening customer admittance management, improving leased asset management, enhancing risk assessment, business operations and asset monitoring, building the anti-fraud system, and continuously strengthening risk asset disposal and recovery.

(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 nearly RMB5.52 trillion as of June 30, 2024, 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 2023, and was of the view that the Company's insurance group solvency statements as of December 31, 2023 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)*, the *Circular of the CBIRC on Implementation of Regulatory Rules on Solvency of Insurance Companies (II)*, and the *National Financial Regulatory Administration's Circular on Improving Regulatory Standards for Solvency of Insurance Companies*.

(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 2023, and was of the view that the consolidated and company's balance sheets as at December 31, 2023, as well as the consolidated and company's income statements, statements of changes in shareholders' equity, and cash flow statements for the year 2023 and the notes to the financial statements were prepared, in all material respects, in accordance with the *Accounting Standards for Business Enterprises*, which gave a fair view of the consolidated and company's financial position as at December 31, 2023 and the consolidated and company's performance results and cash flows for the year 2023.

Ernst & Young Hua Ming LLP, an auditor engaged by the Company, issued the *Internal Control Audit Report on Ping An for 2023*, and was of the view that the Company maintained effective internal controls over financial reporting in all material respects as of December 31, 2023 in accordance with the *Basic Norms for Internal Controls of Enterprises* and applicable requirements.

(III) Opinions of Asset Valuation Agency

Engaged by the Company, Shenzhen Cushman & Wakefield Land Property Valuation Co., Ltd. issued a valuation report on real estate assets held by the Company, taking January 23, 2024 as the valuation date. The valuation result is valid from May 31, 2024 to May 30, 2025.

(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. June 30, 2024 (in RMB million)

Item	Line	June 30, 2024	December 31, 2023
Actual capital	(1) = (2) + (3) + (4) + (5)	1,749,657.09	1,714,109.86
Core tier 1 capital	(2)	1,199,504.36	1,104,613.82
Core tier 2 capital	(3)	181,978.99	216,040.62
Supplementary tier 1 capital	(4)	355,583.45	381,991.21
Supplementary tier 2 capital	(5)	12,590.29	11,464.21
Minimum Capital	(6) = (7) + (21) + (22)	837,980.59	823,985.20
Minimum capital for quantifiable risks	(7) = (8) + (9) + (10) + (11) + (12) + (13) - (20)	850,741.72	836,575.67
Minimum capital of the parent company	(8)	-	-
Minimum capital of insurance member companies	(9)	472,913.74	466,342.19
Minimum capital of banking member companies	(10)	342,994.73	333,923.50
Minimum capital of securities member companies	(11)	28,194.17	30,232.67
Minimum capital of trust member companies	(12)	6,639.08	6,077.31
Minimum capital for group-level quantifiable specific risks	(13) = (14) + (15)	-	-
Minimum capital for risk contagion	(14)	-	-
Minimum capital for concentration risk	(15) = (16) + (17) + (18) - (19)	-	-
Minimum capital for counterparty concentration risk	(16)	-	-
Minimum capital for industry concentration risk	(17)	-	-
Minimum capital for customer concentration risk	(18)	-	-
Risk diversification effect	(19)	-	-
Capital requirement decrease due to risk diversification	(20)	-	-
Minimum capital for control risks	(21)	(12,761.13)	(12,590.47)
Additional capital buffer	(22)	-	-
Core solvency margin surplus	(23) = (2) + (3) - (6) × 50%	962,493.06	908,661.84
Core solvency margin ratio	(24) = [(2) + (3)] / (6) × 100%	164.86%	160.28%
Comprehensive solvency margin surplus	(25) = (1) - (6)	911,676.50	890,124.66
Comprehensive solvency margin ratio	(26) = (1) / (6) × 100%	208.79%	208.03%

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

(II) Actual Capital Statement of Insurance Holding Group

Insurance group name: Ping An Insurance (Group) Company of China, Ltd. June 30, 2024 (in RMB million)

Item	Line	June 30, 2024	December 31, 2023
Core tier 1 capital	(1) = (2) + (3) + (12) + (13) + (14) + (15) + (16)	1,199,504.36	1,104,613.82
Net assets in group consolidated financial statements	(2)	1,264,950.00	1,228,964.00
Adjustment for insurance member companies	(3) = (4) + (5) + (6) + (7) + (8) + (9) + (10) + (11)	81,302.72	59,760.21
Book value of unadmitted assets	(4)	(46,989.07)	(42,466.06)
Difference between admitted value and book value of long-term equity investments	(5)	(5,778.15)	(5,143.93)
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)	(19,837.02)	(29,877.14)
Catastrophe risk reserves for agricultural insurance	(8)	544.01	294.75
Policy future surplus included in core tier 1 capital	(9)	253,938.79	263,403.88
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)	(100,575.84)	(126,451.29)
Adjustment for banking member companies	(12)	(68,037.09)	(73,177.37)
Adjustment for trust member companies	(13)	(6,217.74)	(6,448.02)
Adjustment for securities and futures member companies	(14)	(31,856.24)	(31,968.71)
Goodwill	(15)	(36,560.70)	(36,547.70)
Other adjustments stipulated by the CBIRC	(16)	(4,076.59)	(35,968.59)
Core tier 2 capital	(17) = (18) + (23) + (24)	181,978.99	216,040.62
Core tier 2 capital of insurance member companies	(18) = (19) + (20) + (21) - (22)	46,492.30	51,725.77
Preferred stock	(19)	-	-
Policy future surplus included in core tier 2 capital	(20)	46,492.30	51,725.77
Other core tier 2 capital	(21)	-	-
Less: the amount that should be deducted for exceeding the limit	(22)	-	-
Other tier 1 capital of banking member companies	(23)	58,371.20	58,371.20
Tier 2 capital instruments of banking member companies	(24)	77,115.49	105,943.65
Supplementary tier 1 capital	(25) = (26) + (27) + (28) + (29) + (30) + (31) - (32)	355,583.45	381,991.21
Subordinated term debt	(26)	-	-
Capital supplementary bonds	(27)	20,000.00	30,000.00
Convertible subordinated debt	(28)	-	-
Deferred income tax assets (excluding deferred income tax assets caused by operating losses)	(29)	19,837.02	29,877.14
Policy future surplus included in supplementary tier 1 capital	(30)	310,553.93	314,579.58
Other supplementary tier 1 capital	(31)	5,192.50	7,534.49
Less: the amount that should be deducted for exceeding the limit	(32)	-	-
Supplementary tier 2 capital	(33) = (34) + (35) - (36)	12,590.29	11,464.21
Contingent capital and other supplementary tier 2 capital	(34)	-	-
Policy future surplus included in supplementary tier 2 capital	(35)	12,590.29	11,464.21
Less: the amount that should be deducted for exceeding the limit	(36)	-	-
Total actual capital	(37) = (1) + (17) + (25) + (33)	1,749,657.09	1,714,109.86

VI. Management Discussion and Analysis

(I) Changes in Solvency Margins

Ping An's core solvency margin ratio and comprehensive solvency margin ratio were 164.86% and 208.79% respectively as of June 30, 2024, up 4.58 pps and 0.76 pps year to date respectively, both well above the 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 the first half of 2024, with all types of risks meeting the risk appetite. However, in view of a complex external environment, the Group still needs to focus 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 remained high. In respect of market risk, our holdings remained stable and risk limit indicators were generally under control despite significant fluctuations in onshore equity markets and larger declines in interest rates in the fix-income market. 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 key industries and large-value transaction counterparties. Moreover, the Group continued to improve related party transaction management, and enhanced the management of the equity structure as well as equity investments in non-financial subsidiaries.

The Group continuously optimized its comprehensive risk management system and further improved its solvency risk management system by conducting rectification as required by regulators after the Solvency Aligned Risk Management Requirements and Assessment ("SARMRA") and enhancing management of various risks in accordance with C-ROSS Phase II regulatory requirements and in line with internal management needs in the first half of 2024.

VII. Significant Events

(I) Major Investments

During the Reporting Period, the Group made two investments in subsidiaries which shall be reported as major investments in accordance with the *Regulatory Rules on Solvency of Insurance Companies (II)*. Details are as follows:

The parent company signed the *Share Transfer Agreement* with Shenzhen Ping An Innovation Capital Investment Co., Ltd. (“Ping An Innovation Capital”) on February 4, 2024 to purchase 1,500,000 shares in Ping An Annuity Insurance Company of China, Ltd. (“Ping An Annuity”) from Ping An Innovation Capital for RMB2,846 thousand, and completed the payment of the full transaction price on March 11, 2024 (pending regulatory approval).

The parent company signed the *Share Transfer Agreement* with Ping An Innovation Capital on February 4, 2024 to purchase 2,500,000 shares in Ping An Health Insurance Company of China, Ltd. (“Ping An Health Insurance”) from Ping An Innovation Capital for RMB3,686.8 thousand, and completed the payment of the full transaction price on February 29, 2024. The book balance of the parent company’s investment in Ping An Health Insurance was RMB3,435,082.2 thousand as at the end of the Reporting Period.

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

(II) Material Guarantees

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

(III) 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.

(IV) Material Related Party Transactions

The Group had two material related party transactions during the Reporting Period. The related party transactions were deliberated and approved by the Company’s Related Party Transaction Control and Consumer Rights Protection Committee and Board of Directors, and announced at the Shanghai Stock Exchange (announcement numbers: Lin 2024-002 and Lin 2024-008 respectively).

(V) Significant Lawsuits

The parent company had no significant lawsuit as stipulated under the regulatory rules on solvency during the Reporting Period. For insurance subsidiaries’ significant lawsuits in the Reporting Period, refer to their respective solvency reports.

(VI) 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.

(VII) Material Investment Losses

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

(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 2023 profit distribution plan of the Company was deliberated and approved at the 2023 Annual General Meeting, pursuant to which the Company paid in cash the 2023 final dividend of RMB1.50 (tax inclusive) per share, totaling RMB27,161,462,992.50 (tax inclusive) based on 18,107,641,995 shares, the actual number of shares entitled to the dividend distribution (exclusive of A shares of the Company in the repurchased securities account). As of the date of this Report, the implementation of the distribution plan had been completed.

The Board of Directors hereby declares that the 2024 interim dividend of RMB0.93 (tax inclusive) per share in cash will be distributed 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 interim dividend distribution. The actual total amount of the interim dividend distribution is subject to the total number of shares that will be entitled to the dividend distribution on the record date. The total amount of the interim dividend distribution in 2024 is estimated at RMB16,840,107,055.35 (tax inclusive) based on the total share capital of 18,210,234,607 shares less the 102,592,612 A shares of the Company in the repurchased securities account as of June 30, 2024. The interim dividend distribution will have no material impact on the Group's solvency margin ratios. After the interim dividend distribution, the Group's solvency margin ratios will still meet the relevant regulatory requirements.

On July 16, 2024, the Company announced the proposed issue of an aggregate principal amount of USD3.5 billion 0.875% convertible bonds (convertible into the Company's H shares) due 2029 under a general mandate, with an initial conversion price of HKD43.71 per H share (subject to adjustments). The convertible bonds were issued on July 22, 2024 and have been listed and traded on The Stock Exchange of Hong Kong Limited since July 23, 2024. There is no impact on the Group's solvency margins prior to the share conversion.

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 put in place a comprehensive risk management organizational framework which holds the Board of Directors ultimately accountable and 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 member companies and business

lines.

The Board of Directors is the highest decision-making authority for the Company's risk management and takes responsibility for the effectiveness of 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, 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 designing and implementing 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 Group's executives in charge of different risk categories, each of whom has clearly-defined responsibilities for managing various risks.

(II) Introduction to and Implementation of Risk Management Strategies

(1) Risk Management Strategies

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

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 risk management to improve the risk management system.

In respect of mechanisms for preventing risk contagion and transmission, Ping An Group strengthened the rules and management mechanisms against risk contagion, conducted relevant education and training, set appetite limits for risk contagion, and monitored and reported risks on a regular basis.

In respect of allocation of risk management resources including manpower, finance and organizations, Ping An put in place a Chief Risk Officer responsible for 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.

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 general 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.

Amid the internal and external pressure on the Company's business development and risk management in the first half of 2024, Ping An maintained a prudent risk appetite, operated in strict compliance with laws and regulations, took reasonable and appropriate risks, effectively controlled credit risk, market risk and so on, prevented operational, compliance, information technology ("IT") and brand reputation risk events, strengthened strategic risk management, and properly managed environmental, social and governance risks. Moreover, Ping An kept its solvency position in line with regulatory requirements, and maintained a stable overall risk status.

(3) Risk Management Tools

Ping An Group stepped up the use of risk management tools including comprehensive budget, asset-liability management, capital planning 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 in combination with risk appetites 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 establishing and improving a robust asset-liability risk management system.

In respect of capital planning and allocation, Ping An Group developed a forward-looking program for capital planning 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 and incorporated the requirements of finance firewalls in financial frameworks and management policies, including personnel independence, policy independence, account independence, accounting independence, and system authority independence. The Group and its member companies have respective independent finance functions, financial management rules and processes, have separate accounts, perform independent financial accounting, and implement strict management segregation of data in financial systems. Moreover, the Group and its member companies are separately audited by external auditors who issue independent auditors' 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, and 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 among legal entities 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 rules on accountability for cybersecurity to fulfill the obligations with respect to cybersecurity. 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. The Group has established information security controls over all the stages of the full lifecycle covering data collection, transmission, storage, use, exchange and destruction. Ping An supervises and inspects the IT security of the Group and its member companies to ensure the confidentiality, 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 and 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, regulations and regulatory requirements on related party transactions and the management principles of good faith, fairness and equity, penetration verification and clear structures. 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 industries' regulatory rules. Furthermore, the Group has promoted 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 has enhanced system-based management and related party transaction governance by continuously promoting the informatization and intelligentization of related party management and related party transaction management. 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 continuously strengthens outsourcing risk management, improves IT outsourcing risk management rules, and monitors IT outsourcing risks in all aspects. In this way, the Group strengthens process management of outsourced activities, improves the service evaluation and appraisal mechanisms, enhances risk monitoring of outsourced activities, and reviews the performance of outsourced services and functions 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 exercise their rights and perform their obligations in accordance with the *Articles of Association*. The Group engages in no specific business activity, while its member companies engage in various businesses including insurance, banking, asset management and technology. The Group manages its member companies through shareholding, but neither participates in nor intervenes in the member

companies' routine business. The Group and its member companies have clearly defined roles and responsibilities of their respective functions, and each performs its own duties and responsibilities. There is no overlap, lack, or overconcentration of powers and responsibilities. The Group has a robust governance structure and a transparent management structure. The Group bans cross-shareholding and illegal subscription for capital instruments.

(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 key industry management plans based on its macroeconomic and industry analyses on a yearly basis to exercise total-amount control over key industries and optimize the portfolio.

To manage the concentration risk in regions, the insurance member companies have set upper limits for the proportions of overseas investments and emerging market investments with insurance funds in accordance with the regulatory requirements for the management of regional concentration risk.

To manage the concentration risk in customers, the Group evaluates, analyzes, monitors and reports the overall customer concentration in accordance with the regulatory requirements for the management of customer concentration risk. In this way, the Group prevents risks caused by the overconcentration of the Group's revenue in a single customer or the same group of customers, to avoid impact on the stability and quality of the Group's business.

To manage the concentration risk in businesses, the Group evaluates, analyzes, monitors and reports the concentration of its businesses in accordance with the regulatory requirements for concentration risk management of insurance groups' insurance and non-insurance businesses. Regarding the concentration of insurance business, the Group has enhanced the framework of concentration risk limits for insurance business and reinsurance counterparties as well as 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 in businesses 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 an insurance group's non-insurance member companies on the solvency of the insurance group and its insurance member companies.

The Group is an integrated financial services group authorized by the State Council of the People's Republic of China to engage in separate operations under a listed holding group subject to separate regulation. While focusing on its core insurance 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 insurance businesses. The Group strictly manages its non-insurance member companies' strategic planning processes, and regularly evaluates and adjusts its diversification strategy.

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

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) in 2022. The former CBIRC Guangdong Office conducted the SARMRA of the Group in the third quarter of 2022. The regulator released the assessment results in April 2023, and the Group's assessment score was 81.53, including 13.28 for solvency risk governance, 11.01 for risk management strategy and implementation management, 9.65 for risk contagion management, 8.97 for organizational structure non-transparency management, 9.48 for concentration risk management, 8.85 for non-insurance risk management, 8.83 for other risk management, and 11.46 for capital management.

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.