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**中国平安保险(集团)股份有限公司**  
**Ping An Insurance (Group) Company of China, Ltd.**  
*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 2318)**

**OVERSEAS REGULATORY ANNOUNCEMENT**

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

“The Announcement of Ping An Insurance (Group) Company of China, Ltd. in relation to the Disclosure of 2022 Third Quarterly Report of Ping An Bank”, which is published by Ping An Insurance (Group) Company of China, Ltd. on the website of the Shanghai Stock Exchange, is reproduced herein for your reference.

By order of the Board  
**Sheng Ruisheng**  
*Company Secretary*

Shenzhen, the PRC, October 24, 2022

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

**THE ANNOUNCEMENT OF  
PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.  
IN RELATION TO  
THE DISCLOSURE OF 2022 THIRD QUARTERLY REPORT OF  
PING AN BANK**

The board of directors and all directors of Ping An Insurance (Group) Company of China, Ltd. (hereinafter referred to as the "Company") confirm that there are no false representations and misleading statements contained in, or material omissions from this announcement, and severally and jointly accept the responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

Ping An Bank Co., Ltd. (hereinafter referred to as "Ping An Bank"), a subsidiary of the Company, has published the "2022 Third Quarterly Report of Ping An Bank" on the website of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)).

Please also refer to the "2022 Third Quarterly Report of Ping An Bank" disclosed by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) for the operating performance of Ping An Bank for the third quarter of 2022.

The Board of Directors  
Ping An Insurance (Group) Company of China, Ltd.  
October 24, 2022

**Ping An Bank Co., Ltd.**

**2022 Third Quarterly Report**

25 October 2022

[English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.]

The Ping An Bank Co., Ltd. and members of the board of directors guarantee the authenticity, accuracy and completeness of the contents of the information disclosed, in which there are no false representations, misleading statements or material omissions.

## Notes for Important Content

1. The board of directors (hereinafter referred to as the “Board”), the supervisory committee, the directors, the supervisors and senior management of the Ping An Bank Co., Ltd. (hereinafter referred to as the “Bank”) guarantee the authenticity, accuracy and completeness of this Quarterly Report, in which there are no false representations, misleading statements or material omissions, and are severally and jointly liable for its contents.

2. Xie Yonglin (the Bank’s Chairman), Hu Yuefei (the President), Xiang Youzhi (the Vice President and the Chief Financial Officer) and Zhu Peiqing (the head of the Accounting Department) declare that they guarantee the authenticity, accuracy and completeness of the financial information included in this Quarterly Report.

3. Whether the Third Quarterly Report has been audited?

Yes  No

This quarterly consolidated and company financial statements were not audited.

4. Matters on which the auditor gives non-standard audit opinions.

Applicable  Not applicable

5. “The Group” in this Report refers to Ping An Bank Co., Ltd. and its wholly-owned subsidiary Ping An Wealth Management Co., Ltd.; “Ping An Bank” and “the Bank” refer to Ping An Bank Co., Ltd.; “Ping An Wealth Management” refers to Ping An Wealth Management Co., Ltd.; and “Ping An Group” refers to Ping An Insurance (Group) Company of China, Ltd.

## Section I Key Financial Data

### 1.1 Key accounting data and financial indicators

Whether the Bank needs to adjust or restate retrospectively the accounting data for previous years?

Yes No

(In RMB million)

Item	30 September 2022	31 December 2021	Change at the end of the reporting period from the end of last year
Total assets	5,195,133	4,921,380	5.6%
Shareholders' equity	425,384	395,448	7.6%
Shareholders' equity attributable to ordinary shareholders of the Bank	355,440	325,504	9.2%
Share capital	19,406	19,406	-
Net asset per share attributable to ordinary shareholders of the Bank (RMB/share)	18.32	16.77	9.2%

Item	July to September 2022	Increase/decrease from the same period last year	January to September 2022	Increase/decrease from the same period last year
Operating income	46,243	8.8%	138,265	8.7%
Net profit attributable to shareholders of the Bank	14,571	26.1%	36,659	25.8%
Net profit attributable to shareholders of the Bank after non-recurring gains/losses	14,555	26.8%	36,597	26.2%
Net cash flows from operating activities	N/A	N/A	92,518	Negative amount for the same period of last year
Net cash flow from operating activities per share (RMB/share)	N/A	N/A	4.77	Negative amount for the same period of last year
Basic/Diluted earnings per share (EPS) (RMB/share)	0.75	25.0%	1.78	27.1%
Basic/Diluted EPS after non-recurring gains/losses (RMB/share)	0.75	27.1%	1.78	28.1%
Average return on total assets (un-annualized)	0.28%	+0.04 percentage point	0.72%	+0.09 percentage point
Average return on total assets (annualized)	1.13%	+0.16 percentage point	0.97%	+0.14 percentage point
Weighted average return on net assets (un-annualized)	4.18%	+0.49 percentage point	10.15%	+1.29 percentage points
Weighted average return on net assets (annualized)	15.81%	+1.82 percentage points	13.52%	+1.65 percentage points
Weighted average return on net assets (net of non-recurring	4.17%	+0.50 percentage point	10.13%	+1.31 percentage points

gains/losses) (un-annualized)				
Weighted average return on net assets (net of non-recurring gains/losses) (annualized)	15.79%	+1.89 percentage points	13.50%	+1.70 percentage points

Note: The return on net assets and EPS indicators are calculated in accordance with the *Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 - Computation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision)* (《公開發行證券的公司信息披露編報規則第9號 - 淨資產收益率和每股收益的計算及披露》(2010年修訂)) and *Accounting Standards for Business Enterprises No. 34 - Earnings per Share* (《企業會計準則第34號 - 每股收益》). The Bank issued non-cumulative preference shares of RMB20 billion in private placement on 7 March 2016 and non-fixed term capital bonds (“Perpetual Bond”) of RMB30 billion in February 2020, which are all classified as other equity instruments. In the calculation of the “weighted average return on net assets” and “EPS”, the paid dividends on preference shares of RMB874 million and the interests on perpetual bonds of RMB1,155 million has been deducted from the “Net profit attributable to shareholders of the Bank”.

(In RMB million)

Item	30 September 2022	31 December 2021	31 December 2020	Change at the end of the period from the end of last year
<b>Deposit principals from customers</b>	<b>3,246,173</b>	<b>2,961,819</b>	<b>2,673,118</b>	<b>9.6%</b>
Including: Corporate deposits	2,342,249	2,191,454	1,988,449	6.9%
Personal deposits	903,924	770,365	684,669	17.3%
<b>Total principal of loans and advances to customers</b>	<b>3,301,343</b>	<b>3,063,448</b>	<b>2,666,297</b>	<b>7.8%</b>
Including: Corporate loans	1,297,461	1,153,127	1,061,357	12.5%
General corporate loans	1,087,963	998,474	948,724	9.0%
Discounted bills	209,498	154,653	112,633	35.5%
Personal loans	2,003,882	1,910,321	1,604,940	4.9%

Note: Pursuant to the *Circular on Revising and Issuing 2018 Versions of Financial Statement Templates for Financial Enterprises (Cai Kuai [2018] No. 36)* (《關於修訂印發2018年度金融企業財務報表格式的通知》(財會〔2018〕36號)) issued by the Ministry of Finance, interests accrued using the effective interest method are included in the carrying amount of financial instruments, and interests not received or paid as at the balance sheet date are presented in “Other assets” or “Other liabilities”. Unless otherwise stated, “Loans and advances to customers”, “Deposits from customers” and their breakdowns mentioned in this report are all amounts net of interests.

Total share capital of the Bank as at the last trading day prior to disclosure

Total share capital of the Bank as at the last trading day prior to disclosure (in shares)	19,405,918,198
Payment of dividends on preference shares (RMB Yuan)	874,000,000
Payment of interests on perpetual bonds (RMB Yuan)	1,155,000,000
Fully diluted EPS calculated based on the latest share capital (RMB/share, accumulated from January to September)	1.78

Has the share capital ever changed and influenced the amount of the owners' equity because of newly issued shares, additional issue, allotment, exercising of stock option, or repurchasing from the end of the reporting period to the disclosure date of the Quarterly Report?

Yes  No

## 1.2 Items and amounts of non-recurring gains/losses

Applicable  Not applicable

(In RMB million)

Item	July to September 2022	January to September 2022
Net gains or losses on disposal of non-current assets	18	126
Loss/Gain from contingencies	(4)	(70)
Others	7	27
Income tax effect	(5)	(21)
<b>Total</b>	<b>16</b>	<b>62</b>

Note: The non-recurring gains/losses are calculated in accordance with the definitions in the *Explanatory Announcement No. 1 on Information Disclosure of Companies Publicly Issuing Securities - Non-recurring Profit and Loss* (《公開發行證券的公司信息披露解釋性公告第 1 號 - 非經常性損益》). During the reporting period, the Group had no recurring gains/losses items that are defined or listed as non-recurring gains/losses as per the *Explanatory Announcement No. 1 on Information Disclosure of Companies Publicly Issuing Securities - Non-recurring Profit and Loss* (《公開發行證券的公司信息披露解釋性公告第 1 號 - 非經常性損益》).

### 1.3 Regulatory indicators and financial ratios

(Unit: %)

Item	Standard level of indicator	30 September 2022	31 December 2021	31 December 2020
Capital adequacy ratio	≥10.5	13.33	13.34	13.29
Tier 1 capital adequacy ratio	≥8.5	10.65	10.56	10.91
Core tier 1 capital adequacy ratio	≥7.5	8.81	8.60	8.69
Non-performing loan ratio	≤5	1.03	1.02	1.18
Provision coverage ratio	≥ 130 (Note 2)	290.27	288.42	201.40
Provision to loan ratio	≥ 1.8 (Note 2)	2.99	2.94	2.37
Cost/income ratio (from the beginning of the year to the end of the period)	N/A	26.41	28.30	29.11
Deposit-loan spread (from the beginning of the year to the end of the period, annualized/un-annualized) (Note 3)	N/A	3.87/2.90	4.05	4.21
Net interest spread (NIS) (from the beginning of the year to the end of the period, annualized/un-annualized)	N/A	2.70/2.02	2.74	2.78
Net interest margin (NIM) (from the beginning of the year to the end of the period, annualized/un-annualized)	N/A	2.77/2.07	2.79	2.88

Notes:

(1) The above indicators are calculated on the Group's basis.

(2) In accordance with the *Provisions of Circular on Adjusting the Regulatory Requirements for Loss Provisions for Loans of Commercial Banks (Yin Jian Fa [2018] No. 7)* (《關於調整商業銀行貸款損失準備監管要求的通知》(銀監發〔2018〕7號)), various joint-stock banks have implemented regulatory policies of differentiated and dynamically adjusted provision.

(3) Since the first quarterly report of 2022, in the calculation of deposit-loan spread, the standard of "average yield of loans and advances to customers" was adjusted to include discounted bills, and the comparison data was adjusted accordingly by the same standard. See "1.6.1 Average daily balance and average yield/cost rate of the major asset and liability items" for details.

### 1.4 Analysis on items with changes in key accounting data and financial indicators

√ Applicable   □ Not applicable

(In RMB million)

Item	Amount for the period	Amount of change	Rate of change	Analysis on reasons of change
Derivative financial assets	60,728	30,490	100.8%	Mainly due to the increase in the scale of foreign exchange business
Financial assets held under resale agreements	16,352	9,964	156.0%	Mainly due to the increase in the scale of bill assets held under resale agreements
Other equity instrument investments	7,406	4,814	185.7%	Mainly due to new added foreclosed equity and perpetual bond investments
Financial liabilities held for trading	101,040	57,619	132.7%	Mainly due to the increase in the scale of security lending business



Derivative financial liabilities	62,991	31,899	102.6%	Mainly due to the increase in the scale of foreign exchange business
Financial assets sold under repurchase agreements	75,119	27,416	57.5%	Based on the position at the end of the period, monetary market borrowing was increased, and the scale of financial assets sold under repurchase agreements was increased.
Provisions	9,236	5,292	134.2%	Increase of expected credit losses of financial guarantee contracts
Gains or losses on changes in fair value	3,215	1,713	114.0%	Mainly due to the increase in changes in fair value of tradable financial instruments
Exchange gains or losses	4,121	3,128	315.0%	Due to the increase in the exchange gains or losses from the increased foreign exchange business scale and fluctuated exchange rate
Gains or losses on disposal of assets	120	101	531.6%	Small base period number of RMB19 million for the same period of last year
Other income	140	(61)	(30.3%)	Small base period number of RMB201 million for the same period of last year
Other impairment losses on other assets	(35)	(1,212)	(103.0%)	Decrease in provision for impairment losses on foreclosed assets
Non-operating income	50	(34)	(40.5%)	Small base period number of RMB84 million for the same period of last year
Non-operating expenses	233	107	84.9%	Mainly due to the increase in non-operating expenses from litigation compensation

Note: above accounting data and financial indicators are the items with changes over 30% in the balance sheet and income sheet.

## 1.5 Management discussion and analysis

The Communist Party of China (CPC) held its 20th National Congress successfully on 16 October 2022. The 20th CPC National Congress is a meeting of great importance. It takes place at a critical time as all the Party members and the Chinese people of all ethnic groups embark on a new journey to build China into a modern socialist country in all respects and advance toward the Second Centenary Goal. It will lead the Party members and the Chinese people of all ethnic groups to forge ahead with enterprise and fortitude and strive in unity to build a modern socialist country in all respects and to advance the great rejuvenation of the Chinese nation on all fronts. The Bank actively implements all the policy decisions of the CPC Central Committee and the State Council: constantly improves its capability of serving the real economy in financial services; continuously enhances the support to private enterprises, small and micro enterprises, manufacturing, technological enterprises, residential consumption and other areas; proactively helps expand domestic demands; vigorously supports the policy of “ensuring stability on six key fronts and maintaining security in six key areas”; actively practices green finance; fully supports rural revitalization; continuously strengthens comprehensive risk management; and fully promotes high-quality economic development.

From January to September 2022, adhering to the strategic goal of building the “China’s most outstanding, world-leading smart retail bank”, the Bank persisted in the strategic principle of “being technology-driven, pursuing breakthroughs in retail banking, and reinventing its corporate banking”; strove to build its three business cards of “a digital bank, an ecosystem and a platform”; constantly upgraded its operating strategies in retail business, corporate business and interbank capital business; continued to holistically deepen digital operation; reshaped asset-liability management; actively responded to challenges of the Covid-19 pandemic (Covid-19); and all businesses maintained a stable growth trend of development.

### 1.5.1 Stable growth of operation performance

#### **Solid growth of operating income.**

From January to September 2022, the Group recorded an operating income of RMB138,265 million, representing a year-on-year increase of 8.7%, and the net profit was RMB36,659 million with a year-on-year increase of 25.8%.

#### **Stable liability costs.**

From January to September 2022, the Group’s NIM decreased by 4 basis points to 2.77% as compared with the same period of last year, and the average liability cost rate was down by 7 basis points to 2.15% as compared with the same period of last year, among which the average cost rate of deposit-taking was 2.07%, up by 2 basis points as compared with the same period of last year. The Bank actively promoted the reshaping of asset-liability management. At the liabilities end, the Bank actively optimized liability structure to reduce the liability costs; at the assets end, affected by factors such as the decline of market

interest rates and continuing to make profit concession to the real economy, the return on assets declined, and the NIM was slightly narrowed.

**Sound growth of non-interest income.**

From January to September 2022, the Group recorded other net non-interest income of RMB40,916 million, representing a year-on-year increase of RMB3,287 million, or 8.7%, among which the net fee and commission income recorded a year-on-year decrease of RMB3,043 million, on the one hand, the market and other factors led to decline in the yield of agency funds, etc.; on the other hand, the Bank actively developed new business tracks, which led to the increase in income of agency insurance and other businesses. Other net non-interest income presented a year-on-year increase of RMB6,330 million, mainly due to the increase in non-interest income derived from bills discounting, monetary market and bond-type fund investments and foreign exchange businesses. The net non-interest income accounted for 29.59%, up by 0.01 percentage point from the same period of last year.

**Steady growth in the scale of assets and liabilities.**

At the end of September 2022, the Group's total assets amounted to RMB5,195,133 million, grew by 5.6% as compared with the end of last year, including the total principals of loans and advances to customers of RMB3,301,343 million, up by 7.8% as compared with the end of last year; the total liabilities amounted to RMB4,769,749 million, an increase of 5.4% as compared with the end of last year, including the balance of total deposit principals from customers of RMB3,246,173 million, up by 9.6% as compared with end of last year.

**Well-planned outlets layout.**

The Bank continued to build its intelligent outlets and reasonably allocated the layout of its outlets. At the end of September 2022, the Bank had 109 branches (including Hong Kong Branch) and a total of 1,188 outlets (including head office, branches and special-purpose organizations).

**1.5.2 Overall stable asset quality**

From January to September 2022, the overall macro-economy kept a recovering momentum, but the imbalance issue of regions and industries' economic recovery was still notable. Some enterprises and individuals were facing the repayment pressure and the banking industry was still facing challenges in controlling asset quality. The Bank responded to national strategy of serving the real economy, continuously supported development of private enterprises and small, medium and micro enterprises. The Bank strengthened the efforts in disposal of problematic assets and maintained the stable overall asset quality.

At the end of September 2022, the Bank's overdue loans accounted for 1.50% with a decrease of 0.11 percentage point as compared with the end of last year. The Bank's loans overdue for more than 60 days

and loans overdue for more than 90 days accounted for 0.92% and 0.79% respectively, up by 0.05 percentage point for both as compared with the end of last year. The NPL ratio was 1.03%, up by 0.01 percentage point as compared with the end of last year, and the ratio of special mention loans was 1.49%, up by 0.07 percentage point as compared with the end of last year. The deviation ratios of loans overdue for more than 60 days and 90 days were 0.89 and 0.76 respectively, with increases of 0.04 and 0.03 as compared with the end of last year.

From January to September 2022, the Bank's provision for impairment losses on loans and advances to customers amounted to RMB44,010 million. At the end of September 2022, the balance of provision for impairment losses on loans was RMB98,792 million, up by 9.5% as compared with the end of last year; the risk compensation capability continuously kept at a good level, and the provision coverage was 290.27%, increased by 1.85 percentage points as compared with the end of last year. The provision coverage of loans overdue for more than 60 days was 326.39%, decreased by 11.83 percentage points as compared with the end of last year. The provision coverage of loans overdue for more than 90 days was 380.16%, decreased by 17.24 percentage points as compared with the end of last year.

From January to September 2022, the Bank's written-off loans amounted to RMB40,735 million. The total of recovered non-performing assets was RMB35,230 million, representing a year-on-year increase of 28.6%, which included recovered written-off principals of RMB17,090 million for non-performing assets (including recovered written-off amount of RMB9,856 million for non-performing loans), representing a year-on-year increase of 14.4%. 76.1% of recovered amount for non-performing assets was recovered in cash and the rest was recovered in repayment by collaterals.

In the future, the Bank will continue intensifying management and control measures, keeping a good risk compensation level, firmly protecting the risk base line and making sure the asset quality is controllable.

### **1.5.3 Deepening transformation and development in retail business**

From January to September 2022, facing multiple challenges such as pressure on macroeconomic growth and recurring Covid-19, the Bank gave full play to the advantages of comprehensive finance and technology empowerment, continuously and deeply implemented the "five-in-one" new model including open bank, AI bank, remote bank, offline bank and comprehensive bank with interconnection and organic integration, and actively implemented the original mission of financial services for the real economy and service for people's livelihood. The Bank's retail business achieved an overall stable growth.

#### **(1) Continuous upgrading for the operation of three business segments**

- **Private banking and wealth management**

The Bank continued to upgrade its product, customer group management, and team capabilities and devoted itself to building “a warm global leader in wealth management host bank”. At the end of September 2022, the assets under management (AUM) of retail customers amounted to RMB3,532,560 million, up by 11.0% as compared with the end of the previous year, among which the AUM balance of qualified private banking customers amounted to RMB1,575,664 million, representing an increase of 12.1% as compared with the end of the previous year. The Bank’s wealth management customers reached 1,234.1 thousand, representing an increase of 12.2% as compared with the end of the previous year, among which the qualified private banking customers<sup>1</sup> reached 78.1 thousand, up by 12.1% as compared with the end of the previous year. From January to September 2022, the Bank’s commission income (excluding agency of individual precious metals) from wealth management recorded RMB5,105 million, representing a year-on-year decrease of 20.7% due to the effects of scale reduction of non-standard products and factors such as decline of fund sales resulted from the fluctuation of the securities market.

**In terms of product upgrading**, the Bank continued to improve asset optimization and product screening capabilities and enriched and optimized product categories. In the third quarter of 2022, the Bank focused on developing the “preference private placement”, selected and introduced top managers among the private placement institutions in the market. As for agency business of publicly offered funds, the Bank focused on improving the customer scale of agency business of publicly offered funds, worked on an online platform, and realized fast penetration to the middle and long tail customer groups under the sluggish market conditions. At the end of September 2022, the number of position customers of the Bank’s agency of non-monetary publicly offered funds increased by 67.7% as compared with the end of last year. The income of agency funds recorded RMB2,335 million from January to September, with a year-on-year decrease of 27.8% due to factors such as the market. Family trust and insurance trust kept a rapid growth, with a new established size of RMB38,595 million, representing a year-on-year increase of 53.8%. **In terms of customer group management upgrading**, based on multi-dimensional needs of ultra-high net-worth customers in terms of “individuals, families and enterprises”, the Bank built the four trump cards of “high-end medical and health care, golf, children’s education and charity preparation”, and upgraded family inheritance and corporate services to build the first top private banking service system in China and to create a new engine for private banking development. At the same time, the Bank intensified investment research capabilities and deepened the mid-office empowerment system. In the third quarter of 2022, the Bank upgraded and launched the Asset Allocation Intelligent Recommendation Engine, which intelligently recommended suitable products and services to customers based on customer needs, risk preferences and

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<sup>1</sup>The standard of private banking customers is the average daily assets in any month of recent three months is more than RMB6 million.

customer behavior analysis. **In terms of team upgrading**, firstly, the Bank established a standardized wealth management training system, enhanced team's professional skills through a three-dimensional training mode of "training, practicing and counseling", promoted the standardization of team's working model, and strove to build a professional team that had a good command of customers' needs, underlying assets, communication skills and marketing knowledge. Secondly, the Bank empowered team management through human-machine collaboration, making wealth management managers more professional, intelligent and customized in their business development and services, and enhancing the health of customers' wealth. At the end of September 2022, the coverage rate of "portable banking" for wealth management customers was over 70%. **In terms of new business track layout**, the Bank actively grasped the opportunity of changes in life insurance market and wealth management market, strengthened the upgrading of bancassurance business and team construction, and continuously created a new wealth team that understood insurance well, so as to provide customers with more comprehensive and integrated financial asset allocation services. At the end of September 2022, the total enroll number of new team members was nearly 1,100. From January to September, the revenue of the Bank's agency insurance amounted to RMB1,440 million, representing a year-on-year increase of 32.4%.

- **Basic retail**

The Bank continued to deeply consolidate the basic retail business, creating an operating hub for massive customers. Through implementing the customer-centric business philosophy, the Bank deeply promoted the "five-in-one" new model. In the meanwhile, the Bank continued to advance comprehensive operation and coordinated development, continuously enhanced omni-channel customers acquisition and full-scenario intelligent operation and improved customers' comprehensive management capacity. At the end of September 2022, the retail customers reached 124,211.5 thousand, representing an increase of 5.1% as compared with the end of the previous year. In the third quarter of 2022, the Bank released brand new Ping An Pocket Bank APP 6.0, with comprehensive upgrades in interface design, intelligent interaction, elderly-oriented accessibility, life rights and interests and wealth management services to create a more convenient, intelligent and secure experience. At the end of September 2022, the registered customers of Ping An Pocket Bank APP reached 149,103.6 thousand, representing an increase of 10.5% as compared with the end of the previous year, among which the number of monthly active users (MAU) of Pocket Bank APP was 47,726.2 thousand. With respect to the improvement of deposit business, the retail business of the Bank adhered to the operating guideline of "scale growth, structure optimization, foundation solidity and cost reduction", and its deposit business realized a rapid growth. At the end of September 2022, the balance of personal deposits amounted to RMB903,924 million, up by 17.3% as compared with the end of the previous year; the average daily balance of personal deposits was RMB836,593 million from January to

September, increased by 21.8% as compared with the same period of last year. The driving role of agency business to deposits was continuously enhanced, at the end of September 2022, the balance of deposits from customers of agency and batch business amounted to RMB191,477 million, up by 32.5% as compared with the end of the previous year.

● **Consumer finance**

The Bank continued to intensify its capability of digital operation and comprehensive service for retail credit products, and the structure of businesses and customer groups was continuously optimized. At the end of September 2022, the balance of individual loans exceeded RMB2 trillion, reaching RMB2,003,882 million, up by 4.9% as compared with the end of the previous year.

**Credit Card**

The Bank deepened operational transformation of the credit card business, focused on customer management, and actively promoted digital-driven, intelligent contact, platform-based thinking and refined management, so as to improve the quality, efficiency and core competitiveness of credit card services. The Bank continuously created the ultimate experience of “worry free, time-saving and money-saving” for credit card customers, and promoted high-quality, standardized and sustainable development of credit cards. At the end of September 2022, the credit cards of the Bank in circulation reached 71,046.1 thousand, increased by 1.3% as compared with the end of last year. The total volume of transactions using credit cards was RMB2,602,989 million from January to September, with a year-on-year decrease of 6.4% mainly due to Covid-19. The balance of receivables from credit cards was RMB594,995 million, decreased by 4.3% as compared with the end of last year. However, through refined customer group management, the average daily balance of credit card receivables amounted to RMB604,552 million from January to September, increased by 7.8% as compared with the whole of last year. Meanwhile, the Bank deepened management on existing customers of credit card, driving business high-quality growth, and the average daily balance of credit cards in circulation and installments increased by 21.4% from January to September as compared with the whole of last year, bringing rapid growth to credit card income.

In the third quarter of 2022, the Bank focused on key customer groups and deepened refine management on customer groups. **For car owner groups**, the Bank rendered ultimate refueling experience for customers with platform-based innovative mindset, and jointly built the “Ping An Refueling” platform with top enterprises in the industry as the first aggregation platform for refueling. At the end of September 2022, the platform was applied over 30,000 gas stations, and Ping An car owners could complete the whole refueling payment process in the fastest 10 seconds with 20% off discount. At the end of September, the number of credit cards in circulation for core car owners exceeded 26,000 thousand. **For young customer groups**, the Bank innovatively upgraded the “Ping An Enjoy” Platinum Credit Card for them, introduced more than 20

rights and interests such as tea & coffee, video, sports, fitness, pets, etc., and fully met young customers' diversified needs of consumption and rights and interests. **For wealth customer groups**, the Bank launched the "Ping An Private Banking Credit Card" and promoted comprehensive management by connecting credit card customers and wealth management customers through offering customized line of credit and right and interest vouchers to private banking wealth customers.

### **Xinyidai**

By adhering to prudent and sound risk policies, the Bank continuously promoted products, processes and customer experience of "Xinyidai" business. With respect to new customer development, the Bank expanded the coverage of "Xinyidai" customer group by means of expanding customer acquisition channels, enriching credit access solutions and iteratively optimizing application process. With respect to existing customers, through creating exclusive credit solutions and streamlining application process, the Bank aroused existing customers in omni-channel and multiple ways with the help of the "AI + T + Offline" mode, and deepened existing customer service level. At the end of September 2022, the balance of "Xinyidai" loans was RMB160,085 million, up by 0.7% as compared with the end of last year.

### **Personal residential mortgage loans and title deed-secured loans**

Through active implementation of the requirements on serving the real economy and vigorous implementation of policy guidance on supporting the financing needs of micro/small enterprises, the Bank promoted business optimization of personal residential mortgage loans and title deed-secured loans and existing customer management; meanwhile, through continuously optimizing the online service process of mortgage loans, the Bank constantly improved service experience of roll over loans and re-borrowings for existing customers, enhanced the quality and efficiency of customer management, and provided customers with more convenient and worry-free financial services. At the end of September 2022, the balance of personal residential mortgage loans and title deed-secured loans of the Bank amounted to RMB734,060 million, up by 12.1% from the end of last year, of which the balance of personal property mortgage loans was RMB283,943 million, up by 1.6% from the end of last year.

### **Auto finance loans**

In the face of changing automotive market environment and intense competition in the financial market, the Bank continued to improve its product and service system around the consumption scenarios of customers buying, using, maintaining and replacing car, and actively explored the loan market of new energy vehicle to continuously improve customer experience. At the end of September 2022, the balance of auto finance loans amounted to RMB321,653 million, increased by 6.8% from the end of the previous year. From



January to September, the new auto finance loans amounted to RMB180,372 million, of which the new energy vehicle loans<sup>2</sup> amounted to RMB16,400 million, with a year-on-year increase of 38.9%.

## **(2) “Five-in-one” new model driving operation speed up**

The Bank continued to deepen financial inclusion innovation to improve the coverage, accessibility and satisfaction of financial services and drove high-quality development of business. With customer-centric and data-driven as its core, the “five-in-one” is a development model that benefits massive customer groups with top-quality products and services through technological measures. From January to September 2022, the Bank comprehensively promoted the implementation of the “five-in-one” new model, and the driving role of retail business development was continuously enhanced.

### **• Open banking**

**Open banking is the scenario layer of the “five-in-one” model, and the flow pool for the development of retail business.** The Bank’s retail open banking further upgraded its business capability of the middle platform, gave full play to its financial product integration capabilities, and connected scenarios between banks and ecological partners to create an industrial financial ecosystem. From January to September 2022, the retail open banking of the Bank promoted “stable quantity and improved quality” and acquired 1,606.8 thousand customers through the Internet channel<sup>3</sup>, of which the proportion of class 1 account customers was 18.1%, representing a year-on-year increase of 10.7 percentage points.

### **• Portable banking**

**“AI + T + Offline” is the core service matrix of the “five-in-one” of the Bank, and the operation chain and service network for the development of retail business.** The Bank has built a “portable banking” by promoting the seamless connection and integration of three service channels such as AI platforms (e.g., Ping An Pocket Bank APP), professional remote teams and new retail outlets based on customers’ whole life cycle journey, so as to provide the most suitable and accompanying financial services to each customer in an instant, comfortable and ready form with professional and exclusive management by designated personnel and to optimize financial services for new citizens. From January to September 2022, the model of “AI + T + Offline” had served more than 44 million customers, representing a year-on-year increase of over 80%, and the ability to serve basic customer group was improved rapidly. At the end of September 2022, the number of investment and wealth management customers<sup>4</sup> of the Bank was 11,494.2 thousand,

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<sup>2</sup>The issuance of loans for new energy vehicles includes new and second-hand vehicles.

<sup>3</sup>The statistics are based on the number of new debit card accounts after excluding those acquired from the comprehensive finance channels of Ping An Group.

<sup>4</sup>Investment and wealth management customers refer to customers who hold products such as wealth management, publicly offered funds, time deposits, privately offered funds and insurance.

representing an increase of 26.1% as compared with the end of last year. Meanwhile, the Bank's customer satisfaction continuously kept a higher level. In September 2022, the Bank's customer services obtained a Net Promoter Score (NPS)<sup>5</sup> of 87.9%, while the physical outlets reported a NPS of 94.3%.

**AI banking.** The Bank fully upgraded its capability of the AI platform. By deepening interconnection of middle platform, the Bank developed a comprehensive operation system across departments, jointly operated in an inter-connective and collaborative manner with outlets, and built accompanying services with full contacts and closed-loop based on customers' whole life journey. At the end of September 2022, AI account managers had launched over 1,600 scenarios, the monthly average number of customers served by AI account managers from January to September increased by 57.9% over that of 2021, the one-time problem-solving ratio and the proportion of unmanned services of the Bank exceeded 90%.

**Remote banking.** The Bank built its remote banking with intelligence, integration and human-machine cooperation, timely and "warmly" reaching and serving customers. In the third quarter of 2022, by applying big data and AI empowerment, the Bank optimized service process in the remote scenarios covering new customer accompanying service, online wealth management, AI intelligent service and localized feature service, and improved customer experience. At the same time, the Bank continued to enhance the breadth and depth of its customer services by building the comprehensive operation platform.

**Offline banking.** The Bank continued to strengthen scenario-based, socialized and ecological operation for outlets, attached great importance to the construction and upgrading of offline outlets, reinforced technology empowerment, and forged offline outlets to a "warm" main front of comprehensive operation. From January to September 2022, the accumulative private domain traffic of outlet ecosystem exceeded 2,880 thousand and customers newly acquired went beyond 989 thousand.

- **Comprehensive banking**

**Comprehensive banking is the capacity layer of the "five-in-one" new model, and the driver for the development of retail business.** Supported by middle platform empowerment and being data-driven, the Bank provided customers with high-quality and comprehensive financial and lifestyle solutions that were complete, all-inclusive and all-at-once, so as to improve the customers' integrated service experience. In terms of upgrade in middle platform capability, the Bank fully advanced the project group construction of retail middle platform, which had made significant progress in middle platforms of operational strategy, customer benefits, integrated operation and retail risk, and efficiently supported the implementation of "five-in-one" new model. In terms of comprehensive operation, the Bank promoted the integration of debit

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<sup>5</sup>NPS = (Number of Promoters - Number of Detractors) / Total Number of the Sample Population × 100%. It is an index that measures the probability that a customer will recommend a certain company or service to others. Depending on different survey channels, the index may be divided into NPS for customer services and NPS for physical outlets.

and credit cards. At the end of September 2022, the dual-card rate of new credit card customers increased by 15.1 percentage points as compared with the end of the previous year, and the repayment rate of the Bank's issued cards for new accounts increased by 7.3 percentage points as compared with the end of the previous year. Meanwhile, the Bank continued to deepen the innovation and upgrading of the MGM (Member-Get-a-Member) online operation model, and the contribution of comprehensive finance to retail business remained stable.

### Key indicators of comprehensive finance of MGM model (Selected)

(In RMB million)

Item	January to September 2022		January to September 2021	
	Contribution in comprehensive finance	Proportion in comprehensive finance	Contribution in comprehensive finance	Proportion in comprehensive finance
Net increase in number of new customers (in 10,000)	234.41	39.1%	425.01	46.9%
Net increase in number of wealth customers (in 10,000)	6.15	45.8%	7.26	58.1%
Net increase in number of private banking customers (in 10,000)	0.42	50.0%	0.53	51.0%
Net increase in the assets under management (AUM)	186,462	53.3%	246,814	57.7%
Amount of "Xinyidai" issued	58,154	59.9%	53,857	50.9%
Amount of auto finance loans issued	41,226	22.9%	52,819	27.0%
Amount of credit cards issued (in 10,000)	154.51	25.7%	214.29	25.4%

In addition, in order to accelerate the implementation of the "five-in-one" new model, the Bank focused on the development of the "Smart Bank 3.0", aiming to promote more accurate customer demand insight, more suitable product and service supply and more intelligent operating strategy by establishing a scientific customer segmentation mechanism and a smart management system driven by the decision-making engine of the "AI Brain" from headquarter, so as to achieve customer management through the whole life circle in a refine and intelligent way. At the end of September 2022, the "Smart Bank 3.0" project had completed its top-level design and promoted execution following the systematic strategy path.

#### 1.5.4 Expertized and expanded corporate business

From January to September 2022, the Bank's corporate business development direction was in line with the national strategic layout and continued to increase its financing support for manufacturing, "specialized, refined, distinctive and innovative" enterprises, private enterprises, small and medium-sized enterprises, rural revitalization, green finance, infrastructure and other key areas. The Bank always adhered to the

“customer-centric” principle, fostered and strengthened the core customer groups from the perspective of customer need, and implemented in-depth management to consolidate business development base. Relying on the advantage of Ping An Group’s “Finance + Technology” and leveraging the technologies such as artificial intelligence (AI), blockchain and the Internet of Things (IoT), the Bank focuses on two core racing tracks for corporate business development, namely, industrial digitalization, capital market and direct financing; creates two business systems of technology-driven transaction bank and investment bank-driven complex investing/financing; builds a bank with distinctive technology features and significant investment banking capabilities for corporate business; and provides customers with the one-stop service in a convenient, time- and cost-saving manner.

From January to September 2022, Covid-19 spread in many places and outbreak locally in China, customer expansion, loan lending, investing/financing scale, and liability structure were facing challenges, and the Bank’s corporate business leveraged its advantages in technology and platform to achieve steady business growth by focusing on two core tracks. In terms of customer acquisition and customer management, at the end of September 2022, the number of corporate customers achieved 592.8 thousand, representing an increase of 82.4 thousand as compared with the end of the year, with a growing rate of 16.1%; the enterprise customers served by the Bank’s corporate open banking numbered 45,955, increased by 51.6% as compared with the end of last year; the number of registered corporate users of the Bank’s Digital Pocket APP accumulated to 12,129.8 thousand, representing an increase of 49.0% as compared with the end of last year. For corporate deposits management and cost optimization, at the end of September 2022, the balance of corporate deposits achieved RMB2,342,249 million, up by 6.9% as compared with the end of last year. From January to September 2022, the daily average balance of corporate deposits increased by 12.8% as compared with the same period of last year, and the average cost rate of corporate deposits was 1.97%, maintaining the same level as compared with the same period of last year.

#### **(1) Technology-driven transaction banking**

Based on the two constantly upgraded and optimized platforms (Digital Pocket and Digital Treasury), and relying on “Nebula Open Alliance”, the Bank leveraged its advantages of account, transaction, data and open “Finance + Technology”, as well as the mechanism advantages of integrated online and offline operations. The Bank continued to innovate and optimize and output superior products and services around the needs of micro, small and medium-sized customer groups, continuously upgraded its business model, built differentiated competitive advantages at the era of digital economy, and achieved bulk reaching and depth management on a large amount of micro, small and medium-sized customer groups.

#### **Customer management platform**

The Bank built its Digital Pocket App as a digital asset management and comprehensive service platform for micro, small and medium-sized enterprise users, exported digital capabilities for such enterprises, and served as a portable digital management steward for business owners. The Bank forged its digital treasury management platform into a comprehensive service platform for middle and large-sized customers and continued to build a minimized solution of digital treasury platform to empower massive micro, small and medium-sized customer groups. Based on upgraded and optimized Digital Pocket App and digital treasury platform, the Bank utilized the “Nebula Open Alliance” that was under continuously construction; focused on the “4+1” key node customer groups of four major partners (Internet platform, software service provider, data operator and supply chain scenario provider) and PE/VC customers; output its “Finance + Technology” capabilities through open banking’s componentization and standardization; jointly reached and served a large number of micro, small and medium-sized customer groups; formed full-coverage output model of B2B2C; and built an open, cooperative and win-win financial service ecosystem. At the end of September 2022, the number of monthly active users of Digital Pocket APP reached 727.6 thousand, representing an increase of 25.6% as compared with the end of last year; the total number of customers served by the Bank’s digital treasury management platform exceeded 2,500, including over 420 signed group customers, and 2,080 corporate customers under management. From January to September 2022, the total number of transactions of the Bank’s corporate open banking amounted to 7,184 million, representing a year-on-year increase of 17.7%, and the transaction amount exceeded RMB22.27 trillion, representing a year-on-year increase of 16.9%.

#### **Internet payment and settlement**

The Bank focused on three major customer groups: consumer Internet, industrial Internet and government platform, and created the comprehensive operation model of “platform payment and settlement + platform B-end digital financing + platform C-end retail customer attraction” by giving full play to its “Finance + Technology” capabilities. The Bank supported development of the massive B-end micro, small and medium-sized merchants under the platform while supporting the standardized, healthy and sustainable development of the platform economy, and achieved bulk customer acquisition and scenario-based management for platform C-end users. From January to September 2022, the Bank launched 21,080 million transactions relating to Internet payment and settlement business to serve the enterprises on the platforms, representing a year-on-year increase of 88.7%; the amount of transactions reached RMB20.06 trillion, representing a year-on-year increase of 27.6%.

#### **Supply chain finance**

The Bank looked deep into supply chain scenarios and ecosystem, seized the new opportunities brought by the new changes in the supply chain, constantly innovated its business models by applying the “Finance +

Technology” capabilities and optimized its financial service experience. First, the Bank strengthened the digital supply chain finance; innovated the financing model by using the “Nebula-IoT Platform” and massive multidimensional data; and reciprocated customers with the Bank’s data advantages such as IoT. The Bank helped resolve the problem of financing shortage, financing high expenditure, operating barrier and operating high expenditure for micro, small and medium-sized enterprises. The Bank facilitated the development of the real economy. Second, the Bank deepened scenario-based supply chain finance with supply chain finance as a link. The Bank fully integrated transaction banking products and services such as the integration of domestic and international trade and the integration of supply chain and risk aversion to provide customers with “supply chain+” comprehensive finance services based on scenarios and customer needs. Third, the Bank created ecological supply chain finance, realized bulk customer acquisition from the ecosystem and in-depth customer management through open banking, and improved the availability and inclusiveness of the supply chain finance. From January to September 2022, the amount of supply chain finance financing incurred was RMB825,568 million, a year-on-year increase of 25.7%.

#### **Bill integration**

The Bank thoroughly implemented the operation strategy of “bill integration”, continuously innovated new products and business models, and fully promoted ecological construction of bill operation. First, the Bank deeply embedded bill business into the supply chain ecosystem, centered on strategic customers, “specialized, refined, distinctive and innovative” enterprises, and key sectors supported by the nation such as manufacturing and green industry, and provided convenient and efficient bill settlement and financing services for enterprises and upstream and downstream of their supply chains. Second, the Bank created the new business model of “bills + open banking”, continuously optimized online product system and process, and expanded the bill ecosystem of external partners covering core corporate platforms, B2B industry platforms and others. The Bank provided enterprises with ultimate financing experience and deepened service to the real economy while effectively enhancing the ability of bills to reach and serve supply chain customers groups and micro, small and medium-sized customer groups. Third, the Bank built the two-wheel driven engine of “direct discounting + re-discounting” and gave a full play to its advantages of bill integration in direct discounting and re-discounting. The Bank also empowered the management of direct discounting customers by leading bills trading capability and continuously improved the depth of customer services by ecological construction of directing discounting and re-discounting. From January to September 2022, the Bank provided bills financing services for 25,726 enterprises, including bills discounting financing services for 19,724 enterprises, a year-on-year increase of 155.3%; the bank acceptance notes discounting was RMB579,795 million, a year-on-year increase of 31.6%.

#### **Cross-border finance**

The Bank fully leveraged its advantages in five major cross-border financial service sectors including onshore, offshore, free-trade zone, NRAs (domestic foreign currency/Renminbi account of overseas institutions) and overseas branches. The Bank further developed product series such as “Cross-border Investing/financing, Cross-border Fund Management, Cross-border Trade Finance, Cross-border Inter-bank Finance and Cross-border Payment and Settlement”; and provided operating activities (including cross-border investment, mergers and acquisitions (M&A) and trade) in the process of enterprise globalization with one-stop, cross-border finance comprehensive services at home and abroad and in local and foreign currencies. At the same time, giving a full play to its license advantage of Chinese-funded offshore banks, the Bank provided Chinese-funded enterprises with offshore financing and settlement services, and helped customers’ global strategy and development. In addition, relying on the advantage of “Finance + Technology”, the Bank provided various online services of payment, settlement and financing for small and medium export enterprises, continuously improved customer experience, and fully supported the settlement and financing needs of small and medium export enterprises.

## **(2) Investment banking-driven complex investing/financing ecosystem**

Facing the development trend of the capital market and direct financing market, the Bank gave a full play to the advantages of Ping An Group’s license, capital and ecosystem layout; continuously enhanced its investment banking professional capabilities; upgraded the two ecological operations of bonds and funds; integrated resources; and improved customer service capabilities by leveraging its unique industry banking organization model. The Bank provided customers with a comprehensive solution of “investment banking + commercial banking + investment”, supported the development of the real economy with diversified and full-cycle high-quality financial services, and built a “moat” for corporate business. From January to September 2022, the Bank’s complex investing/financing scale was RMB760,221 million, among which the investment banking scale reached RMB507,881 million.

### **Continuous enhancements in the professional capabilities of investment banking**

The Bank leveraged its unique structural advantage of “product + industry + cross - border”; established an investment banking service system of the head office and branch; strengthened innovation in investment banking products; captured market star engagements; and seized structural opportunities in key industries. By creating a circle of investment banking capabilities, the Bank introduced external resources such as legal advisors and industry experts; provided in-depth services to core customer groups such as state-owned enterprises, PE institutions and listed companies. The Bank continued to strengthen the M&A bank consortium ecosystem and the capital market interbank circle. From January to September 2022, the mergers and acquisitions business scale reached RMB44,952 million with a balance of RMB104,943 million at the end of September, up by 27.3% as compared with the end of last year; the bank consortium

business scale reached RMB145,694 million, representing a year-on-year increase of 5.2%; the capital market business scale reached RMB11,545 million, representing a year-on-year increase of 20.1%.

#### **Upgrades in the two ecological operations of bonds and funds**

The Bank grasped the trend of the booming direct financing market, actively built the bond ecosystem by using Ping An Group's comprehensive financial resources. The Bank led the linkage of professional companies with investment functions within Ping An Group, by organizing online and offline roadshows, communications and surveys, it helped investors fully understand the development and financing needs of entities; enhanced information exchange between financing parties and investors; assisted enterprises in formulating financing plans and planning the issuance rhythm. The Bank finally realized the integrated and market-oriented operation mode of "soliciting, marketing and selling", so as to better serve the Bank's corporate customers and the real economy. From January to September 2022, the size of bond underwriting business amounted to RMB215,595 million, with the brand effect gradually emerging.

The Bank actively operated the privately offered fund ecosystem, built the PE ecosystem, and created a comprehensive financial service platform running through the fund ecosystem, enabling online empowerment. The Bank also enriched its core product system in the four segments of "fund raising, investment, management and withdrawal" by selecting industry tracks and enhancing its industry research capabilities, meanwhile, it strengthened the linkage with professional companies within Ping An Group and deepened business cooperation with fund customer groups to better serve the invested enterprises. From January to September 2022, a total of RMB26,577 million was added to private equity fund custody.

#### **Improvements in customer service capabilities through resource integration**

Starting from a deeper level of customer needs, the Bank focused on comprehensive financial service scenarios; connected the dual circulation of products and resources between professional companies within Ping An Group and non-banking financial institutions outside Ping An Group; set up a comprehensive product system of stocks and bonds; fully implemented the "1+N" strategy of Ping An Group; and comprehensively enhanced the service ability of financial scenarios for customers to meet the diversified financing needs of different customers. From January to September 2022, the Bank promoted the financing scale of other professional companies of Ping An Group of RMB290,419 million, and the average daily balance of new corporate customers from deepening comprehensive financial services cooperation amounted to RMB196,987 million, of which the average daily balance of demand deposits accounting for 39.6%. Meanwhile, the Bank fully leveraged its technological innovation capability; developed "insurance cloud platform" through scenario-based, digitalized and intelligent operation; empowered customer management; opened up new channel of online customer acquisition; the Bank achieved innovative breakthroughs in Internet insurance. From January to September 2022, the premiums from banking



insurance amounted to RMB2,288 million.

### **1.5.5 Professional interbank capital service market**

Adhering to the concept of “serving the financial market, serving interbank customers and serving the real economy”, the Bank’s interbank capital business has closely followed national financial development strategy, actively grasped the development opportunities brought by the opening, innovation and interconnection of the capital market, continued to improve the capabilities of sales and transaction, deepened the application of FinTech, and spared no effort to build the second transaction growth curve. Meanwhile, through comprehensive business collaboration and open management, the Bank’s interbank capital business has formed the “five golden business cards” business value chain of transaction, risk aversion, interbank, trusteeship and asset management, further opened up customer business growth space, and released new growth potential.

#### **(1) Accelerated the pace of transaction service financial market**

From January to September 2022, major overseas economies were continuously affected by high inflation. The European and American central banks continued to tighten monetary policies and continuously raised interest rates. In terms of domestic policies, adhering to the keynote of “we take the initiative”, the Central Bank continued to maintain reasonable and sufficient liquidity through interest rate reduction, refinancing and other tools. In this context, the overall bond market showed a downward trend in yield in the third quarter, while the exchange rate of RMB against USD continued to depreciate. The Bank continued to monitor the impact of domestic and international economic conditions, Covid-19 and geopolitical events, strengthened market analysis and judgment, balanced asset allocation, and used trading instruments and trading strategies with agility according to market conditions to reduce volatility risk. Meanwhile, the Bank continuously gave play to its leading advantages in multiple fields, such as electronic trading system, quantitative analysis capability and accurate pricing capability. The Bank has refined and deepened the investment and market-making trading business, and expanded and strengthened the institutional trading service. The Bank also continued to promote customer business upgrading and created a “diversified and balanced FICC full-business system”.

In terms of investment and market-making trading business, as the core dealer in inter-bank market, the Bank actively contributed to the development of inter-bank market, continuously optimized electronic trading technology, and used accurate pricing technology, agile transaction execution capability and efficient real-time risk control capability to improve market liquidity and transaction execution efficiency. From January to September 2022, the market shares of the Bank’s bond transaction increased to 3.2%, representing a year-on-year increase of 1.1 percentage points.

In terms of institutional trading service, the Bank has fully grasped the historic opportunity of China's financial market reform and opening up and high-quality development, actively laid out the field of transaction services for domestic and overseas institutions, and made positive practices for serving domestic and overseas institutions to deeply participate in China's FICC (fixed income, currencies and commodities) market. The Bank strove to explore and create a transaction service model for institutional customers, and provided domestic and overseas institutional customers with primary sales, secondary market-making, security lending and other comprehensive services through the new and aggregated FICC electronic trading platform and professional domestic and overseas sales and transaction team. The service products have covered cash bond, interest rate, foreign exchange products, etc. From January to September 2022, the number of active institutional trading customers reached 775, and the transaction volume of cash bond sold by institutions was RMB1,556,055 million.

### **(2) Consistently enhanced risk aversion service for the real economy**

The Bank's "Ping An Risk Aversion" business strictly performed the responsibilities of risk neutrality advocacy and service, utilized its expertise in professional trading of financial market, and enhanced the quality of risk aversion service to enterprises from multiple perspectives, including product innovation and convenient services. The Bank actively responded to the call of the central bank and the State Administration of Foreign Exchange (SAFE), and increased support for exchange rate risk aversion for micro, small and medium-sized enterprises. On the one hand, the Bank promoted the concept of exchange rate risk aversion and introduced exchange rate risk aversion products for micro, small and medium-sized enterprises through various online and offline methods. On the other hand, the Bank continued to improve its online platform self-service transactions, and integrated business scenarios such as spot foreign exchange settlement and foreign exchange purchase, remittance, foreign currency fixed deposit and cross-border trade settlement by speeding up the connection between the online platform of "Ping An Risk Aversion" and the Bank's corporate online banking and Digital Pocket, thus improving the convenience of risk aversion service and reducing the transaction costs for customers. From January to September 2022, the transaction volume of "Ping An Risk Aversion" foreign exchange risk aversion business was USD28,600 million, representing a year-on-year increase of 83.1%.

### **(3) Continuously deepened interbank service institutional customers**

Relying on the advantages of ecological cooperation with financial institutions, the Bank's interbank business efficiently connected the supply side and demand side of asset management products through the "Hang-E-Tong +" service model, and played the role of linking the capital market to serve the domestic great wealth and great asset management industry chain. At the end of September 2022, the Bank's "Hang-E-Tong" provided services to 2,389 customers. Meanwhile, the Bank's interbank business strove to

promote the construction of “fund ecosystem” and vigorously promoted the initial offering and continuous marketing of funds for institutional customers. From January to September 2022, the sales volume of institutional fund was RMB463,241 million, representing a year-on-year increase of 64.0%. At the end of September 2022, the “Hang-E-Tong” platform had 6,162 high-quality publicly offered fund products (involving 103 fund companies) on sale, which effectively promoted the construction of all-round cooperation scenarios such as agency fund sales, custody, institutional trading and deposits; further broadened the business development space; and continuously improved the comprehensive value of fund customers. Benefiting from the sales cooperation advantages of the “Hang-E-Tong” platform and the accelerated construction of the “fund ecosystem”, the sales volume of products of interbank institutions maintained steady growth. From January to September 2022, interbank sales numbered RMB1,346,893 million, representing a year-on-year increase of 27.2%.

#### **(4) More complete comprehensive custody service capabilities**

Focusing on the goal of building a digital ecological custody bank, the Bank’s asset custody business kept to strengthen the construction of basic services and value-added services, continuously promoted the improvement of comprehensive service capabilities, and created an integrated service system of “investment, financing and custody”. Meanwhile, the Bank kept the mission of preventing financial risk in mind, put the safety of investors’ funds first and continuously improved the construction of custody risk compliance management system to ensure the safe and stable operation of the custody business of the Bank. At the end of September 2022, the Bank’s net custody assets amounted to RMB8.60 trillion, increased by 12.9% from the end of last year.

#### **(5) Steady growth in product scale of asset management business**

Ping An Wealth Management, a wholly-owned subsidiary of the Bank, was officially opened for business in August 2020. The registered capital of Ping An Wealth Management is RMB5,000 million, and its principal business activities include issuance of public and private wealth management products, financial advising and consulting service and other asset management related businesses.

From January to September 2022, Ping An Wealth Management focused on building core competitiveness such as product capabilities, channel capabilities and technological capabilities, and has achieved a series of operating results. First, the management scale has grown rapidly, showing the product features of “flexible, stable and excellent” in the volatile market, and the growth rate of non-principal-guaranteed wealth management products ranked at the forefront among state-owned banks and joint-stock commercial banks. Second, the Bank further improved product mapping, refined product terms and categories, enhanced product structure, and basically built a multi-term, multi-asset and full-variety product system. Third, the Bank integrated into the whole scenario of its operation, explored credit card channels through

online and offline integration, and played a stabilizing role for the growth of retail customers. Fourth, the Bank deepened the use of financial technology. Relying on the innovativeness of “Ark Platform” risk management project and MAP multi-asset allocation system that independently researched and developed, Ping An Wealth Management was awarded the “Top 10 Intelligent Risk Control Innovation Award” and “Top 10 Digital Wealth Management Innovation Award” respectively in the 2022 China Financial Innovation Award held by *The Banker*. Fifth, the Bank actively responded to the green development strategy, deployed green finance and ESG (Environmental, Social and Governance) investment, launched the industry’s first daily-opening ESG hybrid wealth management product, and issued fixed income products with green finance theme.

At the end of September 2022, the Group’s balance of non-principal-guaranteed WMPs was RMB990,917 million, increased by 13.6% as compared with the end of last year, the net-value-based product scale in compliance with requirements in new asset management regulations amounted to RMB977,488 million, increased by 16.6% as compared with the end of last year, and the proportion of the net-value-based product scale to the balance of non-principal-guaranteed WMPs increased from 96.1% at the end of last year to 98.6%.

### **1.5.6 Technology-driven digital operation**

The Bank adopted the principle of “being technology-driven” as the driving force for strategic transformation, and continuously built and integrated the “five leading technological capabilities” of technical capability, data capability, agility capability, talent capability and innovation capability to provide value empowerment for digital transformation.

#### **(1) Technology-empowered digital operation**

The Bank widely applied “five leading technological capabilities” to financial services centered on “users + scenarios”, firmly focused on four respects of empowering customer management, risk, operation and business management to holistically promote accurate decision-making, optimal allocation of resources, efficient operation and value enhancement of front, middle and back office, providing strong motivation and support for business development. From January to September 2022, the Group’s cost/income ratio was 26.41%, representing a year-on-year decrease of 1.40 percentage points.

**In terms of empowering customer management**, for retail business, the Bank established customer analysis portrait with grid matrix as the core, built “AI Brain” smart management system, and used the “portable banking” service model to achieve customer management through the whole life circle in a refine and intelligent way. At the end of September 2022, the model of “AI + T + Offline” launched more than 4,200 application scenarios; and the corporate “Nebula-IoT Operation” has been applied in six major

industrial fields, including smart vehicle connection, smart manufacturing, smart energy, smart agriculture, smart infrastructure and smart logistics. Meanwhile, it served over 20,000 customers. Since the implementation of the “Nebula-IoT Operation”, the total amount of financing incurred supporting the real economy has exceeded RMB550 billion. The interbank capital business deepened cooperation with financial institutions through the “Hang-E-Tong” platform as a carrier and leveraged on the sales advantages of the “Hang-E-Tong” platform. From January to September 2022, the sales volume of the “Hang-E-Tong” platform reached RMB443,094 million, representing a year-on-year increase of 45.5%. **In terms of empowering risk**, the smart risk control platform has moved towards 2.0, and the Bank continuously improved the intellectualization and process of the platform. At the end of September 2022, the platform has achieved the standardized business credit approval in seconds for over 65% of business issued. With the help of digital means, the efficiency of the automatic post-loan work has improved for more than 50% and the early forward-looking foresight remained a higher level. **In terms of empowering operation**, the Bank strove to create digital operations with good experience, high efficiency and excellent product delivery. The Bank started from the deep logic of business, using intelligent and digital means to improve the efficiency of centralized operations. At the end of September 2022, the automation and intelligence rate of centralized operations was nearly 99%. **In terms of empowering business management**, relying on digital comprehensive management capabilities in business support and risk management, the Bank’s smart compliance system won the 2022 Best Compliance Risk Technology Implementation Award issued by *The Asian Banker*. The Bank’s smart human resource system assisted in fostering inter-disciplinary talents by developing online management functions in terms of talent database, job rotation, training and appointment. The Bank’s smart tax used big data to conduct automatic account bill comparison for input tax. At the end of September 2022, the declaration efficiency increased by about 60% compared with the pre-application period. The smart finance reimbursement system platform continuously optimized cross-system reimbursement process by expanding external application interfaces, and the timeliness of reimbursement increased by about 20% compared with that before optimization at the end of September.

## **(2) Built leading technological capabilities**

The Bank continuously promoted the iterative upgrade of leading technological capabilities and provided data capability, technology capability, innovation capability and other capabilities for AI-driven business operation and the Bank’s digital transformation.

### **• Data capability**

The Bank comprehensively strengthened the development of data capacity, deepened the application of data assets and laid a solid foundation for the Bank’s digital operation. **The first is promoting the construction**

**of data middle platform.** The Bank continuously built the low-code data service development platform, substituted manual data collection through agile self-service inquiry, and strengthened the accumulation of semi-finished data to quickly support business needs and data self-service analysis. At the end of September 2022, online self-service data collection rate was about 96%, and the number of business views increased by about 42% from the end of the previous year. **The second is enhancing the empowerment for data application.** The Bank supported operational decision-making and improved operational management efficiency by establishing a big data indicator system. In the third quarter of 2022, the Bank has launched an intelligent shift scheduling system, achieving cross-center business scheduling and promoting the business throughput of remote centers, which increased by about 20% compared with that before launch.

- **Technology capability**

The Bank comprehensively pushed on the upgrading of native cloud technology system, promoted and improved business innovation capability, reduced the cost of innovative research and development, and empowered AI-driven and data-driven business operation. The Bank continuously promoted the retail “Smart Bank 3.0”, built module capability through the front-end and strategic brain system in the middle and back office, and formed a unified business platform for precise intelligent recommendation and intelligent collaboration across the station. The Bank created an intelligent corporate asset manager to help the business development of asset pool, and focused on four scenarios, namely smart approval, smart credit approval, smart pool control and smart monitoring. The Bank also optimized the process and approval efficiency and empowered customer management in depth. At the end of September 2022, effective customers of asset pool business increased by about 63% from the end of the previous year.

- **Innovation capability**

**The first is exploring the application of cutting-edge technology.** The Bank used computer vision technology to implement AI remote vehicle inspection in the field of auto finance business, so as to improve user’s vehicle inspection experience and reduce the cost of human resources. **The second is cultivating engineer culture.** The Bank encouraged employees to carry out innovative work and held “Technology Debate Competition” technological innovation competition. The Bank’s staff participated in more than 700 projects that has effectively promoted technological progress and achievements. **The third is building financial technology brand.** Inclusive financial services platform for micro/small enterprises, supply chain finance, “Nebula Open Alliance” and other projects have been selected as the innovative achievements of digital inclusive finance of “Innovation China”.

### **1.5.7 Active performance of social responsibilities**

### **(1) Support serving the real economy**

Since 2022, the Bank has resolutely implemented the decision and deployment of the Central Committee of the CPC and the State Council and the financial regulatory requirements and earnestly fulfilled the mission of serving the real economy, safeguarding the people's livelihood, and promoting high-quality development. The Bank increased credit supply, optimized credit structure, reduced financing costs, and consolidated asset quality, actively supported the high-quality development of private enterprises and micro, small and medium-sized enterprises through financial innovation and technological empowerment, continuously increased the support for manufacturing industry, constantly improved financial services' quality and efficiency, helped support the pandemic prevention and control and stabilized the economic market. At the end of September 2022, the Bank's total on-balance sheet and off-balance sheet credit facilities amounted to RMB4,874,307 million, with an increase of 4.2% over the end of last year.

**Continuing to deepen the innovation of the inclusive financing, and continuously improving the coverage, accessibility and satisfaction of inclusive financial service.** The Bank always adhered to the deep cultivation of micro/small financial services, implemented the business development strategy of delivering truly inclusive service to the real small and micro clients with sincere support, continuously optimized inclusive financial products and service process, and applied digital technology to provide one-stop comprehensive financial services covering both online and offline. The Bank fully advanced the "New-Micro-Loan" product to realize digital upgrade, continuously optimized the inclusive product such as "Micro-e-Loan", and further conducted innovations in business mode, service process and smart service, so as to effectively remove financing barriers and lower financing costs for small and micro enterprises. Meanwhile, seriously carrying out the requirements from the four ministries, the Bank actively responded to the two proposes of "fee reduction and profit concession", and helped market entities including small and micro enterprises and individual business owners reduce their pressure.

At the end of September 2022, the cumulative number of customers with loans to small and micro businesses each with a credit line not more than RMB10 million excluding bill financing ("inclusive small and micro business loans") amounted to 998,100, among which the number of customers with loans no more than RMB1 million accounted for nearly 90%, the small and micro business owners and sole proprietorships at the bottom of the industrial chain representing the absolute majority; the loan balance was RMB473,953 million, with an increase of 24.0% over the end of the previous year, among which the balance of credit-type inclusive small and micro business loans amounted to RMB105,737 million, representing 22.3% of the balance of inclusive small and micro business loans; from January to September 2022, the cumulative amount of inclusive small and micro business loans was RMB330,347 million with a year-on-year increase of 25.5%, the weighted average interest rate of loans decreased by 1.46 percentage points as compared to the whole year of last year and the non-performing loan ratio was controlled within a

reasonable range. The Bank continued to increase its support for private enterprises. From January to September 2022, the Bank's new private business borrowers accounted for more than 70% of new business borrowers; at the end of September 2022, the outstanding loans of private business have increased by 15.5% as compared to the end of the last year, representing 74.7% of the corporate loan balance.

**Continuing to promote finance innovation and technology empowerment and achieving breakthroughs in the service model of manufacturing enterprises.** First, the Bank looked deep into the upstream and downstream of the industrial chain of manufacturing, explored the financial needs of ecological customer groups in scenarios, met customers' scenario-based, diversified and individualized supply chain finance needs and helped micro, small and medium-sized customer groups to solve the lack of financing and high costs of financing through continuous innovation and iteration of financing products and models. Secondly, the Bank thoroughly implemented the operation strategy of "bill integration", deeply embedded bill business into the supply chain ecosystem, and focused on providing convenient and efficient bill settlement and financing services in the factors of manufacturing and green industry, as well as the "specialized, refined, distinctive and innovative" enterprises. Thirdly, the Bank created the customer management platform. The Bank made digital pocket as its operational portal for bulk customer acquisition and served micro, small and medium-sized customer groups through diversified operation in designated regions and completed customer benefits system. Through using open banking as a link, the Bank openly exploited, in modularized and standardized manner, its financial and technology capabilities and embedded such capabilities in scenarios, ecologically managed micro, small and medium-sized customer groups and strategic customer groups. At the end of September 2022, the balance of medium and long-term loans to manufacturing of the Bank increased by 23.0% as compared with the end of last year. It was 15.2 percentage points higher than the increase of the total principal of loans and advances to customers.

## **(2) Facilitating rural revitalization with finance**

The Bank earnestly acted upon the spirit of the Central Government, regarded advancing common prosperity as the starting point and focus of financial work, and continued to make efforts in financial services for rural revitalization and financial support.

From January to September 2022, the Bank invested funds of RMB15,072 million for supporting rural revitalization, with a total investment of RMB51,248 million, it issued 80,095 rural revitalization debit cards, with a total debit card of 103,586, benefiting 78.8 thousand rural people and 1,028.8 thousand rural people in total.

**In terms of financial services**, the Bank continuously innovated the agriculture-related inclusive financial products and customized featured agricultural benefit loan programs for small and micro enterprise customers in the specific scenario ecosystem. The Bank launched the "Preferential Loan for Sauce Wine" in Renhuai, Guizhou to support the development of local small and micro enterprises in the industry, and the



“Mariculture Loan” in Wenchang, Hainan to support the local mariculture industry. **In terms of government cooperation**, the Bank and the municipal party committee and government of Baise, Guangxi jointly held a signing activity of “Inheriting the Red Spirit and Empowering Rural Revitalization” to promote the deepening of strategic cooperation with the government of Baise on rural revitalization. **In terms of science and technology helping agriculture**, relying on the “Ping An Cloud Farm”, the Bank cooperated with an agricultural central enterprise to promote the public welfare activity of rice field adoption and helped the development of agricultural industry. The Bank cooperated with Muling City, Heilongjiang Province to promote the implementation of the Pin An “digital village” cooperation solution, providing comprehensive services for government finance, intelligent agriculture, consumption assistance product promotion, rural cultural tourism and investment promotion. **In terms of public welfare services**, the Bank launched the “I have a tree in Nujiang” public welfare program in collaboration with the relevant departments in Nujiang, Yunnan Province and the Shenzhen Project Care Foundation, widely invited caring people from the society to plant non-commercial forests for Nujiang, build clear waters and green mountains, and create a beautiful countryside. The Bank donated funds to the Baise Education Foundation to establish the “Ping An Wen Xiu Class” to encourage more rural children to improve themselves and serve the motherland and their hometown. The Bank has also organized a rural revitalization cultural tour and led customers to go deep into the Ulan Buh Desert Pasture in Inner Mongolia, and carried out public welfare activities such as desert tree planting and adoption and visiting the Desert Pasture Construction Memorial Hall to help combat desertification.

### **(3) Actively practicing green finance**

The Bank deeply implemented the national strategy to achieve carbon neutrality, and actively supported major projects of green industry such as clean energy, energy conservation, environmental protection, clean production, ecological environment, green infrastructure upgrading and green services. The Bank comprehensively promoted the low-carbon, green and sustainable development of the real economy.

Firstly, the Bank continuously improved its green finance service system. Through the “three maps” of the customer, the product and the operation, the Bank promoted the long-term management and investment of assets of the strong customer base in the green industry. Secondly, the Bank consistently upgraded green financial products and implemented the new mode of “equity + debt” integration of clean energy capacity expansion. The Bank has made an innovative breakthrough in the pre-financing mode of the new energy power station project, created a new energy power station asset trading platform, and provided comprehensive financial solutions for large central government-owned enterprises, state-owned enterprises, energy groups and private leading listed companies during the construction of renewable energy. Thirdly, the Bank iterated and innovated the green retail platform. At the end of September 2022, the Bank’s first debit card and credit card carbon accounts platform, “Low-carbon Home”, has included 17 green behaviors.

Users accumulated their personal carbon emission reductions through a scientific accounting model for carbon emission reduction and obtained green energy through green activities, which can then be redeemed for rights and benefits such as real tree planting, participating in public welfare donations, drawing video membership and medical treatment cards. The Bank issued the “Young Youth” debit card in August 2022, provided green rights and benefits such as green travel discounts to students with national student loans, and actively practiced its corporate social responsibility. At the end of September 2022, the balance of green finance businesses of the Bank and Ping An Wealth Management Co., Ltd amounted to RMB160,826 million, representing an increase of 41.4% as compared with the end of last year. The Bank’s balance of green loans was RMB104,960 million, up by 51.8% from the end of 2021.

#### **(4) Solid protection of consumer rights and interests**

Upholding the business philosophy of “financial services to entities” and “consumer protection for the people”, the Bank further strengthened the consumer rights and interests protection (“consumer protection”). In terms of educational publicity, the Bank has carried out normalized, centralized and other innovative education and publicity activities of consumer protection in an orderly manner to create a good atmosphere for the whole people to learn financial knowledge. In terms of customer experience, the Bank actively carried out customer satisfaction research, built improved customer experience management system, and continuously improved its business and service processes. In terms of dispute resolution, the Bank effectively promoted the diversified resolution to solve financial disputes, it worked closely with local financial dispute mediation organizations and continued to provide financial consumers with multi-channel and multi-level solutions. In terms of technology empowerment, the Bank upgraded its complaint handling system on the mobile terminal to support agile and efficient handling of customer complaints during the outbreak of Covid-19. From January to September 2022, the efficiency of handling customer complaints increased by 24.0% year-on-year. Meanwhile, the Bank continued to increase the promotion and application of SMS and phone number forgery detection platform, and customers has made nearly 50,000 self-service inquiries from January to September, effectively guaranteeing the safety of customers’ property.

## 1.6 Interest income and expense

### 1.6.1 Average daily balance and average yield/cost rate of the major asset and liability items

(In RMB million)

Item	January to September 2022			January to September 2021		
	Average daily balance	Interest income/ expenses	Average yield/ cost rate	Average daily balance	Interest income/ expenses	Average yield/ cost rate
<b>Assets</b>						
Loans and advances to customers (including discounted bills)	3,158,284	140,397	5.94%	2,807,498	128,824	6.13%
Bond investment	854,259	17,979	2.81%	731,632	16,550	3.02%
Balances with the Central Bank	247,433	2,735	1.48%	240,165	2,688	1.50%
Interbank business	442,088	9,380	2.84%	489,594	10,625	2.90%
Total interest-earning assets	4,702,064	170,491	4.85%	4,268,889	158,687	4.97%
<b>Liabilities</b>						
Deposits from customers	3,161,677	48,867	2.07%	2,747,930	42,122	2.05%
Debt securities issued	738,177	15,047	2.73%	717,827	15,830	2.95%
Including: Interbank certificates of deposits	628,195	12,165	2.59%	599,628	12,652	2.82%
Interbank business and others	640,124	9,228	1.93%	698,467	11,174	2.14%
Total interest-bearing liabilities	4,539,978	73,142	2.15%	4,164,224	69,126	2.22%
<b>Net interest income</b>		<b>97,349</b>			<b>89,561</b>	
<b>Deposit-loan spread</b>			<b>3.87%</b>			<b>4.08%</b>
<b>Net interest spread</b>			<b>2.70%</b>			<b>2.75%</b>
<b>Net interest margin</b>			<b>2.77%</b>			<b>2.81%</b>

(In RMB million)

Item	July to September 2022			April to June 2022		
	Average daily balance	Interest income/ expenses	Average yield/ cost rate	Average daily balance	Interest income/ expenses	Average yield/ cost rate
<b>Assets</b>						
Loans and advances to customers (including discounted bills)	3,227,158	47,541	5.84%	3,156,663	46,414	5.90%
Bond investment	882,715	6,308	2.84%	864,964	6,020	2.79%
Balances with the Central Bank	248,159	936	1.50%	248,689	907	1.46%
Interbank business	386,907	2,917	2.99%	463,257	3,117	2.70%
Total interest-earning assets	4,744,939	57,702	4.82%	4,733,573	56,458	4.78%
<b>Liabilities</b>						
Deposits from customers	3,232,043	17,025	2.09%	3,163,661	16,246	2.06%
Debt securities issued	683,291	4,523	2.63%	735,701	4,963	2.71%
Including: Interbank certificates of deposits	573,311	3,554	2.46%	625,717	4,004	2.57%
Interbank business and others	613,737	2,864	1.85%	661,198	3,132	1.90%
Total interest-bearing liabilities	4,529,071	24,412	2.14%	4,560,560	24,341	2.14%
<b>Net interest income</b>		<b>33,290</b>			<b>32,117</b>	
<b>Deposit-loan spread</b>			<b>3.75%</b>			<b>3.84%</b>
<b>Net interest spread</b>			<b>2.68%</b>			<b>2.64%</b>
<b>Net interest margin</b>			<b>2.78%</b>			<b>2.72%</b>

### 1.6.2 Average daily balance and yield of loans and advances to customers

(In RMB million)

Item	January to September 2022			January to September 2021		
	Average daily balance	Interest income	Average yield	Average daily balance	Interest income	Average yield
Corporate loans	1,045,473	30,215	3.86%	990,217	30,041	4.06%
Discounted bills	197,513	3,125	2.12%	109,993	2,225	2.70%
Personal loans	1,915,298	107,057	7.47%	1,707,288	96,558	7.56%
<b>Loans and advances to customers (including discounted bills)</b>	<b>3,158,284</b>	<b>140,397</b>	<b>5.94%</b>	<b>2,807,498</b>	<b>128,824</b>	<b>6.13%</b>

Item	July to September 2022			April to June 2022		
	Average daily balance	Interest income	Average yield	Average daily balance	Interest income	Average yield
Corporate loans	1,068,528	10,445	3.88%	1,049,307	9,935	3.80%
Discounted bills	212,129	1,027	1.92%	208,944	1,076	2.07%
Personal loans	1,946,501	36,069	7.35%	1,898,412	35,403	7.48%

<b>Loans and advances to customers (including discounted bills)</b>	<b>3,227,158</b>	<b>47,541</b>	<b>5.84%</b>	<b>3,156,663</b>	<b>46,414</b>	<b>5.90%</b>
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From January to September 2022, the Bank's average yield of loans and advances to customers was 5.94%, representing a year-on-year decrease of 19 basis points. The average yield of corporate loans was 3.86%, representing a year-on-year decrease of 20 basis points, mainly due to the decline of LPR (Loan Prime Rate) driving to the decrease in loan interest, meanwhile, the Bank actively decreased loan interest, continuously supported the real economy, and as a result, the yield of corporate loans dropped accordingly; the average yield of personal loans was 7.47%, representing a year-on-year decrease of 9 basis points. The Bank vigorously granted credit and loans to low-risk businesses (such as title deed-secured loans) and high-quality customer groups, improved the proportion of high-quality assets, enhanced the policy support for major fields such as inclusive finance and consumption, and implemented the policy orientation of financial institutions serving the real economy. The yield of personal loans dropped slightly due to the factors such as structure adjustments and downturn of market interest rate.

### 1.6.3 Average daily balance and cost rate of deposits from customers

(In RMB million)

Item	January to September 2022			January to September 2021		
	Average daily balance	Interest expenses	Average cost rate	Average daily balance	Interest expenses	Average cost rate
Corporate deposits	2,325,084	34,253	1.97%	2,061,343	30,328	1.97%
Including: Demand deposits <sup>6</sup>	874,808	5,465	0.84%	807,206	3,864	0.64%
Term deposits	1,450,276	28,788	2.65%	1,254,137	26,464	2.82%
Including: Treasury deposits and agreement deposits	116,178	2,947	3.39%	129,313	3,534	3.65%
Personal deposits	836,593	14,614	2.34%	686,587	11,794	2.30%
Including: Demand deposits	232,620	478	0.27%	222,433	486	0.29%
Term deposits	603,973	14,136	3.13%	464,154	11,308	3.26%
<b>Deposits from customers</b>	<b>3,161,677</b>	<b>48,867</b>	<b>2.07%</b>	<b>2,747,930</b>	<b>42,122</b>	<b>2.05%</b>

<sup>6</sup> The standard of deposit principals balance and daily average balance was sorted out since 2021 Annual Report, the item such as margin deposits was divided into demand deposits and term deposits by nature, and the comparison data was adjusted accordingly by the same standards.

Item	July to September 2022			April to June 2022		
	Average daily balance	Interest expenses	Average cost rate	Average daily balance	Interest expenses	Average cost rate
Corporate deposits	2,361,166	11,910	2.00%	2,322,138	11,322	1.96%
Including: Demand deposits	887,948	2,194	0.98%	877,946	1,848	0.84%
Term deposits	1,473,218	9,716	2.62%	1,444,192	9,474	2.63%
Including: Treasury deposits and agreement deposits	96,307	805	3.32%	124,935	1,035	3.32%
Personal deposits	870,877	5,115	2.33%	841,523	4,924	2.35%
Including: Demand deposits	233,856	142	0.24%	230,871	168	0.29%
Term deposits	637,021	4,973	3.10%	610,652	4,756	3.12%
<b>Deposits from customers</b>	<b>3,232,043</b>	<b>17,025</b>	<b>2.09%</b>	<b>3,163,661</b>	<b>16,246</b>	<b>2.06%</b>

The Bank continued to promote the transformation of corporate business and retail business, reshaped the structure of assets and liabilities, and enhanced management to balance deposit “volume-price” relationship. From January to September 2022, the average cost rate of deposits obtained was 2.07%, representing an increase of 2 basis points compared with the same period of last year; The average cost rate of corporate deposits was 1.97%, maintaining the same level from the same period of last year; the average daily balance of corporate demand deposits was RMB874,808 million, representing a year-on-year increase of 8.4% from the previous year; the average cost rate of personal deposits was 2.34%, representing a year-on-year increase of 4 basis points from the previous year; and the average daily balance of personal demand deposit was RMB232,620 million, representing a year-on-year increase of 4.6% from the previous year. The Bank will continue to strengthen AUM to drive accumulative increase of personal demand deposits.

### 1.7 Risk management on real estate industry

The Group attached great importance to risk prevention and quality control of credit granting in the real estate industry. At the end of September 2022, the aggregate balance of credit risk-bearing businesses of the Group amounted to RMB335,324 million including actual and contingent credits and loans, proprietary bond investments, and proprietary non-standard investments, with a decrease of RMB5,765 million as compared with the end of last year. The aggregate balance of non-credit risk bearing businesses of the Group amounted to RMB105,359 million including wealth management capital contribution, entrust loans, trusts and funds management and consignment for cooperative institutions, lead underwriting of debt financing instruments, with a decrease of RMB15,327 million as compared with the end of last year. Among them:

(1) Credit risk-bearing business involving real estate mainly included the real estate loans to corporates, with the balance of RMB293,959 million, representing an increase of RMB5,036 million as compared with the end of last year. Among them, the real estate development loans totaled RMB100,830 million, accounting for 3.1% of the Bank's total principals of loans and advances to customers, and down by 0.7 percentage point as compared with the end of last year. All real estate development loans have been effectively mortgaged, with an average mortgage rate of 41.4%, and 96.6% of the loans were distributed in the urban areas of first and second tier cities, the Greater Bay Area and the Yangtze River Delta region. The operating property loans, mergers and acquisitions loans and others totaled RMB193,129 million, mainly including mature property mortgages, with an average mortgage rate of 47.1%, and 95.9% of loans were distributed in the urban areas of first and second tier cities, the Greater Bay Area and the Yangtze River Delta region. At the end of September of 2022, the Bank's NPL ratio of corporate real estate was 0.72%.

(2) Non-credit risk bearing business with real estate trusts, funds management and consignment for cooperative institutions, with a total of RMB45,222 million, representing a decrease of RMB23,683 million as compared with the end of last year. The product size of underlying assets corresponding to specific projects and assets with high-quality pledge of stock rights reached RMB34,843 million, and 86.4% of which were distributed in the urban areas of first and second tier cities, the Greater Bay Area and the Yangtze River Delta region. The other business included high level private placement bonds and asset securitization products.

Since the end of 2021, under the guidance of positive circulation and sound development in the real estate industry and delivery guaranteed housing policy, the overall policy environment of the real estate industry has been eased. Next, following the fundamental policy of "houses are for living, not for speculation", the Group will continue to implement the regulatory requirements. The Group will effectively conduct a balanced and orderly allocation of real estate loans. The Group will focus on supporting the development

and operation of government-subsidized housing and rental housing as well as mergers and acquisitions of real estate projects that in line with policy orientation. The Group will selectively support the development of ordinary commercial housing in areas with real demand support. The Group will actively participate in the underwriting and investment in the merger-and-acquisition bond of real estate enterprises. At the same time, the Group will continue to strengthen risk management and control of real estate loans, insist on the same weighting of loans and management. Further, the Group will emphasize the “manage the project well” based on sticking to the “select the project well”, and will upgrade the requirement of capital enclosed management and online tools for post-loan management to achieve holistic monitoring of customer management, project progress, assets status and capital flow.



## 1.8 Asset quality

### 1.8.1 Five-tier classification of loans and advances to customers

(In RMB million)

Item	30 September 2022		31 December 2021		Change at the end of the reporting period from the end of last year
	Balance	Percentage %	Balance	Percentage %	
Normal loans	3,217,993	97.48%	2,988,759	97.56%	7.7%
Special mention loans	49,315	1.49%	43,414	1.42%	13.6%
Non-performing loans	34,035	1.03%	31,275	1.02%	8.8%
Including: Substandard	19,916	0.60%	17,971	0.59%	10.8%
Doubtful	9,276	0.28%	7,390	0.24%	25.5%
Loss	4,843	0.15%	5,914	0.19%	(18.1%)
<b>Total principal of loans and advances to customers</b>	<b>3,301,343</b>	<b>100.00%</b>	<b>3,063,448</b>	<b>100.00%</b>	<b>7.8%</b>
Impairment provision for loans and advances to customers	(98,792)		(90,202)		9.5%
Including: Impairment provision for loans and advances to customers measured at amortized cost	(97,282)		(89,256)		9.0%
Impairment provision for loans and advances to customers measured at fair value and changes included into other comprehensive income	(1,510)		(946)		59.6%
Non-performing loan ratio	1.03%		1.02%		+0.01 percentage point
Deviation ratio of loans overdue for more than 90 days (Note 1)	0.76		0.73		+0.03
Deviation ratio of loans overdue for more than 60 days (Note 2)	0.89		0.85		+0.04
Provision coverage ratio	290.27%		288.42%		+1.85 percentage points
Provision coverage ratio for loans overdue for more than 90 days	380.16%		397.40%		-17.24 percentage points
Provision coverage ratio for loans overdue for more than 60 days	326.39%		338.22%		-11.83 percentage points
Provision to loan ratio	2.99%		2.94%		+0.05 percentage point

Notes:

- (1) Deviation ratio of loans overdue for more than 90 days=Balance of loans overdue for more than 90 days/Balance of non-performing loans.
- (2) Deviation ratio of loans overdue for more than 60 days = Balance of loans overdue for more than 60 days/Balance of non-performing loans.

## 1.8.2 Structural distribution and quality of loans and advances to customers as per products

(In RMB million)

Item	30 September 2022		31 December 2021		Increase/decrease in NPL ratio
	Balance	NPL ratio	Balance	NPL ratio	
<b>Corporate loans</b>	<b>1,297,461</b>	<b>0.71%</b>	<b>1,153,127</b>	<b>0.71%</b>	-
Including: General corporate loans	1,087,963	0.85%	998,474	0.82%	+0.03 percentage point
Discounted bills	209,498	-	154,653	-	-
<b>Personal loans</b>	<b>2,003,882</b>	<b>1.23%</b>	<b>1,910,321</b>	<b>1.21%</b>	<b>+0.02 percentage point</b>
Including: Personal residential mortgage loans and title deed-secured loans (Note 1)	734,060	0.32%	654,870	0.34%	-0.02 percentage point
Xinyidai	160,085	1.17%	158,981	1.01%	+0.16 percentage point
Auto finance loans	321,653	1.35%	301,229	1.26%	+0.09 percentage point
Credit card receivables	594,995	2.27%	621,448	2.11%	+0.16 percentage point
Others (Note 2)	193,089	1.34%	173,793	1.40%	-0.06 percentage point
<b>Total principal of loans and advances to customers</b>	<b>3,301,343</b>	<b>1.03%</b>	<b>3,063,448</b>	<b>1.02%</b>	<b>+0.01 percentage point</b>

Notes:

(1) “Personal residential mortgage loans and title deed-secured loans” included the balance of “property mortgage” of RMB283,943 million at the end of September 2022 (RMB279,376 million at the end of 2021), and the NPL ratio of property mortgage was 0.23%.

(2) “Others” included personal operating loans, small consumer loans and other guaranteed or pledged loans.

### ● Corporate loans

At the end of September 2022, the NPL ratio of the Bank’s corporate loans was 0.71%, maintaining the same level over the end of last year. The Bank continued to iterate risk policies, and improved asset quality control mechanism. The corporate credit indicators remained at a good level. The details are as follows:

In the aspect of risk access, the Bank established an ecological risk policy system. The Bank expanded and developed continuously improved and optimized risk policy by relying on internal professional research strength. The Bank clearly formulated the business development direction and strategy of dealing with customers’ responses. The Bank effectively avoided systematic risks. On this basis, the Bank launched featured risk policies for featured areas, featured industries and featured customer groups as the supplement of the risk policy system, ensuring adaptability to all cases and risk level controllable at all time. As for major business fields such as real estate, combined with the changes in the external policy environment, the Bank responded in advance, adjusted business orientation and entry rules timely. The Bank conducted proactive inspections and flexible adjustments to policies.

In the aspect of management system, centering on the core logic of risk control, the Bank continued to optimize post-loan required actions. The Bank focused on essential risk management of customers in an

effective and agile manner and implemented differentiated and targeted controls. The Bank continued to intensify bank warning management, and promoted agile and timely warning responses to various risk information. The Bank provided customers with thorough and accurate potential risk disclosure, and comprehensively improved risk warning result. The Bank continued to improve the risk management and response mechanism for customers under warning and formulated risk resolution plans in advance. In addition, the Bank further intensified risk investigations and controls for customers in real estate sector and other fields that were affected significantly by Covid-19. The Bank also strengthened the collection and disposal of non-performing assets, and assisted in keeping the asset quality stable.

● **Personal loans**

At the end of September 2022, the NPL ratio of personal loans was 1.23%, increased by 0.02 percentage point as compared with the end of last year, the overall asset quality remained steady. Since the third quarter, the Bank's customers of epidemic deferred relief policy have gradually expired, accelerating into the resolution phase, and combining with the impacts of the epidemic in local areas of China and the macroeconomic growth pressure, the NPL ratio of Xinyidai and credit cards has increased. Since the second half of 2021, the Bank has increased inspection frequency on pre-lending policies, and strictly controlled customer access, actively strengthened the disposal of non-performing loans while expanding collection and recovery channels. From January to September 2022, the Bank has gradually increased the proportion of secured loans, optimized personal loan structure, improved high-risk customers' identification using its industry-leading technological capabilities and risk control models. The Bank also implemented differential risk management strategies, and effectively enhanced its risk mitigation capability. The Bank actively responded to policy requirements of the state and regulatory authorities and provided customers who had temporary operating difficulties or declining income due to Covid-19 with relief services such as caring collection and deferred repayment of capital and interest to tide over the difficulties with them. Meanwhile, to mitigate the impact of deferred loan maturities on future asset quality, the Bank has responded proactively with front-loaded reminders, dedicated collection and recovery resources and comprehensive relief toolkits.

### 1.8.3 Overdue loans

(In RMB million)

Item	30 September 2022		31 December 2021	
	Balance	% of total loans	Balance	% of total loans
Loans with principal and interest overdue for no more than 90 days	23,678	0.71%	26,651	0.87%
Loans with principal and interest overdue for more than 90 days	25,987	0.79%	22,698	0.74%

At the end of September 2022, the Bank's balance of loans overdue accounted for 1.50%, with a decrease of 0.11 percentage point as compared with the end of last year; the balance of loans overdue for within 90 days (including loans with principal paid and interest overdue for within 90 days) was RMB23,678 million, accounting for 0.71% of total principal of loans and advances to customers, with a decrease of 0.16 percentage point over the end of last year; the balance of loans overdue for more than 90 days (including loans with principal paid and interest overdue for more than 90 days) was RMB25,987 million, accounting for 0.79% of total principal of loans and advances to customers, with an increase of 0.05 percentage point over the end of last year; the balance of loans overdue for more than 60 days (including loans with principal paid and interest overdue for more than 60 days) was RMB30,268 million, accounting for 0.92% of total principal of loans and advances to customers, with an increase of 0.05 percentage point over the end of last year. In respect of overdue loans, the Bank took multiple targeted management and control actions, and developed recovery and restructuring conversion plans based on the actual conditions of customers. The Bank actively communicated with all relevant parties, and actively promoted risk management and resolution. The overall risks were controllable.

## 1.9 Capital adequacy ratio, leverage ratio and liquidity coverage ratio

### 1.9.1 Capital adequacy ratio

(In RMB million)

Item	30 September 2022		31 December 2021	
	The Group	The Bank	The Group	The Bank
<b>Net core tier 1 capital</b>	334,923	326,850	306,549	299,103
<b>Other tier 1 capital</b>	69,944	69,944	69,944	69,944
<b>Net tier 1 capital</b>	404,867	396,794	376,493	369,047
<b>Tier 2 capital</b>	101,931	101,901	99,351	99,316
<b>Net capital</b>	506,798	498,695	475,844	468,363
<b>Total risk-weighted assets</b>	3,800,563	3,795,964	3,566,465	3,561,379
Credit risk-weighted assets	3,397,667	3,395,223	3,188,577	3,185,755
On-balance-sheet risk-weighted assets	2,907,065	2,904,621	2,741,966	2,739,144
Off-balance-sheet risk-weighted assets	477,515	477,515	431,405	431,405
Risk-weighted assets of counterparty credit risk exposure	13,087	13,087	15,206	15,206
Market risk-weighted assets	115,428	115,155	90,420	90,038
Operational risk-weighted assets	287,468	285,586	287,468	285,586
<b>Core tier 1 capital adequacy ratio</b>	8.81%	8.61%	8.60%	8.40%
<b>Tier 1 capital adequacy ratio</b>	10.65%	10.45%	10.56%	10.36%
<b>Capital adequacy ratio</b>	13.33%	13.14%	13.34%	13.15%

### 1.9.2 Leverage ratio

(In RMB million)

Item	30 September 2022	30 June 2022	31 March 2022	31 December 2021
<b>Leverage ratio</b>	<b>6.27%</b>	<b>6.15%</b>	<b>6.30%</b>	<b>6.33%</b>
Net tier 1 capital	404,867	390,406	387,716	376,493
Balance of on-and off-balance sheet assets after adjustment	6,453,339	6,350,865	6,153,921	5,945,674

Note: The above data represents the Group level performance. At the end of the reporting period, the Group's leverage ratio increased as compared with the end of June 2022. The main reason for the increase was that the growth of net tier 1 capital was higher than the growth of the adjusted balance of on-and off-balance sheet assets.

### 1.9.3 Liquidity coverage ratio

(In RMB million)

Item	30 September 2022	31 December 2021
<b>Liquidity coverage ratio</b>	<b>105.11%</b>	<b>103.52%</b>
Qualified liquidity assets with high quality	573,209	512,421
Net cash outflow	545,359	495,013

Note: The above data represents the performance at the Group level. The Group discloses the information on liquidity coverage ratio according to the *Measures for the Disclosure of Information on Liquidity Coverage Ratio of Commercial Banks* (《商業銀行流動性覆蓋率信息披露辦法》) issued by the China Banking and Insurance Regulatory Commission.

## Section II Shareholders Information

### 2.1 Number of ordinary shareholders and of preference shareholders with restored voting rights, and the shareholdings of the top 10 shareholders

(Unit: Share)

Total number of ordinary shareholders as at the end of the reporting period		547,735	Total number of preference shareholders with restored voting rights as at the end of the reporting period (if any)	-		
Shareholdings of the top 10 shareholders						
Name of shareholder	Nature of shareholder	Total number of shares held	Shareholding (%)	Number of restricted shares held	Pledged, tagged or frozen	
					Status of shares	Number of shares
Ping An Insurance (Group) Company of China, Ltd.- the Group - proprietary fund	Domestic legal entity	9,618,540,236	49.56	-	-	-
Hong Kong Securities Clearing Company Limited	Overseas legal entity	1,400,047,069	7.21	-	-	-
Ping An Life Insurance Company of China, Ltd. - proprietary fund	Domestic legal entity	1,186,100,488	6.11	-	-	-
Ping An Life Insurance Company of China, Ltd. - traditional - ordinary insurance products	Domestic legal entity	440,478,714	2.27	-	-	-
China Securities Finance Corporation Limited	Domestic legal entity	429,232,688	2.21	-	-	-
Bank of Communications Co., Ltd. - E Fund Shanghai Stock Exchange 50-Index Enhanced Securities Investment Fund	Domestic legal entity	62,667,068	0.32	-	-	-
China Electronics Shenzhen Corporation	Domestic legal entity	62,523,366	0.32	-	-	-
Hexie Health Insurance Company of China, Ltd. - universal products	Domestic legal entity	58,894,176	0.30	-	-	-
New China Life Insurance Company Ltd.- dividend - dividends for individual - 018L - FH002Shen	Domestic legal entity	57,168,708	0.29	-	-	-
UBS Asset Management (Singapore) Co., Ltd - UBS Luxembourg Investment SICAV	Overseas legal entity	47,353,732	0.24	-	-	-
Shareholdings of the top 10 shareholders not subject to restrictions						
Name of shareholder	Number of unrestricted shares held	Type and number of shares				
		Type of shares	Number of shares			

Ping An Insurance (Group) Company of China, Ltd.- the Group - proprietary fund	9,618,540,236	RMB ordinary shares	9,618,540,236
Hong Kong Securities Clearing Company Limited	1,400,047,069	RMB ordinary shares	1,400,047,069
Ping An Life Insurance Company of China, Ltd. - proprietary fund	1,186,100,488	RMB ordinary shares	1,186,100,488
Ping An Life Insurance Company of China, Ltd. - traditional - ordinary insurance products	440,478,714	RMB ordinary shares	440,478,714
China Securities Finance Corporation Limited	429,232,688	RMB ordinary shares	429,232,688
Bank of Communications Co., Ltd. - E Fund Shanghai Stock Exchange 50-Index Enhanced Securities Investment Fund	62,667,068	RMB ordinary shares	62,667,068
China Electronics Shenzhen Corporation	62,523,366	RMB ordinary shares	62,523,366
Hexie Health Insurance Company of China, Ltd. - universal products	58,894,176	RMB ordinary shares	58,894,176
New China Life Insurance Company Ltd.- dividend - dividends for individual - 018L - FH002Shen	57,168,708	RMB ordinary shares	57,168,708
UBS Asset Management (Singapore) Co., Ltd - UBS Luxembourg Investment SICAV	47,353,732	RMB ordinary shares	47,353,732
Explanations of the related party relationship or acting-in-concert relationship among the above shareholders	<p>1. Ping An Life Insurance Company of China, Ltd. is a controlled subsidiary and persons acting in concert of Ping An Insurance (Group) Company of China, Ltd. “Ping An Insurance (Group) Company of China, Ltd. - the Group - proprietary fund”, “Ping An Life Insurance Company of China, Ltd. - proprietary fund” and “Ping An Life Insurance Company of China, Ltd. - traditional - ordinary insurance products” are related.</p> <p>2. The Bank is not aware of any related-party relationship or parties acting in concert among other shareholders.</p>		
Description of the top 10 ordinary shareholders who engage in securities margin trading business (if any)	None		

Whether any of the top 10 ordinary shareholders and the top 10 selling-unrestricted ordinary shareholders has executed any agreed repurchase during the reporting period

Yes No

## 2.2 Total number of preference shareholders, and the shareholdings of the top 10 preference shareholders

(Unit: Share)

Total number of preference shareholders at the end of the reporting period	17			Total number of preference shares with restored voting rights (if any)	-	
Shareholdings of the top 10 preference shareholders						
Name of shareholder	Nature of shareholder	Number of shares	Shareholding (%)	Number of restricted shares held	Pledged, tagged or frozen	
					Status of shares	Number of shares



Ping An Life Insurance Company of China, Ltd. - dividend - dividends for individual insurance	Domestic legal entity	58,000,000	29.00	-	-	-
Ping An Life Insurance Company of China, Ltd. - universal - individual universal insurance	Domestic legal entity	38,670,000	19.34	-	-	-
Ping An Property & Casualty Insurance Company of China, Ltd. - traditional - ordinary insurance products	Domestic legal entity	19,330,000	9.67	-	-	-
Bank of Communications Schroder Asset Management - Bank of Communications - Bank of Communications Schroder Asset Management Zhuoyuan No. 1 Collective Asset Management Plan	Domestic legal entity	17,905,000	8.95	-	-	-
CITIC Securities - Postal Savings Bank of China- CITIC Securities Star No. 28 Collective Asset Management Plan	Domestic legal entity	10,950,000	5.48	-	-	-
Bank of China Limited Shanghai Branch	Domestic legal entity	8,930,000	4.47	-	-	-
Chuangjin Hexin Fund - Hua Xia Bank - Chuangjin Hexin Taize No. 6 Collective Asset Management Plan	Domestic legal entity	8,405,000	4.20	-	-	-
Jiangsu International Trust Co., Ltd. - Jiangsu Trust - Hexiang Tianli No. 1 Collective Capital Trust Plan	Domestic legal entity	7,325,000	3.66	-	-	-
Hwabao Trust Co., Ltd. - Hwabao Trust - Baofu Investment No. 1 Collective Capital Trust Plan	Domestic legal entity	6,040,000	3.02	-	-	-
Sinolink Securities - Hua Xia Bank - Sinolink Securities Private No. 2 Collective Asset Management Plan	Domestic legal entity	4,500,000	2.25	-	-	-
Explanations of the related party relationship or acting-in-concert relationship among the above shareholders	<p>1. Ping An Life Insurance Company of China, Ltd. and Ping An Property &amp; Casualty Insurance Company of China, Ltd. are controlled subsidiaries and persons acting in concert of the Ping An Insurance (Group) Company of China, Ltd. “Ping An Life Insurance Company of China, Ltd. – dividend – individual dividend”, “Ping An Life Insurance Company of China, Ltd. – universal – individual universal” and “Ping An Property &amp; Casualty Insurance Company of China, Ltd. – traditional – ordinary insurance products” are related.</p> <p>2. The Bank is not aware of any related-party relationship or parties acting in concert among other shareholders.</p>					

### **Section III Other Significant Matters**

Applicable     Not applicable

## **Section IV Financial Statements**

### **4.1 Financial statements**

1. Consolidated and company balance sheet (unaudited)
2. Consolidated and company income statement (unaudited)
3. Consolidated and company cash flow statement (unaudited)

**PING AN BANK CO., LTD.**  
**CONSOLIDATED BALANCE SHEET**  
**30 September 2022**

	In RMB million	
<b>Assets</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
Cash and balances with the Central Bank	308,211	312,033
Deposits with banks and other financial institutions	83,395	78,215
Precious metals	14,112	17,820
Placements with and loans to banks and other financial institutions	97,273	94,473
Derivative financial assets	60,728	30,238
Financial assets held under resale agreements	16,352	6,388
Loans and advances to customers	3,214,689	2,984,753
Financial investments:		
Financial assets held for trading	387,335	389,703
Investment on debts	745,821	738,166
Other investment on debts	152,924	152,428
Other equity instrument investments	7,406	2,592
Investment properties	512	558
Fixed assets	10,975	11,974
Right-of-use assets	6,648	6,771
Intangible assets	6,699	5,801
Goodwill	7,568	7,568
Deferred income tax assets	42,063	39,735
Other assets	32,422	42,164
<b>Total assets</b>	<b>5,195,133</b>	<b>4,921,380</b>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Borrowings from the Central Bank	163,520	148,162
Deposits from banks and other financial institutions	271,268	345,131
Placements from banks and other financial institutions	39,469	32,394
Financial liabilities held for trading	101,040	43,421
Derivative financial liabilities	62,991	31,092
Financial assets sold under repurchase agreements	75,119	47,703
Deposits from customers	3,283,643	2,990,518
Salaries and welfare payable	17,375	18,095
Taxes payable	12,865	11,685
Debt securities issued	702,138	823,934
Lease liabilities	7,016	6,968
Provisions	9,236	3,944
Other liabilities	24,069	22,885
<b>Total liabilities</b>	<b>4,769,749</b>	<b>4,525,932</b>
<b>Shareholders' equity</b>		
Share capital	19,406	19,406
Other equity instruments	69,944	69,944
Including: Preference shares	19,953	19,953
Perpetual bonds	49,991	49,991
Capital reserve	80,816	80,816
Other comprehensive income	1,516	1,785
Surplus reserve	10,781	10,781
General reserve	59,247	58,339
Undistributed profit	183,674	154,377
<b>Total shareholders' equity</b>	<b>425,384</b>	<b>395,448</b>
<b>Total Liabilities and shareholders' equity</b>	<b>5,195,133</b>	<b>4,921,380</b>

Legal representative	President	Vice president and CFO	Head of accounting department
Xie Yonglin	Hu Yuefei	Xiang Youzhi	Zhu Peiqing

**PING AN BANK CO., LTD.**  
**BALANCE SHEET**  
**30 September 2022**

	In RMB million	
<b>Assets</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
Cash and balances with the Central Bank	308,211	312,033
Deposits with banks and other financial institutions	82,176	77,890
Precious metals	14,112	17,820
Placements with and loans to banks and other financial institutions	97,273	94,473
Derivative financial assets	60,728	30,238
Financial assets held under resale agreements	15,402	6,388
Loans and advances to customers	3,214,689	2,984,753
Financial investments:		
Financial assets held for trading	385,265	386,946
Investment on debts	745,821	737,139
Other investment on debts	150,267	151,426
Other equity instrument investments	7,406	2,592
Long-term equity investments	5,000	5,000
Investment properties	512	558
Fixed assets	10,947	11,947
Right-of-use assets	6,636	6,743
Intangible assets	6,699	5,801
Goodwill	7,568	7,568
Deferred income tax assets	42,027	39,719
Other assets	32,172	42,039
<b>Total assets</b>	<b>5,192,911</b>	<b>4,921,073</b>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Borrowings from the Central Bank	163,520	148,162
Deposits from banks and other financial institutions	271,581	346,225
Placements from banks and other financial institutions	39,469	32,394
Financial liabilities held for trading	101,040	43,421
Derivative financial liabilities	62,991	31,092
Financial assets sold under repurchase agreements	75,119	47,703
Deposits from customers	3,283,668	2,990,522
Salaries and welfare payable	17,219	17,866
Taxes payable	12,798	11,418
Debt securities issued	702,138	823,934
Lease liabilities	7,007	6,943
Provisions	9,236	3,944
Other liabilities	24,084	23,782
<b>Total liabilities</b>	<b>4,769,870</b>	<b>4,527,406</b>
<b>Shareholders' equity</b>		
Share capital	19,406	19,406
Other equity instruments	69,944	69,944
Including: Preference shares	19,953	19,953
Perpetual bonds	49,991	49,991
Capital reserve	80,816	80,816
Other comprehensive income	1,513	1,784
Surplus reserve	10,781	10,781
General reserve	57,083	57,083
Undistributed profit	183,498	153,853
<b>Total shareholders' equity</b>	<b>423,041</b>	<b>393,667</b>
<b>Total Liabilities and shareholders' equity</b>	<b>5,192,911</b>	<b>4,921,073</b>

Legal representative	President	Vice president and CFO	Head of accounting department
Xie Yonglin	Hu Yuefei	Xiang Youzhi	Zhu Peiqing

**PING AN BANK CO., LTD.**  
**CONSOLIDATED INCOME STATEMENT**  
**Jan. - Sep. 2021**

Item	In RMB million			
	Jul. - Sep. 2022	Jul. - Sep. 2021	Jan. - Sep. 2022	Jan. - Sep. 2021
<b>I. Operating income</b>	<b>46,243</b>	<b>42,510</b>	<b>138,265</b>	<b>127,190</b>
Net interest income	33,290	30,200	97,349	89,561
Interest income	57,702	53,855	170,491	158,687
Interest expenses	24,412	23,655	73,142	69,126
Net fee and commission income	6,334	8,041	22,396	25,439
Fee and commission income	8,450	10,101	28,052	30,789
Fee and commission expenses	2,116	2,060	5,656	5,350
Investment income	3,049	3,404	10,818	9,367
Including: Gains from derecognition of financial assets measured at amortized cost	67	(86)	162	51
Gains or losses on changes in fair value	1,567	287	3,215	1,502
Exchange gains or losses	1,939	488	4,121	993
Other operating income	37	32	106	108
Gains or losses on disposal of assets	18	(13)	120	19
Other income	9	71	140	201
<b>II. Operating expenses</b>	<b>12,594</b>	<b>12,619</b>	<b>37,810</b>	<b>36,599</b>
Taxes and surcharges	424	409	1,291	1,229
Business and administrative expenses	12,170	12,210	36,519	35,370
<b>III. Operating profit before impairment losses</b>	<b>33,649</b>	<b>29,891</b>	<b>100,455</b>	<b>90,591</b>
Impairment losses on credit	15,301	15,573	54,195	52,585
Impairment losses on other assets	14	(96)	(35)	1,177
<b>IV. Operating profit</b>	<b>18,334</b>	<b>14,414</b>	<b>46,295</b>	<b>36,829</b>
Add: Non-operating income	21	58	50	84
Less: Non-operating expenses	26	26	233	126
<b>V. Profit before tax</b>	<b>18,329</b>	<b>14,446</b>	<b>46,112</b>	<b>36,787</b>
Less: Income tax expenses	3,758	2,894	9,453	7,652
<b>VI. Net profit</b>	<b>14,571</b>	<b>11,552</b>	<b>36,659</b>	<b>29,135</b>
Net profit from continuing operations	14,571	11,552	36,659	29,135
Net profit from discontinued operations	-	-	-	-
<b>VII. Net value of other comprehensive income after tax</b>	<b>(1,285)</b>	<b>113</b>	<b>(269)</b>	<b>1,114</b>
<b>(I) Other comprehensive income that will not be reclassified to profit or loss</b>	<b>103</b>	<b>37</b>	<b>(54)</b>	<b>83</b>
Changes in fair value of other equity instrument investment	103	37	(54)	83
<b>(II) Other comprehensive income that may be reclassified to profit or loss</b>	<b>(1,388)</b>	<b>76</b>	<b>(215)</b>	<b>1,031</b>
1. Changes in fair value of financial assets designated at fair value and changes included into other comprehensive income	(27)	405	(933)	1,008
2. Provision for credit losses on financial assets designated at fair value and changes included into other comprehensive income	(1,352)	(329)	735	229
3. Cash flow hedging reserve	-	-	-	(209)
4. Exchange differences on translation of foreign currency financial statements	(9)	-	(17)	3
<b>VIII. Total comprehensive income</b>	<b>13,286</b>	<b>11,665</b>	<b>36,390</b>	<b>30,249</b>
<b>IX. Earnings per share</b>				
(I) Basic earnings per share (EPS) (RMB/share)	0.75	0.60	1.78	1.40
(II) Diluted earnings per share (EPS) (RMB/share)	0.75	0.60	1.78	1.40

Legal representative

Xie Yonglin

President

Hu Yuefei

Vice president and CFO

Xiang Youzhi

Head of accounting department

Zhu Peiqing

PING AN BANK CO., LTD.  
INCOME STATEMENT  
Jan. - Sep. 2022

Item	In RMB million			
	Jul. - Sep. 2022	Jul. - Sep. 2021	Jan. - Sep. 2022	Jan. - Sep. 2021
<b>I. Operating income</b>	<b>45,919</b>	<b>42,176</b>	<b>137,226</b>	<b>125,588</b>
Net interest income	33,268	30,168	97,274	89,480
Interest income	57,683	53,824	170,431	158,611
Interest expenses	24,415	23,656	73,157	69,131
Net fee and commission income	6,047	7,808	21,478	24,015
Fee and commission income	8,200	10,019	27,460	30,624
Fee and commission expenses	2,153	2,211	5,982	6,609
Investment income	2,983	3,391	10,708	9,324
Including: Gains from derecognition of financial assets measured at amortized cost	67	(86)	162	51
Gains or losses on changes in fair value	1,618	281	3,280	1,498
Exchange gains or losses	1,939	488	4,121	993
Other operating income	37	32	106	108
Gains or losses on disposal of assets	18	(13)	120	19
Other income	9	21	139	151
<b>II. Operating expenses</b>	<b>12,467</b>	<b>12,509</b>	<b>37,454</b>	<b>36,270</b>
Taxes and surcharges	423	406	1,286	1,219
Business and administrative expenses	12,044	12,103	36,168	35,051
<b>III. Operating profit before impairment losses</b>	<b>33,452</b>	<b>29,667</b>	<b>99,772</b>	<b>89,318</b>
Impairment losses on credit	15,304	15,573	54,197	52,583
Impairment losses on other assets	14	(96)	(35)	1,177
<b>IV. Operating profit</b>	<b>18,134</b>	<b>14,190</b>	<b>45,610</b>	<b>35,558</b>
Add: Non-operating income	21	58	50	84
Less: Non-operating expenses	26	26	233	126
<b>V. Profit before tax</b>	<b>18,129</b>	<b>14,222</b>	<b>45,427</b>	<b>35,516</b>
Less: Income tax expenses	3,726	2,842	9,328	7,374
<b>VI. Net profit</b>	<b>14,403</b>	<b>11,380</b>	<b>36,099</b>	<b>28,142</b>
Net profit from continuing operations	14,403	11,380	36,099	28,142
Net profit from discontinued operations	-	-	-	-
<b>VII. Net value of other comprehensive income after tax</b>	<b>(1,284)</b>	<b>109</b>	<b>(271)</b>	<b>1,113</b>
<b>(I) Other comprehensive income that will not be reclassified to profit or loss</b>	<b>103</b>	<b>37</b>	<b>(54)</b>	<b>83</b>
Changes in fair value of other equity instrument investment	103	37	(54)	83
<b>(II) Other comprehensive income that may be reclassified to profit or loss</b>	<b>(1,387)</b>	<b>72</b>	<b>(217)</b>	<b>1,030</b>
1. Changes in fair value of financial assets designated at fair value and changes included into other comprehensive income	(28)	401	(935)	1,007
2. Provision for credit losses on financial assets designated at fair value and changes included into other comprehensive income	(1,350)	(329)	735	229
3. Cash flow hedging reserve	-	-	-	(209)
4. Exchange differences on translation of foreign currency financial statements	(9)	-	(17)	3
<b>VIII. Total comprehensive income</b>	<b>13,119</b>	<b>11,489</b>	<b>35,828</b>	<b>29,255</b>

Legal representative	President	Vice president and CFO	Head of accounting department
Xie Yonglin	Hu Yuefei	Xiang Youzhi	Zhu Peiqing

**PING AN BANK CO., LTD.**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**Jan. - Sep. 2022**

Item	In RMB million	
	Jan. - Sep. 2022	Jan. - Sep. 2021
<b>I. Cash flows from operating activities:</b>		
Net decrease in amounts due from the Central bank and deposits with banks and other financial institutions	-	1,697
Net decrease in placements with and loans to banks and other financial institutions	-	8,211
Net increase in borrowings from the Central Bank	14,583	48,738
Net increase in customer deposits and deposits from banks and other financial institutions	209,817	126,314
Net increase in placements from banks and other financial institutions	6,998	-
Net increase in financial assets sold under repurchase agreements	27,475	-
Net decrease in financial assets held under resale agreements	305	130
Cash received from interest and fee and commission income	185,518	171,951
Net decrease in financial assets held for trading	18,141	-
Cash received relating to other operating activities	85,639	38,679
<b>Sub-total of cash inflows</b>	<b>548,476</b>	<b>395,720</b>
Net increase in amounts due from the Central Bank and deposits with banks and other financial institutions	15,230	-
Net increase in loans and advances to customers	284,593	341,294
Net increase in placements with and loans to banks and other financial institutions	45,861	-
Net decrease in placements from banks and other financial institutions	-	158
Net decrease in financial assets sold under repurchase agreements	-	10,214
Net increase in financial assets held for trading	-	55,538
Cash payments for interest and fee and commission expenses	51,836	50,850
Cash paid to and on behalf of employees	17,377	16,350
Payments of taxes and surcharges	21,230	18,147
Cash paid relating to other operating activities	19,831	28,977
<b>Sub-total of cash outflows</b>	<b>455,958</b>	<b>521,528</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>92,518</b>	<b>(125,808)</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from investments upon disposal/maturity	385,544	357,583
Cash received from returns on investments	28,719	25,073
Cash received from disposal of fixed assets and other long-term assets	224	533
<b>Sub-total of cash inflows</b>	<b>414,487</b>	<b>383,189</b>
Cash payments for investments	398,438	407,095
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,435	5,933
<b>Sub-total of cash outflows</b>	<b>400,873</b>	<b>413,028</b>
<b>Net cash flows from/(used in) investing activities</b>	<b>13,614</b>	<b>(29,839)</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from debt securities and other equity instruments issued	518,755	789,120
<b>Sub-total of cash inflows</b>	<b>518,755</b>	<b>789,120</b>
Cash payments for principal of debt securities	652,211	625,691
Cash payments for interest on debt securities	3,387	3,281
Cash payments for dividend and profit distribution	6,454	5,522
Cash payments for lease liabilities	2,086	1,999
<b>Sub-total of cash outflows</b>	<b>664,138</b>	<b>636,493</b>
<b>Net cash flows (used in)/from financing activities</b>	<b>(145,383)</b>	<b>152,627</b>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>5,746</b>	<b>(1,142)</b>
<b>V. Net (decrease)/increase in cash and cash equivalents</b>	<b>(33,505)</b>	<b>(4,162)</b>
Add: Cash and cash equivalents at the beginning of the period	225,222	278,950
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>191,717</b>	<b>274,788</b>

Legal representative	President	Vice president and CFO	Head of accounting department
Xie Yonglin	Hu Yuefei	Xiang Youzhi	Zhu Peiqing



**PING AN BANK CO., LTD.**  
**CASH FLOW STATEMENT**  
**Jan. - Sep. 2022**

Item	In RMB million						
	Jan. - Sep. 2022	Jan. - Sep. 2021					
<b>I. Cash flows from operating activities:</b>							
Net decrease in amounts due from the Central bank and deposits with banks and other financial institutions	-	1,697					
Net decrease in placements with and loans to banks and other financial institutions	-	8,211					
Net increase in borrowings from the Central Bank	14,583	48,738					
Net increase in customer deposits and deposits from banks and other financial institutions	209,056	126,951					
Net increase in placements from banks and other financial institutions	6,998	-					
Net increase in financial assets sold under repurchase agreements	27,475	-					
Net decrease in financial assets held under resale agreements	305	130					
Cash received from interest and fee and commission income	184,993	171,825					
Net decrease in financial assets held for trading	17,532	-					
Cash received relating to other operating activities	85,642	38,631					
<b>Sub-total of cash inflows</b>	<b>546,584</b>	<b>396,183</b>					
Net increase in amounts due from the Central Bank and deposits with banks and other financial institutions	15,230	-					
Net increase in loans and advances to customers	284,593	341,294					
Net increase in placements with and loans to banks and other financial institutions	45,861	-					
Net decrease in placements from banks and other financial institutions	-	158					
Net decrease in financial assets sold under repurchase agreements	-	10,214					
Net increase in financial assets held for trading	-	55,807					
Cash payments for interest and fee and commission expenses	53,108	52,364					
Cash paid to and on behalf of employees	17,122	16,194					
Payments of taxes and surcharges	20,842	17,769					
Cash paid relating to other operating activities	19,653	28,889					
<b>Sub-total of cash outflows</b>	<b>456,409</b>	<b>522,689</b>					
<b>Net cash flows from/(used in) operating activities</b>	<b>90,175</b>	<b>(126,506)</b>					
<b>II. Cash flows from investing activities:</b>							
Cash received from investments upon disposal/maturity	384,544	357,583					
Cash received from returns on investments	28,553	24,952					
Cash received from disposal of fixed assets and other long-term assets	224	533					
<b>Sub-total of cash inflows</b>	<b>413,321</b>	<b>383,068</b>					
Cash payments for investments	396,813	405,676					
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,419	5,912					
<b>Sub-total of cash outflows</b>	<b>399,232</b>	<b>411,588</b>					
<b>Net cash flows from/(used in) investing activities</b>	<b>14,089</b>	<b>(28,520)</b>					
<b>III. Cash flows from financing activities:</b>							
Cash received from debt securities and other equity instruments issued	518,755	789,120					
<b>Sub-total of cash inflows</b>	<b>518,755</b>	<b>789,120</b>					
Cash payments for principal of debt securities	652,211	625,691					
Cash payments for interest on debt securities	3,387	3,281					
Cash payments for dividend and profit distribution	6,454	5,522					
Cash payments for lease liabilities	2,060	1,979					
<b>Sub-total of cash outflows</b>	<b>664,112</b>	<b>636,473</b>					
<b>Net cash flows (used in)/from financing activities</b>	<b>(145,357)</b>	<b>152,647</b>					
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>5,746</b>	<b>(1,142)</b>					
<b>V. Net decrease in cash and cash equivalents</b>	<b>(35,347)</b>	<b>(3,521)</b>					
Add: Cash and cash equivalents at the beginning of the period	224,895	278,184					
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>189,548</b>	<b>274,663</b>					
Legal representative	Xie Yonglin	President	Hu Yuefei	Vice president and CFO	Xiang Youzhi	Head of accounting department	Zhu Peiqing

## 4.2 Auditor's Report

Whether the Third Quarterly Reports have been audited

Yes  No

These third quarterly consolidated and company reports have not been audited.

Board of Directors of Ping An Bank Co., Ltd.

25 October 2022