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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 (HKD counter) and 82318 (RMB counter)

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 2023 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, 2023

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

**THE ANNOUNCEMENT OF
PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
IN RELATION TO
THE DISCLOSURE OF 2023 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 assume legal 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 "2023 Third Quarterly Report of Ping An Bank" on the website of the Shenzhen Stock Exchange (www.szse.cn).

Please also refer to the "2023 Third Quarterly Report of Ping An Bank" disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) for the operating performance of Ping An Bank for the third quarter of 2023.

The Board of Directors
Ping An Insurance (Group) Company of China, Ltd.
October 24, 2023

Ping An Bank Co., Ltd.

2023 Third Quarterly Report

25 October 2023

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 all members of the board of directors guarantee the authenticity, accuracy and completeness 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 (performing the President’s duty), 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 reports 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. In this Report, “the Group” 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

(In RMB million)

Item	30 September 2023	31 December 2022	Change at the end of the period from the end of last year
Total assets	5,516,388	5,321,514	3.7%
Shareholders' equity	465,860	434,680	7.2%
Shareholders' equity attributable to ordinary shareholders of the Bank	395,916	364,736	8.5%
Share capital	19,406	19,406	-
Net asset per share attributable to ordinary shareholders of the Bank (RMB/share)	20.40	18.80	8.5%

Item	Jul. to Sep. 2023	Year-on-year increase/decrease	Jan. to Sep. 2023	Year-on-year increase/decrease
Operating income	39,024	(15.6%)	127,634	(7.7%)
Net profit attributable to shareholders of the Bank	14,248	(2.2%)	39,635	8.1%
Net profit attributable to shareholders of the Bank less non-recurring gains/losses	14,352	(1.4%)	39,568	8.1%
Net cash flows from operating activities	Not applicable	Not applicable	115,930	25.3%
Net cash flows from operating activities per share (RMB/share)	Not applicable	Not applicable	5.97	25.2%
Basic/Diluted earnings per share (EPS) (RMB/share)	0.73	(2.7%)	1.94	9.0%
Basic/Diluted EPS less non-recurring gains/losses (RMB/share)	0.74	(1.3%)	1.93	8.4%
Average return on total assets (un-annualized)	0.26%	-0.02 percentage point	0.73%	+0.01 percentage point
Average return on total assets (annualized)	1.03%	-0.10 percentage point	0.98%	+0.01 percentage point
Weighted average return on net assets (un-annualized)	3.66%	-0.52 percentage point	9.88%	-0.27 percentage point
Weighted average return on net assets (annualized)	13.91%	-1.90 percentage points	13.15%	-0.37 percentage point
Weighted average return on net assets less non-recurring gains/losses (un-annualized)	3.69%	-0.48 percentage point	9.86%	-0.27 percentage point
Weighted average return on net assets less non-recurring gains/losses (annualized)	14.00%	-1.79 percentage points	13.13%	-0.37 percentage point

- Notes: (1) 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 have been deducted from the “Net profit attributable to shareholders of the Bank”.
- (2) According to the *Interim Administrative Measures for Gold Lease Business* (《黃金租借業務管理暫行辦法》) issued by the General Office of the People’s Bank of China, the leased-out end of gold lease business carried out between the Bank and financial institutions has been reclassified from “precious metal” to “placement to banks and other financial institutions”, and the leased-in end of gold lease business has been reclassified from “financial liabilities held for trading” to “placement from banks and other financial institutions”. Relevant indicators have been adjusted with the same standard in the comparison period.

(In RMB million)

Item	30 September 2023	31 December 2022	31 December 2021	Change at the end of the period from the end of last year
Deposit principals from customers	3,454,796	3,312,684	2,961,819	4.3%
Including: Corporate deposits	2,278,264	2,277,714	2,191,454	0.0%
Personal deposits	1,176,532	1,034,970	770,365	13.7%
Total principal of loans and advances to customers	3,426,092	3,329,161	3,063,448	2.9%
Including: Corporate loans	1,377,829	1,281,771	1,153,127	7.5%
General corporate loans	1,174,294	1,084,224	998,474	8.3%
Discounted bills	203,535	197,547	154,653	3.0%
Personal loans	2,048,263	2,047,390	1,910,321	0.0%

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 trading day prior to disclosure and fully diluted EPS calculated based on the latest share capital:

Total share capital of the Bank as at the 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)	1.94

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, etc. 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 2023	January to September 2023
Net gains or losses on disposal of non-liquidity assets	(94)	(56)
Gains/losses from contingencies	3	45
Other	(36)	112
Impact on income tax	23	(34)
Total	(104)	67

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 2023	31 December 2022	31 December 2021
Capital adequacy ratio	≥ 10.75 (Note 2)	13.52	13.01	13.34
Tier 1 capital adequacy ratio	≥ 8.75 (Note 2)	10.95	10.40	10.56
Core tier 1 capital adequacy ratio	≥ 7.75 (Note 2)	9.23	8.64	8.60
Non-performing loan ratio	≤ 5	1.04	1.05	1.02
Provision coverage ratio	≥ 130 (Note 3)	282.62	290.28	288.42
Provision to loan ratio	≥ 1.8 (Note 3)	2.94	3.04	2.94
Cost/income ratio (from the beginning of the year to the end of the period)	Not applicable	26.55	27.45	28.30
Deposit-loan spread (from the beginning of the year to the end of the period, annualized/un-annualized)	Not applicable	3.34/2.50	3.81	4.05
Net interest spread (NIS) (from the beginning of the year to the end of the period, annualized/un-annualized)	Not applicable	2.41/1.80	2.67	2.74
Net interest margin (NIM) (from the beginning of the year to the end of the period, annualized/un-annualized)	Not applicable	2.47/1.84	2.75	2.79

Notes: (1) The above indicators represent the Group level performance.

(2) According to the *Additional Regulatory Requirements for Systemically Important Banks (Trial)* (《系統重要性銀行附加監管規定（試行）》) and the list of China's systemically important banks in 2022, the Bank was in the first group of the list and implemented the additional capital requirement of 0.25% from 1 January 2023.

(3) 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.

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
Precious metal	9,859	(6,696)	(40.4%)	Mainly due to the decrease in receivables of trading gold leases
Derivative financial assets	66,113	38,560	139.9%	Mainly due to the increase in the scale of market-making business and the impact of market fluctuations
Borrowings from the Central Bank	254,584	62,668	32.7%	Based on the RMB position at the end of the quarter, the borrowings from the Central Bank were

				increased
Placements from banks and other financial institutions	34,809	(22,584)	(39.3%)	Mainly due to the decrease in placements from oversea banks and other financial institutions
Derivative financial liabilities	68,123	31,598	86.5%	Mainly due to the increase in the scale of market-making business and the impact of market fluctuations
Taxes payable	8,002	(6,672)	(45.5%)	Mainly due to the decrease in corporate income tax payable after the 2022 final settlement and payment of enterprise income taxes
Provisions	16,847	7,117	73.1%	Mainly due to the increase of expected credit losses of financial guaranteed contracts
Other comprehensive income	1,822	(838)	(31.5%)	Mainly due to the decrease in provision for impairment losses on financial assets
Gains or losses on changes in fair value	565	(2,650)	(82.4%)	Mainly due to the decrease in gains or losses on changes in fair value of financial instruments held for trading
Gains or losses on foreign exchange	782	(3,339)	(81.0%)	Mainly affected by fluctuated exchange rate and other factors
Other operating income	442	336	317.0%	Small base period number of RMB106 million for the same period of last year
Gains or losses on disposal of assets	63	(57)	(47.5%)	Small base period number of RMB120 million for the same period of last year
Other income	211	71	50.7%	Small base period number of RMB140 million for the same period of last year
Impairment losses on other assets	88	123	Negative amount for the same period of last year	Small base period number of RMB-35 million for the same period of last year
Non-operating income	31	(19)	(38.0%)	Small base period number of RMB50 million for the same period of last year
Non-operating expenses	85	(148)	(63.5%)	Small base period number of RMB233 million for the same period of last year

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 year 2023 is the opening year of fully implementing the spirit of the 20th Communist Party of China (CPC) National Congress. The opening influences overall development, and the starting determines the whole path. The Bank actively implements the spirit of the 20th CPC National Congress: conducts in-depth education on the theme of studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era; follows the guiding principles of the Central Economic Work Conference and various requirements of regulatory authorities; constantly improves its capability of serving the real economy in financial services; enhances the financial support to household consumption, private enterprises, small and micro enterprises, manufacturing, agriculture and other fields; effectively helps expand domestic demands; actively practices green finance; fully supports rural revitalization; continuously strengthens comprehensive risk management; fully and faithfully promotes high-quality development; strives to demonstrate financial role in serving the Chinese modernization process; and provides strong support for setting the stage for building a modern socialist country in all respects.

From January to September 2023, adhering to the strategic goal of building the “China’s most outstanding, world-leading smart retail bank”, the Bank upheld 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” and continuously upgraded its operating strategies in retail business, corporate business and treasury and interbank business, constantly deepened comprehensive digital transformation, reshaped asset-liability management, and overall operation performance maintained stable.

1.5.1 Stable operation performance

Optimization in business and customer group structure and net profit maintaining growth. From January to September 2023, due to factors such as continued profit concession to the real economy and market fluctuations plus continued optimization in asset and liability structure and appropriate increase in credit supply for low-risk business and high-end customer groups, the net interest margin and operating income declined year on year. The Group recorded a net profit of RMB39,635 million, representing a year-on-year increase of 8.1%.

Size maintaining stable growth and vigorously supporting the real economy. At the end of September 2023, the Group’s total assets amounted to RMB5,516,388 million, grew by 3.7% as compared with the end of last year, including the total principal of loans and advances to customers of RMB3,426,092 million, up by 2.9% as compared with the end of last year. The Bank continued to strengthen the support for the real economy, and realized better growth in loans to fields such as inclusive finance, manufacturing, agriculture

and green finance. The total liabilities amounted to RMB5,050,528 million, representing an increase of 3.3% as compared with the end of last year, including the balance of total deposit principals from customers of RMB3,454,796 million, up by 4.3% as compared with end of last year.

Strengthening comprehensive risk management and overall asset quality is stable. The Bank actively responded to the changes in macro-economy environment, and strengthened asset quality management and control to promote risk prevention and mitigation. At the end of September 2023, the NPL ratio of the Bank was 1.04%, decreased by 0.01 percentage point from the end of last year; both the balance and the percentage of overdue loans dropped from the end of last year; the deviation ratios of loans overdue for more than 60 days and 90 days were 0.80 and 0.66, respectively; and the provision coverage ratio was 282.62%, the risk compensation capability remained a good level.

Practicing refined management and continuously improving capital adequacy ratio. At the end of September 2023, thanks to net profit growth, capital refined management and other factors, the Group's core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio were 9.23%, 10.95% and 13.52%, respectively, up by 0.59 percentage point, 0.55 percentage point and 0.51 percentage point as compared with the end of last year respectively, which all met the regulatory requirements.

Promoting intelligent outlet upgrading and reasonably allocating the layout of its outlets. At the end of September 2023, the Bank had 109 branches (including Hong Kong Branch) and a total of 1,208 outlets (including head office, branches and special-purpose organizations).

1.5.2 Deepening digital transformation in retail business

From January to September 2023, the Bank actively implemented the original aspiration of providing financial services to the real economy and benefiting people's well-being, gave full play to the advantages of comprehensive finance and technology empowerment, strove to deepen digital transformation in retail business, improved the coverage, availability and satisfaction of financial services, and drove high-quality business development, maintaining an overall stable retail business.

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

● Private banking and wealth management

The Bank continued to upgrade its products, service and team capabilities and devoted itself to building "a warm global leader in wealth management host bank". At the end of September 2023, the assets under management (AUM) of retail customers amounted to RMB3,998,848 million, up by 11.5% as compared with the end of the previous year, among which the AUM balance of qualified private banking customers amounted to RMB1,900,316 million, representing an increase of 17.2% as compared with the end of the previous year. The Bank's wealth management customers reached 1,369.3 thousand, up by 8.2% as compared

with the end of the previous year, among which the qualified private banking customers¹ reached 89.3 thousand, up by 10.9% as compared with the end of the previous year. From January to September 2023, the Bank's commission income from wealth management recorded RMB5,636 million, with a year-on-year increase of 10.4%.

In terms of product upgrading, the Bank continued to improve asset optimization and product screening capabilities, enriched and optimized product categories. First, the Bank actively introduced the products of external wealth management subsidiaries, providing customers with more diversified product allocation choices. From January to September 2023, the Bank's income of wealth management agency amounted to RMB699 million, with a year-on-year increase of 5.3%. Second, the Bank upgraded the accompanying services of publicly offered funds and the product system of "Grand Preference", and promoted fast penetration to the middle and long tail customer groups of publicly offered funds. At the end of September 2023, the number of position customers of the Bank's agency of non-monetary publicly offered funds increased by 17.8% as compared with the end of last year. Third, the Bank created the "preference private placement" brand, selected and introduced top managers. Fourth, the Bank focused on top private banking customers, and optimized comprehensive finance solutions. From January to September 2023, the Bank assisted customers in setting up new family trust and insurance trust with a scale of RMB50,064 million, representing a year-on-year increase of 29.7%.

In terms of service upgrading, the Bank combined with accurate customer demand insight, connected the operation journey of online and offline customers, continuously improved rights and interests system, and strengthened branding influence. First, the Bank focused on building multiple trump cards of "high-end medical and health care, children's education, and charity planning", so as to meet the needs for scarce non-financial services. Second, the Bank upgraded and developed sub-brands such as "Ping An Preference", "Ping An Family Office", "Qi Wang Club" and "Ping An Charity", and continued to enhance our market influence.

In terms of team upgrading, the Bank strove to improve the team's expertise, and enhanced its capability of internal development. Firstly, the Bank established a standardized wealth management training system, promoted the standardization of team's working model through a three-dimensional training mode of "training, practicing and counseling", and improved teams' professional capabilities. Secondly, the Bank continuously deepened reform of bancassurance business, and 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 2023, the total enroll number of new team members was over 2,500. From

¹ The standard of qualified customer of private banking is the average daily assets in any month of recent three months is more than RMB6,000,000.

January to September, the revenue of the Bank's agency insurance amounted to RMB2,855 million, representing a year-on-year increase of 98.3%.

● **Basic retail**

The Bank continued to deeply consolidate basic retail business, took high importance to customer management, and created an operating hub for massive customers. At the end of September 2023, the Bank's retail customers reached 124,823.7 thousand. The Bank upgraded the functions of Ping An Pocket Bank APP, applied AI (Artificial Intelligence) technologies such as customer insight, intelligent interaction and personalized content recommendation to comprehensive finance service scenarios, so as to create seamless user journey experience. At the end of September 2023, the registered customers of Ping An Pocket Bank APP reached 163,778.2 thousand, representing an increase of 7.1% as compared with the end of the previous year, among which the number of monthly active users (MAU) of Pocket Bank APP was 49,597.8 thousand. With respect to the improvement of deposit business, the Bank continued to advance dual growth of quantity and quality in retail deposit business, focused on improving the customer service capability of agency business, and promoted high-quality customer acquisition of agency business. The driving role of agency business to deposits was continuously enhanced. At the end of September 2023, the balance of the Bank's personal deposits amounted to RMB1,176,532 million, increased by 13.7% as compared with the end of last year. The balance of the Bank's deposits from customers of agency and batch business amounted to RMB286,736 million, up by 27.5% as compared with the end of the previous year.

● **Consumer finance**

In response to national policies and to help boost consumption, the Bank actively responded to changes in external operating environment, strengthened the foundation of its retail credit business, accelerated the transformation of its business structure, increased the supply of residential mortgage loans and title deed-secured loans, strengthened the development of cornerstone business, rapidly increased the supply of new energy automobile loans, and continuously optimized the structure of its business and customer groups, so as to achieve the high-quality development. At the end of September 2023, the Bank's balance of personal loans amounted to RMB2,048,263 million, maintaining the same level as the end of last year; among which the mortgage loans accounted for 57.2% of personal loans, with an increase of 3.0 percentage points as compared with the end of last year.

Credit Card

The Bank accelerated the transformation of credit card business and the upgrading of customer group, promoted a tiered customer management, enhanced risk management and control, and promoted high-quality development, so as to create the ultimate experience of "worry free, time-saving and money-saving". The Bank deepened existing customer management combining with changes in internal and external operating

environment. At the end of September 2023, the number of credit cards in circulation was 64,624.9 thousand, down by 6.3% from the end of last year; the balance of credit card receivables was RMB541,650 million, down by 6.4% from the end of last year. The total volume of transactions using credit cards was RMB2,138,976 million from January to September, representing a year-on-year decrease of 17.8%. From January to September 2023, the first spending rate of new credit card accounts increased by 3.4 percentage points year on year, the proportion of online consumption of credit cards increased by 6.9 percentage points year on year, the average daily balance of credit cards in circulation and installments increased by 0.7% as compared with the same period of last year, and customer quality, consumption structure and asset structure were rapidly optimized.

In terms of customer group management, the Bank optimized the “Ping An Refueling” platform for car owner groups, launched the service of gas station price comparison and selection, upgraded the product rights and interests of the Car Owner Platinum Card (Changxiang version and Zunxiang version) and the Car Owner Gold Card (V version), and provided customers with one-stop, all-round auto ecological services. For high-end wealth management and business customer groups, the Bank upgraded the rights and interests for business travel, entertainment life and golf private enjoyment. In terms of scenario layout, the Bank upgraded the “Daily transactions for a lucky draw” activity platform, and launched shopping mall activities including cute pets, health care and other fields. The Bank worked on cross-border finance to carry out discount activities for oversea travel, and provided customers with a safe, convenient and affordable cross-border card-using experience. In terms of digital improvement, the Bank continued to enhance AI voice middle office capability. At the end of September 2023, the Bank’s intelligent voice middle office of credit card had been embedded into 2,005 business scenarios.

Personal residential mortgage loans and title deed-secured loans

Through active implementation of the requirements on serving the real economy, the Bank strengthened the supply for cornerstone business such as personal residential mortgage loans and title deed-secured loans to better meet the needs of residential property, reasonable consumption and working capital of small and micro customers. At the end of September 2023, the balance of personal residential mortgage loans and title deed-secured loans of the Bank amounted to RMB859,642 million, up by 9.7% from the end of last year, of which the balance of personal residential mortgage loans was RMB295,505 million, up by 3.9% from the end of last year.

Xinyidai

By adhering to prudent and sound risk policies, the Bank actively sped up the optimization of risk credit policy, and accelerated the upgrading of “Xinyidai” business in terms of products, processes and customer experience. At the end of September 2023, the balance of “Xinyidai” loans was RMB131,384 million, down

by 24.7% as compared with the end of last year. In the future, the Bank will continue to upgrade the customer management strategy through enriching credit solutions, iterating the minimalist process, matching targeted rights and interests and deepening accompanying services, so as to meet the differentiated needs of customer groups.

Auto finance loans

In the face of changing automotive market environment, the Bank actively responded to the national policy, focused on the consumption needs of brand-new vehicle and new energy vehicle, carried out online products innovation, and constantly improved product and service system, so as to continuously enhance customer experience. At the end of September 2023, the balance of auto finance loans amounted to RMB307,926 million, decreased by 4.1% from the end of the previous year. From January to September 2023, the newly-issued auto finance loans amounted to RMB148,822 million, of which the newly-issued energy vehicle loans amounted to RMB27,117 million, with a year-on-year increase of 65.3%.

(2) New model of retail transformation driving operation upgrading

With customer-centric and data-driven as its core, the Bank reached customers with the best products and services in the most convenient way, and provided customers with the service experience of “worry free, time-saving and money-saving”. Through digital operation, digital management and digital execution, the Bank continuously implemented the new model of retail transformation that includes open bank, portable bank, comprehensive bank with interconnection and organic integration, and realized accurate reaching to different customer groups and rendering of suitable products and services.

● Open banking

Open banking is the scenario layer of the new model, and the flow pool for the development of retail business. The Bank continued to integrate various resources and capabilities such as customers and products of corporate and retail open banking, and promoted the integration of solutions and operations. By focusing on “4+1” key node customer groups such as account service supplier, Internet platform, supply chain scenario provider, industrial software/hardware service provider and PE/VC, which have their own scenarios, products and customer groups, the Bank reached massive B-end small and micro enterprises and C-end individual customer groups behind service providers in batches, building a new open banking model of B2B2C batch customer acquisition and scenario-based operation. At the same time, the Bank’s open banking continued to build a three-tier operation system consisting of the head office, branches, and service providers. The head office formulated scenario-based solutions and carried out key customer marketing, while the branches conducted implementation acceptance and local operation according to regional characteristics, and cooperated with service providers to achieve joint efforts to operate and to construct ecology, so as to continuously improve the scenario operation capability of the open banking. From January to September

2023, the open banking of the Bank acquired 1,813 thousand customers² through the Internet channel for individual services.

● **Portable banking**

Portable bank, i.e., “AI + T + Offline” (AI bank + Remote bank + Offline bank), is the core service matrix of the new model, and the operation chain and service network for the development of retail business. Through “AI + T + Offline” linkage mode, the Bank empowered remote service managers and offline teams to improve operation efficiency, providing more long tail customers with professional consultation services of wealth management. The service capability of basic customer groups was rapidly improved. From January to September 2023, the “AI + T + Offline” model had served over 44 million customers. At the end of September of 2023, the number of the Bank’s investment and wealth management customers³ increased by 6.2% as compared with the end of last year. The Bank’s customer services obtained a Net Promoter Score (NPS)⁴ of 87.6%, while the physical outlets reported a NPS of 94.5%.

In terms of AI Banking, the Bank fully upgraded its capability of the AI platform. Relying on digital technologies, the Bank created a virtual exclusive consultant image to provide customers with “guided” and attentive services. At the end of September 2023, the virtual figure had been launched, covering 63 scenarios such as wealth management companionship, activity recommendation, Q&A reminder, AI video outbound call, etc. AI account managers had launched over 2,200 scenarios, and holistically provided customers with “warm” financial services. In terms of remote banking, the Bank accurately grouped customers through improving the top-level design of customer service and operation journey, empowered remote service managers under multiple scenarios to provide customers with one-stop solutions, and supported customers to handle account processing, wealth management, consumption payment and other businesses online. In terms of offline banking, the Bank strengthened scenario-based, socialized and ecological operation for outlets, attached great importance to the building and upgrading of offline teams, and reinforced technology empowerment. From January to September 2023, the number of customers reached through ecological operation of outlets was 2,204 thousand.

● **Comprehensive banking**

Comprehensive banking is the capacity layer of the new model, and the driver for the development of retail business. The Bank upgraded its comprehensive banking in an all-around way and provided customers with high-quality comprehensive financial and life solutions in the manner of a one-stop, full package and

² 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.

³ Investment and wealth management customers refer to customers holding wealth management products, publicly offered funds, time deposits, privately offered funds, insurance, and other products.

⁴ NPS = (Number of Promoters - Number of Detractors) / Total Number of the Sample Population x 100%. It is an index that measures the probability that a customer will recommend a certain company or service to others.

coordinated sequence by connecting data, product, rights and interests of retail business and collaborating with business, risk and technology support. Firstly, the Bank promoted the integration of debit and credit cards. At the end of September 2023, the class one account rate of new credit card customers increased by 10.9 percentage points as compared with the end of the previous year. Secondly, the Bank fully deepened the linkage between public and private banking, promoted the joint management of customers and joint construction of a linkage mechanism, gave play to their respective advantages, and improved the comprehensive service experience for customers. Thirdly, relying on Ping An Group's personal comprehensive finance platform, the Bank continuously improved the customer rights and interests and service system to provide customers with one-stop comprehensive financial solutions through integration into the ecosystem of Ping An Group and focusing on the fields of health care, high-end medical care, culture and sports, and charity.

Relying on Ping An Group's personal comprehensive finance platform, the Bank continued to deepen the innovation and upgrading of the MGM (Member-Get-a-Member) online operation model, and the comprehensive finance's contribution to retail business remained overall stable. At the same time, it drove the MGM model to a high-quality development. From January to September 2023, the class one account of new customers acquired through the MGM model reached 1,019.1 thousand, representing a year-on-year increase of 1.5%, and accounting for 30.3% of new class one customers acquired.

Key indicators of comprehensive finance of MGM model (Selected)

(In RMB million)

Item	January to September 2023		January to September 2022	
	Contribution in comprehensive finance	Proportion in comprehensive finance	Contribution in comprehensive finance	Proportion in comprehensive finance
Number of new customers acquired (in 10,000)	246.53	35.4%	319.62	38.9%
Net increase in number of wealth management customers (in 10,000)	5.72	54.9%	6.15	45.8%
Net increase in number of private banking customers (in 10,000)	0.56	63.6%	0.42	50.0%
Net increase in the assets under management (AUM) of retail customers	261,652	63.6%	186,462	53.3%
Amount of "Xinyidai" issued	37,979	50.1%	62,425	52.6%
Amount of auto finance loans issued	31,894	21.4%	41,226	22.9%
Amount of credit cards newly issued (in 10,000)	112.01	21.5%	154.51	25.7%

1.5.3 Expertized and expanded corporate business

From January to September 2023, closely following the national development strategy and centering on serving the real economy, the Bank's corporate business continued to increase its financing support for key areas such as advanced manufacturing, specialized, refined, distinctive and innovative enterprises, private enterprises, micro, small and medium-sized enterprises, rural revitalization, green finance, and infrastructure. In line with the tide of digital economy and the development trend of modern industries, the Bank continued to promote the construction of two racing tracks of "new transaction bank driven by digitalization and modern industrial finance driven by industrialization". Adhering to the customer-centric principle and working on customer needs, the Bank fostered and strengthened its core customer groups through long-term and in-depth management to consolidate its corporate business development base.

The Bank's corporate business leveraged its advantages in technology and comprehensive finance to achieve steady business growth by focusing on two core tracks. At the end of September 2023, the number of corporate customers achieved 717.6 thousand, representing an increase of 101.7 thousand or increased by 16.5% as compared with the end of last year; the enterprise customers served by the Bank's corporate open banking numbered 85,212, increased by 67.2% as compared with the end of last year; the balance of corporate loans was RMB1,377,829 million, representing an increase of 7.5% as compared with the end of last year.

(1) Digital-driven new transaction banking

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

Customer management platform

As a digital asset management and comprehensive service platform for enterprises, the Bank's Digital Pocket managed customer groups with a user-oriented mindset, combined operating strategies with activity, right and interest system, and created ultimate product experience, so as to provide users with more open, smart and diversified financial and non-financial services; As an expert in treasury management for corporate customers, the Bank's Digital Treasury platform provided customers with all-in-one solutions of business, capital and tax, offered exclusive and differentiated services to different customer groups and scenarios, and

helped enterprises achieve digital transformation. Based on comprehensive services of Digital Pocket and Digital Treasury platforms, the Bank leveraged the collaborative service advantages of corporate-private linkage and comprehensive finance relying on its open banking capability, transformed a large number of micro, small, and medium-sized customers from the “4 + 1” key node customers groups⁵ into its retail and corporate customers in batches, fostered a new model of cooperation that is open and interconnected, and supported the development of the Bank’s retail strategy. From January to September 2023, 468.6 thousand new users were converted to customers through this model. By the end of September 2023, the number of monthly active users⁶ of the Bank’s corporate customer management platform reached 1,261.4 thousand, up by 18.9% as compared with the end of the previous year; from January to September 2023, the Bank launched 8,750 million of corporate business transactions of its open banking, representing a year-on-year increase of 21.8%, and the transaction amount amounted to RMB23.61 trillion, representing a year-on-year increase of 6.0%.

Internet payment and settlement

Continuously focusing on key customer groups such as online e-commerce, offline chains and government organizations, the Bank integrated payment and settlement products, built a unified “Account+” system, and created the comprehensive operation model of “platform payment and settlement + platform B-end digital financing + platform C-end customer group management”. Through cutting in the core nodes, the Bank deeply served the platform and its C-end customer, B-end vendors and core enterprises of supply chain, provided full-scenario and comprehensive financial solutions based on payment and settlement, and supported the standardized, healthy and sustainable development of the platform economy. From January to September 2023, the Bank launched 46,089 million transactions relating to Internet payment and settlement business to serve the enterprises on the platforms, representing a year-on-year increase of 118.6%; the amount of transactions reached RMB24.39 trillion, representing a year-on-year increase of 21.6%.

Supply chain finance

The Bank looked deep into supply chain scenarios and ecosystem, continuously innovated its business models by applying the “finance + technology” capabilities and optimized its financial service experience. First, the Bank strengthened digital supply chain finance, supplemented “credit of entity” and “credit of things” with “digital credit” through “Nebula-IoT Platform” and massive multidimensional data, to provide online, modeled and automated financial services for micro, small and medium-sized enterprises at the end of the industry chain. Meanwhile, the Bank reciprocated customers with its data advantages such as IoT to facilitate

⁵ “4+1” key node customer groups refer to account service supplier, Internet platform, supply chain scenario provider, industrial software/hardware service provider and PE/VC.

⁶ The number of monthly active users of the platform refer to the registered operating users who have logged in and traded on the Bank’s customer management platform (including Digital Pocket, Digital Treasury, corporate online banking, and other corporate online service channels) in the past month.

the development of the real economy. Second, the Bank deepened scenario-based supply chain finance, and provided customers with “supply chain+” comprehensive finance services such as the integration of domestic and international trade and the integration of supply chain and risk aversion. Third, the Bank created ecological supply chain finance, it output its supply chain financial capability through open banking in a modularized and standardized way, widely reached the core enterprises and their massive upstream and downstream customer groups, and realized bulk customer acquisition from the ecosystem and in-depth customer management.

Since the implementation of the “Nebula-IoT Operation”, it has implemented a number of innovative projects in six major industrial fields, including smart vehicle connection, smart manufacturing, smart energy, smart agriculture, smart infrastructure and smart logistics, and the total amount of financing incurred supporting the real economy has exceeded RMB900,000 million. From January to September 2023, the amount of supply chain finance financing incurred was RMB921,616 million, a year-on-year increase of 11.6%.

Bill integration

The Bank deeply embedded bill business into the supply chain ecosystem, centered on key sectors supported by the nation, and provided convenient and efficient bill settlement and financing services for enterprises. First, the Bank deepened the innovation of “bills + open banking” model, actively expanded the bills business ecosystem of high-quality partners such as industry chain platforms. Second, the Bank enhanced a two-wheel drive engine of “direct discounting + re-discounting” to enable comprehensive customer management by building an efficient bill transaction ecosystem and enhancing the transaction capability and quality and efficiency of linkage between direct discounting and re-discounting. Third, the Bank promoted product and process innovation, optimized business processes and customer experience, and built a first-class bill financial service brand. From January to September 2023, the Bank actively played the role of bills serving the real economy, and provided bills financing services for 31,059 enterprises, including bills discounting financing services for 22,839 enterprises; the bank acceptance notes discounting was RMB656,236 million, a year-on-year increase of 13.2%.

Cross-border finance

The Bank focused on the cross-border financial ecology of enterprises and the cross-border financial service needs of enterprises, and actively supported the development of the real economy. First, the Bank fully leveraged its advantages in five major cross-border financial account sectors including onshore international, offshore (OSA), free-trade zone (FT), domestic foreign currency/Renminbi account of overseas institutions (NRAs) and overseas branches. The Bank further developed product systems such as “Cross-border Investing/financing, Cross-border Trade Finance, Cross-border Payment and Settlement and Cross-border Fund Management”, 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, so as to facilitate the global layout and development of customers. Second, giving a full play to its license advantage of Chinese-funded offshore banks, the Bank provided follow-up offshore financing and settlement services for Chinese-funded enterprises in China, to help them achieve “domestic operation of overseas business and domestic management of overseas funds”. Meanwhile, the Bank supported the foreign debt financing needs of domestic entities with offshore funds. Third, the Bank restructured the whole process online service system of cross-border business, continuously iterated and upgraded its online service platform for cross-border business, provided customers with online services with simple operation, fast timeliness and excellent functions, and constantly enhanced customer experience. At the same time, the Bank further met the cross-border payment, settlement and financing service needs of small and medium-sized foreign trade enterprises through iteration and upgrading of products, and supported the import and export trades of enterprises. From January to September 2023, the Bank’s amount of cross-border trading and financing reached RMB116,437 million.

(2) Industry-driven modern industrial finance

Facing the general trend of the development of modern industries and capital markets, the Bank actively laid out key areas of modern industries such as new energy, new infrastructure and new manufacturing; fostered and developed new industry momentum; adhered to the customer-centric principle; gave full play to the advantages of Ping An Group’s license, capital and ecosystem layout; and provided customers with a comprehensive solution of “commercial banking + investment banking + investment”. The Bank took the “three maps” as the starting point, defined the track and accurately positioned the target customer group through the customer map, product map and operation map, created the differentiated competitive advantage of “industry + product”, and strengthened the hexagonal linkage of “head office + branch, market + risk, customer + product” to better serve the national strategy and support the real economy. At the same time, in order to improve customer services, the Bank continuously enhanced its investment banking professional capabilities, upgraded the two ecological operations of fund and listed company customers and supported the development of the real economy with diversified and full-cycle high-quality financial services.

Fostering and developing new industry momentum

The Bank focused its corporate business development on supporting the real economy, gave full play to the industry expertise of the six industry divisions, and analyzed and decoded the six major directions of “boosting China’s strength in manufacturing, product quality, aerospace, transportation, cyberspace, and digital development”. In addition, the Bank combined customer base and business structure, focused on the “three new racing tracks” of new energy, new infrastructure and new manufacturing, fully collaborated with

its business and risk lines, and jointly draw customer map, upgrading product map and optimizing the operational map, so as to precisely develop customers and foster and develop new industry momentum. From January to September 2023, the scale of assets invested in the “three new racing tracks”⁷ was RMB146,890 million, with a year-on-year increase of 31.2%.

Continuous enhancements in the professional capabilities of investment banking

In response to the favorable trend of capital market development, the Bank continued to strengthen investment banking service system of the head office and branch; strengthened innovation in investment banking products; captured market star engagements; and seized the new track of investment banking.

The Bank leveraged its unique structural advantage of “product + industry + cross-border”. 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, and continued to strengthen the M&A bank consortium ecosystem. From January to September 2023, the mergers and acquisitions was RMB33,019 million, the bank consortium was RMB91,628 million.

The Bank grasped the opportunity of the booming direct financing market, actively built the bond ecosystem by using Ping An Group’s comprehensive financial resources. The Bank 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 2023, the Bank’s non-financial bond underwriting amounted to RMB237,305 million, representing a year-on-year increase of 33.7%.

Upgrades in the group ecological operations of two customer groups, namely funds and listed companies

The Bank actively operated the privately offered fund ecosystem, built the PE ecosystem, and carried out comprehensive cooperation with top investment institutions on fund ecology. Taking investment institutions as the ecological core, the Bank continued to cut its way into cooperation through its M&A business; it deeply cultivated mainstream LPs and expanded cooperation by relying on Ping An Group’s comprehensive financial advantages; the Bank has also strengthened its support for the invested enterprises, and assisted the growth of the invested enterprises. In addition, the Bank continued to upgrade the product line of the fund ecosystem and empowered the growth of customer groups of the fund ecosystem. From January to September 2023, the Bank’s fund eco-merger and aggregated deal amounted to RMB75,601 million. Relying on Ping An Group’s comprehensive financial advantages, the Bank focused on the demand for financial services of enterprises in their full life cycle, and provided customer group of listed companies with the solution of

⁷ The statistical standard includes on-balance-sheet loans (excluding bill business, secondary market forfaiting) and off-balance-sheet businesses.

“commercial banking + investment banking + investment”. At the same time, relying on the in-depth layout of Ping An Group in health care, financial technology, smart city, automobile and other ecosystems, the Bank cooperated with listed companies at the business operation level to achieve the all-round and in-depth binding of “comprehensive finance + industrial cooperation”. From January to September 2023, the Bank’s amount of capital market business reached RMB14,223 million, representing a year-on-year increase of 23.2%.

Improvements in customer service capabilities through resource integration

Being customer-centric, 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 to meet the diversified financing needs of different customers. From January to September 2023, the Bank’s average daily balance of new corporate customers from deepening comprehensive financial services cooperation amounted to RMB184,580 million, of which the average daily balance of demand deposits accounting for 48.7%. Meanwhile, the Bank fully leveraged its technological innovation advantage, developed “insurance cloud platform” through scenario-based, digitalized and intelligent operation, expanded new channel of online customer acquisition, empowered customer management, and achieved innovative breakthroughs in Internet insurance. From January to September 2023, the scale of insurance promoted by the Bank amounted to RMB2,062 million.

1.5.4 Faster pace in transformation of interbank capital business

Following the national financial market development strategy, the Bank’s interbank capital business proactively grasped new development opportunities; firmly implemented the business philosophy of “serving the financial market, interbank customers and the real economy”; made concerted efforts in the three racing tracks of “investment transaction + institutional business + enterprise risk aversion”; built a core “moat” with two professional capabilities of “transaction + sales”; achieved the leading position in business model through digital transformation; and built sustainable development capability with high-quality development.

(1) Professional and solid investment transaction

From January to September 2023, the Bank paid close attention to the domestic and overseas market situation, strengthened analysis, research and judgment, reasonably allocated the position portfolio, agilely applied hedging strategies, guaranteed the liquidity and security of the asset side, actively performed its role as a core dealer in the inter-bank market, and helped improve market liquidity and transaction execution efficiency. Continuously increasing bilateral market-making quotes for green bonds, small and micro enterprise bonds, rural revitalization bonds and other sustainable development bonds, the Bank provided pricing benchmarks

and liquidity support to the market through the unique advantages of bond investment trading. From January to September 2023, the Bank's market share of the volume of bond transaction reached 3.0%.

(2) Comprehensive and leading institutional business

The Bank's interbank capital business cooperated closely with corporate business. Through the "investment banking + market making + sales" model, the Bank promoted contracting through market making and sales, promoted sales through quotation and investment research, fully connected all businesses including investment banking, trading, research, sales, custody, etc., and provided customers with diversified products and full life cycle services covering primary market, primary semi-market and secondary market.

Institutional trading business

With its "human-machine" trading capability, the Bank continued to give play to its professional advantages of investment transaction, actively expanded domestic and overseas layout relying on professional domestic and overseas sales and trading teams and intelligent e-service platform, and broadened customer coverage and service network, so as to meet the needs of domestic and overseas investors of all types for package FICC (fixed income, currencies and commodities) trading. The Bank actively implemented the decisions and deployment of continuously promoting the two-way opening up of the financial market by the state, and contributed to the interconnection of bond market. From January to September 2023, the number of active institutional trading customers reached 506, and the transaction volume of cash bond sold by institutions was RMB2.04 trillion, representing a year-on-year increase of 31.1%.

Institutional sales business

Relying on the open and cooperative advantages of "Hang-E-Tong" platform, the Bank played the role of linking the capital market to serve the domestic great wealth and great asset management industry chain, and focused on planning in key fields of financial institutions including bond sales and transaction, fund sales and wealth management sales. At the end of September 2023, the "Hang-E-Tong" platform had cooperated accumulatively with 2,528 customers. Meanwhile, the "Hang-E-Tong" platform continued to improve the research-driven investor service system, optimized fund research, investment portfolio analysis and other value-added services, and further enhanced investor experience. In July 2023, the Hang-E-Tong" platform was awarded the "Best API and Open Banking Initiative" by the Asian Banker. At the end of September 2023, the balance of third-party fund products sold through the "Hang-E-Tong" platform reached RMB163,221 million, an increase of 46.7% from the end of last year.

Asset custody business

The Bank continued to enhance its ability to operate the whole business chain of asset custody, constantly deepened and improved the integrated service system of "custody + financing + investment", and actively built a digital custody service platform to improve the comprehensive and intelligent level of custody service

and realize customers' in-depth management. At the end of September 2023, the Bank's net custody assets amounted to RMB8.79 trillion, increased by 6.9% from the prior year-end. The size of the Bank's custody of publicly offered funds and third-party fund sales amounted to RMB1.72 trillion, increased by 7.5% from the prior year-end.

(3) Convenient and inclusive enterprise risk aversion

The Bank's "Ping An Risk Aversion" business adhered to the original aspiration of "finance for the people", gave full play to professional transaction capability and brand influence in financial market, and continuously guided enterprise customers to develop the concept of "Risk Neutrality", so as to safeguard the real economy. On the one hand, the "Ping An Risk Aversion" intelligent platform (CRW) continued to develop and innovate. Connecting to corporate online banking and Digital Pocket APP, the platform integrated business scenarios such as spot foreign exchange settlement and foreign exchange purchase, remittances, foreign currency fixed deposits, cross-border trade settlements, etc., so as to provide more convenient one-stop risk-aversion services for enterprises. At the same time, the offline risk-aversion expert team provided efficient services and improved the quality of risk-aversion services from different perspective. On the other hand, 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. It popularized the concept of exchange rate risk aversion, introduced exchange rate risk aversion products, and fulfilled the responsibility of serving the entity through fee reduction and profit concession. From January to September 2023, the Bank's customers for foreign exchange spot and derivatives risk aversion business reached 11,435, representing a year-on-year increase of 10.5%.

1.5.5 Technology-driven digital transformation

The Bank adopted the principle of "being technology-driven" as the driving force for strategic transformation, steadily pushed forward the comprehensive Cloud Native project, consolidated the digital foundation, strengthened the in-depth application of data intelligence, and empowered digital operation, digital management, so as to promote the deeper development of digital transformation and support the Bank's high-quality development.

(1) Technology-empowered digital transformation

Having customer centric as its core, the Bank's digital transformation reshaped the operation process, upgraded the risk management model, and drove the reform of the business model to promote the overall improvement of customer management capabilities, and the accurate decision-making, optimal allocation of resources, efficient operation and value enhancement of front, middle and back platforms.

Empowering digital operation

For retail business, the Bank drove customer demand insights with data, and improved the refined and intelligent level of customer service through the linkage mode of “AI+T+Offline” to provide customers with more suitable products and services. From January to September 2023, 790 thousand first-purchase customers of wealth management products were achieved through the model, accounting for nearly 30% of the total first-purchase customers. For corporate business, relying on the AI middle platform, the Bank’s Digital Pocket APP created a unified customer group management platform through integration of various operation system functions, linked with customers through scenario-based marketing such as activities and rights, and realized standardization, online and automation of customer management. At the end of September, the number of registered corporate users of the Bank’s Digital Pocket APP increased by about 32% compared with the end of last year. For interbank capital business, the Bank continuously enriched its product and service functions, broadened its customer group of agency business, and quickly responded to the customized needs of institutional investors for fund investment through the “Hang-E-Tong” platform as a carrier. At the end of September, the “Hang-E-Tong” platform had 11,785 publicly offered fund products on sale, grew by 24.0% from the end of last year. For empowerment of operation of middle and back platforms, the Bank set up a conference management platform of “One Table, One Meeting”, strengthened closed-loop inspection of conference decision-making and promoted whole process online and standardized conference management by building an indicator system for operation conference. At the end of September, the platform had accessed more than 390 conference indicators, continuously exploring the data value and improving the operation management level. The smart tax platform has launched value-added tax (VAT) input invoice management, automatic account bill comparison and check certification functions to realize online closed-loop management of input invoices, and the process automation rate reached 90% by the end of September.

Empowering digital management

The Bank’s smart risk control level has been continuously improved. The Bank innovated and created the assembled risk control mode of “1 core enterprise + N associates” in the supply chain scenario, realized multi-dimensional monitoring of credit assets in terms of smart monitoring module, and improved the automatic risk monitoring capability. At the end of September 2023, the credit approval of more than 70% standardized business achieved the second level disbursement, with the help of digital means, the efficiency of post-loan work increased by about 50%. In terms of compliance assurance, smart compliance system has built a high-level AI model, introducing scenarios covering virtual currency money laundering, unusual transactions in special events, etc. At the end of September, the accuracy rate of event identification of the virtual currency money laundering monitoring model reached 87.7%.

Empowering digital execution

The Bank continued to deepen the digitalization of its executions, continuously improved its executional efficiency, product delivery effectiveness, and user experience. Focusing on the dynamic balance between account risk prevention and control and account service optimization, the Bank has established a full life cycle digital account management system before, during and after the event. From January to September 2023, about 400 thousand customers completed services such as the increase of debit card account transaction limit through the online self-service Q&A process every month, effectively alleviating the volume of customer inquiries at offline outlets and improving the operation and maintenance efficiency of outlets.

(2) Solid digital foundation by Cloud Native

The Bank firmly promoted the construction of a comprehensive Cloud Native system, and continuously improved its technology, data and innovation capabilities to provide strong support for its high-quality development and digital transformation, centering on the goals of being more agile and creative, being more effective and reusable, being cost decreasing and benefit increasing and being safer and more stable.

Technology capability

The Bank has steadily implemented Cloud Native engineering construction and committed itself to building an agile, efficient, intensive and safe technology system. From January to September 2023, the Bank's IT demand volume increased by 5.7% year on year, and the average delivery time decreased by 9.4% year on year. In terms of foundation, the Bank accelerated micro-service transformation and container deployment, and realized on-demand and efficient supply of IT resources through service-oriented transformation of infrastructure. At the end of September, 73.8% of the Bank's applications had used micro-service technology. From January to September, more than 1,000 applications were installed in the container cloud. In terms of technology middle platform, the Bank promoted low-code development platform and strengthened independent research and development (R&D) and sharing capacity building. At the end of September, the Bank's distributed financial cloud platform had sported more than 3,000 applications across the Bank, and the independent R&D rate of application systems exceeded 90%. In terms of engineering efficiency, the Bank built an automated assembly line of continuous integration (CI), continuous testing (CT) and continuous delivery (CD), reshaping a lightweight and efficient R&D process. From January to September, the monthly average number of automated releases of applications by the platform assembly line increased by about 78% year on year.

Data capability

The Bank continued to promote the construction of data capability system and effectively released the value of data elements. On the one hand, the Bank consolidated the basic data capacity. By strengthening the collection and integration of internal and external data information, the Bank promoted the construction of data labels, data models, rule bases and management cockpits, and improved data governance capability and

data asset quality. On this basis, the Bank promoted the thorough application of BI (Business Intelligence), AI and other tool platforms. In the third quarter of 2023, the Bank's data governance practice project was selected as one of the "Excellent Cases of Financial Data Governance" by *China Finance* magazine. From January to September, the proportion of self-service data analysis usage of the Bank's BI popularization project increased by more than 10% compared with 2022. On the other hand, the Bank promoted the in-depth application of data intelligence. Among them, the retail business helped build a digital customer management system through data tracking, AB Test⁸ and channel integration. At the end of September, more than 23,000 portrait labels have been created and more than 4,000 configuration strategies have been set. The corporate business comprehensively used knowledge atlas, machine learning and other technologies based on big data such as bill chain, capital chain, tax chain, industrial and commercial information to help business improve background investigation and anti-fraud capabilities of enterprise trade financing.

Innovation capability

The Bank kept up with the development trend of cutting-edge technologies, continuously improved the innovation management mechanism, and promoted the incubation and application of new technologies such as Artificial Intelligence Generated Content (AIGC), digital twinning, and quantum computing. First, the Bank built an enterprise-level AI R&D platform, managed bank-wide model algorithms in a unified way, and expanded the large-scale application of AI technology in all businesses, channels, and processes. Second, the Bank actively explored the research and practice of large models, and applied them in product design, scene operation, marketing material generation, business analysis, administrative office and other fields, effectively empowering management efficiency improvement. Third, the Bank researched and developed its own multi-modal virtual Digital Human to improve operational efficiency and user experience. In the third quarter of 2023, the Bank's virtual Digital Human project won the title of "Best in IDC Future Work", and virtual digital employee "Xiao An" appeared at the "2023 Bund Conference", the world's top fintech industry event. Fourth, the Bank took the lead in applying quantum technology to the research of algorithms in the field of anti-fraud and anti-money laundering in the industry, and the Bank's quantum computing project was selected as one of the 2023 IDC innovation cases of technology application scenarios in China's financial industry.

1.5.6 Active performance of social responsibilities

(1) Support serving the real economy

Since 2023, the Bank earnestly acted upon the policy decisions and financial regulatory requirements of the CPC Central Committee and the State Council, kept in mind the political and people-oriented nature of

⁸ AB Test is a set of technical solutions that starts from customers' demands, compares and tests multiple schemes by randomly selecting similar users, precisely measures customers' feedback, and brings optimal solutions online.

financial work, and strongly supported the real economy. The Bank actively implemented its “15 initiatives” to support the real economy, formulated targeted measures in terms of organization and promotion, resource allocation, team building and risk policy, supported high-quality development of private enterprises and micro, small and medium-sized enterprises, and promoted the improvement of quality and efficiency in financial services. At the end of September 2023, the Bank’s total on-balance sheet and off-balance sheet credit facilities amounted to RMB5,144,931 million, with an increase of 4.1% over the end of last year.

Giving full play to the advantages of financial technology to implement “true inclusive service, true micro/small enterprises and true credit”. The Bank has always taken the service of inclusive customer groups as the strategic focus, upholding the principle of “being technology-driven”, the Bank deepened its online and digital layout, strengthened its penetration and coverage of small and micro operators, took multiple measures to benefit customers, and effectively helped small and micro businesses reduce costs and burdens, so as to provide small and micro customers with financial services in a worry-free, time-saving and cost-saving manner. In terms of product design, the Bank focused on the local characteristic industries of its branches, combining regional characteristics and industry features to achieve industrialization, regionalization, and customized upgrading of mortgage and credit. In terms of process optimization, the Bank identified risks through user portraits, big data, AI and other technologies in the pre-lending phase, and realized automatic credit approval and limit pre-assessment through massive data calculation to accelerate approval timeliness and improve customer experience. The Bank also used behavioral monitoring and intelligent risk alerts to indicate possible risks and front-load risk alerts during lending. In addition, the Bank actively responded to the initiative on reducing comprehensive financing costs for small and micro customers from regulatory authorities, and helped small and micro enterprises reduce their burdens by sending interest coupons, reducing and remitting settlement fees and other measures.

At the end of September 2023, the cumulative number of customers with loans to small and micro businesses each with a credit line no more than RMB10 million excluding bill financing (hereinafter referred as “inclusive small and micro business loans”) amounted to 1,054 thousand, among which the number of customers with loans no more than RMB1 million accounted for 85%, with the small and micro business owners and sole proprietorships representing the absolute majority; the loan balance was RMB583,066 million, with an increase of 10.4% over the end of the previous year, among which the balance of credit-type inclusive small and micro business loans amounted to RMB88,310 million, representing 15.1% of the balance of inclusive small and micro business loans; from January to September 2023, the cumulative amount of inclusive small and micro business loans was RMB326,362 million, the weighted average interest rate of loans decreased by 1.14 percentage points as compared to the whole year of last year, and the non-performing loan (NPL) ratio was controlled within a reasonable range. The Bank continuously supported the

development of private enterprises. At the end of September 2023, the balance of loans to private enterprises increased by 3.5% over the end of last year, accounting for 73.8% of the balance of corporate loans.

Continuing to promote finance innovation and technology empowerment to achieve breakthroughs in the service model of manufacturing enterprises. First, the Bank established a “1 + N + n”⁹ integrated business model to reach customers through multiple channels such as warehousing logistics and platform enterprises, broke the highly dependent dilemma of core enterprises, supported customers from the upstream and downstream of supply chain and ecosystem of core enterprises, and effectively helped remove financing barriers and lower financing costs for micro, small and medium-sized enterprises. Second, the Bank strengthened ecological cooperation with service providers through “Nebula Open Alliance”. The Bank exported its financial and non-financial capabilities such as accounts, payment and settlement to the entities such as manufacturing and specialized, refined, distinctive and innovative enterprises, and micro, small and medium-sized enterprises under the scenarios such as flexible employment, logistics and chain business districts, so as to empower digital operation of small and micro enterprises. Third, the Bank explored the development of bill direct discounting market, and effectively improved the ability to reach and serve supply chain customer groups and micro, small and medium-sized customer groups through the new business model of “bills + open banking”. Fourth, the Bank improved the service convenience of small and micro enterprises, implemented risk control based on big data model, and realized online processing and approval automation to reduce the manual intervention, shorten the credit process, and ensure the approval efficiency of businesses of small and micro enterprises. At the end of September 2023, the Bank’s balance of medium and long-term loans to manufacturing increased by 33.2% from the end of last year, which was 30.3 percentage points higher than the increase of the total amount of loans issued and principal advanced.

(2) Facilitating rural revitalization with finance

The Bank earnestly acted upon the spirit of the 20th CPC National Congress, regarded fully promoting rural revitalization and 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 2023, the Bank invested funds of RMB25,460 million for supporting rural revitalization, with a total investment of RMB94,714 million, it issued 62,105 rural revitalization debit cards, with a total debit card of 176,035, benefiting 40 thousand rural people and 1,070 thousand rural people in total.

In terms of finance helping agriculture, the Bank has granted rural revitalization loans in Zhejiang, Gansu, Yunnan and other provinces and counties to meet the demand for funds for the development of water supply

⁹ “1 + N + n” refers to 1 core enterprise + N large suppliers/dealers + n upstream and downstream long tail customer groups.

projects, power & energy, metal smelting and other industries, promoting county economic development and rural revitalization. The Bank continued to expand the application scenarios of “preferential agricultural loans”, provided financial support for micro, small and medium-sized enterprises and self-employed households in the fields of aquaculture, fishery, cold chain transportation and agricultural product logistics, and promoted entire online processing of auto loan to constantly improve its ability to serve the real economy. In terms of science and technology helping agriculture, the Bank continued to improve the “digital villages” function, established an official *Artemisia selengensis* trading platform for a town in Anhui Province, and launched the “*Artemisia selengensis* Digital Trading Center” to improve the trading efficiency of local *Artemisia selengensis*. At the same time, the Bank expanded the smart village affairs management module and launched functions such as village attendance statistics, online check-in, and personnel management, helping to improve the digitalization level of village affairs management.

In terms of consumption helping agriculture, the Bank continued to organize customers to carry out public welfare tourism activities in Yinshan, Inner Mongolia, Lintao, Gansu, Qilian Yak Base in Qinghai, Anhua, Hunan and other places, launched special adoption activities such as “Jiangxi Xunwu Passion Fruit” and “Jiansanjiang Qixing Farm Paddy Field” to help rural industries with consumption.

(3) Actively practicing green finance

The Bank firmly acted upon the green development proposed at the 20th CPC National Congress, earnestly implemented the national strategy to achieve carbon neutrality, actively supported major projects of green industry such as clean energy, energy conservation and environmental protection, clean production, ecological environment, green infrastructure upgrading and green services, and comprehensively promoted the high-quality development of the real economy. At the end of September 2023, the Bank’s balance of green loans was RMB134,821 million, up by 22.8% from the end of last year.

Through continuous optimization of resource support policies, continuous upgrading of product and service models, and in-depth exploration of practical innovation of green finance, the Bank continued to provide important support for the capital needs and resource allocation of green industries. First, the Bank seriously carried out carbon emission reduction support tools of central bank and formulated special subsidy policies to accurately support green loan lending. Second, focused on the core industrial chains such as photovoltaic, wind power and high carbon transformation, the Bank carried out a special action of “three maps” of the customer, the product and the operation in a deep-going way, and actively laid out green industries such as energy storage and nuclear power. Relying on Ping An Group’s comprehensive financial advantages, the Bank provided customers with a comprehensive service plan of “insurance capital equity + bank debt” to meet diversified green financing needs of enterprises, provided capital for new energy project construction, and reduced the financing leverage of enterprises. Meanwhile, the Bank actively innovated its green finance

services, and launched green supply chain finance, distributed household photovoltaic loans, sustainable development-linked loans and carbon emission reduction pledge financing loans and various innovative business models. The Bank also established a green debt investment linkage mechanism, and created ecological scenarios for investment banking. Third, the Bank improved the layout of carbon accounts, explored and promoted the construction of carbon accounts of enterprises, created a variety of low-carbon scenarios for office and travel, and guided the green operation of enterprise users. The Bank also upgraded its personal carbon accounts and launched theme activities such as National Eco-Day, Green Travel, Green Cultural Tourism, and Green Consumption to guide customers to lead a green and low-carbon life.

In September 2023, the Bank won the “Green Finance Pioneer of the Year” Award issued by NetEase Finance and Economics, and it was the only domestic banking institution to win the award.

(4) Strengthening consumer rights and interests’ protection

The Bank attached high importance to the consumer rights and interest protection (hereinafter referred as “consumer protection”), took the implementation of the concept of “finance for the people” as the starting point and foothold of the consumer protection, constantly advanced the high-quality development of consumer protection. In terms of educational publicity, the Bank carried out diversified consumer protection public welfare activities focusing on rural and urban key groups to popularize financial knowledge for urban and rural consumers. In terms of financial anti-fraud, the Bank launched anti-fraud activities targeting communities and colleges, and continuously extended the scope of anti-fraud propaganda. In September 2023, the Bank’s series of financial anti-fraud activities won the second prize in the 4th Shenzhen Science Popularization Achievement Exhibition Competition. In terms of dispute resolution, the Bank effectively promoted the diversified resolution to solve financial disputes, it provided financial consumers with multi-channel and multi-level solutions through a combination of online and offline modes, promoted the construction of litigation source governance, and resolved financial disputes in an agile and efficient manner. In terms of technology empowerment, the Bank applied big data, AI and other technologies to establish a digital consumer protection management and control system for the whole process of customer service and business management, effectively improving customer experience and the quality and effectiveness of consumer protection management.

1.5.7 General information of Ping An Wealth Management

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. Since the third quarter of 2023, with

the gradual recovery of the bank wealth management market, Ping An Wealth Management has promoted the steady growth of product scale by fostering its channels, enhancing the consignment cooperation with interbank banks, adhering to a steady investment strategy, further enriching product categories, and continuously strengthening the risk management system. At the end of September 2023, the balance of wealth management products of Ping An Wealth Management amounted to RMB967,954 million, up by 9.1% from the end of last year.

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 2023			January to September 2022		
	Average daily balance	Interest income/ expenses	Average yield/ cost rate	Average daily balance	Interest income/ expenses	Average yield/ cost rate
Assets						
Loans and advances to customers	3,385,556	140,400	5.54%	3,158,284	140,397	5.94%
Bond investment	875,323	19,505	2.98%	854,259	17,979	2.81%
Balances with the Central Bank	251,922	2,888	1.53%	247,433	2,735	1.48%
Interbank business	441,187	10,162	3.08%	442,088	9,380	2.84%
Total interest-earning assets	4,953,988	172,955	4.67%	4,702,064	170,491	4.85%
Liabilities						
Deposits from customers	3,429,068	56,411	2.20%	3,161,677	48,867	2.07%
Debt securities issued	662,050	12,627	2.55%	738,177	15,047	2.73%
Interbank business and others	734,233	12,562	2.29%	640,124	9,228	1.93%
Total interest-bearing liabilities	4,825,351	81,600	2.26%	4,539,978	73,142	2.15%
Net interest income		91,355			97,349	
Deposit-loan spread			3.34%			3.87%
Net interest spread			2.41%			2.70%
Net interest margin			2.47%			2.77%

Item	July to September 2023			April to June 2023		
	Average daily balance	Interest income/expenses	Average yield/cost rate	Average daily balance	Interest income/expenses	Average yield/cost rate
Assets						
Loans and advances to customers	3,397,600	45,638	5.33%	3,411,909	46,989	5.52%
Bond investment	863,420	6,488	2.98%	869,465	6,527	3.01%
Balances with the Central Bank	250,545	973	1.54%	249,183	954	1.54%
Interbank business	439,800	3,389	3.06%	433,014	3,305	3.06%
Total interest-earning assets	4,951,365	56,488	4.53%	4,963,571	57,775	4.67%
Liabilities						
Deposits from customers	3,459,421	19,219	2.20%	3,399,826	18,586	2.19%
Debt securities issued	660,340	4,271	2.57%	673,306	4,300	2.56%
Interbank business and others	713,593	4,277	2.38%	763,077	4,370	2.30%
Total interest-bearing liabilities	4,833,354	27,767	2.28%	4,836,209	27,256	2.26%
Net interest income		28,721			30,519	
Deposit-loan spread			3.13%			3.33%
Net interest spread			2.25%			2.41%
Net interest margin			2.30%			2.47%

From January to September 2023, the Group's NIM was 2.47%, decreased by 30 basis points as compared with the same period of last year. The Bank made continued profit concession to the real economy, constantly optimized asset-liability structure, appropriately increased credit supply for low-risk business and high-quality customer groups, and in the meanwhile, affected by the loan repricing effect and changes in market interest rates, the Bank's NIM was dropped.

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

(In RMB million)

Item	January to September 2023			January to September 2022		
	Average daily balance	Interest income	Average yield	Average daily balance	Interest income	Average yield
Corporate loans	1,143,867	34,584	4.04%	1,045,473	30,215	3.86%
Discounted bills	203,389	3,130	2.06%	197,513	3,125	2.12%
Personal loans	2,038,300	102,686	6.74%	1,915,298	107,057	7.47%
Loans and advances to customers	3,385,556	140,400	5.54%	3,158,284	140,397	5.94%

Item	July to September 2023			April to June 2023		
	Average daily balance	Interest income	Average yield	Average daily balance	Interest income	Average yield
Corporate loans	1,160,989	11,782	4.03%	1,157,370	11,481	3.98%
Discounted bills	190,627	902	1.88%	214,296	1,120	2.10%
Personal loans	2,045,984	32,954	6.39%	2,040,243	34,388	6.76%
Loans and advances to customers	3,397,600	45,638	5.33%	3,411,909	46,989	5.52%

From January to September 2023, the Bank's average yield of loans and advances to customers was 5.54%, representing a year-on-year decrease of 40 basis points. The average yield of corporate loans was 4.04%, representing a year-on-year increase of 18 basis points, mainly affected by rising interest rates in foreign currency markets, and the average yield of personal loans was 6.74%, representing a year-on-year decrease of 73 basis points, mainly due to the Bank's increased efforts in mortgage loans supply, strengthened policy support in key areas such as inclusive and consumption, the implementation of the policy guidance of financial institutions to serve the real economy, market changes and structure adjustment, which all led to decline in personal loan yield.

1.6.3 Average daily balance and cost rate of deposits from customers

(In RMB million)

Item	January to September 2023			January to September 2022		
	Average daily balance	Interest expenses	Average cost rate	Average daily balance	Interest expenses	Average cost rate
Corporate deposits	2,300,956	36,797	2.14%	2,325,084	34,253	1.97%
Including: Demand deposits	934,817	7,963	1.14%	874,808	5,465	0.84%
Term deposits	1,366,139	28,834	2.82%	1,450,276	28,788	2.65%
Including: Treasury deposits and agreement deposits	74,639	1,669	2.99%	116,178	2,947	3.39%
Personal deposits	1,128,112	19,614	2.32%	836,593	14,614	2.34%
Including: Demand deposits	257,105	413	0.21%	232,620	478	0.27%
Term deposits	871,007	19,201	2.95%	603,973	14,136	3.13%
Deposits from customers	3,429,068	56,411	2.20%	3,161,677	48,867	2.07%

Item	July to September 2023			April to June 2023		
	Average daily balance	Interest expenses	Average cost rate	Average daily balance	Interest expenses	Average cost rate

Corporate deposits	2,286,926	12,257	2.13%	2,271,012	12,021	2.12%
Including: Demand deposits	954,231	2,679	1.11%	939,175	2,610	1.11%
Term deposits	1,332,695	9,578	2.85%	1,331,837	9,411	2.83%
Including: Treasury deposits and agreement deposits	88,151	654	2.94%	75,470	560	2.98%
Personal deposits	1,172,495	6,962	2.36%	1,128,814	6,565	2.33%
Including: Demand deposits	248,929	126	0.20%	251,740	122	0.19%
Term deposits	923,566	6,836	2.94%	877,074	6,443	2.95%
Deposits from customers	3,459,421	19,219	2.20%	3,399,826	18,586	2.19%

From January to September 2023, the average cost rate of deposit-taking was 2.20%, representing a year-on-year increase of 13 basis points. Affected by the sharp rise of foreign currency market interest rates and other factors, the foreign currency deposit cost rate increased. Meanwhile, the Bank continuously strengthened the management and control on deposit cost and optimized deposit structure so that the cost rate of RMB deposits decreased by 10 basis points as compared with the same period of last year.

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 2023, the aggregate balance of credit risk-bearing businesses of the Group amounted to RMB296,840 million including actual and contingent credits and loans, proprietary bond investments, and proprietary non-standard investments relating to real estate, with a decrease of RMB26,795 million as compared with the end of last year; the aggregate balance of non-credit risk bearing businesses of the Group amounted to RMB79,494 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 RMB10,075 million as compared with the end of last year. Including:

(1) Credit risk-bearing business involving real estate mainly included the real estate loans to corporates, with the balance of RMB267,241 million, representing a decrease of RMB16,243 million as compared with the end of last year. Among them, the real estate development loans totaled RMB85,697 million, accounting for 2.5% of the Bank's total principals of loans and advances to customers, and down by 0.3 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 41.3%, and 94.9% 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 RMB181,544 million, mainly including mature property mortgages, with an average mortgage rate of 48.9%, and 95.4% 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 2023, the NPL ratio of the Bank's corporate real estate was 1.47%, up by 0.04 percentage point from the end of last year.

(2) Non-credit risk bearing business with real estate trusts, funds management and consignment for cooperative institutions, with a total of RMB34,532 million, representing a decrease of RMB8,301 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 RMB24,402 million, and 88.6% 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 fourth quarter of 2022, China has released policies to support real estate. The effect of policy tools has gradually emerged, the financing environment of real estate enterprises has been continuously improved, the policies supported rigid demand and improved housing consumption demand, helping to stabilize the bottom of the commercial housing market. Subsequently, the Group will continue to implement the regulatory requirements, maintain the smooth and orderly credit supply in the real estate sector, implement the policy guidance of "positive circulation and sound development in the real estate industry", actively implement the relevant requirements of "multi-body supply, multi-channel guarantee and rent-and-purchase housing system", and actively support the financing needs of government-subsidized housing and rental housing. The Group will also focus on supporting the development projects of rigidly needed and improved commercial housing. Meanwhile, the Group will continue to strengthen risk management and control of real estate loans and insist on the same weighting of loans and management to achieve holistic monitoring of customer management, project progress, assets status and capital flow.

1.8 Risk management of local government financing platforms

The Group strictly implements various national regulations and regulatory policies on local government debt management, supports local government debt financing by "opening the front door and blocking the back door", adheres to legal compliance operations, and actively prevents and resolves local government debt risks. At the end of September 2023, the balance of the Group's local government financing platform's generalized risk business was RMB179,085 million (including actual and contingent loans, bond investments, self-operated and wealth management fund investments, etc.), an increase of RMB23,761 million as compared with the end of the last year. Among them, the Group's balance of government financing platform loans (including those reclassified as general corporate loans and those still managed as government financing platform loans) was RMB74,105 million, an increase of RMB6,921 million or 10.3% as compared with the end of last year; and accounted for 2.2% of the total principal of loans and advances to customers, up by 0.2

percentage point as compared with the end of last year. Local government financing platforms had good loan quality and no non-performing loans.

1.9 Asset quality

From January to September 2023, macro-economy overall made a turnaround, and market demand gradually recovered, but the vitality of business entities still needs to be strengthened, the repayment capacity of small and medium-sized enterprises (SMEs) and individuals continued to be under pressure, and banks were still faced with the challenge of controlling the quality of their assets. The Bank responded to national strategy of serving the real economy and strongly supported development of private and micro, small and medium-sized enterprises. The overall asset quality is stable.

From January to September 2023, the Bank's provision for credit impairment losses on loans and advances to customers amounted to RMB42,004 million, representing a year-on-year decrease of 4.6%. At the end of September 2023, the NPL ratio of the Bank was 1.04%, down by 0.01 percentage point from the end of last year; the provision coverage ratio was 282.62%, decreased by 7.66 percentage points as compared with the end of last year; and the provision to loan ratio was 2.94%, decreased by 0.10 percentage point as compared with the end of last year. The risk compensation capability continuously kept at a good level.

The Bank continuously strengthened asset quality management and control and intensified the disposal of non-performing assets. From January to September 2023, the Bank's written-off loans amounted to RMB44,633 million, representing a year-on-year increase of 9.6%; the total of recovered non-performing assets was RMB26,864 million, which included recovered written-off principals of RMB14,957 million for non-performing assets (including recovered written-off amount of RMB13,662 million for non-performing loans); and 89.3% of recovered amount for non-performing assets was recovered in cash and the rest was recovered in repayment by collaterals.

The Bank actively implemented the *Measures for Risk Classification of Financial Assets of Commercial Banks* (《商業銀行金融資產風險分類辦法》) and continuously optimized and improved the risk classification management system of financial assets. Adhering to the principle of substance over form, the Bank strictly identified asset risk classification and truly reflected asset quality.

In the future, the Bank will closely follow changes in macro situation, continuously intensify management and control measures, keep a good risk compensation level, firmly protect the risk base line, and make sure the asset quality is controllable.

1.9.1 Five-tier classification of loans and advances to customers

(In RMB million)

Item	30 September 2023		31 December 2022		Change at the end of the period from the end of last year
	Balance	Percentage	Balance	Percentage	
Standard loans	3,329,870	97.19%	3,233,708	97.13%	3.0%
Special-mention loans	60,624	1.77%	60,592	1.82%	0.1%
Non-performing loans	35,598	1.04%	34,861	1.05%	2.1%
Including: Substandard	18,217	0.53%	18,900	0.57%	(3.6%)
Doubtful	11,199	0.33%	9,703	0.29%	15.4%
Loss	6,182	0.18%	6,258	0.19%	(1.2%)
Total principal of loans and advances to customers	3,426,092	100.00%	3,329,161	100.00%	2.9%
Impairment provision for loans and advances to customers	(100,606)		(101,196)		(0.6%)
Including: Impairment provision for loans and advances to customers measured at amortized cost	(97,983)		(97,919)		0.1%
Impairment provision for loans and advances to customers designated at fair value and changes included into other comprehensive income	(2,623)		(3,277)		(20.0%)
Non-performing loan ratio	1.04%		1.05%		-0.01 percentage point
Deviation ratio of loans overdue for more than 90 days (Note 1)	0.66		0.69		-0.03
Deviation ratio of loans overdue for more than 60 days (Note 2)	0.80		0.83		-0.03
Provision coverage ratio	282.62%		290.28%		-7.66 percentage points
Provision coverage ratio for loans overdue for more than 90 days	426.15%		419.22%		+6.93 percentage points
Provision coverage ratio for loans overdue for more than 60 days	353.50%		351.08%		+2.42 percentage points
Provision to loan ratio	2.94%		3.04%		-0.10 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.

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

(In RMB million)

Item	30 September 2023		31 December 2022		Increase/decrease in NPL ratio
	Balance	NPL ratio	Balance	NPL ratio	
Corporate loans	1,377,829	0.61%	1,281,771	0.61%	-
Including: General corporate loans	1,174,294	0.72%	1,084,224	0.72%	-
Discounted bills	203,535	-	197,547	-	-
Personal loans	2,048,263	1.33%	2,047,390	1.32%	+0.01 percentage point
Including: Personal residential mortgage loans and title deed-secured loans (Note 1)	859,642	0.41%	783,393	0.37%	+0.04 percentage point
Xinyidai (Note 2)	131,384	1.81%	174,461	1.28%	+0.53 percentage point
Auto finance loans	307,926	1.28%	321,034	1.26%	+0.02 percentage point
Credit card receivables	541,650	2.64%	578,691	2.68%	-0.04 percentage point
Others (Note 3)	207,661	1.44%	189,811	1.32%	+0.12 percentage point
Total principal of loans and advances to customers	3,426,092	1.04%	3,329,161	1.05%	-0.01 percentage point

Notes: (1) At the end of September 2023, “Personal residential mortgage loans and title deed-secured loans” included the balance of “property mortgage” of RMB295,505 million (RMB284,443 million at the end of 2022), and the NPL ratio of property mortgage was 0.30%.

(2) To practically implement the comprehensive business philosophy of “being customer-centric” in the whole life cycle, based on the market changes of customers’ financing needs, the Bank combines the former “Xinyidai” and the former “Bailingdai” into one product, which is collectively called “Xinyidai”, focusing on meeting customers’ credit consumption financing needs. Relevant indicators have been adjusted with the same standard in the comparison period.

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

● Corporate loans

At the end of September 2023, the NPL ratio of the Bank’s corporate loans was 0.61%, maintaining the same level over the end of last year. The Bank continued to optimize the “ecological” risk policy, and focused on the goal of the six major directions of “boosting China’s strength in manufacturing, product quality, aerospace, transportation, cyberspace, and digital development” to serve the real economy with high-quality. The Bank continued to strengthen transaction bank business, and integrated deeply with industry ecosystem policies to foster new momentum for asset growth. In the aspect of post-loan management, the Bank deepened “system empowerment, management empowerment and team empowerment”, strengthened the tiered and grouped management and control of key industries and key customer groups, and took multiple measures to promote

risk prevention and alleviation. The Bank strengthened portfolio warning and strategy classification, positioned risks, strengthened control, and promoted the early and orderly repatriation of higher-risk customers. The Bank also strengthened the collection and disposal of non-performing assets, and assisted in keeping the asset quality stable. For real estate and government-related business fields, the Bank continuously tracked and studied external situation, adjusted business orientation and access rules in a timely manner, and performed dynamic review and flexible adjustment of policies.

● **Personal loans**

At the end of September 2023, the NPL ratio of the Bank's personal loans was 1.33%, up by 0.01 percentage point from the end of last year. From January to September 2023, domestic economy was still gradually recovering and stabilizing, however, the recovery pace saw a structural difference, the repayment ability of specific individual customers was still in the process of recovering to normal level. The Bank has paid close attention to the external changes, continuously increased inspection frequency on pre-lending policies, strictly controlled customer access, improved risk prevention and response capabilities, and actively strengthened the disposal of non-performing loans while expanding collection and recovery channels. Moreover, the Bank has steadily promoted the optimization of the personal loan structure, continuously increased the proportion of secured loans, and 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.

1.9.3 Overdue loans

(In RMB million)

Item	30 September 2023		31 December 2022	
	Balance	% of total loans	Balance	% of total loans
Loans with principal and interest overdue for no more than 90 days	25,462	0.74%	27,903	0.83%
Loans with principal and interest overdue for more than 90 days	23,608	0.69%	24,139	0.73%

At the end of September 2023, the Bank's balance of loans overdue accounted for 1.43%, with a decrease of 0.13 percentage point as compared with 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 RMB28,460 million, accounting for 0.83% of total principal of loans and advances to customers, with a decrease of 0.04 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 risk was controllable.

1.10 Capital adequacy ratio, leverage ratio and liquidity coverage ratio

1.10.1 Capital adequacy ratio

(In RMB million)

Item	30 September 2023		31 December 2022	
	The Group	The Bank	The Group	The Bank
Net core tier 1 capital	376,671	366,258	343,409	333,914
Other tier 1 capital	69,944	69,944	69,944	69,944
Net tier 1 capital	446,615	436,202	413,353	403,858
Tier 2 capital	104,926	104,889	103,684	103,652
Net capital	551,541	541,091	517,037	507,510
Total risk-weighted assets	4,079,418	4,071,872	3,975,182	3,968,099
Credit risk-weighted assets	3,640,426	3,637,441	3,539,646	3,537,017
On-balance-sheet risk-weighted assets	3,061,459	3,058,474	3,025,807	3,023,178
Off-balance-sheet risk-weighted assets	567,960	567,960	506,034	506,034
Risk-weighted assets of counterparty credit risk exposure	11,007	11,007	7,805	7,805
Market risk-weighted assets	124,094	123,342	120,638	119,993
Operational risk-weighted assets	314,898	311,089	314,898	311,089
Core tier 1 capital adequacy ratio	9.23%	8.99%	8.64%	8.41%
Tier 1 capital adequacy ratio	10.95%	10.71%	10.40%	10.18%
Capital adequacy ratio	13.52%	13.29%	13.01%	12.79%

1.10.2 Leverage ratio

(In RMB million)

Item	30 September 2023	30 June 2023	31 March 2023	31 December 2022
Leverage ratio	6.44%	6.39%	6.36%	6.25%
Net tier 1 capital	446,615	431,643	426,356	413,353
Balance of on-and off-balance sheet assets after adjustment	6,930,626	6,754,261	6,705,904	6,610,527

Note: The above data represents the Group level performance. According to the *Additional Regulatory Requirements for Systemically Important Banks (Trial)* (《系統重要性銀行附加監管規定(試行)》) and the list of China's systemically important banks in 2022, the Group exercised the additional leverage ratio requirement of 0.125% from 1 January 2023, i.e., the minimum regulatory requirement of leverage ratio was 4.125%. At present, the Group's leverage ratio meets the additional leverage regulatory requirement. At the end of the reporting period, the Group's leverage ratio increased as compared with that of the end of June 2023. The main reason for the increase was that the growth rate of net tier 1 capital was higher than the growth rate of the adjusted balance of on-and off-balance sheet assets.

1.10.3 Liquidity coverage ratio

(In RMB million)

Item	30 September 2023	31 December 2022
Liquidity coverage ratio	101.25%	115.60%
Qualified liquidity assets with high quality	499,256	591,747
Net cash outflow	493,079	511,909

Note: The above data represents the Group level performance. 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》).

Section II Shareholders Information

2.1 Total 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		530,229	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	-	-	-
Ping An Life Insurance Company of China, Ltd. - proprietary fund	Domestic legal entity	1,186,100,488	6.11	-	-	-
Hong Kong Securities Clearing Company Limited	Overseas legal entity	1,017,742,156	5.24	-	-	-
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	66,083,468	0.34	-	-	-
Industrial and Commercial Bank of China Co., Ltd. - Huatai-Pinebridge CSI 300 Exchange Traded Index Securities Investment Fund	Domestic legal entity	63,457,638	0.33	-	-	-
China Electronics Investment Shenzhen Company	Domestic legal entity	62,523,366	0.32	-	-	-
Hexie Health Insurance Co., Ltd. - universal product	Domestic legal entity	58,894,176	0.30	-	-	-
National Social Security Fund 101 Portfolio	Domestic legal entity	58,477,602	0.30	-	-	-

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
Ping An Life Insurance Company of China, Ltd. - proprietary fund	1,186,100,488	RMB ordinary shares	1,186,100,488
Hong Kong Securities Clearing Company Limited	1,017,742,156	RMB ordinary shares	1,017,742,156
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	66,083,468	RMB ordinary shares	66,083,468
Industrial and Commercial Bank of China Co., Ltd. - Huatai-Pinebridge CSI 300 Exchange Traded Index Securities Investment Fund	63,457,638	RMB ordinary shares	63,457,638
China Electronics Investment Shenzhen Company	62,523,366	RMB ordinary shares	62,523,366
Hexie Health Insurance Co., Ltd. - universal product	58,894,176	RMB ordinary shares	58,894,176
National Social Security Fund 101 Portfolio	58,477,602	RMB ordinary shares	58,477,602
Explanation 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 majority-owned subsidiary and person 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 product” 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	None		

engage in securities margin trading business (if any)	
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Whether any of the top 10 ordinary shareholders or top 10 ordinary shareholders of unrestricted shares conducted agreed repurchase transactions 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	31			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	16,905,000	8.45	-	-	-
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	-	-	-
Jiangsu International Trust Corporation Limited - Jiangsu Trust - Hexiang Tianli No.1 Collective Capital Trust Plan	Domestic legal entity	7,325,000	3.66	-	-	-
Everbright Securities Asset Management - China Everbright Bank - Everbright Securities Asset Management Xinyou Collective Asset Management Plan	Domestic legal entity	6,105,000	3.05	-	-	-

Sun Life Everbright Asset Management - China Everbright Bank - Sun Life Everbright Asset Juyou No. 1 Equity Asset Management Product	Domestic legal entity	4,800,000	2.40	-	-	-
BOC International (China) Co., Ltd. - Bank of China - BOCIC China Red - Huizhong No. 32 Collective Asset Management Plan	Domestic legal entity	4,465,000	2.23	-	-	-
Explanation 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 & Casualty Insurance Company of China, Ltd. are majority-owned 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 – dividends for individual insurance”, “Ping An Life Insurance Company of China, Ltd. – universal – individual universal insurance” and “Ping An Property & 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 2023

	In RMB million	
Assets	30 September 2023	31 December 2022
Cash and balances with the Central Bank	350,143	285,277
Deposits with banks and other financial institutions	98,304	98,329
Precious metal	9,859	16,555
Call loans to banks and other financial institutions	157,333	133,921
Derivative financial assets	66,113	27,553
Financial assets held under resale agreements	52,980	41,561
Loans and advances to customers	3,338,925	3,242,258
Financial investments:		
Financial assets held for trading	444,113	446,133
Investment on debts	745,661	731,850
Other investment on debts	141,839	172,233
Other equity instrument investments	6,528	6,380
Investment properties	451	477
Fixed assets	9,967	11,083
Right-of-use assets	5,911	6,530
Intangible assets	6,511	6,879
Goodwill	7,568	7,568
Deferred income tax assets	43,886	44,079
Other assets	30,296	42,848
Total assets	5,516,388	5,321,514
Liabilities and shareholders' equity		
Liabilities		
Borrowings from the Central Bank	254,584	191,916
Deposits from banks and other financial institutions	420,698	407,278
Placements from banks and other financial institutions	34,809	57,393
Financial liabilities held for trading	64,004	64,943
Derivative financial liabilities	68,123	36,525
Financial assets sold under repurchase agreements	13,349	13,303
Deposits from customers	3,503,425	3,352,266
Employee benefits payable	16,714	18,571
Taxes payable	8,002	14,674
Debt securities issued	623,235	692,075
Lease liabilities	6,325	6,922
Provisions	16,847	9,730
Other liabilities	20,413	21,238
Total liabilities	5,050,528	4,886,834
Shareholders' equity		
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	80,759	80,816
Other comprehensive income	1,822	2,660
Surplus reserve	10,781	10,781
General reserve	64,902	64,768
Undistributed profit	218,246	186,305
Total shareholders' equity	465,860	434,680
Total Liabilities and shareholders' equity	5,516,388	5,321,514

Legal representative _____	President _____	Vice president and CFO _____	Head of accounting department _____
Xie Yonglin	Hu Yuefei (performing the President's duty)	Xiang Youzhi	Zhu Peiqing

PING AN BANK CO., LTD.
BALANCE SHEET
30 September 2023

	In RMB million	
Assets	30 September 2023	31 December 2022
Cash and balances with the Central Bank	350,143	285,277
Deposits with banks and other financial institutions	98,030	97,619
Precious metal	9,859	16,555
Call loans to banks and other financial institutions	157,333	133,921
Derivative financial assets	66,113	27,553
Financial assets held under resale agreements	52,830	41,561
Loans and advances to customers	3,338,925	3,242,258
Financial investments:		
Financial assets held for trading	439,207	442,792
Investment on debts	745,366	731,753
Other investment on debts	138,271	169,368
Other equity instrument investments	6,528	6,380
Long-term equity investments	5,000	5,000
Investment properties	451	477
Fixed assets	9,942	11,054
Right-of-use assets	5,911	6,526
Intangible assets	6,511	6,879
Goodwill	7,568	7,568
Deferred income tax assets	43,827	44,015
Other assets	30,101	42,582
Total assets	5,511,916	5,319,138
Liabilities and shareholders' equity		
Liabilities		
Borrowings from the Central Bank	254,584	191,916
Deposits from banks and other financial institutions	421,014	407,605
Placements from banks and other financial institutions	34,809	57,393
Financial liabilities held for trading	64,004	64,943
Derivative financial liabilities	68,123	36,525
Financial assets sold under repurchase agreements	13,349	13,303
Deposits from customers	3,503,425	3,352,270
Employee benefits payable	16,494	18,271
Taxes payable	7,974	14,107
Debt securities issued	623,235	692,075
Lease liabilities	6,325	6,922
Provisions	16,847	9,730
Other liabilities	20,356	23,057
Total liabilities	5,050,539	4,888,117
Shareholders' equity		
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	80,762	80,816
Other comprehensive income	1,823	2,664
Surplus reserve	10,781	10,781
General reserve	62,384	62,384
Undistributed profit	216,277	185,026
Total shareholders' equity	461,377	431,021
Total Liabilities and shareholders' equity	5,511,916	5,319,138

Legal representative _____	President _____	Vice president and CFO _____	Head of accounting department _____
Xie Yonglin	Hu Yuefei (performing the President's duty)	Xiang Youzhi	Zhu Peiqing

PING AN BANK CO., LTD.
CONSOLIDATED INCOME STATEMENT
January to September 2023

Item	In RMB million			
	July to September 2023	July to September 2022	January to September 2023	January to September 2022
I. Operating income	39,024	46,243	127,634	138,265
Net interest income	28,721	33,290	91,355	97,349
Interest income	56,488	57,702	172,955	170,491
Interest expenses	(27,767)	(24,412)	(81,600)	(73,142)
Net fee and commission income	6,576	6,334	22,950	22,396
Fee and commission income	7,866	8,450	27,148	28,052
Fee and commission expenses	(1,290)	(2,116)	(4,198)	(5,656)
Investment income	3,979	3,049	11,266	10,818
Including: Gains from derecognition of financial assets measured at amortized cost	-	67	1	162
Gains or losses on changes in fair value	(450)	1,567	565	3,215
Exchange gains or losses	82	1,939	782	4,121
Other operating income	103	37	442	106
Gains or losses on disposal of assets	(4)	18	63	120
Other income	17	9	211	140
II. Operating expenses	(10,861)	(12,594)	(35,173)	(37,810)
Taxes and surcharges	(411)	(424)	(1,285)	(1,291)
Business and administrative expenses	(10,450)	(12,170)	(33,888)	(36,519)
III. Operating profit before impairment losses	28,163	33,649	92,461	100,455
Impairment losses on credit	(11,004)	(15,301)	(43,326)	(54,195)
Impairment losses on other assets	(49)	(14)	(88)	35
IV. Operating profit	17,110	18,334	49,047	46,295
Add: Non-operating income	9	21	31	50
Less: Non-operating expenses	(59)	(26)	(85)	(233)
V. Profit before tax	17,060	18,329	48,993	46,112
Less: Income tax expenses	(2,812)	(3,758)	(9,358)	(9,453)
VI. Net profit	14,248	14,571	39,635	36,659
Net profit from continued operations	14,248	14,571	39,635	36,659
Net profit from discontinued operations	-	-	-	-
VII. Net value of other comprehensive income after tax	(463)	(1,285)	(838)	(269)
(I) Other comprehensive income that will not be reclassified to profit or loss	(13)	103	(186)	(54)
Changes in fair value of other equity instrument investment	(13)	103	(186)	(54)
(II) Other comprehensive income that may be reclassified to profit or loss	(450)	(1,388)	(652)	(215)
1. Changes in fair value of financial assets designated at fair value and changes included into other comprehensive income	(163)	(27)	217	(933)
2. Provision for credit losses on financial assets designated at fair value and changes included into other comprehensive income	(283)	(1,352)	(863)	735
3. Exchange differences on translation of foreign currency financial statements	(4)	(9)	(6)	(17)
VIII. Total comprehensive income	13,785	13,286	38,797	36,390
IX. Earnings per share				
(I) Basic earnings per share (EPS) (RMB/share)	0.73	0.75	1.94	1.78
(II) Diluted earnings per share (EPS) (RMB/share)	0.73	0.75	1.94	1.78

Legal representative	_____ Xie Yonglin	President	_____ Hu Yuefei (performing the President's duty)	Vice president and CFO	_____ Xiang Youzhi	Head of accounting department	_____ Zhu Peiqing
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PING AN BANK CO., LTD.
INCOME STATEMENT
January to September 2023

In RMB million

Item	July to September 2023	July to September 2022	January to September 2023	January to September 2022
I. Operating income	38,718	45,919	126,186	137,226
Net interest income	28,695	33,268	91,278	97,274
Interest income	56,462	57,683	172,878	170,431
Interest expenses	(27,767)	(24,415)	(81,600)	(73,157)
Net fee and commission income	6,292	6,047	21,640	21,478
Fee and commission income	7,568	8,200	26,361	27,460
Fee and commission expenses	(1,276)	(2,153)	(4,721)	(5,982)
Investment income	3,956	2,983	11,270	10,708
Including: Gains from derecognition of financial assets measured at amortized cost	-	67	1	162
Gains or losses on changes in fair value	(422)	1,618	510	3,280
Exchange gains or losses	82	1,939	782	4,121
Other operating income	103	37	442	106
Gains or losses on disposal of assets	(4)	18	63	120
Other income	16	9	201	139
II. Operating expenses	(10,726)	(12,467)	(34,745)	(37,454)
Taxes and surcharges	(410)	(423)	(1,278)	(1,286)
Business and administrative expenses	(10,316)	(12,044)	(33,467)	(36,168)
III. Operating profit before impairment losses	27,992	33,452	91,441	99,772
Impairment losses on credit	(11,004)	(15,304)	(43,322)	(54,197)
Impairment losses on other assets	(49)	(14)	(88)	35
IV. Operating profit	16,939	18,134	48,031	45,610
Add: Non-operating income	9	21	31	50
Less: Non-operating expenses	(59)	(26)	(85)	(233)
V. Profit before tax	16,889	18,129	47,977	45,427
Less: Income tax expenses	(2,794)	(3,726)	(9,166)	(9,328)
VI. Net profit	14,095	14,403	38,811	36,099
Net profit from continued operations	14,095	14,403	38,811	36,099
Net profit from discontinued operations	-	-	-	-
VII. Net value of other comprehensive income after tax	(457)	(1,284)	(841)	(271)
(I) Other comprehensive income that will not be reclassified to profit or loss	(13)	103	(186)	(54)
Changes in fair value of other equity instrument investment	(13)	103	(186)	(54)
(II) Other comprehensive income that may be reclassified to profit or loss	(444)	(1,387)	(655)	(217)
1. Changes in fair value of financial assets designated at fair value and changes included into other comprehensive income	(157)	(28)	214	(935)
2. Provision for credit losses on financial assets designated at fair value and changes included into other comprehensive income	(283)	(1,350)	(863)	735
3. Exchange differences on translation of foreign currency financial statements	(4)	(9)	(6)	(17)
VIII. Total comprehensive income	13,638	13,119	37,970	35,828

Legal representative	President	Vice president and CFO	Head of accounting department
Xie Yonglin	Hu Yuefei (performing the President's duty)	Xiang Youzhi	Zhu Peiqing

PING AN BANK CO., LTD.
CONSOLIDATED CASH FLOW STATEMENT
January to September 2023

Item	In RMB million	
	January to September 2023	January to September 2022
I. Cash flows from operating activities		
Net increase in borrowings from the Central bank	62,227	14,583
Net increase in customer deposits and deposits from banks and other financial institutions	142,173	209,817
Net increase in placements from banks and other financial institutions	-	6,626
Net increase in financial assets sold under repurchase agreements	-	27,475
Net decrease in financial assets held under resale agreements	2,418	305
Cash received from interest and fee and commission income	192,773	185,518
Net decrease in financial assets held for trading	14,218	18,141
Cash received relating to other operating activities	25,781	86,011
Sub-total of cash inflows from operating activities	439,590	548,476
Net increase in amounts due from the Central Bank and deposits with banks and other financial institutions	(383)	(15,230)
Net increase in loans and advances to customers	(156,072)	(284,593)
Net increase in call loans to banks and other financial institutions	(23,016)	(45,861)
Net decrease in placements from banks and other financial institutions	(22,216)	-
Net decrease in financial assets sold under repurchase agreements	(91)	-
Cash payments for interest and fee and commission expenses	(58,498)	(51,836)
Cash paid to and on behalf of employees	(18,115)	(17,377)
Payments of taxes and surcharges	(26,113)	(21,230)
Cash paid relating to other operating activities	(19,156)	(19,831)
Sub-total of cash outflows from operating activities	(323,660)	(455,958)
Net cash flows from operating activities	115,930	92,518
II. Cash flows from investing activities:		
Cash received from investments upon disposal/maturity	313,439	385,544
Cash received from returns on investments	27,943	28,719
Cash received from disposal of fixed assets and other long-term assets	146	224
Sub-total of cash inflows from investment activities	341,528	414,487
Cash payments for investments	(289,326)	(398,438)
Cash paid to acquire property and equipment, intangible assets and other long-term assets	(2,173)	(2,435)
Sub-total of cash outflows from investment activities	(291,499)	(400,873)
Net cash flows from investing activities	50,029	13,614
III. Cash flows from financing activities:		
Cash received from debt securities and other equity instruments issued	648,989	518,755
Sub-total of cash inflows from financing activities	648,989	518,755
Cash payments for principal of debt securities	(727,434)	(652,211)
Cash payments for interest on debt securities	(3,021)	(3,387)
Cash payments for dividend and profit distribution	(7,560)	(6,454)
Cash payments for lease liabilities	(1,997)	(2,086)
Sub-total of cash outflows from financing activities	(740,012)	(664,138)
Net cash flows used in financing activities	(91,023)	(145,383)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	3,453	5,746
V. Net increase/(decrease) in cash and cash equivalents	78,389	(33,505)
Add: Cash and cash equivalents at the beginning of the year	222,326	225,222
VI. Cash and cash equivalents at the end of the period	300,715	191,717

Legal representative _____	President _____	Vice president and CFO _____	Head of accounting department _____
Xie Yonglin	Hu Yuefei (performing the President's duty)	Xiang Youzhi	Zhu Peiqing

PING AN BANK CO., LTD.
CASH FLOW STATEMENT
January to September 2023

In RMB million

Item	January to September 2023	January to September 2022
I. Cash flows from operating activities		
Net increase in borrowings from the Central bank	62,227	14,583
Net increase in customer deposits and deposits from banks and other financial institutions	142,158	209,056
Net increase in placements from banks and other financial institutions	-	6,626
Net increase in financial assets sold under repurchase agreements	-	27,475
Net decrease in financial assets held under resale agreements	2,418	305
Cash received from interest and fee and commission income	191,845	184,993
Net decrease in financial assets held for trading	15,857	17,532
Cash received relating to other operating activities	25,772	86,014
Sub-total of cash inflows from operating activities	440,277	546,584
Net increase in amounts due from the Central Bank and deposits with banks and other financial institutions	(383)	(15,230)
Net increase in loans and advances to customers	(156,072)	(284,593)
Net increase in call loans to banks and other financial institutions	(23,016)	(45,861)
Net decrease in placements from banks and other financial institutions	(22,216)	-
Net decrease in financial assets sold under repurchase agreements	(91)	-
Cash payments for interest and fee and commission expenses	(60,964)	(53,108)
Cash paid to and on behalf of employees	(17,798)	(17,122)
Payments of taxes and surcharges	(25,312)	(20,842)
Cash paid relating to other operating activities	(18,928)	(19,653)
Sub-total of cash outflows from operating activities	(324,780)	(456,409)
Net cash flows from operating activities	115,497	90,175
II. Cash flows from investing activities:		
Cash received from investments upon disposal/maturity	313,439	384,544
Cash received from returns on investments	27,775	28,553
Cash received from disposal of fixed assets and other long-term assets	146	224
Sub-total of cash inflows from investment activities	341,360	413,321
Cash payments for investments	(288,443)	(396,813)
Cash paid to acquire property and equipment, intangible assets and other long-term assets	(2,169)	(2,419)
Sub-total of cash outflows from investment activities	(290,612)	(399,232)
Net cash flows from investing activities	50,748	14,089
III. Cash flows from financing activities:		
Cash received from debt securities and other equity instruments issued	648,989	518,755
Sub-total of cash inflows from financing activities	648,989	518,755
Cash payments for principal of debt securities	(727,434)	(652,211)
Cash payments for interest on debt securities	(3,021)	(3,387)
Cash payments for dividend and profit distribution	(7,560)	(6,454)
Cash payments for lease liabilities	(1,997)	(2,060)
Sub-total of cash outflows from financing activities	(740,012)	(664,112)
Net cash flows used in financing activities	(91,023)	(145,357)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	3,453	5,746
V. Net increase/(decrease) in cash and cash equivalents	78,675	(35,347)
Add: Cash and cash equivalents at the beginning of the year	221,616	224,895
VI. Cash and cash equivalents at the end of the period	300,291	189,548

Legal representative	President	Vice president and CFO	Head of accounting department
Xie Yonglin	Hu Yuefei (performing the President's duty)	Xiang Youzhi	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 2023