

## Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

**10,000,000 European Style Cash Settled Long Certificates**  
**relating to the ordinary H shares of Ping An Insurance (Group) Company of China, Ltd.**  
**with a Daily Leverage of 5x**

**issued by**  
**SG Issuer**  
**(Incorporated in Luxembourg with limited liability)**  
**unconditionally and irrevocably guaranteed by**  
**Société Générale**

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**Issue Price: S\$0.80 per Certificate**

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This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by SG Issuer (the “**Issuer**”) unconditionally and irrevocably guaranteed by Société Générale (the “**Guarantor**”), and is supplemental to and should be read in conjunction with a base listing document dated 18 June 2021 including such further base listing documents as may be issued from time to time (the “**Base Listing Document**”) for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see “Placing and Sale” contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and

holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products<sup>1</sup> and Specified Investment Products (SIPs)<sup>2</sup>, and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 18 June 2021 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 7 July 2021.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

6 July 2021

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<sup>1</sup> As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

<sup>2</sup> As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed “Placing and Sale” contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market

prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the “**Conditions**” shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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## RISK FACTORS

The following are risk factors relating to the Certificates:

- (a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (b) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;
- (c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has fallen sharply;
- (d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;
- (e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;
- (f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;
- (g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 30 to 34 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section of this document for more information;

- (i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;
- (j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);
- (k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy (as described below) including the Funding Cost (as defined below) and Rebalancing Cost (as defined below);
- (l) investors should note that there may be an exchange rate risk relating to the Certificates where the Cash Settlement Amount is converted from a foreign currency into Singapore dollars.

Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Certificates. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies;

- (m) investors should note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;
- (n) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;
- (o) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);
- (p) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;
- (q) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight fall in the Underlying Stock, where

there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens the following day or (ii) a sharp intraday fall in the price of the Underlying Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 50 to 51 of this document for more information;

- (r) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to the Condition 13 on pages 36 to 38 of this document for more information;
- (s) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;
- (t) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;
- (u) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect



issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

- (v) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;
- (w) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;
- (x) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may decline. The following is a list of some of the significant risks associated with the Underlying Stock:
  - Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and
  - The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;
- (y) the value of the Certificates depends on the Leverage Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Strategy last closing level and a calculation tool available to the investors on a website;
- (z) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;
- (aa) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited (“**CDP**”):
  - (i) investors should note that no definitive certificate will be issued in relation to the Certificates;
  - (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant

certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;

- (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and
- (iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;

- (bb) the reform of HIBOR may adversely affect the value of the Certificates

The Hong Kong Inter-bank Offered Rate (“**HIBOR**”) benchmark is referenced in the Leverage Strategy.

It is not possible to predict with certainty whether, and to what extent, HIBOR will continue to be supported going forwards. This may cause HIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Certificates.

In addition, the occurrence of a modification or cessation of HIBOR may cause adjustment of the Certificates which may include selecting one or more successor benchmarks and making related adjustments to the Certificates, including if applicable to reflect increased costs.

The Calculation Agent may make adjustments as it may determine appropriate if any of the following circumstances occurs or may occur: (1) HIBOR is materially changed or cancelled or (2)(i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any of the international or national reforms in making any investment decision with respect to any Certificate;

- (cc) the US Foreign Account Tax Compliance Act (“**FATCA**”) withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer or an investor’s broker or custodian may be subject to FATCA and, as a result, may be required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide the Issuer or the relevant broker or custodian with such certification, the Issuer and the Guarantor or other withholding agent could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer or the relevant broker or custodian could be required to close an account of an investor who does not comply with the FATCA certification

procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

(dd) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under “TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986.” Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder’s particular circumstances. Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates; and

(ee) risk factors relating to the BRRD

*French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution.*

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**BRRD**”) entered into force on 2 July 2014. The BRRD has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the “**BRR Act 2015**”). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (“**SRM**”) and a Single Resolution Fund (the “**SRM Regulation**”) has established a centralised power of resolution entrusted to a Single Resolution Board (the “**SRB**”) in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank (“**ECB**”) has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism (“**SSM**”). In addition, the SRM has been put in place to ensure that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States’ resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been designated as a significant supervised entity for the purposes of

Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the “**SSM Regulation**”) and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the “**Resolution Authority**”) with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution’s critical financial and economic functions while minimising the impact of an institution’s failure on the economy and financial system (including taxpayers’ exposure to losses).

Under the SRM Regulation, a centralised power of resolution is established and entrusted to the SRB acting in cooperation with the national resolution authorities. In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions’ resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the “**Bail-in Power**”). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and

conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure, including implementing the Bail-in Power, or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

The application of any measure under the BRRD and the SRM Regulation or any suggestion of such application with respect to the Issuer, the Guarantor or the Group could materially adversely affect the rights of Certificate Holders, the price or value of an investment in the Certificates and/or the ability of the Issuer or the Guarantor to satisfy its obligations under any Certificates, and as a result investors may lose their entire investment.

Moreover, if the Issuer's or the Guarantor's financial condition deteriorates, the existence of the Bail-in Power, the exercise of write-down/conversion powers or any other resolution tools by the Resolution Authority independently of a resolution measure or in combination with a resolution measure when it determines that the Issuer, the Guarantor or the Group will no longer be viable could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such powers.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The current regime will evolve as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called "EU Banking Package", the following legislative texts have been published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the “**BRRD II**”); and
- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity (“**TLAC**”) of credit institutions and investment firms (the “**SRM II Regulation**” and, together with the BRRD II, the “**EU Banking Package Reforms**”).

The EU Banking Package Reforms will introduce, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet (“**FSB TLAC Term Sheet**”), by adapting, among others, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions’ ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC will be implemented in accordance with the FSB TLAC Term Sheet, which impose a level of “Minimum TLAC” that will be determined individually for each global systemically important bank (“**G-SIB**”), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets through January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator through January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

According to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the “**CRR**”), as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the “**CRR II**”), EU G-SIBs, such as Societe Generale, will have to comply with TLAC requirements, on top of the MREL requirements, as from the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale will have to comply at the same time with TLAC and MREL requirements.

Consequently, criteria for MREL-eligible liabilities will be closely aligned with those laid down in the CRR, as amended by the CRR II for the TLAC-eligible liabilities, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet the MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance while only an additional return is linked to that derivative component and depends on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL will be set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance any may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The scope of liabilities used to meet the MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless

they do not meet specific eligibility criteria set out in the BRRD, as amended by the BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that the MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail-in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks).

If the SRB finds that there could exist any obstacles to resolvability by the Issuer or the Guarantor and/or the Group, a higher MREL requirement could be imposed. Any failure by the Issuer or the Guarantor, as applicable, and/or the Group to comply with its MREL may have a material adverse effect on the Issuer's business, financial conditions and results of operations.

## TERMS AND CONDITIONS OF THE CERTIFICATES

*The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.*

The Conditions are set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	10,000,000 European Style Cash Settled Long Certificates relating to the ordinary H shares of Ping An Insurance (Group) Company of China, Ltd. (the “ <b>Underlying Stock</b> ”)
ISIN:	LU2184323876
Company:	Ping An Insurance (Group) Company of China, Ltd. (RIC: 2318.HK)
Underlying Price <sup>3</sup> and Source:	HK\$74.75 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 0.80
Management Fee (p.a.) <sup>4</sup> :	0.40%
Gap Premium (p.a.) <sup>5</sup> :	4.60%, is a hedging cost against extreme market movements overnight.
Funding Cost <sup>6</sup> :	The annualised costs of funding, referencing a publicly published interbank offered rate plus spread.
Rebalancing Cost <sup>6</sup> :	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Stock.
Launch Date:	29 June 2021
Closing Date:	6 July 2021
Expected Listing Date:	7 July 2021

<sup>3</sup> These figures are calculated as at, and based on information available to the Issuer on or about 6 July 2021. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 6 July 2021.

<sup>4</sup> Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to “Fees and Charges” below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

<sup>5</sup> Please note that the Gap Premium is calculated on a 360-day basis.

<sup>6</sup> These costs are embedded within the Leverage Strategy.



Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 27 June 2023
Expiry Date:	5 July 2023 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	4 July 2023 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:  Closing Level multiplied by the Notional Amount per Certificate  Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 41 to 56 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of $(1 - \text{Management Fee } x (\text{ACT } (t-1;t) \div 360)) \times (1 - \text{Gap Premium } (t-1) \times (\text{ACT } (t-1;t) \div 360))$ , where:  “t” refers to “ <b>Observation Date</b> ” which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately

preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Underlying Stock Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Underlying Stock Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Underlying Stock Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Strategy and the value of the Certificate on that fifth Underlying Stock Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

An “**Underlying Stock Business Day**” is a day on which The Stock Exchange of Hong Kong Limited (the “**HKEX**”) is open for dealings in Hong Kong during its normal trading hours and banks are open for business in Hong Kong.

Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 41 to 56 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left( \frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Strategy is set out in the “Specific Definitions relating to the Leverage Strategy” section on pages 20 to 24 below.

Initial Exchange Rate<sup>3</sup>: 0.173

Final Exchange Rate: The rate for the conversion of HKD to SGD as at 5:00pm (Singapore

Time) on the Valuation Date as shown on Reuters, provided that if the Reuters service ceases to display such information, as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate at such a time.

**Air Bag Mechanism:**

The “**Air Bag Mechanism**” refers to the mechanism built in the Leverage Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents approximately 75% loss after a 5 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered.

The Leverage Strategy is floored at 0 and the Certificates cannot be valued below zero.

Please refer to the “Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)” section on pages 22 to 24 below and the “Description of Air Bag Mechanism” section on pages 47 to 49 of this document for further information of the Air Bag Mechanism.

**Adjustments and Extraordinary Events:**

The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

**Underlying Stock Currency:**

Hong Kong Dollar (“**HKD**”)

**Settlement Currency:**

Singapore Dollar (“**SGD**”)

**Exercise Expenses:**

Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.

**Relevant Stock Exchange for the Certificates:**

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”)

**Relevant Stock Exchange for the Underlying Stock:**

HKEX

**Business Day and Exchange**

A “**Business Day**” is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are

Business Day:	open for business in Singapore.  An “ <b>Exchange Business Day</b> ” is a day on which the SGX-ST and the HKEX are open for dealings in Singapore and Hong Kong respectively during its normal trading hours and banks are open for business in Singapore and Hong Kong.
Warrant Agent:	The Central Depository (Pte) Limited (“ <b>CDP</b> ”)
Clearing System:	CDP
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.  Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy including the Funding Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.
Further Information:	Please refer to the website at <a href="http://dlc.socgen.com">dlc.socgen.com</a> for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

## **Specific Definitions relating to the Leverage Strategy**

### **Description of the Leverage Strategy**

The Leverage Strategy is designed to track a 5 times daily leveraged exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Strategy to the Underlying Stock is reset within the Leverage Strategy in order to retain a daily leverage of 5 times the performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

**Leverage Strategy Formula**

**LSL<sub>t</sub>** means, for any Observation Date(t), the Leverage Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the Leverage Strategy Closing Level as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$$LSL_1 = 1000$$

On each subsequent Observation Date(t):

$$LSL_t = \text{Max}[LSL_{t-1} \times (1 + LR_{t-1,t} - FC_{t-1,t} - RC_{t-1,t}), 0]$$

**LR<sub>t-1,t</sub>** means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right)$$

**FC<sub>t-1,t</sub>** means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$FC_{t-1,t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{t-1} \times \text{ACT}(t - 1, t)}{\text{DayCountBasisRate}}$$

**RC<sub>t-1,t</sub>** means the Rebalancing Cost of the Leverage Strategy on Observation Date (t), calculated as follows :

$$RC_{t-1,t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left( \left| \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right| \right) \times \text{TC}$$

**TC** means the Transaction Costs applicable (including Stamp Duty) that are equal to :

0.10%

**Leverage** 5

**S<sub>t</sub>** means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.

**Rate<sub>t</sub>** means, in respect of each Observation Date(t), a rate calculated as of such day in accordance with the following formula:

$$\text{Rate}_t = \text{CashRate}_t + \% \text{SpreadLevel}_t$$

**Rfactor<sub>t</sub>** means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula :

$$Rfactor_t = 1 - \frac{Div_t}{S_{t-1}}$$

where

$Div_t$  is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered net of any applicable withholding taxes.

**CashRate<sub>t</sub>** means, in respect of each Observation Date(t), the Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HHHKDON= or any successor page, being the rate as of day (t), provided that if any of such rate is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of modification, the permanent or indefinite cancellation or cessation in the provision of HIBOR, or a regulator or other official sector entity prohibits the use of HIBOR, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

**%SpreadLevel<sub>t</sub>** means, in respect of each Observation Date(t), a rate which shall be determined with respect to such Valuation Date(t) by the Calculation Agent as the difference between (1) the 12-month HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HHHKD1YD= and (2) Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HHHKDON= or any successor page, each being the rate as of day (t), provided that if any of such rates is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of modification, the permanent or indefinite cancellation or cessation in the provision of HIBOR, or a regulator or other official sector entity prohibits the use of HIBOR, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

Provided that if such difference is negative, **%SpreadLevel<sub>t</sub>** should be 0%.

**ACT(t-1,t)** ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).

**DayCountBasisRate** 365

**Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")**

**Extraordinary Strategy** If the Calculation Agent determines that an Intraday Restrike Event has

**Adjustment for Performance Reasons**

occurred during an Observation Date(t) (the **Intraday Restrike Date**, noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Strategy Closing Level on the Intraday Restrike Date ( $LSL_{IRD}$ ) should be computed as follows :

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)} \times (1 + ILR_{IR(n),IR(C)} - IRC_{IR(n),IR(C)}), 0]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)}, 0]$$

**$ILSL_{IR(k)}$**

means, in respect of  $IR(k)$ , the Intraday Leverage Strategy Level in accordance with the following provisions :

(1) for  $k = 1$  :

$$ILSL_{IR(1)} = \text{Max}[LSL_{IRD-1} \times (1 + ILR_{IR(0),IR(1)} - FC_{IRD-1,IRD} - IRC_{IR(0),IR(1)}), 0]$$

(2) for  $k > 1$  :

$$ILSL_{IR(k)} = \text{Max}[ILSL_{IR(k-1)} \times (1 + ILR_{IR(k-1),IR(k)} - IRC_{IR(k-1),IR(k)}), 0]$$

**$ILR_{IR(k-1),IR(k)}$**

means the Intraday Leveraged Return between  $IR(k-1)$  and  $IR(k)$ , calculated as follows :

$$ILR_{IR(k-1),IR(k)} = \text{Leverage} \times \left( \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right)$$

**$IRC_{IR(k-1),IR(k)}$**

means the Intraday Rebalancing Cost of the Leverage Strategy in respect of  $IR(k)$  on a given Intraday Restrike Date, calculated as follows :

$$IRC_{IR(k-1),IR(k)} = \text{Leverage} \times (\text{Leverage} - 1) \times \left( \left| \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right| \right) \times TC$$

**$IS_{IR(k)}$**

means the Underlying Stock Price in respect of  $IR(k)$  computed as follows :

(1) for  $k=0$

$$IS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$$

(2) for  $k=1$  to  $n$

means in respect of  $IR(k)$ , the lowest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to  $IR(C)$

$$IS_{IR(C)} = S_{IRD}$$

In each case, subject to the adjustments and provisions of the Conditions.

**$IR(k)$**

For  $k=0$ , means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date

immediately preceding the relevant Intraday Restrike Date;

For  $k=1$  to  $n$ , means the  $k^{\text{th}}$  Intraday Restrike Event on the relevant Intraday Restrike Date.

<b>IR(C)</b>	means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.
<b>n</b>	means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.
<b>Intraday Restrike Event</b>	means in respect of an Observation Date(t):  (1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $IS_{IR(0)}$ as of such Calculation Time.  (2) if $k$ Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $IS_{IR(k)}$ as of such Calculation Time.
<b>Calculation Time</b>	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Strategy Level.
<b>TimeReferenceOpening</b>	means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
<b>TimeReferenceClosing</b>	means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
<b>Intraday Restrike Event Observation Period</b>	means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.  Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.
<b>Intraday Restrike Event Time</b>	means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.



The Conditions set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

## TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

### 1. Form, Status and Guarantee, Transfer and Title

- (a) *Form.* The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-
- (i) a master instrument by way of deed poll (the “**Master Instrument**”) dated 18 June 2021, made by SG Issuer (the “**Issuer**”) and Société Générale (the “**Guarantor**”); and
  - (ii) a warrant agent agreement (the “**Master Warrant Agent Agreement**” or “**Warrant Agent Agreement**”) dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the “**Certificate Holders**”) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (b) *Status and Guarantee.* The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a “**Guarantee Obligation**”).

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the “**Code**”).

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

- (i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force

of the law no. 2016-1691 (the “**Law**”) on 11 December 2016;

- (ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;
- (iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and
- (iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

- (c) **Transfer.** The Certificates are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) **Title.** Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression “**Certificate Holder**” shall be construed accordingly.
- (e) **Bail-In.** By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:
  - (i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer’s liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:
    - (A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;
    - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or the Guarantor or another person;

- (C) the cancellation of the Certificates; and/or
- (D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the regulator,

(the “**Statutory Bail-In**”);

(ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the “**M&F Code**”):

- (A) ranking:
  - (1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1 and 2 of the M&F Code;
  - (2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the M&F Code; and
  - (3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the M&F Code; and
- (B) which are not *titres non structurés* as defined under Article R.613-28 of the M&F Code, and
- (C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer’s obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself, and as if any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the “**Contractual Bail-in**”).

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the

Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

**"Amounts Due"** means any amounts due by the Issuer under the Certificates.

**"Bail-In Power"** means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

**"MREL"** means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

**"Relevant Resolution Authority"** means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

## 2. Certificate Rights and Exercise Expenses

- (a) *Certificate Rights.* Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The “**Closing Level**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left( \frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

- (i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

“**Market Disruption Event**” means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

- (b) *Exercise Expenses.* Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the “**Exercise Expenses**”). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the

Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

- (c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

### 3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

### 4. Exercise of Certificates

- (a) *Exercise.* Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
- (c) *Settlement.* In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.
- (d) *CDP not liable.* CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a "**Business Day**" shall be a day on which the

SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

## 5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

## 6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.
- (b) *Definitions.* “**Potential Adjustment Event**” means any of the following:
  - (i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;
  - (ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
  - (iii) an extraordinary dividend;
  - (iv) a call by the Company in respect of the Underlying Stock that is not fully paid;
  - (v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash,

securities or otherwise;

- (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
  - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;
  - (ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or
  - (iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a



Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. “**Nationalisation**” means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.
- (e) *Other Adjustments.* Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it

believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

## **7. Purchases**

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

## **8. Meetings of Certificate Holders; Modification**

- (a) *Meetings of Certificate Holders.* The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any

modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

## **9. Notices**

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.
- (b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

## **10. Liquidation**

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

## **11. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

## **12. Delisting**

- (a) *Delisting.* If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not

materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).

- (b) Issuer's Determination. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

### 13. Early Termination

- (a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

**"Regulatory Event"** means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the **"Relevant Affiliates"** and each of the Issuer, Société Générale and the Relevant Affiliates, a **"Relevant Entity"**) that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase,

substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

**"Change in law"** means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

- (b) *Early Termination for Holding Limit Event.* The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

**"Holding Limit Event"** means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

- (c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.

(d) *Termination.* If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate

Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

**14. Substitution of the Issuer**

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the “**Substituted Obligor**”), it shall give at least 90 days’ notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

**15. Governing Law**

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

**16. Prescription**

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

**17. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore**

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

## SUMMARY OF THE ISSUE

*The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.*

Issuer:	SG Issuer
Company:	Ping An Insurance (Group) Company of China, Ltd.
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	10,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 18 June 2021 (the “ <b>Master Instrument</b> ”) and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the “ <b>Master Warrant Agent Agreement</b> ”) and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates
Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples

thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.

- Listing: Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 7 July 2021.
- Governing Law: The laws of Singapore
- Warrant Agent: The Central Depository (Pte) Limited  
11 North Buona Vista Drive  
#06-07 The Metropolis Tower 2  
Singapore 138589
- Further Issues: Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.



## INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED LONG CERTIFICATES ON SINGLE EQUITIES

### What are European Style Cash Settled Long Certificates on Single Equities?

European style cash settled long certificates on single equities (the “**Certificates**”) are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Strategy.

#### **A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry**

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

- (1) is the Final Reference Level multiplied by the Final Exchange Rate;
- (2) is the Initial Reference Level multiplied by the Initial Exchange Rate;
- (3) is the Strike Level; and
- (4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will increase and are seeking short-term leveraged exposure to the Underlying Stock.

#### **B) Trading the Certificates before Expiry**

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

- (i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and
- (ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Strategy including the Funding Cost and Rebalancing Cost.

### Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
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Daily Fees	=	<b>Daily Management Fee Adjustment</b>
		1 – Management Fee x ACT (t-1;t) / 360
		x
		<b>Daily Gap Premium Adjustment</b>
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360

### Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

Value of Certificates	=	t=0	x	t=1	x	t=2	x ...	t=i			
		Notional Amount		Leverage Strategy daily performance <sup>8</sup>		Daily Fees		Leverage Strategy daily performance	Daily Fees	Leverage Strategy Daily performance	Daily Fees

Value of Certificates	=	t=0	x	<b>Product of the daily Leverage Strategy Performance</b>	x	<b>Product of the Daily Fees (Hedging Fee Factor)</b>				
		Notional Amount		Leverage Strategy daily performance		x	Leverage Strategy daily performance	Daily Fees	x	Daily Fees

Final Value of Certificates	=	t=0	x	Final Reference Level x Final Exchange Rate	÷	Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor
		Notional Amount						

### Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

<sup>7</sup> "t" refers to "Observation Date" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date.

<sup>8</sup> Leverage Strategy daily performance is computed as the Leverage Strategy Closing Level on Business Day (t) divided by the Leverage Strategy Closing Level on Business Day (t-1).

### Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

*The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.*

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary H shares of Ping An Insurance (Group) Company of China, Ltd.
Expected Listing Date:	<b>03/07/2018</b>
Expiry Date:	<b>18/07/2018</b>
Initial Reference Level:	<b>1,000</b>
Initial Exchange Rate:	<b>1</b>
Final Reference Level:	<b>1,200</b>
Final Exchange Rate:	<b>1</b>
Issue Price:	<b>0.80 SGD</b>
Notional Amount per Certificate:	<b>0.80 SGD</b>
Management Fee (p.a.):	<b>0.40%</b>
Gap Premium (p.a.):	<b>4.60%</b>
Strike Level:	Zero

### Hedging Fee Factor

Hedging Fee Factor on the n<sup>th</sup> Underlying Stock Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

$$\text{HFF}(0) = 100\%$$

On Next Calendar Day (assuming it is an Underlying Stock Business Day):

$$\text{HFF}(1) = \text{HFF}(0) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 4.60\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9872\% \approx 99.9861\%$$

Assuming 2<sup>nd</sup> Underlying Stock Business Day falls 3 Calendar Days after 1<sup>st</sup> Underlying Stock Business Day:

$$\text{HFF (2)} = \text{HFF (1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t-1; t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t-1; t)}}{360}\right)$$

$$\text{HFF (2)} = 99.9861\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 4.60\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9861\% \times 99.9967\% \times 99.9617\% \approx 99.9445\%$$

The same principle applies to the following Underlying Stock Business Days:

$$\text{HFF (n)} = \text{HFF (n-1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t-1; t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t-1; t)}}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.7919% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9861%
5/7/2018	99.9722%
6/7/2018	99.9583%
9/7/2018	99.9167%
10/7/2018	99.9028%
11/7/2018	99.8889%
12/7/2018	99.8751%
13/7/2018	99.8612%
16/7/2018	99.8196%
17/7/2018	99.8057%
18/7/2018	99.7919%

### Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

$$= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.7919\%$$

$$= 119.75\%$$

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

$$= 119.75\% \times 0.80 \text{ SGD}$$

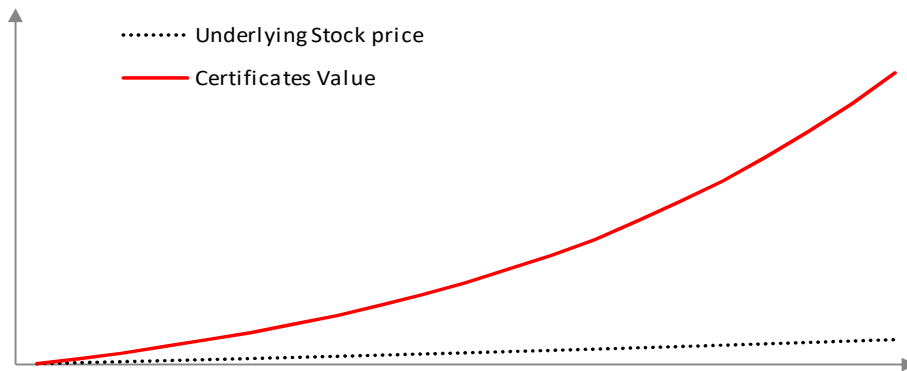
$$= \mathbf{0.958 \text{ SGD}}$$

## Illustration on how returns and losses can occur under different scenarios

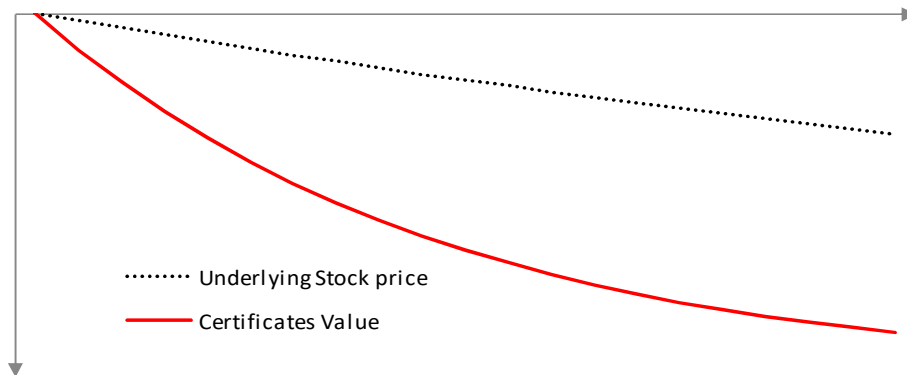
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

### 1. Illustrative examples

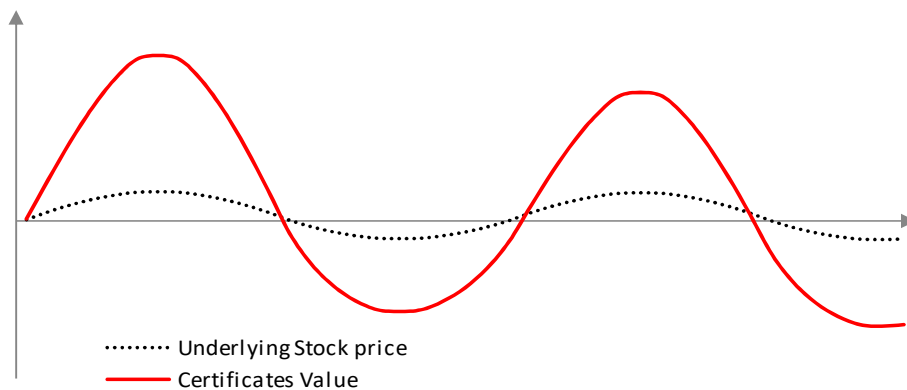
#### Scenario 1 – Upward Trend



#### Scenario 2 – Downward Trend



#### Scenario 3 – Volatile Market



## 2. Numerical Examples

### Scenario 1 – Upward Trend

<b>Underlying Stock</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

<b>Value of the Certificates</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	0.8	0.88	0.97	1.06	1.17	1.29
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

### Scenario 2 – Downward Trend

<b>Underlying Stock</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

<b>Value of the Certificates</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	0.8	0.72	0.65	0.58	0.52	0.47
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

### Scenario 3 – Volatile Market

<b>Underlying Stock</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return		2.00%	-0.04%	1.96%	-0.08%	1.92%

<b>Value of the Certificates</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	-10.0%	10.0%	-10.0%	10.0%
Price at end of day	0.8	0.88	0.79	0.87	0.78	0.86
Accumulated Return		10.00%	-1.00%	8.90%	-1.99%	7.81%

### Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, a 30-minute period starts. This period is divided into two sub-periods:

- Observation Period : during 15 minutes after the Air Bag trigger, the price of the Underlying Stock is observed and its minimum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Strategy is reset using the minimum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Strategy, 30 minutes after the Air Bag trigger.

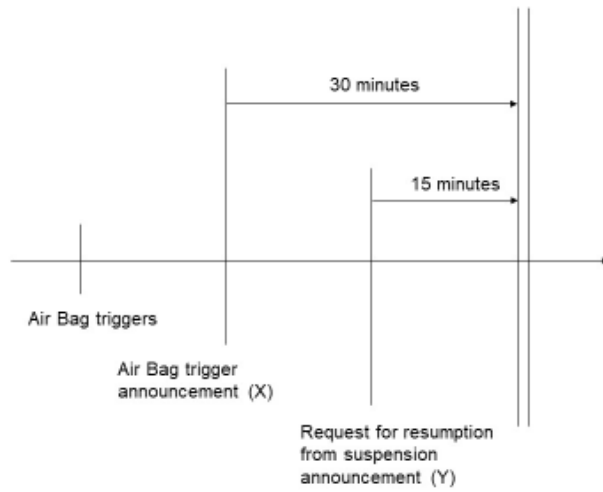
Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. Investors cannot sell or purchase any Certificates during this period.

#### Air Bag Mechanism timeline

Air Bag Trigger	Observation Period	Resumption of Trading
More than 45 minutes before Market Close	First 15 minutes after Air Bag Trigger	Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger
45 minutes before Market Close		Next trading day at Market Open
30 to 45 minutes before Market Close		
30 minutes before Market Close		
15 to 30 minutes before Market Close		
15 minutes before Market Close	From Air Bag Trigger to Market Close	Next trading day at Market Open
Less than 15 minutes before Market Close		

With **Market Close** defined as:

- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading

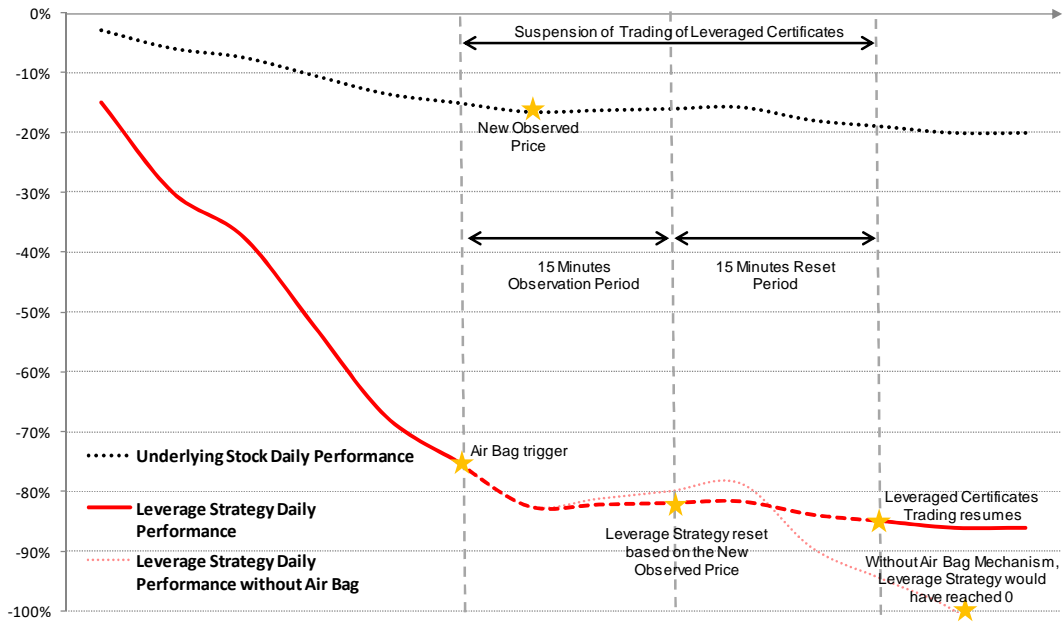


- The later between X+30 minutes or Y+15 minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates.
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing time of the underlying asset, the Certificates will resume at 9 a.m. on the next SGX-ST trading day.

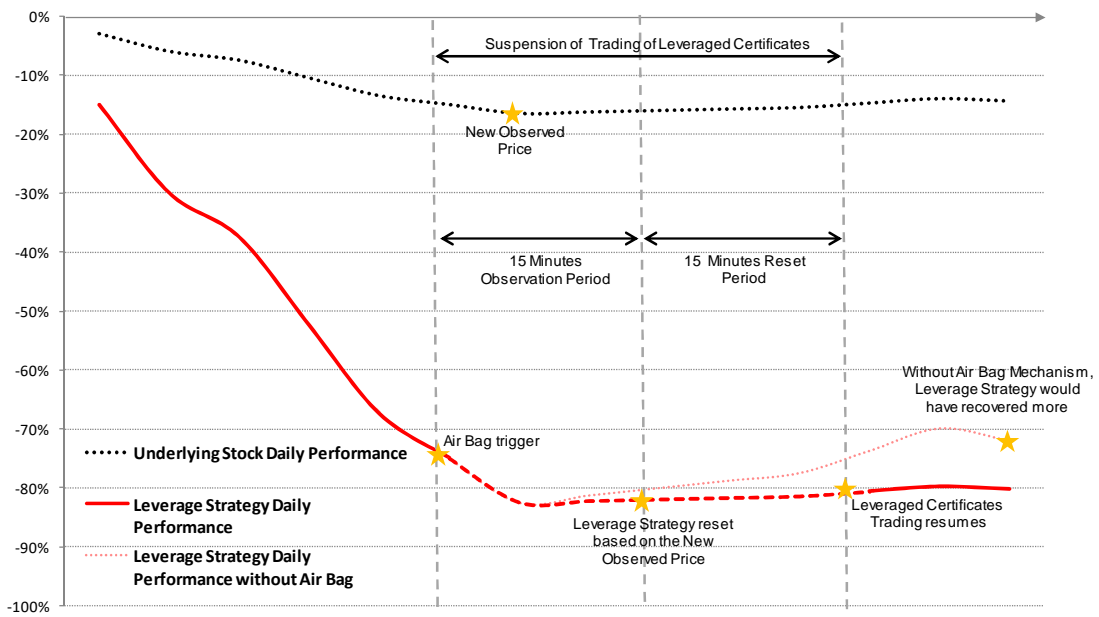


Illustrative examples of the Air Bag Mechanism<sup>9</sup>

*Scenario 1 – Downward Trend after Air Bag trigger*



*Scenario 2 – Upward Trend after Air Bag trigger*



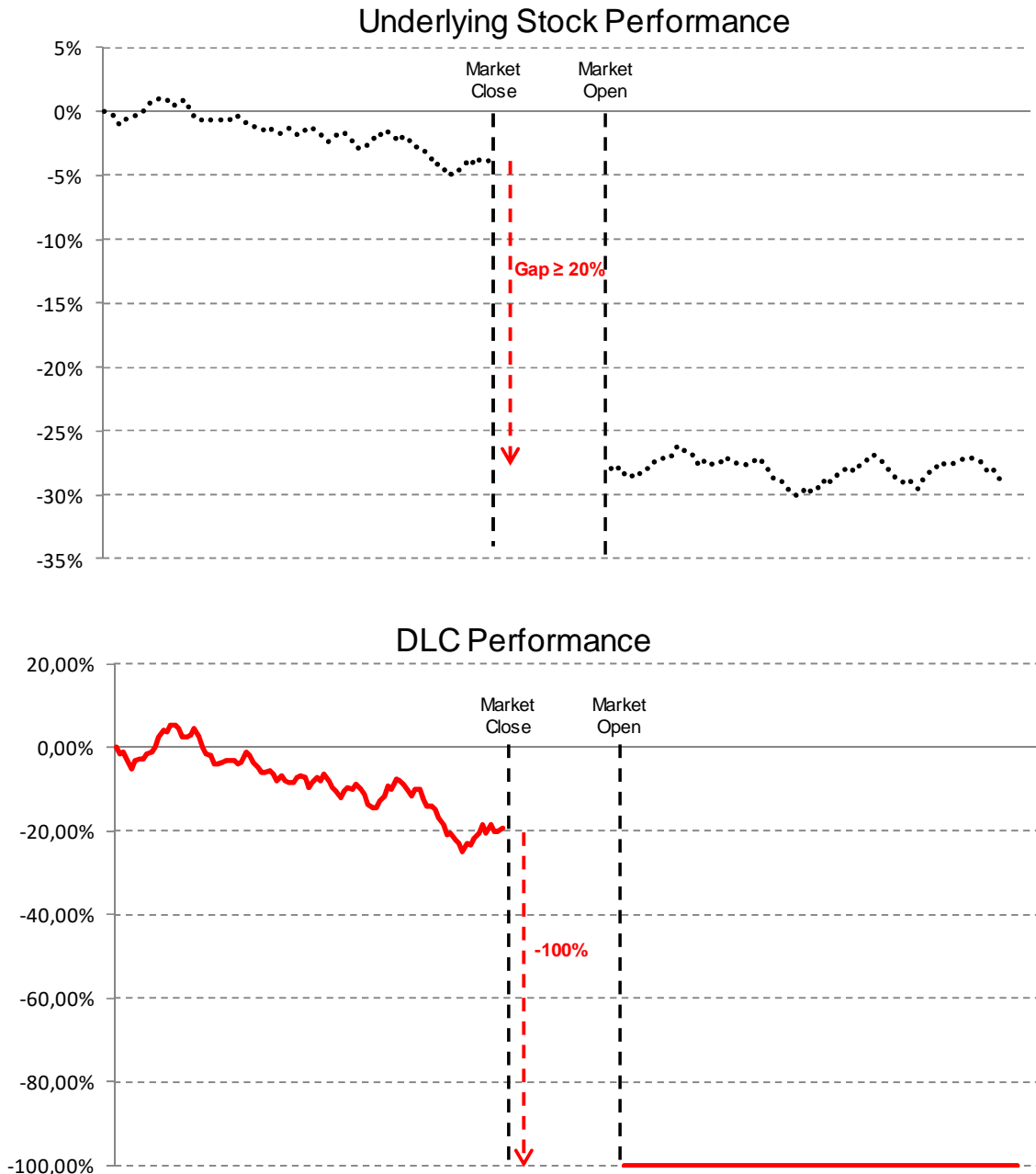
<sup>9</sup> The illustrative examples are not exhaustive.

## Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

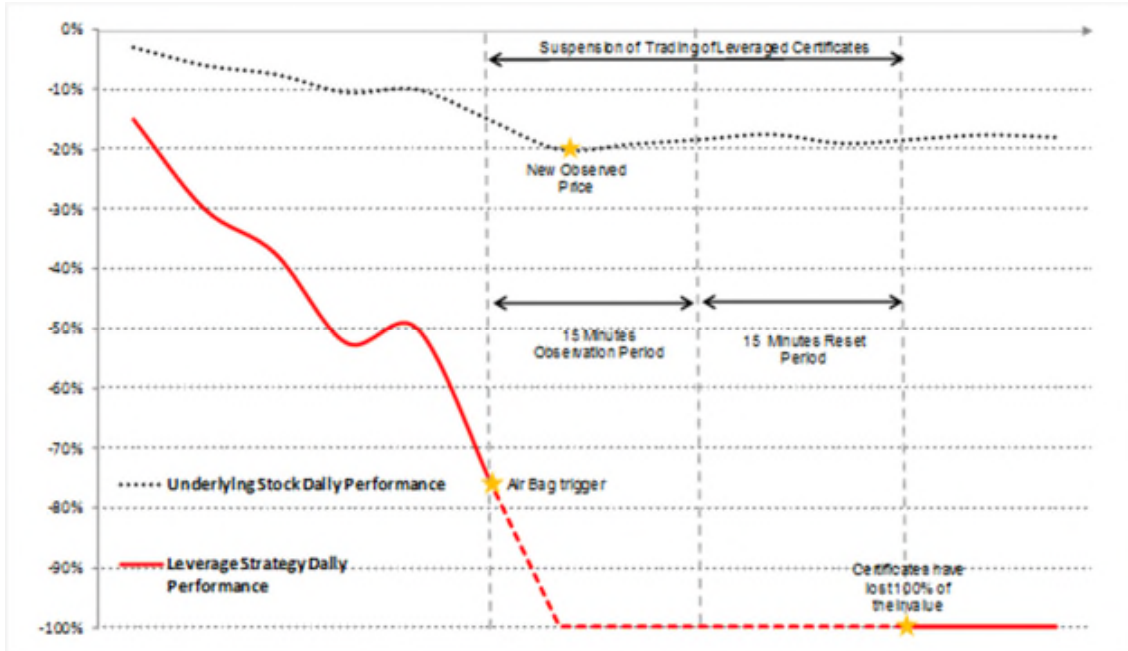
### Scenario 1 – Overnight fall of the Underlying Stock

On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is 20% or more below the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens the following day, and the Certificates would lose their entire value in such event.



Scenario 2 – Sharp intraday fall of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock falls by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



## Examples and illustrations of adjustments due to certain corporate actions

*The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.*

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the  $Rfactor_t$  with respect to such Observation Date (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[ 1 - \frac{Div_t + DivExc_t - M \times R}{S_{t-1}} \right] \times \frac{1}{1 + M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of  $Rfactor_t$  would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price falls by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$DivExc_t$  is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

**M** is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

**R** is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

### 1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$$S_{t-1} = \$100$$

$$S_t = \$51$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[ 1 - \frac{0 + 0 - 2 \times 0}{100} \right] \times \frac{1}{1 + 1} = 50\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left( \frac{51}{100 \times 50\%} - 1 \right) = 10\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.80	0.88	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$42.5, which is 15% below \$50, the Underlying Stock Reference Price.

## 2. Share Consolidation

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$$S_{t-1} = \$100$$

$$S_t = \$202$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[ 1 - \frac{0 + 0 - (-0.5) \times 0}{100} \right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left( \frac{202}{100 \times 200\%} - 1 \right) = 5\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.80	0.84	5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$170, which is 15% below \$200, the Underlying Stock Reference Price.

### 3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$R = \$40 \text{ (i.e. subscription price of \$40)}$$

$$M = 0.5 \text{ (i.e. 1 new share for every 2 existing shares)}$$

$$Rfactor_t = \left[ 1 - \frac{0 + 0 - 0.5 \times 40}{100} \right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left( \frac{84}{100 \times 80\%} - 1 \right) = 25\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.80	1.00	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$80, the Underlying Stock Reference Price.

#### 4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$$S_{t-1} = \$100$$

$$S_t = \$85$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$R = \$0$$

$$M = 0.2 \text{ (i.e. 1 new share for 5 existing shares)}$$

$$Rfactor_t = \left[ 1 - \frac{0 + 0 - 0.2 \times 0}{100} \right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left( \frac{85}{100 \times 83.33\%} - 1 \right) = 10\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.80	0.88	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$70.83, which is 15% below \$83.33, the Underlying Stock Reference Price.

#### 5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$20$$

$$R = \$0$$

$$M = 0$$

$$Rfactor_t = \left[ 1 - \frac{0 + 20 - 0 \times 0}{100} \right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left( \frac{84}{100 \times 80\%} - 1 \right) = 25\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.80	1.00	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$80, the Underlying Stock Reference Price.



## INFORMATION RELATING TO THE COMPANY

*All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of Hong Kong Exchanges and Clearing Limited (the “HKExCL”) at <http://www.hkex.com.hk> and/or the Company’s web-site at <http://www.pingan.com>. The Issuer has not independently verified any of such information.*

Ping An Insurance (Group) Company of China, Ltd. (“**Ping An**”, the “**Company**” or the “**Group**”) is a world-leading technology-powered retail financial services group. Finance and technology are the core businesses. While ensuring steady growth in the main financial businesses, the Company is increasing investment in technology to empower the main financial businesses with world-leading financial technology (fintech) and health technology (healthtech) capabilities. Ping An also uses its innovative technologies to support ecosystems: financial services, health care, auto services, and smart city services.

The Company has grown from Ping An Insurance Company, which was established in Shekou, Shenzhen, in 1988, to Ping An Insurance (Group) Company of China, Ltd., a world-leading, technology-powered retail financial services group. Ping An will use the financial strength and technological expertise to serve customers, reward shareholders and support society. The Company is committed to maintaining sound asset management and prudent investment strategies. Ping An will transform financial businesses by promoting smart business management, data-driven operations, robust channel development and personalized customer services.

The information set out in the Appendix to this document relates to the unaudited consolidated results of the Company and its subsidiaries for the three months ended 31 March 2021 and has been extracted and reproduced from an announcement by the Company dated 22 April 2021 in relation to the same. Further information relating to the Company may be located on the web-site of the HKExCL at <http://www.hkex.com.hk>.

## INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker (“**DMM**”) for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

- (a) Maximum bid and offer spread : (i) when the best bid price of the Certificate is S\$10 and below: 10 ticks or S\$0.20 whichever is greater; and  
(ii) when the best bid price of the Certificate is above S\$10: 5% of the best bid price of the Certificate.
- (b) Minimum quantity subject to bid and offer spread : 10,000 Certificates
- (c) Last Trading Day for Market Making : The date falling 5 Exchange Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Certificates are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (iii) before the Relevant Stock Exchange for the Underlying Stock has opened and after the Relevant Stock Exchange for the Underlying Stock has closed on any trading day;
- (iv) when trading in the Underlying Stock is suspended or limited in a material way for any reason, for the avoidance of doubt, the DMM is not obliged to provide quotations for the Certificates at any time when the Underlying Stock is not negotiated/traded for any reason;
- (v) where the Certificates are suspended from trading for any reason;
- (vi) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;
- (vii) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (ix) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;
- (x) if the stock market experiences exceptional price movement and volatility;

- (xi) when it is a public holiday in Singapore and/or Hong Kong and/or the SGX-ST and/or the HKEX are not open for dealings; and
- (xii) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Exchange Business Day immediately preceding the Expiry Date.

## SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 105 of the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.
2. Settlement of trades done on a normal “ready basis” on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed “Summary of the Issue” above.
3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.
4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2020 or the Guarantor since 31 March 2021, in the context of the issuance of Certificates hereunder.
5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:
  - (a) the Guarantee;
  - (b) the Master Instrument; and
  - (c) the Master Warrant Agent Agreement.

None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The Auditors of the Issuer and the Guarantor have given and have not withdrawn their written agreement to the inclusion of the report, included herein, in the form and context in which it is included. Their report was not prepared exclusively for incorporation into this document.

The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.
8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale, Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:
- (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;
  - (b) the latest financial reports (including the notes thereto) of the Issuer;
  - (c) the latest financial reports (including the notes thereto) of the Guarantor;
  - (d) the consent letters from the Auditors to the Issuer and the Guarantor referred to in paragraph 6 above;
  - (e) the Base Listing Document;
  - (f) this document; and
  - (g) the Guarantee.

## PLACING AND SALE

### General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall be deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

### Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

### Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong ("**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made

available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

### **United Kingdom**

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

- (a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the

issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

### **United States**

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**") and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (ii) it is not purchasing any Certificates for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United States.



As used in the preceding paragraphs, the term “**United States**” includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term “**U.S. person**” means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, or (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the “**CEA**”) or any rules thereunder of the CFTC (the “**CFTC Rules**”), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person).

## **APPENDIX**

### **REPRODUCTION OF THE UNAUDITED CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2021 OF PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD. AND ITS SUBSIDIARIES**

The information set out below is a reproduction of the unaudited consolidated results of the Company and its subsidiaries for the three months ended 31 March 2021 and has been extracted and reproduced from an announcement by the Company dated 22 April 2021 in relation to the same.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

**PING AN**

Finance · Technology

# 中国平安保险(集团)股份有限公司

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

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

(Stock Code: 2318)

### ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2021

The board of directors (the “**Board of Directors**”) of Ping An Insurance (Group) Company of China, Ltd. (“**Ping An**” or the “**Company**”) announces the unaudited results (the “**First Quarter Results**”) of the Company and its subsidiaries (the “**Group**”) for the three months ended March 31, 2021 (the “**Reporting Period**”). The Board of Directors and its Audit and Risk Management Committee have reviewed the First Quarter Results.

#### 1. KEY BUSINESS PERFORMANCE

##### 1.1 Business Highlights

- Ping An achieved steady business results. Operating profit attributable to shareholders of the parent company rose by 8.9% year on year to RMB39,120 million, which is equivalent to a 20.0% annualized operating ROE in the first three months of 2021.
- Customer development continued to yield results. Retail customers increased by 1.0% year to date to over 220 million as of March 31, 2021. There were 84.57 million retail customers holding multiple contracts with different subsidiaries, an increase to 38.3% of the total. New financing scale achieved through corporate business cross-selling expanded by 84.9% year on year in the first three months of 2021.
- Life & Health (the life and health insurance business) grew steadily. New business value (“NBV”) of Life & Health rose by 15.4% year on year to RMB18,980 million in the first three months of 2021. Operating profit rose steadily by 4.2% year on year to RMB25,580 million. Moreover, Ping An Life’s reform has entered its comprehensive rollout and execution stage.
- Property & Casualty (the property and casualty insurance business) maintained excellent business quality. Ping An Property & Casualty’s combined ratio improved by 1.3 pps year on year to 95.2% in the first three months of 2021. Operating profit grew by 15.2% year on year to RMB5,119 million. The “Ping An Auto Owner” app, the largest automotive service app in China, had over 133 million registered users as of March 31, 2021, up 5.1% year to date.

- Ping An Bank maintained stable business operations and improved asset quality. Revenue increased by 10.2% year on year to RMB41,788 million in the first three months of 2021. Net profit grew by 18.5% year on year to RMB10,132 million. The non-performing loan ratio improved by 0.08 pps year to date to 1.10% as of March 31, 2021, while the provision coverage ratio increased by 43.76 pps to 245.16%.
- Ping An accelerated the implementation of its healthcare ecosystem strategy. Ping An's smart healthcare business serves regulators and empowers medical institutions with solutions for public health management, medical institution regulation, AskBob medical stations, clinical decision support, medical image recognition, and chronic disease management. Ping An's smart healthcare business had empowered over 37,000 medical institutions and benefited about 750,000 doctors in 161 cities as of March 31, 2021. Moreover, Ping An cooperates closely with local Healthcare Security Administrations, and won seven new bids in the first three months of 2021 to construct provincial-level social health insurance ("SHI") platforms.
- Ping An further enhanced its technological capabilities. Ping An's technology patent applications increased by 1,100 year to date to 32,512 as of March 31, 2021, more than most other international financial institutions'. Moreover, Ping An won multiple international honors in AI, healthtech and other fields. Ping An won four championships in the International Workshop on Semantic Evaluation (SemEval-2021) and one championship in one of the tasks of MEDIQA 2021, an international medical question answering assessment, in the first three months of 2021.

## 1.2 Key Figures

For the three months ended March 31	2021	2020	Change (%)
Operating profit attributable to shareholders of the parent company (in RMB million)	<b>39,120</b>	35,914	8.9
Basic operating earnings per share (in RMB)	<b>2.21</b>	2.03	8.9
Net profit attributable to shareholders of the parent company (in RMB million)	<b>27,223</b>	26,063	4.5
Life & Health NBV <sup>(1)</sup> (in RMB million)	<b>18,980</b>	16,453	15.4
Property & Casualty combined ratio (%)	<b>95.2</b>	96.5	-1.3 pps
	<b>March 31, 2021</b>	December 31, 2020	Change (%)
Number of retail customers (in million)	<b>220.60</b>	218.43	1.0
Number of internet users (in million)	<b>611.33</b>	598.04	2.2
Proportion of retail customers holding multiple contracts with different subsidiaries (%)	<b>38.3</b>	38.0	0.3 pps

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

## 2. PERFORMANCE REVIEW FOR KEY BUSINESSES

### 2.1 Overview

China achieved strong results in the prevention and containment of the epidemic with the rollout and inoculation of COVID-19 vaccines in the first three months of 2021. Amid a steady domestic economic recovery, Ping An's traditional offline business development gradually resumed. However, the ongoing global spread of COVID-19 has complicated the international economic environment. In addition, the foundation for domestic economic recovery was not strong as domestic discretionary demand was still recovering. The demand for long-term protection business remained depressed. Ping An adopted various forward-looking measures including strengthening risk management, advancing reforms, and promoting digitization to lay a solid foundation for long-term sustainable, healthy growth.

Net profit attributable to shareholders of the parent company increased by 4.5% year on year to RMB27,223 million in the first three months of 2021. Operating profit attributable to shareholders of the parent company grew by 8.9% year on year to RMB39,120 million. Basic operating earnings per share rose by 8.9% year on year to RMB2.21. The annualized operating ROE was 20.0%.

Ping An made provisions for impairment losses and adjusted the valuations of investments related to China Fortune Land Development in the first three months of 2021. The impairment provisions and valuation adjustments totaled RMB18.2 billion. The impact on net profit after tax attributable to shareholders of the parent company was negative RMB10.0 billion. The impact on operating profit after tax attributable to shareholders of the parent company was negative RMB2.9 billion.

#### ***Operating profit***

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

- Short-term investment variance, which is the variance between the actual investment return of Life & Health and the embedded value (EV) long-run investment return assumption, net of the associated impact on insurance and investment contract liability. The investment return of Life & Health is locked at 5% excluding the short-term investment variance;
- The impact of discount rate<sup>(1)</sup> change is the effect on insurance contract liability of Life & Health due to changes in the discount rate; and
- The impact of one-off material non-operating items and others is the impact of material items that management considered to be non-operating incomes and expenses. Such impact comprised the revaluation gain on the convertible bonds issued by Lufax Holding to the Group, amounting to RMB967 million in the first three months of 2021.

*Note:* (1) Refer to the significant accounting policies in the notes to the Company's 2020 Annual Report for information about the discount rate.

## 2021

For the three months ended March 31 (in RMB million)	Life & Health business	Property & Casualty business	Banking business	Trust business	Securities business	Other asset management business	Technology business	Other businesses and elimination	The Group
<b>Net profit attributable to shareholders of the parent company</b>	12,403	5,096	5,872	240	771	1,269	3,300	(1,728)	27,223
Net profit attributable to non-controlling interests	181	23	4,260	-	34	324	405	561	5,788
<b>Net profit (A)</b>	<b>12,584</b>	<b>5,119</b>	<b>10,132</b>	<b>240</b>	<b>805</b>	<b>1,593</b>	<b>3,705</b>	<b>(1,167)</b>	<b>33,011</b>
<b>Excluding:</b>									
Short-term investment variance (B)	(10,328)	-	-	-	-	-	-	-	(10,328)
Impact of discount rate change (C)	(2,667)	-	-	-	-	-	-	-	(2,667)
Impact of one-off material non-operating items and others (D)	-	-	-	-	-	-	967	-	967
<b>Operating profit (E=A-B-C-D)</b>	<b>25,580</b>	<b>5,119</b>	<b>10,132</b>	<b>240</b>	<b>805</b>	<b>1,593</b>	<b>2,738</b>	<b>(1,167)</b>	<b>45,040</b>
<b>Operating profit attributable to shareholders of the parent company</b>	<b>25,267</b>	<b>5,096</b>	<b>5,872</b>	<b>240</b>	<b>771</b>	<b>1,269</b>	<b>2,333</b>	<b>(1,728)</b>	<b>39,120</b>
Operating profit attributable to non-controlling interests	313	23	4,260	-	34	324	405	561	5,920

For the three months ended March 31 (in RMB million)	Life & Health business	Property & Casualty business	Banking business	Trust business	Securities business	Other asset management business	Technology business	Other businesses and elimination	The Group
<b>Net profit attributable to shareholders of the parent company</b>	14,451	4,421	4,954	902	803	752	1,290	(1,510)	26,063
Net profit attributable to non-controlling interests	<u>169</u>	<u>22</u>	<u>3,594</u>	<u>1</u>	<u>31</u>	<u>257</u>	<u>246</u>	<u>(49)</u>	<u>4,271</u>
<b>Net profit (A)</b>	<u>14,620</u>	<u>4,443</u>	<u>8,548</u>	<u>903</u>	<u>834</u>	<u>1,009</u>	<u>1,536</u>	<u>(1,559)</u>	<u>30,334</u>
<b>Excluding:</b>									
Short-term investment variance (B)	(8,001)	-	-	-	-	-	-	-	(8,001)
Impact of discount rate change (C)	(1,935)	-	-	-	-	-	-	-	(1,935)
Impact of one-off material non-operating items and others (D)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating profit (E=A-B-C-D)</b>	<u>24,556</u>	<u>4,443</u>	<u>8,548</u>	<u>903</u>	<u>834</u>	<u>1,009</u>	<u>1,536</u>	<u>(1,559)</u>	<u>40,270</u>
<b>Operating profit attributable to shareholders of the parent company</b>	24,302	4,421	4,954	902	803	752	1,290	(1,510)	35,914
Operating profit attributable to non-controlling interests	<u>254</u>	<u>22</u>	<u>3,594</u>	<u>1</u>	<u>31</u>	<u>257</u>	<u>246</u>	<u>(49)</u>	<u>4,356</u>

Notes: (1) Life & Health business represents the results of three subsidiaries, namely Ping An Life, Ping An Annuity, and Ping An Health. Property & Casualty business represents the results of Ping An Property & Casualty. The banking business represents the results of Ping An Bank. The trust business represents the results of Ping An Trust and Ping An New Capital. The securities business represents the results of Ping An Securities. The other asset management business represents the results of other subsidiaries that engage in asset management business including Ping An Asset Management, Ping An Financial Leasing, and Ping An Overseas Holdings. The technology business represents the results of subsidiaries, associates and jointly controlled entities that engage in technology business including Autohome, Lufax Holding, OneConnect, Ping An Good Doctor, and Ping An HealthKconnect. Eliminations include offsets against cross-shareholding among business lines.

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

## 2.2 Customer Development

**Ping An's retail customers continued to increase.** The Group's retail customers<sup>(1)</sup> grew by 1.0% year to date to over 220 million, 38.3% of whom held multiple contracts with different subsidiaries as of March 31, 2021. Contracts per customer reached 2.75. New retail customers reached 7.94 million, 35.2% of whom were sourced from internet users in the first three months of 2021. The Group's internet users<sup>(2)</sup> increased by 2.2% year to date to over 611 million as of March 31, 2021. The number of yearly active users<sup>(3)</sup> exceeded 322 million.

(in million)	March 31, 2021	December 31, 2020	Change (%)
Number of retail customers	220.60	218.43	1.0
Including: number of retail customers holding multiple contracts with different subsidiaries	84.57	83.08	1.8
Number of internet users	611.33	598.04	2.2
Including: number of app users	558.19	545.35	2.4

*Notes:* (1) Retail customers refer to retail customers holding valid financial products with core financial companies of Ping An.

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

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

**Ping An's corporate customer development achieved significant results, boosting the business scale continuously.** Ping An's corporate customer base continued to grow, customer services improved steadily, and the business scale kept on expanding under the corporate integrated financial business strategy. The corporate premiums achieved through cross-selling grew by 24.4% year on year to RMB4,400 million in the first three months of 2021. The new financing scale achieved through corporate business cross-selling increased by 84.9% year on year to RMB177,034 million.



For the three months ended March 31 (in RMB million)	2021	2020	Change (%)
Corporate premiums achieved through cross-selling <sup>(1)</sup>	4,400	3,537	24.4
Including: Written premium of the corporate channel <sup>(2)</sup>	1,594	1,347	18.3
New financing scale achieved through corporate business cross-selling <sup>(3)</sup>	<u>177,034</u>	<u>95,748</u>	<u>84.9</u>

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

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

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

### 2.3 Life and Health Insurance Business

**Life & Health's operations stabilized in the post-COVID era.** China's economy has maintained positive long-term fundamentals and high-quality development despite various challenges. The Company proactively promoted annuity products to satisfy customer demands in the first three months of 2021. In addition, the Company improved its protection product portfolio by developing heartwarming "product + service" packages for healthy business development. The NBV of Life & Health grew by 15.4% year on year to RMB18,980 million in the first three months of 2021.

**Ping An Life's reform has entered its comprehensive rollout and execution stage.** In respect of "channel 1 + 4," Ping An Life advanced its digital channel reform, focusing on four key projects, namely digital business outlets, activity management, digital agent recruitment, and smart training. Ping An Life fully tapped channels including sales agents, bancassurance, telemarketing and the internet, and dynamically revised the basic management procedure for sales agents. In respect of "product 1 + 4," Ping An Life provides one-stop customer-centric healthcare services under the "product + service" strategy. Ping An Life is committed to providing "heartwarming insurance" through four major services, namely health management, chronic disease management, critical illness management, and eldercare management. Ping An Life will strive to be a world-leading life insurer by leveraging four major advantages, namely a professional management team, a highly competent sales force, a strong integrated financial product and service portfolio, and leading technological strengths.

In respect of channels, Ping An Life lays a foundation for high-quality development by enhancing its operational platforms via digitization.

- **Agent channel.** The agent channel adhered to a high-quality agent team development strategy in the first three months of 2021. The agent channel strived to boost the operational efficiency of business outlets by driving Ping An Life's reform, upgrading the management platform, and pursuing technological empowerment. In operations, Ping An Life continued to expand the standard evaluation system to evaluate the operating results of business outlets according to performance, quality and behavior, and identify "5-star outlets with strong performance, high quality, and good behavior." This evaluation system rates business outlets with stars, and integrates the reform projects including digital business outlets, activity management, digital agent recruitment, and smart training to realize closed-loop digital operations management. In business outlet development, Ping An Life further advanced digitization and improved the functional design of core modules to empower business outlets. In agent recruitment, the new E-recruitment platform enables the agent channel to hold video conferences for agents across the country, and provides empowerment training for seed agents in five major business regions. By doing so, Ping An quickly brought the success of its reform to the front line, empowering agent recruitment. In agent training, Ping An Life further improved the expertise and skills of the sales force by developing a practical training system, upgrading the smart training platform, and improving the efficiency of learning and management. In customer acquisition and business development, Ping An Life focused on customer demands and further improved customer development processes. Ping An Life developed business models covering dimensions including activities, benefits, tools, products, services and agents, matching customers with business themes according to customer profiles. These business models help agents boost the efficiency of customer acquisition and business development. In team management, Ping An Life promoted the implementation of the basic management procedure for sales agents at branch levels to support differentiated team development. Ping An Life implemented more comprehensive and heartwarming benefit plans for supervisors and high achievers. Ping An Life piloted a business outlet manager care plan to strengthen agents' sense of belonging and vitalize teams.
- **Bancassurance channel.** Ping An Life repositioned and upgraded its "channel + product + technology" strategy, adhering to value-driven operations. Ping An Life has completed the reform and restructuring of the bancassurance teams. A suite of technologies, products and an operational framework exclusively for the bancassurance channel have been set up. The business portfolio within this channel has been improved, and the NBV margin has increased.
- **Other channels.** The telemarketing channel transformed toward a long-term business model combining "services and sales" under a customer-centric approach. The telemarketing channel uses the Ping An Life's unified customer development platform to carry out efficient, precise and controlled customer interaction and product recommendation through themed campaigns, customer benefits and services, and a content matrix. In this way, the telemarketing channel maintains a leading market share by boosting both operational efficiency and business value. Being customer-centric, the internet channel promotes online user conversion with innovative campaigns, better contents, and improved features.

In respect of products, Ping An Life advances its “product +” strategy, focuses on the “product 1 + 4” reform, and improves its product portfolio by launching savings and protection products to meet diverse customer demands. Moreover, Ping An Life leverages the Group’s healthcare ecosystem and technological strengths to offer comprehensive and revolutionary “product + service” packages.

- **In respect of savings products,** Ping An Life stepped up efforts to promote savings products, particularly long-term savings products, in response to increasing customer demand in the post-COVID-19 era. Ping An Life proactively sought opportunities in this segment where customers save for education and pension purposes.
- **In respect of protection products,** Ping An Life remained focused on customer demands and implemented the “product 1 + 4” reform to push the boundaries of insurance services and provide each customer with a dedicated family doctor. Ping An Life offers “heartwarming insurance” by providing four categories of services, namely health management, chronic disease management, critical illness management, and eldercare management. Ping An Life improved its product portfolio and upgraded “Ping An Fu” and “Man Fen” to meet diverse customer demands with wider coverages and better services, seizing opportunities brought by the industry’s revised definitions of critical illnesses. Ping An Life also penetrated the mid- to high-end market by rolling out critical illness insurance products that offer comprehensive coverage and allow multiple claims. Under the brand-new “Zhen Xiang RUN” service framework, major critical illness products are matched with graded “RUN” programs. In this way, Ping An Life provides new critical illness insurance customers with value-added health services in five scenarios, namely healthiness, sub-healthiness, medical, chronic disease, and critical illness. Ping An Life will continue to build the “product + service” system, strengthen the closed loop of end-to-end services across the customer lifecycle, and deliver heartwarming services to customers.

### Key indicators of Life & Health

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

	<b>2021</b>	2020	Change (%)
Operating profit	<b>25,580</b>	24,556	4.2
First-year premium used to calculate NBV	<b>60,527</b>	49,188	23.1
NBV <sup>(1)</sup>	<b>18,980</b>	16,453	15.4
NBV margin (%)	<b>31.4</b>	33.4	-2.1 pps

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

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

	<b>March 31, 2021</b>	December 31, 2020	Change (%)
Number of individual life insurance sales agents (person)	<u><b>985,726</b></u>	<u>1,023,836</u>	<u>(3.7)</u>

## 2.4 Property and Casualty Insurance Business

**Ping An Property & Casualty maintained excellent business quality, despite short-term pressure on premiums.** Auto insurance premium rates declined due to the comprehensive reform of auto insurance in the first three months of 2021. Moreover, Ping An Property & Casualty continuously improved its customer portfolio and enhanced risk screening. The premium income of Ping An Property & Casualty decreased by 8.8% year on year to RMB66,175 million in the first three months of 2021. Yet the overall combined ratio improved by 1.3 pps year on year to 95.2%. Operating profit grew by 15.2% year on year to RMB5,119 million, indicating steadily growing profitability.

**Ping An Property & Casualty continued to promote online customer development.** The “Ping An Auto Owner” app, the largest automotive service app in China, had over 133 million registered users as of March 31, 2021, up 5.1% year to date. The users had linked over 85.64 million vehicles with the app, including over 29 million not insured by Ping An yet, indicating great growth potential from user conversion. The app had over 28 million monthly active users in March 2021. Moreover, Ping An Property & Casualty is committed to the creation of excellent customer experiences. Ping An Property & Casualty significantly streamlined the claims processes by introducing a precise claims settlement decision engine capable of precise customer profiling and image-based loss assessment. Ping An Property & Casualty processed 93% of family auto insurance claims via “One-click Claims Services” in the first three months of 2021.

For the three months ended March 31

(in RMB million)	<b>2021</b>	2020	Change (%)
Operating profit	<u><b>5,119</b></u>	<u>4,443</u>	<u>15.2</u>
Premium income	<b>66,175</b>	72,589	(8.8)
Including: Auto insurance	<b>42,638</b>	46,767	(8.8)
Non-auto insurance	<b>18,297</b>	21,743	(15.8)
Accident and health insurance	<u><b>5,240</b></u>	<u>4,079</u>	<u>28.5</u>
Combined ratio (%)	<u><b>95.2</b></u>	<u>96.5</u>	<u>-1.3 pps</u>

## 2.5 Investment Portfolio of Insurance Funds

**The Company continued to improve the asset allocation of its investment portfolio of insurance funds and the management of asset-liability matching.** The Company's investment portfolio of insurance funds grew by 1.1% year to date to RMB3.78 trillion as of March 31, 2021. The investment portfolio of insurance funds achieved an annualized net investment yield of 3.5% and an annualized total investment yield of 3.1% in the first three months of 2021.

Economic activity had not yet fully recovered as the COVID-19 pandemic continued to rage globally in the first three months of 2021. However, economic indicators of major economies continued to improve on the back of pandemic prevention measures, vaccine use, and large-scale bailout packages. Offshore capital markets gradually regained grounds, and risk-free interest rates of major economies increased. In China, COVID-19 had been effectively brought under control despite sporadic cases, and economic activity continued to recover. China's capital markets witnessed increased volatility and mixed performance of sectors due to policy changes, rising commodity prices, and climbing offshore interest rates. Domestic market interest rates fluctuated narrowly against the backdrop of moderate domestic monetary policy adjustments and continued domestic economic recovery. The investment yields on the Company's investment portfolio of insurance funds dropped slightly year on year due to Hong Kong stock market recovery, volatile market interest rates, and increased impairment provisions.

For the three months ended March 31

(in RMB million)	2021	2020	Change (%)
Net investment income <sup>(1)</sup>	<b>36,820</b>	31,979	15.1
Total investment income <sup>(2)</sup>	<b>23,907</b>	25,931	(7.8)
Net investment yield <sup>(3)</sup> (annualized, %)	<b>3.5</b>	3.6	-0.1 pps
Total investment yield <sup>(3)</sup> (annualized, %)	<b>3.1</b>	3.4	-0.3 pps

Notes: (1) Net investment income includes interest revenue from deposits and debt financial assets, dividend income from equity financial assets, operating lease income from investment properties, and the share of profits and losses of associates and jointly controlled entities.

(2) Total investment income includes net investment income, realized gains, fair value gains and losses, and impairment losses on investment assets.

(3) In the computation of annualized investment yields, only interest revenue from deposits and debt financial assets as well as operating lease income from investment properties were annualized, while interest income from financial assets purchased under reverse repurchase agreements, interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions, dividend income, capital gains from investments, and fair value gains and losses were not annualized. Average investment assets used as the denominator are computed in line with principles of the Modified Dietz method.

Ping An continued to improve the asset-liability matching of insurance funds. The Company optimized asset allocation and strengthened ex ante risk management according to the long-term trends of China's economic growth and financial markets, adhering to robust asset-liability management strategies. Ping An boosted investment returns by managing equity investment flexibly to seize opportunities from post-COVID-19 market volatility and structural trends amid global economic recoveries. The Company neither needs nor plans to increase the risk appetite of its investment portfolio of insurance funds in the current low interest rate environment, bolstered by high-quality assets and flexible, robust equity investment practices.

Ping An strengthened credit risk management, continued to improve risk assessment and management before, during and after investment, and enhanced the efficiency of risk management with fintech. Debt schemes and debt wealth management products as a percentage of the Company's investment portfolio of insurance funds increased by 0.8 pps year to date to 11.8% as of March 31, 2021. The credit quality of debt schemes and debt wealth management products in the Company's investment portfolio of insurance funds remained sound at relatively high levels, indicating that risks were under control.

## 2.6 Banking Business

Ping An Bank continued its mission to build "China's most outstanding, world-leading smart retail bank" under the strategy of "technological empowerment, breakthroughs in retail banking, and enhancement of corporate banking." Ping An Bank promoted the in-depth development of digital operations, positioned as "a digital bank, an ecosystem, and a platform." Furthermore, Ping An Bank made every effort to achieve the new three-year goal of "reshaping asset-liability operations" and maintained steady business development.

**Ping An Bank maintained stable business growth.** Revenue grew by 10.2% year on year to RMB41,788 million in the first three months of 2021. Net profit grew by 18.5% year on year to RMB10,132 million. Ping An Bank's net interest margin was 2.87%, stable year on year in the first three months of 2021. The average cost of liabilities was 2.22%, down 0.32 pps year on year, and 0.10 pps lower than that for 2020. The average cost of deposits was 2.06%, down 0.36 pps year on year, and 0.17 pps lower than that for 2020, reflecting the continued cost optimization of deposits.

**Ping An Bank further advanced its retail business transformation.** Ping An Bank provided “heartwarming” financial services under a business strategy of data-driven operations, online operations, comprehensive services, and ecosystem-based development. Ping An Bank achieved healthy growth in various retail businesses in the first three months of 2021. Ping An Bank’s retail assets under management (AUM) rose by 6.8% year to date to RMB2,802,610 million as of March 31, 2021. Retail customers increased by 3.0% year to date to 110,399.4 thousand, among which qualified private banking customers grew by 9.1% year to date to 62.5 thousand. The balance of retail deposits increased by 5.4% year to date to RMB721,434 million. The average daily balance of retail demand deposits increased by 18.5% year on year to RMB225,419 million in the first three month of 2021. The average cost of retail deposits for the first three months of 2021 was 2.29%, down 0.29 pps year on year, and 0.13 pps lower than that for 2020, reflecting an optimized deposit portfolio. The balance of retail loans grew by 4.0% year to date to RMB1,669,911 million as of March 31, 2021, with the business portfolio and customer portfolio further improving.

**Ping An Bank continued to enhance corporate banking.** Ping An Bank made breakthroughs in business development by playing “five cards,” namely new supply chains, bill integration, a uniform customer development platform, sophisticated investment and financing, and ecosystem-based cross-selling. The balance of corporate loans grew by 4.5% year to date to RMB1,108,599 million as of March 31, 2021. The balance of corporate deposits grew by 1.5% year to date to RMB2,018,554 million. The average daily balance of corporate demand deposits grew by 26.5% year on year to RMB688,249 million in the first three months of 2021. The average cost of corporate deposits was 1.98% in the first three months of 2021, down 0.39 pps year on year, and 0.19 pps lower than that for 2020.

**Ping An Bank achieved steady growth in interbank business.** Ping An Bank focused on new transactions, new interbank business, and new asset management business. Market shares by transaction volumes of interest swap business, gold business and bond business were 12.9%, 7.9% and 2.1% respectively in the first three months of 2021. Interbank institutional sales reached RMB462,028 million, up 117.5% year on year. Ping An Bank had RMB521,828 million of NAV-type (net asset value-type) products in compliance with the new asset management regulation as of March 31, 2021, up 12.6% year to date. Such products accounted for 76.0% of the balance of the non-principal guaranteed wealth management products, compared with 71.5% at the beginning of 2021.

**Asset quality of Ping An Bank continued to improve.** The non-performing loan ratio was 1.10% as of March 31, 2021, improved by 0.08 pps year to date. The provision coverage ratio for non-performing loans rose by 43.76 pps year to date to 245.16%. The deviations of loans more than 60 days overdue and loans more than 90 days overdue were 0.88 and 0.78 respectively.

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

	<b>2021</b>	2020	Change (%)
Net profit	<b>10,132</b>	8,548	18.5
Revenue	<b>41,788</b>	37,926	10.2
Net interest revenue <sup>(1)</sup>	<b>29,766</b>	27,431	8.5
Net non-interest revenue <sup>(1)</sup>	<b>12,022</b>	10,495	14.5
Impairment losses on credit and other assets	<b>16,697</b>	15,928	4.8
<b>Operational efficiency and profitability</b>			
Cost-to-income ratio (%)	<b>28.12</b>	27.94	0.18 pps
Net interest margin <sup>(1)</sup> (annualized, %)	<b>2.87</b>	2.88	-0.01 pps

(in RMB million)	<b>March 31, 2021</b>	December 31, 2020	Change (%)
<b>Deposits and loans<sup>(2)</sup></b>			
Total loans and advances	<b>2,778,510</b>	2,666,297	4.2
Including: Retail loans	<b>1,669,911</b>	1,604,940	4.0
Corporate loans	<b>1,108,599</b>	1,061,357	4.5
Deposits	<b>2,739,988</b>	2,673,118	2.5
Including: Retail deposits	<b>721,434</b>	684,669	5.4
Corporate deposits	<b>2,018,554</b>	1,988,449	1.5

Notes: (1) The revenue from credit card installment services was reclassified from fee and commission revenue to interest revenue in accordance with the *Circular on Strictly Implementing the Accounting Standards for Business Enterprises and Effectively Strengthening the Work on the 2020 Annual Reports of Enterprises* (Cai Kuai [2021] No.2) jointly issued by the Ministry of Finance and related commissions of China on February 5, 2021. Corresponding financial indicators including the net interest revenue, net non-interest revenue, and net interest margin for the comparable period have been restated accordingly.

(2) Total loans and advances, deposits, and their components are exclusive of interest receivable and payable.



(in RMB million)	<b>March 31,</b> <b>2021</b>	December 31, 2020	Change (%)
<b>Asset quality</b>			
Percentage of special mention loans (%)	<b>1.06</b>	1.11	-0.05 pps
Non-performing loan ratio (%)	<b>1.10</b>	1.18	-0.08 pps
Provision coverage ratio (%)	<b>245.16</b>	201.40	43.76 pps
Percentage of loans more than 60 days overdue (%)	<b>0.97</b>	1.08	-0.11 pps
Deviation of loans more than 60 days overdue <sup>(1)</sup>	<b>0.88</b>	0.92	-4 pps
Provision coverage ratio for loans more than 60 days overdue (%)	<b>278.60</b>	219.78	58.82 pps
Percentage of loans more than 90 days overdue (%)	<b>0.86</b>	0.88	-0.02 pps
Deviation of loans more than 90 days overdue <sup>(2)</sup>	<b>0.78</b>	0.75	3 pps
Provision coverage ratio for loans more than 90 days overdue (%)	<b>312.76</b>	268.74	44.02 pps

Notes: (1) Deviation of loans more than 60 days overdue = balance of loans more than 60 days overdue / balance of non-performing loans.

(2) Deviation of loans more than 90 days overdue = balance of loans more than 90 days overdue / balance of non-performing loans.

	March 31, 2021	December 31, 2020	Change (%)
<b>Capital adequacy ratio</b>			
Total risk weighted assets (in RMB million)	3,264,091	3,151,764	3.6
Core tier 1 capital adequacy ratio (%)	8.67	8.69	-0.02 pps
Tier 1 capital adequacy ratio (%)	10.81	10.91	-0.10 pps
Capital adequacy ratio (%)	<u>13.20</u>	<u>13.29</u>	<u>-0.09 pps</u>

*Note:* Ping An Bank and its wholly-owned subsidiary Ping An Wealth Management Co., Ltd. are included in the computation of the above capital adequacy ratios in accordance with the *Administrative Measures for the Capital of Commercial Banks (Trial)* issued by the former China Banking Regulatory Commission on June 7, 2012. The minimum regulatory requirements for the core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio, and capital adequacy ratio are 7.5%, 8.5%, and 10.5% respectively.

## 2.7 Asset Management Business

Net profit of the asset management business decreased by 3.9% year on year to RMB2,638 million due to the varied paces of exits from investments as well as impairment provisions on and valuation adjustments of investments in the first three months of 2021.

**Ping An Trust followed regulatory guidelines, ramped up transformation efforts, and focused on its core trust businesses.** Ping An Trust continued to focus on its four core businesses, namely special asset investment, infrastructure investment, financial service trusts and private equity investment, adhering to its role as a trustee to serve the real economy. Ping An Trust continued to promote its business transformation and optimize its business portfolio. Assets held in trust increased by 3.0% year to date to RMB402,814 million as of March 31, 2021, with an increasing contribution from assets under active management. Assets held in trust in the investment category saw a net increase of RMB31,447 million or 26.7% year to date.

**Ping An Securities achieved better-than-average business results by leveraging the Group’s integrated financial services and technological advantages.** Ping An Securities carried out digital operations and platform-empowered operations driven by “research, customers, products and platforms” by advancing various strategic measures in the first three months of 2021. Ping An Securities’s return on equity (ROE) was better than the industry average, and its core business indicators continued to grow. In brokerage business, the market share of Ping An Securities in terms of the brokerage equity and fund trading volume (excluding seat leasing)<sup>(1)</sup> continued to expand by 0.31 pps year on year to 3.69% thanks to advantages in online operations in the first three months of 2021. Ping An Securities accelerated its transformation toward wealth management, and optimized its revenue structure. In investment banking business, Ping An Securities was among top players in the industry by debt financing business volume. Ping An Securities boosted its total underwritten volume of asset-backed securities (“ABSs”) and bonds by 50% year on year, ranking first and eighth in the industry by underwritten volumes of ABSs and bonds respectively in the first three months of 2021.

*Note:* (1) The computation of the market share excludes the Northbound Stock Connect market.

## 2.8 Technology Business

Ping An continues to further its technology strategies and rapidly develop its technology business. The total revenue of the technology business<sup>(1)</sup> increased by 20.1% year on year to RMB23,824 million in the first three months of 2021.

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

**Ping An Good Doctor** (HKEX: 01833.HK), as an integral part of the Group's healthcare ecosystem, has built an AI-aided in-house medical team of over 2,000 people and integrated offline healthcare networks to provide online-merge-offline healthcare. Ping An Good Doctor continued to advance its business strategy focused on channels, services, and capabilities. Ping An Good Doctor is committed to facilitating the communication between doctors and patients, with an aim to build trust, promote professionalism, and offer convenience. Ping An Good Doctor plans to build an online healthcare services platform with the largest scale, the most advanced models, and the deepest competitive moat in China. In January 2021, the "Ping An Good Doctor" app was officially renamed the "Ping An Healthcare" app. Moreover, Ping An Good Doctor established an insurance business unit to strengthen online business cooperation with insurers including Ping An Health Insurance Company of China, Ltd. and provide one-stop, all-round and end-to-end online "healthcare + insurance" services. Going forward, Ping An Good Doctor will make greater efforts to develop online medical services while enhancing health management and expanding offline partner networks. Moreover, Ping An Good Doctor will strengthen its in-house medical team, partner with renowned doctors globally, and build a global network of doctors under the multi-site practice model to provide comprehensive, professional medical services.

**Ping An HealthKconnect** strives to be a smart technology company that fully empowers the healthcare ecosystem. Ping An HealthKconnect leverages its industry-leading experience in SHI, medical, health and disease management to fully empower the healthcare ecosystem. Ping An HealthKconnect empowers Healthcare Security Administrations by developing the Smart SHI Integrated Platform centering around a smart SHI system. Starting from SHI, Ping An HealthKconnect provides integrated medical management solutions covering hospitals, doctors, pharmacies, and insured members. Moreover, Ping An HealthKconnect empowers commercial insurers in terms of insurance product design, risk management, and marketing channels. Ping An HealthKconnect won seven new bids to construct provincial-level SHI platforms in the first three months of 2021.

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

**OneConnect** (NYSE: OCFT) is China’s leading technology-as-a-service platform for financial institutions. OneConnect established a product line featuring “horizontal integration” in banking, insurance and asset management sectors and “vertical full coverage” from Software as a Service (SaaS) to Infrastructure as a Service (IaaS) to seize opportunities from the digitization of financial institutions. OneConnect offers full-process services including marketing and customer acquisition, risk management, operational management and smart operations, as well as end-to-end technological services including data management, core systems and cloud platforms. Through these services, OneConnect provides financial institutions with comprehensive technological empowerment. OneConnect continues to promote fintech business innovation, and has been honored as one of KPMG’s China Leading Fintech 50 companies for three consecutive years. In 2021, OneConnect will continue to offer services along the entire industry chains of banking, insurance and asset management to help customers achieve digitization goals with technology.

**Autohome** (NYSE: ATHM; HKEX: 02518.HK), as China’s leading online auto services platform, is committed to developing an auto ecosystem centering on data and technology. In the ecosystem, Autohome provides auto consumers with diverse products and services across the entire auto lifecycle. In data business, Autohome is committed to empowering automakers and dealers in research and development, marketing, and conversion. Autohome took control of TTP Car Inc. in late 2020, and is promoting strategic synergy and integration to develop a used car transaction ecosystem. Autohome became listed on the Main Board of the Hong Kong Stock Exchange (“HKEX”) on March 15, 2021.

**Ping An’s smart city business** empowers city development with technologies in government services, business development, and citizen services. Ping An provides comprehensive smart city solutions to facilitate and promote the digital government, digital economy, and digital society. Ping An’s smart city business has gone live in 152 cities across China as well as countries and regions involved in the Belt and Road Initiative. In digital government services, Ping An helps governments improve city governance via an integrated smart government services platform and advance the “internet + government services” reform via an integrated smart citizen services platform. In promoting the digital economy, Ping An builds an integrated digital business operations platform to provide comprehensive services including consulting and planning, operations management, training, data governance and application. In digital citizen services, Ping An’s integrated smart citizen services platform had attracted over 35 million registered users and over 2.6 billion visits as of March 31, 2021. Ping An’s vocational education services platform had served over 55 million users, attracting over 1.22 billion participations in training sessions on the platform as of March 31, 2021.

## 2.9 Technology-powered Business Transformation

**By employing cutting-edge healthtech, Ping An builds and empowers a healthcare ecosystem, realizes horizontal and vertical integration, and creates new drivers of value growth through cooperation among 12 healthcare-related entities.** In respect of horizontal integration, Ping An maximizes value by grabbing user traffic from the user end, managing medical institutions from the payment end, and empowering service providers. In respect of vertical integration, Ping An builds a competitive moat by leveraging the core resources of hospitals, doctors and pharmacies through serving healthcare management authorities and empowering ecosystem members with technologies. Ping An strives to build the most advanced healthcare ecosystem and reform the traditional medical service model by serving the healthcare industry on all fronts including healthcare management authorities, patients, service providers, payers, and technologies. Ping An's smart healthcare business serves regulators and empowers medical institutions with solutions for public health management, medical institution regulation, AskBob medical stations, clinical decision support, medical image recognition, and chronic disease management. The business had empowered over 37,000 medical institutions and benefited about 750,000 doctors in 161 cities as of March 31, 2021. Moreover, Ping An cooperates closely with local Healthcare Security Administrations, and won seven new bids in the first three months of 2021 to construct provincial-level SHI platforms.

**Ping An leverages cutting-edge technologies to upgrade the end-to-end services of its core financial businesses in an all-round way.**

- In respect of sales, Ping An Life rolled out Smart Opportunity Presentation with its "AI Customer Visit Assistant." The "AI Customer Visit Assistant" was used nearly five million times, facilitating over four million online customer visits in the first three months of 2021. The "Jin Guan Jia" app recorded nearly 289 million online interactions with users in the first three months of 2021. The "Jin Guan Jia" app satisfied diverse customer demands and served users 7.21 million times via a one-stop benefit services system in the first three months of 2021.
- In respect of operations, Ping An leverages technologies to optimize financial business processes, boost operational efficiency, and improve customer experiences in a comprehensive manner. In Property & Casualty's operations management, Ping An leverages AI robot assistants to reform its traditional business operations models and streamline the operational procedures. A "Robot Factory" was built to comprehensively rationalize and create a property and casualty insurance knowledge graph which improves the capability of identifying customer intention based on natural language processing. The robot assistants can "listen, speak, read, think and act" due to integration with voice recognition and voice-to-text technologies. As a result, 82% of policies were issued through self-service in March 2021.
- In respect of customer services, Ping An's self-developed speech robots have been widely used in banking, insurance, and other businesses. The speech robots provided services about 480 million times in the first three months of 2021. The net promoter score on the speech robots for March 2021 was about 4.2 pps higher than that for December 2020.

**Ping An attaches great importance to developing core technologies and securing proprietary intellectual property rights.** Ping An's technology patent applications increased by 1,100 year to date to 32,512 as of March 31, 2021, more than most other international financial institutions'. Of these applications, nearly 96% were for invention patents and 7,929 were filed under the Patent Cooperation Treaty (PCT) and abroad. Moreover, Ping An won multiple honors in top international technology competitions. Ping An won four championships in the International Workshop on Semantic Evaluation (SemEval-2021) and one championship in one of the tasks of MEDIQA 2021, an international medical question answering assessment, in the first three months of 2021.

## **2.10 Prospects of Future Development**

China is promoting COVID-19 prevention and containment as well as economic and social development. The domestic economy is recovering steadily, with increasingly smoother economic activities and improving market expectations. However, international economic situations remain complex and severe, domestic economic recovery is imbalanced, and the foundation for economic recovery is still not solid.

Profound changes in the domestic and foreign environments will bring long-term new opportunities for the Company's business development. People's health awareness will be gradually enhanced after the epidemic, and their consumption demand for insurance and other financial services will grow. Moreover, government policies and technologies continuously drive new consumption forms and models to develop steadily, generating online business opportunities.

The year 2021 marks the 100th anniversary of the Communist Party of China and the beginning of China's 14th Five-Year Plan. It is also a particularly important year in China's modernization drive after the successful building of a moderately prosperous society in all aspects. The Company will uphold the compliance philosophy of "Regulations + 1" and further improve operations in compliance with applicable laws and regulations. Moreover, the Company will pursue steady progress by continuously advancing the "finance + technology" and "finance + ecosystem" strategies in response to the call of the Communist Party of China and the state. The Company will adhere to the philosophy of "expertise makes life easier, technology makes financial services heartwarming, and healthcare makes life better." The Company will develop heartwarming products and services under the policy of "deepening reform, pursuing sustainable growth, and planning for the future" by leveraging fintech and the healthcare ecosystem. In this way, the Company will create value for shareholders and customers, and contribute to social development.

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

As of March 31, 2021, the total share capital of the Company was 18,280,241,410 shares, of which 10,832,664,498 were A shares and 7,447,576,912 were H shares.

Total number of shareholders as at the end of the Reporting Period		Total number of shareholders was 958,431, of which 954,120 were holders of A shares and 4,311 were holders of H shares.				
Shareholdings of top ten shareholders						
Name of shareholder	Nature of shareholder <sup>(1)</sup>	Shareholding percentage (%)	Total number of shares held (Shares) <sup>(2)</sup>	Type of shares	Number of shares subject to selling restrictions (Shares)	Number of pledged or frozen shares (Shares)
Hong Kong Securities Clearing Company Nominees Limited <sup>(3)</sup>	Overseas legal person	35.68	6,523,017,902 <sup>(4)</sup>	H Share	-	Unknown
Shenzhen Investment Holdings Co., Ltd.	State	5.27	962,719,102	A Share	-	341,740,000 pledged shares
Hong Kong Securities Clearing Company Limited <sup>(5)</sup>	Others	4.86	888,518,668	A Share	-	-
China Securities Finance Corporation Limited	Others	2.99	547,459,258	A Share	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	2.65	483,801,600	A Share	-	-
Business Fortune Holdings Limited	Overseas legal person	2.32	423,863,083	H Share	-	262,072,714 pledged shares
New Orient Ventures Limited	Overseas legal person	1.46	266,639,322	H Share	-	-
Shum Yip Group Limited	State-owned legal person	1.41	257,728,008	A Share	-	-
Plenty Ace Investments (SPV) Limited	Overseas legal person	1.16	212,823,845	H Share	-	-
Dacheng Fund - Agricultural Bank of China - Dacheng Zhongzheng Financial Asset Management Plan	Others	1.10	201,948,582	A Share	-	-

- Notes:* (1) Nature of the holders of A shares represents the nature of accounts held by the holders of A shares registered on the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.
- (2) As the shares of the Company could be used as underlying securities for margin financing and securities lending, the shareholdings of the shareholders are the aggregate of all the shares and interests held in ordinary securities accounts and credit securities accounts.
- (3) Hong Kong Securities Clearing Company Nominees Limited (“HKSCC Nominees Limited”) is the nominee holder of the shares held by non-registered H shareholders of the Company.
- (4) Business Fortune Holdings Limited, New Orient Ventures Limited and Plenty Ace Investments (SPV) Limited are indirect wholly-owned subsidiaries of Charoen Pokphand Group Company Limited (“CP Group Ltd.”), and the shares owned by these three companies have been registered under the name of HKSCC Nominees Limited. In order to avoid double counting, the shares owned by the above three companies have been deducted from the shares held by HKSCC Nominees Limited.
- (5) The shares held by Hong Kong Securities Clearing Company Limited refer to the shares held by non-registered shareholders under the Northbound Trading of the Shanghai-Hong Kong Stock Connect Program.

### **Explanation of the Connected Relationship or Acting-in-concert Relationship Among the Above Shareholders**

Business Fortune Holdings Limited, New Orient Ventures Limited and Plenty Ace Investments (SPV) Limited are indirect wholly-owned subsidiaries of CP Group Ltd., and they are presumed to be acting in concert with each other since they are under the common control of CP Group Ltd. CP Group Ltd. indirectly held 1,310,975,313 H shares of the Company, representing approximately 7.17% of the total share capital of the Company, through the above three companies and other subsidiaries as of March 31, 2021.

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



#### 4. SIGNIFICANT EVENTS

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

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

The Key Employee Share Purchase Plan of the Company has been officially implemented since 2015 as deliberated at the 16th meeting of the 9th Board of Directors held on October 28, 2014 and approved at the 1st extraordinary general meeting for 2015 held on February 5, 2015. Participants in the Key Employee Share Purchase Plan of the Company are the key employees of the Company and its subsidiaries including directors, employee representative supervisors, and senior management. The sources of funding are legitimate incomes and performance bonuses of the employees.

Six phases of the Key Employee Share Purchase Plan were implemented as at the end of the Reporting Period. Among them, all the shares under the three phases for 2015-2017 were unlocked and vested, and the three phases for 2018-2020 were implemented as follows:

There were 1,296 participants in the Key Employee Share Purchase Plan for 2018. A total of 9,666,900 A shares of the Company were purchased for a total amount of RMB592,698,901.19 (expenses inclusive), accounting for approximately 0.053% of the total share capital of the Company at that time.

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

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

During the Reporting Period, there was no change in equity under the three phases of the Key Employee Share Purchase Plan for 2018-2020, and the manager of the Key Employee Share Purchase Plan was not changed.

The key employees held 20,199,099 A shares of the Company in total through the Key Employee Share Purchase Plan as at the end of the Reporting Period, accounting for approximately 0.110% of the total share capital of the Company.

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

The Company has implemented the Long-term Service Plan since 2019 as deliberated at the 3rd meeting of the 11th Board of Directors held on October 29, 2018 and approved at the 2nd extraordinary general meeting for 2018 held on December 14, 2018. Participants in the Long-term Service Plan of the Company are the employees of the Company and its subsidiaries including directors, employee representative supervisors, and senior management. The source of funding is the payroll payable.

Two phases of the Long-term Service Plan were implemented as at the end of the Reporting Period:

There were 31,026 participants in the Long-term Service Plan for 2019. A total of 54,294,720 A shares of the Company were purchased for a total amount of RMB4,296,112,202.60 (expenses inclusive), accounting for approximately 0.297% of the total share capital of the Company at that time. During the Reporting Period, 642 employees were disqualified and 1,172,334 shares were forfeited because the employees failed to meet the conditions specified in the Long-term Service Plan and applicable agreed rules due to reasons including their resignation or failure to meet performance targets.

There were 32,022 participants in the Long-term Service Plan for 2020. A total of 49,759,305 A shares of the Company were purchased for a total amount of RMB3,988,648,517.41 (expenses inclusive), accounting for approximately 0.272% of the total share capital of the Company at that time. During the Reporting Period, 804 employees were disqualified and 1,294,047 shares were forfeited because the employees failed to meet the conditions specified in the Long-term Service Plan and applicable agreed rules due to reasons including their resignation or failure to meet performance targets.

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

The Long-term Service Plan held a total of 104,041,879 A shares of the Company as at the end of the Reporting Period, accounting for approximately 0.569% of the total share capital of the Company.

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

## 5. GUARANTEE

(in RMB million)

<b>External guarantee of the Company and its subsidiaries (excluding the guarantee in favor of its subsidiaries)</b>	
Total external guarantee incurred during the Reporting Period	–
Total external guarantee balance as at the end of the Reporting Period	–
<b>Guarantee of the Company and its subsidiaries in favor of its subsidiaries</b>	
Total guarantee in favor of its subsidiaries incurred during the Reporting Period <sup>(2)</sup>	8,736
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period	63,526
<b>Total guarantee of the Company (including the guarantee in favor of its subsidiaries)</b>	
Total guarantee	63,526
Total guarantee as a percentage of the Company's net assets (%)	8.2
Including: Direct or indirect guarantee for the companies with a total liabilities to total assets ratio over 70% (as at March 31, 2021)	63,526
The amount by which the total guarantee balance of the Company and its subsidiaries exceeded 50% of the Company's net assets	–

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

(2) During the Reporting Period, the total guarantee incurred was the guarantee withdrawal of RMB8,870 million less the guarantee repayment of RMB134 million.

## 6. SOLVENCY MARGIN OF SUBSIDIARIES

<b>As at March 31, 2021</b>	<b>Ping An Life</b>	<b>Ping An Property &amp; Casualty</b>
Core capital (in RMB million)	1,055,284	108,231
Actual capital (in RMB million)	1,077,284	121,731
Minimum capital (in RMB million)	450,400	46,149
Core solvency margin ratio (%)	234.3	234.5
Comprehensive solvency margin ratio (%)	239.2	263.8

Notes: (1) Core solvency margin ratio = core capital / minimum capital; comprehensive solvency margin ratio = actual capital / minimum capital.

(2) The minimum regulatory requirements for the core solvency margin ratio and comprehensive solvency margin ratio are 50% and 100% respectively.

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

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

### 7.1 Consolidated Income Statement

*For the three months ended March 31, 2021*

<b>For the three months ended March 31 (in RMB million)</b>	<b>2021 (Unaudited)</b>	2020 (Unaudited)
Gross written premiums	<b>243,941</b>	257,940
Less: Premiums ceded to reinsurers	<b>(7,278)</b>	(6,608)
Net written premiums	<b>236,663</b>	251,332
Change in unearned premium reserves	<b>(1,382)</b>	(10,610)
Net earned premiums	<b>235,281</b>	240,722
Reinsurance commission revenue	<b>1,667</b>	1,790
Interest revenue from banking operations	<b>52,048</b>	50,333
Interest revenue from non-banking operations	<b>31,373</b>	27,492
Fees and commission revenue from non-insurance operations	<b>13,165</b>	11,777
Investment income	<b>14,817</b>	3,268
Share of profits and losses of associates and jointly controlled entities	<b>2,558</b>	4,623
Other revenues and other gains	<b>15,885</b>	15,256
<b>Total revenue</b>	<b>366,794</b>	355,261
Gross claims and policyholders' benefits	<b>(192,720)</b>	(185,443)
Less: Reinsurers' share and policyholders' benefits	<b>3,733</b>	2,957
Claims and policyholders' benefits	<b>(188,987)</b>	(182,486)
Commission expenses on insurance operations	<b>(26,568)</b>	(29,466)
Interest expenses on banking operations	<b>(22,031)</b>	(22,727)
Fees and commission expenses on non-insurance operations	<b>(3,014)</b>	(2,452)
Net impairment losses on financial assets	<b>(22,628)</b>	(16,705)
Net impairment losses on other assets	<b>(7,237)</b>	(706)
Foreign exchange gains/(losses)	<b>312</b>	(44)
General and administrative expenses	<b>(42,067)</b>	(41,020)
Interest expenses on non-banking operations	<b>(7,699)</b>	(6,344)
Other expenses	<b>(8,222)</b>	(15,959)
<b>Total expenses</b>	<b>(328,141)</b>	(317,909)

<b>For the three months ended March 31 (in RMB million)</b>	<b>2021 (Unaudited)</b>	2020 (Unaudited)
Profit before tax	<b>38,653</b>	37,352
Income tax	<b>(5,642)</b>	(7,018)
<b>Profit for the period</b>	<b><u>33,011</u></b>	<u>30,334</u>
<b>Attributable to:</b>		
– Owners of the parent	<b>27,223</b>	26,063
– Non-controlling interests	<b>5,788</b>	4,271
	<b><u>33,011</u></b>	<u>30,334</u>
	<b>RMB</b>	RMB
<b>Earnings per share attributable to ordinary equity holders of the parent:</b>		
– Basic	<b>1.54</b>	1.47
– Diluted	<b>1.53</b>	1.46

## 7.2 Consolidated Statement of Comprehensive Income

For the three months ended March 31, 2021

For the three months ended March 31 (in RMB million)	2021 (Unaudited)	2020 (Unaudited)
<b>Profit for the period</b>	<b>33,011</b>	30,334
<b>Other comprehensive income</b>		
Items that may be reclassified subsequently to profit or loss:		
Changes in the fair value of debt instruments at fair value through other comprehensive income	(2,083)	6,514
Credit risks provision of debt instruments at fair value through other comprehensive income	1,512	271
Shadow accounting adjustments	121	(2,941)
Reserve from cash flow hedging instruments	(48)	(155)
Exchange differences on translation of foreign operations	456	131
Share of other comprehensive income of associates and jointly controlled entities	269	(248)
Others	(133)	–
Items that will not be reclassified to profit or loss:		
Changes in the fair value of equity instruments at fair value through other comprehensive income	17,520	(24,402)
Shadow accounting adjustments	(10,213)	14,715
Share of other comprehensive income of associates and jointly controlled entities	333	3,241
<b>Other comprehensive income for the period, net of tax</b>	<b>7,734</b>	(2,874)
<b>Total comprehensive income for the period</b>	<b>40,745</b>	27,460
<b>Attributable to:</b>		
– Owners of the parent	34,886	22,466
– Non-controlling interests	5,859	4,994
	<b>40,745</b>	27,460

### 7.3 Consolidated Statement of Financial Position

As at March 31, 2021

(in RMB million)	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>ASSETS</b>		
Cash and amounts due from banks and other financial institutions	611,114	587,391
Balances with the Central Bank	309,011	280,177
Financial assets purchased under reverse repurchase agreements	113,398	122,765
Premium receivables	94,368	94,003
Accounts receivable	27,819	26,176
Derivative financial assets	36,160	37,661
Reinsurers' share of insurance liabilities	22,384	20,219
Policy loans	167,070	161,381
Finance lease receivable	206,526	202,050
Loans and advances to customers	2,707,048	2,599,510
Financial assets at fair value through profit or loss	1,238,726	1,231,331
Financial assets at amortized cost	2,673,033	2,624,848
Debt financial assets at fair value through other comprehensive income	497,295	511,386
Equity financial assets at fair value through other comprehensive income	299,641	277,401
Investments in associates and jointly controlled entities	268,697	267,819
Statutory deposits for insurance operations	12,589	12,561
Investment properties	47,468	43,385
Property and equipment	45,640	46,286
Intangible assets	65,976	64,290
Right-of-use assets	15,479	16,172
Deferred tax assets	55,886	61,901
Other assets	188,174	186,098
Policyholder account assets in respect of insurance contracts	43,672	48,796
Policyholder account assets in respect of investment contracts	4,197	4,263
<b>Total assets</b>	<b>9,751,371</b>	<b>9,527,870</b>



<b>(in RMB million)</b>	<b>March 31, 2021 (Unaudited)</b>	December 31, 2020 (Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	18,280	18,280
Reserves	236,608	228,271
Treasury shares	(5,995)	(5,995)
Retained profits	523,286	522,004
	<hr/>	<hr/>
Equity attributable to owners of the parent	772,179	762,560
Non-controlling interests	232,562	225,345
	<hr/>	<hr/>
<b>Total equity</b>	<b>1,004,741</b>	<b>987,905</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities</b>		
Due to banks and other financial institutions	955,071	960,175
Financial liabilities at fair value through profit or loss	60,893	37,217
Derivative financial liabilities	43,314	48,579
Assets sold under agreements to repurchase	219,241	276,602
Accounts payable	4,496	5,148
Income tax payable	19,139	17,283
Insurance payables	114,006	139,528
Policyholder dividend payable	65,606	63,806
Customer deposits and payables to brokerage customers	2,773,871	2,693,833
Bonds payable	955,004	901,285
Insurance contract liabilities	3,101,259	2,972,460
Investment contract liabilities for policyholders	68,629	67,581
Lease liabilities	15,257	15,620
Deferred tax liabilities	14,459	19,267
Other liabilities	336,385	321,581
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>8,746,630</b>	<b>8,539,965</b>
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	<b>9,751,371</b>	<b>9,527,870</b>
	<hr/> <hr/>	<hr/> <hr/>

**7.4 Consolidated Statement of Cash Flows**  
*For the three months ended March 31, 2021*

<b>For the three months ended March 31 (in RMB million)</b>	<b>2021 (Unaudited)</b>	2020 (Unaudited)
<b>Net cash flows from operating activities</b>	<b>64,872</b>	128,201
<b>Cash flows from investing activities</b>		
Purchases of investment properties, property and equipment, and intangible assets	<b>(4,875)</b>	(1,605)
Proceeds from disposal of investment properties, property and equipment, and intangible assets, net	<b>21</b>	399
Proceeds from disposal of investments	<b>477,417</b>	488,247
Purchases of investments	<b>(538,997)</b>	(678,264)
Acquisition of subsidiaries, net	<b>(6)</b>	(255)
Disposal of subsidiaries, net	<b>285</b>	1
Interest received	<b>44,538</b>	39,407
Dividends received	<b>7,690</b>	3,297
Rentals received	<b>933</b>	851
Increase in policy loans, net	<b>(5,641)</b>	(8,268)
<b>Net cash flows used in investing activities</b>	<b>(18,635)</b>	(156,190)

<b>For the three months ended March 31 (in RMB million)</b>	<b>2021 (Unaudited)</b>	2020 (Unaudited)
<b>Cash flows from financing activities</b>		
Capital injected into subsidiaries by non-controlling interests	<b>2,938</b>	32,018
Proceeds from bonds issued	<b>291,569</b>	200,457
(Decrease)/Increase in assets sold under agreements to repurchase of insurance operations, net	<b>(46,360)</b>	61,262
Proceeds from borrowings	<b>52,181</b>	35,540
Repayment of borrowings	<b>(316,735)</b>	(260,928)
Interest paid	<b>(10,557)</b>	(5,968)
Dividends paid	<b>(2,296)</b>	(697)
(Decrease)/Increase in insurance placements from banks and other financial institutions, net	<b>(300)</b>	3,000
Payment of acquisition of shares	–	(994)
Payment of share purchased for Long-term Service Plan	–	(3,989)
Repayment of lease liabilities	<b>(1,807)</b>	(1,125)
Payment of redemption for other equity instruments by subsidiaries	<b>(50)</b>	–
Others	<b>3,228</b>	(163)
	<hr/>	<hr/>
<b>Net cash flows (used in)/from financing activities</b>	<b>(28,189)</b>	58,413
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	<b>18,048</b>	30,424
Net foreign exchange differences	<b>(51)</b>	1,138
Cash and cash equivalents at the beginning of the period	<b>424,748</b>	303,466
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<b>442,745</b>	335,028
	<hr/> <hr/>	<hr/> <hr/>

## 8. RELEASE OF RESULTS ANNOUNCEMENT

This results announcement is simultaneously available on the website of HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.pingan.cn](http://www.pingan.cn)). This results announcement is prepared in accordance with IFRSs. The full report of the First Quarter Results for 2021 prepared in accordance with the *Accounting Standards for Business Enterprises* issued by the Ministry of Finance of the People's Republic of China and other relevant regulations will be published on the Company's website ([www.pingan.cn](http://www.pingan.cn)) at the same time as it is published on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

By order of the Board of Directors

**Ma Mingzhe**

*Chairman*

Shenzhen, the PRC, April 22, 2021

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

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