

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

Insurance · Banking · Investment

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, 2017

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 Quarterly Results”) of the Company and its subsidiaries (“the Group”) for the three months ended March 31, 2017 (the “Reporting Period”). The Board of Directors and its Audit and Risk Management Committee have reviewed the First Quarterly Results.

1. KEY FINANCIAL INFORMATION

1.1 Key Figures

For the three months ended March 31,	2017	2016	% of change
Net profit attributable to shareholders of the parent company (in RMB million)	23,053	20,700	11.4
Basic earnings per share (in RMB)	1.29	1.16	11.2
Value of new business (in RMB million)	21,264	13,290	60.0
Combined ratio- Ping An Property & Casualty	95.9%	94.3%	up 1.6 percentage points

	March 31, 2017	December 31, 2016	% of change
Equity attributable to shareholders of the parent company (in RMB million)	411,477	383,449	7.3
Number of individual customers (million)	137.60	131.07	5.0
Number of internet users (million)	376.53	346.30	8.7

1.2 Solvency Margin of Subsidiaries

March 31, 2017	Ping An Life	Ping An Property & Casualty
Core capital (in RMB million)	553,295	66,596
Actual capital (in RMB million)	578,095	74,596
Minimum capital (in RMB million)	255,689	30,388
Core solvency margin ratio	216.4%	219.2%
Comprehensive solvency margin ratio	226.1%	245.5%

Notes: (1) For details of subsidiaries' solvency margin, please refer to the Company's website (www.pingan.cn).

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

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

As at March 31, 2017, 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 309,819, of which 305,085 were holders of A shares and 4,734 were holders of H shares.			
Particulars of top ten shareholders						
Name of shareholder	Nature of shareholder ⁽²⁾	Share-holding percentage (%)	Total number of shares held (Shares) ⁽³⁾	Type of shares	Number of selling-restricted shares held (Shares)	Number of pledged or frozen shares (Shares)
Hong Kong Securities Clearing Company Nominees Limited ⁽¹⁾	Overseas legal person	32.09	5,866,427,192	H share	–	unknown
Shenzhen Investment Holdings Co., Ltd.	State	5.27	962,719,102	A share	–	380,060,000 pledged shares
All Gain Trading Limited	Overseas legal person	4.32	789,001,992	H share	–	789,001,992 pledged shares
Huaxia Life Insurance Co., Ltd.-Universal Insurance Products	Others	4.31	788,319,315	A share	–	–
China Securities Finance Corporation Limited	Others	3.85	703,874,479	A share	–	–
Bloom Fortune Group Limited	Overseas legal person	2.77	505,772,634	H share	–	505,772,634 pledged shares
Central Huijin Asset Management Ltd.	Others	2.65	483,801,600	A share	–	–
Hong Kong Securities Clearing Company Limited ⁽⁴⁾	Others	1.62	296,526,072	A share	–	–
Business Fortune Holdings Limited	Overseas legal person	1.43	261,581,728	H share	–	169,463,933 pledged shares
Shum Yip Group Limited	State-owned legal person	1.41	257,728,008	A share	–	–

- Notes:*
- (1) Hong Kong Securities Clearing Company Nominees Limited (“HKSCC Nominees Limited”) is the nominee holder of the shares held by non-registered H shareholders. The shares owned by All Gain Trading Limited, Bloom Fortune Group Limited and Business Fortune Holdings Limited have been registered under the name of HKSCC Nominees Limited. In order to avoid double counting, the shares owned by these three companies have been deducted from the shares held by HKSCC Nominees Limited.
 - (2) Nature of A shareholders represents the nature of account held by A shareholders registered on the Shanghai branch of China Securities Depository and Clearing Corporation Limited.
 - (3) 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.
 - (4) The shares held by Hong Kong Securities Clearing Company Limited refer to the shares held by non-registered shareholders of Shanghai-Hong Kong Stock Connect.

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

All Gain Trading Limited, Bloom Fortune Group Limited and Business Fortune Holdings Limited are wholly-owned subsidiaries of Charoen Pokphand Group Company Limited, and they are of connected relationship or acting-in-concert relationship since they are under common control.

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

3. BUSINESS REVIEW FOR KEY BUSINESSES

3.1 Overview

In the first quarter of 2017, China’s economy continued its steady improvement and ongoing transformation. Aiming to become “a world-leading personal financial services provider”, the Company focused on “pan financial assets” and “pan health care”, delivering financial services. At the same time, it continuously optimized its products and service experience, and pushed ahead with the strategy of “one positioning, two focuses and four service ecosystems”. During the first quarter, the Company achieved steady growth in its overall performance, and the number of individual customers increased continuously with significant customer migration. The insurance business recorded sound development while maintaining market-leading quality. The banking business accelerated its transformation while keeping the overall asset quality under control. The asset management business implemented strict risk management and promoted the transformation. The internet finance business maintained rapid growth.

The Company achieved steady growth in its overall performance. In the first quarter of 2017, net profit attributable to shareholders of the parent company was RMB23,053 million, up by 11.4% year on year. As at March 31, 2017, equity attributable to shareholders of the parent company stood at RMB411,477 million, up 7.3% from the beginning of the year. The Company’s total assets was about RMB5.77 trillion, up 3.5% from the beginning of the year.

3.2 Customer Development

Ping An’s customers and users increased continuously with significant migration.

As at March 31, 2017, Ping An had an overall individual customer base of 138 million, up 5.0% from the beginning of the year, among which 35.02 million customers held contracts of multiple subsidiaries at the same time. The number of new customers reached 11.78 million in the first quarter, among which the number of new customers of the internet channel was 2.01 million. The Group continuously expanded its internet business. As at March 31, 2017, the number of Ping An’s internet users was around 377 million, up 8.7% from the beginning of the year, including 265 million app users and 64.64 million monthly active users. During the first quarter, user migration across the internet platforms reached 19.74 million times, up 70.2% year on year.

(million persons)	March 31, 2017	December 31, 2016	% of change
Number of individual customers	137.60	131.07	5.0
Including:			
Those who simultaneously held contracts of multiple subsidiaries	35.02	31.50	11.2
Number of internet users	376.53	346.30	8.7
Including:			
App users	264.69	233.36	13.4
Monthly active users ⁽¹⁾	64.64	61.99	4.3

⁽¹⁾ Monthly active users are the average monthly active users in recent 12 months.

3.3 Life Insurance Business

The value of new business of the life insurance business maintained fast growth, the scale of the business grew steadily and both the number and the productivity of the sales agents improved.

In the first quarter of 2017, the value of new business of the life insurance business was RMB21,264 million, up 60.0% year on year; written premium of the life insurance business reached RMB184,640 million, representing a year-on-year increase of 37.1%; written premium of individual business was RMB178,191 million, representing a year-on-year increase of 38.1%.

(in RMB million)	1Q 2016	2Q 2016	3Q 2016	4Q 2016	Year of 2016 ⁽¹⁾	1Q 2017	Change yoy
Value of new business	13,290	13,079	13,298	11,137	50,805	21,264	60.0%

⁽¹⁾ Figures may not match the calculation due to the rounding.

⁽²⁾ Above value of new business figures are C-ROSS based. The “Standards for Actuarial Practice: Valuation Standard for Embedded Value of Life Insurance” issued by the China Association of Actuaries became effective in November 2016. Based on the Standards and the assumptions used for the end of 2016, quarterly value of new business for life insurance business in 2016 has been calculated retrospectively.

With customer management at the core, Ping An Life adhered to value-oriented operation and platform development. It promoted the synergistic development of multiple channels, striving to achieve the sustainable, healthy and stable growth of the embedded value and scale. In the first quarter of 2017, both the number and the quality of its sales agents improved; regular written premium of new business of the bancassurance channel saw a rapid increase; market share of the telemarketing channel ranked first in the industry; the internet channel continued to deepen the O2O model with the “Jin Guan Jia” app at the core to achieve fast growth in written premium.

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

	2017	2016	% of change
Ping An Life			
Net profit	<u>13,299</u>	<u>12,765</u>	<u>4.2</u>
Written premiums ⁽¹⁾			
Individual Business			
New Business			
Agent channel	65,841	40,593	62.2
Bancassurance channel	4,978	8,282	(39.9)
Including: regular premium	2,770	1,210	128.9
Telemarketing, internet and others ⁽¹⁾	3,574	2,107	69.6
Subtotal of new business	74,393	50,982	45.9
Renewed business	103,597	78,055	32.7
Subtotal of individual business	177,990	129,037	37.9
Group business	611	459	33.1
Total	<u>178,601</u>	<u>129,496</u>	<u>37.9</u>

⁽¹⁾ As policyholders are individuals or groups, Ping An Life’s business falls into two categories, i.e. individual business and group business. Data in the same period last year has been restated consistently.

⁽²⁾ The premium of products sold by agents via the “Jin Guan Jia” app under the O2O model has been included in the internet channel.

	March 31, 2017	March 31, 2016	% of change
Agents (thousand persons)	<u>1,196</u>	<u>937</u>	<u>27.6</u>
For the three months ended March 31,	2017	2016	% of change
Agent productivity⁽¹⁾			
First-year written premium per agent per month (RMB)	<u>19,190</u>	<u>14,556</u>	<u>31.8</u>

⁽¹⁾ Productivity of agents includes business data of products sold via the “Jin Guan Jia” app under O2O model.

Major business lines of Ping An Annuity maintained healthy growth. In the first quarter of 2017, the business scales of short-term insurance and long-term insurance of Ping An Annuity reached RMB5,587 million and RMB2,201 million respectively, with leading market shares. As at the end of the first quarter, Ping An Annuity's entrusted corporate annuities was RMB172,957 million, corporate annuities under investment management reached RMB160,748 million, basic pension funds and other assets under management reached RMB129,255 million, maintaining the leadership among domestic specialized pension companies.

3.4 Property and Casualty Insurance Business

The property and casualty insurance business grew rapidly with stable profitability.

Ping An Property & Casualty comprehensively implemented Ping An's 3.0 strategy and continuously upgraded its one-stop auto services to improve customer satisfaction. As the business grew rapidly, Ping An Property & Casualty strengthened its risk screening capability and maintained sound profitability. In the first quarter of 2017, Ping An Property & Casualty generated RMB53,661 million in premium income, up 23.2% year on year. Premium income from cross-selling, telemarketing and online channels reached RMB23,244 million, up 7.4% over the same period last year; premium from the car dealers channel reached RMB10,502 million, up 11.1% year on year.

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

	2017	2016	% of change
Ping An Property & Casualty Net Profit	3,390	3,310	2.4
Premium income			
Auto insurance	41,035	37,293	10.0
Non-auto insurance	11,113	4,924	125.7
Accident and health insurance	1,513	1,335	13.3
Total	53,661	43,552	23.2
Combined ratio	95.9%	94.3%	up 1.6 percentage points

3.5 Banking Business

The scale of banking business saw sound growth. The business transformation accelerated while the risk mitigation capabilities improved.

Ping An Bank vigorously pushed forward with its strategic transformation. While maintaining the steady growth of its profits and scale, it centered on its core strategies of “technology-driven, breakthroughs in retail banking, and excellent corporate banking” to orderly move ahead with its transformation. Ping An Bank heavily focused on technological innovations and the use of technology so that internal operation costs were lowered and management efficiency was enhanced and so that externally the service quality was bettered and the customer experience was improved. Several breakthroughs were achieved in the transformation into a retail bank. Ping An Bank remained customer-centric, achieved fast business growth while maintaining good quality of retail business, and continued to innovate and upgrade its services, products, channels and organizations. In corporate banking, Ping An Bank switched from scale-oriented growth to value-driven and quality-driven organic growth, carefully selected industries and customers, conducted delicacy management of products and services, and implemented the strategy of “being asset-light, capital-light, industry-oriented and professional with investment banking attributes”.

Ping An Bank made active responses to external risks by continuously optimizing the credit structure, tightening the control over risks in new business and preventing potential risks in existing loans. It scaled up collection and disposal of non-performing assets, strengthened provisions and write-offs, and maintained generally stable asset quality.

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

	2017	2016	% of change
Ping An Bank			
Net profit	<u>6,214</u>	<u>6,086</u>	<u>2.1</u>
Total income⁽¹⁾	27,712	27,532	0.7
Net interest income	18,869	19,079	(1.1)
Non-interest income	<u>8,843</u>	<u>8,453</u>	<u>4.6</u>
Loan impairment loss	<u>12,191</u>	<u>9,460</u>	<u>28.9</u>
Operating Efficiency			
Net interest margin	2.53%	2.91%	down 0.38 percentage point
Cost-to-income ratio	24.55%	29.35%	down 4.80 percentage points
	<u><u>24.55%</u></u>	<u><u>29.35%</u></u>	<u><u>down 4.80 percentage points</u></u>

⁽¹⁾ The revenue was supposed to be RMB29,790 million with excluding of the impact of the value-added tax reform, up 8.2 % year on year.

(in RMB million)	March 31, 2017	December 31, 2016	% of change
Deposit and loan business			
Loans and advances	1,548,162	1,475,801	4.9
Including: Retail loans under management (LUM, including credit cards)	585,158	540,944	8.2
Deposits	1,912,082	1,921,835	(0.5)
Including: Individual deposit	289,510	269,022	7.6
Asset quality			
% of special mentioned loan	4.12%	4.11%	up 0.01 percentage point
Non-performing loan ratio	1.74%	1.74%	–
Provision coverage ratio	163.32%	155.37%	up 7.95 percentage points
Loan loss provision ratio	2.84%	2.71%	up 0.13 percentage point

(in RMB million)	March 31, 2017	December 31, 2016	% of change
Retail Business			
Retail customers (thousand persons)	43,690	40,470	8.0
Individual customers' assets under management (AUM)	906,386	797,600	13.6
Credit cards issued (thousand)	27,100	25,610	5.8

(in RMB million)	March 31, 2017	December 31, 2016	% of change
Capital adequacy ratio			
Total risk weighted assets	2,101,897	2,033,715	3.4
Capital adequacy ratio	11.48%	11.53%	down 0.05 percentage point
Tier 1 capital adequacy ratio	9.23%	9.34%	down 0.11 percentage point
Core tier 1 capital adequacy ratio	8.28%	8.36%	down 0.08 percentage point

3.6 Trust Business

Ping An Trust strictly managed risks, continuously promoted business transformation and maintained steady growth.

Centering on customers' demands, Ping An Trust embarked on the business model of "wealth + funds", and made continuous efforts to improve customer experience in order to accumulate customers and assets. In terms of asset management, it focused on the basic industries, real estate, emerging industries, mergers and acquisitions and capital market, and explored a fund-based investment business model to support the real economy. Moreover, Ping An Trust tightened risk control, operated with legality and in compliance, proactively fulfilled social responsibilities, effectively managed charity trusts, and maintained sound and steady business development. As at March 31, 2017, Ping An Trust recorded assets held in trust of RMB670,547 million, down 1.0% from the beginning of the year; Of this, the administrative category decreased by 0.6% to RMB388,601 million, while the investment category dropped 6.6% to RMB132,030 million, and the financing category increased by 3.5% to RMB149,916 million. The number of active wealth customers reached 61,700, up 17.5% from the beginning of the year.

3.7 Securities Business

Ping An Securities deepened its strategic transformation and enhanced its competitive advantages that set it apart.

The online brokerage customers of Ping An Securities became more active; in the first quarter, the number of daily average active customers reached 1,302.20 thousand, up 96.9% year on year; as a result, Ping An Securities' share in the retail market increased by 0.36 percentage points year on year to 2.13%. In institutional business, Ping An Securities continued the transformation of its investment banking business and explored innovative trading models; Ping An Securities' bond strategies achieved outstanding yields, accounting for 39% of the trading income; Ping An Securities continued to rank first among securities companies in terms of interest rate swap market making.

For the three months ended March 31,	2017	2016	% of change
Ping An Securities			
Brokerage business			
Daily average active customers (thousand)	1,302.2	661.2	96.9
Market share of trading volume of individual customers	2.13%	1.77%	up 0.36 percentage point

3.8 Internet Finance Business

Internet finance strategy was strengthened, with rapid growth in various businesses.

In 2016, Lufax Holding completed restructuring with Puhui Business, CQFAE and QEX, and hence the landscape of “three exchanges + Puhui” took shape. Through the restructuring, Lufax Holding brought its advantages into full play. It built presence in wealth management, consumer finance and financial asset trading among institutions, and further enhanced its leading position in the internet finance industry. The trading volume maintained rapid growth in the first quarter.

Number of users (in thousand)	March 31, 2017	December 31, 2016	% of change
Lufax			
Registered users	30,130	28,380	6.2
Active investor users	7,650	7,400	3.4
Trading volume (in RMB million)			
For the three months ended March 31,	2017	2016	% of change
Lufax/QEX/CQFAE			
Retail	559,409	305,470	83.1
Institutional	1,383,932	995,450	39.0
AUM (in RMB million)			
	March 31, 2017	December 31, 2016	% of Change
Lufax/QEX/CQFAE			
Retail assets under management	466,438	438,379	6.4
Puhui business			
Balance of loans under management	189,183	146,640	29.0

Taking online consultation and treatment as the entry point, Ping An Good Doctor aims to build a one-stop, full-process O2O healthcare platform and provide users with comprehensive medical and health management services based on mining and applying big data. As at March 31, 2017, Ping An Doctor had provided services for 140 million users in total, with the peak number of monthly active users reaching 18.79 million and daily peak inquiries reaching 430 thousand.

Committed to providing comprehensive services for individuals and institutions, Finance One Account stepped up efforts to develop an open platform in the ecosystem that serves financial institutions. As at March 31, 2017, the number of its individual users exceeded 190 million, and sales volume of financial products reached RMB17.2 billion. In terms of services for financial institutions, Finance One Account cooperated with 301 banks and 1,253 non-bank financial and quasi-financial institutions; new interbank trading volume reached RMB721 billion, and the number of credit inquiries exceeded 136 million.

3.9 Outlook

Looking ahead to the full year, the environment will be complex and challenging for China's economy. As new technologies with internet at the core develop, almost all traditional industries will face significant challenges and opportunities, including the financial industry. Ping An will pay close attention to the changes of the external environment, and work towards its goal of becoming "a world-leading personal financial services provider" focused on the integrated financial service model of "one customer, multiple products and one-stop services". It will stay true to its mission, make endeavor to earn a reputation for its services, and realize stable growth in performance to give back to investors and society.

4. SIGNIFICANT EVENTS

Implementation of the Key Employee Share Purchase Plan of the Company

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, the Key Employee Share Purchase Plan of the Company has been officially implemented. Since implementation of this plan, the Company has seen sound operations; the shareholders, the Company, and the employees have shared benefits and risks, providing strong guarantee for further improving the Company's governance structure as well as establishing and improving the long-term incentive and restraint mechanisms to facilitate long-term sustainable and healthy development of the Company.

Third of which had been implemented as of the end of this reporting period:

(1) Implementation in 2015

The participants were 839 key employees of the Company and its subsidiaries including the directors, employee representative supervisors, and senior management. The sources of funding were legitimate salaries and performance bonuses of the employees.

The share purchase was conducted by the manager of the plan, China Merchants Securities Co., Ltd. (changed to China Merchants Securities Asset Management Co., Ltd. on September 9, 2015 due to establishment of the subsidiary) from March 20, 2015 to March 26, 2015 in the secondary market; 4,050,253 A shares of the Company in total were purchased for a total price of RMB312,047,645 (inclusive of expenses), accounting for 0.044% of the total share capital of the Company at that time. For details of the share purchase, please refer to the Announcement of Ping An Insurance (group) Company of China, Ltd. regarding the Completion of Share Purchase under the 2015 Key Employee Share Purchase Scheme published by the Company on websites of the HKEx and the SSE on March 27, 2015 and March 30, 2015 respectively.

As the Company's profit distribution for 2014 included the conversion of capital reserve into share capital in a proportion of 10 shares for every 10 shares held, the total number of shares held under the plan for this period had changed to 8,100,506 shares.

The plan for this period was unlocked on March 30, 2017 with one third of the shares attributed to 701 employees. The remaining 64 employees are not qualified for attribution with 299,622 shares clawed back.

(2) Implementation in 2016

The participants were 773 key employees of the Company and its subsidiaries including the directors, employee representative supervisors, and senior management. The sources of funding were legitimate salaries and performance bonuses of the employees.

The share purchase was conducted by the manager of the plan, China Merchants Securities Asset Management Co., Ltd. from March 17, 2016 to March 21, 2016 in the secondary market; 14,803,850 A shares of the Company in total were purchased for a total price of RMB481,578,936.53 and an average price of RMB32.53/share, accounting for 0.081% of the total share capital of the Company at that time. These shares are subject to a lock-up period from March 23, 2016 to March 22, 2017. For details of the share purchase, please refer to the Announcement of Ping An Insurance (group) Company of China, Ltd. regarding the Completion of Share Purchase under the 2016 Key Employee Share Purchase Scheme published by the Company on websites of the HKEx and the SSE on March 22, 2016 and March 23, 2016 respectively.

The plan for this period was unlocked on March 23, 2017 with one third of the shares attributed to 721 employees. The remaining 52 employees are not qualified for attribution with 582,029 shares clawed back.

(3) Implementation in 2017

The participants were 1157 key employees of the Company and its subsidiaries including the directors, employee representative supervisors, and senior management. The sources of funding were legitimate incomes and performance bonuses of the employees.

The share purchase was conducted by the manager of the plan, China Merchants Securities Asset Management Co., Ltd. from March 23, 2017 to March 27, 2017 in the secondary market; 16,419,990 A shares of the Company in total were purchased for a total price of RMB603,305,761.16 and an average price of RMB36.74/share, accounting for 0.090% of the total share capital of the Company at that time. These shares are subject to a lock-up period from March 29, 2017 to March 28, 2018. For details of the share purchase, please refer to the Announcement of Ping An Insurance (group) Company of China, Ltd. regarding the Completion of Share Purchase under the 2017 Key Employee Share Purchase Scheme published by the Company on websites of the HKEx and the SSE on March 28, 2017 and March 29, 2017 respectively. During the reporting period, there is no change in equity triggered by the right of disposition of any stock ownership plan holder.

The manager of the plan is China Merchants Securities Asset Management Co., Ltd.; the manager was not changed during the reporting period.

5. UNDERTAKINGS

Undertakings in Respect of the Major Asset Restructuring with Shenzhen Development Bank¹

- (1) The Company undertakes that, after the completion of the major asset restructuring with Shenzhen Development Bank, and during the period when the Company remains as the controlling shareholder of Shenzhen Development Bank, and in respect of the businesses or commercial opportunities similar to those of Shenzhen Development Bank that the Company and the enterprises under its control intend to carry out or have substantially obtained whereby the assets and businesses arising from such business or commercial opportunities may possibly form potential competition with those of Shenzhen Development Bank, the Company and the enterprises under its control shall not engage in the businesses identical or similar to those carried out by Shenzhen Development Bank, so as to avoid direct or indirect competition with the operations of Shenzhen Development Bank.
- (2) The Company undertakes that, after the completion of the major asset restructuring with Shenzhen Development Bank, and in respect of the transactions between the Company and the enterprises under its control and Shenzhen Development Bank which constitute the connected transactions of Shenzhen Development Bank, the Company and the enterprises under its control shall enter into transaction with Shenzhen Development Bank following the principle of “openness, fairness and justness” at fair and reasonable prices, and shall go through the decision-making process according to the requirements of the relevant laws and regulations and regulatory documents, and perform their obligations of information disclosure as required by law. The Company undertakes that the Company and the enterprises under its control shall not procure any illegal interests or let Shenzhen Development Bank undertake any illicit obligations through the transactions with Shenzhen Development Bank.
- (3) The Company undertakes that, after the completion of the major asset restructuring and during the period when the Company remains as the controlling shareholder of Shenzhen Development Bank, the Company shall maintain the independence of Shenzhen Development Bank and ensure that Shenzhen Development Bank is independent from the Company and the enterprises under its control in respect of personnel, assets, finance, organization and business.

As at March 31, 2017, the above undertakings were still in the process of performance and there was no violation of the above undertakings.

¹ Shenzhen Development Bank, refers to the original Shenzhen Development Bank Co., Ltd., an associate of the Company from May 2010, became a subsidiary of the Company in July 2011, and was renamed as Ping An Bank Co., Ltd. on 27 July 2012.

Undertaking in Respect of the Issuance of Ping An Convertible Bonds

During the period of issuing Ping An Convertible Bonds by the Company, in terms of certain subsidiaries engaged in construction of properties for self-use purposes and retirement communities, the Company undertakes that, now and in the future, it will strictly comply with relevant regulations in relation to the insurance funds used in real estate investment and the principle that the insurance funds should only be applied to specific property without property speculation or sale in an inappropriate form. It will not develop or sell commercial housing by means of investment in retirement communities and real estate for self-use purposes.

As at March 31, 2017, the above undertaking was still in the process of performance and there was no violation of the above undertaking.

Undertaking in Respect of the Subscription for 1,323,384,991 New Shares of Ping An Bank through Non-public Issuance

In relation to the subscription for 1,323,384,991 new shares of Ping An Bank through non-public issuance, the Company undertakes that it shall not transfer the shares within 36 months since the date of listing of the new shares (January 9, 2014), excluding the transfer among its connected organizations (i.e. any parties directly or indirectly controlling the Company or under the direct or indirect control of the Company or under the control of the same controller as that of the Company) to the extent permitted by the applicable laws. Upon expiry of the above-mentioned term, the Company will be free to dispose of such newly-issued shares pursuant to the requirements of China Securities Regulatory Commission and Shenzhen Stock Exchange.

As at March 31, 2017, the above undertaking had been fulfilled.

Undertaking in Respect of the Subscription for 210,206,652 New Shares of Ping An Bank through Non-public Issuance

In relation to the subscription for 210,206,652 new shares of Ping An Bank through non-public issuance, the Company undertakes that it shall not transfer the shares within 36 months since the date of listing of the new shares (May 21, 2015). Such shares shall not be disposed of and transferred among its non-connected parties, nor transferred and disposed of among its connected parties during the lock-up period. In addition, no arrangement of any other disposal of interests shall be entered into with respect to such shares subject to the lock-up period.

As at March 31, 2017, the above undertaking was still in the process of performance and there was no violation of the above undertaking.

6. GUARANTEE

(in RMB million)

External guarantee of the Company and its subsidiaries (excluding the guarantee in favor of its subsidiaries)	
Total external guarantee incurred during the Reporting Period	–
Total external guarantee balance as at the end of the Reporting Period	–
Guarantee of the Company and its subsidiaries in favor of its subsidiaries	
Total guarantee in favor of its subsidiaries incurred during the Reporting Period	372
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period	37,861
Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee	37,861
Total guarantee as a percentage of the Company's net assets (%)	9.2
Including: Direct and indirect guarantee for the companies with gearing ratio over 70% (as at March 31, 2017)	31,014
The amount that the Company's total guarantee balance exceeded 50% of its net assets	–

Note: The data set out in the table above does not include those arise from financial guarantee businesses conducted by Ping An Bank (the controlling subsidiary) and other subsidiaries of the Company in strict compliance with the scope of operation approved by relevant regulatory authorities.

7. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS

(1) Consolidated Income Statement

For the three months ended March 31, 2017

For the three months ended March 31, (in RMB million)	2017 (unaudited)	2016 (unaudited)
Gross written premiums	211,093	155,451
Less: Premiums ceded to reinsurers	(5,020)	(5,097)
Net written premiums	206,073	150,354
Change in unearned premium reserves	(8,870)	(3,429)
Net earned premiums	197,203	146,925
Reinsurance commission income	1,407	1,008
Interest income from banking operations	34,967	33,134
Fees and commission income from non-insurance operations	11,001	10,462
Investment income	29,490	23,723
Share of profits and losses of associates and jointly controlled entities	216	(40)
Other income	9,884	9,265
Total income	284,168	224,477
Gross claims and policyholders' benefits	(154,208)	(115,519)
Less: Reinsurers' share and policyholders' benefits	2,483	3,250
Claims and policyholders' benefits	(151,725)	(112,269)
Commission expenses on insurance operations	(30,187)	(19,362)
Interest expenses on banking operations	(15,837)	(13,580)
Fees and commission expenses on non-insurance operations	(1,268)	(984)
Loan loss provisions, net of reversals	(12,166)	(9,356)
Foreign exchange (losses)/gains	(115)	43
General and administrative expenses	(31,124)	(34,104)
Finance costs	(2,788)	(2,975)
Other expenses	(6,230)	(4,542)
Total expenses	(251,440)	(197,129)
Profit before tax	32,728	27,348
Income tax	(6,988)	(3,959)
Profit for the period	25,740	23,389

For the three months ended March 31, (in RMB million)	2017 (unaudited)	2016 (unaudited)
Attributable to:		
– Owners of the parent	23,053	20,700
– Non-controlling interests	2,687	2,689
	25,740	23,389
	RMB	RMB
Earnings per share attributable to ordinary equity holders of the parent		
– Basic	1.29	1.16
– Diluted	1.29	1.16

(2) Consolidated Statement of Comprehensive Income
For the three months ended March 31, 2017

For the three months ended March 31, (in RMB million)	2017 (unaudited)	2016 (unaudited)
Profit for the period	25,740	23,389
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets	8,837	(23,954)
Shadow accounting adjustments	(298)	9,015
Exchange differences on translation of foreign operations	(40)	(138)
Share of other comprehensive income of associates and jointly controlled entities	7	–
Income tax relating to components of other comprehensive income	(2,195)	3,831
Other comprehensive income for the period, net of tax	6,311	(11,246)
Total comprehensive income for the period	32,051	12,143
Attributable to:		
– Owners of the parent	29,236	9,509
– Non-controlling interests	2,815	2,634
	32,051	12,143

(3) Consolidated Statement of Financial Position*As at March 31, 2017*

(in RMB million)	March 31, 2017 (unaudited)	December 31, 2016 (Audited)
ASSETS		
Cash and amounts due from banks and other financial institutions	519,040	561,143
Balances with the Central Bank and statutory deposits	277,987	318,860
Fixed maturity investments	2,303,977	2,156,291
Equity investments	460,175	426,908
Derivative financial assets	4,270	8,836
Loans and advances to customers	1,520,215	1,458,291
Premium receivables	39,541	35,325
Accounts receivable	21,450	22,353
Reinsurers' share of insurance liabilities	16,227	15,269
Finance lease receivable	84,292	78,056
Policyholder account assets in respect of insurance contracts	38,370	39,706
Policyholder account assets in respect of investment contracts	4,085	4,084
Investments in associates and jointly controlled entities	52,037	48,955
Investment properties	40,162	36,568
Property and equipment	39,555	40,143
Intangible assets	59,493	63,017
Deferred tax assets	30,820	28,292
Other assets	261,622	234,806
Total assets	<u>5,773,318</u>	<u>5,576,903</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	18,280	18,280
Reserves	193,912	188,910
Retained profits	199,285	176,259
Equity attributable to owners of the parent	411,477	383,449
Non-controlling interests	107,048	103,012
Total equity	<u>518,525</u>	<u>486,461</u>

(in RMB million)	March 31, 2017 (unaudited)	December 31, 2016 (Audited)
Liabilities		
Due to banks and other financial institutions	607,271	584,794
Other financial liabilities held for trading	14,595	25,883
Assets sold under agreements to repurchase	96,128	89,166
Derivative financial liabilities	7,255	8,715
Customer deposits and payables to brokerage customers	1,878,587	1,894,377
Accounts payable	5,492	8,565
Income tax payable	29,591	22,003
Insurance payables	87,395	113,387
Insurance contract liabilities	1,750,640	1,625,473
Investment contract liabilities for policyholders	46,449	44,930
Policyholder dividend payable	41,834	39,216
Bonds payable	409,178	349,825
Deferred tax liabilities	13,823	11,274
Other liabilities	266,555	272,834
	<hr/>	<hr/>
Total liabilities	5,254,793	5,090,442
	<hr/>	<hr/>
Total equity and liabilities	5,773,318	5,576,903
	<hr/> <hr/>	<hr/> <hr/>

(4) Consolidated Statement of Cash Flows
For the three months ended March 31, 2017

For the three months ended March 31, (in RMB million)	2017 (Unaudited)	2016 (Unaudited)
Net cash flows from operating activities	(41,685)	119,272
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investment properties, property and equipment, and intangible assets	(2,802)	(2,720)
Proceeds from disposal of investment properties, property and equipment, and intangible assets	63	5
Proceeds from disposal of investments	624,393	748,506
Purchases of investments	(774,482)	(905,093)
Term deposits withdrawal/(placed), net	26,270	(3,323)
Acquisition of non-controlling interests in subsidiaries	(1,528)	(383)
Acquisition and disposal of subsidiaries, net	(294)	2,912
Interest received	27,580	26,979
Dividends received	12,939	13,667
Rentals received	534	155
Others	(5,790)	(4,863)
Net cash flows used in investing activities	(93,117)	(124,158)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital injected into subsidiaries by non-controlling interests	2,390	11,074
Proceeds from bonds issued	315,328	179,836
Decrease in assets sold under agreements to repurchase of insurance operations	(11,154)	(25,193)
Proceeds from borrowed funds	88,389	75,695
Repayment of debts	(339,495)	(182,656)
Interest paid	(4,258)	(4,731)
Dividends paid	(501)	(1)
Others	(432)	(353)
Net cash flows from financing activities	50,267	53,671
Net increase in cash and cash equivalents	(84,535)	48,785
Net foreign exchange differences	(514)	(132)
Cash and cash equivalents at beginning of the period	367,552	333,325
Cash and cash equivalents at the end of the period	282,503	381,978

8. RELEASE OF RESULTS ANNOUNCEMENT

This results announcement is simultaneously available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.pingan.cn). This results announcement is prepared in accordance with IFRS. The full report for the first quarterly results of 2017 prepared in accordance with the Accounting Standards for Business Enterprise issued by the Ministry of Finance of the PRC and the other relevant regulations will be published on the Company's website (www.pingan.cn) at the same time as it is published on the website of the SSE (www.sse.com.cn).

By order of the Board of Directors
Ma Mingzhe
Chairman and Chief Executive Officer

Shenzhen, PRC, April 27, 2017

As at the date of this announcement, the Executive Directors of the Company are Ma Mingzhe, Sun Jianyi, Ren Huichuan, Yao Jason Bo, Lee Yuansiong and Cai Fangfang; the Non-executive Directors are Lin Lijun, Soopakij Chearavanont, Yang Xiaoping, Xiong Peijin and Liu Chong; the Independent Non-executive Directors are Woo Ka Biu Jackson, Stephen Thomas Meldrum, Yip Dicky Peter, Wong Oscar Sai Hung, Sun Dongdong and Ge Ming.