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

OVERSEAS REGULATORY ANNOUNCEMENT

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

“The Announcement of Ping An Insurance (Group) Company of China, Ltd. in relation to the Disclosure of 2017 First Quarterly Report of Ping An Bank”, which is published by Ping An Insurance (Group) Company of China, Ltd. on the website of Shanghai Stock Exchange, is reproduced herein for your reference.

By order of the Board
Yao Jun
Company Secretary

Shenzhen, PRC, April 21, 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.

**THE ANNOUNCEMENT OF
PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
IN RELATION TO
THE DISCLOSURE OF 2017 FIRST QUARTERLY REPORT OF
PING AN BANK**

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

Ping An Bank Co., Ltd. (hereinafter referred to as "Ping An Bank"), a subsidiary of the Company, proposes to publish the "2017 First Quarterly Report of Ping An Bank" on the website of Shenzhen Stock Exchange (www.szse.cn) on April 22, 2017.

Please also refer to the "2017 First Quarterly Report of Ping An Bank" as attached to this announcement of the Company published on the website of Shanghai Stock Exchange (www.sse.com.cn).

The Board of Directors
Ping An Insurance (Group) Company of China, Ltd.
April 21, 2017



平安银行
PING AN BANK

Ping An Bank Co., Ltd.
2017 First Quarterly Report

22 April 2017

Part I. Important Notes

I. The board of directors (hereinafter refer to as the “Board”), the supervisory committee (hereinafter referred to as the “Supervisory Committee”), the directors, the supervisors and senior management of Ping An Bank Co., Ltd. (hereinafter referred to as the “Bank”) guarantee the authenticity, accuracy and completeness of the contents of this report, in which there are no false representations and misleading statements contained, or material omissions, and the several and joint responsibilities are assumed as well.

II. The 6th meeting of the 10th session of the Board of the Bank considered the 2017 First Quarterly Report. 12 directors were expected to attend the meeting and 11 directors were present in person. Director Guo Jian did not attend the meeting due to business reason, and authorized Director Yao Jason Bo to vote on the meeting. This report was approved unanimously at the meeting.

III. Xie Yonglin (the Bank’s Chairman), Hu Yuefei (the President), Chen Rong (the Vice President and CFO) and Han Xu (the head of the Accounting Department) guarantee the authenticity, accuracy and completeness of the financial report contained in the 2017 First Quarterly Report.

IV. Notes about Non-standard Auditing Comments

Applicable Not applicable

This quarterly financial report of the Bank has not been audited; however, PricewaterhouseCoopers Zhong Tian LLP conducted agreed-upon procedures towards certain items and the compiling procedures of financial statement.

Part II. Company Profile

I. Key Financial Data

Whether the Company has adjusted or restated retrospectively the accounting data for the previous years due to the change of accounting policies and corrections of accounting errors

Yes No

(In RMB million)			
Item	31 March 2017	31 December 2016	Change from the end of the reporting period over the end of last year
Total assets	3,006,195	2,953,434	1.79%
Shareholders' equity	207,739	202,171	2.75%
Shareholders' equity attributable to ordinary shareholders	187,786	182,218	3.06%
Share capital	17,170	17,170	-
Net asset per share attributable to ordinary shareholders (in RMB)	10.94	10.61	3.11%
Item	Jan - Mar 2017	Jan - Mar 2016	Increase/decrease as compared with the same period last year
Operating income	27,712	27,532	0.65%
Net profit	6,214	6,086	2.10%
Net profit less non-recurring gains/losses	6,212	6,075	2.26%
Net cash flow from operating activities	(115,008)	59,268	(294.05%)
Net cash flow from operating activities per share (in RMB)	(6.70)	3.45	(294.20%)
Basic EPS/Diluted EPS (in RMB)	0.31	0.35	(11.43%)
Basic EPS less non-recurring gains/losses (in RMB)	0.31	0.35	(11.43%)
Average return on total assets (un-annualised)	0.21%	0.23%	-0.02 percentage point
Average return on total assets (annualised)	0.83%	0.94%	-0.11 percentage point
Weighted average return on net assets (un-annualised)	2.89%	3.70%	-0.81 percentage point
Weighted average return on net assets (annualised)	12.35%	14.01%	-1.66 percentage points
Weighted average return on net assets less non-recurring gains/losses (un-annualised)	2.89%	3.69%	-0.80 percentage point
Weighted average return on net assets less non-recurring gains/losses (annualised)	12.34%	13.99%	-1.65 percentage points

Note: (1) The Bank issued non-cumulative preference shares with a par value of RMB20 billion through non-public offering on 7 March 2016, and the Bank declared and distributed in March 2017 the annualized dividends of the preference shares of RMB874 million (tax inclusive), the calculation period for the dividends is from 7 March 2016 to 6 March 2017. The Bank has deducted the above issued dividends of preference shares when calculating the EPS and weighted average return on net assets for the first quarter of 2017.

(2) The profit distribution proposal of the Bank for 2015 was implemented in June 2016. A cash dividend of RMB1.53 (tax inclusive) was paid to every shareholder for every 10 shares held based on the total share capital of the Bank as at December 31, 2015 comprised 14,308,676,139 shares; also, capital reserve were capitalized and 2 bonus shares were issued for every 10 shares to all shareholders. Pursuant to the

Standards for Content and Format of Information Disclosure of Companies Issuing Securities Publicly No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (Amended in 2010), the earnings per share for the respective comparative periods shall be recalculated based on the adjusted number of shares. The earnings per share, net cash flows from operating activities per share and net assets per share attributable to ordinary shareholders for the comparative periods stated in the table above were recalculated based on the adjusted number of shares.

				(In RMB million)
Item	31 March 2017	31 December 2016	31 December 2015	Change from the end of the reporting period over the end of last year
Deposit taking	1,912,082	1,921,835	1,733,921	(0.51%)
Including: Enterprise Loans	1,622,572	1,652,813	1,453,590	(1.83%)
Personal Loans	289,510	269,022	280,331	7.62%
Total disbursement of loans and advances	1,548,162	1,475,801	1,216,138	4.90%
Including: Enterprise Loans	963,004	934,857	774,996	3.01%
General Enterprise Loans	956,386	920,011	761,331	3.95%
Discounted bills	6,618	14,846	13,665	(55.42%)
Personal Loans	397,043	359,859	293,402	10.33%
Receivables from credit cards	188,115	181,085	147,740	3.88%
Provision for impairment of loans and advances	(43,978)	(39,932)	(29,266)	10.13%
Loans and advances, net	1,504,184	1,435,869	1,186,872	4.76%

Note: Pursuant to the *Notice on the Statistical Standards for Adjusting the Deposits and Loans of the Financial Institutions by the People's Bank of China* (Yin Fa [2015] No.14), starting from 2015, the deposits placed by non-deposit financial institutions with deposit financial institutions are accounted for as “total deposits”, whereas the loans extended by deposit financial institutions to non-deposit financial institutions are accounted for as “total loans”. Based on the aforesaid statistical standards, as at 31 March 2017, total deposits and total loans amounted to RMB2,391.6 billion and RMB1,570.5 billion, respectively.

Total share capital of the Company as at the trading day prior to disclosure:

Total share capital of the Company as at the trading day prior to disclosure (shares)	17,170,411,366
Fully diluted earnings per share based on the latest capital calculation (RMB/share, January - March)	0.31

Whether the share capital from the end of the reporting period to the date of issue of the quarterly report has changed and affected the amount of owners' interests as a result of issue of new shares, issue of additional shares, right issue, exercise of share options and repurchase of shares

Yes No

Non-recurring items and amount

Applicable Not applicable

		(In RMB million)
Item	January - March 2017	
Gains/losses on disposal of non-current assets	1	
Other non-operating income and expense	1	
Impact on income tax by above items	-	

Total	2
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Note: The calculation of non-recurring gains/losses shall refer to the meaning as defined in the *Explanatory Announcement on Information Disclosure by Companies Publicly Offering Securities No. 1 – Non-recurring Gains/Losses*.

During the reporting period, no items of non-recurring gains/losses as defined/stated pursuant to the *Explanatory Announcement on Information Disclosure by Companies Publicly Offering Securities No. 1 – Non-recurring Gains/Losses* were defined as recurring gains/losses.

II. Supervision Indicator and Financial Ratio

(Unit: %)

Item	Standard level of indicator	31 March 2017	31 December 2016	31 December 2015
Capital adequacy ratio	≥ 10.5	11.48	11.53	10.94
Tier one capital adequacy ratio	≥ 8.5	9.23	9.34	9.03
Core tier one capital adequacy ratio	≥ 7.5	8.28	8.36	9.03
Non-performing loan (NPL) rate	≤ 5	1.74	1.74	1.45
Provision coverage	≥ 150	163.32	155.37	165.86
Loan loss provision ratio	≥ 2.5	2.84	2.71	2.41
Cost/income ratio (excluding business tax, from the beginning of the year to the end of the period)	N/A	24.55	25.97	31.31
Deposit-loan spread (from the beginning of the year to the end of the period, annualised)	N/A	4.25	4.49	4.89
Net interest spread (NIS) (from the beginning of the year to the end of the period, annualised)	N/A	2.37	2.60	2.62
Net interest margin (NIM) (from the beginning of the year to the end of the period, annualised)	N/A	2.53	2.75	2.81

Note: Regulatory indicators are shown in accordance with the regulatory standards. The Bank reclassified the net yield of precious metal lease in 2016 and redistributed it from net income in non-interest to net interest income and regulated the standards of comparing data.

III. Total number of shareholders and shareholdings of the top 10 shareholders as at the end of the reporting period

1. Total number of ordinary shareholders and preference shareholders with recovered voting rights, and the shareholdings of the top 10 shareholders

(Unit: Share)

Total number of ordinary shareholders as at the end of the reporting period		371,177	Total number of preference shareholders with recovered voting rights as at the end of the reporting period (if any)	-		
Shareholdings of the top 10 ordinary shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total number of shares held	Number of restricted shares held	Pledged or frozen	
					Status of shares	Number of shares

Ping An Insurance (Group) Company of China, Ltd. – the Group – proprietary fund	Domestic legal entity	49.56	8,510,493,066	252,247,983	-	-
Ping An Life Insurance Company of China, Ltd. – proprietary fund	Domestic legal entity	6.11	1,049,462,784	-	-	-
China Securities Finance Corporation Limited	Domestic legal entity	2.79	479,370,768	-	-	-
Ping An Life Insurance Company of China, Ltd. –traditional – ordinary insurance products	Domestic legal entity	2.27	389,735,963	-	-	-
Central Huijin Asset Management Ltd.	Domestic legal entity	1.26	216,213,000	-	-	-
China Electronics ShenZhen Company	Domestic legal entity	1.11	191,251,938	-	-	-
Shenzhen Zhengshun Capital Controlling Co., Ltd.	Domestic legal entity	0.62	106,686,426	-	Pledged	106,686,426
Donghai Ruijing Asset Management – SPD Bank – Donghai Ruijing –SPD Bank – Ruilong No. 18 Special Asset Management Plan	Domestic legal entity	0.52	89,314,735	-	-	-
ICBC Ruixin Fund - Agricultural Bank - ICBC Ruixin Zhongzheng Financial Asset Management Plan	Domestic legal entity	0.37	63,731,160	-	-	-
China Southern Asset Management - Agricultural Bank - South Zhongzheng Financial Asset Management Plan	Domestic legal entity	0.37	63,731,160	-	-	-

Shareholdings of the top 10 unrestricted shareholders

Name of shareholder	Number of unrestricted shares held	Type of shares	
		Type of shares	Number of shares
Ping An Insurance (Group) Company of China, Ltd. – the Group – proprietary fund	8,258,245,083	RMB ordinary shares	8,258,245,083
Ping An Life Insurance Company of China, Ltd. – proprietary fund	1,049,462,784	RMB ordinary shares	1,049,462,784
China Securities Finance Corporation Limited	479,370,768	RMB ordinary shares	479,370,768
Ping An Life Insurance Company of China, Ltd. – traditional – ordinary insurance products	389,735,963	RMB ordinary shares	389,735,963
Central Huijin Asset Management Ltd.	216,213,000	RMB ordinary shares	216,213,000
China Electronics ShenZhen Company	191,251,938	RMB ordinary shares	191,251,938
Shenzhen Zhengshun Capital Controlling Co., Ltd.	106,686,426	RMB ordinary shares	106,686,426
Donghai Ruijing Asset Management –SPD Bank –Donghai Ruijing –SPD Bank –	89,314,735	RMB ordinary shares	89,314,735

Ruilong No. 18 Special Asset Management Plan			
ICBC Ruixin Fund - Agricultural Bank - ICBC Ruixin Zhongzheng Financial Asset Management Plan	63,731,160	RMB ordinary shares	63,731,160
China Southern Asset Management - Agricultural Bank - South Zhongzheng Financial Asset Management Plan	63,731,160	RMB ordinary shares	63,731,160
Description of the related relationship or concerted action of the above shareholders	<p>1. Ping An Life Insurance Company of China, Ltd. is a controlled subsidiary of and acting in concert with the Ping An Insurance (Group) Company of China, Ltd. “Ping An Insurance (Group) Company of China, Ltd. - the Group - proprietary fund”, “Ping An Life Insurance Company of China, Ltd. - proprietary fund” and “Ping An Life Insurance Company of China, Ltd. - traditional - ordinary insurance product” are related parties.</p> <p>2. The Bank is not aware of any related relationship or concerted action among any of other shareholders.</p>		
Description of the top 10 ordinary shareholders who engage in securities margin trading business (if any)	Nil		

Whether the top 10 ordinary shareholders and the top 10 unrestricted ordinary shareholders executed any agreed repurchasing within the reporting period

Yes No

2. Total number of preference shareholders, and the shareholdings of the top 10 preference shareholders

Applicable Not applicable

(Unit: Share)

Total number of preference shareholders as at the end of the reporting period	15					
Shareholdings of the top 10 preference shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total number of shares held	Number of restricted shares held	Pledged or frozen	
					Status of shares	Number of shares
Ping An Life Insurance Company of China, Ltd. – dividend – dividends for individual insurance	Domestic legal entity	29.00	58,000,000	-	-	-
Ping An Life Insurance Company of China, Ltd. – universal – individual universal insurance	Domestic legal entity	19.34	38,670,000	-	-	-
Ping An Property & Casualty Insurance Company of China, Ltd. – traditional – ordinary insurance products	Domestic legal entity	9.67	19,330,000	-	-	-
China Post & Capital Fund – Hua Xia Bank – Hua Xia Bank Co., Ltd.	Domestic legal entity	8.95	17,905,000	-	-	-
Bank of Communications Schroder Fund Management – Bank of Communications – Bank of	Domestic legal entity	8.95	17,905,000	-	-	-

Communications Co., Ltd.						
Bank of China Limited Shanghai Branch	Domestic legal entity	4.47	8,930,000	-	-	-
Postal Savings Bank of China Co., Ltd.	Domestic legal entity	2.98	5,950,000	-	-	-
China Resources SZITIC Trust Co. Ltd – investment No.1– trust funds	Domestic legal entity	2.98	5,950,000	-	-	-
Hwabao Trust Co., Ltd. – investment No.2 – trust funds	Domestic legal entity	2.98	5,950,000	-	-	-
China Merchants Wealth – PSBC – Postal Savings Bank of China Co., Ltd.	Domestic legal entity	2.98	5,950,000	-	-	-
Description of the related relationship or concerted action of the above shareholders	<p>1. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd. are controlled subsidiaries of and acting in concert with the Ping An Insurance (Group) Company of China, Ltd. “Ping An Life Insurance Company of China, Ltd. – dividend – dividends for individual insurance”, “Ping An Life Insurance Company of China, Ltd. – universal – individual universal insurance” and “Ping An Property & Casualty Insurance Company of China, Ltd. – traditional – ordinary insurance products” are related parties.</p> <p>2. The Bank is not aware of any related relationship or concerted action among any of other shareholders.</p>					

Note: (1) There is no restricted period for the unrestricted preference shares issued by the Company.

(2) The preference shareholders of the Bank with no voting rights to be restored.

Part III. Major Events

I. Conditions and reasons for over 30% change in financial data and indicators during reporting period

√ Applicable □ Not applicable

(In RMB million)

Item	Balance of corresponding period	Amount of changes	Change in percentage	Reasons for change
Derivative financial asset	4,188	(4,542)	(52.03%)	Decrease in derivative transaction of precious metal
Buying financial asset under resale	810	(8,066)	(90.87%)	Decrease in buying financial bill under resale
Borrowing from Central Bank	25,074	5,937	31.02%	Increase in bonds sold under repurchase agreements to Central Bank
Financial liabilities measured with their fair value and their changes were counted into the profit and loss of the corresponding period	9,663	(12,250)	(55.90%)	Decrease in payables from leasing of gold for trading
Financial assets sold under repurchased agreement	12,332	(6,609)	(34.89%)	Decrease in interbank deposit receipt sold under repurchase agreements
Predicted liability	60	(30)	(33.33%)	Small base number, RMB90 million for the end of last year
Profit and loss from changes of fair value	(25)	(11)	Negative amount for the same period of last year	Small base number, negative RMB14 million for the same period of last year
Foreign exchange gains/(losses)	45	(107)	(70.39%)	Increase in foreign exchange gains/(losses) due to fluctuation of exchange rate
Tax and surcharges	246	(1,642)	(86.97%)	Affected by the policy to replace the business tax with a value-added tax from 1 May last year
Impairment losses on assets	12,434	2,884	30.20%	Increase in scale of loans and risk resilience
Non-operating income	14	11	366.67%	Small base number, RMB3 million for the same period of last year

II. Analysis and explanation of the progress, impact and solution of major events

√ Applicable □ Not applicable

On 9 January 2017, the 4th session of the 10th Board of Directors of the Bank deliberated and approved the *Proposal on Issuance of Preference Share Dividends*. On 1 March 2017, the Bank issued *Announcement on Issuance and Implementation of Preference Share Dividends of Ping An Bank Co., Ltd.* A total cash dividend of RMB874 million (tax inclusive) was paid and dividends for each preference share is RMB4.37 (tax inclusive) based on nominal stock dividend rate of 4.37% and the Bank's issuance of 200 million preference shares (hereinafter referred to as the "PAB PREF SHARES 01", the preference share stock code 140002) (nominal value per share is RMB100). The period for interest accrual of the preference share dividends is from 7 March 2016 to 6 March 2017, the equity registration date is 6 March 2017, the ex-dividend date is 7 March 2017 and the date of dividend distribution is 7 March 2017. The distribution

scheme for dividends of PAB PREFERRED SHARES 01 shall be completed within the reporting period.

Description of major events	Date of disclosure	Index of website disclosing temporary reports
Announcement on Issuance and Implementation of Preference Share Dividends of Ping An Bank Co., Ltd.	1 March 2017	China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily and CNINFO (www.cninfo.com.cn)

III. Undertakings made by the de facto controller, shareholders, connected parties, bidders, and Company of overdue performance as at the end of the reporting period

Applicable Not applicable

There are no undertakings made by the de facto controller, shareholders, connected parties, bidders and the Company of overdue performance as at the end of the reporting period.

IV. Anticipation of operating performance during January - June 2017

Warnings on any potential loss in accumulated net profit from the beginning of the year to the end of the next reporting period or any material change as compared with that in the same period of last year and the reasons

Applicable Not applicable

V. Securities Investment

At the end of the reporting period, book value of financial bonds (including policy bank notes, ordinary financial bonds and subordinated financial bonds, excluding corporate bonds) held by the Bank was RMB93 billion, among which the top 10 financial bonds in terms of nominal value are as follows:

(In RMB million)

Name of Bond	Nominal Value	Nominal annual interest rate (%)	Maturity date	Impairment provision
2010 policy bank notes	3,860	2.09	2020-2-25	-
2015 policy bank notes	3,280	3.85	2018-1-8	-
2011 policy bank notes	3,030	2.35	2021-2-17	-
2016 commercial bank notes	3,000	3.20	2021-3-29	-
2016 commercial bank notes	3,000	3.25	2021-3-7	-
2009 policy bank notes	2,420	2.53	2019-5-19	-
2011 policy bank notes	2,250	4.25	2018-3-24	-
2010 policy bank notes	2,210	3.53	2017-6-29	-
2010 policy bank notes	1,880	1.83	2017-5-6	-
2011 policy bank notes	1,770	2.16	2018-1-14	-

VI. Derivatives Investment

(In RMB million)

Type of contract	Contract amount at the beginning of the period (Nominal)	Contract amount at the end of the period (Nominal)	Changes in fair value during the reporting period
Foreign exchange derivative instruments	796,308	1,062,965	406
Interest rate derivative instruments	833,882	946,432	(45)
Precious metal derivative instruments	188,090	169,653	(3,576)
Total	1,818,280	2,179,050	(3,215)

Note: The Bank carries out fund transaction and investment business of derivatives within the overall limit of risk preference and market risk determined by the Board. Nominal amount of derivate financial instrument refers to the increase of foreign exchange and interest rate derivate business, and the contract amount shows only the transaction amount but not the related risks. The Bank adopts hedging strategy to the foreign exchange and interest rate derivate, so there is little actual risk exposure of foreign exchange and interest rate.

VII. Reception for investigation, communication and interview within the reporting period

Date	Mode	Target	Index of basic information for research
2017/01/10	Meetings of Investment Bank	Institutions	CNINFO (www.cninfo.com.cn) <i>Record Chart of Investor Relationship Activities of Ping An Bank Co., Ltd.</i>
2017/03/17	Onsite survey	Institutions	
2017/03/24	Onsite survey	Institutions	

VIII. Guarantees to external parties in breach of stipulated procedures

Applicable Not applicable

IX. Non-operating occupied funds of listing companies by controlling shareholders and their connected parties

Applicable Not applicable

X. Management Discussion and Analysis

(I) Overall strategy

1. Background of macro-economy

In the first quarter of 2017, the domestic economic and financial situations run smoothly. China stuck to a policy seeking improvements in stability and prudent and neutral monetary policy, deepened supply-side restructuring, promoted financial system reform and enhance efficiency in financial operation.

2. Overall vision and core strategy of the Bank

With retail as the core, we coordinated with other companies and banks to build an advanced intelligent retail bank.

3. Three core tactics

(1) Science-oriented

We put high emphasis on scientific innovation and application of technology, reduce operation costs, improve management efficiency, service quality and customer experience. In terms of retail business, the internet technology and philosophy shall be used to build our team and reform our business as well as to build an advanced intelligent retail bank and improve customer experience. For public businesses, big data technology shall be used to build a credit platform for small and medium enterprises, and advanced IT system shall be used to build new advantages in e network, e-banking and gold bank, and improving service to customers.

(2) Breakthrough in retail

We comprehensively push forward the transformation of intelligent retail bank and build an innovative retail banking service system featuring “SAT (Social + Application + Terminal) + Intelligent Network”, provide customers with rich experience in finance and livelihood and realize breakthroughs in product,

service, channel and organization and build an intelligent bank that more understands your demands.

(3) Thoughtful service in public businesses

We push forward the transformation of large scale exterior growth to internal growth based on quality, select industries and customers and save energy and improve efficiency and serve all customers on industrial chains through a model “Commercial Bank + Investment Bank”. At the same time, we support servicing our customers through retail and seek business development through powerful product capacity and transaction in order to build an exquisite corporate bank.

(II) Features of operation

In the first quarter of 2017, the Bank pushed forward the transformation of strategy while maintaining profits and stable development and based on principles of “breakthroughs in retail” and “thoughtful service in public businesses”. In the first quarter of 2017, the operation of the Bank can be summarized as follows:

1. Stable growth of profits and scale

In the first quarter of 2017, the Bank realized an operation revenue of RMB27.712 billion, increased by 0.65% (revenue before VAT reform was RMB29.79 billion, increased by 8.20% year on year), in which, net non-interest bearing income is RMB8.843 billion, increased by 4.61%, mainly from increase of commission in credit cards and the money management projects; the net non-interest bearing income accounts for 31.91%, increased by 1.21 percentage point. The operation profits before the provision was RMB20.662 billion, increased by 17.64% year on year; the net profit was RMB6.214 billion, increased by 2.10%, and the profitability remains stable. The operation income ratio was 24.55%, decreased by 4.80 percentage points, the operation efficiency is optimized.

At the end of the first quarter of 2017, the asset of the Bank totaled RMB3,006.195 billion, increased by 1.79% as compared with the end of last year; took deposit balance of RMB1,912.082 billion, roughly maintaining the same level with the end of last year. Attributable to the Bank’s adaptation to the market changes, the marketing of high-quality customers and projects and the increase in loans, the disbursement of loans and advances (including discounted bills) amounted to RMB1,548.162 billion, representing an increase of 4.90% as compared with that at the end of last year. At the end of the first quarter 2017, personal RMB loans (credit card inclusive) accounts for over 70% in additional RMB loans compared with the end of last year.

2. Multiple Breakthroughs in Retail

The Banks sticks to the transformation of intelligent retail strategy, regards customers as the core and realizes fast growth of businesses while maintaining sound quality and achieve continuous innovation and upgrading in terms of service, products, channels and organizations.

(1) Performance: Rapid growth in scale, consistent sound asset quality

Rapid growth in scale. At the end of the first quarter of 2017, AUM reached RMB906.386 billion, increased by 13.64% compared with the end of last year; the retail customers increased to 43.6935 million, increased by 7.96% compared with the end of last year, in which, private banks and fortune customers reach 387.8 thousand, increased by 12.80%; retailing individual loans and credit cards receivables reach RMB585.158 billion, increased by 8.17%. Number of credit cards in circulation was 27.1009 million, increased by 5.84% compared with the end of last year. The total transaction valued RMB302.022 billion, increased by 15.82% year on year.

Consistent sound asset quality. At the end of the first quarter of 2017, the NPL ratio of retail business of the Bank gradually decreased, in which, NPL ratio of personal loans is 1.44%, decreased by 0.13 percentage point; the NPL ratio for personal loans (excluding personal operating loans) is 0.43%, decreased by 0.17 percentage point compared with the end of last year; the NPL ratio of credit card is 1.55%, the asset quality maintained stable, and the new NPL ratio is the most optimized level in recent years. The Bank keeps optimizing authorization process and continues improving risks quantification model, realizes sound retail asset quality and improves customer experiences.

(2) Service: big data precisely meets customers’ demands and “SAT (Social + Application + Terminal) + Intelligent Network” provides seamless experience

The Bank builds highly professional big data team and realizes micro division of big data of customers and

provides differentiated products and services to customers based on their different financial demands and provides real-time suggestions about marketing to tier one team.

At the same time, we try utmost to build a retail banking service system with “SAT (Social + Application + Terminal) + Intelligent Network” as the core, cover all customers and realize seamless integration, pushes forward transformation and upgrading of mobile client side, intelligent reform of offline network service and enhances the capability of access by remote service team and improves service quality and efficiency through social measures.

(3) Product: developing consumer finance, upgrading fortune management and building one-stop retail comprehensive financial service

In the first quarter of 2017, the Bank will be inclined to retail with regard to new credit resources, develop credit and consumer finance business. At the same time, we explored the comprehensive value of customers through strategy of driving deposit card business with the help of credit cards. In terms of fortune management products, the Bank intensified its efforts in innovation and diversifying product models in accordance with customer demands and market changes. In the first quarter of 2017, we maintained on top in terms of comprehensive competitiveness of various products. At the same time, the Bank integrated its internal products and services and built a one-stop retail comprehensive financial service.

(4) Channel: deepening cooperation with other banks, building B2B2C retail business development model based on intelligent main account

The Bank builds a B2B2C model and integrates the related functions of the intelligent main account to the scenery and flow of third channel, realizing functional complementation and helping customers enjoy the advantageous products and services in a natural and convenient manner. In the first quarter of 2017, the Bank reached cooperation agreement with more than 10 influential platforms or institutions and entered into a phase for development and implementation.

(5) Organization: internet organization and management facilitate implementation of innovation

To maintain the transformation of intelligent retail bank, the Bank introduced many professionals with internet experience to push forward the flat-type, highly effective and direct organizational management, comprehensively adopt the fast development model based on internet and promote implementation of innovation projects.

3. Thoughtful and powerful service in public businesses

In the first quarter of 2017, the Bank stuck to the goal of transformation of public businesses and a shift from scale growth to internal growth based on quality, select industries and customers and deliver a more thoughtful product system and service in order to implement our strategy.

(1) Thoughtful control of scale

The Bank voluntarily restructured its strategy and realized stable growth of scale of loans. At the end of the first quarter of 2017, the deposit balance was RMB1,622.572 billion, slightly decreased by 1.83% as compared with the end of last year; the daily average deposit was RMB1,584.314 billion, increased by 5.81% as compared with last year, in which, daily deposit in cash management products such as e-commerce and e-government was RMB288.734 billion, increased by RMB25.014 billion as compared with last year, realizing a growth rate of 9.49%; corporate loans (discounted bills inclusive) balance was RMB963.004 billion, increased by 3.01% as compared with the end of last year.

In the first quarter of 2017, the Bank regulated customer structure and optimized credit loans resources, supported retail business through embedding business scenery and extension of product lines, attracted 2.1 million customers through interaction of public and private businesses and provided RMB112.3 billion capital management product for retail.

(2) Thoughtful development of different industries

We focus on industries with large scale, weak cycle and better potential of growth, such as medical health, culture and tourism, electronic information and modern logistic as well as education, internet and high technology. In terms of the vertically classified markets, we stipulated business plan and risk policies and established customer union platform and provide comprehensive service to customers in full industrial chain, supply chain and ecological circle based on “C+SIE+R” commercial mode. At the end of the first

quarter of 2017, the Bank has 3,851 core C customers, increased by 9.3% as compared with the end of last year.

(3) Thoughtful selection of customers

In terms of the core customers, we focus on the special industries or enterprises with market growth potentials and profitability and provide multiple products and services featuring “commercial bank + investment bank” and realize one-stop service for core customers; build data credit platform and online approval platform through risk control and evaluation model designed for small customers, accelerate the development of standard network financing business, attract customers in batches on our platforms and build a completely new network financing model. At present, the credit data financing system for small enterprises has been put into trial operation.

(4) Thoughtful products and services

With the help of science and technology, we continue to build our internet capacity and keep expanding our four main platforms, Orangebank.com、cross border E-banking service platform、ET-BANK、Factoring cloud, in which, Orangebank.com has provided industry financing service system to 893 industry platforms, increased by 77 as compared with the end of last year and we continue to build industry standards about digital supply chains of financial system; realize a transaction scale on cross-border E financing platform of RMB97.6 billion, increased by 18% year on year, realizing 4 fold increase of bill treatment and building good reputation in financing industry; the influence of ET-BANK as a comprehensive financing asset transaction platform continues to grow, and over 1,600 customers have now been cooperated with it, increased by 237 as compared with the end of last year, the conglomerating effects start to show; Factoring cloud platform has a customer base of 4,640 on its platform for assets receivable, an increase of 274 as compared with the end of last year.

4. Enhanced capability in risk prevention

The Bank actively copes with external risks and continues to optimize credit structure, strictly controls increment business risks, prevents and alleviates various risks in existing loans, enhances the efforts in treatment of NPL and in provision and cancellation after verification and maintains relative stability of asset quality.

In the first quarter of 2017, the impairment losses of loans withdrawn was RMB12.191 billion, increased by 28.87% year on year; the impairment provision of loans at the end of the first quarter of 2017 was RMB43.978 billion, increased by 10.13% as compared with the end of last year; the loans distribution ratio was 2.84%, increasing by 0.13 percentage point as compared with the end of last year, the provision coverage ratio was 163.32%, increased by 7.95 percentage point; the NPL ratio was 1.74%, remaining the same with last year. The special asset management department of the Bank run quite well in the first quarter since its founding at the end of 2016, and its capability in terms of systematic treatment and specialized operation has started to show. In the first quarter of 2017, a total of RMB2.394 billion bad assets have been recycled, increased by 111.86%, in which, 90% was recycled in cash and the rest in the form of paying debt in kind.

5. Reasonable arrangements of networks

The Bank reasonably arranged its networks in the first quarter of 2017 and newly established 2 branches (Tangshan and Xuzhou), realized a net increase of 3 branch level operation offices. By the end of the first quarter of 2017, the Bank has 62 branches and a total of 1,077 operation units.

(II) Asset quality

1. Loans and 5-tier loan classification

Item	(In RMB million)				
	31 March 2017		31 December 2016		Change from the end of period over the end of last year
	Balance	Proportion	Balance	Proportion	
Pass loans	1,457,476	94.14%	1,389,396	94.15%	4.90%
Special mention loans	63,759	4.12%	60,703	4.11%	5.03%

Non-performing loans	26,927	1.74%	25,702	1.74%	4.77%
Incl.: Substandard	15,822	1.02%	13,833	0.94%	14.38%
Doubtful	4,950	0.32%	4,494	0.30%	10.15%
Loss	6,155	0.40%	7,375	0.50%	(16.54%)
Total loans and advances	1,548,162	100.00%	1,475,801	100.00%	4.90%
Provision for impairment of loans and advances	(43,978)		(39,932)		10.13%
NPL ratio	1.74%		1.74%		-
Provision coverage ratio	163.32%		155.37%		+7.95 percentage points
Provision/loan ratio	2.84%		2.71%		+0.13 percentage point

2. Loan structure and quality of loans and advances classified by product

(In RMB million)

Item	31 March 2017		31 December 2016		Increase/decrease in NPL ratio
	Balance	NPL ratio	Balance	NPL ratio	
Enterprise Loans	963,004	1.90%	934,857	1.87%	+0.03 percentage point
Incl.: General Enterprise Loans	956,386	1.91%	920,011	1.90%	+0.01 percentage point
Discounted bills	6,618	-	14,846	-	-
Personal Loans	397,043	1.44%	359,859	1.57%	-0.13 percentage point
Incl.: Housing mortgage loans	104,757	0.10%	85,229	0.13%	-0.03 percentage point
Entrepreneur loans	97,455	4.55%	97,534	4.17%	+0.38 percentage point
Auto loans	98,858	0.61%	95,264	0.89%	-0.28 percentage point
Others (Note)	95,973	0.60%	81,832	0.75%	-0.15 percentage point
Accounts receivable from credit cards	188,115	1.55%	181,085	1.43%	+0.12 percentage point
Total loans and advances	1,548,162	1.74%	1,475,801	1.74%	-

Note: Other retail loans include “Xin Yi Dai”, certificate pledged consumption loan, petty consumer loan and other guaranteed or pledged consumption loan.

The increase of corporate NPL is mainly resulting from macro-economic conditions. Part of the small and medium enterprises and those at low level manufacturing industry are now facing such problems as unsatisfactory operation, downward profits and difficult financing, resulting in capital chain tension, breaking and insolvency.

The Bank further regulated the structure of customers housing mortgage loans and enhanced its efforts in quality customers, effectively improved quality of loans issued and maintained the NPL at lower level. In terms of the existing operating loans business, the loans from credits and guarantees slightly increase with the influence of external environment; the Bank has kept regulating its existing business structure and enhanced its issuance of loans with powerful guarantees such as housing mortgage, strictly controlled risks in new businesses, thus ensuring that the risks of revenue coverage of operating loans is kept under control. The auto loans shall be regulated and the low risk loans ratio shall be lowered, the risk access policy shall be kept optimizing, the scientific risk measurement instruments and external big data shall be used to enhance our capability to identify risks and control overall risks. At the same time, the Bank enhanced the building of liquidation team, actively took many useful liquidation measures to strengthen our work in treatment of NPL.

The Bank follows the risk management philosophy regarding the comprehensive flow of credit card business, fully uses quantified instruments to effectively control risks. On the one hand, the risk management strategy shall be fully optimized through adoption of evaluation model and other scientific tools, and the ratio of quality customers is increased. Therefore, the new structure to attract customers is built, and the customer experience is improved. The balance structure for existing customers is effectively regulated, so that the sustainable development can be guaranteed. On the other hand, it optimized its strategy and management capability in collection of loans and improved its liquidation of NPL. It is predicted that the credit portfolio and risks level can be maintained stable and under control, and the

revenue can offset risks.

(III) Interest income and expense

1. Average daily balance and average yield/cost rate of the major asset and liability items

(In RMB million)

Item	Jan - Mar 2017			Jan - Mar 2016		
	Average daily balance	Interest income/expense	Average yield/cost rate	Average daily balance	Interest income/expense	Average yield/cost rate
Assets						
Disbursement of loans and advances (excluding discounted bills)	1,501,895	22,450	6.06%	1,224,527	21,356	7.01%
Bond investment	384,743	3,227	3.40%	324,886	2,748	3.40%
Due from central Bank	278,466	1,028	1.50%	284,373	1,040	1.47%
Bills discounting and interbank business	783,296	7,488	3.88%	734,962	7,144	3.91%
Others	81,322	852	4.25%	66,120	789	4.80%
Total interest-earning assets	3,029,722	35,045	4.69%	2,634,868	33,077	5.05%
Liabilities						
Deposits taking	1,890,834	8,427	1.81%	1,814,810	9,271	2.05%
Bonds issued	347,720	3,243	3.78%	245,857	2,196	3.59%
Incl.: Interbank deposits	317,605	2,812	3.59%	225,742	1,857	3.31%
Interbank business	584,962	4,506	3.12%	397,974	2,531	2.56%
Total interest-bearing liabilities	2,823,516	16,176	2.32%	2,458,641	13,998	2.29%
Net interest income		18,869			19,079	
Deposit-loan spread			4.25%			4.96%
Net interest spread (NIS)			2.37%			2.76%
Net interest margin (NIM)			2.53%			2.91%

Affected by the separation of price and tax under the VAT Reform coming into effect on 1 May 2016, the yield of loans in the first quarter of 2017 decreased year on year; at the same time, affected by market conditions, the ratio of the average cost for the interest-bearing liabilities in the first quarter of 2017 increased year on year, and the deposit-loan spread, the net interest spread and the net interest margin decreased correspondingly.

Item	Jan - Mar 2017			Oct - Dec 2016		
	Average daily balance	Interest income/expense	Average yield/cost rate	Average daily balance	Interest income/expense	Average yield/cost rate
Assets						
Disbursement of loans and advances (excluding discounted bills)	1,501,895	22,450	6.06%	1,433,007	21,860	6.07%
Bond investment	384,743	3,227	3.40%	351,537	2,879	3.26%
Due from central Bank	278,466	1,028	1.50%	296,936	1,101	1.48%
Bills discounting and interbank business	783,296	7,488	3.88%	703,433	6,378	3.61%
Others	81,322	852	4.25%	86,369	898	4.14%
Total interest-earning assets	3,029,722	35,045	4.69%	2,871,281	33,116	4.59%
Liabilities						
Deposits taking	1,890,834	8,427	1.81%	1,948,162	8,711	1.78%
Bonds issued	347,720	3,243	3.78%	275,011	2,241	3.24%
Incl.: Interbank deposits	317,605	2,812	3.59%	244,894	1,801	2.93%

Interbank business	584,962	4,506	3.12%	438,457	2,545	2.31%
Total interest-bearing liabilities	2,823,516	16,176	2.32%	2,661,630	13,497	2.02%
Net interest income		18,869			19,619	
Deposit-loan spread			4.25%			4.29%
Net interest spread (NIS)			2.37%			2.57%
Net interest margin (NIM)			2.53%			2.72%

2. Average daily balance and yield of loans and advances

(In RMB million)

Item	Jan - Mar 2017			Jan - Mar 2016		
	Average daily balance	Interest income	Average yield	Average daily balance	Interest income	Average yield
Enterprise loans (excluding discounted bills)	932,724	10,539	4.58%	776,271	10,536	5.46%
Personal loans	569,171	11,911	8.49%	448,256	10,820	9.71%
Disbursement of loans and advances (excluding discounted bills)	1,501,895	22,450	6.06%	1,224,527	21,356	7.01%

Item	Jan - Mar 2017			Oct - Dec 2016		
	Average daily balance	Interest income	Average yield	Average daily balance	Interest income	Average yield
Enterprise loans (excluding discounted bills)	932,724	10,539	4.58%	920,139	10,705	4.63%
Personal loans	569,171	11,911	8.49%	512,868	11,155	8.65%
Disbursement of loans and advances (excluding discounted bills)	1,501,895	22,450	6.06%	1,433,007	21,860	6.07%

3. Average daily balance and cost rate of customer deposits

(In RMB million)

Item	Jan - Mar 2017			Jan - Mar 2016		
	Average daily balance	Interest expense	Average cost rate	Average daily balance	Interest expense	Average cost rate
Enterprise deposits	1,337,162	6,181	1.87%	1,203,986	6,410	2.14%
Incl.: Demand deposits	525,095	793	0.61%	415,210	524	0.51%
Time deposit	812,067	5,388	2.69%	788,776	5,886	3.00%
Incl.: Treasury and negotiated deposits	96,058	1,074	4.53%	147,398	1,704	4.65%
Margin deposits	307,143	1,327	1.75%	356,983	1,733	1.95%
Personal deposits	246,529	919	1.51%	253,841	1,128	1.79%
Incl.: Demand deposits	125,774	98	0.32%	115,459	95	0.33%
Time deposit	120,755	821	2.76%	138,382	1,033	3.00%
Total deposit taking	1,890,834	8,427	1.81%	1,814,810	9,271	2.05%

Item	Jan - Mar 2017			Oct - Dec 2016		
	Average daily balance	Interest expense	Average cost rate	Average daily balance	Interest expense	Average cost rate
Enterprise deposits	1,337,162	6,181	1.87%	1,374,457	6,349	1.84%
Incl.: Demand deposits	525,095	793	0.61%	544,933	833	0.61%
Time deposit	812,067	5,388	2.69%	829,524	5,516	2.65%
Incl.: Treasury and negotiated deposits	96,058	1,074	4.53%	118,319	1,297	4.36%
Margin deposits	307,143	1,327	1.75%	324,939	1,416	1.73%
Personal deposits	246,529	919	1.51%	248,766	946	1.51%
Incl.: Demand deposits	125,774	98	0.32%	132,609	106	0.32%
Time deposit	120,755	821	2.76%	116,157	840	2.88%
Total deposit taking	1,890,834	8,427	1.81%	1,948,162	8,711	1.78%

XI. Capital adequacy ratio, leverage ratio and liquidity coverage

(I) Capital adequacy ratio

(In RMB million)

Item	31 March 2017	31 December 2016
Net core tier one capital	174,098	170,088
Other tier one capital	19,953	19,953
Net tier one capital	194,051	190,041
Tier two capital	47,167	44,346
Net capital	241,218	234,387
Total risk-weighted assets	2,101,897	2,033,715
Credit risk-weighted assets	1,903,825	1,828,931
On-balance-sheet risk-weighted assets	1,685,264	1,607,471
Off-balance-sheet risk-weighted assets	214,899	217,364
Risk-weighted assets of counterparty credit risk exposure	3,662	4,096
Market risk-weighted assets	24,272	30,984
Operational risk-weighted assets	173,800	173,800
Capital adequacy ratio	11.48%	11.53%
Tier one capital adequacy ratio	9.23%	9.34%
Core tier one capital adequacy ratio	8.28%	8.36%

(II) Leverage ratio

(In RMB million)

Item	31 March 2017	31 December 2016	30 September 2016	30 June 2016
Leverage ratio	5.58%	5.49%	5.63%	5.41%
Net tier one capital	194,051	190,041	187,011	180,428
On/off-balance-sheet assets balance after adjustment	3,476,192	3,458,490	3,320,207	3,334,600

Note: The leverage ratio increased as compared with that in the end of the year due to the increase in profit and net tier one capital during the reporting period.

(III) Liquidity coverage

(In RMB million)

Item	31 March 2017	31 December 2016
Liquidity coverage	89.15%	95.76%
Qualified assets with high liquidity	332,727	383,670
Cash outflow, net	373,226	400,670

Note: Pursuant to the requirements of the *Administrative Measures on Liquidity Risks of Commercial Banks (Trial)*, the liquidity coverage of commercial banks shall reach 100% by the end of 2018; during the transitional period, the liquidity coverage shall reach 60% by the end of 2014, 70% by the end of 2015, 80% by the end of 2016 and 90% by the end of 2017, respectively.

Part IV. Financial Statement

I. Financial Statement

- (I) Asset Liability Statement (not audited)
- (II) Profit Statement (not audited)
- (III) Cash Flow Statement (not audited)

Ping An Bank Co., Ltd.
Balance Sheet
March 31, 2017

	(In RMB million)	
ASSETS	March 31, 2017	December 31, 2016
Cash on hand and due from the Central Bank	269,541	311,258
Placements of deposits with other banks	173,066	166,882
Precious metals	108,137	93,787
Funds loaned to other financial institutions	69,009	97,450
Financial assets measured with their fair value and their changes were counted into the profit and loss of the corresponding period	44,044	57,179
Derivative financial assets	4,188	8,730
Financial assets purchased under reverse repurchase agreements	810	8,876
Accounts receivable	5,226	5,568
Interest receivable	17,071	15,770
Loans and advances	1,504,184	1,435,869
Available-for-sale financial assets	1,238	1,179
Held-to-maturity investments	291,433	286,802
Receivables type investment	465,280	414,278
Investment properties	221	221
Fixed assets	8,119	8,316
Intangible assets	4,734	4,771
Goodwill	7,568	7,568
Deferred tax assets	18,935	17,831
Other assets	13,391	11,099
Total assets	3,006,195	2,953,434
LIABILITIES AND SHAREHOLDERS EQUITY		
Due to the Central Bank	25,074	19,137
Placements of deposits from other banks and financial institutions	400,576	392,351
Funds borrowed from other banks and financial institutions	59,513	52,586
Financial liabilities measured with their fair value and their changes were counted into the profit and loss of the corresponding period	9,663	21,913
Derivative financial liabilities	6,964	8,349
Financial assets sold under repurchase agreements	12,332	18,941
Deposit taking	1,912,082	1,921,835
Employee salary payable	6,907	9,289
Tax payable	15,199	12,754
Interest payable	21,327	21,532
Bonds payable	317,079	263,464
Provisions	60	90
Other liabilities	11,680	9,022
Total liabilities	2,798,456	2,751,263
SHAREHOLDERS' EQUITY:		
Share capital	17,170	17,170
Other equity instruments	19,953	19,953
Of which: Preference shares	19,953	19,953
Capital reserve	56,465	56,465
Other comprehensive income	(581)	(809)
Surplus reserve	10,781	10,781
General reserve	34,468	34,468
Unappropriated profit	69,483	64,143

Total shareholders' equity		<u>207,739</u>	<u>202,171</u>
Total liabilities and shareholders' equity		<u>3,006,195</u>	<u>2,953,434</u>

Legal representative: Xie Yonglin	President: Hu Yuefei	Vice President and CFO: Chen Rong	Accounting manager: Han Xu
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Ping An Bank Co., Ltd.
Income Statement
January – March 2017

Items	(In RMB million)		
	Jan - Mar 2017	Jan - Mar 2016	
I. Operating income	27,712	27,532	
Net interest income	18,869	19,079	
Interest income	35,045	33,077	
Interest expense	16,176	13,998	
Net fee and commission income	8,150	7,420	
Fee and commission income	9,125	8,178	
Fee and commission expense	975	758	
Investment income	611	824	
Gains or losses from changes in fair values	(25)	(14)	
Foreign exchange gains/(losses)	45	152	
Other operating income	62	71	
II. Operating costs	7,050	9,968	
Business tax and surcharges	246	1,888	
Business and administrative expenses	6,804	8,080	
III. Operating profit before provision	20,662	17,564	
Impairment losses on assets	12,434	9,550	
IV. Operating profit	8,228	8,014	
Add: Non-operating income	16	18	
Less: Non-operating expenses	14	3	
V. Total Profits	8,230	8,029	
Less: Income tax expense	2,016	1,943	
VI. Net profit	6,214	6,086	
VII. After-tax Net Amount of Other Comprehensive Gains	228	30	
Other comprehensive incomes to be re-classified into gains and losses	228	30	
1. Shares enjoyed among investee's other comprehensive income to be reclassified into profit and loss under equity method	-	-	
2. Profit and loss of alteration of saleable financial assets' fair value	228	30	
VIII. Total comprehensive income	6,442	6,116	
IX. Earnings per share			
(I) Basic earnings per share	0.31	0.35	
(II) Diluted earnings per share	0.31	0.35	
Legal representative: Xie Yonglin	President: Hu Yuefei	Vice President and CFO: Chen Rong	Accounting manager: Han Xu

Ping An Bank Co., Ltd.
Cash Flow Statement
January –March 2017

	(In RMB million)	
Items	Jan – Mar 2017	Jan - Mar 2016
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Deduction in placement of deposit with Central Bank and other banks	-	1,608
Net increase in customer deposit and placements of deposits from other banks	5,922	-
Net increase in funds borrowed from other financial institutions	-	108,325
Net decrease in accounts receivable	6,928	-
Net increase in accounts payable	341	821
Net decrease in reverse repurchase agreements	-	147
Cash receipts from interest, fee and commission income	1,884	15,133
Cash receipts from other operating activities	35,597	32,860
Net increase in customer deposit and placements of deposits from other banks	13,667	614
Subtotal of cash inflows from operating activities	64,339	159,508
Increase in placement of deposit with Central Bank and other banks	24,313	-
Net deduction in amounts due from the Central Bank	-	283
Net increase in funds loaned to other financial institutions	17,176	6,100
Net deduction in funds borrowed from other financial institutions	-	3,024
Net increase in loans and advances	82,251	53,973
Net deduction in customer deposit and placements of deposits from other banks	1,862	-
Net decrease in repurchase agreements	6,614	6,602
Cash payments for interest, fee and commission expenses	13,578	12,471
Cash payments for salaries and staff expenses	5,435	5,904
Cash payments for taxes	2,747	2,689
Cash payments relating to other operating activities	25,371	9,194
Subtotal of cash outflows from operating activities	179,347	100,240
Net cash flows generated from operating activities	(115,008)	59,268
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash receipts from disinvestments	281,512	409,509
Cash receipts from investment income	8,120	7,219
Subtotal of cash inflows from investing activities	289,632	416,728
Cash payments for investments	336,716	511,273
Cash payments for fixed assets, intangible assets and other long-term assets	125	236
Subtotal of cash outflows from investing activities	336,841	511,509
Net cash flows generated from investing activities	(47,209)	(94,781)
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash receipts from issue of other equity instruments	-	20,000
Cash receipts from bond issue	305,833	167,420
Subtotal of cash inflows from financing activities	305,833	187,420
Cash payments for debt repayment	255,000	134,880
Cash payments for bond interest	643	612
Cash payments made for issue of other equity instruments	-	48
Cash payments for distribution of dividends and profit	874	-
Subtotal of cash outflows from financing activities	256,517	135,540
Net cash flows generated from financing activities	49,316	51,880
IV. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(431)	(171)
V. NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(113,332)	16,196

Add: Balance of cash and cash equivalents at beginning of the period		233,414	261,341
VI. BALANCE OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		120,082	277,537

Legal representative: Xie Yonglin	President: Hu Yuefei	Vice President and CFO: Chen Rong	Accounting manager: Han Xu
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II. Audit Report

Has the first quarter report been audited

Yes No

The first quarterly report of the Bank has not been audited.

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

22 April 2017

This report was originally drafted in Chinese and the English translation of the report is for your reference only. In case of any inconsistencies between the Chinese and the English version, the Chinese version shall prevail.