

**PING AN**

Insurance · Banking · Investment

# 30<sup>th</sup> know you better

Ping An 2017 Corporate Social Responsibility Report



# About the Report



*Ping An 2017 Corporate Social Responsibility Report* reviews the development of Ping An's corporate social responsibility ("CSR") since its inception, and elaborates on the CSR practices of Ping An between January 1, 2017 and December 31, 2017. Below please find the content disclosed in the Report:

## **(I) Scope of the Report**

Organization scope: the Report is mainly about Ping An Insurance (Group) Company of China, and covers its subsidiaries.

Time frame: From January 1, 2017 to December 31, 2017.

Release cycle: the Report is released annually.

## **(II) Compilation principles of the Report**

The Report is compiled in accordance with *Environmental, Social and Governance Reporting Guide* of the Stock Exchange of Hong Kong Limited and by reference to *G4 Sustainability Reporting Guidelines* of Global Reporting Initiative (GRI) as well as its supplementary guidelines for financial industry.

## **(III) Data of the Report**

The financial data in the Report was extracted from *Ping An 2017 Annual Report*, which went through independent audit of PricewaterhouseCoopers Zhong Tian (LLP). Other data came from the internal systems of the Company or manual collection. Unless otherwise specified, the currency in the Report is RMB.

## **(IV) Assurance of the Report**

The contents and data disclosed in the Report were approved by the Board of Directors of Ping An Insurance (Group) Company of China. Deloitte Touche Tohmatsu Certified Public Accountants (LLP) has carried out an independent third-party assurance on the Report in accordance with *International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE3000").

## **(V) Release form of the Report**

The report is released both in print form and online. The online version can be accessed at [www.pingan.cn](http://www.pingan.cn).

# Corporate Mission

Cherishing the idea of social commitment, we are dedicated to fulfilling our duties to our shareholders, living up to the trust of our customers, benefiting our employees, and contributing to society with gratitude.

## Be responsible for shareholders

providing appreciation in asset value and stable returns



## Be responsible for employees

facilitating their career plans for them to live and work in contentment

## Be responsible for customers

being service-oriented and reliable

## Be responsible for society

giving back to society and contributing to the country





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poverty  
alleviation**



**Embrace  
technological  
changes**



**Finance  
serves real  
economy**



**Address  
the risks of  
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# Company Profile

Ping An Insurance (Group) Company of China, Ltd. (“Ping An”, “the Company” or “the Group”) was established in Shekou, Shenzhen, in 1988. The Group was the first insurance company in China to adopt a shareholding structure. It has developed into a personal financial services group with three core businesses – insurance, banking and investment – enjoying parallel growth of its core finance and Internet finance businesses. The Group’s shares are listed on the Stock Exchange of Hong Kong (stock code: 2318) and the Shanghai Stock Exchange (stock code: 601318).

Ping An endeavors to become a world-leading personal financial service provider upholding the belief of “technology-driven financial services for a better life”, focusing on “pan financial assets” and “pan health care”. It pursues growth in insurance, banking, asset management and Internet finance, and provides customers with an excellent experience of “expertise makes life easier”. It has achieved sustainable growth in profits, and has provided long-term stable returns to shareholders.

Ping An is one of China’s personal financial service groups with the most comprehensive range of financial business licenses, the widest business scope, and the most compact shareholding structure. The subsidiaries of Ping An include Ping An Life, Ping An Property & Casualty, Ping An Annuity, Ping An Health, Ping An Bank, Ping An Trust, Ping An Securities, and Ping An-UOB Fund. Covering the entire financial services spectrum, Ping An has become one of the few financial groups in China that can provide customers with a full range of financial products and services, including insurance, banking and investment. Besides, after years of deployment and efforts, Ping An’s Internet business has experienced a boom, and its online user base recorded high growth.

Ping An has nearly 1.73 million employees and life insurance sales agents. As at December 31, 2017, the Group had about RMB6.49 trillion

in total assets and RMB473.351 billion in equity attributable to shareholders of the parent company.

As the first Chinese insurer to have foreign shareholders, Ping An has a robust governance structure and a highly professional management team with international backgrounds. Guided by its mission and belief to fulfill its responsibilities to the shareholders, customers, employees, society and partners, Ping An ensures that the Group as a whole is moving towards its goal on the basis of the consistency in strategy, branding, and corporate culture. Ping An’s sustainable and stable development is supported by its robust functional structure, clear growth strategy, leading comprehensive risk management, true, accurate, complete, timely and fair information disclosure, and proactive and efficient investor relations management.





# Chairman's Statement



In 2017, the 19th Communist Party of China (CPC) National Congress was held, marking a new era of socialism in China. 2017 is a crucial year for Ping An who will celebrate its 30th birthday as well as an important year to fulfill its corporate social responsibility.

Over the past 30 years, we built Ping An from scratch into a giant thanks to the reform and opening-up. As a founder of the company, I'm honored to have witnessed its growth from a team of only 13 members into a fintech conglomerate having 1.7 million employees now. Ping An stepped on a new stage every 10 years, and has gone through three stages of "exploring modern insurance and setting up mechanisms and platforms", "focusing on insurance management, and exploring integrated finance", and "deepening integrated finance and driving innovation". Today, we have 150 million customers, and 450 million users of our Internet services. Ping An now ranks 39th on the Fortune Global 500 list, 16th on the Forbes Global 2000 list, and 1st among global insurance groups by market cap and brand value.

Over the past 30 years, our development strategy and management progressed with the times, but our core concept of "Expertise creates value" remained the same, so do our efforts to improve people's livelihood and our pursuit of a more prosperous country. We owe our success to our society, shareholders, customers, and colleagues. With a thankful heart, we bear in mind our mission and duties, and strive to do our bit to the society.

Over the past 15 years, our total assets, total revenue and net profit have maintained a compound annual growth rate of nearly 30%, bringing huge returns to our shareholders. We strive to use ultimate services and innovative technologies to make life easier and more convenient with the principle of "Customer First". We actively participated in charity activities related to education, environmental protection, Red Cross and disaster relief. So far, we have donated over RMB300 million for public welfare. In 2017, we established the Educational Charity Board, and designated the Company's founding anniversary as "Ping An Charity Day". We have conducted volunteering teaching program for 11 consecutive years, and built a platform for remote volunteering teaching to deliver quality educational resources to rural areas and bridge the gap between urban and rural education. We promoted agricultural insurance, established the Inclusive Finance Business Group,

and provided rural areas with insurance, banking and Internet finance services. So far, we have offered over RMB1 trillion worth of insurance and financing services to rural areas.

The world is ever changing. Standing on the starting point of a new 30-year journey, we, at age 30, can feel the responsibility on our shoulders and bear in mind that our growth is closely related to the national destiny and society development.

In 2018, we will actively answer the CPC Central Committee's call to alleviate poverty, and launch an RMB10 billion "Three-village Project" composed of "Village Officer Program," "Village Doctor Program" and "Village Teacher Program" to strengthen industries, health and education in rural areas. Our "Village Officer Program" is designed to help the poor. We will provide RMB100 billion of interest-free loans to village officers in poor areas across the country. These loans will enable poor villages to upgrade their distinctive industries. Our "Village Doctor Program" is designed to help villagers have easy access to medical services. We will recruit outstanding doctors and medical experts from major cities to provide 10,000 village doctors with courses, training and lectures either on-site or on Internet platforms so as to improve the medical services in rural areas and make it easier for villagers to access medical services. Our "Village Teacher Program" is designed to provide rural children with better education. We will provide 1,000 rural primary schools in poor areas across China with facilities such as libraries and electronic classrooms. We will recruit outstanding teachers and education experts from major cities to provide 10,000 village teachers with remote courses and rotation training so as to improve the teaching conditions in rural primary schools and teachers' competency and provide better educational resources for rural children.

We understand that the "Three-village Project" requires great efforts, and the key lies in the participation and dedication of all Ping An's colleagues and even the whole society. More and more of our colleagues have gone to rural areas to support "Three-village Project" by leveraging Ping An's advantages in finance and technology. By relying on China's first interest-free, collateral-free loan program for the mushroom growers launched by Ping An Property & Casualty in Taijiang, Guizhou,

Ping An Property & Casualty's employee Shen Yangfan brought the mushroom planting project to the households in Taizhou, Guizhou. Zhao Biao from Ping An Wanjia Healthcare carried out an in-depth research on the medical conditions of rural areas in Henan Province. Ping An Wanjia Healthcare provided remote medical services for 1,500 village clinics through its "Wanjia Yi Shi Platform". The patients there can consult famous doctors online. Ping An Life's employee Chen Jin has served as a volunteer teacher at Ping An Hope Primary School in six provinces over the past ten years. On his 15,000-kilometer trip, he has taught more than 1,000 students. We believe that the wisdom and talents of every Ping An's colleagues will become the light shining in the poverty-stricken countryside. We expect that more and more colleagues will participate in the "Three-village Project" and work hand in hand to build beautiful villages.

The development of an enterprise is closely linked with the fate of the country. The achievements of Ping An over the past 30 years came from the society and will be fed back to the society. Looking back, we are very proud and grateful. Looking to the future, our promises for hundreds of millions of customers, the returns expected from the shareholders, the happy life of our staff, and the prosperous and stable economic and social development make us more aware of our duties and mission. We'll remain true to our original aspiration and pursue a two-pronged strategy of "finance + technology". We will march forward in the coming 30 years with the management concept of "Expertise creates value".



**Ping An Insurance (Group) Company of China, Ltd**  
**Chairman and Chief Executive Officer**



# 30 years CSR milestones



1988,  
Founding of the Company

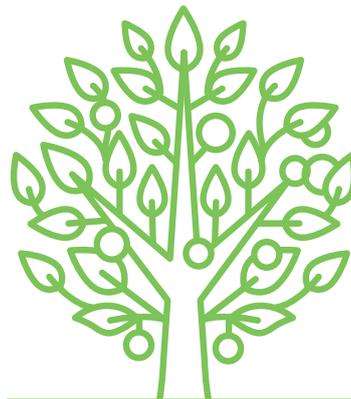
1994,  
Donated the first Ping  
An Hope Primary School

2002,  
Donated 38 blood donation  
vehicles worth of RMB10  
million to the Red Cross  
Society of China



2009,  
Released our first  
annual CSR report  
Established the  
“Hope Scholarship”

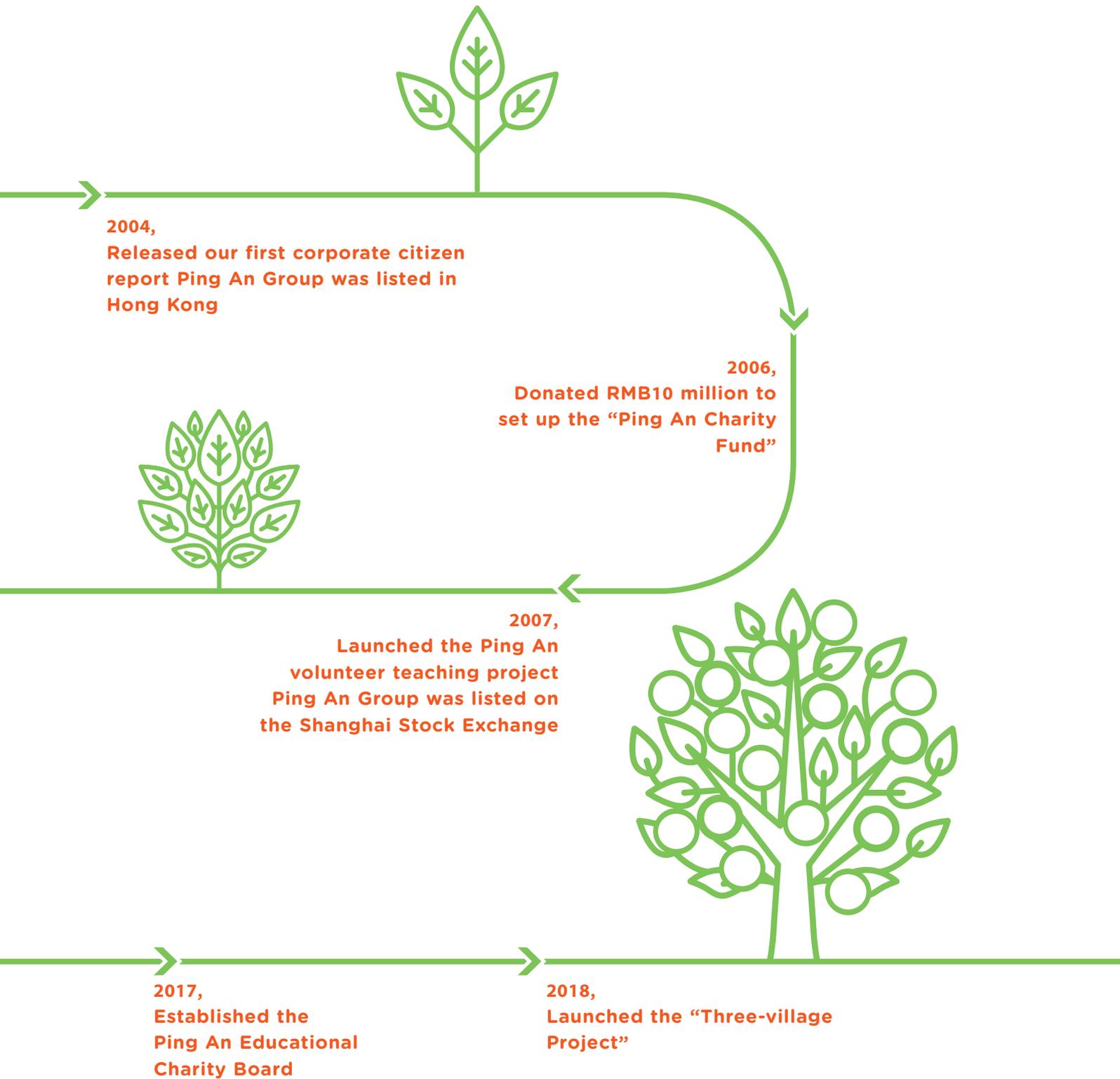
2010,  
Launched the Low-carbon  
100 Project



2011,  
Established the Ping  
An CSR performance  
indicator system

2015,  
Initiated the  
“Bring Love Home”  
charity project

2016,  
Launched the “Ping An  
Education Development  
Charity Trust Program”



# Three-village Project



Three-village Project investment  
**RMB10 billion**

2018 is the 30th birthday of Ping An and is also the 40th anniversary of China's reform and opening up. As a beneficiary and role model of the reform and opening up, Ping An made world-renowned achievements in the past 30 years. The 30-year course of development has made us realize that the remarkable achievements of Ping An entirely benefited from the prosperity of the country and people's longing for and pursuit of a better life.

At age 30, Ping An launched an RMB10 billion "Three-village Project" composed of "Village Officer Program," "Village Doctor Program" and "Village Teacher Program" to strengthen industries, health and education in rural areas and help the people in rural areas get out of poverty.

The overall goal of "Three-village Project" can be summed up as "six ones", namely, to invest RMB10 billion, provide RMB100 billion of interest-free loans, fund the establishment of 1,000 clinics and 1,000 schools, train 10,000 village doctors and 10,000 village teachers.



**Village officer**

interest-free loans  
**RMB100 billion**



**Village doctor**

fund the establishment of  
**1,000**  
clinics and train  
**10,000** village doctors



**Village teacher**

fund the establishment of  
**1,000**  
schools and train  
**10,000** village teachers



Assisted villager at Heyuan, Guangdong

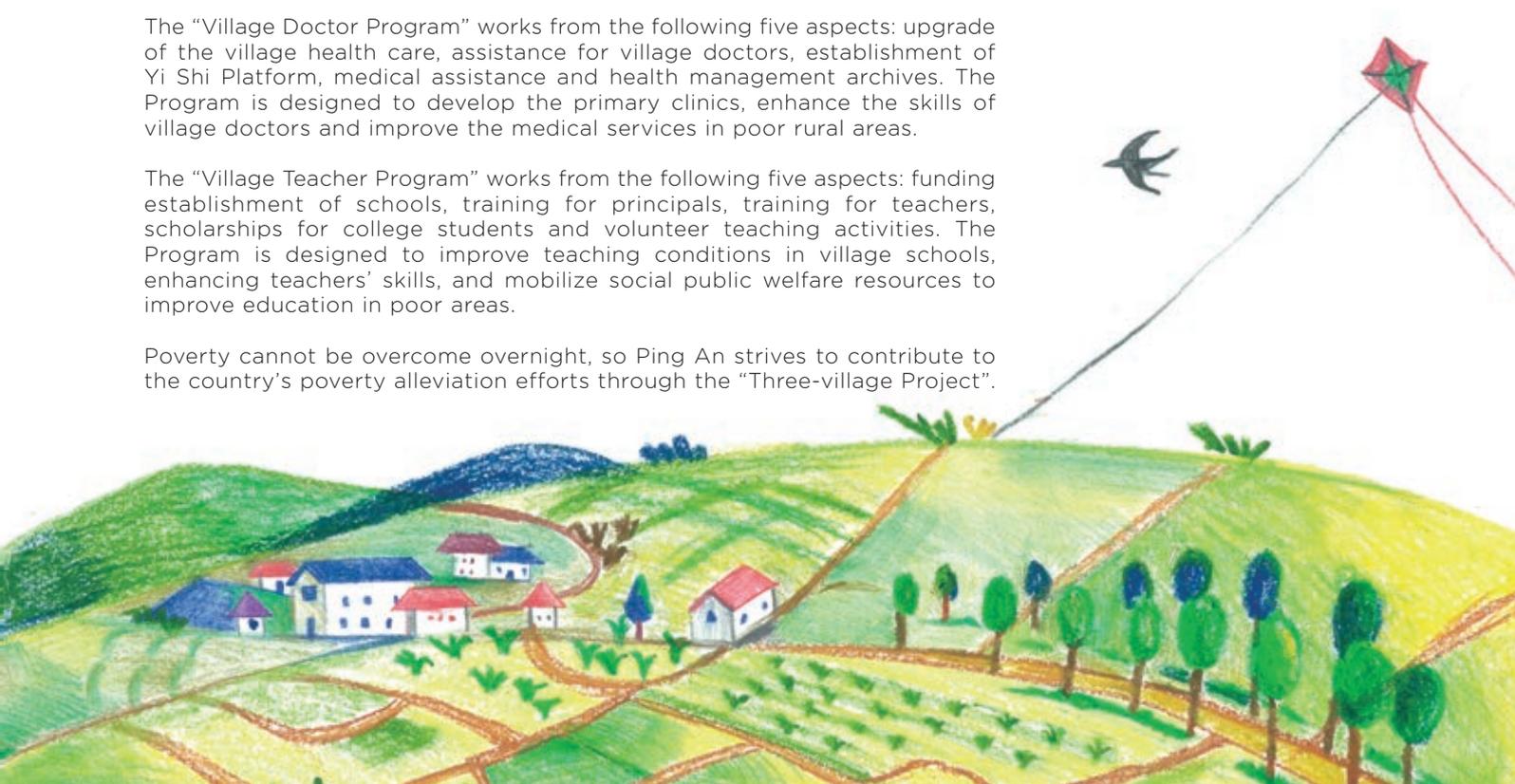


The “Village Officer Program” is designed to help villages develop industries and provide RMB100 billion of interest-free loans to village officers in poor areas across the country. The poverty alleviation model will upgrade from “blood transfusion” to “blood generation”.

The “Village Doctor Program” works from the following five aspects: upgrade of the village health care, assistance for village doctors, establishment of Yi Shi Platform, medical assistance and health management archives. The Program is designed to develop the primary clinics, enhance the skills of village doctors and improve the medical services in poor rural areas.

The “Village Teacher Program” works from the following five aspects: funding establishment of schools, training for principals, training for teachers, scholarships for college students and volunteer teaching activities. The Program is designed to improve teaching conditions in village schools, enhancing teachers’ skills, and mobilize social public welfare resources to improve education in poor areas.

Poverty cannot be overcome overnight, so Ping An strives to contribute to the country’s poverty alleviation efforts through the “Three-village Project”.



# Strategy and management

## Social responsibility view

At the very beginning of the Company's establishment, Ping An realized that social responsibility was the foundation of sustainable development of enterprises. Ping An takes "integrity" as its core value. Being responsible for the shareholders, customers, employees and the society and creating maximum value for them are Ping An's mission, and constitute Ping An's "corporate citizenship model". We firmly believe that this corporate citizenship model is the key to Ping An's rapid development and long-term success.



Corporate Citizenship Model

## Social responsibility management

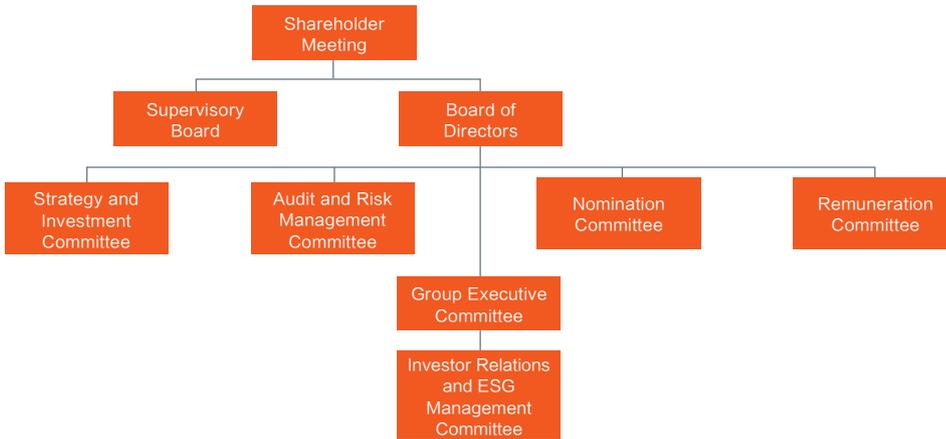
In the three decades of CSR development, we set up a CSR performance indicator system, set up an informal CSR team to conduct CSR training, established the CSR risk control system, and used specialized platforms for CSR management.

### ESG Management Committee

In 2017, we raised CSR to the company's strategic level by adding ESG functions to the Investor Relations Committee under the Group Executive Committee. The new Investor Relations & ESG Management Committee is fully responsible for ESG management of Ping An. Under the leadership of Investor Relations & ESG Management Committee, we believe that we can fully consider the impact of ESG factors in investment decisions and business development, and we are able to use our products and investments to solve many social and environmental problems and realize responsible investments and product development. The executive vice president & chief financial officer of the Group acts as the chairman of the Investor Relations & ESG Management Committee, the Board secretary of the Group serves as the executive secretary and the management of the Group as the members. The Committee convened regular meetings to discuss the risks and opportunities related to economy, environment and the society, develop sustainable strategies, and improve ESG governance and performance.

### ESG implementation body

The Corporate Social Responsibility Team under the Group Branding Department is responsible for ESG and CSR strategy implementation, internal communication, planning and implementation of related project, and performance appraisal within the Company. The CSR team regularly analyzes the impact of various ESG issues on the Company and reports on the ESG analysis results and ESG execution to the Investor Relations & ESG Management Committee.



### Improvement of CSR performance indicator system

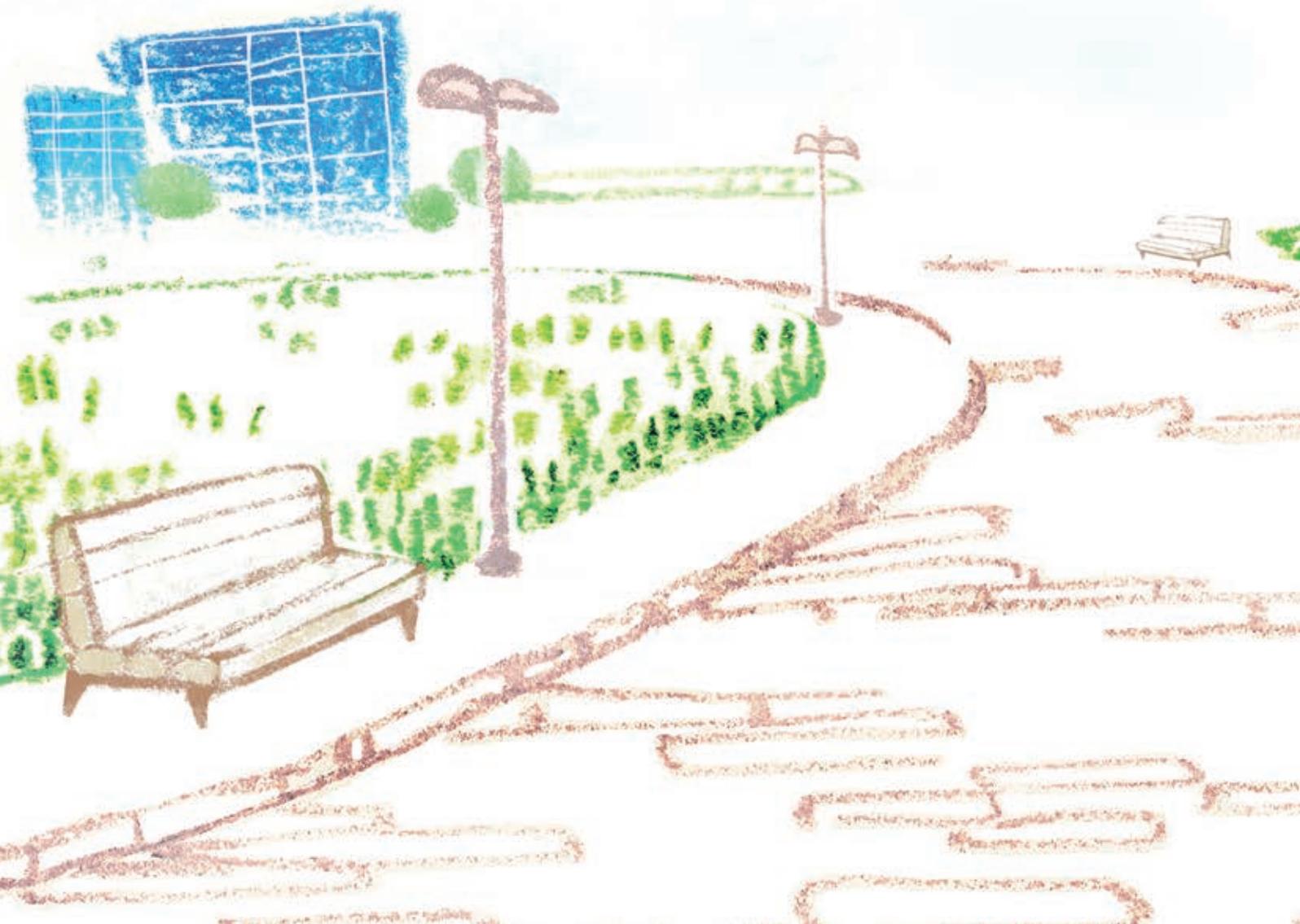
We established the CSR performance indicator system in 2011. After years of practice in CSR, we further improved the CSR indicator system by focusing on the topics related to ESG and the Company, and integrated CSR into the production and operation of enterprises.

### Stakeholder management and identification of major topics

The communication with and management of stakeholders is an important task of CSR management. Every year, we select effective ways of communication, maintain regular contacts with stakeholders via various channels, and use the substantive analysis matrix to identify the focus and major topics of CSR in light of the concerns and actual needs of stakeholders.



# CORE TOPICS





**Targeted  
poverty  
alleviation**



**Embrace  
technological  
changes**



**Finance  
serves real  
economy**



**Address  
the risks  
of climate  
change**



# Targeted poverty alleviation



## Financial poverty relief

The “13th Five-Year Plan” proposes to help the poor below the current poverty line in rural areas out of the poverty and eliminate the regional poverty within the next five years. Solving the poverty problem requires both the government and business sectors to invest their resources and actions. Ping An’s 30-years growth has benefited from the prosperity of the country and people’s longing and pursuit of a better life. Therefore, for a long time, we have always cherished the concept of repaying the society and the country, wholeheartedly devoted ourselves to poverty relief, and established a multi-dimensional poverty alleviation framework centering on financial poverty relief, educational poverty relief, industrial poverty relief and targeted poverty relief.



## Ping An Life

Provided insurance with a total insured amount of

**RMB188 million**

for a total of

**5,106**

recognized poor people

## Achievements

In 2017, Ping An and its subsidiaries received more than 300 targeted poverty alleviation tasks, and invested more than RMB40 million.

In 2016, we set up the Rural Financial Services Development Committee. The Committee covers four major business segments: rural insurance, rural social health insurance, rural banking, and rural Internet finance, thus establishing Ping An’s financial poverty relief model. In 2017, Ping An Life provided insurance with a total insured amount of RMB188 million for a total of 5,106 recognized poor people in Inner Mongolia and Guangxi. Ping An Annuity provided critical illness insurance at 44 national poverty counties, covers nearly 100 million rural customers, paid to 160,000 customers, and over RMB430 million has been paid for critical illnesses. Ping An Bank’s third custody service covers 250 million rural customers, financial product consignment service covers 85 million rural customers.



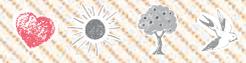
## Ping An Annuity

Provided critical illness insurance at 44 national poverty counties

Covers nearly **100 million** rural customers

Paid to 160,000 customers

Over **RMB430 million** has been paid for critical illnesses.



## Educational poverty relief

We have established Ping An's unique educational poverty relief model with the concept of "Education support comes before poverty relief".

Since the establishment of the first Ping An Hope Primary School in Lu'an, Anhui Province, in 1994, we have built 114 Hope Primary Schools across the country, helped more than 300,000 poor children to receive education, and established a standardized and systematic support model. We aim to carry out precision poverty alleviation through education, and figure out the reason of poverty with education. A total of RMB12.34 million of Ping An Hope Scholarship was granted to 21,110 students. A total of RMB2.481 million of Ping An Hope Financial Aid was granted to 2,481 students. Since Ping An started the volunteer teaching program 11 years ago, over 6,000 volunteers from Ping An have spent a total of 260,000 hours teaching over 100,000 children in remote rural areas.



Volunteer service hours

**260,000**

Hope scholarship

**RMB12.34 million**



## Industrial Poverty Alleviation

To promote the development of poverty-stricken areas, we studied the direction of industrial poverty alleviation according to the business characteristics, and helped poor rural households get out of poverty and get rich.

Ping An Property & Casualty launched the "Taijiang Model" in Taijiang, Guizhou, which allows insurance to penetrate the whole industry chain and provides poor households with "low participation threshold and risk-free operation". Ping An Property & Casualty has implemented poverty alleviation projects in 23 provinces, provided over RMB463.8 billion of agriculture insurance coverage for over 71.63 million rural households, completed 705,200 claims for rural households with claims payment of over RMB2 billion.

We are also working on sending our managers and employees to serve as the "village officers" and lead the villagers in developing the rural economy. In 2016, Ping An sent a poverty alleviation team to Longwo Town, Zijin County, Heyuan, Guangdong Province. They used funds and technologies to help villagers plant sweet potatoes, tea, grapefruit, and black beans, and leveraged our integrated finance advantages to help villagers develop the sales market.



## Ping An Property & Casualty

covers over

**71.63 million**

rural households provided over

**RMB463.8 billion**

of agriculture insurance

# Targeted poverty alleviation

Under the leadership of the village leaders, the poverty alleviation team has significantly improved the utilization of funds. They also brought Ping An's KPI appraisal into the villages. While ensuring the KPIs were achieved and the poor households were out of poverty, they also realized rolling development and increased the income of the villages through the group projects. They carried out livelihood projects in line with the supporting government policies, improved the life quality of the villagers, and realized "dual targeted" poverty alleviation.

After one year's efforts, we made remarkable achievements in the poverty alleviation of Heyuan. In the poverty alleviation assessment of Guangdong Province in 2017, the two villages of Heyuan supported by Ping An were awarded excellent poverty alleviation units in Heyuan.



## Targeted poverty relief



"Bring Love Home" benefits over

**10,000**

migrant workers

In order to help poor migrant workers and parents of left-behind children to return home for the Chinese New Year, we launched a targeted poverty alleviation charity project named "Safe Journey, Bring Love Home" since the Chinese New Year of 2015. Through free chartered bus, free insurance, and free bus tickets, we help poor people return home for family reunion during the Chinese New Year.

On January 20, 2017, we rent 200 buses in some cities to send over 6,000 poor migrant workers to Guangxi, Fujian, Jiangxi, Hunan, Hubei, Henan, Shanxi and Shandong where most migrant workers came from. "Bring Love Home" has been carried out for three consecutive years that helped nearly 10,000 migrant workers return home with over RMB4 million donation.



Migrant workers were ready to go home through "bring love home"



# Embrace technological changes



In recent years, technologies such as AI, cloud computing, blockchain, fintech, and healthtech have advanced by leaps and bounds, so the financial and healthcare industries are facing subversive challenges. Among the top ten companies by market cap across the world, technology companies have taken seven seats. To become the leader of the industry, you must become a technology leader first. How to seize the wave of technology and stand on top of the wave are the biggest drivers of a company's development. The smart era is both an opportunity and a challenge for Ping An who has come to the forefront of the financial industry and has accumulated years of experience in technological development.

In 2017, we first proposed the two-pronged strategy of "finance + technology" which calls for the use of technologies to drive our innovation in the financial and healthcare industries and enhance our competitiveness of the traditional financial business. In the meantime, we exported new technologies to other financial institutions and medical institutions to enhance the efficiency and obtain sources of asset light revenue.

## Achievements

### Five core technologies, namely, biometrics, big data, artificial intelligence, blockchain and cloud platform

In the past ten years, we devoted 1% of the revenue of the previous year to research and development each year and innovated the business model and service model of traditional finance through technological innovation such as artificial intelligence.

At present, we have an industry-leading big data platform among China's financial institutions, over 500 big data scientists and more than 20,000 R&D personnel. A number of our achievements have achieved a global leading position. Thanks to the advantages accumulated over the years in talent pooling, capital accumulation, data depth, and scenario and dimensions, we have now owned five core technologies--biometrics, big data, artificial intelligence, blockchain and cloud platform.

Ping An is a global leader in biometrics which cover diverse scenarios including finance, healthcare, life/services, security and so on. Regarding big data development, Ping An has established a "1 + N" ecosystem partnership. Ping An's data covers more than 880 million people. "Ping An AI + brain" runs through all aspects of artificial intelligence, of which the disease prediction technology has realized health prediction and cost control. Ping An's blockchain can provide safe, traceable and efficient transaction records, and is widely used in finance, healthcare, real estate trading and other scenarios. Ping An's cloud services are widely used in the public services, smart city, smart administration and other fields.

Behind technology is human nature. We maintain a childlike curiosity to embrace changes, and always adhere to the concept of "Expertise makes life easier". We look forward to getting insight into the future trends and knowing you better. With new technologies such as big data and artificial intelligence, we understand what you think, understand your joys and sorrows, and understand the simple life you want. We look forward to knowing who you are now and promising you a better future.



Over

**500**

big data scientists

Over

**20,000**

R&D personnel

# Finance serves real economy



The real economy is the foundation of finance while finance is the blood of the real economy. Serving the real economy is the root of finance. Since the 18th CPC National Congress, China's financial industry has made significant achievements and its ability to serve the real economy has steadily improved. Under the new development trends, China has put forward higher requirements on serving of real economy by finance, guarding against financial risks and returning to the origin of finance.

## Achievements

As an integrated finance group, we dynamically adjusted our business strategies, continuously enhanced our ability to serve the real economy, strengthened the prevention and control of financial risks and established a sound risk control system.

In terms of returning the origin of finance, we continued to optimize the structure of insurance products and emphasized the protection function of insurance products. In terms of serving the real economy, we guided the funds to "agriculture, rural areas and farmers", small and medium-sized enterprises, infrastructure construction, livelihood projects and other fields through subsidiaries such as Ping An Bank, Ping An Puhui and Lufax so as to enhance the role of finance in serving the real economy.

In terms of risk prevention and control, in order to manage the risks, we established the "251 framework" based on "dual guards + goalkeeper". The figure "2" refers to the dual risk control matrix composing of the Group and subsidiaries. The figure "5" refers to the five risk control pillars, i.e. information security, asset quality and safety, liquidity, compliant operation and brand reputation. Through these five pillars, we achieved the top-down and end-to-end risk control. The figure "1" refers to the uniform risk monitoring and business review platform. Through the above methods, we established the risk management system with the highest international standards and adhered to the bottom line of financial safety.

We continued to practice the concept of inclusive finance through Ping An Puhui which focuses on serving the needs of small and micro enterprises and individuals and serving the development of rural real economy. In 2017, we issued RMB12.74 billion of loans to the groups related to "agriculture, rural areas and farmers", indirectly provided jobs for 382,000 people and helped 127,000 households out of poverty. We have issued loans totaling RMB104 billion to cities at tier-3 or below, of which loans issued to state-level poor counties totaled RMB4.89 billion.



Ping An  
Puhui

issued **RMB12.74 billion** of loans to the groups related to "agriculture, rural areas and farmers"

issued loans totaling **RMB104 billion** to cities at tier-3 or below



In 2017, the balance of micro loans reached

**RMB239.3 billion**



**Ping An Bank**

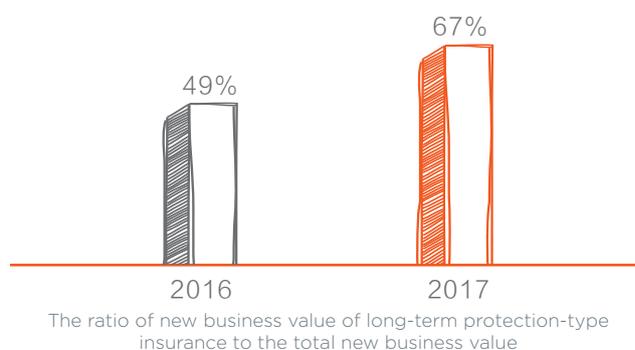
In terms of serving the real economy, the balance of Ping An Life's investments in real economy via the infrastructure debt investment plans reached RMB83.3 billion. The projects they invested in included not only the South-to-North Water Diversion Project beneficial to national welfare and people's livelihood, but also the expressway and urban infrastructure projects that serve the regional economic development as well as nuclear power and hydropower construction projects which are to promote the energy construction.

Ping An Bank enhanced its financial services for "agriculture, rural areas and farmers", inclusive finance, small enterprise finance and other unmet needs. In 2017, Ping An Bank provided loan services to 1,145,500 small and micro integrated finance customers, and the balance of micro loans reached RMB239.3 billion.

Ping An Life has always been guided by the customer needs and adhered to the protection nature of insurance. It attached great importance to the protection-type insurance and maintained the proportion of protection-type insurance at more than 30%. It has also increased the personalized products based on the demand of multidimensional market segments. In 2017, Ping An Life adhered to a product strategy relying on protection-type insurance products, and continued to expand the scope of coverage. Regarding the sales agent channel, the ratio of new business value of long-term protection-type insurance to the total new business value increased from 49% to 67%.



**Ping An Life**



## Address the risks of climate change

Climate change and the series of impacts it brings are a topic of universal concern today. In China, climate and climate-derived disasters have become the most important factors in the loss of natural disasters, accounting for 95% of the total losses. For the insurance industry, the dangers brought by climate change to the insurance industry include the uncontrollable loss caused by the frequent occurrence of extreme weather events resulted from climate change, which in turn creates a wide range of economic and social pressures, thus reducing the insurability of the insurance subject. Nowadays, in the face of the possible most severe climate change challenge ever, how to proactively establish risk assessment, risk control, and financing technologies pose challenges to the insurance industry while also generating tremendous business opportunities.

In the past year, we have joined the society in building the capability for dealing with climate change.

We have established a domestic leading risk control system in the field of property and casualty insurance. Ping An Property & Casualty's risk control system passed the certification of ISO9001:2015 international quality system. Ping An Property & Casualty is the first company that obtains international certification for insurance risk control in China. We also have a dedicated risk control engineer team and a pre-insurance risk assessment and disaster and loss prevention system to carry out effective disaster and loss prevention activities in response to natural disasters caused by climate change. In addition, we have built a domestic leading and internationally advanced digital risk identification system based on GIS technology which integrates disaster science, insurance science and other disciplines. It can classify nine natural disasters at any location in mainland China and effectively control the underwriting risk.



The **first** company that obtains international certification for insurance risk control in China.





In addition, we innovated and developed the pollution risk map to help enterprises, governments and insurance companies more comprehensively and objectively understand the pollution risks in the regions they cover, so as to conduct targeted risk management and underwriting pricing. With this map, we can easily view the status of the following six risks at any position on the map, including the population density, gross enterprise output value, number of employees, surrounding traffic status, surrounding water bodies and ecosystem, and obtain the comprehensive pollution risk assessment results. In 2017, our digital risk identification system was opened to external users, and the environmental protection module was added to the system to interpret the current environmental protection laws and regulations, industry trends, and Ping An's professional perspectives in time, and helped companies and the public better understand the environmental protection dynamics.

## Achievements



**16** typical cases

were found reducing losses through risk control

Estimated loss reduced was

**RMB620 million**

In 2017, Ping An Property & Casualty used its latest technological innovations such as DRS and satellite remote sensing to match its professional offline risk control team. It has participated in seven typhoon warning and prevention operations in China, including Typhoon TianGe and Typhoon Paka, reported more than 350,000 risk warnings for climate disasters, carried out more than 10,000 on-site investigations on the potential risks in enterprises, and provided more than 400,000 sets of disaster and loss prevention materials for free. The loss after being reverted to market share was far below the peers and the market.

In 2017, a total of 16 typical cases were found reducing losses through risk control, and the estimated loss reduced was RMB620 million.

# SOCIAL RESPONSIBILITY PRACTICES





**SHAREHOLDER**

In 2017 our total asset reached

**RMB6.49 trillion**



**Customer**

The 2017 NPS

**36%**



**Employees**

Annual training budget

**RMB854 million**



**Society and environment**

In 2017, we helped reduce indirect carbon emissions by

**51,871.4 tCO<sub>2</sub>e**

Employee volunteering service

**40,432 hours**



**Partners**

In 2017, our centralized procurement reached

**RMB7,323 million**



# SHAREHOLDER

## | Mission |

Be responsible for shareholders: providing appreciation in asset value and stable returns

## | Progress |

In 2017, we became one of the top 40 companies across the world with the market cap ranking No.1 among financial groups. We maintained our first place among the insurance groups all over the world. In terms of investor communication, we have made a transition from passive response to active communication, obtained the recognition from the capital market, nearly doubled our market cap, and gradually realized the return of value. At the same time, our dividends have grown significantly, bringing substantial returns to shareholders. In 2017, we added ESG functions to the Investor Relations Committee under the Group Executive Committee. The new Investor Relations & ESG Management Committee was fully responsible for ESG issues of Ping An, and built the “Ping An Shield” platform to push forward the anti-corruption with the help of innovative technologies.



## Robust business performance



Dividend per share

**RMB1.5**

up

**100%**

year-on-year

Total assets

**RMB6.49 trillion**

In 2017, China's GDP exceeded RMB80 trillion, and its economic growth accelerated for the first time in the past seven years. In the context of the economic prosperity, we also rewarded our shareholders with outstanding performance. As at the end of 2017, our total assets reached RMB6.49 trillion, an increase of 16.4% compared to the end of 2016. The basic earnings per share was RMB4.49 in 2017, and dividends of RMB1.5 per share were distributed, a year-on-year increase of 100%. The dividend growth rate significantly exceeded the profit growth rate, reflecting the Group's strong solvency and cash flow. The total market cap of the Group reached RMB1.2 trillion. We ranked No.16th on the Forbes Global 2000 list, and No.1 among global listed insurance companies.



Market cap reached

**RMB1.2 trillion**



Global

**16<sup>th</sup>**

on the Forbes  
Global 2000 list

**1<sup>st</sup>**

among listed  
insurance  
companies



Life insurance  
new business  
value increased

**32.6%**



Property & Casualty  
premium increased

**21.4%**



Bank retail  
business increased

**41.7%**





Ping An 2017 Investor Day

## Proactive investor communication

In 2017, we strengthened communication with the capital market in the aspects of “finance + technology” strategy, customer development, technology layout, and company’s main businesses. Through the public briefings, video and teleconferences and roadshows, we presented the Company’s annual, semi-annual and quarterly results, and exchanged with investors on sina.com and xueqiu.com, which is the first of its kind in the industry, deepened our understanding of the capital market, and made the communication more convenient. While maintaining good communication with institutional investors, we also communicated with small and medium-sized investors via different channels including but not limited to online roadshows, the E-interaction platform of the Shanghai Stock Exchange, the Company’s website, email boxes and hotlines so as to provide better services to the small and medium-sized investors and protect their rights and interests.

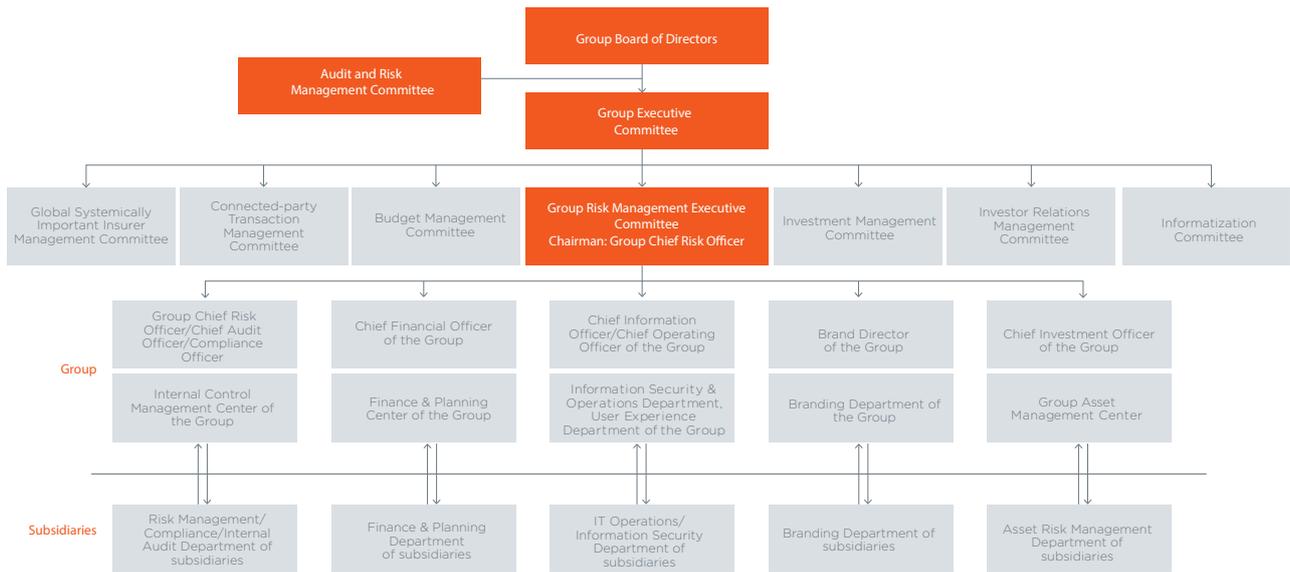
Moreover, the Company has proactively collected capital market analysis reports and information of shareholders, attached great importance to investors’ concerns and advice, further enhanced the Company’s management and corporate governance, and improved its internal processes and procedures so as to provide investors with more efficient and convenient services.

	Institutional investors	Small and medium-sized investors
Communication channels	Public briefings, video and teleconferences, roadshows, sina.com and xueqiu.com	Online roadshows, the E-interaction platform of the Shanghai Stock Exchange, the Company’s website, email boxes and hotlines
Communication frequency	In 2017, the Company organized two onsite results releases, two telephone-based results releases, two “Investor Day” events, 53 roadshows in China and abroad and two online roadshows. The Company attended about 204 conferences of investment banks and securities brokers in China and abroad, and received about 130 visits by investors/analysts from China and abroad. The meetings with investors increased by nearly 3 times from the previous year.	

## Sound risk governance structure

The Board of Directors is the highest decision-making authority for the Company's risk management and takes responsibility for the effectiveness of the enterprise risk management. The Audit and Risk Management Committee under the Board of Directors should have a thorough understanding of major risks and the Company's management of these risks, and monitor the effectiveness of the risk management framework.

### Risk governance structure



### Group management



**From left to right:** Ms. CAI Fangfang, Mr. YAO Jason Bo, Ms. IP So Lan, Mr. REN Huichuan, Mr. CHEN Kexiang, Mr. MA Mingzhe, Mr. LEE Yuansiong, Mr. SUN Jianyi, Mr. CAO Shifan, Ms. TAN Sin Yin, Mr. XIE Yonglin

Note: Refer to our 2017 annual report for positions

## Strengthening the anti-corruption and business integrity



In 2017, under the Group's coordination, the subsidiaries and audit & monitoring regions held over

**1,700**

education activities on business integrity with a coverage rate of

**100%**

We have always attached great importance to anti-fraud, anti-corruption, and anti-commercial bribery, and continuously intensified our efforts in day-to-day operations and anti-corruption education. We pushed forward anti-corruption by organizing education activities for all employees and Ping An Life's agents via bulk emails, morning briefings, and "Pocket E" app and relying on innovative technology application and systematic management.

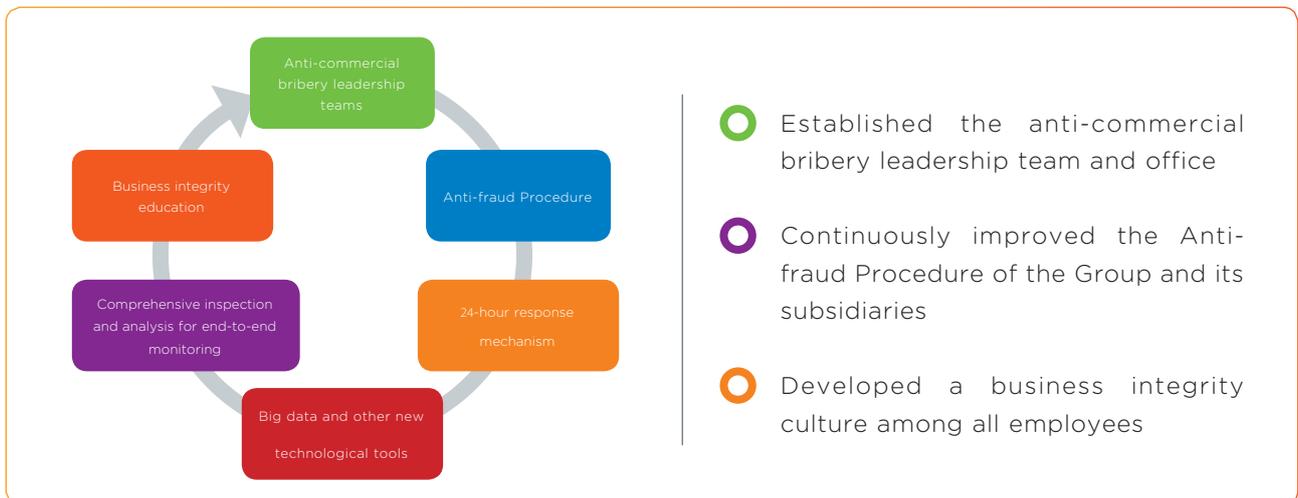
### Improving mechanisms to push forward anti-corruption

The Company has established the anti-commercial bribery leadership team and office, which deploys the anti-commercial bribery tasks, sets the anti-commercial bribery targets, and specifies the principles for anti-commercial bribery efforts. The subsidiaries carried out their anti-commercial bribery tasks under the leadership of the Group, worked closely with the sister companies, required the coordination of departments and business lines and broad participation of managers and employees, and effectively promoted the anti-commercial bribery efforts.

On this basis, we strictly implemented the Anti-fraud Procedure to guard against fraud risks, enhanced the 24-hour response mechanisms, used big data, new technological tools, and improved the comprehensive inspection and analysis methods for end-to-end monitoring, so as to mitigate the risks.

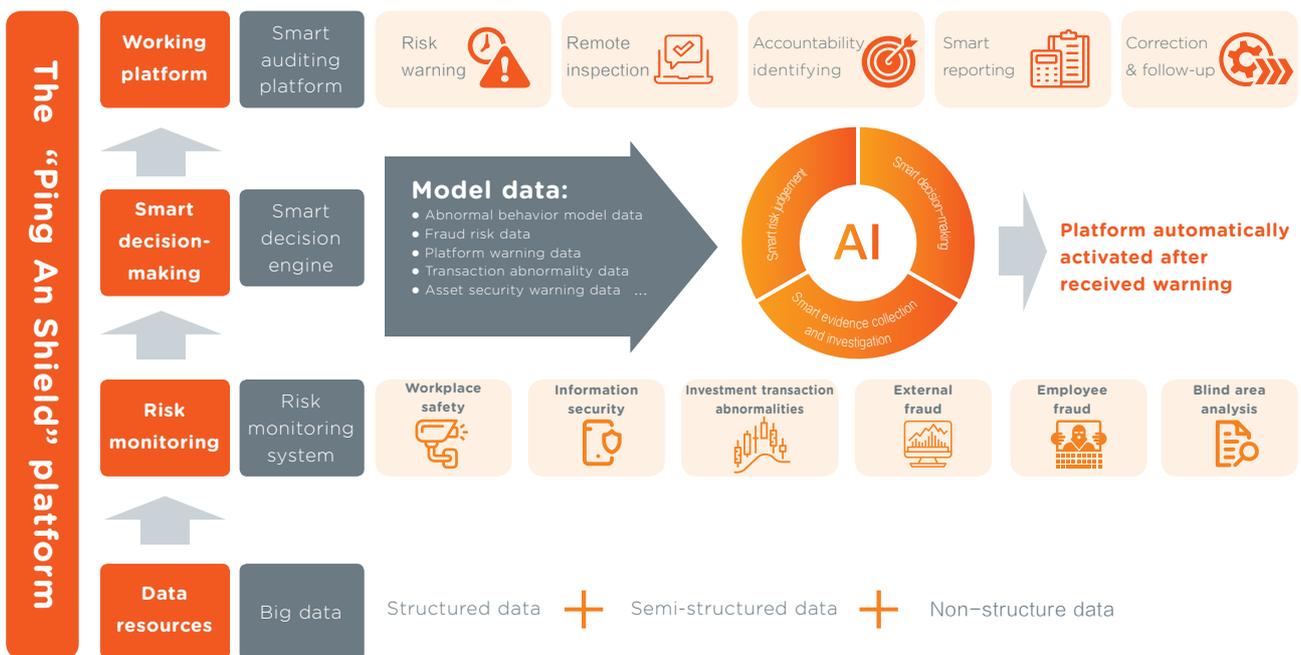
In addition, we continued to improve the long-term mechanism for ensuring business integrity, helped all the employees establish the values of integrity and self-discipline, and enhanced the atmosphere in which "everyone takes pride in being clean and wants to remain clean". In 2017, under the Group's coordination, the subsidiaries and audit & monitoring regions held over 1,700 education activities on business integrity with a coverage rate of 100%, and developed a business integrity culture of honesty, lawfulness and compliance.

Anti-corruption and business integrity mechanism



## Building the “Ping An Shield” platform with innovative technologies

In 2017, in order to establish a smart risk monitoring system featuring “centralized monitoring and multi-level prevention”, we created the “Ping An Shield” platform which can help us achieve the goal of “ex-ante risk warning, in-the-process monitoring, and ex-post smart review”, and effectively crack down on corruption and fraud in the fight against corruption. Specifically, we developed the general rules for data governance and model library management by Internal Control Center, improved data management and sharing mechanism, and laid a good data foundation for the development and innovation of big data models. Based on a large amount of data resources, our “Ping An Shield” platform covers three modular functions. With the help of the smart risk monitoring system, the model can be managed online through the entire life cycle. An optimal decision plan can be generated through the smart decision engine based on the model risk data. The smart remote auditing platform is used to remotely and efficiently mitigate the risks.



# CUSTOMER

## | Mission |

Be responsible for customers: being service-oriented and reliable

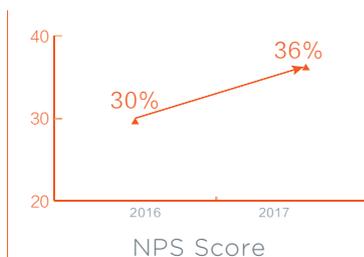
## | Progress |

Customer is the foundation of a company's operations. We focus on every customer experience and strive to create value for our customers. 2017 is our service year. With the theme of "Ping An is At Your Side", we launched a number of events and initiatives to enhance our customer experience, and provided our customers with considerate services. We continued to innovate on the technologies, use the power of technology to remove tediousness, leave the complexity to ourselves, and create simple and convenient life experiences for our customers. We continued to innovate on our products to meet the diversified needs of our customers, innovate on our services and always stay with the customers to improve our service quality from every contact with our customers.





**Attaching importance to customer experience, and improving customer satisfaction and loyalty**



Since the introduction of NPS (Net Promoter Score) in 2014, we have continuously improved our customer experience through product innovation, service innovation, and technology innovation.

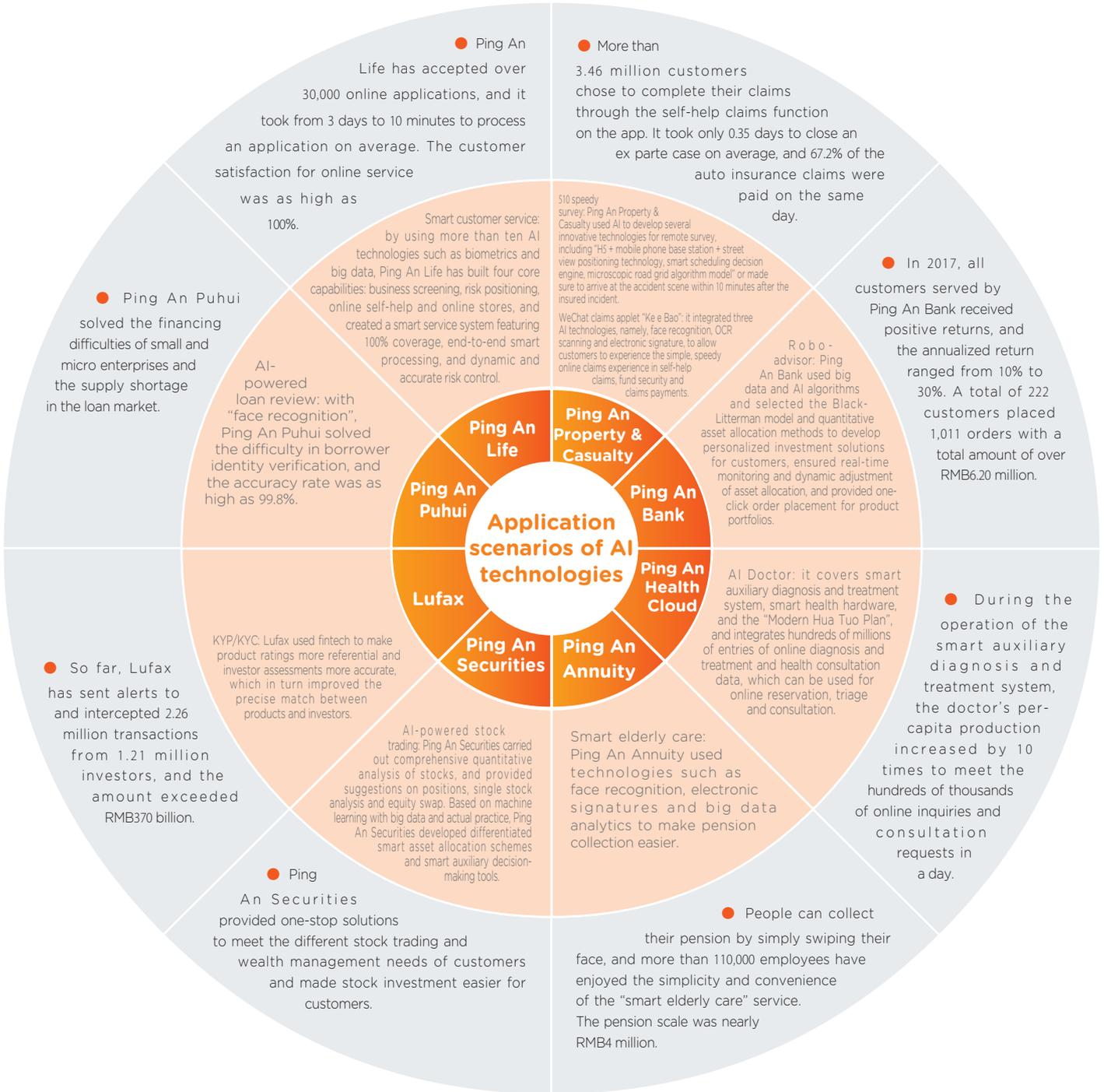
In 2017, we released the financial industry's first NPS white paper to record our industry experience and methodology in writing. This document encouraged industry practitioners to focus on customer experience, scientifically improve NPS, and bring convenient and trustworthy financial consumption experience to each consumer.

Currently, our NPS touchpoints have nearly 10 billion online and offline contacts with customers every month, trigger more than 3 million surveys, and formed more than 300 user experience enhancement projects based on customer feedback. With NPS, we are able to understand customer demands, identify opportunities, and improve the customer experience and business value. In 2017, our NPS increased by 6 percentage points from 2016 to 36%.

**Continuous technological innovation to create a simple life for customers**

In 2017, we held the Open Day event themed "Unveiling Ping An's Technology Revolution" to disclose the five core technologies. The five innovative technologies focus on our pan financial assets and pan health care, and are used in four major ecosystems, namely, the "financial services ecosystem", the "health care ecosystem", the "auto services ecosystem" and the "real estate finance ecosystem". We continued to use cutting-edge technologies to enhance customer experience and create a simple life for customers.

## Application scenarios of AI technologies



Note: by mining the hundreds of millions of entries of the case data and geographical map data, we used the algorithm for microscopic road grid to divide the 334 cities across the country into 4,610 grids, then distributed more than 8,000 auto insurance surveyors in different grid areas, and used the smart scheduling decision engine to judge the availability of the surveyors so as to achieve the optimal dispatch and ensure that the surveyors arrive at the accident scene within 10 minutes.



President of Ping An Group Mr. Ren Huichuan is introducing Ping An Bank's robo-advisor function

### Continuous product innovation to meet the diverse needs of customers



**Chuang Fu  
Ping An Card**  
**Shou Hu Bao  
Bei Card**

Total premium

**RMB9.467 billion**

As an “integrated finance + technology” group, we focus on pan financial assets and pan health care, and continuously research and develop financial and healthcare products that meet the diversified demand of customers to improve customer’s life quality with a full range of financial and healthcare services and create value for customers.

### Development of customized insurance products for migrant workers

Migrant workers as a new economic force make great contributions to the society and their family, and cities become more prosperous because of their contributions. However, they don’t have adequate insurance protection. In this regard, Ping An Life develop the customized insurance products including “Chuang Fu Ping An Card” and “Shou Hu Bao Bei Card” for migrant workers. “Chuang Fu Ping An Card” covers general accidents, accidental medical care, bus accidents, third-party liability, and support for rights protection so that migrant workers can make a living in the city worry-free. “Shou Hu Bao Bei Card”, designed exclusively for left-behind children, covers general accidents, accidental medical care, third-party liability and psychological counseling. With this product, parents of left-behind children can make a living in the city worry-free.



As of December 31, 2017, the balance of Smart Daily Growth was approximately

**RMB10 billion**

### Development of customized insurance for marathon runners

In recent years, marathon events become increasingly popular in major cities, and more and more marathon runners participate in the events. In order to meet the needs of the runners, Ping An Property & Casualty developed marathon custom insurance by adhering to the “insurance + health” concept. The product covers accidental injury, sudden death, electrolyte imbalance caused by intense exercise, acute exercise injuries and other benefits. It covers risks in all aspects of the marathon and provides all-round insurance coverage for participants and event personnel.

In 2017, Ping An Property & Casualty served three major events, including Shanghai International Marathon (38,000 person times) and Xi’an International Marathon (21,000 person times), and more than 100 small and medium-sized running races. It has provided insurance services for over 60,000 times.

### Smart Daily Growth to build a new model of wealth management with savings

In response to customers’ settlement and wealth management needs, Ping An Bank provided customers with a smart wealth management product called Smart Daily Growth via their debit account. This product linked the payment and settlement with wealth management function, thus realizing the free fund allocation, free payment and smart wealth management by customers. After customers sign up for the automatic subscription of Smart Daily Growth, the part that is higher than the minimum retention amount of the current settlement account will be used to automatically purchase Smart Daily Growth to maximize capital gains. When the balance of the account is insufficient due to transactions such as cash withdrawal and consumption, the system will automatically redeem Smart Daily Growth to the current account for the said transactions.

The product combines value addition and high liquidity, and builds a new model of wealth management with savings. As of December 31, 2017, the balance of Smart Daily Growth was approximately RMB10 billion.

### First “3-in-1” medical service model in China

Ping An Health (Testing) Center, an important member of our pan health care sector, has launched China’s first “3-in-1” health testing service model which combines image diagnosis, medical examination, and precision physical examination. It is dedicated to promoting the subdivision of medical services and the upgrade of medical industry, improving regional medical services, achieving the integration of the biggest third-party image provider, the highest quality third-party examination, and the high-end third-party health checkup, and providing the public with more diversified quality healthcare services.





## Helping solve the unbalanced development through financial and medical means



### Ping An EYE Protects You

Our “Ping An EYE Protects You” insurance aimed to serve the

**17 million**

visually impaired people in China

The “19th CPC National Congress” report pointed out that the principal contradiction facing Chinese society has evolved to the contradiction between unbalanced and inadequate development and the people’s ever-growing needs for a better life. At present, the financial development and medical level of cities are well developed, but the financial and medical conditions in rural areas are still very poor, and there is a big gap between cities and rural areas.

The development of Ping An benefited from the society and the development of the times. Therefore, we are actively repaying the society, covering vulnerable groups through financial and medical services, enhancing our ability to help people get rich, and improving the health care in underdeveloped areas.

### Farmers’ exclusive “Township Card” to enjoy multiple benefits

In 2017, Ping An Bank launched the “Township Card” in county-level market. The Township Card is a debit card exclusively issued to customers in counties and provides basic rights and interests for them. Since the card was released over one year ago, Ping An Bank has served rural customers in Hebei, Hubei, Zhejiang and Guangdong for more than 100,000 times. The “Township Card” offered many exclusive benefits such as exemption of the IC card fee, account management fee and SMS notification service fee, and preferrentted interest rate.

### Development of insurance products for the visually impaired “Ping An EYE Protects You”

As it is dangerous for visually impaired people to go outside, there are few insurance products for the visually impaired in the market. On this year’s International Day of Persons with Disabilities, we launched the “Ping An EYE Protects You” insurance for the 17 million visually impaired people. At the same time, we also made accessibility optimizations to our website so as to provide comprehensive protection for the visually impaired. This product is the first exclusive insurance product for the visually impaired in China.



#### Yi Shi Platform

covers villagers

**2.4 million**

### Ping An Wanjia’s “Yi Shi Platform” to deliver quality medical resources to rural areas

In light of the weak medical resources in rural areas, Ping An Wanjia Healthcare developed the “Yi Shi Platform” which uses television, computer and mobile phone to achieve three core functions, i.e. a triage platform, an online medical treatment combination platform, and a family doctor service platform. Through the “Yi Shi Platform”, urban doctors can conduct consultations with rural doctors, guide rural doctors in the diagnosis and treatment of complex diseases and effectively improve the consultation ability of rural doctors. The “Yi Shi Platform” enables the remote villages to access the quality urban medical resources and helps improve the health status of farmers. The “Yi Shi Platform” broke down the limitations caused by space, allowed medical institutions in provinces, cities, counties, towns and villages to establish close interactions, realized the sedimentation of high-quality medical resources and precise diversion of patients at the primary medical institutions, and laid a good foundation for the Village Doctor Program under the Three-village Project. As of December 31, 2017, the “Yi Shi Platform” covered 1200 rural clinics, benefiting nearly 2.4 million villagers.



Remote diagnosis via the “Yi Shi Platform”

# EMPLOYEES

## | Mission |

A commitment to the staff: provide the conditions for better living and career development

## | Progress |

In our opinion, employees are the most important partners in the growth of a company. The personal development of employee is closely related to the growth of the company. Therefore, we focus on employee development and personnel training, ensure stable and steady increase in employees income, take performance orientation as a core policy, encourage competent employees to earn more, and provide systematic training for growth of employees in different phases and provide opportunities for promotion; we adhere to the philosophy of “happy work, healthy life”, create a healthy working environment for employees, and pay attention to their physical and mental health.



## Personnel training and staff development



Total training investment

**RMB854 million**

## Career development

We attached great importance to the growth of staff and aimed to provide them with the best trainings. Therefore, in 2017, we continued to devote sufficient resources to establish a dual-excellence course system and science & technology course system according to the strategic transformation of the Company. The total budget for training was RMB854 million in 2017.

In 2017, we carried out 235 sessions of face-to-face public courses, and added 23 management/general face-to-face courses.

We have established an open employee training platform that covers all regular and informal employees in the Company. We tailored various training programs for different employees, which enables them to find their positions, to clarify directions of development, and gain space for growth.

## Remuneration and benefits



Paid annuity in 2017:

**RMB553 million**



Paid remuneration in 2017:

**RMB48.271 billion**

In order to keep attracting and retaining outstanding employees, as well as ensure a reasonable and stable increase in employees' income, we organize market remuneration research and remuneration competitiveness analysis each year to continuously review the competitiveness of remuneration of our employees. We have established a bundling system of remuneration and performance to encourage competent employees to earn more, where bonuses are issued based on company performance, personal performance and contribution. A total remuneration of RMB48.271 billion was paid in 2017. We provide our employees with full social insurances and benefits, issue festival bonus, heating/cooling expense, birthday bonus and other benefits; in addition, we provide annual health examination and psychological counseling services. We also provide our employees with a series of employee welfare, such as wedding welfare, maternity welfare and sickness benefit.

We continued to leverage the enterprise annuity framework to encourage our employees to join the annuity plan so as to assist with their elder care in the future. In 2017, an addition of 19,533 employees participated in the enterprise annuity, where a total of approximately RMB553 million was paid. As of December 31, 2017, a total of 163,513 employees participated in the enterprise annuity and the accumulated amount of the enterprise annuity reached RMB5.356 billion. The enterprise annuity paid by the employee accounted for about 0.8% of his/her salary, while the enterprise annuity paid by the Company accounted for about 1.2% of the employee's salary.

## Care for employees and ensuring the physical/mental health of employees

### Care for employees

In 2017, we started to work in Shenzhen Ping An Financial Center, the tallest building in southern China. During the preparation of PAFC, we conducted a series of care initiatives, for example organizing health lectures on environment in workplace, purchasing air purifiers, conducting decontamination testing, purchasing greening plants and preparing gift packages, to enhance employee satisfaction. In order to enhance employees' working and living conditions in all aspects, we have renovated the bathroom and tea room, equipped all-inclusive daily necessities, purchased green plants and charcoal bags to create a relaxed and elegant atmosphere. At the same time, we have prepared free freshly brewed coffee, various kinds of tea, self-service drink vending machines and fruit plates for employees to enjoy. In addition, we also provide mothers with exclusive baby care rooms, where drinking water, special freezers and cleaning equipment are available. All these designs have made our employees feel at home. In addition to the annual health examinations for all our employees, we also provide female employees with gynecological examinations, premarital examinations and family planning IUD & pregnancy checkups so as to provide female employees with convenient family planning services.

### Employee Clubs

Under the philosophy of "happy work, healthy live" and through continuous innovation of club activities, we enriched our employees' spare time, strengthened the employees' physique, promoted the physical and mental health of our employees, and enabled our employees to devote more enthusiasm in their work. At the same time, we organized a company-wide table tennis competition that attracts 30 key provincial and municipal contestants. PA P&C and PA Trust organized on-line Spring Festival Gala via mobile Internet technology to break the time and space restrictions and allow more employees to get together through on-line platform and celebrate the Chinese New Year.



Our employees participated in a variety of club activities



### Convenient working environment

We leverage scientific and technological means to provide employees with a variety of convenient services, so that employees enjoy convenient and high quality service. In 2017, employees were able to access self-service on-boarding, mobile attendance, and self-service certificate handling on platforms, as well as punch in and out via face recognition. The employees not only improved their work efficiency, but also enjoyed convenience.

### EAP plan

In order to alleviate the stress and enhance the sense of happiness of employees, and to improve the efficiency of the Company, we worked with professional EAP agencies to continuously protect employees' mental health. In terms of physical health, we provided employees with annual physical examinations and interpretations of the reports, so as to provide employees with professional advice. We also leveraged internal resources to create an exclusive platform for our employees.



A total of

**3,160**

employees participated in the 119 EAP sessions for the whole year

At the same time, in order to tie in with the employee care plan, Ping An School of Financial Services delivered courses such as Stress Management, Positive Attitude, Decoding Emotional Intelligence and Stress, and Workplace Relationships. A total of 3,160 employees participated in the 119 sessions for the whole year.

# SOCIETY AND ENVIRONMENT

## | Mission |

A commitment to society: contribute to the society and the country

## | Progress |

While maintaining steady growth in performance, we continued to practice social responsibilities and responded to the hot issues with practical measures in 2017. In order to further promote education for poverty alleviation and improve education in remote areas, we established the Ping An Education Charity Board to innovate the distance education model to close the educational gap between urban and rural areas; we continued to pay attention to the issues of rural hollowing and left-behind children and helped nearly 10,000 migrant workers get home for three consecutive years; we paid close attention to environmental issues and promoted low-carbon green development through Green Company, Green Finance and Green Charity; we leveraged our own resources to assist with public services and support the nation's construction.





Ping An volunteer is teaching an art course at Ping An Hope Primary School, Jixian, Tianjin

## Education and public welfare

### Education support

In 2017, we established the Ping An Education Charity Board. We strove to improve education in rural areas, close the educational gap between urban and rural areas, and promote education-oriented poverty alleviation, so as to drive poverty alleviation in rural areas with the power of education. In 2017, Ping An fully upgraded its education support programs. Ping An upheld the one core philosophy of closing the educational gap between urban and rural areas, utilized the two online and offline channels, implemented the three strategies involving teachers, technologies and innovations, provided Hope Primary Schools with four kinds of support in terms of hardware, technologies, organization and financial rewards, deepened and strengthened Ping An's education support programs.

### Innovated distance education support and created the situational teaching model

Distance education aims at breaking the boundaries of time and space and calls on urban teachers and excellent volunteers to input quality educational resources to rural schools in remote areas through the Internet to widen students' horizons.

In June and September 2017, we invited Peng Min, the runner-up of "Chinese Poetry Conference" and Cao Wenxuan, a professor of Peking University, to deliver two distance education courses on the theme of "poetry" and "home country" near the Yellow River and at Lu Xun's former residence in Beijing respectively. The courses covered 114 Ping An Hope Primary Schools and over 1,000 rural schools through the distance education support platform, creating a new model of situational teaching.



Students from Ping An Hope Primary Schools across the country are watching distance education courses



So Lan Ip, Deputy General Manager of Ping An Group, is teaching at the Ping An Hope Primary School in Huizhou, Guangdong province

In addition, we released 8 distance poetry courses in the channel “Ping An Education Public Welfare” on Zhi Niao, attracting a total of more than 5,000 viewers. Ping An Real Estate and Ping An Leasing also successively uploaded distance courses themed on world-famous architecture and automotive knowledge on the platform, which enriched the courses of rural schools.

### Offline education support never ends

In 2017, we started the off-line education support programs at 54 Ping An Hope Primary Schools and selected nearly 1,000 volunteers to participate in the education support among the more than 10,000 people who signed up for the programs. Various kinds of courses and activities, such as Chinese reading, speech contest, appreciation of poetry and appreciation of traditional culture were carried out to enrich students’ campus life. In 2017, 1,016 employees took part in the volunteer teaching activities, and served a total of 40,432 hours.



2017 volunteer service hours

**40,432**



Donation on Ping An Charity Day

**RMB3.18 million**



Amount of Hope scholarship

**RMB1.862 million**



### **Selected top 10 principals and teachers, providing scholarships and financial aids**

In 2017, we set up a joint committee and invited external education experts to serve as the judges during the selection of the “Top 10 Award” for principals and teachers from 114 schools. A reward of RMB200,000 was provided to encourage the principals and teachers to continuously improve the management and teaching so as to benefit more rural students.

In 2017, Ping An Education Support continued to organize offline trainings for principals of Ping An Hope Primary Schools, including lectures delivered by well-known teachers, exchanges with well-known teachers and rural education seminars. Meanwhile, we conducted distance trainings themed with “Internet+”, covering all the teachers in 114 Hope Primary Schools to make up for the shortcomings of limited participants in offline trainings. With the help of the trainings, we upgraded our teachers’ Internet literacy and their capabilities to leverage teaching resources on the Internet.

In 2017, Ping An Education Support issued a total of RMB1.862 million to 3,159 students as scholarships, of which 2,820 were primary school pupils, 226 students were admitted to junior high schools and 113 students were admitted to senior high schools; in addition, Ping An Education Support issued a total of RMB2.481 million to 2,481 students as financial aids.



Chairman Peter Ma is communicating with the principals

## **Motivation Program**

We have sponsored the Motivation Program for 14 years in a row, issuing thesis scholarships to undergraduates, encouraging undergraduates to deepen their academic research and make academic innovations, and supporting their dreams.

As of December 31, 2017, the Motivation Program received a total of more than 540 papers submitted by undergraduates. The papers will be reviewed continuously in 2018.

## Bring love home

In 2017, we continued to care about left-behind children and migrant workers from poor areas. In order to help parents of left-behind children return home to celebrate the Chinese New Year and reunite with their families, we initiated the public welfare program named “bring love home” for the third year, helping them go home through free chartered buses, insurance donations and ticket purchasing (see the “core topics” section of Poverty Alleviation” for details).



Officially launched the 2017 “Bring Love Home”

## Environmental public welfare



In 2017, we indirectly reduced our carbon emissions by

**51,871.4** tCO<sub>2</sub>e, a

**42.4%**

increase over 2016

Ping An is a financial enterprise that has low energy consumption and little pollution. We formulated the environmental management measures for our own office building and quantified the use of resources such as energy and water resources to reduce energy consumption and save resources; on the other hand, we formulated the measures for the management of wastes, waste water and noise to reduce the impact on the natural environment. All of our wastes (mainly daily office wastes and waste water) were handed over to the municipal sanitation and other departments for centralized disposal. We had no major environmental incident this year.

In the Company’s operations and services, we leveraged the innovative measures of the Internet platform to provide customers with more simple and convenient services, to provide paperless services and distance office operation, and to reduce operational resource consumption. We have established low-carbon potential indicators, through which we indirectly reduce carbon emissions via indicator identification. Throughout 2017, with a surge in business volume, we indirectly reduced our carbon emissions by 51,871.4 tCO<sub>2</sub>e, a 42.4% increase over 2016.

**Indirect reduction of carbon emissions by technological means**

Low carbon potential of subsidiaries	2017 (tCO <sub>2</sub> e)	2016 (tCO <sub>2</sub> e)
Total reduction of carbon emissions of Ping An P&C	25,518.3	22,098.6
Total reduction of carbon emissions of Ping An Life	10,586.4	6,208.3
Total reduction of carbon emissions of Ping An Bank	6,899.2	4,547.3
Total reduction of carbon emissions of Ping An Health	233.5	45.4
Total reduction of carbon emissions of Ping An Annuity	3,036.6	1,021.0
Total reduction of carbon emissions of Puhui	640.1	204.4
Total reduction of carbon emissions of Lufax	5,757.3	2,308.0
Total reduction of carbon emissions	51,871.4	36,433.0



### Green Company: smart green office building

After the opening of Shenzhen Ping An Financial Center, a number of high-tech and smart technologies were fully implemented with remarkable energy-saving performance: the curtains' sun-adaptive system achieved the best balance among shade, lighting and permeability; the ice storage air-conditioning system transferred the electricity consumption during the peak, which balanced the peak-valley difference of the national grid and improved the efficiency; the super double deck elevators effectively reduced the turnaround time and ride time of the elevators, which significantly reduced energy consumption with smooth, quiet and precise control; rainwater collection and reuse system used rainwater for irrigation and ground flushing in the underground garage after recovery and treatment; the reclaimed water system used the cooling water of air conditioners for toilet flushing for the 64th floor and below, which effectively improved the building's overall efficiency on resource conservation and utilization.

In order to achieve sustainable development, Shenzhen Ping An Financial Center actively practiced LEED's sustainability strategies in five sectors, including site planning, energy and air systems, water saving measures, materials and resources, and indoor environmental quality. During the design and construction, Shenzhen Ping An Financial Center integrated a number of innovative energy conservation initiatives including ice-storage system with a capacity of 40,000 rth (unit of storage), reclaimed water system, energy-regenerative elevator technology and smart building control system, as well as advanced BIM models for project design, construction and future facility management.

In 2017, after many rounds of evaluation conducted by the U.S. Green Building Council and Green Building Certification Institute, Shenzhen Ping An Financial Center officially obtained LEED core-shell structure gold certificate with a total score of 40 points, 6 points exceeding the standard for gold certificate.

### Green finance

We continued to focus on environment, investments in renewable resources and input in green credit. As of December 31, 2017, 2,973 policies on environmental pollution liability were enrolled with a total insured amount of RMB4.87 billion; 1,220 policies on ship pollution liability were enrolled with a total insured amount of RMB16.9 billion.

Ping An Bank actively cooperated with the state in removing backward production capacity and actively supported the efforts to create a recycling economy. In 2017, the total amount of green credit granted by Ping An Bank was RMB80.839 billion, the balance of the credit line was RMB30.865 billion and the balance of loans increased by 25.68% over the beginning of the year to RMB28.091 billion; in the meantime, in order to develop new energy industry funds, and comprehensively enhance business services, as of December 31, 2017, the balance of the credit line of green energy business was RMB8.161 billion, where the funds were mainly used for supporting the construction and operation of photovoltaic power plants led by global leading photovoltaic enterprises.

Ping An Securities supported the development of green bonds and boosted the development of the public welfare in the western region and people's livelihood with green finance. In 2017, the "Ping An-Guiyang Public Transport Fee Beneficiary Right Green Asset Support Special Plan", with Ping An served as the lead underwriter and plan manager was formally established with a total issuance of RMB2.65 billion. The plan has created the first green asset-backed securities in Guizhou, the first green asset-backed securitization project on bus in the country's provincial capital city, and the project to issue the largest green asset-backed special plan to date.

Ping An Property & Casualty procured external authoritative data to innovate the environmental pollution risk map in the DRS to help enterprises, governments and insurance companies understand the risks of environmental pollution in the regions they cover more objectively and comprehensively, so as to conduct targeted risk management, underwriting pricing.



Rth is the unit of cold-storing

### Green public welfare

#### Water purification equipment protected water safety

In collaboration with the China Environmental Protection Foundation, we launched an environmental protection project named “Green Hills and Blue Waters”. In 2017, we installed water purification equipment for 10 Ping An Hope Primary Schools, allowing more than 2,000 primary students to drink clean water and live healthier.



We installed water purification equipment for the ten Ping An Hope Primary School

#### Green energy illuminates the students' dreams

Taking “photovoltaic panels” as a starting point, we pioneered the “leasing + public welfare” model, Golden Sunshine Road, in the strategic converging area of “Belt and Road”. We donated photovoltaic roofs to schools in remote mountainous areas, and donated distributed photovoltaic power plants to poor counties where the country is carrying out poverty alleviation. We leveraged green distributed energy to promote the sustainable development of local education while advocating the philosophy of green development. “Golden Sunshine Road” helped schools solve frequent power outages, ensured normal teaching in schools, and played an important role in protecting the local environment based on green energy.

## Social public services supported the development of the country



Saved financial costs

**RMB37 million**



Reduced government SHI spending by

**10%-15%**

## “Lufax public asset management cloud platform” drove the financial management of local governments

The financial smart management cloud platform is a major financial and scientific innovation in the past 10 years, and an important part of the open, sharing and connecting “Smart City Cloud Platform”. Relying on Chongqing Financial Assets Exchange, the platform is being promoted across the country. By combining external resources such as the Research Institute for Fiscal Science under the Ministry of Finance, McKinsey, and KPMG, the platform planned and designed four major cloud platforms such as “government cloud service, data cloud service, think tank cloud service, and transaction cloud service”. The implementation of the platform project will help local governments improve their fiscal and taxation management, revitalize their assets, realize scientific liabilities, maximize the value of state-owned assets and create a global leading fiscal and taxation management model.

The “smart financial management cloud platform” launched in Nanning in 2017 has technically prevented the loss of state-owned assets from the source, prevented corruption in investment and financing, promoted the preservation and appreciation of state-owned assets, reduced the cost of social financing and improved the financial environment in the region. As of December 31, 2017, Nanning financing service platform has a total of 157 registered members, of which 21 members were financial institutions, 136 members were corporate members; 13 projects were listed with a total amount of RMB9.004 billion; 11 projects completed bidding with a total amount of RMB7.804 billion. The financing service platform has saved RMB37 million for Nanning since its launch.

## “Smart medical service” drove the development of big health industry

Based on our strengths in the management of hospitals, doctors, drugs and health records, our “Smart SHI Management Cloud Platform” helped the government achieve “one cut and two upgrades” effectively by means of big data, anti-fraud, over-medication control and implementation of standard prescription in four major areas including review of medical expenses, management of designated medical facilities, basic handling service and actuarial service; these approaches reduced the government’s SHI spending by 10% -15%, improved SHI service, and improved service and customer satisfaction. This project has been highly praised by the Ministry of Human Resources and Social Security, National Health and Family Planning Commission and the China Insurance Regulatory Commission.

As of December 31, 2017, a total of 258 cities joined in the smart SHI services, covering a population of over 800 million. The number of partner hospitals totaled 2,135. The Company has formed an ability to provide automatic operations and integrated solutions for private insurances on product design, underwriting and claim system development.

# PARTNERS

## | Mission |

A commitment to the society: mutual beneficial and win-win cooperation

## | Progress |

With years of exploration and accumulation in science and technology, we applied new technologies creatively to traditional financial businesses, helped partners increase work efficiency, productivity and income, and promoted the healthy, stable and sustainable development of our partners. In addition, we exported our core technologies to various industry partners such as banks, insurance companies, medical and health care providers, and promoted the healthy development of various industries with science and technology.





### “Technology+” helped agents improve production capacity



As of December 31, 2017, Ping An's agents exceeded

**1.386 million**

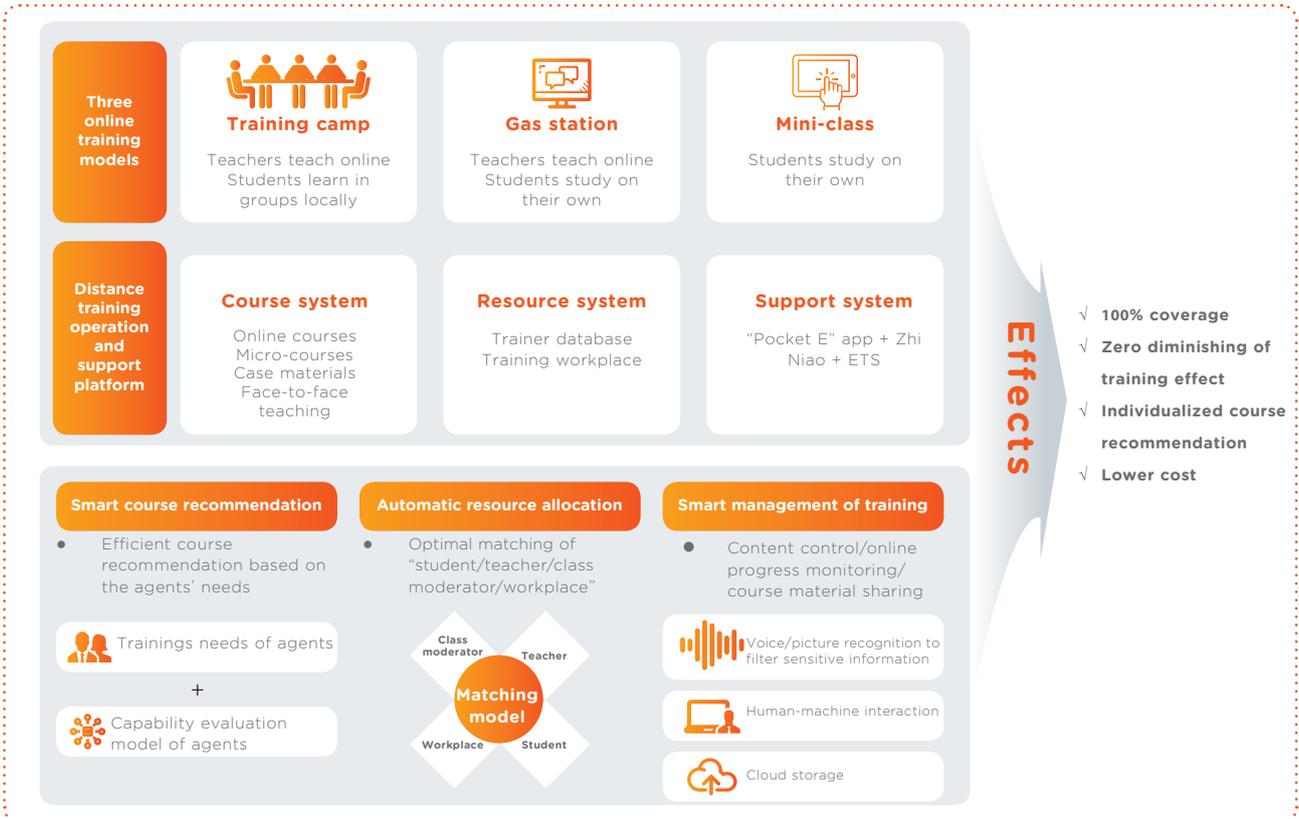
The per-capita income reached

**RMB6,250**  
per month

One of the main reasons for the strong growth of Ping An Life's new business value over the past year is that we have a large and excellent team of partners. As of December 31, 2017, Ping An's agents exceeded 1.386 million, reaching a record high. At the same time, the income of Ping An's agents have also been increased simultaneously. The per-capita income reached RMB6,250 per month. The first-year premium per capita per month reached RMB8,367, an increase of 7% over the same period of last year.

The key factor for the improvement of the agents' quantity and quality is the full application of science and technology. Thanks to the scientific and technological exploration over the years, we have established a full-process system that integrates innovation and technology into agent management. We used distance live stream platform to break the time and space barriers to provide high-quality training for agents; besides, we used new technologies such as big data, cloud platform, and biometrics to provide agents with new marketing models; moreover, we established a smart screening model to offer dynamic plans for career development. With the whole-process system of “team expansion”, “training”, “marketing”, “management” and “retention”, the agent team's production capacity and retention rate were improved.

It is worth mentioning that in the aspect of agent training, we have built up three online training models of “training camp”, “gas station” and “mini class”, which allowed automatic allocation of resources, recommendation of individualized courses, and management of the results of the trainings. Zhi Niao and online live stream trainings have broken through the barriers on teachers, time and location. As of December 31, 2017, a total of 1.937 million live trainings were viewed by 28.34 million colleagues, covering all branches. Thanks to live stream, the participation rate of morning gathering increased by 1%, while the participation rate of evening gathering reached 13.7%; the cumulative cases reached 195,000.



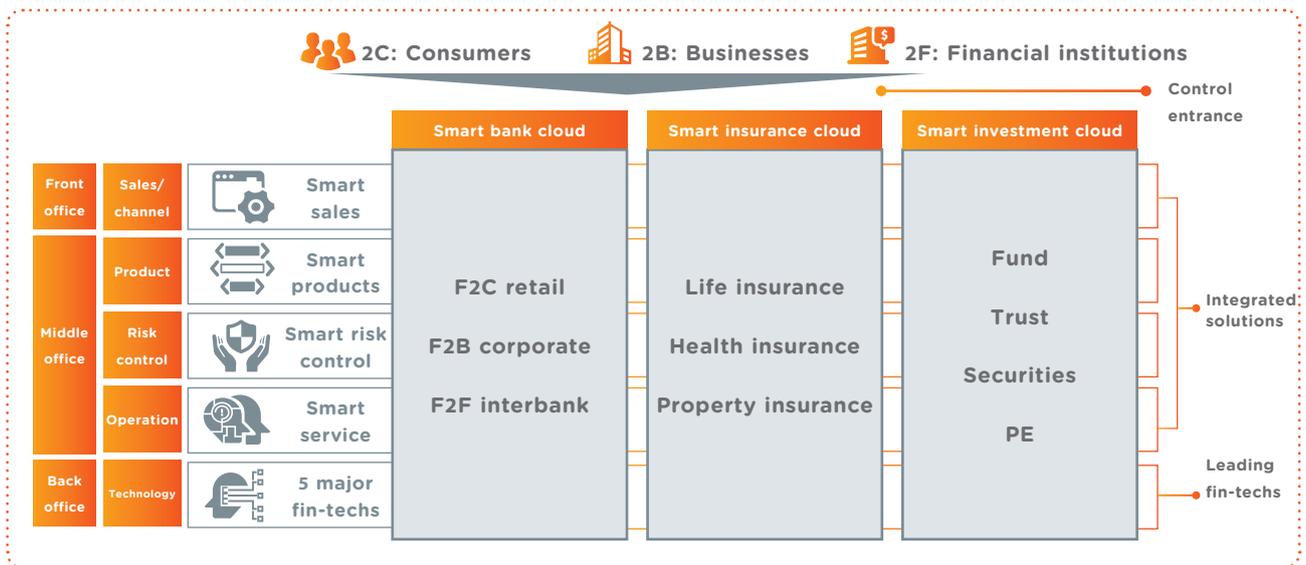
Agent distance training system



## Promotion of the healthy development of the industry

### OneConnect created an “open platform + open market” to help the development of the peers

From banking cloud to insurance cloud, we have been sharing the core technologies with the entire industry while pursuing the healthy development of our own performance. In 2017, OneConnect achieved remarkable results in the process of creating an “open platform + open market”. Products offered to small and medium-sized financial institutions throughout the year have been expanded to over 24 series, more than 3 times of that in late 2016. The number of our institutional partners exceeded 2,300, an increase of 67% over 2016, of which more than 450 were partner banks. The platform trading volume rose sharply throughout the year, and the interbank trading volume exceeded RMB12 trillion, achieving an explosive growth in the volume of cooperation and transactions in the industry.



OneConnect structure

### Smart bank cloud

Reduce financial costs by

**30%**

#### F2C retail

Taking smart risk management and smart marketing as the cores, the smart banking cloud focused on the customer management system and four hook products including loans, wealth management, life scenarios, and aggregate payment to help banks effectively manage their customers and achieve retail transformation. Provided 4000+ financial products and 50 + value-added services for more than 60 banks to implement cooperation.

#### F2B YiQiYin

F2B SME Financing Platform (YiQiYin) enhanced the efficiency and reduced the risks for loan business. The platform set up 50+ exclusive indicators, 100+ data sources and 3,000+ fields for 23 industries, providing real-time risk management for banks. The platform reduced the borrowing cost by 30%, shortened the processing time by 95%, and increased the KS (risk model predictability index) by 20%-30%.

#### F2F interbank platform

F2F interbank asset trading service platform enhanced the trading efficiency, reduced the costs and increased the revenue for SMEs. The platform provided 100% blockchain transaction and 80% process digitalization service, promoting online transaction, paperless agreement, standardized transaction process and smart transaction. The platform had attracted over 500 institutions with a cumulative trading volume of RMB9 trillion on the platform.

\* ks is a measure of model strength for credit risk scoring models



## Smart insurance cloud

Reduce claim costs by

**10%**

Smart flash claim settlement provided small and medium-sized insurance companies with industry-leading solutions on auto insurance claims settlement. With regard to the issues of slow TAT, multiple disputes, and high risk of leakage of auto insurance claims, the smart flash claim settlement leveraged AI technologies to carry out automatic investigation, loss adjustment, and compensation for the insured vehicles, so as to help the insurers reduce labor costs, to improve claims efficiency and risk management capabilities.

With accurate image and loss adjustment technology, smart claims engine, and 60% self-service for claim settlement, the smart flash claim settlement reduced insurers' claim costs by 10%, shortened the loss adjustment from 7 days to 1 day, and improved the customer satisfaction by 2 times. We have signed with 13 insurance companies on this business as of 2017.

## Optimization of supplier management

### Standardization of procurement procedure

In 2017, the Centralized Procurement Management Center achieved the centralized procurement of RMB7.323 billion in accordance with the requirements of "honesty, integrity, and clean procurement". We formulated a variety of measures to standardize the procurement process; we set up procurement supervision posts and established the procurement supervision mechanism for major projects; we continuously strengthened the review of relationships among the providers as well as between the procurement team and provider; meanwhile, we established a comprehensive mechanism to manage the providers by grade and category and improved the provider qualification assessment, on-site inspection, performance management and punishment mechanism.



partner providers

**1,397**

Total procurement

**RMB7.323 billion**



# Response and outlook



# Response and outlook



## Shareholder

### Target for 2017

To steadily improve business performance, create value for shareholders, and increase wealth.

### Review of 2017

In 2017, Ping An achieved a net profit attributable to shareholders of the parent company of RMB89.088 billion, a year-on-year increase of 42.8%, and in the past year, the company's stock price rose (101.4% for A-share and 114.1% for H-share), with the market value exceeded RMB1 trillion to a record high.

### Outlook for 2018

Ping An should rely on the unique competitive advantages in terms of technical talents, funds, scenarios, and data, leverage many of the world's leading technological innovations and applications to realize the transformation of "Finance + Technology", making science and technology the new engine and a profit growth point for Ping An, and bringing the company a leap forward.

To do a good job in communication and maintenance of investor relations, disclosed all major information of the company in a timely, accurate, truthful and complete manner, and ensured that all shareholders have equal access to information.

The communication method changed from passive response to active communication. In 2017, the Company organized 2 onsite results releases, 2 telephone-based results releases, 2 investor days, 54 roadshows in China and abroad and 2 online roadshows; the Company attended about 204 conferences of investment banks and securities broker in China and abroad, and received about 131 visits by investors/analysts from China and abroad. The number of investors met increased by nearly 3 times.

Continue to do a good job in communication and maintenance of investor relations; we will ensure that results releases, road shows, open days, and strategic days are carried out smoothly, and that information disclosure is made in a timely, accurate, truthful, and complete manner.

To explore and study risk appetite system, to formulate risk management guidelines and to standardize the requirements on risk management for subsidiaries; to promote scientific and technological assistance to legal and compliance work, to strengthen operational risk management, and to improve transformation and upgrading.

In 2017, we established a "centralized monitoring, multi-layered prevention" smart risk monitoring system and created the "Ping An Shield" platform, achieving the goals of ex-ante risk warning, in-the-process monitoring, risk warning, and ex-post smart risk investigation.

To continue to enhance smart risk management applications, to cover the entire risk management cycle, to adapt to new regulatory situations, to strengthen systemic risk management, and to continuously enhance the Group's ability to withstand risks.



## Customer

### Target for 2017

To further enhance NPS, increase customer satisfaction, and increase brand reputation.

To carry out 10-minutes superfast surveys, “one-click services” and online claim settlement express by combining with the pain points of claim settlement of local auto insurance.

To promote scientific and technological innovation and build an all media one-stop integrated financial service system to realize arbitrary channel interconnection and smart interaction and provide customers with convenient service experience.

### Review of 2017

Our NPS increased by 28% compared with that in 2014, reaching 36%. Through product innovation, service innovation, technological innovation and other approaches, we effectively enhanced the customers’ experience.

We leveraged technological approaches to conduct distance surveys or arrived quickly to ensure that we arrive at the scene within 10 minutes after the incident occurs.

OneConnect launched the “FinTech Space Station”, including such important sections as smart banking cloud, smart insurance cloud, smart big data cloud, smart enterprise cloud, AI+, developer center and demo experience. More than 100 banks and non-bank institutions have completed registration at present. OneConnect has cooperated with more than 400 banks and over 1,500 non-bank financial and quasi-financial institutions.

### Outlook for 2018

To increase the NPS by 5% with continuous improvement of NPS, customer satisfaction, and brand reputation.

To actively use technological means such as AI to enhance the customers’ experience on claim settlement, to solve customers’ pain points, and to create a simple life.

To continue to build and improve the fin-tech and medical technology platforms to serve a wider range of customers and enhance their financial and medical service experience.

# Response and outlook



## Employees

### Target for 2017

Promote the career development of employees: to improve performance management, to promote the career development of employees, to continue to develop talent management and echelon training, and to guide and promote supervisors at all levels to manage and train their teams.

### Review of 2017

In accordance with the Company's strategic transformation of "finance + technology", Ping An School of Financial Services established a dual-excellence course system and a science and technology course system. A total of 235 sessions were delivered throughout the year, the "live broadcasting + education and training" model was launched, providing advanced mobile live broadcasting learning platform. A total of 673,000 live broadcasts were held throughout the year, attracting 13.138 million users.

### Outlook for 2018

To specify the key employees to take the courses and integrate the themes; to establish the data platform, promote the products to serve the applications, and constantly optimize services; to continuously optimize content and operational processes; to increase the utilization rate and activity rate of Zhi Niao in the Company.

Improve the internal remuneration and benefit system: to continuously improve the remuneration system and policies; to retain and motivate employees with remuneration. To actively pay attention to internal and external excellent welfare practices and continuously improves the welfare system.

Carried out market remuneration survey and competitiveness analysis; continuously reviewed the competitiveness of employees' remuneration; optimized the remuneration payment process and the remuneration system for fresh graduates; strengthened the incentives for talents; established a bundling system of performance and remuneration to encourage competent employees to earn more.

To continuously improve the remuneration system and policies; to retain and motivate employees with remuneration; to actively pay attention to internal and external excellent welfare practices and continuously improves the welfare system.

Enrich EAP activities: to carry out a variety of employee care activities to improve cohesion and the sense of happiness. To continuously strengthen the construction of a lawful and compliant employment system and protect employees' rights and interests.

We cooperated with professional EAP agencies and continued to protect employees' mental health. We delivered courses such as Stress Management, Positive Attitude, Decoding Emotional Intelligence and Stress, and Workplace Relationships. A total of 3,160 employees participated in the 119 sessions. The clubs carried out a variety of cultural and sports activities; the newly built Shenzhen Financial Center provides Baby Care Room, freezers, and a great number of green plants. The working environment for employees has increased dramatically compared to previous years.

To further optimize the employee service platform through advanced technologies based on the Group's philosophy of tech transformation; to gradually cover all employees with existing products; to build a professional communication/consulting platform for Ping An employees. To establish a special platform for employee health management, and continuously provide employees with professional and high-quality physical/mental health products.



## Society and environment

### Target for 2017

To focus on education and public welfare; to continuously promote the new model of “Internet + public welfare”; to upgrade education public welfare projects comprehensively; to uphold the one core philosophy of closing the educational gap between urban and rural areas, utilize the two online and offline channels, implement the three strategies involving teachers, technologies and innovations, provide four kinds of support in terms of hardware, technologies, organization and financial rewards, so as to effectively promote the development of rural education from aspects of hardware, teachers, financial aid and scholarship.

To further implement the nation's requirements for precision poverty alleviation and support poverty eradication in rural areas; to leverage the business advantages of financial enterprises to support agricultural development and help farmers come up to wealth.

To focus on hot issues, capture social needs, form a rapid response mechanism through the Internet, mobilize customers and employees to quickly participate in and jointly resolve social issues, fulfill social responsibilities, and contribute to the society.

### Review of 2017

Ping An Education Charity Board and distance education support platform were established to deliver distance courses. Offline trainings for principals and online trainings for teachers were carried out to improve principals' management and teachers' teaching. Scholarships and financial aids were granted to encourage students.

Provided over RMB463.8 billion of agricultural insurance coverage for over 71.63 million rural households, benefited a total of 705,200 rural households and paid claims of over RMB2 billion.

Carried out the “Bring Love Home” activity for the third year and helped over 6,000 poor migrant workers return home to celebrate the Chinese New Year.

### Outlook for 2018

To cover 1,000 rural schools across the country with the distance education support model and provide 10,000 rural teachers with trainings so as to improve their teaching.

To continuously promote industrial poverty alleviation so as to provide the poor with aid, the sick with care, and help poor rural households to come up to wealth.

To focus on hot issues, help 10,000 migrant workers return home, fulfill social responsibilities, and contribute to the society.

# Response and outlook



## Target for 2017

To fully promote the “dual circle” business model; to fully release the power of “product +” and “technology +” on the platform with JinGuanJia as its core to increase the agents’ income, and realize that the income of an agent who was recruited one year and two years ago reaches the average social and 1.5 times of the average social level.

To fully realize online trainings for agents, ensure that online standard trainings account for 80% of the total trainings, and organize 10,000 live broadcasts on a monthly basis.

The Procurement Center should continue to implement the principle of prioritizing environmental protection products and suppliers under the same conditions, strengthen compliance supervision over the procurement process. The centralized procurement should reach RMB5 billion, with an average saving rate of 13%.

## Review of 2017

The increase of agents’ income was listed as the “No.1 Project” of Ping An Life for the first time. The agents were armed with “technology+” to enhance the production capacity. The income of an agent who was recruited one year and two years ago reaches 1.01 times of the average social and 1.52 times of the average social level.

Realized the 80% target and developed 85 online sectors for newly recruited employees. 86.8% of the trainings were delivered online. Organized an accumulative of 1.937 million broadcasts for the whole year with a monthly average of 160,000.

Set up the post of procurement supervision; established a supervision mechanism for major procurements; strengthened the compliance supervision and process review over the procurement process. RMB7.323 billion of centralized procurement was completed with a saving rate of 16.09%.

## Outlook for 2018

To continuously optimize the “No. 1 Project” and maintain the income of newly recruited agents; to ensure that the income of an agent who was recruited one year and two years ago is no less than the average social and 1.5 times of the average social level.

Continue to promote the online operation of branches, increase the online operation rate of standard courses, formulate instructions on distance trainings, clarify the requirements for distance training, constantly optimize the process of distance training, and enhance the efficiency of distance training.

To achieve centralized procurement + decentralized/ centralized review of the consolidation of supplier pool and unified certificate login, with a centralized procurement of RMB6.5 billion, not less than 15%.

# Performance Report



## I Shareholder

We strictly abode by the relevant laws of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and followed the principles set out in the relevant laws and regulations promulgated by the regulatory authorities; in line with the actual situation of the Company, we carried out corporate governance activities and continuously improved the corporate governance structure. The General Meeting of Shareholders, the Board of Directors, the Supervisory Committee, and the senior management have exercised their rights and performed their obligations in accordance with the Articles of Association.

The Board of Directors has set up four professional committees: the Strategy and Investment Decision-making Committee, the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee. The independent directors make up the majority of the professional committees. Except that the director of the Strategy and Investment Decision-making Committee is the Chairman and CEO of the Company, the directors of other professional committees are all served by independent directors. Effective and smooth communication was achieved between the Company and shareholders.

### Improved risk decision-making mechanism

Since its establishment, Ping An has regarded risk management as an integral part of its operations and business activities. We take steady steps to build an enterprise risk management framework aligned with the Group's strategies and the nature of our business. By continuously optimizing our risk management framework, standardizing our risk management procedures, adopting both qualitative and quantitative risk management methodologies to identify, evaluate and mitigate risks, we facilitate the effective, sustainable and healthy growth of the Company, and help the Company to become a world-leading personal financial services provider while making sure the risks are controllable. The risk appetite system is one of the core contents of our overall strategy and comprehensive risk management. According to the overall strategic layout of the Company, and considering the development demands of each subsidiary, we gradually established a risk appetite system that matches the business strategies to connect risk appetite with management decisions and business development, and promote the healthy operation and development of the Group and its subsidiaries.

### Improved information disclosure policy

The company has established a working group mechanism for information disclosure. With the team's multi-review mechanism, it has effectively ensured the accuracy and timeliness of information disclosure. Disclosures of the Company's announcements are subject to rigorous review. For example, the Company's daily interim announcements are reviewed (if necessary) by the Board of Directors, the Board of Supervisors, and/or the General Meeting of Shareholders; major, difficult, and unprecedented interim announcements are reviewed by the information disclosure working group; In special emergencies, the Chairman and any two Executive Directors will review the clarification announcements or supplements of the unexpected

events. All announcements must be approved by the Secretary of the Board of Directors or the Company Secretary before they can be issued, and they will be reported to all Directors and Supervisors in a timely manner.

We prioritize the management of customer information and the Internet security of our products and businesses. We have established a stringent customer information protection system at the Group and its subsidiaries to clarify the security protection measures for input, transmission, storage, and use of customer information. A series of measures to prevent data leakage effectively protected the security of customer information. In addition, we established a Group Security Emergency Response Center and built platforms such as business security risk management to proactively perceive threats to Group's information security, realize rapid response, and provide customers with a solid information security guarantee. We conducted trainings on topics such as data security and customer privacy for the Group's Information Security Department and information security related employees to further enhance the awareness and ability of related employees in protecting information and data security.

## Shareholder-related performance table

(in RMB million)	2017	2016	2015
Total assets	6,493,075	5,576,903	4,765,159
Total income	890,882	712,453	619,990
EPS (RMB)	4.99	3.50	2.98
Total remuneration paid	48,271	45,542	43,321
Total tax paid	82,262	61,147	55,641
Solvency adequacy ratio (%) of the Group	214.9	210.0	195.4
Coverage rate of education on incorruption	100%	100%	100%
Coverage rate of trainings on AML and protection of trade secrets	100%	100%	100%
Average term of BoD members	7.76	-	-
The maximum number of concurrent positions held by all directors elsewhere	4	-	-

Indicator	Board of Directors				Board of Supervisors			
	Executive Director	Non-executive Director	Independent Non-executive Director	Total	Independent Supervisor	Employee supervisors	Employee Representative Supervisor	Total
Headcount	6	5	6	17	2	1	2	5

%	Board of Directors					Board of Supervisors				
	Gender		Age			Gender		Age		
	Male	Female	30 years old or below	30-50 years old (incl. 50 years old)	Above 50 years old	Male	Female	30 years old or below	30-50 years old (incl. 50 years old)	Above 50 years old
	88.24%	11.76%	0	18%	82%	80%	20%	0	60%	40%

## Customer-related performance table

Subsidiary:	Measures
Ping An Life	Set up 7 major innovative service initiatives and 37 tracking initiatives for user experience projects; provided 500,000 customers with flash claim settlement throughout the year, where customers receive the payment notices within 30 minutes after the application.
Ping An Property & Casualty	Made in-depth analysis on the pain points of claims; introduced two innovative services, "one-click services" and "speedy survey", to ensure that our staff arrive at the scene within 10 minutes after the urban customers run into insured accidents.
Ping An Bank	monitored and managed 25 key customer touch points; established the CEI customer experience enhancement project; promoted the improvement of customer experience with project-oriented working and closed-loop management mechanism.
Credit Card Center, Ping An Bank	Formed a high-speed closed-loop "customer experience monitoring -> feedback -> improvement", covering 19 contacts throughout the entire life cycle of credit card, which speeded up the collection and feedback of customer information.
(Ping An Annuity)	Claims service achieved triple-jumps of self-service compensation, integrity compensation, and speedy compensation. Material-object-free applications were allowed. The number of self-service compensation, integrity compensation and speedy compensation exceeded 3.65 million, 2.3 million and 0.85 million respectively. cases compensated within 1 day accounted for 66% of the total.
Ping An Health	A User Experience Management Committee was established to involve all employees and departments in the improvement of the experience. 10 CEI projects were conducted around 7-Power, covering the whole process of the contacts between the Company and its customers.
Ping An Puhui	Successfully built a full-contact NPS automatic monitoring system and sent 1.3 million SMS messages.
Ping An-UOB Fund	Initiated 5 CEI projects and 5 innovation projects/cutting-edge services; continuously improved the operating process of the direct-selling platform.

Company	NPS supportive indicator	2017	2016	2015
<b>PAL</b>	NPS	27%	21.00%	16%
	Rolling complaint rate in Dec.	0.04%	0.044%	0.06%
	Overall customer satisfaction	94.2%	93.50%	93.7%
<b>Ping An Property &amp; Casualty</b>	NPS	48%	47%	47%
	Per-case turnaround time for auto insurance claims under RMB10,000	12.23 days	14.42 days	15.38 days
	Auto claims payment ratio	99.58%	99.85%	99.24%
<b>PA Annuity</b>	NPS	51%	44%	25%
	Customer's satisfaction	4.64 (Full score: 5 points)	4.62 (Full score: 5 points)	4.63 (Full score: 5 points)
<b>Ping An Health</b>	NPS	24%	22.00%	21%
	Rolling complaint rate in 12 months	0.01%	0.02%	0.02%
	4-hour answer rate of reservation services	98.25%	95.15%	93.06%
<b>Ping An Bank</b>	NPS	31%	23%	23%
<b>Credit card</b>	NPS	20%	15%	6%
	Customer satisfaction of credit card	84 (Full score: 100 points)	83 (Full score: 100 points)	81 (Full score: 100 points)
<b>Ping An Trust</b>	NPS	38%	51%	-
	Call-in rate of customer service	98%	96.73%	-
<b>Ping An Securities</b>	NPS	9%	3.50%	-
	Customer satisfaction of call center service	98.94%	98.06%	-
<b>Ping An Health Cloud</b>	NPS	54%	52.00%	-
	Daily praise rate	99.04%	98.69%	-
<b>Ping An Puhui</b>	NPS	30%	21%	-
	Completion rate of complaint before the deadline	98.6%	92%	-

Note:

1. The four subsidiaries of Ping An Trust, Ping An Securities, Ping An Health Cloud, and Ping An Puhui did not roll out NPS work in 2015, therefore, there were no figure in 2015;
2. In 2017, the calculation definitions of several subsidiaries were adjusted, and NPS and supporting data were slightly adjusted.



## Employees

### Employees' performance

After 30 years of practice, Ping An has formed a relatively mature performance appraisal system, which has played an important role in promoting the company's long-term steady and rapid development. Ping An's performance appraisal process includes: indicator setting, indicator tracking, performance evaluation and ranking. The indicator setting of performance appraisal needs to support the Company's strategic development, and through the layered decomposition of indicators, to achieve the Company's overall business objectives. Employees are encouraged to make continuous progress under the annual performance appraisal.

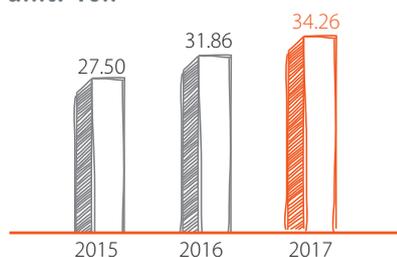
### Employees' rights and interests

In 2017, the labor unions of Ping An's subsidiaries held more than 30 employee representative meetings to deliberate and revise the leave policies, overtime management measures, penalty policies, case accountability management measures, performance accountability management measures, and employee recognition management. In addition, the employee representative meetings elected and re-elected the employees' supervisors, organized reports, listened to the employees' opinions, and promptly reported to the Board of Directors, Board of Supervisors, and the Management.

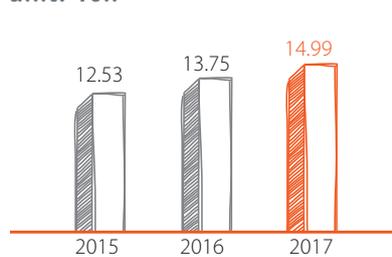
We didn't discriminate on the basis of gender in terms of remuneration, benefits, promotion, remuneration adjustment, education and training. We implemented gender equality in accordance with relevant laws and regulations of PRC. We boycotted child labor and forced labor.

### Employee-related performance table

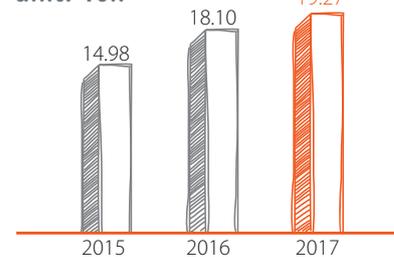
**Total number of employees:**  
unit: 10k



**Number of in-house staff:**  
unit: 10k



**Number of sales agents:**  
unit: 10k



Note: the distinction between in-house and sales is mainly used for internal management of the Company. Sales agents refer to employees directly related to business.

### Category of employees

Indicator	2017
Number of regular employees	342,588
Number of informal employees	10,147
Percentage of informal employees	2.88%

### Employee diversity

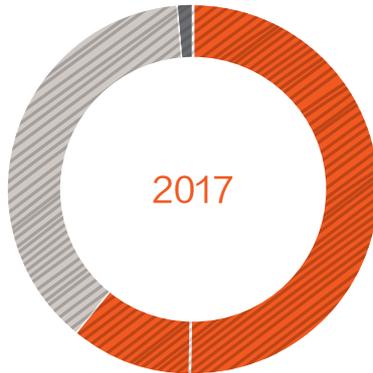
Indicator	2017	Indicator	2017
Number of senior management	211	Number of BoD members	18
Number of female senior management	31	Number of female Directors	2
Number of minority senior management	9	Average working experience of female employees in Ping An Group (years)	399
Number of executive management	11	Average working experience of male employees in Ping An Group (years)	347
Number of female executive management	2	Number of minority employees	17,160

**Gender**



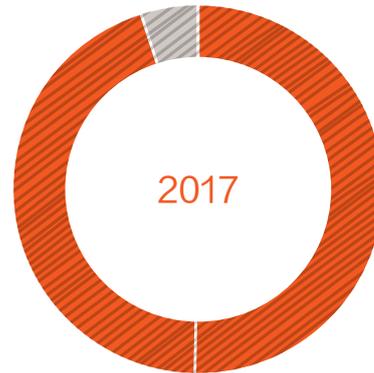
■ Male 50.33%  
■ Female 49.67%

**Age**



■ ≤30 61.05%  
■ 31-50 37.62%  
■ >50 1.33%

**Nationality**



■ Han 95.05%  
■ Others 4.95%

Time	Male	Female	30 years old or below	30-50 years old (excl. 30 years old, incl. 50 years old)	50 years old or above (excl. 50 years old)	Han	Others
2017	50.33%	49.67%	61.05%	37.62%	1.33%	95.05%	4.95%
2016	50.6%	49.4%	68.0%	30.8%	1.2%	95.3%	4.7%
2015	50.07%	49.93%	65.89%	32.76%	1.35%	95.5%	4.5%

**The minimum notice period for notifying major business changes**

Time	Full-time employees with labor contracts	Data scope
2017	Will communicate with employees at least one month in advance;	Whole PAG
2016		
2015	Relevant policy: Manual on Labor Management.	

**The standard starting salaries for remuneration in important locations of operation are in the light of the range of local minimum salary.**

Time	Content	Data scope
2017	It is not mandatory to set a fixed ratio between the standard starting salaries of subsidiaries and the local minimum salary, but the Group has required all subsidiaries to set the remuneration in a lawful and compliant manner, to regularly understand market data and review the remuneration.	Whole PAG
2016		
2015		

## OT policies and expenses

Time	Expenses	Policies	Data scope
2017	RMB217.0497 million, accounting for 0.28% of the labor costs	All subsidiaries have established and issued the overtime management measures after democratic discussions were made by employees;  The Company does not encourage or force employees to work overtime. Internal approval should be made if there is a need for overtime. If overtime occurs, overtime wages should be paid in accordance with the Labor Law.	Whole PAG
2016	RMB267.1472 million, accounting for 95% of the labor costs		
2015	RMB198.02 million, accounting for 0.46% of the labor costs		

Note: part of the HR data came from MIS

MIS (Management Information System) is a system consisting of people, computers, and other peripheral devices that can collect, transmit, store, process, maintain, and use information. The main tasks of MIS are to maximize the use of modern computer and network communication technology to strengthen the enterprise's information management. Based on the understanding of the Company's human resources, material resources, financial resources, equipment, technology and other resources, MIS could establish the correct data and process the data into various information materials for the Management in a timely manner so as to make correct decisions and continuously improve the management and economic efficiency of the Company.

## Staff training

Indicator	2017
Coverage rate of face-to-face trainings of EXCO members and senior managers (%)	52.48
Coverage rate of face-to-face trainings of Level B and medium-level managers (%)	16.95
Coverage rate of face-to-face trainings of C Commission and general management (%)	10.10
Per-capita training time of face-to-face trainings and online trainings (hour)	8.11

## Mobile learning platform - Zhi Niao

Project	2017	2016
Number of valid users	4.013 million	1.42 million
Annual activity rate	99.8%	81.73%
Highest monthly activity rate	95%	94.80%
Total number of courses	An addition of 65,000 courses and an accumulative of 180,000 courses	70,000 courses
Total playback	123.3442 million	48.665 million
Per-capita completed online courses	33 courses	36.5 courses
Number of online examinations taken	19.71 million	446,000
Total hours of online study	1.924 million hours	333,000 hours
Participation in online trainings	1.345 person times	Have not been calculated
Number of online study	222.301 million	Have not been calculated

Note: the number of valid users includes Ping An employees, agents, and external corporate customers.



## Society and environment

### Social performance

#### Inclusive Finance

Indicator	2017	2016
Percentage of total loans for SMEs at Ping An Bank	14.05	15.79
Percentage of total loans for SMEs at Ping An Puhui	44.2	40.3

Note: the Company collect the data in 2016 for the first time

#### Ping An SHI business cover cities

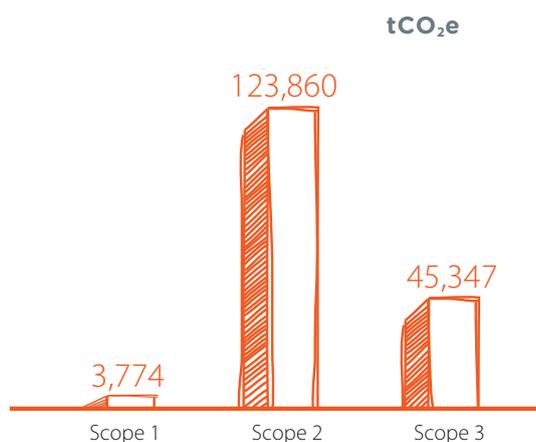
Indicator	2017	2016	2015
Number of city covered	Over 200	208	108



## Resource consumption and emissions performance

Indicators	2017	2016	2015
Total consumption of water (unit: tons)	1,101,832	816,488	754,597
Per-capita consumption of water (unit: tons)	21.85	17.79	19.72
<b>Direct Energy</b>			
Total consumption of Natural Gas (unit: cubic meters)	1,916,793	2,474,140	-
<b>Indirect Energy</b>			
Total consumption of electricity (unit: kWh)	134,879,626	87,104,719	73,589,670
Per-capita consumption of electricity (unit: kWh)	2674.86	1,898	1,924
<b>GHG Emissions</b>			
Total GHG emission (unit: tCO <sub>2</sub> e)	172,981	84,860	67,577
Per-capita GHG emission (unit: tCO <sub>2</sub> e)	3.43	1.85	1.77
Solid waste emission (unit: tons)	9,186	-	-

## 2017 carbon emission data



## Note

- Ping An environmental management is managed by each individual wholly-owned office building. Disclosure of resource consumption and emissions is based on office buildings as well. Compared to the 2016 scope, Shenzhen Xinghe was removed from the source, while Wuxi Ping An Wealth Center were added to the source in 2017. Including 14 wholly-owned buildings in total: Wuxi Ping An Wealth Center, Shanghai Ping An Tower, Ping An School of Financial Management, Shenzhen Ping An Tower, Shenzhen 826 Building, Shanghai Zhangjiang, Shanghai Jing An Plaza, Shanghai Ping An Finance Tower, and Ping An Towers in Beijing, Dalian, Zhuhai, Hefei, and Fuzhou.
- Apart from the number of resident employees, the Ping An School of Financial Management and Shenzhen 826 Building converted the total number of visitors in 2017 to the number of resident employees (the number of visitors in the whole year/365 days), the same calculation definition as that in 2016.
- In addition to Ping An employees, there were tenants working in the Ping An Towers in Beijing, Dalian, Zhuhai, Fuzhou, Hefei and Wuxi Ping An Wealth Center. The energy consumption were calculated based on the actual monthly water and electricity charges. As for source without sub-water meter, the consumption was calculated based on the proportion of our employees, excluding consumption of non-Ping An employees.
- Statistics of electricity consumption did not include electricity consumption in the computer rooms of Zhangjiang, Ping An School of Financial Management and Shenzhen Ping An Tower, which was in line with that in 2016.
- The total volume of solid wastes was calculated based on the waste disposal volume written on the Waste Removal and Transportation Agreement signed by each property and local environmental protection authority.
- Calculation of carbon emission: In 2017 for the first time we were able to collect scope 3 GHG data. Scope 1 GHG data was first collected in 2016. Since our GHG data scope has been expanding that led to a varied value of our emission. The scope 1 GHG emission in this report is referred to stationary source emissions. The scope 2 GHG emission is referred to converted electricity emission data. Based on the latest energy conversion data released by the country by the deadline of this report, the formula for carbon dioxide conversion is: consumption of 1 kWh of electricity discharges 0.9183 kilograms of CO<sub>2</sub>. The scope 3 GHG emission is referred to indirect emissions from business travel by airplanes.

**Data of paper saved (unit: tons)**

Unit: 1,000 kilograms

Year	MIT mobile business model	Electronic policy	E-letter	E-bill
2017	1,383.84	0	935	4,173
2016	1,081.91	0	698.97	2,886
2015	1,259.09	65.45	597.03	1,765.42

Note:

1. The MIT mobile business model, electronic policies, and e-letter data were from life insurance business. The electronic bill data came from credit card business.
2. As both paper policies and electronic policies were provided to customers in 2016 and 2017, data of paper saved were not provided.

**Partners**

While protecting the interests of all parties, we have continued to increase providers' standards and awareness in environmental protection. In accordance with Article 7 of the Administrative Measures for Centralized Procurement of Business Providers, "under the same conditions, priority should be given to nearby procurement to reduce energy consumption in transportation for the purpose of low-carbon and environmental protection; we should reasonably control the procurement quotas of providers of high energy consumption products; we should eliminate providers that violate the environmental protection requirements of the state or the Company", all project operations were completed within the procurement management system or E-procurement in a paperless manner.

We added ISO Quality Management System Certification and Environmental System Certification in the qualification certification of Providers' Field Inspection Standards (Practice & Factory), and added raw material environmental protection requirements and corporate social responsibility scores in Providers' Field Inspection Standards (furniture)". The providers of the furniture we procured have China Environmental Labeling. This certification is the most authoritative certification of the highest level on environmental protection of furniture enterprises in China.

**Partner-related performance table**

OneConnect		Providers		PAL agents	
Year	Number of cooperative institutions	Year	Number of cooperative providers	Year	Number of cooperative PAL agents
2017	2,358	2017	1,397	2017	1.396
2016	1,800	2016	1,219	2016	1.11
2015	-	2015	988	2015	0.87

Note: Since Ping An OneConnect Financial Technology Co., Ltd. was established in 2015, there were no relevant data for that year.

# Social recognition

## Honors and awards

In 2017, Ping An maintained its leading brand value, received wide recognition and praises, and won several honors and awards from domestic and foreign rating agencies and media in respect of comprehensive strength, corporate governance, and corporate social responsibility.



### CORPORATE STRENGTH

#### Fortune

The 39th on the Fortune Global 500 list (The 1st among Chinese insurers on the list)

#### Fortune (Chinese version)

The 5th on the Fortune China 500 list (The 1st among Chinese insurers and the 1st among Chinese mixed ownership enterprises on the list)

#### Forbes

The 16th on the Forbes Global 2000 list (The 1st among global multi-business insurers and the 1st among Chinese insurers on the list)

#### Institutional Investor

The Most Honored Company in Asia

#### China Enterprise Directors Association & China Enterprise Confederation

The 9th on the Top 500 Chinese Enterprise list

#### IDC (an internationally renowned data company)

The 38th on the "2017 IDC Fintech Global 100" list (The 1st among Chinese enterprises on the list)



### CORPORATE GOVERNANCE

#### Institutional Investor

The Best Investor Relations Award  
The Best Analyst Day  
The Best Specialist for Investor Relations  
The Best Webpage  
The Best CEO - Ma Mingzhe  
The Best CFO - Yao Bo

#### China Securities "Golden Bauhinia" Awards held by Ta Kung Pao, The Listed Companies Association of Beijing and The Chinese Companies Association of Hong Kong

Listed Enterprise with the Best Investor Relations Management

#### China Finance Magazine

The Best Listed Enterprise





## CORPORATE SOCIAL RESPONSIBILITY

### Economic Observer

The Most Respected Enterprise in China

### World Economic and Environmental Conference

Carbon-Value Award—Carbon-Value Innovative Value Award

### 21st Century Business Herald

Best Poverty Alleviation Contribution Award

### China Business News Corporate Social Responsibility List

Enterprise with Outstanding Social Responsibility Performance

### Southern Weekly annual ceremony

The Annual Responsibility & Contribution Award

### zhaopin.com

China's Best Employer for 2017

### 51job.com

Best Campus Talent Strategy Award



## BRAND

### ■ Millward Brown & WPP

The 61st on the list of BrandZ Top 100 Most Valuable Global Brands (The 1st among global insurance brands and the 13th among global financial brands)  
The 8th on the list of BrandZ Top 100 Most Valuable Chinese Brands (The 1st among Chinese insurers and the 3rd among Chinese financial institutions)

### ■ Brand Finance

The 79th on the list of the World's 500 Most Valuable Brands for 2017  
The 1st on the list of the World's 100 Most Valuable Insurance Brands for 2017

### ■ Interbrand

The 6th on the list of 2017 Best Chinese Brand (The 1st among Chinese insurers on the list)

### ■ World Brand Lab

The 231th on the list of the World's 500 Most Influential Brands for 2017

### ■ Hurun Research Institute

The 9th among the Most Valuable Brands in China on the 2017 Hurun Brand List  
The 5th among the Most Valuable Brands in China's Private Sector on the 2017 Hurun Brand List

# Third-party verification report



## Independent Assurance Report

To the Board of Directors of Ping An Insurance (Group) Company of China, Ltd (the "Board of Directors"):

We have been engaged by the Boards of Directors of Ping An Insurance (Group) Company of China, Ltd (hereafter "PING AN") to perform a limited assurance engagement on the information disclosed in its 2017 Social Responsibility Report (hereafter "the Report") for the financial period from 1 January 2017 and 31 December 2017.

### Responsibilities of the Board of Directors

The Board of Directors is responsible for the completion and presentation (including reporting guidelines, limitations, reporting data and relevant identification procedures) of the Report in accordance with the recommendations of Sustainability Reporting Guidelines (G4) (hereafter "G4") issued by Global Reporting Initiative ("GRI").

The Board of Directors is also responsible for determining the objectives in respect of corporate social responsibility performance and reporting, including identification of stakeholders and material issues that are relevant to these stakeholders; establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived; and maintaining adequate records.

### Our Responsibilities

Our responsibility, in accordance with the agreed terms with PING AN, is to carry out a "limited level" assurance engagement. Procedures performed to obtain a limited level of assurance on:

- Compliance of the Report disclosure with the principles of materiality and inclusiveness required by G4.
- Selected data and performance claims in the Report ("the Subject Matter Information").

We do not accept or assume any responsibility for any other purpose or to any other person or organization other than the Board of Director. Any reliance and such third party may place on the Report is entirely at its own risk.

### Our Independence and Quality Control

We complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. We apply the *International Standard on Quality Control 1*. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Basis of Our Work

We conducted our work in accordance with *International Standard on Assurance Engagements 3000: "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information"* issued by the International Federation of Accountants. We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to form our conclusions.

### Procedures, Scopes and Limitations of Our Work

Our procedures performed included interviewing with PING AN's personnel responsible for collecting, compiling and reporting the information, analyzing the information obtained, and other procedures relevant to the collection of the appropriate evidences. Specifically we:

- Interviewed relevant staff responsible for providing the underlying data for the selected information, to understand the procedure of identifying stakeholders and material issues, including relevant internal control procedures.
- Reviewed data and supporting documents to understand the coverage of those identified material issues and how it is implemented at a corporate level.
- Established the Subject Matter Information and assurance standard in the independent and limited assurance on the Report with PING AN.
- Basing on limited sampling, evaluated information or explanations about selected data, statements and assertions in the Report in accordance with our work results, and as well as the reporting systems and processes of related to the selected information.

In a limited assurance engagement, the evidence gathering procedures are less in scope than a reasonable assurance engagement. Accordingly, we do not express an opinion on the effectiveness of any of the PING AN's management systems, business processes, and related financial performance data.

We performed our limited assurance engagement at two offices of PING AN, Shenzhen and Shanghai. We did not carry out limited assurance engagement mentioned above at any other branches and subsidiaries of PING AN nor interviews with external stakeholders. Moreover, historical comparative data is not within the scope of this work.

### Our Conclusions

- Subject to the limitation of our work, and the work performed and described in the Independent Assurance Report, nothing has come to our attention that causes us to believe that the Report was not prepared in compliance with materiality and inclusiveness required by G4; and
- Subject to the limitation of our work, and the work performed and described in the Independent Assurance Report, nothing has come to our attention that causes us to believe that there were any error that would materially affect the data as presented in the Report.

This is translation of the Chinese language version of the Independent Assurance Report. If there is any conflict in meaning between the Chinese and English versions, the Chinese version will prevail.

Deloitte Touche Tohmatsu Certified Public Accountants LLP



# Index comparison sheet

ESG Indicator comparison			
Disclosures	Materiality	Degree of disclosure	Position in the report
<b>A1 Emissions</b>			
General disclosure	High	Fully disclosed	Society and Environment - Environmental Welfare
A1.1	High	Fully disclosed	Society and Environment - Environmental Welfare; Performance Report - Environment
A1.2	High	Fully disclosed	Society and Environment - Environmental Welfare; Performance Report - Environment
A1.3	Not applicable.	Not disclosed	
A1.4	Medium	Fully disclosed	Society and Environment - Environmental Welfare
A1.5	High	Fully disclosed	Society and Environment - Environmental Welfare
A1.6	Medium	Partially disclosed	Society and Environment - Environmental Welfare
<b>A2 Resource utilization</b>			
General disclosure	High	Fully disclosed	Society and Environment- Environmental Welfare
A2.1	High	Fully disclosed	Society and Environment - Environmental Welfare; Performance Report - Environment
A2.2	High	Fully disclosed	Society and Environment - Environmental Welfare; Performance Report - Environment
A2.3	High	Fully disclosed	Society and Environment - Environmental Welfare
A2.4	Low	Partially disclosed	Society and Environment - Environmental Welfare
A2.5	Not applicable.	Not disclosed	
<b>A3 Environment and natural resources</b>			
General disclosure	High	Fully disclosed	Society and Environment - Environmental Welfare; Core Issue 4
A3.1	High	Fully disclosed	Society and Environment - Environmental Welfare; Core Issue 4
<b>Employment and Labor Standards - B1 Employment</b>			
General disclosure	High	Fully disclosed	Performance Report - Employees
B1.1	High	Fully disclosed	Performance Report - Employees
B1.2	High	Not disclosed	
<b>Employment and Labor Standards—B2 Health and safety</b>			
General disclosure	High	Fully disclosed	Employees - Care for Employees & Physical and Mental Health
B2.1	High	Not disclosed	
B2.2	High	Not disclosed	
B2.3	High	Fully disclosed	Employees - Care for Employees & Physical and Mental Health
<b>Employment and Labor Standards—B3 Development and training</b>			
General disclosure	High	Fully disclosed	Employees - Employee Training and Development
B3.1	High	Fully disclosed	Employees - Employee Training and Development; Performance Report - Employees
B3.2	High	Fully disclosed	Employees - Employee Training and Development; Performance Report - Employees
<b>Employment and Labor Standards—B4 Labor standards</b>			
General disclosure	Medium	Fully disclosed	Performance Report - Employees
B4.1	Medium	Not disclosed	

B4.2	Medium	Not disclosed	
<b>Operating practice—B5 Supplier management</b>			
General disclosure	High	Fully disclosed	Partners - Improve Supplier Management
B5.1	Medium	Fully disclosed	Partners - Improve Supplier Management
B5.2	Medium	Not disclosed	
<b>Operating practice—B6 Product liability</b>			
General disclosure	High	Fully disclosed	Clients; Performance Report - Clients
B6.1	Not applicable.	Not disclosed	
B6.2	High	Fully disclosed	Performance Report - Clients
B6.3	Medium	Not disclosed	
B6.4	Not applicable.	Not disclosed	
B6.5	High	Not disclosed	
<b>Operating practice—B7 Anti-corruption</b>			
General disclosure	High	Fully disclosed	Shareholders - Intensify Fight Against Corruption
B7.1	High	Not disclosed	
B7.2	High	Fully disclosed	Shareholders - Intensify Fight Against Corruption
<b>Communities—B8 Community investment</b>			
General disclosure	High	Fully disclosed	Society and Environment; Core Issue 1
B8.1	High	Fully disclosed	Society and Environment; Core Issue 1
B8.2	High	Fully disclosed	Society and Environment; Core Issue 1
<b>GRI-G4 Indicator comparison</b>			
Disclosures	Materiality	Degree of disclosure	Position in the report
<b>Strategy and analysis</b>			
G4-1	High	Fully disclosed	Chairman's Statement
G4-2	High	Fully disclosed	Chairman's Statement; Strategy and Management
G4-3	High	Fully disclosed	Company Profile
G4-4	High	Fully disclosed	Company Profile
G4-5	High	Fully disclosed	Back Cover
G4-6	High	Fully disclosed	Company Profile
G4-7	High	Fully disclosed	Company Profile
G4-8	High	Fully disclosed	Company Profile
G4-9	High	Fully disclosed	Company Profile
G4-10	High	Fully disclosed	Performance Report - Employees
G4-11	Medium	Fully disclosed	
G4-12	High	Fully disclosed	Partners/Improve Supplier Management
G4-13	High	Fully disclosed	Company Profile
G4-14	High	Fully disclosed	Shareholders - Risk Management Structure
G4-15	High	Fully disclosed	Company Profile, Social Recognition
G4-16	High	Fully disclosed	Company Profile, Social Recognition

Confirmed substantive aspects and boundaries	G4-17	High	Fully disclosed	Company Profile
	G4-18	High	Fully disclosed	Strategy and Responsibility
	G4-19	High	Fully disclosed	Strategy and Responsibility
	G4-20	Medium	Fully disclosed	Strategy and Responsibility
	G4-21	Medium	Fully disclosed	Strategy and Responsibility
	G4-22	High	Fully disclosed	Strategy and Responsibility
	G4-23	High	Fully disclosed	Strategy and Responsibility
	G4-24	High	Fully disclosed	Strategy and Responsibility; Review and Outlook; Performance Report
	G4-25	High	Fully disclosed	Strategy and Responsibility; Review and Outlook; Performance Report
	G4-26	High	Fully disclosed	Strategy and Responsibility; Review and Outlook; Performance Report
Stakeholder participation	G4-27	High	Fully disclosed	Strategy and Responsibility; Review and Outlook; Performance Report
	G4-28	High	Fully disclosed	About the Report
	G4-29	High	Fully disclosed	About the Report
	G4-30	High	Fully disclosed	About the Report
	G4-31	High	Fully disclosed	About the Report
	G4-32	High	Fully disclosed	About the Report; Third Party Verification Report
	G4-33	High	Fully disclosed	About the Report; Third Party Verification Report
Report overview	G4-34	High	Partially disclosed	Strategy and Management - ESG Management Committee; Shareholders - Risk Management Structure
	G4-35	High	Fully disclosed	Strategy and Management - ESG Management Committee
	G4-36	High	Fully disclosed	Strategy and Management - ESG Management Committee
	G4-37	High	Not disclosed	
	G4-38	High	Fully disclosed	Strategy and Management - ESG Management Committee
	G4-39	High	Not disclosed	
	G4-40	High	Not disclosed	
	G4-41	High	Partially disclosed	Shareholders - Proactive Investor Communication
	G4-42	High	Fully disclosed	Corporate Mission, Strategy and Responsibility
	G4-43	Medium	Partially disclosed	Strategy and Responsibility
Governance	G4-44	Medium	Not disclosed	
	G4-45	High	Partially disclosed	Strategy and Management - ESG Management Committee
	G4-46	Medium	Not disclosed	
	G4-47	High	Not disclosed	
	G4-48	High	Not disclosed	
	G4-49	High	Not disclosed	
	G4-50	High	Not disclosed	
	G4-51	High	Not disclosed	
	G4-52	High	Not disclosed	
	G4-53	Medium	Not disclosed	
	G4-54	Medium	Not disclosed	
	G4-55	Medium	Not disclosed	

Business ethics and integrity	G4-56	High	Fully disclosed	Corporate Mission
	G4-57	High	Fully disclosed	Shareholders - Strengthen Anti-corruption
	G4-58	High	Fully disclosed	Shareholders - Strengthen Anti-corruption
	G4-DMA	High	Fully disclosed	Strategy and Management- Stakeholder Management and Major Issues Identification; Core Issues
Disclosure of management methods	<b>Economic performance</b>			
	G4-DMA	High	Fully disclosed	Shareholders
	G4-EC1	High	Fully disclosed	Shareholders - Robust Business Performance; Performance Report - Employees; Core Issue 1
	G4-EC2	High	Fully disclosed	Core Issue 4
	G4-EC3	High	Fully disclosed	Employees-Compensation and Benefits
	G4-EC4	Low	Not disclosed	
	<b>Market performance</b>			
	G4-DMA	High	Fully disclosed	Shareholder
	G4-EC5	High	Partially disclosed	Performance Report - Employees
	G4-EC6	High	Not disclosed	
Economy	<b>Indirect economic impact</b>			
	G4-DMA	High	Fully disclosed	Clients/Promote Inclusive Finance; Society and Environment/ Green Finance, Volunteer Teaching Programs, Bring Love Home, Motivation Programs
	G4-EC7	High	Fully disclosed	Core Issue 1
	G4-EC8	High	Fully disclosed	Core Issue 1; Core Issue 3; Society and Environment
	<b>Procurement behaviors</b>			
	G4-DMA	High	Fully disclosed	Partners - Improve Supplier Management
	G4-EC9	High	Fully disclosed	Partners - Improve Supplier Management
	<b>Materials</b>			
	G4-DMA	Not applicable.	Not disclosed	
	G4-EN1	Not applicable.	Not disclosed	
G4-EN2	Not applicable.	Not disclosed		
Environment	<b>Energy</b>			
	G4-DMA	High	Fully disclosed	Society and Environment - Environmental Welfare
	G4-EN3	High	Fully disclosed	Society and Environment - Environmental Welfare; Performance Report - Environment
	G4-EN4	Medium	Not disclosed	
	G4-EN5	High	Partially disclosed	Society and Environment - Environmental Welfare; Performance Report - Environment
	G4-EN6	High	Fully disclosed	Society and Environment - Environmental Welfare
	G4-EN7	High	Fully disclosed	Society and Environment - Environmental Welfare

Environment	<b>Water</b>			
	G4-DMA	High	Fully disclosed	Society and Environment - Environmental Welfare
	G4-EN8	High	Fully disclosed	Society and Environment - Environmental Welfare; Performance Report - Environment
	G4-EN9	Medium	Not disclosed	
	G4-EN10	Low	Not disclosed	
	<b>Biodiversity</b>			
	G4-DMA	Low	Not disclosed	
	G4-EN11	Low	Not disclosed	
	G4-EN12	Low	Not disclosed	
	G4-EN13	Low	Not disclosed	
	G4-EN14	Low	Not disclosed	
	<b>Exhaust emissions</b>			
	G4-DMA	High	Partially disclosed	Society and Environment - Environmental Welfare
	G4-EN15	High	Partially disclosed	Society and Environment - Environmental Welfare
	G4-EN16	High	Fully disclosed	Society and Environment - Environmental Welfare
	G4-EN17	High	Fully disclosed	Society and Environment - Environmental Welfare
	G4-EN18	High	Partially disclosed	Society and Environment - Environmental Welfare; Performance Report - Environment
	G4-EN19	High	Partially disclosed	Society and Environment - Environmental Welfare
	G4-EN20	Not applicable	Not disclosed	
	G4-EN21	Not applicable	Not disclosed	
	<b>Sewage and waste</b>			
	G4-DMA	Low	Partially disclosed	Society and Environment - Environmental Welfare
	G4-EN22	Low	Fully disclosed	
	G4-EN23	Low	Not disclosed	Society and Environment - Environmental Welfare
	G4-EN24	Not applicable	Not disclosed	
	G4-EN25	Not applicable	Not disclosed	
	G4-EN26	Not applicable	Not disclosed	
	<b>Products and services</b>			
	G4-DMA	High	Fully disclosed	Society and Environment - Environmental Welfare
	G4-EN27	High	Fully disclosed	Society and Environment - Environmental Welfare
	G4-EN28	Low	Not disclosed	
	<b>Compliance</b>			
	G4-DMA	Medium	Not disclosed	
	G4-EN29	Medium	Not disclosed	
	<b>Traffic and Transportation</b>			
	G4-DMA	Medium	Fully disclosed	Society and Environment - Environmental Welfare
	G4-EN30	Medium	Fully disclosed	Society and Environment - Environmental Welfare
	<b>Overall environment</b>			
	G4-DMA	High	Not disclosed	
	G4-EN31	High	Not disclosed	
	<b>Supplier environmental assessment</b>			
	G4-DMA	Medium	Not disclosed	
G4-EN32	Medium	Not disclosed		

Environment	G4-EN33	Medium	Not disclosed	
	<b>Grievance mechanism for environmental issues</b>			
	G4-DMA	Medium	Not disclosed	
	G4-EN34	Medium	Not disclosed	
	<b>Employment</b>			
	G4-DMA	High	Fully disclosed	Employees
	G4-LA1	High	Fully disclosed	Performance Report - Employees
	G4-LA2	High	Fully disclosed	Employees - Compensation and Benefits
	G4-LA3	High	Not disclosed	
	<b>Labour relations</b>			
G4-DMA	High	Fully disclosed	Employees	
G4-LA4	High	Fully disclosed	Performance Report - Employees	
<b>Occupational health and safety</b>				
G4-DMA	High	Fully disclosed	Employees - Care for Employees & Physical and Mental Health	
G4-LA5	High	Not disclosed		
G4-LA6	High	Not disclosed		
G4-LA7	Medium	Not disclosed		
G4-LA8	High	Not disclosed		
<b>Training and education</b>				
G4-DMA	High	Fully disclosed	Employees - Employee Training and Development	
G4-LA9	High	Fully disclosed	Performance Report - Employees	
G4-LA10	High	Fully disclosed	Employees - Employee Training and Development	
G4-LA11	High	Not disclosed		
<b>Diversity and equal opportunity</b>				
G4-DMA	High	Not disclosed	Performance Report - Employees	
G4-LA12	High	Fully disclosed	Performance Report - Employees	
<b>Equal pay for men and women</b>				
G4-DMA	High	Not disclosed		
G4-LA13	High	Not disclosed		
<b>Supplier assessment for labor practices</b>				
G4-DMA	Not applicable.	Not disclosed		
G4-LA14	Not applicable.	Not disclosed		
G4-LA15	Not applicable.	Not disclosed		
<b>Grievance mechanism for labor issues</b>				
G4-DMA	Not applicable.	Not disclosed		
G4-LA16	Not applicable.	Not disclosed		
<b>Investment</b>				
G4-DMA	Not applicable.	Not disclosed		
<b>Human rights</b>				
G4-HR1	Not applicable.	Not disclosed		
G4-HR2	Not applicable.	Not disclosed		
<b>Nondiscrimination</b>				
G4-DMA	High	Partially disclosed	Performance Report - Employees	
G4-HR3	High	Not disclosed		

Human rights	<b>Freedom of association and collective bargaining</b>			
	G4-DMA	Not applicable.	Not disclosed	
	G4-HR4	Not applicable.	Not disclosed	
	<b>Child labor</b>			
	G4-DMA	High	Partially disclosed	Performance Report - Employees
	G4-HR5	High	Not disclosed	
	Forced and mandatory labor			
	G4-DMA	High	Partially disclosed	Performance Report - Employees
	G4-HR6	High	Not disclosed	
	<b>Security measures</b>			
	G4-DMA	Low	Not disclosed	Performance Report - Employees
	G4-HR7	Low	Not disclosed	
	<b>Aboriginal rights</b>			
	G4-DMA	Medium	Not disclosed	
	G4-HR8	Medium	Not disclosed	
	<b>evaluation</b>			
	G4-DMA	Medium	Not disclosed	
	G4-HR9	Medium	Not disclosed	
	<b>Supplier human rights assessment</b>			
	G4-DMA	Medium	Not disclosed	
G4-HR10	Medium	Not disclosed		
G4-HR11	Medium	Not disclosed		
<b>Grievance mechanism for human rights issues</b>				
G4-DMA	Medium	Not disclosed		
G4-HR12	Medium	Not disclosed		
Society	<b>Local communities</b>			
	G4-DMA	High	Fully disclosed	Society and environment
	G4-SO1	High	Not disclosed	
	G4-SO2	High	Not disclosed	
	<b>Anti-corruption</b>			
	G4-DMA	High	Fully disclosed	Shareholders - Intensify Fight Against Corruption
	G4-SO3	High	Not disclosed	
	G4-SO4	High	Fully disclosed	Shareholders - Intensify Fight Against Corruption
	G4-SO5	High	Fully disclosed	Shareholders - Intensify Fight Against Corruption
	<b>Public policies</b>			
	G4-DMA	Not applicable.	Fully disclosed	Core Issue 1
	G4-SO6	Not applicable.	Fully disclosed	Core Issue 1
	<b>Anti-competitive behaviors</b>			
	G4-DMA	Not applicable.	Not disclosed	
	G4-SO7	Not applicable.	Not disclosed	
	<b>Compliance</b>			
	G4-DMA	High	Not disclosed	
	G4-SO8	High	Not disclosed	

Society	<b>Supplier social impact assessment</b>			
	G4-DMA	High	Not disclosed	
	G4-SO9	High	Not disclosed	
	G4-SO10	High	Not disclosed	
	<b>Grievance mechanism for social impact</b>			
G4-DMA	High	Not disclosed		
G4-SO11	High	Not disclosed		
Product liability	<b>Customer health and safety</b>			
	G4-DMA	High	Not disclosed	
	G4-PR1	High	Not disclosed	
	G4-PR2	High	Not disclosed	
	<b>Product and service logos</b>			
	G4-DMA	High	Not disclosed	Client
	G4-PR3	Medium	Not disclosed	
	G4-PR4	High	Not disclosed	
	G4-PR5	High	Fully disclosed	Performance Report -Clients
	<b>Marketing &amp; promotion</b>			
	G4-DMA	High	Not disclosed	
	G4-PR6	High	Not disclosed	
	G4-PR7	High	Not disclosed	
	<b>Customer privacy</b>			
	G4-DMA	High	Not disclosed	
G4-PR8	High	Not disclosed		
<b>Compliance</b>				
G4-DMA	High	Fully disclosed	Client	
G4-PR9	High	Not disclosed		

# Feedback

Thank you for your support for the improvement of our corporate social responsibility practices. We are looking forward to hearing your feedback via email or phone call.

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In order to provide you and other stakeholders with professional and valuable CSR information and further improve the quality of our CSR reporting, please give us your feedback and comments regarding the questions in the feedback form below through and following channels:

- By mail (Please write "CSR report feedback" on the envelope.)
- By email (Please label the subject "CSR report feedback".)
- By Telephone

Are you pleased with this report? Please give us your feedback and comments.

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What do you think of the completeness of the disclosure of our corporate social responsibility performance in this report?

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Does this report provide enough disclosure regarding the issues that you are interested in? And what are these issues?

Do you think the length of this report is adequate?

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Do you think the content structure and illustration of this report are reasonable? Any suggestions for improvement?

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Do you like the design of this report? Any suggestions for improvement?

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What are your suggestions for the disclosure of our corporate social responsibility performance?

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## Your information

**Name**

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**Position**

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**Fax**

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**Company**

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**Telephone**

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**Email**

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