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PING AN

Insurance · Banking · Investment

中国平安保险(集团)股份有限公司

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

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

(Stock Code: 2318)

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2016

The Board of Directors (the “Board of Directors”) of Ping An Insurance (Group) Company of China, Ltd. (“Ping An” or the “Company”) announces the unaudited results (the “First Quarterly Results”) of the Company and its subsidiaries (“the Group”) for the three months ended March 31, 2016 (the “Reporting Period”). The Board of Directors and its Audit and Risk Management Committee have reviewed the First Quarterly Results.

1. KEY FINANCIAL INFORMATION

During the Reporting Period, the key financial data prepared under International Financial Reporting Standards (“IFRS”) are as follows:

(in RMB million)	March 31, 2016	December 31, 2015
Total assets	5,006,993	4,765,159
Total liabilities	4,566,653	4,351,588
Total equity	440,340	413,571
Equity attributable to shareholders of the parent company	347,693	334,248
For the three months ended March 31, (in RMB million)	2016	2015
Total income	224,477	195,824
Net profit	23,389	22,436
Net profit attributable to shareholders of the parent company	20,700	19,964
Basic earnings per share (in RMB)	1.16	1.09

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

As at March 31, 2016, the total share capital of the Company was 18,280,241,410 shares, of which 10,832,664,498 were A shares and 7,447,576,912 were H shares.

Total number of shareholders as at the end of the Reporting Period			Total number of shareholders was 321,741, of which 317,001 were holders of A shares and 4,740 were holders of H shares.			
Particulars of top ten shareholders						
Name of shareholder	Nature of shareholder	Share-holding percentage (%)	Total number of shares held (Shares)	Type of shares	Number of selling-restricted shares held (Shares)	Number of pledged or frozen shares (Shares)
Hong Kong Securities Clearing Company Nominees Limited	Overseas legal person	32.10	5,867,255,746	H share	–	unknown
Shenzhen Investment Holdings Co., Ltd.	State	5.27	962,719,102	A share	–	380,060,000 pledged shares
All Gain Trading Limited	Overseas legal person	4.32	789,001,992	H share	–	789,001,992 pledged shares
China Securities Finance Corporation Limited	State-owned legal person	3.55	648,306,818	A share	–	–
Huaxia Life Insurance Co., Ltd.-Universal Insurance Products	Others	3.50	640,557,804	A share	–	–
Bloom Fortune Group Limited	Overseas legal person	2.77	505,772,634	H share	–	505,772,634 pledged shares
Central Huijin Asset Management Ltd.	State	2.65	483,801,600	A share	–	–
Business Fortune Holdings Limited	Overseas legal person	1.43	261,581,728	H share	–	114,463,933 pledged shares
Shum Yip Group Limited	State-owned legal person	1.41	257,728,008	A share	–	–
Tianan Property Insurance Co., Ltd. -BaoYing#1	Others	1.34	244,891,064	A share	–	–

Note: Shares held by Hong Kong Securities Clearing Company Nominees Limited (“HKSCC Nominees Limited”) are held on behalf of its clients. The shares owned by All Gain Trading Limited, Bloom Fortune Group Limited and Business Fortune Holdings Limited have been registered under the name of HKSCC Nominees Limited. In order to avoid double counting, the shares owned by these three companies have been deducted from the shares held by HKSCC Nominees Limited.

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

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

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

3. BUSINESS REVIEW FOR THE REPORTING PERIOD

In 2016, Ping An entered its 3.0 Era defined by “Open Platform + Open Marketplace”. It remained committed to the “customer-centric” concept, continuing to enhance the customer experience. As a result, the level of its customer management continued to rise. While its insurance and banking businesses maintained steady and healthy growth, Ping An’s asset management business structure continued to improve, and its internet finance business maintained rapid growth.

In the first quarter of 2016, the Company’s performance are as follows:

Despite the adverse effect caused by the economic slowdown, the capital market volatility, and the change in the benchmark yield curve for the measurement of insurance contract liabilities, the Company still achieved growth for all key performance indicators in the first quarter of 2016. The Company’s net profit attributable to shareholders of the parent company stood at RMB20,700 million, up by 3.7% over the same period last year. New business value of life insurance achieved RMB13,084 million, up by 38.3% over the same period last year. As at March 31, 2016, equity attributable to shareholders of the parent company reached RMB347,693 million, up by 4.0% over the beginning of the year; and total assets were over RMB5 trillion, up by 5.1% over the beginning of the year.

Ping An has been actively implementing innovative customer operation model under the “customer-centric” concept, which saw a significant customer migration.

As at March 31, 2016, the number of individual customers of Ping An’s core finance companies was nearly 114 million, of which 65.56 million became internet users. In the first quarter of 2016, new customers of core finance companies reached 9.17 million, with 2.63 million new customers from the migration of our internet users.

Life insurance business maintained steady and healthy growth with the rapid growth in new business of individual life insurance. Property and casualty business recorded continuous growth and maintained a sound level of profitability.

Ping An Life placed customer-focused operations as its core, keeping teamwork as the foundation, benevolence as the root, and customer experience and innovation as the driving forces. It focused on the synergetic development of multiple channels, namely individual sales agents, bancassurance outlets, telemarketing and internet marketing. Ping An Life also strove to achieve sustained, healthy and stable development of its embedded value and business scale. In the first quarter of 2016, life insurance business recorded written premiums of RMB134,716 million, representing an increase of 28.3% over the same period last year; the value of new business amounted to RMB13,084 million, up by 38.3% over the

same period last year. The individual life insurance business, which has higher profitability, achieved rapid growth with written premiums reaching RMB119,045 million, representing an increase of 27.7% over the same period last year. Written premiums from the new business of individual life insurance business reached RMB42,711 million, up by 38.5% over the same period last year. The telemarketing channel recorded written premiums of RMB3,898 million, representing an increase of 32.4% over the same period last year, maintaining rapid growth and leading the telemarket by market share. In the first quarter of 2016, the life insurance business recorded a net profit of RMB12,444 million.

Ping An Annuity maintained healthy growth in all of its businesses. In the first quarter of 2016, the long-term and short-term insurance businesses of Ping An Annuity reached RMB2,358 million and RMB5,190 million in size, up by 18.3% and 26.0% over the same period last year, respectively, whose market share maintained leading positions in the industry. As at the end of the first quarter of 2016, corporate annuity entrusted assets and assets under investment management reached RMB130,812 million and RMB139,350 million, respectively, and other entrusted management assets reached RMB95,921 million, maintaining its leading position in the industry. Ping An Annuity continued to promote the “Social Health Insurance One Account” platform. The pilot model of “Smart Social Health Insurance” management and service system achieved initial success in cities such as Xiamen.

Ping An Property & Casualty has long adhered to the “customer-centric” business model and the “Thrive through Innovation” operational concept. In the first quarter of 2016, Ping An Property & Casualty recorded premium income of RMB43,552 million, up by 3.9% over the same period last year; of which RMB37,293 million was contributed by automobile insurance, up by 17.5% over the same period last year. Ping An Property & Casualty’s premium income from cross-selling, telemarketing and internet marketing reached RMB21,652 million, up by 18.3% over the same period of last year. Premium income from car dealers reached RMB9,452 million, up by 16.6% over the same period of last year. In the first quarter of 2016, the property and casualty insurance business recorded a net profit of RMB3,277 million, and the combined ratio was 94.3%.

As at March 31, 2016, the investment portfolio of insurance funds was valued at approximately RMB1.76 trillion, up by 1.8% over the beginning of the year. Affected by equity market volatility, total investment income for the investment portfolio of insurance funds was RMB20,445 million in the first quarter of 2016, down by 36.4% over the same period last year.

Banking business maintained stable growth in business scale with continued improvement in its operating efficiency. The effects of financial innovation emerged, and asset quality stayed at a manageable level.

In the first quarter of 2016, Ping An Bank achieved a net profit of RMB6,086 million, up by 8.1% over the same period last year; total revenue increased by 33.2% to RMB27,532 million over the same period last year, of which net non-interest income reached RMB9,134 million, up by 65.3% over the same period last year. The percentage contribution of net non-interest income to revenue increased by 6.44 percentage points to 33.18% over the same period last year; with improved efficiency, the cost-to-income ratio reached 29.35%, decreasing by 4.03 percentage points over the same period last year. Following the synergetic development of the deposit and loan business, the balance of customer deposits of Ping An Bank was RMB1,854,365 million as at the end of the first quarter of 2016, up by 6.9% over the beginning of the year. Total loans and advances to customers stood at RMB1,262,786 million, up by 3.8% over the beginning of the year; total assets stood at RMB2,681,155 million, up by 6.9% over the beginning of the year.

Around the opportunities in relation to national strategic focuses and industry transformation, Ping An Bank spared no efforts in the further development of industry funds, merge and acquisition finance, etc.; the interbank client base was expanding progressively with a total of 730 “Hang-E-Tong” platform partner clients, an increase of 215 in the first quarter of 2016; the retail business tops the agenda and “Orange Bank” has established an extensive model on customer acquisition. The customer count at the end of first quarter reached 6.30 million, representing an increase of 24.0% compared with the beginning of the year.

Affected by the economic slowdown and further structural reforms across industries, some enterprises experienced difficulties in operations and financing. As a result, the banking industry as a whole has seen more pressure on asset quality. The asset quality of Ping An Bank has also been affected to a certain extent, but it remained within manageable levels. As at the end of the first quarter of 2016, Ping An Bank had non-performing loans of RMB19,750 million, with a non-performing loan ratio of 1.56%; a provision coverage ratio of 161.01%, and a loan loss provision ratio of 2.52%. Ping An Bank had adopted a series of measures to optimize the credit structure and strengthen its effects to dissolve, write off and dispose of non-performing loans, in an effort to mitigate various risks arising from existing loans. In addition, Ping An Bank imposed strict controls over new non-performing loans, to maintain stable asset quality.

Trust business accelerated development of innovative businesses and optimization of business structure, while implementing strict baseline control of risk management. Securities business maintained steady and healthy growth, while brokerage business maintained industry lead in new customer acquisition. With continuous efforts to grow its investment capability, Ping An Asset Management has been developing its third-party business in a stable and healthy manner.

In the first quarter of 2016, the trust industry was affected by the transformation of real economy, downward pressure on market interest rates and intensified market competition. It transitioned from a stage of rapid growth over preceding years, to one of stable growth. Having actively dealt with market challenges and seized market opportunities, Ping An Trust has been accelerating the development of its businesses in private wealth management, private investment banking and institutional asset management, interbank operations and private equity investment. This was carried out on the principles of “Safeguarding Risk Baseline, Transformation as Foundation, Management as Development”. Ping An Trust also made breakthrough in the innovation of its PE funds, reform of mixed ownership for the state-owned enterprises, and asset securitization, which were part of its efforts in the continuous transformation of its business structure. In the first quarter of 2016, the trust business generated RMB993 million in management fees income for trust products, up by 9.1% over the same period last year. As at March 31, 2016, assets held in trust amounted to RMB616,104 million, up by 10.3% over the beginning of the year. Of this, the administrative category grew by 35.6% to RMB304,608 million, while the investment category dropped 5.7% to RMB161,920 million, and the financing category dropped 7.7% to RMB149,576 million. Meanwhile, Ping An Trust continuously strengthened its risk management to avoid potential risks arising in connection with the existing businesses, and exercised strict control over new businesses to maintain relatively sound asset quality.

In the first quarter of 2016, Ping An Securities maintained stable growth, with an operating income of RMB2,323 million and a net profit of RMB747 million, up by 25.2% and 16.7%, respectively over the same period last year. The brokerage business maintained its industry leading place in terms of new customer acquisition. In the first quarter of 2016, the business had a market share of 28% in terms of new customers. The ranking in terms of customer base improved to seventh place in the industry. Ping An Securities recorded rising levels of APP installation and activity rate, with APP transactions accounting for 30% of total transactions. Ping An Securities ranked fourth among peers by the number of bond issuances, for which it acted as lead underwriter. Bond transactions maintained a high rate of return. By combining international experience and local expertise, Ping An Securities has been a constant innovator and pioneer in the interest rate swap business, with a scale that is among the largest in the market. As at the end of March 2016, the size of assets management business reached RMB301,258 million, up by 27.1% over the beginning of the year. Ping An Securities made smooth progress in the development of the industry fund platform and in its search for potential business partners.

Ping An Asset Management improved continuously its investment capabilities, optimized strategic investment system and enhanced its risk management, so as to expand its third-party asset management business constantly and steadily. As at the end of March 2016, assets under management amounted to RMB2.01 trillion, up by 2.2% over the beginning of the year; among which, the scale of its third-party asset management business reached RMB260,212 million, up by 5.9% over the beginning of the year. Its third-party asset management business fees income was RMB655 million, up by 151.8% over the same period last year.

The internet finance companies made further inroads in their strategies and maintained rapid growth in their business.

Lufax and Qianhai Financial Assets Exchange operate an open financial transaction information service platform for all financial institutions, corporates and individuals, matching supply with demand through the internet and strove to grow the public wealth. As at March 31, 2016, Lufax had over 21.05 million registered users, up by 2.75 million over the beginning of the year, and had over 4.83 million active investment users, up by 1.20 million over the beginning of the year. In the first quarter of 2016, the platform recorded total trading volume of RMB1,300.9 billion, up by more than 4 times over the same period last year. It achieved RMB305.5 billion in individual retail transactions, up by over 5 times over the same period last year, including RMB37.6 billion in primary and secondary transaction volume of P2P business which was up by over 4 times over the same period last year. It recorded institutional transaction volume of RMB995.4 billion, up by over 3 times over the same period last year, maintaining its leading position in the industry.

Combining “Ping An Doctor” APP and its offline health medical services platforms, Ping An Health Cloud focused on developing a one-stop and full-process O2O health medical services platform, becoming the No.1 online medical service platform in China. As at March 31, 2016, “Ping An Doctor” APP provided health management services to nearly 65 million users, with peak daily consultations exceeding 250 thousand. “Ping An Doctor” APP ranks among the top three APPs under the same category in major application markets.

Ping An Pay was further integrated with Wanlitong in terms of functions, products and scenarios, which improved the allocation of resources and harmonized its development. In the first quarter of 2016, the payment-processing business and the loyalty point business recorded total transaction volume of RMB631.6 billion, up by 208.3% over the same period last year. Being the core payment platform of Ping An Group, in the first quarter of 2016, Ping An Pay processed various payments worth RMB623.5 billion in total, up by 208.1% over the same period last year; “Yiwallet” APP had 57.46 million registered users at the end of the first quarter of 2016, up by 26.4% compared with the beginning of the year.

PA Haofang fully tapped Ping An Group’s strength in integrated finance to build an O2O real estate finance platform. As at March 31, 2016, PA Haofang’s official website had over 9 million registered users. The website hosts various portals such as New Houses, Second-hand Houses, House Leasing, Overseas Houses, Haofang Finance, and Haofang Crowdfunding. PA Haofang has signed strategic cooperation contracts with 40 of China’s top 300 real estate developers, while 28,477 new buildings were showed online. In the first quarter of 2016, PA Haofang achieved RMB15.27 billion in new house sales through its platform, and steadily promoted its pilot models for the second-hand houses and house leasing businesses.

Ping An Financial Technology is committed to building One Account Management Services into the largest open internet financial service platform in China, providing all kinds of services such as account management, wealth management, credit management and lifestyle management. As at the end of the first quarter of 2016, the platform’s accumulated users reached 120 million with over 15 million monthly active users. In terms of account management, nearly 60% users have added 2.1 accounts on average among the nine financial and lifestyle accounts.

Looking ahead to 2016, the macroeconomic environment will remain complex and present both challenges and opportunities. We will closely monitor the changes of external economic environment, forge ahead with the building of the two-pronged operation model of “Integrated Finance + Internet” and “Internet + Integrated Finance”, and continue to maintain the steady growth of our businesses.

4. SIGNIFICANT EVENTS

Subscription of Ping An Bank Preference Shares

On July 15, 2014, the 14th meeting of the 9th Session of the Board of Directors considered and approved the Resolution regarding the Subscription of Ping An Bank Non-public Preference Share Issuance by Ping An Asset Management Co., Ltd.. It was decided that Ping An Asset Management Co., Ltd., a subsidiary of the Company, would subscribe for the preference shares issued under Ping An Bank’s non-public issuance through insurance funds under its management. The subscription ratio would be 50%-60% of the preference shares issued under the non-public issuance of Ping An Bank. The specific subscription ratio of preference shares is subject to the approval of relevant regulatory authorities.

On March 15, 2016, as mentioned in the announcement of the Company, Ping An Bank had issued 200,000,000 preference shares with the issue price of RMB100 per share (which equals to the nominal value) and a coupon rate of 4.37%, under the non-public issuance of preference shares, which raised a total proceeds of RMB20 billion. Ping An Asset Management Co., Ltd. had subscribed for 116,000,000 preference shares issued under the non-public issuance by Ping An Bank at the abovementioned issue price.

Implementation of the Key Employee Share Purchase Plan of the Company

As deliberated at the 16th Meeting of the 9th Session of the Board of Directors held on October 28, 2014 and approved at the 1st Extraordinary General Meeting for 2015 held on February 5, 2015, the Key Employee Share Purchase Plan (the “Plan”) of the Company has been officially implemented. Since implementation of this Plan, the Company has seen sound operations; the shareholders, the Company, and the employees have shared benefits and risks, providing strong guarantee for further improvement of the Company’s governance structure as well as establishing and improving the long-term incentive and restraint mechanisms to facilitate long-term sustainable and healthy development of the Company.

The Plan consists of six phases, two of which had been implemented as at the end of this Reporting Period:

(1) Implementation in 2015

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

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

As the Company’s profit distribution for 2014 included the conversion of capital reserve into share capital in a proportion of 10 shares for every 10 shares held, the total number of shares held under the Plan for this period had changed to 8,100,506 shares. These shares were unlocked on March 30, 2016; one third of which were vested in two batches, the 1st batch vested to 514 employees on March 30, and the 2nd batch will be vested to 251 employees on April 27. As to the remaining 74 employees who do not qualify for the vesting, 588,281 shares were forfeited.

(2) Implementation in 2016

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

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

The manager of the Plan is China Merchants Securities Asset Management Co., Ltd.; the manager was not changed during the Reporting Period.

5. UNDERTAKINGS

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

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

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

- (3) The Company undertakes that, after the completion of the major asset restructuring and during the period when the Company remains as the controlling shareholder of Shenzhen Development Bank, the Company shall maintain the independence of Shenzhen Development Bank and ensure that Shenzhen Development Bank is independent from the Company and the enterprises under its control in respect of personnel, assets, finance, organization and business.

As at March 31, 2016, the above undertakings were still in the process of performance and there was no violation of the above undertakings.

Undertaking in Respect of the Issuance of Ping An Convertible Bonds

During the period of issuing Ping An Convertible Bonds by the Company, in terms of certain subsidiaries which are engaged in construction of private properties and community for the elderly, the Company undertakes that, nowadays and in the future, it will strictly comply with relevant regulations in relation to the insurance funds used in real estate investment and the principle that the insurance funds should only be applied to specific property without property speculations or sale in an inappropriate form. It will not develop or sell commercial housing by means of investment in annuity and private real estate.

As at March 31, 2016, the above undertaking was still in the process of performance and there was no violation of the above undertaking.

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

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

As at March 31, 2016, the above undertaking was still in the process of performance and there was no violation of the above undertaking.

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

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

As at March 31, 2016, the above undertaking was still in the process of performance and there was no violation of the above undertaking.

6. GUARANTEE

(in RMB million)

External guarantee of the Company and its subsidiaries (excluding the guarantee in favor of its subsidiaries)	
Total external guarantee incurred during the Reporting Period	–
Total external guarantee balance as at the end of the Reporting Period	–
Guarantee of the Company and its subsidiaries in favor of its subsidiaries	
Total guarantee in favor of its subsidiaries incurred during the Reporting Period	3,020
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period	37,862
Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee	37,862
Total guarantee as a percentage of the Company's net assets (%)	10.9
Including: Direct and indirect guarantee for the companies with gearing ratio over 70% (as at March 31, 2016)	25,393
The amount that the Company's total guarantee balance exceeded 50% of its net assets	–

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

7. SOLVENCY MARGIN OF SUBSIDIARIES (C-ROSS)

(in RMB million)

March 31, 2016	Ping An Life	Ping An Property & Casualty	Ping An Annuity	Ping An Health
Core capital	444,633	60,450	6,082	301
Actual capital	470,633	68,450	6,082	301
Minimum capital	214,228	23,979	2,118	127
Core solvency margin ratio (%)	207.6	252.1	287.2	237.2
Comprehensive solvency margin ratio (%)	<u>219.7</u>	<u>285.5</u>	<u>287.2</u>	<u>237.2</u>

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

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

8. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS

(1) Consolidated Income Statement

For the three months ended March 31, 2016

For the three months ended March 31, (in RMB million)	2016 (unaudited)	2015 (unaudited)
Gross written premiums	155,451	127,033
Less: Premiums ceded to reinsurers	(5,097)	(6,849)
Net written premiums	150,354	120,184
Change in unearned premium reserves	(3,429)	(5,578)
Net earned premiums	146,925	114,606
Reinsurance commission income	1,008	1,980
Interest income from banking operations	32,416	32,641
Fees and commission income from non-insurance operations	11,180	8,196
Investment income	23,723	33,917
Share of profits and losses of associates and jointly controlled entities	(40)	(24)
Other income	9,265	4,508
Total income	224,477	195,824
Gross claims and policyholders' benefits	(115,519)	(98,779)
Less: Reinsurers' share and policyholders' benefits	3,250	3,894
Claims and policyholders' benefits	(112,269)	(94,885)
Commission expenses on insurance operations	(19,362)	(13,822)
Interest expenses on banking operations	(13,543)	(17,300)
Fees and commission expenses on non-insurance operations	(1,021)	(968)
Loan loss provisions, net of reversals	(9,356)	(4,588)
Foreign exchange (losses)/gains	43	(184)
General and administrative expenses	(34,104)	(27,015)
Finance costs	(2,975)	(1,172)
Other expenses	(4,542)	(2,395)
Total expenses	(197,129)	(162,329)
Profit before tax	27,348	33,495
Income tax	(3,959)	(11,059)
Profit for the period	23,389	22,436

For the three months ended March 31, (in RMB million)	2016 (unaudited)	2015 (unaudited)
Attributable to:		
– Owners of the parent	20,700	19,964
– Non-controlling interests	2,689	2,472
	23,389	22,436
	RMB	RMB
Earnings per share attributable to ordinary equity holders of the parent		
– Basic	1.16	1.09
– Diluted	1.16	1.09
(2) Consolidated Statement of Comprehensive Income <i>For the three months ended March 31, 2016</i>		
For the three months ended March 31, (in RMB million)	2016 (unaudited)	2015 (unaudited)
Profit for the period	23,389	22,436
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets	(23,954)	808
Shadow accounting adjustments	9,015	(5,382)
Exchange differences on translation of foreign operations	(138)	(86)
Share of other comprehensive income of associates and jointly controlled entities	–	(1)
Income tax relating to components of other comprehensive income	3,831	1,089
Other comprehensive income for the period, net of tax	(11,246)	(3,572)
Total comprehensive income for the period	12,143	18,864
Attributable to:		
– Owners of the parent	9,509	16,336
– Non-controlling interests	2,634	2,528
	12,143	18,864

(3) Consolidated Statement of Financial Position

As at March 31, 2016

(in RMB million)	March 31, 2016 (unaudited)	December 31, 2015 (Audited)
ASSETS		
Cash and amounts due from banks and other financial institutions	544,311	439,327
Balances with the Central Bank and statutory deposits	304,318	299,689
Fixed maturity investments	1,978,466	1,911,871
Equity investments	358,700	370,899
Derivative financial assets	7,816	8,272
Loans and advances to customers	1,298,437	1,245,371
Premium receivables	33,113	34,072
Accounts receivable	17,932	16,778
Reinsurers' share of insurance liabilities	17,356	17,872
Finance lease receivable	62,692	57,598
Policyholder account assets in respect of insurance contracts	40,765	48,903
Policyholder account assets in respect of investment contracts	4,460	5,084
Investments in associates and jointly controlled entities	35,936	26,858
Investment properties	25,591	24,827
Property and equipment	35,714	35,158
Intangible assets	48,933	44,916
Deferred tax assets	17,551	15,663
Other assets	174,902	162,001
Total assets	<u>5,006,993</u>	<u>4,765,159</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	18,280	18,280
Reserves	173,379	180,630
Retained profits	156,034	135,338
Equity attributable to owners of the parent	347,693	334,248
Non-controlling interests	92,647	79,323
Total equity	<u>440,340</u>	<u>413,571</u>

(in RMB million)	March 31, 2016 (unaudited)	December 31, 2015 (Audited)
Liabilities		
Due to banks and other financial institutions	402,917	410,258
Other financial liabilities held for trading	17,178	8,506
Assets sold under agreements to repurchase	89,642	119,236
Derivative financial liabilities	10,575	4,527
Customer deposits and payables to brokerage customers	1,841,449	1,713,907
Accounts payable	7,232	4,735
Income tax payable	17,409	14,104
Insurance payables	62,169	82,485
Insurance contract liabilities	1,485,502	1,419,958
Investment contract liabilities for policyholders	43,044	42,690
Policyholder dividend payable	35,584	33,028
Bonds payable	311,602	264,413
Deferred tax liabilities	6,905	9,911
Other liabilities	235,445	223,830
	<hr/>	<hr/>
Total liabilities	4,566,653	4,351,588
	<hr/>	<hr/>
Total equity and liabilities	5,006,993	4,765,159
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(4) Consolidated Statement of Cash Flows
For the three months ended March 31, 2016

For the three months ended March 31, (in RMB million)	2016 (Unaudited)	2015 (Unaudited)
Net cash flows from operating activities	119,272	61,149
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investment properties, property and equipment, and intangible assets	(2,720)	(2,747)
Proceeds from disposal of investment properties, property and equipment, and intangible assets	5	2
Proceeds from disposal of investments	748,506	292,313
Purchases of investments	(905,093)	(344,365)
Term deposits placed, net	(3,323)	(10,301)
Acquisition of non-controlling interests in subsidiaries	(383)	–
Acquisition and disposal of subsidiaries, net	2,912	(198)
Interest received	26,979	22,410
Dividends received	13,667	3,179
Rentals received	155	332
Others	(4,863)	(5,412)
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For the three months ended March 31, (in RMB million)	2016 (Unaudited)	2015 (Unaudited)
Net cash flows used in investing activities	(124,158)	(44,787)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital injected into subsidiaries by non-controlling interests	11,074	43
Proceeds from bonds issued	179,836	56,317
Decrease in assets sold under agreements to repurchase of insurance operations	(25,193)	(12,787)
Proceeds from borrowed funds	75,695	5,896
Repayment of debts	(182,656)	(23,874)
Interest paid	(4,731)	(2,323)
Dividends paid	(1)	(7)
Others	(353)	(3,303)
Net cash flows from financing activities	53,671	19,962
Net increase in cash and cash equivalents	48,785	36,324
Net foreign exchange differences	(132)	(179)
Cash and cash equivalents at beginning of the period	333,325	263,960
Cash and cash equivalents at the end of the period	381,978	300,105

9. RELEASE OF RESULTS ANNOUNCEMENT

This results announcement is simultaneously available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.pingan.com). This results announcement is prepared in accordance with IFRS. The full report for the first quarterly results of 2016 prepared in accordance with the Accounting Standards for Business Enterprise issued by the Ministry of Finance of the PRC and the other relevant regulations will be published on the Company's website (www.pingan.com) at the same time as it is published on the website of the SSE (www.sse.com.cn).

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

Shenzhen, PRC, April 26, 2016

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