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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, 2015

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, 2015 (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, 2015	December 31, 2014
Total assets	4,215,240	4,005,911
Total liabilities	3,833,842	3,652,095
Total equity	381,398	353,816
Equity attributable to shareholders of the parent company	<u>314,727</u>	<u>289,564</u>
For the three months ended March 31, (in RMB million)	2015	2014
Total income	195,824	147,081
Net profit	22,436	12,993
Net profit attributable to shareholders of the parent company	19,964	10,809
Basic earnings per share (in RMB)	<u>2.19</u>	<u>1.37</u>

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

As at March 31, 2015, the total share capital of the Company was 9,140,120,705 shares, of which 5,416,332,249 were A shares and 3,723,788,456 were H shares.

Total number of shareholders as at the end of Reporting Period		Total number of shareholders was 353,259, of which 348,285 were holders of A shares and 4,974 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 selling-restricted shares held (Shares)
Shenzhen Investment Holdings Co., Ltd.	State	5.27	481,359,551	A Share	–	190,030,000 pledged shares
All Gain Trading Limited	Overseas legal person	4.32	394,500,996	H Share	–	394,500,996 pledged shares
Bloom Fortune Group Limited	Overseas legal person	2.77	252,886,317	H Share	–	252,886,317 pledged shares
Business Fortune Holdings Limited	Overseas legal person	2.46	224,929,005	H Share	–	54,865,939 pledged shares
Shum Yip Group Limited	State-owned legal person	1.41	128,864,004	A Share	–	–
Huaxia Life Insurance Co., Ltd. – Universal Insurance Products	Others	1.15	105,180,280	A Share	–	–
TEMASEK FULLERTON ALPHA PTE LTD	Others	0.65	59,816,356	A Share	–	–
CITIC Securities Co., Ltd.	Others	0.50	45,280,240	A Share	–	–
Shenzhen Liye Group Co., Ltd.	Domestic non-state-owned legal person	0.48	43,518,830	A Share	–	43,500,000 pledged shares
ICBC – China 50 ETF	Others	0.38	35,035,710	A Share	–	–

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

All Gain Trading Limited, Business Fortune Holdings Limited and Bloom Fortune Group Limited are indirect wholly-owned subsidiaries of Charoen Pokphand Group Company Limited (“CP Group Ltd.”), 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. A SHARE CONVERTIBLE CORPORATE BONDS (INCLUDING SUBORDINATED TERMS) OF THE COMPANY (“PING AN CONVERTIBLE BONDS”)

The Redemption of the Ping An Convertible Bonds during the Reporting Period

For the 30 consecutive trading days during the period from November 11, 2014 to December 22, 2014, the closing price of the Company’s A shares was not less than 130% of the conversion price of the Ping An Convertible Bonds (stock code: 113005) on the relevant days (the conversion price being RMB40.63 per share from November 11, 2014 to December 9, 2014, and RMB41.22 per share since December 10, 2014) for 15 trading days (from December 2, 2014 to December 22, 2014), and according to the prospectus in Relation to The Public Issuance of A Share Convertible Corporate Bonds (including Subordinated Terms) of Ping An Insurance (Group) Company of China, Ltd., the redemption conditions of the Ping An Convertible Bonds have been satisfied.

The Board of Directors is authorized by the general meeting of the Company, and the Board of Directors then further delegated the authority to the executive directors of the Company to handle entirely, individually or jointly, the matters related to the Ping An Convertible Bonds. The resolution had been passed by all the executive directors of the Company to exercise the Company’s right of early redemption of the Ping An Convertible Bonds, and to redeem all the outstanding Ping An Convertible Bonds held by holders who are registered on the redemption record date (i.e. January 9, 2015).

As at the close of trading on January 9, 2015, a total of RMB25,965,569,000 of Ping An Convertible Bonds were converted into 629,922,613 A shares, accounting for 7.96% of the total number of 7,916,142,092 issued shares before conversion of Ping An Convertible Bonds. The total redemption value of the remaining Ping An Convertible Bonds amounts to RMB34,431,000, accounting for 0.13% of the total value of RMB26 billion of Ping An Convertible Bonds.

Starting from January 12, 2015, the Ping An Convertible Bonds ceased to be traded or converted; and starting from January 15, 2015, Ping An Convertible Bonds (113005) and Ping An Converted Shares (191005) were delisted from the Shanghai Stock Exchange.

4. BUSINESS REVIEW FOR THE REPORTING PERIOD

In the first quarter of 2015, the domestic economy was on an overall stable footing with a relatively slower growth. However, steady progress was made in structural adjustment with a positive trend of transformation and upgrading. Ping An continued to develop its core finance business and internet finance business in tandem. The insurance business grew steadily and its quality continued to lead the industry. The banking business grew steadily and asset quality was stable. The investment business seized market opportunities and actively promoted business transformation. The internet finance business continued to expedite its innovative development while the number of application scenarios continued to increase.

In the first quarter of 2015, the Company achieved outstanding performance in the following areas:

Benefitting from the steady development of various businesses and sound performance in capital market, the Company's net profit attributable to shareholders of the parent company for the first quarter of 2015 reached RMB19,964 million, up by 84.7% over the same period last year. As at March 31, 2015, equity attributable to shareholders of the parent company was RMB314,727 million, up by 8.7% over the beginning of the year. Total assets were about RMB4.22 trillion, up by 5.2% over the beginning of the year.

The life insurance business maintained steady development with the continuous growth of the agent team. The property and casualty insurance business increased rapidly as its quality kept the leading position in the industry.

Ping An Life continued to focus on teamwork as the foundation, benevolence as the root, customer experience and innovation as the driving forces, striving for the sustained, healthy and stable growth in embedded value and scale. In the first quarter of 2015, written premiums from life insurance business reached RMB105,034 million, up by 14.4% over the same period last year. The more profitable individual life insurance business grew quickly, with written premiums reaching RMB93,189 million, up by 16.5% over the same period last year. Of this, new businesses achieved written premiums of RMB30,836 million, up by 50.9%. The number of individual life insurance sales agents reached nearly 700 thousand. Written premiums from telemarketing reaching RMB2,945 million in the first quarter, up by 42.5% over the same period last year, keeping rapid growth and enabling Ping An Life to maintain its industry lead in telemarketing in terms of market share.

Ping An Property & Casualty ran its business under the "customer-centric" management concept, growing steadily through collaborative development and a meticulous approach to management. In the first quarter of 2015, its premium income rose by 20.7% over the same period last year to RMB41,905 million. Of this amount, premium income from cross-selling, telemarketing and internet marketing increased by 24.1% to RMB18,297 million, while RMB8,104 million stemmed from the car dealer channel, representing a growth of 18.8% over the same period last year. Ping An Property & Casualty constantly focused on business quality, maintaining sound profitability.

Each business of Ping An Annuity continued to maintain a healthy growth. In the first quarter of 2015, long-term and short-term insurance business scale of Ping An Annuity reached RMB1,993 million and RMB4,112 million, respectively, whose market shares maintained leading positions in the industry. As at the end of the first quarter of 2015, corporate annuity entrusted assets and corporate annuity assets under investment management reached RMB105,561 million and RMB115,258 million, respectively, and other entrusted management assets reached RMB16,643 million, maintaining its leading positions in the industry.

The banking business maintained steady growth and continuously improved operational efficiency, with business transformation accelerating and asset quality staying at a manageable level.

In the first quarter of 2015, net profit of Ping An Bank reached RMB5,629 million, up by 11.4% over the same period last year. Net fees and commission income was RMB5,387 million, representing a growth of 68.0% over the same period last year. The cost/income ratio was 33.38%, down by 4.27 percentage points over the same period last year, and down by 2.95 percentage points over 2014, representing the improved operating efficiency. The deposit and loan businesses developed in a coordinated way and led the market in growth. As at the end of the first quarter of 2015, total loans of Ping An Bank reached RMB1,124,168 million, representing a growth of 9.7% over the beginning of the year. Total deposits amounted to RMB1,578,437 million, representing a growth of 3.0% over the beginning of the year. The funds from non-deposit financial institution grew well, increasing by RMB51,133 million over the beginning of the year with a growth of 22.5%, among which demand deposit accounted for 32% of the increment. The total assets of Ping An Bank were RMB2,304,775 million, representing a growth of 5.4% over the beginning of the year.

With the accelerating pace of business transformation, Ping An Bank launched a new mode of “Bank-Government Cooperation” private placement bonds and developed industrial leading sector funds, which cultivated new profit growth opportunities. It has successfully issued the first corporate credit asset securitization products, speeding up the innovation of asset securitization business. It also accelerated its pace in the layout of sector business units and professional operation.

Due to the economic slowdown and intensifying industry structural adjustments and advancement, some companies experienced difficulties in operations. Ping An Bank’s asset quality was affected but stayed at a manageable level. As at the end of the first quarter of 2015, the non-performing loans balance of Ping An Bank was RMB13,198 million; non-performing loans ratio was 1.17%; provision coverage ratio was 173.17%; and loan loss provision ratio was 2.03%. Following the strategy of “Adjusting Structure, Controlling Risks, Intensifying Management, Seizing Innovation and Promoting Development”, Ping An Bank promoted the adjustment of its business structure and business mode, continuously improved risk management level, prevented and resolved various risk induced by existing loans, and exercised stringent control on non-performing loans to maintain relative stability of assets quality.

The trust business underwent active transformation and developed stably with strictly-controlled project risks. The securities business seized market opportunities and actively implemented strategic transformation.

Ping An Trust continued to explore innovation and business transformation with steady growth. In the first quarter of 2015, affected by economic slowdown and intensified market competition, the development of trust industry maintained stable, but growth in business scale slowed down substantially. Coped with the market challenges, Ping An Trust actively implemented steady operations while stepping up its business transformation, setting strategic target of becoming the “largest leading trust company in China”. The four core business sectors, namely “private wealth management business”, “private investment banking and institutional asset management business”, “interbank business” and “private equity investment business”, have been preliminarily established. As at March 31, 2015, assets held in trust reached RMB400,580 million, of which collective trust accounted for 70.8%, which placed Ping An Trust in a market-leading position in terms of business structure. Ping An Trust continued to guard its risk baseline and strengthened its risk management capabilities, while various risk management indicators continued to exceed regulatory standards.

Ping An Securities continued to promote strategic transformation, established differentiated competitive advantages and seized the opportunities arising from the rapidly developing capital market. In the first quarter, operating revenue reached RMB1,751 million, up by 158.3% year-on-year. Net profit was RMB640 million, up by 158.1% over the same period last year. Benefiting from the Group’s customer migration and internet-finance platform, the number of new customer for brokerage business reached 289 thousand, increased by more than 18 times over the same period last year, hitting a historic high. The scale of margin trading and securities lending business grew by 180.5% over the same period last year. Ping An Securities completed three IPO projects and four debenture issuances, and also actively mapped out PPP and private placement bonds business.

The internet finance businesses maintained rapid growth. Lufax ranked top nationwide in P2P transaction volume. Wanlitong’s transaction volume grew rapidly.

The Group continued to promote the internet finance strategy of “One Gate, Two Focuses, Four Markets” as its internet finance business continued to grow rapidly. As at March 31, 2015, the number of Ping An internet users reached nearly 159 million. The total users of internet finance companies including Lufax, Wanlitong, Ping An Pay and Ping An Financial Technology reached 104 million, of which over 40.59 million users held traditional financial products, accounting for 38.9%. Meanwhile, the mobile internet business grew rapidly. The total number of mobile APP users reached 28.64 million, up by 45.3% over the beginning of the year.

Leveraging its advantages such as low-cost, multiple products, high liquidity and outstanding customer experience, Lufax drew wide acclaim from the market. As at March 31, 2015, the number of registered retail users has exceeded 8 million. The number of registered institutional customers was over 4,000. In the first quarter of 2015, Lufax’s transaction volume of financial assets surged nearly 18 times over the same period last year, of which P2P transaction volume surged nearly three times, maintaining the leading position in the domestic P2P market.

Wanlitong strives to become the largest general loyalty points platform in China. In the first quarter of 2015, loyalty points issued by Wanlitong were worth RMB770 million, which marked an increase of 104.9% over the same period last year. Transaction volume reached RMB2,475 million, up by 361.8% over the same period last year, of which transaction volume through mobile terminals accounted for 50.9%. As at March 31, 2015, Wanlitong had 77.46 million registered users.

Ping An Financial Technology focused on the integrated asset management platform and APP of One Account Management Services, which is “One Customer, One Account, Multiple Products and One-Stop Services”, to provide users with secure, accurate and timely internet financial account services. As at March 31, 2015, One Account Management Services had over 44 million registered users and managed assets worth nearly RMB530 billion for users.

Ping An Pay provides the core payment platform for the Group’s internet finance business. In the first quarter of 2015, Ping An Pay processed RMB202.4 billion worth of payments for various trades, with sales of wealth management products from Yiwallet reaching RMB17 billion, further enhancing the economies of scale of Ping An’s internet finance business.

Looking ahead, China’s economy entered into a “new normal”, the deepening comprehensive reforms will continue to release policy payouts and economy is expected to stabilize in the midst of a slowdown. Financial industry will face immense challenges and opportunities, with the continuous improvement of operating efficiency and capability to serve the real economy. The Company will closely monitor changes in the external environment to keep its leading position of core financial business. Meanwhile, we will expedite the development of internet finance, striving to become “a world-leading personal financial services provider”.

5. SIGNIFICANT EVENTS

Subscription of Ping An Bank Non-public Share Issuance

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 Share Issuance and 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 the proprietary fund of the Company would be used for the subscription of ordinary shares issued under Ping An Bank’s non-public issuance, and the subscription ratio would be 45%-50% of the ordinary shares issued under the non-public issuance of Ping An Bank. Ping An Asset Management Co., Ltd., a subsidiary of the Company, will 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 April 1, 2015, as mentioned in the announcement of the Company, the Company entered into a supplemental agreement with Ping An Bank to confirm the relevant terms regarding the Company's subscription of ordinary shares under the non-public issuance of Ping An Bank as follows: the percentage of ordinary shares subscribed by the Company under the non-public issuance shall not exceed 50% of the total number of shares under the non-public issuance by Ping An Bank, and the Company shall subscribe in full based on the price determined through bidding according to the shareholding percentage of 58% in Ping An Bank after the issuance. The shares subscribed by the Company shall not be transferable within 36 months from the conclusion of the non-public issuance by Ping An Bank. 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.

On April 25, 2015, as mentioned in the announcement of the Company, Ping An Bank received "The Approval on the Non-public Issuance of Shares by Ping An Bank Co., Ltd." issued by the China Securities Regulatory Commission on April 24, 2015, which approved the application for the non-public issuance of RMB-dominated ordinary shares by Ping An Bank with a valid period of six months from the date of the approval.

6. UNDERTAKINGS

Shareholders' Undertaking

The Company received written notices from original Shenzhen New Horse Investment Development Co., Ltd. (newly known as Linzhi New Horse Investment Development Co., Ltd.), original Shenzhen Jingao Industrial Development Co., Ltd. (newly known as Linzhi Jingao Industrial Development Co., Ltd.) and original Shenzhen Jiangnan Industrial Development Co., Ltd. (newly known as Gongbujiangda Jiangnan Industrial Development Co., Ltd.) on February 22, 2010. According to such written notices, Linzhi New Horse Investment Development Co., Ltd. and Linzhi Jingao Industrial Development Co., Ltd. will reduce their shareholdings in the Company by not more than 30% of the 389,592,366 A shares and the 331,117,788 A shares, respectively per annum through the offer for sale in the secondary market as well as the block trading platform in the next five years. Out of the A shares held by Gongbujiangda Jiangnan Industrial Development Co., Ltd., the holding of 88,112,886 A shares will also be reduced in the next five years through the offer for sale in the secondary market as well as the block trading platform, by not more than 30% of the 88,112,886 A shares per annum.

As at March 31, 2015, the above undertaking had been fulfilled and there was no violation of the above undertaking.

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 “fairness, justness and openness” at fair and reasonable prices, and shall go through the decision-making process according to the requirements of the relevant laws and regulations and regulatory documents and perform their obligations of information disclosure as required by law. The Company undertakes that the Company and the enterprises under its control shall not procure any illegal interests or let Shenzhen Development Bank undertake any illicit obligations through the transactions with Shenzhen Development Bank.
- (3) The Company undertakes that, after the completion of the major asset restructuring and during the period when the Company remains as the controlling shareholder of Shenzhen Development Bank, the Company shall maintain the independence of Shenzhen Development Bank and ensure that Shenzhen Development Bank is independent from the Company and the enterprises under its control in respect of personnel, assets, finance, organization and business.

As at March 31, 2015, 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 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 selling in an inappropriate form. It will not develop or sell commercial housing by means of investment in annuity and private real estate.

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. (“Ping An Bank”) on 27 July 2012.

As at March 31, 2015, 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 thirty-six 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, 2015, the above undertaking was still in the process of performance and there was no violation of the above undertaking.

Undertaking in Respect of the Placing of New H Shares under General Mandate

The Company has undertaken to its H shares placing agent that, except for (1) the issue of the 594,056,000 placing shares and save pursuant to (2) the issuance of shares or other securities (including rights or options) are issued, offered or granted to employees (including Directors) of the Company or any of its subsidiaries or any associated company of the Company pursuant to any share option scheme of the Company; (3) bonus or scrip dividend or similar arrangements which provide for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association; or (4) conversion of outstanding convertible bonds already issued by the Company as at November 30, 2014, neither the Company nor any of its affiliates nor any person acting on its behalf will:

- (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any shares or other securities of the Company or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase any Shares or other securities of the Company or other instruments representing interests in any Shares or other securities of the Company;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of any Shares or other securities of the Company;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) above is to be settled by delivery of Shares or other securities of the Company, in cash or otherwise;
or

- (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the H shares placing agent from November 30, 2014 until the earlier of the date of termination of the placing agreement and the expiry of 180 days from December 8, 2014.

As at March 31, 2015, the above undertaking was still in the process of performance and there was no violation of the above undertaking.

7. GUARANTEE

(in RMB million)

External guarantee of the Company (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 in favor of its subsidiaries	
Total guarantee in favor of its subsidiaries incurred during the Reporting Period	1,620
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period	35,199
Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee	35,199
Total guarantee as a percentage of the Company's net assets (%)	11.2
Including: Direct and indirect guarantee for the companies with gearing ratio over 70% (as at March 31, 2015)	32,114

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

8. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS

(1) Consolidated Income Statement

For the three months ended March 31, 2015

For the three months ended March 31, (in RMB million)	2015 (unaudited)	2014 (unaudited)
Gross written premiums	127,033	108,075
Less: Premiums ceded to reinsurers	<u>(6,849)</u>	<u>(7,671)</u>
Net written premiums	120,184	100,404
Change in unearned premium reserves	<u>(5,578)</u>	<u>(3,901)</u>
Net earned premiums	114,606	96,503
Reinsurance commission income	1,980	2,303
Interest income from banking operations	32,641	27,919
Fees and commission income		
from non-insurance operations	8,196	4,883
Investment income	33,917	12,338
Share of profits and losses of associates and jointly controlled entities	(24)	(36)
Other income	<u>4,508</u>	<u>3,171</u>
Total income	<u>195,824</u>	<u>147,081</u>
Gross claims and policyholders' benefits	(98,779)	(80,616)
Less: Reinsurers' share and policyholders' benefits	<u>3,894</u>	<u>3,211</u>
Claims and policyholders' benefits	(94,885)	(77,405)
Commission expenses on insurance operations	(13,822)	(9,133)
Interest expenses on banking operations	(17,300)	(15,970)
Fees and commission expenses		
on non-insurance operations	(968)	(780)
Loan loss provisions, net of reversals	(4,588)	(2,057)
Foreign exchange (losses)/gains	(184)	47
General and administrative expenses	(27,015)	(21,737)
Finance costs	(1,172)	(1,364)
Other expenses	<u>(2,395)</u>	<u>(2,013)</u>
Total expenses	<u>(162,329)</u>	<u>(130,412)</u>
Profit before tax	33,495	16,669
Income tax	<u>(11,059)</u>	<u>(3,676)</u>
Profit for the period	<u><u>22,436</u></u>	<u><u>12,993</u></u>

For the three months ended March 31, (in RMB million)	2015 (unaudited)	2014 (unaudited)
Attributable to:		
– Owners of the parent	19,964	10,809
– Non-controlling interests	<u>2,472</u>	<u>2,184</u>
	<u>22,436</u>	<u>12,993</u>
	RMB	RMB

**Earnings per share attributable to
ordinary equity holders of the parent**

– Basic	2.19	1.37
– Diluted	<u>2.19</u>	<u>1.29</u>

(2) Consolidated Statement of Comprehensive Income
For the three months ended March 31, 2015

For the three months ended March 31, (in RMB million)	2015 (unaudited)	2014 (unaudited)
Profit for the period	<u>22,436</u>	<u>12,993</u>
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets	808	(288)
Shadow accounting adjustments	(5,382)	495
Exchange differences on translation of foreign operations	(86)	(6)
Share of other comprehensive income of associates and jointly controlled entities	(1)	4
Income tax relating to components of other comprehensive income	<u>1,089</u>	<u>(89)</u>
Other comprehensive income for the period, net of tax	<u>(3,572)</u>	<u>116</u>
Total comprehensive income for the period	<u>18,864</u>	<u>13,109</u>
Attributable to:		
– Owners of the parent	16,336	10,864
– Non-controlling interests	<u>2,528</u>	<u>2,245</u>
	<u>18,864</u>	<u>13,109</u>

(3) Consolidated Statement of Financial Position

As at March 31, 2015

(in RMB million)	March 31, 2015 (unaudited)	December 31, 2014 (Audited)
ASSETS		
Cash and amounts due from banks and other financial institutions	421,932	398,485
Balances with the Central Bank and statutory deposits	274,307	313,728
Fixed maturity investments	1,680,080	1,608,736
Equity investments	260,697	241,690
Derivative financial assets	5,773	4,311
Loans and advances to customers	1,144,634	1,053,882
Premium receivables	33,735	30,740
Accounts receivable	14,098	14,983
Reinsurers' share of insurance liabilities	16,853	15,587
Finance lease receivable	41,276	37,908
Policyholder account assets in respect of insurance contracts	49,121	42,673
Policyholder account assets in respect of investment contracts	5,095	4,577
Investments in associates and jointly controlled entities	13,397	12,898
Investment properties	20,337	17,170
Property and equipment	26,249	28,341
Intangible assets	42,641	43,032
Deferred tax assets	13,618	12,354
Other assets	151,397	124,816
Total assets	4,215,240	4,005,911
EQUITY AND LIABILITIES		
Equity		
Share capital	9,140	8,892
Reserves	186,647	181,597
Retained profits	118,940	99,075
Including: Proposed dividends	4,570	4,570
Equity attributable to owners of the parent	314,727	289,564
Non-controlling interests	66,671	64,252
Total equity	381,398	353,816

(in RMB million)	March 31, 2015 (unaudited)	December 31, 2014 (Audited)
Liabilities		
Due to banks and other financial institutions	494,229	456,153
Other financial liabilities held for trading	5,317	4,747
Assets sold under agreements to repurchase	93,188	99,672
Derivative financial liabilities	3,830	2,770
Customer deposits and payables to brokerage customers	1,564,222	1,510,448
Accounts payable	2,819	2,721
Income tax payable	17,312	10,643
Insurance payables	53,348	65,660
Insurance contract liabilities	1,290,855	1,206,816
Investment contract liabilities for policyholders	39,732	38,330
Policyholder dividend payable	30,281	28,673
Bonds payable	115,806	88,119
Deferred tax liabilities	8,762	6,160
Other liabilities	114,141	131,183
	<u>3,833,842</u>	<u>3,652,095</u>
Total liabilities	3,833,842	3,652,095
	<u><u>4,215,240</u></u>	<u><u>4,005,911</u></u>
Total equity and liabilities	4,215,240	4,005,911

(4) Consolidated Statement of Cash Flows
For the three months ended March 31, 2015

For the three months ended March 31, (in RMB million)	2015 (Unaudited)	2014 (Unaudited)
Net cash flows from operating activities	<u>61,149</u>	<u>110,298</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investment properties, property and equipment, and intangible assets	(2,747)	(1,877)
Proceeds from disposal of investment properties, property and equipment, and intangible assets	2	287
Proceeds from disposal of investments	292,313	231,700
Purchases of investments	(344,365)	(301,910)
Term deposits placed, net	(10,301)	(7,800)
Acquisition of subsidiaries	(198)	–
Interest received	22,410	17,709
Dividends received	3,179	1,191
Rentals received	332	135
Others	(5,412)	(4,748)
	<u>(44,787)</u>	<u>(65,313)</u>
Net cash flows used in investing activities	(44,787)	(65,313)

For the three months ended March 31, (in RMB million)	2015 (Unaudited)	2014 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital injected into subsidiaries by non-controlling interests	43	157
Proceeds from bonds issued	56,317	19,995
(Decrease)/Increase in assets sold under agreements to repurchase of insurance operations	(12,787)	9,945
Proceeds from borrowed funds	5,896	7,430
Repayment of borrowed funds	(23,874)	(6,397)
Interest paid	(2,323)	(1,988)
Dividends paid	(7)	(61)
Others	(3,303)	4,988
Net cash flows from financing activities	19,962	34,069
Net increase in cash and cash equivalents	36,324	79,054
Net foreign exchange differences	(179)	820
Cash and cash equivalents at beginning of the period	263,960	244,877
Cash and cash equivalents at the end of the period	300,105	324,751

9. RELEASE OF RESULTS ANNOUNCEMENT

This results announcement is simultaneously available on the website of The Stock Exchange of Hong Kong Limited (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 2015 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 Shanghai Stock Exchange (www.sse.com.cn).

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

Shenzhen, PRC, April 29, 2015

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 Fan Mingchun, Lin Lijun, Li Zhe, Soopakij Chearavanont, Yang Xiaoping and Lu Hua; the Independent Non-executive Directors are Tang Yunwei, Lee Carmelo Ka Sze, Woo Ka Biu Jackson, Stephen Thomas Meldrum, Yip Dicky Peter, Wong Oscar Sai Hung and Sun Dongdong.