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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 NINE MONTHS ENDED SEPTEMBER 30, 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 “Third Quarterly Results”) of the Company and its subsidiaries (the “Group”) for the nine months ended September 30, 2015 (the “Reporting Period”). The Board of Directors and its Audit and Risk Management Committee have reviewed the Third 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)	September 30, 2015		December 31, 2014	
Total assets	4,667,113		4,005,911	
Total liabilities	4,262,293		3,652,095	
Total equity	404,820		353,816	
Equity attributable to shareholders of the parent company	<u>328,337</u>		<u>289,564</u>	
	For the three months ended September 30		For the nine months ended September 30	
(in RMB million)	2015	2014	2015	2014
Total income	151,810	126,013	528,109	392,358
Net profit	16,494	12,810	56,405	38,674
Net profit attributable to shareholders of the parent company	13,627	10,325	48,276	31,687
Basic earnings per share (in RMB) ⁽¹⁾	<u>0.75</u>	<u>0.65</u>	<u>2.64</u>	<u>2.00</u>

Note: (1) On August 4, 2015, the Company completed the conversion of the capital reserve into share capital in the proportion of 10 shares for every 10 shares held, and the latest total share capital is 18,280 million. According to “IAS 33-Earnings per Share”, the Company recalculated the weighted average number of ordinary shares for the three months and nine months ended September 30, 2014, and the basic earnings per share for the two reporting periods were recalculated accordingly.

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

During the Reporting Period, the total number of shares of the Company increased due to the conversion of the A Share Convertible Corporate Bonds (including Subordinated Terms) of the Company (the “Ping An Convertible Bonds”) and the conversion of the capital reserve into share capital. As at September 30, 2015, 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 Reporting Period		Total number of shareholders was 364,699, of which 359,997 were holders of A shares and 4,702 were holders of H shares.				
Shareholdings 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 ⁽¹⁾	Overseas legal person	32.19	5,884,893,466	H share	–	N/A
Shenzhen Investment Holdings Co., Ltd.	State	5.27	962,719,102	A share	–	Pledged 380,060,000
All Gain Trading Limited	Overseas legal person	4.32	789,001,992	H share	–	Pledged 789,001,992
China Securities Finance Corporation Limited	State-owned legal person	2.99	546,582,468	A share	–	–
Bloom Fortune Group Limited	Overseas legal person	2.77	505,772,634	H share	–	Pledged 505,772,634
Central Huijin Investment Ltd.	State	2.65	483,801,600	A share	–	–
Hong Kong Securities Clearing Company Ltd ⁽²⁾	Overseas legal person	1.77	324,084,161	A share	–	–
Shum Yip Group Limited	State-owned legal person	1.41	257,728,008	A share	–	–
Business Fortune Holdings Limited	Overseas legal person	1.34	244,419,328	H share	–	Pledged 94,667,604
Huaxia Life Insurance Co., Ltd. – Universal Insurance Products	Others	1.20	218,596,586	A share	–	–

Note: (1) Shares held by Hong Kong Securities Clearing Company Nominees Limited (“HKSCC Nominees Limited”) are held on behalf of clients of securities brokers in Hong Kong and other participants in Hong Kong’s securities clearing system. The shares owned by All Gain Trading Limited, Bloom Fortune Group Limited and Business Fortune Holdings Limited have been registered under the name of Hong Kong Securities Clearing Company Nominees Limited (“HKSCC Nominees Limited”). In order to avoid double counting, the shares owned by these three companies have been deducted from the shares held by HKSCC Nominees Limited.

(2) Hong Kong Securities Clearing Company Limited is an institution that holds shares as a nominee shareholder as designated by and on behalf of others, including shares owned by investors from Hong Kong and overseas under the Shanghai-Hong Kong Stock Connect Program.

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, 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. PING AN CONVERTIBLE BONDS

As approved by the China Insurance Regulatory Commission and China Securities Regulatory Commission, on November 22, 2013, the Company issued Ping An Convertible Bonds with the principal amount of RMB26 billion, and Ping An Convertible Bonds were listed on the Shanghai Stock Exchange (“SSE”) on December 9, 2013. 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 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 (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 were 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 7.95744% of the total number of 7,916,142,092 issued shares before conversion of Ping An Convertible Bonds. The total redemption value of the Ping An Convertible Bonds amounts to RMB34,431,000, accounting for 0.13243% 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 SSE.

4. BUSINESS REVIEW FOR THE REPORTING PERIOD

In the third quarter of 2015, China's economy entered into the New Normal phase. Investment growth slowed down and consumption growth remained stable. The economy environment was still complex. Ping An continued to implement its strategy to emphasize both its core finance business and the internet finance business. The insurance business enjoyed strong growth marked by excellent quality. The banking business grew steadily with stable profits. The investment business reaped the benefits of market opportunities with the initial outcomes of its transformation becoming evident. The layout of the internet finance business became stronger and more integrated, gradually achieving synergies.

During the first three quarters of 2015, the Company achieved outstanding performance in the following areas:

The Company maintained a stable and healthy growth in terms of its overall performance. The Company's net profit attributable to shareholders of the parent company for the first three quarters of 2015 reached RMB48,276 million, up by 52.4% over the same period last year. As at September 30, 2015, equity attributable to shareholders of the parent company was RMB328,337 million, up by 13.4% over the beginning of the year. Total assets were about RMB4.67 trillion, up by 16.5% over the beginning of the year.

Our life insurance business maintained its steady and healthy growth, while our individual life insurance recorded robust growth in new business with a stable increase in agent productivity. Ping An Property & Casualty steadily grew its market share, recording excellent business quality and profitability. The net investment yield of our insurance funds rose steadily.

Ping An Life placed customer-focused operations at the core of its business. In particular, it focused on teamwork as the foundation, benevolence as the root, and customer experience and innovation as the driving forces. We promoted the synergistic development of multiple channels such as individual sales agents, bancassurance outlets, telemarketing and internet marketing, striving to achieve the sustainable, healthy and stable development of the business's embedded value and scale. In the first three quarters of 2015, written premiums of life insurance business reached RMB234,145 million, up by 16.2% over the same period last year. The individual life insurance business, which is more profitable, grew quickly in both the scale and value of business. Written premiums of individual life insurance business reached RMB210,792 million, up by 18.4% over the same period last year. Of this, new businesses achieved written premiums of RMB64,244 million, up by 51.7% over the same period last year. Agent productivity increased steadily. First-year written premiums per agent per month rose by 18.6% over the same period last year. Written premiums from telemarketing reached RMB9,444 million in the first three quarters, up by 40.2% over the same period last year, maintaining its industry lead in terms of market share.

Abiding strictly by various policies and regulations, Ping An Property & Casualty continued to promote collaborative development and practiced meticulous management. It ran business under an “efficiency-centric” management concept and complied with applicable laws and regulations. It continued to improve its service and customer experience, achieving balanced development in both business scale and quality. Ping An Property & Casualty saw sound development of its overall management function. In the first three quarters of 2015, the premium income of Ping An Property & Casualty rose 15.7% over the same period last year to RMB121,638 million. Of this amount, premium income from cross-selling, telemarketing and internet marketing increased by 21.9% to RMB54,048 million, while RMB24,173 million stemmed from the car dealer channel, representing a growth of 14.1% over the same period last year. Business quality and profitability of Ping An Property & Casualty both remained sound. The combined ratio of the first three quarters was 94.4%.

Ping An Annuity is committed to becoming a leading pension manager, as well as a leading social benefits service provider in China. In the first three quarters of 2015, long-term and short-term insurance business scale reached RMB5,085 million and RMB8,690 million, respectively, whose market shares maintained leading positions in the industry. As at September 30, 2015, corporate annuity entrusted assets reached RMB118,353 million, corporate annuity assets under investment management amounted to RMB127,570 million, and other entrusted management business assets were RMB31,483 million. These three figures above firmly cemented Ping An Annuity’s leading position amongst domestic professional annuity companies.

As at September 30, 2015, the investment portfolio of insurance funds of the Group reached RMB1.61 trillion, up by 9.5% over the beginning of the year. Annualized net investment yield for the first three quarters of the year rose steadily to 5.6%, and annualized total investment yield was 7.8%.

The scale of banking business continued to increase and its profitability maintained stable, with asset quality stayed at a manageable level.

Ping An Bank strengthened its operating characteristics of “Specialization, Intensification, Investment Banking, Integrated Finance, and Internet Finance”, and achieved steady growth in all its business activities. In the first three quarters of 2015, net profit of Ping An Bank reached RMB17,740 million, up by 13.0% over the same period last year. Net non-interest income was RMB22,946 million, representing a growth of 41.4% over the same period last year. The ratio of net non-interest income to total operating income reached 32.25%, up by 2.55 percentage points over the same period last year. Its net interest spread and net interest margin increased by 0.23 and 0.20 percentage points over the same period last year, respectively. Meanwhile, the growth rate of expense was much lower than the growth rate of income, representing the improved operating efficiency. The cost/income ratio was 32.14%, down by 4.56 percentage points over the same period last year. As at the end of September 2015, the total assets of Ping An Bank were about RMB2.6 trillion, up by 18.9% over the beginning of the year. Ping An Bank had RMB1.72 trillion in customer deposits, up by 12.4% over the beginning of 2015, and RMB1.21 trillion in loans and advances to customers, up by 18.0% over the beginning of 2015.

As the domestic economy continued to descend this year, the pressure on banks' asset quality increased because some enterprises encountered difficulties and their financing capabilities declined. Ping An Bank proactively tackled various challenges, implemented comprehensive risk management and adhered to the principle of "Risk Control at the Heart of Operation" while supporting the real economy to ensure stable operation. As at the end of September 2015, Ping An Bank's non-performing loan stood at RMB16,199 million, and the non-performing loan ratio and the provision coverage ratio was 1.34% and 166.97%, respectively. The loan loss provision ratio of Ping An Bank was 2.24%, up by 0.18 percentage points over the beginning of the year. Ping An Bank had adopted a series of measures to manage existing loans and exercise strict control over new non-performing loans, and make more efforts on recovery, with total recovered non-performing assets of RMB4,510 million in the first three quarters of 2015. Ping An Bank also increased its provisions and write-offs, to ensure asset quality at a manageable level.

Trust business maintained stable and healthy growth, actively promoted the restructuring and transformation of its business model, and strictly controlled risk baseline. Securities business kept pace with market developments and marked a new high in its business performance. Ping An Asset Management continuously explored its third-party business and strengthened its risk management system.

Ping An Trust maintained stable and healthy growth and actively promoted the restructuring and transformation of its business model. Focusing on its four core business sectors, namely "retail, corporate, interbank and PE", Ping An Trust established a new risk management system and provision mechanism, and a robust IT and operation supporting platform to ensure the success of its strategic transformation. As at September 30, 2015, assets held in trust reached RMB430,844 million, up by 7.8% over the beginning of 2015, among which, the scale of collective trust asset within the financing category reached RMB106,413 million.

Ping An Securities persisted on the implementation of its strategic transformation and kept pace with market developments, with its performance reaching a record high. Ping An Securities achieved greater balance and strength in its business structure by developing its three engines of business, namely brokerage, fixed income and equity investment businesses. For the first three quarters of 2015, Ping An Securities ranked No.2 by the number of bonds underwritten and No.3 by the number of IPO projects. As at September 30, 2015, the scale of asset management business reached RMB196,296 million, up by 31.1% over the beginning of 2015. Among which, the size of investment advisory service for banking financial institutions soared to RMB70,280 million, up by 122.0% over the beginning of 2015. The number of new clients of the brokerage business reached 2,166.8 thousand in the first three quarters, while its market share of new shareholder accounts reached 5.28%, keeping its industry leading position. Ping An Securities' market share of existing shareholder accounts reached 2.59%, doubling over the same period last year. The internet strategic transformation saw significant results, as the percentage of new customers acquired from internet channels surged to 50% from 14% at the end of 2014.

Ping An Asset Management continued to enhance its professional investment capabilities, further expand its third-party business, strengthen its risk management system and optimize its investment portfolio allocation. As at September 30, 2015, assets under management of Ping An Asset Management amounted to RMB1.84 trillion, representing an increase of 12.8% over the beginning of the year; among which, the scale of its third-party asset management business reached RMB233,393 million, up by 37.8% over the beginning of the year. Its third-party asset management fees income was RMB1,133 million, up by 118.7% over the same period last year.

The internet finance business recorded rapid growth, and actively promoted business integration with synergy effects gradually emerging.

Ping An Group continued to boost its internet finance business rapidly. As at September 30, 2015, the number of internet users of Ping An reached nearly 197 million, up by 43.2% over the beginning of the year. In the first three quarters of 2015, monthly active users were around 27 million, up by 152.8% over the same period last year. Total number of users of internet finance business reached 145 million, among which 48.90 million users held traditional financial products, accounting for 33.7% of total users. Additionally, Ping An's mobile internet service business recorded rapid growth, with total number of APP users reached 72.57 million, up by 268.2% over the beginning of the year.

Leveraging on advanced internet technologies and creative concepts, Lufax strived to meeting the demand for investment and financing and becoming the leading internet finance service platform in China. Lufax Holding Ltd integrated Lufax with Ping An Puhui to establish a "Big Lufax". As at the end of September 2015, Lufax had over 14.29 million registered users, up by 179.2% over the beginning of 2015. And the number of active investment users was around 2.04 million, increased by nearly 5 times over the beginning of the year. In the first three quarters of 2015, the number of new investment users reached 1.72 million, and the trading volume reached RMB926.4 billion, up by more than 9 times over the same period last year. Of this, individual retail transactions contributed RMB317.4 billion, increased by more than 6 times over the same period last year, among which the volume of P2P transactions was RMB29.9 billion, representing more than 2 times increase over the same period last year. Institutional transactions increased by more than 11 times over the same period last year to RMB609 billion, maintaining its leading position in the industry. Additionally, Lufax became a convenient online wealth management platform favored by internet users, with its transactions via mobile terminals accounting for nearly 60% of the total retail transactions.

Following the integration of Ping An Pay with Wanlitong, user traffic has been boosted by the Yiwallet, plug-ins, loyalty points, lotteries and games. In the meantime, leveraging the capabilities of the basic payment account and the Group's integrated finance, the financial customer base and assets under management grew further. In the first three quarters of 2015, the combined transaction volume of Ping An Pay and Wanlitong reached RMB965.4 billion, up by over 12 times over the same period last year. As at the end of September 2015, the cumulative number of registered user base of Yiwallet reached 32.42 million, up by 251.4% over the beginning of 2015. The cumulative number of registered users of Wanlitong reached 87.75 million, up by 23.8% over the beginning of 2015. In the first three quarters of 2015, Wanlitong issued RMB3.3 billion worth of loyalty points, up by 211.8% over the same period last year. And the loyalty point transaction volume reached RMB11.3 billion, up by 391.1% over the same period last year.

Ping An Financial Technology is committed to becoming the largest open internet finance service platform in China. As at September 30, 2015, the number of accumulative users reached 71 million, with managed assets of over RMB1.2 trillion for users. Its One Account Management Services provide users with four major services in terms of account, wealth, credit and living management, integrating 116 types of financial and life accounts. It offers various kinds of wealth management via its open platform of financial flagships with diversified product portfolios.

Looking ahead, China's economy initiated a "twin-engine" mode to support its structural upgrade and transformation. The financial and internet industries will witness the new revolution and integration, while opportunities and challenges will co-exist. We will closely monitor the changes of external economic environment, continue to maintain the steady growth of our core business, and further explore the internet finance model and business innovations, 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 May 20, 2015, the Company had already subscribed 210,206,652 A shares issued by Ping An Bank under the non-public issuance at the issue price of RMB16.70 per share. Upon completion of the subscription, the Company directly and indirectly held 8,299,032,160 A shares of Ping An Bank, representing approximately 58% of the issued shares of Ping An Bank as enlarged by the non-public issuance.

On September 1, 2015, Ping An Bank received "The Approval on the Non-public Issuance of Preference Shares by Ping An Bank Co., Ltd. and the Amendment on its Articles of Association" issued by China Banking Regulatory Commission, which approved Ping An Bank to raise funds of not more than RMB20 billion through the non-public issuance of not more than 200 million preference shares by Ping An Bank.

As at the date of this announcement, Ping An Asset Management Co., Ltd.'s subscription for the preference shares issued under Ping An Bank's non-public issuance is still subject to the approval of relevant regulatory authorities.

Implementation of the Key Employee Share Purchase Plan of the Company

As considered at the 16th Meeting of the 9th Session of the Board of Directors held on October 28, 2014 and approved at the First Extraordinary General Meeting of 2015 held on February 5, 2015, The Key Employee Share Purchase Plan of Ping An Insurance (Group) Company of China, Ltd. (the "Plan") was officially implemented for which China Merchants Securities Co., Ltd. has been engaged as the asset manager. As China Merchants Securities Co., Ltd. has established a wholly-owned securities asset management subsidiary, the asset manager for the Plan changed from "China Merchants Securities Co., Ltd." to "China Merchants Securities Asset Management Co., Ltd." on September 9, 2015. For more details of the Plan, please refer to the disclosure on www.sse.com.cn and www.hkex.com.hk.

6. 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 businesses or commercial opportunities may 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.
- (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 September 30, 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 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 September 30, 2015, the above undertaking was still in the process of performance and there was no violation of the above undertaking.

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.

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 the CSRC and Shenzhen Stock Exchange.

As at September 30, 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 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 September 30, 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	371
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period	33,950
Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee	33,950
Total guarantee as a percentage of the Company's net assets (%)	10.3
Including: Direct and indirect guarantee for the companies with gearing ratio over 70% (as at September 30, 2015)	32,042

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 nine months ended September 30, 2015

(in RMB million)	For the three months ended September 30		For the nine months ended September 30	
	2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
Gross written premiums	84,556	71,708	296,831	251,103
Less: Premiums ceded to reinsurers	(5,856)	(5,207)	(18,767)	(19,082)
Net written premiums	78,700	66,501	278,064	232,021
Change in unearned premium reserves	(891)	(3,482)	(8,393)	(9,638)
Net earned premiums	77,809	63,019	269,671	222,383
Reinsurance commission income	1,881	1,713	5,769	6,080
Interest income from banking operations	33,462	30,906	99,633	88,097
Fees and commission income from non-insurance operations	10,867	6,806	31,298	18,000
Investment income	21,438	18,920	104,612	46,307
Share of profits and losses of associates and jointly controlled entities	(103)	122	(333)	(86)
Other income	6,456	4,527	17,459	11,577
Total income	151,810	126,013	528,109	392,358

(in RMB million)	For the three months ended September 30		For the nine months ended September 30	
	2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
Gross claims and policyholders' benefits	(61,536)	(51,718)	(240,310)	(182,383)
Less: Reinsurers' share and policyholders' benefits	4,430	3,879	11,616	10,535
Claims and policyholders' benefits	(57,106)	(47,839)	(228,694)	(171,848)
Commission expenses on insurance operations	(12,089)	(8,631)	(37,899)	(25,992)
Interest expenses on banking operations	(15,101)	(16,548)	(49,418)	(48,306)
Fees and commission expenses on non-insurance operations	(664)	(774)	(2,567)	(2,212)
Loan loss provisions, net of reversals	(6,982)	(4,033)	(19,616)	(9,334)
Foreign exchange (losses)/gains	442	(101)	2	(4)
General and administrative expenses	(33,665)	(25,938)	(94,869)	(72,634)
Finance costs	(1,269)	(1,550)	(3,685)	(4,383)
Other expenses	(3,951)	(3,657)	(10,395)	(8,082)
Total expenses	(130,385)	(109,071)	(447,141)	(342,795)
Profit before tax	21,425	16,942	80,968	49,563
Income tax	(4,931)	(4,132)	(24,563)	(10,889)
Profit for the period	16,494	12,810	56,405	38,674
Attributable to:				
– Owners of the parent	13,627	10,325	48,276	31,687
– Non-controlling interests	2,867	2,485	8,129	6,987
	16,494	12,810	56,405	38,674
	RMB	RMB	RMB	RMB
Earnings per share attributable to ordinary equity holders of the parent				
– Basic	0.75	0.65	2.64	2.00
– Diluted	0.75	0.62	2.64	1.89

(2) Consolidated Statement of Comprehensive Income*For the nine months ended September 30, 2015*

(in RMB million)	For the three months ended September 30		For the nine months ended September 30	
	2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
Profit for the period	16,494	12,810	56,405	38,674
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets	(30,890)	9,023	(27,583)	16,924
Shadow accounting adjustments	13,321	(3,835)	9,552	(3,546)
Exchange differences on translation of foreign operations	(79)	2	(129)	17
Share of other comprehensive income of associates and jointly controlled entities	17	(2)	71	(1)
Income tax relating to components of other comprehensive income	4,399	(1,205)	4,928	(3,278)
Other comprehensive income for the period, net of tax	(13,232)	3,983	(13,161)	10,116
Total comprehensive income for the period	3,262	16,793	43,244	48,790
Attributable to:				
– Owners of the parent	373	14,162	34,881	41,485
– Non-controlling interests	2,889	2,631	8,363	7,305
	3,262	16,793	43,244	48,790

(3) Consolidated Statement of Financial Position*As at September 30, 2015*

(in RMB million)	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Assets		
Cash and amounts due from banks and other financial institutions	471,847	398,485
Balances with the Central Bank and statutory deposits	305,576	313,728
Fixed maturity investments	1,904,553	1,608,736
Equity investments	276,774	241,690
Derivative financial assets	5,528	4,311
Loans and advances to customers	1,227,799	1,053,882
Premium receivables	36,754	30,740
Accounts receivable	15,446	14,983
Reinsurers' share of insurance liabilities	17,941	15,587
Finance lease receivable	55,163	37,908
Policyholder account assets in respect of insurance contracts	41,509	42,673
Policyholder account assets in respect of investment contracts	4,670	4,577
Investments in associates and jointly controlled entities	23,259	12,898
Investment properties	24,163	17,170
Property and equipment	31,456	28,341
Intangible assets	42,509	43,032
Deferred tax assets	17,320	12,354
Other assets	164,846	124,816
Total assets	4,667,113	4,005,911
Equity and Liabilities		
Equity		
Share capital	18,280	8,892
Reserves	171,659	181,597
Retained profits	138,398	99,075
Equity attributable to owners of the parent	328,337	289,564
Non-controlling interests	76,483	64,252
Total equity	404,820	353,816

(in RMB million)	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Liabilities		
Due to banks and other financial institutions	572,757	456,153
Other financial liabilities held for trading	7,785	4,747
Assets sold under agreements to repurchase	84,469	99,672
Derivative financial liabilities	3,224	2,770
Customer deposits and payables to brokerage customers	1,704,163	1,510,448
Accounts payable	5,918	2,721
Income tax payable	13,201	10,643
Insurance payables	56,451	65,660
Insurance contract liabilities	1,362,651	1,206,816
Investment contract liabilities for policyholders	39,667	38,330
Policyholder dividend payable	31,842	28,673
Bonds payable	236,148	88,119
Deferred tax liabilities	7,703	6,160
Other liabilities	136,314	131,183
Total liabilities	4,262,293	3,652,095
Total equity and liabilities	4,667,113	4,005,911

(4) Consolidated Statement of Cash Flows
For the nine months ended September 30, 2015

For the nine months ended September 30, (in RMB million)	2015 (Unaudited)	2014 (Unaudited)
Net cash from operating activities	171,067	112,091
Cash flows from investing activities		
Purchases of investment properties, property and equipment, and intangible assets	(11,613)	(10,229)
Proceeds from disposal of investment properties, property and equipment, and intangible assets	52	334
Proceeds from disposal of investment	1,180,437	720,592
Purchases of investments	(1,401,350)	(952,688)
Decrease/(Increase) in term deposits placed, net	21,850	(3,946)
Acquisition of non-controlling interests in subsidiaries	(1,837)	(1,000)
Acquisition and disposal of subsidiaries, net	(1,214)	(380)
Interest received	71,266	53,575
Dividends received	8,905	8,137
Rentals received	1,316	1,125
Others	(12,050)	(9,007)

For the nine months ended September 30, (in RMB million)	2015 (Unaudited)	2014 (Unaudited)
Net cash flows used in investing activities	(144,238)	(193,487)
Cash flows from financing activities		
Capital injected into subsidiaries by non-controlling interests	7,023	306
Proceeds from bonds issued	267,052	53,127
Increase/(Decrease) in assets sold under agreements to repurchase of insurance operations, net	6,891	(2,816)
Proceeds from borrowed funds	36,767	29,907
Repayment of borrowed funds	(133,795)	(14,906)
Interest paid	(7,026)	(5,699)
Dividends paid	(8,990)	(6,078)
Others	(394)	6,926
Net cash flows from financing activities	167,528	60,767
Net increase/(decrease) in cash and cash equivalents	194,357	(20,629)
Net foreign exchange differences	1,186	278
Cash and cash equivalents at the beginning of the period	263,960	244,877
Cash and cash equivalents at the end of the period	459,503	224,526

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 third 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, October 27, 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, Soopakij Chearavanont, Yang Xiaoping and Lu Hua; 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.