

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

OVERSEAS REGULATORY ANNOUNCEMENT

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

“The Announcement of Ping An Insurance (Group) Company of China, Ltd. in relation to the Disclosure of 2016 First Quarterly Report of Ping An Bank”, which is published by Ping An Insurance (Group) Company of China, Ltd. on the website of Shanghai Stock Exchange and certain designated newspapers (except the attachment) in the PRC, is reproduced herein for your reference.

By order of the Board
Yao Jun
Company Secretary

Shenzhen, PRC, April 20, 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.

**THE ANNOUNCEMENT OF
PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
IN RELATION TO
THE DISCLOSURE OF 2016 FIRST QUARTERLY REPORT OF
PING AN BANK**

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

Ping An Bank Co., Ltd. (hereinafter referred to as "Ping An Bank"), a subsidiary of the Company, proposes to publish the "2016 First Quarterly Report of Ping An Bank" on the website of Shenzhen Stock Exchange (www.szse.cn) on April 21, 2016.

Please also refer to the "2016 First Quarterly Report of Ping An Bank" as attached to this announcement of the Company published on the website of Shanghai Stock Exchange (www.sse.com.cn).

The Board of Directors
Ping An Insurance (Group) Company of China, Ltd.
April 20, 2016

Ping An Bank Co., Ltd.

2016 First Quarterly Report

§1 Important Notes

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

1.2 The 21st meeting of the 9th session of the Board of the Bank considered the 2016 First Quarterly Report. 14 directors were expected to attend the meeting and 14 directors were present in person. This report was approved unanimously at the meeting.

1.3 Sun Jianyi (the Bank’s Chairman), Shao Ping (the President) and Han Xu (the head of the Accounting Department) guarantee the authenticity, accuracy and completeness of the financial report contained in the 2016 First Quarterly Report.

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

1.5 Definitions

Terms	Definition
Ping An Bank, the Bank, the Company	Shenzhen Development Bank Co., Ltd. (the “Shenzhen Development Bank” or “SDB”), which completed the integration with the original Ping An Bank Co., Ltd. (“Original Ping An Bank”) through absorption merger and changed its name to Ping An Bank.
Shenzhen Development Bank, SDB	A nationwide joint-stock commercial bank established on December 22, 1987, which changed its name to Ping An Bank following the absorption merger of the Original Ping An Bank.
Original Ping An Bank	A cross-regional joint-stock commercial bank established in June 1995 and deregistered on June 12, 2012.
PAG, Ping An Group, the Group	Ping An Insurance (Group) Company of China, Ltd.

§ 2 Key Financial Data and Changes of Shareholders

2.1 Key Accounting Data and Financial Indicators

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

Yes No

(In RMB million)			
Item	March 31, 2016	December 31, 2015	Change from the end of the reporting period over the end of last year
Total assets	2,681,155	2,507,149	6.94%
Shareholders' equity	187,569	161,500	16.14%
Shareholders' equity attributable to ordinary shareholders	167,616	161,500	3.79%
Share capital	14,309	14,309	-
Net asset per share attributable to ordinary shareholders (in RMB)	11.71	11.29	3.72%
Item	January – March 2016	January – March 2015	Increase/decrease as compared with the same period last year
Operating income	27,532	20,671	33.19%
Net profit	6,086	5,629	8.12%
Net profit less non-recurring gains/losses	6,075	5,637	7.77%
Net cash flow from operating activities	59,268	11,495	415.60%
Net cash flow from operating activities per share (in RMB)	4.14	0.84	392.86%
Basic EPS (in RMB)	0.43	0.41	4.88%
Diluted EPS (in RMB)	0.43	0.41	4.88%
Basic EPS less non-recurring gains/losses (in RMB)	0.42	0.41	2.44%
Average return on total assets (un-annualised)	0.23%	0.25%	-0.02 percentage point
Average return on total assets (annualised)	0.94%	1.00%	-0.06 percentage point
Weighted average return on net assets (un-annualised)	3.70%	4.21%	-0.51 percentage point
Weighted average return on net assets (annualised)	14.01%	15.83%	-1.82 percentage points
Weighted average return on net assets less non-recurring gains/losses (un-annualised)	3.69%	4.21%	-0.52 percentage point
Weighted average return on net assets less non-recurring gains/losses (annualised)	13.99%	15.86%	-1.87 percentage points

(In RMB million)				
Item	March 31, 2016	December 31, 2015	December 31, 2014	Change from the end of the reporting period over the end of last year
Total deposits	1,854,365	1,733,921	1,533,183	6.95%
Including: Corporate deposits	1,571,605	1,453,590	1,280,430	8.12%
Retail deposits	282,760	280,331	252,753	0.87%
Total loans and advances	1,262,786	1,216,138	1,024,734	3.84%
Including: Corporate loans	817,466	774,996	639,739	5.48%

General corporate loans	802,710	761,331	627,326	5.44%
Discounted bills	14,756	13,665	12,413	7.98%
Retail loans	291,327	293,402	282,096	(0.71%)
Receivables for credit cards	153,993	147,740	102,899	4.23%
Provision for impairment of loans and advances	(31,801)	(29,266)	(21,097)	8.66%
Loans and advances, net	1,230,985	1,186,872	1,003,637	3.72%

Pursuant to the *Notice on the Statistical Standards for Adjusting the Deposits and Loans of the Financial Institutions by the People's Bank of China* (Yin Fa [2015] No.14), starting from 2015, the deposits placed by non-deposit financial institutions at financial institutions are accounted for as "Total Deposits", whereas the loans extended by deposit financial institutions to non-deposit financial institutions are accounted for as "Total Loans". Based on the aforesaid statistical standards, as at March 31, 2016, total deposits and total loans amounted to RMB2248.2 billion and RMB1335.2 billion, respectively.

Total share capital of the Company as at the trading day preceding the disclosure: 14,308,676,139 shares.

Have the share capital ever changed and influenced the amount of the owners' equity because of new issue of shares, additional issue, allotment, exercising the stock option, or repurchasing, etc. from the end of the reporting period to the disclosure date of the quarterly report?

Yes No

Items and amounts of non-recurring gains/losses

Applicable Not applicable

(In RMB million)

Item	January – March 2016
Gains/losses on disposal of non-current assets	(3)
Losses on contingency	1
Other non-operating income and expense except the above items	17
Impact on income tax of above adjustments	(4)
Total	11

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

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

2.2 Supplementary Financial Ratios

(Unit: %)

Indicator	Standard level of indicator	March 31, 2016	December 31, 2015	December 31, 2014
Capital adequacy ratio	≥10.5	11.61	10.94	10.86
Tier one capital adequacy ratio	≥8.5	9.81	9.03	8.64
Core tier one capital adequacy ratio	≥7.5	8.70	9.03	8.64
Non-performing loan (NPL) rate	≤5	1.56	1.45	1.02
Provision coverage	Not applicable	161.01	165.86	200.90
Loan loss provision ratio	Not applicable	2.52	2.41	2.06
Cost/income ratio (excluding business tax, from the beginning of the year to the end of the period)	Not applicable	29.35	31.31	36.33
Deposit-loan spread (from the beginning of the year to the end of the period, annualised)	Not applicable	4.96	4.89	5.01
Net interest spread (NIS) (from the beginning of the year to the end of the period, annualised)	Not applicable	2.76	2.63	2.40
Net interest margin (NIM) (from the beginning of the year to the end of the period, annualised)	Not applicable	2.87	2.77	2.57

Note: Regulatory indicators are shown in accordance with the regulatory standards.

2.3 Total number of shareholders, the shareholding status of the top 10 shareholders and the top 10 unrestricted shareholders at the end of the reporting period

(Unit: Share)

Total number of ordinary shareholders at the end of the reporting period	341,525	Total number of preference shareholders with recovered voting rights as at the end of the reporting period	0			
Shareholding of top 10 ordinary shareholders						
Name of shareholder	Capacity	Shareholding (%)	Total number of shares held	Number of restricted shares held	Pledged or frozen	
					Type of shares	Number of shares
Ping An Insurance (Group) Company of China, Ltd. – the Group – proprietary fund	Domestic legal entity	49.56	7,092,077,555	2,115,881,039	-	-
Ping An Life Insurance Company of China, Ltd. – proprietary fund	Domestic legal entity	6.11	874,552,320	-	-	-
China Securities Finance Corporation Limited	Domestic legal entity	2.87	410,918,707	-	-	-
Ping An Life Insurance Company of China, Ltd. – traditional – ordinary insurance products	Domestic legal entity	2.27	324,779,969	-	-	-
Central Huijin Asset Management Ltd.	Domestic legal entity	1.26	180,177,500	-	-	-
China Electronics Shenzhen Company	Domestic legal entity	1.13	161,959,948	-	-	-
Ge Weidong	Domestic natural person	0.91	129,706,000	-	Pledged	105,696,000
Harfor Fund – SPDB – Harfor Fund – SPDB – Jiyuan Directed Additional Issuance No.2 Asset Management Plan	Domestic legal entity	0.50	71,855,029	71,855,029	-	-
E Fund Management – SPDB – E Fund Management – SPDB – Jiyuan Directed Additional Issuance No.1 Asset Management Plan	Domestic legal entity	0.50	71,855,029	71,855,029	-	-
Sunshine Life Insurance Corporation Limited – dividend insurance products	Domestic legal entity	0.43	61,886,753	-	-	-
Shareholding of top 10 unrestricted shareholders						

Name of shareholder	Number of unrestricted shares held	Type of shares	
		Type of shares	Number of shares
Ping An Insurance (Group) Company of China, Ltd. – the Group – proprietary fund	4,976,196,516	RMB ordinary shares	4,976,196,516
Ping An Life Insurance Company of China, Ltd. – proprietary fund	874,552,320	RMB ordinary shares	874,552,320
China Securities Finance Corporation Limited	410,918,707	RMB ordinary shares	410,918,707
Ping An Life Insurance Company of China, Ltd. – traditional – ordinary insurance product	324,779,969	RMB ordinary shares	324,779,969
Central Huijin Asset Management Ltd.	180,177,500	RMB ordinary shares	180,177,500
China Electronics Shenzhen Company	161,959,948	RMB ordinary shares	161,959,948
Ge Weidong	129,706,000	RMB ordinary shares	129,706,000
Sunshine Life Insurance Corporation Limited – dividend insurance products	61,886,753	RMB ordinary shares	61,886,753
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse CSI Financial Asset Management Scheme	53,109,300	RMB ordinary shares	53,109,300
China Southern Fund Management – Agricultural Bank – China Southern CSI Financial Asset Management Scheme	53,109,300	RMB ordinary shares	53,109,300
Description of the related relationship or concerted action of the above shareholders	1. Ping An Life Insurance Company of China, Ltd. is a controlled subsidiary of and acting in concert with the Ping An Insurance (Group) Company of China, Ltd. “Ping An Insurance (Group) Company of China, Ltd. - the Group - proprietary fund”, “Ping An Life Insurance Company of China, Ltd. - proprietary fund” and “Ping An Life Insurance Company of China, Ltd. - traditional - ordinary insurance product” are related parties. 2. The Bank is not aware of any related relationship or concerted action among any of other shareholders.		
Description of the top 10 ordinary shareholders who engage in securities margin trading business (if any)	In addition to 124,996,000 shares held through common securities account, Ge Weidong, an ordinary shareholder, also holds 4,710,000 shares through client credit trading guarantee securities account of Orient Securities Company Limited, holding 129,706,000 shares in aggregate.		

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

Yes No

Total number of preference shareholders and the shareholding status of the top 10 preference shareholders at the end of the reporting period

Applicable Not applicable

(Unit: Share)

Total number of preference shareholders at the end of the reporting period		15				
Shareholding of top 10 preference shareholders						
Name of shareholder	Capacity	Shareholding (%)	Total number of shares held	Number of restricted shares held	Pledged or frozen	
					Type of shares	Number of shares
Ping An Life Insurance Company of China, Ltd. – dividend – dividends for individual insurance	Domestic legal entity	29.00	58,000,000	-	-	-
Ping An Life Insurance Company of China, Ltd. – universal – individual universal insurance	Domestic legal entity	19.34	38,670,000	-	-	-
Ping An Property & Casualty Insurance Company of China, Ltd. – traditional – ordinary insurance products	Domestic legal entity	9.67	19,330,000	-	-	-
China Post & Capital Fund – Hua Xia Bank – Hua Xia Bank Co., Ltd.	Domestic legal entity	8.95	17,905,000	-	-	-
Bank of Communications Schroder Fund Management – Bank of Communications – Bank of Communications Co., Ltd.	Domestic legal entity	8.95	17,905,000	-	-	-
Bank of China Limited Shanghai Branch	Domestic legal entity	4.47	8,930,000	-	-	-

Postal Savings Bank of China Co., Ltd.	Domestic legal entity	2.98	5,950,000	-	-	-
China Resources SZITIC Trust Co. Ltd – investment No.1– trust funds	Domestic legal entity	2.98	5,950,000	-	-	-
Hwabao Trust Co., Ltd. – investment No.2 – trust funds	Domestic legal entity	2.98	5,950,000	-	-	-
China Merchants Wealth – PSBC – Postal Savings Bank of China Co., Ltd.	Domestic legal entity	2.98	5,950,000	-	-	-
Description of the related relationship or concerted action of the above shareholders	<p>1. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd. are controlled subsidiaries of and acting in concert with the Ping An Insurance (Group) Company of China, Ltd. “Ping An Life Insurance Company of China, Ltd. – dividend – dividends for individual insurance”, “Ping An Life Insurance Company of China, Ltd. – universal – individual universal insurance” and “Ping An Property & Casualty Insurance Company of China, Ltd. – traditional – ordinary insurance products” are related parties.</p> <p>2. “Postal Savings Bank of China Co., Ltd.” and “China Merchants Wealth – PSBC – Postal Savings Bank of China Co., Ltd.” are related parties.</p> <p>3. The Bank is not aware of any related relationship or concerted action among any of other shareholders.</p>					

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

§ 3 Major Events

3.1 Analysis of items with over 30% change in comparative financial statements

✓ Applicable Not applicable

Item	Change	Reasons for change
Due from banks	65.87%	Adjustment in inter-bank business structure
Financial assets measured at fair value through profit and loss for the period	87.58%	Increase in the scale of investment
Assets purchased under reverse repurchase agreements	(70.97%)	Adjustment in inter-bank business structure
Available-for-sale financial assets	120.56%	Small base number, RMB1,245 million at the end of last year
Financial liabilities measured at fair value through profit or loss for the period	90.10%	Increase in payables from leasing of gold for trading
Derivative financial liabilities	152.59%	Increase in derivative transaction of precious metals
Financial assets sold under repurchase agreements	(60.02%)	Decrease in bonds sold under repurchase agreements
Tax payables	33.19%	Increase in corporate tax payables
Account payables	334.09%	Small base number, RMB44 million at the end of last year
Other equity instruments	Not applicable	New item, preference shares issued in March
Fee and commission income	49.09%	Increase in fee and commission income of investment banking, trusteeship, wealth management, settlement, bank cards and gold leasing, etc.
Fee and commission expense	37.07%	Increase in fee and commission income of bank cards, etc.
Investment income	77.59%	Increase in the income of bill spread
Gains/losses in fair value changes	75.86%	Small base number, RMB-58 million for the same period of last year
Foreign exchange gains/losses	151.01%	Small base number, RMB-298 million for the same period of last year
Other operating income	121.88%	Small base number, RMB32 million for the same period of last year
Impairment loss on assets	101.01%	Increase in scale of loans and risk resilience
Non-operating income	800.00%	Small base number, RMB2 million for the same period of last year
Non-operating expense	(75.00%)	Small base number, RMB12 million for the same period of last year

3.2 Analysis and explanation of the progress, impact and solution of major events

3.2.1 Qualified opinions

Applicable ✓ Not applicable

3.2.2 Provision of capital to controlling shareholder or other connected parties or provision of guarantees to external parties in breach of stipulated procedures by the Company

Applicable ✓ Not applicable

3.2.3 Execution and performance of material contracts in the ordinary course

Applicable ✓ Not applicable

3.2.4 Other material matters

√ Applicable Not applicable

1. As approved by the China Banking Regulatory Commission and the China Securities Regulatory Commission, the Bank issued 200 million preference shares to 12 qualified investors as prescribed under the Administrative Measures on the Pilot Scheme of Preference Shares and other laws and regulations by way of non-public issue on March 7, 2016, with a nominal value of RMB100 per share and a coupon dividend rate of 4.37%. After deducting the related expenses for the issue, the actual net proceeds amounted to RMB19.9525 billion, which were all used for the replenishment of tier one capital. On March 14, 2016, the Bank obtained the *Confirmation Letter on the Acceptance of Application on Share Registration* issued by the Registration Department of the Shenzhen Office of China Securities Depository and Clearing Corporation Limited. As approved by the Shenzhen Stock Exchange, the preference shares issued by the Bank by way of non-public issue were listed and traded on the comprehensive agreement transactions platform of the Shenzhen Stock Exchange on March 25, 2016.

Please refer to relevant announcements published by the Bank in *China Securities Journal*, *Securities Times*, *Shanghai Securities News*, *Securities Daily* and www.cninfo.com.cn on March 15 and March 24, 2016 for details.

2. As approved by the China Banking Regulatory Commission and the People's Bank of China, the Bank issued tier two capital bonds with an aggregate amount of RMB10 billion in the national inter-bank bond market on April 8 (the "Bonds"). The Bonds were issued as ten-year fixed rate bonds in a total size of RMB10 billion. The issuer was entitled to conditionally redeem the Bonds at the end of the fifth year. The coupon rate of the Bonds was 3.85%.

Please refer to relevant announcements published by the Bank in *China Securities Journal*, *Securities Times*, *Shanghai Securities News*, *Securities Daily* and www.cninfo.com.cn on April 12, 2016 for details.

3.3 Undertakings made by the Company, shareholders, de facto controller, bidders, directors, supervisors, senior management or other connected parties that were performed during the reporting period or not yet performed as at the end of the reporting period

√ Applicable Not applicable

Commitments	Type	Undertaker	Content	Date	Term	Status of performance
Commitments made during asset reorganization	Commitments in relation to non-competition, connected transactions and independence	Ping An Insurance (Group) Company of China, Ltd.	<p>PAG made the following commitments when planning to subscribe for 1,638,336,654 shares of the Bank under the non-public issuance (NPO) (this Material Asset Restructuring) with its holding of 90.75% of the original Ping An Bank's shares and RMB2,690,052,300 in cash:</p> <p>1. After the completion of this Material Asset Restructuring and during the period when PAG acts as SDB's controlling shareholder, in respect of similar businesses or business opportunities of SDB that are intended to be engaged by or substantially obtained by PAG and other companies controlled by PAG in the future, and that the assets and businesses formed by those businesses or business opportunities may cause potential peer competition with SDB, PAG and other companies controlled by PAG will not engage in businesses that are the same or similar to SDB, so as to avoid in direct or indirect competition in relation to SDB's business operations.</p> <p>2. After the completion of this Material Asset Restructuring, with regard to the related party transactions between PAG and other companies controlled by PAG and SDB, PAG and other companies controlled by PAG will carry out the transactions with SDB under the principles of openness, fairness and justice of market transactions and in accordance with fair and reasonable market price, as well as implement decision-making procedures based on requirements of relevant laws, regulations and regulatory documents so as to fulfill its obligation of information disclosure according to the laws. PAG guarantees that PAG and other companies controlled by PAG would not acquire any illegal interests or make SDB assume any improper obligations through the transactions with SDB.</p> <p>3. After the completion of this Material Asset Restructuring and during the period when PAG acts as SDB's controlling shareholder, SDB's independence will be maintained so as to ensure that SDB is independent to PAG and other companies controlled by PAG in terms of personnel, assets, finance, institutions and business.</p>	July 29, 2011	Long term	Performance of commitments is being carried out now.

Commitments made upon IPO or refinancing	Commitments on restricted shares	Ping An Insurance (Group) Company of China, Ltd.	PAG made commitments not to transfer the 1,323,384,991 new shares acquired from the Bank in NPO within 36 months from the date of completion of the issue of new shares (January 9, 2014), however, under the permission of applicable laws, the transfer between PAG's related parties (including the entities which directly or indirectly control PAG, entities directly or indirectly controlled by PAG and entities under the same control as PAG) will not be restricted. Upon expiry of the lock up period, PAG may dispose of the shares under this issue in accordance with the requirements of CSRC and Shenzhen Stock Exchange.	December 31, 2013	Within three years	Performance of commitments is being carried out now.
			PAG made commitments not to transfer the 210,206,652 new shares acquired from the Bank in NPO within 36 months from the date of completion of the issue of new shares (May 21, 2015). During the restricted period, those shares shall not be sold or transferred nor disposed between non-connected enterprises. Therefore, there is no arrangement on disposal of other any equity interest of those shares.	May 21, 2015	Within three years	Performance of commitments is being carried out now.
Other commitments to the Minority Shareholders of the Company	Other commitments	the Bank	The Bank did not make any performance commitments in respect of the issuance of preference shares. The Company will adopt measures to ensure effective utilization of proceeds, further improve the profitability of the Company, minimize the impact of the issuance of preference shares on the returns to ordinary shareholders and fully protect the legitimate interests of shareholders of the Company (particularly, minority shareholders).	March 14, 2016	Long term	Performance of commitments is being carried out now.
Whether the performance of commitments is without delay	Yes					
Reasons for outstanding performance and the following steps (if any)	Not applicable					

3.4 Anticipation of operating performance in January-June 2016

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

Applicable Not applicable

3.5 Explanation of other significant events

3.5.1 Financial bonds of the Bank

√ Applicable Not applicable

At the end of the reporting period, book value of financial bonds (including policy bank notes, ordinary financial bonds, subordinated financial bonds, excluding corporate bonds) held by the Bank was RMB127.8 billion, among which the top ten financial bonds in terms of nominal value are as follows:

(In RMB million)

Name of Bond	Face Value	Nominal annual interest rate (%)	Maturity date	Impairment provision
2010 policy bank notes	3,860	2.09	2020/2/25	-
2015 policy bank notes	3,330	3.85	2018/1/8	-
2011 policy bank notes	3,030	2.35	2021/2/17	-
2016 commercial bank notes	3,000	3.20	2021/3/29	-
2016 commercial bank notes	3,000	3.25	2021/3/7	-
2010 policy bank notes	2,870	2.02	2017/1/26	-
2009 policy bank notes	2,420	2.53	2019/5/19	-
2011 policy bank notes	2,410	2.40	2016/4/19	-
2009 policy bank notes	2,400	3.10	2016/6/16	-
2011 policy bank notes	2,250	4.25	2018/3/24	-

3.5.2 Shareholding of the Bank in other listed companies

√ Applicable Not applicable

(In RMB million)

Stock code	Stock short name	Initial investment	Percentage of shareholding at the end of the period	Book value at the end of the period	Gains/losses in the reporting period	Change of owners' equity during the reporting period	Accounting entry	Origination
400061	CSC Nanjing Tanker 5	314	4.02%	424	-	(123)	Available-for-sale	Repossessed equity
-	Visa Inc.	-	0.01%	4	-	-	Available-for-sale	Legacy investment
Total		314		428	-	(123)		

3.5.3 Shareholding of the Bank in other unlisted financial companies or to-be-listed companies

√ Applicable Not applicable

(In RMB million)

Name of investee	Investment amount	Impairment provision	Net value at the end of the period
China Unionpay Co. Ltd.	74	-	74
SWIFT	2	-	2
Clearing Center for City Commercial Banks	1	-	1
China Zheshang Bank Co., Ltd. (Note)	59	-	59
Total	136	-	136

Note: During 2014, the Bank was granted 10 million shares in share capital of China Zheshang Bank Co., Ltd. by way of repossessed equity.

3.5.4 Derivative investments and position at the end of the reporting period

√ Applicable Not applicable

(1) Table of derivative investments

Risk analysis on derivatives position during the reporting period and explanations on control measures (including but not limited to market risk, liquidity risk, credit risk, operational risk and legal risk)	Under the framework of the risk preference and overall market risk limits determined by the Board, the Bank has commenced fund transactions and investment business including derivatives. The Bank has established a specialized risk management and internal control system to effectively identify, measure, monitor, report and control the risks in relation to the investment in derivatives.
Changes of market price or product fair value of invested derivatives during the reporting period. The methods adopted in determining the fair value of derivatives as well as the assumptions and parameters should be disclosed together with the analysis results	During the reporting period, the change of fair value of derivatives of the Bank was reasonable within a controllable range. The Bank used the valuation techniques which have been validated to provide reliable estimates of prices obtained in actual market transactions and commonly used by market participants as well as observable market parameters to determine the fair value of derivatives.
Explanation on whether there are material changes in accounting policies and accounting treatment principles related to derivatives during the reporting period compared with that of last reporting period	The Bank set out accounting policies and accounting treatment principles for derivatives in line with Accounting Standards for Business Enterprises. There was no major change in the relevant policies during the reporting period.
Specific comments from independent directors on corporate derivative investments and risk control	The Bank's derivatives trading business is a commercial banking business approved by regulatory authorities. The Bank has set up a specialised risk management entity, and established a tailor-made risk management structure to effectively manage the risks of derivatives investment business.

(2) Position of derivative investments at the end of the reporting period

(In RMB million)

Type of contract	Contract amount at the beginning of the period (Nominal)	Contract amount at the end of the period (Nominal)	Changes in fair value during the reporting period
Foreign exchange derivative instruments	677,816	821,260	(141)
Interest rate derivative instruments	640,328	683,843	16
Precious metal derivative instruments and others	139,721	120,434	(6,486)
Total	1,457,865	1,625,537	(6,611)

Note: Contract amount of derivative financial instrument refers to the contract amount of the reference object, which shows only the transaction amount but not the related risks. The Bank adopts strict risks limit management strategy to the derivative financial instruments, so there is little actual risk exposure.

3.5.5 Reception for investigation, communication and interview within the reporting period

√ Applicable Not applicable

Time	Mode	Target	Index of basic information for research
2016/02/02	Onsite survey	Institutions	CNINFO (www.cninfo.com.cn) <i>Record Chart of Investor Relationship Activities of Ping An Bank Co., Ltd.</i>
2016/03/10	Onsite survey	Institutions	
2016/03/17	Onsite survey	Institutions	

3.6 Management Discussion and Analysis

3.6.1 Description of overall operations

During the reporting period, China's economy developed steadily and the Central Bank continued to implement a sound monetary policy. Leveraging the progress in financial system reform, largely completed market reform of interest rates, exchange rate liberalisation and Renminbi internationalisation, the banking industry in China operated steadily in general, while facing the pressure from reducing interest spread and slowing profit growth.

Against the backdrop of the "New Normal" for the Chinese economy and market-oriented finance system, the Bank adhered to its business strategies of "transformation, innovation and development" to give full play to its comprehensive financial strengths. This is to establish a platform for "mega investment banking, mega asset management and mega transaction" supported by the four engines of growth, namely "corporate banking, retail banking, interbank banking and investment banking". Meanwhile, the Bank put in extra efforts in the reform on business units to better serve the real economy with professional operation. It also seized the opportunities in government investment, reform of state-owned enterprises and pilot assets securitization, while accelerating product innovation and reform on Internet finance, so as to distinguish itself from other market players. The Bank enhanced the management on assets and liabilities as well as the allocation of resources to adapt to the macro-economy. It enhanced the risk control to ensure sustainable, healthy and stable development of all business segments.

During the reporting period, the Bank's operations had the following characteristics:

1. Steady expansion and stable profits

As at the end of the reporting period, the Bank's total assets amounted to RMB2,681.155 billion, representing an increase of 6.94% as compared with that at the beginning of the year. Deposits showed a strong growth and deposit balance was RMB1,854.365 billion, representing an increase of RMB120.444 billion or 6.95% as compared with that at the beginning of the year, outperforming its industry peers in this regard. The Bank actively promoted its quality projects to adapt to market changes, the loans and advances balance totalled RMB1,262.786 billion, representing an increase of 3.84% from the beginning of the year.

Operating income for the reporting period amounted to RMB27.532 billion, representing an increase of 33.19% as compared with that in the same period of last year. Net non-interest income amounted to RMB9.134 billion, representing an increase of 65.26% as compared with that in the same period of last year. Operating profit before provision amounted to RMB17.564 billion, representing an increase of 43.99% as compared with that in the same period of last year. Net profit amounted to RMB6.086 billion, representing an increase of 8.12% as compared with that in the same period of last year.

2. Continuous improvement of structure and efficiency

The consecutive interest rate cuts by the Central Bank since November 2014 has reduced interest spread of banks in general. The Bank took initiatives to respond to the liberation of interest rates by improving the assets and liabilities structure and pricing management. Net interest spread and net interest margin for the reporting period were 2.76% and 2.87%, representing an increase of 0.19 and 0.14 percentage point over the same period of last year, respectively.

The Bank continued to improve the revenue structure through structural adjustment. During the reporting period, the proportion of non-interest net income in operating income increased from 26.74% for the same period last year to 33.18%, driven mainly by investment banking, trusteeship, bank card, wealth management and gold businesses. While revenue grew rapidly, the Bank continued to optimise cost control to enhance input-output efficiency. The cost/income ratio of the Bank (excluding business tax) was 29.35%, representing a decrease of 4.03 percentage points as compared with that in the same period of last year and a decrease of 1.96 percentage points as compared with that in 2015.

3. Steady development of businesses and financial innovation began to bear fruits

Corporate business: The international offshore business achieved breakthrough in its products and platform. In terms of products, the Bank rolled out overseas privatization and delisting financing loan, overseas mergers and acquisitions financing loan, overseas syndicated loan, subscription of overseas corporate bonds and other services during the reporting period. Net non-interest income of offshore business doubled over the same period of last year, accounting for 66% of the operating income of offshore business. In terms of platform, the Bank offered comprehensive products and services, including online cross-border settlement, financing and cash management, through the cross-border E platform, in the pursuit of becoming the "best cross-border Internet finance services provider".

Retail business: The Pocket Bank business focused on providing online sales of insurance and established a new model of "Internet banking to E-banking" with the insurance sector of Ping An Direct Banking. As at the end of the reporting period, pocket banking recorded 15.62 million users in aggregate, representing an increase of 12% from the beginning of the year. Meanwhile, Ping An Orange (Ping An Direct Banking) developed an effective marketing model that "collaborated with external parties, built on the platform cooperation and provided financial products and services to individual users of the cooperation platform all at once" (B2B2C). As of the end of the reporting period, the client number amounted to 6.3 million, representing an increase of 24% as compared with that at the beginning of the

year. The credit card business maintained its steady growth, with 21.43 million cards in issue at the end of the reporting period, representing an increase of 7% as compared with that at the beginning of the year. Amongst which, 2.18 million cards were newly issued and the customers acquired from cross-selling channels accounted for approximately 29% of the new credit cards issued.

Inter-bank business: The client coverage of the inter-banking business underwent gradual expansion. As of the end of the reporting period, basic customers of the inter-bank business exceeded 1,400, covering 41% of the target clients, which was 5 percentage points higher than that at the beginning of the year. During the reporting period, Hang E-Tong commenced cooperation with 215 new merchants, more than the new partnership acquired in 2015, leading the total number of collaborating merchants reaching 730. During the reporting period, the trading amount of Hang E-Tong online products reached RMB801.8 billion, which was ten times of the amount for the same period of last year. The number of gold accounts was 1.65 million, representing an increase of 43% as compared with that at the beginning of the year. As of the end of the reporting period, asset under management of the Bank exceeded RMB1,000 billion, representing an increase of 40% as compared with that at the beginning of the year, in which, the balance of capital guaranteed wealth management products and that of non-capital guaranteed wealth management products were RMB269.1 billion and RMB771.2 billion respectively. Sales of inter-bank wealth management products was over RMB1,000 billion for the reporting period, and the Bank successfully launched the Heying Foreign Currency Wealth Management Product, which was highly sought after by investors. The “Growing Family” net-worth products also gained recognition, as evidenced by the nearly 80% growth in product scale as compared with that at the beginning of the year.

Asset securitisation business: During the reporting period, the Bank successfully launched the first inter-bank loan securitisation product in China. It also received positive market response from launching the first asset securitisation product for property certificate pledge loan, namely the Orange E 2016 First Tranche Certificate Pledge Loan Assets-backed Securities to the inter-bank market and the first commercial paper product for accounts receivable to the Shenzhen Stock Exchange, namely Bosera Capital-Ping An Bank Orange Xin Orange e Assets-backed Plan.

Industry business units: The Bank followed closely to economic development and industry upgrade to adapt the business to new segments by continuously expanding the clientele and resources for businesses such as sector funds and merger and acquisition finance. As of the end of the reporting period, the deposit balance of industry business units was RMB199.77 billion, and the loan balance was RMB275.939 billion. The operating income for the reporting period amounted to RMB4.152 billion.

4. Enhance risk management and maintain assets quality at controllable level

In order to continuously enhance risk management level, the Bank kept promoting adjustment to the business structure and business model. Facing the challenges of slowing economy and intense industrial structural adjustment and upgrade, some of the trading enterprises, low-end manufacturer and private small and medium enterprises experienced operating difficulties, liquidity squeeze, lack of capital and insolvency, consequently affecting the assets quality of the Bank. As of the end of the reporting period, the non-performing loan rate was 1.56%, representing an increase of 0.11 percentage point as compared with that at the beginning of the year, while the provision coverage was 161.01%, representing a decrease of 4.85 percentage points as compared with that at the beginning of the year.

Through a series of measures, the Bank optimised the loan structure, enhanced recovery, written off and disposal of loans, prevented and addressed the various risks arising from existing loans, thereby implementing strict control on new non-performing loans and maintaining the overall assets quality at a controllable level. During the reporting period, the Bank made provisions for impairment loss of loans amounting to RMB9.460 billion, representing an increase of 103.35% as compared with the same period of last year. As of the end of the reporting period, the provision to loan ratio was 2.52%, representing an increase of 0.11 percentage point as compared with the same period of last year, and the risk tolerance kept on improving. The Bank also achieved satisfying results in loan recovery. It recovered non-performing assets of RMB1.13 billion in aggregate, including credit assets (loan and advance principal) of RMB1.02 billion during the reporting period. Among the recovered loan principal, loans of RMB320 million were written off and non-performing loans of RMB700 million were not written off. 79% of loans were recovered in cash while the rest was in the form of repossessed assets.

5. Promote capital replenishment and building of branch network to enhance brand image

During the reporting period, the Bank completed the private placement of 200,000,000 preference shares of RMB100 each. The net proceeds after deducting the issuance expenses, which amounted to RMB19.9525 billion, will be fully applied to replenish tier one capital. The Bank also completed the issue of RMB10 billion second tier capital bonds in April 2016 for the purpose of replenishing second tier capital to support and guarantee the business development of the Bank.

By continuing to optimise its branch network, the Bank accelerated its pace of acquisitive growth. During the reporting period, it had opened 1 new branch (the Hefei Branch) and 20 new sub-branches, bringing the total to 55 and 1,018, respectively at the end of the reporting period.

3.6.2 Asset quality

1. Loans and 5-tier loan classification

(In RMB million)

5-tier classification	March 31, 2016		December 31, 2015		Change from the end of period over the end of last year
	Balance	Proportion	Balance	Proportion	
Pass	1,188,548	94.13%	1,148,011	94.40%	3.53%
Special mention	54,488	4.31%	50,482	4.15%	7.94%
NPL	19,750	1.56%	17,645	1.45%	11.93%
Including: Substandard	9,135	0.72%	7,945	0.65%	14.98%
Doubtful	2,757	0.22%	2,141	0.18%	28.77%
Loss	7,858	0.62%	7,559	0.62%	3.96%
Total loans and advances	1,262,786	100.00%	1,216,138	100.00%	3.84%
Provision for impairment of loans and advances	(31,801)		(29,266)		8.66%
NPL ratio	1.56%		1.45%		+0.11 percentage point
Provision coverage ratio	161.01%		165.86%		-4.85 percentage points
Provision/loan ratio	2.52%		2.41%		+0.11 percentage point

2. Loan structure and quality by product

(In RMB million)

Item	March 31, 2016		December 31, 2015		Increase/decrease in NPL ratio
	Balance	NPL ratio	Balance	NPL ratio	
Corporate loans	817,466	1.11%	774,996	1.08%	+0.03 percentage point
Including: General loans	802,710	1.13%	761,331	1.10%	+0.03 percentage point
Discounted bills	14,756	-	13,665	-	-
Retail loans	291,327	2.28%	293,402	1.91%	+0.37 percentage point
Including: Housing mortgage loans	45,556	0.18%	45,967	0.09%	+0.09 percentage point
Entrepreneur loans	102,574	5.20%	107,429	4.19%	+1.01 percentage points
Auto loans	82,357	0.58%	78,635	0.28%	+0.30 percentage point
Others (Note)	60,840	1.21%	61,371	1.36%	-0.15 percentage point
Account receivables of credit cards	153,993	2.60%	147,740	2.50%	+0.10 percentage point
Total loans	1,262,786	1.56%	1,216,138	1.45%	+0.11 percentage point

Note:

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

2. The increase in NPL rate of retail loans from the beginning of the year was mainly driven by entrepreneur loans and auto loans. The increase in NPL rate of entrepreneur loans was mainly attributable to the macro economy and the overall risks remained under control. Auto loans business continued to undergo further structural adjustment. Leveraging the comprehensive risk admission policy and enhanced collection efficiency, the growth in NPL rate for the reporting period was basically at par with the fourth quarter of 2015, and the overall risks remained under control.

3.6.3 Interest income and expense

1. Average balance, and average yield or average cost rate of the major asset and liability items

(In RMB million)

Item	January-March 2016			January-March 2015		
	Average balance	Interest income/expense	Average yield/cost rate	Average balance	Interest income/expense	Average yield/cost rate
Assets						
Disbursement of loans and advances (excluding discounted bills)	1,224,527	21,356	7.01%	1,070,382	20,539	7.78%
Bond investment	324,886	2,748	3.40%	255,967	2,549	4.04%
Due from central Bank	284,373	1,040	1.47%	292,233	1,053	1.46%
Bills discounting and inter-bank business	734,962	7,144	3.91%	626,914	8,199	5.30%
Others	6,020	71	4.74%	7,899	124	6.37%
Total interest-earning assets	2,574,768	32,359	5.05%	2,253,395	32,464	5.84%
Liabilities						
Customer deposits	1,814,810	9,271	2.05%	1,586,927	10,838	2.77%
Bonds issued	245,857	2,196	3.59%	62,500	840	5.45%
Including: Interbank deposits	225,742	1,857	3.31%	42,385	504	4.82%
Inter-bank business	388,778	2,494	2.58%	498,017	5,642	4.59%
Total of interest-bearing liabilities	2,449,445	13,961	2.29%	2,147,444	17,320	3.27%
Net interest income		18,398			15,144	
Deposit-loan spread			4.96%			5.01%
Net interest spread (NIS)			2.76%			2.57%
Net interest margin (NIM)			2.87%			2.73%

Since November 2014, the Central Bank has implemented rate cuts consecutively while extending the limit for deposit interest rate, resulting in further reduction of deposit-loan spread. With the deposit-loan spread remained stable, the Bank enhanced management of the assets and liability structure, leading to the increase in NIS and NIM as compared with those in the same period of last year.

Item	January-March 2016			October-December 2015		
	Average balance	Interest income/expense	Average yield/cost rate	Average balance	Interest income/expense	Average yield/cost rate
Assets						
Disbursement of loans and advances (excluding discounted bills)	1,224,527	21,356	7.01%	1,197,380	21,793	7.22%
Bond investment	324,886	2,748	3.40%	300,437	2,664	3.52%
Due from Central Bank	284,373	1,040	1.47%	286,572	1,058	1.46%
Bills discounting and inter-bank business	734,962	7,144	3.91%	667,067	6,853	4.08%
Others	6,020	71	4.74%	4,771	56	4.66%
Total interest-earning assets	2,574,768	32,359	5.05%	2,456,227	32,424	5.24%
Liabilities						
Customer deposits	1,814,810	9,271	2.05%	1,761,184	10,008	2.25%
Bonds issued	245,857	2,196	3.59%	189,688	1,861	3.89%
Including: Interbank deposits	225,742	1,857	3.31%	169,573	1,518	3.55%
Inter-bank business	388,778	2,494	2.58%	383,865	2,662	2.75%
Total of interest-bearing liabilities	2,449,445	13,961	2.29%	2,334,737	14,531	2.47%
Net interest income		18,398			17,893	
Deposit-loan spread			4.96%			4.97%
Net interest spread (NIS)			2.76%			2.77%
Net interest margin (NIM)			2.87%			2.89%

On a quarter-on-quarter basis, the deposit-loan spread, net interest spread and net interest margin remained stable.

2. Average balance and yield of customer loans and advances

(In RMB million)

Item	January-March 2016			January-March 2015		
	Average balance	Interest income	Average yield	Average balance	Interest income	Average yield
Corporate loans (excluding discounted bills)	776,271	10,536	5.46%	671,922	10,631	6.42%
Personal loans	448,256	10,820	9.71%	398,460	9,908	10.08%
Customer loans and advances (excluding discounted bills)	1,224,527	21,356	7.01%	1,070,382	20,539	7.78%

Item	January-March 2016			October-December 2015		
	Average balance	Interest income	Average yield	Average balance	Interest income	Average yield
Corporate loans (excluding discounted bills)	776,271	10,536	5.46%	757,993	10,988	5.75%
Personal loans	448,256	10,820	9.71%	439,387	10,805	9.76%
Customer loans and advances (excluding discounted bills)	1,224,527	21,356	7.01%	1,197,380	21,793	7.22%

3. Average balance and cost rate of customer deposits

(In RMB million)

Item	January-March 2016			January-March 2015		
	Average balance	Interest expense	Average cost rate	Average balance	Interest expense	Average cost rate
Corporate deposits	1,203,986	6,410	2.14%	1,023,315	7,261	2.88%
Including: demand deposits	415,210	524	0.51%	301,359	481	0.65%
time deposits	788,776	5,886	3.00%	721,956	6,780	3.81%
Including: treasury and negotiated deposits	147,398	1,704	4.65%	132,594	1,758	5.38%
Margin deposits	356,983	1,733	1.95%	326,297	2,008	2.50%
Retail deposits	253,841	1,128	1.79%	237,315	1,569	2.68%
Including: demand deposits	115,459	95	0.33%	89,793	98	0.44%
time deposits	138,382	1,033	3.00%	147,522	1,471	4.04%
Total deposits	1,814,810	9,271	2.05%	1,586,927	10,838	2.77%

Item	January-March 2016			October-December 2015		
	Average balance	Interest expense	Average cost rate	Average balance	Interest expense	Average cost rate
Corporate deposits	1,203,986	6,410	2.14%	1,166,215	6,866	2.34%
Including: demand deposits	415,210	524	0.51%	391,814	528	0.53%
time deposits	788,776	5,886	3.00%	774,401	6,338	3.25%
Including: treasury and negotiated deposits	147,398	1,704	4.65%	160,737	1,918	4.73%
Margin deposits	356,983	1,733	1.95%	353,319	1,929	2.17%
Retail deposits	253,841	1,128	1.79%	241,650	1,213	1.99%
Including: demand deposits	115,459	95	0.33%	104,194	90	0.34%
time deposits	138,382	1,033	3.00%	137,456	1,123	3.24%
Total deposits	1,814,810	9,271	2.05%	1,761,184	10,008	2.25%

3.6.4 Capital adequacy ratio and leverage ratio

1. Capital adequacy ratio

(In RMB million)

Item	March 31, 2016	December 31, 2015
Net core tier one capital	156,277	150,070
Other tier one capital	19,953	-
Net tier one capital	176,230	150,070
Tier two capital	32,166	31,735
Net capital	208,396	181,805
Total risk-weighted assets	1,795,695	1,661,747
Credit risk-weighted assets	1,638,784	1,506,963
On-balance-sheet risk-weighted assets	1,407,973	1,274,366
Off-balance-sheet risk-weighted assets	225,583	226,879
Risk-weighted assets of counterparty credit risk exposure	5,228	5,718
Market risk-weighted assets	18,234	16,107

Operational risk-weighted assets	138,677	138,677
Core tier one capital adequacy ratio	8.70%	9.03%
Tier one capital adequacy ratio	9.81%	9.03%
Capital adequacy ratio	11.61%	10.94%

2. Leverage ratio

(In RMB million)

Item	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Leverage ratio	5.49%	4.94%	4.65%	4.50%
Net tier one capital	176,230	150,070	145,706	139,365
On/off-balance-sheet assets balance after adjustment	3,208,603	3,035,027	3,133,265	3,095,963

Note: The leverage ratio increased as compared with the beginning of the year due to the increase in profit, preference share capital injection and increase in net tier one capital during the reporting period.

4. Audit Report

Has the first quarter report been audited

Yes No

The first quarter report has not been audited.

Board of Directors of Ping An Bank Co., Ltd.
April 21, 2016

Appendices:

1. Balance sheet (unaudited)
2. Income statement (unaudited)
3. Cash flow statement (unaudited)

Ping An Bank Co., Ltd.
Balance Sheet
March 31, 2016

In RMB million

<u>ASSETS</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Cash on hand and due from the Central Bank	296,144	291,715
Placements of deposits with other banks	180,871	109,046
Precious metals	69,349	63,744
Funds loaned to other financial institutions	87,212	76,636
Financial assets measured at fair value through profit and loss for the period	37,060	19,757
Derivative financial assets	7,676	8,144
Financial assets purchased under resale agreements	34,045	117,291
Accounts receivable	5,803	6,624
Interest receivable	14,410	13,540
Loans and advances	1,230,985	1,186,872
Available-for-sale financial assets	2,746	1,245
Held-to-maturity investments	289,276	266,166
Receivables type investment	384,568	307,635
Long-term equity investments	521	521
Investment properties	229	212
Fixed assets	4,650	4,788
Intangible assets	4,838	4,961
Goodwill	7,568	7,568
Deferred tax assets	9,732	8,728
Other assets	13,472	11,956
Total assets	2,681,155	2,507,149
 <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Due to the Central Bank	2,783	3,051
Funds borrowed from other banks and financial institutions	299,334	311,106
Placements of deposits from other banks and financial institutions	9,118	12,143
Financial liabilities measured at fair value through profit and loss for the period	16,170	8,506
Derivative financial liabilities	10,197	4,037
Financial assets sold for repurchase	4,398	11,000
Deposit taking	1,854,365	1,733,921
Employee salary payable	8,374	10,351
Tax payable	8,752	6,571
Accounts payable	191	44
Interest payable	22,706	23,253
Bonds payable	247,360	212,963
Provisions	25	26
Other liabilities	9,813	8,677
Total liabilities	2,493,586	2,345,649
 <u>SHAREHOLDERS' EQUITY:</u>		
Share capital	14,309	14,309
Other equity instruments	19,953	-
Of which: Preference shares	19,953	-
Capital reserve	59,326	59,326
Other comprehensive income	(1,087)	(1,117)
Surplus reserve	8,521	8,521
General reserve	27,528	27,528
Unappropriated profit	59,019	52,933
Total shareholders' equity	187,569	161,500
Total liabilities and shareholders' equity	2,681,155	2,507,149

Legal representative: Sun Jianyi

President: Shao Ping

Head of Accounting Department: Han Xu

Ping An Bank Co., Ltd.
Income statement
January - March 2016

In RMB million

Items	Jan - Mar 2016	Jan - Mar 2015
I. Operating income	27,532	20,671
Net interest income	18,398	15,144
Interest income	32,359	32,464
Interest expense	13,961	17,320
Net fee and commission income	8,101	5,387
Fee and commission income	8,896	5,967
Fee and commission expense	795	580
Investment income	824	464
Gains or losses from changes in fair values	(14)	(58)
Foreign exchange gains/(losses)	152	(298)
Other operating income	71	32
II. Operating costs	9,968	8,473
Business tax and surcharge	1,888	1,572
Business and administrative expenses	8,080	6,901
III. Operating profit before impairment losses on assets	17,564	12,198
Impairment losses on asset	9,550	4,751
IV. Operating profit	8,014	7,447
Add: Non-operating income	18	2
Less: Non-operating expenses	3	12
V. Total Profits	8,029	7,437
Less: Income tax expense	1,943	1,808
VI. Net profit	6,086	5,629
VII. After-tax Net Amount of Other Comprehensive Gains	30	126
Other comprehensive incomes to be re-classified into gains and losses	30	126
1. Shares enjoyed among investee's other comprehensive income to be reclassified into profit and loss under equity method	-	-
2. Profit and loss of alteration of saleable financial assets' fair value	30	126
VIII. Total comprehensive income	6,116	5,755
IX. Earnings per share		
(I) Basic earnings per share	0.43	0.41
(II) Diluted earnings per share	0.43	0.41

Legal representative: Sun Jianyi

President: Shao Ping

Head of Accounting Department: Han Xu

Ping An Bank Co., Ltd.
Cash Flow statement
January - March 2016

	In RMB million	
Items	Jan - Mar 2016	Jan - Mar 2015
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net decrease in placements of deposits with the Central Bank and other banks	1,608	18,588
Net increase in amounts due from the Central Bank	-	1,318
Net increase in customer deposit and placements of deposits from other banks	108,325	77,043
Net increase in funds loaned to other financial institutions	-	182
Net decrease in accounts receivable	821	1,312
Net increase in accounts payable	147	-
Net decrease in financial assets sold for repurchase	15,133	36,987
Cash receipts from interest, fee and commission income	32,860	31,341
Cash receipts from other operating activities	614	321
Subtotal of cash inflows from operating activities	159,508	167,092
Net decrease in amounts due from the Central Bank	283	-
Net increase in funds loaned to other financial institutions	6,100	1,656
Net decrease in funds borrowed from other financial institutions	3,024	-
Net decrease in accounts payable	-	435
Net increase in loans and advances	53,973	102,500
Net decrease in repurchase agreements	6,602	4,146
Cash payments for interest, fee and commission expenses	12,471	17,416
Cash payments for salaries and staff expenses	5,904	5,135
Cash payments for taxes	2,689	2,669
Cash payments relating to other operating activities	9,194	21,640
Subtotal of cash outflows from operating activities	100,240	155,597
Net cash flows generated from operating activities	59,268	11,495
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash receipts from disinvestments	409,509	122,185
Cash receipts from investment income	7,219	6,843
Subtotal of cash inflows from investing activities	416,728	129,028
Cash payments for investments	511,273	150,547
Cash payments for fixed assets, intangible assets and other long-term assets	236	1,251
Subtotal of cash outflows from investing activities	511,509	151,798
Net cash flows generated from investing activities	(94,781)	(22,770)
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash receipts from issue of other equity instruments	20,000	-

Cash receipts from bond issue	167,420	55,717
Subtotal of cash inflows from financing activities	187,420	55,717
Cash payments for debt repayment	134,880	20,050
Cash payments for bond interest	612	612
Cash payments made for issue of other equity instruments	48	-
Subtotal of cash outflows from financing activities	135,540	20,662
Net cash flows generated from financing activities	51,880	35,055
IV. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(171)	(198)
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	16,196	23,582
Add: Balance of cash and cash equivalents at beginning of the period	261,341	183,456
IV. BALANCE OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	277,537	207,038

Legal representative: Sun Jianyi

President: Shao Ping

Head of Accounting Department: Han Xu

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