

# Interim consolidated income statement

For the six months ended 30 June 2009

For the six months ended 30 June (in RMB million)	2009 (Unaudited)	2008 (Audited)
Gross written premiums and policy fees	64,774	54,192
Less: Premiums ceded to reinsurers	(3,706)	(3,344)
Net written premiums and policy fees	61,068	50,848
Change in unearned premium reserves	(4,278)	(2,734)
Net earned premiums	56,790	48,114
Reinsurance commission income	904	760
Interest income of banking operation	3,065	3,369
Fees and commission income of non-insurance operations	1,029	1,282
Investment income	14,682	9,275
Share of profits of associates and joint ventures	52	41
Other income	2,917	792
<b>Total income</b>	<b>79,439</b>	<b>63,633</b>
Change in deferred policy acquisition costs	8,123	5,316
Claims and policyholders' benefits	(54,137)	(40,619)
Commission expenses of insurance operations	(9,843)	(7,257)
Interest expenses of banking operation	(1,141)	(1,265)
Fees and commission expenses of non-insurance operations	(123)	(118)
Loan loss provisions, net of reversals	(85)	(16)
Foreign exchange losses	(17)	(525)
General and administrative expenses	(13,309)	(8,553)
Finance costs	(420)	(252)
<b>Total expenses</b>	<b>(70,952)</b>	<b>(53,289)</b>
Profit before tax	8,487	10,344
Income taxes	(3,046)	(625)
<b>Profit for the period</b>	<b>5,441</b>	<b>9,719</b>
<b>Attributable to:</b>		
– Owners of the parent	5,222	9,487
– Non-controlling interests	219	232
	<b>5,441</b>	<b>9,719</b>
	<b>RMB</b>	<b>RMB</b>
<b>Earnings per share attributable to owners of the parent:</b>		
– basic	0.71	1.29
– diluted	0.71	1.29

# Interim consolidated statement of comprehensive income

For the six months ended 30 June 2009

For the six months ended 30 June (in RMB million)	2009 (Unaudited)	2008 (Audited)
<b>Profit for the period</b>	<b>5,441</b>	9,719
<b>Other comprehensive income</b>		
Exchange differences on translation of foreign operations	72	(28)
Available-for-sale financial assets	8,422	(47,403)
Shadow accounting adjustments	568	9,819
Income tax relating to components of other comprehensive income	(1,830)	7,607
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>7,232</b>	(30,005)
<b>Total comprehensive income/(loss) for the period</b>	<b>12,673</b>	(20,286)
<b>Attributable to:</b>		
– Owners of the parent	12,445	(20,221)
– Non-controlling interests	228	(65)
	<b>12,673</b>	(20,286)

# Interim consolidated statement of financial position

As at 30 June 2009

(in RMB million)	30 June 2009 (Unaudited)	31 December 2008 (Audited)
<b>Assets</b>		
Balances with central bank and statutory deposits	28,879	25,963
Cash and amounts due from banks and other financial institutions	129,376	105,279
Fixed maturity investments	365,243	344,449
Equity investments	74,106	54,599
Derivative financial assets	6	17
Loans and advances to customers	105,517	74,160
Investments in associates and joint ventures	8,744	5,468
Premium receivables	5,520	4,412
Accounts receivable	2,715	–
Inventories	1,887	–
Reinsurers' share of insurance liabilities	9,485	8,872
Policyholder account assets in respect of insurance contracts	38,335	30,749
Policyholder account assets in respect of investment contracts	4,294	3,979
Deferred policy acquisition costs	58,722	50,599
Investment properties	7,065	6,389
Property and equipment	9,315	8,287
Intangible assets	14,106	10,279
Deferred tax assets	5,016	6,876
Other assets	17,088	14,341
<b>Total assets</b>	<b>885,419</b>	<b>754,718</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	7,345	7,345
Reserves	61,500	54,277
Retained profits	26,551	21,329
Equity attributable to owners of the parent	95,396	82,951
Non-controlling interests	6,397	2,745
<b>Total equity</b>	<b>101,793</b>	<b>85,696</b>
<b>Liabilities</b>		
Due to banks and other financial institutions	36,676	24,192
Assets sold under agreements to repurchase	33,419	41,124
Derivative financial liabilities	21	265
Customer deposits and payables to brokerage customers	123,536	94,991
Insurance payables	14,083	13,701
Insurance contract liabilities	532,767	462,341
Investment contract liabilities for policyholders	8,049	6,636
Policyholder dividend payable	13,525	12,012
Income tax payable	1,677	2,274
Subordinated debts	4,990	–
Deferred tax liabilities	1,806	998
Other liabilities	13,077	10,488
<b>Total liabilities</b>	<b>783,626</b>	<b>669,022</b>
<b>Total equity and liabilities</b>	<b>885,419</b>	<b>754,718</b>

(in RMB million)	June 30 2009	December 31 2008
Risk discount rate	<b>Earned Rate/11.5%</b>	Earned Rate/11.5%
Adjusted net asset value	<b>90,574</b>	79,016
Adjusted net asset value of life insurance business	<b>36,744</b>	25,800
Value of in-force insurance business written prior to June 1999	<b>(10,310)</b>	(11,340)
Value of in-force insurance business written since June 1999	<b>75,993</b>	66,859
Cost of holding the required solvency margin	<b>(13,628)</b>	(11,676)
<b>Embedded value</b>	<b>142,628</b>	122,859
Embedded value of life insurance business	<b>88,799</b>	69,643

(in RMB million)	June 30 2009	December 31 2008
Risk discount rate	<b>11.5%</b>	11.5%
Value of one year's new business	<b>12,170</b>	10,039
Cost of holding the required solvency margin	<b>(1,938)</b>	(1,498)
<b>Value of one year's new business after cost of solvency</b>	<b>10,231</b>	8,541
<b>Value of first half year's new business after cost of solvency</b>	<b>6,246</b>	4,556

- Notes: (1) Figures may not be additive due to rounding.  
(2) In the table above, the assumptions used to calculate the value of first half year's new business in 2008 are the same with current assumptions used to calculate the new business value. If the 2008 mid-year valuation's assumptions were used, the value of first half year's new business in 2008 would be RMB4,911 million.

The adjusted net asset value is based on the shareholders net assets of the Company and the relative life insurance business as measured on the PRC statutory basis. The relative life insurance business includes business conducted through Ping An Life, Ping An Annuity and Ping An Health. The values placed on certain assets have been adjusted to the market value.