

Building a world leading integrated financial services platform

New Year's Message from Dr. Peter Ma, Chairman and Chief Executive Officer

Jan 1, 2010

As we bid farewell to 2009 and enter the second decade of a new millennium, I would like to wish all Ping An colleagues, their families and our customers a happy New Year on behalf of the Board of Directors and the Executive Committee.

This is the first time that we are holding our video-linked morning meeting with all tier-2 branches nationwide. So let me begin by giving a warm welcome to our colleagues from tier-2 branches of life insurance, P&C insurance and annuity insurance. I hope this gathering will enhance communication, facilitate learning and the exchange of business ideas between headquarters, subsidiaries and branches, and create a platform for further interaction, and for the sharing of experience and culture.

2009 was a year of challenges and opportunities. Following the global financial crisis, the CPC Central Committee and the State Council implemented a series of measures to promptly and effectively set China on to the path to recovery. Having overcome numerous challenges of its own and capitalized on market opportunities, Ping An was able to deliver rapid, sustained and healthy growth across its businesses in the past year. Insurance business continued to maintain its strong growth momentum, with total premium exceeding RMB 150 billion for the first time. Growth in our life insurance premiums substantially outpaced that of the market, helping us expand our lead in key cities. Our property and casualty insurance business is now the second largest in China after premium exceeded RMB 30 billion for the first time. Ping An Annuity remains a market leader while Ping An Health has made significant progress in exploring new growth areas. Our banking business continued to expand nationally, with total assets exceeding RMB 200 billion in value and the number of Ping An Bank credit cards amounting to more than 3 million. Our consumer finance business now has a network of more than 60 outlets across China. Asset management business sustained rapid growth while trust assets breaching the RMB 100 billion mark., Ping An Asset Management, with over RMB 500 billion in asset under management, has made better than market return and further established its reputation in the field. Our securities business continued to consolidate its leader position in the fields of SME financing and fixed income debt issuance. In a further sign of the healthy development of our business platform, growth in new channels exceeded 100% for the third year in a row, while the first stage of centralized operation was also completed successfully. Customer care initiatives such as "One Account Management" services and "Wanlitong" loyalty program

continued to gain popularity in the market while our cross-selling model continued to achieve breakthroughs. Ping An has also won further industry recognitions including the title of “China's Most Respected Companies” for the 8th consecutive time, and “China's Best Corporate Citizen” award for the 5th time. These achievements were made possible only by the hard work and dedication of our 500,000-strong workforce, and here I would like to express my sincere gratitude to all Ping An colleagues once again!

Our outstanding results in 2009 are proof that Ping An's businesses are solid and sound, with abilities to not only surmount market challenges but also grow stronger in the face of adversities. In the past two years Ping An has tackled some of the most challenging issues since its establishment. But by working together and drawing upon the strength of our solid corporate governance structure, sound financial position, talented workforce and outstanding corporate culture, we have shown that there is no challenge to which we are not equal, there is no obstacle we cannot overcome. Those challenges have made Ping An a stronger company as we set clearer goals and strategies, which will help ensure the continued success of our business in the years to come.

Looking ahead to 2010, the global economic outlook remains hazy but we are seeing definite signs of recovery at the same time which are likely to bring forth more opportunities and associated challenges. On China's economy, although there remain many uncertainties all signs are pointing to a sustained economic recovery in the longer run. The macro economy is expected to maintain its brisk pace of growth while the financial services industry is likely to continue to prosper. The Group's core objectives in 2010 are to continue to enhance its competitiveness across business segments, sustain better-than-market growth, strengthen cross-selling capabilities to improve synergies, push ahead with the second stage of our reform to centralize operation, strengthen further our competitive edge in back office for integrated financial services, deepen further our reform in front and middle offices, so the Group's front, middle and back offices and all business lines can move forward in unison. As we work towards these goals we are also setting Ping An further along the path to becoming a world leading integrated financial services group.

Throughout the businesses all Ping An employees are embracing 2010 with greater confidence and commitment as we set ourselves more challenging goals for the year. For our life insurance business, we will continue to move forward the strategy of ‘Reaching New Heights and Two-tier Market Development’. The property and casualty insurance business will maintain its rapid growth while enhancing its service quality and extending its lead in the market. For our annuity business, we will work towards maintaining our leading position in the market while enhancing the profitability of our portfolio of products. Turning

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to banking business, we are continuing to expand its network of traditional outlets while at the same time exploring innovative services such as remote transaction and cross-selling to create a new business model that stands out from the more traditional ones. Consumer finance business will strengthen our foundation for development nationally and help maintain our rapid growth. Our asset management business will seek to continue to consolidate its advantages in investment to provide stronger support to the Group's insurance products and various services. Our trust business will aim to further enhance its wealth management platform and product portfolio as well as the establishment of a skilled and talented workforce to achieve even better results in third party asset management. To capitalize on the opening up of new investment channels for insurers, we will further expand our horizon for investment. Our securities business will quicken its pace of network expansion, and consolidate and explore core competencies that set it apart from competitors. For new channel development we have set our sight on achieving 10 billion to further enhance our core competencies. We will also strive to achieve breakthroughs in online sales and cross-selling. Having embarked on the "second reform" of our back office we are expecting more challenging work ahead as we strive to accomplish the goal in the coming 18 months. Innovative technologies have been a hallmark of our services and they will have a greater role to play as we continue to develop the "One Account Management Card" as the "name card" of Ping An's integrated finance services. We expect to achieve breakthroughs in our fund business. We will also continue to move forward our service commitment campaign and fulfill that pledge. I have every confidence that all these goals will be accomplished. They must be accomplished.

Finally, I would like to wish all Ping An colleagues as well as Ping An a prosperous year in 2010.