

中国平安 PINGAN

保险 · 银行 · 投资

2010 Interim Results

August, 2010



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To the extent any statements made in this presentation containing information that is not historical are essentially forward-looking. These forward-looking statements include but not limited to projections, targets, estimates and business plans that the Company expects or anticipates will or may occur in the future. These forward-looking statements are subject to known and unknown risks and uncertainties that may be general or specific. Certain statements, such as those include the words or phrases "potential", "estimates", "expects", "anticipates", "objective", "intends", "plans", "believes", "will", "may", "should", and similar expressions or variations on such expressions may be considered forward-looking statements. Reader should be cautioned that a variety of factors, many of which may be beyond the Company's control, affect the performance, operations and results of the Company, and could cause actual results to differ materially from the expectations expressed in any of the Company's forward-looking statements. These factors include, but are not limited to, exchange rate fluctuations, market shares, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions and other risks and factors beyond our control. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. In addition, the Company undertakes no obligation to publicly update or revise any forward-looking statement that is contained in this presentation as a result of new information, future events or otherwise. None of the Company, or any of its employees or affiliates is responsible for, or is making, any representations concerning the future performance of the Company.



Agenda

Topic	Speaker	Position
Overview	Peter Ma	Group Chairman & CEO
Operating Highlights	Louis Cheung	Executive Director, Group President
Financial Analysis and Embedded Value	Jason Yao	Executive Director & Group CFO
Insurance Business Review	Alex Ren	Group Chief Insurance Business Officer
Investment Business Review	Timothy Chan	Group Deputy Chief Investment Officer
Banking Business Review	Jianyi Sun	Group Vice Chairman & Deputy CEO

Overview

Overview

In the first half of 2010, China continued its steady economic growth, but challenges remained. Facing such a complex situation, Ping An focused on its core strategy and strived to achieve the integrated financial service model. Net profit increased steadily. The increase, on one hand, was benefited from the rapid growth in premium income from our insurance businesses. On the other hand, strong profit growth from our banking, securities and trust businesses also made a significant contribution.

Our three major businesses thrived. The first year premium from individual life insurance soared. The Property and Casualty insurance achieved a strong growth in terms of scale and quality. We made a steady progress in the strategic investment in Shenzhen Development Bank, while our own banking business delivered strong growth. The investment banking business continued to hold its leading position in the industry. The transformation and refinement of our trust business advanced smoothly.

Looking into the second half of 2010, Chinese economy is expected to continue its robust growth. However, international economic environment is still unsure, structure of domestic economy is still undergoing change, and inflationary expectation is still an uncertainty. The above factors will all bring complexity to our operation and put pressure on our performance in the second half of the year. We will pursue relentlessly our strategic plans to build an integrated financial services platform, with balanced development of our three core businesses - insurance, banking and investment, and push ahead with the strategic merger of Ping An Bank and Shenzhen Development Bank.

Operating Highlights

Operating Highlights of Our Three Core Businesses

Insurance Business

- n Individual life business FYP increased 52.1% compared with the first half of 2009
- n Ping An Property & Casualty premium income increased by 60.9%, market share rose to 14.4%; combined ratio sharply declined 4.7 percentage points to 96.5%
- n Ping An Annuity maintained its market leading positions within the industry in terms of annuity payments received, assets entrusted and assets under investment management

Banking Business

- n Our strategic investment in Shenzhen Development Bank progressed steadily. As at June 30, 2010, Ping An hold a 29.99% shares in the company
- n Net profit of Ping An Bank increased significantly by 56.0% to RMB 900 million. Number of credit cards issued approached 5 million in aggregate

Investment Business

- n Ping An Securities recorded 125.6% increase in net profit. Our investment banking business ranked No.1 in terms of both number of IPO deals and underwriting revenue
- n Business mix restructuring of Ping An Trust undergoing well, proportion of businesses with higher management fee increased significantly

Note: SDB, Shenzhen Development Bank are abbreviations for Shenzhen Development Bank Co., Ltd in this report

Financial Highlights

<i>(In RMB million)</i>	1H2009	1H2010	Growth
Total Income	75,171	96,980	↑ 29.0%
Net Profit	7,712	9,866	↑ 27.9%
EPS <i>(in RMB)</i>	1.02	1.30	↑ 27.5%

	31/12/2009	30/06/2010	Growth
Total Assets	935,712	1,032,908	↑ 10.4%
Total Equity	91,743	109,895	↑ 19.8%

Note: The Total Income based on IFRS

Scale and Depth of Cross-Selling Further Enhanced Along with Growing Synergies

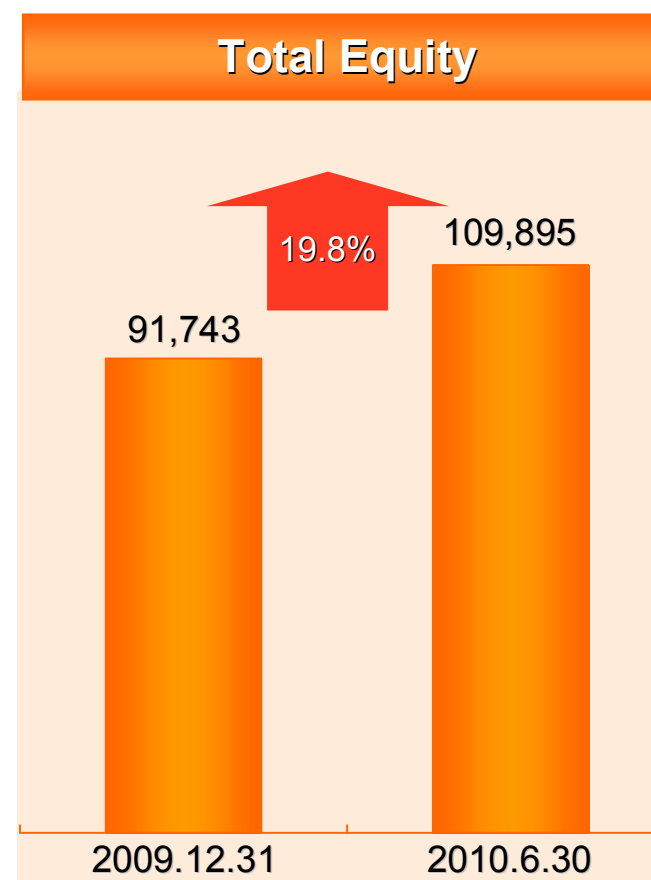
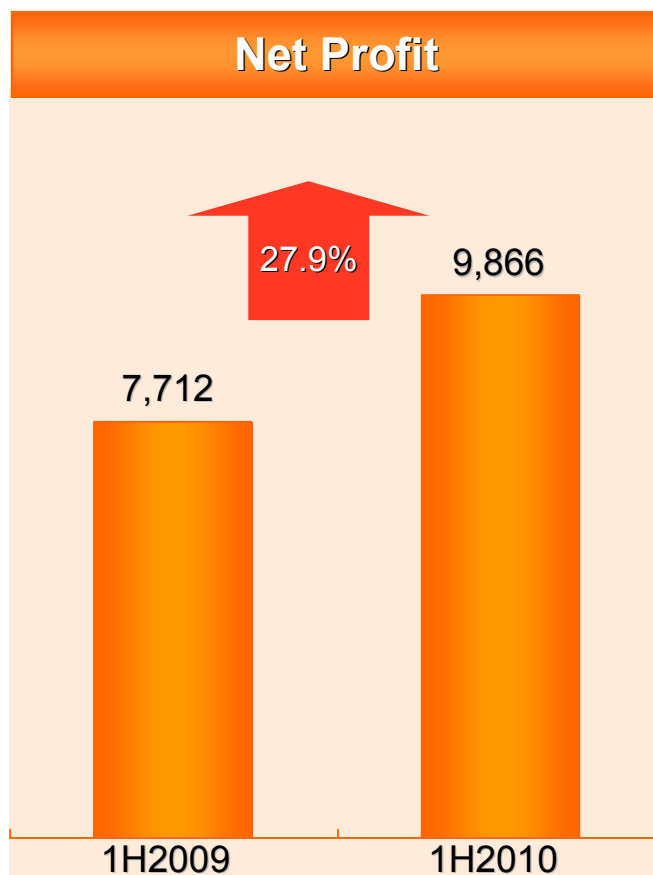
(In RMB million)

	1H2009		1H2010	
<u>New business from cross-selling</u>	Amount	Business Contribution	Amount	Business Contribution
Property & Casualty insurance				
Premium income	2,672	14.2%	4,091	13.6%
Annuity business				
Entrusted assets	360	8.4%	679	17.7 %
Assets under Investment management	384	7.0%	388	6.0%
Trust business				
Trust schemes	3,523	6.7%	6,174	11.6%
Banking business				
Corporate deposits (increase of daily average balance)	1,986	12.0%	4,200	22.0%
Corporate loans (increase of daily average balance)	100	1.2%	3,000	17.0%
Credit cards (number of cards, in thousand)	470	66.6%	680	61.9%

Financial Analysis and Embedded Value

Net Profit and Total Equity Increased Substantially

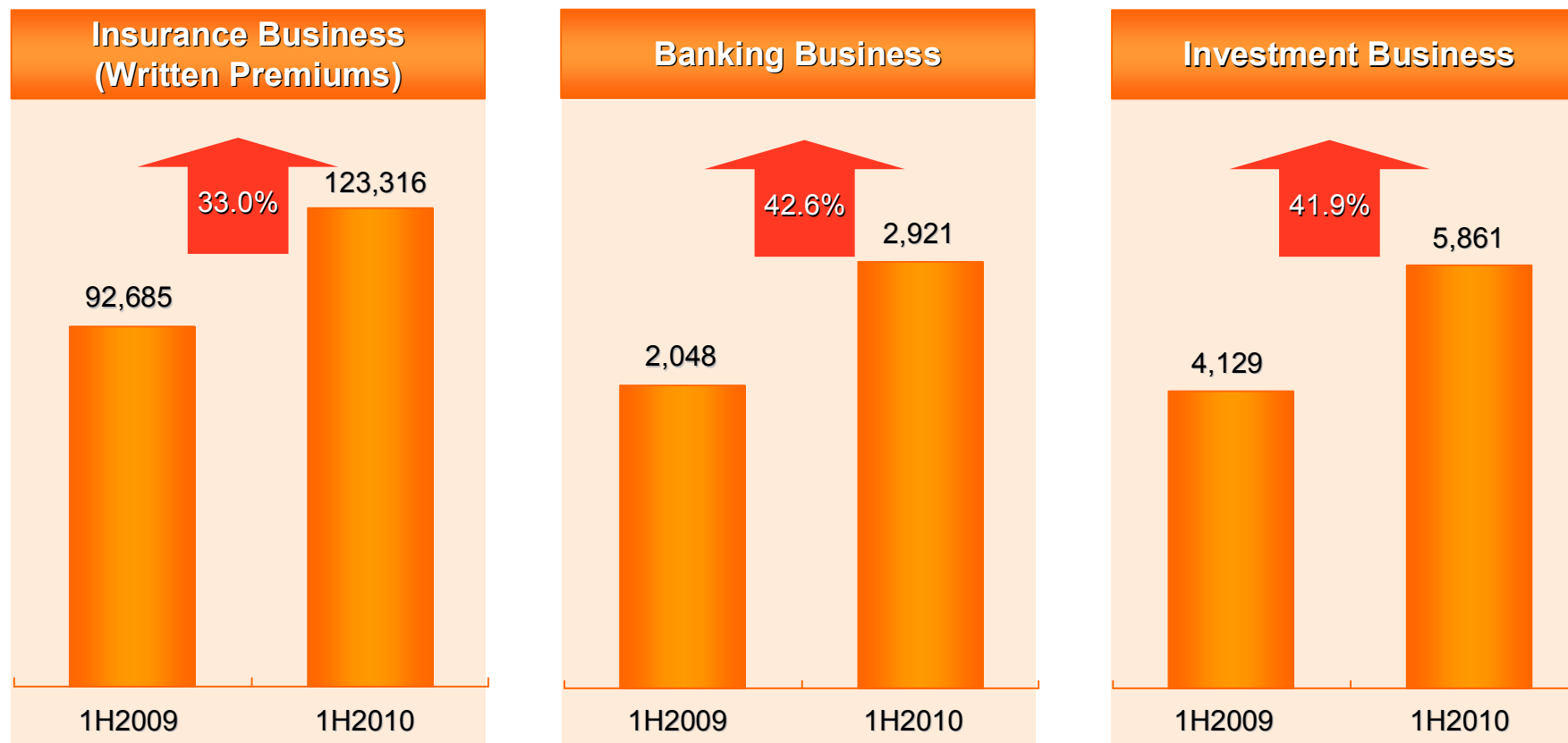
(In RMB million)



Note: The Total Equity as at June 30th, 2010, included RMB 16 billion in additional stock issue of H share shareholders' equity

Income Growth by Business Segments

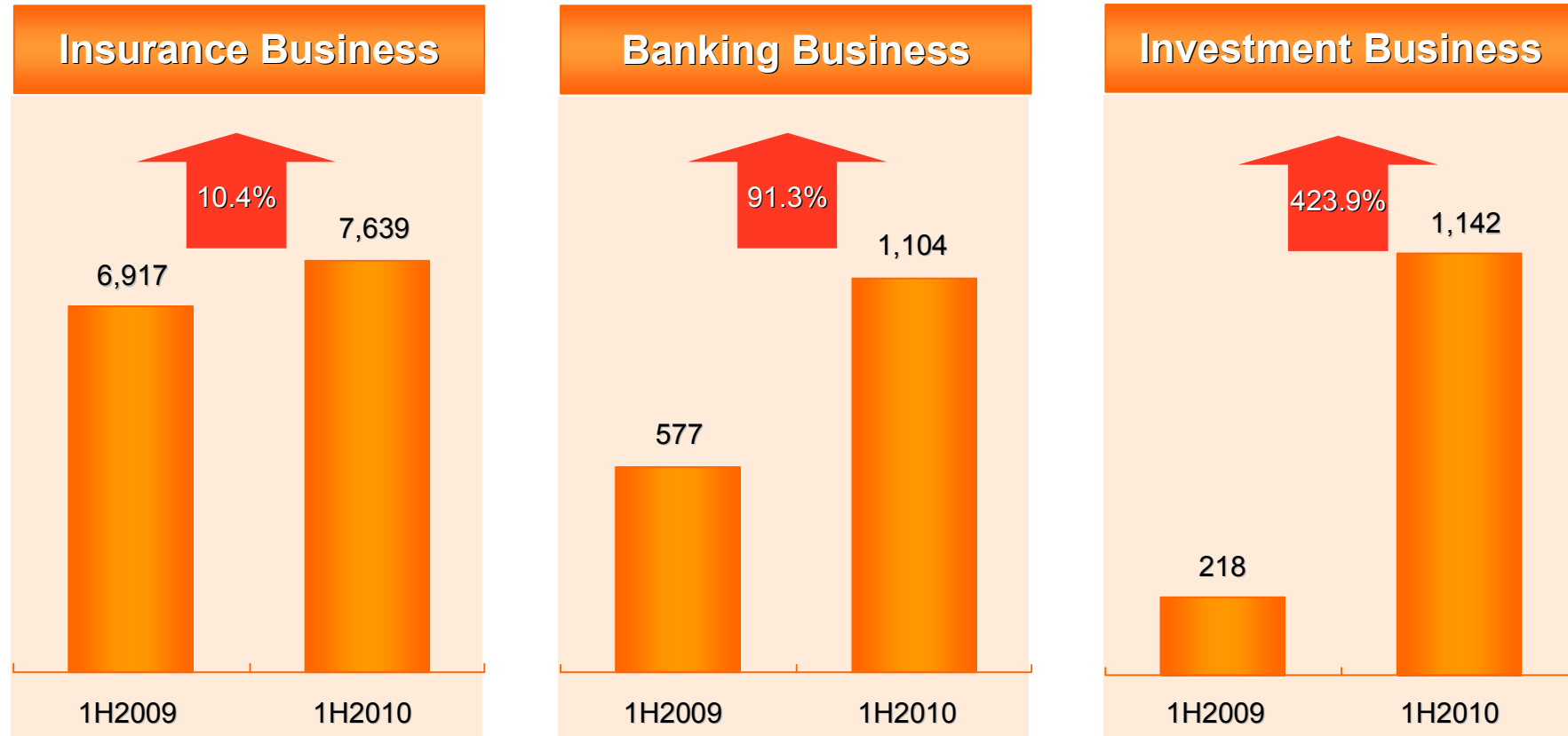
(In RMB million)



- Notes: (1) Insurance written premiums mean all premiums received from the policies underwritten by the Company, which is prior to the significant insurance risk testing and unbundling of hybrid risks contracts
(2) Investment incomes include incomes from Headquarter, Securities and other business lines (excluding set-offs)
(3) The Banking business income and Investment business income are based on IFRS

Net Profit by Business Segments

(In RMB million)



- Notes: (1) Net profits from insurance pillar cover Life insurance and Property & Casualty insurance
(2) Net profits from banking pillar refer to that from Ping An Bank and investment income from SDB based on the equity method
(3) Net profits from investment pillar include that from Headquarter, Securities, and other business lines (excluding set-offs)

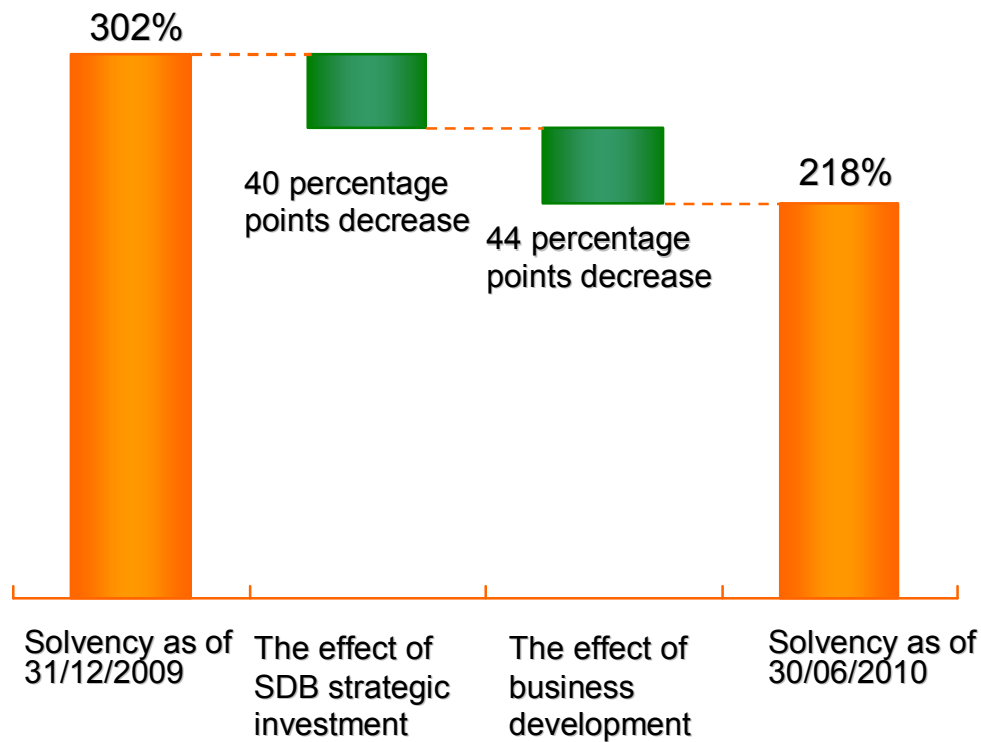
Adequate and Healthy Solvency Margin

<i>(In RMB million)</i>	31/12/2009	30/06/2010
Group (Total)	302%	218%
Ping An Life	227%	206%
Ping An Property & Casualty	144%	136%
Ping An Annuity	500%	236%
Ping An Bank	13.0%	11.8%

Note: SDB, a 29.99% associate of the company, was included in the calculation of the company's solvency margin

Adequate and Healthy Solvency Margin

Change of Group Solvency Margin



The Group's solvency margin ratio decreased compared with the end of 2009, which was mainly due to two reasons.

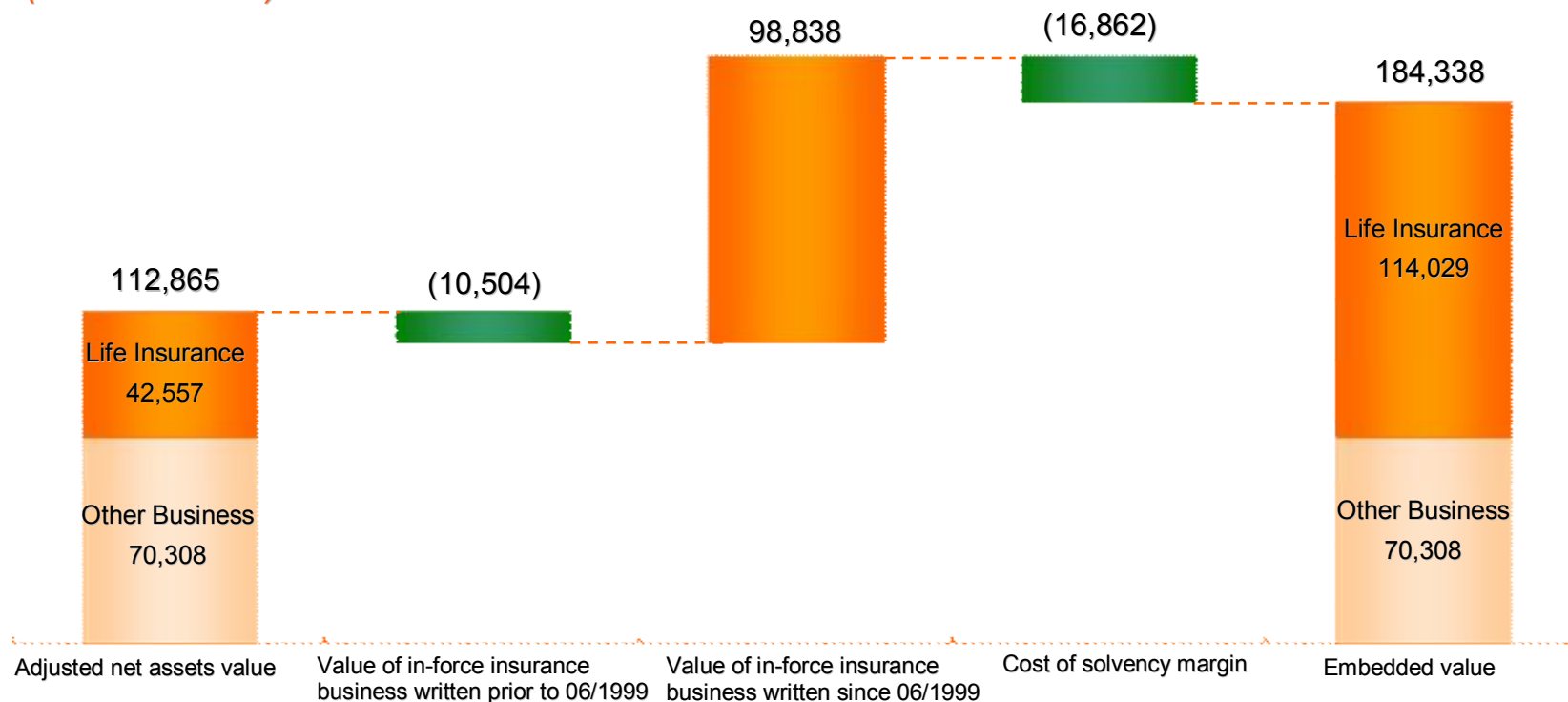
First, the minimum capital increased as a result of the rapid growth of insurance business and banking business in the first half of 2010.

Second, SDB was included in the calculation of the group solvency margin since it became an associate of the Company.

Composition of Embedded Value

Embedded Value Component—30/06/2010

(In RMB million)

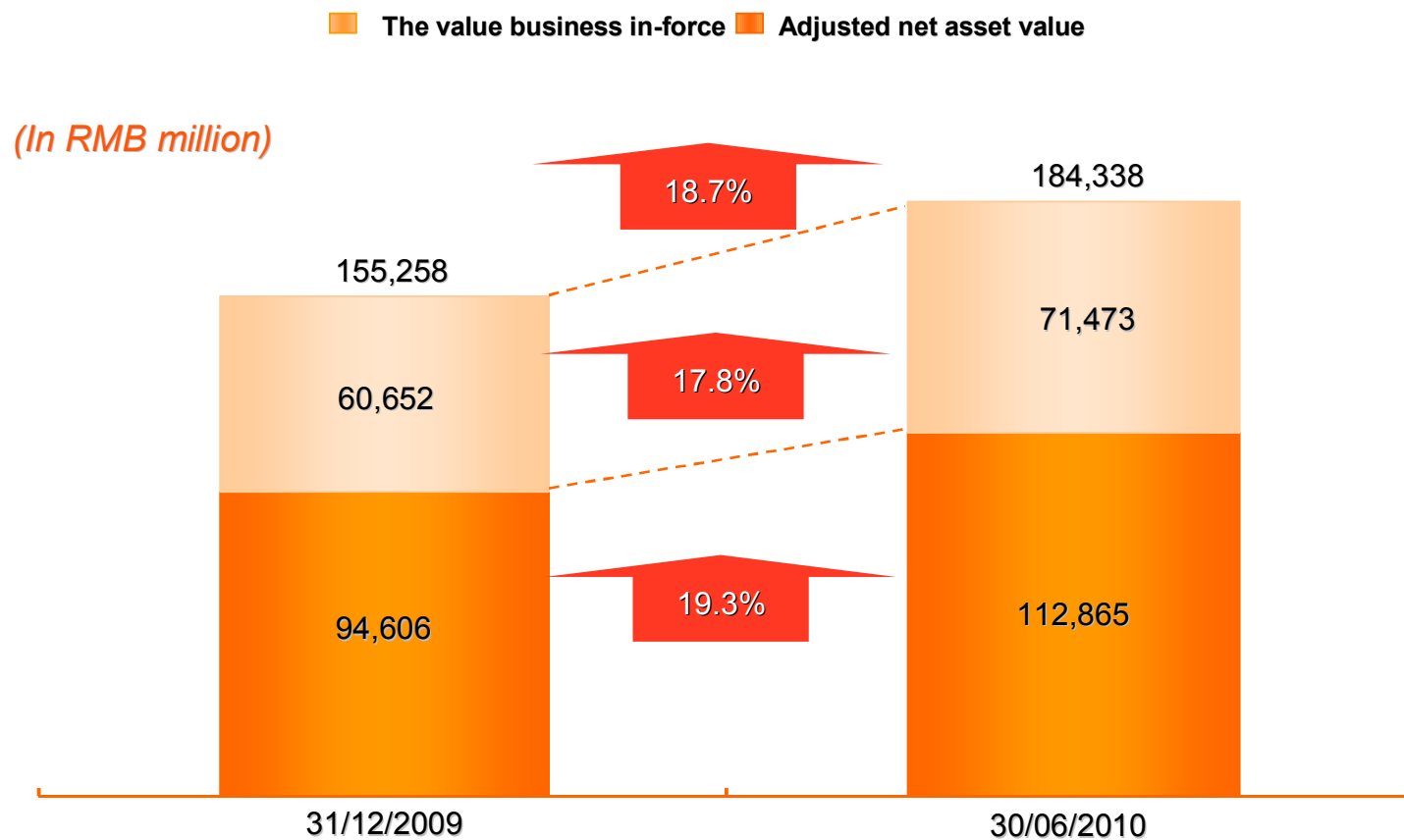


Notes: (1) Figures may not be additive due to rounding

(2) The relative life insurance business includes business conducted through Ping An Life, Ping An Annuity and Ping An Health

(3) Above risk discount rates were earned rate/ 11% for in-force business

Growth of Embedded Value



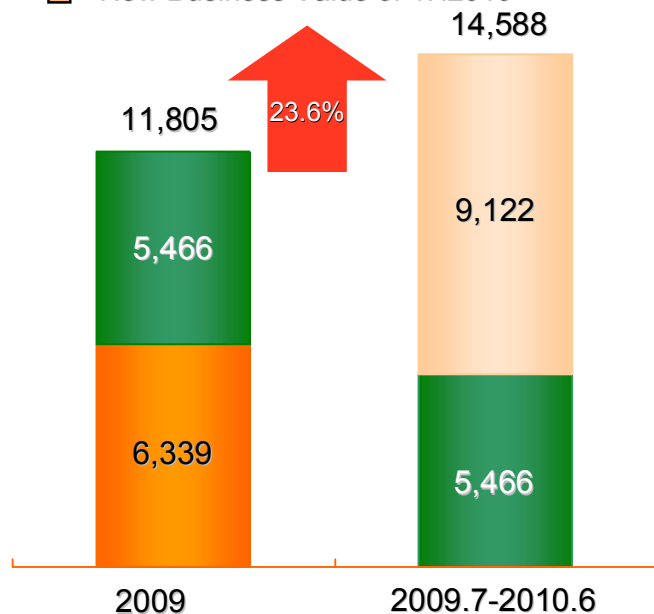
Note: Above risk discount rates were earned rate or 11% for in-force business

One Year's New Business Value

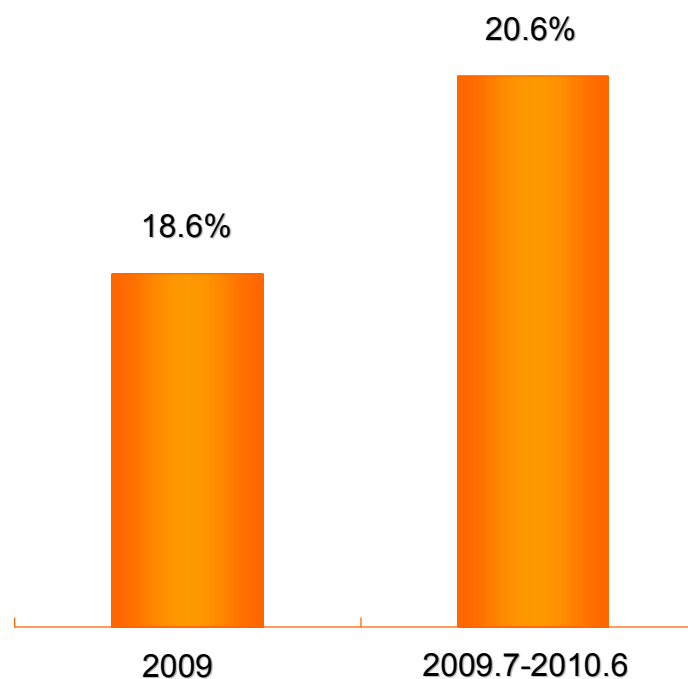
One Year's New Business Value

(In RMB million)

- New Business Value of 2H2009
- New Business Value of 1H2009
- New Business Value of 1H2010



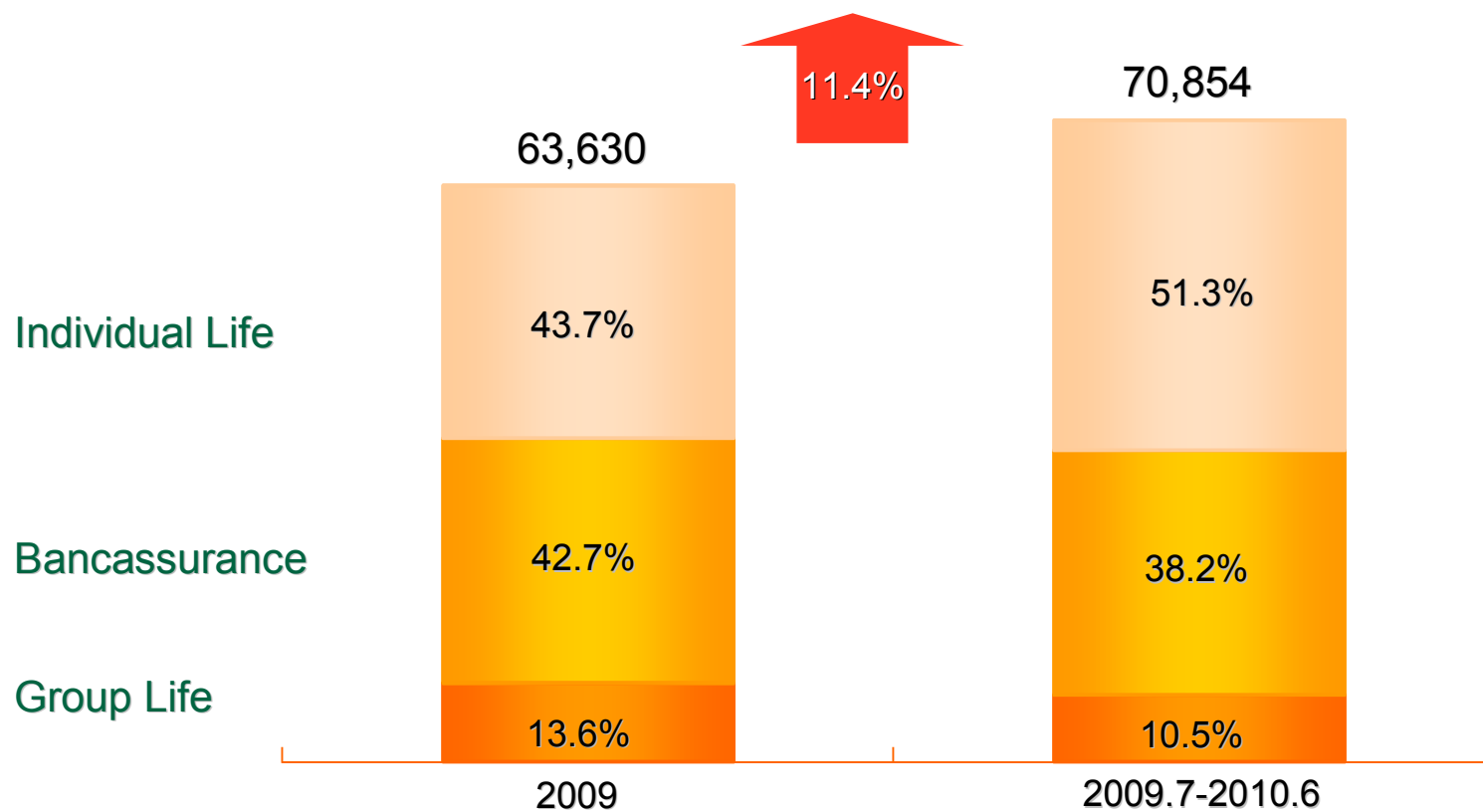
The Overall New Business Margin



Note: In the table above, the assumptions used to calculate the value of first half year's new business in 2009 are the same with current assumptions used to calculate the new business value. If the 2009 mid-year valuation's assumptions were used, the value of first half year's new business in 2009 would be RMB 6,246million

One Year's New Business Mix

(In RMB million)



Note: Above FYP data only correspond to the calculation of one year's new business value

Insurance Business Review

Insurance Business Highlights

Life Insurance

- n Individual life business FYP increased 52.1% compared with the first half of 2009

Property & Casualty Insurance

- n Attributed to the distribution management, premium income from P&C increased by 60.9%, and its market share rose to 14.4% compared with the end of 2009
- n Combined ratio decreased by 4.7 percentage points to 96.5% compared to the same period of 2009

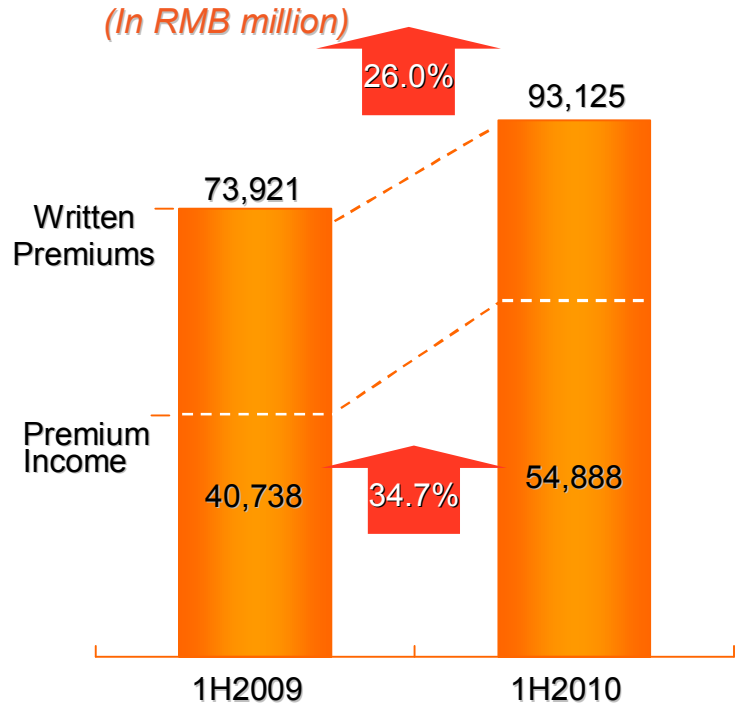
Corporate Annuity

- n Ping An Annuity maintained its leading position in the industry. Three major indicators, namely annuity payments received, assets entrusted and assets under investment management, were all among the highest in the sector

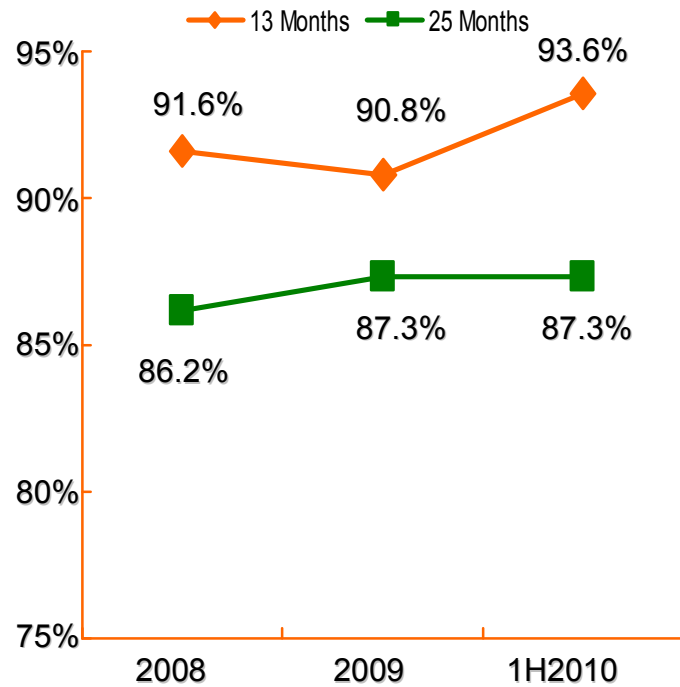
Notes: (1) Life insurance includes our life insurance business conducted through Ping An Life, Ping An Annuity and Ping An Health
(2) Property & Casualty insurance includes our property and casualty insurance business through Ping An Property & Casualty and Ping An Hong Kong

Life Insurance Business: Strong Growth and Stable Business Quality

Written Premiums/Premium Income



Policy Persistency Ratio

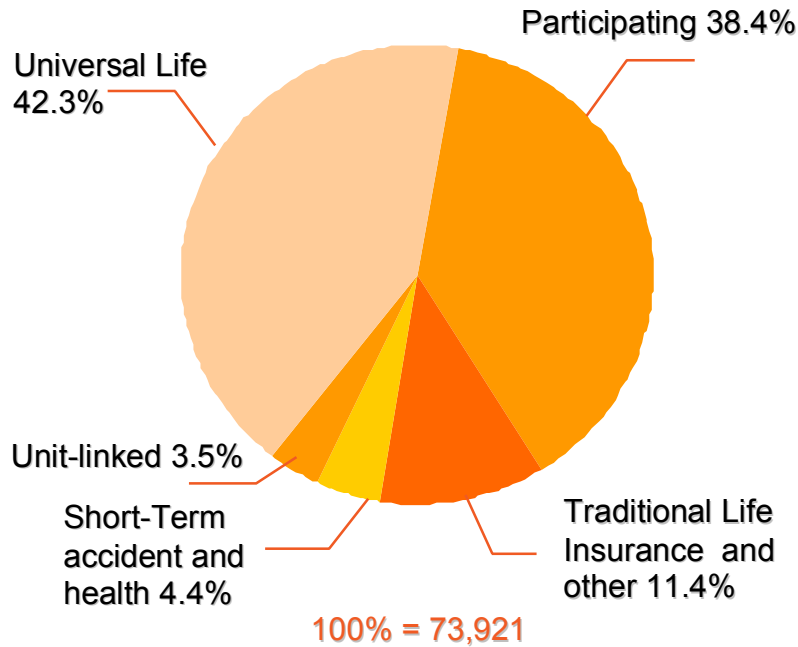


- Notes: (1) Written premiums mean all premiums received from the policies underwritten by the Company, which is prior to the significant insurance risk testing and unbundling of hybrid risks contracts
 (2) Premium income means premiums after the significant insurance risk testing and unbundling of hybrid risks contracts
 (3) Life insurance includes our life insurance business conducted through Ping An Life, Ping An Annuity and Ping An Health

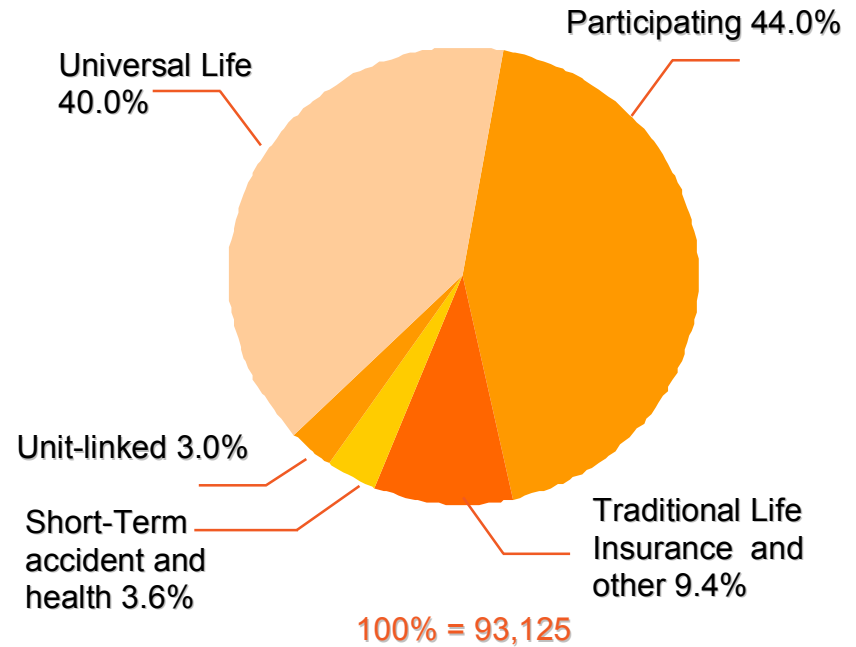
Product Structure of Life Business

1H2009

(In RMB million)



1H2010



- Notes: (1) The above premiums mean written premiums
 (2) Life insurance includes our life insurance business conducted through Ping An Life, Ping An Annuity and Ping An Health
 (3) Traditional life insurance and other include Long term health, Life and Annuity

Individual Life Written Premiums

(In RMB million)

	1H2009	1H2010	Growth
Individual Life			
First year regular premiums, policy fees and deposits	15,158	23,840	↑ 57.3%
First year single premiums, policy fees and deposits	883	1,101	↑ 24.7%
Short term accident and health premiums	1,014	1,002	↓ 1.2%
Total new business	17,055	25,943	↑ 52.1%
Renewal business	36,935	47,415	↑ 28.4%
Total individual life	53,990	73,358	↑ 35.9%

Notes: (1) Above premiums are written premiums

(2) Life insurance includes our life insurance business conducted through Ping An Life, Ping An Annuity and Ping An Health

Bancassurance and Group Insurance Written Premiums

(In RMB million)

	1H2009	1H2010	Growth
Bancassurance			
First year regular premiums, policy fees and deposits	102	665	↑ 552.0%
First year single premiums, policy fees and deposits	15,875	15,220	↓ 4.1%
Short term accident and health premiums	1	1	0%
Total new business	15,978	15,886	↓ 0.6%
Renewal business	321	383	↑ 19.3%
Total Bancassurance	16,299	16,269	↓ 0.2%

	1H2009	1H2010	Growth
Group Insurance			
First year regular premiums, policy fees and deposits	-	31	-
First year single premiums, policy fees and deposits	1,403	1,104	↓ 21.3%
Short term accident and health premiums	2,216	2,333	↑ 5.3%
Total new business	3,619	3,468	↓ 4.2%
Renewal business	13	30	↑ 130.8%
Total Group Insurance	3,632	3,498	↓ 3.7%

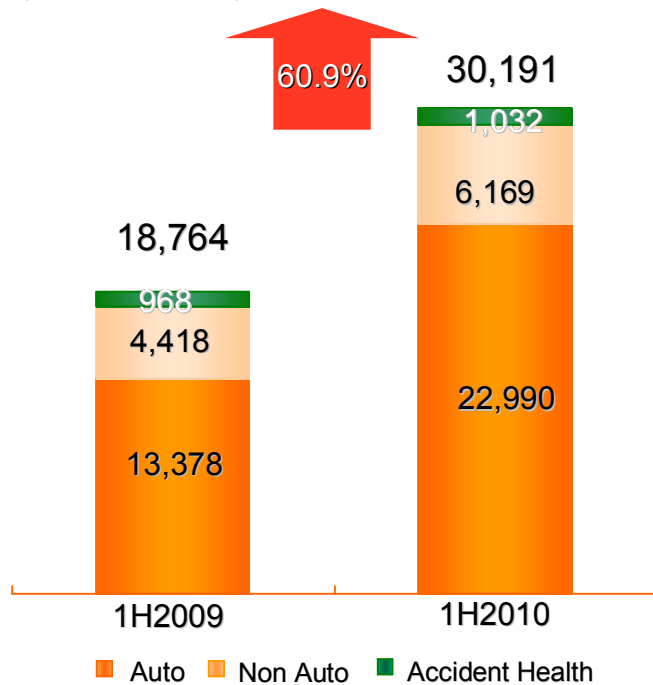
Notes: (1) Above premiums are written premiums

(2) Life insurance includes our life insurance business conducted through Ping An Life, Ping An Annuity and Ping An Health

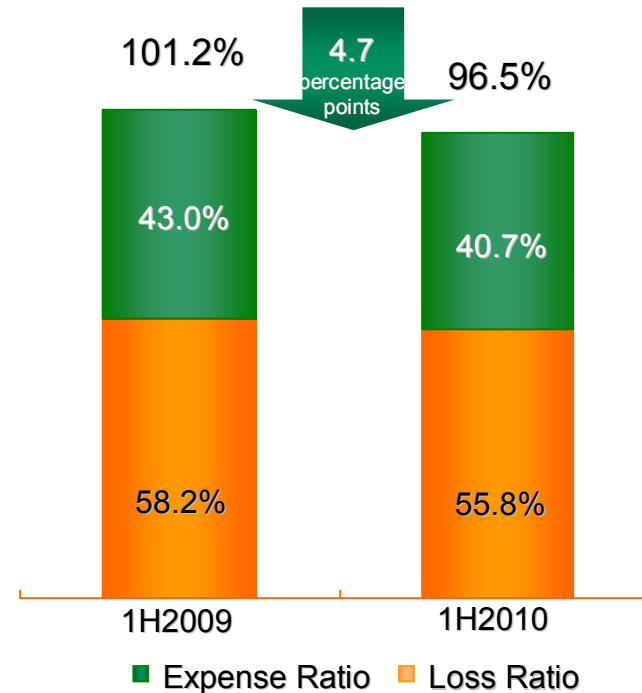
Property & Casualty: Strong Growth in Premium and Sharp Improvement in Combined Ratio

Premium Income

(In RMB million)



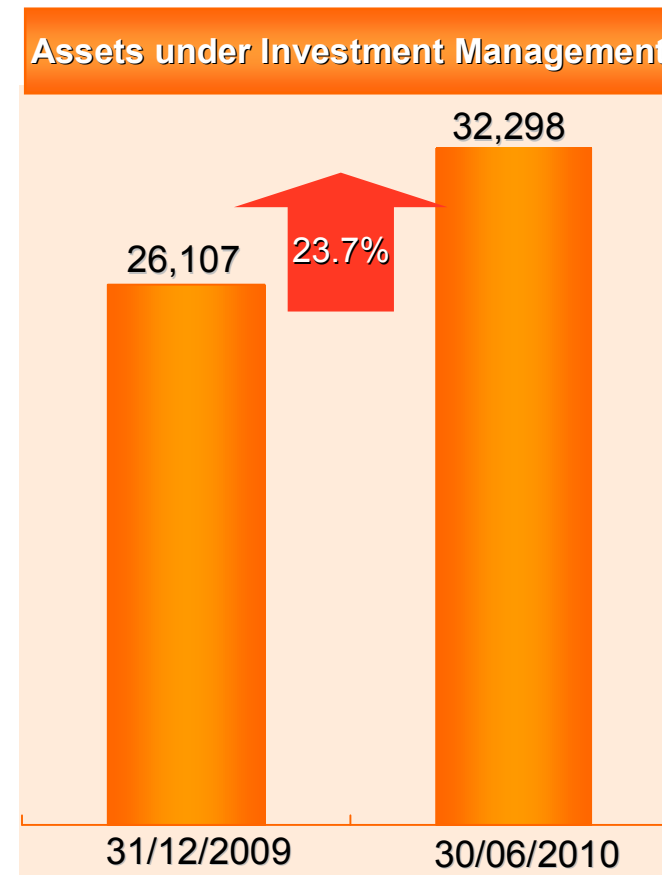
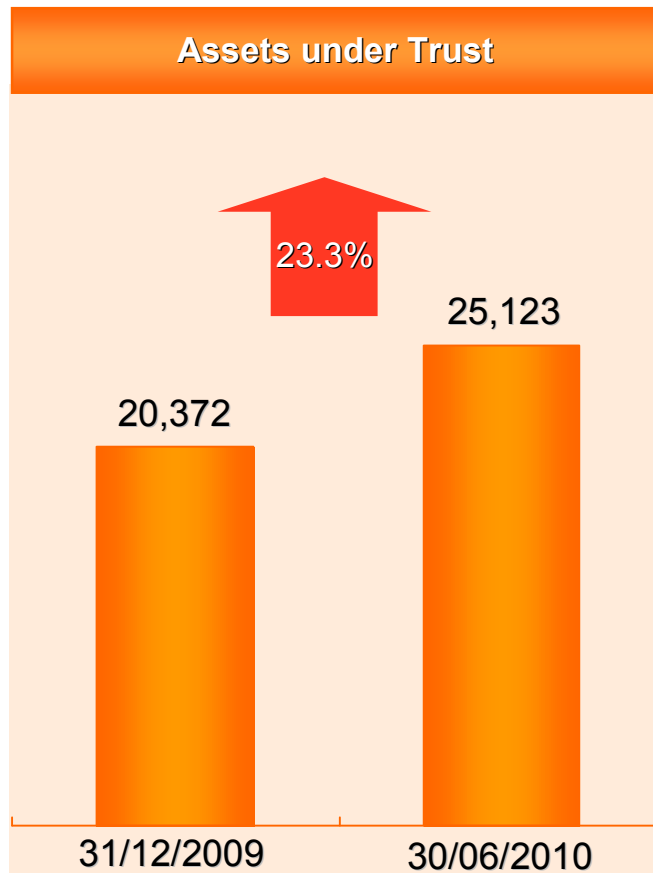
Combined Ratio



Note: Property & Casualty insurance includes our property and casualty insurance business through Ping An Property & Casualty and Ping An Hong Kong

Continuous Growth in Annuity Business

(In RMB million)



Investment Business Review

Investment Business Highlights

Investment

- n Ping An Asset Management: asset under management keeps growing
- n Product innovation and origination capability: we launched the first A Shares ETF product that tracks fundamentals of listed companies in mainland China

Trust

- n Ping An Trust actively develops its wealth management business to high net worth individuals. Business mix restructuring undergoing well, proportion of product with higher management fee increased significantly

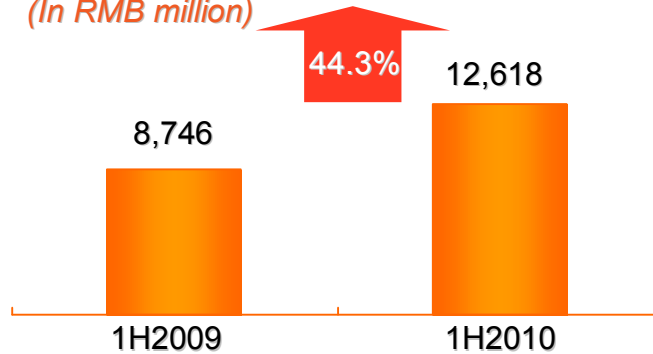
Securities

- n Ping An Securities achieved a strong growth of 125.6% in net profit as compared to the first half of 2009
- n Investment banking business successfully underwrote 22 IPO and 6 re-financing projects, ranking top of industry in terms of both number of deals and underwriting revenue

Net Investment Yield Improved, Total Investment Yield Decreased

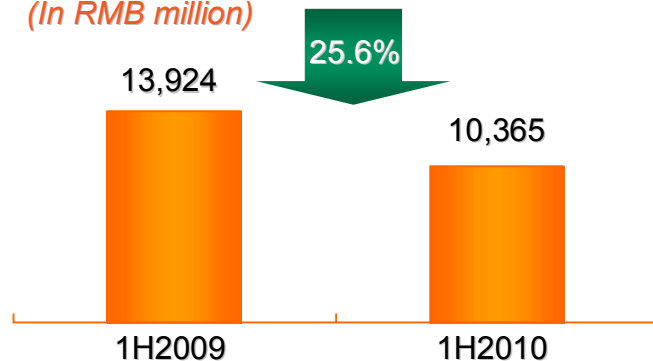
Net Investment Income

(In RMB million)



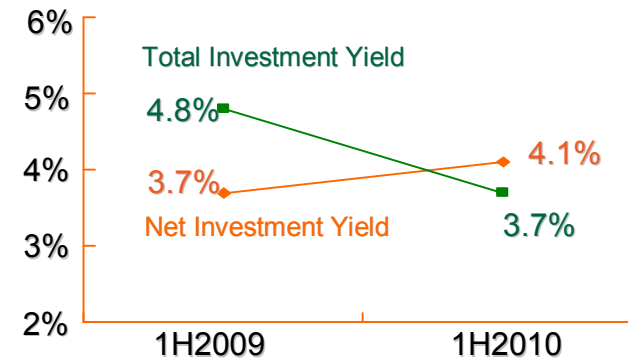
Total Investment Income

(In RMB million)



Note: The data above is based on insurance fund investment portfolio

Investment Yield



The improvement in net investment yield was attributed to the increase of dividend income arising from equity investment funds. However, the total investment yield decreased due to China's stock market corrections in the first half of 2010

Portfolio Allocation

(In RMB million)	31/12/2009	30/06/2010	Growth	
Portfolio ⁽¹⁾				
Fixed Maturity Investments	76.0%	79.3%	↑	3.3%
Term Deposits ⁽²⁾	15.5%	15.5%	-	0.0%
Bond Investments ⁽²⁾	59.6%	62.7%	↑	3.1%
Other Fixed Maturity Investments ⁽²⁾	0.9%	1.1%	↑	0.2%
Equity Investments ⁽²⁾	10.8%	8.1%	↓	2.7%
Infrastructure Investments	1.5%	1.4%	↓	0.1%
Cash, Cash Equivalent and Others	11.7%	11.2%	↓	0.5%
	100% =589,713	100% =655,647		

Notes: (1) The above investment portfolio is an insurance fund investment portfolio

(2) The data above exclude items that are classified as cash and cash equivalent

Banking Business Review

Banking Business Highlights

Strategic Investment in SDB

- n As an associate company of Ping An since May 2010, Shenzhen Development Bank already starts making profit contribution to Ping An. Profit contribution amounted to RMB 204 million in the first half of 2010

Ping An Bank's Businesses, Asset Quality and Capital Adequacy

- n Businesses of Ping An Bank remains strong. Net profit increased by 56.0% to RMB 900 million in the first half of 2010
- n Non-performing loan ratio kept at the industry leading level of 0.45% and capital adequacy ratio was 11.8%

Product, Service and Distribution Channel

- n Number of credit cards issued approached 5 million in aggregate
- n Cross-selling continues to pay off. 22.0% and 61.9% of new corporate deposits and newly-issued credit cards respectively were by cross-sell
- n Network expansion achieved a further breakthrough. Our 9th branch Huizhou Branch officially opened

Banking Operating Performance

<i>(In RMB million)</i>	1H2009	1H2010	Growth
Operating Income	2,048	2,921	↑ 42.6%
Net Interest Income	1,508	2,457	↑ 62.9%
Asset Impairment Loss	(69)	(83)	↑ 20.3%
Operating, Overhead and Other Expenses	(1,257)	(1,676)	↑ 33.3%
Net Profit	577	900	↑ 56.0%

Notes: (1) Operating, overhead and other expenses include operating expenses, business tax and surcharges, other expenses and non-operating expenses

(2) The above data are from Ping An Bank

Key Ratios

	1H2009	1H2010
Net Interest Spread	1.7%	2.0%
Cost/Income Ratio ⁽¹⁾	54.4%	50.5%

	31/12/2009	30/06/2010
Loan to Deposit Ratio	70.3%	70.2%
Non-performing Loans Ratio	0.46%	0.45%
Provisions Coverage Ratio	156.0%	156.7%
Capital Adequacy Ratio	13.0%	11.8%

Notes: (1) Cost/income ratio refers to operating and overhead expenses/operating income

(2) The above data are from Ping An Bank

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Q&A

