

中国平安 PINGAN

保险 · 银行 · 投资

2010 Annual Results

March, 2011



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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	Alex Ren	Group President
Financial Analysis and Embedded Value Banking Business Review	Jason Yao	Executive Director & Group CFO
Insurance Business Review	Yuansiong Lee	Group Chief Insurance Business Officer
Investment Business Review	Timothy Chan	Group Deputy Chief Investment Officer

Overview



Overview

2010 was a year of major breakthroughs for Ping An, a direct result of our proactive initiatives in face of the changing economic environment. Our total and net assets crossed over RMB1 trillion and RMB100 billion, respectively. Our three-pillar businesses, namely insurance, banking and investment, performed strongly and achieved an above industry-average growth. Our overall competitiveness continuously increased and our integrated financial structure was further enhanced.

Looking into 2011, the changing economic conditions is expected to present more complex challenges. Nevertheless, we believe that China's economy will maintain a relatively fast and healthy development and will present vast opportunities for Ping An. In line with our strategic goal of becoming a leading international integrated financial group, we will continue to strengthen the core competences of all business lines, improve channels, products and management platforms to facilitate cross-selling, actively explore an innovative development model that combines modern technology with finance, and strive to move forward the integration between Shenzhen Development Bank with Ping An Bank.

Operating Highlights



Operating Highlights of Our Three Core Businesses

Insurance Business

- Ping An Life realized total written premiums of over RMB150 billion. First-year written premiums from individual life insurance recorded a rapid growth rate of 37.6%
- Ping An Property & Casualty's premium income increased by 61.4% to a record high of over RMB60 billion; market share reached 15.4%; combined ratio improved to 93.2%, our best to date
- Ping An Annuity maintained its leading positions in the industry
- Ping An Health has taken on a new strategic investor Discovery, the largest health insurance company in South Africa

Banking Business

- Ping An Bank recorded a net profit of RMB1,737 million, an increase of 60.8%. Accumulated credit cards issued exceeded 6 million, and the credit card business achieved profitability for the first time in the past three years
- Strategic investment in Shenzhen Development Bank achieved significant progress. The proposed restructuring plan of SDB with Ping An Bank is subject to approval from regulatory bodies

Investment Business

- Ping An Securities successfully sponsored 39 IPOs and 11 refinancing projects as the lead underwriter; ranked first in terms of the number of deals and underwriting revenue
- Ping An Trust accelerated the development of wealth management business. Net profit increased by 71.5% to RMB1,039 million. Remarkable progress in trust business transformation was achieved
- Ping An-UOB Fund was established with the approval of the regulatory authorities

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

Financial Highlights

<i>(In RMB million)</i>	2009	2010	Growth
Total Income (IFRS basis)	152,838	195,814	↑ 28.1%
Net Profit	14,482	17,938	↑ 23.9%
Total Assets	935,712	1,171,627	↑ 25.2%
Total Equity	91,743	116,883	↑ 27.4%
EPS ^(in RMB)	1.89	2.30	↑ 21.7%
Dividend Per Share ⁽¹⁾ <i>(in RMB)</i>	0.45	0.55	↑ 22.2%

Note: (1) Dividend per share includes final dividend and interim dividend. The final dividend proposed for 2010 is RMB 0.40 per share, pending approval by shareholders at the annual general meeting

Steady Execution of Integrated Financial Strategy

➤ Integrated Cost-effective Shared Operating Platform

- Accomplished the second phase of operation centralization with efficient multi-center, which optimized the cost structure through resource sharing and cross-business synergies
- The project of “building one integrated financial services back-office” is already under way with steady progress made, establishing a cross-product, unified and standard service platform to improve service quality and product support

➤ Financial Products and Services Innovation

- Ping An One Account Management Services continued to roll out new features to improve customer experience and offered Ping An subsidiaries a platform for superior marketing, sales and customer services. As of 2010, the number of cumulative registered users reached 10 million, representing a growth of 150%
- We launched numerous service initiatives, demonstrating our strength in integrated resources planning and coordination. Ping An Property & Casualty upgraded its service by shortening the claim payment period from three days to one day in the case of claims below RMB10,000 with complete files. Ping An Life introduced the innovative sales model using the Mobile Integrated Terminal (MIT)



One Customer
One Account
Multiple Products
One-stop Service

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

(In RMB million)

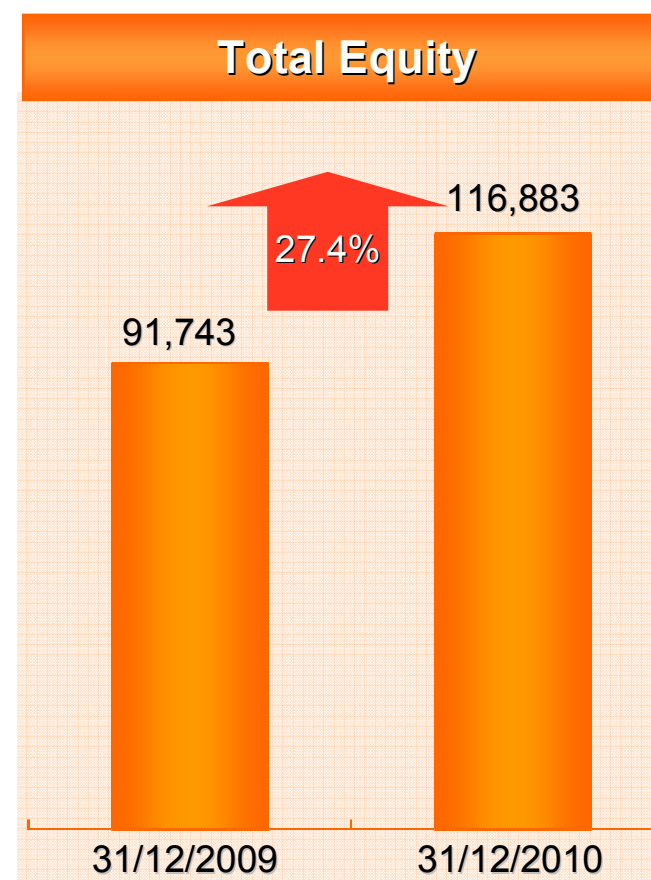
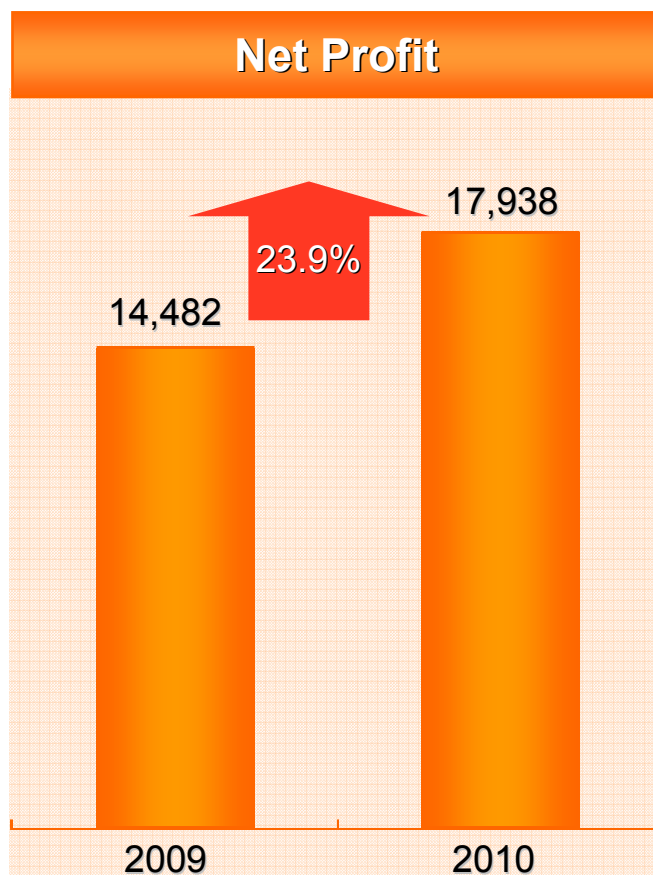
	2009		2010	
<u>New business from cross-selling</u>	Amount	Business Contribution	Amount	Business Contribution
Property and casualty insurance				
Premium income	5,635	14.5%	8,582	13.7%
Annuity business				
Entrusted assets	623	7.5%	1,545	15.1%
Assets under Investment management	671	7.4%	1,131	7.7%
Trust business				
Trust schemes	5,650	4.5%	13,812	14.1%
Banking business				
Corporate deposits (increase of daily average balance)	2,509	10.4%	5,200	21.1%
Corporate loans (increase of daily average balance)	788	5.2%	4,200	20.1%
Credit cards (in ten thousands)	124	56.5%	124	54.5%

Financial Analysis and Embedded Value



Net Profit and Total Equity Increased Significantly

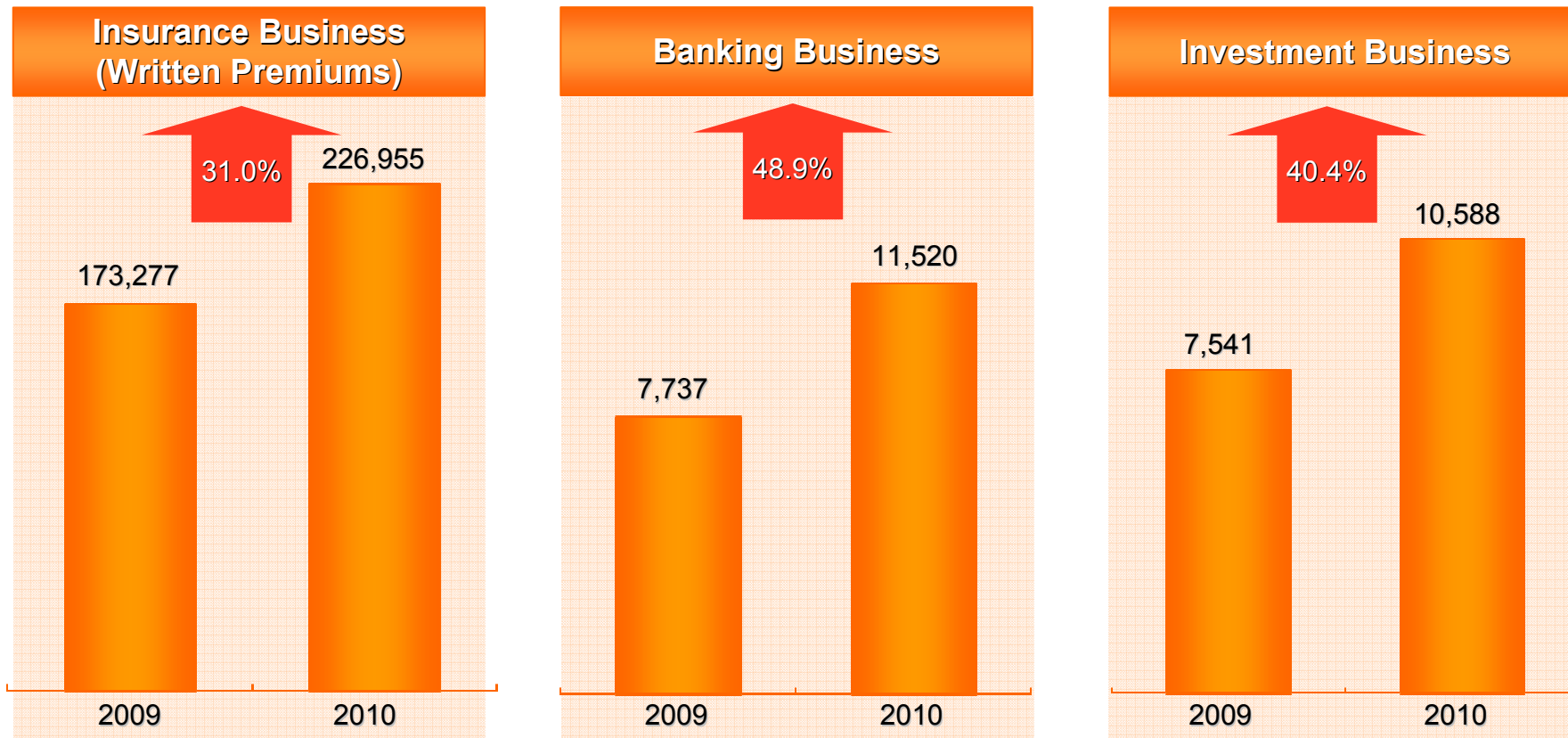
(In RMB million)



Note: The total equity as at December 31, 2010, included RMB 16 billion in additional stock issue of H share shareholders' equity

Income Growth by Business Segments

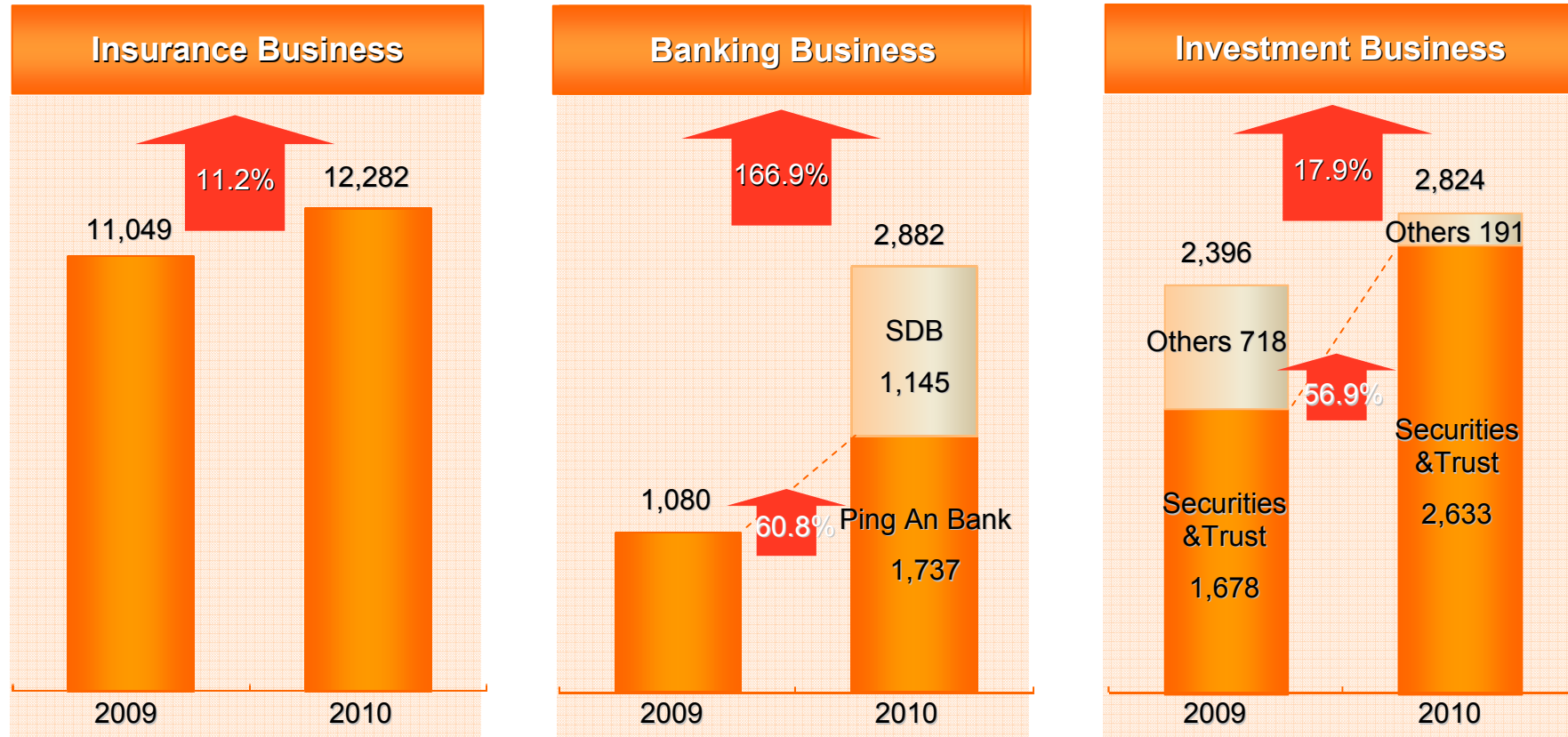
(In RMB million)



- Notes: (1) Written premiums of insurance business 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) The banking business income and investment business income are based on IFRS. The banking business income includes the share of profits of RMB1,145 million from SDB based on the equity method
- (3) The investment business income includes incomes from Securities, Trust, Headquarter and other business lines (excluding set-offs). For illustration, the investment business income does not include the income of Xuji Group, which was no longer our subsidiary company since the end of May 2010

Net Profit by Business Segments

(In RMB million)



Notes: (1) Net profits from insurance pillar cover life insurance business and property and casualty insurance business
 (2) Net profits from banking pillar refer to that from Ping An Bank and share of profits from SDB based on the equity method
 (3) Net profits from investment pillar include that from Securities, Trust, Headquarter and other business lines (excluding set-offs). The net profits from other business lines include that from Xuji Group, which was no longer our subsidiary company since the end of May 2010

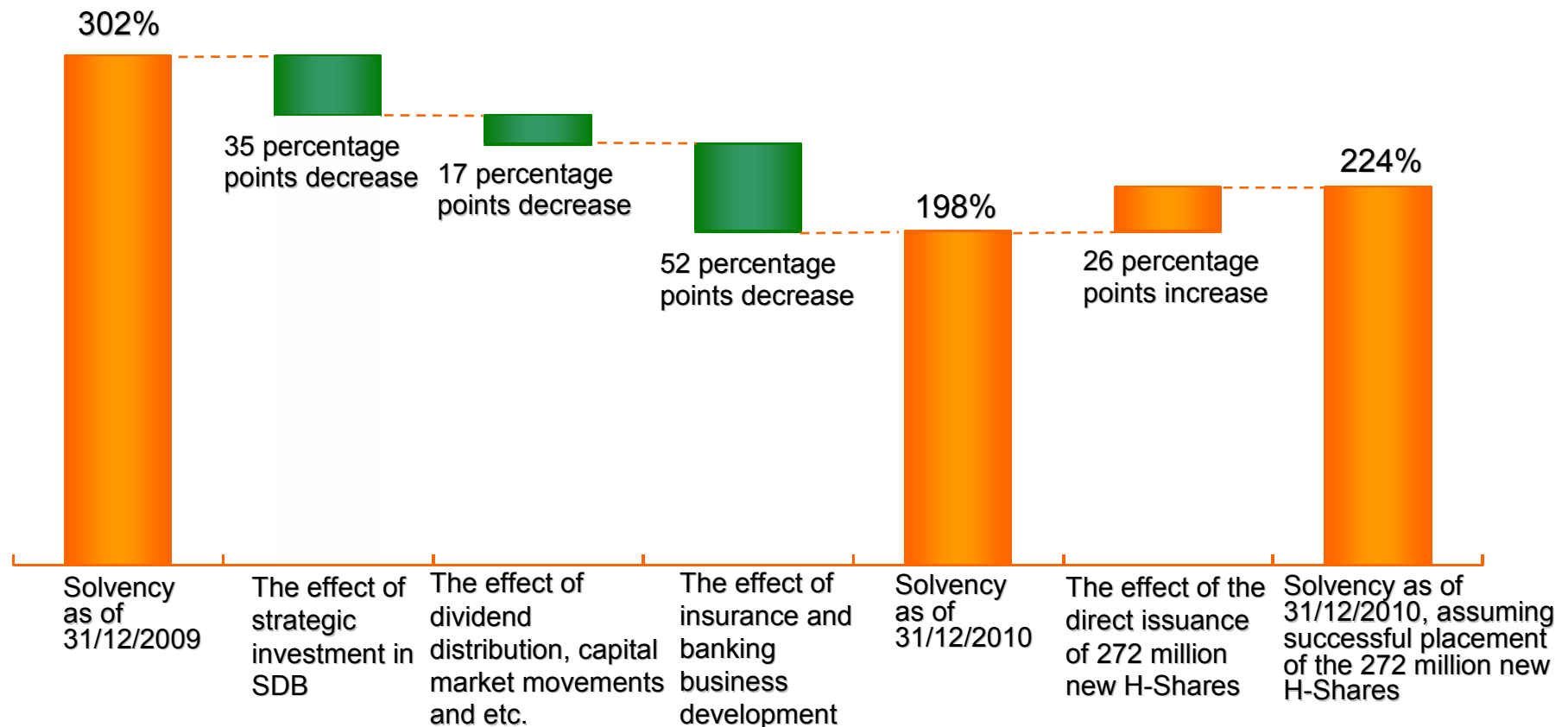
Healthy Solvency Margin and Capital Adequacy Ratio

	31/12/2009	31/12/2010
Group (Total)	302.1%	197.9%
Ping An Life	226.7%	180.2%
Ping An Property & Casualty	143.6%	179.6%
Ping An Bank	13.0%	11.0%
SDB	8.9%	10.2%

Note: SDB, a 29.99% associate of the Company, was included in the calculation of the Company's solvency margin in 2010

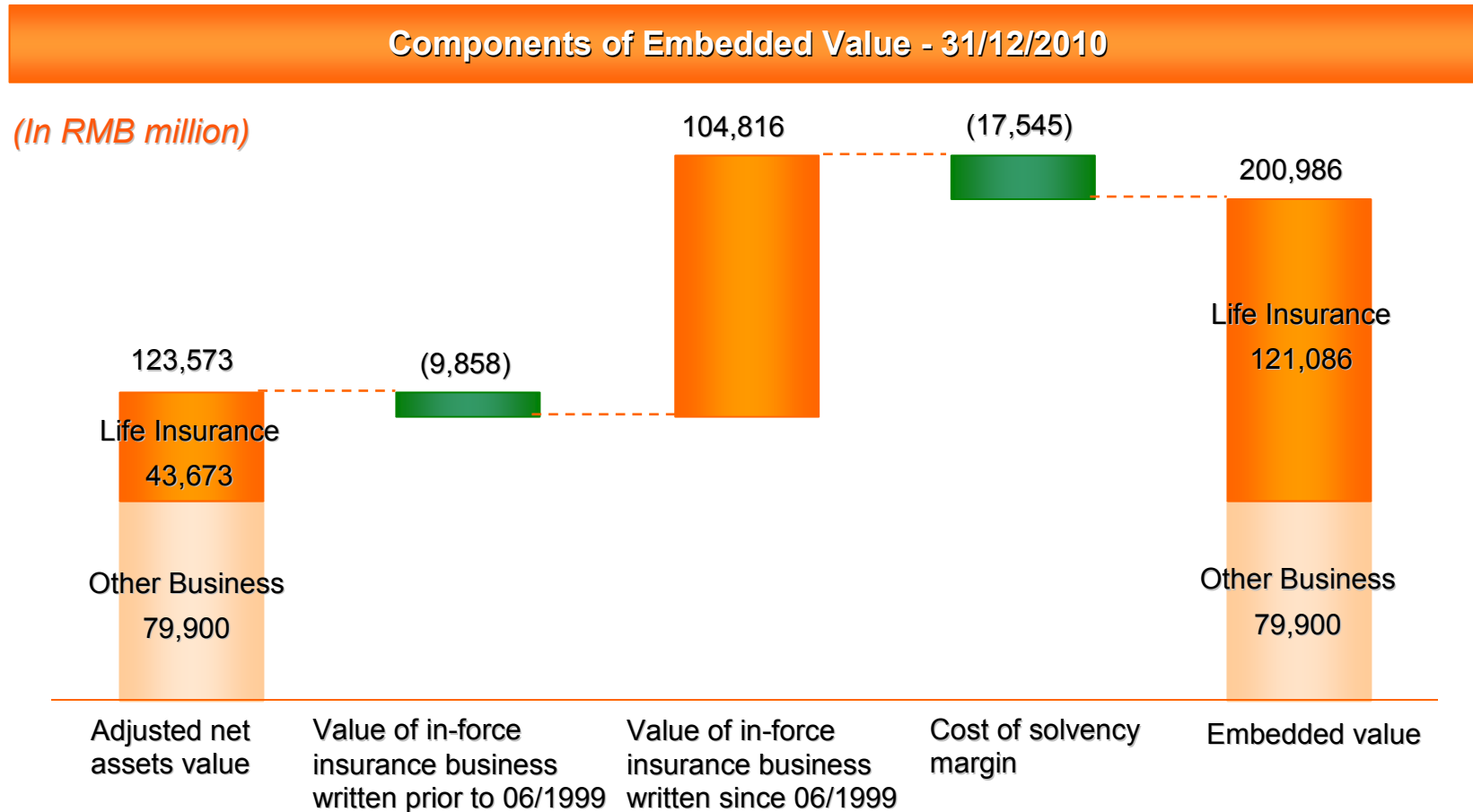
Group Solvency Margin Movement

Change of Group Solvency Margin



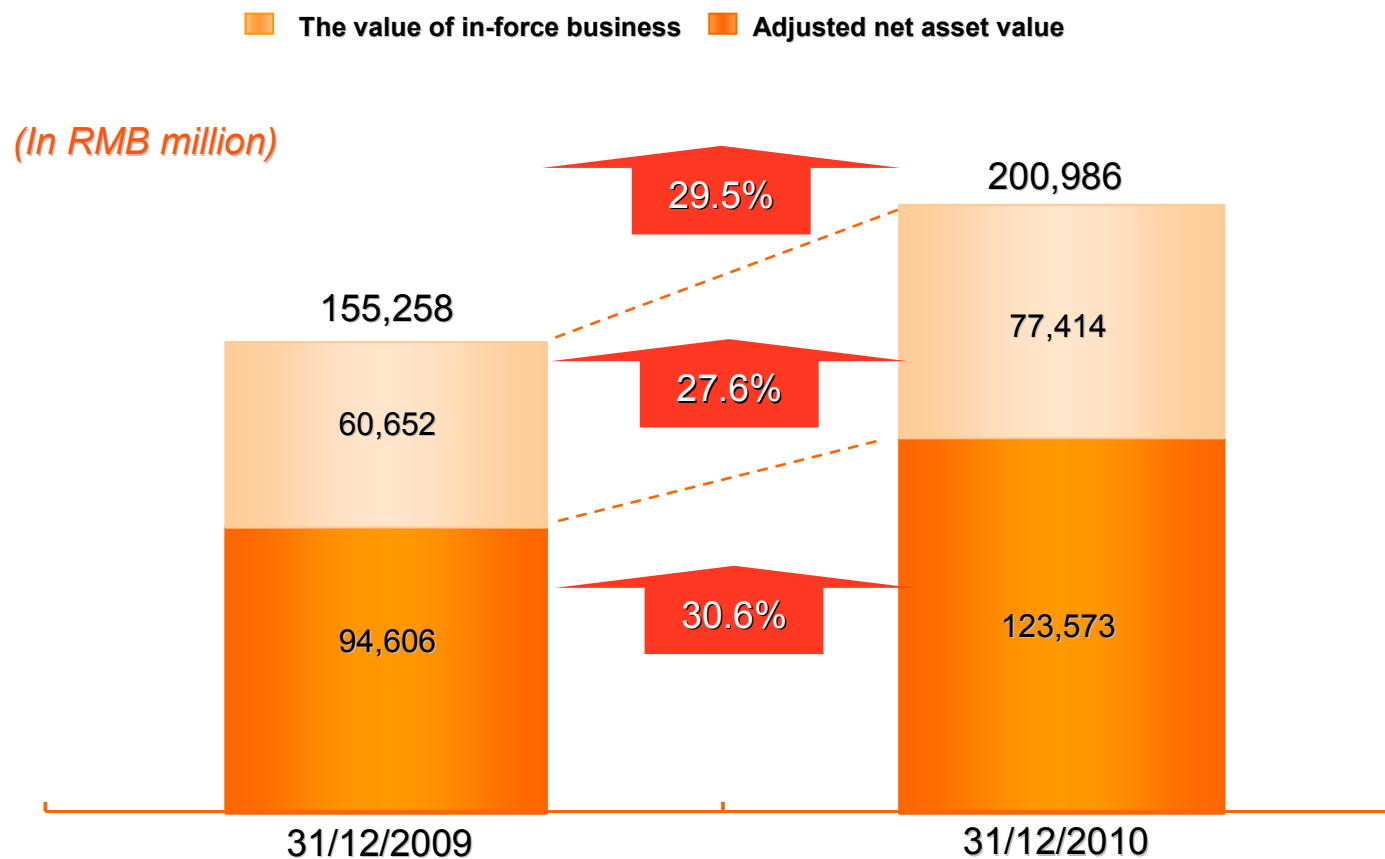
Note: The Company intends to directly issue 272 million new H-Shares to JINJUN LIMITED. The projected solvency margin as of the end of 2010 would be 224%, assuming the direct issuance was completed on 31 December, 2010

Composition of Embedded Value



Notes: (1) Figures may not match totals due to rounding
 (2) The relevant 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

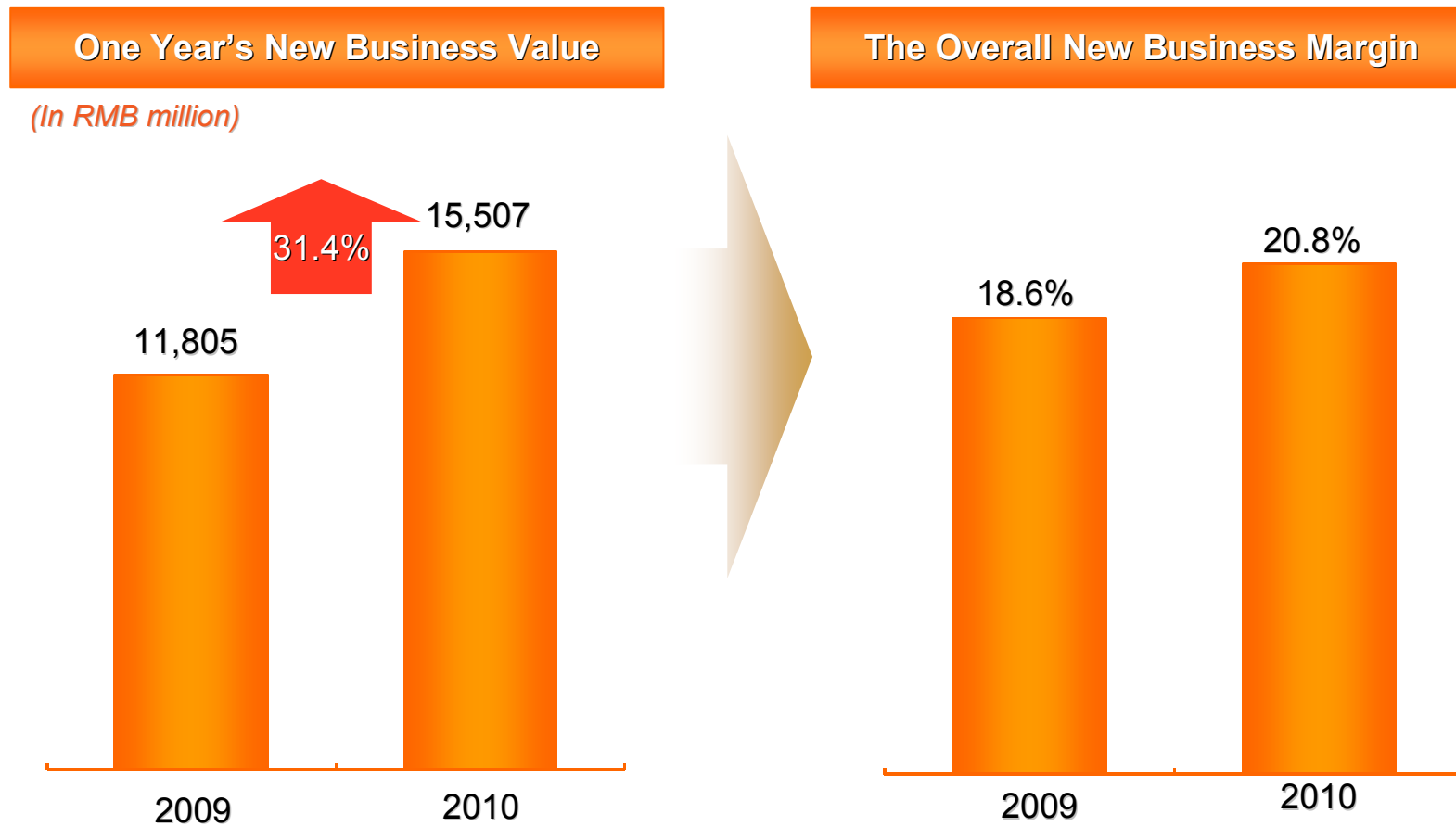
Growth of Embedded Value



Note: (1) Figures may not match totals due to rounding

(2) Above risk discount rates for the value of in-force business were earned rate /11% for in-force business

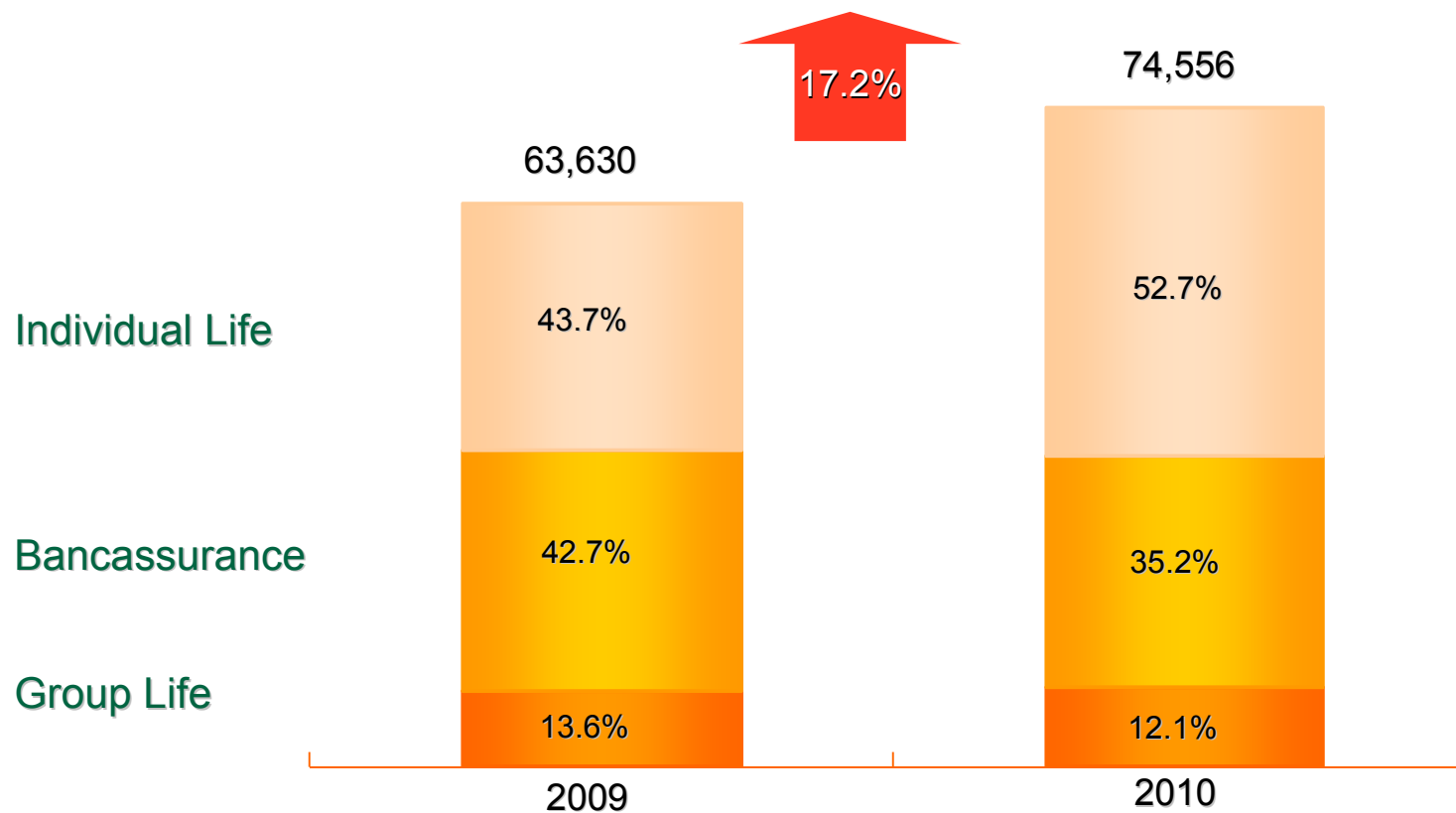
One Year's New Business Value



Note: The above one year's new business value was after the cost of solvency, calculated using the 11% risk discount rate

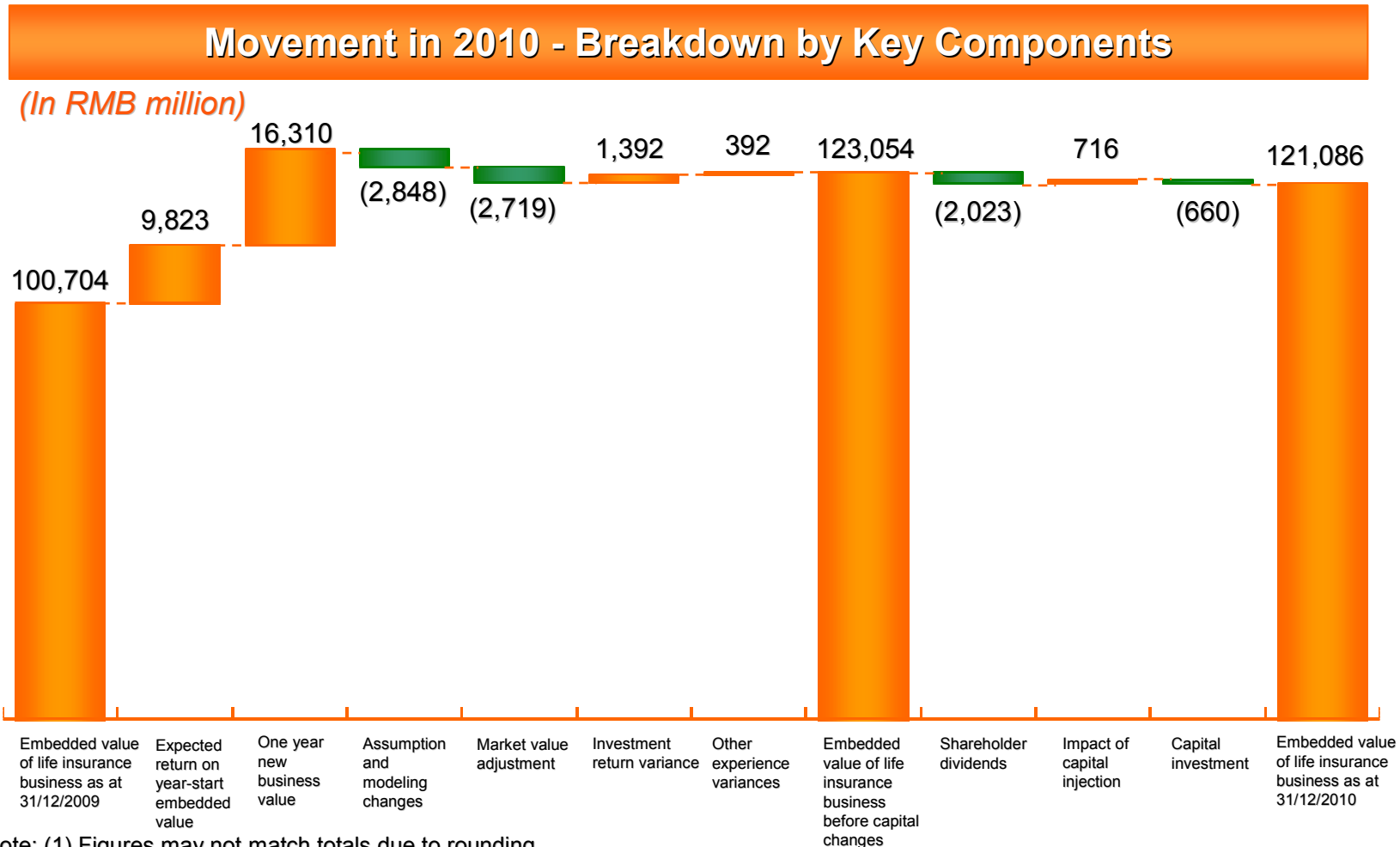
One Year's New Business Mix

(In RMB million)



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

Movement Analysis of Life Insurance Business



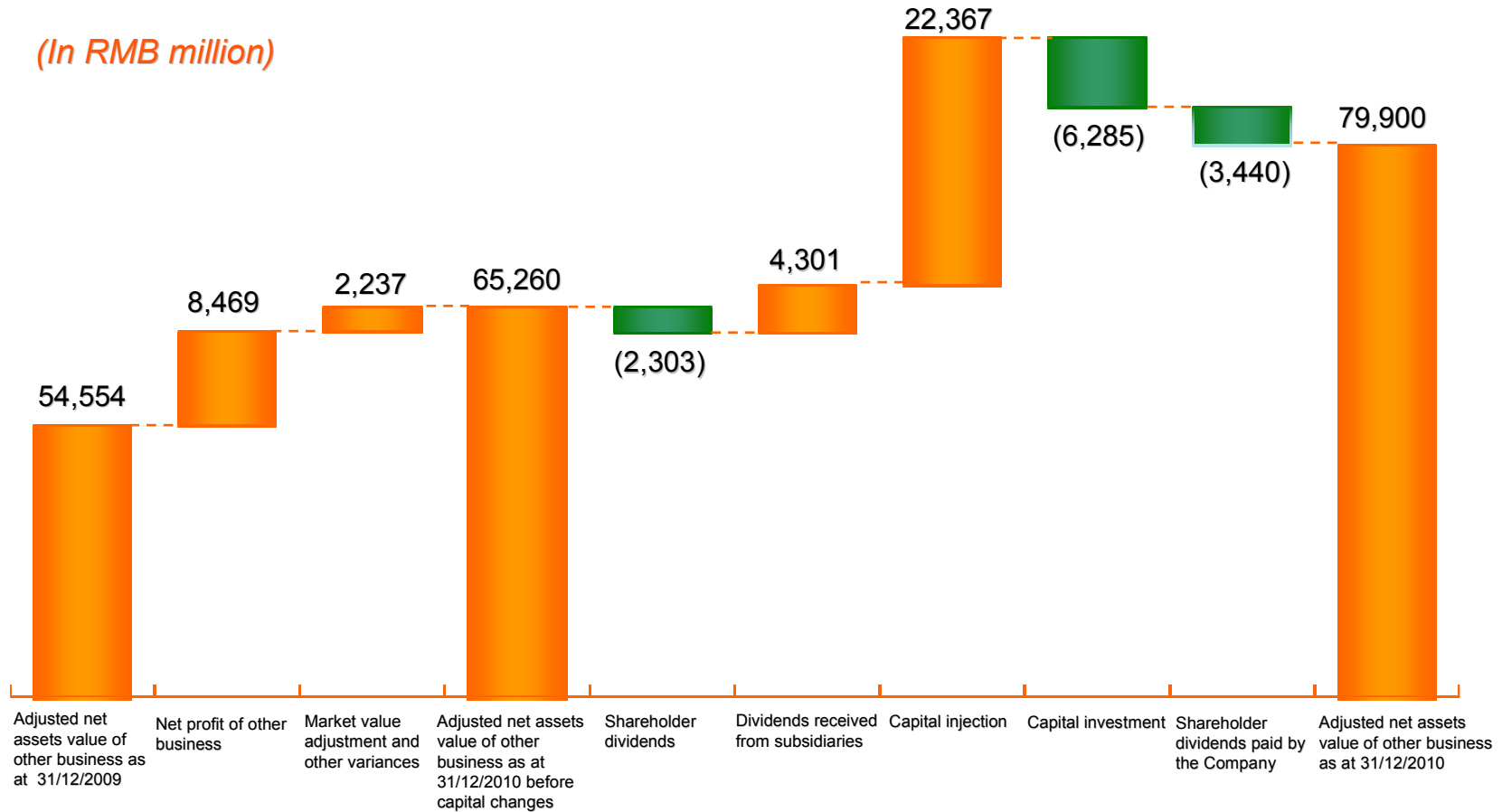
Note: (1) Figures may not match totals due to rounding

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

Movement Analysis of Adjusted Net Asset Value of Other Business

Movement in 2010 - Breakdown by Key Components

(In RMB million)



Note: Figures may not match totals due to rounding

Banking Business Review



Banking Business Highlights

Strategic Investment in SDB

- Strategic investment in Shenzhen Development Bank achieved significant progress. The proposed restructuring plan of SDB with Ping An Bank is subject to approval from regulatory bodies
- Shenzhen Development Bank realized a net profit of RMB 6,284 million in 2010, representing an increase of 24.9%
- As an associate company of Ping An since May 2010, Shenzhen Development Bank has already contributed profit of RMB 1,145 million in 2010

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

- Net profit of Ping An Bank increased by 60.8%, outpacing the industry average, to RMB 1,737 million. Accumulated credit cards issued exceeded 6 million, and the credit card business achieved profitability for the first time in the past three years
- Non-performing loan ratio kept at the industry leading level of 0.41% and capital adequacy ratio was 11.0%

Service and Distribution Channel

- Cross-selling delivered remarkable results, generating 34.8% and 54.5% of newly-added retail deposits and newly-issued credit cards respectively
- Network expansion achieved a further breakthrough. Our 9th branch, the Huizhou Branch, officially opened

Banking Operating Performance

(In RMB million)	2009	2010	Growth
Operating Income	4,448	6,396	↑ 43.8%
Including: Net Interest Income	3,425	5,438	↑ 58.8%
Asset Impairment Loss	(183)	(373)	↑ 103.8%
General, Administration and Other Expenses	(2,917)	(3,801)	↑ 30.3%
Income Tax	(268)	(485)	↑ 81.0%
Net Profit	1,080	1,737	↑ 60.8%

Notes: (1) General, administration 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

	2009	2010
Net Interest Spread	1.77%	2.18%
Net Interest Margin	1.89%	2.30%
Cost/Income Ratio ⁽¹⁾	59.5%	52.9%

	31/12/2009	31/12/2010
Non-performing Loans Ratio	0.46%	0.41%
Provisions Coverage Ratio	156.0%	211.1%
Capital Adequacy Ratio	13.0%	11.0%

Notes: (1) Cost/income ratio refers to the total of general administration expenses and other expenses / operating income (excluding non-operating income)

(2) The above data are from Ping An Bank

Insurance Business Review



Insurance Business Highlights

Life Insurance

- Ping An Life's total written premiums increased by 20.2% to over RMB150 billion, primarily driven by the growth in individual life insurance that commands a higher profit margin. First-year written premiums from individual life insurance grew by 37.6%
- Ping An Health established strategic cooperative partnership with Discovery, the largest health insurance company in South Africa, which will undoubtedly elevate Ping An's position within the highly competitive domestic health care insurance and health management market

Property and Casualty Insurance

- Attributed to the specialized channel operations and a more sophisticated management structure, premium income from Ping An Property & Casualty increased by 61.4% to over RMB60 billion, and its market share grew 2.5 percentage points to 15.4%. The 2nd largest market position has been further consolidated
- Combined ratio improved to 93.2%, our best to date, demonstrating the continuous improvement in the quality of our business

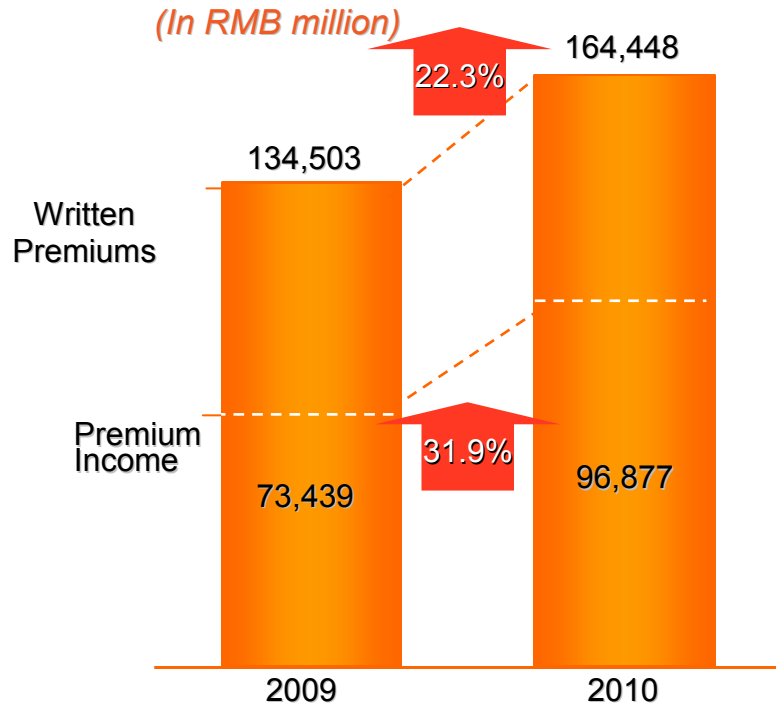
Corporate Annuity

- 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

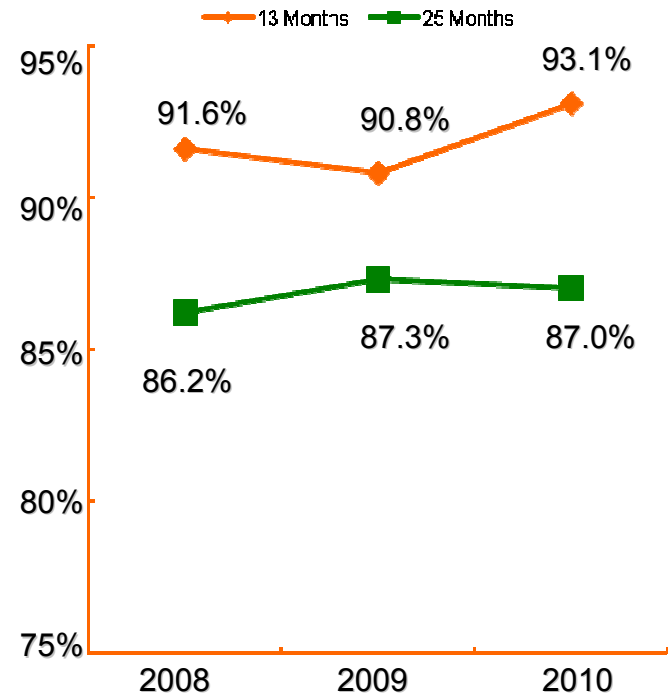
Notes: (1) Life insurance includes our life insurance business conducted through Ping An Life, Ping An Annuity and Ping An Health
(2) Property and casualty insurance includes our property and casualty insurance business through Ping An Property & Casualty and Ping An Hong Kong

Life Insurance Business: Strong Growth and Stable Business Quality

Written Premiums/Premium Income



Policy Persistency Ratio

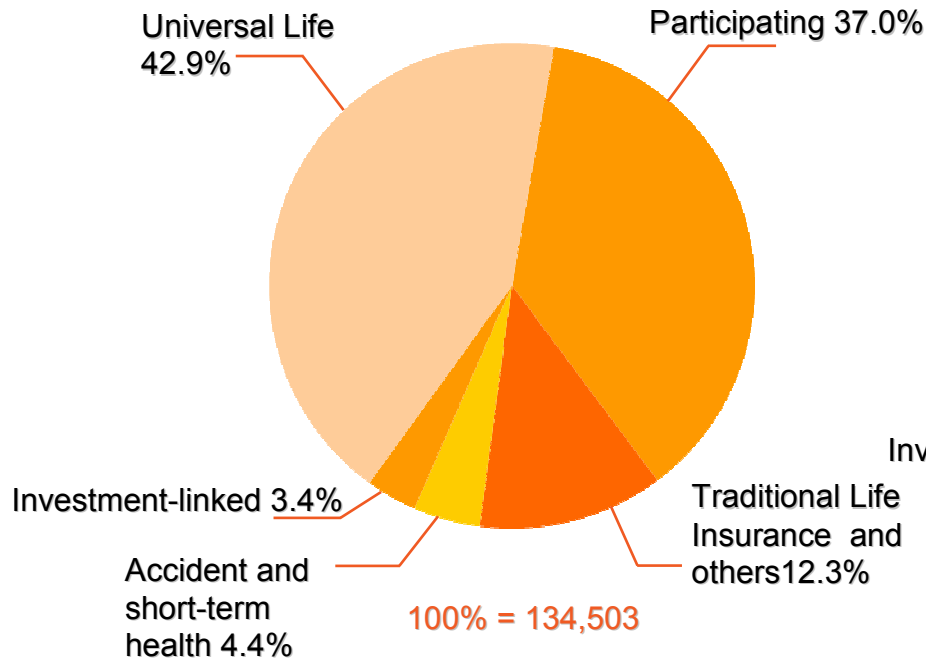


- Notes: (1) Written premiums mean all premiums received from the policies underwritten by the Company, which is prior to the significant insurance risk testing and unbundling of hybrid risks contracts
 (2) Premium income means premiums after the significant insurance risk testing and unbundling of hybrid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

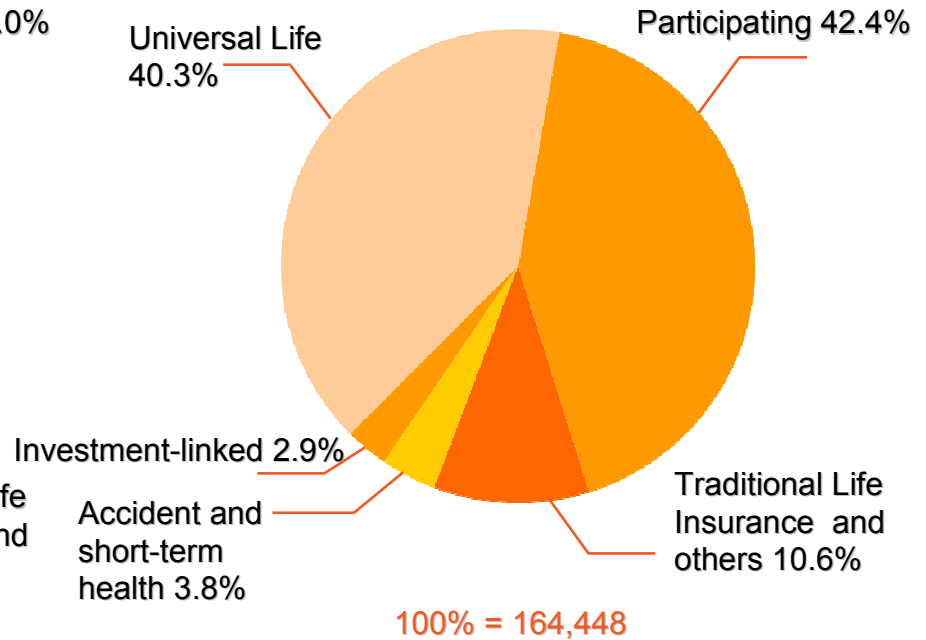
Product Structure of Life Business

(In RMB million)

2009



2010



- 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 Substantially Increased

(In RMB million)

	2009	2010	Growth
Individual Life			
First year regular premiums	27,318	38,893	↑ 42.4%
First year single premiums	1,748	1,883	↑ 7.7%
Short-term accident and health premiums	1,958	1,923	↓ 1.8%
Total new business	31,024	42,699	↑ 37.6%
Renewal business	68,839	87,447	↑ 27.0%
Total individual life	99,863	130,146	↑ 30.3%

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 Remained Stable

(In RMB million)

	2009	2010	Growth
Bancassurance			
First year regular premiums	349	1,328	↑ 280.5%
First year single premiums	26,796	24,863	↓ 7.2%
Short-term accident and health premiums	3	2	↓ 33.3%
Total new business	27,148	26,193	↓ 3.5%
Renewal business	635	905	↑ 42.5%
Total Bancassurance	27,783	27,098	↓ 2.5%

	2009	2010	Growth
Group Insurance			
First year regular premiums	8	115	↑ 1,337.5%
First year single premiums	2,827	2,765	↓ 2.2%
Short-term accident and health premiums	3,977	4,278	↑ 7.6%
Total new business	6,812	7,158	↑ 5.1%
Renewal business	45	46	↑ 2.2%
Total Group Insurance	6,857	7,204	↑ 5.1%

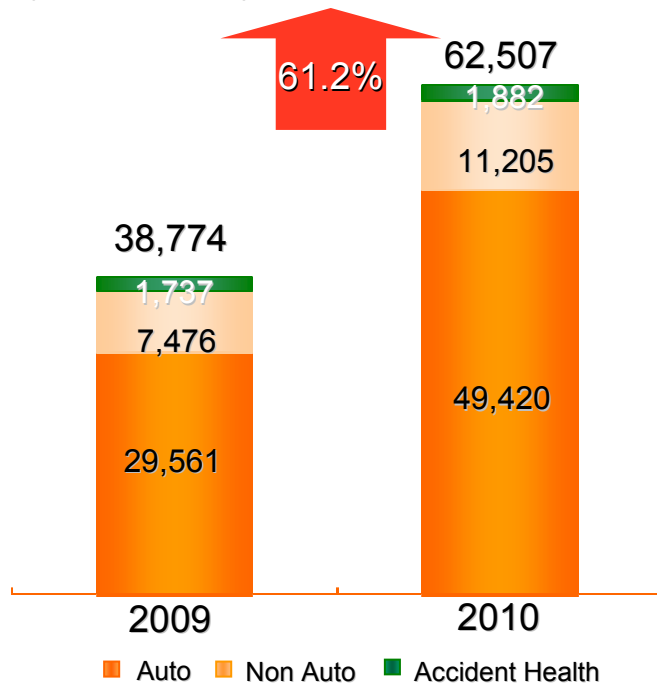
Notes: (1) Above premiums are written premiums

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

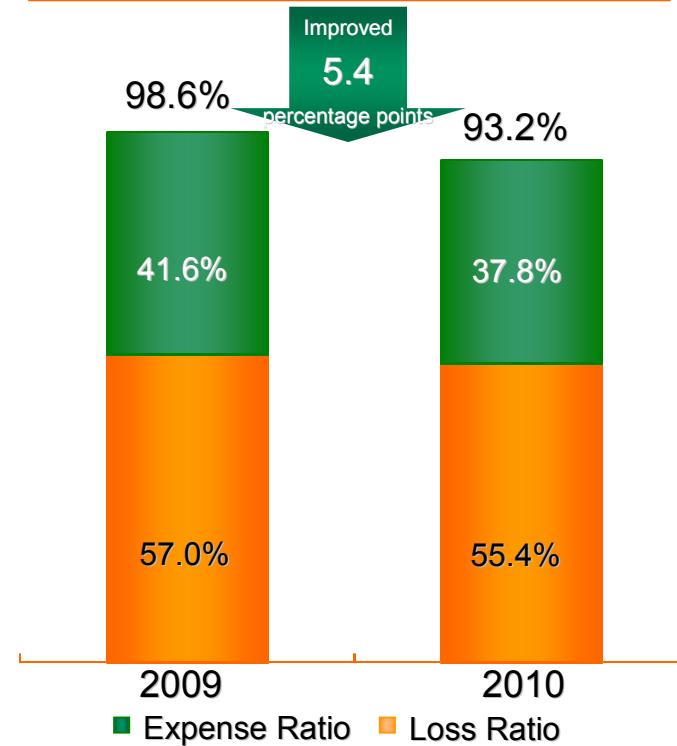
Property and Casualty: Strong Growth in Premium and Significant Improvement in Combined Ratio

Premium Income

(In RMB million)



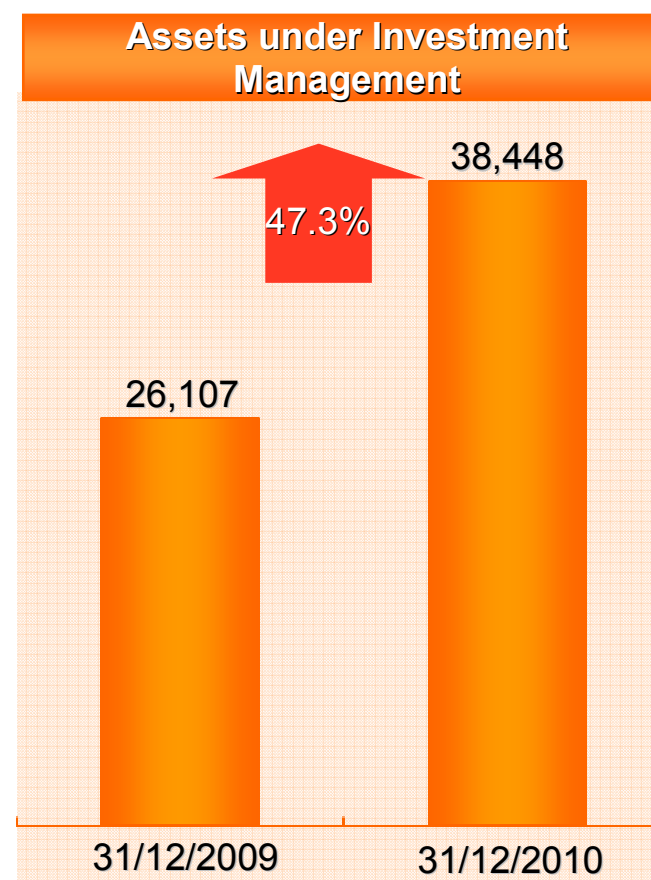
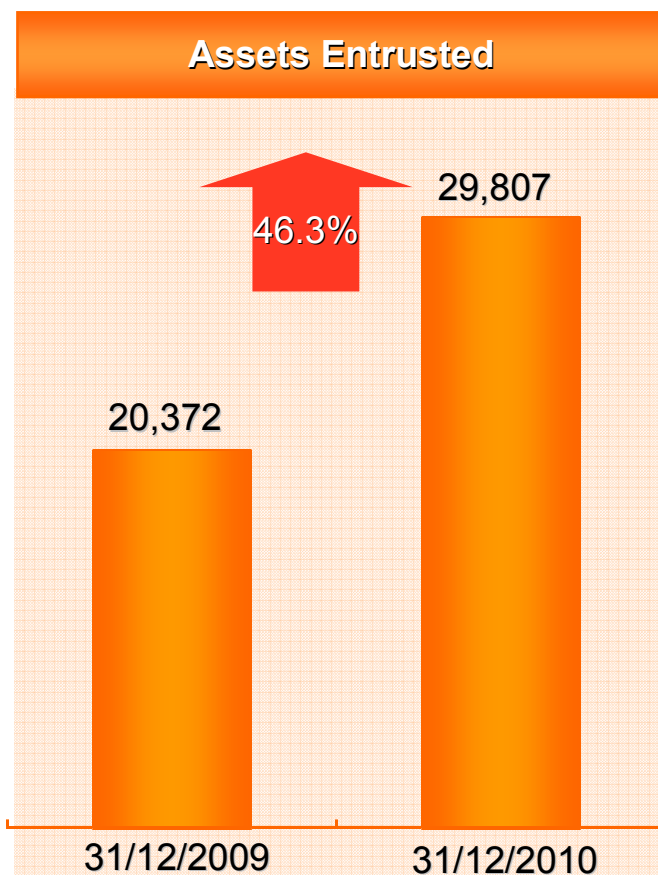
Combined Ratio



Note: The Company conducts 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

- Ping An Asset Management proactively grasped the market opportunities, optimized assets allocation and achieved a total investment yield of 4.9%, further demonstrating Ping An's investment capabilities in the industry

Trust

- Net profit of Ping An Trust increased by 71.5%, reaching RMB1,039 million
- Ping An Trust accelerated the development of wealth management business, and optimized product structure, achieving remarkable progress in trust business transformation

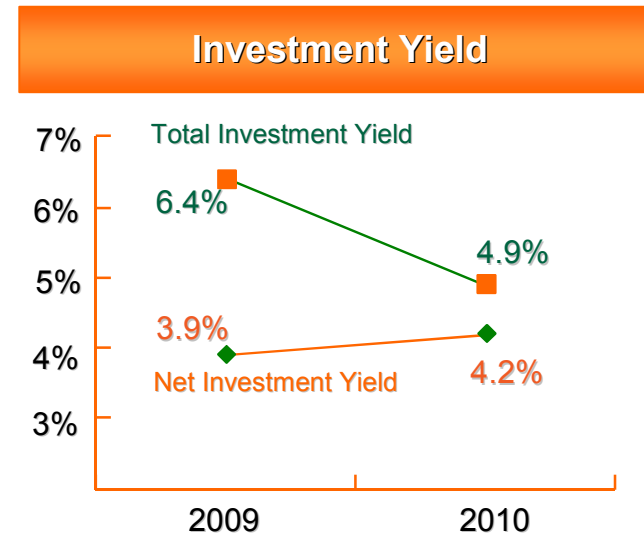
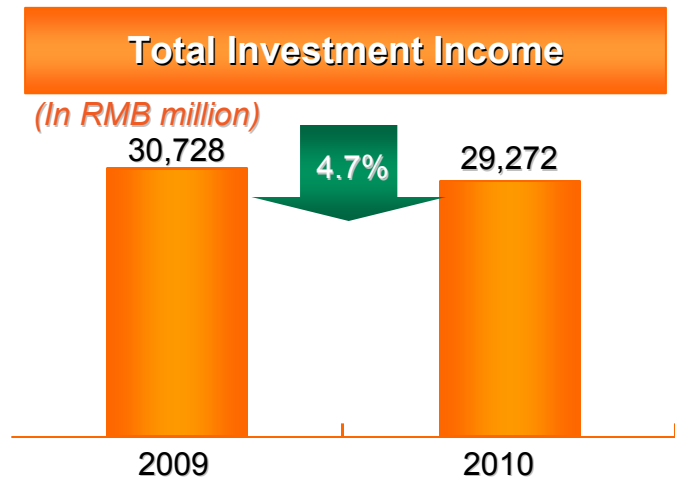
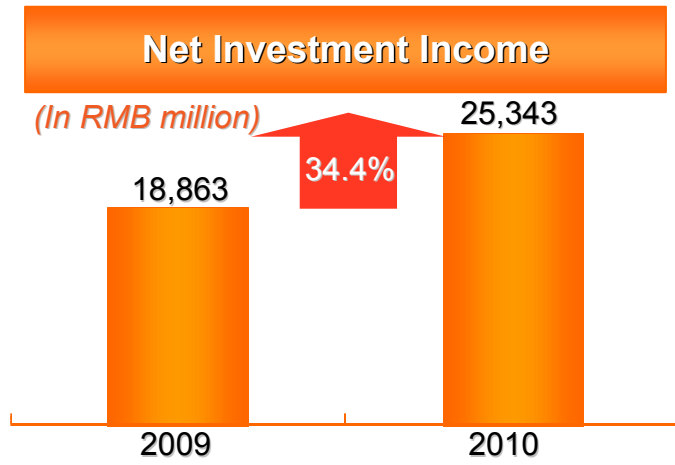
Securities

- Ping An Securities achieved a net profit of RMB1,594 million, an increase of 48.7%
- Investment banking business continued to lead the SMEs and the GEM underwriting market, successfully underwrote 39 IPOs and 11 re-financing projects, ranking top of industry in terms of both number of deals and underwriting revenue

Fund

- Ping An-UOB Fund was established with the approval of the regulatory authorities, which is expected to add another dimension to the services offered by the Group and hence putting us one step closer to being an integrated financial services provider

Net Investment Yield Improved, Total Investment Yield Decreased



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

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

Portfolio Allocation: Focus on Overall Risk Control

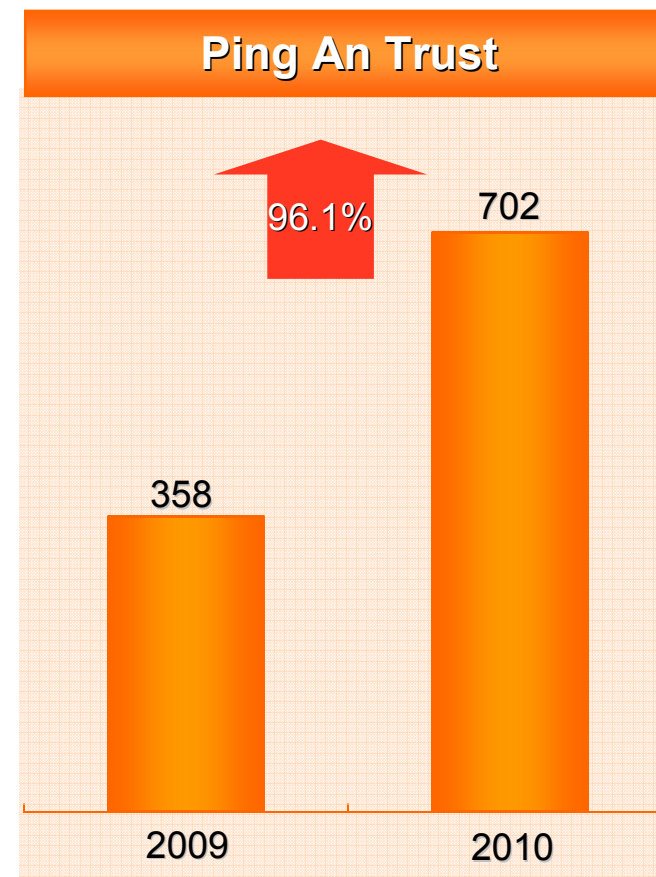
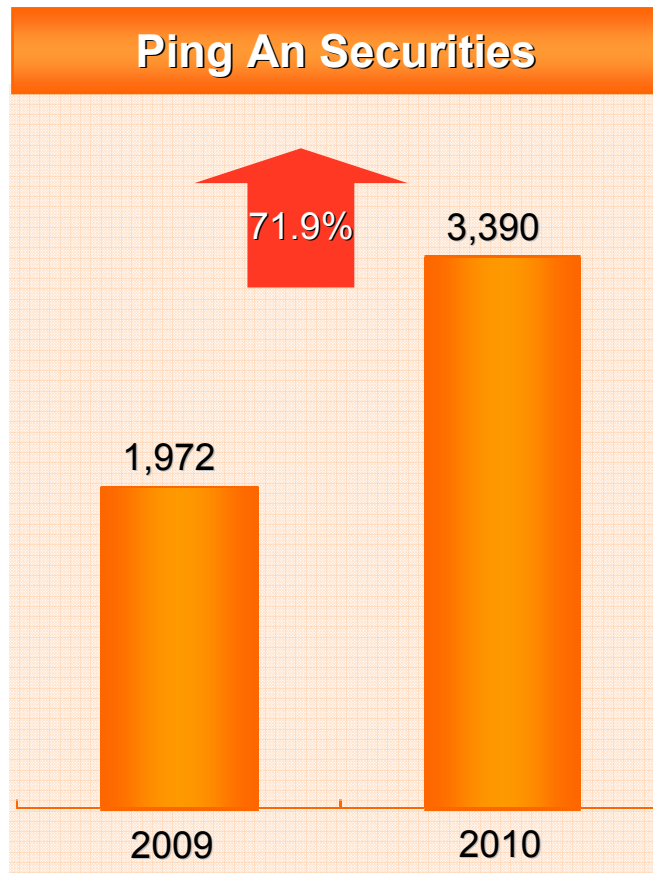
(In RMB million)	31/12/2009	31/12/2010	Change
Portfolio ⁽¹⁾			
Fixed Maturity Investments	76.0%	77.8%	↑ 1.8%
Term Deposits ⁽²⁾	15.5%	17.5%	↑ 2.0%
Bond Investments ⁽²⁾	59.6%	59.2%	↓ 0.4%
Other Fixed Maturity Investments ⁽²⁾	0.9%	1.1%	↑ 0.2%
Equity Investments ⁽²⁾	10.8%	9.8%	↓ 1.0%
Infrastructure Investments	1.5%	1.2%	↓ 0.3%
Cash, Cash Equivalent and Others	11.7%	11.2%	↓ 0.5%
	100% =589,713	100% =762,953	

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

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

Net Fees and Commission Income Significantly Increased

(In RMB million)



中国平安 PINGAN

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Q&A

