

中国平安 PINGAN

保险 · 银行 · 投资

2011 Annual Results

March, 2012



Cautionary Statements Regarding Forward-Looking Statements

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	Jason Yao	Executive Director & Group CFO
Insurance Business Review	Yuansiong Lee	Group Chief Insurance Business Officer
Banking Business Review	Jianyi Sun	Group Vice Chairman & Deputy CEO
Investment Business Review	Timothy Chan	Group Deputy Chief Investment Officer

Overview



Overview

In 2011, we were faced with a complicated macroeconomic environment. We responded to market changes and challenges in a proactive manner, and persevered with the belief that the bedrock of our existence is professionalism, value and innovation. Our three pillar businesses all delivered steady and healthy growth. The Group's total assets exceeded RMB2 trillion. The standards of our corporate governance and risk management continued to improve, along with our growing competitive strength. The Group also pressed ahead with the integration of the banking business by successfully completing the acquisition of a controlling stake in SDB. Our banking business was enhanced, which further complements our integrated financial services.

Looking ahead, China's economy is expected to maintain its upward trend in the long run, and the room for growth for China's financial service companies remains substantial. Meanwhile, there exists a multitude of challenges, such as rising operating cost, uncertainties in the investment markets, and the need to improve the competitiveness of our products and services. However, we are confident that Ping An will be able to move with the times, seize opportunities and meet with the challenges along the way as we forge ahead towards our goal of being an internationally leading integrated financial services provider. Relying on our one-stop integrated financial services, customers can enjoy comprehensive, outstanding, convenient and professional financial service. We believe that we can create long term value for our shareholders, customers, employees and society in a sustainable manner.

Operating Highlights



Operating Highlights of Our Three Core Businesses

Insurance Business

- Ping An Life's market share increased by 1.3 percentage points to 16.4% in terms of written premiums; written premiums of the more profitable individual life insurance grew by 22.9%; stable increase in the number of agents was achieved
- Ping An Property & Casualty's premium income increased by 34.2% to RMB83,333 million, with its market share increased by 2.0 percentage points to 17.4% from 2010 and its combined ratio remaining at an excellent level of 93.5%
- Ping An Annuity maintained its leading position in the corporate annuity industry

Banking Business

- Successfully completed major asset restructuring through transactions to gain control of SDB; SDB's absorption merger of Ping An Bank was approved by shareholders in a general meeting
- SDB realized a consolidated net profit of RMB10,390 million, whose second half-year results had been consolidated into the Group. The banking business contributed a net profit of approximately RMB8 billion to the Group, representing an increase of 176.8%
- The scale of our banking business reached a new high, with total assets exceeding RMB1.2 trillion and accumulated credit cards in circulation exceeded 9 million

Investment Business

- Ping An Trust achieved rapid and steady growth in its private wealth management business, with assets entrusted approaching RMB200 billion
- Ping An Securities successfully sponsored 34 IPOs and 7 refinancing projects as the lead underwriter; ranked first in terms of the number of deals and underwriting revenue for IPOs
- Ping An-UOB Fund was officially established and successfully launched two new funds

Financial Highlights

<i>(In RMB million)</i>	2010	2011	Growth	
Total Income (IFRS basis)	195,814	272,244	↑	39.0%
Net Profit	17,938	22,582	↑	25.9%
Net Profit attributable to Shareholders of the Parent Company⁽¹⁾	17,311	19,475	↑	12.5%
Total Assets	1,171,627	2,285,424	↑	95.1%
Total Equity	116,883	171,342	↑	46.6%
Equity attributable to Shareholders of the Parent Company	112,030	130,867	↑	16.8%
EPS^(in RMB)	2.30	2.50	↑	8.7%
Dividend per Share <i>(in RMB)</i>	0.55	0.40 ⁽²⁾	↓	27.3%

Notes: (1) If excluding the RMB1,952 million one-off accounting treatment resulting from the consolidation of SDB's financial statements in the third quarter, the Company's net profit attributable to shareholders of the parent company for 2011 would have been RMB21,427 million, an increase of 23.8%

(2) Including the final dividend proposed for 2011, RMB0.25 per share, pending approval by shareholders at the annual general meeting

Back Office Centralization Project Accomplished, with Enhanced Service Standards

➤ Accomplished the Back Office Centralization Project as Scheduled

- Established two distinct back office operating models: centralized and decentralized. Going forward, the Company's back-office centralization platform will continue to focus on four core values, namely risk control, service enhancement, strengthened professionalism and cost reduction, giving full support to the rapid development of every business and the further implementation of our integrated financial strategy through effective and quality operation and services

➤ Enhanced Service Standards

- Ping An Property & Casualty fulfilled its commitment of "24-hour settlement for claims below RMB10,000 with full documentation" 99.9% of the time, launched its third service upgrade and introduced the new free roadside assistance service
- Ping An Life fulfilled its commitment of "72-hour settlement for standard cases with full documentation" 99.7% of the time, and introduced the innovative sales model using the Mobile Integrated Terminal (MIT), which pioneered the transformation of the business of insurance sales into a paperless practice

One Customer

One Account

Multiple Products

One-stop Service

Scale and Depth of Cross-Selling Further Enhanced

<i>(In RMB million)</i>	2010		2011	
	Amount	Business Contribution	Amount	Business Contribution
<u>New business from cross-selling</u>				
Property and casualty insurance				
Premium income	8,582	13.7%	11,940	14.3%
Group short-term accident and health insurance business of Ping An Annuity				
Sales volume	1,923	45.0%	2,231	44.2%
Trust business				
Trust schemes	13,812	14.1%	22,546	9.4%
Banking business				
Corporate deposits (increase of daily average balance) ⁽¹⁾	5,200	21.1%	2,433	8.7%
Retail Deposits (increase of daily average balance) ⁽¹⁾	-	-	1,377	42.9%
Credit cards (in ten thousands) ⁽²⁾	124	54.5%	114	42.9%

Notes: (1) Only includes deposits through cross-selling of Ping An Bank

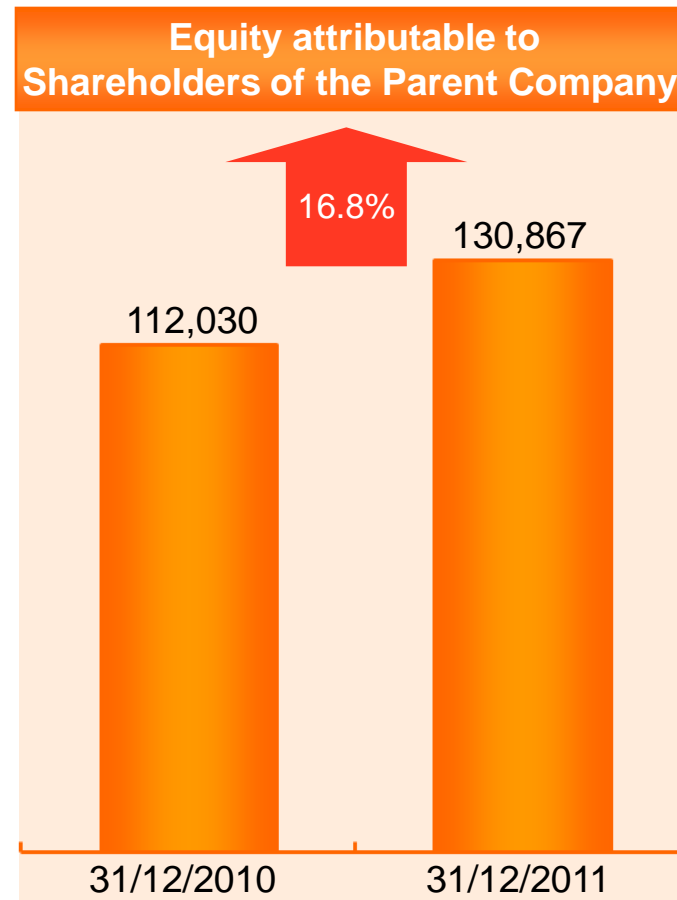
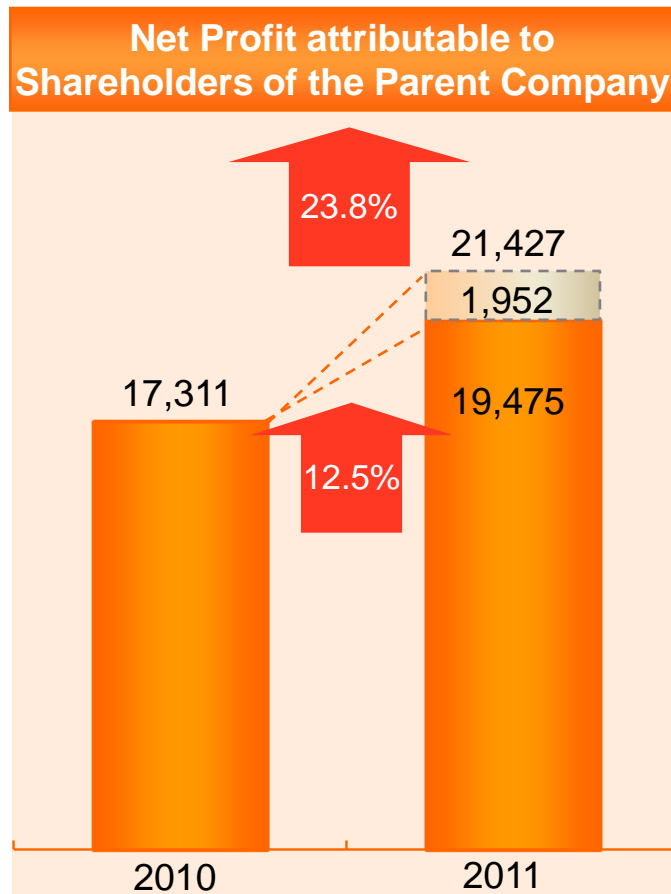
(2) The 2011 figures refer to new credit cards issued by Ping An Bank and SDB through cross-selling. The 2010 figures only refer to Ping An Bank

Financial Analysis and Embedded Value



Net Profit and Equity attributable to Shareholders of the Parent Company Increased Steadily

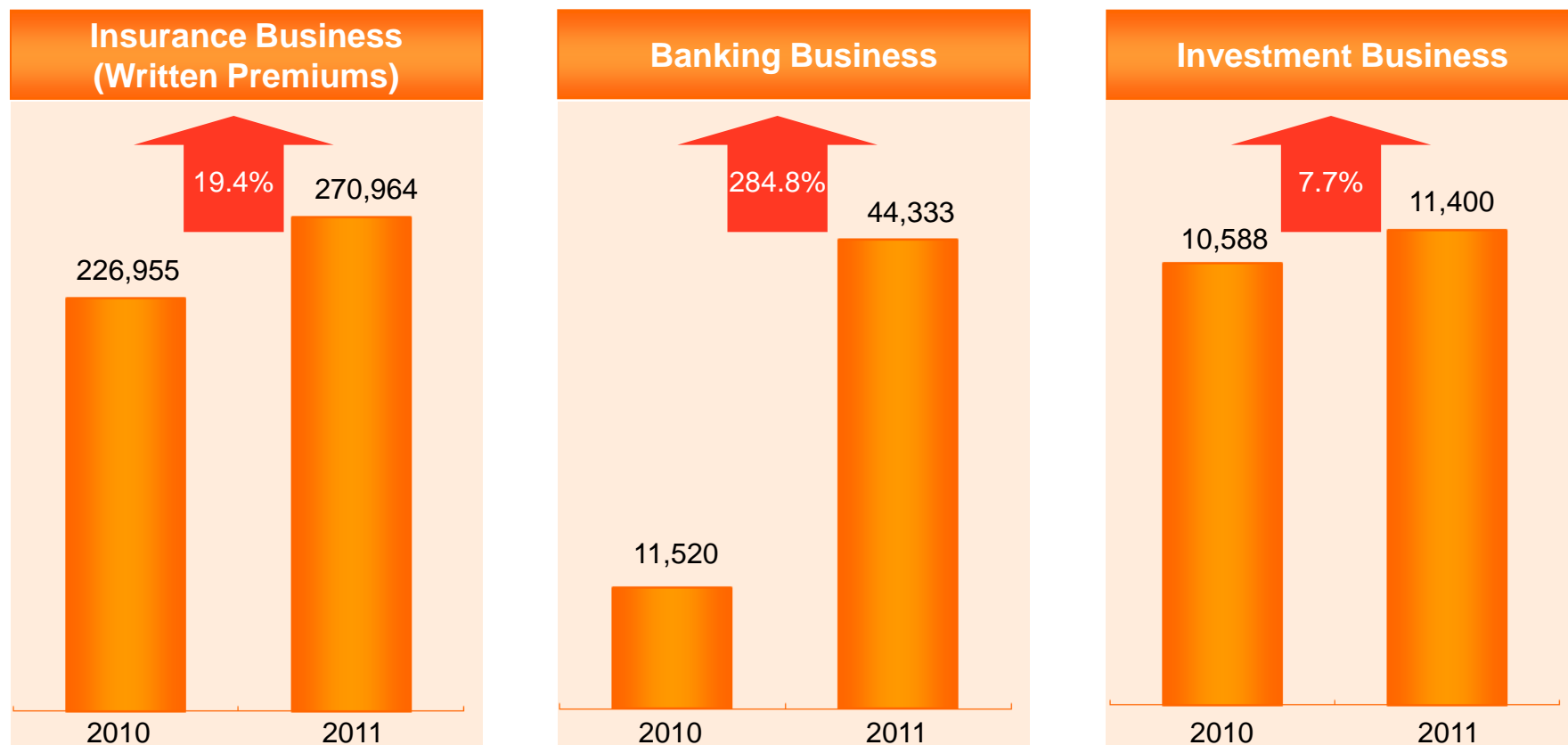
(In RMB million)



Note: If excluding the RMB1,952 million one-off accounting treatment resulting from the consolidation of SDB's financial statements, the Company's net profit attributable to shareholders of the parent company for 2011 would have been RMB21,427 million, an increase of 23.8%

Income Growth by Business Segments

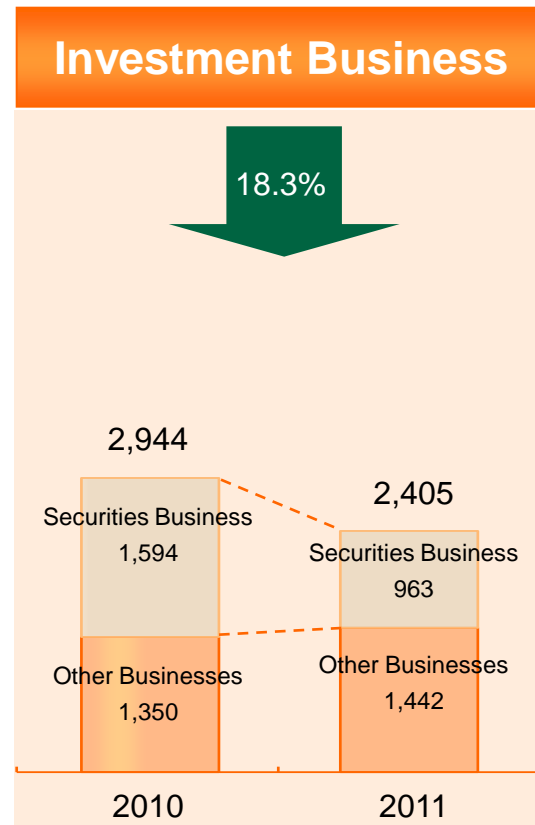
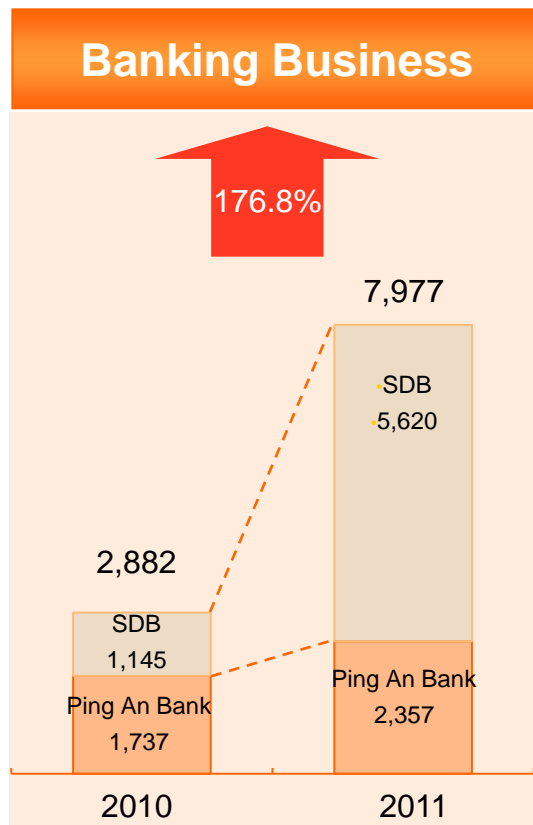
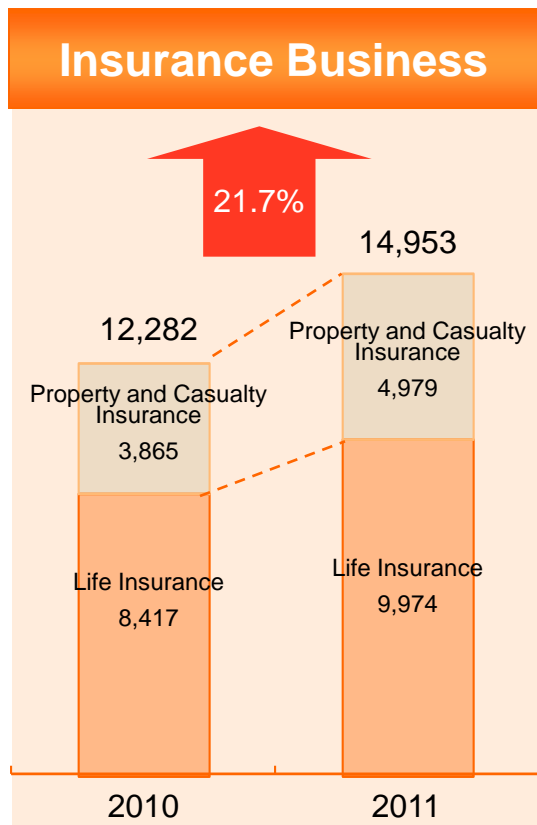
(In RMB million)



- 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 risk contracts
- (2) The banking business income and investment business income are based on IFRS
- (3) The investment business income includes incomes from securities, trust, headquarter and other business lines (excluding set-offs). For illustration, the investment business income of 2010 does not include the income of Xuji Group
- (4) Other than the operating results of Ping An Bank, the banking business income of 2011 includes the share of profits in SDB based on the equity method in the first half of the year and the second half-year operating results of SDB, while the banking business income of 2010 includes the share of profits in SDB based on the equity method

Net Profit by Business Segments

(In RMB million)



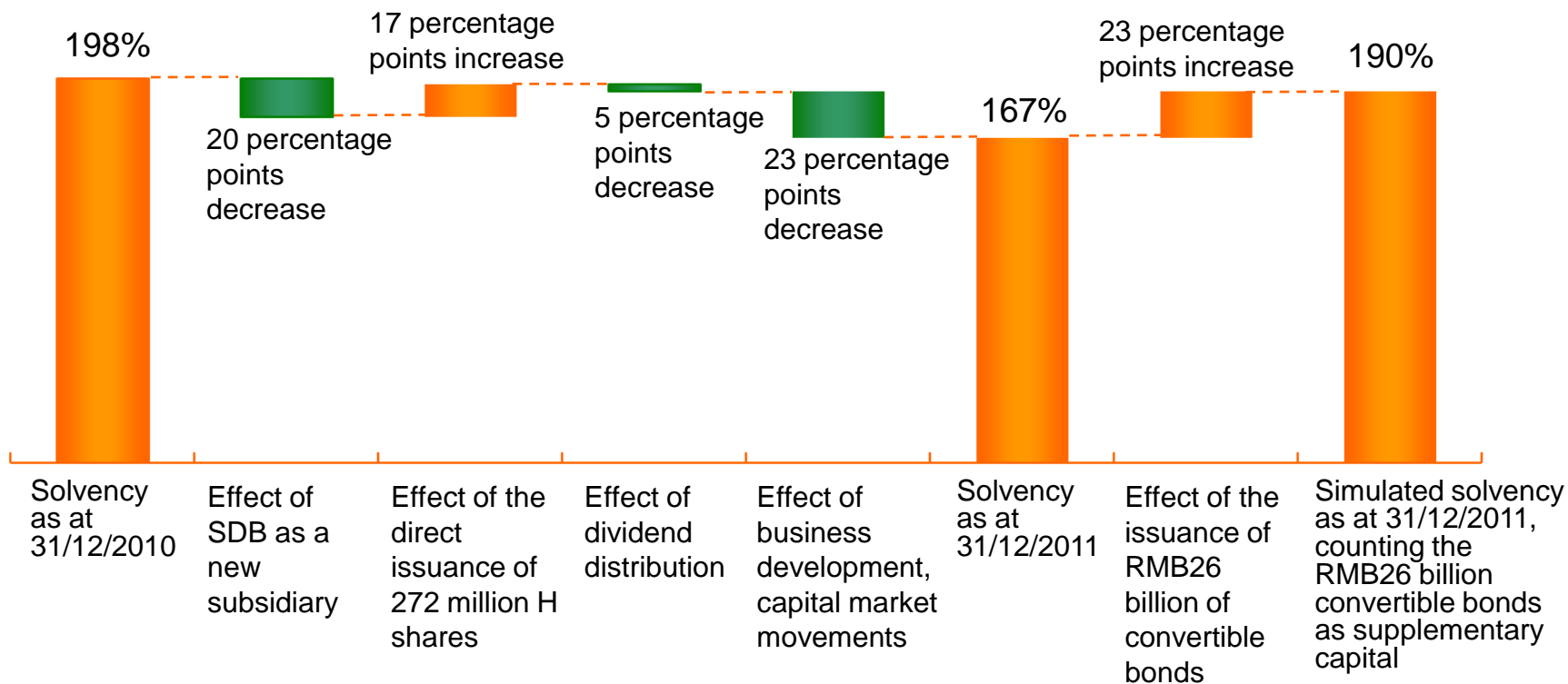
- Notes: (1) Net profit from insurance pillar covers life insurance business and property and casualty insurance business
 (2) The 2011 net profit from banking pillar comprises that from Ping An Bank, the investment income of RMB1,183 million recognized in the first half of the year as the share of profits in SDB based on the equity method, as well as the second half-year results of SDB; the 2010 net profit from banking pillar refers to that from Ping An Bank and the investment income of RMB1,145 million recognized as the share of profits in SDB based on the equity method
 (3) The investment business income includes incomes from securities, trust and other business lines (excluding set-offs).

Healthy Solvency Margin and Capital Adequacy Ratio

	31/12/2010	31/12/2011
Group (Total)	197.9%	166.7%
Ping An Life	180.2%	156.1%
Ping An Property & Casualty	179.6%	166.1%
SDB ⁽¹⁾	10.19%	11.51%

Note: (1) The capital adequacy ratio of SDB as at December 31, 2011 is a consolidated figure of SDB and Ping An Bank, while that as at December 31, 2010 relates to SDB only

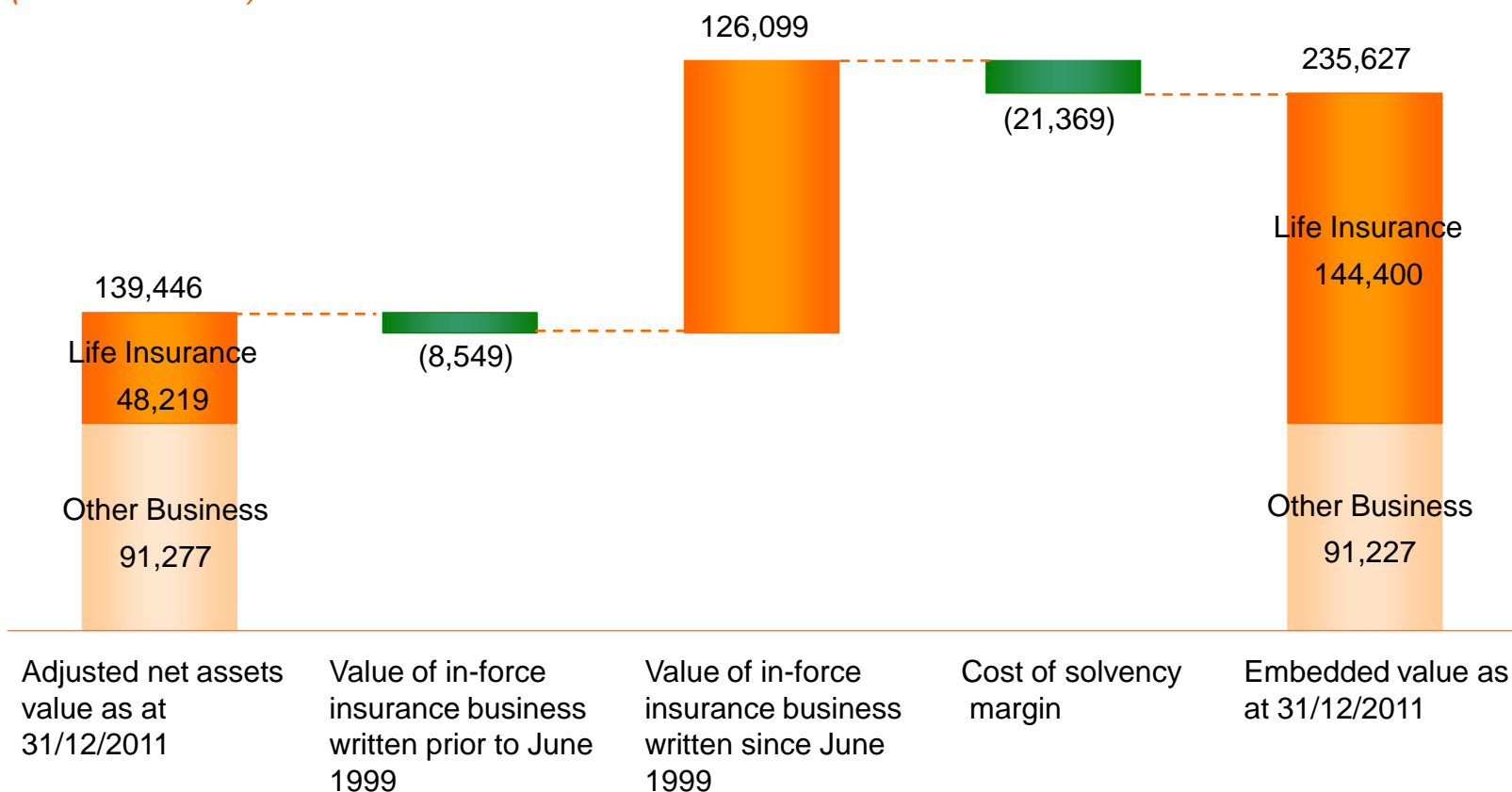
Movement Analysis of Group Solvency Margin



Note: The Company intends to issue RMB26 billion of convertible bonds. The simulated solvency margin as at the end of 2011 would be 190%, assuming the issuance was completed on December 31, 2011 and all the issued convertible bonds were counted as supplementary capital

Composition of Embedded Value

(In RMB million)

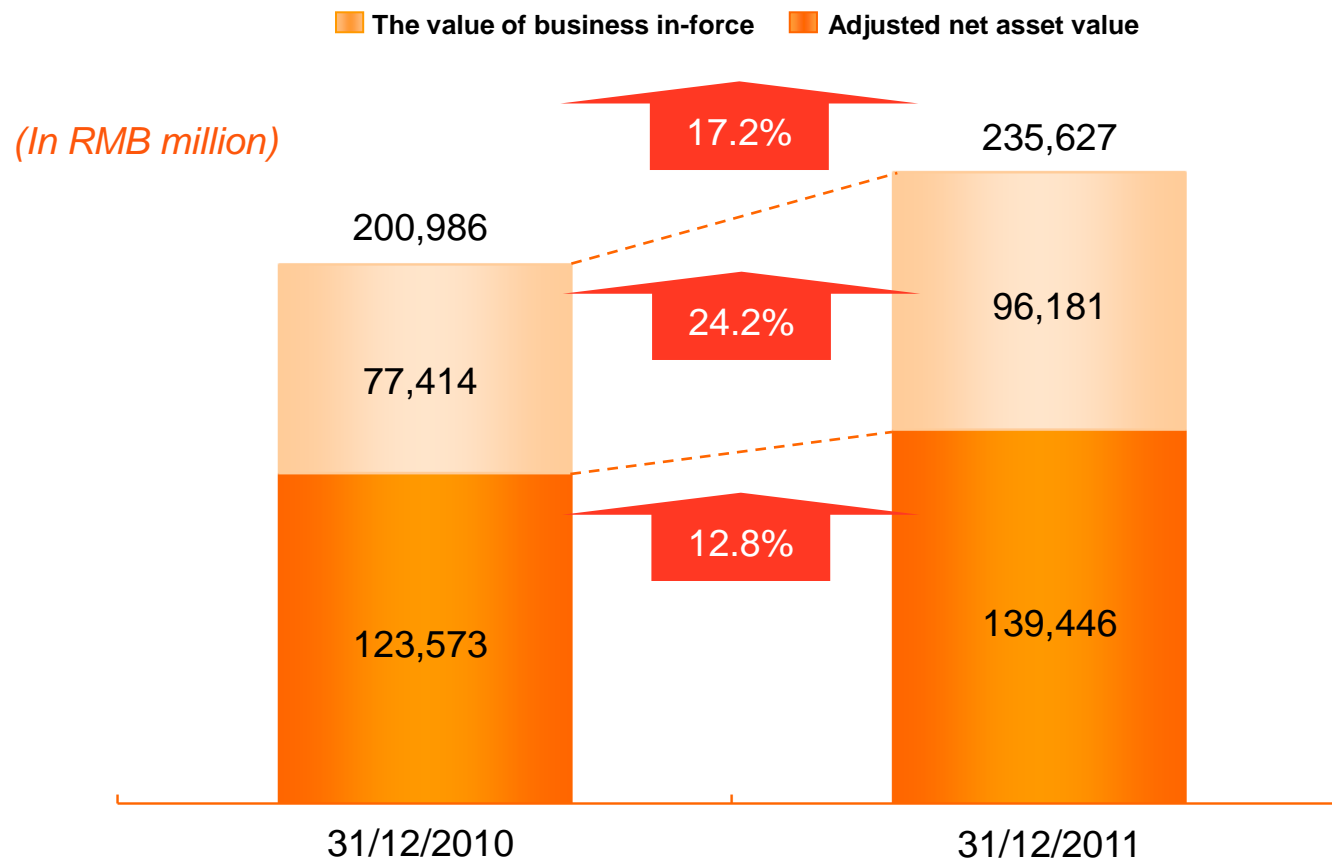


Notes: (1) Figures may not match totals due to rounding

(2) 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/11.0% for the value of in-force business

Growth of Embedded Value



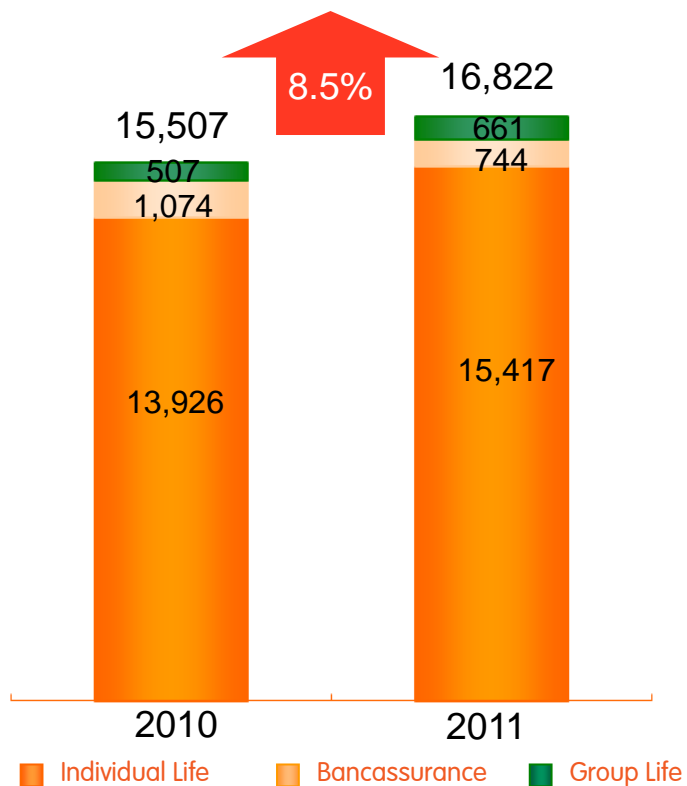
Notes : (1) Figures may not match totals due to rounding

(2) Above risk discount rates were earned rate/11.0% for the value of in-force business

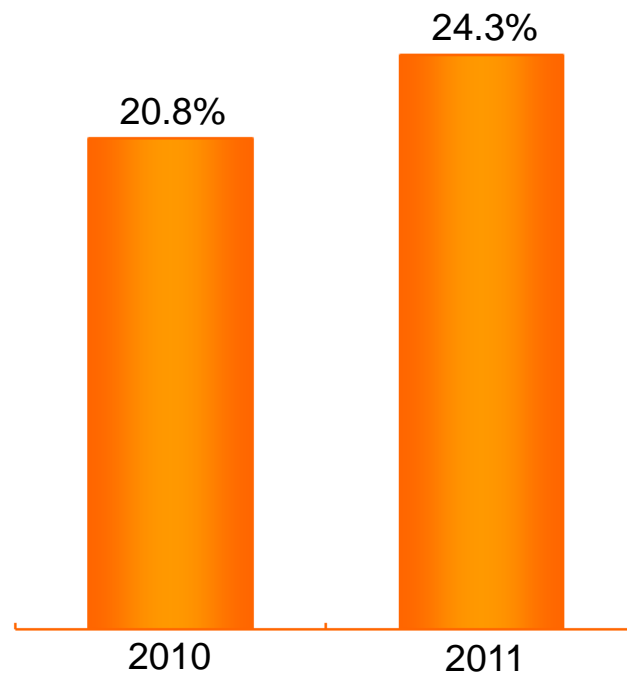
One Year's New Business Value

One Year's New Business Value

(In RMB million)



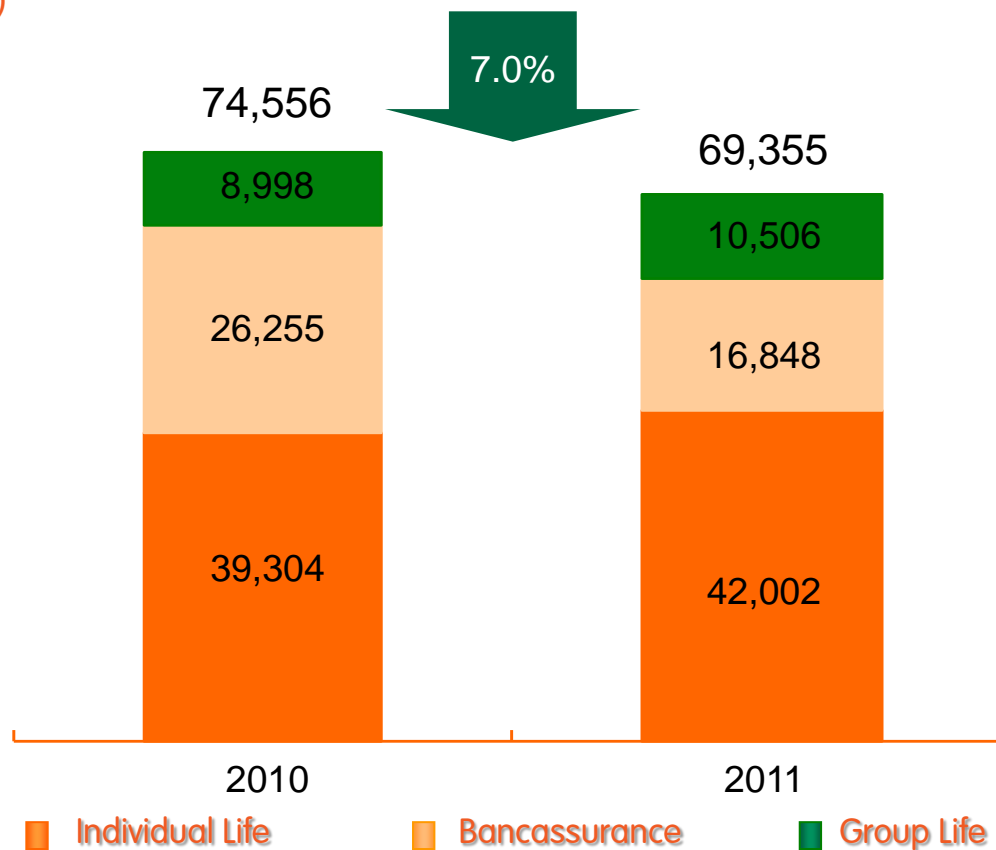
Overall New Business Margin



Note: The above one year's new business value was after the cost of solvency, calculated using the 11.0% risk discount rate

One Year's New Business Mix

(In RMB million)

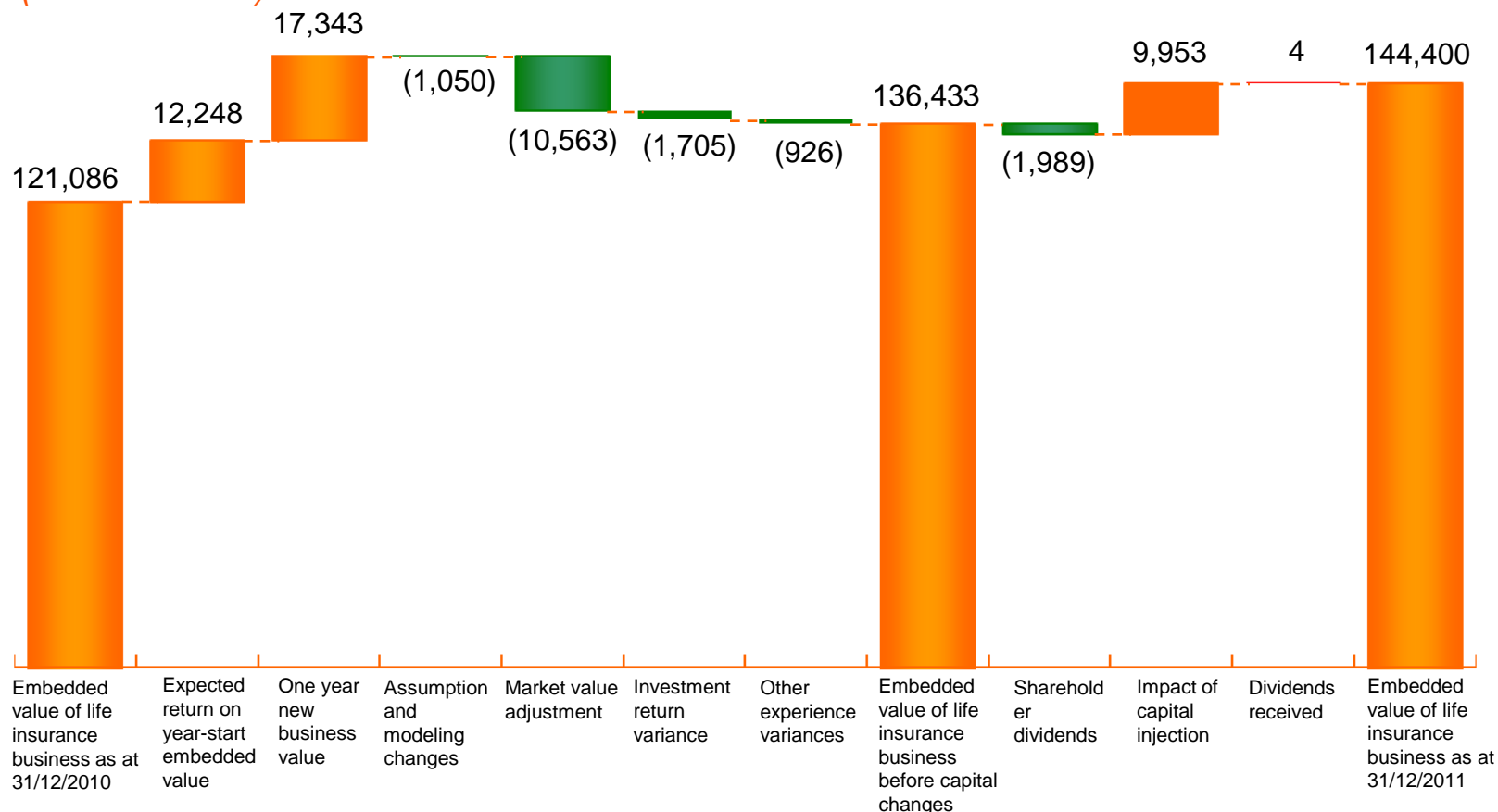


Notes : (1) Figures may not match totals due to rounding

(2) Above FYP data only correspond to the calculation of one year's new business value

Movement Analysis of Life Insurance Business' Embedded Value in 2011

(In RMB million)



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

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

Insurance Business Review



Insurance Business Highlights

Life Insurance

- Life insurance realized written premiums of RMB187,256 million, representing an increase of 13.9%, among which the more profitable individual life insurance business increased 22.9%
- The number of sales agents of Ping An Life's individual life insurance business increased to 487,000, representing an increase of 7.4% as compared with the end of 2010

Property and Casualty Insurance

- Ping An Property & Casualty's premium income increased by 34.2% to RMB83,333 million, while market share increased by 2.0 percentage points to 17.4% from the previous year, which further consolidated its position as the second largest leader in the market
- Business quality remained healthy and combined ratio remained at an excellent level of 93.5%
- Satisfactory results achieved through channel enhancement. Premium income from cross-selling and telephone marketing increased by 61.6% and accounted for a higher proportion of sales through channels at 41.2%

Corporate Annuity

- Ping An Annuity's three major performance indicators – annuity payments received, assets entrusted, and assets under investment management – all maintained leading positions in the annuity industry

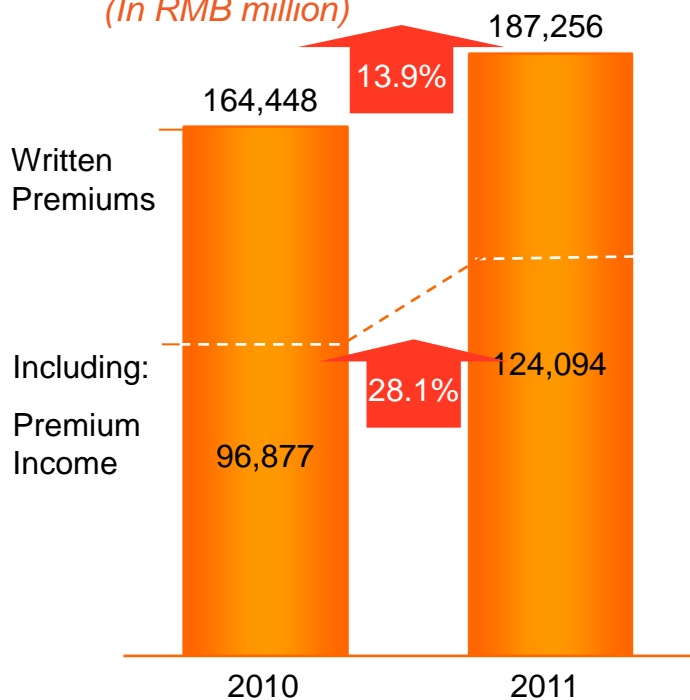
Notes: (1) Life insurance includes business conducted through Ping An Life, Ping An Annuity and Ping An Health

(2) Property and casualty insurance includes business conducted through Ping An Property & Casualty and Ping An Hong Kong

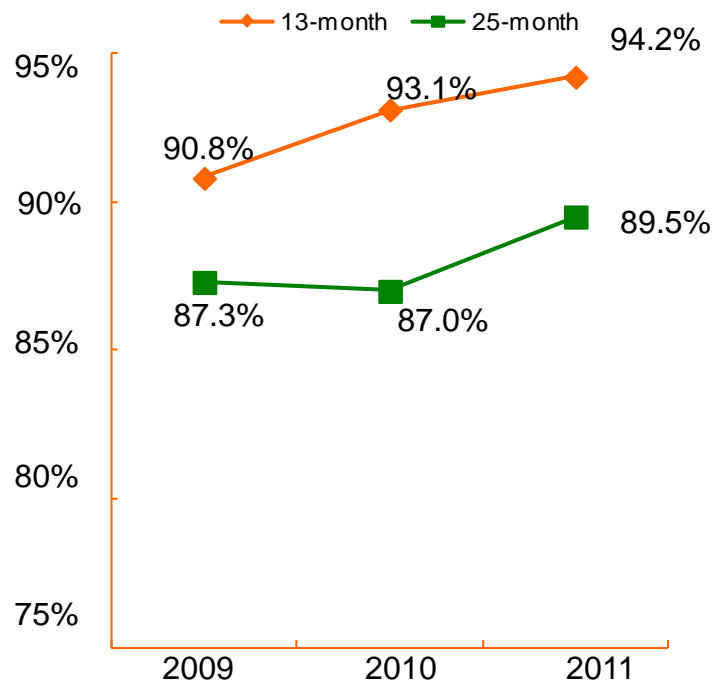
Life Insurance Business: Stable Growth and Strong Business Quality

Written Premiums/Premium Income

(In RMB million)



Policy Persistency Ratio



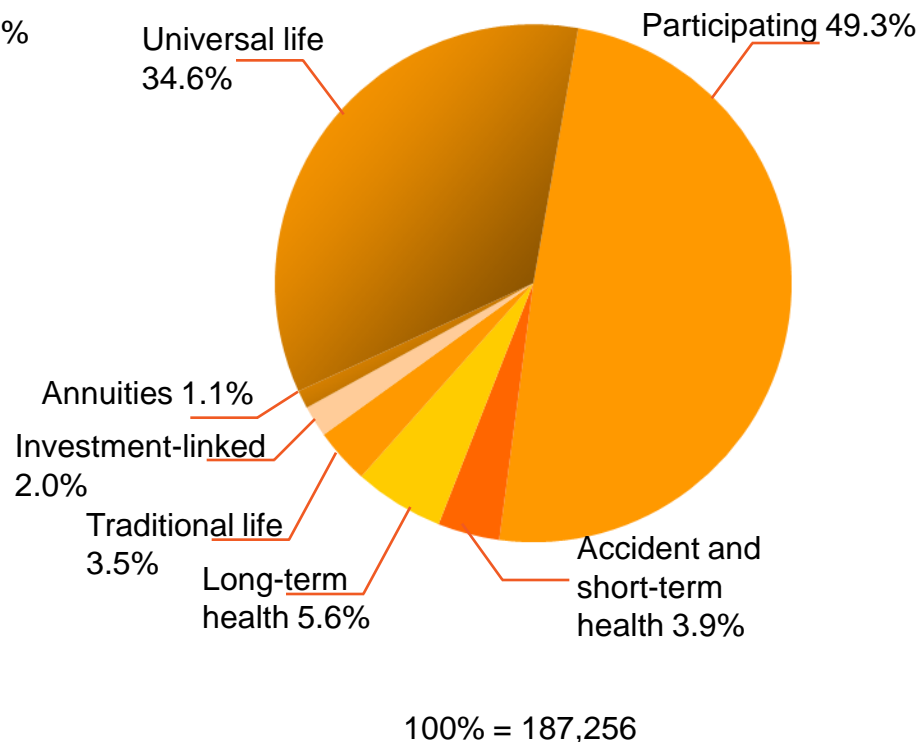
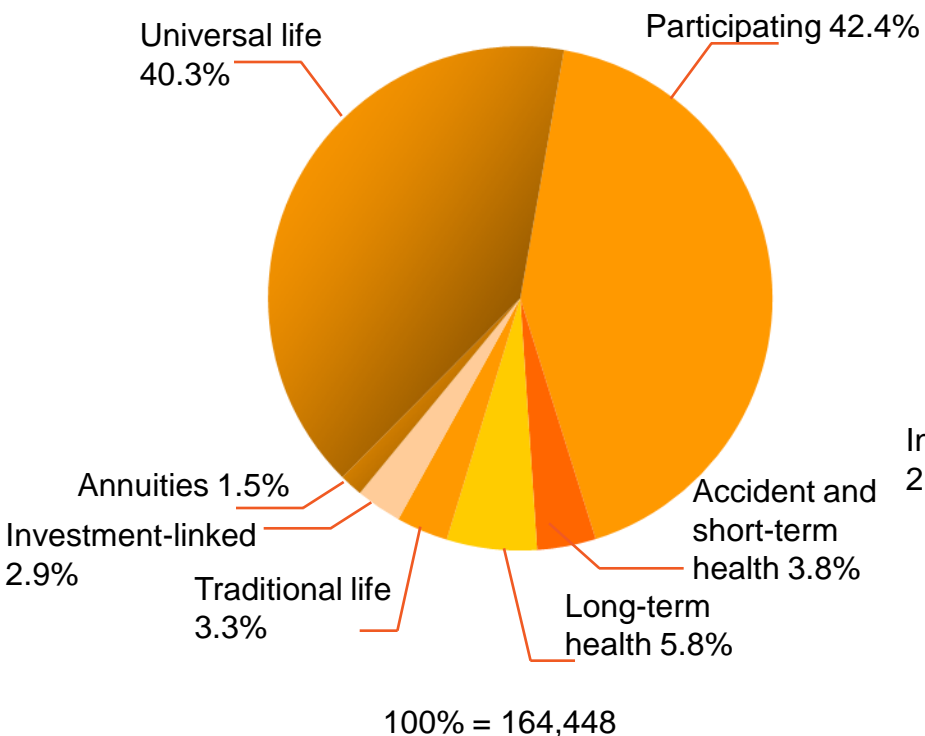
- Notes: (1) Written premiums mean all premiums received from the policies underwritten by the Company, which is prior to the significant insurance risk testing and unbundling of hybrid risk contracts
 (2) Premium income means premiums after the significant insurance risk testing and unbundling of hybrid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

Product Structure of Life Business

(In RMB million)

2010

2011



Notes: (1) The above premiums mean written premiums

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

Individual Life Written Premiums Steadily Increased

(In RMB million)

	2010	2011	Growth
Individual life			
First-year regular premiums	38,893	37,577	↓ 3.4%
First-year single premiums	1,883	6,331	↑ 236.2%
Short-term accident and health premiums	1,923	1,925	↑ 0.1%
Total new business	42,699	45,833	↑ 7.3%
Renewal business	87,447	114,157	↑ 30.5%
Total individual life	130,146	159,990	↑ 22.9%

Notes: (1) Above premiums are written premiums

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

Group Insurance Written Premiums Increased and Bancassurance Decreased

(In RMB million)

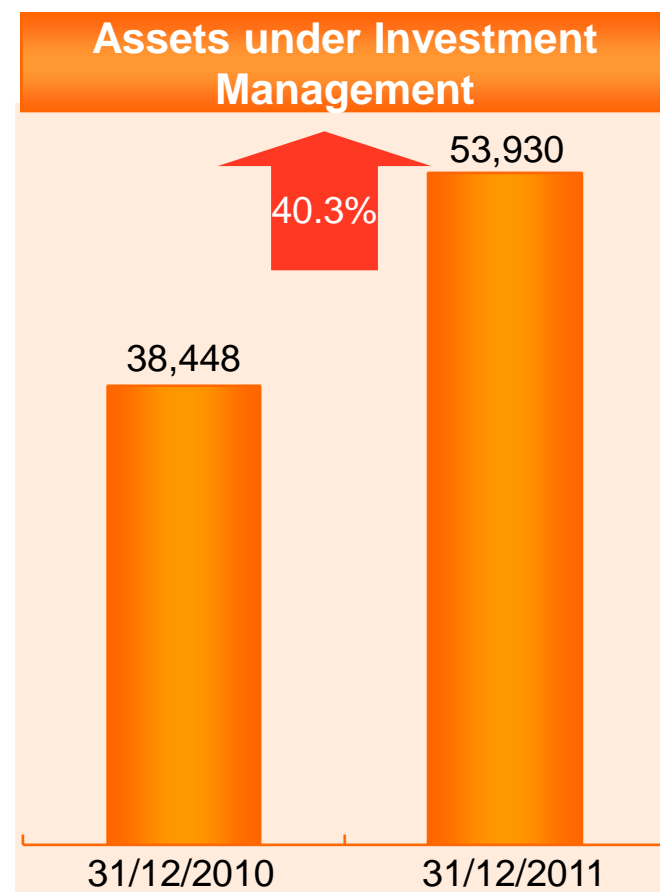
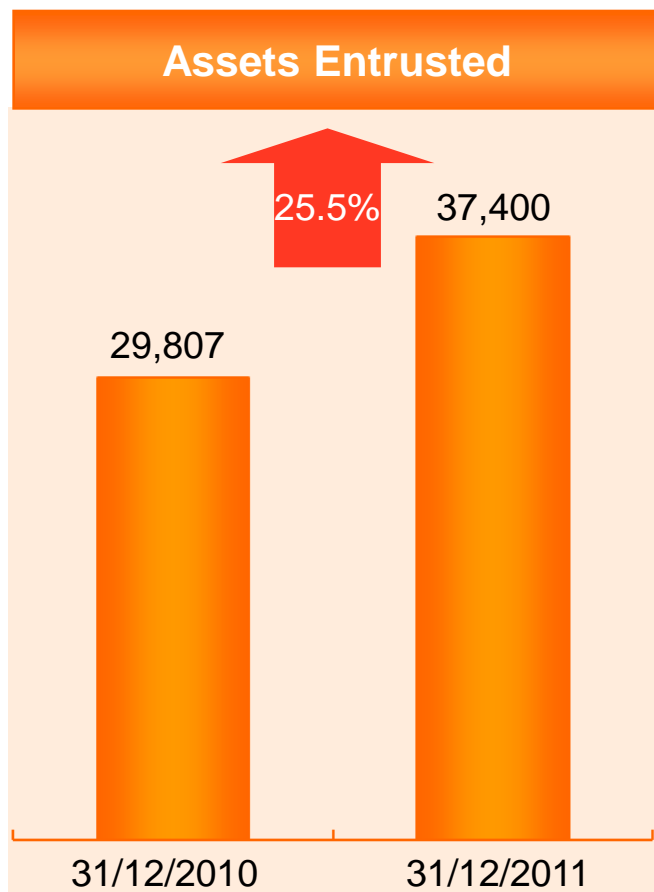
	2010	2011	Growth
Bancassurance			
First-year regular premiums	1,328	1,727	↑ 30.0%
First-year single premiums	24,863	15,134	↓ 39.1%
Short-term accident and health premiums	2	2	-
Total new business	26,193	16,863	↓ 35.6%
Renewal business	905	2,079	↑ 129.7%
Total Bancassurance	27,098	18,942	↓ 30.1%
Group Insurance			
First-year regular premiums	115	197	↑ 71.3%
First-year single premiums	2,765	2,825	↑ 2.2%
Short-term accident and health premiums	4,278	5,199	↑ 21.5%
Total new business	7,158	8,221	↑ 14.9%
Renewal business	46	103	↑ 123.9%
Total Group Insurance	7,204	8,324	↑ 15.5%

Notes: (1) Above premiums are written premiums

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

Rapid and Continuous Growth in Annuity Business

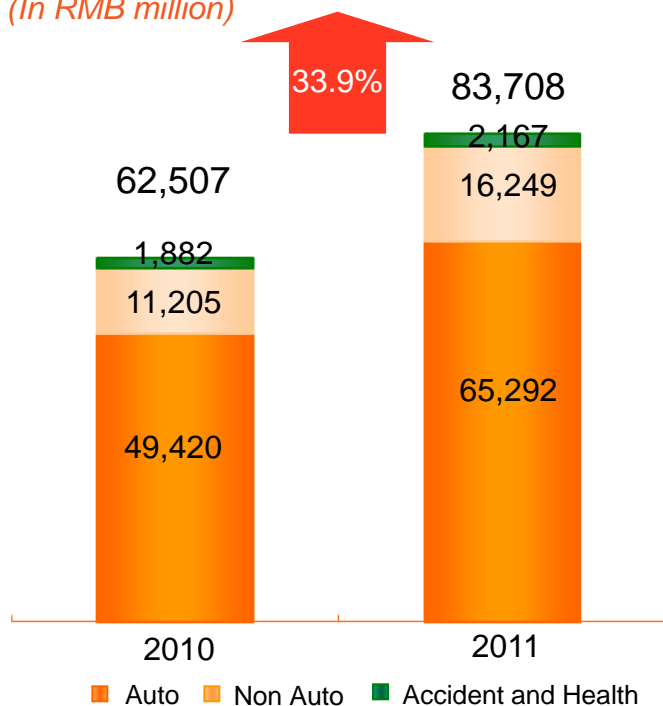
(In RMB million)



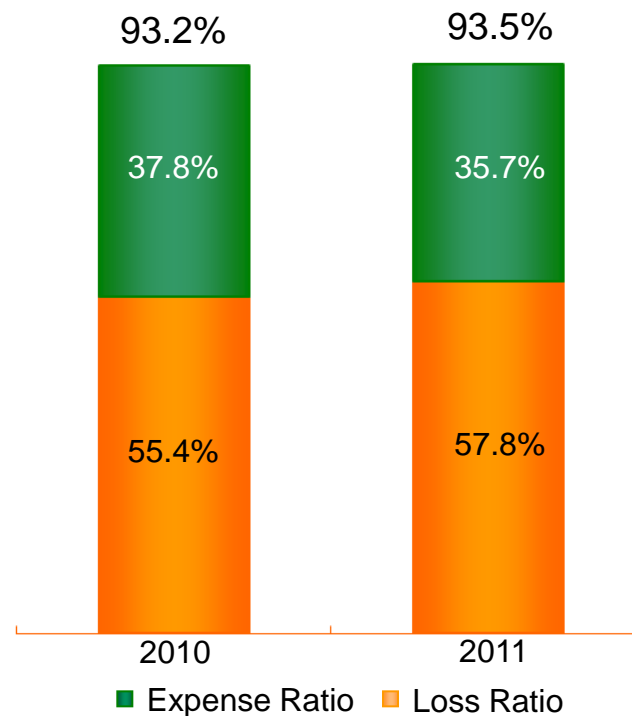
Property and Casualty: Strong Growth in Premiums and Healthy Business Quality

Premium Income

(In RMB million)



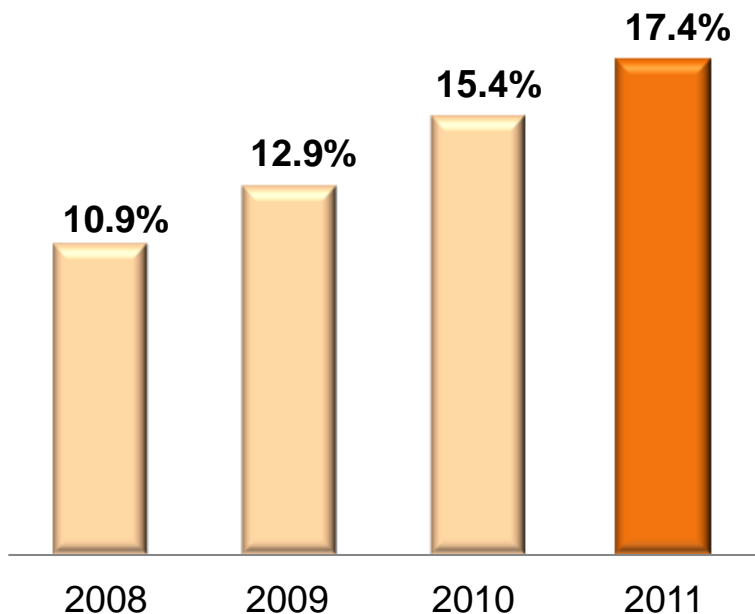
Combined Ratio



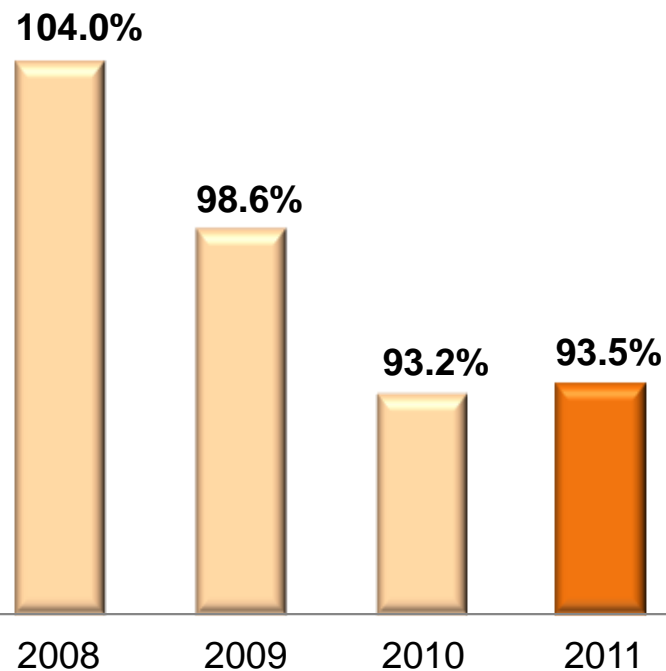
Note: Our property and casualty insurance business is conducted through Ping An Property & Casualty and Ping An Hong Kong

Ping An Property & Casualty: Steady Growth in Market Share and Enhanced Business Quality

Market Share



Combined Ratio



Banking Business Review



Banking Business Highlights

Asset Restructuring with SDB

- Successfully completed major asset restructuring to gain control of SDB; SDB's absorption merger of Ping An Bank was approved by shareholders in recent general shareholders meeting
- Profit contribution from the banking business jumped 176.8% year on year to approximately RMB8 billion. Net profit of SDB itself jumped 47.0% while that of Ping An Bank grew by 35.7%

Business Scale and Asset Quality

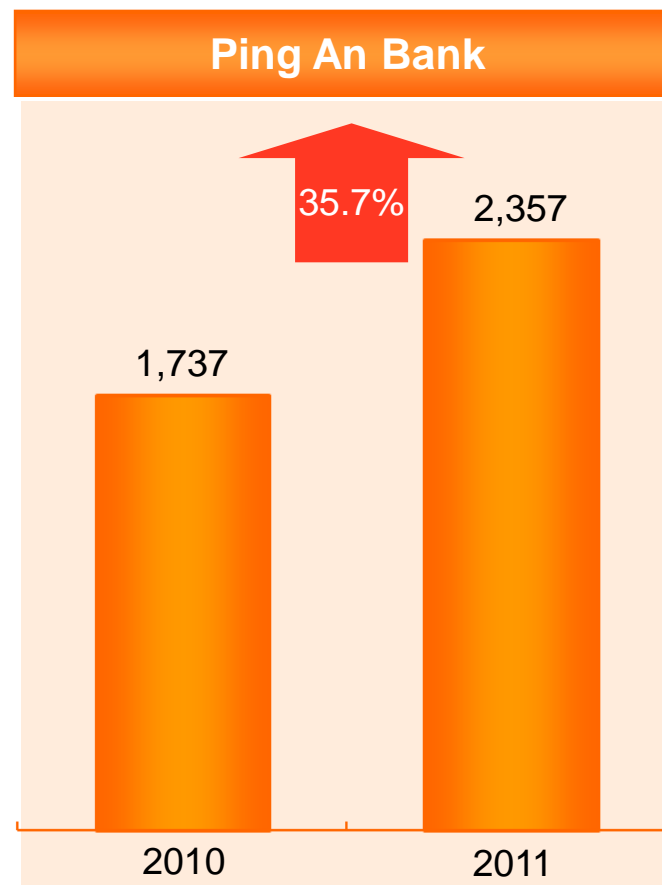
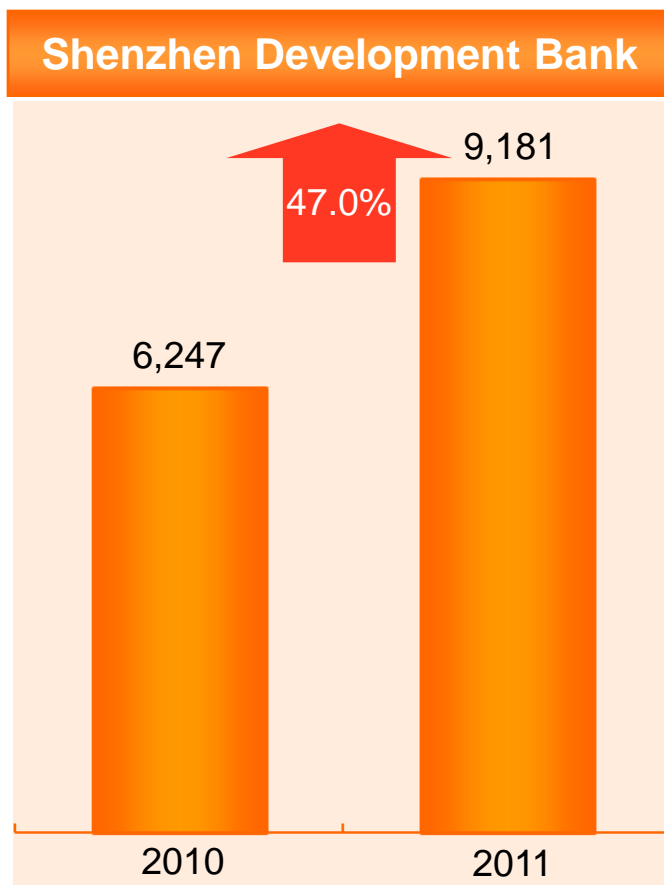
- Total assets of the bank after merger exceeded RMB1.2 trillion, total deposits amounted to RMB850,845 million while total loans amounted to RMB620,642 million, increasing by 14.2% and 15.3% respectively as compared with the balance at the end of 2010 on the same basis
- Asset quality was stable; non-performing loan ratio was 0.53%; capital adequacy ratio and core capital adequacy ratio were 11.51% and 8.46% respectively
- The number of trade finance customers exceeded ten thousand; accumulated credit cards in circulation exceeded 9 million

Distribution Channel

- Huge efforts were devoted to cross-selling in our credit card business and new credit cards issued by SDB and Ping An Bank through cross-selling in 2011 exceeded one million

Steady Increases in the Net Profit of Shenzhen Development Bank and Ping An Bank

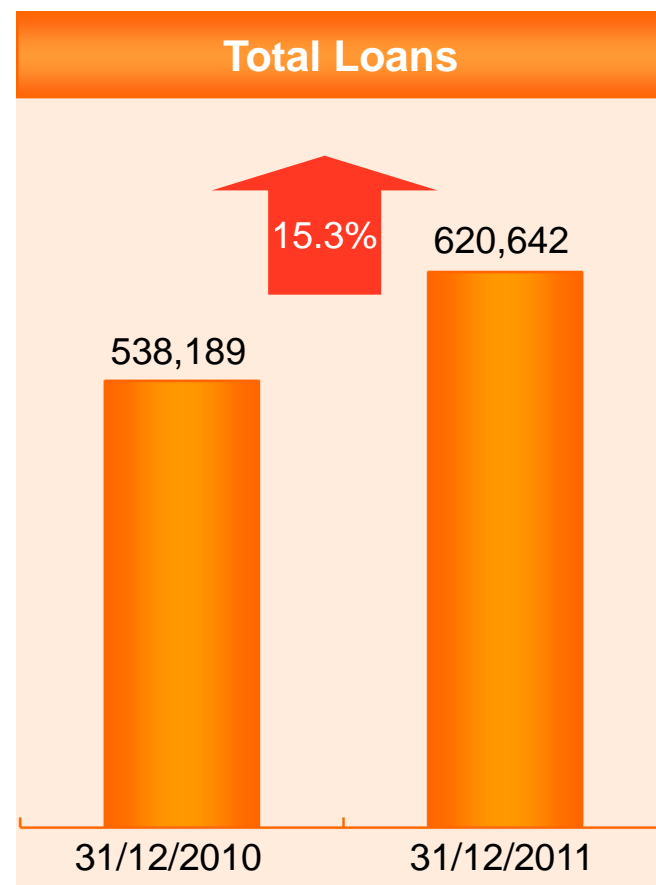
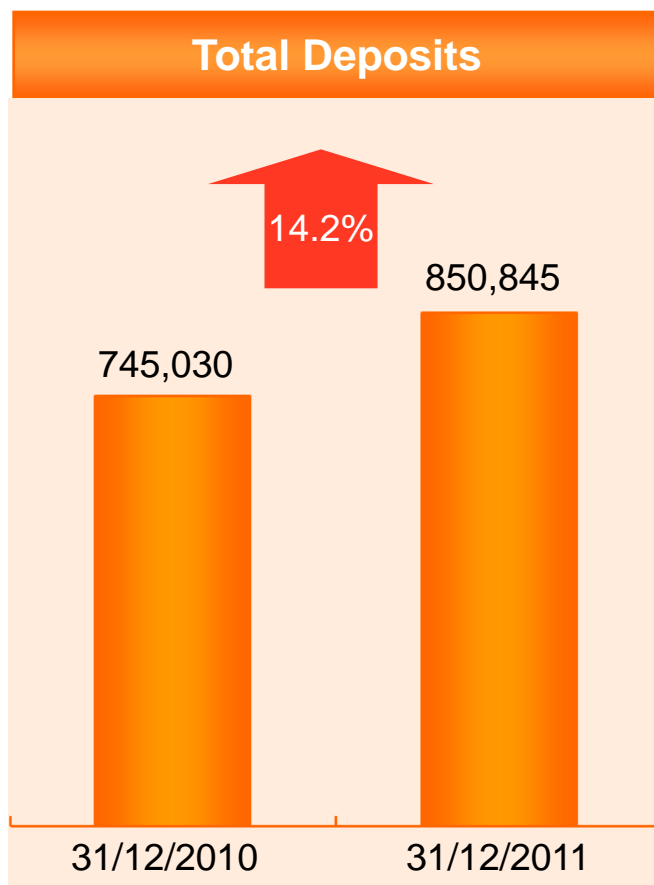
(In RMB million)



Notes: The above financial figures are illustrated at a company level

Steady Growth in Deposit and Loan Balances

(In RMB million)



Note: The growth rates of total deposits and total loans are for the comparison between 2011 and 2010 pro forma figures (i.e. summation of the banks' figures at the end of 2010)

Key Ratios of Shenzhen Development Bank

	2010	2011
Net Interest Spread	2.41%	2.37%
Net Interest Margin	2.49%	2.53%
Return on Average Asset	0.95%	1.04%
	31/12/2010	31/12/2011
Non-performing Loan Ratio	0.58%	0.53%
Provision Coverage Ratio	271.50%	320.66%
Capital Adequacy Ratio	10.19%	11.51%
Core Capital Adequacy Ratio	7.10%	8.46%

Note: The above figures of 2011 are illustrated at the group level of SDB

Investment Business Review



Investment Business Highlights

Investment

- Ping An Asset Management carried out effective risk management and optimized our asset allocation by strengthening fixed asset investment. Total investment income of insurance fund for the year amounted to RMB29,516 million, and total investment yield was 4.0%

Trust

- The personal wealth management business of Ping An Trust achieved strong growth, with the number of high net worth customers exceeding 13,000
- The average asset under management raised per month reached RMB6 billion, representing an increase of 200.0%
- Management fees income of trust products amounted to RMB1,802 million, a surge of 152.4%

Securities

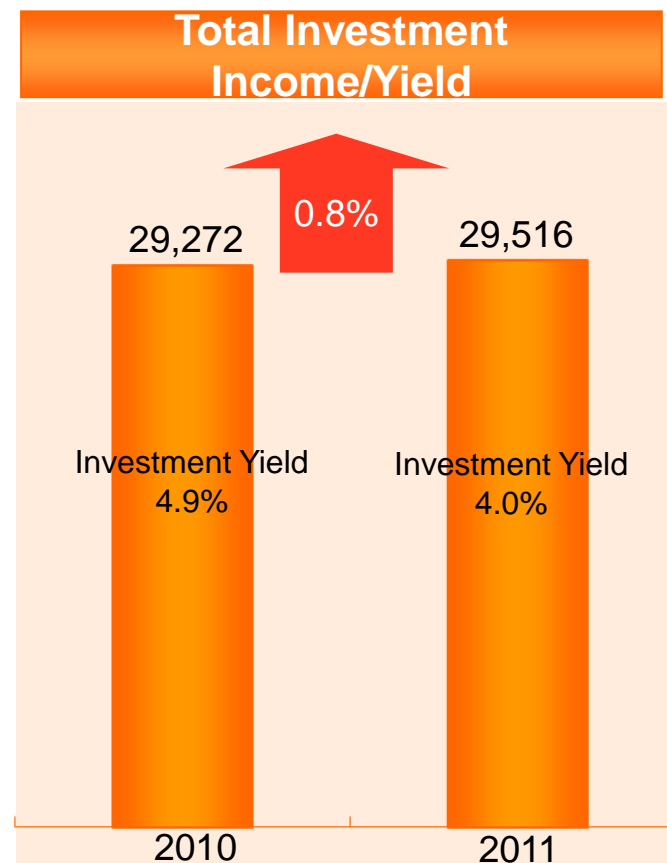
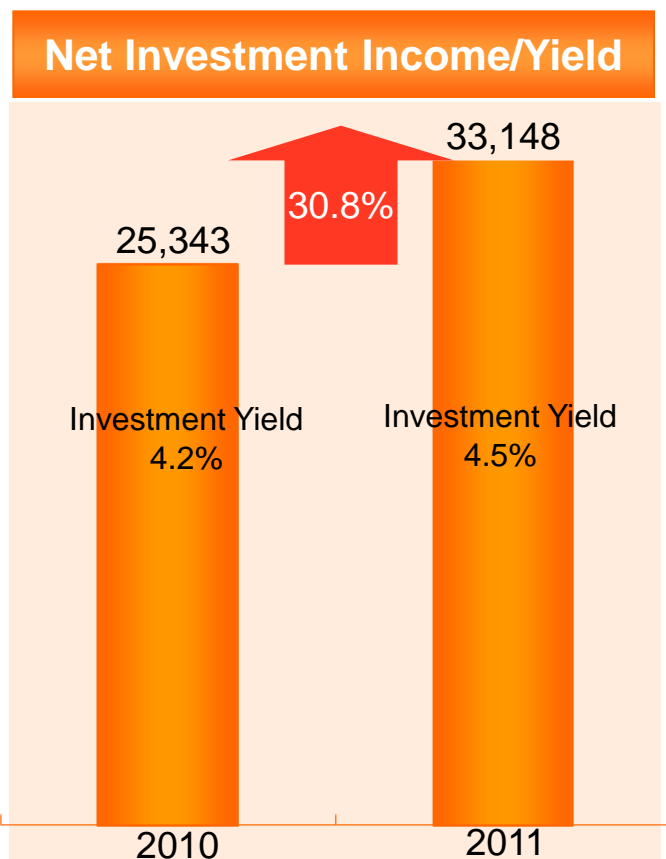
- The investment banking business continued to top the SMEs and the GEM underwriting market, having sponsored 34 IPOs and 7 refinancing projects as lead underwriter; ranked top in the league table by the number of deals and underwriting fees income for IPO transactions

Fund

- Ping An-UOB Fund was officially established and successfully issued two new funds; one of its funds raised more than RMB3 billion, making it the largest equity fund launched in terms of funds raised in the same period

Net Investment Yield Improved while Total Investment Yield Decreased

(In RMB million)



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

Portfolio Allocation: Focus on Overall Risk Control

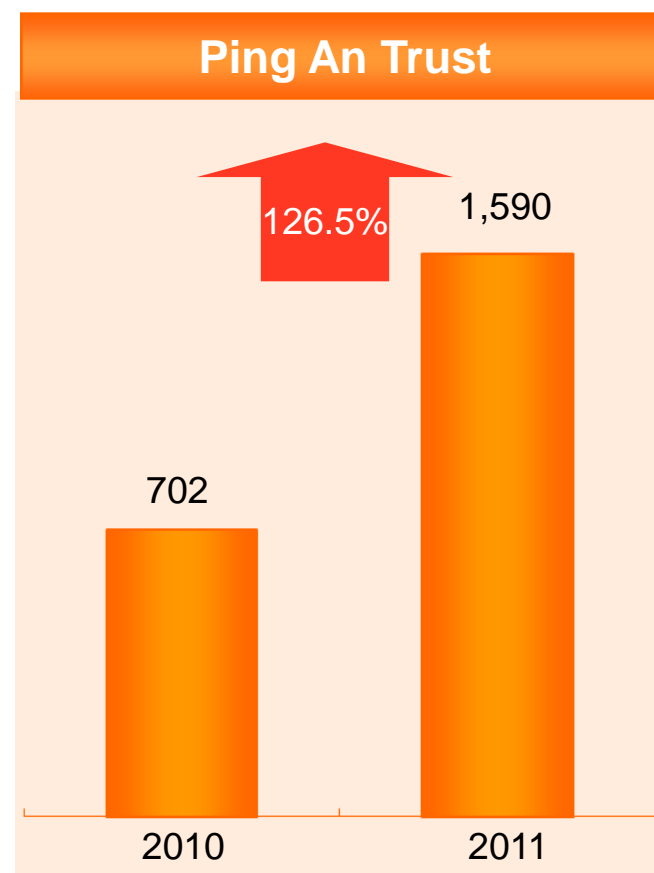
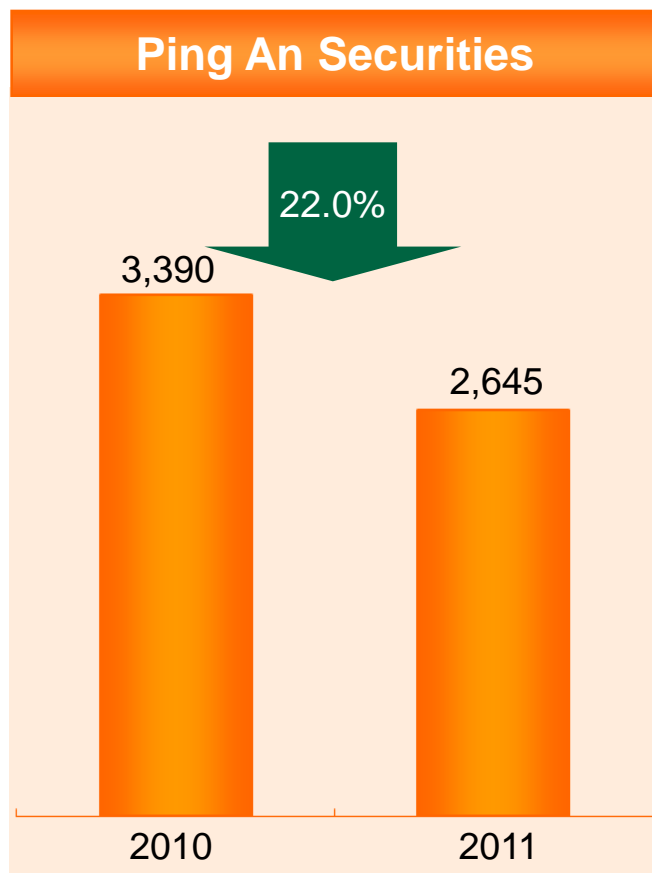
(In RMB million)	31/12/2010	31/12/2011	Change	
Portfolio ⁽¹⁾				
Fixed Maturity Investments	77.8%	81.0%	↑	3.2%
Term Deposits ⁽²⁾	17.5%	19.6%	↑	2.1%
Bond Investments ⁽²⁾	59.2%	58.2%	↓	1.0%
Other Fixed Maturity Investments ⁽²⁾	1.1%	3.2%	↑	2.1%
Equity Investments ⁽²⁾	9.8%	11.5%	↑	1.7%
Infrastructure Investments	1.2%	1.0%	↓	0.2%
Cash, Cash Equivalents and Others	11.2%	6.5%	↓	4.7%
	100% =762,953	100% =867,301		

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

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

Net Fees and Commission Income of Ping An Securities and Ping An Trust

(In RMB million)



Note: In 2011, impacted by the deep adjustments in the domestic capital market and a slowdown in the pace of financing in the primary market, Ping An Securities achieved lower net fees and commission income than that of 2010. However, it continued to hold the top position in the investment banking arena in terms of the number of deals and underwriting revenue for IPOs

中国平安 PINGAN

保险·银行·投资

Q & A

