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PING AN

Insurance · Banking · Investment

中国平安保险(集团)股份有限公司

Ping An Insurance (Group) Company of China, Ltd.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2318)

**ANNOUNCEMENT OF AUDITED RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

CHAIRMAN'S STATEMENT

Living in a country of 1.3 billion, we are surrounded everyday by individuals in pursuit of a better and more prosperous life, whether in the affluent city or in the remote countryside. Such aspirations have translated into a remarkable set of macroeconomic data: GDP, total resident consumption, resident savings and per capita income, etc. The 18th CPC National Congress presented to us a grand vision of the future: urbanization, the Income Doubling Programme, developing a well-off society and so forth, which conjures an enticing and exciting picture even to a finance veteran like me who witnessed the first three decades following the reforming and opening up of China. China's personal financial services industry will undoubtedly herald immense and brand new development opportunities in the future.

After 25 years of exploration and implementation, Ping An has become one of China's leading personal financial services groups. However, our aspirations for the future have yet to be fully realized. Our management team and I will lead over 700 thousand Ping An employees from both front and back offices, to exemplify the spirit of self-improvement, explore new frontiers and innovate, and promote the tighter integration of modern technology and conventional finance. We will provide a comprehensive consumer experience for personal financial services befitting our "One Customer, One Account, Multiple Products and One-Stop Services" slogan, which will resonate with our brand philosophy of "Expertise Makes Life Simple". We will strive to make Ping An the leading personal financial services group in China offering the best customer experience, ultimately fulfilling our grand vision of "being an internationally leading integrated financial services group".

Before looking towards a brighter future, let us first review Ping An's overall operating performance in 2012.

2012 was an extraordinary year. Against a slowing Chinese economy, the financial industry faced a number of negative factors including an anemic capital market, a rising non-performing loan ratio in the banking industry and weakened demand for life insurance. Facing the complex and changing environment in both our international and domestic markets, we proactively adapted our strategies to tackle the challenges in the market head on. Thanks to our well-established integrated financial strategy and the competitive edge accruing from our platform, our three pillars of business, namely insurance, banking and investment, continued to achieve healthy and stable growth despite the adverse conditions. With the integration of the Original Shenzhen Development Bank and the Original Ping An Bank successfully completed, the new Ping An Bank was formally launched and unveiled to customers with a brand new image. Operating under a unified Ping An brand reinforced our capabilities to provide diversified financial services to our customers while further honing our overall competitiveness, buffering us against the cyclical ups and downs inherent in the financial industry.

This year, our key indicators such as total assets, net assets and net profits recorded stable growth. As at December 31, 2012, the Company had total assets of RMB2,844,266 million, representing an increase of 24.5% compared with the end of last year. Equity attributable to shareholders of the parent company stood at RMB159,617 million, up 22.0%. Net profit attributable to shareholders of the parent company reached RMB20,050 million, marking an increase of 3.0%.

Looking back at the past year's operations, we achieved outstanding performance in the following aspects:

- **Our life insurance and property and casualty insurance maintained growth above the market average while service quality was continuously improved. Our annuity business maintained its leading position in the industry.** Written premiums of life insurance reached RMB199,483 million, an increase of 6.5% compared with last year. Out of this, written premiums from the more profitable individual life insurance business reached RMB176,068 million, an increase of 10.0% over last year. The market share of Ping An Life rose by 0.5 percentage points to 12.9% from 2011. Through its consistent track record in service innovations such as the E-sales platform and the Mobile Integrated Terminal (MIT), Ping An was given the “Best Life Insurance Company of 2012” award. Leveraging its increasingly professionalized operations and advanced service standards, Ping An Property & Casualty achieved stable business growth and a recorded premium income of RMB98,786 million, while its accumulated premium growth reached 18.5%, which surpassed the market average level. Its market share increased by 0.5 percentage points to 17.9% from 2011. The three major performance indicators of our annuity business – annuity payments received, assets entrusted, and assets under investment management – all maintained their lead in the annuity industry. The “Hiking the World – Vitality” health promotion program, the first of its kind in China originally launched by Ping An Health, has brought with it new opportunities for business growth.

- **Our Banking business completed the merger of the legal entities of Original Ping An Bank and Original Shenzhen Development Bank, as well as the name change and integration of their respective IT systems. The integration of the two banks was executed flawlessly leading up to its completion, while the business maintained stable growth.** On July 27, 2012, the new bank after the merger formally changed its name to “Ping An Bank Co., Ltd”. As the name change and systems integration went smoothly, the integrated finances of the new Ping An Bank grew at an accelerated pace. In 2012, the banking business contributed RMB6,870 million in profits to the Group. Total assets of Ping An Bank reached RMB1.61 trillion, demonstrating the growing scale of the bank’s business and greater overall strength. Superior businesses such as credit card, automobile finance, trade finance and interbank lending stood out with their product features, giving them a lead over their peers. We opened a new branch in Zhengzhou and completed our planning for the new Xi’an branch, bringing the number of new business outlets for the year to 55 for a more comprehensive network coverage. Our capital adequacy ratio and core capital adequacy ratio were maintained at strong levels of 11.37% and 8.59%, respectively.
- **Ping An Trust, our personal wealth management business, grew at a steady pace while our investment banking business of Ping An Securities, commanded a leading position in the market.** On the back of the personal wealth management business’s steady growth, assets held in trust reached RMB212,025 million, up 8.1% compared to the end of 2011. The number of high net worth customers exceeded 18,000. By virtue of its solid business performance and outstanding services, Ping An Trust was named the “China Outstanding Trust Company” for the fourth consecutive time. In 2012, Ping An Securities successfully sponsored 14 IPOs and two refinancing projects as lead underwriter, and ranked third by the number of deals and underwriting revenue for IPO transactions. We also sponsored 44 bond projects as lead underwriter, and handled more deals compared to last year. By changing its asset structure through constant reinforcement and applying innovative investment techniques, Ping An Asset Management augmented the core competitiveness of its investments, ensuring a better-than-market asset return ratio.
- **Cross-selling synergy has long been our unique advantage in business development, which has been continuously strengthened during the year. We raised our service levels, further realizing the best customer experience of “multiple products, one-stop services”.** In 2012, the Company made improvements to its cross-selling and remote selling management platforms to generate growing synergies. In 2012, 55.0% of the premium income of Ping An Property & Casualty’s automobile insurance was generated by cross-selling and telemarketing. For Ping An Bank, cross-selling and telemarketing contributed 53.6% of the new credit cards issued and cross-selling also accounted for 15.9% of new retail deposits. In 2012, the back office implemented measures such as operations sharing and increased automation to improve operations. As a result, average processing time per claim for life insurance and automobile insurance were 11.84 hours and 8.04 hours, respectively, which were facilitated by the continuous improvement in our insurance claims service. Ping An Life has committed itself to fulfilling the practice of “Settlement within 72 hours for standard cases with full documentation” and achieved a 99.78% success rate. Ping An Property & Casualty was also the first in the industry to attempt to complete the entire insurance claim process within a specific timeframe, achieving a success rate of 93.48% in honoring its commitment to the practice of “Receiving settlement within 72 hours from the report for claims below RMB10,000”.

In 2012, we continued to maintain a leading position in terms of brand value. Our comprehensive strength and efforts in corporate governance and corporate social responsibility have won us numerous accolades and awards at home and abroad from independent third parties such as rating agencies and the media.

- Ranked 242nd in Fortune Global 500 and maintained top ranking among mainland Chinese companies in the non-SOE category.
- Included in the Forbes Global 2000 for the eighth time, ranking 100th.
- Included in the Financial Times Global 500, ranking 131st.
- Ranked 78th in the Top 100 Most Valuable Global Brands by Millard Brown.
- Named “Best Managed Insurer in Asia” by *Euromoney* for the fourth consecutive year; Winner of “Corporate Governance Asia Recognition Awards” for six consecutive years and named “Best Investor Relations by a Chinese Company” by *Corporate Governance Asia*.
- Eight-time consecutive Winner of the “Best Corporate Citizen” award by the *21st Century Business Herald*; six-time consecutive winner of the “Most Responsible Enterprise” award by *China News Weekly*; eleven-time consecutive winner of the “Most Respected Company” by *The Economic Observer*.

In 2012, we continued to promote green finance, emphasizing the value of education for the public good and striving to become the role model for “corporate social responsibility” and “corporate citizenship” in China. In terms of environmental protection, we have embedded corporate social responsibility in our individual businesses such as insurance, banking and investment, through our “Low Carbon 100” campaign run over the last two years. These efforts to lower our carbon footprint have borne fruit: More than 10 million customers subscribed to our paperless email service in 2012, placing us in a leading position in the finance and insurance sectors. The widespread adoption of the upgraded smart version of our MIT platform further underscores our lead in the I.T services platform, giving our customers a one-stop shop for integrated financial services which is more convenient and effective, while being more flexible and environmentally friendly. The amount of paper saved from switching to high-efficiency services such as email, MIT platform, electronic policies, online policyholder services and electronic bills was approximately 890.6 tons. This was matched by steep falls in manpower needs and operational costs. This year, we actively participated in Project Green Hope, establishing 10,000 acres of Ping An forest land in 10 provinces and regions in collaboration with the China Youth Development Foundation. On the education front, Ping An sponsored the construction of more than 100 Ping An Hope Primary Schools and over 17 Aspiration Centers housing multi-media classrooms. Over 2,000 volunteers participated in our education initiative, helping nearly 30,000 students. Since the start of our educational welfare projects, 8,134 students have enrolled in the Ping An Hope Primary Schools on a cumulative basis, receiving Ping An Hope Scholarships worth RMB4.533 million. More than RMB10 million has been awarded to 4,820 college students through the Endeavour Scheme Thesis Award and Future Entrepreneur Award. Charitable donations have exceeded RMB100 million.

In 2012, we committed ourselves to improving our corporate governance practice in strict compliance with relevant laws and regulations, with due consideration given to our operating conditions. The general meeting, the Board of Directors, the Supervisory Committee and the senior management of the Company operated independently and performed their respective rights and obligations in accordance with the Articles of Association of the Company. The Board actively contributed in various aspects, including strategic planning, investment decision, risk management, internal control and compliance, corporate social responsibility as well as talent recruitment and appointment. In recognition of our outstanding corporate governance, we received numerous awards including the “Best Corporate Governance Disclosure Awards – Gold Award in H-Share Companies and Other Mainland Enterprises Category” by the Hong Kong Institute of Certified Public Accountants, the “2012 Asia Excellence Award” by *Corporate Governance Asia* magazine, the “Best Managed Asia Company 2012” award by *Finance Asia*, as well as the “2012 Best Board of Listed Companies in China” issued by renowned Chinese wealth management media *Money Week*.

Despite our credible results in the past year, the accomplishments of two young friends (who share my surname) put paid to any smugness or self-congratulatory mood. The figures marking their achievements deeply moved me. One was the RMB19.1 billion single-day sale by Alibaba Group on November 11, 2012, while the other one was the 300 million users breakthrough by Tencent’s WeChat. These figures deepened my sense of conviction about the immense potential of China’s personal consumption market, and the power of new technology in reshaping the face of business across the world. It is our calling and duty to make the most of these trends by closely tracking or even leading the changes in financial consumption and lifestyles. After 25 years of exploration and implementation, we have secured licences spanning the entire financial industry including insurance, banking, securities, trust and funds. This let us establish a leading integrated financial services platform in China, upon which we gradually established our competitive advantages in the personal financial services field: our comprehensive product lines, all-inclusive quality service, full-coverage networks and channels, highly efficient agency teams, leading technological innovation and strong brand support, among others. In a complex financial market, from insurance and banking to investment, our goal is to simplify the complex; to make our customers’ lives simpler and save them time, hassle and effort with our new consumer experience of “One Customer, One Account, Multiple Products, One-Stop Service”; and to become the leading personal integrated financial services provider in China, offering the best customer experience.

While there is still a sense of trepidation when we look to the future, we remain confident of what is to come. With the advent of urbanization and the rise of national income in China, there is huge potential for the growth of mass consumption. The personal consumption market is expected to maintain its rapid growth in the long run, which will stimulate consumption demand for personal financial services and promote the sustainable development of the society and economy. It also lays a solid foundation for the in-depth execution of our integrated financial strategy and our healthy growth in the future. At the same time, modern technology as represented by mobile internet, large data and cloud computing is developing rapidly, merging forms and permeating into traditional industries. Not only does this give rise to a brand new lifestyle and consumer experience for every individual, it also reshapes the eco-systems of various industries as well as the organization and operations of modern corporations. New business opportunities and business models also spring forth, with some changes even subversive and revolutionary in nature. This introduces new competition to the financial industry and prompts the gradual improvement or even the complete restructuring of traditional finance’s operational model. The intensifying competition focused on

the customer experience will have far-reaching influence on the competitive landscape and rules of competition in traditional financial markets. The Ping An team and I do not fear challenges, and dare to innovate and explore. We will fully capitalize on growth opportunities in our times, and ensure that while our traditional businesses enjoy “in line with market growth while leading in quality”, we will explore the tight integration of modern technology with traditional finance, create the momentum to stay ahead of the market, and promote innovative development in China’s financial industry.

In the year ahead, Ping An will celebrate its 25th anniversary. We believe that with the support of all shareholders and the leadership of the Board of Directors, we can leverage the strength of our organization, culture and talent to keep our finger on the contemporary pulse, and exemplify our “Expertise Makes Life Simple” philosophy in providing a simple, efficient, and convenient one-stop financial services experience for customers. This will bring us healthy and sustainable growth compatible with our values, and enable us to gradually become the leading personal financial services group in China, offering the best customer experience, as well as to create value for our shareholders, customers, employees and society through stable and continuous growth.

KEY FINANCIAL AND OPERATION INFORMATION

Overview

In 2012, faced with a complex and unstable market environment at home and abroad, Ping An exemplified its philosophy of “Expertise Creates Value” by meeting market challenges head on. Consequently, its three key pillars of businesses, namely insurance, banking and investment, all achieved healthy and steady growth. In particular, Ping An Life achieved stable increases in its business scale and in the number of agents, with product structure further improved, and significant growth of margin of embedded value for new business. Ping An Property & Casualty surpassed RMB90 billion in premium income while its combined ratio was maintained at a good level. The Company marked the successful completion of the merger and consolidation of banking business, culminating in a smooth transition and marking the end of a three-year long banking consolidation exercise. Ping An Trust recorded stable and high growth in its private wealth management business, while Ping An Securities maintained its leading position in the investment banking business arena. By changing its asset structure through constant reinforcement and applying innovative investment techniques, Ping An Asset Management augmented the core competitiveness of its investments, ensuring a better-than-market asset return ratio.

Net profit attributable to shareholders of the parent company recorded for 2012 was RMB20,050 million, representing a growth of 3.0% compared with 2011. As at December 31, 2012, total assets of the Company reached RMB2,844,266 million while equity attributable to shareholders of the parent company stood at RMB159,617 million, representing increases of 24.5% and 22.0%, respectively, compared with the end of 2011.

Consolidated results

(in RMB million)	2012	2011
Total income	339,193	272,244
Total expenses	(306,855)	(242,218)
Profit before tax	32,338	30,026
Net profit	26,750	22,582
Net profit attributable to shareholders of the parent company	20,050	19,475

Net profit by business segment

(in RMB million)	2012	2011
Life insurance	6,457	9,974
Property and casualty insurance	4,648	4,979
Banking ⁽¹⁾	13,232	7,977
Securities	845	963
Other businesses and offsetted items ⁽²⁾	1,568	641
Consolidation adjustment ⁽³⁾	–	(1,952)
Net profit	26,750	22,582

(1) Since July 2011, the Company consolidated Original SDB with the shareholding of 52.38%.

(2) Other businesses mainly include corporate, trust business and asset management business, etc.

(3) The figure of consolidation adjustment for 2011 was a result of the accounting treatment of the one-off re-measurement of the 29.99% equity interest the Company previously held in Original SDB before the consolidating date, while Original SDB was consolidated to the Group for the first time.

Investment portfolio of insurance funds

Insurance is the core business of the Group. The insurance funds represent the funds that can be invested by the Company and its subsidiaries engaged in the insurance business. The investment of insurance funds is subject to relevant laws and regulations. The investment portfolio of insurance funds represents a majority of the investment assets of the Group.

In 2012, we saw a slowdown in the global economic recovery. Although the European debt crisis has gradually stabilized, the successive rounds of quantitative easing monetary policy introduced by the U.S. and the Japanese governments created uncertainty in the emerging markets. In 2012, China basically maintained its macroeconomic policy and kept inflation under control to a certain extent. In the first half of the year, the A-share stock market declined under the influence of the European debt crisis and concerns over the pace of economic growth and anticipated fall in corporate profits. However, a significant rebound was seen at the end of the year; on the other hand, the bond market kept stable. The Company closely monitored changes in macroeconomic conditions to better manage market risks, steadily increasing high-interest fixed income investments in its portfolio, optimizing its equity structure, and enhancing its profitability.

The following table sets forth the investment income from insurance funds:

(in RMB million)	2012	2011
Net investment income ⁽¹⁾	41,578	33,148
Net realized and unrealized gains ⁽²⁾	(9,522)	(961)
Impairment losses	(6,450)	(2,606)
Others	74	(65)
	<hr/>	<hr/>
Total investment income	25,680	29,516
	<hr/>	<hr/>
Net investment yield (%) ⁽³⁾	4.7	4.5
Total investment yield (%) ⁽³⁾	2.9	4.0
	<hr/> <hr/>	<hr/> <hr/>

(1) Net investment income includes interest income from bonds and deposits, dividend income from equity investments, and operating lease income from investment properties, etc.

(2) Net realized and unrealized gains include realized gains from security investments and profit or loss through fair value change.

(3) Net foreign currency gains/losses on investment assets denominated in foreign currencies are excluded in the calculation of the above yields. Average investment assets used as the denominator are computed based on Modified Dietz method in principle.

Net investment income increased by 25.4% to RMB41,578 million in 2012 from RMB33,148 million in 2011. This was primarily attributable to the increase in interest income from fixed maturity investments as a result of an expanded scale of investment assets and the higher interest rates of newly-added fixed maturity investments, as well as the increase in dividend income from equity investments as compared with the previous year. Net investment yield increased to 4.7% in 2012 from 4.5% in 2011, mainly due to higher interest rates of newly-added fixed maturity investments and the increase in dividend income from equity investments.

Affected by the continued weakness in domestic stock market, net realized and unrealized gains were down to a loss of RMB9,522 million in 2012 from a loss of RMB961 million in 2011, and impairment losses on the available-for-sale equity investments increased to RMB6,450 million in 2012 from RMB2,606 million in 2011.

As a result, total investment income for investment portfolio of insurance funds decreased by 13.0% to RMB25,680 million in 2012 from RMB29,516 million in 2011, and total investment yield dropped to 2.9% from 4.0%.

We have proactively optimized the asset allocation of the investment portfolio in order to respond effectively to the new economic environment. The percentage of fixed maturity investments increased from 81.0% of total investments as at December 31, 2011 to 81.4% as at December 31, 2012, while that for equity investments decreased from 11.5% to 9.5%.

The following table presents our investment portfolio allocations of insurance funds:

(in RMB million)	December 31, 2012		December 31, 2011	
	Carrying value	%	Carrying value	%
By category				
Fixed maturity investments				
Term deposits ⁽¹⁾	241,600	22.5	169,946	19.6
Bond investments ⁽¹⁾	560,042	52.1	494,549	57.0
Debt schemes investment	37,429	3.5	10,360	1.2
Other fixed maturity investments ⁽¹⁾	35,165	3.3	27,372	3.2
Equity investments				
Equity investment funds ⁽¹⁾	25,099	2.4	25,362	2.9
Equity securities	76,371	7.1	74,508	8.6
Infrastructure investments	8,802	0.8	8,938	1.0
Investment properties	16,385	1.5	7,782	0.9
Cash, cash equivalents and others	73,295	6.8	48,484	5.6
Total investments	1,074,188	100.0	867,301	100.0
By purpose				
Carried at fair value through				
profit or loss	17,082	1.6	21,803	2.5
Available-for-sale	186,745	17.4	208,991	24.1
Held-to-maturity	463,237	43.1	373,072	43.0
Loans and receivables	381,937	35.6	246,715	28.5
Others	25,187	2.3	16,720	1.9
Total investments	1,074,188	100.0	867,301	100.0

(1) These figures exclude items that are classified as cash and cash equivalents.

General and administrative expenses

General and administrative expenses were RMB68,477 million in 2012, including an increase of RMB6,984 million due to the effect of consolidation of Ping An Bank's general and administrative expenses (In 2012, the Company consolidated the whole operating results of Original SDB, but in 2011, only that of the second half of the year was consolidated). Excluding this, general and administrative expenses increased by 21.6%, mainly because of business growth and the increase of operating costs, such as labour costs and office expenses due to inflation.

Income tax

(in RMB million)	2012	2011
Current income tax	6,959	8,541
Deferred income tax	(1,371)	(1,097)
Total	<u>5,588</u>	<u>7,444</u>

Income tax decreased by 24.9% to RMB5,588 million in 2012 from RMB7,444 million in 2011.

Insurance business

Life insurance business

The following tables set forth certain financial and operating data for our life insurance business:

(in RMB million)	2012	2011
Written premiums⁽¹⁾		
Individual life	176,068	159,990
Including: new business	39,288	45,833
renewal business	136,780	114,157
Bancassurance	13,617	18,942
Group insurance	9,798	8,324
Total written premiums	<u>199,483</u>	<u>187,256</u>
Premium income⁽²⁾		
Individual life	114,595	102,883
Including: new business	30,125	31,720
renewal business	84,470	71,163
Bancassurance	13,609	15,534
Group insurance	6,647	5,677
Total premium income	<u>134,851</u>	<u>124,094</u>

(1) Written premiums of life 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 contracts.

(2) Premium income of life insurance business refers to premiums calculated according to the “Circular on the Printing and Issuing of the Regulations regarding the Accounting Treatment of Insurance Contracts” (Cai Kuai [2009] No.15), which is after the significant insurance risk testing and unbundling of hybrid contracts.

Of the total premium income generated by all life insurance companies in 2012, Ping An Life captured a market share of 12.9%, as calculated in accordance with the PRC insurance industry data published by the CIRC. In terms of premium income, Ping An Life is the second largest life insurance company in China.

	2012	2011
Number of customers (in thousands)		
Individual	53,666	49,784
Corporate	896	795
	<u>54,562</u>	<u>50,579</u>
Total	54,562	50,579
Persistency ratio (%)		
13-month	92.7	94.2
25-month	90.2	89.5
	<u>90.2</u>	<u>89.5</u>
Agent productivity		
First-year written premiums per agent per month (in RMB)	5,795	7,527
New individual life insurance policies per agent per month	1.0	1.1
	<u>1.0</u>	<u>1.1</u>
Distribution network		
Number of individual life sales agents	512,937	486,911
Number of group sales representatives	3,310	3,016
Bancassurance outlets	63,929	62,022
	<u>63,929</u>	<u>62,022</u>

Property and casualty insurance business

The following tables set forth certain financial and operating data for our property and casualty insurance business:

(in RMB million)	2012	2011
Automobile insurance	76,334	65,292
Non-automobile insurance	20,354	16,249
Accident and health insurance	2,401	2,167
	<u>99,089</u>	<u>83,708</u>
Total premium income	99,089	83,708
Market share of premium income (%)		
– Ping An Property & Casualty⁽¹⁾	17.9	17.4
	<u>17.9</u>	<u>17.4</u>

(1) Calculated in accordance with the PRC insurance industry data published by the CIRC.

	2012	2011
Combined ratio (%)		
Expense ratio	35.9	35.7
Loss ratio	59.4	57.8
	<u>95.3</u>	<u>93.5</u>
Number of customers (in thousands)		
Individual	23,024	18,894
Corporate	1,646	1,892
	<u>24,670</u>	<u>20,786</u>
Distribution network		
Number of direct sales representatives	7,315	7,444
Number of insurance agents	30,240	26,067
	<u>37,555</u>	<u>33,511</u>

Banking business

Original SDB was consolidated in the Group's financial statements starting July 2011, and was treated as an associate of the Company before that. In the current announcement, the banking business's operating results included that of Ping An Bank (Original SDB) for 2012. While the operating results of 2011 included the share of profit in Original SDB as an associate on a pro rata basis for the first half year, as well as Original SDB's operating results in the second half consolidated as a subsidiary.

The following table sets forth the data of interest income and expenses for our banking business:

(in RMB million)	2012	2011
Interest income	74,852	39,314
Interest expenses	(41,609)	(20,943)
	<u>33,243</u>	<u>18,371</u>
Net interest income	<u>33,243</u>	<u>18,371</u>
Net interest spread (%) ⁽¹⁾⁽³⁾	2.19	2.33
Net interest margin (%) ⁽²⁾⁽³⁾	2.37	2.51
	<u>2.37</u>	<u>2.51</u>

(1) Net interest spread (NIS) refers to the difference between the average interest-earning assets yield and the average cost rate of interest-bearing liabilities.

(2) Net interest margin (NIM) refers to net interest income/average interest-earning assets balance.

(3) As calculating the net interest spread and net interest margin for 2011, the interest income and interest expenses of Original SDB following consolidation in July 2011 have been annualized.

The loan mix and loan quality of our banking business are set out as below.

(in RMB million)	December 31, 2012	December 31, 2011
Corporate loans	494,945	430,702
Retail loans	176,110	165,227
Accounts receivable on credit cards	49,725	24,713
	<hr/>	<hr/>
Total loans	720,780	620,642
	<hr/> <hr/>	<hr/> <hr/>
(in RMB million)	December 31, 2012	December 31, 2011
Pass	706,738	612,937
Special mention	7,176	4,410
Sub-standard	5,030	1,744
Doubtful	962	893
Loss	874	658
	<hr/>	<hr/>
Total loans	720,780	620,642
Total non-performing loans	6,866	3,295
Non-performing loan ratio	0.95%	0.53%
Impairment provision balance	12,518	10,566
Provision coverage ratio	182.32%	320.66%
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Investment business

The following tables set forth certain financial data for our investment business:

(in RMB million)	2012	2011
Securities business		
Operating income	2,694	3,080
Net profit	845	963
	<hr/> <hr/>	<hr/> <hr/>
Trust business⁽¹⁾		
Operating income	3,031	2,407
Net profit	1,524	1,063
	<hr/> <hr/>	<hr/> <hr/>

(1) The figures for our trust business are presented at company level, where interests in subsidiaries are accounted at cost.

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

Consolidated Income Statement

For the year ended December 31, 2012

(in RMB million)	<i>Notes</i>	2012	2011
Gross written premiums and policy fees	5	233,940	207,802
Less: Premiums ceded to reinsurers		(12,851)	(10,970)
Net written premiums and policy fees		221,089	196,832
Change in unearned premium reserves		(7,945)	(10,170)
Net earned premiums		213,144	186,662
Reinsurance commission income		4,529	3,656
Interest income from banking operations	6	74,852	39,314
Fees and commission income from non-insurance operations		10,891	8,614
Investment income	7	27,378	29,265
Share of profits and losses of associates and jointly controlled entities		(46)	1,068
Other income		8,445	3,665
Total income		339,193	272,244
Claims and policyholders' benefits		(165,994)	(145,764)
Commission expenses on insurance operations		(20,437)	(17,767)
Interest expenses on banking operations	6	(40,351)	(20,432)
Fees and commission expenses on non-insurance operations		(1,455)	(1,050)
Loan loss provisions, net of reversals		(3,048)	(1,704)
Foreign exchange gains/(losses)		255	(434)
General and administrative expenses		(68,477)	(50,575)
Finance costs		(1,758)	(1,254)
Other expenses		(5,590)	(3,238)
Total expenses		(306,855)	(242,218)
Profit before tax	8	32,338	30,026
Income tax	9	(5,588)	(7,444)
Profit for the year		26,750	22,582
Attributable to:			
– Owners of the parent		20,050	19,475
– Non-controlling interests		6,700	3,107
		26,750	22,582
		RMB	RMB
Earnings per share attributable to ordinary equity holders of the parent:			
– Basic	11	2.53	2.50
– Diluted	11	2.53	2.50

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2012

(in RMB million)	<i>Note</i>	2012	2011
Profit for the year		<u>26,750</u>	<u>22,582</u>
Other comprehensive income			
Available-for-sale financial assets		19,573	(18,638)
Shadow accounting adjustments		(3,426)	2,153
Exchange differences on translation of foreign operations		(29)	78
Share of other comprehensive income of associates and jointly controlled entities		(39)	103
Income tax relating to components of other comprehensive income		<u>(4,006)</u>	<u>4,040</u>
Other comprehensive income for the year, net of tax	<i>10</i>	<u>12,073</u>	<u>(12,264)</u>
Total comprehensive income for the year		<u>38,823</u>	<u>10,318</u>
Attributable to:			
– Owners of the parent		32,389	6,976
– Non-controlling interests		<u>6,434</u>	<u>3,342</u>
		<u>38,823</u>	<u>10,318</u>

Consolidated Statement of Financial Position

As at December 31, 2012

(in RMB million)	31 December 2012	31 December 2011
<u>Assets</u>		
Balances with the Central Bank and statutory deposits	227,072	168,366
Cash and amounts due from banks and other financial institutions	451,414	261,006
Fixed maturity investments	1,109,248	772,353
Equity investments	126,124	116,985
Derivative financial assets	972	818
Loans and advances to customers	709,402	611,731
Investments in associates and jointly controlled entities	9,960	11,837
Premium receivables	18,756	12,089
Accounts receivable	8,979	170,727
Inventories	1,119	106
Reinsurers' share of insurance liabilities	9,341	7,892
Policyholder account assets in respect of insurance contracts	32,417	33,460
Policyholder account assets in respect of investment contracts	3,824	3,992
Investment properties	14,850	9,076
Property and equipment	17,539	16,027
Intangible assets	37,536	33,584
Deferred tax assets	10,680	13,383
Other assets	55,033	41,992
Total assets	2,844,266	2,285,424

(in RMB million)	<i>Note</i>	31 December 2012	31 December 2011
<u>Equity and liabilities</u>			
Equity			
Share capital	12	7,916	7,916
Reserves		91,271	79,405
Retained profits		60,430	43,546
Including: Proposed final dividend		2,375	1,979
		<hr/>	<hr/>
Equity attributable to owners of the parent		159,617	130,867
Non-controlling interests		50,032	40,475
		<hr/>	<hr/>
Total equity		209,649	171,342
		<hr/>	<hr/>
Liabilities			
Due to banks and other financial institutions		420,315	195,695
Assets sold under agreements to repurchase		154,977	99,734
Other financial liabilities held for trading		1,722	–
Derivative financial liabilities		952	732
Customer deposits and payables to brokerage customers		986,936	836,049
Accounts payable		3,615	70,639
Insurance payables		38,293	27,974
Insurance contract liabilities		882,593	758,404
Investment contract liabilities for policyholders		34,669	32,811
Policyholder dividend payable		21,681	17,979
Income tax payable		2,352	4,370
Bonds payable		38,793	26,633
Deferred tax liabilities		5,599	4,612
Other liabilities		42,120	38,450
		<hr/>	<hr/>
Total liabilities		2,634,617	2,114,082
		<hr/>	<hr/>
Total equity and liabilities		2,844,266	2,285,424
		<hr/> <hr/>	<hr/> <hr/>

Consolidated Statement of Changes in Equity

For the year ended December 31, 2012

(in RMB million)	2012										
	Equity attributable to owners of the parent										
	Share capital	Share premium	Reserves					General reserves	Exchange differences on translation of foreign operations	Retained profits	Non-controlling interests
Available-for-sale financial assets			Shadow accounting adjustments	Other capital reserves	Surplus reserve funds						
As at 1 January 2012	7,916	83,506	(14,412)	2,673	132	6,982	395	129	43,546	40,475	171,342
Profit for the year	-	-	-	-	-	-	-	-	20,050	6,700	26,750
Other comprehensive income for the year	-	-	14,945	(2,558)	(19)	-	-	(29)	-	(266)	12,073
Total comprehensive income for the year	-	-	14,945	(2,558)	(19)	-	-	(29)	20,050	6,434	38,823
Dividend declared	-	-	-	-	-	-	-	-	(3,166)	-	(3,166)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(512)	(512)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	4,312	4,312
Disposals of subsidiaries	-	-	-	-	-	-	-	-	-	(1,006)	(1,006)
Equity transactions with non-controlling interests	-	-	-	-	(601)	-	-	-	-	(105)	(706)
Others	-	-	-	-	128	-	-	-	-	434	562
As at 31 December 2012	<u>7,916</u>	<u>83,506</u>	<u>533</u>	<u>115</u>	<u>(360)</u>	<u>6,982</u>	<u>395</u>	<u>100</u>	<u>60,430</u>	<u>50,032</u>	<u>209,649</u>

Equity attributable to owners of the parent											
(in RMB million)	Reserves										Total equity
	Share capital	Share premium	Available-for-sale financial assets	Shadow accounting adjustments	Other capital reserves	Surplus reserve funds	General reserves	Exchange differences on translation of foreign operations	Retained profits	Non-controlling interests	
As at 1 January 2011	7,644	67,644	(175)	1,066	107	6,689	395	51	28,609	4,853	116,883
Profit for the year	-	-	-	-	-	-	-	-	19,475	3,107	22,582
Other comprehensive income for the year	-	-	(14,237)	1,607	53	-	-	78	-	235	(12,264)
Total comprehensive income for the year	-	-	(14,237)	1,607	53	-	-	78	19,475	3,342	10,318
Appropriations to surplus reserve funds	-	-	-	-	-	293	-	-	(293)	-	-
Dividend declared	-	-	-	-	-	-	-	-	(4,245)	-	(4,245)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(366)	(366)
Issue of capital	272	15,862	-	-	-	-	-	-	-	-	16,134
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	32,440	32,440
Others	-	-	-	-	(28)	-	-	-	-	206	178
As at 31 December 2011	<u>7,916</u>	<u>83,506</u>	<u>(14,412)</u>	<u>2,673</u>	<u>132</u>	<u>6,982</u>	<u>395</u>	<u>129</u>	<u>43,546</u>	<u>40,475</u>	<u>171,342</u>

Supplementary Information

1. Corporate information

Ping An Insurance (Group) Company of China, Ltd. (the “Company”) was registered in Shenzhen, the People’s Republic of China (the “PRC”) on 21 March 1988. The business scope of the Company includes investing in financial and insurance enterprises, as well as supervising and managing various domestic and overseas businesses of subsidiaries, and investment deployment. The Company and its subsidiaries are collectively referred to as the Group. The Group mainly provides integrated financial products and services and is engaged in life insurance, property and casualty insurance, trust, securities, banking and other businesses.

The registered office address of the Company is 15/F, 16/F, 17/F and 18/F, Galaxy Development Center, Fu Hua No.3 Road, Futian District, Shenzhen, Guangdong Province, China.

2. Changes in accounting policies and estimates

Changes in accounting policies

The Group has adopted the following revised IFRSs for the first time for the current year’s financial statements.

- Amendments to IFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

Other than as further explained below, the adoption of the revised IFRSs has had no significant financial effect on these financial statements.

- Amendments to IFRS 7 *Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements*

The amendments require additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Group’s financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendments require disclosures about the entity’s continuing involvement in derecognized assets to enable the users to evaluate the nature of, and risks associated with, such involvement. The amendments affect disclosure only and have no impact on the Group’s financial position or performance.

The Group has not early adopted any standard, interpretation or amendment that had been issued but not yet effective.

Changes in accounting estimates

Material judgement is required in determining insurance contract liabilities and in choosing discount rates/ investment return, mortality, morbidity, lapse rates, policy dividend, and expenses assumptions relating to long term life insurance contracts. Such assumptions should be determined based on current information available at the end of the reporting period. The Group has changed the above assumptions based on current information available as at 31 December 2012 with the corresponding impact on insurance contract liabilities taken into the current year’s income statement. As a result of such changes in assumptions, long term life insurance policyholders’ reserves were increased by RMB54 million as at 31 December 2012 and the profit before tax for the year 2012 was reduced by RMB54 million.

3. *Changes in major subsidiaries, associates and jointly controlled entities*

Acquisition of subsidiaries not under common control

(1) Acquisition of Shanghai Jahwa (Group) Company Ltd. (“Shanghai Jahwa”)

On 15 November 2011, Shanghai Pingpu Investment Co., Ltd. (“Shanghai Pingpu”), a subsidiary of the Group, and the State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government (the “Shanghai SASAC”) entered into a contract to transfer the 100% equity share of Shanghai Jahwa held by the Shanghai SASAC to Shanghai Pingpu at a consideration of RMB5,109 million. The equity share transfer was completed on 16 February 2012. The Group is deemed to have gained control of Shanghai Jahwa on 16 February 2012, which was regarded as the acquisition date.

The fair values and book values of identifiable assets and liabilities of Shanghai Jahwa as at the date of acquisition are as follows:

(in RMB million)	<u>Fair value (Note)</u>	<u>Book value</u>
Cash and amounts due from banks	1,079	1,079
Investments in associates and jointly controlled entities	543	471
Accounts receivable	391	391
Investment properties	310	42
Property and equipment	1,394	552
Intangible assets	4,558	319
Other assets	790	603
Due to banks	(339)	(339)
Accounts payable	(351)	(351)
Deferred tax liabilities	(983)	–
Other liabilities	(563)	(563)
	<u>6,829</u>	<u>2,204</u>
Non-controlling interests	<u>(4,222)</u>	
Fair value of net assets acquired attributable to Shanghai Pingpu	2,607	
Goodwill on acquisition	<u>2,502</u>	
Satisfied by cash	<u>5,109</u>	

Note: The fair values of the above identifiable assets and liabilities (excluding deferred tax) acquired as at the date of acquisition were based on the valuation by independent valuer as indicated in its appraisal report.

(2) Acquisition of Beijing Shuangronghui Investment Co., Ltd. (“Beijing Shuangronghui”)

During 2012, Ping An Life, a subsidiary of the Company, acquired 100% equity interest in Beijing Shuangronghui at a consideration of RMB1,092 million. The Group is deemed to have gained control of Beijing Shuangronghui on 17 September 2012, which was regarded as the acquisition date.

The fair values and book values of identifiable assets and liabilities of Beijing Shuangronghui as at the date of acquisition are as follows:

(in RMB million)	Fair value (Note)	Book value
Cash and amounts due from banks	29	29
Investment properties	1,735	738
Due to banks	(500)	(500)
Deferred tax liabilities	(249)	–
Other liabilities	(35)	(35)
	<u>980</u>	<u>232</u>
Goodwill on acquisition	<u>112</u>	
Satisfied by cash	<u>1,092</u>	

Note: The fair values of the above identifiable assets and liabilities (excluding deferred tax) acquired as at the date of acquisition were based on the valuation by independent valuer as indicated in its appraisal report.

Disposals of subsidiaries

(1) Disposal of Xuchang Central China Securities Investment Co., Ltd. (“Central China Securities”)

On 8 June 2012, Ping An Trust, a subsidiary of the Group, entered into a contract with a third party to transfer its 100% equity interest in its subsidiary, Central China Securities. The disposal date is 11 June 2012.

Key financial information of Central China Securities is as follows:

(in RMB million)	Book value as at 11 June 2012
Net assets disposed of:	
Investments in associates	1,695
Other assets	994
Total liabilities	<u>(677)</u>
Non-controlling interests	<u>(1,006)</u>
Loss on disposal	<u>1,006</u> <u>(6)</u>
Satisfied by cash	<u>1,000</u>

(2) Disposal of Ningbo Beilun Port Expressway Co., Ltd. (“Beilun Port Expressway”)

China Ping An Insurance Overseas (Holdings) Limited, a subsidiary of the Group, disposed its 100% equity interest in its subsidiary, Beilun Port Expressway, in 2012. The disposal date is 14 November 2012.

Key financial information of Beilun Port Expressway is as follows:

(in RMB million)	<u>Book value as at 14 November 2012</u>
Net assets disposed of:	
Intangible assets	2,014
Other assets	169
Due to banks	(1,066)
Other liabilities	<u>(260)</u>
	857
Gains on disposal	<u>33</u>
Satisfied by cash	<u><u>890</u></u>

4. Segment reporting

Business activities of the Group are first segregated by product and type of service: insurance activities, banking activities, securities activities and corporate activities. Due to differences in the nature of products, risks and capital allocation, insurance activities are further divided into life insurance and property and casualty insurance.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions with regard to resources allocation and performance assessment. Segment performance is assessed based on indicators such as net profit.

The segment analysis as at 31 December 2012 and for the year then ended is as follows:

(in RMB million)	Life insurance	Property and casualty insurance	Banking	Securities	Corporate	Others	Eliminations	Total
Gross written premiums and policy fees	134,851	99,089	-	-	-	-	-	233,940
Less: Premiums ceded to reinsurers	(627)	(12,224)	-	-	-	-	-	(12,851)
Change in unearned premium reserves	(196)	(7,749)	-	-	-	-	-	(7,945)
Net earned premiums	134,028	79,116	-	-	-	-	-	213,144
Reinsurance commission income	192	4,337	-	-	-	-	-	4,529
Interest income from banking operations	-	-	74,852	-	-	-	-	74,852
Fees and commission income from non-insurance operations	-	-	6,450	1,734	-	2,833	(126)	10,891
Including: Inter-segment fees and commission income from non-insurance operations	-	-	62	-	-	64	(126)	-
Investment income	22,084	2,968	654	1,128	522	1,768	(1,746)	27,378
Including: Inter-segment investment income	1,530	77	-	7	29	103	(1,746)	-
Share of profits and losses of associates and jointly controlled entities	(8)	-	43	-	-	(81)	-	(46)
Other income	4,716	442	244	35	201	9,672	(6,865)	8,445
Including: Inter-segment other income	3,007	15	-	-	195	3,648	(6,865)	-
Total income	161,012	86,863	82,243	2,897	723	14,192	(8,737)	339,193
Claims and policyholders' benefits	(118,985)	(47,009)	-	-	-	-	-	(165,994)
Commission expenses on insurance operations	(12,680)	(8,758)	-	-	-	-	1,001	(20,437)
Interest expenses on banking operations	-	-	(41,609)	-	-	-	1,258	(40,351)
Fees and commission expenses on non-insurance operations	-	-	(728)	(203)	-	(689)	165	(1,455)
Loan loss provisions, net of reversals	-	-	(3,038)	-	-	(10)	-	(3,048)
Foreign exchange gains/(losses)	(24)	(4)	249	-	(5)	39	-	255
General and administrative expenses	(18,263)	(24,065)	(19,716)	(1,601)	(445)	(7,667)	3,280	(68,477)
Finance costs	(763)	(256)	-	-	(290)	(449)	-	(1,758)
Other expenses	(5,218)	(164)	(194)	(12)	(26)	(2,958)	2,982	(5,590)
Total expenses	(155,933)	(80,256)	(65,036)	(1,816)	(766)	(11,734)	8,686	(306,855)
Profit/(loss) before tax	5,079	6,607	17,207	1,081	(43)	2,458	(51)	32,338
Income tax	1,378	(1,959)	(3,975)	(236)	(2)	(794)	-	(5,588)
Profit/(loss) for the year	6,457	4,648	13,232	845	(45)	1,664	(51)	26,750

(in RMB million)	Life insurance	Property and casualty insurance	Banking	Securities	Corporate	Others	Eliminations	Total
Balances with the Central Bank and statutory deposits	7,558	3,400	216,114	-	-	-	-	227,072
Cash and amounts due from banks and other financial institutions	247,841	48,269	162,954	11,144	15,507	10,015	(44,316)	451,414
Fixed maturity investments	572,660	43,249	474,179	16,585	3,724	1,116	(2,265)	1,109,248
Equity investments	102,089	5,830	148	2,505	1,372	15,409	(1,229)	126,124
Loans and advances to customers	-	-	708,262	-	-	1,322	(182)	709,402
Investments in associates and jointly controlled entities	7,377	-	411	-	-	2,213	(41)	9,960
Accounts receivable	-	-	8,364	-	-	615	-	8,979
Others	103,134	34,740	38,928	2,095	9,927	18,944	(5,701)	202,067
Segment assets	1,040,659	135,488	1,609,360	32,329	30,530	49,634	(53,734)	2,844,266
Due to banks and other financial institutions	3,296	-	409,459	419	5,430	4,537	(2,826)	420,315
Assets sold under agreements to repurchase	89,423	2,600	46,148	13,823	200	5,048	(2,265)	154,977
Customer deposits and payables to brokerage customers	-	-	1,021,108	8,796	-	(74)	(42,894)	986,936
Accounts payable	-	-	3,052	-	-	563	-	3,615
Insurance payables	26,440	12,228	-	-	-	-	(375)	38,293
Insurance contract liabilities	804,403	78,190	-	-	-	-	-	882,593
Investment contract liabilities for policyholders	34,242	427	-	-	-	-	-	34,669
Policyholder dividend payable	21,681	-	-	-	-	-	-	21,681
Bonds payable	13,051	7,643	16,101	-	-	1,998	-	38,793
Others	7,810	7,294	28,446	741	590	12,973	(5,109)	52,745
Segment liabilities	1,000,346	108,382	1,524,314	23,779	6,220	25,045	(53,469)	2,634,617

The segment analysis as at 31 December 2011 and for the year then ended is as follows:

(in RMB million)	Life insurance	Property and casualty insurance	Banking	Securities	Corporate	Others	Eliminations	Total
Gross written premiums and policy fees	124,094	83,708	-	-	-	-	-	207,802
Less: Premiums ceded to reinsurers	(459)	(10,511)	-	-	-	-	-	(10,970)
Change in unearned premium reserves	(438)	(9,732)	-	-	-	-	-	(10,170)
Net earned premiums	123,197	63,465	-	-	-	-	-	186,662
Reinsurance commission income	(205)	3,861	-	-	-	-	-	3,656
Interest income from banking operations	-	-	39,314	-	-	-	-	39,314
Fees and commission income from non-insurance operations	-	-	3,687	2,959	-	2,030	(62)	8,614
Including: Inter-segment fees and commission income from non-insurance operations	-	-	39	-	-	23	(62)	-
Investment income	26,674	2,854	(80)	397	23	2,218	(2,821)	29,265
Including: Inter-segment investment income	540	50	-	18	49	2,164	(2,821)	-
Share of profits and losses of associates and jointly controlled entities	(117)	-	1,200	-	-	(15)	-	1,068
Other income	3,876	305	212	38	189	3,561	(4,516)	3,665
Including: Inter-segment other income	2,269	17	-	-	185	2,045	(4,516)	-
Total income	153,425	70,485	44,333	3,394	212	7,794	(7,399)	272,244
Claims and policyholders' benefits	(109,058)	(36,706)	-	-	-	-	-	(145,764)
Commission expenses on insurance operations	(11,351)	(6,843)	-	-	-	-	427	(17,767)
Interest expenses on banking operations	-	-	(20,943)	-	-	-	511	(20,432)
Fees and commission expenses on non-insurance operations	-	-	(416)	(314)	-	(396)	76	(1,050)
Loan loss provisions, net of reversals	4	-	(1,718)	-	-	10	-	(1,704)
Foreign exchange gains/(losses)	(241)	(32)	129	(8)	(248)	(34)	-	(434)
General and administrative expenses	(15,642)	(19,689)	(11,389)	(1,845)	(414)	(3,581)	1,985	(50,575)
Finance costs	(172)	(247)	-	-	(278)	(557)	-	(1,254)
Other expenses	(4,009)	(208)	(196)	(1)	(3)	(1,199)	2,378	(3,238)
Total expenses	(140,469)	(63,725)	(34,533)	(2,168)	(943)	(5,757)	5,377	(242,218)
Profit/(loss) before tax	12,956	6,760	9,800	1,226	(731)	2,037	(2,022)	30,026
Income tax	(2,982)	(1,781)	(1,823)	(263)	-	(595)	-	(7,444)
Profit/(loss) for the year	9,974	4,979	7,977	963	(731)	1,442	(2,022)	22,582

(in RMB million)	Life insurance	Property and casualty insurance	Banking	Securities	Corporate	Others	Eliminations	Total
Balances with the Central Bank and statutory deposits	6,566	3,400	158,400	-	-	-	-	168,366
Cash and amounts due from banks and other financial institutions	162,530	39,929	50,567	10,617	13,726	7,304	(23,667)	261,006
Fixed maturity investments	487,557	31,448	235,935	14,001	2,622	1,791	(1,001)	772,353
Equity investments	94,171	8,903	136	2,037	766	11,962	(990)	116,985
Loans and advances to customers	800	-	610,075	-	-	1,099	(243)	611,731
Investments in associates and jointly controlled entities	7,459	-	429	-	-	4,020	(71)	11,837
Accounts receivable	-	-	170,589	-	-	138	-	170,727
Others	92,024	25,488	35,193	1,702	8,864	10,942	(1,794)	172,419
Segment assets	851,107	109,168	1,261,324	28,357	25,978	37,256	(27,766)	2,285,424
Due to banks and other financial institutions	1,665	-	181,820	243	5,230	8,233	(1,496)	195,695
Assets sold under agreements to repurchase	46,367	1,722	39,197	11,083	-	2,366	(1,001)	99,734
Customer deposits and payables to brokerage customers	-	-	850,846	8,654	-	(46)	(23,405)	836,049
Accounts payable	-	-	70,561	-	-	78	-	70,639
Insurance payables	18,230	9,946	-	-	-	-	(202)	27,974
Insurance contract liabilities	693,974	64,430	-	-	-	-	-	758,404
Investment contract liabilities for policyholders	32,378	433	-	-	-	-	-	32,811
Policyholder dividend payable	17,979	-	-	-	-	-	-	17,979
Bonds payable	3,997	4,595	16,046	-	-	1,995	-	26,633
Others	6,509	5,768	27,033	935	530	8,811	(1,422)	48,164
Segment liabilities	821,099	86,894	1,185,503	20,915	5,760	21,437	(27,526)	2,114,082

5. *Gross and net written premiums and policy fees*

(in RMB million)	2012	2011
Gross written premiums, policy fees and premium deposits	298,572	270,964
Less: Premium deposits of policies without significant insurance risk transfer	(4,197)	(3,568)
Premium deposits unbundled from universal life and investment-linked products	(60,435)	(59,594)
Gross written premiums and policy fees	233,940	207,802
Long term life business gross written premiums and policy fees	126,154	116,566
Short term life business gross written premiums	8,697	7,528
Property and casualty business gross written premiums	99,089	83,708
Gross written premiums and policy fees	233,940	207,802

6. *Net interest income from banking operations*

(in RMB million)	2012	2011
Interest income from banking operations		
Due from the Central Bank	2,691	1,308
Due from financial institutions	9,703	4,680
Loans and advances to customers		
Corporate loans and advances to customers	29,803	16,764
Individual loans and advances to customers	14,483	7,452
Discounted bills	594	493
Bonds	10,226	5,483
Others	7,352	3,134
	<hr/>	<hr/>
Subtotal	74,852	39,314
	<hr/>	<hr/>
Interest expenses on banking operations		
Due to the Central Bank	27	21
Due to financial institutions	15,135	7,331
Customer deposits	21,923	11,086
Bonds payable	971	561
Others	2,295	1,433
	<hr/>	<hr/>
Subtotal	40,351	20,432
	<hr/>	<hr/>
Net interest income from banking operations	34,501	18,882
	<hr/> <hr/>	<hr/> <hr/>

7. *Investment income*

(in RMB million)	2012	2011
Net investment income	41,598	34,285
Realized losses	(7,740)	(2,094)
Unrealized gains/(losses)	105	(320)
Impairment losses	(6,585)	(2,606)
	<hr/>	<hr/>
Total investment income	27,378	29,265
	<hr/> <hr/>	<hr/> <hr/>

(1) Net investment income

(in RMB million)	2012	2011
Interest income from non-banking operations on fixed maturity investments		
Bonds and debt schemes		
– Held-to-maturity	18,149	15,340
– Available-for-sale	4,949	5,565
– Carried at fair value through profit or loss	409	726
– Loans and receivables	1,644	609
Term deposits		
– Loans and receivables	11,194	7,575
Current accounts		
– Loans and receivables	524	420
Others		
– Loans and receivables	1,279	1,003
– Carried at fair value through profit or loss	18	43
Dividend income on equity investments		
Equity investment funds		
– Available-for-sale	859	2,276
– Carried at fair value through profit or loss	358	280
Equity securities		
– Available-for-sale	3,404	1,693
– Carried at fair value through profit or loss	40	9
Operating lease income from investment properties	816	687
Interest expenses on assets sold under agreements to repurchase and replacements from banks and other financial institutions	(2,045)	(1,941)
	41,598	34,285

(2) Realized gains/(losses)

(in RMB million)	2012	2011
Fixed maturity investments		
– Available-for-sale	559	(231)
– Carried at fair value through profit or loss	12	(174)
– Loans and receivables	760	–
Equity investments		
– Available-for-sale	(9,584)	(382)
– Carried at fair value through profit or loss	(204)	(166)
– Subsidiaries, associates and jointly controlled entities	712	(1,179)
Derivative financial instruments		
– Carried at fair value through profit or loss	5	22
Others	–	16
	(7,740)	(2,094)

(3) Unrealized gains/(losses)		
(in RMB million)	2012	2011
Fixed maturity investments		
– Carried at fair value through profit or loss	40	126
Equity investments		
– Carried at fair value through profit or loss	78	(452)
Derivative financial instruments		
– Carried at fair value through profit or loss	(13)	6
	<u>105</u>	<u>(320)</u>

(4) Impairment losses		
(in RMB million)	2012	2011
Equity investments		
– Available-for-sale	(6,585)	(2,606)
	<u>(6,585)</u>	<u>(2,606)</u>

8. *Profit before tax*

(1) Profit before tax is arrived at after charging/(crediting) the following items:

(in RMB million)	2012	2011
Employee costs (Supplementary Information 8. (2))	27,235	19,975
Interest expenses on investment contract reserves	695	785
Provision for insurance guarantee fund	1,146	997
Regulatory supervisory fee	311	338
Depreciation of investment properties	395	351
Depreciation of property and equipment	2,286	1,673
Amortization of intangible assets	1,633	1,101
Rental expenses	3,545	2,592
Advertising expenses	5,362	3,387
Traveling expenses	871	830
Office miscellaneous expenses	1,491	1,236
Other taxes	330	277
Postage and telecommunication expenses	1,471	1,196
Vehicle and vessel fuel expenses	717	508
Gains on disposal of investment properties, property and equipment, and intangible assets	(1)	(6)
Provision/(reversal of provision) for doubtful debts, net	100	(25)
Provision for loans, net	3,048	1,704
Cost of sales from Jahwa Group	2,172	–
Auditors' remuneration – annual audit, half-year review and quarterly agreed-upon procedures	57	54
	<u>57</u>	<u>54</u>

(2) Employee costs		
(in RMB million)	2012	2011
Wages, salaries and bonuses	21,659	16,098
Retirement benefits, social security contributions and welfare benefits	5,576	3,877
	<u>27,235</u>	<u>19,975</u>

9. *Income tax*

(in RMB million)	2012	2011
Current income tax		
– Change for the year	8,332	8,449
– Adjustments in respect of current income tax of previous years (Note)	(1,373)	92
Deferred income tax	(1,371)	(1,097)
	5,588	7,444

On 16 March 2007, the National People’s Congress approved the *Corporate Income Tax Law of the People’s Republic of China* (the new “CIT Law”). The new CIT Law unified the domestic corporate income tax rate at 25% with effect from 1 January 2008. For subsidiaries and branches of the Group located in the Special Economic Zones that were entitled to preferential income tax rates, the applicable CIT rate would be transited to 25% over five years. During the transition period, the applicable CIT rate for relevant subsidiaries and branches would be 18%, 20%, 22%, 24% and 25% for years 2008, 2009, 2010, 2011 and 2012, respectively. Except for those subsidiaries enjoying tax preferences, the applicable CIT rate for 2012 for the Group was 25%.

Subsidiaries of the Group located in the Hong Kong Special Administrative Region are subject to Hong Kong profits tax. The tax rate of Hong Kong profits tax was 16.5% for 2012 (2011: 16.5%).

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate of 25% (2011: 24%) is as follows:

(in RMB million)	2012	2011
Profit before tax	32,338	30,026
Tax at the applicable tax rate of 25% (2011: 24%)	8,085	7,206
Expenses not deductible for tax	691	1,839
Income not subject to tax	(1,815)	(1,787)
Deferred tax effect of different tax rates between current year and future years	–	(5)
Tax effect of higher tax rate on branches and entities (in Mainland China) located outside the Special Economic Zones	–	99
Adjustments in respect of current income tax of previous years	(1,373)	92
Income tax per consolidated income statement	5,588	7,444

The Group’s tax position is subject to assessment and inspection of the tax authorities before finalization.

Note: When preparing its financial statements for the year ended 31 December 2011, the Group assessed and provided for income tax based on prevailing tax regulations at that time. Accordingly, it treated certain commission expenses, relating to deposits from policyholders, exceeding allowed threshold as being non tax deductible; the tax impact of which was RMB1,291 million. Subsequently, when the Group filed tax returns for the year ended 31 December 2011 in May 2012, it was able to treat all commission expenses related to deposits from policyholders as being tax deductible based on a tax notice Cai Shui[2012] No. 15 issued in April 2012, after the Group’s financial statements for the year ended 31 December 2011 had been finalized. As a result of this change in tax law subsequent to the previous financial year end, the adjustment to 2011 income tax had been recognized in the income statement for the year ended 31 December 2012.

10. *Other comprehensive income*

(in RMB million)	2012	2011
Available-for-sale financial assets:		
Changes in fair value	3,914	(21,886)
Reclassification adjustments for losses included in the income statement		
– Losses on disposal	9,074	642
– Impairment losses	6,585	2,606
Income tax effect	(4,861)	4,578
	<u>14,712</u>	<u>(14,060)</u>
Shadow accounting adjustments	(3,426)	2,153
Income tax effect	855	(538)
	<u>(2,571)</u>	<u>1,615</u>
Exchange differences on translation of foreign operations	(29)	78
Share of other comprehensive income of associates and jointly controlled entities	(39)	103
	<u>12,073</u>	<u>(12,264)</u>

11. *Earnings per share*

The basic earnings per share is calculated by dividing the Company's net profit attributable to ordinary shareholders by the weighted average number of outstanding shares.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2012 and 2011 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

	2012	2011
Net profit attributable to ordinary shareholders (in RMB million)	20,050	19,475
Weighted average number of outstanding shares of the Company (million shares)	7,916	7,780
Basic earnings per share (in RMB)	2.53	2.50
Diluted earnings per share (in RMB)	2.53	2.50

12. *Share capital*

(in millions)	31 December 2012	31 December 2011
Number of shares registered, issued and fully paid, with a par value of RMB1 each	7,916	7,916

The above share contribution was verified by Chinese Certified Public Accountants.

13. *Dividends*

(in RMB million)	2012	2011
Interim dividend – RMB0.15 (2011: RMB0.15) per ordinary share	<u>1,187</u>	<u>1,187</u>
Proposed final dividend – RMB0.30 (2011: RMB0.25) per ordinary share (not recognized as a liability as at 31 December)	<u>2,375</u>	<u>1,979</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

On 15 March 2012, the Board of Directors of the Company approved the Resolution of the Profit Appropriation Plan for 2011, agreeing to declare a final cash dividend of RMB0.25 per share for 2011 which amounted to RMB1,979 million based on the total shares of 7,916 million outstanding at that point in time. On 27 June 2012, the above Profit Appropriation Plan was approved by the shareholders' general meeting of the Company.

14. *Distributable reserves*

As at December 31, 2012, the Company's reserves available for distribution totalled RMB26,819 million, of which RMB2,375 million has been proposed as a final dividend for the year. The retained profits were carried forward to 2013. In addition, the Company's capital reserve and surplus reserve fund, in the amount of RMB90,488 million, may be distributed by a future capitalization issue.

15. *Major customers*

In the year under review, operating income from the Group's five largest customers accounted for less than 1% of the total operating income for the year.

None of the Directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

16. *Contingent liabilities*

Owing to the nature of the insurance and financial service business, the Group is involved in estimates for contingencies and legal proceedings in the ordinary course of business, including, but not limited to, being the plaintiff or the defendant in litigation and arbitration. Legal proceedings mostly involve claims on the Group's insurance policies and other claims. Provision has been made for probable losses to the Group, including those claims where management can reasonably estimate the outcome of the lawsuits taking into account any legal advice.

No provision has been made for pending assessments, lawsuits or possible violations of contracts when the outcome cannot be reasonably estimated or management believes the probability is low or remote. For pending lawsuits, management also believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group or any of its subsidiaries.

17. *Events after the reporting period*

- (1) On 5 December 2012, HSBC Insurance Holdings Limited and The Hongkong and Shanghai Banking Corporation Limited (together "HSBC Group") entered into an agreement with Charoen Pokphand Group Co., Ltd. and its wholly-owned subsidiaries (together "CP Group") to transfer all of HSBC Group's ownership equity interests in the Company of 15.57% at a consideration of HKD72,736 million. As at 31 December 2012, transfer of 3.24% out of the above 15.57% equity interests transfer had been completed.

Subsequent to 31 December 2012, with the approval of the CIRC, transfer of the remaining 12.33% equity interests was completed on 6 February 2013. After the transfer, together with the 1.76% interests held prior to the transfer, CP Group held 17.33% equity interests in the Company and became the largest shareholder of the Company.

- (2) On 14 March 2013, the Directors proposed to distribute a final dividend of RMB2,375 million as stated in Supplementary Information 13.

The financial figures above in respect of the Announcement of Audited Results for the Year Ended December 31, 2012 have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's audited financial statements for the year ended December 31, 2012. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ernst & Young on the Announcement.

FOREIGN EXCHANGE RISK

Foreign currency-denominated assets held by the Group are exposed to foreign exchange risks. These assets include monetary assets such as deposits and bonds held in foreign currencies and non-monetary assets measured at fair value such as stocks and funds held in foreign currencies. The Group's foreign currency-denominated liabilities are also exposed to risks as a result of fluctuations in exchange rates. These liabilities include monetary liabilities such as borrowings, customers' deposits and claim reserves denominated in foreign currencies, as well as non-monetary liabilities measured at fair value.

The Group adopts sensitivity analysis to assess its risk exposure. The sensitivity of foreign currency risk is calculated by assuming a simultaneous and uniform 5% rate of depreciation against the Renminbi of all foreign currency denominated monetary assets and liabilities, as well as non-monetary assets and liabilities measured at fair value as illustrated in the table below:

December 31, 2012 (in RMB million)	Decrease in profit	Decrease in equity
Net exposure to fluctuations in exchange rates assuming a simultaneous and uniform 5% rate of depreciation of all foreign currency denominated monetary assets and liabilities and non-monetary assets and liabilities measured at fair value against the Renminbi	<u>979</u>	<u>1,281</u>

EMBEDDED VALUE

In order to provide investors with an additional tool to understand our economic value and business performance results, the Company has disclosed information regarding embedded value in this section. The embedded value represents the shareholders' adjusted net asset value plus the value of the Company's in-force life insurance business adjusted for the cost of regulatory solvency margin deployed to support this business. The embedded value excludes the value of future new business sales.

In accordance with the related provisions of the Rules for the Compilation of Information Disclosures by the Companies Offering Securities to the Public (No. 4) – Special Provisions on Information Disclosures by Insurance Companies, the Company has engaged Ernst & Young (China) Advisory Limited to review the reasonableness of the methodology, the assumptions and the calculation results of the Company's embedded value as at December 31, 2012.

The calculation of embedded value necessarily makes a number of assumptions with respect to future experience. As a result, future experience may vary from that assumed in the calculation, and these variations may be material. The market value of the Company is measured by the value of the Company's shares on any particular day. In valuing the Company's shares, investors take into account a variety of information available to them and their own investment criteria. Therefore, these calculated values should not be construed as a direct reflection of the actual market value.

On May 15, 2012, the Ministry of Finance and the State Administration of Taxation issued the "Notice on Corporate Income Tax Deduction of Reserves for Insurance Companies" (Cai Shui [2012] No. 45). Based on this notice, during the preparation of 2012 embedded value report, the contract liabilities of life insurance business related to distributable profit were measured according to the assessment standards of the liabilities pursuant to the current solvency regulations, but those related to the income tax were measured according to "Regulations regarding the Accounting Treatment of Insurance Contracts" (Cai Kuai [2009] No. 15).

Components of Economic Value

(in RMB million)	December 31, 2012	December 31, 2011
	Earned Rate/	Earned Rate/
Risk discount rate	11.0%	11.0%
Adjusted net asset value	165,386	139,446
Including: Adjusted net asset value of life insurance business	56,973	48,219
Value of in-force insurance business written prior to June 1999	(8,036)	(8,549)
Value of in-force insurance business written since June 1999	153,665	126,099
Cost of holding the required solvency margin	(25,142)	(21,369)
	<hr/>	<hr/>
Embedded value	285,874	235,627
Including: Embedded value of life insurance business	177,460	144,400
	<hr/> <hr/>	<hr/> <hr/>
(in RMB million)	December 31, 2012	December 31, 2011
Risk discount rate	11.0%	11.0%
Value of one year's new business	18,312	19,339
Cost of holding the required solvency margin	(2,397)	(2,518)
	<hr/>	<hr/>
Value of one year's new business after cost of solvency	15,915	16,822
	<hr/> <hr/>	<hr/> <hr/>
Value of one year's new business after cost of solvency (assumptions and method used in 2011 valuation)	16,860	
	<hr/> <hr/>	

Note: Figures may not match totals due to rounding.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE CONTAINED IN APPENDIX 14 TO THE LISTING RULES

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company did not meet the applicable Code Provisions set out in the former Corporate Governance Code for any part of the period from January 1, 2012 to March 31, 2012 and the applicable Code Provisions set out in the revised Corporate Governance Code for any part of the period from April 1, 2012 to December 31, 2012, except that Mr. Ma Mingzhe has occupied the positions of both the Chairman of the Board of Directors and Chief Executive Officer of the Company, and some Non-executive Directors (including Independent Non-executive Directors) of the Company did not attend certain general meetings. Further details of the Company's arrangements and considered reasons for the Company's intention not to separate the roles of the Chairman of the Board of Directors and the Chief Executive Officer of the Company and details regarding attendance of the Directors of the Company at general meetings during the year are both set out in the Corporate Governance Report to be contained in the Company's 2012 annual report.

COMPLIANCE WITH THE MODEL CODE CONTAINED IN APPENDIX 10 TO THE LISTING RULES BY DIRECTORS AND SUPERVISORS OF THE COMPANY

On May 28, 2004, the Company adopted the Code of Conduct, which was amended on August 17, 2011, regarding securities transactions by Directors and Supervisors of the Company ("Code of Conduct") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code"). Specific enquiry has been made to all Directors and Supervisors of the Company who have confirmed that they complied with the required standard set out in the Model Code and the Code of Conduct for the period from January 1, 2012 to December 31, 2012.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Friday, May 10, 2013 at the Ping An Hall, Ping An School of Financial Services, Guanlan, Shenzhen, Guangdong Province, PRC.

CLOSURE OF THE REGISTER OF MEMBERS

In order to determine the list of holders of H shares of the Company who are entitled to attend the annual general meeting of the Company, the H shares register of members will be closed from Wednesday, April 10, 2013 to Friday, May 10, 2013, both days inclusive. Holders of the Company's H shares whose names appear on the register of members on Friday, May 10, 2013 are entitled to attend the meeting. In order to attend and vote at the meeting, holders of H shares of the Company whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (the "H Share Registrar") at or before 4:30 p.m. on Tuesday, April 9, 2013. The address of the transfer office of H Share Registrar is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The registration date and arrangements in relation to the rights of holders of A shares of the Company to attend the annual general meeting of the Company will be separately announced in the PRC.

FINAL DIVIDEND

The Board of Directors recommended that a final dividend of RMB0.30 per share (tax inclusive) for the year ended December 31, 2012, subject to the approval of shareholders of the Company at the forthcoming annual general meeting. If approved, holders of H shares whose names are on the Company's register of members of H shares on Tuesday, May 21, 2013 (the "Record Date") will be entitled to receive the final dividend. The registration date and arrangements in relation to the rights of holders of A shares to receive the final dividend for the period ended December 31, 2012 will be separately announced in the PRC.

In order to determine the list of holders of H shares who are entitled to receive the final dividend for the year ended December 31, 2012, the Company's register of members of H shares will be closed from Thursday, May 16, 2013 to Tuesday, May 21, 2013, both days inclusive, during which period no transfer of H shares will be effected. In order to qualify for the final dividend, holders of H shares whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H Share Registrar at or before 4:30 p.m. on Wednesday, May 15, 2013. The address of the transfer office of H Share Registrar is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

AUDIT AND RISK MANAGEMENT COMMITTEE

The audit and risk management committee of the Board of Directors of the Company (the "Audit and Risk Management Committee") comprises five Independent Non-executive Directors, Mr. Tang Yunwei, Mr. Zhang Hongyi, Mr. Chen Su, Mr. Woo Ka Biu Jackson and Mr. Stephen Thomas Meldrum. The Audit and Risk Management Committee has reviewed, in the presence of the internal and external auditors, the Group's principal accounting policies and the audited financial statements for the year ended December 31, 2012.

PUBLICATION OF RESULTS ANNOUNCEMENT ON THE WEBSITE OF THE COMPANY

This results announcement is published on the Company's website (www.pingan.com) at the same time as it is published on the website of the Stock Exchange (www.hkexnews.hk).

PUBLICATION OF DETAILED RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The 2012 annual report of the Company containing all the information required under Appendix 16 to the Listing Rules will be despatched to shareholders of the Company and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pingan.com) in due course.

By order of the Board of Directors
Ma Mingzhe
Chairman and Chief Executive Officer

Shenzhen, PRC, March 14, 2013

As at the date of this announcement, the Executive Directors of the Company are Ma Mingzhe, Sun Jianyi, Ren Huichuan, Ku Man and Yao Jason Bo; the Non-executive Directors are Fan Mingchun, Lin Lijun, Li Zhe and Guo Limin; the Independent Non-executive Directors are Zhang Hongyi, Chen Su, Xia Liping, Tang Yunwei, Lee Carmelo Ka Sze, Woo Ka Biu Jackson and Stephen Thomas Meldrum.

DEFINITION

In this announcement, unless the context otherwise indicated, the following expressions have the following meanings:

Ping An, Company, the Company, Group, the Group, Ping An Group	Ping An Insurance (Group) Company of China, Ltd.
Ping An Life	Ping An Life Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Property & Casualty	Ping An Property & Casualty Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Health	Ping An Health Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Annuity	Ping An Annuity Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Trust	China Ping An Trust Co., Ltd., a subsidiary of the Company
Ping An Securities	Ping An Securities Company, Ltd., a subsidiary of Ping An Trust
Ping An Asset Management	Ping An Asset Management Co., Ltd., a subsidiary of the Company
Ping An Bank	Ping An Bank Co., Ltd., a subsidiary of the Company
SDB, Original SDB, Original Shenzhen Development Bank	The original Shenzhen Development Bank Co., Ltd., an associate of the Company since May 2010, became a subsidiary of the Company in July 2011. On July 27, 2012, its name was changed to “Ping An Bank Co., Ltd.”
Original Ping An Bank	The original Ping An Bank Co., Ltd., became a subsidiary of Original SDB in July 2011, before that, it was a subsidiary of the Company. It was deregistered on June 12, 2012 due to absorption merger by Original SDB
CBRC	China Banking Regulatory Commission
CIRC	China Insurance Regulatory Commission
Listing Rules	the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited
Stock Exchange	The Stock Exchange of Hong Kong Limited