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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

Disclosure of the 2009 audited financial statements of Ping An Property & Casualty

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Our subsidiary, Ping An Property & Casualty Insurance Company of China, Ltd. (hereinafter referred to as the “Ping An Property & Casualty”), intends to issue subordinated term debt of insurance companies and therefore needs to disclose in advance the 2009 audited financial statements of Ping An Property & Casualty to its potential investors. As per the relevant disclosure of information requirements of the listing rules of both Hong Kong and Shanghai, the 2009 audited financial statements of Ping An Property & Casualty were set forth below.

Ping An Property & Casualty Insurance Company of China, Ltd.
Balance Sheet
as at 31 December 2009
in RMB

| | 31 December 2009 | 31 December 2008 (Restated) |
|--|-----------------------|--------------------------------|
| Assets | | |
| Cash on hand and at bank | 10,287,787,173 | 2,491,368,380 |
| Held-for-trading financial assets | 3,124,780,085 | 2,520,018,947 |
| Interest receivables | 757,540,412 | 332,564,245 |
| Premium receivables | 1,659,596,101 | 1,709,021,087 |
| Due from reinsurers | 1,746,928,512 | 2,794,038,020 |
| Reinsurers' share of unearned premium reserves | 1,566,479,099 | 1,493,812,545 |
| Reinsurers' share of claim reserves | 2,022,858,416 | 2,207,437,681 |
| Refundable deposits | 1,725,313 | 340,267 |
| Term deposits | 8,165,608,218 | 7,534,270,245 |
| Available-for-sale financial assets | 13,973,323,977 | 9,910,990,739 |
| Held-to-maturity investments | 2,787,823,947 | 2,672,092,893 |
| Long-term equity investments | 23,000,000 | 23,000,000 |
| Statutory deposits | 800,000,000 | 800,000,000 |
| Investment properties | 1,607,786,522 | 1,609,654,610 |
| Fixed assets | 1,319,340,663 | 1,050,740,080 |
| Intangible assets | 32,524,171 | 36,670,624 |
| Deferred tax assets | 7,783,662 | 29,704,708 |
| Other assets | 782,287,760 | 696,146,282 |
| | 50,667,174,031 | 37,911,871,353 |
| Total assets | 50,667,174,031 | 37,911,871,353 |

Ping An Property & Casualty Insurance Company of China, Ltd.
Balance Sheet (continued)
as at 31 December 2009
in RMB

| | 31 December 2009 | 31 December 2008 (Restated) |
|--|-----------------------|--------------------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Guarantee deposits | 452,803 | 452,990 |
| Financial assets sold under agreements to repurchase | 1,200,000,000 | 2,249,990,125 |
| Premiums received in advance | 2,430,401,441 | 899,720,633 |
| Commission payable | 241,054,605 | 233,402,254 |
| Due to reinsurers | 2,287,640,620 | 3,277,214,513 |
| Salaries and welfare payable | 676,024,582 | 455,484,417 |
| Taxes payable | 1,635,853,451 | 536,883,606 |
| Interest payable | 77,114,630 | 292,063 |
| Investment contract liabilities for policyholders | 1,018,286,586 | 1,153,582,204 |
| Unearned premium reserves | 17,887,754,064 | 12,498,210,210 |
| Claim reserves | 10,823,199,277 | 8,643,908,087 |
| Subordinated debts | 2,000,000,000 | – |
| Other Liabilities | 1,244,387,806 | 1,382,997,230 |
| | 41,522,169,865 | 31,332,138,332 |
| Equity | | |
| Share capital | 6,000,000,000 | 4,000,000,000 |
| Capital reserve | 77,898,801 | 160,778,220 |
| Surplus reserve fund | 364,310,537 | 299,495,480 |
| General reserve | 268,770,860 | 203,955,803 |
| Retained profits | 2,434,023,968 | 1,915,503,518 |
| | 9,145,004,166 | 6,579,733,021 |
| Total equity | 9,145,004,166 | 6,579,733,021 |
| Total liabilities and equity | 50,667,174,031 | 37,911,871,353 |

Ping An Property & Casualty Insurance Company of China, Ltd.
Income Statement
in 2009
in RMB

| | 2009 | 2008 (Restated) |
|---|-------------------------|-------------------------|
| I. Operating income | | |
| Premium income | 38,612,342,034 | 26,870,222,042 |
| Including reinsurance premium income | 128,960,052 | 118,878,575 |
| Less: Premium ceded to reinsurers | (4,863,634,933) | (4,763,039,070) |
| Change in unearned premium reserves | (5,316,877,300) | (871,553,751) |
| Earned premium | 28,431,829,801 | 21,235,629,221 |
| Investment income | 1,512,782,817 | 1,989,740,985 |
| Gains/(losses) from changes in fair values | 28,213,594 | (15,123,859) |
| Foreign exchange losses | (2,187,256) | (41,107,790) |
| Other operating income | 246,709,203 | 110,259,523 |
| Total Operating income | 30,217,348,159 | 23,279,398,080 |
| II. Operating expenses | | |
| Claims paid | (16,354,864,019) | (15,552,802,182) |
| Less: Reinsurers' share of claims paid | 2,514,748,588 | 2,744,473,364 |
| Change in insurance contract liabilities | (2,179,291,190) | (1,716,499,783) |
| Less: Reinsurers' share of insurance contract liabilities | (184,579,264) | 89,220,721 |
| Expenses for reinsurance accepted | (25,616,343) | (22,682,746) |
| Business tax and surcharges | (2,194,723,188) | (1,539,470,976) |
| Handling charges and commission | (4,704,415,517) | (2,978,266,735) |
| General and administrative expenses | (6,537,453,339) | (4,627,314,019) |
| Less: Reinsurers' share of expenses | 1,674,529,817 | 1,449,198,618 |
| Financial expenses | (78,275,897) | (226,472) |
| Other expenses | (102,939,228) | (46,986,046) |
| Impairment losses | (113,111,569) | (285,746,031) |
| Total operating expenses | (28,285,991,149) | (22,487,102,287) |

Ping An Property & Casualty Insurance Company of China, Ltd.
Income Statement (continued)
in 2009
in RMB

| | 2009 | 2008 (Restated) |
|--|-----------------|--------------------|
| III. Operating profit | 1,931,357,010 | 792,295,793 |
| Add: Non-operating income | 82,963,121 | 20,415,358 |
| Less: Non-operating expenses | (133,129,821) | (14,606,665) |
| IV. Profit before tax | 1,881,190,310 | 798,104,486 |
| Less: Income taxes | (1,233,039,746) | (214,135,026) |
| V. Net Profit | 648,150,564 | 583,969,460 |
| VI. Other comprehensive losses | (82,879,419) | (965,060,297) |
| VII. Total comprehensive income | 565,271,145 | (381,090,837) |

Ping An Property & Casualty Insurance Company of China, Ltd.
Statement of Changes in Equity
in 2009
in RMB

| Item | 2009 | | | | | |
|---|----------------------|-------------------|----------------------|--------------------|----------------------|----------------------|
| | Share Capital | Capital Reserve | Surplus Reserve Fund | General Reserve | Retained Profits | Total Equity |
| I. Prior year's ending balance | 4,000,000,000 | 160,778,220 | 237,922,426 | 194,523,664 | 1,370,778,169 | 5,964,002,479 |
| Add: Changes in accounting policies | — | — | 61,573,054 | 9,432,139 | 544,725,349 | 615,730,542 |
| II. Current year's beginning balance | 4,000,000,000 | 160,778,220 | 299,495,480 | 203,955,803 | 1,915,503,518 | 6,579,733,021 |
| III. Changes in current year | | | | | | |
| 1. Net profit | — | — | — | — | 648,150,564 | 648,150,564 |
| 2. Other comprehensive income | — | (82,879,419) | — | — | — | (82,879,419) |
| Sub-total of 1 and 2 | — | (82,879,419) | — | — | 648,150,564 | 565,271,145 |
| 3. Capital injection from shareholders | 2,000,000,000 | — | — | — | — | 2,000,000,000 |
| 4. Profit appropriation | | | | | | |
| (1) Appropriation to general reserve | — | — | — | 64,815,057 | (64,815,057) | — |
| (2) Appropriation to surplus reserve fund | — | — | 64,815,057 | — | (64,815,057) | — |
| IV. Current year's ending balance | 6,000,000,000 | 77,898,801 | 364,310,537 | 268,770,860 | 2,434,023,968 | 9,145,004,166 |

Ping An Property & Casualty Insurance Company of China, Ltd.
Statement of Changes in Equity (continued)
in 2009
in RMB

| Item | 2008 (Restated) | | | | | |
|---|----------------------|--------------------|----------------------|--------------------|----------------------|----------------------|
| | Share Capital | Capital Reserve | Surplus Reserve Fund | General Reserve | Retained Profits | Total Equity |
| I. Prior year's ending balance | 3,000,000,000 | 1,125,838,517 | 188,957,619 | 145,558,857 | 979,059,717 | 5,439,414,710 |
| Add: Changes in accounting policies | — | — | 52,140,915 | — | 469,268,233 | 521,409,148 |
| II. Current year's beginning balance | 3,000,000,000 | 1,125,838,517 | 241,098,534 | 145,558,857 | 1,448,327,950 | 5,960,823,858 |
| III. Changes in current year | | | | | | |
| 1. Net profit | — | — | — | — | 583,969,460 | 583,969,460 |
| 2. Other comprehensive income | — | (965,060,297) | — | — | — | (965,060,297) |
| Sub-total of 1 and 2 | — | (965,060,297) | — | — | 583,969,460 | (381,090,837) |
| 3. Capital injection from shareholders | 1,000,000,000 | — | — | — | — | 1,000,000,000 |
| 4. Profit appropriation | | | | | | |
| (1) Appropriation to general reserve | — | — | — | 58,396,946 | (58,396,946) | — |
| (2) Appropriation to surplus reserve fund | — | — | 58,396,946 | — | (58,396,946) | — |
| IV. Current year's ending balance | <u>4,000,000,000</u> | <u>160,778,220</u> | <u>299,495,480</u> | <u>203,955,803</u> | <u>1,915,503,518</u> | <u>6,579,733,021</u> |

Ping An Property & Casualty Insurance Company of China, Ltd.
Cash Flow Statement
in 2009
in RMB

| | 2009 | 2008 |
|--|-------------------------|-------------------------|
| I. Cash flows from operating activities: | | |
| Premiums received from direct insurance | 40,063,487,209 | 27,159,154,067 |
| Net increase/(decrease) in investment contract liabilities for policyholders | (669,649,876) | 1,609,259,058 |
| Cash received from other operating activities | 311,441,342 | 184,058,943 |
| Sub-total of cash inflows | 39,705,278,675 | 28,952,472,068 |
| Claims paid for direct insurance | (17,024,413,669) | (15,646,434,680) |
| Net cash paid for reinsurance business | (622,795,539) | (63,633,029) |
| Interest, fees and commission paid | (4,620,005,564) | (2,850,042,461) |
| Cash paid to and for employees | (2,496,458,198) | (2,079,813,955) |
| Cash paid for taxes and surcharges | (2,336,593,522) | (1,805,692,381) |
| Cash paid for other operating activities | (3,683,076,091) | (3,034,656,755) |
| Sub-total of cash outflows | (30,783,342,583) | (25,480,273,261) |
| Net cash flows from operating activities | 8,921,936,092 | 3,472,198,807 |
| II. Cash flows from investing activities: | | |
| Cash received from sales and redemption of investments | 29,357,181,020 | 23,409,942,189 |
| Cash received from returns on investments | 683,951,892 | 1,251,740,993 |
| Net cash received from disposals of fixed assets, intangible assets and other long-term assets | 167,810,640 | 34,056,323 |
| Sub-total of cash inflows | 30,208,943,552 | 24,695,739,505 |

Ping An Property & Casualty Insurance Company of China, Ltd.
Cash Flow Statement (continued)
in 2009
in RMB

| | 2009 | 2008 |
|---|-------------------------|-------------------------|
| II. Cash flows from investing activities (continued): | | |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | (741,732,283) | (1,719,510,870) |
| Cash paid for acquisition of investments | (32,883,289,083) | (37,492,800,417) |
| Cash paid for other investing activities | – | (26,588,959) |
| | | |
| Sub-total of cash outflows | (33,625,021,366) | (39,238,900,246) |
| Net cash flows from investing activities | (3,416,077,814) | (14,543,160,741) |
| III. Cash flows from financing activities: | | |
| Cash received from capital contributions | 2,000,000,000 | 1,000,000,000 |
| Cash received from bond issuances | 2,000,000,000 | – |
| Cash received from sales in assets sold under agreements to repurchase | – | 2,249,990,125 |
| | | |
| Sub-total of cash inflows | 4,000,000,000 | 3,249,990,125 |
| Cash paid for sales in assets sold under agreements to repurchase | (1,049,990,125) | – |
| Cash paid for other financing activities | (90,757,342) | – |
| | | |
| Sub-total of cash outflows | (1,140,747,467) | – |
| Net cash flows from financing activities | 2,859,252,533 | 3,249,990,125 |
| IV. Effect of changes in foreign exchange rate on cash and cash equivalents | (2,164,224) | (39,487,230) |
| V. Net (decrease)/increase in cash and cash equivalents | 8,362,946,588 | (7,860,459,039) |
| Add: Cash and cash equivalents at beginning of the year | 3,767,627,105 | 11,628,086,144 |
| | | |
| VI. Cash and cash equivalents at end of the year | 12,130,573,693 | 3,767,627,105 |

By order of the Board
Yao Jun
Company Secretary

Shenzhen, PRC, 5 March 2010

As at the date of this announcement, the Executive Directors of the Company are Ma Mingzhe, Sun Jianyi, Cheung Chi Yan Louis, Wang Liping and Jason Bo Yao, the Non-executive Directors are Lin Lijun, Chen Hongbo, Wong Tung Shun Peter, Ng Sing Yip, Clive Bannister, Li Zhe and Guo Limin, the Independent Non-executive Directors are Chow Wing Kin Anthony, Zhang Hongyi, Chen Su, Xia Liping, Tang Yunwei, Lee Ka Sze Carmelo and Chung Yu-wo Danny.