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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

“The Announcement of Ping An Insurance (Group) Company of China, Ltd. in relation to the Disclosure of 2011 Annual Report Summary of Shenzhen Development Bank”, which is published by Ping An Insurance (Group) Company of China, Ltd. on the website of Shanghai Stock Exchange and certain designated newspapers (except the attachment) in the PRC, is reproduced herein for your reference.

By order of the Board
Yao Jun
Company Secretary

Shenzhen, PRC, March 8, 2012

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

**The ANNOUNCEMENT OF
PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
IN RELATION TO
THE DISCLOSURE OF 2011 ANNUAL REPORT SUMMARY OF
SHENZHEN DEVELOPMENT BANK**

Special Notice:

The board of directors and all directors of Ping An Insurance (Group) Company of China, Ltd. (hereinafter referred to as the "Company") confirm that there are no false representations and misleading statements contained in, or material omissions from this announcement, and severally and jointly accept the responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

On March 8, 2012, Shenzhen Development Bank Co., Ltd.(hereinafter referred to as "SDB" or "Shenzhen Development Bank"), a subsidiary of the Company, held the 12th meeting (hereinafter referred to as the "Meeting") of the eighth session of the board of directors of SDB, which considered, among other things, the matters of the 2011 annual report of SDB. Please refer to the "2011 Annual Report Summary of SDB" disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) for operating performance of SDB for the year 2011.

Please also refer to the "Announcement of Resolutions of the Board of Directors of SDB" and "2011 Annual Report of SDB" published by SDB on the website of Shenzhen Stock Exchange (www.szse.cn) at the same date for the detailed information of the Meeting and the annual report of SDB.

The Board of Directors
Ping An Insurance (Group) Company of China, Ltd.
March 8, 2012

2011 Annual Report Summary of Shenzhen Development Bank Co., Ltd.**§1 Important Notes**

1.1 The board of directors, supervisory committee, directors, supervisors and senior management of Shenzhen Development Bank confirm that there are no false representations and misleading statements contained in, or material omissions from this report, and severally and jointly assume responsibility for the truthfulness, accuracy and completeness of the contents of this report.

The annual report summary is extracted from the full text of the annual report, which is also published on <http://www.cninfo.com.cn>. Investors are advised to read carefully through the full text of the 2011 annual report for details.

1.2 Ernst & Young Hua Ming and Ernst & Young Accounting Firm had audited the Bank's 2011 financial and accounting reports in accordance with the auditing standards of the People's Republic of China and the international auditing standards, and each of them had issued the auditor's report containing a standard unqualified opinion.

1.3 Xiao Suining (the Bank's Chairman), Richard Jackson (the Bank's President), Chen Wei (the Bank's Vice President and Chief Financial Officer) and Wang Lan (head of the Accounting Department) confirmed the truthfulness and completeness of the financial report contained in the 2011 annual report.

1.4 In this report, references to the Company and the Bank mean Shenzhen Development Bank Co., Ltd.; references to the Group mean Shenzhen Development Bank Co., Ltd. and its subsidiaries.

§2 Basic Information of the Company**2.1 Profile of the Company**

| | |
|--|-------------------------|
| Stock Short Name: | SDB A |
| Stock Code: | 000001 |
| Stock exchange on which the shares of the Bank are listed: | Shenzhen Stock Exchange |

2.2 Contact persons and methods of contact

| | | |
|----------------|--|---------------------------------------|
| | Secretary of Board of Directors: | Representative of Securities Affairs: |
| Name | Xu Jin | Lv Xuguang |
| Address: | Shenzhen Development Bank Board Secretariat, Shenzhen Development Bank Building, 5047 East Shennan Road, Shenzhen, Guangdong Province, China | |
| Tel.: | (0755)82080387 | |
| Fax: | (0755)82080386 | |
| Email Address: | dsh@sdb.com.cn | |

§3 Summary of Accounting Information and Financial Indicators

3.1 Principal accounting information

(In RMB thousand)

| Item | January-December 2011 | January-December 2010 | Increase/ decrease at this year compared with the previous year (%) (2011 vs 2010) | January-December 2009 |
|--|-----------------------|-----------------------|---|-----------------------|
| Operating income | 29,643,061 | 17,971,773 | 64.94% | 15,054,715 |
| Operating profit | 13,132,701 | 7,799,948 | 68.37% | 6,099,746 |
| Total profit | 13,257,489 | 7,948,414 | 66.79% | 6,131,156 |
| Net profit attributed to shareholders of parent company | 10,278,631 | 6,246,537 | 64.55% | 4,988,281 |
| Net profit attributed to shareholders of parent company after deducting non-recurring gains/losses | 10,179,272 | 6,135,557 | 65.91% | 4,935,948 |
| Net cash flows from operating activities | (14,439,373) | 22,045,723 | (165.50%) | 32,152,181 |
| | 31 December 2011 | 31 December 2010 | Increase/decrease at the end of this year compared with the end of the previous year (%) (2011 vs 2010) | 31 December 2009 |
| Total assets | 1,258,176,944 | 727,207,076 | 73.01% | 587,477,736 |
| Total liabilities | 1,182,796,360 | 694,009,541 | 70.43% | 567,271,688 |
| Equity attributed to shareholders of parent company | 73,310,837 | 33,197,535 | 120.83% | 20,206,048 |
| Total share capital | 5,123,350 | 3,485,014 | 47.01% | 3,105,434 |

3.2 Principal financial indicators

| | 2011 | 2010 | Increase/ decrease at this year compared with the previous year (%) (2011 vs 2010) | 2009 |
|--|--------|-------|---|-------|
| Basic EPS (RMB/Share) | 2.47 | 1.90 | 30.00% | 1.61 |
| Diluted EPS (RMB/Share) | 2.47 | 1.90 | 30.00% | 1.61 |
| Basic EPS after deducting non-recurring gains/losses (RMB/Share) | 2.44 | 1.86 | 31.18% | 1.59 |
| Weighted average return on equity (%) | 20.32 | 23.32 | -3.00 percentage points | 26.67 |
| Weighted average return on equity (deducting non- recurring gains/losses) (%) | 20.12 | 22.91 | -2.79 percentage points | 26.39 |
| Per share net cash flows from operating activities (RMB/Share) | (2.82) | 6.33 | (144.55%) | 10.35 |
| | 2011 | 2010 | Increase/decrease at the end of this year compared with the end of the previous year (%) (2011 vs. 2010) | 2009 |
| Net asset per share attributed to shareholders of parent company (RMB /Share) | 14.31 | 9.53 | 50.16% | 6.51 |
| Assets-liabilities ratio (%) | 94.01 | 95.43 | +1.42 percentage points | 96.56 |

3.3 Items of non-recurring gains/losses

(In RMB thousand)

| Non-recurring Gain/Losses Item | January - December 2011 | January - December 2010 | January - December 2009 |
|--|----------------------------|----------------------------|----------------------------|
| Gains/losses on disposal of non-current assets (gain/loss on disposal of fixed assets, repossessed assets and long- term equity investment) | 131,180 | 114,975 | 53,478 |
| Gains/losses on contingency (predicted liabilities) | (29,278) | (1,469) | 3,508 |

| | | | |
|--|----------|----------|----------|
| Other non-operating income and expenses except the above items | 24,454 | 27,708 | 7,337 |
| Impact of income tax | (27,120) | (30,234) | (11,990) |
| Attributed to minority shareholders | 123 | | |
| Total | 99,359 | 110,980 | 52,333 |

§4 Shareholdings and Controlling Status of Shareholders

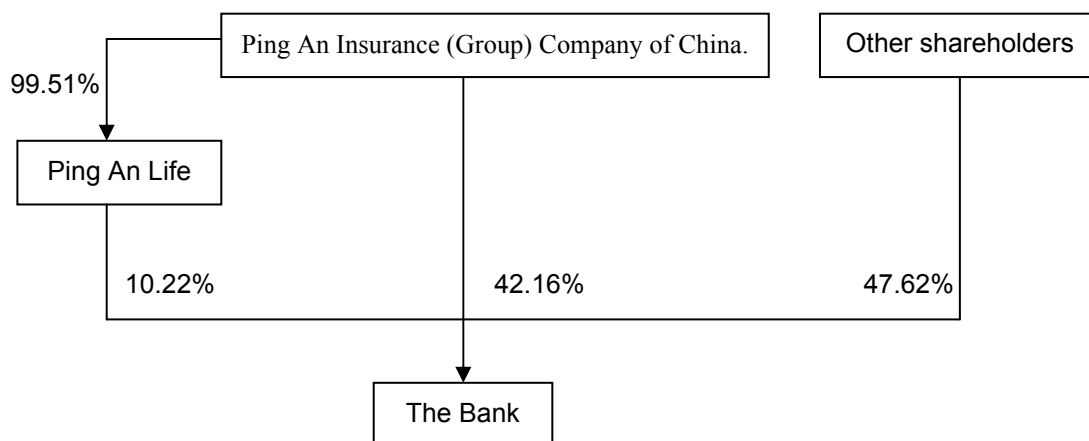
4.1 Particulars of shareholdings of top 10 shareholders and top 10 unrestricted shareholders

(Unit: Shares)

| Total number of shareholders at end of reporting period | | 272,946 shareholders | | Total shareholders by end of a month prior to release of the annual report | | 269,579 shareholders | |
|---|-----------------------|----------------------|------------------------|--|-----------------------------|--------------------------|--|
| Shareholdings of top 10 shareholders | | | | | | | |
| Name of shareholder | Nature of shareholder | Percentage (%) | Total number of shares | Changes during the reporting period | Number of restricted shares | Pledged or frozen shares | |
| Ping An Insurance (Group) Company of China. Ltd. – the Group – proprietary fund | Domestic legal entity | 42.16 | 2,159,807,516 | 1,638,336,654 | 1,638,336,654 | 0 | |
| Ping An Life Insurance Company of China, Ltd. – proprietary fund | Domestic legal entity | 7.41 | 379,580,000 | - | 379,580,000 | 0 | |
| Ping An Life Insurance Company of China, Ltd. – traditional – ordinary insurance product | Domestic legal entity | 2.75 | 140,963,528 | - | 0 | 0 | |
| China Electronics Shenzhen Company | Domestic legal entity | 1.71 | 87,382,302 | 80,000 | 0 | 0 | |
| China Life Insurance Co., Ltd – Dividend – Individual dividend-005L-FH002 Shenzhen | Domestic legal entity | 1.24 | 63,504,416 | - | 0 | 0 | |
| Haitong Securities Co., Ltd. | Domestic legal entity | 0.93 | 47,627,807 | 1,160,914 | 0 | 0 | |
| Bank of China – Efund Shenzhen Stock Exchange 100 Index Open-ended Securities Investment Fund | Domestic legal entity | 0.80 | 40,974,747 | 6,630,577 | 0 | 0 | |
| National Social Security Fund – Group 110 | Domestic legal entity | 0.72 | 36,841,510 | -3,484,622 | 0 | 0 | |
| China Life Insurance Co., Ltd – traditional – | Domestic | 0.61 | 31,499,998 | - | 0 | 0 | |

| | | | | | | |
|---|---|------|-------------------------------|-----------|---------------------|---|
| ordinary insurance products-005L-CT001 Shenzhen | legal entity | | | | | |
| Agricultural Bank of China — FullGoal Tianrui Favorable Regions Select Hybrid Open-ended Securities Investment Fund | Domestic legal entity | 0.59 | 30,091,494 | 1,500,000 | 0 | 0 |
| Shareholdings of top 10 unrestricted shareholders | | | | | | |
| Name of shareholder | | | Number of unrestricted shares | | Type of shares | |
| Ping An Insurance (Group) Company of China. Ltd. – fund owned by the Group – proprietary fund | | | 521,470,862 | | RMB ordinary shares | |
| Ping An Life Insurance Company of China, Ltd. – traditional – ordinary insurance product | | | 140,963,528 | | RMB ordinary shares | |
| China Electronics Shenzhen Company | | | 87,382,302 | | RMB ordinary shares | |
| China Life Insurance Co., Ltd – Dividend – Individual dividend-005L-FH002 Shenzhen | | | 63,504,416 | | RMB ordinary shares | |
| Haitong Securities Co., Ltd. | | | 47,627,807 | | RMB ordinary shares | |
| Bank of China – Efunds Shenzhen Stock Exchange 100 Index Open-ended Securities Investment Fund | | | 40,974,747 | | RMB ordinary shares | |
| National Social Security Fund – Group 110 | | | 36,841,510 | | RMB ordinary shares | |
| China Life Insurance Co., Ltd. – traditional –ordinary insurance product-005L-CT001 Shenzhen | | | 31,499,998 | | RMB ordinary shares | |
| Agricultural Bank of China – FullGoal Tianrui Favorable Regions Select Hybrid Open-ended Securities Investment Fund | | | 30,091,494 | | RMB ordinary shares | |
| Industrial and Commercial Bank of China Limited – Southern Select Equity Securities Investment Constituent Fund | | | 28,789,867 | | RMB ordinary shares | |
| Explanation on the associated relation and concerted action of the above shareholders | 1. Ping An Life Insurance Company of China, Ltd. is a subsidiary company controlled by Ping An Insurance (Group) Company of China. Ltd. and both are parties acting in concert; Ping An Insurance (Group) Company of China. Ltd. – fund owned by the Group - proprietary fund”, “Ping An Life Insurance Company of China, Ltd. - proprietary fund” and “Ping An Life Insurance Company of China, Ltd. – traditional – ordinary insurance product” are related parties. 2. Both “China Life Insurance Co., Ltd– dividend–individual dividend-005L-FH002 Shenzhen” and “China Life Insurance Co., Ltd– traditional–ordinary insurance products 005L-CT001 Shenzhen” are insurance products of China Life Insurance Co., Ltd. 3. The Bank is not aware of other associated relationships or concerted action between or among any of other shareholders. | | | | | |

4.2 The shareholdings and controlling relationship between the Company and its beneficial controllers



§5 Report of the Directors

5.1 Summary of Management Discussion and Analysis

(I) Overview

In 2011, the global economic situation remained turbulent. Domestic macroeconomic control focused on "prevention of inflation" and "structural adjustment", together with the implementation of the credit scale and pace control, differential deposit reserve mechanism and a tight monetary policy. The tightening liquidity and rising interest rate had led to the gradual increase of the funding cost of banks.

Under the complicated international and domestic economic situations and the intense competition in the market, the Group steadily implemented its business development strategy based on expanding deposits, promoting cross-selling, strengthening the portfolio management and improving asset and liability management capacity, and improving risk management system, thus achieved good operating results.

In addition, progress of the material asset restructuring of SDB and Ping An Bank has been made. In the third quarter, SDB acquired 90.75% shares of Ping An Bank through non-public issuance of shares, and obtaining the controlling shareholding in Ping An Bank. After the restructuring, the scale and strength of the Group has been further increased, with total asset amounted to RMB1,258.177 billion and net assets amounted to RMB75.381 billion.

1. Steady growth in assets scale with further optimized business structure

As of the end of the report period, the total assets of the Bank amounted to RMB1,258.177 billion, representing an increase of 73.01% compared with the beginning of the year, including total loans (including discount) of RMB620.642 billion, representing an increase of 52.35% compared with the beginning of the year; total deposits of RMB850.845 billion, representing an increase of 51.15% compared with the beginning of the year; daily average growth rate of deposits exceeded the average level of joint stock commercial banks.

Among the business structure, the strategic businesses - trade finance business, micro finance, retail business and credit card business saw healthy and rapid growth, with effective channel building and steady expansion in customer base. As of 31 December 2011, balance of trade financing facilities amounted to RMB233.356 billion, increasing by 32.97% compared with the beginning of the year, and number of credit customers totaled 10,125; micro loans amounted to RMB48.028 billion, representing an increase of 86.65% from the beginning of the year. Retail deposit growth was apparently higher than the growth of total loans. Total credit cards in force saw a rapid increase to 9.04 million.

2. Steady growth in profitability with further improvement in income structure

In 2011, the Group recorded operating income of RMB29.643 billion, representing an increase of 64.94% as compared with the previous year. Net profit attributable to the parent company amounted to RMB10.279 billion, representing an increase of 64.55% as compared with the previous year. Average return on assets was 1.04%, increasing by 0.09% compared with the previous year. Cost to income ratio was 39.99%, decreasing by 0.96 percentage point compared with the previous year. Net interest margin improved from 2.49% to 2.53% respectively. Profitability had improved steadily.

Among the operating income, non-interest income amounted to RMB4.353 billion, increasing by 103.18% compared with the previous year. Non-interest income as a percentage in operating income continued to rise to 14.68% from 11.92% at the previous year. Income structure had further improved.

3. Stable asset quality to further enhance the risk resistance ability of the Bank

As of 31 December 2011, the non-performing loan balance of the Group was RMB3.295 billion, increasing by RMB928 million or 39.21% compared with the beginning of the year, including RMB557 million of non-performance loan from acquisition of Ping An Bank and RMB371 billion incremental non-performing loan of the Bank; the non-performing loan ratio was 0.53 %, decreasing by 0.05% compared with the beginning of the year. The provision coverage was 320.66%, increasing by 49.16% compared with the beginning of the year. The Bank has kept a lower level of NPL ratio and a higher level of provision coverage.

4. Capital was increased with capital adequacy ratio meeting regulatory standards

During the report period, the Group's supplementary capital increased by RMB3.65 billion through a successful issuance of hybrid bonds of RMB3.65 billion in the interbank bond market. Meantime the Group further strengthened its capital base through non-public issuance of shares, its own capital accumulation and intensive capital management. The Group improved capital adequacy ratio and core capital adequacy ratio to 11.51% and 8.46% respectively as of the end of the report period, which meets regulatory standards.

(II) 2012 Outlook

In 2012, the Bank will continue to focus on the objective of its "Best Bank" strategy and complete the merger with Ping An Bank so as to complete the structure, personnel, policy and system integration of two banks. The Bank will promote the regional reform to optimize the organizational structure and

operational mechanism and improve management efficiency. The Bank will also improve asset-liability management capabilities, enhance portfolio management and cost control, and improve the efficiency of the use of funds and the per capita, per outlet productivity and further develop its various strategic businesses and gain its market share.

1. Corporate business

The Bank shall strengthen the sales process management, identify target markets and target customers, and promote the customer tiering strategy. In trading finance business and products, the Bank shall expand upstream and downstream business of the supply chain finance, and focus on the development of new channels and new customer base, and consolidate the customer base for the building of online supply chain finance. The Bankd shall develop optimized and applied products, and improve the customer experience, and develop good industry solutions, and increase effective customers and effective business. Actively promote cross-selling in the three levels of corporate business, corporate and retail, bank and other subsidiaries of Ping An Group. Leverage integrated financial advantages and focus on enhancing co-operation with Ping An Group's subsidiaries such as property & casualty, annuity, trust, funds, and asset management, based on the combination of "cross-selling + investment bank + custody + bank business with competitive advantage" , promote income growth of bank corporate finance, custody, deposit and fee-based business.

2. Retail business

Customer business strategy. In 2012, the retail business line will make full use of the resources of Ping An Group and various business segments within the bank and based on the integration of resources and the synergistic development of consumer business development direction to build a consumer business synergistic operation platform, acquire customers by segmentation, implement layered management, unify customer value proposition, collaborate product development and product portfolio and launch joint branding and marketing activities , and promote organized, planned, systematic implementation of the "one customer, multiple products" integrated business strategy, thus ensuring the healthy and rapid development of our retail business.

Products and operational services strategy. The Bank shall enhance product functions of basic trading products such as debit cards, online banking, phone banking, ATMs, third-party custody and payroll and optimize transaction service process to enhance customer satisfaction. The Bank shall actively develop the wealth management business, and continue to implement sound development strategy, enhance development of wealth management products for mid-to-high-end customers, and enrich product range, design product portfolio and provide special product package for the convenience of the customers combined with channel characteristics. The Bank shall actively develop the non-secured consumer loans and small and micro enterprises loans, optimize the loan structure, and improve business profitability.

Channel strategy. The Bank shall implement strategy of allocation of resources around channels, gradually improve customer acquisition, nurture, management and retention based on channel and improve the capability of value creation through professionalism. The Bank shall establish the retail

cross-selling channel targeted at exploration of the customer resources of Ping An Group; accelerate the migration processes of the customers of the Group; establish industry channels in respect of development & maintenance of customers of third-party custody, payroll services, and housing mortgage, and improve the ability of batch customers marketing; establish wealth management channels, accelerate the building of a team of wealth management managers and mid-to-high-end wealth management consultants to enhance customer management & service capabilities. The Bank shall establish a retail sales system based on basic law for sales force appraisal, further reinforce the standardization of front-line sales operating model and improve the per capita productivity.

3. Treasury & Inter-bank business

The Bank shall strengthen structural adjustment, and further enrich the product line to enhance the ranking of various trades; based on Hang E-Tong (Inter-bank E- Express) platform and combined with the resource advantages of Ping An Group, the Bank shall actively promote the channel construction, and promote product sales and cross-selling, in order to continue to improve profitability and enhance customer loyalty and contribution.

The Bank shall accelerate the building of the Shanghai Treasury Trading Center, while making full use of the location advantages of Shanghai as an international financial center and Ping An Group's resources to strengthen the talent team building and interbank exchange. The Bank shall introduce the advanced experience and models of counterparts to improve all types of investment and agency business platforms and enrich the variety of businesses. The Bank shall build the Treasury Trading Center as China's top-tier trading center and fund pricing center, and strive to make the Trading Center one of the pillars in inter-bank business profit growth within three years.

The Bank shall continue to improve product development and design capability, and explore customer potential in business including wealth management, foreign exchange, precious metals. The Bank shall strengthen product innovation and continue to introduce products that meet market needs, and gradually increase the market competitiveness of products of the Bank.

4. Micro Finance

The Bank shall establish the organization structure for Micro Finance business development by using integrated financial platform and effectively integrating internal and external resources and channels, coupled with flexible and efficient human resource management and incentives, competitive business strategies, partnership-style risk management model, advanced micro IT system, as well as standardized, professional and process-oriented mode of operation.

5. Credit card business

The Bank shall strengthen channel construction, precise marketing, improve the market share of issuing volume and trading volume, and expand the core customer base. In addition, the Bank shall strengthen its risk prevention and management capabilities, improve asset quality, while continue to tap the revenue growth potential of value-added services to further expand business profitability.

6. Risk management

The Bank shall establish risk information platform throughout the Bank, strive to create the credit culture of “good faith compliance, due diligence”; and shall optimize credit staff qualification management and be strict with credit staff qualification acceptance & exit management.

At the same time, the Bank shall sort out the integrated legal collection & management for asset protection and clarify the non-performing asset recovery responsibilities; implement the monitoring of new non-performing assets recovery, accelerate the recovery & mitigation of new non-performing assets and push the whole bank to fulfill the task related to non-performing assets recovery, disposal and write-off etc; improve the headquarter/branch coordination mechanism in the case of emergencies and enhance rapid intervention; face the challenges of the changing business environment and explore moving asset protection forward.

5.2 Principal businesses divided by industry and product

5.2.1 Composition of and changes in operating income

(in RMB million)

| Item | January – December 2011 | | January – December 2010 | | Increase/ decrease on year-on- year basis (%) |
|--|-------------------------|---------|-------------------------|---------|---|
| | Amount | % | Amount | % | |
| Net interest income | 25,290 | 85.32% | 15,829 | 88.08% | 59.77% |
| Interest income from placement at central bank | 1,669 | 3.19% | 857 | 3.26% | 94.75% |
| Interest income from transactions with financial institutions | 8,134 | 15.54% | 2,781 | 10.59% | 192.48% |
| Interest income from loans and advances | 32,733 | 62.55% | 19,224 | 73.23% | 70.27% |
| Interest income from securities investment | 6,314 | 12.07% | 3,190 | 12.15% | 97.93% |
| Other interest income | 3,481 | 6.65% | 200 | 0.77% | 1640.50% |
| Subtotal of interest income | 52,331 | 100.00% | 26,252 | 100.00% | 99.34% |
| Rediscount interest expense | 44 | 0.16% | 19 | 0.18% | 131.58% |
| Interest expense from transactions with financial institutions | 9,332 | 34.51% | 2,110 | 20.24% | 342.27% |
| Deposit interest expense | 15,203 | 56.22% | 7,682 | 73.70% | 97.90% |
| Payable bond interest expense | 837 | 3.10% | 556 | 5.33% | 50.54% |
| Other interest expense | 1,625 | 6.01% | 56 | 0.55% | 2801.79% |
| Subtotal of interest expense | 27,041 | 100.00% | 10,423 | 100.00% | 159.44% |
| Net fee and commission income | 3,665 | 12.36% | 1,585 | 8.82% | 131.23% |
| Other net operating income | 688 | 2.32% | 558 | 3.10% | 23.30% |
| Total operating income | 29,643 | 100.00% | 17,972 | 100.00% | 64.94% |

5.2.2 Daily average balance of principal assets and liabilities and daily average yield or daily average cost ratio

(in RMB million)

| Item | January – December 2011 | | | January – December 2010 | | |
|--|-------------------------|--------------------------|-------------------------|-------------------------|--------------------------|-------------------------|
| | Daily average balance | Interest income/ expense | Average yield/ cost (%) | Daily average balance | Interest income/ expense | Average yield/ cost (%) |
| Assets | | | | | | |
| Customer loans and advances (excluding discount) | 576,214 | 37,091 | 6.44% | 354,853 | 18,907 | 5.33% |
| Bond investment | 176,762 | 6,460 | 3.65% | 91,362 | 2,586 | 2.83% |
| Due from Central Bank | 129,145 | 1,954 | 1.51% | 60,381 | 856 | 1.42% |
| Bills discounting and inter-bank business | 191,791 | 10,650 | 5.55% | 122,382 | 3,702 | 3.02% |
| Others | 59,613 | 3,543 | 5.94% | 7,081 | 199 | 2.82% |
| Total of interest-earning assets | 1,133,524 | 59,697 | 5.27% | 636,059 | 26,251 | 4.13% |
| Liabilities | | | | | | |
| Customer deposits | 802,740 | 17,582 | 2.19% | 502,816 | 7,712 | 1.53% |
| Bonds issued | 14,939 | 900 | 6.02% | 9,467 | 556 | 5.87% |
| Inter-bank business | 225,154 | 10,859 | 4.82% | 93,008 | 2,097 | 2.26% |
| Others | 25,233 | 1,684 | 6.68% | 2,232 | 56 | 2.50% |
| Total of interest-bearing liabilities | 1,068,066 | 31,025 | 2.90% | 607,522 | 10,422 | 1.72% |
| Net interest income | | 28,672 | | | 15,829 | |
| Deposit-loan spread | | | 4.25% | | | 3.79% |
| Net interest spread (NIS) | | | 2.37% | | | 2.41% |
| Net interest margin (NIM) | | | 2.53% | | | 2.49% |

5.2.3 Assets composition and the changes

(in RMB million)

| Item | 31 December 2011 | | 31 December 2010 | | Increase/ decrease at the end of this year compared with the end of last year (2011 vs 2010) |
|-------------------------------|------------------|------------|------------------|------------|--|
| | Amount | Percentage | Amount | Percentage | |
| Loans and advances | 620,642 | 49.33% | 407,391 | 56.02% | 52.35% |
| Loan impairment provision | (10,567) | (0.84%) | (6,425) | (0.88%) | 64.47% |
| Net loans and advances | 610,075 | 48.49% | 400,966 | 55.14% | 52.15% |
| Investments | 203,757 | 16.19% | 112,192 | 15.43% | 81.61% |
| Cash and placement at central | 160,635 | | 76,587 | 10.53% | 109.74% |

| | | | | | |
|---|------------------|----------------|----------------|----------------|---------------|
| bank | | 12.77% | | | |
| Due from banks and other financial institutions | 39,884 | 3.17% | 8,524 | 1.17% | 367.90% |
| Placements with banks and other financial institutions and assets purchased under resale agreements | 42,751 | 3.40% | 106,739 | 14.68% | (59.95)% |
| Account receivables | 170,589 | 13.56% | 13,727 | 1.89% | 1142.73% |
| Interest receivables | 7,274 | 0.58% | 2,121 | 0.29% | 242.95% |
| Fixed assets | 3,524 | 0.28% | 2,392 | 0.33% | 47.32% |
| Intangible assets | 5,990 | 0.48% | 192 | 0.03% | 3019.79% |
| Goodwill | 7,568 | 0.60% | - | - | - |
| Properties for investment purposes | 263 | 0.02% | 215 | 0.03% | 22.33% |
| Deferred income tax assets | 2,890 | 0.23% | 1,955 | 0.27% | 47.83% |
| Other assets | 2,977 | 0.23% | 1,597 | 0.21% | 86.41% |
| Total assets | 1,258,177 | 100.00% | 727,207 | 100.00% | 73.01% |

5.2.4 Loans structure divided by product

(in RMB million)

| Item | 31 December 2011 | | 31 December 2010 | |
|--|------------------|----------------|------------------|----------------|
| | Balance | Percentage | Balance | Percentage |
| Corporate loans | 430,702 | 69.40% | 287,296 | 70.52% |
| Including: general loans | 413,019 | 66.55% | 268,649 | 65.94% |
| Discount | 17,683 | 2.85% | 18,647 | 4.58% |
| Retail loans | 165,227 | 26.62% | 113,751 | 27.92% |
| Including: Housing mortgage loans | 75,373 | 12.14% | 64,877 | 15.92% |
| Entrepreneur loans | 43,353 | 6.99% | 18,626 | 4.57% |
| Auto loans | 12,705 | 2.05% | 10,667 | 2.62% |
| Others | 33,796 | 5.44% | 19,581 | 4.81% |
| Credit card account receivables | 24,713 | 3.98% | 6,344 | 1.56% |
| Total loans | 620,642 | 100.00% | 407,391 | 100.00% |

5.2.5 Loans divided by industry

(in RMB million)

| Industries | 31 December 2011 | | 31 December 2010 | |
|---|------------------|------------|------------------|------------|
| | Balance | Percentage | Balance | Percentage |
| Agriculture, husbandry and fishery | 1,695 | 0.27% | 829 | 0.20% |
| Mining (Heavy industry) | 6,619 | 1.07% | 4,206 | 1.03% |
| Manufacturing (Light industry) | 134,197 | 21.62% | 83,681 | 20.54% |
| Energy | 14,644 | 2.36% | 12,574 | 3.09% |
| Transportation, posts and telecommunications | 29,259 | 4.71% | 20,288 | 4.98% |
| Commercial | 106,970 | 17.24% | 55,196 | 13.55% |
| Real estate | 36,633 | 5.90% | 22,527 | 5.53% |
| Social service, technology, culture and sanitary industries | 51,689 | 8.33% | 48,328 | 11.86% |
| Construction | 27,570 | 4.44% | 18,277 | 4.49% |
| Others (mainly personal loans) | 193,683 | 31.21% | 122,838 | 30.15% |
| Discount | 17,683 | 2.85% | 18,647 | 4.58% |
| Total loans and advances | 620,642 | 100.00% | 407,391 | 100.00% |

5.2.6 Liability structure and the changes

(in RMB million)

| Item | 31 December 2011 | | 31 December 2010 | | Increase/ decrease at the end of this year compared with the end of last year (2011 vs 2010) |
|--|------------------|------------|------------------|------------|--|
| | Amount | Percentage | Amount | Percentage | |
| Deposit-taking | 850,845 | 71.94% | 562,912 | 81.11% | 51.15% |
| Placements of deposits from banks and other financial institutions | 155,410 | 13.14% | 82,370 | 11.87% | 88.67% |
| Borrowed funds | 25,279 | 2.14% | 6,200 | 0.89% | 307.73% |
| Derivative financial liabilities | 732 | 0.06% | 312 | 0.04% | 134.62% |
| Repurchase agreements | 39,197 | 3.31% | 17,589 | 2.53% | 122.85% |
| Employee benefits payables | 3,600 | 0.30% | 1,879 | 0.27% | 91.59% |
| Taxes payables | 2,536 | 0.21% | 1,125 | 0.16% | 125.42% |
| Interest payables | 9,914 | 0.84% | 3,920 | 0.56% | 152.91% |

| | | | | | |
|---------------------------------|-----------|---------|---------|---------|----------|
| Bonds payables | 16,054 | 1.36% | 9,469 | 1.36% | 69.54% |
| Deferred income tax liabilities | 1,351 | 0.11% | 15 | 0.00% | 8906.67% |
| Other liabilities | 77,878 | 6.59% | 8,219 | 1.21% | 847.54% |
| Total liabilities | 1,182,796 | 100.00% | 694,010 | 100.00% | 70.43% |

5.2.7 Deposits divided by product

| Item | 31 December 2011 | 31 December 2010 | (in RMB million) |
|--------------------|------------------|------------------|--|
| | | | Increase/ decrease at the end of this year compared with the end of last year (2011 vs 2010) |
| Corporate deposits | 698,565 | 477,741 | 46.22% |
| Retail deposits | 152,280 | 85,171 | 78.79% |
| Total deposits | 850,845 | 562,912 | 51.15% |

5.3 Explanation on the reasons for significant changes in profit composition, the principal businesses and its structure, and the profitability of the principal businesses during the reporting period as compared with those during the previous reporting period

☐ Applicable ☒ Not applicable

§6 Financial Report

6.1 Explanation on the changes in accounting policies, accounting estimates and calculation method as compared with the latest annual report

☐ Applicable ☒ Not applicable

According to the “Announcement of Shenzhen Development Bank Co., Ltd. regarding the change in accounting policy and retrospective adjustments” dated 18 August 2011 published by the Company, the Company had made retrospective adjustments on the opening balance and comparative figures of the corresponding period of the previous year.

6.2 Contents, corrected amounts and reasons of significant accounting errors and its impact

☐ Applicable ☒ Not applicable

6.3 Explanation on the changes in consolidation scope as compared with the latest annual report

☐ Applicable ☒ Not applicable

The Company acquired the 90.75% interest in Ping An Bank through non-public issuance of shares

in July 2011. From the acquisition date, the Company prepared consolidated financial statements according to “Accounting Standards for Business Enterprises”. In the report, the figures for the current period of the Group were consolidated figures, while the figures for the previous periods were non-consolidated figures of the parent company (SDB). The consolidated net profit only includes the net profit of Ping An Bank from the acquisition date to 31 December 2011.

6.4 Explanation of the Board of Directors and the Board of Supervisors on the “Non-standard Audit's Report” issued by an accounting firm

☐ Applicable ☒ Not applicable

The Board of Directors of Shenzhen Development Bank Co., Ltd.

9 March 2012

The annual report summary was originally drafted in Chinese and the English translation of the report is for your reference only. In case of any inconsistencies between the Chinese and the English version, the Chinese version shall prevail.