

PING AN

Insurance · Banking · Investment



Contents

ABOUT US

- 1 Introduction
- 2 Corporate Information
- 3 Financial Highlights
- 4 Chairman's Statement

OUR PERFORMANCE

- 8 Management Discussion and Analysis
 - 8 Overview
 - 12 Insurance Business
 - 28 Banking Business
 - 34 Investment Business
 - 42 Internet Finance
- 46 Embedded Value
- 49 Liquidity and Financial Resources

CORPORATE GOVERNANCE

- 52 Changes in the Share Capital and Shareholders' Profile
- 61 Directors, Supervisors and Senior Management
- 64 Significant Events

FINANCIAL STATEMENTS

- 78 Report on Review of Interim Condensed Consolidated Financial Information
- 79 Interim Consolidated Statement of Income
- 80 Interim Consolidated Statement of Comprehensive Income
- 81 Interim Consolidated Statement of Financial Position
- 82 Interim Consolidated Statement of Changes in Equity
- 83 Interim Consolidated Statement of Cash Flows
- 84 Notes to the Interim Condensed Consolidated Financial Information

OTHER INFORMATION

- 126 Definition

Cautionary Statements Regarding Forward-Looking Statements

To the extent any statements made in this report containing information that is not historical are essentially forward-looking. These forward-looking statements include but are not limited to projections, targets, estimates and business plans that the Company expects or anticipates will or may occur in the future. These forward-looking statements are subject to known and unknown risks and uncertainties that may be general or specific. Certain statements, such as those including the words or phrases "potential", "estimates", "expects", "anticipates", "objective", "intends", "plans", "believes", "will", "may", "should", and similar expressions or variations on such expressions may be considered forward-looking statements.

Readers should be cautioned that a variety of factors, many of which are beyond the Company's control, affect the performance, operations and results of the Company, and could cause actual results to differ materially from the expectations expressed in any of the Company's forward-looking statements. These factors include, but are not limited to, exchange rate fluctuations, market shares, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions and other risks and factors beyond our control. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. In addition, the Company undertakes no obligation to publicly update or revise any forward-looking statement that is contained in this report as a result of new information, future events or otherwise. None of the Company, or any of its employees or affiliates is responsible for, or is making, any representations concerning the future performance of the Company.

Introduction

Ping An is dedicated to becoming a world-leading personal financial services provider. Backed by our integrated financial structure, local expertise and best practices in corporate governance with international standards, we provide insurance, banking and investment services to over 90 million individual customers.

- Net profit attributable to shareholders of the parent company reached RMB34,649 million in the first half of 2015, up by 62.2% over the same period last year.
- Total assets of the Group reached RMB4.63 trillion with strengthening overall competitiveness.
- Ping An Life's written premiums reached RMB172,745 million, new business of individual life insurance recorded robust growth. Ping An Property & Casualty realized premium income of RMB81,443 million, and the business quality remained sound. The annuity business of Ping An Annuity maintained its leading position in the industry. Seizing market opportunities, total investment yield of insurance funds achieved its highest record.
- Ping An Bank continuously accelerated its transformation with steady growth of its business scale and improved operational efficiency.
- Ping An Trust maintained a stable and health growth and actively promoted strategic transformation. Ping An Securities' net profit reached a record high in the first half of 2015, which saw significant results in the Company's strategic transformation.
- Internet finance achieved significant effects of mode innovation and steady growth in scale and user base, with total internet users achieving 167 million. The transaction volumes of Lufax and Wanlitong soared and led the industry. PA Haofang and PA Haoche rapidly raised their market influence.

Total Assets (in RMB million)



Equity Attributable to Shareholders of the Parent Company (in RMB million)



Total Liabilities (in RMB million)



Total Income (in RMB million)



Net Profit Attributable to Shareholders of the Parent Company (in RMB million)



Basic Earnings Per Share (in RMB)



Corporate Information

REGISTERED NAMES

Full name of the Company (Chinese/English)

中國平安保險（集團）股份有限公司
Ping An Insurance (Group) Company of China, Ltd.

Short name of the Company (Chinese/English)

中國平安
Ping An of China

LEGAL REPRESENTATIVE

MA Mingzhe

TYPE OF SECURITY AND LISTING PLACE

A share The Shanghai Stock Exchange
H share The Stock Exchange of Hong Kong Limited

SECURITY NAME AND STOCK CODE

A share Ping An of China 601318
H share Ping An of China 2318

AUTHORIZED REPRESENTATIVES

SUN Jianyi
YAO Jun

SECRETARY OF THE BOARD OF DIRECTORS

JIN Shaoliang

COMPANY SECRETARY

YAO Jun

REPRESENTATIVE OF SECURITIES AFFAIRS

LIU Cheng

TELEPHONE

+86 400 8866 338

FAX

+86 755 8243 1029

E-MAIL

IR@pingan.com.cn
PR@pingan.com.cn

REGISTERED ADDRESS/PLACE OF BUSINESS

Offices at 15, 16, 17, 18 Floors,
Galaxy Development Center,
Fu Hua No. 3 Road,
Futian District,
Shenzhen, Guangdong Province, PRC

POSTAL CODE

518048

COMPANY WEBSITE

www.pingan.com

DESIGNATED NEWSPAPERS FOR INFORMATION DISCLOSURE OF A SHARE

China Securities Journal,
Shanghai Securities News,
Securities Times and Securities Daily

WEBSITES FOR THE PUBLICATION OF THE REGULAR REPORTS OF THE COMPANY

www.sse.com.cn
www.hkexnews.hk

LOCATION OF REGULAR REPORTS AVAILABLE FOR INSPECTION

Board Office of the Company

CONSULTING ACTUARIES

PricewaterhouseCoopers Consultants (Shenzhen) Limited

AUDITORS AND PLACES OF BUSINESS

Domestic Auditor

PricewaterhouseCoopers Zhong Tian LLP
11/F, PricewaterhouseCoopers Center,
2 Corporate Avenue, 202 Hu Bin Road,
Huangpu District, Shanghai, PRC

Name of Certified Public Accountants

Charles Chow
CHEN Anqiang

International Auditor

PricewaterhouseCoopers
22/F Prince's Building,
Central, Hong Kong

LEGAL ADVISOR

DLA Piper Hong Kong
17th Floor, Edinburgh Tower, The Landmark,
No. 15 Queen's Road,
Central, Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

AMERICAN DEPOSITARY SHARES REGISTRAR

The Bank of New York Mellon

REGISTERED INFORMATION FOR THE FIRST TIME

Date of Registration

March 21, 1988

Place of Registration

Shenzhen Administration for Industry and
Commerce

Corporate Name

Shenzhen Ping An Insurance Company

Please visit the website of the Market Supervision Administration of Shenzhen Municipality (www.szscjg.gov.cn) for details of the Company's registered information for the first time.

REGISTERED INFORMATION AT THE END OF THE REPORTING PERIOD

Place of Registration

State Administration for Industry and Commerce of
the PRC

Registration Number of the Business License of the Legal Entity

10000000012314

Tax Registration Number

Shen Shui Deng Zi No. 440300100012316

Organization Code

10001231-6

The above registered information had no change during the reporting period.

CHANGES IN MAIN BUSINESS SINCE LISTING

The main business scope has not been changed since the listing of the Company on the Shanghai Stock Exchange on March 1, 2007.

CHANGES OF CONTROLLING SHAREHOLDER SINCE LISTING

The shareholding structure of the Company is relatively scattered and there is no controlling shareholder.

Financial Highlights

| (in RMB million) | For the six months ended June 30, 2015/ As at June 30, 2015 | For the six months ended June 30, 2014/ As at December 31, 2014 |
|---|---|---|
| GROUP | | |
| Total income | 376,299 | 266,045 |
| Net profit | 39,911 | 25,864 |
| Net profit attributable to shareholders of the parent company | 34,649 | 21,362 |
| Basic earnings per share ⁽¹⁾ (in RMB) | 1.90 | 1.35 |
| Total assets | 4,632,287 | 4,005,911 |
| Total liabilities | 4,227,789 | 3,652,095 |
| Total equity | 404,498 | 353,816 |
| Equity attributable to shareholders of the parent company | 331,190 | 289,564 |
| Investment portfolio of insurance funds | 1,639,215 | 1,474,098 |
| Net investment yield of insurance funds (%) | 5.1 | 5.0 |
| Total investment yield of insurance funds (%) | 7.7 | 4.3 |
| Embedded value | 529,408 | 458,812 |
| Group solvency margin ratio (%) | 197.4 | 205.1 |
| INSURANCE BUSINESS | | |
| Life Insurance Business | | |
| Written premiums | 172,745 | 148,310 |
| Premium income | 130,691 | 110,543 |
| Net profit | 15,490 | 9,296 |
| Net investment yield (%) | 5.1 | 5.0 |
| Total investment yield (%) | 7.9 | 4.2 |
| Embedded value | 302,370 | 264,223 |
| Solvency margin ratio - Ping An Life (%) | 215.4 | 219.9 |
| Property and Casualty Insurance Business | | |
| Premium income | 81,584 | 68,852 |
| Net profit | 8,730 | 4,496 |
| Net investment yield (%) | 5.9 | 5.4 |
| Total investment yield (%) | 7.2 | 5.3 |
| Combined ratio (%) | 93.6 | 94.4 |
| Solvency margin ratio - Ping An Property & Casualty (%) | 153.6 | 164.5 |
| BANKING BUSINESS⁽²⁾ | | |
| Net interest income | 31,118 | 24,554 |
| Net profit | 11,585 | 10,072 |
| Net interest spread (%) | 2.57 | 2.32 |
| Net interest margin (%) | 2.71 | 2.50 |
| Cost/income ratio (%) | 32.22 | 37.59 |
| Total deposits | 1,655,112 | 1,533,183 |
| Loans and advances | 1,187,834 | 1,024,734 |
| Capital adequacy ratio (%) ⁽³⁾ | 10.96 | 10.86 |
| Non-performing loan ratio (%) | 1.32 | 1.02 |
| Provision coverage ratio (%) | 183.03 | 200.90 |
| Loan loss provision ratio (%) | 2.42 | 2.06 |
| INVESTMENT BUSINESS | | |
| Trust Business⁽⁴⁾ | | |
| Total income | 3,327 | 2,392 |
| Net profit | 1,000 | 748 |
| Assets held in trust | 388,098 | 399,849 |
| Securities Business | | |
| Total income | 5,189 | 1,538 |
| Net profit | 1,606 | 506 |

(1) On June 30, 2014, December 31, 2014 and June 30, 2015, the share capital of the Company was 7,916 million, 8,892 million and 9,140 million shares, respectively. On August 4, 2015, the Company completed the conversion of the capital reserve into share capital in the proportion of 10 shares for every 10 shares held, and the latest total share capital is 18,280 million. According to "IAS 33-Earnings per Share", the Company recalculated the weighted average number of ordinary shares in the first half of 2015 and the same period last year. The basic earnings per share for the two reporting periods were recalculated accordingly.

(2) The figures of banking business came from Ping An Bank's interim reports of 2015.

(3) The capital adequacy ratio was calculated under the "Capital Rules for Commercial Banks (Provisional)" enforced by the CBRC.

(4) Trust business includes Ping An Trust and its subsidiaries which carry on the business of investment and asset management.

(5) Certain comparative figures have been reclassified or restated to conform to relevant period's presentation.

Chairman's Statement



- 1 In July 2015, Ping An Life launched the "New Life Movement" to promote healthy lifestyles and physical exercise among the public through the activity of "Keeping Fit with Ping An", and began high-frequency interaction with the public through its app E-Service to assist people to manage health, wealth, and daily lives.
- 2 In 2015, the automobile insurance business of Ping An was ranked first by the China Brand Power Index (C-BPI) for the 5th consecutive time, and was awarded "1st Brand". It was also ranked 1st among automobile insurers in the Chinese customer satisfaction survey for 2015 for the 4th consecutive year and over 25% of private vehicle owners in China had chosen Ping An's auto insurance service.

In the first half of 2015, China's economy initiated a "twin-engine" mode combining a "new engine" and "traditional engine", to support its structural upgrade and transformation. New strategies, such as "One Belt, One Road" and "Internet Plus", injected tremendous vigor and energy into various industries, including financial industry. Ping An closely tracks the developments of the country and keeps up with the trend, and makes every effort to drive the development of its core finance business and Internet finance business in a synergistic manner. It has achieved steady growth along with phased results in its transformation and initially explored an innovative "Internet + integrated finance" model. New trends, patterns and models bring new competition and challenges, Ping An will continue to pursue its goal of becoming a "World-leading personal financial services provider". It will strive to be a nimble business with a keen sense of urgency and responsibility, embracing an ambitious vision balanced with practical measures. Ten thousand years are too long, seize the day, seize the hour.

Looking back at the past half year, Ping An has generally achieved rapid and steady business development in its three business pillars of insurance, banking and asset management, with further improvements in the business quality of all professional subsidiaries. The "One Customer, One Account, Multiple Products, and One-Stop Service" model has made further steps to enhance the customer experience. Meanwhile, after eight years of layouts and exploration, Ping An has achieved multiple breakthroughs in the innovation of Internet financial models. It saw improvements in all business indicators, a greater array of diversified application scenarios, rapid expansion of user scale and continuously growing customer activity, gradually realizing synergies with its core businesses.

Specifically, Ping An achieved outstanding operating results in the first half of 2015 in the following areas:

- **The Company achieved significant growth in its overall performance.** Due to its rapid business growth and excellent performance of its insurance funds investment, the Company's net profit attributable to shareholders of the parent company for the first half of 2015 reached RMB34,649 million, up by 62.2% over the same period last year. As at June 30, 2015, equity attributable to shareholders of the parent company was RMB331,190 million, up by 14.4% over the beginning of the year. Total assets reached RMB4.63 trillion, up by 15.6% over the beginning of the year.

- **New business of life insurance recorded robust growth, while the quality of our property and casualty insurance business remained sound. Annuity business maintained its market leadership. The investment yield from insurance funds rose steadily.** In the first half of the year, written premiums of the life insurance business reached RMB172,745 million, up by 16.5% over the same period last year. The value of new business of life insurance in the first half of the year grew by 44.3% over the same period last year. Written premiums for individual life insurance business reached RMB155,128 million, up by 18.1% over the same period last year, of which the new business achieved written premiums of RMB48,200 million, up by 54.2% over the same period last year. As at June 30, 2015, the number of individual life insurance agents increased to nearly 800 thousand, up by 25.5% from the beginning of the year. Agent productivity substantially increased with first-year written premiums per agent per month up by 23.6% over the same period last year. Ping An Property & Casualty ran its business under the "customer-centric" management concept, promoting business to grow steadily through collaborative development and a meticulous approach to management. Its premium income reached RMB81,443 million in the first half of the year, rose by 18.5% over the same period last year with a market share of 19.1%, placing it in second position in the market. It maintained a sound level of business quality and profitability, with a combined ratio of 93.6%. Annuity entrusted and assets under investment management of Ping An Annuity reached RMB114,074 million and RMB122,741 million respectively, up by 27.8% and 13.5% over the beginning of the year. Annuity insurance business grew by 24.8% over the same period last year to RMB11,158 million. Ping An Annuity maintained its leading position in all its businesses.

The Company kept fixed income asset as a critical part of its insurance funds allocation and seized opportunities in the equity market in the first half of the year, achieved a new high in its total investment yield. As at June 30, 2015, investment portfolio of insurance funds reached RMB1,639,215 million. Annualized net investment yield was 5.1% in the first half of the year, up by 0.1 percentage points over the same period last year. Annualized total investment yield rose by 3.4 percentage points to 7.7% over the same period last year.



3

- Banking business grew steadily with improved operational efficiency, its asset quality stayed at a manageable level with accelerating business transformation.**

In the first half of the year, Ping An Bank realized net profit of RMB11,585 million, up by 15.0% over the same period last year. Net fees and commission income grew by 76.6% over the same period last year to RMB13,722 million. As at June 30, 2015, Ping An Bank's total assets reached RMB2,570,508 million, up by 17.6% over the beginning of the year. The deposit and loan business developed in a synergetic manner. Loans and advances and deposits rose by 15.9% and 8.0%, respectively over the beginning of the year. The non-performing loan ratio was 1.32% and overall asset quality stayed at a manageable level. The provision coverage ratio was 183.03%.

Ping An Bank has continuously promoted transformation and innovation of products and business models, and made full use of the advantages from integrated finance and Internet finance to build online portal platforms such as "Orange-e-Platform" and "Hang-E-Tong". It launched the Internet of things (IoT) finance to reshape the credit environment of movable property financing business. Ping An Bank has launched the first bank-sponsored index in China and developed innovative mobile payment technologies to put photon-based payment into commercial use. It also has built new business brands such as "Dai Dai Ping An" and "Gold Orange Club" to provide customers with value propositions and service experience beyond their expectations.

- Investment and asset management business maintained rapid growth with initial effect of transformation emerging.** Ping An Trust promoted its business transformation, setting the strategic goal of "becoming China's

largest trust company". Leveraging its four core business sectors of "private wealth management business", "private investment banking and institutional asset management business", "interbank business" and "private equity investment business", Ping An Trust offered whole-lifecycle, whole-process and comprehensive financial solutions to corporate and individual clients. While accelerating its strategic transformation, Ping An Trust maintained steady business growth. For the first half of 2015, the trust business generated net profit of RMB1,000 million and management fees income of RMB1,986 million. The assets held in trust stood at RMB388,098 million as at June 30, 2015. Additionally, Ping An Trust was committed to building an overall risk management framework and achieving refined risk control management.

Ping An Securities promoted its strategic transformation and achieved a remarkable progress of its effective transformation. Seizing market opportunities in the first half of the year, it realized net profit of RMB1,606 million, up by 217.4% over the same period last year. The number of new brokerage customers reached 1.72 million, which led the industry, among which the percentage of internet-based customers grew steadily. In its fixed-income business, Ping An Securities placed 4th in terms of the number of underwritten debentures. Its equity business facilitated the transformation of its business mode, with significant growth in various incomes and securing an industry-leading in the number of IPO projects. Assets under management rose by 14.8% over the beginning of the year to RMB180,761 million.

- Internet finance achieved significant effects of mode innovation and achieved steady growth in scale and user base.** Ping An further implemented its internet



4



5

- In January 2015, the conference to release "the Report on Company Employee Benefit Index for Large and Medium-sized Cities of China for 2014" was held in Beijing, which was co-sponsored by the Insurance Association of China, the Employment Relation Research Center under the All-China Federation of Trade Unions, the World Social Security Research Center under Chinese Academy of Social Sciences and Ping An Annuity. The Report showed that the Company Employee Benefit Index for large and medium-sized cities of China was 66.5, stayed at a basic level.
- In June 2015, Ping An Bank launched another innovative technology in Shanghai - the IoT Finance. Currently, this new technology has been applied to the auto industry and the iron and steel industry. It can endow movable property with the characteristics of immovable property, which reforms the model of supply chain finance, and induces the intelligent development of movable property financing business.
- In the first half of 2015, new opportunity for China's private equity industry existed in an era of great asset management. In May, Ping An Trust held the Private Equity Summit Forum of 2015 in Shenzhen, and launched the "Winner of Private Equity Plus" Platform, which provides private equity institutions with comprehensive services with the fastest product issuance, the most diverse product strategies, and the most professional product services.

Chairman's Statement



6. As the largest online investment and wealth management platform in China, Lufax.com was officially launched in early 2012 and has over 10 million registered users with only three years' development; it is the first online investment and wealth management platform with over 100 million users. In the future, Lufax will accelerate its transformation into a platform, develop diverse products and services that combine liquidity, risk and return to meet the demand of investors, and build a comprehensive financial service ecosystem.
7. As at the end of June, 2015, the number of registered users of Ping An Pay's app Yiwallet exceeded 16 million; the function of Yiwallet has expanded from basic payment service to financial wealth management, innovative insurance benefits, and daily life services.
8. Twenty-one years ago, Ping An began to donate money to construct Hope Primary Schools. Seven years ago, Ping An started to support the education of Hope Primary Schools. Currently, Ping An has constructed 111 Hope Primary Schools, and 3,474 volunteers have participated in the action of supporting the education of Hope Primary Schools. In 2015, Ping An continued the action of supporting the education of Hope Primary Schools, and has provided training for teachers at 111 Hope Primary Schools across China in June, 2015.

finance strategy. As at the end of June 2015, the number of internet users reached 167 million, and active users in the first half of the year reached RMB57.45 million. Each major internet finance subsidiaries saw a rapid growth in business. Lufax met multiple financial demands of customers through its financial asset trading platform. Since establishment, the accumulated trading volume reached RMB801.5 billion, among which RMB201.3 billion was generated from individual retail transactions and RMB600.2 billion from institutional transactions. The accumulated registered internet users of Lufax exceeded 10 million. In the first half of 2015, financial asset trading volume increased rapidly to RMB512.2 billion, of which RMB113.9 billion was generated from individual retail transactions and RMB398.3 billion from institutional transactions, retaining the industry leading position. Focused on individual financial innovation, Ping An Pay is dedicated to provide high-quality payment services to customers. The number of registered users of Yiwallet exceeded 16 million, while the trading volume of individual users exceeded RMB70 billion in the first half of the year. Wanlitong, which aims to be the largest loyalty points service platform in China, had more than 80 million registered users and more than 1 million participating merchants. Trading volume of loyalty points grew by 387.7% over the same period last year. Ping An Health Cloud, which focuses on health management, facilitated the construction of networks for hospitals, medicine and information. A multi-layered doctor network was preliminarily formed. Its B2C and O2O medicine distribution platforms have been established. The Ping An Doctor App offered health management services to over 7.5 million users, with a peak daily consultations of 50 thousand. PA Haofang established the first real estate crowd funding alliance in China, achieved the model of "Internet Plus" in real estate market. The total users registered in the website exceeded 1 million. The housing trading volume through the platform of PA Haofang exceeded RMB10 billion and homebuyers received RMB600 million loans through this platform. Ping An financial technology focused on asset management with users registered in "One Account Management Services" exceeding 50 million and assets under management of nearly RMB650 billion. Through the "Magic Gate",

users can shift from one APP of Ping An to another without limitation. More than 14 million users enjoyed Ping An's one-stop financial services through the "Magic Gate".

- **Significant progress was made in customer migration, and cross-selling continued to improve.** Ping An explored the potential demand of customers through its integrated financial product map and big data analysis platform. It developed innovative integrated financial products and services to promote cross-selling and customer migration. In the first half of the year, the total number of migrated customers was 5.99 million, 36.5% of new customers of the subsidiaries of the Group came from customer migration. New customers migrating from the internet finance to core finance business amounted to over 820 thousand. Of the premium income for automobile insurance, 55.2% was from cross-selling, telemarketing and internet marketing. 32.1% of new retail deposit and 33.8% of newly-issued credit cards came from cross-selling.

In the first half of the year, Ping An continued to maintain a leading position in terms of brand value. Our comprehensive strength and efforts in corporate governance, investor relationship and corporate social responsibility have won us numerous accolades and awards at home and abroad from rating agencies and the media.

- First time entered top 100 of "Fortune Global 500", ranked No. 96, advancing 32 places over 2014, and maintained top ranking among mainland Chinese companies in the non-SOE category.
- Qualified in the Forbes Global 2000 list for the 11th time, ranking No. 32, advancing 30 places over 2014. Ping An ranked No. 8 among mainland Chinese enterprises and No. 14 among global financial institutions.
- Ranked No. 68 in the Top 100 Most Valuable Global Brands 2015 by Millward Brown of WPP, a global prestigious brand communications group, up 9 places over the previous year.
- In the 2015 Best China Brands Report released by world-leading brand rating agency Interbrand, Ping An ranked No. 6 and maintained its first place among Chinese insurance brands.



- Ranked No. 4 among “Best Managed Listed Companies in China” in FinanceAsia (HK)’s selection of “Asia’s Best Managed Companies”.
- Awarded “Asia’s Best CEO”, “Asia’s Best CFO” and “Best Investor Relations in China” at Corporate Governance Asia’s Asia Excellence Award.
- In the evaluation of “China’s Most Respected Companies in China of 2015” by Economic Observer, Ping An was awarded “the Most Respected Company of China” once more, it is the only company which won this prize for the 14th consecutive year.

Looking ahead, slow economic recovery will remain amid various uncertainties in the complex macroeconomic environment. China’s economy is expected to maintain a steady growth momentum under the “new normal”, with faster paces in transformation of economic structure, deepening system reform, and both opportunities and challenges will exist. Ping An will continue its efforts steadily towards its strategic goal, which is to improve market position and business quality of core financial businesses, further explore the Internet finance model and business innovations, improve customer experience, seize opportunities, and embrace a promising future.

Finally, on behalf of the Board of Directors and the Executive Committee of Ping An Group, I would like to express my sincere gratitude to our customers, investors, partners and members of society who have supported Ping An Group, as well as our colleagues who have contributed to the Company’s strategic targets and aspirations.

A handwritten signature in black ink, appearing to be 'Zhang' followed by a stylized flourish.

Chairman and Chief Executive Officer

Shenzhen, PRC
August 20, 2015

Management Discussion and Analysis Overview

- Net profit attributable to shareholders of the parent company reached RMB34,649 million in the first half of 2015, up by 62.2% over the same period last year.
- Insurance business recorded robust growth and kept its sound business quality. Banking business actively transformed its growth mode with overall asset quality staying at a manageable level. Investment business saw the emerging signs of its effective transformation and maintained rapid growth.
- Internet finance business continued to innovate and achieved steady growth in scale and user base. Significant progress was made in customer migration, and cross-selling continued to improve.

We offer various financial products and services to clients under a unified brand name via a multiple distribution network that leverages the capabilities of our major subsidiaries. These are Ping An Life, Ping An Property & Casualty, Ping An Annuity, Ping An Health, Ping An Bank, Ping An Trust, Ping An Securities, Ping An Asset Management, Ping An Asset Management (Hong Kong), and Ping An-UOB Fund.

In the first half of 2015, faced with the complicated economic situation and market environment, Ping An continued to implement the philosophy of prudent operation and took steps to innovate. There was an increasing synergy from Ping An's Internet finance business and core finance business. Its three business pillars, namely insurance, banking and investment, developed steadily and soundly. New business of life insurance grew robustly, while the quality of property and casualty insurance business remained sound. Annuity business maintained its market leadership, while the return on investment of insurance funds rose steadily. Ping An Bank grew steadily and its operating efficiency continued to increase. The asset quality of Ping An Bank remained stable with business transformation speeding up. Ping An Trust promoted business transformation and maintained stable and health development. Ping An Securities

promoted strategic transformation, it seized opportunities in market and its net profit hit a record high during the reporting period. Through continuous efforts to innovate, the scale, user base and customer activity of internet finance business continued to grow. Significant progress was made in customer migration, and cross-selling continued to improve.

Due to its rapid business growth and excellent performance of its insurance funds investment, net profit attributable to shareholders of the parent company for the first half of 2015 reached RMB34,649 million, up by 62.2% compared with the same period last year.

CONSOLIDATED RESULTS

For the six months ended
June 30 (in RMB million)

| | 2015 | 2014 |
|---|------------------|-----------|
| Total income | 376,299 | 266,045 |
| Total expenses | (316,756) | (233,424) |
| Profit before tax | 59,543 | 32,621 |
| Net profit | 39,911 | 25,864 |
| Net profit attributable to shareholders of the parent company | 34,649 | 21,362 |

NET PROFIT BY BUSINESS SEGMENT

For the six months ended
June 30 (in RMB million)

| | 2015 | 2014 |
|---|---------------|--------|
| Life insurance | 15,490 | 9,296 |
| Property and casualty insurance | 8,730 | 4,496 |
| Banking | 11,274 | 9,882 |
| Trust ⁽¹⁾ | 1,000 | 748 |
| Securities | 1,606 | 506 |
| Other businesses and elimination ⁽²⁾ | 1,811 | 936 |
| Net profit | 39,911 | 25,864 |

(1) The figures of trust business include Ping An Trust and its subsidiaries which carry on the business of investment and asset management.

(2) Other businesses mainly include headquarters and other subsidiaries conducting asset management business and other businesses.

In the first half of 2015, the Company continued to promote the development of integrated finance business and the optimization of service platforms, aiming to steadily enhance customer experience. It stepped up the application of technology and new internet techniques to boost the innovation and development of the business. In terms of its personal integrated finance business, the Company pursued its “customer-oriented” philosophy, better carried out cross-selling, actively took advantage of internet channels and steadily promoted customer migration, which led to a stable growth in the overall number of customers and business scale. For the group integrated finance business, each subsidiary kept to the philosophy of providing support for corporate customers with one-stop service, and steadily implemented the comprehensive development of integrated finance, which saw significant results in business cooperation and increasing synergies.

CUSTOMERS

Total Volume of Individual Customers

As at June 30, 2015, the number of the Company's individual customers reached 96.58 million, up by 8.1% over the beginning of the year, among which 12.93 million were new customers in the first half of 2015.

For the six months ended
June 30 (in ten thousand)

| | 2015 | 2014 |
|---|--------------|-------|
| Customers at the beginning of the reporting period | 8,935 | 7,903 |
| New customers in the reporting period ⁽¹⁾ | 1,293 | 959 |
| Including: Ping An Life ⁽²⁾ | 273 | 195 |
| Ping An Property & Casualty | 830 | 655 |
| Retail Banking Business | 293 | 181 |
| Credit Card Business | 228 | 206 |
| Other Businesses | 262 | 28 |
| Customers at the end of the reporting period ⁽³⁾ | 9,658 | 8,419 |

(1) As customers who purchased multiple financial products are counted more than once, the figures do not add up to the total.

(2) The number of customers of Ping An Life was counted based on the number of policy holders.

(3) The number of customers at the end of the reporting period was not equal to the sum of the number of customers at the beginning of the reporting period and new customers in reporting period, due to customer loss.

Management Discussion and Analysis Overview

Customer Migration

The Company continued to promote the migration of customers among core finance businesses. In the first half of 2015, the number of migrated customers was approximately 5.99 million, and 36.5% of new customers of subsidiaries were from customer migration. From the initiation of customer migration to the end of June, 2015, the aggregated number of the Company's migrated customers exceeded 17.63 million.

Migration of Customers among Core Finance Businesses (in thousand person-time)

| Migration Source | Migration Terminal | | | | | Total |
|-----------------------------|--------------------|-----------------------------|-------------------------|----------------------|------------------|--------------|
| | Ping An Life | Ping An Property & Casualty | Retail Banking Business | Credit Card Business | Other Businesses | |
| Ping An Life | - | 1,312 | 546 | 464 | 684 | 3,006 |
| Ping An Property & Casualty | 285 | - | 278 | 267 | 222 | 1,052 |
| Retail Banking Business | 217 | 497 | - | 233 | 330 | 1,277 |
| Credit Card Business | 91 | 242 | 178 | - | 61 | 572 |
| Other Businesses | 16 | 33 | 21 | 13 | 3 | 86 |
| Total | 609 | 2,084 | 1,023 | 977 | 1,300 | 5,993 |

Note: Other Businesses include Ping An Securities, Ping An Trust and other subsidiaries which carry on traditional finance business.

The Company actively promoted the migration from internet finance users to core finance customers. In the first half of 2015, new customers who held traditional financial products, through migration from internet finance companies such as Wanlitong, Lufax, Ping An Pay, PA Haofang and PA Haoche, amounted to over 820 thousand.

CROSS-SELLING OF PERSONAL INTEGRATED FINANCE

Through years of cultivating and exploration, cross-selling of personal integrated finance has produced remarkable results and the synergy effects of integrated financial services are increasingly visible.

The following table sets out the Company's cross-selling performance of personal integrated finance in the first half of 2015:

New Business Acquired through Cross-selling

| For the six months ended June 30 (in RMB million) | 2015 | | 2014 | |
|---|---------------|--------------------------------------|--------|--------------------------------------|
| | Amount | Business contribution percentage (%) | Amount | Business contribution percentage (%) |
| Property and casualty insurance business | | | | |
| Premium income | 12,177 | 15.0 | 9,830 | 14.3 |
| Short-term group insurance business of Ping An Annuity | | | | |
| Sales volume | 2,545 | 41.2 | 1,931 | 38.6 |
| Trust business | | | | |
| Trust schemes | 67,055 | 30.8 | 95,593 | 26.9 |
| Banking business | | | | |
| Retail deposits (increase of average daily balance per year) | 11,586 | 32.1 | 7,714 | 27.8 |
| Credit cards (in ten thousand) | 91.8 | 33.8 | 96.8 | 38.0 |

COOPERATION OF GROUP INTEGRATED FINANCE

The Group continued to promote its group integrated finance. In line with the Group's strategic guideline in integrated finance, the subsidiaries cooperated closely, taking full advantage of the Group's integrated finance, providing integrated investment and financing services for enterprises across the country, which actively promoted the development of the regional real economy.

TECHNOLOGY-DRIVEN FINANCE

In the first half of 2015, Ping An continued to deepen IT reforms. In the traditional sectors, the Company provided daily IT services such as programing, system maintenance and office services, which helped in stable operations, fast service delivery, cost efficiency and enhancing customer experience, and strongly boosted the business development. In terms of innovation, Ping An emphasized on research and development of new techniques. Leveraging on the mobile internet, cloud computing and other new technologies, Ping An accelerated its customer migration and built up its core competitive advantages. Innovation is one of the key factors for Ping An to achieve success in integrated finance business.

The influence of mobile internet and cloud computing to financial services is increasingly obvious amid the rapid development of technology and the fast-changing market environment. For mobile internet, the "Magic Gate", which is a connection platform to the internet world, has already been embedded into the most popular APPs of Ping An with additional plug-ins. It covers daily living scenarios in terms of health, food, housing, transportation and entertainment. Over 14 million users have enjoyed one-stop services in a rich financial and daily living environment through the "Magic Gate". Ping An launched "Ping An WiFi", the first free WiFi APP in China, offering mobile internet users free Internet access with a better experience and convenience. For cloud computing, the Company strived to build its cloud platform. Through high-density virtual computing, infrastructure clouds reduced energy consumption and guaranteed sufficient resources, enabling the Company to possess continuous computing capabilities for better customer service, and to respond quickly to the requirements of the Group's Internet finance strategy.

In the future, the Company will continue to promote new technology research and external cooperation, and apply modern technology led by mobile internet and cloud computing into every process of business, so as to enhance customer experience, build up distinctive core competitiveness and support business development constantly.

Management Discussion and Analysis

Insurance Business

- The individual life insurance business and the number of sales agents both grew quickly, with a significant increase in agent productivity as compared with the same period last year.
- Premium income from the property and casualty insurance business increased by 18.5% as compared with the same period last year, and business quality and profitability remained sound.
- Assets under management of Ping An Annuity exceeded RMB230 billion. All businesses maintained their industry-leading positions.

LIFE INSURANCE BUSINESS

Business Overview

We conduct our life insurance business through Ping An Life, Ping An Annuity and Ping An Health.

The written premiums and the premium income of our life insurance business are as follows:

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|----------------|---------|
| Written premiums⁽¹⁾ | | |
| Ping An Life | 164,909 | 142,872 |
| Ping An Annuity | 7,548 | 5,183 |
| Ping An Health | 288 | 255 |
| Total written premiums | 172,745 | 148,310 |
| Premium income⁽²⁾ | | |
| Ping An Life | 123,056 | 105,313 |
| Ping An Annuity | 7,400 | 5,038 |
| Ping An Health | 235 | 192 |
| Total premium income | 130,691 | 110,543 |

(1) Written premiums mean all premiums received from the policies underwritten by the Company, which are prior to the significant insurance risk testing and separating of hybrid contracts.

(2) Premium income 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 separating of hybrid contracts.

In the first half of 2015, the central government continued its in-depth reform efforts and stuck to its doctrine of "Growth through Stability". As a result, economic growth was maintained within a reasonable range, accompanied by improved quality and efficiency of economic development and a higher standard of living for the masses. The life insurance industry recorded a faster pace of growth with steady growth in total premiums. Based on the principles of risk prevention and compliance, the Company steadily developed its individual life business with high profitability, diversified its product lines and optimized its product structure. It advocated the protection function of insurance, promoted the sales of product portfolios, and focused on building up a large-scale and efficient sales network. As a result, it achieved steady and valuable business growth and its market competitiveness increased as the year progressed.

In the first half of 2015, life insurance business achieved written premiums of RMB172,745 million, up by 16.5% over the same period last year. The value of new business of life insurance in the first half of the year increased by 44.3% over the same period last year. Written premiums of individual life insurance business amounted to RMB155,128 million, up by 18.1% over the same period last year, of which written premiums of new business reached RMB48,200 million, up by 54.2% over the same period last year.

Ping An Life

With a national service network comprising 41 branches (including 6 telephone sales centers) and over 2,900 business outlets, Ping An Life offers life insurance products to individual customers and corporate clients.

The premiums income and the market share of Ping An Life are as follows:

| For the six months ended June 30 | 2015 | 2014 |
|-------------------------------------|----------------|---------|
| Premium income (in RMB million) | 123,056 | 105,313 |
| Market share (%) | 13.0 | 13.7 |

Of the total premium income generated by all life insurance companies in China in the first half of 2015, Ping An Life took up a market share of 13.0%, 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.

Summary of operating data

| | June 30, 2015 | December 31, 2014 |
|--|------------------|----------------------|
| Number of customers (in thousands) | | |
| Individual | 65,132 | 62,108 |
| Corporate | 1,199 | 1,127 |
| Total | 66,331 | 63,235 |
| Distribution network | | |
| Number of individual life insurance sales agents | 797,870 | 635,551 |
| Number of group sales representatives | 4,161 | 3,913 |
| Bancassurance outlets | 69,166 | 68,455 |

For the six months ended June 30

| | 2015 | 2014 |
|--|---------------|-------|
| Agent productivity | | |
| First-year written premiums per agent per month (in RMB) | 10,026 | 8,110 |
| New individual life insurance policies per agent per month | 1.2 | 1.1 |
| Persistency ratio (%) | | |
| 13-month | 92.3 | 92.3 |
| 25-month | 88.1 | 88.9 |

The life insurance products of Ping An Life are primarily distributed through a network that includes approximately 798 thousand individual sales agents, 4,161 group insurance sales representatives, and over 69 thousand commercial bank outlets that have made bancassurance arrangements with Ping An Life.

Management Discussion and Analysis

Insurance Business

Ping An Life placed value-focused operations at the core of its business. In particular, it focused on teamwork as the foundation, benevolence as the root, and customer experience and innovation as the driving forces. We promoted the synergistic development of multiple channels such as individual sales agents, bancassurance outlets, telemarketing and internet marketing, striving to achieve the sustainable, healthy and stable development of the business's embedded value and scale. The individual life insurance business strengthened its agencies' team management and built a solid foundation as a result. The number of Ping An Life agents rose by 25.5% from the beginning of the year to approximately 798 thousand, reaching a record high. Agent productivity per capita surged compared with the same period last year. First-year written premiums per agent per month rose by 23.6% over the same period last year to RMB10,026, with new individual life insurance policies per agent per month rising to 1.2. In response to market competition, and to meet channel demands, the bancassurance business adopted an operating model focusing on both value and scale, actively enhanced the internal and external channel development, and optimised the business structure to achieve steady growth in the value of new business. Further, building on the balanced development of existing channels, Ping An Life strove to develop new channels such as telemarketing and internet marketing. Written premiums of telemarketing sales reached RMB6,106 million in the first half of 2015, up by 42.8% over the same period last year. It continued to maintain a high growth rate and gradually raised its market share, which enabled Ping An Life to maintain the first position in the telemarket.

To deliver the best customer experience, Ping An Life focused on customers and used internet technology innovation to integrate both online and offline channels to provide services demonstrating its care for customers. With a wide range of accessible service channels, it continued to upgrade its fundamental services and built a product mix featuring health management, with a view to enhancing the "simple, convenient, friendly and safe" customer experience. It also put in more effort in the operations of the protective insurance market. Through product upgrades, it boosted its market competitiveness to better meet customers' needs. At the same time, Ping An Life launched the new App platform and planned for an online product operating model to gradually build an O2O product operating model. As at June 30, 2015, Ping An Life had approximately 65.13 million individual customers and 1.2 million corporate customers. For our individual life insurance customers, we managed to maintain the 13-month and 25-month persistency ratio at a high level of 92.3% and 88.1%, respectively.

Integrating the concept of "Internet Plus", Ping An Life launched the "Ping An Life App" as a bridge to customers, and continued to expand the functions to build affinity with customers and sales agents. The App functions include customer policy management, online event participation, insurance and wealth management product purchase, as well as online doctor consultation. Since its launch last year, Ping An Life App had built up a registered user base of 15 million with an activity rate of 28.3%. As the first company to launch its health management platform in the industry, Ping An Life offers one-stop and unique health management services ranging from family doctor consultation, health habits, health assessment and health profile in an attempt to create a brand-new one-on-one health service experience for customers. During the launch period from April 2015 to the end of June 2015, we had 3.38 million users of health management services, 1.88 million users with designated family doctors and 540 thousand users of medical consultation services with a satisfaction rate of 98%.

With its efficient operating service platform, Ping An Life strove to provide accurate services to customers and actively honored its service commitment. It focused on operating flexibility to improve service quality and gradually enhanced customer satisfaction. In the first half of 2015, 940 thousand claims were settled and approximately RMB6 billion were given to 900 thousand customers. It achieved a fulfilment rate of 94% for “settlement within 48 hours for standard cases with full documentation” and provided house call claim service for 810 thousand customers. It also introduced priority claims for serious illnesses, pre-claim services for special cases and advance claim payment. As for the counter channel, 60 thousand customers enjoyed the “No Waiting” appointment service. Ping An Life was the first among its peers to introduce the “Premium Store”. As for value-added services, it optimized the high-end customer service projects and procedures and enhanced its brand during the period of Customer Service Festival. Through the Ping An Life App, it endeavored to create an online interactive eco-circle. We had 7.21 million participants in various services, up by 4.8 times over the same period of the previous year, with a customer satisfaction of 96%.

Ping An Annuity

Ping An Annuity was set up on December 13, 2004 and is the first professional annuity company in China. Its business scope includes pension insurance, health insurance, accident insurance, insurance fund investment management, annuity, asset management products for pension and entrusted pension management, with business outlets throughout the country.

Ping An Annuity recorded a net profit of RMB975 million in the first half of 2015, up by 79.2% as compared with the same period last year. Long-term and short-term insurance business reached RMB3,584 million and RMB7,574 million, respectively, whose market shares maintained leading positions in the industry. As at June 30, 2015, corporate annuity entrusted assets reached RMB114,074 million, corporate annuity assets under investment management amounted to RMB122,741 million, and other entrusted management business assets was RMB20,042 million. These three figures above firmly cemented Ping An Annuity’s leading position amongst domestic professional annuity companies.

Ping An Health

In the first half of 2015, Ping An Health achieved stable growth in its business with an increase of 22.4% in premium income over the same period last period. While maintaining a leading position in the high-end medical market, Ping An Health endeavored to promote product and service innovation and launched mid-end group medical insurance. It took the lead to include appointment service for family doctors and renowned doctors for health management services under the insurance coverage, which strengthened the integration of health insurance and health management. Through improving its operating services and customer satisfaction, Ping An Health continued to expand its operational strengths in the mid-to-high-end medical market.

Management Discussion and Analysis

Insurance Business

Financial Analysis

Other than those specified, the financial data in this section include that of Ping An Life, Ping An Annuity and Ping An Health.

Results of operation

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|---|------------------|-----------|
| Written premiums | 172,745 | 148,310 |
| Less: Written premiums on products not passing significant insurance risk testing | (1,480) | (1,576) |
| Less: Premium deposits for universal life products and investment linked products | (40,574) | (36,191) |
| Premium income | 130,691 | 110,543 |
| Net earned premiums | 127,632 | 107,531 |
| Investment income | 70,801 | 19,437 |
| Other income | 4,422 | 3,652 |
| Total income | 202,855 | 130,620 |
| Claims and policyholders' benefits | (134,981) | (93,794) |
| Commission expenses of insurance operations | (18,377) | (11,471) |
| Foreign currency exchange gains or losses | (109) | 35 |
| General and administrative expenses | (15,557) | (9,832) |
| Finance cost | (864) | (723) |
| Other expenses | (5,159) | (4,092) |
| Total expenses | (175,047) | (119,877) |
| Income tax | (12,318) | (1,447) |
| Net profit | 15,490 | 9,296 |

Jointly affected by the factors including rapid business growth and substantial increase in investment income, life insurance business recorded a net profit of RMB15,490 million in the first half of 2015, representing an increase of 66.6% from RMB9,296 million over the same period in 2014.

Written premiums and premium income

The following is the breakdown of written premiums and premium income for our life insurance business by distribution channel:

| For the six months ended June 30 (in RMB million) | Written premiums | | Premium income | |
|--|------------------|---------|----------------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| Individual life | | | | |
| New business | | | | |
| First-year regular premiums | 46,174 | 29,740 | 39,186 | 25,798 |
| First-year single premiums | 1,021 | 348 | 95 | 84 |
| Short-term accident and health premiums | 1,005 | 1,168 | 1,512 | 1,625 |
| Total new business | 48,200 | 31,256 | 40,793 | 27,507 |
| Renewal business | 106,928 | 100,134 | 73,197 | 67,120 |
| Total individual life | 155,128 | 131,390 | 113,990 | 94,627 |
| Bancassurance | | | | |
| New business | | | | |
| First-year regular premiums | 791 | 906 | 782 | 903 |
| First-year single premiums | 5,253 | 6,411 | 5,273 | 6,434 |
| Short-term accident and health premiums | 2 | 2 | 2 | 2 |
| Total new business | 6,046 | 7,319 | 6,057 | 7,339 |
| Renewal business | 2,991 | 3,108 | 2,949 | 3,067 |
| Total bancassurance | 9,037 | 10,427 | 9,006 | 10,406 |
| Group insurance | | | | |
| New business | | | | |
| First-year regular premiums | 17 | 13 | - | - |
| First-year single premiums | 928 | 1,212 | 95 | 291 |
| Short-term accident and health premiums | 7,614 | 5,229 | 7,592 | 5,209 |
| Total new business | 8,559 | 6,454 | 7,687 | 5,500 |
| Renewal business | 21 | 39 | 8 | 10 |
| Total group insurance | 8,580 | 6,493 | 7,695 | 5,510 |
| Total | 172,745 | 148,310 | 130,691 | 110,543 |

Individual life insurance. Written premiums for our individual life insurance business increased by 18.1% to RMB155,128 million in the first half of 2015 from RMB131,390 million in the same period in 2014. There was a 54.2% increase in written premiums of new business for individual life insurance to RMB48,200 million in the first half of 2015 from RMB31,256 million in the same period in 2014, mainly due to the increase in the number of individual life insurance sales agents and rise in productivity per capita. Meanwhile, the persistency ratios kept high levels. As a result, the renewal written premiums for our individual life insurance business increased by 6.8% to RMB106,928 million in the first half of 2015 from RMB100,134 million in the same period in 2014.

Bancassurance. Written premiums for our bancassurance business decreased by 13.3% to RMB9,037 million in the first half of 2015 from RMB10,427 million in the same period in 2014. In response to the market environment, Ping An Life adhered to the core of value and enhanced the business structure of its bancassurance business by gradually increasing the proportion of high-value regular premium products.

Group insurance. Written premiums for our group insurance business increased by 32.1% to RMB8,580 million in the first half of 2015 from RMB6,493 million in the same period in 2014. This increase was primarily because the Company strengthened product innovation and focused on the development of multiple sales channels. The Company continued to reinforce direct selling and cross-selling, while launching internet sales channel. Written premiums for our short-term group accident and health insurance increased by 45.6% to RMB7,614 million in the first half of 2015 from RMB5,229 million in the same period in 2014.

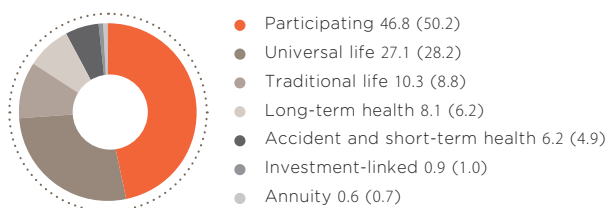
The following is the breakdown of written premiums for our life insurance business by product type:

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|----------------|---------|
| Participating | 80,909 | 74,465 |
| Universal life | 46,753 | 41,744 |
| Traditional life | 17,820 | 13,060 |
| Long-term health | 13,903 | 9,205 |
| Accident and short-term health | 10,771 | 7,327 |
| Investment-linked | 1,495 | 1,472 |
| Annuity | 1,094 | 1,037 |
| Total written premiums for life insurance business | 172,745 | 148,310 |

The Company continued to reinforce the sales of products with insurance protection function and high coverage features as well as to optimize product structure. The portion of sales contribution from products with insurance protection function continued to increase.

Written premiums by product type

(%)
2015 (2014)



Management Discussion and Analysis

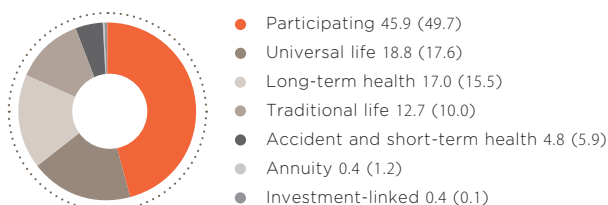
Insurance Business

The following is the breakdown of first-year written premiums for our individual life insurance business by product type:

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|---------------|--------|
| Participating | 22,143 | 15,537 |
| Universal life | 9,040 | 5,509 |
| Long-term health | 8,182 | 4,854 |
| Traditional life | 6,135 | 3,111 |
| Accident and short-term health | 2,337 | 1,837 |
| Annuity | 191 | 386 |
| Investment-linked | 172 | 22 |
| Total first-year written premiums for individual life insurance business | 48,200 | 31,256 |

First-year written premiums for individual life insurance business by product type

(%)
2015 (2014)

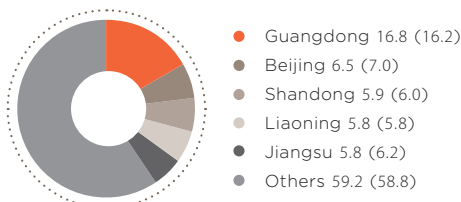


The following is the breakdown of written premiums for our life insurance business by region:

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|----------------|---------|
| Guangdong | 29,077 | 24,078 |
| Beijing | 11,185 | 10,367 |
| Shandong | 10,184 | 8,961 |
| Liaoning | 10,065 | 8,655 |
| Jiangsu | 10,036 | 9,188 |
| Subtotal | 70,547 | 61,249 |
| Total written premiums | 172,745 | 148,310 |

Written premiums by region

(%)
2015 (2014)



Total investment income

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|----------------|---------|
| Net investment income ⁽¹⁾ | 34,780 | 27,709 |
| Net realized and unrealized gains ⁽²⁾ | 37,900 | (874) |
| Impairment losses | (2,094) | (7,603) |
| Total investment income | 70,586 | 19,232 |
| Net investment yield (%) ⁽³⁾ | 5.1 | 5.0 |
| Total investment yield (%) ⁽³⁾ | 7.9 | 4.2 |

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

(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 or 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 the Modified Dietz method in principle.

Net investment income for our life insurance business increased by 25.5% to RMB34,780 million in the first half of 2015 from RMB27,709 million in the same period in 2014. This was primarily due to the increase of interest income from fixed maturity investments and the increase of dividend income from equity investments. Net investment yield rose to 5.1% in the first half of 2015 from 5.0% in the same period in 2014. The main reason was that the Company optimized the allocation of investment portfolio, equity asset was dynamically allocated and the dividend yield of equity investment rose.

Benefitting from the excellent performance of the domestic capital market, net realized and unrealized investment gains increased from a loss of RMB874 million in the first half of 2014 to a profit of RMB37,900 million in the same period in 2015.

Due to the combination of the above factors, total investment income for life insurance business increased largely to RMB70,586 million in the first half of 2015 from RMB19,232 million in the same period in 2014, and total investment yield was substantially increased to 7.9% from 4.2%.

Claims and policyholders' benefits

For the six months ended
June 30 (in RMB million)

| | 2015 | 2014 |
|---|----------------|--------|
| Surrenders | 11,173 | 5,053 |
| Claims | 7,550 | 5,124 |
| Annuities | 2,728 | 2,583 |
| Maturities and survival benefits | 10,836 | 10,737 |
| Policyholder dividends | 4,776 | 3,361 |
| Interest credited to policyholder contract deposits | 14,004 | 6,359 |
| Net increase in policyholders' reserves | 83,914 | 60,577 |
| Total claims and policyholders' benefits | 134,981 | 93,794 |

Payments for surrenders were largely increased to RMB11,173 million in the first half of 2015 from RMB5,053 million in the same period in 2014. This was primarily due to the rise in payments for surrenders of high cash value products and certain participating products, in view of the market environment and our larger business scale.

Payments for claims rose by 47.3% to RMB7,550 million in the first half of 2015 from RMB5,124 million in the same period in 2014. This was primarily due to the continuous growth in our accident and health insurance business.

Payments for policyholder dividends increased by 42.1% to RMB4,776 million in the first half of 2015 from RMB3,361 million in the same period in 2014. This was primarily attributable to the growth of the scale of participating insurance and the higher dividend yield of participating insurance policies compared with the same period last year.

Payments for interest credited to policyholder contract deposits increased largely to RMB14,004 million in the first half of 2015 from RMB6,359 million in the same period in 2014. This was primarily due to the increase in interest payments resulting from the growth in our universal life products.

Net increase in policyholders' reserves increased by 38.5% to RMB83,914 million in the first half of 2015 from RMB60,577 million in the same period in 2014. This was mainly due to a combination of factors such as growth of business scale, restructuring of business and changes in assumptions of the yield curve for the measurement of insurance contract liabilities.

Commission expenses of insurance operations

For the six months ended
June 30 (in RMB million)

| | 2015 | 2014 |
|--|---------------|--------|
| Health insurance | 4,508 | 2,321 |
| Accident insurance | 1,772 | 1,024 |
| Life insurance and others | 12,097 | 8,126 |
| Total commission expenses of insurance operations | 18,377 | 11,471 |

Commission expenses of insurance operations which are mainly paid to our sales agents increased by 60.2% to RMB18,377 million in the first half of 2015 from RMB11,471 million in the same period in 2014. This was primarily due to the growth of premiums and the adjustment of product structure.

Management Discussion and Analysis

Insurance Business

General and administrative expenses

General and administrative expenses increased by 58.2% to RMB15,557 million in the first half of 2015 from RMB9,832 million in the same period in 2014. This increase was primarily due to the growth of the business scale and the increase in fixed operating costs such as labour costs and office expenses.

Income tax

Income tax increased significantly, primarily due to an increase in taxable profit as compared with the same period last year and the change of deferred tax assets.

PROPERTY AND CASUALTY INSURANCE BUSINESS

Business Overview

The Company conducts property and casualty insurance business mainly through Ping An Property & Casualty, while Ping An Hong Kong also offers this insurance service in the Hong Kong market. As at June 30, 2015, Ping An Property & Casualty had a registered capital of RMB21 billion, which was sufficient. Ping An Property & Casualty laid a strong foundation for its steady and sustainable development by enhancing its operational and management capabilities, as well as service levels.

In the first half of 2015, the property and casualty insurance industry maintained a fast pace of growth. Automobile insurance is still the mainstay of the property and casualty insurance business. The promulgation of the new “Ten National Rules” created favorable external conditions to boost the mid-to-long-term rapid growth of the industry. Reforms for commercial automobile insurance rates and the emergence of internet insurance brought new growth opportunities to the industry, while also tested the entire industry’s operations and service capabilities.

Ping An Property & Casualty has long adopted the customer-centric approach by taking customer experience as the cornerstone of operation. Taking a bold approach towards innovation and reform, it endeavors to build its brand as the “choice of users for best experience” by offering a full range of personalized insurance products and services to customers. Ping An Property & Casualty continued to regard risk filtering as the foundation of its operations, enhanced its capabilities in risk filtering, optimized its cost structure and improved its resources utilization efficiency. As its business grew steadily, it also gained a strong market reputation by providing customers with quality services, and raised its level of service for six consecutive years. Apart from screening big data for customers’ needs, it took the lead to introduce a series of measures including real-time payment of compensation, easy claim settlement without survey, and claim service via Wechat. By fully implementing the “online+offline” claim service model, it offered customers the most convenient, transparent, dedicated and secure claim service.

In the first half of 2015, the premium income of Ping An Property & Casualty was RMB81,443 million, up by 18.5% over the same period last year, among which premium income from cross-selling, telemarketing and internet marketing reached RMB35,402 million, up by 22.8% over the same period last year, with the percentage of contribution via this channel increased to 43.5%. Premium income from car dealers reached RMB15,680 million, up by 14.3% over the same period last year. According to China’s insurance industry statistics published by the CIRC, the premium income of Ping An Property & Casualty accounted for approximately 19.1% of total premium income for Chinese property and casualty insurance companies. Ping An Property & Casualty is the second-largest property insurance company in China in terms of premium income.

Market share

The premium income and market share of Ping An Property & Casualty are as follows:

| For the six months ended June 30 | 2015 | 2014 |
|-------------------------------------|---------------|--------|
| Premium income (in RMB million) | 81,443 | 68,705 |
| Market share (%) ⁽¹⁾ | 19.1 | 18.0 |

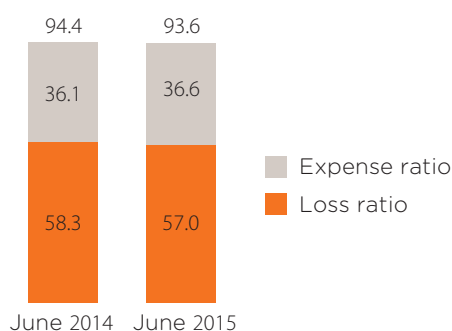
(1) Calculated in accordance with the PRC insurance industry data published by the CIRC.

Combined ratio

In the first half of 2015, the property and casualty insurance market in China maintained its good order while competition intensified. Ping An Property & Casualty persisted with innovative developments and constantly enhanced professional technical standards, maintaining sound profitability. The combined ratio was 93.6%.

Combined ratio

(%)



Summary of operating data

| | June 30, 2015 | December 31, 2014 |
|---|------------------|----------------------|
| Number of customers (in thousands) | | |
| Individual | 35,078 | 31,787 |
| Corporate | 2,144 | 1,782 |
| Total | 37,222 | 33,569 |
| Distribution network | | |
| Number of direct sales representatives | 7,518 | 7,589 |
| Number of insurance agents ⁽¹⁾ | 56,092 | 49,616 |

(1) The number of insurance agents includes individual agents, professional agents and ancillary agents.

Ping An Property & Casualty distributes its products mainly through its network of 41 branches and over 2,200 sub-branches across China. Main distribution channels include in-house sales representatives, sales agents, insurance brokers, telemarketing and cross-selling.

Reinsurance arrangement

In the first half of 2015, Ping An Property & Casualty's outward reinsurance premiums amounted to RMB10,055 million in total, among which RMB6,473 million and RMB3,569 million were from the automobile and non-automobile insurance businesses, respectively, while RMB13 million came from the accident and health insurance division. Ping An Property & Casualty's gross inward reinsurance premiums amounted to RMB4.71 million, all of which were from the non-automobile insurance business.

Ping An Property & Casualty continued to be actively engaged in reinsurance arrangements that helped to enhance its underwriting capabilities, diversify its operational risks and ensure its long-term healthy and steady growth. It has endeavoured to widen the scope of collaboration by stepping up efforts to work with reinsurers to expand reinsurance channels. Ping An Property & Casualty has gained strong support from the world's major reinsurance markets including Europe, the United States, Bermuda and Asia and so on. Currently, it has established extensive and close partnerships with nearly 100 reinsurance companies and reinsurance brokers worldwide. Its major reinsurance partners include China Property & Casualty Reinsurance Company Ltd., Swiss Re, Munich Re and Hannover Re Group, etc.

Management Discussion and Analysis

Insurance Business

Financial Analysis

The financial data in this section include that of Ping An Property & Casualty together with Ping An Hong Kong.

Results of operation

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|---|-----------------|----------|
| Premium income | 81,584 | 68,852 |
| Net earned premiums | 64,230 | 51,833 |
| Reinsurance commission income | 3,444 | 3,870 |
| Investment income | 6,839 | 3,134 |
| Other income | 322 | 222 |
| Total income | 74,835 | 59,059 |
| Claim expenses | (36,607) | (30,215) |
| Commission expenses of insurance operations | (9,418) | (7,336) |
| Foreign currency gains or losses | (5) | 4 |
| General and administrative expenses | (17,672) | (15,258) |
| Including: investment-related general and administrative expenses | (154) | (33) |
| Finance costs | (16) | (82) |
| Other expenses | (103) | (83) |
| Total expenses | (63,821) | (52,970) |
| Income tax | (2,284) | (1,593) |
| Net profit | 8,730 | 4,496 |

Our property and casualty insurance business kept its stable growth, as it maintained business quality and seized opportunities on the capital markets, its net profit increased by 94.2% from RMB4,496 million in the first half of 2014 to RMB8,730 million in the same period in 2015.

Premium income

In the first half of 2015, all three principal lines of our property and casualty insurance business recorded steady growth.

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|---------------|--------|
| Automobile insurance | 61,944 | 52,142 |
| Non-automobile insurance | 17,667 | 15,051 |
| Accident and health insurance | 1,973 | 1,659 |
| Total premium income | 81,584 | 68,852 |

Premium income by product type



Automobile insurance. Premium income was RMB61,944 million in the first half of 2015, representing an increase of 18.8% from RMB52,142 million in the same period in 2014. The main reason is that, leveraging on the favourable market environment, Ping An Property & Casualty strengthened the business development, achieving rapid growth in premium income of automobile insurance from the cross-selling, telemarketing and car dealer channels.

Non-automobile insurance. Premium income was RMB17,667 million in the first half of 2015, representing an increase of 17.4% from RMB15,051 million in the same period in 2014. Of this amount, premium income of guarantee insurance was up by 31.3% to RMB8,900 million in the first half of 2015 from RMB6,778 million

in the same period in 2014. The main reason is that Ping An Property & Casualty implemented customer segmentation strategy in guarantee insurance business, and conducted product line enrichment, achieving rapid growth in premium income. Premium income of liability insurance was RMB2,129 million in the first half of 2015, representing an increase of 22.4% from RMB1,739 million in the same period in 2014.

Accident and health insurance. The business of accident and health insurance achieved stable growth. Its premium income was RMB1,973 million in the first half of 2015, representing an increase of 18.9% from RMB1,659 million in the same period in 2014.

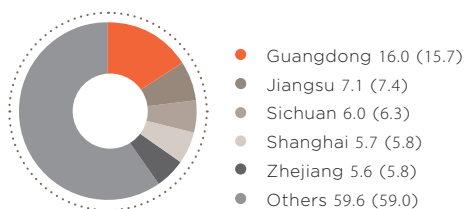
The following is the breakdown of premium income for our property and casualty insurance business by region:

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|---------------|--------|
| Guangdong | 13,045 | 10,822 |
| Jiangsu | 5,781 | 5,110 |
| Sichuan | 4,911 | 4,323 |
| Shanghai | 4,678 | 3,982 |
| Zhejiang | 4,572 | 3,966 |
| Subtotal | 32,987 | 28,203 |
| Total premium income | 81,584 | 68,852 |

Premium income by region

(%)

2015 (2014)



Total investment income

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|--------------|-------|
| Net investment income ⁽¹⁾ | 4,958 | 3,224 |
| Net realized and unrealized gains ⁽²⁾ | 1,835 | (85) |
| Impairment losses | - | (5) |
| Total investment income | 6,793 | 3,134 |
| Net investment yield (%) ⁽³⁾ | 5.9 | 5.4 |
| Total investment yield (%) ⁽³⁾ | 7.2 | 5.3 |

(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 or 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 the Modified Dietz method in principle.

Net investment income for our property and casualty insurance business increased by 53.8% to RMB4,958 million in the first half of 2015 from RMB3,224 million in the same period in 2014, mainly due to the growth of the interest income from fixed maturity investments and dividend income from equity investment. Net investment yield increased to 5.9% in the first half of 2015 from 5.4% in the same period in 2014. The main reason was that equity asset was dynamically allocated with the optimization of the allocation of investment portfolio and the dividend yield of equity investment rose.

Benefitting from the excellent performance of the capital market, net realized and unrealized investment gains increased from a loss of RMB85 million in the first half of 2014 to a profit of RMB1,835 million in the same period in 2015.

As a result, total investment income of property and casualty insurance business increased by 116.8% from RMB3,134 million in the first half of 2014 to RMB6,793 million in the same period in 2015, and its total investment yield increased to 7.2% in the first half of 2015 from 5.3% in the same period in 2014.

Management Discussion and Analysis

Insurance Business

Claims expenses

For the six months ended
June 30 (in RMB million)

| | 2015 | 2014 |
|-------------------------------|---------------|--------|
| Automobile insurance | 32,038 | 26,331 |
| Non-automobile insurance | 3,864 | 3,301 |
| Accident and health insurance | 705 | 583 |
| Total claims expenses | 36,607 | 30,215 |

Claims attributable to automobile insurance business increased by 21.7% to RMB32,038 million in the first half of 2015 from RMB26,331 million in the same period in 2014. This was primarily due to the growth in automobile insurance business.

Claims attributable to non-automobile insurance business increased by 17.1% to RMB3,864 million in the first half of 2015 from RMB3,301 million in the same period in 2014. This was primarily due to the growth in non-automobile insurance business.

Claims attributable to accident and health insurance business increased by 20.9% to RMB705 million in the first half of 2015 from RMB583 million in the same period in 2014. This was primarily due to the growth in premium income during the past twelve months.

Commission expenses of insurance operations

For the six months ended
June 30 (in RMB million)

| | 2015 | 2014 |
|---|--------------|-------|
| Automobile insurance | 6,580 | 4,935 |
| Non-automobile insurance | 2,477 | 2,087 |
| Accident and health insurance | 361 | 314 |
| Total commission expenses | 9,418 | 7,336 |
| Commission expenses as a percentage of premium income (%) | 11.5 | 10.7 |

Commission expenses of our property and casualty insurance business increased by 28.4% to RMB9,418 million in the first half of 2015 from RMB7,336 million in the same period in 2014. Commission expenses as a percentage of premium income was 11.5% in the first half of 2015, higher than the 10.7% in the same period in 2014. This was primarily due to the increase in premium income and more intensive market competition.

General and administrative expenses

General and administrative expenses increased by 15.8% to RMB17,672 million in the first half of 2015 from RMB15,258 million in the same period in 2014. This increase was primarily due to the growth in insurance business and the increasing inputs in customer services and strategic initiatives.

Income tax

Income tax was RMB2,284 million in the first half of 2015, 43.4% higher than the amount of RMB1,593 million for the same period of last year, which was mainly due to an increase in the taxable profits.

INVESTMENT PORTFOLIO OF INSURANCE FUNDS

Insurance is the core business of the Group, the insurance funds are formed by the funds from the Company and its subsidiaries engaged in the insurance business which is available for investment. 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. This section analyzes the investment portfolio of insurance funds.

In the first half of 2015, the global economic situation was relatively complex and regained its foothold in general. While the PRC economy grew within a reasonable range, the commodity index remained low with further progress in reforms taking place. As for the capital market, the equity market experienced a strong upside as a result of the expected boost from reforms and quantitative easing policies. The short-term yield of the bond market plunged while its long-term yield began to stabilize, reflecting a steep yield curve. While looking into the macroeconomic changes and policies, the Company steadily increased its high-yield fixed income investments, seized the upside potential of the equity market, and dynamically adjusted the allocation of equity assets to effectively boost investment income.

Investment Income

For the six months ended
June 30 (in RMB million)

| | 2015 | 2014 |
|--|----------------|---------|
| Net investment income ⁽¹⁾ | 40,622 | 31,894 |
| Net realized and unrealized gains ⁽²⁾ | 39,771 | (957) |
| Impairment losses | (2,094) | (7,608) |
| Total investment income | 78,299 | 23,329 |
| Net investment yield (%) ⁽³⁾ | 5.1 | 5.0 |
| Total investment yield (%) ⁽³⁾ | 7.7 | 4.3 |

(1) Net investment income includes interest income from deposits and bonds, 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 27.4% to RMB40,622 million in the first half of 2015 from RMB31,894 million in the same period in 2014, mainly due to the growth of the interest income from fixed maturity investments and dividend income from equity investment. Net investment yield increased to 5.1% in the first half of 2015 from 5.0% in the same period in 2014. This was mainly due to that the Company optimized the asset allocation, dynamically adjusted the allocation of equity assets and the dividend yield of equity investment rose.

Benefitting from the excellent performance of the capital market, net realized and unrealized investment gains increased from a loss of RMB957 million in the first half of 2014 to a profit of RMB39,771 million in the same period in 2015. Meanwhile, impairment losses of insurance funds portfolio were substantially decreased from RMB7,608 million in the first half of 2014 to RMB2,094 million in the same period in 2015.

As a result, total investment income for investment portfolio of insurance funds increased by 235.6% to RMB78,299 million in 2015 from RMB23,329 million in the same period in 2014, and total investment yield increased significantly to 7.7% from 4.3%.

Investment Portfolio

The Company has proactively optimized the asset allocation of the investment portfolio in order to respond effectively to the new economic environment. It dynamically allocated equity assets, the percentage of equity investments increased from 14.1% to 17.5%. The percentage of fixed income investments decreased from 79.7% as at December 31, 2014 to 77.1% as at June 30, 2015.

Management Discussion and Analysis

Insurance Business

The following table presents the Company's investment portfolio allocations of insurance funds:

| (in RMB million) | June 30, 2015 | | December 31, 2014 | |
|---|------------------|--------------|-------------------|--------------|
| | Carrying value | % | Carrying value | % |
| By category | | | | |
| Fixed income investments | | | | |
| Term deposits | 245,759 | 15.0 | 235,760 | 16.0 |
| Bond investments | 715,227 | 43.6 | 691,723 | 46.9 |
| Debt schemes investment | 121,995 | 7.4 | 117,683 | 8.0 |
| Wealth management products ⁽¹⁾ | 102,333 | 6.3 | 80,412 | 5.5 |
| Other fixed income investments ⁽²⁾ | 78,345 | 4.8 | 49,633 | 3.3 |
| Equity investments | | | | |
| Equity investment funds | 61,776 | 3.8 | 35,051 | 2.4 |
| Equity securities | 180,547 | 11.0 | 146,633 | 10.0 |
| Wealth management products ⁽¹⁾ | 36,566 | 2.2 | 16,860 | 1.1 |
| Other equity investments | 8,577 | 0.5 | 8,611 | 0.6 |
| Investment properties | 23,170 | 1.4 | 20,301 | 1.4 |
| Cash, cash equivalents and others | 64,920 | 4.0 | 71,431 | 4.8 |
| Total investments | 1,639,215 | 100.0 | 1,474,098 | 100.0 |
| By purpose | | | | |
| Carried at fair value | | | | |
| through profit or loss | 19,644 | 1.2 | 19,022 | 1.3 |
| Available-for-sale | 397,548 | 24.3 | 307,613 | 20.9 |
| Held-to-maturity | 584,699 | 35.7 | 574,193 | 38.9 |
| Loans and receivables | 605,578 | 36.9 | 544,358 | 36.9 |
| Others | 31,746 | 1.9 | 28,912 | 2.0 |
| Total investments | 1,639,215 | 100.0 | 1,474,098 | 100.0 |

(1) Wealth management products include trust schemes of trust companies, wealth management products of commercial banks, etc

(2) Other fixed income investments include assets purchased under agreements to resell, policy loans, statutory deposits for insurance operations, etc.

Investment portfolio

(%)

June 30, 2015 (December 31, 2014)



When formulating the strategic asset allocation of insurance funds, the Company has taken into account the asset and liability features based on its risk tolerance. The allocation proposal with the best risk-adjusted return is chosen to ensure that each account has the best strategic asset allocation. In addition, it will state the range of volatility according to the percentage of major asset allocation, and the asset allocation proposal based on a stress test must comply with the risk tolerance requirement of the Company. In the first half of 2015, the capital market became more volatile. Our insurance funds generated steady investment income under the comprehensive asset allocation and investment risk management

system. While risks were under control, the Company continued to actively promote its investments in financial products, preferred shares and overseas assets, to further diversify the investment portfolio of insurance funds and increase the stability of returns. Regarding the risk management of insurance funds investment, the Company actively implemented special risk management projects adhering to the rules set up by the China Risk Oriented Solvency System (“C-ROSS”), five-category asset classification and “two ways of strengthening and two ways of restraining”, thus further improved the quantitative risk management system of market risks and credit risks, and enhanced the timeliness and effectiveness of risk precaution and monitoring for insurance funds investment. At the same time, the Company established an investment risk management system that covers all assets across the Group and promoted the establishment of standardized internal credit rating instruments. In addition to optimizing the credit rating systems and counterparty management systems, the Company strengthened risk management procedures before, during and after investment to ensure the risk of insurance funds investment fell within the Company’s tolerance range, as well as to safeguard the safety and profitability of insurance funds.

Solvency Margin

The solvency margin ratio is a measurement of capital adequacy for insurance companies. It is calculated by dividing the actual capital by the statutory minimum capital.

The following table sets out the solvency margin ratios for Ping An Life and Ping An Property & Casualty:

| (in RMB million) | Ping An Life | | Ping An Property & Casualty | |
|---|----------------|-------------------|-----------------------------|-------------------|
| | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 |
| Actual capital | 118,284 | 107,231 | 31,485 | 30,243 |
| Minimum capital | 54,926 | 48,771 | 20,498 | 18,385 |
| Solvency margin ratio (regulatory requirement $\geq 100\%$) | 215.4% | 219.9% | 153.6% | 164.5% |

Ping An Life’s solvency margin ratio fell compared to the end of 2014, which was mainly due to dividend distribution and business development. The solvency margin ratio of Ping An Property & Casualty also declined compared to the end of 2014, this was mainly due to the redemption of RMB2,500 million subordinated bonds in 2015.

According to the “Measure of Management of Solvency on Insurance Companies” enforced by the CIRC, an insurance company is required to have a level of capital commensurate with its risk and business scale, to ensure that the solvency margin ratio is not less than 100%. As at June 30, 2015, the solvency margin ratios of Ping An Life and Ping An Property & Casualty were well above the regulatory requirements.

Management Discussion and Analysis

Banking Business

- Ping An Bank maintained the steady growth of its scale and profitability while accelerating its transformation and innovation.
- With the continuous optimization of the business structure, Ping An Bank's operational efficiency improved and the asset quality stayed at a manageable level.
- Outlets establishment of Ping An Bank was rapidly promoted, with the number of outlets increasing by 108 over the beginning of the year.

The Company runs its banking business through Ping An Bank, which is a national joint-stock commercial bank headquartered in Shenzhen and listed on Shenzhen Stock Exchange under the stock name "Ping An Bank" and stock code "000001". As at June 30, 2015, Ping An Bank had total assets of RMB2.57 trillion, and share capital of RMB14,309 million. It provides a broad range of financial services to corporate, retail, and government customers, through a network of 855 branches and sub-branches across the country.

In the first half of 2015, Chinese government kept the tone of improving with stability, and deepened the reforms in an all-round way with maintaining the continuity and stability of macro policies. The central bank continued to implement its prudent monetary policy, enriched the tools of regulation, optimized the portfolio of policies, to maintain the rational growth of the monetary credit. Meanwhile, the deposit insurance system was officially implemented, and the interest rate marketization was further accelerated. The increasingly stringent regulations, rapid development of private-owned banks and continuous expansion of internet finance brought more challenges to the banking industry.

Confronted with challenges, Ping An Bank adapted to market changes. It gradually developed the operating characteristics of "Specialization, Intensification, Integrated Finance, and Internet Finance", to achieve its strategic goal of becoming the "Best Bank" with its business focuses on corporate banking, retail banking, inter-bank business and investment banking and serve the real economy through professional operations. Ping An Bank adopted a differentiated asset-liability

operation model to grow its deposits and strengthen liquidity management. It accelerated business innovation and created distinctive brand by launching unique platforms and products such as "Orange-e-Platform" and "Hang-E-Tong". Meanwhile, Ping An Bank provided more specialized services to enhance the customer experience.

For the first half of 2015, Ping An Bank realized a net profit of RMB11,585 million, up by 15.0% over the same period last year. As at June 30, 2015, Ping An Bank had RMB1,655,112 million in customer deposits, up by 8.0% over the beginning of 2015, and RMB1,187,834 million in loans and advances to customers, up by 15.9% over the beginning of 2015. Ping An Bank achieved coordinated development for both its deposits and loans business, with a leading growth rate in the market.

Business structure was continuously optimized, while operating efficiency was improved. Ping An Bank continuously optimized its assets and liability structure, strictly controlled high-cost liabilities, enhanced its pricing management, and its net interest spread and net interest margin increased by 0.25 and 0.21 percentage points over the same period last year respectively. By raising its level of refined cost management capability to improve efficiency, the cost/income ratio of Ping An Bank achieved 32.22% in the first half of 2015, down by 5.37 percentage points compared with the same period in 2014. It realized RMB15,457 million in net non-interest income, up by 51.9% over the same period in 2014. The ratio of net non-interest income to operating income reached 33.19%, up by 5.45 percentage points over 2014, hit a historic high, and surpassed the industry average level.

Transformation and innovation were continuously promoted, and the development of incremental business accelerated. Ping An Bank continuously promoted transformation and innovation and accelerated to develop its businesses and platforms such as “Internet of Things Finance”, “Orange-e-Platform”, “Pocket Bank”, and “Hang-E-Tong”. Integrating the advantages of the Internet of Things and finance, “Internet of Things Finance” effectively solved the management problems in chattel financing business. The number of registered users of “Orange-e-Platform” exceeded 500 thousand. The online factoring service was launched on the “Orange-e-Financing” platform. Ping An “Pocket Bank” launched the first smart O2O platform – “Pocket Community” in the industry and promoted it in 10 pilot cities, and initiated whole process optimization of “Pocket Bank” with adding 48 new functions such as smart voice service and preferential policy adjustment. As at the end of June 2015, the total users of “Pocket Bank” reached 9.37 million, up by 73.6% over the beginning of the year. The total number of institutional clients and interbank clients cooperating with Ping An bank by “Hang-E-Tong” reached over 70 and over 400, respectively. The business department grew steadily with the improving “name-list-based” customer management, leveraging the advantage of integrated finance and supply chain finance to explore innovative business model.

Comprehensive risk management was implemented, and asset quality remained at a manageable level. Ping An Bank proactively tackled various challenges, implemented comprehensive risk management to support the real economy and adhered to the principle of “Risk Control at the Heart of Operation” to ensure stable operation. In the first half of 2015, due to external factors and continuous industry structural adjustments, Ping An Bank’s asset quality was affected. As at the end of June 2015, the non-performing loan was RMB15,729 million, up by 49.8% compared with the beginning of 2015. The non-performing loan ratio had increased to 1.32% by 0.30 percentage points from the beginning of 2015. The provision coverage ratio was 183.03%, down by 17.87 percentage points over the beginning of the year. Ping An Bank had adopted a series of measures to dissolve and dispose of non-performing assets. In the first half of 2015, Ping An Bank made a sound performance on recovery, with total recovered non-performing

assets of RMB3,174 million. Ping An Bank also increased its provisions and write-offs to raise its risk resistance capacity with a loan loss provision ratio of 2.42%, up by 0.36 percentage points from the beginning of 2015. Overall asset quality stayed at a manageable level. Ping An Bank will further strengthen its credit structure to avoid and resolve potential risks that may arise in connection with existing loans, exercise strict control over new non-performing loans, strengthen efforts to dispose of non-performing loans, and maintain relatively stable sound asset quality.

Capital strength was increased with outlets establishment expanding to create a strong foundation for its development. In the first half of 2015, Ping An Bank completed an ordinary shares private placement of about RMB10 billion to support its future business growth, and all the funds were used to supplement its capital base. The issuance of preferred shares has entered into the regulatory review and approval procedural stage. As at June 30, 2015, the capital adequacy ratio of Ping An Bank was 10.96%, with a Tier-1 capital adequacy ratio of 8.85%, and a core tier-1 capital adequacy ratio of 8.85%, in accordance with the “Capital Rules for Commercial Banks (Provisional)” enforced by the CBRC. All these ratios met the regulatory requirements. It continued to accelerate its network expansion and opened two Tier-1 branches in Taiyuan and Tianjing Free Trade Area. It also obtained independent licenses for its Credit Card Center and Treasury Operations Center, and opened 104 new sub-branches. Ping An Bank had a total of 855 outlets. It constantly raised its efficiency as it stepped up its network expansion.

RESULTS OF OPERATION

Pursuant to the accounting standards, the identifiable assets and liabilities acquired upon the merger with original SDB were to be recognised and measured at fair value on the date of merger. As a result, the figures of original SDB in the consolidated financial statements of the Group were the results of subsequent measurement on the basis of the fair value of its assets and liabilities on the date of merger. Therefore, there were differences between the data of the segment operating results of the Group’s banking business in the financial statements and those of the results of operations of Ping An Bank as disclosed in its interim report.

Management Discussion and Analysis

Banking Business

This section is the analysis about the operating result of Ping An Bank. The data came from its interim report of 2015.

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|-----------------|----------|
| Net interest income | 31,118 | 24,554 |
| Net fees and commission income | 13,722 | 7,771 |
| Investment income | 2,104 | 2,173 |
| Profit or loss through fair value change | 85 | 68 |
| Foreign exchange gains/(losses) | (515) | 80 |
| Income from other businesses | 61 | 87 |
| Total operating income | 46,575 | 34,733 |
| Business tax and surcharges | (3,380) | (2,681) |
| General and administrative expenses | (15,005) | (13,055) |
| Asset impairment losses | (12,923) | (5,652) |
| Total operating cost | (31,308) | (21,388) |
| Net non-operating income and expenses | (8) | (17) |
| Income tax | (3,674) | (3,256) |
| Net profit | 11,585 | 10,072 |

Ping An Bank steadily maintained its profitability. In the first half of 2015, it realized a net profit of RMB11,585 million, up by 15.0% compared with the same period last year.

NET INTEREST INCOME

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|---|------------------|-----------|
| Interest income | | |
| Due from the PBOC | 2,067 | 1,860 |
| Due from financial institutions | 6,311 | 11,090 |
| Loans and advances to customers | 42,127 | 33,000 |
| Interest income from investment | 15,136 | 10,827 |
| Others | 223 | 173 |
| Total interest income | 65,864 | 56,950 |
| Interest expenses | | |
| Due to the PBOC | (26) | (18) |
| Due to financial institutions | (10,701) | (15,125) |
| Customer deposits | (21,940) | (16,706) |
| Bonds payable | (2,079) | (547) |
| Total interest expenses | (34,746) | (32,396) |
| Net interest income | 31,118 | 24,554 |
| Average balance of interest-earning assets | 2,319,291 | 1,984,241 |
| Average balance of interest-bearing liabilities | 2,214,600 | 1,885,375 |
| Net interest spread (%) ⁽¹⁾ | 2.57 | 2.32 |
| Net interest margin (%) ⁽²⁾ | 2.71 | 2.50 |

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

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

Net interest income increased by 26.7% to RMB31,118 million for the six months ended June 30, 2015 from RMB24,554 million for the same period in 2014, mainly due to the expanded scale of interest-earning assets, improved business structure and enhanced pricing capability.

Both net interest spread and net interest margin increased compared with last year, due to the continuous efforts in adjustment of the asset and liability structure and risk pricing management, and the improvement of assets utilization.

NET FEES AND COMMISSION INCOMEFor the six months ended
June 30 (in RMB million)

| | 2015 | 2014 |
|---|----------------|---------|
| Fees and commission income | | |
| Settlement fees income | 1,045 | 828 |
| Wealth management fees income | 1,584 | 820 |
| Agency commissions | 2,409 | 1,220 |
| Bank card fees income | 4,030 | 3,096 |
| Consultancy fees income | 3,676 | 1,699 |
| Account management fees income | 78 | 116 |
| Asset custodian fees income | 1,519 | 590 |
| Others | 620 | 572 |
| Total fees and commission income | 14,961 | 8,941 |
| Fees and commission expenses | | |
| Agency expense | (468) | (190) |
| Bank card fees expenses | (661) | (923) |
| Others | (110) | (57) |
| Total fees and commission expenses | (1,239) | (1,170) |
| Net fees and commission income | 13,722 | 7,771 |

Benefitting from the significantly increased intermediary income arising from the rapid growth of investment banking and depository business, as well as the excellent performance of the wealth management business, settlement business and credit card business, net fees and commission income rose by 76.6% to RMB13,722 million in the first half of 2015, from RMB7,771 million in the same period in 2014.

GENERAL AND ADMINISTRATIVE EXPENSESFor the six months ended
June 30 (in RMB million)

| | 2015 | 2014 |
|--|---------------|--------|
| General and administrative expenses | 15,005 | 13,055 |
| Cost/income ratio⁽¹⁾ | 32.22 | 37.59 |

(1) Cost/income ratio refers to general and administrative expenses divided by operating income.

General and administrative expenses rose by 14.9% to RMB15,005 million in the first half of 2015 from RMB13,055 million for the same period in 2014, which was mainly due to the increasing input in outlets, expansion of business, as well as continued investment in the optimization of management workflow and the IT system. Cost/income ratio decreased by 5.37 percentage points to 32.22% for the first half of 2015 from 37.59% for the same period last year.

ASSET IMPAIRMENT LOSSES

Asset impairment losses rose 128.6% from RMB5,652 million for the first half of 2014 to RMB12,923 million for the same period in 2015, mainly because Ping An Bank increased the loan loss provisions.

Management Discussion and Analysis

Banking Business

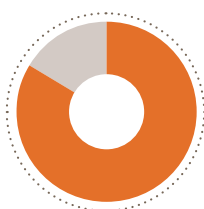
DEPOSIT

| (in RMB million) | June 30, 2015 | December 31, 2014 |
|--------------------|------------------|-------------------|
| Corporate deposits | 1,384,798 | 1,280,430 |
| Retail deposits | 270,314 | 252,753 |
| Total deposits | 1,655,112 | 1,533,183 |

Deposit

(%)

June 30, 2015 (December 31, 2014)



- Corporate deposits 83.7 (83.5)
- Retail deposits 16.3 (16.5)

The total deposits increased by 8.0% to RMB1,655,112 million as at June 30, 2015 from RMB1,533,183 million as at December 31, 2014. Both types of deposits maintained stable growth.

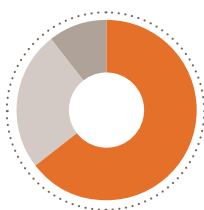
LOANS AND ADVANCES

| (in RMB million) | June 30, 2015 | December 31, 2014 |
|-------------------------------------|------------------|-------------------|
| Corporate loans | 768,570 | 639,739 |
| Retail loans | 295,014 | 282,096 |
| Accounts receivable on credit cards | 124,250 | 102,899 |
| Total loans and advances | 1,187,834 | 1,024,734 |

Loans and advances

(%)

June 30, 2015 (December 31, 2014)



- Corporate loans 64.7 (62.4)
- Retail loans 24.8 (27.5)
- Accounts receivable on credit cards 10.5 (10.1)

Total loans increased by 15.9% to RMB1,187,834 million as at June 30, 2015 from RMB1,024,734 million as at December 31, 2014.

LOAN QUALITY

| (in RMB million) | June 30, 2015 | December 31, 2014 |
|-------------------------------|------------------|-------------------|
| Pass | 1,119,173 | 977,284 |
| Special mention | 52,932 | 36,949 |
| Sub-standard | 6,444 | 4,374 |
| Doubtful | 3,789 | 2,146 |
| Loss | 5,496 | 3,981 |
| Total loans | 1,187,834 | 1,024,734 |
| Total non-performing loans | 15,729 | 10,501 |
| Non-performing loan ratio (%) | 1.32 | 1.02 |
| Impairment provision balance | (28,789) | (21,097) |
| Loan loss provision ratio (%) | 2.42 | 2.06 |
| Provision coverage ratio (%) | 183.03 | 200.90 |

As at June 30, 2015, the carrying amount of non-performing loans was RMB15,729 million, up by RMB5,228 million; the non-performing loan ratio was 1.32%, up by 0.3 percentage point from the beginning of the year; the loan loss provision ratio was 2.42%, up by 0.36 percentage point from the beginning of the year; the provision coverage ratio was 183.03%, decreased by 17.87 percentage points from the beginning of the year.

Loan quality by region

| (in RMB million) | June 30, 2015 | | December 31, 2014 | |
|------------------|------------------|---------------------------|-------------------|---------------------------|
| | Balances | Non-performing loan ratio | Balances | Non-performing loan ratio |
| East | 357,478 | 1.20 | 312,713 | 1.10 |
| South | 264,280 | 0.97 | 250,483 | 0.58 |
| West | 157,383 | 0.99 | 123,455 | 0.48 |
| North | 225,576 | 1.11 | 184,213 | 0.57 |
| Headquarter | 183,117 | 2.63 | 153,870 | 2.59 |
| Total | 1,187,834 | 1.32 | 1,024,734 | 1.02 |

In the first half of 2015, affected by the external environment and continuous industry structural adjustments, some companies experienced difficulties in operations, shortage of funds and insolvency, which affected the asset quality of Ping An Bank to a certain extent. Ping An Bank has adopted a series of measures to dissolve and dispose of non-performing assets, as well as increased provisions and write-offs to resist the worsen of asset quality. It will also further strengthen the credit structure to avoid and resolve potential risks that may arise in connection with existing loans, exercise strict control over new non-performing loans, strengthen efforts to dispose of non-performing loans and maintain relatively stable asset quality.

CAPITAL ADEQUACY RATIO

Calculated under the “Capital Rules for Commercial Banks (Provisional)” enforced by the CBRC:

| (in RMB million) | June 30, 2015 | December 31, 2014 |
|---|---------------|-------------------|
| Net core tier 1 capital | 139,365 | 119,241 |
| Net tier 1 capital | 139,365 | 119,241 |
| Net capital | 172,541 | 149,951 |
| Total risk weighted assets | 1,574,128 | 1,380,432 |
| Core tier 1 capital adequacy ratio (regulatory requirement $\geq 7.5\%$) | 8.85 | 8.64 |
| Tier 1 capital adequacy ratio (regulatory requirement $\geq 8.5\%$) | 8.85 | 8.64 |
| Capital adequacy ratio (regulatory requirement $\geq 10.5\%$) | 10.96 | 10.86 |

Note: Capital requirement in regard to credit risk, market risk and operation risk was measured in weighted method, standard method and basic index method respectively.

As at June 30, 2015, calculated under the “Capital Rules for Commercial Banks (Provisional)” enforced by the CBRC, capital adequacy ratio of Ping An Bank was 10.96%, with both tier 1 capital adequacy ratio and core tier 1 capital adequacy ratio of 8.85%, all of which were in compliance with the regulatory requirements.

Management Discussion and Analysis

Investment Business

- Ping An Trust maintained a stable and health growth and actively promoted restructuring and transformation of business mode.
- Ping An Securities' net profit reached a record high in the first half of 2015, which saw significant results in the Company's strategic transformation.
- The third-party asset management business of Ping An Asset Management grew rapidly.

TRUST BUSINESS

Through Ping An Trust, the Company provides the whole-process all-dimensional and whole-lifecycle financial services to high net worth individuals, institutional customers, fellow customers and Ping An's subsidiaries. As at June 30, 2015, Ping An Trust had the registered capital of RMB6,988 million.

In the first half of 2015, global economic growth was uneven while the gap in rates of recovery widened across various economies. Currently, China's economy will continue its slow and steady growth trend. However, facing a weak real economy and more challenges in non-capital market investments, the trust business will be affected to a certain extent. With the slowing industry growth, emerging risks associated with the trust business, intensifying competition in the asset management market and the phasing out of traditional operating models, the trust business will face tremendous challenges in the course of its development and transformation.

To actively counter the market challenges, Ping An Trust kicked off its transformation in the first half of 2015 towards the strategic objective of building itself into "China's largest trust company". To achieve this, it has established four major core business segments, namely "private wealth management business", "private

equity investment banking and institutional asset management business", "interbank business" and "private equity investment business". Leveraging on Ping An Group's integrated financial strategies, Ping An trust fully capitalized on the strengths of resources acquisition, asset management, investment consulting and risk management, with a view to providing whole-lifecycle, whole-process and all-dimensional financial solutions to institutional and individual customers.

As for our private wealth management business, Ping An Trust targets at high net-worth customers and offers a full range of financial products and services including wealth management, trust products and even personalized wealth management solutions comprising family trusts. In terms of private equity investment banking and institutional asset management business, Ping An Trust focuses on corporate customers with "high quality assets, high quality projects and high quality credibility". It offers customers comprehensive financial solutions including loans, private equity financing, Merger & Acquisition (M&A), IPO and New Third Board, directional add-issuance and refinancing, asset securitization and wealth management investments. In terms of interbank, Ping An Trust offers a variety of products and services that meet the differentiated needs of the

other banks and financial institutions, namely the three major services including interbank asset management, asset securitization and trade finance. In terms of private equity investment business, Ping An Trust actively seizes opportunities arising from the structural adjustment of China's economy, industry upgrading and the reform of mixed ownership of state-owned enterprises and focuses on potential sectors under Ping An Group's eco-circle to conduct its private equity investment business. In terms of innovation in service channels, with the promotion of Ping An's "Caifubao" App, the App channel has gradually become one of the key customer service channels. The six major e-service channels including website, telephone, messaging, email, Wechat and App has been formed, providing 24-hour multi-channel professional services to customers. While strengthening the traditional service platforms, Ping An Trust also introduced new technologies and functions such as video verification and mobile terminal service platform, building the "air service team" to achieve diversification, differentiation and efficiency of customer services.

While advancing its transformation, our trust business maintained steady business growth. In the first half of 2015, the trust business recorded trust product management fee income of RMB1,986 million, up by 24.6% over the same period last year. It recorded a net profit of RMB1,000 million, up by 33.7% over the same period last year.

Business Structure

| (In RMB million) | Trust Industry | | Ping An Trust | |
|--|-------------------|-------------------|----------------|-------------------|
| | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 |
| Total assets held in trust | 15,865,837 | 13,979,910 | 388,098 | 399,849 |
| The percentage of single fund trust and property trust | 64.6% | 69.3% | 30.9% | 30.0% |
| The percentage of collective trust | 35.4% | 30.7% | 69.1% | 70.0% |

Assets Held in Trust

| (in RMB million) | June 30, 2015 | December 31, 2014 |
|-----------------------------------|----------------|-------------------|
| Investment category | | |
| Capital market investments | 106,872 | 95,664 |
| Private equity investments | 28,812 | 27,863 |
| Other investments | 65,751 | 73,721 |
| Total investment category | 201,435 | 197,248 |
| Financing category | | |
| Real estate industry financing | 52,419 | 71,642 |
| Infrastructure industry financing | 30,360 | 32,152 |
| Corporate loans | 70,769 | 56,086 |
| Pledged financing ⁽¹⁾ | 15,459 | 19,997 |
| Other financing ⁽²⁾ | 17,656 | 22,724 |
| Total financing category | 186,663 | 202,601 |
| Total | 388,098 | 399,849 |

(1) The main subjects of pledged financing are stocks, beneficiary rights of trust schemes and accounts receivable, etc.

(2) Other financing refers to the financing methods other than aforementioned, which include credit card assets, lease receivable and other debt based financing business.

As at 30 June 2015, assets held in trust of Ping An Trust reached RMB388,098 million, among which, the scale of collective trust, which demonstrated active management capabilities, reached RMB268,139 million, accounting for 69.1% of total assets held in trust, placing Ping An Trust in a market-leading position in terms of business structure. The scale of trust asset within the investment category reached RMB201,435 million, up by 2.1% over the beginning of the year. Affected by the economic slowdown, the real economy was sluggish and industry risk redemption cases gradually increased. Ping An Trust actively reduced the percentage of financing category business to avoid credit risks. The scale of trust asset within the financing category reached RMB186,663 million, which accounted for 48.1% of total assets held in trust, down by 2.6 percentage points over the end of 2014, among which, the scale of trust asset within the real estate financing category was RMB52,419 million, down by 26.8% over the beginning of the year, accounting for 13.5% of total assets held in trust, down by 4.4 percentage points over the beginning of the year.

Management Discussion and Analysis

Investment Business

Comprehensive Risk Management

In the first half of 2015, Ping An Trust faced a challenging economic environment. Adhering to the risk management principle of “winning with market-leading risk control”, Ping An Trust established a risk management framework marked by “full participation, whole-process control and full business coverage”. At the same time, it targeted key customers, sectors, regions and products to formulate differentiated risk strategies and risk management models to promote the steady development of its business.

Full participation: Ping An Trust implemented the speedy internal deployment of the business risk management functions, and further extended risk management to frontline functions to achieve full participation of risk management from the front desk to the back office. By introducing industry accreditation among staff, implementing differentiated authorization, strengthening tracking management and the accountability system, it enhanced the awareness of all staff on risks, especially among frontline staff.

Whole-process control: Prior to investing in a project, the frontline staff will implement double due diligence and product design where an independent audit opinion will be jointly issued by the audit manager and statutory audit manager of the risk management centre, to realise the three wheel-driven developments of products, risk management and legal compliance. During the investment, the “double verification and centralized audit” will be implemented where the procedures including stamp collection, underwriting, contract signing, collateral registration and certificate collection will be jointly completed by the frontline staff and the approving officers. In addition, centralized management will be implemented in loan reviews. After investment, the “categorized management and whole-process monitoring” will be implemented. A risk asset categorized management system will be created to explicitly state the person-in-charge in detail. This will provide a timely report on risk-related events and make periodic provision proposals according to the asset category, to ensure sound operations.

Full business coverage: Ping An Trust focused on key customers, sectors, regions and products. On the selection of counterparties, Ping An Trust mainly deal with large counterparties, and require counterparties to be of high quality, in sound operating condition and with abundant cash flow. By carrying out industry research and exploring industry characteristics, it selects key industries by taking into account the macro environment and state policies, and then formulates differentiated risk strategies for key industries such as real estate, infrastructure and government-trust cooperate business according to the risk profiles. Depending on the level of economic development and the characteristics of the economic structure of different regions, it designs a set of differentiated standards with respect to the business categories and access requirements for each of the regions. Meanwhile, three major regional assessment centres were established according to the principle of territory, to assess business locally and promote the business development of various regions. It offers customers a full range of financial products including equities, bonds, mezzanine financing, wealth management and asset management. It has also built a professional risk management team based on the business characteristics and risk parameters of different products, to work directly with the frontline staff to achieve pre-risk management and embedded management and enhance the professionalism and accuracy of risk management.

As at June 30, 2015, the net capital of Ping An Trust was RMB12,298 million, far exceeding the regulatory requirement of RMB200 million. The ratio of net capital to the sum of risk assets of various businesses was 136.1%, higher than the regulatory requirement of 100%. Net capital to net asset ratio was 59.0%, which complied with regulatory requirement.

| | June 30, 2015 | December 31, 2014 |
|---|------------------|----------------------|
| Net capital (in RMB million) (regulatory requirement >=200) | 12,298 | 14,587 |
| Net capital/sum of risk assets of various businesses (regulatory requirement >=100%) | 136.1% | 170.6% |
| Net capital/net asset (regulatory requirement >=40%) | 59.0% | 74.2% |

In the first half of 2015, Ping An Trust won four authoritative awards within the industry due to its resounding results, outstanding performance and good reputation. It won the “Annual Outstanding Trust Company Award” for the sixth consecutive year, which was jointly organized by Shanghai Securities News and cnstock.com, and the “Annual Outstanding Wealth Management Brand Award” for the first time. It also won the title of “Excellent Trust Company in China” and the “Annual Best Family Trust Scheme” by Securities Times.

Results of Operation

| | 2015 | 2014 |
|---|----------------|---------|
| Net fees and commission income | 2,080 | 1,654 |
| Investment income | 978 | 536 |
| Other income | 269 | 202 |
| Total operating income | 3,327 | 2,392 |
| Fees and commission expenses | (238) | (247) |
| Finance costs | (243) | (355) |
| General, administrative and other expenses | (1,437) | (811) |
| Total operating expenses | (1,918) | (1,413) |
| Income tax | (409) | (231) |
| Net profit | 1,000 | 748 |

Note: The above figures are presented at segment level of trust business, including Ping An Trust and its subsidiaries which carry on investment and asset management business.

In the first half of 2015, our trust business realized a net profit of RMB1,000 million, up by 33.7% from RMB748 million in the same period last year, mainly due to a substantial increase in net fees and commission income and investment income.

Net Fees and Commission Income

| | 2015 | 2014 |
|---|--------------|-------|
| Fees and commission income | | |
| Management fees income of trust products | 1,986 | 1,594 |
| Others | 94 | 60 |
| Total fees and commission income | 2,080 | 1,654 |
| Fees and commission expenses | | |
| Handling charges of trust products | (238) | (247) |
| Total fees and commission expenses | (238) | (247) |
| Net fees and commission income | 1,842 | 1,407 |

Net fees and commission income for the first half of 2015 was RMB1,842 million, representing an increase of 30.9% from RMB1,407 million over the same period in 2014. This was primarily due to a substantial increase in floating management fees income in the first half of 2015.

Total Investment Income

| | 2015 | 2014 |
|---|------------|------|
| Net investment income ⁽¹⁾ | 235 | 478 |
| Net realized and unrealized gains ⁽²⁾ | 743 | 88 |
| Impairment losses of investment | - | (30) |
| Total investment income | 978 | 536 |

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

(2) Net realized and unrealized gains include realized gains from security investments, profit or loss through fair value change, and equity investment income excluding dividends, etc.

Management Discussion and Analysis

Investment Business

In the first half of 2015, total investment income of trust business increased by 82.5% to RMB978 million as compared with the same period last year, which is mainly due to the withdraw from equity projects and the growth of the profit distribution from trust product.

SECURITIES BUSINESS

The Company conducts securities business through Ping An Securities, providing brokerage, investment banking, asset management, and financial advisory services. In 1996, Ping An Securities formed a subsidiary, Ping An Futures, which conducts futures brokerage business. It became an innovative securities company in 2006. In 2008, it formed a wholly-owned subsidiary, Ping An Caizhi, which conducts direct investment business. In 2009, it set up another subsidiary in Hong Kong, Ping An Securities (Hong Kong). In 2012, it formed a wholly-owned subsidiary, Ping An Pioneer Capital, to conduct alternative investment business. As at June 30, 2015, Ping An Securities had the registered capital of RMB7,064 million.

In the first half of 2015, the A share stock market was volatile with a bullish trend in the first five months followed by a significant downward in late June. This represented a furnace for securities firms and investors amid growth. In terms of statistics, the volume of stock financing in the primary market increased by 99.5% over the same period last year. In the secondary market, the CSI300 reached a new high which was up by 52.3% from the beginning of 2015. After the stock market tumble in late June, the CSI300 still increased by 26.6% from the beginning of 2015, with single-day transaction volumes frequently reaching new heights. This led to a substantial growth in the net income of securities trading agency services. The margin trading and securities lending and share pledge market dropped following the bull runs, but their respective volumes still rose 99.8% and 71.1% from the beginning of 2015.

Focusing on the implementation of Project “5+1”, Ping An Securities kept pace with market developments and made headway in its strategic transformation. With the team’s hard efforts, key performance indicators of Ping An Securities reached new high. In the first half of 2015, Ping An Securities generated a net profit

of RMB1,606 million, up by 217.4% over the same period last year, exceeding the historical record for annual results. The weighted return on net assets in the first half of the year reached 12.6%, creating abundant returns for shareholders.

Ping An Securities saw rapid development of its three engines of business which are brokerage, fixed income and equity investment businesses, in contrast to its reliance on a single business which is fixed income business in the past. As lead underwriter it ranked No. 4 by the number of bonds underwritten, and No. 3 by the number of IPO projects. Its yield of bond arbitrage and strategic stock trading in the first half of the year reached 18.4% and 20.6%, respectively. The scale of asset management business exceeded RMB180 billion while the size of its investment advisory business for banks and financial institutions soared to RMB50,564 million, up by 233.7% over the same period last year. As for the margin trading and securities lending business, it innovatively completed the first asset securitization trade worth RMB2,500 million in the industry.

Due to the capital injection of RMB5,270 million from its shareholders in the first half of 2015 and its own growing profit, Ping An Securities’ net assets reached RMB17,185 million as at June 30, 2015, up by 68.5% over the beginning of the year. Its liabilities achieved RMB97,583 million, up by 88.8% over the beginning of the year. Ping An Securities has been issuing corporate bonds, subordinated bonds, perpetual bonds and commercial papers, which further boosts its long-term capital and short-term liquidity, and strengthens the foundation for the balance-sheet-based business, including FICC, market making, industrial funds and credit business.

Acquisition of Internet-based customers has been the strong impetus to the rapid growth of the brokerage business. The number of new clients of the brokerage business reached 1.72 million in the first half of the year, exceeding the total number of historical customers. The market share of new clients is about 5%, keeping its leading position in the industry. The percentage of customers acquired from the Internet channel rapidly increased to 50% from 14% at the end of 2014. Lifted by the significant increase in customer base, retail brokerage transaction volume kept strong growth.

Ping An Securities has always placed top priority on risk management and compliance. With its sophisticated risk management platform, sound risk budgeting system, and relatively sound proprietary business strategies and margin trading policies, Ping An Securities made a significant profit when the market was active in the first half of the year, and successfully replied to the market volatility in late June.

In June 2015, Ping An Securities ranked 1st in “China Internet Weekly’s List of Top 100 Chinese Securities Firms Websites for 2015”, and was awarded “the Outstanding Investment Bank and Securities Firm” by the Economic Observer at “the awards ceremony for the Most Innovative Finance Business List”. Moreover, Ping An Securities was awarded “the Best Investment Bank of Bond Financing in China for 2015” by Securities Times in “the selection of the Best Investment Banks in China for 2015”.

Results of Operation

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|----------------|-------|
| Net fees and commission income | 3,288 | 857 |
| Investment income | 1,872 | 668 |
| Other income | 29 | 13 |
| Total operating income | 5,189 | 1,538 |
| Fees and commission expenses | (416) | (60) |
| Finance costs | (283) | - |
| General, administrative and other expenses | (2,515) | (882) |
| Total operating expenses | (3,214) | (942) |
| Income tax | (369) | (90) |
| Net profit | 1,606 | 506 |

In the first half of 2015, net profit from our securities business increased by 217.4% to RMB1,606 million from the same period last year, which was mainly due to the increasing volume and price in A share market and the growth of margin trading and securities lending business which resulted in higher net fees and commission income.

Net Fees and Commission Income

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|--------------|------|
| Fees and commission income | | |
| Brokerage fees income | 2,178 | 426 |
| Underwriting commission income | 679 | 252 |
| Others | 431 | 179 |
| Total fees and commission income | 3,288 | 857 |
| Fees and commission expenses | | |
| Brokerage fees expenses | (412) | (52) |
| Others | (4) | (8) |
| Total fees and commission expenses | (416) | (60) |
| Net fees and commission income | 2,872 | 797 |

In the first half of 2015, our brokerage fees income increased by 411.3% to RMB2,178 million, the main reason is that transaction volume in the secondary market of A share market increased sharply and margin trading and securities lending business of Ping An Securities developed rapidly.

As a result of the active IPO market, the underwriting commission income from IPO and refinance increased by 169.4% to RMB679 million in the first half of 2015 from RMB252 million in the same period in 2014.

Total Investment Income

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|--------------|------|
| Net investment income ⁽¹⁾ | 1,588 | 681 |
| Net realized and unrealized gains ⁽²⁾ | 284 | (12) |
| Impairment losses | - | (1) |
| Total investment income | 1,872 | 668 |

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

(2) Net realized and unrealized gains include realized gains from security investments, profit or loss through fair value change and income from equity investment excluding dividend, etc.

Management Discussion and Analysis

Investment Business

In the first half of 2015, Ping An Securities stepped up its investment in bonds, stock and funds, and enlarged the scale of margin trading and securities lending business, achieving sound net investment yield, among which, interest income from margin trading and securities lending business increased by RMB578 million over the same period in 2014, dividends from equity investment increased by RMB379 million over the same period last year. Total investment income grew substantially to RMB1,872 million in the first half of 2015 from RMB668 million in the same period in 2014.

INVESTMENT MANAGEMENT BUSINESS

The Company provides investment management services primarily through two subsidiaries of the Group, Ping An Asset Management and Ping An Asset Management (Hong Kong).

Ping An Asset Management is responsible for domestic investment management business. It is entrusted to manage the insurance funds of the Group as well as the investment assets of other subsidiaries under the Group. It also provides investment products and third-party asset management services to other investors through various channels. As at June 30, 2015, Ping An Asset Management had RMB500 million registered capital.

In the first half of 2015, China's macro-economic growth was stable on the whole. As reforms and restructuring continued, the economic growth stayed within a reasonable range. China's economy continued to experience weak growth momentum and downward pressure, despite the launch of a series of "Steady Growth" policies adopted by the State Council, the People's Bank of China, and the Ministry of Finance, etc. Chinese stocks market soared in early 2015 as a result of interest rate reductions policy of the central bank, national strategies such as "One Belt, One Road" and various other "Steady Growth" policies. However, they subsequently underwent a significant correction and declining. As at the end of June, the Shanghai Composite Index

had risen by 32.2%, the Shenzhen Component Index up by 30.2%, and the ChiNext Index by 94.2%. Chinese bonds climbed slowly in the first half of 2015, with declining yield rates and non-government-issued bonds outperforming government-issued ones. As at the end of June, the ChinaBond Composite Index had risen by 3.11%, the ChinaBond Treasury Bond Aggregate Index by 2.9%, and the ChinaBond Corporate Bond Index by 4.6%.

Ping An Asset Management leveraged its professional investment know-how and seized opportunities in the movements in the domestic bond and stock market. It tapped the Company's advantages in the fixed income investment and seized investment opportunities in individual stocks to enhance investment returns. The third-party business developed well as service standards were enhanced and sales support was strengthened. Confronted with volatile environment in the market, Ping An Asset Management still placed top priority on risk management, continuously strengthening the development of its risk control system and risk control team to bring stable and reliable investment returns to investors. At the same time, the Company continuously reformed and upgraded its system platforms, and optimized its workflows, establishing a solid foundation for its domestic and foreign investments as well as business expansion. After nearly ten years of development, Ping An Asset Management has become the third largest asset management company in China. As at June 30, 2015, assets under management of Ping An Asset Management amounted to RMB1,805,285 million, representing an increase of 10.6% over the beginning of the year; among which, the scale of its third-party asset management business reached RMB215,005 million, up by 27.0% over the beginning of the year. In the first half of 2015, Ping An Asset Management realized net profit of RMB820 million, up by 128.4% over the same period last year, and its third-party asset management business fees income was RMB801 million, up by 167.0% over the same period last year.

Assets under investment management (in RMB million)



Ping An Asset Management (Hong Kong) operates the overseas investment management business of the Company. Apart from managing investments for other subsidiaries under the Group, it also provides a range of overseas investment products, third-party investment management and investment consulting services to institutions and individual clients in China and overseas. Ping An Asset Management (Hong Kong) possesses a professional team with strong capability in international investment, and portfolios management which is responsible for overseeing research on global macroeconomics, investment in Hong Kong stocks, overseas stocks, fixed income investments and other core functions. The team also built an international investment platform, introducing products from overseas to achieve innovation in service and product offerings. In the first half of 2015, Ping An Asset Management (Hong Kong) developed its investment advisory business for institutional clients in mainland China and Hong Kong, and built extensive overseas client relationships through the business. As at June 30, 2015, the assets denominated in foreign currency under management of Ping An Asset Management (Hong Kong) amounted to HK\$43,712 million.

In the future, the Company will closely monitor developments in laws, regulations and policies, continuously deepen its understanding of the macro-economy and industry trends to identify market opportunities, strengthen its offshore stock and bond analysis capabilities to develop

innovative investment products, and constantly enhance its risk management, to become the best offshore investment service provider among Chinese insurance asset management companies.

FUND MANAGEMENT

Ping An-UOB Fund mainly engages in raising securities investment funds, sales, assets management business, and provides professional investment products and related services to retail and institutional investors.

Funds under the Ping An-UOB Fund performed well overall, and the long-term performance of investment in shares was remarkable. According to data from Wind, all equity funds managed by Ping An-UOB Fund Management Co., Ltd. ranked among the top 33% of the industry in terms of absolute returns for the past three years. Investment income of money market funds ranked front in the market, and the scale was increasing. In the first half of 2015, the two money market funds managed by Ping An-UOB Fund attracted over RMB70,000 million funds, providing strong support for Ping An Group's internet finance strategy.

FINANCIAL LEASING BUSINESS

The Company conducts financial leasing business through Ping An Financial Leasing. Ping An Financial Leasing was formed in September 2012. Leveraging on the Group's solid capital strength, outstanding brand influence and synergies of the full financial licenses, as well as the integrated financial services platform, Ping An Financial Leasing strives to become the specialized leader in the fields of SME customer and professional market with unique commercial vitality and extension capabilities in the industry, providing customers with more flexible and diversified financial products and more comprehensive value-added services. As at the end of June 2015, Ping An Financial Leasing has accumulated total assets of over RMB63,787 million while maintaining a high level of asset quality, which was in the forefront among foreign-funded financial leasing companies.

Management Discussion and Analysis

Internet Finance

- Ping An had 167 million internet users and nearly 45 million APP users.
- The transaction volumes of Lufax and Wanlitong soared and led the industry.
- PA Haofang and PA Haoche rapidly raised their market influence.

With the rapid development of technology and the fast-changing market environment, the influence of mobile internet and cloud computing to financial services is increasingly obvious. In the first half of 2015, the Company focused on “health, food, housing, transportation and entertainment”, integrating its services into the very fabric of daily life of its internet users, continued to implement its internet finance strategies and explored its business scope with emerging effects.

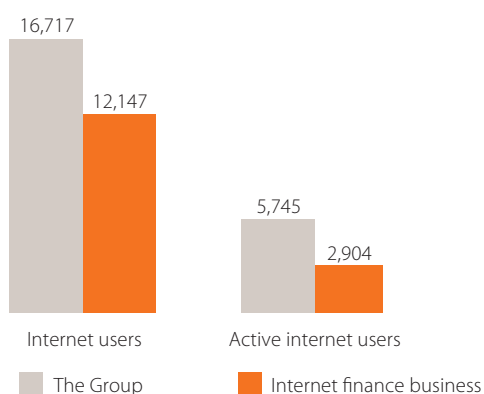
Through financial innovation, Lufax recorded remarkable achievements in the online asset trading industry. Wanlitong strives to become the largest general loyalty points platform in China with increasing numbers of merchants partnering in loyalty points consumption. The Asset Management platform placed “One Account Management Service” at its core and the Health Management took the health e-portfolio and “Ping An Doctor” mobile platform as its core, which promoted the mining, analysis and application of big data of Asset and Health Management and played a crucial role in the development of each internet finance business. PA Haofang officially entered into the real estate finance market with launching a variety of financial products, which gained widespread recognition from customers and the market. PA Haoche developed rapidly and has been the largest online second-hand vehicles trading platform in China.

INTERNET USER SCALE

Ping An has been expanding its internet finance business rapidly in the first half of 2015 and has been well-recognized by users for integrating its financial services into the very fabric of life. As at June 30, 2015, the number of internet users of Ping An reached 167 million, with 57.45 million active users in the first half of the year. Total users of Lufax, Wanlitong, Ping An Pay, PA Haofang, PA Haoche and Ping An Financial Technology reached 121 million, with 29.04 million active users in the first half of the year, of which 45.55 million held traditional financial products, accounting for 37.5%. In the first half of 2015, Ping An mobile internet service business developed rapidly, Ping An APP users reached 44.87 million, with 24.91 million active users, among which total APP users of internet finance companies reached 24.94 million, with 13.66 million active users.

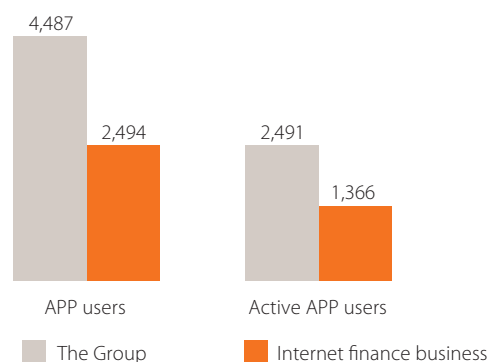
Number of internet users

(in 10 thousand)



Number of APP users

(in 10 thousand)



Note: Overall internet users and APP users of the Group include users of internet finance business and core finance business, with the elimination of repeated users.

Migration of Internet Users

Driven by the personal integrated finance strategy of the Group, there was an increasing synergy between Ping An's Internet finance companies and core finance companies. The Company focused on "health, food, housing, transportation and entertainment", promoting a great number of its users to migrate. The following tables display the migration of internet users between our core finance business and internet finance business in the first half of 2015.

Migration of internet users from internet finance business to core finance business (in thousand person-time)

| Migration Source | Migration Terminal | | | | | | | Total |
|----------------------------------|--------------------|-----------------------------|-----------------|--------------|--------------------|---------------|-------------------------------------|--------------|
| | Ping An Life | Ping An Property & Casualty | Ping An Annuity | Ping An Bank | Ping An Securities | Ping An Trust | Other traditional finance companies | |
| Lufax | 161 | 132 | 12 | 26 | 35 | 28 | 35 | 429 |
| Wanlitong | 192 | 425 | 22 | 73 | 59 | 19 | 35 | 825 |
| Ping An Pay | 147 | 160 | 33 | 40 | 52 | 27 | 96 | 555 |
| One Account Management Services | 539 | 297 | 20 | 87 | 74 | 31 | 111 | 1,159 |
| Other internet finance companies | 100 | 91 | 25 | 64 | 45 | 12 | 28 | 365 |
| Total | 1,139 | 1,105 | 112 | 290 | 265 | 117 | 305 | 3,333 |

Migration of internet users from core finance business to internet finance business (in thousand person-time)

| Migration Source | Migration Terminal | | | | | Total |
|-------------------------------------|--------------------|--------------|--------------|---------------------------------|----------------------------------|--------------|
| | Lufax | Wanlitong | Ping An Pay | One Account Management Services | Other internet finance companies | |
| Ping An Life | 182 | 301 | 608 | 455 | 308 | 1,854 |
| Ping An Property & Casualty | 200 | 3,519 | 735 | 589 | 184 | 5,227 |
| Ping An Annuity | 4 | 6 | 11 | 2 | 10 | 33 |
| Ping An Bank | 56 | 122 | 134 | 8 | 264 | 584 |
| Ping An Securities | 17 | 33 | 40 | 39 | 40 | 169 |
| Ping An Trust | 32 | 19 | 70 | 21 | 24 | 166 |
| Other traditional finance companies | 39 | 46 | 35 | 69 | 38 | 227 |
| Total | 530 | 4,046 | 1,633 | 1,183 | 868 | 8,260 |

(1) Other internet finance companies refer to companies such as PA Haoche, PA Haofang and Ping An Technology, while other traditional finance companies refer to companies such as Ping An Direct.

(2) Internet users of core finance business refer to the users of Ping An Life, Ping An Property & Casualty, Ping An Bank and Ping An Securities, etc. which were captured from internet marketing channels or internet service platforms, as well as from mobile APPs.

Management Discussion and Analysis

Internet Finance

OPERATING RESULTS OF INTERNET FINANCE BUSINESS

Leveraged on advanced technologies and concept of internet, Lufax strived to meet the demand for investment and financing and become the best internet finance service platform in China. With the internet as a bridge between supply and demand, Lufax strived to increase the value of customers' wealth, provide sufficient liquidity and meet various investing and financing demands through its financial asset trading platforms for all financial institutions, cooperations and individual clients. Lufax is comprehensively transforming to an opened finance product trading platform to explore the opportunity of group business, cross-regional business, cross-industry business, international business and the transaction channels of insurance business. As at the end of June 2015, Lufax had over 10 million registered users, up by 102.2% over the beginning of the year. It has become the first professional internet finance service platform with more than 10 million users. Lufax strives to become a platform with one-stop investment services for investors. In the first half of 2015, it launched new products such as "Ling Huo Bao", "Bian Xian Tong" and "Fuying Zengzhang" to promote investor base to grow rapidly. In the first half of the year, the number of new investment users increased by over 600 thousand, up by six times over the same period last year. As at the end of June 2015, the number of active investment users was around 1 million, up by 179.3% over the beginning of the year. Lufax maintained strong momentum in its financial asset transaction volume. The cumulative trading volume reached RMB801.5 billion since establishment, of which RMB201.3 billion was generated from individual retail transactions and RMB600.2 billion from institutional transactions. In the first half of the year, Lufax kept its leading position in the industry with a total trading volume of RMB512.2 billion, representing 10 times increase over the same period last year, among which, individual retail transactions contributed RMB113.9 billion, increased more than 4 times, among which the volume of P2P transactions is RMB13.5 billion, while institutional transactions grew by more than 15 times to RMB398.3 billion, maintaining its leading position in the industry. In addition, Lufax has become a convenient wealth management platform favored by internet users with its transactions via mobile terminal accounting for nearly 50% of the total.

Ping An Pay is committed to providing payment and clearing services with a focus on the demand of financial payments, and customer services which concentrated on individual innovative finance. In the first half of 2015, the payment and clearing volume of Ping An Pay amounted to over RMB500 billion, up by 20 times over the same period last year. Concentrated on individual innovative finance with the focus on the mobile internet and internet finance, Yiwallet strives to offer the public with qualified internet finance and payment services. As at the end of June 2015, the number of registered users of Yiwallet exceeded 16 million, up by 97% from the beginning of the year. In the first half of 2015, the cumulative trading volume of individual users was more than RMB70 billion, up by 19.6 times over the same period last year. Additionally, it launched the innovative interest-yielding e-account, period-fixed wealth management products with a low threshold, and health insurance with social networking and sharing functions. In the future, Yiwallet will further enhance the integration of innovative internet finance businesses, establishing a closed loop of wealth management, consumption and credit loan to provide customers with one-stop financial services in terms of earning money, borrowing money and saving money, and offer a secure, convenient and interesting internet financing experience to customers.

Wanlitong strives to become the largest general loyalty points platform in China. Based on the mobile internet and big data technology, Wanlitong provides partnering companies with brand-new customer loyalty solutions and precise marketing services, and customers with the best points consumption experience. In the first half of 2015, Wanlitong issued loyalty points worth RMB1,539 million, up by 162.0% over the same period last year. Transaction volume grew by 387.7% over the same period last year to RMB5,624 million, approximately RMB3 billion of which was contributed by mobile channels, taking up 52.0%. As at the end of June 2015, Wanlitong had more than 81.94 million registered users, covering 1.05 million online and offline merchants cooperating in loyalty points consumption.

PA Haoche aims to become the largest automobile e-commerce services platform in China. It has established a primary framework comprising three main services: credit guarantee for second-hand vehicle, database of automobiles and automobile finance supermarket. In the first half of 2015, PA Haoche expanded its business scope to B2C business, with the bidding and transaction amount of over RMB6 billion, up by almost 200% over the same period last year. It launched the first second-hand vehicle guarantee plan in China, setting service standard in the market.

PA Haofang established the first real-estate crowd funding alliance in China, integrating its online and offline resources and created the model of “Internet Plus” in real estate market, which will promote PA Haofang into the most important trading platform for real estate and finance asset in China. Meanwhile, PA Haofang and Ping An-UOB Fund jointly established the first crowd funding fund in China to provide capital for innovation in real-estate crowd funding. PA Haofang rapidly enlarged the platform to expand market share. It focused on the new and second-hand housing business, launching a series of financing products such as “Haofang Bao”, “Haofang Loan”, “Ping An E-fang” and “Zufang Bao”, which garnered strong market recognition. In the first half of 2015, the housing trading volume through PA Haofang’s platform exceeded RMB10 billion and homebuyers received RMB600 million loans through this platform.

Ping An Health Cloud aims to be the largest health management platform in China, providing online and offline healthcare services to clients. In the first half of 2015, it accelerated the construction of networks for hospitals, medicine and information. A multi-layered doctor network was preliminarily formed. Additionally, it has established B2C and O2O medicine distribution platforms. Since launching online in October 2014, the “Ping An Doctor APP” accumulated customers rapidly, achieving frequent interaction with its users. As at the end of June 2015, “Ping An Doctor APP” provided health management services for over 7.50 million users, with a peak daily consultations of more than 50 thousand.

Ping An Financial Technology is striving to be the first intelligent wealth management platform in China through its asset cloud and big data analysis. Leveraging the feature of the internet, which is transparent, easy, efficient and fair, Ping An Financial Technology lowered the thresholds and offered the public with high-end private banking services. As at the end of June 2015, the number of registered One Account Management Services users achieved nearly 55 million, including nearly 13 million new users, of which 47% were acquired externally. It managed assets of about RMB650 billion for users and integrated accounts of 19 subsidiaries of Ping An such as Ping An Life, Ping An Property & Casualty, Ping An Bank, Ping An Securities and Wanlitong, and about 150 external bank accounts, autos and property, as well as 11 life services accounts. Moreover, One Account Management Services enables users to manage multiple accounts, offering various services such as property valuation, card package custody, wealth reviewing (assets and liabilities), intelligent reminder, one-click loss reporting and fast track to credit card repayment, significantly improved the function of account management. With the aim to become the first intelligent wealth management platform in China, Ping An Financial Technology laid a solid foundation for the Group’s internet finance strategy.

In the future, Ping An will continue to offer daily financial services focused on health, food, housing, transportation and entertainment, and build a world-leading personal finance internet service platform with the support of big data from the asset management and health management.

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 PricewaterhouseCoopers Consultants (Shenzhen) Limited to review the reasonableness of the methodology, the assumptions and the calculation results of the Company's embedded value as at June 30, 2015.

The calculation of embedded value relies on 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 2015 interim 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) | June 30, 2015 | December 31, 2014 |
|---|-------------------------------|-----------------------|
| Risk discount rate | Earned rate/ 11.0% | Earned rate/ 11.0% |
| Adjusted net asset value | 323,744 | 284,418 |
| Including: Adjusted net asset value of life insurance business | 96,706 | 89,829 |
| Value of in-force insurance business written prior to June 1999 | (6,291) | (7,342) |
| Value of in-force insurance business written since June 1999 | 250,026 | 215,626 |
| Cost of holding the required solvency margin | (38,071) | (33,890) |
| Embedded value | 529,408 | 458,812 |
| Including: Embedded value of life insurance business | 302,370 | 264,223 |

| (in RMB million) | June 30, 2015 | December 31, 2014 |
|---|------------------|----------------------|
| Risk discount rate | 11.0% | 11.0% |
| Value of one year's new business | 31,402 | 25,190 |
| Cost of holding the required solvency margin | (4,204) | (3,224) |
| Value of one year's new business after cost of solvency | 27,198 | 21,966 |
| Value of first half year's new business after cost of solvency | 17,046 | 11,814 |

Notes: (1) Figures may not match totals due to rounding.
(2) In the table above, the assumptions and method used to calculate the value of first half year's new business in 2014 are the same with current assumptions and method used to calculate the new business value. If the 2014 mid-year valuation's assumptions and method were used, the value of first half year's new business in 2014 would be RMB11,792 million.

The adjusted net asset value of life insurance business was based on the unaudited shareholders net asset value of the relevant life insurance business of the Company as measured on the PRC statutory basis. This unaudited shareholders net asset value was calculated based on the shareholders net asset value in accordance with CAS by adjusting the relevant differences, such as reserves. The adjusted net asset value of other business was based on the shareholders net asset value of the relevant business of the Company in accordance with CAS. The relevant life insurance business includes business conducted through Ping An Life, Ping An Annuity and Ping An Health. The values placed on certain assets have been adjusted to the market value.

KEY ASSUMPTIONS

The key assumptions used in the embedded value calculation as at June 30, 2015 have been the same as those used in 2014 year-end valuation.

VALUE OF NEW BUSINESS

The new business volumes measured by first year premium (FYP) and first half year's new business value by segment was:

| For the six months ended June 30 (in RMB million) | FYP used to calculate value of new business | | | Value of new business | | |
|---|---|--------|------------|-----------------------|--------|------------|
| | 2015 | 2014 | Change (%) | 2015 | 2014 | Change (%) |
| Individual | 41,985 | 27,957 | 50.2% | 16,512 | 11,186 | 47.6% |
| Group | 11,156 | 9,019 | 23.7% | 357 | 472 | (24.4%) |
| Bancassurance | 6,038 | 7,316 | (17.5%) | 178 | 157 | 13.4% |
| Total | 59,179 | 44,293 | 33.6% | 17,046 | 11,814 | 44.3% |

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

(2) In the table above, the assumptions and method used to calculate the value of first half year's new business in 2014 are the same with current assumptions and method used to calculate the new business value. If the 2014 mid-year valuation's assumptions and method were used, the value of first half year's new business in 2014 would be RMB11,792 million.

The profit margin of new business by segment was:

| For the six months ended June 30 | By FYP | | By ANP | |
|----------------------------------|--------------|-------|--------------|-------|
| | 2015 | 2014 | 2015 | 2014 |
| Individual | 39.3% | 40.0% | 39.8% | 40.0% |
| Group | 3.2% | 5.2% | 4.5% | 8.6% |
| Bancassurance | 2.9% | 2.1% | 13.5% | 10.1% |
| Total | 28.8% | 26.7% | 33.6% | 33.8% |

Note: ANP (Annualised new premium) is calculated as the sum of 100 per cent of annualised first year premiums and 10 per cent of single premiums.

Embedded Value

SENSITIVITY ANALYSIS

The Company has investigated the effect, on the value of in-force business and the value of one year's new business, of certain independently varying assumptions regarding future experience. Specifically, the following changes in assumptions have been considered:

- Risk discount rate
- Investment return increased by 50 basis points every year
- Investment return decreased by 50 basis points every year
- A 10% reduction in mortality and morbidity rates
- A 10% reduction in policy discontinuance rates
- A 10% reduction in maintenance expenses
- A 5% increase in the policyholders' dividend payout ratio
- Solvency margin at 150% of the regulatory level

| (in RMB million) | Risk Discount Rate | | | |
|----------------------------------|--------------------|-------------------|-------------------|-------------------|
| | Earned Rate/10.5% | Earned Rate/11.0% | Earned Rate/11.5% | 11.0% |
| Value of in-force business | 215,066 | 205,664 | 196,833 | 205,736 |
| | 10.5% | 11.0% | 11.5% | Earned Rate/11.0% |
| Value of one year's new business | 29,280 | 27,198 | 25,271 | 27,481 |

| Assumptions (in RMB million) | Value of in-force business | Value of one year's new business |
|---|----------------------------|----------------------------------|
| Central case | 205,664 | 27,198 |
| Investment return increased by 50bp every year | 227,810 | 30,013 |
| Investment return decreased by 50bp every year | 183,117 | 24,383 |
| 10% reduction in mortality and morbidity rates | 209,960 | 28,129 |
| 10% reduction in policy discontinuance rates | 209,883 | 28,426 |
| 10% reduction in maintenance expense | 207,704 | 27,497 |
| 5% increase in the policyholders' dividend payout ratio | 198,166 | 26,505 |
| Solvency margin at 150% of the regulatory level | 186,435 | 25,096 |

Note: Risk discount rates were earned rate/11.0% and 11.0% for in-force business and new business, respectively.

Liquidity and Financial Resources

- The Company manages its liquidity and financial resources from the perspective of the Group as a whole.
- As at June 30, 2015, the solvency of the Group was adequate.

GENERAL PRINCIPLES

Liquidity refers to the availability of cash assets or cash supply to meet the financial requirements of the Company whenever needed. The aim of the Group's liquidity management is to meet the liquidity requirements of operations, investment and financing activities of the Group while continuously refining its financial resources allocation and capital structure to maximise shareholders' return.

The Company manages its liquidity and financial resources from the perspective of the Group as a whole. The Budget Management Committee, Risk Management Execution Committee, and Investment Management Committee under the Group Executive Committee are overseeing these essentials at group level. In addition, as the Group's liquidity management execution unit, the Treasury Division is responsible for the management of cash, liquidity, funding and capital and so forth.

The liquidity management of the Group comprises capital planning and cash flow management. The Group has put in place a comprehensive capital management and decision-making mechanism. As part of this process, the Group's subsidiaries put forward their capital requirements based on their own business development needs. The parent company then submits its recommendations on the overall capital planning for the Group, based on the overall situation of its subsidiaries' business development. The Group Executive Committee then determines a final capital planning scheme based on the strategic planning of the entire group before allocating capital accordingly.

All operations, investment and financing activities should follow the requirements of liquidity management. Ping An Group and its insurance subsidiaries implement separate management on their operating cash inflow and outflow. Through the pooling of cash inflow and outflow, allocation and deployment of funds are centralized. The Company and its subsidiaries are therefore able to monitor cash flow status timely. In the first half of 2015, the Group maintained net cash inflows in its operating cash flows.

CAPITAL STRUCTURE

The Group's long-term capital stability stems from the profit continuously generated by its various businesses. Further, the Group ensured capital adequacy by using capital market and debt market tools, issuing equity securities, subordinated debts, hybrid capital bonds and tier-2 capital bonds to raise capital. Adjustments were made to surplus capital through dividend distribution.

As at June 30, 2015, equity attributable to shareholders of the parent company was RMB331,190 million, up by 14.4% over the end of 2014.

As at June 30, 2015, the parent company's capital structure mainly comprised contributions from shareholders, proceeds from issuance of A shares and H shares.

Liquidity and Financial Resources

AVAILABLE CAPITAL OF THE PARENT COMPANY

The available capital of the parent company includes bonds, equity securities, bank deposits and cash equivalents that the parent company holds. It can be invested into subsidiaries or used in daily operations. As at June 30, 2015, the parent company's available capital was RMB42,285 million, down by RMB7,506 million over the end of the previous year.

| (in RMB million) | June 30, 2015 | December 31, 2014 |
|-------------------|------------------|----------------------|
| Available capital | 42,285 | 49,791 |

The change of available capital in the first half of 2015 was primarily due to the equity investment in subsidiaries. As at June 30, 2015, the parent company had a sufficient level of available capital.

GEARING RATIO

| | June 30, 2015 | December 31, 2014 |
|-------------------|------------------|----------------------|
| Gearing ratio (%) | 92.9 | 92.8 |

The gearing ratio is computed by dividing the sum of total liabilities and non-controlling interests by total assets.

LIQUIDITY RISK MANAGEMENT

On July 18, 2013, International Association of Insurance Supervisors ("IAIS") and Financial Stability Board ("FSB") jointly issued the first list of Global Systemically Important Insurers (G-SIIs). The Group was the only emerging market insurer in the list. In the "G-SIIs: Policy and Measures" and "Liquidity Management and Planning Guidelines" issued by IAIS, clear requirements are stated for liquidity risk management. On February 17, 2015, CIRC promulgated the Notice of Solvency Regulatory Rules for Insurance Companies, demanding higher requirements on liquidity management of insurers. With respect to these regulatory requirements imposed locally and abroad, the Group formulated Ping An Insurance (Group) Company of China, Ltd.'s Liquidity Risk Management Plan (LRMP) and Ping An Group Liquidity Management System to build a comprehensive liquidity risk management

system covering liquidity daily monitoring, contingency management, stress test and assessment of accountability.

The Group developed the fundamental framework and principles of liquidity risk management. The subsidiaries considered regulating policies, industry practice and characteristics of its own business to develop corresponding risk preferences, quotas and liquidity risk indicators. The indicators used to monitor liquidity risk are categorized under core indicators, limit indicators and forward-looking indicators. Subsidiaries assess liquidity risk internally based on the monitoring results of core indicators, and make management decisions using the assessment results. The Group and the subsidiaries have established a robust liquidity risk information reporting system, which connects the business department of subsidiaries, liquidity risk management department of subsidiaries, liquidity risk management department of the Group, as well as the management and Board of Ping An Group. This facilitates the effective flow of information on the liquidity risk of subsidiaries from the bottom up.

The Group has developed a series of safe, diversified, compliant and viable liquidity contingency plans, including the three levels of self-aids of subsidiaries, support between subsidiaries and aids from the Group's parent Company. The Group also established a liquidity reserve system to ensure relatively sufficient liquid assets and to maintain stable, convenient and diversified financing channels which could fill liquidity gaps that emerge at any time. The Group has also set up a firewall mechanism to prevent the spread of liquidity risk among subsidiaries.

The Group conducts regular cash flow stress tests with subsidiaries and performs forward-looking analysis of the Company's future liquidity risk under normal and stress scenarios. The Group also regularly evaluates and tests its overall current assets and liabilities that are due, controls its overall liability, and arranges assets to repay liabilities that become due in a prudent manner.

CASH FLOW ANALYSIS

| For the six months ended June 30 (in RMB million) | 2015 | 2014 |
|--|------------------|-----------|
| Net cash flows from operating activities | 247,896 | 134,266 |
| Net cash flows from investing activities | (135,515) | (148,887) |
| Net cash flows from financing activities | 105,935 | 51,170 |

Net cash inflows from operating activities increased by 84.6% to RMB247,896 million in the first half of 2015 from RMB134,266 million over the same period in 2014. This was mainly affected by the increase of deposits from customers and other banks of Ping An Bank.

Net cash inflows from financing activities increased by 107.0% to RMB105,935 million in the first half of 2015 from RMB51,170 million over the same period in 2014. This was mainly due to the significant increase in cash inflow from interbank deposit business of Ping An Bank.

CASH AND CASH EQUIVALENTS

| (in RMB million) | June 30, 2015 | December 31, 2014 |
|--|------------------|----------------------|
| Cash | 217,080 | 192,924 |
| Bonds of original maturities within 3 months | 9,912 | 4,668 |
| Assets purchased under repurchase agreements within 3 months | 255,085 | 66,368 |
| Total cash and cash equivalents | 482,077 | 263,960 |

The Company believes that the liquid assets currently held, together with net cash generated from future operations and the availability of short-term borrowings, can sufficiently meet the expected liquidity requirements of the Group.

GROUP SOLVENCY MARGIN

The insurance group solvency margin represents the consolidated solvency margin calculated as if the parent company and its subsidiaries, joint ventures and associates were a single reporting entity. The group solvency margin ratio is an important regulatory measure of an insurance group's capital adequacy, calculated by dividing the actual capital of the insurance group by its minimum capital requirement.

According to the "Measure of Management of Solvency on Insurance Companies" enforced by the CIRC, an insurance company is required to have a level of capital commensurate with its risk and business scale, to ensure the solvency margin ratio no less than 100%. As at June 30, 2015, the Group's solvency margin ratio was 197.4%, maintaining at an adequate level.

The following table sets out the relevant data in relation to the solvency of the Group:

| (in RMB million) | June 30, 2015 | December 31, 2014 |
|--|------------------|----------------------|
| Actual capital | 403,991 | 369,995 |
| Minimum capital | 204,630 | 180,381 |
| Solvency margin ratio (regulatory requirement $\geq 100\%$) | 197.4% | 205.1% |

The Group's solvency margin ratio declined compared with the end of 2014, mainly because of business development and the distribution of dividend.

Changes in the Share Capital and Shareholders' Profile

SHAREHOLDINGS DISCLOSED UNDER A SHARES REGULATORY REQUIREMENTS

Changes in Share Capital

Statement of changes in share capital

| Unit: shares | January 1, 2015 | | Change during the Reporting Period | | | | | June 30, 2015 | |
|---------------------------------------|------------------|----------------|------------------------------------|-------------|-----------------------|-----------------------------|--------------|------------------|----------------|
| | Number of shares | Percentage (%) | Issue of new shares | Bonus issue | Transfer from reserve | Others | Sub-total | Number of shares | Percentage (%) |
| I. Selling-restricted shares | - | - | - | - | - | - | - | - | - |
| II. Selling-unrestricted shares | | | | | | | | | |
| 1. RMB ordinary shares | 5,168,381,436 | 58.12 | - | - | - | +247,950,813 ⁽¹⁾ | +247,950,813 | 5,416,332,249 | 59.26 |
| 2. Domestically listed foreign shares | - | - | - | - | - | - | - | - | - |
| 3. Overseas listed foreign shares | 3,723,788,456 | 41.88 | - | - | - | - | - | 3,723,788,456 | 40.74 |
| 4. Others | - | - | - | - | - | - | - | - | - |
| Total | 8,892,169,892 | 100 | - | - | - | +247,950,813 ⁽¹⁾ | +247,950,813 | 9,140,120,705 | 100 |
| III. Total number of shares | 8,892,169,892 | 100 | - | - | - | +247,950,813 ⁽¹⁾ | +247,950,813 | 9,140,120,705 | 100 |

⁽¹⁾ The additional 247,950,813 A shares during the Reporting Period resulted from the conversion of A Share Convertible Corporate Bonds (including subordinated terms) ("Ping An Convertible Bonds") issued by the Company in 2013.

Share issuance and listing

Share issuance of the Company

There was no public issuance of shares during the reporting period.

Timetable for listing and circulation of selling-restricted shares

As at the end of the reporting period, the Company had no selling-restricted shares.

Total number of shares and changes in shareholding structure of the Company

During the reporting period, the total number of A shares of the Company increased by 247,950,813 due to the conversion of the Ping An Convertible Bonds. As at June 30, 2015, the total share capital of the Company was 9,140,120,705 shares, of which 5,416,332,249 were A shares and 3,723,788,456 were H shares.

As at the date of publication of the interim report, total share capital of the Company increased to 18,280,241,410 shares due to the completed conversion of the capital reserve into share capital in the proportion of 10 shares for every 10 shares held, of which 10,832,664,498 are A shares and 7,447,576,912 are H shares.

Existing staff shares

As at the end of the reporting period, the Company had no staff shares.

Shareholders' Information

Number of shareholders and their shareholdings

Total number of shareholders as at the end of the reporting period

364,203 shareholders (of which there were 359,550 domestic shareholders)

Shareholdings of top ten shareholders

| Name of shareholder | Nature of shareholder | Shareholding percentage (%) | Total number of shares held | Type of shares | Change during the reporting period (+, -) | Number of selling-restricted shares held | Number of pledged or frozen shares |
|---|---------------------------------------|-----------------------------|-----------------------------|----------------|---|--|------------------------------------|
| Shenzhen Investment Holdings Co., Ltd. | State | 5.27 | 481,359,551 | A Share | - | - | 190,030,000 Pledged shares |
| All Gain Trading Limited | Overseas legal person | 4.32 | 394,500,996 | H Share | - | - | 394,500,996 Pledged shares |
| Bloom Fortune Group Limited | Overseas legal person | 2.77 | 252,886,317 | H Share | - | - | 252,886,317 Pledged shares |
| Business Fortune Holdings Limited | Overseas legal person | 2.46 | 224,929,005 | H Share | - | - | 67,153,879 Pledged shares |
| Shum Yip Group Limited | State-owned legal person | 1.41 | 128,864,004 | A Share | - | - | - |
| Huaxia Life Insurance Co., Ltd. - Universal Insurance Products | Others | 1.19 | 108,874,883 | A Share | +108,874,883 | - | - |
| Ge Weidong | Domestic natural person | 0.87 | 79,935,440 | A Share | +75,165,754 | - | 23,800,000 Pledged shares |
| CITIC Securities Co., Ltd. | Others | 0.71 | 64,633,677 | A Share | +17,052,201 | - | - |
| TEMASEK FULLERTON ALPHA PTE LTD | Others | 0.65 | 59,816,356 | A Share | -31,443,157 | - | - |
| Shenzhen Liye Group Co., Ltd. | Domestic non-state-owned legal person | 0.48 | 43,518,830 | A Share | - | - | 43,500,000 Pledged shares |

Explanation of the connected relationship or acting in concert relationship of the above shareholders:

All Gain Trading Limited, Bloom Fortune Group Limited and Business Fortune Holdings Limited are the indirect wholly-owned subsidiaries of CP Group Ltd., and they are of acting in concert relationship since they are under common control.

Save as the above, the Company is not aware of any connected relationship or acting in concert relationship among the above-mentioned shareholders.

Changes in the Share Capital and Shareholders' Profile

Particulars of controlling shareholder and de facto controller

The shareholding structure of the Company is relatively scattered. There is no controlling shareholder, nor de facto controller.

PING AN CONVERTIBLE BONDS

As approved by the CIRC and CSRC, on November 22, 2013, the Company issued Ping An Convertible Bonds with the principal amount of RMB26 billion, and Ping An Convertible Bonds were listed on the SSE on December 9, 2013. For the 30 consecutive trading days during the period from November 11, 2014 to December 22, 2014, the closing price of the Company's A shares was not less than 130% of the conversion price of the Ping An Convertible Bonds on the relevant days (the conversion price being RMB40.63 per share from November 11, 2014 to December 9, 2014, and RMB41.22 per share since December 10, 2014) for 15 trading days (December 2, 2014 to December 22, 2014), and according to the Prospectus in Relation to the Public Issuance of A share Convertible Corporate Bonds (including subordinated terms) of Ping An Insurance (Group) Company of China, Ltd., the redemption conditions of the Ping An Convertible Bonds have been satisfied.

The board of directors of the Company (the "Board of Directors") is authorized by the general meeting of the Company, and the Board of Directors then further delegated the authority to the Executive Directors of the Company to handle entirely, individually or jointly, the matters related to the Ping An Convertible Bonds. The resolution had been passed by all the Executive Directors of the Company to exercise the Company's right of early redemption of the Ping An Convertible Bonds, and to redeem all the outstanding Ping An Convertible Bonds held by holders who were registered on the redemption record date (i.e. January 9, 2015).

As at the close of trading on January 9, 2015, a total of RMB25,965,569,000 of Ping An Convertible Bonds were converted into 629,922,613 A shares, accounting for 7.95744% of the total number of 7,916,142,092 issued shares before conversion of Ping An Convertible Bonds. The total redemption value of the Ping An Convertible Bonds amounts to RMB34,431,000, accounting for 0.13243% of the total value of RMB26 billion of Ping An Convertible Bonds.

Starting from January 12, 2015, the Ping An Convertible Bonds ceased to be traded or converted; and starting from January 15, 2015, Ping An Convertible Bonds (113005) and Ping An Converted Shares (191005) were delisted from the SSE.

INFORMATION DISCLOSED UNDER H SHARES REGULATORY REQUIREMENTS

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares of the Company

As far as is known to any Director or Supervisor of the Company, as at June 30, 2015, the following persons (other than the Directors, Supervisors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interests and short positions of substantial shareholders who are entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of the Company

| Name of substantial shareholder | H/A Shares | Capacity | Notes | Number of H/A Shares | Nature of interest | Percentage of total number of H/A shares in issue (%) | Percentage of total shares in issue (%) |
|--|------------|-------------------------------------|--------------|----------------------|--------------------|---|---|
| Charoen Pokphand Group Company Limited ("CP Group Ltd.") | H | Interest of controlled corporations | | 1,174,978,613 | Long position | 31.55 | 12.85 |
| | | Party to s317 agreement | | 50,000,000 | Long position | 1.34 | 0.55 |
| | | Total: | (1), (2),(3) | 1,224,978,613 | | 32.90 | 13.40 |
| | | Interest of controlled corporations | (1) | 302,662,295 | Short position | 8.13 | 3.31 |
| Dhanin Chearavanont | H | Party to s317 agreement | | 1,174,978,613 | Long position | 31.55 | 12.85 |
| | | Interest of controlled corporations | | 50,000,000 | Long position | 1.34 | 0.55 |
| | | Total: | (1), (2),(3) | 1,224,978,613 | | 32.90 | 13.40 |
| | | Party to s317 agreement | (3) | 302,662,295 | Short position | 8.13 | 3.31 |
| King Ace International Limited | H | Party to s317 agreement | | 1,174,978,613 | Long position | 31.55 | 12.85 |
| | | Interest of controlled corporation | | 50,000,000 | Long position | 1.34 | 0.55 |
| | | Total: | (1), (2),(3) | 1,224,978,613 | | 32.90 | 13.40 |
| | | Party to s317 agreement | (3) | 302,662,295 | Short position | 8.13 | 3.31 |

Changes in the Share Capital and Shareholders' Profile

Interests and short positions of other substantial shareholders

| Name of substantial shareholder | H/A Shares | Capacity | Notes | Number of H/A Shares | Nature of interest | Percentage of total number of H/A shares in issue (%) | Percentage of total shares in issue (%) | | |
|--|------------|--|----------|-------------------------------------|--------------------|---|---|-------|------|
| All Gain Trading Limited | H | Beneficial owner | (1), (2) | 394,500,996 | Long position | 10.59 | 4.32 | | |
| Easy Boom Developments Limited | H | Beneficial owner | (1), (2) | 302,662,295 | Long position | 8.13 | 3.31 | | |
| | | | | 302,662,295 | Short position | 8.13 | 3.31 | | |
| Business Fortune Holdings Limited | H | Beneficial owner | (1), (2) | 224,929,005 | Long position | 6.04 | 2.46 | | |
| Bloom Fortune Group Limited | H | Beneficial owner | (1), (2) | 252,886,317 | Long position | 6.79 | 2.77 | | |
| JPMorgan Chase & Co. | H | Beneficial owner Investment Manager Trustee Custodian | | 118,170,671 | Long position | 3.17 | 1.29 | | |
| | | | | 58,025,732 | Long position | 1.56 | 0.63 | | |
| | | | | 668 | Long position | 0.00 | 0.00 | | |
| | | | | 122,728,509 | Lending Pool | 3.30 | 1.34 | | |
| | | | | Total: | (4) | 298,925,580 | | 8.03 | 3.27 |
| | | Beneficial owner | (4) | 77,448,140 | Short position | 2.08 | 0.85 | | |
| UBS AG | H | Beneficial owner Person having a security interest in shares Interest of controlled corporations | | 332,071,949 | Long position | 8.92 | 3.63 | | |
| | | | | 51,437,975 | Long position | 1.38 | 0.56 | | |
| | | | | 47,099,859 | Long position | 1.26 | 0.52 | | |
| | | | | Total: | (5) | 430,609,783 | | 11.56 | 4.71 |
| | | | | Beneficial owner | | 587,902,737 | Short position | 15.79 | 6.43 |
| | | | | Interest of controlled corporations | (5) | 82,500 | Short position | 0.00 | 0.00 |
| Total: | | 587,985,237 | | 15.79 | 6.43 | | | | |
| UBS Group AG | H | Person having a security interest in shares Interest of controlled corporations | | 51,437,975 | Long position | 1.38 | 0.56 | | |
| | | | | 379,171,808 | Long position | 10.18 | 4.15 | | |
| | | | | Total: | (6) | 430,609,783 | | 11.56 | 4.71 |
| | | | | Interest of controlled corporations | (6) | 587,985,237 | Short position | 15.79 | 6.43 |
| Shenzhen Investment Holdings Co., Ltd. | A | Beneficial owner | | 481,359,551 | Long position | 8.89 | 5.27 | | |

Notes:

- (1) All Gain Trading Limited, Easy Boom Developments Limited, Business Fortune Holdings Limited and Bloom Fortune Group Limited were the indirect wholly-owned subsidiaries of CP Group Ltd. and their respective interests in 394,500,996 H shares (Long position), 302,662,295 H shares (Long position), 224,929,005 H shares (Long position) and 252,886,317 H shares (Long position) of the Company were deemed to be the interest of CP Group Ltd. The entire interests of CP Group Ltd. in the Company included 302,662,295 H shares (Short position) which were held through derivatives, the category of which was through physically settled unlisted securities. In addition, CP Group Ltd. was also deemed to be interested in 50,000,000 H shares (Long position) by virtue of Section 317 of the SFO.
- (2) All Gain Trading Limited, Easy Boom Developments Limited, Business Fortune Holdings Limited and Bloom Fortune Group Limited were wholly owned by Chia Tai Primrose Investment Limited, which was in turn a wholly-owned subsidiary of Chia Tai Primrose Holdings Limited. Chia Tai Primrose Holdings Limited was wholly owned by Chia Tai Giant Far Limited, which was in turn a wholly-owned subsidiary of Chia Tai Resources Holdings Limited. Chia Tai Resources Holdings Limited was wholly owned by CPG Overseas Company Limited, which was in turn wholly owned by CP Group Ltd.
- (3) Boom Dragon Limited and Long Growth Global Limited each held 25,000,000 H shares (Long position) in the Company, which were wholly owned by King Ace International Limited, which was in turn a wholly-owned subsidiary of Dhanin Chearavanont. In addition, King Ace International Limited and Dhanin Chearavanont were also deemed to be interested in 1,174,978,613 H shares (Long position) by virtue of Section 317 of the SFO.
- (4) JPMorgan Chase & Co. was deemed to be interested in a total of 298,925,580 H shares (Long position) and 77,448,140 H shares (Short position) in the Company by virtue of its control over several corporations.

According to the disclosure form filed by JPMorgan Chase & Co. on May 4, 2015, the following interests in H shares were held by JPMorgan Chase & Co. through its controlled corporations, the details of which are as follows:

| Name of controlled corporation | Name of controlling shareholder | % control | Direct interest | Nature of interest | Number of shares |
|--|---|-----------|-----------------|--------------------|------------------|
| J.P. Morgan Securities LLC | J.P. Morgan Broker-Dealer Holdings Inc | 100.00 | Y | Long position | 10,130,142 |
| | | | | Short position | 137,847 |
| J.P. Morgan Clearing Corp | J.P. Morgan Securities LLC | 100.00 | Y | Long position | 1,203,309 |
| | | | | Short position | 8,600 |
| JF International Management Inc. | JPMorgan Asset Management (Asia) Inc. | 100.00 | Y | Long position | 1,608,500 |
| | | | | Short position | 0 |
| JF Asset Management Limited | JPMorgan Asset Management (Asia) Inc. | 100.00 | Y | Long position | 31,269,000 |
| | | | | Short position | 0 |
| JPMorgan Asset Management (Japan) Limited | JPMorgan Asset Management (Asia) Inc. | 100.00 | Y | Long position | 1,037,500 |
| | | | | Short position | 0 |
| JPMorgan Asset Management (Taiwan) Limited | JPMorgan Asset Management (Asia) Inc. | 100.00 | Y | Long position | 1,878,500 |
| | | | | Short position | 0 |
| J.P. Morgan Investment Management Inc. | JPMorgan Asset Management Holdings Inc | 100.00 | Y | Long position | 9,911,106 |
| | | | | Short position | 0 |
| J.P. Morgan Trust Company of Delaware | CMC Holding Delaware Inc. | 100.00 | Y | Long position | 3,360 |
| | | | | Short position | 0 |
| J.P. Morgan International Inc. | JPMorgan Chase Bank, N.A. | 100.00 | N | Long position | 106,837,220 |
| | | | | Short position | 77,301,693 |
| J.P. Morgan Chase International Holdings | J.P. Morgan Chase (UK) Holdings Limited | 100.00 | N | Long position | 53,450,175 |
| | | | | Short position | 37,416,809 |
| CMC Holding Delaware Inc. | J.P. Morgan Equity Holdings, Inc. | 100.00 | N | Long position | 3,360 |
| | | | | Short position | 0 |
| J.P. Morgan Whitefriars Inc. | J.P. Morgan Overseas Capital Corporation | 100.00 | Y | Long position | 53,387,045 |
| | | | | Short position | 39,884,883 |
| J.P. Morgan Securities plc | J.P. Morgan Capital Financing Limited | 0.69 | Y | Long position | 53,450,175 |
| | | | | Short position | 37,416,809 |
| J.P. Morgan Securities plc | J.P. Morgan Chase International Holdings | 99.31 | Y | Long position | 53,450,175 |
| | | | | Short position | 37,416,809 |
| JPMorgan Chase Bank, N.A. | JPMorgan Chase & Co. | 100.00 | Y | Long position | 124,666,531 |
| | | | | Short position | 0 |
| JPMorgan Asset Management (UK) Limited | JPMorgan Asset Management Holdings (UK) Limited | 100.00 | Y | Long position | 7,975,000 |
| | | | | Short position | 0 |

Changes in the Share Capital and Shareholders' Profile

| Name of controlled corporation | Name of controlling shareholder | % control | Direct interest | Nature of interest | Number of shares |
|---|---|-----------|-----------------|--------------------|------------------|
| China International Fund Management Co Ltd | JPMorgan Asset Management (UK) Limited | 49.00 | Y | Long position | 1,845,000 |
| JPMorgan Funds Management, Inc. | JPMorgan Distribution Services, Inc. | 100.00 | Y | Short position | 0 |
| JPMorgan Asset Management (Singapore) Limited | JPMorgan Asset Management (Asia) Inc. | 100.00 | Y | Long position | 104,412 |
| J.P. Morgan Capital Financing Limited | JPMorgan Chase & Co. | 100.00 | N | Short position | 0 |
| J.P. Morgan Securities LLC | J.P. Morgan Broker-Dealer Holdings Inc | 100.00 | N | Long position | 456,000 |
| J.P. Morgan Broker-Dealer Holdings Inc | JPMorgan Chase & Co. | 100.00 | N | Short position | 0 |
| J.P. Morgan Capital Holdings Limited | J.P. Morgan International Finance Limited | 100.00 | N | Long position | 53,450,175 |
| JPMorgan Asset Management Holdings Inc | JPMorgan Chase & Co. | 100.00 | N | Short position | 37,416,809 |
| JPMorgan Asset Management (Asia) Inc. | JPMorgan Asset Management Holdings Inc | 100.00 | N | Long position | 1,203,309 |
| J.P. Morgan Chase (UK) Holdings Limited | J.P. Morgan Capital Holdings Limited | 100.00 | N | Short position | 8,600 |
| JPMorgan Asset Management Holdings (UK) Limited | JPMorgan Asset Management International Limited | 100.00 | N | Long position | 11,333,451 |
| J.P. Morgan Overseas Capital Corporation | J.P. Morgan International Finance Limited | 100.00 | N | Short position | 146,447 |
| JPMorgan Asset Management International Limited | JPMorgan Asset Management Holdings Inc | 100.00 | N | Long position | 53,450,175 |
| JPMorgan Chase Bank, N.A. | JPMorgan Chase & Co. | 100.00 | N | Short position | 37,416,809 |
| J.P. Morgan Equity Holdings, Inc. | JPMorgan Chase & Co. | 100.00 | N | Long position | 55,980,606 |
| J.P. Morgan International Finance Limited | Bank One International Holdings Corporation | 100.00 | N | Short position | 0 |
| JPMorgan Asset Management (UK) Limited | JPMorgan Asset Management Holdings (UK) Limited | 100.00 | N | Long position | 36,249,500 |
| JPMorgan Distribution Services, Inc. | JPMorgan Chase & Co. | 100.00 | N | Short position | 0 |
| Bank One International Holdings Corporation | J.P. Morgan International Inc. | 100.00 | N | Long position | 53,450,175 |
| | | | | Short position | 37,416,809 |
| | | | | Long position | 9,820,000 |
| | | | | Short position | 0 |
| | | | | Long position | 53,387,045 |
| | | | | Short position | 39,884,883 |
| | | | | Long position | 9,820,000 |
| | | | | Short position | 0 |
| | | | | Long position | 106,837,220 |
| | | | | Short position | 77,301,693 |
| | | | | Long position | 3,360 |
| | | | | Short position | 0 |
| | | | | Long position | 106,837,220 |
| | | | | Short position | 77,301,693 |
| | | | | Long position | 1,845,000 |
| | | | | Short position | 0 |
| | | | | Long position | 104,412 |
| | | | | Short position | 0 |
| | | | | Long position | 106,837,220 |
| | | | | Short position | 77,301,693 |

The entire interests and short positions of JPMorgan Chase & Co. in the Company included a lending pool of 122,728,509 H shares (Long position). Besides, 47,978,321 H shares (Long position) and 77,439,539 H shares (Short position) were held through derivatives as follows:

- 19,300,294 H shares (Long position) and 11,102,500 H shares (Short position) - through physically settled listed securities
- 1,546,000 H shares (Long position) and 13,830,000 H shares (Short position) - through cash settled listed securities
- 432,048 H shares (Long position) and 4,792,325 H shares (Short position) - through physically settled unlisted securities
- 26,699,979 H shares (Long position) and 47,714,714 H shares (Short position) - through cash settled unlisted securities

- (5) UBS AG was deemed to be interested in a total of 47,099,859 H shares (Long position) and 82,500 H shares (Short position) in the Company through a number of its direct wholly-owned subsidiaries.

According to the disclosure form filed by UBS AG on July 3, 2015, the following interests in H shares were held by UBS AG through its controlled corporations, the details of which are as follows:

| Name of controlled corporation | Name of controlling shareholder | % control | Direct interest | Nature of interest | Number of shares |
|---|---------------------------------|-----------|-----------------|---------------------------------|---------------------|
| UBS Fund Management (Switzerland) AG | UBS AG | 100.00 | Y | Long position Short position | 6,383,500 0 |
| UBS Fund Services (Luxembourg) S.A. | UBS AG | 100.00 | Y | Long position Short position | 9,729,483 0 |
| UBS Global Asset Management (Americas) Inc. | UBS AG | 100.00 | Y | Long position Short position | 1,367,500 0 |
| UBS Global Asset Management (Australia) Ltd | UBS AG | 100.00 | Y | Long position Short position | 193,500 0 |
| UBS Global Asset Management (Canada) Inc. | UBS AG | 100.00 | Y | Long position Short position | 2,220,000 0 |
| UBS Global Asset Management (Hong Kong) Limited | UBS AG | 100.00 | Y | Long position Short position | 5,693,468 82,500 |
| UBS Global Asset Management (Japan) Ltd | UBS AG | 100.00 | Y | Long position Short position | 935,052 0 |
| UBS Global Asset Management (Singapore) Ltd | UBS AG | 100.00 | Y | Long position Short position | 12,179,500 0 |
| UBS Global Asset Management Trust Company | UBS AG | 100.00 | Y | Long position Short position | 26,000 0 |
| UBS Global Asset Management (UK) Ltd | UBS AG | 100.00 | Y | Long position Short position | 7,726,500 0 |
| UBS Global Asset Management (Deutschland) GmbH | UBS AG | 100.00 | Y | Long position Short position | 14,500 0 |
| UBS Financial Services Inc. | UBS AG | 100.00 | Y | Long position Short position | 34,356 0 |
| UBS Bank (Canada) | UBS AG | 100.00 | Y | Long position Short position | 19,500 0 |
| UBS Swiss Financial Advisers AG | UBS AG | 100.00 | Y | Long position Short position | 255,000 0 |
| UBS Global Asset Management Life Ltd | UBS AG | 100.00 | Y | Long position Short position | 6,000 0 |
| UBS O' Connor Limited | UBS AG | 100.00 | Y | Long position Short position | 19,000 0 |
| UBS Switzerland AG | UBS AG | 100.00 | Y | Long position Short position | 297,000 0 |

Besides, 319,526,970 H shares (Long position) and 548,323,266 H shares (Short position) were held through derivatives as follows:

- 4,503,913 H shares (Long position) and 4,130,000 H shares (Short position) - through physically settled listed securities
- 1,116,000 H shares (Long position) and 18,097,534 H shares (Short position) - through cash settled listed securities
- 89,784,295 H shares (Long position) and 23,479,234 H shares (Short position) - through physically settled unlisted securities
- 224,122,762 H shares (Long position) and 502,616,498 H shares (Short position) - through cash settled unlisted securities

Changes in the Share Capital and Shareholders' Profile

- (6) UBS Group AG was deemed to be interested in a total of 379,171,808 H shares (Long position) and 587,985,237 H shares (Short position) in the Company by virtue of its control over several corporations.

According to the disclosure form filed by UBS Group AG on July 3, 2015, the following interests in H shares were held by UBS Group AG through its controlled corporations, the details of which are as follows:

| Name of controlled corporation | Name of controlling shareholder | % control | Direct interest | Nature of interest | Number of shares |
|---|---------------------------------|-----------|-----------------|--------------------|------------------|
| UBS AG | UBS Group AG | 98.02 | Y | Long position | 332,071,949 |
| | | | | Short position | 587,902,737 |
| UBS Fund Services (Luxembourg) S.A. | UBS Group AG | 98.02 | Y | Long position | 9,729,483 |
| | | | | Short position | 0 |
| UBS Global Asset Management (Americas) Inc. | UBS Group AG | 98.02 | Y | Long position | 1,367,500 |
| | | | | Short position | 0 |
| UBS Global Asset Management (Australia) Ltd | UBS Group AG | 98.02 | Y | Long position | 193,500 |
| | | | | Short position | 0 |
| UBS Global Asset Management (Canada) Inc. | UBS Group AG | 98.02 | Y | Long position | 2,220,000 |
| | | | | Short position | 0 |
| UBS Global Asset Management (Hong Kong) Limited | UBS Group AG | 98.02 | Y | Long position | 5,693,468 |
| | | | | Short position | 82,500 |
| UBS Global Asset Management (Japan) Ltd | UBS Group AG | 98.02 | Y | Long position | 935,052 |
| | | | | Short position | 0 |
| UBS Global Asset Management (Singapore) Ltd | UBS Group AG | 98.02 | Y | Long position | 12,179,500 |
| | | | | Short position | 0 |
| UBS Global Asset Management Trust Company | UBS Group AG | 98.02 | Y | Long position | 26,000 |
| | | | | Short position | 0 |
| UBS Global Asset Management (UK) Ltd | UBS Group AG | 98.02 | Y | Long position | 7,726,500 |
| | | | | Short position | 0 |
| UBS Global Asset Management (Deutschland) GmbH | UBS Group AG | 98.02 | Y | Long position | 14,500 |
| | | | | Short position | 0 |
| UBS Financial Services Inc. | UBS Group AG | 98.02 | Y | Long position | 34,356 |
| | | | | Short position | 0 |
| UBS Bank (Canada) | UBS Group AG | 98.02 | Y | Long position | 19,500 |
| | | | | Short position | 0 |
| UBS Swiss Financial Advisers AG | UBS Group AG | 98.02 | Y | Long position | 255,000 |
| | | | | Short position | 0 |
| UBS O' Connor Limited | UBS Group AG | 98.02 | Y | Long position | 19,000 |
| | | | | Short position | 0 |
| UBS Fund Management (Switzerland) AG | UBS Group AG | 98.02 | Y | Long position | 6,383,500 |
| | | | | Short position | 0 |
| UBS Global Asset Management Life Ltd | UBS Group AG | 98.02 | Y | Long position | 6,000 |
| | | | | Short position | 0 |
| UBS Switzerland AG | UBS Group AG | 98.02 | Y | Long position | 297,000 |
| | | | | Short position | 0 |

Besides, 319,526,970 H shares (Long position) and 548,323,266 H shares (Short position) were held through derivatives as follows:

| | | |
|--|---|--|
| 4,503,913 H shares (Long position) and 4,130,000 H shares (Short position) | - | through physically settled listed securities |
| 1,116,000 H shares (Long position) and 18,097,534 H shares (Short position) | - | through cash settled listed securities |
| 89,784,295 H shares (Long position) and 23,479,234 H shares (Short position) | - | through physically settled unlisted securities |
| 224,122,762 H shares (Long position) and 502,616,498 H shares (Short position) | - | through cash settled unlisted securities |

- (7) Percentage figures may not add up to the totals due to rounding.

Save as disclosed above, the Directors and Supervisors of the Company are not aware of any other person (other than the Directors, Supervisors and chief executive of the Company) having any interest or short position in the shares and underlying shares of the Company as at June 30, 2015 which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Directors, Supervisors and Senior Management

CHANGES IN THE NUMBER OF SHARES, SHARE OPTIONS AND RESTRICTED SHARES HELD BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN THE COMPANY OR ASSOCIATED CORPORATIONS OF THE COMPANY DURING THE REPORTING PERIOD

As at June 30, 2015, the interests of the current and resigned Directors, Supervisors and Senior Management of the Company during the reporting period in the shares of the Company which shall be disclosed pursuant to the “Standard No. 3 Concerning the Contents and Formats of Information Disclosure by Listed Companies – The Contents and Formats of Interim Report (Revised in 2014)” issued by CSRC; and the interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which shall have been notified to the Company and HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors, Supervisors or chief executive of the Company are taken as or deemed to have under such provisions of the SFO, or which are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise required to be notified by the Directors, Supervisors and chief executive to the Company and HKEx pursuant to the Model Code, were as follows:

Changes in the number of shares, share options and restricted shares held in the Company

| Name | Position | Capacity | H/A shares | Number of shares held at the beginning of the period | Number of shares held at the end of the period | Change | Reason for the change | Nature of interest | Percentage of total issued H/A shares (%) | Percentage of total issued shares (%) |
|---------------|--|---|------------|--|--|--------|-----------------------|--------------------------------|---|---------------------------------------|
| Ma Mingzhe | Chairman, Chief Executive Officer | Interest of his spouse | H | 10,000 | 10,000 | - | - | Long position | 0.00027 | 0.00011 |
| Sun Jianyi | Vice Chairman and Executive Vice President | Beneficial owner | A | 1,898,280 | 1,898,280 | - | - | Long position | 0.03505 | 0.02077 |
| Ren Huichuan | Executive Director and President | Beneficial owner | A | 100,000 | 100,000 | - | - | Long position | 0.00185 | 0.00109 |
| Yao Jason Bo | Executive Director, Senior Vice President, Chief Financial Officer and Chief Actuary | Beneficial owner Interest of his spouse | H H | 12,000 12,000 | 12,000 12,000 | - - | - - | Long position Long position | 0.00032 0.00032 | 0.00013 0.00013 |
| Peng Zhijian | Independent Supervisor | Beneficial owner | A | 6,600 | 6,600 | - | - | Long position | 0.00012 | 0.00007 |
| Lin Li | Retired Shareholder Representative Supervisor | Interest of controlled corporation ⁽¹⁾ | A | 43,518,830 | 43,518,830 | - | - | Long position | 0.80347 | 0.47613 |
| Zhao Fujun | Retired Employee Representative Supervisor | Interest of his spouse | A | 1,700 | 1,700 | - | - | Long position | 0.00003 | 0.00002 |
| Jin Shaoliang | Secretary of the Board | Beneficial owner | H | 10,000 | 10,000 | - | - | Long position | 0.00027 | 0.00011 |

(1) Mr. Lin Li, by virtue of his control over Shenzhen Liye Group Co., Ltd., a shareholder of the Company, was deemed to be interested in the shares of the Company held by Shenzhen Liye Group Co., Ltd.

During the reporting period, there were no share options held by or restricted shares granted to the current and resigned Directors, Supervisors and Senior Management of the Company.

Change in the number of shares, share options and restricted shares held in associated corporations of the Company

As at June 30, 2015, there were no shares, share options held and restricted shares granted in associated corporations of the Company by Directors, Supervisors and chief executive of the Company.

Directors, Supervisors and Senior Management

Save as disclosed above, as at June 30, 2015, none of the Directors, Supervisors and chief executive held or was deemed to hold any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in the SFO), which are recorded in the register required to be kept under Section 352 of the SFO, or otherwise required to be notified by the Directors, Supervisors and chief executive to the Company and the HKEx pursuant to the Model Code, nor have they been granted the right to acquire any interests in shares or debentures of the Company or any of its associated corporations.

APPOINTMENT OR REMOVAL OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

1. The election of the new session of the Board of Directors was passed at the 2014 Annual General Meeting of the Company held on June 15, 2015. According to the resolution, the 10th session of the Board of Director was composed of 17 Directors. Ms. Li Zhe did not stand for re-election as Director of the Company due to personal work arrangement, and Mr. Tang Yunwei and Mr. Lee Carmelo Ka Sze did not stand for re-election as Directors of the Company due to expiration of their terms of office of 6 years as Independent Non-executive Directors. The term of office of Ms. Li Zhe expired on June 15, 2015. According to the resolution passed at the general meeting, Mr. Ge Ming was elected as an Independent Non-executive Director of the 10th Session of the Board of Directors of the Company. The qualification of Mr. Ge Ming as a Director of the Company was obtained from CIRC on June 30, 2015, on which day the appointment of Mr. Ge Ming and the resignation of Mr. Tang Yunwei and Mr. Lee Carmelo Ka Sze became effective.
2. The election of the new session of the supervisory committee of the Company (the "Supervisory Committee") was passed at the 2014 Annual General Meeting of the Company held on June 15, 2015. According to the resolution, the 8th session of the Supervisory Committee was composed of 5 Supervisors. Mr. Lin Li, Mr. Sun Jianping and Mr. Zhao Fujun did not stand for re-election as Supervisors due to personal work arrangement. The term of office of Mr. Lin Li expired on June 15, 2015. According to the resolution passed at the employees' representatives meeting of the Company held on January 23, 2015, Mr. Gao Peng was elected as an Employee Representative Supervisor of the 8th session of the Supervisory Committee of the Company. The qualification of Mr. Gao Peng as a Supervisor of the Company was obtained from CIRC on June 30, 2015, on which day the appointment of Mr. Gao Peng and the resignation of Mr. Sun Jianping and Mr. Zhao Fujun became effective.
3. As considered and approved at the 17th meeting of the 9th session of the Board of Directors held on March 19, 2015, Ms. Tan Sin Yin was appointed as the Senior Vice President of the Company. Ms. Tan Sin Yin was granted the qualifications to act as the Senior Vice President by CIRC on May 28, 2015 and officially served as the Senior Vice President of the Company since June 1, 2015.

CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

Pursuant to the disclosure requirement under Rule 13.51B(1) of the HKEx Listing Rules, the changes in information of Directors and Supervisors are as follows:

1. Mr. Ren Huichuan, the Executive Director of the Company, has been the Chairman and CEO of Shenzhen Wanlitong Internet & Information Technology Co., Ltd. since February 2015.
2. Ms. Cai Fangfang, the Executive Director of the Company, has been re-designated as the Chief Human Resource Officer of the Company (formerly as the Vice Chief Human Resource Officer) since March 2015.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the HKEx Listing Rules.

Significant Events

CORPORATE GOVERNANCE

The Company is committed to implementing the relevant requirements in relation to corporate governance issued by the regulatory authorities, in strict compliance with the Company Law of the People's Republic of China and continues to improve the corporate governance structure and enhance the level of corporate governance based on the actual conditions of the Company.

During the reporting period, two general meetings, i.e. the First Extraordinary General Meeting of 2015 and the 2014 Annual General Meeting, were held by the Company; three meetings were held by the Board of Directors; and two meetings were held by the Supervisory Committee. The general meeting, the Board of Directors, the Supervisory Committee and senior management performed their respective rights and obligations in accordance with the Articles of Association, and no irregularities or breaches were identified.

The Company discloses various important information in a timely, accurate, true and complete manner in strict compliance with the requirements of the laws, regulations and the Articles of Association, which is aimed to ensure that all shareholders have the same chance of obtaining such information. The Company endeavors to maintain a high level of corporate governance and believes that a sound corporate governance can further enhance the effectiveness and reliability of the management of the Company and such is crucial to the maximization of the shareholders' value of the Company.

During the reporting period, thanks to its regulated, systematic and highly transparent corporate governance, the Company won the titles of "Best CEO", "Best CFO" and "Best IR Company in China" at the Asia Excellence Award ceremony held by Corporate Governance Asia. In FinanceAsia's voting of "Asia's Best Managed Company", Ping An placed 4th among "Best Managed Listed Companies" in China.

CASH DIVIDEND POLICY AND IMPLEMENTATION OF PROFIT DISTRIBUTION PROPOSAL DURING THE REPORTING PERIOD

Pursuant to Article 213 of the Articles of Association, the Company shall attach importance to the reasonable investment returns of investors in terms of its profit distribution. The profit distribution policy of the Company shall maintain its continuity and stability. The accumulated profit to be distributed in cash for any three consecutive years shall not be less than 30% of the average annual distributable profit realized in the three years, provided that the annual distributable profits of the Company (namely profits after tax of the Company after covering the losses and making contributions to the revenue reserve) are positive in value and such distributions are in compliance with the prevailing laws and regulations and the requirements of regulatory authorities for solvency ratio. In determining the specific ratio of distribution of cash dividend, the Company shall take into account its profit, cash flow, solvency and its operation and business development requirements. The Board of Directors shall be responsible for formulating and implementing a distribution plan according to the provisions of the Articles of Association.

The profit distribution proposal of the Company for 2014 was approved at the 2014 Annual General Meeting held on June 15, 2015, according to which the 2014 final cash dividend of RMB0.50 (tax inclusive) per share was proposed to be distributed to all shareholders based on 9,140,120,705 shares, in a total amount of RMB4,570,060,352.50. The remaining profit would be carried forward to 2015. In addition, the Company also proposed to convert the capital reserve into share capital in the proportion of 10 shares for every 10 shares held. The total share capital increased due to the conversion would be RMB9,140,120,705. The implementation of the distribution proposal has been completed.

INTERIM RESULTS AND PROFIT DISTRIBUTION

The Group's interim results in 2015 are set out in the section titled "FINANCIAL STATEMENTS". The Board of Directors declared that an interim dividend of RMB0.18 (tax inclusive, equivalent to HK\$0.2182) per share for the six months ended June 30, 2015, in a total amount of RMB3,290,443,453.80, based on the total 18,280,241,410 shares, will be distributed to the shareholders.

According to the Articles of Association, dividends will be denominated and declared in Renminbi. Dividends on A shares will be paid in Renminbi and dividends on H shares will be paid in Hong Kong dollar. The relevant exchange rate is the average middle exchange rate of Renminbi to Hong Kong dollar as announced by PBOC for the week prior to the date of declaration of interim dividend (RMB0.8251 equivalent to HK\$1.00).

The decision-making procedure and mechanism of the above profit distribution proposals were complete, and the dividend payout standard and proportion were clear. The above profit distribution proposals were in line with the Articles of Association and relevant deliberation procedures and had fully protected the legitimate interests of medium and small investors. The Independent Non-executive Directors of the Company made independent opinion to agree with the deliberation procedures.

The expected timetable for, inter alia, the distribution of cash dividend as set out below is indicative only. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate:

| | |
|---|--|
| Record date for the A shareholders | Tuesday, September 8, 2015 |
| Payment of cash dividend for A shares | Wednesday, September 9, 2015 |
| Latest time for lodging transfers of the H shares to qualify for the entitlement of the cash dividend | 4:30 p.m., Tuesday, September 8, 2015 |
| Closure of register for the H shareholders | Wednesday, September 9, 2015 to Monday, September 14, 2015 (both days inclusive) |
| Record date for the H shareholders | Monday, September 14, 2015 |
| Payment of cash dividend for H shares | Tuesday, September 29, 2015 |

During the period from Wednesday, September 9, 2015 to Monday, September 14, 2015 (both days inclusive), no transfer of H Shares will be registered. To qualify for the cash dividend, all properly completed transfer documents together with the relevant share certificates must be lodged for registration with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m., Tuesday, September 8, 2015.

Significant Events

MATERIAL LITIGATIONS, ARBITRATIONS AND ISSUES OF MEDIA INTEREST

During the reporting period, the Company had no material litigations, arbitrations and negative material issues attracting media interest.

GENERAL ANALYSIS OF INVESTMENT

Ping An is an integrated financial services group, and the investment business is one of our core businesses. The investment portfolio of insurance funds represents a majority of the equity investment assets of the Group. The investment of insurance funds is subject to relevant laws and regulations.

Securities Investments Classified as Held for Trading Financial Assets

| No. | Type | Code | Short name | Initial investment cost (RMB million) | Number of shares or pieces at the end of the period (million shares) | Carrying amount at the end of the period (RMB million) | Percentage to total securities investments at the end of the period (%) | Profit or loss for the reporting period (RMB million) |
|---|-------|--------|--------------------------|---------------------------------------|--|--|---|---|
| 1 | Stock | 600016 | CMBC | 351 | 37.7 | 375 | 15.8 | 23 |
| 2 | Stock | 300232 | Chau Ming Technology | 108 | 7.1 | 198 | 8.4 | 90 |
| 3 | Stock | 002396 | Star-net Ruijie | 194 | 5.2 | 167 | 7.1 | (27) |
| 4 | Stock | 002388 | Sunyes Electronic | 75 | 3.9 | 113 | 4.8 | 38 |
| 5 | Stock | 002289 | Success Electronics | 45 | 2.3 | 104 | 4.4 | 59 |
| 6 | Stock | 000939 | Kaidi Electric Power | 91 | 6.5 | 95 | 4.0 | 5 |
| 7 | Stock | 000501 | Wuhan Department Store A | 107 | 4.0 | 82 | 3.5 | (23) |
| 8 | Stock | 000915 | Shanda Wit | 77 | 1.1 | 60 | 2.5 | (16) |
| 9 | Stock | 300237 | Meichen Science | 40 | 1.2 | 40 | 1.7 | - |
| 10 | Stock | 000800 | Faw Car | 38 | 1.5 | 38 | 1.6 | - |
| Other securities investments held at the end of the period | | | | 985 | - | 1,093 | 46.2 | 146 |
| Profit or loss upon disposal of securities investments for the reporting period | | | | - | - | - | - | 785 |
| Total | | | | 2,111 | - | 2,365 | 100.0 | 1,080 |

(1) Securities investments listed in the table include stocks, warrants and convertible bonds.

(2) Other securities investments refer to securities investments other than the above top ten securities.

(3) Profit or loss for the reporting period includes dividend income and gains or losses from fair value change during the reporting period.

Top Ten Equity Investments in Other Listed Companies

| No. | Stock code | Short name | Initial investment cost (RMB million) | Carrying amount at the end of the period (RMB million) | Percentage of shareholding in such companies (%) | Profit or loss for the reporting period (RMB million) | Change in shareholders' equity for the reporting period (RMB million) | Accounting item |
|-----|--------------|-------------------------------|---------------------------------------|--|--|---|---|-----------------|
| 1 | HK1398 | ICBC | 551 | 605 | 1.3 | 35 | 38 | AFS |
| | 601398 | | 18,570 | 23,377 | | - | 1,449 | AFS |
| 2 | HK0939 | CCB | 589 | 651 | 0.8 | 36 | 54 | AFS |
| | 601939 | | 9,561 | 14,035 | | - | (1,038) | AFS |
| 3 | 000538 | Yunnan Baiyao | 1,407 | 8,411 | 9.4 | - | 2,254 | AFS |
| 4 | HK3328 | Bank Comm | 175 | 215 | 1.1 | 8 | 9 | AFS |
| | 601328 | | 3,586 | 6,127 | | 227 | 793 | AFS |
| 5 | HK2007 | Country Garden | 4,983 | 6,014 | 9.9 | 330 | 1,031 | AFS |
| 6 | BE0974264930 | Ageas (original name: Fortis) | 23,874 | 2,872 | 5.2 | 116 | 211 | AFS |
| 7 | 600900 | China Yangtze Power | 2,749 | 2,480 | 1.2 | 76 | (271) | AFS |
| 8 | HK3968 | CMB | 133 | 171 | 0.5 | 6 | - | AFS |
| | 600036 | | 1,956 | 2,229 | | - | (43) | AFS |
| 9 | 601166 | CIB | 1,984 | 2,160 | 0.7 | 158 | (260) | AFS |
| 10 | 600887 | YILI | 1,758 | 1,902 | 1.6 | 60 | 81 | AFS |

(1) Profit or loss for the reporting period refers to dividend income.

(2) Percentage of shareholding in such companies is calculated using the total shares we held.

(3) The aforesaid shares were acquired from the primary and secondary markets, non-public directed issuance or bonus issue, etc.

(4) AFS means available-for-sale investment.

Significant Events

Equity Investments in Non-Listed Financial Enterprises

| No. | Name | Initial investment cost (RMB million) | Number of shares (million shares) | Percentage of Shareholding in such companies (%) | Carrying amount at the end of the period (RMB million) | Profit or loss for the reporting period (RMB million) | Change in shareholders' equity for the reporting period (RMB million) | Accounting item | Source |
|-----|--|--|--------------------------------------|---|---|--|--|-----------------|---|
| 1 | Taizhou City Commercial Bank Co., Ltd. | 361 | 186 | 10.33 | 1,290 | 60 | - | AFS | held through Ping An Life and Ping An Trust |
| 2 | China Trust Industry Security Fund Co., Ltd. | 1,500 | 1,500 | 13.04 | 1,500 | - | - | AFS | held through Ping An Trust |
| 3 | China UnionPay Co., Ltd. | 74 | 64 | 3.91 | 74 | 4 | - | AFS | held through Ping An Bank |
| 4 | CHINA ZHESHANG BANK CO., LTD. | 59 | 10 | 0.10 | 59 | - | - | AFS | held through Ping An Bank |
| 5 | E-Capital Transfer Co., Ltd. | 25 | 25 | 1.24 | 25 | - | - | AFS | held through Ping An Securities |

ASSET TRANSACTION

Subscription of Ping An Bank Non-public Share Issuance

On July 15, 2014, the 14th meeting of the 9th Session of the Board of Directors considered and approved the Resolution regarding the Subscription of Ping An Bank Non-public Share Issuance and the Resolution regarding the Subscription of Ping An Bank Non-public Preference Share Issuance by Ping An Asset Management. It was decided that the proprietary fund of the Company would be used for the subscription of ordinary shares issued under Ping An Bank's non-public issuance, and the subscription ratio would be 45%-50% of the ordinary shares issued under the non-public issuance of Ping An Bank. Ping An Asset Management, a subsidiary of the Company, will subscribe for the preference shares issued under Ping An Bank's non-public issuance through insurance funds under its management. The subscription ratio would be 50%-60% of the preference shares issued under the non-public issuance of Ping An Bank. The specific subscription ratio of preference shares is subject to the approval of relevant regulatory authorities.

On May 20, 2015, the Company had already subscribed 210,206,652 A shares issued by Ping An Bank under the non-public issuance at the issue price RMB16.70 per share. Upon completion of the subscription, the Company will directly and indirectly hold 8,299,032,160 A shares of Ping An Bank, representing approximately 58% of the issued shares of Ping An Bank as enlarged by the non-public issuance.

As at the date of the Report, Ping An Asset Management's subscription for the preference shares issued under Ping An Bank's non-public issuance is still subject to the approval of relevant regulatory authorities.

MAJOR CONNECTED TRANSACTIONS

On July 1, 2015, as mentioned in the announcement of the Company, the Resolution on Granting RMB6.5 Billion Credit Limit to Guosen Securities Companies Ltd. was considered and approved by the 14th Meeting of the 9th session of the board of directors of Ping An Bank, according to which Ping An Bank would grant RMB6.5 billion credit limit to Guosen Securities Companies Ltd. with a term of one year.

Since Mr. Fan Mingchun, the Non-Executive Director of the Company, is also a Non-Executive Director of Guosen Securities Companies Ltd., according to Articles 10.1.3 and 10.1.5 of the SSE Listing Rules, Guosen Securities Companies Ltd. is a connected party of the Company as defined by the SSE Listing Rules, and the transaction between Ping An Bank and Guosen Securities Companies Ltd. would be regarded as a connected transaction of the Company as defined under the SSE Listing Rules, but would not be regarded as a connected transaction of the Company as defined under the HKEx Listing Rules.

The pricing of the abovementioned connected transaction was determined on an arm's length basis, with conditions not superior to those of transactions with non-connected parties. The abovementioned connected transaction is a normal credit granting business of Ping An Bank, and will not generate any material impact on the normal operations and financial conditions of the Company and Ping An Bank.

Please refer to the related announcements published on the websites of SSE and HKEx, and in China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily on July 1, 2015 for detailed information.

MATERIAL CONTRACTS AND THEIR IMPLEMENTATION

Guarantee

| (in RMB million) | External guarantee of the Company (excluding the guarantee in favor of its subsidiaries) | |
|---|---|--------|
| Total guarantee incurred during the reporting period | | - |
| Total guarantee balance as at the end of the reporting period | | - |
| Guarantee of the Company in favor of its subsidiaries | | |
| Total guarantee in favor of its subsidiaries incurred during the reporting period | | 3,072 |
| Total guarantee balance in favor of its subsidiaries as at the end of the reporting period | | 36,651 |
| Total guarantee of the Company (including the guarantee in favor of its subsidiaries) | | |
| Total guarantee | | 36,651 |
| Total guarantee as a percentage of the Company's net assets (%) | | 11.1 |
| Including: Direct and indirect guarantee for the companies with gearing ratio over 70% (As at June 30, 2015) | | 33,827 |

Note: The data set out in the table above does not include those arising from financial guarantee businesses conducted by Ping An Bank (the controlling subsidiary) and other subsidiaries of the Company in strict compliance with the scope of operation approved by relevant regulatory authorities.

Significant Events

Entrustment, Underwriting, Lease, Asset Under Management, Entrusted Loan and Other Material Contracts

No matters relating to entrustment, underwriting, lease, asset under management, entrusted loan or other material contracts of the Company were required to be disclosed during the reporting period.

FOREIGN CURRENCY RISK

Foreign currency-denominated assets held by the Group are exposed to foreign currency risk. These assets include monetary assets such as deposits and bonds held in foreign currencies, and non-monetary assets measured at fair value such as our stocks and funds held in foreign currencies. The Group's foreign currency-denominated liabilities are also exposed to the risk as a result of fluctuations in exchange rates. These liabilities include monetary liabilities, such as borrowings, customer's deposits and claim reserves denominated in foreign currencies and 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% depreciation against the Renminbi, of all foreign currency-denominated monetary assets and monetary liabilities as well as the non-monetary assets and non-monetary liabilities measured at fair value as illustrated in the table below:

| As at June 30, 2015 (in RMB million) | Decrease in profit before tax | Decrease in equity before tax |
|---|----------------------------------|----------------------------------|
| Net exposure to fluctuations in exchange rates assuming a simultaneous and uniform 5% depreciation of all foreign currency-denominated monetary assets and monetary liabilities as well as all non-monetary assets and non-monetary liabilities measured at fair value against the Renminbi | 618 | 2,218 |

FULFILLMENTS OF UNDERTAKINGS

Undertakings in Respect of the Major Asset Restructuring with Shenzhen Development Bank

- (1) The Company undertakes that, after the completion of the major asset restructuring with Shenzhen Development Bank and during the period when the Company remains as the controlling shareholder of Shenzhen Development Bank, and in respect of the businesses or commercial opportunities similar to those of Shenzhen Development Bank that the Company and the enterprises under its control intend to carry out or have substantially obtained whereby the assets and businesses arising from such businesses or commercial opportunities may form potential competition with those of Shenzhen Development Bank, the Company and the enterprises under its control shall not be engaged in the businesses identical or similar to those carried out by Shenzhen Development Bank, so as to avoid direct or indirect competition with the operations of Shenzhen Development Bank.
- (2) The Company undertakes that, after the completion of the major asset restructuring with Shenzhen Development Bank and in respect of the transactions between the Company and the enterprises under its control and Shenzhen Development Bank which constitute the connected transactions of Shenzhen Development Bank, the Company and the enterprises under its control shall enter into transaction with Shenzhen Development Bank following the principle of “openness, fairness and justness” at fair and reasonable prices, and shall go through the decision-making process according to the requirements of the relevant laws and regulations and regulatory documents and perform their obligations of information disclosure as required by law. The Company undertakes that the Company and the enterprises under its control shall not procure any illegal interests or let Shenzhen Development Bank undertake any illicit obligations through the transactions with Shenzhen Development Bank.
- (3) The Company undertakes that, after the completion of the major asset restructuring and during the period when the Company remains as the controlling shareholder of Shenzhen Development Bank, the Company shall maintain the independence of Shenzhen Development Bank and ensure that Shenzhen Development Bank is independent from the Company and the enterprises under its control in respect of personnel, assets, finance, organization and business.

As at June 30, 2015, the above undertakings were still in the process of performance and there was no violation of the above undertakings.

Undertaking in Respect of the Issuance of Ping An Convertible Bonds

During the period of issuing Ping An Convertible Bonds by the Company, in terms of certain subsidiaries which are engaged in construction of private properties and community for the elderly, the Company undertakes that, nowadays and in the future, it will strictly comply with relevant regulations in relation to the insurance funds used in real estate investment and the principle that the insurance funds should only be applied to specific property without property speculations or sale in an inappropriate form. It will not develop or sell commercial housing by means of investment in annuity and private real estate.

As at June 30, 2015, the above undertaking was still in the process of performance and there was no violation of the above undertaking.

Significant Events

Undertaking in Respect of the Subscription for 1,323,384,991 New Shares of Ping An Bank through Non-public Issuance

In relation to the subscription for 1,323,384,991 new shares of Ping An Bank through non-public issuance, the Company undertakes that it shall not transfer the shares within 36 months since the date of listing of the new shares (January 9, 2014), excluding the transfer between the Company and its connected organizations (i.e. any parties directly or indirectly controlling the Company or under the direct or indirect control of the Company or under the control of the same controller as that of the Company) to the extent permitted by the applicable laws. Upon expiry of the above-mentioned term, the Company will be free to dispose of such newly-issued shares pursuant to the requirements of the CSRC and Shenzhen Stock Exchange.

As at June 30, 2015, the above undertaking was still in the process of performance and there was no violation of the above undertaking.

Undertaking in Respect of the Placing of New H Shares under General Mandate

The Company has undertaken to its H shares placing agent that, except for (1) the issuance of the 594,056,000 placing shares and save pursuant to (2) the issuance of shares or other securities (including rights or options) that are issued, offered or granted to employees (including Directors) of the Company or any of its subsidiaries or any associated company of the Company pursuant to any share option scheme of the Company; or (3) bonus or scrip dividend or similar arrangements which provide for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association; or (4) conversion of outstanding convertible bonds already issued by the Company, neither the Company nor any of its affiliates nor any person acting on its behalf will:

- (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any shares or other securities of the Company or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase any shares or other securities of the Company or other instruments representing interests in any Shares or other securities of the Company; or
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of any shares or other securities of the Company; or
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) above is to be settled by delivery of shares or other securities of the Company, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing,

in any such case without the prior written consent of the H shares placing agent from November 30, 2014 until the earlier of the date of termination of the placing agreement and the expiry of 180 days from December 8, 2014.

As at June 30, 2015, the above undertaking had been fulfilled and there was no violation of the above undertaking.

Undertaking in Respect of the Subscription for 210,206,652 New Shares of Ping An Bank through Non-public Issuance

In relation to the subscription for 210,206,652 new shares of Ping An Bank through non-public issuance, the Company undertakes that it shall not transfer the shares within 36 months since the date of listing of the new shares (May 21, 2015). Such shares shall not be disposed of and transferred among its non-related parties during the lock-up period, nor transferred and disposed of among its related parties. In addition, no arrangement of any other disposal of interests shall be entered into with respect to such shares subject to lock-up period.

As at June 30, 2015, the above undertaking was still in the process of performance and there was no violation of the above undertaking.

IMPLEMENTATION OF SHARE INCENTIVE SCHEME OF THE COMPANY AND ITS EFFECTS

During the reporting period, the Company has not implemented any share incentive scheme.

IMPLEMENTATION OF THE KEY EMPLOYEE SHARE PURCHASE PLAN OF THE COMPANY

As considered at the 16th Meeting of the 9th Session of the Board of Directors held on October 28, 2014 and approved at the First Extraordinary General Meeting of 2015 held on February 5, 2015, The Key Employee Share Purchase Plan of Ping An Insurance (Group) Company of China, Ltd. (the "Plan") was officially implemented. The first phase of the Plan was duly implemented with target participants including 839 key personnel of the Company and its subsidiaries comprising the directors, employee supervisors and senior management of the Company. The sources of funding were comprised of legitimate salary and performance bonus of the employees. Upon establishment, China Merchants Securities Co., Ltd. was engaged to manage the current stock option plan. Share purchase was completed on March 26, 2015 through the secondary market. 4,050,253 A shares of the Company were purchased in aggregate at a total consideration of RMB312,047,645 (inclusive of expenses), accounting for 0.044% of the then total issued share capital of the Company. During the reporting period, there was no change in equity as a result of disposal by holders of the stock option plan, nor any change in the asset management entity. For details of the share purchase, please refer to the Announcement regarding the Completion of Share Purchase Under the 2015 Key Employee Share Purchase Scheme dated March 27, 2015 published by the Company on the SSE and HKEx, respectively.

USE OF PROCEEDS

An aggregate of 594,056,000 new H Shares have been successfully allotted and issued by the Company under general mandate on December 8, 2014 and the gross proceeds raised from the placing were HK\$36,831,472,000. The proceeds raised from the placing were used to develop the main business and replenish the equity and working capital of the Company, and the use of the proceeds raised is consistent with the use that was passed by the meeting of the Board of Directors. As at June 30, 2015, HK\$18,721 million from the placing is kept in the fund-raising account, and the rest had been used as intended.

APPOINTMENT OF AUDITORS

At the 2014 Annual General Meeting, PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers were appointed as auditors of the Company's financial statements under CAS and IFRS, respectively for the year 2015. The interim financial statements of the Company are unaudited.

Significant Events

PUNISHMENTS IMPOSED ON THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, SHAREHOLDERS HOLDING MORE THAN 5% OF EQUITY INTEREST OF THE COMPANY AND RECTIFICATIONS

During the reporting period, the Company and its Directors, Supervisors, senior management, shareholders holding more than 5% of equity interest of the Company were not subject to the inspection, administrative penalties, punishment notice by CSRC, and the public condemnation by the stock exchanges.

Because of the failure to handle investment planning issues prudently during his term as the Chairman of Ping An Asset Management, Mr. Chan Tak Yin, the Company's Chief Investment Officer, received the Decision on Administrative Punishment of the CIRC (Bao Jian Fa [2015], No.2) in February 2015, which gave him a warning and imposed a penalty of RMB10,000.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save for the information disclosed under the paragraph headed "Ping An Convertible Bonds" as set out in "Changes in the Share Capital and Shareholders' Profile", neither the Company, nor any of its subsidiaries, had purchased, sold or redeemed any of the Company's listed securities from January 1, 2015 to June 30, 2015.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has established the Audit and Risk Management Committee in compliance with the Corporate Governance Code.

The primary duties of the Audit and Risk Management Committee are to review and supervise the Company's financial reporting process and conduct risk management. The Audit and Risk Management Committee is also responsible for reviewing any matters relating to the appointment or removal, and remuneration of the external auditors. In addition, the Audit and Risk Management Committee also examines the effectiveness of the Company's internal controls, which involves regular reviews of the internal controls of various corporate structures and business processes, and takes into account their respective potential risk and urgency, to ensure the effectiveness of the Company's business operations and the realization of its corporate objectives and strategies. The scope of such examinations and reviews includes finance, operations, regulatory compliance and risk management. The Audit and Risk Management Committee also reviews the Company's internal audit plan and submits relevant reports and recommendations to the Board of Directors on a regular basis.

As at the date of this report, the Audit and Risk Management Committee comprised four Independent Non-executive Directors and one Non-executive Director and is chaired by Mr. Ge Ming, an Independent Non-executive Director, who possesses the professional qualifications of accounting and related financial management expertise.

The Audit and Risk Management Committee has reviewed with the management the accounting principles and practices adopted by the Company and discussed the internal controls and financial reporting matters, including a review of the interim accounts of the Company.

The Company has also established the Strategy and Investment Committee, the Remuneration Committee and the Nomination Committee. Further details of the roles and functions, and summary of the work of these committees under the Board of Directors were set out under the paragraph headed "The specialized committees under the Board" in the Corporate Governance Report on pages 96 to 100 of the Company's 2014 annual report of A shares and on pages 111 to 115 of the Company's 2014 annual report of H shares. The terms of reference and modus operandi of the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee have been published on the Company's website and the HKEx's website.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE BY THE COMPANY

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 Corporate Governance Code for any part of the period from January 1, 2015 to June 30, 2015 save as disclosed below:

Code provision A.2.1 of the Corporate Governance Code provides that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Ma Mingzhe has occupied the positions of both the Chairman of the Board of Directors and the Chief Executive Officer of the Company. However, the Board of Directors is of the opinion that the Company has built up a structure of the Board of Directors of international standard and has developed a very structured and strict operation system and a set of procedural rules for meeting of the Board of Directors. The Chairman does not have any special power different from that of other Directors in relation to the decision making process. Also, in the day-to-day operation of the Company, the Company has in place an integrated management system and structure. Decisions on all material matters will be subject to complete and stringent deliberation and decision making procedures in order to ensure that the Chief Executive Officer can perform his duties diligently and effectively. Further, the current management model of the Company has been recognized in the industry and this model proves to be reliable, efficient and successful, therefore the continuous adoption of this model will be beneficial to the future development of the Company. There is also clear delineation in the responsibilities of the Board of Directors and the management set out in the Articles of Association.

Based on the above reasons, the Board of Directors is of the opinion that the Company's management structure is able to provide the Company with efficient management and at the same time, protect all shareholders' rights to the greatest extent. The Company therefore does not currently intend to separate the roles of the Chairman of the Board of Directors and the Chief Executive Officer of the Company.

Further details of the Company's arrangements and 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 were set out under the paragraph headed "Our Compliance with the Corporate Governance Code" in the Corporate Governance Report on pages 122 to 123 of the Company's 2014 annual report of H shares.

COMPLIANCE WITH THE MODEL CODE BY DIRECTORS AND SUPERVISORS OF THE COMPANY

In August 2007, the Company adopted a code of conduct regarding securities transactions by Directors and Supervisors of the Company (the "Code of Conduct"), which was amended in April 2014, on terms no less exacting than the required standard set out in the Model Code. Specific enquiry has been made to all Directors and Supervisors of the Company who have confirmed that they had complied with the required standard set out in the Model Code and the Code of Conduct for the period from January 1, 2015 to June 30, 2015.

Significant Events

INCOME TAX WITHHOLDING

Enterprise Income Tax Withholding of Overseas Non-Resident Enterprises

Pursuant to the applicable provisions of the Enterprise Income Tax Law of the People's Republic of China which came into effect on January 1, 2008 and its implementing rules, the Company shall be obligated to withhold 10% enterprise income tax when it distributes 2015 interim dividend to non-resident enterprise holders of H shares, including Hong Kong Securities Clearing Company Nominees Limited, as listed on the Company's register of members of H shares on Monday, September 14, 2015 (the "Record Date"); after the legal opinion is provided by the resident enterprise shareholders within the stipulated time frame and upon the Company's confirmation of such opinion with tax authorities, the Company will not withhold any enterprise income tax when it distributes 2015 interim dividend to resident enterprise holders of H shares listed on the Company's register of members of H shares on the Record Date.

If any resident enterprise (as defined in the Enterprise Income Tax Law) listed on the Company's register of members of H shares which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC-based de facto management body, does not desire the Company to withhold the said 10% enterprise income tax, it shall submit to Computershare Hong Kong Investor Services Limited at or before 4:30 p.m. on Tuesday, September 8, 2015 a legal opinion, issued by a PRC mainland qualified lawyer (inscribed with the seal of the applicable law firm), that verifies its resident enterprise status.

Individual Income Tax Withholding of Overseas Individual Shareholders

The Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend Income (Guo Shui Fa [1993] No. 045) was repealed on January 4, 2011, therefore individual holders of H shares who hold the Company's H shares and whose names appear on the register of members of H shares of the Company can no longer be exempted from PRC individual income tax. Upon the confirmation of the Company after having made consultation with the relevant tax authorities, and pursuant to the applicable provisions of the Individual Income Tax Law of the People's Republic of China and its implementation regulations, the individual resident shareholders outside the PRC shall pay individual income tax upon their receipt of the distributed dividends and bonus in respect of the shares issued by domestic non-foreign investment enterprises in Hong Kong, which shall be withheld by obligors on behalf of such individual shareholders by law. Those individual resident shareholders outside the PRC may, however, enjoy relevant preferential treatments in accordance with the provisions of applicable tax agreements signed between the countries where they belong to by virtue of residential identification and the PRC as well as the tax arrangements made between the Mainland China and Hong Kong (Macau).

Pursuant to the aforesaid tax regulations and the Notice of the State Administration of Taxation on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Fa [2011] No. 348), the Company shall generally be obligated to withhold individual income tax at the tax rate of 10% when it distributes 2015 interim dividend to individual holders of H shares that appear on the Company's register of members of H shares on the Record Date. However, if stated in the tax regulations and relevant tax agreements otherwise, the Company will withhold individual income tax based on the amount of the dividend at the relevant tax rate and in accordance with the procedures as stipulated.

If individual holders appear on the Company's register of members of H shares, and who are citizens from the countries applying a tax rate of less than 10% under tax agreements, are not applicable to be withheld individual tax at the rate of 10% by the Company, the Company may handle applications on their behalf for preferential treatments as stipulated in relevant agreements pursuant to the Notice of the State Administration of Taxation on Issues about the Administrative Measures for Non-residents to Enjoy the Treatments of Tax Treaties (for Trial Implementation) (Guo Shui Fa [2009] No. 124). Qualified shareholders are required to submit to Computershare Hong Kong Investor Services Limited at or before 4:30 p.m. on Tuesday, September 8, 2015 a written authorization and relevant evidencing documents, which shall be handed on by the Company to the applicable tax authorities for approval, and then excess portion of the tax amounts withheld can be refunded.

The Company will withhold the enterprise income tax as well as the individual income tax for shareholders as required by law on the basis of the Company's register of members of H shares on the Record Date. The Company assumes no liability and will not deal with any dispute over income tax withholding triggered by failure to submit proof materials within the stipulated time frame, and holders of H shares of the Company shall either personally or appoint a representative to attend to the procedures in accordance with the applicable tax regulations and relevant provisions of the PRC.

The Company will withhold the income tax for the southbound trading shareholders as required by the Notice on Tax Policies for Pilot Mechanism of Shanghai-Hong Kong Stock Connect Program (Cai Shui [2014] No. 81) on the basis of the Company's register of members of H shares on the Record Date.

All investors are requested to read this report carefully. Shareholders are recommended to consult their taxation advisors regarding their holding and disposing of H shares of the Company for the PRC, Hong Kong and other tax effects involved.

OTHER SIGNIFICANT EVENTS

No further significant events of the Company were required to be disclosed during the reporting period.

Report on Review of Interim Condensed Consolidated Financial Information

To the shareholders of
Ping An Insurance (Group) Company of China, Ltd.
(Incorporated in mainland China with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial information set out on pages 79 to 125, which comprises the interim consolidated statement of financial position of Ping An Insurance (Group) Company of China, Ltd. (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2015 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”). The directors of the Company are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong
20 August 2015

Interim Consolidated Statement of Income

For the six-month period ended 30 June 2015

| For the six-month period ended 30 June (in RMB million) | Notes | 2015 (Unaudited) | 2014 (Unaudited) |
|--|--------|---------------------|---------------------|
| Gross written premiums | 5 | 212,275 | 179,395 |
| Less: Premiums ceded to reinsurers | | (12,911) | (13,875) |
| Net written premiums | 5 | 199,364 | 165,520 |
| Change in unearned premium reserves | | (7,502) | (6,156) |
| Net earned premiums | | 191,862 | 159,364 |
| Reinsurance commission income | | 3,888 | 4,367 |
| Interest income from banking operations | 6 | 66,171 | 57,191 |
| Fees and commission income from non-insurance operations | 7 | 20,431 | 11,194 |
| Investment income | 8 | 83,174 | 27,087 |
| Share of profits and losses of associates and jointly controlled entities | | (230) | (208) |
| Other income | 9 | 11,003 | 7,050 |
| Total income | | 376,299 | 266,045 |
| Gross claims and policyholders' benefits | 10 | (178,774) | (130,665) |
| Less: Reinsurers' share and policyholders' benefits | 10 | 7,186 | 6,656 |
| Claims and policyholders' benefits | | (171,588) | (124,009) |
| Commission expenses on insurance operations | | (25,810) | (17,361) |
| Interest expenses on banking operations | 6 | (34,317) | (31,758) |
| Fees and commission expenses on non-insurance operations | 7 | (1,903) | (1,438) |
| Loan loss provisions, net of reversals | 11, 20 | (12,634) | (5,301) |
| Foreign exchange (losses)/gains | | (440) | 97 |
| General and administrative expenses | | (61,204) | (46,396) |
| Finance costs | | (2,416) | (2,833) |
| Other expenses | | (6,444) | (4,425) |
| Total expenses | | (316,756) | (233,424) |
| Profit before tax | 11 | 59,543 | 32,621 |
| Income tax | 12 | (19,632) | (6,757) |
| Profit for the period | | 39,911 | 25,864 |
| Attributable to: | | | |
| - Owners of the parent | | 34,649 | 21,362 |
| - Non-controlling interests | | 5,262 | 4,502 |
| | | 39,911 | 25,864 |
| | | RMB | RMB |
| Earnings per share attributable to ordinary equity holders of the parent: | | | |
| - Basic | 15 | 1.90 | 1.35 |
| - Diluted | 15 | 1.90 | 1.28 |

Details of the interim dividends proposed and paid for the period are disclosed in Note 14 to the financial information.

Interim Consolidated Statement of Comprehensive Income

For the six-month period ended 30 June 2015

| For the six-month period ended 30 June (in RMB million) | Note | 2015 (Unaudited) | 2014 (Unaudited) |
|---|------|---------------------|---------------------|
| Profit for the period | | 39,911 | 25,864 |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Available-for-sale financial assets | | 3,307 | 7,901 |
| Shadow accounting adjustments | | (3,769) | 289 |
| Exchange differences on translation of foreign operations | | (50) | 15 |
| Share of other comprehensive income of associates and jointly controlled entities | | 54 | 1 |
| Income tax relating to components of other comprehensive income | | 529 | (2,073) |
| Other comprehensive income for the period, net of tax | 13 | 71 | 6,133 |
| Total comprehensive income for the period | | 39,982 | 31,997 |
| Attributable to: | | | |
| - Owners of the parent | | 34,508 | 27,323 |
| - Non-controlling interests | | 5,474 | 4,674 |
| | | 39,982 | 31,997 |

Interim Consolidated Statement of Financial Position

As at 30 June 2015

| (in RMB million) | Notes | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-------|-----------------------------|-------------------------------|
| Assets | | | |
| Cash and amounts due from banks and other financial institutions | 16 | 453,837 | 398,485 |
| Balances with the Central Bank and statutory deposits | 17 | 305,934 | 313,728 |
| Fixed maturity investments | 18 | 1,891,061 | 1,608,736 |
| Equity investments | 19 | 318,166 | 241,690 |
| Derivative financial assets | | 5,133 | 4,311 |
| Loans and advances to customers | 20 | 1,204,178 | 1,053,882 |
| Premium receivables | 21 | 36,310 | 30,740 |
| Accounts receivable | 22 | 13,243 | 14,983 |
| Reinsurers' share of insurance liabilities | | 16,892 | 15,587 |
| Finance lease receivable | 23 | 47,411 | 37,908 |
| Policyholder account assets in respect of insurance contracts | 24 | 52,055 | 42,673 |
| Policyholder account assets in respect of investment contracts | 24 | 4,951 | 4,577 |
| Investments in associates and jointly controlled entities | 25 | 15,566 | 12,898 |
| Investment properties | | 20,628 | 17,170 |
| Property and equipment | | 30,046 | 28,341 |
| Intangible assets | | 42,094 | 43,032 |
| Deferred tax assets | | 16,440 | 12,354 |
| Other assets | 26 | 158,342 | 124,816 |
| Total assets | | 4,632,287 | 4,005,911 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 27 | 9,140 | 8,892 |
| Reserves | 28 | 193,121 | 181,597 |
| Retained profits | 28 | 128,929 | 99,075 |
| Equity attributable to owners of the parent | | 331,190 | 289,564 |
| Non-controlling interests | 28 | 73,308 | 64,252 |
| Total equity | | 404,498 | 353,816 |
| Liabilities | | | |
| Due to banks and other financial institutions | 30 | 654,354 | 456,153 |
| Other financial liabilities held for trading | | 5,627 | 4,747 |
| Assets sold under agreements to repurchase | 31 | 109,886 | 99,672 |
| Derivative financial liabilities | | 3,572 | 2,770 |
| Customer deposits and payables to brokerage customers | 32 | 1,663,896 | 1,510,448 |
| Accounts payable | 33 | 2,369 | 2,721 |
| Income tax payable | | 14,215 | 10,643 |
| Insurance payables | | 56,037 | 65,660 |
| Insurance contract liabilities | 34 | 1,350,787 | 1,206,816 |
| Investment contract liabilities for policyholders | | 40,492 | 38,330 |
| Policyholder dividend payable | | 30,850 | 28,673 |
| Bonds payable | 35 | 143,778 | 88,119 |
| Deferred tax liabilities | | 11,338 | 6,160 |
| Other liabilities | | 140,588 | 131,183 |
| Total liabilities | | 4,227,789 | 3,652,095 |
| Total equity and liabilities | | 4,632,287 | 4,005,911 |

MA Mingzhe
Director

SUN Jianyi
Director

YAO Jason Bo
Director

Interim Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2015

| For the six-month period ended 30 June 2015 (in RMB million) | Equity attributable to owners of the parent | | | | | | | |
|--|---|---------------------------------|--------------------------------------|---------------------------------|--|---------------------------------|--|-----------------------------|
| | Share capital (Unaudited) | Capital reserves (Unaudited) | Surplus reserve funds (Unaudited) | General reserves (Unaudited) | Exchange differences on translation of foreign operations (Unaudited) | Retained profits (Unaudited) | Non-controlling interests (Unaudited) | Total equity (Unaudited) |
| As at 1 January 2015 | 8,892 | 154,779 | 7,470 | 19,196 | 152 | 99,075 | 64,252 | 353,816 |
| Profit for the period | - | - | - | - | - | 34,649 | 5,262 | 39,911 |
| Other comprehensive income for the period | - | (91) | - | - | (50) | - | 212 | 71 |
| Total comprehensive income for the period | - | (91) | - | - | (50) | 34,649 | 5,474 | 39,982 |
| Conversion of convertible bonds | 248 | 8,871 | - | - | - | - | - | 9,119 |
| Dividend declared (Note 14) | - | - | - | - | - | (4,570) | - | (4,570) |
| Appropriations to surplus reserves | - | - | 124 | - | - | (124) | - | - |
| Appropriations to general reserves | - | - | - | 101 | - | (101) | - | - |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | (1,144) | (1,144) |
| Equity transactions with non-controlling interests | - | (746) | - | - | - | - | (1,091) | (1,837) |
| Contributions from non-controlling interests | - | 953 | - | - | - | - | 5,874 | 6,827 |
| Share purchase scheme | - | (217) | - | - | - | - | - | (217) |
| Others | - | 2,579 | - | - | - | - | (57) | 2,522 |
| As at 30 June 2015 | 9,140 | 166,128 | 7,594 | 19,297 | 102 | 128,929 | 73,308 | 404,498 |

| For the six-month period ended 30 June 2014 (in RMB million) | Equity attributable to owners of the parent | | | | | | | |
|--|---|---------------------------------|--------------------------------------|---------------------------------|--|---------------------------------|--|-----------------------------|
| | Share capital (Unaudited) | Capital reserves (Unaudited) | Surplus reserve funds (Unaudited) | General reserves (Unaudited) | Exchange differences on translation of foreign operations (Unaudited) | Retained profits (Unaudited) | Non-controlling interests (Unaudited) | Total equity (Unaudited) |
| As at 1 January 2014 | 7,916 | 82,679 | 6,982 | 14,680 | 111 | 70,341 | 56,996 | 239,705 |
| Profit for the period | - | - | - | - | - | 21,362 | 4,502 | 25,864 |
| Other comprehensive income for the period | - | 5,946 | - | - | 15 | - | 172 | 6,133 |
| Total comprehensive income for the period | - | 5,946 | - | - | 15 | 21,362 | 4,674 | 31,997 |
| Dividend declared (Note 14) | - | - | - | - | - | (3,562) | - | (3,562) |
| Appropriations to general reserves | - | - | - | 274 | - | (274) | - | - |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | (942) | (942) |
| Equity transactions with non-controlling interests | - | 21 | - | - | - | - | (468) | (447) |
| Contributions from non-controlling interests | - | (6) | - | - | - | - | 298 | 292 |
| Others | - | 3 | - | - | - | - | 92 | 95 |
| As at 30 June 2014 | 7,916 | 88,643 | 6,982 | 14,954 | 126 | 87,867 | 60,650 | 267,138 |

Interim Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2015

| For the six-month period ended 30 June (in RMB million) | Note | 2015 (Unaudited) | 2014 (Unaudited) |
|--|------|---------------------|---------------------|
| Net cash flows from operating activities | | 247,896 | 134,266 |
| Cash flows from investing activities | | | |
| Purchases of investment properties, property and equipment, and intangible assets | | (5,167) | (6,613) |
| Proceeds from disposal of investment properties, property and equipment, and intangible assets | | 124 | 373 |
| Proceeds from disposal of investments | | 636,850 | 486,946 |
| Purchases of investments | | (800,686) | (653,028) |
| Term deposits placed, net | | (9,641) | (10,023) |
| Acquisition of non-controlling interests in subsidiaries | | (1,837) | (447) |
| Acquisition and disposal of subsidiaries, net | | (116) | (556) |
| Interest received | | 45,010 | 36,974 |
| Dividends received | | 8,805 | 3,828 |
| Rentals received | | 803 | 861 |
| Others | | (9,660) | (7,202) |
| Net cash flows used in investing activities | | (135,515) | (148,887) |
| Cash flows from financing activities | | | |
| Capital injected into subsidiaries by non-controlling interests | | 6,887 | 210 |
| Proceeds from bonds issued | | 124,280 | 27,478 |
| Decrease in assets sold under agreements to repurchase of insurance operations, net | | 32,994 | 31,724 |
| Proceeds from borrowed funds | | 21,864 | 9,972 |
| Repayment of borrowed funds | | (72,479) | (9,746) |
| Interest paid | | (4,907) | (6,800) |
| Dividends paid | | (1,144) | (2,827) |
| Others | | (1,560) | 1,159 |
| Net cash flows from financing activities | | 105,935 | 51,170 |
| Net increase in cash and cash equivalents | | 218,316 | 36,549 |
| Net foreign exchange differences | | (199) | 884 |
| Cash and cash equivalents at beginning of the period | | 263,960 | 244,877 |
| Cash and cash equivalents at end of the period | 39 | 482,077 | 282,310 |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

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 controlled funds. 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. BASIS OF PREPARATION

This interim condensed consolidated financial information has been prepared in accordance with IAS 34 “Interim Financial Reporting”. This interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

(1) CHANGES IN ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

Amendment to IAS 19 – This narrow scope amendment applies to contributions from employees or third parties to defined benefit plans.

Annual improvements 2012 – These amendments include the following changes from the 2010-2012 cycle of the annual improvements project:

- IFRS 2, ‘Share-based payment’ – The amendment clarifies the definition of a ‘vesting condition’ and separately defines ‘performance condition’ and ‘service condition’.
- IFRS 3, ‘Business combinations’ and consequential amendments to IFRS 9, ‘Financial instruments’, IAS 37, ‘Provisions, contingent liabilities and contingent assets’, and IAS 39, ‘Financial instruments – Recognition and measurement’.
- IFRS 8, ‘Operating segments’ – The standard is amended to require disclosure of the judgements made by management in aggregating operating segments and a reconciliation of segment assets to the entity’s assets when segment assets are reported.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(1) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets' – Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.
- IAS 24, 'Related Party Disclosures' The reporting entity is not required to disclose the compensation paid by the management entity (as a related party) to the management entity's employee or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

Annual improvements 2013 – The amendments include the following changes from the 2011-2013 cycle of the annual improvements project:

- IFRS 3, 'Business combinations' – It clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement.
- IFRS 13, 'Fair value measurement' – It clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9.
- IAS 40, 'Investment property' – Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.

The adoption of the above amendments/interpretations has had no significant effect on the condensed interim financial statements for the period ended 30 June 2015.

(2) CHANGES IN ACCOUNTING ESTIMATES

Material judgment 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 30 June 2015 (mainly decreased tax and liquidity premium in the assumption of discount rates), and updated the estimate of future cash flows, with the corresponding impact on insurance contract liabilities taken into the current period's statement of income. As a result of such changes in assumptions, long term life insurance policyholders' reserves were increased by RMB12,384 million as at 30 June 2015 and the profit before tax for the six-month period ended 30 June 2015 was decreased by RMB12,384 million.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

4. SEGMENT REPORTING

The composition of the Group's operating segments for the six-month period ended 30 June 2015 is consistent with that for the year ended 31 December 2014.

The segment analysis for the six-month period ended 30 June 2015 is as follows:

| (in RMB million) | Life insurance (Unaudited) | Property and casualty insurance (Unaudited) | Banking (Unaudited) | Securities (Unaudited) | Trust (Unaudited) | Corporate (Unaudited) | Others (Unaudited) | Eliminations (Unaudited) | Total (Unaudited) |
|---|-------------------------------|--|------------------------|---------------------------|----------------------|--------------------------|-----------------------|-----------------------------|----------------------|
| Gross written premiums | 130,691 | 81,584 | - | - | - | - | - | - | 212,275 |
| Less: Premiums ceded to reinsurers | (2,809) | (10,102) | - | - | - | - | - | - | (12,911) |
| Change in unearned premium reserves | (250) | (7,252) | - | - | - | - | - | - | (7,502) |
| Net earned premiums | 127,632 | 64,230 | - | - | - | - | - | - | 191,862 |
| Reinsurance commission income | 444 | 3,444 | - | - | - | - | - | - | 3,888 |
| Interest income from banking operations | - | - | 66,126 | - | - | - | - | 45 | 66,171 |
| Fees and commission income from non-insurance operations | - | - | 15,463 | 3,288 | 2,080 | - | 1,364 | (1,764) | 20,431 |
| Including: Inter-segment fees and commission income from non-insurance operations | - | - | 247 | 38 | 115 | - | 1,364 | (1,764) | - |
| Investment income | 70,801 | 6,839 | 1,909 | 1,872 | 978 | 819 | 1,735 | (1,779) | 83,174 |
| Including: Inter-segment investment income | 1,252 | 92 | - | 258 | 6 | 5 | 166 | (1,779) | - |
| Share of profits and losses of associates and jointly controlled entities | 14 | - | 35 | - | (7) | - | (272) | - | (230) |
| Other income | 3,964 | 322 | 44 | 29 | 276 | 232 | 13,122 | (6,986) | 11,003 |
| Including: Inter-segment other income | 2,830 | 7 | 3 | - | - | 225 | 3,921 | (6,986) | - |
| Total income | 202,855 | 74,835 | 83,577 | 5,189 | 3,327 | 1,051 | 15,949 | (10,484) | 376,299 |
| Claims and policyholders' benefits | (134,981) | (36,607) | - | - | - | - | - | - | (171,588) |
| Commission expenses on insurance operations | (18,377) | (9,418) | - | - | - | - | - | 1,985 | (25,810) |
| Interest expenses on banking operations | - | - | (35,496) | - | - | - | - | 1,179 | (34,317) |
| Fees and commission expenses on non-insurance operations | - | - | (1,239) | (416) | (238) | - | (291) | 281 | (1,903) |
| Loan loss provisions, net of reversals | - | - | (12,624) | - | - | - | (10) | - | (12,634) |
| Foreign exchange (losses)/gains | (109) | (5) | (515) | - | (4) | 87 | 106 | - | (440) |
| General and administrative expenses | (15,557) | (17,672) | (18,703) | (2,506) | (1,145) | (429) | (8,135) | 2,943 | (61,204) |
| Finance costs | (864) | (16) | - | (283) | (243) | (210) | (915) | 115 | (2,416) |
| Other expenses | (5,159) | (103) | (147) | (9) | (288) | - | (4,628) | 3,890 | (6,444) |
| Total expenses | (175,047) | (63,821) | (68,724) | (3,214) | (1,918) | (552) | (13,873) | 10,393 | (316,756) |
| Profit before tax | 27,808 | 11,014 | 14,853 | 1,975 | 1,409 | 499 | 2,076 | (91) | 59,543 |
| Income tax | (12,318) | (2,284) | (3,579) | (369) | (409) | (44) | (629) | - | (19,632) |
| Profit for the period | 15,490 | 8,730 | 11,274 | 1,606 | 1,000 | 455 | 1,447 | (91) | 39,911 |

4. SEGMENT REPORTING (CONTINUED)

The segment analysis for the six-month period ended 30 June 2014 is as follows:

| (in RMB million) | Life insurance (Unaudited) | Property and casualty insurance (Unaudited) | Banking (Unaudited) | Securities (Unaudited) | Trust (Unaudited) | Corporate (Unaudited) | Others (Unaudited) | Eliminations (Unaudited) | Total (Unaudited) |
|---|-------------------------------|--|------------------------|---------------------------|----------------------|--------------------------|-----------------------|-----------------------------|----------------------|
| Gross written premiums | 110,543 | 68,852 | - | - | - | - | - | - | 179,395 |
| Less: Premiums ceded to reinsurers | (2,486) | (11,389) | - | - | - | - | - | - | (13,875) |
| Change in unearned premium reserves | (526) | (5,630) | - | - | - | - | - | - | (6,156) |
| Net earned premiums | 107,531 | 51,833 | - | - | - | - | - | - | 159,364 |
| Reinsurance commission income | 497 | 3,870 | - | - | - | - | - | - | 4,367 |
| Interest income from banking operations | - | - | 57,194 | - | - | - | - | (3) | 57,191 |
| Fees and commission income from non-insurance operations | - | - | 8,941 | 857 | 1,654 | - | 1,134 | (1,392) | 11,194 |
| Including: Inter-segment fees and commission income from non-insurance operations | - | - | 75 | - | 625 | - | 692 | (1,392) | - |
| Investment income | 19,437 | 3,134 | 1,930 | 668 | 536 | 914 | 1,771 | (1,303) | 27,087 |
| Including: Inter-segment investment income | 975 | 25 | - | 10 | 20 | 2 | 271 | (1,303) | - |
| Share of profits and losses of associates and jointly controlled entities | (16) | - | 9 | - | (69) | 1 | (133) | - | (208) |
| Other income | 3,171 | 222 | 88 | 13 | 271 | 182 | 8,094 | (4,991) | 7,050 |
| Including: Inter-segment other income | 2,165 | 6 | - | - | - | 177 | 2,643 | (4,991) | - |
| Total income | 130,620 | 59,059 | 68,162 | 1,538 | 2,392 | 1,097 | 10,866 | (7,689) | 266,045 |
| Claims and policyholders' benefits | (93,794) | (30,215) | - | - | - | - | - | - | (124,009) |
| Commission expenses on insurance operations | (11,471) | (7,336) | - | - | - | - | - | 1,446 | (17,361) |
| Interest expenses on banking operations | - | - | (32,604) | - | - | - | - | 846 | (31,758) |
| Fees and commission expenses on non-insurance operations | - | - | (1,170) | (60) | (247) | - | (53) | 92 | (1,438) |
| Loan loss provisions, net of reversals | - | - | (5,294) | - | - | - | (7) | - | (5,301) |
| Foreign exchange (losses)/gains | 35 | 4 | 80 | - | - | - | (22) | - | 97 |
| General and administrative expenses | (9,832) | (15,258) | (16,068) | (881) | (807) | (252) | (5,719) | 2,421 | (46,396) |
| Finance costs | (723) | (82) | - | - | (355) | (732) | (999) | 58 | (2,833) |
| Other expenses | (4,092) | (83) | (24) | (1) | (4) | (4) | (2,895) | 2,678 | (4,425) |
| Total expenses | (119,877) | (52,970) | (55,080) | (942) | (1,413) | (988) | (9,695) | 7,541 | (233,424) |
| Profit before tax | 10,743 | 6,089 | 13,082 | 596 | 979 | 109 | 1,171 | (148) | 32,621 |
| Income tax | (1,447) | (1,593) | (3,200) | (90) | (231) | - | (196) | - | (6,757) |
| Profit for the period | 9,296 | 4,496 | 9,882 | 506 | 748 | 109 | 975 | (148) | 25,864 |

The segment assets as at 30 June 2015 and 31 December 2014 are as follows:

| (in RMB million) | Life insurance | Property and casualty insurance | Banking | Securities | Trust | Corporate | Others | Eliminations | Total |
|-------------------------------|------------------|---------------------------------|------------------|----------------|---------------|---------------|----------------|-----------------|------------------|
| At 30 June 2015 (Unaudited) | 1,551,760 | 219,952 | 2,578,496 | 114,768 | 36,388 | 58,896 | 156,563 | (84,536) | 4,632,287 |
| At 31 December 2014 (Audited) | 1,382,327 | 192,351 | 2,202,449 | 61,878 | 36,761 | 62,197 | 130,136 | (62,188) | 4,005,911 |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

5. GROSS AND NET WRITTEN PREMIUMS

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|---|---------------------|---------------------|
| Gross written premiums and premium deposits | 254,329 | 217,162 |
| Less: Premium deposits of policies without significant insurance risk transfer | (1,480) | (1,576) |
| Premium deposits separated out from universal life and investment-linked products | (40,574) | (36,191) |
| Gross written premiums | 212,275 | 179,395 |
| Long term life business gross written premiums | 121,556 | 103,706 |
| Short term life business gross written premiums | 9,135 | 6,837 |
| Property and casualty business gross written premiums | 81,584 | 68,852 |
| Gross written premiums | 212,275 | 179,395 |
| Gross written premiums | | |
| Life insurance | | |
| Individual life insurance | 113,990 | 94,627 |
| Bancassurance | 9,006 | 10,406 |
| Group life insurance | 7,695 | 5,510 |
| | 130,691 | 110,543 |
| Property and casualty insurance | | |
| Automobile insurance | 61,944 | 52,142 |
| Non-automobile insurance | 17,667 | 15,051 |
| Accident and health insurance | 1,973 | 1,659 |
| | 81,584 | 68,852 |
| Gross written premiums | 212,275 | 179,395 |
| Net of reinsurance premiums ceded | | |
| Life insurance | | |
| Individual life insurance | 111,256 | 92,347 |
| Bancassurance | 8,990 | 10,386 |
| Group life insurance | 7,636 | 5,324 |
| | 127,882 | 108,057 |
| Property and casualty insurance | | |
| Automobile insurance | 55,455 | 44,335 |
| Non-automobile insurance | 14,068 | 11,487 |
| Accident and health insurance | 1,959 | 1,641 |
| | 71,482 | 57,463 |
| Net written premiums | 199,364 | 165,520 |

6. NET INTEREST INCOME FROM BANKING OPERATIONS

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|--|---------------------|---------------------|
| Interest income from banking operations | | |
| Due from the Central Bank | 2,067 | 1,860 |
| Due from financial institutions | 6,310 | 11,086 |
| Loans and advances to customers | | |
| Corporate loans and advances to customers | 22,014 | 17,604 |
| Individual loans and advances to customers | 20,103 | 15,497 |
| Discounted bills | 258 | 115 |
| Bonds | 15,150 | 10,856 |
| Others | 269 | 173 |
| Subtotal | 66,171 | 57,191 |
| Interest expenses on banking operations | | |
| Due to the Central Bank | 26 | 18 |
| Due to financial institutions | 10,701 | 15,084 |
| Customer deposits | 21,511 | 16,116 |
| Bonds payable | 2,079 | 540 |
| Subtotal | 34,317 | 31,758 |
| Net interest income from banking operations | 31,854 | 25,433 |

7. NET FEES AND COMMISSION INCOME FROM NON-INSURANCE OPERATIONS

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|---|---------------------|---------------------|
| Fees and commission income from non-insurance operations | | |
| Fees and commission income from banking business | 15,370 | 8,866 |
| Trust service fees income | 1,879 | 1,402 |
| Brokerage fees | 2,178 | 426 |
| Underwriting commission income | 679 | 252 |
| Others | 325 | 248 |
| Subtotal | 20,431 | 11,194 |
| Fees and commission expenses on non-insurance operations | | |
| Fees and commission expenses on banking business | 1,234 | 1,167 |
| Brokerage fees paid | 413 | 51 |
| Others | 256 | 220 |
| Subtotal | 1,903 | 1,438 |
| Net fees and commission income from non-insurance operations | 18,528 | 9,756 |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

8. INVESTMENT INCOME

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|--|---------------------|---------------------|
| Net investment income | 42,483 | 33,466 |
| Realized gains | 42,677 | 1,339 |
| Unrealized gains | 374 | 222 |
| Impairment losses | (2,360) | (7,940) |
| Total investment income | 83,174 | 27,087 |

(1) NET INVESTMENT INCOME

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|--|---------------------|---------------------|
| Interest income from non-banking operations on fixed maturity investments | | |
| Bonds and debt schemes | | |
| - Held-to-maturity | 13,972 | 13,465 |
| - Available-for-sale | 3,143 | 2,939 |
| - Carried at fair value through profit or loss | 119 | 116 |
| - Loans and receivables | 7,026 | 4,489 |
| Term deposits | | |
| - Loans and receivables | 6,157 | 5,841 |
| Current accounts | | |
| - Loans and receivables | 243 | 160 |
| Others | | |
| - Available-for-sale | 495 | 638 |
| - Carried at fair value through profit or loss | 11 | 105 |
| - Loans and receivables | 3,093 | 1,806 |
| Dividend income on equity investments | | |
| Equity investment funds | | |
| - Available-for-sale | 6,220 | 1,521 |
| - Carried at fair value through profit or loss | 769 | 743 |
| Equity securities | | |
| - Available-for-sale | 2,131 | 2,395 |
| - Carried at fair value through profit or loss | 64 | 15 |
| Operating lease income from investment properties | 809 | 817 |
| Interest expenses on assets sold under agreements to repurchase and replacements from banks and other financial institutions | (1,769) | (1,584) |
| | 42,483 | 33,466 |

8. INVESTMENT INCOME (CONTINUED)

(2) REALIZED GAINS

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|--|---------------------|---------------------|
| Fixed maturity investments | | |
| - Available-for-sale | 895 | (268) |
| - Carried at fair value through profit or loss | 421 | (3) |
| - Loans and receivables | 150 | (10) |
| Equity investments | | |
| - Available-for-sale | 39,148 | (484) |
| - Carried at fair value through profit or loss | 427 | (244) |
| - Subsidiaries, associates and jointly controlled entities (i) | 39 | 87 |
| Derivative financial instruments | | |
| - Carried at fair value through profit or loss | (109) | 169 |
| Gain on disposal of bills | 1,024 | 1,883 |
| Income from precious metal transactions | 682 | 209 |
| | 42,677 | 1,339 |

(i) This refers to gains from disposals of subsidiaries, associates and jointly controlled entities.

(3) UNREALIZED GAINS

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|--|---------------------|---------------------|
| Fixed maturity investments | | |
| - Carried at fair value through profit or loss | (17) | 199 |
| Equity investments | | |
| - Carried at fair value through profit or loss | 499 | 8 |
| Derivative financial instruments | | |
| - Carried at fair value through profit or loss | (108) | 15 |
| | 374 | 222 |

(4) IMPAIRMENT LOSSES

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|--|---------------------|---------------------|
| Fixed maturity investments | | |
| - Held-to-maturity | (1) | - |
| - Loan and receivables | (2,259) | (300) |
| Equity investments | | |
| - Available-for-sale | (100) | (7,640) |
| | (2,360) | (7,940) |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

9. OTHER INCOME

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|---|---------------------|---------------------|
| Sales of goods of Shanghai Jahwa (Group) Company Ltd. ("Shanghai Jahwa") | 2,939 | 2,556 |
| Management income from investment-linked products and income from investment contracts | 402 | 314 |
| Expressway toll fee income | 532 | 529 |
| Annuity management fee income | 332 | 180 |
| Consulting income | 1,093 | 538 |
| Finance leasing income | 1,745 | 837 |
| Income from financial guarantees | 1,145 | 357 |
| Income from customer loyalty program | 293 | 303 |
| Account management fees | 1,129 | 548 |
| Others | 1,393 | 888 |
| | 11,003 | 7,050 |

10. CLAIMS AND POLICYHOLDERS' BENEFITS

(1)

| For the six-month period ended 30 June (in RMB million) | 2015 | | |
|--|----------------------|----------------------------------|--------------------|
| | Gross (Unaudited) | Reinsurers' share (Unaudited) | Net (Unaudited) |
| Claims and claim adjustment expenses | 51,144 | (6,987) | 44,157 |
| Surrenders | 11,173 | - | 11,173 |
| Annuities | 2,728 | - | 2,728 |
| Maturities and survival benefits | 10,836 | - | 10,836 |
| Policyholder dividends | 4,776 | - | 4,776 |
| Increase in policyholders' reserves | 84,113 | (199) | 83,914 |
| Interest credited to policyholder contract deposits | 14,004 | - | 14,004 |
| | 178,774 | (7,186) | 171,588 |

| For the six-month period ended 30 June (in RMB million) | 2014 | | |
|--|----------------------|----------------------------------|--------------------|
| | Gross (Unaudited) | Reinsurers' share (Unaudited) | Net (Unaudited) |
| Claims and claim adjustment expenses | 41,832 | (6,493) | 35,339 |
| Surrenders | 5,053 | - | 5,053 |
| Annuities | 2,583 | - | 2,583 |
| Maturities and survival benefits | 10,737 | - | 10,737 |
| Policyholder dividends | 3,361 | - | 3,361 |
| Increase in policyholders' reserves | 60,740 | (163) | 60,577 |
| Interest credited to policyholder contract deposits | 6,359 | - | 6,359 |
| | 130,665 | (6,656) | 124,009 |

10. CLAIMS AND POLICYHOLDERS' BENEFITS (CONTINUED)

(2)

| For the six-month period ended 30 June (in RMB million) | 2015 | | |
|--|----------------------|----------------------------------|--------------------|
| | Gross (Unaudited) | Reinsurers' share (Unaudited) | Net (Unaudited) |
| Long term life insurance contract benefits | 133,032 | (2,074) | 130,958 |
| Short term life insurance claims | 4,175 | (156) | 4,019 |
| Property and casualty insurance claims | 41,567 | (4,956) | 36,611 |
| | 178,774 | (7,186) | 171,588 |

| For the six-month period ended 30 June (in RMB million) | 2014 | | |
|--|----------------------|----------------------------------|--------------------|
| | Gross (Unaudited) | Reinsurers' share (Unaudited) | Net (Unaudited) |
| Long term life insurance contract benefits | 92,861 | (1,666) | 91,195 |
| Short term life insurance claims | 2,863 | (262) | 2,601 |
| Property and casualty insurance claims | 34,941 | (4,728) | 30,213 |
| | 130,665 | (6,656) | 124,009 |

11. PROFIT BEFORE TAX

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

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|--|---------------------|---------------------|
| Employee costs | 26,767 | 19,070 |
| Interest expenses on policyholder contract deposits and investment contract reserves | 15,233 | 7,033 |
| Depreciation of investment properties | 423 | 335 |
| Depreciation of property and equipment | 1,290 | 816 |
| Amortization of intangible assets | 744 | 936 |
| Provision for doubtful debts, net | 376 | 166 |
| Provision for loans, net | 12,634 | 5,301 |
| Cost of sales of Shanghai Jahwa | 1,184 | 915 |

12. INCOME TAX

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|--|---------------------|---------------------|
| Current income tax | 18,011 | 10,232 |
| Deferred income tax | 1,621 | (3,475) |
| | 19,632 | 6,757 |

As at 30 June 2015, the Group reviewed the carrying amount of deferred tax assets. Based on current information available and the tax planning strategies, the Group believed it is probable that future taxable profit will not be adequate against deferred tax assets, resulting in the reversal of the deferred tax assets recognised in 2008 related to the impairment provision of the investment in Fortis ("Ageas" now). It led to a decrease of deferred tax assets by RMB5,251 million as at 30 June 2015, a decrease of net profit by RMB5,697 million and an increase of other comprehensive income by RMB446 million for the six-month period ended 30 June 2015.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

13. OTHER COMPREHENSIVE INCOME

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|--|---------------------|---------------------|
| Items that may be reclassified subsequently to profit or loss: | | |
| Available-for-sale financial assets: | | |
| Changes in fair value | 42,791 | (491) |
| Reclassification adjustments for (losses)/gains included in the statement of income | | |
| - (Losses)/gains on disposal | (39,584) | 752 |
| - Impairment losses | 100 | 7,640 |
| Income tax effect | (413) | (2,001) |
| | 2,894 | 5,900 |
| Shadow accounting adjustments | (3,769) | 289 |
| Income tax effect | 942 | (72) |
| | (2,827) | 217 |
| Exchange differences on translation of foreign operations | (50) | 15 |
| Share of other comprehensive income of associates and jointly controlled entities | 54 | 1 |
| | 71 | 6,133 |

14. DIVIDENDS

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Audited) |
|--|---------------------|-------------------|
| In respect of previous year: | | |
| 2014 final dividend | | |
| - RMB0.5 (2013: RMB0.45) per ordinary share (i) | 4,570 | 3,562 |
| In respect of current year: | | |
| 2015 interim dividend | | |
| - RMB0.18 (2014: RMB0.25) per ordinary share (ii) | 3,290 | 1,979 |

- (i) On 19 March 2015, the Board of Directors of the Company approved the Resolution of the Profit Appropriation Plan for 2014, agreeing to declare a final cash dividend in the amount of RMB0.50 per share based on the total shares of 9,140,120,705. The amount of the cash dividend for 2014 was RMB4,570 million accordingly. It also agreed to convert capital reserves to share capital, in a proportion of 10 shares for every 10 shares held. On 15 June 2015, the above profit appropriation plan was approved by the shareholders of the Company at the annual general meeting.
- (ii) On 4 August 2015, the conversion of capital reserve into share capital was completed and the total number of shares of the Company altered to 18,280,241,410 shares. On 20 August 2015, the Board of Directors of the Company approved the Resolution of the Profit Appropriation Plan for Interim Dividend of 2015, agreeing to declare an interim cash dividend of RMB0.18 per share for 2015. The amount of the interim cash dividend for 2015 would be RMB3,290 million, based on the number of shares after conversion. It was not recognized as a liability as at 30 June 2015.

15. EARNINGS PER SHARE

(1) BASIC

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the six-month period ended 30 June 2015 excluding ordinary shares purchased by the Company and held as treasury shares.

The Company completed the conversion of capital reserves to share capital in a proportion of 10 shares for every 10 shares held after the balance sheet date (Note 43) but before the date that financial statements are approved to issue. The basic and diluted earnings per share figures for the current period and for prior periods have been presented on the basis of the new number of shares according to “IAS 33-Earnings per Share”.

| For the six-month period ended 30 June | 2015 (Unaudited) | 2014 (Unaudited) |
|--|---------------------|---------------------|
| Profit attributable to owners of the parent (in RMB million) | 34,649 | 21,362 |
| Weighted average number of ordinary shares in issue (million shares) | 18,263 | 15,832 |
| Basic earnings per share (in RMB) | 1.90 | 1.35 |

(2) DILUTED

Diluted earnings per share is calculated by dividing the adjusted profit attributable to owners of the parent by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six-month period ended 30 June 2015, the shares granted by the Company under the share purchase scheme (Note 29) and convertible bonds have potential dilutive effect on the earnings per share. (Six-month period ended 30 June 2014: one category of dilutive potential ordinary shares: convertible bonds).

| For the six-month period ended 30 June | 2015 (Unaudited) | 2014 (Unaudited) |
|---|---------------------|---------------------|
| Earnings (in RMB million) | | |
| Profit attributable to owners of the parent | 34,649 | 21,362 |
| Interest expense on convertible bonds (net of tax) | 11 | 433 |
| Profit used to determine diluted earnings per share | 34,660 | 21,795 |
| Weighted average number of ordinary shares (million shares) | | |
| Weighted average number of ordinary shares in issue | 18,263 | 15,832 |
| Adjustments for: | | |
| - Assumed vesting of share purchase scheme | 4 | - |
| - Assumed conversion of convertible bonds | 13 | 1,258 |
| Weighted average number of ordinary shares for diluted earnings per share | 18,280 | 17,090 |
| Diluted earnings per share (in RMB) | 1.90 | 1.28 |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

16. CASH AND AMOUNTS DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Cash on hand | 4,681 | 4,168 |
| Term deposits | 223,375 | 211,107 |
| Due from banks and other financial institutions | 156,514 | 137,369 |
| Placements with banks and other financial institutions (i) | 69,267 | 45,841 |
| | 453,837 | 398,485 |

(i) Details of placements with banks and other financial institutions are as follows:

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Placements with banks | 68,656 | 43,708 |
| Placements with other financial institutions | 635 | 2,157 |
| Gross | 69,291 | 45,865 |
| Less: Provision for placements with banks and other financial institutions | (24) | (24) |
| Net | 69,267 | 45,841 |

As at 30 June 2015, cash and amounts due from banks and other financial institutions of RMB314 million (31 December 2014: RMB233 million) were restricted from use.

17. BALANCES WITH THE CENTRAL BANK AND STATUTORY DEPOSITS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Statutory reserve deposits with the Central Bank for banking operations - RMB | 233,786 | 244,744 |
| Statutory reserve deposits with the Central Bank for banking operations - Foreign Currency | 5,686 | 6,221 |
| Statutory reserve deposits with the Central Bank for banking operations (i) | 239,472 | 250,965 |
| Unrestricted deposits with the Central Bank | 52,763 | 49,238 |
| Other deposits with the Central Bank | 1,710 | 1,936 |
| Statutory deposits for insurance operations (ii) | 11,989 | 11,589 |
| | 305,934 | 313,728 |

(i) In accordance with relevant regulations, bank operations are required to place mandatory reserve deposits with the People's Bank of China for customer deposits in both RMB and foreign currencies. As at 30 June 2015, the mandatory deposits are calculated at 16.5% (31 December 2014: 18%) of customer deposits denominated in RMB and 5% (31 December 2014: 5%) of customer deposits denominated in foreign currencies. Mandatory reserve deposits are not available for use by the Group in its day to day operations.

17. BALANCES WITH THE CENTRAL BANK AND STATUTORY DEPOSITS (CONTINUED)

(ii) Details of statutory deposits for insurance operations are as follows:

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|---|-----------------------------|-------------------------------|
| Ping An Life Insurance Company of China, Ltd. (“Ping An Life”) | 6,760 | 6,760 |
| Ping An Property & Casualty Insurance Company of China, Ltd. (“Ping An Property & Casualty”) | 4,200 | 3,800 |
| Ping An Annuity Insurance Company of China, Ltd. | 872 | 872 |
| Ping An Health Insurance Company of China, Ltd. | 157 | 157 |
| | 11,989 | 11,589 |

Statutory deposits for insurance operations are placed with PRC banks in accordance with the PRC Insurance Law and relevant regulations based on 20% of the registered capital for the insurance company subsidiaries and 5% of the registered capital for insurance sales agency subsidiaries within the Group, respectively.

18. FIXED MATURITY INVESTMENTS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Bonds | 1,038,203 | 952,032 |
| Asset management schemes | 245,637 | 167,142 |
| Debt schemes and trust schemes | 193,646 | 182,607 |
| Policy loans | 47,573 | 37,886 |
| Assets purchased under reverse repurchase agreements | 334,710 | 197,177 |
| Wealth management products | 31,292 | 71,892 |
| | 1,891,061 | 1,608,736 |

(1) BONDS:

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|-----------------------------------|-----------------------------|-------------------------------|
| Held-to-maturity | 832,078 | 783,497 |
| Available-for-sale, at fair value | 154,052 | 130,126 |
| Held-for-trading | 42,825 | 30,834 |
| Loans and receivables | 9,248 | 7,575 |
| | 1,038,203 | 952,032 |
| Government bonds | 231,176 | 189,757 |
| Finance bonds | 448,487 | 442,059 |
| Corporate bonds | 358,540 | 320,216 |
| | 1,038,203 | 952,032 |
| Listed | 125,018 | 111,362 |
| Unlisted | 913,185 | 840,670 |
| | 1,038,203 | 952,032 |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

18. FIXED MATURITY INVESTMENTS (CONTINUED)

(2) ASSETS PURCHASED UNDER REVERSE REPURCHASE AGREEMENTS:

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|---------------------------------------|-----------------------------|-------------------------------|
| Trust beneficial right | 75,148 | 124,702 |
| Bonds | 241,767 | 15,625 |
| Bills | 13,322 | 50,807 |
| Finance lease receivable | 268 | 323 |
| Others | 4,232 | 5,748 |
| Gross | 334,737 | 197,205 |
| Less: Provision for impairment losses | (27) | (28) |
| Net | 334,710 | 197,177 |

During 2013, the Group's subsidiary Ping An Bank Co., Ltd. ("Ping An Bank") reclassified bonds with a fair value of RMB91,675 million from available-for-sale financial investments to held-to-maturity financial assets reflecting its positive intention and ability to hold them until maturity. As at 30 June 2015, the carrying amount of these bonds was RMB83,728 million (31 December 2014: RMB88,294 million) while the corresponding fair value was RMB83,711 million (31 December 2014: RMB87,850 million). If these bonds were not reclassified, unrealized gains of RMB487 million would have been recognized in the available-for-sale financial assets reserves for the period ended 30 June 2015. During the period, other comprehensive income in the amount of RMB369 million recognized prior to the reclassification was reversed.

19. EQUITY INVESTMENTS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--------------------------|-----------------------------|-------------------------------|
| Equity investment funds | 81,681 | 52,096 |
| Equity securities | 176,580 | 142,742 |
| Other equity investments | 59,905 | 46,852 |
| | 318,166 | 241,690 |

(1) EQUITY INVESTMENT FUNDS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|-----------------------------------|-----------------------------|-------------------------------|
| Available-for-sale, at fair value | 65,304 | 35,417 |
| Held for trading | 16,377 | 16,679 |
| | 81,681 | 52,096 |
| Listed | 16,666 | 9,058 |
| Unlisted | 65,015 | 43,038 |
| | 81,681 | 52,096 |

19. EQUITY INVESTMENTS (CONTINUED)

(2) EQUITY SECURITIES

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|-----------------------------------|-----------------------------|-------------------------------|
| Available-for-sale, at fair value | 172,775 | 141,812 |
| Held for trading | 3,805 | 930 |
| | 176,580 | 142,742 |
| Listed | 176,358 | 142,509 |
| Unlisted | 222 | 233 |
| | 176,580 | 142,742 |

(3) OTHER EQUITY INVESTMENTS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|---|-----------------------------|-------------------------------|
| Available-for-sale, at fair value | 54,696 | 40,016 |
| Available-for-sale, at cost | 2,950 | 4,064 |
| Carried at fair value through profit or loss | | |
| Held-for-trading | 1,797 | 2,291 |
| Designated at fair value through profit or loss | 462 | 481 |
| | 59,905 | 46,852 |
| Unlisted | 59,905 | 46,852 |

20. LOANS AND ADVANCES TO CUSTOMERS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|----------------------------|-----------------------------|-------------------------------|
| Corporate customers | | |
| Loans | 793,292 | 664,509 |
| Discounted bills | 14,232 | 12,413 |
| Individual customers | | |
| Operating loans | 119,955 | 116,896 |
| Credit cards | 128,953 | 114,445 |
| Property mortgages | 50,109 | 55,365 |
| Vehicle loans | 71,125 | 65,495 |
| Others | 55,576 | 46,114 |
| Gross | 1,233,242 | 1,075,237 |
| Less: Loan loss provisions | (29,064) | (21,355) |
| Net | 1,204,178 | 1,053,882 |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

20. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

Movement of loan loss provisions is as follows:

| (in RMB million) | For the six-month period ended 30 June 2015 | | | For the year ended 31 December 2014 | | |
|--|--|---|----------------------|--|---------------------------------------|--------------------|
| | Individually assessed (Unaudited) | Collectively assessed (Unaudited) | Total (Unaudited) | Individually assessed (Audited) | Collectively assessed (Audited) | Total (Audited) |
| As at 1 January | 2,220 | 19,135 | 21,355 | 1,933 | 13,476 | 15,409 |
| Acquisition of subsidiaries | - | - | - | 29 | - | 29 |
| Charge for the period/year | 2,371 | 10,263 | 12,634 | 5,640 | 8,974 | 14,614 |
| Write-off and transfer out during the period/year | (3,736) | (2,873) | (6,609) | (5,420) | (3,681) | (9,101) |
| Write-backs during the period/year | | | | | | |
| - Recovery of loans written off previously | 1,648 | 253 | 1,901 | 353 | 375 | 728 |
| - Interest accrued on impaired loans and advances | (206) | - | (206) | (313) | - | (313) |
| Other changes for the period/year | (2) | (9) | (11) | (2) | (9) | (11) |
| As at 30 June/31 December | 2,295 | 26,769 | 29,064 | 2,220 | 19,135 | 21,355 |

As at 30 June 2015, no discounted bills were pledged as assets sold under agreements to repurchase (31 December 2014: RMB194 million).

As at 30 June 2015, discounted bills with a carrying amount of RMB2,871 million (31 December 2014: RMB2,709 million) were pledged as collateral for amounts due to the Central Bank.

21. PREMIUM RECEIVABLES

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Premium receivables | 37,139 | 31,302 |
| Less: Provision for doubtful receivables | (829) | (562) |
| Premium receivables, net | 36,310 | 30,740 |
| Life insurance | 6,461 | 6,615 |
| Property and casualty insurance | 29,849 | 24,125 |
| Premium receivables, net | 36,310 | 30,740 |

The credit terms of premium receivables granted are generally from one to six months, and non-interest bearing.

An aging analysis of premium receivables is as follows:

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|---------------------------------|-----------------------------|-------------------------------|
| Within 3 months | 35,792 | 30,482 |
| Over 3 months but within 1 year | 998 | 547 |
| Over 1 year | 349 | 273 |
| | 37,139 | 31,302 |

22. ACCOUNTS RECEIVABLE

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|---|-----------------------------|-------------------------------|
| Receivables under factoring | 10,261 | 12,261 |
| Others | 3,779 | 3,429 |
| Gross | 14,040 | 15,690 |
| Less: provision for accounts receivable | (797) | (707) |
| Net | 13,243 | 14,983 |

23. FINANCE LEASE RECEIVABLE

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Finance lease receivable, net of unearned finance income | 48,264 | 38,484 |
| Less: Provision for impairment losses | (853) | (576) |
| Net | 47,411 | 37,908 |

24. POLICYHOLDER ACCOUNT ASSETS IN RESPECT OF INSURANCE/ INVESTMENT CONTRACTS

(1) POLICYHOLDER ACCOUNT ASSETS IN RESPECT OF INSURANCE CONTRACTS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Cash and amounts due from banks and other financial institutions | 6,453 | 5,205 |
| Equity investments | 35,366 | 27,622 |
| Fixed maturity investments, at fair value | 9,109 | 8,464 |
| Fixed maturity investments, at amortized cost | 709 | 721 |
| Other assets | 418 | 661 |
| | 52,055 | 42,673 |

(2) POLICYHOLDER ACCOUNT ASSETS IN RESPECT OF INVESTMENT CONTRACTS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Cash and amounts due from banks and other financial institutions | 1,220 | 918 |
| Equity investments | 1,924 | 1,292 |
| Fixed maturity investments, at fair value | 1,474 | 1,988 |
| Fixed maturity investments, at amortized cost | 218 | 252 |
| Other assets | 115 | 127 |
| | 4,951 | 4,577 |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

25. INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

The Group's investments in major associates and jointly controlled entities as at 30 June 2015 are as follows:

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Associates | | |
| Veolia Water (Kunming) Investment Co., Ltd. | 220 | 220 |
| Veolia Water (Yellow River) Investment Co., Ltd. | 231 | 271 |
| Veolia Water (Liuzhou) Investment Co., Ltd. | 99 | 104 |
| Shanxi Taichang Expressway Co., Ltd. | 759 | 781 |
| Beijing-Shanghai High-speed Railway Equity Investment | 6,300 | 6,300 |
| Ping An Pay Intelligence Technology Co., Ltd. | 461 | 522 |
| Others | 5,363 | 2,710 |
| Subtotal | 13,433 | 10,908 |
| Jointly controlled entities | | |
| KunYu Highway Development Co., Ltd. | 1,722 | 1,682 |
| Others | 411 | 308 |
| Subtotal | 2,133 | 1,990 |
| Investment in associates and jointly controlled entities | 15,566 | 12,898 |

26. OTHER ASSETS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|----------------------------------|-----------------------------|-------------------------------|
| Interest receivable | 35,898 | 35,387 |
| Other receivables | 43,879 | 25,953 |
| Due from reinsurers | 8,280 | 7,520 |
| Foreclosed assets | 1,866 | 1,384 |
| Prepayments | 4,085 | 2,285 |
| Precious metals held for trading | 56,914 | 45,254 |
| Dividend receivable | 798 | 112 |
| Inventories | 2,961 | 2,493 |
| Others | 3,661 | 4,428 |
| | 158,342 | 124,816 |

27. SHARE CAPITAL

| (million shares) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Number of shares registered, issued and fully paid, with a par value of RMB1 each | 9,140 | 8,892 |

During the period from 1 January 2015 to 9 January 2015, certain convertible bonds were converted to 248 million ordinary A shares, and resulting in an increase of share capital by RMB248 million and share premium by RMB8,876 million. The newly issued capital was verified by PricewaterhouseCoopers Zhong Tian LLP in capital verification report PwC ZT YZ (2015) No. 142.

28. RESERVES, RETAINED PROFITS AND NON-CONTROLLING INTERESTS

| (in RMB million) | Share premium (Unaudited) | Available- for-sale investment reserve (Unaudited) | Shadow accounting adjustments (Unaudited) | Others (Unaudited) | Surplus reserve funds (Unaudited) | General reserves (Unaudited) | Exchange differences on translation of foreign operations (Unaudited) | Retained profits (Unaudited) | Non-controlling interests (Unaudited) | Total equity (Unaudited) |
|---|---------------------------------|--|--|-----------------------|--|------------------------------------|--|------------------------------------|---|--------------------------------|
| As at 1 January 2015 | 127,991 | 31,798 | (6,107) | 1,097 | 7,470 | 19,196 | 152 | 99,075 | 64,252 | 344,924 |
| Profit for the period | - | - | - | - | - | - | - | 34,649 | 5,262 | 39,911 |
| Other comprehensive income for the period | - | 2,692 | (2,813) | 30 | - | - | (50) | - | 212 | 71 |
| Total comprehensive income for the period | - | 2,692 | (2,813) | 30 | - | - | (50) | 34,649 | 5,474 | 39,982 |
| Conversion of convertible bonds | 10,342 | - | - | (1,471) | - | - | - | - | - | 8,871 |
| Dividend declared (Note 14) | - | - | - | - | - | - | - | (4,570) | - | (4,570) |
| Appropriations to surplus reserves | - | - | - | - | 124 | - | - | (124) | - | - |
| Appropriations to general reserves | - | - | - | - | - | 101 | - | (101) | - | - |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | (1,144) | (1,144) |
| Equity transactions with non-controlling interests | (746) | - | - | - | - | - | - | - | (1,091) | (1,837) |
| Contributions from non-controlling interests | 953 | - | - | - | - | - | - | - | 5,874 | 6,827 |
| Share purchase scheme | - | - | - | (217) | - | - | - | - | - | (217) |
| Others | - | - | - | 2,579 | - | - | - | - | (57) | 2,522 |
| As at 30 June 2015 | 138,540 | 34,490 | (8,920) | 2,018 | 7,594 | 19,297 | 102 | 128,929 | 73,308 | 395,358 |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

28. RESERVES, RETAINED PROFITS AND NON-CONTROLLING INTERESTS (CONTINUED)

| (in RMB million) | Share premium (Unaudited) | Available- for-sale investment reserve (Unaudited) | Shadow accounting adjustments (Unaudited) | Others (Unaudited) | Surplus reserve funds (Unaudited) | General reserves (Unaudited) | Exchange differences on translation of foreign operations (Unaudited) | Retained profits (Unaudited) | Non- controlling interests (Unaudited) | Total equity (Unaudited) |
|---|---------------------------------|--|--|-----------------------|--|------------------------------------|--|------------------------------------|---|--------------------------------|
| As at 1 January 2014 | 83,868 | (5,517) | 934 | 3,394 | 6,982 | 14,680 | 111 | 70,341 | 56,996 | 231,789 |
| Profit for the period | - | - | - | - | - | - | - | 21,362 | 4,502 | 25,864 |
| Other comprehensive income for the period | - | 5,709 | 216 | 21 | - | - | 15 | - | 172 | 6,133 |
| Total comprehensive income for the period | - | 5,709 | 216 | 21 | - | - | 15 | 21,362 | 4,674 | 31,997 |
| Dividend declared (Note 14) | - | - | - | - | - | - | - | (3,562) | - | (3,562) |
| Appropriations to general reserves | - | - | - | - | - | 274 | - | (274) | - | - |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | (942) | (942) |
| Equity transactions with non-controlling interests | 19 | - | - | 2 | - | - | - | - | (468) | (447) |
| Contributions from non-controlling interests | - | - | - | (6) | - | - | - | - | 298 | 292 |
| Others | - | - | - | 3 | - | - | - | - | 92 | 95 |
| As at 30 June 2014 | 83,887 | 192 | 1,150 | 3,414 | 6,982 | 14,954 | 126 | 87,867 | 60,650 | 259,222 |

Out of the Group's retained profits, RMB24,295 million as at 30 June 2015 (31 December 2014: RMB23,900 million) represents the Company's share of its subsidiaries' surplus reserve fund which cannot be used for profit distribution.

29. SHARE PURCHASE SCHEME

The Company has adopted an employee share purchase scheme (the “Scheme”) for the key employees (including executive Directors and senior management) of the Company and its subsidiaries. Pursuant to the Scheme, the Company utilizes the entitled wages, salaries and/or performance-based remuneration/ bonuses receivable of the participants of the Scheme to purchase the corresponding number of shares of the Company (the “Shares”) from the market. The above mentioned Shares shall be vested in the key employees approved for participation in the Scheme, subject to the achievement of certain performance targets.

Movement of reserves relating to the Scheme is as follows:

| For the six-month period ended 30 June (in RMB million) | Shares held for share purchase scheme (Unaudited) | Value of employee services (Unaudited) | Total (Unaudited) |
|--|--|--|----------------------|
| As at 1 January | - | - | - |
| Purchased (i) | (312) | - | (312) |
| Share-based compensation expenses (ii) | - | 95 | 95 |
| As at 30 June | (312) | 95 | (217) |

- (i) During the period from 20 March 2015 to 26 March 2015, 4,050,253 ordinary A shares were purchased from the market. The weighted average price of shares purchased was RMB77.02 per share.
- (ii) The share-based compensation expense of the Scheme and the total value of employee services during the six months ended 30 June 2015 was RMB95 million and RMB95 million respectively.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

30. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Deposits from other banks and financial institutions | 574,458 | 395,863 |
| Due to the Central Bank | 2,921 | 2,754 |
| Short term borrowings | 27,542 | 20,901 |
| Long term borrowings | 49,433 | 36,635 |
| | 654,354 | 456,153 |

31. ASSETS SOLD UNDER AGREEMENTS TO REPURCHASE

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|----------------------------|-----------------------------|-------------------------------|
| Bonds | 108,306 | 96,742 |
| Discounted bills | - | 200 |
| Beneficial right in equity | 1,580 | 2,730 |
| | 109,886 | 99,672 |

As at 30 June 2015, beneficial right in equity of subsidiaries with a carrying amount of RMB1,580 million (31 December 2014: RMB2,730 million) were pledged as collateral for assets sold under agreements to repurchase.

As at 30 June 2015, bonds with par value of RMB76,457 million (31 December 2014: RMB56,364 million) were pledged as collateral for financial assets sold under agreements to repurchase resulted from repurchase transactions entered into by the Group in the inter-bank market.

As at 30 June 2015, no bills (31 December 2014: RMB327 million) were pledged as collateral for financial assets sold under agreements to repurchase resulted from repurchase transactions entered into by the Group in the inter-bank market. The collateral is restricted from trading during the period of the repurchase transaction.

For bonds repurchase transactions through stock exchange, the Group is required to deposit certain exchange traded bonds into a collateral pool and the fair value converted at a standard rate pursuant to stock exchange's regulation which should be no less than the balance of related repurchase transaction.

As at 30 June 2015, the bonds with par value of RMB90,276 million (31 December 2014: RMB90,485 million) were deposited in the collateral pool. The collateral is restricted from trading during the period of the repurchase transaction. The Group can withdraw the exchange-traded bonds from the collateral pool without delay provided that the value of certain bonds is no less than the balance of related repurchase transactions.

32. CUSTOMER DEPOSITS AND PAYABLES TO BROKERAGE CUSTOMERS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Customer deposits | | |
| Current and savings accounts | | |
| - Corporate customers | 315,976 | 280,925 |
| - Individual customers | 133,198 | 116,806 |
| Term deposits | | |
| - Corporate customers | 648,362 | 593,270 |
| - Individual customers | 110,608 | 112,707 |
| Guarantee deposits | 323,694 | 321,045 |
| Term deposits from the Central Bank | 45,604 | 31,460 |
| Fiscal deposits | 34,492 | 37,189 |
| Remittance payables and outward remittance | 5,783 | 2,702 |
| | 1,617,717 | 1,496,104 |
| Payables to brokerage customers | | |
| - Corporate customers | 8,393 | 1,393 |
| - Individual customers | 37,786 | 12,951 |
| | 46,179 | 14,344 |
| | 1,663,896 | 1,510,448 |

As at 30 June 2015, bonds held-to-maturity with a carrying amount of RMB54,215 million (31 December 2014: RMB36,268 million) were pledged as collateral for term deposits from the Central Bank.

33. ACCOUNTS PAYABLE

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|-------------------------|-----------------------------|-------------------------------|
| Payable under factoring | 978 | 1,883 |
| Others | 1,391 | 838 |
| | 2,369 | 2,721 |

34. INSURANCE CONTRACT LIABILITIES

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Policyholders' reserves | 810,851 | 724,338 |
| Policyholder contract deposits | 351,761 | 319,395 |
| Policyholder account liabilities in respect of insurance contracts | 52,055 | 42,673 |
| Unearned premium reserves | 82,060 | 74,124 |
| Claim reserves | 54,060 | 46,286 |
| | 1,350,787 | 1,206,816 |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

35. BONDS PAYABLE

| (in RMB million) | | 30 June 2015 | 31 December 2014 |
|--|---------------------------------|----------------|------------------|
| Issuer | Type | (Unaudited) | (Audited) |
| Value Success International Limited | Offshore RMB bonds | 5,186 | 5,183 |
| Value Success International Limited | Offshore Singapore Dollar bonds | 1,592 | 1,704 |
| Ping An Property & Casualty | Subordinated bonds | 3,065 | 5,663 |
| Ping An Life | Subordinated bonds | 21,439 | 21,335 |
| Ping An Bank | Tier-2 capital bonds | 15,000 | 15,000 |
| Ping An Bank | Hybrid capital debt instrument | 5,115 | 5,114 |
| Ping An Bank | Interbank deposits | 88,139 | 21,636 |
| Ping An International Financial Co.,Ltd | Private equity notes | 445 | 357 |
| Ping An Securities Company, Ltd. | Subordinated bonds | 2,997 | 2,996 |
| Ping An Securities Company, Ltd. | Beneficiary certificates | 600 | - |
| Ping An International Financial Leasing Co., Ltd | Private equity notes | 200 | - |
| The Company | Convertible bonds | - | 9,131 |
| | | 143,778 | 88,119 |

36. FIDUCIARY ACTIVITIES

| (in RMB million) | 30 June 2015 | 31 December 2014 |
|--|------------------|------------------|
| | (Unaudited) | (Audited) |
| Assets under trust schemes | 378,355 | 382,603 |
| Assets under corporate annuity schemes | 114,074 | 89,280 |
| Assets under asset management schemes | 215,691 | 171,190 |
| Entrusted loans of banking operation | 338,282 | 258,842 |
| Entrusted investments of banking operation | 200,234 | 165,189 |
| | 1,246,636 | 1,067,104 |

All of the above are off-balance sheet items.

37. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial instruments mainly consist of cash and amounts due from banks and other financial institutions, term deposits, bonds, equity investment funds, equity securities, loans, borrowings, deposits from other banks and financial institutions, customer deposits and payables to brokerage customers, etc. The Group holds various other financial assets and liabilities which directly arose from insurance operations, such as premium receivables, reinsurers' share of insurance liabilities, annuity and other insurance payables.

37. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(1) CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table sets out the carrying values and fair values of the Group's major financial instruments by classification:

| (in RMB million) | Carrying values | | Fair values | |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
| Financial assets | | | | |
| Available-for-sale | | | | |
| Bonds | 154,052 | 130,126 | 154,052 | 130,126 |
| Equity investment funds | 65,304 | 35,417 | 65,304 | 35,417 |
| Equity securities | 172,775 | 141,812 | 172,775 | 141,812 |
| Others | 57,646 | 44,080 | 57,646 | 44,080 |
| Carried at fair value through profit or loss | | | | |
| Bonds | 42,825 | 30,834 | 42,825 | 30,834 |
| Equity investment funds | 16,377 | 16,679 | 16,377 | 16,679 |
| Equity securities | 3,805 | 930 | 3,805 | 930 |
| Others | 2,259 | 2,772 | 2,259 | 2,772 |
| Derivative financial assets | 5,133 | 4,311 | 5,133 | 4,311 |
| Held-to-maturity | | | | |
| Bonds | 832,078 | 783,497 | 846,048 | 789,332 |
| Loans and receivables | | | | |
| Cash and amounts due from banks and other financial institutions | 453,837 | 398,485 | 453,837 | 398,485 |
| Balances with the Central Bank and statutory deposits | 305,934 | 313,728 | 305,934 | 313,728 |
| Loans and advances to customers | 1,204,178 | 1,053,882 | 1,204,297 | 1,054,228 |
| Bonds | 9,248 | 7,575 | 9,248 | 7,575 |
| Debt schemes | 439,283 | 349,749 | 439,283 | 349,489 |
| Policy loans | 47,573 | 37,886 | 47,573 | 37,886 |
| Assets purchased under reverse repurchase agreements | 334,710 | 197,177 | 334,710 | 197,177 |
| Wealth management products | 31,292 | 71,892 | 31,292 | 71,892 |
| Premium receivables | 36,310 | 30,740 | 36,310 | 30,740 |
| Accounts receivable | 13,243 | 14,983 | 13,243 | 14,983 |
| Finance lease receivable | 47,411 | 37,908 | 47,411 | 37,908 |
| Other assets | 88,948 | 68,998 | 88,948 | 68,998 |
| Total financial assets | 4,364,221 | 3,773,461 | 4,378,310 | 3,779,382 |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

37. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(1) CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

| (in RMB million) | Carrying values | | Fair values | |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
| Financial liabilities | | | | |
| Derivative financial liabilities | 3,572 | 2,770 | 3,572 | 2,770 |
| Other financial liabilities | | | | |
| Due to banks and other financial institutions | 654,354 | 456,153 | 654,354 | 456,153 |
| Other financial liabilities held for trading | 5,627 | 4,747 | 5,627 | 4,747 |
| Assets sold under agreements to repurchase | 109,886 | 99,672 | 109,886 | 99,672 |
| Customer deposits and payables to brokerage customers | 1,663,896 | 1,510,448 | 1,663,896 | 1,510,448 |
| Accounts payable | 2,369 | 2,721 | 2,369 | 2,721 |
| Insurance payables | 47,584 | 41,208 | 47,584 | 41,208 |
| Investment contract liabilities for policyholders | 35,541 | 33,753 | 35,541 | 33,753 |
| Policyholder dividend payable | 30,850 | 28,673 | 30,850 | 28,673 |
| Bonds payable | 143,778 | 88,119 | 144,590 | 90,594 |
| Other liabilities | 95,808 | 92,588 | 95,808 | 92,588 |
| Total financial liabilities | 2,793,265 | 2,360,852 | 2,794,077 | 2,363,327 |

The assets and liabilities of the investment-linked business are not included in the above financial assets and liabilities.

37. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY

The methods used to determine fair values of financial assets and liabilities and the breakdown of fair value hierarchy are disclosed in the 2014 annual report of the Group. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The primary quoted market price used for financial assets held by the groups is the current bid price. Financial instruments included in Level 1 comprise primarily equity investments, fund investments and bond investments traded on stock exchanges and open-ended mutual funds;

Level 2: other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates;

Level 3: valuation techniques which use any inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The level of fair value calculation is determined by the lowest level input with material significance in the overall calculation. As such, the significance of the input should be considered from an overall perspective in the calculation of fair value.

Valuation methods for Level 2 and Level 3 financial instruments:

For Level 2 financial instruments, valuations are generally obtained from third party pricing services for identical or comparable assets, or through the use of valuation methodologies using observable market inputs, or recent quoted market prices. Valuation service providers typically gather, analyze and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities. Debt securities are classified as Level 2 when they are valued at recent quoted price from Chinese interbank market or from valuation service providers. The Fair value of debt investments denominated in RMB is determined based upon the valuation results by the China Central Depository & Clearing Co., Ltd. All significant inputs are observable in the market.

For Level 3 financial instruments, prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques. Determinations to classify fair value measures within Level 3 of the valuation hierarchy are generally based on the significance of the unobservable factors to the overall fair value measurement, and valuation methodologies such as discounted cash flow models and other similar techniques.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

37. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY (CONTINUED)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

| (in RMB million) | 30 June 2015 | | | Total fair value (Unaudited) |
|--|------------------------|------------------------|------------------------|---------------------------------|
| | Level 1 (Unaudited) | Level 2 (Unaudited) | Level 3 (Unaudited) | |
| Financial assets | | | | |
| Carried at fair value through profit or loss | | | | |
| Bonds | 1,146 | 41,679 | - | 42,825 |
| Equity investment funds | 16,265 | 112 | - | 16,377 |
| Equity securities | 3,470 | 335 | - | 3,805 |
| Others | 144 | 1,687 | 428 | 2,259 |
| | 21,025 | 43,813 | 428 | 65,266 |
| Derivative financial assets | | | | |
| Interest rate swaps | - | 688 | - | 688 |
| Currency forwards and swaps | - | 2,381 | - | 2,381 |
| Others | - | 2,064 | - | 2,064 |
| | - | 5,133 | - | 5,133 |
| Available-for-sale financial assets | | | | |
| Bonds | 36,751 | 117,301 | - | 154,052 |
| Equity investment funds | 60,803 | 4,501 | - | 65,304 |
| Equity securities | 127,908 | 44,867 | - | 172,775 |
| Others | 378 | 34,815 | 19,503 | 54,696 |
| | 225,840 | 201,484 | 19,503 | 446,827 |
| Total financial assets | 246,865 | 250,430 | 19,931 | 517,226 |
| Financial liabilities | | | | |
| Derivative financial liabilities | | | | |
| Interest rate swaps | - | 727 | - | 727 |
| Currency forwards and swaps | - | 2,459 | - | 2,459 |
| Others | - | 386 | - | 386 |
| | - | 3,572 | - | 3,572 |
| Other financial liabilities held for trading | 5,627 | - | - | 5,627 |
| Total financial liabilities | 5,627 | 3,572 | - | 9,199 |

37. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY (CONTINUED)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy (continued):

| (in RMB million) | 31 December 2014 | | | Total fair value (Audited) |
|--|----------------------|----------------------|----------------------|-------------------------------|
| | Level 1 (Audited) | Level 2 (Audited) | Level 3 (Audited) | |
| Financial assets | | | | |
| Carried at fair value through profit or loss | | | | |
| Bonds | 1,996 | 28,838 | - | 30,834 |
| Equity investment funds | 16,427 | 252 | - | 16,679 |
| Equity securities | 920 | 10 | - | 930 |
| Others | 885 | 1,440 | 447 | 2,772 |
| | 20,228 | 30,540 | 447 | 51,215 |
| Derivative financial assets | | | | |
| Interest rate swaps | - | 515 | - | 515 |
| Currency forwards and swaps | - | 1,922 | - | 1,922 |
| Others | - | 1,874 | - | 1,874 |
| | - | 4,311 | - | 4,311 |
| Available-for-sale financial assets | | | | |
| Bonds | 31,757 | 98,369 | - | 130,126 |
| Equity investment funds | 33,762 | 1,655 | - | 35,417 |
| Equity securities | 122,613 | 18,885 | 314 | 141,812 |
| Others | 50 | 25,010 | 14,956 | 40,016 |
| | 188,182 | 143,919 | 15,270 | 347,371 |
| Total financial assets | 208,410 | 178,770 | 15,717 | 402,897 |
| Financial liabilities | | | | |
| Derivative financial liabilities | | | | |
| Interest rate swaps | - | 566 | - | 566 |
| Currency forwards and swaps | - | 1,882 | - | 1,882 |
| Others | - | 322 | - | 322 |
| | - | 2,770 | - | 2,770 |
| Other financial liabilities held for trading | 4,747 | - | - | 4,747 |
| Total financial liabilities | 4,747 | 2,770 | - | 7,517 |

The assets and liabilities of investment-linked business are not included in the above disclosure of the fair value hierarchy.

During the period, there were no significant transfers between Level 1 and Level 2 fair value measurements nor significant transfers into or out of Level 3 fair value measurements.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

38. RISK AND CAPITAL MANAGEMENT

The following depicts the risk and capital management of the Group. There were no significant changes in these regards for the six-month period ended 30 June 2015.

(1) INSURANCE RISK

Insurance risk refers to the risk that actual indemnity might exceed expected indemnity due to the frequency and severity of insurance accidents, as well as the possibility that insurance surrender rates are being underestimated. The principal risk the Group faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This could occur due to any of the following factors:

- ▶ Occurrence risk - the possibility that the number of insured events will differ from those expected.
- ▶ Severity risk - the possibility that the cost of the events will differ from those expected.
- ▶ Development risk - the possibility that changes may occur in the amount of an insurer's obligation at the end of the contract period.

The variability of risks is improved by diversification of risk of loss to a large portfolio of insurance contracts as a more diversified portfolio is less likely to be affected across the board by change in any subset of the portfolio. The variability of risks is also improved by careful selection and implementation of underwriting strategies and guidelines.

The business of the Group mainly comprises long term life insurance contracts, property and casualty and short term life insurance contracts. For contracts where death is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyles and natural disasters, resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factor is continuing improvement in medical science and social conditions that would increase longevity. For property and casualty insurance contracts, claims are often affected by natural disasters, calamities, terrorist attacks, etc.

These risks currently do not vary significantly in relation to the location of the risk insured by the Group whilst undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

There would be no significant mitigating terms and conditions that reduce the insured risk accepted for contracts with fixed and guaranteed benefits and fixed future premiums. However, for contracts with discretionary participation features, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

Insurance risk is also affected by the policyholders' rights to terminate the contract, pay reduced premiums, refuse to pay premiums or exercise annuity conversion option, etc. Thus, the resultant insurance risk is subject to policyholders' behaviours and decisions.

38. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(1) INSURANCE RISK (CONTINUED)

Concentration of insurance risks

The Group runs its insurance business primarily within the PRC. Hence the geographical insurance risk is concentrated primarily within the PRC.

The Group's concentration of insurance risk is reflected by its major lines of business as analyzed by insurance contract liabilities in Note 34.

Assumptions

(a) Long term life insurance contracts

Material judgment is required in determining insurance contract reserves and in choosing discount rates/ investment return, mortality, morbidity, lapse rates, policy dividend and expenses assumptions relating to long term life insurance contracts.

(b) Property and casualty and short term life insurance contracts

The principal assumptions underlying the estimates includes assumptions in respect of average claim costs, claims handling costs, claims inflation factors and claim numbers for each accident year which are determined based on the Group's past claim experiences. Judgment is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key assumptions include delays in settlement, etc.

(c) Reinsurance

The Group limits its exposure to losses from insurance operations mainly through participation in reinsurance arrangements. The majority of the business ceded is placed on the quota share basis and the surplus basis with retention limits varying by product lines. Amounts recoverable from reinsurers are estimated in a manner consistent with the assumptions used for ascertaining the underlying policy benefits and are presented in the statement of financial position as reinsurers' share of insurance liabilities and due from reinsurers.

Even though the Group may have reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

38. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK

Market risk is the risk of changes in fair value of financial instruments and future cash flows from fluctuations of market prices, which includes three types of risks from volatility of foreign exchange rates (foreign currency risk), market interest rates (interest rate risk) and market prices (price risk).

(a) Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between the RMB and other currencies in which the Group conducts business may affect its financial position and results of operations. The foreign currency risk facing the Group mainly comes from movements in the USD/RMB, HKD/RMB and EUR/RMB exchange rates. The Group seeks to limit its exposure to foreign currency risk by minimizing its net foreign currency position.

(b) Price risk

The Group's price risk exposure relates to financial assets and liabilities whose values will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), which mainly include listed equity securities and equity investment funds classified as available-for-sale financial assets and financial assets at fair value through profit or loss.

The above investments are exposed to price risk because of changes in market prices, where changes are caused by factors specific to the individual financial instruments or their issuers, or factors affecting all similar financial instruments traded in the market.

The Group managed price risks by diversification of investments, setting limits for investments in different securities, etc.

(c) Interest rate risk

Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest rate risk, whereas fixed rate instruments expose the Group to fair value interest risk.

The Group's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. Interest on floating rate instruments is repriced at intervals of less than one year. Interest on fixed interest rate instruments is priced at inception of the financial instruments and is fixed until maturity.

38. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK

Credit risks refer to the risk of losses incurred by the inability of debtors or counterparties to fulfill their contractual obligations or by the adverse changes in their credit conditions. The Group is exposed to credit risks primarily associated with its deposit arrangements with commercial banks, loans and advances to customers, investments in bonds, reinsurance arrangements with reinsurers, policy loans, securities financing and direct loans, financial guarantees, loan commitments, etc. The Group uses a variety of controls to identify, measure, monitor and report credit risk.

Credit risk of banking business

The bank segment of the Group has formulated a complete set of credit management processes and internal control mechanisms, so as to carry out whole process management of credit business. Credit management procedures for its corporate and retail loans comprise the processes of credit origination, credit review, credit approval, disbursement, post-disbursement monitoring and collection.

Risks arising from financial guarantees and loan commitments are similar to those associated with loans and advances. Transactions of financial guarantees and loan commitments are, therefore, subject to the same requirements on application, post lending monitoring and collateral as loans and advances to customers.

The bank segment of the Group sub-divides credit asset risks into 10 categories based on the five-tier loan classification system promulgated by the China Banking Regulatory Commission, and applies different management policies to the loans in accordance with their respective loan categories. With the introduction of New Capital Accord programs in banking business, the banking business will gradually establish a more scientific rating system that in accordance with the requirements of internal controls.

Credit risk of investment business

As to debt investments, the Group grades the existing investments according to internal credit rating policies and processes, chooses high credit quality counterparties and establishes strict access standards.

Credit risk of insurance business

The Group evaluates the credit rating of the reinsurance companies before signing the reinsurance contracts, and chooses the reinsurance companies with higher credit rating to reduce the credit risk.

The limit of policy loans is based on the cash value of valid insurance policy, with an appropriate discount, and the validity period of policy loan is in the validity period of insurance policy. The credit risk associated with policy loans will not cause a material impact on the Group's consolidated financial statements as at 30 June 2015 and 31 December 2014.

Credit exposure

For on-balance sheet assets, the exposures are based on net carrying amounts as reported in the financial statements taking no account of collateral or other credit enhancements. The Group also assumes credit risk due to credit commitments. The details are disclosed in Note 41 (3).

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

38. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and the valuation parameters.

The main types of collateral obtained are as follows:

- ▶ for policy loans, cash value of policies;
- ▶ for assets purchased under reverse repurchase agreements transactions, bills, loans and negotiable securities;
- ▶ for commercial lending, charges over real estate properties, inventories, equity investments and trade receivables, etc.;
- ▶ for retail lending, residential properties over mortgages.

Management monitors the market value of the collateral, requests additional collateral when needed and performs an impairment valuation when applicable.

It is the Group's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding balance. In general, the Group does not occupy repossessed properties for business use.

(4) LIQUIDITY RISK

Liquidity risk is the risk of not having access to sufficient funds or being unable to liquidate a position in a timely manner at a reasonable price to meet the Group's obligations as they become due.

The Group is exposed to liquidity risk on insurance policies that permit surrender, withdrawal or other forms of early termination. The Group seeks to manage its liquidity risk by matching to the extent possible the duration of its investment assets with the duration of its insurance policies and to ensure that the Group is able to meet its payment obligations and fund its lending and investment operations on a timely basis.

The banking business of the Group is exposed to potential liquidity risk. The Group monitors the sourcing and usage of funds, deposit to loan ratio, and quick ratio on a daily basis. Moreover, when adopting various liquidity risk management measurement benchmarks, the Group will compare the expected results against the ones derived from stress tests, critically assess the potential impact to the future liquidity risk, and formulate remedial actions according to specific situations. The Group seeks to mitigate the liquidity risk of the banking business by optimizing the assets and liabilities structure, maintaining stable deposits, etc.

38. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(4) LIQUIDITY RISK (CONTINUED)

The table below summarizes the remaining contractual maturity profile of the financial assets and liabilities of the Group (excluding balances of investment-linked contracts) based on undiscounted contractual cash flows/expected cash flows and remaining contractual maturity profile of derivative cash flows and credit commitment.

| (in RMB million) | 30 June 2015 | | | | | | Total (Unaudited) |
|--|---------------------------------------|--------------------------------------|----------------------------------|-----------------------------|-----------------------------|------------------------|----------------------|
| | Repayable on demand (Unaudited) | Less than 3 months (Unaudited) | 3 to 12 months (Unaudited) | 1 to 5 years (Unaudited) | Over 5 years (Unaudited) | Undated (Unaudited) | |
| Cash and amounts due from banks and other financial institutions | 117,095 | 119,589 | 66,743 | 184,407 | 2,823 | 28 | 490,685 |
| Balances with the Central Bank and statutory deposits | 20,829 | 748 | 1,897 | 11,003 | - | 273,118 | 307,595 |
| Fixed maturity investments | 17,953 | 484,314 | 244,247 | 769,469 | 1,058,005 | - | 2,573,988 |
| Equity investments | 4,887 | 1,567 | 6,352 | 20,370 | - | 299,176 | 332,352 |
| Loans and advances to customers | 26,779 | 368,680 | 454,911 | 376,917 | 133,330 | - | 1,360,617 |
| Premium receivables | 7,140 | 9,993 | 9,155 | 9,983 | 39 | - | 36,310 |
| Accounts receivable | 187 | 4,276 | 6,867 | 2,364 | - | - | 13,694 |
| Finance lease receivable | - | 4,653 | 15,251 | 35,427 | 332 | - | 55,663 |
| Other assets | 16,179 | 30,701 | 11,592 | 4,520 | 43 | - | 63,035 |
| | 211,049 | 1,024,521 | 817,015 | 1,414,460 | 1,194,572 | 572,322 | 5,233,939 |
| Due to banks and other financial institutions | 168,398 | 279,658 | 160,660 | 59,974 | 9,745 | - | 678,435 |
| Other financial liabilities held for trading | - | 4,981 | - | 646 | - | - | 5,627 |
| Assets sold under agreements to repurchase | - | 112,889 | 6,702 | - | - | - | 119,591 |
| Customer deposits and payables to brokerage customers | 631,332 | 360,403 | 459,061 | 274,290 | 1,963 | - | 1,727,049 |
| Accounts payable | - | 2,066 | 833 | 124 | - | - | 3,023 |
| Insurance payables | 43,579 | 3,118 | 883 | 4 | - | - | 47,584 |
| Investment contract liabilities for policyholders | - | 728 | 5,463 | 14,609 | 23,412 | - | 44,212 |
| Policyholder dividend payable | 30,850 | - | - | - | - | - | 30,850 |
| Bonds payable | - | 44,608 | 48,793 | 28,911 | 44,410 | - | 166,722 |
| Other liabilities | 15,272 | 27,817 | 27,392 | 7,467 | 207 | - | 78,155 |
| | 889,431 | 836,268 | 709,787 | 386,025 | 79,737 | - | 2,901,248 |
| Derivative cash flows | | | | | | | |
| Derivative financial instruments settled on a net basis | 5 | (23) | (137) | 237 | - | - | 82 |
| Derivative financial instruments settled on a gross basis | | | | | | | |
| - Cash inflow | 6,320 | 307,663 | 257,527 | 7,231 | 843 | - | 579,584 |
| - Cash outflow | (54,586) | (302,283) | (234,828) | (5,572) | (816) | - | (598,085) |
| | (48,266) | 5,380 | 22,699 | 1,659 | 27 | - | (18,501) |
| Credit Commitments | 13,865 | 239,653 | 281,110 | 69,943 | 15,358 | - | 619,929 |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

38. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(4) LIQUIDITY RISK (CONTINUED)

| (in RMB million) | 31 December 2014 | | | | | | Total (Audited) |
|--|-------------------------------------|------------------------------------|-----------------------------|---------------------------|---------------------------|----------------------|--------------------|
| | Repayable on demand (Audited) | Less than 3 months (Audited) | 3 to 12 months (Audited) | 1 to 5 years (Audited) | Over 5 years (Audited) | Undated (Audited) | |
| Cash and amounts due from banks and other financial institutions | 118,360 | 61,477 | 80,289 | 174,022 | 3,729 | 137 | 438,014 |
| Balances with the Central Bank and statutory deposits | 22,361 | 140 | 1,729 | 11,393 | - | 279,780 | 315,403 |
| Fixed maturity investments | 7,808 | 261,059 | 259,605 | 675,185 | 978,897 | - | 2,182,554 |
| Equity investments | 10,076 | 1,336 | 18,503 | 12,867 | 1,605 | 205,684 | 250,071 |
| Loans and advances to customers | 7,850 | 313,924 | 419,266 | 327,586 | 139,525 | - | 1,208,151 |
| Premium receivables | 2,143 | 10,088 | 8,758 | 9,719 | 32 | - | 30,740 |
| Accounts receivable | 502 | 3,559 | 8,392 | 3,154 | - | - | 15,607 |
| Finance lease receivable | - | 3,413 | 23,142 | 17,496 | - | - | 44,051 |
| Other assets | 4,771 | 15,444 | 9,597 | 3,799 | - | - | 33,611 |
| | 173,871 | 670,440 | 829,281 | 1,235,221 | 1,123,788 | 485,601 | 4,518,202 |
| Due to banks and other financial institutions | 55,806 | 258,225 | 89,973 | 51,071 | 15,123 | - | 470,198 |
| Other financial liabilities held for trading | - | 3,408 | 1,435 | - | - | - | 4,843 |
| Assets sold under agreements to repurchase | - | 97,150 | 2,827 | - | - | - | 99,977 |
| Customer deposits and payables to brokerage customers | 581,256 | 302,090 | 428,068 | 265,972 | - | - | 1,577,386 |
| Accounts payable | 240 | 836 | 879 | 932 | - | - | 2,887 |
| Insurance payables | 33,862 | 6,366 | 976 | 4 | - | - | 41,208 |
| Investment contract liabilities for policyholders | - | 1,440 | 4,253 | 14,743 | 30,586 | - | 51,022 |
| Policyholder dividend payable | 28,673 | - | - | - | - | - | 28,673 |
| Bonds payable | - | 20,298 | 12,342 | 27,486 | 54,449 | - | 114,575 |
| Other liabilities | 14,503 | 15,442 | 21,449 | 19,175 | - | - | 70,569 |
| | 714,340 | 705,255 | 562,202 | 379,383 | 100,158 | - | 2,461,338 |
| Derivative cash flows | | | | | | | |
| Derivative financial instruments settled on a net basis | - | 2 | (35) | 59 | - | - | 26 |
| Derivative financial instruments settled on a gross basis | | | | | | | |
| - Cash inflow | - | 280,694 | 231,077 | 4,011 | 373 | - | 516,155 |
| - Cash outflow | - | (273,326) | (208,911) | (3,463) | (327) | - | (486,027) |
| | - | 7,368 | 22,166 | 548 | 46 | - | 30,128 |
| Credit commitments | 7,662 | 238,520 | 265,608 | 62,910 | 16,482 | - | 591,182 |

Management expects the credit commitments will not be entirely used during the commitment period.

The assets and liabilities related to investment-linked contracts which are regarded as insurance contracts are presented as policyholder account assets and liabilities in respect of insurance contracts. The assets and liabilities related to investment-linked contracts which are regarded as investment contracts are presented as policyholder account assets and liabilities in respect of investment contracts. The assets and liabilities of each investment-linked fund are segregated from each other and from the rest of the Group's invested assets for record keeping purposes. As the investment risks of investment-linked contracts were fully borne by policyholders, the assets and liabilities related to investment-linked contracts were not included in the analysis of risk management. Investment-linked contracts are repayable on demand. The Group manages liquidity risk related to the investment-linked contracts by investing mainly in assets with high liquidity, as disclosed in Note 24.

38. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(5) MISMATCHING RISK OF ASSETS AND LIABILITIES

The objective of the Group's asset and liability management is to match assets with liabilities on the basis of both the duration and interest rate. In the current regulatory and market environment, however, the Group is unable to invest in sufficient assets with long enough duration to match that of its life insurance and investment contract liabilities. When the current regulatory and market environment permits, the Group will lengthen the duration of its assets by matching the new liabilities of lower guarantee rates, while narrowing the gap of existing liabilities of higher guarantee rates.

(6) OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failure of proper internal controls on business processes, employees and systems or from uncontrollable external events. The Group is exposed to many types of operational risks in the conduct of its business from inadequate or failure to obtain proper authorizations, supporting documentation and ensuring operational and informational security procedures as well as from fraud or errors by employees. The Group attempts to manage operational risk by establishing clear policies and requiring well documented business processes to ensure that transactions are properly authorized, supported and recorded.

(7) CAPITAL MANAGEMENT

The Group's capital requirements are primarily dependent on the scale and the type of business that it undertakes, as well as the industry and geographic location in which it operates. The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and to maintain healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group manages its capital requirements by assessing shortfalls, if any, between the reported and the required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in economic conditions and risk characteristics of the Group's activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, return capital to ordinary shareholders or issue capital securities.

The Group complied with the externally imposed capital requirements as at 30 June 2015 and no changes were made to its capital base, objectives, policies and processes from the previous year.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

39. CASH AND CASH EQUIVALENTS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|--|-----------------------------|-------------------------------|
| Cash and amounts due from banks and other financial institutions | | |
| Cash on hand | 4,681 | 4,168 |
| Term deposits | 4,637 | 2,010 |
| Due from banks and other financial institutions | 87,614 | 92,610 |
| Placements with banks and other financial institutions | 67,385 | 44,898 |
| Balances with the Central Bank | 52,763 | 49,238 |
| Bonds | 9,912 | 4,668 |
| Assets purchased under reverse repurchase agreements and others | 255,085 | 66,368 |
| | 482,077 | 263,960 |

The carrying amounts disclosed above approximate their fair values at period end.

40. SIGNIFICANT RELATED PARTY TRANSACTIONS

(1) THE COMPANY'S RELATED PARTIES WHERE SIGNIFICANT INFLUENCE EXISTS INCLUDE CERTAIN SHAREHOLDERS SET OUT BELOW:

| Name of related parties | Relationship with the Company |
|--|-------------------------------|
| Charoen Pokphand Group Co., Ltd. | Parent of shareholders |
| Shenzhen Investment Holdings Co., Ltd. | Shareholder |

As at 30 June 2015, CP Group held 9.54% (31 December 2014:10.91%) equity interests in the Company and was the largest shareholder of the Company.

(2) OTHER RELATED PARTIES

| Name of related party | Relationship with the Company |
|--|-------------------------------|
| Newheight Information Technology (Shanghai) Co., Ltd. ("Newheight Shanghai") | Subsidiary of an associate |
| Wincon Investment Company Limited ("Wincon") | Associate |

40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(3) THE SUMMARY OF SIGNIFICANT RELATED PARTY TRANSACTIONS IS AS FOLLOWS:

| For the six-month period ended 30 June (in RMB million) | 2015 (Unaudited) | 2014 (Unaudited) |
|--|---------------------|---------------------|
| CP Group | | |
| Goods purchased | 7 | - |
| Rental income | 15 | 15 |
| Newheight Shanghai | | |
| Goods purchased | 306 | 288 |
| Wincon | | |
| Premiums income | 9 | - |
| Rental income | 20 | - |
| Consulting income | 17 | - |
| Outsourcing service income | 19 | - |
| Loan interest income | 10 | - |
| Consulting expenses | 11 | - |
| Service expenses | 238 | - |

(4) THE SUMMARY OF BALANCES OF THE GROUP WITH RELATED PARTIES IS AS FOLLOWS:

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|---|-----------------------------|-------------------------------|
| CP Group | | |
| Customer deposits and payables to brokerage customers | 6 | 208 |
| Other liabilities | - | 195 |
| Newheight Shanghai | | |
| Other liabilities | 104 | 52 |
| Wincon | | |
| Customer deposits and payables to brokerage customers | 514 | - |
| Loans to customers | 300 | - |

41. COMMITMENTS

(1) CAPITAL COMMITMENTS

The Group had the following capital commitments relating to property development projects and investments:

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|------------------------------------|-----------------------------|-------------------------------|
| Contracted, but not provided for | 8,493 | 9,863 |
| Authorized, but not contracted for | 6,901 | 7,455 |
| | 15,394 | 17,318 |

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2015

41. COMMITMENTS (CONTINUED)

(2) OPERATING LEASE COMMITMENTS

The Group leases office premises and staff quarters under various rental agreements. Future minimum lease payments under non-cancellable operating leases are as follows:

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|-------------------|-----------------------------|-------------------------------|
| Within 1 year | 5,178 | 4,218 |
| 1 to 5 years | 13,744 | 9,736 |
| More than 5 years | 456 | 3,013 |
| | 19,378 | 16,967 |

(3) CREDIT COMMITMENTS

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|---|-----------------------------|-------------------------------|
| Financial guarantee contracts | | |
| Bank acceptances | 379,179 | 381,650 |
| Guarantees issued | 110,966 | 86,131 |
| Letters of credit issued | 74,832 | 70,011 |
| Subtotal | 564,977 | 537,792 |
| Unused limit of credit cards and irrevocable loan commitments | 54,952 | 53,390 |
| Total | 619,929 | 591,182 |
| Credit risk weighted amounts of credit commitments | 262,685 | 232,909 |

As at 30 June 2015, apart from the above irrevocable credit commitments, revocable loan commitments granted by the Group amounted to RMB2,078.8 billion (31 December 2014: RMB2,087.1 billion). Since these commitments are revocable under certain conditions or would be automatically revoked when the creditability of the borrower deteriorates, the total commitment amounts do not necessarily represent future cash requirements. Credit commitments disclosed in the table above do not include the financial guarantee contracts treated as insurance by the Group.

(4) OPERATING LEASE RENTAL RECEIVABLES

The Group leases its investment properties under various rental agreements. Future minimum lease receivables under non-cancellable operating leases are as follows:

| (in RMB million) | 30 June 2015 (Unaudited) | 31 December 2014 (Audited) |
|-------------------|-----------------------------|-------------------------------|
| Within 1 year | 1,526 | 1,605 |
| 1 to 5 years | 4,231 | 4,344 |
| More than 5 years | 3,298 | 3,314 |
| | 9,055 | 9,263 |

42. CONTINGENT LIABILITIES

Owing to the nature of the insurance and financial services business, the Group is involved in assessing 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 applicable 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 of a loss 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.

43. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2015, the Company completed the conversion of capital reserves to share capital, in a proportion of 10 shares for every 10 shares held. After the conversion, the total amount of share capital altered to RMB18,280 million, representing 18,280,241,410 ordinary shares with RMB1 per share. Among which 10,832,664,498 shares are domestically listed A shares and 7,447,576,912 shares are overseas listed H shares. All are unlimited shares.

On 20 August 2015, the Board of Directors of the Company approved the Resolution of the Profit Appropriation Plan for interim Dividend of 2015, agreeing to declare an interim cash dividend of RMB0.18 per share for 2015 as stated in Note 14.

44. APPROVAL OF THE FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorized for issue by the Board of Directors of the Company on 20 August 2015.

Definition

In this report, unless the context otherwise indicated, the following expressions shall 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, Shenzhen Development Bank | 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." |
| Ping An Overseas Holdings | China Ping An Insurance Overseas (Holdings) Limited, a subsidiary of the Company |
| Ping An Financial Leasing | Ping An International Financial Leasing Co., Ltd., a subsidiary of the Company |
| Ping An Hong Kong | China Ping An Insurance (Hong Kong) Company Limited, a subsidiary of Ping An Overseas Holdings |
| Ping An Asset Management (Hong Kong) | Ping An of China Asset Management (Hong Kong) Company Limited, a subsidiary of Ping An Overseas Holdings |
| Ping An Futures | Ping An Futures Co., Ltd., a subsidiary of Ping An Securities |

| | |
|--------------------------------|--|
| Ping An Caizhi | Ping An Caizhi Investment Management Company Limited, a subsidiary of Ping An Securities |
| Ping An Pioneer Capital | Ping An Pioneer Capital Co., Ltd., a subsidiary of Ping An Securities |
| Ping An Securities (Hong Kong) | Ping An of China Securities (Hong Kong) Company Limited, a subsidiary of Ping An Securities |
| Ping An-UOB Fund | Ping An-UOB Fund Management Company Limited, a subsidiary of Ping An Trust |
| Ping An Technology | Ping An Technology (Shenzhen) Co., Ltd., a subsidiary of Ping An Overseas Holdings |
| Ping An Financial Technology | Shenzhen Ping An Financial Technology Consulting Co., Ltd., a subsidiary of the Company |
| Ping An Direct | Ping An Direct Consulting Co., Ltd., a subsidiary of Ping An Financial Technology |
| Lufax | Shanghai Lujiazui International Financial Assets Commodity Exchange Co., Ltd., an associate of the Group |
| Ping An Pay | Ping An Pay Intelligence Technology Co., Ltd., an associate of Ping An Financial Technology |
| Wanlitong | Shenzhen Wanlitong Internet & Information Technology Co., Ltd., a subsidiary of Ping An Financial Technology |
| PA Haofang | Ping An Haofang (Shanghai) E-commerce Co., Ltd., a subsidiary of Ping An Financial Technology |
| PA Haoche | Shanghai Ping An Automobile E-commerce Co., Ltd., a subsidiary of Ping An Financial Technology |
| Ping An Health Cloud | Ping An Health Cloud Co., Ltd., a subsidiary of Ping An Financial Technology |
| CAS | The Accounting Standards for Business Enterprises and the other relevant regulations issued by the Ministry of Finance |
| IFRS | International Financial Reporting Standards issued by International Accounting Standards Board |
| Written Premiums | All premiums received from the policies underwritten by the Company, which are prior to the significant insurance risk testing and separating of hybrid risk contracts |

Definition

| | |
|---------------------------|---|
| CSRC | China Securities Regulatory Commission |
| CIRC | China Insurance Regulatory Commission |
| CBRC | China Banking Regulatory Commission |
| Ministry of Finance | Ministry of Finance of the People's Republic of China |
| PBOC | The People's Bank of China |
| HKEx | The Stock Exchange of Hong Kong Limited |
| SSE | the Shanghai Stock Exchange |
| CP Group Ltd. | Charoen Pokphand Group Company Limited |
| HKEx Listing Rules | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| SSE Listing Rules | the Rules Governing the Listing of Stocks on Shanghai Stock Exchange |
| Corporate Governance Code | the Corporate Governance Code as contained in Appendix 14 to the HKEx Listing Rules |
| SFO | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| Model Code | the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the HKEx Listing Rules |
| Articles of Association | the Articles of Association of Ping An Insurance (Group) Company of China, Ltd. |
| Ping An Convertible Bonds | the RMB26 billion A Share convertible corporate bonds(including subordinated terms) issued by the Company on November 22, 2013. Starting from January 12, 2015, the A Share Convertible bonds ceased to be traded or converted; and starting from January 15, 2015, Ping An Convertible Bonds (113005) were delisted from the SSE |

 This report is printed on environmental friendly paper
manufactured from elemental chlorine-free pulp and acid free.

