

中国平安 PINGAN

保险·银行·投资

2012 Annual Results

March, 2013



Cautionary Statements Regarding Forward-Looking Statements

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

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



Agenda

Topic	Speaker	Position
Overview	Peter Ma	Group Chairman & CEO
Operating Highlights	Alex Ren	Executive Director & Group President
Financial Analysis and Embedded Value	Jason Yao	Executive Director & Group CFO
Insurance Business	Yuansiong Lee	Group Chief Insurance Business Officer
Banking Business	Ping Shao	President of Ping An Bank
Investment Business	Timothy Chan	Group Chief Investment Officer

Overview



Overview

The global economy continued its gradual recovery in 2012. On a global level, we saw the dissipation of risks from the U.S. fiscal cliff and the Euro debt crisis, which supported the global economy's steady recovery. Under the Chinese government's supportive monetary and fiscal policies, the country maintained a steady GDP growth of 7.8% and its economy averted a hard landing. The complex and volatile environment at home and abroad, coupled with rising operating costs for domestic enterprises, posed significant challenges to financial sector growth in China. Against this backdrop, Ping An's three pillars of business, namely insurance, banking and investment, rallied together and maintained their above-market growth. The Group also made further inroads in its integrated financial model. I would like to take this opportunity to thank our shareholders for their unwavering support to Ping An.

The global economy and financial markets are expected to further stabilize in 2013. Under the new Chinese leadership, China's economy will maintain good growth momentum. In the financial sector, the insurance industry will continue to grow slowly, while the banking industry will pick up its pace of transformation as competition heats up. There is greater clarity in the overall direction the capital market is heading, as it becomes more stable. This year, Ping An will adopt a prudent development strategy to maintain a steady growth rate for its various businesses, including insurance, banking and investment. We will further improve our business structure, identify new growth drivers, improve our customer experience using modern technology, and continuously strengthen the Group's core competitiveness to build an even stronger foundation for sustainable growth, delivering greater value to our shareholders and customers.

Operating Highlights



Businesses Maintained Steady and Healthy Growth

Insurance Business

- Written premiums of life insurance was RMB199.48 billion, increasing by 6.5%; written premiums from the more profitable individual life insurance reached RMB176.07 billion, with an increase of 10.0% over last year; stable increase was achieved in the number of agents; value of new business returned to positive growth in the second half of 2012, NBEV margin improved significantly.
- Ping An Property & Casualty achieved a premium income of RMB98.79 billion, an increase of 18.5% year on year, with the market share increased by 0.5 percentage points to 17.9%. The combined ratio remained at a good level of 95.3%.
- Ping An Annuity maintained its leading position in the corporate annuity industry.

Banking Business

- Completed the merger of the legal entities of Ping An Bank and SDB, as well as the name change and integration of their respective IT systems.
- Ping An Bank realized a net profit of RMB13.51 billion. It contributed a profit of RMB6.87 billion to the Group.
- The total assets of Ping An Bank amounted to RMB1.61 trillion, representing an increase of 27.7%, total deposits and total loans increased by 20.0% and 16.1% respectively, as compared with the end of 2011; credit cards in force (CIF) reached 11 million.

Investment Business

- Ping An Asset Management continuously optimized the asset allocation of the investment portfolio of insurance funds. In 2012, the net investment yield was 4.7% , and the total investment yield was 2.9%.
- Personal wealth management business of Ping An Trust grew at a steady pace, and assets held in trust reached RMB212.03 billion, up 8.1% as compared to the end of 2011. The number of high net worth customers exceeded 18,000.
- Ping An Securities ranked the third in terms of deal numbers and underwriting revenue for IPOs and completed 44 bond issuances projects as lead underwriter with the number of deals up by 159% over last year.

Financial Highlights

<i>(In RMB million)</i>	2011	2012	Growth	
Total Income (PRC GAAP)	248,915	299,372	↑	20.3%
Net Profit	22,582	26,750	↑	18.5%
Net Profit attributable to Shareholders of the Parent Company⁽¹⁾	19,475	20,050	↑	3.0%
EPS^(in RMB)	2.50	2.53	↑	1.2%
Dividend per Share ^(in RMB)	0.40	0.45 ⁽¹⁾	↑	12.5%

<i>(In RMB million)</i>	31/12/2011	31/12/2012	Growth	
Total Assets	2,285,424	2,844,266	↑	24.5%
Total Equity	171,342	209,649	↑	22.4%
Equity attributable to Shareholders of the Parent Company	130,867	159,617	↑	22.0%

Notes: (1) Including the final dividend proposed for 2012 RMB0.30 per share, pending approval by shareholders at the annual general meeting

Integrated Financial Services Enhanced by Innovative Technologies, Customer Services Upgraded

➤ Integrated Financial Services Strengthened with Innovative Technologies

- The Mobile Integrated Terminal (MIT) originated by Ping An Life, marries with modern technology and insurance sales, which made it a pioneer in transforming insurance sales into a paperless practice. The MIT utilization rate was over 95% in 2012, bringing more convenient services to customers.
- The Company continued to diversify service channels by promoting the use of comprehensive service counters, a unified customer service hotline and remote service terminals. It also deployed technological innovations across its services, including a mobile phone locator service and a voice-activated self-service offering to provide customers with a better service experience.

➤ Customer Services Upgraded

- Ping An Property & Casualty was the first in the industry to attempt to complete the entire insurance claim process within a specific timeframe, achieving a success rate of 93.48% in honoring its commitment to the practice of “Receiving settlement within 72 hours from the report for claims below RMB10,000”. Average processing time per claim for automobile insurance was 8.04 hours.
- Ping An Life has committed itself to fulfilling the practice of “Settlement within 72 hours for standard cases with full documentation” and achieved a 99.78% success rate. Average processing time per claim for life insurance was 11.84 hours.

One Customer
One Account
Multiple Products
One-stop Service

Scale and Depth of Cross-Selling Further Enhanced

(In RMB million)

	2011		2012	
<u>New business from cross-selling</u>	Amount	Business Contribution	Amount	Business Contribution
Property and casualty insurance				
Premium income	11,940	14.3%	14,770	15.0%
Group short-term insurance of Ping An Annuity				
Sales volume	2,231	44.2%	3,412	57.7%
Trust business				
Trust schemes	22,546	9.4%	68,949	17.0%
Banking business				
Corporate deposits (increase of daily average balance) ⁽¹⁾	2,433	8.7%	4,093	6.8%
Retail Deposits (increase of daily average balance) ⁽¹⁾	1,377	42.9%	4,732	15.9%
Credit cards (in ten thousands)	114	42.9%	241	53.6%

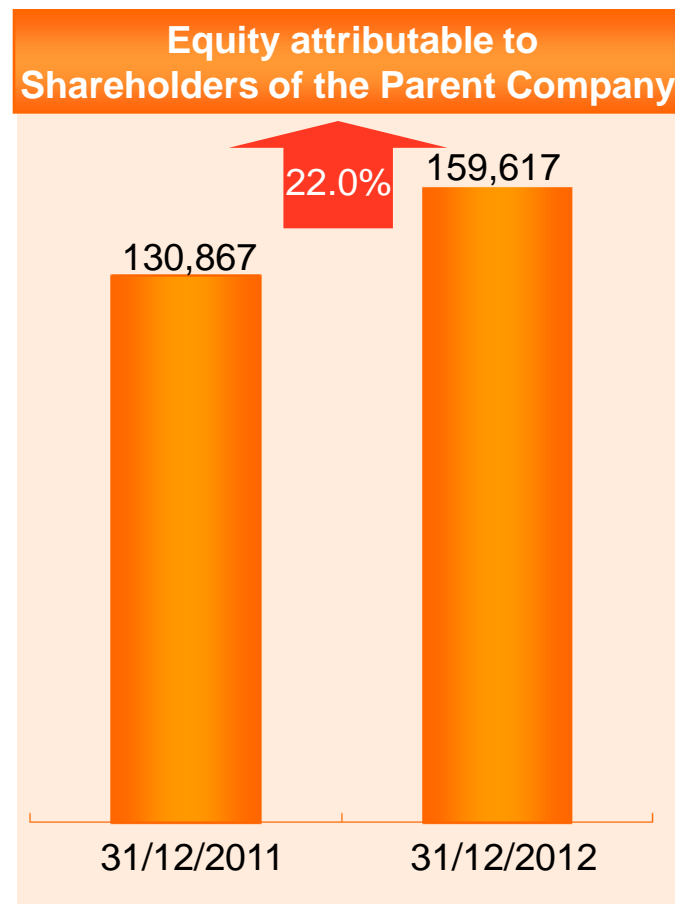
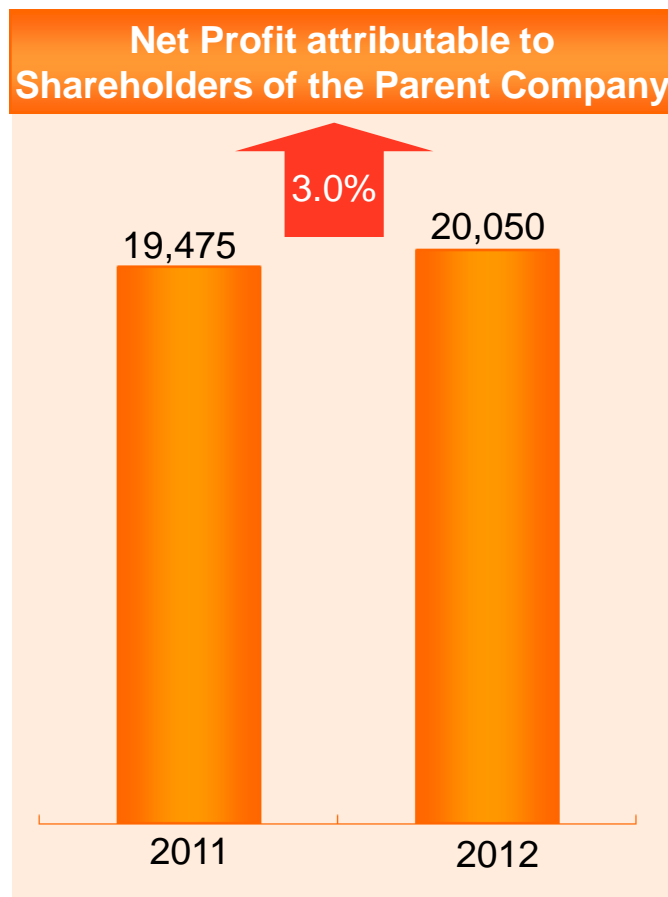
Notes: (1) The 2011 figure only includes deposits through cross-selling of Original Ping An Bank.

Financial Analysis and Embedded Value

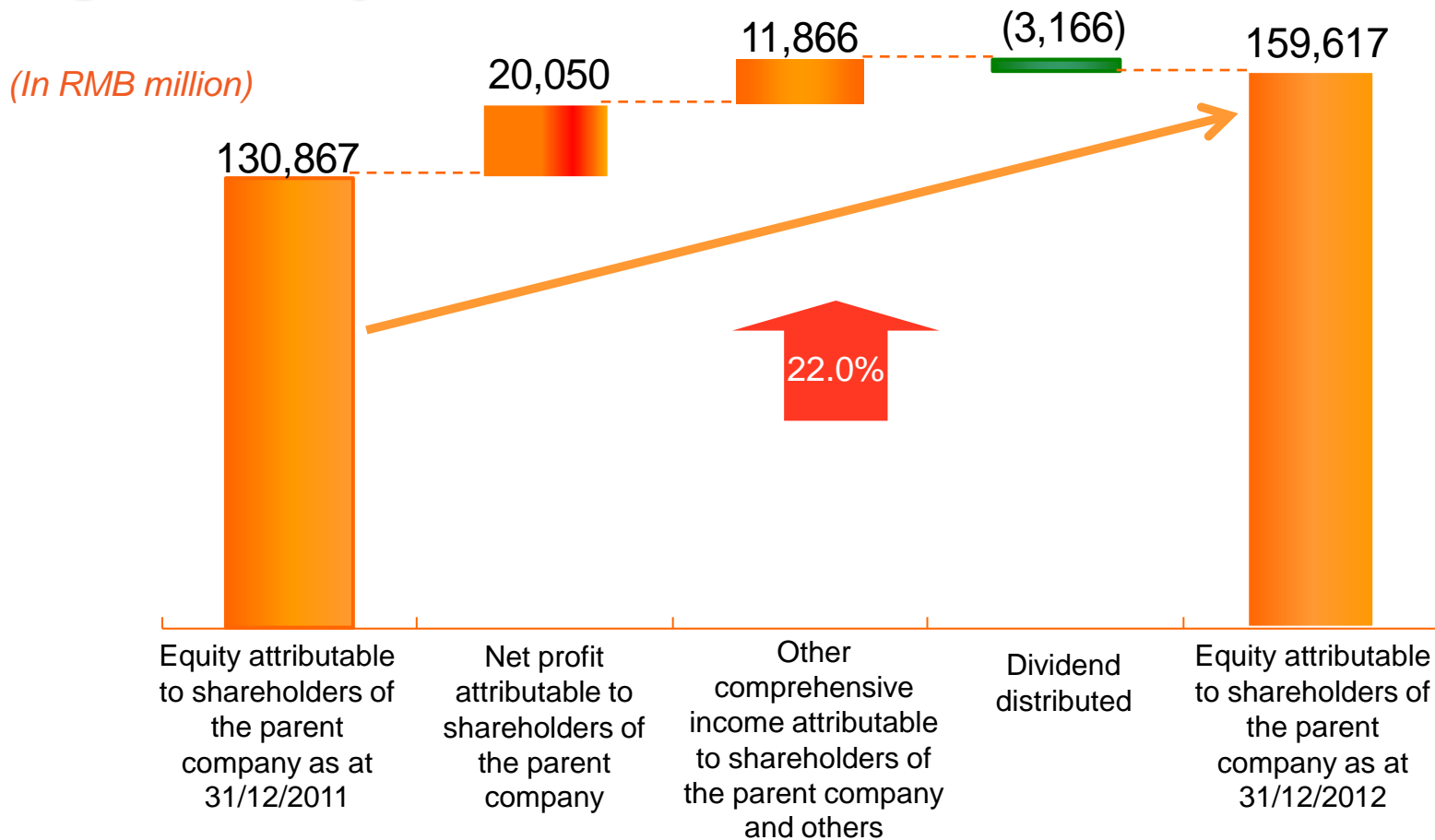


Net Profit and Equity attributable to Shareholders of the Parent Company Increased Steadily

(In RMB million)



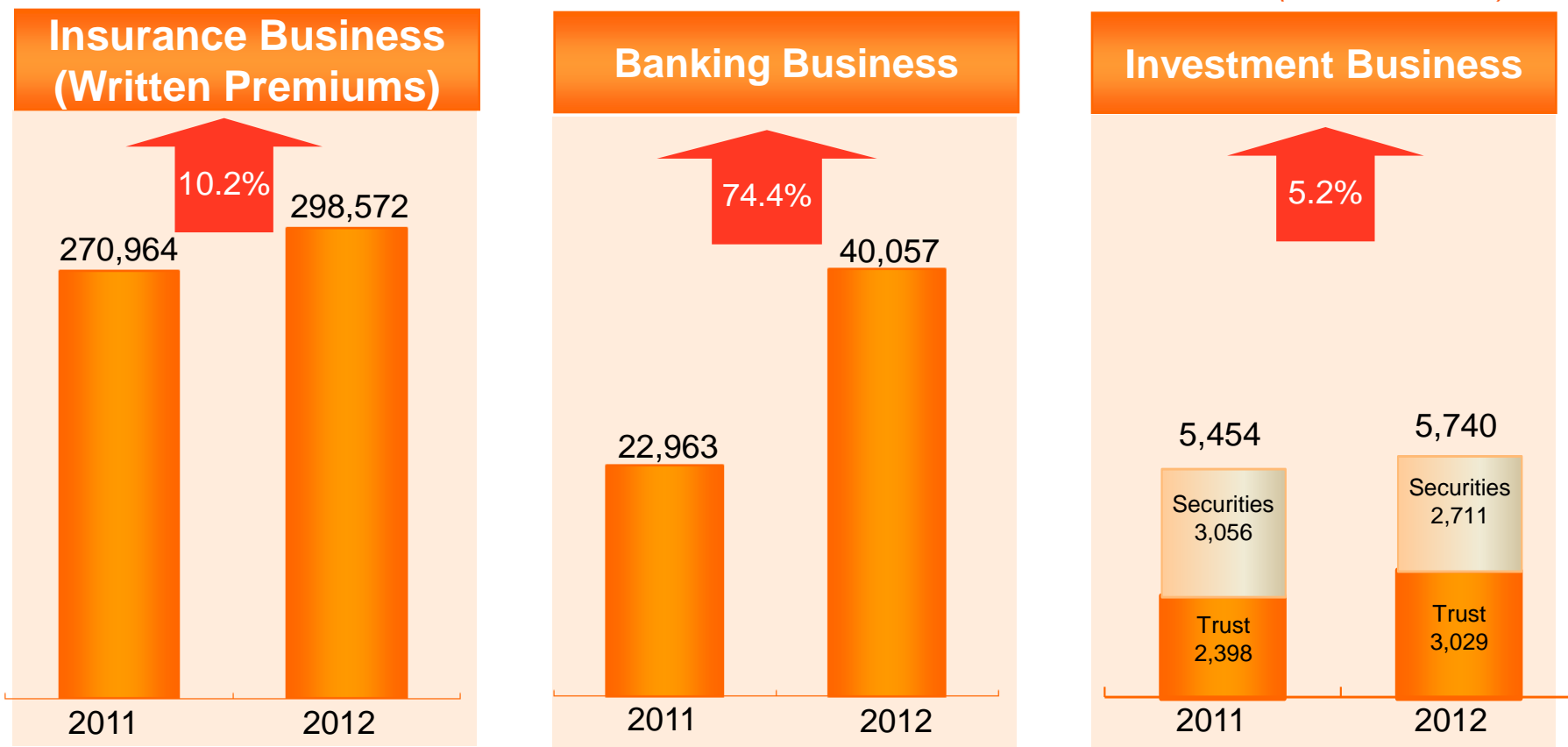
On Rise in Profit and OCI, Equity Attributable to Shareholders of the Parent Company Increased Significantly



Notes: Dividend distributed includes the final dividend for 2011 and interim dividend for 2012.

Income Growth by Business Segment

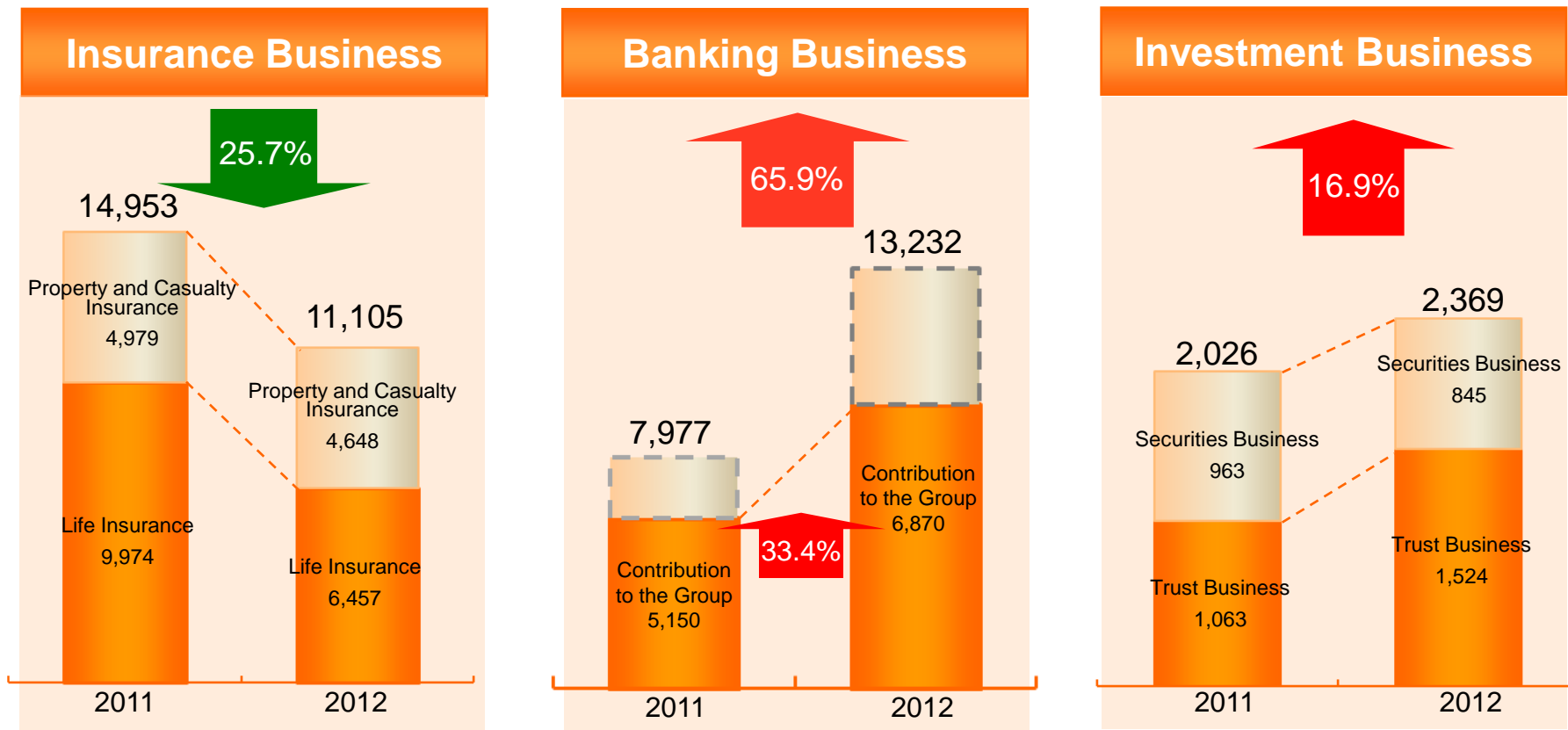
(In RMB million)



- Notes: (1) Written premiums of insurance business refer to all premiums received from the policies underwritten by the Company, which is prior to the significant insurance risk testing and unbundling of hybrid risk contracts.
 (2) The income of banking business in 2012 included that of Ping An Bank, and for 2011, it included incomes of Original SDB and Original Ping An Bank that were consolidated into the Group's consolidated results.
 (3) The investment business income included incomes from securities and trust, excluding those from other businesses and offset items.

Net Profit by Business Segment

(In RMB million)



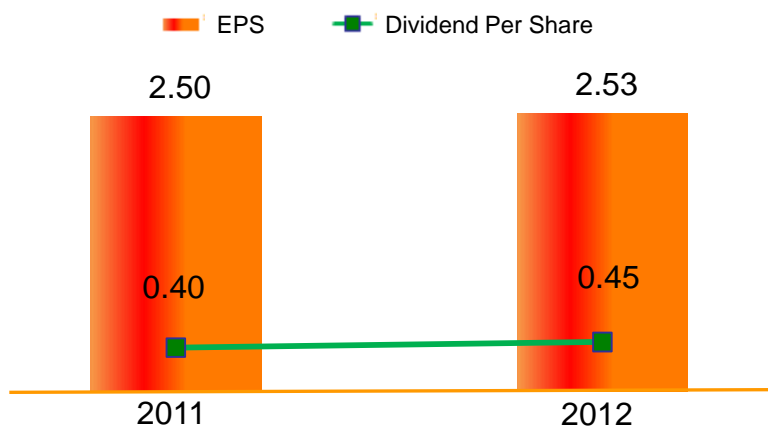
- Notes: (1) Net profit from insurance pillar covers that from life insurance business and property and casualty insurance business.
 (2) The profit of banking business in 2012 included that of Ping An Bank, and for 2011, it included the profits of Original SDB and Original Ping An Bank that were consolidated in the Group's consolidated results.
 (3) The investment business profit included profits from securities and trust, excluding those from other businesses and offset items.

Healthy Solvency Margin/Capital Adequacy Ratio

	31/12/2011	31/12/2012	Capital Injection/Debts Issuing Progress
Group (Total)	166.7%	185.6%	Issuance of RMB26 billion of convertible bonds is under the process of approval.
Ping An Life	156.1%	190.6%	RMB9 billion of subordinated debts was issued successfully in 2012.
Ping An Property & Casualty	166.1%	178.4%	RMB3 billion of subordinated debts was issued successfully in 2012.
Ping An Bank	11.51%	11.37%	Capital injection of RMB15-20 billion is under the process of approval.

Dividend Payout Proposal

Distribution for 2011 and 2012 (in RMB)

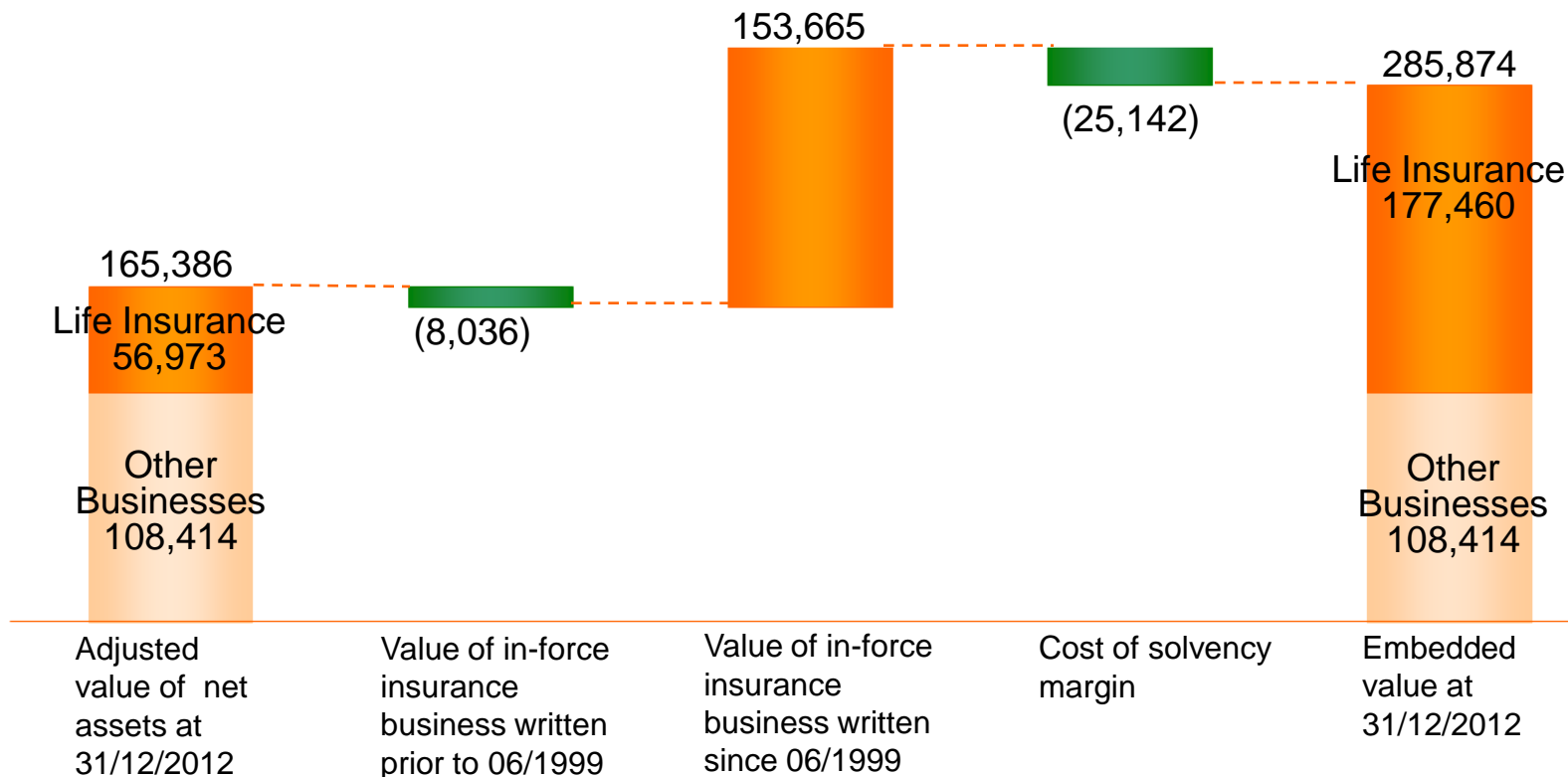


Pursuant to the Shareholders' Return Plan for the Next Three Years of the Company, for each of the profitable years from 2012 to 2014 and in compliance with the statutory and regulatory requirements on solvency margin, the amount of cash dividends distributable by the Company in principle shall be equal to 15% - 30% of the net profit attributable to shareholders of the parent company for the relevant year.

The Company proposes a final cash dividend of RMB0.30 per share for 2012. Taking the interim dividend of RMB0.15 per share into account, the annual dividend would be RMB0.45 per share resulting a total payout of RMB3.56 billion, which accounted for 17.8% of the net profit attributable to shareholders of the parent company for 2012. As making the dividend policy, the Company will consider the following factors such as: future business development, profitability, solvency and capital requirement, and the expectation of shareholders' return, etc.

Composition of Embedded Value

(in RMB million)

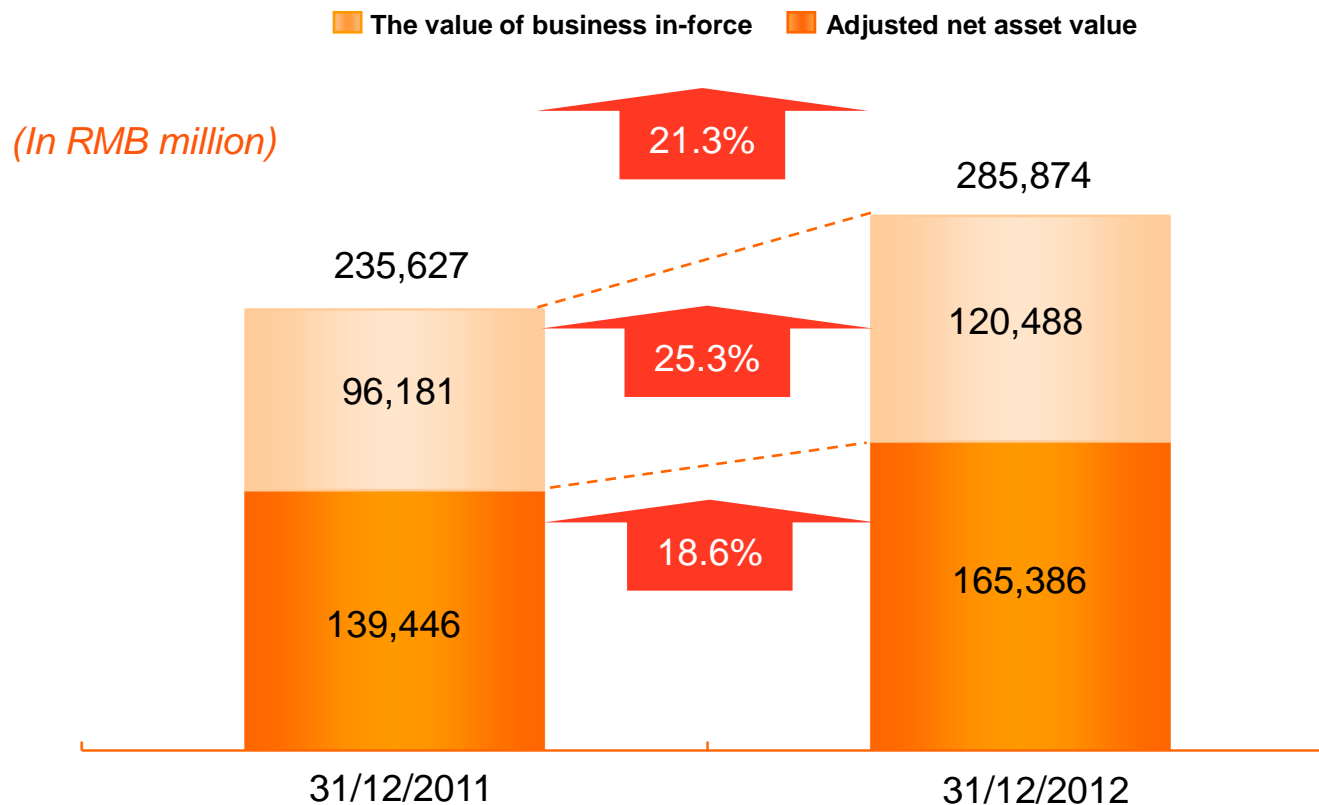


Notes: (1) Figures may not match totals due to rounding.

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

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

Growth of Embedded Value

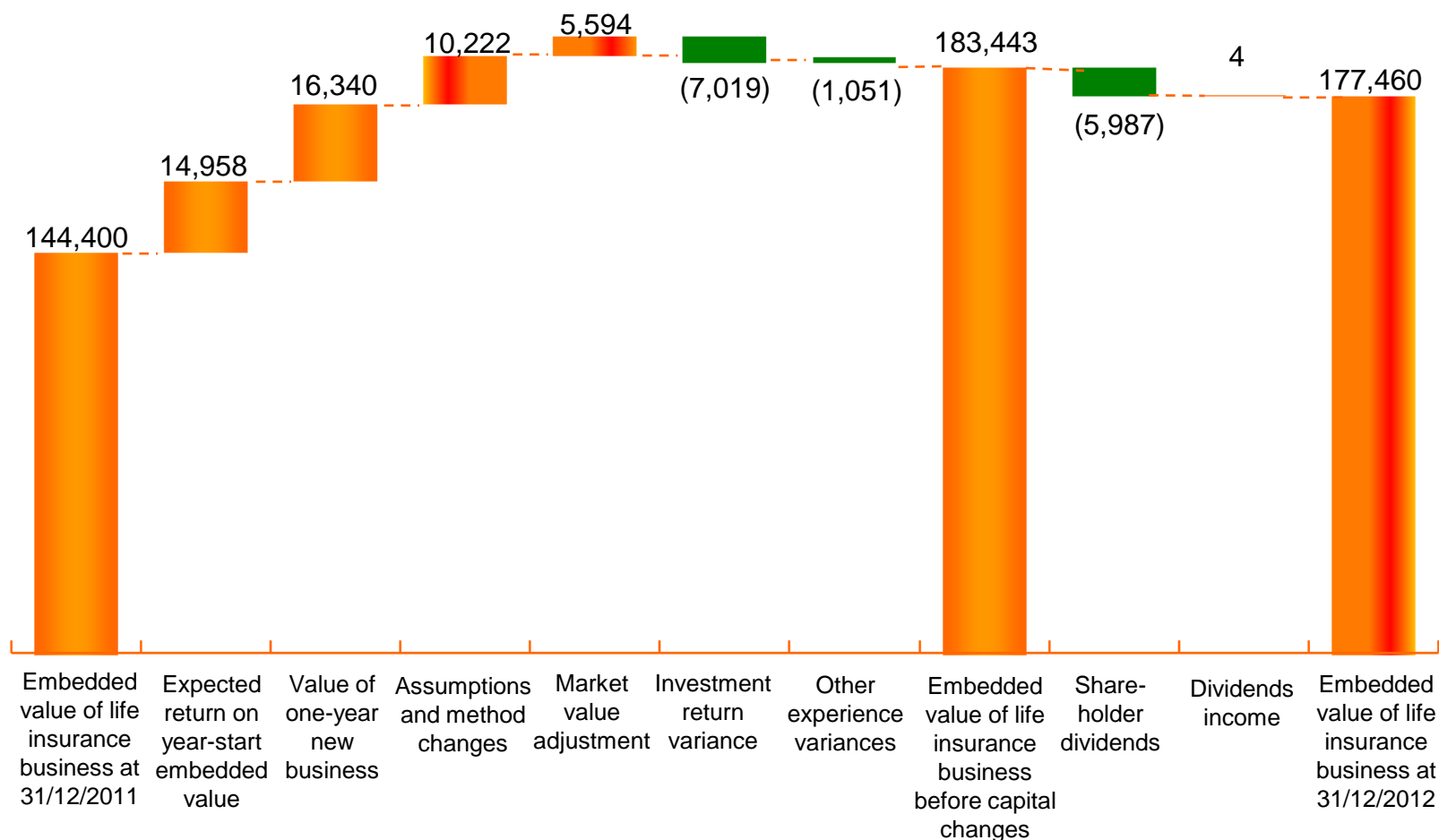


Notes : (1) Figures may not match totals due to rounding.

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

Movement Analysis of Embedded Value

(in RMB million)



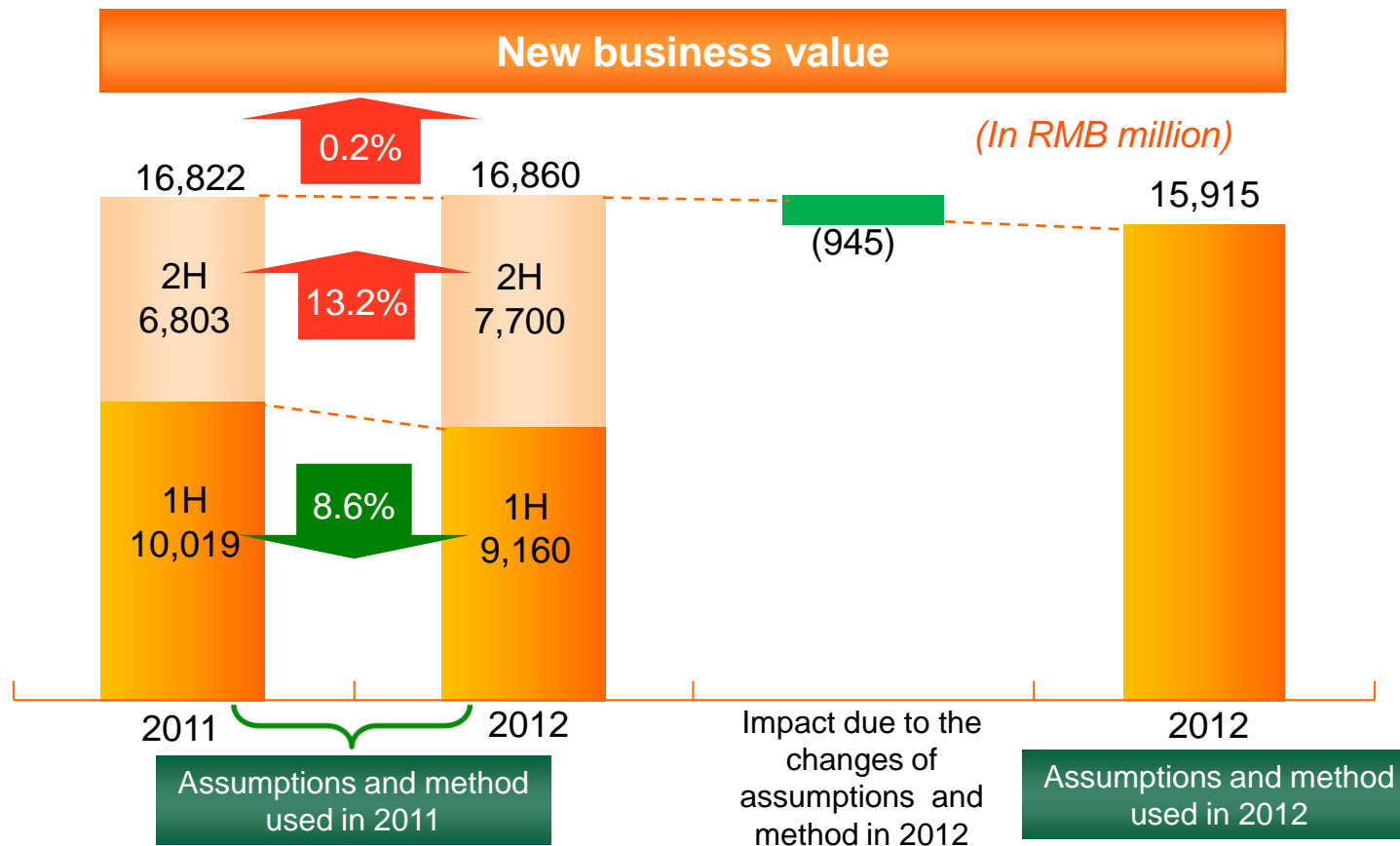
Notes: (1) Figures may not match totals due to rounding.

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

NBEV Margin Increased due to Improved New Business Mix

NBEV margin	2011	2012	Change (percentage point)	
Individual life insurance	36.7%	42.2%	↑	5.5
Bancassurance	4.4%	4.9%	↑	0.5
Group insurance	6.3%	6.0%	↓	0.3
<hr/>				
Life insurance business	24.3%	27.9%	↑	3.6

New Business Value Resumed Encouraging Growth in the Second Half of 2012



Notes: (1) Assumptions and method changes refer to income tax measurement method and investment yield change.

(2) Risk discount rates for the new business value were 11.0%.

Insurance Business Review



Insurance Business Overview

Life Insurance

- Life insurance realized written premiums of RMB199.48 billion, representing an increase of 6.5%, of which, written premiums from the more profitable individual life insurance were RMB176.07 billion, up 10.0% year on year.
- The number of sales agents of Ping An Life's individual life insurance business increased to about 513 thousand, representing an increase of 5.3% as compared with the end of 2011.
- The value of new business returned to positive growth in the second half of 2012, NBEV margin was 27.9% in 2012, up 3.6 percentage points compared with 2011.
- Written premiums from telemarketing sales were RMB3.83 billion in 2012, up 98.2% year on year, maintaining its leading position in telemarketing.

Property and Casualty Insurance

- Ping An Property & Casualty's premium income increased by 18.5% to RMB98.79 billion, surpassing the market growth rate. Its market share increased by 0.5 percentage points to 17.9%. RMB28.53 billion of premium came from telemarketing automobile insurance, representing a 26.5% growth.
- Ping An Property & Casualty maintained good profitability with a combined ratio of 95.3%.

Corporate Annuity

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

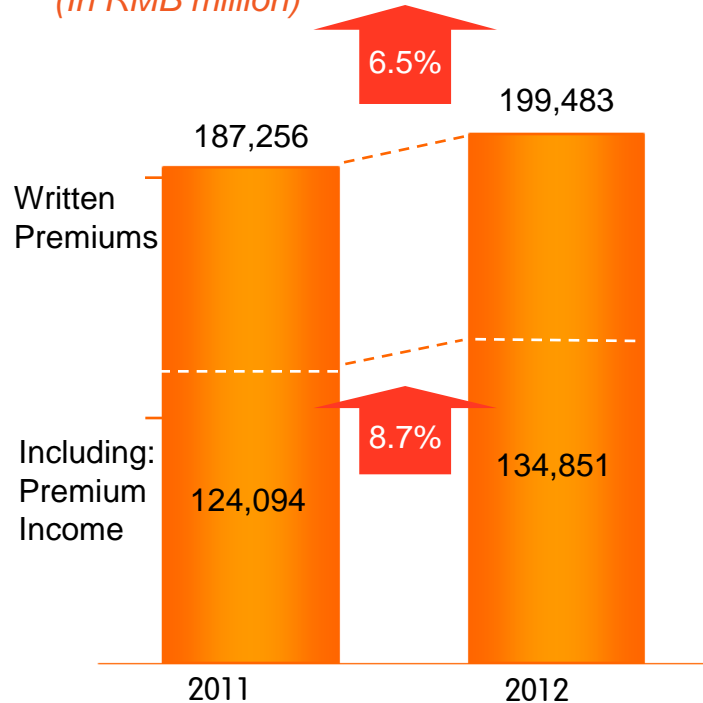
Notes: (1) Life insurance includes business conducted through Ping An Life, Ping An Annuity and Ping An Health

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

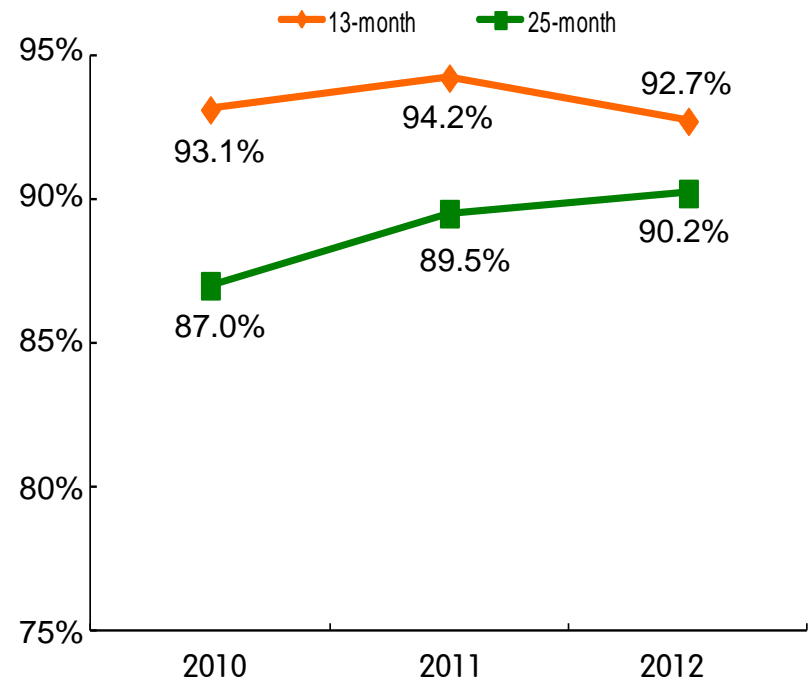
Life Insurance Business: Stable Growth and Strong Business Quality

Written Premiums/Premium Income

(In RMB million)



Policy Persistency Ratio

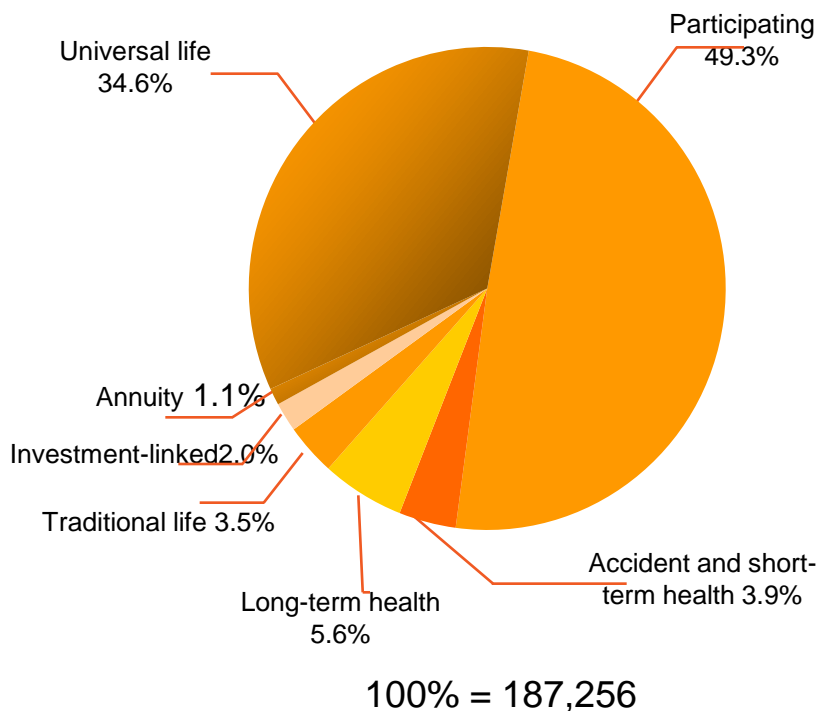


- Notes: (1) Written premiums mean all premiums received from the policies underwritten by the Company, which is prior to the significant insurance risk testing and unbundling of hybrid risk contracts
 (2) Premium income means premiums after the significant insurance risk testing and unbundling of hybrid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

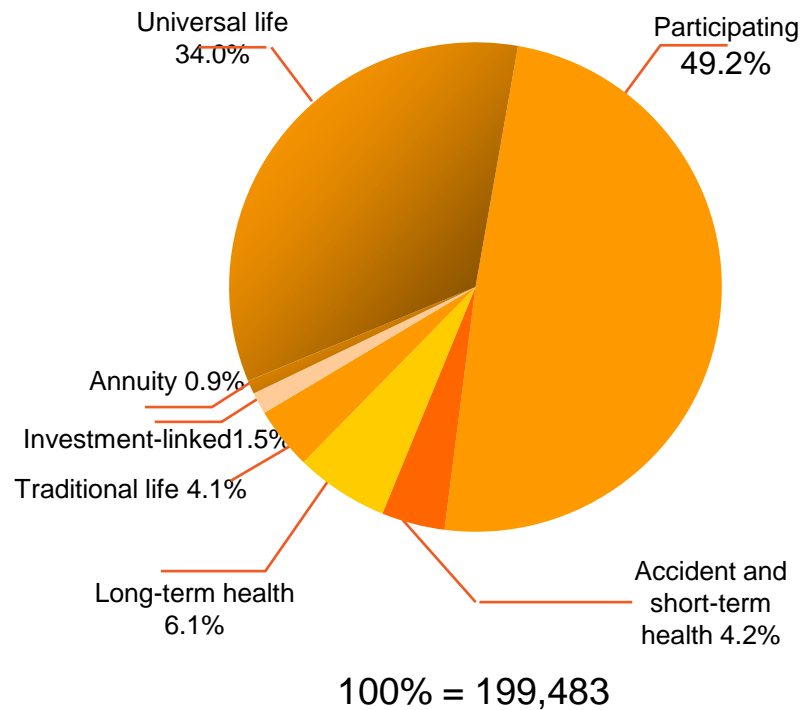
Product Structure of Life Business

(In RMB million)

2011



2012



Notes: (1) The above premiums mean written premiums

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

Individual Life Written Premiums Steadily Increased

(In RMB million)

	2011	2012	Growth
Individual life			
First-year regular premiums	37,577	36,560	↓ 2.7%
First-year single premiums	6,331	705	↓ 88.9%
Short-term accident and health premiums	1,925	2,023	↑ 5.1%
Total new business	45,833	39,288	↓ 14.3%
Renewal business	114,157	136,780	↑ 19.8%
Total individual life	159,990	176,068	↑ 10.0%

Notes: (1) Above premiums are written premiums

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

Regular Premiums from Bancassurance Increased and Group Insurance Business Grew steadily

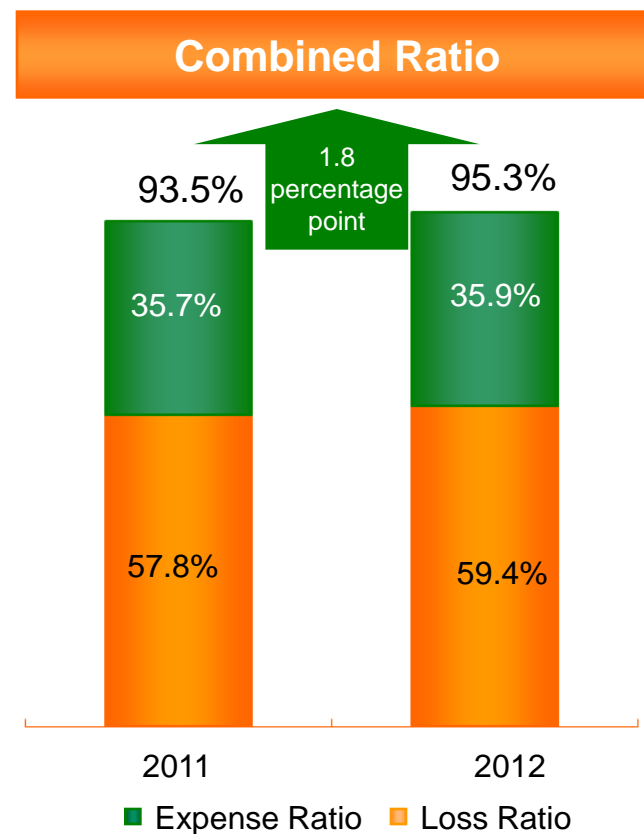
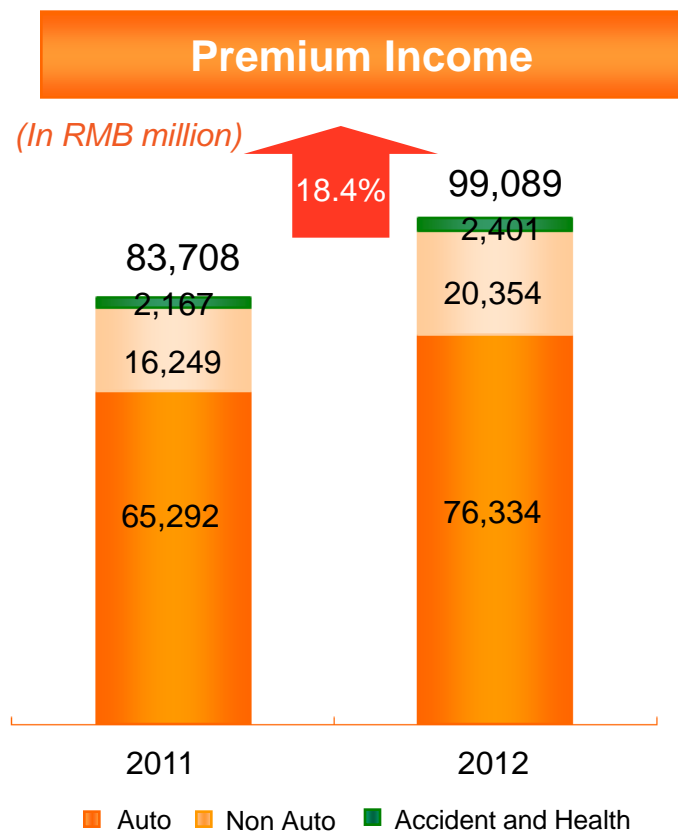
(In RMB million)

	2011	2012	Growth	
Bancassurance				
First-year regular premiums	1,727	2,347	↑	35.9%
First-year single premiums	15,134	7,945	↓	47.5%
Short-term accident and health premiums	2	2		-
Total new business	16,863	10,294	↓	39.0%
Renewal business	2,079	3,323	↑	59.8%
Total Bancassurance	18,942	13,617	↓	28.1%
Group Insurance				
First-year regular premiums	197	356	↑	80.7%
First-year single premiums	2,825	3,272	↑	15.8%
Short-term accident and health premiums	5,199	6,060	↑	16.6%
Total new business	8,221	9,688	↑	17.8%
Renewal business	103	110	↑	6.8%
Total Group Insurance	8,324	9,798	↑	17.7%

Notes: (1) Above premiums are written premiums

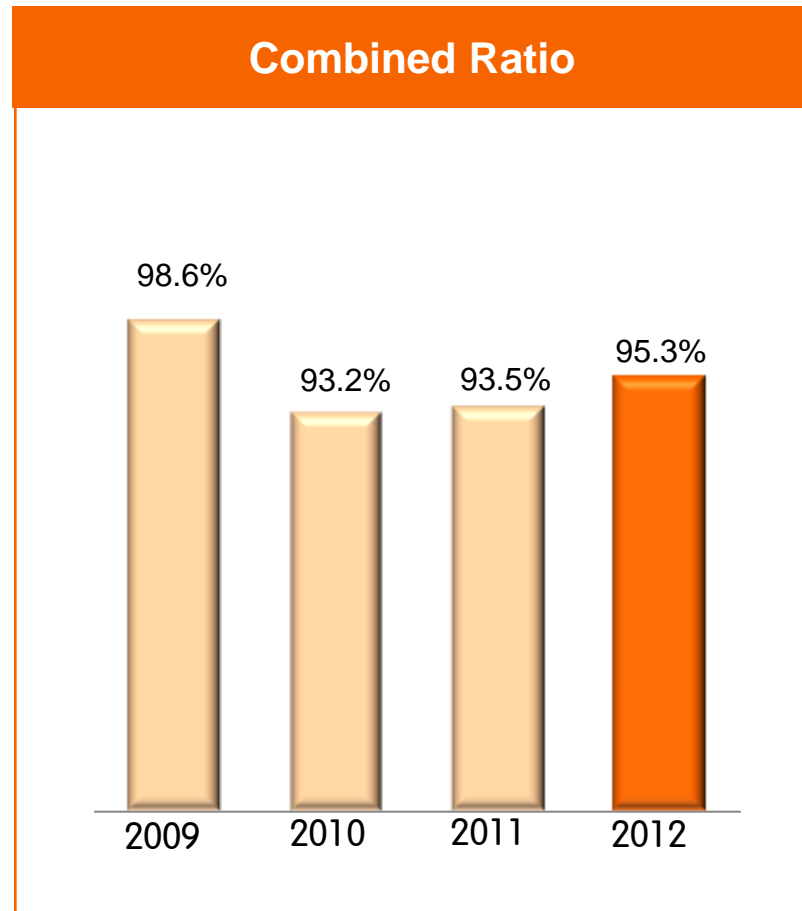
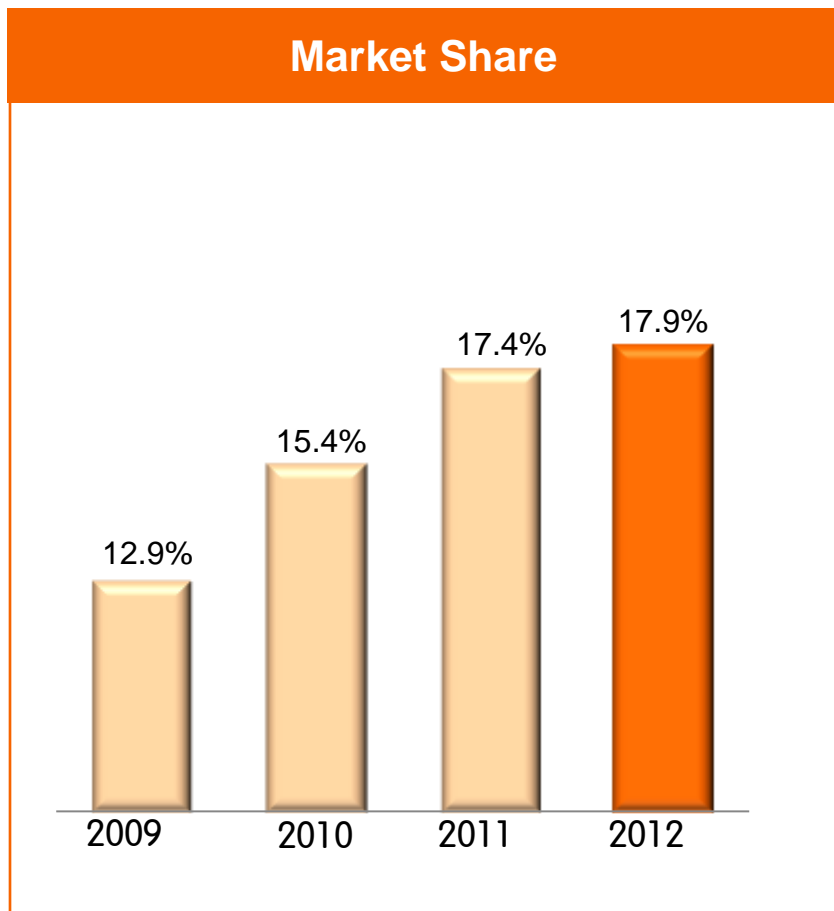
(2) Life insurance includes business conducted through Ping An Life, Ping An Annuity and Ping An Health

Property and Casualty: Steady and Healthy Growth in Premiums and Stable Profitability Maintained



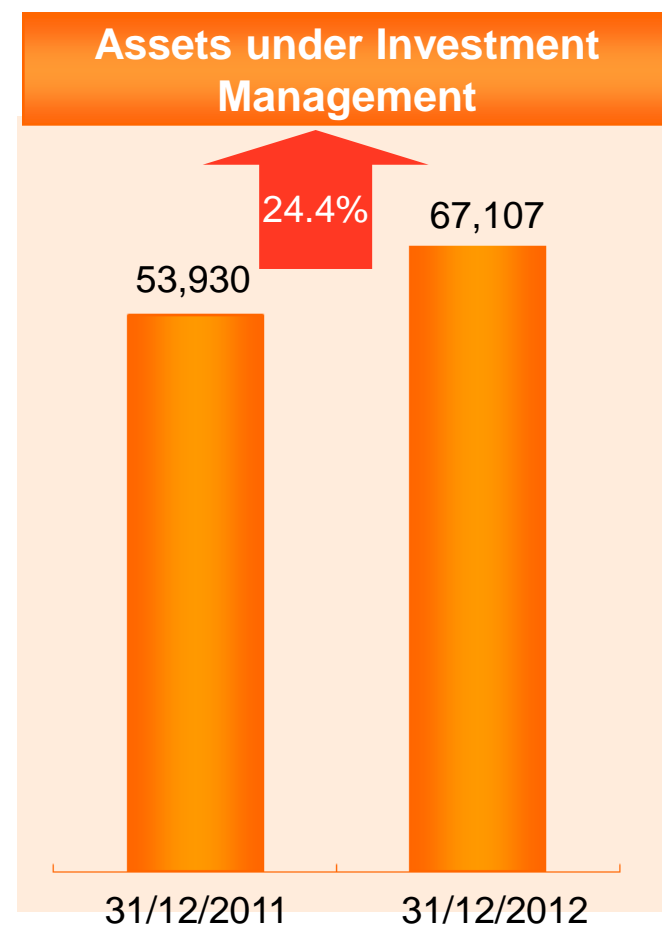
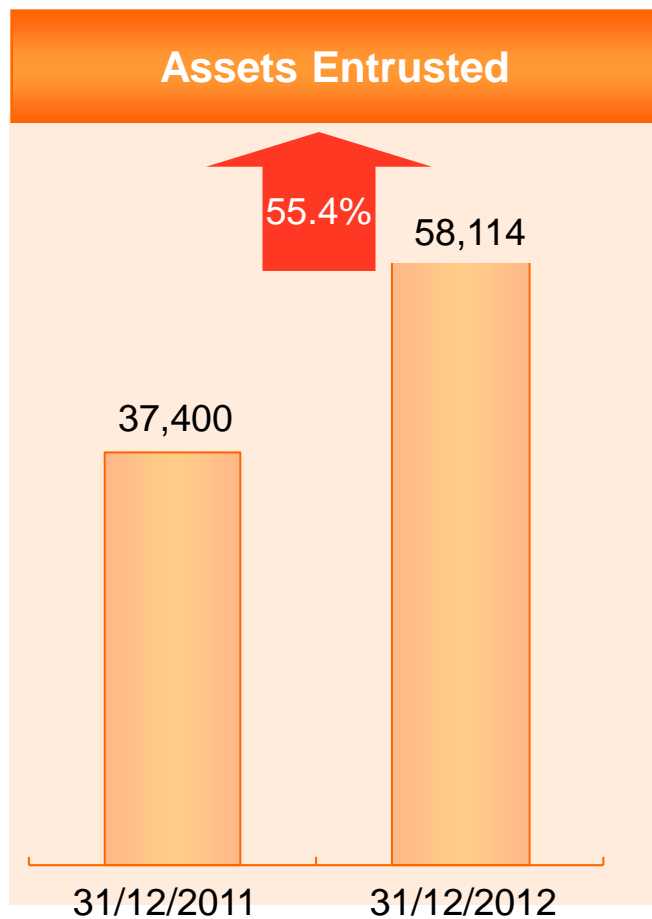
Note: Property and casualty insurance business includes business conducted through Ping An Property & Casualty and Ping An Hong Kong

Ping An Property & Casualty: Steady Growth in Market Share and Good Profitability Maintained



Rapid and Continuous Growth in Corporate Annuity Business

(In RMB million)



Banking Business Review



Banking Business Overview

Integration of Ping An Bank and SDB

- The integration of the two banks was completed, the new bank after merger was formally renamed to “Ping An Bank Co., Ltd”.
- On January 14, 2013, the consolidation of the two banks’ systems was completed, marking the full completion of the three-year-long integration process.

Profit Contribution

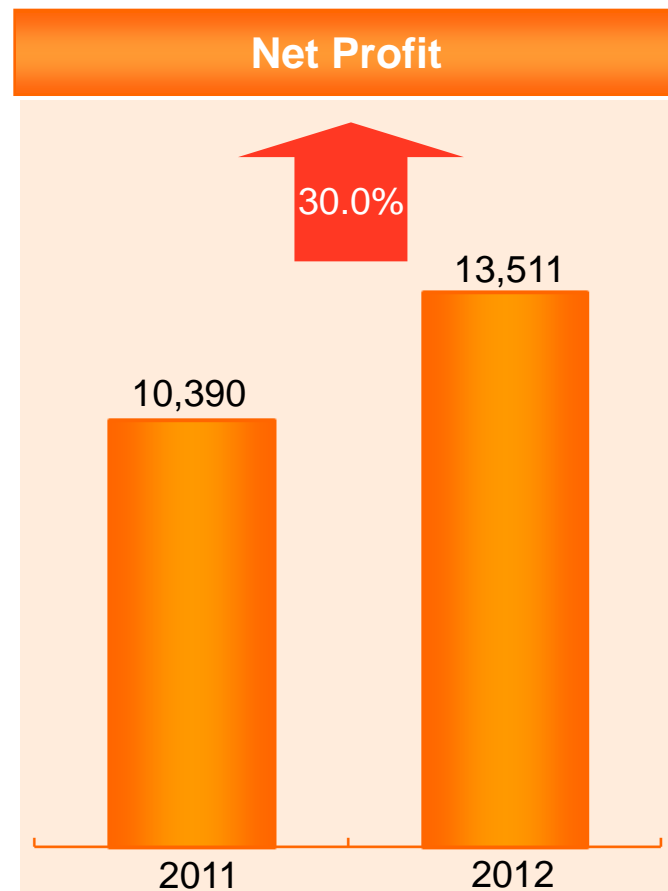
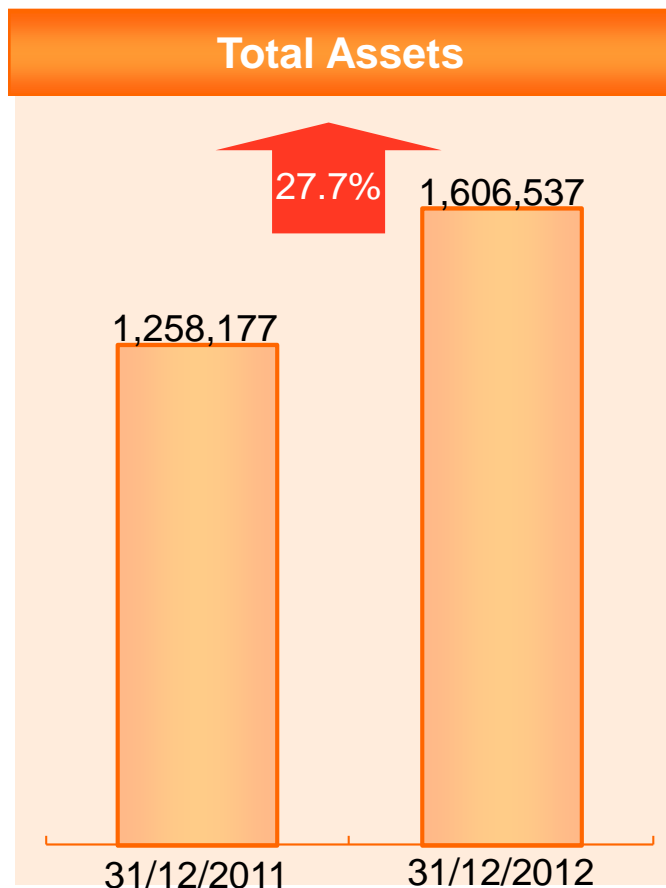
- Ping An Bank realized a net profit of RMB13.51 billion and profit contribution to the Group was RMB6.87 billion, which increased largely year on year.

Business Scale and Assets Quality

- Total assets of Ping An Bank reached RMB1.61 trillion, up by 27.7% as compared with the end of 2011; total deposits amounted to RMB1,021.11 billion, up by 20.0%; total loans amounted to RMB720.78 billion, up by 16.1%, among which, the micro-loans balance was RMB55.83 billion, up by 16.3%.
- Trade finance facilities balance amounted to RMB287.28 billion, representing an increase of 23.1% as compared with the end of 2011; the credit cards in force reached 11 million.
- The quality of assets kept stable; Non-performing loan ratio was 0.95%; the CAR and Core CAR maintained at good levels of 11.37% and 8.59%, respectively.

Steady Increases in Total Assets and Net Profit

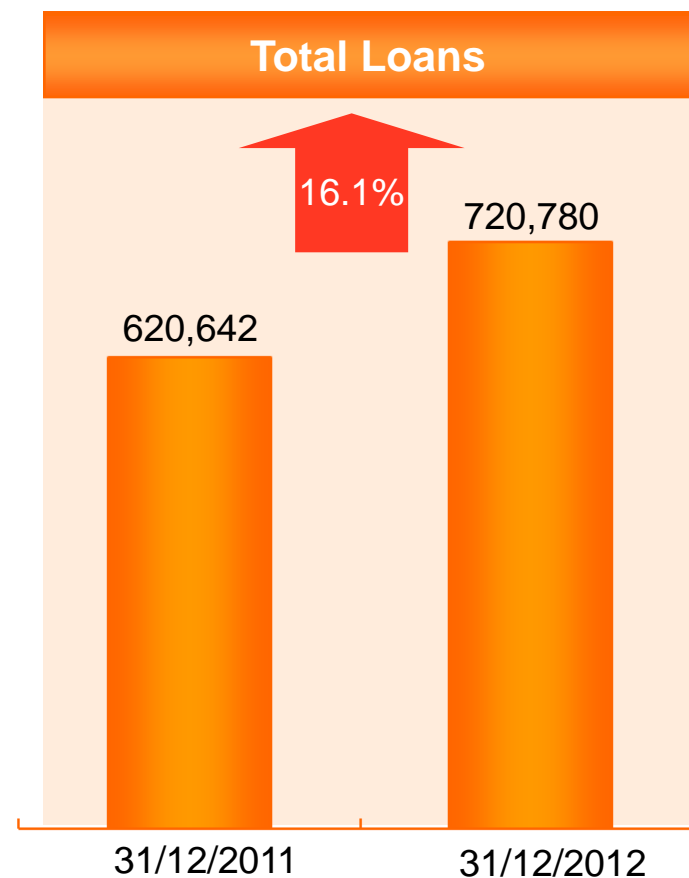
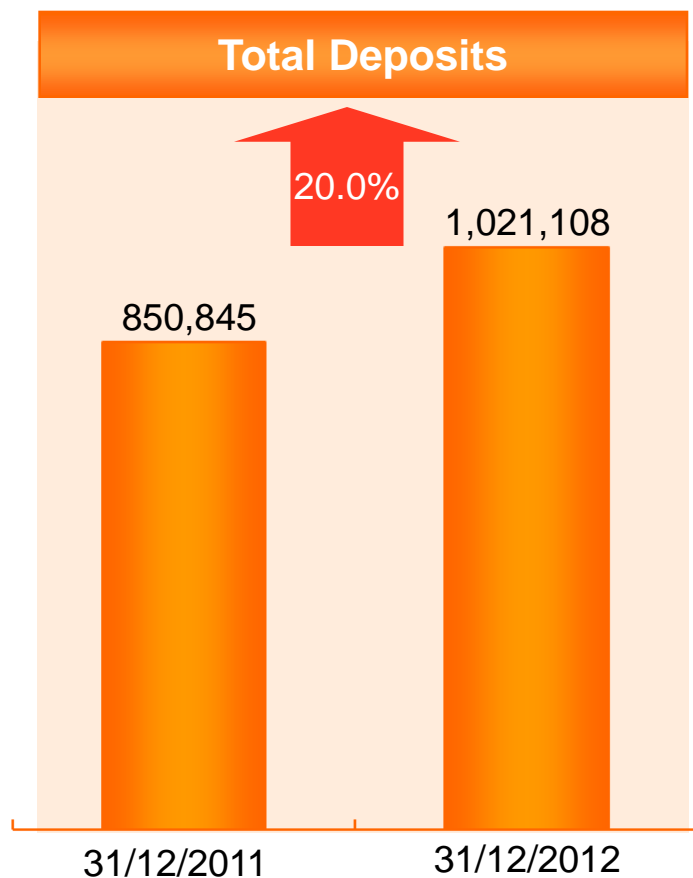
(In RMB million)



Note: The above figures are extracted from the annual report of Ping An Bank.

Steady Growth in Deposits and Loans Balances

(in RMB million)



Key Ratios of Ping An Bank

	2011	2012
Net interest spread	2.39%	2.19%
Net interest margin	2.56%	2.37%
Return on average assets	1.04%	0.94%

	31/12/2011	31/12/2012
Non-performing loan ratio	0.53%	0.95%
Provision coverage ratio	320.66%	182.32%
Capital adequacy ratio	11.51%	11.37%
Core capital adequacy ratio	8.46%	8.59%

Note: The above figures are extracted from the annual report of Ping An Bank.

Investment Business Review



Investment Business Overview

Investment Management

- Ping An Asset Management strengthened research on macroeconomic conditions to better manage market risks, steadily increasing investments in fixed income assets with high interest rates, optimizing assets structure, and enhancing profitability. The total investment income of investment portfolio of insurance funds was RMB25.68 billion, and the total investment yield was 2.9%.

Trust

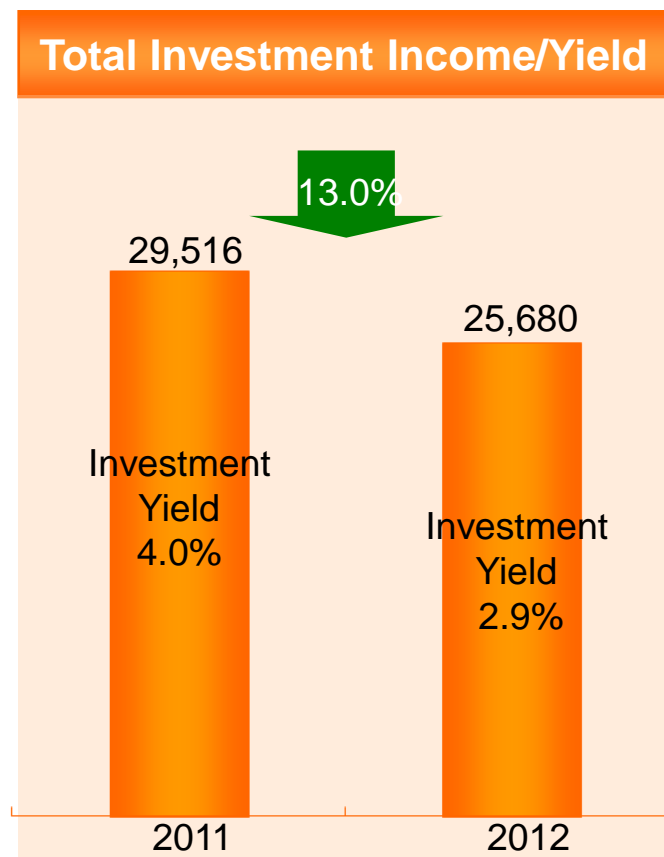
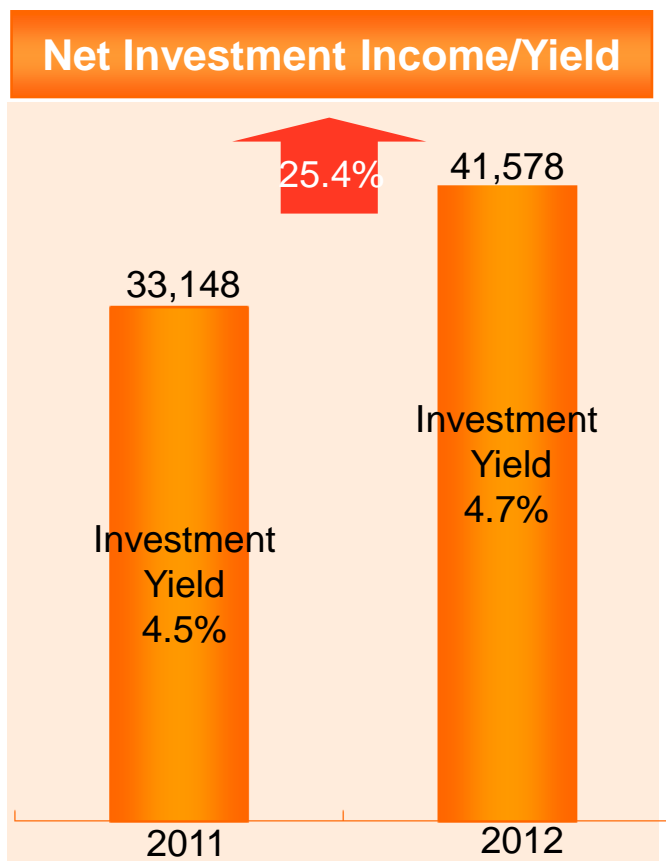
- Ping An Trust recorded a stable growth in its wealth management business, the number of high net-worth customers surpassed 18,000
- Assets held in trust reached RMB212.03 billion, up 8.1% as compared to the end of 2011.

Securities

- Ping An Securities successfully sponsored 14 IPOs and two refinancing projects as lead underwriter, ranking third in the number of deals and underwriting revenue for IPO transactions.
- Ping An Securities completed 44 bond issuances projects as lead underwriter with the number of deals up by 159% over last year.



Net Investment Yield Improved while Total Investment Yield Decreased

(in RMB million)



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

Proactive Management of Equity Investment through Absorbing Realized Losses and Impairment Losses

<i>(in RMB million)</i>	2011	2012	Growth
Net Investment Income	33,148	41,578	 25.4%
Net Realized and Unrealized Gains/(Loss)	(1,026)	(9,448)	N/A
Impairment losses	(2,606)	(6,450)	N/A
Total Investment Income	29,516	25,680	 13.0%

Note: The above figures represent the investment income of investment portfolio of insurance funds.

Asset Allocation: Focus on Overall Risk Control

(In RMB million)

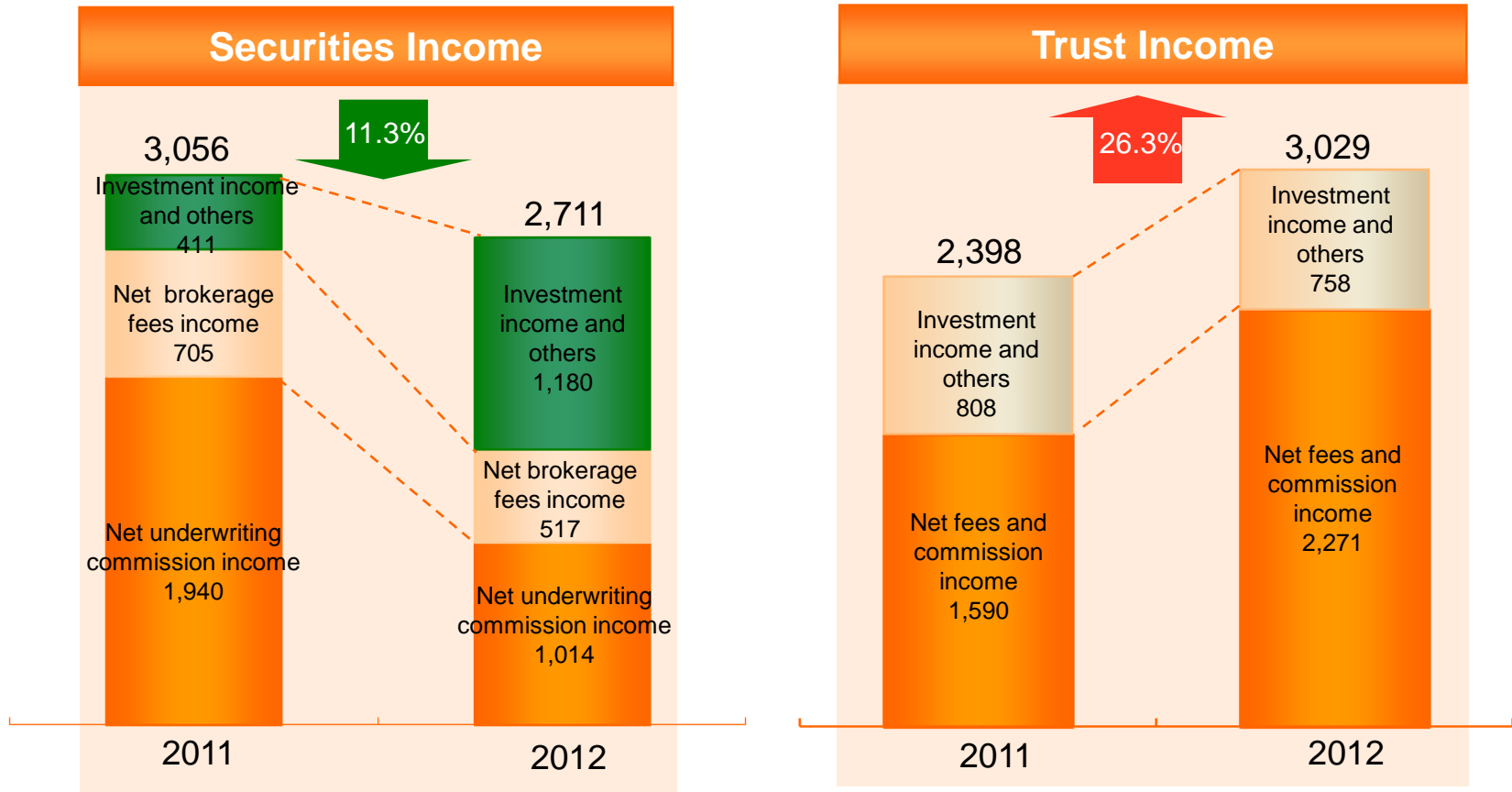
Portfolio ⁽¹⁾	31/12/2011	31/12/2012	Change (percentage point)
Fixed Maturity Investments	81.0%	81.4%	↑ 0.4
Term Deposits ⁽²⁾	19.6%	22.5%	↑ 2.9
Bond Investments ⁽²⁾	57.0%	52.1%	↓ 4.9
Debt schemes investment ⁽²⁾	1.2%	3.5%	↑ 2.3
Other Fixed Maturity Investments ⁽²⁾	3.2%	3.3%	↑ 0.1
Equity Investments ⁽²⁾	11.5%	9.5%	↓ 2.0
Infrastructure Investments	1.0%	0.8%	↓ 0.2
Investment properties	0.9%	1.5%	↑ 0.6
Cash, Cash Equivalents and Others	5.6%	6.8%	↑ 1.2
	100% = 867,301	100% = 1,074,188	

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

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

Income from Securities Business Decreased due to Weak Market. Income from Trust Business Increased Steadily

(in RMB million)



中国平安 PINGAN

保险·银行·投资

Q & A

