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PING AN<02318> - Results Announcement

Ping An Insurance (Group) Company of China, Limited announced on 20/08/2005:

(stock code: 02318 )

Year end date: 31/12/2005

Currency: RMB

Auditors' Report: N/A

Interim report reviewed by: Both Audit Committee and Auditors

		(Unaudited )	(Unaudited )
		Current	Last
		Period	Corresponding
		from 01/01/2005	Period
		to 30/06/2005	from 01/01/2004
			to 30/06/2004
	Note	(' Million )	(' Million )
Turnover	1	: 32,603	32,825
Profit/(Loss) from Operations		: 2,711	1,858
Finance cost		: (38)	(16)
Share of Profit/(Loss) of			
Associates		: N/A	N/A
Share of Profit/(Loss) of			
Jointly Controlled Entities		: N/A	N/A
Profit/(Loss) after Tax & MI	2,3	: 2,235	1,504
% Change over Last Period		: +48.6	%
EPS/(LPS)-Basic (in dollars)	5	: 0.36	0.30
-Diluted (in dollars)	5	: N/A	N/A
Extraordinary (ETD) Gain/(Loss)		: N/A	N/A
Profit/(Loss) after ETD Items		: 2,235	1,504
Interim Dividend	4	: NIL	NIL
per Share			
(Specify if with other		: N/A	N/A
options)			
B/C Dates for			
Interim Dividend		: N/A	
Payable Date		: N/A	
B/C Dates for (-)			
General Meeting		: N/A	
Other Distribution for		: N/A	

Current Period

B/C Dates for Other

Distribution : N/A

Remarks:

1. Turnover

		(Unaudited) 2005	(Unaudited) 2004 (Restated)
For six months ended June 30, (in RMB million)	Notes		
Gross written premiums and policy fees	1(a)	30,549	32,281
Less: Premiums ceded to reinsurers		(2,311)	(2,171)
Net written premiums and policy fees		28,238	30,110
Increase in unearned premium reserves, net		(1,292)	(887)
Net earned premiums		26,946	29,223
Reinsurance commission income		772	670
Net investment income	1(b)	4,481	3,432
Realized and unrealized gains/(losses)	1(c)	19	(769)
Other income		385	269
Total revenue		32,603	32,825

1(a) Gross written premiums and policy fees

		(Unaudited) 2005	(Unaudited) 2004 (Restated)
For six months ended June 30, (in RMB million)			
Life			
Individual life		19,621	18,595
Bancassurance		721	3,055
Group insurance		3,917	5,495

Property and casualty		
Automobile insurance	3,720	3,007
Non-automobile insurance	2,321	1,958
Accident and health insurance	249	171
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Total	30,549	32,281
	=====	=====

1(b) Net investment income

(Unaudited) (Unaudited)

For six months ended June 30,

(in RMB million)

2005

2004

(Restated)

Interest income on fixed maturity

investments

Bonds

2,506

1,258

Term deposits

1,810

1,769

Others

22

40

Dividend income on equity investments

Equity investment funds

99

321

Equity securities

33

-

Operating lease income from investment

properties

49

60

Interest expenses on securities sold

under agreements to repurchase

(38)

(16)

Total

4,481

3,432

=====

=====

1(c) Realized and unrealized gains/(losses)

(Unaudited) (Unaudited)

For six months ended June 30,

(in RMB million)

2005

2004

(Restated)

Fixed maturity investments

242

(79)

Equity investments

(212)

(690)

Convertible bond derivatives

(11)

-

Total

19

(769)

=====

=====

2. Operating profit

Operating profit is arrived at after charging the following items:

	(Unaudited)	(Unaudited)
For six months ended June 30,		
(in RMB million)	2005	2004 (Restated)
Employee costs, excluding directors' remuneration	1,515	1,230
Depreciation of investment properties	26	31
Depreciation of property, plant and equipment	162	150
Amortization of land use rights	12	10
Impairment losses for investment properties, property, plant and equipment, construction-in-progress, and land use rights	39	17
Operating lease payments in respect of land and buildings	250	276
Provision for doubtful debts, net	154	40
	=====	=====

### 3. Income taxes

According to the "Provisional Regulations of the PRC on Enterprise Income Tax", the taxable income of the Group represents its income for financial reporting purposes, net of deductible items for income tax purposes. The enterprise income tax rates applicable to the Group, the subsidiaries and their branches are as follows:

Tax	Subsidiaries and branches	Tax rate
-----		
Enterprise income tax in the PRC	- Located in Special Economic Zones	15%
	- Located outside Special Economic Zones	33%
Hong Kong profits tax	- Subsidiaries in Hong Kong Special Administrative Region	17.5%

	(Unaudited)	(Unaudited)
For six months ended June 30,		
(in RMB million)	2005	2004
Current income tax	374	297
Deferred tax	49	18
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Income taxes	423	315

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4. Dividends

(1) Dividends attributable to the interim period

The directors do not recommend the payment of any dividend in respect of six months ended June 30, 2005 (the "Period") (Six months ended June 30, 2004: Nil).

(2) Dividends attributable to the previous financial year and declared during the interim period:

	(Unaudited)	(Unaudited)
For six months ended June 30, (in RMB million)	2005	2004
Final dividend of RMB0.14 per ordinary share (Six months ended June 30, 2004: RMB0.12 per ordinary share)	867	592
	=====	=====

5. Earnings per share

The basic earnings per share for the Period is computed by dividing the unaudited net profit attributable to shareholders for the Period by the weighted average number of 6,195,053,334 shares (Six months ended June 30, 2004: 4,981,861,026 shares) in issue during the Period.

The Company had no dilutive potential shares, hence no diluted earnings per share amount is presented.

6. Changes in significant accounting policies

The Group has changed certain significant accounting policies following the adoption of the following new or revised IFRSs:

(1) IFRS 4, Insurance Contracts

Effective January 1, 2005, the Group has adopted IFRS 4 which represents the first IFRS to deal with insurance contracts. The main features of IFRS 4 include but not limited to the definition of an insurance contract, the use of liability adequacy tests and impairment tests for reinsurance

assets, and prohibition of catastrophe and equalization provisions. Based on this standard, the Group continues to account for investment contracts containing discretionary participation features as if they are insurance contracts. In addition, premiums income from certain contracts, which are regarded as investment contracts by IFRS 4, is accounted for as financial liabilities, and related policyholders' benefits to the extent covered by the said contracts are accounted for as a direct debit to the financial liabilities. Further, certain investment-linked contracts meet the definition of an insurance contract under IFRS 4 and the Group separately presents assets and liabilities related to such investment-linked contracts, which were originally grouped in "separate account (investment-linked) assets and liabilities". The assets and liabilities related to the remaining investment-linked contracts, which are regarded as investment contracts, are presented as policyholder account assets and liabilities in respect of investment contracts.

As a result of the adoption of IFRS 4, certain contracts were reclassified as investment contracts.

The Group recorded the following effects in the consolidated income statement to reflect the reclassification of contracts:

	(Unaudited)	(Unaudited)
For the six months ended June 30,	2005	2004
(in RMB million)		
(Debit)/Credit		
Gross written premiums and policy fees	-	(16)
Claims and policyholders' benefits	1	-
Increase in policyholders' reserves	(1)	16
	-----	-----
Net impact on net profit	-	-
	=====	=====

Further, the Group recorded the following effects in the consolidated balance sheet as of:

	(Unaudited)	(Audited)
(in RMB million)	June 30, 2005	December 31, 2004
Debit/(Credit)		
Policyholder account assets in respect of insurance contracts	11,620	9,758
Policyholder account assets in respect		

of investment contracts	3,293	3,145
Separate account (investment-linked) assets	(14,913)	(12,903)
Policyholders' reserves	15	15
Investment contract reserves	(15)	(15)
Policyholder account liabilities in respect of insurance contracts	(11,620)	(9,758)
Policyholder account liabilities in respect of investment contracts	(3,293)	(3,145)
Separate account (investment-linked) liabilities	14,913	12,903
	=====	=====

(2) IAS 39 (revised 2004), Financial Instruments: Recognition and Measurement

Effective January 1, 2005, the Group has adopted IAS 39 (revised 2004). Among the changes, IAS 39 (revised 2004) has eliminated "loan and receivables originated by the enterprise" and defined a "loans and receivables" category. By such definition, loans and receivables exclude investments quoted in an active market. As a result, the Group has reclassified quoted bonds as held-to-maturity or available-for-sale investments in accordance with the related requirements and investment strategy. The Group recorded the following effects in the consolidated balance sheet as of:

	(Unaudited)	(Audited)
(in RMB million)	June 30, 2005	December 31, 2004
Debit/(Credit)		
Fixed maturity investments - bonds	(198)	(67)
Deferred income tax assets	30	10
Reserves - net unrealized losses	166	56
Minority interests	2	1
	=====	=====