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PING AN

Insurance • Banking • Investment

中国平安保险（集团）股份有限公司

Ping An Insurance (Group) Company of China, Ltd.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2318)

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2009

The Board of Directors of Ping An Insurance (Group) Company of China, Ltd. ("Ping An" or "the Company") announces the unaudited results (the "First Quarterly Results") of the Company and its subsidiaries (the "Group") for the three months ended March 31, 2009 (the "Reporting Period"). The Board of Directors of the Company and its audit committee have reviewed the First Quarterly Results.

1. KEY FINANCIAL INFORMATION

During the Reporting Period, the key financial data prepared under International Financial Reporting Standards ("IFRS") are as follows:

(in RMB million)	March 31, 2009	December 31, 2008
Total assets	802,683	754,718
Total liabilities	708,083	669,022
Total equity	<u>94,600</u>	<u>85,696</u>
For the three months ended March 31,		
(in RMB million)	2009	2008
Total income	38,590	35,553
Net profit	2,072	7,221
Basic earnings per share (in RMB)	<u>0.27</u>	<u>0.97</u>

2. TOTAL NUMBER OF SHAREHOLDERS AND TOP TEN HOLDERS OF LISTED SHARES NOT SUBJECT TO TRADING MORATORIUM AS AT THE END OF THE REPORTING PERIOD

Total number of shareholders as at the end of the Reporting Period (shareholders)	Total number of shareholders was 295,330, of which 289,170 were holders of A shares and 6,160 were holders of H shares	
Particulars of top ten holders of listed shares not subject to trading moratorium		
Name of shareholders	Number of listed shares not subject to moratorium held as at the end of the Reporting Period (share)	Class of shares
HSBC Insurance Holdings Limited	618,886,334	H share
The Hongkong and Shanghai Banking Corporation Limited	613,929,279	H share
Shenzhen Investment Holdings Co.,Ltd.	546,672,967	A share
Yuan Trust Investment Co., Ltd.	380,000,000	A share
Shum Yip Group Limited	263,271,272	A share
Shenzhen Wuxin Yufu Industrial Co., Ltd.	178,802,104	A share
Shenzhen Liye Group Limited	144,712,972	A share
Shanghai Huiye Industrial Co., Ltd.	112,764,735	A share
Bank of Communications – E Fund SSE50 Index Enhanced Fund	39,000,000	A share
Fengyi Industrial Development Co., Ltd.	31,021,107	A share

3. BUSINESS REVIEW FOR THE REPORTING PERIOD

In the first quarter of 2009, governments all over the world including China have put in place economic stimulation plans to fight against global recession and to cope with the negative impact of the global financial crisis. However, even we have seen some positive signs in China's economy, a clear sign of economic recovery is yet to be surfaced globally, and difficulties are still there in China. For Ping An, after overcoming great challenges, 2009 is still a year which is full of challenges and pressure.

In the first quarter of 2009, the Company continued to promote valuable, sustainable and above-the-market growth in all businesses in accordance with our development plan. We achieved healthy and stable growth in respect of our three pillars of business – insurance, banking and investment. For the three months ended March 31, 2009, the Group realized a net profit of RMB2,072 million. Despite a drop in net profit as compared with the corresponding period of 2008, the Company still managed to strengthen the fundamentals and core competitiveness of our businesses, thus paving the way for our long-term stable development.

Our insurance business achieved a good start with premium income increasing rapidly. We have successfully implemented the “Reaching New Heights” and “Two-Tier Market Development” strategies for our life insurance business. Premium income for our individual life insurance business recorded an increase of 35.5% while premium income for our bancassurance business increased by more than 150%. Gross written premiums, policy fees and premium deposits reached RMB40,143 million for the first quarter of 2009, representing an increase of 42.2% as compared with the corresponding period of last year. Our property and casualty insurance realized a premium income of RMB8,954 million, an increase of 18.1% as compared with the corresponding period of last year. For our annuity business, annuity payment, assets entrusted and assets under investment management ranked amongst the highest in the industry continuously.

Our banking business exhibited stable growth with accelerated nationwide expansion. Shenzhen Ping An Bank obtained approval to change its name to Ping An Bank, being a move that is of great significance for the inter-regional operation and development of the banking business. Hangzhou and Guangzhou branches commenced operation, achieving great progress in network expansion. All businesses made sound and stable headway. Total assets of Ping An bank has increased over RMB20 billion as compared with the beginning of the year. The retail banking business developed steadily and wealth management business scaled up progressively. For corporate business, the first credit center for small enterprises was established in Hangzhou. Credit cards with innovative themes such as auto-owners and insurance were launched successfully.

Our investment business has vigilantly responded to the market's volatility and optimized our asset allocation. Ping An Asset Management strengthened its investment capability and enhanced its operating platform, and recorded steady growth in the scale of assets under investment management as compared with the year end of 2008. Ping An Securities was awarded "Best Underwriting Sponsor Institution for SME in 2008" by Shenzhen Stock Exchange. The second integrated wealth management product "Niannianhong Bond Investment Product" was duly launched. Ping An Trust also strengthened its product R&D and innovation and enriched its product line.

Looking into the remaining three quarters ahead of us, the global economic outlook will remain uncertain, the growth of domestic economy of China still face pressure, and the financial market is still uncertain and unstable. The complexity and unpredictable operating environment coupled with the volatility of the financial market, the timing of adjustment and optimization of asset allocation will all bring uncertainty in investment income. These are all key determining factors for the operating results of this year and the sustainability of the results for the next three quarters. The year 2009 will be full of challenges which require us to be patient and deal with them in composure. We will closely monitor the macro-economic condition and get well prepared for any changes. Through our sustaining development of core fundamentals and persistent enhancement of competitive advantage in terms of integrated financial services, the Company can maintain healthy and steady development of all businesses.

4. SIGNIFICANT EVENTS

In January 2009, China Ping An Trust & Investment Co., Ltd. completed the acquisition of 100% equity interest in Xuji Group Corporation ("Xuji Group"). Thus, Xuji Group has been included in the scope of consolidation as a subsidiary of the Group.

5. UNDERTAKINGS

After the initial public offering of the A shares of the Company, 389,592,366 domestic shares held by Shenzhen New Horse Investment Development Co., Ltd., 331,117,788 domestic shares held by Shenzhen Jingao Industrial Development Co., Ltd. and 139,112,886 domestic shares held by Shenzhen Jiangnan Industrial Development Co., Ltd. became tradable A shares subject to a trading moratorium of 36 months from the date of listing of the A shares of the Company. During the Reporting Period, Shenzhen New Horse Investment Development Co., Ltd., Shenzhen Jingao Industrial Development Co., Ltd. and Shenzhen Jiangnan Industrial Development Co., Ltd. did not dispose of any A share of the Company held by them.

6. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS

(1) Consolidated Income Statement

For the three months ended March 31, 2009

For the three months ended March 31, (in RMB million)	(Unaudited) 2009	(Unaudited) 2008
Gross written premiums and policy fees	33,601	28,072
Less: Premiums ceded to reinsurers	<u>(1,984)</u>	<u>(1,848)</u>
Net written premiums and policy fees	31,617	26,224
Change in unearned premium reserves	<u>(1,966)</u>	<u>(1,524)</u>
Net earned premiums	29,651	24,700
Reinsurance commission income	443	340
Interest income of banking operations	1,501	1,672
Fees and commission income of non-insurance operations	431	633
Investment income	5,449	7,991
Share of profit or loss of associates and joint ventures	(54)	(10)
Other income	<u>1,169</u>	<u>227</u>
Total income	<u>38,590</u>	<u>35,553</u>
Change in deferred policy acquisition costs	4,077	2,515
Claims and policyholders' benefits	(27,611)	(21,389)
Commission expenses of insurance operations	(5,013)	(3,551)
Interest expenses of banking operations	(575)	(590)
Fees and commission expenses of non-insurance operations	(64)	(77)
Loan loss provisions, net of reversals	(36)	(1)
Foreign exchange losses	(3)	(250)
General and administrative expenses	(5,969)	(3,530)
Finance costs	<u>(153)</u>	<u>(120)</u>
Total expenses	<u>(35,347)</u>	<u>(26,993)</u>
Profit before tax	3,243	8,560
Income tax	<u>(1,171)</u>	<u>(1,339)</u>
Net profit	<u>2,072</u>	<u>7,221</u>
Attributable to:		
– Equity holders of the parent	1,986	7,101
– Minority interests	<u>86</u>	<u>120</u>
	<u>2,072</u>	<u>7,221</u>
	RMB	RMB
Earnings per share attributable to equity holders of the parent – basic	<u>0.27</u>	<u>0.97</u>

(2) Consolidated Balance Sheet
As at March 31, 2009

(in RMB million)	(Unaudited) March 31, 2009	(Audited) December 31, 2008
ASSETS		
Balances with central bank and statutory deposits	24,273	25,963
Cash and amounts due from banks and other financial institutions	134,698	105,279
Fixed maturity investments	328,311	344,449
Equity investments	53,400	54,599
Derivative financial assets	14	17
Loans and advances to customers	90,951	74,160
Investments in associates and joint ventures	8,221	5,468
Premium receivables	4,945	4,412
Accounts receivables	2,487	–
Inventory	2,647	–
Reinsurers' share of insurance liabilities	9,345	8,872
Policyholder account assets in respect of insurance contracts	33,251	30,749
Policyholder account assets in respect of investment contracts	4,147	3,979
Deferred policy acquisition costs	54,676	50,599
Investment properties	6,638	6,389
Property and equipment	11,224	8,287
Intangible assets	11,776	10,279
Deferred tax assets	6,311	6,876
Other assets	15,368	14,341
Total assets	802,683	754,718
EQUITY AND LIABILITIES		
Equity		
Share capital	7,345	7,345
Reserves	56,671	54,277
Retained profits	23,315	21,329
Equity attributable to equity holders of the parent	87,331	82,951
Minority interests	7,269	2,745
Total equity	94,600	85,696

(in RMB million)	(Unaudited) March 31, 2009	(Audited) December 31, 2008
Liabilities		
Due to banks and other financial institutions	25,915	24,192
Assets sold under agreements to repurchase	20,369	41,124
Derivative financial liabilities	243	265
Customer deposits and payables to brokerage customers	109,709	94,991
Insurance payable	13,044	13,246
Insurance contract liabilities	498,419	462,341
Investment contract liabilities for policyholders	7,510	6,636
Policyholder dividend payable	12,730	12,012
Income tax payable	3,109	2,274
Subordinated debts payable	840	–
Deferred tax liabilities	1,069	998
Other liabilities	15,126	10,943
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Total liabilities	708,083	669,022
	<hr/>	<hr/>
Total equity and liabilities	802,683	754,718
	<hr/> <hr/>	<hr/> <hr/>

(3) Consolidated Cashflow Statement
For the three months ended March 31, 2009

For the three months ended March 31, (in RMB million)	(Unaudited) 2009	(Unaudited) 2008
Net cash from operating activities	<u>12,997</u>	<u>2,923</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investment properties, items of property and equipment, and intangible assets	(204)	(360)
Proceeds from disposal of investment properties, items of property and equipment, and intangible assets	17	–
Purchases of investments, net	7,843	(54,131)
Term deposits withdrawal/(placed), net	1,477	(6,679)
Acquisition of subsidiaries	2,154	(1,230)
Proceeds from assets purchased under agreements to resell	–	25,331
Interest received	6,851	2,439
Dividends received	78	1,065
Rentals received	47	74
Others	(272)	(226)
Net cash outflow from investing activities for policyholders' accounts	<u>(1,905)</u>	<u>(2,004)</u>
Net cash used in investing activities	<u>16,086</u>	<u>(35,721)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash outflow from sales in assets sold under agreements to repurchase	(21,813)	(23)
Proceeds from borrowed funds	1,350	66
Proceeds from subordinated debts issued	840	–
Interest paid	(210)	(518)
Dividends paid	(12)	–
Net cash inflow from financing activities for policyholders' accounts	<u>20</u>	<u>733</u>
Net cash from financing activities	<u>(19,825)</u>	<u>258</u>
Net increase/(decrease) in cash and cash equivalents	9,258	(32,540)
Net foreign exchange differences	(7)	(244)
Cash and cash equivalents at beginning of period	<u>64,489</u>	<u>96,296</u>
Cash and cash equivalents at end of period	<u><u>73,740</u></u>	<u><u>63,512</u></u>

(4) Reconciliation of GAAP Differences Between China Accounting Standards (“CAS”) and IFRS

The material GAAP differences between CAS and IFRS in preparing financial statements are as follows:

Consolidated net profit

**For the three months ended March 31,
(in RMB million)**

	<i>Notes</i>	2009	2008
Prepared in accordance with CAS		1,635	4,860
Unearned premium reserves	<i>(i)</i>	–	(114)
Policyholders’ reserves	<i>(ii)</i>	(3,603)	625
Deferred policy acquisition costs	<i>(iii)</i>	4,077	2,515
Deferred tax	<i>(iv)</i>	(119)	(764)
Minority interests and others		(4)	(21)
		<u>1,986</u>	<u>7,101</u>
Prepared in accordance with IFRS		<u>1,986</u>	<u>7,101</u>

**Consolidated equity
(in RMB million)**

	<i>Notes</i>	March 31, 2009	December 31, 2008
Prepared in accordance with CAS		82,787	78,757
Unearned premium reserves	<i>(i)</i>	–	–
Policyholders’ reserves	<i>(ii)</i>	(48,523)	(44,920)
Deferred policy acquisition costs	<i>(iii)</i>	54,676	50,599
Deferred tax	<i>(iv)</i>	(1,536)	(1,417)
Minority interests and others		(73)	(68)
		<u>87,331</u>	<u>82,951</u>
Prepared in accordance with IFRS		<u>87,331</u>	<u>82,951</u>

Minority interests have been deducted from the above amounts.

Notes:

- (i) Before July 1, 2008, under CAS, unearned premium reserves of the Group are provided using actuarial valuation results (1/365 method), and should be no less than 50% of the retained premium for the current period (1/2 method) as for life insurance subsidiaries of the Group. Under IFRS, unearned premium reserves are provided using actuarial valuation results (1/365 method). According to the new actuarial regulations of China Insurance Regulatory Commission (“CIRC”) effective from July 1, 2008, life insurance subsidiaries used the same actuarial valuation results (1/365 method) for provision of unearned premium reserves under both CAS and IFRS.
- (ii) Under CAS, policyholders’ reserves are provided in accordance with related actuarial regulations promulgated by CIRC. Under IFRS, policyholders’ reserves are provided in accordance with IFRS 4 Insurance Contracts and by reference to US GAAP.

- (iii) Under CAS, handling costs and commission expenses of acquiring new policies are recognized in the income statement when incurred. Under IFRS, handling costs and commission expenses of acquiring new policies are deferred and amortized over the expected life of the insurance contracts at a constant percentage of expected premiums or at a constant percentage of the present value of estimated gross profits expected to be realized over the life of the insurance contracts by product type, in accordance with IFRS 4 Insurance Contracts and by reference to US GAAP.
- (iv) The above differences between CAS and IFRS are temporary differences in accordance with IAS 12 Income Taxes. The Group recognizes deferred tax assets and liabilities on the basis of the above differences and the tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled.

7. RELEASE OF RESULTS ANNOUNCEMENT

This results announcement is simultaneously available on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.pingan.com). This results announcement is prepared in accordance with IFRS. The announcement for the first quarterly results of 2009 prepared in accordance with CAS will also be available on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Company (www.pingan.com).

By order of the Board
Ma Mingzhe
Chairman and Chief Executive Officer

Shenzhen, PRC, April 27, 2009

As at the date of this announcement, the Executive Directors of the Company are Ma Mingzhe, Sun Jianyi and Cheung Chi Yan Louis, the Non-executive Directors are Lin Yu Fen, Cheung Lee Wah, Lin Lijun, Fan Gang, Hu Aimin, Chen Hongbo, Wong Tung Shun Peter, Ng Sing Yip and Clive Bannister, and the Independent Non-executive Directors are Bao Youde, Kwong Che Keung Gordon, Cheung Wing Yui, Chow Wing Kin Anthony, Zhang Hongyi, Chen Su and Xia Liping.