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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 NINE MONTHS ENDED SEPTEMBER 30, 2011

The Board of Directors of Ping An Insurance (Group) Company of China, Ltd. (“Ping An” or “the Company”) announces the unaudited results (the “Third Quarterly Results”) of the Company and its subsidiaries (“the Group”) for the nine months ended September 30, 2011 (the “Reporting Period”). The Board of Directors of the Company and its Audit and Risk Management Committee have reviewed the Third 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)	September 30, 2011	December 31, 2010
Total assets	2,189,406	1,171,627
Total liabilities	2,029,427	1,054,744
Total equity	159,979	116,883
Equity attributable to shareholders of the parent company	<u>121,132</u>	<u>112,030</u>

(in RMB million)	For the three months ended September 30		For the nine months ended September 30	
	2011	2010	2011	2010
Total income	64,039	46,078	197,849	143,058
Net profit	3,288	3,331	16,286	13,197
Net profit attributable to shareholders of the parent company	1,762	3,145	14,519	12,756
Basic earnings per share (in RMB)	<u>0.22</u>	<u>0.41</u>	<u>1.88</u>	<u>1.71</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**

<b>Total number of shareholders as at the end of the Reporting Period (shareholders)</b>	<b>Total number of shareholders was 335,137, of which 329,458 were holders of A shares and 5,679 were holders of H shares.</b>	
<b>Particulars of top ten holders of listed shares not subject to trading moratorium</b>		
<b>Name of shareholders</b>	<b>Number of listed shares not subject to trading moratorium held as at the end of the Reporting Period (share)</b>	<b>Class of shares</b>
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.	481,359,551	A share
Yuan Trust Investment Co., Ltd.	380,000,000	A share
Linzi New Horse Investment Development Co., Ltd.	319,094,187	A share
Linzi Jingao Industrial Development Co., Ltd.	273,701,889	A share
Shum Yip Group Limited	179,675,070	A share
Shenzhen Wuxin Yufu Industrial Co., Ltd.	178,802,104	A share
Shenzhen Jiangnan Industrial Development Co., Ltd.	139,112,886	A share
Account No. 2 of National Council for Social Security Fund transferred from state-owned shares in listed companies	111,007,892	A share

### 3. BUSINESS REVIEW FOR THE REPORTING PERIOD

In the third quarter of 2011, while China's economy continued to grow at a fast pace, the global economy was facing downward pressure, given the continuous spread of the American and European debt crisis and the significant fluctuation of the world's stock markets and the lack of investor and consumer confidence. Facing such a challenging operating environment, the Company remained determined in pursuing its established integrated financial strategy and annual operating targets and responded actively to the market volatility, which ensured the healthy and stable development of its major businesses. The stock market fell sharply in the third quarter, which brought negative impact to the Company's third-quarter net profit and other comprehensive income. Meanwhile, the Company successfully completed the major asset restructuring transaction for controlling Shenzhen Development Bank in July, with which our banking business network now covered the whole country and our core competitiveness was further enhanced. The Company has moved into a new phase in the development of its integrated financial strategy.

As at September 30, 2011, the total assets of the Company increased by 86.9% to RMB2,189.41 billion as compared with the end of last year, and the equity attributable to shareholders of the parent company stood at RMB121.13 billion, representing an increase of 8.1% as compared with the beginning of the year. For the first three quarters, the Company realized a net profit attributable to shareholders of the parent company of RMB14,519 million, representing an increase of 13.8% as compared with the same period of last year. If the RMB1,952 million one-off impact to the income statement arising from the accounting treatment for the step-up consolidation of Shenzhen Development Bank in the third quarter were excluded, the Company's net profit attributable to shareholders of the parent company for the first three quarters of the year would have been RMB16,471 million, representing an increase of 29.1% as compared with the same period of last year.

In review of our operations for the first three quarters, the Company delivered remarkable performance in the following fields:

**The insurance business maintained healthy growth, with the written premiums and agency force of our life insurance business growing at a steady pace and the property and casualty insurance business maintaining an impressive development momentum.** For the first three quarters, the Company recorded total premium income of RMB159.96 billion, representing an increase of 32.9% as compared with the same period of last year. Ping An Life recorded total written premiums of RMB144.06 billion for the first three quarters of 2011, representing an increase of 16.1% as compared with the same period of last year. Total premium income amounted to RMB93.95 billion, representing an increase of 32.0%. The individual life insurance business, which is relatively more profitable, recorded total written premiums of RMB126.35 billion, representing an increase of 25.0% as compared with the same period of last year. The number of our individual life insurance agents increased by 36 thousand to 489 thousand from the end of last year, which also increased as compared with the interim period. Whilst growing our agency force, we have also accelerated the development and enhancement of our E-marketing platform to drive and promote our agency productivity. In the third quarter, Ping An Life successfully raised RMB4 billion from the issuance of subordinated debt. In addition, the application of RMB5 billion capital injection to Ping An Life has been approved by the regulatory authority in October. All these measures will help us get through the volatile investment market. Ping An Property & Casualty realized

a premium income of RMB61,586 million, representing an increase of 35.5% as compared with the same period of last year. Among which, the premium income from cross-selling and telemarketing increased by 65.3%, with channel contributions to the business reaching 39.5%. Notwithstanding the rapid growth of premium income, the quality of our property and casualty business also improved and the combined ratio remained at a satisfactory level of 93.0%, decreasing by 0.2 percentage point as compared with the end of last year. As for our annuity business, the three major indicators, namely the annuity payment received, assets entrusted and assets under investment management, all maintained leading positions in the market.

**Profit contribution from our banking business increased significantly, strong growth was achieved in customers' deposits, asset quality remained stable and risks contained.**

The Company completed the major asset restructuring transaction for controlling Shenzhen Development Bank, as a result of which the Company and its subsidiaries held 52.38% of the total shares of Shenzhen Development Bank and the latter became a subsidiary of the Group; in the meantime, Shenzhen Development Bank held 90.75% of the total issued shares of Ping An Bank and the latter became a subsidiary of Shenzhen Development Bank. As of the end of third quarter, the banking business contributed a profit of RMB5,322 million to the Group. After consolidation, total assets of the bank group amounted to RMB1,207.21 billion. During the transition period of the integration and restructuring, the two banks still maintained good business momentum and quality. Total deposits of the bank group amounted to RMB832.24 billion, with YTD third quarter deposits growth being one of the fastest amongst those joint-stock banks. Asset quality remained stable and risks were well contained. The non-performing loan ratio and the provision coverage ratio were at 0.43% and 365.77%, respectively, among the best in the industry. CAR and Core CAR were at 11.46% and 8.38%, respectively, all in line with the regulatory requirements.

**Investment banking business of Ping An Securities continued to hold the leading position in the market, while the private wealth management business of Ping An Trust recorded rapid and steady growth. The first fund product of Ping An-UOB Fund was launched with great success.**

As of the end of third quarter, Ping An Securities ranked 1st in the IPO league table and accomplished the lead underwriting of 31 IPOs, five refinancing and 13 bonds issuance projects. As for its brokerage business, five new offices were successfully established, and the number of new customer accounts increased constantly, which amounted to 335.9 thousand. The private wealth management business of Ping An Trust recorded substantial growth. The number of high-net-worth customers exceeded 12,000; the average fund raised per month amounted to RMB6 billion, representing an increase of 300% as compared with the same period of last year; management fees of trust products amounted to RMB1,125 million, a significant increase of 152.8%. In a market environment where issuance of new funds appeared extraordinarily difficult, the first fund issued by Ping An-UOB Fund raised RMB3,197 million, making it the largest equity fund in terms of the size of first-time fund raised in the second half of the year. Contribution from cross-selling accounted for more than 60% of the total fund raised.

Since the beginning of the year, the European debt crisis brought about many uncertainties to the growth of the world and China's economy. Labour and capital intensive enterprises in China now face great challenges under the pressure of high inflation and volatile financial markets. Compared with last year, the investment sentiments now appeared to be more cautious and the operating environment becoming more challenging. However, we remain confident with the outlook of our businesses under the integrated financial strategy. We will stick to our integrated financial strategy and strive to promote cross-selling in greater depth. We are dedicated to exploring the application of new technology to our businesses and leading traditional financial services to the next explosive growth phase. Looking into the fourth quarter of 2011, we will strive to maintain the healthy development of all our business segments with manageable risk, while laying a solid foundation for the long-term sustainable growth of the Company's value.

#### **4. CHANGES IN MAJOR SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES**

The Company's major asset restructuring transaction with Shenzhen Development Bank was completed in July 2011. Upon the completion of the transaction, the Group holds 52.38% of Shenzhen Development Bank's total shares and Shenzhen Development Bank has become a subsidiary of the Group.

In this quarterly report, the financial statements of Shenzhen Development Bank have been included in the Group's scope of consolidation. The Group carried out the accounting treatment in accordance with the "Accounting Standards for Business Enterprises" and other relevant accounting regulations issued by the Ministry of Finance (hereinafter referred to as "Relevant Accounting Regulations").

According to the Relevant Accounting Regulations, in a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at fair value when preparing consolidated financial statements. This one-off re-measurement reduced the Group's investment income for the first three quarters and that for the third quarter by RMB1,952 million. Correspondingly, the Group's consolidated net profit and net profit attributable to shareholders of the parent company for the first three quarters and the third quarter decreased by RMB1,952 million.

#### **5. SIGNIFICANT EVENTS**

##### **Direct Issuance of H Shares**

On March 14, 2011, as mentioned in the announcement of the Company, the 13th meeting of the 8th Session of the Board held on March 14, 2011 passed the Resolution on Direct Issuance of H Shares and agreed the entering into of the Subscription Agreement in relation to the subscription of H shares in Ping An Insurance (Group) Company of China, Ltd. with JINJUN LIMITED for the issuance of up to 272,000,000 H shares to JINJUN LIMITED (hereinafter defined as "Direct Issuance of H Shares"). The Direct Issuance of H Shares is subject to review, approval and consent of relevant regulatory departments.

On June 14, 2011, as mentioned in the announcement of the Company, the Company obtained the letter of approval from CSRC, pursuant to which CSRC has approved the direct issuance of not more than 272,000,000 overseas listed foreign shares to JINJUN LIMITED by the Company.

On June 17, 2011, as mentioned in the announcement of the Company, the Company completed the issuance and allotment of 272,000,000 H shares to JINJUN LIMITED at the issue price of HK\$71.50 per share. The Company's total issued share capital has been changed from 7,644,142,092 shares to 7,916,142,092 shares. The Company will subsequently complete the changes in industrial and commercial registration procedures in accordance with relevant requirements.

### **Major Asset Restructuring with Shenzhen Development Bank**

On May 8, 2011, as mentioned in the announcement of the Company, the Company was informed that Shenzhen Development Bank has received the notice from CSRC. The Merger & Acquisition Committee of CSRC would soon review the Shenzhen Development Bank's major asset restructuring, which is the major asset restructuring and connected transaction of Shenzhen Development Bank by way of non-public issuance of shares to the Company by Shenzhen Development Bank as the issuer for its acquisition of assets.

On May 12, 2011, as mentioned in the announcement of the Company, the Company was informed that Shenzhen Development Bank Co., Ltd's major asset restructuring matter of issuance of shares for acquisition of assets and connected transaction has been reviewed and approved with conditions by the 12th meeting of year 2011 of the Listed Company Merger & Acquisition Committee of CSRC on May 12, 2011.

On June 28, 2011, as mentioned in the announcement of the Company, the Company's major asset restructuring with Shenzhen Development Bank was approved by CSRC.

On June 29, 2011, as mentioned in the announcement of the Company, based on the review opinion of CSRC, amendment was made to the "Major Assets Acquisition and Connected Transaction Report (Draft) of Ping An Insurance (Group) Company of China, Ltd." which was disclosed by the Company on September 15, 2010. The revised full report was disclosed on the website of the Shanghai Stock Exchange.

On July 28, 2011, as mentioned in the announcement of the Company, the Company's major asset restructuring with Shenzhen Development Bank was completed, and the details of the major asset restructuring have been disclosed.

### **Information on the Share Subscription relating to the Non-Public Issuance of Shenzhen Development Bank**

On August 17, 2011, as mentioned in the announcement of the Company, the Company proposed to subscribe for not less than 892,325,997 but not more than 1,189,767,995 shares of Shenzhen Development Bank issued through non-public issuing. The share subscription is subject to the approval from relevant regulatory authorities.

The detailed information has also been published in Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily, and on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on March 15, 2011, May 9, 2011, May 13, 2011, June 15, 2011, June 18, 2011, June 29, 2011, June 30, 2011, July 29, 2011 and August 18, 2011.

## 6. UNDERTAKINGS

### Shareholders' Undertakings

The Company received written notices from Linzhi New Horse Investment Development Co., Ltd., Linzhi Jingao Industrial Development Co., Ltd. and Shenzhen Jiangnan Industrial Development Co., Ltd. on February 22, 2010. According to such written notices, Linzhi New Horse Investment Development Co., Ltd. and Linzhi Jingao Industrial Development Co., Ltd. will reduce their shareholdings in the Company by not more than 30% of the 389,592,366 A shares and the 331,117,788 A shares, respectively per annum through the offer for sale in the secondary market as well as the block trading platform in the next five years. Out of the A shares held by Shenzhen Jiangnan Industrial Development Co., Ltd., the holding of 88,112,886 A shares will also be reduced in the next five years through the offer for sale in the secondary market as well as the block trading platform, by not more than 30% of the 88,112,886 A shares per annum. As of September 30, 2011, all of the above three shareholders had fulfilled their respective undertakings given in the written notices.

### Undertakings in Respect of Investment in Shenzhen Development Bank

- (1) Ping An Life undertakes, in respect of subscription for the 379,580,000 new shares of Shenzhen Development Bank issued through non-public issuing, that it shall not transfer the subscribed shares within 36 months from the date of listing of the above subscribed shares, being September 17, 2010, except for the transfer between Ping An Life and its connected organizations (including its controlling shareholders, de facto controllers and the other entities under the control of its de facto controllers) to the extent permitted by the laws and approved by the relevant regulatory authorities. Should Ping An Life enter into any transaction in violation of the above undertakings, the China Securities Depository and Clearing Corporation Limited, Shenzhen branch shall be authorized to transfer the proceeds from the sales of the subscription shares into the account of Shenzhen Development Bank owned by its shareholders as a whole.
- (2) The Company undertakes that it shall, in strict compliance with the relevant laws and regulations as well as the requirements of the regulatory authorities, take legal and practicable measures to integrate Shenzhen Development Bank and Ping An Bank within three years from the date of completion of the transaction, by means of, but not limited to, consolidation, so as to avoid competition between the Group members in the same industry.

As of September 30, 2011, the above undertakings were still being performed.

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

- (1) The Company undertakes that it will, in strict compliance with the relevant laws and regulations as well as the requirements of the regulatory authorities, start integration of Ping An Bank and Shenzhen Development Bank as soon as possible while going through the necessary internal decision-making process and reporting to the relevant regulatory authorities for approval, aiming at completing the integration within one year. As there is uncertainty in obtaining approval from the regulatory authorities, the exact timing for completing the integration will depend on the progress of the regulatory approval as well as other considerations. The Company will conduct frequent communications with the authorities, aiming to obtain the approval and complete the integration as soon as possible.

- (2) The Company undertakes that it shall not, within 36 months from the date of completion of the non-public issuing of shares by Shenzhen Development Bank, transfer the subscribed shares issued through non-public issuing, except for 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 the Shenzhen Stock Exchange.
- (3) According to the Profit Forecast Compensation Agreement entered into between the Company and Shenzhen Development Bank on September 14, 2010, the Company shall prepare the pro forma net profit amount of Ping An Bank (the “Realized Profits”) in accordance with the PRC Accounting Standards for Business Enterprises within four months after the end of each year for the three-year period upon Shenzhen Development Bank’s completion of the issuing shares for purchase of assets (the “Compensation Period”) and procure its appointed accounting firm to issue a special audit opinion (the “Special Audit Opinion”) in respect of such Realized Profits and the difference between such Realized Profits and the corresponding forecasted profits (“Forecasted Profits”) as soon as possible. If, based on the Special Audit Opinion, the Actual Profits of Ping An Bank in any year during the Compensation Period is lower than the corresponding Forecasted Profits, the Company shall pay 90.75% of the shortfall between the Actual Profits and the Forecasted Profits to Shenzhen Development Bank in cash (“Compensation Amount”). The Company shall, within 20 business days after the issuance of the Special Audit Opinion for the year, transfer the amount in full into the bank account designated by Shenzhen Development Bank.
- (4) In respect of the two properties of Ping An Bank, for which the ownership certificates had not been obtained, the Company has issued “The Letter of Undertaking from Ping An Insurance (Group) Company of China, Ltd. in relation to the Compensation for the Losses Arising from the Potential Title Disputes of Ping An Bank Company Limited”. According to the Letter of Undertaking, the Company undertakes that if title disputes occurred in respect of the above properties of Ping An Bank in the future, the Company will make efforts to coordinate the parties for proper settlement of the disputes, so as to avoid any adverse effect on the normal operation. If the above branches incur additional costs or their revenue decreases due to the title disputes, the Company promises that it will compensate Shenzhen Development Bank in cash for the loss arising from the handling of the title disputes by Ping An Bank.

Besides, in respect of the two properties the ownership certificates of which have not been obtained, the Company has issued “The Letter of Undertaking from Ping An Insurance (Group) Company of China, Ltd. in relation to settlement of properties with title defects of Ping An Bank Company Limited”. According to the Letter of Undertaking, the Company undertakes that, within three years following completion of the transaction, if Shenzhen Development Bank fails to obtain the ownership certificates for the two properties and fails to dispose of the same properly, the Company shall, within three months upon expiry of the three-year period, purchase or designate any third party to purchase those properties at a fair and reasonable price.

- (5) The Company has issued a letter of undertaking in respect of the gains or losses derived from the acquisition of consideration assets during the transitional period that, from the date following the basis of valuation to the date of the completion of transfer of shares to Shenzhen Development Bank, all gains as derived from the acquisition of consideration assets are vested to Shenzhen Development Bank while relevant losses are borne by the Company.
- (6) 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 of the Company and the enterprises under its control intend to carry out or they obtaining the business or commercial opportunities similar to those of Shenzhen Development Bank whereby the assets and businesses arising from such business or commercial opportunities may possibly form potential competition with those of Shenzhen Development Bank, the Company and the enterprises under its control shall not engage 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.
- (7) 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 “fairness, justness and openness” 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.
- (8) 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 of September 30, 2011, except the undertaking as referred in item (5) above was performed at July 20, 2011, all the remaining were still being performed.

## Other Undertakings

On September 16, 2011, the Company issued to Shenzhen Development Bank “The Letter of Undertaking for the Enhanced Management of Unpublished Information”. The Company undertook in the letter that it will: establish and enhance the internal control system for the management of unpublished information of listed companies; procure our staff who have access to unpublished information of Shenzhen Development Bank not to deal in the securities of Shenzhen Development Bank or propose others to deal in the securities of Shenzhen Development Bank by taking advantages of such information so accessed; not disclose any unpublished information of Shenzhen Development Bank. The Company shall provide the complete and accurate name list of its staff who have access to the unpublished information of Shenzhen Development Bank in a timely manner, and such name list shall be filed with the Shenzhen Securities Regulatory Bureau and the Shenzhen Stock Exchange by Shenzhen Development Bank. As of September 30, 2011, the above undertakings were still being performed.

## 7. GUARANTEE

(in RMB million)

<b>External guarantee of the Company (excluding the guarantee in favour of its subsidiaries)</b>	
Total guarantee incurred during the Reporting Period	–
Total guarantee balance as at the end of the Reporting Period	–
<b>Guarantee of the Company in favour of its subsidiaries</b>	
Total guarantee in favour of its subsidiaries incurred during the Reporting Period	852
Total guarantee balance in favour of its subsidiaries as at the end of the Reporting Period	5,217
<b>Total guarantee of the Company (including the guarantee in favour of its subsidiaries)</b>	
Total guarantee	5,217
Total guarantee as a percentage of the Company’s net assets (%)	4.3

## 8. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS

### (1) Consolidated Income Statement

*For the nine months ended September 30, 2011*

(in RMB million)	For the three months ended September 30		For the nine months ended September 30	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
Gross written premiums and policy fees	43,879	35,252	159,959	120,331
Less: Premiums ceded to reinsurers	(2,492)	(2,103)	(8,349)	(6,645)
Net written premiums and policy fees	41,387	33,149	151,610	113,686
Change in unearned premium reserves	(1,760)	(1,953)	(8,584)	(7,905)
Net earned premiums	39,627	31,196	143,026	105,781
Reinsurance commission income	838	674	2,460	2,011
Interest income of banking operations	15,573	2,417	21,904	6,788
Fees and commission income of non-insurance operations	2,711	1,228	6,173	3,720
Investment income	3,872	9,308	19,784	20,217
Share of profit of associates and jointly controlled entities	34	445	1,193	727
Other income	1,384	810	3,309	3,814
<b>Total income</b>	<b>64,039</b>	<b>46,078</b>	<b>197,849</b>	<b>143,058</b>
Claims and policyholders' benefits	(30,042)	(28,310)	(113,414)	(84,704)
Commission expenses of insurance operations	(3,807)	(2,773)	(13,195)	(10,436)
Interest expenses of banking operations	(7,934)	(886)	(10,717)	(2,471)
Fees and commission expenses of non-insurance operations	(351)	(128)	(719)	(356)
Loan loss provisions, net of reversals	(492)	(139)	(753)	(249)
Foreign exchange losses	(308)	(33)	(457)	(61)
General and administrative expenses	(14,514)	(8,151)	(33,674)	(23,762)
Finance costs	(241)	(217)	(689)	(608)
Other expenses	(1,041)	(1,120)	(2,656)	(3,882)
<b>Total expenses</b>	<b>(58,730)</b>	<b>(41,757)</b>	<b>(176,274)</b>	<b>(126,529)</b>

(in RMB million)	For the three months ended September 30		For the nine months ended September 30	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
Profit before tax	5,309	4,321	21,575	16,529
Income tax	(2,021)	(990)	(5,289)	(3,332)
<b>Net Profit</b>	<b>3,288</b>	<b>3,331</b>	<b>16,286</b>	<b>13,197</b>
<b>Attributable to:</b>				
– Owners of the parent	1,762	3,145	14,519	12,756
– Non-controlling interests	1,526	186	1,767	441
	<b>3,288</b>	<b>3,331</b>	<b>16,286</b>	<b>13,197</b>
	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>
<b>Earnings per share attributable to owners of the parent – basic</b>	<b>0.22</b>	<b>0.41</b>	<b>1.88</b>	<b>1.71</b>

(2) **Consolidated Statement of Comprehensive Income**  
For the nine months ended September 30, 2011

(in RMB million)	For the three months ended September 30		For the nine months ended September 30	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
<b>Net Profit</b>	<b>3,288</b>	<b>3,331</b>	<b>16,286</b>	<b>13,197</b>
<b>Other comprehensive income</b>				
Available-for-sale financial assets	(16,867)	6,451	(22,869)	890
Shadow accounting adjustments	(1,925)	(1,488)	(599)	(20)
Exchange differences on translation of foreign operations	25	(10)	76	15
Share of other comprehensive income of associates	65	–	23	–
Income tax relating to components of other comprehensive income	4,665	(983)	5,787	(154)
<b>Other comprehensive income, net of tax</b>	<b>(14,037)</b>	<b>3,970</b>	<b>(17,582)</b>	<b>731</b>
<b>Total comprehensive income</b>	<b>(10,749)</b>	<b>7,301</b>	<b>(1,296)</b>	<b>13,928</b>
<b>Attributable to:</b>				
– Owners of the parent	(12,015)	7,058	(2,787)	13,456
– Non-controlling interests	1,266	243	1,491	472
	<b>(10,749)</b>	<b>7,301</b>	<b>(1,296)</b>	<b>13,928</b>

### (3) Consolidated Statement of Financial Position

As at September 30, 2011

(in RMB million)	September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
<b>ASSETS</b>		
Balances with central bank and statutory deposits	143,861	42,110
Cash and amounts due from banks and other financial institutions	257,993	203,315
Fixed maturity investments	797,336	553,652
Equity investments	102,627	86,369
Derivative financial assets	633	6
Loans and advances to customers	600,135	131,960
Investments in associates and jointly controlled entities	12,432	39,601
Premium receivables	9,021	6,298
Accounts receivables	109,043	116
Reinsurers' share of insurance liabilities	7,734	6,178
Policyholder account assets in respect of insurance contracts	33,511	40,284
Policyholder account assets in respect of investment contracts	3,932	3,994
Investment properties	8,967	8,866
Property and equipment	14,691	8,170
Intangible assets	33,868	9,902
Deferred tax assets	15,028	6,496
Other assets	38,594	24,310
<b>Total assets</b>	<b>2,189,406</b>	<b>1,171,627</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	7,916	7,644
Reserves	74,626	75,777
Retained profits	38,590	28,609
Equity attributable to owners of the parent	121,132	112,030
Non-controlling interests	38,847	4,853
<b>Total equity</b>	<b>159,979</b>	<b>116,883</b>
<b>Liabilities</b>		
Due to banks and other financial institutions	186,599	38,822
Assets sold under agreements to repurchase	99,383	107,850
Derivative financial liabilities	541	15
Customer deposits and payables to brokerage customers	819,765	175,963
Accounts payables	45,790	280
Insurance payables	23,278	20,007
Insurance contract liabilities	739,592	639,947
Investment contract liabilities for policyholders	31,685	29,991
Policyholder dividend payable	17,265	14,182
Income tax payable	3,737	1,359
Bonds payable	26,650	7,540
Deferred tax liabilities	4,721	869
Other liabilities	30,421	17,919
<b>Total liabilities</b>	<b>2,029,427</b>	<b>1,054,744</b>
<b>Total equity and liabilities</b>	<b>2,189,406</b>	<b>1,171,627</b>

**(4) Consolidated Statement of Cash Flows**  
*For the nine months ended September 30, 2011*

<b>(in RMB million)</b>	<b>For the nine months ended September 30</b>	
	<b>2011 (Unaudited)</b>	<b>2010 (Unaudited)</b>
<b>Net cash from operating activities</b>	<b>85,478</b>	<b>101,714</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investment properties, items of property and equipment, and intangible assets	<b>(2,615)</b>	(2,126)
Proceeds from disposal of investment properties, items of property and equipment, and intangible assets	<b>29</b>	25
Purchases of investments, net	<b>(96,629)</b>	(119,034)
Term deposits placed, net	<b>(16,770)</b>	(55,243)
Acquisition of subsidiaries	<b>80,655</b>	–
Disposal of subsidiaries	<b>837</b>	(1,468)
Interest received	<b>20,036</b>	11,875
Dividends received	<b>3,318</b>	1,844
Rentals received	<b>313</b>	331
Increase of policy loans	<b>(4,600)</b>	(2,174)
<b>Net cash from investing activities</b>	<b>(15,426)</b>	<b>(165,970)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issued	<b>16,134</b>	–
Changes in assets sold under agreements to repurchase	<b>(33,985)</b>	21,547
Proceeds from bonds issued	<b>5,994</b>	3,200
Proceeds from borrowed funds	<b>2,389</b>	6,352
Repayment of borrowed funds	<b>(2,261)</b>	(3,895)
Interest paid	<b>(2,791)</b>	(1,027)
Capital injected into subsidiaries by non-controlling interests	<b>157</b>	107
Dividends paid	<b>(4,246)</b>	(3,381)
<b>Net cash from financing activities</b>	<b>(18,609)</b>	<b>22,903</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>51,443</b>	<b>(41,353)</b>
Net foreign exchange differences	<b>(410)</b>	(60)
Cash and cash equivalents at beginning of the period	<b>80,938</b>	88,965
<b>Cash and cash equivalents at the end of the period</b>	<b>131,971</b>	<b>47,552</b>

## 9. RELEASE OF RESULTS ANNOUNCEMENT

This results announcement is simultaneously available on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.pingan.com](http://www.pingan.com)). This results announcement is prepared in accordance with IFRS. The full report for the third quarterly results of 2011 prepared in accordance with The Accounting Standards for Business Enterprise issued by the Ministry of Finance of the PRC and the other relevant regulations will be published on the Company's website ([www.pingan.com](http://www.pingan.com)) at the same time as it is published on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

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

Shenzhen, PRC, October 26, 2011

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