PING AN

Insurance · Banking · Investment

Interim Report 2011

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Cautionary Statements Regarding Forward-Looking Statements
To the extent any statements made in this report contains 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 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.

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 China's leading integrated financial services group. Our seamless structure allows us to serve the insurance, banking and investment needs of more than 60 million customers. We do this by combining local knowledge with high international standards of corporate governance.

HIGHLIGHTS

- Net profit attributable to shareholders of the parent company reached RMB12,757 million, up 32.7% on the same period last year.
- The Company's major asset restructuring plan with Shenzhen Development Bank received formal regulatory approval and was successfully implemented.
- Ping An Life continued to record healthy and rapid business growth, in particular written premiums from the more profitable individual life insurance increased by 29.3%; the premium income of Ping An Property & Casualty increased by 35.9% and the combined ratio improved by 3.6 percentage points to 92.9%.
- Ping An Bank's net profit grew by 34.9%. Total deposits surpassed RMB200 billion, and strategic businesses such as the retail and SMEs businesses grew considerably.
- Ping An Securities ranked first in terms of underwriting revenues for IPO transactions and second in the league table by number of deals. Ping An Trust's private wealth management business recorded rapid and steady growth.

Total Assets *(in RMB million)*

Total Income *(in RMB million)*

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

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

Total Liabilities *(in RMB million)*

Basic Earnings Per Share *(in RMB)*

Corporate information

REGISTERED NAMES
Chinese name/English name
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 STOCK AND LISTING PLACE

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

STOCK 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 TO THE BOARD/COMPANY SECRETARY
YAO Jun

REPRESENTATIVE OF SECURITIES AFFAIRS
ZHOU Qiang

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Fu Hua No. 3 Road, Futian District,
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POSTAL CODE
518048

COMPANY WEBSITE
http://www.pingan.com

DESIGNATED NEWSPAPERS FOR INFORMATION DISCLOSURE OF A SHARE
China Securities Journal,
Shanghai Securities News,
Securities Times and Securities Daily

WEBSITE DESIGNATED BY THE CSRC FOR THE PUBLICATION OF THE REGULAR REPORT OF THE COMPANY
http://www.sse.com.cn

REGULAR REPORT AVAILABLE FOR INSPECTION
Board Office of the Company

CONSULTING ACTUARIES
Ernst & Young (China) Advisory Limited

AUDITORS AND PLACE OF BUSINESS
Domestic auditor
Ernst & Young Hua Ming
Level 16, Ernst & Young Tower E3,
Oriental Plaza,
No.1 East Chang An Ave.,
Dong Cheng District, Beijing, China
International auditor
Ernst & Young
18th Floor, Two International Finance Centre,
8 Finance Street,
Central, Hong Kong

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

H SHARE REGISTRAR AND TRANSFER OFFICE
Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor,
Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

AMERICAN DEPOSITARY SHARES
The Bank of New York

OTHER RELEVANT INFORMATION
First-time registration date
March 21, 1988
Place of registration
State Administration for Industry and Commerce of the PRC
Registration number of the business license of the legal entity
100000000012314
Tax registration number
Shen Shui Deng Zi No. 440300100012316
Organization code
10001231-6

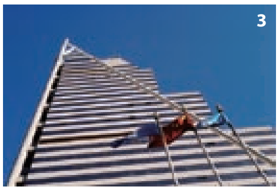
Financial highlights

(in RMB million)	For the six months ended June 30, 2011/ June 30, 2011	For the six months ended June 30, 2010/ December 31, 2010
GROUP		
Total income	**133,810**	96,980
Net profit attributable to shareholders of the parent company	**12,757**	9,611
Basic earnings per share (in RMB)	**1.67**	1.30
Total assets	**1,310,064**	1,171,627
Total liabilities	**1,170,639**	1,054,744
Equity attributable to shareholders of the parent company	**134,334**	112,030
Investment portfolio of insurance funds	**838,071**	762,953
Net investment yield of insurance funds (%)	**4.3**	4.1
Total investment yield of insurance funds (%)	**4.2**	3.7
Embedded value	**233,966**	200,986
Group solvency margin ratio (%)	**200.0**	197.9
INSURANCE BUSINESS		
Life Insurance Business		
Written premiums	**112,630**	93,125
Premium income	**75,158**	54,888
Net profit	**6,762**	6,551
Net investment yield (%)	**4.3**	4.1
Total investment yield (%)	**4.3**	3.8
Embedded value	**134,198**	121,086
Solvency margin ratio – Ping An Life (%)	**158.1**	180.2
Property and Casualty Insurance Business		
Premium income	**40,922**	30,191
Net profit	**2,693**	1,088
Net investment yield (%)	**4.3**	3.6
Total investment yield (%)	**4.2**	3.3
Combined ratio (%)	**92.9**	96.5
Solvency margin ratio – Ping An Property & Casualty (%)	**195.5**	179.6
BANKING BUSINESS(1)		
Net interest income	**3,308**	2,457
Net profit	**2,397**	1,104
Net interest spread (%)	**2.28**	1.97
Cost/income ratio (%)	**45.87**	50.50
Total deposits	**209,320**	182,118
Total loans	**144,414**	130,798
Capital adequacy ratio (%)	**10.78**	10.96
Non-performing loan ratio (%)	**0.32**	0.41
INVESTMENT BUSINESS		
Securities Business		
Total income	**1,779**	1,814
Net profit	**715**	828
Trust Business		
Total income	**877**	706
Net profit	**343**	326

(1) Net profit includes investment income based on the equity method from Shenzhen Development Bank. The rest of the figures only refer to Ping An Bank.

Chairman's statement

We will relentlessly pursue the goal of becoming a leading international provider of integrated financial services, by combining comprehensive financial services with modern technology and striving to grow into a well-respected and enduring great company.



1 In 2011, Ping An of China won the "Most Respected Enterprises in China – Achievement of the Decade", being one of the only two companies that have received this honor since the inception of the award.

2 The Mobile Integrated Terminal (MIT) had been widely applied. As of June 30, 2011, the number of customers insured through MIT exceeded 1.4 million.

3 In late June, 2011, the major asset restructuring scheme of Ping An and Shenzhen Development Bank was officially approved and was successfully implemented in July. Shenzhen Development Bank has become a subsidiary of the Company.

In the first half of 2011, China's economy was generally sound and gravitated towards the expected direction of macroeconomic control. Notwithstanding this overall pattern, the economic development at home and abroad remained extremely complicated, given numerous instabilities and uncertainties throughout the period. We closely monitored changes in the external environment and seized opportunities to promote rapid and healthy growth in all business lines by taking full advantage of our integrated financial platform. As a result, our three pillar businesses, namely insurance, banking and investment, all achieved satisfactory growth. Meanwhile, our strategic investment in Shenzhen Development Bank made remarkable progress, laying a solid foundation for further implementation of our integrated financial strategy. In the first half of 2011, the Company realized a net profit attributable to shareholders of the parent company of RMB12,757 million, representing an increase of 32.7% as compared with the same period of last year. The increase in profit was in part attributable to the surge in written premiums of our insurance business, in particular the property and casualty insurance business, with a relatively low combined ratio alongside a rapid increase in premiums. Additionally, the fact that Shenzhen Development Bank becoming an associate of the Company as well as the improvement in profitability of Ping An Bank also contributed to the growth in profit. Profit contribution from banking and investment businesses increased by 4.7 percentage points to 27.3% as compared with the same period of last year, resulting a more balanced profit composition.

Looking back over the first half of the year, each pillar of the Company's businesses delivered a strong performance. Notable achievements include:

- **Our insurance business maintained a healthy and fast growing momentum with a rapid increase in written premiums from our individual life insurance business. Our property and casualty insurance business achieved significant progress in the improvement of both scale and quality.** The total written premiums of Ping An Life surpassed RMB100 billion for the period, representing an increase of 20.8% compared to the same period of last year, among which the more profitable individual life insurance business soared 29.3%. During the first half of 2011, the total number of sales agents amounted to 474,600, representing an increase of 15.3% over the same period last year and an increase of more than 20,000 over the end of last year. The Mobile Integrated Terminal (MIT) was also widely implemented and the number of customers insured through MIT exceeded 1.4 million, which contributed to the continual enhancement of agent productivity. Leveraging specialized sales channels, Ping An Property & Casualty achieved a fast growth of 35.9% in premium income in the first half of 2011, and its market share increased by 1.3 percentage points to 16.7% compared with the end of 2010. Of which, premium income from cross-selling and telephone marketing surged 69.1%, with contributions to the business from these channels increasing to 38.1%. Meanwhile, business quality continuously improved and the combined ratio decreased by 3.6 percentage points to 92.9%, as compared with the same period of last year. Our annuity business also progressed smoothly, with three major performance indicators - annuity payments received, assets entrusted, and assets under investment management – all maintaining leading positions in the annuity industry.

- **Ping An Bank achieved rapid and healthy growth and the Company obtained formal approval for the major asset restructuring with Shenzhen Development Bank.** During the first half of 2011, our banking business contributed a profit of RMB2,397 million, up 117.1% compared with the same period of last year. Ping An Bank realized a net profit of RMB1,214 million, representing an increase of 34.9% compared with the same period of last year, with total deposits surpassing RMB200 billion, and the assets and liabilities structure further optimized. Total deposits increased by 14.9% compared with the end of 2010, outpacing the industry average. As part of this, retail deposits surged 34.3% from the end of 2010, 36.2% of which was contributed through cross-selling. The balance of loans to SMEs amounted to approximately RMB30 billion, up 41.0% from the end of 2010 and 80.5% of total amount of new corporate loans extended were from SMEs. As an associate company of the Group in the first half of 2011, Shenzhen Development Bank contributed a net profit of RMB1,183 million. Additionally, the risk management in our banking business was further improved in terms of risks prevention and monitoring, providing a solid foundation for the integration of Shenzhen Development Bank and Ping An Bank. In late June 2011, the Company obtained the formal approval from the CSRC regarding the major asset restructuring with Shenzhen Development Bank. The transaction was completed in July 2011. Following this transaction, Ping An holds 52.38% of the shares of Shenzhen Development Bank and the latter becomes a subsidiary of the Company. In the meantime, Shenzhen Development Bank holds 90.75% shares of Ping An Bank and the latter is now a subsidiary of Shenzhen Development Bank.

- **The investment banking business of Ping An Securities continued to hold its leading position in the market while the personal wealth management business of Ping An Trust grew at a rapid and stable pace.** Our investment banking business continued to excel in the primary market, sponsoring 18 IPOs and three refinancing projects as a lead underwriter. We ranked top in terms of underwriting fees for IPO transactions and second in the league table by number of deals. We acted as the lead underwriter and completed eight corporate bond issuances for our fixed income business. We actively expanded our business outlets and obtained approval for the opening of five more branch offices. The personal wealth management business of Ping An Trust achieved rapid and stable growth, with the number of high net worth customers exceeding 10,000. The average fund raised per month reached RMB5 billion, representing an increase of more than 200%. Management fees of trust products amounted to RMB756 million, representing an increase of 175% compared with the same period of last year. Leveraging our integrated competitive advantages, Ping An Trust received the "2010 Honesty Trust – Excellent Enterprise Award", the second time it has been honoured with this top accolade. On July 14, 2011, Ping An-UOB Fund received approval from the CSRC to launch its first fund product named Ping An-UOB Industries Pioneer Equity Fund. Our investment management business actively explored new business opportunities and launched the "Ping An of China SIF-RMB Bond Fund" – the first retail fund in Hong Kong for overseas investors, marking an important step forward in entering the overseas retail market.

In the first half of 2011, the Ping An brand continued its outstanding performance in the market. The Company received widespread recognition from domestic and overseas rating agencies and the media for its comprehensive strength, corporate governance, investor relations, corporate social responsibility, etc., as evidenced by numerous awards received:

- Ranked 328th in Fortune Global 500 and first among the non state-owned enterprises from mainland China.

- Listed among the "Forbes Global 2000" for the seventh time and ranked 147th overall, up significant 319 places from the previous year, out of the top 2000 leading companies in the world; Ping An ranked 10th among the Mainland China Enterprises category, and 9th among the Global Diversified Insurance Companies category, notably as the only Chinese company in the category.

- Won the Platinum Award in the category of the "Most Trusted Insurance Brand" by consumers in Mainland China in the well known American magazine *Reader's Digest (Chinese Edition)* "2011 Trusted Brand" survey results.

- Named the "Best Managed Insurer" by *Euromoney*, one of the world's most prestigious financial publications, in its "2011 Best Managed Companies in Asia" competition. This is the third consecutive year that Ping An has won this title and Ping An was the only insurance company in Asia ranking on the list.

- Awarded the "Best Innovation Award" for the Chinese financial sector in an award selection of the "2011 Innovative Research Report in Chinese Financial Industry", organized by the *Financial Times*, the renowned financial publication based in the United Kingdom.

- Received accolades as the "Most Respected Enterprises in China – Achievement of the Decade" and for "Public Welfare Achievement of the Decade", jointly awarded by *The Economic Observer* and *The MCCP of Peking University*. Ping An is one of only two companies that have received this honour since the inception of the award.

Chairman's statement

Since the first half of the year, we received enormous support and understanding from relevant regulatory bodies and the community at large. The Company's asset restructuring proposal with Shenzhen Development Bank was formally approved and the transaction is now completed, further accelerating the pace of development in our banking business. Following the integration of Shenzhen Development Bank and Ping An Bank, the total assets of our banking business will exceed RMB1 trillion, with over 10 million credit cards and approximately 370 business outlets across 28 provinces and cities, covering more than 80% of Ping An's 60 million customer base. The "win-win" outcome of the merger of Shenzhen Development Bank and the subsidiaries of the Company, with industry-leading platforms offered by Ping An Life, Ping An Property & Casualty, Ping An Annuity, Ping An Securities, Ping An Trust and Ping An Asset Management, will create sustainable value for our shareholders, customers, employees and the community as a whole. This will help enrich China's experiences in financial innovation and serve as an example for the implementation of an integrated operating model. In compliance with laws and regulations and guided by the corporate principle of "fairness, win-win, persistency and growth", going forward, we will fully support further integration of the two banks and leverage the synergies from the integration and other subsidiaries, continuing to work towards the goal of achieving rapid and healthy growth of the banking business and, ultimately, becoming a leading commercial bank in China.

Currently, the economic and financial conditions both at home and abroad remain challenging and complicated, and the recovery of the global economy is uncertain. Although China's economy maintains stable and rapid growth, it faces mounting inflationary pressure. As the major factors affecting the performance of the Company, changes in state macroeconomic policy, the challenges of the external investment environment and growing internal operating costs will exert pressure on our second half-year results. In the second half of the year, we will actively explore ways to further drive the growth of our businesses, expedite the development of our banking, investment and other businesses and maintain a healthy growth of our insurance business on the back of our integrated financial platform and competitive advantages. At the same time, we will continue to enhance the professional level of our operation, aiming to achieve above-market growth. To strengthen our core competitiveness, we will continue to implement the back-office centralization project, improve the cross-selling business management platform of the Group and take full advantage of the synergies from integrated financial services.

Looking forward, we expect that China's economy will continue to maintain steady growth in the long term and the macroeconomic environment for the development of domestic financial industry will see gradual improvements. As personal wealth accrues in China, demand for diversified financial services is also on the rise. This offers huge potential for integrated financial products and services. Meanwhile, as the mobile internet and other modern technologies continue to exert their profound influence on the economy, our daily lives and the way businesses are run, we see changes and growth opportunities in the operating models as well as the competitive landscape of the financial industry. **In the face of the abundant opportunities presented by these exciting challenges, we will relentlessly pursue the goal of becoming a leading international provider of integrated financial services, by combining comprehensive financial services with modern technology and striving to grow into a well-respected and enduring great company.**

Chairman and Chief Executive Officer

Shenzhen, PRC
August 17, 2011

Management discussion and analysis
Overview

- Our three pillars: insurance, banking and investment businesses are well-positioned for further development.
- The Company's major asset restructuring plan with Shenzhen Development Bank received formal regulatory approval and was successfully implemented.
- Net profit attributable to shareholders of the parent company reached RMB12,757 million, up 32.7% on the same period last year.

We offer a broad variety of financial products and services to clients under a single brand with a multi-channel distribution network built on the platforms provided by our major subsidiaries, which include Ping An Life, Ping An Property & Casualty, Ping An Annuity, Ping An Health, Ping An Bank, Ping An Trust, Ping An Securities, Ping An-UOB Fund, Ping An Asset Management, and Ping An Asset Management (Hong Kong).

During the first half of 2011, China's economy was sound in general and kept moving towards the expected direction of macroeconomic control. Against the backdrop of this stable operating environment, our businesses achieved value-added and sustainable growth, placing us at the front of the market and our three pillar businesses – insurance, banking and investment – all experienced healthy development. Written premiums from our individual life insurance business grew vigorously. The property and casualty insurance business achieved substantial improvement in both volume and quality. The annuity business continued to command a leading position in the industry. With continuous improvement in profitability, the net profit of Ping An Bank increased by 34.9% compared with the corresponding period of last year and total deposits surpassed RMB200 billion. Our investment banking business maintained its market leading position and our private wealth management business under Ping An Trust achieved rapid and stable growth. Meanwhile, our strategic investment in Shenzhen Development Bank recorded another breakthrough as regulatory approval on the proposal on major asset restructuring was obtained, and implementation of which was completed. SDB has become a subsidiary of the Group and the integration of our banking business will enter the implementation stage. This will enable the Company to further accelerate the implementation of our integrated financial strategy as well as enhance long-term investment value.

For the first half of 2011, the Company recorded a net profit attributable to shareholders of the parent company of RMB12,757 million, representing an increase of 32.7% compared to the same period last year. The growth in profit was on one hand attributable to the surge in written premiums of our insurance business, in particular property and casualty insurance business, with relatively low combined ratio alongside a rapid increase in premium income. On the other hand, our investment in Shenzhen Development Bank and enhanced profitability of Ping An Bank also contributed to the growth. As at June 30, 2011, total assets reached RMB1,310.06 billion and equity attributable to shareholders of the parent company was RMB134.33 billion, representing an increase of 11.8% and 19.9%, respectively, compared with the end of 2010.

CONSOLIDATED RESULTS

For the six months ended June 30 (in RMB million)	2011	2010
Total income	**133,810**	96,980
Total expenses	**(117,544)**	(84,772)
Profit before tax	**16,266**	12,208
Net profit	**12,998**	9,866
Net profit attributable to shareholders of the parent company	**12,757**	9,611

NET PROFIT BY BUSINESS SEGMENT

For the six months ended June 30 (in RMB million)	2011	2010
Life insurance	**6,762**	6,551
Property and casualty insurance	**2,693**	1,088
Banking	**2,397**	1,104
Securities	**715**	828
Other businesses(1)	**431**	295
Net profit	**12,998**	9,866

(1) Other businesses mainly include corporate, trust business and asset management business, etc..

For a detailed analysis of the operational results of each business line, please refer to the respective sections below.

INVESTMENT PORTFOLIO OF INSURANCE FUNDS

Insurance is the core business of the Group. The insurance funds represent the funds that can be invested by the Company and its subsidiaries engaged in insurance business. The investment of insurance funds is subject to relevant laws and regulations. The investment assets of insurance funds account for a majority of the investment assets of the Group. This section analyzes the investment portfolio of insurance funds.

Investment Income

For the six months ended June 30 (in RMB million)	2011	2010
Net investment income(1)	**16,225**	12,618
Net realized and unrealized gains(2)	**551**	(2,156)
Impairment losses	**(942)**	(89)
Others	**2**	(8)
Total investment income	**15,836**	10,365
Net investment yield (%)(3)	**4.3**	4.1
Total investment yield (%)(3)	**4.2**	3.7

(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 from 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 increased by 28.6% to RMB16,225 million in the first half of 2011 from RMB12,618 million in the same period 2010. This was primarily due to the increase of interest income from fixed maturity investments as a result of the increase in scale of investment assets, as well as the increase in dividend income from equity investments as compared with the same period last year. Net investment yield increased to 4.3% in the first half of 2011 from 4.1% in the same period 2010, mainly due to higher interest rates of newly-added fixed maturity investments and the above mentioned increase in dividend income from equity investments.

As a result of the volatile domestic stock market, reported net realized and unrealized gains were up to RMB551 million in the first half of 2011 from a loss of RMB2,156 million in the same period 2010, and impairment losses on the available-for-sale equity investments increased to RMB942 million in the first half of 2011 from RMB89 million in the same period 2010.

As a result, total investment income increased by 52.8% to RMB15,836 million in the first half of 2011 from RMB10,365 million in the same period 2010, total investment yield rose to 4.2% from 3.7%.

Investment Portfolio

During the first half of 2011, the global economy was on a rough ride to recovery, with ongoing negative influence from the European sovereign debt crisis. While at home in China, monetary policy was tightened, bank lending slowed down and inflation was at a high level as witnessed in recent years. Due to the impact of the slowdown in economic growth and the macroeconomic policy adjustment, the A-share stock market retreated after an initial rise in the first quarter. The Hong Kong stock market also underwent certain corrections and bond yields remained high. The Company has conducted intensive research on the changes in macroeconomic conditions, with the goal of proactively managing market risks and adjusting assets allocation in a timely manner. By steadily increasing the proportion of the high-interest fixed income investments in the portfolio, the Company has enhanced its investment return.

We have proactively optimized the asset allocation of the investment portfolio in order to respond effectively to the new economic environment. The percentage of equity investments increased to 11.5% of total investments as at June 30, 2011 from 9.8% as at December 31, 2010, while those for fixed maturity investments increased from 77.8% to 78.2%.

The following table sets out the allocations of our investment portfolio with regard to our insurance funds:

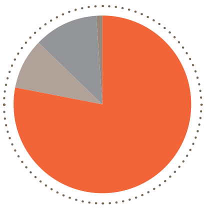
	June 30, 2011		December 31, 2010	
(in RMB million)	Carrying Value	%	Carrying Value	%
By category				
Fixed maturity investments				
Term deposits(1)	**160,771**	**19.2**	133,105	17.5
Bond investments(1)	**483,212**	**57.6**	451,882	59.2
Other fixed maturity investments(1)	**11,824**	**1.4**	8,633	1.1
Equity investments				
Equity investment funds(1)	**25,623**	**3.1**	22,615	3.0
Equity securities	**70,015**	**8.4**	51,673	6.8
Infrastructure investments	**9,047**	**1.1**	9,235	1.2
Cash, cash equivalents and others	**77,579**	**9.2**	85,810	11.2
Total investments	**838,071**	**100.0**	762,953	100.0
By purpose				
Carried at fair value through profit or loss	**10,419**	**1.2**	21,122	2.8
Available-for-sale	**201,168**	**24.0**	188,418	24.7
Held-to-maturity	**356,687**	**42.6**	318,937	41.8
Loans and receivables	**253,172**	**30.2**	217,771	28.5
Others	**16,625**	**2.0**	16,705	2.2
Total investments	**838,071**	**100.0**	762,953	100.0

(1) These figures exclude items that are classified as cash and cash equivalents.

Investment Portfolio by Category

(%)

June 30, 2011 (December 31, 2010)



FOREIGN CURRENCY LOSSES

In the first half of 2011, the Renminbi appreciated slightly against other major currencies, especially the US dollar. As a result, we recorded a net exchange loss of RMB149 million on foreign currency-denominated assets as compared to a loss of RMB28 million in the same period 2010.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses increased by 22.7% to RMB19,160 million in the first half of 2011 from RMB15,611 million in the same period 2010, mainly due to the rapid growth of our businesses, as well as increased marketing inputs and investment in strategic initiatives.

INCOME TAX

For the six months ended June 30 (in RMB million)	2011	2010
Current income tax	**3,306**	1,315
Deferred income tax	**(38)**	1,027
Total	**3,268**	2,342

Income tax increased by 39.5% to RMB3,268 million in the first half of 2011 from RMB2,342 million in the same period 2010, mainly due to the increase in the Company's taxable profits.

Management discussion and analysis
Insurance business

- Ping An Life continued to record healthy and rapid business growth, in particular the more profitable individual life insurance recorded an increase of 29.3% in written premiums and achieved growth in both agency size and productivity.
- Premium income of Ping An Property & Casualty increased by 35.9% as compared with the same period of last year, and the combined ratio improved by 3.6 percentage points to 92.9%.
- Ping An Annuity maintained its leading position in the industry.

Ping An Life maintained a healthy and rapid business growth, in particular the more profitable individual life insurance business achieved written premiums of RMB94,860 million, representing an increase of 29.3% compared with the same period of last year. Agency size and productivity both improved. Leveraging its specialist sales channels, Ping An Property & Casualty achieved a significant growth of 35.9% in premium income in the first half of 2011 and its market share increased by 1.3 percentage points compared with the end of 2010. The combined ratio decreased by 3.6 percentage points to 92.9% from the corresponding period of last year, demonstrating the continuous improvement in business quality. Our annuity business recorded a fast growth based on three major performance indicators, namely annuity payments received, assets entrusted and assets under investment management, all maintaining leading positions in the industry. Ping An Health also kept rapid development, providing a more diverse selection of products and services to customers including mid-range healthcare insurance products as well as the high-end healthcare insurance products.

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)	2011	2010
Written premiums(1)		
Ping An Life	**109,351**	90,496
Ping An Annuity	**3,128**	2,549
Ping An Health	**151**	80
Total written premiums	**112,630**	93,125
Premium income(2)		
Ping An Life	**72,190**	52,589
Ping An Annuity	**2,911**	2,264
Ping An Health	**57**	35
Total premium income	**75,158**	54,888

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

(2) Premium income of life insurance business refers to premiums calculated according to the Company's accounting policy after adoption of 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 unbundling of hybrid contracts.

Of the total premium income generated by the life insurance companies in the PRC in the first half of 2011, our life insurance business has a market share of 13.4%. It is calculated in accordance with the PRC insurance industry data published by the CIRC following implementation of the "Circular on the Printing and Issuing of the Regulations regarding the Accounting Treatment of Insurance Contracts" (Cai Kuai [2009] No.15). In terms of premium income, Ping An Life is the second largest life insurance company in China.

Ping An Life

With a national service network comprising 35 branches and over 2,000 business outlets, Ping An Life offers life insurance products to individual customers and corporate clients.

During the first half of 2011, by executing the strategies of "Reaching New Heights" and "Two-Tier Market Development", Ping An Life continued to optimize its operating platform, accelerated the growth of two-tier markets and achieved healthy and sustainable development. For the six months ended June 30, 2011, written premiums of Ping An Life amounted to RMB109,351 million, representing an increase of 20.8% over the same period last year, of which written premiums from individual life insurance increased by 29.3% to RMB94,860 million.

The following is a summary of operating data of Ping An Life:

	June 30, 2011	December 31, 2010
Number of customers (in thousands)		
Individual	**47,926**	45,318
Corporate	**718**	652
Total	**48,644**	45,970
Persistency ratio (%)		
13-month	**95.2**	93.1
25-month	**90.6**	87.0
Agent productivity		
First-year written premiums (per agent per month in RMB)	**10,477**	7,922
New individual life insurance policies (per agent per month)	**1.3**	1.1
Distribution network		
Number of individual life sales agents	**474,586**	453,392
Number of group sales representatives	**2,893**	2,906
Bancassurance outlets	**63,201**	60,222

During the period, Ping An Life continued to build the operation platform of branches and sub-branches, optimize operating workflows, and promote various automation functions. As a result, we achieved higher agent productivity and better customer service quality. As at the end of June 2011, we had approximately 47.93 million individual customers and 718,000 corporate clients. The 13-month and 25-month persistency ratios for our individual life insurance customers were maintained at an excellent level of 95.2% and 90.6%, respectively.

The distribution network of Ping An Life primarily consists of a sales force of approximately 470,000 individual sales agents, over 2,800 group insurance sales representatives, and over 60,000 bank outlets that have bancassurance arrangements with Ping An Life.

Going forward, Ping An Life will pursue continuous growth in premiums by expanding distribution capacity and growing agent productivity. We will build our core competitiveness by developing excellent channel distribution capability.

Ping An Annuity

Since its inception on December 13, 2004, Ping An Annuity has become one of the few professional annuity companies in China to have obtained three licenses in the areas of fiduciary management, investment management and account management. On December 27, 2006, Ping An Annuity received the approval from the CIRC to restructure its business. Upon completion of the restructuring, Ping An Annuity has transformed into a business that provides corporate annuity, supplementary pension products and short-term accident and health insurance services.

The first half of 2011 witnessed the smooth development of Ping An Annuity with accumulated annuity payments received recorded at RMB4,971 million. As at June 30, 2011, assets entrusted amounted to RMB33,476 million, and assets under investment management amounted to RMB49,300 million. These figures firmly cemented Ping An Annuity's market leading position amongst domestic professional annuity companies.

Ping An Health

Ping An Health principally provides corporate and individual customers with comprehensive mid-range and high-end healthcare insurance products and services. During the first half of 2011, in addition to its existing high-end offering of healthcare insurance products, Ping An Health launched a basket of mid-range healthcare insurance products targeting individual customers which is distributed by our agents. We gradually introduced the intellectual property rights of Discovery on health service, product, system, medical risk management and other aspects, aiming to improve our services and products framework and to establish a professional platform encompassing operations, customer services and risk management functions for our health 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)	2011	2010
Written premiums	**112,630**	93,125
Less: Written premiums on products not passing significant insurance risk testing	**(1,527)**	(1,316)
Less: Premium deposits unbundled from universal life products and investment linked products	**(35,945)**	(36,921)
Premium income	**75,158**	54,888
Net earned premiums	**73,957**	53,822
Investment income	**13,891**	9,595
Other income	**1,592**	1,486
Total income	**89,440**	64,903
Claims and policyholders' benefits	**(66,242)**	(44,815)
Commission expenses of insurance operations	**(6,080)**	(5,041)
Foreign currency losses	**(121)**	(35)
General and administrative expenses	**(6,613)**	(5,735)
Other expenses	**(1,944)**	(1,399)
Total expenses	**(81,000)**	(57,025)
Income tax	**(1,678)**	(1,327)
Net profit	**6,762**	6,551

In the first half of 2011, life insurance business recorded a net profit of RMB6,762 million, representing an increase of 3.2% over the same period last year. The growth rate of net profit was relatively low, mainly due to the volatility of investment income and the increase in insurance reserves.

Written premiums and premium income

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

For the six months ended June 30 (in RMB million)	Written premiums 2011	Written premiums 2010	Premium income 2011	Premium income 2010
Individual life				
New business				
First-year regular premiums	**22,963**	23,840	**13,371**	14,209
First-year single premiums	**5,894**	1,101	**5,119**	16
Short-term accident and health premiums	**998**	1,002	**1,174**	1,097
Total new business	**29,855**	25,943	**19,664**	15,322
Renewal business	**65,005**	47,415	**41,890**	32,024
Total individual life	**94,860**	73,358	**61,554**	47,346
Bancassurance				
New business				
First-year regular premiums	**735**	665	**722**	654
First-year single premiums	**11,743**	15,220	**8,682**	3,924
Short-term accident and health premiums	**1**	1	**1**	1
Total new business	**12,479**	15,886	**9,405**	4,579
Renewal business	**980**	383	**957**	370
Total bancassurance	**13,459**	16,269	**10,362**	4,949
Group insurance				
New business				
First-year regular premiums	**77**	31	**–**	–
First-year single premiums	**1,196**	1,104	**228**	248
Short-term accident and health premiums	**3,003**	2,333	**2,992**	2,330
Total new business	**4,276**	3,468	**3,220**	2,578
Renewal business	**35**	30	**22**	15
Total group insurance	**4,311**	3,498	**3,242**	2,593
Total written premiums	**112,630**	93,125	**75,158**	54,888

Management discussion and analysis
Insurance business

Individual life insurance. Written premiums for our individual life insurance business increased by 29.3% to RMB94,860 million in the first half of 2011 from RMB73,358 million in the same period 2010. This increase was primarily due to the continued improvement in the quantity and productivity of our agency sales force. As a result, there was a 15.1% increase in first-year written premiums to RMB29,855 million in the first half of 2011 from RMB25,943 million in the same period 2010. In addition, renewal written premiums for our individual life insurance business increased by 37.1% to RMB65,005 million in the first half of 2011 from RMB47,415 million in the same period 2010.

Bancassurance. Written premiums for our bancassurance business decreased by 17.3% to RMB13,459 million in the first half of 2011 from RMB16,269 million in the same period 2010. This decrease was primarily due to a decline in first-year single premiums from our bancassurance business as a result of product restructuring and optimization under the changing industry environment.

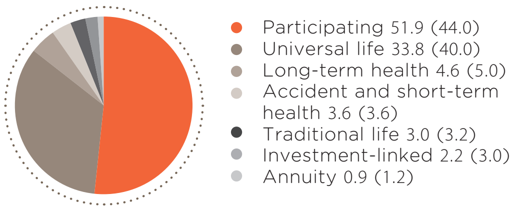
Group insurance. Written premiums for our group insurance business increased by 23.2% to RMB4,311 million in the first half of 2011 from RMB3,498 million in the same period 2010. This increase was primarily because the Company strengthened the development of multiple distribution channels and promoted the sales of employee benefits scheme. As a result, written premiums for our new business of short-term group accident and health insurance increased by 28.7% to RMB3,003 million in the first half of 2011 from RMB2,333 million in the same period 2010.

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)	2011	2010
Participating	**58,465**	40,980
Universal life	**38,124**	37,263
Long-term health	**5,138**	4,630
Accident and short-term health	**4,043**	3,352
Traditional life	**3,391**	2,938
Investment-linked	**2,455**	2,790
Annuity	**1,014**	1,172
Total written premiums	**112,630**	93,125

Written premiums by product type

(%)
2011 (2010)



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)	2011	2010
Guangdong	**16,690**	13,466
Beijing	**8,774**	7,695
Shanghai	**8,151**	7,848
Jiangsu	**7,609**	6,674
Shandong	**7,477**	5,878
Subtotal	**48,701**	41,561
Total written premiums	**112,630**	93,125

Written premiums by region

(%)

2011 (2010)

Total investment income

For the six months ended June 30 (in RMB million)	2011	2010
Net investment income(1)	**14,279**	11,375
Net realized and unrealized gains(2)	**582**	(1,642)
Impairment losses	**(910)**	(85)
Others	**2**	(8)
Total investment income	**13,953**	9,640
Net investment yield (%)(3)	**4.3**	4.1
Total investment yield (%)(3)	**4.3**	3.8

(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 RMB14,279 million in the first half of 2011 from RMB11,375 million in the same period 2010. This was primarily due to the increase of interest income from fixed maturity investments as a result of the growth in scale of investment assets, as well as the increase in dividend income from equity investments as compared with the same period last year. Net investment yield increased to 4.3% in the first half of 2011 from 4.1% in the same period 2010, mainly because of higher interest rates of newly-added fixed maturity investments and the above mentioned increase in dividend income from equity investments.

Affected by the volatility in the domestic stock market, reported net realized and unrealized gains were up to RMB582 million in the first half of 2011 from a loss of RMB1,642 million in the same period 2010, and impairment losses on the available-for-sale equity investments increased to RMB910 million in the first half of 2011 from RMB85 million in the same period 2010.

As a result, total investment income increased by 44.7% to RMB13,953 million in the first half of 2011 from RMB9,640 million in the same period 2010, total investment yield rose to 4.3% from 3.8%.

Claims and policyholders' benefits

For the six months ended June 30 (in RMB million)	2011	2010
Surrenders	**2,058**	1,728
Claims	**3,301**	2,385
Annuities	**2,326**	1,964
Maturities and survival benefits	**7,185**	3,167
Policyholder dividends	**2,842**	2,234
Interest credited to policyholder contract deposits	**2,790**	2,033
Net increase in policyholders' reserves	**45,740**	31,304
Total claims and policyholders' benefits	**66,242**	44,815

Payments for surrenders were up 19.1% to RMB2,058 million in the first half of 2011 from RMB1,728 million in the same period 2010. This was primarily due to the increased payments for surrenders of certain participating products as compared to those payments made in the same period of 2010.

Payments for claims rose by 38.4% to RMB3,301 million in the first half of 2011 from RMB2,385 million in the same period 2010. This was primarily due to the continuous growth in our accident and health insurance business.

Payments for annuities increased by 18.4% to RMB2,326 million in the first half of 2011 from RMB1,964 million in the same period 2010. This was primarily due to the fact that the policies entitled to annuity payments gradually increased.

In the first half of 2011, maturities and survival benefits expenses was RMB7,185 million, while it was RMB3,167 million for the same period 2010. This significant increase was mainly because the maturity of certain life insurance products reached their peak during the period.

Payments for policyholder dividends increased by 27.2% to RMB2,842 million in the first half of 2011 from RMB2,234 million in the same period 2010. This was primarily due to the increase in sales of participating insurance policies.

Payments for interest credited to policyholder contract deposits increased by 37.2% to RMB2,790 million in the first half of 2011 from RMB2,033 million in the same period 2010. This was primarily due to the increase in interest payments resulting from the growth in our universal life products.

Net increase in policyholders' reserves was RMB45,740 million in the first half of 2011, while in the same period of 2010 it was RMB31,304 million. The bigger net increase in policyholders' reserves was primarily due to the fast growth of our business in the first half of 2011.

Commission expenses of insurance operations

For the six months ended June 30 (in RMB million)	2011	2010
Health insurance	**644**	637
Accident insurance	**275**	202
Life insurance and others	**5,161**	4,202
Total commission expenses of insurance operations	**6,080**	5,041

Commission expenses of insurance operations which are mainly paid to our sales agents increased by 20.6% to RMB6,080 million in the first half of 2011 from RMB5,041 million in the same period 2010. This was primarily due to the increase in premium income.

General and administrative expenses

General and administrative expenses increased by 15.3% to RMB6,613 million in the first half of 2011 from RMB5,735 million in the same period 2010. This increase was primarily due to the growth in our insurance business.

Income tax

Income tax increased by 26.5% to RMB1,678 million in the first half of 2011 from RMB1,327 million in the same period 2010. This was primarily due to the increase in taxable profit.

PROPERTY AND CASUALTY INSURANCE BUSINESS

Business Overview

We conduct our property and casualty insurance business mainly through Ping An Property & Casualty. In addition, Ping An Hong Kong also offers property and casualty insurance services in the Hong Kong market. During the first half of 2011, Ping An Property & Casualty received a capital injection of RMB5 billion and has a paid-up capital of RMB17 billion as at June 30, 2011. The capital injection has provided Ping An Property & Casualty with adequate capital, improved solvency margin ratio and enlarged underwriting capability, laying a strong foundation for a healthy and sustainable business growth in the future.

Market share

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

For the six months ended June 30 (in RMB million)	2011	2010
Premium income	**40,734**	29,975

	June 30, 2011	December 31, 2010
Market share (%)(1)	**16.7**	15.4

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

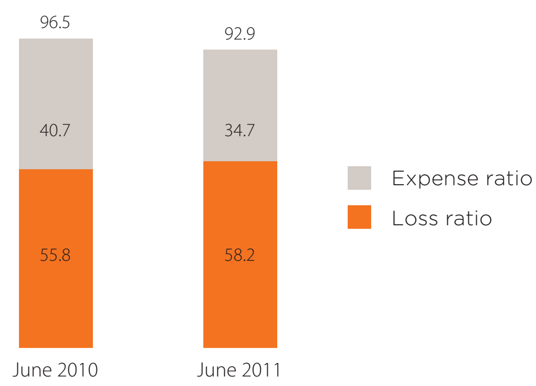
Leveraging its specialist distribution channels and enhanced marketing efforts, Ping An Property & Casualty achieved steady growth in market share. In the first half of 2011, Ping An Property & Casualty recorded a premium income of RMB40,734 million, representing an increase of 35.9% compared with the same period in 2010. In particular, premium income via telesales recorded strong growth of 92.0%. Ping An Property & Casualty accounted for approximately 16.7% of the total premium income received by property and casualty insurance companies in China, an increase of 1.3 percentage points compared with the end of 2010. Ping An Property & Casualty is the second largest property and casualty insurance company in China in terms of premium income.

Combined ratio

In the first half of 2011, Ping An Property & Casualty focused efforts on refining the processes of its operation in automobile insurance business, resulting in significant improvement in profitability of this division. At the same time, the non-automobile insurance business has also been developed as another growth engine, and thus accelerating the development of the business and stabilizing the profitability of Ping An Property & Casualty. So far, combined ratio improved by 3.6 percentage points to 92.9% compared with the same period 2010.

Combined ratio

(%)



Summary of operating data

	June 30, 2011	December 31, 2010
Number of customers (in thousands)		
Individual	**16,846**	14,898
Corporate	**1,701**	1,781
Total	**18,547**	16,679
Distribution network		
Number of direct sales representatives	**7,224**	9,764
Number of insurance agents	**26,491**	22,349

The product distribution network of Ping An Property & Casualty comprises 40 branches located across various provinces, autonomous regions and centrally supervised municipalities in China, and over 1,800 sub-branches operating throughout China to provide insurance products. Ping An Property & Casualty distributes its insurance products mainly through its in-house sales representatives, telemarketing, cross-selling, sales agents and insurance brokers.

Management discussion and analysis
Insurance business

Reinsurance arrangement

In the first half of 2011, Ping An Property & Casualty's outward reinsurance premiums amounted to RMB5,434 million in total, of which, RMB2,593 million and RMB2,832 million were from the automobile and non-automobile insurance businesses, respectively, while RMB9 million came from the accident and health insurance division. Ping An Property & Casualty's gross inward reinsurance premiums amounted to RMB70 million, all of which were from the non-automobile insurance business.

Ping An Property & Casualty's reinsurance arrangements helped diversify its operating risks by adhering to the guiding principles of expanding underwriting capabilities, diversifying risks and maintaining a stable and healthy growth. Through the consistent implementation of a stable reinsurance policy, Ping An Property & Casualty endeavoured to expand the scope of collaboration, enhanced its efforts to expand reinsurance channels in cooperation with other reinsurers, and cautiously acquired inward reinsurance businesses. In 2011, Ping An Property & Casualty has partnered with major reinsurers such as China Property & Casualty Reinsurance Company Ltd., Swiss Re, Allianz SE Reinsurance Branch Asia Pacific, Everest Reinsurance Company, SCOR Reinsurance Company (Asia) Limited, and etc..

Financial Analysis

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)	2011	2010
Premium income	**40,922**	30,191
Net earned premiums	**29,442**	20,763
Reinsurance commission income	**1,845**	1,248
Investment income	**1,583**	717
Other income	**118**	71
Total income	**32,988**	22,799
Claim expenses	**(17,130)**	(11,579)
Commission expenses of insurance operations	**(3,359)**	(3,202)
Foreign currency losses	**(13)**	(10)
General and administrative expenses	**(8,717)**	(6,524)
Including: investment-related general and administrative expenses	**(7)**	(26)
Finance costs	**(122)**	(68)
Other expenses	**(93)**	(52)
Total expenses	**(29,434)**	(21,435)
Income tax	**(861)**	(276)
Net profit	**2,693**	1,088

In the first half of 2011, our property and casualty insurance business realized a net profit of RMB2,693 million, much higher when comparing to the net profit of RMB1,088 million in the same period 2010. Under the improved market conditions, Ping An Property & Casualty seized the opportunities to promote business development and endeavoured to improve its underwriting profitability.

Premium income

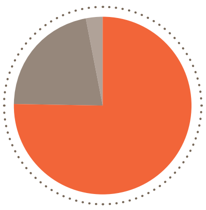
In the first half of 2011, all three principal lines of our property and casualty insurance business recorded steady growth.

For the six months ended June 30 (in RMB million)	2011	2010
Automobile insurance	**30,792**	22,990
Non-automobile insurance	**8,979**	6,169
Accident and health insurance	**1,151**	1,032
Total premium income	**40,922**	30,191

Premium income by product type

(%)

2011 (2010)



- Automobile insurance 75.3 (76.2)
- Non-automobile insurance 21.9 (20.4)
- Accident and health insurance 2.8 (3.4)

Automobile insurance. Premium income was RMB30,792 million in the first half of 2011, representing an increase of 33.9%. This increase was mainly because the Company managed to grasp the opportunities in the automobile insurance market by actively building distribution channels. The growth in premium income from the sales of automobile insurance through telephone marketing channels was especially high.

Non-automobile insurance. Premium income was RMB8,979 million in the first half of 2011, representing an increase of 45.6%. This was primarily driven by the rapid growth of premium income from guarantee insurance, commercial property insurance and liability insurance. Premium income attributable to guarantee insurance increased significantly to RMB2,032 million in the first half of 2011 from RMB442 million in the same period 2010. Premium income attributable to commercial property insurance rose by 21.4% to RMB3,150 million in the first half of 2011 from RMB2,595 million in the same period 2010. Premium income attributable to liability insurance grew by 22.5% to RMB936 million in the first half of 2011 from RMB764 million in the same period 2010.

Accident and health insurance. Premium income was RMB1,151 million in the first half of 2011, representing an increase of 11.5%. As the accident and health insurance market has slowed down in recent years, the Company proactively optimized its business structure and reduced those health insurance products with lower profitability. Therefore, the growth in premium income was relatively low.

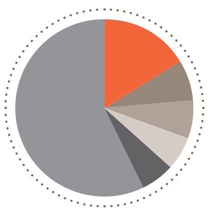
The following is the breakdown of premium income for our property and casualty insurance business by region:

For the six months ended June 30 (in RMB million)	2011	2010
Guangdong	**6,620**	5,167
Jiangsu	**3,027**	2,175
Shanghai	**2,905**	2,156
Sichuan	**2,487**	1,976
Beijing	**2,477**	1,928
Subtotal	**17,516**	13,402
Total premium income	**40,922**	30,191

Premium income by region

(%)

2011 (2010)



- Guangdong 16.2 (17.1)
- Jiangsu 7.4 (7.2)
- Shanghai 7.1 (7.1)
- Sichuan 6.1 (6.5)
- Beijing 6.0 (6.4)
- Others 57.2 (55.7)

Total investment income

For the six months ended June 30 (in RMB million)	2011	2010
Net investment income(1)	**1,625**	891
Net realized and unrealized gains(2)	**(17)**	(174)
Impairment losses	**(25)**	–
Total investment income	**1,583**	717
Net investment yield (%)(3)	**4.3**	3.6
Total investment yield (%)(3)	**4.2**	3.3

(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 from our property and casualty insurance business recorded a rise of 82.4% to RMB1,625 million in the first half of 2011 from RMB891 million in the same period 2010, mainly due to the significant increase in investment assets corresponding to the rapid growth in the premium income, hence interest income from fixed maturity investments increased accordingly. Net investment yield for our property and casualty insurance business increased to 4.3% in the first half of 2011 from 3.6% in the same period 2010. This was primarily due to the increased proportion of fixed maturity investments and its increased rate of return, as well as the increase in dividend income from equity investments as compared with the same period last year.

Affected by the volatility in domestic stock market, reported net realized and unrealized loss were down to RMB17 million in the first half of 2011 from RMB174 million in the same period 2010.

As a whole, total investment income attributable to our property and casualty insurance business significantly increased to RMB1,583 million in the first half of 2011 from RMB717 million in the same period 2010. Total investment yield increased to 4.2% from 3.3%.

Claims expenses

For the six months ended June 30 (in RMB million)	2011	2010
Automobile insurance	**14,828**	9,888
Non-automobile insurance	**1,919**	1,222
Accident and health insurance	**383**	469
Total claims expenses	**17,130**	11,579

Claims attributable to automobile insurance business increased by 50.0% to RMB14,828 million in the first half of 2011 from RMB9,888 million in the same period 2010. This was primarily due to the rapid growth in premium income during the past twelve months.

Claims attributable to non-automobile insurance business increased by 57.0% to RMB1,919 million in the first half of 2011 from RMB1,222 million in the same period 2010. This was primarily due to the growth in premium income during the past twelve months, besides, the heavy disastrous floods in the second quarter of 2011 in south China resulted in the higher claims expenses.

Claims attributable to accident and health insurance business dropped by 18.3% to RMB383 million in the first half of 2011 from RMB469 million in the same period 2010, as the Company continued to enhance its risk screening ability and lowered the proportion of health insurance business that incurred higher claims.

Commission expenses of insurance operations

For the six months ended June 30 (in RMB million)	2011	2010
Automobile insurance	**2,303**	2,094
Non-automobile insurance	**856**	888
Accident and health insurance	**200**	220
Total commission expenses	**3,359**	3,202
Commission expenses as a percentage of premium income (%)	**8.2**	10.6

Commission expenses of our property and casualty insurance business increased by 4.9% to RMB3,359 million in the first half of 2011 from RMB3,202 million in the same period 2010. Commission expenses as a percentage of premium income was 8.2% in the first half of 2011, much lower than the 10.6% in the same period 2010. This was primarily due to the fact that the market environment has become more regulated, at the same time the Company actively developed and pushed the sales of automobile insurance through telephone marketing channels.

General and administrative expenses

General and administrative expenses increased by 33.6% to RMB8,717 million in the first half of 2011 from RMB6,524 million in the same period 2010. This increase was primarily due to the growth in our insurance business. General and administrative expenses as a percentage of premium income remained at the same level as in the same period of 2010.

Income tax

Income tax was RMB861 million in the first half of 2011, much higher than the same period of last year, which was mainly due to a substantial increase in the taxable profits.

SOLVENCY MARGIN

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

	Ping An Life		Ping An Property & Casualty	
(in RMB million)	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Actual capital	**50,878**	50,981	**19,157**	15,002
Minimum capital	**32,190**	28,295	**9,799**	8,353
Solvency margin ratio (%)	**158.1**	180.2	**195.5**	179.6

The solvency margin ratio is a measure of capital adequacy for insurance companies. It is calculated by dividing the actual capital by the statutory minimum capital. Under the applicable CIRC regulations, the PRC insurance companies are required to maintain specified solvency margin ratios. As at June 30, 2011, the solvency margins of Ping An Life and Ping An Property & Casualty were comfortably above the regulatory requirement.

The solvency margin ratio of Ping An Life decreased as compared with the end of 2010, mainly due to the impact of business development, capital market volatility and dividend distribution.

The solvency margin ratio of Ping An Property & Casualty increased as compared with the end of 2010. Since the rapid business growth and dividend distribution had put pressure on solvency, in order to enhance its capital adequacy, Ping An Property & Casualty successfully completed and received capital injection of RMB5 billion in the first half of 2011.

Management discussion and analysis
Banking business

- Net profit from the banking business increased by 117.1% compared with the same period last year, among which that of Ping An Bank grew by 34.9%, with profitability steadily improving.
- Total deposits surpassed RMB200 billion, outpacing the industry average.
- Retail deposits and loans to SMEs surged 34.3% and 41.0%, respectively, from the beginning of 2011.

The Company operates its banking business through Ping An Bank, while Shenzhen Development Bank continued to be our associate company during the reporting period. Net profit from our banking business was RMB2,397 million in the first half of 2011, including RMB1,214 million of net profit from Ping An Bank and RMB1,183 million share of profits from Shenzhen Development Bank based on the equity method.

PING AN BANK

In 2011, the domestic monetary policy becomes more conservative and the Government strengthened its capital regulatory efforts. As inflation continued to rise, the PBOC raised the deposit reserve ratio and interest rates several times in the first half of 2011 and implemented a differential reserve system. The tightened market liquidity made it more difficult for banks to conduct liquidity management and manage deposits. The domestic regulatory risk indicators and requirements have also become increasingly strict with the introduction of Basel III, which also increased the pressure on the banking industry in risk management. Nevertheless, under the "Twelfth Five-Year" plan, China's economy will sustain a high growth rate, while the acceleration of a market-oriented reform in interest rates is expected to bring both opportunities and challenges to the banking industry.

To proactively respond to the complex and volatile economic and financial conditions, Ping An Bank continued to operate under the guiding principle of "Control, Growth and Service", achieving a steady and rapid growth in operating results for the first half of 2011.

Profit grew at a high speed with a steadily improving profitability. During the first half of 2011, Ping An Bank achieved a net profit of RMB1,214 million, representing an increase of 34.9% as compared to that in the same period of last year. Fee-based business produced favourable results, with net fees and commission income increasing by 148.1% as compared to the first half of 2010, accounting for 19.4% of the total revenue and representing an increase of 8.4 percentage points compared with the same period last year. The profitability ratio improved significantly with net interest spread increasing by 31 basis points and the cost/income ratio decreasing by 4.63 percentage points compared with the same period last year.

Assets and liabilities grew steadily with a sustained improvement in the business structure. Total deposits and total loans increased by 14.9% and 10.4% respectively as compared to the end of 2010, among which the deposits surpassed RMB200 billion, with a growth rate above the industry average. Retail deposits increased by 34.3% as compared to the end of 2010. Loans to SMEs increased by 41.0% as compared to the end of 2010, accounting for 80.5% of the new corporate loans originated. While our banking business maintained fast growth, we managed to keep our non-performing loan ratio at 0.32%, cementing our leading position in the industry. In line with the regulatory requirements, our capital adequacy ratio and provision coverage ratio was 10.78% and 285.89% respectively.

Cross-selling greatly contributed to our business, and was an obvious driver with strategic effect. We strengthened specialization and batch marketing, and aggressively promoted channel cooperation. Cross-selling contributed 12.6% to our new corporate deposits and 36.2% to our new retail deposits.

Results of Operation

For the six months ended June 30 (in RMB million)	2011	2010
Net interest income	**3,308**	2,457
Net fees and commission income	**794**	320
Investment income	**(25)**	92
Income from other businesses[1]	**8**	52
Total operating income	**4,085**	2,921
Asset impairment losses	**(299)**	(83)
Net operating income	**3,786**	2,838
General, administrative and other expenses[2]	**(2,226)**	(1,676)
Profit before tax	**1,560**	1,162
Income tax	**(346)**	(262)
Net profit	**1,214**	900

(1) Income from other businesses includes foreign exchange gains or losses, other operating income and non-operating income.

(2) General, administrative and other expenses include operating expense, business tax and surcharges, other expenses and non-operating expenses.

In the first half of 2011, Ping An Bank realized a net profit of RMB1,214 million, representing an increase of 34.9% over the same period last year. This was mainly because Ping An Bank implemented a number of actions such as actively exploring opportunities for intermediate business, increasing focus on price management, strengthening cost control and improving operational efficiency. As a result, we successfully raised our NIS and net fees and commission income while reducing our cost/income ratio.

Net Interest Income

For the six months ended June 30 (in RMB million)	2011	2010
Interest income		
Loans to customers	**4,317**	2,998
Balance with the PBOC	**250**	191
Due from banks and other financial institutions	**45**	155
Placements with banks and other financial institutions	**362**	242
Bond interest income	**1,357**	785
Total interest income	**6,331**	4,371
Interest expenses		
Customer deposits	**(1,756)**	(1,334)
Due to banks and other financial institutions	**(477)**	(352)
Placements from banks and other financial institutions	**(728)**	(166)
Bonds issued	**(62)**	(62)
Total interest expenses	**(3,023)**	(1,914)
Net interest income	**3,308**	2,457
Net interest spread (%)[1]	**2.28**	1.97
Net interest margin (%)[2]	**2.44**	2.09
Average balance of interest-earning assets	**271,274**	234,668
Average balance of interest-bearing liabilities	**253,097**	218,560

(1) Net interest spread (NIS) refers to the difference between the average interest-earning assets yield 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 34.6% to RMB3,308 million in the first half of 2011 from RMB2,457 million in the same period last year, mainly due to the increase in NIS and the enlarged scale of asset and liability. Since the second half of 2010, the PBOC raised interest rates continuously. As a result, NIS increased to 2.28% in the first half of 2011 from 1.97% in the same period 2010, and NIM increased to 2.44% in the first half of 2011 from 2.09% in the same period last year.

Net Fees and Commission Income

For the six months ended June 30 (in RMB million)	2011	2010
Fees and commission income		
Entrusted business fees income	**116**	36
Bank card fees income	**335**	164
Others	**436**	178
Total fees and commission income	**887**	378
Fees and commission expenses		
Bank card fees expenses	**(78)**	(43)
Others	**(15)**	(15)
Total fees and commission expenses	**(93)**	(58)
Net fees and commission income	**794**	320

Net fees and commission income increased significantly to RMB794 million in the first half of 2011 from RMB320 million in the same period last year, mainly because of the rapid growth of our credit card business and robust fees generated by breakthroughs in our syndication loans, corporate financing and asset management business.

Investment Income

Investment income was a loss of RMB25 million in the first half of 2011, while it was a gain of RMB92 million in the same period 2010. This was mainly because the realized gains from the disposal of bonds had decreased.

General, Administrative and Other Expenses

For the six months ended June 30 (in RMB million)	2011	2010
General and administrative expenses	**1,842**	1,462
Business tax and surcharges	**285**	185
Other expenses and non-operating expenses	**99**	29
Total general, administrative and other expenses	**2,226**	1,676
Cost/income ratio[1]	**45.87%**	50.50%

(1) Cost/income ratio refers to the total of general and administrative expenses and other expenses/operating income (excluding non-operating income).

General, administrative and other expenses in the first half of 2011 increased by 32.8% to RMB2,226 million from RMB1,676 million in the same period 2010, mainly due to the increase in labor costs, rental expenses, asset depreciation expenses and the marketing expenses resulting from growth in business scale. However, the cost/income ratio improved to 45.87% from 50.50%, thanks to strict expense control and the income effect from previous strategic investment.

Asset Impairment Losses

In the first half of 2011, asset impairment losses of Ping An Bank amounted to RMB299 million, which was much higher than the RMB83 million loss of the same period 2010. We increased the provision coverage ratio so as to better resist market risks and also respond to the prudential operating requirements of relevant regulators.

Income Tax

For the six months ended June 30	2011	2010
Effective tax rate (%)	**22.2**	22.5

Effective tax rate decreased to 22.2% in the first half of 2011 from 22.5% in the same period 2010, mainly because of the increase in interest income from government bonds which was exempted from tax.

Loan Mix

(in RMB million)	June 30, 2011	December 31, 2010
Corporate loans	**96,399**	85,427
Retail loans	**46,433**	43,172
Discounted bills	**1,582**	2,199
Total loans	**144,414**	130,798

Loan mix by category
(%)
June 30, 2011 (December 31, 2010)

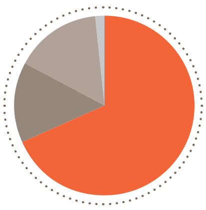
Total loans increased by 10.4% to RMB144,414 million as at June 30, 2011 from RMB130,798 million as at December 31, 2010. Corporate loans increased by 12.8% to RMB96,399 million, contributing 66.8% (as at December 31, 2010: 65.3%) to total loans as at June 30, 2011. Retail loans increased by 7.6% to RMB46,433 million, contributing 32.1% (as at December 31, 2010: 33.0%) to total loans as at June 30, 2011. Discounted bills decreased by 28.1% to RMB1,582 million, contributing 1.1% (as at December 31, 2010: 1.7%) to total loans as at June 30, 2011.

Deposit Mix

(in RMB million)	June 30, 2011	December 31, 2010
Corporate deposits	**143,432**	136,514
Retail deposits	**30,454**	27,821
Margin deposits	**32,189**	16,078
Outward remittance and remittance outstanding	**3,245**	1,705
Total customer deposits and margin deposits	**209,320**	182,118

Deposit mix by category

(%)
June 30, 2011 (December 31, 2010)



- Corporate deposits 68.5 (75.0)
- Retail deposits 14.5 (15.3)
- Margin deposits 15.4 (8.8)
- Outward remittance and remittance outstanding 1.6 (0.9)

The total amount of customer deposits and margin deposits increased by 14.9% to RMB209,320 million as at June 30, 2011 from RMB182,118 million as at December 31, 2010. All types of deposits maintained stable growth.

Loan Quality

(in RMB million)	June 30, 2011	December 31, 2010
Pass	**143,035**	129,497
Special mention	**919**	768
Sub-standard	**154**	147
Doubtful	**126**	153
Loss	**180**	233
Total loans	**144,414**	130,798
Total non-performing loans	**460**	533
Non-performing loan ratio	**0.32%**	0.41%
Impairment provision balance	**1,315**	1,125
Provision coverage ratio	**285.89%**	211.14%

Credit risks are under control since we have greatly encouraged growth of high-quality loans, improved risk control mechanism and strengthened early warning and supervision on non-performing assets. Loan quality remained at a satisfactory level in the first half of 2011. The balance of non-performing loans decreased by 13.7% to RMB460 million as at June 30, 2011 from RMB533 million as at the beginning of the year. Non-performing loan ratio decreased to 0.32% as at June 30, 2011 from 0.41% as at the beginning of the year.

Ping An Bank maintained a high level of provisions for non-performing loans, which was in accordance with regulatory requirements. Provision coverage ratio increased to 285.89% as at June 30, 2011 from 211.14% as at the beginning of the year.

Capital Adequacy Ratio

(in RMB million)	June 30, 2011	December 31, 2010
Net capital	**20,653**	18,551
Net risk weighted asset	**191,661**	169,254
CAR (regulatory requirement >=8%)	**10.78%**	10.96%
Core CAR (regulatory requirement >=4%)	**8.80%**	9.26%

As at June 30, 2011, Ping An Bank's CAR and Core CAR were above the regulatory requirement level of 8% and 4%, at 10.78% and 8.80% respectively.

SHENZHEN DEVELOPMENT BANK

The major asset restructuring plan between the Company and Shenzhen Development Bank was approved by the CSRC in late June 2011, and implementation of which was completed in July. Up to now, the Company and its subsidiaries hold approximately 2,684 million shares or 52.38% of the shares of Shenzhen Development Bank. As a result, Shenzhen Development Bank has become a subsidiary of the Company.

Shares of Profits from the Associate Company

In the first half of 2011, the Company recorded its share of profits from SDB, an associate company, at RMB1,183 million. This calculation is based on the equity method.

Management discussion and analysis
Investment business

- Ping An Securities successfully sponsored 18 IPOs and three refinancing projects as the lead underwriter; ranked first in terms of underwriting revenues for IPO transactions and second in the league table by number of deals.
- Ping An Trust's private wealth management business recorded rapid and steady growth, with the number of high net worth customers surpassing ten thousand, alongside a surge in monthly average fund raised and management fees of trust products.
- The investment management business remains innovative and has successfully tapped into the overseas retail market by launching the first public retail fund to overseas investors in Hong Kong.

SECURITIES BUSINESS

We conduct our securities business through Ping An Securities, providing brokerage, investment banking, asset management, financial advisory services, etc..

In the first half of 2011, the CSI 300 Index plunged by 2.69%, the turnover of stocks, funds and warrants was up 5.6% to RMB25.3 trillion compared to the same period of last year and commission rates in the industry trended lower. All of the above factors exerted pressure on both of our brokerage and investment businesses. Despite this, Ping An Securities delivered stable results, working towards our goal of becoming a major product provider and dealer in the industry and guided by the strategy of client and asset base expansion. Our investment banking business continued to excel in the primary market, sponsoring 18 IPOs and three refinancing projects as a lead underwriter. We ranked top in terms of underwriting fees for IPO transactions and second in the league table by number of deals. We acted as lead underwriter and completed eight corporate bond issuances for our fixed income business. For the brokerage business, we expanded our sales channels and achieved a steady increase in the market share of newly opened customer accounts. As at the end of June, the number of accumulated customers for our brokerage business reached 939,000. We actively explored our business outlets and obtained approval for the opening of five more branch offices. Following the launch of those new offices, our network will increase from 33 outlets across 24 cities to 38 outlets across 29 cities. In the first half of 2011, in an award selection for Outstanding Investment Banks in the PRC organized by Securities Times, Ping An Securities won a total of seven awards including the "Best Investment Bank in the SMEs Board", the "Best Investment Bank in the GEM Board" and "Best Investment Bank – Pricing Ability". It also won three awards including the "Best Domestic Investment Bank Award" in the fifth annual awards ceremony of "Best Investment Banks" organized by the New Fortune Magazine and the "Best Investment Bank in the GEM Board" in the award selection for the 2011 Best PRC Brokerage Firm by the 21st Century Business Herald.

Looking ahead, Ping An Securities will continue to leverage the integrated financial strategy of the Group with a focus on its brokerage, investment banking, fixed income and asset management businesses, and an aim to achieve steady growth through differentiation management in all lines of its business with effective operational risk management and improved service quality.

Results of Operation

For the six months ended June 30 (in RMB million)	2011	2010
Net fees and commission income	**1,542**	1,652
Investment income	**231**	158
Other income	**6**	4
Total operating income	**1,779**	1,814
Foreign currency losses	**(4)**	–
General, administrative and other expenses	**(877)**	(736)
Total operating expenses	**(881)**	(736)
Income tax	**(183)**	(250)
Net profit	**715**	828

During the first half of 2011, net profit from our securities business decreased by 13.6% to RMB715 million compared with the same period of last year, which was mainly due to the slowdown in investment banking business.

Net Fees and Commission Income

For the six months ended June 30 (in RMB million)	2011	2010
Fees and commission income		
Brokerage fees income	**509**	521
Underwriting commission income	**1,181**	1,226
Others	**5**	4
Total fees and commission income	**1,695**	1,751
Fees and commission expenses		
Brokerage fees paid	**(95)**	(83)
Others	**(58)**	(16)
Total fees and commission expenses	**(153)**	(99)
Net fees and commission income	**1,542**	1,652

In the first half of 2011, although the trading volume in the stock market and our market share of brokerage business both increased when compared with the same period last year, the commission rate has declined as market competition became more intense. As a result, our brokerage fees income slightly decreased to RMB509 million in the first half of 2011 from RMB521 million in the same period last year. The increase in the trading volume and our market share led to the corresponding increase in our brokerage fees paid.

Management discussion and analysis
Investment business

Underwriting commission income decreased by 3.7% to RMB1,181 million in the first half of 2011 from RMB1,226 million in the same period 2010, which was mainly due to a slowdown in the pace of primary market financing. We successfully underwrote 18 IPOs and three refinancing projects in the first half of 2011, comparing to 22 IPOs and six refinancing projects in the first half of 2010.

Total Investment Income

For the six months ended June 30 (in RMB million)	2011	2010
Net investment income(1)	**434**	212
Net realized and unrealized gains(2)	**(203)**	(54)
Total investment income	**231**	158

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

(2) Net realized and unrealized gains include realized gains from security investments and profit or loss through fair value change.

Net investment income from our securities business increased significantly to RMB434 million. This was primary attributable to the increase in interest income as a result of growing investment in bonds, while the dividend income from equity investment funds also increased over the same period last year. Affected by the market adjustment, net realized and unrealized gains decreased over the same period last year. Overall, total investment income from our securities business increased by 46.2% to RMB231 million in the first half of 2011 from RMB158 million in the same period 2010.

TRUST BUSINESS

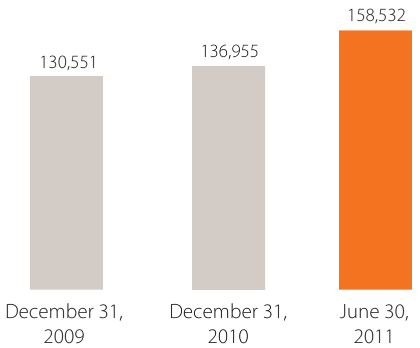
We provide asset management service to our high net worth customers through Ping An Trust. In addition, Ping An Trust also provides non-capital market investment services, such as infrastructure, properties and private equity (PE), to other subsidiaries of Ping An.

Building on the success of business transformation achieved in the past two years and leveraging the Group's integrated financial service platform, Ping An Trust achieved satisfactory growth in its fundamental business in the first half of 2011. The private wealth management business recorded rapid and steady growth and the number of high net worth customers exceeded ten thousand, representing an increase of over 100% as compared with the same period of last year. Average monthly fund raised surged to RMB5 billion, representing an increase of over 200%. Management fees income of trust products amounted to RMB756 million, representing an increase of 175%. Significant progress was made in product R&D, expansion of distribution channels and platform construction. Our product R&D mainly focused on the building of a highly efficient team of trust managers, the improvement of product R&D capabilities, spotting and capturing market opportunities and expanding structured financial products and pledge financing to progressively enrich our product lines for the capital market. As a result, we successfully launched a series of asset products under different risk categories. Regarding developments in sales channels, we continued to press ahead with a strategy of the multi-channels integration and promoted the transition to the corporate direct sales channel with an expanded private wealth management team. We also continued to build our private wealth management platform on the back of an earnings-based model and a multi-market development strategy. At the same time, we continued to improve customer service and relevant systems to strengthen our wealth management business. By leveraging our leading position in the areas of profit indicators, product innovation, risk management and channel services, Ping An Trust received the top award of "2010 Honesty Trust – Excellent Enterprise Award", it was the second time for Ping An Trust to win this top accolade.

In the future, Ping An Trust will continue to grow its private wealth management business and, at the same time, strengthen investment capability in non-capital markets to enhance its core competitiveness.

Assets held in trust

(in RMB million)



Results of Operation

For the six months ended June 30 (in RMB million)	2011	2010
Net fees and commission income	**721**	283
Investment income	**143**	419
Other income	**13**	4
Total operating income	**877**	706
Asset impairment losses	**36**	(26)
General, administrative and other expenses	**(417)**	(253)
Total operating expenses	**(381)**	(279)
Income tax	**(153)**	(101)
Net profit	**343**	326

(1) The above figures are presented at company level, where interests in subsidiaries are accounted for at cost.

In the first half of 2011, our trust business realized a net profit of RMB343 million, slightly higher than that in the same period 2010.

Net Fees and Commission Income

For the six months ended June 30 (in RMB million)	2011	2010
Fees and commission income		
Management fees income of trust products	**756**	275
Others	**109**	86
Total fees and commission income	**865**	361
Fees and commission expenses		
Handling charges of trust products	**(80)**	(52)
Others	**(64)**	(26)
Total fees and commission expenses	**(144)**	(78)
Net fees and commission income	**721**	283

Management fees income of trust products for the first half of 2011 was RMB756 million, representing a significant increase over the same period last year. This was primarily due to an increase in fixed management fees income of trust products as a result of the enlarged scale of assets held in trust, as well as the increase in variable management fees income arising from profit distribution of trust schemes.

Handling charges of trust products went up by 53.8% to RMB80 million in the first half of 2011 from RMB52 million in the same period 2010. This was primarily due to the enlarged scale of trust products, and also an increase in investment consultation fees of securities trust products as a result of the increased investment income.

Management discussion and analysis
Investment business

Total Investment Income

For the six months ended June 30 (in RMB million)	2011	2010
Net investment income(1)	**168**	187
Net realized and unrealized gains(2)	**(25)**	232
Total investment income	**143**	419

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

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

Total investment income decreased by 65.9% to RMB143 million in the first half of 2011 from RMB419 million in the same period 2010, as the realized gains from equity investments were higher during the same period last year.

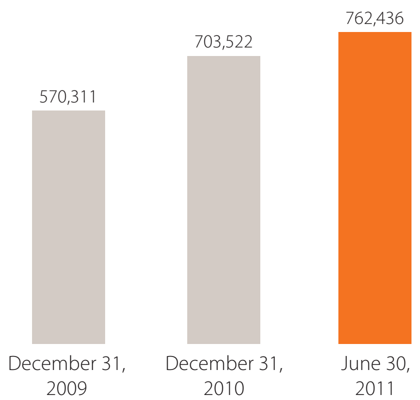
INVESTMENT MANAGEMENT BUSINESS

We provide 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 our domestic investment management business. It is entrusted to manage the insurance funds of the Group as well as 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.

Assets under investment management

(in RMB million)



As at June 30, 2011, assets under management of Ping An Asset Management amounted to RMB762,436 million, representing an increase compared to the end of 2010. This was mainly attributed to an increase in investable assets generated from the steady growth in our insurance business.

In the first half of 2011, the tightened domestic monetary policy, the surging CPI index and market expectations of a slowdown in corporate earnings affected the performance of the capital market in the PRC. The PRC stock markets remained volatile, with the SSE Composite Index slightly down 1.64%. The bond market had a mixed reaction with the CSI Bond Index up 1.16% in the first half of 2011.

Utilizing our expertise in investment assessment and effective risk management, Ping An Asset Management ensured a timely response to the changes in the bond and equity markets, optimizing asset allocation with prudent steps to increase investments in fixed income assets with high interest rates. This led to an increase in the Company's returns on investments. We also expanded our third-party business with improved service quality and enhanced marketing support. This not only enlarged our scales but also increased our income. Our platform continued to lead the transformation and upgrading of systems, as well as the streamlining of workflows, which laid a solid foundation for the Company to expand its business both in China and overseas.

Ping An Asset Management (Hong Kong) operates the overseas investment management business of the Group, as well as managing investments for other subsidiaries under the Group, it also provides a range of overseas investment products and third-party investment management services to clients from China and overseas. Ping An Asset Management (Hong Kong) has a professional team with ample experience in international investment, overseeing research on global macroeconomics, strategic asset allocation, investment in Hong Kong stocks, direct investment, mergers and acquisitions, and other core functions. The team also focuses on the building of an international investment platform, introducing products from overseas to achieve innovation in service offerings. In April 2011, the Company launched "Ping An Exclusive RMB Bond Fund", a public retail fund for overseas investors for the first time, marking its milestone entry into the overseas retail market. As at June 30, 2011, the assets denominated in foreign currency under management of Ping An Asset Management (Hong Kong) amounted to HK$33,658 million.

Looking to the future, we will continue to strengthen our research of the macroeconomic trends and optimize the overall investment strategy. We will seek to unlock the full potential of asset allocation, strengthen the interaction between the investment and the research units, improve our risk control and build a world class system platform. Together, this will strengthen our competitive advantage over peers and continue to enhance our image as a leading brand in the industry.

FUND BUSINESS

Ping An-UOB Fund was officially established in January 2011. Guided by our corporate principle of "Standardization, Integrity, Professional and Innovation" and our belief in "Value through Research", we strive to become a trustworthy fund manager among our customers by achieving a consistent and sustainable investment performance, enriching our portfolio of investment products, offering quality wealth management services, and delivering our brand promise of professionalism and trust.

On July 14, 2011, Ping An-UOB Fund received approval from the CSRC to release its first fund product named Ping An-UOB Industries Pioneer Equity Fund. A variety of other fund products are also being prepared, as we aim to improve our product line to satisfy customer needs within a relatively short period of time. At the same time, Ping An-UOB Fund has established sales partnerships with a number of large banks and brokers, building a network of consignment across the country. The company has also built a stable and efficient e-commerce platform with fast and convenient online enquiries and online trading capabilities, which allows us to cater to the investment needs and habits of different customers.

Synergy

- Strong progress was made in the depth and scope of our cross-selling capabilities, leading to remarkable performance.
- We made steady progress in operating platform centralization and back-office integration, in accordance with our stated plan.

Four divisions of the Company – Ping An Technology, Ping An Processing & Technology, Ping An Channel Development and Ping An Marketing Services – together form the backbone of the Company's new resource-sharing IT platform, back office centralization, remote selling and cross-selling initiatives. In 2011, through the operations of these four business units, the Company further improved its integrated financial business framework and governance structure, and reduced service cost by enabling a more efficient use of resources through a market-oriented approach.

CROSS-SELLING

Through years of hard work, we have greatly enhanced the depth and scope of our cross-selling activities. Cross-selling has produced remarkable results and the synergies of integrated financial services are increasingly visible. The following table sets out the Company's cross-selling performance in the first half of 2011:

New Business Acquired through Cross-selling

For the six months ended June 30, 2011 (in RMB million, except specifically specified)	Amount	Business contribution percentage (%)
Property and casualty insurance business		
Premium income	5,757	14.1
Annuity business		
Entrusted assets	187	10.7
Assets under investment management	244	4.9
Trust business		
Trust schemes	8,469	9.8
Banking business		
Corporate deposits (increase of daily average size)	2,770	12.6
Retail deposits (increase of daily average size)	3,624	36.2
Credit cards (in ten thousands)	13	32.0

CENTRALIZATION

As the Company's centralized operating platform, Ping An Processing & Technology steadily implemented the financial integration of back office functions and, at the same time, further promoted centralization and resource-sharing in line with the Group's strategy of growth through integrated financial services. In 2011, Ping An Processing & Technology was awarded the title of "Growth Enterprise in Service Outsourcing in China" for the second consecutive year. As at June 30, 2011, the following progress was made on the centralization project of the Company's operating platform and the back-office integration:

Specialized Operations:

- With the full completion of centralization in individual life insurance underwriting and claims functions, centralization for policyholder services was 74.98% completed.
- Centralization of the claims processing for automobile insurance and property and casualty insurance, and manual underwriting of automobile insurance through telemarketing channels has been fully completed.
- For the group insurance business, centralization of claims was 99.09% completed, representing an increase of 2 percentage points over the end of 2010. Centralization of underwriting was 100% completed, representing an increase of 2.78 percentage points over the end of 2010. Centralization of policyholder services was 82.65% completed, representing an increase of 0.88 percentage points compared to the end of 2010. For the annuity business, centralization of investment management and fiduciary management services, as well as account management services, was 100% completed.
- Centralized sharing was achieved in the banking business and the direction of business is of steady expansion. The achievement rate of service pledges is higher than that before centralization and the level of cost optimization is higher than the average level of the Company.

Shared Operations:

- Shared operation in documentation processing among Ping An Property & Casualty, Ping An Life, Ping An Annuity, Ping An Health, Ping An Bank, Ping An Securities and Ping An's other subsidiaries has been achieved with an overall documentation processing centralization rate of 47%.
- 100% of accounting processes of the major subsidiaries of the Company was done on a shared-service basis.
- Shared operation of call center services in Ping An Property & Casualty, Ping An Life, Ping An Annuity, Ping An Health, Ping An Bank, Ping An Trust and Ping An Technology was achieved, with 60% of all calls taken at the call center.
- The integration of back office functions progressed steadily as planned. As at the end of June 2011, the transfer of the third promotions has been completed, and it is estimated that the project to integrate back office functions for Ping An Property & Casualty, Ping An Life and Ping An Annuity will be completed in September 2011.

Ping An Processing & Technology has established both a centralized model and decentralized business model. The degree of concentration of specialized operation and the coverage of shared operation in the centralized model is further enhanced, highlighting the cost advantages of shared resources and cross-business synergies. The transition of the non-centralized operations is due for completion soon. Guided by our vision of offering one-stop services to customers, Ping An Processing & Technology strives to satisfy the demands of our customers by building a cross-product, unified, standard service sharing platform that will improve service quality, whilst also enhancing business handling ability, increasing product value and contributing to stronger sales.

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.

The calculation of embedded value necessarily makes 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 December 22, 2009, the Ministry of Finance issued the "Regulations regarding the Accounting Treatment of Insurance Contracts" (Cai Kuai [2009] No.15), regulating the measurement of the premium income and the reserves on accounting terms, and requiring insurance companies to adopt such regulations since the preparation of their 2009 annual financial statements. On January 25, 2010, CIRC promulgated the "Rules on the Preparation of Insurance Company Solvency Reports-Q&A No.9: Connection between Rules on the Preparation of Solvency Reports and No.2 Interpretation of Accounting Standards for Business Enterprises" (Bao Jian Fa [2010] No.7), pursuant to which, admitted principles for insurance contract liabilities in solvency reports still follow the statutory assessment standards set up by the CIRC, while admitted principles for non-insurance contract liabilities in solvency reports should apply to accounting standards. The future profit involved in the calculation of embedded value shall be the distributable profit when solvency requirements are satisfied. Therefore, during the preparation of 2011 interim embedded value report, relevant contract liabilities of life insurance business were measured according to the assessment standards of the liabilities pursuant to the solvency regulations, and the income tax was also based on the results before adoption of the "Regulations regarding the Accounting Treatment of Insurance Contracts".

COMPONENTS OF ECONOMIC VALUE

(in RMB million)	June 30, 2011	December 31, 2010
Risk discount rate	**Earned rate/11.0%**	Earned rate/11.0%
Adjusted net asset value	**146,020**	123,573
Adjusted net asset value of life insurance business	**46,252**	43,673
Value of in-force insurance business written prior to June 1999	**(9,005)**	(9,858)
Value of in-force insurance business written since June 1999	**116,877**	104,816
Cost of holding the required solvency margin	**(19,928)**	(17,545)
Embedded value	**233,966**	200,986
Embedded value of life insurance business	**134,198**	121,086

(in RMB million)	June 30, 2011	December 31, 2010
Risk discount rate	**11.0%**	11.0%
Value of one year's new business	**19,673**	18,192
Cost of holding the required solvency margin	**(2,622)**	(2,686)
Value of one year's new business after cost of solvency	**17,051**	15,507
Value of first half year's new business after cost of solvency	**10,148**	8,603

Notes: (1) Figures may not match totals due to rounding.
(2) In the table above, the assumptions used to calculate the value of first half year's new business in 2010 are the same with current assumptions used to calculate the new business value. If the 2010 mid-year valuation's assumptions were used, the value of first half year's new business in 2010 would be RMB9,122 million.

The adjusted net asset value of life insurance business was based on the unaudited shareholders' net assets of 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 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, 2011 have been the same as those used in 2010 year-end valuation.

NEW BUSINESS VOLUMES AND BUSINESS MIX

The volume of new business sold and modelled during the past 12 months prior to June 30, 2011 to calculate the value of one year's new business was RMB76,126 million in terms of first year premium, while that was RMB74,556 million during 2010. The mix of the new business measured by first year premium was:

Business mix	June 30, 2011	December 31, 2010
Individual life	**56.5%**	52.7%
Long-term business	**56.3%**	52.5%
Short-term business	**0.2%**	0.2%
Group life	**13.6%**	12.1%
Long-term business	**7.2%**	6.3%
Short-term business	**6.4%**	5.8%
Bancassurance	**29.9%**	35.2%
Long-term business	**29.9%**	35.2%
Short-term business	**0.0%**	0.0%
Total	**100.0%**	100.0%

Note: Figures may not match totals due to rounding.

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 for assured lives
- 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

	Risk discount rate			
(in RMB million)	Earned rate/10.5%	Earned rate/11.0%	Earned rate/11.5%	11.0%
Value of in-force business	91,895	87,945	84,209	88,749
	10.5%	11.0%	11.5%	Earned rate/11.0%
Value of one year's new business	18,025	17,051	16,146	17,636

Assumptions (in RMB million)	Value of in-force business	Value of one year's new business
Central case	87,945	17,051
Investment return increased by 50bp every year	100,944	17,977
Investment return decreased by 50bp every year	73,869	16,135
10% reduction in mortality and morbidity rates	89,566	17,541
10% reduction in policy discontinuance rates	90,256	17,612
10% reduction in maintenance expense	89,369	17,358
5% increase in the policyholders' dividend payout ratio	84,660	16,521
Solvency margin at 150% of the regulatory level	77,763	15,748

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, 2011, the solvency of the Group was adequate.

GENERAL PRINCIPLES

The Company is a holding company and, with the exception of investment activities, does not conduct any substantive business at an operational level. As a result, the Company's operating cash inflows mainly come from dividends of its subsidiaries and investment returns generated from investment activities.

The Company manages its liquidity and financial resources from the perspective of the Group as a whole. The Company maintains liquidity through holding a certain proportion of highly liquid assets and managing the liquidation process of the assets. In addition, short-term borrowings, assets sold under agreements to repurchase, and other financing abilities also constitute part of the sources of the Company's liquidity and financial resources in daily operations.

In the first half of 2011, the capital injection into our subsidiaries by the Company is as follows:

- Injection of RMB4,977 million to Ping An Property & Casualty

CAPITAL STRUCTURE

As at June 30, 2011, the Group's equity attributable to shareholders of the parent company was RMB134,334 million, representing an increase of 19.9% as compared to the end of 2010. On June 17, 2011, the Company completed the issuance of 272 million H shares to JINJUN LIMITED with a price of HK$71.50 per share, thereby increased its net assets.

As at June 30, 2011, capital structure of the Company mainly comprised capital injection from shareholders as well as proceeds from the H share and A share listing. The Company did not issue any debt securities.

In the first half of 2011, Ping An Overseas Holdings, a subsidiary of the Group, issued a 3-year offshore Renminbi bond amounting RMB2 billion, in order to enhance its financial strength and expand business.

GEARING RATIO

	June 30, 2011	December 31, 2010
Gearing ratio (%)	**89.7**	90.4

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

CASH FLOW ANALYSIS

For the six months ended June 30 (in RMB million)	**2011**	2010
Net cash flows from operating activities	**80,838**	66,961
Net cash flows from investing activities	**(84,241)**	(101,491)
Net cash flows from financing activities	**(390)**	4,923

Net cash inflows from operating activities increased to RMB80,838 million in the first half of 2011 from RMB66,961 million in the same period of 2010. This was mainly due to the constant increase in cash premiums from our insurance business.

The constant increase in cash premiums of our insurance business generated plenty of investable funds, thereby the net cash outflows from investing activities maintained at a relatively high level. There were net cash outflows of RMB84,241 million in the first half of 2011, while net cash outflows of RMB101,491 million in the same period of 2010.

For the financing activities, there were net cash outflows of RMB390 million in the first half of 2011, while net cash inflows of RMB4,923 million in the same period of last year. This was mainly due to that there were less cash inflows from borrowings and bonds issuance compared with that in the first half of 2010.

CASH AND CASH EQUIVALENTS

(in RMB million)	June 30, 2011	December 31, 2010
Cash	**63,814**	61,289
Money market funds	**1,498**	4,657
Assets purchased under agreements to resell with an original maturity of less than 3 months	**11,741**	14,992
Total cash and cash equivalents	**77,053**	80,938

The Group believes that the liquid assets currently held, together with the 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 group solvency margin represents the consolidated solvency margin calculated as if the 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.

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

(in RMB million)	June 30, 2011	December 31, 2010
Actual capital	**144,165**	124,207
Minimum capital	**72,073**	62,778
Solvency margin ratio (%)	**200.0**	197.9

The above figures indicate that the solvency of the Group was adequate as at June 30, 2011.

In the first half of 2011, the rapid growth of insurance business and banking business, together with the fluctuation of capital market put pressures on the Group's capital adequacy. We successfully completed the private placement of 272 million H shares, which supplemented our capital strength in time, thereby the group solvency margin ratio remained stable.

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	Prior to the change		Change (+,-)					After the change	
	Number of shares	Percentage (%)	Issue of new shares	Bonus issue	Transfer from reserve	Others	Sub-total	Number of shares	Percentage (%)
I. Selling-restricted shares									
1. State-owned shares	-	-	-	-	-	-	-	-	-
2. State-owned legal person shares	-	-	-	-	-	-	-	-	-
3. Other domestic shares	-	-	-	-	-	-	-	-	-
Including:									
Domestic legal person shares	-	-	-	-	-	-	-	-	-
Domestic natural person shares	-	-	-	-	-	-	-	-	-
4. Foreign shares	-	-	-	-	-	-	-	-	-
Including:									
Foreign legal person shares	-	-	-	-	-	-	-	-	-
Foreign natural person shares	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
II. Selling-unrestricted shares									
1. RMB ordinary shares	4,786,409,636	62.62	-	-	-	-	-	4,786,409,636	60.46
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	2,857,732,456	37.38	+272,000,000	-	-	-	+272,000,000	3,129,732,456	39.54
4. Others	-	-	-	-	-	-	-	-	-
Total	7,644,142,092	100.00	+272,000,000	-	-	-	+272,000,000	7,916,142,092	100.00
III. Total number of shares	7,644,142,092	100.00	+272,000,000	-	-	-	+272,000,000	7,916,142,092	100.00

Share issuance and listing

Offering of shares of the Company

As approved by the CSRC in the Written Reply to Approve the Issuance of Overseas Listed Foreign Shares by Ping An Insurance (Group) Company of China, Ltd. (Zheng Jian Xu Ke [2011] No. 939), the Company's non-public directed issuance of additional 272,000,000 H shares to JINJUN LIMITED was completed on June 17, 2011. Hereafter the total share capital of the Company increased from 7,644,142,092 shares (ordinary shares) to 7,916,142,092 shares (ordinary shares), of which, there were 4,786,409,636 domestic shares (A shares), accounting for 60.46% of the total share capital; and there were 3,129,732,456 overseas listed foreign shares (H shares), accounting for 39.54% of the total share capital.

Timetable for listing and circulation of selling-restricted shares

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 shares of the Company changed to 7,916,142,092 shares.

Existing staff shares

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

308,032 shareholders (of which there were 302,323 domestic shareholders)

Shareholdings of top ten shareholders

Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total number of shares held (share)	Type of shares	Change during the reporting period (+, -)	Number of selling-restricted shares held	Number of pledged or frozen shares
HSBC Insurance Holdings Limited	Overseas legal person	7.82	618,886,334	H	–	–	–
The Hongkong and Shanghai Banking Corporation Limited	Overseas legal person	7.76	613,929,279	H	–	–	–
Shenzhen Investment Holdings Co., Ltd.	State	6.08	481,359,551	A	–	–	–
Yuan Trust Investment Co., Ltd.	Domestic non-state-owned legal person	4.80	380,000,000	A	–	–	–
Linzhi New Horse Investment Development Co., Ltd.	Domestic non-state-owned legal person	4.03	319,094,187	A	-5,088,283	–	–
Linzhi Jingao Industrial Development Co., Ltd.	Domestic non-state-owned legal person	3.46	273,701,889	A	-4,334,714	–	–
Shum Yip Group Limited	State-owned legal person	2.27	179,675,070	A	–	–	–
Shenzhen Wuxin Yufu Industrial Co., Ltd.	Domestic non-state-owned legal person	2.26	178,802,104	A	–	–	–
Shenzhen Jiangnan Industrial Development Co., Ltd.	Domestic non-state-owned legal person	1.76	139,112,886	A	–	–	33,000,000 pledged shares
Account No. 2 of National Council for Social Security Fund transferred from state-owned shares in listed companies	State	1.40	111,007,892	A	–	–	–

Changes in the share capital and shareholders' profile

Shareholdings of top ten holders of selling-unrestricted shares

Name of shareholder	Number of selling unrestricted shares held	Type of shares
HSBC Insurance Holdings Limited	618,886,334	H shares
The Hongkong and Shanghai Banking Corporation Limited	613,929,279	H shares
Shenzhen Investment Holdings Co., Ltd.	481,359,551	A shares
Yuan Trust Investment Co., Ltd.	380,000,000	A shares
Linzhi New Horse Investment Development Co., Ltd.	319,094,187	A shares
Linzhi Jingao Industrial Development Co., Ltd.	273,701,889	A shares
Shum Yip Group Limited	179,675,070	A shares
Shenzhen Wuxin Yufu Industrial Co., Ltd.	178,802,104	A shares
Shenzhen Jiangnan Industrial Development Co., Ltd.	139,112,886	A shares
Account No. 2 of National Council for Social Security Fund transferred from state-owned shares in listed companies	111,007,892	A shares

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

HSBC Insurance Holdings Limited and The Hongkong and Shanghai Banking Corporation Limited are wholly-owned subsidiaries of HSBC Holdings Plc.

Linzhi New Horse Investment Development Co., Ltd., Linzhi Jingao Industrial Development Co., Ltd. and Shenzhen Jiangnan Industrial Development Co., Ltd. are connected as a result of the duplication in actual contributor.

Save as the above, the Company is not aware of any connected relationship among the abovementioned shareholders.

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. The largest and second largest shareholders of the Company are two wholly-owned subsidiaries of HSBC Holdings Plc – HSBC Insurance Holdings Limited and The Hongkong and Shanghai Banking Corporation Limited. As at June 30, 2011, the total number of H shares of the Company held by such two companies amounted to 1,232,815,613 shares, accounting for approximately 15.57% of the total existing share capital of the Company of 7,916 million shares.

Other legal person holding more than 10% shares

As at the end of the reporting period, the Company did not have any other legal person holding more than 10% shares of the Company.

SHAREHOLDINGS 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, 2011, the following persons (other than the Directors and Supervisors of the Company) had interests or short positions in the shares or underlying shares of the Company as 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	No. of H/A shares	Nature of interest	Percentage of total number of H/A shares in issue (%)	Percentage of total shares in issue (%)
HSBC Holdings plc	H	Interest of controlled corporations	1,2,3	1,233,926,425	Long position	39.43	15.59

Interests and short positions of other substantial shareholders

Name of substantial shareholder	H/A Shares	Capacity	Notes	No. of H/A Shares	Nature of interest	Percentage of total number of H/A shares in issue (%)	Percentage of total shares in issue (%)
HSBC Insurance Holdings Limited	H	Beneficial owner	1	618,886,334	Long position	19.77	7.82
The Hongkong and Shanghai Banking Corporation Limited	H	Beneficial owner	3	613,929,279	Long position	19.62	7.76
JINJUN LIMITED	H	Beneficial owner	7	272,000,000	Long position	8.69	3.44
		Beneficial owner	7	196,000,000	Short position	6.26	2.48
Chow Tai Fook Nominee Limited	H	Interest of controlled corporations	7	272,000,000	Long position	8.69	3.44
		Interest of controlled corporations	7	196,000,000	Short position	6.26	2.48
Cheng Yu Tung	H	Interest of controlled corporations	7	272,000,000	Long position	8.69	3.44
		Interest of controlled corporations	7	196,000,000	Short position	6.26	2.48
JPMorgan Chase & Co.	H	Beneficial owner		18,084,377	Long position	0.58	0.23
		Investment Manager		107,543,054	Long position	3.44	1.36
		Custodian		73,950,762	Long position	2.36	0.93
		Total:	4	199,578,193		6.38	2.52
		Beneficial owner	4	11,728,527	Short position	0.37	0.15
Shenzhen Investment Holdings Co., Ltd.	A	Beneficial owner		481,359,551	Long position	10.06	6.08
Linzhi Jingao Industrial Development Co., Ltd.	A	Beneficial owner	5	273,701,889	Long position	5.72	3.46
Ping An Securities Company, Ltd. Labor Union	A	Interest of controlled corporations	5	273,701,889	Long position	5.72	3.46
China Ping An Trust Co., Ltd. Labor Union	A	Interest of controlled corporations	5	273,701,889	Long position	5.72	3.46
Linzhi New Horse Investment Development Co., Ltd.	A	Beneficial owner	6	319,094,187	Long position	6.67	4.03
Ping An Insurance (Group) Company of China, Ltd. Labor Union	A	Interest of controlled corporations	6	319,094,187	Long position	6.67	4.03
Yuan Trust Investment Company Ltd.	A	Beneficial owner		380,000,000	Long position	7.94	4.80

Changes in the share capital and shareholders' profile

Notes:

(1) HSBC Insurance Holdings Limited is a wholly-owned subsidiary of HSBC Holdings plc and its interests in 618,886,334 H shares of the Company was deemed to be the interest of HSBC Holdings plc.

(2) Apart from (1) above, HSBC Holdings plc by virtue of its control over (i) The Hongkong and Shanghai Banking Corporation Limited; and (ii) Hang Seng Bank Trustee International Limited, which respectively held a direct interest in 613,929,279 H shares and 1,110,812 H shares in the Company, were also deemed to be interested in an aggregate of 615,040,091 H shares of the Company.

(3) The Hongkong and Shanghai Banking Corporation Limited was wholly owned by HSBC Asia Holdings BV, a wholly-owned subsidiary of HSBC Asia Holdings (UK) Limited, which in turn was a wholly-owned subsidiary of HSBC Holdings BV. HSBC Finance (Netherlands), a wholly-owned subsidiary of HSBC Holdings plc, owned 100% interest in HSBC Holdings BV.

The Hongkong and Shanghai Banking Corporation Limited directly held 613,929,279 H shares of the Company and indirectly held 1,110,812 H shares of the Company through Hang Seng Bank Trustee International Limited. Hang Seng Bank Trustee International Limited is a wholly-owned subsidiary of Hang Seng Bank Limited, of which 62.14% equity is held by Hongkong and Shanghai Banking Corporation Limited.

(4) JPMorgan Chase & Co. held interest in a total of 199,578,193 H shares (Long position) and 11,728,527 H shares (Short position) in the Company by virtue of its control over the following corporations:

(i) JP Morgan Chase Bank, N.A, which is a wholly-owned subsidiary of JPMorgan Chase & Co., held 80,041,262 H shares (Long position) in the Company.

(ii) J.P. Morgan Whitefriars Inc. held 9,011,553 H shares (Long position) and 6,511,067 H shares (Short position) in the Company. J.P. Morgan Whitefriars Inc. was a wholly-owned subsidiary of J.P. Morgan Overseas Capital Corporation, which in turn was a wholly-owned subsidiary of J.P. Morgan International Finance Limited. J.P. Morgan International Finance Limited was wholly owned by Bank One International Holdings Corporation, being a corporation wholly owned by J.P. Morgan International Inc. and J.P. Morgan International Inc. was wholly owned by JPMorgan Chase Bank, N.A. which was in turn held by JPMorgan Chase & Co. as to 100%.

(iii) J.P. Morgan Securities Ltd. held 9,072,824 H shares (Long position) and 4,760,500 H shares (Short position) in the Company. J.P. Morgan Securities Ltd. is a 98.95% owned subsidiary of J.P. Morgan Chase International Holdings Limited which was in turn a wholly-owned subsidiary of J.P. Morgan Chase (UK) Holdings Limited. J.P. Morgan Chase (UK) Holdings Limited was a wholly-owned subsidiary of J.P. Morgan Capital Holdings Limited which in turn was wholly owned by J.P. Morgan International Finance Limited as mentioned in (ii) above.

(iv) J.P. Morgan Investment Management Inc. held 12,679,054 H share (Long position) in the Company and was a wholly-owned subsidiary of JPMorgan Asset Management Holdings Inc. which was in turn wholly owned by JPMorgan Chase & Co..

(v) JF Asset Management Limited held 51,538,000 H shares (Long position) in the Company. JF Asset Management Limited was wholly owned by JPMorgan Asset Management (Asia) Inc. which in turn was wholly owned by JPMorgan Asset Management Holdings Inc. referred to in (iv) above.

(vi) JPMorgan Asset Management (UK) Limited held 31,083,000 H shares (Long position) in the Company. JPMorgan Asset Management (UK) Limited was wholly owned by JPMorgan Asset Management Holdings (UK) Limited. JPMorgan Asset Management Holdings (UK) Limited was wholly owned by JPMorgan Asset Management International Limited which was in turn wholly owned by JPMorgan Asset Management Holdings Inc. referred to in (iv) above.

(vii) JPMorgan Asset Management (Taiwan) Limited held 2,675,000 H shares (Long position) in the Company and was wholly owned by JPMorgan Asset Management (Asia) Inc. referred to in (v) above.

(viii) JPMorgan Asset Management (Singapore) Limited held 659,500 H shares (Long position) in the Company and was wholly owned by JPMorgan Asset Management (Asia) Inc. referred to in (v) above.

(ix) JF International Management Inc. held 513,500 H shares (Long position) in the Company and was wholly owned by JPMorgan Asset Management (Asia) Inc. referred to in (v) above.

(x) China International Fund Management Co Ltd held 2,304,500 H shares (Long position) in the Company and was owned as to 49% by JPMorgan Asset Management (UK) Limited as referred to in (vi) above.

(xi) J.P. Morgan Whitefriars (UK) held 456,960 H shares (Short position) in the Company. J.P. Morgan Whitefriars (UK) is a 99.99% owned subsidiary of J.P. Morgan Whitefriars Inc. as referred to in (ii) above.

The entire interest of JPMorgan Chase & Co. in the Company included a lending pool of 73,950,762 H shares (Long position). Besides, 7,861,229 H shares (Long position) and 10,328,527 H shares (Short position) were held through derivatives as follows:

4,069,500 H shares (Long position) and 2,510,500 H shares (Short position)	–	through physically settled listed securities
600 H shares (Long position) and 321,350 H shares (Short position)	–	through cash settled listed securities
2,543,129 H shares (Long position) and 3,457,172 H shares (Short position)	–	through physically settled unlisted securities
1,248,000 H shares (Long position) and 4,039,505 H shares (Short position)	–	through cash settled unlisted securities

(5) Linzhi Jingao Industrial Development Co., Ltd. was owned as to 80% and 20% by Ping An Securities Company, Ltd. Labor Union and China Ping An Trust Co., Ltd. Labor Union, respectively. The interest in 286,651,827 A shares relates to the same block of shares in the Company. The shareholding of 286,651,827 A shares held by Linzhi Jingao Industrial Development Co., Ltd. was recorded in the interests disclosure form completed by the relevant substantial shareholder before June 30, 2011. The aforesaid shareholding has decreased to 273,701,889 A shares before June 30, 2011 but such change did not result in a disclosure obligation in accordance with SFO.

(6) Linzhi New Horse Investment Development Co., Ltd. was owned as to 95% by Ping An Insurance (Group) Company of China, Ltd. Labor Union. The interest in 334,598,577 A shares relates to the same block of shares in the Company. The shareholding of 334,598,577 A shares held by Linzhi New Horse Investment Development Co., Ltd. was recorded in the interests disclosure form completed by the relevant substantial shareholder before June 30, 2011. The aforesaid shareholding has decreased to 319,094,187 A shares before June 30, 2011 but such change did not result in a disclosure obligation in accordance with SFO.

(7) JINJUN LIMITED held 272,000,000 H shares (Long position) and 196,000,000 H shares (Short position) in the Company. JINJUN LIMITED was wholly owned by Chow Tai Fook Nominee Limited, which was ultimately controlled by Mr. Cheng Yu Tung.

Save as disclosed above, the Company is not aware of any other person (other than the Directors and Supervisors of the Company) having any interest or short position in the shares and underlying shares of the Company as at June 30, 2011 as 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 DURING THE REPORTING PERIOD

Direct Shareholding

The Directors, Supervisors and Senior Management (including chief executives) of the Company shall disclose any interests in the shares pursuant to the "Standards Concerning the Contents and Formats of Information Disclosure by Listed Companies No. 3 – The Contents and Formats of Interim Report" (Revised in 2007) issued by CSRC, and shall disclose the interests and short positions 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 be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors or Supervisors of the Company are taken or deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept pursuant to Section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules.

On June 30, 2011, the interests and short positions in the shares as stated above held by the Directors, Supervisors and Senior Management (including chief executives) of the Company were as follows:

Name	Position	Capacity	H/A Shares	Number of shares held at the beginning of the period (share)	Number of shares held at the end of the period (share)	Change	Reason for the change	Nature of interest	Percentage of total issued H/A shares (%)	Percentage of total issued shares (%)
Cheung Chi Yan Louis	Non-executive Director	Beneficial owner	H	248,000	248,000	–	–	Long position	0.00792	0.00313
Yao Jason Bo	Executive Director, Senior Vice President and Chief Financial Officer	Beneficial owner	H	12,000	12,000	–	–	Long position	0.00038	0.00015
Chow Wing Kin Anthony*	Independent Non-executive Director	Interest held jointly with another person	H	7,500	7,500	–	–	Long position	0.00024	0.00009
Peng Zhijian	Supervisor	Beneficial owner	A	4,300	6,600	+2,300	Purchased	Long position	0.00014	0.00008
Xiao Jiyan**	Supervisor	Beneficial owner	H	–	16,000	–	–	Long position	0.00051	0.00020

* Chow Wing Kin Anthony jointly held these H shares with Chow Suk Han Anna. Chow Wing Kin Anthony has retired as Independent Non-executive Director of the Company from July 22, 2011.

** Xiao Jiyan was appointed as a Supervisor representing the employees of the Company from May 5, 2011 and before his appointment, he had already held such H shares which had not been changed since his appointment.

Indirect Shareholding

Some of the Directors, Supervisors and Senior Management of the Company indirectly held A shares of the Company through Employee Investment Pool and Shenzhen Jiangnan Industrial Development Co., Ltd.

The group of participants of the Employee Investment Pool beneficially owns approximately 7.49% of the total existing share capital of the Company, whereas Shenzhen Jiangnan Industrial Development Co., Ltd. holds 139,112,886 A shares in the Company. The indirect shareholdings of the Directors, Supervisors and Senior Management of the Company are as follows:

Share of interests in employee investment pool

Name	Position	Share of interests in employee investment pool at the beginning of the period	Share of interests in employee investment pool at the end of the period	Change in the share of interests in employee investment pool	Reason for the change
Ma Mingzhe	Chairman and Chief Executive Officer	4,743,600	3,963,710	-779,890	Profit Distribution
Sun Jianyi	Vice Chairman and Executive Vice President	4,168,300	3,482,994	-685,306	Profit Distribution
Wang Liping	Executive Director and Senior Vice President	1,721,520	1,438,486	-283,034	Profit Distribution
Yao Jason Bo	Executive Director, Senior Vice President and Chief Financial Officer	100,000	83,559	-16,441	Profit Distribution
Lin Lijun	Non-executive Director	992,800	829,574	-163,226	Profit Distribution
Cheung Chi Yan Louis	Non-executive Director	500,000	417,795	-82,205	Profit Distribution
Ding Xinmin	Supervisor	602,400	503,360	-99,040	Profit Distribution
Sun Jianping	Supervisor	1,118,600	934,692	-183,908	Profit Distribution
Xiao Jiyan	Supervisor	700,000	584,913	-115,087	Profit Distribution
Ren Huichuan	President	735,040	614,192	-120,848	Profit Distribution
Lee Yuansiong	Senior Vice President	100,000	83,559	-16,441	Profit Distribution
Ku Man	Senior Vice President	200,000	167,118	-32,882	Profit Distribution
Cao Shifan	Senior Vice President	1,307,680	1,092,685	-214,995	Profit Distribution
Lo Sai Lai	Senior Vice President	300,000	250,677	-49,323	Profit Distribution
Chen Kexiang	Senior Vice President	1,373,040	1,147,300	-225,740	Profit Distribution
Cheung Chun Tong	Chief Actuary	300,000	250,677	-49,323	Profit Distribution
Total		18,962,980	15,845,291	-3,117,689	–

Directors, Supervisors and Senior Management

Percentage of shares beneficially held in Shenzhen Jiangnan Industrial Development Co., Ltd.

Name	Position	Shareholding percentage at the beginning of the period (%)	Shareholding percentage at the end of the period (%)	Change in the number of shares	Reason for the change
Ma Mingzhe	Chairman and Chief Executive Officer	5.86	5.86	–	–
Sun Jianyi	Vice Chairman and Executive Vice President	3.83	3.83	–	–
Wang Liping	Executive Director and Senior Vice President	1.17	1.17	–	–
Yao Jason Bo	Executive Director, Senior Vice President and Chief Financial Officer	0.18	0.18	–	–
Lin Lijun	Non-executive Director	0.12	0.12	–	–
Cheung Chi Yan Louis	Non-executive Director	2.93	2.93	–	–
Ding Xinmin	Supervisor	0.65	0.65	–	–
Sun Jianping	Supervisor	0.59	0.59	–	–
Xiao Jiyan	Supervisor	0.59	0.59	–	–
Ren Huichuan	President	1.41	1.41	–	–
Lee Yuansiong	Senior Vice President	0.59	0.59	–	–
Ku Man	Senior Vice President	0.59	0.59	–	–
Cao Shifan	Senior Vice President	0.59	0.59	–	–
Lo Sai Lai	Senior Vice President	0.70	0.70	–	–
Chen Kexiang	Senior Vice President	3.81	3.81	–	–
Yao Jun	Secretary to the Board and Chief Legal Officer	0.59	0.59	–	–
Total		24.20	24.20	–	–

Changes in the Number of Share Options and Restricted Shares Granted

During the reporting period, there were no share options held by the Directors, Supervisors and Senior Management of the Company, nor were there restricted shares granted.

Save as disclosed above, as at June 30, 2011, none of the Directors, Supervisors and Senior Management (including chief executive) held or was deemed to hold any interest or short position in the shares and underlying shares or debentures of the Company or any of its associated corporations (as defined in the SFO), which were required to be 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 Senior Management (including chief executive) to the Company and the Stock Exchange pursuant to the Model Code nor have they been granted the right to acquire any interest 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. Ms. Wang Wenjun resigned as a Supervisor representing the employees of the Company in March 2011 due to her work arrangement. In the employee representatives meeting held by the Company on March 7, 2011, Mr. Xiao Jiyan was elected to replace Ms. Wang Wenjun as a Supervisor representing the employees of the Sixth Session of the Supervisory Committee. The qualification of Mr. Xiao Jiyan as Supervisor was approved by CIRC on May 5, 2011, on which day Mr. Xiao Jiyan replaced Ms. Wang Wenjun as Supervisor representing the employees of the Company.
2. Mr. Cheung Chi Yan Louis resigned as the President of the Company in March 2011. The Resolution on Re-designation of Mr. Cheung Chi Yan Louis as Non-executive Director of the Company was considered and approved at the 2010 annual general meeting held by the Company on June 16, 2011, since then, Mr. Cheung Chi Yan Louis has been re-designated as a Non-executive Director of the Company.
3. Mr. Chow Wing Kin Anthony tendered his resignation as an Independent Non-executive Director of the Company in March 2011 as the term of Independent Non-executive Director has been expired. The resolution regarding the appointment of Mr. Woo Ka Biu Jackson as an Independent Non-executive Director of the Company to fill in for Mr. Chow Wing Kin Anthony was passed at the 2010 Annual General Meeting held by the Company on June 16, 2011. The qualification of Mr. Woo Ka Biu Jackson as Director was approved by CIRC on July 22, 2011, on which day Mr. Woo Ka Biu Jackson replaced Mr. Chow Wing Kin Anthony as an Independent Non-executive Director of the Company.
4. Mr. Song Zhijiang resigned as a Supervisor of the Company from July 27, 2011 due to his work arrangement.
5. Mr. Ren Huichuan has been appointed the President of the Company since March 2011. The appointment qualification of Mr. Ren Huichuan as President was approved by CIRC on January 28, 2011.
6. Mr. Lee Yuansiong and Ms. So Lan Ip have been appointed the Senior Vice President of the Company since January 2011. The appointment qualification of Mr. Lee Yuansiong and Ms. So Lan Ip as Senior Vice President were approved by CIRC on December 30, 2010.
7. Mr. Goh Yethun ceased to be a Senior Vice President of the Company in May 2011.

CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

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

1. Mr. Cheung Chi Yan Louis resigned as the President of the Company in March 2011, and was re-designated from an Executive Director to a Non-executive Director of the Company in June 2011. Mr. Cheung has been appointed as the chief executive officer of Boyu Capital Limited since March 2011, and has been appointed as the Independent Director of Fubon Financial Holdings Co., Ltd. since June 2011.
2. Mr. Chen Hongbo, the Non-executive Director of the Company, resigned as the chairman and the secretary of the Party Committee of Shenzhen Investment Holdings Co., Ltd. in January 2011.
3. Mr. Wong Tung Shun Peter, the Non-executive Director of the Company, resigned as the Non-executive Director of HSBC Bank (Australia) Ltd. in February 2011 and became the director of The Shek O Development Company, Ltd. in March 2011. In June 2011, Mr. Wong was re-designated from deputy chairman to chairman of HSBC Bank (China) Company Limited.
4. Mr. Lee Ka Sze Carmelo, the Independent Non-executive Director of the Company, has no longer served as an Adjudicator of the Registration of Persons Tribunal of the Hong Kong Special Administrative Region since February 2011.
5. Mr. Zhang Hongyi, the Independent Non-executive Director of the Company, resigned as the Non-executive Director of Henderson (China) Investment Co., Ltd. in April 2011.
6. Mr. Gu Liji, the Chairman of Supervisory Committee of the Company, was appointed as the Outside Director of Xiang Tan Electric Manufacturing Group Co., Ltd (XEMC). in March 2011.
7. Mr. Xiao Jiyan, the Supervisor representing the employees of the Company, resigned as the General Manager of Human Resources & Performance Management of the Company in July 2011 and served as the General Manager of Personnel Administration Department of Ping An Securities in the same month. He also assumed the posts of General Manager and Secretary to the board of Ping An Marketing Services in June 2011.

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

Significant events

CORPORATE GOVERNANCE

The Company is committed to implementing the relevant requirements in relation to corporate governance issued by the regulatory departments, 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, one general meeting, i.e. the 2010 annual general meeting, was held by the Company; three meetings were held by the Board; and two meetings were held by the Supervisory Committee. The general meetings, Board, Supervisory Committee and senior management operated independently and performed their respective rights and obligations in accordance with the terms of reference in the Articles of Association of the Company and the laws, and no irregularities or breaches were identified.

The Company discloses various important information of the Company in a timely, accurate, true and complete manner in strict compliance with the requirements of the laws, regulations and the Articles of Association of the Company, which is 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 structure can further enhance the effectiveness and reliability of the management of the Company and such is crucial to maximize shareholders' value of the Company.

During the reporting period, in the fourth session of "Selection of China Best Board of Directors of Listed Company", the Company won top 50 "Best Board of Listed Company Award" and top 10 "Fastest Value Making Board of Listed Company Award". Based on the rankings for the best managed companies for 2011 announced by Euromoney, an internationally famous financial magazine, the Company was awarded as the "Best Managed Insurer in Asia" for the third consecutive time. Leveraged on its regulated, systematic and highly transparent corporate governance structure, the Company was granted the "Corporate Governance Asia Annual Recognition Awards" for the year 2010 issued by Corporate Governance Asia, a famous corporate governance magazine in Asia five years in a row.

THE 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 return of investors in terms of its profit distribution. The profit distribution policy of the Company shall maintain its continuity and stability. In case of the distributable profits of the Company in that year (namely profits after tax of the Company after making up for the losses and making contributions to the reserve fund) is positive, then the profit shall in principle be distributed to shareholders in the form of cash dividend based on a certain ratio. In determining the detailed ratio of the distribution of cash dividend, the Company shall take into account its profit, cash flow, solvency and operation and business development requirements. The Board of the Company shall be responsible for formulating and implementing a distribution proposal under the requirements of the Articles of Association.

The profit distribution proposal of the Company for 2010 was approved at the 2010 annual general meeting held on June 16, 2011, according to which a final cash dividend for 2010 of RMB0.40 (tax inclusive) per share was proposed to be distributed to all the shareholders based on the total share capital of 7,644,142,092 shares as at the date of AGM, totalling RMB3,057,656,836.80, with the remaining undistributed profit carried forward to the year of 2011. The announcement on the poll results of the general meeting was published in *China Securities Journal*, *Shanghai Securities News*, *Securities Times* and *Securities Daily* on June 17, 2011. The record date for distribution of dividends in respect of A shares was July 20, 2011. The record date for distribution of dividends in respect of H shares was June 16, 2011. The dividend distribution date was July 29, 2011. The announcement regarding the distribution of dividend for 2010 in respect of A shares and H shares of the Company was published on the websites of Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited, and in *China Securities Journal*, *Shanghai Securities News*, *Securities Times* and *Securities Daily* on July 13, 2011. The implementation of the distribution proposal has been completed.

INTERIM RESULTS AND PROFIT DISTRIBUTION

Under the Articles of Association of the Company and other relevant requirements, as at June 30, 2011, the profit available for distribution to shareholders of the Company amounted to RMB5,721 million. According to the Articles of Association of the Company, the amount of interim dividend shall not exceed 50% of the profit available for distribution in the interim period.

The Board declared that an interim dividend of RMB0.15 (tax inclusive, equivalent to HK$0.1828) per share for the six months ended June 30, 2011 totalling RMB1,187,421,313.80, will be paid to shareholders of the Company, based on the total share capital of 7,916,142,092 shares. Holders of H shares whose names are on the Company's register of members of H shares on September 8, 2011 (the "Record Date") will be entitled to the interim dividend. The registration date and arrangements in relation to the rights of holders of A shares to receive the interim dividend for the six months ended June 30, 2011 will be separately announced on the website of Shanghai Stock Exchange.

According to the Articles of Association of the Company, 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 dollars. The relevant exchange rate is the average middle exchange rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China for the week prior to the date of declaration of interim dividend (RMB0.8207 equivalent to HK$1.00).

In order to determine the list of holders of H shares who are entitled to receive the interim dividend for the six months ended June 30, 2011, the Company's register of members of H shares will be closed from Friday, September 2, 2011 to Thursday, September 8, 2011, both days inclusive, during which period no transfer of H shares will be effected. In order to qualify for the interim dividend, holders of H shares whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at or before 4:30 p.m. on Thursday, September 1, 2011. The address of the transfer office of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

The Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent in Hong Kong (the "Receiving Agent") and will pay to the Receiving Agent the interim dividend declared for payment to holders of H shares. The interim dividend will be paid by the Receiving Agent and relevant cheques will be despatched on or before September 23, 2011 to holders of H shares whose names appear on the register of members of the Company on the Record Date by ordinary post at their own risk.

MATERIAL LITIGATIONS OR ARBITRATIONS

During the reporting period, the Company had no material litigation or arbitrations.

Significant events

SHARES HELD IN OTHER LISTED COMPANIES AND NON-LISTED FINANCIAL ENTERPRISES

Securities Investments Classified as Held for Trading Financial Assets

No.	Type	Code	Short name	Initial cost (RMB million)	Number of shares at the end of the period (million shares/ million pieces)	Carrying amount at the end of the period (RMB million)	Percentage to total securities investments (%)	Profit or loss for the reporting period (RMB million)
1	Convertible bond	125709	Tangsteel CB	332	3	331	27.0	5
2	Convertible bond	110015	Sinopec CB	143	1	154	12.6	11
3	Stock	601688	Huatai Securities	79	4	49	4.0	(5)
4	Stock	002522	Zhejiang Zhongcheng	53	2	46	3.8	(33)
5	Convertible bond	113001	BOC CB	44	0.4	43	3.5	(1)
6	Stock	300055	WBD	47	1	38	3.1	(35)
7	Stock	300182	Jetsen Technology Co.	34	1	36	2.9	2
8	Stock	002527	STEP	38	2	34	2.8	(7)
9	Stock	002129	TJSEMI	23	2	31	2.5	(12)
10	Stock	000536	CPT TECH GROUP	28	1	28	2.3	1
Other securities investments held at the end of the period				432	–	436	35.5	(322)
Profit or loss upon disposal of securities investments for the reporting period				–	–	–	–	278
Total				1,253	–	1,226	100.0	(118)

(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, interest income from convertible bonds and gain or loss 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	000001	SDB	25,751	28,031	29.99	1,183	(43)	Investment in associates
2	HK1398	ICBC	739	667	0.6	22	(2)	AFS
	601398		8,161	8,307		302	273	AFS
3	HK0939	CCB	604	522	0.7	21	(55)	AFS
	601939		8,101	8,147		321	170	AFS
4	HK1288	ABC	95	85	0.9	1	2	AFS
	601288		7,877	8,056		132	282	AFS
5	000538	Yunnan Baiyao	1,414	3,322	9.4	–	232	AFS
6	BE0003801181	Ageas (original name: Fortis)	23,874	2,119	4.6	84	297	AFS
7	601006	Daqin Railway Co.	1,938	1,850	1.5	79	41	AFS
8	600029	China South Airline	1,126	1,246	1.7	–	37	AFS
	HK1055		11	10		–	(2)	AFS
9	HK2628	China Life	1,000	742	0.2	16	(164)	AFS
	601628		336	308		7	(30)	AFS
10	000012	CSG	301	1,007	2.9	21	(184)	AFS

(1) Profit or loss for the reporting period refers to dividend income and investment income recognized using equity method.
(2) Percentage of shareholding in such companies is calculated using the total shares we held.
(3) Shares were acquired from the primary and secondary markets, non-public directed issuance or bonus issue, etc..

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	361	–	–	AFS	Purchased
2	Central China Securities Holdings Co., Ltd.	826	826	40.63	2,169	(13)	2	Investment in associates	Purchased
3	Sensible Asset Management Hong Kong Ltd.	20	1	50.00	14	(1)	–	Investment in joint ventures	Purchased

ASSET TRANSACTION

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 issue 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 issue 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 SDB has received the notice from CSRC. The Merger & Acquisition Committee of CSRC would soon review the SDB's major asset restructuring, that is the major asset restructuring and connected transaction of SDB by way of non-public issuance of shares to the Company by SDB 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 SDB 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 "Material 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 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 SDB was completed, and the details of the major asset restructuring have been disclosed.

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) on March 15, 2011, May 9, 2011, May 13, 2011, June 15, 2011, June 18, 2011, June 29, 2011, June 30, 2011 and July 29, 2011.

MAJOR CONNECTED TRANSACTIONS

The Company's major asset restructuring with SDB has constituted a connected transaction for the Company. Please refer to the "Asset Transaction" for details. During the reporting period, the Company had no other major connected transactions.

MATERIAL CONTRACTS AND THEIR PERFORMANCE

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	862
Total guarantee balance in favor of its subsidiaries as at the end of the reporting period	5,306

	Total guarantee of the Company (including the guarantee in favor of its subsidiaries)
Total guarantee	5,306
Total guarantee as a percentage of the Company's net assets (%)	3.9

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 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 exposures to fluctuations in exchange rates from the above assets and liabilities offset each other.

The Group uses sensitivity analysis to estimate its risk exposure. Foreign currency risk sensitivity is estimated 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 at June 30, 2011 (in RMB million)	Decrease in profit	Decrease in equity
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	1,237	2,223

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 at June 30, 2011, all of the above three shareholders had fulfilled their respective undertakings given in the written notices.

Undertakings in Respect of Investment in SDB

(1) Ping An Life undertakes, in respect of subscription for the 379,580,000 new shares of SDB 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 SDB 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 SDB 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 June 30, 2011, the above undertakings were in the process of performance.

Undertakings in Respect of the Major Asset Restructuring with SDB

(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 SDB 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 time of completing the integration will depend on the progress of consideration and granting approval by the regulatory authorities. 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 since the date of completion of the private issuing of shares by SDB, transfer the subscribed shares issued through private 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 SDB 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 within three years upon SDB'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 SDB in cash ("Compensation Amount").The Company shall, within the 20 business days after the issue of the Special Audit Opinion for the year, transfer the amount in full into the bank account designated by the SDB.

(4) In respect of the two properties of Ping An Bank, the ownership certificates of which have not been applied for, 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 Titleship Disputes of Ping An Bank Company Limited". According to the Letter of Undertaking, the Company undertakes that if titleship 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 titleship disputes, the Company promises that it will compensate SDB in cash for the loss arising from the handling of the titleship disputes by Ping An Bank.

Besides, in respect of the two properties the ownership certificates of which have not been applied for, the Company has issued "The Letter of Undertaking from Ping An Insurance (Group) Company of China, Ltd. in relation to settlement of properties with titleship 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 SDB fails to apply for 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 SDB, all gains as derived from the acquisition of consideration assets are vested to SDB while relevant losses are borne by the Company.

(6) The Company undertakes that, after the completion of the major assets restructuring with SDB and during the period when the Company remains as the controlling shareholder of SDB, 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 SDB whereby the assets and businesses arising from such business or commercial opportunities may possibly form potential competition with those of SDB, the Company and the enterprises under its control shall not be engaged in the businesses identical or similar to those carried out by SDB, so as to avoid direct or indirect competition with the operations of SDB.

(7) The Company undertakes that, after the completion of the major assets restructuring with SDB and in respect of the transactions between the Company and the enterprises under its control and SDB which constitute the connected transactions of SDB, the Company and the enterprises under its control shall enter into transaction with SDB 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 SDB undertake any illicit obligations through the transactions with SDB.

(8) The Company undertakes that, after the completion of the major assets restructuring and during the period when the Company remains as the controlling shareholder of SDB, the Company shall maintain the independence of SDB and ensure that SDB is independent from the Company and the enterprises under its control in respect of personnel, assets, finance, organization and business.

As of June 30, 2011, except the undertaking as referred in item (5) above was honored at July 20, 2011, all the remaining were in the process of performance.

USE OF PROCEEDS

The proceeds from the Company's initial public offering of H shares and A shares in 2004 and 2007, respectively were completely used for general corporate purposes, and applied in accordance with applicable regulations of the relevant regulatory authorities.

In June 2011, the Company issued 272 million H shares to JINJUN Limited at the aggregate consideration of HK$19,448 million. As at June 30, 2011, the abovementioned consideration was deposited into an escrow bank account under the name of JINJUN Limited but controlled by the Company. As at July 8, 2011, the deposit was transferred to the Company's bank account from the escrow account. The Company will apply the proceeds reasonably and strictly in accordance with the purpose of proceeds.

APPOINTMENT OF AUDITOR

At the 2010 annual general meeting, Ernst & Young Hua Ming and Ernst & Young were re-appointed as auditors of the Company's financial statements under CAS and IFRS, respectively for the year 2011. The interim financial statements of the Company are unaudited.

PUNISHMENTS IMPOSED ON THE LISTED COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, SHAREHOLDERS AND DE FACTO CONTROLLERS AND RECTIFICATIONS

During the reporting period, the Company and its Directors, Supervisors, senior management, shareholders and de facto controllers were not subject to the inspection, administrative penalties, punishment notice by CSRC, and the public condemnation by the stock exchange.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company, nor any of its subsidiaries, had purchased, sold or redeemed any of the Company's listed shares from January 1, 2011 to June 30, 2011.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has established the Audit and Risk Management Committee in compliance with the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules.

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 the external auditor appointment, the external auditor remuneration and any matters relating to the termination of the appointment or resignation 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.

During the reporting period, the Audit and Risk Management Committee comprised five Independent Non-executive Directors, namely Mr. Tang Yunwei, Mr. Chow Wing Kin Anthony, Mr. Zhang Hongyi, Mr. Chen Su and Mr. Chung Yu-wo Danny and one Non-executive Director, namely Mr. Ng Sing Yip. The Audit and Risk Management Committee is chaired by Mr. Tang Yunwei, 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 Strategy and Investment Committee, Remuneration Committee and Nomination Committee. Further details of the roles and functions, composition and summary of the work of these board committees were set out under the paragraph headed "The specialized committees under the Board" in the Corporate Governance Report on pages 94 to 97 of the Company's 2010 annual report of H shares.

Significant events

OUR COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES AND THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS OF THE COMPANY (AS SET OUT IN APPENDICES 14 AND 10 TO THE HONG KONG LISTING RULES)

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 Code on Corporate Governance Practices for any part of the period from January 1, 2011 to June 30, 2011 except that Mr. Ma Mingzhe has occupied the positions of both the Chairman of the Board of Directors and Chief Executive Officer of the Company.

Code Provision A.2.1 of the Code on Corporate Governance Practices provides that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. However, the Board is of the opinion that the Company has built up a board structure 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 established 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 and the management set out in the Articles of Association of the Company.

Therefore, the Board 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 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 Code On Corporate Governance Practices and the Model Code for Securities Transactions by Directors and Supervisors of the Company" in the Corporate Governance Report on page 103 of the Company's 2010 annual report of H shares.

On May 28, 2004, the Company adopted the Code of Conduct, which was amended on August 17, 2011, regarding securities transactions by Directors and Supervisors of the Company ("Code of Conduct") 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 that they complied with the required standard set out in the Model Code and the Code of Conduct for the period, save and except that Mr. Peng Zhijian, a Supervisor of the Company purchased 6,600 A shares of the Company and completed the reporting on July 22, 2011.

ENTERPRISE 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 2011 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 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, the Company will not withhold any enterprise income tax when it distributes 2011 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 Thursday, September 1, 2011 a legal opinion, issued by a PRC 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, and 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 making 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 distribution of 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 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 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 2011 interim dividend to individual holders of H shares appear on the Company's register of members of H shares on the Record Date. However, unless 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.

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). Qualifying shareholders are required to submit to Computershare Hong Kong Investor Services Limited at or before 4:30 p.m. on Thursday, September 1, 2011 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 People's Republic of China.

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 statements

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

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 61 to 94 which comprise the interim consolidated statement of financial position of Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries (the "Group") as at 30 June 2011 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 are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. Our report is made 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. Consequently, it 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 accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
17 August 2011

Interim consolidated income statement

For the six months ended 30 June 2011

For the six months ended 30 June (in RMB million)	Notes	2011 (Unaudited)	2010 (Unaudited)
Gross written premiums and policy fees	6	**116,080**	85,079
Less: Premiums ceded to reinsurers		**(5,857)**	(4,542)
Net written premiums and policy fees	6	**110,223**	80,537
Change in unearned premium reserves		**(6,824)**	(5,952)
Net earned premiums		**103,399**	74,585
Reinsurance commission income		**1,622**	1,337
Interest income of banking operations	7	**6,331**	4,371
Fees and commission income of non-insurance operations	8	**3,462**	2,492
Investment income	9	**15,912**	10,909
Share of profits and losses of associates and jointly controlled entities		**1,159**	282
Other income	10	**1,925**	3,004
Total income		**133,810**	96,980
Claims and policyholders' benefits	11	**(83,372)**	(56,394)
Commission expenses of insurance operations		**(9,388)**	(7,663)
Interest expenses of banking operations	7	**(2,783)**	(1,585)
Fees and commission expenses of non-insurance operations	8	**(368)**	(228)
Loan loss provisions, net of reversals		**(261)**	(110)
Foreign exchange losses		**(149)**	(28)
General and administrative expenses		**(19,160)**	(15,611)
Finance costs		**(448)**	(391)
Other expenses		**(1,615)**	(2,762)
Total expenses		**(117,544)**	(84,772)
Profit before tax	12	**16,266**	12,208
Income tax	13	**(3,268)**	(2,342)
Profit for the period		**12,998**	9,866
Attributable to:			
– Owners of the parent		**12,757**	9,611
– Non-controlling interests		**241**	255
		12,998	9,866
		RMB	RMB
Earnings per share attributable to ordinary equity holders of the parent:	16		
– Basic		**1.67**	1.30
– Diluted		**1.67**	1.30

Details of the interim dividend proposed for the period are disclosed in Note 15 to the financial statements.

Interim consolidated statement of comprehensive income

For the six months ended 30 June 2011

For the six months ended 30 June (in RMB million)	Note	2011 (Unaudited)	2010 (Unaudited)
Profit for the period		**12,998**	9,866
Other comprehensive income			
Available-for-sale financial assets		**(6,002)**	(5,561)
Shadow accounting adjustments		**1,326**	1,468
Exchange differences on translation of foreign operations		**51**	25
Share of other comprehensive income of associates		**(42)**	–
Income tax relating to components of other comprehensive income		**1,122**	829
Other comprehensive income for the period, net of tax	14	**(3,545)**	(3,239)
Total comprehensive income for the period		**9,453**	6,627
Attributable to:			
– Owners of the parent		**9,228**	6,398
– Non-controlling interests		**225**	229
		9,453	6,627

Interim consolidated statement of financial position

As at 30 June 2011

(in RMB million)	Notes	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Assets			
Balances with central bank and statutory deposits		**48,579**	42,110
Cash and amounts due from banks and other financial institutions	17	**233,365**	203,315
Fixed maturity investments	18	**595,585**	553,652
Equity investments	19	**107,284**	86,369
Derivative financial assets		**20**	6
Loans and advances to customers	20	**144,363**	131,960
Investments in associates and jointly controlled entities	21	**40,660**	39,601
Premium receivables		**8,275**	6,298
Reinsurers' share of insurance liabilities		**7,732**	6,178
Policyholder account assets in respect of insurance contracts		**36,818**	40,284
Policyholder account assets in respect of investment contracts		**3,913**	3,994
Investment properties		**8,363**	8,866
Property and equipment		**9,112**	8,170
Intangible assets		**10,160**	9,902
Deferred tax assets		**7,691**	6,496
Other assets	22	**48,144**	24,426
Total assets		**1,310,064**	1,171,627
Equity and liabilities			
Equity			
Share capital	23	**7,916**	7,644
Reserves		**88,403**	75,777
Retained profits		**38,015**	28,609
Equity attributable to owners of the parent		**134,334**	112,030
Non-controlling interests		**5,091**	4,853
Total equity		**139,425**	116,883
Liabilities			
Due to banks and other financial institutions		**42,070**	38,822
Assets sold under agreements to repurchase		**110,478**	107,850
Derivative financial liabilities		**10**	15
Customer deposits and payables to brokerage customers	24	**198,604**	175,963
Insurance payables		**22,406**	20,007
Insurance contract liabilities	25	**717,964**	639,947
Investment contract liabilities for policyholders		**31,309**	29,991
Policyholder dividend payable		**16,563**	14,182
Income tax payable		**2,113**	1,359
Bonds payable	26	**9,558**	7,540
Deferred tax liabilities		**920**	869
Other liabilities		**18,644**	18,199
Total liabilities		**1,170,639**	1,054,744
Total equity and liabilities		**1,310,064**	1,171,627

MA Mingzhe	**SUN Jianyi**	**YAO Jason Bo**
Director	Director	Director

Interim consolidated statement of changes in equity

For the six months ended 30 June 2011

(in RMB million)	Notes	For the six months ended 30 June 2011										
		Equity attributable to owners of the parent										
			Reserves									
		Share capital	Share premium	Available-for-sale financial assets	Shadow accounting adjustments	Other capital reserve	Surplus reserve fund	General reserves	Exchange differences on translation of foreign operations	Retained profits	Non-controlling interests	Total equity
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
As at 1 January 2011		7,644	67,644	(175)	1,066	107	6,689	395	51	28,609	4,853	116,883
Profit for the period		-	-	-	-	-	-	-	-	12,757	241	12,998
Other comprehensive income for the period	14	-	-	(4,527)	989	(42)	-	-	51	-	(16)	(3,545)
Total comprehensive income for the period		-	-	(4,527)	989	(42)	-	-	51	12,757	225	9,453
Appropriations to surplus reserve fund		-	-	-	-	-	293	-	-	(293)	-	-
Dividend declared	15	-	-	-	-	-	-	-	-	(3,058)	(20)	(3,078)
Issue of capital	23	272	15,862	-	-	-	-	-	-	-	-	16,134
Changes in subsidiaries		-	-	-	-	-	-	-	-	-	33	33
As at 30 June 2011		7,916	83,506	(4,702)	2,055	65	6,982	395	102	38,015	5,091	139,425

(in RMB million)	Notes	For the six months ended 30 June 2010									
		Equity attributable to owners of the parent									
			Reserves								
		Share capital	Share premium	Available-for-sale financial assets	Shadow accounting adjustments	Surplus reserve fund	General reserves	Exchange differences on translation of foreign operations	Retained profits	Non-controlling interests	Total equity
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
As at 1 January 2010		7,345	51,907	4,612	(759)	6,208	395	43	15,219	6,773	91,743
Profit for the period		-	-	-	-	-	-	-	9,611	255	9,866
Other comprehensive income for the period	14	-	-	(4,404)	1,166	-	-	25	-	(26)	(3,239)
Total comprehensive income for the period		-	-	(4,404)	1,166	-	-	25	9,611	229	6,627
Appropriations to surplus reserve fund		-	-	-	-	46	-	-	(46)	-	-
Dividend declared	15	-	-	-	-	-	-	-	(2,293)	(1)	(2,294)
Issue of capital		299	15,737	-	-	-	-	-	-	-	16,036
Changes in subsidiaries		-	-	-	-	-	-	-	-	(2,217)	(2,217)
As at 30 June 2010		7,644	67,644	208	407	6,254	395	68	22,491	4,784	109,895

Interim consolidated statement of cash flows

For the six months ended 30 June 2011

For the six months ended 30 June (in RMB million)	Note	2011 (Unaudited)	2010 (Unaudited)
Net cash from operating activities		**80,838**	66,961
Cash flows from investing activities			
Purchases of investment properties, items of property and equipment, and intangible assets		**(1,378)**	(1,174)
Proceeds from disposal of investment properties, items of property and equipment, and intangible assets		**14**	16
Purchases of investments, net		**(69,855)**	(79,534)
Term deposits placed, net		**(20,859)**	(26,263)
Disposal of subsidiaries		**837**	(1,614)
Acquisition of subsidiaries		**(583)**	–
Interests received		**7,878**	6,956
Dividends received		**2,876**	1,273
Rentals received		**222**	240
Increase of policy loans, net		**(3,393)**	(1,391)
Net cash used in investing activities		**(84,241)**	(101,491)
Cash flows from financing activities			
Decrease of assets sold under agreements to repurchase, net		**(620)**	(116)
Proceeds from borrowed funds		**1,817**	5,648
Interests paid		**(1,546)**	(594)
Proceeds from bonds issued		**1,994**	3,200
Repayment of borrowed funds		**(2,143)**	(3,322)
Capital injected into subsidiaries by non-controlling interests		**108**	107
Net cash (used in)/from financing activities		**(390)**	4,923
Net decrease in cash and cash equivalents		**(3,793)**	(29,607)
Net foreign exchange differences		**(92)**	(3)
Cash and cash equivalents at beginning of the period		**80,938**	88,965
Cash and cash equivalents at end of the period	27	**77,053**	59,355

Notes to interim condensed consolidated financial statements

As at 30 June 2011

1. CORPORATE INFORMATION

Ping An Insurance (Group) Company of China, Ltd. (the "Company") was incorporated 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 investment deployment. 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 the life insurance, property and casualty insurance, trust, securities, banking and other businesses. The business of the Group is not regarded as highly seasonal or cyclical.

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

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These interim condensed consolidated financial statements do 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 2010.

3. SIGNIFICANT ACCOUNTING POLICIES

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS THEREOF, ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except for the adoption of new standards and interpretations as of 1 January 2011, noted below:

- IAS 24 *Related Party Disclosures (Amendment)*

  The International Accounting Standard Board ("IASB") has issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasize a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have material impact on the financial position or performance of the Group.

- IAS 32 *Financial Instruments: Presentation (Amendment)*

  The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment had no material effect on the financial position or performance of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS THEREOF, ADOPTED BY THE GROUP (CONTINUED)

- IFRIC 14 *Prepayments of a Minimum Funding Requirement (Amendment)*

  The amendment removes an unintended consequence when an entity is subject to minimum funding requirements (MFR) and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognized as a pension asset. The amendment to the interpretation had no material effect on the financial position or performance of the Group.

- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*

  The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss. The adoption of this interpretation had no material effect on the financial position or performance of the Group.

- Improvements to IFRSs (issued May 2010)

  In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but did not have material impact on the financial position or performance of the Group.

  - IFRS 3 *Business Combinations*: The measurement options available for non-controlling interest (NCI) have been amended. Only components of NCI that constitute a present ownership interest that entitles its holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.

  - IFRS 7 *Financial Instruments – Disclosures*: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improve disclosures by requiring qualitative information to put the quantitative information in context.

  - IAS 1 *Presentation of Financial Statements*: The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements.

  - IAS 34 *Interim Financial Reporting*: The amendment requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS THEREOF, ADOPTED BY THE GROUP (CONTINUED)

- Improvements to IFRSs (issued May 2010) (continued)

  Other amendments resulting from Improvements to IFRSs to the following standards did not have material impact on the accounting policies, financial position or performance of the Group:

  - IFRS 1 *First-time Adoption of IFRSs* – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters

  - IFRS 3 *Business Combinations* – Clarification that contingent consideration arising from business combinations prior to adoption of IFRS 3 (as revised in 2008) are accounted for in accordance with IFRS 3 (2005)

  - IFRS 3 *Business Combinations* – Unreplaced and voluntarily replaced share-based payment awards and their accounting treatment within a business combination

  - IAS 27 *Consolidated and Separate Financial Statements* – Applying the IAS 27 (as revised in 2008) transition requirements to consequentially amended standards

  - IFRIC 13 *Customer Loyalty Programmes* – In determining the fair value of award credits, an entity shall consider discounts and incentives that would otherwise be offered to customers not participating in the loyalty programme

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

CHANGES IN ACCOUNTING ESTIMATES

Material judgement is required in determining insurance contract liabilities and in choosing discount rates/investment return, mortality, morbidity, lapse rates, 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 2011 with the corresponding impact on insurance contract liabilities taken into the current period's income statement. As a result of such changes in assumptions, long term life insurance policyholders' reserves were increased by RMB471 million as at 30 June 2011 and the profit before tax for the six months ended 30 June 2011 (the "Period") was reduced by RMB471 million, while the long term life insurance policyholders' reserves as at 30 June 2010 were reduced by RMB963 million and the profit before tax for the six months ended 30 June 2010 was increased by RMB963 million.

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

There are no significant changes in the scope of consolidation and the Group's major associates and jointly controlled entities for the period compared to the year ended 31 December 2010.

5. OPERATING SEGMENT INFORMATION

The composition of the Group's operating segments for the period ended 30 June 2011 is consistent with that for the year ended 31 December 2010.

The segment analysis for the six months ended 30 June 2011 is as follows:

(in RMB million)	Life insurance (Unaudited)	Property and casualty insurance (Unaudited)	Banking (Unaudited)	Securities (Unaudited)	Corporate (Unaudited)	Others (Unaudited)	Elimination (Unaudited)	Total (Unaudited)
Gross written premiums and policy fees	75,158	40,922	-	-	-	-	-	116,080
Less: Premiums ceded to reinsurers	(374)	(5,483)	-	-	-	-	-	(5,857)
Change in unearned premium reserves	(827)	(5,997)	-	-	-	-	-	(6,824)
Net earned premiums	73,957	29,442	-	-	-	-	-	103,399
Reinsurance commission income	(223)	1,845	-	-	-	-	-	1,622
Interest income of banking operations	-	-	6,331	-	-	-	-	6,331
Fees and commission income of non-insurance operations	-	-	887	1,695	-	894	(14)	3,462
Including: Inter-segment fees and commission income of non-insurance operations	-	-	4	-	-	10	(14)	-
Investment income/(losses)	13,951	1,583	(24)	231	284	287	(400)	15,912
Including: Inter-segment investment income	316	27	-	7	37	13	(400)	-
Share of profits and losses of associates and jointly controlled entities	(60)	-	1,183	-	-	36	-	1,159
Other income	1,815	118	8	6	94	2,017	(2,133)	1,925
Including: Inter-segment other income	921	5	-	-	93	1,114	(2,133)	-
Total income	89,440	32,988	8,385	1,932	378	3,234	(2,547)	133,810
Claims and policyholders' benefits	(66,242)	(17,130)	-	-	-	-	-	(83,372)
Commission expenses of insurance operations	(6,080)	(3,359)	-	-	-	-	51	(9,388)
Interest expenses of banking operations	-	-	(3,023)	-	-	-	240	(2,783)
Fees and commission expenses of non-insurance operations	-	-	(93)	(153)	-	(136)	14	(368)
Loan loss provisions, net of reversals	-	-	(298)	-	-	37	-	(261)
Foreign exchange losses	(121)	(13)	(1)	(4)	(7)	(3)	-	(149)
General and administrative expenses	(6,613)	(8,717)	(2,128)	(876)	(173)	(1,586)	933	(19,160)
Finance costs	(52)	(122)	-	-	(133)	(141)	-	(448)
Other expenses	(1,892)	(93)	(99)	(1)	(2)	(826)	1,298	(1,615)
Total expenses	(81,000)	(29,434)	(5,642)	(1,034)	(315)	(2,655)	2,536	(117,544)
Profit before tax	8,440	3,554	2,743	898	63	579	(11)	16,266
Income tax	(1,678)	(861)	(346)	(183)	-	(200)	-	(3,268)
Profit for the period	6,762	2,693	2,397	715	63	379	(11)	12,998

5. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment analysis for the six months ended 30 June 2010 is as follows:

(in RMB million)	Life insurance (Unaudited)	Property and casualty insurance (Unaudited)	Banking (Unaudited)	Securities (Unaudited)	Corporate (Unaudited)	Others (Unaudited)	Elimination (Unaudited)	Total (Unaudited)
Gross written premiums and policy fees	54,888	30,191	–	–	–	–	–	85,079
Less: Premiums ceded to reinsurers	(868)	(3,674)	–	–	–	–	–	(4,542)
Change in unearned premium reserves	(198)	(5,754)	–	–	–	–	–	(5,952)
Net earned premiums	53,822	20,763	–	–	–	–	–	74,585
Reinsurance commission income	89	1,248	–	–	–	–	–	1,337
Interest income of banking operations	–	–	4,371	–	–	–	–	4,371
Fees and commission income of non-insurance operations	–	–	378	1,751	–	371	(8)	2,492
Including: Inter-segment fees and commission income of non-insurance operations	–	–	2	–	–	6	(8)	–
Investment income/(losses)	9,648	717	92	158	(8)	700	(398)	10,909
Including: Inter-segment investment income	343	8	–	(14)	21	40	(398)	–
Share of profits and losses of associates and jointly controlled entities	(53)	–	204	–	–	131	–	282
Other income	1,397	71	33	4	88	2,666	(1,255)	3,004
Including: Inter-segment other income	573	14	–	–	83	585	(1,255)	–
Total income	64,903	22,799	5,078	1,913	80	3,868	(1,661)	96,980
Claims and policyholders' benefits	(44,815)	(11,579)	–	–	–	–	–	(56,394)
Commission expenses of insurance operations	(5,041)	(3,202)	–	–	–	–	580	(7,663)
Interest expenses of banking operations	–	–	(1,914)	–	–	–	329	(1,585)
Fees and commission expenses of non-insurance operations	–	–	(58)	(99)	–	(76)	5	(228)
Loan loss provisions, net of reversals	–	–	(84)	–	–	(26)	–	(110)
Foreign exchange gains/(losses)	(35)	(10)	19	–	(1)	(1)	–	(28)
General and administrative expenses	(5,735)	(6,524)	(1,646)	(735)	(152)	(1,500)	681	(15,611)
Finance costs	(53)	(68)	–	–	(123)	(151)	4	(391)
Other expenses	(1,346)	(52)	(29)	(1)	–	(1,377)	43	(2,762)
Total expenses	(57,025)	(21,435)	(3,712)	(835)	(276)	(3,131)	1,642	(84,772)
Profit/(loss) before tax	7,878	1,364	1,366	1,078	(196)	737	(19)	12,208
Income tax	(1,327)	(276)	(262)	(250)	(10)	(217)	–	(2,342)
Profit/(loss) for the period	6,551	1,088	1,104	828	(206)	520	(19)	9,866

5. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment assets as at 30 June 2011 and 31 December 2010 are as follows:

(in RMB million)	Life insurance	Property and casualty insurance	Banking	Securities	Corporate	Others	Elimination	Total
At 30 June 2011 (Unaudited)	**829,510**	**100,032**	**314,479**	**26,769**	**32,794**	**31,792**	**(25,312)**	**1,310,064**
At 31 December 2010 (Audited)	763,078	79,355	282,771	29,976	17,827	28,117	(29,497)	1,171,627

6. GROSS AND NET WRITTEN PREMIUMS AND POLICY FEES

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Gross written premiums, policy fees and premium deposits	**153,552**	123,316
Less: Premium deposits of policies without significant insurance risk transfer	**(1,527)**	(1,316)
Premium deposits unbundled from universal life and investment-linked products	**(35,945)**	(36,921)
Gross written premiums and policy fees	**116,080**	85,079
Long term life business gross written premiums and policy fees	**73,854**	51,554
Short term life business gross written premiums	**1,304**	3,334
Property and casualty business gross written premiums	**40,922**	30,191
Gross written premiums and policy fees	**116,080**	85,079
Gross		
Life insurance		
Individual life insurance	**61,554**	47,346
Bancassurance	**10,362**	4,949
Group life insurance	**3,242**	2,593
	75,158	54,888
Property and casualty insurance		
Automobile insurance	**30,792**	22,990
Non-automobile insurance	**8,979**	6,169
Accident and health insurance	**1,151**	1,032
	40,922	30,191
Gross written premiums and policy fees	**116,080**	85,079

6. GROSS AND NET WRITTEN PREMIUMS AND POLICY FEES (CONTINUED)

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Net of reinsurance premiums ceded		
Life insurance		
Individual life insurance	**61,299**	47,109
Bancassurance	**10,359**	4,945
Group life insurance	**3,126**	1,966
	74,784	54,020
Property and casualty insurance		
Automobile insurance	**28,168**	21,395
Non-automobile insurance	**6,134**	4,109
Accident and health insurance	**1,137**	1,013
	35,439	26,517
Net written premiums and policy fees	**110,223**	80,537

7. NET INTEREST INCOME OF BANKING OPERATIONS

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Interest income of banking operations		
Loans and advances to customers	**4,317**	2,998
Balances with central bank	**250**	191
Bonds	**1,357**	785
Amounts due from banks and other financial institutions	**407**	397
	6,331	4,371
Interest expenses of banking operations		
Customer deposits	**1,530**	1,030
Due to banks and other financial institutions	**1,191**	493
Bonds payable	**62**	62
	2,783	1,585
Net interest income of banking operations	**3,548**	2,786

8. NET FEES AND COMMISSION INCOME OF NON-INSURANCE OPERATIONS

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Fees and commission income of non-insurance operations		
Brokerage fees	**509**	521
Underwriting commission income	**1,181**	1,226
Trust service fees	**755**	275
Fees and commission income of banking business	**887**	378
Others	**130**	92
	3,462	2,492
Fees and commission expenses of non-insurance operations		
Brokerage fees paid	**95**	83
Fees and commission expenses of banking business	**93**	58
Other fees paid	**180**	87
	368	228
Net fees and commission income of non-insurance operations	**3,094**	2,264

9. INVESTMENT INCOME

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Net investment income	**16,507**	12,765
Realized gains/(losses)	**733**	(1,043)
Unrealized losses	**(386)**	(724)
Impairment losses	**(942)**	(89)
Total investment income	**15,912**	10,909

9. INVESTMENT INCOME (CONTINUED)

(1) NET INVESTMENT INCOME

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Interest income of non-banking operations on fixed maturity investments		
Bonds and debt schemes		
– Held-to-maturity	**7,167**	4,970
– Available-for-sale	**2,699**	3,194
– Carried at fair value through profit or loss	**249**	158
– Loans and receivables	**239**	11
Term deposits		
– Loans and receivables	**3,397**	1,975
Current accounts		
– Loans and receivables	**158**	213
Others		
– Carried at fair value through profit or loss	**3**	–
– Loans and receivables	**438**	398
Dividend income on equity investments		
Equity investment funds		
– Available-for-sale	**1,210**	1,255
– Carried at fair value through profit or loss	**230**	89
Equity securities		
– Available-for-sale	**1,430**	529
– Carried at fair value through profit or loss	**6**	13
Operating lease income from investment properties	**222**	240
Interest expenses on assets sold under agreements to repurchase and replacements from banks and other financial institutions	**(941)**	(280)
	16,507	12,765

(2) REALIZED GAINS/(LOSSES)

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Fixed maturity investments		
– Available-for-sale	**(174)**	642
– Carried at fair value through profit or loss	**(88)**	42
Equity investments		
– Available-for-sale	**878**	(1,400)
– Carried at fair value through profit or loss	**116**	(326)
Derivative financial instruments		
– Carried at fair value through profit or loss	**1**	(1)
	733	(1,043)

9. INVESTMENT INCOME (CONTINUED)

(3) UNREALIZED GAINS/(LOSSES)

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Fixed maturity investments		
- Carried at fair value through profit or loss	**60**	131
Equity investments		
- Carried at fair value through profit or loss	**(465)**	(853)
Derivative financial instruments		
- Carried at fair value through profit or loss	**19**	(2)
	(386)	(724)

(4) IMPAIRMENT LOSSES

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Equity investments		
- Available-for-sale	**(942)**	(89)

10. OTHER INCOME

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Revenue of XJ Group Corporation ("XJ Group")	**-**	1,616
Expressway toll fee income	**512**	412
Management income of investment-linked products and income of investment contracts	**634**	573
Others	**779**	403
	1,925	3,004

11. CLAIMS AND POLICYHOLDERS' BENEFITS

(1)

For the six months ended 30 June (in RMB million)	2011 Gross (Unaudited)	2011 Reinsurers' share (Unaudited)	2011 Net (Unaudited)
Claims and claim adjustment expenses	**22,722**	**(2,291)**	**20,431**
Surrenders	**2,058**	**–**	**2,058**
Annuities	**2,326**	**–**	**2,326**
Maturities and survival benefits	**7,185**	**–**	**7,185**
Policyholder dividends	**2,842**	**–**	**2,842**
Increase in policyholders' reserves	**45,869**	**(129)**	**45,740**
Interests credited to policyholder contract deposits	**2,790**	**–**	**2,790**
	85,792	**(2,420)**	**83,372**

For the six months ended 30 June (in RMB million)	2010 Gross (Unaudited)	2010 Reinsurers' share (Unaudited)	2010 Net (Unaudited)
Claims and claim adjustment expenses	16,083	(2,119)	13,964
Surrenders	1,728	–	1,728
Annuities	1,964	–	1,964
Maturities and survival benefits	3,167	–	3,167
Policyholder dividends	2,234	–	2,234
Increase in policyholders' reserves	31,404	(100)	31,304
Interests credited to policyholder contract deposits	2,033	–	2,033
	58,613	(2,219)	56,394

(2)

For the six months ended 30 June (in RMB million)	2011 Gross (Unaudited)	2011 Reinsurers' share (Unaudited)	2011 Net (Unaudited)
Long term life insurance contracts benefits	**65,004**	**(237)**	**64,767**
Short term life insurance claims	**1,663**	**(188)**	**1,475**
Property and casualty insurance claims	**19,125**	**(1,995)**	**17,130**
	85,792	**(2,420)**	**83,372**

For the six months ended 30 June (in RMB million)	2010 Gross (Unaudited)	2010 Reinsurers' share (Unaudited)	2010 Net (Unaudited)
Long term life insurance contracts benefits	43,972	(198)	43,774
Short term life insurance claims	1,433	(392)	1,041
Property and casualty insurance claims	13,208	(1,629)	11,579
	58,613	(2,219)	56,394

12. PROFIT BEFORE TAX

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

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Employee costs	**7,791**	6,165
Cost of sales from XJ Group	**–**	1,064
Interest expenses on investment contract reserves	**374**	238
Provision for insurance guarantee fund	**522**	401
Regulatory charges	**166**	135
Depreciation of investment properties	**154**	126
Depreciation of property and equipment	**603**	584
Amortization of intangible assets	**332**	319
Rental expenses	**1,008**	709
Advertising expenses	**1,212**	699
Traveling expenses	**332**	302
Other taxes	**99**	75
Postage and telecommunication expenses	**477**	328
Vehicle and vessel usage fees	**226**	316
Losses on disposal of settled assets	**26**	6
Losses/(gains) on disposal of investment properties, property and equipment	**(18)**	2
Provision for doubtful debts, net	**(74)**	213
Provision for loans, net	**261**	110
Other administrative expenses	**423**	454

13. INCOME TAX

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Current income tax	**3,306**	1,315
Deferred income tax	**(38)**	1,027
	3,268	2,342

14. OTHER COMPREHENSIVE INCOME

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Losses of available-for-sale financial assets arising during the period	**(6,256)**	(6,868)
Less: Income tax relating to available-for-sale financial assets	**1,455**	1,131
Reclassification adjustments for losses/(gains) included in income statement		
– Losses/(gains) on disposal	**(688)**	1,218
– Impairment losses	**942**	89
	(4,547)	(4,430)
Gains of shadow accounting adjustments arising during the period	**659**	2,070
Less: Income tax relating to shadow accounting adjustments	**(333)**	(302)
Reclassification adjustments for losses/(gains) included in income statement	**667**	(602)
	993	1,166
Exchange differences on translation of foreign operations	**51**	25
Share of other comprehensive income of associates	**(42)**	–
	(3,545)	(3,239)

15. DIVIDENDS

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Final dividend on ordinary shares declared for 2010: RMB0.40 per share (2009: RMB0.30 per share)	**3,058**	2,293
Interim dividend on ordinary shares approved (not recognized as a liability as at 30 June) for 2011: RMB0.15 per share (2010: RMB0.15 per share)	**1,187**	1,147

16. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the Company's net profit attributable to ordinary shareholders by the weighted average number of outstanding shares.

No adjustment has been made to the basic earnings per share presented for the periods ended 30 June 2011 and 2010 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issuance during both periods.

For the six months ended 30 June	2011 (Unaudited)	2010 (Unaudited)
Net profit attributable to ordinary shareholders (in RMB million)	**12,757**	9,611
Weighted average number of outstanding shares of the Company (million shares)	**7,644**	7,395
Basic earnings per share (in RMB)	**1.67**	1.30
Diluted earnings per share (in RMB)	**1.67**	1.30

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

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Cash on hand	**603**	755
Term deposits	**176,297**	134,928
Due from banks and other financial institutions	**54,349**	63,984
Placements with banks and other financial institutions	**2,116**	3,648
	233,365	203,315

As at 30 June 2011, RMB14,430 million of the term deposits (31 December 2010: RMB2,852 million) have been designated at fair value through profit or loss.

18. FIXED MATURITY INVESTMENTS

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Bonds	**553,217**	526,716
Debt schemes	**4,590**	1,070
Policy loans	**11,824**	8,431
Assets purchased under agreements to resell	**25,942**	17,435
Others	**12**	–
	595,585	553,652

BONDS

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Held-to-maturity, at amortized cost	**381,596**	339,012
Available-for-sale, at fair value	**153,205**	168,757
Carried at fair value through profit or loss		
– Held-for-trading	**10,932**	17,661
– Designated at fair value through profit or loss	**–**	72
Loans and receivables	**7,484**	1,214
	553,217	526,716
Government bonds	**132,452**	138,020
Central bank bills	**3,401**	15,667
Finance bonds	**248,125**	212,891
Corporate bonds	**169,239**	160,138
	553,217	526,716
Listed	**61,633**	56,897
Unlisted	**491,584**	469,819
	553,217	526,716

18. FIXED MATURITY INVESTMENTS (CONTINUED)

Set out below are the fair values of the Group's fixed maturity investments that are not carried at fair value in the financial statements.

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Held-to-maturity		
Bonds	**362,801**	331,290
Loans and receivables		
Bonds	**7,040**	1,214
Debt schemes	**4,551**	1,070
Policy loans	**11,824**	8,431
Assets purchased under agreements to resell	**25,942**	17,435
	412,158	359,440

As at 30 June 2011, bonds with a carrying amount of RMB111,319 million (31 December 2010: RMB107,225 million) were pledged as assets sold under agreements to repurchase. As of the date of approval of these condensed financial statements, RMB106,735 million of the above amount has been released from such pledge.

As at 30 June 2011, no assets purchased under agreements to resell (31 December 2010: RMB599 million) were pledged as assets sold under agreements to repurchase.

19. EQUITY INVESTMENTS

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Equity investment funds	**28,196**	28,027
Equity securities	**73,403**	54,947
Other equity investments	**5,685**	3,395
	107,284	86,369

(1) EQUITY INVESTMENT FUNDS

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Available-for-sale, at fair value	**25,202**	21,983
Held-for-trading	**2,994**	6,044
	28,196	28,027
Listed	**8,197**	6,916
Unlisted	**19,999**	21,111
	28,196	28,027

19. EQUITY INVESTMENTS (CONTINUED)

(2) EQUITY SECURITIES

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Available-for-sale, at fair value	**72,404**	51,688
Held-for-trading	**999**	3,259
	73,403	54,947
Listed	**73,226**	54,764
Unlisted	**177**	183
	73,403	54,947

(3) OTHER EQUITY INVESTMENTS

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Available-for-sale, at cost	**4,754**	3,395
Held-for-trading, at fair value	**931**	–
Unlisted	**5,685**	3,395

As at 30 June 2011, other equity investments and interests in subsidiaries with a carrying amount of RMB1,544 million (31 December 2010: RMB108 million) were pledged as assets sold under agreements to repurchase. As of the date of approval of these financial statements, RMB864 million of the above amount has been released from such pledge.

20. LOANS AND ADVANCES TO CUSTOMERS

(1) LOANS AND ADVANCES BY INDIVIDUAL AND CORPORATE CUSTOMERS

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Individual customers		
Credit card loans	**12,002**	10,559
Mortgage loans	**27,201**	25,767
Others	**7,422**	8,143
Corporate customers		
Loans	**97,842**	86,828
Discounted bills	**1,582**	2,199
Gross	**146,049**	133,496
Loan loss provision		
Individually assessed	**(382)**	(398)
Collectively assessed	**(1,304)**	(1,138)
	(1,686)	(1,536)
Net	**144,363**	131,960

20. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(2) LOAN LOSS PROVISION

(in RMB million)	Individually assessed (Unaudited)	Collectively assessed (Unaudited)	Total (Unaudited)
As at 1 January 2011	**398**	**1,138**	**1,536**
Charge/(reversal) for the period	**(9)**	**270**	**261**
Write-backs during the period			
Accreted interests on impaired loans	**(3)**	**-**	**(3)**
Write-backs due to other reasons	**(4)**	**(104)**	**(108)**
As at 30 June 2011	**382**	**1,304**	**1,686**

(in RMB million)	Individually assessed (Unaudited)	Collectively assessed (Unaudited)	Total (Unaudited)
As at 1 January 2010	211	720	931
Charge for the period	10	100	110
Write-backs during the period			
Accreted interests on impaired loans	(7)	–	(7)
Write-backs due to other reasons	(2)	–	(2)
As at 30 June 2010	212	820	1,032

At as 30 June 2011, loans with a carrying amount of RMB107 million (31 December 2010: RMB195 million) were pledged as assets sold under agreements to repurchase. As of the date of approval of these financial statements, the above amount has been released from such pledge.

21. INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

The Group's investments in principal associates and jointly controlled entities as at 30 June 2011 are as follows:

(in RMB million) Name of the invested entity	**30 June 2011 (Unaudited)**	31 December 2010 (Audited)
Shenzhen Development Bank Co., Ltd. ("SDB")	**28,031**	26,890
Beijing-Shanghai High-speed Railway Equity Investment Scheme	**6,300**	6,300
Central China Securities Holding Co., Ltd.	**2,169**	2,180
XJ Group	**177**	187
Veolia Water (Kunming) Investment Co., Ltd.	**206**	197
Veolia Water (Yellow River) Investment Co., Ltd.	**636**	629
Veolia Water (Liuzhou) Investment Co., Ltd.	**112**	110
Shanxi Taichang Expressway Co., Ltd.	**898**	894
Hubei Shumyip Huayin Traffic Development Co., Ltd.	**340**	404
Hangzhou Sundy Real Estate Group Co., Ltd.	**515**	489
Ping An Cai Fu Jinkang Trust Schemes of Collective Funds	**89**	92
Shaoxing Pingan New Capital Co., Ltd.	**36**	37
Zhong You Jin Hong Natural Gas Transmission Co., Ltd.	**460**	437
Xi'an Ruilian Modern Electronic Chemical Co., Ltd.	**316**	313
Sensible Asset Management Hong Kong Ltd.	**14**	15
Others	**361**	427
	40,660	39,601

22. OTHER ASSETS

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Due from Jinjun Limited*	**16,134**	–
Other receivables**	**7,264**	5,491
Due from reinsurers	**3,983**	2,830
Interest receivables	**18,017**	14,179
Others	**2,746**	1,926
	48,144	24,426

*: Details are described in Note 23.

**: Since 1 January 2009, the Group has implemented the *Interpretation No.2 to China Accounting Standards* and the *Regulation on Accounting for Insurance Contracts* (Caikuai [2009] No.15) issued by the Ministry of Finance. As the relevant tax laws and regulations have not clarified the tax treatment on the prior year profit adjustments from the implementation of the above interpretation, the Group accrued the corporate income tax based on its understanding and judgement of the current prevailing tax laws and regulations when preparing the financial statements. As there is a difference between the accrued corporate income tax amount and the actual payment of the corporate income tax, the Group recorded this difference of RMB3,399 million in other assets as at 30 June 2011 as prepaid income tax. The amount and timing as to the recoverability of such prepaid tax is subject to further regulations from the relevant tax authorities.

23. SHARE CAPITAL

(in millions)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Number of shares issued with a par value of RMB1 each	**7,916**	7,644

In June 2011, the Company issued 272 million H shares to Jinjun Limited, a company wholly owned by Chow Tai Fook Nominee Limited, for the aggregate consideration of HKD19,448 million. As at 30 June 2011, the above mentioned consideration was deposited into an escrow bank account under the name of Jinjun Limited but controlled by the Company and was included in other assets of the Company. As at 8 July 2011, the deposit was transferred to the Company's bank account from the escrow account and verified by CPAs. As at the date of approval of these financial statements, the relevant business registration change procedures were in progress.

24. CUSTOMER DEPOSITS AND PAYABLES TO BROKERAGE CUSTOMERS

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Current and savings accounts		
– Corporate customers	**57,112**	57,927
– Individual customers	**18,543**	19,371
Term deposits		
– Corporate customers	**69,522**	57,165
– Individual customers	**11,911**	12,319
Guarantee deposits	**32,189**	16,078
Payables to brokerage customers		
– Corporate customers	**1,291**	1,762
– Individual customers	**8,036**	11,341
	198,604	175,963

25. INSURANCE CONTRACT LIABILITIES

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Policyholders' reserves	**439,988**	395,159
Policyholder contract deposits	**179,930**	155,628
Policyholder account liabilities in respect of insurance contracts	**36,818**	40,284
Unearned premium reserves	**38,710**	30,842
Claim reserves	**22,518**	18,034
	717,964	639,947

26. BONDS PAYABLE

Type	Issuer	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Subordinated bonds	Ping An Property & Casualty Insurance Company of China, Ltd.	**4,570**	4,548
Subordinated bonds	Ping An Bank Co., Ltd. ("Ping An Bank")	**2,993**	2,992
Offshore Renminbi bonds	Value Success International Limited	**1,995**	–
		9,558	7,540

The Group's subordinated bonds are both unsecured and with a maturity period of 10 years. The issuers have the option to redeem the bonds at the end of the fifth year.

The Group's offshore Renminbi bonds with a maturity period of 3 years, are guaranteed by China Ping An Insurance Overseas (Holdings) Limited, which is the holding company of Value Success International Limited.

27. CASH AND CASH EQUIVALENTS

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Balances with central bank	**7,426**	7,481
Cash and amounts due from banks and other financial institutions		
– Cash on hand	**603**	755
– Term deposits	**9,884**	952
– Due from banks and other financial institutions	**43,785**	48,553
– Placements with banks and other financial institutions	**2,116**	3,548
Equity investments		
– Money market funds	**1,498**	4,657
Fixed maturity investments		
– Assets purchased under agreements to resell	**11,741**	14,992
	77,053	80,938

28. FIDUCIARY ACTIVITIES

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Assets under trust schemes	**154,458**	133,356
Assets under asset management schemes	**51,319**	25,089
Assets under corporate annuity schemes	**33,476**	29,350
Entrusted loans	**3,688**	2,604
	242,941	190,399

All of the above are off-balance sheet items.

29. FAIR VALUE AND THE FAIR VALUE HIERARCHY

The methods used to determine fair values of financial assets and liabilities are disclosed in the 2010 annual report of the Group, including a breakdown of fair value determined by reference to published price quotations in active markets (Level 1), by using valuation techniques supported by observable inputs (Level 2) and by using valuation techniques supported by unobservable inputs (Level 3).

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

	30 June 2011			
(in RMB million)	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Carried at fair value through profit or loss				
Bonds	**593**	**10,278**	**61**	**10,932**
Equity investment funds	**2,616**	**378**	**–**	**2,994**
Equity securities	**999**	**–**	**–**	**999**
Others	**862**	**14,711**	**–**	**15,573**
	5,070	**25,367**	**61**	**30,498**
Derivative financial assets				
Interest rate swaps	**–**	**5**	**–**	**5**
Currency forwards and swaps	**–**	**15**	**–**	**15**
	–	**20**	**–**	**20**
Available-for-sale financial assets				
Bonds	**19,950**	**133,255**	**–**	**153,205**
Equity investment funds	**24,927**	**275**	**–**	**25,202**
Equity securities	**66,164**	**6,063**	**177**	**72,404**
Others	**496**	**–**	**–**	**496**
	111,537	**139,593**	**177**	**251,307**
Total financial assets	**116,607**	**164,980**	**238**	**281,825**
Financial liabilities				
Derivative financial liabilities				
Interest rate swaps	**–**	**4**	**–**	**4**
Currency forwards and swaps	**–**	**6**	**–**	**6**
Credit default swaps	**–**	**–**	**–**	**–**
Total financial liabilities	**–**	**10**	**–**	**10**

29. 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):

	31 December 2010			
(in RMB million)	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Carried at fair value through profit or loss				
Bonds	740	16,931	62	17,733
Equity investment funds	5,957	87	–	6,044
Equity securities	3,259	–	–	3,259
Others	–	3,628	–	3,628
	9,956	20,646	62	30,664
Derivative financial assets				
Interest rate swaps	–	2	–	2
Currency forwards and swaps	–	4	–	4
	–	6	–	6
Available-for-sale financial assets				
Bonds	21,876	146,881	–	168,757
Equity investment funds	21,743	240	–	21,983
Equity securities	46,125	5,383	180	51,688
	89,744	152,504	180	242,428
Total financial assets	99,700	173,156	242	273,098
Financial liabilities				
Derivative financial liabilities				
Interest rate swaps	–	2	–	2
Currency forwards and swaps	–	10	–	10
Credit default swaps	–	3	–	3
Total financial liabilities	–	15	–	15

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 transfers between Level 1 and Level 2 fair value measurements, and no transfer into or out of Level 3 fair value measurements.

30. RISK AND CAPITAL MANAGEMENT

(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 DPF, 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' behaviour and decisions.

30. 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.

(a) Long term life insurance contracts

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

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

The principal assumption 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. Judgement 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.

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.

(2) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

(a) Currency risk

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 currency risk faced by 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 currency risk by minimizing its net foreign currency position.

30. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK (CONTINUED)

(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 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 rate 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 instrument and is fixed until maturity.

(3) CREDIT RISK

Credit risk refers to the risk of losses incurred by the inabilities of debtors or counterparties to fulfill their contractual obligations or by the adverse changes in their credit conditions. The Group is exposed to credit risk primarily associated with its deposit arrangements with commercial banks, loans and advances to customers, investments in bonds, equity investments, reinsurance arrangements with reinsurers, policy loans, etc.. The Group mitigates credit risk by using a variety of controls including credit control policies, credit analysis on potential investments, and imposing aggregate counterparty exposure limits.

The Group's banking business carries out credit assessment before granting credit to customers and monitors the credit granted on a regular basis. Credit risk is also managed through obtaining collateral and guarantees. In the case of off-balance sheet credit related commitments, guarantee deposits are in general received by the Group to reduce credit risk.

30. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(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 seeks to mitigate the liquidity risk of the banking business by optimizing the structure of its assets and liabilities, maintaining stable deposits, etc..

(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 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, however, 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 during the period and no changes were made to its capital base, objectives, policies and processes for managing capital from the previous period.

31. MATURITY PROFILE OF FINANCIAL INSTRUMENTS

A maturity analysis for certain financial assets and liabilities that shows the remaining contractual maturities is presented below:

(in RMB million)	On demand (Unaudited)	Within 3 months (Unaudited)	3-12 months (Unaudited)	1-5 years (Unaudited)	More than 5 years (Unaudited)	Total (Unaudited)
	30 June 2011					
Assets:						
Cash and amounts due from banks and other financial institutions	**61,777**	**21,917**	**25,345**	**112,585**	**11,741**	**233,365**
Bonds						
– Loans and receivables	**–**	**100**	**–**	**1,384**	**6,000**	**7,484**
– Held-to-maturity	**–**	**5,599**	**13,409**	**74,413**	**288,175**	**381,596**
– Available-for-sale	**–**	**1,697**	**4,522**	**67,731**	**79,255**	**153,205**
– Held-for-trading	**–**	**914**	**3,982**	**3,340**	**2,696**	**10,932**
Debt schemes	**–**	**–**	**–**	**736**	**3,854**	**4,590**
Others	**–**	**12**	**–**	**–**	**–**	**12**
Loans and advances to customers	**1,106**	**28,820**	**50,937**	**35,315**	**28,185**	**144,363**
Liabilities:						
Due to banks and other financial institutions	**7,930**	**19,318**	**4,868**	**7,365**	**2,589**	**42,070**
Customer deposits and payables to brokerage customers	**103,034**	**46,901**	**39,221**	**9,448**	**–**	**198,604**
Bonds payable	**–**	**–**	**–**	**1,994**	**7,564**	**9,558**

(in RMB million)	On demand (Audited)	Within 3 months (Audited)	3-12 months (Audited)	1-5 years (Audited)	More than 5 years (Audited)	Total (Audited)
	31 December 2010					
Assets:						
Cash and amounts due from banks and other financial institutions	61,571	11,334	18,478	108,690	3,242	203,315
Bonds						
– Loans and receivables	–	150	100	964	–	1,214
– Held-to-maturity	–	599	20,810	64,304	253,299	339,012
– Available-for-sale	–	4,653	8,759	69,974	85,371	168,757
– Held-for-trading	–	1,574	5,625	6,905	3,557	17,661
– Designed at fair value through profit or loss	–	72	–	–	–	72
Debt schemes	–	–	–	236	834	1,070
Loans and advances to customers	696	28,764	47,247	33,885	21,368	131,960
Liabilities:						
Due to banks and other financial institutions	9,912	14,126	5,243	7,035	2,506	38,822
Customer deposits and payables to brokerage customers	90,531	38,422	37,075	9,935	–	175,963
Bonds payable	–	–	–	–	7,540	7,540

32. SIGNIFICANT RELATED PARTY TRANSACTIONS

(1) The summary of significant related party transactions is as follows:

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Interest income from		
SDB	**62**	26
Interest expense to		
The Hongkong and Shanghai Banking Corp., Ltd. ("HSBC")	**3**	–
SDB	**3**	1

(2) The summary of balances of the Group with related parties is as follows:

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
HSBC		
Cash and amounts due from banks and other financial institutions	**143**	105
Due to banks and other financial institutions	**841**	530
SDB		
Cash and amounts due from banks and other financial institutions	**3,205**	3,293
Interest receivable	**186**	145
Bonds payable	**100**	100

(3) Key management personnel comprise the Company's directors, supervisors, and senior officers as defined in the Company's articles of association. The summary of compensation of key management personnel for the year is as follows:

For the six months ended 30 June (in RMB million)	2011 (Unaudited)	2010 (Unaudited)
Salaries and other short term employee benefits	**27**	16

33. CONTINGENT LIABILITIES

Owing to the nature of the insurance and financial service business, the Group is involved in 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 any 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 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.

34. COMMITMENTS

(1) CAPITAL COMMITMENTS

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

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Contracted, but not provided for	**1,829**	2,125
Authorized, but not contracted for	**7,754**	8,301
	9,583	10,426

(2) OPERATING LEASE COMMITMENTS

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

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Within 1 year	**1,631**	1,512
1 – 5 years	**2,723**	2,707
More than 5 years	**283**	320
	4,637	4,539

(3) CREDIT COMMITMENTS

(in RMB million)	30 June 2011 (Unaudited)	31 December 2010 (Audited)
Irrevocable loan commitments		
– Within one year under original maturity	**83,664**	51,853
– One year or above under original maturity	**14,995**	12,228
– Credit limit of credit cards	**37,764**	37,795
	136,423	101,876
Financial guarantee contracts		
– Letters of credit issued	**1,087**	1,388
– Guarantees issued	**14,598**	13,001
– Bank acceptance	**34,111**	24,816
	49,796	39,205
	186,219	141,081

Irrevocable loan commitments represent contractual amounts to grant loans to customers in future. Irrevocable loan commitments contain unused credit card facilities. Since the commitment amounts and credit card facilities are the maximum amount that could be used by customers, the total contract amounts do not necessarily represent future cash outflow requirements.

Financial guarantee contracts commit the Group to make payments on behalf of customers upon the failures of the customers to perform under the terms of the contracts.

34. COMMITMENTS (CONTINUED)

(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 2011 (Unaudited)	31 December 2010 (Audited)
Within 1 year	**548**	249
1 – 5 years	**1,623**	406
More than 5 years	**172**	186
	2,343	841

35. EVENTS AFTER THE REPORTING PERIOD

(1) In September 2010, the Company and SDB entered into a share subscription agreement. According to the agreement, the Group would subscribe for 1,638 million ordinary A shares specifically issued by SDB, and the consideration would be 90.75% of Ping An Bank's total shares held by the Company and RMB2,690 million in cash. As at 30 June 2011, the transaction was approved by regulators.

On 8 July 2011, the Company transferred 90.75% of Ping An Bank's shares to SDB and the relevant business registration change procedures were completed on 12 July 2011. On 18 July 2011, the Company transferred the cash consideration of RMB2,690 million to SDB. Upon the completion of the transaction, the Group has held 52.38% of SDB's total shares and SDB has become a subsidiary of the Group. On 20 July 2011, SDB registered the 1,638 million specifically issued ordinary A shares via China Securities Depository and Clearing Corporation Limited.

Because the above acquisition was effected shortly before the date of approval of these financial statements and the valuation of the acquiree's identifiable assets and liabilities is in progress, it is not practical to disclose further details about the acquisition.

(2) On 17 August 2011, the board of directors of the Company approved the 2011 interim dividend distribution of RMB0.15 per ordinary share totalling RMB1,187 million.

36. COMPARATIVE FIGURES

Certain comparative figures have been reclassified and restated to conform to the current period's presentation.

37. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved and authorized for issue by the board of directors on 17 August 2011.

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 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
Ping An Overseas Holdings	China Ping An Insurance Overseas (Holdings) Limited, 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 Processing & Technology	Ping An Processing & Technology (Shenzhen) Co., Ltd., a subsidiary of Ping An Overseas Holdings
Ping An Technology	Ping An Technology (Shenzhen) Co., Ltd., a subsidiary of Ping An Overseas Holdings
Ping An Channel Development	Ping An Channel Development Consultation Service Company of Shenzhen, Ltd., a subsidiary of Ping An Trust
Ping An Marketing Services	Shenzhen Ping An Marketing Services Co., Ltd., a subsidiary of Ping An Trust
Ping An-UOB Fund	Ping An-UOB Fund Management Company Limited, a subsidiary of Ping An Trust
SDB, Shenzhen Development Bank	Shenzhen Development Bank Co., Ltd.

Definition

Discovery	Discovery Holdings Limited
CAS	The Accounting Standards for Business Enterprises and the other relevant regulations issued by the Ministry of Finance of the People's Republic of China
IFRS	International Financial Reporting Standards issued by International Accounting Standards Board
Written premiums	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
CSRC	China Securities Regulatory Commission
CIRC	China Insurance Regulatory Commission
CBRC	China Banking Regulatory Commission
MOF	Ministry of Finance of the People's Republic of China
PBOC	The People's Bank of China
Stock Exchange	The Stock Exchange of Hong Kong Limited
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
Code on Corporate Governance Practices	the Code on Corporate Governance Practices as contained in Appendix 14 to the 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 Listing Rules
Articles of Association	the Articles of Association of Ping An Insurance (Group) Company of China, Ltd
MOC	Ministry of Commerce of the People's Republic of China

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