All members of the Board of Directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended December 31, 2014.

**PRINCIPAL ACTIVITIES**
The principal activities of the Group comprise the provision of a wide range of financial products and services with a focus on the three core businesses, namely, insurance, banking and investment. There were no significant changes in the nature of the Group’s principal activities during the year.

**MAJOR CUSTOMERS**
In the year under review, operating income from the Group’s five largest customers accounted for less than 1% of the total operating income for the year.

None of the Directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company’s issued share capital) had any beneficial interest in the Group’s five largest customers.

**SUMMARY FINANCIAL INFORMATION**
A summary of the published results, assets and liabilities of the Group for the last five years is set out in “Five-Year Summary”.

**IMPLEMENTATION OF CASH DIVIDEND POLICY AND PROFIT DISTRIBUTION PROPOSAL DURING THE REPORTING PERIOD**

**Cash Dividend Policy**
According to rule 213 of the Articles of Association, the Company shall attach importance to the reasonable investment returns of investors in terms of its profit distribution. The profit distribution policy of the Company shall maintain its continuity and stability. The accumulated profit to be distributed in cash for any three consecutive years shall not be less than 30% of the average annual distributable profit realized in the three years, provided that the annual distributable profits of the Company (namely profits after tax of the Company after covering the losses and making contributions to the revenue reserve) are positive in value and such distributions are in compliance with the prevailing laws and regulations and the requirements of regulatory authorities for solvency ratio. In determining the specific ratio of distribution of cash dividend, the Company shall take into account its profit, cash flow, solvency and operation and business development requirements. The board of directors of the Company shall be responsible for formulating and implementing a distribution plan according to the provisions of the Articles of Association.

In preparing profit distribution plans, the Board of Directors of the Company shall listen and absorb views and advice from shareholders (in particular, the minority shareholders), independent directors and independent supervisors through various ways. Independent directors of the Company shall express their independent opinions on the profit distribution plans. When a specific cash dividends distribution plan is put forward for consideration at a general meeting, a variety of channels shall be provided for active communication and opinion exchange with shareholders (in particular, the minority shareholders), whose opinions and demands shall be fully heard and prompt response shall be given to any issues the minority shareholders are concerned.

Where adjustment to our profit distribution policy is required due to the applicable national laws and regulations and new rules promulgated by the CSRC regarding profit distribution policies of listed companies or significant changes in the external business environment and/or operating situations of the Company, it shall be done for the purpose of safeguarding the shareholders’ interests and in strict compliance with the decision-making process. To this end, the Board of Directors of the Company shall work out an adjustment plan based on the operating situations of the Company and the relevant regulations of the CSRC, and then submit the same to the general meeting for consideration and approval. Implementation of the adjustment plan is conditional upon approval by shareholders (including their proxies) holding more than two-thirds of voting rights present at the general meeting.
Implementation of Profit Distribution Proposal
The 2013 annual profit distribution proposal of the Company was considered and passed at the 2013 Annual General Meeting of the Company held on June 12, 2014. The Company paid in cash the 2013 final dividend of RMB0.45 (tax inclusive) per share, in a total amount of RMB3,562,266,808.35, based on its 7,916,148,463 shares in issue. The Independent Non-executive Directors of the Company have made independent opinion to agree with the profit distribution proposal. The record date for the distribution of dividends of A shares was June 26, 2014, and the dividend distribution date of A shares was June 27, 2014. The record date for the distribution of dividends of H shares was July 2, 2014, and the dividend distribution date of H shares was August 8, 2014.

The interim profit distribution proposal for 2014 was considered and passed by the 15th meeting of the 9th Session of the Board of Directors of the Company held on August 19, 2014. The Company paid in cash the 2014 interim dividend of RMB0.25 (tax inclusive) per share, in a total amount of RMB1,979,051,313.25, based on its 7,916,205,253 shares in issue. The Independent Non-executive Directors of the Company had agreed with the profit distribution proposal unanimously. The record date for the distribution of dividends of A shares was September 11, 2014, and the dividend distribution date of A shares was September 12, 2014. The record date for the distribution of dividends of H shares was September 17, 2014, and the dividend distribution date of H shares was October 17, 2014.

The decision-making procedure and mechanism of the above profit distribution proposals were complete, and the dividend payout standard and proportion were clear. The above profit distribution proposals were in line with the Articles of Association and relevant deliberation procedures and had fully protected the legitimate interests of medium and small investors. The announcements on the resolution of the general meeting and the board meeting were published in China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily on June 13, 2014 and August 20, 2014, respectively. The announcements regarding the distribution of 2013 final dividend and 2014 interim dividend of the Company were published on the websites of SSE and HKEx, and in China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily printed on June 20, 2014 and September 5, 2014, respectively. The implementation of the above-mentioned distribution proposals has been completed.

ANNUAL RESULTS AND PROFIT DISTRIBUTION
The Group’s results in 2014 are set out in the section titled “FINANCIAL STATEMENTS”.

As stated in the 2014 audited financial statements of the Group prepared under CAS, the net profit attributable to shareholders of the parent company was RMB39,279 million and net profit of the parent Company was RMB7,214 million. Pursuant to the Articles of Association and other relevant requirements, the Company shall make appropriation to the statutory surplus reserve fund based on 10% of the net profit of the Company as shown in the financial statements under CAS before determining the profit available for distribution to shareholders. Appropriation to the statutory surplus reserve fund may cease to apply if the balance of the statutory surplus reserve fund reached an amount equal to 50% of the registered capital of the Company. After making the above profit distribution and taking into account the retained profit carried forward from last year, according to the Articles of Association and other relevant requirements, the profit available for distribution to shareholders was RMB32,678 million.

The Company had distributed an interim dividend of RMB0.25 (tax inclusive) per share for 2014, which amounted to a total of RMB1,979,051,313.25. The Company proposes to pay in cash the 2014 final dividend of RMB0.50 (tax inclusive) per share, in a total amount of RMB4,570,060,352.50, based on its latest capital in issue of 9,140,120,705 shares. The remaining profit will be carried forward to 2015. In addition, the Company also proposes to convert the capital reserve into share capital in the proportion of 10 shares for every 10 shares held. The total value of shares increased due to the conversion will be RMB9,140,120,705. The retained profits are mainly for the purpose of endogenous capital accumulation, so as to maintain a reasonable solvency ratio as well as funding to subsidiaries so that they can maintain a reasonable solvency ratio or capital adequacy ratio.
The above proposal will be implemented upon approval at the 2014 Annual General Meeting. The profit distribution proposal is in line with the Articles of Association and relevant deliberation procedures and fully protects the legitimate interests of medium and small investors. The Independent Non-executive Directors of the Company have made independent opinion to agree with the profit distribution proposal.

Particulars on dividend payouts of the Company over the past three years are set out as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash dividend issued for each share during the year (in RMB Yuan)</th>
<th>Cash dividend amount (including tax)</th>
<th>Net profit attributable to shareholders of the parent company (in RMB million)</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013(2)</td>
<td>0.65</td>
<td>5,145</td>
<td>28,154</td>
<td>18.3</td>
</tr>
<tr>
<td>2012(2)</td>
<td>0.45</td>
<td>3,562</td>
<td>20,050</td>
<td>17.8</td>
</tr>
<tr>
<td>2011(2)</td>
<td>0.40</td>
<td>3,166</td>
<td>19,475</td>
<td>16.3</td>
</tr>
</tbody>
</table>

(1) Cash dividends include interim dividend and final dividend of the year.
(2) Profit distribution for each year has been completed during their corresponding years.

**DISTRIBUTABLE RESERVES**

As at December 31, 2014, the Company’s reserves available for distribution totalled RMB32,678 million, the Company has proposed to distribute the 2014 final dividend of RMB0.50 (tax inclusive) per share in cash. After deducting the 2014 final dividend, the retained profits were carried forward to 2015. In addition, the Company’s capital reserve and surplus reserve fund amount to RMB135,005 million. The Company has proposed to convert the capital reserve of RMB9,140 million into share capital in the proportion of 10 shares for every 10 shares held. The remaining reserve fund may be distributed by a future capitalization issue.

**MANAGEMENT DISCUSSION AND ANALYSIS**

For management discussion and analysis, please refer to the section headed “Management Discussion and Analysis”.

**USE OF PROCEEDS**

An aggregate of 594,056,000 new H Shares have been successfully allotted and issued by the Company on December 8, 2014 and the gross proceeds raised from the placing were HK$36,831,472,000, the net proceeds raised from the placing were approximately HK$36,480,684,404.91. The proceeds raised from the placing were used to develop the main business and replenish the equity and working capital of the Company, and the use of the proceeds raised is consistent with the use that was passed by the meeting of the Board of Directors. As at December 31, 2014, HK$32,986 million from the placing is kept in the fund-raising account, and the rest has been used.

**PARTICULARS ON INVESTMENT DURING THE REPORTING PERIOD**

The non-raised fund of the Company mainly comes from its core insurance business. The Company has been strictly following the relevant requirements of CIRC on the application of insurance fund. All investment in relation to insurance fund was conducted in the normal course of operation.

**EQUITY INVESTMENT DURING THE REPORTING PERIOD**

For equity investment, please refer to the section headed “Significant Events”.

**SHARE CAPITAL**

The change in the share capital of the Company in 2014 and the share capital structure of the Company as at December 31, 2014 are set out in “Changes in the Share Capital and Shareholders’ Profile”.
RESERVES
Details of movements in the reserves of the Company and the Group during the year are set out in note 35 to the consolidated financial statements and in the “Consolidated Statement of Changes in Equity”, respectively.

CHARITABLE AND OTHER DONATIONS
Charitable donations made by the Company during 2014 totalled RMB55 million.

PROPERTY AND EQUIPMENT AND INVESTMENT PROPERTIES
Details of movements in property and equipment and investment properties of the Group during the year are set out in notes 31 and 30 to the consolidated financial statements, respectively.

PRE-EMPTIVE RIGHTS
There are no provisions regarding pre-emptive rights under the Company Law of the PRC or the Articles of Association, which would oblige the Company to issue new shares to its existing shareholders in proportion to their existing shareholdings.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY
Neither the Company, nor any of its subsidiaries, had purchased, sold or redeemed any of the Company’s listed shares during the Reporting Period.

DIRECTORS AND SUPERVISORS
During 2014, the information about Directors and Supervisors of the Company are set out in “Corporate Governance Report” and “Report of the Supervisory Committee”.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT
Biographical details of Directors, Supervisors and Senior Management are set out in “Directors, Supervisors, Senior Management and Employees”.

DIRECTORS’ AND SUPERVISORS’ SERVICE CONTRACTS AND REMUNERATION
According to the resolutions of the 25th Meeting of the 7th Session of the Board of Directors and the 2nd Meeting of the 7th Session of the Supervisory Committee of the Company, the Company entered into service contracts with all Directors of the 9th Session of the Board of Directors and all Supervisors of the 7th Session of the Supervisory Committee, respectively in July 2012 and August 2012, and entered into service contracts with newly appointed Directors, Mr. Yip Dicky Peter, Mr. Wong Oscar Sail Hung, Mr. Sun Dongdong, Mr. Soopakij Chearavanont, Mr. Yang Xiaoping, Mr. Lu Hua and Mr. Lee Yuansiong, and also with newly appointed Supervisor, Ms. Zhang Wangjin in July 2013, respectively. The Company entered into service contracts with newly appointed Director, Ms. Cai Fangfang, in July 2014. Terms, duties, remuneration expenses and confidentiality duties of Directors and Supervisors, and commencement and termination of contracts were specified in the service contracts. As at December 31, 2014, no Directors or Supervisors had a service contract with the Company which was not terminable by the Company within one year without payment of compensation other than statutory compensation.

Details of remuneration of the Directors and Supervisors for the year ended December 31, 2014 are set out in note 51 to the consolidated financial statements.

DIRECTORS’ AND SUPERVISORS’ INTERESTS IN MATERIAL CONTRACTS
No Directors or Supervisors had a material interest, directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during 2014.

DIRECTORS’ AND SUPERVISORS’ INTERESTS AND SHORT POSITIONS IN SHARES
Details of Directors’ and Supervisors’ interests and short positions in shares are set out in the section entitled “Directors, Supervisors, Senior Management and Employees”.
DIRECTORS’ AND SUPERVISORS’ RIGHTS TO ACQUIRE SHARES
At no time during the year were rights to acquire benefits by means of the acquisition of shares or debentures of the Company granted to any Directors, Supervisors or their respective spouse or minor children, nor were any such rights exercised by them, or was the Company, or any of its subsidiaries a party to any arrangement to enable the Directors or Supervisors to acquire such rights in any other body corporate.

DIRECTORS’ AND SUPERVISORS’ INTERESTS IN A COMPETING BUSINESS
During 2014, the following person is considered to have interests in a business which competes or is likely to compete, directly or indirectly, with the business of the Group, as defined in the HKEx Listing Rules, as set out below:

Mr. Lin Li, a Shareholder Representative Supervisor of the Company, is the de facto controller of Shenzhen Liye Group Co., Ltd.. Its subsidiary, Chinalin Security Company Limited, is engaged in stockbrokerage, securities investment consultancy, securities underwriting and sponsor and securities dealing. As its businesses overlapped with Ping An Securities, a subsidiary of the Company, that competes with the Company. Save as disclosed, as far as the Directors are aware, none of the Directors and Supervisors had any competing interest in a business, which competes or is likely to compete, either directly or indirectly, with the Group’s business.

SPECIALIZED COMMITTEES UNDER THE BOARD
The Company has established a Strategy and Investment Committee, an Audit and Risk Management Committee, a Remuneration Committee and a Nomination Committee. For details regarding these specialized Board committees, please see the relevant sections in the “Corporate Governance Report”.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES
For details regarding substantial shareholders’ and other persons’ interests and short positions in shares and underlying shares, please refer to section entitled “Changes in the Share Capital and Shareholders’ Profile”.

CONTINUING CONNECTED TRANSACTIONS
For details regarding continuing connected transactions, please refer to section entitled “Significant Events”.

POST BALANCE SHEET EVENTS
Details of the significant post balance sheet events of the Group are set out in note 57 to the financial statements.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE CONTAINED IN APPENDIX 14 TO THE HKEX 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 Corporate Governance Code for any part of the period from January 1, 2014 to December 31, 2014, 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. Further details of the Company’s arrangements and considered 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 are set out under the section headed “Corporate Governance Report”.

ESTABLISHMENT AND IMPLEMENTATION OF THE ADMINISTRATION SYSTEM FOR INSIDE INFORMATION AND REGISTRATION
Details of the establishment and implementation of the administration system for inside information and registration are set out under “Information Disclosure and Implementation of the Registration and Administration Policy for Persons with Insider Information” in “Corporate Governance Report”.

Report of the Board of Directors
AUDITORS
According to the resolutions of the 2013 Annual General Meeting of the Company, the Company continued to appoint PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the auditors of the Company’s financial statements under CAS and IFRS, and continued to appoint PricewaterhouseCoopers Zhong Tian LLP as the auditors of the Company for internal control in 2014.

Ernst & Young Hua Ming LLP and Ernst & Young acted as the auditors of the Company’s financial statements under CAS and IFRS in 2012. Ernst & Young Hua Ming LLP also acted as the auditors of the Company for internal control in 2012.

SUFFICIENCY OF PUBLIC FLOAT
Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this Annual Report, being March 19, 2015, at all times during the year ended December 31, 2014, not less than 20% of the issued share capital of the Company (being the minimum public float applicable to the shares of the Company) was held in public hands.

By order of the Board of Directors

Ma Mingzhe
Chairman and Chief Executive Officer

Shenzhen, PRC
March 19, 2015