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China | Banking

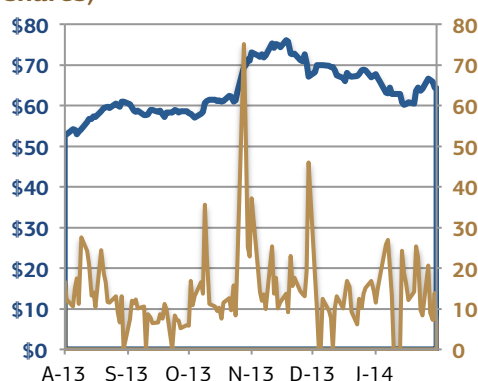
# Ping An Insurance Group (2318 HK)

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## Trust maturities could be catalyst

Ping An (2318 HK) share price in HKD (blue) and volume (gold, in mln shares)



Source: Bloomberg

### Ping An Group (2318 HK)

Price	USD 64.25
Rating	<b>SELL</b>
Price Target	<b>HKD 44.69</b>
Downside	<b>30%</b>
Market Cap	USD 438.9B
Avg 30-Day Vol	15.1 M
P/E	14.62
Free Float	25%

Source: Bloomberg

#### – Roll-in to disaster

We believe Ping An will be forced to cover losses for the defaulted private equity product from Roll-in Capital, a gray-market investment bank. This will be an immediate hit of roughly 300mln RMB, but presages worse to come.

#### – Trust maturity pressure

We estimate Ping An Trust has roughly RMB 70 bln of funding needs owing to maturing trust products. These products are overwhelmingly tied to property. Whether Ping An can reach such high trust product sales levels is far from certain.

#### – Reiterate Sell, adjust price target to HKD 44.69

Our assumptions about profitability of “good” assets and recovery rates given default are no longer tenable given what we know about recent defaults. We adjust our price target down to HKD 44.69 based on multiple of book value.

# They see me roll-in

A number of Chinese financial institutions may be on the hook for China’s most recent WMP default, and Ping An is more exposed than anyone. The default involves three private equity funds originated by Roll-in Capital, a grey market investment bank, private equity, and VC institution based in Beijing.

**Table 1. Roll-in WMPs**

Product	Project	Size (RMB 000s)	Status
China Commercial Wealth Roll-in Fund Phase 12	Chengdu Jinniu District "Yujia New Homes" resettlement project	240,000	Default
China Commercial Wealth Roll-in Fund Phase 13	Chengdu Qingbaijiang District Resettlement project	350,000	Default
China Commercial Wealth Roll-in Fund Phase 14	Chengdu Guang An Jiezi Industrial Park Land Reclamation	180,000	Default
Accrued Interest		100,000	
China Commercial Wealth Roll-in Fund Phase 16	Tengzhou, Shandong cold storage facility	50,000	Due 4/11/2014

**We believe Ping An will be held liable for the default of Roll-in PE products**

Source: Licaidian.com, Sohu.com, mc-test.com

Roll-in’s “Zhongshang Caifu Rongdian” product line totaling approximately RMB 1 bln in principal and accrued interest are several months past due. They still have not paid out to investors. The funds were engaged in project financing, and lent money to social housing and land reclamation projects in the Jinniu, Baijiang, and Guang’an districts of Chengdu.

The media is widely reporting that the products went bust because the funds were misallocated. Pinning the blame on embezzlement suggests there is no endemic financial problem; i.e., there may be a few criminal elements here and there, but the system is healthy. Nothing could be further from the truth.

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Chengdu Jinniu District Yujia New Homes Project. Blue lettering on white post reads “Yujia New Homes Project Phase 1.” Feb 20, 2014. Photo by J Capital Research.



Chengdu Jinniu District Yujia New Homes Project. Feb 20, 2014. Photo by J

### Capital Research.

Not only have the funds from Roll-in not been embezzled, but the projects they were intended to finance are either complete or nearing completion. The PE products defaulted because the projects they funded were uneconomical in the first place and Roll-in was unable to raise rollover financing.

Yujia New Homes is a relocation project. This means that it is housing given to peasants whose farmland is appropriated by the local government. After they are kicked off their original farmland they are given new apartment units as compensation. Generally, project loans for relocation are paid off by the sale of the repossessed farmland to a property developer. We speculate that owing to the weak property market, the land sale fell through and there was no money to pay off the Roll-in investors. Since virtually every infrastructure and LGFV project is paid off in a similar fashion, the Roll-in default therefore has ominous implications for the Chinese financial system.

Ping An Insurance vice-CEO Xu Shuwu claims that the marketing of the Roll-in products was “the acts of individuals without knowledge of the company,” and that Ping An is currently investigating the situation. The case is reminiscent of the Zhongding Investment product that defaulted in December of 2012. The product had been distributed by Huaxia Bank and was packaging loans to already-defunct guarantors and pawn shops in Henan. As with Ping An, Huaxia claimed that the products had been distributed by without company permission and so it had no responsibility to the investors. The regulators disagreed and Huaxia ended up reimbursing the principal.

We believe a similar outcome is likely with Roll-in. Even more than in the case of Huaxia, the notion that Roll-in was marketed by a couple of rogue employees is risible. Du Yongkang, a senior manager at Ping An and the head of Ping An Insurance’s Beijing office, presided over a marketing event for the product using Ping An marketing materials. Receipts for the purchase of the product could be printed at Ping An Insurance point-of-sales machines.

For the Roll-in products in question, it seems likely that Ping An will be on the hook for approximately RMB 385 mln. In addition to this, there appears to be another Roll-in product whose failure has thus far gone unnoticed. For a company the size of Ping An, this is a rounding error. The real significance is in the fact that Ping An has this kind of PE exposure in the first place. Investors will not

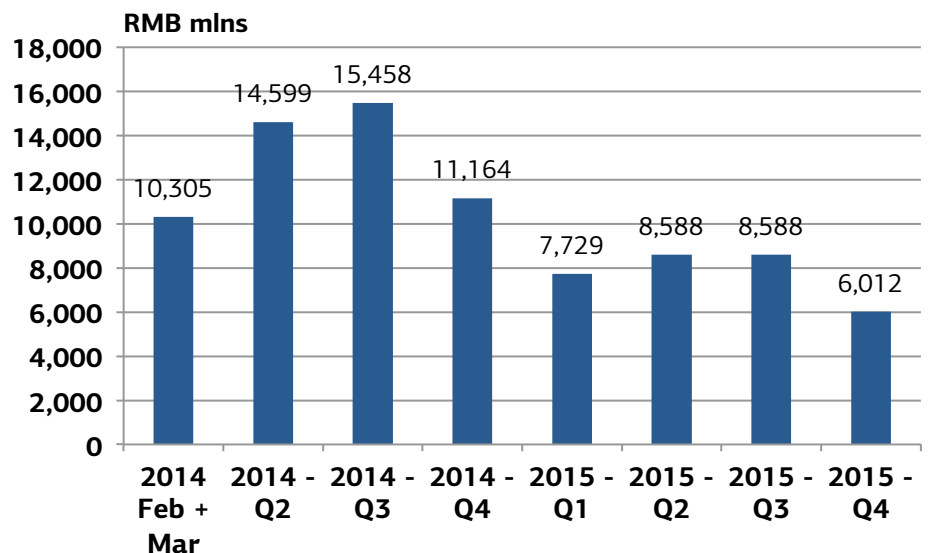
find any mention of this exposure in Ping An’s financial filings, even in its off balance sheet disclosures. In our initial assessment of Ping An we therefore did not take such grey market products into account.

But such PE products abound. While some of them are truly grey market lenders—private individuals aggregating their money to buy up assets—we believe that most PEs are appendages on the formal banking system. These PEs such as Roll-in may have private, non-bank management but they rely on banks, trusts, and insurance companies for funding and deal flow. We do not yet have a good estimate of what Ping An’s total exposure is, but given our estimated 50 bln in exposure to PE through banking and trust channels alone, another 50bln in the insurance company seems like a fair estimate. Giving Ping An credit for only 10 bln of PE products distributed by the insurance company would rerate detract roughly RMB 1.5 bln from Ping An book value, and lower our TP by roughly 24 cents per share.

### Trust exposure

Roll-in’s default holds ominous implications for the Trust market, which like Roll-in depends on property to be repaid. The weak property market could not come at a worse time: the trust industry is facing an onslaught of maturities in 2014 and Ping An is no exception.

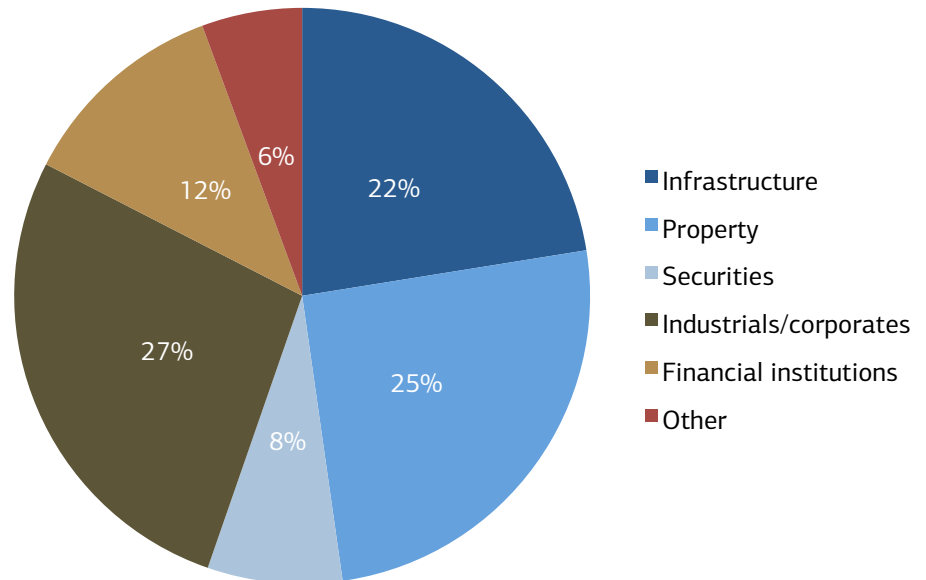
**Chart 1. Ping An Trust self-originated Trust Product Maturities**



Source: Company filings, Wind, J Capital Estimates

Ping An has over RMB 10 in self-originated trust products maturing every quarter, and we estimate that virtually all of its trust exposure is in real estate or affiliated infrastructure projects.

**Chart 2. Ping An Trust assets by type**



Source: Company filings

Though Ping An reports only a quarter of Trust assets in real estate, a simple look through their most recent product offerings tell a different story.

**Table 2. Ping An Trust's 10 most recent trust issuances**

Product Name	Underlying assets	Amount (RMB mlns)
Rui Feng 158 Collective Trust Scheme	Repos	Unknown
Rui Feng 153 Collective Trust Scheme	Repos	Unknown
Jiayuan 77 Collective Trust Scheme	Xi'an Residential	Unknown
Ping An Wealth Jiayuan 71	Wuxi Commercial Property	65
Ping An Wealth Jiayuan 72	Residential	1,500
Ping An Wealth Jiayuan 70	Nanchang residential	800
Ping An Wealth Jiayuan 68	Chongqing residential	250
An Yun Peak Earnings Growth Securities Collective Trust	Securities	Unknown
Ping An Wealth Jiasheng 3	Kunming residential	250

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Ping An Wealth Jiasheng 5

Taixing real estate

800

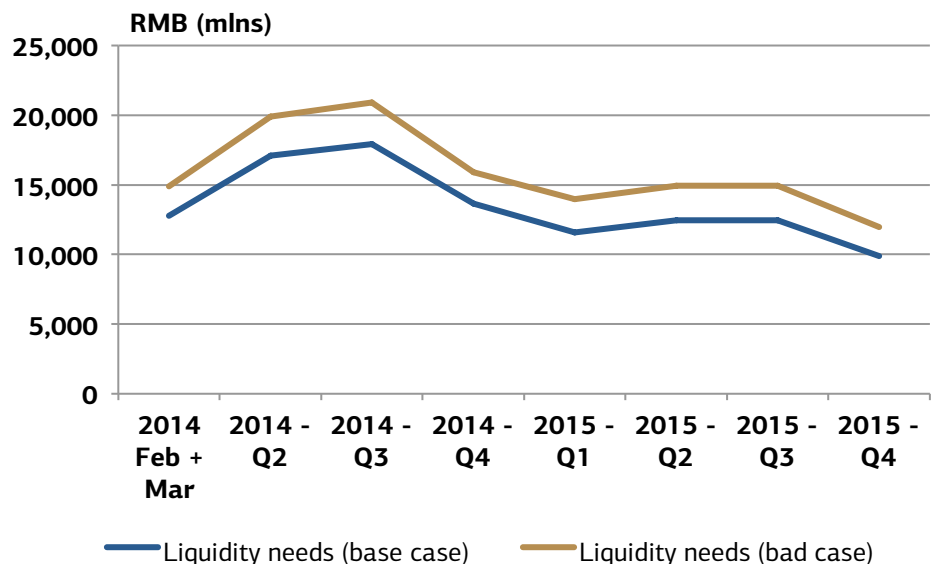
Source: Use-trust

As far as we can tell, Ping An Trust *only* invests in financial products, infrastructure, and property. Considering the dire straights of the property market, we find it likely that virtually all of Ping An's trust product maturities will be unable to meet their payments out of project cash flows. The borrowers will require new loans, and even greater loans, to roll their trust debt.

### Liquidity needs

The simplest measure of Ping An Trust's liquidity needs is to assume it must grow by the roughly 9% interest rate it offers to investors. But a more aggressive calculation takes into account that way in which Chinese institutions lower NPL numbers. They prefer not to lie outright about NPLs, but to allow borrowers to stay current and continue operating with ever greater injections of credit.

### Chart 3. Ping An Trust Liquidity Needs



Source: Company filings, Wind, J Capital Estimates

If the liquidity needs of borrowers are taken into account, Ping An Trust will have to grow by roughly RMB 20bln, or 20%. This is not impossible, but it is a pretty tall order. It means that Ping An Trust must raise a total of approximately RMB 71bln in 2014.

**Table 3. Sensitivity analysis: Ping An losses sensitivity to losses on securities vs. 2014 trust product sales**

Losses on securities	30,000	40,000	50,000	60,000	70,000
0%	40,000	30,000	20,000	10,000	0
8%	43,243	32,432	21,622	10,811	0
15%	47,059	35,294	23,529	11,765	0
23%	51,613	38,710	25,806	12,903	0
30%	57,143	42,857	28,571	14,286	0

Source: Company filings, J Capital Estimates

If Ping An cannot meet these liquidity requirements, it will have to make up the difference out of its own equity, ie, recognize losses. Moreover, losses will likely lead to more losses. Ping An will have to draw on its roughly RMB 700 bln in marketable securities in order to face out of pocket expenses. If Ping An is selling, then everyone else is selling, and so Ping An would likely sell at a loss. Our base case shows that without an upturn in the trust market or property, Ping An is likely to cough up up to RMB 23 bln in losses in the event of 2014. Ping An has a host of accounting tricks to avoid recognizing these as losses—but the cash costs will be immediate and visible to investors. This could be an important catalyst expediting the rerating of Ping An’s stock price.

### Bailout fund?

Last week, Ping An Lufax launched its new “rainbow” product line. Lufax does not trouble investors with details on underlying assets, but it does disclose that most of the investments are in “fixed assets,” i.e. property. We fear Ping An may be using its Lufax channel to bail out its trust products. As it gets harder to grow trust AUM, Ping An is attempting to attract deposits via Lufax because Lufax is not subject to the RMB 1 mln minimum investment minimum that trust companies face. Lufax is also not subject to the restrictions on “non-standard assets” imposed by the CBRC on bank WMPs. In other words, it is the perfect place to stash Ping An’s evergreened project loans.

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### Deserving of a special mention

We would be remiss if we did not draw particular attention to Ping An Bank's 130% increase YoY in Special Mention loans as of Q3.

**Table 4. Ping An special mention loans**

	2012	2013 - Q3	Change
Special mention loans	7,177	16,564	9,387
NPLs	6,866	8,032	1,166
LLR	-12,518	-14,941	-2,423

Source: Company filings

It seems obvious that Ping An is delaying recognizing NPLs, and doing so by swelling its special mention loans. Note that if Ping An were to accrue LLR for special mention loans, it would have eaten up roughly 50% of annualized net income, and annualized ROE for the first three quarters of 2013 would be about 9% rather than 18%. This dovetails with our primary research; local bankers tell us that even disregarding evergreened or rollover loans, NPLs are underreported by about half.

### Reiterate Sell, Adjust PT to HKD 44.69

Our price target is based off book value, after marking down assets to economic value and assuming a normalized return on equity. Ping An's ROE fell in Q3 2013, going from ~22% to ~18% QoQ. We therefore give it credit for 20% normalized ROE, down from 22%.

## Pro-forma Financial Statements

### Balance Sheet

RMB mlns	2010	2011	2012	2013E	2014E	2015E	2016E	2017E
<b>Assets</b>								
Balances with the Central Bank and statutory deposits	42,110	168,366	227,072	125,254	-44,003	-392,911	-853,000	-1,454,067
Cash and amounts due from banks and other financial institutions	203,315	261,006	451,414	427,806	470,587	517,646	569,410	626,351
Fixed maturity investments	553,652	772,353	1,109,248	1,386,560	1,733,200	2,166,500	2,708,125	3,385,156
Equity investments	86,369	116,985	126,124	157,655	197,069	246,336	307,920	384,900
Derivative financial assets	6	818	972	972	972	972	972	972
Loans and advances to customers	131,960	611,731	709,402	743,487	804,693	871,075	943,078	1,021,183
Investments in associates and jointly controlled entities	39,601	11,837	9,960	12,450	15,563	19,453	24,316	30,396
Premium receivables	6,298	12,089	18,756	19,657	21,275	23,031	24,934	26,999
Accounts receivable	116	170,727	8,979	9,410	10,185	11,025	11,937	12,925
Inventories	-	106	1,119	1,173	1,269	1,374	1,488	1,611
Reinsurers' share of insurance liabilities	6,178	7,892	9,341	10,070	10,855	11,702	12,614	13,598
Policyholder account assets in respect of insurance contracts	40,284	33,460	32,417	35,048	37,782	40,729	43,906	47,331
Policyholder account assets in respect of investment contracts	3,994	3,992	3,824	4,134	4,457	4,805	5,179	5,583
Investment properties	8,866	9,076	14,850	18,563	23,203	29,004	36,255	45,319
Property and equipment	8,170	16,027	17,539	19,071	20,451	21,670	22,720	23,594
Intangible assets	9,902	33,584	37,536	37,536	37,536	37,536	37,536	37,536
Deferred tax assets	6,496	13,383	10,680	17,325	20,704	23,327	26,237	29,465
Other assets	24,310	41,992	55,033	55,033	55,033	55,033	55,033	55,033
<b>Total Assets</b>	<b>1,171,627</b>	<b>2,285,424</b>	<b>2,844,266</b>	<b>3,081,205</b>	<b>3,420,831</b>	<b>3,688,305</b>	<b>3,978,660</b>	<b>4,293,885</b>
<b>Liabilities</b>								
Due to banks and other financial institutions	38,822	195,695	420,315	449,909	539,891	566,885	595,229	624,991
Assets sold under agreements to repurchase	107,850	99,734	154,977	154,977	154,977	154,977	154,977	154,977
Other financial liabilities held for trading	-	-	1,722	1,722	1,722	1,722	1,722	1,722
Derivative financial liabilities	15	732	952	952	952	952	952	952
Customer deposits and payables to brokerage customers	175,963	836,049	986,936	1,062,860	1,168,442	1,253,207	1,344,280	1,442,138
Accounts payable	280	70,639	3,615	3,893	4,280	4,590	4,924	5,282
Insurance payables	20,007	27,974	38,293	41,239	45,335	48,624	52,158	55,955
Insurance contract liabilities	639,947	758,404	882,593	954,234	1,028,664	1,108,900	1,195,394	1,288,635
Investment contract liabilities for policyholders	29,991	32,811	34,669	37,483	40,407	43,559	46,956	50,619
Policyholder dividend payable	14,182	17,979	21,681	23,349	25,668	27,530	29,531	31,681
Income tax payable	1,359	4,370	2,352	2,465	2,668	2,888	3,127	3,386

Bonds payable	7,540	26,633	38,793	38,793	38,793	38,793	38,793	38,793
Deferred tax liabilities	869	4,612	5,599	9,083	10,854	12,229	13,755	15,447
Other liabilities	17,919	38,450	42,120	42,120	42,120	42,120	42,120	42,120
<b>Total Liabilities</b>	<b>1,054,744</b>	<b>2,114,082</b>	<b>2,634,617</b>	<b>2,823,079</b>	<b>3,104,773</b>	<b>3,306,977</b>	<b>3,523,918</b>	<b>3,756,697</b>
<b>Equity</b>								
Share capital	7,644	7,916	7,916	7,916	7,916	7,916	7,916	7,916
Reserves	75,777	79,405	91,271	91,271	91,271	91,271	91,271	91,271
Retained profits	28,609	43,546	60,430	98,038	142,982	193,619	250,573	314,534
Including: Proposed final dividend		1,979	2,375	5,785	6,913	7,789	8,761	9,839
Equity attributable to owners of the parent	112,030	130,867	159,617	197,225	242,169	292,806	349,760	413,721
Non-controlling interests	4,853	40,475	50,032	60,901	73,889	88,523	104,982	123,467
<b>Total Equity</b>	<b>116,883</b>	<b>171,342</b>	<b>209,649</b>	<b>258,126</b>	<b>316,058</b>	<b>381,328</b>	<b>454,742</b>	<b>537,188</b>

## Cash Flows

RMB mlns	2010	2011	2012	2013E	2014E	2015E	2016E	2017E
<b>Cash flows from operating activities:</b>								
Profit before tax	22,347	30,026	26,750	52,458	62,690	70,631	79,443	89,216
Adjustment for:								
Depreciation	1,478	2,024	2,760	2,539	2,895	3,269	3,662	4,075
Amortization of intangible assets	620	1,101	1,633	-	-	-	-	-
Gains on disposal of investment properties, property and equipment, intangible assets and settled assets	-20	-75	-31	-	-	-	-	-
Investment income	-34,098	-38,742	-44,040	-55,787	-69,733	-74,794	-80,246	-86,122
Fair value losses/(gains) on investments at fair value through profit or loss		320	-105					
Fair value losses on available-for-sale equity investments (transfer from equity)		2,606	6,585	-31,531	-39,414	-49,267	-61,584	-76,980
Finance costs	913	1,254	1,758	1,758	1,758	1,758	1,758	1,758
Foreign exchange losses	104	434	-255					
Provision for doubtful debts and others, net	366	10	100					
Loan loss provisions, net of reversals	626	1,704	3,048					
Others				55,787	69,733	74,794	80,246	86,122
<b>Operating profit/(loss) before working capital changes</b>	<b>-7,664</b>	<b>662</b>	<b>-1,797</b>	<b>25,224</b>	<b>27,929</b>	<b>26,391</b>	<b>23,279</b>	<b>18,069</b>
<b>Changes in operating assets and liabilities:</b>								
Increase in balances with the Central Bank and statutory deposits	-10,867	-28,694	-23,898	101,818	169,257	348,909	460,089	601,067
Increase in amounts due from banks and other financial institutions	9,011	-5,007	-73,879	23,608	-42,781	-47,059	-51,765	-56,941
Increase in premium receivables	-1,986	-5,766	-6,711	-901	-1,618	-1,755	-1,904	-2,065
Decrease/(increase) in account receivables	-560	-142,295	162,136	-431	-775	-840	-911	-989
Increase in inventories	-213	-9	-419	-54	-97	-105	-114	-123

Increase in reinsurers' share of insurance liabilities	-1,194	-1,714	-1,449	-729	-785	-847	-913	-984
Increase in loans and advances to customers	-24,097	-40,484	-100,969	-34,085	-61,206	-66,382	-72,003	-78,106
Decrease/(increase) in assets purchased under agreements to resell of the banking and securities business	4,321	41,219	-121,344					
Increase in other assets	-2,240	-6,633	-7,914	-	-	-	-	-
Increase in amounts due to banks and other financial institutions	-4,726	28,680	225,448	29,594	89,982	26,995	28,344	29,761
Increase in customer deposits and payables to brokerage customers	35,808	32,462	151,507	75,924	105,582	84,765	91,073	97,858
Increase in insurance payables	5,230	7,967	10,319	2,946	4,097	3,289	3,534	3,797
Increase in insurance contract liabilities	125,807	87,892	81,322	71,641	74,430	80,236	86,494	93,241
Increase in investment contract liabilities for policyholders	1,701	42,316	42,297	2,814	2,924	3,152	3,398	3,663
Increase in policyholder dividend payable	3,363	3,797	3,702	1,668	2,319	1,862	2,001	2,150
Increase in assets sold under agreements to repurchase of the bank and securities business	5,719	5,474	9,691	-	-	-	-	-
Increase/(decrease) in other liabilities	6,190	61,011	-62,205	-	-	-	-	-
Others	5			-2,664	-2,670	-2,984	-3,218	-3,470
Cash generated from operations	143,608	80,878	285,837	296,373	366,588	455,625	567,385	706,928
Income tax paid	-4,353	-5,530	-4,940	-12,113	-12,237	-13,233	-14,874	-16,693
<b>Net cash flows from operating activities</b>	<b>139,255</b>	<b>75,348</b>	<b>280,897</b>	<b>284,260</b>	<b>354,350</b>	<b>442,393</b>	<b>552,511</b>	<b>690,234</b>
<b>Cash flows from investing activities:</b>								
Purchases of investment properties, property and equipment and intangible assets	-3,631	-5,393	-8,362	-4,071	-4,274	-4,488	-4,713	-4,948
Proceeds from disposal of investment properties, property and equipment and intangible assets	206	178	162					
Purchases of investments, net	-146,083	-113,853	-167,030	-281,025	-351,281	-439,101	-548,876	-686,095
Terms deposits placed, net	-57,519	-21,819	-58,964					
Acquisition of non-controlling interests in subsidiaries	-	-	-2,575	-2,490	-3,113	-3,891	-4,863	-6,079
Acquisition of subsidiaries	-165	81,238	-2,538	-	-	-	-	-
Disposal of subsidiaries	-828	254	1,211	-	-	-	-	-
Interest received	18,760	28,017	43,221	70,937	78,031	85,834	94,418	103,860
Dividends received	2,339	4,428	4,672					
Rental received	443	687	816					
Others	-2,997	-5,846	-4,453	-70,937	-78,031	-85,834	-94,418	-103,860
<b>Net cash used in investing activities</b>	<b>-189,475</b>	<b>-32,109</b>	<b>-193,840</b>	<b>-287,585</b>	<b>-358,668</b>	<b>-447,480</b>	<b>-558,452</b>	<b>-697,122</b>
<b>Cash flows from financing activities:</b>								
Proceeds from shares issued	-	16,134	-					
Capital injected into subsidiaries by non-controlling interests	297	219	551	48,477	57,932	65,270	73,414	82,446
Proceeds from bonds issued	3,200	5,991	11,998	-	-	-	-	-
Increase/(decrease) in assets sold under agreements to repurchase, net	41,767	-28,580	45,555					
Proceeds from borrowed funds	6,379	3,347	4,051	-	-	-	-	-

Repayment of borrowed funds	-4,433	-2,836	-4,734	-	-	-	-	-
Interest paid	-1,250	-3,368	-4,304	-1,758	-1,758	-1,758	-1,758	-1,758
Dividend paid	-3,520	-4,246	-3,596	-5,785	-6,913	-7,789	-8,761	-9,839
Others	-187							
Net cash generated from/(used in) financing activities	42,253	-13,339	49,521	40,934	49,261	55,723	62,895	70,849
Net increase/(decrease) in cash and cash equivalents	-7,967	29,900	136,578	37,608	44,943	50,637	56,954	63,961
Cash and cash equivalents at beginning of the year	88,965	80,938	110,481	246,886	284,494	329,438	380,075	437,029
Cash and cash equivalents at end of year	80,938	110,481	246,886	284,494	329,438	380,075	437,029	500,990

## Income Statement

RMB mlns	2010	2011	2012	2013E	2014E	2015E	2016E	2017E
Gross written premiums and policy fees	159384	207802	233940	252187	271858	293063	315922	340564
Less: Premium ceded to reinsurers	-8181	-10970	-12851	-13177	-14205	-15313	-16508	-17795
Net written premiums and policy fees	151203	196832	221089	239010	257653	277750	299414	322768
Change in unearned premium reserves	-10079	-10170	-7945	-8565	-9233	-9953	-10729	-11566
Net earned premiums	141124	186662	213144	230445	248420	267797	288685	311202
Reinsurance commission income	2616	3656	4529	4882	5263	5674	6116	6593
Interest income from banking operations	9331	39314	74852	70937	78031	85834	94418	103860
Fees and commission income from non-insurance operations	5543	8614	10891	11730	12458	13260	14142	15112
Investment income	31083	29265	27378	55787	69733	74794	80246	86122
Share of profits and losses of associates and jointly controlled entities	1465	1068	-46	-46	-46	-46	-46	-46
Other income	4652	3665	8445	9130	9843	10610	11438	12330
Total income	195814	272244	339193	382866	423703	457923	494999	535173
Claims and policyholders' benefits	-115077	-145764	-165994	-178942	-192899	-207945	-224165	-241650
Commission expenses on insurance operations	-14545	-17767	-20437	-22095	-23818	-25676	-27678	-29837
Interest expenses on banking operations	-3397	-20432	-40351	-43192	-51830	-54422	-57143	-60000
Fees and commission expenses on non-insurance operations	-609	-1050	-1455	-1567	-1664	-1772	-1889	-2019
Loan loss provisions, net reversals	-626	-1704	-3048	-3048	-3048	-3048	-3048	-3048
Foreign exchange gains/ (losses)	-104	-434	255	255	255	255	255	255
General and administrative expenses	-34385	-50575	-68477	-74017	-79735	-85903	-92558	-99738
Finance costs	-913	-1254	-1758	-1758	-1758	-1758	-1758	-1758
Other expenses	-3811	-3238	-5590	-6044	-6515	-7023	-7571	-8162
Total expenses	-173467	-242218	-306855	-330407	-361013	-387292	-415556	-445957
Profit before tax	22347	30026	32338	52458	62690	70631	79443	89216
Income tax	-4409	-7444	-5588	-9065	-10833	-12205	-13728	-15417
Tax rate	0.2	0.25	0.17	0.17	0.17	0.17	0.17	0.17
Profit for the year	17938	22582	26750	43393	51857	58426	65715	73800



## Ping An Insurance Group (2318 HK)

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Profit attributable to owners of the parent	17311	19475	20050	32525	38868	43792	49256	55315
Profit attributable to non-controlling interests	627	3107	6700	10869	12988	14634	16460	18484
Basic earnings per share	2.3	2.5	2.53	4.11	4.91	5.53	6.22	6.99
Diluted earnings per share	2.3	2.5	2.53	4.11	4.91	5.53	6.22	6.99
Dividends declared per share		0.4	0.45	0.73	0.87	0.98	1.11	1.24
Dividend declared		1979	2375	5785	6913	7789	8761	9839
Dividend payout ratio		0.16	0.18	0.18	0.18	0.18	0.18	0.18
Shares used in computation of:								
Number of shares for basic earnings per share		7780	7916	7916	7916	7916	7916	7916
New share issue or repurchase								
Options or CB								
Number of share for diluted earnings per share		7780	7916	7916	7916	7916	7916	7916
Working capital								
Premium receivables	6298	12089	18756	19657	21275	23031	24934	26999
Accounts receivable	116	170727	8979	9410	10185	11025	11937	12925
Inventories	-	106	1119	1173	1269	1374	1488	1611
Customer deposits and payables to brokerage customers	175963	836049	986936	1062860	1168442	1253207	1344280	1442138
Accounts payable	280	70639	3615	3893	4280	4590	4924	5282
Insurance payables	20007	27974	38293	41239	45335	48624	52158	55955
Policyholder dividend payable	14182	17979	21681	23349	25668	27530	29531	31681
Income tax payable	1359	4370	2352	2465	2668	2888	3127	3386
Total operating income	158614	238246	303416	317994	344173	372565	403361	436767
Total operating expense (excluding SG&A)	-133628	-185013	-228237	-245795	-270212	-289814	-310876	-333506
Working Capital	147109	1039287	957079	1029941	1131780	1214184	1302746	1397934
Changes in working capital		892178	-82208	72862	101839	82404	88562	95188

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