



中国平安保险（集团）股份有限公司
Ping An Insurance (Group) Company
of China, Ltd.

2006 年年度报告
（股票代码：601318）

二〇〇七年四月十一日

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第一节 重要提示

本公司董事会、监事会及董事、监事、高级管理人员保证本报告所载资料不存在任何虚假记载、误导性陈述或者重大遗漏，并对其内容的真实性、准确性和完整性承担个别及连带责任。

本公司第七届董事会第九次会议于 2007 年 4 月 11 日审议通过了本公司《2006 年年度报告》正文及摘要。会议应出席董事 18 人，实到董事 17 人，委托 1 人（董事樊刚先生委托董事林丽君女士出席会议并行使表决权）。

本公司年度财务报告已经安永华明会计师事务所审计，并出具了标准无保留意见的审计报告。

中国平安保险（集团）股份有限公司董事会

本公司董事长兼首席执行官马明哲，总经理兼首席财务官张子欣，副总经理任汇川，保证本年度报告中财务报告的真实、完整。

第二节 公司基本情况简介

- 1、法定中文名称：中国平安保险（集团）股份有限公司（以下简称“公司”、“本公司”或“本集团”）

法定英文名称：Ping An Insurance (Group) Company of China, Ltd.

- 2、公司中文简称：中国平安

公司英文简称：Ping An of China

- 3、法定代表人：马明哲

- 4、董事会秘书：孙建一

证券事务代表：周强

电话：4008866338

传真：0755-82431029

电子邮箱：ir@pingan.com.cn；pr@pingan.com.cn

联系地址：中国深圳市八卦三路平安大厦

- 5、注册地址：中国深圳市八卦三路平安大厦

办公地址：中国深圳市八卦三路平安大厦

邮政编码：518029

国际互联网网址：<http://www.pingan.com.cn>

电子信箱：ir@pingan.com.cn；pr@pingan.com.cn

- 6、选定的信息披露报纸：《中国证券报》、《上海证券报》、《证券时报》

刊登公司年度报告的中国证券监督管理委员会（以下简称“中国证监会”）

指定网站：<http://www.sse.com.cn>

年度报告备置地点：本公司董事会办公室

- 7、A股上市交易所：上海证券交易所

A股简称：中国平安

A 股代码：601318

H 股上市交易所：香港联合交易所

H 股简称：中国平安

H 股代码：2318

8、其他有关资料

首次注册登记日期：1988 年 3 月 21 日

注册登记地点：中国国家工商行政管理总局

企业法人营业执照注册号：1000001001231

税务登记号码：国税深字 440301100012316 号

深地税字 440300100012316 号

公司聘请的境内会计师事务所名称：安永华明会计师事务所

公司聘请的境内会计师事务所办公地址：北京市东城区东长安街 1 号东方广场东方经贸城东三办公楼 16 楼

公司聘请的境外会计师事务所名称：安永会计师事务所

公司聘请的境外会计师事务所办公地址：香港中环金融街 8 号国际金融中心 2 期 18 楼

9、本报告分别以中英文编制，在对中英文本理解上发生歧义时，以中文文本为准。

第三节 会计数据和业务数据摘要

一、本报告期主要财务数据

单位:人民币千元

项目	金额
利润总额	6,258,005
净利润	5,985,962
扣除非经常性损益后的净利润	5,697,879
主营业务利润 ⁽¹⁾	(14,516,863)
营业利润	6,182,392
投资收益 ⁽²⁾	22,360,110
补贴收入	-
营业外收支净额	75,613
经营活动产生的现金流量净额	37,357,714
现金及现金等价物净增加额	28,408,258

(1) 本集团执行《金融企业会计制度》，利润表中无主营业务与非主营业务之分。上表中的“主营业务利润”取自本集团利润表中的“承保亏损”，使得作为本集团主要利润来源的投资收益及利息收入等未反映在“主营业务利润”中。上表中的“营业利润”更恰当地反映了本集团主营业务的盈利情况。

(2) 包含了利润表中的投资收益和利息收入项目。

本公司根据中国证监会《公开发行证券的公司信息披露规范问答第1号—非经常性损益》（证监会计字[2004]4号）的要求确定和计算非经常性损益。其中，扣除的非经常损益项目和金额如下所示：

单位:人民币千元

非经常性损益项目	金额
处置长期股权投资、固定资产、在建工程、无形资产、其他长期资产产生的损益	45,380
扣除公司日常根据金融企业会计制度规定计提的资产减值准备后的其他各项营业外收入、支出	(20,367)
以前年度已经计提各项减值准备的转回	277,291
所得税影响数	(11,311)
少数股东应承担的部分	(2,910)
合计	288,083

二、 中国会计准则财务报表与国际财务报告准则财务报表的差异说明

单位:人民币千元

	注 释	合并净利润		合并股东权益	
		2006 年度	2005 年度	2006 年 12 月 31 日	2005 年 12 月 31 日
按中国会计准则编制的财务报表 (不含少数股东损益/权益)		5,985,962	3,338,428	36,667,865	32,664,006
未决赔款准备金	(1)	149,234	(439,832)	(1,401,149)	(1,550,383)
长期及未到期责任准备金	(2)	(15,529)	309,646	86,140	101,669
寿险责任准备金	(3)	(6,544,374)	(3,005,894)	(35,762,405)	(25,815,612)
递延保单获得成本	(4)	5,480,526	3,829,708	31,866,330	26,428,450
投资资产及金融负债公允价值调整	(5)	3,095,511	359,769	16,935,254	1,440,096
递延所得税	(6)	(413,479)	(158,725)	(1,839,769)	(69,040)
少数股东权益及其他		100,418	(7,018)	(176,744)	(202,696)
按国际财务报告准则编制的财务报表 (不含少数股东损益/权益)		7,838,269	4,226,082	46,375,522	32,996,490

(1) 在 2006 年中国会计准则报表下,未决赔款准备金是指对已发生已报案及已发生未报案的保险事故按规定对未决赔款估计的准备金。对于已发生未报案的保险事故的赔款准备金,按当年实际赔款支出的 4% 估计;惟自 2006 年 9 月 1 日起,健康保险业务按照《健康保险管理办法》(中国保监会令[2006] 8 号)的规定,采用链梯法、Bornhuetter-Ferguson 法评估,并选取评估结果的最大值为最佳估计值。在国际财务报告准则报表下,本集团按精算方法估计已发生未报案未决赔款准备金。

(2) 在 2006 年中国会计准则报表下,寿险业务的未到期责任准备金一般不应低于当期自留保费收入的 50%。在国际财务报告准则报表下,本集团按精算方法(1/365 法)确定未到期责任准备金。

(3) 在 2006 年中国会计准则报表下,寿险责任准备金是根据中国保险监督管理委员会(以下简称“中国保监会”)的有关精算规定计算。在国际财务报告准则报表下,本集团按照《国际财务报告准则第 4 号—保险合同》的规定及参照美国会计准则的要求计算各项寿险责任准备金。

(4) 在 2006 年中国会计准则报表下,佣金、手续费等新业务的保单获得成本于发生时计入损益。在国际财务报告准则报表下,本集团按照《国际财务报告准则第 4 号—保险合同》的规定及参照美国会计准则的要求,将佣金、手续费等保单获得成本予以递延,根据其所属险种不同,分别在预计保单年限内以预期保费收入的固定比例摊销或在保单年限内以预计实现的毛利润现值的固定比例摊销。

(5) 在 2006 年中国会计准则报表下,基于其流动性和预期持有期限将投资分为短期投资和长期投资。短期

投资采用成本与市价孰低计量，而长期投资采用成本与可收回金额孰低计量。根据《国际会计准则第 32 号—金融工具的披露和列报》及《国际会计准则第 39 号—金融工具的确认和计量》，本集团将适用的投资资产分为四类：以公允价值计量且其变动计入损益的投资、贷款及应收款项、持有至到期投资以及可供出售投资。可供出售投资和以公允价值计量且其变动计入损益的投资以公允价值列示。持有至到期投资和贷款及应收款项以摊余成本列示。以公允价值计量且其变动计入损益的投资因公允价值变动而产生的未实现收益或损失在当期利润表中确认。可供出售投资因公允价值变动产生的未实现收益或损失在权益中反映。当可供出售投资售出或发生减值，原反映在权益中的未实现收益或损失作为已实现收益或损失在利润表中确认。

(6) 根据《国际会计准则第 12 号—所得税会计》，上述各项中国会计准则报表与国际财务报告准则报表的差异均为暂时性差异。因此，本集团按上述差异及估计未来转回时将适用的所得税税率确认递延所得税资产和负债。

三、截至报告期末公司前三年主要会计数据和财务指标

币种:人民币

项目	2006 年度	2005 年度	2004 年度
保险业务收入 (千元)	81,712,128	67,383,647	61,495,615
利润总额 (千元)	6,258,005	3,755,790	3,217,852
净利润 (千元)	5,985,962	3,338,428	2,608,081
扣除非经常损益后的净利润 (千元)	5,697,879	3,259,773	2,625,639
总资产 (千元)	441,791,056	288,103,742	238,967,113
股东权益(不含少数股东权益) (千元)	36,667,865	32,664,006	30,176,742
经营活动产生的现金流量净额 (千元)	37,357,714	31,890,081	34,370,145
全面摊薄每股收益 (元)	0.97	0.54	0.42
按照最新股本计算的每股收益 (元) ⁽¹⁾	0.81	-	-
加权平均每股收益 (元)	0.97	0.54	0.47
扣除非经常损益后的全面摊薄每股收益 (元)	0.92	0.53	0.42
扣除非经常损益后的加权平均每股收益 (元)	0.92	0.53	0.47
每股净资产 (元)	5.92	5.27	4.87
调整后的每股净资产 (元)	5.89	5.25	4.85
每股经营活动产生的现金流量净额 (元)	6.03	5.15	6.18
全面摊薄净资产收益率 (%)	16.3	10.2	8.6
加权平均净资产收益率 (%)	17.3	10.6	11.6
扣除非经常损益后的全面摊薄净资产收益率 (%)	15.5	10.0	8.7
扣除非经常损益后的加权平均净资产收益率 (%)	16.4	10.4	11.6

(1) 2007年2月9日, 本公司首次公开发行人民币普通股(A股)11.5亿股, 本公司总股本增至7,345,053,334股, 此处为按照最新股本计算的每股收益。

四、报告期内股东权益变动情况及变化原因

单位:人民币千元

项目	期初数	本期增加	本期减少	期末数
股本	6,195,053	-	-	6,195,053
资本公积	15,162,575	314	-	15,162,889
盈余公积	5,526,410	599,682	-	6,126,092
其中: 法定公益金	784,001	-	(784,001)	-
总准备金	394,510	-	-	394,510
一般风险准备	-	16,752	-	16,752
一般准备	35,679	40,954	-	76,633
信托赔偿准备金	-	28,774	-	28,774
未分配利润	5,349,779	5,985,962	(2,668,579)	8,667,162
股东权益合计	32,664,006	6,672,438	(2,668,579)	36,667,865

变动原因说明如下:

- 1、资本公积: 本期增加主要是本公司的子公司平安信托投资有限责任公司(以下简称“平安信托”)购买泛华置业(荆州)有限公司时产生的股权投资贷方差额。
- 2、盈余公积: 本期增加主要为本公司根据相关法规要求按照净利润的一定比例计提法定盈余公积所致。
- 3、法定公益金: 本期减少主要为本公司根据财政部《关于〈公司法〉施行后有关企业财务处理问题的通知》(财企[2006]67号), 将法定公益金余额转至法定盈余公积所致。
- 4、一般风险准备、一般准备、信托赔偿准备金: 本期增加为本公司根据相关证券、银行、信托业务法规的要求提取的相应准备金。
- 5、未分配利润: 本期增加为本公司本年度的净利润, 本期减少为本公司派发现金股利及提取盈余公积及各项准备金等利润分配所致。

五、主要财务、监管指标

(一) 净资产收益率及每股收益

本公司根据中国证监会《公开发行证券公司信息披露编报规则第9号-净资产收益率和每股收益的计算及披露》的要求计算2006年的净资产收益率及每股收益如下：

项目	报告期利润 (人民币千元)	净资产收益率(%)		每股收益(元)	
		全面摊薄	加权平均	全面摊薄	加权平均
主营业务利润 ⁽¹⁾	(14,516,863)	(39.6)	(41.9)	(2.34)	(2.34)
营业利润	6,182,392	16.9	17.8	1.00	1.00
净利润	5,985,962	16.3	17.3	0.97	0.97
扣除非经常性损益后的净利润	5,697,879	15.5	16.4	0.92	0.92

(1) 本集团执行《金融企业会计制度》，利润表中无主营业务与非主营业务之分。上表中的“主营业务利润”取自本集团利润表中的“承保亏损”，使得作为本集团主要利润来源的投资收益及利息收入等未反映在“主营业务利润”中。上表中的“营业利润”更恰当地反映了本集团主营业务的盈利情况。

(二) 其它主要财务和监管指标

指标	2006年 12月31日	2005年 12月31日	2004年 12月31日
总体指标			
资产负债率 ⁽¹⁾ (%)	91.7	88.7	87.4
流动比率 ⁽²⁾ (%)	143.0	354.6	504.1
寿险业务			
自留保费增长率 ⁽³⁾ (%)	17.8	7.4	(6.8)
给付率 ⁽⁴⁾ (%)	3.4	3.9	4.1
退保率 ⁽⁵⁾ (%)	3.4	3.4	2.7
平安寿险实际偿付能力额度(千元)	18,000,200	15,177,116	11,335,039
平安寿险最低偿付能力额度(千元)	13,095,590	10,787,057	9,206,213
平安寿险偿付能力充足率(%)	137.5	140.7	123.1
产险业务			
自留保费增长率 ⁽³⁾ (%)	42.9	25.7	30.0

综合成本率 ⁽⁶⁾ (%)	99.9	96.9	95.0
承保利润率 ⁽⁷⁾ (%)	0.1	3.1	5.0
赔付率 ⁽⁸⁾ (%)	59.7	61.0	59.8
平安产险实际偿付能力额度 (千元)	3,437,444	2,113,234	1,753,788
平安产险最低偿付能力额度 (千元)	1,989,749	1,377,350	1,105,407
平安产险偿付能力充足率 (%)	172.7	153.4	158.7

(1) 资产负债率 = (总负债 + 少数股东权益) / 总资产;

(2) 流动比率 = 流动资产 / 流动负债;

(3) 自留保费增长率 = (本年度保险业务收入 - 上年度保险业务收入) / 上年度保险业务收入;

(4) 给付率 = (死伤医疗给付 + 满期给付 + 年金给付 + 赔款支出 - 摊回分保赔款) / [(提取未决赔款准备金 + 转回未决赔款准备金 + 提取未到期责任准备金 + 转回未到期责任准备金 + 提取寿险责任准备金 + 转回寿险责任准备金 + 提取长期健康险责任准备金 + 转回长期健康险准备金) / 2];

(5) 退保率 = 退保金 / [(提取寿险责任准备金 + 转回寿险责任准备金 + 提取长期健康险责任准备金 + 转回长期健康险责任准备金) / 2];

(6) 综合成本率 = (保险业务支出 + 未决赔款准备金提转差) / (保险业务收入 - 未到期责任准备金提转差 - 长期责任准备金提转差);

(7) 承保利润率 = 承保利润 / (保险业务收入 - 未到期责任准备金提转差 - 长期责任准备金提转差);

(8) 赔付率 = (赔款支出 - 摊回分保赔款支出 - 追偿款收入 + 分保赔款支出 + 未决赔款准备金提转差) / (保险业务收入 - 未到期责任准备金提转差 - 长期责任准备金提转差)。

第四节 股本变动及股东情况

一、股本变动情况

(一) 股份变动情况表

单位:股

	本次变动前		本次变动增减(+,-)					本次变动后	
	数量	比例(%)	发行新股	送股	公积金转股	其他	小计	数量	比例(%)
一、有限售条件股份									
1、国家持股	588,859,239	9.5	-	-	-	-	-	588,859,239	9.5
2、国有法人持股	367,542,525	5.9	-	-	-	-	-	367,542,525	5.9
3、其他内资持股	2,680,007,872	43.3	-	-	-	-	-	2,680,007,872	43.3
其中:									
境内法人持股	2,680,007,872	43.3	-	-	-	-	-	2,680,007,872	43.3
境内自然人持股	-	-	-	-	-	-	-	-	-
4、外资持股	-	-	-	-	-	-	-	-	-
其中:									
境外法人持股	-	-	-	-	-	-	-	-	-
境外自然人持股	-	-	-	-	-	-	-	-	-
合计	3,636,409,636	58.7	-	-	-	-	-	3,636,409,636	58.7
二、无限售条件流通股									
1、人民币普通股	-	-	-	-	-	-	-	-	-
2、境内上市的外资股	-	-	-	-	-	-	-	-	-
3、境外上市的外资股 ⁽¹⁾	2,558,643,698	41.3	-	-	-	-	-	2,558,643,698	41.3
4、其他	-	-	-	-	-	-	-	-	-
合计	2,558,643,698	41.3	-	-	-	-	-	2,558,643,698	41.3
三、股份总数 ⁽²⁾	6,195,053,334	100.0	-	-	-	-	-	6,195,053,334	100.0

(1) H 股股东中, 汇丰保险控股有限公司、日本第一生命保险相互会社自 H 股上市后三年内不出售各自所持由境外法人股转换的 H 股, 其他 H 股股东无限售期限限制。

(2) 本公司 A 股股票于 2007 年 3 月 1 日在中国上海证券交易所挂牌上市。本次 A 股发行总股数 11.5 亿股，发行价格为每股人民币 33.8 元。本次 A 股股票发行后，公司总股本达到 7,345,053,334 股。

(二) 股票发行与上市情况

1、前三年历次股票发行情况

单位:股

种类	发行日期	发行价格 (元)	发行数量	上市日期	获准上市交易 数量	交易终 止日期
H 股	2004 年 6 月 24 日	港币 10.33	1,261,720,000	2004 年 6 月 24 日	2,558,643,698	-

经公司 2004 年 3 月 9 日召开的 2004 年第一次临时股东大会审议，并根据中国保监会于 2003 年 12 月 31 日出具的《关于中国平安保险（集团）股份有限公司境外发行 H 股并上市的批复》（保监复[2003]228 号）及中国证监会于 2004 年 5 月 12 日出具的《关于同意中国平安保险（集团）股份有限公司发行境外上市外资股的批复》（证监国合字[2004]18 号），公司获准公开发行 H 股。2004 年 6 月，公司以每股港币 10.33 元的价格发行 1,387,892,000 股 H 股，包括 1,261,720,000 股新股及国有股存量发行 126,172,000 股，同时公司发行前 1,170,751,698 股外资股获准转换为 H 股。发行后，公司总股本变更为 6,195,053,334 股，其中 H 股为 2,558,643,698 股，占总股本的 41.3%；内资股为 3,636,409,636 股，占总股本的 58.7%。2005 年 11 月 28 日，国家工商总局核发了公司 H 股发行后的企业法人营业执照（注册号：1000001001231），注册资本增加到人民币 6,195,053,334 元。

2、公司股份总数及结构的变动情况

报告期内没有因送股、配股等原因引起公司股份总数及结构的变动。

3、现存的内部职工股情况

本报告期末公司无内部职工股。

二、股东情况

(一) 股东数量和持股情况

单位:股

报告期末股东总数		7,247 (其中境内未流通法人股 53 户)				
前十名股东持股情况						
股东名称	股东性质	持股比例 (%)	持股总数	年度内增减	持有有限售条件股份数量	质押或冻结的股份数量
汇丰保险控股有限公司	外资股东	9.99	618,886,334	-	493,333,334	-
香港上海汇丰银行有限公司	外资股东	9.91	613,929,279	-	-	-
深圳市投资控股有限公司	国有股东	8.77	543,181,445	-	543,181,445	-
深圳市新豪时投资发展有限公司	其他	6.29	389,592,366	-	389,592,366	-
源信行投资有限公司	其他	6.13	380,000,000	-	380,000,000	-
深圳市景傲实业发展有限公司	其他	5.34	331,117,788	-	331,117,788	-
深圳市深业投资开发有限公司	国有股东	4.87	301,585,684	-	301,585,684	质押 244,030,000
广州市恒德贸易发展有限公司	其他	3.23	200,000,000	-	200,000,000	-
深圳市武新裕福实业有限公司	其他	3.16	195,455,920	-	195,455,920	质押 65,151,976
深圳市立业集团有限公司	其他	2.84	176,000,000	-	176,000,000	质押 176,000,000
前十名无限售条件股东持股情况						
股东名称	持有无限售条件股份数量		股份种类			
香港上海汇丰银行有限公司	613,929,279		境外上市外资股			
THE GOLDMAN SACHS GROUP INC	7,077,876		境外上市外资股			
PATOKA LIMITED	343,000		境外上市外资股			
RIGHT TIME HOLDINGS LTD	230,000		境外上市外资股			
CHAN MING HUNG	150,000		境外上市外资股			
KONG YIU MAN SIMON	150,000		境外上市外资股			
A-CLASS INVESTMENT LIMITED	100,000		境外上市外资股			
CHOW KIM SIN	100,000		境外上市外资股			
THE PUI YING MIDDLE SCHOOL OF HONG KONG	100,000		境外上市外资股			
TAM WING FAN	100,000		境外上市外资股			
上述股东关联关系或一致行动关系的说明			1、汇丰保险控股有限公司和香港上海汇丰银行有限公司因同受汇丰控股的控制而形成关联。 2、深圳市新豪时投资发展有限公司、深圳市景傲实业发展有限公司之间因实际出资人存在重叠而形成关联。 除上述情况外，本公司未知上述其他股东之间是否存在关联关系。			

(二) 控股股东及实际控制人简介

本公司股权结构较为分散，不存在控股股东，也不存在实际控制人。本公司第一及第二大股东分别为汇丰控股有限公司的两家全资附属子公司——汇丰保险控股有限公司及香港上海汇丰银行有限公司，截至 2006 年 12 月 31 日，两家公司合计持有本公司 H 股股份 1,232,815,613 股。

（三）其他持股在百分之十以上的法人股东

截止本报告期末公司无其他持股在百分之十以上的法人股东。

第五节 董事、监事、高级管理人员及员工情况

一、董事、监事及高级管理人员基本情况

姓名	职务	性别	年龄	任期起始日期	年初持股数	年末持股数	股份增减数	变动原因
马明哲	董事长、首席执行官	男	51	2006.5-2009 换届	-	-	-	-
张子欣	执行董事、总经理、首席财务官	男	43	2006.5-2009 换届	H 股 248,000 股	H 股 248,000 股	-	-
孙建一	执行董事、董事会秘书、常务副总经理	男	54	2006.5-2009 换届	-	-	-	-
黄建平	非执行董事	男	47	2006.5-2007.3	-	-	-	-
林友锋	非执行董事	男	36	2006.5-2009 换届	-	-	-	-
张利华	非执行董事	男	60	2006.5-2009 换届	-	-	-	-
贺培 (Anthony Philip HOPE)	非执行董事、副董事长	男	60	2006.5-2009 换届	-	-	-	-
林丽君	非执行董事	女	44	2006.5-2009 换届	-	-	-	-
樊刚	非执行董事	男	52	2006.5-2009 换届	-	-	-	-
窦文伟	非执行董事	男	41	2006.5-2007.3	-	-	-	-
石聿新	非执行董事	男	52	2006.5-2007.3	-	-	-	-
胡爱民	非执行董事	男	58	2006.5-2009 换届	-	-	-	-
陈洪博	非执行董事、副董事长	男	55	2006.5-2009 换届	-	-	-	-
王冬胜	非执行董事	男	55	2006.5-2009 换届	-	-	-	-
伍成业	非执行董事	男	55	2006.5-2009 换届	-	-	-	-
鲍友德	独立非执行董事	男	75	2006.5-2009 换届	-	-	-	-
邝志强	独立非执行董事	男	57	2006.5-2009 换届	-	-	-	-
张永锐	独立非执行董事	男	57	2006.5-2009 换届	-	-	-	-
周永健	独立非执行董事	男	56	2006.5-2009 换届	-	-	-	-
张鸿义	独立非执行董事	男	61	2007.3-2009 换届	-	-	-	-
陈甦	独立非执行董事	男	49	2007.3-2009 换届	-	-	-	-
肖少联	监事会主席（外部监事）	男	73	2006.5-2009 换届	-	-	-	-
孙福信	外部监事	男	68	2006.5-2009 换届	-	-	-	-
董立坤	外部监事	男	64	2006.5-2009 换届	-	-	-	-
段伟红	监事	女	38	2006.5-2009 换届	-	-	-	-

林立	监事	男	43	2006.5-2009 换届	-	-	-	-
车峰	监事	男	37	2006.5-2009 换届	-	-	-	-
胡杰	监事	女	51	2006.5-2009 换届	-	-	-	-
何实	监事	男	42	2006.5-2009 换届	-	-	-	-
王文君	监事	女	39	2006.5-2009 换届	-	-	-	-
梁家驹	常务副总经理	男	59	2006.06—	-	-	-	-
Richard JACKSON	首席金融业务执行官	男	51	2005.11—	-	-	-	-
顾敏慎	副总经理	男	50	2003.02—	H 股 177,500 股	H 股 177,500 股	-	-
John PEARCE	副总经理	男	44	2007.01—	-	-	-	-
任汇川	副总经理	男	37	2007.01—	-	-	-	-
吴岳翰	副总经理	男	37	2007.01—	-	-	-	-
王利平	副总经理	女	50	2004.01—	-	-	-	-
陈克祥	副总经理	男	49	2007.01—	-	-	-	-
罗世礼	副总经理	男	44	2007.01—	-	-	-	-

(1) 公司监事林立先生通过其控股的深圳市立业集团有限公司（原名“深圳市立业投资发展有限公司”）间接持有本公司的股份为限售流通的A股 176,000,000股。

(2) 除直接持股外，本公司部分董事、监事及高级管理人员通过员工投资集合和江南实业间接持有本公司股份。截至2006年12月31日，员工投资集合的集体参与人受益拥有本公司现有股本总额的11.63%，江南实业持有本公司股份139,112,886股。本公司董事、监事（除林立外）及高级管理人员间接持股情况如下：

姓名	持有员工投资集合之权益份额（份）	实际持有江南实业的比例（%）
马明哲	4,743,600	5.86
张子欣	500,000	2.93
孙建一	4,168,300	3.83
窦文伟	5,000	-
樊刚	502,080	0.44
林丽君	992,800	0.12
何实	836,160	0.35
胡杰	2,358,240	-
王文君	64,602	-
梁家驹	300,000	-
Richard JACKSON	-	0.59
顾敏慎	300,000	1.76
任汇川	735,040	1.41
吴岳翰	300,000	3.57
王利平	1,721,520	1.17
陈克祥	1,373,040	3.81

罗世礼	300,000	0.70
合计	19,200,382	26.54

二、董事、监事及高级管理人员主要工作经历和任职兼职情况

（一）执行董事

马明哲：自 1994 年 4 月和 2001 年 4 月起分别出任本公司董事会董事长和本公司首席执行官至今。马先生是中国人民政治协商会议第十届全国委员会委员。自 1988 年 3 月平安保险公司成立以来，历任本公司总经理、董事、董事长等不同职务，全面主持公司的经营管理工作至今。此前，马先生为招商局蛇口工业区社会保险公司副经理。马先生获得中南财经政法大学（原中南财经大学）货币银行学博士学位。

张子欣：自 2003 年 2 月及 2003 年 10 月起分别出任本公司首席财务官及总经理，以及自 2006 年 5 月起出任执行董事至今。他于 2000 年 2 月加入本公司，历任公司董事长高级顾问、首席信息执行官、副总经理和首席财务官。此前，张先生从 1993 年到 2000 年任麦肯锡公司管理顾问，后来成为其全球合伙人，主要为亚洲各国金融机构提供咨询服务。张先生获得英国剑桥大学资讯科技博士学位。

孙建一：自 1994 年 10 月和 2003 年 2 月起分别出任本公司常务副总经理和副首席执行官至今，并自 2006 年 5 月起出任公司董事会秘书。自 1995 年 3 月起，孙先生被任命为公司董事。孙先生亦为深圳万科股份有限公司独立非执行董事。自 1990 年 7 月加入本公司后，先后任管理本部总经理、公司副总经理和常务副总经理等职务。在加入本公司之前，孙先生曾任中国人民银行武汉分行办事处主任、中国人民保险公司武汉分公司副总经理、武汉证券公司总经理。孙先生是中南财经政法大学（原中南财经大学）金融学大专毕业。

（二）非执行董事

黄建平（于 2007 年 3 月 19 日辞任）：自 2002 年 5 月起出任本公司非执行董事。

黄先生亦担任深圳市投资控股有限公司计划财务部副部长。黄先生于深圳大学财政金融系大专毕业。

林友锋：自 2002 年 10 月起出任本公司非执行董事。林先生为宝华集团有限公司执行董事。林先生获得香港城市大学财务荣誉理学士，亦为特许公认会计师公会的资深会员。

张利华：自 2002 年 10 月起出任本公司非执行董事。张先生自 2001 年以来任武汉华创企业管理咨询有限公司总经理。此前，张先生曾任创百利有限公司经理。张先生获得加拿大 McMaster 大学学士学位。

贺培（Anthony Philip HOPE）：自 2002 年 11 月起出任本公司非执行董事。贺培先生亦于 2005 年 8 月 25 日出任董事会副董事长。自 1987 年，贺培先生任汇丰保险控股有限公司董事长，并于 1996 年兼任汇丰控股有限公司集团保险总经理，但已于 2006 年 10 月 31 日辞去此职务。贺培先生在 2007 年 2 月 27 日退休但将留任本公司非执行董事兼任副董事长。贺培先生于 2007 年 3 月 14 日被委任为 Paris Re, Bermuda（原 Axa Re 公司）的独立非执行董事。

林丽君：自 2003 年 5 月起出任本公司非执行董事，现为本公司工会副主席。林女士自 2000 年以来出任新豪时投资发展有限公司董事长。林女士在 1997 年到 2000 年之间曾任本公司之子公司中国平安财产保险股份有限公司（以下简称“平安产险”）人力资源部副总经理。林女士获得华南师范大学中文学士学位。

樊刚：自 2003 年 5 月起出任本公司非执行董事。樊先生还任深圳市江南实业发展有限公司董事。樊先生自 2002 年以来担任本公司董事长办公室主任。樊先生于 1988 年加入本公司，在 1998 年到 2000 年期间任本公司深圳分公司（产险）总经理。此前，樊先生曾任本公司保险管理委员会副主任。樊先生是湖北大学历史学专科毕业。

窦文伟（于 2007 年 3 月 19 日辞任）：自 2003 年 5 月起出任本公司非执行董事。窦先生还任深圳市江南实业发展有限公司董事。窦先生于 2004 年起担任本公司法律合规部总经理助理。窦先生获得吉林大学中国民法学硕士学位。

石聿新（于 2007 年 3 月 19 日辞任）：自 2003 年 10 月起出任本公司非执行董事。自 1992 年 12 月起，石先生为深圳市武新裕福实业有限公司（原武汉武新实业有限公司）董事总经理。石先生亦为武汉大鹏实业有限公司董事。石先生获得武汉大学法律硕士学位。

胡爱民：自 2004 年 3 月起出任本公司非执行董事。胡先生自 2003 年 4 月及 2003 年 6 月起，分别出任香港深业（集团）有限公司及深圳控股有限公司董事长，并于 2003 年 11 月兼任深圳市深业投资开发有限公司董事长。此前，胡先生曾任深圳市人民政府秘书长兼办公厅主任。胡先生获得湖南大学管理学硕士学位。

陈洪博：自 2005 年 6 月 23 日起出任本公司非执行董事。陈先生亦于 2005 年 8 月出任董事会副董事长。陈先生自 2004 年 9 月出任深圳市投资控股有限公司董事长兼党委书记至今，并曾于 2004 年 4 月至 2004 年 9 月出任深圳市国有资产监督管理委员会副主任及于 1992 年 12 月至 2004 年 4 月曾先后出任深圳市政府经济体制改革办公室主任助理、副主任。陈先生毕业于中南财经政法大学（原中南财经大学），并取得经济学硕士学位。

王冬胜：自 2006 年 5 月起出任本公司非执行董事。王先生于 2005 年 2 月加入汇丰，并自同年 4 月起出任汇丰集团总经理兼香港上海汇丰银行有限公司执行董事，负责香港及中国内地业务。王先生是恒生银行有限公司董事、汇丰保险集团（亚太）有限公司主席，亦是中国交通银行、平安银行有限责任公司（以下简称“平安银行”）及香港银行同业结算有限公司董事。王先生 1980 年加入银行业，最初出任花旗银行副财务总监，后历任该行多个职位，包括业务发展总监、副董事总经理及银行业务总监，1996 年出任花旗银行北亚洲区营业、服务及销售总监。1997 年，王先生获委任为渣打银行中港区个人银行业务主管，2000 年出任该行香港区行政总裁，2002 年任渣打银行大中华区董事。王先生毕业于美国印第安纳大学，取得计算机科学学士及硕士、市场及财务学硕士等学位。

伍成业：自 2006 年 5 月起出任本公司非执行董事。伍先生自 1998 年 1 月出任香港上海汇丰银行有限公司法律及合规事务主管。伍先生获准在英国、香港及澳洲维多利亚的最高法院执行律师职务。伍先生在转为私人执业前，曾于香港律政署出

任检察官。伍先生在 1987 年 6 月加入香港上海汇丰银行有限公司，出任助理集团法律顾问，并其后于 1993 年 2 月获委任为法律及合规事务部副主管。伍先生获得伦敦大学法律学士及硕士学位，亦获得北京大学的法律学士学位。

（三）独立非执行董事

鲍友德：自 1995 年 9 月起出任本公司非执行董事，并自 2003 年起出任董事会独立非执行董事。1999 年退休之前，鲍先生是上海国际信托投资公司副董事长兼总经理。1987 年，鲍先生当选为中国共产党第 13 次全国代表大会代表。在 1988 年和 1993 年，鲍先生曾两次当选上海市人民代表大会代表。鲍先生早年毕业于上海财经大学会计专业。

邝志强：自 2003 年 5 月起出任本公司独立非执行董事。邝先生还兼任多家香港联交所上市公司的独立非执行董事，如中远国际控股有限公司、天津发展控股有限公司、北京首都国际机场股份有限公司、星狮地产（中国）有限公司、新创建集团有限公司、中海油田服务股份有限公司、正奇投资有限公司、中国诚通发展集团有限公司、环球数码创意控股有限公司、华富国际控股有限公司、Tom Online Inc.、中国电力国际发展有限公司、新世界移动控股有限公司、恒基兆业地产有限公司、恒基兆业发展有限公司及雅居乐地产控股有限公司。从 1984 至 1998 年，邝先生为普华永道会计师事务所合伙人及从 1992 年至 1997 年曾担任香港联交所独立理事。邝先生获得香港大学学士学位，并且为英国特许会计师公会资深会员。邝先生曾担任中远太平洋有限公司非执行董事直至其于 2006 年 1 月退任，并曾任恒基中国集团有限公司（该公司于 2005 年 7 月被私有化）独立非执行董事。

张永锐：自 2003 年 5 月起出任本公司独立非执行董事。张先生还兼任数家联交所上市公司，即数码通电讯集团有限公司、新意网集团有限公司、大福证券集团有限公司、天津发展控股有限公司、上海置业有限公司、大生地产发展有限公司、合兴集团有限公司、正兴（集团）有限公司及雅居乐地产控股有限公司的独立董事或非执行董事。张先生亦为执业律师及胡关李罗律师事务所顾问。此外，张先生还曾任香港律师公会大陆法律事务委员会副主席（任期至 2005 年 12 月 31 日），现为香

港公开大学校董及税务上诉委员会委员。张先生获得澳洲新南威尔士大学商科会计学学士学位，并为澳洲会计师公会会员。

周永健：自 2005 年 6 月起出任本公司独立非执行董事。周先生一直为香港执业律师，且为王泽长·周淑娴·周永健律师行的合伙人。他亦为中国委托公证人。他自 2004 年 9 月起出任福田实业（集团）有限公司独立非执行董事及自 1994 年 5 月起出任信星鞋业集团有限公司独立非执行董事，其后出任非执行董事。自 2006 年 5 月及 2006 年 4 月起，周先生分别出任领汇管理有限公司及 Evergro Properties Limited（原龙置地有限公司，为一间于新加坡证券交易所上市之公司）独立非执行董事。周先生截至 2006 年 10 月 31 日止出任地产代理监管局副主席，及截至 2006 年 5 月 8 日止出任香港房屋委员会委员，现为香港法律改革委员会成员、证券及期货事务监察委员会的程序复检委员会主席、香港教育学院校董会成员。他亦为中国人民政治协商会议全国委员会委员及现任香港赛马会董事会成员。

张鸿义：高级经济师，自 2007 年 3 月 19 日起出任本公司独立非执行董事。张先生为香港银行学会资深会士及中国人民银行研究生部兼职教授。张先生现任综合开发研究院（中国·深圳）常务副院长，曾任中国银行深圳分行行长、深圳市副市长、中国银行港澳管理处副主任、南洋商业银行董事长、华侨商业银行董事长、中银信用卡（国际）有限公司副董事长、中国银行澳门分行总经理、大丰银行常务董事、南通信托投资有限公司董事长、珠海南通银行董事长、澳门银行公会主席、澳门特区政府经济委员会委员等。

陈甦：自 2007 年 3 月 19 日起出任本公司独立非执行董事。陈先生现为中国社会科学院法学所、国际法中心联合党委书记、法学所副所长、国际法研究中心副主任。陈先生亦为国务院法制办公室法修订专家组成员及全国人民代表大会财经事务委员会证券法修订专家组成员。

（四）监事

肖少联：自 1994 年 8 月和 2003 年 5 月起分别出任本公司外部监事和本公司监事会主席至今。此前，肖先生曾任中国人民银行深圳分行副行长兼国家外汇管理局

深圳分局副局长。

孙福信：自 2003 年 5 月起出任本公司外部监事。孙先生现任天一投资担保公司董事长、大连信誉评级委员会副主任。在 2003 年 4 月退休前，孙先生历任中国工商银行大连分行副行长、大连市政府副秘书长（分管财政、金融、房地产、税务）、交通银行大连分行管委会主任、大连市证券管理办公室主任、大连市金融管理办公室主任、大连市房地产开发管理办公室主任、大连市扶贫资金管理委员会主任、大连市商业银行董事长。

董立坤：自 2006 年 5 月起出任本公司外部监事。董先生现任深圳大学香港法研究所所长、国务院发展中心港澳研究所高级研究员、中国国际法学会常务理事、中国国际私法学会副会长、广东省法学会港澳法研究会总干事、中国国际经济贸易仲裁委员会仲裁员。董先生曾任上海社会科学院国际法研究所所长、深圳大学法学院院长、上海市人大代表、广东省政协委员。董先生毕业于北京大学法律系。

段伟红：自 2003 年 5 月出任本公司股东代表监事。段女士曾任深圳登峰投资集团有限公司董事长。段女士获得清华大学经济管理学院 EMBA 学位。

林立：自 2006 年 5 月起获委任为本公司股东代表监事至今。林先生现为深圳市立业集团有限公司董事长。林先生曾任职于中国银行深圳分行。林先生毕业于湖北工学院财会专业。

车峰：自 2006 年 5 月起获委任为本公司股东代表监事。车先生现任香港沃和科技集团有限公司主席兼行政总裁，并为北京大学中国与世界研究中心常务理事。此前，车先生曾任海南海皖实业有限公司副总经理、海南恒业房地产开发有限公司董事长及上海天健房地产开发有限公司董事长。车先生毕业于中国社会科学院研究生院。

胡杰：自 2006 年 5 月起获委任为本公司职工代表监事。胡女士曾任平安产险董事长。胡女士获得南开大学货币银行学硕士学位，拥有高级会计师技术职称。

何实：自 2003 年 5 月起出任本公司职工代表监事。何先生现为本公司人力资源部副总监兼人才绩效管理部部长。他还任深圳市新豪时投资发展有限公司董事。

此前，何先生曾任本公司海南分公司副总经理、平安产险人事行政部总经理。何先生于 1991 年 9 月加入本公司。何先生为中国社会科学院货币银行学研究生毕业。

王文君：自 2006 年 5 月起获委任为本公司职工代表监事。王女士现亦为本公司集团办公室主任助理。王女士获得上海外国语大学学士学位及西安交通大学公共管理硕士学位。

（五）高级管理人员

马明哲、张子欣、孙建一先生工作经历及任职、兼职情况请见“执行董事”部分。

梁家驹：自 2006 年 6 月和 2006 年 3 月起分别出任本公司常务副总经理和首席保险业务执行官至今。梁先生于 2004 年 1 月加入公司，任中国平安人寿保险股份有限公司（以下简称“平安寿险”）董事长兼首席执行官。1996 年到 2003 年就职于英国保诚集团，为该公司大中华区执行总裁。1989 年到 1996 年，就职于台湾南山人寿，最终职位是该公司总经理。1975 年到 1989 年，就职于美国友邦保险公司，最终职位是该公司副总经理。梁先生获得香港中文大学理学学士学位。

Richard JACKSON：自 2005 年 11 月起出任本公司首席金融业务执行官至今。JACKSON 先生于 2005 年 11 月加入公司。1985 年到 2005 年，JACKSON 先生就职于花旗银行，历任花旗集团国际保险公司国际业务主管、亚太区金融机构主管、花旗银行匈牙利分行主席兼首席执行官、波兰商业银行董事、花旗银行零售部韩国总经理、花旗银行韩国区总经理等职。1974 年到 1985 年，JACKSON 先生就职于英国商联保险公司，历任香港地区副经理和亚洲地区营销经理等职。JACKSON 先生是英国特许注册保险师协会会员。

顾敏慎：自 2003 年 2 月起出任本公司副总经理。顾先生于 2001 年 5 月加入公司，2003 年 2 月到 2007 年 1 月兼任公司首席人力资源执行官，2001 年 6 月到 2003 年 2 月任公司人力资源总监。1995 年到 2001 年，顾先生历任联合利华与上海市糖业烟酒（集团）有限公司合资的上海文德堡股份有限公司副董事长和总经理、联合利华 HPC 中国区人力资源董事。顾先生获得台湾辅仁大学教育心理学学士学位。

John PEARCE: 自 2007 年 1 月起出任本公司副总经理并兼任首席投资执行官。PEARCE 先生于 2007 年 1 月加入公司, 从 2003 年到 2006 年, PEARCE 先生任澳大利亚首域投资有限公司首席执行官, 2000 年到 2003 年任该公司总经理, 负责投资业务。1991 年到 2000 年, PEARCE 先生就职于澳大利亚首域投资集团银行, 历任基金及风险管理主管、金融市场主管、资金部主管。PEARCE 先生获得澳大利亚 Macquarie 大学应用财务金融学硕士学位。

任汇川: 自 2007 年 1 月起出任本公司副总经理。任先生于 1992 年加入公司, 2004 年 2 月到 2007 年 1 月任公司总经理助理, 2003 年 2 月到 2007 年 1 月任公司财务总监。2002 年到 2003 年任平安产险副总经理。1992 年到 2002 年, 就职于平安产险, 最终职位是公司协理, 其间, 1999 年任公司发展改革中心主任助理。任先生获得哈尔滨船舶工程学院计算机应用学士学位, 并已完成北京大学光华管理学院工商管理研究生的学习。

吴岳翰: 自 2007 年 1 月和 2005 年 8 月起分别出任本公司副总经理和首席市场执行官至今, 并自 2003 年 9 月起任本公司发展改革中心主任至今。吴先生 2000 年 2 月加入公司协助集团推动电子商务业务, 之后曾任平安证券有限责任公司(以下简称“平安证券”)首席运营执行官。2004 年 12 月到 2007 年 1 月任公司总经理助理, 2003 年 9 月到 2007 年 1 月任公司战略发展总监。此前, 吴先生就职于麦肯锡公司任专案经理。吴先生获得美国 Hamilton 学院经济学学士学位。

王利平: 自 2004 年 1 月起出任公司副总经理。王女士于 1989 年 6 月加入公司, 2006 年 7 月到 2007 年 1 月兼任公司副首席保险业务执行官。2005 年 8 月到 2006 年 7 月任平安养老保险股份有限公司(以下简称“平安养老险”)董事长兼总经理。2002 年到 2004 年, 任平安寿险董事长兼首席执行官。1998 年到 2002 年, 先后任公司总经理助理和副总经理。1995 年到 1997 年, 先后任公司寿险管理本部总经理和寿险协理。1994 年到 1995 年, 任公司证券部总经理。王女士获得南开大学货币银行学硕士学位。

陈克祥: 自 2007 年 1 月和 2002 年 6 月起分别出任本公司副总经理和办公室主任至今。陈先生于 1992 年 12 月加入公司, 2003 年 2 月到 2007 年 1 月任公司总经理

助理，2002年6月到2006年5月任公司董事会秘书长。1999年到2002年任平安信托副总经理、总经理。1996年到1999年，任公司办公室副主任。1995年到1996年，任平安大厦管理公司总经理。陈先生获得中南财经政法大学金融学硕士学位。

罗世礼：自2007年1月和2006年2月起分别出任本公司副总经理和首席信息执行官至今，并自2003年2月起任本公司信息管理中心总经理至今。罗先生于2002年6月加入公司，2006年2月到2007年1月任公司总经理助理，2003年10月到2006年2月任公司信息总监，2002年到2003年任公司数据中心总经理。2001年到2002年，任公司系统开发中心高级顾问。1993年到2001年，罗先生先后在剑桥大学任研究员、在Olivetti研究实验室任研究员工程师、在Olivetti & Oracle研究实验室任高级研究员、在AT & T剑桥实验室任高级研究员。罗先生获得英国剑桥大学计算机科学博士学位。

三、董事、监事及高级管理人员在股东单位的任职情况

姓名	股东单位名称	职务	任期	是否在股东单位 领取报酬
黄建平	深圳市投资控股有限公司	计划财务部副部长	2001年11月—	是
陈洪博	深圳市投资控股有限公司	董事长	2004年9月—	是
林友锋	宝华集团有限公司	执行董事	2000年4月—	是
贺培 (Anthony P.HOPE)	汇丰保险控股有限公司	董事长	1987年-2007年2月	是
王冬胜	香港上海汇丰银行有限公司	执行董事	2005年4月—	是
伍成业	香港上海汇丰银行有限公司	法律及合规事务主管	1998年1月—	是
林丽君	深圳市新豪时投资发展有限公司	董事长	2000年1月—	否
樊刚	深圳市江南实业发展有限公司	董事	2003年6月—	否
窦文伟	深圳市江南实业发展有限公司	董事	2003年6月—	否
石聿新	深圳市武新裕福实业有限公司	董事总经理	1992年12月—	是
胡爱民	深圳市深业投资开发有限公司	董事长	2003年6月—	是
段伟红	深圳登峰投资集团有限公司	董事长	2003年12月—2006年12月	否
林立	深圳市立业集团有限公司	董事长	1995年—	是

何实	深圳市新豪时投资发展有限公司	董事	2000年6月—	否
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注：在股东单位任职的董事、监事（段伟红除外）不在本公司领取报酬，他们在各自的任职单位领取报酬。但非执行董事林丽君、樊刚、窦文伟，职工代表监事何实例外，他们不在股东单位领取报酬，而是在本公司依据其所担任的具体行政职位领取员工薪酬。

本公司高级管理人员均未在股东单位及除本集团以外的其他非股东单位任职。

四、董事、监事及高级管理人员的报酬情况

公司聘请人力资源专业咨询公司，根据合理的市场水平确定并调整董监事与高级管理人员的薪酬，根据国际业绩标杆制定“执行董事”奖励计划，并报送董事会、股东大会通过后执行。

董事及监事在本公司领取的酬金情况见下表：

单位：人民币千元

姓名	职务	税后袍金	税后工资、津贴、福利	税后奖金	保险	税后总收入
马明哲	董事长、首席执行官	-	3,069.48	10,277.81	34.93	13,382.22
张子欣	执行董事、总经理、首席财务官	-	5,715.34	5,438.80	0.48	11,154.62
孙建一	执行董事、董事会秘书、常务副总经理	-	1,650.36	4,129.70	34.85	5,814.91
贺培 Anthony Philip HOPE	非执行董事、副董事长	-	-	-	-	-
王冬胜	非执行董事	-	-	-	-	-
伍成业	非执行董事	-	-	-	-	-
陈洪博	非执行董事、副董事长	-	-	-	-	-
黄建平	非执行董事	-	-	-	-	-
胡爱民	非执行董事	-	-	-	-	-
张利华	非执行董事	-	-	-	-	-
石聿新	非执行董事	-	-	-	-	-
林友锋	非执行董事	-	-	-	-	-
林丽君	非执行董事	-	304.92	25.01	48.67	378.60
樊刚	非执行董事	-	387.68	27.14	49.77	464.59
窦文伟	非执行董事	-	195.05	13.55	40.72	249.32
鲍友德	独立非执行董事	122.00	-	-	-	122.00
张永锐	独立非执行董事	232.00	-	-	-	232.00
邝志强	独立非执行董事	232.00	-	-	-	232.00
周永健	独立非执行董事	232.00	-	-	-	232.00

Henry CORNELL	辞任董事	-	-	-	-	-
刘海峰	辞任董事	-	-	-	-	-
张鸿义	独立非执行董事	-	-	-	-	-
陈甦	独立非执行董事	-	-	-	-	-
肖少联	监事会主席（外部监事）	198.00	-	-	-	198.00
孙福信	外部监事	50.40	-	-	-	50.40
董立坤	外部监事	30.18	-	-	-	30.18
段伟红	监事	-	-	-	-	-
周福林	辞任监事	-	-	-	-	-
陈波海	辞任监事	-	-	-	-	-
陈尚武	辞任监事	20.22	-	-	-	20.22
林立	监事	-	-	-	-	-
车峰	监事	-	-	-	-	-
何沛泉	辞任监事	-	127.05	-	-	127.05
宋连坤	辞任监事	-	112.75	-	-	112.75
何实	监事	-	484.83	32.31	47.34	564.48
胡杰	监事	-	201.57	-	27.47	229.04
王文君	监事	-	148.26	4.36	36.93	189.55
董监事报酬总计		1,116.80	12,397.29	19,948.68	321.16	33,783.93

(1) 马明哲先生与张子欣先生奖金含 2006 年奖金预发数和 2005 年奖金的补发数（即 2005 年发生，2006 年发放）。

(2) 孙建一先生奖金含 2006 年奖金预发数及 2005 年全额奖金（即 2005 年发生，2006 年发放）。

(3) 2006 年 5 月 25 日换届选举，监事宋连坤、何沛泉辞任，表中反映的是 2006 年 1 月 1 日至 2006 年 5 月 25 日的工资津贴；胡杰、王文君新当选监事，表中反映的是 2006 年 5 月 25 日至 2006 年 12 月 31 日的工资津贴。

(4) 2006 年 5 月 25 日换届选举，监事陈尚武退任，表中反映的是 2006 年 1 月 1 日至 2006 年 5 月 25 日的酬金；监事董立坤新当选外部监事，表中反映的是 2006 年 5 月 25 日至 2006 年 12 月 31 日的酬金数。

本公司十二名高级管理人员中包括三名董事，其酬金已在董监事薪酬表中披露，其余九名高级管理人员酬金详情如下：

单位：人民币千元

姓名	职务	税后工资、津贴、福利	税后奖金	保险	税后总收入
梁家驹	常务副总经理	4,797.92	12,304.35	0.48	17,102.75
Richard JACKSON	首席金融业务执行官	12,280.04	-	-	12,280.04
顾敏慎	副总经理	3,451.06	-	0.48	3,451.54
John PEARCE	副总经理	-	-	-	-
任汇川	副总经理	943.13	76.06	46.60	1,065.79
吴岳翰	副总经理	2,731.10	-	9.16	2,740.26

王利平	副总经理	974.53	75.87	35.32	1,085.72
陈克祥	副总经理	944.60	114.31	44.91	1,103.82
罗世礼	副总经理	2,034.12	-	0.48	2,034.60
总计		28,156.50	12,570.59	137.43	40,864.52

(1) 梁家驹先生的奖金含 2006 年奖金预发数和 2005 年全额奖金（即 2005 年发生，2006 年发放）；

(2) John PEARCE 先生在 2006 年度没有从公司领取薪酬。

除上述之外，本公司还建立了虚拟期权形式的长期奖励计划制度。经 2004 年公司第一次临时股东大会批准，对高级管理人员及若干主要员工实施长期奖励计划。公司不根据此计划发行股份，该等权利以单位方式授予，每个单位代表 1 股本公司 H 股。该计划自 2004 年至 2008 年每年根据员工的绩效和贡献，经评比并报公司董事会薪酬委员会批准后确定人选与授予份数，此长期奖励分五次授予，2004 年首次授予时根据公司 H 股上市时发行价（港币 10.33 元）作为授予价，授出 4,192 万份，在 2007 年、2008 年、2009 年分别行使 1,397.33 万份。2005 年至 2008 年每年授予虚拟期权，在授予日的第三周年日行权。2005 年授出 1,572 万份，授予价为港币 12.47 元；2006 年授出 1,572 万份，授予价为港币 21.5 元。

本公司将于上述期权行权时向在职参与者支付现金，但当年该计划参与者的累计收益不超过当年预估计净利润（国际财务报告准则）的 4%。

五、董事、监事及高级管理人员变动情况

1、本公司原董事 Henry CORNELL 先生、刘海峰先生于本公司 2006 年 5 月 25 日召开的 2006 年股东周年大会换届选举时任期届满，因个人原因不再接受委任。2006 年股东周年大会换届选举，委任张子欣先生为本公司执行董事，王冬胜先生、伍成业先生为非执行董事，其他董事连选连任。

2、本公司原监事陈尚武先生、周福林先生、陈波海先生于本公司 2006 年 5 月 25 日召开的 2006 年股东周年大会换届选举时任期届满，因个人原因不再接受委任。2006 年股东周年大会换届选举，委任董立坤先生、车峰先生、林立先生为监事，其他监事连选连任（职工代表监事除外）。

3、 本公司原职工代表监事何沛泉先生、宋连坤先生于本公司 2006 年 5 月 25 日召开的 2006 年股东周年大会换届选举时任期届满，因个人原因不再接受委任。2006 年 3 月 13 日本公司召开的 2006 年第一次职工代表大会选举胡杰女士、王文君女士为职工代表监事，监事何实先生连选连任。

4、 为满足中国证监会关于 A 股上市公司的董事会成员中应当至少包括三分之一的独立董事的规定，2007 年 3 月 19 日本公司召开了 2007 年第一次临时股东大会，原董事黄建平先生、石聿新先生、窦文伟先生辞任非执行董事职务，同时选举委任张鸿义先生及陈甦先生为独立非执行董事。

5、 公司原副总经理、首席监察执行官徐光中先生因达退休年龄，于 2006 年 12 月 31 日退休；原副总经理杨秀丽女士因个人原因，于 2006 年 12 月 31 日内退；原副总经理兼总精算师 Stephen Thomas MELDRUM 先生职务变动，于 2007 年 1 月聘为集团总精算顾问，不再担任公司副总经理兼总精算师。2007 年 1 月，公司聘任 John PEARCE 先生为公司副总经理并兼任首席投资执行官，聘任任汇川、吴岳翰、陈克祥、罗世礼先生为公司副总经理。

六、 公司员工数量、专业构成及教育程度

截止 2006 年 12 月 31 日，本公司共有在职员工 52,229 人，退休职工 32 人。其中保险业务系列 43,666 人，占 83.6%；投资业务系列 2,031 人，占 3.9%；银行业务系列 1,966 人，占 3.8%；其他系列 4,566 人，占 8.7%；员工中博、硕士研究生学历 1,807 人，占 3.5%，大学本科学历 18,607 人，占 35.6%；大专、中专学历 19,552 人，占 37.4%；其他学历 12,263 人，占 23.5%。

第六节 公司治理结构

一、公司治理的情况

报告期内，公司严格遵守《中华人民共和国公司法》（以下简称“公司法”）、《中华人民共和国保险法》等相关法律，按照监管部门颁布的相关法规要求，结合公司实际情况，不断完善公司治理结构。股东大会、董事会、监事会及高级管理层按照《中国平安保险（集团）股份有限公司章程》（以下简称《公司章程》）赋予的职责，依法独立运作，履行各自的权利、义务，没有违法、违规的情况发生。公司治理实际情况如下：

（一）关于股东和股东大会

报告期内，公司召开了 2006 年股东周年大会和 4 次临时股东大会。股东大会的通知、召集、召开和表决程序均符合《公司法》和《公司章程》的规定。股东大会建立健全了和股东沟通的有效渠道，积极听取股东的意见和建议，确保所有股东对公司重大事项的知情权、参与权和表决权。

（二）关于董事和董事会

截止 2006 年 12 月 31 日，本公司董事会由 19 名成员构成，其中执行董事 3 名、非执行董事 12 名、独立非执行董事 4 名；董事会的人数、构成符合当时监管要求和《公司章程》规定。报告期内，董事会共召开 7 次会议。全体董事恪尽职守，亲身或者通过电子通讯方式积极参与会议，努力做到在深入了解情况的基础上作出正确决策，注重维护公司和全体股东的利益。董事会各专门委员会对专业问题进行了研究，且提出推荐建议供董事会考虑。2006 年，审计委员会共举行 4 次会议，审阅了截至 2005 年 12 月 31 日止年度财务报告及截至 2006 年 6 月 30 日止半年度财务报告，并且，审计委员会于 2007 年 4 月 10 日召开的审计委员会 2007 年第一次会议上审阅了截至 2006 年 12 月 31 日止年度财务报告。此外，为更好评估本公司的财务申报制度及内部控制制度，所有审计委员会成员均于报告期内与外聘会计师事务所举行会

议，审核其表现、独立性及客观性。报告期内，薪酬委员会共举行 3 次会议。作为一般事宜，审阅了全体董事及高级管理层的表现及薪酬待遇。此外，听取了关于 2005 年度长期奖励计划的执行情况汇报。作为特别事项，还审阅了 2006 年董事及新聘高级管理层的薪酬待遇并向董事会提出推荐建议。报告期内，提名委员会共举行 3 次会议。提名委员会通过了有关提名第 7 届董事会董事、董事长、副董事长、董事会秘书以及本公司副经理的各项决议案。

（三）关于监事和监事会

监事会现有成员 9 名，其中外部监事、股东代表监事及职工代表监事各 3 名，监事会的人数、构成符合监管要求和《公司章程》规定。报告期内，监事会共举行 4 次监事会会议，通过审阅公司上报的各类文件和专题汇报、进行调研考察等方式，对公司的经营状况、财务活动进行检查和监督。全体监事遵守诚信原则，认真履行监督职责，有效维护了股东、公司、员工的权益和利益。

此外，监事列席了报告期内召开的股东大会和董事会，对公司董事以及高级管理人员履行职责情况进行了检查监督，保障了公司持续、稳定、健康的发展。

（四）关于信息披露及透明度

公司严格按照法律法规和公司章程的要求，及时、准确、真实、完整地披露公司各项重大信息，确保所有股东有平等的机会获得信息。公司致力于不断建立高水准的企业管治，并相信健全的企业管治可进一步提升公司管理的高效及可靠性，并对本公司实现股东价值的最大化至关重要。报告期内，公司荣获由大中华区专业 CRM（客户关系管理）机构评选的“大中华区最佳 CRM 实施”大奖；连续第三年蝉联由中华全国工商业联合会评选的“中国最具生命力百强企业”冠军；在国际著名财经杂志《欧洲货币》（Euromoney）2006 年亚洲最佳管理公司排名中，名列亚洲保险公司及中国区公司之首，同时在亚洲公司整体排名中位居第五位；荣获由国际著名专业杂志 IR magazine 评选的“投资者关系最佳进步奖”。

二、独立董事履行职责情况

(一) 独立董事出席董事会会议情况

公司第七届董事会原有独立董事 4 名，经 2007 年 3 月 19 日召开的公司 2007 年第一次临时股东大会选举，新委任 2 名独立董事，独立董事人数达到 6 名。

报告期内，独立董事认真履行有关法律法规和《公司章程》规定的职责以及诚信与勤勉义务；积极参加董事会会议及专门委员会会议，为本公司的公司治理、改革发展和生产经营等提供了许多建设性意见和建议；决策过程中尤其关注社会公众股股东和中小股东的合法权益。

独立董事姓名	本年应参加董事会次数	亲自出席(次)	委托出席(次)	缺席(次)	备注
鲍友德	7	6	1	-	第七届董事会第二次会议委托独立非执行董事张永锐先生参会并行使表决权
邝志强	7	7	-	-	/
周永健	7	6	1	-	第七届董事会第二次会议委托独立非执行董事张永锐先生参会并行使表决权
张永锐	7	6	1	-	第七届董事会第四次会议委托独立非执行董事周永健先生参会并行使表决权
张鸿义	-	-	-	-	于 2007 年 3 月 19 日当选独立非执行董事
陈甦	-	-	-	-	于 2007 年 3 月 19 日当选独立非执行董事

(二) 独立董事对公司有关事项提出异议的情况

报告期内，公司独立董事未对公司本年度的董事会议案及其他非董事会议案事项提出异议。

三、公司相对于控股股东在业务、人员、资产、机构、财务等方面的独立情况

公司无控股股东及实际控制人。作为综合金融服务集团，公司在中国保监会的监管之下，保持业务、人员、资产、机构和财务五方面完全独立。公司为自主经营、自负盈亏的独立法人，具有独立、完整的业务及自主经营能力。

四、对高级管理人员的考评及激励机制

公司根据业务规划对高级管理人员设定明确的三年滚动计划与年度问责目标，依据目标达成情况，每年进行两次严格的问责考核，并结合三百六十度反馈，对高级管理人员进行综合评价。问责结果与长短期奖酬、干部任免紧密挂钩，综合评价作为干部发展的重要参考依据。

第七节 股东大会情况简介

一、年度股东大会情况

公司于 2006 年 5 月 25 日召开 2006 年股东周年大会。决议公告刊登在 2006 年 5 月 28 日的香港《经济日报》、《南华早报》及香港联合交易所网站。

二、临时股东大会情况

（一）第一次临时股东大会情况

公司于 2006 年 9 月 29 日召开 2006 年第一次临时股东大会。决议公告刊登在 2006 年 9 月 30 日的香港《经济日报》、《南华早报》及香港联合交易所网站。

（二）第二次临时股东大会情况

公司于 2006 年 11 月 13 日召开 2006 年第二次临时股东大会。决议公告刊登在 2006 年 11 月 14 日的香港《经济日报》、《南华早报》及香港联合交易所网站。

（三）第一次内资股类别股东大会情况

公司于 2006 年 11 月 13 日召开 2006 年第一次内资股类别股东大会。决议公告刊登在 2006 年 11 月 14 日的香港《经济日报》、《南华早报》及香港联合交易所网站。

（四）第一次 H 股类别股东大会情况

公司于 2006 年 11 月 13 日召开 2006 年第一次 H 股类别股东大会。决议公告刊登在 2006 年 11 月 14 日的香港《经济日报》、《南华早报》及香港联合交易所网站。

第八节 董事会报告

一、 报告期经营情况的讨论与分析

(一) 总体经营情况概述

2006年，中国经济表现上佳，取得了平稳快速增长，居民消费稳步增长，为中国金融保险业的改革与发展创造了良好的市场环境。在这一年中，本公司实现净利润59.86亿元，较2005年增长79.3%。总资产达到4,417.91亿元，股东权益增至366.68亿元。保险业务收入817.12亿元，较2005年增长21.3%。上述数字表明本公司在2006年保持了平稳快速的发展趋势。

报告期，本公司整体经营呈现以下特点：

1、 保险业务总体盈利能力显著增强，发展速度加快

本公司核心保险业务的净利润创历史新高。寿险业务和产险业务保费收入分别为689.89亿元和169.66亿元。同时，受惠于股市走强和适当的投资策略，集团投资收益率较上年快速提升，含利息收入在内的投资收益达223.60亿元。集团整体内含价值达到655.73亿元。

2006年，寿险业务实现保费收入689.89亿元，同比增长17.2%，占中国寿险市场的17.0%；一年新业务价值为51.32亿元，同比增长13.1%；全年实现净利润47.74亿元，同比增长68.5%。

产险业务增速超越市场。产险业务继续保持快速增长，2006年保费收入达169.66亿元，其中，平安产险实现保费收入168.62亿元，占中国产险市场的10.7%；净利润为6.45亿元，较去年增长121.2%。

其它保险业务持续完善基础平台，取得进一步发展。养老险业务与团险业务整合改革的重组工作开始展开，全国35家机构开设申请顺利获得中国保监会批准。健康险业务逐步完善新型业务发展及运营规划，积极探索适合中国市场的健康险经营管理模式。

2、投资管理及银行业务平台持续强化，综合金融服务架构进一步完善

2006 年，本公司投资平台建设进展顺利，中国平安资产管理（香港）有限公司（以下简称“平安资产管理（香港）”）成功设立，正陆续组建一支具有国际投资经验的团队及全球投资营运平台。

证券、信托等业务的主动转型举措初显成效，此两项业务在 2006 年度增长显著。2006 年，信托业务规模和产品形态取得突破，平安证券业务实现净利润 5.54 亿元，创平安证券公司成立以来新高。

银行业务方面，平安银行于 2006 年 6 月获中国银监会批准，取得人民币对公业务经营资格。2006 年末，本公司通过受让股权和注资，取得深圳市商业银行股份有限公司（以下简称“深商行”）89.36%的股权。此后，深商行将受让本公司控股子公司平安信托及汇丰集团所持平安银行所有股权，100%控股平安银行。目前两家银行合并为一个银行品牌的规划及重组工作正在推进过程中。银行业务将成为集团核心利润来源之一，其销售渠道的重要性和贡献会逐步提升。

3、基础营运平台得到进一步完善

本公司全国后援管理中心的建设进展顺利，并成为业务发展和风险管理的有效支持平台。本公司的全国后援管理中心是亚洲最大的金融后援中心之一，相信经过持续完善和发展，将对本公司的业务发展、风险内控及内部管理等起到直接促进作用，不断提升本公司的成本优势和市场竞争力。

4、管理水平和品牌价值保持领先

在经验丰富的专业管理团队的带领下，本公司在公司治理结构、风险管控机制、经营管理体制等方面日趋完善。2006 年，本公司荣膺《欧洲货币》授予的“亚洲最佳管理公司”称号，名列亚洲公司第五位，居中国内地企业之首。

在本公司良好业绩和整体实力不断增强，以及市场对中国金融业发展前景积极预期的支持下，公司 H 股股价稳步提升。此外，在本年报发布前不久，本公司成功完成了 A 股发行上市的工作。

(二) 主要业务及经营情况

2006 年，本公司借助旗下主要子公司，即平安寿险、平安产险、平安信托、平安证券、平安银行、平安养老险、平安健康保险股份有限公司（以下简称“平安健康险”）及平安资产管理有限责任公司（以下简称“平安资产管理”）、平安资产管理（香港）等，通过多渠道分销网络以统一的品牌向客户提供多种金融产品和服务。

1、寿险业务及经营情况

平安寿险通过全国 35 个省级分公司，近 2,000 个各级各类分支机构及营销服务部门，向个人和团体客户提供人身保险产品。截至 2006 年 12 月 31 日，平安寿险注册资本 38 亿元，总资产 3,135.85 亿元。

(1) 保费收入分渠道分析

本公司寿险业务按销售渠道可划分为个人寿险、银行保险和团体保险。

单位：人民币千元

项目	2006 年			2005 年度		
	金额	占总额比例 (%)	与上年度比较增减率 (%)	金额	占总额比例 (%)	与上年度比较增减率 (%)
个人寿险	55,308,698	80.2	19.6	46,239,057	78.6	14.9
团体保险	7,436,576	10.8	1.4	7,331,651	12.4	(15.5)
银行保险	6,243,584	9.0	18.3	5,278,189	9.0	(11.2)
合计	68,988,858	100.0	17.2	58,848,897	100.0	7.2

• 个人寿险

本公司个人寿险业务的保费收入如下：

单位：人民币千元

项目	2006 年		2005 年	
	收入	比例 (%)	收入	比例 (%)

首年保费	13,220,534	23.9	11,642,386	25.2
首年期缴及趸缴保费	10,254,243	18.5	8,985,714	19.4
短期意外及健康保险保费	2,966,291	5.4	2,656,672	5.8
续期保费	42,088,164	76.1	34,596,671	74.8
合计	55,308,698	100.0	46,239,057	100.0

本公司的个人寿险主要通过寿险营销员进行销售。截至 2006 年 12 月 31 日，本公司共有约 20.54 万名营销员。

本公司营销员的产能如下表所示：

项目	2006 年	2005 年
首年保费收入（元/人均每月）	4,737	4,446
寿险新保单数（件/人均每月）	2.1	2.3

本公司个人寿险客户的 13 个月和 25 个月继续率如下表所示：

项目	2006 年	2005 年
个人寿险客户 13 个月保单继续率（%）	89.0	85.9
个人寿险客户 25 个月保单继续率（%）	80.3	81.9

， 银行保险

本公司通过银行、邮局的柜台或理财中心销售的银行保险产品。

本公司银行保险业务的保费收入如下：

单位：人民币千元

项目	2006 年		2005 年	
	收入	比例(%)	收入	比例(%)
首年保费	5,995,910	96.0	5,051,794	95.7
首年期缴及趸缴保费	5,993,854	96.0	5,049,593	95.7
短期意外及健康保险保费	2,056	-	2,201	-
续期保费	247,674	4.0	226,395	4.3
合计	6,243,584	100.0	5,278,189	100.0

③ 团体寿险

本公司的团体保险产品主要通过团体销售代表销售。本公司在全国各分公司和分支机构拥有 2,127 名团体销售代表。此外，平安产险利用自身销售网络交叉销售平安寿险的团体保险产品。本公司还通过保险专业代理公司、保险经纪公司和兼业代理机构等保险中介机构来分销本公司的团体保险产品。

根据 2006 年 12 月 15 日中国保监会出具的《关于平安养老保险股份有限公司重组的批复》（保监发改[2006]1416 号），同意将平安寿险的团险业务分步转移至平安养老险，平安寿险的团销队伍和销售网络一次性整体剥离至平安养老险。目前平安养老险正在着手设立分公司和中心支公司。

本公司团体寿险业务的保费收入如下：

单位：人民币千元

项目	2006 年		2005 年	
	收入	比例(%)	收入	比例(%)
首年保费	6,960,604	93.6	6,874,924	93.8
首年期缴及趸缴保费	4,708,860	63.3	4,850,691	66.2
短期意外及健康保险保费	2,251,744	30.3	2,024,233	27.6
续期保费	475,972	6.4	456,727	6.2
合计	7,436,576	100.0	7,331,651	100.0

④本公司人寿保险的销售网络情况如下表：

项目	2006 年 12 月 31 日	2005 年 12 月 31 日
个人寿险销售代理人数量	205,437	200,193
团体保险销售代表数量	2,127	1,644
银行保险销售网点	24,214	27,222

(2) 保费收入分地区分析

2006 年度，本公司寿险业务保费收入前十大地区分别为广东、上海、北京、江苏、辽宁、山东、浙江、福建、四川、河北。上述前十大地区 2006 年保费收入占寿险业务保费收入的比例为 71.6%。保费收入的地区分布与该地区的经济发达程度、人口密度和保险意识密切相关。

单位：人民币千元

地区	2006 年	2005 年
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	金额	占比 (%)	金额	占比 (%)
广东	8,024,598	11.6	6,549,312	11.1
上海	7,680,459	11.1	6,754,013	11.5
北京	6,654,200	9.6	6,216,014	10.6
江苏	5,593,196	8.1	4,584,871	7.8
辽宁	5,038,782	7.3	4,309,374	7.3
山东	4,763,906	6.9	4,092,261	7.0
浙江	4,035,010	5.8	3,355,201	5.7
福建	3,082,944	4.5	2,644,459	4.5
四川	2,320,511	3.4	1,965,955	3.3
河北	2,250,893	3.3	1,862,010	3.2
小计	49,444,499	71.6	42,333,470	72.0
总保费收入	68,988,858	100.0	58,848,897	100.0

(3) 关于历史遗留高定价利率产品

与中国其它各大寿险公司一样，由于当时的市场利率较高，本公司在 1995 年到 1999 年期间对本公司的寿险产品提供了等于或超过 5% 的较高的定价利率。1999 年 6 月，中国保监会规定寿险产品的定价利率最多为 2.5%。因此，本公司自 1999 年 6 月起提供产品的定价利率不超过 2.5%。于 2006 年 12 月 31 日，按中国公认会计准则计算的高定价利率寿险保单的寿险责任准备金，占本公司寿险责任准备金总额的 37.3%，而于 2005 年 12 月 31 日则占 40.0%。2006 年本公司所有含保证收益率的寿险产品的平均负债成本约为 4.5%，而 2005 年则为 4.7%。随着提供较低保证收益率或不提供保证收益率的新保单持续增长，预期这些高定价利率保单在本公司总有效寿险保单中的准备金比例将不断下降。

2、 财产保险业务及经营情况

本公司的财产保险产品主要由平安产险提供，此外，中国平安保险(香港)有限公司也在香港市场提供财产保险服务。

截至 2006 年 12 月 31 日，平安产险注册资本 30 亿元，总资产 182.39 亿元。

(1) 保费收入

• 分险种分析

2006 年本公司实现产险业务保费收入 169.66 亿元，较上年增长 33.0%。

机动车辆及第三者责任险一直是本公司产险业务保费收入的主要来源，2006 年该业务实现保费收入 117.07 亿元，较上年增长 47.5%，所占比例提高至 69.0%。

非机动车辆险保费收入在 2006 年为 44.17 亿元，占总保费收入的 26.0%。非机动车辆险业务中占比最大的为企业财产保险保费收入。

意外与健康险保费收入在 2006 年达到了 8.42 亿元，较上一年增长 49.0%。

单位:人民币千元

项目	2006 年			2005 年		
	金额	占总额比例 (%)	与上年度比较增减率 (%)	金额	占总额比例 (%)	与上年度比较增减率 (%)
机动车辆及第三方责任险	11,707,120	69.0	47.5	7,934,777	62.2	20.2
非机动车辆险	4,416,540	26.0	3.7	4,260,047	33.4	13.8
意外与健康险	842,434	5.0	49.0	565,291	4.4	46.3
合计	16,966,094	100.0	33.0	12,760,115	100.0	18.9

，分地区分析

2006 年度，本公司产险业务保费收入前十大地区分别为广东、上海、北京、浙江、江苏、山东、辽宁、河北、福建、四川。上述前十大地区 2006 年保费收入占产险业务保费收入的比例为 70.9%。保费收入的地区分布与该地区的经济发达程度和保险意识密切相关。

单位:人民币千元

地区	2006 年		2005 年	
	金额	占总额比例 (%)	金额	占总额比例 (%)
广东	3,248,182	19.2	2,388,413	18.7

上海	1,564,808	9.2	1,296,104	10.2
北京	1,261,169	7.4	1,000,442	7.8
浙江	1,188,529	7.0	848,547	6.6
江苏	1,154,277	6.8	763,866	6.0
山东	974,368	5.8	741,744	5.8
辽宁	767,901	4.5	599,471	4.7
河北	672,684	4.0	541,257	4.2
福建	616,194	3.6	454,411	3.6
四川	581,581	3.4	376,475	3.0
小计	12,029,693	70.9	9,010,730	70.6
总保费收入	16,966,094	100.0	12,760,115	100.0

(2) 分销网络

平安产险的财产保险产品分销网络包括遍布中国各省、自治区和直辖市的 39 家分公司、1 家正在筹建的分公司及遍布中国各地的 1300 多个三、四级机构。平安产险分销财产保险产品的途径主要是平安产险的内部销售代表和银行、汽车经销商等各种保险代理人和保险经纪。

项目	2006 年	2005 年
直销销售代表数量	8,424	7,708
保险代理人数量	10,868	6,176

(3) 主要营运指标

指标	2006 年	2005 年
综合成本率 ⁽¹⁾ (%)	99.9	96.9

(1) 综合成本率 = (保险业务支出合计 + 未决赔款准备金提转差) / (保险业务收入 - 未到期责任准备金提转差 - 长期责任准备金提转差)。

2006 年，由于市场竞争加剧，并随着国内汽车保有量迅速增加，全行业的车险业务占比明显上升。在此行业环境下，平安产险综合成本率从 2005 年 96.9% 上升至 2006 年 99.9% 的水平。

3、平安信托

本公司通过平安信托向客户提供资产管理服务。此外，平安信托亦作为本公司若干长期权益投资之投资控股公司，向本公司其它子公司提供基建投资、物业投资等服务。截至 2006 年 12 月 31 日，平安信托注册资本 42 亿元，总资产 67.53 亿元。2006 年，本公司信托业务开发了多项新产品，如证券投资类信托产品、外汇投资类信托产品等。该等新产品为本公司信托业务提供收入增长的新机会。2006 年 12 月 31 日，平安信託管理的信托资产为 166.77 亿元。

4、平安证券

本公司通过平安证券经营证券业务，平安证券通过其遍布中国的 22 家营业部和本公司 PA18 金融门户网站向客户提供证券服务。截至 2006 年 12 月 31 日，平安证券注册资本 18 亿元，总资产 88.53 亿元。2006 年证券市场成交量及融资额均创历史新高，公司传统业务及创新业务迅速发展，2006 年平安证券实现净利润 5.54 亿元，创公司成立以来新高。2006 年平安证券通过了从事相关创新活动证券公司评审，成为行业创新类券商之一，为未来发展奠定了重要基础。

5、平安银行

经中国银行业监督管理委员会（以下简称“中国银监会”）批准，平安银行于 2006 年 6 月 23 日获得人民币对公业务经营资格。2006 年，平安银行在注重稳健经营的同时积极进取，通过持续优化产品结构，有效运用多渠道营销方式，深层次广泛挖掘客户资源。截至 2006 年 12 月 31 日，平安银行注册资本为 6.14 亿元，资产规模 30.46 亿元，存款余额 7.72 亿元，贷款余额 14.69 亿元，资本充足率 50.2%，无任何不良贷款。

6、深商行

深商行成立于 1995 年 8 月 3 日，是全国第一家城市商业银行。2006 年末，深商行顺利完成重组改制工作，注册资本从原有 16 亿元增加到 55.02 亿元，本公司通过受让股权和注资共持有该行 89.36% 的股权，成为该行的第一大股东。截至 2006 年 12 月 31 日，深商行总资产规模 817.25 亿元，存款余额 722.73 亿元，贷款余额 474.57 亿元，资本充足率为 10.7%，不良贷款率为 6.5%。

7、平安养老险

平安养老险成立于 2004 年 12 月 13 日。2006 年 12 月 27 日经中国保监会正式批复，平安养老险将进行重组，重组后平安养老险的主营业务仍然是企业年金和与企业年金相配套的临时性的商业补充养老保险，同时逐步平移平安寿险的团体保险业务。平安养老险在未来几个月内拟在全国开设 35 家分公司，127 个中心支公司。截至 2006 年 12 月 31 日，平安养老险注册资本 3 亿元，总资产 4.88 亿元，平安养老险企业年金受托资产规模为 6.34 亿元。

8、平安健康险

平安健康险成立于 2005 年 6 月 13 日，注册资本 5 亿元，是全国最早获批筹建的专业健康险公司之一。2006 年平安健康险依托集团的资源优势，引入国际专家管理团队，以高起点、国际化和专业化的经营管理模式，规划发展新型健康保险业务，并致力于为客户提供全方位的健康管理与健康服务。2006 年 12 月，平安健康险上海分公司获批开业。

9、平安资产管理

截至 2006 年 12 月 31 日，平安资产管理注册资本 2 亿元，总资产 2.23 亿元。2006 年，平安资产管理公司管理的资产规模保持稳定增长的态势，截至 2006 年 12 月 31 日，平安资产管理投资管理资产规模已达 3,294.24 亿元，投资收益和投资收益率均

得到提升。在保险资金投资渠道拓展方面，平安资产管理启动了非资本市场投资，取得了基础设施投资的试点资格。内部管理方面，平安资产管理公司通过完善业务流程的标准化、规范化，加强内控管理、风险计量、资产配置和业绩评估机制，使投资管理能力得到不断提升。

10、平安资产管理(香港)

平安资产管理(香港)成立于 2006 年 5 月 16 日。截至 2006 年末，平安资产管理(香港)注册资本 0.25 亿港元。作为准备负责本公司海外投资管理业务的主体，除了接受委托管理平安内部其它公司的投资性资产以外，该公司也拟为国内外专业投资者提供香港及海外投资产品和第三方资产管理服务。目前该公司正陆续组建一支具有国际投资经验的团队及营运平台。

11、整合后援中心

全国后援管理中心的建设进展顺利，并成为业务发展和风险管理的有效支持平台。

截至本报告刊发时，本公司已达至以下具体进展：

- 所有个人寿险业务及银行保险业务的核保、理赔及文件作业已集中；
- 个人寿险业务的保全作业集中近 40%；
- 产险业务 60%的理赔作业已集中，车险核保自动化比率达到 50%；
- 所有产险、寿险、养老保险业务的营业费用会计核算作业已集中；
- 建立了全国电话中心，为所有寿险客户及近 90%的产险客户提供服务。

全国后援管理中心目前是亚洲最大的金融后援中心之一，并对本公司整体的服务水平、运营效率、风险控制等方面发挥着显著的推动作用。本公司相信未来后援中心将能进一步提高本公司的市场营销能力，改善及集中本公司在寿险及产险核保及理赔方面的管理工作，加强本公司的内部控制及风险管理系统，通过对不同管理层级的权责作恰当划分以提高管理效率，以及降低营运成本和提升整体盈利能力。

12、主要客户情况

2003年、2004年、2005年和2006年，本公司来自前5名客户的保费收入占本公司保费收入的比例分别为1.6%、1.1%、1.1%和1.1%。本公司不存在来自单个客户的保费收入比例超过总额的50%或严重依赖于上述客户的情况。

（三）与经营相关的重要信息讨论与分析

1、2007年2月9日，本公司首次公开发行人民币普通股（A股）11.50亿股，发行价格为33.80元/股，共募集资金约388亿元。本次A股发行募集资金扣除发行费用后，将用于充实本公司资本金以及/或有关监管部门批准的其他用途。

2、2006年10月，经中国保监会及国家外汇管理局批准，国内首个外汇寿险产品——中国平安“好搭档留学外汇保”面向全国销售。这是《国务院关于保险业改革发展的若干意见》颁布后中国保险业的重大产品及服务创新，为计划出境学习、生活的客户提供了新的保障计划。

3、2006年7月，本公司订立有关协议，投资约49.10亿元人民币收购和注资深商行，以获得深商行89.24%的股份，使深商行的资本充足率提升到银监会的监管要求。收购使本公司在综合金融服务集团的征程中迈出了坚实的一步。2007年2月16日，作为本公司整合银行业务及精简架构策略的一部分，深商行分别与香港上海汇丰银行有限公司及本公司拥有99.88%权益之子公司平安信托订立股权转让协议，以有条件收购平安银行27%及73%股权。

4、2006年5月，本公司在香港设立平安资产管理(香港)，以搭建国际一流的投资平台。平安资产管理（香港）将与位于上海的平安资产管理组合成统一的平安资产管理业务体系，朝着建立全球性资产配置和国际领先的投资管理平台的方向发展。2007年3月1日，平安资产管理（香港）正式获得香港证券及期货事务监察委员会证监会颁发的在港从事第9类受规管业务的资格，即资产管理牌照。

5、2006年8月，平安信托在首届优秀信托公司评选活动中夺得最佳知名品牌、最佳房地产信托计划及最佳信托经理等三项大奖，显示出本公司在中国平安综合金融服务集团架构下的独特优势，为信托开展业务提供了有力支持。

6、监管机构最新的监管动态及影响

2006 年，中国保监会及其它有关中国监管机构颁布了一系列新法律法规。

(1) 《保险资金间接投资基础设施项目试点管理办法》

于 2006 年 3 月 14 日，中国保监会颁布了《保险资金间接投资基础设施项目试点管理办法》。这是目前国内第一部关于保险资金间接投资基础设施项目的管理规章，对规范保险资金投资基础设施的运作和优化保险资产结构具有重要的现实意义。在该“办法”的指导下，本公司前期积累开发的基础设施投资项目的投资进程将会加快。

(2) 《机动车交通事故责任强制保险条例》

于 2006 年 3 月 21 日，国务院颁布了《机动车交通事故责任强制保险条例》，自 2006 年 7 月 1 日起施行，明确了机动车交通事故责任强制保险制度的适用范围、各项原则、保险各方当事人权利义务以及监督管理机构的职责，对于机动车交通事故责任强制保险制度的顺利运行具有十分重要的作用。本公司认为，实施强制三者险后，车险承保数量将大幅度增长，会带来更多的保费收入和利润空间。

(3) 《上市公司证券发行管理办法》

于 2006 年 5 月 6 日，中国证监会颁布了《上市公司证券发行管理办法》，强化公开发行政券的市场约束机制；严格募集资金管理，鼓励回报股东以及进一步完善再融资市场化运作机制，提高融资效率。该办法将促进本公司投行业务的发展。

(4) 《首次公开发行股票并上市管理办法》

于 2006 年 5 月 17 日，中国证监会颁布了《首次公开发行股票并上市管理办法》，进一步规范国内证券市场首次公开发行股票并上市行为，有助于完善 IPO 的市场化运作机制，提高融资效率。

(5) 《国务院关于保险业改革的若干意见》

于 2006 年 6 月 15 日，国务院下发《国务院关于保险业改革的若干意见》（国发[2006]23 号），为全面贯彻落实科学发展观，明确今后一个时期保险业改革发展的指导思想、目标任务和政策措施，加快保险业改革发展，促进社会主义和谐社会建设，提出了十条具体意见，简称“国十条”。“国十条”的颁布，是中国保险发展史上的一个里程碑，为本公司发展带来难得机遇。

(6) 《健康保险管理办法》

于2006年8月7日，中国保监会颁布了《健康保险管理办法》，自2006年9月1日起施行。这是我国第一部专门规范商业健康保险的部门规章，对于促进健康保险专业化发展、推动产品创新、规范市场行为、保护被保险人权益和改善外部环境，具有重大的现实意义，对平安健康险今后一个时期的发展也有重要的指导意义。

(7) 《合格境外机构投资者境内证券投资管理办法》

于2006年8月24日，中国证监会、中国人民银行和国家外汇管理局联合颁布《合格境外机构投资者境内证券投资管理办法》，自2006年9月1日起施行。与原有规定相比，新管理办法较大幅度地降低了合格境外机构投资者投资境内证券的门坎。本公司认为，该办法的出台将会鼓励长期资金入市，促进我国资本市场的健康发展，对本公司投资业务水平的提高有正面意义。

(8) 《证券发行与承销管理办法》

于2006年9月17日，中国证监会颁布了《证券发行与承销管理办法》，自2006年9月19日起施行。该管理办法重点规范首次公开发行股票询价、定价以及股票配售等环节，建立回拨机制和引入向战略投资者配售股票制度以及超额配售选择权（“绿鞋”）制度，完善现行的询价制度。此外，还加强了对发行人、证券公司、证券服务机构和投资者参与证券发行行为的监管。该办法指导投行业务的风险控制与规范发展，对本公司的投行业务有促进作用。

(9) 《关于保险机构投资商业银行股权的通知》

于2006年10月16日，中国保监会颁布了《关于保险机构投资商业银行股权的通知》，允许保险资金投资商业银行股权，拓宽了保险资金的运用范围，使得保险资金有了更适合自身特点的长期投资渠道，从而有助于改善保险资金的资产配置结构，分散投资风险，提高投资收益。

二、公司未来发展展望

（一）本公司发展目标

1、本公司致力于发展成为以保险、银行、资产管理为核心，国际领先的综合金融服务集团

本公司将致力于向国际领先的综合金融服务集团的目标迈进，力争成为市场的主导者之一，在保险业务的基础上，发展银行业务和资产管理业务，构建以三大业务为支柱的核心业务体系。

2、持续地获得稳定的利润增长，向股东提供稳定回报

在过去的发展历程中，本公司保持了高速的发展态势，为股东创造价值。本公司未来将借助于中国经济快速发展、家庭财富不断增长之势，力争实现持续健康的利润增长，继续向股东提供稳定的回报。

（二）本公司所处主要行业的发展趋势及公司面临的市场竞争格局

1、中国保险市场有较大的增长潜力

本公司目前主要从事保险业务。根据瑞士再保险公司的 Sigma 报告（2006 年第 5 期），2005 年全球保费收入达到 34,260 亿美元，其中人寿保险为 19,740 亿美元，非寿险（包括财产保险、意外伤害保险和健康保险）为 14,520 亿美元。就总保费而言，中国保险市场是亚洲第三大保险市场，是世界第十一大保险市场，同时也是全球增长速度最快的保险市场之一。保险行业是中国国民经济中发展最快的行业之一。

2006 年中国保险业实现保费收入 5,641.4 亿元，同比增长 14.4%；保险公司总资产 1.97 万亿元，比 2005 年底增长 29%。2006 年，中国的保险深度 2.8%，保险密度 431.3 元，从保险深度和保险密度来看，中国与美国、欧洲以及亚洲某些较为发达的市场相比，渗透率仍然较低，显示了中国保险市场仍有较大的增长潜力。

2、竞争分析

截至 2006 年末，中国境内的保险公司达到 98 家，专业中介机构达到 2110 家；新增 4 家保险资产管理公司和 1 家保险资金运用中心，资产管理公司达到 9 家。目前，我国保险市场上共有 41 家外资保险公司，来自 20 个国家和地区的 133 家外资

保险公司在华设立了 195 家代表处。初步形成了国有控股（集团）公司、股份制公司、外资公司等多种形式、多种所有制成份并存，公平竞争、共同发展的市场格局。

下表为 2006 年人身保险公司收入排名和市场份额：

公司	保费收入（亿元）	市场份额（%）
中国人寿保险股份有限公司	1,838.39	45.3
中国平安人寿保险股份有限公司	689.89	17.0
中国太平洋人寿保险股份有限公司	378.38	9.3
新华人寿保险股份有限公司	266.57	6.6
泰康人寿保险股份有限公司	208.09	5.1
其他	679.77	16.7
合计	4,061.09	100.0

资料来源：中国保监会网站

下表为 2006 年财产保险公司收入排名和市场份额：

公司	保费收入（亿元）	市场份额（%）
中国人民财产保险股份有限公司	712.99	45.1
中国太平洋财产保险股份有限公司	181.23	11.5
中国平安财产保险股份有限公司	168.62	10.7
其他	517.51	32.7
合计	1,580.35	100.0

资料来源：中国保监会网站

2006 年，从保费收入情况来看，本公司在中国是第二大人寿保险公司，第三大财产保险公司。

本公司保费收入和市场份额如下表：

	2006 年度	2005 年度
平安寿险		
保费收入（亿元）	689.89	588.49
市场份额(%)	17.0	16.1
平安产险		
保费收入（亿元）	168.62	126.76
市场份额(%)	10.7	9.9

资料来源：中国保监会网站

近两年来，平安寿险和平安产险的市场份额均有所提升。

3、未来发展机遇和挑战

展望 2007 年，在国际经济总体环境良好，国内居民消费需求持续提升的条件下，中国国民经济将保持健康较快的增长。中国保险业经过几十年的发展，已经成为国民经济发展的重要组成部分。

中国宏观经济运行良好的大背景为金融保险行业的持续发展创造了条件，也给本公司实现既定的战略目标带来难得的发展机遇。当然，本公司的发展也面临一些挑战，如与国内保险行业的主要竞争对手相比，本公司在网点数目、营销人员数量、客户数量、保费收入规模方面仍然存在一定的差距；随着中国加入 WTO，中国保险市场将逐步向国际开放，行业竞争将日益加剧；此外，本公司在确保业绩持续健康成长、多领域专业化经营、各业务渠道协同作战等方面也面临着诸多挑战。

2007 年，本公司将继续坚持品质优先、利润导向、遵纪守法、挑战新高的基本原则，继续强化公司治理结构、金融服务平台和内部经营机制的建设，稳步推进以客户为中心的经营模式建设，在把握住经济增长带来的发展机遇的同时，严格防范各种经营风险，实现有质量、有效益的快速持续发展。

在业务发展方面，本公司将进一步巩固并加大投入提升保险核心业务的盈利水平，大力拓展新渠道、银行、资产管理等新业务平台，提升新业务对集团利润增长的贡献，努力实现保险、银行和资产管理三大业务的均衡发展。本公司将着重利用平安综合优势，整合、强化银行平台，为客户提供一站式、多元化的综合金融服务。

在后台建设方面，本公司将启动第二个后援中心的建设工程，不断优化内部资源共享的平台和机制，更有力地支持销售队伍，促进内部各业务间的协调运营，更进一步发挥综合金融集团的协同效应。

在投资方面，本公司将积极探索、实践符合中国市场的金融投资模式，不断拓宽投资渠道，逐步实现资产与负债的匹配。未来将加大基础设施建设项目投资的力度和深度，同时加快全球投资平台建设，分散投资风险，提升集团投资回报率，努力提高各项金融产品竞争力。

在管理方面，本公司将聘请国际顶尖专才，不断提升各业务线的专业化经营管理水平，同时通过不断完善公司治理，优化内部管控流程，来强化各业务线的风险管理能力，确保管理团队能应对从单一保险经营发展到综合经营所面临的综合经营风险。

三、公司财务状况与经营成果分析

（一）合并财务报表分析

1、主要财务指标增减变动幅度及原因

单位:人民币千元

主要财务指标	2006 年	2005 年	增减幅度 (%)	主要原因
总资产	441,791,056	288,103,742	53.3	业务规模扩大及合并范围增加深商行
总负债	403,872,313	254,914,896	58.4	业务规模扩大及合并范围增加深商行
股东权益	36,667,865	32,664,006	12.3	本报告期实现净利润及分红派现的共同影响
营业利润	6,182,392	3,821,930	61.8	各项主要业务利润及投资收益增长
净利润	5,985,962	3,338,428	79.3	各项主要业务利润及投资收益增长

2、会计报表中变动超过 30%以上项目及原因

单位:人民币千元

主要财务指标	2006 年	2005 年	增减幅度 (%)	主要原因
资产负债表项目				
现金	347,282	14,150	2,354.3	合并范围增加深商行
结算备付金	1,134,759	176,987	541.2	证券业务规模扩大
贵金属	111,001	-	N/A	合并范围增加深商行
存放中央银行款项	7,713,643	20,271	37,952.6	合并范围增加深商行

存放同业款项	2,840,207	426,491	565.9	合并范围增加深商行
短期投资	24,148,945	16,532,789	46.1	投资规模扩大
拆出资金	1,727,381	131,394	1,214.7	合并范围增加深商行
短期贷款	10,709,388	400,882	2,571.5	合并范围增加深商行
保单质押贷款	1,380,990	864,483	59.7	保单质押贷款业务规模增长
买入返售资产	6,950,915	-	N/A	短期资金融出业务增加及合并范围增加深商行
贴现	12,633,786	-	N/A	合并范围增加深商行
进出口押汇	317,596	-	N/A	合并范围增加深商行
应收利息	609,230	438,098	39.1	合并范围增加深商行
应收保费	3,072,759	748,808	310.4	寿险业务应收保费增加
预付赔款	135,229	226,016	(40.2)	预付赔款余额减少
交易保证金	74,047	42,120	75.8	证券业务规模扩大
其他应收款	2,674,855	467,481	472.2	投资项目预付款增加
材料物品	2,501	4,132	(39.5)	材料物品减少
金融担保物	94,040	-	N/A	平安证券开展权证业务
应收股利	42,735	-	N/A	股票及证券投资基金应收股利余额增加
一年内到期的长期债权投资	2,506,243	779,804	221.4	一年内到期的长期债券增加
长期股权投资	13,387,680	3,006,663	345.3	长期股票投资增加
合并价差	599,497	330,433	81.4	收购深商行产生合并价差
中长期贷款	24,240,288	129,667	18,594.3	合并范围增加深商行
逾期贷款	895,441	-	N/A	合并范围增加深商行
非应计贷款	2,785,888	93,550	2,878.0	合并范围增加深商行
贷款损失准备	2,430,726	93,550	2,498.3	合并范围增加深商行
长期待摊费用	60,818	36,915	64.8	合并范围增加深商行
抵债资产	463,871	7,834	5,821.3	合并范围增加深商行
独立账户资产	24,931,681	15,897,584	56.8	投资连结产品续期保费流入及账户资产增值
递延税款借项	630,100	20,487	2,975.6	合并范围增加深商行
短期借款	526,710	-	N/A	平安信托、平安海外控股增加银行借款
短期存款	50,626,577	18,077	279,960.7	合并范围增加深商行
短期储蓄存款	10,725,197	-	N/A	合并范围增加深商行
同业存放款项	3,464,731	36,376	9,424.8	合并范围增加深商行

拆入资金	991,705	-	N/A	合并范围增加深商行
卖出回购资产	13,436,183	7,095,400	89.4	短期资金融入业务增加及合并范围增加深商行
应付手续费	117,714	76,166	54.5	保险业务规模扩大
应付佣金	776,008	556,731	39.4	寿险业务规模扩大
应付分保账款	746,051	532,903	40.0	期末未结算分保账款增加
存入分保准备金	614	58,121	(98.9)	存入分保准备金减少
存入保证金	5,484,740	76,664	7,054.3	合并范围增加深商行
汇出汇款及应解汇款	248,673	-	N/A	合并范围增加深商行
应付利息	309,139	5,134	5,921.4	合并范围增加深商行
应付工资	1,723,438	475,497	262.4	工资费用增加
应付福利费	295,380	142,411	107.4	工资费用增加
应付款证	88,319	-	N/A	平安证券开展权证业务
应付保户红利	4,106,627	2,864,005	43.4	分红产品保费收入增长及投资收益增加
应交税金	1,119,832	672,725	66.5	期末应交未交税金增加
其他应付款	2,191,157	1,355,709	61.6	应付赔款、给付金及退保金等增加
预提费用	75,146	16,462	356.5	预提费用增加
未到期责任准备金	8,702,315	6,240,733	39.4	产险及寿险短期险业务规模增长
保险保障基金	81,857	60,110	36.2	应计提保险保障基金的保费收入增加
代买卖证券款	3,750,122	1,729,716	116.8	证券业务规模扩大
其他流动负债	190,772	-	N/A	合并深商行，预计负债增加
一年内到期的长期负债	1,577,482	-	N/A	合并范围增加深商行
长期存款	3,043,310	-	N/A	合并范围增加深商行
长期储蓄存款	454,522	-	N/A	合并范围增加深商行
存入长期保证金	49,386	-	N/A	合并范围增加深商行
其他长期负债	1,016	1,862	(45.4)	平安信托经营租赁保证金减少
独立账户负债	24,931,681	15,897,584	56.8	投资连结产品续期保费流入及账户资产增值
少数股东权益	1,250,878	524,840	138.3	合并深商行及非全资子公司权益增加
一般风险准备	16,752	-	N/A	计提一般风险准备

一般准备	76,633	35,679	114.8	计提一般准备
信托赔偿准备	28,774	-	N/A	计提信托赔偿准备
未分配利润	8,667,162	5,349,779	62.0	本年利润增加及利润分配
利润表项目				
分保费收入	28,447	16,112	76.6	再保分入业务增加
赔款支出	10,721,175	8,221,809	30.4	产险及寿险短期险业务规模扩大
分保赔款支出	8,645	3,851	124.5	再保分入业务规模扩大
分保费用支出	3,983	2,093	90.3	再保分入业务规模扩大
手续费支出	1,831,898	963,581	90.1	保险业务规模扩大
营业税金及附加	1,644,692	909,742	80.8	保费收入及投资应税收入增长
营业费用	9,759,034	7,033,277	38.8	业务规模扩大
提取未到期责任准备金	8,702,315	6,240,733	39.4	产险及寿险短期险业务规模扩大
其他业务利润	16,080	115,500	(86.1)	其他业务支出增长
投资收益	18,513,069	5,885,130	214.6	投资资产规模扩大及投资收益率提高
买入返售资产收入	27,974	338	8,176.3	买入返售证券业务增长
手续费收入	475,085	175,327	171.0	证券经纪业务增长
证券承销收入	139,665	79,355	76.0	证券投资银行业务增长
利息支出	129,750	15,816	720.4	合并范围增加深商行
保户红利支出	1,486,737	1,064,118	39.7	分红产品保费收入增长及投资收益增加
卖出回购资产支出	172,065	91,071	88.9	卖出回购证券业务增长
其他业务手续费支出	50,133	18,344	173.3	平安信托及平安证券手续费支出增加
贷款损失准备	947	(72,997)	(101.3)	2005 年转回了贷款损失准备
营业外收入	86,885	56,618	53.5	处置固定资产收入增加
营业外支出	11,272	122,758	(90.8)	固定资产减值准备转回
所得税	135,257	387,637	(65.1)	平安产险和平安寿险获得税收优惠政策
少数股东利润	136,786	29,725	360.2	主要非全资子公司本年利润增加

3、分部利润

本公司 2006 年实现税后利润 61.23 亿元，较上年增长 81.8%。税后利润的高速增长主要由于本公司各项主要业务均获得较好的业绩以及投资收益改善。

单位:人民币千元

项目	2006 年度		2005 年度	
	金额	占总额比例 (%)	金额	占总额比例 (%)
寿险业务	4,774,306	78.0	2,833,510	84.1
产险业务	645,304	10.5	291,711	8.7
银行业务	70,689	1.2	6,658	0.2
总部、其他业务及抵销	632,449	10.3	236,274	7.0
税后利润合计	6,122,748	100.0	3,368,153	100.0

4、现金流量分析

单位:人民币千元

项目	2006 年度	2005 年度	增减幅度 (%)
经营活动产生的现金流入	96,829,403	69,544,704	39.2
经营活动产生的现金流出	(59,471,689)	(37,654,623)	57.9
经营活动产生的现金流量净额	37,357,714	31,890,081	17.1
投资活动产生的现金流入	202,603,831	77,229,464	162.3
投资活动产生的现金流出	(216,806,690)	(112,310,554)	93.0
投资活动产生的现金流量净额	(14,202,859)	(35,081,090)	(59.5)
筹资活动产生的现金流入	256,707,728	119,455,013	114.9
筹资活动产生的现金流出	(251,387,463)	(113,907,290)	120.7
筹资活动产生的现金流量净额	5,320,265	5,547,723	(4.1)
汇率变动对现金的影响额	(66,862)	(18,227)	266.8
现金及现金等价物变化净额	28,408,258	2,338,487	1,114.8

本年度经营活动产生的现金流入增长主要为收到的现金保费持续增长。本年度经营活动产生现金流出主要为赔款、给付、退保金、手续费及佣金等各项保险业务支出随着本公司保险业务规模的扩大而增长。

本年度投资活动产生的现金流入增长主要为分得股利收回的现金以及买入返售资产收到的现金大幅增长所致。投资活动产生的现金流出增长主要为投资规模扩大使得投资所支付的现金、买入返售资产支付的现金、大额协议存款支付的现金等出现快速增长。

本年度筹资活动产生的现金流入增长主要为卖出回购资产收到的现金发生较大增长，筹资活动产生的现金流出增长主要为卖出回购资产支付的现金及为分配股利所支付的现金增长所致。

(二) 分部经营业绩

1、寿险业务

单位:人民币千元

	2006 年度	2005 年度	增减幅度 (%)
保险业务收入	68,357,559	58,038,687	17.8
其中: 保费收入	68,988,858	58,848,897	17.2
保险业务支出	(29,690,927)	(24,409,694)	21.6
其中: 赔款支出	(2,370,517)	(2,058,224)	15.2
死伤医疗给付	(1,086,421)	(982,244)	10.6
满期给付	(3,034,671)	(3,263,281)	(7.0)
年金给付	(2,770,432)	(2,446,820)	13.2
退保金	(8,493,282)	(6,956,103)	22.1
手续费及佣金支出	(6,559,306)	(5,168,121)	26.9
营业费用	(5,464,888)	(4,022,338)	35.9
准备金提转差	(51,988,011)	(38,027,594)	36.7
承保亏损	(13,321,379)	(4,398,601)	202.9
投资收益及利息收入	20,010,886	8,632,419	131.8
保户红利支出	(1,486,737)	(1,064,118)	39.7
其他收支净额	(514,018)	(269,234)	90.9
营业利润	4,688,752	2,900,466	61.7
营业外收支净额	85,091	(64,744)	(231.4)
利润总额	4,773,843	2,835,722	68.3
所得税	463	(2,212)	(120.9)
税后利润	4,774,306	2,833,510	68.5

2006 年本公司寿险业务实现保费收入 689.89 亿元，较上一年增长 17.2%。

随着本公司寿险业务规模的增长，保险业务支出有所增长，2006 年为 296.91 亿元，比去年提高 21.6%。赔款支出比去年增长 15.2%，主要是短期意外及健康险产品赔款支出增长。退保金支出比去年增长 22.1%，主要是分红产品退保支出增长。手续费及佣金支出的变动趋势与业务增长的趋势一致。营业费用的增长主要是由于保费收入增长及业务规模扩大所致。

2006 年本公司寿险业务投资收益及利息收入合计达 200.11 亿，较去年大幅增长 131.8%。投资收益的增长主要由于投资资产规模扩大及投资收益率的提高。债券投资的利息收入为总投资收益的主要来源。此外，受惠于股市走强及本公司适当的投资策略，股权投资和证券投资基金的投资收益也有明显增长。

保户红利支出比上年增长 39.7%，主要是由于分红保险产品业务规模增长及获得较高的投资收益。

2006 年度所得税大幅下降，主要由于享有免税政策的国债利息收入和基金分红收入大幅提高，以及 2006 年平安寿险获得计税工资税前扣除标准的税收优惠。

基于上述原因，本公司寿险业务 2006 年实现税后利润 47.74 亿元，较 2005 年大幅增长 68.5%。

2、产险业务

单位:人民币千元

	2006 年度	2005 年度	增减幅度 (%)
保险业务收入	13,354,569	9,344,960	42.9
其中：保费收入	16,966,094	12,760,115	33.0
保险业务支出	(10,932,200)	(7,012,456)	55.9
其中：赔款支出	(8,350,658)	(6,163,585)	35.5
手续费支出	(1,568,090)	(817,373)	91.8
营业费用	(3,157,618)	(2,336,153)	35.2
准备金提转差	(2,414,647)	(2,089,427)	15.6
承保利润	7,722	243,077	(96.8)
投资收益及利息收入	665,004	396,004	67.9
其他收入净额	(25,066)	(3,798)	560.0
营业利润	647,660	635,283	1.9
营业外收支净额	(8,564)	(7,654)	11.9

利润总额	639,096	627,629	1.8
所得税	6,208	(335,918)	(101.8)
税后利润	645,304	291,711	121.2

2006 年本公司产险业务实现保费收入 133.55 亿元，比上年增长 42.9%。产险业务的快速增长一方面得益于中国经济的持续增长，另一方面则受惠于本公司一直以来进行的产险业务结构和渠道改革取得明显成效。

赔款支出的变化与保费收入的增长趋势保持一致。手续费支出增长一方面由于保费收入增长，另一方面则由于竞争加剧导致的市场手续费率提高。营业费用的增长主要是业务规模增长所致。

准备金提转差的增长 15.6% 主要是由于保费收入增长较快所致。

2006 年本公司产险业务投资收益及利息收入合计达 6.65 亿，较去年增长 67.9%。投资收益的增长主要由于投资资产规模扩大及投资收益率的提高。

本年度所得税大幅下降，主要由于平安产险获得计税工资税前扣除标准的税收优惠。

基于上述原因，本公司产险业务 2006 年实现税后利润 6.45 亿元，较 2005 年大幅增长 121.2%。

3、银行业务

本公司银行业务营业收入及净利润在 2006 年实现大幅增长，分别达到 2.47 亿元和 0.71 亿元。其主要原因是深商行自 2006 年 12 月 15 日开始纳入合并范围以及平安银行从 2006 年开始获准开展人民币对公业务。

单位:人民币千元

项目	2006 年	2005 年度
营业收入	246,817	25,136
净利润	70,689	6,658

4、信托业务

本公司信托业务 2006 年实现营业收入 2.20 亿元，实现税后利润（扣除权益法调整应占子公司损益后的金额）0.88 亿元。本公司信托业务增长的主要原因是所管理的信托资产规模获得快速增长。

单位:人民币千元

项目	2006 年	2005 年度
营业收入	219,566	85,560
税后利润	87,559	38,427

单位:人民币千元

项目	2006 年 12 月 31 日	2005 年 12 月 31 日
信托受托资产	16,677,243	3,329,608

5、证券业务

本公司证券业务营业收入及净利润在 2006 年增长迅猛,分别达到 12.36 亿元和 5.54 亿元,主要是由于 2006 年国内股市大幅上涨,在市场环境改善并转暖的有利条件下,证券市场再融资及 IPO 功能陆续恢复,市场成交量显著上升,平安证券的经纪业务、投资银行业务、证券自营及投资咨询等各项业务收入均有大幅度增长。

单位:人民币千元

项目	2006 年	2005 年度
营业收入	1,235,559	244,624
净利润	553,860	6,096

6、其他业务

截止 2006 年底,本公司的养老险、健康险等业务规模相对较小,对集团的收入和利润贡献不大。

四、内含价值

为提供投资者额外的工具了解本公司的经济价值及业务成果,本集团已在本节披露有关内含价值的资料。内含价值指调整后股东资产净值,加上本集团有效人寿保险业务的价值(经就维持此业务运作所要求持有的法定最低偿付能力额度的成本作出调整)。内含价值不包括日后销售的新业务的价值。

在选择有效业务价值及一年新业务价值的计算基准和计算方法时，本集团曾与华信惠悦咨询（上海）有限公司磋商并获取意见。本集团愿对内含价值（包括经调整资产净值及有效寿险业务价值）结果及呈列方式负全责。

内含价值的计算需要涉及大量未来经验的假设。未来经验可能与计算假设不同，有关差异可能较大。本集团的市值是以本集团股份在某一日期的价值计量。评估本集团股份价值时，投资者会考虑所获得的各种信息及自身的投资准则，因此，这里所给出的价值不应视作实际市值的直接反映。

（一） 经济价值的成份

单位：人民币百万元

	2006年12月31日	2005年12月31日
调整后资产净值	46,282	33,072
1999年6月前承保的有效业务价值	(20,932)	(18,089)
1999年6月后承保的有效业务价值	48,011	38,537
持有偿付能力额度的成本	(7,788)	(5,157)
内含价值	65,573	48,363

单位：人民币百万元

	2006年12月31日	2005年12月31日
一年新业务价值	6,007	5,148
持有偿付能力额度的成本	(875)	(609)
扣除持有偿付能力额度的成本后的一年新业务价值	5,132	4,539

经调整资产净值是根据本集团按中国法定基准计量的经审计股东净资产值计算。若干资产的价值已调整至市场价值。应注意经调整资产净值适用于整个集团（包括平安寿险及其它业务单位），而所列示的有效业务价值及一年新业务价值仅适用于平安寿险，不包括其它业务单位。

(二) 主要假设

2006 年内含价值按照“持续经营”假设基础计算，并假设中国现行的经济及法制环境将一直持续。计算是依据法定准备金基础及偿付能力额度要求进行。若干业务假设的制定是根据本集团本身近期的经验，并考虑更普遍的中国市场状况及其它人寿保险市场的经验。计算时所采用主要基准及假设陈述如下：

1、 风险贴现率

未来每个年度有效寿险业务的贴现率假定为非投资连结型资金的收益率（经税项调整后的投资回报）或 12%。有效业务设定这样特定的贴现率方式是为了避免低估 1999 年 6 月前销售的高定价利率产品所带来损失的影响。一年新业务价值的贴现率采用 12% 计算。

2、 投资回报

假设非投资连结型寿险资金的未来投资回报于 2007 年为 4.30%，随后每年增加 0.1%，直至 2011 年及以后年度为 4.70%。假设投资连结型资金的未来投资回报于 2007 年为 4.80%，随后每年增加 0.1%，直至 2011 年及以后年度为 5.20%。这些假设是基于目前资本市场状况、本集团当前和预期的资产分配及主要资产类型的投资回报而厘定。

3、 税项

假设平均所得税率为 15%。此外，短期意外险业务的营业税率为毛承保保费收入的 5.5%。

4、 死亡率

男性和女性的经验死亡率分别按《中国人寿保险业经验生命表（1990-1993）》非年金男性表和女性表的 65% 和 60% 为基准计算。就年金产品而言，经验死亡率以《中国人寿保险业经验生命表（1990-1993）》年金表的 75% 为基准计算。法定准备金的计算使用新公布的《中国人寿保险业经验生命表（2000-2003）》。

5、 发病率

发病率根据本集团本身的定价表假设计算。短期意外及健康险业务的赔付率假设在 15% 到 75% 之间。

6、保单失效率

保单失效率根据本集团最近的经验研究计算。保单失效率视定价利率水平及产品类别而定。

7、费用

费用假设根据本集团最近的费用分析而定。就 2006 年，假设的费用及佣金约等于产品定价时所采用费用假设的 77%。单位维持费用假设每年增加 2%。

8、保户红利

个人寿险及银行保险分红业务的保户红利根据利息及死亡盈余的 80% 计算。团体寿险分红业务的保户红利根据利息盈余的 90% 计算。

(三) 新业务量与业务组合

用来计算 2006 年一年新业务价值的首年保费为人民币 236.98 亿元。新业务的首年保费结构如下：

	比例
个人寿险	46.1%
长期业务	44.2%
短期业务	1.9%
团体寿险	28.9%
长期业务	19.9%
短期业务	9.0%
银行保险	25.1%
长期业务	25.1%
合计	100.0%

注：因四舍五入，直接相加未必等于总数

(四) 内含价值变动

下表显示本公司内含价值如何增至 2006 年 12 月 31 日的人民币 655.73 亿元。

单位：人民币百万元

	2006年	说明
2005年12月31日的内含价值	48,363	
年初内含价值的预计回报	2,967	2006年出现的内含价值预期增长。
一年新业务价值	6,222	2006年出售的新业务按收益率或12%贴现率计算的贡献。
假设及模型变动	(3,049)	准备金评估利率、退保率和税率等的变动导致内含价值减少。
市场价值调整影响	9,206	主要由于权益资产未实现资本利得大幅增加导致市价调整增加。
投资回报差异	3,399	2006年实际投资回报较假设回报高。
其它经验差异	447	其它实际经验与假设的差异。
资本变动前内含价值	67,556	资本变动前的内含价值增加39.7%。
股东股息	(1,982)	支付给股东的股息。
2006年12月31日的内含价值	65,573	
于2006年12月31日每股内含价值（人民币元）	10.58	

注：因四舍五入，直接相加未必等于总数

(五) 敏感性分析

本集团已测算若干未来经验假设的独立变动对有效业务价值及一年新业务价值的影响。特别是已考虑下列假设的变动：

- 风险贴现率
- 每年投资回报增加 25 个基点
- 每年投资回报减少 25 个基点
- 已承保人寿保险的死亡率及发病率下降 10%
- 保单失效率下降 10%
- 维持费用下降 10%

- 分红比例增加 5%

单位：人民币百万元

	风险贴现率			
	收益率 / 11.0%	收益率 / 12.0%	收益率 / 13.0%	12.0%
有效业务价值	20,797	19,291	17,895	21,309

	11.0%	12.0%	13.0%	收益率 / 12.0%
一年新业务价值	5,637	5,132	4,691	6,222

单位：人民币百万元

假设	有效业务价值	一年新业务价值
基准假设	19,291	5,132
每年投资回报增加25个基点	23,699	5,252
每年投资回报减少25个基点	14,437	5,012
死亡率及发病率下降10%	19,531	5,223
保单失效率下降10%	19,915	5,329
维持费用下降10%	20,252	5,251
分红比例增加5%	18,209	5,006

注：有效业务及新业务的贴现率分别为收益率 / 12.0% 及 12.0%。

五、新企业会计准则的实施对本公司的影响

财政部于 2006 年 2 月颁布了《企业会计准则—基本准则》(财政部令第 33 号)和 38 项具体准则(财会[2006]3 号),并于 2006 年 10 月颁布了《企业会计准则—应用指南》(财会[2006]18 号)(以下统称“新企业会计准则”),财政部会计准则委员会于 2007 年 2 月发布了《企业会计准则实施问题专家工作组意见》(以下简称“专家工作组意见”)。新企业会计准则自 2007 年 1 月 1 日起在上市公司、保险公司等范围内施行。本公司根据对《企业会计准则第 38 号—首次执行企业会计准则》、专家工作组意见及财政部对新企业会计准则的进一步讲解等文件的现时理解,对本公司执行

新企业会计准则后会计政策、会计估计变更及其对本公司财务状况、经营成果的主要影响分析如下：

（一）投资

1、以公允价值计量且其变动计入当期损益的金融资产及可供出售金融资产

在现行会计准则下，本集团按《企业会计准则—投资》和《金融企业会计制度》，将投资资产按流动性及准备持有时间划分为“短期投资”及“长期投资”，分别以成本与市价孰低和成本与可收回金额孰低核算。

根据新企业会计准则，本集团需按《企业会计准则第 22 号—金融工具确认与计量》将金融工具类投资资产根据持有目的划分为“以公允价值计量且其变动计入当期损益的金融资产”、“持有至到期投资”、“贷款和应收款项”及“可供出售金融资产”。对于以公允价值计量且其变动计入当期损益的金融资产，采用公允价值进行后续计量，其公允价值变动形成的利得或损失计入当期损益；对于持有至到期投资、贷款和应收款项，采用按实际利率法计算的摊余成本进行后续计量；对于可供出售金融资产，采用公允价值进行后续计量，其公允价值与账面价值的差额，计入资本公积。

根据专家工作组意见的规定，本集团对本项变更进行追溯调整。对于以公允价值计量且其变动计入当期损益的金融资产及可供出售金融资产，本集团依据市场报价或估值价格，确定其于 2007 年 1 月 1 日的公允价值与账面价值的差额分别为人民币 3,349,603 千元和人民币 13,587,890 千元。本集团将公允价值与其账面价值的差额调增留存收益。本项变更对 2007 年 1 月 1 日股东权益的税前影响为增加股东权益人民币 16,937,493 千元。

2、长期股权投资差额

根据现行会计准则，初始投资成本大于应享有被投资单位所有者权益份额的差额，作为股权投资差额，按一定期限平均摊销。

根据新会计准则，非同一控制下的企业合并中合并成本大于取得的应享有被投资单位可辨认净资产公允价值份额的差额，应按《企业会计准则第 20 号—企业合并》确认为商誉。商誉不作摊销，但至少每年年度终了进行减值测试，减值准备不得转回。

根据专家工作组意见的规定,本集团对本项变更进行追溯调整。本项变更对 2007 年 1 月 1 日股东权益的税前影响为增加股东权益人民币 57,705 千元。

(二) 保险

1、保险责任准备金充足性测试

在现行会计准则下,本集团在估算保险责任准备金时,未对全部的保险责任准备金进行充足性测试,尤其是未对非寿险业务的未决赔款准备金中已发生未报告赔款准备金进行充足性测试。

根据新企业会计准则,本集团需按精算结果提取保险责任准备金,并至少应当于每年年度终了,对未决赔款准备金、寿险责任准备金、长期健康险责任准备金进行充足性测试,按照测试结果进行相应处理;相关准备金充足的,不予以调整;相关准备金不足的,需根据测试结果按差额补提相关准备金。

根据专家工作组意见的规定,本集团对本项变更进行追溯调整,增加未决赔款准备金,并相应调减留存收益。本项变更对 2007 年 1 月 1 日股东权益的税前影响为减少股东权益人民币 1,401,149 千元。

2、投资计量方法对保险责任准备金的影响

在现行会计准则下,本集团在估算分红保险和万能寿险的寿险责任准备金时,按现行会计准则计算的投资收益为基础。

如以上(一)1 所述,根据新企业会计准则,本集团需按《企业会计准则第 22 号—金融工具确认与计量》对投资资产进行适当分类并采用相应的计量方法。根据专家工作组意见的规定,本集团对分红保险和万能寿险账户中属于可供出售金融资产的公允价值变动,采用合理的方法将归属于保单持有人的部分确认为负债,将归属于股东的部分确认为资本公积;对以公允价值计量且其变动计入当期损益的金融资产的公允价值变动,采用合理的方法将归属于保单持有人的部分确认为有关负债,将归属于股东的部分计入当期损益。

根据专家工作组意见的规定,本集团对本项变更进行追溯调整,增加寿险责任准备金,并相应调减留存收益和资本公积。从归属于保单持有人的部分应确认为负

债的角度而言,本项变更对 2007 年 1 月 1 日股东权益的税前影响为减少股东权益人民币 5,726,528 千元。

3、再保险合同

在现行会计制度下,本公司的各项保险责任准备金按扣除再保险人承担份额后的金额确认。

根据新企业会计准则,本公司需按《企业会计准则第 26 号—再保险合同》,对因原保险合同形成的各项保险责任准备金及因再保险合同形成的应收分保准备金等资产分别列示。

本公司现时估计,此项变更将使本公司对上述项目重新分类和列示,但此项变更将不会对本公司 2007 年 1 月 1 日新企业会计准则下的股东权益产生重大影响。

4、保险风险

在现行会计制度下,本公司的保费收入的确认并未考虑原保险合同是否承担保险风险,保费全部确认为保费收入。

根据新企业会计准则,本公司需按《企业会计准则第 25 号—原保险合同》进行保费收入的计量,保费收入的确认需考虑保险合同是否承担保险风险。如果该合同不承担保险风险,则不属于原保险合同,不能确认保费收入。如果保险风险和其他风险能够区分,并且能够单独计量,则可以将保险风险和其他风险进行分拆,将保险风险部分,确定为原保险合同并进行保费收入的确认;而其他风险部分,则作为非保险合同。

本公司现时估计,此项变更将使本公司按新企业会计准则确认的保费收入可能小于本公司按现行会计制度确认的保费收入,所提取的保险责任准备金也可能较同步地小于本公司按现行会计制度提取的保险责任准备金;上述所减少的保费直接记为对有关保单持有人的负债,但此项变更将不会对本公司 2007 年 1 月 1 日新企业会计准则下的股东权益产生重大影响。

(三) 衍生金融工具

在现行会计准则下,本集团一般将衍生金融工具作为表外项目,而不在财务报表中确认。

根据新企业会计准则，本集团需根据《企业会计准则第 22 号—金融工具确认与计量》的要求，将适用的衍生金融工具归类为以公允价值计量且其变动计入当期损益的金融资产或金融负债，采用公允价值进行后续计量，其公允价值变动形成的利得或损失计入当期损益。

根据专家工作组意见的规定，本集团对本项变更进行追溯调整，按公允价值确认了衍生金融工具产生的金融负债，并相应调减留存收益。本项变更对 2007 年 1 月 1 日股东权益的税前影响为减少股东权益人民币 2,239 千元。

(四) 土地使用权

在现行会计准则下，本集团对在建工程中的土地使用权不进行摊销。

根据新企业会计准则，土地使用权应确认为无形资产，自土地使用权可供使用时起进行摊销。

根据专家工作组意见的规定，本集团对本项变更进行追溯调整，对原计入在建工程的土地使用权进行摊销，并相应调减留存收益。本项变更对 2007 年 1 月 1 日股东权益的税前影响为减少股东权益人民币 56,485 千元。

(五) 递延所得税

上述(一)至(四)所述的新旧会计准则差异将增加本集团的递延所得税负债/减少本集团的递延所得税资产，并相应调减留存收益。本项变更对 2007 年 1 月 1 日股东权益的影响为减少股东权益人民币 1,131,086 千元。

(六) 股东权益

以上(一)至(五)新旧会计准则差异对少数股东权益的影响为增加少数股东权益人民币 86,281 千元。

在现行会计准则下，少数股东权益单列一类，不属于股东权益的一部分。

根据新企业会计准则，在合并财务报表中，少数股东权益和归属于母公司的股东权益共同组成股东权益。

本公司按照新会计准则的规定，将少数股东权益合计人民币 1,366,391 千元列入资产负债表股东权益项下。

根据本公司管理层目前的评估，应用新企业会计准则在其他方面对本公司的影

响相对而言并不重大，所以并未在此进行描述。

上述执行新企业会计准则对本公司的估计影响是本公司基于对新企业会计准则、专家工作组意见、财政部和保监会等颁布的相关指南的现时理解而作出的，实际的影响可能会根据财政部等对新企业会计准则的进一步解释、行业的理解、本公司的业务规模与结构、市场行情等因素而有所不同。

本公司新旧会计准则股东权益差异调节表如下：

单位：人民币千元

项目名称	金额
2006年12月31日股东权益(现行会计准则)	36,667,865
长期股权投资差额	57,705
以公允价值计量且其变动计入当期损益的金融资产及可供出售金融资产	16,937,493
衍生金融工具	(2,239)
寿险责任准备金	(5,726,528)
未决赔款准备金	(1,401,149)
土地使用权	(56,485)
所得税	(1,131,086)
其他	(86,281)
2007年1月1日归属于母公司股东权益(新会计准则)	45,259,295
少数股东权益列报的变化	1,366,391
2007年1月1日股东权益(新会计准则)	46,625,686

六、公司投资情况

(一) 募集资金使用情况

本公司 2004 年首次公开发行 H 股所得款项已全部用作一般企业用途及改善业务运营，所得款项构成本公司营运资金一部分，并按照相关行业监管机构有关适用法规进行使用。

本报告期内的重大股权投资事项如下：

1、收购深商行

2006 年 7 月 28 日，本公司与深圳市投资控股有限公司及其他若干独立第三方订立股份收购协议，以约人民币 10.08 亿元之代价收购其持有的深商行 1,008,186,384 股股份。此外，作为深商行重组的一部分，根据股份收购协议，本公司亦于 2006 年 7 月 28 日与深商行订立股份认购协议，以人民币 39.02 亿元之代价进一步认购深

商行 39.02 亿股新股份。上述股份收购及认购已于 2006 年 11 月 30 日经中国银监会批准。另外，深商行董事会于 2006 年 12 月 15 日批准本公司从深商行其他股东处受让 6,611,320 股深商行股份。上述股份收购、认购及转让于 2006 年 12 月 15 日正式完成后，深商行成为本公司拥有约 89.36% 股权之附属子公司。

2、增资平安产险

经中国保监会于 2006 年 10 月 17 日批准，本公司及平安产险其他股东向平安产险增加 14 亿元注册资本。增资后，平安产险的注册资本为人民币 30 亿元。

3、增资平安海外控股

2006 年 12 月 20 日，本公司向平安海外控股增加港币 5 亿元作为资本金。增资后，平安海外控股的注册资本为港币 5.55 亿元。

（二）非募集资金使用情况

本公司非募集资金主要来源于核心保险业务。本公司严格按照保监会的相关法规要求进行保险资金运用，所有保险资金的投资均为日常经营活动中的正常运用。

七、董事会日常工作情况

（一）董事会会议情况及决议内容

1、公司于 2006 年 3 月 29 日在深圳召开第六届董事会第十五次会议，会议审议通过了公司《2005 年年报》、《章程修正案》、《2005 年度内部控制评估报告》、《2005 年度风险评估报告》和《2005 年度合规工作报告》。

2、公司于 2006 年 5 月 26 日在深圳召开第七届董事会第一次会议，会议选举产生第七届董事会董事长、副董事长、董事会秘书，选举和任命新一届董事会审计委员会、提名委员会和薪酬委员会委员。

3、公司于 2006 年 7 月 19 日在深圳召开第七届董事会第二次会议，会议审议通过了《关于重组深商行的议案》。

4、公司于 2006 年 8 月 15 日在深圳召开第七届董事会第三次会议，会议审议通过了公司《2006 年中期报告》。

5、公司于 2006 年 9 月 26 日在深圳召开第七届董事会第四次会议，会议审议通过了《关于申请首次公开发行 A 股并上市的议案》。

6、公司于 2006 年 11 月 11 日以通讯表决的方式召开第七届董事会第五次会议，会议审议通过了《关于投资认购浦发银行增发股份的议案》。

7、公司于 2006 年 11 月 22 日在大连召开第七届董事会第六次会议，会议审议了《关于聘请 John Pearce 先生出任公司副总经理兼首席投资执行官的议案》、《关于聘请陈克祥、任汇川、吴岳翰、罗世礼出任公司副总经理的议案》。

（二）董事会对股东大会决议的执行情况

本报告期内，中国平安董事会全体成员遵照有关法律法规及《公司章程》的规定，勤勉尽责，认真执行股东大会的决议，完成了股东大会交付的各项任务。

八、利润分配预案

根据《中国平安保险（集团）股份有限公司章程》（以下简称《公司章程》）及其他相关规定，公司在确定可供股东分配的利润额时，应当按照中国会计准则财务报表的净利润提取法定盈余公积。2006 年度经审计的母公司中国会计准则财务报表净利润为人民币 59.97 亿元，公司 2006 年度利润分配以此为基准，提取 10% 的法定盈余公积。

同时，根据有关规定，公司在确定中国会计准则财务报表可供股东分配的利润额时，按照深商行、平安银行及平安信托风险资产的一定比例及公司对其持股比例提取一般准备人民币 0.41 亿元，按平安证券税后利润的 10% 及公司对其持股比例提取一般风险准备人民币 0.17 亿元，按平安信托税后利润的 5% 及公司对其持股比例提取信托赔偿准备人民币 0.29 亿元。

经过上述利润分配，并结转上年度未分配利润后，按照中国会计准则和国际财务报告准则财务报表，公司可供股东分配利润分别为人民币 86.78 亿元和人民币 16.86 亿元。

根据《公司章程》及其他相关规定，公司根据上述数据的较低者确定可分配利润额为人民币 16.86 亿元。

公司建议，以总股本 7,345,053,334 股（包括首次公开发行 A 股增加的股本）为基数，派发公司 2006 年年度股息，每股派发现金股息人民币 0.22 元，共计人民币 16.16 亿元。其余未分配利润结转至 2007 年度。

第九节 监事会报告

本报告期内，监事会全体成员按照《公司法》和《公司章程》的有关规定，遵守诚信原则，认真履行监督职责，有效维护了股东、公司、员工的权益和利益。

一、监事会的工作情况

2006年3月28日在深圳市观澜镇平安金融培训学院召开了监事会2005年度财务检查会，会议审议并一致通过：《2005年度财务检查报告》和《监事会考察报告中的问题和建设的反馈》，并分别审议通过了（i）按照中国会计准则编制的2005年度财务报告及核数师报告初稿和（ii）按照国际财务报告准则编制的2005年度财务报告及核数师报告初稿等资料。

2006年3月29日在深圳市观澜镇平安金融培训学院召开了第四届监事会第七次会议，会议审议并一致通过：《公司2005年度监事会报告》、《关于第五届监事会非职工代表监事候选人及其酬金的议案》、《监事会工作细则》和《监事行为规范》；并听取了《公司2005年度廉政建设报告》和《公司2005年度内部控制评估报告》。

2006年5月26日至6月5日以通讯表决方式召开第五届监事会第一次会议，会议审议并一致通过：《关于选举肖少联先生出任第五届监事会主席的议案》。

2006年8月15日在深圳市观澜镇平安金融培训学院召开了第五届监事会第二次会议，会议听取了《关于2006年上半年公司内控执行情况的报告》和《关于公司遵循<企业管治常规守则>的简要报告》。

2006年9月19日至9月29日以通讯表决方式召开第五届监事会第三次会议，会议审议并一致通过了《监事会议事规则》。

监事会各位成员出席监事会的情况具体如下：

监事类别	姓名	出席监事会次数/举办次数	出席率
外部监事	肖少联（主席）	4/4	100%
	孙福信	4/4	100%

	董立坤	3/3 注	100%
	陈尚武（于 2006 年 5 月 25 日退任）	1/1	100%
股东代表监事	车峰	3/3 注	100%
	林立	3/3 注	100%
	段伟红	4/4	100%
	周福林（于 2006 年 5 月 25 日退任）	1/1	100%
	陈波海（于 2006 年 5 月 25 日退任）	1/1	100%
职工代表监事	何沛泉（于 2006 年 5 月 25 日退任）	1/1	100%
	宋连坤（于 2006 年 5 月 25 日退任）	1/1	100%
	胡杰	3/3 注	100%
	何实	4/4	100%
	王文君	3/3 注	100%

注：监事董立坤、车峰、林立、胡杰、王文君自 2006 年 5 月 25 日出任公司监事。

2006 年 11 月，监事会部分成员和独立非执行董事代表一起，对位于张江高科技园区的集团后援管理中心展开了调研考察。本报告期内，监事会成员列席了公司 2006 年股东周年大会、2006 年第一次临时股东大会、2006 年第二次临时股东大会、2006 年第一次内资股类别股东大会、2006 年第一次 H 股类别股东大会和董事会的七次会议。

二、监事会就有关事项发表的独立意见

（一）公司依法经营情况

报告期内公司依法经营、规范管理、经营业绩客观真实，内控管理工作的深度和广度有了较大的发展和提高；公司经营决策程序合法，董事及其他高级管理人员在业务经营及管理过程中谨慎、认真、勤勉，未发现任何违法违规违章行为和损害股东利益行为。

（二）财务报告的真实性

公司本年度财务报告已经由安永华明会计师事务所和安永会计师事务所，分别根据国内和国际审计准则，出具了标准无保留意见的审计报告。财务报告真实、客观、准确地反映了公司的财务状况和经营成果。

（三）公司募集资金的投入使用情况

2004 年公司发行 H 股并上市募集的资金折合人民币总计 138.26 亿元, 均按招股书的披露, 用于充实公司资本金、满足未来的偿付能力要求、业务扩展、潜在战略交易等。募集资金的实际投入项目和用途与招股说明书中所承诺的一致。公司严格根据募股资金使用计划, 合理运用募股资金。

（四）公司收购、出售资产情况

2006 年 12 月, 公司收购深圳市投资控股有限公司等 11 家售股股东持有的深商行 10.08 亿股份, 并认购深商行向公司定向增发的 39.02 亿股股份。监事会认为前述股份转让协议及股份认购协议各自之条款对股东而言属公平合理, 而收购事项及认购事项均符合本公司及股东之整体利益。

（五）关联交易情况

报告期内, 公司的关联交易公平合理, 未发现损害股东权益及公司利益的情况。

（六）内部控制制度情况

公司制定了较为完整、合理、有效的内部控制制度。

（七）股东大会决议的执行情况

公司监事会成员列席了公司董事会和股东大会会议, 对公司董事会提交股东大会审议的各项报告和提案内容, 监事会没有任何异议。公司监事会对股东大会的决议执行情况进行了监督, 认为公司董事会能够认真履行股东大会的有关决议。

监事会在新的一年里, 将进一步拓展工作思路, 全面贯彻落实科学发展观, 一如既往地依据《公司法》、《公司章程》及上市规则的有关规定履行职责, 尤其是积极适应公司在国内成功发行 A 股上市后有关监管的需要, 谨遵诚信原则, 加强监督力度, 以维护和保障本公司及股东利益不受侵害为己任, 忠实、勤勉地履行监督职责, 努力做好各项工作。

第十节 重要事项

一、重大诉讼仲裁事项

本年度公司无重大诉讼、仲裁事项。

二、报告期内公司收购及出售资产、吸收合并事项

（一）收购资产情况

2006年7月28日，本公司与深圳市投资控股有限公司及其他若干独立第三方订立股份收购协议，以约人民币10.08亿元之代价收购其持有的深商行1,008,186,384股股份。此外，作为深商行重组的一部分，根据股份收购协议，本公司亦于2006年7月28日与深商行订立股份认购协议，以人民币39.02亿元之的代价进一步认购深商行39.02亿股新股份。上述股份收购及认购已于2006年11月30日经中国银监会批准。另外，深商行董事会于2006年12月15日批准本公司从深商行其他股东处受让6,611,320股深商行股份。上述股份收购、认购及转让于2006年12月15日正式完成后，深商行成为本公司拥有约89.36%股权之的附属子公司。

截至止2006年末，本集团通过受让股权和注资，成为深商行第一大股东。根据本公司构建综合金融服务平台的战略，未来银行业务将成为本集团核心利润来源之一，其销售渠道的重要性和贡献会逐步提升。该收购交易对公司业务连续性将产生积极影响。

（二）吸收合并情况

本年度公司不存在吸收合并情况。

三、报告期内公司重大关联交易事项

本年度公司无重大关联交易事项。

四、托管情况

本年度公司无需披露的托管事项。

五、承包情况

本年度公司无需披露的承包事项。

六、租赁情况

本年度公司无需披露的租赁事项。

七、担保情况

单位：人民币千元

公司对外担保情况（不包括对控股子公司的担保）						
担保对象	发生日期	担保金额	担保类型	担保期限	是否履行完毕	是否为关联方担保
报告期内担保发生额合计						-
报告期末担保余额合计						-
公司对控股子公司的担保情况						
报告期内对控股子公司担保发生额合计						1,599,757
报告期末对控股子公司担保余额合计						1,599,757
公司担保总额情况（包括对控股子公司的担保）						
担保总额						1,599,757
担保总额占公司净资产的比例(%)						4.4
其中：						
为股东、实际控制人及其关联方提供担保的金额						-
直接或间接为资产负债率超过 70% 的被担保对象提供的债务担保金额						-
担保总额超过净资产 50% 部分的金额						-
上述三项担保金额合计						-

八、委托理财

本年度公司无委托理财事项。

九、其他重大合同

本年度公司无其他需披露的重大合同。

十、承诺事项履行情况

2004年6月本公司发行H股时，经中国保监会以《中国保监会关于平保集团外资股东持有的股份转为境外上市H股问题的批复》（保监发改[2004]61号）、中国证监会以《关于同意中国平安保险(集团)股份有限公司发行境外上市外资股的批复》（证监国合字[2004]18号）批准，公司外资股股东所持非上市外资股1,170,751,698股均转换为H股。公司股东汇丰保险控股有限公司、日本第一生命保险相互会社均同意在H股上市后三年内不出售各自所转换的H股。持续到报告期内，汇丰保险控股有限公司和日本第一生命保险相互会社未出售其所持本公司股份。

十一、聘任、解聘会计师事务所情况

根据公司2005年度股东大会决议，公司于2006年继续聘请了安永华明会计师事务所及安永会计师事务所（以下统称“安永”）分别担任公司中国会计准则财务报告审计机构及国际财务报告准则财务报告审计机构。2006年度，本公司支付给安永的报酬共计人民币2,635万元。其中，财务报告的审计费用为人民币1,365万元，A股上市审计费用为人民币900万元，其他非审计费用为人民币370万元。安永已为本公司提供了连续5年的审计服务。

十二、上市公司及其董事、监事、高级管理人员、公司股东、实际控制人处罚及整改情况

报告期内公司及其董事、监事、高级管理人员、股东、实际控制人均未受中国证监会的稽查、行政处罚、通报批评及证券交易所的公开谴责。

十三、公司内部控制及制度建设情况

本公司经过多年的努力，已建立起了运作规范、相互制衡的公司治理结构，营造了良好的内部控制环境，完善了风险控制措施。本公司已建立了健全、完整、合

理、有效的内部控制制度，并在日常经营中得到较好的执行，经营呈现出稳定健康发展的局面。逐步完善的内部控制制度有效遏制了违规违纪行为的发生，保证了本公司持续、快速、健康发展。

为了实现“做国际领先的综合金融服务集团”的远大目标，本公司借鉴国际先进的“企业内部控制-风险管理整合框架”（COSO-ERM），开始对内部控制体系进行调整、完善，整合设立了内控管理中心，下辖合规部与稽核监察部等部门，初步形成了事前有合规部风险防范化解规划推动、事中有业务单位日常风险控制落实、事后有稽核监察部监督反馈三位一体的全面风险管理模式。在合规管理方面，集团督促各子公司设立了合规委员会、合规负责人及合规管理架构体系，加强风险信息收集分析、风险识别评估、风险防范化解控制等工作，并将内控制度建设和合规工作列入各业务单位的考核问责内容；在稽核监察方面，建立了由集团稽核监察部、区域稽核分部、子公司和二级机构稽核监察部组成的完善稽核监察网络，拥有一支遍及全国的 300 多人的专职稽核监察队伍，并在国内同业中率先推出审计工作平台和 IT 稽核。

本报告期内本集团对分公司以上机构稽核覆盖率超过 100%，支公司以上机构稽核覆盖率 50% 以上，并组织流程合规检视、内部控制自评等各类活动。为使内部控制工作规范化、标准化，保证风险管理的实际效果，公司组织编制和修订了《稽核管理手册》、《合规管理手册》、《重大案件责任追究办法》、《“红、黄、蓝”牌处罚制度》、《新制度评审规程》、《反洗钱监控办法》等一系列制度文件，通过这些制度的落实执行，必将持续推动内控工作的不断改进和完善。

十四、其它重大事项

2006 年度公司第六届董事会、第四届监事会举行换届选举，三分之一以上监事发生变更。此次董事会、监事会的变更属于依据公司章程进行的换届选举，符合公司正常经营发展的需要。

第十一节 财务会计报告

本公司年度财务报告已经安永华明会计师事务所审计，并出具了标准无保留意见的审计报告。具体参见第十三节附件中的已审财务报表。

第十二节 备查文件目录

- 1、载有本公司董事长签名的年度报告正本。
- 2、载有法定代表人、财务负责人签名并盖章的会计报表。
- 3、载有会计师事务所盖章、注册会计师签名并盖章的审计报告正本。
- 4、报告期内本公司在《上海证券报》、《证券时报》、《中国证券报》公开披露过的所有文件正本及公告原件。
- 5、《中国平安保险（集团）股份有限公司章程》。

第十三节 附件

中国平安保险(集团)股份有限公司 2006 年 12 月 31 日已审财务报表

董事长兼首席执行官 马明哲

中国平安保险（集团）股份有限公司董事会

2007 年 4 月 11 日

董事、高级管理人员关于公司 2006 年年度报告的确认意见

作为中国平安保险（集团）股份有限公司（以下简称“本公司”）的董事、高级管理人员，我们保证本公司 2006 年年度报告所载资料不存在虚假记载、误导性陈述或者重大遗漏，并对其内容的真实性、准确性和完整性承担个别及连带责任。

董事签名：

马明哲

孙建一

张子欣

林友锋

张利华

Anthony Philip
HOPE

樊 刚

林丽君

胡爱民

陈洪博

王冬胜

伍成业

鲍友德

邝志强

张永锐

周永健

张鸿义

陈 甦

高级管理人员签名:

马明哲

张子欣

孙建一

梁家驹

Richard
JACKSON

顾敏慎

John PEARCE

任汇川

吴岳翰

王利平

陈克祥

罗世礼

中国平安保险(集团)股份有限公司
(在中华人民共和国注册成立)

已审财务报表
2006年12月31日

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审计报告

安永华明(2007)审字第 60468101-B24 号

中国平安保险(集团)股份有限公司全体股东：

我们审计了后附的中国平安保险(集团)股份有限公司(以下简称“贵公司”)及其子公司(以下统称“贵集团”)财务报表，包括 2006 年 12 月 31 日的合并及母公司的资产负债表，2006 年度合并及母公司的利润表、利润分配表和现金流量表以及财务报表附注。

一、 管理层对财务报表的责任

按照企业会计准则和《金融企业会计制度》的规定编制财务报表是贵公司管理层的责任。这种责任包括：(1)设计、实施和维护与财务报表编制相关的内部控制，以使财务报表不存在由于舞弊或错误而导致的重大错报；(2)选择和运用恰当的会计政策；(3)作出合理的会计估计。

二、 注册会计师的责任

我们的责任是在实施审计工作的基础上对财务报表发表审计意见。我们按照中国注册会计师审计准则的规定执行了审计工作。中国注册会计师审计准则要求我们遵守职业道德规范，计划和实施审计工作以对财务报表是否不存在重大错报获取合理保证。

审计工作涉及实施审计程序，以获取有关财务报表金额和披露的审计证据。选择的审计程序取决于注册会计师的判断，包括对由于舞弊或错误导致的财务报表重大错报风险的评估。在进行风险评估时，我们考虑与财务报表编制相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。审计工作还包括评价管理层选用会计政策的恰当性和作出会计估计的合理性，以及评价财务报表的总体列报。

我们相信，我们获取的审计证据是充分的、适当的，为发表审计意见提供了基础。

三、 审计意见

我们认为，上述财务报表已经按照企业会计准则和《金融企业会计制度》的规定编制，在所有重大方面公允地反映了贵集团和贵公司 2006 年 12 月 31 日的财务状况以及 2006 年度的经营成果和现金流量。

(此页无正文)

安永华明会计师事务所

中国注册会计师 张小东

中国 北京

中国注册会计师 黄悦栋

2007 年 4 月 11 日

中国平安保险(集团)股份有限公司
合并资产负债表
2006年12月31日
人民币千元

	附注五	2006年12月31日	2005年12月31日
资产			
流动资产：			
现金	1	347,282	14,150
银行存款	1	89,788,851	80,290,899
结算备付金	1	1,134,759	176,987
贵金属		111,001	-
存放中央银行款项	2	7,713,643	20,271
存放同业款项	3	2,840,207	426,491
短期投资	4	24,148,945	16,532,789
拆出资金	5	1,727,381	131,394
短期贷款	6	10,709,388	400,882
保单质押贷款	7	1,380,990	864,483
买入返售资产	8	6,950,915	-
贴现	6	12,633,786	-
进出口押汇	6	317,596	-
应收利息		609,230	438,098
应收保费	9	3,072,759	748,808
应收分保账款	9	787,042	720,124
预付赔款		135,229	226,016
存出分保准备金		43	44
交易保证金	10	74,047	42,120
其他应收款	11	2,674,855	467,481
材料物品		2,501	4,132
低值易耗品		113,813	88,835
待摊费用		121,674	94,348
金融担保物		94,040	-
应收股利		42,735	-
一年内到期的长期债权投资	13	2,506,243	779,804
流动资产合计		170,038,955	102,468,156
长期投资：			
长期股权投资	12	13,387,680	3,006,663
合并价差	12	599,497	330,433
长期债权投资	13	192,024,584	151,965,803
长期基金投资	14	5,193,156	6,977,965
长期投资合计		211,204,917	162,280,864
中长期贷款	6	24,240,288	129,667
逾期贷款	6	895,441	-
非应计贷款	6	2,785,888	93,550
减：贷款损失准备	6	(2,430,726)	(93,550)
固定资产：			
固定资产原值	15	9,153,167	7,070,964
减：累计折旧	15	(2,932,216)	(2,234,777)
固定资产净值	15	6,220,951	4,836,187
减：固定资产减值准备	15	(191,972)	(323,275)
固定资产净额	15	6,028,979	4,512,912
在建工程	16	1,233,773	1,318,974
固定资产清理		(819)	(73)
固定资产合计		7,261,933	5,831,813
无形资产及其他资产：			
无形资产	17	158,506	151,583
长期待摊费用		60,818	36,915
存出资本保证金	18	1,520,000	1,240,000
抵债资产	19	463,871	7,834
其他长期资产		29,384	38,839
独立账户资产	38	24,931,681	15,897,584
无形资产及其他资产合计		27,164,260	17,372,755
递延税项：			
递延税款借项	20	630,100	20,487
资产总计		441,791,056	288,103,742

载于第18页至第127页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
合并资产负债表(续)
2006年12月31日
人民币千元

	附注五	2006年12月31日	2005年12月31日
负债及股东权益			
流动负债:			
短期借款	21	526,710	-
短期存款	22	50,626,577	18,077
短期储蓄存款		10,725,197	-
同业存放款项	23	3,464,731	36,376
拆入资金		991,705	-
卖出回购资产	24	13,436,183	7,095,400
应付手续费		117,714	76,166
应付佣金		776,008	556,731
应付分保账款	25	746,051	532,903
预收保费		1,351,586	1,879,808
存入分保准备金		614	58,121
存入保证金	26	5,484,740	76,664
汇出汇款及应解汇款		248,673	-
应付利息	27	309,139	5,134
应付工资		1,723,438	475,497
应付福利费		295,380	142,411
应付权证		88,319	-
应付保户红利		4,106,627	2,864,005
应付股利	28	81,018	75,909
应交税金	29	1,119,832	672,725
其他应付款	30	2,191,157	1,355,709
预提费用		75,146	16,462
未决赔款准备金		6,155,458	4,928,257
未到期责任准备金		8,702,315	6,240,733
保险保障基金	31	81,857	60,110
代买卖证券款	32	3,750,122	1,729,716
其他流动负债		190,772	-
一年内到期的长期负债	33	1,577,482	-
流动负债合计		<u>118,944,551</u>	<u>28,896,914</u>
长期负债:			
长期存款	34	3,043,310	-
长期储蓄存款		454,522	-
存入长期保证金		49,386	-
长期借款	35	155,000	-
长期责任准备金		2,408,042	2,413,790
寿险责任准备金	36	223,721,661	183,096,087
长期健康险责任准备金		30,126,399	24,568,558
保户储金		36,745	40,101
其他长期负债		1,016	1,862
独立账户负债	38	24,931,681	15,897,584
其中: 独立账户责任准备金		19,812,450	15,276,242
长期负债合计		<u>284,927,762</u>	<u>226,017,982</u>
负债合计		<u>403,872,313</u>	<u>254,914,896</u>

载于第18页至第127页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
合并资产负债表(续)
2006年12月31日
人民币千元

	2006年12月31日	2005年12月31日
<u>附注五</u>		
负债及股东权益(续)		
负债合计	403,872,313	254,914,896
少数股东权益	1,250,878	524,840
股东权益:		
股本	39 6,195,053	6,195,053
资本公积	40 15,162,889	15,162,575
盈余公积	41 6,126,092	5,526,410
总准备金	394,510	394,510
一般风险准备	42 16,752	-
一般准备	42 76,633	35,679
信托赔偿准备金	42 28,774	-
未分配利润	43 8,667,162	5,349,779
其中: 建议分配股利	1,615,912	-
股东权益合计	36,667,865	32,664,006
负债及股东权益总计	441,791,056	288,103,742

载于第 18 页至第 127 页的附注为本财务报表的组成部分

第 3 页至第 127 页的财务报表由以下人士签署:

马明哲
法定代表人

张子欣
主管会计工作负责人

任汇川
会计机构负责人

中国平安保险(集团)股份有限公司
合并利润表
2006 年度
人民币千元

	附注五	2006 年度	2005 年度
保险业务收入			
保费收入	44	85,954,952	71,609,012
分保费收入	45	28,447	16,112
减：分出保费	46	(4,271,271)	(4,241,477)
保险业务收入合计		81,712,128	67,383,647
保险业务支出			
赔款支出	47	(10,721,175)	(8,221,809)
减：摊回分保赔款	46	2,446,436	2,475,359
追偿款收入		45,617	48,974
分保赔款支出	45	(8,645)	(3,851)
死伤医疗给付	48	(1,086,421)	(982,244)
满期给付	49	(3,034,671)	(3,263,281)
年金给付	50	(2,770,432)	(2,446,820)
退保金	51	(8,493,282)	(6,956,103)
分保费用支出	45	(3,983)	(2,093)
手续费支出	52	(1,831,898)	(963,581)
佣金支出	53	(6,242,087)	(4,962,019)
营业税金及附加	54	(1,644,692)	(909,742)
营业费用	55	(9,759,034)	(7,033,277)
减：摊回分保费用	46	1,548,494	1,370,793
提取保险保障基金	31	(270,560)	(209,280)
保险业务支出合计		(41,826,333)	(32,058,974)

载于第 18 页至第 127 页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
合并利润表(续)
2006年度
人民币千元

	附注五	2006年度	2005年度
准备金提转差			
提取未决赔款准备金	56	(6,155,458)	(4,928,257)
减: 转回未决赔款准备金	56	4,928,257	3,874,137
提取未到期责任准备金	57	(8,702,315)	(6,240,733)
减: 转回未到期责任准备金	57	6,240,733	4,868,859
提取长期责任准备金	58	(2,408,042)	(2,413,790)
减: 转回长期责任准备金	58	2,413,790	1,894,930
提取寿险责任准备金		(243,534,111)	(198,372,329)
减: 转回寿险责任准备金		198,372,329	167,142,916
提取长期健康险责任准备金		(30,126,399)	(24,568,558)
减: 转回长期健康险责任准备金		24,568,558	18,625,804
准备金提转差合计		<u>(54,402,658)</u>	<u>(40,117,021)</u>
承保亏损		(14,516,863)	(4,792,348)
加: 其他业务利润	59	16,080	115,500
投资收益	60	18,513,069	5,885,130
利息收入	61	3,847,041	3,882,770
买入返售资产收入		27,974	338
手续费收入	62	475,085	175,327
证券承销收入	63	139,665	79,355
汇兑损益		(480,027)	(407,790)
减: 利息支出	64	(129,750)	(15,816)
保户红利支出		(1,486,737)	(1,064,118)
卖出回购资产支出		(172,065)	(91,071)
其他业务手续费支出		(50,133)	(18,344)
贷款损失准备		(947)	72,997
营业利润		6,182,392	3,821,930
加: 营业外收入		86,885	56,618
减: 营业外支出		(11,272)	(122,758)
利润总额		6,258,005	3,755,790
减: 所得税	65	(135,257)	(387,637)
税后利润		6,122,748	3,368,153
减: 少数股东利润		(136,786)	(29,725)
净利润		<u>5,985,962</u>	<u>3,338,428</u>

载于第 18 页至第 127 页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
合并利润分配表
2006 年度
人民币千元

	<u>附注五</u>	<u>2006 年度</u>	<u>2005 年度</u>
净利润		5,985,962	3,338,428
加：年初未分配利润		<u>5,349,779</u>	<u>3,415,101</u>
可供分配利润		11,335,741	6,753,529
减：提取法定盈余公积	43	(599,682)	(333,843)
提取法定公益金	41	-	(166,921)
提取一般风险准备	42	(16,752)	-
提取一般准备	42	(40,954)	(35,679)
提取信托赔偿准备金	42	<u>(28,774)</u>	<u>-</u>
可供股东分配的利润		10,649,579	6,217,086
减：应付普通股股利		<u>(1,982,417)</u>	<u>(867,307)</u>
年末未分配利润		<u><u>8,667,162</u></u>	<u><u>5,349,779</u></u>

载于第 18 页至第 127 页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
合并现金流量表
2006 年度
人民币千元

	2006 年度	2005 年度
一、经营活动产生的现金流量：		
收到的现金保费	79,892,024	68,488,209
分保业务收到的现金	1,128,818	362,319
存出资本保证金收到的现金	180,000	300,000
存入保证金的收到的现金	-	41,554
收回发放的贷款	941,180	28,320
吸收的存款	11,438,786	-
存放中央银行款项净额	318,353	-
从同业收到的现金	219,927	112,439
收取的利息	345,771	89,726
收到的其他与经营活动有关的现金	2,364,544	122,137
现金流入小计	96,829,403	69,544,704
以现金支付的赔款	(10,446,897)	(8,295,141)
分保业务支付的现金	(1,305,815)	(1,130,256)
存出保证金的支付的现金	(291,404)	(20,937)
存入保证金的支付的现金	(1,774,236)	-
返还的保户储金	(3,356)	(2,985)
以现金支付的手续费	(1,790,350)	(941,596)
以现金支付的佣金	(6,022,810)	(4,907,036)
死伤医疗给付支出的现金	(1,081,271)	(982,244)
满期给付支出的现金	(2,931,311)	(3,810,745)
年金给付支出的现金	(2,694,236)	(1,817,060)
以现金支付的退保金	(7,209,807)	(5,876,512)
以现金支付的保户红利	(244,115)	(176,885)
以现金支付的存出资本保证金	(460,000)	(340,000)
支付给职工以及为职工支付的现金	(3,718,729)	(2,967,440)
支付的营业税款	(1,362,630)	(793,695)
支付的所得税款	(160,586)	(436,632)
支付的除营业税、所得税以外的其他税费	(99,925)	(101,564)
以现金支付的保险保障基金	(248,813)	(976,449)
对外发放的贷款	(5,863,315)	-
存放中央银行款项净额	-	(16,203)
支付的存款	(4,863,096)	(10,834)
支付给同业的现金	(824,686)	(23,148)
支付的银行业务利息	(186,108)	(9,456)
支付的其他与经营活动有关的现金	(5,888,193)	(4,017,805)
现金流出小计	(59,471,689)	(37,654,623)
经营活动产生的现金流量净额	37,357,714	31,890,081

载于第 18 页至第 127 的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
合并现金流量表(续)
2006年度
人民币千元

	附注四	2006年度	2005年度
二、 投资活动产生的现金流量:			
收回投资所收到的现金		98,077,329	31,515,858
分得股利或利润收到的现金		2,485,967	266,794
取得债券利息收入所收到的现金		5,767,231	4,347,414
收回次级债投资所收到的现金		3,767,818	1,054,997
取得次级债投资利息收入所得到的 现金		672,666	392,399
收回贷款所得到的现金		692,358	1,000,385
取得贷款利息收入所得到的现金		59,326	67,458
处置固定资产、无形资产和其他长期资产所收回的现金		235,098	110,548
买入返售资产收到的现金		61,767,423	391,482
取得银行利息收入所收到的现金		3,021,450	4,079,564
收回定期存款收到的现金		21,664,814	34,002,565
购买子公司产生的现金净流入	(5)	4,372,129	-
收到的其他与投资活动有关的现金		20,222	-
现金流入小计		202,603,831	77,229,464
购置固定资产、无形资产和其他长期资产所支付的现金		(1,609,535)	(1,078,624)
投资所支付的现金		(121,638,903)	(66,994,210)
拆出资金净额		-	(131,394)
贷款所支付的现金		(1,208,865)	(1,619,021)
买入返售资产支付的现金		(61,751,492)	(391,000)
定期存款支付的现金		(2,437,258)	(21,528,005)
大额协议存款支付的现金		(9,701,115)	(1,559,914)
购买证券投资基金支付的现金		(14,454,754)	(10,155,652)
购买子公司支付的现金		(34,941)	-
购买次级债支付的现金		(2,882,771)	(8,571,492)
支付的其他与投资活动有关的现金		(1,087,056)	(281,242)
现金流出小计		(216,806,690)	(112,310,554)
投资活动产生的现金流量净额		(14,202,859)	(35,081,090)
三、 筹资活动产生的现金流量:			
吸收权益性投资所收到的现金		75,838	-
拆入资金净额		819,914	-
借款所收到的现金		681,710	-
卖出回购资产收到的现金		255,130,266	119,455,013
现金流入小计		256,707,728	119,455,013
分配股利所支付的现金		(2,097,476)	(865,622)
偿付利息所支付的现金		(37,021)	-
卖出回购资产支付的现金		(249,252,966)	(113,041,668)
现金流出小计		(251,387,463)	(113,907,290)
筹资活动产生的现金流量净额		5,320,265	5,547,723
四、 汇率变动对现金的影响额		(66,862)	(18,227)
五、 现金及现金等价物增加净额		28,408,258	2,338,487

载于第18页至第127页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
合并现金流量表(续)
2006年度
人民币千元

	<u>附注五</u>	<u>2006年度</u>	<u>2005年度</u>
1. 将净利润调节为经营活动产生的现金流量:			
净利润		5,985,962	3,338,428
加: 少数股东利润		136,786	29,725
固定资产折旧		490,452	536,856
无形资产摊销		61,015	51,226
长期待摊费用摊销		19,066	28,670
处置固定资产、无形资产和其他长期资产的收益		(45,380)	(26,779)
计提的应收款项坏账准备		94,950	98,197
股权投资差额的摊销		41,171	38,522
转回的短期投资跌价准备		(121,074)	(733,845)
计提/(转回)的长期投资减值准备		(142,406)	103,698
计提/(转回)的固定资产、在建工程和其他长期资产的减值准备		(82,084)	76,648
提取/(转销)的贷款损失准备		947	(72,997)
投资业务收入		(17,986,526)	(9,016,332)
借款利息支出		37,021	-
汇兑损益		480,027	407,790
提取及转回的各项保险准备金		49,866,450	37,885,617
递延税款借项的增加		(211,352)	(8,088)
经营性应收项目的增加		(12,254,972)	(611,140)
经营性应付项目的增加/(减少)		10,987,661	(236,115)
经营活动产生的现金流量净额		<u>37,357,714</u>	<u>31,890,081</u>
2. 现金及现金等价物净增加情况:			
现金及现金等价物的年末余额	66	45,950,704	17,542,446
减: 现金及现金等价物的年初余额	66	<u>(17,542,446)</u>	<u>(15,203,959)</u>
现金及现金等价物增加净额		<u><u>28,408,258</u></u>	<u><u>2,338,487</u></u>

载于第 18 页至第 127 页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
 母公司资产负债表
 2006年12月31日
 人民币千元

	附注十五	2006年12月31日	2005年12月31日
资产			
流动资产：			
现金	1	207	110
银行存款	1	3,915,871	11,752,868
短期投资	2	5,248,547	2,935,280
应收利息		5,067	22,232
其他应收款		413,227	3,657
低值易耗品		654	859
一年内到期的长期债权投资	4	350,177	198,375
流动资产合计		9,933,750	14,913,381
长期投资：			
长期股权投资	3	26,646,054	17,960,034
长期债权投资	4	1,534,666	828,947
长期基金投资	5	21,958	-
长期投资合计		28,202,678	18,788,981
固定资产：			
固定资产原值		86,418	41,383
减：累计折旧		(17,164)	(6,578)
固定资产净额		69,254	34,805
在建工程		-	2,250
固定资产合计		69,254	37,055
无形资产及其他资产：			
无形资产		18,488	10,797
长期待摊费用		6,820	3,255
无形资产及其他资产合计		25,308	14,052
递延税项：			
递延税款借项		80,239	-
资产总计		38,311,229	33,753,469
负债及股东权益			
流动负债：			
拆入资金		819,914	274,387
卖出回购资产		-	645,400
应付工资		551,986	66,086
应付福利费		24,557	16,674
应付股利		77,826	75,909
应交税金	6	74,597	2,114
其他应付款		60,628	8,893
预提费用		23,000	-
负债合计		1,632,508	1,089,463
股东权益：			
股本		6,195,053	6,195,053
资本公积		15,162,889	15,162,575
盈余公积		6,126,092	5,526,410
总准备金		394,510	394,510
一般风险准备		16,752	-
一般准备		76,633	35,679
信托赔偿准备金		28,774	-
未分配利润		8,678,018	5,349,779
股东权益合计		36,678,721	32,664,006
负债及股东权益总计		38,311,229	33,753,469

载于第18页至第127页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
母公司利润表
2006 年度

人民币千元

	附注十五	2006 年度	2005 年度
业务支出			
营业税金及附加	7	(23,911)	(2,411)
营业费用	8	(885,871)	(410,158)
业务支出合计		(909,782)	(412,569)
加：其他业务利润		3,452	5,742
投资收益	9	6,559,054	3,205,779
利息收入		382,959	581,198
买入返售资产收入		5,197	-
汇兑损益		(26,546)	(3,179)
减：利息支出		(25,288)	-
卖出回购资产支出		(9,576)	(3,396)
营业利润		5,979,470	3,373,575
加：营业外收入		18	25
减：营业外支出		(3,277)	(250)
利润总额		5,976,211	3,373,350
减：所得税		20,607	(34,922)
净利润		5,996,818	3,338,428

载于第 18 页至第 127 页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
 母公司利润分配表
 2006 年度

人民币千元

	<u>附注五</u>	<u>2006 年度</u>	<u>2005 年度</u>
净利润		5,996,818	3,338,428
加：年初未分配利润		<u>5,349,779</u>	<u>3,415,101</u>
可供分配利润		11,346,597	6,753,529
减：提取法定盈余公积	43	(599,682)	(333,843)
提取法定公益金	41	-	(166,921)
提取一般风险准备	42	(16,752)	-
提取一般准备	42	(40,954)	(35,679)
提取信托赔偿准备金	42	<u>(28,774)</u>	<u>-</u>
可供股东分配的利润		10,660,435	6,217,086
减：应付普通股股利		<u>(1,982,417)</u>	<u>(867,307)</u>
年末未分配利润		<u><u>8,678,018</u></u>	<u><u>5,349,779</u></u>

载于第 18 页至第 127 页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
 母公司现金流量表
 2006 年度
 人民币千元

	2006 年度	2005 年度
一、经营活动产生的现金流量：		
收到的其他与经营活动有关的现金	18	1,821
现金流入小计	18	1,821
支付给职工以及为职工支付的现金	(216,829)	(159,107)
支付的营业税款	(3,783)	(2,362)
支付的所得税款	(4,293)	(61,515)
支付的除营业税、所得税以外的其他税费	(2,404)	(4,624)
支付的其他与经营活动有关的现金	(93,304)	(1,524,777)
现金流出小计	(320,613)	(1,752,385)
经营活动产生的现金流量净额	(320,595)	(1,750,564)

载于第 18 页至第 127 页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
母公司现金流量表(续)
2006年度

人民币千元

	2006年度	2005年度
二、 投资活动产生的现金流量:		
收回投资所收到的现金	13,903,034	1,033,804
分得股利收到的现金	5,620,677	730
取得债券利息收入所收到的现金	58,120	29,249
拆出资金净额	-	41,382
处置固定资产、无形资产和其他长期资产所收回的现金	180	-
买入返售资产收到的现金	16,038,937	-
取得银行利息收入所收到的现金	400,124	684,819
收回定期存款收到的现金	10,801,101	20,565,211
收回证券投资基金所收到的现金	1,214,017	3,071,137
收到的其他与投资活动有关的现金	3,585	-
现金流入小计	<u>48,039,775</u>	<u>25,426,332</u>
购置固定资产、无形资产所支付的现金	(62,304)	(45,198)
投资所支付的现金	(19,532,407)	(3,014,771)
买入返售资产支付的现金	(16,033,740)	-
定期存款支付的现金	(530,136)	(20,991,122)
购买证券投资基金支付的现金	(1,609,740)	(3,036,255)
投资子公司支付的现金	(7,017,681)	(1,680,000)
现金流出小计	<u>(44,786,008)</u>	<u>(28,767,346)</u>
投资活动产生的现金流量净额	<u>3,253,767</u>	<u>(3,341,014)</u>
三、 筹资活动产生的现金流量:		
拆入资金净额	545,527	274,387
卖出回购资产收到的现金	17,123,315	7,715,838
现金流入小计	<u>17,668,842</u>	<u>7,990,225</u>
分配股利所支付的现金	(1,980,500)	(865,622)
卖出回购资产支付的现金	(17,778,291)	(7,073,835)
偿付利息所支付的现金	(25,288)	-
现金流出小计	<u>(19,784,079)</u>	<u>(7,939,457)</u>
筹资活动产生的现金流量净额	<u>(2,115,237)</u>	<u>50,768</u>
四、 汇率变动对现金的影响额	<u>(7,380)</u>	<u>(1,914)</u>
五、 现金及现金等价物增加/(减少)净额	<u>810,555</u>	<u>(5,042,724)</u>

载于第 18 页至第 127 页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
母公司现金流量表(续)
2006年度

人民币千元

	附注十五	2006年度	2005年度
1. 将净利润调节为经营活动产生的现金流量:			
净利润		5,996,818	3,338,428
加: 固定资产折旧		10,701	2,662
无形资产摊销		5,372	1,352
长期待摊费用摊销		2,326	316
处置固定资产、无形资产和其他长期资产的 损失		270	-
计提/(转回)的应收款项坏账准备		(74)	836
股权投资差额的摊销		1,901	1,901
计提的短期投资跌价准备		946	-
计提的长期投资减值准备		8,042	-
递延税款借项的增加		(80,239)	-
投资业务收入		(6,926,687)	(3,785,482)
汇兑损益		26,546	3,179
经营性应收项目的增加		(773)	(3,947)
经营性应付项目的增加/(减少)		634,256	(1,309,809)
经营活动产生的现金流量的净额		(320,595)	(1,750,564)
2. 现金及现金等价物净增加/(减少)情况:			
现金及现金等价物的年末余额	10	3,447,742	2,637,187
减: 现金及现金等价物的年初余额	10	(2,637,187)	(7,679,911)
现金及现金等价物增加/(减少)净额		810,555	(5,042,724)

载于第18页至第127页的附注为本财务报表的组成部分

中国平安保险(集团)股份有限公司
财务报表附注
2006年12月31日
人民币千元

一、 本公司基本情况

中国平安保险(集团)股份有限公司(以下简称“本公司”)于1988年3月21日在中华人民共和国(以下简称“中国”)深圳市注册成立,当时名为“深圳平安保险公司”,开始主要在深圳从事财产保险业务。随着经营区域的扩大,本公司于1992年更名为“中国平安保险公司”,于1994年7月开始从事寿险业务,并于1997年1月更名为“中国平安保险股份有限公司”。

中国保险监督管理委员会(以下简称“中国保监会”)于2002年4月2日下发《关于中国平安保险股份有限公司分业经营实施方案的批复》(保监复[2002]32号),原则同意本公司提出的有关《中国平安保险股份有限公司分业经营实施方案》;根据该方案,本公司更名为“中国平安保险(集团)股份有限公司”,本公司以投资人的身份控股99%,分别成立中国平安财产保险股份有限公司(以下简称“平安产险”)和中国平安人寿保险股份有限公司(以下简称“平安寿险”),并由本公司控股持有平安信托投资有限责任公司(以下简称“平安信托”),平安信托持有平安证券有限责任公司(以下简称“平安证券”)的股份。

中国保监会于2002年10月28日下发《关于中国平安保险股份有限公司有关变更事项的批复》(保监变审[2002]98号)、《关于成立中国平安财产保险股份有限公司的批复》(保监机审[2002]350号)及《关于成立中国平安人寿保险股份有限公司的批复》(保监机审[2002]351号),批准本公司名称变更为“中国平安保险(集团)股份有限公司”,并同意在本公司财产保险业务和人员的基础上成立平安产险,在本公司人身保险业务和人员的基础上成立平安寿险。本公司于2003年1月24日取得更名后的营业执照,平安产险及平安寿险分别于2002年12月24日及2002年12月17日取得营业执照。

根据中国保监会《关于中国平安保险(集团)股份有限公司境外发行H股并上市的批复》(保监复[2003]228号)及中国证券监督管理委员会(以下简称“中国证监会”)《关于同意中国平安保险(集团)股份有限公司发行境外上市外资股的批复》(证监国合字[2004]18号),本公司获准公开发行境外上市外资股(“H股”)1,261,720,000股,H股已于2004年6月24日在香港交易所主板上市。

根据中国证监会《关于核准中国平安保险(集团)股份有限公司首次公开发行股票的通知》(证监发行字[2007]29号),本公司获准首次公开发行A股1,150,000,000股,A股已于2007年3月1日在上海证券交易所上市。

一、 本公司基本情况(续)

本公司的经营范围包括投资保险及经批准的金融企业, 监督管理控股投资企业的各种国内、国际业务; 开展保险资金运用业务; 经批准开展国内保险、国际保险及其他业务。本集团现提供多元化的金融产品及服务, 业务范围包括人身保险业务、财产保险业务、信托业务、证券业务、银行业务以及其他业务。

二、 主要会计政策、会计估计和合并财务报表的编制方法

1. 会计制度

本公司及附属子公司(以下统称“本集团”)执行企业会计准则和《金融企业会计制度》。

2 会计年度

本集团会计年度采用公历年度, 即每年自1月1日起至12月31日止。

3. 记账本位币

本集团于中国大陆的公司主要以人民币为记账本位币; 本集团于海外的子公司以港币为记账本位币。编制本财务报表所采用的货币均为人民币, 除有特别说明外, 均以人民币千元为单位表示。

4. 记账基础及计价原则

以权责发生制为记账基础, 各项资产均按取得、购建时的实际成本计价。其后, 各项资产如果发生减值, 按《金融企业会计制度》规定计提减值准备。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

5. 合并财务报表

本公司将投资持有50%以上权益性资本的公司纳入合并财务报表范围。合并财务报表采用下列方法编制：

- (1) 对母、子公司因采用不同会计政策而产生的差异予以调整；
- (2) 对母、子公司及子公司之间重大内部交易调整抵销；及
- (3) 母、子公司间投资权益、相互往来及其未实现利润全部抵销。投资权益在抵销时发生的合并价差，在合并资产负债表的长期投资项目中以“合并价差”反映。

6. 外币业务

本集团于中国大陆的公司采用外币分账制，以经营业务的原币值入账。发生经济业务及货币兑换时所产生的汇兑差额计入当年损益。资产负债表和利润表，除权益类项目外，其他项目按照年末中国人民银行公布的汇率折算为人民币；权益类项目按照历史汇率折合为人民币。不同汇率之间形成的较重大差额，作为外币折算差额单列项目反映。

本集团于香港及海外的公司以港币为记账本位币。以外币计价的业务按交易当日的基准汇率折合为记账本位币记账。于资产负债表日，以外币计价的货币性资产及负债按当日的基准汇率折合为记账本位币，由此而产生的汇兑损益除固定资产购建期间借入的外币专门借款本金及利息所发生的汇兑差额予以资本化外，其余均计入当年损益中。

7. 外币财务报表的折算方法

在编制合并财务报表时，本公司之子公司以外币编制的财务报表按如下方法折算成人民币：所有资产、负债类项目按年末的汇率折合为人民币；所有者权益类项目除“未分配利润”外，均按业务发生时的汇率折合为人民币；“未分配利润”项目以折算后的利润分配表中该项目的数额填列；折算后资产类项目总计与负债类项目及所有者权益类项目合计的重大差额作为“外币报表折算差额”在“未分配利润”项下单独列示。利润表及利润分配表内所有发生额项目按本年平均汇率折合为人民币。现金流量表所有项目均按年末汇率折算为人民币。所有年初数和上年实际数按上年折算后的数额列示。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

8. 现金等价物

现金等价物指持有的期限短、流动性强、易于转换为已知金额现金、价值变动风险很小的投资,以及存放中央银行可运用的备付金存款和期限低于三个月的存放同业及拆放同业款项等。

9. 短期投资

短期投资是指能够随时变现并且持有时间不准备超过1年(含1年)的投资,包括股票、债券、基金等。短期投资按成本与市价孰低计价。成本包括购入短期投资实际支付的价款,以及税金、手续费等相关费用。实际支付的价款中包含的已宣告但尚未领取的现金股利、基金红利或已到付息期但尚未领取的债券利息单独核算,不构成短期投资成本。年度终了,短期投资分投资类别按市价低于成本的部分提取短期投资跌价准备,短期投资的跌价损失计入当年度损益。短期投资的股利收入、债券利息收入及基金分红收入等于实际收到时作为投资成本的收回,冲减短期投资账面值。

10. 贷款及贷款损失准备

短期及中长期贷款

本集团按贷款发放期限的长短分类为短期及中长期贷款。凡合同期限在1年以内(含1年)的各类贷款列作短期贷款。中长期贷款指对外发放的原始期限在1年以上的各类贷款。

逾期贷款

指贷款本金或利息逾期90天以内的没有收回的贷款。包括因贴现票据到期承兑人不能按期支付、或本集团承兑的汇票及本集团开具的信用证、保函等因申请人保证金不足等原因造成的垫款。

进出口押汇

进出口押汇是指本集团接受国外银行开来信用证项下的出口跟单汇票经本集团议付买单的款项(包括福费廷业务),或本集团开出信用证后接到国外议付的议付通知,由本集团偿付款项后所垫付的款项。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

10. 贷款及贷款损失准备(续)

贴现

贴现是指本集团对持有尚未到期的承兑汇票的客户或其他金融机构办理的贴现款项。

非应计贷款及应计贷款

非应计贷款是指其贷款本金或利息逾期达到或超过90天没有收回的贷款。应计贷款是指除非应计贷款以外的贷款。

自营贷款与委托贷款

自营贷款指本集团自主发放并承担风险,并由本集团收取本金和利息的贷款;委托贷款指由委托人提供资金,由本集团根据委托人确定的贷款对象、用途、金额、期限、利率等而代理发放、监督使用并协助收回的贷款,其风险由委托人承担,本集团发放委托贷款时,只收取手续费,不代垫资金。本集团将自营贷款作为本集团信贷资产于资产负债表内反映,而委托贷款则于资产负债表外反映。

本集团按照中国人民银行颁布的贷款风险分类指导原则,对贷款质量按照风险程度划分为正常类、关注类、次级类、可疑类、损失类贷款;后三类合称为不良贷款。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

10. 贷款及贷款损失准备(续)

贷款损失准备的核算办法

本集团按照期末各项贷款的可收回性, 预计可能发生的贷款损失, 提取贷款损失准备。本集团采用个别评估及组合评估两种方法估算贷款损失准备:

- § 对于存在减值客观证据的各项重大贷款, 损失准备为该贷款的账面价值与预计未来现金流量以原始实际利率折算的现值的差额;
- § 对于非重大贷款或在单项减值测试中不存在减值客观证据的贷款, 本集团将信用风险特征类似的贷款进行组合, 并按其历史损失经验估算损失准备。信用风险特征类似的组合指该组合内各项贷款信用风险的变动, 预期大致与该组合整体信用风险的变动成正比。

本集团提取的贷款损失准备计入当期损益, 当贷款质量发生好转时, 对提取的贷款损失准备予以转回; 发生贷款损失冲减已计提的贷款损失准备。已核销的贷款收回时, 其已核销的贷款损失准备予以转回。

11. 买入返售资产及卖出回购资产

买入返售资产是指按规定进行资产回购业务而融出的资金, 按实际支付的成本入账, 并在资产持有期间采用直线法逐日计提买入返售资产收入计入当年度损益。

卖出回购资产是指按规定进行资产回购业务所融入的资金, 按卖出资产实际收到的金额入账, 并在资产卖出期内采用直线法逐日计提卖出回购资产支出计入当年度损益。

12. 坏账准备

坏账损失核算采用备抵法, 按年末拆出资金、应收利息、应收保费、应收分保账款、应收账款、其他应收款等应收款项余额的可回收性计提坏账准备。管理层采用账龄分析法及根据以往的经验、债务单位的财务及实际经营情况等合理地估计坏账准备。坏账准备分为专项坏账准备及普通坏账准备。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

12. 坏账准备(续)

专项坏账准备是对各重大应收款项及贷款进行分析,在分析过程中,将综合考虑此账款的账龄、债务单位的财务及经营情况和现金流量情况、账款的当期及期后回收情况等,从而估计坏账准备并进行计提。

对非重大的应收保费,按其余额及账龄提取普通坏账准备。

13. 客户交易结算资金

本集团代理客户买卖证券收到的代买卖证券款,全额存入本集团指定的银行账户;在收到代理客户买卖证券款的同时确认为一项负债,与客户进行相关的结算。

本集团接受客户委托通过证券交易所代理买卖证券,与客户清算时如买入证券成交总额大于卖出证券成交总额,按清算日买卖证券成交价的差额,加代扣代缴的印花税和应向客户收取的佣金等手续费减少客户交易结算资金;如买入证券成交总额小于卖出证券成交总额,按清算日买卖证券成交价的差额,减代扣代缴的印花税和应向客户收取的佣金等手续费增加客户交易结算资金。

14. 证券承销业务核算办法

本集团承销之证券,根据与发行人确定的发售方式,按以下规定分别进行核算。

- (1) 本集团以全额包销方式进行承销业务,在购入待发售的证券时,按承购价确认为一项资产;本集团将证券转售给投资者时,按承销价格确认为证券承销收入,按已承销证券的承购价格结转承销证券的成本。承销期结束后,如有未售出的证券,按承购价格转为本集团的投资。
- (2) 本集团以余额包销方式进行承销业务,在收到委托单位委托发行的证券时,不在账内同时确认为一项资产和一项负债,只在专设的备查账簿中登记承销证券的情况。承销期结束后,如有未售出的证券,按约定的承销价格转为本集团的投资。
- (3) 本集团以代销方式进行承销业务,在收到委托单位委托发行的证券时,不在账内同时确认为一项资产和一项负债,只在专设的备查账簿中登记承销证券的情况。
- (4) 承销证券的手续费收入,在承销业务提供的相关服务完成时确认为收入。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

15. 长期投资

长期股权投资

长期股权投资在取得时按照初始投资成本入账，并根据不同情况分别采用成本法或权益法核算。

- (1) 本公司对被投资单位无控制、无共同控制且无重大影响的，长期股权投资采用成本法核算。除追加或收回投资外，投资的账面价值保持不变。被投资单位宣告分派的利润或现金股利，确认为当期投资收益。本公司确认投资收益，仅限于所获得的被投资单位在接受投资后产生的累积净利润的分配额，所获得的被投资单位宣告分派的利润或现金股利超过上述数额的部分，作为初始投资成本的收回，冲减投资的账面价值。
- (2) 本公司对被投资单位具有控制、共同控制或重大影响的，长期股权投资采用权益法核算。在取得股权投资后，按应享有或应分担的被投资单位当年实现的净利润或发生的净亏损的份额，调整投资的账面价值，并确认为当期投资损益。本公司按被投资单位宣告分派的利润或现金股利计算应分得的部分，相应减少投资的账面价值。本公司确认被投资单位发生的净亏损，以投资账面价值减记至零为限；如果被投资单位以后各期实现净利润，本公司在计算的收益分享额超过未确认的亏损分担额以后，按超过未确认的亏损分担额的金额，恢复投资的账面价值。
- (3) 长期股权投资采用权益法核算时，初始投资成本大于应享有被投资公司权益份额的差额，作为股权投资差额，在合同规定的投资期限内摊销，合同没有规定投资期限的，按不超过10年的期限摊销；初始投资成本低于应享有被投资公司权益份额的差额，作为资本公积。

长期债权投资

长期债权投资在取得时以投资成本入账。长期债券投资成本扣除相关费用及应收利息后，与债券面值之间的差额作为债券投资溢价或折价。债券投资溢价或折价，在债券购入后至到期前的期间内，于确认相关债券利息收入时以直线法摊销。长期债券投资按期计算应收利息，在调整债券投资溢价或折价摊销额后的余额，确认为当期投资收益。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

15. 长期投资(续)

长期基金投资

长期基金投资在取得时以初始投资金额,扣除已宣告但尚未领取基金红利入账。持有期间收到的基金分红收入,确认为当期投资收益。

长期投资减值准备

长期投资减值准备按单项分析法,对由于市价持续下跌或被投资单位经营状况恶化等原因和迹象作出判断,就导致长期投资可收回金额低于账面价值的部分计提减值准备并计入当年损益。本集团准备持有到期大部分现有的长期债权投资。

16. 固定资产

固定资产是指为提供劳务、出租或经营管理而持有,使用年限超过1年且单位价值较高的有形资产。

固定资产按成本入账。购置固定资产的成本包括买价、增值税、进口关税等相关税费,以及为使固定资产达到预定可使用状态前所发生的可直接归属于该资产的其它支出,如运输费、安装费等。与固定资产有关的后续支出,如果使可能流入企业的经济利益超过了原来的估计,则计入固定资产。

固定资产的折旧采用直线法提列,各类固定资产的预计使用年限及预计净残值率如下:

	<u>预计使用年限</u>	<u>预计净残值率</u>
经营租入固定资产改良	剩余租赁期与租赁资产尚可使用年限孰短	-
房屋及建筑物	30 - 35 年	5%
办公及通讯设备	5 年	5%
运输设备	5 - 8 年	5%

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

16. 固定资产(续)

固定资产在期末时按照账面价值与可收回金额孰低计量,对可收回金额低于账面价值的差额计提固定资产减值准备,计入当期损益。可收回金额,是指固定资产的销售净价与预期从该资产的持续使用 and 使用寿命结束时的处置中形成的现金流量的现值两者之中的较高者。

17. 在建工程

在建工程是指购建固定资产使工程达到预定可使用状态前发生的必要支出,包括工程直接材料、直接工资、待安装设备、工程建筑安装费、工程管理费和工程试运转净损益及允许资本化的借款费用。

在建工程在达到预定可使用状态时转入固定资产。

对长期停建并且预计在未来3年内不会重新开工的项目,或者所建项目在性能上或技术上已经落后,并且给企业带来的经济利益具有很大不确定性的项目,计提减值准备,计入当年损益。

18. 无形资产

无形资产主要为计算机软件系统及交易席位费等。无形资产按取得时的实际成本入账,其成本自取得当日起在预计使用年限内以直线法平均摊销,计算机软件系统的摊销年限为3年,交易席位费的摊销年限为10年。

无形资产在期末时按照账面价值与可收回金额孰低计量,对可收回金额低于账面价值的差额,计提无形资产减值准备。

19. 长期待摊费用

长期待摊费用是指摊销期限在1年以上的待摊费用。按实际发生额记入长期待摊费用核算。

筹建期间内所发生的费用,先在长期待摊费用中归集,待公司开始经营的当月起一次性计入费用。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

20. 抵债资产

抵债资产是指本集团依法行使债权或担保物权而受偿于债务人、担保人或第三人的实物资产或财产权利。抵债资产以取得时实际抵债部分的贷款本金和已确认的表内利息为入账价值。

本集团对抵债资产定期逐项进行检查。对于预计不能正常使用或账面价值与可变现价值(或评估价值)相比发生较大减值的抵债资产,本集团根据实际情况,按估计可回收金额低于账面价值的差额计提减值准备。

21. 保险保障基金

本集团根据《保险保障基金管理办法》(保监会令[2004]16号)按下列比例提取保险保障基金:

- (1) 财产保险、意外伤害保险和短期健康保险,按自留保费的1%提取;
- (2) 有保证利率的长期人寿保险和长期健康保险,按自留保费的0.15%提取;
- (3) 无保证利率的长期人寿保险,按自留保费的0.05%提取。

当平安寿险、平安养老保险股份有限公司(以下简称“平安养老险”)和平安健康保险股份有限公司(以下简称“平安健康险”)等的保险保障基金余额达到其各自总资产的1%时,其不再提取保险保障基金。当平安产险的保险保障基金余额达到其总资产的6%时,其不再提取保险保障基金。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

22. 未到期责任准备金

未到期责任准备金为对1年期以内(含1年)的保险业务,为承担未来保险责任而按规定提取的准备金。未到期责任准备金按保险精算结果(1/365法)入账;同时,根据保监发[1999]90号文规定,寿险业务的未到期责任准备金不应低于当期自留保费收入的50%。

23. 未决赔款准备金

未决赔款准备金是指对已发生已报案及已发生未报案的保险事故按规定对未决赔款提取的准备金。对已发生已报案的保险事故按估计保险赔款额提取未决赔款准备金,按最高不超过报案金额估算。对于已发生未报案的保险事故的赔款准备金,按当年实际赔款支出的4%估计;惟自2006年7月1日起,机动车交通事故责任强制保险按照《关于加强机动车交通事故责任强制保险责任准备金评估有关要求的通知》(保监产发[2006]680号)的规定,采用链梯法、案均赔款法、准备金进展法及Bornhuetter-Ferguson法进行谨慎评估并根据评估结果合理确定最终估计;自2006年9月1日起,健康保险业务按照《健康保险管理办法》(保监会令[2006]8号)的规定,采用链梯法、Bornhuetter-Ferguson法评估,并选取评估结果的最大值为最佳估计值。

(注:2007年1月1日起,已发生未报案的保险事故的赔款准备金,全部按精算方法和有关精算规定估算,不再按当年实际赔款支出的4%估计。)

此外,对在会计年度末已满期但未给付满期保险金的寿险保单、分期支付保险金但尚有未到期支付的寿险保单,均提取未决赔款准备金。已满期但未给付满期保险金的寿险保单,按满期保险金额提取;分期支付保险金但尚有未到期支付的寿险保单,根据保单未了给付责任提取。

24. 长期责任准备金

长期责任准备金是指对保险期限为1年以上(不含1年)的长期财产险业务和再保险业务,为承担未来保险责任而按规定提取的准备金。长期责任准备金按系统合理的方法(1/365法)入账。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

25. 寿险责任准备金

寿险责任准备金是指对人寿保险业务,为承担未来保险责任而按规定提取的准备金。寿险责任准备金按保险精算结果入账。本集团根据中国保监会规定,计提不低于法定责任准备金的寿险责任准备金。法定责任准备金根据中国保监会下发的保监发[1999]90号文件所载之《人寿保险精算规定》及《利差返还型人寿保险精算规定》,保监发[2003]67号文件所载之《个人分红保险精算规定》、《个人万能保险精算规定》及《个人投资连结保险精算规定》,《关于印发〈精算报告〉的通知》(保监寿险[2005]8号)及《关于修订精算规定中生命表使用有关事项的通知》(保监发[2005]118号)等有关文件及中国保监会的有关批复而估算。

本集团于资产负债表日对寿险责任准备金进行总体上的负债充足性测试,负债充足性测试采用毛保费责任准备金评估法,即根据未来合同保费收入、赔付以及保单管理费用等项目的当前最佳估计,以准备金对应资产的预期未来投资收益率贴现到资产负债表日进行评估。

26. 长期健康险责任准备金

长期健康险责任准备金是指对长期健康保险业务,为承担未来保险责任而按规定提取的准备金。长期健康险责任准备金按保险精算结果入账。本集团根据中国保监会规定,计提不低于法定责任准备金的长期健康险责任准备金。法定责任准备金根据中国保监会下发的《健康保险精算规定》(保监发[1999]90号文所载)等有关文件及中国保监会的有关批复而估算。

本集团于资产负债表日对长期健康险责任准备金与寿险责任准备金一起进行负债充足性测试,其方法与附注二、25所述之寿险责任准备金的测试方法一致。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

27. 收入确认原则

收入是在与交易相关的经济利益能够流入本集团且有关收入的金额可以可靠地计量时,按以下基准确认:

保险业务收入

保费收入及分保费收入于保险合同成立并承担相应保险责任,与保险合同相关的经济利益能够流入,并与保险合同相关的净收入和成本能够可靠地计量时予以确认。对于寿险、长期健康险和财产险合同,分期收取保费的,根据当期应收取的保费确认保费收入;一次性收取保费的,根据一次性应收取的保费确认保费收入。对于短期健康险和意外险等合同,根据保险合同约定的保费总额确认保费收入。对于分保费收入,根据相关分保合同的约定计算确认。追偿款收入于取得收款权时确认。

利息收入

利息收入按存出资金或让渡资金的使用权的时间及适用利率按权责发生制计算确定。

贷款利息收入

本集团发放的贷款,按期计提利息并确认收入。贷款到期(含展期,下同)90天后尚未收回的,其应计利息停止计入当年度利息收入,纳入表外核算;已计提的贷款应收利息,在贷款到期90天后仍未收回的,或在应收利息逾期90天后仍未收到的,冲减原已计入损益的利息收入,转作表外核算。收到非应计贷款的还款时,首先冲减未偿还贷款本金。待贷款本金全部收回后,再将收到的款项确认为当期的利息收入。

其他收入

手续费收入主要为证券代理买卖佣金收入和信托管理费收入,证券代理买卖佣金收入于代理买卖证券交易日予以入账,信托管理费收入是根据信托合同规定的计提方法、计提标准确认应由信托项目承担的受托人报酬;证券承销收入是采用包销及代销方式代理发行证券的收入,于证券发行结束并实际收讫价款时予以入账;租赁收入按有关租约年期以直线法记录。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

28. 保户红利支出

保户红利支出是本集团按分红保险产品的红利分配方法及有关精算结果而估算,派发给保户的红利支出。

29. 投资连结保险投资账户核算

投资连结保险投资账户的各项资产以市价法计价,其中除开放式基金以外的任何上市流通的有价证券,以其在估值日证券交易所挂牌的收盘价估值,估值日无交易的,以最近交易日的市场收盘价估值;开放式基金以其公告的基金单位净值估值;募集期内的证券投资基金,按成本估值。成本与市价的差异计入“独立账户未实现利得”。年末,与投资连结保险投资账户相关的资产和负债类账户余额分别集中在本财务报表的“独立账户资产”和“独立账户负债”账户中反映。

30. 总准备金

总准备金按净利润的一定比例计提,具体提取比例由股东大会决议决定。

31. 一般准备

本集团根据《金融企业会计制度》及《金融企业呆账准备提取管理办法》(财金[2005]49号)的有关规定计提的一般准备作为利润分配处理。

32. 一般风险准备

本集团根据《金融企业会计制度》及《证券公司财务制度》(财债函字[2000]77号)的有关规定计提的一般风险准备作为利润分配处理。

33. 信托赔偿准备金

本集团根据《金融企业会计制度》及《信托投资公司管理办法》的有关规定计提的信托赔偿准备金作为利润分配处理。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

34. 经营租赁

凡租出公司仍保留与资产所有权有关的风险和报酬的租赁为经营租赁。经营租赁租金收入及支出按有关租赁年期以直线法计入利润表内。

35. 承兑

承兑是指本集团对客户签发的票据作出的付款承诺，在表外科目中核算，在承诺事项中披露。

36. 资金信托业务

本集团办理资金信托业务取得的资金不属于本集团的负债；本集团因管理、运用和处分信托资金而形成的资产不属于本集团的资产。本集团之资产负债表上不包含该等资产与负债。

37. 所得税的会计处理方法

本集团的企业所得税是根据国家税法的有关规定，由财务报表所列示的税前利润，调整不须纳税或不可扣除的各项收支项目，并考虑所有的税赋优惠后按适用税率计算。

本集团的所得税的会计处理采用纳税影响会计法核算，按于本年发生的时间性差异和规定的所得税率计算递延税款。递延税款以债务法核算。递延税款借项，除合理估计于三年内有足够应纳税所得额予以转回者外，不予确认。

38. 基于股权付款的交易

本集团的高级管理人员及部分关键员工等以基于股权付款的交易方式收取酬金，在该交易方式下，上述人员通过为本集团提供劳务服务来换取按现金结算的虚拟期权。

虚拟期权的成本通过利用 Black-Scholes 公式，并考虑授予的条件，在授予日按公允价值进行初始计量。本集团就虚拟股权的公允价值在上述人员相关服务期间内进行预提，直至预提的负债结清为止；于各资产负债表日至结清日期(包括该日)，上述预提的负债会根据公允价值的变动进行重新估算，公允价值的变动在利润表中确认。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

39. 员工福利

本集团的员工主要参加由政府机构设立及管理的社会保障体系,如养老和医疗保险、住房公积金及其他社会保障制度。本集团对上述社会保障的义务仅限于定期缴纳款项,这些款项于发生时计为费用。部分员工还得到本集团提供的团体寿险,但涉及金额并不重大。除此之外,本集团对员工没有任何其他重大福利承诺。

40. 会计估计变更

会计估计变更,采用未来适用法。

- (1) 2006年之前,本集团按照健康险当年实际赔款支出的4%估计其已发生未报案未决赔款准备金。根据《健康保险管理办法》(保监会令[2006]8号)的规定,本集团自2006年9月1日起,采用链梯法、Bornhuetter-Ferguson法评估该准备金,并选取评估结果的最大值为最佳估计值。由于2006年度及以前适用的会计制度并无要求本集团对未决赔款准备金进行负债充足性测试,所以本集团在本年应用上述新管理办法时,按2006年度适用会计制度将有关影响列作为会计估计变更处理;此项会计估计变更对本集团2006年税前利润的影响为减少税前利润约人民币662,205千元。在2007年,在应用新企业会计准则时,由于企业会计准则第25号《原保险合同》要求对未决赔款准备金等进行负债充足性测试,而2007年2月发布的《企业会计准则实施问题专家工作组意见》要求以追溯调整后的结果作为首次执行日的余额,上述应用新管理办法的影响在2007年可能需要重新作为追溯调整处理。
- (2) 2006年之前,本集团采用保监发[1999]90号和[2003]67号文件中规定的评估死亡率计算法定责任准备金。根据《关于修订精算规定中生命表使用有关事项的通知》(保监发[2005]118号),本集团于2006年末采用《中国人寿保险业经验生命表(2000-2003)》作为评估死亡率计算法定责任准备金。本项会计估计变更对本集团2006年税前利润的影响为增加税前利润人民币约752,835千元。

二、主要会计政策、会计估计和合并财务报表的编制方法(续)

40. 会计估计变更(续)

(2) (续)

另外,本集团在符合保监发[1999]90号文件关于所提取责任准备金不得低于会计年度末法定责任准备金,以及评估利息率不得高于定价利息率或7.5%的精算规定的基础上,对定价利息率高于或等于7.5%的高利率险种采用更稳健的评估利息率,于2005年度,将部分高利率险种的评估利息率降至6.5%和7%,于2006年度,将部分高利率险种的评估利息率进一步降至6%、6.5%、6.7%和7%。本项会计估计变更对本集团2006年税前利润的影响为减少税前利润约人民币2,743,907千元。

三、税项

本集团根据对现时税法的理解,主要缴纳下列税项:

营业税金及附加

营业税乃就当年应税保费收入、其他营业收入及投资业务收入,按5%的税率征收。营业税金附加包括城市维护建设税及教育费附加等,乃按营业税的一定比例征收。

所得税

根据《中华人民共和国企业所得税暂行条例》,本集团按收入总额减去准予扣除及免税项目为应纳税所得额。本集团各子公司和分支机构适用的所得税税率如下:

税种	公司/分支机构	税率
中国企业所得税	平安银行有限责任公司(以下简称“平安银行”)及经济特区内的公司及分支机构	15%
	经济特区外的公司及分支机构	33%
香港利得税	在香港特别行政区设立的公司	17.5%

四、控股子公司情况

于2006年度,本公司的控股子公司发生以下主要变化:

- (1) 2006年4月6日,中国平安保险海外(控股)有限公司(以下简称“平安海外控股”)于英属维尔京群岛成立安胜投资有限公司。安胜投资有限公司的实收资本为2美元。于2006年12月31日,本集团持有其100%的股权。
- (2) 2006年5月16日,平安海外控股于香港成立中国平安资产管理(香港)有限公司(以下简称“平安资产管理(香港)”)。平安资产管理(香港)的实收资本为港币2,500万元。于2006年12月31日,本集团持有其100%的股权。
- (3) 经中国银监会于2006年9月8日批准,平安信托与香港上海汇丰银行有限公司(以下简称“汇丰银行”)分别向平安银行增加人民币14,600万元和等值人民币5,400万元的美元作为人民币资本金。增资后,平安银行的注册资本为人民币61,384.50万元,而本集团所占权益则为72.91%。经中国银监会于2006年6月23日批准,平安银行获准筹备人民币对公业务。
- (4) 于2006年7月31日,深圳市平安置业投资有限公司(以下简称“平安置业”)与泛华置业(玉溪)有限公司成立了玉溪平安置业有限公司(以下简称“玉溪置业”),玉溪置业的实收资本为人民币3,850万元。于2006年12月31日,本集团持有其79.90%的股权。
- (5) 于2006年7月28日,本公司与深圳市投资控股有限公司及其他若干独立第三方订立股份收购协议,以约人民币10.08亿元之代价收购其持有的深圳市商业银行股份有限公司(以下简称“深商行”)1,008,186,384股股份(约占股份收购协议当日深商行全部已发行股本之63%),其中以5.35亿元之代价收购本公司股东深圳市投资控股有限公司持有之深商行的5.35亿股股份。此外,作为深商行重组的一部分,根据股份收购协议,本公司亦于2006年7月28日与深商行订立股份认购协议,以人民币39.02亿元之代价进一步认购深商行39.02亿股新股份。上述股份收购及认购已于2006年11月30日经中国银监会批准,而深商行董事会于2006年12月15日批准本公司从深商行其他股东处受让6,611,320股深商行股份。上述股份收购、认购及转让于2006年12月15日正式完成后,深商行成为本公司拥有约89.36%股权之附属子公司。深商行的注册资本为人民币550,200万元。

四、 控股子公司情况(续)

(5) (续)

深商行于2006年12月15日的资产负债状况如下:

现金	362,166
存放中央银行及存放同业	9,184,268
贷款	43,700,315
拆放	1,201,521
投资	23,284,754
其他资产	<u>2,209,982</u>
 资产合计	 <u><u>79,943,006</u></u>
 客户存放	 67,335,447
同业存放	3,535,294
同业拆入	148,552
卖出回购资产	2,209,410
其他负债	<u>1,559,564</u>
 负债合计	 <u><u>74,788,267</u></u>

收购深商行之权益产生的现金及现金等价物:

新增合并子公司净资产	5,154,739
已购入净资产89.36%的权益	4,606,275
加: 因购入于深商行之权益而产生的股权投资差额	<u>310,523</u>
 总价款	 4,916,798
其中: 于2006年支付	4,910,187
于2007年支付	<u>6,611</u>
 收购深商行之权益产生的现金及现金等价物的净流入分析:	
取得的现金及现金等价物	9,282,316
支付的现金价款	<u>4,910,187</u>
 收购深商行之权益产生的现金及现金等价物的流入净额	 <u><u>4,372,129</u></u>

四、控股子公司情况(续)

(5) (续)

深商行自2006年12月15日至2006年12月31日止期间的经营成果如下:

主营业务收入	191,486
主营业务利润	74,508
利润总额	86,967
所得税	22,341
净利润	<u>64,626</u>

- (6) 2006年8月11日,平安海外控股于英属维尔京群岛成立时至投资有限公司。时至投资有限公司的实收资本为1美元。于2006年12月31日,本集团持有其100%的股份。
- (7) 2006年9月8日,平安海外控股于英属维尔京群岛成立满信投资有限公司。满信投资有限公司的实收资本为1美元。于2006年12月31日,本集团持有其100%的股份。
- (8) 经中国保监会于2006年10月17日批准,本公司及平安产险其他股东向平安产险增加14亿元注册资本。增资后,平安产险的注册资本为人民币30亿元。于2006年12月31日,本集团持有其99.06%的股份。
- (9) 2006年10月31日,平安置业收购了泛华置业(荆州)有限公司(以下简称“泛华置业”)51%的股份,泛华置业的注册资本为美元970万元。于2006年12月31日,本集团持有其50.94%的股份。
- (10) 2006年11月13日,平安海外控股于英属维尔京群岛成立翠达投资有限公司。翠达投资有限公司的实收资本为1美元。于2006年12月31日,本集团持有其100%的股份。
- (11) 2006年11月17日,深圳德宝汽车有限公司将其拥有的平安信托人民币1,661万元的股份转让给了本公司。转让后,平安信托的注册资本仍为人民币42亿元。于2006年12月31日,本集团持有其99.88%的股份。
- (12) 2006年12月20日,本公司向平安海外控股增加港币5亿元作为资本金。增资后,平安海外控股的注册资本为港币5.55亿元。于2006年12月31日,本集团持有其100%的股份。

中国平安保险(集团)股份有限公司
财务报表附注(续)
2006年12月31日
人民币千元

四、控股子公司情况(续)

于2006年12月31日,本公司拥有下列主要已合并子公司:

名称	成立日期/地址	所占权益份额		注册及实收资本 (除特别说明外,均以人民币元表示)	主营业务
		直接	间接		
中国平安人寿保险股份有限公司	2002年12月17日中国	99.00%	-	3,800,000,000	人身保险业务
中国平安财产保险股份有限公司	2002年12月24日中国	99.06%	-	3,000,000,000	财产保险业务
深圳市商业银行股份有限公司	1995年8月3日中国	89.36%	-	5,502,000,000	银行业务
平安信托投资有限责任公司	1984年11月19日中国	99.88%	-	4,200,000,000	信托投资业务
平安证券有限责任公司	1996年7月18日中国	-	86.11%	1,800,000,000	证券投资与经纪业务
平安银行有限责任公司	1993年1月8日中国	-	72.91%	613,845,000	银行业务
平安养老保险股份有限公司	2004年12月13日中国	95.00%	4.96%	300,000,000	养老保险业务
平安资产管理有限责任公司	2005年5月27日中国	90.00%	9.90%	200,000,000	投资、资产管理业务
平安健康保险股份有限公司	2005年6月13日中国	95.00%	4.96%	500,000,000	健康保险业务
中国平安保险海外(控股)有限公司	1996年10月24日香港	100.00%	-	港元 555,000,000	投资控股
中国平安保险(香港)有限公司	1976年8月17日香港	-	75.00%	港元 80,000,000	财产保险业务
深圳市平安期货经纪有限公司	1996年4月10日中国	-	93.13%	50,000,000	期货经纪业务
深圳市平安实业投资有限公司	1992年11月24日中国	-	99.88%	20,000,000	投资兴办各类实业
深圳市平安物业投资管理有限公司	1995年1月6日中国	-	99.88%	20,000,000	物业管理
福州平安房地产有限公司	1994年3月28日中国	-	74.25%	美元 5,000,000	兴建于福州的楼宇 (已竣工)
深圳市平安置业投资有限公司	2005年3月8日中国	-	99.88%	300,000,000	房地产投资、兴办各类实业
深圳市信安投资咨询有限公司	2005年9月5日中国	-	99.88%	3,000,000	投资咨询
中国平安资产管理(香港)有限公司	2006年5月16日香港	-	100.00%	港元 25,000,000	资产管理业务
玉溪平安置业有限公司	2006年7月31日中国	-	79.90%	38,500,000	物业出租
泛华置业(荆州)有限公司	2005年3月1日中国	-	50.94%	美元 9,700,000	房地产投资
安胜投资有限公司	2006年4月6日英属维尔京群岛	-	100.00%	美元 2	项目投资
时至投资有限公司	2006年8月11日英属维尔京群岛	-	100.00%	美元 1	项目投资
满信投资有限公司	2006年9月8日英属维尔京群岛	-	100.00%	美元 1	项目投资
翠达投资有限公司	2006年11月13日英属维尔京群岛	-	100.00%	美元 1	项目投资

中国平安保险(集团)股份有限公司
财务报表附注(续)
2006年12月31日
人民币千元

五、合并财务报表项目附注

1. 现金、银行存款及结算备付金

本集团现金、银行存款及结算备付金列示如下:

	币种	2006年12月31日			2005年12月31日		
		原币金额	折算汇率		原币金额	折算汇率	
			折合人民币			折合人民币	
现金	人民币	300,037	1.0000	300,037	12,949	1.0000	12,949
	美元	2,691	7.8087	21,014	115	8.0702	931
	港币	24,018	1.0047	24,130	260	1.0403	270
	欧元	43	10.2665	438			-
	日元	8,745	0.0656	574			-
	英镑	45	15.3232	684			-
	澳元	66	6.1618	405			-
合计				<u>347,282</u>			<u>14,150</u>
银行存款	人民币	77,350,437	1.0000	77,350,437	67,606,548	1.0000	67,606,548
	美元	1,543,882	7.8087	12,055,710	1,507,676	8.0702	12,167,243
	港币	380,918	1.0047	382,704	437,948	1.0403	455,598
	日元			-	865,480	0.0687	59,472
	欧元			-	213	9.5797	2,038
合计				<u>89,788,851</u>			<u>80,290,899</u>
结算备付金	人民币	1,105,028	1.0000	1,105,028	173,698	1.0000	173,698
	美元	2,442	7.8087	19,067	73	8.0702	592
	港币	10,614	1.0047	10,664	2,593	1.0403	2,697
合计				<u>1,134,759</u>			<u>176,987</u>

本集团银行存款中约人民币 59,106,777 千元 (2005 年: 约人民币 69,014,333 千元) 为人民币及外币 3 个月以上银行定期存款, 期限为 6 至 360 个月, 年利率为 2.25% 至 8.80% (2005 年: 年利率为 2.25% 至 8.80%)。于 2006 年 12 月 31 日, 本集团的银行存款包括代理买卖证券的客户存款人民币 2,957,624 千元 (2005 年: 人民币 1,574,220 千元); 本集团的结算备付金主要为平安证券在中国证券登记结算有限责任公司存放的款项, 其中包括客户结算备付金人民币 767,636 千元 (2005 年: 人民币 142,666 千元) 及平安证券为创设认沽权证在中国证券登记结算有限责任公司存放的履约保证金人民币 259,477 千元 (2005 年: 无), 该履约保证金将于创设认沽权证到期或注销时解冻。

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 财务报表附注(续)
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五、合并财务报表项目附注(续)

2. 存放中央银行款项

本集团存放中央银行款项列示如下:

	2006年12月31日	2005年12月31日
存款准备金(人民币)	5,688,270	3
备付金存款	1,927,145	11,552
缴存中央银行财政性存款	8,554	-
存款准备金(外币)	89,674	8,716
合计	7,713,643	20,271

本集团按规定向中国人民银行缴存人民币存款准备金、外币存款准备金。于2006年12月31日及2005年12月31日,人民币存款准备金的缴存比例分别为9%及7.5%,外币存款准备金的缴存比例分别为4%及3%。

3. 存放同业款项

本集团存放同业款项列示如下:

	2006年12月31日	2005年12月31日
存放境内同业	957,235	410,148
存放境外同业	1,882,972	16,343
合计	2,840,207	426,491

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五、合并财务报表项目附注(续)

4. 短期投资

本集团短期投资列示如下:

	2006年12月31日		2005年12月31日	
	账面净额	市价	账面净额	市价
债权投资				
国债	1,084,181	不适用	1,447,212	不适用
其中: 上市	27,249	27,379	533,338	533,365
非上市	1,056,932	不适用	913,874	不适用
金融债	3,229,499	不适用	462,864	不适用
其中: 上市	-	-	151,861	151,861
非上市	3,229,499	不适用	311,003	不适用
企业债	7,629,305	不适用	4,291,283	不适用
其中: 上市	297,027	330,017	701,164	710,237
非上市	7,332,278	不适用	3,590,119	不适用
小计	<u>11,942,985</u>		<u>6,201,359</u>	
权益投资				
股票	6,402,170	9,390,437	1,904,696	1,943,769
其中: 上市	6,402,170	9,390,437	1,904,696	1,943,769
证券投资基金	5,803,790	不适用	8,426,734	不适用
其中: 上市	770,189	1,286,729	946,915	946,915
非上市	5,033,601	不适用	7,479,819	不适用
小计	<u>12,205,960</u>		<u>10,331,430</u>	
合计	<u>24,148,945</u>		<u>16,532,789</u>	

上市投资是指在证券交易所挂牌交易的证券。非上市投资是指在银行间市场或其他非交易所市场交易的证券。上述年末的上市投资市价是根据当年最后交易日的收市价确认。

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5. 拆出资金

本集团拆出资金列示如下:

	2006年12月31日	2005年12月31日
拆放境内同业	2,102,993	156,131
减: 坏账准备	(375,612)	(24,737)
拆出资金净额	1,727,381	131,394

6. 贷款

(1) 贷款按种类分布情况

种类分布	2006年12月31日	比例%	2005年12月31日	比例%
贷款及垫款				
短期贷款	10,709,388	20.76%	400,882	64.23%
中长期贷款	24,240,288	46.99%	129,667	20.78%
逾期贷款	895,441	1.74%	-	-
非应计贷款	2,785,888	5.40%	93,550	14.99%
贸易融资				
进出口押汇	317,596	0.62%	-	-
贴现	12,633,786	24.49%	-	-
贷款总额	51,582,387	100.00%	624,099	100.00%
贷款损失准备	(2,430,726)		(93,550)	
贷款净额	49,151,661		530,549	

贷款及垫款中, 已抵押于卖出回购协议的部分约为人民币 2,231,236 千元。

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6. 贷款(续)

(2) 贷款按行业分布情况

行业分布	2006年12月31日	比例%	2005年12月31日	比例%
农牧业、渔业	187,413	0.36%	-	-
采掘业(重工业)	682,675	1.33%	-	-
制造业(轻工业)	9,198,493	17.83%	147,884	23.70%
能源业	1,395,275	2.70%	-	-
交通运输、邮电	1,385,829	2.69%	40,351	6.47%
商业	7,374,593	14.30%	181	0.02%
房地产业	7,811,857	15.14%	66,708	10.69%
社会服务业	3,322,672	6.44%	-	-
科技、文化、卫生业	1,250,479	2.42%	-	-
建筑业	3,768,455	7.31%	261,930	41.97%
金融保险业	39,895	0.08%	-	-
个人贷款	14,299,618	27.72%	18,115	2.90%
其他	865,133	1.68%	88,930	14.25%
贷款总额	<u>51,582,387</u>	<u>100.00%</u>	<u>624,099</u>	<u>100.00%</u>
贷款损失准备	<u>(2,430,726)</u>		<u>(93,550)</u>	
贷款净额	<u>49,151,661</u>		<u>530,549</u>	

(3) 贷款按担保方式分布情况

(a) 短期贷款、进出口押汇及贴现

	2006年12月31日	2005年12月31日
信用贷款	3,221,208	44,040
保证贷款	3,641,857	356,842
抵押贷款	2,835,059	-
质押贷款	<u>13,962,646</u>	-
合计	<u>23,660,770</u>	<u>400,882</u>

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6. 贷款(续)

(3) 贷款按担保方式分布情况(续)

(b) 中长期贷款

中长期贷款按合同期限明细如下:

	2006年12月31日			
	1-3年	3-5年	5年以上	合计
信用贷款	1,856,735	300,214	998,866	3,155,815
保证贷款	2,833,904	652,333	295,959	3,782,196
抵押贷款	3,503,192	1,291,084	11,258,218	16,052,494
质押贷款	153,675	734,157	361,951	1,249,783
合计	<u>8,347,506</u>	<u>2,977,788</u>	<u>12,914,994</u>	<u>24,240,288</u>

	2005年12月31日			
	1-3年	3-5年	5年以上	合计
信用贷款	41,511	13,201	65	54,777
保证贷款	-	40,351	34,539	74,890
合计	<u>41,511</u>	<u>53,552</u>	<u>34,604</u>	<u>129,667</u>

(c) 逾期贷款

	2006年12月31日	2005年12月31日
信用贷款	14,209	-
保证贷款	104,092	-
抵押贷款	727,599	-
质押贷款	49,541	-
合计	<u>895,441</u>	<u>-</u>

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6. 贷款(续)

(3) 贷款按担保方式分布情况(续)

(d) 非应计贷款

非应计贷款按本金逾期天数明细如下:

	2006年12月31日				合计
	90天以内	91天到1年	1-3年	3年以上	
信用贷款	-	26,818	1,534	104,316	132,668
保证贷款	23,254	151,833	424,824	538,988	1,138,899
抵押贷款	2,990	310,620	135,337	474,044	922,991
质押贷款	48,538	316,261	221,181	5,350	591,330
合计	<u>74,782</u>	<u>805,532</u>	<u>782,876</u>	<u>1,122,698</u>	<u>2,785,888</u>
	2005年12月31日				
	90天以内	91天到1年	1-3年	3年以上	合计
信用贷款	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,550</u>	<u>93,550</u>

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五、合并财务报表项目附注(续)

6. 贷款(续)

(4) 贷款损失准备

	2006年12月31日	2005年12月31日
年初余额	93,550	195,664
本年提取	947	-
减：本年转回	-	(72,997)
本年核销	(193,624)	(29,117)
加：深商行转入	2,529,463	-
汇率变动	390	-
	2,430,726	93,550

7. 保单质押贷款

本集团的保单质押贷款的利率为 5.22%至 6.50%。

8. 买入返售资产

本集团买入返售资产明细如下：

	2006年12月31日	2005年12月31日
买入返售贷款	200,000	-
买入返售债券	5,862,130	-
买入返售转贴现票据	888,785	-
	6,950,915	-

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五、合并财务报表项目附注(续)

8. 买入返售资产(续)

本集团买入返售资产按交易场所和期限划分的明细如下:

<u>交易场所</u>	<u>期限</u>	<u>2006年12月31日</u>	<u>2005年12月31日</u>
银行间	3个月以内	5,862,130	-
其他交易场所	3个月以内	868,785	-
其他交易场所	3个月以上至6个月以内	<u>220,000</u>	-
合计		<u><u>6,950,915</u></u>	<u><u>-</u></u>

9. 应收保费及应收分保账款

本集团应收保费的账龄分析如下:

<u>账龄</u>	<u>2006年12月31日</u>			
	<u>账面余额</u>	<u>比例</u>	<u>坏账准备</u>	<u>净额</u>
3个月以内	2,971,530	92.05%	-	2,971,530
3个月至6个月以内	98,660	3.06%	(19,556)	79,104
6个月至12个月以内	71,693	2.22%	(49,703)	21,990
12个月及以上	<u>86,205</u>	<u>2.67%</u>	<u>(86,070)</u>	<u>135</u>
合计	<u><u>3,228,088</u></u>	<u><u>100.00%</u></u>	<u><u>(155,329)</u></u>	<u><u>3,072,759</u></u>

<u>账龄</u>	<u>2005年12月31日</u>			
	<u>账面余额</u>	<u>比例</u>	<u>坏账准备</u>	<u>净额</u>
3个月以内	676,463	80.41%	-	676,463
3个月至6个月以内	71,731	8.53%	(14,560)	57,171
6个月至12个月以内	50,326	5.98%	(35,152)	15,174
12个月及以上	<u>42,730</u>	<u>5.08%</u>	<u>(42,730)</u>	<u>-</u>
合计	<u><u>841,250</u></u>	<u><u>100.00%</u></u>	<u><u>(92,442)</u></u>	<u><u>748,808</u></u>

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 财务报表附注(续)
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五、合并财务报表项目附注(续)

9. 应收保费及应收分保账款(续)

本集团应收保费按险种分析如下:

险种	2006年12月31日			净额
	账面余额	比例	坏账准备	
产险:				
机动车辆及第三者				
责任险	548,214	16.98%	(82,013)	466,201
企财险	136,713	4.24%	(10,847)	125,866
家财险	11,886	0.37%	(1,666)	10,220
货物运输险	96,608	2.99%	(11,524)	85,084
船舶险	17,647	0.55%	(1,860)	15,787
责任险	52,126	1.61%	(3,474)	48,652
信用险	5,127	0.16%	(146)	4,981
保证险	8,324	0.26%	(2,601)	5,723
工程险	81,695	2.53%	(28,557)	53,138
意外伤害险	174	-	-	174
特殊风险保险	96,105	2.98%	(12,641)	83,464
小计	<u>1,054,619</u>	<u>32.67%</u>	<u>(155,329)</u>	<u>899,290</u>
寿险:				
个险	2,169,879	67.22%	-	2,169,879
团险	3,590	0.11%	-	3,590
小计	<u>2,173,469</u>	<u>67.33%</u>	<u>-</u>	<u>2,173,469</u>
合计	<u><u>3,228,088</u></u>	<u><u>100.00%</u></u>	<u><u>(155,329)</u></u>	<u><u>3,072,759</u></u>

中国平安保险(集团)股份有限公司
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五、合并财务报表项目附注(续)

9. 应收保费及应收分保账款(续)

险种	2005年12月31日			
	账面余额	比例	坏账准备	净额
产险:				
机动车辆及第三者 责任险	410,278	48.77%	(46,583)	363,695
企财险	127,606	15.17%	(10,018)	117,588
家财险	19,955	2.37%	(1,361)	18,594
货物运输险	96,463	11.47%	(8,058)	88,405
船舶险	5,462	0.65%	(1,483)	3,979
责任险	30,629	3.64%	(4,921)	25,708
信用险	2,941	0.35%	(1,202)	1,739
保证险	8,776	1.04%	(1,256)	7,520
工程险	92,591	11.01%	(14,553)	78,038
特殊风险保险	46,540	5.53%	(3,007)	43,533
小计	841,241	100.00%	(92,442)	748,799
寿险:				
团险	9	-	-	9
合计	841,250	100.00%	(92,442)	748,808

本账户余额中并无持本公司5%或以上表决权股份的股东的款项。

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五、合并财务报表项目附注(续)

9. 应收保费及应收分保账款(续)

本集团应收分保账款的账龄分析如下:

账龄	2006年12月31日		
	账面余额	坏账准备	净额
9个月以内	783,790	-	783,790
9个月及以上	59,758	(56,506)	3,252
合计	843,548	(56,506)	787,042

账龄	2005年12月31日		
	账面余额	坏账准备	净额
9个月以内	720,124	-	720,124
9个月及以上	51,307	(51,307)	-
合计	771,431	(51,307)	720,124

本集团应收分保账款最大五家分保公司/经纪公司明细如下:

分保公司/经纪公司	2006年12月31日			
	账面余额	占总额比例	坏账准备	净额
中国财产再保险股份有限公司	219,353	26.00%	(1,509)	217,844
中国人寿再保险股份有限公司	134,493	15.94%	-	134,493
Aon Group Limited	108,557	12.87%	(5,790)	102,767
中国再保险(集团)有限公司	76,565	9.08%	(11,826)	64,739
Munich Reinsurance Company	37,081	4.40%	-	37,081

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五、合并财务报表项目附注(续)

9. 应收保费及应收分保账款(续)

分保公司/经纪公司	2005年12月31日			
	账面余额	占总额比例	坏账准备	净额
中国财产再保险股份有限公司	172,861	22.41%	(2,661)	170,200
中国再保险(集团)公司	148,913	19.30%	(11,214)	137,699
Aon Group Limited	96,352	12.49%	(5,734)	90,618
Guy Carpenter & Company Inc.	71,951	9.33%	(4,127)	67,824
Munich Reinsurance Company	34,930	4.53%	-	34,930

本账户余额中并无持本公司5%或以上表决权股份的股东的款项。

10. 交易保证金

本集团交易保证金的明细如下:

	2006年12月31日	2005年12月31日
深圳证券交易所	35,832	19,495
上海证券交易所	14,462	14,598
上海期货交易所	5,949	1,926
郑州商品交易所	340	2,277
大连商品交易所	17,464	3,824
合计	74,047	42,120

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11. 其他应收款

本集团其他应收款的明细如下:

	2006年12月31日	2005年12月31日
投资项目预付款	1,688,666	-
应收外单位往来款	405,690	204,126
应收利率掉期交易保证金	238,267	-
房租、水电等各种押金	82,248	53,635
诉讼费	46,218	1,318
代员工付社保医疗杂费	44,878	42,571
备用金	36,194	33,742
其他	293,709	201,014
	2,835,870	536,406
减: 坏账准备	(161,015)	(68,925)
其他应收款净额	2,674,855	467,481

投资项目预付款主要为平安寿险投资于北京美邦国际中心以及平安信托投资于深圳市中信城市广场的预付款。

本账户余额中并无持本公司5%或以上表决权股份的股东的款项。

中国平安保险(集团)股份有限公司
 财务报表附注(续)
 2006年12月31日
 人民币千元

五、合并财务报表项目附注(续)

12. 长期股权投资

本集团长期股权投资明细如下:

	2006年12月31日			2005年12月31日		
	投资总额	减值准备	投资净额	投资总额	减值准备	投资净额
长期股权投资	13,098,899	(126,489)	12,972,410	3,099,347	(257,665)	2,841,682
未合并子公司	-	-	-	20,000	-	20,000
联营公司	176,078	-	176,078	3,000	-	3,000
其他长期股权投资	329,681	(90,489)	239,192	181,417	(39,436)	141,981
合计	<u>13,604,658</u>	<u>(216,978)</u>	<u>13,387,680</u>	<u>3,303,764</u>	<u>(297,101)</u>	<u>3,006,663</u>

(1) 长期股权投资明细如下:

	2006年12月31日		2005年12月31日	
	账面净额	市价	账面净额	市价
社会公众股	7,519,184	12,943,459	2,758,235	2,925,208
限售流通股	<u>5,438,152</u>	<u>9,019,460</u>	<u>5,239</u>	<u>20,524</u>
流通股小计	12,957,336	21,962,919	2,763,474	2,945,732
法人股	<u>15,074</u>	不适用	<u>78,208</u>	不适用
合计	<u>12,972,410</u>		<u>2,841,682</u>	

中国平安保险(集团)股份有限公司
财务报表附注(续)
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人民币千元

五、合并财务报表项目附注(续)

12. 长期股权投资(续)

(1) (续)

本集团2006年12月31日的股票投资明细如下:

名称	股份性质	开始 投资时 间	股数	本集团 持股比例	原始投资额	账面余额
上海浦东发展银行股份有限公司	A股	2005年	196,775,932	4.52%	2,227,711	2,227,711
中国银行股份有限公司	A股/H股	2006年	568,781,000	0.22%	1,711,026	1,711,026
中国人寿保险股份有限公司	A股	2006年	80,554,022	2.85%	1,520,860	1,520,860
中国工商银行股份有限公司	A股	2006年	402,564,000	0.12%	1,274,324	1,274,324
宝山钢铁股份有限公司	A股	2005年	262,775,008	1.50%	1,117,982	1,117,982
大秦铁路股份有限公司	A股	2006年	140,744,500	1.08%	696,685	696,685
中国长江电力股份有限公司	A股	2005年	96,716,251	1.18%	676,891	676,891
招商银行股份有限公司	A股/H股	2005年	87,271,690	0.59%	544,282	544,282
万科企业股份有限公司	A股	2005年	63,637,578	1.46%	529,084	529,084
广深铁路股份有限公司	A股	2006年	102,712,104	1.45%	386,198	386,198
其它					2,413,856	2,287,367
合计					13,098,899	12,972,410

本集团2005年12月31日的股票投资明细如下:

名称	股份性质	开始 投资时 间	股数	本集团 持股比例	原始投资额	账面余额
中国长江电力股份有限公司	A股	2005年	70,752,968	0.86%	510,626	489,611
宝山钢铁股份有限公司	A股	2005年	97,294,406	0.56%	406,265	400,493
上海国际机场股份有限公司	A股	2005年	23,164,685	1.20%	388,416	334,035
上海浦东发展银行股份有限公司	A股	2005年	43,304,528	1.11%	311,166	311,166
招商银行股份有限公司	A股	2005年	31,510,818	0.30%	190,805	190,796
上海港集装箱股份有限公司	A股	2005年	12,859,102	0.71%	152,401	144,327
福建发展高速公路股份有限公司	A股	2005年	17,824,386	1.81%	146,180	130,475
国投华靖电力控股股份有限公司	A股	2005年	20,917,297	3.71%	136,783	116,091
中国联合通信股份有限公司	A股	2005年	42,999,849	0.20%	112,019	112,019
华北高速公路股份有限公司	A股	2005年	29,791,612	0.20%	119,825	107,846
其它					624,861	504,823
合计					3,099,347	2,841,682

中国平安保险(集团)股份有限公司
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五、合并财务报表项目附注(续)

12. 长期股权投资(续)

(2) 本集团于2006年12月31日对联营公司的投资如下:

名称	注册资本	本集团 持股比例	年末投资额	主营业务
威立雅水务(昆明)投资有限公司	美元 95,000,000	24%	176,078	投资水务公司

(3) 本集团的合并价差明细如下:

被投资公司名称	2006年12月31日		2005年12月31日	
	初始金额	摊余价值	初始金额	摊余价值
平安证券	377,267	275,873	377,267	313,599
平安银行	16,366	11,066	16,366	13,032
平安信托	19,487	2,035	19,353	3,802
深商行	310,523	310,523	-	-
合计	<u>723,643</u>	<u>599,497</u>	<u>412,986</u>	<u>330,433</u>

中国平安保险(集团)股份有限公司
财务报表附注(续)
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人民币千元

五、合并财务报表项目附注(续)

13. 长期债权投资

本集团长期债权投资的明细如下:

债券种类	2006年12月31日						
	面值	应计利息	未摊销的 溢价/(折价)	合计	减值准备	净额	市价
上市债券:							
国债	44,638,479	479,910	(1,802,217)	43,316,172	-	43,316,172	44,869,141
金融债	12,344	73	(73)	12,344	(12)	12,332	12,533
企业债	6,763,797	82,603	(26,450)	6,819,950	-	6,819,950	6,879,046
	<u>51,414,620</u>	<u>562,586</u>	<u>(1,828,740)</u>	<u>50,148,466</u>	<u>(12)</u>	<u>50,148,454</u>	<u>51,760,720</u>
非上市债券:							
国债	49,627,715	759,239	(115,541)	50,271,413	-	50,271,413	不适用
金融债	63,496,987	879,251	265,407	64,641,645	-	64,641,645	不适用
企业债	28,543,740	470,687	454,888	29,469,315	-	29,469,315	不适用
	<u>141,668,442</u>	<u>2,109,177</u>	<u>604,754</u>	<u>144,382,373</u>	<u>-</u>	<u>144,382,373</u>	<u>不适用</u>
小计	<u>193,083,062</u>	<u>2,671,763</u>	<u>(1,223,986)</u>	<u>194,530,839</u>	<u>(12)</u>	<u>194,530,827</u>	<u>不适用</u>
减: 一年内到期的长期债权投资							
上市债券:							
国债	523,351	2,905	811	527,067	-	527,067	529,079
企业债	145,827	2,847	(374)	148,300	-	148,300	148,460
	<u>669,178</u>	<u>5,752</u>	<u>437</u>	<u>675,367</u>	<u>-</u>	<u>675,367</u>	<u>677,539</u>
非上市债券:							
国债	1,450,783	55,794	28,401	1,534,978	-	1,534,978	不适用
金融债	230,274	3,658	183	234,115	-	234,115	不适用
企业债	151,400	383	(90,000)	61,783	-	61,783	不适用
	<u>1,832,457</u>	<u>59,835</u>	<u>(61,416)</u>	<u>1,830,876</u>	<u>-</u>	<u>1,830,876</u>	<u>不适用</u>
小计	<u>2,501,635</u>	<u>65,587</u>	<u>(60,979)</u>	<u>2,506,243</u>	<u>-</u>	<u>2,506,243</u>	<u>不适用</u>
合计	<u>190,581,427</u>	<u>2,606,176</u>	<u>(1,163,007)</u>	<u>192,024,596</u>	<u>(12)</u>	<u>192,024,584</u>	<u>不适用</u>

中国平安保险(集团)股份有限公司
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五、合并财务报表项目附注(续)

13. 长期债权投资(续)

债券种类	2005年12月31日						
	面值	应计利息	未摊销的 溢价/(折价)	合计	减值准备	净额	市价
上市债券:							
国债	42,823,780	467,446	(1,986,624)	41,304,602	(195)	41,304,407	43,281,706
企业债	5,898,718	78,221	86,554	6,063,493	(8,360)	6,055,133	6,328,716
	<u>48,722,498</u>	<u>545,667</u>	<u>(1,900,070)</u>	<u>47,368,095</u>	<u>(8,555)</u>	<u>47,359,540</u>	<u>49,610,422</u>
非上市债券:							
国债	49,294,422	712,061	(53,879)	49,952,604	(3,582)	49,949,022	不适用
金融债	41,011,106	688,770	252,150	41,952,026	(122)	41,951,904	不适用
企业债	13,114,214	220,815	150,169	13,485,198	(57)	13,485,141	不适用
	<u>103,419,742</u>	<u>1,621,646</u>	<u>348,440</u>	<u>105,389,828</u>	<u>(3,761)</u>	<u>105,386,067</u>	<u>不适用</u>
小计	<u>152,142,240</u>	<u>2,167,313</u>	<u>(1,551,630)</u>	<u>152,757,923</u>	<u>(12,316)</u>	<u>152,745,607</u>	<u>不适用</u>
减: 一年内到期的长 期债权投资							
上市债券:							
国债	59,126	3,852	1,191	64,169	-	64,169	66,116
非上市债券:							
国债	450,002	17,905	2,006	469,913	-	469,913	不适用
金融债	199,920	2,575	(20)	202,475	-	202,475	不适用
企业债	42,751	198	298	43,247	-	43,247	不适用
	<u>692,673</u>	<u>20,678</u>	<u>2,284</u>	<u>715,635</u>	<u>-</u>	<u>715,635</u>	<u>不适用</u>
小计	<u>751,799</u>	<u>24,530</u>	<u>3,475</u>	<u>779,804</u>	<u>-</u>	<u>779,804</u>	<u>不适用</u>
合计	<u>151,390,441</u>	<u>2,142,783</u>	<u>(1,555,105)</u>	<u>151,978,119</u>	<u>(12,316)</u>	<u>151,965,803</u>	<u>不适用</u>

五、合并财务报表项目附注(续)

13. 长期股权投资(续)

本集团债券净额按到期日的明细如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
1年内到期	2,506,243	779,804
1到2年内到期	7,941,533	3,367,641
2到3年内到期	6,292,377	6,643,410
3到4年内到期	5,132,860	5,271,098
4到5年内到期	24,843,207	4,028,925
5年后到期	<u>147,814,607</u>	<u>132,654,729</u>
合计	<u>194,530,827</u>	<u>152,745,607</u>

本集团长期债权投资的票面年利率为0%至9.78%(2005年:0%至11.83%)。

金融债主要为国家开发银行发行的债券。企业债主要为大型国有企业发行的交通运输债券及能源债券。

上市投资是指在证券交易所挂牌交易的证券。非上市投资是指在银行间市场或其他非交易所市场交易的证券。上述年末的上市投资市价是根据当年最后交易日的收市价确认。

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 财务报表附注(续)
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五、合并财务报表项目附注(续)

14. 长期基金投资

本集团长期基金投资列示如下:

	2006年12月31日			2005年12月31日		
	<u>投资总额</u>	<u>减值准备</u>	<u>投资净额</u>	<u>投资总额</u>	<u>减值准备</u>	<u>投资净额</u>
开放式基金:						
上市	1,196,170	(12,912)	1,183,258	918,907	(1,983)	916,924
非上市	<u>4,051,660</u>	<u>(45,074)</u>	<u>4,006,586</u>	<u>6,097,409</u>	<u>(36,368)</u>	<u>6,061,041</u>
小计	<u>5,247,830</u>	<u>(57,986)</u>	<u>5,189,844</u>	<u>7,016,316</u>	<u>(38,351)</u>	<u>6,977,965</u>
封闭式基金:						
上市	<u>3,312</u>	-	<u>3,312</u>	-	-	-
合计	<u>5,251,142</u>	<u>(57,986)</u>	<u>5,193,156</u>	<u>7,016,316</u>	<u>(38,351)</u>	<u>6,977,965</u>
上市投资市价			<u>1,582,466</u>			<u>938,463</u>

上市投资是指在证券交易所挂牌交易的证券。非上市投资是指在银行间市场或其他非交易所市场交易的证券。上述年末的上市投资市价是根据当年最后交易日的收市价确认。

中国平安保险(集团)股份有限公司
财务报表附注(续)
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人民币千元

五、合并财务报表项目附注(续)

15. 固定资产及累计折旧

本集团固定资产及累计折旧的变动明细如下:

	2006年度				合计
	经营租入 固定资产改良	房屋及建筑物	办公及 通讯设备	运输设备	
<u>原值</u>					
年初余额	347,476	4,750,831	1,573,285	399,372	7,070,964
新增子公司转入数	71,591	510,476	308,327	7,871	898,265
本年在建工程转入数	46,405	809,566	5,087	-	861,058
本年购入数	102,695	185,666	356,732	87,380	732,473
本年减少数	(510)	(223,091)	(111,963)	(74,029)	(409,593)
年末余额	567,657	6,033,448	2,131,468	420,594	9,153,167
<u>累计折旧</u>					
年初余额	161,032	895,235	928,453	250,057	2,234,777
本年计提数	95,781	144,254	199,367	51,050	490,452
新增子公司转入数	46,888	130,395	212,692	7,192	397,167
本年减少数	(391)	(57,852)	(77,620)	(54,317)	(190,180)
年末余额	303,310	1,112,032	1,262,892	253,982	2,932,216
<u>净值</u>					
年末余额	264,347	4,921,416	868,576	166,612	6,220,951
年初余额	186,444	3,855,596	644,832	149,315	4,836,187
<u>减值准备</u>					
年初余额	-	323,275	-	-	323,275
本年计提数	-	29,594	-	-	29,594
本年转回数	-	(111,013)	-	-	(111,013)
本年转销数	-	(49,884)	-	-	(49,884)
年末余额	-	191,972	-	-	191,972
<u>净额</u>					
年末余额	264,347	4,729,444	868,576	166,612	6,028,979
年初余额	186,444	3,532,321	644,832	149,315	4,512,912

于2006年12月31日,净额约为人民币249,419千元(2005年:人民币365,378千元)的房屋及建筑物的产权证正在办理中。

中国平安保险(集团)股份有限公司
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2006年12月31日
人民币千元

五、合并财务报表项目附注(续)

15. 固定资产及累计折旧(续)

本集团用于经营性出租的固定资产的账面净额如下:

	2006年12月31日	2005年12月31日
房屋及建筑物	1,528,116	1,242,535

16. 在建工程

本集团的在建工程主要是在上海和深圳等地进行的楼宇建设项目。其变动明细如下:

	2006年度				合计
	平安金融 培训学院 (中国深圳)	上海浦东 平安大厦	上海 张江项目	其他	
<u>成本</u>					
年初余额	329,668	624,280	299,736	91,762	1,345,446
新增子公司转入数	-	-	-	10,111	10,111
本年其他增加数	63,994	109,284	464,290	128,178	765,746
转入固定资产数	(389,521)	-	(367,394)	(119,615)	(876,530)
年末余额	4,141	733,564	396,632	110,436	1,244,773
<u>减值准备</u>					
年初余额	-	-	-	26,472	26,472
转入固定资产数	-	-	-	(15,472)	(15,472)
年末余额	-	-	-	11,000	11,000
<u>净额</u>					
年末余额	4,141	733,564	396,632	99,436	1,233,773
年初余额	329,668	624,280	299,736	65,290	1,318,974

五、合并财务报表项目附注(续)

16. 在建工程(续)

于2006年12月31日,就在建工程中净额约为人民币537,345千元(2005年:人民币537,345千元)的土地使用权,有关的国有土地使用证正在办理中。

17. 无形资产

本集团无形资产的变动明细如下:

	2006年度			合计
	土地使用权	计算机软件 系统及其他	交易席位费	
<u>净值</u>				
年初余额	25,765	103,290	25,568	154,623
新增子公司转入数	-	6,267	-	6,267
本年增加数	56	80,334	1,470	81,860
本年摊销数	(617)	(55,106)	(5,292)	(61,015)
本年减少数	(20,189)	-	-	(20,189)
年末余额	<u>5,015</u>	<u>134,785</u>	<u>21,746</u>	<u>161,546</u>
<u>减值准备</u>				
年末余额	<u>3,040</u>	-	-	<u>3,040</u>
年初余额	<u>3,040</u>	-	-	<u>3,040</u>
<u>净额</u>				
年末余额	<u><u>1,975</u></u>	<u><u>134,785</u></u>	<u><u>21,746</u></u>	<u><u>158,506</u></u>
年初余额	<u><u>22,725</u></u>	<u><u>103,290</u></u>	<u><u>25,568</u></u>	<u><u>151,583</u></u>

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18. 存出资本保证金

平安寿险、平安产险、平安养老险及平安健康险已分别按其各自注册资本足额缴存了资本保证金。2006年12月31日的明细如下:

	2006年12月31日			2005年 12月31日
	金额	存放形式	存放期限	金额
<u>平安寿险</u>				
兴业银行深圳分行	260,000	协议存款	61个月	260,000
兴业银行重庆分行	<u>500,000</u>	协议存款	61个月	<u>500,000</u>
小计	<u>760,000</u>			<u>760,000</u>
<u>平安产险</u>				
兴业银行深圳分行	140,000	协议存款	61个月	140,000
中国光大银行深圳分行	180,000	定期存款	12个月	180,000
中国民生银行深圳分行	<u>280,000</u>	定期存款	6个月	<u>-</u>
小计	<u>600,000</u>			<u>320,000</u>
<u>平安养老险</u>				
中信实业银行上海分行	<u>60,000</u>	定期存款	12个月	<u>60,000</u>
<u>平安健康险</u>				
中国光大银行上海分行	<u>100,000</u>	定期存款	12个月	<u>100,000</u>
合计	<u>1,520,000</u>			<u>1,240,000</u>

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19. 抵债资产

本集团抵债资产的明细如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
房屋及建筑物	723,043	7,834
其他固定资产	23,659	-
俱乐部经营收益权	62,535	-
其他	<u>7,275</u>	<u>-</u>
	816,512	7,834
减: 抵债资产减值准备	<u>(352,641)</u>	<u>-</u>
净额	<u><u>463,871</u></u>	<u><u>7,834</u></u>

20. 递延税款借项

本集团递延税款的明细如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
应收款项坏账准备	55,564	20,070
贷款损失准备	280,249	-
虚拟期权费用	105,433	-
已发生未报告赔款准备金	50,143	-
抵债资产减值准备	51,671	-
拆出资金减值准备	51,136	-
未决诉讼预计负债	27,289	-
其他	<u>8,615</u>	<u>417</u>
合计	<u><u>630,100</u></u>	<u><u>20,487</u></u>

五、合并财务报表项目附注(续)

21. 短期借款

本集团的短期借款均为保证借款。

22. 短期存款

本集团短期存款的明细如下：

	2006年12月31日	2005年12月31日
工业存款	821,264	-
集体工业存款	1,822,916	-
商业存款	7,148,912	-
建筑及基建企业存款	980,327	-
私营及个体存款	2,503,485	-
三资企业存款	1,355,133	18,077
农业存款	94,076	-
保险公司存款	161,459	-
短期定期存款	9,488,468	-
单位通知存款	3,324,956	-
其他存款	22,925,581	-
	50,626,577	18,077

23. 同业存放款项

本集团同业存放款项皆来自于中国境内。

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24. 卖出回购资产

本集团卖出回购资产列示如下:

		2006年12月31日	2005年12月31日
卖出回购贷款		2,095,410	-
卖出回购债券		11,340,773	7,095,400
合计		13,436,183	7,095,400
交易场所	期限	2006年12月31日	2005年12月31日
银行间	3个月以内	10,940,773	7,095,400
银行间	6个月至12个月以内	400,000	-
其他交易场所	12个月以上	2,095,410	-
合计		13,436,183	7,095,400

本集团的卖出回购资产是指因资产回购业务所融入的资金。于2006年12月31日,本集团面值约人民币2,231,236千元的贷款及约人民币11,345,000千元的债券投资(2005年:约人民币7,100,000千元的债券投资)作为本集团卖出回购资产交易余额的抵押品,上述卖出回购资产的利率为2.39%-5.00%。截至本财务报表批准日,本集团上述卖出回购资产已赎回约人民币10,940,773千元。

25. 应付分保账款

本集团应付分保账款的最大五家分保公司/经纪公司明细如下:

分保公司/经纪公司	2006年12月31日
中海石油保险有限公司	97,781
中国人寿再保险股份有限公司	95,309
中国财产再保险股份有限公司	89,468
Aon Risk Services Hong Kong Limited	75,152
中国太平洋财产保险股份有限公司	44,310

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25. 应付分保账款(续)

分保公司	2005年12月31日
中国财产再保险股份有限公司	170,740
中国再保险(集团)公司	85,533
中海石油保险有限公司	50,848
Munich Reinsurance Company	35,200
中国太平洋财产保险股份有限公司	28,533
	28,533

26. 存入保证金

本集团存入保证金的明细如下:

	2006年12月31日	2005年12月31日
承兑汇票开证保证金	3,712,253	-
担保保证金	891,121	-
开立保函保证金	474,040	-
信用证保证金	258,599	40,351
期货保证金	39,963	36,313
其他	108,764	-
	5,484,740	76,664

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27. 应付利息

本集团应付利息的明细如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
定期存款利息	146,855	296
定期储蓄存款利息	66,337	-
同业存放款项利息	13,975	2,586
通知存款利息	23,995	-
其他	<u>57,977</u>	<u>2,252</u>
合计	<u><u>309,139</u></u>	<u><u>5,134</u></u>

28. 应付股利

本集团应付股利的明细如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
深圳市投资控股有限公司	73,936	73,936
深圳市建设投资控股公司	-	1,686
深圳市华新股份有限公司	1,530	-
深圳市中金岭南有色金属股份有限公司	303	-
青岛市企发投资有限公司	1,771	-
深圳对外劳动服务公司	800	-
其他	<u>2,678</u>	<u>287</u>
合计	<u><u>81,018</u></u>	<u><u>75,909</u></u>

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29. 应交税金

本集团应交税金的明细如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
企业所得税	691,317	438,319
营业税	318,679	135,373
城市维护建设税	13,619	8,935
其他	<u>96,217</u>	<u>90,098</u>
合计	<u>1,119,832</u>	<u>672,725</u>

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30. 其他应付款

本集团其他应付款的明细如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
已决应付赔款、给付金及退保金	711,270	342,431
应付外单位往来款	255,321	198,928
单证风险金	178,754	168,479
递延收益	140,587	2,850
应付代扣款	116,870	71,857
应付工会经费、职工教育经费等	108,115	68,165
预收租金	59,847	61,604
应付员工款	57,053	22,703
投行项目提奖款	28,237	3,080
应付卫星基金款	25,685	26,965
应付多交保费	23,146	10,675
代保管款项	22,570	-
应付到期储金	21,539	22,339
信用证、保函及承兑汇票	17,357	-
保荐费	11,500	-
应付培训费	8,797	9,578
差勤扣款	3,214	12,574
应付社会统筹保险费	5,752	7,632
其他	395,543	325,849
合计	<u>2,191,157</u>	<u>1,355,709</u>

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31. 保险保障基金

本集团保险保障基金变动如下:

	2006年12月31日	2005年12月31日
年初余额	60,110	827,279
本年增加数	270,560	209,280
本年上缴数	(248,813)	(976,449)
年末余额	81,857	60,110

本集团提取的保险保障基金按季预缴到中国保监会设立的保险保障基金专门账户,并在年度结束后5个月内汇算清缴。

32. 代买卖证券款

本集团代买卖证券款列示如下:

	2006年12月31日			2005年12月31日		
	原币金额	折算汇率	折合人民币	原币金额	折算汇率	折合人民币
个人客户:						
人民币	3,155,767	1.0000	3,155,767	1,067,154	1.0000	1,067,154
港币	209,965	1.0047	210,946	161,400	1.0403	167,905
美元	7,250	7.8087	56,616	6,107	8.0702	49,288
小计			3,423,329			1,284,347
法人客户:						
人民币	322,499	1.0000	322,499	442,779	1.0000	442,779
港币	4,258	1.0047	4,278	2,449	1.0403	2,547
美元	2	7.8087	16	5	8.0702	43
小计			326,793			445,369
合计			3,750,122			1,729,716

五、合并财务报表项目附注(续)

33. 一年内到期的长期负债

本集团一年内到期的长期负债列示如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
一年内到期长期存款	1,336,026	-
一年内到期长期储蓄存款	<u>241,456</u>	<u>-</u>
合计	<u><u>1,577,482</u></u>	<u><u>-</u></u>

34. 长期存款

本集团长期存款均为长期定期存款。

35. 长期借款

本集团长期借款均为人民币保证借款。

36. 寿险责任准备金

本集团的寿险责任准备金的主要计算基准如下:

- (1) 采用“未来法”逐单计算, 或经中国保监会同意后, 采用“过去法”逐单计算;
- (2) 人寿险产品评估利息率不高于下面两项规定的最低值:
 - 中国保监会公布的评估利息率7.5%;
 - 该险种厘定保险费所使用的预定利息率;

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36. 寿险责任准备金(续)

- (3) 人寿险产品评估死亡率采用《中国人寿保险业经验生命表(2000-2003)》所提供的数据;
- (4) 寿险责任准备金的计算方法(不包括万能保险和投资连结保险的寿险责任准备金):
- 终身年金以外的人寿保险对传统非分红产品采用一年期完全修正方法,对于分红产品则按《个人分红保险精算规定》的修正法计算;
 - 终身年金保险采用修正均衡纯保费方法;
 - 如果按修正法计算的续年评估均衡纯保费高于毛保费,则还需计提保费不足准备金;
 - 寿险责任准备金不低于责任准备金评估日的保单现金价值;
- (5) 万能保险的责任准备金计算方法:
- 万能保险的责任准备金为责任准备金评估日的账户价值;
 - 参照现金流折现的方式计算未来万能保险的持续奖励保证利益,并以此作为对万能保险保证利益所提取的相应责任准备金;
 - 账户价值责任准备金采用逐单计算;
 - 责任准备金不低于责任准备金评估当日的现金价值;
- (6) 投资连结寿险责任准备金包括了单位准备金和非单位准备金,其计算方法如下:
- 单位准备金等于准备金评估日的投资账户价值。投资账户价值使用投资单位卖出价计算;
 - 非单位准备金遵循一般被普遍认可的精算原则,提取方法参照现金流折现的方式计算。其中,折现使用的利率为3.5%,符合中国保监会“以保险公司预计回报率为基础,但不得高于5%”的规定;
 - 投资连结寿险责任准备金不低于责任准备金评估日的保单现金价值。

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37. 万能保险单独账户

万能保险单独账户是本集团为万能保险产品设立的专用账户。

万能保险单独账户资产负债明细如下：

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
资产：		
银行存款	6,047,497	1,255,899
短期投资	1,221,428	1,277,786
应收利息	55,441	17,139
其他应收款	1,469	-
内部往来	87,575	86,712
长期股权投资	646,360	-
一年内到期长期债券投资	68,744	3,049
长期债券投资	13,917,539	6,794,721
长期基金投资	-	360,000
合计	<u>22,046,053</u>	<u>9,795,306</u>
负债：		
卖出回购资产	1,200,000	-
其他应付款	1,611	41
寿险责任准备金	20,844,442	9,795,265
合计	<u>22,046,053</u>	<u>9,795,306</u>

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37. 万能保险单独账户(续)

万能保险单独账户收益明细如下:

	2006 年度	2005 年度
利息收入	98,236	20,301
买入返售资产收入	338	-
投资收益	720,586	213,417
其他收入	2,351	5,951
卖出回购资产支出	(10,728)	(4,447)
营业税金及附加	(14,379)	(1,048)
营业费用	(72)	(27)
	796,332	234,147
合计		

38. 投资连结保险投资账户

投资连结保险投资账户是本集团为投资连结保险产品设定的专用账户。本集团投资连结保险投资账户的资产和负债包括在资产负债表的“独立账户资产”及“独立账户负债”内:

	2006 年 12 月 31 日	2005 年 12 月 31 日
独立账户资产:		
银行存款	7,311,287	3,771,202
短期投资	17,179,989	12,015,073
应收利息	40,837	17,101
内部往来	32,784	72,946
其他应收款	2,404	20,495
买入返售资产	300,012	-
应收股利	64,368	767
	24,931,681	15,897,584
合计		

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38. 投资连结保险投资账户(续)

	2006年12月31日	2005年12月31日
独立账户负债:		
卖出回购资产	1,136,513	630,382
寿险责任准备金	19,812,450	15,276,242
其他应付款	208,201	294
独立账户未实现利得	3,774,517	(9,334)
合计	24,931,681	15,897,584

本集团投资连结保险包括平安世纪理财投资连结保险和平安团体退休金投资连结保险。平安世纪理财投资连结保险下设四个投资账户：平安发展投资账户、保证收益投资账户、平安基金投资账户及平安价值增长投资账户。平安团体退休金投资连结保险下设三个投资账户：稳健投资账户、平衡投资账户及进取投资账户。本公司已按规定另行编制上述投资账户的年度财务报表。

本集团投资连结产品账户于本会计年度最后一个计价日的投资单位净值/卖出价及买入价如下：

	2006年度		2005年度	
	投资单位 净值/卖出价	买入价	投资单位 净值/卖出价	买入价
平安发展投资账户	1.8333	1.9298	1.3157	1.3850
保证收益投资账户	1.2007	1.2639	1.1687	1.2303
平安基金投资账户	1.8591	1.9570	1.0856	1.1428
平安价值增长投资账户	1.2403	1.3056	1.0885	1.1458
稳健投资账户	1.3099	1.3574	1.1722	1.2147
平衡投资账户	1.7452	1.8084	1.1758	1.2184
进取投资账户	2.1309	2.2082	1.1518	1.1935

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 财务报表附注(续)
 2006年12月31日
 人民币千元

五、合并财务报表项目附注(续)

39. 股本

本公司的注册及实收股本计人民币 6,195,053 千元，每股面值 1 元，股份种类及其结构如下：

	2006年12月31日	2005年12月31日
	—	—
国有股	956,402	956,402
境内法人股	2,680,008	2,680,008
境外上市外资股	2,558,643	2,558,643
合计	6,195,053	6,195,053

上述股本业经中国注册会计师专项验证。

40. 资本公积

本集团及本公司资本公积的变动明细如下：

	2006年12月31日	2005年12月31日
股本溢价 (1)	14,835,134	14,835,134
其他资本公积 (2)	327,755	327,441
合计	15,162,889	15,162,575

(1) 股本溢价为首次公开发行境外上市外资股所产生。

(2) 本公司在出资投入平安寿险与平安产险前，对本公司原寿险业务和产险业务进行资产评估。根据中华财务会计咨询有限公司出具的资产评估报告中华评报字(2002)039号和(2002)038号，评估的净增值为人民币311,297千元。其他资本公积主要因上述评估增值而产生。

五、合并财务报表项目附注(续)

41. 盈余公积

根据2006年1月1日起生效的《公司法》(2005年修订),本集团毋须再提取公益金。根据财政部《关于〈公司法〉施行后有关企业财务处理问题的通知》(财企[2006]67号),本公司已将2006年1月1日的公益金余额转至法定盈余公积。

42. 一般风险准备、一般准备及信托赔偿准备金

根据有关规定,本集团按深商行、平安银行及平安信托风险资产的一定比例及本公司对其持股比例提取一般准备,按平安证券税后利润的10%及本公司对其持股比例提取一般风险准备,按平安信托税后利润的5%及本公司对其持股比例提取信托赔偿准备金。以上项目均作为利润分配项目。

一般准备余额不低于深商行、平安银行及平安信托风险资产的1%;一般风险准备累计达到平安证券注册资本的50%时,可不再提取;信托赔偿准备金累计达到平安信托注册资本的20%时,可不再提取。

43. 利润分配

依照本公司章程及有关法规规定,本公司按下列顺序进行利润分配:

- (1) 弥补上一年度亏损;
- (2) 提取净利润弥补累计亏损后金额的10%的法定盈余公积;
- (3) 提取一般风险准备、一般准备及信托赔偿准备金;
- (4) 按股东大会决议提取任意盈余公积,其金额按公司章程或股东大会的决议提取和使用;
- (5) 支付股东股利。

当法定盈余公积已达本公司注册资本的50%以上时,可不再提取。经股东大会决议,法定盈余公积亦可转为股本,按股东原有股份比例派送新股。但法定盈余公积转增股本后,留存本公司的法定盈余公积不得低于注册资本的25%。

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五、合并财务报表项目附注(续)

44. 保费收入

(1) 本集团保费收入按险种划分的明细如下:

	2006 年度	2005 年度
<u>产险</u>		
机动车辆及第三者责任险	11,707,120	7,934,777
企财险	1,961,139	1,760,598
家财险	100,036	211,368
货物运输险	584,361	543,482
船舶险	122,368	59,303
责任险	776,472	577,455
信用险	37,367	19,289
保证险	62,341	223,928
工程险	373,258	402,234
短期健康险	354,520	227,541
意外伤害险	487,914	337,750
特殊风险保险	399,198	462,390
小计	<u>16,966,094</u>	<u>12,760,115</u>
<u>寿险</u>		
寿险:		
个险	5,705,670	5,593,895
团险	26,976	27,726
健康险:		
个险	9,865,913	8,736,463
团险	1,268,575	1,167,451
意外伤害险:		
个险	499,516	454,167
团险	983,169	856,782
年金:		
个险	3,316,671	3,481,616
团险	1,250,525	1,070,342
分红险:		
个险	23,044,443	18,415,357
团险	3,606,786	3,930,027
万能险:		
个险	15,482,638	11,233,478
团险	-	1,113
投资连结险:		
个险	3,637,431	3,602,270
团险	300,545	278,210
小计	<u>68,988,858</u>	<u>58,848,897</u>
合计	<u><u>85,954,952</u></u>	<u><u>71,609,012</u></u>

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五、合并财务报表项目附注(续)

44. 保费收入(续)

(2) 本集团保费收入按销售方式划分的明细如下:

	2006 年度	2005 年度
<u>产险</u>		
保险中介专业代理	3,916,467	2,118,633
兼业代理	8,486,356	5,605,251
保险经纪	383,561	254,190
个人代理	1,991,542	1,337,800
员工直销	2,188,168	3,444,241
小计	<u>16,966,094</u>	<u>12,760,115</u>
<u>寿险</u>		
保险中介专业代理	566,082	267,109
兼业代理	6,926,746	6,178,793
保险经纪	224,797	295,092
个人代理	55,308,610	46,239,057
员工直销	5,962,623	5,868,846
小计	<u>68,988,858</u>	<u>58,848,897</u>
合计	<u><u>85,954,952</u></u>	<u><u>71,609,012</u></u>

(3) 本集团寿险保费收入按年期划分的明细如下:

	2006 年度	2005 年度
趸缴业务保费收入	15,890,243	14,584,420
期缴业务首年保费收入	10,286,805	8,984,684
期缴业务续期保费收入	42,811,810	35,279,793
合计	<u><u>68,988,858</u></u>	<u><u>58,848,897</u></u>

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44. 保费收入(续)

(4) 本集团寿险保费收入及分出保费按长短险划分的明细如下:

	2006 年度	2005 年度
<u>保费收入</u>		
长险	63,768,767	54,165,791
短险	5,220,091	4,683,106
合计	68,988,858	58,848,897
<u>分出保费</u>		
长险	21,352	16,610
短险	609,947	793,600
合计	631,299	810,210

(5) 本集团产险保费收入按属地来源划分的明细如下:

	2006 年度	2005 年度
国内	16,862,471	12,675,812
港澳地区	103,623	84,303
合计	16,966,094	12,760,115

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45. 分保费收入、分保赔款支出及分保费用支出

按分保费收入的金额排列, 前五位分出公司及经纪公司的分保费收入、分保赔款支出及分保费用支出明细如下:

分保公司/经纪公司名称	2006 年度		
	分保费收入	分保赔款支出	分保费用支出
1 达信(北京)保险经纪有限公司	6,634	-	477
2 WILLIS Limited	3,332	1,374	378
3 Aon Group Limited	3,003	-	1,044
4 永诚财产保险股份有限公司	2,769	55	608
5 中国人民财产保险股份有限公司	1,720	-	349
	1,720	-	349
分保公司/经纪公司名称	2005 年度		
	分保费收入	分保赔款支出	分保费用支出
1 J & H Marsh & McLennan Company, Inc	2,023	-	51
2 三星火灾海上保险(中国)有限公司	1,902	1,054	506
3 Jardine Insurance Brokers Ltd.	1,543	-	116
4 HSBC GIBBS (Asia-Pacific) Ltd.	1,231	-	100
5 Swiss Reinsurance Co., Hong Kong Branch	1,230	2	315
	1,230	2	315

五、合并财务报表项目附注(续)

46. 分出保费、摊回分保赔款、摊回分保费用

按分出保费的金额排列，前五位分入公司及经纪公司的分出保费、摊回分保赔款及摊回分保费用明细如下：

分保公司/经纪公司名称	2006 年度		
	分出保费	摊回分保赔款	摊回分保费用
-			
1 中国财产再保险股份有限公司	1,255,787	709,031	496,881
2 中国人寿再保险股份有限公司	570,307	464,485	72,075
3 Munich Reinsurance Company	530,328	220,505	202,226
4 中国再保险(集团)公司	263,551	408,507	97,242
5 Aon Group Limited	<u>253,467</u>	<u>165,959</u>	<u>88,118</u>
分保公司/经纪公司名称	2005 年度		
	分出保费	摊回分保赔款	摊回分保费用
-			
1 中国财产再保险股份有限公司	1,125,636	570,939	452,946
2 中国再保险(集团)公司	853,958	758,866	363,389
3 中国人寿再保险股份有限公司	537,650	396,132	76,854
4 Aon Group Limited	316,535	207,564	100,585
5 中海石油保险有限公司	<u>249,370</u>	<u>111</u>	<u>14,161</u>

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五、合并财务报表项目附注(续)

47. 赔款支出

本集团赔款支出按险种划分的明细如下:

	<u>2006 年度</u>	<u>2005 年度</u>
<u>产险</u>		
机动车辆及第三者责任险	5,848,773	4,007,695
企财险	1,054,062	955,785
家财险	12,076	13,480
货物运输险	187,924	163,879
船舶险	51,946	7,667
责任险	401,031	243,882
信用险	5,535	210
保证险	231,262	210,688
工程险	226,854	353,662
短期健康险	195,602	125,640
意外伤害险	114,422	68,749
特殊风险保险	<u>21,171</u>	<u>12,248</u>
小计	<u>8,350,658</u>	<u>6,163,585</u>
<u>寿险</u>		
个险	965,609	998,010
团险	<u>1,404,908</u>	<u>1,060,214</u>
小计	<u>2,370,517</u>	<u>2,058,224</u>
合计	<u><u>10,721,175</u></u>	<u><u>8,221,809</u></u>

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五、合并财务报表项目附注(续)

48. 死伤医疗给付

本集团死伤医疗给付的明细如下:

	2006 年度	2005 年度
寿险	145,313	143,730
健康险	449,312	385,174
年金	51,810	46,001
分红险	344,337	325,893
万能险	36,520	15,138
投资连结险	59,129	66,308
合计	1,086,421	982,244

49. 满期给付

本集团满期给付的明细如下:

	2006 年度	2005 年度
寿险个险	3,000,014	3,253,500
寿险团险	34,657	9,781
合计	3,034,671	3,263,281

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50. 年金给付

本集团年金给付的明细如下:

	<u>2006 年度</u>	<u>2005 年度</u>
寿险个险	1,134,868	907,339
寿险团险	<u>1,635,564</u>	<u>1,539,481</u>
合计	<u><u>2,770,432</u></u>	<u><u>2,446,820</u></u>

51. 退保金

本集团退保金的明细如下:

	<u>2006 年度</u>	<u>2005 年度</u>
寿险	356,046	376,495
健康险	386,577	364,417
年金	578,257	699,604
分红险	4,963,065	4,125,763
万能险	1,024,073	319,528
投资连结险	<u>1,185,264</u>	<u>1,070,296</u>
合计	<u><u>8,493,282</u></u>	<u><u>6,956,103</u></u>

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52. 手续费支出

本集团手续费支出按险种划分的明细如下:

	<u>2006 年度</u>	<u>2005 年度</u>
<u>产险</u>		
机动车辆及第三者责任险	1,148,758	496,078
企财险	144,474	110,872
家财险	27,952	27,233
货物运输险	43,427	28,185
船舶险	5,818	2,538
责任险	38,605	33,427
保证险	12,685	12,736
工程险	15,264	15,353
短期健康险	30,269	10,610
意外伤害险	41,650	17,076
特殊风险保险	<u>6,231</u>	<u>3,371</u>
小计	<u>1,515,133</u>	<u>757,479</u>
寿险	<u>316,765</u>	<u>206,102</u>
合计	<u><u>1,831,898</u></u>	<u><u>963,581</u></u>

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53. 佣金支出

本集团佣金支出的明细如下:

	<u>2006 年度</u>	<u>2005 年度</u>
<u>寿险</u>		
趸缴业务佣金支出	346,380	328,185
期缴业务首年佣金支出	4,200,664	3,373,161
期缴业务续期佣金支出	<u>1,695,043</u>	<u>1,260,673</u>
合计	<u><u>6,242,087</u></u>	<u><u>4,962,019</u></u>

54. 营业税金及附加

本集团营业税金及附加明细如下:

	<u>2006 年度</u>	<u>2005 年度</u>
营业税	1,517,987	828,285
城市维护建设税	75,197	55,728
教育费附加	<u>51,508</u>	<u>25,729</u>
合计	<u><u>1,644,692</u></u>	<u><u>909,742</u></u>

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55. 营业费用

本集团的营业费用明细如下:

	<u>2006 年度</u>	<u>2005 年度</u>
工资及福利费	4,446,585	2,692,309
社会统筹保险	416,733	315,666
住房公积金	109,690	86,796
业务招待费	252,677	188,741
广告宣传费	361,281	262,999
会议费	409,510	350,055
营业用房租金	550,042	506,364
固定资产折旧费	490,452	536,856
无形资产摊销	61,015	51,226
长期待摊费用摊销	19,066	28,670
差旅费	318,554	239,414
印刷费	149,934	133,260
公杂费	419,501	314,187
邮电费	286,498	250,665
电子设备运转费	100,556	61,376
保险费	8,155	6,526
提取坏账准备	94,950	98,197
税金和车船使用费	104,172	57,229
车船燃料费	296,725	167,970
保险业务监管费	96,843	91,366
年度财务审计费	13,650	10,080
其他	752,445	583,325
合计	<u>9,759,034</u>	<u>7,033,277</u>
承保业务	8,011,040	6,187,908
投资业务	87,056	53,960
其他业务	<u>1,660,938</u>	<u>791,409</u>
合计	<u>9,759,034</u>	<u>7,033,277</u>

五、合并财务报表项目附注(续)

55. 营业费用(续)

本集团经营保险业务的子公司(主要包括平安产险、平安寿险、平安养老险及平安健康险等)对承保业务及其他业务发生的费用,以单独的账套分别进行核算。在2005年9月之前,本集团由专门的投资部门对保险投资资产进行管理和运作,该部门发生的直接费用及承担的间接费用统一归集为投资业务发生的费用。于2005年5月27日,本公司与平安寿险和平安产险共同出资组建了平安资产管理有限责任公司(以下简称“平安资产管理”)。自2005年9月起,本集团的投资运作全部由平安资产管理进行,平安资产管理发生的费用主要归集为投资业务发生的费用。本集团经营非保险业务的子公司发生的费用,均归集为其他业务发生的费用。

虚拟期权计划

于2004年2月5日,本公司董事会批准本集团的高级管理人员及部分关键员工等参与虚拟期权计划。虚拟期权于2004年至2008年发行,但本公司不会根据此计划发行任何股份。虚拟期权以单位方式授出,每个单位代表1股本公司H股。该计划的参与者将在行使上述权利时收到现金付款,但在行权当年该计划参与者收到的收益总额不得超过行权年度的估计净利润的特定百分比,其中现金付款金额等于已行使权利单位数量乘以行使价与行权时H股市场价之间的差额。

本集团于2006年度确认的上述人员服务支出金额为人民币1,019,006千元(2005年度:人民币61,135千元)。

本集团于2006年度授予的虚拟期权单位数量列示如下:

(单位:千)	<u>2006年度</u>	<u>2005年度</u>
年初单位数	57,640	41,920
本年度内授出单位数	<u>15,720</u>	<u>15,720</u>
年末单位数	<u><u>73,360</u></u>	<u><u>57,640</u></u>

五、合并财务报表项目附注(续)

55. 营业费用(续)

已接受的服务及其形成的负债在相应期间内予以确认。本集团于每一报告日均会对其进行估算，并于利润表内确认其公允价值的变动，直至该负债结清为止。于2006年12月31日，本集团因虚拟期权而产生的负债账面值分别为人民币1,109,101千元(2005年12月31日：人民币90,095千元)。

56. 未决赔款准备金提转差

本集团未决赔款准备金提转差按险种划分的明细如下：

	2006 年度	2005 年度
<u>产险</u>		
机动车辆及第三者责任险	574,674	375,351
企财险	(5,292)	84,927
家财险	(1,799)	(163)
货物运输险	(121)	6,175
船舶险	(11,861)	20,099
责任险	72,390	23,173
信用险	213	8
保证险	(374,224)	12,177
工程险	(13,382)	14,079
短期健康险	33,600	5,348
意外伤害险	15,000	3,316
特殊风险保险	3,115	13,380
小计	292,313	557,870
<u>寿险</u>	934,888	496,250
合计	1,227,201	1,054,120

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五、合并财务报表项目附注(续)

57. 未到期责任准备金提转差

本集团未到期责任准备金提转差按险种划分的明细如下:

	2006 年度	2005 年度
<u>产险</u>		
机动车辆及第三者责任险	1,987,554	774,991
企财险	(769)	76,218
家财险	3,605	36
货物运输险	(1,096)	7,751
船舶险	12,541	3,388
责任险	7,344	36,672
信用险	538	(1,525)
保证险	(108)	(618)
工程险	(803)	1,851
短期健康险	59,115	49,663
意外伤害险	56,917	59,040
特殊风险保险	3,244	5,230
小计	<u>2,128,082</u>	<u>1,012,697</u>
<u>寿险</u>	<u>333,500</u>	<u>359,177</u>
合计	<u><u>2,461,582</u></u>	<u><u>1,371,874</u></u>

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五、合并财务报表项目附注(续)

58. 长期责任准备金提转差

本集团产险长期责任准备金提转差按险种划分的明细如下:

	<u>2006 年度</u>	<u>2005 年度</u>
机动车辆及第三者责任险	(2,996)	31,116
企财险	6,426	(27,927)
家财险	(42,086)	41,290
货物运输险	481	618
船舶险	4,301	3,570
责任险	693	6,057
信用险	538	(47)
保证险	9,308	408,076
工程险	16,341	57,957
特殊风险保险	<u>1,246</u>	<u>(1,850)</u>
合计	<u>(5,748)</u>	<u>518,860</u>

五、合并财务报表项目附注(续)

59. 其他业务利润

其他业务利润主要来自租赁收入。

60. 投资收益

本集团投资收益的明细如下：

	<u>2006 年度</u>	<u>2005 年度</u>
利息收入	6,775,504	5,642,939
其中：债券利息收入	6,775,504	5,642,939
股息收入	3,076,621	312,333
其中：证券投资基金股息收入	2,852,015	229,113
股权投资股息收入	224,606	83,220
买卖差价收益/(损失)	8,461,376	(700,988)
其中：债券买卖差价	332,784	439,854
证券投资基金买卖差价	5,176,159	(1,099,195)
股权投资买卖差价	2,715,543	(41,647)
权证买卖差价	236,890	-
投资跌价/减值准备的变动	263,480	630,147
其中：转回短期投资跌价准备	121,074	733,845
转回/(计提)长期投资减值准备	142,406	(103,698)
股权投资差额摊销	(41,171)	(38,522)
其他	(22,741)	39,221
合计	<u>18,513,069</u>	<u>5,885,130</u>

于资产负债表日,本集团的投资收益的汇回均无重大限制。

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五、合并财务报表项目附注(续)

61. 利息收入

本集团利息收入的明细如下:

	<u>2006 年度</u>	<u>2005 年度</u>
存款利息收入	3,534,265	3,816,326
拆放同业利息收入	17,639	-
贷款利息收入	267,513	66,444
贴现利息收入	26,413	-
押汇利息收入	1,108	-
信用垫款利息收入	103	-
合计	<u>3,847,041</u>	<u>3,882,770</u>

62. 手续费收入

本集团的手续费收入明细如下:

	<u>2006 年度</u>	<u>2005 年度</u>
信托产品管理费	82,728	15,470
代理买卖证券手续费收入	345,702	115,478
结算业务手续费收入	2,315	-
代理业务手续费收入	1,897	-
银行卡手续费收入	875	-
其他	41,568	44,379
合计	<u>475,085</u>	<u>175,327</u>

中国平安保险(集团)股份有限公司
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五、合并财务报表项目附注(续)

63. 证券承销收入

	<u>2006 年度</u>	<u>2005 年度</u>
股票承销收入(A 股)	56,447	2,000
国债发行收入	7,340	16,808
企业债及金融债发行收入	15,830	36,186
股权分置改革项目收入	38,536	17,164
保荐费收入	10,045	1,995
财务顾问费收入	<u>11,467</u>	<u>5,202</u>
合计	<u><u>139,665</u></u>	<u><u>79,355</u></u>

64. 利息支出

本集团利息支出的明细如下:

	<u>2006 年度</u>	<u>2005 年度</u>
存款利息支出	80,343	15,618
借款及拆入的利息支出	40,483	198
其他支出	<u>8,924</u>	<u>-</u>
合计	<u><u>129,750</u></u>	<u><u>15,816</u></u>

五、合并财务报表项目附注(续)

65. 所得税

本集团的所得税按类别划分的明细如下:

	2006 年度	2005 年度
企业所得税	635,182	395,725
因 2006 年获得税收优惠而减免的 2004 及 2005 年度企业所得税	(288,573)	-
递延税项	(211,352)	(8,088)
合计	135,257	387,637

财政部和国家税务总局于 2006 年 5 月联合签发财税[2006]第 58 号文件,核定了平安寿险和平安产险 2004 年度的工资税前扣除限额,并规定自 2005 年度起,平安寿险和平安产险以上一年度工资税前扣除限额为基数,按照工资总额增长低于经济效益增长(包括利润增长和所得税增长)、工资总额增长低于劳动生产率增长的原则确定当年工资税前扣除限额。于 2006 年,本集团就 2004 年及 2005 年平安寿险及平安产险所缴纳的或应缴纳的所得税获得约人民币 2.89 亿元的税项抵免。

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五、合并财务报表项目附注(续)

66. 现金及现金等价物

本集团的现金及现金等价物列示如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
现金及银行存款	31,029,356	11,290,716
结算备付金	875,282	176,987
存放中央银行的备付金	1,927,145	11,552
存放同业款项	2,530,986	426,491
货币市场基金	2,101,736	5,560,637
拆放同业款项	318,810	76,063
三个月内到期的债券	436,474	-
买入返售资产	6,730,915	-
合计	<u>45,950,704</u>	<u>17,542,446</u>

67. 衍生金融工具

本集团表外核算的衍生金融工具名义金额的明细如下:

	<u>2006年度</u>	<u>2005年度</u>
利率掉期	2,506,395	-
远期外汇交易	5,335	-
合计	<u>2,511,730</u>	<u>-</u>

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财务报表附注(续)

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人民币千元

六、分部报告

	2006年12月31日						
	人寿保险	财产保险	银行	总部	其他	抵销	合计
资产							
货币资金	78,302,958	4,336,327	336,074	3,916,078	8,520,341	(4,140,886)	91,270,892
存放中央银行及同业款项	-	-	10,553,850	-	-	-	10,553,850
拆出资金	-	-	1,727,381	-	-	-	1,727,381
贷款	-	-	46,583,138	-	2,568,523	-	49,151,661
应收保费和应收分保账款	2,338,460	1,521,341	-	-	-	-	3,859,801
保单质押贷款	1,380,990	-	-	-	-	-	1,380,990
短期及长期投资	199,320,658	10,448,408	24,067,020	25,922,108	2,849,378	(17,796,552)	244,811,020
其他应收款	1,171,481	250,712	280,396	413,227	1,364,276	(805,237)	2,674,855
固定资产	5,383,227	917,330	514,187	69,254	377,935	-	7,261,933
存出资本保证金	920,000	600,000	-	-	-	-	1,520,000
独立账户资产	24,931,681	-	-	-	-	-	24,931,681
其他资产	827,466	342,484	1,120,259	111,268	245,660	(145)	2,646,992
合计	314,576,921	18,416,602	85,182,305	30,431,935	15,926,113	(22,742,820)	441,791,056
负债							
客户存款	-	-	73,045,148	-	39,962	(875,223)	72,209,887
同业存放及拆入款项	-	-	4,918,258	819,914	-	(1,281,736)	4,456,436
卖出回购资产	10,850,000	50,000	301,410	-	2,234,773	-	13,436,183
预收保费	773,667	577,919	-	-	-	-	1,351,586
应付保户红利	4,106,627	-	-	-	-	-	4,106,627
保险责任准备金	259,432,436	11,681,439	-	-	-	-	271,113,875
代买卖证券款	-	-	-	-	5,734,049	(1,983,927)	3,750,122
独立账户负债	24,931,681	-	-	-	-	-	24,931,681
其他负债	3,454,996	2,230,945	1,010,010	812,594	1,812,608	(805,237)	8,515,916
合计	303,549,407	14,540,303	79,274,826	1,632,508	9,821,392	(4,946,123)	403,872,313

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六、分部报告(续)

	2006年度						
	人寿保险	财产保险	银行	总部	其他	抵销	合计
保险业务收入							
保费收入	68,988,858	16,966,094	-	-	-	-	85,954,952
分保费收入	-	28,447	-	-	-	-	28,447
减：分出保费	(631,299)	(3,639,972)	-	-	-	-	(4,271,271)
保险业务收入合计	68,357,559	13,354,569	-	-	-	-	81,712,128
保险业务支出							
赔款支出	(2,370,517)	(8,350,658)	-	-	-	-	(10,721,175)
减：摊回分保赔款	544,855	1,901,581	-	-	-	-	2,446,436
追偿款收入	-	45,617	-	-	-	-	45,617
分保赔款支出	-	(8,645)	-	-	-	-	(8,645)
死伤医疗给付	(1,086,421)	-	-	-	-	-	(1,086,421)
满期给付	(3,034,671)	-	-	-	-	-	(3,034,671)
年金给付	(2,770,432)	-	-	-	-	-	(2,770,432)
退保金	(8,493,282)	-	-	-	-	-	(8,493,282)
分保费用支出	-	(3,983)	-	-	-	-	(3,983)
手续费支出	(317,219)	(1,568,090)	-	-	-	53,411	(1,831,898)
佣金支出	(6,242,087)	-	-	-	-	-	(6,242,087)
营业税金及附加	(596,405)	(928,198)	(8,943)	(23,911)	(87,235)	-	(1,644,692)
营业费用	(5,464,888)	(3,157,618)	(73,457)	(885,871)	(696,812)	519,612	(9,759,034)
减：摊回分保费用	277,927	1,270,567	-	-	-	-	1,548,494
提取保险保障基金	(137,787)	(132,773)	-	-	-	-	(270,560)
保险业务支出合计	(29,690,927)	(10,932,200)	(82,400)	(909,782)	(784,047)	573,023	(41,826,333)

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财务报表附注(续)

2006年12月31日

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六、分部报告(续)

	2006年度						合计
	人寿保险	财产保险	银行	总部	其他	抵销	
准备金提转差							
提取未决赔款准备金	(3,272,465)	(2,882,993)	-	-	-	-	(6,155,458)
减: 转回未决赔款准备金	2,337,577	2,590,680	-	-	-	-	4,928,257
提取未到期责任准备金	(2,311,911)	(6,390,404)	-	-	-	-	(8,702,315)
减: 转回未到期责任准备金	1,978,411	4,262,322	-	-	-	-	6,240,733
提取长期责任准备金	-	(2,408,042)	-	-	-	-	(2,408,042)
减: 转回长期责任准备金	-	2,413,790	-	-	-	-	2,413,790
提取寿险责任准备金	(243,534,111)	-	-	-	-	-	(243,534,111)
减: 转回寿险责任准备金	198,372,329	-	-	-	-	-	198,372,329
提取长期健康险责任准备金	(30,126,399)	-	-	-	-	-	(30,126,399)
减: 转回长期健康险责任准备金	24,568,558	-	-	-	-	-	24,568,558
准备金提转差合计	(51,988,011)	(2,414,647)	-	-	-	-	(54,402,658)
承保利润/(亏损)	(13,321,379)	7,722	(82,400)	(909,782)	(784,047)	573,023	(14,516,863)

中国平安保险(集团)股份有限公司

财务报表附注(续)

2006年12月31日

人民币千元

六、分部报告(续)

	2006年度						合计
	人寿保险	财产保险	银行	总部	其他	抵销	
承保利润/(亏损)	(13,321,379)	7,722	(82,400)	(909,782)	(784,047)	573,023	(14,516,863)
加: 其他业务利润	(8,052)	3,165	5,265	3,452	57,395	(45,145)	16,080
投资收益	16,999,442	536,216	41,359	575,840	370,922	(10,710)	18,513,069
利息收入	3,011,444	128,788	189,254	382,959	218,603	(84,007)	3,847,041
买入返售资产收入	16,730	53	5,924	5,197	70	-	27,974
手续费收入	53,411	-	10,280	-	971,905	(560,511)	475,085
证券承销收入	19,955	-	-	-	119,710	-	139,665
汇兑损益	(413,432)	(16,973)	(800)	(26,546)	(22,276)	-	(480,027)
减: 利息支出	(3,260)	(2,082)	(79,790)	(25,288)	(103,337)	84,007	(129,750)
保户红利支出	(1,486,737)	-	-	-	-	-	(1,486,737)
卖出回购资产支出	(146,882)	(9,229)	(3,668)	(9,576)	(2,710)	-	(172,065)
其他业务手续费支出	(32,488)	-	(2,642)	-	(47,491)	32,488	(50,133)
贷款损失准备	-	-	-	-	(947)	-	(947)
营业利润/(亏损)	4,688,752	647,660	82,782	(3,744)	777,797	(10,855)	6,182,392
加: 营业外收入	20,750	9,430	17,382	18	39,305	-	86,885
减: 营业外支出	64,341	(17,994)	(4,603)	(3,277)	(49,739)	-	(11,272)
利润/(亏损)总额	4,773,843	639,096	95,561	(7,003)	767,363	(10,855)	6,258,005
减: 所得税	463	6,208	(24,872)	20,607	(137,663)	-	(135,257)
税后利润	4,774,306	645,304	70,689	13,604	629,700	(10,855)	6,122,748

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2006年12月31日

人民币千元

六、分部报告(续)

	2005年12月31日						
	人寿保险	财产保险	银行	总部	其他	抵销	合计
资产							
货币资金	62,204,058	3,432,774	1,275	11,752,978	4,046,026	(955,075)	80,482,036
存放中央银行及同业款项	-	-	446,762	-	-	-	446,762
拆出资金	90,386	-	405,781	-	-	(364,773)	131,394
贷款	-	-	252,434	-	278,115	-	530,549
应收保费和应收分保账款	19,654	1,449,278	-	-	-	-	1,468,932
保单质押贷款	864,483	-	-	-	-	-	864,483
短期及长期投资	166,053,466	7,699,349	-	14,490,790	2,299,981	(10,950,129)	179,593,457
其他应收款	250,120	168,187	20	3,657	45,497	-	467,481
固定资产	4,654,175	879,853	3,596	37,055	257,134	-	5,831,813
存出资本保证金	920,000	320,000	-	-	-	-	1,240,000
独立账户资产	15,897,584	-	-	-	-	-	15,897,584
其他资产	664,771	329,027	7,763	37,143	110,547	-	1,149,251
合计	<u>251,618,697</u>	<u>14,278,468</u>	<u>1,117,631</u>	<u>26,321,623</u>	<u>7,037,300</u>	<u>(12,269,977)</u>	<u>288,103,742</u>
负债							
客户存款	-	-	58,428	-	36,313	-	94,741
同业存放及拆入款项	-	90,386	556,503	274,387	-	(884,900)	36,376
卖出回购资产	6,080,000	370,000	-	645,400	-	-	7,095,400
预收保费	1,496,955	382,853	-	-	-	-	1,879,808
应付保户红利	2,864,005	-	-	-	-	-	2,864,005
保险责任准备金	211,980,633	9,266,792	-	-	-	-	221,247,425
代买卖证券款	-	-	-	-	2,164,664	(434,948)	1,729,716
独立账户负债	15,897,584	-	-	-	-	-	15,897,584
其他负债	2,030,312	1,761,442	4,730	169,676	103,681	-	4,069,841
合计	<u>240,349,489</u>	<u>11,871,473</u>	<u>619,661</u>	<u>1,089,463</u>	<u>2,304,658</u>	<u>(1,319,848)</u>	<u>254,914,896</u>

中国平安保险(集团)股份有限公司
 财务报表附注(续)
 2006年12月31日
 人民币千元

六、分部报告(续)

	2005年度						合计
	人寿保险	财产保险	银行	总部	其他	抵销	
保险业务收入							
保费收入	58,848,897	12,760,115	-	-	-	-	71,609,012
分保费收入	-	16,112	-	-	-	-	16,112
减：分出保费	(810,210)	(3,431,267)	-	-	-	-	(4,241,477)
保险业务收入合计	58,038,687	9,344,960	-	-	-	-	67,383,647
保险业务支出							
赔款支出	(2,058,224)	(6,163,585)	-	-	-	-	(8,221,809)
减：摊回分保赔款	564,085	1,911,274	-	-	-	-	2,475,359
追偿款收入	-	48,974	-	-	-	-	48,974
分保赔款支出	-	(3,851)	-	-	-	-	(3,851)
死伤医疗给付	(982,244)	-	-	-	-	-	(982,244)
满期给付	(3,263,281)	-	-	-	-	-	(3,263,281)
年金给付	(2,446,820)	-	-	-	-	-	(2,446,820)
退保金	(6,956,103)	-	-	-	-	-	(6,956,103)
分保费用支出	-	(2,093)	-	-	-	-	(2,093)
手续费支出	(206,102)	(817,373)	-	-	-	59,894	(963,581)
佣金支出	(4,962,019)	-	-	-	-	-	(4,962,019)
营业税金及附加	(187,706)	(700,104)	(297)	(2,411)	(19,224)	-	(909,742)
营业费用	(4,022,338)	(2,336,153)	(12,160)	(410,158)	(277,808)	25,340	(7,033,277)
减：摊回分保费用	227,299	1,143,494	-	-	-	-	1,370,793
提取保险保障基金	(116,241)	(93,039)	-	-	-	-	(209,280)
保险业务支出合计	(24,409,694)	(7,012,456)	(12,457)	(412,569)	(297,032)	85,234	(32,058,974)

中国平安保险(集团)股份有限公司

财务报表附注(续)

2006年12月31日

人民币千元

六、分部报告(续)

	2005年度						合计
	人寿保险	财产保险	银行	总部	其他	抵销	
准备金提转差							
提取未决赔款准备金	(2,337,577)	(2,590,680)	-	-	-	-	(4,928,257)
减: 转回未决赔款准备金	1,841,327	2,032,810	-	-	-	-	3,874,137
提取未到期责任准备金	(1,978,411)	(4,262,322)	-	-	-	-	(6,240,733)
减: 转回未到期责任准备金	1,619,234	3,249,625	-	-	-	-	4,868,859
提取长期责任准备金	-	(2,413,790)	-	-	-	-	(2,413,790)
减: 转回长期责任准备金	-	1,894,930	-	-	-	-	1,894,930
提取寿险责任准备金	(198,372,329)	-	-	-	-	-	(198,372,329)
减: 转回寿险责任准备金	167,142,916	-	-	-	-	-	167,142,916
提取长期健康险责任准备金	(24,568,558)	-	-	-	-	-	(24,568,558)
减: 转回长期健康险责任准备金	18,625,804	-	-	-	-	-	18,625,804
准备金提转差合计	(38,027,594)	(2,089,427)	-	-	-	-	(40,117,021)
承保利润/(亏损)	(4,398,601)	243,077	(12,457)	(412,569)	(297,032)	85,234	(4,792,348)

中国平安保险(集团)股份有限公司
 财务报表附注(续)
 2006年12月31日
 人民币千元

六、分部报告(续)

	2005年度						合计
	人寿保险	财产保险	银行	总部	其他	抵销	
承保利润/(亏损)	(4,398,601)	243,077	(12,457)	(412,569)	(297,032)	85,234	(4,792,348)
加: 其他业务利润	56,944	9,984	1,163	5,742	46,958	(5,291)	115,500
投资收益	5,550,720	252,370	-	61,012	21,028	-	5,885,130
利息收入	3,081,699	143,634	24,839	581,198	71,001	(19,601)	3,882,770
买入返售资产收入	318	-	-	-	20	-	338
手续费收入	59,894	-	297	-	241,115	(125,979)	175,327
证券承销收入	48,180	-	-	-	31,175	-	79,355
汇兑损益	(379,294)	(7,586)	46	(3,179)	(17,777)	-	(407,790)
减: 利息支出	(555)	(3,121)	(7,155)	-	(24,586)	19,601	(15,816)
保户红利支出	(1,064,118)	-	-	-	-	-	(1,064,118)
卖出回购资产支出	(81,682)	(3,075)	-	(3,396)	(2,918)	-	(91,071)
其他业务手续费支出	(46,036)	-	(84)	-	(18,260)	46,036	(18,344)
贷款损失准备	72,997	-	-	-	-	-	72,997
营业利润	2,900,466	635,283	6,649	228,808	50,724	-	3,821,930
加: 营业外收入	13,889	14,031	15	25	28,658	-	56,618
减: 营业外支出	(78,633)	(21,685)	(6)	(250)	(22,184)	-	(122,758)
利润总额	2,835,722	627,629	6,658	228,583	57,198	-	3,755,790
减: 所得税	(2,212)	(335,918)	-	(34,922)	(14,585)	-	(387,637)
税后利润	<u>2,833,510</u>	<u>291,711</u>	<u>6,658</u>	<u>193,661</u>	<u>42,613</u>	<u>-</u>	<u>3,368,153</u>

中国平安保险(集团)股份有限公司
 财务报表附注(续)
 2006年12月31日
 人民币千元

七、银行业务的资产负债分币种分析

	2006年12月31日			合计
	人民币	美元 折合人民币	其他 折合人民币	
资产：				
现金	288,976	20,956	26,142	336,074
存放中央银行及同业 款项	7,814,154	1,822,544	917,152	10,553,850
贷款	45,362,198	1,047,538	173,402	46,583,138
拆出资金	1,511,021	210,835	5,525	1,727,381
投资	22,474,338	1,197,936	394,746	24,067,020
其他资产	1,641,401	224,134	49,307	1,914,842
资产合计	79,092,088	4,523,943	1,566,274	85,182,305
负债：				
客户存款	70,395,365	1,609,028	1,040,755	73,045,148
同业存放及拆入款项	2,358,941	2,205,664	353,653	4,918,258
卖出回购资产	301,410	-	-	301,410
其他负债	947,548	32,820	29,642	1,010,010
负债合计	74,003,264	3,847,512	1,424,050	79,274,826
资产负债表内头寸净额	5,088,824	676,431	142,224	5,907,479

中国平安保险(集团)股份有限公司
 财务报表附注(续)
 2006年12月31日
 人民币千元

七、银行业务的资产负债分币种分析(续)

	2005年12月31日			合计
	人民币	美元 折合人民币	其他 折合人民币	
资产:				
现金	266	810	199	1,275
存放中央银行及同业 款项	9,125	437,010	627	446,762
贷款	-	252,434	-	252,434
拆出资金	-	405,781	-	405,781
其他资产	912	10,467	-	11,379
资产合计	10,303	1,106,502	826	1,117,631
负债:				
客户存款	136	58,034	258	58,428
同业存放及拆入款项	-	556,503	-	556,503
其他负债	958	3,768	4	4,730
负债合计	1,094	618,305	262	619,661
资产负债表内头寸净额	9,209	488,197	564	497,970

中国平安保险(集团)股份有限公司
财务报表附注(续)
2006年12月31日
人民币千元

八、银行业务的流动性

项目	2006年12月31日							合计
	已逾期	即期偿还	3个月内	3个月至1	1-5年	5年以上	不定期	
资产:								
现金	-	336,074	-	-	-	-	-	336,074
存放中央银行及同 业款项	-	2,471,889	2,030,759	264,704	-	-	5,786,498	10,553,850
贷款	1,405,216	-	9,830,212	15,569,359	7,528,778	12,249,573	-	46,583,138
拆出资金	-	-	505,859	1,221,522	-	-	-	1,727,381
投资	-	-	8,674,265	2,879,486	4,699,250	7,793,583	20,436	24,067,020
其他资产	12,848	111,001	109,182	4,795	102,046	184,856	1,390,114	1,914,842
资产合计	1,418,064	2,918,964	21,150,277	19,939,866	12,330,074	20,228,012	7,197,048	85,182,305
负债:								
客户存款	-	45,153,275	13,392,814	10,951,840	3,547,219	-	-	73,045,148
同业存放及拆入款 项	-	2,459,116	2,215,943	243,199	-	-	-	4,918,258
卖出回购资产	-	-	129,180	172,230	-	-	-	301,410
其他负债	-	149,335	455,483	177,978	227,214	-	-	1,010,010
负债合计	-	47,761,726	16,193,420	11,545,247	3,774,433	-	-	79,274,826
流动性净额	1,418,064	-	4,956,857	8,394,619	8,555,641	20,228,012	7,197,048	5,907,479

项目	2005年12月31日							合计
	已逾期	即期偿还	3个月内	3个月至1	1-5年	5年以上	不定期	
资产:								
现金	-	1,275	-	-	-	-	-	1,275
存放中央银行及同 业款项	-	33,971	327,405	52,456	24,211	-	8,719	446,762
贷款	-	-	-	137,193	80,702	34,539	-	252,434
拆出资金	-	-	402,553	3,228	-	-	-	405,781
其他资产	-	2,220	5,026	-	-	-	4,133	11,379
资产合计	-	37,466	734,984	192,877	104,913	34,539	12,852	1,117,631
负债:								
客户存款	-	6,044	41,626	10,758	-	-	-	58,428
同业存放及拆入款 项	-	5,671	550,832	-	-	-	-	556,503
其他负债	-	4,063	-	-	667	-	-	4,730
负债合计	-	15,778	592,458	10,758	667	-	-	619,661
流动性净额	-	21,688	142,526	182,119	104,246	34,539	12,852	497,970

九、关联方关系及交易

1. 关联方关系

(1) 存在控制关系的关联方

存在控制关系的关联方主要是本公司下属的子公司，其基本资料及与本公司的关系详见附注四。

(2) 不存在控制关系的关联方

关联方名称	与本公司的关系
汇丰控股有限公司(以下简称“汇丰控股”)	股东的母公司
汇丰保险控股有限公司(以下简称“汇丰保险”)	股东
香港上海汇丰银行有限公司	股东

于2005年8月底，汇丰控股通过其全资子公司汇丰保险及汇丰银行将其于本公司的股权增加至19.90%。自此，汇丰控股及其子公司成为对本集团具有重大影响的关联方。

(3) 年末，持有本公司5%以上股份的主要股东

股东名称	持股数量(股)	股份类别	占总股本比例(%)
汇丰保险控股有限公司	618,886,334	H股	9.99
香港上海汇丰银行有限公司	613,929,279	H股	9.91
深圳市投资控股有限公司	543,181,445	内资股	8.77
深圳市新豪时投资发展有限公司	389,592,366	内资股	6.29
源信行投资有限公司	380,000,000	内资股	6.13
深圳市景傲实业发展有限公司	331,117,788	内资股	5.34

九、关联方关系及交易(续)

2. 关联方交易

(1) 重大交易

(a) 根据本公司与汇丰保险于2002年11月25日签订的《技术支援与服务协议》，汇丰保险于协议签订之日起6年内，无偿向本公司提供技术支援与服务。

<u>收到银行存款利息收入</u>	<u>2006年度</u>	<u>2005年度</u>
汇丰银行	15,325	3,161

2005年度关联方交易乃本集团与汇丰银行自2005年8月31日至2005年12月31日止4个月期间发生的交易。

(2) 与关联方往来款项余额

<u>银行存款</u>	<u>2006年12月31日</u>	<u>2005年12月31日</u>
汇丰银行	710,175	232,217

(3) 关键管理人员的报酬如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
工资及其他短期雇员福利	126,809	62,699

关键管理人员包括本公司的董事、监事及公司章程中定义的高级管理人员。关键管理人员的虚拟期权费用(附注五.55)未计入上述分析中。

(4) 关联方相互信用担保

年内，本集团并未与关联方公司互相提供重大担保。

中国平安保险(集团)股份有限公司
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十、 受托业务

	2006年12月31日	2005年12月31日
委托贷款	2,119,930	-
信托受托资产	16,677,243	3,329,608
企业年金受托资产	634,387	128,297
合计	19,431,560	3,457,905

十一、 或有事项

1. 担保

平安置业为若干由平安信託管理的信託项下的贷款提供担保。于2006年12月31日，上述担保金额为人民币4.26亿元。

2. 诉讼

鉴于保险及金融服务的业务性质，本集团在开展正常业务时，会涉及各种估计、或有事项及法律诉讼，包括在诉讼中作为原告与被告及在仲裁中作为申请人与被申请人。上述纠纷所产生的不利影响主要包括保单及其他的索赔。本集团已对可能发生的损失计提准备，包括当管理层参考律师意见并能对上述诉讼结果做出合理估计后，对保单等索赔计提的准备。对于无法合理预计结果及管理层认为败诉可能性极小的未决诉讼或可能的违约，不计提相关准备。

对于上述未决诉讼，管理层认为最终裁定结果产生的义务将不会对本集团或其附属公司的财务状况和经营成果造成重大负面影响。

十二、 表外应收利息

本集团的表外应收利息如下：

	2006年12月31日	2005年12月31日
表外应收利息	755,573	-

中国平安保险(集团)股份有限公司
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十三、承诺事项

1. 资本承诺

本集团有关投资及物业开发的资本承诺如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
已获授权但未签约	1,182,313	3,030,139
已签约但未在账目中计提	<u>3,431,044</u>	<u>472,102</u>
合计	<u><u>4,613,357</u></u>	<u><u>3,502,241</u></u>

2. 租赁承诺

本集团已签定的不可撤销经营租赁合同,在资产负债表日后以下会计期间需支付的最低租赁付款额如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
1年以内	453,250	372,405
1至2年	306,268	236,232
2至3年	196,646	128,839
3年以上	<u>211,076</u>	<u>112,566</u>
合计	<u><u>1,167,240</u></u>	<u><u>850,042</u></u>

3. 信用承诺

	<u>2006年度</u>	<u>2005年度</u>
开出信用证	734,296	10,142
开出银行承兑汇票	9,016,968	-
开出保函	6,536,248	-
贷款承诺	12,822,692	60,232
其他	<u>5,125</u>	<u>2,932</u>
合计	<u><u>29,115,329</u></u>	<u><u>73,306</u></u>

十四、资产负债表日后事项

1. 根据本公司股东大会会议决议及中国证监会的核准,本公司于2007年2月首次公开发行11.5亿股A股,每股面值为人民币1.00元,发行价格为每股人民币33.80元。根据安永华明会计师事务所于2007年2月16日出具的安永华明(2007)验字第60468101-01号验资报告,截至2007年2月15日止,本公司已收到首次公开发行A股募集资金净额人民币38,221,924,360元,其中新增注册资本(实收资本)合计人民币1,150,000,000元,超出认缴注册资本部分计人民币37,071,924,360元,作为本公司的资本公积。本公司变更后的注册资本为人民币7,345,053,334元。
2. 根据财政部《关于印发〈企业会计准则第1号-存货〉等38项具体准则的通知》(财会[2006]3号)及《关于印发〈企业会计准则-应用指南〉的通知》(财会[2006]18号),本集团自2007年1月1日起执行上述新企业会计准则及其应用指南等有关规定。执行新企业会计准则及其应用指南等有关规定对本集团2006年12月31日股东权益的影响参见载于本财务报表附录二的补充资料。
3. 于2007年2月,深商行与平安信托及汇丰银行分别签署协议,将受让平安信托及汇丰银行持有平安银行的全部股权。该股权转让完成后,本集团在平安银行所占的股权比例将上升至89.36%。
4. 于2007年3月,平安资产管理(香港)正式获得香港证券及期货事务监察委员会颁发的资产管理牌照。
5. 于2007年3月16日闭幕的第十届全国人民代表大会第五次会议通过了《中华人民共和国企业所得税法》(“新企业所得税法”),并将于2008年1月1日起施行。新企业所得税法引入了包括将内、外资企业所得税税率统一为25%等的一系列变化。由于具体的实施细则和管理办法尚未公布,目前尚不能就新企业所得税法实施将对本集团带来的未来财务影响做出合理评估。
6. 于2007年4月11日,本公司董事会建议派发2006年度末期股息每股人民币0.22元,合计人民币1,615,912千元。此项建议尚需经本公司股东大会批准。

中国平安保险(集团)股份有限公司
 财务报表附注(续)
 2006年12月31日
 人民币千元

十五、母公司财务报表项目附注

1. 现金、银行存款及结算备付金

本公司现金及银行存款列示如下:

	2006年12月31日				2005年12月31日			
	币种	原币金额	折算汇率		原币金额	折算汇率		
			折合人民币			折合人民币		
现金	人民币	160	1.0000	160	57	1.0000	57	
	美元	0.41	7.8087	3	3	8.0702	21	
	港币	43	1.0047	44	30	1.0403	32	
合计				207			110	
银行存款	人民币	3,646,282	1.0000	3,646,282	11,263,216	1.0000	11,263,216	
	美元	34,178	7.8087	266,888	58,754	8.0702	474,155	
	港币	2,688	1.0047	2,701	14,896	1.0403	15,497	
合计				3,915,871			11,752,868	

本公司银行存款中约人民币 776,534 千元(2005 年: 约人民币 11,051,102 千元)为人民币及外币三个月以上银行定期存款, 期限为 12 个月至 360 个月, 年利率为 2.25%至 4.30%(2005 年: 年利率为 2.52%至 5.50%)。

中国平安保险(集团)股份有限公司
 财务报表附注(续)
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 人民币千元

十五、母公司财务报表项目附注(续)

2. 短期投资

本公司短期投资净额列示如下:

	2006年12月31日		2005年12月31日	
	投资净额	市价	投资净额	市价
债权投资:				
国债	147,489	不适用	115,186	不适用
其中: 上市	23,999	23,999	-	-
非上市	123,490	不适用	115,186	不适用
金融债	497,511	不适用	-	不适用
其中: 非上市	497,511	不适用	-	不适用
	2,950,23			
企业债	8	不适用	779,583	不适用
其中: 上市	4,537	4,537	-	-
非上市	<u>2,945,701</u>	不适用	<u>779,583</u>	不适用
小计	<u>3,595,238</u>		<u>894,769</u>	
股权投资:				
股票	1,270,372	1,757,422	105,200	120,150
其中: 上市	1,270,372	1,757,422	105,200	120,150
证券投资基金	382,937	不适用	1,935,311	不适用
其中: 非上市	<u>382,937</u>	不适用	<u>1,935,311</u>	不适用
小计	<u>1,653,309</u>		<u>2,040,511</u>	
合计	<u>5,248,547</u>		<u>2,935,280</u>	

上市投资是指在证券交易所挂牌交易的证券。非上市投资是指在银行间市场或其他非交易所市场交易的证券。上述年末的上市投资市价是根据当年最后交易日的收市价确认。

中国平安保险(集团)股份有限公司
 财务报表附注(续)
 2006年12月31日
 人民币千元

十五、母公司财务报表项目附注(续)

3. 长期股权投资

本公司长期股权投资明细如下:

	2006年12月31日	2005年12月31日
长期股票投资	1,416,181	-
投资于子公司	24,917,315	17,956,232
股权投资差额	312,558	3,802
合计	26,646,054	17,960,034

(1) 长期股票投资明细如下:

	2006年12月31日		2005年12月31日	
	账面净额	市价	账面净额	市价
社会公众股	1,416,181	2,029,365	-	-

(2) 本公司股权投资差额明细如下:

被投资公司名称	2006年12月31日		2005年12月31日	
	初始金额	摊余价值	初始金额	摊余价值
平安信托	19,487	2,035	19,353	3,802
深商行	310,523	310,523	-	-
合计	330,010	312,558	19,353	3,802

中国平安保险(集团)股份有限公司

财务报表附注(续)

2006年12月31日

人民币千元

十五、母公司财务报表项目附注(续)

3. 长期股权投资(续)

(3) 本公司投资于子公司明细如下:

2006年度

被投资公司名称	占其注册 比例	资本	初始及累计 追加投资额	股权投资准备	权益调整		年末余额	
					本年损益变动	本年现金分红		
平安寿险	99%		3,762,000	-	4,737,420	(4,965,840)	6,370,038	10,132,038
平安产险	99.06%		2,972,284	10	636,449	(570,240)	745,183	3,717,477
平安信托	99.88%		4,196,249	16,847	574,680	-	651,199	4,864,295
深商行	89.36%		4,606,275	-	57,750	-	57,750	4,664,025
平安海外控股	100%		561,213	-	(14,599)	-	48,098	609,311
平安养老险	95%		285,000	-	(11,021)	-	(18,186)	266,814
平安健康险	95%		475,000	-	55	-	737	475,737
平安资产管理	90%		180,000	-	2,480	-	7,618	187,618
合计			17,038,021	16,857	5,983,214	(5,536,080)	7,862,437	24,917,315

中国平安保险(集团)股份有限公司

财务报表附注(续)

2006年12月31日

人民币千元

十五、母公司财务报表项目附注(续)

3. 长期股权投资(续)

(3) (续)

2005年度

被投资公司名称	占其注册 比例	资本	初始及累计 追加投资额	股权投资准备	权益调整		年末余额	
					本年损益变动	本年现金分红 累计损益变动		
平安寿险	99%		3,762,000	-	2,811,794	-	6,598,458	10,360,458
平安产险	99%		1,584,000	-	287,719	-	678,974	2,262,974
平安信托	99.52%		4,180,053	16,543	45,200	-	76,519	4,273,115
平安海外控股	100%		58,333	-	1,399	-	62,697	121,030
平安养老险	95%		285,000	-	(7,165)	-	(7,165)	277,835
平安健康险	95%		475,000	-	682	-	682	475,682
平安资产管理	90%		180,000	-	5,138	-	5,138	185,138
合计			<u>10,524,386</u>	<u>16,543</u>	<u>3,144,767</u>	-	<u>7,415,303</u>	<u>17,956,232</u>

中国平安保险(集团)股份有限公司
财务报表附注(续)
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人民币千元

十五、母公司财务报表项目附注(续)

4. 长期债权投资

本公司长期债权投资的明细如下:

2006年12月31日							
债券种类	面值	应计利息	未摊销的 溢价/(折价)	合计	减值准备	净额	市价
上市债券:							
国债	1,003,553	8,330	2,902	1,014,785	-	1,014,785	1,014,148
企业债	50,000	94	(7,728)	42,366	-	42,366	41,700
	<u>1,053,553</u>	<u>8,424</u>	<u>(4,826)</u>	<u>1,057,151</u>	<u>-</u>	<u>1,057,151</u>	<u>1,055,848</u>
非上市债券:							
国债	30,000	344	(1,001)	29,343	-	29,343	不适用
金融债	780,000	15,509	2,840	798,349	-	798,349	不适用
	<u>810,000</u>	<u>15,853</u>	<u>1,839</u>	<u>827,692</u>	<u>-</u>	<u>827,692</u>	<u>不适用</u>
小计	<u>1,863,553</u>	<u>24,277</u>	<u>(2,987)</u>	<u>1,884,843</u>	<u>-</u>	<u>1,884,843</u>	<u>不适用</u>
减: 一年内到期的长期债权投资							
上市债券:							
国债	347,807	1,455	915	350,177	-	350,177	350,972
合计	<u>1,515,746</u>	<u>22,822</u>	<u>(3,902)</u>	<u>1,534,666</u>	<u>-</u>	<u>1,534,666</u>	<u>不适用</u>
2005年12月31日							
债券种类	面值	应计利息	未摊销的 溢价/(折价)	合计	减值准备	净额	市价
非上市债券:							
国债	30,000	344	(1,412)	28,932	-	28,932	不适用
金融债	975,880	18,004	4,506	998,390	-	998,390	不适用
小计	<u>1,005,880</u>	<u>18,348</u>	<u>3,094</u>	<u>1,027,322</u>	<u>-</u>	<u>1,027,322</u>	<u>不适用</u>
减: 一年内到期的长期债权投资							
非上市债券:							
金融债	195,880	2,495	-	198,375	-	198,375	不适用
合计	<u>810,000</u>	<u>15,853</u>	<u>3,094</u>	<u>828,947</u>	<u>-</u>	<u>828,947</u>	<u>不适用</u>

十五、母公司财务报表项目附注(续)

4. 长期债权投资(续)

本公司债券净额按到期日的明细如下:

	2006年12月31日	2005年12月31日
1年内到期	350,177	198,375
1到2年内到期	1,044,026	-
2到3年内到期	417,268	768,995
3到4年内到期	-	28,931
4到5年内到期	42,366	-
5年后到期	31,006	31,021
合计	1,884,843	1,027,322

本公司长期债权投资的票面年利率为1.40%至3.74%(2005年:0%至3.74%)。

金融债主要为中国人民银行发行的央行票据及国家开发银行发行的债券。企业债为马鞍山钢铁股份有限公司发行的06马钢债。

上市投资是指在证券交易所挂牌交易的证券。非上市投资是指在银行间市场或其他非交易所市场交易的证券。上述年末的上市投资市价是根据当年最后交易日的收市价确认。

5. 长期基金投资

本公司长期基金投资列示如下:

	2006年12月31日			2005年12月31日		
	投资总额	减值准备	投资净额	投资总额	减值准备	投资净额
开放式基金:						
非上市	30,000	(8,042)	21,958	-	-	-

非上市投资是指在银行间市场或其他非交易所市场交易的证券。

中国平安保险(集团)股份有限公司
财务报表附注(续)
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十五、母公司财务报表项目附注(续)

6. 应交税金

本公司应交税金的明细如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
企业所得税	51,112	(4,227)
营业税	19,354	146
城市维护建设税	193	-
其他	<u>3,938</u>	<u>6,195</u>
合计	<u>74,597</u>	<u>2,114</u>

7. 营业税金及附加

本公司营业税金及附加的明细如下:

	<u>2006年12月31日</u>	<u>2005年12月31日</u>
营业税	22,991	2,315
城市维护建设税	230	24
教育费附加	<u>690</u>	<u>72</u>
合计	<u>23,911</u>	<u>2,411</u>

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十五、母公司财务报表项目附注(续)

8. 营业费用

本公司的营业费用明细如下:

	2006 年度	2005 年度
工资及福利费	676,524	200,377
社会统筹保险	9,244	4,962
住房公积金	646	387
业务招待费	10,373	10,481
广告宣传费	4,816	34,099
会议费	5,101	5,134
营业用房租金	4,948	2,339
固定资产折旧费	10,701	2,662
无形资产摊销	5,372	1,352
长期待摊费用摊销	2,326	316
差旅费	23,206	18,849
印刷费	1,538	1,745
公杂费	2,530	2,829
邮电费	1,901	2,444
电子设备运转费	3,751	1,669
提取/(转回)坏账准备	(74)	836
税金和车船使用费	1	6,631
车船燃料费	781	1,077
其他	122,186	111,969
	885,871	410,158
合计	885,871	410,158

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 财务报表附注(续)
 2006年12月31日
 人民币千元

十五、母公司财务报表项目附注(续)

9. 投资收益

本公司投资收益的明细如下:

	2006 年度	2005 年度
利息收入	45,299	23,952
其中: 债券利息收入	45,299	23,952
股息收入	66,265	-
其中: 证券投资基金股息收入	66,265	-
证券买卖差价收益	475,165	38,961
其中: 债券买卖差价	35,197	1,644
证券投资基金买卖差价	222,903	34,882
股票买卖差价	213,291	2,435
权证买卖差价	3,774	-
投资跌价/减值准备的变动	(8,988)	-
其中: 计提短期投资跌价准备	(946)	-
计提长期投资减值准备	(8,042)	-
股权投资差额摊销	(1,901)	(1,901)
应占子公司权益	5,983,214	3,144,767
合计	6,559,054	3,205,779

中国平安保险(集团)股份有限公司
 财务报表附注(续)
 2006年12月31日
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十五、母公司财务报表项目附注(续)

10. 现金及现金等价物

本公司的现金及现金等价物列示如下:

	2006年12月31日	2005年12月31日
现金及银行存款	3,139,544	701,876
货币市场基金	10,058	1,935,311
三个月内到期的债券	298,140	-
合计	3,447,742	2,637,187

11. 委托投资

自2005年9月1日起,本公司委托平安资产管理对本公司的投资进行管理。平安资产管理受托管理的本公司委托投资明细列示如下:

	2006年12月31日	2005年12月31日
资产:		
银行存款	3,857,662	11,671,832
短期投资	5,248,547	2,935,280
应收利息	5,067	22,232
其他应收款	210,633	-
一年内到期的长期债权投资	350,177	198,375
长期股权投资	1,416,181	-
长期债权投资	1,534,666	828,947
长期基金投资	21,958	-
合计	12,644,891	15,656,666
负债:		
拆入资金	819,914	274,387
卖出回购资产	-	645,400
其他应付款	4,687	53
合计	824,601	919,840
净额	11,820,290	14,736,826

中国平安保险(集团)股份有限公司
 财务报表附注(续)
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 人民币千元

十五、母公司财务报表项目附注(续)

11. 委托投资(续)

平安资产管理受托管理的本公司委托投资收益明细列示如下:

	2006 年度	自 2005 年 9 月 1 日至 2005 年 12 月 31 日止期间
证券买卖差价收入	475,165	17,313
存款利息收入	379,507	169,011
债券利息收入	45,299	10,777
买入返售证券收入	5,197	-
基金红利收入	66,265	-
其他收入	3,422	2,175
投资收益合计	<u>974,855</u>	<u>199,276</u>
减: 资产管理费支出	(2,000)	(600)
托管费	(58)	-
卖出回购证券支出	(9,576)	(2,052)
拆入资金利息支出	(25,288)	-
计提长期投资减值准备	(8,042)	-
计提短期投资减值准备	(946)	-
其他费用	(51,356)	(961)
投资收益	<u><u>877,589</u></u>	<u><u>195,663</u></u>

十六、比较数字

若干比较数字已重新编排, 以符合本年度之呈报形式。

十七、财务报表之批准

本财务报表业经本公司董事会于 2007 年 4 月 11 日批准。

附录一、财务报表补充资料

1. 中国会计准则与国际财务报告准则编报差异调节表

按中国会计准则编制的财务报表与按国际财务报告准则编制的财务报表的主要差异如下：

<u>合并净利润</u>	<u>注释</u>	<u>2006 年度</u> 人民币千元	<u>2005 年度</u> 人民币千元
按中国会计准则编制的本财务报表		5,985,962	3,338,428
未决赔款准备金	(i)	149,234	(439,832)
长期及未到期责任准备金	(ii)	(15,529)	309,646
寿险责任准备金	(iii)	(6,544,374)	(3,005,894)
递延保单获得成本	(iv)	5,480,526	3,829,708
投资资产及金融负债的公允价值调整	(v)	3,095,511	359,769
递延所得税	(vi)	(413,479)	(158,725)
少数股东权益及其他		<u>100,418</u>	<u>(7,018)</u>
按国际财务报告准则编制的财务报表		<u>7,838,269</u>	<u>4,226,082</u>
<u>合并股东权益</u>	<u>注释</u>	<u>2006 年 12 月 31 日</u> 人民币千元	<u>2005 年 12 月 31 日</u> 人民币千元
按中国会计准则编制的本财务报表		36,667,865	32,664,006
未决赔款准备金	(i)	(1,401,149)	(1,550,383)
长期及未到期责任准备金	(ii)	86,140	101,669
寿险责任准备金	(iii)	(35,762,405)	(25,815,612)
递延保单获得成本	(iv)	31,866,330	26,428,450
投资资产及金融负债的公允价值调整	(v)	16,935,254	1,440,096
递延所得税	(vi)	(1,839,769)	(69,040)
少数股东权益及其他		<u>(176,744)</u>	<u>(202,696)</u>
按国际财务报告准则编制的财务报表		<u>46,375,522</u>	<u>32,996,490</u>

注释：

- (i) 在2006年中国会计准则报表下，未决赔款准备金是指对已发生已报案及已发生未报案的保险事故按规定对未决赔款估计的准备金。对于已发生未报案的保险事故的赔款准备金，按当年实际赔款支出的4%估计；惟自2006年9月1日起，健康保险业务按照《健康保险管理办法》(中国保监会令[2006]8号)的规定，采用链梯法、Bornhuetter-Ferguson法评估，并选取评估结果的最大值为最佳估计值。在国际财务报告准则报表下，本集团按精算方法估计已发生未报案未决赔款准备金。

附录一、财务报表补充资料(续)

1. 中国会计准则与国际财务报告准则编报差异调节表(续)

- (ii) 在2006年中国会计准则报表下, 寿险业务的未到期责任准备金一般不应低于当期自留保费收入的50%。在国际财务报告准则报表下, 本集团按精算方法(1/365法)确定未到期责任准备金。
- (iii) 在2006年中国会计准则报表下, 寿险责任准备金是根据中国保监会的有关精算规定计算。在国际财务报告准则报表下, 本集团按照《国际财务报告准则第4号—保险合同》的规定及参照美国会计准则的要求计算各项寿险责任准备金。
- (iv) 在2006年中国会计准则报表下, 佣金、手续费等新业务的保单获得成本于发生时计入损益。在国际财务报告准则报表下, 本集团按照《国际财务报告准则第4号—保险合同》的规定及参照美国会计准则的要求, 将佣金、手续费等保单获得成本予以递延, 根据其所属险种不同, 分别在预计保单年限内以预期保费收入的固定比例摊销, 或在保单年限内以预计实现的毛利润现值的固定比例摊销。
- (v) 在2006年中国会计准则报表下, 基于其流动性和预期持有期限将投资分为短期投资和长期投资。短期投资采用成本与市价孰低计量, 而长期投资采用成本与可收回金额孰低计量。根据《国际会计准则第32号—金融工具的披露和列报》及《国际会计准则第39号—金融工具的确认和计量》, 本集团将适用的投资资产分为四类: 以公允价值计量且其变动计入损益的投资、贷款及应收款项、持有至到期投资以及可供出售投资。可供出售投资和以公允价值计量且其变动计入损益的投资以公允价值列示。持有至到期投资和贷款及应收款项以摊余成本列示。以公允价值计量且其变动计入损益的投资因公允价值变动而产生的未实现收益或损失在当期利润表中确认。可供出售投资因公允价值变动产生的未实现收益或损失在权益中反映。当可供出售投资售出或发生减值, 原反映在权益中的未实现收益或损失作为已实现收益或损失在利润表中确认。
- (vi) 根据《国际会计准则第12号—所得税会计》, 上述各项中国会计准则报表与国际财务报告准则报表的差异均为暂时性差异。因此, 本集团按上述差异及估计未来转回时将适用的所得税税率确认递延所得税资产和负债。

附录一、财务报表补充资料(续)

2. 全面摊薄和加权平均计算的净资产收益率及每股收益

根据本集团合并财务报表计算的净资产收益率及每股收益如下:

2006 年度	净资产收益率(%)		每股收益(人民币元)	
	全面摊薄	加权平均	全面摊薄	加权平均
主营业务利润	(39.6%)	(41.9%)	(2.34)	(2.34)
营业利润	16.9%	17.8%	1.00	1.00
净利润	16.3%	17.3%	0.97	0.97
扣除非经常性损益后的净利润	15.5%	16.4%	0.92	0.92

2005 年度	净资产收益率(%)		每股收益(人民币元)	
	全面摊薄	加权平均	全面摊薄	加权平均
主营业务利润	(14.7%)	(15.3%)	(0.77)	(0.77)
营业利润	11.7%	12.2%	0.62	0.62
净利润	10.2%	10.6%	0.54	0.54
扣除非经常性损益后的净利润	10.0%	10.4%	0.53	0.53

其中, 扣除非经常性损益后的净利润:

	2006 年度	2005 年度
	人民币千元	人民币千元
净利润	5,985,962	3,338,428
加/(减)非经常性损益项目:		
处置长期股权投资、固定资产、在建工程、无形资产、 其他长期资产产生的损益	(45,380)	(26,779)
扣除非经常性损益项目根据金融企业会计制度规定计提的资 产减值准备后的其他各项营业外收入、支出	20,367	17,271
以前年度已经计提各项减值准备的转回	(277,291)	(74,997)
非经常性损益合计	(302,304)	(84,505)
加: 所得税影响数	11,311	5,056
加: 少数股东应承担的部分	2,910	794
扣除非经常性损益后的净利润	5,697,879	3,259,773

以上净资产收益率和每股收益按中国证监会于2001年1月19日发布之《公开发行证券公司信息披露编报规则第9号》所载之计算公式计算。

附录一、财务报表补充资料(续)

3. 资产减值准备明细表

本集团资产减值准备明细如下:

(单位: 人民币千元)	2006 年度							
	项目	附注五	年初余额	本年增加额	本年转回数			年末余额
					因资产价值 回升转回数	其他 原因转出数	合计	
短期投资跌价准备合计			123,769	34,253	(146,351)	-	(146,351)	11,671
其中: 股票投资			6,513	-	(6,433)	-	(6,433)	80
债券投资			500	34,253	(23,162)	-	(23,162)	11,591
基金投资			116,756	-	(116,756)	-	(116,756)	-
坏账准备合计			237,411	572,538	-	(61,487)	(61,487)	748,462
其中: 拆出资金	5		24,737	359,611	-	(8,736)	(8,736)	375,612
应收保费	9		92,442	63,544	-	(657)	(657)	155,329
其他应收款	11		68,925	144,184	-	(52,094)	(52,094)	161,015
应收分保账款	9		51,307	5,199	-	-	-	56,506
长期投资减值准备合计			347,768	108,474	(168,784)	(12,482)	(181,266)	274,976
其中: 长期股权投资	12		297,101	85,656	(153,297)	(12,482)	(165,779)	216,978
长期债权投资	13		12,316	12	(12,316)	-	(12,316)	12
长期基金投资	14		38,351	22,806	(3,171)	-	(3,171)	57,986
贷款损失准备	6		93,550	2,530,800	-	(193,624)	(193,624)	2,430,726
固定资产减值准备	15		323,275	29,594	(111,013)	(49,884)	(160,897)	191,972
其中: 房屋及建筑物	15		323,275	29,594	(111,013)	(49,884)	(160,897)	191,972
在建工程减值准备	16		26,472	-	-	(15,472)	(15,472)	11,000
无形资产减值准备	17		3,040	-	-	-	-	3,040
抵债资产减值准备	19		-	352,641	-	-	-	352,641
其他长期资产减值准备			19,274	-	(665)	(3,140)	(3,805)	15,469
总计			<u>1,174,559</u>	<u>3,628,300</u>	<u>(426,813)</u>	<u>(336,089)</u>	<u>(762,902)</u>	<u>4,039,957</u>

附录二、补充资料

关于中国平安保险(集团)股份有限公司 新旧会计准则股东权益差异调节表的 审阅报告

安永华明(2007)审字第 60468101-B25 号

中国平安保险(集团)股份有限公司全体股东:

我们审阅了后附的中国平安保险(集团)股份有限公司(以下简称“贵公司”)按照附注二所述的编制基础编制的 2006 年 12 月 31 日及 2007 年 1 月 1 日新旧会计准则合并股东权益差异调节表(以下简称“差异调节表”)。按照《企业会计准则第 38 号—首次执行企业会计准则》、“关于做好与新会计准则相关财务会计信息披露工作的通知”(证监发[2006]136 号,以下简称“通知”)等有关规定编制差异调节表是贵公司管理层的责任。我们的责任是在实施审阅工作的基础上对差异调节表出具审阅报告。

根据“通知”的有关规定,我们参照《中国注册会计师审阅准则第 2101 号—财务报表审阅》的规定执行审阅业务。该准则要求我们计划和实施审阅工作,以对差异调节表是否不存在重大错报获取有限保证。审阅主要限于询问公司有关人员差异调节表相关会计政策和所有重要的认定、了解差异调节表中调节金额的计算过程、阅读差异调节表以考虑是否遵循指明的编制基础以及在必要时实施分析程序。审阅工作提供的保证程度低于审计。我们没有实施审计,因而不发表审计意见。

根据我们的审阅,我们没有注意到任何事项使我们相信上述差异调节表在重大方面没有按照《企业会计准则第 38 号—首次执行企业会计准则》、“通知”和其他有关规定编制。

安永华明会计师事务所

中国注册会计师 张小东

中国 北京

中国注册会计师 黄悦栋

2007 年 4 月 11 日

附录二、补充资料(续)

重要提示:

本公司于2007年1月1日起开始执行财政部于2006年颁布的《企业会计准则》(以下简称“新会计准则”),目前本公司正在评价执行新会计准则对本集团财务状况、经营成果和现金流量所产生的影响,在对其进行慎重考虑并参照财政部对新会计准则的进一步讲解后,本公司在编制2007年度财务报告时可能对编制“新旧会计准则股东权益差异调节表”(以下简称“差异调节表”)时所采用相关会计政策或重要认定进行调整,从而可能导致差异调节表中所列报的2007年1月1日股东权益(新会计准则)与2007年度财务报告中所列报的相应数据之间存在差异。

附录二、补充资料(续)

中国平安保险(集团)股份有限公司
新旧会计准则股东权益差异调节表

金额单位：人民币千元

项目	附注	项目名称	金额
		2006年12月31日股东权益(现行会计准则)	36,667,865
1	三、2	长期股权投资差额	57,705
2	三、3	以公允价值计量且其变动计入当期损益的金融资产及可供出售金融资产	16,937,493
3	三、4	衍生金融工具	(2,239)
4	三、5	寿险责任准备金	(5,726,528)
5	三、6	未决赔款准备金	(1,401,149)
6	三、7	土地使用权	(56,485)
7	三、8	所得税	(1,131,086)
8	三、9	其他	(86,281)
		2007年1月1日归属于母公司股东权益(新会计准则)	45,259,295
9	三、10	少数股东权益列报的变化	1,366,391
		2007年1月1日股东权益(新会计准则)	46,625,686

后附差异调节表附注为本差异调节表的组成部分。

马明哲
法定代表人

张子欣
主管会计工作负责人

任汇川
会计机构负责人

附录二、补充资料(续)

新旧会计准则股东权益差异调节表附注

一、编制目的

中国平安保险(集团)股份有限公司及其子公司(以下统称“本集团”)于2007年1月1日起开始执行新会计准则。为分析并披露执行新会计准则对上市公司财务状况的影响,中国证券监督管理委员会于2006年11月颁布了“关于做好与新会计准则相关财务会计信息披露工作的通知”(证监发[2006]136号,以下简称“通知”),要求公司按照《企业会计准则第38号—首次执行企业会计准则》和“通知”等有关规定,在2006年度财务报告的“补充资料”部分以差异调节表的方式披露重大差异的调节过程。

二、编制基础

本公司属于原同时按照中国会计准则及国际财务报告准则对外提供财务报告的H股上市公司。

根据上述规定以及企业会计准则实施问题专家工作组于2007年2月1日发布的《企业会计准则实施问题专家工作组意见》的第十个问答,本公司除了按照《企业会计准则第38号—首次执行企业会计准则》第五条至第十九条的规定进行追溯调整外,还根据取得的相关信息,对于按照新会计准则确定的会计政策与之前按照现行会计准则确定的会计政策之间的其他差异,于2007年1月1日进行了追溯调整(具体的调整项目参见本差异调节表附注三)。本集团以追溯调整后的结果作为2007年1月1日新会计准则下的余额,并以此为基础,结合本集团的自身特点和具体情况,根据2006年度合并财务报表及重要性原则编制本差异调节表。

此外,对于下述事项,本差异调节表依据如下原则进行编制:

- 1、子公司和联营企业按照《企业会计准则第38号—首次执行企业会计准则》第五条至第十九条的规定进行调整,对于影响上述公司留存收益并影响本公司按照股权比例享有的净资产份额的事项,公司根据其业务实际情况相应调整留存收益或资本公积。
- 2、本集团按照《企业会计准则第18号—所得税》的规定,对本集团的递延所得税资产和递延所得税负债进行了调整。
- 3、本集团按照新会计准则调整少数股东权益并对少数股东权益列报做出调整,在差异调节表中单列项目反映。

附录二、补充资料(续)

新旧会计准则股东权益差异调节表附注(续)

三、主要项目附注

1. 2006年12月31日合并股东权益(现行会计准则)的金额取自本集团按照现行企业会计准则和《金融企业会计制度》(以下简称“现行会计准则”)编制的2006年12月31日合并资产负债表。该报表业经安永华明会计师事务所审计,并于2007年4月11日出具了安永华明(2007)审字第60468101-B24号的无保留意见审计报告。该报表相关的编制基础和主要会计政策参见本集团2006年度财务报表。

2. 长期股权投资差额

根据现行会计准则,初始投资成本大于应享有被投资单位所有者权益份额的差额,作为股权投资差额,按一定期限平均摊销。

根据新会计准则,非同一控制下的企业合并中合并成本大于取得的应享有被投资单位可辨认净资产公允价值份额的差额,应按《企业会计准则第20号—企业合并》确认为商誉。商誉不作摊销,但至少每年年度终了进行减值测试,减值准备不得转回。

根据《企业会计准则实施问题专家工作组意见》的规定,本集团对本项变更进行追溯调整。本项变更对2007年1月1日股东权益的税前影响为增加股东权益人民币57,705千元。

3. 以公允价值计量且其变动计入当期损益的金融资产及可供出售金融资产

在现行会计准则下,本集团按《企业会计准则—投资》和《金融企业会计制度》,将投资资产按流动性及准备持有时间划分为“短期投资”及“长期投资”,分别以成本与市价孰低和成本与可收回金额孰低核算。

附录二、补充资料(续)

新旧会计准则股东权益差异调节表附注(续)

三、主要项目附注(续)

3. 以公允价值计量且其变动计入当期损益的金融资产及可供出售金融资产(续)

根据新企业会计准则，本集团需按《企业会计准则第 22 号—金融工具确认与计量》将金融工具类投资资产根据持有目的划分为“以公允价值计量且其变动计入当期损益的金融资产”、“持有至到期投资”、“贷款和应收款项”及“可供出售金融资产”。对于以公允价值计量且其变动计入当期损益的金融资产，采用公允价值进行后续计量，其公允价值变动形成的利得或损失计入当期损益；对于持有至到期投资、贷款和应收款项，采用按实际利率法计算的摊余成本进行后续计量；对于可供出售金融资产，采用公允价值进行后续计量，其公允价值与账面价值的差额，计入资本公积。

根据《企业会计准则实施问题专家工作组意见》的规定，本集团对本项变更进行追溯调整。对于以公允价值计量且其变动计入当期损益的金融资产及可供出售金融资产，本集团依据市场报价或估值价格，确定其于 2007 年 1 月 1 日的公允价值与账面价值的差额分别为人民币 3,349,603 千元和人民币 13,587,890 千元。本集团将公允价值与其账面价值的差额调增留存收益。本项变更对 2007 年 1 月 1 日股东权益的税前影响为增加股东权益人民币 16,937,493 千元。

4. 衍生金融工具

在现行会计准则下，本集团一般将衍生金融工具作为表外项目，而不在财务报表中确认。

根据新企业会计准则，本集团需根据《企业会计准则第 22 号—金融工具确认与计量》的要求，将适用的衍生金融工具归类为以公允价值计量且其变动计入当期损益的金融资产或金融负债，采用公允价值进行后续计量，其公允价值变动形成的利得或损失计入当期损益。

根据《企业会计准则实施问题专家工作组意见》的规定，本集团对本项变更进行追溯调整，按公允价值确认了衍生金融工具产生的金融负债，并相应调减留存收益。本项变更对 2007 年 1 月 1 日股东权益的税前影响为减少股东权益人民币 2,239 千元。

附录二、补充资料(续)

新旧会计准则股东权益差异调节表附注(续)

三、主要项目附注(续)

5. 寿险责任准备金

在现行会计准则下，本集团在估算分红保险和万能寿险的寿险责任准备金时，按现行会计准则计算的投资收益为基础。

如以上第3项所述，根据新企业会计准则，本集团需按《企业会计准则第22号—金融工具确认与计量》对投资资产进行适当分类并采用相应的计量方法。根据《企业会计准则实施问题专家工作组意见》的规定，本集团对分红保险和万能寿险账户中属于可供出售金融资产的公允价值变动，采用合理的方法将归属于保单持有人的部分确认为有关负债，将归属于股东的部分确认为资本公积；对以公允价值计量且其变动计入当期损益的金融资产的公允价值变动，采用合理的方法将归属于保单持有人的部分确认为有关负债，将归属于股东的部分计入当期损益。

根据《企业会计准则实施问题专家工作组意见》的规定，本集团对本项变更进行追溯调整，增加寿险责任准备金，并相应调减留存收益和资本公积。从归属于保单持有人的部分应确认为负债的角度而言，本项变更对2007年1月1日股东权益的税前影响为减少股东权益人民币5,726,528千元。

6. 未决赔款准备金

在现行会计准则下，本集团在估算保险责任准备金时，未对全部的保险责任准备金进行充足性测试，尤其是未对非寿险业务的未决赔款准备金中已发生未报告赔款准备金进行充足性测试。

根据新企业会计准则，本集团需按精算结果提取保险责任准备金，并至少应当于每年年度终了，对未决赔款准备金、寿险责任准备金、长期健康险责任准备金进行充足性测试，按照测试结果进行相应处理；相关准备金充足的，不予以调整；相关准备金不足的，需根据测试结果按差额补提相关准备金。

根据《企业会计准则实施问题专家工作组意见》的规定，本集团对本项变更进行追溯调整，增加未决赔款准备金，并相应调减留存收益。本项变更对2007年1月1日股东权益的税前影响为减少股东权益人民币1,401,149千元。

附录二、补充资料(续)

新旧会计准则股东权益差异调节表附注(续)

三、主要项目附注(续)

7. 土地使用权

在现行会计准则下，本集团对在建工程中的土地使用权不进行摊销。

根据新企业会计准则，土地使用权应确认为无形资产，自土地使用权可供使用时起进行摊销。

根据《企业会计准则实施问题专家工作组意见》的规定，本集团对本项变更进行追溯调整，对原计入在建工程的土地使用权进行摊销，并相应调减留存收益。本项变更对2007年1月1日股东权益的税前影响为减少股东权益人民币56,485千元。

8. 所得税

以上第2项至第7项所述的新旧会计准则差异将增加本集团的递延所得税负债/减少本集团的递延所得税资产，并相应调减留存收益。本项变更对2007年1月1日股东权益的影响为减少股东权益人民币1,131,086千元。

9. 其他

其他项目是以上第2项至第8项所述新旧会计准则差异对少数股东权益的影响数人民币86,281千元。

10. 少数股东权益列报的变化

本集团按照新会计准则的规定，将少数股东权益合计人民币1,366,391千元列入资产负债表股东权益项下。

附录三、合并股东权益变动表

	附注五	2006 年度 人民币千元	2005 年度 人民币千元
<u>股本</u>	39		
年初/年末余额		6,195,053	6,195,053
<u>资本公积</u>	40		
年初余额		15,162,575	15,146,431
其他资本公积增加		314	16,144
年末余额		15,162,889	15,162,575
<u>法定盈余公积</u>	41		
年初余额		1,718,832	1,384,989
法定公益金转入		784,001	-
利润分配转入		599,682	333,843
年末余额		3,102,515	1,718,832
<u>任意盈余公积</u>			
年初/年末余额		3,023,577	3,023,577
<u>法定公益金</u>	41		
年初余额		784,001	617,080
转入法定盈余公积		(784,001)	166,921
年末余额		-	784,001
<u>总准备金</u>			
年初/年末余额		394,510	394,510
<u>一般风险准备</u>	42		
年初余额		-	-
利润分配转入		16,752	-
年末余额		16,752	-
<u>一般准备</u>	42		
年初余额		35,679	-
利润分配转入		40,954	35,679
年末余额		76,633	35,679
<u>信托赔偿准备金</u>	42		
年初余额		-	-
利润分配转入		28,774	-
年末余额		28,774	-
<u>未分配利润</u>	43		
年初余额		5,349,779	3,415,101
本年净利润		5,985,962	3,338,428
提取法定盈余公积		(599,682)	(333,843)
提取法定公益金		-	(166,921)
提取一般风险准备		(16,752)	-
提取一般准备		(40,954)	(35,679)
提取信托赔偿准备金		(28,774)	-
股利		(1,982,417)	(867,307)
年末余额		8,667,162	5,349,779
股东权益合计		36,667,865	32,664,006



中国平安保险（集团）股份有限公司
Ping An Insurance (Group)
Company
of China, Ltd.

Annual Report 2006
(Stock Code: 601318)

April 11, 2007

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SECTION 1 IMPORTANT NOTICE

The Board of Directors, the Supervisory Committee and the directors, supervisors and senior management of the Company undertake that this report contains no false representation, misleading statement or material omission, and jointly and severally accept full responsibility for its authenticity, accuracy and completeness.

The annual report and its summary for the year 2006 were considered and passed on the ninth meeting of the seventh Board of Directors of the Company on April 11, 2007. All directors of the Company have attended the meeting. The Board meeting shall be attended by 18 directors. 17 directors attended in person and one attended by proxy. (Mr. FAN Gang appointed Ms. LIN Lijun, a Director of the Company, as his proxy to attend the meeting and vote.)

Ernst & Young Hua Ming has audited the financial statements of the Company and has issued a standard unqualified auditor's opinion.

**The Board of Directors of
Ping An Insurance (Group) Company of China, Ltd.**

MA Mingzhe, the Chairman of the Board of Directors and the Chief Executive Officer, CHEUNG Chi Yan Louis, the President and Chief Financial Officer and REN Huichuan, the Senior Vice President, confirm the authenticity and completeness of the financial statements in the Annual Report 2006.

SECTION 2 BASIC CORPORATE INFORMATION

- 1、Registered Company Name (in Chinese): 中国平安保险（集团）股份有限公司(the “Company” or the “Group”)
Registered Company Name (in English): Ping An Insurance (Group) Company of China, Ltd.
- 2、Chinese Abbreviated Name of the Company : 中国平安
English Abbreviated Name of the Company : Ping An of China
- 3、Legal representative: MA Mingzhe
- 4、Secretary of the Board of Directors: SUN Jianyi
Securities Affairs Representative: ZHOU Qiang
Telephone Number: 4008866338
Fax: 0755-82431029
E-mail : ir@pingan.com.cn ; pr@pingan.com.cn
Address: Ping An Building, Ba Gua No. 3 Road, Shenzhen, the PRC.
- 5、Registered Address: Ping An Building, Ba Gua No. 3 Road, Shenzhen, PRC
Place of Business: Ping An Building, Ba Gua No. 3 Road, Shenzhen, PRC
Postcode: 518029
Website: <http://www.pingan.com.cn>
E-mail: ir@pingan.com.cn ; pr@pingan.com.cn
- 6、Company’s Designated Newspaper for Information Disclosure: China Securities Daily, Shanghai Securities Daily and Securities Times
Website specified by the China Securities Regulatory Commission ("CSRC") for publishing Annual Report: <http://www.sse.com.cn>
Annual Report available at: The Office of the Board of Directors
- 7、A Shares Listing Venue: Shanghai Securities Exchange
Abbreviated Stock Name of A Shares: 中国平安
Stock Code of A share: 601318
H Shares Listing Venue: Hong Kong Stock Exchange
Abbreviated Stock Name of H Shares: 中国平安(Ping An of China)
Stock Code of H share: 2318
- 8、Other Relevant Information
Date of first registration: March 21,1988
Place of registration: State Administration for Industry & Commerce of the PRC
Legal Person Business Licence Registration Number of the Company: 1000001001231

Registration Number for Tax Affairs: Guo Shui Shen Zi No. 440301100012316

Shen Di Shui Zi No. 440300100012316

Domestic Accountants appointed by the Company: Ernst & Young Hua Ming

Business Address of the Domestic Accountants appointed by the Company: 16/F Tower E3,
Ernst & Young Towers, Oriental Plaza, No. 1 East Chang An Avenue, Dong Cheng District,
Beijing

International Accountants appointed by the Company: Ernst & Young

Business Address of the International Accountants appointed by the Company: 18/F., Two
International Finance Centre, 8 Finance Street, Central, Hong Kong

- 9、 This report is prepared in both Chinese and English. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

SECTION 3 SUMMARY OF FINANCIAL FIGURES AND BUSINESS INFORMATION

I. Key Financial Information for This Reporting Period

Unit: RMB thousand

Items	Amount
Profit before tax	6,258,005
Net profit	5,985,962
Net profit after deducting non-recurring items	5,697,879
Profit from principal operations ⁽¹⁾	(14,516,863)
Operating profit	6,182,392
Investment income ⁽²⁾	22,360,110
Subsidy income	-
Non-operating income and expenses, net	75,613
Net cash flows from operating activities	37,357,714
Net increase in cash and cash equivalents	28,408,258

(1) The Group has adopted the “Accounting System for Financial Institutions”, which do not differentiate revenue from principal or non-principal operations. The “profit from principal operations” stated above is extracted from “underwriting losses” in the Group’s income statement. Investment income and interest income, both being the major sources of income of the Group, were not grouped under “profit from principal operations”. In fact, the “operating profit” stated above is a better reflection of the profitability of the Group’s principal operations.

(2) Including investment income and interest income in the income statement.

The Company recognises and measures its non-recurring profit or loss according to the requirements of the “Questions and Answers on Standard No. 1 Disclosure Requirements of Public Listed Companies- Non-recurring Profits or Losses” (Zhengjiankuaijizi[2004]No.4) issued by the CSRC. Among which, non-recurring profits or losses deducted and its amounts are as follows:

Unit: RMB thousand

Non-recurring items	Amount
Gains or loss on disposal of long-term equity investments, fixed assets, construction in progress, intangible assets and other long-term assets	45,380
Non-operating income and expenses after deduction of recurring assets impairments provided in accordance with the Accounting System for Financial Institutions	(20,367)
Write-back of asset impairments recognized in prior years	277,291
Tax impact	(11,311)
Minority’s share	(2,910)
Total	288,083

II. Reconciliation of GAAP Differences between PRC Accounting Standards and IFRS

Unit: RMB thousand

	Notes	Consolidated net profit		Consolidated Equity	
		2006	2005	December 31, 2006	December 31, 2005
Financial statements prepared in accordance with PRC Accounting Standards (excluding minority interests)		5,985,962	3,338,428	36,667,865	32,664,006
Claim reserves	(1)	149,234	(439,832)	(1,401,149)	(1,550,383)
Long-term and unearned premium reserves	(2)	(15,529)	309,646	86,140	101,669
Policyholders' reserves	(3)	(6,544,374)	(3,005,894)	(35,762,405)	(25,815,612)
Deferred policy acquisition costs	(4)	5,480,526	3,829,708	31,866,330	26,428,450
Fair value adjustment of investment assets and financial liabilities	(5)	3,095,511	359,769	16,935,254	1,440,096
Deferred tax	(6)	(413,479)	(158,725)	(1,839,769)	(69,040)
Minority interests and others		100,418	(7,018)	(176,744)	(202,696)
Financial statements prepared in accordance with IFRS (excluding minority interests)		7,838,269	4,226,082	46,375,522	32,996,490

- (1) Under 2006 PRC Accounting Standards, claim reserves are provided for claims reported but not settled, and claims incurred but not reported at the balance sheet date. Reserves for claims incurred but not reported are estimated on the basis of 4% actual claim losses. From September 1, 2006, in accordance with the "Regulations on health insurance" (Baojianhuiling [2006] No. 8), the Chain-ladder method and the Bornhuetter-Ferguson method are used to calculate the reserves for health insurance business. The higher of the two results will be the best estimate. Under IFRS, reserves for claims incurred but not reported are estimated using actuarial techniques.
- (2) Under 2006 PRC Accounting Standards, unearned premium reserves of life insurance businesses should be no less than 50% of the net premium for the current period. Under IFRS, the unearned premium reserves are provided using actuarial valuation results (1/365 method).
- (3) Under 2006 PRC Accounting Standards, policyholders' reserves are provided in accordance with related actuarial regulations released by China Insurance Regulatory Commission (the "CIRC"). Under IFRS, policyholders' reserves are provided in accordance with IFRS 4 Insurance Contracts and by reference to US GAAP.
- (4) Under 2006 PRC Accounting Standards, the handling costs and commission expenses of acquiring new policies are recognized in the income statement when incurred. Under IFRS, the handling costs and commission expenses of acquiring new policies are deferred and amortized over the premium paying period of the insurance contracts or amortized in proportion to the present value of estimated gross profits expected to be realized over the life of the insurance contracts, in accordance with IFRS 4 Insurance Contracts and by reference to US GAAP.
- (5) Under 2006 PRC Accounting Standards, the Group classifies its investments into short-term investments and long-term investments, depending on liquidity and the period for which these

investments are intended to be held. Short-term investments are carried at the lower of cost and market value, while long-term investments are stated at the lower of book value and the recoverable amount. Under IFRS, the Group classifies its investments into four categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and other receivables and available-for-sale financial assets, in accordance with IAS 32 Financial instruments: Presentation as well as IAS 39 Financial Instruments: Recognition and measurement. Available-for-sale financial assets and financial assets at fair value through profit or loss are stated at fair value. Held-to-maturity financial assets and loans and other receivables are carried at amortized cost. Unrealized gains or losses, arising from changes in fair value of financial assets at fair value through profit or loss, are recognized in the income statement. Unrealized gains or losses, arising from changes in fair value of available-for-sale financial assets, are reported in equity. On derecognition or impairment of available-for-sale financial assets, the cumulative unrealized gains or losses previously reported in equity is transferred to the income statement.

- (6) The above differences between PRC Accounting Standards and IFRS are temporary differences in accordance with IAS 12 Income taxes. The Group recognizes deferred tax assets on the basis of the above differences and the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

III. Key Financial Figures and Performance Indicators for the Three Years before the End of the Reporting Period

Items	2006	2005	2004
Underwriting income (RMB thousand)	81,712,128	67,383,647	61,495,615
Profit before tax (RMB thousand)	6,258,005	3,755,790	3,217,852
Net profit (RMB thousand)	5,985,962	3,338,428	2,608,081
Net profit after deducting non-recurring items (RMB thousand)	5,697,879	3,259,773	2,625,639
Total assets (RMB thousand)	441,791,056	288,103,742	238,967,113
Shareholders' equity (excluding minority interests) (RMB thousand)	36,667,865	32,664,006	30,176,742
Net cash flows from operating activities (RMB thousand)	37,357,714	31,890,081	34,370,145
Fully diluted earnings per share (RMB)	0.97	0.54	0.42
Earnings per share based on latest share capital(RMB) ⁽¹⁾	0.81	-	-
Weighted average earnings per share (RMB)	0.97	0.54	0.47
Fully diluted earnings per share after deducting non-recurring items (RMB)	0.92	0.53	0.42
Weighted average earnings per share after deducting non-recurring items (RMB)	0.92	0.53	0.47
Net assets per share (RMB)	5.92	5.27	4.87
Adjusted net assets per share (RMB)	5.89	5.25	4.85
Net cash flows per share from operating activities (RMB)	6.03	5.15	6.18
Fully diluted return on net assets (%)	16.3	10.2	8.6
Weighted average return on net assets (%)	17.3	10.6	11.6
Fully diluted return on net assets after deducting non-recurring items (%)	15.5	10.0	8.7

Weighted average return on net assets after deducting non-recurring items (%)	16.4	10.4	11.6
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- (1) On February 9, 2007, the Company issued 1.15 billion ordinary A-Shares and as a result the Company's total share capital increased to 7,345,053,334 shares. This earnings per share is calculated based on the latest share capital.

IV. Changes in Shareholders' Equity During the Reporting Period and the Reasons for the Changes

Unit: RMB thousand

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
Share capital	6,195,053	-	-	6,195,053
Capital reserve	15,162,575	314	-	15,162,889
Surplus reserve fund	5,526,410	599,682	-	6,126,092
Including: statutory public welfare fund	784,001	-	(784,001)	-
General reserve	394,510	-	-	394,510
General risk provision	-	16,752	-	16,752
General provision	35,679	40,954	-	76,633
Loss provision for trust business	-	28,774	-	28,774
Retained profits	5,349,779	5,985,962	(2,668,579)	8,667,162
Total shareholders' equity	32,664,006	6,672,438	(2,668,579)	36,667,865

Reasons for the changes are set out as follows:

1. Capital reserve: the increase was mainly due to the equity investment credit difference arising from the acquisition of Pan-China Real Estate (Jingzhou) Co., Ltd. by China Ping An Trust & Investment Co., Ltd (hereinafter as "Ping An Trust"), a subsidiary of the Company.
2. Surplus reserve fund: the increase was mainly due to provision of statutory surplus reserve fund made by the Company on certain proportions to net profit in accordance with relevant regulations.
3. Statutory public welfare fund: the decrease was mainly due to transfer of the balance of its statutory public welfare fund to its statutory surplus reserve fund by the Company in accordance with the "Notice on issues encountered on the implementation of the Company Law. (Caiqi [2006] No.67).

4. General risk provision, general provision and loss provision for trust business: the increase was due to provisions made by the Company in accordance with the requirements of relevant regulations regarding to securities, banking and trust business.
5. Retained profits: the increase was attributable to net profit for the year, while the decrease was due to the Company's distribution of profit by way of cash dividends payments and appropriation to surplus reserve fund and various reserve funds.

V. Key Financial Figures and Regulatory Indicators

(I) Returns on net assets and earnings per share

Set out below is the returns on net assets and earnings per share of the Company for the year 2006 which was calculated in accordance with the requirements of the "Standard No.9 Disclosure Requirements of Public Listed Companies – Calculation and Disclosure of Return on Net Assets and Earnings Per Share" issued by the CSRC:

Items	Profit for the period (RMB thousand)	Returns on net assets (%)		Earnings per share (RMB)	
		Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal operations ⁽¹⁾	(14,516,863)	(39.6)	(41.9)	(2.34)	(2.34)
Operating profit	6,182,392	16.9	17.8	1.00	1.00
Net profit	5,985,962	16.3	17.3	0.97	0.97
Net profit after deducting non-recurring items	5,697,879	15.5	16.4	0.92	0.92

(1) The Group has adopted the "Accounting System for Financial Institutions", which do not differentiate revenue from principal or non-principal operations. The "profit from principal operations" stated above is extracted from "underwriting losses" in the Group's income statement. Investment income and interest income, both being the major sources of income of the Group, were not grouped under "profit from principal operations". In fact, the "operating profit" stated above is a better reflection of the profitability of the Group's principal operations.

(II) Other key financial figures and regulatory indicators

Indicators	December 31, 2006	December 31, 2005	December 31, 2004
Overall indicators			
Gearing ratio ⁽¹⁾ (%)	91.7	88.7	87.4

Liquid ratio ⁽²⁾ (%)	143.0	354.6	504.1
Life insurance business			
Net premium growth rate ⁽³⁾ (%)	17.8	7.4	(6.8)
Payment ratio ⁽⁴⁾ (%)	3.4	3.9	4.1
Lapse rate ⁽⁵⁾ (%)	3.4	3.4	2.7
Actual solvency margin of Ping An Life (RMB thousand)	18,000,200	15,177,116	11,335,039
Minimum solvency margin of Ping An Life (RMB thousand)	13,095,590	10,787,057	9,206,213
Solvency margin ratio of Ping An Life (%)	137.5	140.7	123.1
Property and casualty insurance business			
Net premium growth rate ⁽³⁾ (%)	42.9	25.7	30.0
Combined ratio ⁽⁶⁾ (%)	99.9	96.9	95.0
Underwriting profit margin ⁽⁷⁾ (%)	0.1	3.1	5.0
Loss ratio ⁽⁸⁾ (%)	59.7	61.0	59.8
Actual solvency margin of Ping An Property & Casualty (RMB thousand)	3,437,444	2,113,234	1,753,788
Minimum solvency margin of Ping An Property & Casualty (RMB thousand)	1,989,749	1,377,350	1,105,407
Solvency margin ratio of Ping An Property & Casualty (%)	172.7	153.4	158.7

(1) Gearing ratio = (Total liabilities + Minority interests) / Total assets;

(2) Liquid ratio = Current assets / Current liabilities;

(3) Net premium growth rate = (Underwriting income for the current year – Underwriting income for the prior year) / Underwriting income for the prior year;

(4) Payment ratio = (Payments on death and medical claims + Payments on maturities + Payments on annuities + Claim expenses – Claims recoverable from reinsurers) / [(Provision for claim reserves + Write-back of claim reserves + Provision for unearned premium reserves + Write-back of unearned premium reserves + Provision for policyholders' reserves for life insurance + Write-back of policyholders' reserves for life insurance + Provision for long-term reserves for health insurance + Write-back of long-term reserves for health insurance) / 2];

(5) Lapse ratio = Payments on surrenders / [(Provision for policyholders' reserves for life insurance + Write-back of policyholders' reserves for life insurance + Provision for long-term reserves for health insurance + Write-back of long-term reserves for health insurance) / 2];

(6) Combined ratio = (Underwriting expenses + Change in claim reserves) / (Underwriting income – Change in unearned premium reserves – Change in long-term unearned premium reserves);

(7) Underwriting profit margin = Underwriting profit / (Underwriting income – Change in unearned premium reserves – Change in long-term unearned premium reserves);

(8) Loss ratio = (Claim expenses – Claims recoverable from reinsurers – Subrogation income + Claims

for reinsurance accepted + Change in claim reserves) / (Underwriting income – Change in unearned premium reserves – Change in long-term unearned premium reserves).

SECTION 4 CHANGES IN SHARE CAPITAL AND SHAREHOLDERS' PROFILE

I. Changes in Share Capital

(I) Changes in share capital

Unit: share

	Before the Change		Increase/decrease this time (+, -)					After the Change	
	Number	Percentage (%)	Issue of new shares	Bonus share	Conversion of reserve fund into shares	Others	Sub-total	Number	Percentage (%)
I. Shares subject to trading moratorium									
1. State-owned shares	588,859,239	9.5	-	-	-	-	-	588,859,239	9.5
2. State-owned Legal-person shares	367,542,525	5.9	-	-	-	-	-	367,542,525	5.9
3. Other domestic shares	2,680,007,872	43.3	-	-	-	-	-	2,680,007,872	43.3
Including:									
Domestic Legal-person shares	2,680,007,872	43.3	-	-	-	-	-	2,680,007,872	43.3
Domestic Natural-person shares	-	-	-	-	-	-	-	-	-
4. Foreign shares	-	-	-	-	-	-	-	-	-
Including:									
Overseas Legal-person shares	-	-	-	-	-	-	-	-	-
Overseas Natural-person shares	-	-	-	-	-	-	-	-	-
Total	3,636,409,636	58.7	-	-	-	-	-	3,636,409,636	58.7
II. Shares not subject to trading moratorium									
1. Renminbi ordinary shares	-	-	-	-	-	-	-	-	-
2. Domestic listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares ⁽¹⁾	2,558,643,698	41.3	-	-	-	-	-	2,558,643,698	41.3
4. Others	-	-	-	-	-	-	-	-	-
Total	2,558,643,698	41.3	-	-	-	-	-	2,558,643,698	41.3
III. Total number of shares ⁽²⁾	6,195,053,334	100.0	-	-	-	-	-	6,195,053,334	100.0

- (1) Among the shareholders of H shares, HSBC Insurance Holdings Limited and Dai-ichi Mutual Life Insurance Company shall not dispose the H shares (which were transferred from overseas Legal-person shares) they hold within three years after the listing of H shares respectively, while the other shareholders of H shares are not subject to such trading moratorium period.
- (2) A shares of the Company was listed on the Shanghai Stock Exchange in the PRC on March 1, 2007. Total number of A shares issued was 1.15 billion at the issue price of RMB33.8 per share. Upon such issue of A shares, the total shares of the Company amounted to 7,345,053,334 shares.

(II) Issuance and Listing of Shares

1. Share issuing over the previous three years

Unit: share

Class of shares	Date of issue	Issue price	Number of shares issued	Listing Date	Number of shares approved for listing and trading	Termination date of trading
H Shares	June 24, 2004	HK\$10.33	1,261,720,000	June 24, 2004	2,558,643,698	-

After consideration and discussion at the first Extraordinary General Meeting of the Company in 2004 convened on March 9, 2004 and in accordance with the "Approval of Ping An Insurance (Group) Company of China, Ltd. to list overseas and issue H Shares" (Baojianfu [2003] No.228) issued by the CIRC dated December 31, 2003 and the "Approval of Overseas Shares Issuance by Ping An Insurance (Group) Company of China, Ltd." (Zhengjianguohezi [2004] No.18) issued by the CSRC dated May 12, 2004, the Company was allowed to issue H Shares. In June 2004, the Company issued 1,387,892,000 H Shares at the price of HK\$10.33 per share, comprising 1,261,720,000 new shares and 126,172,000 state-owned shares. Meanwhile, 1,170,751,698 foreign shares were allowed to be converted into H Shares. Upon issuing the H Shares, the total shares of the Company changed to 6,195,053,334 shares, comprising 2,558,643,698 H Shares and 3,636,409,636 domestic shares, accounting for 41.3% and 58.7% of the total shares respectively. On November 28, 2005, the State Administration for Industry & Commerce issued the corporate legal person business licence (registration no.: 1000001001231) after the issue of H Shares by the Company, and the registered capital increased to RMB6,195,053,334.

2. Changes in total number of shares and shareholding structure

During the reporting period, there were no changes in the Company's total number of shares and shareholding structure arising from distribution of bonus shares and share allotment, etc.

3. Existing employees' shares

In the reporting period, the Company had no internal staff shares.

II. Shareholders profile

(I) Number of shareholders and their shareholdings

Unit: share

Total number of shareholders at the end of the reporting period		7,247 (Of which 53 are holders of domestic unlisted legal person shares)				
Top ten shareholders						
Name of shareholders	Nature of shareholding	Proportion (%)	Total number of shares held	Increase /Decrease in the year	Number of shares held which are subject to trading moratorium	Shares pledged or frozen
HSBC Insurance Holdings Limited	Shareholders of foreign shares	9.99	618,886,334	-	493,333,334	-
The Hongkong and Shanghai Banking Corporation Limited	Shareholders of foreign shares	9.91	613,929,279	-	-	-
Shenzhen Investment Holding Company Limited	Shareholders of state-owned shares	8.77	543,181,445	-	543,181,445	-
Shenzhen New Horse Investment Development Co., Ltd.	Others	6.29	389,592,366	-	389,592,366	-
Yuan Trust	Others	6.13	380,000,000	-	380,000,000	-

Investment Company Ltd.						
Shenzhen Jingao Industrial Development Co., Ltd.	Others	5.34	331,117,788	-	331,117,788	-
Shenzhen Shum Yip Investment Development Company Limited	Shareholders of state-owned shares	4.87	301,585,684	-	301,585,684	244,030,000 shares were pledged
Guangzhou Hengde Trade Development Co., Ltd.	Others	3.23	200,000,000	-	200,000,000	-
Shenzhen Wuxin Yufu Industrial Co., Ltd	Others	3.16	195,455,920	-	195,455,920	65,151,976 shares were pledged
Shenzhen Liye Group Company Limited	Others	2.84	176,000,000	-	176,000,000	176,000,000 shares were pledged
Shareholdings of the top ten shareholders not subject to trading moratorium						
Name of shareholders		Number of shares not subject to trading moratorium held		Class of shares		
The Hongkong and Shanghai Banking Corporation Limited		613,929,279		Overseas listed foreign shares		
THE GOLDMAN SACHS GROUP INC		7,077,876		Overseas listed foreign shares		
PATOKA LIMITED		343,000		Overseas listed foreign shares		
RIGHT TIME HOLDINGS LTD		230,000		Overseas listed foreign shares		
CHAN MING HUNG		150,000		Overseas listed foreign		

		shares
KONG YIU MAN SIMON	150,000	Overseas listed foreign shares
A-CLASS INVESTMENT LIMITED	100,000	Overseas listed foreign shares
CHOW KIM SIN	100,000	Overseas listed foreign shares
THE PUI YING MIDDLE SCHOOL OF HONG KONG	100,000	Overseas listed foreign shares
TAM WING FAN	100,000	Overseas listed foreign shares
Description on connected relation or act-in-concert relation among the above shareholders	1. HSBC Insurance Holdings Limited and The Hongkong and Shanghai Banking Corporation Limited are connected as they both are under the control of HSBC Holdings. 2. There is connection relation between Shenzhen New Horse Investment Development Co., Ltd. and Shenzhen Jingao Industrial Development Co., Ltd. because they share the same investors. Saved for the above, the Company is unaware of any connected relation among the other shareholders	

(II) Introduction to the controlling shareholder and actual controller

The Company's shareholding structure is diversified and there is no controlling shareholder or actual controller. The first and second largest shareholders of the Company are HSBC Insurance Holdings Limited and Hongkong and Shanghai Banking Corporation Limited respectively, both of which are wholly-owned subsidiaries of HSBC Holdings plc. As at December 31, 2006, these two companies have an interest of 1,232,815,613 H Shares of the Company in total.

(III) Other legal person shareholders who are interested in over 10% of total shares

As at the end of the reporting period, the Company did not have any other legal person shareholder who is interested in over 10% of total shares.

SECTION 5 DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

I. Basic Information of Directors, Supervisors and Senior Management

Name	Position	Sex	Age	Date of starting	Shares held at year-beginning	Shares held at year-end	Increase or decrease of shares	Reason for Change
MA Mingzhe	Chairman and Chief Executive Officer	Male	51	May 2006 – 2009 Re-election	-	-	-	-
CHEUNG Chi Yan Louis	Executive Director, President and CFO	Male	43	May 2006 – 2009 Re-election	248,000 H shares	248,000 H shares	-	-
SUN Jianyi	Executive Director, Board Secretary and Executive Vice President	Male	54	May 2006 – 2009 Re-election	-	-	-	-
HUANG Jianping	Non-executive Director	Male	47	May 2006 – March 2007	-	-	-	-
LIN Yu Fen	Non-executive Director	Male	36	May 2006 – 2009 Re-election	-	-	-	-
CHEUNG Lee Wah	Non-executive Director	Male	60	May 2006 – 2009 Re-election	-	-	-	-
Anthony Philip HOPE	Non-executive Director, Vice Chairman	Male	60	May 2006 – 2009 Re-election	-	-	-	-
LIN Lijun	Non-executive Director	Female	44	May 2006 – 2009 Re-election	-	-	-	-
FAN Gang	Non-executive	Male	52	May 2006 – 2009	-	-	-	-

	Director			Re-election				
DOU Wenwei	Non-executive Director	Male	41	May 2006 – March 2007	-	-	-	-
SHI Yuxin	Non-executive Director	Male	52	May 2006 – March 2007	-	-	-	-
HU Aimin	Non-executive Director	Male	58	May 2006 – 2009 Re-election	-	-	-	-
CHEN Hongbo	Non-executive Director , Vice Chairman	Male	55	May 2006 – 2009 Re-election	-	-	-	-
WONG Tung Shun Peter	Non-executive Director	Male	55	May 2006 – 2009 Re-election	-	-	-	-
NG Sing Yip	Non-executive Director	Male	55	May 2006 – 2009 Re-election	-	-	-	-
BAO Youde	Independent Non-executive Director	Male	75	May 2006 – 2009 Re-election	-	-	-	-
KWONG Che Keung Gordon	Independent Non-executive Director	Male	57	May 2006 – 2009 Re-election	-	-	-	-
CHEUNG Wing Yui	Independent Non-executive Director	Male	57	May 2006 – 2009 Re-election	-	-	-	-
CHOW Wing Kin Anthony	Independent Non-executive Director	Male	56	May 2006 – 2009 Re-election	-	-	-	-
ZHANG Hongyi	Independent Non-executive Director	Male	61	March 2007 – 2009 Re-election	-	-	-	-
CHEN Su	Independent	Male	49	March	-	-	-	-

	nt Non-exec utive Director			2007 — 2009 Re-election				
XIAO Shaolian	Chairman of the Superviso ry Committe e (Indepen dent Superviso r)	Male	73	May 2006 — 2009 Re-election	-	-	-	-
SUN Fuxin	Independe nt Superviso r	Male	68	May 2006 — 2009 Re-election	-	-	-	-
DONG Likun	Independe nt Superviso r	Male	64	May 2006 — 2009 Re-election	-	-	-	-
DUAN Weihong	Supervisor	Fem- ale	38	May 2006 — 2009 Re-election	-	-	-	-
LIN Li	Supervisor	Male	43	May 2006 — 2009 Re-election	-	-	-	-
CHE Feng	Supervisor	Male	37	May 2006 — 2009 Re-election	-	-	-	-
HU Jie	Supervisor	Fem- ale	51	May 2006 — 2009 Re-election	-	-	-	-
HE Shi	Supervisor	Male	42	May 2006 — 2009 Re-election	-	-	-	-
WANG Wenjun	Supervisor	Fem- ale	39	May 2006 — 2009 Re-election	-	-	-	-
LEUNG Ka Kui Dominic	Executive Vice President	Male	59	June 2006 —	-	-	-	-
Richard JACKSON	Chief Finance Business Officer	Male	51	November 2005—	-	-	-	-

KU Min-shen	Senior Vice President	Male	50	February 2003—	177,500 H shares	177,500 H shares	-	-
John PEARCE	Senior Vice President	Male	44	January 2007—	-	-	-	-
REN Huichuan	Senior Vice President	Male	37	January 2007—	-	-	-	-
GOH Yethun	Senior Vice President	Male	37	January 2007—	-	-	-	-
WANG Liping	Senior Vice President	Female	50	January 2004—	-	-	-	-
CHEN Kexiang	Senior Vice President	Male	49	January 2007—	-	-	-	-
LO Sai Lai	Senior Vice President	Male	44	January 2007—	-	-	-	-

- (1) Mr. Lin Li, a Supervisor of the Company, indirectly holds 176,000,000 locked-up A shares of the Company through Shenzhen Liye Group Co., Ltd. (formerly known as “Shenzhen Liye Investment Development Co., Ltd.”) controlled by him.
- (2) Apart from direct shareholdings, some Directors, Supervisors and Senior Management of the Company indirectly hold the shares of the Company through employees’ investment pool and Jiangnan Industrial. As at 31 December 2006, the beneficiary owners of employees’ investment pool held 11.63% of the total existing share capital of the Company while Jiangnan Industrial held 139,112,886 shares of the Company. The shares indirectly held by Directors, Supervisors (other than Mr. Lin Li) and Senior Management of the Company were as below:

Name	Equity interest held in employees’ investment pool	Pro rata shareholdings in Jiangnan Industrial (%)
MA Mingzhe	4,743,600	5.86
CHEUNG Chi Yan Louis	500,000	2.93
SUN Jianyi	4,168,300	3.83
DOU Wenwei	5,000	-
FAN Gang	502,080	0.44
LIN Lijun	992,800	0.12
HE Shi	836,160	0.35
HU Jie	2,358,240	-
WANG Wenjun	64,602	-
LEUNG Ka Kui Dominic	300,000	-
Richard JACKSON	-	0.59
KU Min-shen	300,000	1.76
REN Huichuan	735,040	1.41
GOH Yethun	300,000	3.57
WANG Liping	1,721,520	1.17

CHEN Kexiang	1,373,040	3.81
LO Sai Lai	300,000	0.70
Total	19,200,382	26.54

II. Working Experiences and Part-time Works of Directors, Supervisors and Senior Management

(I) Executive Directors

MA Mingzhe, has been the Chairman of the Board of Directors and Chief Executive Officer of our Company since April 1994 and April 2001 respectively. He is a member of the 10th National Committee of the Chinese People's Political Consultative Conference. Since the establishment of Ping An Insurance Company in March 1988, he has held various positions, including President, Director and Chairman of the Board, and has throughout been fully involved in the operation and management of our Company. Prior to that, Mr. Ma was the Deputy Manager of China Merchants Shekou Industrial Zone Social Insurance Company. Mr. Ma has a Doctorate degree in Money and Banking from Zhongnan University of Economics and Law (previously Zhongnan University of Economics).

CHEUNG Chi Yan Louis, has been serving as our Chief Financial Officer and President since February 2003 and October 2003 respectively and has been an Executive Director since May 2006. He joined our Company in February 2000 and previously served as Senior Advisor to the Chairman, Chief Information Officer, Senior Vice President and Chief Financial Officer. From 1993-2000, Mr. Cheung was a management consultant and later became a global partner of McKinsey & Company, advising mainly financial services clients throughout Asia. Mr. Cheung has a Ph.D. degree in Business Information Systems from the University of Cambridge.

SUN Jianyi, has been the Executive Vice President and Vice Chief Executive Officer of our Company since October 1994 and February 2003 respectively. Mr. Sun has been serving as the Board Secretary and the Executive Director since May 2006 and March 1995. Mr. Sun is also an independent non-executive director of Shenzhen Vanke Co., Ltd.. Since joining our Company in July 1990, he has been the General Manager of the Management Department, Senior Vice President and Executive Vice President. Prior to joining our Company, Mr. Sun was the Head of the Wuhan Branch of the People's Bank of China and the Deputy General Manager of the Wuhan Branch Office of the People's Insurance Company of China and the General Manager of Wuhan Securities Company. He has a Diploma in Finance from Zhongnan University of Economics and Law (previously Zhongnan University of Economics).

(II) Non-executive Directors

HUANG Jianping (resigned with effect from March 19, 2007), has been a Non-executive Director of the Company since May 2002. He is also the Deputy Director of the planning and finance department of Shenzhen Municipality Investment Holding Company Limited. Mr. Huang has a Diploma in Finance from Shenzhen University.

LIN Yu Fen, has been a Non-executive Director of the Company since October 2002. He is also an executive director of Capital China Group Company Limited. He graduated from City University of Hong Kong with an Honor degree in Finance. Mr. Lin is also a fellow member of the Association of Chartered Certified Accountants.

CHEUNG Lee Wah, has been a Non-executive Director of the Company since October 2002. He has served as the General Manager for Wuhan Huachuang Enterprise Management Consulting Company Limited since 2001. Mr. Cheung was previously a Manager of Hilichamp Company Limited. He has a Bachelor's degree from McMaster University in Canada.

Anthony Philip HOPE, has been a Non-executive Director of the Company since November 2002. Mr. HOPE has also been serving as Vice Chairman of the Board since August 25, 2005. Mr. HOPE was appointed Chairman of HSBC Insurance Holdings Limited in 1987 and Group General Manager of Insurance of HSBC Holdings plc in 1996, but he resigned from this position with effect from October 31, 2006. Mr. HOPE retired on February 27, 2007 but remains as a Non-executive Director of the Company and the Vice Chairman of the Board. He was appointed an Independent Non-executive Director of Paris Re, Bermuda (formerly Axa Re) from March 14, 2007.

LIN Lijun, has been a Non-executive Director of the Company since May 2003 and is currently the Vice Chairman of the Company Union. Ms. Lin has served as the Chairman of the board of directors of Shenzhen New Horse Investment Development Co., Ltd. since 2000. Ms. Lin previously served as the Deputy General Manager of the Human Resources Department in Ping An Property & Casualty Insurance Company of China, Ltd. (the "Ping An Property & Casualty"), a subsidiary of our Company from 1997 to 2000. She has a Bachelor's degree in Chinese Language and Literature from South China Normal University.

FAN Gang, has been a Non-executive Director of the Company since May 2003. Mr. Fan is also a director of Shenzhen Jiangnan Industrial Development Co., Ltd. Mr. Fan has been the General

Manager of the Chairman's Office of our Company since 2002. Mr. Fan joined our Company in 1988. Mr. Fan served as the General Manager of the Shenzhen Branch (Property & Casualty) of our Company from 1998 to 2000. Mr. Fan was previously the Deputy Director of the Insurance Management Committee of our Company. Mr. Fan has a Diploma in History from Hubei University.

DOU Wenwei (resigned with effect from March 19, 2007), has been a Non-executive Director of the Company since May 2003. Mr. Dou is also a Director of Shenzhen Jiangan Industrial Development Co., Ltd. Mr. Dou has been the assistant general manager of the legal and compliance department of our Company since 2004. He has a Master's degree in PRC Civil Law from Jilin University.

SHI Yuxin (resigned with effect from March 19, 2007), has been a Non-executive Director of the Company since October 2003. Mr. Shi has served as the Managing Director of Shenzhen Wuxin Yufu Industrial Co., Ltd. (formerly Wuhan Wuxin Industrial Co., Ltd.) since December 1992. Mr. Shi is also the director of Wuhan Dapeng Industrial Company Limited. Mr. Shi has an L.L.M. degree from Wuhan University.

HU Aimin, has been a Non-executive Director of the Company since March 2004. Mr. Hu has served as the Chairman of the board of directors of Shum Yip Holdings Company Limited and Shenzhen Investment Limited since April 2003 and June 2003 respectively. Mr. Hu has also served as the Chairman of the board of directors of Shenzhen Shum Yip Investment Development Company Limited since November 2003. Mr. Hu previously served as the Secretariat to the People's Government of Shenzhen and the director of the general office of the People's Government of Shenzhen concurrently. Mr. Hu has a Master's degree in Management from Hunan University.

CHEN Hongbo, has been a Non-executive Director of the Company since June 23, 2005. Mr. Chen has also been serving as Vice Chairman of the Board since August, 2005. Mr. Chen is the Chairman and the Secretary of the Party Committee of Shenzhen Investment Holdings Co., Ltd. since September 2004 and was the Deputy Director of Shenzhen State-owned Assets Supervision and Administration Commission from April 2004 to September 2004 and the Assistant Director, the Deputy General Director of the Economic System Restructuring Office of Shenzhen Municipal Government from December 1992 to April 2004. Mr. Chen graduated from Zhongnan University of Economics and Law (previously Zhongnan University of Economics) with a Master's degree in Economics.

WONG Tung Shun Peter, as been a Non-executive Director of the Company since May 2006. Mr. Wong joined HSBC in February 2005 and has been the Group General Manager and the executive director of The Hongkong and Shanghai Banking Corporation Limited since April 2005, being responsible for the Hong Kong and mainland China businesses. Mr. Wong is currently also a Director of Hang Seng Bank Limited., Chairman of HSBC Insurance (Asia-Pacific) Holdings Limited, and a Director of Bank of Communications Limited, Ping An Bank Limited (the “Ping An Bank”) and Hong Kong Interbank Clearing Limited. Mr. Wong joined the banking industry in 1980 when he joined Citibank as Assistant Financial Controller, and was later made director of Business Development, deputy managing director and director of Banking, director of Sales, Services and Distribution Channels for Citibank’s North Asian operations in 1996. Mr. Wong was appointed the Head of Consumer Banking of Standard Chartered Bank in 1997 for its Hong Kong and China operations and later became Chief Executive Officer for its Hong Kong operations in 2000 and director of Greater China operations in 2002. Mr. Wong was educated at the Indiana University in the USA and holds a Bachelor’s degree in computer science, an MBA in marketing and finance and an MSc in computer science.

NG Sing Yip, has been a Non-executive Director of the Company since May 2006. Mr. Ng has been the Head of Legal and Compliance of the Hongkong and Shanghai Banking Corporation Limited since January 1998. Mr. Ng is admitted as a solicitor to the Supreme Courts of England, Hong Kong and Victoria, Australia. He previously worked as a Crown Counsel in the Attorney General’s Chambers before going into private practice. Mr. Ng joined the Hongkong and Shanghai Banking Corporation Limited in June 1987 as Assistant Group Legal Consultant, and was later appointed Deputy Head of the Legal and Compliance Department in February 1993. Mr. Ng has a Bachelor’s degree and Master’s degree in Laws (L.L.B. and L.L.M.) from the University of London, and also has a Bachelor’s degree in Laws (L.L.B.) from Beijing University.

(III) Independent Non-executive Directors

BAO Youde, has been a Non-executive Director of the Company since September 1995 and has been an Independent Non-executive Director of the Board since 2003. Prior to retiring in 1999, he was a Deputy Chairman of the board of directors and the General Manager of the Shanghai International Trust Investment Company. In 1987, Mr. Bao was selected to serve as a representative in the Chinese Communist Party’s 13th Congress. In both 1988 and 1993, he was selected to serve as a representative in the Shanghai People’s Congress. He graduated from Shanghai University of Finance and Economics with a Diploma in Accounting.

KWONG Che Keung Gordon, has been an Independent Non-executive Director of the

Company since May 2003. Mr. Kwong is also independent non-executive director of a number of companies listed on the Hong Kong Stock Exchange, namely Cosco International Holdings Limited, Tianjin Development Holdings Limited, Beijing Capital International Airport Company Limited, Frasers Property (China) Limited, NWS Holdings Limited, China Oilfield Services Limited, Concepta Investments Limited, China Chengtong Development Group Limited, Global Digital Creations Holdings Limited, Quam Limited, Tom Online Inc., China Power International Development Limited, New World Mobile Holdings Limited, Henderson Land Development Company Limited, Henderson Investment Limited, and Agile Property Holdings Limited. From 1984 to 1998, Mr. Kwong was a partner of Pricewaterhouse and was a council member of the Hong Kong Stock Exchange from 1992 to 1997. He has a Bachelor of Social Science degree from the University of Hong Kong and is a fellow member of the Institute of Chartered Accountants in England and Wales. Mr. Kwong previously served as a non-executive director of Cosco Pacific Limited until his resignation in January 2006 and was an independent non-executive director of Henderson China Holdings Limited which was privatized in July 2005.

CHEUNG Wing Yui, has been an Independent Nonexecutive Director of the Company since May 2003. Mr. Cheung is also an independent director or non-executive director of a number of companies listed on the Stock Exchange, namely SmarTone Telecommunications Holdings Limited, SUNeVision Holdings Limited, Tai Fook Securities Group Limited, Tianjin Development Holdings Limited, Shanghai Real Estate Limited, Tai Sang Land Development Limited, Hop Hing Holdings Limited, Ching Hing (Holdings) Limited and Agile Property Holdings Limited. Mr. Cheung is also a practicing lawyer and a consultant of Woo, Kwan, Lee & Lo. In addition, he was the Vice Chairman of the Mainland Legal Affairs Committee of the Law Society of Hong Kong until he retired on December 31, 2005 and is now a Council Member of the Open University of Hong Kong and a member of the Board of Review (Inland Revenue Ordinance). Mr. Cheung has a Bachelor's degree in Commerce majoring in Accounting from New South Wales University in Australia. Mr. Cheung is also a member of Australian Society of CPAs.

CHOW Wing Kin Anthony, has been an Independent Non-executive Director of the Company since June 2005. Mr. Chow has been practicing as a solicitor in Hong Kong and is a partner of the law firm, Peter C. Wong, Chow & Chow. He is also a China-appointed attesting officer. He has been serving as an independent non-executive director of Fountain Set (Holdings) Limited since September 2004 and an independent non-executive director of Kingmaker Footwear Holdings Limited since May 1994 and subsequently a non-executive director. Mr. Chow has been appointed as an independent non-executive director of the Link Management Limited and Evergro Properties Limited (formerly Dragonland Limited), a company listed on the Singapore Stock Exchange since May 2006 and April 2006 respectively. Mr. Chow was the Vice Chairman

of the Estate Agents Authority until October 31, 2006 and a member of the Hong Kong Housing Authority until May 8, 2006, and is a member of the Law Reform Commission of Hong Kong, Chairman of the Process Review Panel of the Securities and Futures Commission, and a Council Member of The Hong Kong Institute of Education. He is also a member of National Committee of the Chinese People's Political Consultative Conference and a member of the board of Steward of the Hong Kong Jockey Club.

ZHANG Hongyi, a Senior Economist, has been an independent Non-executive Director of the Company since March 19, 2007. Mr Zhang is a fellow of the Hong Kong Institute of Bankers and a professor at the Graduate School of the People's Bank of China. Mr. Zhang is currently the Executive Vice President of China Development Institute (Shenzhen • PRC) and previously served as the President of the Shenzhen branch of Bank of China, Vice Mayor of Shenzhen, Deputy Director of Hong Kong & Macau Management Division of Bank of China, Chairman of the Nanyang Commercial Bank and Chairman of Hua Chiao Commercial Bank Ltd, Vice Chairman of Bank of China Credit Card (International) Company Limited, General Manager of the Macau branch of Bank of China, Executive Vice President of BANCO TAI FUNG, Chairman of Nam Tung(Macau) Investment Co.,Ltd, Chairman of Zhuhai Nantong Bank, Chairman of the Macau Bankers Association and Member of the Macau SAR Economics Affairs Committee.

CHEN Su, has been an Independent Non-executive Director of the Company since March 19, 2007. Mr. Chen is currently the Joint Secretary to the Committee of the Communist Party of China at the Institute of Law at the Chinese Academy of Social Science and the international law center, the Deputy Director of the Research Department of the Institute of Law and the Deputy Director of the Research Department of the Institute of International Law. Mr. Chen was also a member of the Special Committee for Company Law Amendments of the Legality Office of the State Council and a member of the Special Committee for Securities Law Amendments of the Financial and Economics Affairs Committee of the National People's Congress.

(IV) Supervisors

XIAO Shaolian, has been an Independent Supervisor of our Company and the Chairman of our Supervisory Committee since August 1994 and May 2003, respectively. Mr. Xiao previously served as the Deputy Governor of the Shenzhen Branch of the People's Bank of China and Deputy Director of Shenzhen Foreign Exchange Administration Bureau concurrently.

SUN Fuxin, has been an Independent Supervisor of our Company since May 2003. Mr. Sun is currently the Chairman of the board of directors of Tian Yi Investment Guarantee Company and

a deputy director of Dalian Credit Ranking Commission. Prior to his retirement in April 2003, Mr. Sun served as a Deputy Governor of the Dalian Branch of Industrial and Commercial Bank of China Limited, a Deputy Secretariat of People's Government of Dalian in charge of budget, finance, real estate and tax. Mr. Sun also previously served as the director of the Management Committee of Bank of Communication's Dalian Branch, the Securities Regulatory Office of Dalian, the general office of financial management of Dalian, Head of Dalian Real Estate Development Administration Office and the Resource Allocation of Underdeveloped Areas of Dalian and the Chairman of the board of directors of Dalian Commercial Bank.

DONG Likun, has been appointed as an Independent Supervisor of our Company since May 2006. Mr. Dong is currently the Head of the Graduate School of Hong Kong Law of the Shenzhen University, senior researcher of the Hong Kong-Macau Research Centre of Development Research Centre of the State Council of the People's Republic of China, General Secretariat of the Chinese International Law Society, Deputy President of the Chinese International Private Law Society, Chief Secretariat of the Hong Kong-Macau Research Centre of the Guangdong Law Society and arbitrator at the China International Economic and Trade Arbitration Commission. Mr. Dong was previously the Head of the International Law Centre of The Shanghai Academy of Social Sciences, Dean of the School of Law of the Shenzhen University, a representative of the Shanghai People's Congress and Member of the Guangdong Political Committee. Mr. Dong graduated from the School of Law at the Beijing University.

DUAN Weihong, has been a Supervisor as the representative of shareholders of our Company since May 2003. Ms. Duan was the Chairperson of the board of Shenzhen Deng Feng Investment Group Company, Limited. She has an EMBA degree from the School of Economics & Management, Tsinghua University.

LIN Li, has been appointed as a Supervisor representing the shareholders of our Company since May 2006. Mr. Lin is currently the Chairman of Shenzhen Liye Group Company Limited. Mr. Lin previously served at Bank of China Shenzhen Branch. Mr. Lin is a graduate of the School of Finance and Accounting of the Hubei Technical Academy.

CHE Feng, has been appointed as a Supervisor representing the shareholders of our Company since May 2006. Mr. Che is currently the Chairman and Chief Executive officer of Hong Kong Yaoche Technology Group Limited, and is the Executive Director of the Institute of International Relations at Peking University. Mr. Che was previously the Deputy Manager of Hainan Haiboh Enterprises Company Limited, Chairman of Hainan Hengye Real Property Development Company Limited and Chairman of Shanghai Tianjian Real Property Development Company

Limited. Mr. Che graduated from the Graduate School of The Chinese Academy of Social Sciences.

HU Jie, has been appointed as a Supervisor representing the employees of our Company since May 2006. Ms. Hu served as the Chairman of the Ping An Property & Casualty. Ms. Hu has a Master's degree in Banking from the Nankai University and is a qualified senior accountant.

HE Shi, has been a Supervisor representing the employees of our Company since May 2003. He is currently the Deputy Director of the Human Resources Department as well as the Manager of the Talent Management Division of our Company. He is also a director of Shenzhen New Horse Investment Development Co., Ltd.. Mr. He previously served as the deputy general manager of our Hainan Branch and as the general manager of the Human Resources Department at the property & casualty insurance business of our Company. Mr. He joined our Company in September 1991. He graduated from the graduate program of the Chinese Academy of Social Sciences with a Diploma in International Finance and Banking.

WANG Wenjun, has been appointed as a Supervisor representing the employees of our Company since May 2006. Ms. Wang is also currently serving as the assistant to dean of group general office of the Company. Ms. Wang holds a Bachelor's degree from the Shanghai Foreign Languages University and a Master's in Public Administration from Xi'an Communication University.

(V)Senior Management

See "Executive Directors" for working experiences and part-time works of MA Mingzhe, CHEUNG Chi Yan Louis and SUN Jianyi.

LEUNG Ka Kui Dominic, Executive Vice President and Chief Insurance Business Officer of our Company since June 2006 and March 2006. Mr. Leung joined our Company in January 2004 and served as Chairman and Chief Executive Officer of Ping An Life Insurance Company of China, Ltd. (the "Ping An Life"). From 1996 to 2003, he worked in Prudential Corporation Asia Ltd. as the Managing Director, Greater China. From 1989 to 1996, he worked in Taiwan Nanshan Life Insurance Company, Ltd. and his last position was the General Manager of the company. From 1975 to 1989, he worked in American International Assurance Company and his last position was Senior Vice President. Mr. Leung has a Bachelor's degree in Science from the Chinese University of Hong Kong.

Richard JACKSON, Chief Finance Business Officer of our Company since November 2005. Mr. JACKSON joined our Company in November 2005. From 1985 to 2005, Mr. JACKSON served in various positions at Citibank, including Head of International Business for Citigroup Insurance International, and Financial Institutions Head for Asia Pacific, Chairman and CEO of Citibank Hungary, Director of Bank Handlowy in Poland and Country Manager and Consumer Business Head of Citibank Korea. From 1974 to 1985, Mr. JACKSON served as Deputy Manager for Hong Kong and Regional Marketing Manager for Asia in Commercial Union Assurance Corporation. Mr. JACKSON is the Fellow of the Chartered Insurance Institute.

KU Min-shen, Senior Vice President of our Company since February 2003. Mr. Ku joined our Company in May 2001. From February 2003 to January 2007, he served as Chief Human Resources Officer of our Company and from June 2001 to February 2003 he served as the Head of Human Resources of our Company. From 1995 to 2001, Mr. Ku served as Vice Chairman and President of Shanghai Van Den Bergh Company, Ltd., a joint venture between Unilever and Shanghai Sugar Cigarette and Wine (Group) Company, Ltd. and the Human Resources Director of Unilever HPC China. Mr. Ku has a Bachelor's degree in Educational Psychology from Fu Jen Catholic University of Taiwan.

John PEARCE, Senior Vice President and Chief Investment Officer of our Company since January 2007. Mr. PEARCE joined our Company in January 2007. From 2003 to 2006, he served as CEO of Colonial First State Investments Ltd., and from 2000 to 2003 served as the General Manager of that company, responsible for investment businesses. From 1991 to 2000, Mr. PEARCE took various positions within the Australian Colonial First State Group, including Head of Funding, Head of Risk Management, Head of Financial Market and Head of Treasury Division. Mr. PEARCE has a Master's Degree in Applied Finance from Macquarie University.

REN Huichuan, Senior Vice President of our Company since January 2007. Mr. Ren joined our Company in 1992. From February 2004 to January 2007, he served as Vice President of our Company and Financial Director of our Company from February 2003 to January 2007. From 2002 to 2003, he served as Senior Vice President of Ping An Property & Casualty. From 1992 to 2002, Mr. Ren worked in the property & casualty insurance business of our Company with his last position as Vice President, and he also served as the Assistant General Manager of Ping An Group Development and Reform Center in 1999. Mr. Ren has a Bachelor's degree in Computer Application from Harbin Ship Engineering College and he has completed an MBA at the Guanghua School of Management Peking University.

GOH Yethun, Senior Vice President and Chief Marketing Officer of our Company since January

2007 and August 2005, and General Manager of Development and Reform Center of our Company since September 2003. Mr. Goh joined our Company in February 2000 to take part in the group's e-commerce initiative, then served as Chief Operating Officer of Ping An Securities Company, Ltd. (the "Ping An Securities"). From December 2004 to January 2007, Mr. Goh was the Vice President of our Company. From September 2003 to January 2007, he served as Head of Strategic Development of our Company. Before joining our Company, Mr. Goh was an engagement manager in McKinsey & Company. Mr. Goh has a Bachelor's degree in Economics from Hamilton College, USA.

WANG Liping, Senior Vice President of our Company since January 2004. Ms. Wang joined our Company in June 1989 and served as Vice Chief Insurance Business Officer from July 2006 to January 2007. From August 2005 to July 2006, Ms. Wang was the Chairman and President of Ping An Annuity Insurance Company of China, Ltd. (the "Ping An Annuity"). From 2002 to 2004, she served as the Chairman and Chief Executive Officer of Ping An Life. From 1998 to 2002, she served as Vice President and Senior Vice President of our Company successively. From 1995 to 1997, she served as the General Manager of the Management Department and Vice President of the life insurance business of our Company. From 1994 to 1995, she served as the President of the Securities Department of our Company. Ms. Wang has a Master's degree in Monetary & Banking from Nankai University.

CHEN Kexiang, Senior Vice President and General Manager of the General Office of our Company since January 2007 and June 2002. Mr. Chen joined our Company in December 1992. From February 2003 to January 2007, Mr. Chen served as Vice President of our Company and General Secretary of the Board of our Company from June 2002 to May 2006. From 1999 to 2002, Mr. Chen served as Senior Vice President and then President of Ping An Trust. From 1996 to 1999, Mr. Chen served as the Deputy Manager of the General Office of our Company. From 1995 to 1996, Mr. Chen served as the General Manager of Ping An Building Management Company. Mr. Chen has a Master's degree in Finance from Zhongnan University.

LO Sai Lai, Senior Vice President and Chief Information Officer of our Company since January 2007 and February 2006, and General Manager of the Information Management Center of our Company since February 2003. Mr. Lo joined our Company in June 2002. From February 2006 to January 2007, he served as the Vice President of our Company. From October 2003 to February 2006, he served as Head of Information Technology. From 2002 to 2003, he served as the General Manager of the Data Center of our Company. From 2001 to 2002, Mr. Lo worked as Senior Consultant of our Systems Development Center. From 1993 to 2001, Mr. Lo worked as a researcher at the University of Cambridge, a research engineer at the Olivetti Research

Laboratory, a senior researcher at the Olivetti and Oracle Research Laboratories and a senior researcher at AT&T Laboratories – Cambridge. Mr. Lo has a Ph.D. in Computer Science from the University of Cambridge.

III. Positions of Directors, Supervisors and Senior Management in Shareholders' Units

Name	Name of shareholders' units	Position	Term of office	Whether receiving remuneration from shareholders' units
HUANG Jianping	Shenzhen Municipality Investment Holding Company Limited	Deputy Director of the Planning and Finance Department	November 2001-	Yes
CHEN Hongbo	Shenzhen Municipality Investment Holding Company Limited	Chairman	September 2004-	Yes
LIN Yu Fen	Capital China Group Limited	Executive Director	April 2000-	Yes
Anthony P.HOPE	HSBC Insurance Holdings Limited	Chairman	1987-February 2007	Yes
WONG Tung Shun Peter	The Hongkong & Shanghai Banking Corporation Limited	Executive Director	April 2005-	Yes
NG Sing Yip	The Hongkong & Shanghai Banking Corporation Limited	Head of Legal and Compliance	January 1998-	Yes
LIN Lijun	Shenzhen New Horse Investment Development Co., Ltd.	Chairman	January 2000-	No
FAN Gang	Shenzhen Jiangnan Industrial Development Co., Ltd	Director	June 2003-	No
DOU Wenwei	Shenzhen Jiangnan Industrial Development Co., Ltd	Director	June 2003-	No
SHI Yuxin	Shenzhen Wuxin Yufu Industrial Co., Ltd	Managing Director	December 1992-	Yes
HU Aimin	Shenzhen Shum Yip Investment Development Company Limited	Chairman	June 2003-	Yes
DUAN Weihong	Shenzhen Deng Feng Investment Group Company	Chairman	December 2003-December 2006	No
LIN Li	Shenzhen Liye Group Company Limited	Chairman	1995 -	Yes

HE Shi	Shenzhen New Horse Investment Development Co., Ltd.	Director	June 2000-	No
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Note:

The Directors and Supervisors (other than DUAN Weihong) holding positions in shareholders' units did not receive any remuneration from the Company. They were remunerated by their respective shareholders' units where they held positions. However, LIN Lijun, FAN Gang, DOU Wenwei (all being Non-executive Directors) and He Shi (being the Supervisor representing the employees) were remunerated differently. They did not receive any remuneration from shareholders' units, but were remunerated as employees by the Company based on their specific administrative positions.

The Senior Management of the Company did not hold any position in shareholders' units or any other unit of non-shareholder other than the Group.

IV. Remunerations of Directors, Supervisors and Senior Management

The Company engages an international human resources consulting company to determine and adjust the remunerations of its Directors, Supervisors and Senior Management based on reasonable industry level, and to formulate and implement an incentive plan for Executive Directors based on international performance benchmarks. The plan will be submitted to the Board of Directors and the General Meeting and will be executed upon their approvals.

Remunerations received by Directors and Supervisors from the Company are as below:

Unit:RMB thousand

Name	Position	Fees after tax	Salaries, allowances and benefits after tax	Bonus after tax	Contribution to pension schemes	Total remuneration after tax
MA Mingzhe	Chairman and Chief Executive Officer	-	3,069.48	10,277.81	34.93	13,382.22
CHEUNG Chi Yan Louis	Executive Director, President and CFO	-	5,715.34	5,438.80	0.48	11,154.62
SUN Jianyi	Executive Director, Board Secretary and Executive Vice President	-	1,650.36	4,129.70	34.85	5,814.91
Anthony Philip HOPE	Non-executive Director, Vice Chairman	-	-	-	-	-
WONG Tung	Non-executive	-	-	-	-	-

Shun Peter	Director					
NG Sing Yip	Non-executive Director	-	-	-	-	-
CHEN Hongbo	Non-executive Director, Vice Chairman	-	-	-	-	-
HUANG Jianping	Non-executive Director	-	-	-	-	-
HU Aimin	Non-executive Director	-	-	-	-	-
CHEUNG Lee Wah	Non-executive Director	-	-	-	-	-
SHI Yuxin	Non-executive Director	-	-	-	-	-
LIN Yu Fen	Non-executive Director	-	-	-	-	-
LIN Lijun	Non-executive Director	-	304.92	25.01	48.67	378.60
FAN Gang	Non-executive Director	-	387.68	27.14	49.77	464.59
DOU Wenwei	Non-executive Director	-	195.05	13.55	40.72	249.32
BAO Youde	Independent Non-executive Director	122.00	-	-	-	122.00
CHEUNG Wing Yui	Independent Non-executive Director	232.00	-	-	-	232.00
KWONG Che Keung Gordon	Independent Non-executive Director	232.00	-	-	-	232.00
CHOW Wing Kin Anthony	Independent Non-executive Director	232.00	-	-	-	232.00
Henry CORNELL	Resigned Director	-	-	-	-	-
LIU Haifeng David	Resigned Director	-	-	-	-	-
ZHANG Hongyi	Independent Non-executive Director	-	-	-	-	-
CHEN Su	Independent Non-executive Director	-	-	-	-	-
XIAO Shaolian	Chairman of the Supervisory Committee (Independent Supervisor)	198.00	-	-	-	198.00

SUN Fuxin	Independent Supervisor	50.40	-	-	-	50.40
DONG Likun	Independent Supervisor	30.18	-	-	-	30.18
DUAN Weihong	Supervisor	-	-	-	-	-
ZHOU Fulin	Resigned Supervisor	-	-	-	-	-
CHEN Bohai	Resigned Supervisor	-	-	-	-	-
CHEN Shangwu	Resigned Supervisor	20.22	-	-	-	20.22
LIN Li	Supervisor	-	-	-	-	-
CHE Feng	Supervisor	-	-	-	-	-
HE Peiquan	Resigned Supervisor	-	127.05	-	-	127.05
SONG Liankun	Resigned Supervisor	-	112.75	-	-	112.75
HE Shi	Supervisor	-	484.83	32.31	47.34	564.48
HU Jie	Supervisor	-	201.57	-	27.47	229.04
WANG Wenjun	Supervisor	-	148.26	4.36	36.93	189.55
Total remuneration of Directors and Supervisors		1,116.80	12,397.29	19,948.68	321.16	33,783.93

- (1) The bonuses of Mr. Ma Mingzhe and Mr. CHEUNG Chi Yan Louis include the pre-paid amount of the 2006 bonus and the compensated amount of the 2005 bonus (namely the amount payable in 2005 and paid in 2006).
- (2) The bonus of Mr. SUN Jianyi includes the pre-paid amount of the 2006 bonus and the full amount of the 2005 bonus (namely the amount payable in 2005 and paid in 2006).
- (3) A re-election took place on May 25, 2006 in which SONG Liankun and HE Peiquan (both being Supervisors) resigned (the table represents their salaries and allowances from January 1, 2006 to May 25, 2006) while Hu Jie and Wang Wenjun were elected as Supervisors (the table represents their salaries and allowances from May 25, 2006 to December 31, 2006).
- (4) A re-election took place on May 25, 2006 in which CHEN Shangwu (being a Supervisor) resigned (the table represents his remuneration from January 1, 2006 to May 25, 2006) while Dong Likun was elected as Independent Supervisor (the table represents his remuneration from May 25, 2006 to December 31, 2006).

Among 12 Senior Executives of the Company, the remunerations of 3 Directors have been disclosed in the remuneration table of Directors and Supervisors, and the details of the remunerations of the remaining 9 Senior Executives are as below:

Unit:RMB thousand

Name	Position	Salaries, allowances and benefits after tax	Bonus after tax	Contribution to pension schemes	Total remuneration after tax
LEUNG Ka Kui Dominic	Executive Vice President	4,797.92	12,304.35	0.48	17,102.75
Richard JACKSON	Chief Finance Business Officer	12,280.04	-	-	12,280.04
KU Min-shen	Senior Vice President	3,451.06	-	0.48	3,451.54
John PEARCE	Senior Vice President	-	-	-	-
REN Huichuan	Senior Vice President	943.13	76.06	46.60	1,065.79
GOH Yethun	Senior Vice President	2,731.10	-	9.16	2,740.26
WANG Liping	Senior Vice President	974.53	75.87	35.32	1,085.72
CHEN Kexiang	Senior Vice President	944.60	114.31	44.91	1,103.82
LO Sai Lai	Senior Vice President	2,034.12	-	0.48	2,034.60
Total		28,156.50	12,570.59	137.43	40,864.52

(1) The bonus of Mr. LEUNG Ka Kui Dominic includes the prepaid amount of the 2006 bonus and the full amount of the 2005 bonus (namely the amount payable in 2005 and paid in 2006);

(2) Mr. John PEARCE did not receive any remuneration from the Company in 2006.

In addition to the above, the Company has established a long-term incentive in the form of share appreciation rights scheme, which was approved by the First Extraordinary General Meeting of the Company in 2004 and has been adopted for the senior executives and certain key employees of the Company since then. No physical shares will be issued under this scheme. The rights are granted in units with each unit representing one H share of the Company. The eligible participants and their units granted under the scheme are determined on the basis of the performance and contributions of employees as assessed in each year from 2004 to 2008, upon the approval from the Remuneration Committee of the Board. The units under the long-term incentive plan are granted over five years. When the unit was first granted in 2004, the grant price was determined as the offering price (HK\$10.33) of H shares of the Company and the amount granted was 41,920,000 units, with 13,973,300 units exercisable each year from 2007 to 2009. The share appreciation rights granted each year from 2005 to 2008 are exercisable at the third anniversary of the grant date. 15,720,000 units were granted at the grant price of HK\$12.47 in 2005 and 15,720,000 units at the grant price of HK\$21.5 in 2006.

Upon exercise of the said rights, all participants will receive a cash payment from the Company, subject to the restrictions that the annual amount of aggregate cash payment to all participants shall not exceed 4% of the estimated net profits (in accordance with the International Financial Reporting Standards) in the year in which the rights are exercised.

V. Changes to Directors, Supervisors and Senior Management

1. The terms of office of Mr. Henry CORNELL and Mr. LIU Haifeng David, both former Directors of the Company, expired upon the re-election at the 2006 Annual General Meeting of the Company held on May 25, 2006 and they did not accept any appointment due to their personal reasons. At the re-election at the 2006 Annual General Meeting of the Company, Mr. CHEUNG Chi Yan Louis was appointed as an Executive Director of the Company, Mr. WONG Tung Shun Peter and Mr. NG Sing Yip were appointed as Non-executive Directors and other Directors were reelected.

2. The terms of office of Mr. CHEN Shangwu, Mr. ZHOU Fulin and Mr. CHEN Bohai, the former Supervisors of the Company, expired upon the re-election of the 2006 Annual General Meeting of the Company held on May 25, 2006 and they did not accept any appointment due to their personal reasons. At the re-election of the 2006 Annual General Meeting of the Company, Mr. DONG Likun, Mr. CHE Feng and Mr. LIN Li were appointed as Supervisors and other Supervisors (other than Supervisors representing the employees) were reelected.

3. The terms of office of Mr. HE Peiquan and Mr. SONG Liankun, the former Supervisors representing the employees of the Company, expired upon the re-election of the 2006 Annual General Meeting of the Company held on May 25, 2006 and they did not accept any appointment due to their personal reasons. At the 2006 First Staff Representative Meeting of the Company held on March 13, 2006, Ms. HU Jie and Ms. WANG Wenjun were elected as Supervisors representing the employees and Mr. HE Shi, a Supervisor, was reelected.

4. In order to fulfill the requirement of the China Security Regulatory Commission that at least one-third of the board members of the companies having listed A shares have to be independent directors, on March 19, 2007, the Company convened the 2007 First Extraordinary General Meeting, upon which Mr. Huang Jianping, Mr. Shi Yuxin and Mr. Dou Wenwei, the former Directors of the Company, resigned as Non-executive Directors and Mr. Zhang Hongyi and Mr. Chen Su were elected and appointed as the Independent Non-executive Directors.

5. Mr. XU Guangzhong, the former Senior Vice President and Chief Internal Supervision Officer of the Company, retired on December 31, 2006 as he reached retirement age. Ms. YANG Xiuli,

the former Senior Vice President, internally retired on December 31, 2006 due to her personal reasons. Mr. Stephen Thomas MELDRUM, the former Senior Vice President and Chief Actuarial Officer, was appointed as the Chief Actuarial Consultant of the Group in January 2007 and did not serve as the Senior Vice President and Chief Actuarial Officer of the Company due to the change of his position. In January 2007, the Company appointed Mr. John PEARCE as the Senior Vice President and Chief Investment Officer of the Company and Mr. REN Huichuan, Mr. GOH Yethun, Mr. CHEN Kexiang and Mr. LO Sai Lai as the Senior Vice Presidents of the Company.

VI. Number, Qualifications and Education Attainment of the Employees of the Company

As at 31 December 2006, the Company had totally 52,229 employees and 32 retired employees. Among them, 43,666 people (representing 83.6% of total employees) were personnel engaged in insurance operation; 2,031 persons (3.9%) were personnel engaged in investment operation; 1,966 people (3.8%) were personnel engaged in banking operation; 4,566 people (8.7%) were personnel engaged in other operations. Among these employees, 1,807 people (3.5%) held doctoral or master degree; 18,607 people (35.6%) held bachelor degree; 19,552 people (37.4%) had college and professional training education; and 12,263 people (23.5%) had other education attainments.

SECTION 6 CORPORATE GOVERNANCE

I . Corporate Governance of the Company

During the reporting period, the Company has been in strict compliance to the “Company Law of the People’s Republic of China” (the “Company Law”), the “Insurance Law of the People’s Republic of China” and other applicable laws. In accordance with the rules and regulations issued by regulatory authorities and at the same time in consideration to the Company’s actual situation, the Company continues to improve corporate governance. General meetings, the Board of Directors, the Supervisory Committee and senior management perform their respective duties in accordance with the Articles of Association of Ping An Insurance (Group) Company of China, Ltd (the “Articles”) and carry out their functions, rights and obligations legally and independently without breaching any laws or regulations. The performance of the Company in its corporate governance is as follows:

(I) Shareholders and general meetings

During the reporting period, the company had convened the 2006 Annual General Meeting and four extraordinary general meetings. Notification, convention and voting procedures of these general meetings were in compliance to the requirements of the Company Law and the Articles. The convention of general meetings benefit building up a sound and effective communication channel between the Company and its shareholders and enable the Company to collect opinions and suggestions from its shareholders in order to ensure all shareholders have the rights to know, participate and vote in major events of the Company.

(II) Directors and Board of Directors

As at December 31, 2006, the Company’s Board of Directors consisted of nineteen members, including three executive Directors, twelve non-executive Directors and four independent non-executive Directors. The number of Directors and its composition are in compliance to the regulatory requirements and the requirements of the Articles. During the reporting period, the Board of Directors held seven board meetings. All Directors are dedicated to their responsibilities and have attended meetings in person or through electronic communications. In order to protect the interests of the Company and all shareholders, all Directors have been endeavoring to make suitable decisions based on in-depth understanding to each issue. Board committees were responsible for reviewing special issues. It has also made recommendations to the Board of Directors for their consideration. In 2006, the audit committee held four meetings and has reviewed the annual financial report of the Company for the year ended December 31,

2005 and the interim financial report for the six months ended June 30, 2006. In the first audit committee conference held on April 10, 2007 the audit committee reviewed the annual financial report of the Company for the year ended December 31, 2006. Further, in order to better evaluate the financial reporting systems and internal control procedures of the Company, all members of the audit committee held meeting with the Company's external accountants to review their performance, independence and objectivity. During the reporting period, the remuneration committee held three meetings in total and has reviewed the performance and remuneration package of all Directors and members of senior management. Moreover, the remuneration committee has received reports on the implementation of the long-term incentive plan during the year of 2005. As special matters, the remuneration committee has reviewed the remuneration packages for Directors and newly appointed senior management during 2006 and has made recommendations to the Board of Directors. During the reporting period, the nomination committee held three meetings and resolutions in relation to the nomination of Directors of the seventh Board of Directors, Chairman, Vice Chairman, Secretary of the Board of Directors and Vice Presidents of the Company were passed at the meetings.

(III) Supervisors and Supervisory Committee

The Supervisory Committee comprises 9 members, 3 of which are independent supervisors, shareholders' representatives and employees' representatives respectively. The number of supervisors in the Supervisory Committee and its composition are in compliance to regulatory requirements and the requirements of the Articles. During the reporting period, the Supervisory Committee held four meetings and reviewed documents and special reports submitted by the Company. By conducting reviews and investigations, the Supervisory Committee inspected and supervised the Company's operation and financial activities. All supervisors have duly carried out its supervisory duties in a fair and truthful manner in order to protect the interests of the Company and its employees and shareholders.

In addition, the supervisors have attended general meetings and board meetings held during the reporting period and have supervised the performance of Directors and senior management of the Company. This has ensured the continuous, stable and healthy development of the Company.

(IV) Information disclosure and transparency

The Company discloses its major information in a timely, accurate, true and complete manner by strict compliance to laws and regulations and requirements of the Articles in order to ensure that

all shareholders have equal opportunity to acquire information of the Company. The Company is committed to continuously achieving high standards of corporate governance and believes that sound corporate governance enhances the effective and reliable management of the Company and is essential for the Company to maximize shareholders' value. During the reporting period, the Company was awarded "Best CRM Practice Awards - Greater China" by professional CRM (customer relation management) of the Greater China, was ranked first among "The Most Viable Companies in the PRC" for the third time consecutively by the All-China Federation of Industry & Commerce; was ranked first among Asia insurance companies and mainland Chinese companies in the annual ranking for "Asian Best Managed Insurance Companies 2006" by a famous finance magazine Euromoney and was ranked fifth among all such companies in Asia; and was awarded the "Most Progress in Investor Relations" by the internationally renowned magazine "IR magazine".

II. Duty Performance of Independent Directors

(I) Attendance of the independent Director in the board meetings

The seventh Board of Directors of the Company consisted of four independent Directors originally. After the first extraordinarily general meeting for the year 2007 held on March 19, 2007, two more independent directors were appointed and the number of independent Directors has increased to six.

During the reporting period, independent Directors have performed their duty stipulated in relevant laws and regulation and the requirements in the Articles in a truthful and diligent manner. They have attended board meetings and other committee meetings, provided constructive opinions and suggestions on the Company's management, development and operation and have paid special attention to the lawful rights and interests of public shareholders and minority shareholders.

Name of independent Director	Number of board meetings held	Meetings attended in person (times)	Meetings attended by proxy (times)	Absence (times)	Remarks
BAO Youde	7	6	1	-	He appointed Mr. Cheung Wing Yiu, an independent non-executive Director, as his proxy to attend the

					second meeting of the seventh Board of Directors and vote
KWONG Che Keung Gordon	7	7	-	-	/
CHOW Wing Kin Anthony	7	6	1	-	He appointed Mr. Cheung Wing Yiu, an independent non-executive Director, as his proxy to attend the second meeting of the seventh Board of Directors and vote
CHEUNG Wing Yui	7	6	1	-	He appointed Mr. Chow Wing Kin, an independent non-executive Director, as his proxy to attend the fourth meeting of the seventh Board of Directors and vote
ZHANG Hongyi	-	-	-	-	Appointed as independent non-executive Directors on March 19, 2007
CHEN Su	-	-	-	-	Appointed as independent non-executive Directors on March 19, 2007

(II) Independent Director's objection to the relevant matters of the Company

During the reporting period, the independent Directors of the Company did not make objection to the resolutions of the Board of Directors of the Company and other resolutions of the year.

III. Independence of the Company from its Controlling Shareholders in Regards to its Operation, Personnel, Assets, Structure and Financial Aspect

The Company does not have any controlling shareholder or actual controller. As a financial conglomerate and under the supervision of the CIRC, the Company is completely independent

in terms of its operation, personnel, assets, structure and finance. Being an independent legal entity, the Company is responsible for its own management, profits and losses, and has full capacity in operating its business and to operate independently.

IV. Appraisal and Incentive Mechanism for Senior Management

The Company has set detailed three-year rolling plans and annual targets for the senior management according to its business planning. Two performance appraisals are conducted every year, and together with a 360 degree comprehensive feedbacks. Both the long-term and short-term awards and salaries, and the appointment and removal of management are closely related to the result of such appraisals while the overall appraisals will serve as an important reference to the development of the management

SECTION 7 SUMMARY OF GENERAL MEETINGS

I. Annual General Meeting

The 2006 Annual General Meeting of the Company was held on May 25, 2006, and its result announcement was published on Hong Kong Economic Times, South China Morning Post and the website of Hong Kong Stock Exchange on May 28, 2006.

II. Extraordinary General Meetings

(I) The First Extraordinary General Meeting

The First Extraordinary General Meeting of the Company in 2006 was held on September 29, 2006, and its result announcement was published on Hong Kong Economic Times, South China Morning Post and the website of Hong Kong Stock Exchange on September 30, 2006.

(II) The Second Extraordinary General Meeting

The Second Extraordinary General Meeting of the Company in 2006 was held on November 13, 2006, and its result announcement was published on Hong Kong Economic Times, South China Morning Post and the website of Hong Kong Stock Exchange on November 14, 2006.

(III) The First Domestic Shareholders' Class Meeting

The First Domestic Shareholders' Class Meeting of the Company in 2006 was held on November 13, 2006, and its result announcement was published on Hong Kong Economic Times, South China Morning Post and the website of Hong Kong Stock Exchange on November 14, 2006.

(IV) The First H Shareholders' Class Meeting

The First H Shareholders' Class Meeting of the Company in 2006 was held on November 13, 2006, and its result announcement was published on Hong Kong Economic Times, South China Morning Post and the website of Hong Kong Stock Exchange on November 14, 2006.

SECTION 8 REPORT OF THE DIRECTORS

I. Discussion and Analysis of Operating Performance during the Reporting Period

(I) Summary of overall operating performance

In 2006, China's economy performed extremely well and achieved stable and rapid growth, with a steady growth in its consumers spending, This created a favourable market environment for the reform and development of China's insurance and financial industries. During the year, the Company's net profit reached RMB5,986 million, representing an increase of 79.3% from 2005. Total assets reached RMB441,791 million while shareholders' equity increased to RMB36,668 million. The Company recorded underwriting income of RMB81,712 million, representing an increase of 21.3% from 2005. The above figures indicated that the Company sustained its momentum of stable and rapid development in 2006.

During the reporting period, highlights of our overall operation were set out as below:

1. Overall profitability of insurance business significantly enhanced, and development speeds up

The Company's core insurance business recorded historical high in terms of net profit. Premium income from life insurance and property and casualty insurance accounted for RMB68,989 million and RMB16,966 million respectively. Meanwhile, benefited from a strong stock market performance and appropriate investment strategies, the Group's investment yield achieved rapid growth with total investment return including interest income reaching RMB22,360 million. The embedded value of the Group reached RMB65,573 million.

In 2006, our life insurance business recorded premium income of RMB68,989 million, representing an increase of 17.2% as compared to last year and accounting for a 17.0% share of the PRC life insurance market. The value of one year's new business amounted to RMB5,132 million, representing an increase of 13.1% as compared to last year. Net profit for the year reached RMB4,774 million, representing an increase of 68.5% as compared to last year.

The property and casualty insurance business continuously maintained strong growth at a rate exceeding that of the market, recording premium income of RMB16,966 million in 2006. Among which, Ping An Property & Casualty recorded premium income of RMB16,862 million, accounting for a 10.7% share of the PRC property and casualty market. Net profit amounted to RMB645 million, representing an increase of 121.2% from last year.

Other insurance businesses continued to improve their business platforms and recorded further development. We started the restructuring of annuity business and group insurance business. The applications to set up 35 branches across the country was approved by the CIRC. New business development and operating plans for health insurance business were implemented, and the Company has been proactively exploring an operation and management model for its health insurance business that is appropriate to the PRC market.

2. The platforms of investment management and banking operation continuously strengthened, and the integrated financial services structure further improved

The year 2006 saw a smooth progress in the construction of the Group's investment platform. As Ping An of China Asset Management (Hong Kong) Company Limited ("Ping An Asset Management (Hong Kong)") was successfully established, we are now in the process of organizing a internationally experienced team and constructing a global investment operating platform.

The proactive transformation initiatives conducted on securities and trust businesses had shown initial success with significant growth in both businesses in 2006, with breakthroughs in business volume and product features of the trust operations. Our securities business recorded a net profit of RMB554 million in 2006, representing a record high since the establishment of Ping An Securities.

In our banking business sector, Ping An Bank obtained its license from the CBRC to provide Renminbi services to corporate customers in June 2006. At the end of 2006, the Company obtained 89.36% equity interest in Shenzhen Commercial Bank Co., Ltd. ("SZCB") through acquisition of equity interest and capital injection. Subsequently, SZCB will acquire the entire equity interest in Ping An Bank held by Ping An Trust, a subsidiary of the Company, and HSBC, thereby it will have 100% control over Ping An Bank. The plan to integrate the two banks into one banking brand name and the relevant reorganization work are currently proceeding smoothly. The banking business will become one of the core profit sources of the Company, and the importance of its sales channels and its contribution will gradually increase.

3. Operating platform backbone improves further

The Company has made smooth progress in the construction of its Integrated Operating Center, which becomes an effective support platform for its business development and risk management. The Company's Integrated Operating Center, one of the largest financial

back-office centers in Asia, will directly and significantly promote our business development, internal risk control and internal management, and constantly boost the Group's cost effectiveness and market competitiveness through continuous improvement and development.

4. Leading management quality and brand value

Under the leadership of the Company's experienced professional management team, our corporate governance structure, risk management system and operating administration system have been further improved. In 2006, the Group was awarded one of the "Asia's Best Managed Companies" by Euromoney, ranked fifth among the Asian companies and first among the Chinese companies.

With the Group's strong operating results and enhanced overall strength, together with the support of optimistic market sentiment about the prospects of the PRC financial industry, the price of the Company's H share rose steadily. In addition, not long before the release of this annual report, the Company successfully completed the listing of its A shares.

(II) Principal business and operating performance

In 2006, with our principal operating subsidiaries, namely Ping An Life, Ping An Property & Casualty, Ping An Trust, Ping An Securities, Ping An Bank, Ping An Annuity, Ping An Health Insurance Company of China, Ltd. ("Ping An Health"), Ping An Asset Management Co., Ltd. ("Ping An Asset Management") and Ping An Asset Management (Hong Kong), we offer our customers a wide range of financial products and services through our multi-channel distribution network under a single brand name.

1. Our life insurance business and its operating performance

Ping An Life provides life insurance products to individual customers and group customers through 35 provincial branches and nearly 2,000 branches and sales offices in various areas throughout the PRC. As at December 31, 2006, Ping An Life had a registered capital of RMB3,800 million and total assets of RMB313,585 million.

(1) Analysis of premium income by channels

Our life insurance business can be divided into individual life insurance, bancassurance and

group insurance in terms of distribution channels.

Unit: RMB thousand

Items	2006			2005		
	Amount	As a percentage of total amount (%)	Change over the previous year (%)	Amount	As a percentage of total amount (%)	Change over the previous year (%)
Individual life insurance	55,308,698	80.2	19.6	46,239,057	78.6	14.9
Group insurance	7,436,576	10.8	1.4	7,331,651	12.4	(15.5)
Bancassurance	6,243,584	9.0	18.3	5,278,189	9.0	(11.2)
Total	68,988,858	100.0	17.2	58,848,897	100.0	7.2

① Individual life insurance

The premium income of our individual life insurance business is as follows:

Unit: RMB thousand

Items	2006		2005	
	Income	As a percentage (%)	Income	As a percentage (%)
First year premiums	13,220,534	23.9	11,642,386	25.2
First year regular and single premiums	10,254,243	18.5	8,985,714	19.4
Short term accident and health insurance	2,966,291	5.4	2,656,672	5.8
Renewal premiums	42,088,164	76.1	34,596,671	74.8
Total	55,308,698	100.0	46,239,057	100.0

Our life insurance products are primarily sold through individual life insurance sales agents. As at December 31, 2006, the Company had approximately 205,400 individual sales agents.

The following table shows the productivity of our individual sales agents:

Items	2006	2005
First year premium income per agent per month	4,737	4,446
New life insurance policies per agent per month	2.1	2.3

The following table shows the 13-month and 25-month persistency ratios for our individual life insurance customers:

Items	2006	2005
13-month persistency ratio for our individual life insurance customers (%)	89.0	85.9
25-month persistency ratio for our individual life insurance customers (%)	80.3	81.9

② Bancassurance

Our bancassurance products are sold through counters at banks, post offices and wealth management centers.

The premium income of our bancassurance business is as follows:

Unit: RMB thousand

Items	2006		2005	
	Income	As a percentage (%)	Income	As a percentage (%)
First year premiums	5,995,910	96.0	5,051,794	95.7
First year regular and single premiums	5,993,854	96.0	5,049,593	95.7
Short term accident and health insurance	2,056	-	2,201	-
Renewal premiums	247,674	4.0	226,395	4.3
Total	6,243,584	100.0	5,278,189	100.0

③ Group insurance

Our group insurance products are mainly sold through group sales representatives. The Company has 2,127 group sales representatives throughout its branches in the PRC. In addition, Ping An Property & Casualty utilized its own sales network to cross sell the group insurance products of Ping An Life. The Company also distributes its group insurance products through insurance intermediary institutions such as institutional insurance agents, insurance brokerage institutions and ancillary agency organizations.

According to the “Reply on the Issue Concerning the Restructuring of Ping An Annuity Insurance Company of China, Ltd.” (Baojianfagai [2006] No. 1416) issued by the CIRC on December 15, 2006, the CIRC approved the Company’s transfer of the group insurance business of Ping An Life to Ping An Annuity step by step and to migrate the sales force and sales network of the group insurance division of Ping An Life in whole to Ping An Annuity. Ping An Annuity is currently preparing the establishment of its branches and sub-branches.

The premium income of our group insurance business is as follows:

Unit: RMB thousand

Items	2006		2005	
	Income	As a percentage (%)	Income	As a percentage (%)
First year premiums	6,960,604	93.6	6,874,924	93.8
First year regular and single premiums	4,708,860	63.3	4,850,691	66.2
Short term accident and health insurance	2,251,744	30.3	2,024,233	27.6
Renewal premiums	475,972	6.4	456,727	6.2
Total	7,436,576	100.0	7,331,651	100.0

④ The following table shows the sales network of our life insurance:

Items	December 31, 2006	December 31, 2005
Number of individual life sales agents	205,437	200,193
Number of group sales representatives	2,127	1,644
Bancassurance outlets	24,214	27,222

(2) Geographical analysis of premium income

In 2006, the top ten regions from which the Company derived premium income of life insurance business were Guangdong, Shanghai, Beijing, Jiangsu, Liaoning, Shandong, Zhejiang, Fujian, Sichuan and Hebei. Premium income derived from the above top ten regions accounted for 71.6% of our total premium income from life insurance business. The geographical distribution of premium income is closely related to the level of economic development, population density and the residents' awareness of the importance of insurance in various regions.

Unit: RMB thousand

Regions	2006		2005	
	Amount	As a percentage (%)	Amount	As a percentage (%)
Guangdong	8,024,598	11.6	6,549,312	11.1
Shanghai	7,680,459	11.1	6,754,013	11.5
Beijing	6,654,200	9.6	6,216,014	10.6
Jiangsu	5,593,196	8.1	4,584,871	7.8
Liaoning	5,038,782	7.3	4,309,374	7.3
Shandong	4,763,906	6.9	4,092,261	7.0
Zhejiang	4,035,010	5.8	3,355,201	5.7
Fujian	3,082,944	4.5	2,644,459	4.5
Sichuan	2,320,511	3.4	1,965,955	3.3
Hebei	2,250,893	3.3	1,862,010	3.2
Sub-total	49,444,499	71.6	42,333,470	72.0
Total premium income	68,988,858	100.0	58,848,897	100.0

(3) Legacy high guaranteed return products

Like other major PRC life insurance companies, we offered life insurance products with relatively high guaranteed rates of return equal to or in excess of 5% from 1995 to 1999, primarily as a result of the prevailing high market interest rates in that period. In June 1999, the CIRC imposed a cap of 2.5% with respect to the guaranteed rate of return a life insurance company may offer on its products. As a result, we have offered guaranteed return products with rates of return equal to or less than 2.5% since June 1999. The policyholders' reserves for life insurance policies with high guaranteed rates of return as calculated based on our PRC

Accounting Standards financial data represented 37.3% of our total policyholders' reserves as at December 31, 2006 compared to 40.0% as at December 31, 2005. The average pricing rate for all of our guaranteed return life insurance products was 4.5% in 2006 as compared to 4.7% in 2005. We expect these high guaranteed return life insurance policies as a percentage of our total in-force life insurance policies to decline as our new policies with lower or no guaranteed rates of return continue to grow.

2. Our property and casualty insurance business and its operating performance

Our property and casualty insurance products are mainly offered by Ping An Property & Casualty. In addition, China Ping An Insurance (Hong Kong) Company Limited also provides property and casualty insurance service in the market of Hong Kong.

As at December 31, 2006, Ping An Property & Casualty had a registered capital of RMB3,000 million and total assets of RMB18,239 million.

(1) Premium income

① Analysis by insurance products

In 2006, the Company's premium income from property and casualty insurance business reached RMB16,966 million, an increase of 33.0% over last year.

The motor and third party liability insurance has been a major source of the premium income from the property and casualty insurance business of the Company, which recorded a premium income of RMB11,707 million in 2006, an increase of 47.5% over last year, bringing its proportion of the premium income to 69.0%.

The premium income from non-automobile insurance amounted to RMB4,417 million in 2006, accounting for 26.0% of the total premium income. The commercial property insurance constituted the largest part of non-automobile insurance business in terms of premium income.

The premium income from the accident and health insurance reached RMB842 million, representing an increase of 49.0% over last year.

Unit:RMB thousand

Items	2006			2005		
	Amount	Percentage of the total amounts (%)	Change over last year (%)	Amount	Percentage of the total amounts (%)	Change over last year (%)

Motor and third party liability insurance	11,707,120	69.0	47.5	7,934,777	62.2	20.2
Non-automobile insurance	4,416,540	26.0	3.7	4,260,047	33.4	13.8
Accident and health insurance	842,434	5.0	49.0	565,291	4.4	46.3
Total	16,966,094	100.0	33.0	12,760,115	100.0	18.9

② Analysis by geographical area

In 2006, the top ten regions from which the Company has derived premium income of the property and casualty insurance business were Guangdong, Shanghai, Beijing, Zhejiang, Jiangsu, Shandong, Liaoning, Hebei, Fujian and Sichuan. Premium income derived from the above ten regions accounted for 70.9% of total premium income from property and casualty insurance business. The geographical distribution of premium income is closely related to the level of economic development in those regions and the resident's awareness of the importance of insurance.

Unit:RMB thousand

Regions	2006		2005	
	Amount	Percentage of the total amounts (%)	Amount	Percentage of the total amounts (%)
Guangdong	3,248,182	19.2	2,388,413	18.7
Shanghai	1,564,808	9.2	1,296,104	10.2
Beijing	1,261,169	7.4	1,000,442	7.8
Zhejiang	1,188,529	7.0	848,547	6.6
Jiangsu	1,154,277	6.8	763,866	6.0
Shandong	974,368	5.8	741,744	5.8
Liaoning	767,901	4.5	599,471	4.7
Hebei	672,684	4.0	541,257	4.2
Fujian	616,194	3.6	454,411	3.6
Sichuan	581,581	3.4	376,475	3.0
Sub-total	12,029,693	70.9	9,010,730	70.6
Total premium income	16,966,094	100.0	12,760,115	100.0

(2) Distribution network

The distribution network for our property and casualty insurance products includes 39 branch offices with another being set up located in substantially all of the PRC's provinces, autonomous regions and municipalities, together with over 1,300 sub-branches located throughout the PRC. We distribute our property and casualty insurance products primarily through our in-house sales representatives and through various intermediaries, such as banks, automobile dealerships, and insurance brokers.

Items	2006	2005
Number of direct sales representatives	8,424	7,708
Number of insurance agents	10,868	6,176

(3) Major Operation Indicator

Indicator	2006	2005
Combined ratio ⁽¹⁾ (%)	99.9	96.9

(1) Combined ratio = (Underwriting expenses + Changes in claim reserves) / (Underwriting income - Changes in unearned premium reserves - Changes in long-term unearned premium reserves).

As a result of the increasingly tense competition and the rapid growth in the ownership of automobiles, the proportion of the automobile insurance business in the overall industry has seen a remarkable increase in 2006. In such a situation, the combined ratio of Ping An Property & Casualty increased from 96.9% in 2005 to 99.9% in 2006.

3. Ping An Trust

We provide asset management services to our customers through Ping An Trust. In addition, Ping An Trust also acts as an investment holding company for some of our long-term equity investment and provides infrastructure investment and property investment services to our other subsidiaries. As at December 31, 2006, Ping An Trust had a registered capital of RMB4,200 million and total assets of RMB6,753 million. In 2006, our trust business developed several new product lines, such as equity related trust products and foreign exchange related trust products. This product innovation will provide our trust business with new opportunity of revenue growth. As at December 31, 2006, assets held in trust amounted to RMB16,677 million.

4. Ping An Securities

We conduct our securities business through Ping An Securities, and provide securities services to customers through 22 branch offices nationwide and through our PA18 Internet financial portal. As at December 31, 2006, Ping An Securities had a registered capital of RMB1,800 million and total assets of RMB8,853 million. In 2006, the stock market recorded new highs in terms of both transaction volume and new capital being raised. Both our traditional business and innovative business recorded robust growth. Ping An Securities recorded a net profit of RMB554 million in 2006, the highest ever recorded since its incorporation. In 2006, Ping An Securities passed the assessment on securities companies with relevant innovative business and became one of the innovative securities companies in the industry, which has laid a solid foundation for its future development.

5. Ping An Bank

Ping An Bank obtained an approval from the China Banking Regulatory Commission (the "CBRC") to provide Renminbi services to corporate customers on June 23, 2006. In 2006, while continuing to adopt a prudence approach, Ping An Bank also optimized its product mix, applied multi-distribution channels and extensively explored its customer bases. As at December 31, 2006, Ping An Bank had a registered capital of RMB614 million and its total assets amounted to RMB3,046 million, total deposit balance amounted to RMB772 million, total loans balance amounted to RMB1,469 million. Its capital adequacy ratio was 50.2%, and it had no non-performing loans.

6. Shenzhen Commercial Bank("SZCB")

SZCB, being established on August 3, 1995, is the first city commercial bank in the PRC. By the end of 2006, SZCB had completed its restructuring and its registered capital was increased from RMB1,600 million to RMB5,502 million. The Group, through equity transfer and contribution of funds, acquired 89.36% of SZCB and became its largest shareholder. As at December 31, 2006, SZCB's total assets amounted to RMB81,725 million, total deposit balance amounted to RMB72,273 million and total loans balance amounted to RMB47,457 million. Its capital adequacy ratio was 10.7% and the non-performing loan's ratio was 6.5% as at December 31, 2006.

7. Ping An Annuity

Ping An Annuity was set up on December 13, 2004. Having obtained approval from the CIRC on December 27, 2006, Ping An Annuity underwent a reorganization. Following the reorganization, its principal business will remain to be corporate annuity and supplementary pension while at the same time gradually integrate the group insurance business from Ping An Life. It intends to set up 35 branches and 127 sub-branches across the country in the next few months. As at December 31, 2006, Ping An Annuity had a registered capital of RMB300 million, and its total assets amounted to RMB488 million. The entrusted assets under our corporate annuity amounted to RMB634 million.

8. Ping An Health

Ping An Health was set up on June 13, 2005, with a registered capital of RMB500 million. It is one of the foremost companies to be granted to provide health specialty insurance. In 2006, by leveraging the financial strength and the international and professional operational and management model of the Group, Ping An Health commenced the development of brand new health insurance services by soliciting international experts. Our goal is to provide comprehensive health management and services to its customers. In December 2006, Shanghai branch office of Ping An Health commenced operation.

9. Ping An Asset Management

As at December 31, 2006, Ping An Asset Management had a registered capital of RMB200 million and its total assets amounted to RMB223 million. Assets under the management of Ping An Asset Management grew steadily in 2006. As at December 31, 2006, the assets under its management amounted to RMB329,424 million. Both its investment income and investment yield recorded growth. To broaden the investment channels for its insurance funds, Ping An Asset Management initiated non-capital market investment, and has been designated as one of the leading companies to participate in infrastructure investment. In terms of internal management, Ping An Asset Management has standardized and regulated its business flow, reinforced its internal management, risk measurement, assets allocation and performance assessment mechanism to sustain a continuous improvement in investment management capability.

10. Ping An Asset Management (Hong Kong)

Ping An Asset Management (Hong Kong) was incorporated on May 16, 2006 and had a registered capital of HK\$25 million as at December 31, 2006. Being responsible for our overseas investment management business, it intends to provide Hong Kong and overseas

investment products and third party assets management service to domestic and overseas professional investors, in addition to being entrusted to manage investment assets of our other subsidiaries. At present, it has set up an experienced international investment team and an operating platform.

11. Back-office centralization

The construction of the Integrated Operating Center (“IOC”) is progressing smoothly. The IOC will serve as a supporting platform for business development and risk management.

Specifically, we have made the following progress at the date of this report:

- Centralized all underwriting, claims and document processing of individual life insurance and bancassurance businesses;
- Centralized 40% policy owner services of individual life insurance businesses;
- Centralized 60% claims processing of property and casualty insurance business and the automated underwriting percentage for automobile insurance reached 50%;
- Centralized all accounting activities of operating expenses of property and casualty insurance, life insurance and annuity businesses;
- Built a national call center that serves all life insurance customers and 90% property and casualty insurance customers.

The IOC is one of the largest financial back-office support centers in Asia and will raise the standard of our operation in term of service quality, operating efficiency and risk management etc. We believe that the IOC will further enhance our marketing capabilities, improve and centralize our management of underwriting and claims processing for both life insurance and property and casualty insurance, enhance our internal controls and risk management system, increase our management efficiency through proper division of responsibilities among different levels of management, and reduce operating costs to improve our overall profitability.

12. Information on major customers

In 2003, 2004, 2005 and 2006, premium income from the five largest customers of the Company accounted for 1.6%, 1.1%, 1.1% and 1.1 % of the Company’s total premium income

respectively. No premium income from any one single customer of the Company exceeded 50% of the total premium income, and the Company has not relied on the above customers.

(III) Discussion and Analysis of Important Information relating to Operating Activities

1. On February 9, 2007, the Company issued 1,150 million RMB denominated ordinary shares (A shares) at its initial public offering in the PRC at an issue price of RMB33.80 per share, and raised total proceeds of approximately RMB38,800 million. The proceeds from the issue of A shares will, after deducting the share issue expenses, be added to the Company's capital and/or be used for other purposes as approved by the relevant supervisory authorities.

2. In October 2006, as approved by the CIRC and the State Administration of Foreign Exchange, Ping An's "Foreign currency denominated Insurance - Best Choice for Overseas Students", the first foreign currency denominated life insurance product in the PRC, was launched in the market throughout China. It is a significant product and service innovation in the PRC insurance industry following the release of "the State Council's Opinion on the Reform and Development of China's Insurance Industry", which offers new insurance coverage for those customers who plan to study and live overseas.

3. In July 2006, the Company entered into the relevant agreement to acquire 89.24% of the SZCB's shares through investment and capital injection of approximately RMB4,910 million into the SZCB, which improved the SZCB's capital adequacy ratio to the level required by the CBRC. The acquisition was a remarkable step in the Company's effort to form an integrated financial services group. On February 16, 2007, as part of the Company's strategies to integrate its banking operations and streamline its corporate structure, the SZCB entered into an equity transfer agreement with the Hong Kong and Shanghai Banking Corporation Limited and Ping An Trust, the latter being a 99.88% owned subsidiary of the Company, for the conditional acquisition of 27% and 73% of the interests in Ping An Bank respectively.

4. In May 2006, the Company established Ping An Asset Management (Hong Kong) in Hong Kong with the aim to build an internationally advanced investment platform. Ping An Asset Management (Hong Kong) and Ping An Assets Management in Shanghai will be integrated into one unified Ping An assets management system, and be developed towards building an internationally advanced investment management platform for global assets allocation. On March 1, 2007, Ping An Asset Management (Hong Kong) formally obtained the qualification to carry out type 9 regulated activities in Hong Kong, that is, the assets management license issued by the Securities and Futures Commission of Hong Kong ("SFC").

5. In August 2006, Ping An Trust was awarded three awards, namely, the best renowned brand name, the best real estates trust scheme and the best trust manager, in the first election of excellent trust companies, demonstrating the company's unique competitive edge under Ping An Insurance Group's comprehensive financial service structure, which provides a strong support for the expansion of its trust business.

6. Latest regulatory developments of supervisory authorities and its impacts

In 2006, the State Council, the CIRC and other relevant PRC regulatory authorities promulgated a series of new or amended laws and regulations.

(1) Administrative Measures on the Pilot Indirect Investments of Insurance Funds into Infrastructure Projects

On March 14, 2006, the CIRC promulgated the Administrative Measures on the Pilot Indirect Investments of Insurance Funds into Infrastructure Projects, which is the first regulation governing the indirect investment of insurance funds in infrastructure projects and has important and practical meaning on the regulation of investment of insurance funds in infrastructure projects as well as optimizing the structure of insurance assets. Under the measures, the process of investments in the infrastructure projects developed by the Company in prior periods will be accelerated.

(2) Regulations on Mandatory Traffic Accident Liability Insurance for Motor Vehicles

On March 21, 2006, the State Council promulgated the Regulations on Mandatory Traffic Accident Liability Insurance for Motor Vehicles which came into effect on July 1, 2006. It clearly stipulates the scope of application of the Mandatory Traffic Accident Liability Insurance System for Motor Vehicles, the principles, the rights and obligations of the insurer and the insured, as well as the governing areas of the regulatory bodies. This regulation is fundamental to the successful implementation of the Mandatory Traffic Accident Liability Insurance System for Motor Vehicles. The Company believes that the underwriting activities of motor vehicles insurance will significantly increase and will bring in more premium income and profits.

(3) Administration Measures for the Issuance of Securities by Listed Companies

On May 6, 2006, the CSRC promulgated the Administration Measures for the Issuance of Securities by Listed Companies. It strengthens the mechanism on regulating securities

issuance to the public, tightens control over fund raising, encourages return to shareholders and further enhances market refinance mechanism and its efficiency. These measures will facilitate the development of the underwriting business of the Company.

(4) Administration Measures for Initial Public Offering and Listing of Shares

On May 17, 2006, the CSRC promulgated the Administration Measures for Initial Public Offering and Listing of Shares which further regulated the initial public offering and listing of shares in the domestic share market. This facilitates the establishment of the market operating mechanism in IPO and improves the efficiency of fund raising activities.

(5) Several Opinions of the State Council on the Reform and Development of the Insurance Industry

On June 15, 2006, the State Council promulgated Several Opinions of the State Council on the Reform and Development of the Insurance Industry (Guofa [2006] No.23) which sets out ten specific opinions regarding the full implementation of a scientific development approach; guiding opinions, targets and policies for the development and reform of the insurance industry; speeding up the development pace of the insurance industry and promoting social harmony (the "Ten Specific Opinions"). The issuance of the "Ten Specific Opinions" is a milestone in the development history of the PRC insurance industry which create a precious opportunity for the development of the Company.

(6) Health Insurance Management Regulation

On August 7, 2006, the CIRC promulgated the Health Insurance Management Regulation which came into effect on September 1, 2006. It is the first regulation on commercial health insurance, has important and practical meaning on promoting health insurance development, product innovation, market regulation as well as protection of the insured's interest and improvement of external environment and also has important guiding meaning on the development of Ping An Health in a period to come.

(7) Measures for Administration of Investment in Domestic Securities by Qualified Foreign Investment Institutions

On August 24, 2006, the CSRC, the People's Bank of China and the PRC Foreign Exchange Management Bureau jointly promulgated the Measures for Administration of Investment in Domestic Securities by Qualified Foreign Investment Institutions, which came into effect on

September 1, 2006. The new administrative measures substantially lowered the entry barrier for investment in domestic securities by qualified foreign investment institutions so as to encourage more long-term funds to enter the PRC market and for the healthy development of the domestic capital market. This will lead to a positive impact to the investment business.

(8) Administrative Measures on the Offering and Underwriting of Securities

On September 17, 2006, the CSRC promulgated the Administrative Measures on the Offering and Underwriting of Securities, which came into effect on September 19, 2006. Such measures aim at regulating the price consultation process, price determination and allocation of shares during initial offering of shares. It sets up the clawback mechanism and introduces the share allocation system for allocating shares to strategic investors as well as the over-allotment option system (“Greenshoe”) so as to further improve the existing price consultation system. In addition, it also tightens the control over the behaviors of the issuers, securities companies, securities service institutions and investors participating in securities investment. This regulation directs the development and risk management requirement of investment banking business, and shall facilitate our investment banking business.

(9) The Notice Regarding Equity Investment in Commercial Bank by Insurance Companies

On October 16, 2006, the CIRC promulgated the Notice Regarding Equity Investment in Commercial Bank by Insurance Companies. Pursuant to the Notice, insurance funds can be invested in commercial banks, which broadens the scope of application of insurance funds and provides long-term investment channels which better suits the needs of each insurance company, and in turn improves the asset allocation of insurance funds, diversifies investment risks and enhances investment return.

II. The Company’s Future Development Prospect

(I) Development objective of the company

1. The Company is devoted to become a leading financial conglomerate with focus on insurance, banking and assets management businesses

The Company is devoted to become a leading international financial conglomerate and target to position itself as one of the market leaders. Based on the foundation of insurance businesses, the Company aims at developing its banking and asset management businesses

to form a three pillar core business system.

2. The Company will sustain steady profit growth and bring stable return to its shareholders

During the course of its development in the past, the Company has maintained a high growth rate and created value for its shareholders. In the coming years, by fully leveraging on the rapid economic growth and continual increase in household wealth in the PRC, the Company will endeavor to maintain a healthy profit growth and bring stable return to its shareholders.

(II) Development trend of the industry the Company engages in and market competitive environment the Company confronts

1. Significant growth potential in the PRC insurance market

The Company is currently engaged in insurance business. According to the Sigma report (Issue 5 of year 2006) issued by Swiss Reinsurance Company, global premiums totaled US\$3,426 billion in 2005, of which US\$1,974 billion was contributed by life insurance, and US\$1,452 billion by non life insurance (including property and casualty insurance, accident insurance and health insurance). In terms of total premiums, the PRC insurance market was the third largest insurance market in Asia, the eleventh largest insurance market in the world and one of the fastest growing insurance markets in the world. Domestically speaking, the insurance industry is one of the fastest growing industries in the PRC economy.

In 2006, the PRC insurance industry generated premiums of RMB 564.14 billion, representing an increase of 14.4% from that of the previous year. Total assets of the insurance companies reached RMB1,970 billion, representing an increase of 29% from that at the end of 2005. In 2006, the insurance penetration rate was 2.8% while insurance density was RMB431.3 per capita. Judging from the insurance penetration rate and insurance density, the penetration rate in the PRC, as compared with those in the US, Europe and certain comparatively developed Asian markets, remained relatively low, indicating that huge growth potential exists in the PRC insurance market.

2. Analysis on competition

By the end of 2006, there were 98 insurance companies and 2,110 professional insurance agencies operating in China. With 4 insurance asset management companies and 1 insurance funds use center newly established, the numbers of assets management companies reached 9. At present, a total of 41 overseas insurance companies have entered into the PRC insurance market, and 133 overseas insurance companies from 20 countries and regions have

established 195 representative offices in the PRC. Thus, a market environment of fair competition and common development with coexistence of insurance companies in various forms and different ownership structures, including state-owned holding (group) companies, joint stock companies and overseas companies, was initially formed.

The table below set out the ranking of revenue and market share of the life insurance companies in 2006:

Company name	Premiums (RMB million)	Market share (%)
China Life Insurance Company Limited	183,839	45.3
Ping An Life Insurance Company of China, Ltd.	68,989	17.0
China Pacific Life Insurance Co., Ltd.	37,838	9.3
New China Life Insurance Co., Ltd.	26,657	6.6
Taikang Life Insurance Company Ltd.	20,809	5.1
Others	67,977	16.7
Total	406,109	100.0

Source: CIRC website

The table below set out ranking of revenue and market share of the property and casualty insurance companies in 2006:

Company name	Premiums (RMB million)	Market share (%)
PICC Property and Casualty Company Limited	71,299	45.1
China Pacific Property Insurance Co., Ltd.	18,123	11.5
Ping An Property & Casualty Insurance Company of China, Ltd.	16,862	10.7
Others	51,751	32.7
Total	158,035	100.0

Source: CIRC website

In 2006, in terms of premiums, the Company ranked second largest life insurance company and third largest property and casualty insurance company in the PRC.

The table below set out premiums and market share of the Company:

	2006	2005
Ping An Life		
Premiums (RMB million)	68,989	58,849
Market share (%)	17.0	16.1
Ping An Property & Casualty		
Premiums (RMB million)	16,862	12,676
Market share (%)	10.7	9.9

Source: CIRC website

During the past two years, Ping An Life and Ping An Property & Casualty have improved their market shares.

3. Development opportunities and challenge in the future

Looking forward to 2007, driven by a favorable overall economic environment internationally and blooming consumption demand domestically, the PRC economy will sustain a healthy rapid growth. The PRC insurance industry, after decades of development, has become an important part of the nation's economy.

The robust PRC macro economy provides a favorable backgrounds for the financial insurance industry to achieve sustainable development, and brings about precious opportunities for the Company to realize its established strategic objectives. However, the Company is also confronted with certain challenges. For example, as compared with major competitors in the domestic market, the Company lags behind in number of outlets, sales teams and customers and premiums scales. Following China's entry into WTO, the PRC insurance market will be opened to the world gradually, thus intensifying competition in the industry. Moreover, there are challenges the Company will face in ensuring its sustainable healthy growth, its specialized operations in multi-fields and the synergy among its different business channels.

In 2007, the Company will adhere to the basic principles of quality priority, profit-oriented, observance of laws and regulations and challenging new goals, and will continue to strengthen the construction of the corporate governance structure, the financial service platforms and the internal operating mechanism, and steadily promote the construction of its customer-oriented operating model. While seizing the development opportunities afforded by economic growth, the Company will manage operation risks seriously and effect sustainable growth with quality and efficiency.

Regarding business development, the Company will further strengthen the profitability of its insurance core business; and by exploring new channels and new business platforms for banking and assets management, it will enhance the contribution of such new businesses to the Group's profit, aiming at balanced development among its insurance, banking and assets management businesses. By capitalizing on Ping An's consolidated edge, the Company will integrate and enhance its banking platform to provide one-stop and diversified comprehensive financial services.

Regarding back-office construction, the Company will commence construction of its second largest backup center, continuously optimize its resources-sharing platform and mechanism to support its sales team and strengthen intra-group coordination and achieve synergy in the financial conglomerate.

Regarding investment, the Company will proactively explore and implement investing models that are applicable to the PRC market, and will continue to expand investment channels, with an aim to realize a match allocation of asset and liability. In future, more investment will be made in infrastructure projects so as to broaden its investment channel, and in the meantime, construction of global investment platforms will be sped up to diversify investment risks, and increase the return on the Group's investment, striving for enhancement of competitiveness of various financial products.

Regarding management, the Company will recruit international top caliber executives to continually enhance specialized operation and management in each of its businesses. Meanwhile, the Company will strengthen the risk management ability of each of its businesses through constant perfection of the corporate governance and optimization of the internal controls, to ensure that the management is able to cope with comprehensive operation risks they faced from the shift of a single insurance operation to comprehensive operation.

III. Analysis on the Financial Position and the Results of Operations

(I) Analysis on the consolidated financial statements

1. Analysis on change ratio of the increase or decrease in the key financial indicators and reasons thereof

Unit: RMB thousand

Key financial indicator	2006	2005	Change (%)	Main reason
Total assets	441,791,056	288,103,742	53.3	Expansion in the

				business and addition of SZCB in consolidation
Total liabilities	403,872,313	254,914,896	58.4	Expansion in the business and addition of SZCB in consolidation
Shareholders' Equity	36,667,865	32,664,006	12.3	The mutual effects of net profit generated and cash dividends distributed during the reporting period
Operating profit	6,182,392	3,821,930	61.8	Increase of profits from various principal activities and investment return
Net profit	5,985,962	3,338,428	79.3	Increase of profits from various principal activities and investment return

2. Items with changes over 30% in financial statements and reasons thereof

Unit: RMB thousand

Key financial indicator	2006	2005	Change (%)	Main reason
Items in balance sheet				
Cash	347,282	14,150	2,354.3	Addition of SZCB in consolidation
Balances with clearing companies	1,134,759	176,987	541.2	Expansion of securities business
Precious metal	111,001	-	N/A	Addition of SZCB in consolidation
Balances with central bank	7,713,643	20,271	37,952.6	Addition of SZCB in consolidation
Due from banks and other financial institutions	2,840,207	426,491	565.9	Addition of SZCB in consolidation
Short-term investments	24,148,945	16,532,789	46.1	Expansion of investment scale
Placements with banks and other financial institutions	1,727,381	131,394	1,214.7	Addition of SZCB in consolidation
Short-term loans	10,709,388	400,882	2,571.5	Addition of SZCB in consolidation
Policy loans	1,380,990	864,483	59.7	Increase of the business scale of policy loans
Assets purchased under agreements to resell	6,950,915	-	N/A	Increase of short-term lending business and addition of SZCB in consolidation
Discounted bills	12,633,786	-	N/A	Addition of SZCB in consolidation

Bills negotiation of export and import L/C	317,596	-	N/A	Addition of SZCB in consolidation
Interest receivables	609,230	438,098	39.1	Addition of SZCB in consolidation
Premium receivables	3,072,759	748,808	310.4	Increase of premium receivables of life insurance business
Prepaid claims	135,229	226,016	(40.2)	Decrease of prepaid claim balances
Deposits with stock and futures exchanges	74,047	42,120	75.8	Expansion of securities business
Other receivables	2,674,855	467,481	472.2	Increase of prepayment in investment projects
Materials	2,501	4,132	(39.5)	Decrease of materials
Financial guarantees	94,040	-	N/A	Ping An Securities started warrants business
Dividends receivable	42,735	-	N/A	Increase in balance of dividends receivable from stocks and securities investment funds
Long-term bond investments due within one year	2,506,243	779,804	221.4	Increase of long-term bond due within one year
Long-term equity investments	13,387,680	3,006,663	345.3	Increase of long-term equity investments
Consolidation surplus	599,497	330,433	81.4	Consolidation surplus arising from the acquisition of SZCB
Medium to long-term loans	24,240,288	129,667	18,594.3	Addition of SZCB in consolidation
Overdue loans	895,441	-	N/A	Addition of SZCB in consolidation
Non-accrual loans	2,785,888	93,550	2,878.0	Addition of SZCB in consolidation
Loan loss provisions	2,430,726	93,550	2,498.3	Addition of SZCB in consolidation
Long-term deferred expenses	60,818	36,915	64.8	Addition of SZCB in consolidation
Repossessed assets	463,871	7,834	5,821.3	Addition of SZCB in consolidation
Separate account assets	24,931,681	15,897,584	56.8	Inflow of the renewal premiums of investment-linked insurance products and appreciation of assets in account

Deferred tax assets	630,100	20,487	2,975.6	Addition of SZCB in consolidation
Short-term borrowings	526,710	-	N/A	Increase of bank borrowings of Ping An Trust and Ping An Overseas
Short-term deposits	50,626,577	18,077	279,960.7	Addition of SZCB in consolidation
Short-term saving deposits	10,725,197	-	N/A	Addition of SZCB in consolidation
Due to banks and other financial institutions	3,464,731	36,376	9,424.8	Addition of SZCB in consolidation
Placements from banks and other financial institutions	991,705	-	N/A	Addition of SZCB in consolidation
Assets sold under agreements to repurchase	13,436,183	7,095,400	89.4	Increase of short-term borrowing business and addition of SZCB in consolidation
Handling charges payable	117,714	76,166	54.5	Expansion of insurance business
Commission payable	776,008	556,731	39.4	Expansion of life insurance business
Due to reinsurers	746,051	532,903	40.0	Increase of outstanding balance of due to reinsurers at the end of period
Deposits from reinsurers	614	58,121	(98.9)	Decrease of deposits from reinsurers
Guarantee deposits	5,484,740	76,664	7,054.3	Addition of SZCB in consolidation
Inward and outward remittances	248,673	-	N/A	Addition of SZCB in consolidation
Interest payable	309,139	5,134	5,921.4	Addition of SZCB in consolidation
Salary payable	1,723,438	475,497	262.4	Increase of salary expense
Welfare payable	295,380	142,411	107.4	Increase of salary expense
Warrants payable	88,319	-	N/A	Ping An Securities started warrants business
Policyholder dividends payable	4,106,627	2,864,005	43.4	Increase of premiums of participating life insurance contracts and investment return
Taxes payable	1,119,832	672,725	66.5	Increase of taxes payable at the end of period
Other payables	2,191,157	1,355,709	61.6	Increase of claims, maturities and surrenders payable
Accrued expenses	75,146	16,462	356.5	Increase of accrued expenses

Unearned premium reserves	8,702,315	6,240,733	39.4	Expansion of property and casualty insurance and short-term life insurance business
Insurance guarantee fund	81,857	60,110	36.2	Increase of premiums income provided for insurance guarantee fund
Customer deposits	3,750,122	1,729,716	116.8	Expansion of securities business
Other current liabilities	190,772	-	N/A	Increase of expected liabilities while consolidation of SZCB
Long-term liabilities due within one year	1,577,482	-	N/A	Addition of SZCB in consolidation
Long-term deposits	3,043,310	-	N/A	Addition of SZCB in consolidation
Long-term saving deposits	454,522	-	N/A	Addition of SZCB in consolidation
Long-term guarantee deposits	49,386	-	N/A	Addition of SZCB in consolidation
Other long-term liabilities	1,016	1,862	(45.4)	Decrease in guarantee deposits for operating lease paid in Ping An Trust
Separate account liabilities	24,931,681	15,897,584	56.8	Inflow of the renewal premiums investment-linked insurance products and appreciation of assets in account
Minority interests	1,250,878	524,840	138.3	Consolidation of SZCB and increase of interests in non-wholly owned subsidiaries
General risk provision	16,752	-	N/A	Provision of general risk provision
General provision	76,633	35,679	114.8	Provision of general provision
Loss provision for trust business	28,774	-	N/A	Provision of loss provision for trust business
Retained profits	8,667,162	5,349,779	62.0	Mutual effects of net profit and profit appropriation
Items in Income Statement				
Reinsurance premium income	28,447	16,112	76.6	Increase of reinsurance business
Claim expenses	10,721,175	8,221,809	30.4	Expansion of property and casualty insurance and short-term life insurance business
Claims for reinsurance	8,645	3,851	124.5	Expansion of reinsurance business

accepted				
Expenses for reinsurance accepted	3,983	2,093	90.3	Expansion of reinsurance business
Handling charges	1,831,898	963,581	90.1	Expansion of insurance business
Business tax and surcharges	1,644,692	909,742	80.8	Increase of premium income and investment income taxable
Operating expenses	9,759,034	7,033,277	38.8	Expansion of business
Provision for unearned premium reserves	8,702,315	6,240,733	39.4	Expansion of property and casualty insurance and short-term life insurance business
Other profit	16,080	115,500	(86.1)	Increase of other business expenses
Investment income	18,513,069	5,885,130	214.6	Increase of investment assets and improvement of investment yield
Income from assets purchased under agreements to resell	27,974	338	8,176.3	Increase of securities purchased under agreements to resell
Commission income	475,085	175,327	171.0	Increase of Ping An Securities' brokerage business
Securities underwriting income	139,665	79,355	76.0	Increase of Ping An Securities' investment banking business
Interest expenses	129,750	15,816	720.4	Addition of SZCB in consolidation
Policyholder dividends	1,486,737	1,064,118	39.7	Increase of premiums income of participating life insurance contracts and investment return
Expenses of assets sold under agreements to repurchase	172,065	91,071	88.9	Increase of securities sold under agreements to repurchase
Other handling charges	50,133	18,344	173.3	Increase of expenses of handling charges of Ping An Trust and Ping An Securities
Loan loss provisions	947	(72,997)	(101.3)	Write-back of loan loss provisions in 2005
Non-operating income	86,885	56,618	53.5	Increase of income of disposal of fixed assets
Non-operating expenses	11,272	122,758	(90.8)	Write-back of impairment provision of fixed assets

Income tax	135,257	387,637	(65.1)	Preferential tax credit for salary expenses deduction enjoyed by Ping An Life and Ping An Property & Casualty
Minority interests	136,786	29,725	360.2	Increase of profit from major non-wholly owned subsidiaries in the year

3. Segment profit

The Company achieved profit after tax of RMB 6,123 million in 2006, representing an increase of 81.8% as compared to the previous year. Substantial increase of profit after tax was primarily due to satisfactory results of the Company's various principal activities and the improvement of investment yield.

Unit: RMB thousand

Items	2006		2005	
	Amount	As a percentage in total amounts (%)	Amount	As a percentage in total amounts (%)
Life insurance business	4,774,306	78.0	2,833,510	84.1
Property and casualty insurance business	645,304	10.5	291,711	8.7
Banking business	70,689	1.2	6,658	0.2
Corporate business, other business and elimination	632,449	10.3	236,274	7.0
Profit after tax	6,122,748	100.0	3,368,153	100.0

4. Analysis of cash flow

Unit: RMB thousand

Items	2006	2005	Change (%)
Cash inflow from operating activities	96,829,403	69,544,704	39.2
Cash outflow from operating activities	(59,471,689)	(37,654,623)	57.9
Net cash flows from operating activities	37,357,714	31,890,081	17.1
Cash inflow from investment activities	202,603,831	77,229,464	162.3

Cash outflow from investment activities	(216,806,690)	(112,310,554)	93.0
Net cash flows from investment activities	(14,202,859)	(35,081,090)	(59.5)
Cash inflow from financing activities	256,707,728	119,455,013	114.9
Cash outflow from financing activities	(251,387,463)	(113,907,290)	120.7
Net cash flows from financing activities	5,320,265	5,547,723	(4.1)
Effect of changes in foreign exchange rate on cash	(66,862)	(18,227)	266.8
Net change in cash and cash equivalents	28,408,258	2,338,487	1,114.8

The increase of cash inflow from operating activities during this year was mainly due to the continuous increase of premium received. The increase of cash outflow from operating activities during the year was mainly due to increase of various underwriting expenses such as claims, maturities, surrenders, handling charges and commissions in line with the expansion of the Company's insurance business.

The increase of cash inflow from investment activities during this year was mainly due to substantial increase of cash dividend received and cash received from assets purchased under agreements to resell. The increase of cash outflow from investment activities during the year was mainly due to rapid growth of cash payment for investment, assets purchased under agreements to resell and deposits under agreements in line with the expansion of investment.

The increase of cash inflow from financing activities during the year was mainly due to the substantial increase of cash received from assets sold under agreements to repurchase. The increase of cash outflow from financing activities during the year was mainly due to the increase of cash payment for assets sold under agreements to repurchase and the distribution of dividends.

(II) Segmental Results

1. Life insurance business

Unit: RMB thousand

	2006	2005	Change (%)
Underwriting income	68,357,559	58,038,687	17.8
Including: Premium income	68,988,858	58,848,897	17.2
Underwriting expenses	(29,690,927)	(24,409,694)	21.6
Including: Claim expenses	(2,370,517)	(2,058,224)	15.2
Payments on death and medical claims	(1,086,421)	(982,244)	10.6
Payments on maturities	(3,034,671)	(3,263,281)	(7.0)
Payments on annuities	(2,770,432)	(2,446,820)	13.2
Payments on surrenders	(8,493,282)	(6,956,103)	22.1
Handling charges and commission expenses	(6,559,306)	(5,168,121)	26.9
Operating expenses	(5,464,888)	(4,022,338)	35.9
Changes in reserves	(51,988,011)	(38,027,594)	36.7
Underwriting losses	(13,321,379)	(4,398,601)	202.9
Investment income and interest income	20,010,886	8,632,419	131.8
Policyholders' dividends	(1,486,737)	(1,064,118)	39.7
Net other income and expenses	(514,018)	(269,234)	90.9
Operating profit	4,688,752	2,900,466	61.7
Net non-operating income and expenses	85,091	(64,744)	(231.4)
Profit before tax	4,773,843	2,835,722	68.3
Income tax	463	(2,212)	(120.9)
Profit after tax	4,774,306	2,833,510	68.5

In 2006, the life insurance business of the Company recorded premium income of RMB 68,989 million, representing an increase of 17.2% as compared to the previous year.

With the expansion of our life insurance business, underwriting expenses in 2006 increased to RMB29,691 million, representing an increase of 21.6% as compared to last year. Claim expenses increased by 15.2% as compared to last year, which was mainly due to the higher claim expenses incurred for our short-term accident and health products. The payments for surrenders increased by 22.1% as compared to last year, which was mainly due to the increase in payments for surrenders of our participating products. The change of handling

charges and commission expenses was in line with the expansion of our business. The increase in operating expenses was mainly due to the increase of premium income and the expansion of our business.

In 2006, the investment income and interest income for our life insurance business amounted to an aggregate of RMB20,011 million, representing a substantial increase of 131.8% as compared to last year. The increase in investment income was mainly due to the expansion of investment assets and the improvement of investment yield. Interest income of bond investment was a key component of total investment income. In addition, benefited from a strong stock market and appropriate investment strategies, investment income from securities investment and equity investment fund increased significantly.

Policyholders' dividends increased by 39.7% as compared to the previous year, which was mainly due to the expansion of participating products and the realization of higher investment income.

The substantial decrease of income tax for 2006 was mainly due to the substantial increase of interest income from government bonds and dividend income from equity investment funds which were entitled to certain tax exemptions and the preferential tax credit for the deductible amount of taxable salary granted to Ping An Life in 2006.

Due to the above reasons, our life insurance business achieved profit after tax of RMB 4,774 million in 2006, representing a substantial increase of 68.5% as compared to 2005.

2. Property and casualty insurance business

Unit: RMB thousand

	2006	2005	Change (%)
Underwriting income	13,354,569	9,344,960	42.9
Including: Premium income	16,966,094	12,760,115	33.0
Underwriting expenses	(10,932,200)	(7,012,456)	55.9
Including: Claim expenses	(8,350,658)	(6,163,585)	35.5
Handling charges	(1,568,090)	(817,373)	91.8
Operating expenses	(3,157,618)	(2,336,153)	35.2
Changes in reserves	(2,414,647)	(2,089,427)	15.6
Underwriting profit	7,722	243,077	(96.8)
Investment income and interest	665,004	396,004	67.9

income			
Net other income and expenses	(25,066)	(3,798)	560.0
Operating profit	647,660	635,283	1.9
Net non-operating income and expenses	(8,564)	(7,654)	11.9
Profit before tax	639,096	627,629	1.8
Income tax	6,208	(335,918)	(101.8)
Profit after tax	645,304	291,711	121.2

In 2006, the property and casualty insurance business of the Company recorded premium income of RMB13,355 million, representing an increase of 42.9% as compared to the previous year. The rapid growth of property and casualty insurance business was firstly due to the continuous growth of the PRC economy, secondly, the noticeable result of our persistent reform in the structure and channel of property and casualty insurance business.

The change in claim expenses was in line with the upward momentum of premium income. The increase of handling charges was due to the growth of premium income on the one hand, and the increase of prevailing handling charge rate resulting from intensified competition on the other hand. The increase of operating expenses was mainly due to the expansion of our business.

Changes in reserves recorded an increase of 15.6%, which was mainly due to the rapid growth of premium income.

In 2006, the investment income and interest income of our property and casualty insurance business amounted to an aggregate of RMB665 million, representing an increase of 67.9% as compared to last year. The increase of investment income was mainly due to the expansion of investment assets and the improvement of investment yield.

The substantial decrease of income tax for this year was mainly due to the preferential tax credit for the deductible amount of taxable salary granted to Ping An Property & Casualty.

Due to the above reasons, our property and casualty insurance business achieved profit after tax of RMB645 million in 2006, representing a substantial increase of 121.2% as compared to 2005.

3. Banking business

The operating income and net profit of our banking business achieved substantial increase in 2006, reaching RMB 247 million and RMB 71 million respectively. It was mainly due to the consolidation of SZCB from December 15, 2006 and the approval of the provision of Rinyinbi services by Ping An Bank to corporate customers commencing from 2006.

Unit: RMB thousand

Items	2006	2005
Operating income	246,817	25,136
Net profit	70,689	6,658

4. Trust business

The trust business of the Company achieved operating income of RMB220 million and profit after tax of RMB88 million (net of the amount attributable to the subsidiaries' profit and loss under the equity method). These increases were primarily due to the increase in assets held under trust managed by Ping An Trust.

Unit: RMB thousand

Items	2006	2005
Operating income	219,566	85,560
Profit after tax	87,559	38,427

Unit: RMB thousand

Item	December 31, 2006	December 31, 2005
Assets under trust schemes	16,677,243	3,329,608

5. Securities business

The total income and net profit of the Company's securities business increased rapidly and significantly in 2006, amounting to RMB1,236 million and RMB554 million respectively. These increases were primarily due to the strong performance of the domestic stock market in 2006. Under the favorable conditions of an improved and booming market environment, the fund raising and IPO activities in the securities market recovered strongly, and trading volume increased significantly, as a result, Ping An Securities' brokerage service, investment banking service, proprietary securities trading business and investment consultancy services all recorded substantial growth.

Unit: RMB thousand

	2006	2005

Operating income	1,235,559	244,624
Net profit	553,860	6,096

6. Other businesses

By the end of 2006, the scale of operation of our annuity business and health insurance business were relatively small, so these companies made no material contribution to the Group's total income and profit.

IV. Embedded Value

In order to provide investors with an additional tool to understand our economic value and business performance results, the Group has disclosed information regarding embedded value in this section. The embedded value represents the shareholders' adjusted net asset value plus the value of the Group'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 Group has received advice from and consulted with Watson Wyatt Consultancy (Shanghai) Ltd in the selection of basis and the calculation of the value of in-force life insurance business and the value of one year's new business. The Group remains wholly responsible for the results and presentation of the embedded value which comprises the adjusted net asset and the value of in-force life insurance business.

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 Group is measured by the value of the Group's shares on any particular day. In valuing the Group'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 constructed as a direct reflection of the actual market value.

(I) Components of Economic Value

Unit: RMB million

	As at December 31, 2006	As at December 31, 2005
Adjusted net asset value	46,282	33,072
Value of in-force insurance business written prior to June	(20,932)	(18,089)

1999		
Value of in-force insurance business written since June 1999	48,011	38,537
Cost of holding the required solvency margin	(7,788)	(5,157)
Embedded Value	65,573	48,363

Unit: RMB million

	As at December 31, 2006	As at December 31, 2005
Value of one year's new business	6,007	5,148
Cost of holding the required solvency margin	(875)	(609)
Value of one year's new business after cost of solvency	5,132	4,539

The adjusted net asset value is based on the audited shareholders net assets of the Group as measured on the PRC statutory basis. The values placed on certain assets have been adjusted to the market values. It should be noted that the adjusted net asset is for the whole Group, including Ping An Life and other business units, whilst the value of in-force insurance business and the value of one year's new business presented are only in respect of Ping An Life and not other business units.

(II) Key Assumptions

The assumptions used in the embedded value calculation in 2006 have been made on a "going concern" basis, assuming continuation of the economic and legal environment currently prevailing in the PRC. The statutory reserving basis and solvency margin requirement were assumed in the calculation. Certain portfolio assumptions were based on the Group's own recent experience as well as considering the more general PRC market and other life insurance markets' experience. The principal bases and assumptions used in the calculation are described below:

1. Risk discount rate

The non investment-linked fund's earned rate or 12% has been assumed in each future year as the risk discount rate for the in-force life insurance business. The earned rate is the investment return adjusted for tax paid. This specific discount rate approach for the in-force business is to avoid understating the effect of losses arising from those high interest rate guaranteed products we sold prior to June 1999. A level 12% has been assumed in each

future year for the calculation of one-year's new business value.

2. Investment returns

Future investment returns have been assumed to be 4.30% in 2007 and to increase 0.1% every year to 4.70% in 2011 and thereafter for the non investment-linked fund. For the investment-linked fund, future investment returns have been assumed to be 4.80% in 2007 and to increase 0.1% every year to 5.20% in 2011 and thereafter. These returns have been derived by consideration of the current capital market condition, the Group's current and expected future asset allocations and associated investment returns for a range of major asset classes.

3. Taxation

A 15% average income tax rate has been assumed. In addition, a 5.5% business tax rate has been applied to the gross written premiums of the short-term accident insurance business.

4. Mortality

The experience mortality rates have been based on 65% and 60% of China Life (90-93) table for male and female respectively for non annuitants. For annuitants, 75% of the China Life Annuity (90-93) table has been assumed. The newly published China Life and annuity (00-03) table has been used in calculating statutory reserves.

5. Morbidity

Morbidity assumptions have been based on the Group's own pricing table. The loss ratios have been assumed to be in the range of 15% and 75% for short term accident and health insurance business.

6. Discontinuances

Policy discontinuance rates have been based on the Group's recent experience studies. The discontinuance rates are dependent on the pricing interest rate and the product type.

7. Expenses

Expenses assumptions have been based on the Group's most recent expenses investigation.

For calendar year 2006, the assumed expenses and commissions equated to around 77% of the expenses allowance priced into the products. The unit maintenance expenses were assumed to increase at 2% per annum.

8. Policyholder dividends

Policyholder dividends have been based on 80% of the interest and mortality surplus for individual life and bancassurance participating business. For group life participating business, dividends have been based on 90% of interest surplus only.

(III) New Business Volumes and Business Mix

The volume of new business sold and modeled during 2006 to calculate the value of one year's new business was RMB23,698 million in terms of first year premium. The mix of the new business measured by first year premium was:

	Percentage
Individual life	46.1%
Long-term business	44.2%
Short-term business	1.9%
Group life	28.9%
Long-term business	19.9%
Short-term business	9.0%
Bancassurance	25.1%
Long-term business	25.1%
Total	100.0%

Note: Figures may not be additive due to rounding.

(IV) Embedded value movement

The table below shows how the embedded value grew to more than RMB65,573 million as at December 31, 2006.

Unit: RMB million

	2006	Illustration
Embedded value as at December 31, 2005	48,363	
Expected return on year-start embedded value	2,967	Expected growth of embedded value occurred in 2006.

Value of one-year new business	6,222	The contribution came from new business sold during 2006 and discounted at earned rate 12%.
Assumption and modeling changes	(3,049)	Statutory reserve valuation interest rates change, lapse rates change and tax rate change etc. decreased embedded value on an aggregate basis.
Market value adjustment impact	9,206	The market value adjustment of equity investments increased due to large unrealised capital gains.
Investment return variance	3,399	Actual investment return in 2006 was higher than the assumed return.
Other experience variances	447	Other variances between actual experience and assumptions.
Embedded value before capital changes	67,556	Embedded value before impact of capital change increased by 39.7%.
Shareholder dividends	(1,982)	Dividends paid to shareholders during 2006.
Embedded value as at December 31, 2006	65,573	
Embedded value per share as at December 31, 2006 (RMB)	10.58	

Note: Figures may not be additive due to rounding.

(V) Sensitivity Analysis

The Group has investigated the effect, on the value of in-force business and the value of one year's new business, of varying independently certain assumptions regarding future experience. Specifically, the following changes in assumptions have been considered:

- Risk discount rate
- Investment return increased by 25 basis points every year
- Investment return decreased by 25 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 expense
- A 5% increase in the policyholders' dividend payout ratio

Unit RMB million

	Risk Discount Rate			
	Earned Rate/11.0%	Earned Rate/12.0%	Earned Rate/13.0%	12.0%
Value of in-force business	20,797	19,291	17,895	21,309
	11.0%	12.0%	13.0%	Earned Rate/12.0%

Value of one year's new business	5,637	5,132	4,691	6,222
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Unit RMB million

Assumption	Value of in-force business	Value of one year's new business
Central case	19,291	5,132
Investment return increased by 25bp every year	23,699	5,252
Investment return decreased by 25bp every year	14,437	5,012
10% reduction in mortality and morbidity rates	19,531	5,223
10% reduction in policy discontinuance rates	19,915	5,329
10% reduction in maintenance expense	20,252	5,251
5% increase in the policyholders' dividend payout ratio	18,209	5,006

Note: Risk discount rates were earned rate/12.0% and 12.0% for in force business and new business respectively.

V. The Impact of the Implementation of New Accounting Standards for Business Enterprises on the Company

The Ministry of Finance issued “the Accounting Standards for Business Enterprises – Basic Standards”(Caizhengbuling NO. 33) and 38 specific standards” (Caikuai[2006] NO. 3) in February 2006 and issued “the Accounting Standards for Business Enterprises- Application Guidelines” (Caikuai [2006] NO. 18) in October 2006 (“New Accounting Standards”), and the Accounting Standards Commission of the Ministry of Finance issued “ the Experts’ Opinions on Implementation of Accounting Standards for Business Enterprises (“Experts’ Opinions”) in February 2007. The New Accounting Standards applied to listed companies and insurance companies since January 1, 2007. According to our present understanding of “the Accounting Standards for Business Enterprises No. 38 – First-time Adoption of Accounting Standards for Business Enterprises”, Experts’ Opinions, and the Ministry of Finance’s documents relating to the further interpretation of the New Accounting Standards, the Company’s analysis of the impact on its accounting policies and accounting estimation and its financial condition and results of operation as a result of adopting the New Accounting Standards as followed:

(I) Investment

1. Financial assets at fair value through profit or loss and available-for-sale financial assets

Under the Current Accounting Standards, the Group classified investment assets, in accordance with “Accounting Standards for Business Enterprise – Investments” and “Accounting System for Financial Institutions”, into “short term investments” and “long term investments” based on the liquidity and the intentional holding period, and measured them at the lower of cost and market price and the lower of cost and recoverable amount, respectively.

Under the New Accounting Standards, the Group shall classify investment assets within the scope of financial instruments into “financial assets at fair value through profit or loss”, “held-to-maturity investments”, “loans and receivables” and “available-for-sale financial assets”, in accordance with “Accounting Standards for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement”. Financial asset at fair value through profit or loss are subsequently measured at fair value and the gains or losses arising from the fair value changes are recorded in the profit or loss for the period; held-to-maturity investments and loans and receivables are subsequently measured at amortised costs using effective interest rates; available-for-sale financial assets are subsequently measured at fair value and the differences between the fair value and the carrying amount are recorded in capital reserve.

In accordance with the requirements in Experts’ Opinions, the Group made retrospective adjustment for this change. The differences between the fair values and the carrying amounts of the financial assets at fair value through profit or loss and available for-sale financial assets, based on the market quotations or valuation results, are RMB3,349,603 thousand and RMB13,587,890 thousand, respectively, and are adjusted to increase the retained profits. This change has a pre-tax impact to increase the shareholders’ equity as at January 1, 2007 by RMB16,937,493 thousand.

2. Long term equity investment differences

Under the Current Accounting Standards, the excess of initial investment costs over share of net assets of the investees is recorded, as equity investment differences and evenly amortised over a certain period.

Under the New Accounting Standards, the excess of the cost of the business combination which is not under common control over the acquired interest in the fair value of the identifiable net assets of the investees shall be recognized as goodwill in accordance with “Accounting Standards for Business Enterprises No. 20 – Business Combinations”. Goodwill is not

amortised but subject to impairment testing at least annually at year end. The impairment of goodwill cannot be reversed.

In accordance with the requirement in Experts' Opinions, the Group made retrospective adjustment. This change will have a pre-tax impact to increase the shareholders' equity as at January 1, 2007 by RMB57,705 thousand.

(II) Insurance

1. Adequacy test on insurance reserves

Under the Current Accounting Standards, when estimating insurance reserves, the Group did not perform adequacy test on all insurance reserves, especially on incurred but not reported claim reserves of non-life insurance.

Under the New Accounting Standards, the Group should provide for insurance reserves using actuarial method, and perform adequacy tests on claim reserves, policyholders' reserves and long term health insurance reserves at least annually at year end and make adjustment, as appropriate. Based on the results of the liability adequacy results, the Group should provide for additional reserves to top up the reserve deficiency, if any, and if the related reserve is adequate, no adjustment is made.

In accordance with requirement in Experts' Opinions, the Group made retrospective adjustments for this change to increase claim reserves and to reduce retained profits. This change has a pre-tax impact to decrease the shareholders' equity as at January 1, 2007 by RMB1,401,149 thousand.

2. Effects of investment measurement methods on insurance policyholders' reserves

Under the Current Accounting Standards, in calculating the policyholders' reserves for participating insurance and universal life insurance, the Group applied the investment yield derived using the Current Accounting Standards.

As explained above in (I)1, in accordance with the New Accounting Standards, the Group properly classified and measures its investment assets in accordance with Accounting Standard for Business Enterprises No. 22 Financial Instruments: Recognition and Measurement. In accordance with the requirements of Experts' Opinions, the Group recognizes the fair value changes in available-for-sale financial assets for both participating insurance and universal life insurance in liabilities for those portions that are reasonably attributable to the policyholders and in capital reserve for those that are attributable to the

shareholders. For financial assets at fair value through profit or loss, the changes in fair values are recorded in liabilities for those portions that are reasonably attributable to the policyholders and in profit or loss for the period for those are attributable to the shareholders.

In accordance with requirement in Experts' Opinions, the Group made retrospective adjustments for this change to increase policyholders' reserves and to correspondingly decrease retained profits and capital reserve. From the perspective of recognizing liabilities for those portions that can be reasonably attributed to the policyholders, this change has a pre-tax impact to decrease the shareholders' equity as at January 1, 2007 by RMB5,726,528 thousand.

3. Reinsurance arrangement

Under the Current Accounting Standards, various insurance reserves of the Company are recognised net of reinsurers' share of reserves.

In accordance with Accounting Standards for Business Enterprises No.26 – Reinsurance Arrangements, the Company will need to separately present the gross amounts of the various insurance liabilities arising from original insurance contracts and the related reserves and other assets recoverable from reinsurers.

The Company currently estimates that this change will lead to a reclassification and presentation of the mentioned items, but will not have a material impact on shareholders' equity of the Company as at January 1, 2007 under the New Accounting Standards.

4. Insurance risk

Under the Current Accounting Standards, the Company does not take into consideration whether the insurance contract bears insurance risk when recognizing premium income.

Under the New Accounting Standards, the Company shall recognize premium income in accordance with Accounting Standards for Business Enterprises No.25 – Original Insurance Contracts. Premium income shall only be recognized for insurance contracts that transfers insurance risks to the Company. If the contract does not bear insurance risks, premium income shall not be recognized. For contracts where there are both insurance risks and other risks and can be separately measured, the portion related to insurance risks shall be accounted for as premium income while the portion related to other risks shall be accounted for accordingly as a non-insurance contract.

The Company currently estimates that, as a result of such change, premium income and Policyholders' reserves recognised in accordance with the New Accounting Standards may be lower than that recognised in accordance with the Current Accounting Standards. The difference in premiums will be recognised as policyholders' liabilities. However, such a change will not have a material impact on the Company's shareholders' equity of the Company as at January 1, 2007 under the New Accounting Standards.

(III) Derivative financial instruments

Under the Current Accounting Standards, the Group generally did not recognize derivative financial instruments in the financial statements but treated them as off-balance sheet items.

Under the New Accounting Standards, the Group shall classify derivative financial instruments as financial assets or financial liabilities at fair value through profit or loss, in accordance with Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement, and subsequently measure them at fair value and the gains or losses arising from the fair value changes are recorded in the profit or loss for the period.

In accordance with requirement in Experts' Opinions, the Group made retrospective adjustment to recognize financial liabilities arising from the derivative financial instruments, at fair value, and correspondingly to decrease the retained profits. This change has a pre-tax impact to decrease the shareholders' equity as at January 1, 2007 by RMB2,239 thousand.

(IV) Land use rights

Under the Current Accounting Standards, the Group did not amortise land use rights which are included in the construction in progress.

Under the New Accounting Standards, land use rights shall be recognized as intangible assets and be amortised since when they are available for use.

In accordance with the requirement in Experts' Opinions, the Group made retrospective adjustment for this change to amortise the land use rights which were included in the construction in progress and to correspondingly decrease the retained profits. This change has a pre-tax impact to decrease the shareholders' equity as at January 1, 2007 by RMB56,485 thousand.

(V) Deferred tax

Differences between the new and old Accounting Standards in respect of (I) to (IV) above will result in a decrease of deferred tax assets/increase of deferred tax liabilities, and a corresponding decrease in retained profits. This change reduces shareholders' equity as at January 1, 2007 by RMB1,131,086 thousand.

(VI) Shareholders' equity

Differences between the new and old Accounting Standards in respect of (I) to (V) above result in an increase of RMB86,281 thousand in minority interests.

Under the Current Accounting Standards, the Company classifies the minority interests as one separate category which is not a part of shareholders' equity.

Under the New Accounting Standards, the minority interests and shareholders' equity attributable to equity holders of the parent jointly constitute shareholders' equity in the consolidated financial statements.

In accordance with the requirements of the New Accounting Standards, the Group's minority interests amounting to RMB1,366,391 thousand is now presented as a part of shareholders' equity in the balance sheets.

According to the current evaluation of the management of the Company, as the application of the New Accounting Standards will not have a comparably material impact on other aspects, none of these impacts are illustrated herein.

The above-mentioned effects of the implementation of the New Accounting Standards on the Company are estimated on the basis of the Company's understanding of the New Accounting Standards, the Experts' Opinions and relevant guidelines issued by the Ministry of Finance and the CIRC, therefore actual effects may vary due to factors such as further interpretation of the New Accounting Standards by the Ministry of Finance, the understanding of the industry, the Company's business scale and structure and market sentiments.

Reconciliation statement for equity differences between new and old PRC Accounting Standards is as follows:

Unit: RMB thousand

Items	Amount
Shareholders' equity as at December 31, 2006 (Old Accounting Standards)	36,667,865

Long-term equity investment differences	57,705
Financial assets at fair value through profit or loss and available-for-sale financial assets	16,937,493
Derivative financial instruments	(2,239)
Policyholders' reserves	(5,726,528)
Claim reserves	(1,401,149)
Land use rights	(56,485)
Income tax	(1,131,086)
Others	(86,281)
Shareholders' Equity attributable to shareholders of the parent company as at January 1, 2007 (New Accounting Standards)	45,259,295
Changes in presentation of minority interests	1,366,391
Shareholders' equity as at January 1, 2007 (New Accounting Standards)	46,625,686

VI. Information on The Investments of the Company

(I) Use of subscription proceeds

Proceeds from the initial public offering of H shares of the Company in 2004 have been fully utilized for the general purposes of the Company and for the improvement of its operating activities. The proceeds formed part of the Company's working capital and were used in accordance with the applicable rules and regulations of the relevant supervisory authorities.

Major equity investments during the reporting period are as follows:

1. Acquisition of the SZCB

On July 28, 2006, the Company entered into a share purchase agreement with Shenzhen Investment Holdings Co., Ltd. and other independent third parties to acquire 1,008,186,384 shares held in SZCB by them at a consideration of approximately RMB1,008 million. In addition, as part of the reorganization of SZCB, the Company also entered into a share subscription agreement with SZCB on July 28, 2006, in relation to the subscription of a further 3,902 million new shares in SZCB at a consideration of RMB3,902 million. Both the share purchase and share subscription mentioned above have been approved by the CBRC on November 30, 2006. Further, the Board of SZCB approved on December 15, 2006 the transfer of 6,611,320 shares in SZCB from the other shareholders of SZCB to the Company. After completion of the above share purchase, share subscription and share transfer on December 15, 2006, SZCB became a 89.36% owned subsidiary of the Company.

2. Capital injection into Ping An Property & Casualty

Having obtained the approval from the CIRC on October 17, 2006, the Company and other shareholders of Ping An Property & Casualty injected additional capital of RMB1,400 million into Ping An Property & Casualty. After that, the paid-up capital of Ping An Property & Casualty increased to RMB3,000 million.

3. Capital Injection into China Ping An Insurance Overseas (Holdings) Limited (“Ping An Overseas”)

On December 20, 2006, the Company injected additional capital of HK\$500 million into Ping An Overseas. After the injection, the paid-up capital of Ping An Overseas increased to HK\$555 million.

(II) The use of funds other than subscription proceeds

The funds other than subscription proceeds of the Company are from its core insurance business. The Company use the insurance funds in strict compliance with the relevant rules and regulations of the CIRC, and the investment of all insurance funds was made in the ordinary course of business of the Company.

VII. Routine works of the Board of Directors

(I) Meetings and resolutions of the Board of Directors

1. The Company held its 15th board meeting of the 6th Board of Directors in Shenzhen on March 29, 2006, at which the 2005 annual report, the proposed amendments to the Articles of Association, the 2005 internal control assessment report, the 2005 risk assessment report and the 2005 compliance report of the Company were considered and approved.
2. The Company held its 1st board meeting of the 7th Board of Directors in Shenzhen on May 26, 2006, at which the Chairman, Vice Chairman and secretary of the 7th Board of Directors were selected while the members of the new Audit Committee, Nomination Committee and Remuneration Committee under the Board of Directors were also selected and appointed.
3. The Company held its 2nd board meeting of the 7th Board of Directors in Shenzhen on July 19, 2006, at which the resolution in relation to the reorganization of SZCB was considered and approved.

4. The Company held its 3rd board meeting of the 7th Board of Directors in Shenzhen on August 15, 2006, at which the 2006 interim report was considered and approved.
5. The Company held its 4th board meeting of the 7th Board of Directors in Shenzhen on September 26, 2006, at which the resolution in relation to the application for the listing of A shares by means of an IPO was considered and approved.
6. The Company held its 5th board meeting of the 7th Board of Directors on November 11, 2006 by means of telephone conference, at which the resolution in relation to subscription of additional shares issued by Shanghai Pudong Development Bank was considered and approved by voting.
7. The Company held its 6th board meeting of the 7th Board of Directors in Dalian on November 22, 2006, at which the resolution in relation to the appointment of Mr. John Pearce as the Vice President and Chief Investment Officer and the resolution in relation to the appointment of Mr. CHEN Kexiang, Mr. REN Huichuan, Mr. GOH Yethun and Mr. LO Sai Lai as Vice Presidents were considered and approved.

(II) Implementation by the Board of Directors of the resolutions passed at the general meeting

During the reporting period, the Board of Directors of the Company has diligently implemented the resolutions passed at the general meeting in compliance with the requirements of relevant laws and regulations and the Articles of Association of the Company and has completed various tasks decided at the general meeting.

VIII. Profit appropriation plan

Pursuant to the Articles of Association of Ping An Insurance (Group) Company of China, Ltd. ("Articles of Association") and other relevant requirements, the Company shall, when determining the profit available for distribution to shareholders, provide for the statutory surplus reserve fund based on the net profit stated in the PRC Accounting Standards financial statements. The net profit stated in the PRC Accounting Standards audited financial statements of the parent company was RMB5,997 million, and 10% of which was allocated to the statutory revenue reserve in 2006.

Meanwhile, according to the relevant requirements, when determining the profit available for

distribution to shareholders based on the PRC Accounting Standards financial statements, the Company provided for an amount of RMB41 million to the general provision of SZCB, Ping An Bank and Ping An Trust according to a certain proportion of their risk assets and the Company's respective shareholding percentage in these subsidiaries, and an amount of RMB17 million to the general risk provision at 10% of the profit after tax of Ping An Securities in proportion to the Company's shareholding percentage in that subsidiary and an amount of RMB29 million to the loss provision for trust business at 5% of the profit after tax of Ping An Trust in proportion to the Company's shareholding percentage in that subsidiary.

Having made the above allocations to statutory funds and brought forward the unappropriated profit from the prior year, the Company's profit available for distribution to shareholders amounted to RMB8,678 million and RMB1,686 million respectively according to the PRC Accounting Standards financial statements and the IFRS financial statements.

Pursuant to the Articles of Association and other relevant requirements, the Company's profit available for distribution to shareholders was determined to be RMB1,686 million which was the lower of the above figures.

The Company proposes to declare a cash dividend for 2006 of RMB0.22 per share, or RMB1,616 million in aggregate which is calculated on a basis of total share capital of 7,345,053,334 shares (including the additional share capital issued upon the initial public offering of A shares). The remaining unappropriated profit has been carried forward to the year 2007.

SECTION 9 REPORT OF THE SUPERVISORY COMMITTEE

During the reporting period, the Supervisory Committee has duly carried out its supervisory duties in a stringent manner and adhered to the principles of fairness and honesty to effectively protect the interests of the Company and its employees and shareholders in accordance with the relevant provisions of the Company Law and the Company's Articles of Association.

I. The Work of the Supervisory Committee

On March 28, 2006, the 2005 Financial Review Meeting of the Supervisory Committee was held in Shenzhen Guanlan Ping An School of Financial Services. During the meeting, the Supervisory Committee considered and approved unanimously the 2005 Financial Review Report as well as the Feedbacks to the Questions and Recommendations in the Supervisory Committee Investigation Report, and reviewed and approved: (i) the 2005 financial statements and a preliminary draft of the auditor's report which were prepared in accordance with the PRC Generally Accepted Accounting Principles and (ii) the 2005 financial statements and a preliminary draft of the auditor's report which were prepared in accordance with the International Financial Reporting Standards.

On March 29, 2006, the seventh meeting of the fourth Supervisory Committee was held in Shenzhen Guanlan Ping An School of Financial Services. During the meeting, the 2005 Report of the Supervisory Committee, the Proposal concerning the Candidate of the Non-employee's representative of the fifth Supervisory Committee and the remuneration thereof, the Work Rules for the Supervisory Committee, the Code of Conduct for Supervisors were approved, and the 2005 Report on the Anticorruption Campaign and the 2005 Assessment Report on Internal Control were reviewed.

From May 26 to June 5, 2006, the first meeting of the fifth Supervisory Committee was held through written communication and voting. During the meeting, the Resolution relating to Electing Mr. Xiao Shaolian as the Chairman of the fifth Supervisory Committee was considered and approved.

On August 15, 2006, the second meeting of the fifth Supervisory Committee was held in Shenzhen Guanlan Ping An School of Financial Services. During the meeting, the Company Internal Control Implementation Report for the first half of 2006 and the Brief Report on Compliance with the Code on Corporate Governance Practices were considered.

From September 19 to September 29, 2006, the third meeting of the fifth Supervisory Committee was held through written communication and voting. During the meeting, the Rules of Procedures of the Supervisory Committee was considered and approved unanimously.

The details of the attendance of the Supervisory Committee meetings by the members are set out as follows:

Class of Supervisors	Name	No. of Supervisory Committee meetings attended/held	Percentage of attendance
Independent Supervisors	XIAO Shaolian (Chairman)	4/4	100%
	SUN Fuxin	4/4	100%
	DONG Likun	3/3*	100%
	CHEN Shangwu (retired on May 25, 2006)	1/1	100%
Supervisors as representatives of shareholders	CHE Feng	3/3*	100%
	LIN Li	3/3*	100%
	DUAN Weihong	4/4	100%
	ZHOU Fulin (retired on May 25, 2006)	1/1	100%
Supervisors as representatives of employees	CHEN Bohai (retired on May 25, 2006)	1/1	100%
	HE Peiquan (retired on May 25, 2006)	1/1	100%
	SONG Liankun (retired on May 25, 2006)	1/1	100%
	HU Jie	3/3*	100%
	HE Shi	4/4	100%
	WANG Wenjun	3/3*	100%

*The Supervisors, namely Dong Likun, Che Feng, Lin Li, Hu Jie and Wang Wenjun, were appointed as the Supervisors of the Company with effective from May 25, 2006.

In November 2006, certain members of the Supervisory Committee and the representatives of Independent Non-executive Directors of the Company conducted inspection and reviewed of the Group's Integrated Operating Centre in Zhang Jiang High-tech Park. During the reporting period, members of the Supervisory Committee attended the 2006 Annual General Meeting, the First Extraordinary General Meeting in 2006, the Second Extraordinary General Meeting in 2006, the First Domestic Shareholders' Class Meeting in 2006, the First H Shareholders' Class Meeting in 2006 and the seven meetings of the Board of Directors.

II. Independent Opinion on the Relevant Issues from the Supervisory Committee

(I) Lawful operation

During the reporting period, the Company operated and managed its businesses in accordance with the laws. Its operational results were objective and true. There was greater development and improvement in the depth and scope of internal control management. Its operational decision-making processes were lawful. The Directors and other senior management staffs were cautious, serious and diligent in the business operations and management processes. They had never breached any laws, regulations, and the Articles of Associations of the Company or harmed the interests of the shareholders.

(II) Authenticity of the financial statement

Ernst & Young Hua Ming and Ernst & Young have issued the standard unqualified auditor's reports in accordance with the PRC and international accounting principles respectively for the Company's financial statement of the year. The financial statement truly, fairly and accurately reflected the financial condition and results of operations of the Company.

(III) Use of proceeds from the Company's initial public offering

The net proceeds from the Company's issue of H shares at the time of its listing in 2004, amounted to approximately RMB13,826 million. The proceeds were used, as stated in the prospectus of the Company, for general corporate purposes, fulfilling future repayment ability requirement, business development, strategic transactions, etc. The actual application of the proceeds was in accordance with the commitment made in the prospectus. The Company applied the proceeds reasonably and strictly according to the proposed use of proceeds.

(IV) Company's acquisition and asset disposal

The Company acquired 1,008 million shares of SZCB which held by 11 selling shareholders,

including Shenzhen Investment Holdings Co. Ltd., and subscribed for a further 3,902 million new shares of SZCB in December 2006. The Supervisory Committee considered that the terms of above-mentioned Share Purchase Agreement and Subscription Agreement were fair and reasonable to the shareholders, and the acquisition and subscription were in the interests of the Company and shareholders as a whole.

(V) Connected transactions

During the reporting period, the Company's connected transactions have not harmed the rights of the shareholders and the interests of the Company.

(VI) Internal Control System

The Company has set up a more complete, reasonable and effective internal control system.

(VII) Implementation of the resolutions approved in the shareholders' general meetings

The members of the Supervisory Committee attended the meetings of the Board of Directors and the shareholders' general meetings, and did not have any objection on the reports and proposals which submitted to the shareholders' general meetings by the Board of Directors. The Supervisory Committee has monitored the implementation of the resolutions approved in the shareholders' general meetings and considers that the Board of Directors can seriously implement the resolutions approved in the shareholders' general meetings.

In the coming year, the Supervisory Committee will further enhance its work principles and fully implement scientific development perspective. It will continue to carry out its duties in accordance with the relevant provisions of the Company Law, the Articles of Association of the Company and the Listing Rules. It will especially comply with the regulatory requirements after the successful IPO of its A shares in the PRC, and adhere to the principles of diligence, fairness and honesty, maximize its supervisory efforts with the aim of protecting the interests of the Company and its shareholders as a whole and commit to perform supervisory duties honestly and diligently, so as to achieve the best results in all respects.

SECTION 10 SIGNIFICANT EVENTS

I . Material Litigation or Arbitration

The Company was not involved in any material litigation or arbitration during the reporting period.

II . Acquisition and Disposal of Assets and Merger during the Reporting Period

(I) Acquisition of assets

On July 28, 2006, the Company entered into a share purchase agreement with Shenzhen Investment Holdings Co., Ltd. and other independent third parties to acquire 1,008,186,384 shares of SZCB held by them for a consideration of around RMB1, 008 million. Further, as part of the reorganization of SZCB and pursuant to the said share purchase agreement, the Company also entered into a subscription agreement with SZCB on the same date to subscribe for 3,902 million new shares in SZCB for a consideration of around RMB3,902 million. The above acquisition and share subscription was approved by CBRC on November 30, 2006. Moreover, on December 15, 2006, the directors of SZCB approved the transfer of 6,611,320 ordinary shares of SZCB from other SZCB shareholders to the Company. Upon completion of the acquisition, shares subscription and shares transfer on December 15, 2006, SZCB has become a subsidiary of the Company, in which the Company's equity interests amounts to about 89.36%.

By the end of 2006, the Group has become SZCB's largest shareholder through equity transfer and contribution of capital. Basing on the Company's strategy of building up a comprehensive financial service platform, the banking business in future will become one of the key sources of the Group's profits, and the importance and contribution of its distribution channel will gradually increase. The acquisition will have positive effect on the Company's business continuity.

(II) Merger

The Company had no merger during the year.

III. Material Connected Transactions during The reporting Period

The Company had no material connected transactions during the year.

IV. Custody

The Company had no discloseable custody business during the year.

V. Contracting

The Company had no discloseable contracting business during the year.

VI. Lease

The Company had no discloseable lease business during the year.

VII. Guarantees

Unit:RMB thousand

External guarantees provided by the Company (excluding guarantees in favour of subsidiaries)						
Guaranteed party	Date of incurrence	Amounts guaranteed	Type of guarantee	Term of guarantee	Whether fully performed	Whether provided in favour of connected parties
Total amount guaranteed during the reporting period						-
Total balance of amount guaranteed at the end of the reporting period						-
Guarantees provided in favour of subsidiaries						
Total amount guaranteed in favour of subsidiaries during the reporting period						1,599,757
Total balance of amount guaranteed in favour of subsidiaries at the end of the reporting period						1,599,757
Total amount guaranteed by the Company (including guarantees in favour of subsidiaries)						
Total amount guaranteed						1,599,757

Total guaranteed amount as a percentage of net assets of the Company (%)	4.4
of which:	
Amounts of guarantees provided in favour of shareholders, de facto controllers and their connected parties	-
Amount of debt guarantee provided directly or indirectly in favour of parties with a gearing ratio exceeding 70%	-
Amount of total guarantee exceeding 50% of net assets	-
Aggregated amount of above three guarantees	-

VIII. Asset Management on Trust

The Company had no asset management on trust during the year.

IX. Other Material Contracts

The Company had no other discloseable material contracts during the reporting period.

X. Implementation of Undertakings

When the Company issued its H shares in June 2004, as approved by CIRC through its Reply on the Issue of the Conversion of the Shares Held by Ping An Insurance Group's Foreign Shareholders to the Overseas H shares (Baojianfagai No.[2004]61) and CSRC's Reply Regarding the Approval of the Ping An Insurance (Group) Company Ltd. of China's Issuing Overseas Listed H Shares(Zhengjianguohe No.[2004]18), the 1,170,751,698 non-listed foreign shares held by the foreign shareholders of the Company were converted to H shares. HSBC Insurance Holdings Limited and Dai-ichi Mutual Life Insurance Company, both as shareholders of the Company, each agreed not to sell any of their converted H shares in three years since the listing of H shares. Till end of the reporting period, neither HSBC Insurance Holdings Limited nor Dai-ichi Mutual Life Insurance Company had sold any of their shares of the Company.

XI. Appointment or Termination of Appointment of the Auditors

According to a resolution passed at its annual general meeting in 2005, the Company reappointed Ernst & Young Hua Ming Certified Public Accountants and Ernst & Young (hereinafter collectively referred to as “Ernst & Young”) as the auditors of financial statements prepared in accordance with PRC Accounting Standards and with IFRS respectively. In 2006, the total remuneration paid to Ernst & Young by the Company amounted to RMB26.35 million, consisting of RMB13.65 million for annual audit fees, RMB 9 million for A Share IPO fees and RMB3.7 million for other non-audit service fees. Ernst & Young has provided the Company with audit services for 5 consecutive years.

XII. Punishment and Reforms on the Company, its Directors, Supervisors, Senior Management, Shareholders, and De Facto Controllers

During the reporting period, none of the Company, its directors, supervisors, senior management, shareholders and de facto controllers was a subject of inspection, administrative punishment or criticism by CSRC or public censure by stock exchange.

XIII. Internal Control and System Construction of the Company

Over the years, the Company has built up a sound and well-balanced corporate governance structure and a healthy internal control environment. Based on a strong corporate governance foundation and effective internal control systems within our business units, the Company has successfully implemented a comprehensive risk management framework. The result of these efforts served to support the continuous and steady growth of the Company under an ever-improving internal control environment. In fact, during the last two years we have witnessed a significant decrease in the number of occurrences, severity and amount of penalty arising from areas of non-compliance.

In light of the Company’s vision of being one of the best “leading international financial services institution” in the world, the Company has adopted the internationally recognized “COSO-Enterprise Risk Management” framework as its core risk management model. The Centre of Internal Control Management has been established with a three-tiered risk management infrastructure. Group Compliance Department acts as the first “gate-keeper” of business risks and is responsible for reviewing the design and implementation of functional and operational policies and procedures. Business units are responsible for their daily and routine business activities and will act as the day-to-day “guardian” of risk. The Audit and Supervisory Department, in conducting

its regular and ad-hoc inspection of business units examines the implementation of various measures in addressing all the business risks. Working together the three-tiered structure has managed to contain and control the overall risk within the acceptable level to the Group.

The Centre of Internal Control Management extended its risk management mechanism through the setting up of Compliance Committee, Compliance management structure and Audit department within each subsidiary and, in some cases, each regional office. With an Audit and Supervisory network comprised of over 300 dedicated staff, the Group has successfully reached various offices and branches in its risk management activities, and is the first company in China to utilize the Audit Workbench and IT Audit approach in running its operations.

During the reporting period, audits were conducted for all head branches (i.e. 100% coverage), and for over 50% of the branches and sub-branches. Compliance review and self-assessment exercise have also been conducted in most business units. As part of its effort in achieving world-class standards in internal control and risk management, the Company has prepared and revised various procedures manuals such as “Audit Management Manual”, “Compliance Management Manual”, “Responsibility Assigning Measures for cases of Material Violations of Rules and Regulations”, “Red, Yellow, Blue Disciplinary Policy”, “New Policies Review Procedures” and “Supervision Measures on Anti-Money Laundering”, etc.

The Company will continue to seek every opportunity in working on improvements in this very important area: that of assessing all the risk aspects of business units together under attain an integrated risk management framework.

XIV. Other significant events

In 2006, the 6th Board of Directors and the 4th Supervision Committee were reelected, and more than one third of the supervisors were changed. The re-election was made in accordance with the Articles of Association of the Company, and was in line with the requirements of the Company's operation and development.

SECTION 11 AUDITED FINANCIAL STATEMENTS

Ernst & Young Hua Ming has audited the financial statements of the Company and has issued an unqualified auditors' opinion.

Please refer to audited financial statements in "Section 13 Attachment".

SECTION 12 DOCUMENTS AVAILABLE FOR INSPECTION

1. The original copy of the annual report with signature of the Chairman of the Company.
2. The financial statements with signatures of the legal representative and the chief financial officer of the Company.
3. The original copy of the auditors' report duly sealed by the accounting firm, together with the signature and seal of the certified public accountant.
4. The original copies of all the documents and announcements disclosed by the Company in "Shanghai Securities Daily", "Securities Times" and "China Securities Daily" during the reporting period.
5. The Articles of Association of Ping An Insurance (Group) Company of China, Ltd.

SECTION 13 ATTACHMENT

Audited financial statements for the year ended December 31, 2006 of the Company

Chairman and Chief Executive Officer MA Mingzhe

The Board of Directors of
Ping An Insurance (Group) Company of China, Ltd.
April 11, 2007

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.

(INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA)

Audited Financial Statements

For the year ended December 31, 2006

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AUDITORS' REPORT

Ernst & Young Hua Ming (2007) Shen Zi No.60468101-B24

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

We have audited the accompanying financial statements of Ping An Insurance (Group) Company of China, Ltd.(the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated and company balance sheets as at December 31, 2006, the consolidated and company income statements, profit appropriation statements and cash flow statements for the year then ended and notes to the financial statements.

Management's Responsibility for the Financial Statements

The management is responsible for preparing financial statements in accordance with Accounting Standards for Business Enterprises and the Accounting System for Financial Institutions. This responsibility includes (1) designing, implementing and maintaining internal controls relevant to the preparation of the financial statements that are free from material misstatement whether due to fraud or error; (2) selecting and applying appropriate accounting policies; and (3) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Chinese Auditing Standards issued by the Chinese Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal controls relevant to the entity's preparation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been prepared in accordance with Accounting Standards for Business Enterprises and the Accounting System for Financial Institutions, and present fairly, in all material aspects, the financial position of the Group and the Company as at December 31, 2006 and the results of its operations and its cash flows for the year then ended.

Ernst & Young Hua Ming

Chinese Certified Public Accountant Zhang Xiaodong

Beijing, The People's Republic of China

Chinese Certified Public Accountant Huang Yuedong

April 11, 2007

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2006
(IN RMB THOUSAND)

	Notes V	December 31, 2006	December 31, 2005
ASSETS			
CURRENT ASSETS:			
Cash on hand	1	347,282	14,150
Cash at bank	1	89,788,851	80,290,899
Balances with clearing companies	1	1,134,759	176,987
Precious metal		111,001	-
Balances with central bank	2	7,713,643	20,271
Due from banks and other financial institutions	3	2,840,207	426,491
Short-term investments	4	24,148,945	16,532,789
Placements with banks and other financial institutions	5	1,727,381	131,394
Short-term loans	6	10,709,388	400,882
Policy loans	7	1,380,990	864,483
Assets purchased under agreements to resell	8	6,950,915	-
Discounted bills	6	12,633,786	-
Bills negotiation of export and import L/C	6	317,596	-
Interest receivables		609,230	438,098
Premium receivables	9	3,072,759	748,808
Receivables from reinsurers	9	787,042	720,124
Prepaid claims		135,229	226,016
Reinsurance deposits		43	44
Deposits with stock and futures exchanges	10	74,047	42,120
Other receivables	11	2,674,855	467,481
Materials		2,501	4,132
Low-value consumables		113,813	88,835
Deferred expenses		121,674	94,348
Financial guarantees		94,040	-
Dividends receivable		42,735	-
Long-term bond investments due within one year	13	2,506,243	779,804
Total current assets		<u>170,038,955</u>	<u>102,468,156</u>
LONG-TERM INVESTMENTS:			
Long-term equity investments	12	13,387,680	3,006,663
Consolidation surplus	12	599,497	330,433
Long-term bond investments	13	192,024,584	151,965,803
Long-term fund investments	14	5,193,156	6,977,965
Total long-term investments		<u>211,204,917</u>	<u>162,280,864</u>
Medium to long-term loans	6	24,240,288	129,667
Overdue loans	6	895,441	-
Non-accrual loans	6	2,785,888	93,550
Less: Loan loss provisions	6	(2,430,726)	(93,550)
Fixed assets:			
Fixed assets, at cost	15	9,153,167	7,070,964
Less: accumulated depreciation	15	(2,932,216)	(2,234,777)
Fixed assets, net	15	6,220,951	4,836,187
Less: impairment losses	15	(191,972)	(323,275)
Fixed assets, net	15	6,028,979	4,512,912
Construction in progress	16	1,233,773	1,318,974
Fixed assets disposal		(819)	(73)
Total fixed assets		<u>7,261,933</u>	<u>5,831,813</u>
INTANGIBLE ASSETS AND OTHER ASSETS:			
Intangible assets	17	158,506	151,583
Long-term deferred expenses		60,818	36,915
Statutory deposits	18	1,520,000	1,240,000
Repossessed assets	19	463,871	7,834
Other long-term assets		29,384	38,839
Separate account assets	38	24,931,681	15,897,584
Total intangible assets and other assets		<u>27,164,260</u>	<u>17,372,755</u>
DEFERRED TAX:			
Deferred tax assets	20	630,100	20,487
Total assets		<u>441,791,056</u>	<u>288,103,742</u>

The accompanying notes on pages 19 to 127 form an integral part of these financial statements.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
CONSOLIDATED BALANCE SHEET (CONTINUED)
DECEMBER 31, 2006
(IN RMB THOUSAND)

	Notes V	December 31, 2006	December 31, 2005
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Short-term borrowings	21	526,710	-
Short-term deposits	22	50,626,577	18,077
Short-term saving deposits		10,725,197	-
Due to banks and other financial institutions	23	3,464,731	36,376
Placements from banks and other financial institutions		991,705	-
Assets sold under agreements to repurchase	24	13,436,183	7,095,400
Handling charges payable		117,714	76,166
Commission payable		776,008	556,731
Due to reinsurers	25	746,051	532,903
Premium received in advance		1,351,586	1,879,808
Deposits from reinsurers		614	58,121
Guarantee deposits	26	5,484,740	76,664
Inward and outward remittances		248,673	-
Interest payable	27	309,139	5,134
Salary payable		1,723,438	475,497
Welfare payable		295,380	142,411
Warrants payable		88,319	-
Policyholder dividends payable		4,106,627	2,864,005
Dividends payable	28	81,018	75,909
Taxes payable	29	1,119,832	672,725
Other payables	30	2,191,157	1,355,709
Accrued expenses		75,146	16,462
Claim reserves		6,155,458	4,928,257
Unearned premium reserves		8,702,315	6,240,733
Insurance guarantee fund	31	81,857	60,110
Customer deposits	32	3,750,122	1,729,716
Other current liabilities		190,772	-
Long-term liabilities due within one year	33	1,577,482	-
Total current liabilities		<u>118,944,551</u>	<u>28,896,914</u>
LONG-TERM LIABILITIES:			
Long-term deposits	34	3,043,310	-
Long-term saving deposits		454,522	-
Long-term guarantee deposits		49,386	-
Long-term borrowings	35	155,000	-
Long-term unearned premium reserves		2,408,042	2,413,790
Policyholders' reserves for life insurance	36	223,721,661	183,096,087
Long-term reserves for health insurance		30,126,399	24,568,558
Deposits from policyholders		36,745	40,101
Other long-term liabilities		1,016	1,862
Separate account liabilities	38	24,931,681	15,897,584
Including: Separate account reserves		19,812,450	15,276,242
Total long-term liabilities		<u>284,927,762</u>	<u>226,017,982</u>
Total liabilities		<u>403,872,313</u>	<u>254,914,896</u>

The accompanying notes on pages 19 to 127 form an integral part of these financial statements.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
CONSOLIDATED BALANCE SHEET (CONTINUED)
DECEMBER 31, 2006
(IN RMB THOUSAND)

	<u>Notes V</u>	<u>December 31, 2006</u>	<u>December 31, 2005</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>(Continued)</u>			
Total liabilities		<u>403,872,313</u>	<u>254,914,896</u>
MINORITY INTERESTS		<u>1,250,878</u>	<u>524,840</u>
SHAREHOLDERS' EQUITY:			
Share capital	39	6,195,053	6,195,053
Capital reserve	40	15,162,889	15,162,575
Surplus reserve fund	41	6,126,092	5,526,410
General reserve		394,510	394,510
General risk provision	42	16,752	-
General provision	42	76,633	35,679
Loss provision for trust business	42	28,774	-
Retained profits	43	8,667,162	5,349,779
Including: Proposed dividends		<u>1,615,912</u>	<u>-</u>
Total shareholders' equity		<u>36,667,865</u>	<u>32,664,006</u>
Total liabilities and shareholders' equity		<u><u>441,791,056</u></u>	<u><u>288,103,742</u></u>

The accompanying notes on pages 19 to 127 form an integral part of these financial statements.

The financial statements on pages 3 to 127 have been signed by:

<p>MA Mingzhe</p> <hr style="width: 100%;"/> <p>Chairman and Chief Executive Officer</p>	<p>CHEUNG Chi Yan Louis</p> <hr style="width: 100%;"/> <p>President and Chief Financial Officer</p>	<p>REN Huichuan</p> <hr style="width: 100%;"/> <p>Senior Vice President</p>
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PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN RMB THOUSAND)

	<u>Notes V</u>	<u>2006</u>	<u>2005</u>
Underwriting income			
Premium income	44	85,954,952	71,609,012
Reinsurance premium income	45	28,447	16,112
Less: Premium ceded to reinsurers	46	<u>(4,271,271)</u>	<u>(4,241,477)</u>
Total underwriting income		<u>81,712,128</u>	<u>67,383,647</u>
Underwriting expenses			
Claim expenses	47	(10,721,175)	(8,221,809)
Less: Claims recoverable from reinsurers	46	2,446,436	2,475,359
Subrogation income		45,617	48,974
Claims for reinsurance accepted	45	(8,645)	(3,851)
Payments on death and medical claims	48	(1,086,421)	(982,244)
Payments on maturities	49	(3,034,671)	(3,263,281)
Payments on annuities	50	(2,770,432)	(2,446,820)
Payments on surrenders	51	(8,493,282)	(6,956,103)
Expenses for reinsurance accepted	45	(3,983)	(2,093)
Handling charges	52	(1,831,898)	(963,581)
Commission expenses	53	(6,242,087)	(4,962,019)
Business tax and surcharges	54	(1,644,692)	(909,742)
Operating expenses	55	(9,759,034)	(7,033,277)
Less: Expenses recoverable from reinsurers	46	1,548,494	1,370,793
Provision for insurance guarantee fund	31	<u>(270,560)</u>	<u>(209,280)</u>
Total underwriting expenses		<u>(41,826,333)</u>	<u>(32,058,974)</u>

The accompanying notes on pages 19 to 127 form an integral part of these financial statements.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
CONSOLIDATED INCOME STATEMENT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN RMB THOUSAND)

	<u>Notes V</u>	<u>2006</u>	<u>2005</u>
Changes in reserves			
Provision for claim reserves	56	(6,155,458)	(4,928,257)
Less: Write-back of claim reserves	56	4,928,257	3,874,137
Provision for unearned premium reserves	57	(8,702,315)	(6,240,733)
Less: Write-back of unearned premium reserves	57	6,240,733	4,868,859
Provision for long-term unearned premium reserves	58	(2,408,042)	(2,413,790)
Less: Write-back of long-term unearned premium reserves	58	2,413,790	1,894,930
Provision for policyholders' reserves for life insurance		(243,534,111)	(198,372,329)
Less: Write-back of policyholders' reserves for life insurance		198,372,329	167,142,916
Provision for long-term reserves for health insurance		(30,126,399)	(24,568,558)
Less: Write-back of long-term reserves for health insurance		<u>24,568,558</u>	<u>18,625,804</u>
Total change in reserves		<u>(54,402,658)</u>	<u>(40,117,021)</u>
Underwriting losses		(14,516,863)	(4,792,348)
Add: Other profit	59	16,080	115,500
Investment income	60	18,513,069	5,885,130
Interest income	61	3,847,041	3,882,770
Income from assets purchased under agreements to resell		27,974	338
Commission income	62	475,085	175,327
Securities underwriting income	63	139,665	79,355
Foreign exchange losses		(480,027)	(407,790)
Less: Interest expenses	64	(129,750)	(15,816)
Policyholder dividends		(1,486,737)	(1,064,118)
Expenses of assets sold under agreements to repurchase		(172,065)	(91,071)
Other handling charges		(50,133)	(18,344)
Loan loss provisions		<u>(947)</u>	<u>72,997</u>
Operating profit		6,182,392	3,821,930
Add: Non-operating income		86,885	56,618
Less: Non-operating expenses		<u>(11,272)</u>	<u>(122,758)</u>
Profit before tax		6,258,005	3,755,790
Less: Income tax	65	<u>(135,257)</u>	<u>(387,637)</u>
Profit after tax		6,122,748	3,368,153
Less: Minority interests		<u>(136,786)</u>	<u>(29,725)</u>
Net profit		<u><u>5,985,962</u></u>	<u><u>3,338,428</u></u>

The accompanying notes on pages 19 to 127 form an integral part of these financial statements.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
CONSOLIDATED PROFIT APPROPRIATION STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN RMB THOUSAND)

	<u>Notes V</u>	<u>2006</u>	<u>2005</u>
Net profit		5,985,962	3,338,428
Add: Retained profits at beginning of year		<u>5,349,779</u>	<u>3,415,101</u>
Distributable profit		11,335,741	6,753,529
Less: Appropriation to statutory surplus reserve fund	43	(599,682)	(333,843)
Appropriation to statutory public welfare fund	41	-	(166,921)
Appropriation to general risk provision	42	(16,752)	-
Appropriation to general provision	42	(40,954)	(35,679)
Appropriation to loss provision for trust business	42	<u>(28,774)</u>	<u>-</u>
Profit available for distribution to shareholders		10,649,579	6,217,086
Less: Dividends payable		<u>(1,982,417)</u>	<u>(867,307)</u>
Retained profits at end of year		<u><u>8,667,162</u></u>	<u><u>5,349,779</u></u>

The accompanying notes on pages 19 to 127 form an integral part of these financial statements

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN RMB THOUSAND)

	2006	2005
I. Cash flows from operating activities:		
Premiums received	79,892,024	68,488,209
Cash received from reinsurers	1,128,818	362,319
Cash received from statutory deposits	180,000	300,000
Cash received on guarantee deposits	-	41,554
Cash received from repayment of loans	941,180	28,320
Cash received on deposits	11,438,786	-
Balances with central bank, net	318,353	-
Cash received from banks and other financial institutions	219,927	112,439
Interest received	345,771	89,726
Cash received from other operating activities	2,364,544	122,137
 Sub-total of cash inflows	 96,829,403	 69,544,704
 Paid claims	 (10,446,897)	 (8,295,141)
Cash paid to reinsurers	(1,305,815)	(1,130,256)
Cash paid on deposits with stock and futures exchanges	(291,404)	(20,937)
Cash paid on guarantee deposits	(1,774,236)	-
Cash paid for policyholders deposits	(3,356)	(2,985)
Cash paid for handling charges	(1,790,350)	(941,596)
Cash paid for commission expenses	(6,022,810)	(4,907,036)
Cash paid on death and medical claims	(1,081,271)	(982,244)
Cash paid on maturities	(2,931,311)	(3,810,745)
Cash paid on annuities	(2,694,236)	(1,817,060)
Cash paid on surrenders	(7,209,807)	(5,876,512)
Cash paid on policyholder dividends	(244,115)	(176,885)
Cash paid for statutory deposits	(460,000)	(340,000)
Cash paid to and for employees	(3,718,729)	(2,967,440)
Business tax paid	(1,362,630)	(793,695)
Income tax paid	(160,586)	(436,632)
Taxes paid other than business tax and income tax	(99,925)	(101,564)
Cash paid for insurance guarantee fund	(248,813)	(976,449)
Loans drawn	(5,863,315)	-
Balances with central bank, net	-	(16,203)
Withdrawal of deposits	(4,863,096)	(10,834)
 Cash paid to banks and other financial institutions	 (824,686)	 (23,148)
Interest paid on banking operations	(186,108)	(9,456)
Cash paid for other operating activities	(5,888,193)	(4,017,805)
 Sub-total of cash outflows	 (59,471,689)	 (37,654,623)
 Net cash flows from operating activities	 37,357,714	 31,890,081

The accompanying notes on pages 19 to 127 form an integral part of these financial statements

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN RMB THOUSAND)

	Notes IV	2006	2005
II. Cash flows from investing activities:			
Proceeds from sales and redemption of investments		98,077,329	31,515,858
Dividends received		2,485,967	266,794
Interest received from bonds other than subordinated bond		5,767,231	4,347,414
Proceeds from disposals of subordinated bonds		3,767,818	1,054,997
Interest received from subordinated bonds		672,666	392,399
Cash received from repayment of loans		692,358	1,000,385
Interest received from loans		59,326	67,458
Proceeds from disposals of fixed assets, intangible assets and other long-term assets		235,098	110,548
Cash received from assets purchased under agreements to resell		61,767,423	391,482
Interest received from bank deposits		3,021,450	4,079,564
Cash received from maturity of term deposits		21,664,814	34,002,565
Proceeds from acquisition of subsidiaries	(5)	4,372,129	-
Cash received from other investing activities		20,222	-
Sub-total of cash inflows		<u>202,603,831</u>	<u>77,229,464</u>
Purchases of fixed assets, intangible assets and other long term assets		(1,609,535)	(1,078,624)
Purchases of investments		(121,638,903)	(66,994,210)
Cash paid for placements with banks and other financial institutions, net		-	(131,394)
Loans drawn		(1,208,865)	(1,619,021)
Cash paid for assets purchased under agreements to resell		(61,751,492)	(391,000)
Term deposits placed		(2,437,258)	(21,528,005)
Cash paid for deposits under agreements		(9,701,115)	(1,559,914)
Purchases of equity investment funds		(14,454,754)	(10,155,652)
Purchases of subsidiaries		(34,941)	-
Purchases of subordinate bond investments		(2,882,771)	(8,571,492)
Cash paid for other investing activities		(1,087,056)	(281,242)
Sub-total of cash outflows		<u>(216,806,690)</u>	<u>(112,310,554)</u>
Net cash flows from investing activities		<u>(14,202,859)</u>	<u>(35,081,090)</u>
III. Cash flows from financing activities:			
Proceeds from shares issued		75,838	-
Cash received from placements from banks and other financial institutions, net		819,914	-
Cash received from debtors		681,710	-
Cash received from assets sold under agreements to repurchase		255,130,266	119,455,013
Sub-total of cash inflows		<u>256,707,728</u>	<u>119,455,013</u>
Dividends paid		(2,097,476)	(865,622)
Interest paid		(37,021)	-
Cash paid for assets sold under agreements to repurchase		(249,252,966)	(113,041,668)
Sub-total of cash outflows		<u>(251,387,463)</u>	<u>(113,907,290)</u>
Net cash flows from financing activities		<u>5,320,265</u>	<u>5,547,723</u>
IV. Effect of changes in foreign exchange rate on cash		<u>(66,862)</u>	<u>(18,227)</u>
V. Net increase in cash and cash equivalents		<u>28,408,258</u>	<u>2,338,487</u>

The accompanying notes on pages 19 to 127 form an integral part of these financial statements

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN RMB THOUSAND)

	Notes V	<u>2006</u>	<u>2005</u>
Reconciliation of net profit to cash flows from operating activities:			
Net profit for the year		5,985,962	3,338,428
Add: Minority interests		136,786	29,725
Depreciation of fixed assets		490,452	536,856
Amortization of intangible assets		61,015	51,226
Amortization of long-term deferred expenses		19,066	28,670
Losses on disposal of fixed assets, intangible assets and other long-term assets		(45,380)	(26,779)
Provision for bad debts		94,950	98,197
Amortization of equity investment differences		41,171	38,522
Write-back of short-term investments		(121,074)	(733,845)
Provision for/(write-back of) impairment of long-term investments		(142,406)	103,698
Provision for/(write-back of) impairment of fixed assets, construction-in-progress and other long-term assets		(82,084)	76,648
Provision for/(write-back of) loan losses		947	(72,997)
Investment income		(17,986,526)	(9,016,332)
Interest expenses		37,021	-
Foreign exchange losses		480,027	407,790
Provision for insurance reserves		49,866,450	37,885,617
Decrease in deferred taxes		(211,352)	(8,088)
Increase in operating receivables		(12,254,972)	(611,140)
Increase/(decrease) in operating payables		<u>10,987,661</u>	<u>(236,115)</u>
Net cash flows from operating activities		<u>37,357,714</u>	<u>31,890,081</u>
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at end of year	66	45,950,704	17,542,446
Less: Cash and cash equivalents at beginning of year	66	<u>(17,542,446)</u>	<u>(15,203,959)</u>
Net increase in cash and cash equivalents		<u><u>28,408,258</u></u>	<u><u>2,338,487</u></u>

The accompanying notes on pages 19 to 127 form an integral part of these financial statements

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
BALANCE SHEET
DECEMBER 31, 2006
(IN RMB THOUSAND)

	Notes XV	December 31, 2006	December 31, 2005
ASSETS			
CURRENT ASSETS:			
Cash on hand	1	207	110
Cash at bank	1	3,915,871	11,752,868
Short-term investments	2	5,248,547	2,935,280
Interest receivables		5,067	22,232
Other receivables		413,227	3,657
Low-value consumables		654	859
Long-term bond investments due within one year	4	<u>350,177</u>	<u>198,375</u>
Total current assets		<u>9,933,750</u>	<u>14,913,381</u>
LONG-TERM INVESTMENTS:			
Long-term equity investments	3	26,646,054	17,960,034
Long-term bond investments	4	1,534,666	828,947
Long-term fund investments	5	<u>21,958</u>	<u>-</u>
Total long-term investments		<u>28,202,678</u>	<u>18,788,981</u>
Fixed assets:			
Fixed assets, at cost		86,418	41,383
Less: accumulated depreciation		<u>(17,164)</u>	<u>(6,578)</u>
Fixed assets, net		69,254	34,805
Construction in progress		<u>-</u>	<u>2,250</u>
Total fixed assets		<u>69,254</u>	<u>37,055</u>
INTANGIBLE ASSETS AND OTHER ASSETS:			
Intangible assets		18,488	10,797
Long-term deferred expenses		<u>6,820</u>	<u>3,255</u>
Total intangible assets and other assets		<u>25,308</u>	<u>14,052</u>
DEFERRED TAX:			
Deferred tax assets		<u>80,239</u>	<u>-</u>
Total assets		<u><u>38,311,229</u></u>	<u><u>33,753,469</u></u>

The accompanying notes on pages 19 to 127 form an integral part of these financial statements.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
BALANCE SHEET (CONTINUED)
DECEMBER 31, 2006
(IN RMB THOUSAND)

	<u>Notes XV</u>	<u>December 31, 2006</u>	<u>December 31, 2005</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
CURRENT LIABILITIES:			
Placements from bank and other financial institutions		819,914	274,387
Assets sold under agreements to repurchase		-	645,400
Salary payable		551,986	66,086
Welfare payable		24,557	16,674
Dividends payable		77,826	75,909
Taxes payable	6	74,597	2,114
Other payables		60,628	8,893
Accrued expenses		<u>23,000</u>	<u>-</u>
Total current liabilities		<u>1,632,508</u>	<u>1,089,463</u>
SHAREHOLDERS' EQUITY:			
Share capital		6,195,053	6,195,053
Capital reserve		15,162,889	15,162,575
Surplus reserve fund		6,126,092	5,526,410
General reserve		394,510	394,510
General risk provision		16,752	-
General provision		76,633	35,679
Loss provision for trust business		28,774	-
Retained profits		<u>8,678,018</u>	<u>5,349,779</u>
Total shareholders' equity		<u>36,678,721</u>	<u>32,664,006</u>
Total liabilities and shareholders' equity		<u><u>38,311,229</u></u>	<u><u>33,753,469</u></u>

The accompanying notes on pages 19 to 127 form an integral part of these financial statements.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 INCOME STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2006
 (IN RMB THOUSAND)

	<u>Notes XV</u>	<u>2006</u>	<u>2005</u>
Operating expenses			
Business tax and surcharges	7	(23,911)	(2,411)
Operating expenses	8	<u>(885,871)</u>	<u>(410,158)</u>
Total operating expenses		<u>(909,782)</u>	<u>(412,569)</u>
Add: Other profit		3,452	5,742
Investment income	9	6,559,054	3,205,779
Interest income		382,959	581,198
Income from assets purchased under agreements to resell		5,197	-
Foreign exchange losses		(26,546)	(3,179)
Less: Interest expenses		(25,288)	-
Expenses of assets sold under agreements to repurchase		<u>(9,576)</u>	<u>(3,396)</u>
Operating profit		5,979,470	3,373,575
Add: Non-operating income		18	25
Less: Non-operating expenses		<u>(3,277)</u>	<u>(250)</u>
Profit before tax		5,976,211	3,373,350
Less: Income tax		<u>20,607</u>	<u>(34,922)</u>
Net profit		<u><u>5,996,818</u></u>	<u><u>3,338,428</u></u>

The accompanying notes on pages 19 to 127 form an integral part of these financial statements.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 PROFIT APPROPRIATION STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2006
 (IN RMB THOUSAND)

	<u>Notes V</u>	<u>2006</u>	<u>2005</u>
Net profit		5,996,818	3,338,428
Add: Retained profits at beginning of year		<u>5,349,779</u>	<u>3,415,101</u>
Distributable profit		11,346,597	6,753,529
Less: Appropriation to statutory surplus reserve fund	43	(599,682)	(333,843)
Appropriation to statutory public welfare fund	41	-	(166,921)
Appropriation to general risk provision	42	(16,752)	-
Appropriation to general provision	42	(40,954)	(35,679)
Appropriation to loss provision for trust business	42	<u>(28,774)</u>	<u>-</u>
Profit available for distribution to shareholders		10,660,435	6,217,086
Less: Dividends payable		<u>(1,982,417)</u>	<u>(867,307)</u>
Retained profits at end of year		<u><u>8,678,018</u></u>	<u><u>5,349,779</u></u>

The accompanying notes on pages 19 to 127 form an integral part of these financial statements

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 CASH FLOW STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2006
 (IN RMB THOUSAND)

	2006	2005
I. Cash flows from operating activities:		
Cash received from other operating activities	18	1,821
Sub-total of cash inflows	18	1,821
Cash paid to and for employees	(216,829)	(159,107)
Business tax paid	(3,783)	(2,362)
Income tax paid	(4,293)	(61,515)
Taxes paid other than business tax and income tax	(2,404)	(4,624)
Cash paid for other operating activities	(93,304)	(1,524,777)
Sub-total of cash outflows	(320,613)	(1,752,385)
Net cash flows from operating activities	(320,595)	(1,750,564)

The accompanying notes on pages 19 to 127 form an integral part of these financial statements

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
CASH FLOW STATEMENT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN RMB THOUSAND)

	2006	2005
II. Cash flows from investing activities:		
Proceeds from sales and redemption of investments	13,903,034	1,033,804
Dividends received	5,620,677	730
Interest received from bonds	58,120	29,249
Cash received from placements with banks and other financial institutions, net	-	41,382
Proceeds from disposals of fixed assets, intangible assets and other long-term assets	180	-
Cash received from assets purchased under agreements to resell	16,038,937	-
Interest received from bank deposits	400,124	684,819
Cash received from maturity of term deposits	10,801,101	20,565,211
Cash received from sales and redemption of equity investment funds	1,214,017	3,071,137
Cash received from other investing activities	3,585	-
Sub-total of cash inflows	48,039,775	25,426,332
Purchases of fixed assets, intangible assets and other long term assets	(62,304)	(45,198)
Purchases of investments	(19,532,407)	(3,014,771)
Cash paid for assets purchased under agreements to resell	(16,033,740)	-
Term deposits placed	(530,136)	(20,991,122)
Purchases of equity investment funds	(1,609,740)	(3,036,255)
Cash paid for acquisition of subsidiaries	(7,017,681)	(1,680,000)
Sub-total of cash outflows	(44,786,008)	(28,767,346)
Net cash flows from investing activities	3,253,767	(3,341,014)
III. Cash flows from financing activities:		
Cash received from placements from banks and other financial institutions, net	545,527	274,387
Cash received from assets sold under agreements to repurchase	17,123,315	7,715,838
Sub-total of cash inflows	17,668,842	7,990,225
Dividends paid	(1,980,500)	(865,622)
Cash paid for assets sold under agreements to repurchase	(17,778,291)	(7,073,835)
Cash paid for interest expenses	(25,288)	-
Sub-total of cash outflows	(19,784,079)	(7,939,457)
Net cash flows from financing activities	(2,115,237)	50,768
IV. Effect of changes in foreign exchange rate on cash	(7,380)	(1,914)
V. Net increase/(decrease) in cash and cash equivalents	810,555	(5,042,724)

The accompanying notes on pages 19 to 127 form an integral part of these financial statements

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
CASH FLOW STATEMENT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN RMB THOUSAND)

	2006	2005
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit for the year	5,996,818	3,338,428
Add: Depreciation of fixed assets	10,701	2,662
Amortization of intangible assets	5,372	1,352
Amortization of long-term deferred expenses	2,326	316
Losses on disposal of fixed assets, intangible assets and other long-term assets	270	-
Provision for / (write-back of) bad debts	(74)	836
Amortization of equity investment differences	1,901	1,901
Provision for impairment of short-term investments	946	-
Provision for impairment of long-term investments	8,042	-
Increase in deferred taxes	(80,239)	-
Investment income	(6,926,687)	(3,785,482)
Foreign exchange losses	26,546	3,179
Increase in operating receivables	(773)	(3,947)
Increase/(decrease) in operating payables	634,256	(1,309,809)
Net cash flows from operating activities	(320,595)	(1,750,564)
2. Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at end of year	10	3,447,742
Less: Cash and cash equivalents at beginning of year	10	(2,637,187)
Net increase/(decrease) in cash and cash equivalents	810,555	(5,042,724)

The accompanying notes on pages 19 to 127 form an integral part of these financial statements

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006
(IN RMB THOUSAND)

I 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 March 21, 1988 as Shenzhen Ping An Insurance Company, and was engaged primarily in property & casualty insurance business in Shenzhen. With the expansion of business, the Company was renamed as Ping An Insurance Company of China in 1992. The Company started to be engaged in life insurance business from July 1994 and subsequently changed its name to Ping An Insurance Company of China, Ltd. in January 1997.

China Insurance Regulatory Commission (the “CIRC”) issued the “Approval of separation of business operations of Ping An Insurance Company of China, Ltd (Baojianfu [2002] No.32)” on April 2, 2002 and agreed with the Company’s proposal on the “Separation of business operations of Ping An Insurance Company of China, Ltd”. According to the proposal, the Company will be renamed as Ping An Insurance (Group) Company of China, Ltd. The Company will also establish Ping An Property & Casualty Insurance Company of China, Ltd. (the “Ping An Property & Casualty”) and Ping An Life Insurance Company of China, Ltd. (the “Ping An Life”) and hold 99% shares in each of the two companies. China Ping An Trust & Investment Co., Ltd. (the “Ping An Trust”) which holds shares of Ping An Securities Company, Ltd (the “Ping An Securities”) will also be held by the Company.

Based on “Approval of changes in Ping An Insurance Company of China”(Baojianbianshen [2002] No.98), “Approval of establishment of Ping An Property & Casualty Insurance Company of China, Ltd.”(Baojianjishen [2002] No.350) and “Approval of establishment of Ping An Life Insurance Company of China, Ltd.”(Baojianjishen [2002] No.351) issued by CIRC on October 28, 2002, the Company was renamed as Ping An Insurance (Group) Company of China, Ltd., and Ping An Property & Casualty and Ping An Life were established. The Company obtained its revised business license on January 24, 2003 while Ping An Property & Casualty and Ping An Life obtained their revised business licenses on December 24, 2002 and December 17, 2002, respectively.

Based on “Approval of Ping An Insurance (Group) Company of China, Ltd. to list overseas and issue H Shares,” (Baojianfu [2003] No.228) issued by CIRC and “Approval of Overseas Share Issuance by Ping An Insurance (Group) Company of China, Ltd., ”(Zhengjianguohezi [2004] No.18) issued by China Securities Regulatory Commission (the “CSRC”), the Company was allowed to issue 1,261,720,000 H shares. The H shares were listed on the Hong Kong Stock Exchange on June 24, 2004.

Based on “Approval of Ping An Insurance (Group) Company of China, Ltd. to issue A shares,”(Zhengjianfaxingzi [2007] No.29) issued by CSRC, the Company was allowed to issue 1,150,000,000 A shares. The A shares were listed on the Shanghai Stock Exchange on March 1, 2007.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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I. Corporate information (Continued)

The business scope of the Company includes investing in insurance and authorized financial enterprises, supervising and managing domestic and overseas business of subsidiaries and utilizing insurance funds. The Company is also approved to carry out domestic and overseas insurance and other businesses. The Group mainly provides integrated financial products and services, including life insurance, property and casualty insurance, trust business, securities business, banking business and other services.

II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements

1. Accounting policies

The financial statements of the Company and its subsidiaries (the “Group”) are prepared in accordance with the “Accounting Standards for Business Enterprises” and the “Accounting System for Financial Institutions”.

2. Accounting year

The accounting year is from January 1 to December 31 of each calendar year.

3. Reporting currency

The reporting currency for the Company and its domestic subsidiaries is Renminbi (“RMB”), and the reporting currency for its overseas subsidiaries is Hong Kong dollars (“HKD”). The financial statements adopt RMB as presentation currency and are expressed in RMB thousand unless otherwise stated.

4. Basis of accounting and measurement basis

The Group’s accounts have been prepared on an accrual basis. Assets are recorded at actual cost when they are acquired. Subsequently, if the assets are impaired, impairments are made in accordance with the “Accounting Systems for Financial Institutions”.

5. Principles of consolidation

The subsidiaries of which the Company owns more than 50% interests are included in consolidation. Consolidated financial statements are prepared using the following basis:

- (a) Differences due to adoption of different accounting policies by the parent company and its subsidiaries are adjusted;
- (b) Material transactions between the parent company and its subsidiaries and transactions among the subsidiaries are eliminated;
- (c) Equity investments, intra-group balances and unrealized profits of the parent company and its subsidiaries are eliminated. Balances resulting from the elimination of equity investment is treated as “consolidation surplus” and is included in long-term investments in the consolidated balance sheet.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

6. Foreign currency transactions

The Company and its domestic subsidiaries keep separate books and accounting records for foreign currency transactions, and these transactions are initially recorded in the original currencies. Exchange gains or losses arising from foreign currencies transactions are dealt with in the income statement for the year. Items in the balance sheet and income statement, other than those relating to shareholders' equity, are translated into the reporting currency using the applicable exchange rates quoted by the People's Bank of China ("PBOC") at year end. Items related to shareholders' equity are translated into the reporting currency using historical exchange rates. Significant exchange differences are recorded as a separate item in the income statement.

The subsidiaries in Hong Kong and overseas locations adopt HKD as their reporting currency. Transactions in foreign currencies are recorded at the exchange rates ruling at the transaction date. Monetary assets and liabilities in foreign currencies are translated using the exchange rates ruling at the balance sheet date. All foreign currencies differences are taken to the income statement, except for exchange differences arising from loans and interest expenses in relation to acquisition or construction of fixed assets which are capitalized.

7. Translation of financial statements prepared in foreign currencies

When preparing consolidated financial statements, the financial statements of subsidiaries presented in foreign currency are translated into RMB as follows: assets and liabilities are translated into RMB using exchange rates ruling at the balance sheet date; shareholders' equity, other than retained profits, is translated into RMB using the applicable exchange rates ruling at the transaction date. The translated profit appropriation figure is accounted for in retained profits. Significant differences between translated assets less translated liabilities and shareholders' equity would be accounted for in equity as part of the foreign currency translated reserves. Items in income statement and profit appropriation statement are translated into RMB using the average exchange rates for the year. Items in the cash flow statement are translated into RMB using exchange rates ruling at the balance sheet date. All opening balances and comparative figures are presented using the figures translated in the prior year.

8. Cash equivalents

Cash equivalents are short-term, highly liquid investments which are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. They include balances with central bank (excluding mandatory reserve deposits with central bank), balances with banks and other financial institutions and placements with banks and other financial institutions with original maturities of less than three months.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

9. Short-term investments

Short-term investments refer to those investments that can be realized at any time and that are intended to be held for less than one year (inclusive of one year). They include stocks, bonds and investment funds. Short-term investments are carried at the lower of cost and market value. Cost comprises its purchase price and related expenses such as taxes and commission expenses. Declared but unpaid cash dividends and interest on bonds, which have been accrued at the time of acquisition, are separately accounted for as receivables and are not included in the cost of short-term investments. Provision for impairment in the value of short-term investments are determined on a category basis and the resulting gains or losses are recognized in the current year. Dividends on short-term investments, bond interest income and fund dividend income are netted off against the book value of investments (as a reduction against cost) upon receipt.

10. Loans and loan loss provisions

Short-term and medium to long-term loans

Loans are classified as short-term loans or medium to long-term loans in accordance with their maturities. Except for non-accrual loans, loans maturing within one year (inclusive of one year) are classified as short-term loans. Medium to long-term loans are loans with maturities greater than one year.

Overdue loans

Overdue loans are loans of which either principal or interest is overdue for less than 90 days. These loans include advances on discounted bills unsettled on due date and advances resulting from letters of credit and guarantees issued by the Group with insufficient collateralized deposits.

Bills negotiation of export and import L/C

Bills negotiation of export and import L/C refer to letters of credit issued by overseas banks that are accepted by the Group to finance exporting parties for the delivery of goods, or letters of credit issued by the Group to make an advance payment to overseas banks after receiving negotiation notice from importing parties.

Discounted bills

Discounted bills are granted by the Group to its clients and other financial institutions based on the bank acceptance held which has not matured.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

10. Loans and loan loss provisions (Continued)

Accrual and non-accrual loans

Non-accrual loans are loans of which either principal or interest is overdue for more than 90 days (inclusive of 90 days). Accrual loans are loans other than non-accrual loans.

Self-support loans and designated loans

Self-support loans are those loans funded by the Group itself for which the credit risk is borne by the Group. The Group is responsible for the collection of principal and interest. Designated loans are those loans funded by entrusting parties. In accordance with the terms of the entrusting parties, such as the designated borrowing party, purpose, amount, duration and interest rate of the loans, the Group acts as an agent to grant loans to borrowers and monitor the usage and repayment of the loans. The Group collects fee income from granting designated loans and the credit risk remains with the entrusting parties as the Group does not fund these loans. Self-support loans, as part of the credit assets of the Group, are presented on the face of the balance sheet. Designated loans are accounted for as an off balance sheet item.

In accordance with the loan risk classification guidelines issued by the PBOC, loans are classified as “Pass”, “Special-mention”, “Substandard”, “Doubtful” and “Loss”. Loans classified as “Substandard”, “Doubtful” and “Loss” are collectively referred to as non-performing loans.

Accounting treatment of loan loss provisions

The Group would make loan loss provisions based on the probable estimated losses and the recoverability of the loans at year end. The Group uses individual and collective assessments to estimate loan loss provisions:

- For significant loans with objective evidence of impairment, loan loss provisions would be made for the difference between the carrying value and the present value of expected future cash flow discounted using the original effective interest rate of the loans.
- For insignificant loans or loans with no objective evidence of impairment when individually assessed, the Group will group loans with similar credit risk characteristics and estimate loan loss provision in accordance with its historical loss experience.

The loan loss provisions are recognized in the income statement for the year. When the credit quality of the loan improves, the previously recognized loss impairments are reversed. Loans are written off against the provisions when they are not recoverable. Upon the recoveries of bad loans previously written off, the amount of the loan loss provisions written off shall be reversed.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

11. Repurchase and reverse repurchase agreements

Reverse repurchase agreements refer to the purchase of assets with commitments to resell the same assets at a future date. Assets purchased under agreements to resell are recorded at the cost of the borrowings. Interests earned on reverse repurchase agreements are recognized in the current year on a straight line basis.

Repurchase agreements are the sales of assets under agreements to repurchase the same assets at a future date. Assets sold under repurchase agreements are recorded at the cost of the amounts advanced. Interests incurred on the repurchase agreements are recognized as expense in the current year on a straight line basis.

12. Provision for bad debts

Provision for bad debts is made for placements with banks and other financial institutions, interest receivables, premium receivables, receivables from reinsurers, accounts receivable and other receivables based on their recoverability at the balance sheet date. Management makes provision based on aging analysis, previous experience and the financial positions and operations of the debtors. Provision for bad debts is classified into specific provision and general provision.

A specific provision is made for bad debt losses on significant accounts receivables and loans, based on aging analysis, the financial positions, operational positions and cash flow status of the debtors, and the recoverability of current and subsequent settlement.

A general provision is set up on the remaining balances of receivables, based on the aging analysis.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

13. Customer deposits held for securities trading

Customer deposits held for securities trading are deposited in designated bank accounts by the Group. These deposits are recognized as a liability when received for the purpose of settlement with customers.

The Group acts on behalf of customers to purchase and sell securities through Stock Exchanges. If the total amount of securities purchased is greater than that of securities sold on each settlement date, customer deposits are deducted together with withholding stamp duty and commission expense. If the total amount of securities purchased is less than that of securities sold, customer deposits are increased after deduction of withholding stamp duty and commission expense.

14. Securities underwriting business

The Group accounts for securities underwriting business on the following basis according to respective underwriting strategy:

- (1) Where the Group undertakes to purchase all underwritten securities upfront, the Group recognizes an asset at cost upon purchase of the underwritten securities. When the securities are sold to investors, underwriting commission income is recognized as the difference between the sales and purchase price of the securities. Unsold securities are transferred into proprietary investments or long-term investments at cost after the underwriting period.
- (2) Where the Group undertakes to purchase all underwritten securities not sold to investors at the end of the underwriting period, the Group will not recognize an asset or a liability upon receipt of the underwritten securities, but will keep a specific record of these securities. Unsold securities are transferred into proprietary investments or long-term investments at underwriting price after the underwriting period.
- (3) Where the Group does not undertake to purchase any underwritten securities unsold at the end of the underwriting period, the Group does not recognize an asset or a liability upon receipt of the underwritten securities, but will keep a specific record of these securities.
- (4) Underwriting commission income is recognized upon completion of underwriting service.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

15. Long-term investments

Long-term equity investments

Long-term equity investments are initially accounted for at cost on acquisition. It is accounted for using either the cost method or the equity method as appropriate under the following circumstances.

- (1) The cost method is used when the Company does not control, jointly control or have significant influence over the invested enterprise. The carrying amount of long-term equity investments remains unchanged, unless there are additions or disposals of investments. Profit or cash dividends declared by the invested enterprise are recognized as investment income for the current period. The amount of investment income recognized is limited to the amount distributed out of accumulated net profit of the invested enterprise that arises after the investment is made. The amount of profit or cash dividends declared by the invested enterprise in excess of the above threshold is treated as return on investment cost, and netted off against the carrying amount of investments.
- (2) The equity method is used to account for long-term equity investments when the Company can control, jointly control or has significant influence over the invested enterprise. The carrying amount of the investment is adjusted to reflect the Company's attributable share of the invested enterprise's net profit or loss, which is recognized as investment income or loss. When the invested enterprise declares profit appropriation or cash dividends, the carrying amount of investment is adjusted down by the Company's share of the profit appropriation and dividends. The Company recognizes net losses incurred by the invested enterprise to the extent that the carrying amount of the investment is reduced to zero. If the invested enterprise realizes net profits in subsequent years, the profit is netted off against accumulated losses, before it is recognized as carrying amount of investment.
- (3) When the equity method is adopted, the excess of the initial investment cost over the Company's share of owner's equity of the invested enterprise is referred to as "equity investment differences" and should be amortized evenly over the investment period stipulated in the contract or over a period of not more than 10 years if the investment period is not stipulated in the contract. Any excess of the Company's share of equity interest in the invested enterprise over the initial cost of investment is credited to capital reserve.

Long-term bond investments

Long-term bond investments are initially accounted for at investment cost on acquisition. The difference between par value and cost (as reduced by any bond interest due but unpaid and any related expenses included therein) is treated as a premium or discount, and is amortized over the period between the acquisition date and maturity date on the straight-line basis when the relevant bond interest is recognized. Interest receivables from bond investments are accrued periodically. Interest income from bond investments, after adjustments for the amortization of premium and discount, is recognized as investment income.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

15. Long-term investments (Continued)

Long-term fund investments

Long-term fund investments are initially accounted for at investment cost on acquisition less dividend which was declared but not withdrawn. Dividends received during the holding period are recognized as investment income in the current year.

Impairment on long-term investments

Impairment on long-term investments is reviewed on an individual item basis. If the recoverable amount is lower than the carrying amount as a result of a continuing decline in market value or changes in operating conditions of the invested enterprise or other reasons, the impairment loss is recognized in current year's profit and loss. The Group intends to hold the majority of long-term bond investments to maturity.

16. Fixed assets

Fixed assets are tangible assets with high unit costs held for use in the supply of services, or for rental and administrative purposes and are expected to be used for more than one year.

Fixed assets are initially accounted for at cost on acquisition. The acquisition cost comprises purchase price, import duties and other taxes, expenses necessary to bring the asset to its working condition for its intended use, such as transportation, installation and other expenses. Expenditures incurred after the assets have been put into operation is capitalized when the future economic benefits are higher than originally expected.

Depreciation is calculated using the straight-line method. The respective estimated useful lives and estimated residual values of fixed assets are as follows:

	<u>Estimated useful life</u>	<u>Estimated residual value</u>
Leasehold improvements	Over the shorter of economic useful lives and lease terms	-
Buildings	30-35 years	5%
Office equipments and telecommunication equipments	5 years	5%
Motor vehicles	5-8 years	5%

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

16. Fixed assets (Continued)

Fixed assets are carried at the lower of book value and recoverable amount at the end of the accounting period. A provision for impairment losses on fixed assets is made when the recoverable amount is lower than the book value and recognized in the income statement. The recoverable amount of the fixed assets is the higher of the net selling price and the value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

17. Construction in progress

Construction in progress ("CIP") includes all costs incurred during the preparation period before commencement of construction and until the asset is ready for its intended use. These costs include direct materials, direct labor, equipment for installation, construction and installation charges, management fees, gain or loss on trial run production and borrowing costs which are qualified for capitalization.

CIP is transferred to fixed assets when the asset is ready for its intended use.

At the end of the year, CIP is examined on an individual project basis and impairments are made for those projects which have been suspended for a long period of time and the construction of which is not expected to resume within three years; or for any project under construction but considered obsolete in terms of its technology and functionality and there exists significant uncertainty as to whether it will bring future economic benefits to the Group.

18. Intangible assets

Intangible assets mainly represents computer software and membership fees. Intangible assets are initially accounted for at actual cost on acquisition. Intangible assets are amortized on a straight-line basis evenly over its estimated useful lives, starting from the date of acquisition. Computer software is amortized over three years and membership fees are amortized over ten years.

Intangible assets are carried at the lower of book value and recoverable amount at the end of the accounting period. If the recoverable amount is lower than the book value, a provision for impairment losses on intangible assets is made for the difference.

19. Long-term deferred expenses

Long-term deferred expenses are those expenses with an amortization period of more than one year and are recorded at actual cost on acquisition.

Pre-commenced expenditure are initially accounted for as long-term deferred expenses and then subsequently charged in one lump sum to the income statement in the first month of commencement of operations.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

20. Repossessed assets

Repossessed assets are assets that the borrowers and guarantors use to settle the principal and interest of loans and other debts when the borrowers fail to repay the debts. Repossessed assets are recorded at an amount equal to the aggregate of principal and interest as presented on the face of the balance sheet.

The Group reviews the carrying amount of the repossessed assets periodically. Repossessed assets are carried at the lower of book value and recoverable amount, and provision for impairment of repossessed assets is made for any difference between the book value and the lower recoverable amount.

21. Insurance guarantee fund

According to “Administrative Regulations on the Insurance Guarantee Fund” (Baojianhuiling [2004] No.16), the Group calculates the insurance guarantee fund as follows:

- (1) For property insurance, accident insurance and short-term health insurance, insurance guarantee fund is provided at 1% of net premiums respectively.
- (2) For long-term life insurance and long-term health insurance with guaranteed interest rate, insurance guarantee fund is provided at 0.15% of net premiums respectively.
- (3) For long-term life insurance without guaranteed interest rate, insurance guarantee fund is provided at 0.05% of net premiums.

No additional provision is required when the accumulated insurance guarantee fund balances of Ping An Life, Ping An Annuity Insurance Company of China, Ltd. (“Ping An Annuity”) and Ping An Health Insurance Company of China, Ltd. (“Ping An Health”) reaches 1% of their respective total assets. For Ping An Property & Casualty, no additional provision is required when the accumulated balance reaches 6% of its total assets.

22. Unearned premium reserves

Unearned premium reserves are made for future insurance liabilities on policies with terms of less than one year (inclusive of one year). Unearned premium reserves are recorded based on actuarial valuation results (1/365 method). In accordance with the regulation issued by the CIRC (Baojianfa [1999] No.90), unearned premium reserves for life insurance should be no less than 50% of net premiums for the current period.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

23. Claim reserves

Claim reserves are provided for claims reported but not settled, and claims incurred but not reported at the balance sheet date. Reserves for claims reported but not settled are provided on the basis of the estimated claim losses but not more than the amount calculated based on the claims reported. Reserves for claims incurred but not reported is calculated as 4% of actual gross claims paid for the year. From July 1, 2006, in accordance with the “Regulations on claim reserves for compulsory motor insurance”(Baojianchanfa [2006] No.680), the Chain-ladder method, Average cost per claim method, Loss development method and the Bornhuetter-Ferguson method are used for the valuation of reserves for compulsory motor insurance to derive the best estimates figures. From September 1, 2006, in accordance with the “Regulations on health insurance” (Baojianhuiling [2006] No.8), the Chain-ladder method and the Bornhuetter-Ferguson method are used to calculate the reserves for health insurance business. The higher of the two results calculated using the two methods will be the best estimates.

(Note: From January 1, 2007, reserves for claims incurred but not reported are calculated using actuarial methods in accordance with the relevant actuarial regulations, instead of using 4% of actual gross claims paid for the year.)

Claim reserves also includes liabilities for policies matured but not settled and undue annuities at the balance sheet date. Reserves for policies matured but not settled are provided based on the amounts due at maturity. Reserves for undue annuities are provided on the basis of the policy’s outstanding liability.

24. Long-term unearned premium reserves

Long-term unearned premium reserves are provided for future insurance liabilities of non-life insurances and reinsurances with terms over one year (one year excluded). Long-term unearned premium reserves are calculated using a systematic and reasonable method (1/365 method).

25. Policyholders' reserves for life insurance

Policyholders’ reserves are reserves provided to meet future insurance obligations arising from life insurance business and are provided using actuarial valuation methods. In accordance with the CIRC’s regulations, the Group provides for policyholders’ reserves for life insurance in excess of the statutory minimum standard. The statutory policyholders’ reserves is calculated in accordance with “Actuarial Regulations on Life Products”, “Actuarial Regulations on Interest-Dividend-Only Products” (Baojianfa [1999] No. 90), “Actuarial Regulations on Individual Participating Products” , “Actuarial Regulations for Universal Life Products”, “Actuarial Regulations for Individual Investment-linked Products” (Baojianfa [2003] No.67), “Notice on Actuarial report” (Baojianshouxian [2005] No.8), “Notice on usage of mortality table in actuarial regulations” (Baojianfa [2005] No. 188) and other regulations promulgated by the CIRC.

At each balance sheet date, liability adequacy tests are performed to ensure the adequacy of life insurance policyholders' reserves. Current best estimates of future contractual cash flows, claims handling and policy administration expenses are discounted using the future investment yield of assets backing such liabilities in performing such tests.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

26. Long-term reserves for health insurance

Long-term reserves for health insurance is provided to meet future obligations arising from long-term health insurance business in accordance with statutory regulations, and is recorded based on actuarial valuation results. According to the CIRC's regulations, long-term reserves for health insurance are provided at a level not less than the statutory minimum standard. The statutory standard is calculated in accordance with "Actuarial Regulations on Health Products"(Baojianfa [1999] No.90), other regulations and approvals promulgated by the CIRC.

At each balance sheet date, the Group performs liability adequacy tests for both the long-term reserves for health insurance and policyholders' reserves for life insurance. The testing method is consistent with that of policyholders' reserves for life insurance as in Note II. 25.

27. Revenue recognition

Revenue is recognized when economic benefits associated with the transaction will flow to the Group and the relevant amount of revenue can be measured reliably. It is recognized using the following basis:

Underwriting income

Premium income and reinsurance premium income is recognized when the insurance contracts are issued, related insurance risk is undertaken by the Group, related economic benefits will flow to the Group and related net income and cost can be reliably measured. Premiums from life, long-term health and property and casualty insurance contracts are recognized as revenue when due from policyholders, while single premiums are recognized as revenue when the premiums are received. Premiums from short-term health and accident insurance contracts are recognized in accordance with the amounts stated in the contracts. Reinsurance premiums are recognized as revenue in accordance with the terms of the reinsurance contracts. Subrogation income is recognized when the right of subrogation is entitled.

Interest income

Interest income is recognized on an accrual basis according to the duration and applicable interest rates.

Interest income from loans

Interest income on loans granted by the Group is accrued and recognized as revenue periodically. The accrued interest income on loans of which the principal or interest has been overdue (including rescheduled loans) and remains uncollected for more than 90 days shall cease to be recognized as interest income for the year, and would be recorded as an off-balance sheet item. When accrued interest receivables are overdue for more than 90 days or the principals on such loans are overdue for more than 90 days, the recorded interest receivables thereon will be written off against current year profit and recorded as an off-balance-sheet account. When the overdue interests are received, the amount recovered should firstly be used to reduce the outstanding principal in full, before being recognized as interest income for the year.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

27. Revenue recognition (Continued)

Other income

Commission income arise from securities brokerage and trust management business. Commission income from securities brokerage business is recognized on the transaction date while, trust management income is recognized according to the terms and conditions stipulated in the trust contracts. Securities underwriting income arises from securities underwriting business and is recognized upon the completion of underwriting services when cash is received. Rental income is recognized on a straight-line basis over the lease terms.

28. Policyholder Dividends

Policyholder dividends represent dividends paid by the Group to policyholders in accordance with the terms of participating products of the Group. The dividends are calculated and provided based on actuarial valuation results.

29. Investment-linked insurance business

Assets related to investment-linked contracts are carried at market value. Marketable securities other than open ended funds are valued using the closing price at the valuation date or the most recent closing price if there are no transaction of the securities on the valuation date. Open ended funds are valued using the published net asset value. Equity investment funds within the issuance period are valued at cost. The differences between cost and market price are dealt with in “separate account (investment-linked) unrealized gains and losses”. At year end, assets and liabilities related with investment-linked contracts are reflected respectively in “separate account (investment-linked) assets” and “separate account (investment-linked) liabilities”.

30. General reserve

A pre-determined percentage of the net profit for the year is provided as general reserve. The provision percentage is in accordance with the shareholders’ resolutions.

31. General provision

In accordance with the “Accounting System for Financial Institutions” and “Administration Regulations on the Provision of Bad Debt for Financial Institutions” (Caijin [2005] No.49), the general provision provided by the Group are appropriated from profit.

32. General risk provision

In accordance with the “Accounting System for Financial Institutions” and “Financial System for Securities Companies” (Caizhaihanzi [2000] No.77), the general risk provision accrued by the Group are appropriated from profit and used to offset losses.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

33. Loss provision for trust business

In accordance with the “Accounting System for Financial Institutions” and the “Administrative Measures on Trust Investment Companies”, the loss provision for trust business accrued by the Group is appropriated from profit.

34. Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals applicable to such operating leases are charged to the income statement on a straight-line basis over the lease terms.

35. Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange to customers. Acceptances are accounted for as off-balance sheet transactions and are disclosed as commitments.

36. Assets under trust management

Funds placed with the Group under trust contracts are not accounted for as liabilities of the Group. Assets arising from management, operation and disposal of the entrusted funds are not accounted for as assets of the Group. These assets and liabilities are not included in the Group’s balance sheet.

37. Accounting treatment for income tax

The Group’s income tax is accounted in accordance with the relevant tax laws and applicable tax incentives, whereby the income tax provision is calculated based on the applicable income tax rate and the accounting results for the year after adjusting for items which are non-taxable or non-deductible.

Income tax of the Group is accounted for using the tax effect accounting method. Deferred tax is provided using the liability method in respect of timing differences between profit before tax and taxable income using the applicable tax rate. A deferred tax asset is only recognized when there are sufficient future taxable profits to allow the deferred tax assets to be recovered within three years.

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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

38. Share-based payment transactions

Senior management and key employees of the Group receive remuneration in the form of share-based payment transactions, whereby the above mentioned employees render services as consideration for share appreciation rights which are settled in cash.

The cost of share appreciation rights is measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments are granted. The fair value of share appreciation rights is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each balance sheet date up to and including the settlement date with changes in fair value recognized in the income statement.

39. Employee benefits

The employees of the Group are entitled to participate in government-managed social securities schemes, including pension plans, medical benefits, housing funds and other social securities schemes. The Group's liability in respect of these benefits is limited to the contributions paid in each period, which are expensed as incurred. Certain employees are also provided with group life insurance, but the amount involved is insignificant. The Group has no other significant legal or constructive obligations for employee benefits beyond the said contributions.

40. Changes in accounting estimates

Changes in accounting estimates are applied prospectively.

- (1) Before 2006, claim reserves for health insurance are provided using 4% of actual claims losses for the year for claims incurred but not yet reported at the balance sheet date. Beginning September 1, 2006, claim reserves for health insurance are estimated using the Chain Ladder and Bornhuetter-Ferguson methods, in accordance with "Regulations on Health Insurance" (Baojianhuiling [2006] No.8). The greater of the two results calculated using these two methods will be regarded as the best estimates. Since accounting policies for the year 2006 and prior years does not require liability adequacy testing, the Group treats the impacts of adopting the new regulations as changes in accounting estimates in accordance with the applicable accounting policies in 2006. The change in accounting estimates results in a decrease in profit before tax of approximately RMB662,205 thousand. The Accounting Standards for Business Enterprises No. 25 Insurance Contracts requires liability adequacy test to be performed for claim reserves, and the "Expert's Opinion on Application of Accounting Standards for Business Enterprises" issued in February 2007 requires that the claims reserves should be retrospectively adjusted upon first time adoption of the new regulations. Therefore, the difference upon adoption of the new regulations might be retrospectively adjusted when the new Accounting Standards are applied in 2007.

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II. Principal accounting policies, accounting estimates and basis of preparing consolidated financial statements (Continued)

40. Changes in accounting estimates (Continued)

- (2) Before 2006, the Group calculated statutory life reserves using mortality rates stated in Baojianfa [1999] No.90 and [2003] No.67. Based on “Notice on amendments on usage of Life Insurance Mortality Table” (Baojianfa [2005] No.118), the Group uses China life Insurance Mortality Table (2000-2003) to calculate the statutory life reserves. The change of mortality table result in an increase in profit before tax of approximately RMB752,835 thousand.

In addition, in compliance with Baojianfa [1999] No.90 that reserves provided for the year should not be less than the statutory minimum reserves, and valuation interest rate should not be higher than the pricing interest rate or the determined rate of 7.5%, the Group uses a more prudent valuation interest rate for insurance products with pricing interest rates equal to or higher than 7.5%. In 2005, the valuation interest rate of certain high interest rate insurance products was reduced to 6.5%, and 7%; in 2006, the valuation interest rate of certain high interest rate insurance products was further reduced to 6%, 6.5% , 6.7%, and 7%. The accounting estimation changes result in a decrease in profit before tax of approximately RMB2,743,907 thousand.

III. Taxation

The major types of taxes and related tax rates applicable to the Group are as follows:

Business tax and surcharges

Business tax is levied on 5% of taxable premium income, other operating income and investment income. Business tax surcharges, comprising city maintenance and construction tax and education surcharges are calculated at a pre-determined percentage of business tax.

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III. Taxation (Continued)

Income tax

According to the “Provisional Regulations of the PRC on Enterprise Income Tax”, the taxable income of the Group represents its income for financial reporting purposes, net of deductible and non-taxable items for income tax purposes. The enterprise income tax rates applicable to the Group, the subsidiaries and their branches during the year are as follows:

<u>Tax</u>	<u>Subsidiaries and branches</u>	<u>Tax rate</u>
Income tax in the PRC	- Ping An Bank Limited (“Ping An bank”), and subsidiaries and branches of the Group located in Special Economic Zones	15%
	-Subsidiaries and branches of the Group located outside Special Economic Zones	33%
Hong Kong profits tax	- Subsidiaries in Hong Kong Special Administrative Region	17.5%

IV. Information of subsidiaries

The principal structure and business of the Group changed during 2006 as follows:

- (1) On April 6, 2006, China Ping An Insurance Overseas (Holdings) Limited (“Ping An Overseas”) established Anseng Investment Company Limited with paid-up capital of US\$2 in the British Virgin Islands (“BVI”). As at December 31, 2006, the Group’s equity interest amounts to 100%.
- (2) On May 16, 2006, Ping An Overseas established Ping An of China Asset Management (Hong Kong) Company Limited (“Ping An Asset Management (Hong Kong)”) in Hong Kong. The paid-up capital of Ping An Asset Management (Hong Kong) is HKD25 million and the Group’s equity interest amounts to 100% as at December 31, 2006.
- (3) With an approval from the China Banking Regulatory Commission (“CBRC”) on September 8, 2006, Ping An Trust and The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) injected RMB146 million and United States dollars (“US\$”) equivalent to RMB54 million, respectively, into Ping An Bank. Upon completion of such capital injection, the registered and paid-up capital of Ping An Bank increased to RMB613.845 million and the Group’s equity interests in it became 72.91%. On June 23, 2006, Ping An Bank obtained approval from CBRC to provide Renminbi services to corporate customers.

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IV. Information of subsidiaries (Continued)

- (4) On July 31, 2006, Shenzhen Ping An Real Estate Investment Co., Ltd. (“Ping An Real Estate”) established Yuxi Ping An Real Estate Co., Ltd. (“Yuxi Real Estate”). The paid-up capital of Yuxi Real Estate is RMB38.5 million and the Group’s equity interests in it amounts to 79.90% as at December 31, 2006.
- (5) On July 28, 2006, the Company entered into a share purchase agreement with certain shareholders of Shenzhen Commercial Bank Company Limited (“SZCB”) to acquire their shares representing approximately 63% of the then share capital of SZCB, 1,008,186,384 shares, for a consideration of around RMB1,008 million, of which 535 million shares of SZCB was acquired from Shenzhen Investment Holdings Co., Ltd., one of the shareholder of the Company, for a consideration of RMB535 million. Further, as part of the reorganization of SZCB and pursuant to the said share purchase agreement, the Company also entered into a subscription agreement with SZCB on the same date to subscribe for 3,902 million new shares in SZCB for a consideration of around RMB3,902 million. The above acquisition and additional share subscription was approved by CBRC and the shareholders of SZCB by November 30, 2006. Further, on December 15, 2006, the directors of SZCB approved the transfer of 6,611,320 ordinary shares from other SZCB shareholders to the Company. Upon completion of the acquisition, shares subscription and shares transfer on December 15, 2006, the Company’s equity interests in SZCB amounts to 89.36%. The registered capital of SZCB is RMB5,502 million.

The assets and liabilities of SZCB as at December 15, 2006 were:

Cash on hand	362,166
Balances with central bank and due from banks and other financial institutions	9,184,268
Loans	43,700,315
Placements with banks and other financial institutions	1,201,521
Investments	23,284,754
Other assets	<u>2,209,982</u>
Total assets	<u><u>79,943,006</u></u>
Customer deposits	67,335,447
Due to banks and other financial institutions	3,535,294
Placements from banks and other financial institutions	148,552
Assets sold under agreements to repurchase	2,209,410
Other liabilities	<u>1,559,564</u>
Total liabilities	<u><u>74,788,267</u></u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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IV. Information of subsidiaries (Continued)

(5) (Continued)

Net cash and cash equivalents arising from acquisition of SZCB:

Net assets of SZCB on acquisition date	5,154,739
Purchase of 89.36% of net assets	4,606,275
Add: Equity investment differences arising from acquisition of SZCB	<u>310,523</u>
Cash paid	4,916,798
Including: Paid in 2006	4,910,187
Paid in 2007	<u>6,611</u>
Analysis of net cash and cash equivalents arising from acquisition of SZCB	
Cash and cash equivalents acquired from SZCB	9,282,316
Cash paid	<u>4,910,187</u>
Net cash inflow from acquisition of SZCB	<u>4,372,129</u>

The financial results of SZCB for the period from December 15 to 31, 2006 is as follows:

Revenues	191,486
Profit from principal operations	74,508
Operating profit before tax	86,967
Income tax	22,341
Net profit	<u>64,626</u>

- (6) On August 11, 2006, Ping An Overseas established Timely Reach Investments Limited with paid-up capital of US\$1 in the BVI. As at December 31, 2006, the Group's equity interest amounts to 100%.
- (7) On September 8, 2006, Ping An Overseas established Total Faith Investments Limited with paid-up capital of US\$1 in the BVI. As at December 31, 2006, the Group's equity interest amounts to 100%.
- (8) With approval from CIRC on October 17, 2006, the Companies and other shareholders of Ping An Property & Casualty injected additional capital of RMB1,400 million into Ping An Property & Casualty. After the capital injection, the paid-up capital of Ping An Property & Casualty increased to RMB3,000 million. As at December 31, 2006, the Group's interest amounts to 99.06%.
- (9) On October 31, 2006, Ping An Real Estate acquired 51% equity interest in Pan-China Real Estate (Jingzhou) Co., Ltd. ("Pan-China Real Estate"). The paid-up capital of Pan-China Real Estate is US\$9.7 million. As at December 31, 2006, the Group's equity interest amounts to 50.94%.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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IV. Information of subsidiaries (Continued)

- (10) On November 13, 2006, Ping An Overseas established Jade Reach Investments Limited with paid-up capital of US\$1 in the BVI. As at December 31, 2006, the Group holds 100% shares.
- (11) On November 17, 2006, Shenzhen Debao Auto Co., Ltd transferred shares in Ping An Trust worth RMB16.61 million to the Company. After the transfer, Ping An Trust paid-up capital remains unchanged at RMB4,200 million. As at December 31, 2006, the Group's equity interest amounts to 99.88%.
- (12) On December 20, 2006, the Company injected additional capital of HK\$500 million into Ping An Overseas. After the capital injection, the paid-up capital of Ping An Overseas increased to HK\$555 million. As at December 31, 2006, the Group's equity interest amounts to 100%.

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IV. Information of subsidiaries (Continued)

Particulars of the Company's principal subsidiaries as at December 31, 2006 are set out below:

Name	Date/place of incorporation	Attributable equity interest		Registered and paid-up capital (RMB unless otherwise stated)	Principal activities
		Direct	Indirect		
Ping An Life Insurance Company of China, Ltd.	December 17, 2002 The PRC	99.00%	-	3,800,000,000	Life insurance
Ping An Property & Casualty Insurance Company of China, Ltd.	December 24, 2002 The PRC	99.06%	-	3,000,000,000	Property and casualty insurance
Shenzhen Commercial Bank Co., Ltd	August 3, 1995 The PRC	89.36%	-	5,502,000,000	Banking
China Ping An Trust & Investment Co., Ltd.	November 19, 1984 The PRC	99.88%	-	4,200,000,000	Investment and financing
Ping An Securities Company, Ltd.	July 18, 1996 The PRC	-	86.11%	1,800,000,000	Security investment and brokerage
Ping An Bank Limited	January 8, 1993 The PRC	-	72.91%	613,845,000	Banking
Ping An Annuity Insurance Company of China, Ltd.	December 13, 2004 The PRC	95.00%	4.96%	300,000,000	Annuity insurance
Ping An Asset Management Co., Ltd.	May 27, 2005 The PRC	90.00%	9.90%	200,000,000	Asset management
Ping An Health Insurance Company of China, Ltd.	June 13, 2005 The PRC	95.00%	4.96%	500,000,000	Health insurance
China Ping An Insurance Overseas (Holdings) Limited	October 24, 1996 Hong Kong	100.00%	-	HK\$555,000,000	Investment holding
China Ping An Insurance (Hong Kong) Company Limited	August 17, 1976 Hong Kong	-	75.00%	HK\$80,000,000	Property and casualty insurance
Shenzhen Ping An Futures Brokerage Co., Ltd.	April 10, 1996 The PRC	-	93.13%	50,000,000	Futures brokerage
Shenzhen Ping An Industries Co., Ltd.	November 24, 1992 The PRC	-	99.88%	20,000,000	Investment
Shenzhen Ping An Property Investment and Management Co., Ltd.	January 6, 1995 The PRC	-	99.88%	20,000,000	Property management
Fuzhou Ping An Real Estate Development Co., Ltd.	March 28, 1994 The PRC	-	74.25%	US\$5,000,000	Development of property in Fuzhou (completed)
Shenzhen Ping An Real Estate Investment Co., Ltd.	March 8, 2005 The PRC	-	99.88%	300,000,000	Real estate development, investment
Shenzhen Xin An Investment Consultant Co., Ltd	September 5, 2005 The PRC	-	99.88%	3,000,000	Consulting

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IV. Information of subsidiaries (Continued)

<u>Name</u>	<u>Date/place of incorporation</u>	<u>Attributable equity interest</u>		<u>Registered and paid-up capital (RMB unless otherwise stated)</u>	<u>Principal activities</u>
		<u>Direct</u>	<u>Indirect</u>		
Ping An of China Asset Management (Hong Kong) Company Limited	May 16, 2006 Hong Kong	-	100.00%	HK\$25,000,000	Asset management
Yuxi Ping An Real Estate Co., Ltd.	July 31, 2006 The PRC	-	79.90%	38,500,000	Property leasing
Pan-China Real Estate (Jingzhou) Co., Ltd	March 1, 2005 The PRC	-	50.94%	US\$9,700,000	Real estate Investment
Anseng Investment Company Limited	April 6, 2006 BVI	-	100.00%	US\$2	Investment holding
Timely Reach Investments Limited	August 11, 2006 BVI	-	100.00%	US\$1	Investment holding
Total Faith Investments Limited	September 8, 2006 BVI	-	100.00%	US\$1	Investment holding
Jade Reach Investments Limited	November 13, 2006 BVI	-	100.00%	US\$1	Investment holding

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements

1. Cash on hand, cash at bank and balances with clearing companies

Cash on hand, cash at bank and balances with clearing companies of the Group are as follows:

	Currency	December 31, 2006			December 31, 2005		
		Original currency	Exchange rate	RMB equivalent	Original currency	Exchange rate	RMB equivalent
Cash on hand	RMB	300,037	1.0000	300,037	12,949	1.0000	12,949
	USD	2,691	7.8087	21,014	115	8.0702	931
	HKD	24,018	1.0047	24,130	260	1.0403	270
	EUR	43	10.2665	438			-
	JPY	8,745	0.0656	574			-
	GBP	45	15.3232	684			-
	AUD	66	6.1618	405			-
Total				<u>347,282</u>			<u>14,150</u>
Cash at bank	RMB	77,350,437	1.0000	77,350,437	67,606,548	1.0000	67,606,548
	USD	1,543,882	7.8087	12,055,710	1,507,676	8.0702	12,167,243
	HKD	380,918	1.0047	382,704	437,948	1.0403	455,598
	JPY			-	865,480	0.0687	59,472
	EUR			-	213	9.5797	2,038
Total			<u>89,788,851</u>			<u>80,290,899</u>	
Balances with clearing companies	RMB	1,105,028	1.0000	1,105,028	173,698	1.0000	173,698
	USD	2,442	7.8087	19,067	73	8.0702	592
	HKD	10,614	1.0047	10,664	2,593	1.0403	2,697
Total			<u>1,134,759</u>			<u>176,987</u>	

There are term deposits of approximately RMB59,106,777 thousand in both Renminbi and foreign currencies (2005: approximately RMB69,014,333 thousand) with terms ranging from 6 months to 360 months and interest rates ranging from 2.25% to 8.80% per annum (2005: from 2.25% to 8.80%) included in cash at bank of the Group. Cash at bank of the Group also includes deposits from customers held for securities trading of RMB2,957,624 thousand (2005: RMB1,574,220 thousand). Balances with clearing companies of the Group are mainly deposits placed by Ping An Securities in China Securities Depository and Clearing Corporation, which includes customer deposits of RMB767,636 thousand (2005: RMB142,666 thousand) and contract deposits of RMB259,477 thousand (2005: Nil) for warrants issuance. The contract deposits will be available for use when the issued warrant matures or are cancelled.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

2. Balances with central bank

Balances with central bank of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Mandatory reserves deposits with central bank (RMB)	5,688,270	3
Surplus reserves deposits	1,927,145	11,552
Fiscal deposits with central bank	8,554	-
Mandatory reserves deposits with central bank (foreign currencies)	<u>89,674</u>	<u>8,716</u>
Total	<u><u>7,713,643</u></u>	<u><u>20,271</u></u>

In accordance with the regulations issued by the PBOC, the Group maintains mandatory reserves deposits with PBOC in both RMB and foreign currencies. As at December 31, 2006 and December 31, 2005, the mandatory reserves deposits are calculated at 9% and 7.5% for eligible RMB deposits and 4% and 3% for foreign currencies deposits respectively.

3. Due from banks and other financial institutions

Due from banks and other financial institutions of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Due from banks and other financial institutions (domestic)	957,235	410,148
Due from banks and other financial institutions (overseas)	<u>1,882,972</u>	<u>16,343</u>
Total	<u><u>2,840,207</u></u>	<u><u>426,491</u></u>

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V. Notes on major captions of the consolidated financial statements (Continued)

4. Short-term investments

Short-term investments of the Group are as follows:

	December 31, 2006		December 31, 2005	
	Net book value	Market value	Net book value	Market value
Bond investments				
Government bonds	1,084,181	N/A	1,447,212	N/A
Listed	27,249	27,379	533,338	533,365
Unlisted	1,056,932	N/A	913,874	N/A
Finance bonds	3,229,499	N/A	462,864	N/A
Listed	-	-	151,861	151,861
Unlisted	3,229,499	N/A	311,003	N/A
Corporate bonds	7,629,305	N/A	4,291,283	N/A
Listed	297,027	330,017	701,164	710,237
Unlisted	7,332,278	N/A	3,590,119	N/A
Sub-total	<u>11,942,985</u>		<u>6,201,359</u>	
Equity investments				
Stocks	6,402,170	9,390,437	1,904,696	1,943,769
Listed	6,402,170	9,390,437	1,904,696	1,943,769
Equity investment funds	5,803,790	N/A	8,426,734	N/A
Listed	770,189	1,286,729	946,915	946,915
Unlisted	5,033,601	N/A	7,479,819	N/A
Sub-total	<u>12,205,960</u>		<u>10,331,430</u>	
Total	<u><u>24,148,945</u></u>		<u><u>16,532,789</u></u>	

Listed investments are securities listed on Stock Exchanges. Unlisted investments are investments in interbank or other markets other than on Stock Exchanges. The market value of listed investments at the balance sheet date are valued using the closing prices on the last trading day of the year.

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 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

5. Placements with banks and other financial institutions

Placements with banks and other financial institutions of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Placements with domestic financial institutions	2,102,993	156,131
Less: Provision for bad debts	<u>(375,612)</u>	<u>(24,737)</u>
Placements with banks and other financial institutions, net	<u><u>1,727,381</u></u>	<u><u>131,394</u></u>

6. Loans

(1) Loans by category are set out below:

<u>Category</u>	<u>December 31, 2006</u>	<u>Percentage</u>	<u>December 31, 2005</u>	<u>Percentage</u>
Loans and advances				
Short-term loans	10,709,388	20.76%	400,882	64.23%
Medium to long-term loans	24,240,288	46.99%	129,667	20.78%
Overdue loans	895,441	1.74%	-	-
Non-accrual loans	2,785,888	5.40%	93,550	14.99%
Trade loans				
Bills negotiation of export and import L/C	317,596	0.62%	-	-
Discounted bills	<u>12,633,786</u>	<u>24.49%</u>	-	-
Total	51,582,387	<u>100.00%</u>	624,099	<u>100.00%</u>
Loan loss provisions	<u>(2,430,726)</u>		<u>(93,550)</u>	
Net	<u><u>49,151,661</u></u>		<u><u>530,549</u></u>	

Loans of RMB2,231,236 thousand were pledged as assets sold under agreements to repurchase.

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V. Notes on major captions of the consolidated financial statements (Continued)

6. Loans (Continued)

(2) Loans by industry are set out below:

Industry	December 31, 2006	Percentage	December 31, 2005	Percentage
Agriculture, forestry and fishing	187,413	0.36%	-	-
Mining	682,675	1.33%	-	-
Manufacturing	9,198,493	17.83%	147,884	23.70%
Energy	1,395,275	2.70%	-	-
Transportation and communications	1,385,829	2.69%	40,351	6.47%
Commercial	7,374,593	14.30%	181	0.02%
Real estate	7,811,857	15.14%	66,708	10.69%
Social services	3,322,672	6.44%	-	-
Technology, culture and health	1,250,479	2.42%	-	-
Construction	3,768,455	7.31%	261,930	41.97%
Financial institutions and insurance	39,895	0.08%	-	-
Personal loans	14,299,618	27.72%	18,115	2.90%
Others	<u>865,133</u>	<u>1.68%</u>	<u>88,930</u>	<u>14.25%</u>
Total	<u>51,582,387</u>	<u>100.00%</u>	<u>624,099</u>	<u>100.00%</u>
Provision for loan losses	<u>(2,430,726)</u>		<u>(93,550)</u>	
Net	<u>49,151,661</u>		<u>530,549</u>	

(3) Loans by types are set out below:

(a) Short-term loans, bills negotiation of export and import L/C and discounted bills:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Unsecured loans	3,221,208	44,040
Guaranteed loans	3,641,857	356,842
Loans secured by mortgages	2,835,059	-
Loans secured by other collaterals	<u>13,962,646</u>	<u>-</u>
Total	<u>23,660,770</u>	<u>400,882</u>

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V. Notes on major captions of the consolidated financial statements (Continued)

6. Loans (Continued)

(3) Loans by types are set out below: (Continued)

(b) Medium to long-term loans

Medium to long-term loans by contract terms are set out below:

	December 31, 2006			Total
	1-3 years	3-5 years	More than 5 years	
Unsecured loans	1,856,735	300,214	998,866	3,155,815
Guaranteed loans	2,833,904	652,333	295,959	3,782,196
Loans secured by mortgages	3,503,192	1,291,084	11,258,218	16,052,494
Loans secured by other collaterals	<u>153,675</u>	<u>734,157</u>	<u>361,951</u>	<u>1,249,783</u>
Total	<u><u>8,347,506</u></u>	<u><u>2,977,788</u></u>	<u><u>12,914,994</u></u>	<u><u>24,240,288</u></u>
	December 31, 2005			
	1-3 years	3-5 years	More than 5 years	Total
Unsecured loans	41,511	13,201	65	54,777
Guaranteed loans	-	<u>40,351</u>	<u>34,539</u>	<u>74,890</u>
Total	<u>41,511</u>	<u>53,552</u>	<u>34,604</u>	<u>129,667</u>

(c) Overdue loans

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Unsecured loans	14,209	-
Guaranteed loans	104,092	-
Loans secured by mortgages	727,599	-
Loans secured by other collaterals	<u>49,541</u>	-
Total	<u><u>895,441</u></u>	<u><u>-</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

6. Loans (Continued)

(3) Loans by types are set out below: (Continued)

(d) Non-accrual loans

Analysis of non-accrual loans in terms of days of principal being overdue are as follows:

	December 31, 2006				Total
	Within 90 days	91 days to 1 year	1-3 years	More than 3 years	
Unsecured loans	-	26,818	1,534	104,316	132,668
Guaranteed loans	23,254	151,833	424,824	538,988	1,138,899
Loans secured by mortgages	2,990	310,620	135,337	474,044	922,991
Loans secured by other collaterals	<u>48,538</u>	<u>316,261</u>	<u>221,181</u>	<u>5,350</u>	<u>591,330</u>
Total	<u>74,782</u>	<u>805,532</u>	<u>782,876</u>	<u>1,122,698</u>	<u>2,785,888</u>
	December 31, 2005				
	Within 90 days	91 days to 1 year	1-3 years	More than 3 years	Total
Unsecured loans	-	-	-	93,550	93,550

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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(IN RMB THOUSAND)

V. Notes on major captions of the consolidated financial statements (Continued)

6. Loans (Continued)

(4) Loan loss provisions

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Beginning of year	93,550	195,664
Charge for the year	947	-
Less: Write-backs during the year	-	(72,997)
Write-offs during the year	(193,624)	(29,117)
Add: Transferred from SZCB	2,529,463	-
Changes in foreign exchange rates	390	-
	<u>2,430,726</u>	<u>93,550</u>
End of year	<u>2,430,726</u>	<u>93,550</u>

7. Policy loans

The interest rate of policy loans of the Group ranges from 5.22% to 6.50%.

8. Assets purchased under agreements to resell

Assets purchased under agreements to resell are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Loans purchased under agreements to resell	200,000	-
Bonds purchased under agreements to resell	5,862,130	-
Rediscounted bills purchased under agreements to resell	888,785	-
	<u>6,950,915</u>	<u>-</u>
Total	<u>6,950,915</u>	<u>-</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

8. Assets purchased under agreements to resell (Continued)

<u>Market</u>	<u>Terms</u>	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Interbank market	Within 3 months	5,862,130	-
Other markets	Within 3 months	868,785	-
Other markets	3 to 6 months	<u>220,000</u>	<u>-</u>
Total		<u><u>6,950,915</u></u>	<u><u>-</u></u>

9. Premium receivables and receivables from reinsurers

An aging analysis of premium receivables of the Group is as follows:

<u>Aging</u>	<u>December 31, 2006</u>			<u>Net book value</u>
	<u>Balance</u>	<u>Percentage</u>	<u>Provision</u>	
Within 3 months	2,971,530	92.05%	-	2,971,530
3 to 6 months	98,660	3.06%	(19,556)	79,104
6 to 12 months	71,693	2.22%	(49,703)	21,990
More than 12 months	<u>86,205</u>	<u>2.67%</u>	<u>(86,070)</u>	<u>135</u>
Total	<u><u>3,228,088</u></u>	<u><u>100.00%</u></u>	<u><u>(155,329)</u></u>	<u><u>3,072,759</u></u>

<u>Aging</u>	<u>December 31, 2005</u>			<u>Net book value</u>
	<u>Balance</u>	<u>Percentage</u>	<u>Provision</u>	
Within 3 months	676,463	80.41%	-	676,463
3 to 6 months	71,731	8.53%	(14,560)	57,171
6 to 12 months	50,326	5.98%	(35,152)	15,174
More than 12 months	<u>42,730</u>	<u>5.08%</u>	<u>(42,730)</u>	<u>-</u>
Total	<u><u>841,250</u></u>	<u><u>100.00%</u></u>	<u><u>(92,442)</u></u>	<u><u>748,808</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

9. Premium receivables and receivables from reinsurers (Continued)

An analysis of premium receivables of the Group by insurance products is as follows:

Insurance products	December 31, 2006			Net book value
	Balance	Percentage	Provision	
Property & Casualty insurance:				
Motor and third party liability	548,214	16.98%	(82,013)	466,201
Corporate property	136,713	4.24%	(10,847)	125,866
Residential property	11,886	0.37%	(1,666)	10,220
Cargo hull	96,608	2.99%	(11,524)	85,084
Marine	17,647	0.55%	(1,860)	15,787
Liability	52,126	1.61%	(3,474)	48,652
Credit	5,127	0.16%	(146)	4,981
Guarantee	8,324	0.26%	(2,601)	5,723
Construction	81,695	2.53%	(28,557)	53,138
Accident	174	-	-	174
Special risk	96,105	2.98%	(12,641)	83,464
Sub-total	<u>1,054,619</u>	<u>32.67%</u>	<u>(155,329)</u>	<u>899,290</u>
Life insurance:				
Individual	2,169,879	67.22%	-	2,169,879
Group	<u>3,590</u>	<u>0.11%</u>	<u>-</u>	<u>3,590</u>
Sub-total	<u>2,173,469</u>	<u>67.33%</u>	<u>-</u>	<u>2,173,469</u>
Total	<u>3,228,088</u>	<u>100.00%</u>	<u>(155,329)</u>	<u>3,072,759</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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V. Notes on major captions of the consolidated financial statements (Continued)

9. Premium receivables and receivables from reinsurers (Continued)

<u>Insurance products</u>	<u>December 31, 2005</u>			<u>Net book value</u>
	<u>Balance</u>	<u>Percentage</u>	<u>Provision</u>	
Property & Casualty insurance:				
Motor and third party liability	410,278	48.77%	(46,583)	363,695
Corporate property	127,606	15.17%	(10,018)	117,588
Residential property	19,955	2.37%	(1,361)	18,594
Cargo hull	96,463	11.47%	(8,058)	88,405
Marine	5,462	0.65%	(1,483)	3,979
Liability	30,629	3.64%	(4,921)	25,708
Credit	2,941	0.35%	(1,202)	1,739
Guarantee	8,776	1.04%	(1,256)	7,520
Construction	92,591	11.01%	(14,553)	78,038
Special risk	<u>46,540</u>	<u>5.53%</u>	<u>(3,007)</u>	<u>43,533</u>
Sub-total	<u>841,241</u>	<u>100.00%</u>	<u>(92,442)</u>	<u>748,799</u>
Life insurance:				
Group	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>
Total	<u>841,250</u>	<u>100.00%</u>	<u>(92,442)</u>	<u>748,808</u>

There are no premium receivables due from any shareholder who individually holds more than 5% of the Company's voting share capital.

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V. Notes on major captions of the consolidated financial statements (Continued)

9. Premium receivables and receivables from reinsurers (Continued)

The Group's aging analysis of receivables from reinsurers is as follows:

Aging	December 31, 2006		
	Balance	Provision	Net book value
Within 9 months	783,790	-	783,790
More than 9 months (9 months included)	<u>59,758</u>	<u>(56,506)</u>	<u>3,252</u>
Total	<u>843,548</u>	<u>(56,506)</u>	<u>787,042</u>

Aging	December 31, 2005		
	Balance	Provision	Net book value
Within 9 months	720,124	-	720,124
More than 9 months (9 months included)	<u>51,307</u>	<u>(51,307)</u>	<u>-</u>
Total	<u>771,431</u>	<u>(51,307)</u>	<u>720,124</u>

The Group's top 5 receivables from reinsurers/brokers are as follows:

Reinsurers/Brokers	December 31, 2006			Net book value
	Balance	Percentage	Provision	value
China Property & Casualty Reinsurance Company, Ltd.	219,353	26.00%	(1,509)	217,844
China Life Reinsurance Company, Ltd.	134,493	15.94%	-	134,493
Aon Group Limited	108,557	12.87%	(5,790)	102,767
China Reinsurance (Group) Company	76,565	9.08%	(11,826)	64,739
Munich Reinsurance Company	<u>37,081</u>	<u>4.40%</u>	<u>-</u>	<u>37,081</u>

Reinsurers/Brokers	December 31, 2005			Net book value
	Balance	Percentage	Provision	value
China Property & Casualty Reinsurance Company, Ltd.	172,861	22.41%	(2,661)	170,200
China Reinsurance (Group) Company	148,913	19.30%	(11,214)	137,699
Aon Group Limited	96,352	12.49%	(5,734)	90,618
Guy Carpenter & Company Inc.	71,951	9.33%	(4,127)	67,824
Munich Reinsurance Company	<u>34,930</u>	<u>4.53%</u>	<u>-</u>	<u>34,930</u>

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V. Notes on major captions of the consolidated financial statements (Continued)

9. Premium receivables and receivables from reinsurers (Continued)

There are no receivables from reinsurers due from shareholders who individually hold not less than 5% of the Company's voting share capital.

10. Deposits with stock and futures exchanges

Deposits with stock and futures exchanges of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Shenzhen Stock Exchange	35,832	19,495
Shanghai Stock Exchange	14,462	14,598
Shanghai Futures Exchange	5,949	1,926
Zhengzhou Commodity Exchange	340	2,277
Dalian Commodity Exchange	<u>17,464</u>	<u>3,824</u>
Total	<u><u>74,047</u></u>	<u><u>42,120</u></u>

11. Other receivables

Details of other receivables of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Prepayment in investment projects	1,688,666	-
Receivables from external companies	405,690	204,126
Interest rate swap margins receivables	238,267	-
Deposits for rental, water, electricity and others	82,248	53,635
Litigation receivables	46,218	1,318
Social and medical insurance paid for employees	44,878	42,571
Advances to employees	36,194	33,742
Others	<u>293,709</u>	<u>201,014</u>
	2,835,870	536,406
Less: Provision for bad debts	<u>(161,015)</u>	<u>(68,925)</u>
Other receivables, net	<u><u>2,674,855</u></u>	<u><u>467,481</u></u>

The prepayment in investment projects mainly refers to the prepayment for Beijing Meibang International Center invested by Ping An Life and Shenzhen Citic City Plaza invested by Ping An Trust.

There are no other receivables due from any shareholder who individually holds not less than 5% of the Company's voting share capital.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

12. Long-term equity investments

Long-term equity investments of the Group are as follows:

	<u>December 31, 2006</u>			<u>December 31, 2005</u>		
	<u>Amount</u>	<u>Impairment</u>	<u>Net book value</u>	<u>Amount</u>	<u>Impairment</u>	<u>Net book value</u>
Long-term stock investments	13,098,899	(126,489)	12,972,410	3,099,347	(257,665)	2,841,682
Unconsolidated subsidiaries	-	-	-	20,000	-	20,000
Associates	176,078	-	176,078	3,000	-	3,000
Other long-term equity investments	<u>329,681</u>	<u>(90,489)</u>	<u>239,192</u>	<u>181,417</u>	<u>(39,436)</u>	<u>141,981</u>
Total	<u>13,604,658</u>	<u>(216,978)</u>	<u>13,387,680</u>	<u>3,303,764</u>	<u>(297,101)</u>	<u>3,006,663</u>

(1) Details of long-term stock investments of the Group are as follows:

	<u>December 31, 2006</u>		<u>December 31, 2005</u>	
	<u>Net book value</u>	<u>Market value</u>	<u>Net book value</u>	<u>Market value</u>
Public shares	7,519,184	12,943,459	2,758,235	2,925,208
Restricted shares	<u>5,438,152</u>	<u>9,019,460</u>	<u>5,239</u>	<u>20,524</u>
Sub-total of listed shares	12,957,336	21,962,919	2,763,474	2,945,732
Unlisted shares	<u>15,074</u>	N/A	<u>78,208</u>	N/A
Total	<u>12,972,410</u>		<u>2,841,682</u>	

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006
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V. Notes on major captions of the consolidated financial statements (Continued)

12. Long-term equity investments (Continued)

(1) (Continued)

Details of stock investment as at December 31, 2006 are as follows:

<u>Name of the invested entity</u>	<u>Type</u>	<u>Year of investment</u>	<u>Number of shares</u>	<u>Percentage of holding Capital</u>	<u>Original amount</u>	<u>Net book value</u>
Shanghai Pudong Development Bank Co., Ltd	A share	2005	196,775,932	4.52%	2,227,711	2,227,711
Bank of China Limited	A share/ H share	2006	568,781,000	0.22%	1,711,026	1,711,026
China Life Insurance Company Limited	A share	2006	80,554,022	2.85%	1,520,860	1,520,860
Industrial and Commercial Bank of China Limited	A share	2006	402,564,000	0.12%	1,274,324	1,274,324
Baoshan Iron & Steel Co., Ltd	A share	2005	262,775,008	1.50%	1,117,982	1,117,982
Daqin Railway Co. Ltd	A share	2006	140,744,500	1.08%	696,685	696,685
China Yangtze Power Co., Ltd	A share	2005	96,716,251	1.18%	676,891	676,891
China Merchants Bank Co., Ltd	A share/ H share	2005	87,271,690	0.59%	544,282	544,282
China Vanke Co., Ltd	A share	2005	63,637,578	1.46%	529,084	529,084
Guangshen Railway Company Limited	A share	2006	102,712,104	1.45%	386,198	386,198
Others					<u>2,413,856</u>	<u>2,287,367</u>
Total					<u>13,098,899</u>	<u>12,972,410</u>

Details of stock investment as at December 31, 2005 are as follows:

<u>Name of the invested entity</u>	<u>Type</u>	<u>Year of investment</u>	<u>Number of shares</u>	<u>Percentage of holding capital</u>	<u>Original amount</u>	<u>Net book value</u>
China Yangtze Power Co., Ltd	A share	2005	70,752,968	0.86%	510,626	489,611
Baoshan Iron & Steel Co., Ltd	A share	2005	97,294,406	0.56%	406,265	400,493
Shanghai International Airport Co. Ltd	A share	2005	23,164,685	1.20%	388,416	334,035
Shanghai Pudong Development Bank Co., Ltd	A share	2005	43,304,528	1.11%	311,166	311,166
China Merchants Bank Co., Ltd	A share	2005	31,510,818	0.30%	190,805	190,796
Shanghai Port Container Co., Ltd	A share	2005	12,859,102	0.71%	152,401	144,327
Fujian Expressway Development Company Limited	A share	2005	17,824,386	1.81%	146,180	130,475
SDIC Huajing Power Holdings Co., Ltd	A share	2005	20,917,297	3.71%	136,783	116,091
China United Telecommunications Corporation Limited	A share	2005	42,999,849	0.20%	112,019	112,019
Huabei Expressway Co., Ltd	A share	2005	29,791,612	0.20%	119,825	107,846
Others					<u>624,861</u>	<u>504,823</u>
Total					<u>3,099,347</u>	<u>2,841,682</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

12. Long-term equity investments (Continued)

(2) The Group's investment in associate as at December 31, 2006 is as follows:

<u>Name of the invested entity</u>	<u>Registered share capital</u>	<u>Percentage of holding capital</u>	<u>Investment amount at the year end</u>	<u>Business scope</u>
Veolia Water (Kunming) Investment Co., Ltd	US\$95,000,000	24%	176,078	Water services investment

(3) The Group's consolidation surplus is as follows:

<u>Name of the invested entity</u>	<u>December 31, 2006</u>		<u>December 31, 2005</u>	
	<u>Original amount</u>	<u>Amortized amount</u>	<u>Original amount</u>	<u>Amortized amount</u>
Ping An Securities	377,267	275,873	377,267	313,599
Ping An Bank	16,366	11,066	16,366	13,032
Ping An Trust	19,487	2,035	19,353	3,802
SZCB	<u>310,523</u>	<u>310,523</u>	<u>-</u>	<u>-</u>
Total	<u>723,643</u>	<u>599,497</u>	<u>412,986</u>	<u>330,433</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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V. Notes on major captions of the consolidated financial statements (Continued)

13. Long-term bond investments

Details of long-term bond investments of the Group are as follows:

Bond categories	December 31, 2006						
	Par value	Interest receivable	Unamortized premium / (discount)	Total	Impairment	Net book value	Market price
Listed bonds:							
Government bonds	44,638,479	479,910	(1,802,217)	43,316,172	-	43,316,172	44,869,141
Finance bonds	12,344	73	(73)	12,344	(12)	12,332	12,533
Corporate bonds	<u>6,763,797</u>	<u>82,603</u>	<u>(26,450)</u>	<u>6,819,950</u>	<u>-</u>	<u>6,819,950</u>	<u>6,879,046</u>
	<u>51,414,620</u>	<u>562,586</u>	<u>(1,828,740)</u>	<u>50,148,466</u>	<u>(12)</u>	<u>50,148,454</u>	<u>51,760,720</u>
Unlisted bonds:							
Government bonds	49,627,715	759,239	(115,541)	50,271,413	-	50,271,413	N/A
Finance bonds	63,496,987	879,251	265,407	64,641,645	-	64,641,645	N/A
Corporate bonds	<u>28,543,740</u>	<u>470,687</u>	<u>454,888</u>	<u>29,469,315</u>	<u>-</u>	<u>29,469,315</u>	<u>N/A</u>
	<u>141,668,442</u>	<u>2,109,177</u>	<u>604,754</u>	<u>144,382,373</u>	<u>-</u>	<u>144,382,373</u>	<u>N/A</u>
Sub-total	<u>193,083,062</u>	<u>2,671,763</u>	<u>(1,223,986)</u>	<u>194,530,839</u>	<u>(12)</u>	<u>194,530,827</u>	<u>N/A</u>
Less: Long-term bond investments due within one year							
Listed bonds:							
Government bonds	523,351	2,905	811	527,067	-	527,067	529,079
Corporate bonds	<u>145,827</u>	<u>2,847</u>	<u>(374)</u>	<u>148,300</u>	<u>-</u>	<u>148,300</u>	<u>148,460</u>
	<u>669,178</u>	<u>5,752</u>	<u>437</u>	<u>675,367</u>	<u>-</u>	<u>675,367</u>	<u>677,539</u>
Unlisted bonds:							
Government bonds	1,450,783	55,794	28,401	1,534,978	-	1,534,978	N/A
Finance bonds	230,274	3,658	183	234,115	-	234,115	N/A
Corporate bonds	<u>151,400</u>	<u>383</u>	<u>(90,000)</u>	<u>61,783</u>	<u>-</u>	<u>61,783</u>	<u>N/A</u>
	<u>1,832,457</u>	<u>59,835</u>	<u>(61,416)</u>	<u>1,830,876</u>	<u>-</u>	<u>1,830,876</u>	<u>N/A</u>
Sub-total	<u>2,501,635</u>	<u>65,587</u>	<u>(60,979)</u>	<u>2,506,243</u>	<u>-</u>	<u>2,506,243</u>	<u>N/A</u>
Total	<u>190,581,427</u>	<u>2,606,176</u>	<u>(1,163,007)</u>	<u>192,024,596</u>	<u>(12)</u>	<u>192,024,584</u>	<u>N/A</u>

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V. Notes on major captions of the consolidated financial statements (Continued)

13. Long-term bond investments (Continued)

Bond categories	December 31, 2005						
	Par value	Interest receivables	Unamortized Premium / (discount)	Total	Impairment	Net book value	Market value
Listed bonds:							
Government bonds	42,823,780	467,446	(1,986,624)	41,304,602	(195)	41,304,407	43,281,706
Corporate bonds	<u>5,898,718</u>	<u>78,221</u>	<u>86,554</u>	<u>6,063,493</u>	<u>(8,360)</u>	<u>6,055,133</u>	<u>6,328,716</u>
	<u>48,722,498</u>	<u>545,667</u>	<u>(1,900,070)</u>	<u>47,368,095</u>	<u>(8,555)</u>	<u>47,359,540</u>	<u>49,610,422</u>
Unlisted bonds:							
Government bonds	49,294,422	712,061	(53,879)	49,952,604	(3,582)	49,949,022	N/A
Finance bonds	41,011,106	688,770	252,150	41,952,026	(122)	41,951,904	N/A
Corporate bonds	<u>13,114,214</u>	<u>220,815</u>	<u>150,169</u>	<u>13,485,198</u>	<u>(57)</u>	<u>13,485,141</u>	<u>N/A</u>
	<u>103,419,742</u>	<u>1,621,646</u>	<u>348,440</u>	<u>105,389,828</u>	<u>(3,761)</u>	<u>105,386,067</u>	<u>N/A</u>
Sub-total	<u>152,142,240</u>	<u>2,167,313</u>	<u>(1,551,630)</u>	<u>152,757,923</u>	<u>(12,316)</u>	<u>152,745,607</u>	<u>N/A</u>
Less: Long-term bond investments due within one year							
Listed bonds:							
Government bonds	<u>59,126</u>	<u>3,852</u>	<u>1,191</u>	<u>64,169</u>	<u>-</u>	<u>64,169</u>	<u>66,116</u>
Unlisted bonds:							
Government bonds	450,002	17,905	2,006	469,913	-	469,913	N/A
Finance bonds	199,920	2,575	(20)	202,475	-	202,475	N/A
Corporate bonds	<u>42,751</u>	<u>198</u>	<u>298</u>	<u>43,247</u>	<u>-</u>	<u>43,247</u>	<u>N/A</u>
	<u>692,673</u>	<u>20,678</u>	<u>2,284</u>	<u>715,635</u>	<u>-</u>	<u>715,635</u>	<u>N/A</u>
Sub-total	<u>751,799</u>	<u>24,530</u>	<u>3,475</u>	<u>779,804</u>	<u>-</u>	<u>779,804</u>	<u>N/A</u>
Total	<u>151,390,441</u>	<u>2,142,783</u>	<u>(1,555,105)</u>	<u>151,978,119</u>	<u>(12,316)</u>	<u>151,965,803</u>	<u>N/A</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2006
 (IN RMB THOUSAND)

V. Notes on major captions of the consolidated financial statements (Continued)

13. Long-term bond investments (Continued)

Details of net book value of long-term bond investments of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Due within 1 year	2,506,243	779,804
1 to 2 years	7,941,533	3,367,641
2 to 3 years	6,292,377	6,643,410
3 to 4 years	5,132,860	5,271,098
4 to 5 years	24,843,207	4,028,925
More than 5 years	<u>147,814,607</u>	<u>132,654,729</u>
Total	<u><u>194,530,827</u></u>	<u><u>152,745,607</u></u>

Long-term bond investments of the Group bear interest rates ranging from 0% to 9.78% per annum.(2005: from 0% to 11.83% per annum)

Finance bonds mainly represent bonds issued by China Development Bank. Corporate bonds mainly represent energy and transportation bonds, issued by large state-owned enterprises.

Listed investments are securities listed on the Stock Exchanges. Unlisted investment are investments in the interbank market or other markets other than on than Stock Exchanges. The listed investments are priced using the closing prices of the last trading day at the end of the year.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2006
 (IN RMB THOUSAND)

V. Notes on major captions of the consolidated financial statements (Continued)

14. Long-term fund investments

Details of the Group's long-term fund investments are as follows:

	December 31, 2006			December 31, 2005		
	Amount	Impairment	Net book value	Amount	Impairment	Net book value
Open ended funds:						
Listed	1,196,170	(12,912)	1,183,258	918,907	(1,983)	916,924
Unlisted	<u>4,051,660</u>	<u>(45,074)</u>	<u>4,006,586</u>	<u>6,097,409</u>	<u>(36,368)</u>	<u>6,061,041</u>
Sub-total	<u>5,247,830</u>	<u>(57,986)</u>	<u>5,189,844</u>	<u>7,016,316</u>	<u>(38,351)</u>	<u>6,977,965</u>
Close ended funds:						
Listed	<u>3,312</u>	-	<u>3,312</u>	-	-	-
Total	<u>5,251,142</u>	<u>(57,986)</u>	<u>5,193,156</u>	<u>7,016,316</u>	<u>(38,351)</u>	<u>6,977,965</u>
Market price of listed investments			<u>1,582,466</u>			<u>938,463</u>

Listed investments are securities listed on the Stock Exchanges. Unlisted investments are investments in the interbank market or other markets other than on Stock Exchanges. The listed investments are priced using the closing prices of the last trading day at the end of the year.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006
(IN RMB THOUSAND)

V. Notes on major captions of the consolidated financial statements (Continued)

15. Fixed assets and accumulated depreciation

Movements of fixed assets and accumulated depreciation of the Group are as follows:

	2006				Total
	Leasehold Improvements	Buildings	Office equipments and Equipments	Motor vehicles	
<u>Cost</u>					
Beginning of year	347,476	4,750,831	1,573,285	399,372	7,070,964
Acquisition of a subsidiary	71,591	510,476	308,327	7,871	898,265
Transfer from CIP	46,405	809,566	5,087	-	861,058
Additions	102,695	185,666	356,732	87,380	732,473
Disposals	(510)	(223,091)	(111,963)	(74,029)	(409,593)
End of year	<u>567,657</u>	<u>6,033,448</u>	<u>2,131,468</u>	<u>420,594</u>	<u>9,153,167</u>
<u>Accumulated depreciation</u>					
Beginning of year	161,032	895,235	928,453	250,057	2,234,777
Additions	95,781	144,254	199,367	51,050	490,452
Acquisition of a subsidiary	46,888	130,395	212,692	7,192	397,167
Disposals	(391)	(57,852)	(77,620)	(54,317)	(190,180)
End of year	<u>303,310</u>	<u>1,112,032</u>	<u>1,262,892</u>	<u>253,982</u>	<u>2,932,216</u>
<u>Net book value</u>					
End of year	<u>264,347</u>	<u>4,921,416</u>	<u>868,576</u>	<u>166,612</u>	<u>6,220,951</u>
Beginning of year	<u>186,444</u>	<u>3,855,596</u>	<u>644,832</u>	<u>149,315</u>	<u>4,836,187</u>
<u>Impairment losses</u>					
Beginning of year	-	323,275	-	-	323,275
Additions	-	29,594	-	-	29,594
Write-backs	-	(111,013)	-	-	(111,013)
Write-offs	-	(49,884)	-	-	(49,884)
End of year	<u>-</u>	<u>191,972</u>	<u>-</u>	<u>-</u>	<u>191,972</u>
<u>Net</u>					
End of year	<u>264,347</u>	<u>4,729,444</u>	<u>868,576</u>	<u>166,612</u>	<u>6,028,979</u>
Beginning of year	<u>186,444</u>	<u>3,532,321</u>	<u>644,832</u>	<u>149,315</u>	<u>4,512,912</u>

The Group is in the process of applying for property certificates in respect of certain buildings with a net book value of RMB249,419 thousand as at December 31, 2006 (2005: RMB365,378 thousand).

Net book value of fixed assets leased under rental agreements of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Buildings	<u>1,528,116</u>	<u>1,242,535</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006
(IN RMB THOUSAND)

V. Notes on major captions of the consolidated financial statements (Continued)

16. Construction in progress

Construction in progress mainly represents buildings under construction in Shenzhen and Shanghai. Movement of construction in progress of the Group is as follows:

	2006				Total
	Shenzhen Ping An Finance University	Shanghai Pudong Ping An Building	Shanghai Zhangjiang Project	Others	
<u>Cost</u>					
Beginning of year	329,668	624,280	299,736	91,762	1,345,446
Acquisition of a subsidiary	-	-	-	10,111	10,111
Additions	63,994	109,284	464,290	128,178	765,746
Transfer to fixed assets	(389,521)	-	(367,394)	(119,615)	(876,530)
End of year	<u>4,141</u>	<u>733,564</u>	<u>396,632</u>	<u>110,436</u>	<u>1,244,773</u>
<u>Impairment losses</u>					
Beginning of year	-	-	-	26,472	26,472
Transfer to fixed assets	-	-	-	(15,472)	(15,472)
End of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>11,000</u>
<u>Net</u>					
End of year	<u>4,141</u>	<u>733,564</u>	<u>396,632</u>	<u>99,436</u>	<u>1,233,773</u>
Beginning of year	<u>329,668</u>	<u>624,280</u>	<u>299,736</u>	<u>65,290</u>	<u>1,318,974</u>

The Group is still in the process of applying for title certificates for land use rights with a net book value of RMB537,345 thousand as at December 31, 2006 (2005: RMB537,345 thousand).

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2006
 (IN RMB THOUSAND)

V. Notes on major captions of the consolidated financial statements (Continued)

17. Intangible assets

Movement of intangible assets of the Group is as follows:

	2006			Total
	<u>Land use rights</u>	<u>Computer software and others</u>	<u>Membership fees</u>	
<u>Net book value</u>				
Beginning of year	25,765	103,290	25,568	154,623
Acquisition of a subsidiary	-	6,267	-	6,267
Additions	56	80,334	1,470	81,860
Amortization	(617)	(55,106)	(5,292)	(61,015)
Disposals	(20,189)	-	-	(20,189)
End of year	<u>5,015</u>	<u>134,785</u>	<u>21,746</u>	<u>161,546</u>
<u>Impairment losses</u>				
End of year	<u>3,040</u>	-	-	<u>3,040</u>
Beginning of year	<u>3,040</u>	-	-	<u>3,040</u>
<u>Net book value</u>				
End of year	<u><u>1,975</u></u>	<u><u>134,785</u></u>	<u><u>21,746</u></u>	<u><u>158,506</u></u>
Beginning of year	<u><u>22,725</u></u>	<u><u>103,290</u></u>	<u><u>25,568</u></u>	<u><u>151,583</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2006
 (IN RMB THOUSAND)

V. Notes on major captions of the consolidated financial statements (Continued)

18. Statutory deposits

Ping An Life, Ping An Property & Casualty, Ping An Annuity and Ping An Health have placed statutory deposits in accordance with the respective registered capital requirements. Details of the statutory deposits as at December 31, 2006 are as follows:

	December 31, 2006			December 31,
	Amount	Type	Terms	2005
	<u>Amount</u>			<u>Amount</u>
<u>Ping An Life</u>				
Industrial Bank Co., Ltd. Shenzhen Branch	260,000	Deposits under agreements	61 months	260,000
Industrial Bank Co., Ltd. Chongqing Branch	<u>500,000</u>	Deposits under agreements	61 months	<u>500,000</u>
Sub-total	<u>760,000</u>			<u>760,000</u>
<u>Ping An Property & Casualty</u>				
Industrial Bank Co., Ltd. Shenzhen Branch	140,000	Deposits under agreements	61 months	140,000
Everbright Bank Shenzhen Branch	180,000	Term deposits	12 months	180,000
China Minsheng Banking Co., Ltd. Shenzhen Branch	<u>280,000</u>	Term deposits	6 months	<u>-</u>
Sub-total	<u>600,000</u>			<u>320,000</u>
<u>Ping An Annuity</u>				
CITIC Bank Shanghai Branch	<u>60,000</u>	Term deposits	12 months	<u>60,000</u>
<u>Ping An Health</u>				
Everbright Bank Shanghai Branch	<u>100,000</u>	Term deposits	12 months	<u>100,000</u>
Total	<u>1,520,000</u>			<u>1,240,000</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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(IN RMB THOUSAND)

V. Notes on major captions of the consolidated financial statements (Continued)

19. Repossessed assets

Repossessed assets of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Buildings	723,043	7,834
Other fixed assets	23,659	-
Entitlement to club's proceeds	62,535	-
Others	<u>7,275</u>	<u>-</u>
	816,512	7,834
Less: Provision of impairment for repossessed assets	<u>(352,641)</u>	<u>-</u>
Net	<u><u>463,871</u></u>	<u><u>7,834</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006
(IN RMB THOUSAND)

V. Notes on major captions of the consolidated financial statements (Continued)

20. Deferred tax assets

Details of deferred tax assets of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Provision for accounts receivables	55,564	20,070
Provision for loan impairment	280,249	-
Share appreciation rights	105,433	-
Incurred but not reported claim reserves	50,143	-
Provision for repossessed assets	51,671	-
Provision for placements with banks and other financial institutions	51,136	-
Provision for unsettled lawsuits	27,289	-
Others	8,615	417
Total	<u>630,100</u>	<u>20,487</u>

21. Short-term borrowings

All short-term borrowings of the Group are guaranteed borrowings.

22. Short-term deposits

Details of short-term deposits of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Industrial deposits	821,264	-
Collective industrial deposits	1,822,916	-
Business deposits	7,148,912	-
Architecture and capital construction enterprises deposits	980,327	-
Privately owned company and individual deposits	2,503,485	-
Foreign invested enterprises deposits	1,355,133	18,077
Agriculture deposits	94,076	-
Insurance company deposits	161,459	-
Short-term deposits	9,488,468	-
Corporate call deposits	3,324,956	-
Others	22,925,581	-
Total	<u>50,626,577</u>	<u>18,077</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2006
 (IN RMB THOUSAND)

V. Notes on major captions of the consolidated financial statements (Continued)

23. Due to banks and other financial institutions

Due to banks and other financial institutions are all placed domestically.

24. Assets sold under agreements to repurchase

Details of assets sold under agreements to repurchase held by the Group are as follows :

	December 31, 2006	December 31, 2005																				
Loans sold under agreements to repurchase	2,095,410	-																				
Bonds sold under agreements to repurchase	11,340,773	7,095,400																				
Total	13,436,183	7,095,400																				
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%; border-bottom: 1px solid black;">Market</th> <th style="width: 20%; border-bottom: 1px solid black;">Terms</th> <th style="text-align: right; border-bottom: 1px solid black;">December 31, 2006</th> <th style="text-align: right; border-bottom: 1px solid black;">December 31, 2005</th> </tr> </thead> <tbody> <tr> <td>Interbank market</td> <td>Within 3 months</td> <td style="text-align: right;">10,940,773</td> <td style="text-align: right;">7,095,400</td> </tr> <tr> <td>Interbank market</td> <td>6 to 12 months</td> <td style="text-align: right;">400,000</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Other markets</td> <td>More than 12 months</td> <td style="text-align: right; border-bottom: 1px solid black;">2,095,410</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right; border-bottom: 3px double black;">13,436,183</td> <td style="text-align: right; border-bottom: 3px double black;">7,095,400</td> </tr> </tbody> </table>			Market	Terms	December 31, 2006	December 31, 2005	Interbank market	Within 3 months	10,940,773	7,095,400	Interbank market	6 to 12 months	400,000	-	Other markets	More than 12 months	2,095,410	-	Total		13,436,183	7,095,400
Market	Terms	December 31, 2006	December 31, 2005																			
Interbank market	Within 3 months	10,940,773	7,095,400																			
Interbank market	6 to 12 months	400,000	-																			
Other markets	More than 12 months	2,095,410	-																			
Total		13,436,183	7,095,400																			

Assets sold under agreements to repurchase held by the Group relate to cash received under assets repurchase agreements. As at December 31, 2006, there are loans of approximately RMB2,231,236 thousand and bond investments of approximately RMB11,345,000 thousand (2005: approximately RMB7,100,000 thousand) pledged as assets sold under agreements to repurchase. The interest rate of assets sold under agreements to repurchase ranges from 2.39% to 5.00%. The above assets sold under agreements to repurchase of approximately RMB10,940,773 thousand have been repurchased since the date that these financial statements are approved.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

25. Due to reinsurers

The top 5 ceding/brokerage companies of the Group's due to reinsurers are as follows:

<u>Ceding/brokerage companies</u>	<u>December 31,2006</u>
CNOOC Insurance Limited	97,781
China Life Reinsurance Company, Ltd.	95,309
China Property and Casualty Reinsurance Company, Ltd.	89,468
Aon Risk Services Hong Kong Limited	75,152
China Pacific Insurance (Group) Co., Ltd.	<u>44,310</u>
<u>Ceding/brokerage companies</u>	<u>December 31,2005</u>
China Property and Casualty Reinsurance Company, Ltd.	170,740
China Reinsurance (Group) Company	85,533
CNOOC Insurance Limited	50,848
Munich Reinsurance Company	35,200
China Pacific Insurance (Group) Co., Ltd.	<u>28,533</u>

26. Guarantee deposits

Details of guarantee deposits are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Guaranteed deposits for acceptances	3,712,253	-
Guarantee deposits	891,121	-
Guaranteed deposits for letter of guarantee	474,040	-
Guaranteed deposits for letter of credit	258,599	40,351
Guaranteed deposits for futures contracts	39,963	36,313
Others	<u>108,764</u>	<u>-</u>
Total	<u>5,484,740</u>	<u>76,664</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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 (IN RMB THOUSAND)

V. Notes on major captions of the consolidated financial statements (Continued)

27. Interest payable

Interest payable of the Group is as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Term deposits	146,855	296
Saving deposits	66,337	-
Due to banks and other financial institutions	13,975	2,586
Call deposits	23,995	-
Others	<u>57,977</u>	<u>2,252</u>
Total	<u><u>309,139</u></u>	<u><u>5,134</u></u>

28. Dividends payable

The details of dividends payable of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Shenzhen Investment Holdings Co., Ltd.	73,936	73,936
Shenzhen Construction Investment Holding Corporation	-	1,686
Shenzhen Huaxin Co., Ltd.	1,530	-
Shenzhen Zhongjin Lingnan Nonfemet Co., Ltd.	303	-
Qingdao Qifa Investment Co., Ltd.	1,771	-
Shenzhen Foreign Labour Service Co., Ltd.	800	-
Others	<u>2,678</u>	<u>287</u>
Total	<u><u>81,018</u></u>	<u><u>75,909</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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V. Notes on major captions of the consolidated financial statements (Continued)

29. Taxes payable

Details of taxes payable of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Corporate income tax	691,317	438,319
Business tax	318,679	135,373
City maintenance and construction tax	13,619	8,935
Others	<u>96,217</u>	<u>90,098</u>
Total	<u><u>1,119,832</u></u>	<u><u>672,725</u></u>

30. Other payables

Details of other payables of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Settled claims, maturities and surrenders payables	711,270	342,431
Payables to external companies	255,321	198,928
Employees deposits for policy contracts	178,754	168,479
Deferred income	140,587	2,850
Withholding payables	116,870	71,857
Labor union fund, employee fund and education fund payables etc.	108,115	68,165
Rental income received in advance	59,847	61,604
Payables to employees	57,053	22,703
Accrued bonus for underwriting projects	28,237	3,080
Satellite insurance fund	25,685	26,965
Premiums refund	23,146	10,675
Custodial balance	22,570	-
Due but unpaid policyholders' deposits	21,539	22,339
Letter of credit, letter of guarantee and acceptances	17,357	-
Underwriting sponsorship income received in advance	11,500	-
Training expense payable	8,797	9,578
Deduction for employees absence	3,214	12,574
Social insurance payable	5,752	7,632
Others	<u>395,543</u>	<u>325,849</u>
Total	<u><u>2,191,157</u></u>	<u><u>1,355,709</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2006
 (IN RMB THOUSAND)

V. Notes on major captions of the consolidated financial statements (Continued)

31. Insurance guarantee fund

Movement of insurance guarantee fund of the Group is as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Beginning of year	60,110	827,279
Additions	270,560	209,280
Paid during the year	<u>(248,813)</u>	<u>(976,449)</u>
End of year	<u>81,857</u>	<u>60,110</u>

The insurance guarantee fund is paid to the special account of the CIRC on a quarterly basis, and all outstanding balances at year end will be settled within 5 months after the financial year.

32. Customer deposits

Details of customer deposits of the Group are as follows:

	<u>December 31, 2006</u>			<u>December 31, 2005</u>		
	<u>Original currency</u>	<u>Exchange Rate</u>	<u>RMB equivalent</u>	<u>Original currency</u>	<u>Exchange Rate</u>	<u>RMB equivalent</u>
Individual customers						
RMB	3,155,767	1.0000	3,155,767	1,067,154	1.0000	1,067,154
HKD	209,965	1.0047	210,946	161,400	1.0403	167,905
USD	7,250	7.8087	<u>56,616</u>	6,107	8.0702	<u>49,288</u>
Sub-total			<u>3,423,329</u>			<u>1,284,347</u>
Corporate customers						
RMB	322,499	1.0000	322,499	442,779	1.0000	442,779
HKD	4,258	1.0047	4,278	2,449	1.0403	2,547
USD	2	7.8087	<u>16</u>	5	8.0702	<u>43</u>
Sub-total			<u>326,793</u>			<u>445,369</u>
Total			<u>3,750,122</u>			<u>1,729,716</u>

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V. Notes on major captions of the consolidated financial statements (Continued)

33. Long-term liabilities due within one year

Long-term liabilities due within one year of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Long-term term deposits due within one year	1,336,026	-
Long-term saving deposits due within one year	<u>241,456</u>	<u>-</u>
Total	<u><u>1,577,482</u></u>	<u><u>-</u></u>

34. Long-term deposits

All long-term deposits of the Group are term deposits.

35. Long-term borrowings

All long-term borrowings of the Group are guaranteed borrowings in RMB.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

36. Policyholders' reserves for life insurance

The Group's policyholders' contract deposits are calculated using the below basis:

- (1) Using the prospective method on a seriatim basis or using the retrospective method on a seriatim basis if it has obtained the approval of CIRC.
- (2) The valuation interest rate used for life insurance should be capped at the lower of:
 - 7.5% set by the CIRC; or
 - Forecasted interest rate that is used in determining the insurance premium of the product.
- (3) The mortality rates used for life insurance products are based on the China life insurance mortality table (2000-2003).
- (4) The policyholders' reserves for life insurance valuation method (excluding universal life insurance and investment-linked life insurance) for life insurance is as below,
 - The Full Preliminary Term is adopted for traditional non-participating life insurance contracts, other than whole life annuities; the method, according to the actuarial regulation on individual participating life insurance, is adopted for participating life insurance contracts;
 - For whole life annuities, a modified net level premium method is adopted;
 - Premium deficiency reserve is required if the renewal year valuation premium, calculated by modified method, is higher than the gross premium;
 - Amount of policyholders' reserves for life insurance should be no less than the cash value of policy at valuation date.
- (5) The reserve valuation method for universal life insurance:
 - Policyholders' reserves for universal life insurance is the account value at valuation date;
 - The provision for the future persistency bonus of universal life insurance is calculated using the discounted cash flow method, and such provision would be held as the reserve for guaranteed benefit of universal life insurance;
 - The account value of policyholders' reserves is calculated seriatim;
 - The amount of policyholders' reserves for universal life insurance should not be less than the policy's cash value at valuation date;
- (6) The reserves for investment-linked life insurance are the sum of unit reserve and non-unit reserve. The calculation method is as below:
 - Unit reserve is equal to the unit investment account value as at valuation date, the unit investment account value is set at the unit bid price;
 - Non-unit reserve is calculated based on generally accepted actuarial principles, where a discounted cash flow method can be adopted. The discount rate is 3.5%, which complies with the CIRC's regulation that the discount rate should be based on the insurance company's expected investment yield, but cannot exceed 5%;
 - The amount of policyholders' reserves for investment-linked life insurance should not be less than the policy's cash value at the valuation date.

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V. Notes on major captions of the consolidated financial statements (Continued)

37. Separate accounts of universal life insurance

Separate accounts of universal life insurance are separate accounts set up by the Group for universal life products only.

Assets and liabilities of the separate accounts of universal life insurance are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Assets:		
Cash at bank	6,047,497	1,255,899
Short-term investments	1,221,428	1,277,786
Interest receivables	55,441	17,139
Other receivables	1,469	-
Intercompany balances	87,575	86,712
Long-term equity investments	646,360	-
Long-term bond investments due within one year	68,744	3,049
Long-term bond investments	13,917,539	6,794,721
Long-term fund investments	-	360,000
Total	<u>22,046,053</u>	<u>9,795,306</u>
Liabilities:		
Assets sold under agreements to repurchase	1,200,000	-
Other payables	1,611	41
Policyholders' reserves for life insurance	<u>20,844,442</u>	<u>9,795,265</u>
Total	<u>22,046,053</u>	<u>9,795,306</u>

Investment return of separate accounts of universal life insurance is as follows:

	<u>2006</u>	<u>2005</u>
Interest income	98,236	20,301
Income from assets purchased under agreements to resell	338	-
Investment income	720,586	213,417
Other income	2,351	5,951
Expense of assets sold under agreements to repurchase	(10,728)	(4,447)
Business tax and surcharges	(14,379)	(1,048)
Operating expenses	(72)	(27)
Total	<u>796,332</u>	<u>234,147</u>

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V. Notes on major captions of the consolidated financial statements (Continued)

38. Investment accounts for investment-linked insurance

Investment accounts for investment-linked insurance are separate accounts where the Group makes investments on behalf of policyholders of such insurance. Assets and liabilities of investment accounts for investment-linked insurance of the Group are accounted for as “Separate account (investment-linked) assets” and “Separate account (investment-linked) liabilities” in the balance sheet, respectively.

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Separate account (investment-linked) assets		
Cash at bank	7,311,287	3,771,202
Short-term investments	17,179,989	12,015,073
Interest receivables	40,837	17,101
Intercompany balances	32,784	72,946
Other receivables	2,404	20,495
Assets purchased under agreements to resell	300,012	-
Dividends receivable	<u>64,368</u>	<u>767</u>
Total	<u>24,931,681</u>	<u>15,897,584</u>
Separate account (investment-linked) liabilities		
Assets sold under agreements to repurchase	1,136,513	630,382
Policyholders’ reserves for life insurance	19,812,450	15,276,242
Other payables	208,201	294
Separate account (investment-linked) unrealized investments gains	<u>3,774,517</u>	<u>(9,334)</u>
Total	<u>24,931,681</u>	<u>15,897,584</u>

Investment-linked insurance products of the Group include Ping An Century Wealth Builder Individual Investment-linked Life Insurance and Ping An Group Investment-linked Pension. Ping An Century Wealth Builder Individual Investment-linked Life Insurance comprises four investment portfolios as follows: Developed Portfolio of Ping An Century Wealth Builder Individual Investment-linked Life Insurance (the “Development account”), Guaranteed Account of Ping An Century Wealth Builder Individual Investment-linked Life Insurance (the “Guaranteed account”), Fund Portfolio of Ping An Century Wealth Builder Individual Investment-linked Life Insurance (the “Fund portfolio”) and Value portfolio of Ping An Century Wealth Builder Individual Investment-linked Life Insurance (the “Value portfolio”). Ping An Group Investment-linked Pension comprises three investment portfolios as follows: Conservative Portfolio of Ping An Group Investment-linked Pension (the “Conservative portfolio”), Balanced Portfolio of Ping An Group Investment-linked Pension (the “Balanced portfolio”), and Growth Portfolio of Ping An Group Investment-linked Pension (the “Growth portfolio”). The Group has prepared separate financial statements of each investment portfolio in accordance with related regulations.

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V. Notes on major captions of the consolidated financial statements (Continued)

38. Investment accounts for investment-linked insurance (Continued)

The net asset value per each investment unit, buying price and selling price of the Group's investment accounts for investment-linked insurance on the last pricing day of the financial year are as follows:

	2006		2005	
	/Selling Price	Buying Price	/Selling Price	Buying Price
Development account	1.8333	1.9298	1.3157	1.3850
Guaranteed account	1.2007	1.2639	1.1687	1.2303
Fund account	1.8591	1.9570	1.0856	1.1428
Value account	1.2403	1.3056	1.0885	1.1458
Conservative account	1.3099	1.3574	1.1722	1.2147
Balanced account	1.7452	1.8084	1.1758	1.2184
Growth account	2.1309	2.2082	1.1518	1.1935

39. Share capital

The registered and paid-up share capital of the Company is RMB6,195,053 thousand (with a par value of RMB1 per share). Details of share capital are as follows:

	December 31, 2006	December 31, 2005
State-owned shares	956,402	956,402
Domestic unlisted shares	2,680,008	2,680,008
H share	2,558,643	2,558,643
Total	6,195,053	6,195,053

The registered share capital has been verified by a China certified public accounting firm.

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V. Notes on major captions of the consolidated financial statements (Continued)

40. Capital reserve

The breakdown of capital reserve of the Group and the Company are as follows:

	<u>December 31, 2006</u>	<u>31 December, 2005</u>
Share premium ⁽¹⁾	14,835,134	14,835,134
Other capital reserve ⁽²⁾	<u>327,755</u>	<u>327,441</u>
Total	<u>15,162,889</u>	<u>15,162,575</u>

(1) The share premium was due to the initial public offering of H shares.

(2) The Company arranged for a revaluation of its life insurance and property and casualty insurance business prior to its asset contributions into Ping An Life and Ping An Property & Casualty. In accordance with asset valuation reports Zhonghuapingbaozi [2002] No.039 and [2002] No.038 issued by Chinese Finance Appraisal Co., Ltd., the net valuation surplus amounted to RMB311,297 thousand. Other capital reserve was mainly derived from above revaluation.

41. Surplus reserve fund

According to the “Company Law”(2005 revised Edition) which became effective on January 1, 2006, the Group is no longer resumed to provide for public welfare fund. The Company has since transferred the balance of its public welfare fund as at January 1, 2006 to surplus reserve fund in accordance with the “Notice on issues encountered on the implementation of the Company Law” (Caiqi [2006] No.67).

42. General risk provision, general provision and loss provision for trust business

The Group will set aside general provision using a pre-determined percentage for the risky assets of SZCB, Ping An Bank and Ping An Trust. 10% of profit after tax of Ping An Securities will be set aside as general risk provision and 5% of profit after tax of Ping An Trust will be set aside as loss provision. The reserves will be provided in proportion to the Company’s percentage of shareholdings in these companies.

The balance of general provision should not be lower than 1% of the risky assets of SZCB, Ping An Bank and Ping An Trust. No more general risk provision is required when its balance reaches 50% of Ping An Securities’ registered share capital and no more loss provision for trust business is required when its balance reaches 20% of Ping An Trust’s registered share capital.

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V. Notes on major captions of the consolidated financial statements (Continued)

43. Profit Appropriation

Pursuant to the Articles of the Company and relevant regulations, the Company makes appropriations from net profit according to the following order:

- (1) To offset accumulated losses brought forward from prior years;
- (2) To allocate 10% of profit after tax, after offsetting accumulated losses, to statutory surplus reserve fund;
- (3) To provide for general risk provision, general provision and loss provision for trust business;
- (4) To provide for discretionary surplus reserve fund in accordance with the resolutions of the shareholders' meeting. The usage of the discretionary surplus reserve fund is determined in accordance with the articles of the Company or the resolutions of the shareholders' meeting;
- (5) To distribute dividends to shareholders.

No further provision for the statutory surplus reserve fund is required when its balance reaches 50% of the registered share capital. Subject to resolutions approved in the shareholders' meeting, the statutory surplus reserve fund can be converted to share capital and new shares can be issued to shareholders in proportion to their shareholding. The balance of the statutory surplus reserve fund after such conversion to share capital should not be less than 25% of the registered share capital.

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V. Notes on major captions of the consolidated financial statements (Continued)

44. Premium income

(1) Details of premium income by insurance products of the Group are as follows:

	2006	2005
<u>Property and casualty insurance</u>		
Motor and third party liability	11,707,120	7,934,777
Corporate property	1,961,139	1,760,598
Residential property	100,036	211,368
Cargo hull	584,361	543,482
Marine	122,368	59,303
Liability	776,472	577,455
Credit	37,367	19,289
Guarantee	62,341	223,928
Construction	373,258	402,234
Short-term health	354,520	227,541
Accident	487,914	337,750
Special risk	399,198	462,390
Sub-total	16,966,094	12,760,115
<u>Life insurance</u>		
<u>Life:</u>		
Individual	5,705,670	5,593,895
Group	26,976	27,726
<u>Health:</u>		
Individual	9,865,913	8,736,463
Group	1,268,575	1,167,451
<u>Accident:</u>		
Individual	499,516	454,167
Group	983,169	856,782
<u>Annuity:</u>		
Individual	3,316,671	3,481,616
Group	1,250,525	1,070,342
<u>Participating:</u>		
Individual	23,044,443	18,415,357
Group	3,606,786	3,930,027
<u>Universal life:</u>		
Individual	15,482,638	11,233,478
Group	-	1,113
<u>Investment-linked:</u>		
Individual	3,637,431	3,602,270
Group	300,545	278,210
Sub-total	68,988,858	58,848,897
Total	85,954,952	71,609,012

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V. Notes on major captions of the consolidated financial statements (Continued)

44. Premium income (Continued)

(2) Details of premium income by distribution channels are as follows:

	<u>2006</u>	<u>2005</u>
<u>Property and casualty Insurance</u>		
Professional insurance agency	3,916,467	2,118,633
Concurrent business insurance agency	8,486,356	5,605,251
Insurance brokers	383,561	254,190
Personal agents	1,991,542	1,337,800
Direct sales by staff	<u>2,188,168</u>	<u>3,444,241</u>
Sub-total	<u>16,966,094</u>	<u>12,760,115</u>
<u>Life insurance</u>		
Professional insurance agency	566,082	267,109
Concurrent business insurance agency	6,926,746	6,178,793
Insurance brokers	224,797	295,092
Personal agents	55,308,610	46,239,057
Direct sales by staff	<u>5,962,623</u>	<u>5,868,846</u>
Sub-total	<u>68,988,858</u>	<u>58,848,897</u>
Total	<u><u>85,954,952</u></u>	<u><u>71,609,012</u></u>

(3) Details of premium income for life insurance by term of payments of the Group are as follows:

	<u>2006</u>	<u>2005</u>
Single premium income	15,890,243	14,584,420
First year premium income	10,286,805	8,984,684
Renewal premium income	<u>42,811,810</u>	<u>35,279,793</u>
Total	<u><u>68,988,858</u></u>	<u><u>58,848,897</u></u>

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V. Notes on major captions of the consolidated financial statements (Continued)

44. Premium income (Continued)

(4) Details of life insurance premium income and premium ceded to reinsurers are as follows:

	<u>2006</u>	<u>2005</u>
<u>Premium income</u>		
Long-term insurance	63,768,767	54,165,791
Short-term insurance	<u>5,220,091</u>	<u>4,683,106</u>
Total	<u><u>68,988,858</u></u>	<u><u>58,848,897</u></u>
<u>Premium ceded to reinsurers</u>		
Long-term insurance	21,352	16,610
Short-term insurance	<u>609,947</u>	<u>793,600</u>
Total	<u><u>631,299</u></u>	<u><u>810,210</u></u>

(5) Details of premium income for property and casualty insurance by locations of the Group are as follows:

	<u>2006</u>	<u>2005</u>
Mainland China	16,862,471	12,675,812
Hong Kong and Macau	<u>103,623</u>	<u>84,303</u>
Total	<u><u>16,966,094</u></u>	<u><u>12,760,115</u></u>

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V. Notes on major captions of the consolidated financial statements (Continued)

45. Reinsurance premium income, claims and expenses for reinsurance accepted

The reinsurance premium income, claims and expenses for reinsurance accepted of the top 5 ceding/brokerage companies by reinsurance premium income are as follows:

<u>Ceding/Brokerage companies</u>	<u>2006</u>		
	<u>Reinsurance premium Income</u>	<u>Claims for reinsurance accepted</u>	<u>Expenses for reinsurance accepted</u>
1 Marsh (Beijing) Insurance Brokers Co., Ltd.	6,634	-	477
2 WILLIS Limited	3,332	1,374	378
3 Aon Group Limited	3,003	-	1,044
4 Alltrust Insurance Company of China Limited	2,769	55	608
5 PICC Property and Casualty Company Limited	<u>1,720</u>	<u>-</u>	<u>349</u>
		<u>2005</u>	
<u>Ceding/Brokerage companies</u>	<u>Reinsurance premium Income</u>	<u>Claims for reinsurance accepted</u>	<u>Expenses for reinsurance accepted</u>
1 J & H Marsh & McLennan Company, Inc.	2,023	-	51
2 Samsung Fire & Marine Insurance Co., Ltd.	1,902	1,054	506
3 Jardine Insurance Brokers Ltd.	1,543	-	116
4 HSBC GIBBS (Asia-Pacific) Ltd.	1,231	-	100
5 Swiss Reinsurance Co., Hong Kong Branch	<u>1,230</u>	<u>2</u>	<u>315</u>

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V. Notes on major captions of the consolidated financial statements (Continued)

46. Premium ceded to reinsurers, claims and expenses recoverable from reinsurers:

The premium ceded to reinsurers, claims and expenses recoverable from reinsurers for the top 5 reinsurers by premium ceded to reinsurers are as follows:

		2006		
<u>Reinsurers</u>	<u>Premium ceded to reinsurers</u>	<u>Claims recoverable from reinsurers</u>	<u>Expenses recoverable from reinsurers</u>	
1	China Property and Casualty Reinsurance Company, Ltd.	1,255,787	709,031	496,881
2	China Life Reinsurance Company, Ltd.	570,307	464,485	72,075
3	Munich Reinsurance Company China Reinsurance (Group)	530,328	220,505	202,226
4	Company	263,551	408,507	97,242
5	Aon Group Limited	<u>253,467</u>	<u>165,959</u>	<u>88,118</u>
		2005		
<u>Reinsurers</u>	<u>Premium ceded to reinsurers</u>	<u>Claims recoverable from reinsurers</u>	<u>Expenses recoverable from reinsurers</u>	
1	China Property and Casualty Reinsurance Company, Ltd.	1,125,636	570,939	452,946
2	China Reinsurance (Group) Company	853,958	758,866	363,389
3	China Life Reinsurance Company, Ltd.	537,650	396,132	76,854
4	Aon Group Limited	316,535	207,564	100,585
5	CNOOC Insurance Limited	<u>249,370</u>	<u>111</u>	<u>14,161</u>

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V. Notes on major captions of the consolidated financial statements (Continued)

47. Claim expenses

Details of claim expenses by insurance products of the Group are as follows:

	2006	2005
<u>Property and casualty insurance</u>		
Motor and third party liability	5,848,773	4,007,695
Corporate property	1,054,062	955,785
Residential property	12,076	13,480
Cargo hull	187,924	163,879
Marine	51,946	7,667
Liability	401,031	243,882
Credit	5,535	210
Guarantee	231,262	210,688
Construction	226,854	353,662
Short-term health	195,602	125,640
Accident	114,422	68,749
Special Risk	21,171	12,248
Sub-total	8,350,658	6,163,585
<u>Life insurance</u>		
Individual	965,609	998,010
Group	1,404,908	1,060,214
Sub-total	2,370,517	2,058,224
Total	10,721,175	8,221,809

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V. Notes on major captions of the consolidated financial statements (Continued)

48. Payments on death and medical claims

Details of payments on death and medical claims of the Group are as follows:

	<u>2006</u>	<u>2005</u>
Life insurance	145,313	143,730
Health insurance	449,312	385,174
Annuity	51,810	46,001
Participating insurance	344,337	325,893
Universal life insurance	36,520	15,138
Investment-linked insurance	<u>59,129</u>	<u>66,308</u>
Total	<u><u>1,086,421</u></u>	<u><u>982,244</u></u>

49. Payments on maturities

Details of payments on maturities of the Group are as follows:

	<u>2006</u>	<u>2005</u>
Individual life insurance	3,000,014	3,253,500
Group life insurance	<u>34,657</u>	<u>9,781</u>
Total	<u><u>3,034,671</u></u>	<u><u>3,263,281</u></u>

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V. Notes on major captions of the consolidated financial statements (Continued)

50. Payments on annuities

Details of payments on annuities of the Group are as follows:

	<u>2006</u>	<u>2005</u>
Individual life insurance	1,134,868	907,339
Group life insurance	<u>1,635,564</u>	<u>1,539,481</u>
Total	<u><u>2,770,432</u></u>	<u><u>2,446,820</u></u>

51. Payments on surrenders

Details of payments on surrenders of the Group are as follows:

	<u>2006</u>	<u>2005</u>
Life insurance	356,046	376,495
Health insurance	386,577	364,417
Annuity	578,257	699,604
Participating insurance	4,963,065	4,125,763
Universal life insurance	1,024,073	319,528
Investment-linked insurance	<u>1,185,264</u>	<u>1,070,296</u>
Total	<u><u>8,493,282</u></u>	<u><u>6,956,103</u></u>

52. Handling charges

Details of handling charges by insurance products of the Group are as follows:

	<u>2006</u>	<u>2005</u>
<u>Property and casualty insurance</u>		
Motor and third party liability	1,148,758	496,078
Corporate property	144,474	110,872
Residential property	27,952	27,233
Cargo hull	43,427	28,185
Marine	5,818	2,538
Liability	38,605	33,427
Guarantee	12,685	12,736
Construction	15,264	15,353
Short-term health	30,269	10,610
Accident	41,650	17,076
Special risk	<u>6,231</u>	<u>3,371</u>
Sub-total	<u><u>1,515,133</u></u>	<u><u>757,479</u></u>
<u>Life insurance</u>	<u><u>316,765</u></u>	<u><u>206,102</u></u>
Total	<u><u><u>1,831,898</u></u></u>	<u><u><u>963,581</u></u></u>

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V. Notes on major captions of the consolidated financial statements (Continued)

53. Commission expenses

Details of commission expenses of the Group are as follows:

	<u>2006</u>	<u>2005</u>
<u>Life insurance</u>		
Single commission expenses	346,380	328,185
First year commission expenses	4,200,664	3,373,161
Renewal commission expenses	<u>1,695,043</u>	<u>1,260,673</u>
Total	<u><u>6,242,087</u></u>	<u><u>4,962,019</u></u>

54. Business tax and surcharges

Details of business tax and surcharges of the Group are as follows:

	<u>2006</u>	<u>2005</u>
Business Tax	1,517,987	828,285
City maintenance and construction tax	75,197	55,728
Education Surcharges	<u>51,508</u>	<u>25,729</u>
Total	<u><u>1,644,692</u></u>	<u><u>909,742</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

55. Operating expenses

Details of operating expenses of the Group are as follows:

	2006	2005
Salaries and welfare	4,446,585	2,692,309
Social insurance	416,733	315,666
Housing fund	109,690	86,796
Business entertainment expenses	252,677	188,741
Advertising expenses	361,281	262,999
Meeting expenses	409,510	350,055
Rental expenses	550,042	506,364
Depreciation of fixed assets	490,452	536,856
Amortization of intangible assets	61,015	51,226
Amortization of long-term deferred expenses	19,066	28,670
Office and traveling expenses	318,554	239,414
Printing expenses	149,934	133,260
Corporate sundry expenses	419,501	314,187
Postage and telecommunication expenses	286,498	250,665
Operating expenses of electronic equipments	100,556	61,376
Insurance expenses	8,155	6,526
Provision for bad debts	94,950	98,197
Taxation	104,172	57,229
Fuel expenses of vehicles and ships	296,725	167,970
Insurance regulatory fees	96,843	91,366
Auditors' remuneration for annual audit	13,650	10,080
Others	752,445	583,325
Total	9,759,034	7,033,277
Underwriting business	8,011,040	6,187,908
Investment business	87,056	53,960
Other business	1,660,938	791,409
Total	9,759,034	7,033,277

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

55. Operating expenses (Continued)

Expenses relating to underwriting businesses and related expenses are accounted for separately in the Group's insurance subsidiaries (Ping An Property & Casualty, Ping An Life, Ping An Annuity and Ping An Health) accounts. Prior to September 2005, the Group's investments are operated and managed by a specialized investment department. All direct and indirect expenses incurred by the investment department are accounted for as expenses incurred for investment operations. On May 27, 2005, the Company, together with Ping An Life and Ping An Property & Casualty jointly established Ping An Asset Management Co., Ltd. (Ping An Asset Management). Beginning September 2005, the Group's investments operations are all managed by Ping An Asset Management and all expenses incurred by Ping An Asset Management are accounted for as investment related expenses. Expenses incurred by non-insurance subsidiaries of the Group's are all accounted for as other expenses.

Share Appreciation Rights Scheme

On February 5, 2004, the Company's board of directors approved a scheme of share appreciation rights for the senior executives and certain key employees of the Group. The rights to the units are issued from 2004 to 2008. No shares will be issued under this scheme. The rights are granted in units with each unit representing one H share of the Company. Upon exercise of the said rights, the participants will receive a cash payment, subject to the restrictions that the annual amount of aggregate benefit to all participants shall not exceed a percentage of the estimated net profits in the year in which the rights are exercised, which is equal to the product of the number of units exercised and the difference between the exercise price and market price of an H share at the time of exercise.

The expense recognized for employee services received during the year is RMB1,019,006 thousand (2005: RMB61,135 thousand).

The amount of issued SARs units by the Group during financial year 2006 is as follows:

(In thousands of units)	2006	2005
Beginning of year	57,640	41,920
Issued during the year	15,720	15,720
End of year	73,360	57,640

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V. Notes on major captions of the consolidated financial statements (Continued)

55. Operating expenses (Continued)

Obligations arising from service accepted are recognized in the period in which the services are accepted. The Group will estimate the amount on each reporting date and disclose its fair value changes in the income statement until the total liability is settled. As at December 31, 2006, the liability related to the share appreciation rights scheme is RMB1,109,101 thousand (December 31, 2005: RMB90,095 thousand)

56. Changes in claim reserves

Changes in claim reserves by insurance products of the Group are as follows:

	<u>2006</u>	<u>2005</u>
<u>Property and casualty insurance</u>		
Motor and third party liability	574,674	375,351
Corporate property	(5,292)	84,927
Residential property	(1,799)	(163)
Cargo hull	(121)	6,175
Marine	(11,861)	20,099
Liability	72,390	23,173
Credit	213	8
Guarantee	(374,224)	12,177
Construction	(13,382)	14,079
Short-term health	33,600	5,348
Accident	15,000	3,316
Special risk	<u>3,115</u>	<u>13,380</u>
Sub-total	<u>292,313</u>	<u>557,870</u>
<u>Life insurance</u>	<u>934,888</u>	<u>496,250</u>
Total	<u><u>1,227,201</u></u>	<u><u>1,054,120</u></u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

57. Changes in unearned premium reserves

Changes in unearned premium reserves by insurance products of the Group are as follows:

	<u>2006</u>	<u>2005</u>
<u>Property and casualty insurance</u>		
Motor and third party liability	1,987,554	774,991
Corporate property	(769)	76,218
Residential property	3,605	36
Cargo hull	(1,096)	7,751
Marine	12,541	3,388
Liability	7,344	36,672
Credit	538	(1,525)
Guarantee	(108)	(618)
Construction	(803)	1,851
Short-term health	59,115	49,663
Accident	56,917	59,040
Special risk	<u>3,244</u>	<u>5,230</u>
Sub-total	<u>2,128,082</u>	<u>1,012,697</u>
<u>Life insurance</u>	<u>333,500</u>	<u>359,177</u>
Total	<u><u>2,461,582</u></u>	<u><u>1,371,874</u></u>

58. Changes in long-term unearned premium reserves

Changes in long-term unearned premium reserves by insurance products of the Group are as follows:

	<u>2006</u>	<u>2005</u>
Motor and third party liability	(2,996)	31,116
Corporate property	6,426	(27,927)
Residential property	(42,086)	41,290
Cargo hull	481	618
Marine	4,301	3,570
Liability	693	6,057
Credit	538	(47)
Guarantee	9,308	408,076
Construction	16,341	57,957
Special risk	<u>1,246</u>	<u>(1,850)</u>
Total	<u><u>(5,748)</u></u>	<u><u>518,860</u></u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

59. Other profit

Other profit is mainly derived from rental income.

60. Investment income

Breakdown of investment income of the Group is as follows:

	<u>2006</u>	<u>2005</u>
Interest income	6,775,504	5,642,939
Interest income from bonds	6,775,504	5,642,939
Dividend income	3,076,621	312,333
Dividend income from equity investment funds	2,852,015	229,113
Dividend income from equity securities	224,606	83,220
Trading gains/(losses)	8,461,376	(700,988)
Trading gains on bonds	332,784	439,854
Trading gains/(losses) on equity investment funds	5,176,159	(1,099,195)
Trading gains/(losses) on equity securities	2,715,543	(41,647)
Trading gains on warrants	236,890	-
Changes in provision for impairment losses	263,480	630,147
Write-back for impairment losses on short-term investments	121,074	733,845
Write-back/(provision) for impairment losses on long-term investments	142,406	(103,698)
Amortization of equity investment differences	(41,171)	(38,522)
Others	<u>(22,741)</u>	<u>39,221</u>
Total	<u>18,513,069</u>	<u>5,885,130</u>

As at balance sheet date, the Group's overseas income is not subject to foreign currency restrictions.

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 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

61. Interest income

Breakdown of interest income of the Group is as follows:

	<u>2006</u>	<u>2005</u>
Interest income from deposits	3,534,265	3,816,326
Interest income from placements with banks and other financial institutions	17,639	-
Interest income from loans	267,513	66,444
Interest income from discounted bills	26,413	-
Interest income from bills of exchange	1,108	-
Interest income from credit advances	<u>103</u>	<u>-</u>
Total	<u><u>3,847,041</u></u>	<u><u>3,882,770</u></u>

62. Commission income

Breakdown of commission income of the Group is as follows:

	<u>2006</u>	<u>2005</u>
Commission income from management of trust products	82,728	15,470
Commission income from securities trading	345,702	115,478
Commission income from clearing and settlement business	2,315	-
Commission income from agency business	1,897	-
Commission income from bank card business	875	-
Others	<u>41,568</u>	<u>44,379</u>
Total	<u><u>475,085</u></u>	<u><u>175,327</u></u>

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V. Notes on major captions of the consolidated financial statements (Continued)

63. Securities underwriting income

	<u>2006</u>	<u>2005</u>
Underwriting income for securities (A share)	56,447	2,000
Underwriting income from government bonds	7,340	16,808
Underwriting income from corporate bonds	15,830	36,186
Income from share reform plan	38,536	17,164
Income from being underwriting sponsor	10,045	1,995
Financial advisory income	<u>11,467</u>	<u>5,202</u>
Total	<u><u>139,665</u></u>	<u><u>79,355</u></u>

64. Interest expenses

Breakdown of interest expenses of the Group is as follows:

	<u>2006</u>	<u>2005</u>
Interest expense on deposits	80,343	15,618
Interest expense on placements from banks and other financial institutions	40,483	198
Others	<u>8,924</u>	<u>-</u>
Total	<u><u>129,750</u></u>	<u><u>15,816</u></u>

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 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

65. Income tax

Details of income tax by locations and by categories of the Group are as follows:

	<u>2006</u>	<u>2005</u>
Income tax of current year	635,182	395,725
2004 and 2005 tax credit received in 2006	(288,573)	-
Deferred tax	<u>(211,352)</u>	<u>(8,088)</u>
Total	<u><u>135,257</u></u>	<u><u>387,637</u></u>

In May 2006, The Ministry of Finance and State Administration of Taxation issued Caishui [2006] No.58 which approved the amount of tax deductible salaries and wages expenses of Ping An Life and Ping An Property & Casualty in 2004. Starting from financial year 2005 onwards, the amount of tax deductible salaries and wages should be calculated using previous year approved tax deductible salaries and wages as a basis, and the percentage increment in the tax deductible salaries and wages should be calculated based on the lower of the percentage increase in net profits, percentage increase in salaries and wages expenses and the percentage increase in labor productivity. In 2006, the Group received a tax credit of RMB289 million for the 2004 and 2005 income tax paid/ payable by Ping An Life and Ping An Property & Casualty.

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 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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V. Notes on major captions of the consolidated financial statements (Continued)

66. Cash and cash equivalents

Cash and cash equivalents of the Group is set out below:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Cash on hand and at bank	31,029,356	11,290,716
Balances with clearing companies	875,282	176,987
Balances with central bank	1,927,145	11,552
Due from banks and other financial institutions	2,530,986	426,491
Money market fund	2,101,736	5,560,637
Placements with banks and other financial institutions	318,810	76,063
Bonds with original maturities less than 3 months	436,474	-
Assets purchased under agreements to resell	<u>6,730,915</u>	<u>-</u>
Total	<u><u>45,950,704</u></u>	<u><u>17,542,446</u></u>

67. Financial derivatives

The nominal amount of off-balance sheet financial derivatives of the Group are as follows:

	<u>2006</u>	<u>2005</u>
Interest rate swap contracts	2,506,395	-
Forward currency contracts	<u>5,335</u>	<u>-</u>
Total	<u><u>2,511,730</u></u>	<u><u>-</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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VI. Segment report

	December 31, 2006						
	<u>Life insurance</u>	<u>Property and casualty insurance</u>	<u>Banking</u>	<u>Corporate</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
<u>ASSETS</u>							
Cash on hand and at bank	78,302,958	4,336,327	336,074	3,916,078	8,520,341	(4,140,886)	91,270,892
Balances with central bank and other financial institutions	-	-	10,553,850	-	-	-	10,553,850
Placements with banks and other financial institutions	-	-	1,727,381	-	-	-	1,727,381
Loans	-	-	46,583,138	-	2,568,523	-	49,151,661
Premium receivables and receivables from reinsurers	2,338,460	1,521,341	-	-	-	-	3,859,801
Policy loans	1,380,990	-	-	-	-	-	1,380,990
Investments	199,320,658	10,448,408	24,067,020	25,922,108	2,849,378	(17,796,552)	244,811,020
Other receivables	1,171,481	250,712	280,396	413,227	1,364,276	(805,237)	2,674,855
Fixed assets	5,383,227	917,330	514,187	69,254	377,935	-	7,261,933
Statutory deposits	920,000	600,000	-	-	-	-	1,520,000
Separate account assets	24,931,681	-	-	-	-	-	24,931,681
Other assets	<u>827,466</u>	<u>342,484</u>	<u>1,120,259</u>	<u>111,268</u>	<u>245,660</u>	<u>(145)</u>	<u>2,646,992</u>
Total assets	<u><u>314,576,921</u></u>	<u><u>18,416,602</u></u>	<u><u>85,182,305</u></u>	<u><u>30,431,935</u></u>	<u><u>15,926,113</u></u>	<u><u>(22,742,820)</u></u>	<u><u>441,791,056</u></u>
<u>LIABILITIES</u>							
Deposits	-	-	73,045,148	-	39,962	(875,223)	72,209,887
Balances and placements from banks and other financial institutions	-	-	4,918,258	819,914	-	(1,281,736)	4,456,436
Assets sold under agreements to repurchase	10,850,000	50,000	301,410	-	2,234,773	-	13,436,183
Premium received in advance	773,667	577,919	-	-	-	-	1,351,586
Policyholder dividends payable	4,106,627	-	-	-	-	-	4,106,627
Policyholders' reserves for insurance	259,432,436	11,681,439	-	-	-	-	271,113,875
Customer deposits	-	-	-	-	5,734,049	(1,983,927)	3,750,122
Separate account liabilities	24,931,681	-	-	-	-	-	24,931,681
Other liabilities	<u>3,454,996</u>	<u>2,230,945</u>	<u>1,010,010</u>	<u>812,594</u>	<u>1,812,608</u>	<u>(805,237)</u>	<u>8,515,916</u>
Total liabilities	<u><u>303,549,407</u></u>	<u><u>14,540,303</u></u>	<u><u>79,274,826</u></u>	<u><u>1,632,508</u></u>	<u><u>9,821,392</u></u>	<u><u>(4,946,123)</u></u>	<u><u>403,872,313</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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VI. Segment report (Continued)

	2006						Total
	Life insurance	Property and casualty insurance	Banking	Corporate	Others	Elimination	
Underwriting income							
Premium income	68,988,858	16,966,094	-	-	-	-	85,954,952
Reinsurance premium income	-	28,447	-	-	-	-	28,447
Less: Premium ceded to reinsurers	<u>(631,299)</u>	<u>(3,639,972)</u>	-	-	-	-	<u>(4,271,271)</u>
Total underwriting income	<u>68,357,559</u>	<u>13,354,569</u>	-	-	-	-	<u>81,712,128</u>
Underwriting expenses							
Claim expenses	(2,370,517)	(8,350,658)	-	-	-	-	(10,721,175)
Less: Claims recoverable from reinsurers	544,855	1,901,581	-	-	-	-	2,446,436
Subrogation income	-	45,617	-	-	-	-	45,617
Claims for reinsurance accepted	-	(8,645)	-	-	-	-	(8,645)
Payments on death and medical claims	(1,086,421)	-	-	-	-	-	(1,086,421)
Payments on maturities	(3,034,671)	-	-	-	-	-	(3,034,671)
Payments on annuities	(2,770,432)	-	-	-	-	-	(2,770,432)
Payments on surrenders	(8,493,282)	-	-	-	-	-	(8,493,282)
Expenses for reinsurance accepted	-	(3,983)	-	-	-	-	(3,983)
Handling charges	(317,219)	(1,568,090)	-	-	-	53,411	(1,831,898)
Commission expenses	(6,242,087)	-	-	-	-	-	(6,242,087)
Business tax and surcharges	(596,405)	(928,198)	(8,943)	(23,911)	(87,235)	-	(1,644,692)
Operating expenses	(5,464,888)	(3,157,618)	(73,457)	(885,871)	(696,812)	519,612	(9,759,034)
Less: Expenses recoverable from reinsurers	277,927	1,270,567	-	-	-	-	1,548,494
Provision for insurance guarantee fund	<u>(137,787)</u>	<u>(132,773)</u>	-	-	-	-	<u>(270,560)</u>
Total underwriting expenses	<u>(29,690,927)</u>	<u>(10,932,200)</u>	<u>(82,400)</u>	<u>(909,782)</u>	<u>(784,047)</u>	<u>573,023</u>	<u>(41,826,333)</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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VI. Segment report (Continued)

	2006						Total
	<u>Life insurance</u>	<u>Property and casualty insurance</u>	<u>Banking</u>	<u>Corporate</u>	<u>Others</u>	<u>Elimination</u>	
Changes in reserves							
Provision for claim reserves	(3,272,465)	(2,882,993)	-	-	-	-	(6,155,458)
Less: Write-back of claim reserves	2,337,577	2,590,680	-	-	-	-	4,928,257
Provision for unearned premium reserves	(2,311,911)	(6,390,404)	-	-	-	-	(8,702,315)
Less: Write-back of unearned premium reserves	1,978,411	4,262,322	-	-	-	-	6,240,733
Provision for long-term unearned premium reserves	-	(2,408,042)	-	-	-	-	(2,408,042)
Less: Write-back of long-term unearned premium reserves	-	2,413,790	-	-	-	-	2,413,790
Provision for policyholders' reserves for life insurance	(243,534,111)	-	-	-	-	-	(243,534,111)
Less: Write-back of policyholders' reserves for life insurance	198,372,329	-	-	-	-	-	198,372,329
Provision for long-term reserves for health insurance	(30,126,399)	-	-	-	-	-	(30,126,399)
Less: Write-back of long-term reserves for health insurance	<u>24,568,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,568,558</u>
Total changes in reserves	<u>(51,988,011)</u>	<u>(2,414,647)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,402,658)</u>
Underwriting profit/(losses)	<u>(13,321,379)</u>	<u>7,722</u>	<u>(82,400)</u>	<u>(909,782)</u>	<u>(784,047)</u>	<u>573,023</u>	<u>(14,516,863)</u>

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VI. Segment report (Continued)

	2006						Total
	Life insurance	Property and casualty insurance	Banking	Corporate	Others	Elimination	
Underwriting profit/(losses)	(13,321,379)	7,722	(82,400)	(909,782)	(784,047)	573,023	(14,516,863)
Add: Other profit/(losses)	(8,052)	3,165	5,265	3,452	57,395	(45,145)	16,080
Investment income	16,999,442	536,216	41,359	575,840	370,922	(10,710)	18,513,069
Interest income	3,011,444	128,788	189,254	382,959	218,603	(84,007)	3,847,041
Income from assets purchased under agreements to resell	16,730	53	5,924	5,197	70	-	27,974
Commission income	53,411	-	10,280	-	971,905	(560,511)	475,085
Securities underwriting income	19,955	-	-	-	119,710	-	139,665
Foreign exchange losses	(413,432)	(16,973)	(800)	(26,546)	(22,276)	-	(480,027)
Less: Interest expenses	(3,260)	(2,082)	(79,790)	(25,288)	(103,337)	84,007	(129,750)
Policyholder dividends	(1,486,737)	-	-	-	-	-	(1,486,737)
Expenses of assets sold under agreements to repurchase	(146,882)	(9,229)	(3,668)	(9,576)	(2,710)	-	(172,065)
Other handling charges	(32,488)	-	(2,642)	-	(47,491)	32,488	(50,133)
Loan loss provisions	-	-	-	-	(947)	-	(947)
Operating profit/(losses)	4,688,752	647,660	82,782	(3,744)	777,797	(10,855)	6,182,392
Add: Non-operating income	20,750	9,430	17,382	18	39,305	-	86,885
Less: Non-operating expenses	64,341	(17,994)	(4,603)	(3,277)	(49,739)	-	(11,272)
Profit/(losses) before tax	4,773,843	639,096	95,561	(7,003)	767,363	(10,855)	6,258,005
Less: Income tax	463	6,208	(24,872)	20,607	(137,663)	-	(135,257)
Net profit	<u>4,774,306</u>	<u>645,304</u>	<u>70,689</u>	<u>13,604</u>	<u>629,700</u>	<u>(10,855)</u>	<u>6,122,748</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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VI. Segment report (Continued)

	December 31, 2005						Total
	Life insurance	Property and casualty insurance	Banking	Corporate	Others	Elimination	
ASSETS							
Cash on hand and at bank	62,204,058	3,432,774	1,275	11,752,978	4,046,026	(955,075)	80,482,036
Balances with central bank and other financial institutions	-	-	446,762	-	-	-	446,762
Placements with banks and other financial institutions	90,386	-	405,781	-	-	(364,773)	131,394
Loans	-	-	252,434	-	278,115	-	530,549
Premium receivables and receivables from reinsurers	19,654	1,449,278	-	-	-	-	1,468,932
Policy loans	864,483	-	-	-	-	-	864,483
Investments	166,053,466	7,699,349	-	14,490,790	2,299,981	(10,950,129)	179,593,457
Other receivables	250,120	168,187	20	3,657	45,497	-	467,481
Fixed assets	4,654,175	879,853	3,596	37,055	257,134	-	5,831,813
Statutory deposits	920,000	320,000	-	-	-	-	1,240,000
Separate account assets	15,897,584	-	-	-	-	-	15,897,584
Other assets	<u>664,771</u>	<u>329,027</u>	<u>7,763</u>	<u>37,143</u>	<u>110,547</u>	<u>-</u>	<u>1,149,251</u>
Total assets	<u>251,618,697</u>	<u>14,278,468</u>	<u>1,117,631</u>	<u>26,321,623</u>	<u>7,037,300</u>	<u>(12,269,977)</u>	<u>288,103,742</u>
LIABILITIES							
Deposits	-	-	58,428	-	36,313	-	94,741
Balances and placements from banks and other financial institutions	-	90,386	556,503	274,387	-	(884,900)	36,376
Assets sold under agreements to repurchase	6,080,000	370,000	-	645,400	-	-	7,095,400
Premium received in advance	1,496,955	382,853	-	-	-	-	1,879,808
Policyholder dividends payable	2,864,005	-	-	-	-	-	2,864,005
Policyholders' reserves for insurance	211,980,633	9,266,792	-	-	-	-	221,247,425
Customer deposits	-	-	-	-	2,164,664	(434,948)	1,729,716
Separate account liabilities	15,897,584	-	-	-	-	-	15,897,584
Other liabilities	<u>2,030,312</u>	<u>1,761,442</u>	<u>4,730</u>	<u>169,676</u>	<u>103,681</u>	<u>-</u>	<u>4,069,841</u>
Total liabilities	<u>240,349,489</u>	<u>11,871,473</u>	<u>619,661</u>	<u>1,089,463</u>	<u>2,304,658</u>	<u>(1,319,848)</u>	<u>254,914,896</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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VI. Segment report (Continued)

	2005						Total
	Life insurance	Property and casualty insurance	Banking	Corporate	Others	Elimination	
Underwriting income							
Premium income	58,848,897	12,760,115	-	-	-	-	71,609,012
Reinsurance premium income	-	16,112	-	-	-	-	16,112
Less: Premium ceded to reinsurers	(810,210)	(3,431,267)	-	-	-	-	(4,241,477)
Total underwriting income	58,038,687	9,344,960	-	-	-	-	67,383,647
Underwriting expenses							
Claim expenses	(2,058,224)	(6,163,585)	-	-	-	-	(8,221,809)
Less: Claims recoverable from reinsurers	564,085	1,911,274	-	-	-	-	2,475,359
Subrogation income	-	48,974	-	-	-	-	48,974
Claims for reinsurance accepted	-	(3,851)	-	-	-	-	(3,851)
Payments on death and medical claims	(982,244)	-	-	-	-	-	(982,244)
Payments on maturities	(3,263,281)	-	-	-	-	-	(3,263,281)
Payments on annuities	(2,446,820)	-	-	-	-	-	(2,446,820)
Payments on surrenders	(6,956,103)	-	-	-	-	-	(6,956,103)
Expenses for reinsurance accepted	-	(2,093)	-	-	-	-	(2,093)
Handling charges	(206,102)	(817,373)	-	-	-	59,894	(963,581)
Commission expenses	(4,962,019)	-	-	-	-	-	(4,962,019)
Business tax and surcharges	(187,706)	(700,104)	(297)	(2,411)	(19,224)	-	(909,742)
Operating expenses	(4,022,338)	(2,336,153)	(12,160)	(410,158)	(277,808)	25,340	(7,033,277)
Less: Expenses recoverable from reinsurers	227,299	1,143,494	-	-	-	-	1,370,793
Provision for insurance guarantee fund	(116,241)	(93,039)	-	-	-	-	(209,280)
Total underwriting expenses	(24,409,694)	(7,012,456)	(12,457)	(412,569)	(297,032)	85,234	(32,058,974)

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006
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VI. Segment report (Continued)

	2005						Total
	<u>Life insurance</u>	<u>Property and casualty insurance</u>	<u>Banking</u>	<u>Corporate</u>	<u>Others</u>	<u>Elimination</u>	
Changes in reserves							
Provision for claim reserves	(2,337,577)	(2,590,680)	-	-	-	-	(4,928,257)
Less: Write-back of claim reserves	1,841,327	2,032,810	-	-	-	-	3,874,137
Provision for unearned premium reserves	(1,978,411)	(4,262,322)	-	-	-	-	(6,240,733)
Less: Write-back of unearned premium reserves	1,619,234	3,249,625	-	-	-	-	4,868,859
Provision for long-term unearned premium reserves	-	(2,413,790)	-	-	-	-	(2,413,790)
Less: Write-back of long-term unearned premium reserves	-	1,894,930	-	-	-	-	1,894,930
Provision for policyholders' reserves for life insurance	(198,372,329)	-	-	-	-	-	(198,372,329)
Less: Write-back of policyholders' reserves for life insurance	167,142,916	-	-	-	-	-	167,142,916
Provision for long-term reserves for health insurance	(24,568,558)	-	-	-	-	-	(24,568,558)
Less: Write-back of long-term reserves for health insurance	18,625,804	-	-	-	-	-	18,625,804
Total changes in reserves	<u>(38,027,594)</u>	<u>(2,089,427)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,117,021)</u>
Underwriting profit/(losses)	<u>(4,398,601)</u>	<u>243,077</u>	<u>(12,457)</u>	<u>(412,569)</u>	<u>(297,032)</u>	<u>85,234</u>	<u>(4,792,348)</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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DECEMBER 31, 2006
(IN RMB THOUSAND)

VI. Segment report (Continued)

	2005						Total
	Life insurance	Property and casualty insurance	Banking	Corporate	Others	Elimination	
Underwriting profit/(losses)	(4,398,601)	243,077	(12,457)	(412,569)	(297,032)	85,234	(4,792,348)
Add: Other profit	56,944	9,984	1,163	5,742	46,958	(5,291)	115,500
Investment income	5,550,720	252,370	-	61,012	21,028	-	5,885,130
Interest income	3,081,699	143,634	24,839	581,198	71,001	(19,601)	3,882,770
Income from assets purchased under agreements to resell	318	-	-	-	20	-	338
Commission income	59,894	-	297	-	241,115	(125,979)	175,327
Securities underwriting income	48,180	-	-	-	31,175	-	79,355
Foreign exchange gains/(losses)	(379,294)	(7,586)	46	(3,179)	(17,777)	-	(407,790)
Less: Interest expenses	(555)	(3,121)	(7,155)	-	(24,586)	19,601	(15,816)
Policyholder dividends	(1,064,118)	-	-	-	-	-	(1,064,118)
Expenses of assets sold under agreements to repurchase	(81,682)	(3,075)	-	(3,396)	(2,918)	-	(91,071)
Other handling charges	(46,036)	-	(84)	-	(18,260)	46,036	(18,344)
Loan loss provisions	72,997	-	-	-	-	-	72,997
Operating profit	2,900,466	635,283	6,649	228,808	50,724	-	3,821,930
Add: Non-operating income	13,889	14,031	15	25	28,658	-	56,618
Less: Non-operating expenses	(78,633)	(21,685)	(6)	(250)	(22,184)	-	(122,758)
Profit before tax	2,835,722	627,629	6,658	228,583	57,198	-	3,755,790
Less: Income tax	(2,212)	(335,918)	-	(34,922)	(14,585)	-	(387,637)
Net profit	<u>2,833,510</u>	<u>291,711</u>	<u>6,658</u>	<u>193,661</u>	<u>42,613</u>	<u>-</u>	<u>3,368,153</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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(IN RMB THOUSAND)

VII. Assets and liabilities analysis of banking business by currencies

	December 31, 2006			Total
	RMB	USD RMB equivalent	Others RMB equivalent	
Assets				
Cash on hand	288,976	20,956	26,142	336,074
Balances with central bank and other financial institutions	7,814,154	1,822,544	917,152	10,553,850
Loans	45,362,198	1,047,538	173,402	46,583,138
Placements with banks and other financial institutions	1,511,021	210,835	5,525	1,727,381
Investments	22,474,338	1,197,936	394,746	24,067,020
Other assets	<u>1,641,401</u>	<u>224,134</u>	<u>49,307</u>	<u>1,914,842</u>
Total assets	<u>79,092,088</u>	<u>4,523,943</u>	<u>1,566,274</u>	<u>85,182,305</u>
Liabilities				
Customer deposits	70,395,365	1,609,028	1,040,755	73,045,148
Balances and placements from banks and other financial institutions	2,358,941	2,205,664	353,653	4,918,258
Assets sold under agreements to repurchase	301,410	-	-	301,410
Other liabilities	<u>947,548</u>	<u>32,820</u>	<u>29,642</u>	<u>1,010,010</u>
Total liabilities	<u>74,003,264</u>	<u>3,847,512</u>	<u>1,424,050</u>	<u>79,274,826</u>
Net long position	<u>5,088,824</u>	<u>676,431</u>	<u>142,224</u>	<u>5,907,479</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006
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VII. Assets and liabilities analysis of banking business by currencies (Continued)

	December 31, 2005			Total
	RMB	USD RMB equivalent	Others RMB equivalent	
Assets				
Cash on hand	266	810	199	1,275
Balances with central bank and other financial institutions	9,125	437,010	627	446,762
Loans	-	252,434	-	252,434
Placements with banks and other financial institutions	-	405,781	-	405,781
Other assets	912	10,467	-	11,379
Total assets	10,303	1,106,502	826	1,117,631
Liabilities				
Customer deposits	136	58,034	258	58,428
Balances and placements from banks and other financial institutions	-	556,503	-	556,503
Other liabilities	958	3,768	4	4,730
Total liabilities	1,094	618,305	262	619,661
Net long position	9,209	488,197	564	497,970

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006
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VIII Liquidity of banking business

December 31, 2006

Item	Overdue	Repayment on demand	Within 3 months	3 months to 1 year	1-5years	More than 5 years	Undated	Total
Assets:								
Cash on hand	-	336,074	-	-	-	-	-	336,074
Balances with central bank and other financial institutions	-	2,471,889	2,030,759	264,704	-	-	5,786,498	10,553,850
Loans	1,405,216	-	9,830,212	15,569,359	7,528,778	12,249,573	-	46,583,138
Placements with banks and other financial institutions	-	-	505,859	1,221,522	-	-	-	1,727,381
Investments	-	-	8,674,265	2,879,486	4,699,250	7,793,583	20,436	24,067,020
Other assets	<u>12,848</u>	<u>111,001</u>	<u>109,182</u>	<u>4,795</u>	<u>102,046</u>	<u>184,856</u>	<u>1,390,114</u>	<u>1,914,842</u>
Sub-total	<u>1,418,064</u>	<u>2,918,964</u>	<u>21,150,277</u>	<u>19,939,866</u>	<u>12,330,074</u>	<u>20,228,012</u>	<u>7,197,048</u>	<u>85,182,305</u>
Liabilities:								
Customer deposits	-	45,153,275	13,392,814	10,951,840	3,547,219	-	-	73,045,148
Balances and placements from banks and other financial institutions	-	2,459,116	2,215,943	243,199	-	-	-	4,918,258
Assets sold under agreements to repurchase	-	-	129,180	172,230	-	-	-	301,410
Other liabilities	<u>-</u>	<u>149,335</u>	<u>455,483</u>	<u>177,978</u>	<u>227,214</u>	<u>-</u>	<u>-</u>	<u>1,010,010</u>
Sub-total	<u>-</u>	<u>47,761,726</u>	<u>16,193,420</u>	<u>11,545,247</u>	<u>3,774,433</u>	<u>-</u>	<u>-</u>	<u>79,274,826</u>
Net liquidity gap	<u>1,418,064</u>	<u>(44,842,762)</u>	<u>4,956,857</u>	<u>8,394,619</u>	<u>8,555,641</u>	<u>20,228,012</u>	<u>7,197,048</u>	<u>5,907,479</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2006
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VIII Liquidity of banking business (Continued)

December 31, 2005								
Item	Overdue	Repayment on demand	Within 3 months	3 months to 1 year	1-5years	More than 5 years	Undated	Total
Assets:								
Cash on hand	-	1,275	-	-	-	-	-	1,275
Balances with central bank and other financial institutions	-	33,971	327,405	52,456	24,211	-	8,719	446,762
Loans	-	-	-	137,193	80,702	34,539	-	252,434
Placements with banks and other financial institutions	-	-	402,553	3,228	-	-	-	405,781
Other assets	-	2,220	5,026	-	-	-	4,133	11,379
Sub-total	-	37,466	734,984	192,877	104,913	34,539	12,852	1,117,631
Liabilities:								
Customer deposits	-	6,044	41,626	10,758	-	-	-	58,428
Balances and placements from banks and other financial institutions	-	5,671	550,832	-	-	-	-	556,503
Other liabilities	-	4,063	-	-	667	-	-	4,730
Sub-total	-	15,778	592,458	10,758	667	-	-	619,661
Net liquidity gap	-	21,688	142,526	182,119	104,246	34,539	12,852	497,970

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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IX. Related party relationship and transaction

1. Related party relationship

(1) Related parties with control relationship

The Company's related parties where control exists are mainly subsidiaries of the Company. Please refer to Note 4 for more information.

(2) Related parties without control relationship

<u>Name of related parties</u>	<u>Relationship with the Company</u>
HSBC Holdings Limited ("HSBC Holdings")	Parent of shareholders
HSBC Insurance Holdings Limited ("HSBC Insurance")	Shareholder
The Hongkong and Shanghai Banking Company Limited	Shareholder

In late August 2005, HSBC Holdings through its wholly owned subsidiaries, HSBC Insurance and HSBC held 19.90% of the Company's share. Since then, HSBC Holdings and its subsidiaries became the Company's related parties who had significant influence over the Group.

(3) Shareholders who hold more than 5% shares of the Company at the end of the year are as follows:

<u>Name of the shareholders</u>	<u>Number of Shares Held</u>	<u>Type of Shares</u>	<u>Percentage of Total Shares (%)</u>
HSBC Insurance Holdings Limited	618,886,334	H-Share	9.99
The Hongkong and Shanghai Banking Company Limited	613,929,279	H-Share	9.91
Shenzhen Investment Holdings Co., Ltd.	543,181,445	A-Share	8.77
Shenzhen New Horse Investment Development Co., Ltd.	389,592,366	A-Share	6.29
Yuan Trust Investment Co., Ltd.	380,000,000	A-Share	6.13
Shenzhen Jing'ao Industrial Development Co., Ltd.	331,117,788	A-Share	5.34

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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IX. Related party relationship and transaction (Continued)

2. Related parties transactions

(1) Significant transactions with related parties

(a) In accordance with the Agreement of Technical Support and Services signed by the Company and HSBC Insurance on November 25, 2002, HSBC Insurance would provide technical support and services to the Company at no cost, for a period of 6 years starting from the date of the agreement.

(b) <u>Interest income from bank deposit</u>	<u>2006</u>	<u>2005</u>
HSBC	<u>15,325</u>	<u>3,161</u>

The interest income received from HSBC Limited in 2005 relates to interest earned from August 31, 2005 to December 31, 2005.

(2) Balances with related parties

<u>Bank Deposit</u>	<u>December 31, 2006</u>	<u>December 31, 2005</u>
HSBC	<u>710,175</u>	<u>232,217</u>

(3) The compensation for key management personnel are as below:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Salaries and other short-term employees benefits	<u>126,809</u>	<u>62,699</u>

Key management personnel comprise the Company's directors, supervisors and senior officers as defined in the Company's articles of association. The compensation expenses for share appreciation rights granted to (Note V 55) key management personnel are not included in the above analysis.

(4) Mutual guarantees among related parties

During the current year, there were no significant mutual guarantees between the Group and its related parties.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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X. Fiduciary Business

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Entrusted loans	2,119,930	-
Assets under trust scheme	16,677,243	3,329,608
Assets under corporate annuity scheme	<u>634,387</u>	<u>128,297</u>
Total	<u><u>19,431,560</u></u>	<u><u>3,457,905</u></u>

XI. Contingences

1. Guarantee

Ping An Real Estate provided guarantees for several loans under trust schemes managed by Ping An Trust. As at 31 December 2006, guarantees provided amounts to RMB426 million.

2. Litigation

Owing to the nature of insurance and financial service business, the Group is involved in estimates, contingencies and legal proceedings in the ordinary course of business, including being the plaintiff or the defendant in litigation and arbitration. Legal proceedings mostly involve claims on the Group's insurance policies. Provision has been made for the probable losses to the Group, including those claims where management can reasonably estimate the outcome of the lawsuits taking into account of any legal advice.

No provision has been made for pending 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.

XII. Off-balance sheet interest receivables

Off-balance sheet interest receivables of the Group are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Off-balance sheet interest receivables	<u><u>755,573</u></u>	<u><u>-</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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XIII. Commitments

1. Capital commitments

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

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Authorized, but not contracted for	1,182,313	3,030,139
Contracted, but not provided for	<u>3,431,044</u>	<u>472,102</u>
Total	<u><u>4,613,357</u></u>	<u><u>3,502,241</u></u>

2. Rental commitments

Future minimum lease receivables under non-cancelable operating leases are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Within 1 year	453,250	372,405
1-2 years	306,268	236,232
2-3 years	196,646	128,839
More than 3 years	<u>211,076</u>	<u>112,566</u>
Total	<u><u>1,167,240</u></u>	<u><u>850,042</u></u>

3. Credit commitments

	<u>2006</u>	<u>2005</u>
Letter of credit issued	734,296	10,142
Acceptance	9,016,968	-
Guarantee issued	6,536,248	-
Loan commitment	12,822,692	60,232
Others	<u>5,125</u>	<u>2,932</u>
Total	<u><u>29,115,329</u></u>	<u><u>73,306</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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XIV. Post balance sheet events

1. Pursuant to the approval obtained from the Company's shareholders and the CSRC, the Company issued 1.15 billion ordinary A-shares with par value of RMB1.00 at a price of RMB33.80 per share in February 2007. According to the capital verification report issued by Ernst & Young Hua Ming (2007 Yan Zi, NO. 60468101-01) on February 16, 2007, the Company has collected net proceeds of RMB38,221,924,360 for the initial public offering of A shares on February 15, 2007. The increase in paid-up share capital amounts to RMB1,150,000,000 and the difference between the proceeds and paid-up share capital of RMB37,071,924,360 is recorded in capital reserve. The total registered capital increased to RMB7,345,053,334 after the change.
2. Pursuant to "Notice of Printing of 'Accounting Standards for Business Enterprises No.1-Inventory' and other 38 accounting standards" (Caikuai [2006] NO. 3) and "Notice of Printing of 'Accounting Standards for Business Enterprises Application Guide'" (Caikuai [2006] NO.18), the Group has adopted the new accounting standards since January 1, 2007. The impact of the adoption of the new accounting standards on shareholder's equity as at December 31, 2006 is shown in Supplementary Information to Financial Statements Appendix II.
3. Pursuant to an agreement entered into by SZCB, Ping An Trust and HSBC in February 2007, SZCB will acquire all of the equity interests held by Ping An Trust and HSBC in Ping An Bank. Upon completion of such transfer, the Group's equity interests in Ping An Bank will increase to 89.36%.
4. In March 2007, Ping An Asset Management (Hong Kong) was granted the license to engage in assets management by the Securities and Futures Commission of Hong Kong.
5. During the 5th Session of the 10th National People's Congress, which was concluded on March 16, 2007, the PRC Corporate Income Tax Law ("the New Corporate Income Tax Law") was approved and will become effective on January 1, 2008. The New Corporate Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rate for domestic-invested and foreign-invested enterprises at 25%. Since the detailed implementation and administrative rules and regulations have not yet been announced, the future financial impact of the New Corporate Income Tax Law to the Group cannot be reasonably estimated at this stage.
6. On April 11, 2007, the directors proposed 2006 final dividend distribution of RMB0.22 per share totaling RMB1,615,912 thousand. This proposal is subject to Company shareholders' approval.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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XV. Notes to financial statements

1. Cash on hand and cash at bank

Cash on hand and cash at bank of the Company are as follows :

	Currency	December 31, 2006			December 31, 2005		
		Original currency	Exchange rate	RMB equivalent	Original currency	Exchange rate	RMB equivalent
Cash on hand	RMB	160	1.0000	160	57	1.0000	57
	USD	0.41	7.8087	3	3	8.0702	21
	HKD	43	1.0047	<u>44</u>	30	1.0403	<u>32</u>
Total				<u>207</u>			<u>110</u>
Cash at bank	RMB	3,646,282	1.0000	3,646,282	11,263,216	1.0000	11,263,216
	USD	34,178	7.8087	266,888	58,754	8.0702	474,155
	HKD	2,688	1.0047	<u>2,701</u>	14,896	1.0403	<u>15,497</u>
Total			<u>3,915,871</u>			<u>11,752,868</u>	

Term deposits over 3 months, including both RMB and foreign deposits, amounts to approximately RMB776,534 thousand (2005: approximately RMB11,051,102 thousand) with terms ranging from 12 months to 360 months and interest rates ranging from 2.25% to 4.30% per annum (2005: from 2.52% to 5.50%) are included in cash at bank of the Company.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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XV. Notes to financial statements (Continued)

2. Short-term investments

Short-term investments of the Company are as follows :

	<u>December 31, 2006</u>		<u>December 31, 2005</u>	
	<u>Net book value</u>	<u>Market value</u>	<u>Net book value</u>	<u>Market value</u>
Bond Investments :				
Government Bonds	147,489	N/A	115,186	N/A
Listed	23,999	23,999	-	-
Unlisted	123,490	N/A	115,186	N/A
Banking Bonds	497,511	N/A	-	N/A
Unlisted	497,511	N/A	-	N/A
Corporate Bonds	2,950,238	N/A	779,583	N/A
Listed	4,537	4,537	-	-
Unlisted	<u>2,945,701</u>	N/A	<u>779,583</u>	N/A
Sub-total	<u>3,595,238</u>		<u>894,769</u>	
Equity Investments :				
Stocks	1,270,372	1,757,422	105,200	120,150
Listed	1,270,372	1,757,422	105,200	120,150
Equity investment funds	382,937	N/A	1,935,311	N/A
Unlisted	<u>382,937</u>	N/A	<u>1,935,311</u>	N/A
Sub-total	<u>1,653,309</u>		<u>2,040,511</u>	
Total	<u>5,248,547</u>		<u>2,935,280</u>	

Listed investments are securities listed on Stock Exchanges. Unlisted investments are investments in interbank or other markets other than on Stock Exchanges. The market value of listed investments at the balance sheet date are valued using the closing prices on the last trading day of the year.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2006
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XV. Notes to financial statements (Continued)

3. Long-term equity investments

Long-term equity investments of the Company are as follows:

	<u>December 31,2006</u>	<u>December 31,2005</u>
Long-term stock investments	1,416,181	-
Investment in subsidiaries	24,917,315	17,956,232
Equity investment differences	<u>312,558</u>	<u>3,802</u>
Total	<u><u>26,646,054</u></u>	<u><u>17,960,034</u></u>

(1) Long-term equity investments are as follows:

	<u>December 31,2006</u>		<u>December 31,2005</u>	
	<u>Net book value</u>	<u>Market value</u>	<u>Net book value</u>	<u>Market value</u>
Public shares	<u>1,416,181</u>	<u>2,029,365</u>	<u>-</u>	<u>-</u>

(2) Equity investment differences of the Company are as follows:

<u>Name of the invested entity</u>	<u>December 31, 2006</u>		<u>December 31,2005</u>	
	<u>Original amount</u>	<u>Amortized amount</u>	<u>Original amount</u>	<u>Amortized amount</u>
Ping An Trust	19,487	2,035	19,353	3,802
SZCB	<u>310,523</u>	<u>310,523</u>	<u>-</u>	<u>-</u>
Total	<u><u>330,010</u></u>	<u><u>312,558</u></u>	<u><u>19,353</u></u>	<u><u>3,802</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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XV. Notes to financial statements (Continued)

3. Long-term equity investments (Continued)

(3) Details of investments in subsidiaries of the Company are as follows :

Subsidiaries	Attributable equity interest	Investment cost	Provision for impairment	2006			Total
				Equity changes for the year	Equity Adjustment		
					Cash dividends paid for the year	Accumulated equity changes	
Ping An Life	99%	3,762,000	-	4,737,420	(4,965,840)	6,370,038	10,132,038
Ping An Property & Casualty	99.06%	2,972,284	10	636,449	(570,240)	745,183	3,717,477
Ping An Trust	99.88%	4,196,249	16,847	574,680	-	651,199	4,864,295
SZCB	89.36%	4,606,275	-	57,750	-	57,750	4,664,025
Ping An Overseas Holdings	100%	561,213	-	(14,599)	-	48,098	609,311
Ping An Annuity	95%	285,000	-	(11,021)	-	(18,186)	266,814
Ping An Health	95%	475,000	-	55	-	737	475,737
Ping An Assets Management	90%	180,000	-	2,480	-	7,618	187,618
Total		<u>17,038,021</u>	<u>16,857</u>	<u>5,983,214</u>	<u>(5,536,080)</u>	<u>7,862,437</u>	<u>24,917,315</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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XV. Notes to financial statements (Continued)

3. Long-term equity investments (Continued)

(3) (Continued)

Subsidiaries	Attributable equity interest	Investment cost	Provision for impairment	2005			Total
				Equity changes for the year	Equity Adjustment		
					Cash dividends paid for the year	Accumulated equity changes	
Ping An Life	99%	3,762,000	-	2,811,794	-	6,598,458	10,360,458
Ping An Property & Casualty	99%	1,584,000	-	287,719	-	678,974	2,262,974
Ping An Trust	99.52%	4,180,053	16,543	45,200	-	76,519	4,273,115
Ping An Overseas Holdings	100%	58,333	-	1,399	-	62,697	121,030
Ping An Annuity	95%	285,000	-	(7,165)	-	(7,165)	277,835
Ping An Health	95%	475,000	-	682	-	682	475,682
Ping An Asset Management	90%	<u>180,000</u>	<u>-</u>	<u>5,138</u>	<u>-</u>	<u>5,138</u>	<u>185,138</u>
Total		<u>10,524,386</u>	<u>16,543</u>	<u>3,144,767</u>	<u>-</u>	<u>7,415,303</u>	<u>17,956,232</u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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XV. Notes to financial statements (Continued)

4. Long-term bond investments

Details of long-term bond investment of the Company are as follows:

Types of bonds	December 31, 2006						
	Par value	Interest receivable	Unamortized premium/ (discount)	Total	Impairment	Net book value	Market value
Listed bond:							
Government bonds	1,003,553	8,330	2,902	1,014,785	-	1,014,785	1,014,148
Corporate bonds	<u>50,000</u>	<u>94</u>	<u>(7,728)</u>	<u>42,366</u>	<u>-</u>	<u>42,366</u>	<u>41,700</u>
	<u>1,053,553</u>	<u>8,424</u>	<u>(4,826)</u>	<u>1,057,151</u>	<u>-</u>	<u>1,057,151</u>	<u>1,055,848</u>
Unlisted bond:							
Government bonds	30,000	344	(1,001)	29,343	-	29,343	N/A
Finance bonds	<u>780,000</u>	<u>15,509</u>	<u>2,840</u>	<u>798,349</u>	<u>-</u>	<u>798,349</u>	<u>N/A</u>
	<u>810,000</u>	<u>15,853</u>	<u>1,839</u>	<u>827,692</u>	<u>-</u>	<u>827,692</u>	<u>N/A</u>
Sub-total	<u>1,863,553</u>	<u>24,277</u>	<u>(2,987)</u>	<u>1,884,843</u>	<u>-</u>	<u>1,884,843</u>	<u>N/A</u>
Less: Long-term bond investments due within one year							
Listed bond:							
Government bonds	<u>347,807</u>	<u>1,455</u>	<u>915</u>	<u>350,177</u>	<u>-</u>	<u>350,177</u>	350,972
Total	<u>1,515,746</u>	<u>22,822</u>	<u>(3,902)</u>	<u>1,534,666</u>	<u>-</u>	<u>1,534,666</u>	N/A

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006
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XV. Notes to financial statements (Continued)

4. Long-term bond investments (Continued)

<u>Types of bonds</u>	<u>December 31, 2005</u>						
	<u>Par value</u>	<u>Interest receivables</u>	<u>Unamortized premium (discount)</u>	<u>Total</u>	<u>Impairment</u>	<u>Net book value</u>	<u>Market value</u>
Unlisted bonds:							
Government bonds	30,000	344	(1,412)	28,932	-	28,932	N/A
Finance bonds	<u>975,880</u>	<u>18,004</u>	<u>4,506</u>	<u>998,390</u>	-	<u>998,390</u>	N/A
Sub-total	<u>1,005,880</u>	<u>18,348</u>	<u>3,094</u>	<u>1,027,322</u>	-	<u>1,027,322</u>	N/A
Less: Long-term bond investments due within one year							
Unlisted bonds:							
Finance bonds	<u>195,880</u>	<u>2,495</u>	-	<u>198,375</u>	-	<u>198,375</u>	N/A
Total	<u>810,000</u>	<u>15,853</u>	<u>3,094</u>	<u>828,947</u>	-	<u>828,947</u>	N/A

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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XV. Notes to financial statements (Continued)

4. Long-term bond investments (Continued)

Details of net book value of long-term bond investments of the Company are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Within 1 year	350,177	198,375
1-2 years	1,044,026	-
2-3 years	417,268	768,995
3-4 years	-	28,931
4-5 years	42,366	-
More than 5 years	<u>31,006</u>	<u>31,021</u>
Total	<u><u>1,884,843</u></u>	<u><u>1,027,322</u></u>

Long-term bond investment of the Company bears interest ranging from 1.40% to 3.74% per annum (2005: from 0% to 3.74%)

Finance bonds mainly represent bonds issued by the PBOC and China Development Bank. Corporate bonds represent bonds issued by Maanshan Iron & Steel Co., Ltd. in 2006.

Listed investments are securities listed on Stock Exchanges. Unlisted investments are investments in interbank or other markets other than on Stock Exchanges. The market value of listed investments at the balance sheet date are valued using the closing prices on the last trading day of the year.

5. Long-term fund investments

Long-term fund investments of the Company are as follows:

	<u>December 31, 2006</u>			<u>December 31, 2005</u>		
	Investment <u>cost</u>	Provision for <u>Impairment</u>	Net <u>investment</u>	Investment <u>cost</u>	Provision for <u>Impairment</u>	Net <u>investment</u>
Open-ended fund:						
Unlisted	<u>30,000</u>	<u>(8,042)</u>	<u>21,958</u>	<u>-</u>	<u>-</u>	<u>-</u>

Unlisted investments are investments in interbank or other markets other than on Stock Exchanges.

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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XV. Notes to financial statements (Continued)

6. Tax payable

Details of the tax payable of the Company are as follows:

	<u>December 31,2006</u>	<u>December 31,2005</u>
Corporate income tax	51,112	(4,227)
Business tax	19,354	146
City maintenance and construction tax	193	-
Others	<u>3,938</u>	<u>6,195</u>
Total	<u><u>74,597</u></u>	<u><u>2,114</u></u>

7. Business tax and surcharges payable

Details of business tax and surcharges payable of the Company are as follows:

	<u>December 31,2006</u>	<u>December 31,2005</u>
Business tax	22,991	2,315
City maintenance and construction tax	230	24
Education surcharges	<u>690</u>	<u>72</u>
Total	<u><u>23,911</u></u>	<u><u>2,411</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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XV. Notes to financial statements (Continued)

8. Operating expenses

Details of operating expenses of the Company are as follows :

	<u>2006</u>	<u>2005</u>
Salaries and welfare	676,524	200,377
Social insurance	9,244	4,962
Housing fund	646	387
Business entertainment expenses	10,373	10,481
Advertising expenses	4,816	34,099
Meeting expenses	5,101	5,134
Rental expenses	4,948	2,339
Depreciation of fixed assets	10,701	2,662
Amortization of intangible assets	5,372	1,352
Amortization of long-term deferred expenses	2,326	316
Office and traveling expenses	23,206	18,849
Printing expenses	1,538	1,745
Corporate sundry expenses	2,530	2,829
Postage and telecommunication expenses	1,901	2,444
Operating expenses of electronic equipments	3,751	1,669
Provision /(write-back) for bad debts	(74)	836
Taxation	1	6,631
Fuel expenses of vehicles and ships	781	1,077
Others	<u>122,186</u>	<u>111,969</u>
Total	<u><u>885,871</u></u>	<u><u>410,158</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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XV. Notes to financial statements (Continued)

9. Investment income

Breakdown of investment income of the Company is as follows :

	<u>2006</u>	<u>2005</u>
Interest income	45,299	23,952
Interest income from bonds	45,299	23,952
Dividend income	66,265	-
Dividend income from equity investment funds	66,265	-
Trading gains	475,165	38,961
Trading gains on bonds	35,197	1,644
Trading gains on equity investment funds	222,903	34,882
Trading gains on equity securities	213,291	2,435
Trading gains on warrants	3,774	-
Changes in provision for impairment losses	(8,988)	-
Provision for impairment losses on short-term investments	(946)	-
Provision for impairment losses on long-term investments	(8,042)	-
Amortization of equity investment differences	(1,901)	(1,901)
Interest in subsidiaries	<u>5,983,214</u>	<u>3,144,767</u>
Total	<u><u>6,559,054</u></u>	<u><u>3,205,779</u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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XV. Notes to financial statements (Continued)

10. Cash and cash equivalents

Breakdown of cash and cash equivalent of the Company is as follows:

	<u>December 31,2006</u>	<u>December 31,2005</u>
Cash on hand and cash at bank	3,139,544	701,876
Money market fund	10,058	1,935,311
Bonds with original maturities less than 3 months	<u>298,140</u>	<u>-</u>
Total	<u><u>3,447,742</u></u>	<u><u>2,637,187</u></u>

11. Fiduciary investment

Beginning September 1, 2005, the Company entrusted Ping An Asset Management to manage its investment portfolios. The Company's fiduciary investments managed by Ping An Asset Management are set out as follows:

	<u>December 31,2006</u>	<u>December 31,2005</u>
Assets:		
Cash at bank	3,857,662	11,671,832
Short-term investments	5,248,547	2,935,280
Interest receivables	5,067	22,232
Other receivables	210,633	-
Long-term bond investments due within 1 year	350,177	198,375
Long-term equity investments	1,416,181	-
Long-term bond investments	1,534,666	828,947
Long-term fund investments	<u>21,958</u>	<u>-</u>
Total	<u><u>12,644,891</u></u>	<u><u>15,656,666</u></u>
Liabilities:		
Placements from banks and other financial institutions	819,914	274,387
Assets sold under agreements to repurchase	-	645,400
Other payables	<u>4,687</u>	<u>53</u>
Total	<u><u>824,601</u></u>	<u><u>919,840</u></u>
Net	<u><u><u>11,820,290</u></u></u>	<u><u><u>14,736,826</u></u></u>

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
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XV. Notes to financial statements (Continued)

11. Fiduciary investment (Continued)

The Company's fiduciary investment managed by Ping An Asset Management are set out as follows:

	2006	Four months ended December 31, 2005
Trading gains on securities	475,165	17,313
Interest income from deposits	379,507	169,011
Interest income from bonds	45,299	10,777
Income from securities purchased under agreements to resell	5,197	-
Dividend income from funds	66,265	-
Other income	3,422	2,175
Total investment income	974,855	199,276
Less: Assets management expenses	(2,000)	(600)
Custody fees	(58)	-
Expenses relating to securities sold under agreements to repurchase	(9,576)	(2,052)
Interest expense or placements from banks and other financial institutions	(25,288)	-
Provision for impairment losses on long-term investments	(8,042)	-
Provision for impairment losses on short-term investments	(946)	-
Other expenses	(51,356)	(961)
Investment income	877,589	195,663

XVI. Comparative figures

Certain comparative figures have been restated to conform to current year's presentation.

XVII. Approval of financial statements

The financial statements have been approved by the Company's board of directors on April 11, 2007.

APPENDIX I. SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS

1. Reconciliation of GAAP differences between PRC Accounting Standards and IFRS

The material GAAP differences between PRC Accounting Standards and IFRS in preparing financial statements are as follows:

<u>Consolidated net profit</u>	<u>Notes</u>	<u>2006</u> in RMB thousand	<u>2005</u> in RMB thousand
Financial statements prepared in accordance with PRC Accounting Standards		5,985,962	3,338,428
Claim reserves	(i)	149,234	(439,832)
Long-term and unearned premium reserves	(ii)	(15,529)	309,646
Policyholders' reserves	(iii)	(6,544,374)	(3,005,894)
Deferred policy acquisition costs	(iv)	5,480,526	3,829,708
Fair value adjustment of investment assets and financial liabilities	(v)	3,095,511	359,769
Deferred tax	(vi)	(413,479)	(158,725)
Minority interests and others		<u>100,418</u>	<u>(7,018)</u>
Financial statements prepared in accordance with IFRS		<u>7,838,269</u>	<u>4,226,082</u>
<u>Consolidated equity</u>	<u>Notes</u>	<u>December 31,2006</u> in RMB thousand	<u>December 31,2005</u> in RMB thousand
Financial statements prepared in accordance with PRC Accounting Standards		36,667,865	32,664,006
Claim reserves	(i)	(1,401,149)	(1,550,383)
Long-term and unearned premium reserves	(ii)	86,140	101,669
Policyholders' reserves	(iii)	(35,762,405)	(25,815,612)
Deferred policy acquisition costs	(iv)	31,866,330	26,428,450
Fair value adjustment of investment assets and financial liabilities	(v)	16,935,254	1,440,096
Deferred tax	(vi)	(1,839,769)	(69,040)
Minority interests and others		<u>(176,744)</u>	<u>(202,696)</u>
Financial statements prepared in accordance with IFRS		<u>46,375,522</u>	<u>32,996,490</u>

APPENDIX I.

SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS (CONTINUED)

1. Reconciliation of GAAP differences between PRC Accounting Standards and IFRS (Continued)

Notes:

- (i) Under 2006 PRC Accounting Standards, claim reserves are provided for claims reported but not settled, and claims incurred but not reported at the balance sheet date. Reserves for claims incurred but not reported are estimated on the basis of 4% of actual claim losses. From September 1, 2006, in accordance with the “Regulations on health insurance” (Baojianhuiling [2006] No.8), the Chain-ladder method and the Bornhuetter-Ferguson method are used to calculate the reserves for health insurance business. The higher of the two results will be the best estimate. Under IFRS, reserves for claims incurred but not reported are estimated using actuarial techniques.
- (ii) Under 2006 PRC Accounting Standards, unearned premium reserves of life insurance businesses should be no less than 50% of the net premium for the current period. Under IFRS, unearned premium reserves are provided using actuarial valuation results (1/365 method).
- (iii) Under 2006 PRC Accounting Standards, policyholders’ reserves are provided in accordance with related actuarial regulations released by CIRC. Under IFRS, policyholders’ reserves are provided in accordance with IFRS 4 Insurance Contracts and by reference to US GAAP.
- (iv) Under 2006 PRC Accounting Standards, handling costs and commission expenses of acquiring new policies are recognized in the income statement when incurred. Under IFRS, handling costs and commission expenses of acquiring new policies are deferred and amortized over the premium paying period of the insurance contracts or amortized in proportion to expected premiums or the present value of estimated gross profits expected to be realized over the life of the insurance Contracts, in accordance with IFRS 4 Insurance contracts and by reference to US GAAP.
- (v) Under 2006 PRC Accounting Standards, the Group classifies its investments into short-term investments and long-term investments, depending on liquidity and the period for which these investments are intended to be held. Short-term investments are carried at the lower of cost and market value, while long-term investments are stated at the lower of book value and the recoverable amount. Under IFRS, the Group classifies its investments into four categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and other receivables and available-for-sale financial assets, in accordance with IAS 32 Financial Instruments: Disclosure and Presentation as well as IAS 39 Financial Instruments: Recognition and Measurement. Available-for-sale financial assets and financial assets at fair value through profit or loss are stated at fair value. Held-to-maturity financial assets and loans and other receivables are carried at amortized cost. Unrealized gains or losses, arising from changes in fair value of financial assets at fair value through profit or loss, are recognized in the income statement. Unrealized gains or losses, arising from changes in fair value of available-for-sale financial assets, are reported in equity. On derecognition or impairment of available-for-sale financial assets, the cumulative unrealized gains or losses previously reported in equity is transferred to the income statement.
- (vi) The above differences between PRC Accounting Standards and IFRS are temporary differences in accordance with IAS 12 Income Taxes. The Group recognizes deferred tax assets on the basis of the above differences and the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

APPENDIX I.

SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS (CONTINUED)

2. Fully diluted and weighted average return on net asset and earnings per share

The returns on net assets and earnings per share computed using the Group's consolidated financial statements are as follows:

2006	<u>Return on net assets(%)</u>		<u>Earnings per share(RMB)</u>	
	<u>Fully diluted</u>	<u>Weighted Average</u>	Fully diluted	Weighted average
Profit from principal operations	(39.6%)	(41.9%)	(2.34)	(2.34)
Operating profit	16.9%	17.8%	1.00	1.00
Net profit	16.3%	17.3%	0.97	0.97
Net profit after deducting non-recurring items	15.5%	16.4%	0.92	0.92

2005	<u>Return on net assets(%)</u>		<u>Earnings per share(RMB)</u>	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal operations	(14.7%)	(15.3%)	(0.77)	(0.77)
Operating profit	11.7%	12.2%	0.62	0.62
Net profit	10.2%	10.6%	0.54	0.54
Net profit after deducting non-recurring items	10.0%	10.4%	0.53	0.53

Net profit after deducting non-recurring items:

	<u>2006</u>	<u>2005</u>
	in RMB thousand	in RMB thousand
Net profit	5,985,962	3,338,428
Add/(Less): non-recurring items:		
Gains on disposal of long-term equity investments, fixed assets, construction in progress, intangible assets and other long-term assets	(45,380)	(26,779)
Non-operating income and expenses after deduction of routine assets impairments provided in accordance with the Accounting System for Financial Institutions	20,367	17,271
Write-back of asset impairments recognized in prior years	(277,291)	(74,997)
Total of non-recurring items	(302,304)	(84,505)
Add: Tax impact	11,311	5,056
Add: Minority's share	2,910	794
Net profit deducting non-recurring profits or losses	<u>5,697,879</u>	<u>3,259,773</u>

The above returns on net assets and earnings per share are computed in accordance with the formulas contained in "Standard No.9 Disclosure Requirements of Public Listed Companies" issued by CSRC on January 19, 2001.

APPENDIX I.

SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS (CONTINUED)

3. Breakdown of provision for impairment losses

Provision for impairment losses of the Group are as follows :

(In RMB Thousands)		2006					Balance as at December 31 2006
		Balance as at January 1, 2006	Provision during the year	Appreciation in values of assets	Other reversals	Total	
Item	Notes V						
Provision for impairment losses on short-term investments		123,769	34,253	(146,351)	-	(146,351)	11,671
Including:							
Equity investments		6,513	-	(6,433)	-	(6,433)	80
Bond investments		500	34,253	(23,162)	-	(23,162)	11,591
Equity investment funds		116,756	-	(116,756)	-	(116,756)	-
Provision for bad debts		237,411	572,538	-	(61,487)	(61,487)	748,462
Including:							
Placements with banks and other financial institutions	5	24,737	359,611	-	(8,736)	(8,736)	375,612
Premium receivables	9	92,442	63,544	-	(657)	(657)	155,329
Other receivables	11	68,925	144,184	-	(52,094)	(52,094)	161,015
Receivables from reinsurers	9	51,307	5,199	-	-	-	56,506
Provision for impairment on long-term investments		347,768	108,474	(168,784)	(12,482)	(181,266)	274,976
Including:							
Long-term equity investments	12	297,101	85,656	(153,297)	(12,482)	(165,779)	216,978
Long-term bond investments	13	12,316	12	(12,316)	-	(12,316)	12
Long-term equity investment funds	14	38,351	22,806	(3,171)	-	(3,171)	57,986
Loan loss provisions	6	93,550	2,530,800	-	(193,624)	(193,624)	2,430,726
Provision for impairment losses on fixed assets	15	323,275	29,594	(111,013)	(49,884)	(160,897)	191,972
Including:							
Buildings	15	323,275	29,594	(111,013)	(49,884)	(160,897)	191,972
Provision for impairment losses on construction in progress	16	26,472	-	-	(15,472)	(15,472)	11,000
Provision for impairment losses on intangible assets	17	3,040	-	-	-	-	3,040
Provision for impairment losses on repossessed assets	19	-	352,641	-	-	-	352,641
Provision for impairment losses on other long-term assets		<u>19,274</u>	=	<u>(665)</u>	<u>(3,140)</u>	<u>(3,805)</u>	<u>15,469</u>
Total		<u>1,174,559</u>	<u>3,628,300</u>	<u>(426,813)</u>	<u>(336,089)</u>	<u>(762,902)</u>	<u>4,039,957</u>

APPENDIX II. SUPPLEMENTARY INFORMATION

Review Report

On Reconciliation Statement of Ping An Insurance (Group) Company of China, Ltd. for Shareholders' Equity Differences between New and Old PRC Accounting Standards

Ernst & Young Hua Ming (2007) Shen Zi No.60468101-B25

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

We have reviewed the accompanying reconciliation statement of Ping An Insurance (Group) Company of China, Ltd. (the "Company") for shareholders' equity differences between new and old PRC Accounting Standards as at December 31, 2006 and January 1, 2007 ("Reconciliation Statement") prepared in accordance with Note 2 Basis of preparation. The management of the Company is responsible for preparing the Reconciliation Statement in accordance with the Accounting Standards for Business Enterprises No. 38 First-time Adoption of Accounting Standards for Business Enterprises, Notice on Preparation for Disclosure of Financial Information regarding the Adoption of New Accounting Standards (Zhengjianfa [2006] No. 136, "Notice") and other related regulations. Our responsibility is to issue a review report on the Reconciliation Statement based on our review.

In accordance with the Notice, we conducted our review in accordance with the Review Standard for Chinese Certified Public Accountants No. 2101 Review of Financial Statements. The standard requires us to plan and conduct a review to obtain limited assurance as to whether the Reconciliation Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel on the accounting policies and all significant assertions related to the preparation of the Reconciliation Statement, understanding of the calculation of the reconciliation figures in the Reconciliation Statement, reviewing the Reconciliation Statement to assess whether the specified basis of preparation have been applied and when necessary, performing analytical procedures on the data if necessary. A review provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Reconciliation Statement is not prepared, in all material respects, in accordance with the related requirement in Accounting Standards for Business Enterprises No. 38 First-time Adoption of Accounting Standards for Business Enterprises, the Notice and other related regulations.

Ernst & Young Hua Ming

Chinese Certified Public Accountant
Zhang Xiaodong

Chinese Certified Public Accountant
Huang Yuedong

Beijing, The People's Republic of China

April 11, 2007

APPENDIX II. SUPPLEMENTARY INFORMATION (CONTINUED)

Important Notice:

From January 1, 2007, the Company adopted the “Accounting Standards for Business Enterprises” issued by the Ministry of Finance in 2006 (“New Accounting Standards”). The Company is assessing the impact on the Group’s financial position, results of operation and cash flows in adopting the New Accounting Standards. When the Company prepares its 2007 financial statements, the Company may, after careful consideration and referring to the further interpretation of the New Accounting Standards by the Ministry of Finance, change the accounting policies and significant assertions used in preparing this reconciliation statement for shareholders’ equity differences between new and old Accounting Standards (“Reconciliation Statement”) which may result in discrepancies between shareholders’ equity (New Accounting Standards) as at January 1, 2007 in the Reconciliation Statement and the corresponding figure in 2007 financial statements.

Reconciliation Statement for Equity Differences between New and Old PRC Accounting Standards

(in RMB thousand)

<u>Items</u>	<u>Notes</u>	<u>Details</u>	<u>Amount</u>
		Shareholders’ equity as at December 31, 2006 (Old Accounting Standards)	36,667,865
1	3.2	Long-term equity investment differences	57,705
2	3.3	Financial assets at fair value through profit or loss and available-for-sale financial assets	16,937,493
3	3.4	Derivative financial instruments	(2,239)
4	3.5	Policyholders’ reserves	(5,726,528)
5	3.6	Claim reserves	(1,401,149)
6	3.7	Land use rights	(56,485)
7	3.8	Income tax	(1,131,086)
8	3.9	Others	(86,281)
		Shareholders’ equity attributable to shareholders of the parent company as at January 1, 2007 (New Accounting Standards)	45,259,295
9	3.10	Changes in presentation of minority interests	1,366,391
		Shareholders’ equity as at January 1, 2007 (New Accounting Standards)	<u>46,625,686</u>

The accompanying notes form an integral part of this reconciliation statement.

MA Mingzhe	CHEUNG Chi Yan Louis	REN Huichuan
_____ Chairman and Chief Executive Officer	_____ President and Chief Financial Officer	_____ Senior Vice President

Notes to Reconciliation Statement for Shareholders' Equity Differences between New and Old Accounting Standards

1. Purpose of preparation

Ping An Insurance (Group) Company of China, Ltd. and its subsidiaries (the "Group") adopted the New Accounting Standards on January 1, 2007. In order to analyze and disclose the impact of adopting the New Accounting Standards on the financial positions of listed companies, in November 2006 China Securities Regulatory Commission issued Notice on Preparation of Disclosure of Financial Information regarding the Adoption of New Accounting Standards (Zhengjianfa [2006] No. 136, "Notice"), which requires companies to disclose a reconciliation of significant differences in the supplementary information of the 2006 financial statements using a reconciliation statement, in accordance with the related requirements in Accounting Standards for Business Enterprises No. 38-First-time Adoption of Accounting Standards for Business Enterprises, the Notice and other related regulations.

2. Basis of preparation

The Company is an H-share listed company that provides financial statements prepared in accordance with both PRC Accounting Standards and financial statements prepared in accordance with International Financial Reporting Standards to external parties.

Pursuant to the above regulations and the response to the tenth question in the Experts' Opinions on Implementation of Accounting Standards for Business Enterprises issued by the Working Group of Experts on Implementation of Accounting Standards for Business Enterprises on February 1, 2007, the Company shall, apart from making retrospective adjustments in accordance with the related requirements in articles No.5-No.19 of Accounting Standards for Business Enterprises No.38 – First-time Adoption of Accounting Standards for Business Enterprises, also retrospectively adjust for differences under the New Accounting Standards and Current Accounting Standards as at January 1, 2007 based on available information. Please refer to Note 3 of the reconciliation statement for details. The Group used the retrospectively adjusted amounts as the balances under the New Accounting Standards as of January 1, 2007 and prepared the reconciliation statement in accordance with the materiality principle after taking into account the Group's own circumstances and 2006 consolidated financial statements.

In addition, the reconciliation statement is prepared based on the following principles for the following matters:

1. Subsidiaries and associates are adjusted, in accordance with the requirement in articles No.5-No.19 of Accounting Standard for Business Enterprises No. 38 – First-time Adoption of Accounting Standards for Business Enterprises, and for those matters affecting the retained profits of the above companies and the Company's share of their net assets, the Company adjusted its retained profits and capital reserve based on their actual businesses.
2. The Group adjusted deferred income tax assets and deferred income tax liabilities in accordance with the requirement in Accounting Standard for Business Enterprises No.18 -Income Tax.
3. Minority interests are adjusted in accordance with the New Accounting Standards and disclosed as a separate item in the reconciliation statement.

Notes to Reconciliation Statement for Shareholders' Equity Differences between New and Old Accounting Standards (Continued)

3. Notes to major items

- (1) The amount of the consolidated shareholders' equity as at December 31, 2006 (Current Accounting Standards) are obtained from the Group's consolidated balance sheet as at December 31, 2006 which is prepared in accordance with the current Accounting Standards for Business Enterprises and the Accounting System for Financial Institutions (collectively the "Current Accounting Standards"). Such financial statements have been audited by Ernst and Young Hua Ming which issued an unqualified audit report with report reference number Ernst & Young Hua Ming (2007) Shen Zi No. 60468101-B24 on April 11, 2007. Please refer to 2006 financial statements for the basis of preparation and summary of significant accounting policies for those financial statements.

- (2) Long term equity investment differences

Under the Current Accounting Standards, the excess of initial investment costs over share of net assets of the investees is recorded as equity investment differences and evenly amortised over a certain period.

Under the New Accounting Standards, the excess of the cost of the business combination which is not under common control over the acquired interest in the fair value of the identifiable net assets of the investees shall be recognized as goodwill in accordance with Accounting Standard for Business Enterprises No. 20 – Business Combinations. Goodwill is not amortised but subject to impairment testing at least annually at year end. The impairment of goodwill cannot be reversed.

In accordance with the requirement in Experts' Opinions on Implementation of Accounting Standards for Business Enterprises, the Group made retrospective adjustment for this change. This change will have a pre-tax impact to increase the shareholders' equity as at January 1, 2007 by RMB57,705 thousand.

- (3) Financial assets at fair value through profit or loss and available-for-sale financial assets

Under the Current Accounting Standards, the Group classified investment assets, in accordance with Accounting Standard for Business Enterprise – Investments and the Accounting System for Financial Institutions, into "short term investments" and "long term investments" based on the liquidity and the intentional holding period, and measured them at the lower of cost and market price and the lower of cost and recoverable amount, respectively.

Under the New Accounting Standards, the Group shall classify investment assets within the scope of financial instruments into "financial assets at fair value through profit or loss", "held-to-maturity investments", "loans and receivables" and "available-for-sale financial assets", in accordance with Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement. Financial asset at fair value through profit or loss are subsequently measured at fair value and the gains or losses arising from the fair value changes are recorded in the profit or loss for the period; held-to-maturity investments and loans and receivables are subsequently measured at amortised costs using effectively interest rates; available-for-sale financial assets are subsequently measured at fair value and the differences between the fair value and the carrying amount are recorded in capital reserve.

Notes to Reconciliation Statement for Shareholders' Equity Differences between New and Old Accounting Standards (Continued)

3. Notes to major items (Continued)

- (3) Financial assets at fair value through profit or loss and available-for-sale financial assets (Continued)

In accordance with the requirement in Experts' Opinions on Implementation of Accounting Standards for Business Enterprises, the Group made retrospective adjustment for this change. The differences between the fair values and the carrying amounts of the financial assets at fair value through profit or loss and available for- sale financial assets, based on the market quotations or valuation results, are RMB3,349,603 thousand and RMB13,587,890 thousand, respectively, and are adjusted to increase the retained profits. This change has a pre-tax impact to increase the shareholders' equity as at January 1, 2007 by RMB16,937,493 thousand.

- (4) Derivative financial instruments

Under the Current Accounting Standards, the Group generally did not recognize derivative financial instruments in the financial statements but treated them as off-balance sheet items.

Under the New Accounting Standards, the Group shall classify derivative financial instruments as financial assets or financial liabilities at fair value through profit or loss, in accordance with Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement, and subsequently measure them at fair value and the gains or losses arising from the fair value changes are recorded in the profit or loss for the period.

In accordance with requirement in Experts' Opinions on Implementation of Accounting Standards for Business Enterprises, the Group made retrospective adjustment to recognize financial liabilities arising from the derivative financial instruments at fair value, and correspondingly to decrease the retained profits. This change has a pre-tax impact to decrease the shareholders' equity as at January 1, 2007 by RMB2,239 thousand.

- (5) Policyholders' reserves

Under the Current Accounting Standards, in calculating the policyholders' reserves for participating insurance and universal life insurance, the Group applied investment yield derived using the Current Accounting Standards.

As explained above in (3), in accordance with the New Accounting Standards, the Group properly classifies and measures its investment assets in accordance with Accounting Standard for Business Enterprises No. 22 Financial Instruments: Recognition and Measurement. In accordance with the requirements of Experts' Opinions on Implementation of Accounting Standards for Business Enterprises, the Group recognizes the fair value changes in available-for-sale financial assets for both participating insurance and universal life insurance in liabilities for those portions that are reasonably attributable to the policyholders and in capital reserve for those that are attributable to the shareholders. For financial assets at fair value through profit or loss, the changes in fair values are recorded in liabilities for those portions that are reasonably attributable to the policyholders and in profit or loss for the period for those are attributable to the shareholders.

Notes to Reconciliation Statement for Shareholders' Equity Differences between New and Old Accounting Standards (Continued)

3. Notes to major items (Continued)

(5) Policyholders' reserves (Continued)

In accordance with requirement in Experts' Opinions on Implementation of Accounting Standards for Business Enterprises, the Group made retrospective adjustments for this change to increase policyholders' reserves and to correspondingly decrease retained profits and capital reserve. From the perspective of recognizing liabilities for those portions that can be reasonably attributed to the policyholders, this change has a pre-tax impact to decrease the shareholders' equity as at January 1, 2007 by RMB5,726,528 thousand.

(6) Claim reserves

Under the Current Accounting Standards, when estimating insurance reserves, the Group did not perform adequacy test on all insurance reserves, especially on incurred but not reported claim reserves of non-life insurance.

Under the New Accounting Standards, the Group should provide for insurance reserves using actuarial method, and perform adequacy tests on claim reserves, policyholders' reserves and long term health insurance reserves at least annually at year end and make adjustment, as appropriate. Based on the results of the liability adequacy results, the Group should provide for additional reserves to top up the reserve deficiency, if any, and if the related reserve is adequate, no adjustment is made.

In accordance with requirement in Experts' Opinions on Implementation of Accounting Standards for Business Enterprises, the Group made retrospective adjustments for this change to increase claim reserves and to reduce retained profits. This change has a pre-tax impact to decrease the shareholders' equity as at January 1, 2007 by RMB1,401,149 thousand.

(7) Land use rights

Under the Current Accounting Standards, the Group did not amortise land use rights which are included in the construction in progress.

Under the New Accounting Standards, land use rights shall be recognized as intangible assets and be amortised since when they are available for use.

In accordance with the requirement in Experts' Opinions on Implementation of Accounting Standards for Business Enterprises, the Group made retrospective adjustment for this change to amortise the land use rights which were included in the construction in progress and to correspondingly decrease the retained profits. This change has a pre-tax impact to decrease the shareholders' equity as at January 1, 2007 by RMB56,485 thousand.

(8) Income tax

Differences between new and old accounting standards in respect of (2) to (7) above will result in a decrease of deferred tax assets/increase of deferred tax liabilities, and a corresponding decrease in retained profits. This change reduces shareholders' equity as at January 1, 2007 by RMB1,131,086 thousand.

Notes to Reconciliation Statement for Shareholders' Equity Differences between New and Old Accounting Standards (Continued)

3. Notes to major items (Continued)

(9) Others

Others represents the impact of differences between new and old accounting standards in respect of (2) to (8) above on minority interests which amounts to RMB86,281 thousand.

(10) Change in presentation of minority interests

In accordance with the requirements of the New Accounting Standards, the Group's minority interests amounting to RMB1,366,391 thousand is now presented as a part of shareholders' equity in the balance sheets.

APPENDIX III. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes V	2006 in RMB thousand	2005 in RMB thousand
<u>Share capital</u>			
Beginning/end of year	39	6,195,053	6,195,053
<u>Capital reserve</u>			
Beginning of year	40	15,162,575	15,146,431
Additions		314	16,144
End of year		15,162,889	15,162,575
<u>Statutory surplus reserve fund</u>			
Beginning of year	41	1,718,832	1,384,989
Transferred from statutory public welfare fund		784,001	-
Transferred from retained profits		599,682	333,843
End of year		3,102,515	1,718,832
<u>Discretionary surplus reserve fund</u>			
Beginning/end of year		3,023,577	3,023,577
<u>Statutory public welfare fund</u>			
Beginning of year	41	784,001	617,080
Transferred to statutory surplus reserve fund		(784,001)	166,921
End of year		-	784,001
<u>General reserve</u>			
Beginning/end of year		394,510	394,510
<u>General risk provision</u>			
Beginning of year	42	-	-
Transferred from retained profits		16,752	-
End of year		16,752	-
<u>General provision</u>			
Beginning of year	42	35,679	-
Transferred from retained profits		40,954	35,679
End of year		76,633	35,679
<u>Loss provision for trust business</u>			
Beginning of year	42	-	-
Transferred from retained profits		28,774	-
End of year		28,774	-
<u>Retained profits</u>			
Beginning of year	43	5,349,779	3,415,101
Net profit for the year		5,985,962	3,338,428
Appropriation to statutory surplus reserve fund		(599,682)	(333,843)
Appropriation to statutory public welfare fund		-	(166,921)
Appropriation to general risk provision		(16,752)	-
Appropriation to general provision		(40,954)	(35,679)
Appropriation to loss provision for trust business		(28,774)	-
Dividends		(1,982,417)	(867,307)
End of year		8,667,162	5,349,779
Total shareholders' equity		36,667,865	32,664,006