



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

2006 年年度报告摘要
（股票代码：601318）

二〇〇七年四月十一日

§ 1 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。

本年度报告摘要摘自年度报告全文，报告全文同时刊载于 <http://www.sse.com.cn>。投资者欲了解详细内容，应当仔细阅读年度报告全文。

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。

§ 2 公司基本情况简介

2.1 基本情况简介

	A 股	H 股
股票简称	中国平安	中国平安
股票代码	601318	2318
股票上市交易所	上海证券交易所	香港联合交易所
注册地址和办公地址	中国深圳市八卦三路平安大厦	
邮政编码	518029	
公司国际互联网网址	http://www.pingan.com.cn	
电子邮箱	ir@pingan.com.cn ; pr@pingan.com.cn	

2.2 联系人和联系方式

	董事会秘书	证券事务代表
姓名	孙建一	周强
联系地址	中国深圳市八卦三路平安大厦	
电话	4008866338	
传真	0755-82431029	
电子信箱	ir@pingan.com.cn ; pr@pingan.com.cn	

§ 3 会计数据和业务数据摘要

3.1 主要会计数据

单位:人民币千元

主要会计数据	2006 年度	2005 年度	本年比上年 增减(%)	2004 年度
主营业务收入	81,712,128	67,383,647	21.3	61,495,615
利润总额	6,258,005	3,755,790	66.6	3,217,852
净利润	5,985,962	3,338,428	79.3	2,608,081
扣除非经常性损益的净利润	5,697,879	3,259,773	74.8	2,625,639
经营活动产生的现金流量净额	37,357,714	31,890,081	17.1	34,370,145
	2006 年末	2005 年末	本年末比上 年末增减 (%)	2004 年末
总资产	441,791,056	288,103,742	53.3	238,967,113
股东权益 (不含少数股东权益)	36,667,865	32,664,006	12.3	30,176,742

3.2 主要财务指标

单位:元

主要财务指标	2006 年度	2005 年度	本年比上年 增减	2004 年度
每股收益	0.97	0.54	79.6%	0.42
最新每股收益 ⁽¹⁾	0.81			
净资产收益率 (%)	16.3	10.2	6.1 个百分点	8.6
扣除非经常性损益的净利润为基 础计算的净资产收益率 (%)	15.5	10.0	5.5 个百分点	8.7
每股经营活动产生的现金流量净 额	6.03	5.15	17.1%	6.18
	2006 年末	2005 年末	本年末比上 年末增减(%)	2004 年末
每股净资产	5.92	5.27	12.3	4.87
调整后的每股净资产	5.89	5.25	12.2	4.85

(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。

扣除非经常性损益项目

√ 适用 □ 不适用

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

3.3 国内外会计准则差异

√ 适用 □ 不适用

单位: 人民币千元

	国内会计准则	国际财务报告准则
净利润	5,985,962	7,838,269
差异说明	详见 9.6 部分内容	

§ 4 股本变动及股东情况

4.1 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、无限售条件流通股份									
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。

4.2 股东数量和持股情况

单位：股

报告期末股东总数	7,247 户（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。	

4.3 控股股东及实际控制人简介

4.3.1 控股股东及实际控制人变更情况

☐ 适用 ☒ 不适用

4.3.2 控股股东及实际控制人具体情况介绍

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。

§ 5 董事、监事及高级管理人员

5.1 董事、监事及高级管理人员持股变动和报酬情况

5.1.1 董事、监事及高级管理人员持股情况

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)	非执行董事、副董事长	男	60	2006.5-2009 换届	-	-	-	-

HOPE)								
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%，本公司董事、监事及高级管理人员共持有员工投资集合19,200,382份权益份额；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）及高级管理人员共持有江南实业26.54%的权益。

5.1.2 董事、监事及高级管理人员的报酬情况

董事及监事在本公司领取的酬金（税后）总额见下表：

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

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

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净利润（国际财务报告准则）的 4%。

5.2 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。

§ 6 董事会报告

6.1 报告期经营情况的讨论与分析

6.1.1 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，较上年增长 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险监督管理委员会（以下简称“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，公司证券业务实现净利润 5.54 亿元，创平安证券有限责任公司（以下简称“平安证券”）成立以来新高。

银行业务方面，平安银行有限责任公司（以下简称“平安银行”）于 2006 年 6 月获中国银行业监督管理委员会（以下简称“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有限责任公司（以下简称“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。

6.1.2 主要业务及经营情况

2006 年，本公司借助旗下主要子公司，即中国平安人寿保险股份有限公司（以下简称“平安寿险”）、中国平安财产保险股份有限公司（以下简称“平安产险”）、平安信托、平安证券、平安银行、平安养老保险股份有限公司（以下简称“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。

6.1.2.1 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 年度			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 年度		2005 年度	
	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 年度	2005 年度
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 年度	2005 年度
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 年度		2005 年度	
	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 年度		2005 年度	
	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
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（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 年度		2005 年度	
	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。

6.1.2.2 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 年度			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(%)
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 年度	2005 年度
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	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 年度	2005 年度
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。

6.1.2.3 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，平安信托管理的信托资产为 166.77 亿元。

6.1.2.4 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。

6.1.2.5 平安银行

经中国银监会批准，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。

6.1.2.6 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%。

6.1.2.7 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。

6.1.2.8 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。

6.1.2.9 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。

6.1.2.10 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。

6.1.2.11 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。

截至本报告摘要刊发时，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。

6.1.2.12 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。

6.1.3 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，本公司在香港设立中国平安资产管理(香港)有限公司，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有限责任公司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，资产管理公司（香港）正式获得香港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。但是车险业务占比的增加，将对公司综合成本率的控制带来压力。

(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》，强化公开发行证券的市场约束机制；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和上市公司证券发行行为，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暂行办法》

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暂行办法》，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，以鼓励长期资金入市，促进我国资本市场的健康发展。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。

6.1.4 公司未来发展展望

6.1.4.1 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。

6.1.4.2 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，同时，中国的保险行业也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

至 2006 年底，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
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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增长、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。

6.1.5 公司财务状况与经营成果分析

6.1.5.1 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

6.1.5.2 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。

6.1.5.3 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

(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

(3) 银行业务

单位:人民币千元

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

(4) 信托业务

单位:人民币千元

项目	2006 年度	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

单位:人民币千元

项目	2006 年度	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。

6.1.6 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。

6.1.6.1 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。

6.1.6.2 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：

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。

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。

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%。

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）》。

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。

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。

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%。

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。

6.1.6.3 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

6.1.6.4 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

6.1.6.5 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%。

6.1.7 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：

6.1.7.1 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。

6.1.7.2 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 6.1.7.1 (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。

6.1.7.3 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。

6.1.7.4 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。

6.1.7.5 递延所得税

上述 6.1.7.1 至 6.1.7.4 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。

6.1.7.6 股东权益

以上 6.1.7.1 至 6.1.7.5 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。

6.2 主营业务分行业、产品情况表

请见前述 6.1

6.3 主营业务分地区情况

请见前述 6.1

6.4 募集资金使用情况

☐ 适用 ☒ 不适用

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。

6.5 非募集资金项目情况

☐ 适用 ☒ 不适用

6.6 董事会对会计师事务所“非标意见”的说明

☐ 适用 ☒ 不适用

6.7 董事会本次利润分配或资本公积金转增预案

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础，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金人民币 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。

公司本报告期盈利但未提出现金利润分配预案

☐ 适用 ☒ 不适用

§ 7 重要事项

7.1 收购资产

☒ 适用 ☐ 不适用

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。

截止 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。

7.2 出售资产
☐ 适用 ☒ 不适用

7.3 重大担保
☐ 适用 ☒ 不适用

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				-		

7.4 重大关联交易
☐ 适用 ☒ 不适用

7.4.1 与日常经营相关的关联交易
☐ 适用 ☒ 不适用

7.4.2 关联债权债务往来
☐ 适用 ☒ 不适用

7.4.3 2006 年资金被占用情况及清欠进展情况
☐ 适用 ☒ 不适用

报告期内新增资金占用情况

☐适用 ☒不适用

截止 2006 年末，上市公司未完成非经营性资金占用的清欠工作的，董事会提出的责任追究方案

☐适用 ☒不适用

7.5 委托理财

☐适用 ☒不适用

7.6 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。

7.6.1 原非流通股股东在股权分置改革过程中做出的承诺事项及其履行情况

☐适用 ☒不适用

报告期末持股 5%以上的原非流通股股东持有的无限售条件流通股数量增减变动情况

☐适用 ☒不适用

7.6.2 未股改公司的股改工作时间安排说明

☐适用 ☒不适用

7.7 重大诉讼仲裁事项

☐适用 ☒不适用

§ 8 监事会报告

监事会认为公司依法运作、公司财务情况、公司募集资金使用、公司收购、出售资产交易和关联交易不存在问题。

§ 9 财务报告

9.1 审计意见

财务报告	☐ 未经审计 ☒ 审计
审计意见	☒ 标准无保留意见 ☐ 非标意见

9.2 合并及母公司的资产负债表、利润表及利润分配表和现金流量表（详见附表一至附表八）**9.3 会计估计变更**

(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约人民币 752,835 千元。

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人民币约 2,743,907 千元。

9.4 重大会计差错的内容、更正金额、原因及其影响。

本报告期无重大会计差错更正。

9.5 合并范围发生变化

本报告期内本集团新纳入合并范围的子公司包括深圳市商业银行股份有限公司、中国平安资产管理(香港)有限公司、泛华置业(荆州)有限公司等。

9.6 中国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：

单位:人民币千元

合并净利润 (不含少数股东损益)	注释	2006 年度	2005 年度
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		100,418	(7,018)
按国际财务报告准则编制的财务报表		7,838,269	4,226,082

单位:人民币千元

合并股东权益 (不含少数股东权益)	注释	2006 年 12 月 31 日	2005 年 12 月 31 日
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		(176,744)	(202,696)
按国际财务报告准则编制的财务报表		46,375,522	32,996,490

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。

(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。

9.7 新旧会计准则股东权益差异调节表及会计师事务所的审阅意见

9.7.1 会计师事务所的审阅报告

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

9.7.2 新旧会计准则股东权益差异调节表

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。

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

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	2	长期股权投资差额	57,705
2	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	4	衍生金融工具	(2,239)

4	5	寿险责任准备金	(5,726,528)
5	6	未决赔款准备金	(1,401,149)
6	7	土地使用权	(56,485)
7	8	所得税	(1,131,086)
8	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	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

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。

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。

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。

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。

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。

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
二〇〇七年四月十一日

附表一：

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

	2006 年 12 月 31 日	2005 年 12 月 31 日
资产		
流动资产：		
现金	347,282	14,150
银行存款	89,788,851	80,290,899
结算备付金	1,134,759	176,987
贵金属	111,001	-
存放中央银行款项	7,713,643	20,271
存放同业款项	2,840,207	426,491
短期投资	24,148,945	16,532,789
拆出资金	1,727,381	131,394
短期贷款	10,709,388	400,882
保单质押贷款	1,380,990	864,483
买入返售资产	6,950,915	-
贴现	12,633,786	-
进出口押汇	317,596	-
应收利息	609,230	438,098
应收保费	3,072,759	748,808
应收分保账款	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	74,047	42,120
其他应收款	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	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	13,387,680	3,006,663
合并价差	599,497	330,433
长期债权投资	192,024,584	151,965,803
长期基金投资	5,193,156	6,977,965

长期投资合计	211,204,917	162,280,864
中长期贷款	24,240,288	129,667
逾期贷款	895,441	-
非应计贷款	2,785,888	93,550
减：贷款损失准备	(2,430,726)	(93,550)
固定资产：		
固定资产原值	9,153,167	7,070,964
减：累计折旧	(2,932,216)	(2,234,777)
固定资产净值	6,220,951	4,836,187
减：固定资产减值准备	(191,972)	(323,275)
固定资产净额	6,028,979	4,512,912
在建工程	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	158,506	151,583
长期待摊费用	60,818	36,915
存出资本保证金	1,520,000	1,240,000
抵债资产	463,871	7,834
其他长期资产	29,384	38,839
独立账户资产	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	630,100	20,487
资产总计	441,791,056	288,103,742
负债及股东权益		
流动负债：		
短期借款	526,710	-
短期存款	50,626,577	18,077
短期储蓄存款	10,725,197	-
同业存放款项	3,464,731	36,376
拆入资金	991,705	-
卖出回购资产	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	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	5,484,740	76,664
汇出汇款及应解汇款	248,673	-
应付利息	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	81,018	75,909
应交税金	1,119,832	672,725
其他应付款	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	81,857	60,110
代买卖证券款	3,750,122	1,729,716
其他流动负债	190,772	-
一年内到期的长期负债	1,577,482	-
流动负债合计	118,944,551	28,896,914
长期负债：		
长期存款	3,043,310	-
长期储蓄存款	454,522	-
存入长期保证金	49,386	-
长期借款	155,000	-
长期责任准备金	2,408,042	2,413,790
寿险责任准备金	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	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	284,927,762	226,017,982
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	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	8,667,162	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

附表二：

中国平安保险（集团）股份有限公司

合并利润及利润分配表

2006 年度

人民币千元

	2006 年度	2005 年度
保险业务收入		
保费收入	85,954,952	71,609,012
分保费收入	28,447	16,112
减：分出保费	(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	(10,721,175)	(8,221,809)
减：摊回分保赔款	2,446,436	2,475,359
追偿款收入	45,617	48,974
分保赔款支出	(8,645)	(3,851)
死伤医疗给付	(1,086,421)	(982,244)
满期给付	(3,034,671)	(3,263,281)
年金给付	(2,770,432)	(2,446,820)
退保金	(8,493,282)	(6,956,103)
分保费用支出	(3,983)	(2,093)
手续费支出	(1,831,898)	(963,581)
佣金支出	(6,242,087)	(4,962,019)
营业税金及附加	(1,644,692)	(909,742)

营业费用	(9,759,034)	(7,033,277)
减：摊回分保费用	1,548,494	1,370,793
提取保险保障基金	(270,560)	(209,280)
保险业务支出合计	(41,826,333)	(32,058,974)
准备金提转差		
提取未决赔款准备金	(6,155,458)	(4,928,257)
减：转回未决赔款准备金	4,928,257	3,874,137
提取未到期责任准备金	(8,702,315)	(6,240,733)
减：转回未到期责任准备金	6,240,733	4,868,859
提取长期责任准备金	(2,408,042)	(2,413,790)
减：转回长期责任准备金	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	(54,402,658)	(40,117,021)
承保亏损	(14,516,863)	(4,792,348)
加：其他业务利润	16,080	115,500
投资收益	18,513,069	5,885,130
利息收入	3,847,041	3,882,770
买入返售资产收入	27,974	338
手续费收入	475,085	175,327
证券承销收入	139,665	79,355
汇兑损益	(480,027)	(407,790)
减：利息支出	(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	(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	5,985,962	3,338,428

附表三：

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

	2006 年度	2005 年度
净利润	5,985,962	3,338,428
加：年初未分配利润	5,349,779	3,415,101
可供分配利润	11,335,741	6,753,529
减：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)	-
可供股东分配的利润	10,649,579	6,217,086
减：应付普通股股利	(1,982,417)	(867,307)
年末未分配利润	8,667,162	5,349,779

附表四：

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
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	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

	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	5,985,962	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	37,357,714	31,890,081
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	45,950,704	17,542,446
减：现金及现金等价物的年初余额	(17,542,446)	(15,203,959)
现金及现金等价物增加净额	28,408,258	2,338,487

附表五：

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

	2006 年 12 月 31 日	2005 年 12 月 31 日
资产		
流动资产：		
现金	207	110
银行存款	3,915,871	11,752,868
短期投资	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	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	26,646,054	17,960,034
长期债权投资	1,534,666	828,947
长期基金投资	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	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

附表六：

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

	2006 年度	2005 年度
业务支出		
营业税金及附加	(23,911)	(2,411)
营业费用	(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	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

附表七：

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

	2006 年度	2005 年度
净利润	5,996,818	3,338,428
加：年初未分配利润	5,349,779	3,415,101
可供分配利润	11,346,597	6,753,529
减：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)	-
可供股东分配的利润	10,660,435	6,217,086
减：应付普通股股利	(1,982,417)	(867,307)
年末未分配利润	8,678,018	5,349,779

附表八：

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)
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	48,039,775	25,426,332
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	(44,786,008)	(28,767,346)
投资活动产生的现金流量净额	3,253,767	(3,341,014)
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	17,668,842	7,990,225
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	(19,784,079)	(7,939,457)
筹资活动产生的现金流量净额	(2,115,237)	50,768
四、汇率变动对现金的影响额	(7,380)	(1,914)
五、现金及现金等价物增加/(减少)净额	810,555	(5,042,724)

	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	3,447,742	2,637,187
减: 现金及现金等价物的年初余额	(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)



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

Summary of Annual Report 2006
（Stock Code: 601318）

April 11, 2007

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 joint and severally accepts full responsibility for its authenticity, accuracy and completeness.

This summary has been extracted from the annual report. Full text details of which have been made available simultaneously at <http://www.sse.com.cn>. Investors should refer to the full set of annual report to get more details.

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. 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.

2. Basic Corporate Information

2.1 Basic information

	A Share	H Share
Stock abbreviated name	Ping An of China	Ping An
Stock code	601318	2318
Listing venue	Shanghai Stock Exchange	Hong Kong Stock Exchange
Registered address and place of business	Ping An Building, Ba Gua No.3 Road, Shenzhen, PRC	
Postal code	518029	
Company website	http://www.pingan.com.cn	
E-mail	ir@pingan.com.cn ; pr@pingan.com.cn	

2.2 Contact person and contacts

	Board Secretary	Securities affairs representative
Name	SUN Jianyi	ZHOU Qiang
Contact address	Ping An Building, Ba Gua No.3 Road, Shenzhen, PRC	
Telephone	4008866338	

Fax	0755-82431029
E-mail	ir@pingan.com.cn; pr@pingan.com.cn

3. Summary of Financial Figures and Business Information

3.1 Major financial figures

Unit: RMB thousand

Major financial figures	2006	2005	Increase/decrease for this year compared to prior year(%)	2004
Revenue from principal operations	81,712,128	67,383,647	21.3	61,495,615
Profit before tax	6,258,005	3,755,790	66.6	3,217,852
Net profit	5,985,962	3,338,428	79.3	2,608,081
Net profit after deducting non-recurring items	5,697,879	3,259,773	74.8	2,625,639
Net cash flow from operating activities	37,357,714	31,890,081	17.1	34,370,145
	December 31, 2006	December 31, 2005	Increase/decrease at the end of this year compared to the end of prior year(%)	December 31, 2004
Total assets	441,791,056	288,103,742	53.3	238,967,113
Shareholders' equity (excluding minority interests)	36,667,865	32,664,006	12.3	30,176,742

3.2 Key financial indicators

Unit: RMB

Major financial indicators	2006	2005	Increase/decrease for this year compared to prior year	2004
Earnings per share	0.97	0.54	79.6%	0.42
Latest earnings per share ⁽¹⁾	0.81			
Return on net assets (%)	16.3	10.2	6.1 percentage points	8.6
Return on net assets based on net profit after deducting non-recurring items (%)	15.5	10.0	5.5 percentage points	8.7
Net cash flows per share from operating activities	6.03	5.15	17.1%	6.18
	December 31, 2006	December 31, 2005	Increase/decrease at the end of this year compared to prior year (%)	December 31, 2004
Net assets per share	5.92	5.27	12.3	4.87
Adjusted net assets per share	5.89	5.25	12.2	4.85

(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.

After deducting non-recurring items

☒ applicable ☐ not applicable

Unit: RMB thousand

Non-recurring items	Amount
Gains 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

3.3 GAAP differences between PRC accounting standards and IFRS

☒ applicable ☐ not applicable

Unit: RMB thousand

	PRC GAAP	IFRS
Net profit	5,985,962	7,838,269
Difference explanation	See Section 9.6	

4. Changes In Share Capital And Shareholders Profile
4.1 Changes in share capital

Unit: share

	Before the Change		Increase/decrease this time (+, -)					After the Change	
	Number	Percent age(%)	Issu e of new share s	Bon us share	Co nve rsio n of res erve fund into share s	Ot he rs	Su b-t ota l	Number	Percent age(%)
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.

4.2 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 Investment Company Ltd.	Others	6.13	380,000,000	-	380,000,000	-
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	Others	3.23	200,000,000	-	200,000,000	-

Co., Ltd.						
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			

4.3 Introduction to the controlling shareholder and actual controller

4.3.1 Changes in controlling shareholder and actual controller

☐ applicable ☒ not applicable

4.3.2 Details of 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.

5. Directors, Supervisors, Senior Management and Employees

5.1 Changes in shareholding and remunerations of Directors, Supervisors and Senior Management

5.1.1 Shareholding of Directors, Supervisors and Senior Management

Name	Position	Sex	Age	Date of starting	Shares held at year-be ginning	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 Director	Male	52	May 2006—2009	-	-	-	-

				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 Non-executive Director	Male	49	March 2007 – 2009 Re-election	-	-	-	-
XIAO Shaolian	Chairman of the Supervisory Committee	Male	73	May 2006 – 2009 Re-election	-	-	-	-
SUN Fuxin	Independent Supervisor	Male	68	May 2006 – 2009 Re-election	-	-	-	-
DONG Likun	Independent Supervisor	Male	64	May 2006 – 2009 Re-election	-	-	-	-
DUAN Weihong	Supervisor	Female	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	Fem- ale	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 Directors, Supervisors and Senior Management of the Company aggregately held 19,200,382 units of equity interest in the employees’ investment pool; Jiangnan Industrial held 139,112,886 shares of the Company, while Directors, Supervisors (other than

Mr. Lin Li) and Senior Management of the Company aggregately held 26.54% interests of Jiangnan Industrial.

5.1.2 Remunerations of Directors, Supervisors and Senior Management

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 Shun Peter	Non-executive 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	122.00	-	-	-	122.00

	Director					
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		1,116.80	12,397.29	19,948.68	321.16	33,783.93

and Supervisors						
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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	2,034.120	-	0.48	2,034.60
Total		28,156.50	12,570.59	137.43	40,864.52

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.

5.2 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.

6. Report of the Directors

6.1 Discussion and analysis of operating performance during the reporting period

6.1.1 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 total 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 China Insurance Regulatory Commission (“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 Company, Ltd. (“Ping An Securities”).

In our banking business sector, Ping An Bank Limited (“Ping An Bank”) obtained its license from the China Banking Regulatory Commission (“CBRC”) of providing 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 China Ping An Trust & Investment Co., Ltd. (“Ping An Trust”), a subsidiary of the Company, and HSBC, thereby it will obtain 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.

6.1.2 Principal business and operating performance

In 2006, with our principal operating subsidiaries, namely Ping An Life Insurance Company of China, Ltd. ("Ping An Life"), Ping An Property & Casualty Insurance Company of China, Ltd. ("Ping An Property & Casualty"), Ping An Trust, Ping An Securities, Ping An Bank, Ping An Annuity Insurance Company of China, Ltd. ("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.

6.1.2.1 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

- 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

, 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) Analysis by geographical area

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.

6.1.2.2 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

- 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 the same period 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	11,707,120	69.0	47.5	7,934,777	62.2	20.2

liability insurance						
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

, Analysis by geographical area

In 2006, the top ten regions from which the Company derived premium income of property and casualty insurance business were Guangdong, Shanghai, Beijing, Zhejiang, Jiangsu, Shandong, Liaoning, Hebei, Fujian and Sichuan. Premium income derived from the above top ten regions accounted for 70.9% of our 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
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(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.

6.1.2.3 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.

6.1.2.4 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.

6.1.2.5 Ping An Bank

Ping An Bank obtained an approval from 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.

6.1.2.6 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.

6.1.2.7 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.

6.1.2.8 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.

6.1.2.9 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.

6.1.2.10 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.

6.1.2.11 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 summary:

- 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.

6.1.2.12 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.

6.1.3 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.

6.1.4 The Company's future development prospect

6.1.4.1 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 endeavour to maintain a healthy profit growth and bring stable return to its shareholders.

6.1.4.2 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 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.

6.1.5 Analysis on the financial position and the results of operations

6.1.5.1 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

6.1.5.2 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.

6.1.5.3 Segmental results

(1) Life insurance business

Unit: RMB thousand

Items	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)
Total profit	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

(2) Property and casualty insurance business

Unit: RMB thousand

Items	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 income	665,004	396,004	67.9
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

(3) Banking business

Unit: RMB thousand

Items	2006	2005
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Operating income	246,817	25,136
Net profit	70,689	6,658

(4) Trust business

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

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.

6.1.6 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.

6.1.6.1 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 1999	(20,932)	(18,089)
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.

6.1.6.2 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 of 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.

6.1.6.3 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.

6.1.6.4 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.

6.1.6.5 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%
	5,637	5,132	4,691	6,222

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	23,699	5,252

every year		
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.

6.1.7 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(“the New Accounting Standards for Business Enterprises”), and the Accounting Standards Commission of the Ministry of Finance issued “ the Experts’ Opinions on the 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:

6.1.7.1 Investment

(1) Financial assets at fair value through profit or loss and available-for-sale financial assets

Under the Current Accounting Standards, the Company 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 Company 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. On January 1, 2007, 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 for business enterprises, 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 will 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 requirements in Experts’ Opinions, 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.

6.1.7.2 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 the requirements of Experts' Opinions, the Group made retrospective adjustments for this change to increase claim reserves and to make a corresponding reduction in retained profits. This change has a pre-tax impact to reduce 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 applies the investment yield derived using the Current Accounting Standards.

As explained above in 6.1.7.1 (1), in accordance with the New Accounting Standards, the Company 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, 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 of the Company. 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 the requirements of Experts' Opinions, the Group made retrospective adjustments for this changes to increase policyholders' reserves and to make a corresponding reduction in 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 reduce 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 above-mentioned items, but will have no 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 transfer 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 insurance 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 as at January 1, 2007 under the New Accounting Standards.

6.1.7.3 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 the requirements of Experts' Opinions, the Group made retrospective adjustments to recognize at fair value financial liabilities arising from the derivative financial instruments, and make

corresponding reduction in retained profits. This change has a pre-tax impact to decrease the shareholders' equity as at January 1, 2007 by RMB2,239 thousand.

6.1.7.4 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.

6.1.7.5 Deferred tax

Differences between new and old Accounting Standards in respect of 6.1.7.1 to 6.1.7.4 above will result in a increase in deferred tax liabilities/decrease in deferred tax assets, and a corresponding reduction in retained profits. This change reduces shareholders' equity as at January 1, 2007 by RMB1,131,086 thousand.

6.1.7.6 Shareholders' equity

Differences between new and old Accounting Standards in respect of 6.1.7.1 to 6.1.7.5 above will 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.

6.2 Principal operations classified by industry and products

Please refer to 6.1 above.

6.3 Principal operations classified by geographical location

Please refer to 6.1 above.

6.4 Use of subscription proceeds

applicable ☒ not applicable

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.

6.5 The use of funds other than subscription proceeds

☐ applicable ☒ not applicable

6.6 The Board of directors' explanation on the "non-standard opinion" given by the auditors

☐ applicable ☒ not applicable

6.7 Profit appropriation plan

Pursuant to the Articles of Association of Ping An Insurance (Group) Company of China, Ltd. (the "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.

The Company made profits in the reporting period but does not put forward a cash profit distribution plan
☐applicable ☒not applicable

7. Significant events

7.1 Acquisition of assets

☒applicable ☐not applicable

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.

7.2 Disposal of assets

☐ applicable ☒ not applicable

7.3 Significant guarantees

☒ applicable ☐ not applicable

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 he 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	-

7.4 Significant connected transactions

☐ applicable ☒ not applicable

7.4.1 Connected transactions related to daily business

☐ applicable ☒ not applicable

7.4.2 Connected credit and debt

☐ applicable ☒ not applicable

7.4.3 Particulars of embezzled funds and the status of repayment in 2006

☐ applicable ☒ not applicable

Particulars of newly embezzled funds in the reporting period

☐ applicable ☒ not applicable

Accountability measures proposed by the board of directors for listed companies that had not completed the repayment of embezzled non-operational funds at the end of 2006

☐ applicable ☒ not applicable

7.5 Asset management on trust

☐ applicable ☒ not applicable

7.6 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.

7.6.1 Undertakings made by original shareholders of unlisted shares during the share reform and its implementation

☐applicable ☒not applicable

Changes in number of tradable shares with unrestricted disposal conditions held by original shareholders of unlisted shares whose shareholding exceeded 5% at the end of the reporting period

☐applicable ☒not applicable

7.6.2 Share reform schedule for companies which have not conducted share reform

☐applicable ☒not applicable

7.7 Significant litigation or arbitration

☐applicable ☒not applicable

8. Report of the supervisory committee

The Supervisory Committee is in the opinion that the Company operates lawfully and there is nothing that should be brought to the attention of shareholders in relation to the Company's financial condition, its use of subscription proceeds, its acquisition and disposal of assets and connected transactions.

9. Audited Financial Statements

9.1 Audit Opinion

Financial statements	☐ Unaudited ☒ Audited
Audit Opinion	☒ Standard unqualified opinion ☐ Non-standard opinion

9.2 Consolidated and parent company's balance sheet, income statement and profit appropriation statement and cash flow statement (see appendix i to appendix viii)

9.3 Changes in accounting estimates

(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.

(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.

9.4 The description, revised amounts, reasons and impact of significant accounting errors

No correction for significant accounting errors was made during the reporting period.

9.5 Changes in consolidation

During the reporting period, the Group has newly incorporated subsidiaries such as Shenzhen Commercial Bank Co., Ltd., China Ping An Asset Management (Hong Kong) Company Limited and Pan-China Real Estate (Jingzhou) Co., Ltd. into its accounts.

9.6 Reconciliation of GAAP Differences between PRC Accounting Standard and IFRS

The material GAAP differences between PRC Accounting Standards and IFRS in preparing financial statements are as follows:

Unit: RMB thousand

Consolidated net profit (excluding minority interests)	Notes	2006	2005
Financial statements prepared in accordance with PRC Accounting Standard		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		100,418	(7,018)
Financial statements prepared in accordance with IFRS		7,838,269	4,226,082

Unit: RMB thousand

Consolidated equity (excluding minority interests)	Notes	December 31, 2006	December 31, 2005
Financial statements prepared in accordance with PRC Accounting Standard		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		(176,744)	(202,696)
Financial statements prepared in accordance with IFRS		46,375,522	32,996,490

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.

9.7 Auditor's review opinions on reconciliation statement for shareholders' equity differences between new and old prc accounting standards

9.7.1 Auditor's review report

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

9.7.2 Reconciliation statement for equity differences between new and old PRC Accounting Standards

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.

Unit: RMB thousand

Items	Notes	Details	Amount
		Shareholders’ equity as at December 31, 2006 (Old Accounting Standards)	36,667,865
1	2	Long-term equity investment differences	57,705
2	3	Financial assets at fair value through profit or loss and available-for-sale financial assets	16,937,493
3	4	Derivative financial instruments	(2,239)
4	5	Policyholders’ reserves	(5,726,528)
5	6	Claim reserves	(1,401,149)
6	7	Land use rights	(56,485)
7	8	Income tax	(1,131,086)
8	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	10	Changes in presentation of minority interests	1,366,391
		Shareholders’ equity as at January 1, 2007 (New Accounting Standards)	46,625,686

Notes

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, 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:

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.

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.

Minority interests are adjusted in accordance with the New Accounting Standards and disclosed as a separate item in the reconciliation statement.

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.

(3) Financial assets at fair value through profit or loss and available-for-sale financial assets
(Continued)

In accordance with 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.

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.

(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.

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

April 11, 2007

Appendix I:
Consolidated Balance Sheet of Ping An Insurance (Group) Company of China, Ltd.
December 31, 2006
in RMB thousand

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash on hand	347,282	14,150
Cash at bank	89,788,851	80,290,899
Balances with clearing companies	1,134,759	176,987
Precious metal	111,001	-
Balances with central bank	7,713,643	20,271
Due from banks and other financial institutions	2,840,207	426,491
Short-term investments	24,148,945	16,532,789
Placements with banks and other financial institutions	1,727,381	131,394
Short-term loans	10,709,388	400,882
Policy loans	1,380,990	864,483
Assets purchased under agreements to resell	6,950,915	-
Discounted bills	12,633,786	-
Bills negotiation of export and import L/C	317,596	-
Interest receivables	609,230	438,098
Premium receivables	3,072,759	748,808
Receivables from reinsurers	787,042	720,124
Prepaid claims	135,229	226,016
Reinsurance deposits	43	44
Deposits with stock and futures exchanges	74,047	42,120
Other receivables	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	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	13,387,680	3,006,663
Consolidation surplus	599,497	330,433
Long-term bond investments	192,024,584	151,965,803
Long-term fund investments	<u>5,193,156</u>	<u>6,977,965</u>
Total long-term investments	<u>211,204,917</u>	<u>162,280,864</u>
Medium to long-term loans	24,240,288	129,667
Overdue loans	895,441	-
Non-accrual loans	2,785,888	93,550
Less: Loan loss provisions	(2,430,726)	(93,550)
Fixed assets:		
Fixed assets, at cost	9,153,167	7,070,964
Less: accumulated depreciation	<u>(2,932,216)</u>	<u>(2,234,777)</u>
Fixed assets, net	6,220,951	4,836,187
Less: impairment losses	<u>(191,972)</u>	<u>(323,275)</u>
Fixed assets, net	6,028,979	4,512,912
Construction in progress	1,233,773	1,318,974

Fixed assets disposal	(819)	(73)
Total fixed assets	7,261,933	5,831,813
INTANGIBLE ASSETS AND OTHER ASSETS:		
Intangible assets	158,506	151,583
Long-term deferred expenses	60,818	36,915
Statutory deposits	1,520,000	1,240,000
Repossessed assets	463,871	7,834
Other long-term assets	29,384	38,839
Separate account assets	24,931,681	15,897,584
Total intangible assets and other assets	27,164,260	17,372,755
DEFERRED TAX:		
Deferred tax assets	630,100	20,487
Total assets	441,791,056	288,103,742
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term borrowings	526,710	-
Short-term deposits	50,626,577	18,077
Short-term saving deposits	10,725,197	-
Due to banks and other financial institutions	3,464,731	36,376
Placements from banks and other financial institutions	991,705	-
Assets sold under agreements to repurchase	13,436,183	7,095,400
Handling charges payable	117,714	76,166
Commission payable	776,008	556,731
Due to reinsurers	746,051	532,903
Premium received in advance	1,351,586	1,879,808
Deposits from reinsurers	614	58,121
Guarantee deposits	5,484,740	76,664
Inward and outward remittances	248,673	-
Interest payable	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	81,018	75,909
Taxes payable	1,119,832	672,725
Other payables	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	81,857	60,110
Customer deposits	3,750,122	1,729,716
Other current liabilities	190,772	-
Long-term liabilities due within one year	1,577,482	-
Total current liabilities	118,944,551	28,896,914
LONG-TERM LIABILITIES:		
Long-term deposits	3,043,310	-
Long-term saving deposits	454,522	-
Long-term guarantee deposits	49,386	-
Long-term borrowings	155,000	-
Long-term unearned premium reserves	2,408,042	2,413,790
Policyholders' reserves for life insurance	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	24,931,681	15,897,584
Including: Separate account reserves	19,812,450	15,276,242
Total long-term liabilities	284,927,762	226,017,982
Total liabilities	403,872,313	254,914,896
MINORITY INTERESTS		
	1,250,878	524,840
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	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>

Appendix II:
Ping An Insurance (Group) Company of China, Ltd.
Consolidated Income Statement and Profit Appropriation Statement
2006
in RMB thousand

	<u>2006</u>	<u>2005</u>
Underwriting income		
Premium income	85,954,952	71,609,012
Reinsurance premium income	28,447	16,112
Less: Premium ceded to reinsurers	<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	(10,721,175)	(8,221,809)
Less: Claims recoverable from reinsurers	2,446,436	2,475,359
Subrogation income	45,617	48,974
Claims for reinsurance accepted	(8,645)	(3,851)
Payments on death and medical claims	(1,086,421)	(982,244)
Payments on maturities	(3,034,671)	(3,263,281)
Payments on annuities	(2,770,432)	(2,446,820)
Payments on surrenders	(8,493,282)	(6,956,103)
Expenses for reinsurance accepted	(3,983)	(2,093)
Handling charges	(1,831,898)	(963,581)
Commission expenses	(6,242,087)	(4,962,019)
Business tax and surcharges	(1,644,692)	(909,742)
Operating expenses	(9,759,034)	(7,033,277)
Less: Expenses recoverable from reinsurers	1,548,494	1,370,793
Provision for insurance guarantee fund	<u>(270,560)</u>	<u>(209,280)</u>
Total underwriting expenses	<u>(41,826,333)</u>	<u>(32,058,974)</u>
Changes in reserves		
Provision for claim reserves	(6,155,458)	(4,928,257)
Less: Write-back of claim reserves	4,928,257	3,874,137
Provision for unearned premium reserves	(8,702,315)	(6,240,733)
Less: Write-back of unearned premium	6,240,733	4,868,859
Provision for long-term unearned premium	(2,408,042)	(2,413,790)
Less: Write-back of long-term unearned premium reserves	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	16,080	115,500
Investment income	18,513,069	5,885,130
Interest income	3,847,041	3,882,770
Income from assets purchased under agreements to resell	27,974	338
Commission income	475,085	175,327
Securities underwriting income	139,665	79,355
Foreign exchange losses	(480,027)	(407,790)
Less: Interest expenses	(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	<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>

Appendix III:
Ping An Insurance (Group) Company of China, Ltd.
Consolidated Profit Appropriation Statement
2006
in RMB thousand

	<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	(599,682)	(333,843)
Appropriation to statutory public	-	(166,921)
Appropriation to general risk provision	(16,752)	-
Appropriation to general provision	(40,954)	(35,679)
Appropriation to loss provision for trust	<u>(28,774)</u>	<u>-</u>
Profit available for distribution to	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>

Appendix IV:
Ping An Insurance (Group) Company of China, Ltd.
Consolidated Cash Flow Statement
2006
in RMB thousand

	<u>2006</u>	<u>2005</u>
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	<u>2,364,544</u>	<u>122,137</u>
Sub-total of cash inflows	<u>96,829,403</u>	<u>69,544,704</u>
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	<u>(5,888,193)</u>	<u>(4,017,805)</u>
Sub-total of cash outflows	<u>(59,471,689)</u>	<u>(37,654,623)</u>

Net cash flows from operating	<u>37,357,714</u>	<u>31,890,081</u>
	<u>2006</u>	<u>2005</u>
II. Cash flows from investing activities:		
Proceeds from sales and redemption of	98,077,329	31,515,858
Dividends received	2,485,967	266,794
Interest received from bonds other than	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	4,372,129	-
Cash received from other investing activities	<u>20,222</u>	<u>-</u>
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	(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	<u>(1,087,056)</u>	<u>(281,242)</u>
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	<u>255,130,266</u>	<u>119,455,013</u>
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	<u>(249,252,966)</u>	<u>(113,041,668)</u>
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	<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>
	<u>2006</u>	<u>2005</u>
3. 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>
4. Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at end of year	45,950,704	17,542,446
Less: Cash and cash equivalents at beginning of year	<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>

Appendix V:
Ping An Insurance (Group) Company of China, Ltd.
Balance Sheet of the Parent Company
December 31, 2006
in RMB thousand

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash on hand	207	110
Cash at bank	3,915,871	11,752,868
Short-term investments	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	<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	26,646,054	17,960,034
Long-term bond investments	1,534,666	828,947
Long-term fund investments	<u>21,958</u>	<u>-</u>
Total long-term investments	<u>28,202,678</u>	<u>18,788,981</u>
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>
<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	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>

Appendix VI:
Ping An Insurance (Group) Company of China, Ltd.
Income Statement of the Parent Company
2006
in RMB thousand

	<u>2006</u>	<u>2005</u>
Operating expenses		
Business tax and surcharges	(23,911)	(2,411)
Operating expenses	<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	6,559,054	3,205,779
Interest income	382,959	581,198
Income from assets purchased under agreements	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>

Appendix VII:
Ping An Insurance (Group) Company of China, Ltd.
Profit Appropriation Statement of the Parent Company
2006
in RMB thousand

	<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	(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	<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>

Appendix VIII:
Ping An Insurance (Group) Company of China, Ltd.
Cash Flow Statement of the Parent Company
2006
in RMB thousand

	<u>2006</u>	<u>2005</u>
I. Cash flows from operating activities:		
Cash received from other operating activities	<u>18</u>	<u>1,821</u>
Sub-total of cash inflows	<u>18</u>	<u>1,821</u>
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	<u>(93,304)</u>	<u>(1,524,777)</u>
Sub-total of cash outflows	<u>(320,613)</u>	<u>(1,752,385)</u>
Net cash flows from operating activities	<u>(320,595)</u>	<u>(1,750,564)</u>
	<u>2006</u>	<u>2005</u>
II. Cash flows from investing activities:		
Proceeds from sales and redemption of	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	<u>3,585</u>	<u>-</u>
Sub-total of cash inflows	<u>48,039,775</u>	<u>25,426,332</u>
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	(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	<u>(7,017,681)</u>	<u>(1,680,000)</u>
Sub-total of cash outflows	<u>(44,786,008)</u>	<u>(28,767,346)</u>

Net cash flows from investing activities	<u>3,253,767</u>	<u>(3,341,014)</u>
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	<u>17,123,315</u>	<u>7,715,838</u>
Sub-total of cash inflows	<u>17,668,842</u>	<u>7,990,225</u>
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	<u>(25,288)</u>	<u>-</u>
Sub-total of cash outflows	<u>(19,784,079)</u>	<u>(7,939,457)</u>
Net cash flows from financing activities	<u>(2,115,237)</u>	<u>50,768</u>
IV. Effect of changes in foreign exchange rate on	<u>(7,380)</u>	<u>(1,914)</u>
V. Net increase/(decrease) in cash and cash	<u>810,555</u>	<u>(5,042,724)</u>
	<u>2006</u>	<u>2005</u>

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	<u>634,256</u>	<u>(1,309,809)</u>
Net cash flows from operating activities	<u>(320,595)</u>	<u>(1,750,564)</u>

2. Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at end of year	3,447,742	2,637,187
Less: Cash and cash equivalents at beginning of year	<u>(2,637,187)</u>	<u>(7,679,911)</u>
Net increase/(decrease) in cash and cash equivalents	<u>810,555</u>	<u>(5,042,724)</u>