

**中国平安保险(集团)股份有限公司**  
PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.  
*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 2318)**

**OVERSEAS REGULATORY ANNOUNCEMENT**  
**- THIRD QUARTER RESULTS**

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The third quarter financial report for 2007 of the Company is prepared in accordance with PRC Accounting Standards and has not been audited.

October 25, 2007

*As at the date of this announcement, the Executive Directors of the Company are Ma Mingzhe, Sun Jianyi and Cheung Chi Yan Louis, the Non-executive Directors are Lin Yu Fen, Cheung Lee Wah, Anthony Philip HOPE, Fan Gang, Lin Lijun, Hu Aimin, Chen Hongbo, Wong Tung Shun Peter and Ng Sing Yip, and the Independent Non-executive Directors are Bao Youde, Kwong Che Keung Gordon, Cheung Wing Yui and Chow Wing Kin Anthony, Zhang Hongyi, Chen Su and Xia Liping.*



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

**中国平安保险（集团）股份有限公司**

**Third Quarter Report 2007  
(Stock Code: 601318)**

**October 25, 2007**

## §1 Important Notice

- 1.1 The Board of Directors, the Supervisory Committee and the directors, supervisors and senior management of the Company undertake that there are no misrepresentation, misleading statement, or material omission contained in the Report and accept joint and several responsibility for the authenticity, accuracy and completeness of the contents of the Report.
- 1.2 The Board meeting should be attended by 19 directors. 17 directors attended in person and 2 directors attended by proxy. (Mr. CHEN Su appointed Mr. CHOW Wing Kin Anthony, as his proxy to attend the meeting and vote, Mr. WONG Tung Shun Peter appointed Mr. NG Sing Yip, as his proxy attend the meeting and vote. )
- 1.3 The third quarter financial report of the Company is unaudited.
- 1.4 Mr. MA Mingzhe, Chairman and Chief Executive Officer, Mr. CHEUNG Chi Yan Louis, President and Chief Financial Officer, and Mr. MAK, Wai Lam William, Deputy Chief Financial Officer, confirm the authenticity and completeness of the financial statement in the Quarter Report.
- 1.5 This report is prepared in both Chinese and English. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

## §2 Basic Information of the Company

### 2.1 Major financial information and financial indicators

	As at Sep 30, 2007	As at Dec 31, 2006	Increase/decrease compared to prior year end (%)
Total assets (RMB million)	623,722	463,288	34.6
Total equity <sup>(1)</sup> (RMB million)	103,235	45,260	128.1
Net assets per share <sup>(1)</sup> (RMB)	14.06	7.31	92.3
	For the nine months ended Sep 30,2007		Increase/decrease compared to the same period last year (%)
Net cash flows from operating activities (RMB million)	19,778		(40.7)
Net cash flows per share from operating activities (RMB)	2.79		(48.1)
	For the three months ended Sep 30, 2007	For the nine months ended Sep 30, 2007	Increase/decrease compared to the reporting period last year (%)
Net profit <sup>(1)</sup> (RMB million)	3,616	11,679	347.5
Earnings per share - basic (RMB)	0.49	1.65	276.9
Earnings per share based on net profit after deducting non-recurring items - basic (RMB)	-	1.60	-
Earnings per share - diluted (RMB)	0.49	1.65	276.9
Return on net assets (fully diluted) <sup>(1)</sup> (%)	3.5	11.3	Increase by 1.3 percentage points

Return on net assets based on net profit after deducting non-recurring items (fully diluted) <sup>(1)</sup> (%)	3.5	11.0	Increase by 1.3 percentage points
Non-recurring items		For the nine months ended Sep 30, 2007 (RMB million)	
Gains or losses on disposal of non-current assets	349		
Non operating income and expenses other than those mentioned above, net	62		
Tax impact	(67)		
Minority's share	(37)		
Total	307		

(1) Based on the amount attributable to shareholders of the parent company.

## 2.2 Total number of shareholders and top ten holders of listed shares not subject to trading moratorium as at the end of the reporting period

Unit: Shares

Total number of shareholders at the end of the reporting period (shareholders)	Total number of shareholders was 100,057, of which 94,064 were holders of A shares and 5,993 were holders of H shares	
Particulars of top ten holders of listed shares not subject to trading moratorium		
Name of shareholders	Number of listed shares not subject to moratorium held at the end of the reporting period	Class of shares
HSBC Insurance Holdings Limited	618,886,334	H Share
The Hongkong and Shanghai Banking Corporation Limited	613,929,279	H Share
The Dai-ichi Mutual Life Insurance Company	49,333,334	H Share
ICBC - Lion Stock Securities Investment Fund	24,305,518	A Share
ICBC - Boseru Third Industry Growth Stock Securities Investment Fund	14,003,401	A Share
ICBC - INVESCO Great Wall Selected Blue Chip Stock Securities Investment Fund	13,542,339	A Share
China Life Insurance Company Limited – Traditional – Ordinary Insurance Product – 005L – CT001 – Shanghai	13,077,800	A Share
CCB – Yinhua Core Value Selected Stock Securities Investment Fund	12,350,543	A Share
CCB – Bank of Communications Schroder Blue Chip Stock Securities Investment Fund	10,748,161	A Share
ICBC – China Universal Growth Focus Stock Securities Investment Fund	10,577,452	A Share

## §3 Significant Events

**3.1 Particulars on material change of significant financial statements and financial indicators**
**of the Company and reasons therefore**

 ✓ applicable  not applicable

Unit: RMB million

<b>Balance Sheet</b>	<b>As at Sep 30, 2007</b>	<b>As at Dec 31, 2006</b>	<b>Change (%)</b>	<b>Main reasons</b>
Held-for-trading financial assets	64,585	44,003	46.8	Expansion of investment scale
Loans and advances to customers	68,651	49,152	39.7	Expansion of banking businesses
Term deposits	41,043	65,416	(37.3)	Due to maturity and decrease of term deposits investment
Available-for-sale financial assets	153,085	95,200	60.8	Expansion of investment scale
Long-term equity investments	1,841	415	343.6	Increase in investment
Investment properties	3,731	1,660	124.8	Increase in investment properties due to consolidation of Shenzhen CITIC City Plaza Investment Co., Ltd.
Customer brokerage deposits	11,988	3,750	219.7	Expansion of securities business
Long-term borrowings	1,625	155	948.4	Increase in long-term borrowings by a subsidiary
Capital reserve	71,506	23,246	207.6	A shares issued at a premium and increase in fair value of available-for-sale financial assets
Retained profits	16,968	9,182	84.8	Due to net profit for the period
<b>Income Statement</b>	<b>For the three months ended Sep 30, 2007</b>	<b>For the three months ended Sep 30, 2006</b>	<b>Change (%)</b>	<b>Main reasons</b>
Net interest income from banking business	620	11	5,536.4	Expansion of banking businesses
Investment income	17,018	4,442	283.1	Expansion of investment assets and higher investment yield
Gains from changes in fair values	5,342	(983)	Not applicable	Increase in fair value of held-for-trading financial assets
Change in insurance contract reserves	23,034	10,705	115.2	Change in life insurance contract reserves increased
Policyholder dividends	426	(737)	Not applicable	The special dividend reserves which were recorded under policyholders' dividend before were reclassified under policyholders' reserves during the same period last year
General and administrative expenses	5,148	2,153	139.1	Expansion of business scale

Impairment losses	235	108	117.6	Increase of loan loss provision in banking businesses
Net profit	3,739	825	353.2	Three major business lines, including insurance, banking and asset management businesses, all recorded substantial increases in net profit.

### 3.2 Explanation and analysis of significant events and their impacts and solutions

applicable  not applicable

### 3.3 Implementation of undertakings by the Company, its shareholders and effective controller

applicable  not applicable

### 3.4 Forecast on possible loss on accrued net profit for the period from the beginning of the year to the end of next reporting period or warning on significant change from the same period last year and the reasons therefore

applicable  not applicable

### 3.5 Other significant events

#### 3.5.1 Equity investments of other listed companies

applicable  not applicable

As at the end of the reporting period, the Company together with its subsidiaries had the following interests in the equity investments of other listed companies (the top ten equity investments are listed in sequence based on initial investment cost):

Serial No.	Stock code	Abbreviation	Number of shares held (million)	Initial investment cost (RMB million)	Percentage of the share capital of the company	Accounting items
1	600016	Minsheng Bank	721	5,501	5.20%	Available-for-sale financial assets
			32	138		Held-for-trading financial assets
2	HK1088	China Shenhua	6	149	0.44%	Available-for-sale financial assets
	601088		60	2,210		Available-for-sale financial assets
			21	789		Held-for-trading financial assets
3	600000	Shanghai Pudong Development Bank of China	197	2,228	4.92%	Available-for-sale financial assets
			17	206		Held-for-trading financial assets
4	HK0939	China	80	218	0.18%	Available-for-sale financial assets

	601939	Construction Bank	210	1,357		Available-for-sale financial assets
			122	802		Held-for-trading financial assets
5	HK1398	Industrial and Commercial Bank of China	62	273	0.13%	Available-for-sale financial assets
	601398		353	1,100		Available-for-sale financial assets
			6	34		Held-for-trading financial assets
6	HK3988	Bank of China	260	750	0.14%	Available-for-sale financial assets
	601988		91	280		Available-for-sale financial assets
7	HK2628	China Life Insurance	17	526	0.15%	Available-for-sale financial assets
	601628		24	444		Available-for-sale financial assets
			1	54		Held-for-trading financial assets
8	601006	Daqin railway	140	692	1.09%	Available-for-sale financial assets
			2	14		Held-for-trading financial assets
9	000002	Wanke A	86	615	1.29%	Available-for-sale financial assets
			3	32		Held-for-trading financial assets
10	600048	Poly Real Estate	6	268	1.06%	Available-for-sale financial assets
			7	347		Held-for-trading financial assets
<b>Total</b>				<b>19,027</b>		

### 3.5.2 Interest of unlisted financial company

✓ applicable     not applicable

As at the end of the reporting period, China Ping An Trust & Investment Co., Ltd. , a subsidiary of the Company, had the following interest of unlisted financial company:

Company name	Initial investment cost (RMB million)	Number of shares held (million)	Percentage of the share capital of the company	Net book value(in RMB million)
Xingye Securities Co., Ltd.	9	7	0.77%	4

Chairman and Chief Executive Officer    MA Mingzhe

The Board of Directors of  
 Ping An Insurance (Group) Company of China, Ltd.  
 October 25, 2007

**§4 Appendix:**

**PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2007**  
**(in RMB million)**

	2007-9-30 (Unaudited)	2006-12-31 (Audited)
<b>ASSETS</b>		
Cash on hand and at bank	104,374	42,585
Balances with clearing companies	4,772	875
Precious metal	-	111
Placements with banks and other financial institutions	660	1,727
Held-for-trading financial assets	64,585	44,003
Derivative financial assets	17	21
Financial assets purchased under agreements to resell	18,650	7,251
Interest receivables	5,044	3,249
Premium receivables	4,328	3,073
Receivable from reinsurers	2,053	795
Unearned premium reserves receivable from reinsurers	2,797	2,437
Claim reserves receivable from reinsurers	2,204	1,724
Policyholders' reserves for life insurance receivable from	6	-
Long-term reserves for health insurance receivable from	6	-
Policy loans	2,153	1,381
Loans and advances to customers	68,651	49,152
Deposits with stock and futures exchanges	990	334
Term deposits	41,043	65,416
Available-for-sale financial assets	153,085	95,200
Held-to-maturity investments	129,090	129,250
Long-term equity investments	1,841	415
Goodwill	475	409
Statutory deposits	1,560	1,520
Investment properties	3,731	1,660
Fixed assets	6,782	4,552
Intangible assets	917	940
Deferred tax assets	447	888
Other assets	3,461	4,320
<b>Total assets</b>	<b>623,722</b>	<b>463,288</b>



<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Short-term borrowings	1,358	527
Due to banks and other financial institutions	7,297	3,465
Guarantee deposits	6,468	5,485
Placements from banks and other financial institutions	1,160	992
Derivative financial liabilities	384	178
Assets sold under agreements to repurchase	17,914	14,573
Customer bank deposits	62,872	66,725
Customer brokerage deposits	11,988	3,750
Premiums received in advance	669	1,352
Handling charges and commission payable	1,185	894
Due to reinsurers	2,490	746
Salary and welfare payable	5,481	2,133
Taxes payable	1,641	1,166
Interest payable	475	287
Claim payable	4,251	3,981
Policyholder dividends payable	5,039	4,107
Policyholder deposits and investments	5,570	4,049
Unearned premium reserves	15,628	12,937
Claim reserves	7,778	6,480
Policyholders' reserves for life insurance	313,429	248,574
Long-term reserves for health insurance	35,547	30,694
Long-term borrowings	1,625	155
Deferred tax liabilities	5,721	1,441
Other liabilities	2,815	1,971
<b>Total liabilities</b>	<b>518,785</b>	<b>416,662</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	7,345	6,195
Capital reserve	71,506	23,246
Surplus reserves	6,928	6,120
General risk provision	517	517
Retained profits	16,968	9,182
Foreign currency translation differences	(29)	-
<b>Attributable to equity holders of the parent</b>	<b>103,235</b>	<b>45,260</b>
Minority interests	1,702	1,366
<b>Total shareholders' equity</b>	<b>104,937</b>	<b>46,626</b>
<b>Total liabilities and shareholders' equity</b>	<b>623,722</b>	<b>463,288</b>

MA Mingzhe

 Chairman and  
 Chief Executive Officer

CHEUNG Chi Yan Louis

 President and  
 Chief Financial Officer

MAK, Wai Lam William

Deputy Chief Financial Officer

**PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007**  
 (in RMB million)

	For the three	For the nine	For the three	For the nine
	months ended	months ended	months ended	months ended
	Sep 30, 2007	Sep 30, 2007	Sep 30, 2006	Sep 30, 2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>1. Operating income</b>	<b>45,051</b>	<b>129,102</b>	20,836	75,463
<b>Earned premiums</b>	<b>21,213</b>	<b>70,393</b>	17,238	58,718
Premium income	<b>22,307</b>	<b>76,192</b>	18,397	64,397
Including: reinsurance premium income	<b>18</b>	<b>65</b>	18	25
Less: Premium ceded to reinsurers	<b>(868)</b>	<b>(3,468)</b>	(954)	(3,420)
Provision for unearned premium reserves	<b>(226)</b>	<b>(2,331)</b>	(205)	(2,259)
<b>Net interest income from banking business</b>	<b>620</b>	<b>1,647</b>	11	32
Interest income from banking operations	<b>1,016</b>	<b>2,732</b>	16	38
Interest expense of banking operations	<b>(396)</b>	<b>(1,085)</b>	(5)	(6)
<b>Net income from fees and commission</b>	<b>660</b>	<b>1,804</b>	95	283
Fees and commission income	<b>781</b>	<b>2,138</b>	102	320
Fees and commission expenses	<b>(121)</b>	<b>(334)</b>	(7)	(37)
Investment income	<b>17,018</b>	<b>46,142</b>	4,442	13,244
Gains from changes in fair values	<b>5,342</b>	<b>8,436</b>	(983)	3,018
Foreign exchange losses	<b>(132)</b>	<b>(467)</b>	(157)	(287)
Other operating income	<b>330</b>	<b>1,147</b>	190	455
<b>2. Operating expenses</b>	<b>(41,162)</b>	<b>(116,726)</b>	(20,075)	(70,275)
Surrenders	<b>(3,804)</b>	<b>(9,723)</b>	(1,966)	(5,876)
Claim paid	<b>(5,847)</b>	<b>(17,638)</b>	(4,537)	(12,351)
Less: Reinsurers' share of claims paid	<b>563</b>	<b>1,730</b>	642	1,774
Change in insurance contract reserves	<b>(23,034)</b>	<b>(67,983)</b>	(10,705)	(40,726)
Less: Reinsurers' share of insurance contract reserves	<b>144</b>	<b>492</b>	22	31
Policyholder dividends	<b>(426)</b>	<b>(1,323)</b>	737	(977)
Expenses for reinsurance accepted	<b>(3)</b>	<b>(10)</b>	(1)	(2)
Business tax and surcharges	<b>(1,055)</b>	<b>(2,797)</b>	(459)	(1,233)

Handling charges and commission expenses related to insurance business	(2,445)	(8,111)	(1,836)	(5,768)
General and administrative expenses	(5,148)	(11,719)	(2,153)	(6,139)
Less: Expenses recoverable from reinsurers	237	912	333	1,255
Other operating expenses	(109)	(304)	(44)	(110)
Impairment losses	(235)	(252)	(108)	(153)
<b>3. Operating profit</b>	<b>3,889</b>	<b>12,376</b>	761	5,188
Add: Non-operating income	5	440	12	28
Less: Non-operating expenses	21	(29)	(10)	(27)
<b>4. Profit before tax</b>	<b>3,915</b>	<b>12,787</b>	763	5,189
Less: Income tax	(176)	(722)	62	(358)
<b>5. Net profit</b>	<b>3,739</b>	<b>12,065</b>	825	4,831
Attributable to equity holders of the parent	3,616	11,679	808	4,753
Minority interests	123	386	17	78
<b>6. Earnings per share</b>				
Earnings per share-basic	0.49	1.65	0.13	0.77
Earnings per share-diluted	0.49	1.65	0.13	0.77

MA Mingzhe

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 Chairman and  
 Chief Executive Officer

CHEUNG Chi Yan Louis

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 President and  
 Chief Financial Officer

MAK, Wai Lam William

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 Deputy Chief Financial Officer

**PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007**  
**(in RMB million)**

	For the nine months ended Sep 30, 2007	For the nine months ended Sep 30, 2006
	(Unaudited)	(Unaudited)
<b>1. Cash flows from operating activities:</b>		
Premiums received from direct business	74,139	61,511
Net cash from reinsurance business	(321)	(278)
Increase in policyholder deposits and investments	1,131	513
Increase/(decrease) in customer bank deposits and due to banks and other financial institutions	(21)	483
Increase in placement from other financial institutions	816	79
Cash received from interest, fees and commission income	4,729	283
Net increase in placements from banks and other financial institutions	168	-
Cash received from other operating activities	10,400	901
<b>Sub-total of cash inflows</b>	<b>91,041</b>	63,492
Direct business claims paid	(17,252)	(11,829)
Policyholder dividends paid	(391)	(153)
Net increase in loans and advances to customers	(19,383)	(2)
Net increase in deposits with central bank and other financial institutions	(3,627)	(550)
Interest, handling charges and commission paid	(9,389)	(5,690)
Cash paid to and for employees	(3,944)	(2,757)
Cash paid for taxes and surcharges	(3,366)	(1,146)
Cash paid for other operating activities	(13,911)	(8,040)
<b>Sub-total of cash outflows</b>	<b>(71,263)</b>	(30,167)
<b>Net cash flows from operating activities</b>	<b>19,778</b>	33,325
<b>2. Cash flow from investing activities</b>		
Cash received from sales and redemption of investments	267,264	71,066
Cash received from returns on investment	12,862	6,580
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	92	186

<b>Sub-total of cash inflows</b>	<b>280,218</b>	77,832
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(2,075)	(1,122)
Cash paid for acquisition of investments	(257,260)	(96,357)
Increase in policy loans, net	(772)	(356)
Acquisition of a subsidiary	(382)	-
Acquisition of minority interest in a subsidiary	(229)	-
Cash paid for other investing activities	-	(357)
<b>Sub-total of cash outflows</b>	<b>(260,718)</b>	(98,192)
<b>Net cash flows from investing activities</b>	<b>19,500</b>	(20,360)
<b>3. Cash flows from financing activities</b>		
Cash received from capital contributions	38,222	76
Cash received from borrowings	982	955
Cash received from other financing activities	3,341	-
<b>Sub-total of cash inflows</b>	<b>42,545</b>	1,031
Cash paid for distribution of dividends and interest	(3,617)	(2,022)
Including dividends paid to minority shareholders	(34)	(78)
Cash paid for other financing activities	-	(4,502)
<b>Sub-total of cash outflows</b>	<b>(3,617)</b>	(6,524)
<b>Net cash flows from financing activities</b>	<b>38,928</b>	(5,493)
<b>4. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<b>(96)</b>	(295)
<b>5. Net increase in cash and cash equivalents</b>	<b>78,110</b>	7,177
Add: Beginning balance of cash and cash equivalents	47,327	25,488
<b>6. Ending balance of cash and cash equivalents</b>	<b>125,437</b>	32,665

MA Mingzhe  
 \_\_\_\_\_  
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 Chief Executive Officer

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 \_\_\_\_\_  
 President and  
 Chief Financial Officer

MAK, Wai Lam William  
 \_\_\_\_\_  
 Deputy Chief Financial Officer

**PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.**
**BALANCE SHEET**
**SEPTEMBER 30, 2007**
**(in RMB million)**

	2007-9-30 (Unaudited)	2006-12-31 (Unaudited)
<b>ASSETS</b>		
Cash on hand and at bank	46,478	3,139
Held-for-trading financial assets	5,527	5,458
Interest receivables	93	29
Term deposits	824	776
Available-for-sale financial assets	4,940	4,227
Long-term equity investments	17,868	17,368
Fixed assets	67	69
Intangible assets	13	18
Other assets	827	422
<b>Total assets</b>	<b>76,637</b>	<b>31,506</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Placements from banks and other financial institutions	1,236	820
Assets sold under agreements to repurchase	3,290	-
Salary and welfare payable	1,627	586
Taxes payable	168	75
Deferred tax liabilities	93	93
Other liabilities	114	146
<b>Total liabilities</b>	<b>6,528</b>	<b>1,720</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	7,345	6,195
Capital reserve	52,718	15,731
Surplus reserves	5,429	4,969
General risk provision	395	395
Retained profits	4,222	2,496
<b>Total shareholders' equity</b>	<b>70,109</b>	<b>29,786</b>
<b>Total liabilities and shareholders' equity</b>	<b>76,637</b>	<b>31,506</b>

MA Mingzhe

CHEUNG Chi Yan Louis

MAK, Wai Lam William

 Chairman and  
 Chief Executive Officer

 President and  
 Chief Financial Officer

Deputy Chief Financial Officer

**PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.**
**INCOME STATEMENT**
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007**
**(in RMB million)**

	For the three months	For the nine months	For the three months	For the nine months
	ended Sep 30, 2007	ended Sep 30, 2007	ended Sep 30, 2006	ended Sep 30, 2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>1. Operating income</b>	<b>1,576</b>	<b>6,918</b>	172	5,479
Investment income	1,170	6,048	150	5,363
Gains from changes in fair values	364	723	27	96
Foreign exchange losses	9	(16)	(11)	(16)
Other operating income	33	163	6	36
<b>2. Operating expenses</b>	<b>(946)</b>	<b>(1,504)</b>	(186)	(454)
Business tax and surcharges	(52)	(106)	(1)	(4)
General and administrative expenses	(894)	(1,398)	(185)	(450)
<b>3. Operating profit</b>	<b>630</b>	<b>5,414</b>	(14)	5,025
Add: Non-operating income	-	-	-	-
Less: Non-operating expenses	-	(1)	(1)	(1)
<b>4. Profit before tax</b>	<b>630</b>	<b>5,413</b>	(15)	5,024
Less: Income tax	37	(142)	32	(6)
<b>5. Net profit</b>	<b>667</b>	<b>5,271</b>	17	5,018

MA Mingzhe

 Chairman and  
 Chief Executive Officer

CHEUNG Chi Yan Louis

 President and  
 Chief Financial Officer

MAK, Wai Lam William

Deputy Chief Financial Officer

**PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.**
**CASH FLOW STATEMENT**
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007**
**(in RMB million)**

	For the nine months ended Sep 30, 2007	For the nine months ended Sep 30, 2006
	(Unaudited)	(Unaudited)
<b>1. Cash flows from operating activities:</b>		
Cash received from other operating activities	163	36
<b>Sub-total of cash inflows</b>	<b>163</b>	36
Cash paid to and for employees	(197)	(148)
Cash paid for taxes and surcharges	(289)	(10)
Cash paid for other operating activities	(102)	(123)
<b>Sub-total of cash outflows</b>	<b>(588)</b>	(281)
<b>Net cash flows from operating activities</b>	<b>(425)</b>	(245)
<b>2. Cash flow from investing activities</b>		
Cash received from sales and redemption of investments	11,455	11,747
Cash received from returns on investment	3,884	5,087
Net cash received from disposals of fixed assets and intangible assets	14	-
<b>Sub-total of cash inflows</b>	<b>15,353</b>	16,834
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(30)	(39)
Cash paid for acquisition of investments	(10,715)	(13,719)
Acquisition of a subsidiary	-	(1,386)
<b>Sub-total of cash outflows</b>	<b>(10,745)</b>	(15,144)
<b>Net cash flows from investing activities</b>	<b>4,608</b>	1,690
<b>3. Cash flows from financing activities</b>		
Cash received from capital contributions	38,222	-
Cash received from borrowings	416	34
Cash received from other financing activities	3,290	11,817
<b>Sub-total of cash inflows</b>	<b>41,928</b>	11,851
Cash paid for distribution of dividends and interest	(3,053)	(1,972)



Cash paid for other financing activities	-	(12,285)
<b>Sub-total of cash outflows</b>	<b>(3,053)</b>	<b>(14,257)</b>
<b>Net cash flows from financing activities</b>	<b>38,875</b>	<b>(2,406)</b>
<b>4. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<b>(16)</b>	<b>(15)</b>
<b>5. Net increase in cash and cash equivalents</b>	<b>43,042</b>	<b>(976)</b>
Add: Beginning balance of cash and cash equivalents	<b>3,448</b>	2,637
<b>6. Ending balance of cash and cash equivalents</b>	<b>46,490</b>	1,661

MA Mingzhe

CHEUNG Chi Yan Louis

MAK, Wai Lam William

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 Chairman and  
 Chief Executive Officer

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 President and  
 Chief Financial Officer

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 Deputy Chief Financial Officer