

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

April 26, 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, the Independent Non-executive Directors are Bao Youde, Kwong Che Keung Gordon, Cheung Wing Yui, Chow Wing Kin Anthony, Zhang Hongyi and Chen Su.



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

中国平安保险（集团）股份有限公司

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

April 26, 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 this report contains no false representation, misleading statement or material omission, and jointly and severally accept full responsibility for its authenticity, accuracy and completeness.
- 1.2 14 of the Company's 18 Directors attended the meeting in person with the remaining 4 Directors attending by proxy. (Mr. Anthony Philip HOPE and Mr. Hu Aimin appointed Mr. Ma Mingzhe to attend the meeting and vote in their respective stead, Mr. Wong Tung Shun Peter appointed Mr. Ng Sing Yip to attend the meeting and vote in his stead, Mr. Chen Su appointed Mr. Bao Youde to attend the meeting and vote in his stead.)
- 1.3 The first quarter financial report of the Company is unaudited.
- 1.4 Mr. Ma Mingzhe, the Chairman of the Board of Directors and the Chief Executive Officer, Mr. Cheung Chi Yan Louis, the President and Chief Financial Officer and Mr. Mak, Wai Lam William, the Deputy Chief Financial Officer, confirm the authenticity and completeness of the first quarter financial 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

applicable not applicable

	As at Mar 31, 2007	As at Dec 31, 2006	Increase/ decrease compared to prior year end (%)
Total assets (<i>RMB million</i>)	528,302	463,288	14.0
Total equity (excluding minority interests) (<i>RMB million</i>)	87,883	45,260	94.2
Net assets per share (<i>RMB</i>)	11.97	7.31	63.7
	For the three months ended Mar 31, 2007		Increase/decrease compared to the same period last year (%)
Net cash flows from operating activities (<i>RMB million</i>)		16,701	N/A
Net cash flows per share from operating activities (<i>RMB</i>)		2.54	N/A

	For the reporting period	For the three months ended Mar 31, 2007	Increase/ decrease compared to the same period last year (%)
Net profit (<i>RMB million</i>)	3,958	3,958	N/A
Earnings per share – basic (<i>RMB</i>)	0.59	0.59	N/A
Earnings per share – diluted (<i>RMB</i>)	0.59	0.59	N/A
Return on net assets (fully diluted) (%)	4.4	4.4	N/A
Return on net assets based on net profit after deducting non-recurring items (fully diluted) (%)	4.4	4.4	N/A

Non-recurring items	Amount (<i>RMB million</i>)
Gains or losses on disposal of non-current assets	2
Non operating income and expenses other than those mentioned above, net	4
Tax impact	(2)
Minority's share	(1)
Total	3

Note: The Company has not disclosed financial information and financial indicators relating to the income statement and cash flow statement of the same period last year as required under the Memorandum for 2007 First Quarter Report: (No.1) Disclosure of matters relating to the financial statements of the same period last year issued by Shanghai Stock Exchange.

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 164,760, of which 158,152 were holders of A shares and 6,608 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
The Hongkong and Shanghai Banking Corporation Limited (香港上海滙豐銀行有限公司)	613,929,279	H Shares
HSBC Insurance Holdings Limited (滙豐保險控股有限公司)	125,553,000	H Shares
CNOOC Finance Corp., Ltd. (中海石油財務有限責任公司)	8,182,000	A Shares
The Goldman Sachs Group Inc	7,077,876	H Shares
China Life Insurance Company Limited – traditional – general insurance products – 005L – CT001 Hu (中國人壽保險股份有限公司 – 傳統 – 普通保險產品 – 005L – CT001滬)	7,056,030	A Shares
Bank of China – Jingshun Changcheng Select Equity Investment Fund (中國銀行 – 景順長城優選股票證券投資基金)	6,999,957	A Shares
Agricultural Bank of China – Dacheng Positive Growth Stock Securities Investment Fund (中國農業銀行 – 大成積極成長股票型證券投資基金)	6,964,329	A Shares
China Life Insurance (Group) Company – traditional – general insurance products (中國人壽保險(集團)公司 – 傳統 – 普通保險產品)	6,273,554	A Shares
Global Finance – Standard Chartered Bank – Citigroup Global Markets Limited (國際金融 – 渣打 – Citigroup Global Markets Limited)	5,854,276	A Shares
Changsha Southern Huaqiao Trading Co., Ltd. (長沙市南方華僑貿易有限公司)	5,818,900	A Shares

§ 3 Significant Events

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

√ applicable □ not applicable

Unit: RMB million

	As at Mar 31, 2007	As at Dec 31, 2006	Change (%)	Main reasons
Financial assets at fair value through profit or loss	97,514	43,983	121.7	Expansion of investment scale
Investment properties	3,513	1,528	129.9	Increase in investment properties
Due to banks and other financial institutions	4,728	3,465	36.5	Expansion of banking businesses
Customer deposits	6,248	3,750	66.6	Expansion of securities business
Long-term borrowings	1,458	155	840.6	Increase in long-term borrowings by a subsidiary
Share capital	7,345	6,195	18.6	Due to A shares IPO
Capital reserve	60,899	23,263	161.8	A shares issued at a premium and increase in fair value of available-for-sale financial assets
Retained profits	13,030	9,180	41.9	Due to net profit for the period

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

applicable not applicable

Details regarding the acquisition of non-public issue of shares of China Minsheng Banking Corporation Limited (“Minsheng Bank”) by Ping An Life Insurance Company of China, Ltd. (“Ping An Life”), a subsidiary of the Company were published on the website of Shanghai Stock Exchange as well as in China Securities Journal, Shanghai Securities News and Securities Times.

During the reporting period, the qualification of shareholders holding more than 5% of the total equity interests of Minsheng Bank are subject to verification by the China Banking Regulatory Commission. Upon confirmation of the successful applicants for the shares through private issue, Ping An Life will enter into a share acquisition agreement with Minsheng Bank.

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

When the Company issued its H shares in June 2004, as approved by the China Insurance Regulatory Commission 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 the China Securities Regulatory Commission’s Reply Regarding the Approval of the Ping An Insurance (Group) Company of China, Ltd.’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 for three years following the listing of H shares. Up until the end of the reporting period, neither HSBC Insurance Holdings Limited nor Dai-Ichi Mutual Life Insurance Company had sold any of their shares in the Company.

Upon issuance of the Company’s A shares, domestic shares of 389,592,366 shares, 331,117,788 shares and 139,112,886 shares held by Shenzhen New Horse Investment Development Co., Ltd., Shenzhen Jingao Industrial Development Co., Ltd. and Shenzhen Jiangnan Industrial Development Co., Ltd. respectively were converted to A shares of the Company subject to a moratorium period of 36 months following the listing of A shares. A total of 2,776,586,596 domestic shares held by the remaining 50 domestic shareholders were converted to A shares of the Company subject to a moratorium period of 12 months following the listing of A shares. 345,000,000 shares held by strategic investors of the Company through strategic placing were subject to a moratorium period of 12 months following the listing, and 230,000,000 shares held by institutional shareholders of the Company were subject to a moratorium period of three months. Up until the end of the reporting period, none of the above mentioned shareholders had sold any of their shares in the Company.

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 therefor

applicable not applicable

3.5 Explanation for the discrepancies on shareholders' equity at the beginning of 2007 as shown under the balance sheet in this report and under the Reconciliation Statement for Shareholders' Equity Differences between New and Old PRC Accounting Standards

applicable not applicable

Ma Mingzhe
Chairman and Chief Executive Officer
 The Board of Directors of
Ping An Insurance (Group) Company of China, Ltd.
 April 26, 2007

§ 4 Appendix

BALANCE SHEET
AS AT MARCH 31, 2007

(In RMB million)

	Consolidated (Unaudited)		The Parent Company (Unaudited)	
	As at Mar 31, 2007	As at Dec 31, 2006	As at Mar 31, 2007	As at Dec 31, 2006
ASSETS				
Cash and cash equivalents	47,603	24,113	40,006	3,139
Including: Balances with				
central bank	7,244	7,714	-	-
Due from banks				
and other				
financial				
institutions	3,351	2,840	-	-
Balances with clearing				
companies	1,083	1,135	-	-
Precious metal	1	111	-	-
Placements with banks and				
other financial institutions	1,686	1,727	-	-
Financial assets at fair value				
through profit or loss	97,514	43,983	6,153	5,458
Derivative financial assets	21	21	-	-
Assets purchased under				
agreements to resell	3,965	7,251	-	-
Discounted bills	14,374	12,634	-	-

Interest receivables	4,021	3,249	41	29
Dividend receivables	23	107	–	–
Account receivables	33	–	–	–
Premium receivables	3,459	3,073	–	–
Subrogation receivables	18	–	–	–
Receivables from reinsurers	1,138	795	–	–
Receivables from ceded unearned premium reserve	2,569	2,437	–	–
Receivables from ceded claim reserves	1,649	1,717	–	–
Receivables from ceded policyholders' reserves	6	–	–	–
Receivables from ceded long-term health insurance reserves	6	–	–	–
Other receivables	2,680	2,676	15	414
Policy loans	1,553	1,381	–	–
Loans and receivables	38,065	36,518	–	–
Financial guarantees	66	74	–	–
Term deposits	63,039	83,888	1,176	776
Available-for-sale financial assets	100,006	95,220	5,042	4,227
Held-to-maturity investments	129,832	129,250	–	–
Long-term equity investments	304	415	17,566	17,369
Goodwill	409	409	–	–
Statutory deposits	1,520	1,520	–	–
Investment properties	3,513	1,528	–	–
Fixed assets	4,613	4,606	56	69
Intangible assets	1,057	1,072	11	18
Deferred tax assets	852	888	67	81
Other assets	1,624	1,490	6	8
Total Assets	528,302	463,288	70,139	31,588

**LIABILITIES AND
SHAREHOLDERS'
EQUITY**

Short-term borrowings	535	527	–	–
Due to banks and other financial institutions	4,728	3,465	–	–
Guarantee deposits	6,991	5,485	–	–
Placements from banks and other financial institutions	804	992	843	820
Derivative financial liabilities	167	178	–	–
Assets sold under agreements to repurchase	8,678	14,573	–	–
Due to customers	62,710	66,725	–	–
Customer deposits	6,248	3,750	–	–

Underwriting proceeds payables	280	–	–	–
Premium received in advance	637	1,352	–	–
Handling charges and commission payable	928	894	–	–
Due to reinsurers	1,287	746	–	–
Staff remuneration payable	2,038	2,176	491	586
Taxes payable	1,366	1,093	94	75
Interest payable	314	287	–	–
Claim payable	4,079	3,981	–	–
Policyholder dividends payable	4,425	4,107	–	–
Deposits from policyholders	4,541	4,049	–	–
Unearned premium reserves	13,967	12,937	–	–
Claim reserves	6,829	6,480	–	–
Policyholders' reserves for life insurance	269,314	248,574	–	–
Long-term reserves for health insurance	32,381	30,694	–	–
Long-term borrowings	1,458	155	–	–
Deferred tax liabilities	1,646	1,441	207	174
Other liabilities	2,605	2,001	119	152
Total Liabilities	438,956	416,662	1,754	1,807
Share capital	7,345	6,195	7,345	6,195
Capital reserve	60,899	23,263	52,645	15,741
Surplus reserve fund	6,126	6,126	6,126	6,126
General risk provision	517	517	517	517
Retained profits	13,030	9,180	1,752	1,202
Foreign currency translated reserves	(34)	(21)	–	–
Equity attributable to equity holders of the parent	87,883	45,260	68,385	29,781
Minority interests	1,463	1,366	–	–
Total equity	89,346	46,626	68,385	29,781
Total equity and liabilities	528,302	463,288	70,139	31,588
MA Mingzhe <i>Chairman and Chief Executive Officer</i>	CHEUNG Chi Yan Louis <i>President and Chief Financial Officer</i>	MAK, Wai Lam William <i>Deputy Chief Financial Officer</i>		

INCOME STATEMENT*FOR THE THREE MONTHS ENDED MARCH 31, 2007**(In RMB million)*

	For the three months ended Mar 31, 2007	
	Consolidated (Unaudited)	The Parent Company (Unaudited)
Operating income	40,337	675
Net earned premiums	24,435	—
Underwriting income	26,499	—
Including: reinsurance premium income	32	—
Less: Premium ceded to reinsurers	(1,166)	—
Provision for unearned premium reserves	(898)	—
Net interest income from banking business	438	—
Interest income	774	—
Interest expenses	(336)	—
Handling charges and commission income, net	569	—
Handling charges and commission income	626	—
Handling charges and commission expenses	(57)	—
Investment income	13,346	450
Gains from changes in fair value	1,366	225
Foreign exchange losses	(136)	(15)
Income from other businesses	319	15
Operating expenses	(35,954)	(26)
Payments on surrenders	(2,711)	—
Claim expenses	(5,299)	—
Less: Claims recoverable from reinsurers	575	—
Provision for insurance reserves	(22,307)	—
Less: insurance reserves recoverable from reinsurers	(37)	—
Policyholder dividends	(412)	—
Expenses for reinsurance accepted	(5)	—
Business tax and surcharges	(800)	(13)
Handling charges and commission expenses for insurance business	(2,579)	—
Operating expenses	(2,536)	(13)
Less: Expenses recoverable from reinsurers	315	—
Expenses for other businesses	(79)	—
Loan loss provisions	(79)	—

Operating profit	4,383	649
Add: Non-operating income	13	–
Less: Non-operating expenses	(7)	–
Profit before tax	4,389	649
Less: Income tax	(431)	(99)
Net profit	3,958	550
Attributable to equity holders of the parent	3,850	550
Minority interests	108	–
Earnings per share		
Earnings per share-basic	0.59	0.08
Earnings per share-diluted	0.59	0.08

MA Mingzhe	CHEUNG Chi Yan Louis	MAK, Wai Lam William
<i>Chairman and</i>	<i>President and Chief</i>	<i>Deputy Chief</i>
<i>Chief Executive Officer</i>	<i>Financial Officer</i>	<i>Financial Officer</i>

CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2007

(In RMB million)

	For the three months ended Mar 31, 2007	
	Consolidated (Unaudited)	The Parent Company (Unaudited)
1. Cash flows from operating activities		
Increase in placements from other financial institutions, net	5,827	–
Premiums received	25,338	–
Increase in deposits from policyholders, net	493	–
Interests and commissions received	1,383	–
Cash received from other operating activities	4,032	–
Sub-total of cash inflows from operating activities	37,073	–
Decrease in customers' deposits, net	(1,246)	–
Increase in loan to customers, net	(3,288)	–
Increase in due to central bank and financial institutions, net	(1,190)	–
Claims paid	(5,212)	–
Cash paid to reinsurers	(110)	–
Interests and commissions paid	(2,854)	–
Policyholder dividends paid	(94)	–
Cash paid to and for employees	(1,295)	(87)
Tax paid	(639)	(13)
Cash paid for other operating activities	(4,444)	(31)
Sub-total of cash outflows from operating activities	(20,372)	(131)
Net cash flows from operating activities	16,701	(131)

2. Cash flow from investing activities		
Proceeds from sales and redemption of investments	45,530	2,095
Investment income	12,800	733
Proceeds from disposals of fixed assets, intangible assets and other long-term assets	1	–
Cash received from other investing activities	13	–
Sub-total of cash inflows from investing activities	58,344	2,828
Purchases of fixed assets, intangible assets and other long term assets	(269)	(2)
Purchases of investments	(59,415)	(3,898)
Increase in policy loans, net	(172)	–
Cash paid for other investing activities	(374)	–
Sub-total of cash outflows from investing activities	(60,230)	(3,900)
Net cash flows from investing activities	(1,886)	(1,072)
3. Cash flows from financing activities		
Proceeds from share issuance	38,222	38,222
Cash received from loans	8	–
Sub-total of cash inflows from financing activities	38,230	38,222
Cash paid for other financing activities	(11,909)	–
Sub-total of cash outflows from financing activities	(11,909)	–
Net cash flows from financing activities	26,321	38,222
4. Effect of changes in foreign exchange rate on cash and cash equivalents	(63)	(3)
5. Increase in cash and cash equivalents, net	41,073	37,016
Add: Cash and cash equivalents at beginning of year	47,211	3,450
6. Cash and cash equivalents at end of period	88,284	40,466

MA Mingzhe
*Chairman and
Chief Executive Officer*

CHEUNG Chi Yan Louis
*President and Chief
Financial Officer*

MAK, Wai Lam William
*Deputy Chief
Financial Officer*