

Consolidated Balance Sheet

June 30, 2007

(in RMB million)

| | (Audited) June 30, 2007 | (Audited) December 31, 2006 |
|--|-------------------------------|-----------------------------------|
| ASSETS | | |
| Cash on hand and at bank | 83,789 | 42,585 |
| Balances with clearing companies | 1,591 | 875 |
| Precious metal | 1 | 111 |
| Placements with banks and other financial institutions | 1,101 | 1,727 |
| Held-for-trading financial assets | 73,436 | 44,003 |
| Derivative financial assets | 16 | 21 |
| Financial assets purchased under agreements to resell | 12,854 | 7,251 |
| Interest receivables | 4,716 | 3,249 |
| Premium receivables | 5,307 | 3,073 |
| Receivable from reinsurers | 2,205 | 795 |
| Unearned premium reserves receivable from reinsurers | 3,048 | 2,437 |
| Claim reserves receivable from reinsurers | 2,058 | 1,724 |
| Policyholders' reserves for life insurance receivable from reinsurers | 7 | - |
| Long-term reserves for health insurance receivable from reinsurers | 7 | - |
| Policy loans | 1,799 | 1,381 |
| Loans and advances to customers | 58,427 | 49,152 |
| Deposits with stock and futures exchanges | 1,139 | 334 |
| Term deposits | 50,503 | 65,416 |
| Available-for-sale financial assets | 132,443 | 95,200 |
| Held-to-maturity investments | 130,193 | 129,250 |
| Long-term equity investments | 211 | 415 |
| Goodwill | 475 | 409 |
| Statutory deposits | 1,520 | 1,520 |
| Investment properties | 3,789 | 1,660 |
| Fixed assets | 6,839 | 4,552 |
| Intangible assets | 922 | 940 |
| Deferred tax assets | 592 | 888 |
| Other assets | 4,155 | 4,320 |
| Total assets | 583,143 | 463,288 |

| | (Audited) June 30, 2007 | (Audited) December 31, 2006 |
|--|-------------------------------|-----------------------------------|
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| LIABILITIES | | |
| Short-term borrowings | 557 | 527 |
| Due to banks and other financial institutions | 5,318 | 3,465 |
| Guarantee deposits | 5,865 | 5,485 |
| Placements from banks and other financial institutions | 1,871 | 992 |
| Derivative financial liabilities | 356 | 178 |
| Financial assets sold under agreements to repurchase | 22,883 | 14,573 |
| Customer bank deposits | 62,219 | 66,725 |
| Customer brokerage deposits | 9,846 | 3,750 |
| Premiums received in advance | 666 | 1,352 |
| Handling charges and commission payable | 1,427 | 894 |
| Due to reinsurers | 2,786 | 746 |
| Salary and welfare payable | 3,381 | 2,133 |
| Taxes payable | 1,509 | 1,166 |
| Interest payable | 355 | 287 |
| Claims payable | 4,274 | 3,981 |
| Policyholder dividends payable | 4,771 | 4,107 |
| Policyholder deposits and investments | 4,945 | 4,049 |
| Unearned premium reserves | 15,653 | 12,937 |
| Claim reserves | 7,436 | 6,480 |
| Policyholders' reserves for life insurance | 289,351 | 248,574 |
| Long-term reserves for health insurance | 34,399 | 30,694 |
| Long-term borrowings | 1,636 | 155 |
| Deferred tax liabilities | 3,555 | 1,441 |
| Other liabilities | 3,173 | 1,971 |
| Total liabilities | 488,232 | 416,662 |

| | (Audited) June 30, 2007 | (Audited) December 31, 2006 |
|--|-------------------------------|-----------------------------------|
| LIABILITIES AND SHAREHOLDERS' EQUITY <i>(Continued)</i> | | |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 7,345 | 6,195 |
| Capital reserves | 63,833 | 23,246 |
| Surplus reserves | 6,928 | 6,120 |
| General risk provision | 517 | 517 |
| Retained profits | 14,821 | 9,182 |
| Foreign currency translation differences | (48) | – |
| Attributable to shareholders of the parent | 93,396 | 45,260 |
| Minority interests | 1,515 | 1,366 |
| Total shareholders' equity | 94,911 | 46,626 |
| Total liabilities and shareholders' equity | 583,143 | 463,288 |

Consolidated Income Statement

For the six months ended June 30, 2007
(in RMB million)

| | (Audited) For the six months ended June 30, 2007 | (Unaudited) For the six months ended June 30, 2006 |
|--|--|--|
| Operating income | | |
| Premium income | 53,885 | 46,000 |
| Including reinsurance premium income | 47 | 7 |
| Less: Premium ceded to reinsurers | (2,600) | (2,466) |
| Change in unearned premium reserves | (2,105) | (2,054) |
| Earned premium | 49,180 | 41,480 |
| Interest income from banking operations | 1,716 | 22 |
| Interest expense of banking operations | (689) | (1) |
| Net interest income from banking operations | 1,027 | 21 |
| Fees and commission income | 1,357 | 218 |
| Fees and commission expenses | (213) | (30) |
| Net income from fees and commission | 1,144 | 188 |
| Investment income | 29,124 | 8,802 |
| Gains from changes in fair values | 3,094 | 4,001 |
| Foreign exchange losses | (335) | (130) |
| Other operating income | 817 | 265 |
| Total operating income | 84,051 | 54,627 |
| Operating expenses | | |
| Surrenders | (5,919) | (3,910) |
| Claims paid | (11,791) | (7,814) |
| Less: Reinsurers' share of claims paid | 1,167 | 1,132 |
| Change in insurance contract reserves | (44,949) | (30,021) |
| Less: Reinsurers' share of insurance contract reserves | 348 | 9 |
| Policyholder dividends | (897) | (1,714) |
| Expenses for reinsurance accepted | (7) | (1) |
| Business tax and surcharges | (1,742) | (774) |
| Insurance related handling charges and commission | (5,666) | (3,932) |
| General and administrative expenses | (6,571) | (3,986) |
| Less: Reinsurers' share of expenses | 675 | 922 |
| Other operating expenses | (195) | (66) |
| Impairment losses | (17) | (45) |
| Total operating expenses | (75,564) | (50,200) |

| | (Audited) For the six months ended June 30, 2007 | (Unaudited) For the six months ended June 30, 2006 |
|--------------------------------------|--|--|
| Operating profit | 8,487 | 4,427 |
| Add: Non-operating income | 435 | 16 |
| Less: Non-operating expenses | (50) | (17) |
| Profit before tax | 8,872 | 4,426 |
| Less: Income taxes | (546) | (420) |
| Net Profit | 8,326 | 4,006 |
| Attributable to: | | |
| Shareholders of the parent | 8,063 | 3,945 |
| Minority interests | 263 | 61 |
| | 8,326 | 4,006 |
| | <i>RMB</i> | <i>RMB</i> |
| Earnings per share | | |
| Basic and diluted earnings per share | 1.16 | 0.64 |

COMPONENTS OF ECONOMIC VALUE

| (in RMB million) | As at June 30, 2007 | As at December 31, 2006 |
|---|------------------------|----------------------------|
| Adjusted net asset value | 95,567 | 46,282 |
| Value of in-force insurance business written prior to June 1999 | (16,446) | (20,932) |
| Value of in-force insurance business written since June 1999 | 51,251 | 48,011 |
| Cost of holding the required solvency margin | (9,573) | (7,788) |
| Embedded Value | 120,799 | 65,573 |
| Value of one year's new business | 7,323 | 6,007 |
| Cost of holding the required solvency margin | (1,108) | (875) |
| Value of one year's new business after cost of solvency | 6,215 | 5,132 |

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.