

Consolidated Balance Sheet

As at June 30, 2007

(in RMB million)	(Audited) June 30, 2007	(Audited) December 31, 2006
ASSETS		
Balances with central bank and statutory deposits	11,220	9,234
Cash and amounts due from banks and other financial institutions	119,403	95,912
Fixed maturity investments	261,587	213,041
Equity investments	66,542	46,729
Derivative financial assets	16	21
Loans and advances to customers	58,427	49,152
Investments in an associate	176	176
Premium receivables	5,123	2,939
Reinsurance assets	5,120	4,130
Policyholder account assets in respect of insurance contracts	27,340	20,961
Policyholder account assets in respect of investment contracts	4,550	3,971
Deferred policy acquisition costs	36,069	31,866
Investment properties	3,656	1,528
Property and equipment	7,047	4,766
Intangible assets	1,530	1,484
Deferred income tax assets	260	417
Other assets and receivables	9,706	8,108
Total assets	617,772	494,435

(in RMB million)	(Audited) June 30, 2007	(Audited) December 31, 2006
EQUITY AND LIABILITIES		
Equity		
Share capital	7,345	6,195
Reserves	70,939	29,703
Retained profits	17,749	10,477
Equity attributable to equity holders of the parent	96,033	46,375
Minority interests	1,540	1,375
Total equity	97,573	47,750
Liabilities		
Due to banks and other financial institutions	9,382	5,138
Assets sold under agreements to repurchase	22,805	13,436
Derivative financial liabilities	356	178
Customer deposits	77,930	75,960
Insurance contract liabilities	379,315	329,541
Investment contract liabilities for policyholders	5,020	4,233
Policyholder dividend payable and provisions	4,771	4,107
Income tax payable	681	691
Deferred income tax liabilities	4,189	1,657
Other liabilities	15,750	11,744
Total liabilities	520,199	446,685
Total equity and liabilities	617,772	494,435

Consolidated Income Statement

For the six months ended June 30, 2007

For the six months ended June 30, (in RMB million)	(Audited) 2007	(Unaudited) 2006
Gross written premiums and policy fees	43,138	37,486
Less: Premiums ceded to reinsurers	(2,600)	(2,466)
Net written premiums and policy fees	40,538	35,020
Increase in unearned premium reserves, net	(2,191)	(2,156)
Net earned premiums	38,347	32,864
Reinsurance commission income	675	922
Interest income of banking operations	1,716	22
Other fees and commission income	1,357	218
Investment income	25,668	9,593
Share of profits and losses of an associate	–	–
Other income	1,258	358
Total income	69,021	43,977
Change in deferred policy acquisition costs	4,136	2,611
Claims and policyholders' benefits	(47,849)	(33,727)
Changes in fair value of derivative financial liabilities	106	86
Commission expenses of insurance operations	(5,673)	(3,933)
Interest expenses of banking operations	(689)	(1)
Other fees and commission expenses	(213)	(30)
Loan loss provisions, net of reversals	105	–
Foreign currency losses	(335)	(130)
General and administrative expenses	(7,793)	(4,135)
Total expenses	(58,205)	(39,259)
Operating profit before tax	10,816	4,718
Income taxes	(847)	(556)
Net profit	9,969	4,162
Attributable to:		
– Equity holders of the parent	9,690	4,099
– Minority interests	279	63
	9,969	4,162
	<i>RMB</i>	<i>RMB</i>
Earnings per share for net profit attributable to equity holders of the parent – basic	1.39	0.66

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.