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

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.

Reconciliation Statement for Equity Differences between New and Old PRC Accounting Standards

(in RMB thousand)

Items	Notes	Details	Amount
		Shareholders' equity as at December 31, 2006 (Old Accounting Standards)	**36,667,865**
1	3.2	Long-term equity investment differences	57,705
2	3.3	Financial assets at fair value through profit or loss and available-for-sale financial assets	16,937,493
3	3.4	Derivative financial instruments	(2,239)
4	3.5	Policyholders' reserves	(5,726,528)
5	3.6	Claim reserves	(1,401,149)
6	3.7	Land use rights	(56,485)
7	3.8	Income tax	(1,131,086)
8	3.9	Others	(86,281)
		Shareholders' equity attributable to shareholders of the parent company as at January 1, 2007 (New Accounting Standards)	45,259,295
9	3.10	Changes in presentation of minority interests	1,366,391
		Shareholders' equity as at January 1, 2007 (New Accounting Standards)	**46,625,686**

The accompanying notes form an integral part of this reconciliation statement.

MA Mingzhe	**CHEUNG Chi Yan Louis**	**REN Huichuan**
Chairman and Chief Executive Officer	*President and Chief Financial Officer*	*Senior Vice President*

Notes to Reconciliation Statement for Shareholders' Equity Differences between New and Old Accounting Standards

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, in November 2006, 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 was 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 adjustment in accordance with the related requirement 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) Shenzi 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 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 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.

3. **Notes to major items** *(Continued)*

(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 at fair value financial liabilities arising from the derivative financial instruments, 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.

3. Notes to major items *(Continued)*

(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.