

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)

ANNOUNCEMENT REGARDING THE IMPAIRMENT ACCOUNTING TREATMENT ON THE INVESTMENT IN FORTIS SHARES

This announcement is made pursuant to the requirements under Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Group's aggregate cost of investment in Fortis Shares amounted to RMB23.874 billion. Under prudent principle and pursuant to relevant accounting policies, the Group intended to take impairment accounting treatment on the investments in Fortis Shares in the 2008 third quarterly report of the Group and to remove the marked-to-market losses in the amount of approximately RMB15.7 billion that had already been reflected in the equity of the Group and recognize it as impairment loss in the income statement.

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As at June 30, 2008, the audited net asset value of the Company and its subsidiaries (the "Group") as disclosed in the 2008 interim report prepared under PRC Accounting Standards and the International Financial Reporting Standards were RMB83.378 billion and RMB90.420 billion respectively. These net assets values have reflected the marked-to-market losses of the Company's investments in the shares of Fortis SA/NV and Fortis N.V. ("Fortis Shares") as at June 30, 2008. The Group's solvency margin, which has been calculated according to the *Rules of the China Insurance Regulatory Commission ("CIRC") on the Preparation and Submission of Insurance Company Solvency Reports No. 14 – Insurance Companies* ("Insurance Company Solvency Rules No. 14"), is 348.5%.

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It is expected that after taken the accounting treatments as stated above, there will be material impact on the Group's net profit (attributable to the shareholders of the listed company) for the first three quarters of 2008. The extent of the impact will be announced to investors in a timely manner once the preparation of the Group's third quarterly financial statement is basically completed. It is expected that this accounting treatment will only affect the profit of the Group for 2008 and will not impact on the net asset value per share and the cash flow position of the Group. The solvency margin of the Group as calculated pursuant to the Insurance Company Solvency Rules No. 14 is expected to remain above 300%. The Group has sufficient capital and will inject capital to subsidiaries controlled by the Company according to their needs for business expansion and overall strategies. This will ensure

that their solvency margin and capital adequacy level will comply with regulatory requirements and to provide sufficient capital support for their rapid business growth in the future. The Group plans to proceed with the relevant procedures relating to capital injection of RMB20 billion into Ping An Life Insurance Company of China, Ltd.

In addition, as at September 30, 2008, apart from the investments in Fortis Shares as stated above, the carrying value of the Group's foreign investment portfolio mainly comprised of investments in shares and funds listed on The Stock Exchange of Hong Kong Limited of approximately RMB7.594 billion and cash and bank deposits of approximately RMB1.58 billion.

The Group reiterates that even after taking impairment accounting treatment on the investments in Fortis Shares in the 2008 third quarterly report of the Group, the capital position and solvency margin of the Group remain solid and sufficient, the Group has a strong foundation and the financial condition is stable. Core business lines such as insurance, banking, trust and securities are experiencing healthy and decent growth. The interests of our customers are adequately protected. The Group will continue to deliver long-term sustainable returns to investors.

By order of the Board
Yao Jun
Company Secretary

Shenzhen, PRC, October 6, 2008

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, Clive Bannister, 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, Chen Su and Xia Liping.