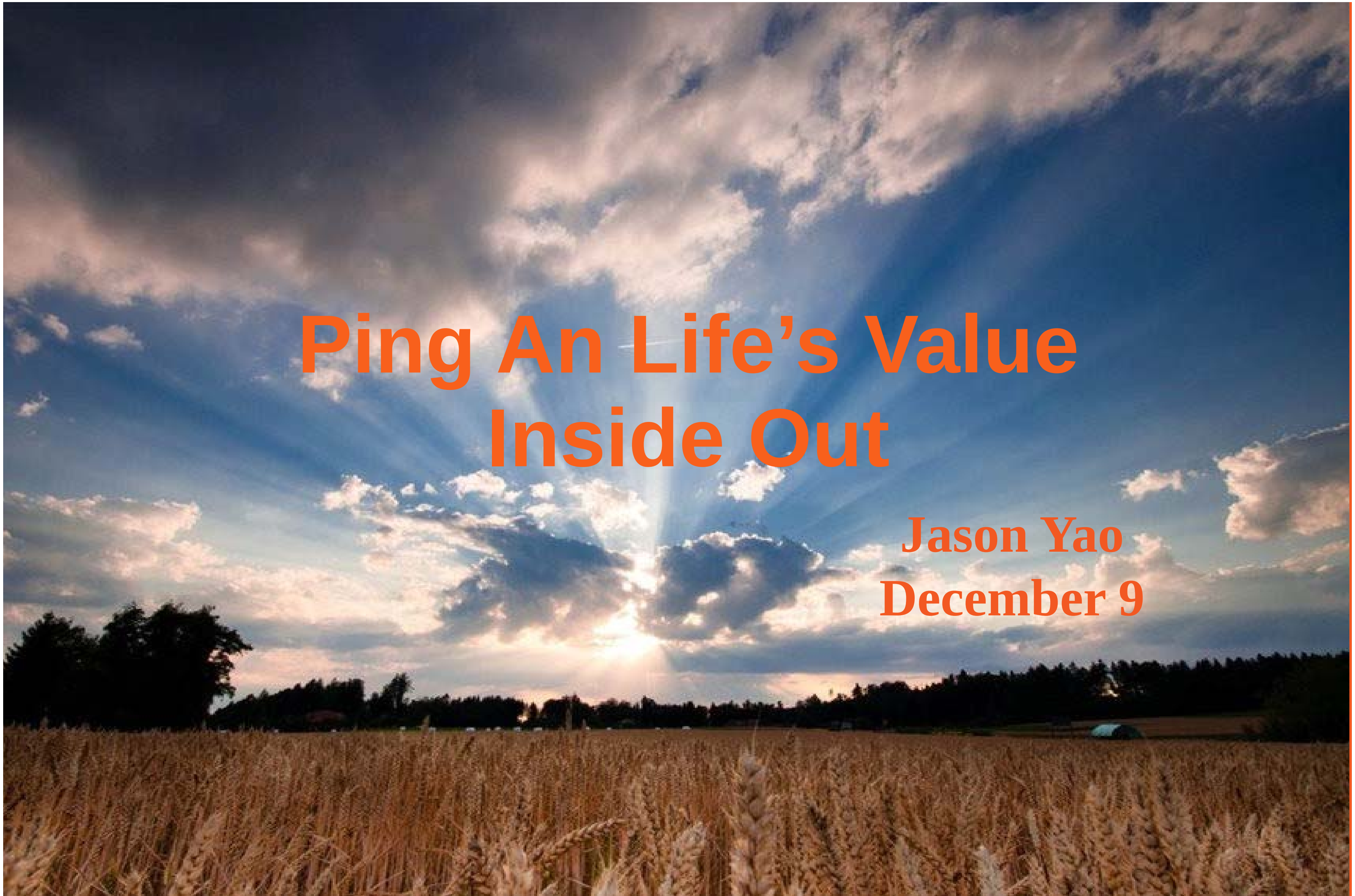


Ping An Life's Value Inside Out

Jason Yao

December 9

Important Notes

Forward-looking Statements

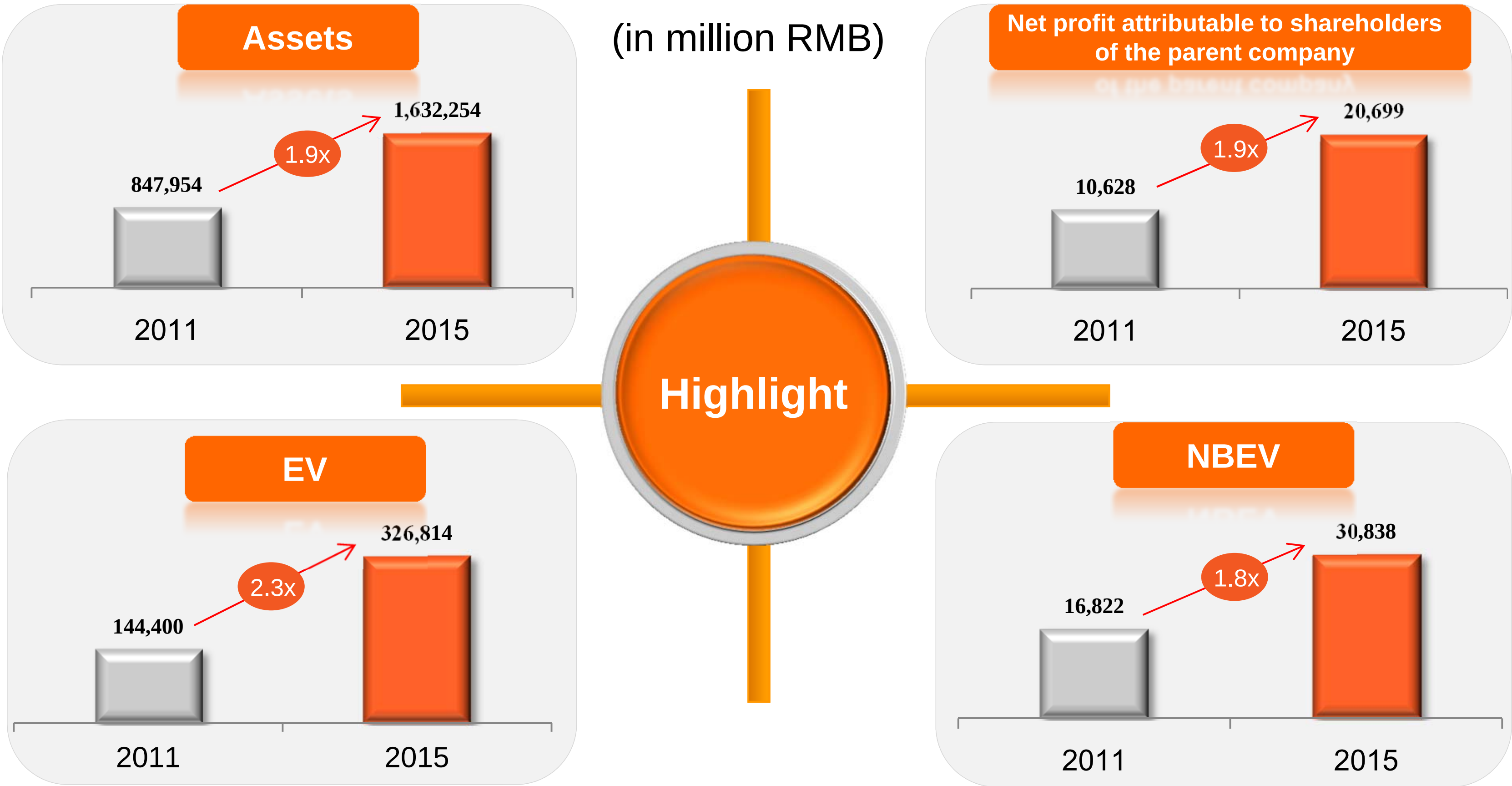
To the extent any statements made in this presentation containing information that is not historical are essentially forward-looking. These forward-looking statements include but are not limited to projections, targets, estimates and business plans that the Company expects or anticipates will or may occur in the future. These forward-looking statements are subject to known and unknown risks and uncertainties that may be general or specific. Certain statements, such as those including the words or phrases "potential", "estimates", "expects", "anticipates", "objective", "intends", "plans", "believes", "will", "may", "should", and similar expressions or variations on such expressions may be considered forward-looking statements.

Readers should be cautioned that a variety of factors, many of which may be beyond the Company's control, affect the performance, operations, and results of the Company, and could cause actual results to differ materially from the expectations expressed in any of the Company's forward-looking statements. These factors include but are not limited to exchange rate fluctuations, market shares, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, and other risks and factors beyond our control. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. In addition, the Company undertakes no obligation to publicly update or revise any forward-looking statement that is contained in this presentation as a result of new information, future events, or otherwise. None of the Company, or any of its employees or affiliates is responsible for, or is making, any representation concerning the future performance of the Company.

Disclosure Notes

EV = Embedded Value; NBEV = New Business Embedded Value
All disclosures on EV and NBEV include Ping An Life, Ping An Annuity and Ping An Health
All other figures cover Ping An Life only
All 2016HY NBEV are based on the new business generated over 12 months preceding June 30, 2016

Robust Business Growth



Note: (1) Assets and net profit attributable to shareholders of the parent are on a consolidated basis of Ping An Life, while EV and NBEV are from Ping An Life's business results.

(2) "Ping An Life" herein excludes the business of Ping An Annuity and Ping An Health (the same on following pages).

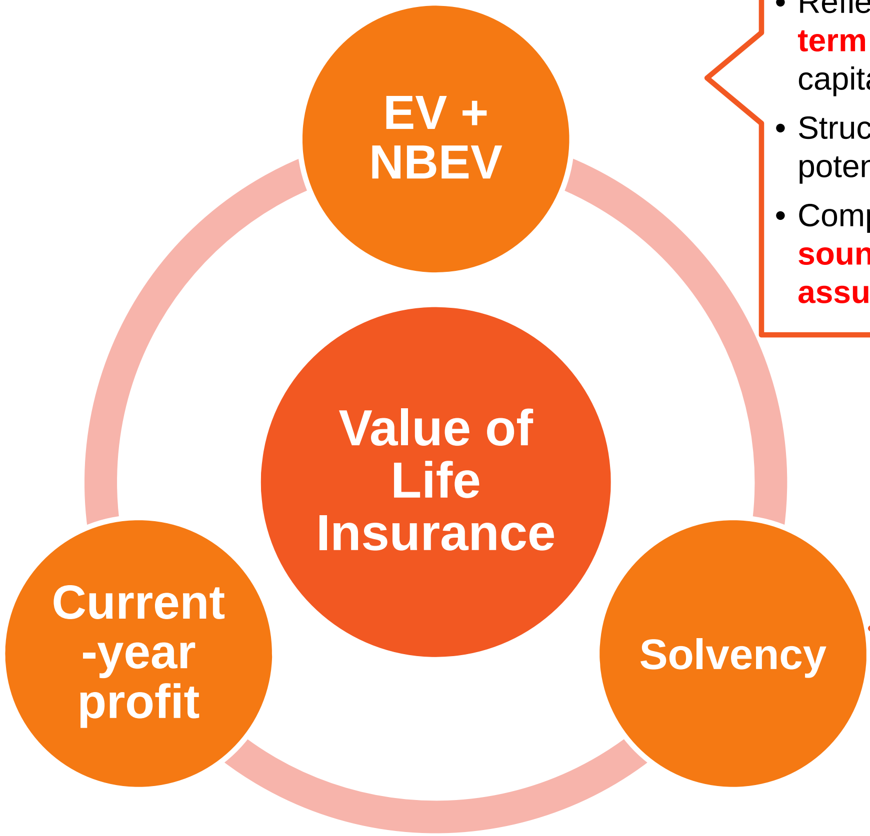
(3) "Life insurance business" herein includes the operations of Ping An Life, Ping An Annuity and Ping An Health (the same on following pages).

Main Concerns on Ping An Life

1. Will lasting low interest rate environment significantly impair its profitability?
2. Are EV assumptions prudent and reasonable?
3. How does C-ROSS affect the company's solvency and EV?
4. Is Ping An Life steady growth sustainable during the economic downturn?

3 Key Indicators on life Insurers' Value Analysis

- Reflect **a policy's long-term attributes** and capital cost
- Structure and growth of potential new business
- Complex model; Verify **the soundness of assumptions**



- **Stable profits** emerged from existing policies
- **Fluctuation due to capital market**

- C-ROSS **reflects risk exposures**
- **Protection products** are more favorably treated under C-ROSS

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Linkage among the 3 Indicators

- EV is based on **solvency-adjusted distributable profits**, rather than on simple discounting of accounting profits
- Solvency-based adjustments **changed the timing of profit emergence,** although total amount of profits remain unchanged
- In general, **the more profitable an insurance policy is, the higher its EV will be**

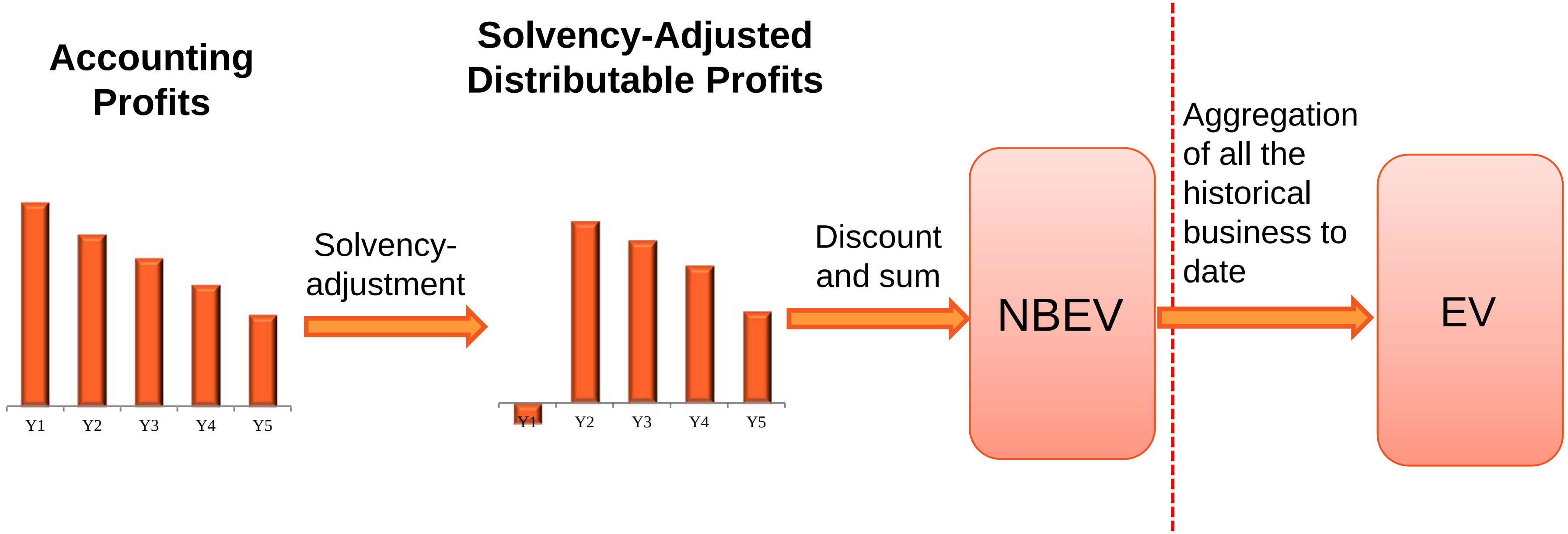


Illustration of a Newly-Issued Life Insurance Policy

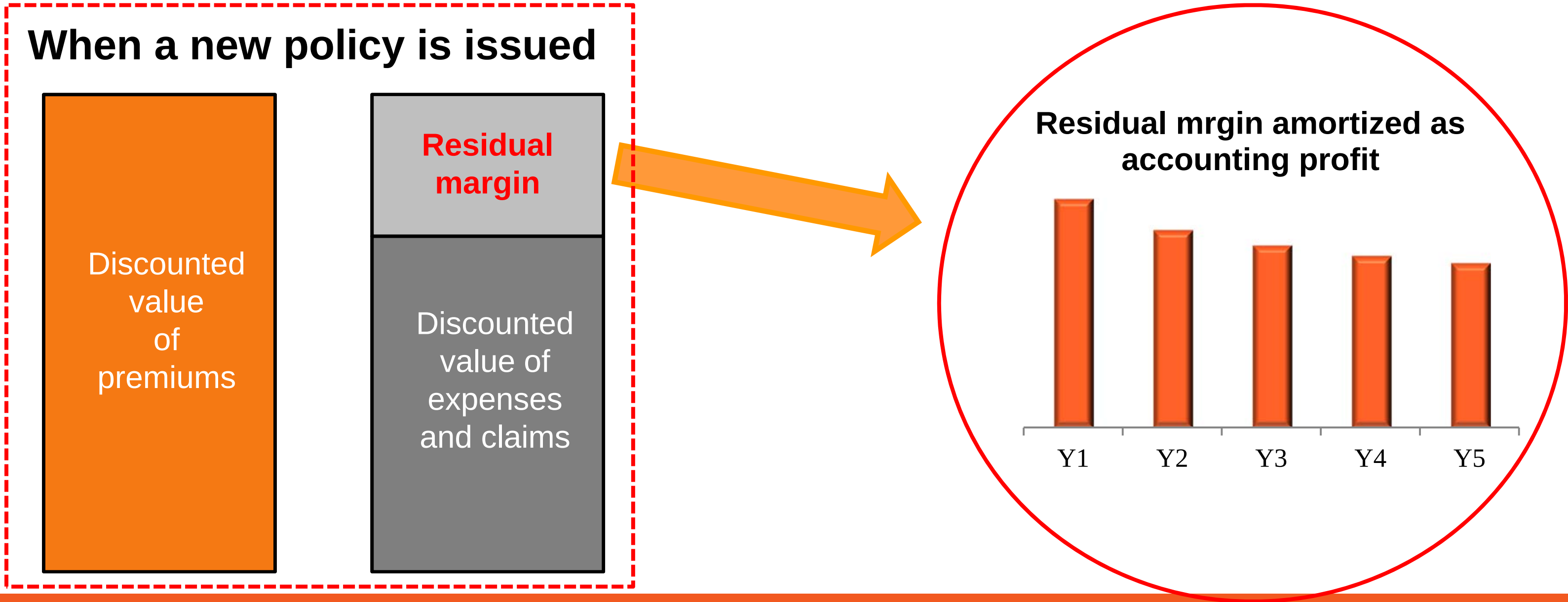
Residual Margin: Stable Long-term Future Profit to Emerge

Take the sale of a long-term policy for example:

- At issuance, a profitable policy generated **residual margin** - the discounted value of its expected future profits

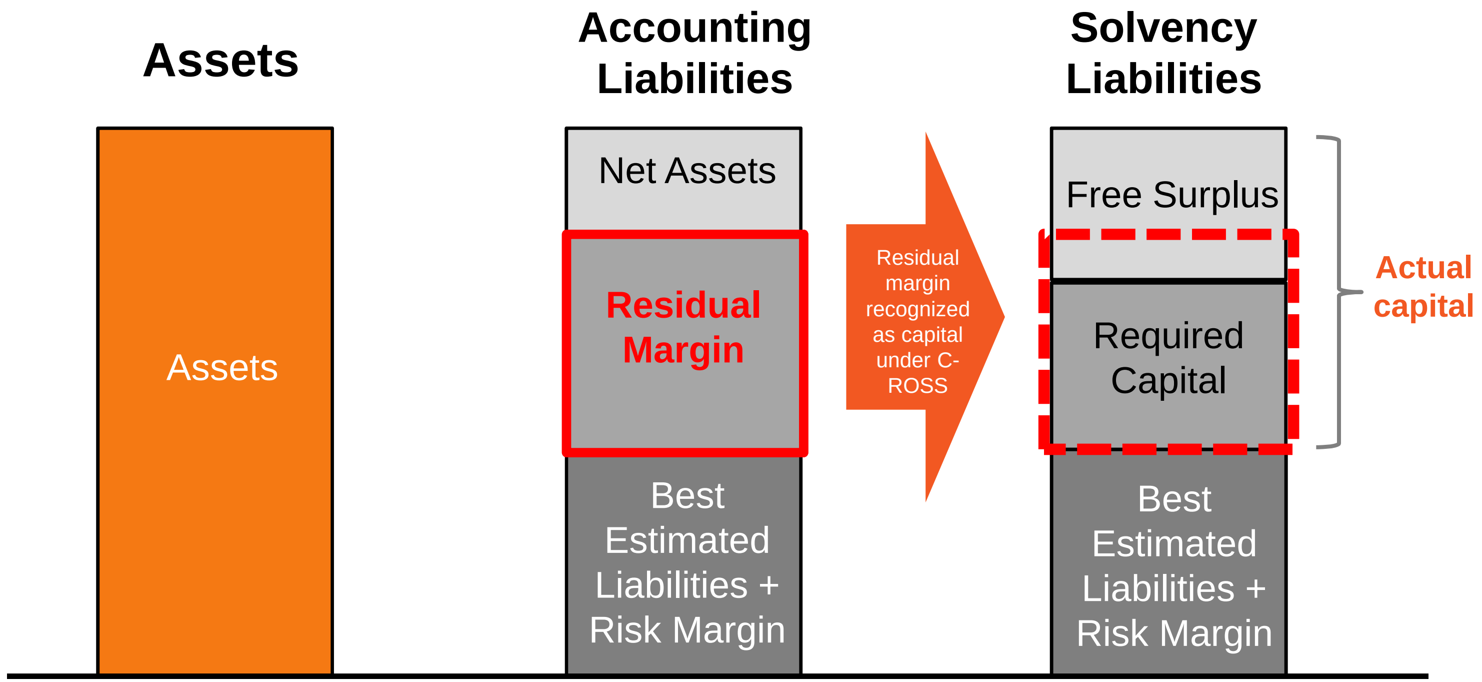
  Residual margin = discounted value of total premiums - discounted value of total expenses and claims

- In line with the prudence principle, the surplus of premiums over expenses and claims, i.e. residual margin cannot be recognized as one-off profit when a new policy is issued. Instead, The amortization of the residual margin, **with its pattern locked when a new policy is issued,** is a major source of accounting profit
- **Residual margin is a major source of the accounting profit** (other factors include changes in best estimates, investment deviation and so on)



Residual Margin: a Major Source of Solvency Capital

- Residual margin, per PRC GAAP, is classified as liabilities instead of net assets
- **Residual margin,** under C-ROSS**, is recognized as actual capital**
- **Profitable new business**, with sizable amount of residual margin, **is a major contributor of the solvency capital under C-ROSS**



Note: (1) Assets as per accounting standards and assets under C-ROSS are slightly different. We ignored such difference in above for simplicity.
(2) Apart from insurance liabilities, Ping An Life has other liabilities, which were ignored in above for simplicity.

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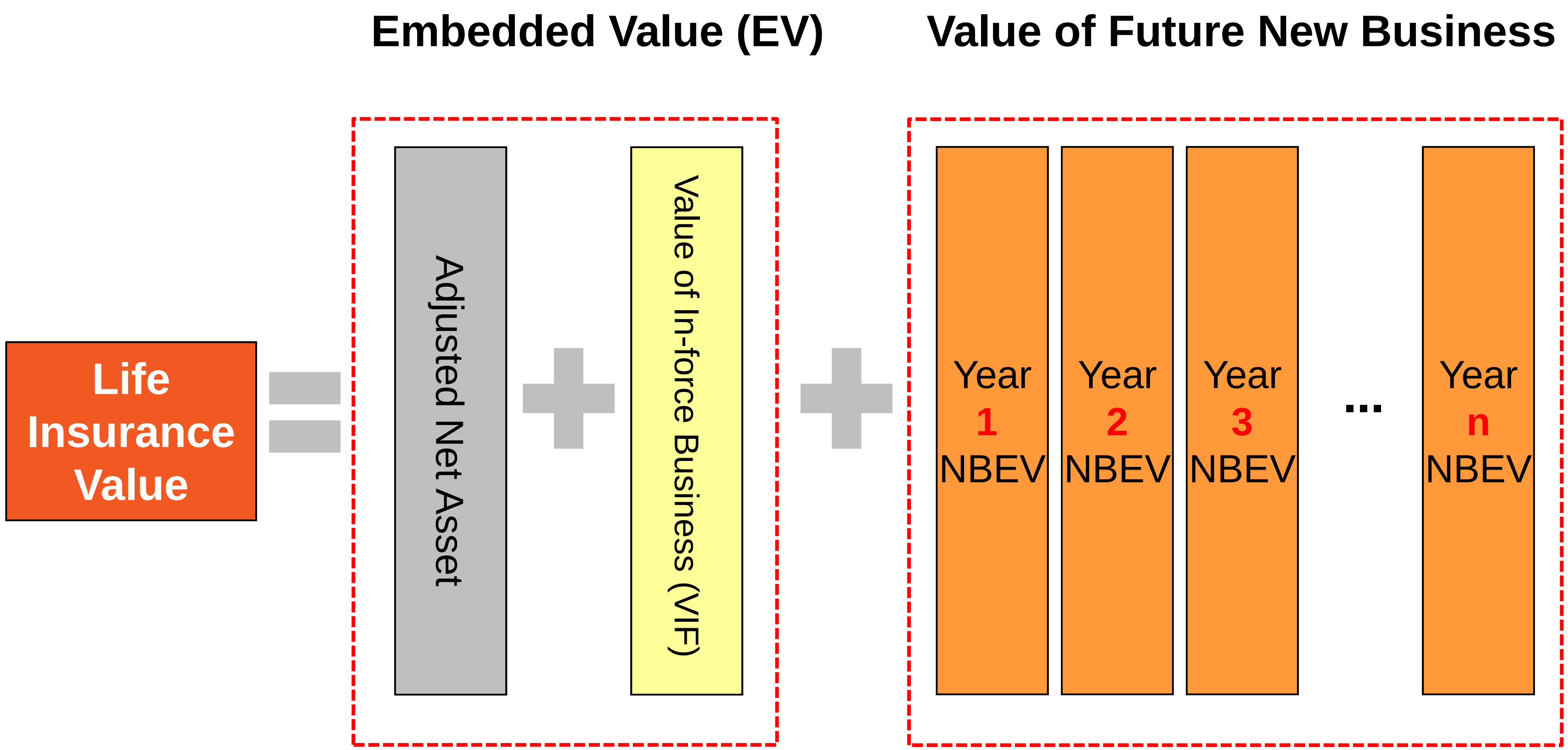
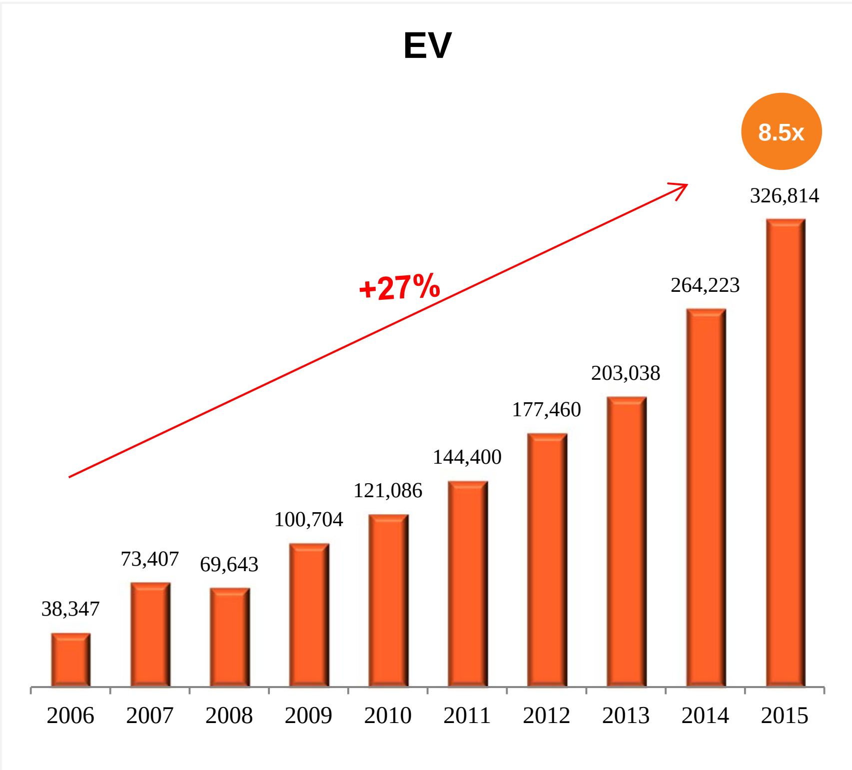
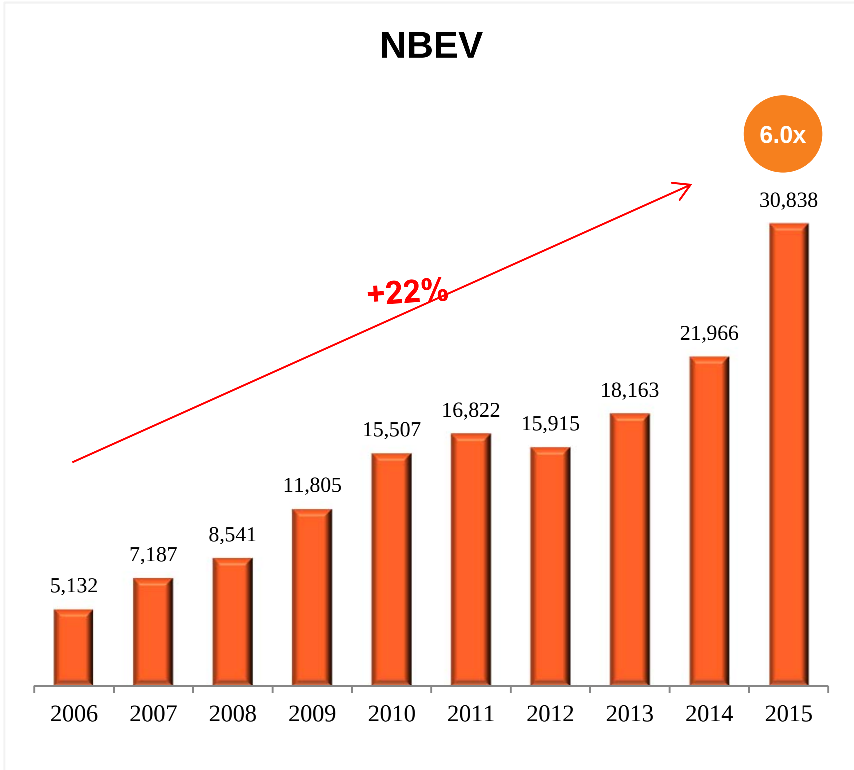
Embedded Value: a Better Reflection of Long-term Value



Rapid Growth in EV and NBEV

(in million RMB)

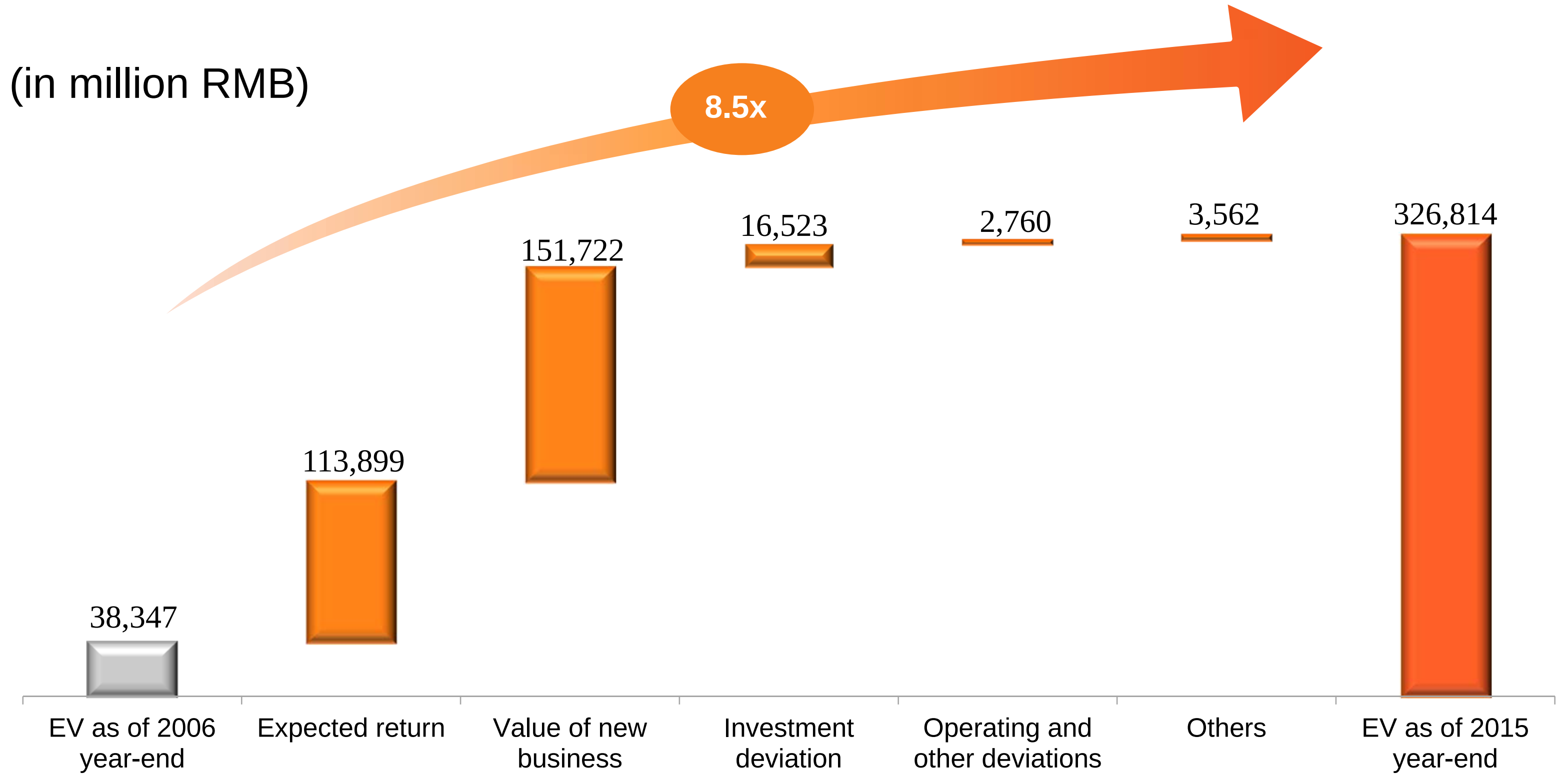




Note: (1) A decline in EV in 2008 mainly resulted from Ageas investment loss and the overall stock market slump.
(2) EV and NBEV above are the valuation per Solvency I.

Significant EV Growth

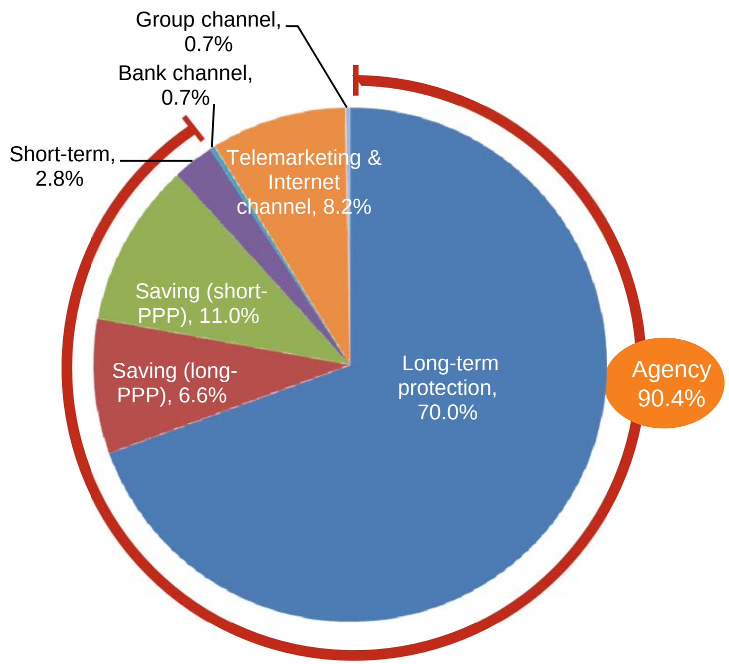
- Expected return and value of new business are the two main contributors of EV growth
- Positive deviations reflect better-than-expected investment and operating results



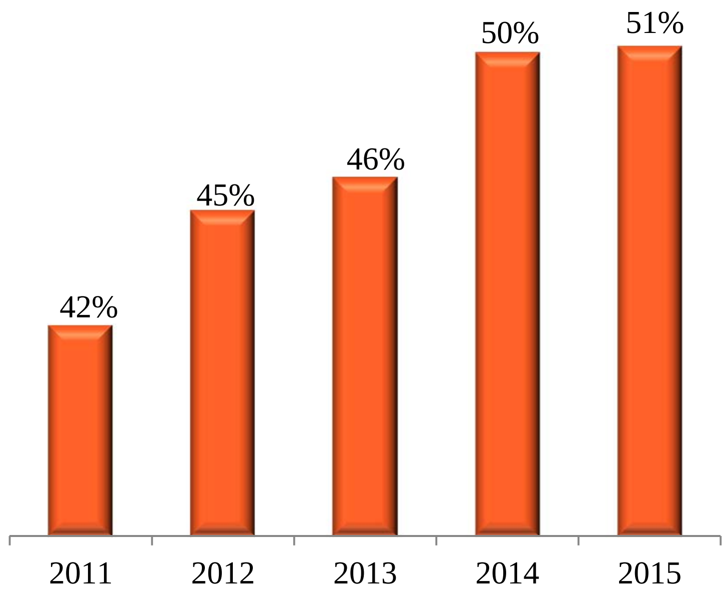
Note: EV shown above are calculated per Solvency I.

Protection Business Contributes 70% of NBEV

NBEV Mix as of 2016HY



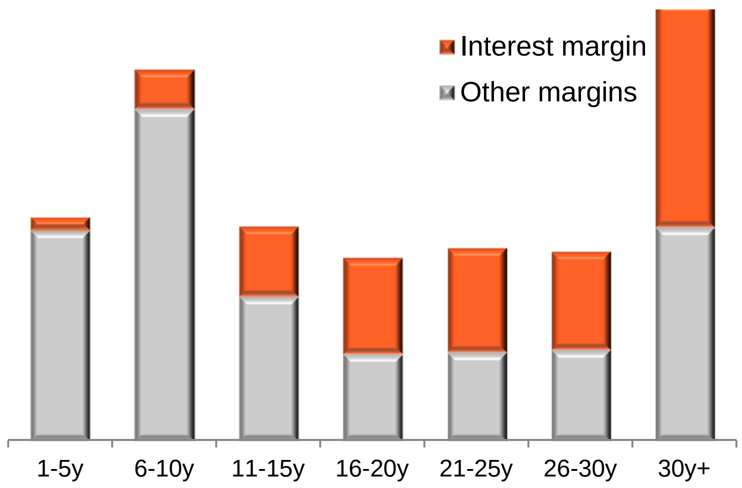
% of FYP attributed to Long-Term Protection Products by Agency Channel



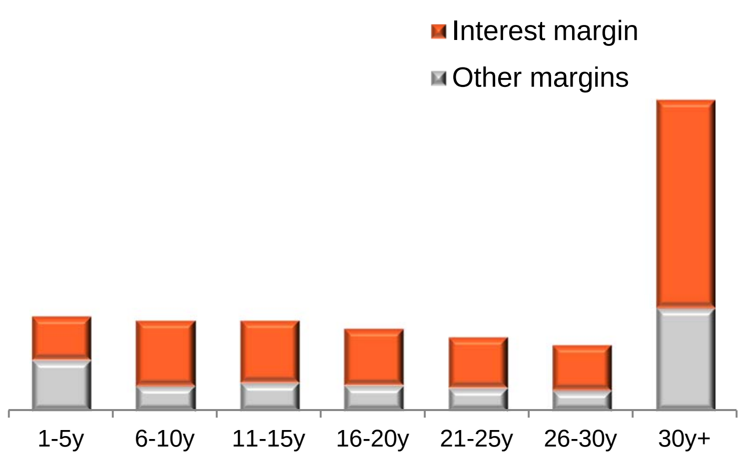
Note: (1) PPP stands for premium payment period.
(2) The chart on the left above are based on EV under C-ROSS.
(3) Long-term protection products cover whole-life , term , critical illness and accident insurance. Saving products (short-PPP) cover endowment and annuity products with payment-term below10 years, while saving products (long-PPP) are those with payment-term of 10 years and above .

Long-Term Protection Products are Less Dependent on Interest Margin

Distributable Profit of Typical Long-Term Protection Products - per RMB 1000 FYP



Distributable Profit of Typical Saving Products (short-PPP) - per RMB 1000 FYP



Interest Margin Related Assumptions

Investment Return

Assumptions Impacting Other Margins

Lapse

Expense

Mortality and Morbidity

Discounting Related Assumptions

Risk Discount Rate (RDR)

Past 10-yr Performance of Ping An Insurance Funds Exceeds 5.5% & Investment Assumptions will be Reviewed at the Year End

Year	Financial NII	Financial TII	Fair-value-based TII
2006	4.6%	8.3%	13.2%
2007	4.5%	14.1%	23.1%
2008	4.1%	-1.7%	-8.5%
2009	3.9%	6.4%	8.3%
2010	4.2%	4.9%	4.0%
2011	4.5%	4.0%	1.5%
2012	4.7%	2.9%	5.2%
2013	5.1%	5.1%	4.5%
2014	5.3%	5.1%	8.9%
2015	5.8%	7.8%	7.8%
10-Year Average	**4.7%**	**5.6%**	**6.5%**

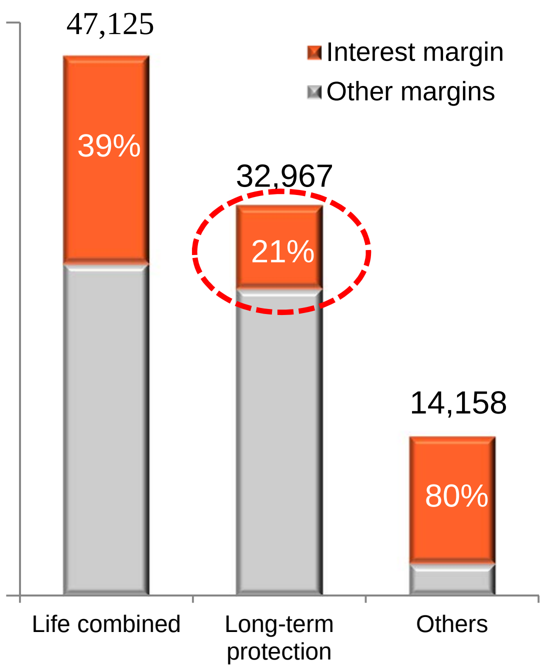
Note: Ping An Insurance funds include Ping An Life, Ping An Property & Casualty, Ping An Annuity and Ping An Health's fund.

NBEV Less Sensitive to Investment Assumptions & High Proportion of Long-Term Protection Products

in million RMB	NBEV	Return -50bp	Change
Agency	**42,580**	**39,419**	**-7.4%**
Long-Term Protection	**32,967**	**31,086**	**-5.7%**
Saving (short-PPP)	5,191	4,486	-13.6%
Saving (long-PPP)	3,122	2,578	-17.4%
Short-term	1,300	1,269	-2.4%
Non-Agency	**4,545**	**3,497**	**-23.1%**
Total	**47,125**	**42,915**	**-8.9%**

Interest Margin as % of NBEV

(in million RMB)



Note: (1) NBEV figures on this page are based on 2016HY results under C-ROSS.
(2) Figures may not match totals due to rounding.

Prudent Risk Discount Rate Assumptions

Risk Premium of Life Insurance

Year	Risk Discount Rate (RDR)	Yield of 10-year central government bond	Risk Premium
2006	12%	3.1%	8.9%
2007	11.5%	4.5%	7.0%
2008	11.5%	2.9%	8.6%
2009	11%	3.8%	7.2%
2010	11%	4.0%	7.0%
2011	11%	3.5%	7.5%
2012	11%	3.6%	7.4%
2013	11%	4.6%	6.4%
2014	11%	3.7%	7.3%
2015	11%	2.9%	8.2%
10-year average	**-**	**-**	**7.6%**

As per CAPM formula:

$$R = r_f + \beta * MRP$$

Risk discount rate (RDR) is the sum of risk-free interest rate and risk premium

Note: (1) Yields of 10-year central government bond above are data by the end of each year.
(2) Risk premium = RDR (Risk Discount Rate) - yield of the 10-year government bond
(3) Figures may not match totals due to rounding.

Sensitivity to Investment Return & RDR

Value of In-force:

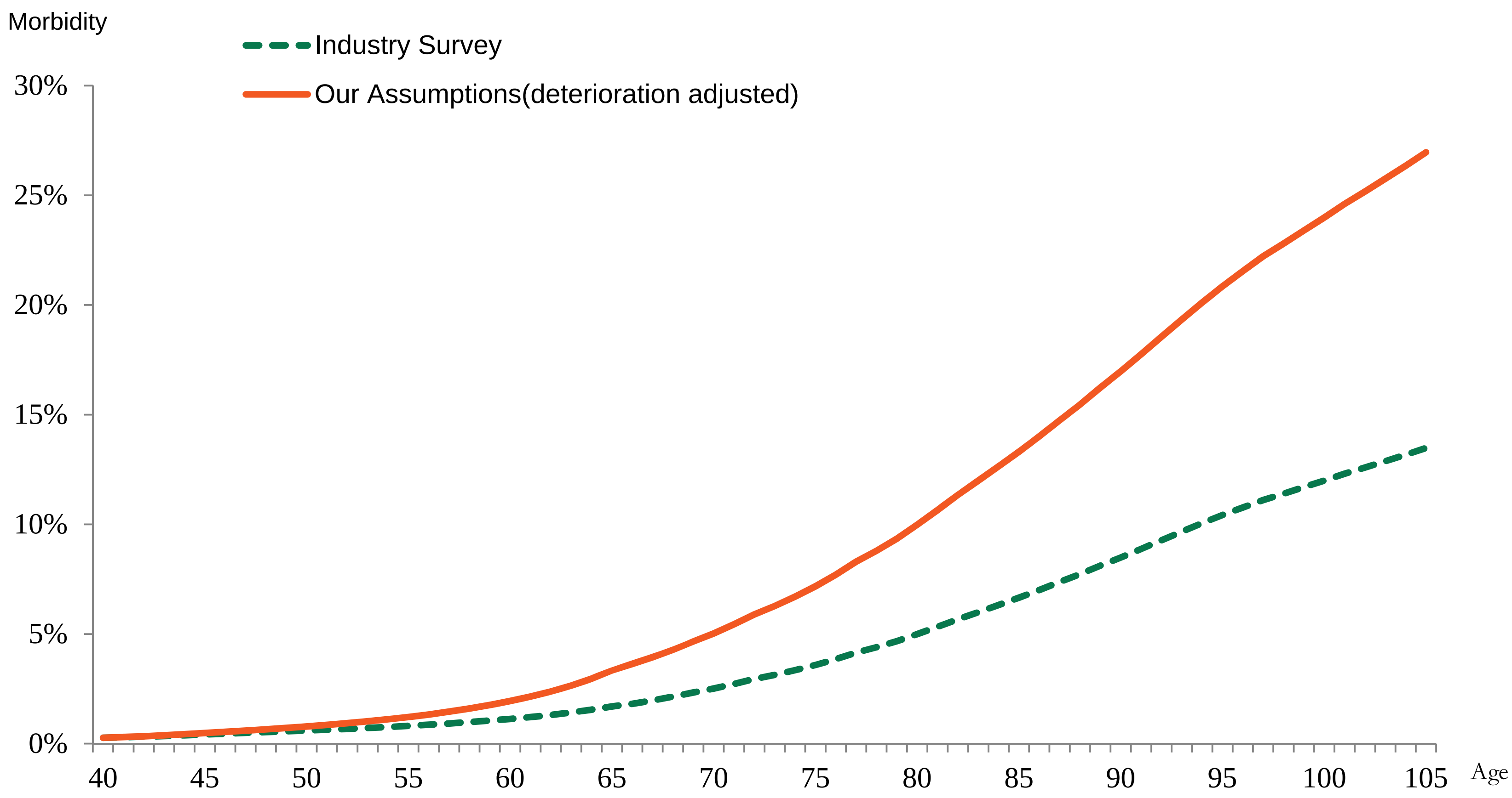
in million RMB	RDR 11%	RDR 10.5%	RDR 10%
Base	237,340	247,375	258,315
Return -50bp	206,681	215,113	224,300
Return -100bp	174,761	181,554	188,948

2016HY NBEV:

in million RMB	RDR 11%	RDR 10.5%	RDR 10%
Base	47,125	49,770	52,624
Return -50bp	42,915	45,304	47,875
Return -100bp	38,606	40,733	43,018

Note: (1) Figures on this page are calculated under C-ROSS as of June 30 ,2016.
(2) Base rate of investment return assumptions are 4.75%/5%/5.25%/5.5%+ in year 1/2/3/4+

Prudence are Embedded Long Term Morbidity Assumptions



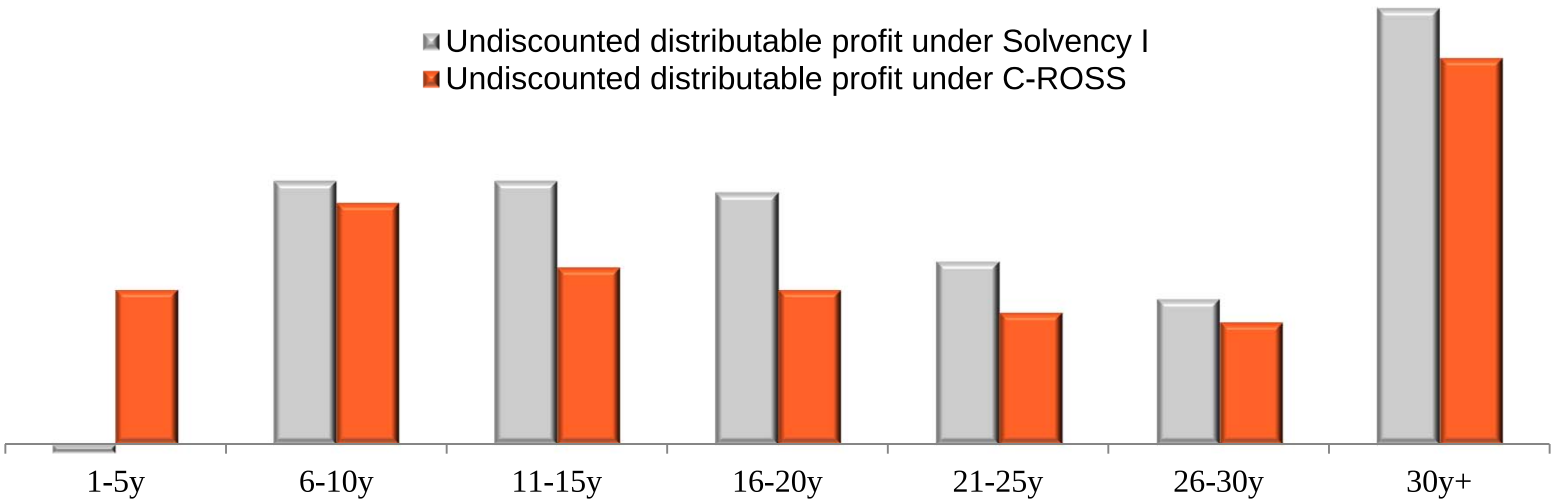
Note: (1) The chart above shows the morbidity rate of females aged 40 (stand-alone dread disease).
(2) "Industry survey" is based on the morbidity table published by the Insurance Association of China.

Long-Term Protection Products: Main Reason of the NBEV Increase under C-ROSS

in million RMB	NBEV per Solvency I	NBEV per C-ROSS	Change
Agency	**33,857**	**42,580**	**25.8%**
Long-term protection	24,074	32,967	36.9%
Saving (short-PPP)	5,326	5,191	-2.5%
Saving (long-PPP)	3,179	3,122	-1.8%
Short-term	1,279	1,300	1.7%
Non-agency	**4,173**	**4,545**	**8.9%**
Total	**38,030**	**47,125**	**23.9%**

Note: (1) NBEV figures on this page are based on 2016HY results under C-ROSS.
(2) Figures may not match totals due to rounding.

Higher NBEV under C-ROSS due to Earlier Release of Profit



	EV per Solvency I	EV per C-ROSS
Operating Cash Flows	Same	
Liabilities and Required Capital	Volume-based, simple calculation	Risk-oriented, different by product
1st Year New Business Strain	Large	Relatively small

Note: Above distributable profit pattern is an illustration based on results as of 2016HY

Ping An Life's High Quality EV

Sound Product Mix	• **High proportion of long-term protection business** (**70%** of NBEV)
Less Affected by Low Interest	• **Low sensitivity on investment assumption** • **Less dependent on interest margin** for long-term protection business (about **21%**)
Prudent Assumptions	• Prudent actuarial assumptions • **Minor deviations** from the actual experience • On-going review and adjustment of assumptions
Positive Impact of C-ROSS	• NBEV improved markedly due to sound product mix

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Residual Margin: Core & Stable Source of Future Profit

Accounting Profit of Life Insurer:

Accounting Profit = Residual Margin Release + Investment Return Deviation + Operating Deviation + Changes in Accounting Estimates

Accounting Profit

Residual Margin Release
- A **major source** of accounting profit, stable release year by year**, immune to capital market fluctuation**
- Long-term protection business generated large residual margin
- Best indicator to project long-term profit of life insurance

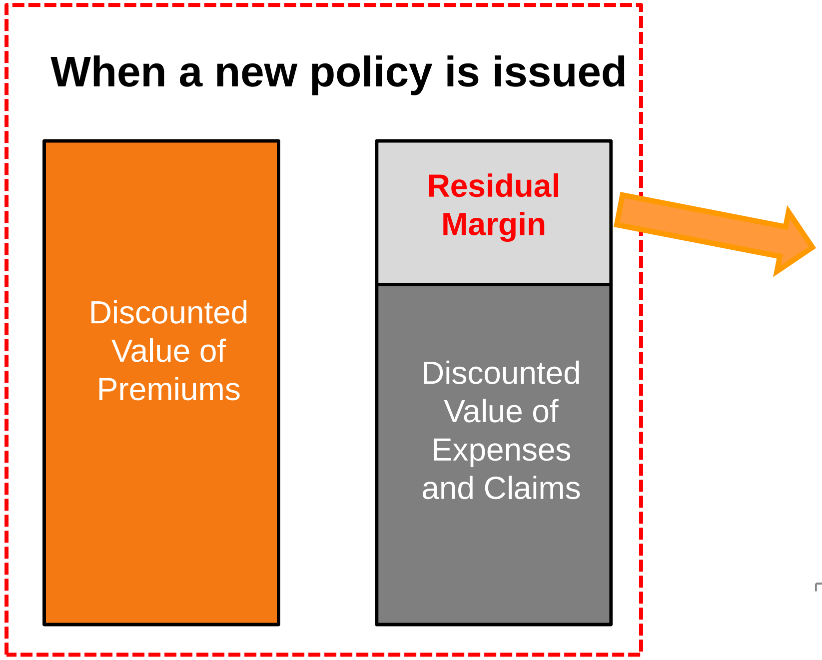
Investment Return Deviation
- Capital market fluctuations .**Short-term impact**
- Reflect investment strategies

Operating deviation
- Reflect the operating efficiency
- Include deviation of fees, surrender and claims and so on

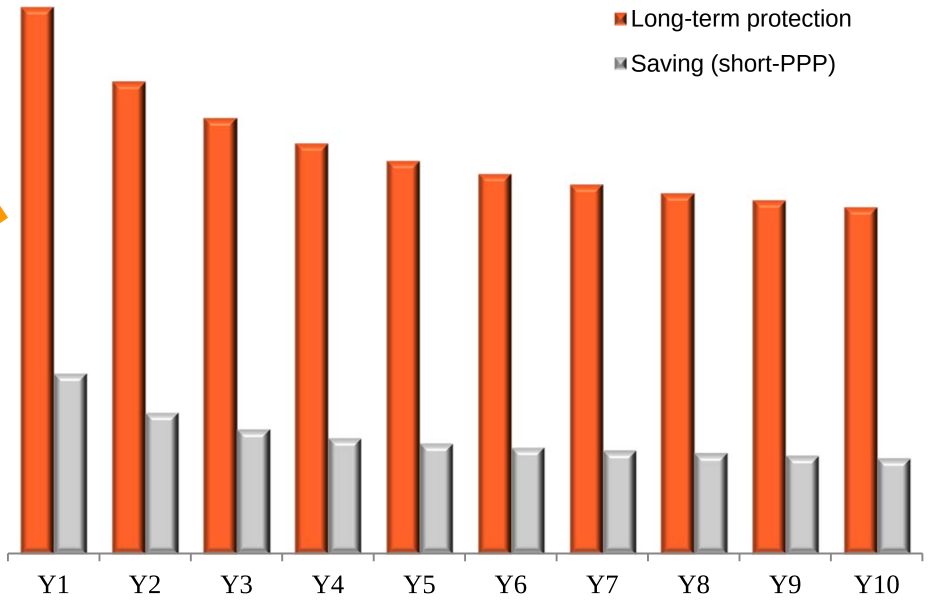
Changes in accounting estimates
- Include changes in the discount rate of liabilities and other assumptions

Amortization Pattern of Residual Margin is Locked in & Long-Term Protection Products Generate Large Residual Margin

What's Residual Margin?



Amortization Pattern of Residual Margin - based on the same FYP

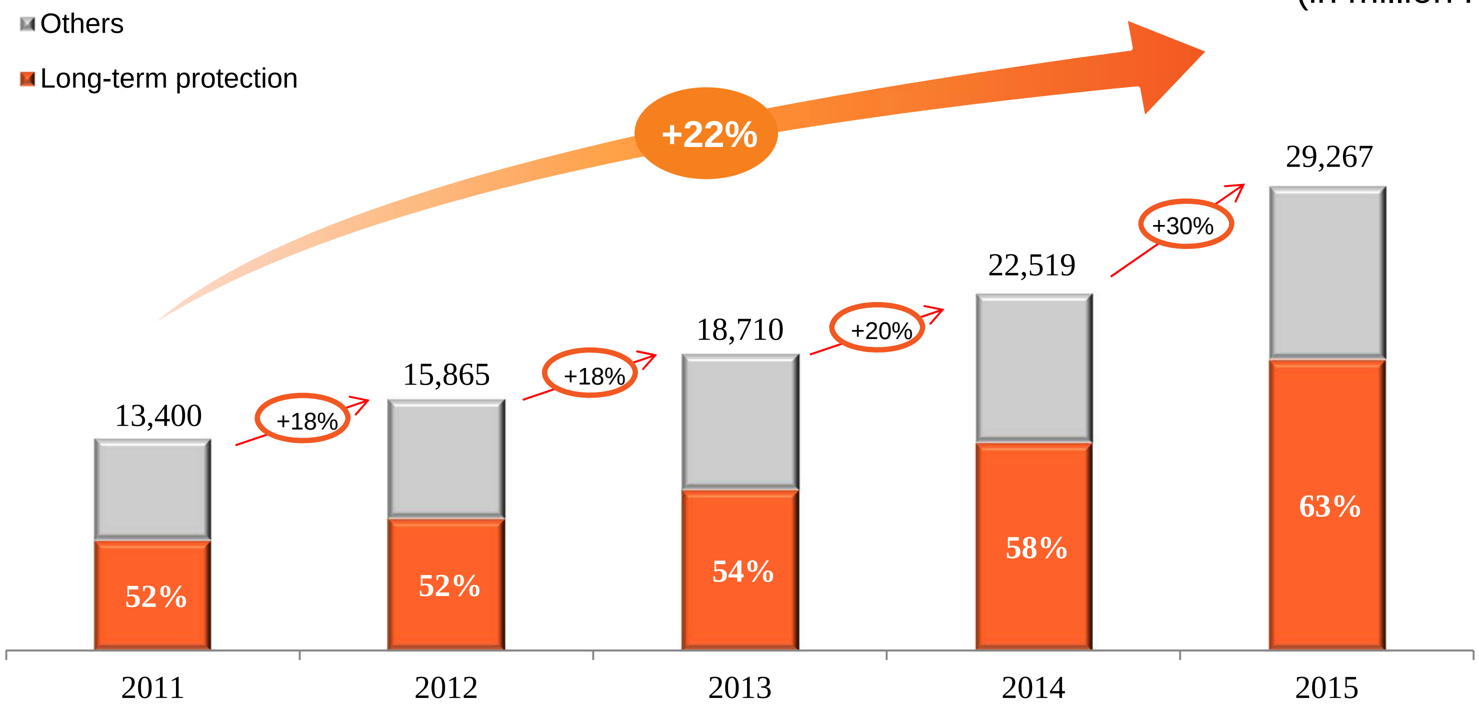


- As of June 30, 2016, Ping An Life's total residual margin is RMB386.3bn

Steady Growth of Residual Margin Amortization & Steady Increase of Long-Term Protection Business

Residual Margin Amortization of Ping An Life over the past 5 years

(in million RMB)



Note: The above are residual margins before income tax.

Sustainable Future Profit of Ping An Life

Residual margin is the major source of future profit

- Accounting profit is recognized through the amortization of residual margin
- The release pattern of residual margin is locked in when a new policy is issued

In-force business is still contributing profit through residual margin amortization

- The balance of residual margin of existing business reaches RMB386.3bn.

Residual margin amortization is gradually increasing over years

- The annual increase averaged 22% over the last 5 years.
- The increasing contribution of long-term protection business already exceeded 60% by the end of 2015

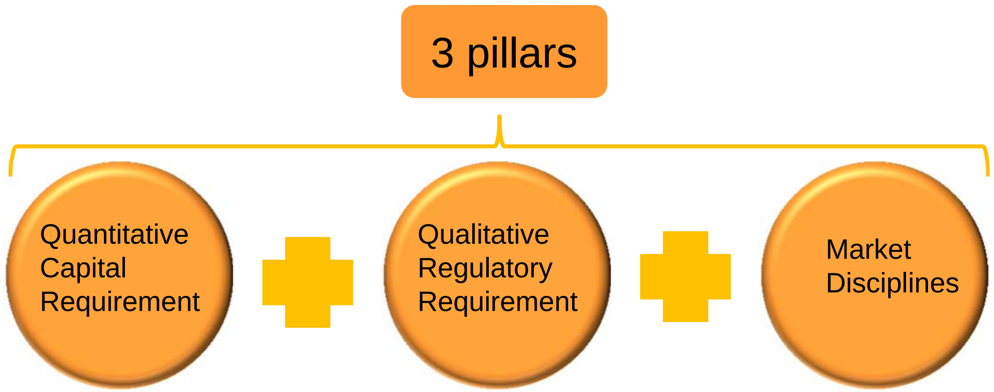
Contents

C-ROSS Reflect Risk Profile

- Solvency I: simple in computing, quantitative capital requirements and **volume-based**

Minimum capital required = a% x statutory reserves + b% x net amount at risk

- C-ROSS: complex in computing, **risk-oriented**:

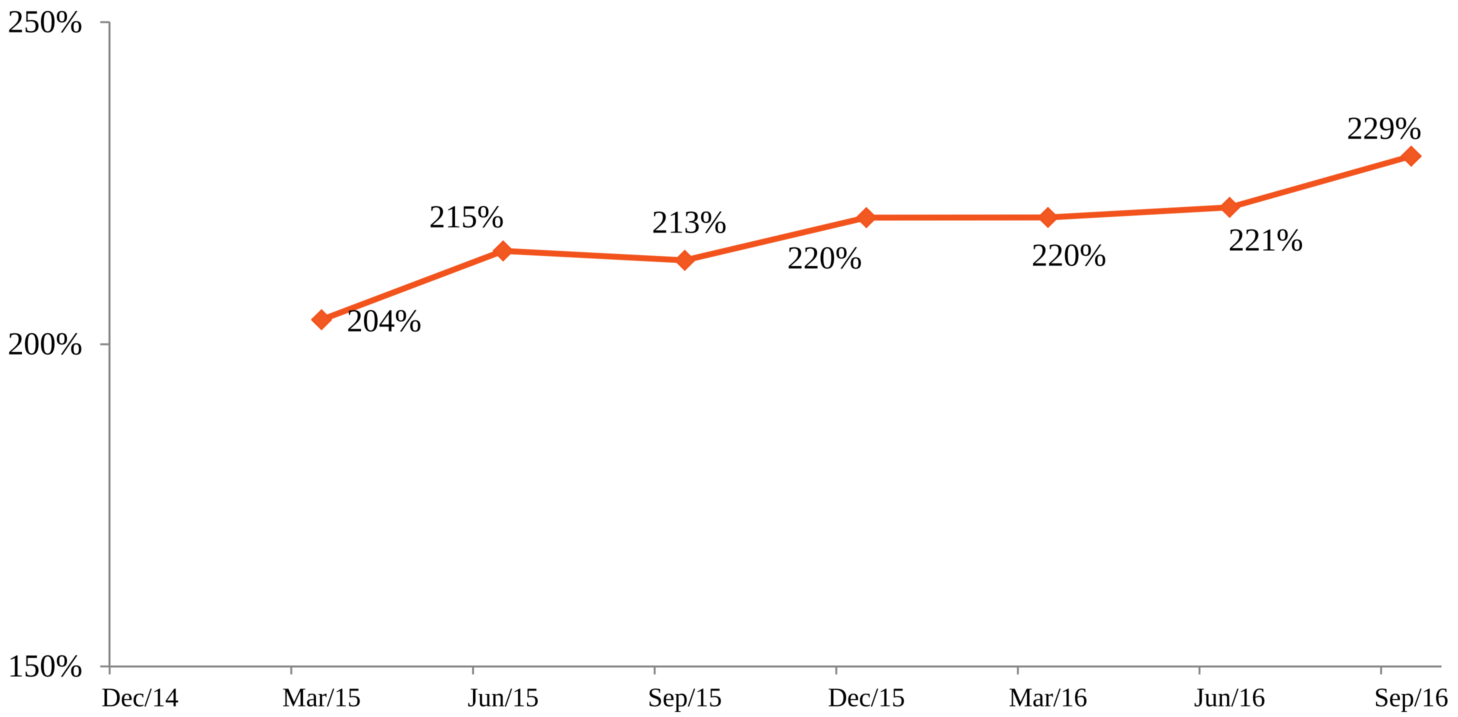


- Ping An Life's solvency results as of Dec 31, 2015:

In million RMB	Solvency I	C-ROSS
Actual capital	123,912	444,366
Required capital	60,981	202,289
Free surplus	62,931	242,077
Solvency ratio	203%	220%

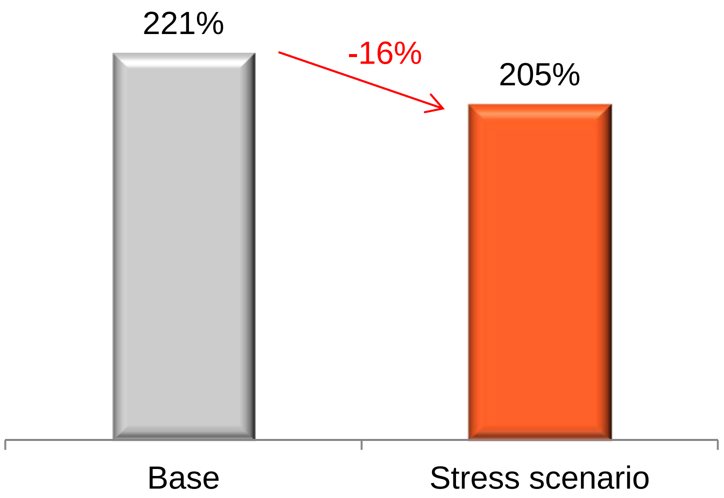
Note: As C-ROSS adopts a different valuation framework, the amount of actual capital and minimum capital required are much higher, but the solvency ratio is close to that of Solvency I

Stable Solvency Ratio under C-ROSS

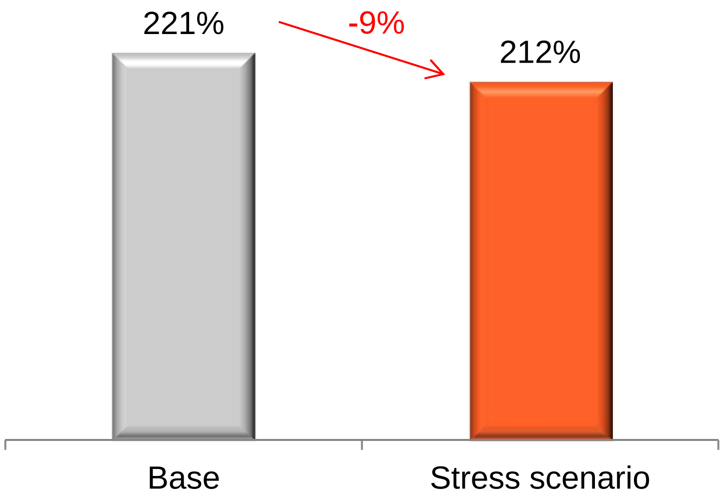


Resilient Solvency Position under C-ROSS to Weather Falling Interest Rate and Capital Market Fluctuation

Solvency Ratio Impacted by a decline of 100bp in 750-day moving average of CGB yields



Solvency Ratio Impacted by a decline of 30% in equities



- Loss absorbing capacity of participating and universal life business reduces the impacts of falling interest rates on actual capital
- Falling interest rates result in a decline of required capital

- Loss absorbing capacity of participating and universal life business reduces the impacts of falling equities on actual capital
- As required capital under C-ROSS is much higher than Solvency I, a decline in equities has much smaller impact

Note: as of June 30, 2016

Conclusion

External Advantages

Low Penetration of Insurance

Aging Population

Market Refocusing on Protection

Sound Business Management and Product Strategy

Less Affected by Low Interest

- **Long-term protection products** are the main contributor of NBEV (taking up 70%)
- Long-term protection products **depend less on interest margin** (about 21%)
- **Large residual margin** for sustainable future profit

Prudent Assumptions

- Prudent actuarial **assumptions** with low deviation
- Profit **is less sensitive to investment return assumptions**
- On-going review of assumptions and adjustments

Positive Impact of C-ROSS

- Better reflects risk exposures
- Solvency **improved steadily**
- NBEV improved due to sound product mix

We are confident in the sustainable growth of Ping An Life!