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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

“The Announcement of Ping An Insurance (Group) Company of China, Ltd. regarding the Disclosure of Relevant Reports on 2016 Strategy Day”, which is published by Ping An Insurance (Group) Company of China, Ltd. on the website of Shanghai Stock Exchange, is reproduced herein for your reference.

By order of the Board
Yao Jun
Company Secretary

Shenzhen, PRC, December 8, 2016

As at the date of this announcement, the Executive Directors of the Company are Ma Mingzhe, Sun Jianyi, Ren Huichuan, Yao Jason Bo, Lee Yuansiong and Cai Fangfang; the Non-executive Directors are Lin Lijun, Soopakij Chearavanont, Yang Xiaoping, Xiong Peijin and Liu Chong; the Independent Non-executive Directors are Woo Ka Biu Jackson, Stephen Thomas Meldrum, Yip Dicky Peter, Wong Oscar Sai Hung, Sun Dongdong and Ge Ming.

**THE ANNOUNCEMENT OF
PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
REGARDING THE DISCLOSURE OF RELEVANT REPORTS ON
2016 STRATEGY DAY**

The board of directors and all directors of Ping An Insurance (Group) Company of China, Ltd. (hereinafter referred to as the "**Company**") confirm that there are no false representations and misleading statements contained in, or material omissions in this announcement, and severally and jointly accept the responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

The Company will hold the 2016 Strategy Day on Friday, December 9, 2016, in which " Ping An Life's Value Inside Out" and "Retail Business Model and Results of Ping An Group" will be reported.

Please refer to the attachments of this announcement disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on the same day for the detailed information of the above reports.

Attachments of this announcement published on the website:

1. Ping An Life's Value Inside Out
2. Retail Business Model and Results of Ping An Group

The Board of Directors
Ping An Insurance (Group) Company of China, Ltd.
December 8, 2016



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

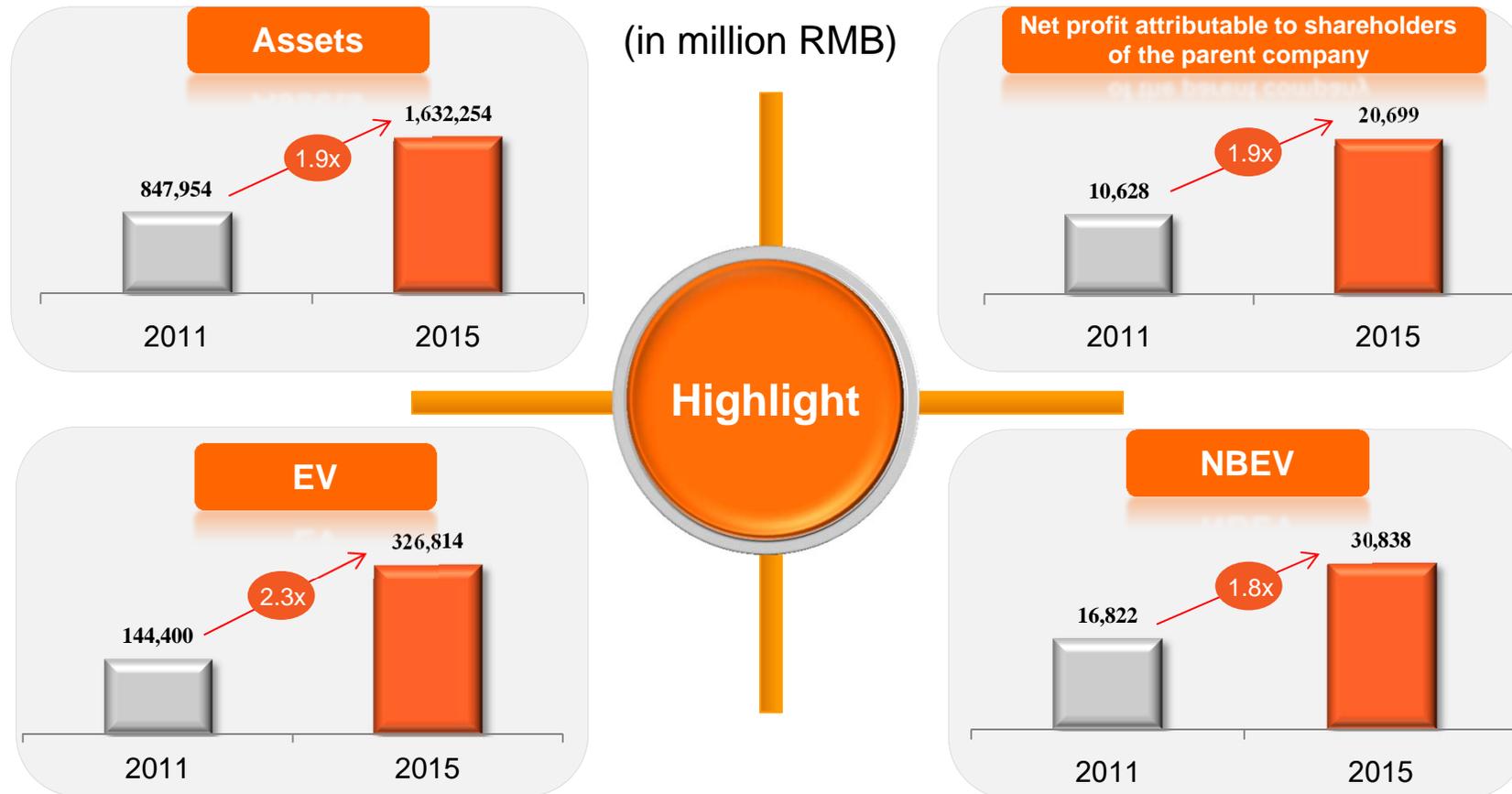
All disclosures on EV and NBEV include Ping An Life, Ping An Annuity and Ping An Health

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?

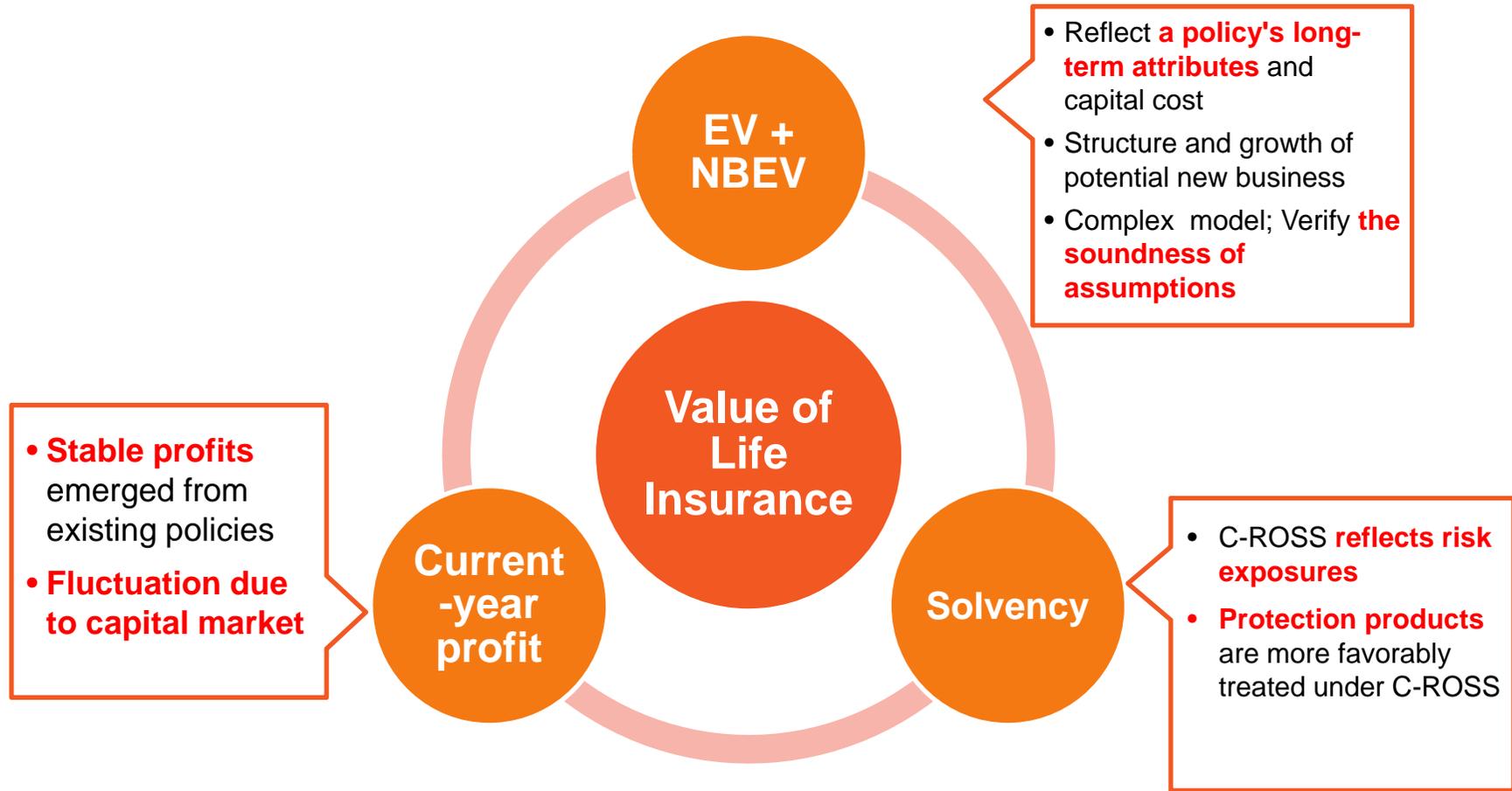
3

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



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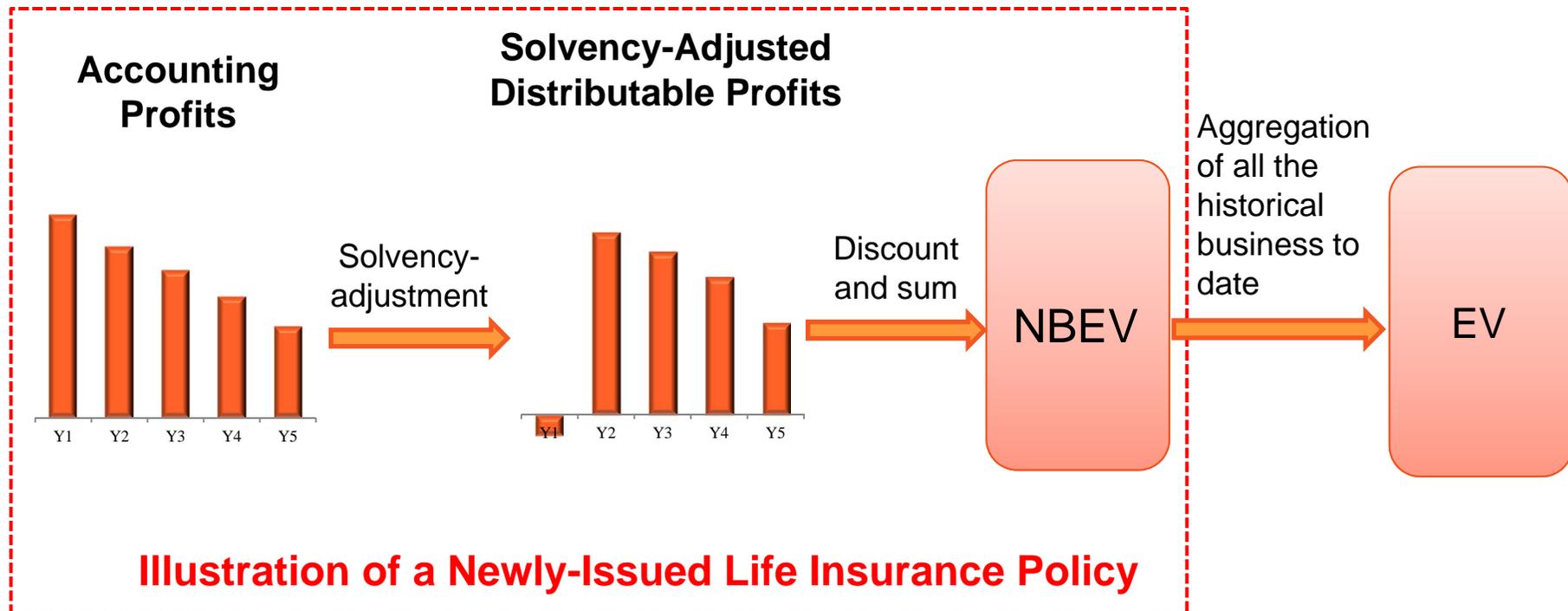
II. High Quality Embedded Value

III. Sustainable Profitability

IV. Resilient Solvency Position

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**

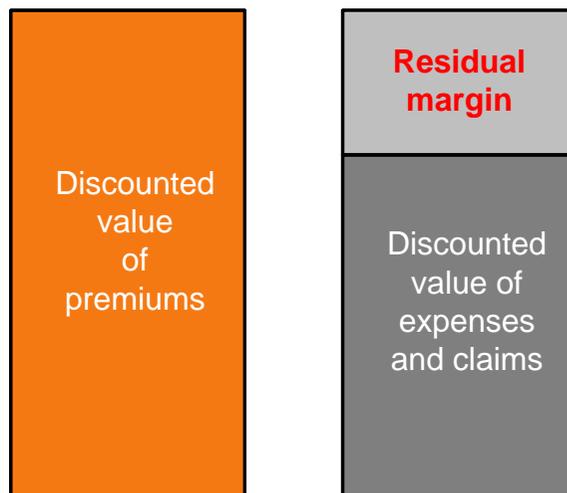


Residual Margin: Stable Long-term Future Profit to Emerge

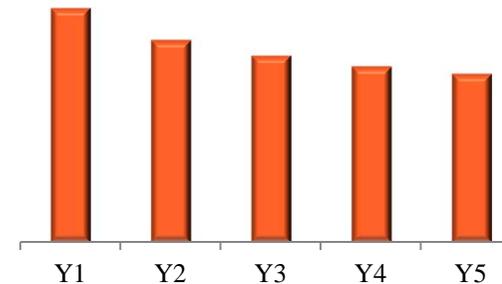
Take the sale of a long-term policy for example:

- At issuance, a profitable policy generated **residual margin** - the discounted value of its expected future profits
$$\text{Residual margin} = \text{discounted value of total premiums} - \text{discounted value of total expenses and claims}$$
- 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)

When a new policy is issued

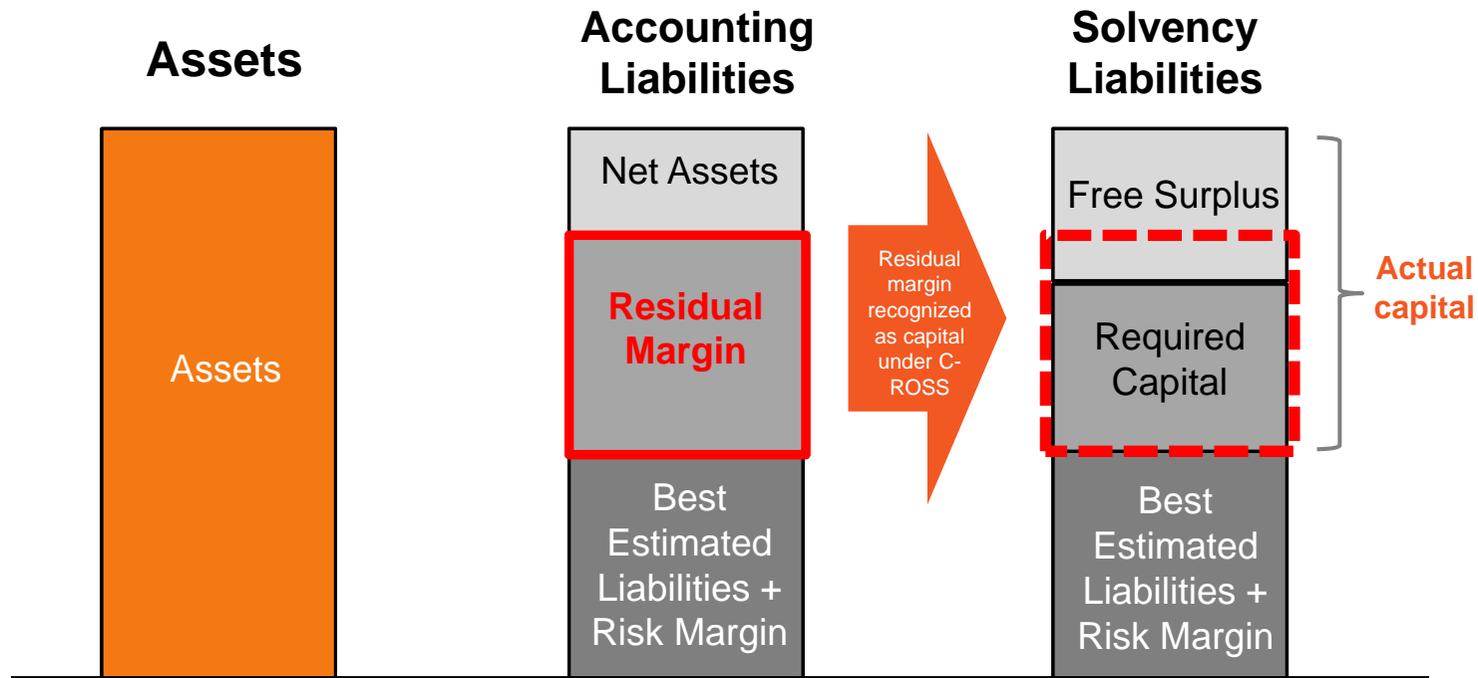


Residual margin amortized as accounting profit



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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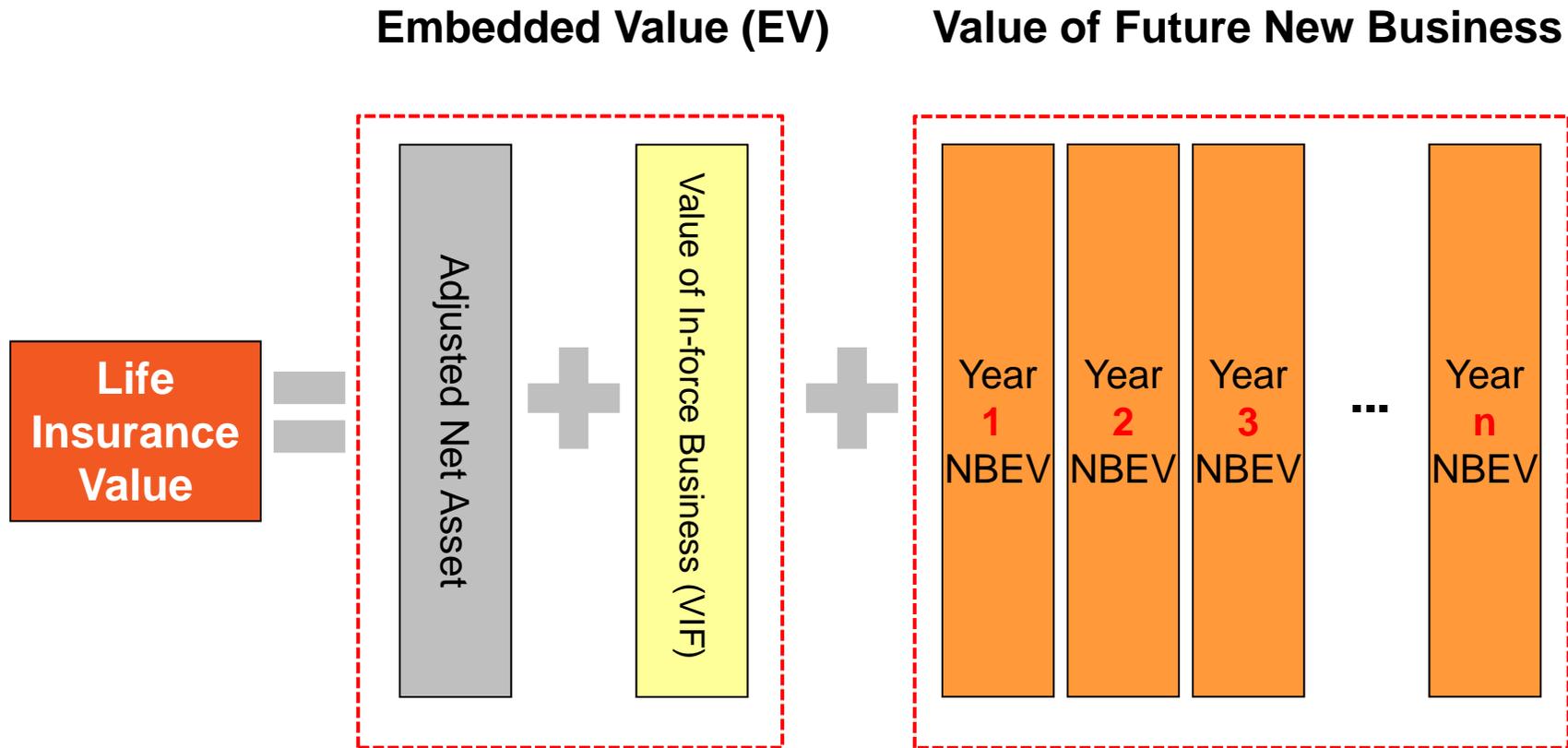
I. Basic Concept

II. High Quality Embedded Value

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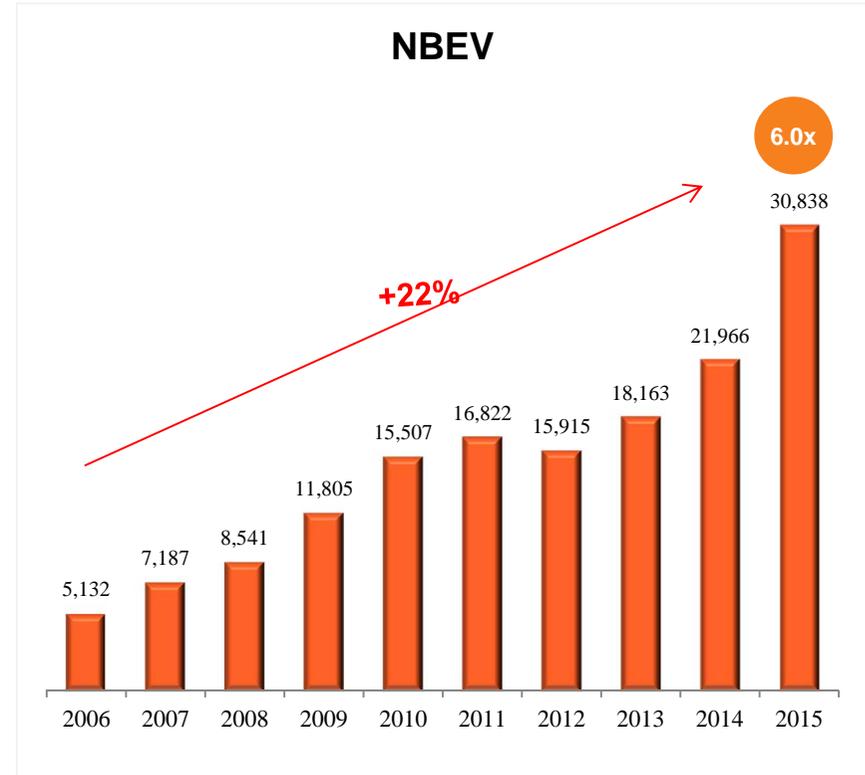
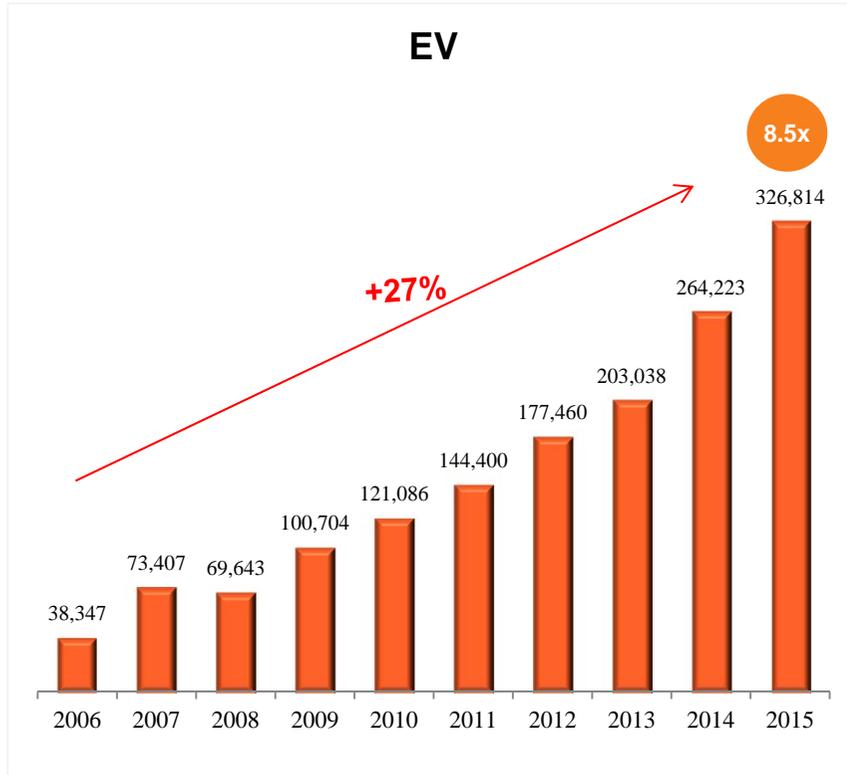
IV. Resilient Solvency Position

Embedded Value: a Better Reflection of Long-term Value



Rapid Growth in EV and NBEV

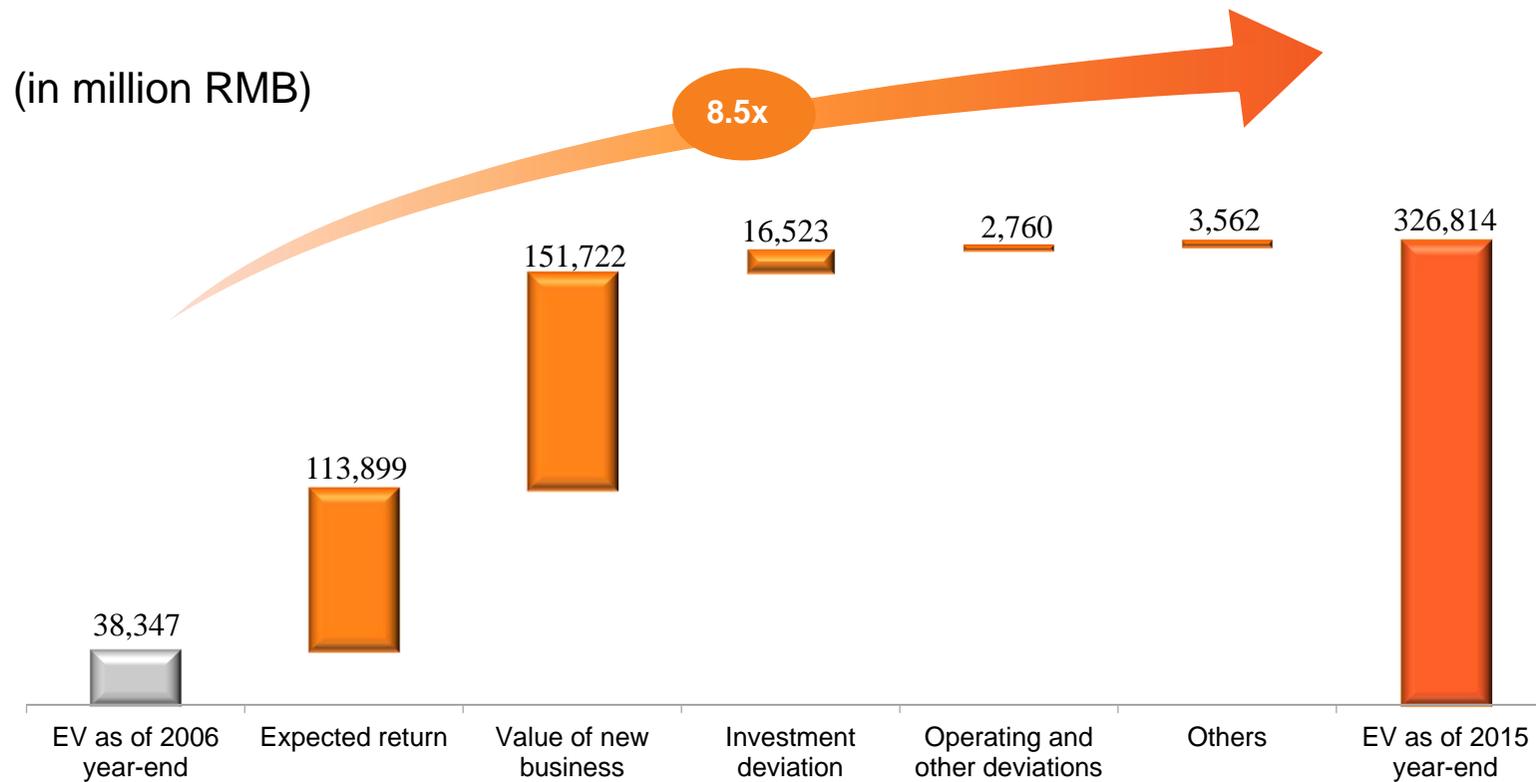
(in million RMB)



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

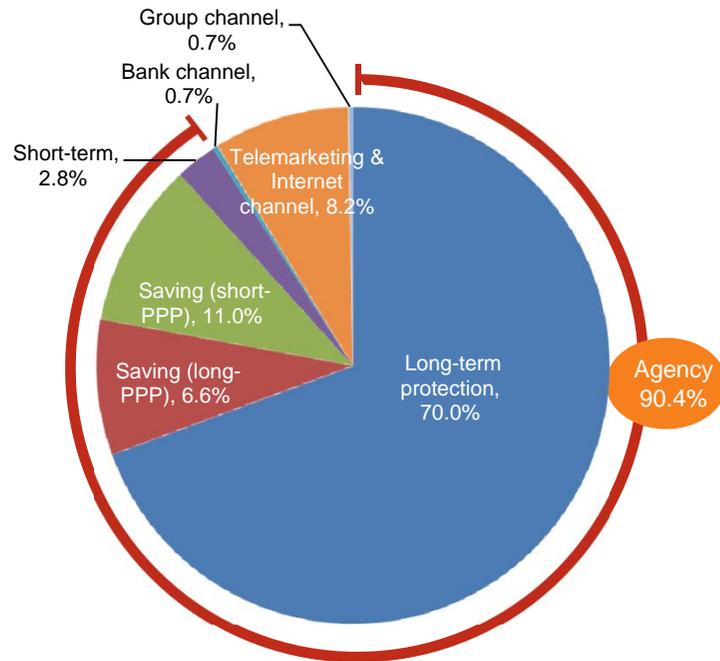
- Expected return and value of new business are the two main contributors of EV growth
- Positive deviations reflect better-than-expected investment and operating results



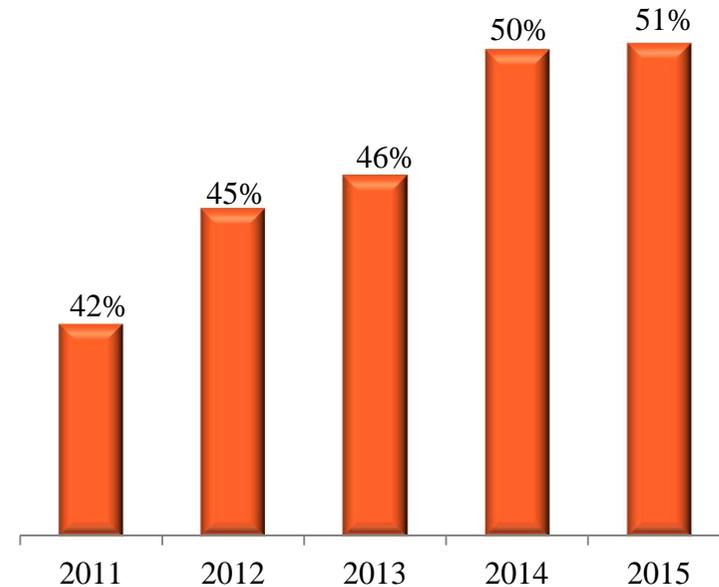
Note: EV shown above are calculated per Solvency I.

Protection Business Contributes 70% of NBEV

NBEV Mix as of 2016HY



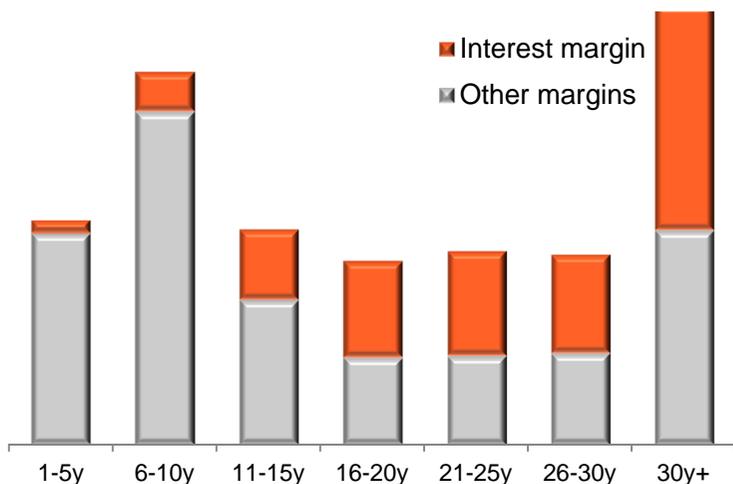
% of FYP attributed to Long-Term Protection Products by Agency Channel



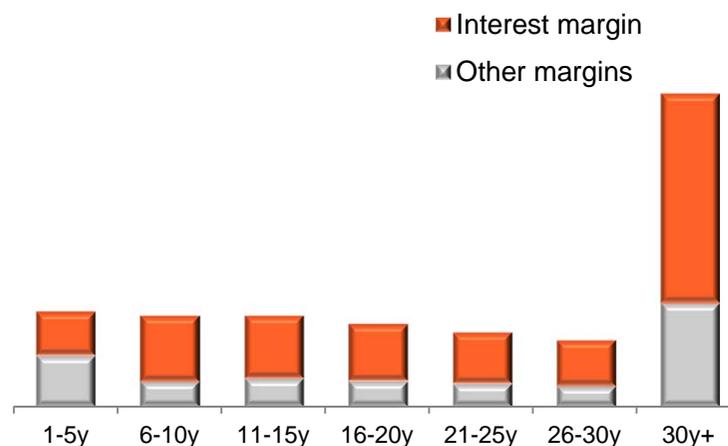
Note: (1) PPP stands for premium payment period.
 (2) The chart on the left above are based on EV under C-ROSS.
 (3) Long-term protection products cover whole-life , term , critical illness and accident insurance. Saving products (short-PPP) cover endowment and annuity products with payment-term below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

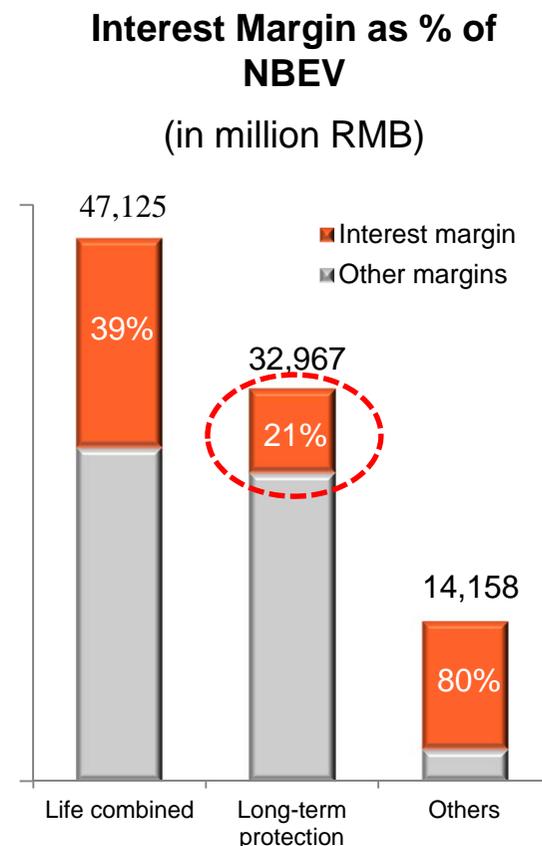
Past 10-yr Performance of Ping An Insurance Funds Exceeds 5.5% & Investment Assumptions will be Reviewed at the Year End

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%



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

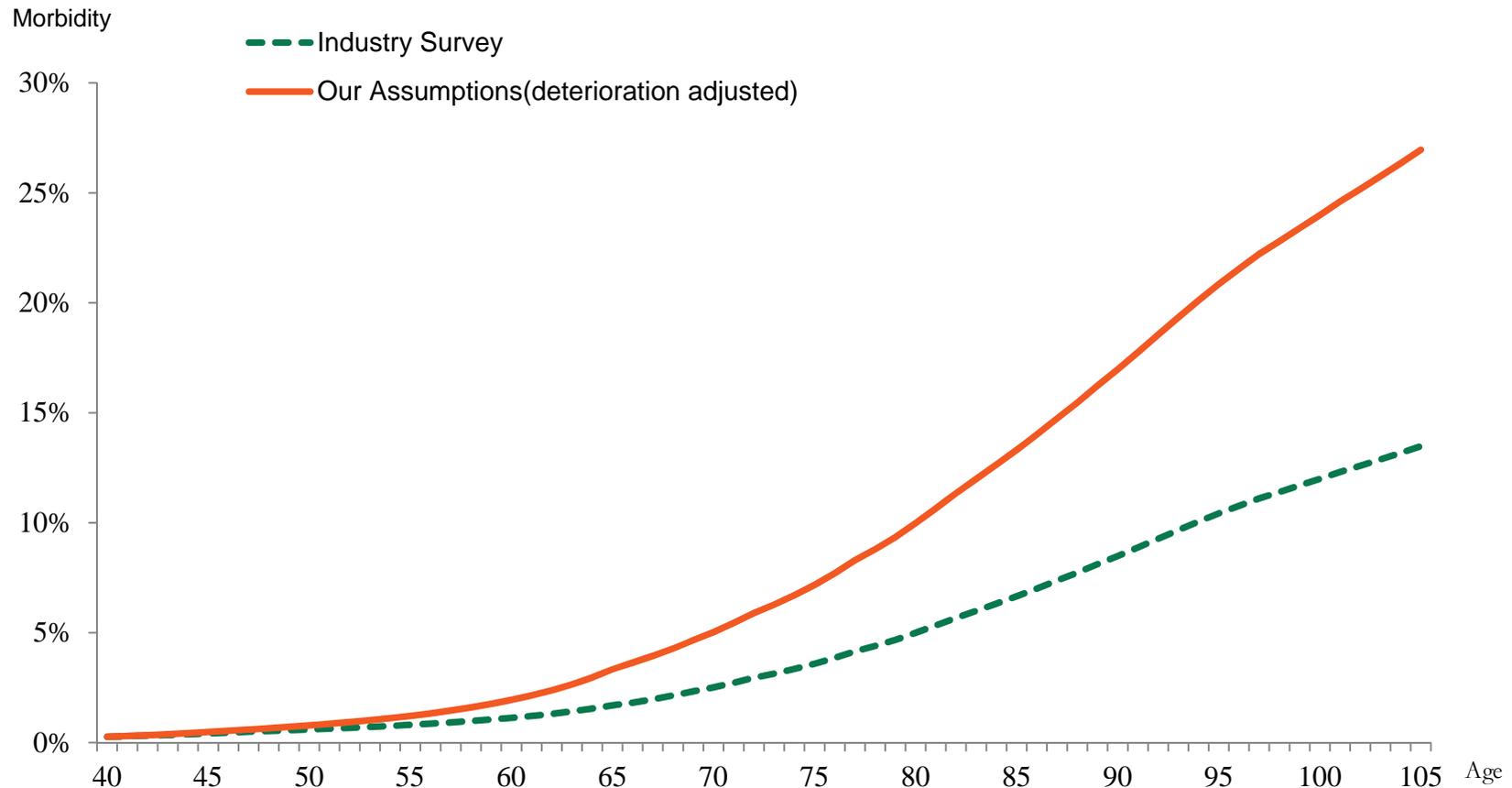
2016HY NBEV:

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



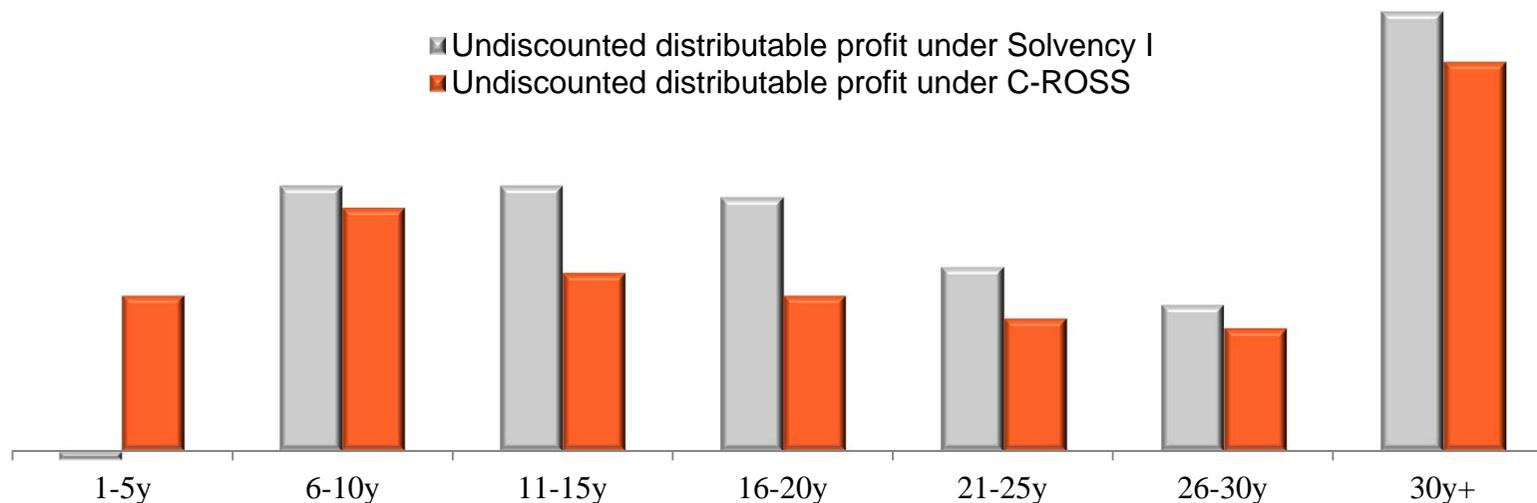
Note: (1) The chart above shows the morbidity rate of females aged 40 (stand-alone dread disease).
(2) "Industry survey" is based on the morbidity table published by the Insurance Association of China.

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
1 st 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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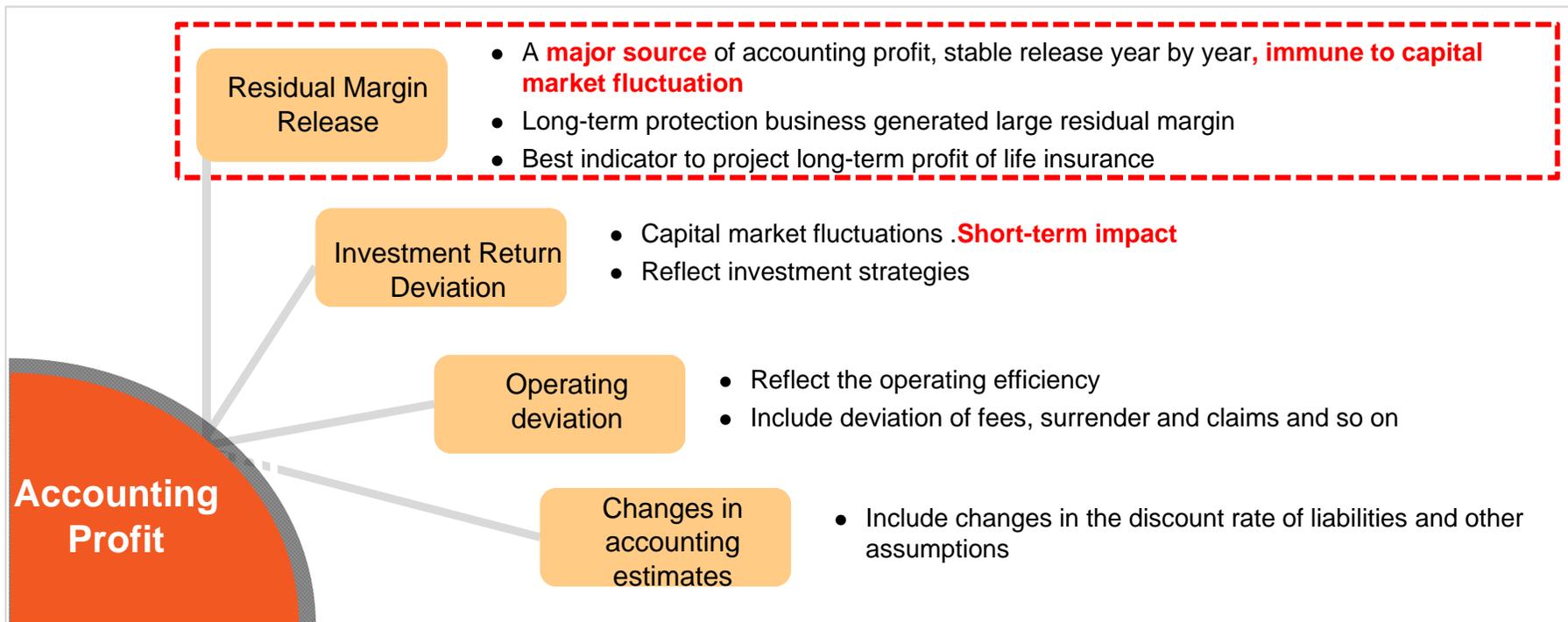
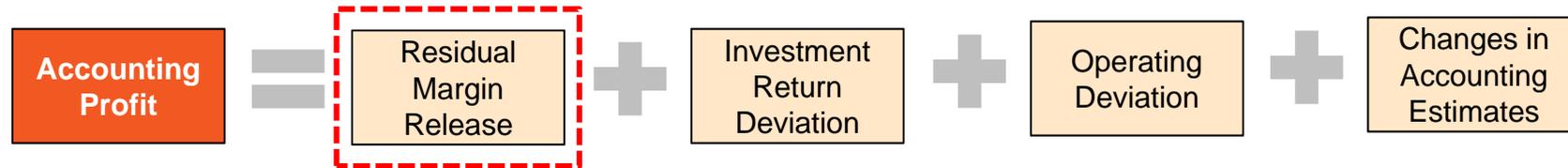
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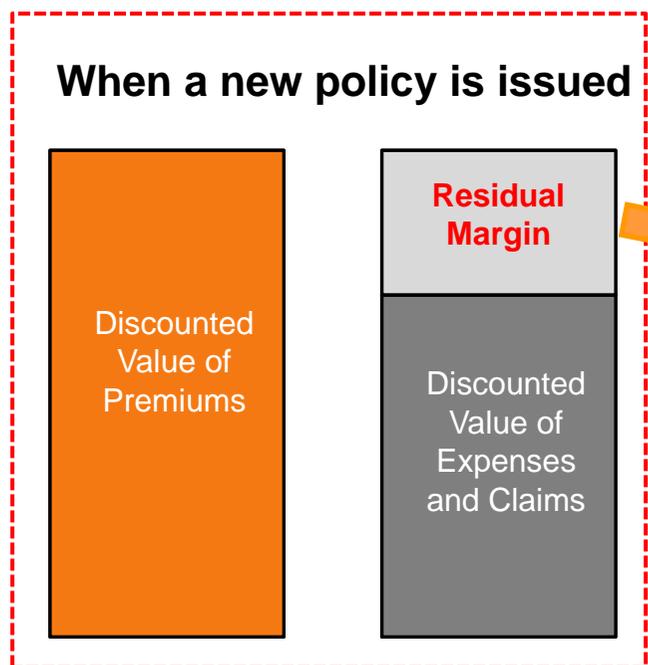
Residual Margin: Core & Stable Source of Future Profit

Accounting Profit of Life Insurer:

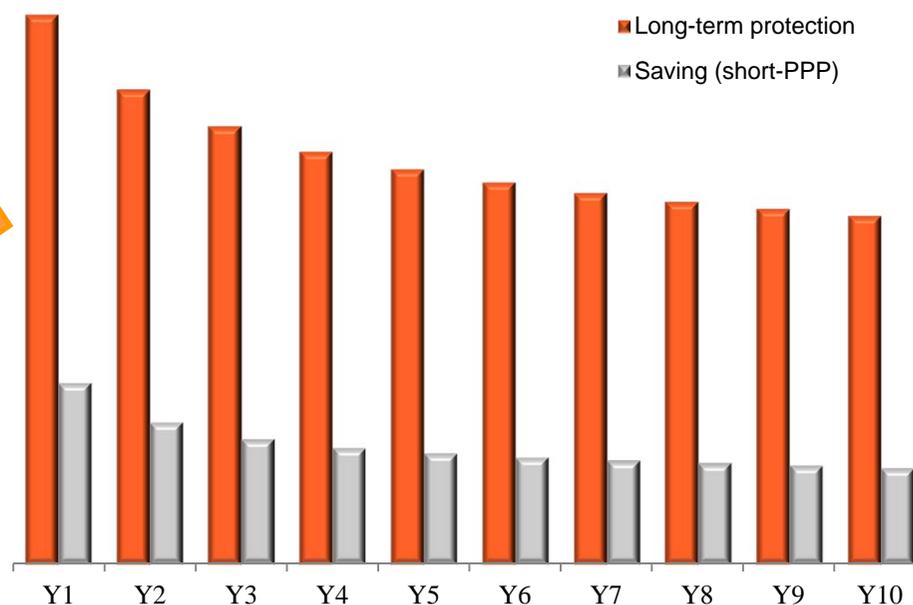


Amortization Pattern of Residual Margin is Locked in & Long-Term Protection Products Generate Large Residual Margin

What's Residual Margin?



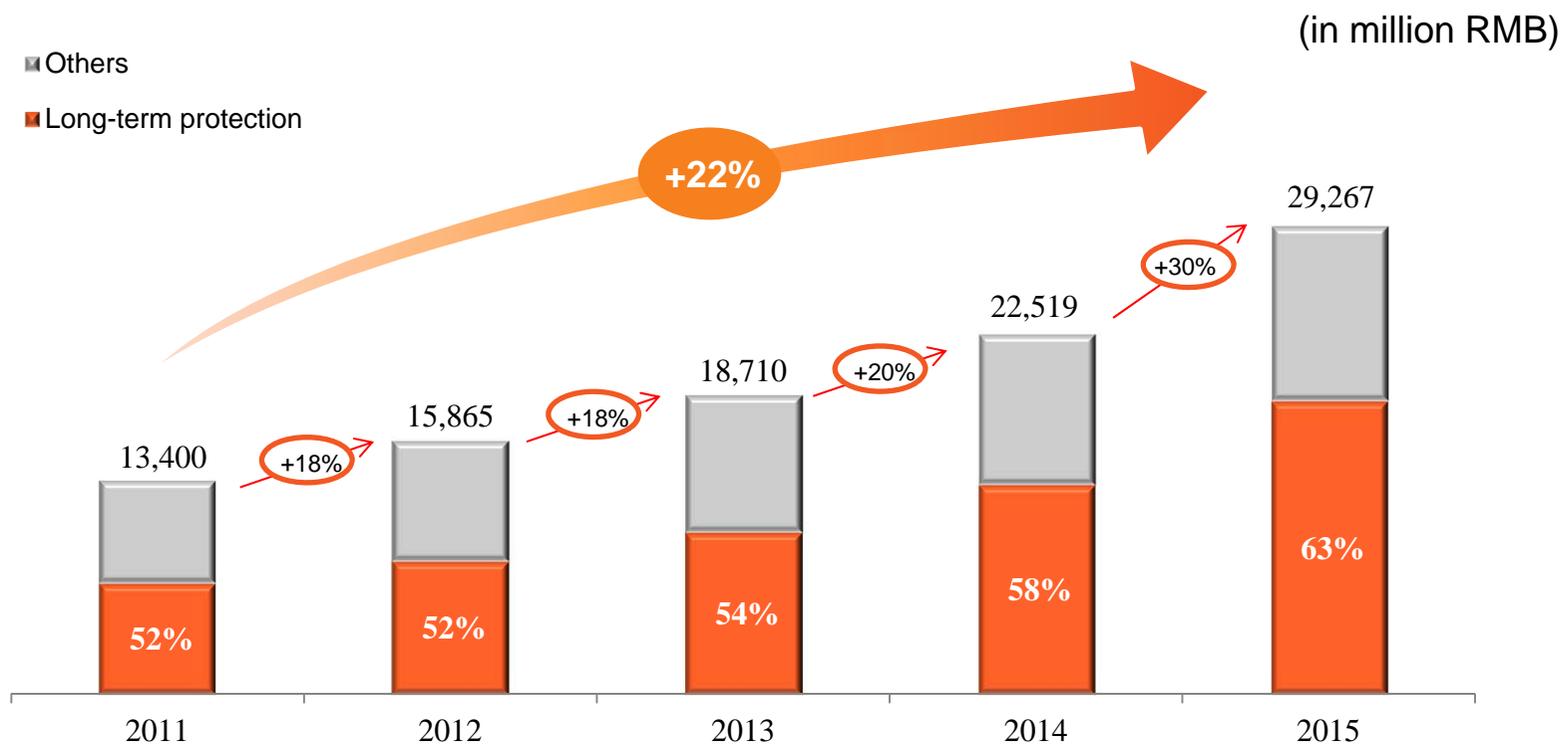
Amortization Pattern of Residual Margin - based on the same FYP



- 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



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

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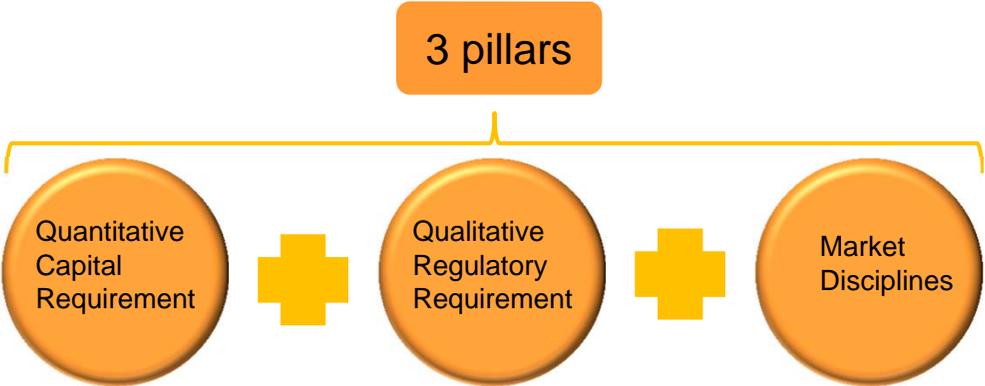
IV. Resilient Solvency Position

C-ROSS Reflect Risk Profile

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

$$\text{Minimum capital required} = a\% \times \text{statutory reserves} + b\% \times \text{net amount at risk}$$

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

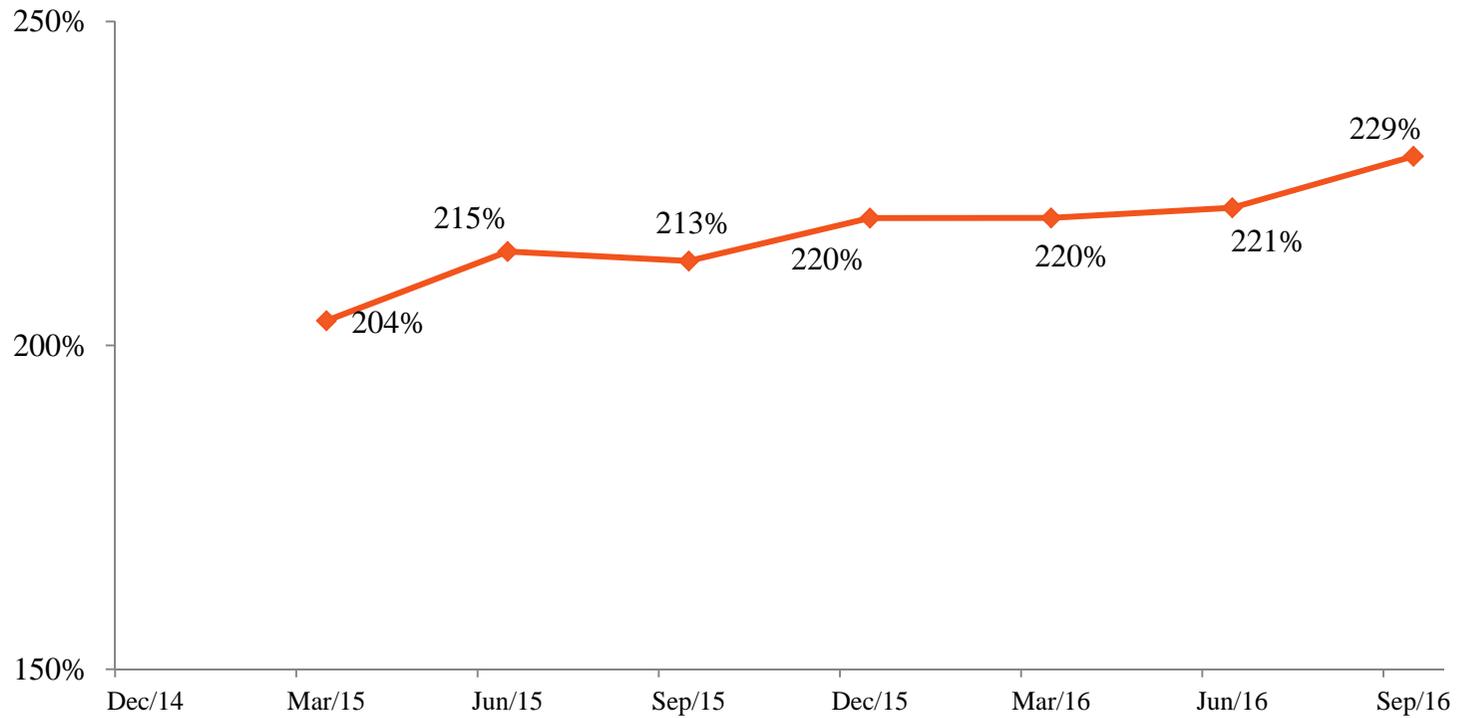


- Ping An Life's solvency results as of Dec 31, 2015:

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%

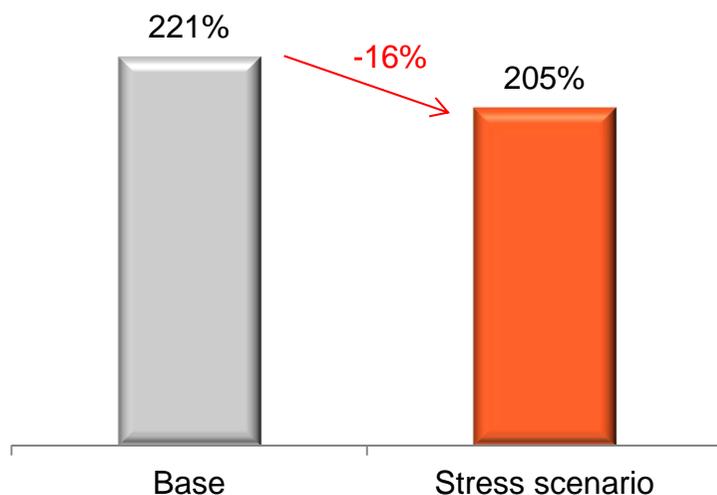
Note: As C-ROSS adopts a different valuation framework, the amount of actual capital and minimum capital required are much higher, but the solvency ratio is close to that of Solvency I

Stable Solvency Ratio under C-ROSS



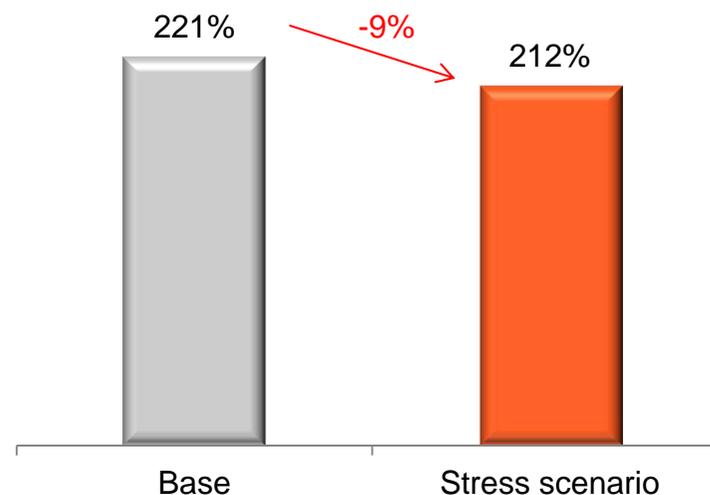
Resilient Solvency Position under C-ROSS to Weather Falling Interest Rate and Capital Market Fluctuation

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



- 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

Solvency Ratio Impacted by a decline of 30% in equities



- 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!

Retail Business Model and Results of Ping An Group

December 2016

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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BUSINESS MODEL OF RETAIL BUSINESS



BUSINESS OVERVIEW OF 1H 2016



BUSINESS PERFORMANCE ON INDIVIDUAL CUSTOMERS



BUSINESS PERFORMANCE ON MAIN PRODUCTS



ECONOMIC MODEL AND VALUE OF RETAIL BUSINESS

Ping An's Goal: To Become a World-leading Personal Financial Services Provider

We are Committed to Becoming
A World-leading Personal Financial Services Provider



Customers

Biggest Number of Individual Customers



Products

Widest Range of Financial Products



Services

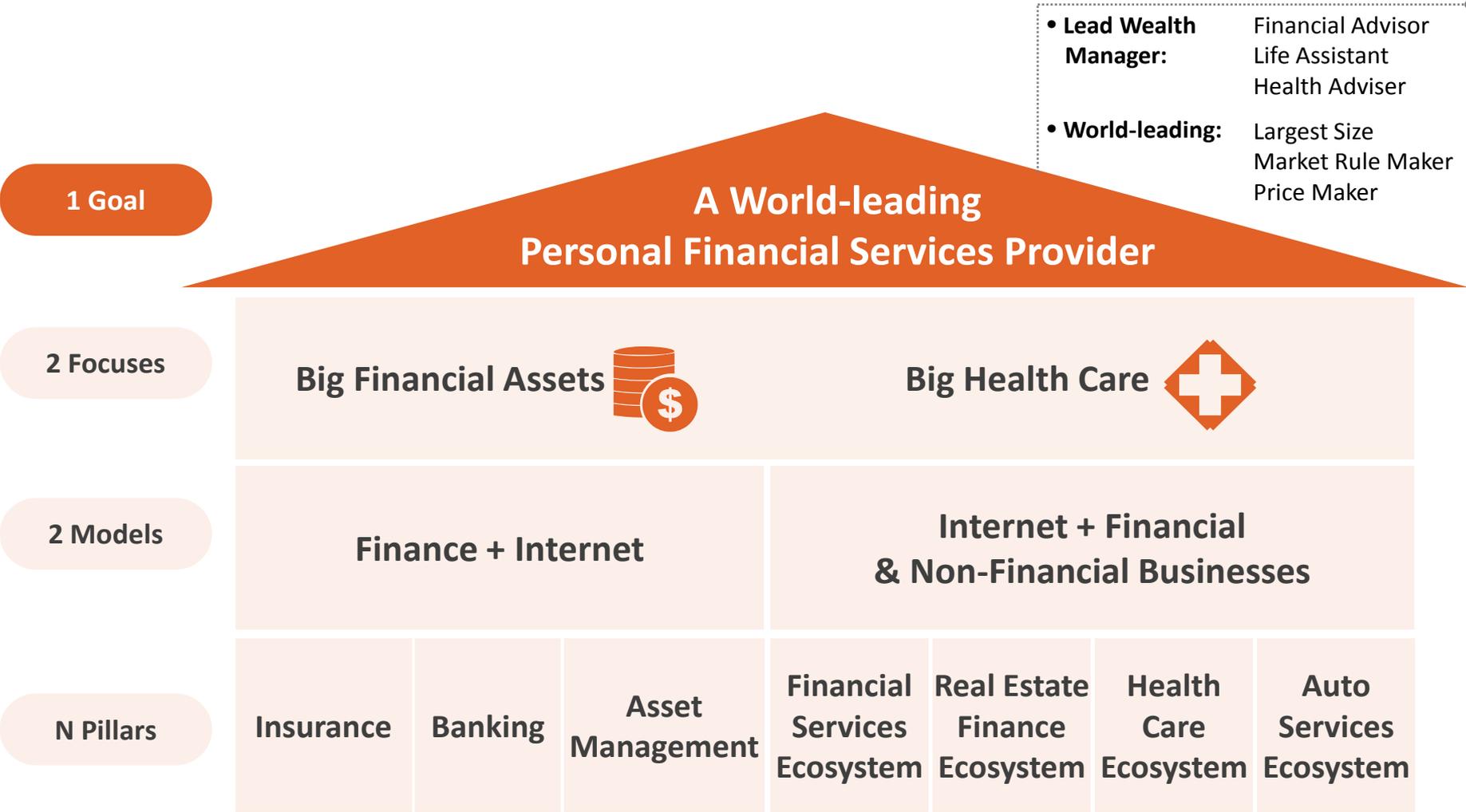
Best Quality of Customer Experience



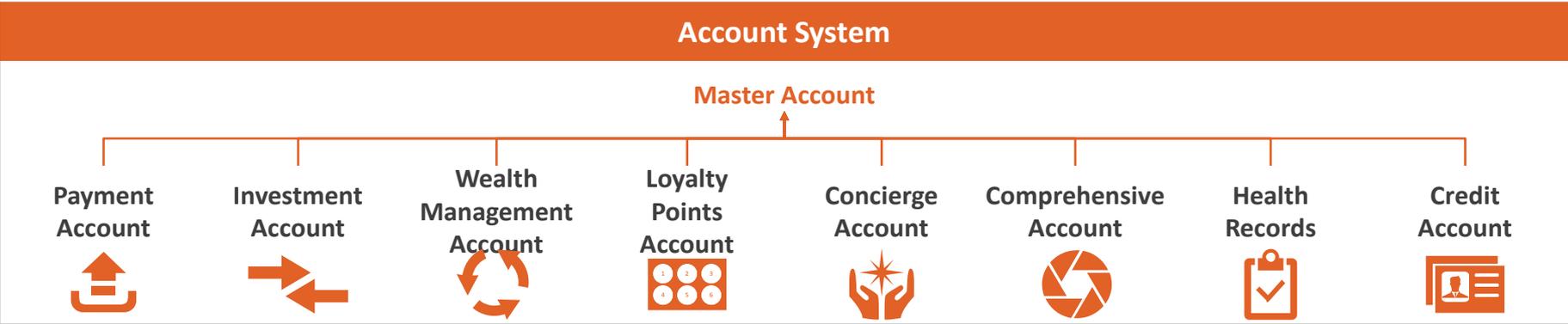
Profit

Strongest Profitability

Ping An's Strategy: 1—2—2—N



Ping An's Business Model: "One Account, Two Supermarkets, and One Door"



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BUSINESS MODEL OF RETAIL BUSINESS



BUSINESS OVERVIEW OF 1H 2016



BUSINESS PERFORMANCE ON INDIVIDUAL CUSTOMERS



BUSINESS PERFORMANCE ON MAIN PRODUCTS



ECONOMIC MODEL AND VALUE OF RETAIL BUSINESS

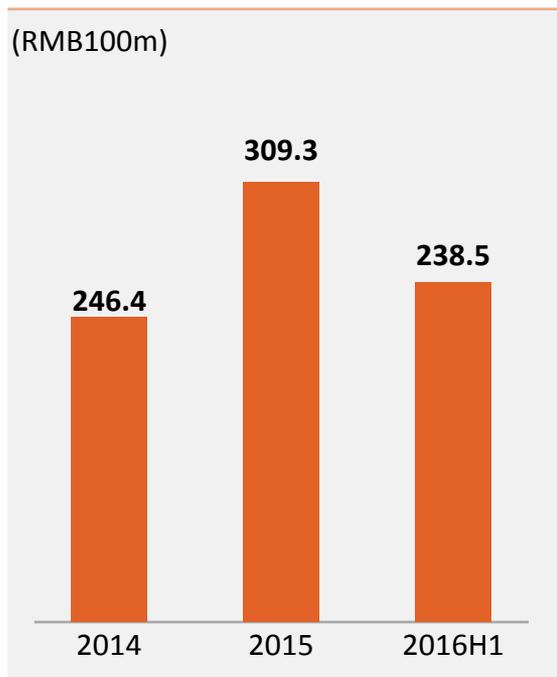
Ping An's Operating Highlight

	<h2>Biggest Number of Individual Customers</h2>	<ul style="list-style-type: none"> The Number of Individual Customers Served by the Group Reached 342 Million, including Nearly 122 Million Financial Customers and 298 Million Internet Users.
	<h2>Widest Range of Financial Products</h2>	<ul style="list-style-type: none"> Among Financial Customers, High-net-worth (HNW) Individuals Have 9.98 Financial Products Per Capita; And the Customers As a Whole Have 2.16 Financial Products Per Capita.
	<h2>Best Services</h2>	<ul style="list-style-type: none"> Financial Customers Use 2.44 Online Services Per Capita, and Internet Users Use 1.81 Online Services Per Capita, With the Group's NPS Reaching 30%
	<h2>Strongest Profitability</h2>	<ul style="list-style-type: none"> The Per Capita Profit of Financial Customers is RMB 195 Among Major Products, Life Insurance's NBEV-MARGIN is 33.9% ; Auto Insurance's COR is 97.9% ; For Retail Banking, AUM Return Rate is 1.13%、 and LUM Return Rate is 6.01%

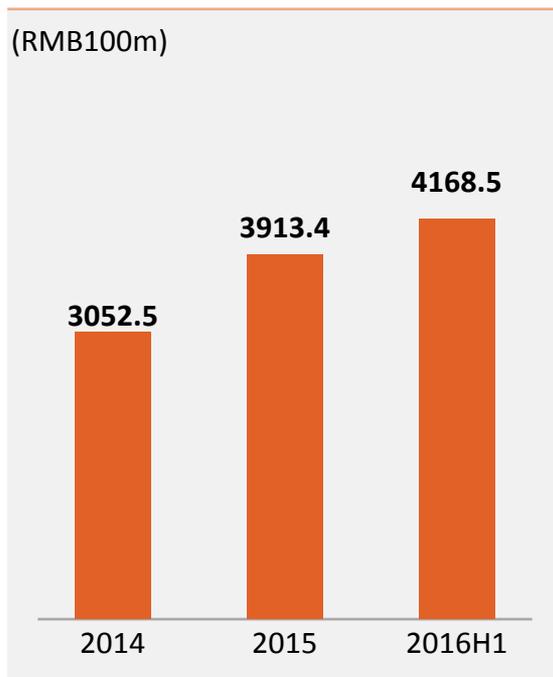
Note: (1) All data of operating results was as of the end of June 2016;
 (2) NPS refers to net promoter score of group customers.

Group's Retail Business Has Seen Stable Growth in Profit

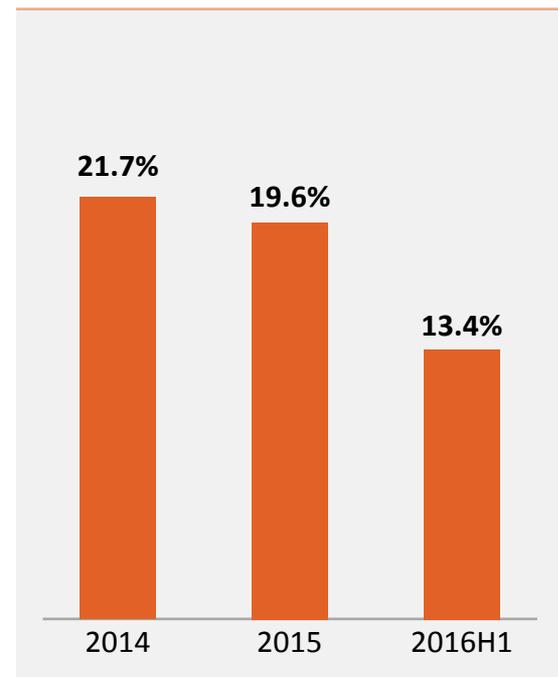
Net Profit of Retail Business



EV of Retail Business



ROE of Retail Business

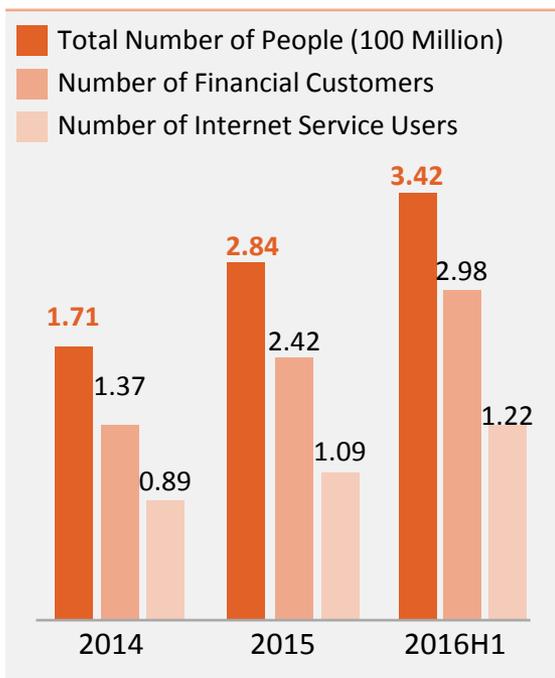


Notes: (1)The Group's Retail EV = EV of PA Life and PA Health's Retail business+ net assets of other subsidiaries' Retail business

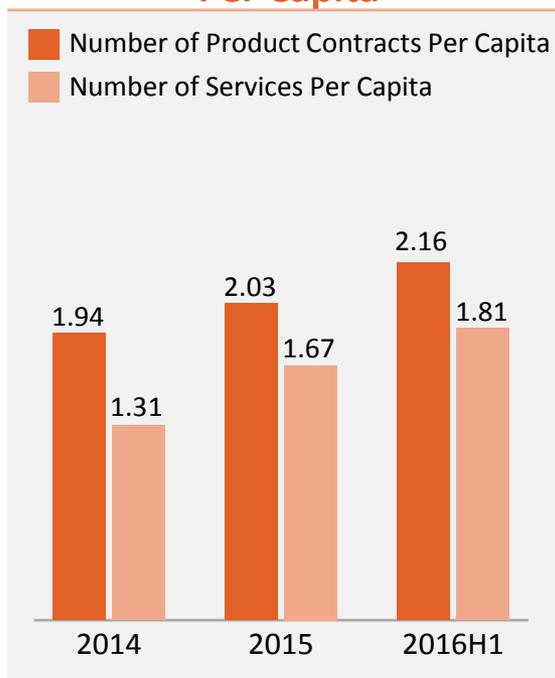
(2)Net profit, ROE and EV are all based on the caliber of the parent company, with net profits and net assets of different subsidiaries being totaled up based on the parent company's shareholding ratio in them, without any consolidation or offset adjustments.

The Total Number of Individuals Served has Increased Rapidly, with Customer Value Being Gradually Reflected

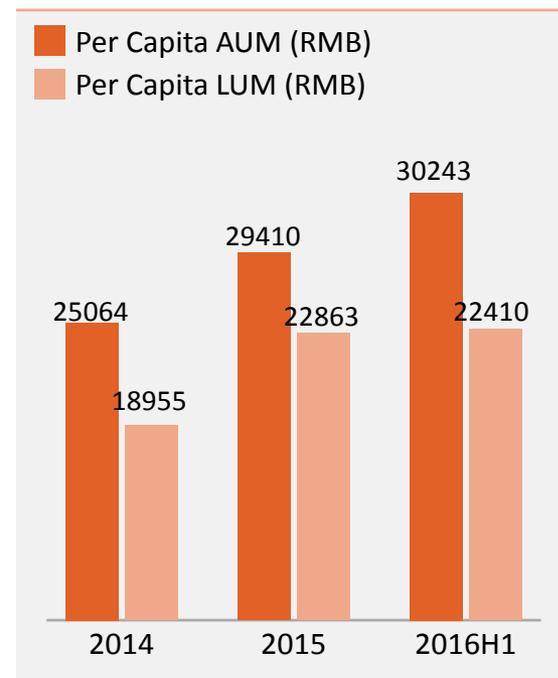
Total Number of People



Number of Contracts/Services Per Capita



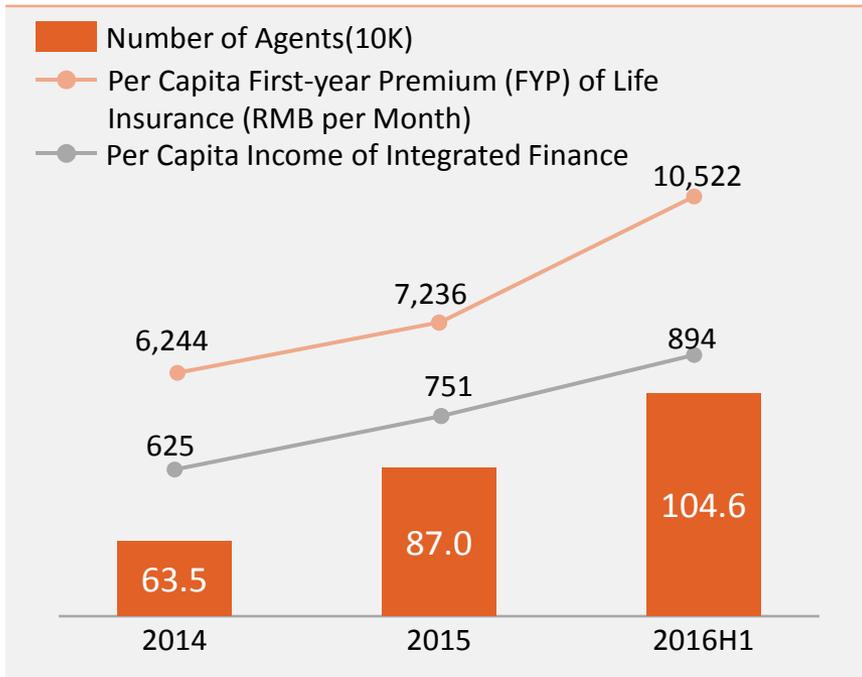
Per Capita AUM/LUM



Notes: (1)AUM per capita refers to AUM per capita of financial clients who have purchased effective asset-based products;
 (2)LUM per capita refers to LUM per capita of financial clients who have purchased effective liability-based products.

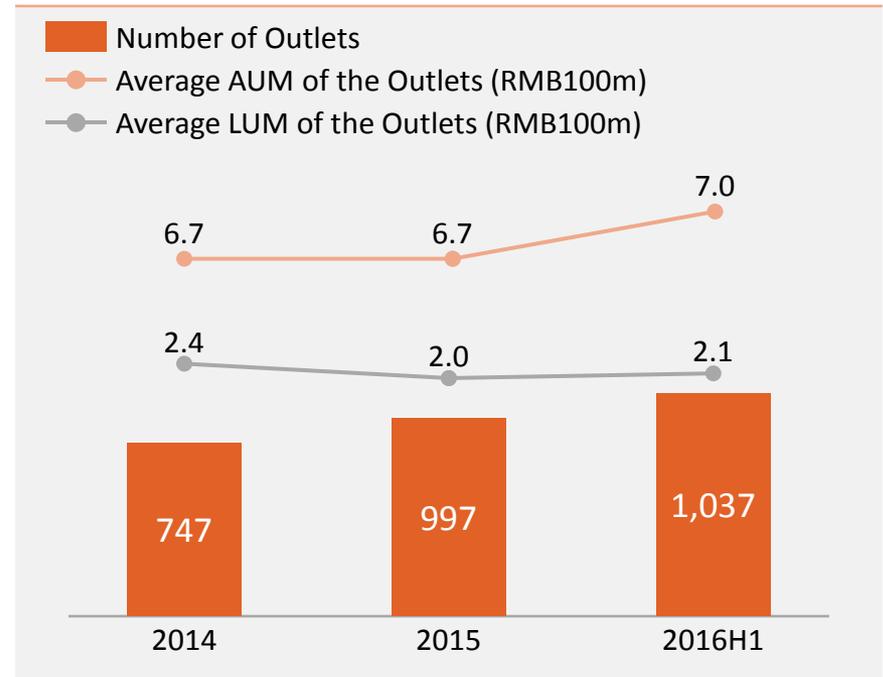
Online/Offline Multi-level Sales and Services Network Provides Better Experience for Customers (1/2) --Agents and Counter Services

Agents



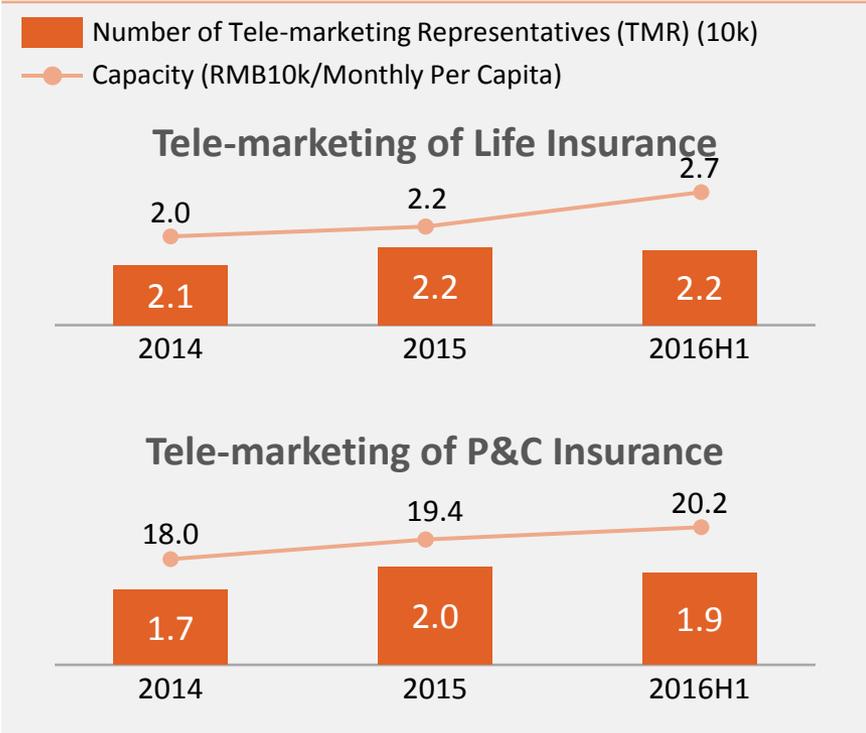
Note: First-year written premium per capita of life Insurance was RMB 10,026/month in 2015H1

Bank Counter Services

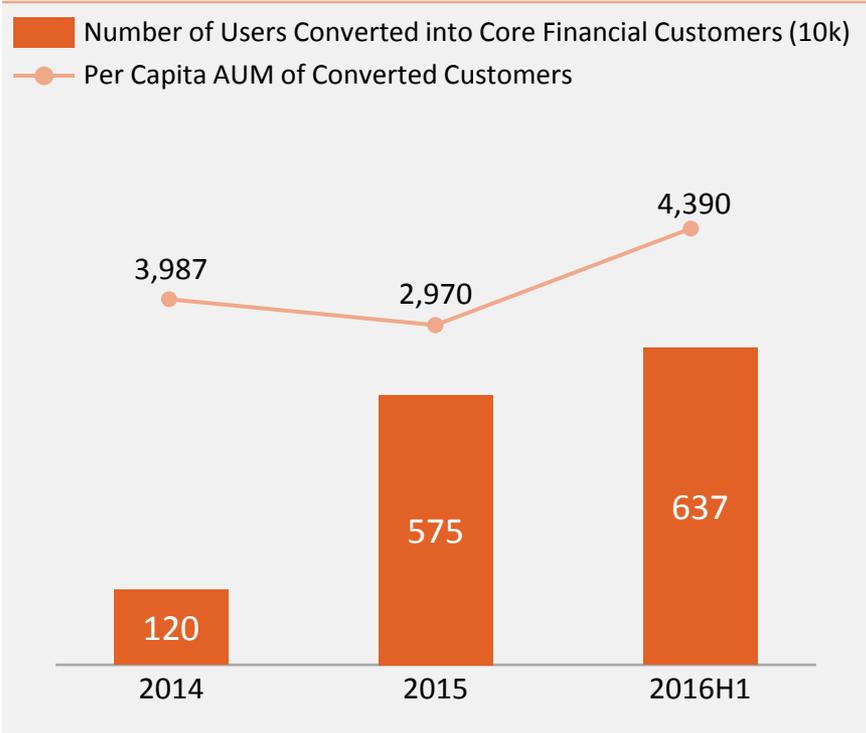


Online/Offline Multi-level Sales and Services Network Provides Better Experience for Customers (2/2) -- Telemarketing and Internet

Tele-marketing



Internet



The Size of Financial Products Has Seen Stable Growth, with Increasingly Stronger Profitability

No.	Product Line	AUM\LUM (100m)	
①	Life Insurance	17,218	
②	Auto Insurance	1,216	
AUM RMB 3,458.7bn	③	Bank Deposit and Wealth Management	7,241
	④	Securities, Funds and Trust	5,303
	⑤	Other Insurance Products	221
⑥	Internet Finance	3,388	
LUM RMB 511.5bn	⑦	Bank Loan	2,159
	⑧	Credit Card	1,694
	⑨	Other Loans	1,262

Note: (1) Other insurance products include accidental insurance, health insurance and credit guarantee insurance, etc.

(2) Other loans include PAS's margin trading, PAT's collateral lending and Puhui's loans for individuals.

Example of Important Products		2014	2015	2016H1
1	NBEV (RMB100m)	211.0	304.2	238.5
	Margin(%)	38.3	39.3	33.9
2	Underwriting Profit (RMB100m)	7.9	5.3	11.2
	COR(%)	98.9	99.4	97.9
3+7+8	Profit (RMB100m)	8.0	27.2	25.8
	ROE(%)	3.9	11.2	9.3
4	Profit (RMB100m)	5.2	15.5	9.1
	ROE(%)	23.1	25.1	8.2

Note: (1) NBEV of life insurance was RMB16.63b in 1H 2015, with margin of 34.6%;

(2) Profits and ROE have not been split according to equity ratios.

Business Review For The First Half Year

-  **The Group's Retail Business Reports Stable Profit Growth**
-  **The Scale of Customers Rapidly Increases with High Value Contribution**
-  **The Distribution and Services Network Which Integrates Online and Offline Resources Will Help Provide Better Experience for Clients and Enhance the Efficiency and Productivity of Channels**
-  **Financial Products Report Stable Growth in Scale and Stronger Profitability**

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BUSINESS MODEL OF RETAIL BUSINESS



BUSINESS OVERVIEW OF 1H 2016



BUSINESS PERFORMANCE ON INDIVIDUAL CUSTOMERS



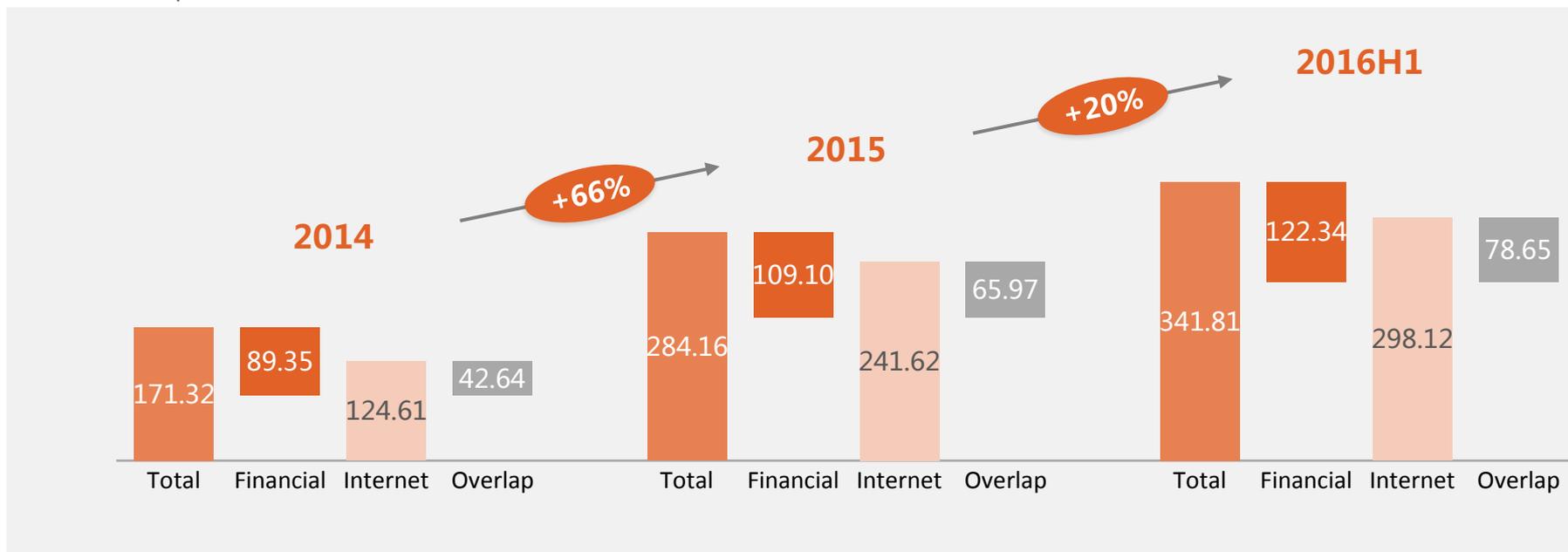
BUSINESS PERFORMANCE ON MAIN PRODUCTS



ECONOMIC MODEL AND VALUE OF RETAIL BUSINESS

Both Financial Product Customers and Internet Service Users Have Maintained Rapid Growth, with the Overlapping Number of Customers and Users being Increased Rapidly

Unit: million People



Number of Contracts Per Capita	1.93	2.43	2.03	2.43	2.16	2.31	
Number of Services Per Capita		1.31	1.65	1.67	2.10	1.81	2.44

Notes: The Total Number Of People Served By The Group Includes Financial Customers And Services Users. Of Them,

- (1) Financial Customers Refer To The Individual Customers Who Hold Valid Financial Products Under Ping An Group, With Internet Financial Users Being Included From 2015 On; And
- (2) Service Users Refer To The Users Who Use Various Online Financial or Life Services (On Both PC and App) Under Ping An Group and Register An Account.

Both The Number of Customers And The Number of Contracts Per Capita of the 9 Types of Financial Products have seen Rapid Growth



	2016H1	2015	2016H1	2015
Core Finance				
Life Insurance	4,361	4,123	1.76	1.73
Auto Insurance	3,355	3,100	1.87	1.86
Bank Deposit and Wealth Management	3,512	3,145	1.40	1.36
Bank Loan	176	154	1.49	1.47
Credit Card	2,086	1,805	1.12	1.19
Securities, Funds and Trust	1,228	761	1.70	1.45
Other Insurance Products	1,320	533	1.13	1.14
Other Loans	208	137	1.09	1.09
Internet Finance	511	323	2.18	2.16
Total (Finance)	12,234	10,910	2.16	2.03

Note: Internet Finance Only Includes Valid Financial Investment and Trading Business at Lufax as of The End of the Statistical Period.

Both the Number of Users and the Number of Monthly Active Users of the 7 Types of Internet Services Have Seen Significant Growth, with the Monthly Frequency of Active Users being Connected to the Group being 42 Times Per Capita



	2016H1	2015	2016H1	2015
Online Insurance Services	15,430	12,185	2,038	1,653
Online Banking Services	1,796	1,240	431	419
Investment And Wealth Management Services	4,092	2,862	708	457
Account Management Services	11,178	8,423	1,536	1,422
Payment And Loyalty Point Services	4,526	3,619	344	384
Health Care Services	4,093	935	1,315	129
Other Life Services	9,368	5,479	1,473	1,013
Total (Services)	29,812	24,162	5,628	3,836

Note: the number of monthly active users was the average of monthly active users in the three months of Q2 2016

Customers and Users Maintained Rapid Growth, with 18.9mn New Financial Customers and 56.5mn New Internet Service Users in 2016H1

Distribution and Value of New Financial Customers in the Current Year

	Number of New Customers (10k)	Number of Contracts Per Capita (Contracts)
Core Finance		
Life Insurance	350	1.37
Auto Insurance	763	1.71
Bank Deposit and Wealth Management	402	1.34
Bank Loan	39	1.19
Credit Card	376	1.03
Securities, Funds and Trust	504	1.55
Other Insurance Products	947	1.09
Other Loans	145	1.03
Internet Finance	174	2.10
Total (Finance)	1,885	1.80

Distribution of New Internet Service Users in the Current Year

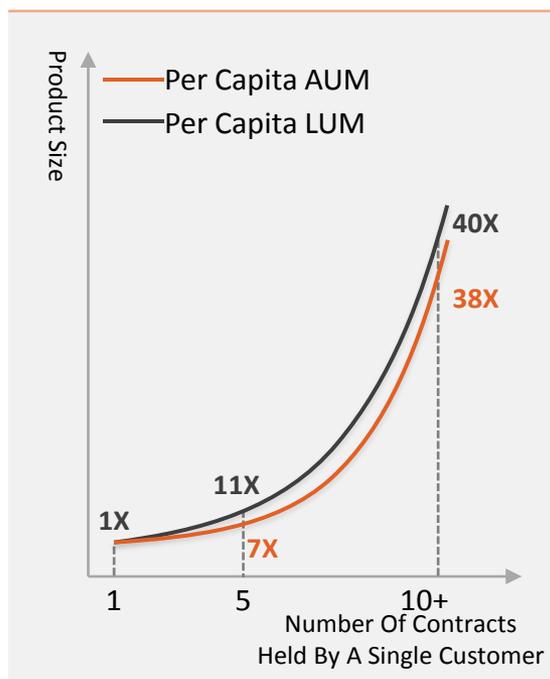
	Number of New Customers (10K)	Monthly Number of Active Users (10K)
Online Insurance Services	3,245	991
Online Banking Services	556	177
Investment and Wealth Management Services	1,230	310
Account Management Services	2,755	733
Payment and Loyalty Point Services	907	154
Health Care Services	3,158	1,241
Other Life Services	3,889	897
Total (Services)	5,650	2,681

The Per Capita Number of Contracts and the Product Size of Financial Customers have seen Stable Growth; The Higher the Customers' Wealth Grade is, the Bigger the Per Capita Contribution will be

The Higher The Customers' Wealth Grade is, the Bigger the Per Capita Contribution will be

Wealth Grade	Number of Customers (10k)	Number of Contracts Per Capita
Hnw	8.19	9.98
Affluent	2,132	3.26
Middle-class	4,667	2.18
Mass	5,426	1.70
Total (The Group)	12,234	2.16

With the Increasing Number of Contracts, The Product Size Per Capita has seen Exponential Growth



With the Increasing Seniority of Customers, the Number of Contracts Per Capita has Growing Steadily

End-2016H1 Seniority of Customers	Number of Contracts Per Capita
0 Year	1.70
1 Year	2.15
2 Years	2.19
3 Years	2.29
4 Years	2.32
5 Years & Above	2.37

Note: Mass Customers Are The Customers With An Annual Income Below RMB100k; Middle-class Customers Are The Customers With An Annual Income From RMB100k To RMB240k; Affluent Customers Are The Customers With An Annual Income Above 240k; And HNW Customers Are The Customers With An Individual AUM Of Over RMB10mn, Whose Per Capita AUM at Ping An Reached RMB 7mn at the End of 2016H1.

Financial Customers have been Highly Crossed and Penetrated between Different Product Lines

Penetration Rate of Main Financial Product Lines in 2016H1

Main Financial Product Line	Penetration Rates of Main Products				
	Life Insurance	Auto Insurance	Bank Deposit & Wealth Management	Credit Card	Internet Finance
Life Insurance	—	12%	14%	14%	3%
Auto Insurance	16%	—	11%	12%	1%
Bank Deposit & Wealth Management	18%	10%	—	26%	4%
Credit Card	29%	19%	44%	—	3%
Internet Finance	23%	10%	24%	14%	—

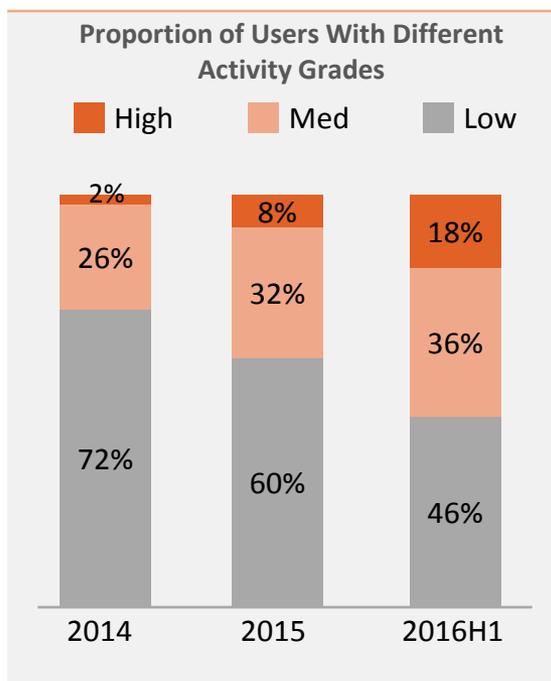
Note: The First 12% in this Figure means among the Life Insurance Clients, 12% have Purchased Auto Insurance.

Activity of Internet Service Users is Positively Correlated to the User Value. The Higher the User Activity Grade is, the Bigger the Number of Contracts Per Capita will be

The Higher The User Activity Grade is, the Bigger the Per Capita Contribution will be

Activity Grade	Number of Services Per Capita	Number of Contracts Per Capita
High	3.18	1.45
Medium	2.09	0.73
Low	1.41	0.43

The User Structure has been Improving the Proportion of High-grade Users has Increased Steadily



With the Increasing Seniority of Users, the Number of Contracts Per Capita has Growing Steadily

End-2016H1 Seniority of Users	Number of Services Per Capita	Number of Contracts Per Capita
0 Year	1.68	0.33
1 Year	1.88	0.63
2 Years	1.80	0.98

Note: Activity Grade Is Based on the Number of Logon Times. If over 4 Times In A Month, the Grade Will Be High; if Below 4 Times in a Month and Over once in a Year, the Grade Will be Medium; And if Once or Below In A Year, The Grade Will Be Low.

Internet Service Users Have Also Started to Purchase Plenty of Financial Products

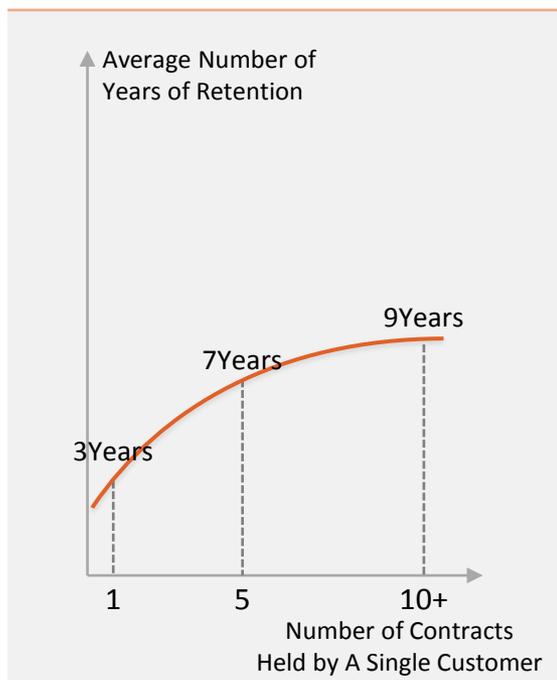
The Number of the Main Platform Users being Converted into Financial Customers in 2016H1

(10k)

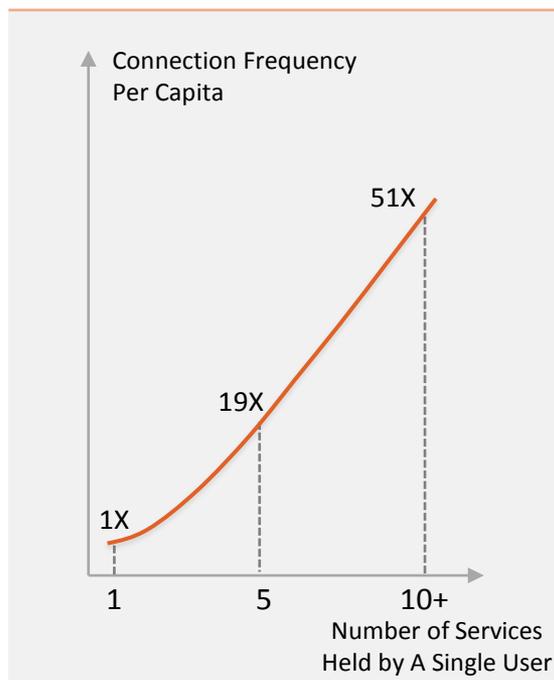
Main Internet Platforms	Main Financial Product Line				
	Life Insurance	Auto Insurance	Banking Deposit & Wealth Management	Credit Card	Internet Finance
Lufax	8.4	5.1	14.2	5.7	—
Good Doctor	12.4	7.9	6.7	6.7	2.6
Finance One Account	21.8	34.0	19.3	20.1	7.8
Yiwallet	30.8	10.1	12.5	12.4	6.6
Others	45.3	14.5	17.0	26.5	5.9

With the Increase of Products and Services, the Retention and Satisfaction of Financial Customers have been Increasingly Growing

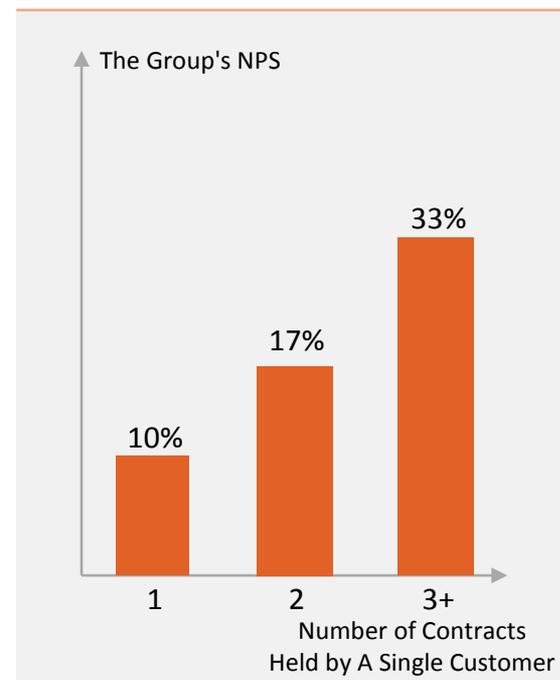
With the Increase of the Number of Product Contracts, the Per Capita Retention Time of Financial Customers Becomes Longer



With the Increase of the Number of Services, the Per Capita Connection Frequency of Financial Customers has seen Exponential Growth



With the Increase of the Number of Product Contracts, the Satisfaction of Financial Customers has been Improved



Note: Regarding the Relationship Between the Number of Contracts and Retention Years, We Exclude the Bank Customers with No Assets and the Life Insurance Customers with 1 Contract Over The 10 Years Or Above

Diversified Channels have Strong Customer Acquisition and Sales Capability to Keep Improving the Customer Value (1/2)

Offline Distribution of Customers of Main Financial Product Lines Across Different Channels In 2016H1

(10k)

Main Channels	Main Financial Product Line				
	Life Insurance	Auto Insurance	Bank Deposit & Wealth Management	Credit Card	Internet Finance
Agents	4,098	769	412	714	54
Tele-marketing	153	1,033	7	155	—
Counter Services	118	4	2,293	754	—
Internet	156	653	560	73	457
Total (The Group)	4,361	3,355	3,512	2,086	511

Diversified Channels have Strong Customer Acquisition and Sales Capability to Keep Improving the Customer Value (2/2)

Distribution Of Customers With Different Number of Financial Contracts Across Different Channels In 2016H1

(10k)

Main channels	Number of contracts held by customers at the end of 2016H1			
	1	2	3	4 and above
Agents	3,039	1,258	492	561
Tele-marketing	380	488	310	53
Counter services	2,625	259	40	35
Internet	942	673	228	50
Total (the Group)	5,865	3,335	1,410	1,624

Business Review of Individual Clients

-  **Financial Clients and Internet Users Report Larger Scale and Rapid Growth**
-  **Financial Clients are Well-structured With Strong Purchasing Power and Huge Potential; Internet Users' Engagement Ratio of the Platform Rapidly Increases.**
-  **Financial Clients have Witnessed High Cross-product Penetration and Internet Users have Purchased Increasing Financial Products, thus Enhancing The Retention Rate and The Degree of Satisfaction.**
-  **Diversified Channels have Strong Customer Acquisition and Sales Capability to Keep Improving the Customer Value.**

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BUSINESS PERFORMANCE ON MAIN PRODUCTS



ECONOMIC MODEL AND VALUE OF Retail BUSINESS

Life Insurance: We have Developed the Agent Channel Steadily, Strove to Develop the Internet Channel, and Kept Promoting the Protection-based Products

- The NBEV of the Agent Channel With Higher Value Rate Maintained A High Proportion, and the NBEV of the Tele-marketing Channel Saw an Increasing Proportion Year by Year
- The Product Structure of the Agent Channel Became Increasingly Balanced, and We Continued to Strengthen the Promotion of Protection-based Life Insurance Products

Chart 1 Proportion of Individual Life Insurance NBEV in Different Channels

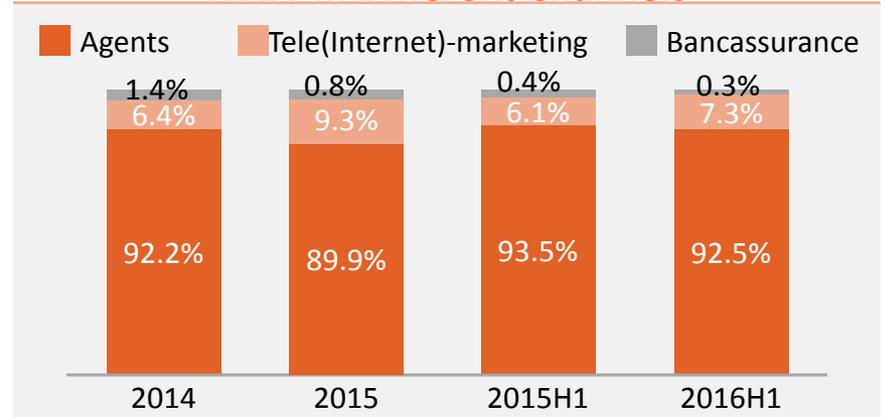


Chart 2 Proportion of Individual Life NBEV in Different Channels

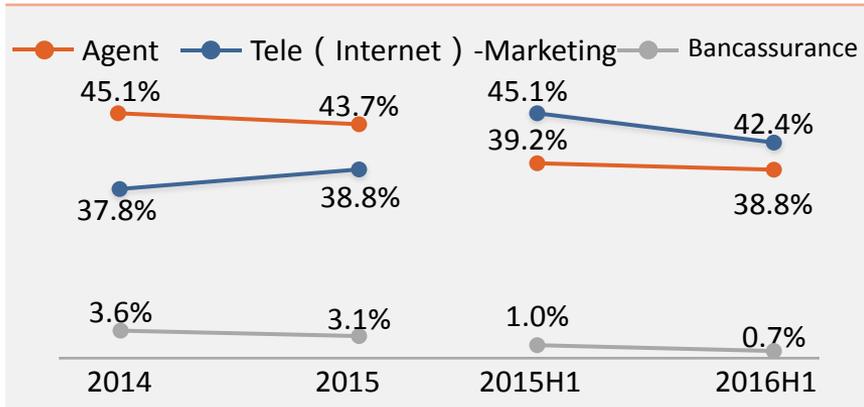
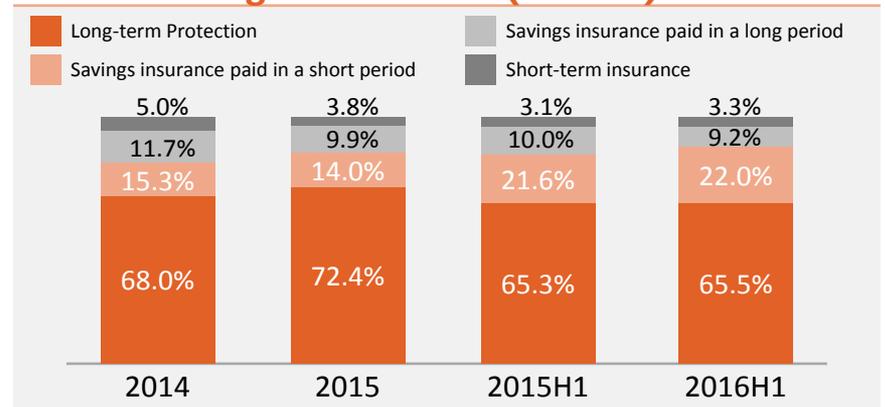


Chart 3 Product Structure of the Agent Channel (NBEV)



Note: The indicators in this page are statistics by definition of EV according to the first generation of the solvency supervision system. The data for 2015H1 and the data for 2016H1 are based on new business in 1-6 months of that year; The assumption and method adopted for 2015H1 are the same with those for 2016H1

Auto Insurance: The Business Continues to Grow Rapidly with Balanced Channel Development, Better Risk Screening Capability, Lower Loss Ratio and Well-performed Profitability

- Different Channels of Telemarketing/Internet Marketing, Car Dealership and Cross-selling Have Seen Balanced Development, With The Proportion of Premiums From Tele-marketing/Internet Marketing Exceeding 40%, Which Lays A Solid Foundation for Online Migration of Customers in the Next Stage.
- We have been Improving Risk Screening Capabilities, with A Decrease in the Frequency of Accidents Year by Year
- We Boast Greater Underwriting Profitability.

Chart 2 Proportion of Individual Auto Insurance Premiums Based on Different Channels in 2016H1

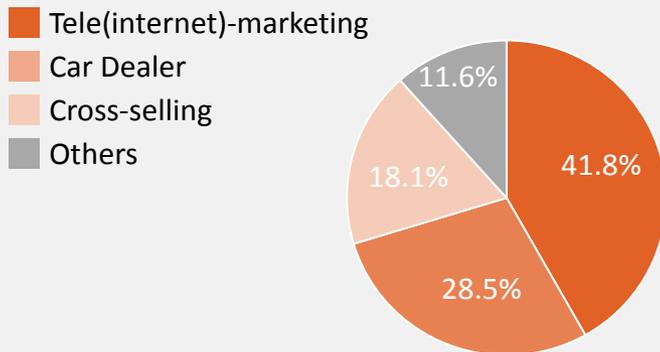
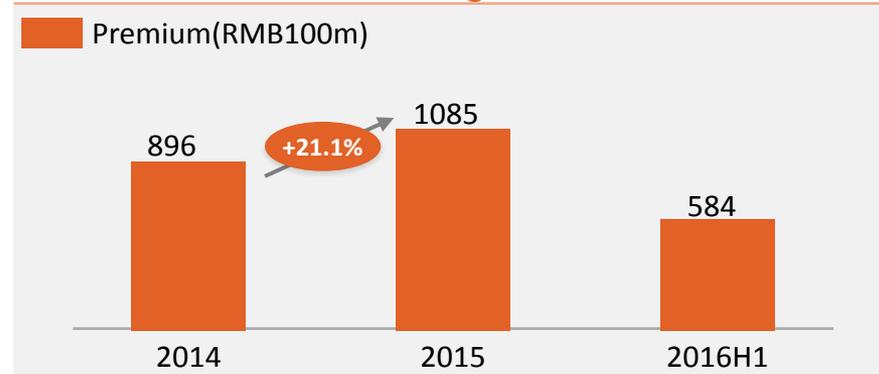
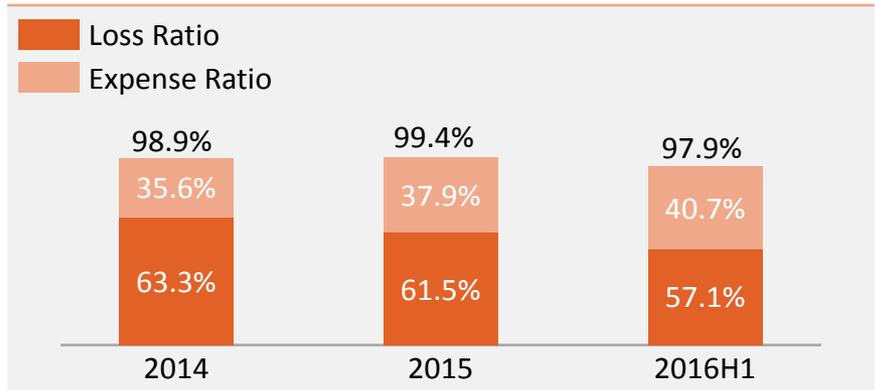


Chart 1 Premiums revenue of individual auto insurance and growth rate



Note: Due to the impacts of the value-added tax reform, the growth rate for 2016H1 is slower than that for 2015.

Chart 3 Combined Ratio of Individual Auto Insurance



Retail Banking: We have been Providing Customers with All-around Convenient Integrated Financial Services On/Off the Line, Expanding the Business Size, and Improving the Overall Return Rate

- Making The Intelligent Transformation To Increase Service Channels And Product Types, And Expand the Business Size
- Optimizing the Product Structure to Continue to Improve the Overall Return Rate
- NPL Has Stayed Stable

Chart 1 AUM and AUM Return Rate

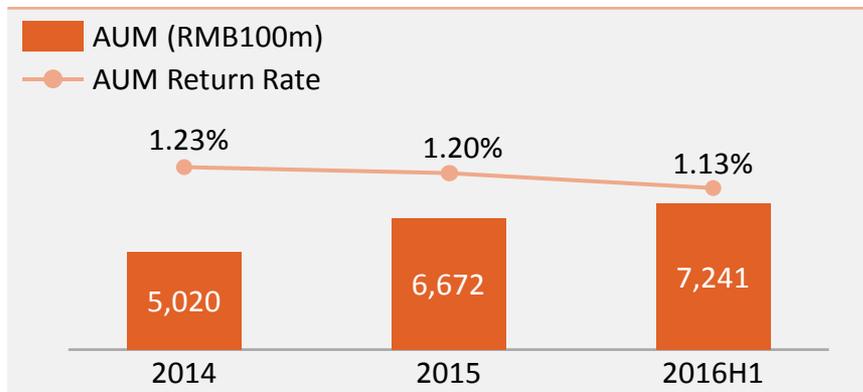


Chart 2 LUM and LUM Income Rate

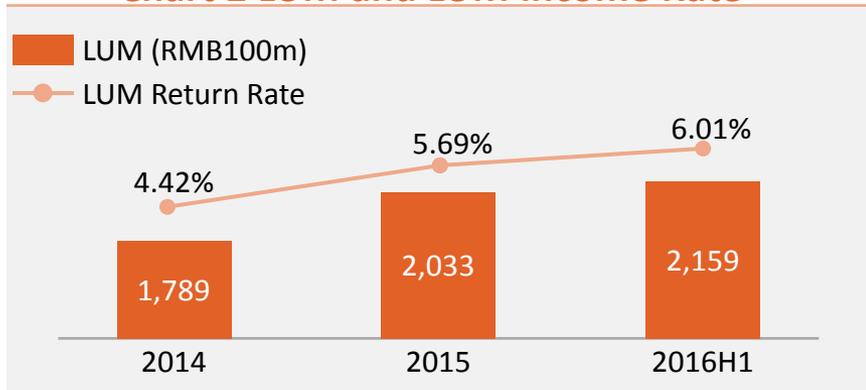
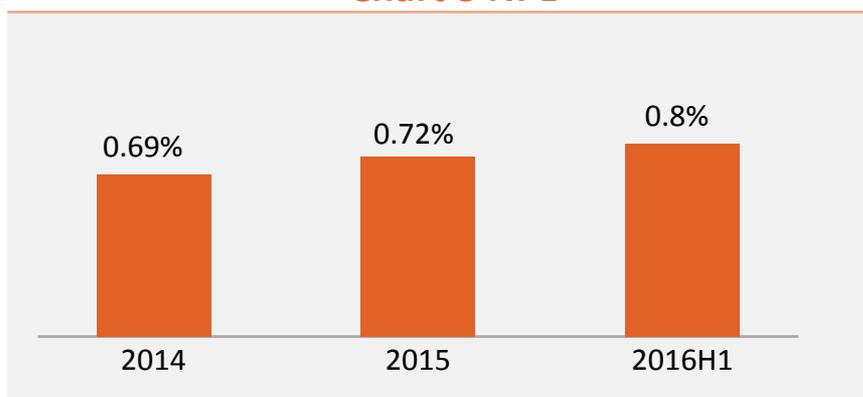


Chart 3 NPL



Note: loans for small businesses or natural persons are excluded.

Credit Card: Massive Customer Acquisition, and Providing Diversified Scenarios of Consumption, Installment and Wealth Management to Increase the Income

- Fully Using the Group's Internal and External Network Platform Resources for Massive Customer Acquisition
- Increasing The Trading Amount, and Steadily Improving The Loan Size and The Return On Assets (ROA)
- Using The Big Data to Analyze the Customer Behavior, Build Multiple Risk Models and Increase the Customer Income

Chart 1 Number of Customers

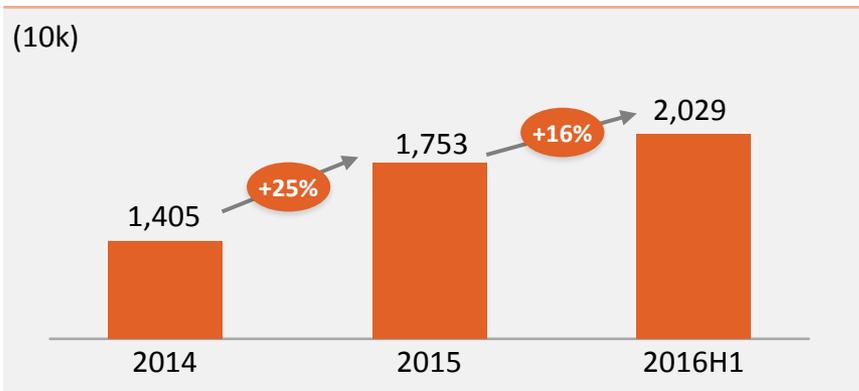


Chart 2 Trading Amount

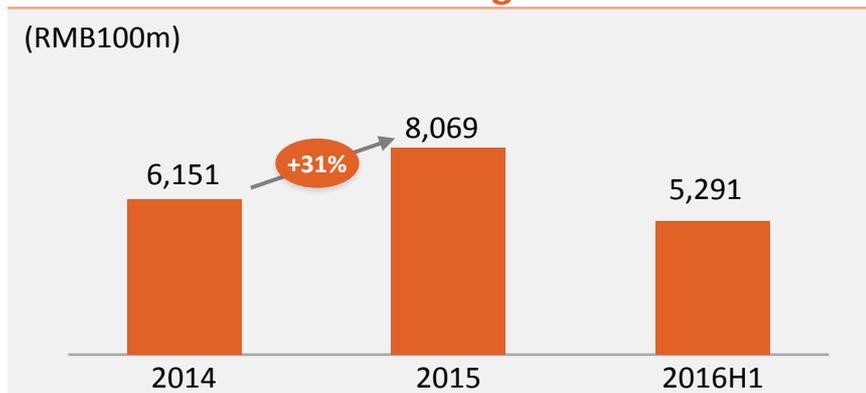
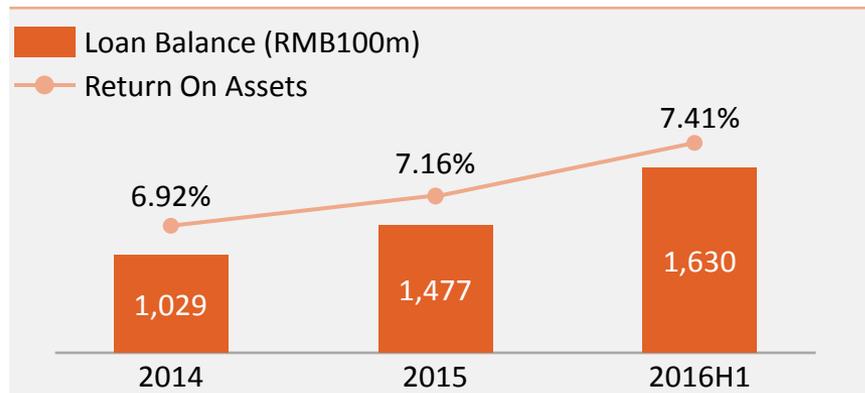


Chart 3 Loan Balance and Return on Assets



Note: The return on assets minus the provisioned rate of return

Securities: Brokerage Business Reports Larger Customer Size and Market Share

- The Advantage of Internet Brokerage in Mass Customer Acquisition Continues to Expand; Existing Clients Report Stable Progress In Market Share, From the Ranking of No. 8 by the end of 2015 to No. 4.
- Internet Turns to be the Main Channel for Customer Acquisition. The Company has Built An Image in the Industry that It is Now Leading the Transformation of Developing to be an Internet Securities Company.

Chart 2 Number of Customers of the Brokerage Business



Chart 1 Profit of Brokerage Business

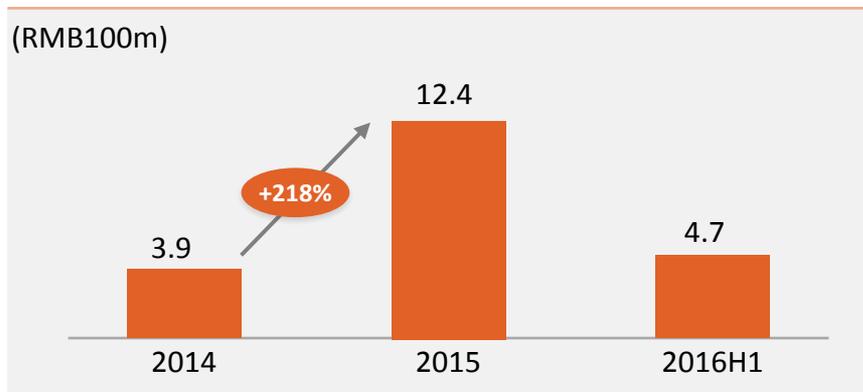
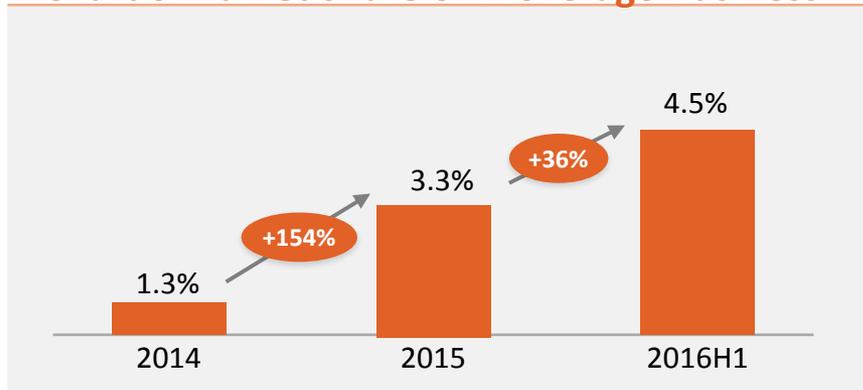


Chart 3 Market Share of Brokerage Business

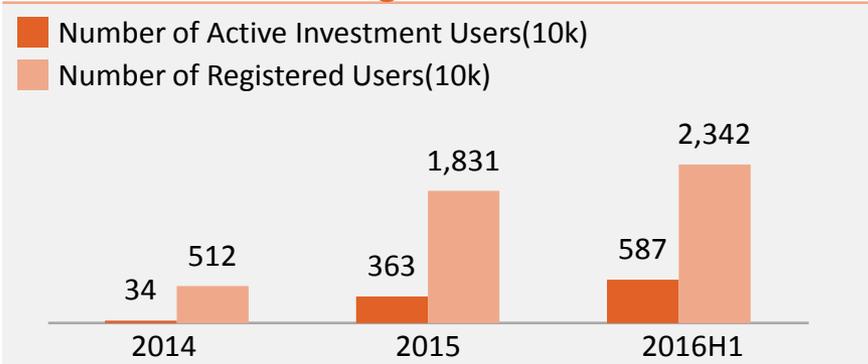


Data Sources: Industry Association

Lufax: Its User Base has Reached 20m, with both the Business Trading Volume and AUM Growing Rapidly

- The World's Largest Online Wealth Management Platform, with the Existing AUM Exceeding RMB **300bn**
- There has been a Significant Increase in the Number of Registered Users and Active Investment Users, with the Active Investment Users Accounting for **25.1%**

Chart1 Number of Active Investment Users and Registered Users



Note: Active Investment Users Refer to the Number of Users Who Have Made at Least One Investment over the Past 12 Months or Whose AUM is Bigger than Zero(>0)

Chart2 Period-ending AUM

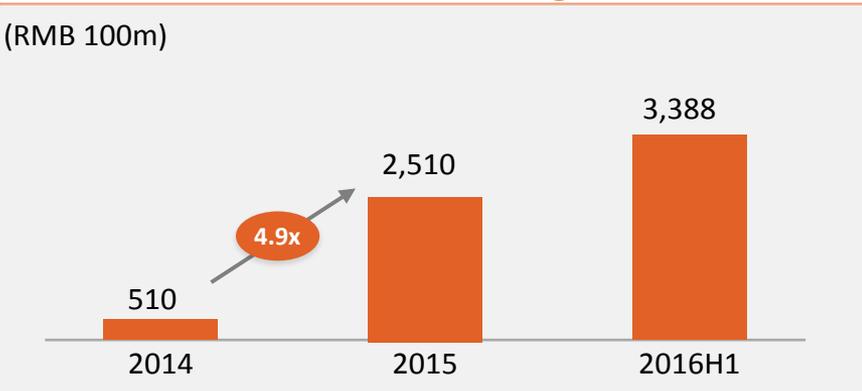
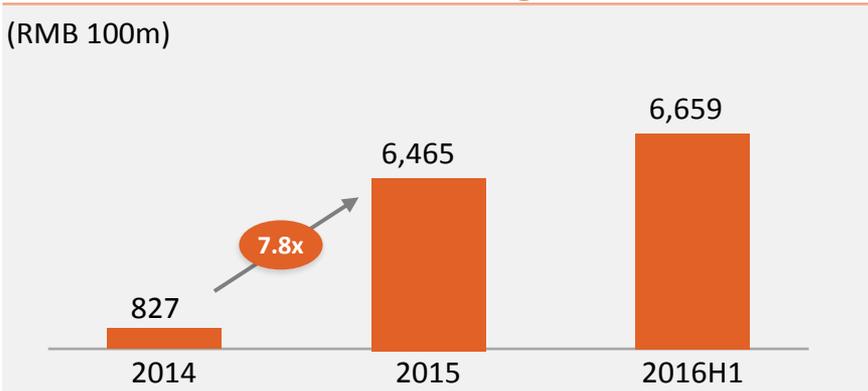


Chart3 C-end Trading Volume



Health Care Services: Good Doctor Ranks No.1 in the Mobile Health Care Industry, Which has more than 1 Million Daily Active Users

- By Focusing on the Development of Health Management and Mobile Health Care, this App Ranks **No.1** in the Aspect of Coverage among Mobile Health Apps in China.
- Pa Good Doctor has A Self-built Medical Team of Nearly **1000** Members and over 50,000 Contracted Doctors.
- Pa Good Doctor has Raised USD **500mn** Funds in the A Round with A Valuation of USD **3bn**.

Chart1 Number of Registered Users

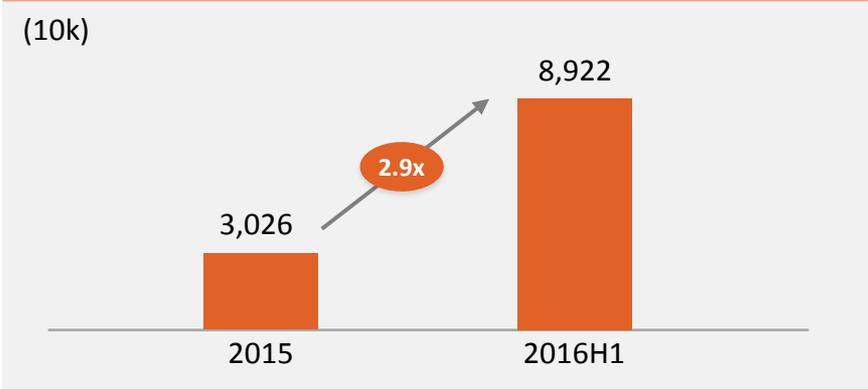


Chart2 Peak Number of Daily Active Users

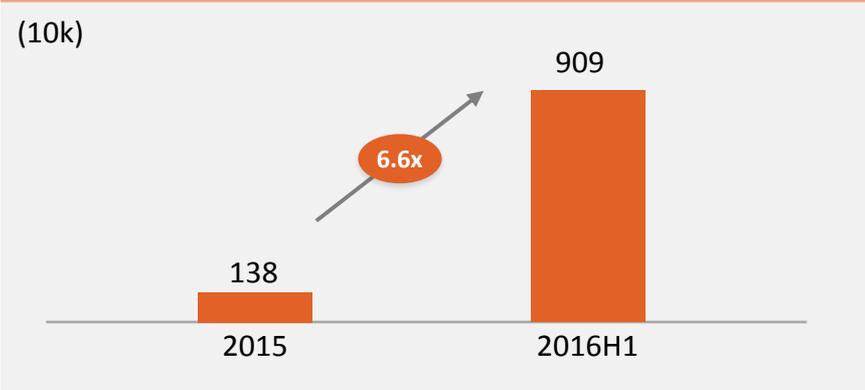
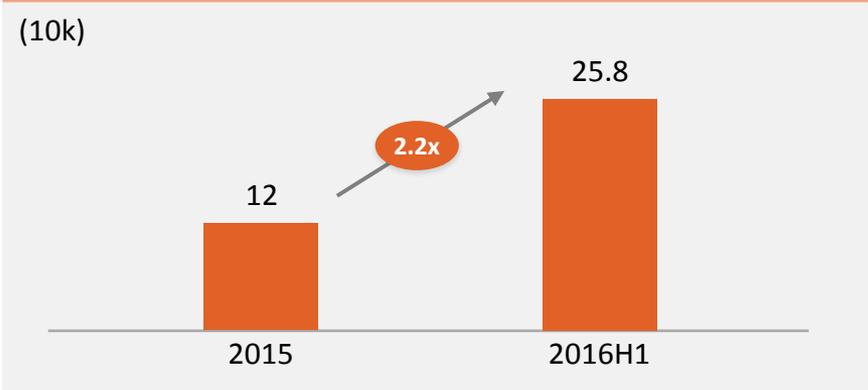


Chart3 Peak Number of Daily Inquiries



Account Management Services: The Number Of Registered Users of Finance One Account Approached Nearly 136m, and Cooperation has been Made with Almost 800 Financial Institutions

- Providing Users with **One-stop Services**, Including Account Management, Wealth Management, Credit Management And Life Management
- Using Self-service, Intelligent And Advisory Approaches To Help Users With Their Wealth Management
- The Number of Financial Partners Has Increased Rapidly, with Big Data-backed Credit Reference Bringing about Concerted Development

Chart1 Accumulative Number of Users

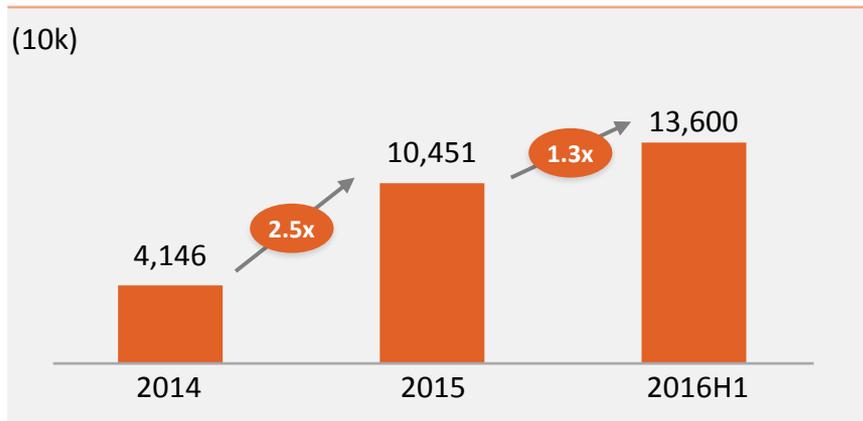


Chart2 Number of Financial Partners

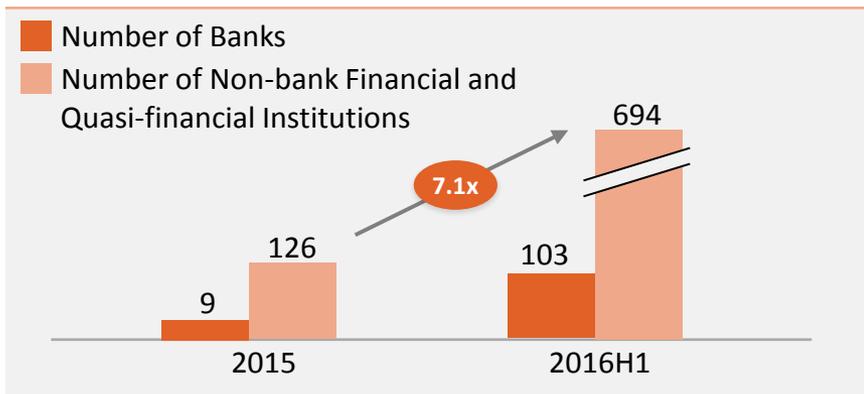
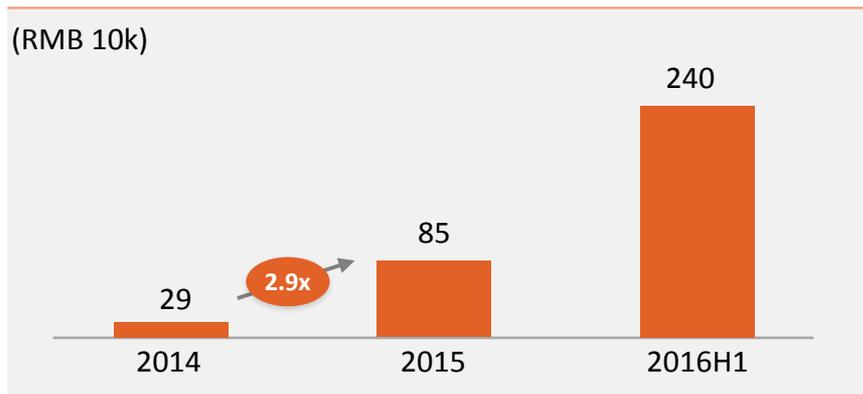


Chart3 Number of Migration Person-times of Financial Products



Payment And Loyalty Services: Both the Yiwallet Payment and Loyalty Point Businesses have been Carried Out, with Rapid Growth in the Business Trading Volume

- The Payment Trading Size Reached RMB **1,423.9bn** in 1H 2016, the Same as That in the Whole Year of 2015.
- The Loyalty Point Trading Size Reached RMB **12.5bn** in 1H 2016

Chart 1 Number of Trading Users and Registered Users

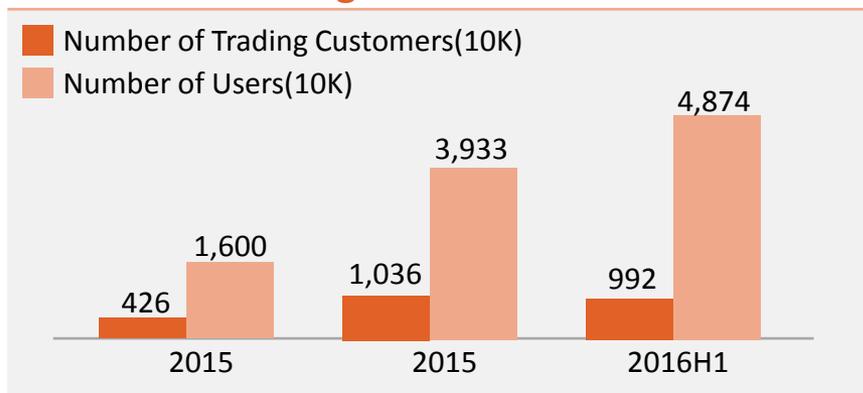


Chart 2 Processing and Trading Volume of the Payment Business

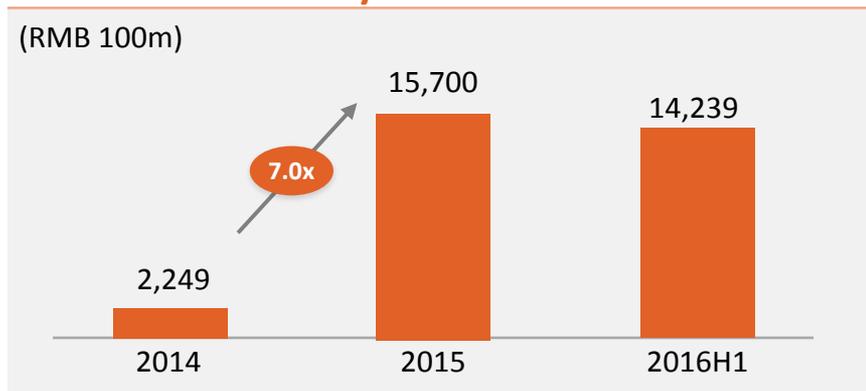
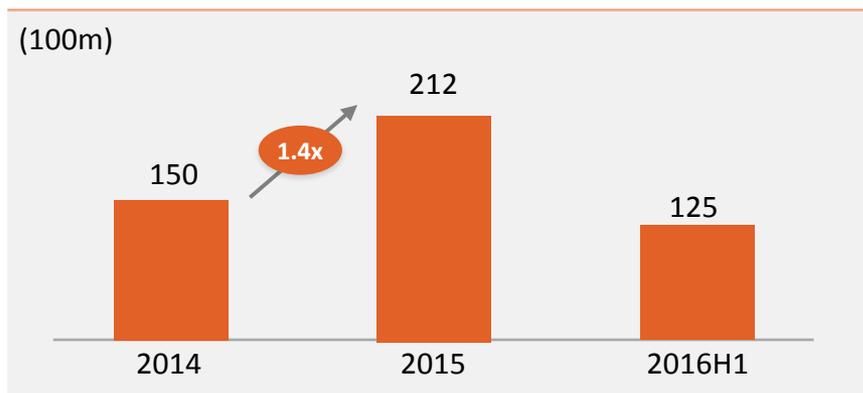


Chart 3 Loyalty Points Trading Size



Business Review of Major Products



Core Financial Products: Increasing Scale and Profit with Leading Profitability



Internet Services: Explosive Growth and Highly Active Users

CONTENTS



BUSINESS MODEL OF RETAIL BUSINESS



BUSINESS OVERVIEW OF 1H 2016



BUSINESS PERFORMANCE ON INDIVIDUAL CUSTOMERS



BUSINESS PERFORMANCE ON MAIN PRODUCTS



ECONOMIC MODEL AND VALUE OF RETAIL BUSINESS

The Group's Retail Business Value Increase is from the Value Growth of Core Finance and Internet

The Group's
Retail
Business
Value

=



+



- Core Finance has had a **Mature Business Model**, with the **"Internet Plus" Model Accelerating** the Value Growth
- Overall Profit has **Continued to Grow**

- Internet User Value has **Gradually Emerged**
- Trading Size and Service Scope have been **Expanded Rapidly**
- Becoming the Group's **New Momentum for Value Growth**

Economic Model and Business Value of Core Finance

Core Finance Profit of Retail Business



Number of Core Finance Customers

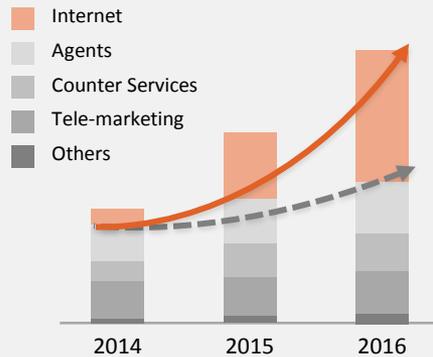


Per Capita Profit of Core Finance



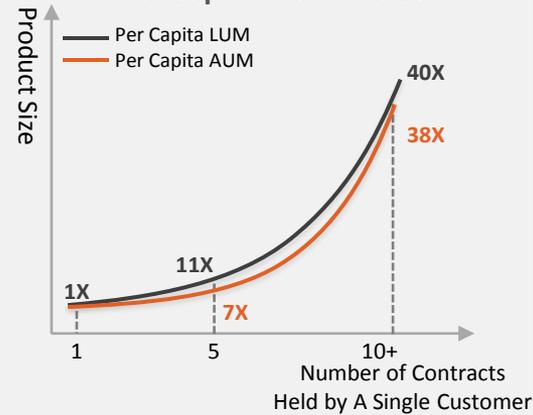
Internet Speeds Up Online Customer Acquisition

Total Number of People



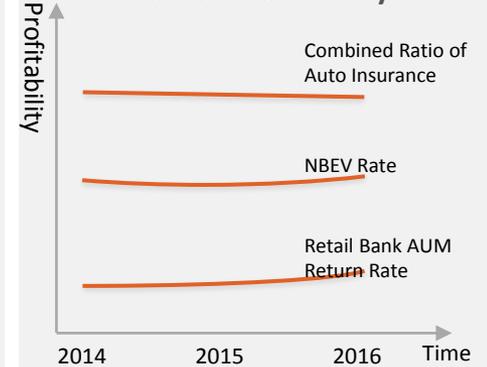
Internet Promotes Increase of Per Capita No. of Contracts and Fast Growth of Per Capita LUM/AUM

Per Capita Product Size



Internet Cuts Down the Cost and Improves the Operating Efficiency

Product Profitability



Core Finance Retail Business Value



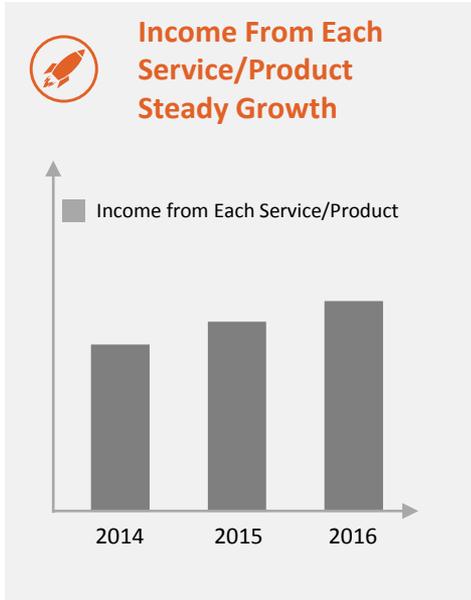
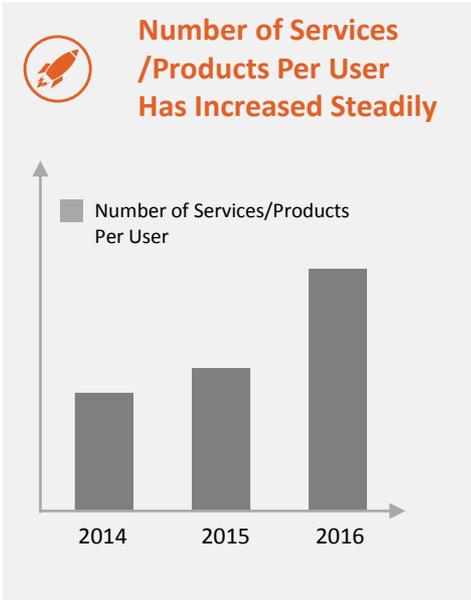
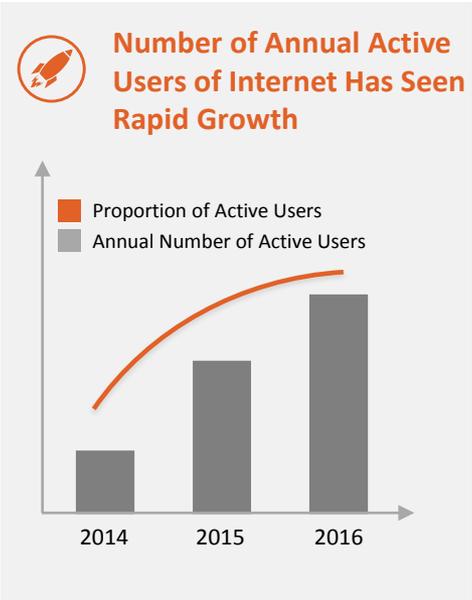
(Core Finance Number of Customers × Growth Coefficient)



(Core Finance Per Capita Profit × Value Coefficient)

Value of Internet Users

Internet User Value = Annual Number of Active Users × Average Number of Services/Products Per Internet User × Income from Each Internet Service/Product



Internet User Value = (Number of Annual Active Users × Growth Coefficient) × (Average Number of Services/Products Per Internet User × Internet from Each Internet Service/Product × Value Coefficient)

THE END