PING AN
Insurance · Banking · Investment

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 2017 Investor 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, November 19, 2017

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 Stephen Thomas Meldrum, Yip Dicky Peter, Wong Oscar Sai Hung, Sun Dongdong, Ge Ming and Ouyang Hui.

THE ANNOUNCEMENT OF
PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.
REGARDING THE DISCLOSURE OF RELEVANT REPORTS ON
2017 INVESTOR 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 2017 Investor Day on Monday, November 20, 2017, in which *The "Financial Service + Technology" Strategy of Ping An*, *Ping An Life's Value Inside Out (II)*, *Boost Value of Traditional Financial Businesses with Technologies* and *From Ping An to Platform: Technology Innovation for Growth* will be reported.

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

Attachments of this announcement on the website:

1. The "Financial Service + Technology" Strategy of Ping An
2. Ping An Life's Value Inside Out (II)
3. Boost Value of Traditional Financial Businesses with Technologies
4. From Ping An to Platform: Technology Innovation for Growth

> The Board of Directors
> Ping An Insurance (Group) Company of China, Ltd.
> November 19, 2017

Important Notes

Cautionary Statements Regarding Forward-Looking Statement

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.

Ping An's Performance on Value

The Strategy of
"Financial Service + Technology"

The "Financial Service + Technology" Strategy Will Bring Us A Huge Leap in Our Earnings and Value
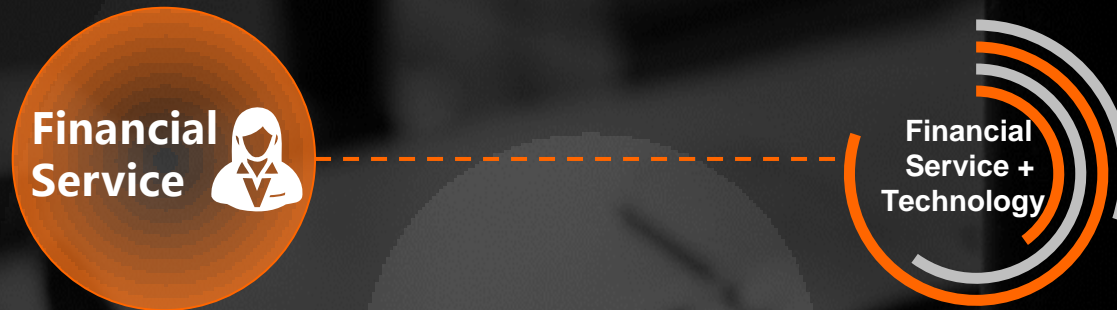
Why Adopting the "Financial Service + Technology" Strategy And What's the Business Model?

Why?

What?

1. Tide of Tech & Big Trend

2. Modularization

3. PA's Advantages

4. PA's Domain

5. PA's Model

Technological advancement

Intelligence Era

AlphaGo Zero

AI Cloud Big Data ...

AlphaGo beat Go world champions

Informatization

Cloud

Internet

Industrialization

Computer

Airplane

Railway

Origin of writing

Origin of math

Industrial Revolution

Agriculturalization

Y**-3000**   Y**-2400**   Y**1760**   Y**2016**   Time

Intelligent + Personalized

Standardized

Rising Penetration of Internet

Enhancement in Payment Function

Popularity of Mobile Internet & Online Transaction

陆金所LU.com

AI Development

Information Supply

Commodity/ Service Exchange

Advisory + Intelligent Services
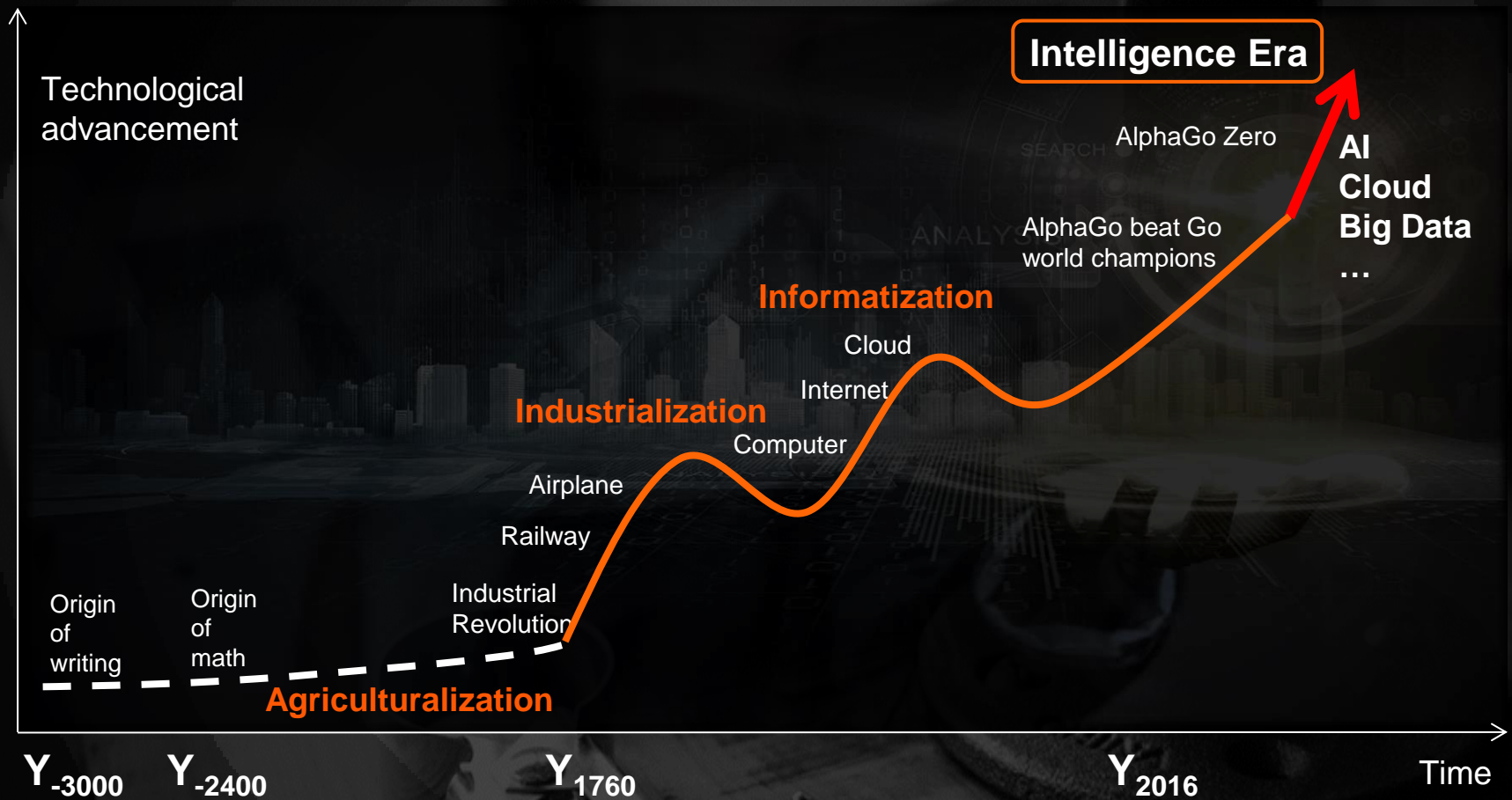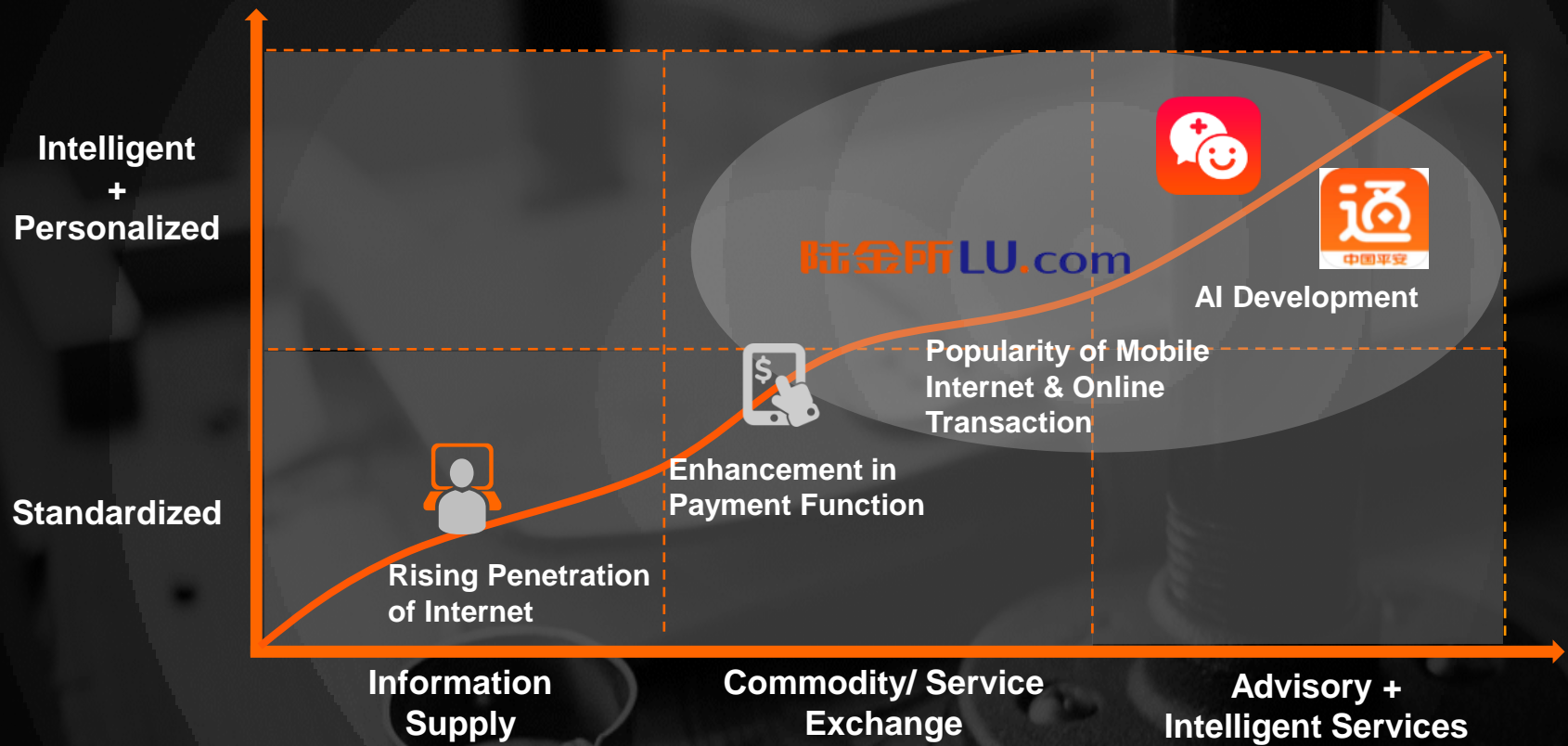
Big Trend | Modularization | Advantages

1.3 Opportunities from Technological Advancements

Cloud Era

Our Opportunities

- Cloud computing reduces our reliance on Wintel
- Internet speed increases pave the way for advancement of cloud computing
- External barriers designed for information security represent growth opportunities

Our Advantages

- 80% of our infrastructure is in our own cloud
- Cloud is the delivery mechanism for our rich SAAS offering to external clients
- High SDLC (Software Development Life Cycle) Speeds

Preconditions for AI

AI

Speed → **Significantly faster computers**

Algorithm → **Advancing algorithms**

Data Volume → **Geometric growth in data volumes**

Cost → **Lower computing costs**

Big Trend | Modularization | Advantages
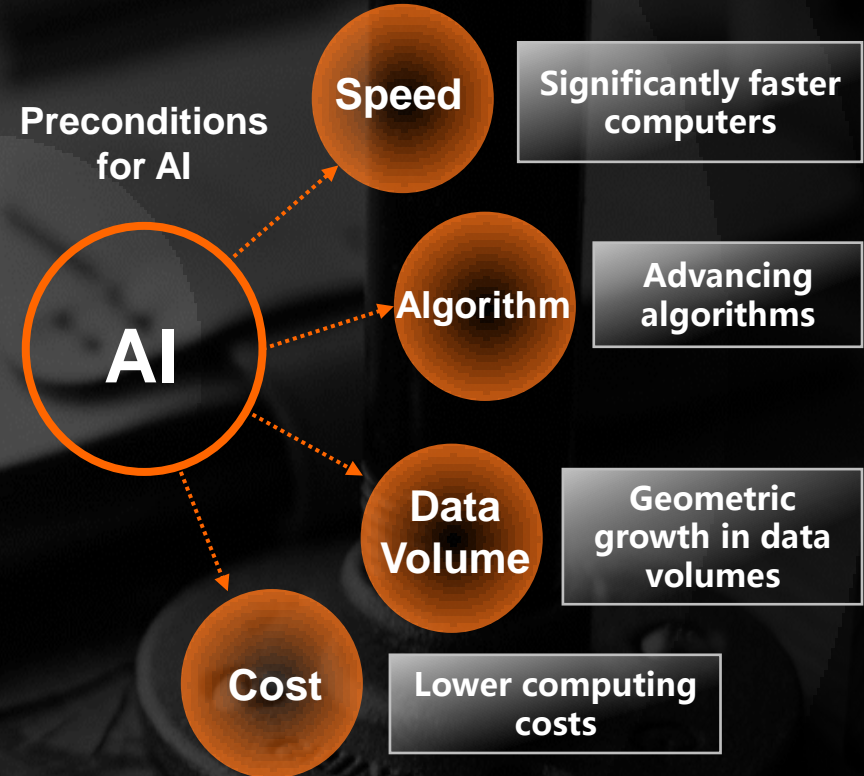
2.1 Traditional FIs Rely on Capital, Labor and Integrated Operations

Light

PE/VC

Asset Management

Investment Bank

Commercial Bank

Insurance

Capital, Labor

Intensive
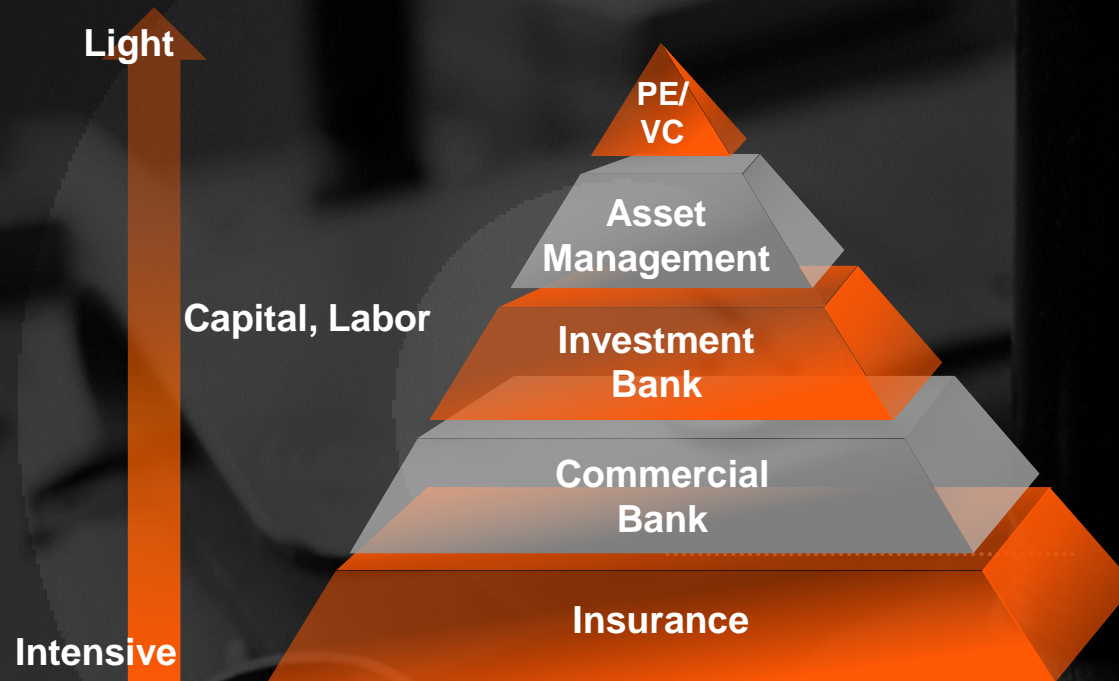
Traditional FIs all have integrated operations of front, middle and back offices

Big Trend > Modularization > Advantages

2.2 Implications from Modularization of Smartphone And Auto Industries

The iPhone industry chain

Apple secures a high margin on the industry chain by strengthening its design, brand, and services via modularization under a capital-light model.

Profit margin (High → Low)

- **Industrial design, branding, software services**
- **Core parts** (processor, memory, baseband, RFID)
- **Important parts** (screen, camera, electroacoustic device)
- **Other parts** (shell, battery…)
- **Assembly**
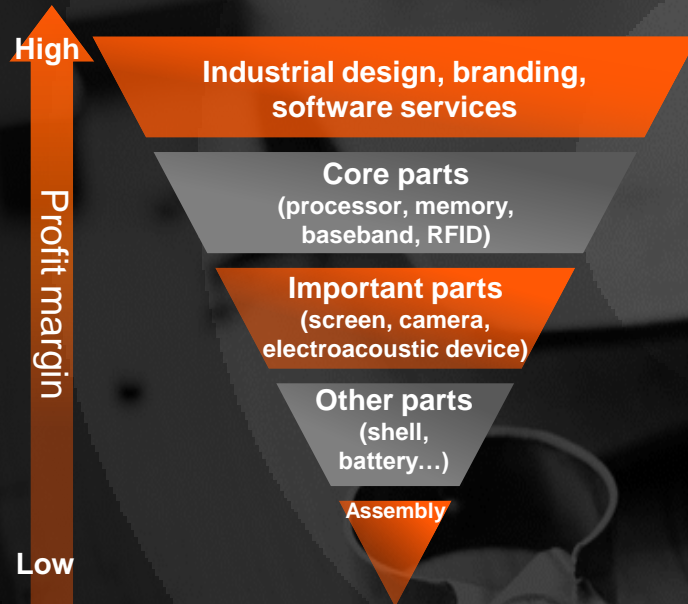
The Tesla industry chain

With core advantages in the BMS, electric drive system and automatic drive, Tesla selects and assembles modules from across the world to launch groundbreaking products such as Model S.

Technological mastery (High → Low)

- **Integrated powertrain system** (lithium battery, BMS, heat management…)
- **Electric drive system** (Electric machinery and drive modules)
- **Central control system** (automatic drive system, dashboard, telecom, GPS, screen)
- **Vehicle chassis and body**
- **Interiors …**
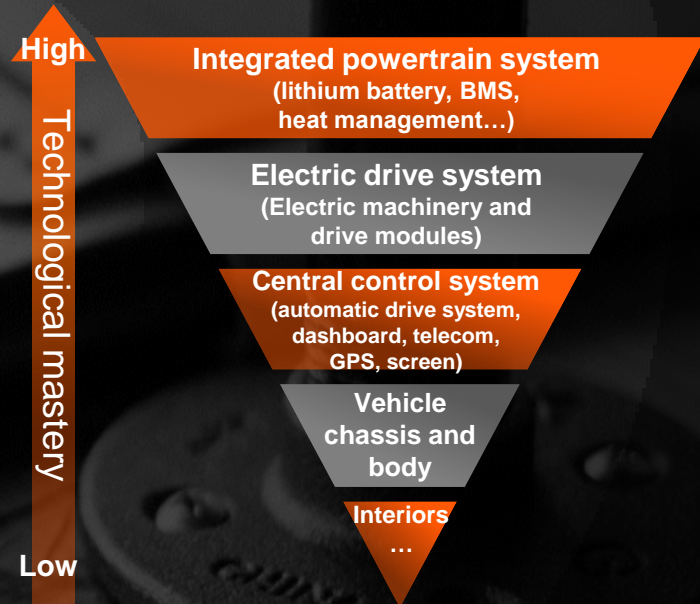
Big Trend → **Modularization** → **Advantages**

2.3 Fintech Companies Will Supply Modular Services

Our vision is to make Ping An a world leading Fintech company which will provide modular financial services

We can generate capital light revenue streams from providing financial institutions modular services

中国平安 PINGAN

(Fintech Companies)

| Strategic Empower -ment | Technology Supply | Service Supply |

PE/VC

Asset management

Investment Bank

Commercial Bank

Insurance

| Channel | Products/ services | Operations/ Risk Mgmt | Assets |
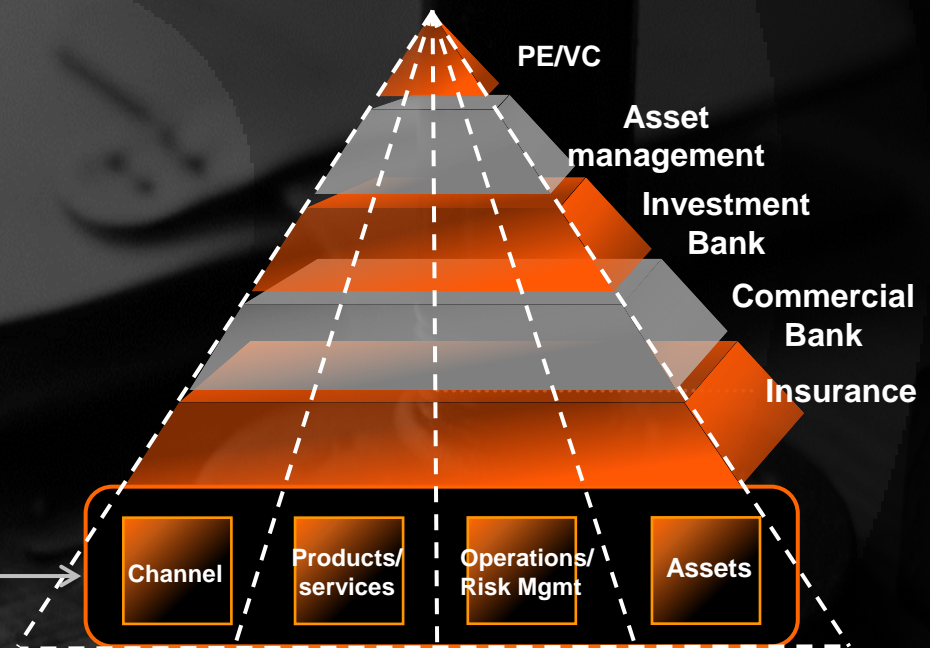
Big Trend | **Modularization** | **Advantages**

3 Ping An's Advantages

Innovation

Culture Execution

3 Genes

Scenarios

Tech Data

3 Capabilities

Funds

Channels O+O Experts
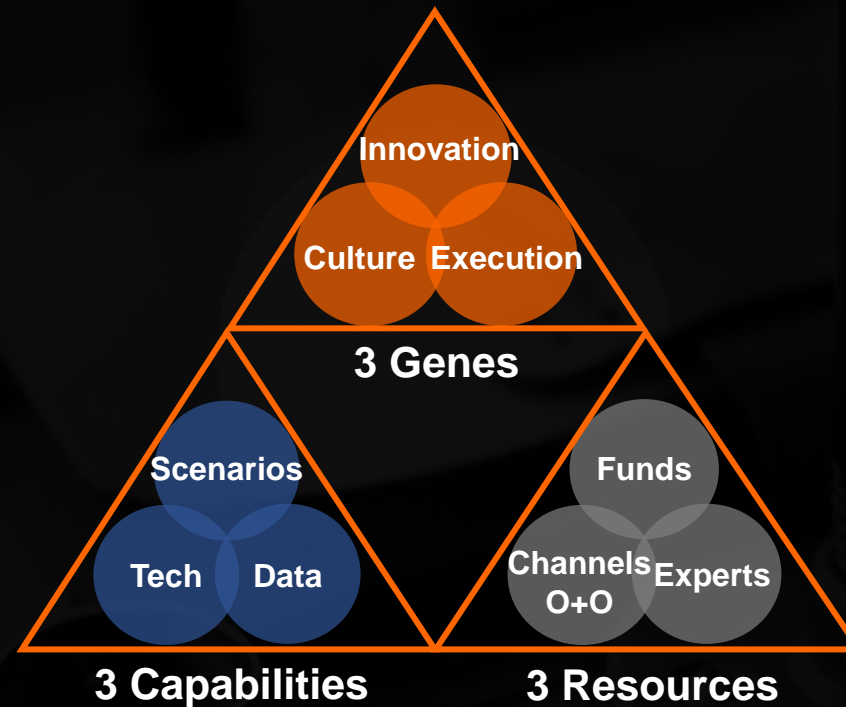
3 Resources

Why Adopting the "Financial Service + Technology" Strategy And What's the Business Model?

Why?

What?

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4. PA's Domain

5. PA's Model

4 Ping An's Domain: 2 Big Focus + 5 Key Technologies

2005 — Puhui
2011 — Lufax
2012 — E-wallet
2015 — Finance One Connect
...

Fintech | Healthtech

Healthcare Management — 2013
Good Doctor — 2014
Wanjia Healthcare — 2016
...

Cloud | AI | Big Data

Blockchain | Biometrics

Domain > Model

5 Ping An's Technology-powered Model

Technology-powered PA will seek innovations in financial and healthcare industries to become more competitive in traditional financial businesses

PA will provide FIs and medical institutions with new technologies to improve their efficiency and generate capital light revenue streams

Technology-powered PA

$

Traditional financial businesses

Innovative fintech and healthtech

Technological capabilities

Output

Application

Fintech Cloud AI

Other financial and medical institutions

Generate Revenue

Lower cost
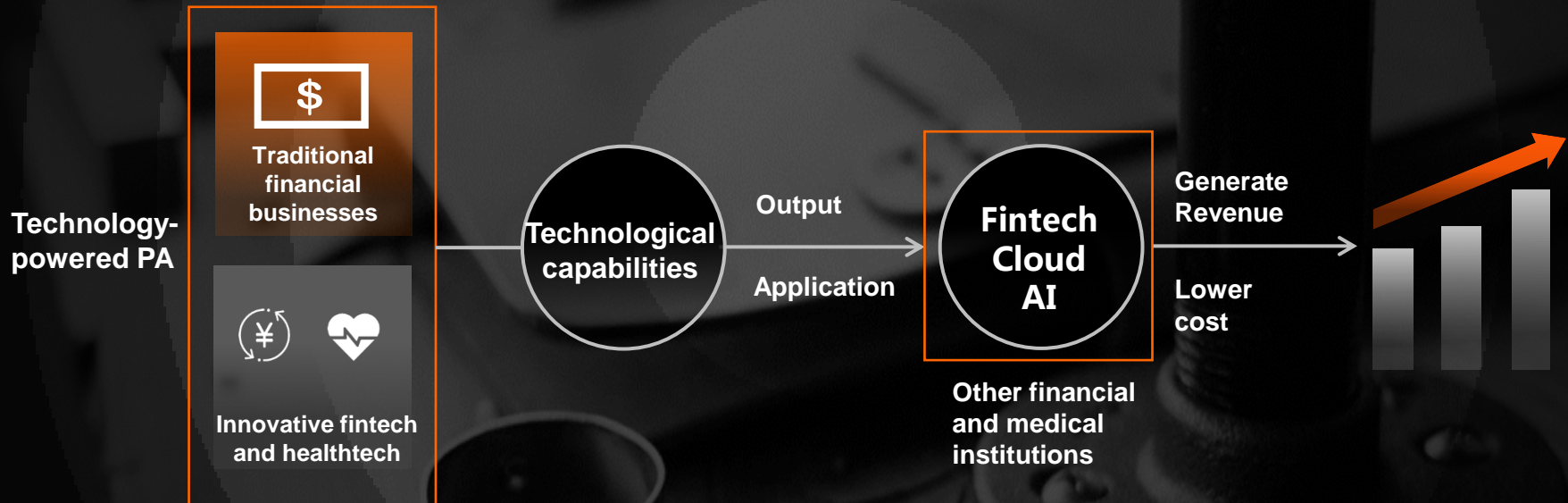
Domain | Model

"Financial Service + Technology", An Ongoing Value Generating Strategy

Traditional finance

Keep the advantages in traditional financial businesses and focus on value

Elevate the efficiency of capital, continue rewarding shareholders

"Financial Service + Technology" Strategy

Technological innovation

Invest and develop world-leading technologies; incubate new business models

Provide the society, government and other businesses with technologies to boost efficiency, cut costs, and reduce risks

Thank you

Ping An Life's Value Inside Out (II)

Jason Yao
November, 2017

Important Notes

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Specification of Disclosure

Value of new business stated in this presentation is of life and health insurance business unless otherwise specified, which is comprised of insurance business from Ping An Life, Ping An Annuity and Ping An Health. Embedded value stated in this presentation is at group level.

Growth rates disclosed in the charts and tables of this presentation are annual compound growth rates unless otherwise specified.

Ping An and Peers' Booming Life Insurance Business

(In billion RMB)

Premium Income

+7%
513.9 (2012) 680.4 (2016)

+16%
199.5 (2012) 355.3 (2016)

2012 2016   2012 2016
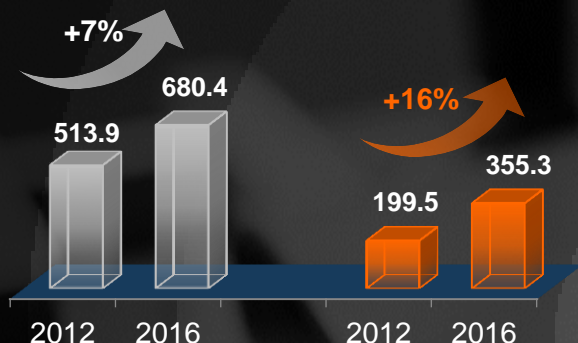
Net Profit Attributable to Shareholders of Parent Company

+17%
19.1 (2012) 36.1 (2016)

+33%
20.1 (2012) 62.4 (2016)

2012 2016   2012 2016

Embedded Value

+18%
529.7 (2012) 1,027.4 (2016)

+22%
285.9 (2012) 637.7 (2016)

2012 2016   2012 2016

VNB

+25%
32.1 (2012) 78.8 (2016)

+34%
15.9 (2012) 50.8 (2016)

2012 2016   2012 2016
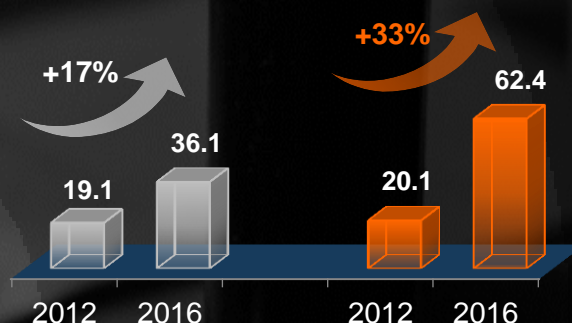
Listed insurers
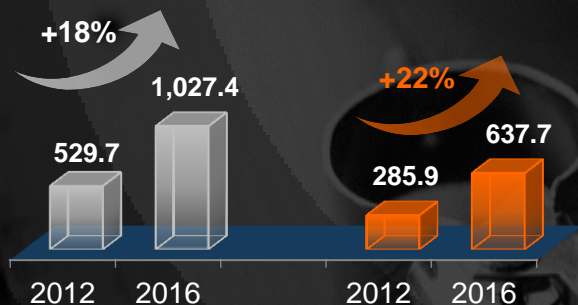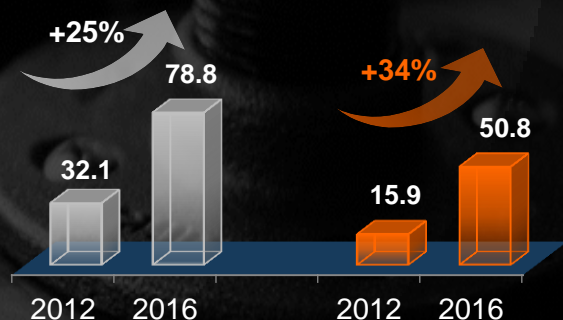
Ping An Group

Note: (1) Above growth rates are CAGR unless otherwise stated. Sources: Respective annual reports.
(2) Listed insurers includes China life, China Pacific and New China Life.

3

Main Market Concerns from Last Year

The Main 4 Concerns

Will lasting low interest rate environment significantly impair its profitability?

Are EV assumptions prudent and reasonable?

How does C-ROSS affect the company's solvency and EV?

Is Ping An Life steady growth sustainable during the economic downturn?

Answer

Less Affected by Low Interest
- Long-term protection products are the main contributor of NBEV
- Long-term protection products depend less on interest margin

Prudent Assumptions
- Prudent actuarial assumptions with low deviation
- On-going review of assumptions and adjustments

Positive Impact of C-ROSS
- NBEV improved due to sound product mix
- Solvency improved steadily

Sustainable Future Profit
- Residual margin release sustains high growth
- Large residual margin supports sustainable future profit

Continue to Explore the 3 Market Concerns

1 Is insurance consumption upgrade sustainable?

2 What are Ping An's competitive advantages?

3 How to interpret residual margin?

Contents

1. Is insurance consumption upgrade sustainable?

2. What are Ping An's competitive advantages?

3. How to interpret residual margin?

Consumption Upgrade is an Irresistible Trend

Life Insurance Consumption Upgrade

Changes in social environment

- Aging population
- Inflating medical expenses

Favored State policies

- Rate marketization
- "New Country Ten"
- The 13th national 5-year plan
- C-ROSS
- Regulation No. 134
- Preferential tax policy
- ……..

Increased income and awareness

- Continuous growth in residents' disposable income
- Increased insurance awareness

Insurance Needs Continue to Expand

Aggravating Trend of Aging Population Causes Dependency Ratio Expected to Drop to 2 in 2050
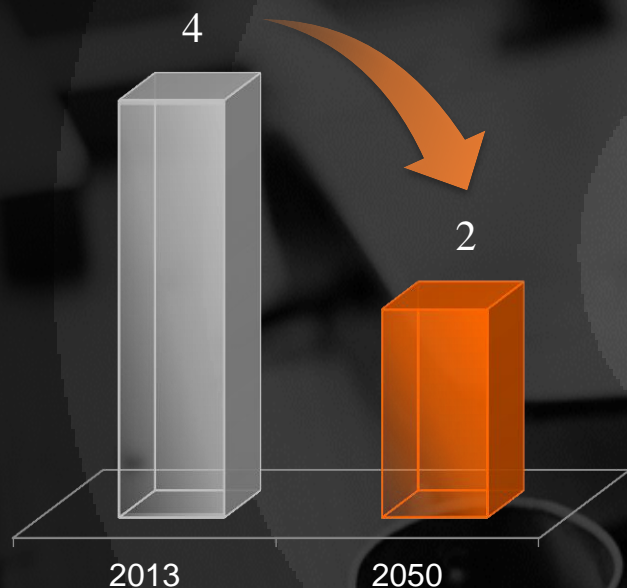
Medical Expense per person

In RMB
千亿

CAGR +16%

3,352

876

2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

4

2

2013

2050
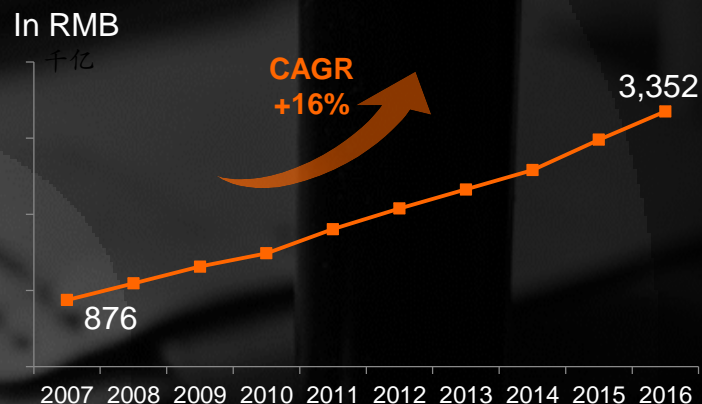
Total Health Insurance Claim Paid

In billion RMB

CAGR +22%

76.3

12.6

2007 2008 2009 2010 2011 2012 2013 2014 2015 2016
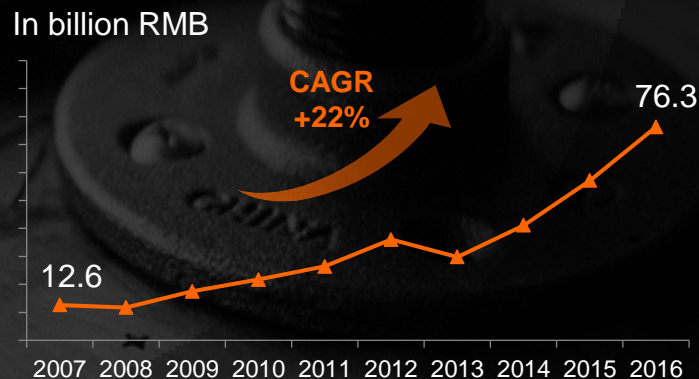
Note: (1) Dependency ratio is calculated as the population of age 20~59 overpopulation of age exceed 60
(2) Sources: Bain, Euromonitor, State Statistical Bureau.

Insurance Became Attainable due to Increase in Residents' Income and Awareness

Annual Growth of GDP per person	Annual Growth of Life Industry Premium	Annual Growth of Health Insurance Premium
+8.2%	**+21.6%**	**+47.1%**

■ Disposable income pp of urban population

■ Life Industry premium

▲ Health insurance premium contribution

(RMB)

+8.2%

Year	2012	2013	2014	2015	2016
	24,565	26,467	28,844	31,195	33,616

(In billion RMB)

+21.6%

Year	2012	2013	2014	2015	2016
	1,015.7	1,101.0	1,303.1	1,628.8	2,223.5

18%
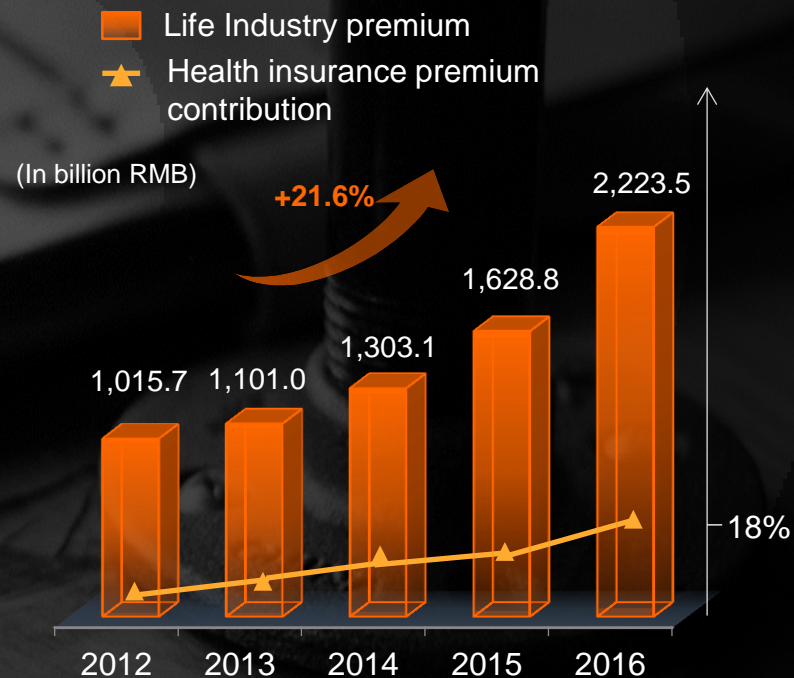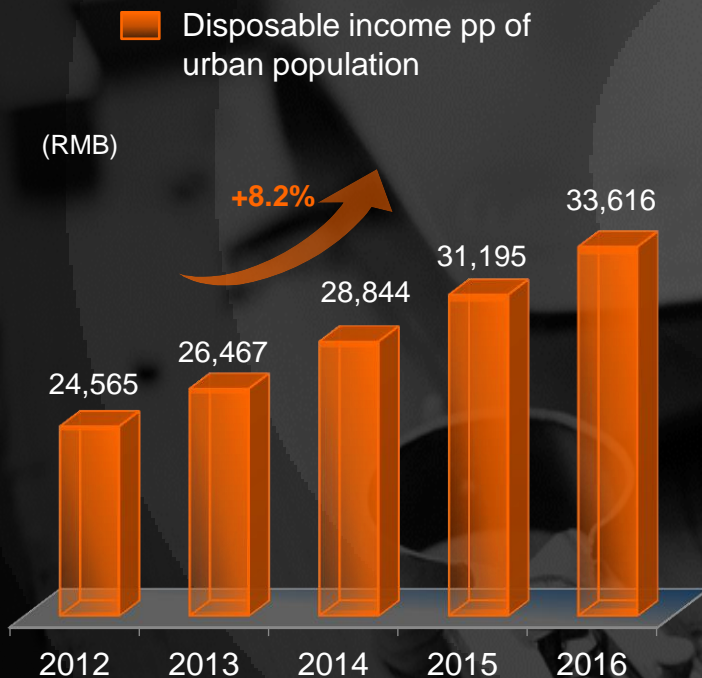
Note: (1) Above growth rates are CAGR unless otherwise stated.
(2) Above premium is in accordance with Accounting Treatment of Insurance Contracts. Source: CIRC website.

9

China's Insurance Market is Underdeveloped and Filled with Tremendous Potential

2016 Insurance Density(RMB)

Implied CAGR12%

- Mainland: 2,225
- 13th 5yr plan target in 2020: 3,500
- Japan: 24,629
- Taiwan: 28,517
- Hong Kong: 50,680

2016 Insurance Penetration

- Mainland: 4.2%
- 13th 5yr plan target in 2020: 5.0%
- Japan: 9.5%
- Taiwan: 20.0%
- Hong Kong: 17.6%

Shortfall in Insurance Protection of Working Population(in trillion USD)

Expanded by 5 times

- 2004: 6.5
- 2014: 32.0

10

Unevenly Developed Insurance Market Ensures Sustainable Business Growth

**Insurance Density and Penetration of 2016
Mainland vs. Peers in Asia**

Insurance
Density(RMB)

Hong Kong
(16.2%,46,600)

Taiwan
(16.7%,23,800)

Japan
(7.2%,18,500)

Shenzhen
(3.1%,5,014)

Beijing
(5.9%,6,764)

Shanghai
(4.2%,4,622)

Other districts

Insurance
Penetration(%)
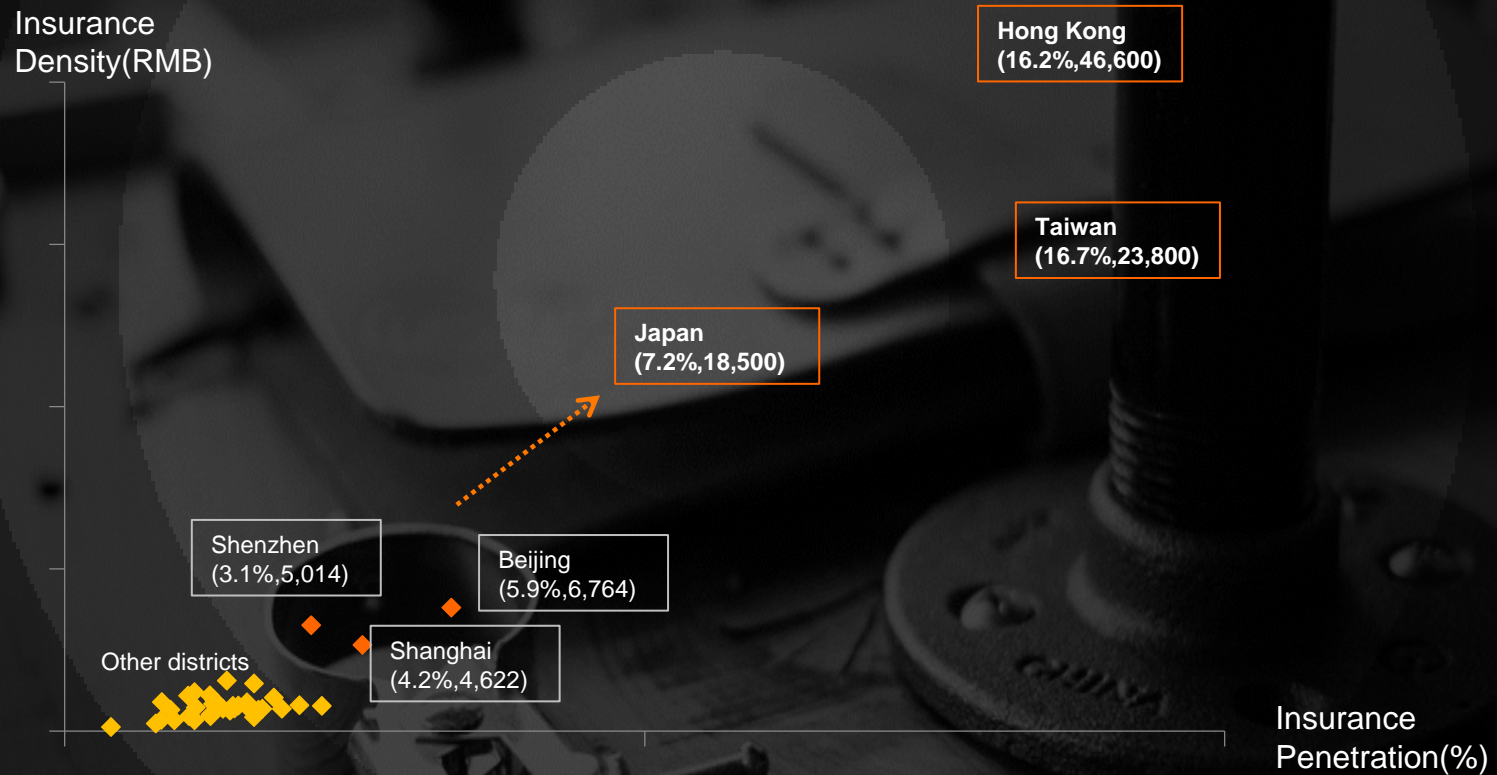
Source: CIRC website; SwissRe Sigma Report.

11

Ping An's Level of Protection is Gradually Deepening Even Though Still Underdeveloped

Total No. of Long Term Protection Policies(in '000)

- Death
- Dread Disease
- Accident

9,855
8,024
7,966

3,799

1,593

1,547

2012 2013 2014 2015 2016
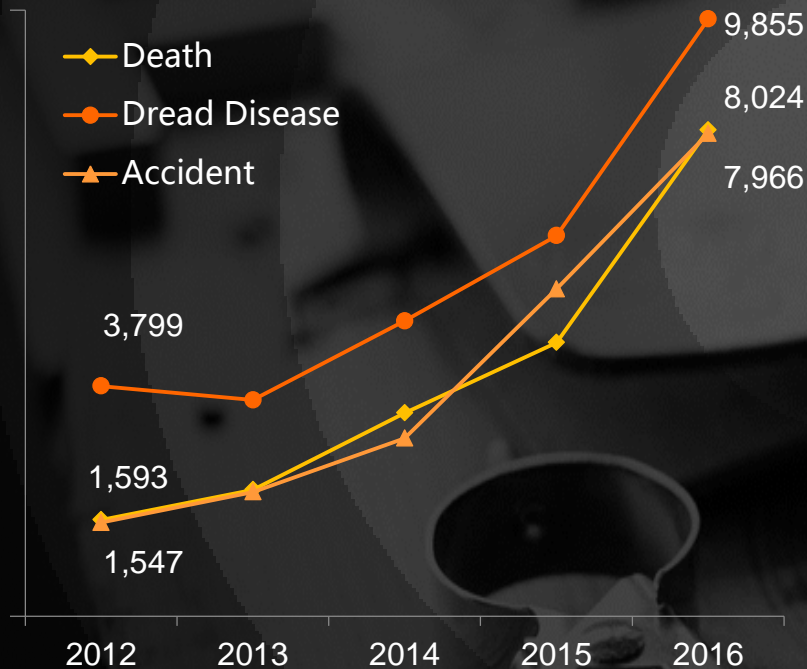
Sum-assured per Protection Policy (in '000 RMB)

- Death
- Dread Disease
- Accident

180
163
161

83

78

45

2012 2013 2014 2015 2016
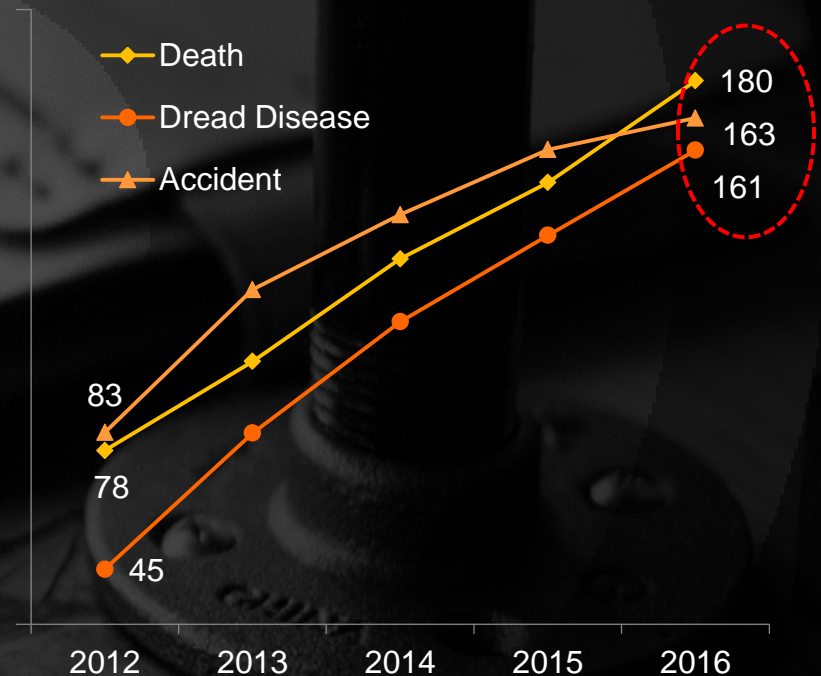
Note: (1) Above data account for new business only, and exclude short term products
(2) Sum-assured per protection insurance policy accounts for basic benefit only, excludes extra payout of special benefit

12

Contents

Robust Business Growth

(In million RMB)

VNB

+33.7%

2012	2013	2014	2015	2016
15,915	18,163	21,966	30,838	50,805

Release of Residual Margin

+24.6%

2012	2013	2014	2015	2016
15,865	18,710	22,519	29,267	38,198

Group Net Profit

+32.8%

2012	2013	2014	2015	2016
20,050	28,154	39,279	54,203	62,394

Group EV

+22.2%

2012	2013	2014	2015	2016
285,874	329,653	458,812	552,853	637,703

Residual Margin

+28.2%

2012	2013	2014	2015	2016
168,270	199,310	254,160	330,819	454,677
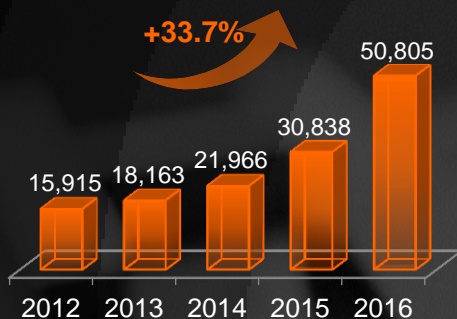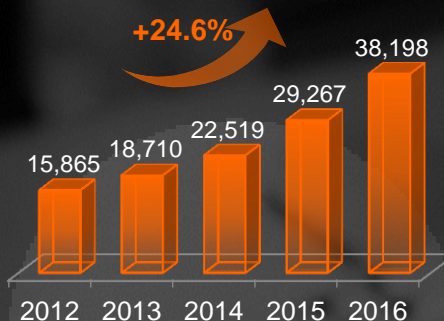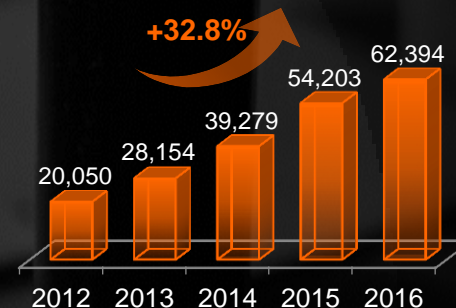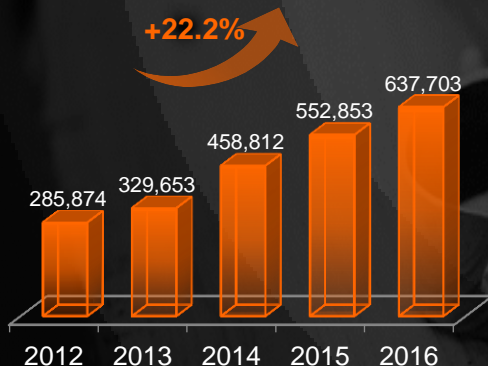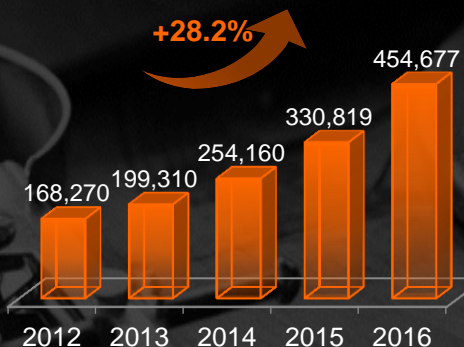
Group Dividend per Share (RMB)

+35.1%

2012	2013	2014	2015	2016
0.225	0.325	0.375	0.530	0.750
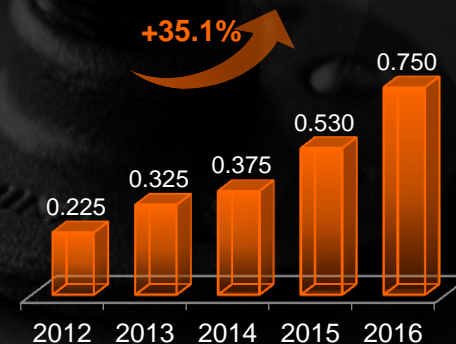
Note: Above growth rates are CAGR.

Top Quality New Business Generates Robust Value and Profit Growth
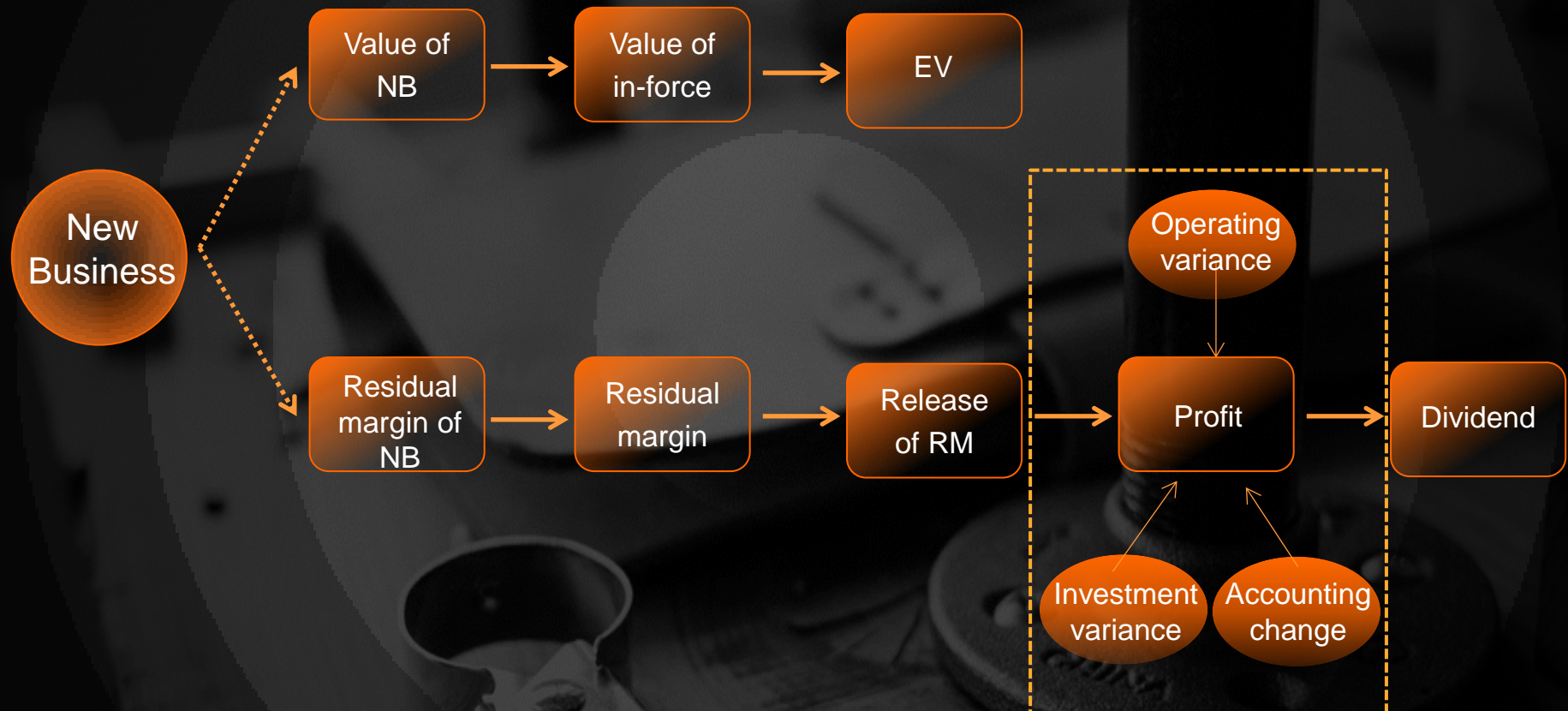
Accounting profit is affected by operating variance, investment variance and accounting estimate changes which might fluctuate over years

Key Elements to Top Quality New Business

Value of NB x **FYP** , **VNB Margin**

FYP ← **Supply** ← **Agent**

FYP ← **Demand** ← **Customer**

VNB Margin ← **Product Strategy**

VNB Margin ← **Management**

- Leading agents guarantee high premium growth

- Enormous costumer base is the source of sustainable new business boom

- Optimize product portfolio, lower operating risk and improve profitability

- Add value due to highly efficient operation

Contents

The Key Factors to Leading Agency Workforce

High Standard Strict Appraisal

Integrated Financial Platform

"Tech+" Boost Productivity

- Requirement to retention and promotion higher than peers
- Strict dismissal policy

- Provide enormous customer base
- Cross-selling increases agents' income which attract new recruit and enhance retention

- Over 120 million "Jin Guan Jia" APP registered users
- Online training with no time and space constraint

Agents Fully Equipped Through "Tech+"

Tech+

Training
- ✓ Zhiniao and live training, with no time and space constraint
- ✓ 338 thousand live sessions took place during March to October

Sale
- ✓ Over 120 million "Jin Guan Jia" APP registered users, world most used insurance APP
- ✓ Ad. forwarded 220 million times on WeChat, resulted in 3.6 million sales
- ✓ Big data applied to analyze preference and behavioral pattern of existing and potential costumers to increase successful sales

Recruitment
- ✓ Apply AI to analyze agents' character, habit and background to provide tailored-made training and coaching
- ✓ Current and previously employed agents conduct sales on "Jin Guan Jia" APP

Management
- ✓ "Onsite and offsite" team management model
- ✓ Apply AI to optimize agents' development, enhance performance

Retention
- ✓ Online training improve agents' ability
- ✓ "Jin Guan Jia" APP + Integrated Finance Model increase sales, agents' income, and retention rate

No. of Agency Workforce and Productivity Continue to Rise

No. of agency workforce (in '000 person)

CARG +21.3%

- 2012: 513
- 2013: 557
- 2014: 636
- 2015: 870
- 2016: 1,111
- 2017Q3: 1,434
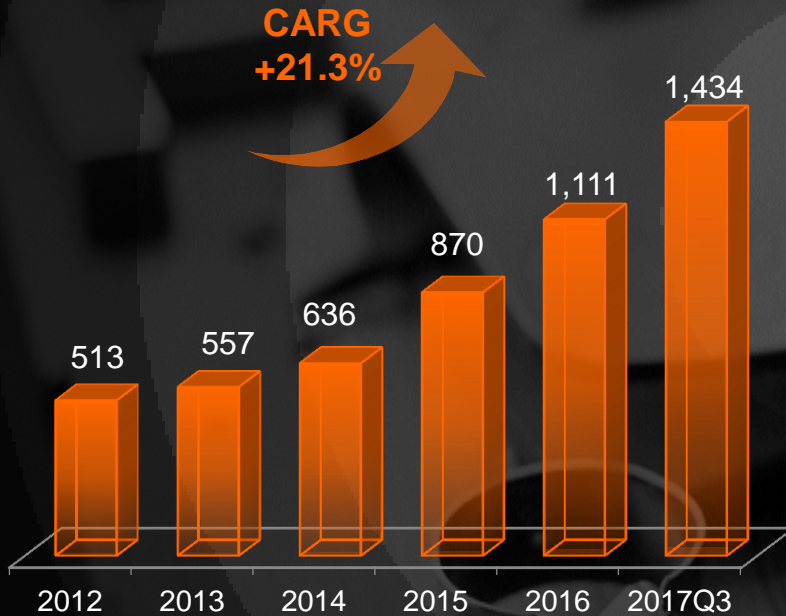
Activity rate and policies per agent per month

- Policies per agent per month
- Activity rate

- 2012: 1.0
- 2013: 1.0
- 2014: 1.1
- 2015: 1.2
- 2016: 1.2

65%
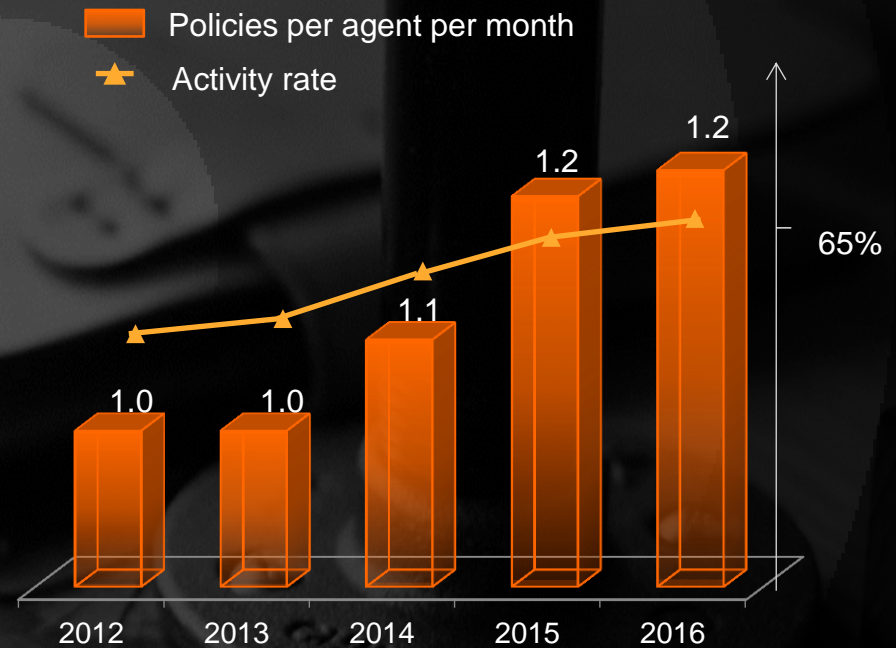
Note: 21.3% CAGR increase of agents during 2012-2016, which does not include growth in 2017

Agents' Income Higher than Average Salary of Urban Workers by 20% due to High Productivity and Cross-selling

FYP per agent per month (RMB per month)

+7.8%

- 2012: 5,795
- 2013: 5,894
- 2014: 6,244
- 2015: 7,236
- 2016: 7,821

Monthly income per agent (RMB per person)

- ■ Total monthly income per agent
- ■ Monthly income from cross-selling
- ▲ Urban population's average monthly salary

+9.7%

- 2012: 4,153 (417)
- 2013: 4,222 (516)
- 2014: 4,684 (530)
- 2015: 5,124 (544)
- 2016: 6,016 (753)
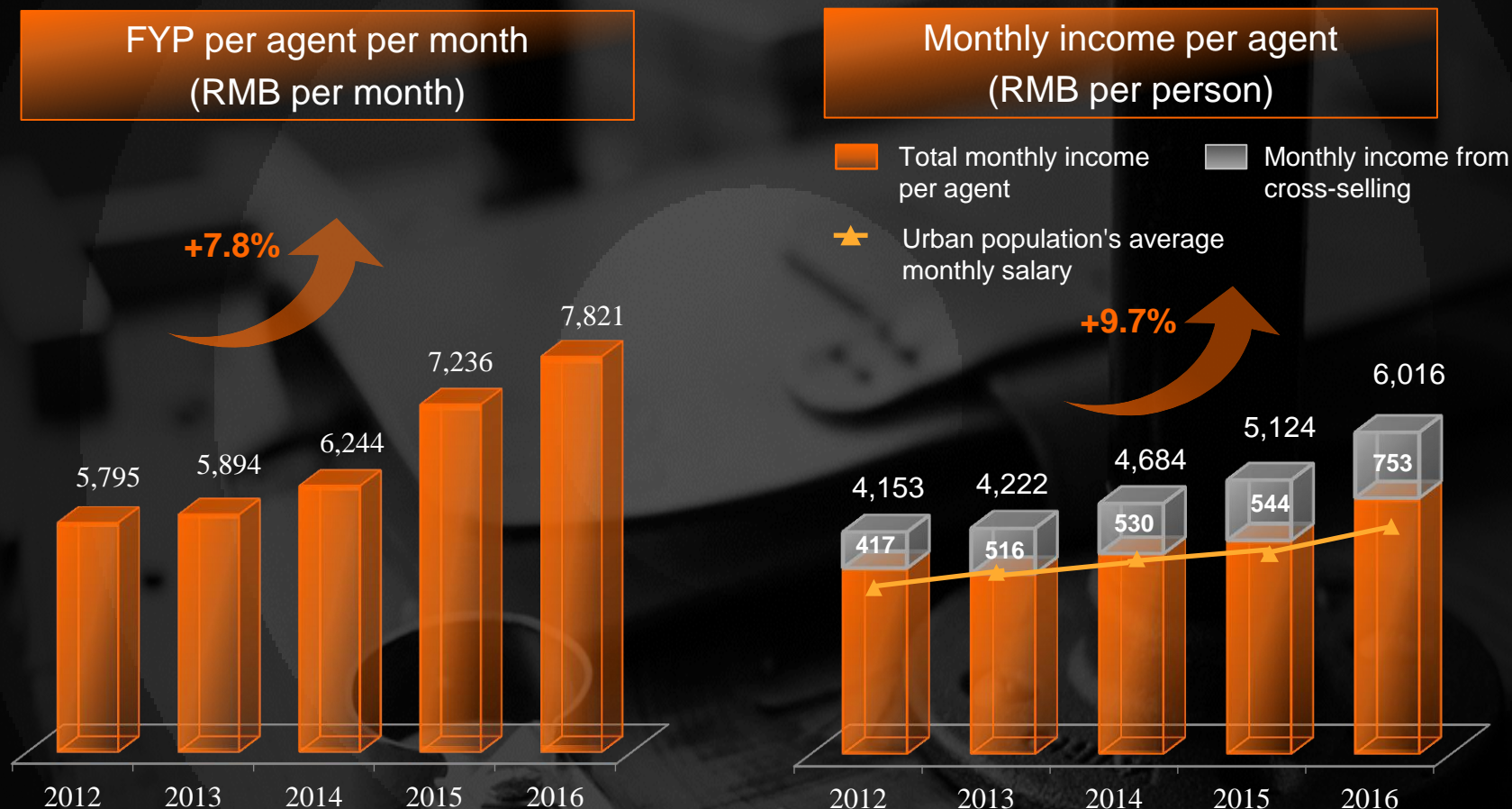
Note: (1) Above growth rates are CAGR unless otherwise stated.
(2) Urban workers' average monthly salary = (Urban non-private sector's workers * average salary of urban non-private sector + Urban private sector's workers * average salary of urban private sector) / Urban workers. Source from the state statistics bureau.

21

Contents

Extensive Extended Services Provided by Collaborated Multi-Subsidiaries Improve Customer Satisfaction and Cultivation

Enormous customer base from Group provides solid foundation for Ping An Life

- Debit Card
- Credit Card
- Ping An Life
- P&C
- Jahwa
- Health
- Trust

- High customer loyalty and stickiness
- Low barrier to develop
- Cross-selling improve recruitment and retention
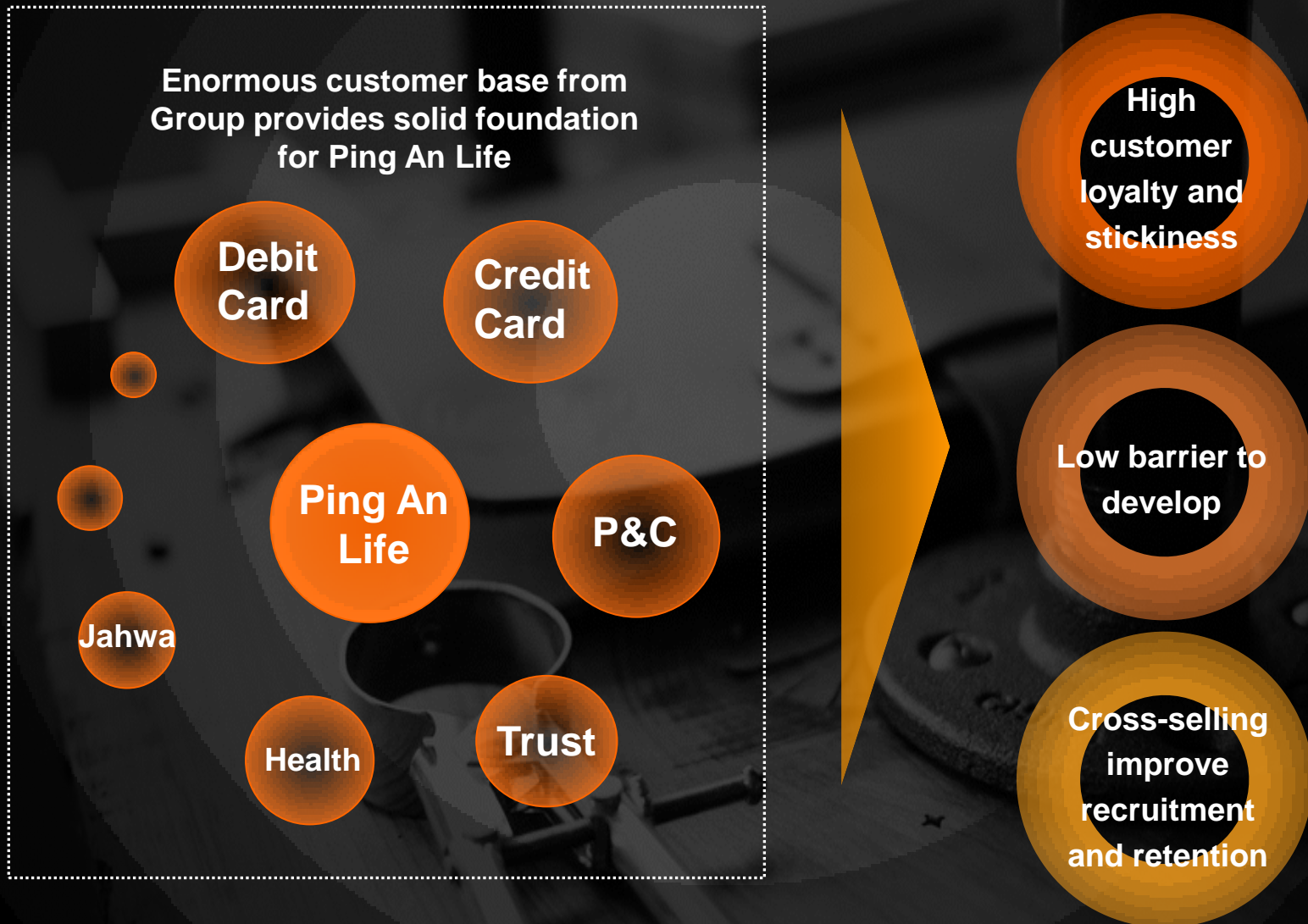
Illustrations of Customer Cultivation

Illustration 1
Life + Good Doctor

Ping An RUN

Prevention prior to incident

Health 360

Consulting after incident

Health Cycle

Ping An Fu
Compensation during incident
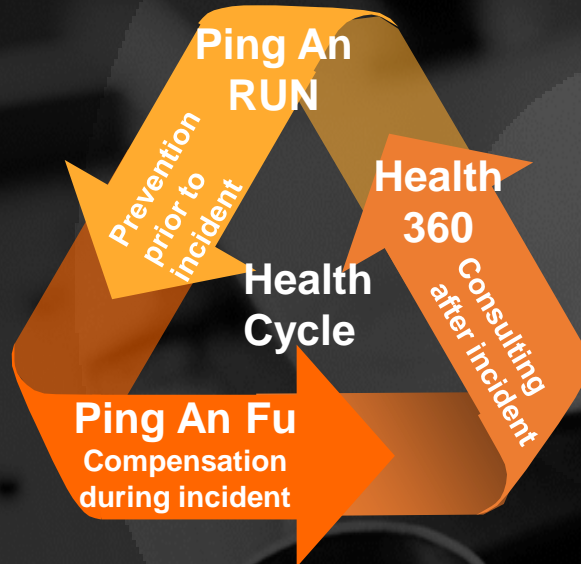
Provide diversified services such as Ping An RUN, exercise promotion etc. to guide customer into establishing insurance awareness. Provide all aspect of care such as insurance protection as well as extended health consulting services to complete the Health Cycle.

Illustration 2
Life + P&C

Recommend uncomplicated, standardized auto insurance necessity

Refer to travel scenario Recommend accident protection product

Extend protection coverage Recommend Ping An Fu

Contents

1. Is insurance consumption upgrade sustainable?

2. What are Ping An's competitive advantages?

    2.1 Leading Agency Workforce

    2.2 Enormous Group Customer Base

    2.3 The Right Product Strategy

    2.4 Excellent Management

3. How to interpret residual margin?

The Right Product Strategy Creates a Tripartite Win-Win Situation among Consumers, Agents and Ping An

Philosophy > **Product Strategy** > **Objective**

Value oriented also Account for Volume

Balance of Traditional, participation and universal

Prioritize protection type business

Win-Win

Consumer

Agent

Ping An

Balanced Portfolio Minimizes Interest Rate Sensitivity

**FYP Distribution
in Agency Channel over Past 5 Years**

Traditional 33%

Participation 45%

Agency FYP

Universal 22%
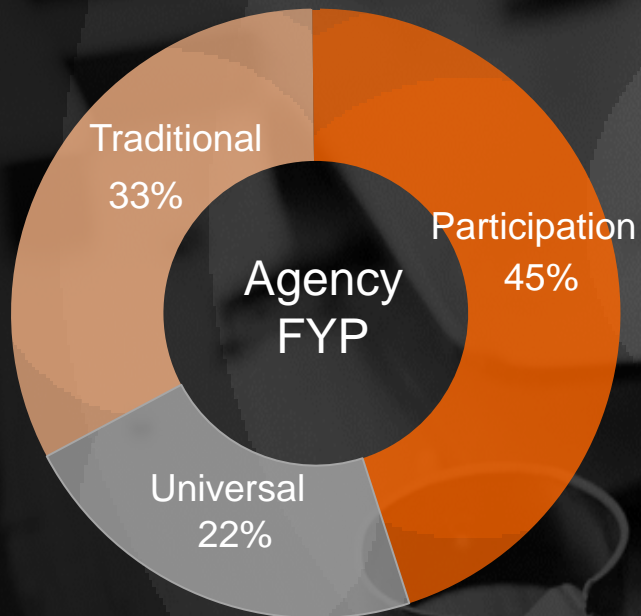
| Decreasing interest | → | Lower dividend and credit rate |

Liability cash flow of PAR and UL partially exhibit characteristic of floating-rate bond, which carry lower sensitivity to interest rate

**% Change of VNB
When Investment Rate +50bp**

Par and UL exhibit lower interest rate sensitivity

9%

2%

18%

11%

| Typical TRAD protection type | Typical PAR protection type | Typical TRAD Saving type | Typical PAR Saving type |
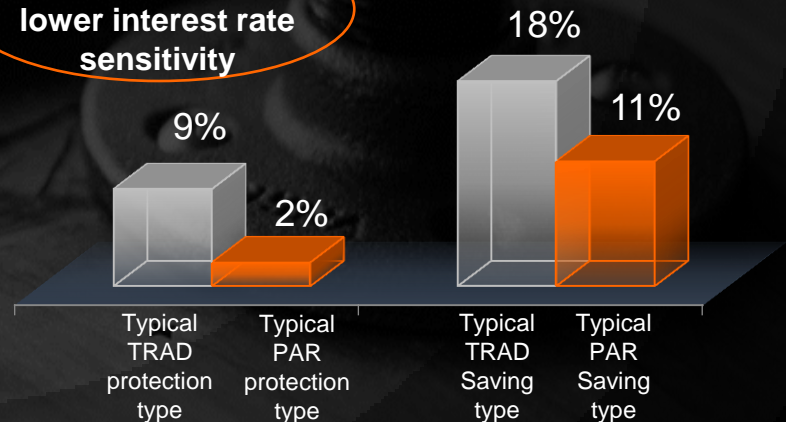
Effective Duration is a More Realistic Representation of Interest Rate Sensitivity

E.g. Parameters of a fixed rate bond and a floating rate bond is as follow(1) :

	Book value	Term	Book yield	Market yield	Current price
Fixed	100	10 yr	5%	5%	100
Floating	100	10 yr	Same as market yield	5%	100

$$\text{Macaulay duration} = \frac{\sum_{t=1}^{T} \frac{t * CF_t}{(1+i)^t}}{\sum_{t=1}^{T} \frac{CF_t}{(1+i)^t}}$$

$$\text{Effective duration} = \frac{P_- - P_+}{P_0 * (i_+ - i_-)}$$

Cash flow of fixed-rate bond

- Rate at issue of 5%
- Rate after issue drop to 4%

5 5   5 5   ...   5 5   105 105

Y1   Y2   Y9   Y10
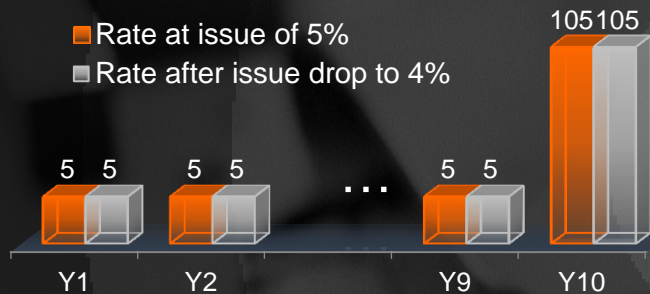
Cash flow of floating-rate bond

- Rate at issue of 5%
- Rate after issue drop to 4%

5 5   5 4   ...   5 4   105 104

Y1   Y2   Y9   Y10

Discount cash flow
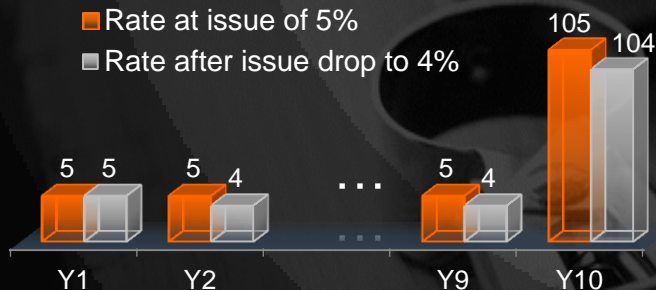
	Bond price at 5%	Bond price at 4%	Change
Fixed	100	108	8%
Floating	100	101	1%

	Macaulay Duration	Effective Duration
Fixed	8.1	7.7
Floating	8.1	1.0

Note: (1) Assumptions applied are: Spread of floaters and spread for pricing both equal 0, coupon paid annually, floating coupon paid according to current market rate.

Diversified Portfolio Ensures Sustainable Long-term Profit

Ping An Life's Asset and Liability Effective Duration at Mid-year 2017

Product type	Policy Term	Asset duration	Liability cash outflows duration
Traditional	>50 years	7-8 years	15-20years
Participation and universal	>50 years	7-8 years	3-6years
Overall A&L gap (Effective duration)		**< 5**	

Achieve Long-term Sustainable Profit

Long policy term

Good A&L duration match

Low lapse rate

+

=

Sustainable long-term profit
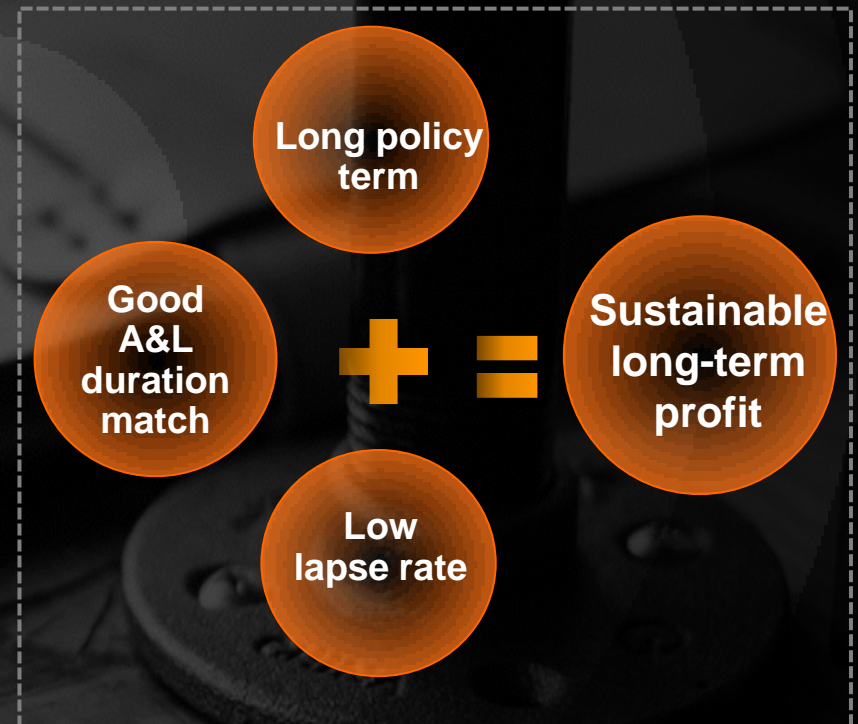
Enriching Insurance Coverage to Generate Diversified and Steady Mortality Margin

Continue to expand and enrich protection type products

More balanced all-round protection coverage

- Strongly promote DD product Chang Qing Shu
- Launch Hu Shen Fu expand to mid to high-end protection market

- Ping An Fu upgrade,
- Includes 8 more minor diseases in coverage

- Market segmentation, launch Kids' Ping An Fu
- Launch Ping An RUN, expand Ping An Fu's coverage to 80 types DD+20 types minor disease

2012 2013 2014 2015 2016 2017

- With the help of rate marketization, launch Ping An Fu for mid to high-end protection market

- Ping An Fu upgrade, disease coverage expand to 45 types diseases
- Launch O2Odrivers accident protection product

- Satisfy customers' every possible needs, launch Long term care product
- Ping An Fu further upgrade, sum assured increases after minor disease benefit payout

Agency NB Mix

- Death
- Dread disease
- Medical
- Accident

2012   2013   2014   2015   2016

Achieve High VNB Growth Meanwhile Focus on Protection Business Continues to Rise

High VNB Growth	% of VNB attributed to Long-Term Protection Products

(In million RMB)

High VNB Growth:
- 2012: 15,915
- 2013: 18,163
- 2014: 21,966
- 2015: 30,838
- 2016: 39,290 / 50,805(C-ROSS)

% of VNB attributed to Long-Term Protection Products:
- 2012: 49.2%
- 2013: 53.5%
- 2014: 60.2%
- 2015: 64.2%
- 2016: 66.6% / 74.5%(C-ROSS)
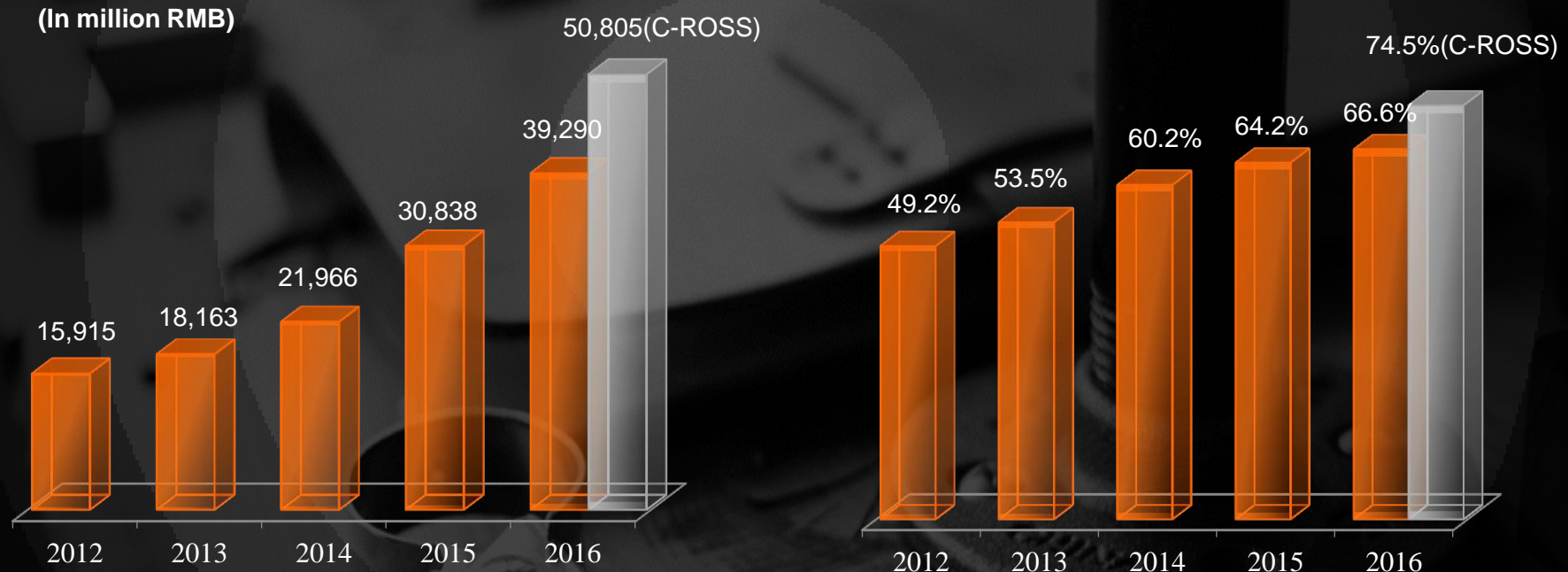
Note: Above VNB and growth rate was calculated in accordance with solvency I for comparability purpose, unless otherwise stated.

Tripartite Win-Win among Consumer, Agent and Ping An

- VNB CAGR of **33.7%**
- Long term protection products' contribution to VNB of agency channel, **up from 49% to 67%**
- Asset liability effective duration gap **less than 5**

Ping An

Win-Win

Agent

Customer

- Income CAGR of **10%**
- **Income continually higher than average of urban workers**

- Widen protection coverage
- Increase protection level

Contents

Excellent Management Generates Profit and Value

- Unit expense

Expense margin

Ping An Life's KPI: VNB account for 45%

Others include profit, investment, market share, risk indicators and etc.

- Mortality rate
- Morbidity rate

Mortality margin

Profit & Value

Interest margin

- Investment rate

- Reinsurance
- Taxation
- ......

Others

Lapse margin

- Lapse rate

Smart Risk Management System Guarantees Steady Mortality Margin

Prior to Policy Issuance

- Advanced underwriting technology, apply over 700 parameters to precisely determine risk characteristics of customers

- Cooperate with POBC and other credibility institutes to prevent anti-selection and moral hazard

- Prudence in pricing, first in peers to take morbidity deterioration into account

During Policy In-force

- Services on the health management，launch Ping An run, encourage consumers to develop healthy living habits and lower incident rate from the source

- Ping An Good Doctor provides online health consultant services cover about 100 million users and 28 million customers.

After Insurance Incident

- Cooperate with over 4 thousands hospital to control medical cost;

- Apply insurance claim using "Claim in a flash", speed up claim process;

- Regularly review claim data and risk control effectiveness to improve risk control ability

Policy Persistency Outperform Market Peers
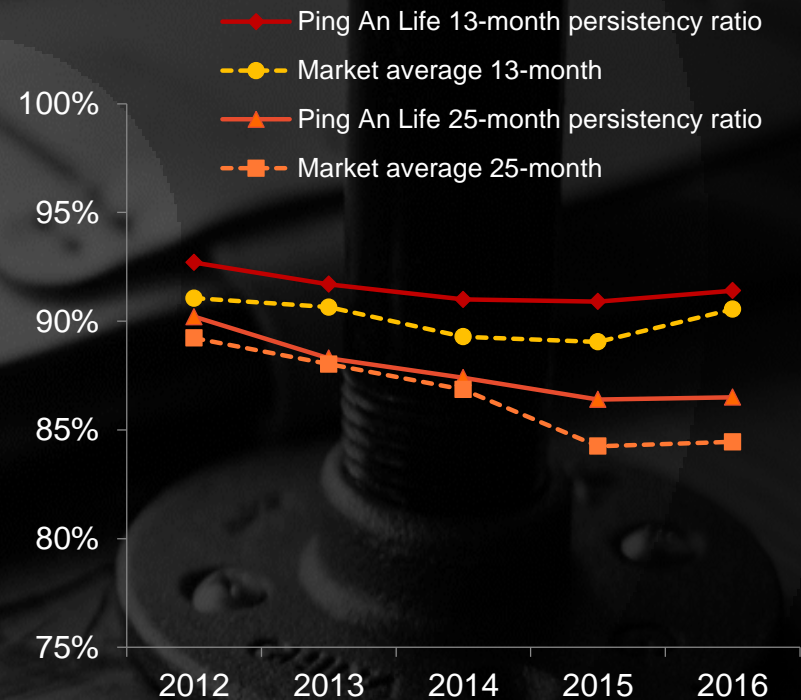
Note: (1) Market average is calculated as the average of China Life, Ping An, China Pacific and New China Life; source: respective annual report
(2) The persistency ratio of China Life is base on 14-month and 26-month, while the other 3 listed insurers are based on month and 25-month

36

The 10 Year Average Investment Return Exceeds EV Assumption

Year	Net investment rate	Gross investment rate	Fair value return rate
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%
2016	6.0%	5.3%	4.4%
10 year average	**4.8%**	**5.3%**	**5.7%**

Note: The investment asset applied above includes asset from Ping An Life, Ping An P&C, Ping An Annuity, Ping An Health and other insurance subsidiary.

37

Better-than-expected Investment and Operating Results Contribute to Profit due to Excellent Management

	2016 (In million RMB)	Average Breakdown of 2012~2016
Release of residual margin	38,198	115.5%
Accounting estimate change	(28,895)	(51.4%)
Investment variance	11,561	19.7%
Operating variance	11,418	16.1%
Profit before tax	**32,281**	**100%**

Accounting estimate change in the past 5 years was mainly caused by the lowering of discount rate.

Note: Operating variance includes the release of risk margin

Contents

Linkage Between Residual Margin and the 3 Indicators on Life Insurer's Value Analysis

Explored in last year's report

Accounting profit

Solvency

Embedded Value

?

Residual margin release is a major source of accounting profit

Residual margin is a major contributor of capital under C-ROSS

Residual margin and VIF are both present value of future profit, so why the big difference?
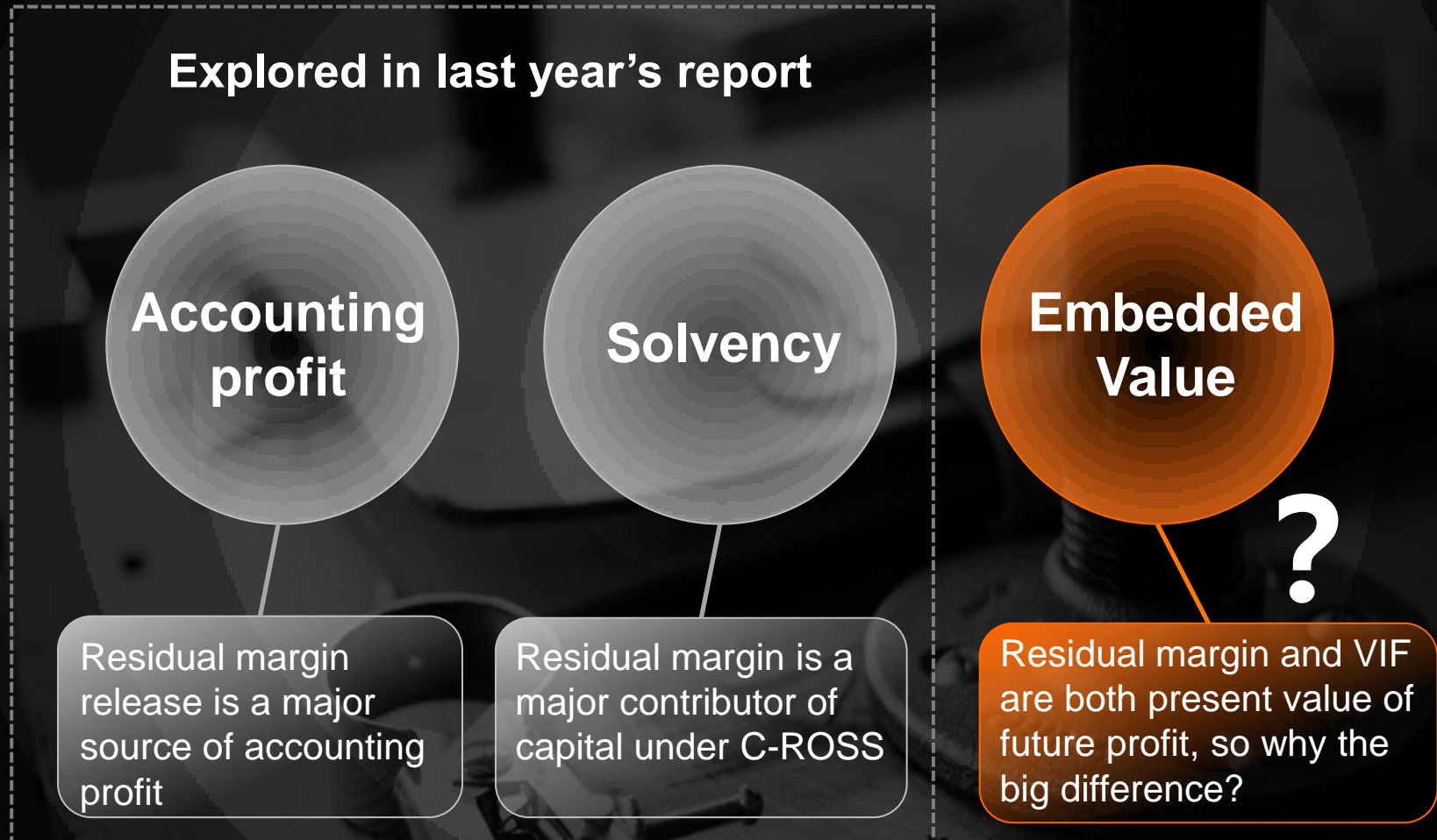
Different Discount Rate, Treatment of Tax and Capital Cost Resulted Variation Between Residual Margin and VIF

(In billion RMB)

162.2

(18.4)

454.7

81.4

229.5

2016 Value of in-force

Tax and capital cost

Discount rate and other economic assumption differences

other differences

2016 Residual margin of in-force

Main item causes variation	Residual margin	VIF
Tax and capital cost	Exclude	Include
Discount rate	Base on CGB yield and investment rate	RDR of 11%
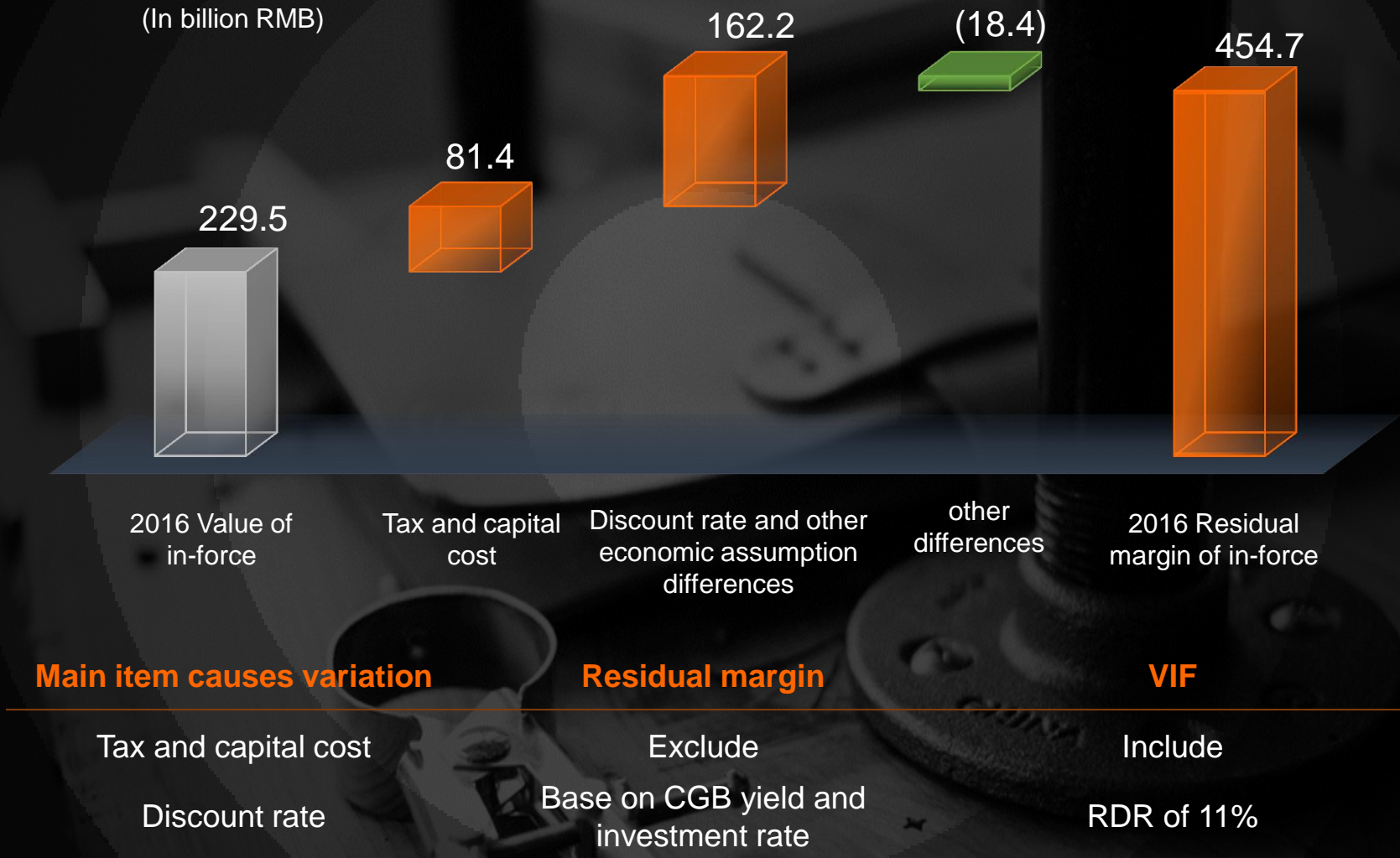
Note: Above result is comprised of Ping An Life only

Variation Between Residual Margin and VNB Caused by the Same Factors as VIF

(In billion RMB)

50.6
VNB at 2016

32.5
Tax and capital cost

51.6
Discount rate and other economic assumption differences

(4.8)
other differences

129.9
2016 Residual margin of in-force
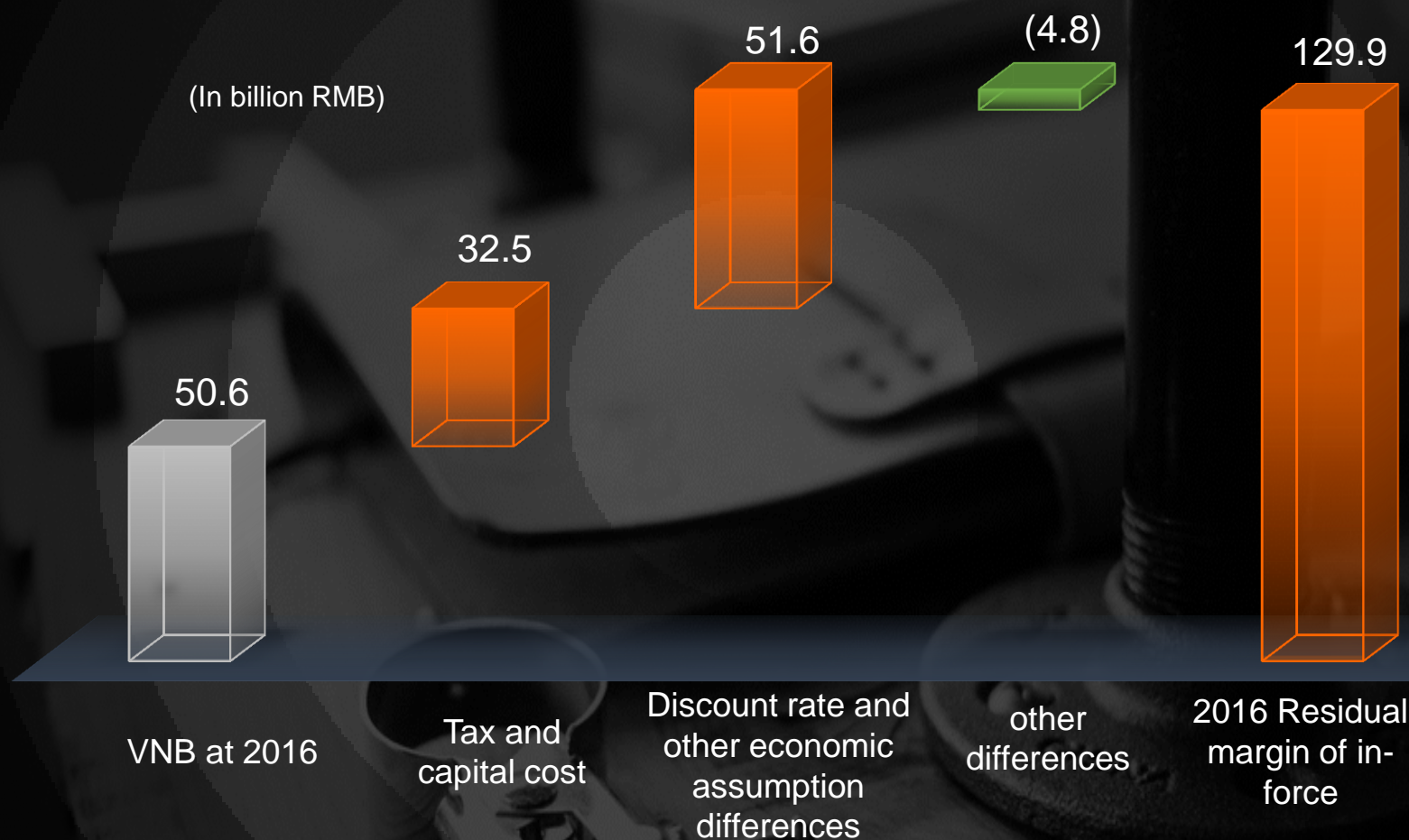
Note: Above result is comprised of Ping An Life only

Residual Margin Increase Driven by NB and Excellent Management

(In billion RMB)

330.8	129.9	17.4	(38.2)	14.8	454.7
Residual margin 2015YE	New business contribution	Expected growth	Release of residual margin	Operating variance and others	Residual margin 2016YE

Summary

Ping An's life business sustains robust growth!

Favored state policies

Social environment changes

Increased domestic income

Industry dividend

Self advantage

Leading Agency workforce + Enormous Group Customer Base

Right product strategy

Excellent management

Thank you!

中国平安
保险·银行·投资
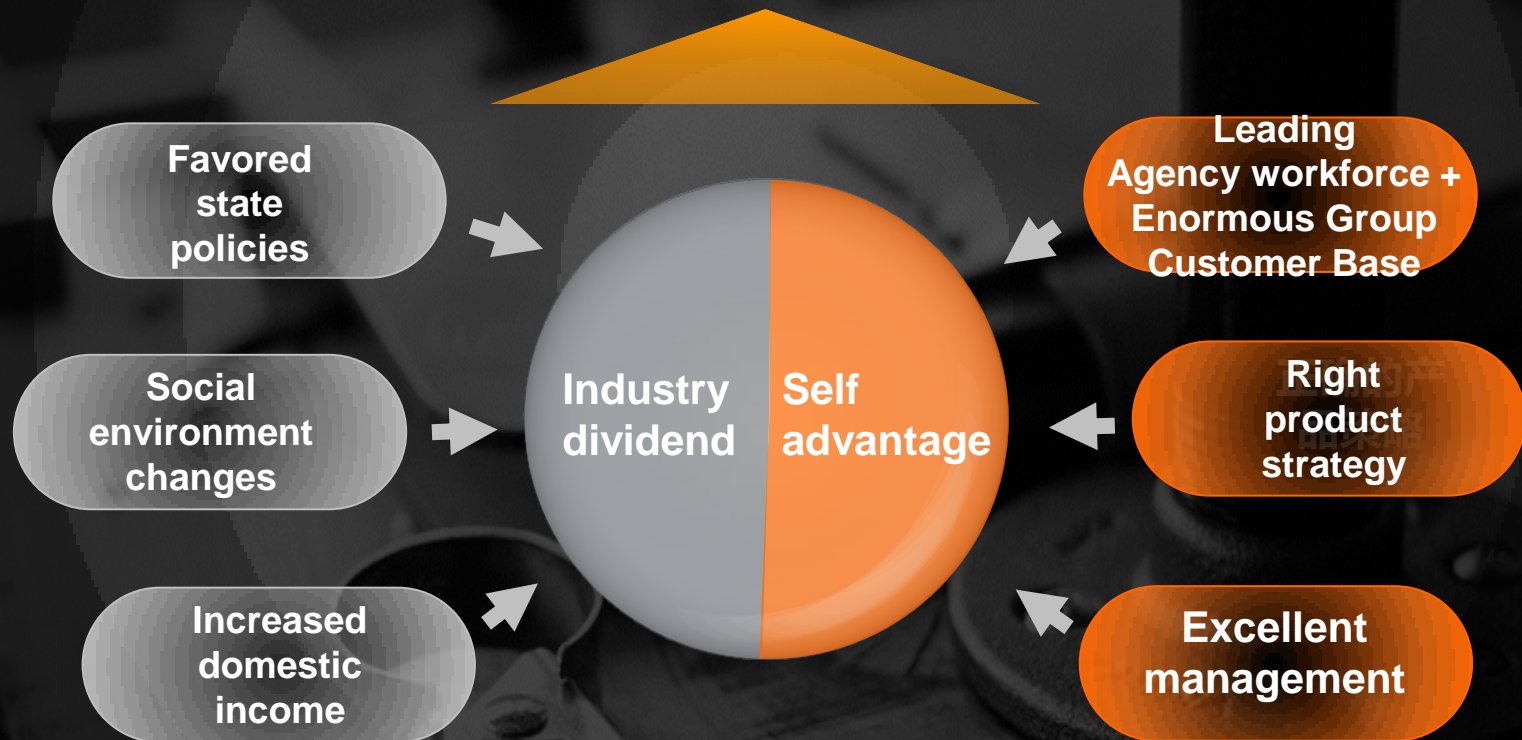
Boost Value of Traditional Financial Businesses with Technologies

Yuansiong Lee

Group Deputy CEO & Chief Insurance Business Officer

Shenzhen   Nov 2017

Important Notes

Cautionary Statements Regarding Forward-Looking Statement

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.

Ping An's five core technologies extensively applied to business

Five core technologies

Biometrics	• Face/voiceprint/micro expression
Big data	• Enormous data; over 26,000 dimensions; over 500 data experts
AI	• Machine learning/NLP/ Robot engineering technology
Cloud	• Finance cloud/health cloud/government cloud/corporate cloud
Blockchain	• Asset trading/health care/digital currency/ financing & lending

Extensive applications

- Customer development
- Channel management
- Customer services
- Risk management

Value Promotion

- ✓ **Increase efficiency**
- ✓ **Cut costs**
- ✓ **Enhance risk management**
- ✓ **Improve experience**

Technologies have penetrated all the core parts of traditional financial services

- **Smart segmentation of life insurance customers**
- **Precise, smart investment advising for securities customers**
- **Carry out various financial companies within the Group**

- **Agency risk management**
- **Life insurance underwriting/claim risk models**
- **Driving risk factors**
- **Smart auto claims risk management**
- **P&C insurance risk identification system**
- **Credit card & Puhui risk models**

Customer development

Internet + AI

Channel Management &Sales

Risk management

Customer services

- **SAT sales model revolution**
- **Selection of outstanding sales agents**
- **Dynamic management of agent activities**
- **Remote training for agents**
- **Carry out various financial companies within the Group**

- **Life Insurance Intelligent customer services**
- **Superfast auto insurance claims**

4

Refined customer development – Life Insurance (1/2): Focus on customer demands; acquire huge numbers of customers online and offline in various scenarios; frequently interact with customers to know them, form a comprehensive customer view, and segment customers

Acquire huge numbers of customers in various scenarios

Visit
Application
Policy administration
Claims
Renewal
Query
Complaint
Health management
Old age care
Child care
Wealth management
Travel
Housekeeping
Parenting
…

Sales agents
Outlets
3rd parties
Phone
Internet
WeChat
APP
Microblog

- Offline
- Online
- Basic services
- Value-added services

In-teg-ra-ted

360⁰ Customer View

Customer profile
- Mailbox
- Gender
- Age Handset No.
- Employer ID No.
- Birthday Checkup data
- Interests and hobbies
- Pre-existing conditions
- Name
- University

Customer behavior
- Lifestyle
- Social style
- Preferred service channels
- Preferred sales channels
- Consumption habits

Customer value
- Career
- Activity
- Education Transactions
- Surveys Assets Products
- Services
- Contact channels
- Current value
- Potential value

Customer

build

Segmentation models

Example:

age

Income

Behavior
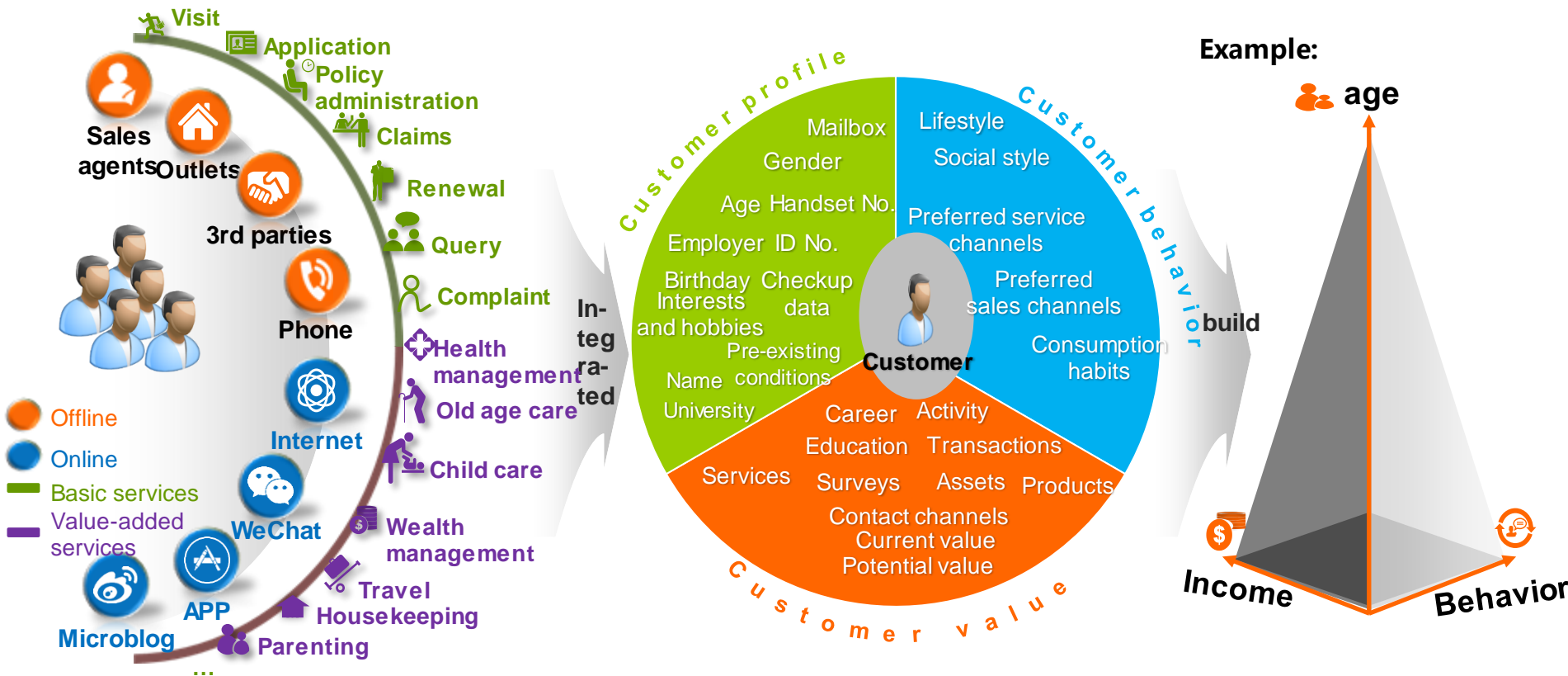
Refined customer development - Life Insurance (2/2): Segment customers on the basis of the customer view; generate products, services, channels, and contact opportunities smartly; directly contact customers or send leads to sales agents

Smart generation of products/services/ channels/opportunities

- Products (600+)
- Channels (online+offline)
- Services (300+)
- Opportunities (full policy cycle)

Differential customer development

- Directly contact customers
- Send leads to sales agents

Products/services meeting customer demands

Effects

12-month lead conversion rate

>20%

Proportion of repeat buyers

↑67%
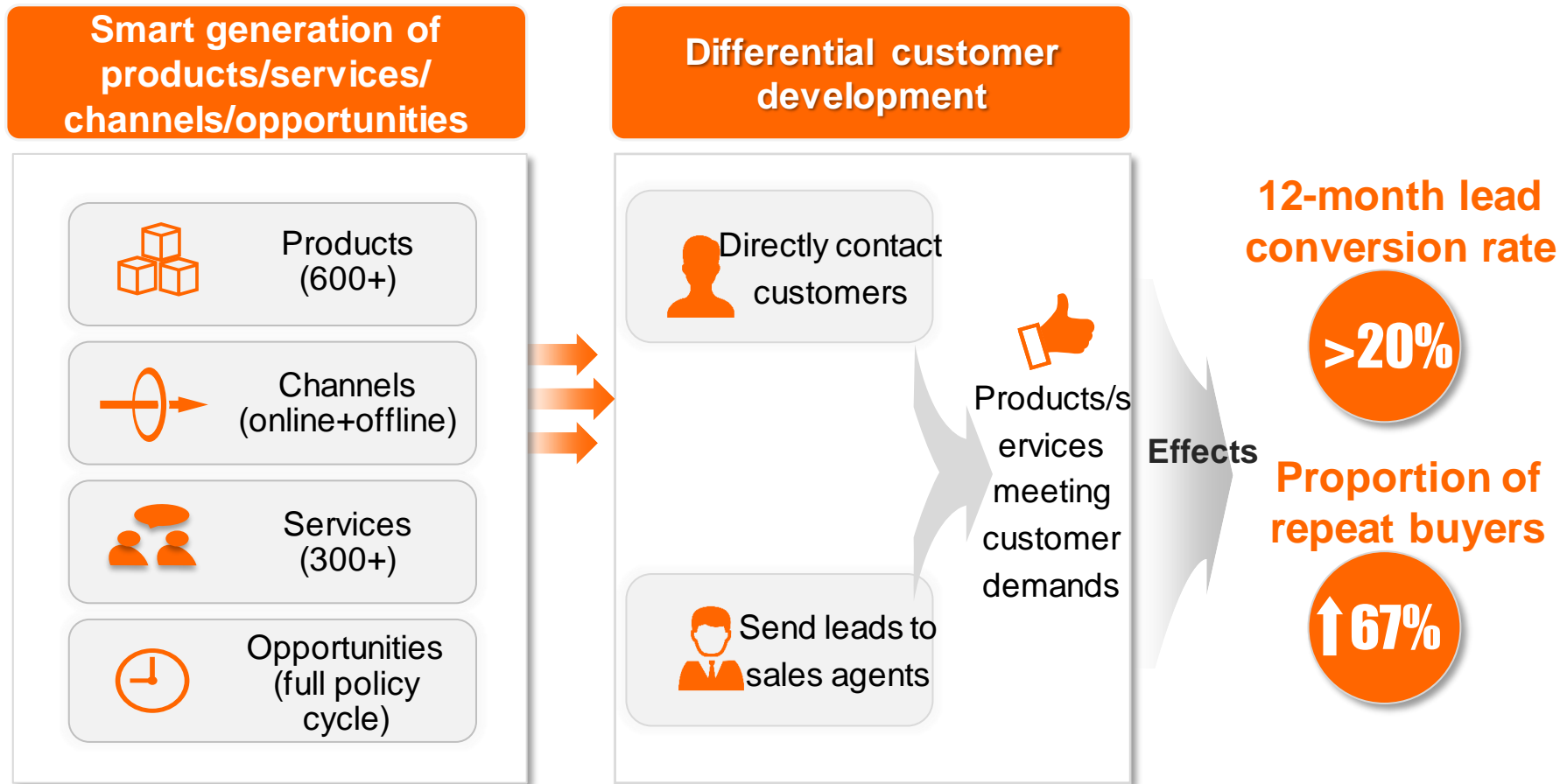
Note: 12-month lead conversion rate = converted leads provided in past 12 months/converted or still useful leads

Refined customer development has also been carried out in various financial companies within the Group

Example

Securities / Trust / Lufax

Customer profiling

Basic information
- Gender
- Age
- Occupation

Investment appetite
- Product appetite
- Risk appetite
- Time appetite
- Channel appetite

Funds & wealth
- Financial assets
- Loan
- Housing information
- Non-financial assets

Marketing information
- Activities
- Information appetite
- Location tracking

Social network
- Circles
- Communities
- Hobby groups

Risk tolerance
- Prudent
- High-yield
- Balanced

Customer segment

- Investment newcomers
- Stock investment experts

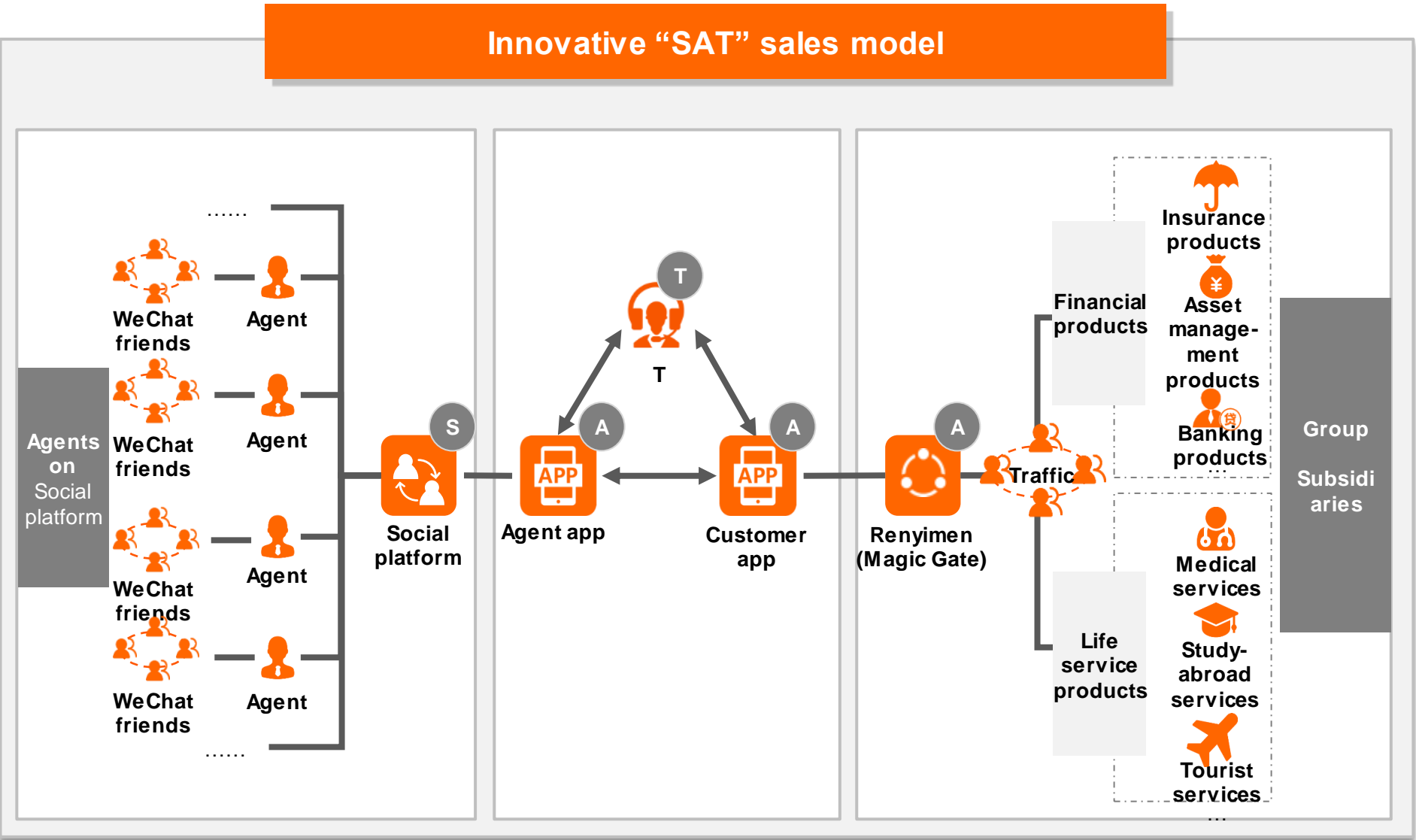- New customers

- Potential HNW customers
- HNW customers

- High income and high expenditure
- Low income and low expenditure
- Low income and high expenditure

Leads push

- Smart traders and bullish stocks
- Smart allocation plans

- Customer acquisition through social networking, precision marketing
- Asset management, social finance
- Private placement recommendation

- **Fund + Fixed investment + MMF**
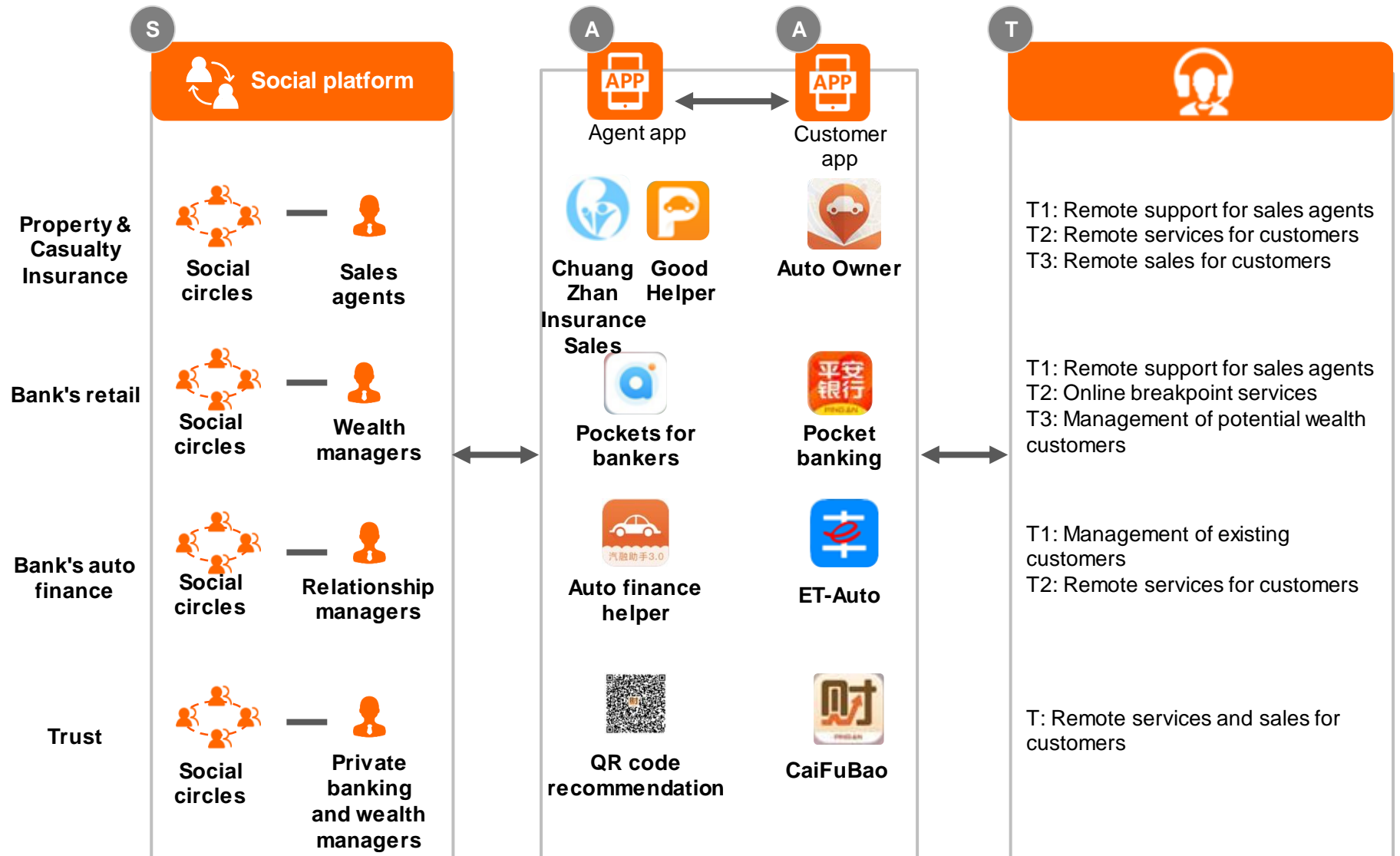- **Fixed income + P2P**
- **P2P + MMF + Fixed investment**

Refined channel management and sales(1/4) – Life Insurance SAT sales model revolution: Disrupt the traditional sales model by allowing agents to segment and interact with customer in real time under the "SAT" model

Innovative "SAT" sales model

WeChat friends — Agent

Agents on Social platform

Social platform (S)

Agent app (A)

T

Customer app (A)

Renyimen (Magic Gate) (A)

Traffic

Financial products

Life service products

Insurance products

Asset management products

Banking products

Medical services

Study-abroad services

Tourist services

Group Subsidiaries

"SAT" model has been adopted by many companies within the Group

S — Social platform

A — Agent app

A — Customer app

T

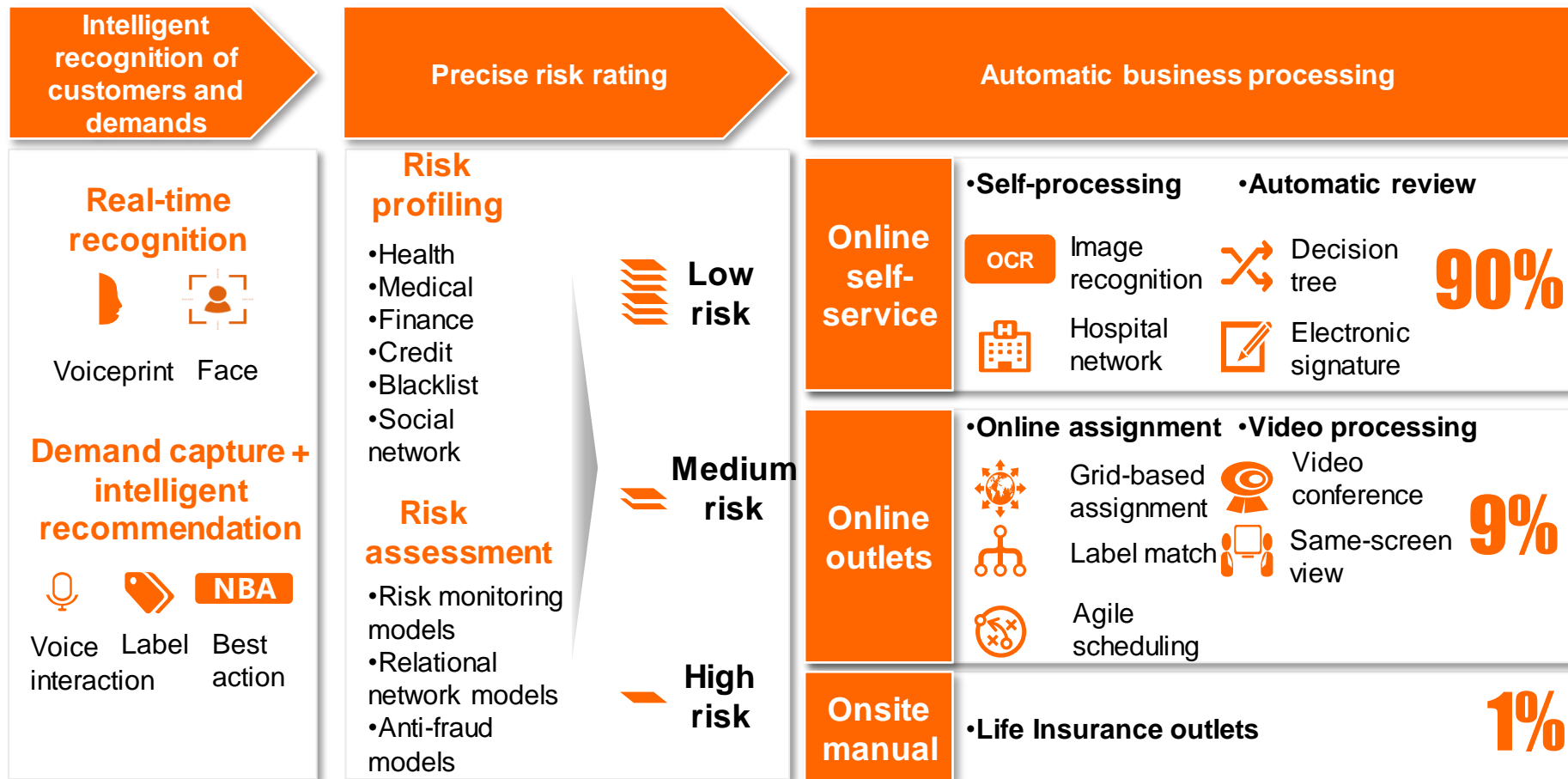|	Social platform	Agent app	Customer app	T
Property & Casualty Insurance	Social circles — Sales agents	Chuang Zhan Insurance Sales / Good Helper	Auto Owner	T1: Remote support for sales agents T2: Remote services for customers T3: Remote sales for customers
Bank's retail	Social circles — Wealth managers	Pockets for bankers	Pocket banking	T1: Remote support for sales agents T2: Online breakpoint services T3: Management of potential wealth customers
Bank's auto finance	Social circles — Relationship managers	Auto finance helper	ET-Auto	T1: Management of existing customers T2: Remote services for customers
Trust	Social circles — Private banking and wealth managers	QR code recommendation	CaiFuBao	T: Remote services and sales for customers

9

Intelligent channel management and sales (2/4) – Life Insurance agent selection and management: Build a dynamic cycling system of "profiling + features + screening" to select agents

Profile groups with high retention/lapse

High-retention   High-lapse

Group features
- Character rating
- Personal features
- Training performance
- Career aspiration
- Customer resources
- Risk assessment
- …

VS

Identify personal features of prospective agents

Prospective agents

Personal features
- Character modeling
- Facial analysis
- Face/wifi-based attendance/ human-machine interactive tests
- Work records
- Jin Guan Jia registrations + SAT behavior analysis
- Micro-expression/credit records/face recognition/ health records
- …

Model-based screening

① ② …
Suitability evaluation

③ ④ …
Competency evaluation

⑤ ⑥ …
Decisive evaluation

Screening Results

On board

Lapsed

Automatic learning and profiling iteration

Intelligent channel management and sales (3/4) – Life Insurance activity management: Provide intelligent group training; dynamically plan and manage agents' growth paths; give relevant suggestions

Dynamically planned growth path

Personal profiling

Excellent performer in cross-selling

Customer manager

Excellent performer in cross-selling ...

Customer manager

Excellent performer

Mentor

Supervisor

Onboard

Full membership

Excellent performer in cross-selling

Customer manager

Agent

Agent

Maintain

Lapse

— **Preset growth path**

- - - **Actual growth trail**

Full member profiling

Potential excellent performer profiling

Potential supervisor profiling

Potential cross-selling agent profiling

Personal dynamic profiling models (50+)

Group dynamic profiling models (70+)

Key group analysis models (14+)

Dynamically managed growth path

Adjust the path

| Set/sugg -est a path | Set goals | Monitor closely | Review problems | Push action messages |

Daily cycling

- Preset optimal growth path
- Flexibly matched with highly aligned goals
- Dynamically review the growth trail
- Adjust the path in real time
- Quick diagnosis
- Precise judgment
- Precisely push messages

Personal optimal path and growth suggestion models (7+)

Personal dynamic analysis models (6+)

Goals

Per capita productivity

↑**20%**

Retention rate

↑**30%**

11

Intelligent channel management and sales (4/4) – Life Insurance training management: Build three online training models; automatically allocate resources; recommend personalized courses to agents; comprehensively manage training effects

3 online training models

Training camp
Online teaching + local camp

Petrol station
Online teaching + self-learning

Micro-classroom
Self-learning

Training support platform

Course system
Online courses + micro-classes + real cases + offline teaching

Resource system
Mentor pool + training rooms

System support
Pocket-E + Zhi Niao + ETS

Intelligent course recommendation
•Highly aligned with agents' training demand

Agents' training demand
+
Agent capability assessment model

Automatic resource allocation
•Best matching of students, mentors, facilitators and workplace

Facilitator | Mentor
Manage-ment model
Workplace | Students

Intelligent management during training
•Content monitoring/online tests/courseware sharing

Voiceprint/image recognition
(Filter sensitive data)

Human-machine interaction

Cloud storage

Effects

✓**100% coverage**

✓**No attenuation of training effects**

✓**Personalized provision of courses**

✓**Lower costs**

12

Intelligent customer services (1/2) – Life Insurance Intelligent customer services: Intelligent recognition of customers and demands; precise risk rating; 99% of business activities conducted online

Intelligent recognition of customers and demands

Precise risk rating

Automatic business processing

Real-time recognition

Voiceprint   Face

Demand capture + intelligent recommendation

NBA

Voice interaction   Label   Best action

Risk profiling

- Health
- Medical
- Finance
- Credit
- Blacklist
- Social network

Risk assessment

- Risk monitoring models
- Relational network models
- Anti-fraud models

Low risk

Medium risk

High risk

Online self-service

•**Self-processing**   •**Automatic review**

OCR   Image recognition   Decision tree

Hospital network   Electronic signature

90%

Online outlets

•**Online assignment**   •**Video processing**

Grid-based assignment   Video conference

Label match   Same-screen view

Agile scheduling

9%

Onsite manual

•**Life Insurance outlets**

1%

Intelligent customer services (2/2) – Motor Insurance superfast claims: Use image recognition and remote video technologies to realize superfast investigation via real-time, dynamic, intelligent grid-based management

Intelligent dynamic grid

网格6
网格6'
网格4'
网格N
网格2'
网格4
网格5
网格2
网格3
网格N
网格5'
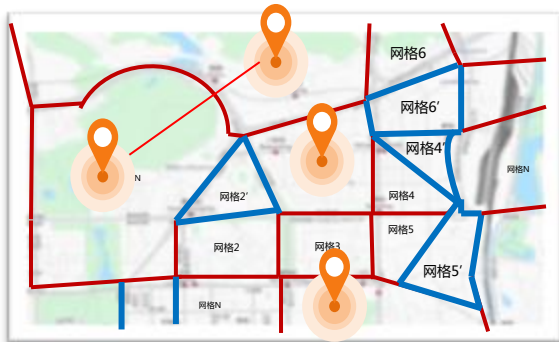
Internal case data	Hot-spot	Job assignment
External basic data	Location	Real-time traffic data
Relevant variables	Time	Weather

Smart maneuver platform

Smart engine

Where is the customer?
H5 + handset + street view

Who should be sent?
1st choice: those with no current workload
2nd choice: those with shortest time left

How should he/she go there?
Best path + best road condition

Precise job assignment

Garage
3rd parties
Adjusters
Surveyor
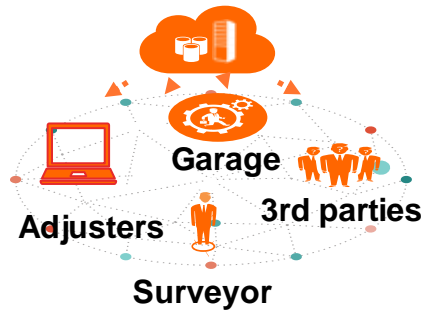
Effects

Time to accident site

5-10 min

superfast claims NPS

77%

Best brand and No.1 service brand in China's auto insurance industry

7 consecutive years

Precise, efficient risk management (1/6) – Agent quality management: Identify high-risk agents and high-risk behaviors; give warnings of high-risk groups and manage risks in time

Before joining PA: Screening to identify high-risk agents

- Face recognition and verification
- Micro-expression interview
- Credit record screening
- Verification with public security authorities

After joining PA: Detection of high-risk behaviors

Sales

Training

Activity

Socializing

...

- Internal credit rating rules
- External risk warning
- Risk behavior identification model

Risks managed by branches and monitored by HQ

HQ
- Risk distribution map
- Risk management effect map

Branches
- Check and verify high-risk persons
- Differential management

- Dynamic visual views

Precise, efficient risk management (2/6) – Life Insurance underwriting/claims risk models: Use automatic underwriting rules + prediction + correlation models to identify risks, improve risk fields and models, and enhance risk management

772+ risk fields

Behavior data
Contact history within the Group/behavior trail and preferences...

Basic data
Age/gender/occupation/income...

Financial data
Life insurance policy/the Group's integrated financial products...

Credit data
Black/gray name lists/credit/peer inquiries/medical credit

Consultation data
Chief complaint/diagnosis result...

Health data
Height/weight/pre-existing condition/smoking, drinking...

Customer

Underwriting rules + prediction models + group correlation models

- **Define risk ratings**
- **Point out risks to help review**
- **Intervene quickly to enhance efficiency**

Automatic underwriting rules
- Underwriting: 1000+ underwriting rules and 200+ automatic underwriting rules
- Claims: 500+ automatic loss verification rules

Prediction models
- Underwriting/disease risk/accident risk/critical illness risk prediction...

Correlation models
- Assess exceptional correlations based on social data ...

Risk monitoring

Exception warning automatically triggered by system

Multi-dimensional data: tier-2/tier-3/outlet/department/group/ agent data

Risk map: nationwide risk status of single KRIs (tier-2/3 branches)

Overall risk warning: KRIs by tier-2 branch by time period

Risk fields updated

Risk model iterated and improved

Precise, efficient risk management (3/6) - Motor Insurance Driving risk factor : Build a leading driving risk factor system and increase precision of auto insurance pricing

Driving risk factor system (180+ factors)

Level 1	Level 2	Level 3	Level 4
Behavior	Character Habit	Investment habit Consumption habit Driving habit …	Phoning when driving Breaking speed limit Changing lanes …
Basic data	Gender Age Credit …		
LBS	Time Place …	Driving at night Driving in rush hours Driving when tired … Leisure & entertainment Workplace Residential environment Dining place	Park visits Pub visits Gym visits …
Vehicle condition	Maintenance Vehicle age Vehicle type		

Dynamic optimization

Historical claims data   **Accident questionnaires**

Precise, efficient risk management (4/6) – Intelligent auto claims risk management: Use intelligent anti-leakage and anti-fraud models to precisely identify auto insurance claims risks

Smart anti-leakage

Anti-leakage rules
- Price control
- Repair logic control
- Loss logic control
- Liability control

Databases
- Vehicle type database
- Spare part database
- Price database
- Work hour database

Technologies
- Image recognition
- Remote video

+

Smart anti-fraud

Anti-fraud models
- Individual fraud risk models + rules
- Group fraud detection models
- Smart risk screening models
- Insider risk detection models

Factor library
- Human factors
- Vehicle factors
- Case factors
- Claims factors
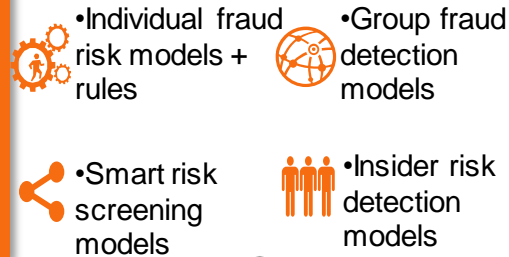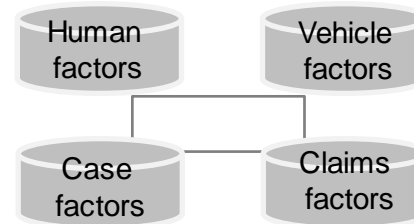
Risk screening

Common smart risk screening

Special smart risk screening

World leading image-based loss verification technology, already provided to 7 external insurers

Image-based loss verification

①Smart vehicle type recognition
- 100,000+ pictures for recognition of vehicle type

②Image flow cleaning
- Fuzzy reminder and PS recognition

③Part division and grouping
- 100,000+ pictures for each part
- Covering 100% of visible parts

④Automatic identification of loss extent

Scratch
Dent
Abrasion
Cracking
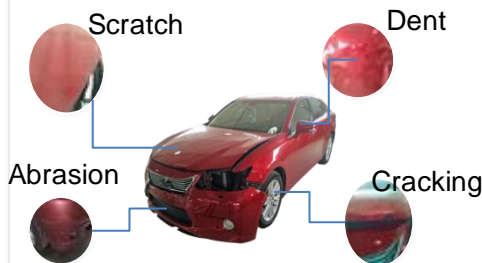
⑤Automatic precise pricing
Covering
- 85% of spare parts
- 98% work hour items
- Local prices at 42 institutions across the country
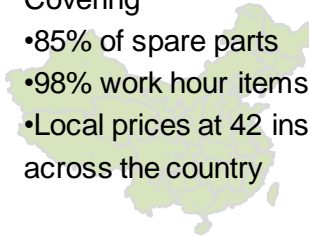
⑥Intelligent anti-leakage
- 500+ risk factors
- 30000+ risk rules
- 100+ risk models
- 85% prevention rate of anti-leakage rules
- 60% prevention rate of anti-fraud rules

Effects

Loss verification accuracy

92%

One-click loss verification

Within seconds

Precise, efficient risk management (5/6) – Property & Casualty Insurance risk identification system: China's first, world-leading Digital Risk System for disaster risk rating, disaster warning, and loss reduction

Risk identification system

DRS (Digital Risk System)
— a digital risk identification system based on physical space

Geography   **Insurance**

+

Catastrophology   **Meteorology**

- •China's first, world-leading
- •1.2bn physical space units
- •Over 60 years of disaster data
- •Over 14bn records
- •Over 12 years of claims data

Application scenarios

Risk rating	Disaster warning	VIP-specific exclusive maps	Product-specific exclusive maps
•Natural disasters •Environmental pollution •Agricultural planting	•Warning map (typhoon…) •Real-time broadcast •Customized warnings	•Exclusive risk maps for VIP customers	•Exclusive risk maps for governments and partners

Precise, efficient risk management (6/6) – Credit Card & PuHui's smart risk management: Build a risk management model to improve the risk identification capability

Use big data to build a risk management model

Big data factors

Basic information   Credit rating

Transaction behavior   Big data   Assets & wealth

Geographic location   Other data

Anti-fraud models of Credit Card

Smart review models of PuHui

Multi-dimensional: Phone, IP, GPS

Multi-layer: customer and social networks

Smart models

Data verification model

Chain-type clustering model

Income calculation model

Limit calculation model

PBoC rating model

Micro-expression lie detection model

Customer data anti-fraud model

Group anti-fraud model

Relational network model

Device anti-fraud model

Effects

Credit Card NPL Ratio Top 3 in terms of the lowest NPL ratio in the industry

1.18%

Risk identification ratio of PuHui

Better than industry performance

Thanks

From Ping An to Platform：
Technology Innovation for Growth

Jessica Tan

Ping An Group
Group Deputy CEO
Group COO & CIO

2017.11.20

Important Notes

Cautionary Statements Regarding Forward-Looking Statement

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.

Agenda

1.   Ping An Group: 5 Core Technologies

2. From Ping An to platform: Output services to 4 ecosystems
  a.   Financial Services Ecosystem
  b.   Health Care Services Ecosystem
  c.   Auto Services Ecosystem
  d.   Real Estate Finance Ecosystem

In the past decade, Ping An invested over RMB50bn in innovative technologies such as fintech, healthtech, and AI to strengthen competitiveness and serve society.

Internally: enhance competitiveness

- Boost efficiency
- Cut costs
- Improve experience
- Strengthen risk management

1 PA Biometrics

2 PA Big data

3 PA AI+Brain

4 PA Blockchain

5 PA Cloud

Externally: supply services and cash in

- Financial Services system
- Healthcare ecosystem
- Auto ecosystem
- Real estate ecosystem

22,000+ IT developers, **500+** big data scientists

2,000+ global patents, among the world's leading financial institutions

PA Biometrics : World-leading technologies

PA Facial recognition	PA voiceprint recognition	PA Micro-expression	PA Big Data

 + + +

- **99.8%** accuracy, the world's **No.1**
- **800mn+** usages
- **200+** scenarios
- **100+** clients

- **99+% accuracy**
- **50mn+** voiceprint records
- **10+** scenarios

- **54** complex micro-expressions
- **1-second** recognition
- **300k+** loan approvals

- **880mn** people
- **26K** data fields
- **3,300+** data fields per person overage
- **730mn** credit inquiries

PA Biometrics : Diverse and extensive scenarios

Financial scenarios

- **Small loans: 30mn+** face recognition-based identity authentication, fake identities down from **29%** to 0%

- **Large loans: 300,000+** micro-expression approvals, efficiency up **10%** while errors down **5%**

Health care scenarios

- **Checkup identity verification: 50,000+** times
- **Social health:** covering **14** cities

Life/service scenarios

- **Exams:** The post-graduate entrance examination in Shenzhen in 2018, to cover **1mn+** exam takers in Guangdong next year

- **Real estate administration bureaus: 9** locations, **1.30mn+** times of services

Security scenarios

- **Airport security screening: 140mn+** identity check at Shenzhen Airport

- Community in Guangzhou: **38mn** call-ups

2 Big data: 1+N ecosystem partners

Health care

Finance | 中国平安 PING AN 保险·银行·投资 | Auto

Real estate
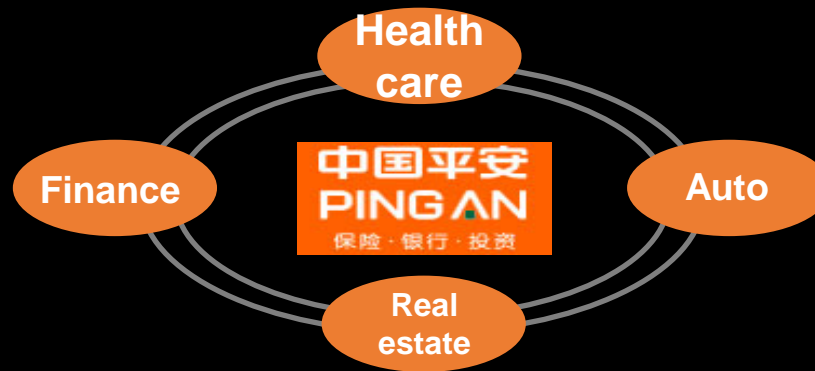
中国平安 PING AN 保险·银行·投资	**Finance**	**Health care**	**Auto**	**Real estate**
430mn+ internet users **310mn+** app users **1.4mn+** life insurance sales agents **20K+** outlets **60K+** customer service agents	Credit data of **880mn+ people** **143mn+** financial customers (online) **400+** banks **2,000+** non-bank institutions	**180mn** users Social Health Insurance in **257** cities **42K+** clinics **2,000+** hospitals	**32mn+** daily active users **38mn** P&C users **1bn+** claims photos **26,000** 4S stores **100,000** garages **34,000** used-car dealers	**21mn+** users **300+** developers **150+** cities data **2.50mn+** second-hand houses

PA
Big Data

29 years of business, **880mn+** people, **26,000+ data** fields
70mn+ businesses, **300+** partners
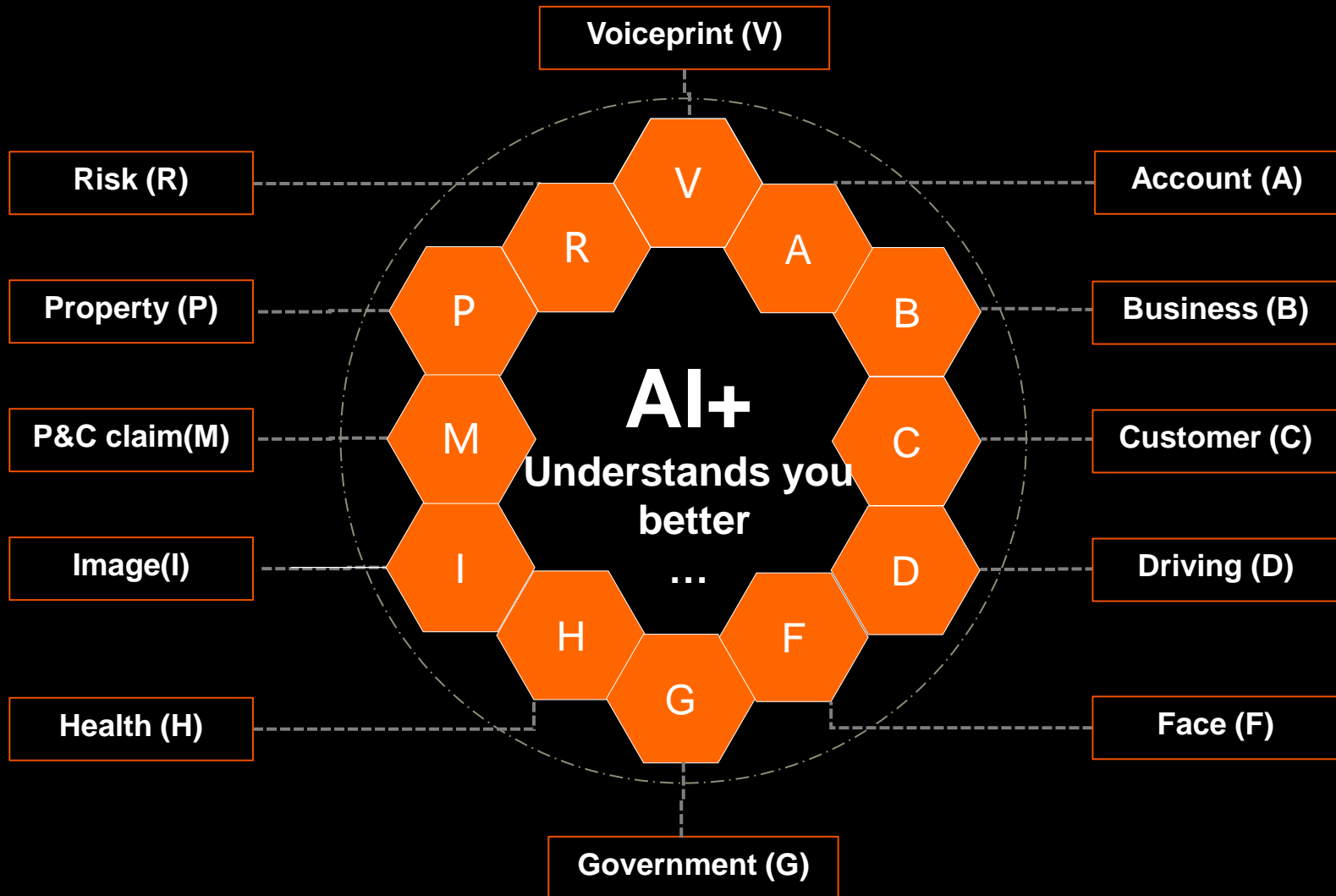
③ PA AI+ Brain : Across all business process

AI+Perception	AI+Forecast	AI+risk control	AI+services

Finance : AI+recording (KYV/KYF)

- **23** clients, **160mn** usages, Agent efficiency up **30X**, customer waiting time down **75%**

Health : AI+ medical imaging(KYH)

- Reading time down from 20 mins to **10s,** diagnosis omissions down from 40% to **2%**

P&C : AI+claim(KYM)

- Image-based recognition and anti-leakage
- Loss estimation accuracy**92%**

Health: Diesase forecast (KYH)

- Flu accuracy 90+%
- COPY accuracy **92%**

Finance: Loan (KYR)

- Loan application from offline to **100%**online
- Overdue ratio down by **0.5%,** credit loss ratio down by **3.7%**

Finance: SMB loan (KYB)

- **70 mn** SMB
- KS up by **30%**
- Approval time down by **90%**

Finance: AI+customer service (KYS)

- IVR success rate **85%**
- Online robot reply accuracy **95%**
- Customer waiting time down by **20%**

P&C: AI+ investigation (KYM)

- Arrival at accident sites within 10 minutes in **90%** of cases

3 **PA AI+ Brain Risk control（KYR）: enabled by cutting-edge risk management and AI technologies**

Needs

Bad experience，customer needs to go to store 2 times, Approval 3-4 days

Impact[2]

New sales ↑**2.5x**
Overdue rate↓**64%**
Credit loss↓**60%**
Offline stores↓**68%**
Fee rate↓**39%**
300K+loan applications through micro-expressions

智能风控平台

额度: 10万

欺诈等级: 低

远程审批

声纹匹配一致

声音库

声音采集

微表情
状态: 轻松

00:10:15

1. 2020 forecast 2. Impact comparison based on 2015 vs 2017 Jan to Oct

Needs

4 major chronic diseases[1] account for **86.6%** of deaths

80% of cancer patients are diagnosed at the late stage

Impact

Influenza forecast covers 2 cities, with accuracy rate of **90+%**

Chronic disease, e.g. COPD, Cancer. COPD high risk patient accuracy rate **92%**

Weekly Flu Warning Map
流感疫情一周预警示意图
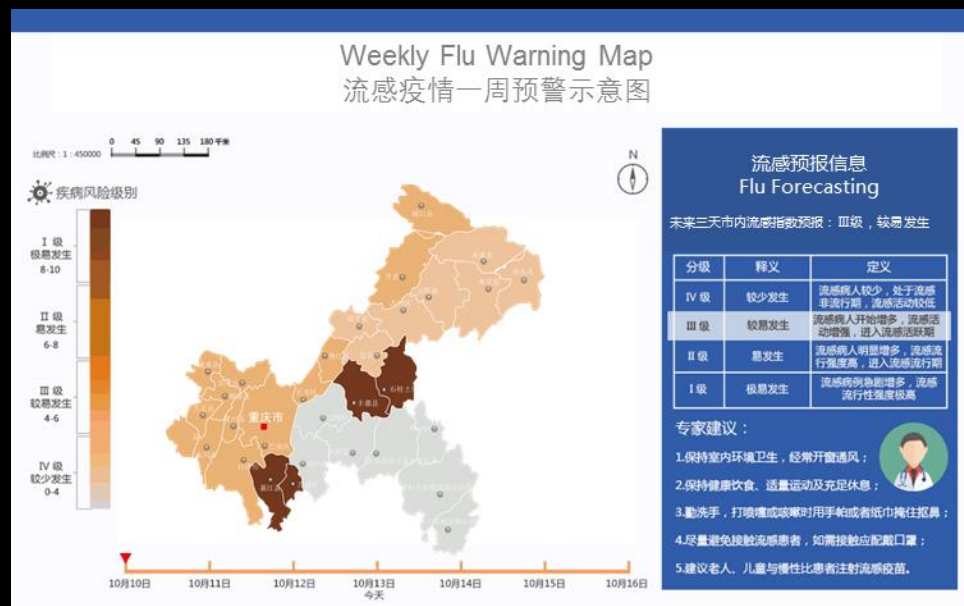
4 PA Onechain : provide safe, traceable and effective transaction recording

PA Advantage

Highest performance
- Exceeding open source version by 50-100%
- 100,000 transactions/second

Leading encryption
- Meet Chinese standards
- 100x speed of other apps

Convenient supervision
- Super key can decrypt any ZKP encryption

12

4 PA Onechain: the only company that has applied blockchain to actual financial and health care scenarios

Asset trading	Financing & loan	Health care	Real estate trading

- **RMB8trn+** trading volume
- **2,300+** products
- **500+** financial institutions

- **15K+** SME blockchain nodes
- **540K** personal credit passports

- **Pilot electronic prescription, Health record** successful pilot on sharing data within medical clusters

- **Real estate trading platform** covering activities such as trading, mortgage, and leasing

5 **PA Cloud: provide reliable, convenient, secure implementation solutions**
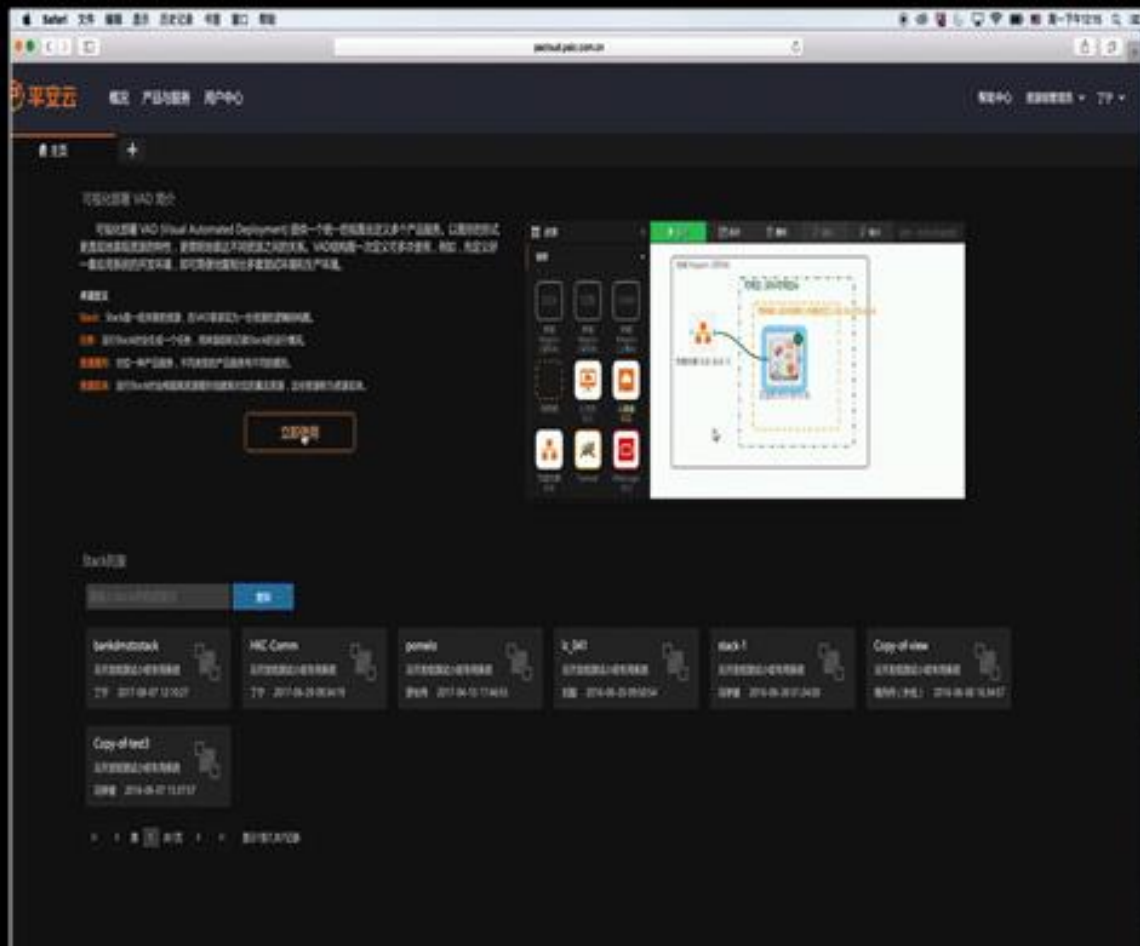
Most convenient implementation
- **150S** fast deployment
- Teams at 2 locations, down from 20 person months to 15 minutes 1 person[1]

Highest level of security
- **8** authoritative certifications in China and abroad
- One of the first highest-level certified financial cloud service providers

1. Taking deployment of 60 servers per bank for example

Ping An has competitive edge at Scenarios, data, and Value

	中国平安 PING AN 保险·银行·投资	**Internetcompanies**
Scenarios	• Online **+ offline** • **Finance + life**	• Mainly online • Specific life scenarios
Data	• Real-name authenticated users • Closed-loop transaction data	• Weakly authenticated users
Value	• Value generated by internal business applications • Supply to external ecosystems	• Lack of business applications • Hard to transfer to value

Agenda

1. Ping An Group: 5 Core Technologies

2. From Ping An to platform: Output services to 4 ecosystems
   a. Financial Services Ecosystem
   b. Health Care Services Ecosystem
   c. Auto Services Ecosystem
   d. Real Estate Finance Ecosystem

Focus on 4 key ecosystems, potential market reach 550 Tn by 2022
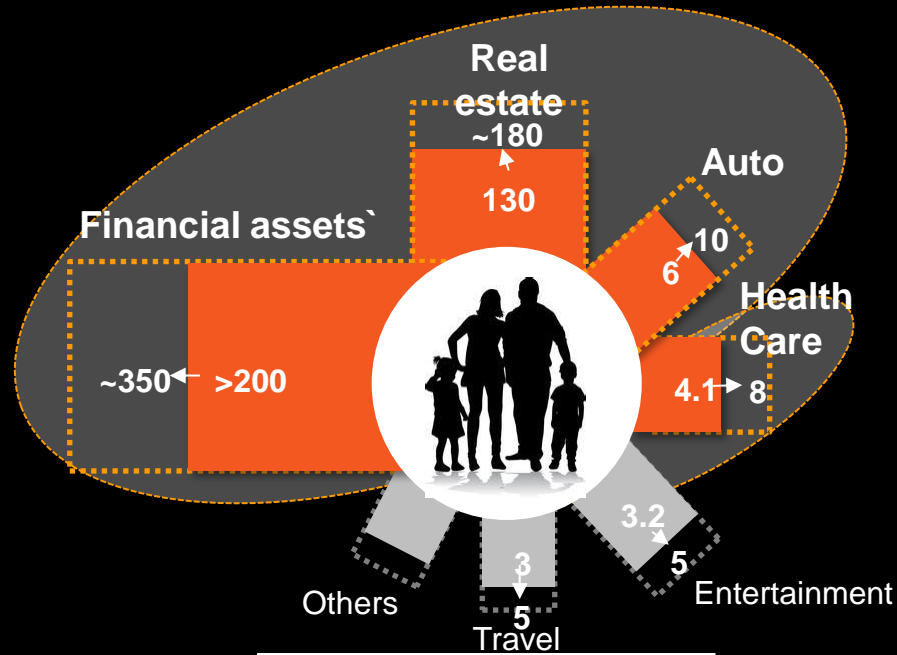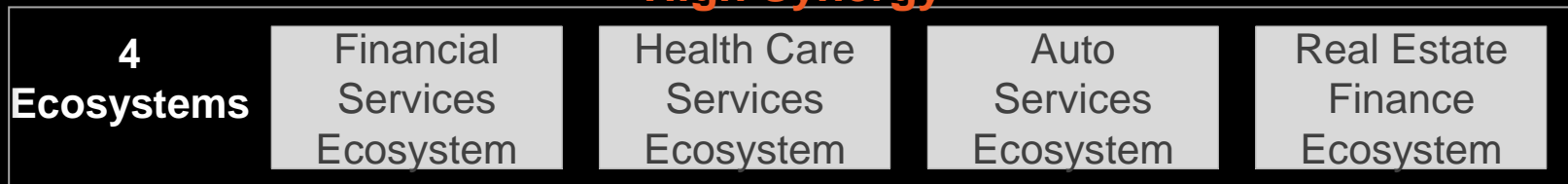
Financial Services Ecosystem
金融服务生态圈

Health Care Services Ecosystem
医疗健康生态圈

Auto Services Ecosystem
汽车服务生态圈

Real Estate Finance Ecosystem
房产金融生态圈

Financial services ecosystem: FIs dominates the financial services industry

Wealth management[1]

**FIs
Total AUM
~RMB102trn**

**Total AUM on
online platforms
~RMB2.7trn**

| ~3,000 P2P and online wealth management platforms | **Only**
2.4%
market share |

Loans[2]

**Consumer loan
~RMB34trn**

**Non-Bank loan
~RMB1 trn**

| ~3,000 P2P and online micro-loan companies | **Only**
2.9%
market share |

Payment[1]

**FIs' total payment
~RMB2,500trn**

**Volume on third-party
payment platforms
~RMB80trn**

| ~250 third-party payment companies | **Only**
3.2%
market share |

Financial services ecosystem: As the ROE of the global banking industry continues to decline, Fintech may increase the ROE by 44%

ROE of global banking industry
%

"New normal"
- based on fintech

44%

Not utilizing fintech
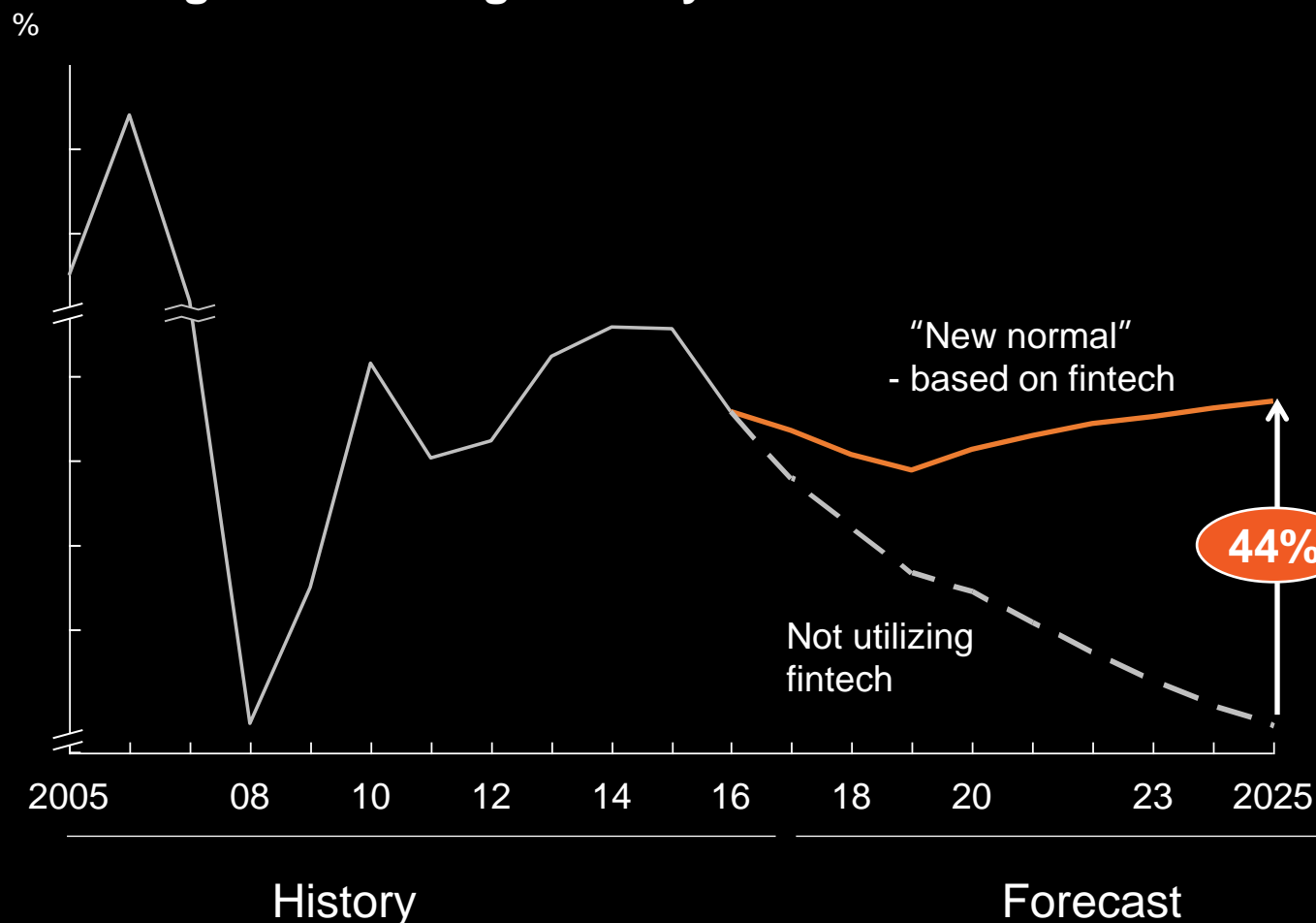
Fintech may increase banks' ROE by 44%

2005   08   10   12   14   16   18   20   23   2025

History   Forecast

Financial services ecosystem: Ping An uses leading technologies to build a financial services ecosystem for financial institutions, businesses, and individuals

Fund side

- Financial institutions
- Businesses
- Consumers
- Governments

Ping An's financial services ecosystem

Open platform + open market
金融壹账通 ONECONNECT
OneConnect

Open market
陆金所LU.com
Lufax

Payment
壹钱包
eWallet and Loylty points

Asset side

- Financial institutions
- Businesses
- Consumers
- Governments
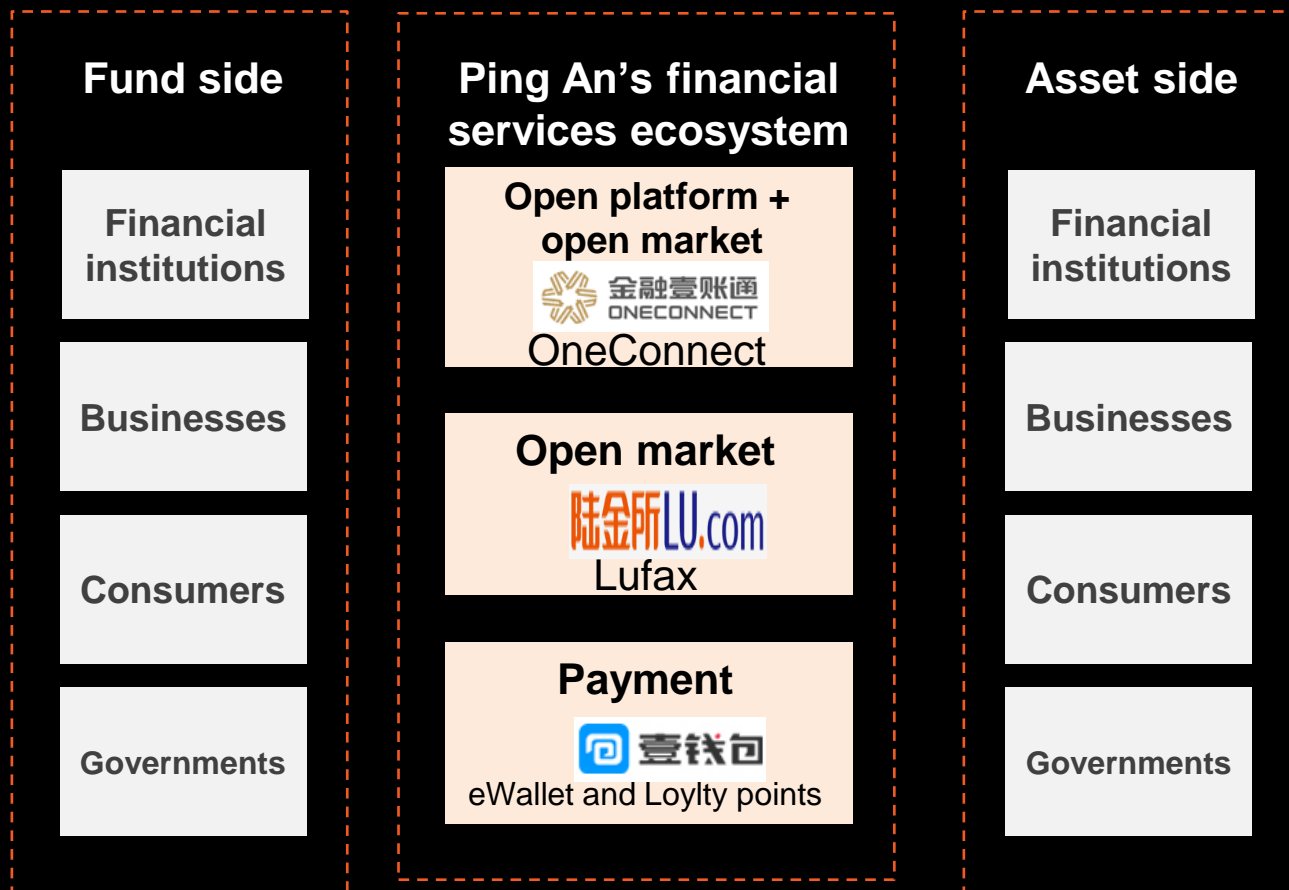
Lufax : Started in in 2011[1], with Mission

We are the leading open financial asset marketplace, empowered by **financial DNA, technology and big data,** to make wealth and asset management easier, safer and more efficient for our chosen customers

Investors

Borrowers

Massive Open Marketplace

Government

Financial Institutions

Financial DNA

Know Your Client

Know Your Product

Pricing

Matching

Technology

Big Data

AI & Robo-advisory

Enterprise System

Facial/Voice Recognition

22

Lufax : The Leading Online Asset Management Platform

陆金所LU.com

Lufax:International Leading Position

Lending Services for the Mass Market

Largest Consumer Finance Platform in China

平安普惠

269Bn
LUM

5.7MM
Active Borrowers

Wealth Management for Middle Class and Affluent

Largest Online Wealth Management Platform in China

LU.com 陆金所　陆金所国际 lu-global.com

476Bn
AUM

7.7 MM
Active Investors

500+
Third-party
cooperation partners

Financial Solutions for Institutions and Governments

Only Integrated Financial Solutions Market in China for Government and Municipalities

深圳前海金融资产交易所 Shenzhen Qianhai Financial Assets Exchange　重金所

4,167Bn
Institutional Transaction Volume[3]

5
Cities

陆金所**LU**.com

Lufax : Technology-Powered Platform at the Core

陆金所**LU**.com

4,000+ Products

Consumer Finance, Internal and External

Enterprise Infrastructure

Funds

Fund License

Insurance

Insurance Agent License

Asset Management, Trust, Private Funds

Enterprise Infrastructure

• Deep knowledge on products
• Comprehensive risk screening

KYP

Low-risk	R1	★★★★★
Mid-low risk	R2	★★★★☆
Medium risk	R3	★★★★☆
Mid-high risk	R4	★★★☆☆
High-risk	R5	★★★☆☆

• **Comprehensive KYP model with 500+ warning signals**

KYC

Conservative	C1
Steady	C2
Balanced	C3
Growth	C4
Aggressive	C5

Willingness to Invest / Ability to Invest

• **AI-based KYC model tracking 270 variables**

Main Account

• Automated re-investment
• Automated sweep/repayment
• Simplified lending and margin finance

Data-driven Investor Services

• Robo-advisory product
• Data-driven behavioral and portfolio comparisons
• Specialized secondary market pricing

• **Understanding of investor needs**
• **Personalized investment advice**

Investors

<RMB 30k

RMB 30k-1MM

>RMB 1MM

Focusing on Middle Class and Affluent Investors

OneConnect: Started in 2015, the world's largest financial cloud platform

2C: consumers **2B: businesses** **2F: financial institutions**

Control portals

Intelligent banking cloud	Intelligent insurance cloud	Intelligent investment cloud

Front office	**Sales/channel**	Intelligent sales	
Middle office	**Product**	Intelligent products	
	Risk	Intelligent risk management	
	Operations	Intelligent services	
Back office	**Technology**	5 fintechs	

F2C retail

F2B corporate

F2F interbank

Life

Health

P&C

Fund

Trust

Securities

Private placement

Comprehensive solutions

Leading fintech

26

OneConnect: F2C retail banking module

Partner banks

53

Case:

Increased

App clicks

2.9X

Retail accounts opened

3.5X

Financial product volume

4.3X

O2O online retail banking cloud

20+ financial products

50+ value-added services

金融壹账通
ONECONNECT

OneConnect: F2C personal loan(KYR)

Partner banks

10

Intelligent personal loan solution

Before lending	During lending	After lending

Channel management system

Intelligent channel management system

Intelligent data capture

Intelligent data capture platform

Anti-fraud platform

Intelligent interview

Intelligent micro-expression interview system

Intelligent approval

Customized scoring cards

Intelligent risk engine

Entire lending process

Intelligent integrated lending machine

Used **1bn+** times by consumers this year

Effectively prevented over **80%** of fraud risks

15mn interceptions on the anti-fraud platform

Losses reduced by **RMB300bn**

OneConnect: F2B corporate banking module – SME intelligent risk KYB

Signed contracts with

8 banks

Businesses

- Corporate loan application
- Remote video-based contract signing
- Corporate inquiry
- Messages

SME financing service platform

100+ data sources

3000+ fields

7500万+ businesses

Dynamic, real-time risk assessment

…

Banks

- Before lending: dynamic data integration
- During lending: intelligent credit assessment
- After lending: close monitoring and warning

Case:

Decrease

Due diligence time

from 1 day to

1 hour

Approval time

from 1 week to

0.5 day

OneConnect: F2F interbank module

Registered FIs

2,187

Trading FIs

500+
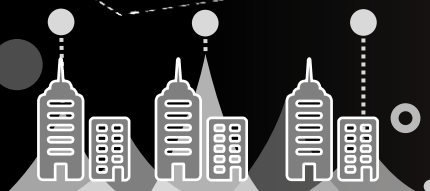
Financial institutions

Interbank asset trading service platform

80%+ online processes

9 technological platforms and risk rating systems

70+ products

100% blockchain

Clearing houses

Case:

Increased

Trading volume: RMB10.2bn

25% of total volume

Annualized rate up 5-10bps, income up by

RMB12mn

Trading time reduced by 30%, cost down by

20%+

Risk management

Real-time

OneConnect: Intelligent superfast claims solution for P&C Insurance

Intelligent claims solution for auto insurance

Intelligent vehicle type recognition

Unique vehicle type + unique part; image processing and grouping

LS5A2DEW2DJ100505

Loss recognition and precise pricing

20mn spare parts

5mn work hour items

60,000 vehicle types

Cracking

Scratch

Dent

…

Signed Contracts with

7 **entities**

Intelligent superfast claims

Take a photo and get money

Intelligent management

Intelligent management of investigators, whose probability of arrival within 5-10 minutes is **90%**

Multiple positioning technologies; 80% of cases are positioned within **50m**

Intelligent risk prevention

500+ risk factors

30000+ risk rules

100+ risk models

85% prevention rate of anti-leakage rules

60% prevention rate of anti-fraud rules

OneConnect: 4 revenue models

Flat fee	Transaction-based	Service fee	Cloud service fee
Annual fee	Performance-based	Development fee	Infrastructure fee
Patent use fee	Volume-based	Maintenance fee	
Installation fee	Usage-based	Operational & advisory fee	

OneConnect: Have partnered with 400 banks, 20 insurance companies, and 2,000 non-bank FIs

400
banks

20
Insurance companies

2,000
Non-bank FIs

800mn
Consumer usage

RMB8trn
FI transaction volume

Financial Services Ecosystem
金融服务生态圈

Health Care Services Ecosystem
医疗健康生态圈

Auto Services Ecosystem
汽车服务生态圈

Real Estate Finance Ecosystem
房产金融生态圈

Health care ecosystem: The size of China's health service industry is expected to reach RMB 7.4 trn by 2020

Sustained economic growth

- Stable GDP growth
- Rising resident income

Changing health status

- High proportion of sub-healthy people
- Rising morbidity of chronic diseases

Size of health service industry 2011-2020

7.4

4.6

2.4

Unit: RMB'trn

2011 2012 2013 2014 2015 2016 2017E 2018E 2019E 2020E
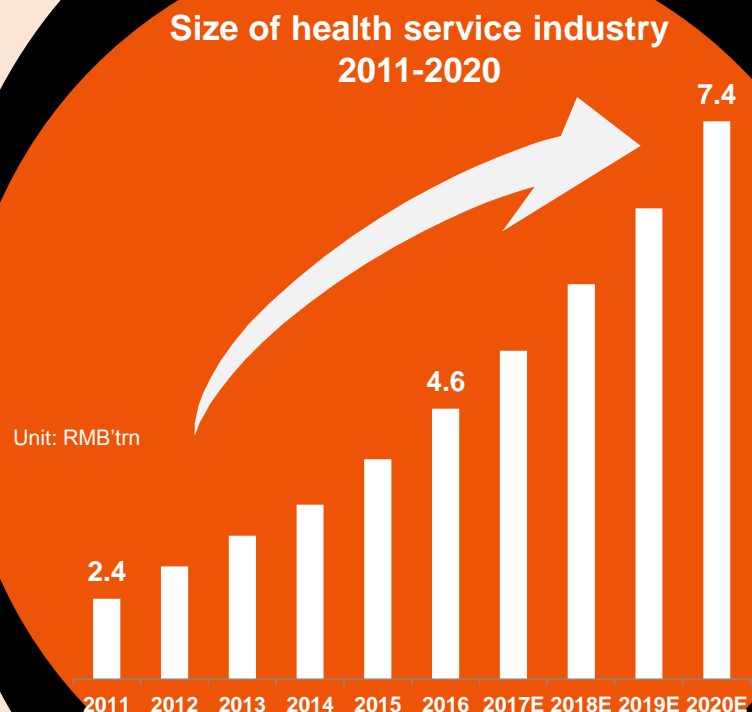
Ageing

- Growth of elderly population
- High per capita medical expense of elderly population

Policy support

- New health care reform
- Promotion of the health service industry

Health care ecosystem: There are multiple pain points in China's health care industry; the government has upgraded the "Healthy China" initiative into a national strategy and carried out reforms in several fields.

1
- Difficult to seek medical services; high medical costs

→ • Convenient, inexpensive, and healthy

2
- Monopoly by public hospitals
- Fragmented healthcare management institutions

→ • Private medical institutions
- Professional, regulated healthcare management institutions

3
- Frauds, wastes, and abuses

→ • Efficiency enhancement and cost control

4
- Medical services mixed with drug sales
- High costs of drug circulation

→ • Separation of medical services from drug sales
- Reduction of circulation

5
- Information opacity
- Heavy personal burdens

→ • Transparent information
- Multi-level health security

Reform directions

Internet + health care	Development of private medical institutions	Improvement of Electronic health records	Social health insurance reform	Development of private insurance

Ping An's Healthcare Ecosystem: penetrate major businesses by controlling traffic and payment, and exploit synergies

Closed Loop Health Care Ecosystem

Patient

Online health management portal
PA Good Doctor

Offline health management portal
PA Wanjia Healthcare

Provider

Hospitals

Clinics

Doctors

Pharmacies

Checkup centers

Other medical Institutions

Tiered Treatment

Specialty Referral

Payment

SHI platform
Healthcare Management

Private Insurance
PA Health
PA Annuity
PA Life

PORTALS

PAYERS

HealthTech
HealthTech Innovation Institute

Technical Support

Ping An Good Doctor: started in 2014, is traffic portal to healthcare

Health management

2020E Newborns
20 million

2020E Health checkup market size
RMB233.8bn

2020E Medical tourism market size[2]
RMB254.9bn

2020E Chinese medicine market size[1]
RMB700.7bn

Chronic care

2025E Diabetic patients[3]
190 million

2025E Hypertension Patients[3]
380 million

Outpatient service

2020E No. of online Consultation
1.4 billion

2020E No. of offline Outpatients
8.7 billion

Central wheel labels:
- More customized service
- Optimized user experience
- User profiling
- More medical big data
- Diverse products and services
- More user demand
- Traffic portal of online medical care
- Viral expansion
- 平安好医生
- 1, 2, 3, 4

Health management
- Express Drug Delivery
- Domestic Healthcare Arrangements
- Online consultation
- Expert Appointment
- Video Consultation
- Phone Consultation
- Doctor Live Video
- E-Prescription
- Doctor Visit
- Overseas Healthcare Arrangements
- Health Checkup

Chronic care
- Chronic Disease Management
- Health Evaluation
- Chinese Medicine
- Health Plan

Outpatient service
- Glasses
- Health Headlines
- Online Mall
- Fitness Coach
- Gene Testing
- Health Live Show
- Step for Cash
- Online Registration
- Dental Care
- Lose Weight

~180 mn
Register Users

~5 mn
Daily Active Users

~400 k
Daily Consultation

38

Ping An Good Doctor: Internet + AI is the Only and Most Effective Solution to Address the Pain Points of Healthcare in China

Medical Resources

1 Leverage Internet to **share medical resources in real-time across regions**

2 Majority of chronic and common illnesses can be **managed online** which will alleviate pressure on physical medical institutions

3 AI doctor provides online initial treatment services, thus **bridging the unmet demand for family doctors and improving doctors' service quality**

Client Experience

1 **24/7 access** to quality healthcare with minimal waiting time on users' fingertip

2 Improve **overall population health**

Ping An Good Doctor: Perfect Interaction between Healthcare and Wellness Maximizes User Traffic and Frequency

Wellness – High Frequency

Medical – Low Frequency

Healthy People

Recover

Get Sick

Sick People

Health Management

Health Consultation — Daily

Online Mall — Daily

Health Info — Daily

Consumer Care — Weekly or Monthly

Live Streaming — Daily

Reward Program — Every Minute

40%
Visit Hospital

60%
Self-Medication

20%
If Critical Illness, Hospitalization

80%
If Mild Illness, Outpatient Care

92%
of the patients can receive consultation, referral and medication through
Ping An Good Doctor

40

Ping An Good Doctor: AI technology's self-development fueled by big data and dynamic learning

平安好医生

AI + Doctor Model

Machine Learning

AI

Preliminary Symptom Collection

Patient

Diagnosis

Real-time switch

Preliminary Report

Professional Feedback

Automatic Upload

Consultation Record & EMR
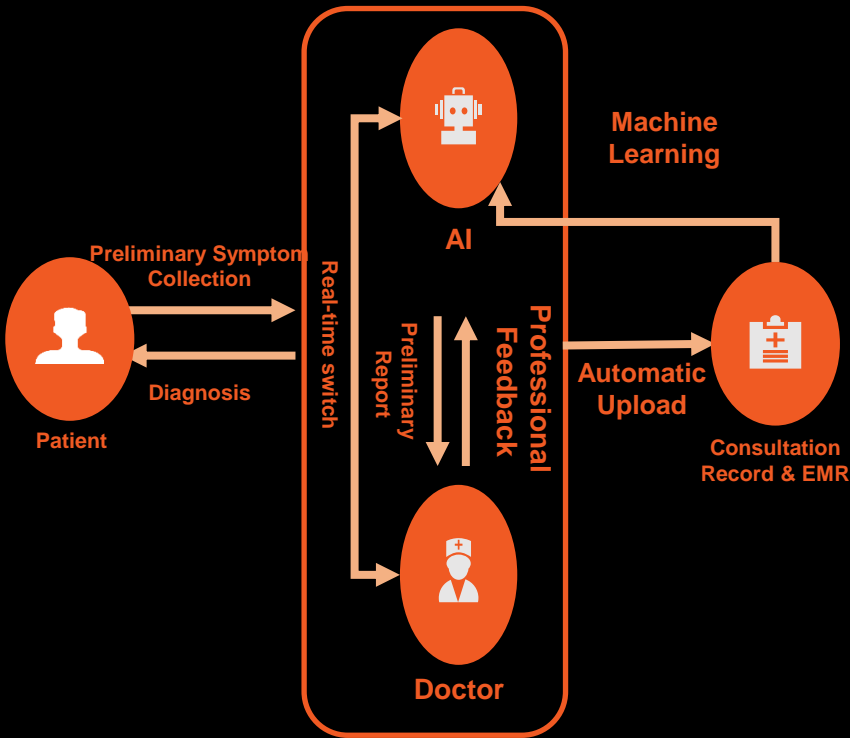
Doctor

Strategic and Clinical Advantages

1 Big Data

300-400 k
daily new online consultations

>150 mn
online consultation records

2 Trained by Doctors

~1,000
in-house medical team provides continuous professional feedback to AI

3 High Efficiency

8 to 10x
Maximum consultation capacity increases

4 Cost Saving

80%
Decrease labor cost of medical staff and save RMB3bn annually in 2025E

Ping An Healthcare Management：Started in 2013, Technology Driven Managed Healthcare Platform
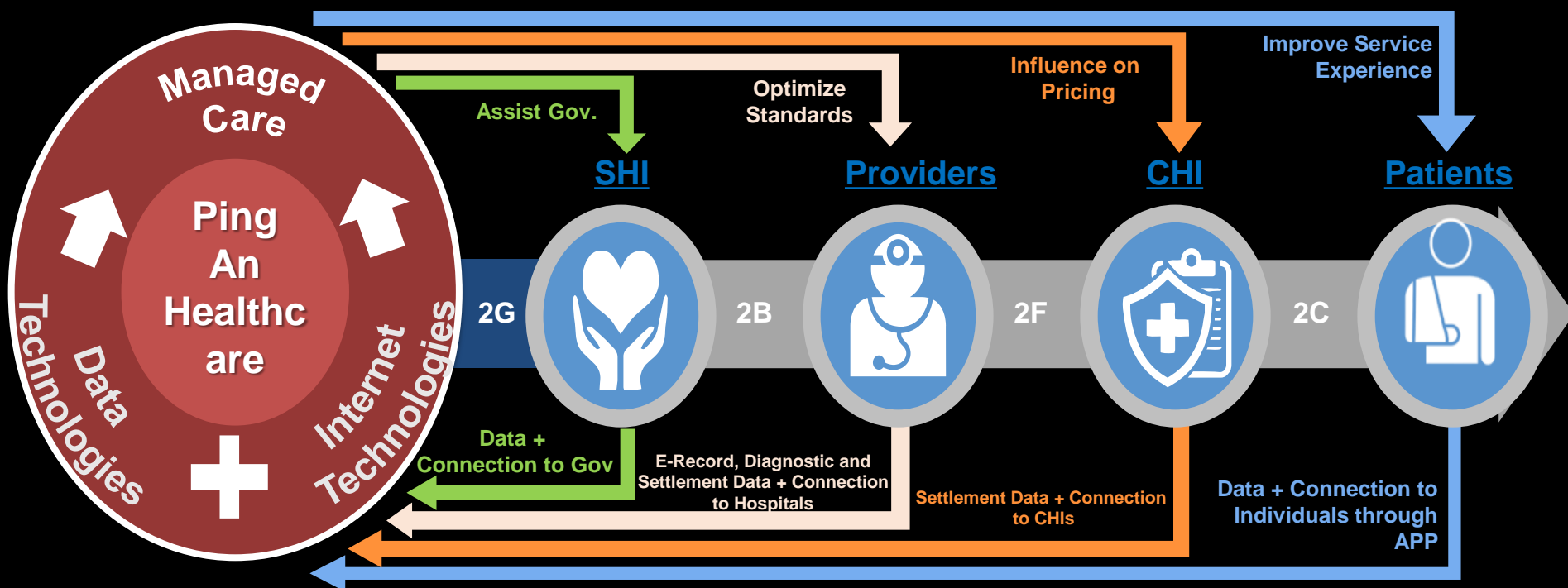
Ping An Healthcare Management：Four Core Assets

Government Relationship	Quality Medical Data	Hospital Network	User Scale
75%	**22%**	**18%**	**48%** / **20%**
% City Served	**% Population Data Coverage**	**% Grade 2+ Hospital Connection Coverage**	**% Population Covered by APP and by Insurance Sales in Shenzhen**
(334 prefecture-level city)	(1.36 bn population)	(11k hospitals)	(12m resident population in Shenzhen)
250+ FWA and Actuarial Service Contracted	**800+mn** Population's Medical Data	**>2,000** Enter into Contract to Access HIS System	**>2.12 mn** Users in Shenzhen
			>6.24 mn Critical Illness Insurance Sales Cover

Note: Provider data and service contract cities as of YE2017 estimation; Other data as of Aug 31, 2017

Ping An Healthcare Management：Highly commended by Government and Others in pilot city Xiamen

As of end of June,2017

Cities covered: **250+**

Population served:
800mn
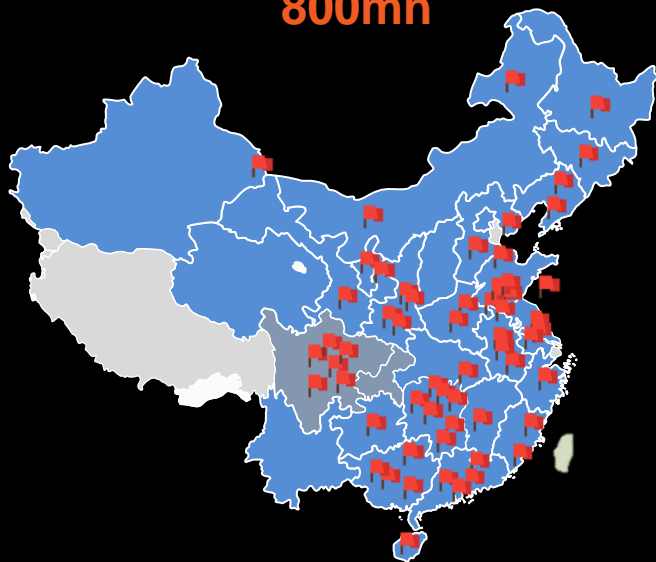
- **Enhancement of experience:** mobile and convenient, with satisfaction degree significantly improved

- **Enhancement of risk control:** default dropped by **59%**, with **100%** screening realized, and suspicious and default cases correct to **16%**

- **Reduction of cost: no addition input is required from the government, saving SHI expenses of the government by around 10%**

44

Health care ecosystem: Health-tech revenue models

平安好医生
- Health cards
- Mall
- Advertisement
- Shopping cards

万家 连锁健康服务平台
- Services
- Profit sharing
- Commission
- Advertisement

平安医保
- Services
- Data Fee
- Mgmt. Fee

Financial
Services
Ecosystem
金融服务生态圈

Health Care
Services
Ecosystem
医疗健康生态圈

Auto Services
Ecosystem
汽车服务生态圈

Real Estate
Finance
Ecosystem
房产金融生态圈

Auto ecosystem: the market size is expected to hit RMB10 trillion by 2020

Buying a car

- Growth of new car sales will slow down to 2-3% in the next 3 years
- The penetration ratio of **auto consumer finance** is likely to increase from 30% to 50% by 2020

Driving a car

- Given the new ways of traveling and further development of **chauffeured car services and online car-hailing services**, the market size will hit **RMB1 trillion** within the next five years

Selling a car

- People will buy a new car when their old car **ages**
- The **accelerated urbanization** boosts the demand in tier 3 and tier 4 cities

Maintaining a car

- Car ownership will increase from 130 million to nearly **200 million** by 2020, **entering the stock market era**
- Boosting auto aftermarket

Market size of auto ecosystem (RMB'trillion)

+11%

2013	2015	2017e	2018e	2019e	2020e
4.9	6.2	7.8	8.5	9.2	10.0
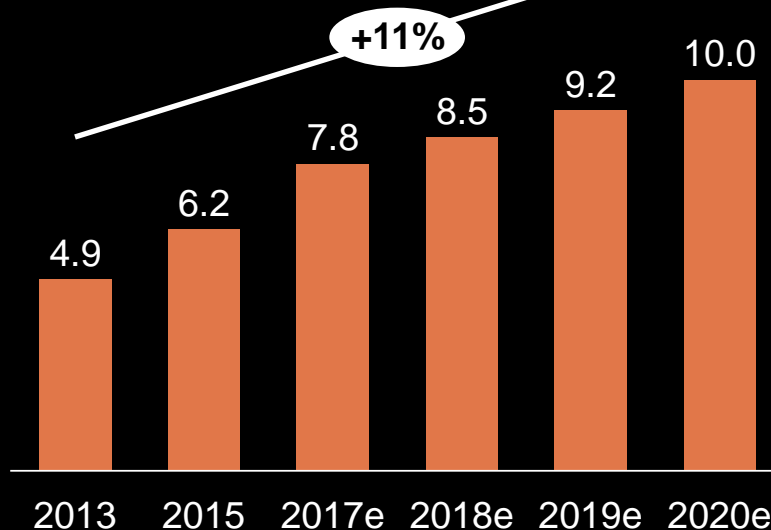
Auto ecosystem: 4 painpoints

Pain points

Data

Buying a car

- Opaque car prices
- Lack of financial support
- Great operation pressure on car dealers

- Finance penetration rate for new cars is only 35%
- There are 50,000 stores, contributing ~40% of new car sales

Selling a car

- The operation of used car trading channels is not standardized, and used car buyers are often deceived
- Dealers' used car sourcing is scattered, and the financing needs are unmet

- There are about 100,000 used car dealers. The online trading volume only accounts for 2%

Driving a car

- Time-consuming auto insurance claims settlement, and difficulties in dispute resolution
- Congestion, parking difficulty, expensive parking fee and high oil prices

- 1/3 cities in China are suffering from traffic jam
- ~50 million more parking lots are needed in China

Maintaining a car

- Time-consuming car maintenance service, and high charges of service providers
- A wide range of accessories with uneven quality
- Multiple circulation links and weak logistics

- There are 400,000+ repair shops while large chain repair repair shops have a market share of less than 1%
- Maintance revenue takes 50% of 4S stores' revenue

48

Auto ecosystem: value propositions of various parties

Car users / customers

- No. 1 auto media platform in China
- DAU: 32mn; App traffic increases by 28% YoY

- No. 2 Auto insurance company in China
- Auto insurance market share: 21%
- 50mn users of Ping An Auto Owner app

- No.1 in auto loan business (market share: 17%)
- No.1 in auto supply chain finance (market share: 15%)
- Issuance of Auto Owner Credit Cards: 14 million cards
- 50 million internet users of Ping An Bank

Auto services

Auto transaction

Auto lifestyles

Auto finance

Service platform

OEM
Covering   OEMs   (or 32%) OEMs are enrolled on the cloud platform

Dealers
Covering   dealers   (or 12%) dealers are enrolled on the cloud platform

Used cars
Covering   dealers   (or 15%) dealers are enrolled on the cloud platform

Spare parts dealers
Cover 4 garages, with selected retailer

Autohome: both the profitability and market cap have increased substantially since Ping An's acquisition in June 2016

Market cap (USD'00mn)

The valuation of Autohome grew significantly after it announced its financial results for the third quarter on Nov. 7. Its *market cap hit USD7.34bn* which is 2.5X that of yiche.com

Autohome

2.5X

PA acquired Autohome in June 2016 when Autohome's *market cap was only USD2.86bn* then

yiche.com

1.5X

80

40

2016

2017
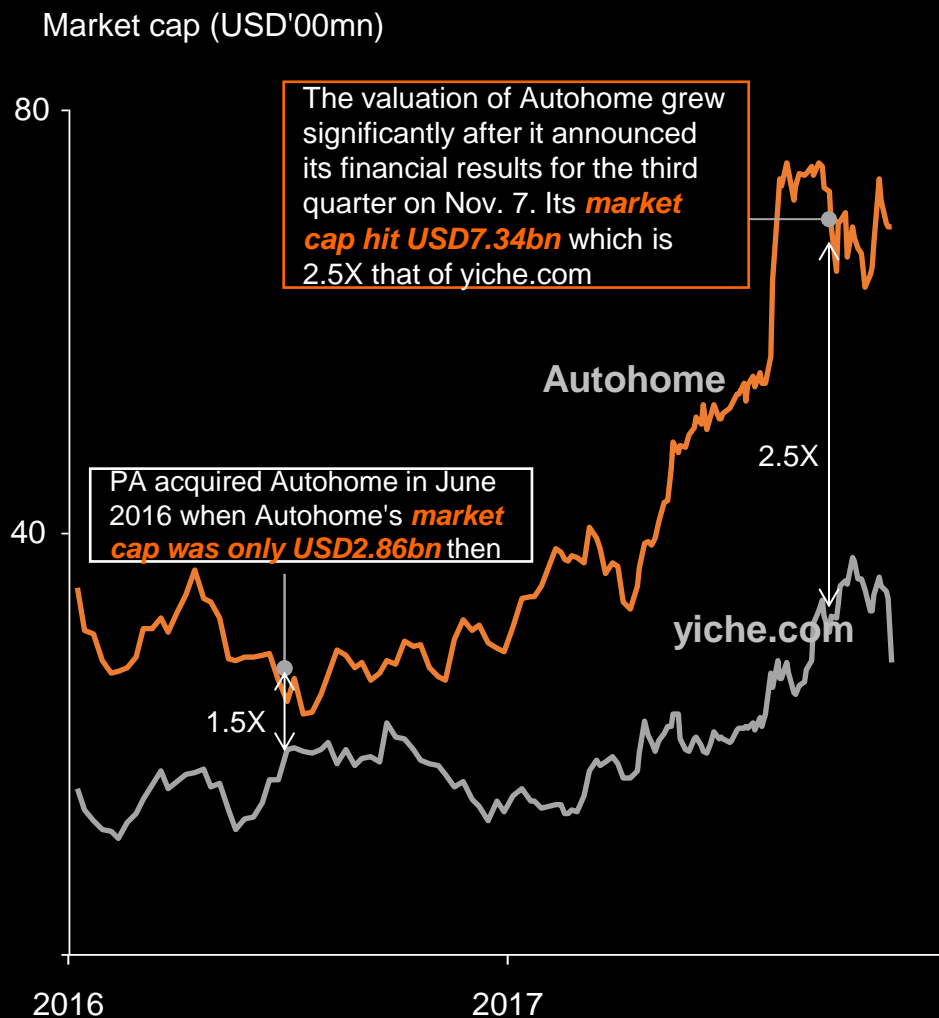
In the first three quarters, the **revenue** from core businesses hit **RMB4.01bn**, up **35%** YoY (vs. aveage market growth of 25%)

Its net profit hit **RMB1.42bn**, up **43%** YoY

2.5X increases in market cap since PA invest

DAU: **32mn**; App traffic: growing by **28% YoY**

Dealers: our value has been recognized by deals since we can fully meet their marketing demand

Fully empower dealers by virtue of three service models, i.e. assistance with car distribution, car-related services and user maintenance.

Sales app for dealers

- Signed contracts with **over 3,100** dealers within one quarter after the launch.
- PA P&C has partnered with **26,000** dealers.

Smart showroom

- Time on Page is **300%** longer than that on common deal pages.
- Lead to Opportunity is improved by **200%~300%**

Precision marketing

Data sources	• Consumer preference • LBS data • OEM data
Data analysis	• Track analysis • Population grouping • lead classification • weight algorithm
Business application	• To C: user profiling • To 4S stores: customer analysis • To manufacturers: brand marketing

- # of invitation-based visitors increased by **24%**
- # of sold cars grew by **44%**
- **9,000** leads in relation to car maintenance were generated online.

New car e-commerce: focus on lower-tier markets to build a sales closed loop, and empower integrated dealers

Establish a new model for new car distribution by solving the issues such as geographic restrictions, high risk of transactions and high cost of customer acquisition.

New Car Store

- **260,000** cars were ordered during the Double 11 period, with transactions amounting to RMB**42.1bn**

- Provide **100mn sales leads** for auto enterprises per year

Online Auto Show

- Total exposure within 5 days reached **414mn times**

- Time on Page per capita was **4.2 minutes.**

AR Kan Che
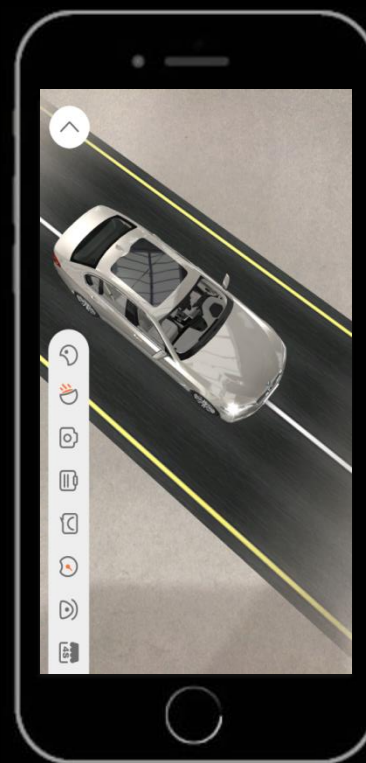
- In an auto show, AR Kan Che were used by **10.80mn** users.

- Users from non-tier-1 cities accounted for **84%**

Used cars: fully penetrate into the value chain of dealers to facilitate their operation

Provide an open trading platform for used car dealers based on the philosophy of "connecting users and empowering dealers for synergies and win-win results".

Car auction

Car valuation

Platform upgrading

- Has worked with **34,000** merchants and introduced **5000** merchants.
- Used by **300,000** users per day

More leads

- **50,000** leads per day, China's largest platform providing the most accurate leads

Deal booster

- Favored the deals of over **400,000** cars within only three months after the launch

Online transactions

- Get through the online payment and promote partners to open main accounts in Autohome, so as to **fully improve pure online business.**

53

Auto parts: build a part trading and service platform centered on F2B and B2B

Build an open platform for auto part trading and services and extend it to C-end, by overcoming difficulties in quality, channels and logistics..

Smart Sales

Insurance inquiry

Online payment and collection

SKU>1mn, covering all kinds of products in the market

Introduced **1,500** selected auto part dealers

- **Monthly trading volume was about RMB120mm, ranking No.1 in terms of market share**

Financial Services Ecosystem
金融服务生态圈

Health Care Services Ecosystem
医疗健康生态圈

Auto Services Ecosystem
汽车服务生态圈

Real Estate Finance Ecosystem
房产金融生态圈

Real Estate Finance Ecosystem: the largest industry in China, real estate creates ~20 tn GMV and market on development, marketing & financial service

New house

~12trillion

The market of new houses is now keeping stable growth mainly driven by tier 3 and 4 cities. The new house market is moving into the direction of "far into the future"

Development

Marketing

Financial Service

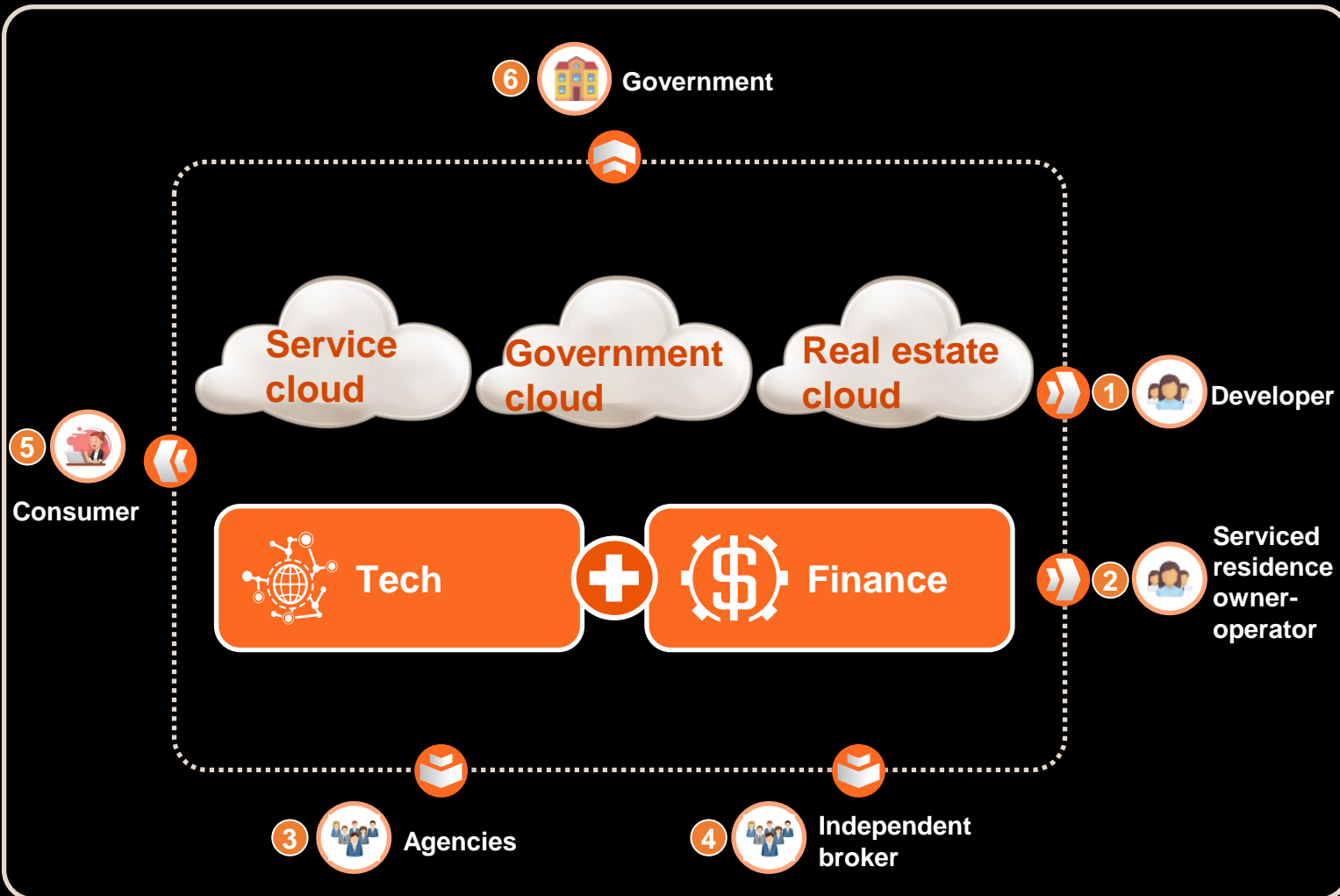**Second-hand house**

~7trillion

Includes sales & rental. Tier 1 and leading tier 2 cities have already entered into the inventory housing market, while other cities are gradually moving into it

Real Estate Finance Ecosystem: The compressed margin has propelled players to make improvements, creating empowering opportunities for better efficiency & experience
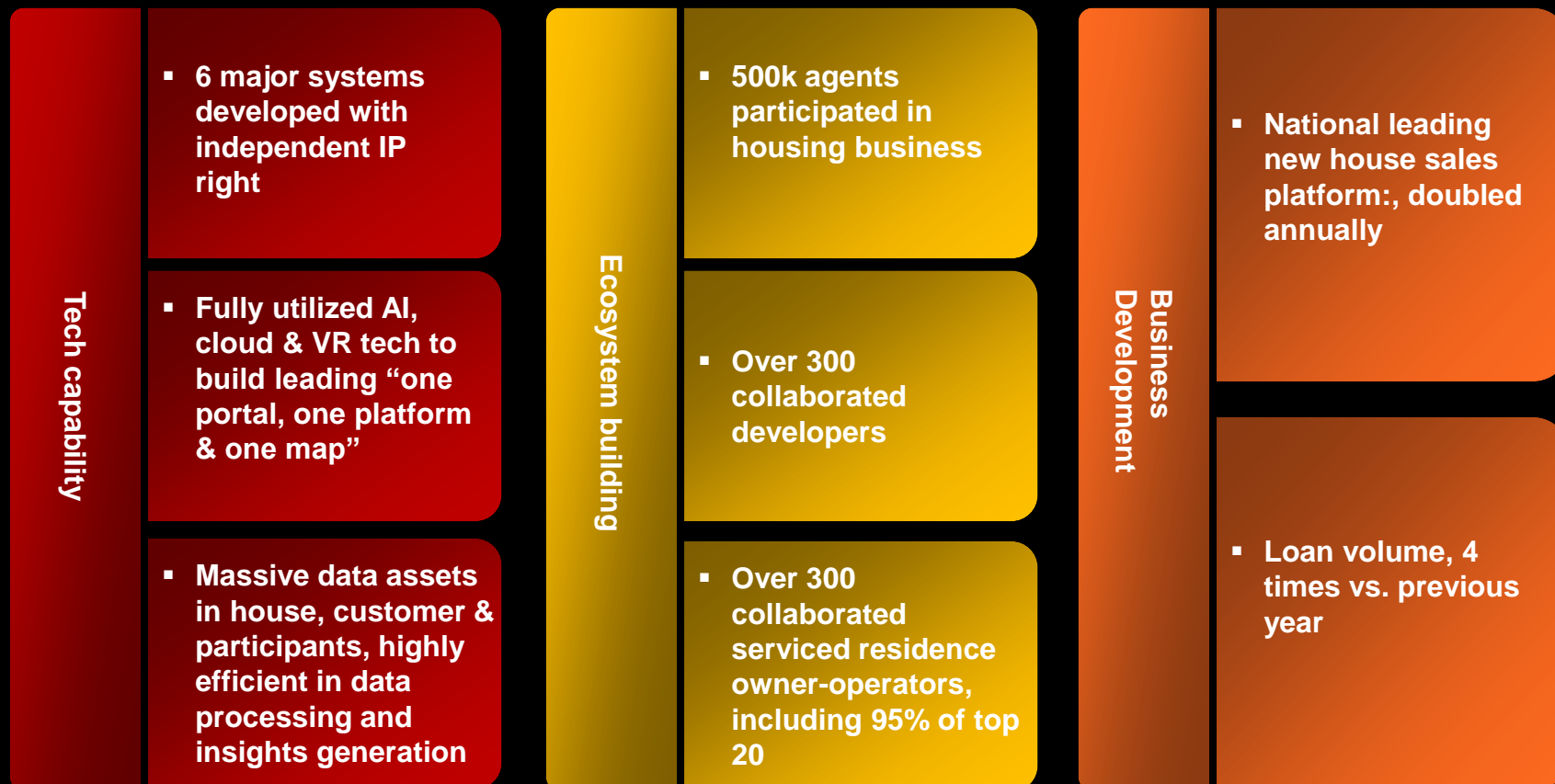
	Pain points	**Product/Service Offering**	**Impact**
Developer	▪ Difficult land acquisition ▪ Lack of cost control ▪ Weak project management ▪ Low de-inventory rate	**Real estate cloud** ▪ E2E project management from design to sales based on BIM	▪ Cost cut by 10% ▪ Time cut by 5% ▪ Full process close-loop management
Serviced residence owner-operator	▪ Lack of cost control ▪ Weak project management ▪ Low de-inventory rate		
Agency **Broker**	▪ Difficult houses/customers acquisition ▪ Low transaction efficiency ▪ Weak management skills	**Service cloud** ▪ House/customer acquisition & management tool based on AI & big data	▪ Monthly transaction increase to 1.5 per person, 10 times vs. industry average
Consumer	▪ Inconvenient use of information ▪ Unsatisfactory transaction experience ▪ Limited funding support	**Government cloud** ▪ Online operating system & real time marketing tracking & forecast based on AI, big data & cloud tech	▪ Unified entrance ▪ E2E online operating ▪ All data traceable
Government	▪ Lack of regulatory information ▪ Complicated process ▪ Low service level		

Pinganfang: Established in 2014, with leading technology and finance capability as its core, PingAn empowers participants based on three cloud platforms for better efficiency & service

6 Government

Service cloud   **Government cloud**   **Real estate cloud**

1 Developer

5 Consumer

Tech ➕ **Finance**

2 Serviced residence owner-operator

3 Agencies   **4** Independent broker

- Aims to build the first & only business model that encompasses the whole real estate ecosystem, including new house, second-hand house, rental and financing solutions

- Empower to increase the overall efficiency of real estate industry as the main value proposition, including efficiency in funding, transaction, services and regulation

Pinganfang: PingAn has reached the leading industry position in tech capability, ecosystem building and business development

Tech capability

- 6 major systems developed with independent IP right

- Fully utilized AI, cloud & VR tech to build leading "one portal, one platform & one map"

- Massive data assets in house, customer & participants, highly efficient in data processing and insights generation

Ecosystem building

- 500k agents participated in housing business

- Over 300 collaborated developers

- Over 300 collaborated serviced residence owner-operators, including 95% of top 20

Business Development

- National leading new house sales platform:, doubled annually

- Loan volume, 4 times vs. previous year

59

Pinganfang: Service cloud provides online & offline consumer service and empower agencies & brokers to improve transaction efficiency

Consumer

- Housing encyclopedia
- Smart house searching
- Smart recommendation
- Advisory services

Online

- Accompanied visit
- Remote visit

Offline

- Free deposit based on credit information
- Installment payment

Finance

Service cloud

Customer
- Star broker
- Remote customer navigation

House
- ManPanXiang
- House provided by life insurance team

Operating
- Platform-based operation

Lean
- ERP
- Haofangtuo mobile APP
- Personnel training

Finance
- Working capital support

Agency & independent broker

60

Pinganfang: Shenzhen rental housing platform, solely developed by PingAn, covers all supply parties, serves all participants with most complete offerings

Tenant

- Home page

- Smart recommendation

Supplier

- Transaction management

- House management

Government

- Market data

- Heat map of supply & demand

- **All suppliers**：covers all types of rental apartment /houses (~2.5million)

- **All participants**：customized service modules for tenant, supplier & government

- **Complete service**：E2E functions from rental house registration to transaction, from real time data to forecast

From Ping An to Platform: Output leading technology to empower 4 key ecosystems

PING AN

1. **PA Biometrics**
2. **PA Big data**
3. **PA AI+Brain**
4. **PA Blockchain**
5. **PA Cloud**

Empower-ment

Financial Services Ecosystem

Health Care Services Ecosystem

Auto Services Ecosystem

Real Estate Finance Ecosystem