Performance & Strategy of Ping An

May 14, 2007
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Agenda

Overview

Operation Highlight

Ping An’s Vision & Strategy

Summary
Historical Overview

- **1988**: Established as a regional P&C insurance company in Shenzhen
- **1994**: Goldman Sachs and Morgan Stanley Become our Strategic Investors
  - Ping An expands into life insurance business
- **1995**: Established Ping An Trust and Investment Co., Ltd.
- **1996**: Established Ping An Securities Co., Ltd., and China Ping An Insurance Overseas (Holdings) Ltd.
- **1996**: Established Ping An Group
- **1997**: Established Ping An Annuity Insurance Company of China, Ltd.
- **2002**: HSBC become our Strategic Investor
- **2003**: Established Ping An Asset Management Company, Ltd.
- **2004**: Ping An listed on Hong Kong Stock Exchange (Code: 2318)
  - Purchased Fujian Asia Bank Ltd. And renamed to Ping An Bank Limited
  - Established Ping An Annuity Insurance Company of China, Ltd.
- **2005**: Established Ping An Asset Management Company, Ltd.
  - Established Ping An Health Insurance Company of China, Ltd.
- **2006**: Acquisition of SZCB
- **2006**: Established Ping An Asset Management Company (HK), Ltd.
- **2007**: Ping An listed in Shanghai Stock Exchange (Code: 601318)
A Share Listing Further Strengthened and Broadened Our Capital Base

Shareholders’ Equity

<table>
<thead>
<tr>
<th>Year</th>
<th>Shareholders’ Equity (RMB million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>33,522</td>
</tr>
<tr>
<td>2006</td>
<td>47,750</td>
</tr>
<tr>
<td>After A Share Listing</td>
<td>85,972 (80.0% increase)</td>
</tr>
</tbody>
</table>

Equity Structure

<table>
<thead>
<tr>
<th></th>
<th>Before H Share Listing</th>
<th>After H Share Listing</th>
<th>After A Share Listing</th>
</tr>
</thead>
<tbody>
<tr>
<td>H share</td>
<td>4,933 (23.7%)</td>
<td>6,195 (41.3%)</td>
<td>7,345 (34.8%)</td>
</tr>
<tr>
<td>Foreign</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td></td>
<td></td>
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</tbody>
</table>

Note: Equity after A share listing is estimated by adding net capital proceeds of RMB 38,222 million to 2006 year end equity.
Ping An’s outstanding performance is well recognized by the market.

- Hang Seng Index
- Hang Seng China Enterprises Index
- Shanghai Stock Exchange Composite Index
- Ping An H-Share
- Ping An A-Share

Note: Updated as at 25 Apr 2007
Agenda

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Summary
Net Profit and Equity Growth

Net Profit

(RMB Million)

- Other Business
- Banking
- P&C Insurance
- Life Insurance

03-06 CAGR 50.9%

Net Profit 2003: 2,327 2004: 3,146 2005: 4,265 2006: 8,000

Equity

(RMB Million)

03-06 CAGR 53.2%


Note: Updated as at 31 Dec 2006
Life Insurance Business

Gross Written Premiums, Policy Fees & Premium Deposits

<table>
<thead>
<tr>
<th>(RMB million)</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Life</td>
<td>58,691</td>
<td>68,780</td>
</tr>
<tr>
<td>Bancassurance</td>
<td>7298</td>
<td>7402</td>
</tr>
<tr>
<td>Individual Life</td>
<td>46,169</td>
<td>55,166</td>
</tr>
</tbody>
</table>

Policy Persistency Ratio

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<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
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</thead>
<tbody>
<tr>
<td>13-month</td>
<td>87.5%</td>
<td>85.9%</td>
<td>89.0%</td>
</tr>
<tr>
<td>25-month</td>
<td>80.3%</td>
<td>81.9%</td>
<td>80.3%</td>
</tr>
</tbody>
</table>

Note: Updated as at 31 Dec 2006

- Total life premium income increased 17.2% and market share increased to 17.0%
- The proportion of individual life business increased to 80.2%
Total P&C gross premium income increased 33.1%, while market share increased to 10.7%.
While strong equity market improved our total investment yield, dividends distributed from equity investments also enhanced our net investment yield. The investment return of major asset classes all exceeded market benchmark.
Embedded Value Growth Trend

Note: Updated as at 31 Dec 2006

Adjusted Net Asset Value  Value of In-force Business

Figures may not be additive due to rounding
Agenda

Overview

Operation Highlight

Ping An’s Vision & Strategy

Summary
Ping An’s objective is to become one of the leading multiple financial services providers in the world with a core insurance business that consistently delivers stable profit growth and shareholder return.
Three Stage Strategy to Ensure Profitable Growth

Stage 1
- Life Insurance
- P&C Insurance

Stage 2
- Banking
- Investment

Stage 3
- Consumer Finance
- Annuity
- Health Insurance
- New Distribution Channels
- Third Party Asset Management

Core Profit Driver for the next 5 years
Profit Contributor in 3-10 years
Profit Contributor in 5-15 years
## Professional Management Team to Sustain Achievement

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter MA</td>
<td>Founder</td>
<td>Member of the National Committee of the Chinese People’s Political Consultative Conference</td>
</tr>
<tr>
<td></td>
<td>Chairman &amp; Chief Executive Officer</td>
<td></td>
</tr>
<tr>
<td>Louis CHEUNG</td>
<td>Executive Director &amp; President</td>
<td>Former global partner of McKinsey &amp; Co.</td>
</tr>
<tr>
<td>SUN Jianyi</td>
<td>Executive VP &amp; Vice CEO</td>
<td>Former Head of Wuhan Branch of PBOC</td>
</tr>
<tr>
<td>Dominic LEUNG</td>
<td>Executive VP &amp; Chief Insurance Business Officer</td>
<td>Former Managing Director, Greater China of Prudential Corp.</td>
</tr>
<tr>
<td>Richard JACKSON</td>
<td>President of SZCB</td>
<td>Former General Manager of Citibank Korea</td>
</tr>
<tr>
<td>KU Min-shen</td>
<td>Senior Vice President</td>
<td>Former Human Resources Director of Unilever HPC China</td>
</tr>
<tr>
<td>John PEARCE</td>
<td>Senior VP &amp; Chief Investment Officer</td>
<td>Former CEO of Colonial First State Investment Ltd.</td>
</tr>
</tbody>
</table>
Ping An continued to focus on providing multiple financial products and services to the customers through multi-channel distribution network.

With Life, P&C, Trust, Security, Bank, Annuity, Health and Asset Management subsidiaries, Ping An offer the customers a wide range of financial products and services under a single brand name.

Note: Updated as at 31 Dec 2006
Centralized Back-Office Center to Increase Efficiency and Control Risk & Cost

Integrated Operating Center (IOC) is one of the largest financial back-office support centers in Asia and will raise the standard of Ping An’s operation in terms of service quality, operating efficiency and risk management etc.

Important role of IOC: enhance marketing capabilities and internal controls & risk management system, improve and centralize management of underwriting and claims processing, increase management efficiency, and reduce operating costs.

New progress as at 31 Dec 2006:

- Centralized all underwriting, claims and document processing of individual life insurance and bancassurance;
- Centralized 40% policy owner services of individual life insurance;
- Centralize 60% claims processing of P&C insurance and automated underwriting for auto insurance reached 50%;
- Centralized all accounting activities of operating expenses of P&C insurance, life insurance and annuity;
- Built a national call center that serves all life insurance customers and 90% property and casualty insurance customers.
Insurance: Keep Solid Advantages and Capture Economic Prosperous Opportunities

“Two Tier”

Solid market position in central cities

Huge potential in rural counties

Market share of Shanghai and Beijing in year 2005

- Beijing
  - Other companies: 54.9%
  - Ping An: 24.5%
  - China life: 20.6%

- Shanghai
  - Other companies: 47.9%
  - Ping An: 26.0%
  - China Life: 26.1%

Market Coverage

- Municipality: 100%
- Prefecture Level Cities: 83.0%
- County Level Cities: 70.1%
- Counties and Towns: 39.9%

Number of areas not covered

- 0
- 48
- 110
- 1,393

Note:
1. Market coverage = number of existing branches / number of administrative districts
2. Based on Ping An Life branches distribution

Source: The yearbook of China’s insurance

Note: Updated as at 31 Dec 2006
Upon the approval by the CBRC, the two banks will finish the integration by 2007 to expand nationwide under one unified banking brand and platform.
**Asset Mgt.: Improve by Broadening Investment Channels and Offering Third Party Asset Mgt.**

### Short Term

**Investment**
- To diversify shareholder funds’ asset base.

- **Asset-Liability Matching**
  - Infrastructure Investment
    - Toll roads
    - Water plants
  - Real Estate Investment
    - Real estate shopping malls
    - Top grade office buildings
  - Other New Investment Channels

- **Domestic & Overseas Investment**
  - Ping An Asset Management
  - Ping An Asset Management (Hong Kong)

### Long Term

**Third Party Asset Management**
- To offer third party assets management service to domestic and overseas professional investors.

- **Third Party Asset Management**
  - Domestic
  - Overseas

- **Pension Fund Management**
  - Trustee
  - Investment Manager

- **Other Third Party Asset Management**
Agenda

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Ping An’s Vision & Strategy

Summary
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- The favorable measures of the government and the under-penetrated and fast growing Chinese financial services market present huge opportunity.

- Ping An has established a strong value creation track record, and a leading position in its core insurance franchise, and has built up a multiple financial services platform in this market.

- Ping An has a clear and ambitious integrated financial services strategy in place to further capture value in this rapidly growing and attractive market.

- Ping An has the best management team that consists of a combination of strong international and local talents to execute this strategy and realize its mission.