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Ping An's Proposed Issuance of A Share Convertible Bonds

December 20, 2011



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Ping An's Business Highlights

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1. Background Information

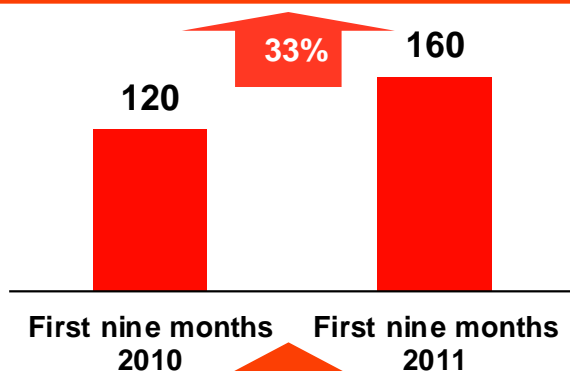


All Business Segments Have Grown Rapidly as Ping An Further Develops its Integrated Financial Platform

(RMB Billions)

Revenue from Insurance

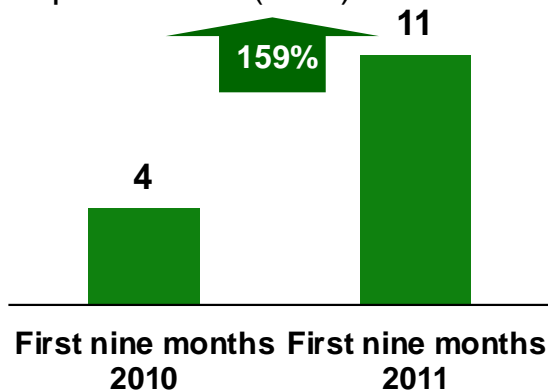
Ping An Life: contributes premium income of RMB 93.95 billion, up 32.0% over the same period last year



Ping An Property & Casualty: contributes premium income of RMB 61.59 billion, up 35.5% over the same period last year

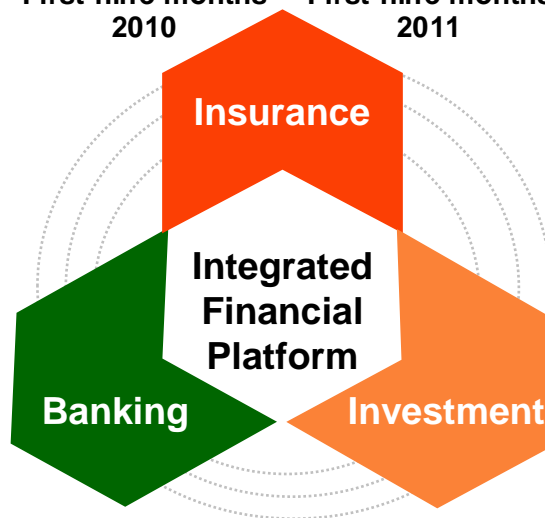
Net Interest Income from Banking

Completed the restructuring of Shenzhen Development Bank(SDB)



Ping An's Securities & Asset Management

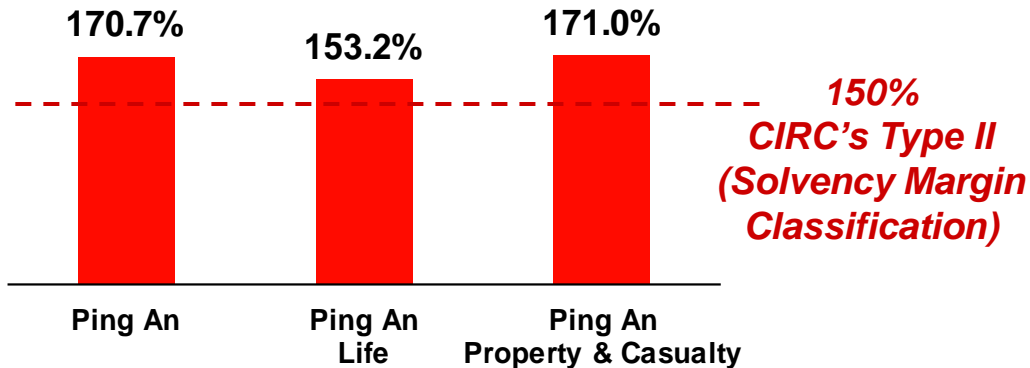
- For the first nine months of 2011, Ping An Securities executed 31 IPOs, 5 re-financings and led 13 bond underwritings; ranked 1st in the underwriting of IPOs
- Private wealth management business of Ping An Trust grew rapidly with the number of HNW clients exceeding 12,000; and average funds raised per month reached RMB 6 billion, up 300% over the same period last year



Adequate Capital is the Foundation for Rapid Business Growth

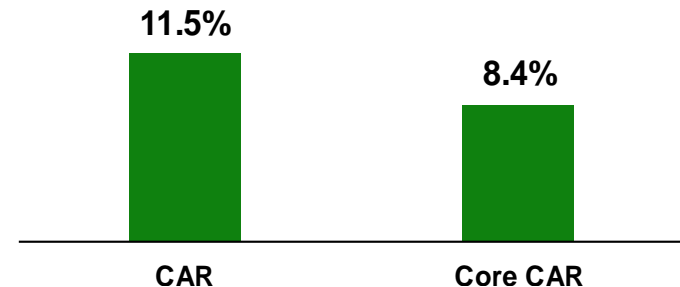
Insurance Business is Facing Solvency Pressure

(As of Oct 31, 2011, unaudited)



SDB's Capital Adequacy Ratio is Relatively Low

(As of Sep 30, 2011, unaudited)



Current economic conditions require Ping An to strengthen its capital base and improve its ability to withstand risks and achieve sustainable growth

China

- The Chinese economy is facing a number of challenges. Insurance companies need to strengthen capital and improve risk management capability to address increasing volatility of stock market and uncertainty of the value of invested assets

Global

- The effects of the financial crisis is still unfolding while developed markets have lower growth rates. Europe's debt crisis overshadows the world economy increasing complexity and uncertainty in financial markets

Forward Looking Capital Planning to Meet Mid-to-Long Term Business Development Needs

In light of forward looking capital planning and mid-to-long-term business development needs, the Company has chosen to issue A-share convertible bonds, which have a number of benefits: allow for gradual and deferred stock conversion, balance Company and shareholder interests, provide adequate capital for future business expansion

Forward Looking Capital Planning

- It is a relatively long process for the preparation work, application and issuance of A-share CB. In addition, the A-share CB can't be converted into stock until at least 6 months after issue date. In practice, timing of conversion depends on market conditions and investors' decision
- According to the market practice, it will take more than one year from Board approval of A-share CB to the conversion of the CB into stock, therefore we expect dilution to be deferred and gradual

Acceptance by the Market

- The A-share CB has bond-like characteristics and also allows for investors to participate in the equity upside, and therefore has good market acceptance in the current market environment. It should also have very limited impact to the market

Efficient Financing

- The CB will be priced at a premium to the share price at the time of issue, thus on a per share basis, more efficient than other equity financing methods which require discount to the share price at issue

Low Interest Expense

- The conversion option subsidizes interest expense compared to deposits and bonds resulting in lower interest expense for PA

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2. Key Terms of Proposal



Summary Terms of the Proposed A Share Convertible Offering

Please refer to the official board announcement for detailed terms and the conditions. All the proposed terms and conditions are subject to Shareholder approval

Issue size	<ul style="list-style-type: none"> Not more than RMB 26 billion, the actual size shall be determined by the Board or authorized persons, subject to the authorization at the Shareholders' general meeting
Term	<ul style="list-style-type: none"> Six years from the date of issuance
Interest rate	<ul style="list-style-type: none"> Not more than 3% per annum, the final interest rate shall be determined by the Board or authorized persons, subject to the authorization at the Shareholders' general meeting
Conversion period	<ul style="list-style-type: none"> Commences on the first trading day immediately following the expiry of the 6-month period after the date of issuance and ends on the maturity date
Guarantee and Security	<ul style="list-style-type: none"> No guarantee or security in relation to the proposed issuance of the Convertible Bonds
Initial conversion price	<ul style="list-style-type: none"> Shall not be lower than the average trading price of A shares for the 20 trading days preceding the date of publication of the offering document and the average trading price of A shares on the trading day preceding the date of publication of the offering document. The actual initial CB Conversion price shall be determined by the Board or authorized persons, subject to the authorization at the Shareholders' general meeting
Downward adjustment to conversion price	<ul style="list-style-type: none"> If during the term of CB issued hereunder, the closing prices of the A shares in any 15 trading days out of any 30 consecutive trading days are lower than 80% of the prevailing CB conversion price, the Board may propose a downward adjustment to the CB conversion price to the shareholders for their consideration and approval at the Shareholders' general meeting
Pre-Emptive subscription rights	<ul style="list-style-type: none"> The existing holders of A Shares of Ping An shall have pre-emptive rights to subscribe for the Convertible Bonds to be issued, The actual amount to be preferentially allocated shall be determined by the Board or authorized persons, subject to the authorization at the Shareholders' general meeting. The remaining portion of the preferential issuance and those which have been given up by the existing A Shareholders of the Company will be subscribed through the combination of offline placement to institutional investors and online issuance through the online pricing system of SSE. The rest of the Convertible Bonds (if any) will be underwritten by the underwriting syndicates

Summary Terms of The Proposed A Share Convertible Offering (Continued)

Redemption at maturity	<ul style="list-style-type: none">■ Within five trading days after the maturity of the Convertible Bonds issued hereunder, Ping An will redeem all the Convertible Bonds from holders of Convertible Bonds which have not been converted into the Shares by then, at a price calculated at a premium (including the interest accrued in the last interest accrual year) over the nominal value of the Convertible Bonds. The actual premium shall be determined by the Board or authorized persons, subject to the authorization at the Shareholders' general meeting
Conditional redemption	<ul style="list-style-type: none">■ During the conversion period of the Convertible Bonds issued hereunder, if the closing price of the A Shares of Ping An in at least 15 trading days out of 30 consecutive trading days is equal to or higher than 130% of the prevailing CB Conversion Price, Ping An shall have the right to redeem all or any part of the outstanding Convertible Bonds which have not been converted into the Shares, at a price equal to the nominal value of the Convertible Bonds plus the interest accrued■ When the nominal value of the balance of the outstanding Convertible Bonds issued hereunder is less than RMB30 million, the Board shall have the right to decide whether to redeem all the outstanding Convertible Bonds at a price equal to the nominal value plus the interest accrued■ The exercise of conditional redemption right set out above by the Company is conditional upon having met the requirements (if any) of CIRC. The Board or the persons authorized by the Board shall be authorized to deal with the matters when it is required to obtain the approval to exercise the conditional redemption right, subject to the authorization by the Shareholders at the general meeting
Additional sale back	<ul style="list-style-type: none">■ If the actual usage of the proceeds from the issuance of the Convertible Bonds is considered by the CSRC as a deviation in the use of the proceeds, the CB Holders will have a one-off right to sell back to Ping An at the nominal value plus the interest accrued. CB Holders may sell their Convertible Bonds back during the sale back declaration period after it is announced by Ping An, and such sale back rights shall be valid only within the corresponding sale back declaration period. If the CB Holders do not exercise their sale back rights during the sale back declaration period, the rights to sell back the Convertible Bonds shall automatically lapse
Conditional sale back	<ul style="list-style-type: none">■ The Board or authorized persons, subject to the authorization at the Shareholders' general meeting, shall decide if conditional sale back shall be included, by reference to the requirements of the regulatory authorities and market conditions prior to the issuance of the Convertible Bonds

Summary Terms of The Proposed A Share Convertible Offering (Continued)

Use of proceeds

- The proceeds from the issuance of the Convertible Bonds, after deduction of the expenses relating to the issuance, will be used to replenish the working capital of the Company to support the business development of the Group; and the proceeds will be used for other purposes approved by CIRC (including but not limited to replenishing the capital base to improve the solvency margin of the Company after obtaining approval from CIRC). Such proceeds will be used to replenish the capital base of the Company after conversions conducted by CB Holders

Special provisions in relation to solvency capital

- It will be proposed at a general meeting to authorize the Board or authorized persons to determine prior to the issuance of the Convertible Bonds, whether the Convertible Bonds will contain the following special provisions in order to satisfy the requirements (if any) of CIRC in relation to the treatment of convertible bonds as the solvency margin capital of a company:
 - (1) the exercise of conditional redemption right under the Convertible Bonds is conditional upon the obtaining of the no objection by the CIRC; and
 - (2) the CB Holders' claims against the Company are subordinated to the claims from other ordinary creditors of the Company

Validity period of resolution

- 12 months from the date on which the resolution is passed at a Shareholders' general meeting

Matters relating to authorisation

- To ensure smooth implementation of the issuance of the Convertible Bonds, it will be proposed at a shareholder's general meeting to authorize the Board, and the Board will then delegate the authority to the Executive Directors, to separately or jointly exercise the full power to deal with the matters in relation to the issuance of the Convertible Bonds under the framework and principles pursuant to the resolutions passed at the Shareholder's general meeting and within the validity period of the resolution in respect of the issuance of the Convertible Bonds

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3. Pro forma Impact to Capital

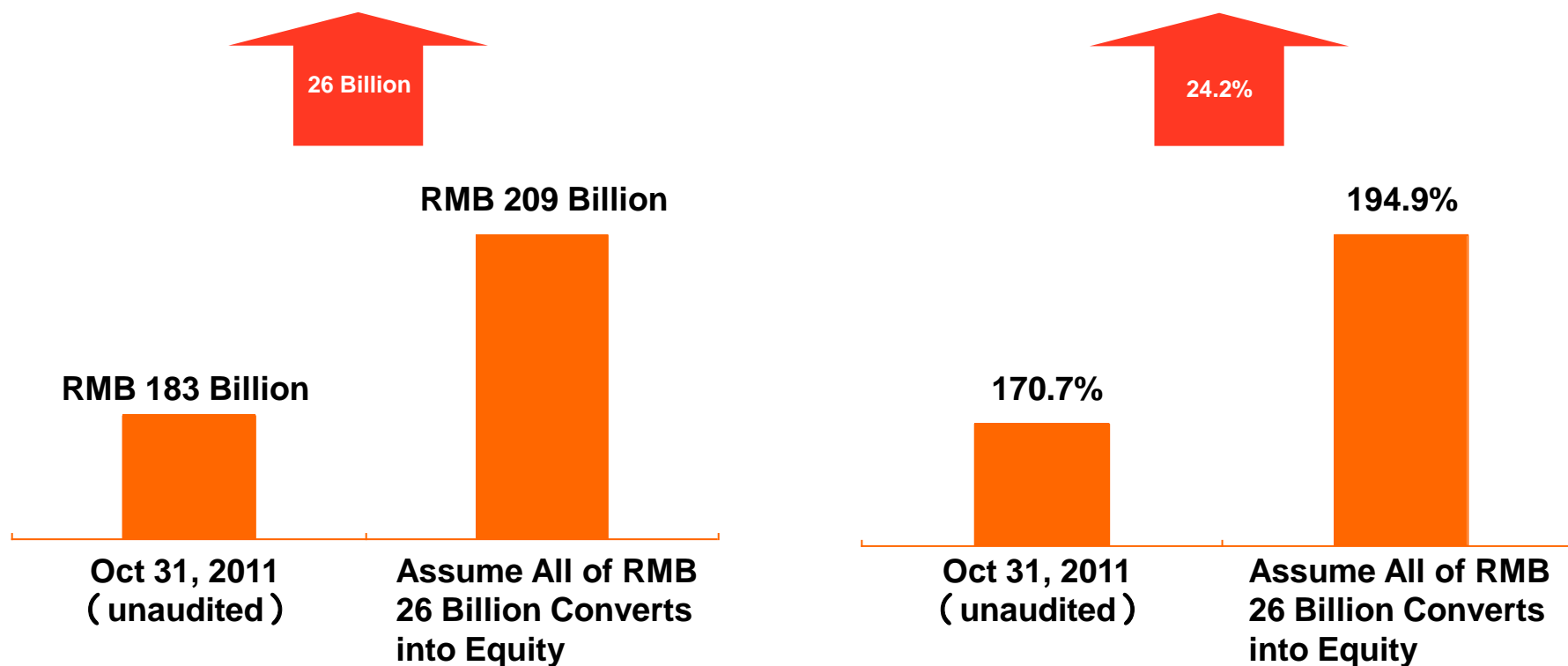


Significantly Improve Solvency Ratio

The following calculation is based on the current financial data and specific assumptions, therefore it does NOT represent Ping An's prediction and promise on the actual solvency ratio improvement

Solvency capital increases by RMB 26 billion

Solvency ratio increases by 24 percentage points



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Appendix: Ping An's Business Highlights

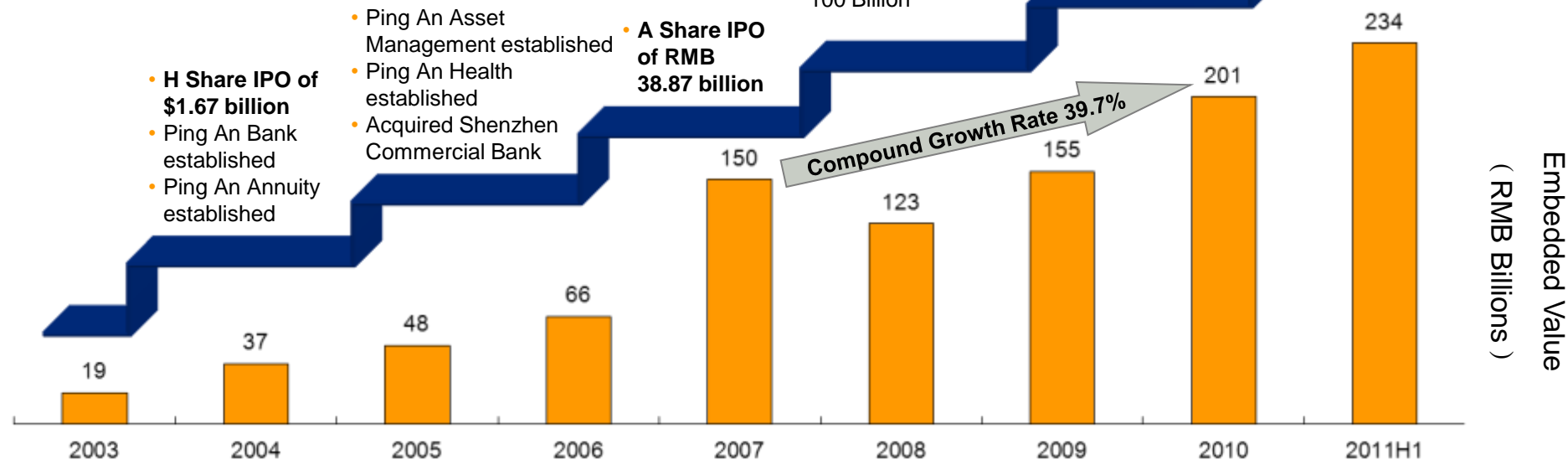


Ping An Has Achieved Continuous Growth in Embedded Value Since its IPO, a Success Widely Acknowledged by Investors

With an integrated financial strategy and excellent business performance, Ping An has achieved continuous growth in embedded value since its IPO which has been widely acknowledged by investors

- Through years of development, Ping An has successfully grown from a property insurance company into a leading financial conglomerate in China offering integrated financial services
- Ping An has been listed on the Hong Kong Stock Exchange since June, 2004 and Shanghai Stock Exchange since March, 2007. By taking advantage of capital markets, Ping An has developed rapidly and grown embedded value continuously, which has been widely acknowledged by investors at home and abroad

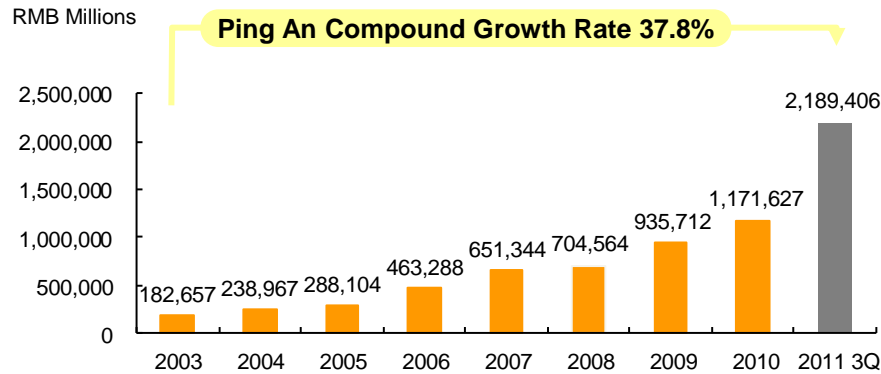
- Announced plans to become Shenzhen Development Bank(SDB)'s strategic investor
- Ping An-UOB Fund established
- Ping An P&C issued two tranches of subordinated debt totaling RMB 4.5 billion
- Ping An Bank issued RMB 3 billion subordinated debt
- H Share private placement of HK\$19 billion
- Become controlling shareholder of SDB
- Ping An Life issued RMB 4 billion subordinated debt
- One of Fortune 500 companies
- Ping An life premiums exceeded RMB 100 Billion



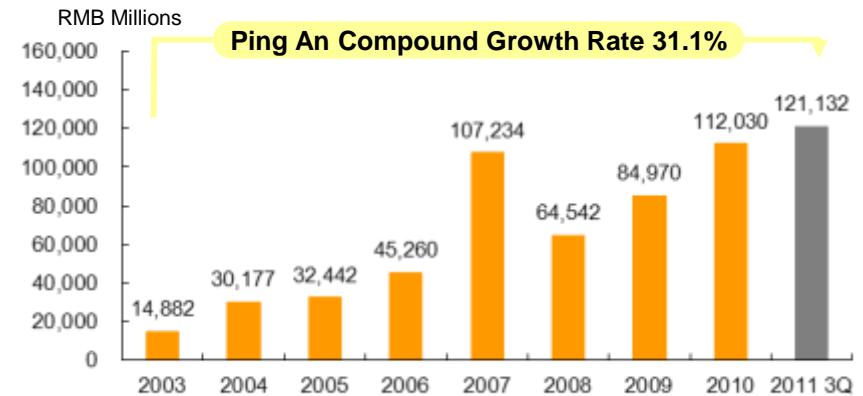
Source: Ping An's annual reports, 2011 semi-annual report, prospectus and presentation; all data in RMB currency except stated otherwise

Total Assets and Net income Increased by 11 and 7 Times, Respectively, Since IPO

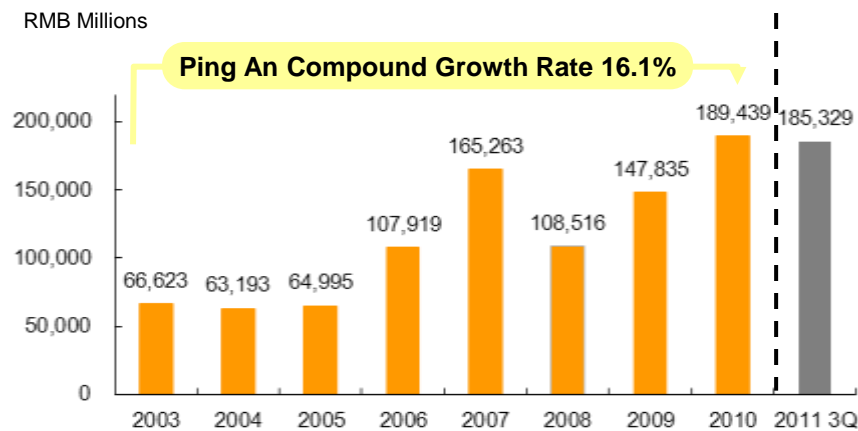
Total Assets Increased 11 Times (2003 to 3Q 2011)



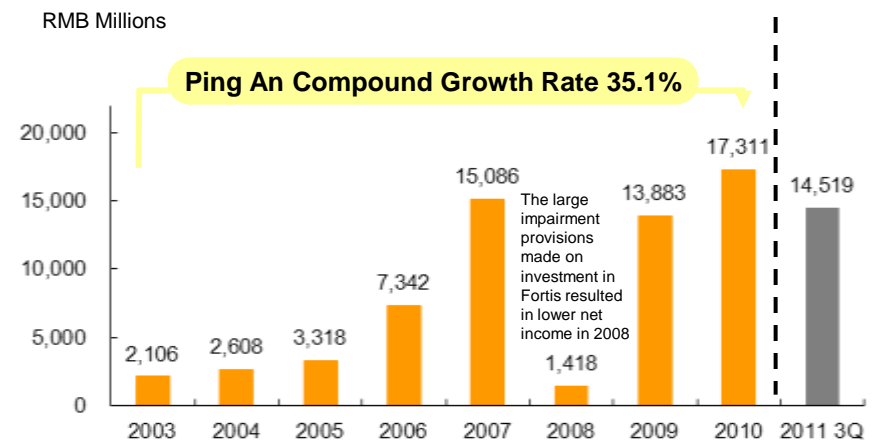
Net Assets Increased 7.1 Times (2003 to 3Q 2011)



Operating Income Increased 1.8 Times (2003 to 2010)



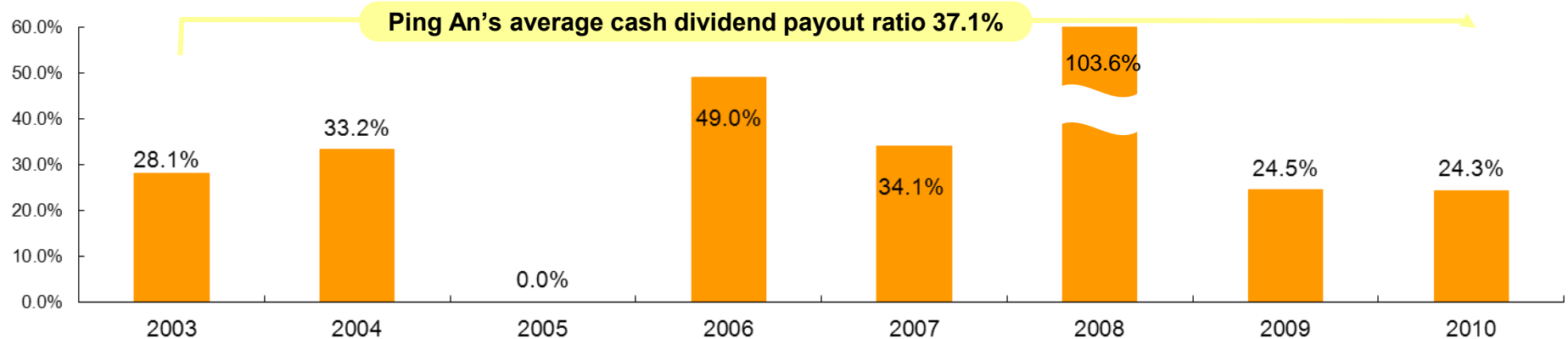
Net Income Increased 7.2 Times (2003 to 2010)



Net assets refers to net assets attributable to parent company, net income refers to net income attributable to parent company. All data used is restated or adjusted (if any).
 Operating income from 2003 to 2005 follows IFRS accounting standard while operating income of other years follows PRC accounting standard
 Source: Ping An A share annual reports, 2011 A share third quarter report and A share prospectus.

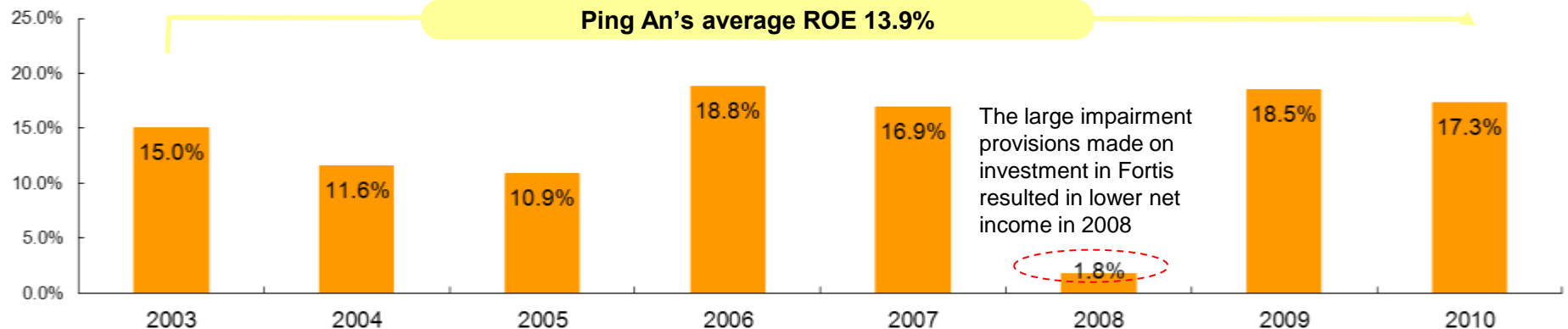
Ping An Maintains A High Cash Dividend Payout Ratio and Focuses on Investors' Return

Ping An maintains a high dividend payout ratio and focuses on investors' returns



Net income applied in calculation refers to net income attributable to parent company. All data used is restated or adjusted (if any).
Source: A-share annual report, A-share prospectus

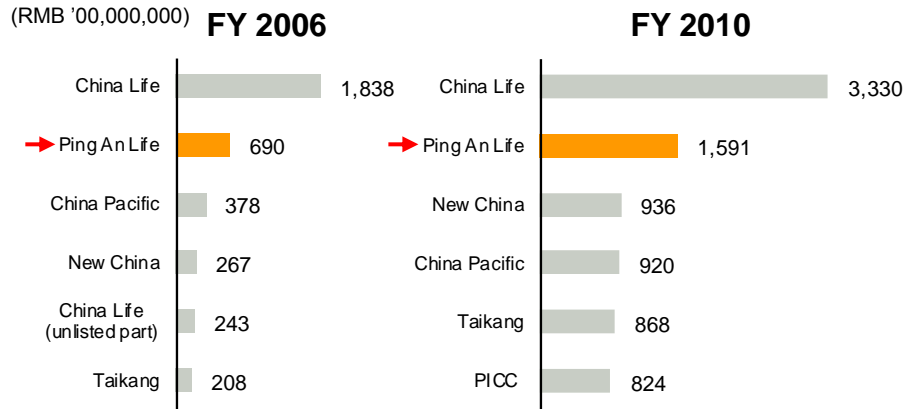
Ping An's ROE since IPO



Source: ROE of 2003 and 2004 is from Ping An A share prospectus, ROE from 2005 to 2010 is from A share annual reports. All data used is restated or adjusted (if any).

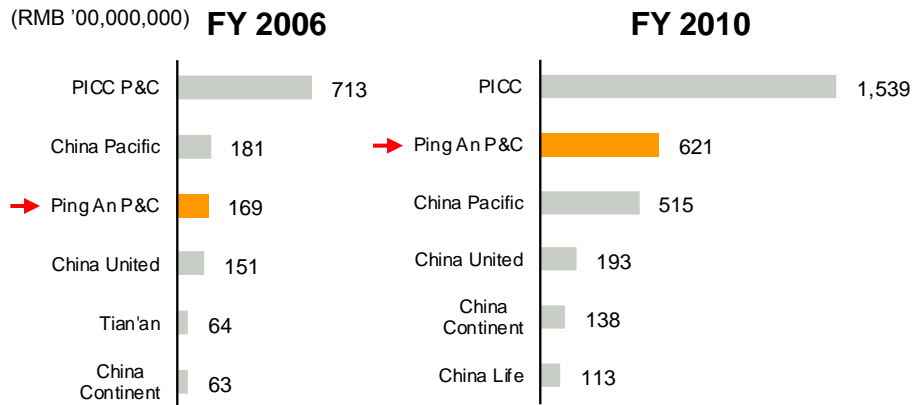
Rapid and Healthy Growth in Three Core Businesses: Insurance, Banking and Investment

Ping An Life ranked 2nd by market share



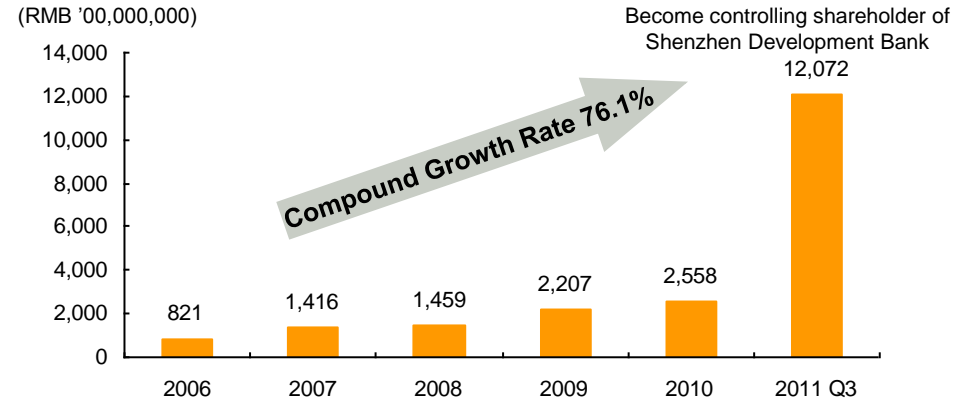
Source: China Insurance Regulatory Commission

Ping An Property rose to 2nd from 3rd place by market share



Source: China Insurance Regulatory Commission

Banking assets grow fast with nationwide network



Source: Ping An Bank annual report, 2011 third quarter report

Investment business also grows rapidly

- **Securities:** Ping An investment banking business keeps its leading position, ranked 1st of IPO underwriting for the first nine months of 2011
- **Trust:** Private wealth management business maintains rapid growth. As of Sep 30, 2011, the number of high net worth clients exceeded 12,000
- **Fund:** First fund of Ping An-UOB was successfully launched in 2011, raising RMB 3.197 Billion, which is the largest equity fund launched in the second half of 2011

Source: Ping An Third Quarter Report

Growing Synergy as the Depth and Breadth of Cross-Selling Continues to Improve

<i>(RMB Millions)</i>	FY 2008		FY 2009		FY 2010		First Half 2011	
New business acquired through cross-selling	Amount	Contribution	Amount	Contribution	Amount	Contribution	Amount	Contribution
Property and casualty insurance								
Premium income	3,867	14.3%	5,635	14.5%	8,582	13.7%	5,757	14.1%
Annuity business								
Entrusted assets	1,161	13.2%	623	7.5%	1,545	15.1%	187	10.7%
Investment Management	1,383	14.9%	671	7.4%	1,131	7.7%	244	4.9%
Trust business								
Trust Schemes	1,872	3.1%	5,650	4.5%	13,812	14.1%	8,469	9.8%
Banking business								
Corporate deposits (increase of daily average size)	475	5.3%	2,509	10.4%	5,200	21.1%	2,770	12.6%
Corporate loan (increase of daily average size)	1,298	12.3%	788	5.2%	4,200	20.1%	3,624	36.2%
Credit cards('0000)	69	50.5%	124	56.5%	124	54.5%	13	32.0%

Source: Ping An A share annual reports and 2011 A share semi-annual report