中国人民保险集团股份有限公司
THE PEOPLE＇S INSURANCE COMPANY（GROUP）OF CHINA LIMITED
（A joint stock company incorporated in the People＇s Republic of China with limited liability）
（Stock Code：1339）

## INSIDE INFORMATION <br> THE PROPOSED ISSUANCE OF CAPITAL SUPPLEMENTARY BONDS BY PICC P\＆C AND THE UNAUDITED FINANCIAL STATEMENTS OF PICC P\＆C FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

This announcement is made by The People＇s Insurance Company（Group）of China Limited（the ＂Company＂）pursuant to the Inside Information Provisions（as defined in the Listing Rules）under Part XIVA of the Securities and Futures Ordinance（Cap． 571 of the Laws of Hong Kong）and Rule 13．09（2） of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited（the ＂Listing Rules＂）．

Reference is made to the announcement of the Company dated 27 April 2016 in relation to the proposed issue of capital supplementary bonds by PICC Property and Casualty Company Limited （＂PICC P\＆C＂），a subsidiary of the Company．PICC P\＆C has obtained the approval from the China Insurance Regulatory Commission and the relevant governing authorities for the issue of the 10－ year capital supplementary bonds in an amount of not exceeding RMB15 billion．According to the relevant regulations，PICC P\＆C will publish the issue document at www．chinamoney．com．cn and www．chinabond．com．cn in respect of the issue of capital supplementary bonds．The below unaudited financial statements for the nine months ended 30 September 2016 prepared by PICC P\＆C in accordance with the PRC Accounting Standards for Business Enterprises will be disclosed in such issue document：

## STATEMENT OF FINANCIAL POSITION of PICC P\&C

RMB Thousand(Unaudited)
Cash and bank balances ..... 15,044,538
Held for trading financial assets ..... 19,210,450
Derivative financial assets
Securities purchased under resale agreements ..... 6,417,090
Interest receivables ..... 6,568,404
Premium receivables ..... 25,126,324
Receivables from reinsurers ..... 17,317,265
Reinsurers' share of unearned premium reserves ..... 10,513,664
Reinsurers' share of loss and loss adjustment expense reserves ..... 18,999,629
Term deposits ..... 67,284,824
Available-for-sale financial assets ..... 127,902,697
Held-to-maturity investments ..... 40,938,083
Investments classified as loans and receivables ..... 52,283,478
Long term equity investments ..... 10,894,593
Statutory deposits ..... 2,965,703
Investment properties ..... 4,980,292
Fixed assets ..... 14,102,586
Intangible assets ..... 4,254,669
Deferred tax assets ..... 10,933,129
Other assets ..... 6,254,428
TOTAL ASSETS ..... 461,991,846
Securities sold under agreements to repurchase ..... 18,820,646
Premiums received in advance ..... 9,054,522
Commission payable ..... 7,079,783
Payables to reinsurers ..... 16,652,366
Salaries and staff welfare payable ..... 10,591,580
Tax payable ..... 8,949,644
Claims payable ..... 1,677,610
Policyholder dividend payable ..... 62,339
Policyholders' deposits ..... 2,433,367
Unearned premium reserves ..... 114,468,144
Loss and loss adjustment expense reserves ..... 128,366,593
Premium reserve ..... 2,962,436
Bonds payable ..... 11,122,140
Deferred tax liabilities ..... 6,229,173
Other liabilities ..... 8,010,533
TOTAL LIABILITIES ..... 346,480,876
Issued capital ..... 14,828,510
Share premium account ..... 18,985,549
Other comprehensive income ..... 11,645,098
Surplus reserve ..... 30,804,589
General risk reserve ..... 7,527,803
Agriculture catastrophic loss reserve ..... 1,885,477
Retained profits ..... 29,833,944
Equity attributable to owners of the parent ..... 115,510,970
Non-controlling interests
TOTAL EQUITY ..... 115,510,970
TOTAL LIABILITIES AND EQUITY ..... 461,991,846
INCOME STATEMENT of PICC P\&C
For the nine months ended 30 September 2016
RMB Thousand(Unaudited)
Operating income ..... 210,661,105
Net earned premiums ..... 199,604,697
Gross written premiums ..... 234,490,790
Included: Reinsurance premiums assumed ..... 489,180
Less: Reinsurance premiums ceded ..... 24,288,524
Change in unearned premium reserves ..... 10,597,569
Investment income ..... 9,977,302
Net gains on fair value changes ..... 26,573
Exchange gains ..... 164,740
Other operating income ..... 887,793
Operating expenses ..... 193,001,104
Gross claims paid ..... 124,135,331
Less: Paid losses recoverable from reinsurers ..... 12,168,447
Change in loss and loss adjustment expense reserves ..... 14,841,333
Less: Reinsurers' share of loss and loss adjustment expense reserves ..... 2,052,894
Change in premium reserve ..... 656,137
Interest expenses credited to policyholders' deposits ..... 1,121
Reinsurance expenses ..... 131,904
Business tax and surcharges ..... 5,794,773
Commission expenses ..... 33,441,981
General and administrative expenses ..... 35,564,700
Less: Reinsurers' share of expenses ..... 8,284,812
Other operating costs ..... 173,482
Asset impairment losses ..... 766,495
Operating profit ..... $17,660,001$
Add: Non-operating income ..... 174,852
Less: Non-operating expenses ..... 120,513
Profit before income tax ..... 17,714,340
Less: Income tax expense ..... 3,986,124Net profit13,728,216
STATEMENT OF CASH FLOWS of PICC P\&C
For the nine months ended 30 September 2016
RMB Thousand(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES
Cash received from direct premiums written ..... 227,129,274
Cash received from other operating activities ..... 27,281,335
Increase in policyholders' deposits ..... 127,242
Subtotal of cash inflows from operating activities ..... 254,537,851
Claim paid for direct insurance ..... -120,245,789
Cash paid to and for employees ..... -17,768,876
Commission paid ..... -30,267,761
Cash paid for taxes and surcharges ..... -28,347,089
Cash paid for reinsurance business, net ..... -791,042
Decrease in policyholders' deposits ..... -
Policyholder dividends paid ..... -29
Cash paid for other operating activities ..... -46,735,673
Subtotal of cash outflows from operating activities ..... -244,156,259
Net cash flows from operating activities ..... 10,381,592
CASH FLOWS FROM INVESTING ACTIVITIES
Cash received from disposal of investments ..... 99,946,895
Cash received from investment income ..... 9,106,960
Cash received from disposal of fixed assets, intangible assets and other ..... 36,075
long-term assets
Cash received from other investing activities ..... 11,329,100
Subtotal of cash inflows from investing activities ..... 120,419,030
Purchase of investments ..... $-112,814,484$
Payment for acquisition of associates
Cash paid for purchase of fixed assets, intangible assets and other ..... $-1,443,817$
long-term assets
Subtotal of cash outflows from investing activities ..... -114,258,301
Net cash flows from investing activities ..... 6,160,729

## CASH FLOWS FROM FINANCING ACTIVITIES

| Subtotal of cash inflows from financing activities | - |
| :--- | ---: |
| Payment for redemption of subordinated debts | $-5,000,000$ |
| Decrease in securities sold under agreements to repurchase, net | $-3,936,672$ |
| Dividends paid | $-4,507,867$ |
| Interest paid | $-269,000$ |
| Cash paid for other financing activities | $-\mathbf{4 5 4 , 6 6 1}$ |
| Subtotal of cash outflows from financing activities | $\mathbf{- 1 4 , 1 6 8 , 2 0 0}$ |
| Net cash flows from financing activities | $\mathbf{- 1 4 , 1 6 8 , 2 0 0}$ |
| Effect of foreign exchange fluctuation on cash flows | $\mathbf{5 3 , 1 6 6}$ |
| Net increase in cash and cash equivalents | $\mathbf{2 , 4 2 7 , 2 8 7}$ |

The above unaudited financial statements of PICC P\&C for the nine months ended 30 September 2016 have been prepared in accordance with the PRC Accounting Standards for Business Enterprises, which have not been audited or reviewed by the auditors of PICC P\&C or the Company, and have not been reviewed by the audit committee of PICC P\&C or the Company.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

## On behalf of the Board <br> The People's Insurance Company (Group) of China Limited WU Yan <br> Chairman

Beijing, the PRC, 15 November 2016

As at the date of this notice, the executive directors of the Company are Mr. Wu Yan and Mr. Wang Yincheng, the non-executive directors are Mr. Yao Zhiqiang, Mr. Wang Qiao, Ms. Hua Rixin, Ms. Cheng Yuqin and Mr. Wang Zhibin, and the independent non-executive directors are Mr. Lau Hon Chuen, Mr. Du Jian, Mr. Xu Dingbo, Mr. Luk Kin Yu, Peter and Mr. Lin Yixiang.

