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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

THE UNAUDITED FINANCIAL STATEMENTS OF PICC P&C AND PICC HEALTH FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

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 (i) the announcement of the Company dated 23 November 2016 in relation to the completion of the issue of capital supplementary bonds by PICC Property and Casualty Company Limited ("**PICC P&C**"), a subsidiary of the Company and (ii) the announcement of the Company dated 13 September 2017 in relation to the completion of the issue of capital supplementary bonds by PICC Health Insurance Company Limited ("**PICC Health**"), a subsidiary of the Company. PICC P&C has successfully issued the 10-year capital supplementary bonds of RMB15 billion publicly in the national inter-bank bond market; and PICC Health has successfully issued the 10-year capital supplementary bonds of RMB3.5 billion publicly in the national inter-bank bond market. In accordance with the relevant regulations, within the duration of the capital supplementary bonds, PICC P&C and PICC Health need to publish their quarterly financial data at www.chinamoney.com.cn and www.chinabond.com.cn. The below unaudited financial data for the nine months ended 30 September 2017 prepared by the abovementioned two subsidiaries in accordance with the PRC Accounting Standards for Business Enterprises will be disclosed:

1. FINANCIAL DATA OF PICC P&C

STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	RMB Thousand (Unaudited)
Cash and bank balances	14,844,720
Held for trading financial assets	3,451,801
Financial assets purchased under resale agreements	19,141,299
Interest receivables	6,490,889
Premiums receivable	29,946,385
Receivables from reinsurers	25,234,270
Reinsurers' share of unearned premium reserves	10,715,273
Reinsurers' share of loss and loss adjustment expense reserves	20,186,249
Term deposits	62,655,623
Available-for-sale financial assets	138,524,694
Held-to-maturity investments	41,908,157
Investments classified as loans and receivables	71,027,742
Long term equity investments	40,325,885
Restricted statutory deposits	2,965,703
Investment properties	5,061,980
Fixed assets	14,055,716
Intangible assets	4,329,446
Deferred tax assets	12,040,683
Other assets	7,958,332
TOTAL ASSETS	530,864,847
Financial assets sold under agreements to repurchase	20,313,252
Premiums received in advance	12,497,437
Commission payable	7,444,037
Payables to reinsurers	25,410,889
Salaries and staff welfare payables	9,445,941
Tax payable	9,172,581
Claims payable	1,842,393
Policyholders' dividend payable	63,463
Policyholder deposits and investments	2,376,103
Unearned premium reserves	128,608,013
Loss and loss adjustment expense reserves	140,856,317
Premiums reserve	3,233,140
Bonds payable	23,224,417
Deferred tax liabilities	4,618,623
Other liabilities	9,178,898
TOTAL LIABILITIES	398,285,504

**RMB Thousand
(Unaudited)**

Issued capital	14,828,510
Share premium account	18,985,549
Other comprehensive income	11,229,700
Surplus reserve	32,614,416
General risk reserve	9,337,630
Catastrophic loss reserve	1,885,477
Retained profits	43,698,061
TOTAL EQUITY	132,579,343
TOTAL LIABILITIES AND EQUITY	530,864,847

INCOME STATEMENT

For the nine months ended 30 September 2017

**RMB Thousand
(Unaudited)**

Operating income	239,269,030
Net earned premiums	225,906,383
Gross written premiums	262,265,216
Included: Reinsurance premiums assumed	632,215
Less: Reinsurance premiums ceded	22,325,861
Change in unearned premium reserves	14,032,972
Investment income	12,690,916
Net losses on fair value changes	-19,900
Exchange losses, net	-354,402
Other operating income	1,046,033
Operating expenses	216,613,778
Gross claims paid	139,028,685
Less: Paid losses recoverable from reinsurers	12,734,521
Change in loss and loss adjustment expense reserves	14,113,858
Less: Reinsurers' share of loss and loss adjustment expense reserves	-118,339
Change in premium reserve	761,413
Policyholder dividends	1,002
Reinsurance expenses	178,285
Taxes and other surcharges	1,513,502
Commission expenses	40,946,863
General and administrative expenses	39,140,725
Less: Reinsurers' share of general and administrative expenses	7,282,934
Other operating costs	254,450
Asset impairment losses	574,111
Operating profit	22,655,252
Add: Non-operating income	240,584
Less: Non-operating expenses	118,305
Profit before income tax	22,777,531
Less: Income tax expense	5,081,805
Net profit	17,695,726

STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2017

**RMB Thousand
(Unaudited)**

CASH FLOWS FROM OPERATING ACTIVITIES

Premiums received	260,913,023
Cash received from reinsurance business, net	182,097
Others	32,110,611
Cash inflows from operating activities	293,205,731
Claims paid	-136,744,928
Payment to and on behalf of staff	-21,093,866
Commission paid	-40,035,055
Taxes and surcharges paid	-28,574,706
Decrease in policyholders' deposits, net	-28,707
Policyholders' dividend paid	-16
Others	-55,532,138
Cash outflows from operating activities	-282,009,416
Net cash flows from operating activities	11,196,315

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from investments	67,213,703
Investment income received	7,932,186
Proceeds from disposal of fixed assets, intangible assets and other long term assets	46,273
Cash inflows from investing activities	75,192,162
Payment for purchases of investments	-81,856,038
Payment for purchases of fixed assets, intangible assets and other long term assets	-862,444
Others	-1,874,974
Cash outflows from investing activities	-84,593,456
Net cash flows used in investing activities	-9,401,294

CASH FLOWS FROM FINANCING ACTIVITIES

Decrease in financial assets sold under agreements to repurchase, net	-778,593
Dividends paid	-4,556,810
Others	-37,676
Cash outflows from financing activities	-5,373,079
Net cash flows used in financing activities	-5,373,079
Net foreign exchange differences	-92,551
Net (decrease)/increase in cash and cash equivalents	-3,670,609

2. FINANCIAL DATA OF PICC HEALTH

STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	RMB Thousand (Unaudited)
Cash and bank balances	1,386,874
Financial assets at fair value through profit or loss	210,425
Financial assets purchased under resale agreements	943,280
Interest receivables	515,633
Premium receivables	2,598,307
Receivables from reinsurers	816,105
Reinsurers' share of unearned premium reserves	216,705
Reinsurers' share of claim reserves	444,931
Reinsurers' share of long-term health insurance reserves	143,285
Policy loans	46,826
Guarantee deposits	46,172
Term deposits	12,796
Available-for-sale financial assets	17,927,515
Held-to-maturity investments	2,170,230
Investments classified as loans and receivables	15,991,421
Restricted statutory deposits	1,789,954
Fixed assets	172,553
Intangible assets	63,377
Other assets	696,315
TOTAL ASSETS	46,192,707
Financial assets sold under repurchase agreements	1,756,352
Premiums received in advance	187,413
Handling charge and commission payable	45,407
Payables to reinsurers	1,353,110
Salaries and staff welfare payables	329,187
Taxes payable	18,677
Claims payable	606,521
Policyholder dividends payable	167,806
Policyholder deposits and investments	10,278,638
Unearned premium reserves	2,322,493
Claim reserves	3,406,916
Life insurance reserves	3,172,973
Long-term health insurance reserves	12,075,033
Bonds payable	4,327,896
Other liabilities	403,301
TOTAL LIABILITIES	40,451,723
Share capital	8,568,415
Capital reserves	1,037,449
Other comprehensive income	21,305
Accumulated losses	-3,886,186
TOTAL EQUITY	5,740,983
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	46,192,707

INCOME STATEMENT

For the nine months ended 30 September 2017

**RMB Thousand
(Unaudited)**

Operating income	16,683,464
Net earned premiums	15,107,284
Gross written premiums	17,820,869
Less: Premiums ceded to reinsurers	-1,010,011
Changes in unearned premium reserves	-1,703,573
Investment income	1,477,254
Gains and losses from changes in fair value	3,134
Exchange losses, net	-6,489
Other operating income	102,280
Operating expenses	16,649,964
Surrenders	12,406,342
Claims paid	6,624,004
Less: Reinsurers' share of claims paid	-891,797
Change in insurance contract liabilities	-3,798,664
Less: Reinsurers' share of insurance contract liabilities	107,902
Policyholder dividends	63,852
Taxes and surcharges	7,782
Handling charges and commission expenses	594,493
General and administrative expenses	1,126,490
Less: Reinsurers' share of expenses	-83,816
Other operating expenses	488,019
Impairment losses of assets	5,357
Operating profit	33,500
Add: Non-operating income	653
Less: Non-operating expenses	-13,092
Profit before income tax	21,062
Less: Income tax expense	—
Net profit	21,062

STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2017

**RMB Thousand
(Unaudited)**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from direct premiums written	14,485,162
Increase in policyholder deposits and investments	1,380,748
Cash received from tax refunds	9,923
Cash received from other operating activities	136,507
Cash inflows from operating activities	16,012,340
Claim paid for direct insurance	-6,582,486
Cash paid for reinsurance, net	-171,438
Handling charges and commissions paid	-646,656
Policyholder dividends paid	-88,579
Cash paid to and for employees	-735,089
Cash paid for taxes and surcharges	-57,890
Cash paid for other operating activities	-13,062,556
Cash outflows from operating activities	-21,344,695
Net cash flows used in operating activities	-5,332,354

CASH FLOWS FROM INVESTING ACTIVITIES

Cash received from disposal or maturities of investments	30,402,310
Cash received from investment income	1,630,262
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,007
Cash inflows from investing activities	32,036,578
Purchase of investments	-31,256,295
Increase in policy loans, net	-717
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	-61,630
Cash paid for other investing activities	-20,415
Cash outflows from investing activities	-31,339,056
Net cash flows from investing activities	697,522

CASH FLOWS FROM FINANCING ACTIVITIES

Cash received from bonds issued	3,500,000
Cash received from other financing activities	216,352
Cash inflows from financing activities	3,716,352
Cash paid for distribution of dividends, profits or interests	-130,473
Cash paid for other financing activities	—
Cash outflows from financing activities	-130,473
Net cash flow from financing activities	3,585,879
Effect of foreign exchange fluctuation on cash flows	-6,489
Net increase/(decrease) in cash and cash equivalents	-1,055,442
Add: Opening balance of cash and cash equivalents	3,398,393
Closing balance of cash and cash equivalents	2,342,951

Note: some of the total amounts in this announcement may not add up with the individual figures due to rounding.

The above unaudited financial data of PICC P&C and PICC Health for the nine months ended 30 September 2017 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 and PICC Health or the Company, and have not been reviewed by the audit committee of PICC P&C and PICC Health or the Company. Investors should exercise caution not to unduly rely on such information.

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

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

Beijing, the PRC, 31 October 2017

As at the date of this announcement, the executive directors of the Company are Mr. Wu Yan, Mr. Miao Jianmin and Mr. Xie Yiqun, the non-executive directors are Mr. Wang Qingjian, Mr. Xiao Xuefeng, Ms. Hua Rixin, Ms. Cheng Yuqin and Mr. Wang Zhibin, and the independent non-executive directors are Mr. Lau Hon Chuen, Mr. Xu Dingbo, Mr. Luk Kin Yu, Peter, Mr. Lin Yixiang and Mr. Chen Wuzhao.