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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 FOR THE FIRST QUARTER OF 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 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. PICC P&C has successfully issued the 10-year capital supplementary bonds of RMB15 billion publicly in the national inter-bank bond market. In accordance with the relevant regulatory requirements, within the duration of the capital supplementary bonds, PICC P&C needs to publish its quarterly financial data at www.chinamoney.com.cn and www.chinabond.com.cn. The below unaudited financial data for the three months ended 31 March 2017 prepared by PICC P&C in accordance with the PRC Accounting Standards for Business Enterprises will be disclosed:

STATEMENT OF FINANCIAL POSITION OF PICC P&C*As at 31 March 2017**RMB Thousand
(Unaudited)*

Cash and bank balances	13,266,746
Held for trading financial assets	6,488,123
Derivative financial assets	279
Financial assets purchased under resale agreements	8,290,803
Interest receivables	5,326,106
Premiums receivable	27,145,491
Receivables from reinsurers	24,081,229
Reinsurers' share of unearned premium reserves	10,178,847
Reinsurers' share of loss and loss adjustment expense reserves	19,242,131
Term deposits	72,116,723
Available-for-sale financial assets	127,910,982
Held-to-maturity investments	41,745,253
Investments classified as loans and receivables	63,319,536
Long term equity investments	37,521,698
Capital security fund	2,965,703
Investment properties	5,061,980
Fixed assets	14,326,083
Intangible assets	4,457,291
Deferred tax assets	10,033,880
Other assets	7,025,488

TOTAL ASSETS**500,504,372**

Financial assets sold under agreements to repurchase	18,907,800
Premiums received in advance	12,946,623
Commission payable	6,811,787
Payables to reinsurers	21,022,941
Salaries and staff welfare payables	10,109,191
Tax payable	10,196,243
Claims payable	1,535,460
Policyholder's dividend payable	62,768
Policyholder's deposits	2,390,344
Unearned premium reserves	127,961,236
Loss and loss adjustment expense reserves	125,962,387
Premiums reserve	2,664,736
Bonds payable	23,149,637
Deferred tax liabilities	4,162,591
Other liabilities	9,687,317

TOTAL LIABILITIES**377,571,061**

	<i>RMB Thousand</i> (Unaudited)
Issued capital	14,828,510
Share premium account	18,985,549
Other comprehensive income reserve	10,076,142
Surplus reserve	32,614,416
General risk reserve	9,337,630
Agriculture catastrophic loss reserve	1,885,477
Retained profits	<u>35,205,587</u>
Equity attributable to owners of the parent	122,933,311
Non-controlling interests	<u>—</u>
TOTAL EQUITY	<u>122,933,311</u>
TOTAL LIABILITIES AND EQUITY	<u><u>500,504,372</u></u>

INCOME STATEMENT OF PICC P&C
For the three months ended 31 March 2017

RMB Thousand
(Unaudited)

Operating income	71,472,060
Net earned premiums	68,047,426
Gross written premiums	88,630,658
Included: Reinsurance premiums assumed	108,595
Less: Reinsurance premiums ceded	6,679,341
Change in unearned premium reserves	13,903,891
Investment income	3,103,147
Net gains on fair value changes	40,614
Exchange losses, net	-64,970
Other operating income	345,843
Operating expenses	65,493,983
Gross claims paid	44,878,647
Less: Paid losses recoverable from reinsurers	4,185,181
Change in loss and loss adjustment expense reserves	-780,072
Less: Reinsurers' share of loss and loss adjustment expense reserves	-1,062,457
Change in premium reserve	171,648
Interest expenses credited to policyholders' deposits	362
Reinsurance expenses	35,799
Tax and surcharges	503,291
Commission expenses	12,736,526
General and administrative expenses	12,908,008
Less: Reinsurers' share of general and administrative expenses	1,957,239
Other operating costs	67,290
Asset impairment losses	52,447
Operating profit	5,978,077
Add: Sundry income	43,604
Less: Sundry expenses	29,111
Profit before income tax	5,992,570
Less: Income tax expense	1,371,328
Net profit	4,621,242

STATEMENT OF CASH FLOWS OF PICC P&C

For the three months ended 31 March 2017

RMB Thousand
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES

Premiums received	77,527,142
Others	10,116,512

Cash inflows from operating activities **87,643,654**

Claims paid	-45,172,323
Payment to and on behalf of staff	-6,676,884
Commission paid	-12,585,555
Taxes and surcharges paid	-8,399,942
Payment in relation to reinsurance business, net	-513,986
Decrease in policyholders' deposits, net	-14,743
Others	-17,371,593

Cash outflows from operating activities **-90,735,026**

Net cash flows used in operating activities **-3,091,372**

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from investments	23,949,591
Investment income received	2,866,731
Proceeds from disposal of fixed assets, intangible assets and other long term assets	16,189

Cash inflows from investing activities **26,832,511**

Payment for purchases of investments	-22,042,474
Payment for purchases of fixed assets, intangible assets and other long term assets	-373,573
Others	-3,980,544

RMB Thousand
(Unaudited)

Cash outflows from investing activities	<u>-26,396,591</u>
Net cash flows from investing activities	<u>435,920</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in financial assets sold under agreements to repurchase, net	-2,449,607
Others	<u>-28,345</u>
Cash outflows from financing activities	<u>-2,477,952</u>
Net cash flows used in financing activities	<u>-2,477,952</u>
Net foreign exchange differences	<u>-22,404</u>
Net (decrease)/increase in cash and cash equivalents	<u><u>-5,155,808</u></u>

The above unaudited financial data of PICC P&C for the three months ended 31 March 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 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
The People's Insurance Company (Group) of China Limited
WU Yan
Chairman

Beijing, the PRC, 28 April 2017

As at the date of this announcement, the executive director is Mr. Wu Yan, 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. Xu Dingbo, Mr. Luk Kin Yu, Peter, Mr. Lin Yixiang and Mr. Chen Wuzhao.