*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

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)**

# THIRD QUARTERLY REPORT OF 2021

This announcement is made by The People's Insurance Company (Group) of China Limited (the "**Company**") pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial data of the Company for the third quarter of 2021 are unaudited and have been prepared in accordance with the PRC Accounting Standards for Business Enterprises.

## IMPORTANT INFORMATION

- The Board of Directors, the Board of Supervisors, the directors, the supervisors and the senior management of the Company undertake that the contents of this quarterly report are true, accurate and complete and that there is no false record, misleading statement or material omission in this quarterly report, and they severally and jointly accept responsibility for the contents of this quarterly report.

- Chairman of the Company, President in charge of accounting work and Head of the Finance Department (accounting supervisor) warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

- The financial data contained in the 2021 Third Quarterly Report of the Company are unaudited and have been prepared in accordance with the PRC Accounting Standards for Business Enterprises.

*Note:* Unless otherwise specified, the currencies in this report are all in RMB.

## 1. KEY FINANCIAL DATA

### 1.1 Key accounting data and financial indicators

| | July to September 2021 | Change (%) | January to September 2021 | Change (%) |
|---|---|---|---|---|
| Operating income *(RMB million)* | **138,985** | (2.7) | **452,710** | (0.1) |
| Net profit attributable to the shareholders of the parent company *(RMB million)* | **3,891** | (36.6) | **20,775** | 10.9 |
| Net profit attributable to the shareholders of the parent company after deducting non-recurring items *(RMB million)* | **3,827** | (37.0) | **20,547** | 10.3 |
| Net cash flows generated from operating activities *(RMB million)* | **N/A** | N/A | **46,936** | 183.0 |
| Basic earnings per share (RMB/share) | **0.09** | (36.6) | **0.47** | 10.9 |
| Diluted earnings per share (RMB/share) | **0.09** | (36.6) | **0.47** | 10.9 |
| Basic earnings per share after deducting non-recurring items (RMB/share) | **0.09** | (37.0) | **0.46** | 10.3 |
| Weighted average return on equity (%) | **1.8** | Decrease of 1.3 pts | **9.9** | Increase of 0.1 pt |
| Weighted average return on equity after deducting non-recurring items (%) | **1.8** | Decrease of 1.3 pts | **9.8** | Increase of 0.1 pt |

| | As of 30 September 2021 | As of 31 December 2020 | Change (%) |
|---|---|---|---|
| Total Assets *(RMB million)* | **1,358,939** | 1,255,461 | 8.2 |
| Equity attributable to shareholders of the parent company *(RMB million)* | **214,077** | 202,194 | 5.9 |
| Net assets per share attributable to the shareholders of the parent company (RMB/share) | **4.84** | 4.57 | 5.9 |

*Note:* The increase/decrease percentage of basic earnings per share, diluted earnings per share and basic earnings per share after deducting non-recurring items is calculated based on the data before rounding off.

### 1.2 Non-recurring Items

*Unit: RMB million*

| | July to September 2021 | January to September 2021 |
|---|---|---|
| Gains or losses from disposal of non-current assets (including the write-off accrued asset impairment) | **7** | **87** |
| Tax rebates or exemptions that are occasional or approved informally | **2** | **42** |
| Government grants included in profit or loss (except for fixed or quantitative government grants that are highly related to company's normal business operations and are continuously received in accordance with a certain standard, complying with national policies and regulations) | **40** | **267** |
| Gains or losses from the fair value change of investment property by adopting the fair value model for subsequent measurement | **4** | **29** |
| Net non-recurring items other than those mentioned above | **77** | **(48)** |
| Less: Effect of income tax | **37** | **103** |
| Effect of non-controlling interests (after tax) | **29** | **46** |
| Total | **64** | **228** |

Explanation of defining the non-recurring profit or loss items listed in the "Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public – non-recurring profit or loss" as recurring profit and loss items:

√Applicable ☐Not applicable

As an insurance group company, investment with insurance funds is one of the principal activities of the Company. The financial assets at fair value through profit or loss and financial assets available for sale held belong to the normal business activities of the Company. Therefore, the investment income and fair value gains or losses obtained from the financial assets at fair value through profit or loss and financial assets available for sale are not regarded as non-recurring profit or loss.

### 1.3 Particulars of and Reasons for Material Changes in Major Accounting Data and Financial Indicators

| Items | Change (%) | Main Reasons |
|---|---|---|
| Net profit attributable to the shareholders of the parent company – July to September 2021 | (36.6) | Increase in claims paid and provision for reserve compared with the same period of last year etc. |
| Net profit attributable to the shareholders of the parent company after deducting non-recurring items – July to September 2021 | (37.0) | Increase in claims paid and provision for reserve compared with the same period of last year etc. |
| Net cash flows from operating activities – January to September 2021 | 183.0 | Continual optimization of business structure and reduction of cash outflows from surrenders compared with the same period of last year |
| Basic earnings per share – July to September 2021 | (36.6) | Increase in claims paid and provision for reserve compared with the same period of last year etc. |
| Diluted earnings per share – July to September 2021 | (36.6) | Increase in claims paid and provision for reserve compared with the same period of last year etc. |
| Weighted average return on equity – July to September 2021 | Decrease of 1.3 pts | Increase in claims paid and provision for reserve compared with the same period of last year etc. |

### 1.4 Solvency of the Group and Its Subsidiaries

*Unit: RMB million*

| As of 30 September 2021 | PICC Group | PICC P&C | PICC Life | PICC Health |
|---|---|---|---|---|
| Core capital | **343,927** | **189,475** | **103,069** | **13,066** |
| Actual capital | **408,579** | **217,710** | **115,933** | **16,628** |
| Minimum capital | **126,972** | **70,511** | **44,408** | **8,914** |
| Core solvency margin ratio (%) | **271** | **269** | **232** | **147** |
| Comprehensive solvency margin ratio (%) | **322** | **309** | **261** | **187** |

*Notes:*

1. PICC Group means the Company and all of its subsidiaries;
2. PICC P&C means PICC Property and Casualty Company Limited;
3. PICC Life means PICC Life Insurance Company Limited;
4. PICC Health means PICC Health Insurance Company Limited.

## 2. INFORMATION OF SHAREHOLDERS

### Total Number of Ordinary Shareholders, Shareholdings of the Top Ten Shareholders and Top Ten Shareholders not Subject to Selling Restrictions as at the end of the Reporting Period

| | |
|---|---|
| **Total number of ordinary shareholders (Shareholder)** | **A Share: 235,221; H Share: 5,535** |
| **Total number of preferred shareholders with restored voting rights (if any)** | **N/A** |

**Shareholdings of the Top Ten Shareholders**

| Name of shareholder | Class of Shareholder | Number of shares held as at the end of the reporting period (share) | Proportion (%) | The number of shares held subject to selling restrictions (share) | Pledged/marked/frozen status: Status of the shares | Pledged/marked/frozen status: Number of shares (share) |
|---|---|---|---|---|---|---|
| Ministry of Finance of the PRC | The State | 26,906,570,608 | 60.84 | 26,906,570,608 | – | – |
| HKSCC Nominees Limited | Foreign legal person | 8,703,025,361 | 19.68 | – | – | – |
| National Council for Social Security Fund, PRC | The State | 6,083,249,598 | 13.76 | 2,989,618,956 | – | – |
| Hong Kong Securities Clearing Company Limited | Foreign legal person | 77,681,259 | 0.18 | – | – | – |
| Guosen Securities Company Limited-Founder Fubon China Securities Insurance Themed Index Securities Investment Fund | Others | 23,945,276 | 0.05 | – | – | – |
| Beijing Hengzhaoweiye Investment Company Limited | Domestic non-state-owned legal person | 20,607,653 | 0.05 | – | – | – |
| Zhang Bihai | Domestic natural person | 13,514,909 | 0.03 | – | – | – |
| Li Shaofu | Domestic natural person | 12,500,000 | 0.03 | – | – | – |
| China Securities Co., Ltd | Domestic non-state-owned | 10,463,900 | 0.02 | – | – | – |
| Huo Wenliang | Domestic natural person | 10,302,900 | 0.02 | – | – | – |

**Shareholdings of the Top Ten Shareholders Not Subject to Selling Restrictions**

| Name of shareholder | Number of shares held not subject to selling restrictions (share) | Class and number of shares Class | Number (share) |
|---|---|---|---|
| HKSCC Nominees Limited | 8,703,025,361 | H Share | 8,703,025,361 |
| National Council for Social Security Fund, PRC | 3,093,630,642 | A Share | 3,093,630,642 |
| Hong Kong Securities Clearing Company Limited | 77,681,259 | A Share | 77,681,259 |
| Guosen Securities Company Limited-Founder Fubon China Securities Insurance Themed Index Securities Investment Fund | 23,945,276 | A Share | 23,945,276 |
| Beijing Hengzhaoweiye Investment Company Limited | 20,607,653 | A Share | 20,607,653 |
| Zhang Bihai | 13,514,909 | A Share | 13,514,909 |
| Li Shaofu | 12,500,000 | A Share | 12,500,000 |
| China Securities Co., Ltd | 10,463,900 | A Share | 10,463,900 |
| Huo Wenliang | 10,302,900 | A Share | 10,302,900 |
| CITIC Securities Capital Management Co., Ltd. | 9,469,830 | A Share | 9,469,830 |
| Details of the above shareholders who are related to each other or acting in concert | The Company is not aware of any related relationship among the above shareholders or any parties acting in concert as defined by the "Measures for the Administration of the Takeover of Listed Companies". | | |
| Statement of top ten shareholders and top ten shareholders not subject to selling restrictions that participating in businesses of securities of margin trading and refinancing (if any) | None | | |

*Notes:*

1. In addition to the 6,083,249,598 A Shares of the Company held by it, National Council for Social Security Fund, PRC holds 524,279,000 H Shares as a beneficial owner and 334,000 H Shares through overseas manager.

2. HKSCC Nominees Limited holds shares on behalf of securities firm customers in Hong Kong and other CCASS participant. Relevant regulations of The Stock Exchange of Hong Kong Limited do not require such persons to declare whether their shareholdings are pledged or frozen. Hence, HKSCC Nominees Limited is unable to calculate or provide the number of shares that are pledged or marked or frozen.

3. The shares under Hong Kong Securities Clearing Company Limited are held by the shareholders of the Shanghai Stock Connect.

## 3. OPERATING

### 3.1 Key Financial Indicators

*Unit: RMB million*

| | **January to September 2021** | January to September 2020 | Change (%) |
|---|---|---|---|
| Gross written premiums | **458,245** | 456,131 | 0.5 |
| Profit before tax | **33,625** | 30,889 | 8.9 |
| Net profit | **28,735** | 25,997 | 10.5 |
| Net profit attributable to the shareholders of the parent company | **20,775** | 18,736 | 10.9 |
| Basic earnings per share (RMB/ share) | **0.47** | 0.42 | 10.9 |
| Weighted average return on equity (%) | **9.9** | 9.8 | Increase of 0.1 pt |

| | **As of 30 September 2021** | As of 31 December 2020 | Change (%) |
|---|---|---|---|
| Total assets | **1,358,939** | 1,255,461 | 8.2 |
| Total liabilities | **1,070,089** | 982,325 | 8.9 |
| Total equity | **288,850** | 273,136 | 5.8 |
| Net assets per share attributable to the shareholders of the parent company (RMB/share) | **4.84** | 4.57 | 5.9 |
| Gearing ratio (%) | **78.7** | 78.2 | Increase of 0.5 pt |

In the first three quarters of 2021, the Group[1] firmly kept in mind the original aspiration and mission of "Serving the People", implemented "To be Prominent Strategy", strengthened the responsibilities of an enterprise held by the central government, and the insurance business remained steady, and operating efficiency remained stable and positive. In the first three quarters of 2021, the net profit amounted to RMB28,735 million, representing a period-on-period increase of 10.5%. The net profit attributable to the shareholders of the parent company amounted to RMB20,775 million, representing a period-on-period increase of 10.9%. The net profit attributable to the shareholders of the parent company after deducting non-recurring items amounted to RMB20,547 million, representing a period-on-period increase of 10.3%. The earnings per share amounted to RMB0.47, representing a period-on-period increase of 10.9%. The weighted average return on equity was 9.9%, representing a period-on-period increase of 0.1 percentage point. The net cash flows from operating activities was RMB46,936 million, representing a period-on-period increase of 183.0%.

The Group further boosted its capital. As of 30 September 2021, the total equity of the Group was RMB288,850 million, representing an increase of 5.8% as compared to the beginning of the year; the net assets per share attributable to the shareholders of the parent company was RMB4.84, representing an increase of 5.9% as compared to the beginning of the year.

[1] The Group refers to the Company and all of its subsidiaries.

## 3.2 Insurance Business

### *3.2.1 PICC P&C*

In the first three quarters of 2021, in the face of the complex domestic and international environment and the multiple opportunities and challenges presented by the deepening comprehensive reform of motor vehicle insurance and intensifying market competition etc., PICC P&C focused on the Group's "To be Prominent Strategy", focusing on the six strategic areas of serving the rural revitalization, intelligent transportation, health care and endowment, green environmental protection, technological innovation and social governance. PICC P&C has deepened innovation and reform, upgraded insurance supply, promoted cost reduction and profitability enhancement, and guarded the bottom line of no systemic risk. During the reporting period, PICC P&C[2] achieved original premiums income of RMB345,796 million, representing a period-on-period increase of 0.5%. The claim ratio was 73.8%, representing a period-on-period increase of 8.6 percentage points. The expense ratio was 25.1%, representing a period-on-period decrease of 8.1 percentage points. The combined ratio was 98.9%, representing a period-on-period increase of 0.5 percentage point. The net profit amounted to RMB19,992 million, representing a period-on-period increase of 15.3%.

The original premiums income by type from PICC P&C for the above periods indicated as follows:

*Unit: RMB million*

| | **January to September 2021** | January to September 2020 | Change (%) |
|---|---|---|---|
| Motor vehicle insurance | **183,004** | 199,284 | (8.2) |
| Accidental injury and health insurance | **70,129** | 59,452 | 18.0 |
| Agricultural insurance | **37,371** | 31,772 | 17.6 |
| Liability insurance | **26,075** | 22,805 | 14.3 |
| Commercial property insurance | **12,613** | 12,171 | 3.6 |
| Credit insurance | **1,832** | 5,203 | (64.8) |
| Cargo insurance | **3,670** | 2,930 | 25.3 |
| Other P&C insurance | **11,102** | 10,556 | 5.2 |
| Total | **345,796** | 344,173 | 0.5 |

[2] The data is from the individual statement of PICC P&C as the parent company.

### *3.2.2 PICC Life*

In the first three quarters of 2021, PICC Life deeply implemented the Group's "To be Prominent Strategy", actively carried out "Six Strategic Services", improved hard sales team quality of "Comprehensive Individual Life Insurance", continuously consolidated the basis of compliance and risk control management, and carried the reform and development forward. During the reporting period, PICC Life achieved original premiums income of RMB77,936 million, representing a period-on-period decrease of 5.1%. The regular original premiums amounted to RMB59,346 million. The first-year regular total written premiums with the paying period of ten years and above amounted to RMB3,343 million. The net profit was RMB5,313 million, representing a period-on-period decrease of 20.7%.

The original premiums income by type from PICC Life for the above periods indicated as follows:

*Unit: RMB million*

| | **January to September 2021** | January to September 2020 | Change (%) |
|---|---|---|---|
| First-year business of long-term insurance | **32,577** | 37,701 | (13.6) |
| Single premiums | **15,888** | 20,299 | (21.7) |
| First-year regular premiums | **16,689** | 17,402 | (4.1) |
| Renewal business | **42,657** | 41,746 | 2.2 |
| Short-term insurance | **2,702** | 2,670 | 1.2 |
| Total | **77,936** | 82,117 | (5.1) |

### *3.2.3 PICC Health*

In the first three quarters of 2021, PICC Health seriously implemented the requirements of the Group's "To be Prominent Strategy" and "Six Strategic Services", actively promoted business development, vigorously strengthened professionalism, optimized and improved market-oriented development mechanism, and promoted the transformation of business model. During the reporting period, PICC Health maintained stable and positive operating efficiency and achieved original premiums income of RMB30,650 million, representing a period-on-period increase of 12.2%. The net profit amounted to RMB472 million, representing a period-on-period increase of 227.8%.

The original premiums income by type from PICC Health for the above periods indicated as follows:

*Unit: RMB million*

| | **January to September 2021** | January to September 2020 | Change (%) |
|---|---|---|---|
| First-year business of long-term insurance | **9,264** | 10,005 | (7.4) |
| Single premiums | **5,196** | 3,963 | 31.1 |
| First-year regular premiums | **4,068** | 6,042 | (32.7) |
| Renewal business | **9,607** | 5,705 | 68.4 |
| Short-term insurance | **11,779** | 11,617 | 1.4 |
| Total | **30,650** | 27,327 | 12.2 |

### *3.2.4 Asset management business*

In the first three quarters of 2021, the asset management segment of the Group actively serviced for the new development pattern of national "Dual Circulation", followed the Group's "To be Prominent Strategy", strengthened market trend research, adjusted asset allocation dynamically, played the role of main force of investment income, prevented investment risks effectively, and achieved better investment performance. In terms of bond investment, the asset management segment dealt with market change flexibly, chose optimal allocation time, grasped investment opportunities, and never chased the high income at the expense of credit sinking. In terms of equity investment, it strengthened industry trend research, actively seized investment opportunities of individual stock, chose high-class fund products, and optimized the position structure constantly.

## 4. OTHER REMINDERS

Other important information about the Group's business needed to remind investors to focus on during the reporting period

□Applicable √Not applicable

## 5. QUARTERLY FINANCIAL STATEMENTS

### 5.1 Type of audit opinion

□ Applicable √Not applicable

### 5.2 Financial Statements

#### *5.2.1 Consolidated statement of financial position as at 30 September 2021 and 31 December 2020*

**Consolidated statement of financial position**
As at 30 September 2021
*(Amounts in millions of Renminbi, unless otherwise stated)*

| | **30 September 2021 (Unaudited)** | 31 December 2020 (Audited) |
|---|---|---|
| **ASSETS** | | |
| Cash and bank balances | **18,665** | 24,104 |
| Financial assets at fair value through profit or loss | **48,058** | 33,433 |
| Financial assets purchased under resale agreements | **15,741** | 55,081 |
| Premiums receivable | **68,906** | 36,775 |
| Receivables from reinsurers | **21,416** | 15,578 |
| Reinsurers' share of unearned premium reserves | **15,485** | 12,202 |
| Reinsurers' share of outstanding claim reserves | **21,441** | 18,192 |
| Reinsurers' share of life insurance reserves | **29** | 25 |
| Reinsurers' share of long-term health insurance reserves | **4,888** | 4,072 |
| Policy loans | **5,727** | 5,295 |
| Other receivables | **17,373** | 13,893 |
| Term deposits | **93,843** | 89,016 |
| Available-for-sale financial assets | **457,256** | 379,312 |
| Held-to-maturity investments | **195,464** | 181,199 |
| Investments classified as loans and receivables | **148,570** | 171,307 |
| Long-term equity investments | **131,475** | 124,840 |
| Restricted statutory deposits | **12,994** | 12,994 |
| Investment properties | **13,182** | 13,246 |
| Fixed assets | **32,739** | 33,183 |
| Right-of-use assets | **3,228** | 2,942 |
| Intangible assets | **7,597** | 8,123 |
| Deferred tax assets | **11,386** | 8,491 |
| Other assets | **13,476** | 12,158 |
| **TOTAL ASSETS** | **1,358,939** | 1,255,461 |

| | **30 September 2021 (Unaudited)** | 31 December 2020 (Audited) |
|---|---|---|
| **LIABILITIES AND EQUITY** | | |
| **LIABILITIES** | | |
| Securities sold under agreements to repurchase | **56,180** | 85,826 |
| Premiums received in advance | **12,993** | 24,048 |
| Handling charges and commission payable | **10,627** | 8,177 |
| Payables to reinsurers | **31,318** | 21,296 |
| Salaries and staff welfare payables | **23,897** | 21,671 |
| Tax payable | **8,004** | 8,579 |
| Claims payable | **9,717** | 12,493 |
| Policyholders' dividend payable | **5,208** | 4,096 |
| Other payables | **20,701** | 17,167 |
| Policyholders' deposits | **43,648** | 39,338 |
| Unearned premium reserves | **185,415** | 160,862 |
| Outstanding claim reserves | **184,064** | 162,022 |
| Life insurance reserves | **352,409** | 303,046 |
| Long-term health insurance reserves | **54,010** | 45,031 |
| Premiums reserve | **3,842** | 2,594 |
| Bonds payable | **59,102** | 56,960 |
| Lease liabilities | **3,235** | 2,792 |
| Deferred tax liabilities | **1,013** | 1,449 |
| Other liabilities | **4,706** | 4,878 |
| **TOTAL LIABILITIES** | **1,070,089** | 982,325 |

| | 30 September 2021 (Unaudited) | 31 December 2020 (Audited) |
|---|---|---|
| **EQUITY** | | |
| Issued capital | **44,224** | 44,224 |
| Share premium account | **7,525** | 7,545 |
| Other comprehensive income | **13,903** | 17,468 |
| Surplus reserve fund | **13,319** | 13,319 |
| General risk reserve | **13,801** | 13,772 |
| Catastrophic loss reserve | **793** | 793 |
| Retained profits | **120,512** | 105,073 |
| Equity attributable to owners of the Company | **214,077** | 202,194 |
| Non-controlling interests | **74,773** | 70,942 |
| **TOTAL EQUITY** | **288,850** | 273,136 |
| **TOTAL LIABILITIES AND EQUITY** | **1,358,939** | 1,255,461 |

### *5.2.2 Consolidated income statement for the nine months ended 30 September 2021 and for the nine months ended 30 September 2020*

**Consolidated income statement**

For the nine months ended 30 September 2021

*(Amounts in millions of Renminbi, unless otherwise stated)*

| | **Nine months ended 30 September 2021 (Unaudited)** | Nine months ended 30 September 2020 (Unaudited) |
|---|---|---|
| **OPERATING INCOME** | **452,710** | 453,065 |
| Net earned premiums | **398,868** | 406,088 |
| Gross written premiums | **458,245** | 456,131 |
| Included: Reinsurance premiums assumed | **3,695** | 2,349 |
| Less: Premiums ceded to reinsurers | **(38,103)** | (35,048) |
| Change in unearned premium reserves | **(21,274)** | (14,995) |
| Investment income | **50,919** | 44,890 |
| Included: Share of profits and losses of associates and joint ventures | **9,820** | 7,884 |
| Fair value losses | **(379)** | (273) |
| Exchange losses | **(92)** | (322) |
| Gains on disposal of assets | **87** | 52 |
| Other income | **316** | 296 |
| Other operating income | **2,991** | 2,334 |
| **OPERATING EXPENSES** | **419,118** | 422,180 |
| Surrenders | **19,136** | 42,260 |
| Gross claims paid | **237,922** | 214,631 |
| Less: Paid losses recoverable from reinsurers | **(18,172)** | (15,892) |
| Change in insurance contract liability reserves | **79,873** | 50,545 |
| Less: Reinsurers' share of insurance contract liability reserves | **(4,069)** | (2,262) |
| Change in premium reserve | **1,248** | 1,067 |
| Interest expenses credited to policyholders' deposits | **3,181** | 2,703 |
| Reinsurance expenses | **876** | 612 |
| Tax and other surcharges | **1,433** | 1,483 |
| Handling charges and commissions | **39,633** | 51,674 |
| General and administrative expenses | **60,542** | 76,039 |
| Less: Net reinsurance commission income | **(9,156)** | (9,199) |
| Other operating costs | **5,405** | 5,579 |
| Impairment losses | **1,266** | 2,940 |

| | **Nine months ended 30 September 2021 (Unaudited)** | Nine months ended 30 September 2020 (Unaudited) |
|---|---|---|
| **OPERATING PROFIT** | **33,592** | 30,885 |
| Add: Non-operating income | **255** | 182 |
| Less: Non-operating expenses | **(222)** | (178) |
| **PROFIT BEFORE TAX** | **33,625** | 30,889 |
| Less: Income tax expense | **(4,890)** | (4,892) |
| **NET PROFIT** | **28,735** | 25,997 |
| By continuing operations: | | |
| Net profit from continuing operations | **28,735** | 25,997 |
| By ownership: | | |
| 1. Net profit attributable to owners of the Company | **20,775** | 18,736 |
| 2. Net profit attributable to non-controlling interests | **7,960** | 7,261 |
| **OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR, NET OF TAX** | | |
| Other comprehensive (expense)/income attributable to owners of the company, net of tax | **(3,565)** | 1,024 |
| **OTHER COMPREHENSIVE INCOME/(EXPENSE) THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:** | | |
| Fair value gains of available-for-sale financial assets | **(3,756)** | 1,958 |
| Portion of fair value changes attributable to participating policyholders | **(408)** | (480) |
| Gains on revaluation transferred to investment properties | **225** | 73 |
| Other comprehensive (expense)/income that may be reclassified to profit or loss under the equity method | **372** | (426) |
| Exchange differences arising on translation of foreign operations | **(14)** | (23) |

| | Nine months ended 30 September 2021 (Unaudited) | Nine months ended 30 September 2020 (Unaudited) |
|---|---|---|
| **OTHER COMPREHENSIVE INCOME/(EXPENSE) THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS** | | |
| Remeasurement of the variation of defined benefit plans | **(78)** | (80) |
| Other comprehensive income that cannot be reclassified to profit or loss under the equity method | **94** | 2 |
| Other comprehensive income/(expense) attributable to non-controlling interests, net of tax | **(920)** | 643 |
| **TOTAL** | **(4,485)** | 1,667 |
| **TOTAL COMPREHENSIVE INCOME** | **24,250** | 27,664 |
| Attributable to owners of the Company | **17,210** | 19,760 |
| Attributable to non-controlling interests | **7,040** | 7,904 |
| **EARNINGS PER SHARE (in RMB Yuan)** | | |
| – Basic | **0.47** | 0.42 |
| – Diluted | **0.47** | 0.42 |

### *5.2.3 Consolidated statement of cash flow for the nine months ended 30 September 2021 and for the nine months ended 30 September 2020*

**Consolidated statement of cash flow**
For the nine months ended 30 September 2021
*(Amounts in millions of Renminbi, unless otherwise stated)*

| | **Nine months ended 30 September 2021 (Unaudited)** | Nine months ended 30 September 2020 (Unaudited) |
|---|---|---|
| **CASH FLOWS GENERATED FROM OPERATING ACTIVITIES** | | |
| Cash received from premiums under direct insurance contracts | **431,517** | 426,658 |
| Increase from policyholders' deposits and investments contract liabilities | **3,209** | – |
| Other cash inflows from operating activities | **2,668** | 2,941 |
| Cash inflows from operating activities | **437,394** | 429,599 |
| Cash paid for claims payments under direct insurance contracts | **(243,042)** | (212,340) |
| Decrease from policyholders' deposits and investments contract liabilities | **–** | (2,623) |
| Cash paid for reinsurance, net | **(9,228)** | (5,220) |
| Handling charges and commissions paid | **(39,071)** | (52,018) |
| Interest paid to policyholders' deposits | **(2,068)** | (2,350) |
| Payment to and on behalf of staff | **(37,336)** | (35,333) |
| Taxes and surcharges paid | **(13,128)** | (14,296) |
| Other cash outflows for operating activities | **(46,585)** | (88,832) |
| Cash outflows for operating activities | **(390,458)** | (413,012) |
| Net cash flows generated from operating activities | **46,936** | 16,587 |

| | **Nine months ended 30 September 2021 (Unaudited)** | Nine months ended 30 September 2020 (Unaudited) |
|---|---|---|
| **CASH FLOWS USED IN INVESTING ACTIVITIES** | | |
| Proceeds from disposals of investments | **256,062** | 211,140 |
| Cash received from investment income | **32,489** | 38,299 |
| Proceeds from disposals of fixed assets, intangible assets and other long term assets | **508** | 157 |
| Proceeds from disposals of associates | **416** | 594 |
| Cash inflows from investing activities | **289,475** | 250,190 |
| Payment for purchases of investments | **(337,273)** | (286,864) |
| Net increase in policy loans | **(433)** | (583) |
| Payment for purchases of fixed assets, intangible assets and other long term assets | **(1,800)** | (8,214) |
| Other cash outflows for investing activities | **(441)** | (51) |
| Cash outflows for investing activities | **(339,947)** | (295,712) |
| Net cash flows used in investing activities | **(50,472)** | (45,522) |

| | Nine months ended 30 September 2021 (Unaudited) | Nine months ended 30 September 2020 (Unaudited) |
|---|---|---|
| **CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES** | | |
| Funds from non-controlling shareholders | **–** | 9 |
| Proceeds from banks and other financial institutions | **287** | 205 |
| Issue of debts | **2,000** | 8,000 |
| Net cash received from financial assets sold under agreements to repurchase | **–** | 24,844 |
| Cash inflows from financing activities | **2,287** | 33,058 |
| Repayments of bank borrowing | **(171)** | – |
| Repayment of lease liabilities | **(692)** | (743) |
| Cash paid for distribution of dividends, profits or interests | **(12,376)** | (11,137) |
| Decrease in securities sold under agreements to repurchase, net | **(29,646)** | – |
| Cash outflows for financing activities | **(42,885)** | (11,880) |
| Net cash flows (used in)/generated from financing activities | **(40,598)** | 21,178 |
| **NET FOREIGN EXCHANGE DIFFERENCES** | **(98)** | (298) |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS** | **(44,232)** | (8,055) |
| Add: Cash and cash equivalents at beginning of the period | **78,209** | 76,984 |
| **CASH AND CASH EQUIVALENTS AT END OF THE PERIOD** | **33,977** | 68,929 |

### 5.3 Announcement of no adoption of the new financial statement

√Applicable ☐Not applicable

On 22 June, 2017, the Ministry of Finance ("**MOF**") released the Circular on the Transitional Measures Related to the Implementation of the Accounting New Financial Instruments Standards (Cai Kuai [2017] No. 20) (the "**Circular**"). According to the Circular, insurance company listed in A and H share markets who meets the "conditions for insurance companies to postpone the adoption of the new financial instruments standards" are permitted to postpone its adoption of new financial instruments standards until 1 January 2021.

On 31 December 2020, MOF released the Circular on the Further Implementation of the New Financial Instruments Standards (Cai Kuai [2020] No. 22) (the "**Supplementary Circular**"). According to the Supplementary Circular, insurance company that meets the "conditions for insurance companies to postpone the adoption of the new financial instruments standards" in the Circular could postpone its adaption of new financial instruments standards until 1 January 2023.

According to the Circular and the Supplementary Circular, the main activities of insurance company that postpone the adoption of the new financial instruments standards should be related to insurance. If the Insurance Group's financial statements meets the condition to postpone the adoption of the new financial instruments standards, the parent company could also postpone the adaption of new financial instruments standards. Base on the Group's financial position on 31 December 2015, the carrying amounts of insurance-related liabilities account is more than 90% of the total carrying amounts of all liabilities. In addition, there are no major changes in the Group's activities that need to be reassessed since 31 December 2015. Accordingly, the Group's main activities are related to insurance, which meets the conditions to postpone the adoption of the new financial instrument standards. Therefore, The Group chooses to postpone the adoption of the new financial instruments standards until 1 January 2023.

The Group's main associates, Industrial Bank and Hua Xia Bank, adopted the new financial instrument standards since 1 January 2019. According to the Circular, the Group chose not to unify accounting policy.

By Order of the Board
**The People's Insurance Company (Group) of China Limited**
**Luo Xi**
*Chairman*

Beijing, the PRC, 28 October 2021

*As at the date of this announcement, the executive directors of the Company are Mr. Luo Xi, Mr. Wang Tingke, Mr. Li Zhuyong, the non-executive directors are Mr. Wang Qingjian, Mr. Miao Fusheng, Mr. Wang Shaoqun, Mr. Yu Qiang and Mr. Wang Zhibin, and the independent non-executive directors are Mr. Shiu Sin Por, Mr. Ko Wing Man, Ms. Cui Li and Mr. Chen Wuzhao.*