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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)

THIRD QUARTERLY REPORT OF 2023

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 2023 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.
- Person in charge 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 2023 Third Quarterly Report of the Company are unaudited and have been prepared in accordance with the PRC Accounting Standards for Business Enterprises.

1. KEY FINANCIAL DATA

1.1 Key Accounting Data and Financial Indicators

Unit: RMB million

Items	July to	July to September 2022		Change (%)	January to	January to September 2022		Change (%)
	September	Before	After	After	September	Before	After	After
	2023	Adjusted	Adjusted	Adjusted	2023	Adjusted	Adjusted	Adjusted
Operating income (Total operating income)	137,998	144,610	138,773	(0.6)	418,664	481,475	401,339	4.3
Net profit attributable to the shareholders of the parent company	622	5,645	5,966	(89.6)	20,503	23,495	24,262	(15.5)
Net profit attributable to the shareholders of the parent company after deducting non-recurring items	605	5,499	5,820	(89.6)	20,351	23,256	24,023	(15.3)
Net cash flows generated from operating activities	N/A	N/A	N/A	N/A	63,789	52,471	52,179	22.3
Basic earnings per share (RMB/share)	0.01	0.13	0.13	(89.6)	0.46	0.53	0.55	(15.5)
Diluted earnings per share (RMB/share)	0.01	0.12	0.13	(90.9)	0.45	0.52	0.54	(16.3)
Basic earnings per share after deducting non-recurring items (RMB/share)	0.01	0.12	0.13	(89.6)	0.46	0.53	0.54	(15.3)
Weighted average return on equity (%)	0.3	2.6	2.7	Decrease of 2.4 pts	8.7	10.6	11.2	Decrease of 2.5 pts
Weighted average return on equity after deducting non-recurring items (%)	0.3	2.5	2.7	Decrease of 2.4 pts	8.6	10.5	11.0	Decrease of 2.4 pts

Unit: RMB million

Items	As of 30	As of 31 December 2022		Change (%)
	September	Before	After	After
	2023	Adjusted	Adjusted	Adjusted
Total assets	1,506,727	1,508,702	1,416,975	6.3
Equity attributable to shareholders of the parent company	240,440	221,510	222,851	7.9
Net assets per share attributable to shareholders of the parent company (RMB/share)	5.44	5.01	5.04	7.9

Notes:

- The percentage increase or decrease of basic earnings per share, diluted earnings per share, basic earnings per share after deducting non-recurring items and net assets per share attributable to the shareholders of the parent company is calculated based on the data before rounding off, similarly hereinafter.
- Unless otherwise specified, the currencies in this report are all in RMB.

The Reason of retrospective adjustment or restatement: The Group has implemented the “Accounting Standards for Business Enterprises No. 25 – Insurance Contract” (Cai Kuai [2020] No. 20, the “**New Insurance Contract Standards**”), “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments” (Cai Kuai [2017] No.7), “Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets” (Cai Kuai [2017] No. 8), “Accounting Standards for Business Enterprises No. 24 – Hedge Accounting” (Cai Kuai [2017] No. 9) and “Accounting Standards for Business Enterprises No. 37 – Presentation and Reporting of Financial Instrument” (Cai Kuai [2017] No. 14) (the “**New Financial Instruments Standards**”) from 1 January 2023. The Group need not restate the comparative data for the prior period in accordance with the relevant requirements of the transition option of the New Financial Instruments Standards, while the Group shall restate the comparative data for the prior period in accordance with the relevant requirements of the New Insurance Contract Standards, which is referred to as “**After Adjusted**” in this report.

1.2 Non-recurring Items and Amounts

Items	<i>Unit: RMB million</i>	
	July to September 2023	January to September 2023
Gains or losses from disposal of non-current assets	39	80
Tax rebates or exemptions that are occasional	–	37
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)	32	251
Gains or losses from fair value change of investment property by adopting the fair value model for subsequent measurement	(2)	(84)
Net non-recurring items other than those mentioned above	(28)	(27)
Less: Effect of income tax	14	73
Effect of non-controlling interests (after tax)	10	32
Total	17	152

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: As an insurance group company, investment with insurance funds is one of the principal activities of the Company. The holding of trading financial assets, other debt investments and other financial instruments constitutes the normal operation business of the Company. Therefore, the investment income and the profits or losses on the changes in fair value derived from the holding of trading financial assets, other debt investments and other financial instruments 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 2023	(89.6)	On the one hand, due to the impact of severe typhoons and other disasters such as Typhoon Doksuri and Typhoon Haikui, the compensation cost of PICC P&C increased year-on-year; on the other hand, due to the implementation of the New Financial Instruments Standards and the volatility of the capital market, the fluctuations in the value of certain financial assets were reflected in the profit or loss on fair value changes in the current period.
Net profit attributable to the shareholders of the parent company after deducting non-recurring items – July to September 2023	(89.6)	
Basic earnings per share – July to September 2023	(89.6)	
Diluted earnings per share – July to September 2023	(90.9)	
Basic earnings per share after deducting non-recurring items – July to September 2023	(89.6)	

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

Unit: Share

Name of shareholder	Class of shareholder	Shareholdings of the Top Ten Shareholders		The number of shares held subject to selling restrictions	Pledged, marked or frozen shares Status of the shares	Number of shares
		Number of shares held	Proportion (%)			
Ministry of Finance of the PRC	The State	26,906,570,608	60.84	-	-	-
HKSCC Nominees Limited	Foreign legal person	8,702,338,375	19.68	-	-	-
National Council for Social Security Fund, PRC	The State	5,605,582,779	12.68	-	-	-
Hong Kong Securities Clearing Company Limited	Foreign legal person	423,210,474	0.96	-	-	-
Kong Fengquan	Domestic natural person	50,957,185	0.12	-	-	-
Penghua Fund Management Co., Ltd – Social Security Fund 16051	Others	27,189,800	0.06	-	-	-
Guosen Securities Company Limited – Founder Fubon China Securities Insurance Themed Index Securities Investment Fund	Others	25,365,176	0.06	-	-	-
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Trade Fund	Others	20,698,000	0.05	-	-	-
Qiu Jiajun	Domestic natural person	18,650,300	0.04	-	-	-
China Everbright Bank Co., Ltd. – Guojin Quantitative Multi-Strategy Flexible Allocation of Hybrid Securities Investment Fund	Others	18,326,600	0.04	-	-	-

Shareholdings of the Top Ten Shareholders Not Subject to Selling Restrictions

Name of shareholder	Number of shares held		Class and number of shares	
	not subject to selling restrictions		Class	Number
Ministry of Finance of the PRC	26,906,570,608		A Share	26,906,570,608
HKSCC Nominees Limited	8,702,338,375		H Share	8,702,338,375
National Council for Social Security Fund, PRC	5,605,582,779		A Share	5,605,582,779
Hong Kong Securities Clearing Company Limited	423,210,474		A Share	423,210,474
Kong Fengquan	50,957,185		A Share	50,957,185
Penghua Fund Management Co., Ltd – Social Security Fund 16051	27,189,800		A Share	27,189,800
Guosen Securities Company Limited – Founder Fubon China Securities Insurance Themed Index Securities Investment Fund	25,365,176		A Share	25,365,176
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Trade Fund	20,698,000		A Share	20,698,000
Qiu Jiajun	18,650,300		A Share	18,650,300
China Everbright Bank Co., Ltd. – Guojin Quantitative Multi-Strategy Flexible Allocation of Hybrid Securities Investment Fund	18,326,600		A Share	18,326,600
Details of the above shareholders who are connected to each other or acting in concert	The Company is not aware of any connected 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)	Among the top 10 shareholders, Kong Fengquan, a shareholder, holds 50,957,185 A Shares of the Company through credit securities account, and Qiu Jiajun, a shareholder, holds 18,648,300 A Shares of the Company through credit securities account.			

Notes:

1. HKSCC Nominees Limited holds shares on behalf of securities firm customers in Hong Kong and other CCASS participants. 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, marked or frozen.
2. The shares under Hong Kong Securities Clearing Company Limited are held by the shareholders of the Shanghai Stock Connect.

3. OPERATION

3.1 Key Financial Indicators

Unit: RMB million

	January to September 2023	January to September 2022 (After Adjusted)	Change (%)
Insurance Revenue	380,554	352,222	8.0
Profit before tax	30,287	40,251	(24.8)
Net profit	27,593	33,458	(17.5)
Net profit attributable to the shareholders of the parent company	20,503	24,262	(15.5)
Basic earnings per share (<i>RMB/share</i>)	0.46	0.55	(15.5)
Weighted average return on equity (%)	8.7	11.2	Decrease of 2.5 pts

Unit: RMB million

	As of 30 September 2023	As of 31 December 2022 (After Adjusted)	Change (%)
Total assets	1,506,727	1,416,975	6.3
Total liabilities	1,181,027	1,113,971	6.0
Total equity	325,700	303,004	7.5
Net assets per share attributable to the shareholders of the parent company (<i>RMB/share</i>)	5.44	5.04	7.9
Gearing ratio (%)	78.4	78.6	Decrease of 0.2 pt

In the first three quarters of 2023, the new session of the Party Committee of the Company earnestly carried out the spirit of the Party's 20th National Congress, adhered to the stability and continuity of "To be Prominent Strategy", maintained strategic focus, and optimized strategies based on the Group's reality and changes in the external environment. "Eight Strategic Services"¹ were strengthened to enhance efficiency, innovation and change were further promoted, risk prevention and control were further strengthened, and the development trend was stable and improving. During the reporting period, the Group² achieved the insurance revenue of RMB380,554 million, representing a year-on-year increase of 8.0%; net profit attributable to shareholders of the parent company was RMB20,503 million, representing a year-on-year decrease of 15.5%; weighted average return on equity was 8.7%. The decrease in the Group's net profit was attributable to: (i) the impact of severe typhoons and other disasters such as Typhoon Doksuri and Typhoon Haikui and (ii) the impact of the implementation of the New Financial Instruments Standards and the volatility of the capital market, which resulted in the fluctuations in the value of certain financial assets being reflected in the profit or loss on fair value changes in the current period.

¹ To serve the construction of modern industrial system, rural revitalization, technological self-reliance and self-improvement, improvement in living standard, green development, safety development, regional development, "the Belt and Road".

² The Group refers to the Company and all of its subsidiaries.

The Group further boosted its capital. As of 30 September 2023, the total equity of the Group was RMB325,700 million, representing an increase of 7.5% as compared to the end of last year; the net assets per share attributable to the shareholders of the parent company was RMB5.44 per share, representing an increase of 7.9% as compared to the end of last year.

3.2 Insurance Business

3.2.1 PICC P&C

In the first three quarters of 2023, PICC P&C³ has actively implemented the decisions and deployments of the Central Government, fully served the Chinese-style modernization, closely followed the “Eight Strategic Services”, implemented the business model of “insurance + risk reduction service + technology”, continuously optimized product supply, promoted management and service upgrades, and improved the comprehensive risk management system to ensure stable operation and sustainable development. During the reporting period, PICC P&C⁴ achieved insurance revenue of RMB346,038 million, representing a year-on-year increase of 8.6%, and achieved the underwriting profits⁵ of RMB7,379 million, representing a year-on-year decrease of 39.0%. The combined ratio was 97.9%, representing a year-on-year increase of 1.7 percentage points. Net profit amounted to RMB19,386 million.

The original premiums income⁶ by type from PICC P&C for the above periods indicated as follows:

	January to September 2023	January to September 2022	<i>Unit:RMB million</i> Change (%)
Motor vehicle insurance	206,722	196,028	5.5
Agricultural insurance	53,328	45,924	16.1
Accidental injury and health insurance	84,370	80,369	5.0
Liability insurance	28,018	27,246	2.8
Commercial property insurance	13,696	12,922	6.0
Other P&C insurance	23,436	18,535	26.4
Total	409,570	381,024	7.5

Note: Figures may not add up to total due to rounding, similarly hereinafter.

³ PICC P&C refers to PICC Property and Casualty Company Limited.

⁴ The data is from the individual statement of PICC P&C as the parent company.

⁵ Underwriting profits = insurance revenue – insurance service expenses – allocation of reinsurance premiums paid + amounts recovered from reinsurance contracts – finance expenses from insurance contracts issued + finance gains or losses from reinsurance contracts held – change in premium reserves.

⁶ The data of original premiums income was prepared pursuant to the Accounting Standards for Business Enterprises No. 25 - Original Insurance Contracts (Cai Kuai [2006] No. 3) and the Regulations regarding the Accounting Treatment of Insurance Contracts (Cai Kuai [2009] No. 15) of the Ministry of Finance of the PRC.

3.2.2 PICC Life

In the first three quarters of 2023, PICC Life⁷ constantly focused on high-quality development, actively promoted “To be Prominent Strategy”, deeply conducted business mode innovation and management mode reform, took the initiative to grasp the recovery opportunities in the industry, and realized qualitative and efficient improvement while maintaining quantitative growth. During the reporting period, PICC Life recorded insurance revenue of RMB13,216 million, representing a year-on-year decrease of 13.1%, and net profit was RMB1,804 million.

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

Unit: RMB million

	January to September 2023	January to September 2022	Change (%)
First-year business of long-term insurance	45,499	38,761	17.4
Single premiums	21,911	22,341	(1.9)
First-year regular premiums	23,588	16,420	43.7
Renewal business	43,144	41,117	4.9
Short-term insurance	2,638	2,587	2.0
Total	91,281	82,465	10.7

3.2.3 PICC Health

In the first three quarters of 2023, PICC Health⁸ continued to implement the “Four New”⁹ development ideas, accelerated the construction of “6+1” business pattern¹⁰, and deeply implemented the new business model of “insurance + health services + technology”, which demonstrated a satisfactory trend of significant improvement in operation quality and efficiency, continuous enhancement of “Health Project” and continuous consolidation of management foundation. During the reporting period, PICC Health achieved the insurance revenue of RMB19,118 million, representing a year-on-year increase of 16.5%; and achieved net profit of RMB3,961 million.

⁷ PICC Life refers to PICC Life Insurance Company Limited.

⁸ PICC Health refers to PICC Health Insurance Company Limited.

⁹ Establishing new business philosophy, building new business structure, releasing new development momentum, and demonstrating new business style.

¹⁰ Building the “6+1” business pattern of integration and mutual promotion of six main channels including social security business, Internet business, group customer business, synergy business, individual insurance business and bancassurance business with health management.

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

Unit: RMB million

	January to September 2023	January to September 2022	Change (%)
First-year business of long-term insurance	11,851	9,687	22.3
Single premiums	7,963	7,017	13.5
First-year regular premiums	3,888	2,671	45.6
Renewal business	11,034	10,769	2.5
Short-term insurance	16,905	15,758	7.3
Total	39,790	36,214	9.9

3.3 Asset Management Business

In the first three quarters of 2023, the lack of momentum for global economic recovery and the overlapping of domestic cyclical and structural contradictions have posed challenges to investment management. At present, China's economic recovery is in a process of wavelike development and zigzagging forward, and with the combined efforts of stock policies and incremental policies, positive factors continue to increase, and the economy will rebound and improve in the long run. The Group's asset management strengthened market analysis, actively seized investment opportunities, and strived to improve the timeliness, flexibility and foresight of asset allocation. In terms of bond investment, the Group better grasped the pace of interest rate operation in the first three quarters and increased the intensity of band operation at low market interest rates, actively implemented the Group's investment requirements for "Dual Service" and increased investment in high-quality non-standard assets, and continuously optimized the credit structure of existing assets and enhanced their credit qualifications. In terms of equity investment, the Group optimized the research system of individual stocks based on the core of valuation and pricing ability, actively explored structural opportunities in the industry and better grasped the main line of market operation. Besides, the Group intensified structural adjustment efforts, taking shares of listed companies with relatively stable profit models and high dividend payout ratios as its main investment types.

4. OTHER REMINDERS

The Company implemented the New Insurance Contract Standards and the New Financial Instruments Standards from 1 January 2023. There is no other important information that needs to be brought to the attention of investors regarding the Company's operations during the reporting period.

5. QUARTERLY FINANCIAL STATEMENTS

5.1 Consolidated statement of financial position as at 30 September 2023

(Amounts in millions of Renminbi, unless otherwise stated)

	30 September 2023 (Unaudited)	31 December 2022 (Restated, unaudited)
ASSETS		
Cash and bank balances	19,922	22,227
Financial assets purchased under resale agreements	8,050	19,234
Financial assets:		
Financial assets held for trading	369,248	N/A
Financial assets at amortized cost	316,505	N/A
Debt financial assets at fair value through other comprehensive income	323,447	N/A
Equity financial assets at fair value through other comprehensive income	88,400	N/A
Financial assets at fair value through profit or loss	N/A	38,301
Available-for-sale financial assets	N/A	557,582
Held-to-maturity investments	N/A	198,393
Investments classified as loans and receivables	N/A	176,082
Term deposits	83,955	101,180
Insurance contract assets	885	782
Reinsurance contract assets	33,618	37,329
Investments in long-term equity	153,078	146,233
Restricted statutory deposits	13,470	12,923
Investment properties	16,078	15,085
Fixed assets	32,209	33,863
Right-of-use assets	2,437	2,307
Intangible assets	7,568	8,325
Deferred tax assets	18,494	17,416
Goodwill	198	198
Other assets	19,165	29,515
TOTAL ASSETS	<u>1,506,727</u>	<u>1,416,975</u>

	30 September 2023 (Unaudited)	31 December 2022 (Restated, unaudited)
LIABILITIES AND EQUITY		
LIABILITIES		
Securities sold under agreements to repurchase	94,405	100,890
Premiums received in advance	2,910	4,685
Salaries and staff welfare payables	32,893	29,641
Tax payable	8,443	11,808
Premium reserves	4,208	2,573
Accounts payable	7,877	7,629
Bonds payable	37,715	43,356
Insurance contract liabilities	959,940	883,055
Reinsurance contract liabilities	182	362
Lease liabilities	2,497	2,291
Deferred tax liabilities	370	2,022
Other liabilities	29,587	25,659
	<u>1,181,027</u>	<u>1,113,971</u>
TOTAL LIABILITIES		
EQUITY		
Issued capital	44,224	44,224
Share premium account	7,412	7,405
Other comprehensive income	987	(6,396)
Surplus reserve	14,922	14,938
General risk reserve	18,659	18,442
Catastrophic loss reserve	59	59
Retained profits	154,177	144,179
	<u>240,440</u>	<u>222,851</u>
Equity attributable to owners of the Company		
Non-controlling interests	85,260	80,153
	<u>325,700</u>	<u>303,004</u>
TOTAL EQUITY		
TOTAL LIABILITIES AND EQUITY	<u><u>1,506,727</u></u>	<u><u>1,416,975</u></u>

5.2 Consolidated income statement for the nine months ended 30 September 2023

(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September 2023 (Unaudited)	Nine months ended 30 September 2022 (Restated, unaudited)
OPERATING INCOME	418,664	401,339
Insurance revenue	380,554	352,222
Interest income	21,924	N/A
Investment income	21,427	45,785
Included: Share of profits and losses of associates and joint ventures	10,754	10,403
Net losses from the derecognition of financial assets measured at AC	(1)	N/A
Other gains	231	193
Net losses on fair value changes	(8,626)	(853)
Foreign exchange gains, net	388	1,135
Other operating income	2,686	2,649
Net gains on disposal of assets	80	208
OPERATING EXPENSES	388,477	361,221
Insurance service expenses	350,426	319,962
Allocation of reinsurance premiums paid	26,397	27,419
Less: Amounts recovered from reinsurance contracts	(20,080)	(22,700)
Finance expenses from insurance contracts issued	22,613	26,354
Less: Finance income from reinsurance contracts held	(928)	(883)
Interest expenses	2,337	N/A
Tax and other surcharges	187	258
General and administrative expenses	3,695	4,339
Credit impairment losses	305	N/A
Other impairment losses	26	N/A
Impairment losses	N/A	1,189
Change in premium reserves	1,635	1,454
Other operating costs	1,864	3,829

	Nine months ended 30 September 2023 (Unaudited)	Nine months ended 30 September 2022 (Restated, unaudited)
OPERATING PROFIT	30,187	40,118
Add: Sundry income	228	308
Less: Sundry expenses	(128)	(175)
	<hr/>	<hr/>
PROFIT BEFORE TAX	30,287	40,251
Less: Income tax expense	(2,694)	(6,793)
	<hr/>	<hr/>
NET PROFIT	<u>27,593</u>	<u>33,458</u>
 By continuing operations:		
Net profit from continuing operations	<u>27,593</u>	<u>33,458</u>
 By ownership:		
1. Net profit attributable to owners of the Company	20,503	24,262
2. Net profit attributable to non-controlling interests	<u>7,090</u>	<u>9,196</u>
	<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME, NET OF TAX		
 Other comprehensive income attributable to owners of the Company, net of tax	<u>(2,609)</u>	<u>(12,976)</u>
 OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:		
Other comprehensive income that cannot be reclassified to profit or loss under the equity method	(15)	(17)
Changes in fair value of equity financial assets at fair value through other comprehensive income	682	N/A
Actuarial losses on pension benefit obligation	(36)	(18)
Financial changes in insurance contracts that will not be reclassified to profit or loss	(71)	–

	Nine months ended 30 September 2023 (Unaudited)	Nine months ended 30 September 2022 (Restated, unaudited)
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:		
Other comprehensive income that may be reclassified to profit or loss under the equity method	133	4
Fair value losses of available-for-sale financial assets	N/A	(17,496)
Changes in fair value of debt financial assets at fair value through other comprehensive income	2,742	N/A
Credit risks provision of debt financial assets at fair value through other comprehensive income	8	N/A
Exchange differences arising on translation of foreign operations	96	154
Financial changes in insurance contracts that may be reclassified to profit or loss	(6,449)	4,193
Financial changes in reinsurance contracts that may be reclassified to profit or loss	38	14
Gains on revaluation transferred to investment properties	263	190
Other comprehensive income attributable to non-controlling interests, net of tax	<u>(411)</u>	<u>(4,646)</u>
TOTAL	<u>(3,020)</u>	<u>(17,622)</u>
TOTAL COMPREHENSIVE INCOME	<u>24,573</u>	<u>15,836</u>
Attributable to owners of the Company	17,894	11,286
Attributable to non-controlling interests	<u>6,679</u>	<u>4,550</u>
EARNINGS PER SHARE (in RMB Yuan)		
Basic	<u>0.46</u>	<u>0.55</u>
Diluted	<u>0.45</u>	<u>0.54</u>

5.3 Consolidated statement of cash flow for the nine months ended 30 September 2023

(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September 2023 (Unaudited)	Nine months ended 30 September 2022 (Restated, unaudited)
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		
Premiums received from insurance contracts issued	522,686	465,832
Proceeds from reinsurance contracts issued, net	1,702	2,302
Other cash inflows from operating activities	<u>2,158</u>	<u>5,526</u>
Cash inflows from operating activities	<u>526,546</u>	<u>473,660</u>
Claims paid for insurance contracts issued	(292,782)	(262,507)
Payments for reinsurance contracts held, net	(4,863)	(6,763)
Net decrease in policy loans	(232)	(292)
Handling charges and commissions paid	(43,159)	(39,048)
Payment to and on behalf of staff	(34,798)	(39,969)
Taxes and surcharges paid	(21,775)	(22,962)
Other cash outflows for operating activities	<u>(65,148)</u>	<u>(49,940)</u>
Cash outflows for operating activities	<u>(462,757)</u>	<u>(421,481)</u>
Net cash flows generated from operating activities	<u>63,789</u>	<u>52,179</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Proceeds from disposals of investments	270,393	290,853
Investment income and interest income received	34,063	35,903
Proceeds from disposals of fixed assets, intangible assets and other long term assets	309	561
Other cash inflows from investing activities	<u>41</u>	<u>–</u>
Cash inflows from investing activities	<u>304,806</u>	<u>327,317</u>
Payment for purchases of investments	(354,685)	(372,353)
Payment for purchases of fixed assets, intangible assets and other long term assets	(1,107)	(1,736)
Other cash outflows for investing activities	<u>(349)</u>	<u>(300)</u>
Cash outflows for investing activities	<u>(356,141)</u>	<u>(374,389)</u>
Net cash flows used in investing activities	<u>(51,335)</u>	<u>(47,072)</u>

	Nine months ended 30 September 2023 (Unaudited)	Nine months ended 30 September 2022 (Restated, unaudited)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Proceeds from bank borrowings	292	–
Issue of bonds payable	24,000	3,000
Net increase in securities sold under agreements to repurchase	–	486
Other cash inflows for financing activities	<u>26</u>	<u>784</u>
 Cash inflows from financing activities	 <u>24,318</u>	 <u>4,270</u>
 Repayment of bank borrowings	 (30,460)	 (3,560)
Repayment of lease liabilities	(702)	(874)
Cash paid for distribution of dividends, profits or interests	(13,784)	(12,594)
Net decrease in securities sold under agreements to repurchase	<u>(6,529)</u>	<u>–</u>
 Cash outflows from financing activities	 <u>(51,475)</u>	 <u>(17,028)</u>
 Net cash flows used in financing activities	 <u>(27,157)</u>	 <u>(12,758)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>82</u>	<u>1,208</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
Add: Cash and cash equivalents at beginning of the period	<u>(14,621)</u> <u>40,599</u>	<u>(6,443)</u> <u>33,276</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
	<u><u>25,978</u></u>	<u><u>26,833</u></u>

5.4 Statement of financial position of the Company as at 30 September 2023

(Amounts in millions of Renminbi, unless otherwise stated)

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
ASSETS		
Cash and bank balances	281	1,170
Financial assets purchased under resale agreements	275	–
Financial assets		
Financial assets held for trading	4,718	N/A
Financial assets at amortized cost	5,776	N/A
Debt financial assets at fair value through other comprehensive income	6,379	N/A
Equity financial assets at fair value through other comprehensive income	4,262	N/A
Financial assets at fair value through profit or loss	N/A	93
Available-for-sale financial assets	N/A	16,804
Held-to-maturity investments	N/A	134
Investments classified as loans and receivables	N/A	5,840
Term deposits	560	4,327
Long-term equity investment	91,418	91,142
Investment properties	2,379	2,448
Fixed assets	2,934	2,807
Intangible asset	128	111
Other assets	541	585
	<u>119,651</u>	<u>125,461</u>
TOTAL ASSETS		
LIABILITIES AND EQUITY		
LIABILITIES		
Securities sold under agreements to repurchase	260	480
Salaries and staff welfare payables	3,597	3,686
Tax payable	14	2
Bonds payable	12,127	17,998
Other liabilities	512	1,053
	<u>16,510</u>	<u>23,219</u>
TOTAL LIABILITIES		
EQUITY		
Issued capital	44,224	44,224
Share Premium account	35,578	35,578
Other comprehensive income	49	85
Surplus reserve	14,922	14,938
Retained profits	8,368	7,417
	<u>103,141</u>	<u>102,242</u>
TOTAL EQUITY		
TOTAL EQUITY AND LIABILITIES		
	<u>119,651</u>	<u>125,461</u>

5.5 Income statement of the Company for the nine months ended 30 September 2023

(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September 2023 (Unaudited)	Nine months ended 30 September 2022 (Unaudited)
OPERATING INCOME	9,807	9,355
Interest income	462	N/A
Investment income	9,072	8,943
Included: Share of profits and losses of associates and joint ventures	276	335
Net losses on fair value changes	(7)	(4)
Foreign exchange gains, net	53	105
Other operating income	<u>227</u>	<u>311</u>
OPERATING EXPENSES	1,328	1,405
Interest expenses	584	N/A
Tax and other surcharges	35	38
General and administrative expenses	715	599
Other operating costs	–	748
Credit impairment losses	(6)	N/A
Impairment losses	<u>N/A</u>	<u>20</u>
OPERATING PROFIT	8,479	7,950
Add: Sundry income	–	1
Less: Sundry expenses	<u>(2)</u>	<u>(1)</u>
PROFIT BEFORE TAX	8,477	7,950
Less: Income tax expense	<u>(44)</u>	<u>(158)</u>
NET PROFIT	<u>8,433</u>	<u>7,792</u>

Nine months ended 30 September 2023 (Unaudited)	Nine months ended 30 September 2022 (Unaudited)
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OTHER COMPREHENSIVE INCOME, NET OF TAX

**OTHER COMPREHENSIVE INCOME THAT WILL NOT
BE RECLASSIFIED TO PROFIT OR LOSS:**

Actuarial losses on pension benefit obligation	(36)	(18)
Changes in fair value of equity financial assets at fair value through other comprehensive income	(162)	N/A

**OTHER COMPREHENSIVE INCOME THAT MAY BE
RECLASSIFIED TO PROFIT OR LOSS:**

Changes in fair value of debt financial assets at fair value through other comprehensive income	27	N/A
Fair value losses of available-for-sale financial assets	N/A	(473)
Gains on revaluation transferred to investment properties	2	-

OTHER COMPREHENSIVE INCOME, NET OF TAX

TOTAL COMPREHENSIVE INCOME

(169)	(491)
<u>8,264</u>	<u>7,301</u>

5.6 Statement of cash flow of the Company for the nine months ended 30 September 2023

(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September 2023 (Unaudited)	Nine months ended 30 September 2022 (Unaudited)
CASH FLOWS USED IN OPERATING ACTIVITIES		
Other cash inflows from operating activities	<u>165</u>	<u>171</u>
Cash inflows from operating activities	<u>165</u>	<u>171</u>
Payment to and on behalf of staff	(456)	(375)
Taxes and surcharges paid	(46)	(15)
Other cash outflows for operating activities	<u>(373)</u>	<u>(229)</u>
Cash outflows for operating activities	<u>(875)</u>	<u>(619)</u>
Net cash flows used in operating activities	<u>(710)</u>	<u>(448)</u>
CASH FLOWS GENERATED FROM INVESTING ACTIVITIES		
Proceeds from disposals of investments	13,607	8,189
Investment income and interest income received	7,781	8,806
Proceeds from disposals of fixed assets, intangible assets and other long term assets	<u>10</u>	<u>–</u>
Cash inflows from investing activities	<u>21,398</u>	<u>16,995</u>
Payment for purchases of investments	(6,499)	(7,358)
Payment for purchases of fixed assets, intangible assets and other long term assets	(301)	(51)
Payments for establishment of subsidiaries	–	(400)
Other cash outflows for investing activities	<u>(43)</u>	<u>(77)</u>
Cash outflows for investing activities	<u>(6,843)</u>	<u>(7,886)</u>
Net cash flows generated from investing activities	<u>14,555</u>	<u>9,109</u>

	Nine months ended 30 September 2023 (Unaudited)	Nine months ended 30 September 2022 (Unaudited)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Issue of bonds payable	<u>12,000</u>	<u>–</u>
Cash inflows from financing activities	<u>12,000</u>	<u>–</u>
Repayments of bank borrowings and bonds	(18,000)	–
Interests paid	(904)	(906)
Cash paid for distribution of dividends	(7,341)	(6,501)
Net decrease in securities sold under agreements to repurchase	<u>(220)</u>	<u>(773)</u>
Cash outflows from financing activities	<u>(26,465)</u>	<u>(8,180)</u>
Net cash flows generated used in financing activities	<u>(14,465)</u>	<u>(8,180)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>6</u>	<u>25</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(614)	506
Add: Cash and cash equivalents at beginning of the period	<u>1,170</u>	<u>959</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>556</u></u>	<u><u>1,465</u></u>

By Order of the Board
The People's Insurance Company (Group) of China Limited
Wang Tingke
Chairman

Beijing, the PRC, 30 October 2023

As at the date of this announcement, the executive directors of the Company are Mr. Wang Tingke, Mr. Li Zhuyong and Mr. Xiao Jianyou; the non-executive directors are Mr. Wang Qingjian, Mr. Miao Fusheng, Mr. Wang Shaoqun, Mr. Yu Qiang and Mr. Song Hongjun; and the independent non-executive directors are Mr. Shiu Sin Por, Mr. Ko Wing Man, Ms. Cui Li, Ms. Xu Lina and Mr. Wang Pengcheng.