

Consolidated Statement of Income

For the year ended 31 December 2016

(in RMB million)	Notes	2016	2015
Gross written premiums	7	469,555	386,012
Less: Premiums ceded to reinsurers		(17,827)	(25,208)
Net written premiums	7	451,728	360,804
Change in unearned premium reserves		(10,108)	(10,958)
Net earned premiums		441,620	349,846
Reinsurance commission income		6,353	9,148
Interest income from banking operations	8	131,075	134,635
Fees and commission income from non-insurance operations	9	39,859	37,995
Investment income	10	115,053	134,922
Share of profits and losses of associates and jointly controlled entities		(1,370)	(281)
Other income	11	41,898	26,955
Total income		774,488	693,220
Gross claims and policyholders' benefits	12	(334,500)	(304,653)
Less: Reinsurers' share and policyholders' benefits	12	9,686	15,143
Claims and policyholders' benefits		(324,814)	(289,510)
Commission expenses on insurance operations		(78,754)	(50,644)
Interest expenses on banking operations	8	(52,937)	(64,869)
Fees and commission expenses on non-insurance operations	9	(4,392)	(3,425)
Loan loss provisions, net of reversals	13, 23	(45,491)	(30,118)
Foreign exchange gains		1,401	256
General and administrative expenses		(141,007)	(135,155)
Finance costs		(12,144)	(7,539)
Other expenses		(21,939)	(18,803)
Total expenses		(680,077)	(599,807)
Profit before tax	13	94,411	93,413
Income tax	14	(22,043)	(28,235)
Profit for the year		72,368	65,178
Attributable to:			
- Owners of the parent		62,394	54,203
- Non-controlling interests		9,974	10,975
		72,368	65,178
Earnings per share attributable to ordinary equity holders of the parent:		RMB	RMB
- Basic	17	3.50	2.98
- Diluted	17	3.49	2.98

Consolidated Statement of Financial Position

As at 31 December 2016

(in RMB million)	Notes	31 December 2016	31 December 2015
Assets			
Cash and amounts due from banks and other financial institutions	18	561,143	439,327
Balances with the Central Bank and statutory deposits	19	318,860	299,689
Fixed maturity investments	20	2,156,291	1,911,871
Equity investments	21	426,908	370,899
Derivative financial assets	22	8,836	8,272
Loans and advances to customers	23	1,458,291	1,245,371
Premium receivables	24	35,325	34,072
Accounts receivable	25	22,353	16,778
Reinsurers' share of insurance liabilities	26	15,269	17,872
Finance lease receivable	27	78,056	57,598
Policyholder account assets in respect of insurance contracts	28	39,706	48,903
Policyholder account assets in respect of investment contracts	28	4,084	5,084
Investments in associates and jointly controlled entities	29	48,955	26,858
Investment properties	30	36,568	24,827
Property and equipment	31	40,143	35,158
Intangible assets	32	63,017	44,916
Deferred tax assets	43	28,292	15,663
Other assets	33	234,806	162,001
Total assets		5,576,903	4,765,159
Equity and liabilities			
Equity			
Share capital	34	18,280	18,280
Reserves	35	188,910	180,630
Retained profits	35	176,259	135,338
Equity attributable to owners of the parent		383,449	334,248
Non-controlling interests	35	103,012	79,323
Total equity		486,461	413,571
Liabilities			
Due to banks and other financial institutions	37	584,794	410,258
Other financial liabilities held for trading		25,883	8,506
Assets sold under agreements to repurchase	38	89,166	119,236
Derivative financial liabilities	22	8,715	4,527
Customer deposits and payables to brokerage customers	39	1,894,377	1,713,907
Accounts payable		8,565	4,735
Income tax payable		22,003	14,104
Insurance payables		113,387	82,485
Insurance contract liabilities	40	1,625,473	1,419,958
Investment contract liabilities for policyholders	41	44,930	42,690
Policyholder dividend payable		39,216	33,028
Bonds payable	42	349,825	264,413
Deferred tax liabilities	43	11,274	9,911
Other liabilities	44	272,834	223,830
Total liabilities		5,090,442	4,351,588
Total equity and liabilities		5,576,903	4,765,159

The financial statements on pages 142 to 288 were approved and authorized for issue by the Board of Directors on 22 March 2017 and were signed on its behalf.

MA Mingzhe
Director

SUN Jianyi
Director

YAO Jason Bo
Director

Consolidated Statement of Cash Flows

For the year ended 31 December 2016

(in RMB million)	Notes	2016	2015
Net cash flows from operating activities	49	227,821	135,618
Cash flows from investing activities			
Purchases of investment properties, property and equipment, and intangible assets		(16,624)	(16,529)
Proceeds from disposal of investment properties, property and equipment, and intangible assets		376	240
Proceeds from disposal of investments		2,827,962	1,670,438
Purchases of investments		(3,243,364)	(2,084,647)
Term deposits (placed)/withdrawal, net		(23,139)	42,286
Acquisition of non-controlling interests in subsidiaries		(5,203)	(2,427)
Acquisition and disposal of subsidiaries, net		(12,558)	(2,495)
Interest received		116,966	115,053
Dividends received		35,917	17,118
Rentals received		1,615	1,385
Others		(12,564)	(14,154)
Net cash flows used in investing activities		(330,616)	(273,732)
Cash flows from financing activities			
Capital injected into subsidiaries by non-controlling interests		14,153	7,124
Proceeds from bonds issued		762,547	387,982
Increase/(Decrease) in assets sold under agreements to repurchase of insurance operations, net		(40,926)	30,267
Proceeds from borrowed funds		267,828	69,649
Repayment of borrowed funds		(848,513)	(270,937)
Interest paid		(13,284)	(9,116)
Dividends paid		(11,694)	(9,040)
Others		2,893	(953)
Net cash flows from financing activities		133,004	204,976
Net increase in cash and cash equivalents		30,209	66,862
Net foreign exchange differences		4,018	2,503
Cash and cash equivalents at beginning of the year		333,325	263,960
Cash and cash equivalents at end of the year	48	367,552	333,325