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中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2328)

INSIDE INFORMATION UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

This announcement is made by PICC Property and Casualty Company Limited (the “Company”) pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 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”).

In respect of the capital supplementary bonds issued by the Company in 2016, according to the relevant regulating requirements, the Company should release publicly its quarterly reports and etc. for the first and the third quarters at the websites of www.chinamoney.com.cn and www.chinabond.com.cn during the period of existence of the capital supplementary bonds. The quarterly report will disclose the unaudited financial statements of the Company for the nine months ended 30 September 2017 prepared in accordance with the PRC Accounting Standards for Business Enterprises.

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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
Capital security fund	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
Policyholders' deposits	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
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 OF THE COMPANY

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
Interest expenses credited to policyholders' deposits	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: Sundry income	240,584
Less: Sundry 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 OF THE COMPANY

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

The above financial statements have not been audited or reviewed by the auditors of the Company. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By Order of the Board
Zhang Xiaoli
Secretary of the Board

Beijing, the PRC, 31 October 2017

As at the date of this announcement, the Chairman of the Board is Mr. Wu Yan (executive director), the Vice Chairman is Mr. Lin Zhiyong (executive director), the non-executive directors are Ms. Yu Xiaoping and Mr. Li Tao, Mr. Yun Zhen and Mr. Wang Dedi are executive directors, and the independent non-executive directors are Mr. Lin Hanchuan, Mr. Lo Chung Hing, Mr. Na Guoyi, Mr. Ma Yusheng, Mr. Chu Bende and Ms. Qu Xiaohui.