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(Stock Code: 2328)

**INSIDE INFORMATION
IN RELATION TO THE ISSUE OF CAPITAL SUPPLEMENTARY BONDS
UNAUDITED FINANCIAL STATEMENTS FOR
THE NINE MONTHS ENDED 30 SEPTEMBER 2016**

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”).

Reference is made to the announcement dated 27 April 2016, the circular dated 10 May 2016 and the announcement dated 24 June 2016 of the Company in relation to the issue of capital supplementary bonds. The Company has obtained the approvals from the China Insurance Regulatory Commission and other relevant governing authorities for the issue of a 10-year capital supplementary bonds in an aggregate amount of not exceeding RMB15 billion by the Company. According to the relevant regulations, in respect of the issue of capital supplementary bonds by the Company, the Company will release the issue documents at www.chinamoney.com.cn and www.chinabond.com.cn. These issue documents will disclose the following unaudited financial statements of the Company for the nine months ended 30 September 2016 prepared in accordance with the PRC Accounting Standards for Business Enterprises:

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

As at 30 September 2016

	RMB Thousand (Unaudited)
Cash and bank balances	15,044,538
Held for trading financial assets	19,210,450
Derivative financial assets	-
Securities purchased under resale agreements	6,417,090
Interest receivables	6,568,404
Premium receivables	25,126,324
Receivables from reinsurers	17,317,265
Reinsurers' share of unearned premium reserves	10,513,664
Reinsurers' share of loss and loss adjustment expense reserves	18,999,629
Term deposits	67,284,824
Available-for-sale financial assets	127,902,697
Held-to-maturity investments	40,938,083
Investments classified as loans and receivables	52,283,478

Long term equity investments	10,894,593
Statutory deposits	2,965,703
Investment properties	4,980,292
Fixed assets	14,102,586
Intangible assets	4,254,669
Deferred tax assets	10,933,129
Other assets	6,254,428
TOTAL ASSETS	461,991,846
Securities sold under agreements to repurchase	18,820,646
Premiums received in advance	9,054,522
Commission payable	7,079,783
Payables to reinsurers	16,652,366
Salaries and staff welfare payable	10,591,580
Tax payable	8,949,644
Claims payable	1,677,610
Policyholder dividend payable	62,339
Policyholders' deposits	2,433,367
Unearned premium reserves	114,468,144
Loss and loss adjustment expense reserves	128,366,593
Premium reserve	2,962,436
Bonds payable	11,122,140
Deferred tax liabilities	6,229,173
Other liabilities	8,010,533
TOTAL LIABILITIES	346,480,876
Issued capital	14,828,510
Share premium account	18,985,549
Other comprehensive income	11,645,098
Surplus reserve	30,804,589
General risk reserve	7,527,803
Agriculture catastrophic loss reserve	1,885,477
Retained profits	29,833,944
Equity attributable to owners of the parent	115,510,970
Non-controlling interests	-
TOTAL EQUITY	115,510,970
TOTAL LIABILITIES AND EQUITY	461,991,846

INCOME STATEMENT OF THE COMPANY
For the nine months ended 30 September 2016

	RMB Thousand (Unaudited)
Operating income	210,661,105
Net earned premiums	199,604,697
Gross written premiums	234,490,790
Included: Reinsurance premiums assumed	489,180
Less: Reinsurance premiums ceded	24,288,524
Change in unearned premium reserves	10,597,569

Investment income	9,977,302
Net gains on fair value changes	26,573
Exchange gains	164,740
Other operating income	887,793
Operating expenses	193,001,104
Gross claims paid	124,135,331
Less: Paid losses recoverable from reinsurers	12,168,447
Change in loss and loss adjustment expense reserves	14,841,333
Less: Reinsurers' share of loss and loss adjustment expense reserves	2,052,894
Change in premium reserve	656,137
Interest expenses credited to policyholders' deposits	1,121
Reinsurance expenses	131,904
Business tax and surcharges	5,794,773
Commission expenses	33,441,981
General and administrative expenses	35,564,700
Less: Reinsurers' share of expenses	8,284,812
Other operating costs	173,482
Asset impairment losses	766,495
Operating profit	17,660,001
Add: Non-operating income	174,852
Less: Non-operating expenses	120,513
Profit before income tax	17,714,340
Less: Income tax expense	3,986,124
Net profit	13,728,216

STATEMENT OF CASH FLOWS OF THE COMPANY
For the nine months ended 30 September 2016

	RMB Thousand (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from direct premiums written	227,129,274
Cash received from other operating activities	27,281,335
Increase in policyholders' deposits	127,242
Subtotal of cash inflows from operating activities	254,537,851
Claim paid for direct insurance	-120,245,789
Cash paid to and for employees	-17,768,876
Commission paid	-30,267,761
Cash paid for taxes and surcharges	-28,347,089

Cash paid for reinsurance business, net	-791,042
Decrease in policyholders' deposits	-
Policyholder dividends paid	-29
Cash paid for other operating activities	-46,735,673
Subtotal of cash outflows from operating activities	-244,156,259
Net cash flows from operating activities	10,381,592
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash received from disposal of investments	99,946,895
Cash received from investment income	9,106,960
Cash received from disposal of fixed assets, intangible assets and other long-term assets	36,075
Cash received from other investing activities	11,329,100
Subtotal of cash inflows from investing activities	120,419,030
Purchase of investments	-112,814,484
Payment for acquisition of associates	-
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	-1,443,817
Subtotal of cash outflows from investing activities	-114,258,301
Net cash flows from investing activities	6,160,729
CASH FLOWS FROM FINANCING ACTIVITIES	
Subtotal of cash inflows from financing activities	-
Payment for redemption of subordinated debts	-5,000,000
Decrease in securities sold under agreements to repurchase, net	-3,936,672
Dividends paid	-4,507,867
Interest paid	-269,000
Cash paid for other financing activities	-454,661
Subtotal of cash outflows from financing activities	-14,168,200
Net cash flows from financing activities	-14,168,200
Effect of foreign exchange fluctuation on cash flows	53,166
Net increase in cash and cash equivalents	2,427,287

The unaudited financial statements of the Company for the nine months ended 30 September 2016 set out above are prepared pursuant to the PRC Accounting Standards for Business Enterprises, have not been audited or reviewed by the auditors of the Company and have not been reviewed by the Audit Committee 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, 15 November 2016

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 Mr. Wang Yincheng, Ms. Yu Xiaoping and Mr. Li Tao, Mr. Wang He is an executive director and the independent non-executive directors are Mr. Lin Hanchuan, Mr. Lo Chung Hing, Mr. Na Guoyi, Mr. Ma Yusheng and Mr. Chu Bende.