

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)

UNAUDITED RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2019

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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Pursuant to the regulatory rules relating to the issue of capital supplementary bonds by insurance companies and disclosure of solvency margin, the Company should release its quarterly reports and the abstracts of its quarterly reports on the solvency margin. Meanwhile, the People's Insurance Company (Group) of China Limited (the “PICC Group”), the controlling shareholder of the Company, will release its quarterly report which contains financial information of the Company. Accordingly, the Company announces the unaudited results for the three months ended 31 March 2019 of the Company (exclusive of subsidiaries).

I. Analysis of Operating Results for the First Quarter

(i) Overview

In the first quarter of 2019, the Company fully carried out the “3411 Project” of PICC Group and adhered to the general working principle of pursuing progress while ensuring stability. While maintaining the growth, market share and profitability, the Company accelerated the exploration of businesses in new sectors, of new patterns and through new modes, actively served the macro-economic and social development, met the people's needs for living a better life, continuously innovated product supply, improved service quality, and transformed the quality, efficiency and driving forces of the Company's development. As a result, the market share of the Company was basically stable and the comprehensive strength steadily strengthened. The combined ratio of the Company was 98.3% for the first quarter of 2019.

(ii) Main Financial Indicators

	Three months ended 31 March		Movement %
	2019 RMB million	2018 RMB million	
Direct written premiums	125,463	106,061	18.3
Profit before income tax	6,442	7,683	-16.2
Net profit	5,209	5,403	-3.6

	As at 31 March 2019 RMB million	As at 31 December 2018 RMB million	Movement %
Total assets	590,987	550,370	7.4
Total liabilities	437,800	409,890	6.8
Total equity	153,187	140,480	9.0

(iii) Direct written premiums by insurance segments

The following table sets forth the direct written premiums of the Company by insurance segments for the relevant periods:

	Three months ended 31 March		Movement %
	2019 RMB million	2018 RMB million	
Motor vehicle insurance	63,877	61,643	3.6
Accidental injury and health insurance	28,268	18,035	56.7
Agriculture insurance	8,863	7,429	19.3
Liability insurance	8,549	6,509	31.3
Commercial property insurance	5,050	4,593	10.0
Credit and surety insurance	4,799	1,967	144.0
Cargo insurance	1,174	1,088	7.9
Other insurance	4,883	4,797	1.8
Total	125,463	106,061	18.3

II. Solvency Margin Ratio Indicators

	As at 31 March 2019 RMB million
Core capital	148,037
Actual capital	175,760
Minimum capital required	65,949
Core solvency margin ratio (%)	224
Comprehensive solvency margin ratio (%)	267

III. Financial Statements Prepared in accordance with the PRC Accounting

Standards for Business Enterprises

(i) Statement of Financial Position of the Company as at 31 March 2019

	As at 31 March 2019 RMB'000 Unaudited
Cash and bank balances	15,190,664
Held for trading financial assets	11,571,952
Financial assets purchased under resale agreements	15,439,050
Interest receivables	4,931,987
Premiums receivable	64,395,291
Receivables from reinsurers	15,169,141
Reinsurers' share of unearned premium reserves, receivable	12,322,310
Reinsurers' share of loss and loss adjustment expense reserves, receivable	17,244,756
Term deposits	64,638,243
Available-for-sale financial assets	171,766,006
Held-to-maturity investments	44,037,077
Investments classified as loans and receivables	57,544,165
Long term equity investments	48,164,673
Capital security fund	4,448,554
Investment properties	5,048,747
Fixed assets	13,362,924
Intangible assets	5,274,795
Deferred tax assets	7,737,547
Right-of-use assets	3,054,425
Other assets	9,644,758
TOTAL ASSETS	590,987,065
Financial assets sold under agreements to repurchase	25,717,367
Premiums received in advance	15,420,362
Commission payable	7,447,266
Payables to reinsurers	19,325,131
Salaries and staff welfare payables	8,652,921
Tax payable	8,090,891
Claims payable	1,895,200
Policyholders' dividend payable	61,633
Policyholders' deposits	1,961,439
Unearned premium reserves	170,099,921
Loss and loss adjustment expense reserves	135,459,311

Premium reserves	3,753,161
Bonds payable	23,453,664
Deferred tax liabilities	2,817,309
Lease liabilities	2,972,390
Other liabilities	10,672,506
TOTAL LIABILITIES	437,800,472
Issued capital	22,242,765
Share premium account	10,801,782
Other comprehensive income reserve	14,127,689
Surplus reserve	42,212,164
General risk reserve	12,935,379
Agriculture catastrophic loss reserve	2,472,155
Retained profits	48,394,659
TOTAL EQUITY	153,186,593
TOTAL LIABILITIES AND EQUITY	590,987,065

(ii) Income Statement of the Company for the Three Months Ended 31 March 2019

	Three months ended 31 March 2019 RMB'000 Unaudited
Operating income	92,094,180
Net earned premiums	86,794,726
Gross written premiums	126,127,792
Included: Reinsurance premiums assumed	664,319
Less: Reinsurance premiums ceded	9,976,786
Change in unearned premium reserves	29,356,280
Investment income	5,104,235
Gains on fair value changes	61,311
Exchange losses, net	-149,595
Other operating income	281,082
Losses on disposal of assets	-2,023
Other gains	4,444
Operating expenses	85,677,403
Gross claims paid	58,079,560
Less: Paid losses recoverable from reinsurers	3,932,004
Change in loss and loss adjustment expense reserves	932,464
Less: Reinsurers' share of loss and loss adjustment expense reserves	-458,344
Change in premium reserves	298,901
Interest expenses credited to policyholders' deposits	111
Reinsurance expenses	205,580

Tax and other surcharges	479,058
Commission expenses	14,118,961
General and administrative expenses	16,946,232
Less: Reinsurers' share of general and administrative expenses	2,474,684
Other operating costs	120,933
Asset impairment losses	443,947
Operating profit	6,416,777
Add: Sundry income	50,116
Less: Sundry expenses	25,154
Profit before income tax	6,441,739
Less: Income tax expense	1,232,689
Net profit	5,209,050

(iii) **Statement of Cash Flows of the Company for the Three Months Ended 31 March 2019**

	Three months ended 31 March 2019 RMB'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES	
Premiums received	92,074,550
Others	13,975,410
Cash inflows from operating activities	106,049,960
Claims paid	58,504,135
Payment to and on behalf of staff	8,523,334
Commission paid	13,002,109
Taxes and surcharges paid	7,770,981
Payment in relation to reinsurance business	1,963,588
Others	25,410,889
Cash outflows from operating activities	115,175,036
Net cash flows used in operating activities	-9,125,076
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from investments	20,319,560
Investment income received	5,305,575
Proceeds from disposal of fixed assets, intangible assets and other long term assets	414
Others	5,374,718
Cash inflows from investing activities	31,000,267
Payment for purchases of investments	18,575,041

Payment for purchases of fixed assets, intangible assets and other long term assets	916,222
Cash outflows from investing activities	19,491,263
Net cash flows from investing activities	11,509,004
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in financial assets sold under agreements to repurchase, net	-2,489,240
Cash inflows from financing activities	-2,489,240
Others	74,216
Cash outflows from financing activities	74,216
Net cash flows used in financing activities	-2,563,456
Net foreign exchange differences	-38,352
Net decrease in cash and cash equivalents	-217,880

This announcement is prepared in both Chinese and English, and the Chinese version prevails. The financial information included in this announcement are prepared in accordance with the PRC Accounting Standards for Business Enterprises and have not been audited or reviewed.

By Order of the Board
PICC Property and Casualty Company Limited
Miao Jianmin
Chairman

Beijing, the PRC, 29 April 2019

As at the date of this announcement, the Chairman of the Board is Mr. Miao Jianmin (executive director), the Vice Chairman is Mr. Xie Yiqun (executive director), the non-executive directors are Mr. Tang Zhigang and Mr. Li Tao, Ms. Xie Xiaoyu and Mr. Hua Shan 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.