

*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.*

**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)**

**ANNOUNCEMENT OF THE ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Board of Directors (the “**Board**”) of The People’s Insurance Company (Group) of China Limited (the “**Company**”) announces the following audited annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 together with the comparative figures for the previous year, which should be read in conjunction with the following management discussion and analysis:

**FINANCIAL STATEMENTS AND MATERIAL NOTES**

*Note:* Unless otherwise specified, the currencies in this announcement are all in RMB..

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts in millions of Renminbi, unless otherwise stated)

	<i>Notes</i>	<b>2024</b>	2023
Insurance revenue	7	<b>537,709</b>	503,900
Interest income (from financial assets not measured at fair value through profit or loss)	8	<b>30,876</b>	29,379
Net investment gains	8	<b>35,878</b>	1,407
Share of profits or losses of associates and joint ventures		<b>13,720</b>	14,939
Exchange gains		<b>64</b>	228
Other income		<b>3,973</b>	3,614
<b>TOTAL OPERATING INCOME</b>		<b><u>622,220</u></b>	<u>553,467</u>
Insurance service expenses	9	<b>492,837</b>	473,436
Net expenses from reinsurance contracts held		<b>7,464</b>	5,961
Finance expenses from insurance contracts issued		<b>43,329</b>	27,651
Finance income from reinsurance contracts held		<b>(1,264)</b>	(1,251)
Finance costs		<b>3,245</b>	3,461
Net impairment (reversals)/losses on financial assets		<b>(1,754)</b>	1,428
Other operating and administrative expenses	10	<b>9,131</b>	9,224
<b>TOTAL OPERATING EXPENSES</b>		<b><u>552,988</u></b>	<u>519,910</u>
<b>PROFIT BEFORE TAX</b>	10	<b>69,232</b>	33,557
Income tax expenses	11	<b>(12,451)</b>	(2,746)
<b>PROFIT FOR THE PERIOD</b>		<b><u>56,781</u></b>	<u>30,811</u>
Attributable to:			
– Owners of the Company		<b>42,151</b>	22,322
– Non-controlling interests		<b>14,630</b>	8,489
		<b><u>56,781</u></b>	<u>30,811</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
– Basic (in RMB Yuan)	12	<b><u>0.95</u></b>	<u>0.50</u>
– Diluted (in RMB Yuan)	12	<b><u>0.91</u></b>	<u>0.48</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***FOR THE YEAR ENDED 31 DECEMBER 2024**(Amounts in millions of Renminbi, unless otherwise stated)*

	<i>Notes</i>	<b>2024</b>	2023
<b>PROFIT FOR THE PERIOD</b>		<b><u>56,781</u></b>	<b><u>30,811</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that may be reclassified subsequently to profit or loss:			
Finance expenses from insurance contracts issued		<b>(45,764)</b>	(11,723)
Finance income from reinsurance contracts held		<b>387</b>	194
Changes in the fair value of debt instruments at fair value through other comprehensive income		<b>27,617</b>	8,616
Allowance for credit losses on debt instruments measured at fair value through other comprehensive income		<b>(288)</b>	153
Income tax effect		<b><u>3,969</u></b>	<u>(1,509)</u>
		<b><u>(14,079)</u></b>	<u>(4,269)</u>
Share of other comprehensive income of associates and joint ventures		<b>1,443</b>	(142)
Exchange differences arising on translating foreign operations		<b><u>16</u></b>	<u>27</u>
<b>NET OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>		<b><u>(12,620)</u></b>	<u>(4,384)</u>

	<i>Notes</i>	<b>2024</b>	2023
Items that will not be reclassified to profit or loss:			
Gains on revaluation of property and equipment and right-of-use assets upon transfer to investment properties		<b>321</b>	409
Changes in the fair value of equity instruments at fair value through other comprehensive income		<b>6,816</b>	1,165
Finance expenses from insurance contracts issued		<b>(837)</b>	(56)
Income tax effect		<b>(1,454)</b>	(429)
		<u><b>4,846</b></u>	<u>1,089</u>
Actuarial losses on pension benefit obligation		<b>(217)</b>	(79)
Share of other comprehensive income of associates and joint ventures		<b>312</b>	(19)
		<u><b>4,941</b></u>	<u>991</u>
<b>NET OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>		<u><b>4,941</b></u>	<u>991</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u><b>(7,679)</b></u>	<u>(3,393)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>49,102</b></u>	<u>27,418</u>
Attributable to:			
– Owners of the Company		<b>35,291</b>	19,382
– Non-controlling interests		<b>13,811</b>	8,036
		<u><b>49,102</b></u>	<u>27,418</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

(Amounts in millions of Renminbi, unless otherwise stated)

	<i>Notes</i>	<b>31 December 2024</b>	31 December 2023
<b>ASSETS</b>			
Cash and cash equivalents		<b>44,132</b>	28,835
Financial assets measured at amortized cost		<b>316,231</b>	318,605
Financial assets measured at fair value through other comprehensive income		<b>639,359</b>	435,258
Financial assets measured at fair value through profit or loss		<b>317,670</b>	383,020
Insurance contract assets		<b>1,728</b>	2,902
Reinsurance contract assets		<b>39,762</b>	39,259
Term deposits		<b>126,556</b>	81,487
Restricted statutory deposits		<b>14,745</b>	13,433
Investments in associates and joint ventures	<i>14</i>	<b>167,816</b>	156,665
Investment properties		<b>15,232</b>	15,791
Property and equipment		<b>32,953</b>	32,702
Right-of-use assets		<b>7,252</b>	7,099
Intangible asset		<b>3,400</b>	3,544
Goodwill		–	198
Deferred tax assets		<b>12,430</b>	13,488
Other assets		<b>27,055</b>	24,396
<b>TOTAL ASSETS</b>		<b><u>1,766,321</u></b>	<b><u>1,556,682</u></b>

	<i>Notes</i>	<b>31 December 2024</b>	31 December 2023
<b>LIABILITIES</b>			
Financial liabilities measured at fair value through profit or loss		<b>7,506</b>	4,089
Securities sold under agreements to repurchase		<b>111,236</b>	108,969
Income tax payable		<b>362</b>	567
Bonds payable		<b>50,132</b>	37,992
Lease liabilities		<b>2,113</b>	2,270
Insurance contract liabilities		<b>1,122,797</b>	980,730
Reinsurance contract liabilities		<b>71</b>	118
Investment contract liabilities		<b>8,171</b>	7,985
Pension benefit obligation		<b>2,795</b>	2,720
Deferred tax liabilities		<b>464</b>	402
Other liabilities		<b>93,253</b>	77,937
		<b><u>1,398,900</u></b>	<b><u>1,223,779</u></b>
<b>TOTAL LIABILITIES</b>			
<b>EQUITY</b>			
Issued capital	<i>15</i>	<b>44,224</b>	44,224
Reserves		<b>224,642</b>	198,982
		<b><u>268,866</u></b>	<u>243,206</u>
Equity attributable to owners of the Company		<b>268,866</b>	243,206
Non-controlling interests		<b>98,555</b>	89,697
		<b><u>367,421</u></b>	<b><u>332,903</u></b>
<b>TOTAL EQUITY</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<b><u>1,766,321</u></b>	<b><u>1,556,682</u></b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts in millions of Renminbi, unless otherwise stated)

	Attributable to owners of the Company														Subtotal	Non-controlling interests	Total
	Issued capita (note 15)	Share premium account	Revaluation reserve of financial assets at fair value through other comprehensive income	Insurance finance reserve	General risk reserve	Catastrophic loss reserve	Asset revaluation reserve	Share of other comprehensive income of associates and joint ventures	Foreign currency translation reserve	Surplus reserve	Other reserves	Actuarial losses on pension benefit obligation	Retained profits				
Balance at 1 January 2024	44,224	23,973	15,891	(17,367)	20,439	91	4,226	(387)	34	15,697	(15,226)	(1,512)	153,123	243,206	89,697	332,903	
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	42,151	42,151	14,630	56,781	
Other comprehensive income for the year	-	-	19,561	(27,652)	-	-	165	1,268	15	-	-	(217)	-	(6,860)	(819)	(7,679)	
Total comprehensive income for the year	-	-	19,561	(27,652)	-	-	165	1,268	15	-	-	(217)	42,151	35,291	13,811	49,102	
Other comprehensive income transferred to retained earnings	-	-	(1,013)	(2,774)	-	-	-	(223)	-	-	-	-	4,010	-	-	-	
Appropriations to general risk reserve and surplus reserve	-	-	-	-	2,624	-	-	-	-	1,138	-	-	(3,762)	-	-	-	
Appropriations to catastrophic loss reserve	-	-	-	-	-	246	-	-	-	-	-	-	(246)	-	-	-	
Utilisation of catastrophic loss reserve	-	-	-	-	-	(157)	-	-	-	-	-	-	157	-	-	-	
Dividends paid to shareholders(note 13)	-	-	-	-	-	-	-	-	-	-	-	-	(9,685)	(9,685)	-	(9,685)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,966)	(4,966)	
Others	-	-	-	-	-	-	-	-	-	-	54	-	-	54	13	67	
Balance at 31 December 2024	44,224	23,973	34,439	(47,793)	23,063	180	4,391	658	49	16,835	(15,172)	(1,729)	185,748	268,866	98,555	367,421	

\* This reserve contains both statutory and discretionary surplus reserves.

\*\* Consolidated reserves of RMB224,642 million in the consolidated statement of financial position as at 31 December 2024 comprise these reserve accounts.

Attributable to owners of the Company

	Issued capital (note 15)	Share premium account	Revaluation reserve of financial assets at fair value through other comprehensive income	Insurance finance reserve	General risk reserve	Catastrophic loss reserve	Asset revaluation reserve	Share of other comprehensive income of associates and joint ventures	Foreign currency translation reserve	Surplus reserve	Other reserves	Actuarial losses on pension benefit obligation	Retained profits	Subtotal	Non-controlling interests	Total
	**	**	**	**	**	**	**	**	**	**/**	**	**	**	**	**	**
Balance at 1 January 2023	44,224	23,973	9,958	(8,716)	18,558	59	3,987	(260)	10	14,922	(15,209)	(1,433)	141,109	231,182	82,682	313,864
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	22,322	22,322	8,489	30,811
Other comprehensive income for the year	-	-	5,654	(8,651)	-	-	239	(127)	24	-	-	(79)	-	(2,940)	(453)	(3,393)
Total comprehensive income for the year	-	-	5,654	(8,651)	-	-	239	(127)	24	-	-	(79)	22,322	19,382	8,036	27,418
Insurance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500	2,500
Other comprehensive income transferred to retained earnings	-	-	279	-	-	-	-	-	-	-	-	-	(279)	-	-	-
Appropriations to general risk reserve and surplus reserve	-	-	-	-	1,881	-	-	-	-	775	-	-	(2,656)	-	-	-
Appropriations to catastrophic loss reserve	-	-	-	-	-	32	-	-	-	-	-	-	(32)	-	-	-
Dividends paid to shareholders (note 13)	-	-	-	-	-	-	-	-	-	-	-	-	(7,341)	(7,341)	-	(7,341)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,515)	(3,515)
Others	-	-	-	-	-	-	-	-	-	-	(17)	-	-	(17)	(6)	(23)
Balance at 31 December 2023	44,224	23,973	15,891	(17,367)	20,439	91	4,226	(387)	34	15,697	(15,226)	(1,512)	153,123	243,206	89,697	332,903

\* This reserve contains both statutory and discretionary surplus reserves.

\*\* Consolidated reserves of RMB198,982 million in the consolidated statement of financial position as at 31 December 2023 comprise these reserve accounts.



## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts in millions of Renminbi, unless otherwise stated)

	Notes	2024	2023
<b>OPERATING ACTIVITIES</b>			
Profit before tax		69,232	33,557
Adjustments for:			
Investment income	8	(35,878)	(1,407)
Interest income	8	(30,876)	(29,379)
Exchange gains		(64)	(228)
Share of profits or losses of associates and joint ventures		(13,720)	(14,939)
Finance costs	9	3,245	3,461
Net impairment (reversals)/losses on financial assets	10	(1,754)	1,428
Depreciation of property and equipment		2,546	2,560
Depreciation of right-of-use assets		1,024	1,260
Amortisation of intangible assets		1,431	1,236
Disposal gains from investment properties, property and equipment, intangible assets and land use rights		(174)	(209)
Impairment losses on other assets		248	190
Investment expenses		459	182
Operating cash flows before working capital changes		(4,281)	(2,288)
Changes in insurance and reinsurance contract assets/liabilities		97,825	80,310
Changes in investment contract liabilities		186	356
Increase in other assets, net		(2,659)	(5,214)
Increase in other liabilities, net		6,271	4,008
Cash generated from operations		97,342	77,172
Income tax paid		(9,352)	(6,623)
Net cash generated from operating activities		87,990	70,549
<b>INVESTING ACTIVITIES</b>			
Interest income		21,267	44,108
Dividends received		10,459	3,207
Purchases of investment properties, property and equipment, intangible assets and land use rights		(4,397)	(3,573)
Proceeds from disposals of investment properties, property and equipment, intangible assets and land use rights		478	298
Purchases of investments		(647,965)	(413,533)
Proceeds from disposals of investments		586,111	277,109
Payments for investment expenses		(385)	(215)
Rentals received		685	657
Decrease/(increase) in term deposits, net		(43,852)	21,015
Net cash used in investing activities		(77,599)	(70,927)

	<i>Notes</i>	<b>2024</b>	2023
<b>FINANCING ACTIVITIES</b>			
Increase in securities sold under agreements to repurchase, net		<b>2,303</b>	7,885
Issue of bonds payable		<b>11,988</b>	24,000
Proceeds from bank borrowings		<b>150</b>	292
Issue of other equity instruments		–	2,500
Repayment of bank borrowings and bonds payable		<b>(314)</b>	(30,238)
Interests paid		<b>(2,970)</b>	(3,723)
Dividends paid		<b>(11,866)</b>	(11,215)
Payments of lease liabilities		<b>(1,057)</b>	(1,170)
Cash received related to non-controlling interests of consolidated structured entities, net		<b>6,626</b>	186
		<hr/>	<hr/>
Net cash generated from/(used in) financing activities		<b>4,860</b>	(11,483)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		<b>15,251</b>	(11,861)
Cash and cash equivalents at beginning of the year		<b>28,835</b>	40,599
Effects of exchange rate changes on cash and cash equivalents		<b>46</b>	97
		<hr/>	<hr/>
Cash and cash equivalents at end of the year		<b>44,132</b>	28,835
		<hr/> <hr/>	<hr/> <hr/>
Analysis of balances of cash and cash equivalents			
Securities purchased under resale agreements with original maturity of no more than three months		<b>19,230</b>	8,442
Deposits with banks with original maturity of no more than three months and money at call and short notice		<b>24,902</b>	20,393
		<hr/>	<hr/>
Cash and cash equivalents at end of the year		<b>44,132</b>	28,835
		<hr/> <hr/>	<hr/> <hr/>

## NOTES:

### 1. CORPORATE INFORMATION

The People's Insurance Company (Group) of China Limited (the "**Company**") was established on 22 August 1996 in the People's Republic of China (the "**PRC**") and its registered office is located at 1-13/F, No. 88, West Chang'an Street, XiCheng District, Beijing, the PRC. The Company's predecessor, The People's Insurance Company of China, is a state-owned enterprise established in October 1949 by the PRC government. The Company is listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange. The ultimate controlling party of the Company is the Ministry of Finance ("**MOF**") of the PRC.

The Company is an investment holding company. During the year ended 31 December 2024, the Company's subsidiaries mainly provide integrated financial products and services and are engaged in property and casualty insurance, life and health insurance, asset management and other businesses. The Company and its subsidiaries are collectively referred to as the "**Group**".

These consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company, and all values are rounded to the nearest million except when otherwise indicated.

### 2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards, also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the disclosure requirements of the Hong Kong Companies Ordinance. IFRS Accounting Standards comprise the following authoritative:

- IFRS Accounting Standards
- IAS® Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations)

For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

### 3. BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost basis, except for investment properties, certain financial instruments and insurance and reinsurance contract assets/liabilities.

#### 4 APPLICATION OF NEW STANDARDS AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

In current year, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards which are effective for annual periods beginning on or after 1 January 2024 for the preparation of the Group's consolidated financial statements:

Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the above amendments had no material impact on the Group's consolidated financial statements.

#### 5 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

These IFRS Accounting Standards amendments have been issued, but have not been adopted before their effective dates by the Group:

Amendments to IAS 21	<i>Lack of Exchangeability<sup>1</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to Classification and Measurement of Financial Instruments<sup>2</sup></i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7<sup>2</sup></i>
Amendments to IFRS 18 (i)	<i>Presentation and Disclosure in Financial Statements<sup>3</sup></i>
Amendments to IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures<sup>3</sup></i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>4</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined but available for adoption

(i) IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

Beside the above (i), none of these new standards and amendments are expected to have a significant effect on the consolidated financial statements of the Group.

## 6. OPERATING SEGMENT INFORMATION

The Group's operating segments are presented in a manner consistent with the internal management reporting provided to the management for deciding how to allocate resources and for assessing performance.

For management purposes, the Group is organised into business units based on principal activities of subsidiaries and has the following operating and reportable segments:

- (1) The non-life insurance segment offers a wide variety of non-life insurance products mainly by PICC Property and Casualty Company Limited (“**PICC P&C**”);
- (2) The life insurance segment offers a wide range of life insurance products by PICC Life Insurance Company Limited (“**PICC Life**”);
- (3) The health insurance segment offers a wide range of health and medical insurance products by PICC Health Insurance Company Limited (“**PICC Health**”);
- (4) The asset management segment offers asset management services;
- (5) The headquarters and other segments provide management and support for the Group's business through its strategy, risk management, finance, legal and human resources functions and comprises insurance agent business, reinsurance business and other operating business of the Group.

The segment's net profit includes revenue less expenses that are directly attributable to the segment.

Segment's assets and liabilities mainly comprise operating assets and liabilities that are directly attributable to the segment. Segment's assets are recognised after deducting the related provisions, and such deductions are directly written off in the Group's consolidated statement of financial position.

In the segment reporting, insurance revenue and other income earned are included in the segment's revenue, and profit or loss is presented as the operating results of the segment.

The Group's revenue and profits for the period were mainly derived from the aforementioned business in Mainland China. As the revenue, net profit, assets and liabilities of operations outside Mainland China constitute less than 10% of the consolidated amounts in these financial statements, geographical segmental information is not presented.

Intersegment sales are transacted according to terms and conditions negotiated by the relevant parties within the Group.

Segment revenue and results for the year ended 31 December 2024

	Non-life insurance	Life insurance	Health insurance	Asset management	Headquarters and others	Eliminations	Total
Insurance revenue	486,792	22,384	27,217	–	5,252	(3,936)	537,709
Interest income (from financial assets not measured at fair value through profit or loss)	11,898	14,293	2,784	72	1,829	–	30,876
Net investment gains	13,908	19,056	1,761	408	14,856	(14,111)	35,878
Share of profits or losses of associates and joint ventures	11,244	4,697	4	40	778	(3,043)	13,720
Exchange gains	(22)	48	4	(2)	36	–	64
Other income	1,466	311	570	2,558	3,178	(4,110)	3,973
<b>TOTAL INCOME</b>							
<b>SEGMENT INCOME</b>	<u>525,286</u>	<u>60,789</u>	<u>32,340</u>	<u>3,076</u>	<u>25,929</u>	<u>(25,200)</u>	<u>622,220</u>
External income	524,329	60,483	32,138	1,755	3,515	–	622,220
Inter-segment income	957	306	202	1,321	22,414	(25,200)	–
Insurance service expenses	466,302	7,483	17,752	–	4,932	(3,632)	492,837
Net expenses from reinsurance contracts held	6,093	164	1,742	–	71	(606)	7,464
Finance expenses from insurance contracts issued	9,994	29,665	3,533	–	293	(156)	43,329
Finance income/(losses) from reinsurance contracts held	(1,305)	1	(91)	–	(14)	145	(1,264)
Finance costs	1,147	1,178	212	11	697	–	3,245
Other operating and administrative expenses	3,017	2,663	863	1,905	4,779	(4,096)	9,131
Net impairment losses/(reversals) on financial assets	(910)	(725)	(197)	17	61	–	(1,754)
<b>TOTAL OPERATING EXPENSES</b>	<u>484,338</u>	<u>40,429</u>	<u>23,814</u>	<u>1,933</u>	<u>10,819</u>	<u>(8,345)</u>	<u>552,988</u>
<b>PROFIT BEFORE TAX</b>	<u>40,948</u>	<u>20,360</u>	<u>8,526</u>	<u>1,143</u>	<u>15,110</u>	<u>(16,855)</u>	<u>69,232</u>
Income tax expenses	(5,859)	(3,262)	(2,796)	(269)	(152)	(113)	(12,451)
<b>PROFIT FOR THE PERIOD</b>							
<b>SEGMENT RESULTS</b>	<u>35,089</u>	<u>17,098</u>	<u>5,730</u>	<u>874</u>	<u>14,958</u>	<u>(16,968)</u>	<u>56,781</u>

Segment revenue and results for the year ended 31 December 2023

	Non-life insurance	Life insurance	Health insurance	Asset management	Headquarters and others	Eliminations	Total
Insurance revenue	458,806	18,204	25,619	–	4,887	(3,616)	503,900
Interest income (from financial assets not measured at fair value through profit or loss)	11,780	13,442	2,597	45	1,515	–	29,379
Net investment gains/(losses)	2,199	(2,335)	(509)	12	11,003	(8,963)	1,407
Share of profits or losses of associates and joint ventures	10,212	5,225	2	61	708	(1,269)	14,939
Exchange gains	132	52	1	–	43	–	228
Other income	1,835	508	423	2,592	2,652	(4,396)	3,614
<b>TOTAL INCOME</b>							
<b>SEGMENT INCOME</b>	<u>484,964</u>	<u>35,096</u>	<u>28,133</u>	<u>2,710</u>	<u>20,808</u>	<u>(18,244)</u>	<u>553,467</u>
External income	484,165	34,835	28,084	1,385	4,998	–	553,467
Inter-segment income	<u>799</u>	<u>261</u>	<u>49</u>	<u>1,325</u>	<u>15,810</u>	<u>(18,244)</u>	<u>–</u>
Insurance service expenses	432,312	16,859	23,109	–	4,526	(3,370)	473,436
Net expenses from reinsurance contracts held	6,381	50	(282)	–	67	(255)	5,961
Finance expenses from insurance contracts issued	10,204	15,505	1,831	–	269	(158)	27,651
Finance income/(losses) from reinsurance contracts held	(1,301)	3	(75)	–	(15)	137	(1,251)
Finance costs	1,151	1,095	237	34	944	–	3,461
Other operating and administrative expenses	3,455	2,154	1,074	1,930	4,020	(3,409)	9,224
Net impairment losses on financial assets	<u>404</u>	<u>721</u>	<u>224</u>	<u>16</u>	<u>63</u>	<u>–</u>	<u>1,428</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>452,606</u>	<u>36,387</u>	<u>26,118</u>	<u>1,980</u>	<u>9,874</u>	<u>(7,055)</u>	<u>519,910</u>
<b>PROFIT BEFORE TAX</b>	32,358	(1,291)	2,015	730	10,934	(11,189)	33,557
Income tax (expenses)/credit	<u>(3,560)</u>	<u>1,294</u>	<u>(179)</u>	<u>(43)</u>	<u>(78)</u>	<u>(180)</u>	<u>(2,746)</u>
<b>PROFIT FOR THE PERIOD</b>							
<b>SEGMENT RESULTS</b>	<u>28,798</u>	<u>3</u>	<u>1,836</u>	<u>687</u>	<u>10,856</u>	<u>(11,369)</u>	<u>30,811</u>

Segment assets and liabilities as at 31 December 2024 and 2023, and other segment information for the years ended 31 December 2024 and 2023 are as follows:

	Non-life insurance	Life insurance	Health insurance	Asset management	Headquarters and others	Eliminations	Total
<b>31 December 2024</b>							
Segment assets	<u>806,292</u>	<u>740,268</u>	<u>125,953</u>	<u>14,363</u>	<u>232,569</u>	<u>(153,124)</u>	<u>1,766,321</u>
Segment liabilities	<u>520,442</u>	<u>700,718</u>	<u>111,165</u>	<u>4,383</u>	<u>54,675</u>	<u>7,517</u>	<u>1,398,900</u>
Other segment information:							
Capital expenditures	<u>2,893</u>	<u>273</u>	<u>134</u>	<u>593</u>	<u>566</u>	<u>(62)</u>	<u>4,397</u>
Depreciation and amortization	<u>3,876</u>	<u>636</u>	<u>351</u>	<u>165</u>	<u>450</u>	<u>(327)</u>	<u>5,151</u>
<b>31 December 2023</b>							
Segment assets	<u>732,187</u>	<u>641,200</u>	<u>102,807</u>	<u>13,799</u>	<u>216,884</u>	<u>(150,195)</u>	<u>1,556,682</u>
Segment liabilities	<u>470,996</u>	<u>605,279</u>	<u>91,089</u>	<u>4,387</u>	<u>57,271</u>	<u>(5,243)</u>	<u>1,223,779</u>
Other segment information:							
Capital expenditures	<u>3,005</u>	<u>87</u>	<u>132</u>	<u>506</u>	<u>760</u>	<u>1</u>	<u>4,491</u>
Depreciation and amortization	<u>3,583</u>	<u>254</u>	<u>235</u>	<u>417</u>	<u>362</u>	<u>82</u>	<u>4,933</u>

The headquarters, non-life and life insurance segments hold equity interests of 0.85%, 5.91%, and 6.14%, respectively, in Industrial Bank Co., Ltd. (“**Industrial Bank**”), an associate of the Group as at 31 December 2024 and 2023. These interests are accounted for as financial assets in some segments. On consolidation, these interests in aggregate are accounted for as an associate and the impacts of relevant adjustments to the consolidated financial statements are allocated to the respective segments according to their respective equity interest holdings. Details of these interests are disclosed in note 14.



## 7. INSURANCE REVENUE

	2024	2023
Insurance revenue from contracts not measured under the premium allocation approach		
Insurance revenue relating to the changes in the liability for remaining coverage	41,901	37,250
Expected incurred claims and other insurance service expenses	24,489	24,523
Change in the risk adjustment for non-financial risk for the risk expired	2,026	1,673
Contractual service margin recognised for the services provided	14,772	10,396
Experience adjustments for premium receipts relating to current and past services	614	658
Insurance acquisition cash flows amortisation	<u>10,498</u>	<u>9,771</u>
Subtotal	<u>52,399</u>	47,021
Insurance revenue from contracts measured under the premium allocation approach	<u>485,310</u>	<u>456,879</u>
<b>TOTAL</b>	<b><u>537,709</u></b>	<b><u>503,900</u></b>

## 8. INTEREST INCOME AND NET INVESTMENT GAINS

	2024	2023
Interest income from financial assets not measured at fair value through profit or loss (a)	30,876	29,379
Net investment gains (b)	<u>35,878</u>	<u>1,407</u>
<b>TOTAL</b>	<b><u>66,754</u></b>	<b><u>30,786</u></b>

### (a) Interest income from financial assets not measured at fair value through profit or loss

	2024	2023
Financial assets measured at amortized cost	13,256	13,235
Financial assets measured at fair value through other comprehensive income	12,959	11,075
Current and term deposits	4,403	4,712
Securities purchased under resale agreements	144	235
Others	<u>114</u>	<u>122</u>
<b>TOTAL</b>	<b><u>30,876</u></b>	<b><u>29,379</u></b>

**(b) Net investment gains**

	2024	2023
Interest income		
Financial assets measured at fair value through profit or loss	5,743	5,890
Dividend income		
Equity instruments measured at fair value through other comprehensive income	3,812	3,579
Financial assets measured at fair value through profit or loss	2,482	3,981
Lease income from investment properties	<u>685</u>	<u>657</u>
Subtotal	<u>12,722</u>	<u>14,107</u>
Realised investment losses		
Financial assets measured at fair value through profit or loss	(6,248)	(4,502)
Financial assets measured at fair value through other comprehensive income	5,617	1,707
Investments in associates and joint ventures	-	4
Financial assets measured at amortized cost	<u>13</u>	<u>3</u>
Subtotal	<u>(618)</u>	<u>(2,788)</u>
Unrealised investment gains		
Financial assets measured at fair value through profit or loss	24,246	(9,449)
Investment properties	<u>(472)</u>	<u>(463)</u>
Subtotal	<u>23,774</u>	<u>(9,912)</u>
<b>TOTAL</b>	<b><u>35,878</u></b>	<b><u>1,407</u></b>

Net unrealised gains or losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments, which were realised in the reporting period. Net realised gains or losses include the gains or losses on disposals of financial instruments which are calculated using the weighted average method. They represent the difference between a financial instrument's initial cost or amortised cost and disposal amount.

## 9. INSURANCE SERVICE EXPENSES

	2024		TOTAL
	Measured under the premium allocation approach	Not measured under the premium allocation approach	
Incurring claims and other directly attributable expenses	388,921	25,620	414,541
Insurance acquisition cash flows amortisation	94,309	10,498	104,807
Losses on onerous contracts and reversals of those losses	176	(2,382)	(2,206)
Changes that relate to past service – changes in the fulfilment cash flows relating to the liabilities for incurred claims	(11,612)	(12,693)	(24,305)
Other expenses	–	–	–
<b>TOTAL</b>	<b>471,794</b>	<b>21,043</b>	<b>492,837</b>

  

	2023		TOTAL
	Measured under the premium allocation approach	Not measured under the premium allocation approach	
Incurring claims and other directly attributable expenses	354,770	25,287	380,057
Insurance acquisition cash flows amortisation	94,436	9,771	104,207
Losses on onerous contracts and reversals of those losses	2,071	7,864	9,935
Changes that relate to past service – changes in the fulfilment cash flows relating to the liabilities for incurred claims	(13,504)	(7,259)	(20,763)
Other expenses	–	–	–
<b>TOTAL</b>	<b>437,773</b>	<b>35,663</b>	<b>473,436</b>

## 10. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting) the following items:

	2024	2023
Net impairment (reversals)/losses on financial assets	(1,754)	1,428
Other operating and administrative expenses (1)	<u>9,131</u>	<u>9,224</u>

### (1) Other operating and administrative expenses

	2024	2023
Employee costs (a)	50,543	49,590
Promotion expenses	13,405	19,450
Technical/labour service and consulting fees	6,693	7,623
Depreciation and amortisation	5,001	4,933
Contributions to China Insurance Security Fund	4,417	4,122
Business and travel expenses	1,813	1,739
Prevention fees	1,320	1,626
Electronic equipment's operating expenses	587	862
Impairment losses on other assets	248	190
Others	25,651	21,605
Including: Auditor's remuneration	41	51
Subtotal	<u>109,678</u>	<u>111,740</u>
Less: Expenses attributed to insurance acquisition cash flows	(53,519)	(59,085)
Less: Other insurance fulfilment cash flows in the period	<u>(47,028)</u>	<u>(43,431)</u>
<b>TOTAL</b>	<b><u>9,131</u></b>	<b><u>9,224</u></b>

Insurance companies in China are required to make regular contributions to China Insurance Security Fund ("CISF") according to the types and premiums of products sold during the year. CISF was established to provide protection for policyholders when an insurance company in China is in financial troubles.

#### (a) Employee costs

	2024	2023
Employee costs (including directors' and supervisors' remuneration)		
– Salaries, allowances and performance related bonuses	44,773	43,825
– Pension scheme contributions	<u>5,770</u>	<u>5,765</u>
<b>TOTAL</b>	<b><u>50,543</u></b>	<b><u>49,590</u></b>

## 11. INCOME TAX EXPENSE

	2024	2023
Current tax	8,517	3,040
Adjustments in respect of prior years	32	122
Deferred tax	<u>3,902</u>	<u>(416)</u>
<b>TOTAL</b>	<b><u>12,451</u></b>	<b><u>2,746</u></b>

Certain operations of the Company's subsidiaries in the Western region and Hainan Province are entitled to tax benefits and their eligible taxable income is subject to an income tax rate of 15%. One of the Company's subsidiaries is recognized as a high-tech enterprise and its eligible taxable income is subject to income tax at a rate of 15%. Except for the above-mentioned subsidiaries, the Company and its subsidiaries registered in the PRC are subject to corporate income tax ("CIT") at the statutory rate of 25% (2023: 25%) on their respective taxable income in accordance with the relevant PRC income tax rules and regulations. Income taxes on taxable income elsewhere were calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

A reconciliation of the tax expense applicable to profit before tax using the CIT rate of 25% to the tax expense at the Group's effective tax rate is as follows:

	2024	2023
Profit before tax	<u>69,232</u>	<u>33,557</u>
Tax rate	25%	25%
Tax at the statutory tax rate	17,308	8,389
Adjustments in respect of prior years	32	122
Tax effect of share of profits or losses of associates and joint ventures	(3,429)	(3,734)
Income not subject to tax	(3,656)	(3,943)
Expenses not deductible for tax	426	451
Unrecognised deductible temporary differences and tax losses/tax losses utilised from previous periods	1,980	1,501
Effects of different tax rates applied to subsidiaries	(243)	(34)
Others	<u>33</u>	<u>(6)</u>
Income tax expense for the year	<b><u>12,451</u></b>	<b><u>2,746</u></b>

## 12. EARNINGS PER SHARE

### (a) Basic Earnings Per Share

The calculation of basic earnings per share for the years of 2024 and 2023 is based on the profit attributable to owners of the Company and the number of ordinary shares in issue during the periods.

	2024	2023
Profit attributable to owners of the Company for the year	<u>42,151</u>	<u>22,322</u>
Weighted average number of ordinary shares in issue ( <i>in million shares</i> )	<u>44,224</u>	44,224
Basic earnings per share ( <i>in RMB Yuan</i> )	<u><u>0.95</u></u>	<u><u>0.50</u></u>

### (b) Diluted Earnings Per Share

	2024	2023
Profit attributable to owners of the Company for the year	42,151	22,322
Add: Adjustment of profit attributable to owners of the Company from the assumption of the conversion of all the convertible bonds issued by an associate ( <i>note</i> )	<u>(1,745)</u>	<u>(1,241)</u>
Profit attributable to owners of the Company for the calculation of diluted earnings per share	<u>40,406</u>	<u>21,081</u>
Weighted average number of ordinary shares in issue ( <i>in million shares</i> )	<u>44,224</u>	44,224
Diluted earnings per share ( <i>in RMB Yuan</i> )	<u><u>0.91</u></u>	<u><u>0.48</u></u>

*Note:* The associate of the Group, Industrial Bank issued convertible bonds with a share conversion period from 30 June 2022 to 26 December 2027 which meet potential ordinary shares under IAS 33. The adjustment of profit attributable to owners of the Company from the assumption of the conversion of all the convertible bonds issued by the associate was considered in the calculation of diluted earnings per share.

### 13. DIVIDENDS

	2024	2023
Dividends recognised as distributions:		
2024 Interim – RMB6.30 cents per share	2,786	–
2023 Final, paid – RMB15.60 cents per share	6,899	–
2022 Final, paid – RMB16.60 cents per share	<u>–</u>	<u>7,341</u>

A interim dividend in respect of the period ended 30 June 2024 of RMB6.30 cents per share was proposed by the Board of Directors on 28 August 2024 and approved by the shareholders on 26 November 2024 at the general meeting and paid on 10 January 2025.

A final dividend in respect of the year ended 31 December 2023 of RMB15.60 cents per share was proposed by the Board of Directors on 26 March 2024 and approved by the shareholders on 28 June 2024 at the general meeting and paid on 9 August 2024.

### 14. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(a) The Group's investments in associates and joint ventures as at 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Associates		
Cost of investment in associates	71,329	71,395
Share of post-acquisition profits, other comprehensive income and other equity movement, less dividend received or receivable	<u>96,397</u>	<u>85,182</u>
Subtotal	<u>167,726</u>	<u>156,577</u>
Joint ventures		
Cost of investment in joint ventures	196	196
Share of post-acquisition profits, other comprehensive income and other equity movement, less dividend received or receivable	<u>(106)</u>	<u>(108)</u>
Subtotal	<u>90</u>	<u>88</u>
<b>TOTAL</b>	<b><u>167,816</u></b>	<b><u>156,665</u></b>

Movement of investments in associates and joint ventures is as follows:

Associates and joint ventures	1 January 2024	Additions	Disposals	Share of profit	Share of other comprehensive income	Share of other movement	Dividend received	Impairment	31 December 2024
Industrial Bank	90,830	–	–	8,992	684	10	(2,786)	–	97,730
Hua Xia Bank	45,128	–	–	4,146	909	(1)	(1,241)	–	48,941
Others	20,707	–	(29)	582	162	58	(335)	–	21,145
<b>TOTAL</b>	<b>156,665</b>	<b>–</b>	<b>(29)</b>	<b>13,720</b>	<b>1,755</b>	<b>67</b>	<b>(4,362)</b>	<b>–</b>	<b>167,816</b>

As at 31 December 2024, the carrying amount of the Group’s investment in Industrial Bank was RMB97,730 million (31 December 2023: RMB90,830 million). As at 31 December 2024, the market value of the Group’s investment in Industrial Bank was RMB51,330 million (31 December 2023: RMB39,596 million), which was lower than the carrying amount. Considering impairment indicator exists, the Group performed an impairment test on the carrying amount, which confirmed that there was no impairment at 31 December 2024 as the recoverable amount as determined by a value-in-use (“VIU”) approach was higher than the carrying value.

The impairment test was performed by comparing the recoverable amount of Industrial Bank, determined by a VIU calculation, with its carrying amount. The VIU calculation uses discounted cash flow projections based on management’s best estimates of future earnings available to ordinary shareholders prepared in accordance with IAS 36.

The recoverable amount of Industrial Bank was assessed by Watson (Beijing) International Asset Appraisal Co., Ltd. The key assumptions used in the VIU calculation of Industrial Bank are as follows:

Forecast period	5 years and perpetual
Long-term profit growth rate	2.5%
Discount rate	10.3%

As at 31 December 2024, the carrying amount of the Group’s investment in Hua Xia Bank Co., Limited (“**Hua Xia Bank**”) was RMB48,941 million (31 December 2023: RMB45,128 million). As at 31 December 2024, the market value of the Group’s investment in Hua Xia Bank was RMB20,532 million (31 December 2023: RMB14,405 million), which was lower than the carrying amount. Considering impairment indicator exists, the Group performed an impairment test on the carrying amount, which confirmed that there was no impairment at 31 December 2024 as the recoverable amount as determined by a VIU approach was higher than the carrying value.

The impairment test was performed by comparing the recoverable amount of Hua Xia Bank, determined by a VIU calculation, with its carrying amount. The VIU calculation uses discounted cash flow projections based on management’s best estimates of future earnings available to ordinary shareholders prepared in accordance with IAS 36.



The recoverable amount of Hua Xia Bank was assessed by Watson (Beijing) International Asset Appraisal Co., Ltd. The key assumptions used in the VIU calculation of Hua Xia Bank are as follows:

Forecast period	5 years and perpetual
Long-term profit growth rate	2.5%
Discount rate	10.5%

(b) Particulars of the principal associates are as follows:

Associates	Place of registration	Principal activities /Place of operation	Percentage of ownership interest and voting rights held by the Group			
			31 December 2024		31 December 2023	
			Direct	Indirect	Direct	Indirect
Industrial Bank	Fujian Province, PRC	Banking, PRC	0.85%	12.05%	0.85%	12.05%
Hua Xia Bank	Beijing, PRC	Banking, PRC	–	16.11%	–	16.11%

The above table lists out the associates of the Group which principally affected the results of the year or form a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

## 15. ISSUED CAPITAL

	31 December 2024	31 December 2023
Issued and fully paid ordinary shares of RMB1 each (in million shares)		
A shares	35,498	35,498
H shares	8,726	8,726
<b>TOTAL</b>	<b>44,224</b>	<b>44,224</b>
Issued capital		
A shares	35,498	35,498
H shares	8,726	8,726
<b>TOTAL</b>	<b>44,224</b>	<b>44,224</b>

## 16. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Company	31 December 2024	31 December 2023
<b>ASSETS</b>		
Cash and bank balances	693	139
Financial assets purchased under resale agreements	3,190	499
Financial investment:		
Financial assets measured at fair value through profit or loss	2,701	3,632
Financial assets measured at amortized cost	4,212	5,647
Debt financial assets measured at fair value through other comprehensive income	10,634	6,332
Equity financial assets measured at fair value through other comprehensive income	4,845	4,021
Term Deposits	581	572
Long-term equity investment	92,390	92,209
Investment properties	2,232	2,499
Fixed assets	2,911	2,854
Intangible assets	160	135
Other assets	614	806
	<u>125,163</u>	<u>119,345</u>
<b>TOTAL ASSETS</b>	<b><u>125,163</u></b>	<b><u>119,345</u></b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Securities sold under agreements to repurchase	890	600
Salaries and staff welfare payables	3,695	3,588
Tax payable	3	2
Bonds payable	12,225	12,224
Other liabilities	3,777	604
	<u>20,590</u>	<u>17,018</u>
<b>TOTAL LIABILITIES</b>	<b><u>20,590</u></b>	<b><u>17,018</u></b>
<b>EQUITY</b>		
Issued capital	44,224	44,224
Capital reserves	35,578	35,578
Other comprehensive income	472	(79)
Surplus reserves	16,835	15,697
Retained profits	7,464	6,907
	<u>104,573</u>	<u>102,327</u>
<b>TOTAL EQUITY</b>	<b><u>104,573</u></b>	<b><u>102,327</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>125,163</u></b>	<b><u>119,345</u></b>

## **17. EVENT AFTER THE REPORTING PERIOD**

- (1) On 24 March 2025, PICC P&C redeemed the capital supplementary bonds of RMB8 billion issued on 23 March 2020.
- (2) On 27 March 2025, the Board of Directors of the Company proposed a final dividend of RMB11.70 cents (tax inclusive) per ordinary share for the year ended 31 December 2024, amounting to a total of approximately RMB5,174 million. The above proposal is subject to the approval of shareholders' general meeting of the Company.

## OPERATING HIGHLIGHTS

### 1. Significant Growth in Profitability and Continuous Stability in Financial Operations

In 2024, the Group achieved a net profit of RMB56,781 million, representing a year-on-year increase of 84.3%. Net profit attributable to owners of the Company amounted to RMB42,151 million, representing a year-on-year increase of 88.8%. The return on net assets was 16.4%, representing a year-on-year increase of 7.0 percentage points.

The Group has paid an interim dividend for 2024 of RMB0.63 (tax inclusive) per 10 shares, and proposed to distribute a final dividend of RMB1.17 (tax inclusive) per 10 shares. The cash dividend proposed to be paid to shareholders for the year 2024 amounted to RMB1.80 (tax inclusive) per 10 shares<sup>1</sup>, so as to share the operating results with the investors.

### 2. Steady Growth in Business Scale with Ample and Robust Capital Strength

The Group's business development continued to improve. In 2024, the insurance revenue recorded RMB537,709 million, representing a year-on-year increase of 6.7%, and the original premiums income<sup>2</sup> recorded RMB693,015 million, representing a year-on-year increase of 4.7%. **In terms of the P&C insurance business**, the business scale of PICC P&C grew steadily. The insurance revenue recorded RMB485,223 million, representing a year-on-year increase of 6.1%, and the original premiums income recorded RMB538,055 million, representing a year-on-year increase of 4.3%. **In terms of the life and health insurance business**, by proactively adapting to market changes and seizing business development opportunities, the insurance revenue of the life and health insurance sector recorded RMB49,601 million, representing a year-on-year increase of 13.2%, and the original premiums income recorded RMB154,699 million, representing a year-on-year increase of 6.1%. **In terms of the investment business**, driven by the cash flows of premiums, the size of investment assets maintained steady growth. As of 31 December 2024, the size of investment assets of the Group exceeded RMB1.6 trillion, representing an increase of 14.6% from the beginning of the year.

As of 31 December 2024, the Group's total assets amounted to RMB1,766,321 million, representing an increase of 13.5% from the end of the previous year. The net assets amounted to RMB367,421 million, representing an increase of 10.4% from the end of the previous year. The comprehensive solvency margin ratio was 281%, and core solvency margin ratio was 225%, indicating ample and robust capital strength of the Group.

---

<sup>1</sup> On 27 March 2025, the Board of the Company proposed to distribute the final dividend of RMB1.17 (tax inclusive) per 10 shares for the year 2024, and the profit distribution plan shall be implemented after approval by shareholders at the general meeting of the Company.

<sup>2</sup> The original premiums income was calculated based on the premium data after the significant risk test for written premiums and splitting of mixed insurance contracts in accordance with the Notice of Relevant Issues Regarding the Implementation of the No. 2 Interpretation of Accounting Standards for Business Enterprises in Insurance Industry (Bao Jian Fa [2009] No.1) and the Notice on the Publication of the Regulations on the Accounting Treatment Relating to Insurance Contracts (Cai Kuai [2009] No. 15).

### 3. High-quality Development in an Orderly Manner and Continuous Optimization of Operating Quality and Efficiency

The Group adhered to high-quality development orientation and continued to optimize its operational efficiency indicators. In 2024, the growth rate of insurance revenue was 2.0 percentage points higher than the growth rate of original premiums income. **In terms of the P&C insurance business**, PICC P&C actively promoted product and service innovations, achieved steady progress in operating quality and efficiency, and maintained the largest market share in P&C insurance sector<sup>3</sup>. The net cash inflow from operating activities increased by 77.5% year-on-year, and the liquidity level significantly improved. The combined ratio was 98.8%, indicating a continuous good profitability. **In terms of the life and health insurance business**, the business structure of the life and health insurance sector was further optimized. The regular premiums of PICC Life accounted for 79.5% of the original premiums income, representing a year-on-year increase of 5.8 percentage points. The 10-year-and-above regular premiums increased by 51.2% year-on-year, with proportion increased by 3.2 percentage points. The value of new business reached RMB5,024 million, representing a year-on-year increase of 114.2% on a like-for-like basis. The 13-month premium persistency ratio reached 96.3%, representing a year-on-year increase of 4.1 percentage points, and the sustainability of business development was significantly enhanced. The first-year regular premiums of PICC Health increased by 50.2% year-on-year, and the value of new business reached RMB6,513 million, representing a year-on-year increase of 143.6% on a like-for-like basis. The nursing insurance premiums increased by 56.8% year-on-year, and the professional capability in health insurance was further consolidated. **In terms of investment business**, the Group adhered to the concept of long-term investment and value investment, proactively supported national strategies, improved investment professional capabilities, and gained a significant increase in investment returns. In 2024, the Group actively responded to challenges of fluctuations in the equity market and low interest rate environment, strengthened asset-liability matching management, optimized the asset allocation structure from a cross cyclical perspective, and actively seized capital market opportunities. The total investment income for the year was RMB82,163 million, representing a year-on-year increase of 86.2%, and the total investment yield was 5.6%, representing a year-on-year increase of 2.3 percentage points.

### 4. Serving the Overall National Development and Demonstrating the Responsibilities of a Central Enterprise

The Group adhered to providing financial services to the real economy, solidly implemented the “Five Priorities” on finance, pragmatically promoted strategic projects, optimized its insurance products, innovated its insurance services, focused on its investment direction, and contributed to the Chinese path to modernization with high-quality development. In 2024, the total amount of the Group’s risk protection was RMB3,175 trillion, and the paid claims were RMB448.5 billion, ranking first in the industry.

---

<sup>3</sup> The market share was independently calculated based on the original premiums income in the PRC (excluding Hong Kong, Macau and Taiwan) published by the National Financial Regulatory Administration. Starting from June 2021, the summarised data of P&C insurance companies and life and health insurance companies published by the National Financial Regulatory Administration does not include certain institutions which are in the stage of risk disposal in the insurance industry. The same applies below.

**The quality and efficiency of technology finance were improved continuously.** The Group made great efforts in the establishment of its demonstration pool of science and technology insurance products, established the verification and evaluation center of scientific and technological achievements and intellectual property rights, and launched the first pilot comprehensive insurance in China, and issued the first batch of major scientific and technological breakthrough insurance, low-altitude economy exclusive insurance and insurance for loss of overseas patent/trademark deployment expenses in China. The science and technology insurance segment undertook total insurance responsibility valued at RMB31 trillion, providing risk protection for 120,000 high-tech enterprises and 67,000 “enterprises that use special and sophisticated technologies to produce novel and unique products”. The total amount of investment in high-tech enterprises reached RMB32.7 billion. **The green financial system was further improved.** The Group signed the Principles for Sustainable Insurance (PSI) of the United Nations, set up a green finance committee, established the first unified green insurance statistics system and the ESG risk evaluation system for insurance clients in the industry, and was granted AA in ESG rating by MSCI. The green insurance segment provided risk protection of RMB184 trillion, and provided insurance services for 11.59 million new energy vehicles, representing a year-on-year increase of 57.3%. The investment scale of serving green development reached RMB100.4 billion. **The supply of inclusive finance was further improved.** The Group accelerated the coverage expansion, product increase and standards improvement of agricultural insurance, and provided risk protection of RMB2.1 trillion for 55.42 million rural households. The Group was the first to issue the agricultural germplasm resource protection insurance, and the full cost insurance and planting income insurance for three major staple foods covered an area of 320 million mu. The Group actively participated in the construction of multi-layer social insurance system, and undertook 1,442 policy-based health insurance projects such as serious critical illness insurance, long-term nursing insurance, and outpatient chronic and special diseases insurance, covering nearly 1.0 billion personnel time, and serving new citizens of 18.18 million personnel time. The Group focused on micro, small, and medium enterprises and private enterprises, and launched the “Zhu Wei Bao (助微保)” exclusive products, providing risk protection of RMB45.0 billion for 97,000 micro-small-and medium-sized enterprises and self-employed individuals. **The pension financial service has been continuously strengthened.** The Group realized premiums of commercial insurance annuities from new policies of RMB23.4 billion, and reinforced the construction of pension service capability. The “Nuan Xin Sui Yue (暖心歲悅)” institutional pension service covered 50 pension institutions in 14 provinces. The Group launched “Hao Yi Bao, Long-term Medical Insurance for the Middle-aged and Elderly (好醫保•中老年長期醫療險)”, the first internet long-term medical insurance for the middle-aged and elderly in the industry, which raised the ceiling age of insurance and provided comprehensive protection for the elderly with anamnesis and chronic diseases. **The digital financial innovation continued to accelerate.** The Group innovated the digital economy insurance products, and launched the “Computing Chain Insurance (算鏈保)” portfolio products, the insurance for the computing power industry chain. Many solutions such as the “Worry-free on Cloud (雲上無憂)” were selected into the insurance plan catalog of cyber security insurance pilot work of the Ministry of Industry and Information Technology. The amount of cyber security insurance protection increased by 31% year-on-year. The Group reserved more than 170 general AI capabilities, and vigorously promoted many intelligent services such as agent assistants and intelligent sparring partners.

## 5. Making Every Effort to Implement Risk Reduction Services and Dedicating to Improve Disaster Prevention, Mitigation and Relief Capabilities

Adhering to the corporate mission of “People’s Insurance, Serving the People”, the Group built a full-process risk reduction service value chain with a high sense of political responsibility and mission, continued to enhance its disaster prevention, mitigation and relief capabilities by innovation of service models and technology empowerment, and gave full play to the functional role in risk prevention, emergency rescue, loss claims and other aspects.

**Strengthening pre-insurance risk survey.** In terms of risk identification, the Group issued 4.137 million digital risk survey reports, achieving a full coverage of digital risk survey of legal entity business. **Strengthening early warning in the process of insurance.** The Group provided 1.6069 million risk reduction services in key areas such as safety liability insurance and P&C insurance, and provided 14.6392 million meteorological warnings and over 193.7 thousand IoT warnings. The Group creatively drew a map of emergency response capabilities for catastrophes, organized and carried out emergency drills for catastrophes. **Strengthening pre-disaster investigation.** The Group actively carried out disaster prevention, loss mitigation and risk checks. In response to the rainstorm disaster, the Group deployed and applied water immersion IoT equipment and other equipment in advance, identified and watched over the locations which are easily logged with water, collected and relocated the subject matters of the agricultural insurance, and reserved important resources such as prevention sites and maintenance service organizations. **Strengthening claim settlements for catastrophes.** The Group introduced exclusive policies for “19 Measures to Accelerate Insurance Claims” and other policies including “Heartwarming Claim (暖心賠)” to improve the post-disaster recovery and reconstruction and loss compensation. The Group properly responded to major disasters and accidents, such as freezing rain and snow disasters, heavy rainstorms and floods in South China, road collapse of Meizhou-Dapu Expressway in Guangdong Province, landslides in Zhaotong, Yunnan Province, the Earthquake in Wushi County, Xinjiang Uygur Autonomous Region, the Typhoons “Capricorn”, “Bebinca” and “Pulasan”, and strived to provide efficient, convenient and warm claims services to the masses. In 2024, the Group actively mobilized social and professional rescue forces to support the disaster-hit areas, provided nearly 7,000 non-discriminated vehicle rescue services and dispatched 26 catastrophe rescue teams, and mobilized nearly 30,000 claim settlement and customer service staff, by which, the Group fulfilled its solemn commitment to ensure a better life of people through practical actions.



## 6. Establishing Sound Corporate Image and Increasing the Brand Value Significantly

The Group actively practiced the financial culture with Chinese characteristics, carried forward the red tradition, promoted corporate culture, and consolidated consensus on systematic development. The Group made great efforts in brand building, and continuously enhanced its brand value and influence. The Group ranked 158th in the list of Fortune Global 500 in 2024 for 15 consecutive years. The Group ranked 150th in Brand Finance Global 500 2025 in terms of brand value, up by 10 places than last year; and ranked 85th in terms of brand strength, up by 20 places than last year. Among the Chinese insurance brands on the list, the Group's brand value growth ranked first in the industry, and the Group's brand strength improvement remained at forefront steadily in the industry.

In 2024, the Group made great efforts in creating a more communicative and influential brand image to promote the construction of a world-class insurance financial group and serve the high-quality development of the Group. During the 16th Customer Festival, the Group further improved the customer service experience by live video streaming, financial knowledge promotion in communities and sports carnival activities. The "PICC Red (人保红)" lighted up the core landmarks of 31 key cities, and the image as a financial central enterprise has become more deeply ingrained in people's minds. The Group sponsored the "Xiong'an Marathon", a gold-medal event organized by Chinese Athletics Association, and collaborated with the China Roller Skate Association by sponsoring a number of skateboarding and roller skate events, which further enhanced the influence of the Group's brand among young people. As a diamond sponsor, the Group sponsored the "China Open", the comprehensive international tennis tournament of the highest level and with the largest number of participants in Asia. The Group sponsored the 43rd "Guangdong-Hong Kong Cup", a traditional Guangdong-Hong Kong annual football event, which promoted sports and cultural exchanges and integration in the Guangdong-Hong Kong-Macao Greater Bay Area. The Group sponsored PICC Guangdong-Hong Kong-Macao Greater Bay Area (Guangzhou) New Energy Vehicle Sports Season, which promoted the development of China's new energy vehicle industry and injected new vitality into regional development.

The Group's efforts in further deepening the implementation of strategy and serving the high-quality development of the economy and society were widely publicized and reported by numerous media such as People's Daily, Xinhua News Agency and China Media Group, with over 395 thousand posts published and forwarded across the Internet, which continually enhanced and demonstrated the good corporate image.

The Group accelerated the construction of the "General Consumer Protection (大消保)" pattern, established the consumers' rights and interests protection department, strengthened the top-level planning and coordinated advancement of consumer protection, unified the release of the Group's consumer protection culture, established a comprehensive customer experience management system, and innovatively applied customer experience management instruments. In 2024, the net promoter score of PICC P&C, PICC Life and PICC Health increased by 6.0%, 4.4% and 6.0%, respectively, and customer satisfaction continued to improve. PICC Health was among the first in the insurance industry to obtain ISO9001 quality management system certification for consumers' rights and interests protection. The Group promoted the improvement of elderly-friendly services in a list-based manner, and 95518 customer service hotline provided manual and exclusive services to more than 1.7 million elderly customers throughout the year.



## 7. Accelerating Digitalization Construction and Supporting the Implementation of Strategies Effectively

The Group strengthened the top-level planning for digital development, formulated action plans for digital construction, introduced corporate structural management, deployed and implemented a number of digital “no regrets (無悔)” projects, among which, the “no regrets (無悔)” projects led by the Group focused on building digital capabilities of value collaboration and shared empowerment of the whole Group, and were designed to consolidate the scientific and technological base for “six unifications” of computing power base, data base, intelligence base, security base, technology route and independent and controllable programme for the entire Group, and the “no regrets (無悔)” projects led by subsidiaries focused on building their respective agile and innovative digital capabilities, so as to collectively create the core technological competitiveness of the Group.

**Optimizing layout of computing power resource.** The Group launched the construction of Western Data Center, improved the operation of North Center, completed over 300 independent data centers and cloud platforms for application system migration, gradually built a green, low-carbon, intelligently operated, flexible, scalable, secure and reliable data center cluster and backbone network, and established a disaster-tolerant architecture with three centers in two locations. **Insisting on the building of self-reliance and strength in science and technology.** The Group continued to build its unified multi-cloud and multi-core cloud platform, accelerated the distributed transformation of core business systems and the optimization and upgrading of software and hardware infrastructure platforms, promoted the use of various security management platforms, and improved cyber security attack and defense laboratory, so as to improve comprehensive defense capabilities. **Systematically promoting data governance.** By taking advantage of its unified data platform, the Group strengthened data asset accumulation, and the data resources under management by the Group reached 86.7%, accelerating the value release of data elements. **Strengthening technology and innovation empowerment.** The Group built its industry-leading digital innovation capabilities for the front line to enhance customer experience through digitalization. The intelligent technology service platform reserved over 170 general AI capabilities, PICC’s exclusive large model products were implemented and applied in more than 10 scenarios including intelligent human resources, digital audit, agent assistance and intelligent sparring partners. The number of patent applications by the Group increased by 64.8% compared to last year, and the Group’s “Data Intelligent Decision-making (數聚智策)” risk prevention and control system was awarded the first prize of “2023 Annual Financial Technology Development Award” by The People’s Bank of China.

## 8. Focusing on Upgrade of Comprehensive Risk Management and Improving the Long-Term Risk Prevention and Control Mechanism

Focusing on the overall situation of national security and the overall economic and social development, the Group placed the prevention and defusing of financial risks in a more prominent position, further enhanced the proactivity and foresight of risk prevention and control, strengthened risk awareness within the Group, built a comprehensive, systematic and thorough risk management system, promoted the normal operation of risk prevention and control mechanism, and comprehensively promoted the effective implementation of various risk prevention and control actions to ensure high-quality development with high-level safety.

In 2024, the risk preference was implemented well in general, no major risk events have occurred, and risk prevention and control were conducted vigorously and effectively. **The comprehensive risk management system has been further improved.** The Group carried out comprehensive risk management upgrade actions, strengthened the C-ROSS SARMRA assessment, and built the comprehensive risk rating benchmarking, by which, the comprehensive risk ratings of PICC P&C, PICC Life and PICC Health have been improved. **The dynamic risk monitoring and early warning capabilities have been further enhanced.** The Group optimized the risk appetite monitoring index system, and launched the intelligent risk control platform to further promote the transformation of risk management and control from “manual defense” to “technical defense” and “intelligent control”. **The risk prevention and control in key areas has been further strengthened.** The Group strengthened the risk management and control of P&C insurance premiums receivable, and the premiums receivable rate of PICC P&C decreased by 1 percentage point year-on-year; in terms of personal insurance, the Group strengthened the risk prevention of interest rate spread loss, which led to a significant improvement of cost-benefit matching; in terms of investment, the Group intensified the risk monitoring in key areas such as real estate and urban investment platforms, and no major credit risk losses have occurred to fixed-income assets; in terms of information security, the special action of cyber security has achieved remarkable results. **The internal control and compliance of institutions at all levels has been further improved.** The Group scientifically and rationally set the business development indicators, and guided institutions at all levels to firmly establish a correct view of business, performance and risk; the Group promoted the compliance culture through innovative forms, and solidly organized and carried out compliance inspections and training; the Group strengthened the construction of execution capabilities, intensified risk compliance performance appraisal, and strictly pursued the responsibility and accountability for risk compliance; the Group improved the case risk prevention and control mechanism, implemented the “downgrading (下評一級)” internal control evaluation system in 50% of provincial branches, and continued to consolidate the foundation of grassroots-level internal control and compliance management.

## MANAGEMENT DISCUSSION AND ANALYSIS

The year of 2024 marks the 75th anniversary of the People's Republic of China, and is a crucial year for achieving the objectives and tasks laid down in the "14th Five-Year Plan". Faced with the complex and severe situation of increasing external pressure and internal difficulties, the Party Central Committee with Comrade Xi Jinping at its core, united and led the entire Party and all ethnic groups to respond to the changes calmly and take a full range of steps, ensured overall stable performance and steady growth of the economy, solidly promoted high-quality development, and successfully completed major objectives and tasks of economic and social development. New quality productive forces developed steadily, reform and opening up continued to deepen, risks in key areas have been mitigated in an orderly and effective manner, solid progress was made in the protection of people's livelihoods, and new and solid steps were taken towards Chinese path to modernization. The Party committee of the Group earnestly implemented the decisions and arrangements of the Party Central Committee, comprehensively implemented the guiding principles of the 20th CPC National Congress, the Second and Third Plenary Sessions of the 20th Central Committee, implemented the guiding principles of the Central Financial Work Conference and the Central Economic Work Conference, stuck to the notion of politics and serving the people in the financial work, and promoted new progress in high-quality development. The Group's insurance functions were effectively utilised, leading to steady progress in operating performance and a solid foundation for operations. The results of reform and innovation became evident, and risk prevention and control were strong and effective, resulting in excellent operating performance. The insurance segment adhered to high-quality development, continued to cultivate new growth points in serving the overall economic and social development, and effectively consolidated its market position. The investment segment strengthened market research and judgment, enhanced its active management capabilities, and achieved a rapid growth in investment returns. The Group accelerated the institutional reform of technology and digital transformation, and achieved tangible results in empowering with technology. In 2025 and afterwards, the Group will earnestly implement the guiding principles of the 20th CPC National Congress, the Second and Third Plenary Sessions of the 20th CPC Central Committee, and solidly promote and comprehensively deepen the reform to serve the Chinese path to modernization with high-quality development.

## I. BUSINESS OVERVIEW OF THE COMPANY

### (I) Review of Our Industry

In 2024, the insurance industry conscientiously implemented the guiding principles of the Third Plenary Session of the 20th CPC Central Committee to further comprehensively deepen reforms and promote high-quality development. The “Several Opinions of the State Council on Strengthening Regulation, Preventing Risks and Promoting High-Quality Development in the Insurance Industry” provides a new direction for the industry for upholding the principles of integrity and innovation, reform and transformation for better serving the economic and social development under the new situation. The insurance industry achieved original premiums income of RMB5.69 trillion for the year, representing a year-on-year increase of 5.7%; the “Five Priorities” on finance have been fully implemented and detailed, and the amount of insurance liability undertaken was RMB17,890 trillion; the Group actively responded to natural disasters such as typhoons, rainstorms and floods, launched catastrophe contingency claim settlement, and effectively protected the safety of people’s lives and property. The original policyholders’ benefits and claims were RMB2.3 trillion.

In 2024, the National Financial Regulatory Administration (the “**NFRA**”) proactively promoted the high-quality development of the insurance industry, and guided the industry to establish the principle insurance concept to make contributions to the construction of Chinese path to modernization. **In terms of serving economic and social development**, NFRA implemented the key tasks of comprehensively promoting rural revitalization, promoted the coverage expansion, product increase, standards improvement and protection improvement of agricultural insurance, promoted the nationwide implementation of full cost insurance and planting income insurance policies for three major staple foods, provided diversified agricultural insurance products with local characteristics, and ensured precise agricultural insurance claim settlement to improve the quality and efficiency of insurance services and better safeguard the interests of rural households; NFRA provided diversified inclusive insurance products and services, increased the supply of insurance protection for specific groups, improved the risk resistance ability of small and micro enterprises, individual industrial and commercial households and new agricultural business entities, and promoted the development of exclusive inclusive insurance; NFRA strengthened the supply-side structural reform of the insurance industry, built a green insurance service system, ensured green and low-carbon technological innovation, promoted a green and low-carbon energy transformation, pushed ahead the consolidation and improvement of carbon sink capabilities, served the development of green and low-carbon and green manufacturing projects in industrial sector, and improved the quality and efficiency of green insurance in serving the green economic and social transformation; NFRA accelerated the development of pension finance, continued to promote the reform of the third pillar pension insurance, better participated in and served the construction of a multi-layer and multi-pillar pension insurance system, guided the industry to further optimize the supply of health insurance and commercial insurance annuity products, improved long-term protection capabilities, improved the elderly-friendly level of financial service and supported the development of silver economy; NFRA improved the “first (set of)” insurance compensation policy mechanism, guided insurance funds to increase the investment in strategic emerging industries, advanced manufacturing

industry, new infrastructures and other fields, and accelerated the improvement of the insurance product system covering the entire life cycle of technology-based enterprises; NFRA expanded the coverage of catastrophe insurance for residential buildings of urban and rural residents, improved the catastrophe insurance system and enhanced risk-resistance resilience of the society. **In terms of promoting the high-quality transformation of the industry**, NFRA improved and optimized the pricing mechanism of life and health insurance products, established a linkage and dynamic adjustment mechanism between predetermined interest rates and market interest rates, and guided the industry to actively respond to the challenge brought about by declining interest rate and prevent the spread loss risks; NFRA promoted the implementation of consistency between regulatory filings and actual underwriting, guided the insurance institutions to adjust product structure, optimize fees and costs, and strengthen the interaction between the assets and liabilities in a planned manner, improved the level of refined management and guided the industry to reduce costs and improve efficiency so as to pass on benefits to consumers; NFRA promoted the connotative development, featured business operation and refined management of the industry, guided the insurance institutions to build a sound business, performance and risk concept, diversify their product supply and improve their insurance services, and urged the insurance intermediaries to clear away the deficiencies and improve the service quality; NFRA strengthened counter-cyclical supervision, improved the regulation of solvency and reserves, and broadened capital replenishment channels of the insurance institutions. **In terms of regulation strengthening, prevention and mitigation of risks**, NFRA comprehensively strengthened the “five major regulations”, made efforts to improve financial governance, and vigorously promoted the coordination and linkage to form a “four-hierarchy vertical management” structure; NFRA promoted the legislation of and amendment to the Insurance Law and other important laws, formulated various measures for compliance management of financial institutions, and encouraged the insurance institutions to transform to proactive compliance governance; NFRA amended the administrative measures for risk classification of insurance assets, expanded the coverage of asset risk classification, and comprehensively and accurately assessed the risk levels; NFRA deepened internal control and compliance governance, continued to improve the accuracy and effectiveness of regulation, investigated into and dealt with violations of laws and regulations in accordance with laws and regulations, and maintained the financial market order; NFRA strengthened the rectification of major non-compliance, seriously investigated and dealt with major cases of violation of laws and regulations, implemented risk monitoring, prevention and disposal, sped up the resolution of existing risks and effectively prevented the incremental non-compliances; NFRA improved the financial consumers’ rights and interests protection system and mechanism to safeguard the legitimate rights and interests of financial consumers.

## **(II) Principal Businesses**

In 2024, faced with the complex and severe situation of increasing external pressure and internal difficulties, the Group has strengthened its confidence, made new progress in persistently promoting high-quality development. The insurance function has been effectively exerted. In 2024, the Group undertook an insurance protection amount of RMB3,175 trillion in total and paid claims<sup>4</sup> of RMB448.5 billion, ranking the first in the industry. Business development advanced steadily. The Group achieved original premiums income of RMB693,015 million, representing a year-on-year increase of 4.7% with the growth rate remained at the forefront among major insurance groups; and achieved insurance revenue of RMB537,709 million, representing a year-on-year increase of 6.7%. The Group's operating benefits increased significantly, proactively responded to multiple challenges, proactively seized market opportunities and achieved a net profit attributable to owners of the Company of RMB42,151 million, representing a year-on-year increase of 88.8%, demonstrating strong development resilience.

As of 31 December 2024, the market share of PICC P&C in the P&C insurance market was 31.8%, and the aggregate market share of PICC Life and PICC Health in the life and health insurance market was 3.8%.

### ***1. P&C Insurance Segment: Steady Progress in Operating Benefits and Continuous Consolidation of Core Business***

In 2024, PICC P&C continued to consolidate the role of its core business role and strengthened product and service innovation and channel specialization construction, and achieved original premiums income of RMB538,055 million, representing a year-on-year increase of 4.3% with a market share of 31.8%, maintaining its industry leading position. PICC P&C achieved insurance revenue of RMB485,223 million, representing a year-on-year increase of 6.1%. PICC P&C continued to optimize its vehicle insurance business structure and vigorously expanded the market share of new household-use vehicles with a market share of 38.8%. The vehicle insurance business achieved insurance revenue of RMB294,701 million, representing a year-on-year increase of 4.5%. PICC P&C continued to deepen its professional operation capabilities, improved risk pricing levels, accelerated the layout of personal non-vehicle insurance business, improved the corporate business structure and improved its ability to serve the real economy. The non-vehicle insurance business achieved insurance revenue of RMB190,522 million, representing a year-on-year increase of 8.8%, accounting for 39.3% of the total insurance revenue, up by 1.0 percentage point year-on-year.

---

<sup>4</sup> The amount of paid claims data was based on the line item "Claims Expense" in the PRC Accounting Standards for Business Enterprises No.25 – Original Insurance Contracts issued in 2006.



## ***2. Life and Health Insurance Segment: Focusing on Main Responsibilities and Businesses with Improvement in Operation Quality and Efficiency***

The life and health insurance segment persisted in returning to the origin of protection, focused on main responsibilities and businesses, and the people's livelihood and well-being. PICC Life's business maintained steady progress, with a steady enhancement in value creation capability and significant optimisation in business quality. In 2024, the original premiums income amounted to RMB106,004 million, representing a year-on-year increase of 5.3%. The regular premiums amounted to RMB84,257 million, representing a year-on-year increase of 13.5%. PICC Life's value of new business amounted to RMB5,024 million, representing a year-on-year increase of 114.2% on a like-for-like basis. PICC Health adhered to high-quality and sustainable development, and achieved an original premiums income of RMB48,695 million, representing a year-on-year increase of 7.7%. PICC Health achieved the first-year regular premiums of RMB6,650 million, representing a year-on-year increase of 50.2%. PICC Health's value of new business amounted to RMB6,513 million, representing a year-on-year increase of 143.6% on a like-for-like basis. The growth rate of health insurance premiums was 4.9 percentage points ahead of life and health insurance companies in the health insurance market. The original premiums income of Internet health insurance business was RMB17,784 million, which continued to maintain the market leading position among life and health insurance companies.

## ***3. Investment Segment: Significant Growth in Investment Returns and Continuing Improvement in Strategic Service Capability***

The investment segment implemented the high-quality development requirements of the Group, enhanced its capabilities and level to serve national strategies and satisfy the wealth management needs of the people, strengthened its asset-liability matching management, strengthened the construction of professional capability and promoted the improvement of investment performance significantly. In 2024, the Group achieved a total investment income of RMB82,163 million, representing a year-on-year increase of 86.2%; the total investment yield amounted to 5.6%, representing a year-on-year increase of 2.3 percentage points. The investment segment leveraged the advantages of core competency in multi-asset allocation, increased product innovation, actively explored the new model of serving national strategies by establishing the East Guangdong-West Guangdong-North Guangdong Industrial Transfer Fund and the PICC Modernized Industry Investment Funds. The Group proactively expanded the development of third-party business through serving the people's wealth management, and created a well-established and influential PICC brand. As of 31 December 2024, the scale of third-party assets under management of the Group amounted to RMB1,110,575 million, representing an increase of 3.5% from the beginning of the year.

## ***4. Technology Segment: Accelerating Construction of the Data Platforms, and Technology Empowerment at the Grassroot Level Achieving Results***

The technology segment actively promoted the technological reform and construction of the Group, exerted significant efforts in supporting the priority on digital finance, and contributed science and technological strength to the high-quality development of the Group. The technology segment coordinated the construction of 9 key technology projects and 22 sub-projects of the Group, facilitated the implementation of key initiatives in technology management work, accelerated the construction and application of data platforms, strengthened the management and control of scientific and technological

risks such as cyber security, data security, production security, supply chain security and business continuity, and continued to enhance the independent and controllable level of science and technology, with the construction of various scientific and technological infrastructures steadily advancing.

At the same time, technological empowerment at the grassroots level achieved new results. The technology segment continued to optimize and upgrade sales order tools. The “PICC e-Tong” served nearly 110 million personnel time, and achieved the original premiums income of RMB145 billion. The technology segment deepened the research and promotion of intelligent technology, with over 35.70 million intelligent outbound calls for P&C insurance business, supporting 22 types of business scenarios such as renewal and follow-up. The technology segment completed the construction of intelligent underwriting expert system for health group insurance, improved professional underwriting capabilities and full-process response processing times, and optimized customer experience. The technology segment continued to promote online customer service. The monthly average activity of the “PICC” APP reached 3.35 million, the 95518 inbound manual connection rate of P&C insurance business reached 99.41%, and the service satisfaction rate of customer service representatives was 99.99%.

### (III) Key Operating Data

The Group primarily engages in three main businesses, namely P&C insurance business, life and health insurance business and asset management business. The Group’s businesses are composed of four main operating segments: the P&C insurance business consists of the Group’s P&C insurance segment and includes PICC P&C and People’s Insurance Company of China (Hong Kong), Limited (“**PICC Hong Kong**”), in which the Company holds 68.98% and 89.36% equity interests, respectively; the life and health insurance business consists of two separate operating segments, including the life insurance segment and the health insurance segment, among which the life insurance segment includes PICC Life, in which the Company holds 80.00% equity interest directly and indirectly, and the health insurance segment includes PICC Health, in which the Company holds 95.45% equity interest directly and indirectly; and the asset management business consists of the asset management segment of the Group and primarily includes PICC Asset Management Company Limited (“**PICC AMC**”), PICC Investment Holding Co., Ltd. (“**PICC Investment Holding**”) and PICC Capital Insurance Asset Management Co., Ltd. (“**PICC Capital**”), which are all wholly owned by the Company. The Company also holds 100.00% equity interest in PICC Pension Company Limited (“**PICC Pension**”) and PICC Information Technology Co., Ltd., and directly and indirectly holds 100.00% equity interest in PICC Reinsurance Company Limited (“**PICC Reinsurance**”) and PICC Financial Services Company Limited.

*Unit: RMB million*

	<b>The Group</b>	<b>PICC P&amp;C</b>	<b>PICC Life</b>	<b>PICC Health</b>
Actual capital	533,773	265,560	153,488	40,616
Core capital	427,564	240,863	103,291	21,338
Minimum capital	190,100	114,171	55,731	11,911
Comprehensive solvency margin ratio (%)	281	233	275	341
Core solvency margin ratio (%)	225	211	185	179



The solvency results of the Group and major subsidiaries as at 31 December 2024 were calculated in accordance with the Regulatory Rules on the Solvency of Insurance Companies (II) and the relevant notices issued by the NFRA (the former China Banking and Insurance Regulatory Commission).

#### (IV) Key Financial Indicators

	<i>Unit: RMB million</i>		
	<b>2024</b>	2023	(% of change)
Total operating revenue	<b>622,220</b>	553,467	12.4
Insurance revenue	<b>537,709</b>	503,900	6.7
Total operating expenses	<b>552,988</b>	519,910	6.4
Insurance services expenses	<b>492,837</b>	473,436	4.1
Profit before tax	<b>69,232</b>	33,557	106.3
Net profit	<b>56,781</b>	30,811	84.3
Net profit attributable to owners of the Company	<b>42,151</b>	22,322	88.8
Earnings per share <sup>(Note)</sup> (RMB/share)	<b>0.95</b>	0.50	88.8
			Increased by
Weighted average return on equity (%)	<b>16.4</b>	9.4	7.0 pt
Net cash flows from operating activities	<b>87,990</b>	70,549	24.7

*Note:* The percentage increase or decrease of earnings per share was calculated based on the data before rounding off.

	<i>Unit: RMB million</i>		
	<b>As of 31 December 2024</b>	As of 31 December 2023	(% of change)
Total assets	<b>1,766,321</b>	1,556,682	13.5
Total liabilities	<b>1,398,900</b>	1,223,779	14.3
Equity attributable to owners of the Company	<b>268,866</b>	243,206	10.6
Total share capital	<b>44,224</b>	44,224	–
Net assets per share <sup>(Note)</sup> (RMB/share)	<b>6.08</b>	5.50	10.6

*Note:* The percentage increase or decrease of net assets per share was calculated based on the data before rounding off.

## (V) Explanation for the Differences between Domestic and Overseas Accounting Standards

*Unit: RMB million*

	Net profit attributable to owners of the Company		Equity attributable to owners of the Company	
	2024	2023	As of 31 December 2024	As of 31 December 2023
Under the China Accounting Standards for Business Enterprises	<b>42,869</b>	22,773	<b>268,733</b>	242,355
Items and amounts adjusted in accordance with the IFRSs:				
Catastrophic risk reserve of agricultural insurance	<b>(957)</b>	(602)	<b>178</b>	1,135
Impact of above adjustment on deferred income tax	<b>239</b>	151	<b>(45)</b>	(284)
Under the IFRSs	<b>42,151</b>	22,322	<b>268,866</b>	243,206

Explanation for major adjustments:

According to the provisions of Cai Kuai [2014] No. 12, in addition to the liabilities for insurance contracts provided under the Accounting Standards for Business Enterprises No. 25 – Insurance Contract, PICC P&C made provision for catastrophic risk reserve of agricultural insurance based on a certain proportion of the retained premiums of agricultural insurance, and included premium reserves appropriately provided and utilised into the gain or losses for the period.

There is no provision regarding thereof under the IFRSs, hence there exist differences between such standards. The liabilities for insurance contracts provided under the IFRS No. 17 are the same as those provided under the Accounting Standards for Business Enterprises No. 25 – Insurance Contract.

**(VI) Other Major Financial and Regulatory Indicators***Unit: RMB million*

	<b>31 December 2024/2024</b>	31 December 2023/2023
<b>Consolidated</b>		
Insurance contract liabilities	<b>1,122,797</b>	980,730
Including: Liability for incurred claims	<b>243,144</b>	224,764
Liability for remaining coverage	<b>879,653</b>	755,966
Reinsurance contract assets	<b>39,762</b>	39,259
Reinsurance contract liabilities	<b>71</b>	118
Net expenses from reinsurance contracts held	<b>7,464</b>	5,961
Finance expenses from insurance contracts issued	<b>43,329</b>	27,651
Finance income from reinsurance contracts held	<b>(1,264)</b>	(1,251)
Investment assets	<b>1,641,756</b>	1,433,131
Total investment yield (%)	<b>5.6</b>	3.3
Gearing ratio <sup>(1)</sup> (%)	<b>79.2</b>	78.6
<b>PICC P&amp;C</b>		
Insurance revenue	<b>485,223</b>	457,203
Insurance service expenses	<b>465,392</b>	431,991
Combined ratio <sup>(2)</sup> (%)	<b>98.8</b>	97.8
Comprehensive loss ratio <sup>(3)</sup> (%)	<b>73.0</b>	70.6
<b>PICC Life</b>		
Insurance revenue	<b>22,384</b>	18,204
Insurance service expenses	<b>7,483</b>	16,859
Contractual service margin for issued insurance contracts	<b>92,555</b>	75,633
Contractual service margin for insurance contracts issued on initial recognition in the current period	<b>14,151</b>	9,237
Value of new business <sup>(4)</sup>	<b>5,024</b>	3,664
Embedded value <sup>(4)</sup>	<b>119,731</b>	101,470
Lapse rate <sup>(5)</sup> (%)	<b>3.6</b>	5.1
<b>PICC Health</b>		
Insurance revenue	<b>27,217</b>	25,619
Insurance service expenses	<b>17,752</b>	23,109
Contractual service margin for issued insurance contracts	<b>20,189</b>	16,979
Contractual service margin for insurance contracts issued on initial recognition in the current period	<b>10,979</b>	6,361
Value of new business <sup>(6)</sup>	<b>6,513</b>	2,826
Embedded value <sup>(6)</sup>	<b>30,117</b>	22,495
Lapse rate <sup>(5)</sup> (%)	<b>1.0</b>	1.0

*Notes:*

- (1) The gearing ratio refers to the ratio of total liabilities to total assets.
- (2) Combined ratio = (insurance service expenses + net expenses from reinsurance contracts held + finance expenses from insurance contracts issued – finance income from reinsurance contracts held)/insurance revenue.
- (3) Comprehensive loss ratio = (incurred claims and loss adjustment expenses for the period+ change in fulfilment cash flows related to liability incurred claims + finance expenses from insurance contracts issued + (recognition and reversal of losses – allocation of losses) + net expenses from reinsurance contracts held – finance income from reinsurance contracts held)/insurance revenue.
- (4) Based on economic assumptions such as investment yield and risk discount rate at 31 December 2023, the value of new business and embedded value of PICC Life as at 31 December 2024 were RMB7,849 million and RMB149,872 million, respectively.
- (5) Lapse rate = surrender value for the period/(opening balance of long-term insurance liability reserves + long-term insurance original premiums income for the period) x 100%.
- (6) Based on economic assumptions such as investment yield and risk discount rate as at 31 December 2023, the value of new business and embedded value of PICC Health as at 31 December 2024 were RMB6,883 million and RMB32,019 million, respectively.
- (7) Comparison period data for contractual service margin for issued insurance contracts and embedded value represent the data as at 31 December 2023, while comparison period data for other indices represent the data for 2023.

## II. PERFORMANCE ANALYSIS

### (I) Insurance Business

#### *P&C Insurance Business*

##### 1. *PICC P&C*

PICC P&C resolutely implemented the decisions and deployments of the Party Central Committee, fully implemented the strategic arrangements of the Group, adhered to the original mission of “People’s Insurance, Serving the People”, adhered to the general principle of pursuing progress while ensuring stability, and solidified the “Five Priorities” on finance. It continued to deepen reform and innovation, improved the operation and management system, proactively prevented and resolved risks, cultivated and built new growth drivers and strengths, and actively performed the functions of insurance as an economic shock absorber and social stabilizer, promoted its own high-quality development while serving the overall goal of Chinese path to modernization and building a strong financial sector. In 2024, the combined ratio of PICC P&C was 98.8%, the three-year average combined ratio<sup>5</sup> was 97.7%, the comprehensive loss ratio was 73.0%, and the three-year average comprehensive loss ratio<sup>6</sup> was 71.0%.

##### (1) Analysis of operating conditions and results

In 2024, PICC P&C realized insurance revenue of RMB485,223 million, representing a year-on-year increase of 6.1%, with positive growth in insurance revenue of all operating segments. PICC P&C deepened comprehensive cost reduction and efficiency enhancement, and proactively implemented the consistency between regulatory filings and actual underwriting. The comprehensive expense ratio was 25.8%, representing a year-on-year decrease of 1.4 percentage points. Affected by severe catastrophes, accidents and declining interest rates leading to an increase in debt costs, the comprehensive loss ratio of PICC P&C was 73.0%, representing a year-on-year increase of 2.4 percentage points, with the net loss from catastrophe exceeded the average level of 50.9% of the past five years, which was the highest in recent years; the combined ratio was 98.8%, representing a year-on-year increase of 1.0 percentage point; the insurance service performance was RMB14,380 million, the underwriting profit was RMB5,713 million, and the net profit was RMB32,161 million.

---

<sup>5</sup> The three-year average combined ratio represents the average of the combined ratios for the last three complete years (2022 to 2024).

<sup>6</sup> The three-year average comprehensive loss ratio represents the average of the comprehensive loss ratios for the last three complete years (2022 to 2024).

The following table sets out the underwriting profits of PICC P&C during the reporting period:

<b>Indicator</b>	<i>Unit: RMB million</i>		
	<b>2024</b>	2023	(% of change)
Insurance revenue	<b>485,223</b>	457,203	6.1
Less: Insurance service expenses	<b>465,392</b>	431,991	7.7
Less: Net expenses of reinsurance contracts ceded	<b>5,451</b>	6,142	(11.3)
Less: Finance expenses from insurance contracts issued	<b>9,901</b>	10,127	(2.2)
Add: Finance income from reinsurance contracts held	<b>1,234</b>	1,246	(1.0)
<b>Underwriting profits</b>	<b>5,713</b>	10,189	(43.9)

In order to facilitate investors' understanding of the operating results of major insurance types, PICC P&C has simulated and calculated the operating results of each insurance type after reinsurance by allocating the insurance revenue, insurance service expenses and other profit and loss accounts corresponding to reinsurance business to each insurance type. The following table sets out the selected operating information on each insurance type of PICC P&C for the reporting period:

<b>Insurance type</b>	<i>Unit: RMB million</i>				
	<b>Insurance revenue</b>	<b>Insurance service expenses</b>	<b>Underwriting profits</b>	<b>Combined ratio (%)</b>	<b>Insurance amount</b>
Motor vehicle insurance	294,701	278,658	9,285	96.8	281,552,399
Agricultural insurance	55,466	55,993	158	99.7	2,101,746
Accidental injury and health insurance	48,918	47,292	242	99.5	1,983,902,330
Liability insurance	37,112	37,622	(1,914)	105.2	577,885,868
Commercial property insurance	18,042	18,278	(2,420)	113.4	46,802,399
Other insurances	30,984	27,549	362	98.8	95,569,148
<b>Total</b>	<b>485,223</b>	<b>465,392</b>	<b>5,713</b>	<b>98.8</b>	<b>2,987,813,890</b>

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

- Motor vehicle insurance

PICC P&C has always adhered to the concept of high-quality development, continuously strengthened risk selection, and continued to promote construction of professional channels, and effectively consolidated its market share. The insurance revenue from motor vehicle insurance was RMB294,701 million, representing a year-on-year increase of 4.5%.

PICC P&C dynamically adjusted its pricing policy, improved the quality and efficiency of its claims service, and implemented risk reduction services by optimizing its risk assessment model. However, due to the frequent occurrence of catastrophic accidents caused by rain, snow, ice and extreme weather, the popularity of new energy vehicles, the increase in labour costs for automobile spare parts and the rise in standard of compensation for personal injuries, the comprehensive loss ratio of motor vehicle insurance was 72.6%, representing a year-on-year increase of 2.2 percentage points. PICC P&C deepened expense management of motor vehicle insurance, strictly implemented the policy of consistency between regulatory filings and actual underwriting for motor vehicle insurance, enhanced sales capacity and strengthened cost management and control. The comprehensive expense ratio of motor vehicle insurance was 24.2%, representing a year-on-year decrease of 2.3 percentage points; the combined ratio was 96.8%, representing a year-on-year decrease of 0.1 percentage point; and the underwriting profit was RMB9,285 million.

- Agricultural insurance

PICC P&C focused on national strategic deployments such as all-round rural revitalization and the building of a strong agricultural sector, and promoted the expansion of agricultural insurance, the increase of products, and the improvement of standards. It fully implemented the policy of expanding the scope of the full cost and planting income insurance for the three main cereal crops, and increased agricultural insurance coverage, and achieved insurance revenue from agricultural insurance of RMB55,466 million, representing a year-on-year increase of 4.9%.

PICC P&C strengthened underwriting risk management, optimized product pricing, continued to improve its business structure, enriched its product offerings, promoted the separation of agricultural insurance claims and underwriting, and created a service model of embedded risk reduction in agricultural insurance products, which realized accurate identification, early warning, detection, and assessment of agricultural risks, and carried out emergency response to catastrophe claims and disaster mitigation services. Due to the year-on-year increase in losses from disasters such as cold wave, freezing, heavy rainfall, drought and typhoon in 2024, the comprehensive loss ratio of agricultural insurance was 84.2% and the combined ratio was 99.7%, both representing a year-on-year increase of 3.9 percentage points; and the underwriting profit was RMB158 million.

- Accidental injury and health insurance

PICC P&C actively practiced “serving to enhance people’s well-being”, comprehensively promoted the upgrading and expansion of accidental injury and health insurance business, actively participated in the construction of the “1+3+N” multi-level medical insurance system, and vigorously expanded the service areas, fields and groups of universal health insurance. It continuously innovated the supply of products in potential areas and increased the market penetration rate of the vehicle-relevant accident insurance, realized insurance revenue of RMB48,918 million, representing a year-on-year increase of 11.8%.

PICC P&C strengthened underwriting control, expense control and claims cost management, optimized the claims process, continuously improved the quality of its business, and established a risk reduction service model for health insurance fund supervision, and enhanced its ability to reduce and control the risk of the total expenditure of the health insurance fund. However, due to factors such as the continuous rise in medical expenses and the increase in compensation standards, the comprehensive loss ratio was 62.1%, representing a year-on-year increase of 2.8 percentage points; the comprehensive expense ratio was 37.4%, representing a year-on-year decrease of 1.0 percentage point, and the underwriting profit was RMB242 million.

- Liability insurance

PICC P&C upgraded its business acquisition capability, optimized resource allocation, proactively adjusted the structure of liability insurance business, and coordinated the simultaneous development of traditional liability insurance and emerging liability insurance. Its liability insurance achieved insurance revenue of RMB37,112 million, representing a year-on-year increase of 12.8%.

PICC P&C upgraded digital risk management and control, strengthened the centralized audit of high-risk liability insurance business, promoted the standardization of claim settlement, and strengthened the detailed management of expenses, and the liability insurance business maintained a positive development. The comprehensive expense ratio was 31.2%, representing a year-on-year decrease of 2.2 percentage points; the combined ratio was 105.2%, representing a year-on-year decrease of 1.8 percentage points, realized a year-on-year loss reduction of RMB385 million.

- Commercial property insurance

PICC P&C focused on serving the construction of a modernized industrial system, increased the depth and breadth of its services to the real economy, enhanced the insurance coverage for high-tech enterprises and specialized, sophisticated, distinctive and innovative enterprises, increased the supply of exclusive insurance products for micro, small, and medium enterprises, and satisfied the diversified and personalized risk protection needs of enterprises. Its commercial property insurance achieved insurance revenue of RMB18,042 million, representing a year-on-year increase of 4.7%.

PICC P&C conducted high-risk business management for commercial property insurance, strengthened pre-insurance risk identification and in-insurance risk prevention, and endeavored to enhance the level of risk reduction services. However, with the severe disaster situation in 2024, PICC P&C made every effort to cope with the impacts of disasters and accidents and practically fulfilled its insurance liabilities. The comprehensive loss ratio of commercial property insurance was 85.8%, representing a year-on-year increase of 9.6 percentage points, and the combined ratio was 113.4%.



- Other insurances

PICC P&C actively promoted the upgrading of the liability protection of its vehicle-relevant property insurance, improved the comprehensive catastrophic insurance system, seized the market opportunities in freight transportation and logistics, served the construction of the “Belt and Road”, and provided risk protection for cross-border trade. The insurance revenue of other insurances was RMB30,984 million, representing a year-on-year increase of 9.3%.

PICC P&C continued to strengthen risk control and claims management of key businesses and key segments, enhanced expense refinement management, optimized differentiated allocation of resources, and improved the effectiveness of expense investment. However, due to the impact of disasters and accidents, the comprehensive loss ratio of other insurances was 65.5%, representing a year-on-year increase of 1.0 percentage point. Due to the adjustment of business structure, the comprehensive expense ratio was 33.3%, representing a year-on-year increase of 2.3 percentage points, and the combined ratio was 98.8%, representing a year-on-year increase of 3.3 percentage points. The underwriting profit was RMB362 million.

(2) Analysis from the business perspective

① Analysis by Insurance Type

The following table sets forth the original premiums income of PICC P&C by insurance type for the reporting period:

	<b>2024</b>	2023	<i>Unit: RMB million</i> (% of change)
Motor vehicle insurance	<b>297,394</b>	285,626	4.1
Accidental injury and health insurance	<b>101,160</b>	92,228	9.7
Agricultural insurance	<b>54,919</b>	58,229	(5.7)
Liability insurance	<b>37,583</b>	34,208	9.9
Commercial property insurance	<b>16,909</b>	16,585	2.0
Other insurances	<b>30,090</b>	28,931	4.0
<b>Total</b>	<b>538,055</b>	515,807	4.3

② Analysis by Channel

The following table sets forth a breakdown of the original premiums income of PICC P&C by distribution channel for the reporting period, which can be further divided into insurance agents channel, direct sales channel and insurance brokerage channel.

*Unit: RMB million*

	2024			2023	
	Amount	(% of total)	(% of change)	Amount	(% of total)
Insurance agents channel	325,754	60.5	1.3	321,632	62.4
Among which:					
Individual insurance agents	166,194	30.8	(4.9)	174,713	33.9
Ancillary insurance agents	28,470	5.3	(6.7)	30,518	5.9
Professional insurance agents	131,090	24.4	12.6	116,401	22.6
Direct sales channel	168,315	31.3	10.3	152,613	29.6
Insurance brokerage channel	43,986	8.2	5.8	41,562	8.0
<b>Total</b>	<b>538,055</b>	<b>100.0</b>	<b>4.3</b>	<b>515,807</b>	<b>100.0</b>

In 2024, PICC P&C continued to strengthen the construction of its own channels and to enhance the comprehensive sales service capabilities of the direct sales team, and promoted the integration and development of its businesses. The original premiums income of direct sales channel recorded a year-on-year increase of 10.3%.

### ③ Analysis by Region

The following table sets forth the original premiums income of PICC P&C in the top ten regions for the reporting period:

	<i>Unit: RMB million</i>		
	<b>2024</b>	2023	(% of change)
Guangdong Province	<b>57,022</b>	54,496	4.6
Jiangsu Province	<b>55,342</b>	51,935	6.6
Zhejiang Province	<b>45,627</b>	42,398	7.6
Shandong Province	<b>32,905</b>	31,243	5.3
Hebei Province	<b>28,846</b>	26,035	10.8
Sichuan Province	<b>26,799</b>	24,920	7.5
Hubei Province	<b>23,463</b>	22,898	2.5
Hunan Province	<b>22,373</b>	21,388	4.6
Anhui Province	<b>21,855</b>	21,417	2.0
Fujian Province	<b>21,370</b>	20,613	3.7
Other regions	<b>202,453</b>	198,464	2.0
<b>Total</b>	<b>538,055</b>	515,807	4.3

### (3) Insurance contract liabilities

As of 31 December 2024, net insurance contract liabilities increased by 8.5% as compared to the end of last year, primarily due to business growth, while net reinsurance contract assets increased by 4.1% as compared to the end of last year, primarily due to the change in the net balance of receivables from and payables to reinsurers.

The following table sets forth the insurance contract liabilities of PICC P&C measured by the premium allocation approach during the reporting period:

*Unit: RMB million*

	<b>As of 31 December 2024</b>	As of 31 December 2023	(% of change)
Insurance contract liabilities (assets)	<b>348,680</b>	307,928	13.2
Remaining coverage liabilities	<b>170,658</b>	153,468	11.2
Liability for incurred claims	<b>178,022</b>	154,460	15.3
Reinsurance contract assets			
(liabilities)	<b>36,263</b>	32,504	11.6
Remaining coverage assets			
recovered under reinsurance			
policies	<b>(681)</b>	(464)	46.8
Incurred claims assets recovered			
under reinsurance policies	<b>36,944</b>	32,968	12.1

The following table sets forth the insurance contract liabilities of PICC P&C that were not measured by the premium allocation approach during the reporting period:

*Unit: RMB million*

	<b>As of 31 December 2024</b>	As of 31 December 2023	(% of change)
Insurance contract liabilities (assets)	<b>51,444</b>	61,016	(15.7)
Remaining coverage liabilities	<b>4,936</b>	5,146	(4.1)
Liability for incurred claims	<b>46,508</b>	55,870	(16.8)
Reinsurance contract assets			
(liabilities)	<b>4,184</b>	6,366	(34.3)
Remaining coverage assets			
recovered under reinsurance			
policies	<b>48</b>	(146)	–
Incurred claims assets recovered			
under reinsurance policies	<b>4,136</b>	6,512	(36.5)

#### (4) Reinsurance business

PICC P&C has been adhering to a prudent reinsurance policy, utilizing the reinsurance mechanism to disperse operational risks, safeguarding the Company's operating results, enhancing risk control techniques and expanding underwriting capacity. PICC P&C maintained close cooperation with a number of industry-leading international reinsurance companies. In addition to state-owned reinsurance companies, PICC P&C mainly cooperated with reinsurance companies that have Standard & Poor's credit rating of A- (or equivalent ratings from other international rating agencies, such as A.M. Best, Fitch, and Moody's) and above. It regularly evaluates the creditworthiness of reinsurers to update the reinsurance strategy and to determine a reasonable provision for impairment of reinsurance assets.

#### 2. *PICC Hong Kong*

In 2024, PICC Hong Kong continued to adhere to the path of high-quality development, realized insurance revenue equivalent to RMB1,570 million, with a combined ratio of 100.4%. It actively played its role as an important window on the internationalization of the Group, strongly escorted the "going out" of Chinese-funded enterprises and Chinese-funded overseas projects. Its international business service network covered more than 80 countries and regions around the world, and the number of global reinsurance qualification registrations has increased to 8 countries. It played its functional role, supported the Hong Kong Special Administrative Region in consolidating and enhancing its status as an international financial center, integrated into the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, responded to and served the logistics and passenger flow insurance needs of the interconnection in the Guangdong-Hong Kong-Macao region, and achieved a net profit equivalent to RMB86 million in 2024.

#### ***Reinsurance Business***

##### *PICC Reinsurance*

PICC Reinsurance provided reinsurance protection and risk solutions based on the Group's strategies, focused on the construction of professional, innovative, service and risk management capabilities, and strived to build a boutique company with first-class efficiency. In 2024, PICC Reinsurance achieved full coverage of the major domestic market entities for the first time. PICC Reinsurance successfully organized the first overseas technical forum for Chinese insurance companies, and participated in more than 30 "Belt and Road" reinsurance community projects, serving a high level of opening-up. PICC Reinsurance has obtained a consolidate risk rating of Class AA, maintaining a leading level in the industry. In 2024, PICC Reinsurance achieved insurance revenue of RMB5,252 million, representing a year-on-year increase of 7.5%, and achieved a net profit of RMB520 million, reaching a historic high.

## *Life and Health Insurance*

### *1. PICC Life*

#### (1) Analysis of operating conditions and results

PICC Life proactively served the overall national situation, stringently executed the regulatory policies, adhered to the main work lines of “stabilizing growth, adjusting structure, enhancing value, optimizing services and preventing risks”, initiatively responded to the market changes, and adhered to the value-and benefit-oriented approach, made new breakthroughs in high-quality development. Its business development has achieved steady progress, value creation capacity has been steadily strengthened and business quality has been significantly optimized. In 2024, PICC Life achieved insurance revenue of RMB22,384 million, representing a year-on-year increase of 23.0%; its original premiums income achieved a year-on-year growth of 5.3%; and the regular premiums achieved a year-on-year growth of 13.5%; the value of new business amounted to RMB5,024 million, representing a year-on-year increase of 114.2% on a like-for-like basis; and it achieved a net profit of RMB17,098 million, which was mainly due to the fact that the capital market returns in 2024 were better than the same period of the previous year, and it continued to optimize its business structure, proactively reduced costs and increased efficiency, actively implemented the consistency between regulatory filings and actual underwriting, effectively reduced debt costs, and steadily improved operating performance.

The following table sets out PICC Life’s insurance revenue, insurance service expenses, profit or loss, and operating position and results for the reporting period by category of aggregated insurance contract portfolios:

	<i>Unit: RMB million</i>		
	<b>2024</b>	2023	(% of change)
<b>Insurance revenue</b>	<b>22,384</b>	18,204	23.0
Contracts measured under the premium allocation approach	<b>3,064</b>	3,012	1.7
Contracts not measured under the premium allocation approach	<b>19,319</b>	15,192	27.2
<b>Insurance services expenses</b>	<b>7,483</b>	16,859	(55.6)
Contracts measured under the premium allocation approach	<b>3,440</b>	3,068	12.1
Contracts not measured under the premium allocation approach	<b>4,044</b>	13,791	(70.7)
<b>Insurance service performance</b>	<b>14,900</b>	1,345	1,007.8
Contracts measured under the premium allocation approach	<b>(375)</b>	(56)	569.6
Contracts not measured under the premium allocation approach	<b>15,276</b>	1,401	990.4

(2) Analysis from the business perspective

① Analysis by Insurance Type

The following table sets forth the original premiums income of PICC Life by insurance type for the reporting period:

	2024			2023	
	Amount	(% of total)	(% of change)	Amount	(% of total)
Life insurance	89,070	84.0	6.2	83,837	83.3
General life insurance	55,934	52.8	29.7	43,125	42.9
Participating life insurance	33,010	31.1	(18.7)	40,597	40.3
Universal life insurance	126	0.1	9.6	115	0.1
Health insurance	15,779	14.9	0.7	15,668	15.6
Accident insurance	1,155	1.1	2.3	1,129	1.1
<b>Total</b>	<b>106,004</b>	<b>100.0</b>	<b>5.3</b>	<b>100,634</b>	<b>100.0</b>

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

In 2024, PICC Life made great efforts to optimize its business structure and improve the quality of development, and increased the proportion of value-added regular products. PICC Life recorded the original premiums income of RMB106,004 million, representing a year-on-year increase of 5.3%. PICC Life achieved an original premiums income from general life insurance of RMB55,934 million, representing a year-on-year increase of 29.7%.

② Analysis by Channel

Income of PICC Life classified by channel for the purpose of original premiums income for the reporting period is as follows, which can be further divided into individual insurance channel, bancassurance channel and group insurance channel.

*Unit: RMB million*

	2024			2023	
	Amount	(% of total)	(% of change)	Amount	(% of total)
<b>Individual Insurance Channel</b>	<b>51,247</b>	<b>48.3</b>	<b>6.8</b>	47,992	47.7
First-year business of long-term insurance	16,439	15.5	(0.3)	16,496	16.4
Single premiums	5,460	5.2	(6.9)	5,862	5.8
First-year regular premiums	10,980	10.4	3.3	10,634	10.6
Renewal business	34,115	32.2	10.8	30,795	30.6
Short-term insurance	693	0.7	(1.0)	700	0.7
<b>Bancassurance Channel</b>	<b>51,156</b>	<b>48.3</b>	<b>4.3</b>	49,064	48.8
First-year business of long-term insurance	27,224	25.7	(13.3)	31,383	31.2
Single premiums	12,844	12.1	(24.8)	17,085	17.0
First-year regular premiums	14,380	13.6	0.6	14,298	14.2
Renewal business	23,926	22.6	35.6	17,645	17.5
Short-term insurance	5	0.0	(86.1)	36	0.0
<b>Group Insurance Channel</b>	<b>3,601</b>	<b>3.4</b>	<b>0.6</b>	3,578	3.6
First-year business of long-term insurance	158	0.1	(64.3)	442	0.4
Single premiums	103	0.1	(70.7)	352	0.3
First-year regular premiums	55	0.1	(38.9)	90	0.1
Renewal business	801	0.8	6.9	749	0.7
Short-term insurance	2,642	2.5	10.6	2,388	2.4
<b>Total</b>	<b>106,004</b>	<b>100.0</b>	<b>5.3</b>	100,634	100.0

PICC Life insisted on promoting the optimization of the structure of the individual insurance team. As of 31 December 2024, the number of marketing personnel was 82,796; the number of monthly average effective personnel was 21,851, representing a year-on-year increase of 9.2%; and the regular premiums payment from new clients per capita per month was RMB9,921, representing a year-on-year increase of 13.1%. The original premiums income of individual insurance channel was RMB51,247 million, representing a year-on-year increase of 6.8%.

As for bancassurance channel, PICC Life strived to enhance the value of new business of the bancassurance channel, and strictly implemented the requirement of consistency between regulatory filings and actual underwriting of regulatory authorities by improving systems and strengthening rigid control, so as to promote high-quality development of channel transformation. The value of new business reached RMB2,341 million.



As for group insurance channel, PICC Life continued to deepen the business philosophy of “stabilizing existing customers and developing new customers”, focused on maintaining existing customers and exploring new customers. The original premiums income from group insurance channel amounted to RMB3,601 million, representing a year-on-year increase of 0.6%, of which the original premiums income from short-term insurance amounted to RMB2,642 million, representing a year-on-year increase of 10.6%.

### ③ Analysis by Region

The following table sets forth the original premiums income of PICC Life in the top ten regions for the reporting period:

	<b>2024</b>	2023	<i>(% of change)</i>
			<i>Unit: RMB million</i>
Zhejiang Province	<b>14,205</b>	13,446	5.6
Sichuan Province	<b>8,581</b>	8,722	(1.6)
Jiangsu Province	<b>6,971</b>	6,641	5.0
Guangdong Province	<b>6,087</b>	4,834	25.9
Beijing City	<b>5,137</b>	4,435	15.8
Hubei Province	<b>4,026</b>	3,930	2.4
Hebei Province	<b>3,644</b>	3,142	16.0
Shandong Province	<b>3,520</b>	2,939	19.8
Henan Province	<b>3,485</b>	3,608	(3.4)
Yunnan Province	<b>3,292</b>	3,001	9.7
Other regions	<b>47,058</b>	45,935	2.4
<b>Total</b>	<b>106,004</b>	100,634	5.3

### ④ Persistency Ratios of Premiums

PICC Life continued to carry out customer segmentation operations, improved management methods, and continuously improved the persistency ratios of insurance policies. The 13-month premium persistency ratio for omnichannel individual customers of PICC Life increased by 4.1 percentage points year-on-year, and the 25-month premium persistency ratio increased by 9.6 percentage points year-on-year.

The following table sets forth the 13-month and 25-month premium persistency ratios for individual customers of PICC Life for the reporting period:

<b>Item</b>	<b>2024</b>	<b>2023</b>
13-month premium persistency ratio <sup>(1)</sup> (%)	<b>96.3</b>	92.2
25-month premium persistency ratio <sup>(2)</sup> (%)	<b>89.9</b>	80.3

*Notes:*

- (1) The 13-month premium persistency ratio for a given year is the proportion of the actual TWPs for the 13th month after the long-term regular premium individual life insurance policies newly issued in the preceding year were issued and came into effect, and the actual TWPs of such policies in the year of their issuance;
- (2) The 25-month premium persistency ratio for a given year is the proportion of the actual TWPs for the 25th month after the long-term regular premium individual life insurance policies newly issued in the penultimate year were issued and came into effect, and the actual TWPs of such policies in the year of their issuance.

⑤ Top Five Products

The following table sets forth the operating results of PICC Life's top five insurance products in terms of original premiums income for the reporting period:

*Unit: RMB million*

<b>Insurance product</b>	<b>Type of insurance</b>	<b>Sales channels</b>	<b>Original premiums income</b>
PICC Life Ru Yi Bao Endowment Insurance (Participating)	Participating life insurance	Individual insurance/ Bancassurance	11,808
PICC Life Xin An Endowment Insurance (Participating) (Type C)	Participating life insurance	Bancassurance	11,455
PICC Life Zhen Xin Yi Sheng Whole Life Insurance	General life insurance	Individual insurance/ Bancassurance	11,085
PICC Life Zhen Ying Yi Sheng Whole Life Insurance	General life insurance	Individual insurance/ Bancassurance	9,718
PICC Life Ju Cai Bao Retirement Annuity Insurance (Participating)	Participating life insurance	Individual insurance	4,835

(3) Insurance contract liabilities

As of 31 December 2024, the net insurance contract liabilities increased by 17.5% compared with the end of last year, mainly due to the accumulation of insurance liabilities and the increase in the size of business; the net reinsurance contract assets increased by RMB86 million compared with the end of last year, mainly due to the newly signed reinsurance contracts.

The following table sets forth the liabilities of insurance contracts of PICC Life measured under the premium allocation approach for the reporting period:

	<b>As of</b>	<b>As of</b>	<i>Unit: RMB million</i>
	<b>31 December 2024</b>	31 December 2023	(% of change)
Insurance contract liabilities (assets)	<b>2,765</b>	2,302	20.1
Remaining coverage liabilities	<b>1,707</b>	1,151	48.3
Liability for incurred claims	<b>1,057</b>	1,152	(8.2)
Reinsurance contract assets (liabilities)	<b>20</b>	4	400.0
Remaining coverage assets			
recovered under reinsurance			
policies	<b>5</b>	(2)	–
Incurred claims assets recovered			
under reinsurance policies	<b>15</b>	6	150.0

*Note:* Figures may not directly add up to total due to rounding.

The following table sets forth the liabilities of insurance contracts of PICC Life not measured under the premium allocation approach for the reporting period:

	<b>As of</b>	<b>As of</b>	<i>Unit: RMB million</i>
	<b>31 December 2024</b>	31 December 2023	(% of change)
Insurance contract liabilities (assets)	<b>618,107</b>	525,988	17.5
Remaining coverage liabilities	<b>612,539</b>	524,157	16.9
Liability for incurred claims	<b>5,569</b>	1,830	204.3
Reinsurance contract assets (liabilities)	<b>9</b>	(62)	–
Remaining coverage assets			
recovered under reinsurance			
policies	<b>(355)</b>	(446)	(20.4)
Incurred claims assets recovered			
under reinsurance policies	<b>364</b>	384	(5.2)

*Note:* Figures may not directly add up to total due to rounding.

## 2. PICC Health

### (1) Analysis of operating conditions and results

In 2024, PICC Health actively served the Healthy China strategy and the construction of a multi-level social security system, focused on its main responsibilities and businesses, accelerated the construction of the “6+1”<sup>7</sup> business pattern, aimed at specialization and refinement, made every effort to implement the “Health Project”, and continued to strengthen corporate governance and compliant operation. The company’s operation and development continued to maintain a good momentum. In 2024, PICC Health achieved insurance revenue of RMB27,217 million, representing a year-on-year increase of 6.2%, which was mainly due to the increase in marginal release of long-term medical insurance contractual services. The net profit was RMB5,730 million. In 2024, PICC Health realized new business value of RMB6,513 million, representing a year-on-year increase of 143.6% on a like-for-like basis. The Internet health insurance business continued to maintain the market-leading position among life insurance companies. The original premiums income of commercial group insurance for projects with over RMB1 million increased by 21.3% year-on-year. Based on the integrated development of “health insurance + health management”, PICC Health provided health management services to 8.1478 million personnel times, representing a year-on-year increase of 20.1%. The revenue of the health management business was RMB434 million, representing a year-on-year increase of 63.3%.

The following table sets forth PICC Health’s insurance revenue, insurance service expenses, profit or loss, and operating position and results for the reporting period by category of aggregated insurance contract portfolios:

	<i>Unit: RMB million</i>		
	<b>2024</b>	2023	(% of change)
<b>Insurance revenue</b>	<b>27,217</b>	25,619	6.2
Contracts measured under the premium allocation approach	–	–	–
Contracts not measured under the premium allocation approach	<b>27,217</b>	25,619	6.2
<b>Insurance service expenses</b>	<b>17,752</b>	23,109	(23.2)
Contracts measured under the premium allocation approach	–	–	–
Contracts not measured under the premium allocation approach	<b>17,752</b>	23,109	(23.2)
<b>Insurance service results</b>	<b>9,465</b>	2,510	277.1
Contracts measured under the premium allocation approach	–	–	–
Contracts not measured under the premium allocation approach	<b>9,465</b>	2,510	277.1

<sup>7</sup> It refers to the construction of building a “6+1” business pattern of integration and mutual promotion between six main channels, namely social insurance business, Internet business, group customer business, business collaboration, individual insurance business and bancassurance business, and health management.

(2) Analysis from the business perspective

① Analysis by Insurance Type

The following table sets forth the original premiums income of PICC Health by insurance types for the reporting period:

*Unit: RMB million*

	2024			2023	
	Amount	(% of total)	(% of change)	Amount	(% of total)
Medical insurance	26,899	55.3	5.0	25,607	56.6
Participating endowment insurance	9,796	20.1	(4.1)	10,214	22.6
Illness insurance	5,517	11.3	8.3	5,096	11.3
Nursing care insurance	5,715	11.7	56.8	3,645	8.1
Accidental injury insurance	625	1.3	15.3	542	1.2
Disability losses insurance	143	0.3	37.5	104	0.2
<b>Total</b>	<b>48,695</b>	<b>100.0</b>	<b>7.7</b>	<b>45,208</b>	<b>100.0</b>

In 2024, PICC Health grasped the development opportunities arising from the continuous improvement of the multi-level social security system, focused on the development of the health insurance business, continued to enrich the commercial medical insurance products, and realised an original premiums income of medical insurance of RMB26,899 million, representing a year-on-year increase of 5.0%. PICC Health stepped up the efforts in developing both policy-related and commercial nursing care insurance business, and realized an original premiums income of RMB5,715 million from nursing care insurance, representing a year-on-year increase of 56.8%.

② Analysis by Channel

Income of PICC Health by distribution channels in terms of original premiums income for the reporting period is as follows, which can further be divided into individual insurance channel, bancassurance channel and group insurance channel.

*Unit: RMB million*

	2024			2023	
	Amount	(% of total)	(% of change)	Amount	(% of total)
<b>Individual insurance channel</b>	<b>20,039</b>	<b>41.2</b>	<b>6.7</b>	18,772	41.5
First-year business of					
long-term insurance	4,384	9.0	104.3	2,146	4.7
Single premiums	179	0.4	(3.8)	186	0.4
First-year regular					
premiums	4,205	8.6	114.5	1,960	4.3
Renewal business	10,963	22.5	(15.3)	12,944	28.6
Short-term insurance	4,692	9.6	27.4	3,682	8.1
<b>Bancassurance channel</b>	<b>13,280</b>	<b>27.3</b>	<b>13.9</b>	11,655	25.8
First-year business of long-					
term insurance	10,206	21.0	(3.4)	10,564	23.4
Single premiums	7,779	16.0	(4.2)	8,122	18.0
First-year regular					
premiums	2,427	5.0	(0.6)	2,442	5.4
Renewal business	3,074	6.3	181.8	1,091	2.4
Short-term insurance	–	–	–	–	–
<b>Group insurance channel</b>	<b>15,376</b>	<b>31.5</b>	<b>4.0</b>	14,781	32.7
First-year business of long-					
term insurance	42	–	(42.5)	73	0.2
Single premiums	24	–	(51.0)	49	0.1
First-year regular					
premiums	18	–	(25.0)	24	0.1
Renewal business	84	0.2	12.0	75	0.2
Short-term insurance	15,250	31.3	4.2	14,633	32.4
<b>Total</b>	<b>48,695</b>	<b>100.0</b>	<b>7.7</b>	45,208	100.0

PICC Health continued to focus on Internet Insurance business and personal agent business. In terms of Internet Insurance business, PICC Health focused on market demand, iterated the supply of inclusive health insurance, and innovatively developed the disability income loss insurance named “Everlasting Income Protection Insurance (青山在•收入保障險)”, which provides disability income loss protection for multiple scenarios such as hospitalisation, specific illnesses and functional injuries; integrated Millions Medical Insurance with Cancer Prevention Medical Insurance, and launched “Hao Yi Bao, Long-term Medical Insurance (Flagship Edition) (好醫保•長期醫療(旗艦版))”; pioneered the long-term millions critical illness products at natural rates, achieving a dual-million health guarantee of “millions medical insurance + millions critical illness insurance”; launched the first Internet long-term medical insurance for the middle-aged and elderly in the industry, providing long-term comprehensive protection for the elderly with anamnesis and chronic diseases; jointly launched the industry’s first commercial medical insurance customer research blue book – China Commercial Medical Insurance Development Research Blue Book (《中國商業醫療險發展研究藍皮書》) with Ant Insurance and Nankai University, and cobranded with the IP of Journey to the West of CCTV to launch the consumer insurance compliance and Internet product promotion animation, so as to step up publicity and promotion through “online + offline”. In terms of personal agent business, PICC Health solidly promoted the elite development route, deepened the exploration and promotion of innovative smart marketing models, focused on cultivation of sales elite, and promoted steady growth in new regular premiums for individual insurance. In 2024, the original premiums income of individual insurance channel was RMB20,039 million, representing a year-on-year increase of 6.7%.

PICC Health continued to strengthen its cooperation with the bancassurance channel, strictly enforced regulatory requirements, optimized business structure, vigorously developed the long-term nursing care insurance business, strengthened training supervision, nurtured high performing teams, enhanced professional competence, and dug up channel resources, achieving steady growth in bancassurance business. In 2024, the original premiums income of bancassurance channel was RMB13,280 million, representing a year-on-year increase of 13.9%.

PICC Health actively served the construction of a multi-level social security system, focused on “stabilizing growth, adjusting structure, enhancing value, building ecosystem, strengthening grassroots and tightening compliance”, consolidating and expanding new traditional security services, accelerated breakthroughs in social and commercial integration business, expanded and specialized in entrusted business, and strengthened fine management of the entire process. The insurance premiums scale continued to remain over RMB11.0 billion, and the comprehensive loss ratio decreased by 2.48 percentage points. In terms of commercial group insurance business, it promoted the implementation of the “Healthy Enterprise” project, focused on the development of corporate customers and social and commercial integration business, enhanced its service operation capability, provided integrated workplace medical and healthcare service solutions, and promoted the high-quality development of the group insurance business. In 2024, group insurance channel achieved an original premium income of RMB15,376 million, representing a year-on-year increase of 4.0%.

### ③ Analysis by Region

The following table sets forth the original premiums income of PICC Health in the top ten regions for the reporting period:

	<i>Unit: RMB million</i>		
	<b>2024</b>	2023	(% of change)
Guangdong Province	<b>20,870</b>	19,801	5.4
Shaanxi Province	<b>2,537</b>	1,943	30.6
Henan Province	<b>2,309</b>	2,422	(4.7)
Liaoning Province	<b>2,303</b>	2,171	6.1
Hubei Province	<b>2,072</b>	1,961	5.7
Anhui Province	<b>1,973</b>	1,937	1.9
Jiangxi Province	<b>1,819</b>	1,976	(7.9)
Shanxi Province	<b>1,690</b>	1,593	6.1
Shandong Province	<b>1,686</b>	1,368	23.2
Jiangsu Province	<b>1,386</b>	1,340	3.4
Other regions	<b>10,050</b>	8,696	15.6
<b>Total</b>	<b>48,695</b>	45,208	7.7

### ④ Persistency Ratios of Premiums

The following table sets forth the 13-month and 25-month premium persistency ratios for individual customers of PICC Health for the reporting period:

<b>Item</b>	<b>2024</b>	2023
13-month premium persistency ratio <sup>(1)</sup> (%)	<b>93.9</b>	88.8
25-month premium persistency ratio <sup>(2)</sup> (%)	<b>86.3</b>	83.6

*Notes:*

- (1) The 13-month premium persistency ratio for a given year is the proportion of actual TWPs for the 13th month after the long-term regular premium individual health insurance policies newly issued in the preceding year were issued and came into effect, and the actual TWPs of such policies in the year of their issuance;
- (2) The 25-month premium persistency ratio for a given year is the proportion of actual TWPs for the 25th month after the long-term regular premium individual health insurance policies newly issued in the penultimate year were issued and came into effect, and the actual TWPs of such policies in the year of their issuance.



⑤ Top Five Products

The following table sets forth the operating results of PICC Health's top five insurance products in terms of original premiums income for the reporting period:

*Unit: RMB million*

<b>Insurance product</b>	<b>Type of insurance</b>	<b>Sales channels</b>	<b>Original premiums income</b>
Kang Li Ren Sheng Endowment Insurance (Participating)	Participating endowment insurance	Bancassurance/ Individual insurance/ Group insurance	9,768
PICC Health You Xiang Bao Internet Medical Insurance	Medical insurance	Individual insurance	6,764
Group Critical Illness Medical Insurance for Urban and Rural Residents (Type A)	Medical insurance	Group insurance	4,482
He Xie Sheng Shi Large Amount Supplementary Group Medical Insurance for Urban Employees	Medical insurance	Group insurance	3,654
PICC Health You Xiang Health Internet Medical Insurance	Medical insurance	Individual insurance	1,849

(3) Insurance Contract Liabilities

As of 31 December 2024, the net insurance contract liabilities increased by 22.1% compared with the end of the previous year, primarily due to the growth in business; the net reinsurance contract assets decreased by 40.4% from the end of last year, primarily due to the impact of the successive maturity of the ceded direct insurance business.

The following table sets forth PICC Health's insurance contract liabilities measured by the premium allocation approach during the reporting period:

*Unit: RMB million*

	<b>As of</b>	<b>As of</b>	
	<b>31 December 2024</b>	31 December 2023	(% of change)
Insurance contract liabilities (assets)	–	–	–
Remaining coverage liabilities	–	–	–
Incurred claims liabilities	–	–	–
Reinsurance contract assets (liabilities)	<b>13</b>	(1)	–
Remaining coverage assets			
recovered under reinsurance			
policies	<b>21</b>	(1)	–
Incurred claims assets recovered			
under reinsurance policies	<b>(8)</b>	–	–

The following table sets forth PICC Health's insurance contract liabilities not measured by the premium allocation approach during the reporting period:

*Unit: RMB million*

	<b>As of</b>	<b>As of</b>	
	<b>31 December 2024</b>	31 December 2023	(% of change)
Insurance contract liabilities (assets)	<b>92,376</b>	75,668	22.1
Remaining coverage liabilities	<b>78,860</b>	61,270	28.7
Incurred claims liabilities	<b>13,516</b>	14,398	(6.1)
Reinsurance contract assets (liabilities)	<b>1,608</b>	2,722	(40.9)
Remaining coverage assets			
recovered under reinsurance			
policies	<b>(4,295)</b>	(3,428)	25.3
Incurred claims assets recovered			
under reinsurance policies	<b>5,903</b>	6,150	(4.0)

## (II) Asset Management Business

In 2024, the investment segment actively implemented the Group's strategy, strengthened professional capacity building, promoted investment business innovation, and supported the high-quality development of the Group with high-quality investment work.

## **1. *PICC AMC***

In 2024, PICC AMC aimed at the development goal of building a first-class comprehensive asset management company that serves the overall situation and has outstanding performance and leading comprehensive strength, promoted the development of insurance business with good investment performance, and actively expanded third-party business development with the service of wealth management for the people. Based on the “PICC Coordinate” of serving the Chinese path to modernization, PICC AMC enhanced product innovation, and continued to enhance its efforts in serving national strategies and supporting the real economy. As of 31 December 2024, the assets under the management of PICC AMC amounted to RMB1.9 trillion, representing an increase of 12.4% compared to the beginning of the year; the operating income for the year was RMB1.66 billion, and net profit was RMB635 million.

In 2024, in the face of challenges such as the rapid decline in interest rate, the intensified fragmentation in the equity market and the insufficient supply of high-quality non-standard products, PICC AMC adhered to the concept of long-term investment and value investment, implemented the requirements of asset liability matching management, promoted innovation in investment strategies and models, and stabilized the Group’s investment returns. For fixed-income investment, PICC AMC continuously strengthened allocation and trading capabilities to play its role of ballast for returns. For equity investment, PICC AMC built proactive investment management capabilities with absolute returns as the core, actively seized phased and structural market opportunities, and reduced the volatility of investment performance. For alternative investments, PICC AMC actively promoted the development and investment of innovative products such as high-quality ABS, CMBS and quasi-REITs. In 2024, PICC AMC, in the capacity as manager, successfully issued PICC’s first exchange-traded asset securitization product, the “PICC AMC – PICC Life Insurance Policy Pledge Loan Phase 1 Asset-backed Special Plan”, pioneered a new model of insurance collaboration, and completed the establishment and issuance of the Company’s first SMIE CMBS project, the “PICC AMC – CR Land 2024 No. 1 Consumer Infrastructure Asset-backed Plan”, which was the largest CMBS project in terms of issuance scale in the industry at the time of issuance.

## **2. *PICC Pension***

In 2024, PICC Pension focused on building a first-class pension financial institution with stable and leading investment returns, competitive products and services, and sustained growth in scale and strength, and assisted in the construction of the national multi-pillar pension security system. The coverage of annuity business continued to expand, and commercial pension business improved steadily. As of 31 December 2024, the assets under the management of PICC Pension amounted to RMB653,167 million, the operating income for the year was RMB977 million, and the net profit was RMB266 million.

PICC Pension continued to make efforts on the priority on pension finance. The service coverage of annuity business grew steadily. As of 31 December 2024, the total assets under the management of the corporate annuities and occupational annuities amounted to RMB645,663 million, representing an increase of 12.9% compared to the beginning of the year. PICC Pension served 2,465 corporate annuity customers. In 2024, PICC Pension won 607 new bids for corporate annuity collective plan clients. The third pillar commercial pension pilot has improved steadily, and has become an important tool for innovation and transformation of the business model of PICC Pension. As of 31 December 2024, the commercial pension of PICC Pension has covered ten pilot regions, and the assets under the management amounted to RMB7,504 million, representing an increase of 82.7% compared to the beginning of the year, serving 156.8 thousand customers, representing an increase of 136.9% compared to the beginning of the year.

### **3. *PICC Investment Holding***

In 2024, PICC Investment Holding focused on the development goal of building an industry service company with outstanding professional capabilities and a complete service system, continued to promote industrial construction, maintained steady growth in operating results, continued to optimize business quality and structure, constantly improved management system and mechanism, and took effective risk prevention and control measures. PICC Investment Holding achieved a net profit of RMB139 million for the year.

PICC Investment Holding practically served the Group's strategy. Based on its own mission of industrialization construction, PICC Investment Holding promoted the continuous improvement of development and quality, served the construction of the Group's integrated health and inclusive pension ecology, and conducted in-depth research on the community pension model. The sample project layout of three levels, including Heng Yi (恆頤) – institutional pension, Yansheng (延生) – total disability care and Tianqiao (天橋) – home-based pension, has initially formed.

### **4. *PICC Capital***

In 2024, PICC Capital aimed at the development goal of building a first-class alternative investment institution with advanced professional capabilities, outstanding innovation capabilities and leading investment returns. With the fundamental purpose of serving the real economy, PICC Capital actively promoted the innovative development of the alternative investment business, and focused on transforming towards more diversified investment strategies, so as to better meet the development needs of new quality productive forces. Focusing on investing in new fields and new logics, PICC Capital strengthened investment and research drive, deepened its understanding of the design of new product structure, strengthened its ability to analyze and price the value of underlying assets, continuously strengthened risk prevention and control, improved management efficiency. As of 31 December 2024, the scale of assets under management of PICC Capital was RMB153,445 million. The operating income for the year was RMB417 million, and the net profit was RMB101 million.

In 2024, the “PICC Capital – Cainiao Logistics High Standard Warehouse Equity Investment Plan” was awarded the “Ark Award for Insurance Fund Supporting Corporate Innovation”. PICC Capital Equity Investment Company Limited, a subsidiary of PICC Capital, successfully established a ten-billion-level modern industry fund, focused on investing in high-quality “enterprises that use special and sophisticated technologies to produce novel and unique products”, and was awarded honors such as the “Golden Eagle Award – Annual PE Institution”.

### **(III) Investment Portfolio and Investment Income**

In 2024, the Group actively fulfilled its social responsibility as a financial central enterprise, continuously strengthened the ability to serve the national strategies, proactively responded to changes in the market environment, and coordinated business development and risk prevention and control. From the perspective of asset liability matching management, the Group insisted on the strength of strategic asset allocation, maintained flexible and effective allocation of strategic assets, and dynamically optimized the allocation structure of major assets in response to changes in market environment and economic cycles, and enhanced the stability and sustainability of investment returns.

## 1. Investment Portfolio

The following table sets forth information of the investment portfolio of the Group as of the dates indicated:

	<i>Unit: RMB million</i>			
	<u>As of 31 December 2024</u>		<u>As of 31 December 2023</u>	
	Amount	(% of total)	Amount	(% of total)
<b>Investment assets</b>	<b>1,641,756</b>	<b>100.0</b>	1,433,131	100.0
<b>Classified by investment object</b>				
Cash and cash equivalents	44,147	2.7	28,878	2.0
Fixed-income investments	1,115,058	67.9	924,210	64.5
Term deposits	126,556	7.7	81,487	5.7
Treasury bonds and government bonds	424,006	25.8	228,542	15.9
Financial bonds	191,187	11.6	211,153	14.7
Corporate bonds	188,505	11.5	186,807	13.0
Other fixed-income investments <sup>(1)</sup>	184,804	11.3	216,221	15.1
Equity investments at fair value	299,503	18.2	307,593	21.5
Fund	86,642	5.3	117,375	8.2
Share	60,249	3.7	45,505	3.2
Permanent financial products	76,898	4.7	69,022	4.8
Other equity investments	75,714	4.6	75,691	5.3
Other investments	183,048	11.1	172,450	12.0
Investment in associates and joint ventures	167,816	10.2	156,665	10.9
Others <sup>(2)</sup>	15,232	0.9	15,785	1.1
<b>Classified by accounting method</b>				
Financial assets held for trading	317,670	19.3	383,020	26.7
Debt investments	316,231	19.3	318,605	22.2
Other debt investments	523,581	31.9	338,717	23.6
Other equity instruments investments	115,778	7.1	96,541	6.7
Long-term equity investments	167,816	10.2	156,665	10.9
Others <sup>(3)</sup>	200,680	12.2	139,583	9.7

Notes:

- (1) Other fixed-income investments consist of Tier 2 capital instruments, wealth management products, restricted statutory deposits, trust products and asset management products.
- (2) Others consist of investment real estate.
- (3) Others primarily consist of monetary capital, term deposits, financial assets purchased under resale agreements, restricted statutory deposits, and investment real estate.

*(1) Classified by investment object*

In terms of fixed-income investments, the Group maintained the “foundation” of asset allocation, strengthened active management, seized the stage high of interest rate, increased allocation of long-term government bonds, increased the allocation ratio of other debt investment bonds, and increased the contribution of investment returns; stepped up the transformation and innovation of non-standard products, actively seized investment opportunities of innovative products such as ABS, CMBS and quasi-REITs to satisfy the allocation needs of insurance funds; and strengthened credit risk management, optimized the credit quality of existing assets, and prevented potential credit risks.

As of 31 December 2024, the bond investment accounted for 48.9%. Among corporate bonds and non-policy bank financial bonds, the proportion with an external credit rating of AAA reached 98.2%, which were mainly distributed in the fields such as bank, transportation and public utilities. The ability of entities to repay debt is generally strong and the credit risks are controllable as a whole. The Group paid close attention to the prevention and control of credit risks, strictly followed relevant regulatory requirements, and established investment management process and risk control mechanisms in line with market practices and features of insurance funds, and strengthened early warning, analysis and disposal of credit risk.

The overall credit risk of investment in non-standard financial products invested by the funds in the Group’s system is controllable, with an external credit rating of AAA accounting for 99.7%, which was further improved. The non-standard asset industry covers non-bank finance, transportation and other fields, which has played a positive role in serving the development of real economy and supporting the implementation of major national strategies. In addition to strictly selecting core counterparties with reliable credit qualifications as financing entities/guarantors, the Group took effective credit enhancement measures, together with stringent terms regarding accelerated expiry/fund misappropriation protection, to provide a sound guarantee for the repayment of the principal and investment income.

In terms of equity investment, the Group gave full play to the advantages of insurance funds in terms of patient capital, strengthened the absolute return orientation, optimized the equity position structure, gradually increased the scale of other equity instrument investment types that are in line with the long-term investment and value investment philosophy of insurance funds with absolute returns as the core, and enhanced the stability of investment performance under the new standards; strengthened investment trading capabilities, actively seized structural and volatile investment opportunities in the market, proactively added positions at the bottom of the market, and achieved the positive interaction between stabilizing the asset market and improving insurance fund investment returns.

(2) *Classified by accounting method*

The investment assets of the Group are mainly distributed in financial assets held for trading, debt assets and other debt investments. The proportion of financial assets held for trading decreased by 7.4 percentage points compared to the end of last year, mainly due to the fact that the Company actively optimized the position structure, and moderately reduced the bond scale of financial assets held for trading. The proportion of debt assets decreased by 2.9 percentage points compared to the end of last year, mainly due to the decrease in the scale of non-standard assets as a result of the maturity of existing products. The proportion of other debt investments increased by 8.3 percentage points compared to the end of last year, mainly due to the further increase in the bond allocation proportion of other debt investments from the perspective of asset-liability matching. The proportion of term deposits increased by 2.0 percentage points compared to the end of last year, mainly due to the stabilization of yields on fixed income positions in response to the decline in interest rates.

## 2. *Investment Income*

The following table sets forth information relating to the investment income of the Group for the reporting period:

<b>Item</b>	<i>Unit: RMB million</i>	
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	<b>258</b>	433
Fixed-income investments	<b>48,288</b>	38,884
Interest income	<b>36,361</b>	34,837
Gains and losses from disposal of financial instruments	<b>8,546</b>	1,637
Gains and losses on fair value changes	<b>1,692</b>	3,844
Impairment	<b>1,689</b>	(1,434)
Equity investments at fair value	<b>19,684</b>	(10,162)
Dividends and bonus income	<b>6,294</b>	7,560
Gains and losses from disposal of financial instruments	<b>(9,164)</b>	(4,429)
Gains and losses on fair value changes	<b>22,554</b>	(13,293)
Impairment	<b>–</b>	–
Other investments	<b>13,933</b>	14,960
Investment income from associates and joint ventures	<b>13,720</b>	14,938
Other gains and losses	<b>213</b>	22
Total investment income	<b>82,163</b>	44,115
Net investment income <sup>(1)</sup>	<b>57,318</b>	58,425
Total investment yield <sup>(2)</sup> (%)	<b>5.6</b>	3.3
Net investment yield <sup>(3)</sup> (%)	<b>3.9</b>	4.5



Notes:

- (1) Net investment income = total investment income – gains and losses from the disposal of investment assets – gains and losses on fair value changes of investment assets – impairment losses of investment assets
- (2) Total investment yield = (total investment income – interest expenses on securities sold under agreements to repurchase)/(average total investment assets as of the beginning and end of the period – average amount of financial assets sold under agreement to repurchase as of the beginning and end of the period)
- (3) Net investment yield = (net investment income – interest expenses on securities sold under agreements to repurchase)/(average total investment assets as of the beginning and end of the period – average amount of financial assets sold under agreement to repurchase as of the beginning and end of the period)

In 2024, the total investment income of the Group amounted to RMB82,163 million, representing a year-on-year increase of 86.2%; net investment income amounted to RMB57,318 million, representing a year-on-year decrease of 1.9%; total investment yield was 5.6%, representing a year-on-year increase of 2.3 percentage points; and net investment yield was 3.9%, representing a year-on-year decrease of 0.6 percentage point. The Group's three-year average total investment yield<sup>8</sup> was 4.5%.

### III. SPECIFIC ANALYSIS

#### (I) Liquidity Analysis

##### 1. Liquidity Analysis

The liquidity of the Group is mainly derived from the issuance of insurance contracts, investment income, cash from disposals or maturity of investment assets and its own financing activities. The demand for liquidity primarily arises from insurance claims or benefits, surrenders, withdrawals or other forms of early termination of insurance policies for insurance contracts, payment of dividends to shareholders and cash required for payment of various ordinary expenses.

The Group generally collects premiums before the payment of insurance claims or benefits. At the same time, the Group maintains a certain proportion of assets with high liquidity within its investment assets to respond to liquidity demand. In addition, the Group could also obtain additional liquidity from the arrangements of securities sold under agreements to repurchase, interbank borrowings and other financing activities.

As a holding company, the Company's cash flows are mainly derived from the investment income arising from investment activities and cash flows generated by financing activities. The Company believes that it has adequate liquidity to meet foreseeable liquidity needs of the Group and the Company.

---

<sup>8</sup> The three-year average total investment yield is the average of the annualized total investment yields for the last three complete years (2022-2024). The Group has implemented the new financial instruments standards since 1 January 2023, and the annualized total investment yield for 2024 and 2023 represents the information under the new financial instruments standards, and the annualized total investment yield for 2022 represents the information under the old financial instruments standards.

## 2. Statement of Cash Flows

The Group has established a cash flow monitoring mechanism, regularly conducted cash flow rolling analysis and forecasting, and actively took initiatives to develop management plans and contingencies to effectively prevent liquidity risks.

	2024	2023	(% of change)
Net cash flows generated from operating activities	<b>87,990</b>	70,549	24.7
Net cash flows used in investing activities	<b>(77,599)</b>	(70,927)	9.4
Net cash flows generated from/(used in) financing activities	<b>4,860</b>	(11,483)	–

The Group's net cash flows generated from operating activities changed from a net inflow of RMB70,549 million in 2023 to a net inflow of RMB87,990 million in 2024, mainly due to the increase in cash received from premiums for issued insurance contracts.

The Group's net cash flows used in investing activities changed from a net outflow of RMB70,927 million in 2023 to a net outflow of RMB77,599 million in 2024, mainly due to the increase in cash paid for the investments.

The Group's net cash flows generated from/(used in) financing activities changed from a net outflow of RMB11,483 million in 2023 to a net inflow of RMB4,860 million in 2024, mainly due to the decrease in cash paid for debts repayment.

### (II) Solvency

For the information on the solvency of the Group, please refer to the section headed "I. Business Overview of the Company" in the Management Discussion and Analysis of this announcement.

## IV. EVENT AFTER THE REPORTING PERIOD

On 24 March 2025, PICC P&C redeemed the RMB8 billion capital supplementary bonds which were issued on 23 March 2020 .

On 27 March 2025, the Board of the Company proposed the distribution of a final dividend of RMB1.17 (tax inclusive) per 10 shares for the year ended 31 December 2024. The profit distribution proposal is subject to the consideration and approval of the general meeting of the Company.

## **V. FUTURE PROSPECTS**

### **(I) Industry Landscape and Trend**

2025 is the final year of the “14th Five-Year Plan” and a crucial year for deepening reform comprehensively. The central government introduced a full range of unconventional and counter-cyclical policies, which will surely promote the stabilization and improvement of China’s economic development and create a favorable development environment for the insurance industry. The central government attaches great importance to the functions of the insurance industry as an economic shock absorber and social stabilizer, and the “Five Priorities” on finance and the new “Ten National Rules” for the insurance industry have pointed out the direction for high-quality development of the insurance industry. In the process of Chinese path to modernization, there is huge potential for development space for serving expansion of domestic demand, serving development of new quality productive forces, serving expansion of high-level opening up, serving promotion of the integration of urban and rural development, serving enhancement of the vitality of regional development, serving comprehensive green transformation and serving guarantee and improvement of people’s livelihood. With the development of the economy and society, the enhanced risk awareness of the people, and the continued upgrade of demand for insurance, the professional underwriting capacity, service supply capacity and risk management capacity of insurance companies will be further tested. The increasingly strict regulation sets higher requirements for compliant operation of insurance companies. The application of new technologies such as artificial intelligence, big data and the Internet of Things will profoundly change the key aspects of operation and management of insurance business. Technology empowerment will help insurance companies better serve customers and manage risks, and the transformation of business models will achieve substantial breakthroughs.

### **(II) Development Strategy of the Company**

In the new journey, the Group will conscientiously implement the guiding principles of the 20th CPC National Congress and the Second and Third Plenary Sessions of the 20th CPC Central Committee, make every effort to serve the development of the “Five Priorities” on finance, and always adhere to the original aspiration and mission of “People’s Insurance, Serving the People”. Based on the nature and function of risk protection and fund accommodation of insurance, the Group will take the lead in safeguarding people’s livelihood and well-being in the insurance industry, and assisting social governance and serving the real economy, and will firmly follow the path of financial development with Chinese characteristics, so as to build a world-class insurance financial group with outstanding functions, efficient operation, distinct main business, modern governance and international competitiveness. This year, the Group will adhere to the general principle of pursuing progress while maintaining stability, serve the overall situation, focus on deepening reforms, strengthen fine management, prevent and control financial risks, strengthen team building and improve development quality, so as to take solid steps in the journey of building a world-class insurance financial group, complete the target for the final year of the “14th Five-Year Plan” with high quality and lay a solid foundation for achieving a good start for the “15th Five-Year Plan”.

### (III) Operation Plan

The **insurance segment** will accurately identify the demand for economic, social development and safeguarding people's livelihood, continue to improve product supply, strengthen team building and transform development mode, and strive to achieve reasonable growth in business scale and steady improvement in operating efficiency. **PICC P&C** will develop policy-based businesses with high quality, strengthen the acquisition of decentralized businesses, and actively open up development space in new energy vehicle insurance, inclusive insurance, science and technology insurance, catastrophe insurance, green insurance, housing insurance and other fields, to consolidate its leading advantages; attach great importance to the building of direct sales capabilities, proactively respond to challenges brought about by catastrophes, and ensure that the combined rate continues to lead the market. **PICC Life** will lay more emphasis on building of high-performance teams, strengthen foundational management, and accelerate the transformation to floating income products and guaranteed products; deepen cooperation between banks and insurance companies, strengthen urban team building, and consolidate value contributions; actively respond to the consistency between regulatory filings and actual underwriting, and strengthen the fine management of expenses. **PICC Health** will consolidate and deepen the business development pattern, accelerate the development of Internet channels, enrich commercial health insurance products by focusing on specific groups and segments, continue to optimize the quality of short-term insurance business, and cultivate and enhance health management service capabilities. **PICC Reinsurance** will actively participate in the construction of the Shanghai International Reinsurance Center, accurately grasp the market situation, continuously accelerate the development of three-party businesses, and increase the proportion of quality businesses. **PICC Hong Kong** will actively develop the Hong Kong local market and expand cross-border business, and improve the overseas service network.

The **investment segment** will actively adapt to the market situation, deeply implement the decisions and arrangements of the Party Central Committee on promoting the entry of medium and long-term capital into the market, give full play to the advantages of long-term capital and patient capital, enhance proactive investment management capabilities, explore sustainable development models, and strive to achieve the goals of stable investment returns and increased asset size. **PICC AMC** will play the role as an investment flagship, stabilize fixed income asset fundamentals and increase the allocation of long-term assets; focus on increasing the strategic allocation of equity assets, strengthening absolute return orientation and improving long-term return levels; increase the development and investment efforts in innovative products with stable cash flow, such as ABS, CMBS and REITs. **PICC Pension** will adhere to its role as an investment company, strengthen the building of investment and research capabilities, enhance the function of asset allocation in investment management, make every effort to stabilize investment returns, and consolidate and enhance its first-mover advantage in commercial pension. **PICC Investment Holding** will steadily promote the construction of key investment projects, actively cultivate pension operation capabilities, and improve the entrusted operation of non-self-use assets and property services within the Group. **PICC Capital** will give full play to its role as the main force of alternative investment, accelerate transformation and development, increase the variety of asset securitization products based on the needs of insurance fund allocation, strengthen equity investment, optimize physical asset investment, and create new business growth points.

**PICC Technology** will give full play to its role as the main force of scientific and technological construction of the Group, fully support the construction of digitalization reform and “no regrets (無悔)” projects of the Group, build five 95518 regional centers, continuously promote the comprehensive sharing of 95518 customer services, improve the customer experience of the integrated contact platform, support the Group’s efforts in customer resources sharing, and promote the construction of the shared technology base of the Group. It will strengthen the construction of the technology team, improve the management mechanism, establish a data asset operation center and a science and technology innovation laboratory, reduce operating costs, and enhance the building of self-reliance and strength in science and technology.

## EMBEDDED VALUE

### 1. Result Summary

Embedded Value of PICC Life and PICC Health as at 31 December 2024 and 31 December 2023 are summarized below (in RMB million):

	PICC Life			PICC Health		
	31/12/2024 (Before Adjustment)	31/12/2023		31/12/2024 (Before Adjustment)	31/12/2023	
Adjusted Net Worth Value of In-Force	<b>97,494</b>	<b>109,861</b>	71,080	<b>12,185</b>	<b>12,549</b>	8,103
Business before CoC	<b>45,898</b>	<b>57,656</b>	46,968	<b>19,315</b>	<b>20,826</b>	15,560
Cost of Required Capital Value of In-Force	<b>(23,662)</b>	<b>(17,644)</b>	(16,578)	<b>(1,383)</b>	<b>(1,356)</b>	(1,169)
Business after CoC	<b>22,237</b>	<b>40,011</b>	30,390	<b>17,932</b>	<b>19,469</b>	14,392
<b>Embedded Value</b>	<b>119,731</b>	<b>149,872</b>	101,470	<b>30,117</b>	<b>32,019</b>	22,495

- Notes:*
1. Figures may not add up to total due to rounding.
  2. In the table above, the embedded value before adjustment as at 31 December 2024 is recalculated based on the investment and risk discount rate assumptions as at 31 December 2023 while the other assumptions remain consistent with the assumptions used in the valuation as of 31 December 2024.

Value of One Year's New Business as at 31 December 2024 and 31 December 2023 of PICC Life and PICC Health are summarized below (in RMB million):

	PICC Life			PICC Health		
	31/12/2024	31/12/2024 (Before Adjustment)	31/12/2023	31/12/2024	31/12/2024 (Before Adjustment)	31/12/2023
Value of One Year's New Business before CoC	<b>7,692</b>	<b>10,802</b>	7,100	<b>7,101</b>	<b>7,460</b>	3,331
Cost of Required Capital	<b>(2,668)</b>	<b>(2,952)</b>	(3,437)	<b>(588)</b>	<b>(577)</b>	(505)
Value of One Year's New Business after CoC	<b>5,024</b>	<b>7,849</b>	3,664	<b>6,513</b>	<b>6,883</b>	2,826

- Notes:
1. Figures may not add up to total due to rounding.
  2. In the table above, the value of one year's new business before adjustment as at 31 December 2024 is recalculated based on the investment and risk discount rate assumptions as at 31 December 2023 while the other assumptions remain consistent with the assumptions used in the valuation as of 31 December 2024.

Value of One Year's New Business as at 31 December 2024 and 31 December 2023 of PICC Life and PICC Health by distribution channel are summarized below (in RMB million):

	PICC Life			PICC Health		
	31/12/2024	31/12/2024 (Before Adjustment)	31/12/2023	31/12/2024	31/12/2024 (Before Adjustment)	31/12/2023
Bancassurance Channel	<b>2,341</b>	<b>3,701</b>	1,001	<b>621</b>	<b>906</b>	425
Individual insurance agent Channel	<b>2,668</b>	<b>4,075</b>	2,578	<b>6,032</b>	<b>6,088</b>	2,878
Group insurance sales Channel	<b>16</b>	<b>73</b>	84	<b>(140)</b>	<b>(112)</b>	(477)
Total	<b>5,024</b>	<b>7,849</b>	3,664	<b>6,513</b>	<b>6,883</b>	2,826

- Notes:
1. Figures may not add up to total due to rounding.
  2. In the table above, the value of one year's new business before adjustment as at 31 December 2024 is recalculated based on the investment and risk discount rate assumptions as at 31 December 2023 while the other assumptions remain consistent with the assumptions used in the valuation as of 31 December 2024.

The results disclosed in this report are based on 100% shareholding of PICC Life and PICC health.

## 2. Key Assumptions

For the results as at 31 December 2024 disclosed above, the assumption on risk discount rate is 8.5% and the rate of investment return is 4% per annum used by PICC Life and PICC Health. Corporate income tax is currently levied at 25% on taxable income. The assumptions on mortality rates, morbidity rates, lapse rates, expenses and commissions are based on the operational experience of PICC Life and PICC Health, as well as expectations on future experience and etc.

## 3. Sensitivity Tests

Sensitivity tests are based on a range of alternative assumptions. In each of the tests, only the assumption referred to is changed, while other assumptions remain unchanged. For the investment return assumption scenarios, the expected participating policyholder dividend will also change.

The results of sensitivity tests for PICC Life at 31 December 2024 are summarized below (in RMB million):

Scenarios	Risk Discount Rate at 8.5% (Note)	
	Value of In-Force Business after CoC	Value of One Year's New Business after CoC
Base Scenario	22,237	5,024
Risk Discount Rate at 7.5%	28,704	6,107
Risk Discount Rate at 9.5%	17,033	4,145
Rate of investment return increased by 50 bps	42,082	7,993
Rate of investment return decreased by 50 bps	1,921	1,904
Expenses increased by 10%	21,259	4,911
Expenses decreased by 10%	23,214	5,137
Lapse rates increased by 10%	22,443	4,921
Lapse rates decreased by 10%	22,029	5,132
Mortality increased by 10%	21,713	4,961
Mortality reduced by 10%	22,766	5,088
Morbidity increased by 10%	20,905	4,976
Morbidity reduced by 10%	23,591	5,073
Short-term business claim ratio increased by 10%	22,182	4,846
Short-term business claim ratio decreased by 10%	22,291	5,202
Participating Ratio (80/20)	21,085	4,909

Note: Except for the sensitivity scenarios on risk discount rate, the risk discount rate used for other scenarios is 8.5%.



The results of sensitivity tests for PICC Health at 31 December 2024 are summarized below (in RMB million):

<b>Scenarios</b>	<b>Risk Discount Rate at 8.5% (Note)</b>	
	<b>Value of In-Force Business after CoC</b>	<b>Value of One Year's New Business after CoC</b>
Base Scenario	17,932	6,513
Risk Discount Rate at 7.5%	19,403	6,933
Risk Discount Rate at 9.5%	16,674	6,144
Rate of investment return increased by 50 bps	20,582	7,063
Rate of investment return decreased by 50 bps	15,286	5,963
Expenses increased by 10%	17,820	6,342
Expenses decreased by 10%	18,043	6,684
Lapse rates increased by 10%	17,660	6,386
Lapse rates decreased by 10%	18,195	6,644
Mortality increased by 10%	17,943	6,506
Mortality reduced by 10%	17,920	6,520
Morbidity increased by 10%	18,332	6,251
Morbidity reduced by 10%	17,508	6,768
Short-term business claim ratio increased by 5%	17,870	5,956
Short-term business claim ratio decreased by 5%	17,993	7,070
Participating Ratio (80/20)	17,857	6,476

*Note:* Except for the sensitivity scenarios on risk discount rate, the risk discount rate used for other scenarios is 8.5%.

#### 4. Movement Analysis

This section shows the analysis of Embedded Value movement of PICC Life and PICC Health from 31 December 2023 to 31 December 2024 (in RMB million):

<b>No</b>	<b>Description</b>	<b>PICC Life</b>	<b>PICC Health</b>
1	Embedded Value as at 31 December 2023	<b>101,470</b>	<b>22,495</b>
2	New Business Contribution	5,361	7,398
3	Expected Return	6,413	1,763
4	Investment Return Variance	18,523	1,055
5	Other Experience Variances	4,937	123
6	Model and Assumption Modification	(26,571)	(2,695)
7	Capital Change and Market Value Adjustment	9,598	(23)
8	Embedded Value as at 31 December 2024	<b>119,731</b>	<b>30,117</b>

*Note:* Figures may not add up to total due to rounding.



Explanations to above items 2 to 7:

2. The contribution of new business sold in 2024 to the embedded value at 31 December 2024;
3. The expected return in 2024 arising from the in-force business and adjusted net worth as at 31 December 2023;
4. Change in embedded value arising from variances between the actual investment return and the related investment return assumption in 2024;
5. Change in embedded value arising from variances between the actual experiences and assumptions other than the related investment return in 2024;
6. The impact on embedded value due to model enhancement and the changes in assumptions during 2024;
7. The impact on embedded value due to dividend distributed to shareholders, capital changes and the changes in market value of held-to-maturity financial assets caused by interest rate fluctuations during 2024.

## **CORPORATE GOVERNANCE**

The Company consistently complies with the Company Law of the People's Republic of China, the Insurance Law of the People's Republic of China and relevant laws, diligently carries out the requirements of relevant laws and regulations published by regulators, the Articles of Association and other rules, strictly sticks to the principle of sound corporate governance, dedicates to continuously enhance the level of corporate governance, ensures the solid development of the Company and endeavors to improve the interests of shareholders.

During the year of 2024, the Company complied with the corporate governance provisions of listed companies of Shanghai Stock Exchange and the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and continuously refined the structure of corporate governance. The general meeting of shareholders, the Board, the supervisory committee and senior management of the Company independently performed their rights and responsibilities in accordance with the articles of association and complied with laws and regulations.

## **PURCHASE, DISPOSAL OR REDEMPTION OF LISTED SECURITIES**

As at 31 December 2024, the Company did not hold any treasury shares (as defined in the Listing Rules). The Company and its subsidiaries did not purchase, dispose of or redeem any listed securities (including disposal of treasury shares, if any) of the Company or its subsidiaries during the reporting period.

On 24 March 2025, PICC P&C fully redeemed the RMB8 billion capital supplementary bonds which were issued on 23 March 2020.

## **RECOMMENDATION OF FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS OF H SHARES**

The Board proposed the distribution of a final dividend of RMB1.17 (tax inclusive) per 10 shares for the year ended 31 December 2024, amounting to a total of approximately RMB5,174 million. The above proposal will be put forward to a general meeting of Company for consideration and approval. The specific arrangements regarding the final dividend and its distribution (including arrangement of withholding and payment of income tax for shareholders) and the time and arrangement of the closure of register of members of H shares will be disclosed separately in the circular for the relevant general meeting. If approved at the general meeting, the final dividend is expected to be paid before 30 August 2025.

## **REVIEW OF ANNUAL RESULTS**

The audit committee of the Board of the Company has reviewed, in the presence of the external auditor of the Company, the consolidated financial statements of the Group for the year ended 31 December 2024, including the accounting principles and practices. The figures in respect of the Group's consolidated results for the year ended 31 December 2024 as set out in this announcement have been agreed by the external auditor of the Company to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024.

## **PUBLICATION OF THE ANNUAL REPORT**

The 2024 annual report of the Company will be published on the website of the Company ([www.picc.com.cn](http://www.picc.com.cn)) and the HKEXnews website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) in due course.

By Order of the Board  
**The People's Insurance Company (Group) of China Limited**  
**Ding Xiangqun**  
*Chairperson*

Beijing, the PRC, 27 March 2025

*As at the date of this announcement, the executive directors of the Company are Ms. Ding Xiangqun, Mr. Zhao Peng 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, Ms. Xu Lina, Mr. Wang Pengcheng and Mr. Gao Pingyang.*