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中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

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

(Stock Code: 2328)

UNAUDITED RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2025

This announcement is made by PICC Property and Casualty Company Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board of Directors of the Company announces the unaudited results for the three months ended 31 March 2025 of the Company (exclusive of its subsidiaries). The financial information included in this announcement was prepared in accordance with the PRC Accounting Standards for Business Enterprises¹ and has not been audited.

I. Operating Analysis of Principal Activities

In 2025, the Company proactively seized the opportunity brought about by the recovery of China's economy and insisted on strengthening and enhancing its business, resulting in steady progress in business development and continuous improvement in quality and efficiency of business operation. The Company closely focused on the key areas and main points of the “Five Priorities” in finance, and enhanced its insurance service capacity and support from financial institutions. Guided by PICC Group's strategic goal of building a world-class insurance financial group, the Company resolutely implemented the requirements of the “five first-class”, continued to deepen reform and innovation, gave full play to its functions, and solidly promoted high-quality development. In the first quarter of 2025, the Company achieved an insurance revenue of RMB120,741 million, representing a year-on-year increase of 6.1%; and achieved a net profit of RMB11,312 million, representing a year-on-year increase of 92.7%.

(i) Insurance Business

The Company continuously optimized its business structure, developed innovative model for high-quality development of individual insurance businesses, improved the quality of corporate insurance business to overcome obstacles, and built its new development advantages in government-oriented business, so as to enhance core competitive advantages. In the first quarter of 2025, the Company achieved an original insurance premium income of RMB180,421 million, representing a year-on-year increase of 3.7%; the Company generated an insurance revenue of RMB120,741 million, representing a year-on-year increase of 6.1%, among which, the insurance revenue of the motor vehicle insurance was RMB74,334 million, representing a year-on-year increase of 2.8%; the insurance revenue of the non-motor vehicle insurance was RMB46,407 million, representing a year-on-year increase of 11.7%.

¹ Since 1 January 2023, the Company has implemented Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standard for Business Enterprises No. 23 - Transfer of Financial Assets, Accounting Standard for Business Enterprises No. 24 - Hedge Accounting and Accounting Standard for Business Enterprises No. 37 - Presentation of Financial Instruments and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts.

The following table sets forth the breakdown of the Company's original insurance premium income² for the first quarter of 2025:

	Original insurance premium income <i>RMB million</i>	Year-on-year change %
Motor vehicle insurance	71,696	3.5
Accidental injury and health insurance	60,528	6.5
Agriculture insurance	19,155	-4.1
Liability insurance	11,456	-1.3
Commercial property insurance	6,215	1.2
Other insurance	11,371	11.3
Total	180,421	3.7

The Company insisted on focusing on value and profitability, accelerated the promotion of risk reduction services, empowered the basic level to increase efficiency, improved standardization, digitization and integration, and strengthened the refined operation by segments of customers, bolstering its self-driven development. In the first quarter of 2025, the Company continuously optimized expense inputs, coupled with the year-on-year decrease in catastrophe losses, and recognised an underwriting profit³ of RMB6,653 million, representing a year-on-year increase of 183.0%, and a combined ratio⁴ of 94.5%, representing a year-on-year decrease of 3.4 pp.

(ii) Insurance Fund Investment Business

The Company has been adhering to the long-term and steady investment philosophy. On the basis of maintaining a safe margin of liquidity, the Company appropriately increased its allocation of high-quality equity assets with long-term value. Benefiting from the overall recovery of the capital market in the first quarter, the optimization of the Company's portfolio magnified the positive effect of the market upturn, resulting in a significant year-on-year increase in total investment income. In the first quarter of 2025, the Company recognised a total investment income⁵ of RMB7,464 million, representing a year-on-year increase of RMB2,692 million, and a total investment yield (unannualised)⁶ of 1.2%, representing a year-on-year increase of 0.4 pp.

II. Solvency Margin

According to the Rules for the Supervision of Insurance Company Solvency (II) (Yin Bao Jian Fa [2021] No. 51) and the relevant notices issued by the National Financial Regulatory Administration (former

² The original insurance premium income is prepared pursuant to the Accounting Standards for Business Enterprises No.25 - Original Insurance Contracts (Cai Kuai (2006) No. 3) and the Regulations regarding the Accounting Treatment of Insurance Contracts (Cai Kuai (2009) No. 15) issued by the Ministry of Finance of the PRC.

³ Underwriting profit = insurance revenue - insurance service expenses - (allocation of reinsurance premiums paid - amounts recovered from reinsurance contracts held) - (finance expenses/(income) from insurance contracts issued - finance income/(expenses) from reinsurance contracts held) - change in premium reserves

⁴ Combined ratio = [insurance service expenses + (allocation of reinsurance premiums paid - amounts recovered from reinsurance contracts held) + (finance expenses/(income) from insurance contracts issued - finance income/(expenses) from reinsurance contracts held) + change in premium reserves]/insurance revenue

⁵ Total investment income = investment income + interest revenue + net gains/(losses) on fair value changes + rental income - investment asset credit impairment losses - interest expenses of securities sold under agreements to repurchase

⁶ Total investment yield = total investment income/(average of total investment assets at the beginning of the period and at the end of the period - average of securities sold under agreements to repurchase at the beginning of the period and at the end of the period). Among which, investment assets mainly include cash and cash equivalents, term deposits, financial assets purchased under resale agreements, financial investments, investments in subsidiaries, associates and joint ventures, restricted statutory deposits, investment properties.

China Banking and Insurance Regulatory Commission), the Company disclosed its summary of solvency margin report for the first quarter of 2025 on the official website of the Company (property.picc.com) and the website of Insurance Association of China (www.iachina.cn) on 29 April 2025.

The following table sets forth the major solvency margin indicators contained in the summary of solvency margin report for the first quarter of 2025:

	As at 31 March 2025 RMB million Unaudited	As at 31 December 2024 RMB million Audited	Change %
Actual capital	274,631	265,560	3.4
Core capital	250,082	240,863	3.8
Minimum capital	115,618	114,171	1.3
Comprehensive solvency margin ratio (%)	237.5%	232.6%	Increased by 4.9 pp
Core solvency margin ratio (%)	216.3%	211.0%	Increased by 5.3 pp

Note: The solvency margin results were calculated in accordance with the Rules for the Supervision of Insurance Company Solvency (II) and the relevant notices issued by the National Financial Regulatory Administration (former China Banking and Insurance Regulatory Commission).

III. Financial Statements

(i) Statement of Financial Position of the Company

Items	As at 31 March 2025 <i>RMB'000</i> Unaudited	As at 31 December 2024 <i>RMB'000</i> Audited
Cash and cash equivalents	16,963,276	9,127,946
Term deposits	80,550,973	77,011,603
Financial assets purchased under resale agreements	6,227,939	10,566,997
Financial investments:	512,848,838	498,614,167
Financial assets at fair value through profit or loss	118,991,049	118,650,351
Financial assets at amortised cost	138,848,523	135,313,452
Debt financial assets at fair value through other comprehensive income	156,693,419	141,377,431
Equity financial assets at fair value through other comprehensive income	98,315,847	103,272,933
Insurance contract assets	573,271	1,712,746
Reinsurance contract assets	35,796,729	40,505,606
Investments in subsidiaries, associates and joint ventures	72,476,082	70,748,607
Restricted statutory deposits	4,628,907	4,630,355
Investment properties	5,199,867	5,199,867
Property and equipment	20,520,388	20,903,511
Right-of-use assets	1,288,566	1,393,002
Intangible assets	6,357,193	6,611,070
Deferred income tax assets	10,576,964	8,439,445
Other assets	16,151,661	18,461,632
TOTAL ASSETS	790,160,654	773,926,554
Securities sold under agreements to repurchase	52,865,946	39,621,417
Premiums received in advance	4,317,623	6,696,585
Salaries and staff welfare payables	23,010,131	22,983,970
Tax payable	7,158,059	7,857,148
Investment contract liabilities	1,729,457	1,730,653
Premium reserves	771,883	280,601
Bonds payable	12,103,350	20,433,059
Insurance contract liabilities	398,525,323	401,638,856
Reinsurance contract liabilities	81,543	58,911
Lease liabilities	1,307,227	1,379,481
Other liabilities	18,045,702	13,194,625
TOTAL LIABILITIES	519,916,244	515,875,306
Issued capital	22,242,765	22,242,765
Share premium account	10,517,519	10,517,519
Other comprehensive income	20,927,891	22,202,236
Surplus reserve	90,566,457	90,566,457
General risk reserve	29,289,672	29,289,672
Catastrophic loss reserve	258,165	258,165
Retained profits	96,441,941	82,974,434

TOTAL EQUITY	270,244,410	258,051,248
TOTAL LIABILITIES AND EQUITY	790,160,654	773,926,554

(ii) Income Statement of the Company

Items	Three months ended 31 March	
	2025 RMB'000 Unaudited	2024 RMB'000 Unaudited
Operating income	128,563,879	118,988,001
Insurance revenue	120,740,688	113,843,230
Interest revenue	3,041,053	2,785,600
Investment income	4,989,902	2,154,007
Included: Share of profits or losses of associates and joint ventures	1,906,207	921,959
Other gains	43,294	109,810
Net losses on fair value changes	(444,802)	(163,547)
Foreign exchange (losses)/gains, net	(17,704)	5,763
Other operating income	205,319	235,300
Net gains on disposal of assets	6,129	17,838
Operating expenses	115,020,725	112,164,504
Insurance service expenses	109,066,494	105,586,711
Allocation of reinsurance premiums paid	7,293,238	7,136,140
Less: Amounts recovered from reinsurance contracts held	4,681,789	4,060,636
Finance expenses from insurance contracts issued	2,191,055	2,580,100
Less: Finance income from reinsurance contracts held	273,070	298,139
Interest expenses	208,578	298,325
Tax and other surcharges	32,311	6,128
General and administrative expenses	568,011	334,435
Credit impairment losses	(18,087)	(123,429)
Change in premium reserves	491,282	547,770
Other operating costs	142,702	157,099
Operating profit	13,543,154	6,823,497
Add: Sundry income	20,054	23,814
Less: Sundry expenses	31,427	21,789
Profit before income tax	13,531,781	6,825,522
Less: Income tax expense	2,219,942	954,581
Net profit	11,311,839	5,870,941

(iii) Statement of Cash Flows of the Company

Items	Three months ended 31 March	
	2025 RMB'000 Unaudited	2024 RMB'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Premiums received from insurance contracts issued	131,522,623	124,302,554
Proceeds from reinsurance contracts issued, net	3,402,759	3,482,539
Others	18,281,349	18,685,256
Cash inflows from operating activities	153,206,731	146,470,349
Claims paid for insurance contracts issued	84,431,572	84,502,620
Payments for reinsurance contracts held, net	1,075,753	1,064,546
Commissions paid	9,785,032	10,218,980
Payment to and on behalf of staff	9,523,552	10,557,365
Taxes and surcharges paid	10,024,706	9,047,076
Others	30,194,382	30,177,129
Cash outflows from operating activities	145,034,997	145,567,716
Net cash flows generated from operating activities	8,171,734	902,633
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	55,062,662	27,941,202
Investment income and interest revenue received	2,952,604	2,343,696
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	4,515	4,159
Others, net	265,046	7,732,105
Cash inflows from investing activities	58,284,827	38,021,162
Payment for purchases of investments	67,249,074	28,241,031
Payment for purchases of fixed assets, intangible assets and other long-term assets	183,161	171,422
Cash outflows from investing activities	67,432,235	28,412,453
Net cash flows (used in)/generated from investing activities	(9,147,408)	9,608,709
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from financial assets sold under agreements to repurchase, net	13,400,741	-
Cash inflows from financing activities	13,400,741	-
Payments for financial assets sold under agreements to repurchase, net	-	7,937,831
Cash repayments of borrowings	8,000,000	-
Payment for distribution of dividends, profit or payment of interests	287,200	287,200
Others	161,208	131,565
Cash outflows from financing activities	8,448,408	8,356,596
Net cash flows generated from/(used in) financing activities	4,952,333	(8,356,596)
Effect of exchange rate changes on cash and cash equivalents	(2,870)	(308)
Net increase in cash and cash equivalents	3,973,789	2,154,438

This announcement is prepared in both Chinese and English, and the Chinese version shall prevail.

By Order of the Board
PICC Property and Casualty Company Limited

Bi Xin

Secretary of the Board

Beijing, the PRC, 29 April 2025

As at the date of this announcement, the Chairperson of the Board of the Company is Ms. Ding Xiangqun (non-executive director), the Vice Chairperson of the Board is Mr. Yu Ze (executive director), Mr. Jiang Caishi, Mr. Zhang Daoming and Mr. Hu Wei are executive directors, and the independent directors are Mr. Cheng Fengchao, Mr. Wei Chenyang, Mr. Li Weibin, Mr. Qu Xiaobo and Ms. Xue Shuang.