

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

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

(Stock Code: 2328)

UNAUDITED RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 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 the first three quarters of 2025, China's economy maintained a stable and positive momentum. The Company adhered to the overall principle of pursuing progress while maintaining stability, focused on serving Chinese modernisation, delivered solid outcomes in the “Five Priorities” of financial work, and deepened the structural reform on the supply side of insurance. The Company implemented the overall requirements of the “five first-class” of PICC Group, optimised its operational management model, strengthened its strategic layout in key areas, promoted quality and efficiency improvement of business development, ensured precise and effective resource allocation, advanced digital transformation in a substantive manner, and continuously enhanced its operational management capabilities and risk prevention and control levels, driving the Company to make new and greater strides in high-quality development. In the first three quarters of 2025, the Company achieved an insurance revenue of RMB385,921 million, representing a year-on-year increase of 5.9%, and realised a net profit of RMB40,268 million, representing a year-on-year increase of 50.5%.

(i) Insurance Business

The Company continued to deepen reform and innovation, strengthened the development of core competitiveness, and adhered to the intrinsic growth of motor insurance, innovative development of commercial non-motor insurance, and high-quality development of policy-oriented business, thereby effectively shaping new competitive advantages. In the first three quarters of 2025, the Company achieved an original insurance premium income of RMB443,182 million, representing a year-on-year increase of 3.5%. Insurance revenue reached RMB385,921 million, representing a year-on-year increase of 5.9%, among which, the insurance revenue of the motor vehicle insurance amounted to RMB227,632 million, representing a year-on-year increase of 3.7%, and the insurance revenue of the non-motor vehicle insurance amounted to RMB158,289 million, representing a year-on-year increase of 9.3%.

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 by insurance type for the first three quarters of 2025:

	Original insurance premium income <i>RMB million</i>	Year-on-year change %
Motor vehicle insurance	220,119	3.1
Accidental injury and health insurance	98,826	8.4
Agriculture insurance	52,191	-3.1
Liability insurance	31,669	1.1
Commercial property insurance	14,869	5.1
Other insurance	25,508	4.5
Total	443,182	3.5

The Company continued to deepen operational management, reduce costs, improve quality and efficiency, and enhanced the effectiveness of underwriting and claims handling. The Company strengthened the refined management of sales expenses and continuously optimised expenditure. In the first three quarters of 2025, the Company achieved an underwriting profit³ of RMB14,865 million, representing a year-on-year increase of 130.7%, with a combined ratio⁴ of 96.1%, representing a year-on-year decrease of 2.1 pp. Among which, the underwriting profit (*Note*) of the motor vehicle insurance amounted to RMB11,729 million, with a combined ratio of 94.8%, representing a year-on-year decrease of 2.0 pp, and the underwriting profit (*Note*) of the non-motor vehicle insurance amounted to RMB3,136 million, with a combined ratio of 98.0%, representing a year-on-year decrease of 2.5 pp.

Note: To facilitate investors' understanding of the insurance segments' operating results, the Company allocated the corresponding insurance revenue, insurance service expenses, and other profit and loss items of the reinsurance business to motor vehicle insurance and non-motor vehicle insurance, and simulated and calculated the net operating results accordingly.

(ii) Insurance Fund Investment Business

The Company remains firmly optimistic about the prospects of China's economy and China's capital markets. While maintaining a safe liquidity margin, the Company moderately increased its allocation to high-quality equity assets with long-term value. Benefiting from the capital market's rise in the first three quarters, the optimisation of the Company's portfolio amplified the positive effects of the market upturn. In the first three quarters of 2025, the Company achieved a total investment income⁵ of RMB35,900 million, representing a year-on-year increase of 33.0%, and a total investment yield⁶ (unannualised) of

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.

5.4%, representing a year-on-year increase of 0.8 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 (formerly the China Banking and Insurance Regulatory Commission), the Company disclosed its summary of solvency margin report for the third quarter of 2025 on the official website of the Company (property.picc.com) and the website of the Insurance Association of China (www.iachina.cn) on 30 October 2025.

The following table sets forth the major solvency margin indicators of the Company as of the dates indicated:

	As at 30 September 2025 <i>RMB million</i> Unaudited	As at 31 December 2024 <i>RMB million</i> Audited	Change %
Actual capital	294,745	265,560	11.0
Core capital	269,062	240,863	11.7
Minimum capital	120,960	114,171	5.9
Comprehensive solvency margin ratio (%)	243.7%	232.6%	Increased by 11.1 pp
Core solvency margin ratio (%)	222.4%	211.0%	Increased by 11.4 pp

III. Financial Statements

(i) Statement of Financial Position of the Company

Items	As at 30 September 2025 <i>RMB'000</i> Unaudited	As at 31 December 2024 <i>RMB'000</i> Audited
Cash and cash equivalents	9,941,382	9,127,946
Term deposits	64,213,715	77,011,603
Financial assets purchased under resale agreements	10,794,677	10,566,997
Financial investments:	564,776,495	498,614,167
Financial assets at fair value through profit or loss	141,237,379	118,650,351
Financial assets at amortised cost	147,884,383	135,313,452
Debt financial assets at fair value through other comprehensive income	165,899,453	141,377,431
Equity financial assets at fair value through other comprehensive income	109,755,280	103,272,933
Insurance contract assets	820,201	1,712,746
Reinsurance contract assets	38,161,030	40,505,606
Investments in subsidiaries, associates and joint ventures	75,679,566	70,748,607
Restricted statutory deposits	4,591,517	4,630,355
Investment properties	5,050,903	5,199,867
Property and equipment	20,347,206	20,903,511
Right-of-use assets	1,270,356	1,393,002
Intangible assets	5,834,546	6,611,070
Deferred income tax assets	11,900,618	8,439,445
Other assets	16,377,430	18,461,632
TOTAL ASSETS	829,759,642	773,926,554
Securities sold under agreements to repurchase	46,730,822	39,621,417
Premiums received in advance	4,383,795	6,696,585
Salaries and staff welfare payables	24,362,055	22,983,970
Tax payable	11,244,033	7,857,148
Investment contract liabilities	1,726,130	1,730,653
Premium reserves	1,838,698	280,601
Bonds payable	12,274,023	20,433,059
Insurance contract liabilities	420,144,402	401,638,856
Reinsurance contract liabilities	131,438	58,911
Lease liabilities	1,258,295	1,379,481
Other liabilities	15,791,256	13,194,625
TOTAL LIABILITIES	539,884,947	515,875,306
Issued capital	22,242,765	22,242,765
Share premium account	10,517,519	10,517,519
Other comprehensive income	18,568,662	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	118,431,455	82,974,434

TOTAL EQUITY	289,874,695	258,051,248
TOTAL LIABILITIES AND EQUITY	829,759,642	773,926,554

(ii) Income Statement of the Company

Items	Nine months ended 30 September	
	2025 RMB'000 Unaudited	2024 RMB'000 Unaudited
Operating income	423,005,875	392,267,034
Insurance revenue	385,921,374	364,306,286
Interest revenue	8,879,630	8,677,670
Investment income	17,078,000	10,900,947
Included: Share of profits of associates and joint ventures	6,042,503	5,229,446
Gains on derecognition of financial assets at amortised cost	-	5,908
Other gains	151,962	169,593
Net gains on fair value changes	10,165,840	7,353,193
Foreign exchange losses, net	(95,172)	(121,432)
Other operating income	894,579	938,772
Net gains on disposal of assets	9,662	42,005
Operating expenses	374,254,917	360,327,411
Insurance service expenses	358,107,670	344,085,807
Allocation of reinsurance premiums paid	25,625,310	24,607,956
Less: Amounts recovered from reinsurance contracts held	19,993,342	19,119,737
Finance expenses from insurance contracts issued	6,568,901	7,580,090
Less: Finance income from reinsurance contracts held	825,561	914,192
Interest expenses	706,026	778,489
Tax and other surcharges	73,123	21,261
General and administrative expenses	1,938,382	1,427,404
Other impairment losses	1,875	-
Credit impairment reversal	(11,977)	(357,784)
Change in premium reserves	1,573,621	1,623,055
Other operating costs	490,889	595,062
Operating profit	48,750,958	31,939,623
Add: Sundry income	82,221	90,163
Less: Sundry expenses	129,142	103,567
Profit before income tax	48,704,037	31,926,219
Less: Income tax expense	8,436,294	5,175,852
Net profit	40,267,743	26,750,367

(iii) Statement of Cash Flows of the Company

Items	Nine months ended 30 September	
	2025 RMB'000 Unaudited	2024 RMB'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Premiums received from insurance contracts issued	436,867,819	422,285,935
Proceeds from reinsurance contracts issued, net	6,599,972	6,392,967
Others	61,076,595	60,852,256
Cash inflows from operating activities	504,544,386	489,531,158
Claims paid for insurance contracts issued	273,871,554	273,184,316
Payments for reinsurance contracts held, net	9,432,221	9,686,706
Commissions paid	29,711,593	31,078,667
Payment to and on behalf of staff	29,749,868	28,225,008
Taxes and surcharges paid	27,434,417	25,968,801
Others	99,782,248	98,908,051
Cash outflows from operating activities	469,981,901	467,051,549
Net cash flows generated from operating activities	34,562,485	22,479,609
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	149,443,734	93,550,124
Investment income and interest revenue received	13,355,036	11,410,830
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	15,746	9,623
Others	12,930,104	-
Cash inflows from investing activities	175,744,620	104,970,577
Payment for purchases of investments	198,258,474	116,001,942
Payment for purchases of fixed assets, intangible assets and other long-term assets	1,194,065	1,312,672
Others	-	2,175,534
Cash outflows from investing activities	199,452,539	119,490,148
Net cash flows used in investing activities	(23,707,919)	(14,519,571)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from financial assets sold under agreements to repurchase, net	6,976,323	5,098,614
Cash inflows from financing activities	6,976,323	5,098,614
Cash repayments of borrowings	8,000,000	-
Payment for distribution of dividends, profit or payment of interests	7,671,798	11,163,912
Others	623,191	540,639
Cash outflows from financing activities	16,294,989	11,704,551
Net cash flows used in financing activities	(9,318,666)	(6,605,937)
Effect of exchange rate changes on cash and cash equivalents	(14,761)	(63,618)
Net increase in cash and cash equivalents	1,521,139	1,290,483

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, 30 October 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.