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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 2024

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 2024 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 Enterprises<sup>1</sup> and has not been audited.

### I. Operating Analysis of Principal Activities

In the first quarter of 2024, the Company adhered to the basic principle of seeking progress while maintaining stability, fully implemented the “Eight Strategic Services”, actively implemented the new business model of “insurance + risk reduction service + technology”, continued to optimize the supply of insurance products, fully implemented its risk reduction services, constantly improved the quality and efficiency of customer service, made great efforts in risk prevention and mitigation, and created high-quality development momentum. In the first quarter of 2024, the Company achieved an insurance revenue of RMB113,843 million, representing a year-on-year increase of 5.9%. Proactively coping with the challenges to underwriting business posed by low temperature, rain, snow, freezing weather and other disasters as well as the growth in transportation and the impact of the fluctuation in capital market, the Company achieved a net profit of RMB5,871 million.

#### (i) Insurance Business

In the first quarter of 2024, by focusing on serving the real economy and people's livelihood, the

<sup>1</sup> 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 (the above standards are abbreviated as the “**New Accounting Standards for Financial Instruments**”) and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts.

Company upgraded the supply of products and optimized the customer service, achieved a stable business growth, and generated an insurance revenue of RMB113,843 million, representing a year-on-year increase of 5.9%, among which, the insurance revenue of the motor vehicle insurance was RMB72,288 million, representing a year-on-year increase of 6.5%; the insurance revenue of the non-motor insurance was RMB41,555 million, representing a year-on-year increase of 4.9%.

The Company continued to reduce cost and improve efficiency, and constantly improved its risk identification, prevention and control capabilities. Affected by low temperature, rain, snow, freezing weather and other disasters and the growth in transportation, in the first quarter of 2024, the combined ratio<sup>2</sup> of the Company was 97.9%.

## (ii) Insurance Fund Investment Business

The Company has been adhering to the long-term and steady investment philosophy and maintained a basically stable investment portfolio. In the first quarter of 2024, affected by the market conditions, the income generated from equity investments of the Company decreased as compared to the same period last year; on the other hand, the falling interest rate resulted in an increase of market value of bonds at fair value through profit or loss, which significantly hedged the fluctuation of market value of equity investments. To sum up, in the first quarter of 2024, under the New Accounting Standards for Financial Instruments, the Company recognised a total investment yield (unannualised)<sup>3</sup> of 0.8%.

## II. Solvency Margin

	As at 31 March 2024 RMB million Unaudited	As at 31 December 2023 RMB million Audited	Change %
Actual capital	237,097	226,182	4.8
Core capital	215,061	203,088	5.9
Minimum capital	103,943	97,334	6.8
Comprehensive solvency margin ratio (%)	228.1	232.4	Decreased by 4.3 pp
Core solvency margin ratio (%)	206.9	208.7	Decreased by 1.8 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).

<sup>2</sup> 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) + changes in premium reserve]/insurance revenue

<sup>3</sup> Total investment yield = total investment income/(balance of total investment assets at the beginning of the period + balance of total investment assets at the end of the period)\*2. Among which, total investment income = investment income + interest income + net gains/(losses) on fair value changes + rental income - investment asset impairment losses, 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 and investment properties.

### III. Financial Statements

#### (i) Statement of Financial Position of the Company

Items	As at 31 March 2024 <i>RMB'000</i> Unaudited	As at 31 December 2023 <i>RMB'000</i> Audited
Cash and cash equivalents	10,652,488	12,457,809
Term deposits	58,406,565	57,646,591
Financial assets purchased under resale agreements	5,430,127	4,249,908
Financial investments:	451,724,697	450,335,835
Financial assets at fair value through profit or loss	140,188,353	144,029,552
Financial assets at amortised cost	126,464,054	126,163,800
Debt financial assets at fair value through other comprehensive income	97,189,929	95,072,510
Equity financial assets at fair value through other comprehensive income	87,882,361	85,069,973
Insurance contract assets	1,697,600	2,885,223
Reinsurance contract assets	33,886,538	38,890,733
Investments in subsidiaries, associates and joint ventures	67,224,299	66,338,146
Restricted statutory deposits	4,728,291	4,723,025
Investment properties	5,545,921	5,545,921
Property and equipment	20,110,413	20,399,100
Right-of-use assets	1,338,332	1,422,802
Intangible assets	6,457,811	6,735,516
Deferred income tax assets	10,012,172	10,530,834
Other assets	19,863,776	18,637,223
<b>TOTAL ASSETS</b>	<b>697,079,030</b>	<b>700,798,666</b>
Securities sold under agreements to repurchase	32,608,246	40,037,081
Premiums received in advance	3,457,917	4,963,307
Salaries and staff welfare payables	19,728,817	20,441,724
Tax payable	7,042,880	7,983,753
Investment contract liabilities	1,734,527	1,735,741
Premium reserves	2,244,098	1,696,329
Bonds payable	8,156,083	8,364,795
Insurance contract liabilities	365,423,051	371,680,933
Reinsurance contract liabilities	39,584	21,226
Lease liabilities	1,393,861	1,418,851
Other liabilities	16,035,761	12,066,713
<b>TOTAL LIABILITIES</b>	<b>457,864,825</b>	<b>470,410,453</b>
Issued capital	22,242,765	22,242,765
Share premium account	10,501,368	10,501,368
Other comprehensive income	15,855,279	13,166,188
Surplus reserve	80,155,053	80,155,053
General risk reserve	25,878,268	25,878,268
Catastrophic loss reserve	130,146	130,146

Retained profits	84,451,326	78,314,425
<b>TOTAL EQUITY</b>	<b>239,214,205</b>	<b>230,388,213</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>697,079,030</b>	<b>700,798,666</b>

**(ii) Income Statement of the Company**

Items	Three months ended 31 March	
	2024 RMB'000 Unaudited	2023 RMB'000 Unaudited
<b>Operating income</b>	<b>118,988,001</b>	<b>115,257,732</b>
Insurance revenue	113,843,230	107,520,497
Interest revenue	2,785,600	2,933,230
Investment income	2,154,007	3,350,333
Included: Share of profits or losses of associates and joint ventures	921,959	755,371
Net gains from the derecognition of financial assets measured at amortised cost	-	620
Other gains	109,810	102,203
Net (losses)/gains on fair value changes	(163,547)	1,224,547
Foreign exchange gains/(losses), net	5,763	(123,355)
Other operating income	235,300	226,398
Net gains on disposal of assets	17,838	23,879
<b>Operating expenses</b>	<b>112,164,504</b>	<b>103,692,371</b>
Insurance service expenses	105,586,711	96,875,156
Allocation of reinsurance premiums paid	7,136,140	7,948,908
Less: Amounts recovered from reinsurance contracts held	4,060,636	4,605,770
Finance expenses from insurance contracts issued	2,580,100	2,446,783
Less: Finance income from reinsurance contracts held	298,139	283,100
Interest expenses	298,325	264,562
Tax and other surcharges	6,128	10,956
General and administrative expenses	334,435	303,305
Credit impairment losses	(123,429)	61,622
Change in premium reserves	547,770	516,397
Other operating costs	157,099	153,552
<b>Operating profit</b>	<b>6,823,497</b>	<b>11,565,361</b>
Add: Sundry income	23,814	66,270
Less: Sundry expenses	21,789	22,497
<b>Profit before income tax</b>	<b>6,825,522</b>	<b>11,609,134</b>
Less: Income tax expense	954,581	2,101,087
<b>Net profit</b>	<b>5,870,941</b>	<b>9,508,047</b>

**(iii) Statement of Cash Flows of the Company**

<b>Items</b>	<b>Three months ended 31 March</b>	
	<b>2024 RMB'000 Unaudited</b>	<b>2023 RMB'000 Unaudited</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Premiums received from insurance contracts issued	124,302,554	124,846,693
Proceeds from reinsurance contracts issued, net	3,482,539	2,565,903
Others	18,685,256	17,185,656
<b>Cash inflows from operating activities</b>	<b>146,470,349</b>	<b>144,598,252</b>
Claims paid for insurance contracts issued	84,502,620	76,819,296
Payments for reinsurance contracts held, net	1,064,546	1,657,954
Commissions paid	10,218,980	10,622,990
Payment to and on behalf of staff	10,557,365	9,020,480
Taxes and surcharges paid	9,047,076	9,233,309
Others	30,177,129	30,912,637
<b>Cash outflows from operating activities</b>	<b>145,567,716</b>	<b>138,266,666</b>
<b>Net cash flows generated from operating activities</b>	<b>902,633</b>	<b>6,331,586</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of investments	27,941,202	45,610,717
Investment income and interest revenue received	2,343,696	3,038,870
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	4,159	8,154
Others, net	7,732,105	-
<b>Cash inflows from investing activities</b>	<b>38,021,162</b>	<b>48,657,741</b>
Payment for purchases of investments	28,241,031	38,720,065
Payment for purchases of fixed assets, intangible assets and other long-term assets	171,422	116,157
Others, net	-	587,657
<b>Cash outflows from investing activities</b>	<b>28,412,453</b>	<b>39,423,879</b>
<b>Net cash flows generated from investing activities</b>	<b>9,608,709</b>	<b>9,233,862</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments for financial assets sold under agreements to repurchase, net	7,937,831	19,290,013
Others	418,765	421,139
<b>Cash outflows from financing activities</b>	<b>8,356,596</b>	<b>19,711,152</b>
<b>Net cash flows used in financing activities</b>	<b>(8,356,596)</b>	<b>(19,711,152)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(308)</b>	<b>(31,150)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,154,438</b>	<b>(4,176,854)</b>

**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 2024

*As at the date of this announcement, the Chairman of the Board of the Company is Mr. Wang Tingke (non-executive director), the Vice Chairman of the Board is Mr. Yu Ze (executive director), Mr. Jiang Caishi, Mr. Zhang Daoming and Mr. Hu Wei are executive directors, Mr. Li Tao is a non-executive director, and the independent directors are Mr. Cheng Fengchao, Mr. Wei Chenyang, Mr. Li Weibin and Mr. Qu Xiaobo.*