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 UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The Board of Directors (the "**Board**") of The People's Insurance Company (Group) of China Limited (the "**Company**") announces the following unaudited interim consolidated financial results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 together with the comparative figures for the previous year, which should be read in conjunction with the following management discussion and analysis:

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND MATERIAL NOTES

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

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026
(Amounts in millions of Renminbi, unless otherwise stated)

	Notes	**Six months ended 30 June 2026 (Unaudited)**	Six months ended 30 June 2025 (Unaudited)
Insurance revenue	*4*	**286,873**	280,250
Interest income (from financial assets not measured at fair value through profit or loss)	*5*	**15,660**	15,834
Net investment gains	*5*	**43,281**	17,398
Share of profits of associates and joint ventures		**7,288**	8,179
Exchange losses		**(492)**	(87)
Other income	*6*	**2,559**	2,548
TOTAL OPERATING INCOME		**355,169**	324,122
Insurance service expenses	*4*	**250,941**	246,201
Net expenses from reinsurance contracts held		**5,775**	4,989
Finance expenses from insurance contracts issued		**27,376**	22,517
Finance income from reinsurance contracts held		**(544)**	(531)
Finance costs	*7*	**1,717**	1,671
Net credit impairment losses/(reversals) on financial assets	*8*	**1**	(16)
Other operating and administrative expenses	*9*	**6,958**	5,507
TOTAL OPERATING EXPENSES		**292,224**	280,338
Dilution loss on a reduced stake in an associate		**–**	(720)
PROFIT BEFORE TAX		**62,945**	43,064
Income tax expenses	*10*	**(12,109)**	(6,909)
PROFIT FOR THE PERIOD		**50,836**	36,155
Attributable to:			
– Owners of the Company		**37,451**	26,671
– Non-controlling interests		**13,385**	9,484
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
– Basic (in RMB Yuan)	*11*	**0.85**	0.60
– Diluted (in RMB Yuan)	*11*	**0.79**	0.56

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

(Amounts in millions of Renminbi, unless otherwise stated)

	Note	**Six months ended 30 June 2026 (Unaudited)**	Six months ended 30 June 2025 (Unaudited)
PROFIT FOR THE PERIOD		**50,836**	36,155
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Finance expenses from insurance contracts issued		**(534)**	(4,733)
Finance income/(expenses) from reinsurance contracts held		**57**	(77)
Changes in the fair value of debt instruments at fair value through other comprehensive income		**7,710**	(1,231)
Allowance for credit losses on debt instruments measured at fair value through other comprehensive income		**1**	(2)
Income tax effect		**426**	628
		7,660	(5,415)
Share of other comprehensive income of associates and joint ventures		**(230)**	(469)
Exchange differences arising on translating foreign operations		**(74)**	(29)
NET OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		**7,356**	(5,913)

	Note	Six months ended 30 June 2026 (Unaudited)	Six months ended 30 June 2025 (Unaudited)
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	*20*	**127**	99
Changes in the fair value of equity instruments at fair value through other comprehensive income		**(8,523)**	281
Finance expenses from insurance contracts issued		**184**	53
Income tax effect		**2,174**	(39)
		(6,038)	394
Actuarial (losses)/gains on pension benefit obligation		**(285)**	37
Share of other comprehensive income of associates and joint ventures		**14**	(89)
NET OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		**(6,309)**	342
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		**1,047**	(5,571)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**51,883**	30,584
Attributable to:			
—Owners of the Company		**38,272**	22,238
—Non-controlling interests		**13,611**	8,346
		51,883	30,584

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026
(Amounts in millions of Renminbi, unless otherwise stated)

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
ASSETS			
Cash and cash equivalents	*13*	**53,013**	59,874
Financial assets measured at amortized cost	*14*	**317,234**	322,656
Financial assets measured at fair value through other comprehensive income	*15*	**821,223**	776,373
Financial assets measured at fair value through profit or loss	*16*	**463,314**	409,717
Insurance contract assets	*17*	**503**	794
Reinsurance contract assets		**34,392**	42,150
Term deposits	*18*	**134,242**	127,438
Restricted statutory deposits		**13,717**	13,662
Investments in associates and joint ventures	*19*	**180,303**	177,113
Investment properties	*20*	**14,671**	14,789
Property and equipment		**31,750**	32,604
Right-of-use assets		**6,947**	6,821
Intangible assets		**3,185**	3,749
Deferred tax assets		**19,120**	13,987
Other assets	*21*	**31,287**	25,865
TOTAL ASSETS		**2,124,901**	2,027,592

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
LIABILITIES			
Financial liabilities measured at fair value through profit or loss		**37,303**	22,210
Securities sold under agreements to repurchase		**141,482**	180,763
Income tax payable		**6,888**	377
Bonds payable	*22*	**41,590**	41,806
Lease liabilities		**2,091**	1,881
Insurance contract liabilities	*17*	**1,306,777**	1,239,519
Reinsurance contract liabilities		**197**	146
Investment contract liabilities		**5,682**	6,879
Pension benefit obligation		**2,778**	2,559
Deferred tax liabilities		**802**	1,401
Other liabilities	*23*	**116,578**	109,585
TOTAL LIABILITIES		**1,662,168**	1,607,126
EQUITY			
Issued capital	*24*	**44,224**	44,224
Reserves		**296,813**	264,959
Equity attributable to owners of the Company		**341,037**	309,183
Non-controlling interests		**121,696**	111,283
TOTAL EQUITY		**462,733**	420,466
TOTAL EQUITY AND LIABILITIES		**2,124,901**	2,027,592

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

(Amounts in millions of Renminbi, unless otherwise stated)

	Six months ended 30 June 2026 (Unaudited)															
	Attributable to owners of the Company															
	Issued capital *(Note 24)*	Share premium account **	Financial assets at fair value through other comprehensive income revaluation reserve **	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 earnings **	Subtotal	Non-controlling interests	Total
Balance at 1 January 2026	44,224	23,973	22,805	(35,074)	30,492	199	4,507	(92)	7	17,742	(15,311)	(1,635)	217,346	309,183	111,283	420,466
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	37,451	37,451	13,385	50,836
Other comprehensive income for the period	-	-	(395)	1,673	-	-	67	(172)	(67)	-	-	(285)	-	821	226	1,047
Total comprehensive income for the period	-	-	(395)	1,673	-	-	67	(172)	(67)	-	-	(285)	37,451	38,272	13,611	51,883
Other comprehensive income transferred to retained earnings	-	-	(2,281)	384	-	-	-	-	-	-	-	-	1,897	-	-	-
Appropriations to general risk reserve	-	-	-	-	75	-	-	-	-	-	-	-	(75)	-	-	-
Dividends paid to shareholders (Note 12)	-	-	-	-	-	-	-	-	-	-	-	-	(6,412)	(6,412)	-	(6,412)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,176)	(3,176)
Others	-	-	-	-	-	-	-	-	-	-	(6)	-	-	(6)	(22)	(28)
Balance at 30 June 2026	44,224	23,973	20,129	(33,017)	30,567	199	4,574	(264)	(60)	17,742	(15,317)	(1,920)	250,207	341,037	121,696	462,733

* This reserve contains both statutory and discretionary surplus reserves.

** Consolidated reserves of RMB296,813 million in the interim condensed consolidated statement of financial position as at 30 June 2026 comprise these reserve accounts.

	Six months ended 30 June 2025 (Unaudited)															
	Attributable to owners of the Company															
	Issued capital *(Note 24)*	Share premium account **	Financial assets at fair value through other comprehensive income revaluation reserve **	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 earnings **	Subtotal	Non-controlling interests	Total
Balance at 1 January 2025	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
Profit for the period	–	–	–	–	–	–	–	–	–	–	–	–	26,671	26,671	9,484	36,155
Other comprehensive income for the period	–	–	(552)	(3,526)	–	–	38	(404)	(26)	–	–	37	–	(4,433)	(1,138)	(5,571)
Total comprehensive income for the period	–	–	(552)	(3,526)	–	–	38	(404)	(26)	–	–	37	26,671	22,238	8,346	30,584
Other comprehensive income transferred to retained earnings	–	–	(2,025)	189	–	–	–	93	–	–	–	–	1,743	–	–	–
Appropriations to general risk reserve	–	–	–	–	63	–	–	–	–	–	–	–	(63)	–	–	–
Dividends paid to shareholders *(Note 12)*	–	–	–	–	–	–	–	–	–	–	–	–	(5,174)	(5,174)	–	(5,174)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,296)	(2,296)
Others	–	–	–	–	–	–	–	–	–	–	(5)	–	–	(5)	108	103
Balance at 30 June 2025	44,224	23,973	31,862	(51,130)	23,126	180	4,429	347	23	16,835	(15,177)	(1,692)	208,925	285,925	104,713	390,638

*	This reserve contains both statutory and discretionary surplus reserves.

**	Consolidated reserves of RMB241,701 million in the interim condensed consolidated statement of financial position as at 30 June 2025 comprise these reserve accounts.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

(Amounts in millions of Renminbi, unless otherwise stated)

	Note	**Six months ended 30 June 2026 (Unaudited)**	Six months ended 30 June 2025 (Unaudited)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**63,936**	74,845
NET CASH FLOWS USED IN INVESTING ACTIVITIES			
Purchases of investment properties, property and equipment, intangible assets and land use rights		**(701)**	(661)
Proceeds from disposals of investment properties, property and equipment, intangible assets and land use rights		**110**	489
Purchases of investments		**(384,379)**	(353,417)
Proceeds from disposals of investments		**339,145**	261,495
Interest received		**17,970**	18,468
Dividends received		**7,684**	7,027
(Increase)/decrease in term deposits, net		**(7,369)**	614
Others		**167**	252
Subtotal		**(27,373)**	(65,733)
NET CASH FLOWS USED IN FINANCING ACTIVITIES			
Decrease in securities sold under agreements to repurchase, net		**(39,275)**	(6,917)
Proceeds from bank borrowings		**–**	150
Cash received related to non-controlling interests of consolidated structured entities, net		**280**	5,963
Repayments of bank borrowings and bonds payable		**(30)**	(8,351)
Interest paid		**(1,896)**	(2,002)
Dividends paid		**(1,999)**	(2,792)
Payments of lease liabilities		**(358)**	(618)
Others		**(26)**	–
Subtotal		**(43,304)**	(14,567)

	Note	**Six months ended 30 June 2026 (Unaudited)**	Six months ended 30 June 2025 (Unaudited)
Net decrease in cash and cash equivalents		**(6,741)**	(5,455)
Cash and cash equivalents at beginning of the period		**59,874**	44,132
Effects of exchange rate changes on cash and cash equivalents		**(120)**	(153)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	*13*	**53,013**	38,524
Analysis of balances of cash and cash equivalents			
Securities purchased under resale agreements with original maturity of no more than three months	*13*	**27,666**	15,619
Deposits with banks with original maturity of no more than three months and money at call and short notice	*13*	**25,347**	22,905
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	*13*	**53,013**	38,524

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 controlling shareholder of the Company is the Ministry of Finance ("**MOF**") of the PRC.

The Company is an investment holding company. During the six months ended 30 June 2026, 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".

This interim condensed consolidated financial information is 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. BASIS OF PREPARATION

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**"), as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Other than additional accounting policies resulting from the application of amendments to IFRS Accounting Standards as issued by the IASB, the accounting policies and methods of computation used in the interim condensed consolidated financial information are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and therefore should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025, except for the adoption of amendments to IFRS Accounting Standards as of 1 January 2026 as described below.

Amendments to IFRS 9 and IFRS 7	*Amendments to Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*

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

3. 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 the principal activities of subsidiaries and has the following operating segments:

(1) The non-life insurance segment offers a wide variety of non-life insurance products mainly provided by PICC Property and Casualty Company Limited ("**PICC P&C**");

(2) The life insurance segment offers a wide range of life insurance products provided by PICC Life Insurance Company Limited ("**PICC Life**");

(3) The health insurance segment offers a wide range of health and medical insurance products provided by PICC Health Insurance Company Limited ("**PICC Health**");

(4) The asset management segment offers asset management services; and

(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 comprise insurance agent business, reinsurance business and other operating businesses 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 interim condensed 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 profit for the period were mainly derived from the aforementioned business in the Chinese mainland. As the revenue, net profit, assets and liabilities of operations outside the Chinese mainland constitute less than 10% of the consolidated amounts in these financial statements, geographical segmental information is not presented.

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

Segment revenue and results for the six months ended 30 June 2026:

	Non-life insurance	Life insurance	Health insurance	Asset management	Headquarters and others	Eliminations	Total
Insurance revenue	255,706	13,611	16,717	–	2,958	(2,119)	286,873
Interest income (from financial assets not measured at fair value through profit or loss)	5,775	7,423	1,387	40	1,035	–	15,660
Net investment gains	16,564	21,805	3,873	239	13,871	(13,071)	43,281
Share of profits or losses of associates and joint ventures	6,434	2,820	11	8	576	(2,561)	7,288
Exchange (losses)/gains	(236)	(83)	(18)	2	(157)	–	(492)
Other income	773	128	261	1,263	2,526	(2,392)	2,559
TOTAL OPERATING INCOME – SEGMENT INCOME	285,016	45,704	22,231	1,552	20,809	(20,143)	355,169
– External income	282,914	45,649	22,071	830	3,705	–	355,169
– Inter-segment income	2,102	55	160	722	17,104	(20,143)	–
Insurance service expenses	231,983	7,901	10,272	–	2,793	(2,008)	250,941
Net expenses from reinsurance contracts held	4,627	90	1,633	–	35	(610)	5,775
Finance expenses from insurance contracts issued	4,281	20,069	3,003	–	88	(65)	27,376
Finance income from reinsurance contracts held	(579)	–	(16)	–	(9)	60	(544)
Finance costs	519	736	161	5	303	(7)	1,717
Net credit impairment losses/(reversals) on financial assets	36	(57)	(25)	(3)	50	–	1
Other operating and administrative expenses	2,937	1,352	414	848	3,115	(1,708)	6,958
TOTAL OPERATING EXPENSES	243,804	30,091	15,442	850	6,375	(4,338)	292,224
PROFIT BEFORE TAX	41,212	15,613	6,789	702	14,434	(15,805)	62,945
Income tax expenses	(7,768)	(2,051)	(1,642)	(170)	(196)	(282)	(12,109)
PROFIT FOR THE PERIOD – SEGMENT RESULTS	33,444	13,562	5,147	532	14,238	(16,087)	50,836

Segment revenue and results for the six months ended 30 June 2025:

	Non-life insurance	Life insurance	Health insurance	Asset management	Headquarters and others	Eliminations	Total
Insurance revenue	250,070	14,018	15,603	–	2,496	(1,937)	280,250
Interest income (from financial assets not measured at fair value through profit or loss)	6,117	7,160	1,404	47	1,106	–	15,834
Net investment gains	6,570	8,559	1,674	200	6,218	(5,823)	17,398
Share of profits or losses of associates and joint ventures	6,434	3,273	2	50	564	(2,144)	8,179
Exchange (losses)/gains	(31)	(28)	(8)	1	(21)	–	(87)
Other income	721	135	236	1,328	2,370	(2,242)	2,548
TOTAL OPERATING INCOME – SEGMENT INCOME	269,881	33,117	18,911	1,626	12,733	(12,146)	324,122
– External income	269,375	32,809	18,849	874	2,215	–	324,122
– Inter-segment income	506	308	62	752	10,518	(12,146)	–
Insurance service expenses	228,391	8,297	8,868	–	2,401	(1,756)	246,201
Net expenses from reinsurance contracts held	4,768	111	522	–	42	(454)	4,989
Finance expenses from insurance contracts issued	4,440	15,782	2,210	–	161	(76)	22,517
Finance income from reinsurance contracts held	(560)	(1)	(26)	–	(9)	65	(531)
Finance costs	460	684	160	3	373	(9)	1,671
Net credit impairment losses/(reversals) on financial assets	(19)	(25)	(6)	5	29	–	(16)
Other operating and administrative expenses	1,892	999	382	943	2,943	(1,652)	5,507
TOTAL OPERATING EXPENSES	239,372	25,847	12,110	951	5,940	(3,882)	280,338
Dilution loss on a reduced stake in an associate	(318)	(359)	–	–	(43)	–	(720)
PROFIT BEFORE TAX	30,191	6,911	6,801	675	6,750	(8,264)	43,064
Income tax expenses	(4,475)	(408)	(1,673)	(175)	(101)	(77)	(6,909)
PROFIT FOR THE PERIOD – SEGMENT RESULTS	25,716	6,503	5,128	500	6,649	(8,341)	36,155

Segment assets and liabilities as at 30 June 2026 and 31 December 2025, and other segment information for the six months ended 30 June 2026 and 2025 are as follows:

	Non-life insurance	Life insurance	Health insurance	Asset management	Headquarters and others	Eliminations	Total
30 June 2026							
Segment assets	**919,529**	**901,739**	**167,396**	**15,758**	**352,205**	**(231,726)**	**2,124,901**
Segment liabilities	**581,312**	**830,978**	**139,327**	**4,974**	**88,539**	**17,038**	**1,662,168**
Six months ended 30 June 2026							
Other segment information:							
Capital expenditures	**468**	**18**	**80**	**15**	**120**	**–**	**701**
Depreciation and amortization	**2,155**	**284**	**106**	**47**	**250**	**(130)**	**2,712**
31 December 2025							
Segment assets	890,027	854,834	154,508	14,663	334,453	(220,893)	2,027,592
Segment liabilities	574,533	799,638	130,501	4,081	72,373	26,000	1,607,126
Six months ended 30 June 2025							
Other segment information:							
Capital expenditures	293	226	30	26	174	(88)	661
Depreciation and amortization	1,688	305	185	77	247	(78)	2,424

The headquarters, non-life and life insurance segments hold equity interests of 0.82%, 5.81% and 6.03%, respectively, in Industrial Bank Co., Ltd. ("**Industrial Bank**"), an associate of the Group as at 30 June 2026 (31 December 2025: 0.82%, 5.81% and 6.03%). 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.

4. INSURANCE REVENUE AND EXPENSES

	Six months ended 30 June 2026	Six months ended 30 June 2025
Insurance revenue		
Contracts not measured under the premium allocation approach	**31,046**	30,668
Contracts measured under the premium allocation approach	**255,827**	249,582
TOTAL	**286,873**	280,250
Insurance service expenses		
Liabilities for remaining coverage	**49,441**	50,494
Liabilities for incurred claims	**201,500**	195,707
TOTAL	**250,941**	246,201

5. INTEREST INCOME AND NET INVESTMENT GAINS

	Six months ended 30 June 2026	Six months ended 30 June 2025
Interest income from financial assets not measured at fair value through profit or loss *(a)*	**15,660**	15,834
Net investment gains *(b)*	**43,281**	17,398
TOTAL	**58,941**	33,232

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

	Six months ended 30 June 2026	Six months ended 30 June 2025
Debt instruments measured at fair value through other comprehensive income	**8,070**	7,307
Financial assets measured at amortized cost	**5,441**	6,030
Current and term deposits	**2,055**	2,314
Securities purchased under resale agreements	**51**	62
Others	**43**	121
TOTAL	**15,660**	15,834

(b) Net investment gains

	Six months ended 30 June 2026	Six months ended 30 June 2025
Interest income		
Financial assets measured at fair value through profit or loss	**2,387**	2,430
Dividend income		
Equity instruments measured at fair value through other comprehensive income	**3,086**	2,400
Financial assets measured at fair value through profit or loss	**1,757**	1,171
Lease income from investment properties	**361**	310
Subtotal	**7,591**	6,311
Realised investment gains		
Financial assets measured at fair value through profit or loss	**21,052**	5,284
Debt instruments measured at fair value through other comprehensive income	**628**	3,445
Financial assets measured at amortized cost	**5**	–
Subtotal	**21,685**	8,729
Unrealised investment gains		
Financial assets measured at fair value through profit or loss	**14,069**	2,501
Investment properties	**(64)**	(143)
Subtotal	**14,005**	2,358
TOTAL	**43,281**	17,398

6. OTHER INCOME

	Six months ended 30 June 2026	Six months ended 30 June 2025
Technical service fees	**829**	925
Asset management fees	**721**	627
Commission income arising from the collection of taxes on motor vehicles and vessels	**149**	161
Government grants	**106**	186
Disposal gains from investment properties, property and equipment, intangible assets and land use rights	**61**	41
Others	**693**	608
TOTAL	**2,559**	2,548

7. FINANCE COSTS

	Six months ended 30 June 2026	Six months ended 30 June 2025
Securities sold under agreements to repurchase	**1,003**	1,024
Bonds payable	**652**	565
Unwinding of pension benefit obligation	**24**	23
Interest on lease liabilities	**20**	23
Others	**18**	36
TOTAL	**1,717**	1,671

8. NET CREDIT IMPAIRMENT LOSSES/(REVERSALS) ON FINANCIAL ASSETS

	Six months ended 30 June 2026	Six months ended 30 June 2025
Financial assets measured at amortized cost	**(107)**	(70)
Term deposits	**(2)**	(22)
Debt instruments measured at fair value through other comprehensive income	**11**	25
Other financial assets	**99**	51
TOTAL	**1**	(16)

9. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

	Six months ended 30 June 2026	Six months ended 30 June 2025
Employee costs	**23,918**	24,845
Technical/labour services and consulting fees	**9,963**	8,574
Promotion expenses	**4,888**	5,412
Contributions to China Insurance Security Fund	**2,671**	2,735
Depreciation and amortization	**2,666**	2,424
Administrative and travel expenses	**587**	658
Prevention and risk mitigation costs	**396**	413
Electronic equipment's operating expenses	**385**	552
Others	**9,214**	7,115
Subtotal	**54,688**	52,728
Less: Expenses attributed to insurance acquisition cash flows	**(25,429)**	(25,266)
Less: Other insurance fulfilment cash flows in the period	**(22,301)**	(21,955)
TOTAL	**6,958**	5,507

Insurance companies in the Chinese mainland are required to make periodic contributions to China Insurance Security Fund ("**CISF**") based on the types of insurance products and annual gross written premiums. CISF was established to provide protection for policyholders in the event of financial distress at an insurance company in the Chinese mainland.

10. INCOME TAX EXPENSES

	Six months ended 30 June 2026	Six months ended 30 June 2025
Current tax	**14,363**	9,960
Adjustments in respect of prior years	**466**	(30)
Deferred tax	**(2,720)**	(3,021)
TOTAL	**12,109**	6,909

Certain operations of the Company's subsidiaries in the western provinces and Hainan province have been 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 recognised 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% (2025: 25%) on their respective taxable income in accordance with the relevant PRC income tax rules and regulations. Income taxes on taxable income elsewhere are 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.

11. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2026 and the six months ended 30 June 2025 is based on the profit attributable to owners of the Company and the numbers of ordinary shares in issue during the periods.

	Six months ended 30 June 2026	Six months ended 30 June 2025
Profit attributable to owners of the Company for the period	**37,451**	26,671
Weighted average number of ordinary shares in issue *(in million shares)*	**44,224**	44,224
Basic earnings per share *(in RMB Yuan)*	**0.85**	0.60

(b) Diluted earnings per share

	Six months ended 30 June 2026	Six months ended 30 June 2025
Profit attributable to owners of the Company for the period	**37,451**	26,671
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 *(Note)*	**(2,298)**	(1,785)
Profit attributable to owners of the Company for the calculation of diluted earnings per share	**35,153**	24,886
Weighted average number of ordinary shares in issue *(in million shares)*	**44,224**	44,224
Diluted earnings per share *(in RMB Yuan)*	**0.79**	0.56

Note: An associate of the Group, namely Industrial Bank, issued convertible bonds with a share conversion period from 30 June 2022 to 26 December 2027, which meet the definition of 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.

12. DIVIDENDS

	Six months ended 30 June 2026	Six months ended 30 June 2025
Dividends recognised as distributions during the period:		
Year 2025 Final paid – RMB0.145 Yuan per share	**6,412**	–
Year 2024 Final paid – RMB0.117 Yuan per share	**–**	5,174

13. CASH AND CASH EQUIVALENTS

	30 June 2026	31 December 2025
Demand deposits and cash on hand	**25,206**	23,925
Deposits with banks with original maturity of no more than three months and short notice	**141**	362
Securities purchased under resale agreements with original maturity of no more than three months	**27,666**	35,587
TOTAL	**53,013**	59,874

The Group entered into a number of resale agreements to purchase certain securities with commitments to sell in the future, and counterparties are required to pledge certain bonds as collateral. The securities purchased are not recognised in the interim condensed consolidated statement of financial position.

14. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	30 June 2026	31 December 2025
Bonds		
– Government bonds	**145,004**	128,139
– Financial bonds	**11,974**	11,960
– Corporate bonds	**28,152**	31,663
Debt investment schemes	**68,458**	79,139
Trust schemes	**45,998**	53,731
Asset-backed plans and others	**19,805**	20,289
TOTAL	**319,391**	324,921
Less: Impairment provisions	**(2,157)**	(2,265)
NET CARRYING VALUE	**317,234**	322,656

15. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2026	31 December 2025
Debt instruments measured at fair value through other comprehensive income		
Bonds		
– Government bonds	**435,415**	399,901
– Financial bonds	**79,824**	70,867
– Corporate bonds	**141,318**	136,229
Asset-backed plans	**330**	330
Subtotal	**656,887**	607,327
Including:		
Amortized costs	**618,523**	576,743
Accumulated fair value changes	**38,364**	30,584
Equity instruments measured at fair value through other comprehensive income		
Listed shares	**83,963**	70,535
Perpetual instruments	**70,022**	88,197
Other equity investments	**10,351**	10,314
Subtotal	**164,336**	169,046
Including:		
Costs	**168,073**	160,348
Accumulated fair value changes	**(3,737)**	8,698
TOTAL	**821,223**	776,373

As at 30 June 2026, the impairment provisions of debt instruments measured at fair value through other comprehensive income were RMB404 million (31 December 2025: RMB409 million).

During the six months ended 30 June 2026, the Group disposed of equity instruments measured at fair value through other comprehensive income at a cost of RMB42,136 million. The cumulative gains transferred from revaluation reserve to retained earnings upon disposals were RMB4,039 million.

16. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026	31 December 2025
Bonds		
– Government bonds	**4,908**	3,292
– Financial bonds	**106,841**	105,175
– Corporate bonds	**28,485**	30,852
Funds	**114,124**	87,271
Listed shares	**110,625**	95,700
Unlisted equity investments	**16,693**	16,785
Asset management products	**13,085**	1,952
Trust schemes	**4,456**	5,196
Equity investments plans and others	**64,097**	63,494
TOTAL	**463,314**	409,717

As at 30 June 2026 and 31 December 2025, the Group did not designate any financial assets as financial assets measured at fair value through profit or loss.

17. INSURANCE CONTRACT ASSETS AND LIABILITIES

The analysis of liabilities for remaining coverage and liabilities for incurred claims is as follows:

	30 June 2026	31 December 2025
Insurance contract assets	**503**	794
Insurance contract liabilities	**1,306,777**	1,239,519
Net insurance contract liabilities	**1,306,274**	1,238,725
Including: Liabilities for remaining coverage	**1,016,697**	969,660
Liabilities for incurred claims	**289,577**	269,065

18. TERM DEPOSITS

The original maturities of the term deposits are as follows:

	30 June 2026	31 December 2025
More than 3 months but within 12 months	**1,203**	1,440
More than 1 year but within 2 years	**1,635**	1,646
More than 2 years but within 3 years	**30,779**	35,581
More than 3 years	**98,223**	85,875
TOTAL	**131,840**	124,542
Add: Interest receivables	**2,542**	3,038
Less: Impairment provisions	**(140)**	(142)
NET CARRYING VALUE	**134,242**	127,438

These term deposits of the Group bear fixed interest rates ranging from 0.95% to 7.44% per annum as at 30 June 2026 (31 December 2025: bear fixed interest rates ranging from 0.95% to 7.44% per annum).

19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Group's investments in the associates and joint ventures as at 30 June 2026 and 31 December 2025 are as follows:

	30 June 2026	31 December 2025
Cost of investments in associates and joint ventures	**72,938**	72,938
Share of post-acquisition profits, other comprehensive income and other equity movement, less dividends received or receivable	**107,365**	104,175
TOTAL	**180,303**	177,113

Movements of investments in associates and joint ventures are as follows:

	1 January 2026	Additions	Disposals	Share of profit	Share of other comprehensive income	Share of other movements	Dividends received	Impairment	30 June 2026
Associates and joint ventures	177,113	-	-	7,288	(216)	(3)	(3,879)	-	180,303

As at 30 June 2026, the impairment provisions of investments in associates and joint ventures were RMB253 million (31 December 2025: RMB253 million).

As at 30 June 2026, the carrying amount of the Group's investment in Industrial Bank was RMB106,819 million (31 December 2025: RMB104,706 million). As at 30 June 2026, the market value of the Group's investment in Industrial Bank was RMB44,365 million (31 December 2025: RMB56,420 million), which was lower than the carrying amount. Considering that an impairment indicator exists, the Group performed an impairment test on the carrying amount, which confirmed that there was no impairment of the investment at 30 June 2026 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 China United Assets Appraisal Group 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	9.9%

As at 30 June 2026, the carrying amount of the Group's investment in Hua Xia Bank Co., Limited ("**Hua Xia Bank**") was RMB51,861 million (31 December 2025: RMB51,113 million). As at 30 June 2026, the market value of the Group's investment in Hua Xia Bank was RMB16,379 million (31 December 2025: RMB17,610 million), which was lower than the carrying amount. Considering that an impairment indicator exists, the Group performed an impairment test on the carrying amount, which confirmed that there was no impairment at 30 June 2026 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 China United Assets Appraisal Group 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	2.2%
Discount rate	10.0%

20. INVESTMENT PROPERTIES

	Six months ended 30 June 2026	Six months ended 30 June 2025
Balance at beginning of period	**14,789**	15,232
Additions	**6**	9
Transfer from property and equipment	**81**	1,178
Transfer from right-of-use assets	**12**	7
Gains on revaluation of properties upon transfer from property and equipment	**88**	99
Gains on revaluation of properties upon transfer from right-of-use assets	**39**	–
Decrease in fair value of investment in property	**(64)**	(143)
Transfer to property and equipment and right-of-use assets	**(270)**	(32)
Disposals	**(10)**	(6)
Balance at end of period	**14,671**	16,344

Valuations of the Group's investment properties were carried out by the following two approaches:

(1) The Group uses the direct comparison approach and assumes sale of the property interests in their existing states with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the marketplace can be extrapolated to similar properties, subject to allowances for variable factors; or

(2) The Group uses income approach to determine the fair values at valuation date by discounting the target properties' rental income derived from existing lease agreements and the potential rental income projected by reference to the current market rental status, at an appropriate capitalization rate.

The Group usually conducts an analysis of the applicability of valuation methods based on the actual circumstances of the project, determines the fair values of the investment properties by one of these approaches, or the weighted results of two approaches according to its professional judgement. Therefore, these fair values are categorised as Level 3.

When adopting the second approach to evaluate the investment properties, one of the key inputs is the capitalisation rate, which ranges from 3.00% to 6.50% as at 30 June 2026 (31 December 2025: ranges from 3.00% to 6.50%).

21. OTHER ASSETS

	30 June 2026	31 December 2025
Securities settlement receivables	**7,414**	5,726
Receivables from co-insurers for amounts paid on behalf	**4,549**	4,582
Deductible input value-added tax	**3,023**	3,107
Reinsurance guarantee deposits	**2,451**	2,420
Refundable deposits	**2,431**	1,432
Prepaid output value-added tax on premiums	**1,605**	1,348
Restricted funds	**1,601**	1,694
Dividend receivables	**1,550**	512
Management fee receivables	**1,216**	962
Prepayments and deposits	**965**	817
Loans and advances	**408**	408
Prepayment for income tax	**54**	284
Others	**5,983**	4,445
TOTAL	**33,250**	27,737
Less: Impairment provision for other assets	**(1,963)**	(1,872)
NET CARRYING VALUE	**31,287**	25,865

22. BONDS PAYABLE

As at 30 June 2026, bonds payable represent supplementary capital bonds issued.

	30 June 2026	31 December 2025
Carrying amount	**41,590**	41,806

The contractual periods of these capital supplementary bonds are ten years. With proper notice to the counterparties, the Group has an option to redeem the capital supplementary bonds at par value at the end of the fifth year from the date of issue. The coupon rates of the Group's capital supplementary bonds range from 2.33% to 3.68% in the first five years (31 December 2025: 2.33% – 3.68%) and 3.33% to 4.68% in the next five years (31 December 2025: 3.33% – 4.68%).

23. OTHER LIABILITIES

	30 June 2026	31 December 2025
Salaries and welfare payable	**37,330**	38,134
Payables to non-controlling interests of consolidated structured entities	**33,725**	33,570
Dividends payable	**9,610**	2,020
Premiums received in advance	**6,145**	9,763
Value added tax and other taxes payable	**5,974**	6,620
Payables to co-insurers and refund premiums	**5,491**	4,150
Securities settlement payable	**1,859**	433
Payables to suppliers	**908**	1,422
Insurance deposits received	**663**	654
Bank borrowings	**267**	297
Others	**14,606**	12,522
TOTAL	**116,578**	109,585

24. ISSUED CAPITAL

	30 June 2026	31 December 2025
Issued and fully paid ordinary shares of RMB1 each *(in million shares)*		
A shares	**35,498**	35,498
H shares	**8,726**	8,726
TOTAL	**44,224**	44,224
Issued capital		
A shares	**35,498**	35,498
H shares	**8,726**	8,726
TOTAL	**44,224**	44,224

OPERATING HIGHLIGHTS

1. Adhering to the General Principle of Pursuing Progress while Ensuring Stability with Steady Growth in Operating Performance

In the first year of the "15th Five-Year Plan", the Group adhered to the general principle of pursuing progress while ensuring stability, seized various favorable development opportunities arising from the sustained improvement in the macroeconomy, remained resolute in its confidence and took proactive measures, thereby achieving effective improvements in quality and reasonable growth in quantity, while significantly enhancing its development resilience.

In the first half of 2026, the Group recorded a net profit of RMB50,836 million, representing a year-on-year increase of 40.6%; and the net profit attributable to owners of the Company stood at RMB37,451 million, representing a year-on-year increase of 40.4%. The Group proposed to distribute an interim cash dividend for 2026 of RMB0.11 (tax inclusive) per share[1] to shareholders, representing a year-on-year increase of 46.7%, so as to share the operating results with the investors.

In the first half of 2026, the insurance revenue recorded RMB286,873 million, representing a year-on-year increase of 2.4%. As of 30 June 2026, the Group's total assets amounted to RMB2,124,901 million, representing an increase of 4.8% from the end of the previous year. The net assets amounted to RMB462,733 million, representing an increase of 10.1% from the end of the previous year. The comprehensive solvency margin ratio was 246.6%, and the core solvency margin ratio was 197.7%, indicating sufficient capital strength of the Group.

2. Adhering to Promoting High-quality Development with Continuous Improvement in Operating Quality and Efficiency

The Group adhered to high-quality development, driving all business lines to continuously optimize their business structures and improve operating quality and efficiency. **In terms of the P&C insurance business**, PICC P&C actively promoted the transition from traditional to new growth drivers, with original premiums income[2] maintaining steady growth and market share continuing to lead the industry. By deepening efforts to reduce costs, enhance quality and improve efficiency, operating quality and efficiency steadily improved. In the first half of 2026, underwriting profit reached RMB15,376 million, representing a year-on-year increase of 18.1%; the combined ratio was 94.0%, representing a year-on-year decrease of 0.8 percentage point. **In terms of the life and health insurance business**, PICC Life adhered to driving value growth through structural optimization, with regular premiums accounting for 83.5%, representing a year-on-year increase of 4.0 percentage points; the value of half year's new business grew by 5.2% year-on-year on a like-for-like basis; new business models developed rapidly, with first-year regular premiums with a payment duration of ten years or longer of the new army channel increasing by 285.4% year-on-year, while first-year premium income from Internet business increased by 25.9%

1 On 28 August 2026, the Board of the Company proposed to distribute an interim dividend for the year 2026 of RMB0.11 (tax inclusive) per share. The profit distribution plan is subject to consideration and approval at the shareholders' general meeting of the Company.

2 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).

year-on-year. PICC Health continued to strengthen innovation-led development, with original premium income increasing by 12.0% year-on-year; Internet business continued to act as a growth engine, with premiums income increasing by 18.4% year-on-year. PICC Health accelerated the layout of the big health industry ecosystem and advanced the establishment of health management company to high standards. **In terms of the investment business**, the Group's active management capabilities continued to strengthen, driving a significant improvement in investment performance. In the first half of 2026, total investment income reached RMB66,327 million, representing a year-on-year increase of 62.7%, and the total investment yield was 3.7%, representing a year-on-year increase of 1.1 percentage points. **In terms of the business synergies**, the insurance line achieved a total written premiums of RMB17,239 million through business synergies, representing a year-on-year increase of 7.1%.

3. Adhering to Leveraging the Function of Insurance to Serve the Overall Development with a Sense of Responsibility with Determination

The Group actively fulfilled the responsibilities and mission of a central financial enterprise. It earnestly focused on advancing the "Five Priorities" on finance, strove to deliver world-class protection functions, continued to step up its support for national strategies and socioeconomic development, and remained committed to helping ensure employment, enterprises, market stability and expectations. In the first half of 2026, the total amount of the Group's insurance liability undertaken was RMB2,046 trillion, representing a year-on-year increase of 14.9%. The claims expenses[3] were RMB241 billion, representing a year-on-year increase of 3.2%.

The Group made every effort to advance the "Five Priorities" on finance. **The quality and efficiency of technology finance improved**, and the Group continued to refine a technology insurance product and service system covering the entire value chain and the full life cycle. In the first half of 2026, premiums for technology activities insurance grew by 18.5% year-on-year, serving over 260,000 technology enterprises; technology insurance covered an insurance liability amount of RMB28.3 trillion, while the scale of technology finance investment increased by 32.1% compared with the beginning of the year. **The strengths of green finance were further consolidated**, with the highest MSCI ESG rating of Grade AAA. In the first half of 2026, the number of new energy vehicles underwritten increased by 30.9% year-on-year; green insurance covered an insurance liability amount of RMB132 trillion, while the scale of green finance investment increased by 37.2% compared with the beginning of the year. **The inclusive finance yielded significant results**. The Group continued to expand the coverage, increase the range of products and raise the standards of agricultural insurance, and the insurance for the three major staple foods had basically shifted from insurance covering physical-cost to covering full costs and income. In the first half of 2026, the Group actively undertook 1,465 policy-based health insurance projects, including critical illness insurance, long-term care insurance, and outpatient chronic and special diseases insurance, covering over 1.0 billion personnel times. **The pension finance continued to strengthen**, with the scale of the first-pillar under management growing steadily, the scale of the second-pillar annuity under management reaching RMB771.9 billion, the scale premiums of the third-pillar personal pension increasing by 102.3% year-on-year, and the scale of assets under management for commercial pension increasing by 67.7% compared with the beginning of the year. **The digital finance demonstrated steady progress**, and the Group accelerated the implementation of the "AI+" Action Plan, rolling out 246 AI application scenarios, with the number of AI capability calls over 2.3 billion times in the first half of the year.

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[3] The amount of claims expenses data was based on the line item "Claims Expenses" in the PRC Accounting Standards for Business Enterprises No. 25 – Original Insurance Contracts issued in 2006.

Supporting the smooth operation of the dual circulation strategy. The Group provided services for sporting events such as the "Jiangsu Super League" and the "Fujian Super League", with premiums for integrated sports and tourism insurance rising by 9.7% year-on-year. As the lead underwriter for a number of landmark "Belt and Road" constructions, the Group's overseas interests insurance business assumed an insurance liability amount of RMB1.5 trillion. **Maintaining stability in the capital market**. The Group kept pace with market trends to steadily advance the investment of new premium income in A shares, and participated in the pilot reform of long-term investment of insurance funds. PICC Qiyuan Huizhong Private Securities Investment Fund in the tens of billions operated smoothly. **Actively participating in social governance**. The Group contributed to the development of the national catastrophic insurance protection system; local catastrophic insurance covering 23 provinces (autonomous regions and municipalities directly under the central government) and 169 prefecture-level cities, providing protection for nearly 500 million people. The Group responded efficiently to major disasters and incidents, including the earthquake in Liuzhou, Guangxi and the torrential rains in mid-to-late May, safeguarding the lives and property of the people.

4. Adhering to Customer-oriented Strategy, and Continuously Enhancing Competitive Soft Power

The Group continued to reinforce the "customer-oriented" development philosophy, continued to refine the consumer protection work pattern characterized by "full participation, process integration, adequate resources, and enhanced services", strengthened comprehensive customer experience management and promoted synergy and mutual reinforcement between consumer protection efforts and business development, thereby continuously improving the consumer protection capabilities and standards. In the first half of 2026, the Group's total number of consumer complaints fell by 4.1% year-on-year; the net promoter scores for PICC P&C, PICC Life and PICC Health continued to rise steadily; and several of the Group's cases were selected for the "Annual Cases of Financial Consumer Protection and Service Innovation" organized by China Financial Media.

The Group attached great importance to building soft power, made great efforts in strengthening brand building, and continuously enhanced its brand value and influence. The Group ranked 123rd in the list of Fortune Global 500 in 2026, marking its 17th consecutive year on the list. According to the latest data released by the internationally authoritative agency "Brand Finance", the Group's brand value reached USD16.8 billion, maintaining steady growth of over 9% for the 5th consecutive year. Its ranking in the "Global 500 Most Valuable Brands" list steadily climbed to 145th, up by 5 places from last year, once again recording a historic high.

5. Adhering to Strengthening the Technological Empowerment, and Making Steady Progress in Technological Development

The Group actively promoted the implementation of digital development action plan and the roll-out of enterprise structural approach, fostering the deep integration of business, technology and data, and focusing on enhancing core technological competitiveness.

Continuously promoting the construction and operation of data center clusters. The first phase of the western data center project reached a significant milestone, and the southern and northern information centers maintained secure and stable operation. **Strengthening technology security risk management and control**. The Group comprehensively strengthened cybersecurity, data security, information security, artificial intelligence security and production safety. It improved the construction of the disaster recovery system and carried out emergency drills, strengthened technology security awareness and education among employees, and built a "cloud – network – edge – device" defense system. The automated interception rate for Internet attacks exceeded 97%. **Further promoting data governance**. The Group advanced the DCMM compliance assessment in accordance with the requirements of the new national standards, continuously addressed shortcomings in systems and capabilities, steadily promoted data application services, and accelerated the release of the value of data elements. **Continuing to enhance R&D levels**. The Group established a group-wide unified technical structural system and advanced the integration of R&D and operations and maintenance. The Group stepped up the provision of intelligent R&D tools to drive efficiency improvements in intelligent R&D and operations and maintenance. **Deepening the application of intelligent technology**. The Group continued to advance the capability development of group-level AI intelligent middleware platform, continued to refine PICC's proprietary large-model matrix, accelerated the development of capabilities in areas such as data engineering and knowledge engineering, and deepened the application of "PICC Chenling (人保宸靈)", a vertical large model tailored to the insurance sector; the scenario intent recognition accuracy rate and customer satisfaction both remained stable at over 99%. **Focusing on empowering grassroots levels with technology**. The Group continuously strengthened demand coordination management, and optimized mechanisms for empowering and serving grassroots levels. In the first half of 2026, the group-wide on-time completion rate for requirements remained at over 97%. The Group accelerated the development of benchmark projects, achieving tangible and accessible technological service outcomes for grassroots levels in areas such as customer management, workplace marketing, team building and data reporting.

6. Adhering to Coordinating Development and Security with Solid and Effective Risk Prevention and Control

In the first half of 2026, the Group's risk appetite was stable, with no major risk incidents occurring, and significant results achieved in risk prevention and control. **The comprehensive risk management framework continued to be refined**. The Group strengthened its efforts to align with regulatory requirements, revised and improved systems such as those governing concentration risk management and internal control management, advanced the development of long-term mechanisms for case prevention and operational risk management, iteratively upgraded the intelligent risk control platform, and strengthened consolidated and look-through management; all insurance subsidiaries maintained a comprehensive risk rating of Grade A or above. **Risk prevention and control in key areas was continuously strengthened**. The Group prudently and steadily advanced the streamlining of its organizational structure while enhancing the quality of its operations, and strengthened the management and control of key businesses. **Continuously taking initiative in law-based and compliance operation**. The Group further strengthened its risk compliance culture, firmly established the concept of compliance development, thoroughly implemented the principle of "consistency between regulatory filings and actual underwriting" and the comprehensive governance of non-vehicle insurance, encouraged each of the regional entities to sign a self-discipline agreement on non-vehicle insurance, took the lead in promoting industry self-discipline, jointly maintained market order, and optimized and refined the differentiated performance appraisal mechanism for risk compliance. Consequently, the number and amount of administrative penalties fell significantly year-on-year.

MANAGEMENT DISCUSSION AND ANALYSIS

Since the beginning of this year, under the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, all regions and departments have conscientiously implemented the decisions and arrangements of the Party Central Committee and the State Council. Adhering to the general principle of pursuing progress while ensuring stability, they have fully, accurately and comprehensively implemented the new development philosophy, accelerated the establishment of a new development paradigm, and effectively implemented more proactive and effective macroeconomic policies. The national economy has remained within a reasonable range; new-quality productive forces have been nurtured and strengthened; high-quality development has continued to advance towards new heights and greater excellence; measures to safeguard people's livelihoods have been robust and effective; and the resilience of development has continued to be demonstrated.

In the first half of 2026, faced with a complex situation and market pressures, the Group adhered to the general principle of pursuing progress while ensuring stability, firmly upheld a correct view of performance, closely aligned with the requirements for the start of the "15th Five-Year Plan", and steadfastly promoted high-quality development. The insurance function was effectively utilized, business development remained generally stable, operating benefits reached a new high, risk defenses were firmly established and strengthened, and new progress was made in building a first-class enterprise. The insurance line actively addressed the challenges of industry transformation, sought new growth drivers while serving economic and social development, intensified efforts to drive innovation in products, services and business models, and effectively consolidated its market share. The investment line continuously enhanced its active management capabilities, maintained steadfastness in strategic allocation, and maintained flexible and effective allocation of tactics; investment returns grew significantly, and the results of patient capital deployment became evident. The operation line effectively supported the development of the core business and actively served the Group's strategy, and digitalization efforts progressed steadily.

I. BUSINESS OVERVIEW OF THE COMPANY

(I) Review of Our Industry

In the first half of 2026, the insurance industry conscientiously implemented the decisions and arrangements of the Party Central Committee on financial work, proactively promoted the high-quality development of the industry, and achieved a steady start to the "15th Five-Year Plan". The industry achieved original premiums income of RMB3.86 trillion, representing a year-on-year increase of 3.2%, and the original policyholders' claims expenses were RMB1.40 trillion, representing a year-on-year increase of 3.8%. As of 30 June 2026, the total assets of China's insurance industry were RMB43.86 trillion, representing an increase of RMB4.64 trillion from the beginning of the year.

In the first half of 2026, the National Financial Regulatory Administration firmly adhered to its core priorities, effectively strengthened and improved modern financial regulation, and advanced in a coordinated manner the work of risk prevention, regulatory enforcement and the promotion of high-quality development, achieving significant results. **In terms of focusing on tackling key challenges in risk prevention and resolution**, the National Financial Regulatory Administration continued to improve the financial legal framework, accelerated the revision and enactment of the insurance laws, and continuously enhanced the alignment of financial legislation with practical needs. It guided insurance institutions to replenish capital through multiple channels, thereby enhancing their capital strength and capabilities for sustainable development. It proceeded in an orderly manner with the resolution of risks at local small and medium-sized financial institutions, focusing on addressing existing risks. **In terms of resolutely deepening reform and transformation**, the National Financial Regulatory Administration thoroughly addressed disorderly competition within the industry, promoting a shift from a focus on speed and scale to centering on quality and efficiency. P&C insurance sector adhered to a profit-first operational orientation; in the vehicle insurance sector, it deepened the implementation of the three mechanisms of "inspection, notification and linkage" and spot checks to drive cost reduction and efficiency enhancement across the industry; initial results emerged from the comprehensive governance of non-vehicle insurance, with market order becoming further standardized. The life and health insurance sector placed greater emphasis on refining pricing mechanisms and strengthening long-term asset-liability matching; the Notice on Matters Concerning the Further Strengthening of Fee Management in the Bank Agency Channel was issued to strictly enforce "consistency between regulatory filings and actual underwriting" on bancassurance. **In terms of providing targeted and pragmatic support for high-quality economic and social development**, financial supply in key areas was strengthened; insurance institutions were guided to effectively address the "Five Priorities" on finance; the full-cycle fintech service system was continuously improved; the "four fintech pilot schemes" were steadily advanced; and efforts were made to promote the development of new quality productive forces. The National Financial Regulatory Administration provided efficient support for the strategy to expand domestic demand, guiding financial institutions to optimize resource allocation and strengthen innovation in financial products and services to meet diverse consumer finance needs. It encouraged the insurance sector to spare no effort in providing services such as flood prevention, disaster relief and post-disaster recovery and reconstruction, thereby fortifying the safety barrier for people's livelihoods.

(II) Principal Businesses

In the first half of 2026, facing a complex situation and market pressures, the Group adhered to the general principle of seeking progress while maintaining stability, firmly upheld a correct view of performance, closely aligned with the requirements for the start of the "15th Five-Year Plan", and steadfastly promoted high-quality development. Demonstrating responsibility and proactive engagement in serving the overall interests, the Group's insurance liability amounted to RMB2,046 trillion, representing a year-on-year increase of 14.9%, and claims expenses amounted to RMB241,000 million, representing a year-on-year increase of 3.2%. Business development remained generally stable, with the Group achieving original premiums income of RMB458,435 million and insurance revenue of RMB286,873 million, marking a year-on-year increase of 2.4%. Operating benefits continued to improve, dual-driven by underwriting and investment, with efforts to reduce costs and increase efficiency advancing deeply. Total investment income reached RMB66,327 million, representing a year-on-year increase of 62.7%, and the net profit attributable to owners of the Company stood at RMB37,451 million, representing a year-on-year increase of 40.4%.

1. P&C Insurance Line: Business Scale Growing Steadily with Operational Quality and Efficiency Improving Steadily

PICC P&C actively promoted innovation in products, services and mechanisms, making every effort to create new drivers of premium growth, fostering high-quality development in vehicle insurance, optimizing the business layout of personal non-vehicle insurance, accelerating the transformation and development of corporate business, vigorously developing commercial health insurance, and enhancing its capabilities to support the comprehensive revitalization of rural areas. The overall scale of business maintained steady growth, with original premiums income of RMB327,529 million, representing a year-on-year increase of 1.3%. The market share in the P&C insurance sector[4] stood at 33.3%, while insurance revenue reached RMB254,617 million, representing a year-on-year increase of 2.2%. PICC P&C continuously strengthened strategic management, taking the lead in implementing the "consistency between regulatory filings and actual underwriting" in vehicle insurance and comprehensive governance in non-vehicle insurance, refining budget assessment, optimizing organizational operations, enhancing risk pricing, deepening cost reduction and efficiency improvements, innovating customer service, and accelerating digital and intelligent transformation. By supporting high-quality development with more efficient operational mechanisms, in the first half of 2026, PICC P&C achieved an underwriting profit of RMB15,376 million, representing a year-on-year increase of 18.1%; the combined ratio stood at 94.0%, representing a year-on-year decrease of 0.8 percentage point; net profit reached RMB32,284 million, representing a year-on-year increase of 32.0%.

2. Life and Health Insurance Line: Becoming More Focused on Main Responsibilities and Businesses with Steady Growth in Operating Performance

The life and health insurance line persisted in returning to the origin of protection, focused on main responsibilities and businesses, and people's livelihood and well-being. PICC Life's operating performance remained generally sound, with business development demonstrating increased resilience and the foundations for sustainable development being continuously strengthened. In the first half of 2026, regular premiums accounted for 83.5%, representing a year-on-year increase of 4.0 percentage points, among which, the first-year regular premiums with a payment duration of ten years or longer amounted to RMB1,879 million, representing a year-on-year increase of 95.4%; renewal premiums amounted to RMB53,706 million, representing a year-on-year increase of 9.0%. Value creation capabilities continued to improve, with the value of half year's new business reaching RMB5,177 million, representing a year-on-year increase of 5.2% on a like-for-like basis; the new business value ratio rose by 2.2 percentage points year-on-year on a like-for-like basis; and embedded value stood at RMB147,937 million, representing an increase of 19.2% compared with the beginning of the year. Profitability strengthened significantly, with net profit reaching RMB13,562 million, representing a year-on-year increase of 97.6%, while the return on equity stood at 21.5%, representing a year-on-year increase of 4.5 percentage points. PICC Health actively fulfilled its role as a "leading role" amongst specialist health insurance companies. In the first half of 2026, it achieved original premiums income of RMB45,550 million, representing a year-on-year increase of 12.0% and accounting for a 7.7% share of the health insurance market for life and health insurance companies. It generated first-year regular premiums of RMB6,771 million, representing a year-on-year increase of 20.4%; the growth rate of health insurance premiums outpaced the health insurance market for life and health insurance companies by 13.3 percentage points; the original premiums income from online health insurance business reached RMB12,128 million, maintaining its leading market position amongst life and health insurance companies, representing a year-on-year increase of 18.4%.

[4] The market share was independently calculated based on the data of the insurance industry in the PRC published on the website of the National Financial Regulatory Administration. The same applies below.

3. *Investment Line: Significant Increase in Investment Income and Enhancement in Strategic Service Capability*

The investment line implemented the requirements of the Group's high-quality development. It continuously improved the quality and efficiency of investments serving national strategies to drive the significant improvement of the Group's investment income. In the first half of 2026, the Group achieved a total investment income of RMB66,327 million, representing a year-on-year increase of 62.7%; the total investment yield was 3.7%, representing a year-on-year increase of 1.1 percentage points. It actively promoted the high-quality development of third-party business with an aim to serve the wealth management of the people, to create a well-established and influential PICC brand. As of 30 June 2026, the scale of third-party assets under the management of the Group amounted to RMB1.09 trillion.

4. *Operation Line: Pushing forward with the Construction of Technological Projects and Technological Empowerment at the Grassroots Level Showing Results*

The operation line actively, properly and orderly promoted the technological reform and construction work of the Group, and contributed scientific and technological strength to the high-quality development of the Group. It formulated and ensured the thorough implementation of the annual key priorities for technology management work, and strengthened structural management, data management, security management, innovation management, demand management and project management. It coordinated business lines to accelerate the construction of digitalization projects, thereby continuously enhancing the level of technological independence and control, and business value.

Additionally, technological empowerment at the grassroots level achieved new results, making tangible and accessible benefits for grassroots levels. It continued to optimize and upgrade sales order tools. The "PICC e-Tong" has served more than 52 million personnel times, and achieved original premiums income of nearly RMB70 billion. It continued to deepen the application and promotion of intelligent technology. PICC P&C continued to enhance the risk reduction services capabilities of the Wanxiang Cloud Platform (萬象雲平台), launching a model to screen high-risk clients during the flood season, carrying out 11,000 times of flood-season risk assessments and identifying 38,000 potential hazards. PICC Life launched and advanced the implementation of 25 intelligent scenarios, empowering the Company's digital and intelligent transformation and upgrade. PICC Health utilized intelligent technology to drive claims process reconstruction and efficiency optimization, with claims processing efficiency increasing by over 14%. It continued to promote online customer services with the integrated platform serving over 110 million customer personnel times annually, the average monthly active users of the "PICC" APP increasing by over 15.4% year-on-year, and the online penetration rate of household-use vehicle customers reaching 97.0%.

(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 the 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 interests directly and indirectly, and the health insurance segment includes PICC Health, in which the Company holds 95.45% equity interests 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 Capital Insurance Asset Management Co., Ltd. ("**PICC Capital**") and PICC Pension Company Limited ("**PICC Pension**"), which are all wholly owned by the Company. The Company also holds 100.00% equity interests in PICC Investment Holding Co., Ltd. ("**PICC Investment Holding**") and PICC Information Technology Co., Ltd., and directly and indirectly holds 100.00% equity interests in PICC Reinsurance Company Limited ("**PICC Reinsurance**") and PICC Financial Services Company Limited.

Unit: RMB million

	The Group	**PICC P&C**	**PICC Life**	**PICC Health**
Actual capital	601,660	306,243	163,528	51,475
Core capital	482,273	276,110	110,200	26,609
Minimum capital	243,943	129,131	86,366	19,502
Comprehensive solvency margin ratio (%)	246.6	237.2	189.3	264.0
Core solvency margin ratio (%)	197.7	213.8	127.6	136.4

The solvency results of the Group and major subsidiaries as at 30 June 2026 were calculated in accordance with the Regulatory Rules on the Solvency of Insurance Companies (II) and the relevant notices issued by the National Financial Regulatory Administration (the former China Banking and Insurance Regulatory Commission).

(IV) Key Financial Indicators

Unit: RMB million

	January to June 2026	January to June 2025	(% of change)
Total operating revenue	**355,169**	324,122	9.6
Insurance revenue	**286,873**	280,250	2.4
Total operating expenses	**292,224**	280,338	4.2
Insurance service expenses	**250,941**	246,201	1.9
Profit before tax	**62,945**	43,064	46.2
Net profit	**50,836**	36,155	40.6
Net profit attributable to owners of the Company	**37,451**	26,671	40.4
Earnings per share (RMB/share)	**0.85**	0.60	40.4
Weighted average return on equity (%)	**11.4**	9.5	Increased by 1.9 percentage points
Net cash flows from operating activities	**63,936**	74,845	(14.6)

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

Unit: RMB million

	As of 30 June 2026	As of 31 December 2025	(% of change)
Total assets	**2,124,901**	2,027,592	4.8
Total liabilities	**1,662,168**	1,607,126	3.4
Net assets	**462,733**	420,466	10.1
Equity attributable to owners of the Company	**341,037**	309,183	10.3
Total share capital	**44,224**	44,224	–
Net assets per share (RMB/share)	**7.71**	6.99	10.3

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**	
	January to June 2026	January to June 2025	**As of 30 June 2026**	As of 31 December 2025
Under the China Accounting Standards for Business Enterprises	**36,745**	26,530	**340,139**	308,991
Items and amounts adjusted in accordance with IFRS Accounting Standards:				
Catastrophic risk reserve[(1)]	**942**	908	**1,199**	257
Dilution of equity interests in associates[(2)]	**–**	(540)	**–**	–
Impact of above adjustment on deferred income tax	**(236)**	(227)	**(301)**	(65)
Under the IFRS Accounting Standards	**37,451**	26,671	**341,037**	309,183

Explanation for major adjustments:

(1) Besides recognizing insurance contract liabilities in accordance with Accounting Standards for Business Enterprises No. 25 – Insurance Contract, provision for premium reserves is required for certain insurance types under relevant regulations. For instance, in accordance with the provisions of Cai Kuai [2014] No. 12 and Cai Jin [2017] No. 38, agricultural insurance catastrophe premium reserves are provisioned at a certain percentage of retained agricultural insurance premiums, and residential earthquake insurance reserves are provisioned at a certain percentage of residential earthquake insurance premium income. The premium reserves provisioned or utilized in the current period are recognized in the profit or loss for the current period. There is no provision regarding thereof under the IFRS Accounting Standards, hence there exist differences between such standards. The liabilities for insurance contracts provided under the IFRS Accounting Standards No. 17 are the same as those provided under the Accounting Standards for Business Enterprises No. 25 – Insurance Contract.

(2) In 2025, part of convertible bonds issued by an associate of the Group were converted into ordinary shares. Since the Group did not participate in the conversion, its total shareholding percentage was diluted, and the dilution of equity interests in the associate was directly charged to capital reserve under the China Accounting Standards for Business Enterprises, but was included in the profit or loss of the current period under the IFRS Accounting Standards, thus there exists a difference for the dilution of the equity interests in such associate under two reporting standards.

(VI) Other Major Financial and Regulatory Indicators

Unit: RMB million

	As of 30 June 2026/ January to June 2026	As of 31 December 2025/ January to June 2025
Consolidated		
Insurance contract liabilities	**1,306,777**	1,239,519
Including: Liability for incurred claims	**288,718**	262,520
Liability for remaining coverage	**1,018,059**	976,999
Insurance contract assets	**503**	794
Reinsurance contract assets	**34,392**	42,150
Reinsurance contract liabilities	**197**	146
Net expenses from reinsurance contracts held	**5,775**	4,989
Finance expenses from insurance contracts issued	**27,376**	22,517
Finance income from reinsurance contracts held	**(544)**	(531)
Investment assets	**1,997,723**	1,901,634
Total investment yield (%)	**3.7**	2.6
Gearing ratio[1] (%)	**78.2**	79.3
PICC P&C		
Insurance revenue	**254,617**	249,040
Insurance service expenses	**231,295**	227,806
Combined ratio[2] (%)	**94.0**	94.8
Comprehensive loss ratio[3] (%)	**71.9**	71.8
PICC Life		
Insurance revenue	**13,611**	14,018
Insurance service expenses	**7,901**	8,297
Contractual service margin for issued insurance contracts	**112,128**	104,451
Contractual service margin for insurance contracts issued on initial recognition in the current period	**7,093**	10,164
Value of half year's new business[4]	**5,177**	4,921
Embedded value	**147,937**	124,149
Lapse rate[5] (%)	**0.8**	1.0
PICC Health		
Insurance revenue	**16,717**	15,603
Insurance service expenses	**10,272**	8,868
Contractual service margin for issued insurance contracts	**25,235**	23,426
Contractual service margin for insurance contracts issued on initial recognition in the current period	**6,460**	7,065
Value of half year's new business[4]	**3,857**	3,807
Embedded value	**40,793**	35,369
Lapse rate[5] (%)	**0.5**	0.6

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) The economic assumptions, such as risk discount rate, used to calculate the value of half year's new business for PICC Life and PICC Health as of 30 June 2025 are consistent with the current assumptions.

(5) Lapse rate = surrender value for the period/(opening balance of long-term insurance liability reserves + long-term insurance original premiums income for the current period) x 100%.

II. PERFORMANCE ANALYSIS

(I) Insurance Business

P&C Insurance Business

1. PICC P&C

(1) Analysis of operating conditions and results

In the first half of 2026, PICC P&C business maintained steady growth and continued to lead the sector in terms of profitability. It achieved insurance revenue of RMB254.617 billion, representing a year-on-year increase of 2.2%; the underwriting profit was RMB15.376 billion, representing a year-on-year increase of 18.1%; the combined ratio was 94.0%, representing a year-on-year decrease of 0.8 percentage point; the comprehensive loss ratio was 71.9%, representing a year-on-year increase of 0.1 percentage point; the comprehensive expense ratio was 22.1%, representing a year-on-year decrease of 0.9 percentage point; and the net profit was RMB32.284 billion, representing a year-on-year increase of 32.0%. PICC P&C's three-year average combined ratio[5] was 98.0%, and the three-year average comprehensive loss ratio[6] was 72.5%.

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5 The three-year average combined ratio represents the average of the combined ratios for the last three complete years (2023 to 2025).

6 The three-year average comprehensive loss ratio represents the average of the comprehensive loss ratios for the last three complete years (2023 to 2025).

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

Unit: RMB million

Indicator	**January to June 2026**	January to June 2025	(% of change)
Insurance revenue	**254,617**	249,040	2.2
Less: Insurance service expenses	**231,295**	227,806	1.5
Less: Net expenses of reinsurance contracts ceded	**4,248**	4,349	(2.3)
Less: Finance expenses from insurance contracts issued	**4,246**	4,415	(3.8)
Add: Finance income from reinsurance contracts held	**548**	545	0.6
Underwriting profits	**15,376**	13,015	18.1

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:

Unit: RMB million

Insurance type	**Insurance revenue**	**Insurance service expenses**	**Underwriting profits**	**Combined ratio (%)**	**Insurance amount**
Motor vehicle insurance	153,168	140,352	9,917	93.5	139,760,423
Accidental injury and health insurance	35,251	34,561	364	99.0	1,298,571,955
Agricultural insurance	21,406	19,102	1,588	92.6	1,415,849
Liability insurance	20,144	19,987	(628)	103.1	367,560,392
Commercial property insurance	9,295	6,910	1,250	86.6	32,839,571
Other insurances	15,353	10,383	2,885	81.2	88,281,415
Total	**254,617**	**231,295**	**15,376**	**94.0**	**1,928,429,605**

Note: Other insurances include credit and guarantee insurance, cargo insurance, household property insurance, special risks insurance, marine insurance and engineering insurance. Figures may not add up to total due to rounding, similarly hereinafter.

- Motor vehicle insurance

PICC P&C focused on enhancing quality and efficiency, fully leveraging its strengths in risk identification and pricing, strengthening its channel network and sales force, improving its ability to secure high-quality business, optimizing the quality and efficiency of its services, and continuing to promote the "export" project of new energy vehicle insurance. The vehicle insurance business maintained stable growth, achieving insurance revenue of RMB153.168 billion, representing a year-on-year increase of 1.9%.

PICC P&C resolutely implemented the principle of "consistency between regulatory filings and actual underwriting" in vehicle insurance, taking the lead in regulating market order and continuously enhancing its compliance and operational capabilities. The combined ratio for vehicle insurance stood at 93.5%, representing a year-on-year decrease of 0.7 percentage point; underwriting profit reached RMB9.917 billion, representing a year-on-year increase of 13.6%.

- Accidental injury and health insurance

PICC P&C continued to strengthen the Company's functional role within the "1+3+N" multi-tiered healthcare protection system, consolidating its industry-leading position in policy-based health insurance. Centered on the protection needs of individual customers in vehicle, health and household scenarios, it established an insurance product system that served multiple scenarios, catered to diverse customer groups, offered multi-tiered protection, facilitated the coordinated development of online and offline channels, and advanced both inclusive and mid-to-high-end products in tandem. Accidental injury and health insurance business generated insurance revenue of RMB35.251 billion, representing a year-on-year increase of 13.8%.

PICC P&C focused on underwriting management and control, cost management and control and claims management, continuously improving the business quality and optimizing the business structure. The combined ratio for the accidental injury and health insurance business stood at 99.0%, representing a year-on-year decrease of 2.8 percentage points, and the underwriting profits were RMB364 million.

- Agricultural insurance

In line with the national strategic requirements for building an agricultural powerhouse and promoting comprehensive rural revitalization, PICC P&C consistently constructed a multi-tiered product system, strengthening the role of agricultural insurance products in safeguarding food security and building a diversified food supply system, increasing the level of protection for bulk agricultural products, and fully supporting the implementation and effectiveness of national policies favoring and supporting agriculture. The agricultural insurance business achieved insurance revenue of RMB21.406 billion, with market share remaining largely stable.

PICC P&C, with a firm focus on high-quality development, vigorously advanced the refined cost management and implemented routine, coordinated management and control of expenses, thereby laying a solid foundation for the sustainable and sound operation of its business. The combined ratio for the agricultural insurance business stood at 92.6%, with an underwriting profit of RMB1.588 billion.

- Liability insurance

PICC P&C served the expansion of domestic demand and consumption growth to accelerate the development of the online business, supported new quality productive forces to accelerate the development of business lines such as extended warranties for new energy vehicles and insurance for intelligent driver-assistance systems; focused on the flexible employment personnel to further upgrade and refine dedicated insurance product solutions for "new urban residents"; and supported social governance to vigorously promote the development of safety production liability insurance. The liability insurance business achieved insurance revenue of RMB20.144 billion, representing a year-on-year increase of 8.4%.

PICC P&C strengthened business quality management and control, continuously optimized its business structure and improved the management of marketing expenses. The combined ratio for liability insurance stood at 103.1%, representing a year-on-year decrease of 0.5 percentage point.

- Commercial property insurance

PICC P&C focused on serving the real economy, supporting specialized, sophisticated, distinctive and innovative enterprises, and assisting small, medium and micro enterprises. It expanded its product range and launched a convenient online quotation tool, resulting in a continuous increase in the coverage of small, medium and micro enterprises. It implemented governance measures for high-risk business to promote high-quality development. The commercial property insurance business achieved insurance revenue of RMB9.295 billion, representing a year-on-year increase of 0.6%.

PICC P&C strengthened risk assessment in key sectors and underwriting management and control for high-risk business, while continuing to optimize its business structure and improve business quality. It also further advanced the refined expense management. The combined ratio for commercial property insurance stood at 86.6%, representing a year-on-year decrease of 3.5 percentage points, with underwriting profit reaching RMB1.25 billion, representing a year-on-year increase of 36.2%.

- Other insurances

PICC P&C focused on serving the development of a modern industrial system, serving high-level technological self-reliance, serving the growth of the low-altitude economy, and serving high-level opening-up. It strengthened its acquisition of high-quality business, accelerated the development of export credit insurance, cross-border e-commerce insurance, logistics and freight insurance, and multimodal combined transport insurance, proactively explored growth opportunities in the marine economy, and promoted the high-quality development of marine insurance. It focused on enhancing the quality and expanding the scope of the "Huijiabao (惠家保)" business, while upgrading and comprehensively promoting service-oriented household property insurance. It developed the governance of high-loss business, and other insurance businesses achieved insurance revenue of RMB15.353 billion.

PICC P&C continued to advance the management of its underwriting portfolio, strengthen management and control over high-risk business, enhance its professional operational capabilities, upgrade the standard of risk reduction services, improve the construction of its overseas insurance service network, optimize the differentiated allocation of resources, and improve the efficiency of expenditure investment. The combined ratio for other insurance stood at 81.2%, representing a year-on-year decrease of 7.4 percentage points, and underwriting profit reached RMB2.885 billion, representing a year-on-year increase of 50.5%.

(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:

Unit: RMB million

	January to June 2026	January to June 2025	(% of change)
Motor vehicle insurance	**144,227**	144,065	0.1
Accidental injury and health insurance	**87,613**	82,614	6.1
Agricultural insurance	**43,199**	43,790	(1.3)
Liability insurance	**24,310**	21,944	10.8
Commercial property insurance	**11,126**	11,182	(0.5)
Other insurances	**17,054**	19,687	(13.4)
Total	**327,529**	323,282	1.3

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

	January to June 2026			January to June 2025	
	Amount	**(% of total)**	**(% of change)**	Amount	(% of total)
Insurance agents channel	**153,361**	**46.8**	**(2.1)**	156,624	48.4
Among which:					
Individual insurance agents	**68,938**	**21.0**	**(12.2)**	78,473	24.3
Ancillary insurance agents	**11,513**	**3.5**	**(7.4)**	12,439	3.8
Professional insurance agents	**72,910**	**22.3**	**11.0**	65,712	20.3
Direct sales channel	**141,643**	**43.3**	**0.9**	140,360	43.5
Insurance brokerage channel	**32,525**	**9.9**	**23.7**	26,298	8.1
Total	**327,529**	**100.0**	**1.3**	323,282	100.0

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:

Unit: RMB million

	January to June 2026	January to June 2025	(% of change)
Guangdong Province	**33,269**	32,884	1.2
Jiangsu Province	**32,259**	32,218	0.1
Zhejiang Province	**26,501**	24,806	6.8
Shandong Province	**21,002**	20,193	4.0
Hebei Province	**18,239**	17,291	5.5
Hubei Province	**17,181**	16,199	6.1
Anhui Province	**14,437**	14,124	2.2
Sichuan Province	**14,390**	14,680	(2.0)
Hunan Province	**14,161**	14,020	1.0
Jiangxi Province	**12,542**	12,018	4.4
Other regions	**123,548**	124,849	(1.0)
Total	**327,529**	323,282	1.3

(3) Insurance contract liabilities

As of 30 June 2026, net insurance contract liabilities increased by 4.2% as compared to the end of last year, primarily due to business growth, while net reinsurance contract assets decreased by 15.1% as compared to the end of last year, primarily due to the impact of 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

	As of 30 June 2026	As of 31 December 2025	(% of change)
Insurance contract liabilities (assets)	**426,966**	406,093	5.1
Liability for remaining coverage	**187,766**	187,715	0.0
Liability for incurred claims	**239,200**	218,378	9.5
Reinsurance contract assets (liabilities)	**33,148**	39,318	(15.7)
Remaining coverage assets recovered under reinsurance policies	**(7,693)**	(1,430)	438.0
Incurred claims assets recovered under reinsurance policies	**40,841**	40,748	0.2

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

	As of 30 June 2026	As of 31 December 2025	(% of change)
Insurance contract liabilities (assets)	**23,726**	26,367	(10.0)
Liability for remaining coverage	**3,972**	4,327	(8.2)
Liability for incurred claims	**19,754**	22,040	(10.4)
Reinsurance contract assets (liabilities)	**3,454**	3,780	(8.6)
Remaining coverage assets recovered under reinsurance policies	**29**	92	(68.5)
Incurred claims assets recovered under reinsurance policies	**3,425**	3,688	(7.1)

(4) Reinsurance status

PICC P&C has been adhering to a prudent reinsurance policy, utilizing the reinsurance mechanism to disperse operational risks, safeguarding PICC P&C's operating results, enhancing risk control techniques and expanding underwriting capabilities. 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 reinsured with reinsurance companies that have Standard & Poor's credit rating of Grade A- (or equivalent ratings from other international rating agencies, such as A.M.Best, Fitch and Moody's) and above. The management of PICC P&C 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 the first half of 2026, PICC Hong Kong actively fulfilled its role as a key gateway for the Group's international development, providing robust support for Chinese enterprises "going global" and safeguarding Chinese interests overseas projects. Its international business service network covered more than 80 countries and regions worldwide, while the number of jurisdictions where it holds global reinsurance licenses increased to 11. It fulfilled its functional role in supporting the Hong Kong Special Administrative Region in consolidating and enhancing the status as an international financial center, integrating into the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and responding to and serving the insurance needs for logistics and the movement of people arising from the interconnectedness of the Guangdong-Hong Kong-Macao region. It achieved insurance revenue of RMB1.09 billion, with a combined ratio of 98.3%, and a net profit of RMB69 million.

Reinsurance business

PICC Reinsurance

In the first half of 2026, PICC Reinsurance focused on building its professional capabilities, continued to promote the results of its innovative research, and endeavored to establish itself as a reinsurance company with leading technology and outstanding professional capabilities. It achieved insurance revenue of RMB2.957 billion, representing a year-on-year increase of 18.5%; net profit stood at RMB252 million, representing a year-on-year increase of 62.4%; and it maintained its AA-class comprehensive risk rating, retaining its leading position within the industry.

Life and Health Insurance

1. PICC Life

(1) Analysis of operating conditions and results

In the first half of 2026, PICC Life demonstrated enhanced resilience in its business development, while continuously strengthening the foundations for sustainable growth. The value of half year's new business stood at RMB5.177 billion, representing a year-on-year increase of 5.2% on a like-for-like basis, with the new business value ratio rising by 2.2 percentage points year-on-year on a like-for-like basis; net profit reached RMB13.562 billion, representing a year-on-year increase of 97.6%. The balance of the contractual service margin stood at RMB112.128 billion, representing an increase of 7.3% compared with the beginning of the year; net assets amounted to RMB70.762 billion, representing an increase of 28.2% compared with the beginning of the year.

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

Unit: RMB million

	January to June 2026	January to June 2025	(% of change)
Insurance revenue	**13,611**	14,018	(2.9)
Contracts measured under the premium allocation approach	**1,623**	1,619	0.2
Contracts not measured under the premium allocation approach	**11,988**	12,399	(3.3)
Insurance service expenses	**7,901**	8,297	(4.8)
Contracts measured under the premium allocation approach	**1,788**	1,640	9.0
Contracts not measured under the premium allocation approach	**6,113**	6,657	(8.2)
Insurance services performance of original insurance contracts	**5,711**	5,721	(0.2)
Contracts measured under the premium allocation approach	**(165)**	(21)	685.7
Contracts not measured under the premium allocation approach	**5,876**	5,742	2.3

(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:

Unit: RMB million

	January to June 2026			January to June 2025	
	Amount	**(% of total)**	**(% of change)**	Amount	(% of total)
Life insurance	**76,447**	**89.8**	**(6.3)**	81,558	90.1
General life insurance	**52,161**	**61.3**	**(25.6)**	70,079	77.4
Participating life insurance	**24,235**	**28.5**	**112.3**	11,417	12.6
Universal life insurance	**51**	**0.1**	**(17.7)**	62	0.1
Health insurance	**8,149**	**9.6**	**(2.7)**	8,375	9.3
Accident insurance	**560**	**0.7**	**(3.4)**	580	0.6
Total	**85,156**	**100.0**	**(5.9)**	90,513	100.0

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

In the first half of 2026, PICC Life demonstrated increased resilience in its business development, while continuously strengthening the foundations for sustainable growth. It recorded original premium income of RMB85.156 billion, with original premium income from participating life insurance amounting to RMB24.235 billion, representing a year-on-year increase of 112.3%.

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

	January to June 2026			January to June 2025	
	Amount	**(% of total)**	**(% of change)**	Amount	(% of total)
Individual insurance channel	**37,122**	**43.6**	**4.8**	35,414	39.1
First-year business of long-term insurance	**10,755**	**12.6**	**9.5**	9,826	10.9
Single premiums	**3,028**	**3.6**	**23.6**	2,449	2.7
First-year regular premiums	**7,727**	**9.1**	**4.8**	7,376	8.1
Renewal business	**26,194**	**30.8**	**3.1**	25,402	28.1
Short-term insurance	**173**	**0.2**	**(7.0)**	186	0.2
Bancassurance channel	**46,159**	**54.2**	**(13.1)**	53,104	58.7
First-year business of long-term insurance	**19,007**	**22.3**	**(35.9)**	29,672	32.8
Single premiums	**9,357**	**11.0**	**(35.0)**	14,390	15.9
First-year regular premiums	**9,650**	**11.3**	**(36.9)**	15,282	16.9
Renewal business	**27,152**	**31.9**	**15.9**	23,431	25.9
Short-term insurance	**0**	**0.0**	**(100.0)**	2	0.0

	January to June 2026			January to June 2025	
	Amount	**(% of total)**	**(% of change)**	Amount	(% of total)
Group insurance channel	**1,875**	**2.2**	**(6.0)**	1,994	2.2
First-year business of long-term insurance	**69**	**0.1**	**76.9**	39	0.0
Single premiums	**53**	**0.1**	**253.3**	15	0.0
First-year regular premiums	**16**	**0.0**	**(33.3)**	24	0.0
Renewal business	**360**	**0.4**	**(13.9)**	418	0.5
Short-term insurance	**1,446**	**1.7**	**(5.9)**	1,537	1.7
Total	**85,156**	**100.0**	**(5.9)**	90,513	100.0

In the first half of 2026, the individual insurance channel generated original premiums income of RMB37.122 billion, representing a year-on-year increase of 4.8%; the value of half-year's new business stood at RMB2.521 billion, representing a year-on-year increase of 23.4% on a like-for-like basis; and the first-year premiums with a payment duration of ten years or longer amounted to RMB1.75 billion, representing a year-on-year increase of 93.7%. The quality and efficiency of high-performing sales teams improved significantly, with an average monthly diamond-level manpower of 8,958, representing a year-on-year increase of 25.7%. The workplace segment business achieved robust growth, with the first-year regular premiums from the workplace segment reaching RMB432 million, representing a year-on-year increase of 144.5%. Among this, first-year premiums from regular policies with a term of ten years or longer rose by 285.4% year-on-year. Internet-based business experienced rapid growth, with first-year premium income reaching RMB3.091 billion, representing a year-on-year increase of 25.9%. Among this, first-year regular premiums rose by 225.2% year-on-year, while first-year premiums from regular policies with a term of ten years or longer increased by 171.5% year-on-year.

As for bancassurance channel, PICC Life adhered to the business concept of "customer-oriented", continued to deepen cooperation with large state-owned banks and key joint-stock banks, and promoted the high-quality development of channels by improving and optimizing systems, strengthening rigid management and control, and strictly implementing the regulatory requirement of the "consistency between regulatory filings and actual underwriting". The original premiums income reached RMB46.159 billion, and the value of half year's new business reached RMB2.633 billion.

The group insurance channel focused on two key business areas: government-backed insurance for public welfare and corporate clients. It deepened its commitment to serving national strategies while advancing the development of short-term insurance in tandem, thereby driving both the expansion and quality improvement of short-term insurance business. Notable government-backed insurance projects, such as the Qinghai Highland Insurance, Sichuan Science and Technology Insurance, Hebei Xinhuibao and Hunan Minshengbao, represented valuable explorations in serving and safeguarding public welfare. In the first half of the year, short-term insurance premium income reached RMB1.446 billion, and the direct sales expense ratio fell by 1.8 percentage points year-on-year.

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:

Unit: RMB million

	January to June 2026	January to June 2025	(% of change)
Zhejiang Province	**10,399**	10,650	(2.4)
Sichuan Province	**6,232**	6,215	0.3
Jiangsu Province	**5,789**	6,240	(7.2)
Guangdong Province	**4,915**	4,480	9.7
Beijing City	**4,168**	4,362	(4.4)
Shandong Province	**3,743**	3,228	16.0
Hubei Province	**3,658**	3,431	6.6
Anhui Province	**3,556**	3,720	(4.4)
Hebei Province	**3,438**	4,287	(19.8)
Henan Province	**2,908**	3,607	(19.4)
Other regions	**36,351**	40,293	(9.8)
Total	**85,156**	90,513	(5.9)

④ Persistency Ratios of Premiums

PICC Life constantly enhanced the quality of its businesses, refined its management mechanisms, and maintained the premium persistency ratios at a healthy level. The omnichannel 25-month premium persistency ratio increased by 0.7 percentage point 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:

Item	**January to June 2026**	January to June 2025
13-month premium persistency ratio(1) (%)	**95.5**	96.4
25-month premium persistency ratio(2) (%)	**95.0**	94.3

Notes:

(1) The 13-month premium persistency ratio 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 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

Insurance product	**Type of insurance**	**Sales channels**	**Original premiums income**
PICC Life Ru Yi Fu Endowment Insurance	General life insurance	Bancassurance	8,583
PICC Life Zhen Ying Yi Sheng Whole Life Insurance	General life insurance	Individual insurance/ Bancassurance	5,532
PICC Life Xin Hong Endowment (Participating)	Participating life insurance	Bancassurance	4,451
PICC Life Zun Yue Chang Hong Pension Insurance (Participating)	Participating life insurance	Individual insurance	4,169
PICC Life Zhen Yue Yi Sheng Whole Life Insurance	General life insurance	Individual insurance/ Bancassurance	3,850

(3) Insurance contract liabilities

As of 30 June 2026, the net insurance contract liabilities increased by 5.5% compared with the end of last year, mainly due to the combined effects of new insurance business, the accumulation of insurance liabilities from renewal business, and changes in market interest rates; the net reinsurance contract assets increased by RMB4 million compared with the end of last year, mainly due to the accumulation of existing reinsurance business development.

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

Unit: RMB million

	As of 30 June 2026	As of 31 December 2025	(% of change)
Insurance contract liabilities (assets)	**2,328**	2,986	(22.0)
Liability for remaining coverage	**1,261**	1,901	(33.7)
Liability for incurred claims	**1,067**	1,085	(1.7)
Reinsurance contract assets (liabilities)	**66**	68	(2.9)
Remaining coverage assets recovered under reinsurance policies	**15**	28	(46.4)
Incurred claims assets recovered under reinsurance policies	**50**	40	25.0

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 by adopting premium allocation approach for the reporting period:

Unit: RMB million

	As of 30 June 2026	As of 31 December 2025	(% of change)
Insurance contract liabilities (assets)	**729,169**	690,266	5.6
Liability for remaining coverage	**720,846**	683,495	5.5
Liability for incurred claims	**8,323**	6,772	22.9
Reinsurance contract assets (liabilities)	**574**	568	1.1
Remaining coverage assets recovered under reinsurance policies	**(77)**	212	–
Incurred claims assets recovered under reinsurance policies	**652**	356	83.1

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

2. PICC Health

(1) Analysis of operating conditions and results

In the first half of 2026, PICC Health continued to maintain a positive momentum in its operational development. It achieved insurance revenue of RMB16.717 billion, representing a year-on-year increase of 7.1%, and recorded a net profit of RMB5.147 billion. The balance of the contractual service margin stood at RMB25.235 billion, representing an increase of 7.7% compared with the beginning of the year, while net assets amounted to RMB28.069 billion, representing a year-on-year increase of 16.9% compared with the beginning of the year. The Internet health insurance business continued to maintain its market-leading position within life and health insurance companies. The construction of PICC Health Management Co., Ltd. was advanced to high standards, with efforts made to establish a big health industry ecosystem. The establishment of 25 provincial branches was completed, and the PICC Pharmacy was first launched in Wuhan, Hubei, thereby laying the initial foundations for a standardized, integrated and efficient, group-wide integrated health management service platform. Revenue from health management services reached nearly RMB200 million.

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

Unit: RMB million

	January to June 2026	January to June 2025	(% of change)
Insurance revenue	**16,717**	15,603	7.1
Contracts measured under the premium allocation approach	**–**	–	–
Contracts not measured under the premium allocation approach	**16,717**	15,603	7.1

	January to June 2026	January to June 2025	(% of change)
Insurance service expenses	**10,272**	8,868	15.8
Contracts measured under the premium allocation approach	**–**	–	–
Contracts not measured under the premium allocation approach	**10,272**	8,868	15.8
Insurance services performance of original insurance contracts	**6,445**	6,735	(4.3)
Contracts measured under the premium allocation approach	**–**	–	–
Contracts not measured under the premium allocation approach	**6,445**	6,735	(4.3)

(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 type for the reporting period:

Unit: RMB million

	January to June 2026			January to June 2025	
	Amount	**(% of total)**	**(% of change)**	Amount	(% of total)
Medical insurance	**22,357**	**49.1**	**9.5**	20,411	50.2
Participating endowment insurance	**9,608**	**21.1**	**10.5**	8,697	21.4
Illness insurance	**3,826**	**8.4**	**6.0**	3,610	8.9
Nursing care insurance	**9,226**	**20.3**	**24.5**	7,413	18.2
Accidental injury insurance	**423**	**0.9**	**0.2**	422	1.0
Disability losses insurance	**110**	**0.2**	**8.9**	101	0.2
Total	**45,550**	**100.0**	**12.0**	40,654	100.0

In the first half of 2026, PICC Health grasped the development opportunities arising from the continuous improvement of the multi-level social protection system, focused on the development of the health insurance business, continued to enrich the commercial medical insurance products, and realized an original premiums income from medical insurance of RMB22,357 million, representing a year-on-year increase of 9.5%. PICC Health stepped up the efforts in developing both policy related and commercial nursing care insurance business, and realized an original premiums income of RMB9,226 million from nursing care insurance, representing a year-on-year increase of 24.5%.

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

	January to June 2026			January to June 2025	
	Amount	**(% of total)**	**(% of change)**	Amount	(% of total)
Individual insurance channel	**13,752**	**30.2**	**15.4**	11,915	29.3
First-year business of long-term insurance	**3,895**	**8.6**	**12.8**	3,452	8.5
Single premiums	**20**	**0.0**	**(67.2)**	61	0.2
First-year regular premiums	**3,875**	**8.5**	**14.3**	3,391	8.3
Renewal business	**7,083**	**15.5**	**23.8**	5,722	14.1
Short-term insurance	**2,774**	**6.1**	**1.2**	2,741	6.7
Bancassurance channel	**16,490**	**36.2**	**17.5**	14,030	34.5
First-year business of long-term insurance	**12,300**	**27.0**	**18.8**	10,350	25.5
Single premiums	**9,409**	**20.7**	**15.9**	8,120	20.0
First-year regular premiums	**2,891**	**6.3**	**29.6**	2,230	5.5
Renewal business	**4,190**	**9.2**	**13.9**	3,680	9.1
Short-term insurance	**–**	**–**	**–**	–	–
Group insurance channel	**15,308**	**33.6**	**4.1**	14,709	36.2
First-year business of long-term insurance	**28**	**0.1**	**21.7**	23	0.1
Single premiums	**23**	**0.1**	**27.8**	18	0.0
First-year regular premiums	**5**	**0.0**	**0.0**	5	0.0
Renewal business	**78**	**0.2**	**8.3**	72	0.2
Short-term insurance	**15,202**	**33.4**	**4.0**	14,614	35.9
Total	**45,550**	**100.0**	**12.0**	40,654	100.0

PICC Health continued to focus on individual insurance business. In terms of Internet insurance business, with the renewal and upgrade of the flagship products, Hao Yi Bao (好醫保) and Jian Kang Fu (健康福), as a core initiative, PICC Health focused on strengthening health coverage for innovative drugs, medical devices and the middle-aged and elderly population, pushing Internet health insurance into a new phase where customers can "access quality medical care and use effective medicines (享好醫、用好藥)". Through an integrated online-offline strategy, including influencer recommendations, Douyin short videos, Xiaohongshu's Slow Life Festival (慢人節), the dissemination of claims case studies, and advertising in commercial districts and on metro networks, conversion rates kept rising. It successfully organized an Internet "Incubation and Training Camp" and project roadshows, established an "Incubation Fund", and selected 21 Internet self-operated and smart marketing projects nationwide for focused incubation, thereby enhancing capabilities, fostering innovation, and cultivating new quality productive forces in the Internet. In respect of personal agent business, PICC Health focused on quality-oriented development, accelerating the implementation of reforms to the individual insurance marketing system. By prioritizing the construction of smart marketing departments and service-oriented sales teams, it enhanced the professional capabilities of the sales force. The individual insurance channel achieved original premium income of RMB13.752 billion, representing a year-on-year increase of 15.4%.

PICC Health further strengthened its cooperation with banks and fully tapped the online and offline sales potential of channels. PICC Health continuously enhanced team building, improving professional capabilities through training and empowerment. PICC Health steadily optimized its business structure by vigorously developing commercial long-term nursing care insurance business. Committed to operation in compliance with laws and regulations, PICC Health strictly implemented all regulatory requirements, achieving steady growth in bancassurance business. The original premiums income of bancassurance channel was RMB16,490 million, representing a year-on-year increase of 17.5%.

PICC Health accelerated to promote group insurance business. In terms of social security business, adopting "strengthening functions, stabilizing growth, adjusting structure, enhancing value, promoting integration and building an ecosystem" as its core working principles, and taking the reform and transformation of the social insurance business model as a key driver, it seized policy opportunities to vigorously expand its long-term nursing care insurance business, consolidate and expand basic businesses such as critical illness cover and high-cost outpatient treatment for chronic and special conditions, accelerate breakthroughs in inclusive business through the integration of social insurance and commercial insurance, and continue to grow and strengthen its entrusted management business. By prioritizing the digitalization of operation, PICC Health continued to enhance the level of refined management across the entire business process, strengthened the foundation for risk prevention and control, and maintained steady growth in both the scale and profitability of its social insurance business. It also continued to explore the construction of a four-in-one business model comprising "social insurance administration + integrated supplementary coverage + professional services + technological empowerment". In terms of commercial group insurance business, PICC Health fully leveraged the supplementary role of commercial insurance as the "second pillar", actively integrated into the development of a multi-tiered social protection system, and assisted corporate clients in jointly building healthy enterprises. It provided corporate clients of all sizes with comprehensive service solutions covering medical care, disease, disability, accidental protection, as well as health services, and extended these products and services to employees and their families. By empowering the Group's internal corporate clients through a professional service system, PICC Health established a specialized health insurance service brand in the field of healthy enterprise construction. The group insurance channel achieved original premiums income of RMB15.308 billion, representing a year-on-year increase of 4.1%.

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:

Unit: RMB million

	January to June 2026	January to June 2025	(% of change)
Guangdong Province	**14,747**	12,819	15.0
Shandong Province	**3,141**	2,866	9.6
Hubei Province	**2,740**	2,473	10.8
Shaanxi Province	**2,485**	2,036	22.1
Henan Province	**2,474**	2,092	18.3
Liaoning Province	**2,408**	2,257	6.7
Anhui Province	**2,254**	2,313	(2.6)
Shanxi Province	**1,814**	1,576	15.1
Jiangsu Province	**1,708**	1,583	7.9
Jiangxi Province	**1,603**	1,408	13.8
Other regions	**10,176**	9,231	10.2
Total	**45,550**	40,654	12.0

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:

Item	**January to June 2026**	January to June 2025
13-month premium persistency ratio[(1)] (%)	**95.0**	94.6
25-month premium persistency ratio[(2)] (%)	**92.9**	90.8

Notes:

(1) The 13-month premium persistency ratio 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 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

Insurance product	**Type of insurance**	**Sales channels**	**Original premiums income**
PICC Health Hong Li Lai Endowment Insurance A (Participating)	Participating endowment insurance	Individual insurance/ Bancassurance	6,460
PICC Health Insurance Company Limited Group Critical Illness Medical Insurance for Urban and Rural Residents (Type A)	Medical insurance	Group insurance	4,677
PICC Health Insurance Company Limited He Xie Sheng Shi Large Amount Supplementary Group Medical Insurance for Urban Employees	Medical insurance	Group insurance	3,453
PICC Health Hong Li Lai Endowment Insurance (Participating)	Participating endowment insurance	Individual insurance/ Bancassurance	2,455
PICC Health Group Medical Insurance for Patients with Chronic and Special Diseases	Medical insurance	Group insurance	1,911

(3) Insurance contract liabilities

As of 30 June 2026, the net insurance contract liabilities increased by 11.4% as compared to the end of last year, primarily due to the growth in business, while the net reinsurance contract assets decreased by 81.6% as compared to the end of last year, primarily due to the newly signed reinsurance contracts in 2026.

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

Unit: RMB million

	As of 30 June 2026	As of 31 December 2025	(% of change)
Insurance contract liabilities (assets)	**–**	–	–
Liability for remaining coverage	**–**	–	–
Liability for incurred claims	**–**	–	–
Reinsurance contract assets (liabilities)	**13**	22	(40.9)
Remaining coverage assets recovered under reinsurance policies	**3**	25	(88.0)
Incurred claims assets recovered under reinsurance policies	**10**	(3)	–

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

Unit: RMB million

	As of 30 June 2026	As of 31 December 2025	(% of change)
Insurance contract liabilities (assets)	**116,317**	104,383	11.4
Liability for remaining coverage	**101,840**	89,785	13.4
Liability for incurred claims	**14,477**	14,598	(0.8)
Reinsurance contract assets (liabilities)	**290**	1,624	(82.1)
Remaining coverage assets recovered under reinsurance policies	**(8,194)**	(4,950)	65.5
Incurred claims assets recovered under reinsurance policies	**8,484**	6,574	29.1

(II) Asset Management Business

1. PICC AMC

In the first half of 2026, 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, served the development of insurance business with good investment performance, and vigorously developed third-party business with the service of wealth management demand for the people. Based on the "PICC Coordinate" of serving the Chinese path to modernization, PICC AMC continuously improved its proactive investment management capabilities, and continued to enhance its efforts in serving national strategies and supporting the real economy. As of 30 June 2026, the scale of assets under management of PICC AMC amounted to RMB1.98 trillion. In the first half of 2026, the operating income was RMB967 million, and net profit was RMB445 million.

PICC AMC adhered to the concept of long-term investment and value investment, implemented the requirements of serving "Five Priorities" on finance, and deepened and solidified asset-liability matching management. PICC AMC continuously refined asset allocation, optimized fixed income, stabilized equity interests, and strengthened alternatives, so as to enhance the stability and sustainability of the Group's investment returns. For fixed-income investment, PICC AMC strengthened the ability to analyze medium- to long-term interest rate trends, increasing allocations when interest rates are at relatively high levels, while also stepping up transactions in line with market assessments to boost investment returns. For equity investment, PICC AMC continued to optimize the structure of equity assets in line with capital market trends, and implemented a long-term investment philosophy through means such as strategic securities portfolios, thereby enhancing the stability of investment returns and achieving the organic integration of serving national priorities and improving efficiency. For alternative business, PICC AMC actively promoted the innovation and transformation, and increased the development and investment in products such as high-quality ABS, CMBS and REITs, alleviating the pressure on the allocation of insurance funds.

2. PICC Pension

In the first half of 2026, 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 30 June 2026, the scale of assets under the management of PICC Pension amounted to RMB809,107 million. In the first half of 2026, the operating income was RMB566 million, and the net profit was RMB207 million.

PICC Pension continued to make efforts on the priority on pension finance. The service coverage of annuity business grew steadily. As of 30 June 2026, the scale of total assets under the management of the corporate annuities and occupational annuities amounted to RMB771,878 million, representing an increase of 6.6% compared to the beginning of the year. PICC Pension served 3,631 second-pillar corporate annuity customers. In 2026, PICC Pension won 384 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. The commercial pension of PICC Pension has covered ten pilot regions, and the scale of assets under the management amounted to RMB37,230 million, representing an increase of 67.7% compared to the beginning of the year, serving 382.8 thousand customers, representing an increase of 85.1% compared to the beginning of the year.

3. PICC Capital

In the first half of 2026, with the goal of "building a first-class alternative investment institution with advanced professional capabilities, outstanding innovation capabilities and leading investment returns", PICC Capital focused on the asset allocation needs of insurance funds and seized investment opportunities while serving national strategies. In terms of stabilizing debt portfolio, PICC Capital focused on key strategic regions, deepened the analysis of industrial trends, strengthened the development of industry-related projects, actively expanded its securitization business portfolio, optimized processes, and strengthened implementation; in terms of strengthening equity interests, PICC Capital reinforced the "equity plan + private equity fund" investment model, actively promoted the establishment of new funds, and steadily advanced equity investments in key areas such as new quality productive forces and strategic emerging industries; in terms of optimizing physical asset investments, PICC Capital focused on sectors involving physical assets, such as energy infrastructure, consumption infrastructure, utilities and long-term rental apartments, and drove the implementation of exemplary and pioneering projects. PICC Capital Equity Investment Company Limited, a subsidiary of PICC Capital, was honored with the Golden Eagle Award "Annual PE Institution" by the Securities Times, and was named one of the "Top 100 Private Equity Investment Institutions in China of 2025" by ChinaVenture Investment Consulting., Ltd. in the first half of 2026. As of 30 June 2026, the scale of assets under the management of PICC Capital amounted to RMB145,248 million. In the first half of 2026, the operating income was RMB165 million, and the net profit was RMB41 million.

(III) Investment Portfolio and Investment Income

In the first half of 2026, the Group 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 maintained the strength of strategic asset allocation, maintained flexible and effective allocation of tactical assets, continued to strengthen the core professional capabilities and proactively capitalized on market opportunities to further enhance the stability of the investment returns.

1. Investment Portfolio

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

Unit: RMB million

	As of 30 June 2026		As of 31 December 2025	
	Amount	**(% of total)**	Amount	(% of total)
Investment assets	**1,997,723**	**100.0**	1,901,634	100.0
Classified by investment object				
Cash and cash equivalents	**53,019**	**2.7**	59,886	3.1
Fixed-income investments	**1,272,416**	**63.7**	1,226,092	64.5
Term deposits	**134,242**	**6.7**	127,438	6.7
Treasury bonds and government bonds	**585,291**	**29.3**	531,300	27.9
Financial bonds	**198,638**	**9.9**	188,000	9.9
Corporate bonds	**197,932**	**9.9**	198,713	10.4
Other fixed-income investments(1)	**156,313**	**7.8**	180,641	9.5
Equity investments at fair value	**477,314**	**23.9**	423,754	22.3
Funds	**114,124**	**5.7**	87,271	4.6
Shares	**194,588**	**9.7**	166,235	8.7
Permanent financial products	**80,531**	**4.0**	103,670	5.5
Other equity investments	**88,071**	**4.4**	66,578	3.5
Other investments	**194,974**	**9.8**	191,902	10.1
Investment in associates and joint ventures	**180,303**	**9.0**	177,113	9.3
Others(2)	**14,671**	**0.7**	14,789	0.8
Classified by accounting method				
Financial assets held for trading	**463,314**	**23.2**	409,717	21.5
Debt investments	**317,234**	**15.9**	322,656	17.0
Other debt investments	**656,887**	**32.9**	607,327	31.9
Other equity instruments investments	**164,336**	**8.2**	169,046	8.9
Long-term equity investments	**180,303**	**9.0**	177,113	9.3
Others(3)	**215,649**	**10.8**	215,775	11.4

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, capitalized on high interest rates to increase its allocation of bond assets, optimized its fixed-income trading strategies and boosted returns on accounts. It also actively responded to policy initiatives by driving forward the implementation of the southbound trading under the Bond Connect program. The Group intensified efforts in alternative transformation and innovation. Building on its solid foundation in traditional non-standard asset investments, it actively seized investment opportunities of innovative products such as publicly offered REITs, interbank REITs and CMBS, and alleviated asset allocation pressure for insurance funds; the Group strengthened credit risk management, continuously optimized the credit quality of existing assets, and prevented potential credit risks.

As of 30 June 2026, the bond investment accounted for 49.1%. Among corporate bonds and non-policy bank financial bonds, the proportion with an external credit rating of Grade AAA reached 96.4%, which were mainly distributed in the fields such as bank, public utilities, transportation, and non-bank finance. The Group paid close attention to the prevention and control of credit risks, strictly followed relevant regulatory requirements, established investment management process and risk control mechanisms in line with market practices and features of insurance funds, and strengthened identification, monitoring and early warning of credit risk. The entities holding the bonds were financially sound, and credit risk was generally controllable.

The credit risk associated with investments in non-standard assets was generally controllable, with the proportion of an external credit rating of Grade AAA reaching 99.8%. The sectors involved included non-bank finance, construction and decoration, transportation and public utilities, and these investments played an active role in serving the development of the real economy and supporting major national strategies. The Group rigorously selected core counterparties with sound creditworthiness, implemented practical and effective credit enhancement measures, and established strict acceleration clauses and safeguards against the misappropriation of funds, thereby providing sound safeguards for the repayment of principal and investment returns.

In terms of equity investment, the Group gave full play to the patient capital advantages of insurance funds, and steadily increased the proportion of secondary equity holdings. The Group strengthened the absolute return orientation, diversified investment strategy, optimized the position structure, stepped up its investment in equity assets that aligned with the capital allocation requirements of the insurance funds, offered long-term investment value and generated stable dividend income, thereby enhancing the long-term stability of investment performance under the new standards. It also deepened the effectiveness of the transformation of investment in research into results, actively capitalized on structural market opportunities, drove a steady improvement in the performance of secondary equity asset investments, and achieved the benign interaction between stabilizing the capital market and enhancing the investment returns from insurance funds.

(2) Classified by accounting method

The investment assets of the Group are mainly distributed in other debt investments, financial assets held for trading, debt investments and other equity instruments investments. In the first half of 2026, the Group, with a view to strengthening asset-liability matching management, continued to optimize its asset allocation structure and increased its efforts in the allocation to other debt investments; in line with medium- to long-term fund allocation requirements and by capitalizing on structural market opportunities, the proportion of financial assets held for trading rose moderately compared with the end of the previous year; due to the maturity of existing products, the scale of non-standard assets declined, and the proportion of debt investments fell by 1.1 percentage points compared with the end of the previous year.

2. Investment Income

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

Unit: RMB million

Item	**January to June 2026**	January to June 2025
Cash and cash equivalents	**80**	95
Fixed-income investments	**18,649**	20,785
Interest income	**17,967**	18,169
Gains and losses from disposal of financial instruments	**600**	4,419
Gains and losses on fair value changes	**(16)**	(1,870)
Impairment	**98**	67
Equity investments at fair value	**40,013**	12,252
Dividends and bonus income	**4,843**	3,571
Gains and losses from disposal of financial instruments	**21,085**	4,310
Gains and losses on fair value changes	**14,085**	4,371
Impairment	**–**	–
Other investments	**7,585**	7,626
Investment income from associates and joint ventures	**7,288**	8,179
Other gains and losses	**297**	(553)
Total investment income	**66,327**	40,758
Net investment income(1)	**30,539**	29,604
Total investment yield(2) (%) (unannualised)	**3.7**	2.6
Net investment yield(3) (%) (unannualised)	**1.7**	1.9

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 – average fair value changes of other debt investments 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 – average fair value changes of other debt investments as of the beginning and end of the period).

In the first half of 2026, the total investment income of the Group amounted to RMB66,327 million, representing a year-on-year increase of 62.7%; the net investment income amounted to RMB30,539 million, representing a year-on-year increase of 3.2%; the total investment yield (unannualised) was 3.7%; and the net investment yield (unannualised) was 1.7%. The Group's three-year average total investment yield[7] was 5.0%.

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 from financing activities. The Company believes that it has adequate liquidity to meet foreseeable liquidity needs of the Group and the Company.

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.

Unit: RMB million

	January to June 2026	January to June 2025	(% of change)
Net cash flows generated from operating activities	**63,936**	74,845	(14.6)
Net cash flows used in investing activities	**(27,373)**	(65,733)	(58.4)
Net cash flows used in financing activities	**(43,304)**	(14,567)	197.3

The net cash flows generated from operating activities of the Group changed from a net inflow of RMB74,845 million in the first half of 2025 to a net inflow of RMB63,936 million in the first half of 2026, mainly due to the year-on-year increase in cash payments for claims arising from the issued insurance contracts.

7 The three-year average total investment yield is the geometric average of the total investment yields for the last three complete years (2023 to 2025).

The net cash flows used in investing activities of the Group changed from a net outflow of RMB65,733 million in the first half of 2025 to a net outflow of RMB27,373 million in the first half of 2026, mainly due to the year-on-year increase in cash received from the recovery of investments.

The net cash flows used in financing activities of the Group changed from a net outflow of RMB14,567 million in the first half of 2025 to a net outflow of RMB43,304 million in the first half of 2026, mainly due to the year-on-year increase in net cash paid for financial assets sold under agreements to repurchase.

(II) Solvency

Regarding the solvency of the Group, please refer to section headed "I. Business Overview of the Company" in the Management Discussion and Analysis for details.

IV. EVENTS AFTER THE REPORTING PERIOD

On 10 August 2026, PICC Reinsurance, a subsidiary of the Company, fully redeemed the RMB2 billion capital supplementary bonds issued on 6 August 2021.

On 18 August 2026, PICC Life, a subsidiary of the Company, issued RMB10 billion undated capital bonds. Interest began accruing on 20 August 2026, with an initial coupon rate of 1.88%. The coupon rate is adjusted every five years following 20 August 2026. PICC Life classifies these instruments as other equity instruments.

On 28 August 2026, the Board of the Company proposed the payment of an interim dividend for 2026 of RMB0.11 (tax inclusive) per share. This profit distribution proposal is subject to approval by a shareholders' general meeting of the Company before implementation.

FUTURE PROSPECT

2026 marks the first year of the "15th Five-Year Plan". In the first half of the year, under the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, China accelerated the establishment of a new development pattern, focused on promoting high-quality development, and implemented more proactive and impactful macroeconomic policies. Economic operation remained within a reasonable range, new driving force grew rapidly, and people's livelihoods were safeguarded effectively, with continuous demonstration of the development resilience. In the second half of the year, policies that aimed at expanding domestic demand, promoting transformation and strengthening the real economy will continue to be implemented and take effect, while major projects such as urban renewal will be accelerated, thereby laying a solid macroeconomic foundation for the steady development of the insurance industry. The Outline of the "15th Five-Year Plan" sets out 16 major strategic tasks in key areas and critical aspects of socio-economic development, placing greater emphasis on the function of insurance and expanding the policy space for the high-quality development of the insurance industry. The cultivation of new quality productive forces is accelerating, with high-tech industries becoming a key pillar of economic growth. New business models and scenarios are continuously emerging, driving the structure of insurance business sources "towards innovation and optimization" while also injecting fresh momentum into the innovation of insurance products and services.

In the second half of 2026, the Group will resolutely implement the decisions and arrangements of the Party Central Committee, remain steadfast in pursuing the objectives and tasks set out at the Group's annual work conference, and, with a greater sense of responsibility and urgency, strive to take the initiative in driving development, making every effort to fulfil all annual objectives and tasks, and ensuring a strong commencement to the "15th Five-Year Plan".

Firstly, the Group will place greater emphasis on strengthening functions and demonstrating the mission and responsibility of a central insurance enterprise in serving the overall national development. The Group will consistently plan and promote its own development within the broader context of national strategy, better leverage the function of the insurance as an economic shock absorber and social stabilizer, and increase financial support for boosting consumption, expanding investment, stabilizing enterprises, securing employment and addressing other areas of weakness. The Group will provide more targeted and practical support for high-quality economic and social development, deeply and solidly implement "Five Priorities" on finance, and continue to play a leading role within the industry.

Secondly, the Group will place greater emphasis on stabilizing development and make every effort to overcome difficulties and fulfil all annual objectives and tasks. The insurance line will strive to expand growth drivers and stabilize profitability. The P&C insurance will keep vehicle insurance, agricultural insurance and social security business steady, adapt to changes in economic restructuring, and promote the development of non-vehicle insurance, including technology insurance, catastrophe insurance and insurance covering China's overseas interests, through innovation, and ensure a solid market share. The life insurance segment will actively adapt to changes in customer group, cultivate a professional, high-quality and high performing agency force, and actively promote the professional transformation in channels. The health insurance will accelerate the integrated development of health insurance and health management to achieve synergistic growth in both scale and value. The investment line will make every effort to stabilize investments and returns, strengthening its construction of active investment capabilities to ensure the achievement of investment return targets. The operations line will effectively support the development of the core business.

Thirdly, the Group will place greater emphasis on risk prevention with a robust safety barrier being established while strictly adhering to the bottom line. The Group will strengthen industry self-regulation, taking the lead in implementing the "consistency between regulatory filings and actual underwriting" and the comprehensive governance of non-vehicle insurance. The Group will enhance insurance risk prevention, focusing on the management and control of premium receivables in the P&C insurance sector and strengthening asset-liability management in the life insurance sector, while steadfastly upholding the fundamental principle of "insurance provides protection first". The Group will also strengthen investment risk prevention by deepening credit risk analysis and stress testing in key sectors, and proactively adapting to the requirements of the new accounting standards.

Fourthly, the Group will place greater emphasis on fostering innovation and seizing the initiative in high-quality development through proactive efforts. The Group will promote technological innovation, accelerate the integrated application of artificial intelligence and data governance, iteratively optimize the customer experience, and enhance competitiveness through technological empowerment. The Group will promote business model innovation, implementing the extension of the service chain from claims settlement to the entire chain, the extension of the service scenarios from traditional sectors to emerging sectors, and the extension of the service delivery from single products to comprehensive solutions, thereby creating new opportunities through service transformation. The Group will promote management innovation by continuously refining targeted incentive mechanisms that allow for error tolerance and reduce burdens, thereby fully stimulating the vitality and the momentum for undertaking and entrepreneurship of grassroots levels organizations.

EMBEDDED VALUE

1. Result Summary

Embedded Value of PICC Life and PICC Health as at 30 June 2026 and 31 December 2025 are summarized below (in RMB million):

	PICC Life		PICC Health	
	30/6/2026	31/12/2025	**30/6/2026**	31/12/2025
Adjusted Net Worth	**114,728**	100,360	**17,697**	15,359
Value of In-Force Business before CoC	**60,633**	53,652	**25,287**	22,121
Cost of Required Capital	**(27,425)**	(29,863)	**(2,192)**	(2,112)
Value of In-Force Business after CoC	**33,209**	23,789	**23,095**	20,010
Embedded Value	**147,937**	124,149	**40,793**	35,369

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

Value of Half Year's New Business as at 30 June 2026 and 30 June 2025 of PICC Life and PICC Health are summarized below (in RMB million):

	PICC Life		PICC Health	
	30/6/2026	30/6/2025	**30/6/2026**	30/6/2025
Value of Half Year's New Business before CoC	**5,962**	6,423	**4,328**	4,303
Cost of Required Capital	**(784)**	(1,502)	**(470)**	(496)
Value of Half Year's New Business after CoC	**5,177**	4,921	**3,857**	3,807

Notes: 1. Figures may not add up to total due to rounding.

2. In the table above, the value of half year's new business as at 30 June 2025 is recalculated based on the risk discount rate and other economic assumptions as at 30 June 2026.

Value of Half Year's New Business as at 30 June 2026 and 30 June 2025 of PICC Life and PICC Health by distribution channel are summarized below (in RMB million):

	PICC Life		PICC Health	
	30/6/2026	30/6/2025	**30/6/2026**	30/6/2025
Bancassurance channel	**2,633**	2,871	**620**	359
Individual insurance agent channel	**2,521**	2,043	**3,452**	3,669
Group insurance sales channel	**24**	7	**(215)**	(221)
Total	**5,177**	4,921	**3,857**	3,807

Notes: 1. Figures may not add up to total due to rounding.

2. In the table above, the value of half year's new business as at 30 June 2025 is recalculated based on the risk discount rate and other economic assumptions as at 30 June 2026.

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 30 June 2026 disclosed above, the risk discount rate assumption is 8.5% for traditional insurance and 7.5% for participating/universal insurance used by PICC Life and PICC Health. The rate of investment return assumption is 4% p.a. used by PICC Life and the rate of investment return assumption is 3.5% p.a. used by 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 30 June 2026 are summarized below (in RMB million):

	Risk Discount Rate at 8.5% for Traditional Insurance and 7.5% for Participating/ Universal Insurance (Note)	
Scenarios	**Value of In-Force Business after CoC**	**Value of Half Year's New Business after CoC**
Base Scenario	33,209	5,177
Risk Discount Rate increased by 100 bps	26,365	4,538
Risk Discount Rate decreased by 100 bps	41,654	5,960
Rate of investment return increased by 50 bps	57,549	6,543
Rate of investment return decreased by 50 bps	8,402	3,847
Expenses increased by 10%	32,179	5,109
Expenses decreased by 10%	34,238	5,246
Lapse rates increased by 10%	33,398	5,169
Lapse rates decreased by 10%	33,022	5,188
Mortality increased by 10%	32,704	5,136
Mortality reduced by 10%	33,720	5,220
Morbidity increased by 10%	31,677	5,171
Morbidity reduced by 10%	34,773	5,184
Short-term business claim ratio increased by 10%	33,156	5,091
Short-term business claim ratio decreased by 10%	33,261	5,264
Participating Ratio (80/20)	31,133	4,480

Note: Except for the sensitivity scenarios on risk discount rate, the risk discount rate used for other scenarios is 8.5% for traditional insurance and 7.5% for participating/universal insurance.

The results of sensitivity tests for PICC Health at 30 June 2026 are summarized below (in RMB million):

	Risk Discount Rate at 8.5% for Traditional Insurance and 7.5% for Participating/ Universal Insurance (Note)	
Scenarios	**Value of In-Force Business after CoC**	**Value of Half Year's New Business after CoC**
Base Scenario	23,095	3,857
Risk Discount Rate increased by 100 bps	21,415	3,562
Risk Discount Rate decreased by 100 bps	25,068	4,193
Rate of investment return increased by 50 bps	26,667	4,382
Rate of investment return decreased by 50 bps	19,527	3,239
Expenses increased by 10%	23,019	3,655
Expenses decreased by 10%	23,172	4,041
Lapse rates increased by 10%	22,862	3,737
Lapse rates decreased by 10%	23,297	3,987
Mortality increased by 10%	23,132	3,851
Mortality reduced by 10%	23,057	3,863
Morbidity increased by 10%	23,636	3,704
Morbidity reduced by 10%	22,526	4,008
Short-term business claim ratio increased by 5%	22,795	3,241
Short-term business claim ratio decreased by 5%	23,396	4,473
Participating Ratio (80/20)	23,065	3,812

Note: Except for the sensitivity scenarios on risk discount rate, the risk discount rate used for other scenarios is 8.5% for traditional insurance and 7.5% for participating/universal insurance.

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 of The People's Insurance Company (Group) of China Limited and other rules, strictly sticks to the principle of sound corporate governance, dedicates itself to continuously enhancing the level of corporate governance, ensures the solid development of the Company and endeavors to improve the interests of shareholders.

The Company has complied with the corporate governance provisions of listed companies of the 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**") throughout the first half of 2026, and continuously refined the structure of corporate governance. The general meeting of shareholders, the Board and senior management of the Company independently performed their rights and responsibilities in accordance with the Articles of Association of The People's Insurance Company (Group) of China Limited and complied with laws and regulations.

INTERIM DIVIDEND

The Board proposed the distribution of an interim dividend of RMB0.11 per share (tax inclusive) for the six months ended 30 June 2026, amounting to a total of RMB4,865 million (tax inclusive). The above proposal will be put forward to a shareholders' general meeting of the Company for consideration and approval. The specific arrangements regarding the declaration and distribution of interim dividend (including arrangement of withholding and payment of income tax) and the time arrangement of the closure of register of members of H shares will be disclosed separately in the circular for the relevant shareholders' general meeting. If the declaration of interim dividend is approved at the shareholders' general meeting of the Company, the interim dividend is expected to be paid on 6 November 2026.

NO MATERIAL CHANGES

Save as disclosed in this announcement, after the publication of the 2025 annual report, no material changes affecting the Company's performance need to be disclosed under paragraph 46(3) of Appendix D2 to the Listing Rules.

PURCHASE, DISPOSAL OR REDEMPTION OF LISTED SECURITIES

As of 30 June 2026, the Company did not hold any treasury shares. During the reporting period, the Company and its subsidiaries did not purchase, dispose of or redeem any listed securities of the Company or its subsidiaries (including treasury shares).

REVIEW OF INTERIM RESULTS

The audit committee of the Board of the Company has, in the presence of the external auditor, reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026.

PUBLICATION OF THE INTERIM REPORT

The 2026 interim report of the Company will be published on the website of the Company (www.picc.com.cn) and the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) in due course.

By order of the Board
The People's Insurance Company (Group) of China Limited
Ng Sau Mei
Company Secretary

Beijing, the PRC, 28 August 2026

As at the date of this announcement, the executive directors of the Company are Mr. Zhao Peng and Mr. Xiao Jianyou; the non-executive directors are Mr. Xu Xiang, Mr. Wang Shaoqun, Mr. Yu Qiang and Mr. Song Hongjun; and the independent non-executive directors are Ms. Xu Lina, Mr. Wang Pengcheng, Mr. Gao Pingyang, Mr. Jia Ruo and Ms. Yeung Cheung Ying.