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PICC 中国人民保险集团股份有限公司
THE PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LIMITED
H Share Stock Code: 1339

Interim Report
2026

Company Profile

The Company is the first nation-wide insurance company in the PRC, established in October 1949, and has developed into a leading large-scale integrated insurance financial group in the PRC, which was listed on the Hong Kong Stock Exchange (H share stock code: 1339) in December 2012 and the SSE (A share stock code: 601319) in November 2018. The Company ranked 123rd in the list of Fortune Global 500 (2026) published by the Fortune magazine, up by 18 places than last year.

The Company operates its property and casualty ("P&C") insurance business in the PRC through PICC P&C (listed on the Hong Kong Stock Exchange, stock code: 2328, in which the Company holds approximately 68.98% equity interests) and operates P&C insurance business in Hong Kong and Macau of China through PICC Hong Kong (in which the Company holds approximately 89.36% equity interests). The Company operates its life and health insurance businesses through PICC Life and PICC Health, in which the Company, directly and indirectly, holds 80.00% and approximately 95.45% equity interests, respectively. The Company centrally and professionally utilises and manages most of its insurance assets through PICC AMC, in which the Company holds 100% equity interests. The Company engages in corporate annuities and occupational annuities businesses through PICC Pension, in which the Company holds 100% equity interests. The Company invests in insurance financial products such as debt plan, equity plan and asset-backed plan, as well as alternative investments such as physical assets and private equity funds through PICC Capital, in which the Company holds 100% equity interests. The Company conducts construction, investment, operation and management of real estate, and operates pension business through PICC Investment Holding, in which the Company holds 100% equity interests. The Company operates the professional reinsurance business within and outside the Group through PICC Reinsurance in which the Company, directly and indirectly, holds 100% equity interests. The Company coordinates the informatization construction of the Group through PICC Technology (in which the Company holds 100% equity interests), to provide Group companies with better structural management, infrastructure, application R&D, data empowerment, intelligent technology, shared operation and innovative incubation and other technology services, and to empower the digital development of the Group.

The Company's principal competitive strengths include:

We are the first nation-wide insurance company of the PRC, the pioneer and trailblazer of the PRC insurance industry, possessing a well-recognised brand with the longest history in the industry;

We are an integrated insurance financial group on our core business and on the customer-oriented development strategy to achieve co-development of various business lines;

We adhere to serving national strategies, safeguarding real economy, serving people's livelihood, fulfilling social responsibilities, and dedicating ourselves to exerting the role of economic "shock absorber" and social "stabiliser";

We have diversified institutions and service network based in cities and towns spread over the country, as well as an extensive and solid customer base, achieving the integration of policy insurance business and commercial insurance business;

We have an internationally first-class and Asia's leading P&C insurance company with distinct advantages in scale, cost and service as well as outstanding profitability;

We have a life insurance company with a layout throughout the country, steady growth, continuous profitability and sound operating platform as well as with great potentials in value creation and profitability;

We have the first nation-wide professional health insurance company with outstanding professional capability to create featured health management service ability;

We have an industry-leading asset management platform characterised by steady investment and proven performance;

We have advanced applicable information technology to actively define a layout in technology area, and have outstanding ability and potential advantages in data mining, customer identification and intelligent operation;

We have shareholders offering continuous and strong support, an experienced and insightful management team and a high-calibre professional staff team.

Contents

Corporate Information

LEGAL CHINESE NAME:

中國人民保險集團股份有限公司

Abbreviation of Chinese name: 中國人保集團

LEGAL ENGLISH NAME:

THE PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LIMITED

Abbreviation of English name: PICC Group

COMPANY'S RESPONSIBLE OFFICER:

Tan Jiong

SECRETARY OF THE BOARD AND SECURITIES AFFAIRS REPRESENTATIVE:

Zeng Shangyou

COMPANY SECRETARY:

Ng Sau Mei

REGISTERED ADDRESS AND OFFICE ADDRESS

Registered address:

1-13/F, No. 88 West Chang'an Avenue, Xicheng District, Beijing, the PRC

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Postal code: 100031

Website: www.picc.com.cn

Shareholders' enquiries: The Office of the Board of Directors of the Company

Tel: (8610) 6900 9192

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Email: ir_group@picc.com.cn

INFORMATION DISCLOSURE AND PLACE FOR REPORT COLLECTION

Newspapers for information disclosure:

China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily

Designated website for the Company's A share announcement: www.sse.com.cn

Designated website for the Company's H share announcement: www.hkexnews.hk

Place for report collection:

The Office of the Board of Directors of the Company

STOCKS INFORMATION

A shares

Place for listing: Shanghai Stock Exchange

Stock name: PICC

Stock code: 601319

H shares

Place for listing: The Stock Exchange of Hong Kong Limited

Stock name: PICC Group

Stock code: 1339

AUDITORS AND CONSULTING ACTUARY

Domestic Auditor:

Ernst & Young Hua Ming LLP

17/F, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Dongcheng District, Beijing, the PRC

Signing Certified Public Accountants: Yu Yinyin and Zhang Xiaodong

International Auditor:

Ernst & Young

27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

Signing Certified Public Accountant: Leung Shing Kit

Consulting Actuary:

Ernst & Young (China) Corporate Consulting Co., Ltd.

LEGAL ADVISORS

As to Hong Kong law:

Clifford Chance

As to PRC law:

King & Wood

H SHARE REGISTRAR:

Computershare Hong Kong Investor Services Limited

Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Definitions

PICC Group, Company	The People's Insurance Company (Group) of China Limited or, where the context so requires, its predecessor
PICC, Group	The People's Insurance Company (Group) of China Limited and all of its subsidiaries
PICC P&C	PICC Property and Casualty Company Limited
PICC Life	PICC Life Insurance Company Limited
PICC AMC	PICC Asset Management Company Limited
PICC Health	PICC Health Insurance Company Limited
PICC Pension	PICC Pension Company Limited
PICC Investment Holding	PICC Investment Holding Co., Ltd.
PICC Capital	PICC Capital Insurance Asset Management Co., Ltd.
PICC Reinsurance	PICC Reinsurance Company Limited
PICC Technology	PICC Information Technology Co., Ltd.
PICC Hong Kong	The People's Insurance Company of China (Hong Kong), Limited
PICC Financial Services	PICC Financial Services Company Limited
MOF	Ministry of Finance of the People's Republic of China
SSF	National Council for Social Security Fund, the PRC
CSRC	China Securities Regulatory Commission
CBIRC	China Banking and Insurance Regulatory Commission, on the basis of which the National Financial Regulatory Administration was formed in accordance with the Plan for Reform of Party and Government Institutions in May 2023
NFRA	National Financial Regulatory Administration
SSE	Shanghai Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Prospectus	the Prospectus of The People's Insurance Company (Group) of China Limited for Initial Public Offering of Shares (A Shares) issued by the Company on the websites of the SSE and the Company on 5 November 2018
Company Law	the Company Law of the People's Republic of China
Insurance Law	the Insurance Law of the People's Republic of China
SSE Listing Rules	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
Listing Rules of the Stock Exchange	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Articles of Association	the Articles of Association of The People's Insurance Company (Group) of China Limited disclosed by the Company on 1 January 2026
China, PRC	the People's Republic of China, which, for the purposes of this report, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan of the PRC
RMB	Renminbi

About Us

I. FINANCIAL HIGHLIGHTS

Unit: RMB million, except for percentages

	30 June 2026	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
Net assets per share(1) (RMB)	7.71	6.99	10.3

Unit: RMB million, except for percentages

	January to June 2026	January to June 2025	(% of change)
Insurance revenue	286,873	280,250	2.4
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(1) (RMB)	0.85	0.60	40.4
Weighted average return on net assets(1) (%)	11.4	9.5	Increased by 1.9 percentage points

Note: (1) Net assets per share, earnings per share, and weighted average return on net assets are presented based on data attributable to owners of the Company. The percentage increase or decrease is calculated based on the data before rounding off.

II. OPERATING HIGHLIGHTS

(I) 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.

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.

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.

(II) 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% 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%.

[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).

(III) 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.

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.

(IV) 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.

(V) 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.

(VI) 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.

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 NFRA 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 NFRA 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 NFRA 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 NFRA 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%.

4 The market share was independently calculated based on the data of the insurance industry in the PRC published on the website of the NFRA. The same applies below.

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%.

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 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 AMC, PICC Capital and PICC Pension, which are all wholly owned by the Company. The Company also holds 100.00% equity interests in PICC Investment Holding and PICC Technology, and directly and indirectly holds 100.00% equity interests in PICC Reinsurance and PICC Financial Services.

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 NFRA (the former CBIRC).

(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:				
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

	As of 30 June 2026/ January to June 2026	As of 31 December 2025/ January to June 2025
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%.

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**

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).

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 in 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
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 RMB1.750 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
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 operating 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.

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).

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.

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. FUTURE PROSPECTS AND RISK ANALYSIS

(I) Future Prospects

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.

(II) Major Potential Risks and Countermeasures

Firstly, market risk. In the second half of 2026, the pace of economic recovery and changes in international monetary policy may lead to volatility in domestic liquidity conditions and interest rate markets. Earnings from growth segments in the stock market may fall short of expectations, posing a risk of a sharp correction in valuations. Additionally, uncertainty surrounding the geopolitical situation will exacerbate overall market volatility.

The Group will closely monitor changes in the risk landscape, continue to enhance its assessment of the impact of external factors on market risk, conduct thorough analyses of macroeconomic policies and conditions, strengthen the tracking and monitoring of market risk exposures, dynamically monitor changes in key core indicators of market risk management, and promptly identify, analyze, monitor, issue early warnings for and address market risks.

Secondly, credit risk. In the second half of 2026, debt maturity pressures in certain industries and among certain entities will exacerbate credit segmentation. As the overall improvement in the fundamentals of the property industry remains to be seen over the long term, it is necessary to continue monitoring risks in the property industry and their spillover effects on upstream and downstream sectors, progress in resolving the debt risks of local financing platforms, and changes in the creditworthiness of small and medium-sized financial institutions during the economic transition period.

The Group will strengthen its credit risk prevention, intensify research into new policies, industries and products, enhance the monitoring and tracking of key counterparties, regions and industries, improve post-investment risk management, report credit risk incidents in a timely manner, and continue to advance the management of premiums receivables, thereby ensuring the early identification, early warning, early disclosure and early disposal of risks, and effectively safeguarding the bottom line against systemic risks.

Thirdly, insurance risk. In the second half of 2026, P&C insurance is expected to continue to be affected by frequent and widespread extreme weather events with the arrival of the main flood season. The uncertainty surrounding the disaster situation may place pressure on relevant claims management and the management and control and service provision before, during and after major disasters. For life insurance, guided by regulatory policies, the industry's liability costs are expected to be effectively controlled, and pressure from interest rate spread losses is expected to ease. However, in a low-interest-rate environment, sales capabilities, insurance service capabilities and asset-liability management capabilities are still facing certain challenges.

The Group will continue to place a high priority on insurance risk management, continuously enhance its risk reduction service capabilities, make proper use of risk mitigation measures, and improve mechanisms for information sharing and claims coordination across subsidiaries in response to major disasters. It will implement risk reduction and emergency claims handling measures for natural disasters and sudden incidents, thereby effectively addressing the impact of frequent disasters; it will also enhance its asset-liability management capabilities to solidly guard against interest rate spread losses and asset-liability mismatch risks; it will continue to refine risk monitoring mechanisms in key areas and for key businesses, while continually enhancing the capabilities for early risk warning and disposal.

V. RISK MANAGEMENT

(I) Risk Management Organizational Framework and Operational Model

The Group has established an integrated vertical and horizontal risk management structure. Vertically, the risk management framework spans the Board, operating management and functional departments, covering all business lines and branches. Horizontally, the "three lines of defense" in risk management collaborate according to their respective functional responsibilities. Under this integrated vertical and horizontal risk management structure, the Group continuously optimizes its risk management system, enhances risk management capabilities, organizes risk assessments, and safeguards the effectiveness of risk management implementation. Within the framework of the Group's unified risk management system, each subsidiary establishes corresponding risk governance mechanisms and risk management systems according to the Group's risk management policies and relevant management requirements.

(II) System and Mechanism of Risk Management

The Group has established a risk management system consisting of three levels, including the basic risk management system, special risk and special work system, and operating rules, and has established a complete set of risk management and control mechanisms covering the entire risk management process, including risk policy formulation, responsibility implementation, comprehensive coordination, monitoring, identification, analysis, evaluation and reporting, risk screening, supervision and inspection, emergency and risk disposal, risk performance assessment and risk accountability. In the first half of 2026, the Group continued to strengthen the construction of risk management system, continued to promote the comprehensive risk management to vertically advance, to extend to the grassroots level, and to form a comprehensive, sustainable and effective risk management system.

(III) Key Methods and Procedures of Risk Management

The Group has established a complete set of relatively mature risk management processes and mechanisms, which is conducive to ensuring the effectiveness of risk management. In the first half of 2026, the Group continued to optimize the tools and methods of risk management, constantly improved the whole process of risk identification, evaluation, analysis and reporting, and enhanced the efficiency of risk management.

In terms of risk environment construction, the Group, based on the various requirements for regulatory ratings and consolidated supervision, further refined its comprehensive risk management system, strengthened integrated risk governance and coordinated management, and enhanced the depth of risk prevention and control as well as the differentiation of risk compliance assessments. The Group continuously optimized its risk appetite management. In the first half of 2026, the Group formulated the "2026 Risk Appetite Statement" based on internal and external conditions, actual circumstances for the current year, and the risk appetite execution of previous year. The Group optimized the stress testing models and threshold settings in accordance with economic trends and capital market shifts, and communicated the adjustments to each subsidiary.

In terms of the risk management informatization, the Group continued to strengthen the application of intelligent risk control tools such as big data and artificial intelligence, strengthened the empowerment of technology on risk control field, and promoted the transformation of risk control from "manual defense" to "technical defense" and "intelligent control". The Group has launched and promoted the operation of an intelligent risk control platform. Through the application of intelligent technology, the Group strengthened automated risk scanning and comprehensive screening, carried out early risk warnings, strengthened risk monitoring and multi-dimensional display of risk status, promoted the advancement of risk management and control, and effectively enhanced the foresight and proactive level of risk management.

In terms of risk monitoring and screening, the Group routinely conducted risk monitoring and screening activities, established risk monitoring and early warning mechanisms with different frequencies such as daily, weekly, monthly, quarterly and annually. The Group thoroughly investigated the causes of indicator deviations, issued risk warnings and alerts to relevant subsidiaries, and promoted the implementation and execution of corrective measures. The Group dynamically tracked risk changes in key sectors, core businesses, and significant risk matters, strengthened identification and early warning of emerging and trend-based risk vulnerabilities, improved early-stage risk constraint mechanisms. The Group established a risk screening mechanism that combines regular screenings and special screenings of key risk areas. Based on market risk monitoring and changes in the operating environment, the Group conducted regular and special risk screening of investment assets and insurance businesses, and effectively prevented risks.

In terms of comprehensive risk assessment, the Group regularly conducted comprehensive risk assessment, and evaluated the construction of the Group's risk management system, the actual risk situation and the effectiveness of risk management, so as to safeguard the effectiveness of the implementation of risk management. In the first half of 2026, the Group's management continued to organize and lead comprehensive risk assessment work to perform thorough analysis and evaluation of risks.

(IV) Major Risk Assessment Analysis

In the first half of 2026, the Group had sufficient solvency, the risk preference was implemented steadily in general, the matching of asset and liability was generally stable, each of the risk management work was progressed steadily, the risk prevention and control were forceful and effective, and no major risk incidents occurred. In terms of specialized risks, the Group strictly implemented relevant requirements, and managed the four categories of unique risks and seven categories of specialized risks of the Group.

1. Unique risks of the Group

The unique risks of the Group include four aspects: risk contagion, organisational structure opacity risk, concentration risk and non-insurance field risk.

In terms of risk contagion, the Group continued to strengthen the daily management of related party transactions and internal transactions, and the Board of Directors, the Related Party Transactions Control Committee and the management of the Company managed and approved related party transactions in accordance with their respective authorities; carried out the quarterly aggregation, statistical analysis and reporting of related party transactions and internal transactions, completed the assessment of the Group's related party transactions and internal transactions in 2025, and produced an assessment report; strengthened reviews of the fairness and compliance of key related party transaction agreements, such as technology service agreements, and reviewed major related party transactions submitted by subsidiaries to the Board of Directors and the shareholders' general meeting through mechanisms such as resolution management; and dynamically improved the Group's list of related parties to support the management of subsidiaries. In terms of firewalls, the Group regularly conducted benchmarking assessments of firewall construction and management, and continuously improved management measures and work mechanisms in the management areas of legal persons, finance and capital, business, information, personnel and outsourcing to prevent the transmission of major risks within the Group. In the first half of 2026, none of the Group's risk contagion monitoring indicators triggered warning thresholds, and no major risk contagion incidents occurred.

In terms of the organisational structure opacity risk, the Group strictly adhered to relevant regulations, continued to optimize the set-up of institutions, and fully identified and evaluated such organisational structure opacity risks. The Group conducted risk assessments of organisational structure opacity risks, evaluated situations such as the Group's equity structure, management structure, operational processes, and business types, and reported the evaluation and management situation of organizational structure opacity risk to the senior management and the Risk Management & Consumers' Rights and Interests Protection Committee under the Board of Directors on a half-yearly basis. The Group had a clear equity structure and a relatively comprehensive functional structural system, and the corporate governance structure complied with relevant laws, regulations, and regulatory requirements.

In terms of concentration risk, under the structure of the Group's comprehensive risk management system and in accordance with regulatory requirements for concentration risk governance, the Group established a governance structure for concentration risk management that spans the Company's Board of Directors and special committees, the management, relevant functional departments, subsidiaries, and member companies. This resulted in a concentration risk management system that was regulated by concentration risk management measures, guided by implementation rules, and constrained by limit management and controls.

The Group adhered to a concentration risk management strategy that prioritized prevention and control while strengthening ex-ante management, and implemented the principles of prudence, alignment, uniformity, and dynamism in concentration risk management. In the first half of 2026, the Group's Implementation Rules for the Concentration Risk Management were revised and issued to comprehensively standardize the control mechanisms for the entire process and all stages of concentration risk management, and to provide specific guidance on the implementation of the Group's concentration risk management requirements. The Group's concentration risk indicator limits table was optimized and updated to continuously strengthen limit management and controls. The Group strictly implemented the policy and procedural requirements for concentration risk management, promptly identified relevant risk situations, continuously carried out monitoring, early warning and assessment work, and took effective management measures to prevent concentration risk.

In the first half of 2026, the Group's overall implementation of concentration risk indicator limits was satisfactory; no instances of exceeding limits occurred at the overall level of the Group, nor were there any major concentration risk incidents, and concentration risks remained generally under control.

In terms of non-insurance field, the Group placed great emphasis on risk management in the non-insurance field, and prevented the business operating activities of non-insurance member companies from having adverse impact on the solvency of the Group and insurance member companies. **Firstly**, the Group supervised non-insurance member companies to strengthen the management of strategic planning, internal control and investment risk, continuously improved the Group's management and control level, and promoted effective risk isolation, thereby minimizing the impact of non-insurance member companies on the Group's solvency. **Secondly**, according to regulatory requirements, the Group strengthened dynamic risk monitoring and control of non-insurance member companies, enhanced the foresight of risk prevention, and continuously improved the timeliness and effectiveness of risk management and control. The Group conducted regular risk assessments for non-insurance member companies in non-insurance sectors on a half-yearly basis, and submitted the assessment reports to the Group's management and the Risk Management & Consumers' Rights and Interests Protection Committee under the Board of Directors.

2. Specialized risks

In terms of insurance risk, the Group deepened the liability-side coordinated management, enhanced monitoring and analysis of the insurance subsidiaries, and continued to promote actuarial management of its products, catastrophic risk management and control and insurance risk monitoring. In the first half of 2026, the implementation of insurance risk indicators was relatively stable, the combined ratio was effectively controlled, the lapse rate remained stable with a slight decrease, and the persistency ratio of premiums remained at a relatively high level. Overall insurance risk remained controllable.

In terms of credit risk, the Group continued to strengthen credit risk management and control, enhanced the management of premiums receivables and reinsurance counterparties of insurance subsidiaries, and improved the evaluation and monitoring level of investment credit risk. In the first half of 2026, the scale of premiums receivables decreased year-on-year, and the credit ratings of reinsurance counterparties were in compliance with relevant regulatory requirements and internal regulations of the Company. No major investment credit risk events occurred, and overall credit risk remained controllable.

In terms of market risk, the Group attached great importance to the market risk exposure of the investment portfolio, constantly strengthened the investment research of securities in the portfolio, optimized the allocation of major assets, effectively prevented and controlled risks in key areas, continued to implement the daily monitoring and early warning of risks, improved the effectiveness of risk monitoring and early warning in key areas, carried out regular risk assessment and stress tests, conducted timely monitoring and early warning of market risks, checked special risks monitoring and assessment proactively, enhanced effective analysis and judgment of various risk factors, and improved the early risk warning and disposal mechanism. Overall market risk remained controllable.

In terms of operational risk, the Group improved its institutional and mechanism construction to strengthen operational risk prevention and control in accordance with the regulatory requirements on operational risk. In the first half of 2026, the Group updated the operational risk appetite and tolerance, which were communicated to each subsidiary and member company through limit decomposition. The Group regularly monitored the implementation of the operational risk appetite and its communication mechanism, organized specialized training on operational risk management, and continuously improved the level of operational risk management. No breach of operational risk appetite occurred, and overall operational risk remained controllable.

In terms of strategic risk, the Group adhered to the general principle of pursuing progress while ensuring stability, firmly upheld and fulfilled a correct view of performance, effectively utilized insurance function, and steadfastly promoted high-quality development. In the first half of 2026, the Group continued to strengthen strategic risk management in areas such as strategic planning, institutional construction, process management, evaluation and analysis. The strategic risk management system operated smoothly and effectively, and overall strategic risk remained controllable.

In terms of reputational risk, the Group adhered to the principles of prioritizing prevention, taking proactive measures, responding swiftly and coordinating responses, conducted sound and orderly full-process reputational risk management, continued to strengthen the management and control of reputational risk at source, improved the consumer protection institutional system, promoted the effective operation of various consumer protection mechanisms, and actively enhanced the corporate brand image. In the first half of 2026, the Group's overall reputational risk remained stable and controllable, no major public opinion incidents occurred, and the brand reputation remained sound overall.

In terms of liquidity risk, the Group enhanced liquidity risk monitoring and analysis, regularly coordinated and organized subsidiaries to conduct liquidity risk assessments, strengthened cash flow monitoring and early warning, and urged subsidiaries to formulate emergency response plans and countermeasures for risk points and problems identified during monitoring, to improve liquidity risk management level, provide proper early warning of and prevention of liquidity risks, and maintain a reasonable and moderate liquidity level. In the first half of 2026, the Group's overall liquidity risk remained controllable.

VI. BORROWINGS

Other than the capital supplementary bonds issued by the Group and the repurchase business sold in the investment business, the Group had bank borrowings of RMB267 million as of 30 June 2026. Details of the capital supplementary bonds are set out in Note 23 to the interim condensed consolidated financial information of this report.

VII. NO MATERIAL CHANGES

Save as disclosed in this report, after the publication of the 2025 annual report of the Company, there are no material changes affecting the Company's performance that need to be disclosed under paragraphs 32 and 40(2) of Appendix D2 to the Listing Rules of the Stock Exchange.

Embedded Value

Our consolidated financial statements set forth in our interim report are prepared in accordance with the relevant accounting standards. These financial statements measure our results of operations for a specific time period. An alternative method of measuring the value and profitability of a life or health insurance company is the embedded value method. Embedded value is an estimate of the economic value of the life and health insurance businesses of an insurance company that is determined based on a particular set of assumptions and a valuation model-based forecast of future distributable profits, excluding any value attributable to any future new business. While, under the relevant accounting standards, there is a time lag between the sale of policies and the recognition of profits, embedded value recognizes the contribution of future profits from existing policies as at the date of the embedded value calculation. Since life and health insurance policies usually extend over more than one fiscal year, embedded value is a technique that attempts to quantify the total financial impact of these policies, including the impact in future fiscal years, in order to provide an alternative assessment of potential shareholder value.

Embedded value does not include the economic value of future new business. The value of half year's new business provides an indication of the value created for investors by new business activity based on the assumptions used and hence the potential of the business.

Ernst & Young (China) Advisory Limited, independent consulting actuaries, have prepared actuarial consultants' review reports on the estimates of the embedded value of PICC Life and PICC Health, respectively, as at 30 June 2026, and the value of half year's new business of PICC Life and PICC Health, respectively, in respect of our new life and health insurance businesses written for the 6 months ended 30 June 2026, on a range of assumptions. Copies of consulting actuaries' review reports are included in our interim report. These reports do not constitute an audit opinion of the financial information used in the report.

The value of in-force business and the value of half year's new business in respect of new life and health insurance businesses have been calculated using a valuation model under a range of assumptions. Given the uncertainties associated with the future investment environment and future business operations, you should carefully consider the range of values arising from the sensitivity analysis, which reflect the impact of different assumptions on these values. Moreover, the values do not necessarily include the full range of potential outcomes.

The estimates of value of in-force business and the value of half year's new business necessarily make numerous assumptions with respect to industry performance, business and economic conditions, investment returns, reserving standards, taxation, life expectancy and other matters, many of which are beyond our control. As a result, actual future experience may vary from that assumed in the calculation, and these variations may be material. Calculated values will vary, possibly materially, as key assumptions are varied. Moreover, as actual market value is determined by investors based on a variety of information available to them, these calculated values should not be construed as a direct reflection of actual market value. Furthermore, in the current environment of the PRC market, material uncertainty exists with respect to asset valuations, which may have material impact on the embedded value.

INDEPENDENT ACTUARIES REVIEW OPINION REPORT ON EMBEDDED VALUE OF PICC LIFE

Ernst & Young (China) Advisory Limited ("EY", "we" or "our") has been entrusted by PICC Life Insurance Company Limited ("PICC Life", the "company") to review its valuation of embedded value as at 30 June 2026. This report is prepared and to be enclosed in the 2026 interim report of the People's Insurance Company (Group) of China Limited. It summarizes EY's work scope, the valuation methodology of the embedded value, valuation results and assumptions on which the valuation depends.

SCOPE OF WORK

Our scope of work covered:

- Review the valuation methodology for the embedded value and the value of half year's new business as at 30 June 2026;
- Review the assumptions used in the valuation of embedded value and value of half year's new business as at 30 June 2026;
- Review the various valuation results of the embedded value as at 30 June 2026, i.e. the embedded value, value of half year's new business and the sensitivity tests results of value of in-force business and value of half year's new business under alternative assumptions;
- Review the breakdown of value of half year's new business as at 30 June 2026 by distribution channels.

BASIS OF OPINION, RELIANCE AND LIMITATION

We carried out our review in accordance with the *Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance* ("Valuation Guidance") issued by the China Association of Actuaries ("CAA") in November 2016.

In the process of performing review and preparing this report, we relied on the accuracy and completeness of audited and unaudited data and information provided by PICC Life without independent verification. Where possible, we have reviewed the reasonableness and consistency of the data based on our understanding of insurance industry and PICC Life. Our review opinion herein this report is based on the accuracy and completeness of the data and information provided by PICC Life.

The calculation of embedded value involves expectations and assumptions regarding future experience to a great extent in terms of business operating performance, investment performance, and other economic and financial assumptions, many of which are beyond the company's control. Therefore, the actual results of operation in the future may deviate from the valuation results.

This report is addressed solely to PICC Life in accordance with the engagement letter signed by PICC Life and us. We have agreed that PICC Life provides the review opinion report to the People's Insurance Company (Group) of China Limited to be disclosed in its 2026 interim report. To the fullest extent permitted by applicable law, we do not accept or assume any responsibility, duty of care or liability to anyone other than PICC Life for or in connection with our review work, the opinions we have formed, or for any statement set forth in this report.

REVIEW OPINION

Based on our review, we concluded that:

- The valuation methodology for embedded value adopted by PICC Life meets the requirements of the *Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance* issued by China Association of Actuaries in November 2016;
- The economic assumptions adopted by PICC Life have taken into account the current investment market conditions and the investment strategy of PICC Life;
- The operating assumptions adopted by PICC Life have taken into account the company's historical experience and the expectation of future performance; and
- The embedded value results are consistent with its methodology and assumptions used. The aggregate results are reasonable.

On behalf of Ernst & Young (China) Advisory Limited

Zhenping Fu	Jia Zhang
FSA, FCAA	**FSA, FCAA**

30 JUNE 2026 EMBEDDED VALUE REPORT OF PICC LIFE INSURANCE COMPANY LIMITED

1. DEFINITION AND METHODOLOGY

1.1. Definition

A number of specific terms are used in this report. They are defined as follows:

- **Embedded Value ("EV")**: this is the sum of the adjusted net worth and value of in-force business as at the valuation date;
- **Adjusted Net Worth ("ANW")**: this is the fair value of the assets attributable to shareholders in excess of liabilities of the business as at the valuation date;
- **Value of In-Force Business ("VIF")**: this is the present value of future cash flows attributable to shareholders arising from the in-force business and the corresponding assets as at the valuation date. The assets contributing to the cash flows are those supporting the corresponding liabilities of in-force business;
- **Cost of Required Capital ("CoC")**: this is defined as the amount of capital required from shareholders at the valuation date and the present value of future movements of such capital (end of period value less start of period value), and the calculation should take into account the after-tax investment earnings on the assets backing such required capital;
- **Value of Half year's New Business ("VHNB")**: this is equal to the present value as at the policy issue dates of the future cash flows from the policies issued in the specified half year period and the corresponding assets. The assets contributing to the cash flows are those supporting the corresponding liabilities of new policies. The value associated with top-up premium not expected from the in-force business is included in the value of half year's new business.

1.2. Methodology

China Association of Actuaries ("CAA") issued "Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance" in November 2016. PICC Life has determined the embedded value and the value of half year's new business based on "Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance".

PICC Life has adopted the commonly used embedded value approach in the industry. Both value of in-force business and value of half year's new business are calculated using the deterministic discounted cash flow method. Such approach is commonly used in the embedded value and value of new business calculated by the insurance companies listed in mainland China and Hong Kong. This approach does not directly calculate the costs of options and guarantees provided to policyholders; instead, it implicitly allows for the time value of options and guarantees and the uncertainty in achieving the projected future profits by risk discount rate.

2. RESULTS SUMMARY

In this section PICC Life has shown the results of this year as well as those of last year for comparison purpose.

2.1. Overall Results

Table 2.1.1 Embedded Value of PICC Life as at 30 June 2026 and 31 December 2025 (Unit: RMB Million)

	30/6/2026	31/12/2025
Risk Discount Rate	**Traditional Insurance: 8.5% Participating/ Universal Insurance: 7.5%**	**Traditional Insurance: 8.5% Participating/ Universal Insurance: 7.5%**
Adjusted Net Worth	114,728	100,360
Value of In-Force Business before CoC	60,633	53,652
Cost of Required Capital	(27,425)	(29,863)
Value of In-Force Business after CoC	33,209	23,789
Embedded Value	**147,937**	**124,149**

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

Table 2.1.2 Value of Half year's New Business of PICC Life as at 30 June 2026 and 30 June 2025 (Unit: RMB Million)

	30/6/2026	30/6/2025
Risk Discount Rate	**Traditional Insurance: 8.5% Participating/ Universal Insurance: 7.5%**	**Traditional Insurance: 8.5% Participating/ Universal Insurance: 7.5%**
Value of Half year's New Business before CoC	5,962	6,423
Cost of Required Capital	(784)	(1,502)
Value of Half year's New Business after CoC	**5,177**	**4,921**

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

Note: 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 assumptions as at 30 June 2026.

2.2. Results by Distribution Channels

The results of the value of half year's new business by distribution channel as at 30 June 2026 and 30 June 2025 are summarized in the table below.

Table 2.2.1 Value of Half year's New Business of PICC Life as at 30 June 2026 and 30 June 2025 by Distribution Channel (Unit: RMB Million)

Risk Discount Rate	Traditional Insurance: 8.5%, Participating/Universal Insurance: 7.5%			
Distribution Channel	Bancassurance	Individual insurance agent	Group sales	Total
Value of Half year's New Business after CoC (2026)	**2,633**	**2,521**	**24**	**5,177**
Value of Half year's New Business after CoC (2025)	2,871	2,043	7	4,921

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

Note: 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 assumptions as at 30 June 2026.

3. ASSUMPTIONS

The assumptions below are used for the valuation of the embedded value and value of half year's new business as at 30 June 2026.

3.1. Risk Discount Rate

An 8.5% risk discount rate assumption has been used for traditional insurance. A 7.5% risk discount rate assumption has been used for participating insurance and universal insurance.

3.2. Rate of Investment Return

A 4% p.a. investment return assumption has been used.

3.3. Policy Dividend

The expected level of participating policy dividend is based on the participating policy of PICC Life. The impact on the value of in-force business and value of half year's new business, which may be caused by the change in the level of participating policy dividend, is listed in the sensitivity test results.

3.4. Mortality and Morbidity

The assumptions on mortality and morbidity are set with due consideration of the prevailing experience of the industry, PICC Life's own experience and reasonable expectation on future, and the reinsurance rates obtained by PICC Life.

3.5. Claim Ratio

The claim ratio assumptions are applied to the short-term health, short-term accident and long-term guaranteed renewable health business. The claim ratio assumptions are set based on PICC Life's own experience. They are in the range from 50% to 90% of gross premium depending on the lines of business.

3.6. Lapse Rates

Lapse rate assumptions are based on PICC Life's own lapse experience and expectation of future experience. These assumptions vary by product line, payment mode and policy year. As the terms and conditions of the universal life business allow flexibility in premium payment, premium persistency assumptions are also set for regular premium universal life business.

3.7. Expenses and Commissions

Expense assumptions are set based on the operating experience, expense management approach and the expected future expense level of PICC Life. It is assumed that the future inflation rate is 2% p.a.

Commission assumptions are set based on overall commission level of PICC Life and vary by business lines.

3.8. Tax

The corporate income tax rate is assumed to be 25% of the taxable income. Partial income on government bonds other than capital gains/losses, dividend income from direct equity interest in domestic corporations and mutual funds are currently exempt from income tax.

4. SENSITIVITY TESTS

PICC Life has conducted sensitivity tests on the value of in-force business and value of half year's new business. In each of these 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 are summarized in Table 4.1.

Table 4.1 Value of In-Force Business and Value of Half year's New Business of PICC Life as at 30 June 2026 under Alternative Assumptions (Unit: RMB Million)

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 rate increased by 10%	33,398	5,169
Lapse rate 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 rates, the risk discount rates used for other scenarios are 8.5% for traditional insurance, 7.5% for participating/universal insurance.

INDEPENDENT ACTUARIES REVIEW OPINION REPORT ON EMBEDDED VALUE OF PICC HEALTH

Ernst & Young (China) Advisory Limited ("EY", "we" or "our") has been entrusted by PICC Health Insurance Company Limited ("PICC Health", the "company") to review its valuation of embedded value as at 30 June 2026. This report is prepared and to be enclosed in the 2026 interim report of the People's Insurance Company (Group) of China Limited. It summarises EY's work scope, the valuation methodology of the embedded value, valuation results and assumptions on which the valuation depends.

SCOPE OF WORK

Our scope of work covered:

- Review the valuation methodology for the embedded value and the value of half year's new business as at 30 June 2026;
- Review the assumptions used in the valuation of embedded value and value of half year's new business as at 30 June 2026;
- Review the various valuation results of the embedded value as at 30 June 2026, i.e. the embedded value, value of half year's new business and the sensitivity tests results of value of in-force business and value of half year's new business under alternative assumptions;
- Review the breakdown of value of half year's new business as at 30 June 2026 by distribution channels.

BASIS OF OPINION, RELIANCE AND LIMITATION

We carried out our review in accordance with the *Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance* ("Valuation Guidance") issued by the China Association of Actuaries ("CAA") in November 2016.

In the process of performing review and preparing this report, we relied on the accuracy and completeness of audited and unaudited data and information provided by PICC Health without independent verification. Where possible, we have reviewed the reasonableness and consistency of the data based on our understanding of insurance industry and PICC Health. Our review opinion herein this report is based on the accuracy and completeness of the data and information provided by PICC Health.

The calculation of embedded value involves expectations and assumptions regarding future experience to a great extent in terms of business operating performance, investment performance, and other economic and financial assumptions, many of which are beyond the company's control. Therefore, the actual results of operation in the future may deviate from the valuation results.

This report is addressed solely to PICC Health in accordance with the engagement letter signed by PICC Health and us. We have agreed that PICC Health provides the review opinion report to the People's Insurance Company (Group) of China Limited to be disclosed in its 2026 interim report. To the fullest extent permitted by applicable law, we do not accept or assume any responsibility, duty of care or liability to anyone other than PICC Health for or in connection with our review work, the opinions we have formed, or for any statement set forth in this report.

REVIEW OPINION

Based on our review, we concluded that:

- The valuation methodology for embedded value adopted by PICC Health meets the requirements of the *Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance* issued by China Association of Actuaries in November 2016;
- The economic assumptions adopted by PICC Health have taken into account the current investment market conditions and the investment strategy of PICC Health;
- The operating assumptions adopted by PICC Health have taken into account the company's historical experience and the expectation of future performance; and
- The embedded value results are consistent with its methodology and assumptions used. The aggregate results are reasonable.

On behalf of Ernst & Young (China) Advisory Limited

Zhenping Fu	Jia Zhang
FSA, FCAA	**FSA, FCAA**

30 June 2026 EMBEDDED VALUE REPORT OF PICC HEALTH INSURANCE COMPANY LIMITED

1. DEFINITION AND METHODOLOGY

1.1. Definition

A number of specific terms are used in this report. They are defined as follows:

- **Embedded Value ("EV")**: this is the sum of the adjusted net worth and value of in-force business as at the valuation date;
- **Adjusted Net Worth ("ANW")**: this is the fair value of the assets attributable to shareholders in excess of liabilities of the business as at the valuation date;
- **Value of In-Force Business ("VIF")**: this is the present value of future cash flows attributable to shareholders arising from the in-force business and the corresponding assets as at the valuation date. The assets contributing to the cash flows are those supporting the corresponding liabilities of in-force business;
- **Cost of Required Capital ("CoC")**: this is defined as the amount of capital required from shareholders at the valuation date and the present value of future movements of such capital (end of period value less start of period value), and the calculation should take into account the after-tax investment earnings on the assets backing such required capital;
- **Value of Half year's New Business ("VHNB")**: this is equal to the present value as at the policy issue dates of the future cash flows from the policies issued in the specified half year period and the corresponding assets. The assets contributing to the cash flows are those supporting the corresponding liabilities of new policies.

1.2. Methodology

China Association of Actuaries ("CAA") issued "*Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance*" in November 2016. PICC Health has determined the embedded value and the value of half year's new business based on "*Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance*".

PICC Health has adopted the commonly used embedded value approach in the industry. Both value of in-force business and value of half year's new business are calculated using the deterministic discounted cash flow method. Such approach is commonly used in the embedded value and value of new business calculated by the insurance companies listed in mainland China and Hong Kong. This approach does not directly calculate the costs of options and guarantees provided to policyholders; instead, it implicitly allows for the time value of options and guarantees and the uncertainty in achieving the projected future profits by risk discount rate.

2. RESULTS SUMMARY

In this section PICC Health has shown the results of this year as well as those of last year for comparison purpose.

2.1. Overall Results

Table 2.1.1 Embedded Value of PICC Health as at 30 June 2026 and 31 December 2025 (Unit: RMB Million)

	30/6/2026	31/12/2025
Risk Discount Rate	**Traditional insurance products 8.5% Participating and Universal insurance products 7.5%**	**Traditional insurance products 8.5% Participating and Universal insurance products 7.5%**
Adjusted Net Worth	17,697	15,359
Value of In-Force Business before CoC	25,287	22,121
Cost of Required Capital	(2,192)	(2,112)
Value of In-Force Business after CoC	23,095	20,010
Embedded Value	**40,793**	**35,369**

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

Table 2.1.2 Value of Half year's New Business of PICC Health for the 6 months up to 30 June 2026 and 30 June 2025 (Unit: RMB Million)

	30/6/2026	30/6/2025
Risk Discount Rate	**Traditional insurance products 8.5% Participating and Universal insurance products 7.5%**	**Traditional insurance products 8.5% Participating and Universal insurance products 7.5%**
Value of Half year's New Business before CoC	4,328	4,303
Cost of Required Capital	(470)	(496)
Value of Half year's New Business after CoC	**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 assumptions as at 30 June 2026.

2.2 Results by Distribution Channels

PICC Health split the value of half year's new business by distribution channel. The results of the value of half year's new business by distribution channel as at 30 June 2026 and 30 June 2025 are summarised in the table below.

Table 2.2.1 Value of Half year's New Business of PICC Health for the 6 months up to 30 June 2026 and 30 June 2025 by Distribution Channel (Unit: RMB Million)

Risk Discount Rate	Traditional Insurance: 8.5%, Participating/Universal Insurance: 7.5%			
Distribution Channel	Bancassurance	Individual insurance agent	Group sales	Total
Value of Half year's New Business after CoC (2026)	**620**	**3,452**	**(215)**	**3,857**
Value of Half year's New Business after CoC (2025)	359	3,669	(221)	**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 assumptions as at 30 June 2026.

3. ASSUMPTIONS

The assumptions below are used for the valuation of the embedded value and value of half year's new business as at 30 June 2026.

3.1.Risk Discount Rate

The discount rates for calculating embedded value and value of half year's new business are determined based on product types, with 8.5% applied to traditional insurance and 7.5% to participating and universal insurance.

3.2.Rate of Investment Return

A 3.5% p.a. investment return assumption has been used.

3.3.Policy Dividend

The expected level of participating policy dividend is based on the participating policy of PICC Health, whereby 70% of surplus arising from participating business is paid to policyholders. The impact on the value of in-force business and value of half year's new business, which may be caused by the change in the level of participating policy dividend, is listed in the sensitivity test results.

3.4.Mortality and Morbidity

The assumptions on mortality and morbidity are set with due consideration of the prevailing experience of the industry, PICC Health's own experience and the reinsurance rates obtained by PICC Health. Mortality assumptions are expressed as a percentage of the standard industry mortality tables: "China Life Insurance Mortality Table (2010-2013)". Morbidity assumptions are expressed as a percentage of "China Life Insurance Experienced Critical Illness Table (2020)". PICC Health includes the long-term deterioration trends in setting of the critical illness rate.

3.5.Claim Ratio

The claim ratio assumptions are applied to the short-term health, short-term accident and long-term guaranteed renewable health business. The claim ratio assumptions are set based on PICC Health's own experience. They are in the range from 8% to 150% of gross premium depending on the lines of business.

3.6.Lapse Rates

Lapse rate assumptions are based on PICC Health's own lapse experience and expectation of future experience. These assumptions vary by product line, payment mode and policy year. As the terms and conditions of the universal life business allow flexibility in premium payment, premium persistency assumptions are also set for regular premium universal life business.

3.7.Expenses and Commissions

Expense assumptions are set based on the operating experience, expense management approach and the expected future expense level of PICC Health. It is assumed that the future inflation rate is 2.0% p.a..

Commission assumptions are set based on overall commission level of PICC Health and vary by business lines.

3.8.Tax

The corporate income tax rate is assumed to be 25% of the taxable income. Income on government bonds other than capital gains/losses, dividend income from direct equity interest in domestic corporations and mutual funds are currently exempt from income tax.

VAT for accident insurance and other applicable business is in compliance with the relevant tax regulation.

4. SENSITIVITY TESTS

PICC Health has conducted sensitivity tests on the value of in-force business and value of half year's new business. In each of these 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 are summarised in Table 4.1.

Table 4.1 Value of In-Force Business and Value of Half year's New Business of PICC Health as at 30 June 2026 under Alternative Assumptions (Unit: RMB Million)

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 rate increased by 10%	22,862	3,737
Lapse rate 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% applied to traditional insurance products and 7.5% to participating and universal insurance products.

I. CORPORATE GOVERNANCE

(I) Overview

The Company always abides by the relevant laws such as the Company Law and the Insurance Law, earnestly performs the relevant regulatory requirements, the Articles of Association and other regulations and systems, insists on keeping good corporate governance principles, and strives to continuously enhance the corporate governance level to ensure the stable development of the Company and to enhance shareholders' value.

In the first half of 2026, the Company has complied with the relevant provisions of the SSE on corporate governance for listed companies and the Corporate Governance Code of Appendix C1 to the Listing Rules of the Stock Exchange, and the Company has a complete corporate governance structure. The shareholders' general meeting, the Board of Directors and senior management earnestly performed their respective duties pursuant to the aforesaid provisions and the Articles of Association, and operated in compliance with laws and regulatory requirements. There is no material discrepancy between the actual situation of corporate governance of the Company and the laws, regulations and the rules on the governance of listed companies of the CSRC.

During the reporting period, the Company convened one shareholders' general meeting and five meetings of the Board of Directors. In accordance with regulatory requirements, the announcements concerning the resolutions adopted at the above meetings were published on the website of the SSE, the website of the Hong Kong Stock Exchange and relevant information disclosure media.

There are five special committees under the Board of Directors, namely the Strategy and Investment/Sustainable Development Committee, the Risk Management & Consumers' Rights and Interests Protection Committee, the Audit Committee, the Nomination and Remuneration Committee and the Related Party Transactions Control Committee. Each committee provides advice and suggestions to the Board of Directors with respect to the matters within their scopes of responsibilities respectively. The duties and operation process of the special committees are explicitly stipulated in the terms of reference of each committee. During the reporting period, the Strategy and Investment/Sustainable Development Committee convened five meetings, the Risk Management & Consumers' Rights and Interests Protection Committee convened four meetings, the Audit Committee convened five meetings, the Nomination and Remuneration Committee convened three meetings, and the Related Party Transactions Control Committee convened two meetings.

(II) Changes in Directors and Senior Management

As at the date of this report, 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.

On 2 February 2026, the NFRA approved Ms. Yeung Cheung Ying's appointment as an independent non-executive Director of the Company. With effect from that date, Ms. Yeung Cheung Ying served as a member of the Strategy and Investment/Sustainable Development Committee, the Nomination and Remuneration Committee and the Related Party Transactions Control Committee of the Board of Directors.

On 29 April 2026, Ms. Zhang Zhongmin was nominated as a candidate for a non-executive Director of the fifth session of the Board of Directors of the Company at the 17th meeting of the fifth session of the Board of Directors of the Company. On 25 June 2026, Ms. Zhang Zhongmin was elected as a non-executive Director of the fifth session of the Board of Directors of the Company at the 2025 annual general meeting of the Company. Ms. Zhang Zhongmin's qualification to serve as a non-executive Director of the Company is subject to approval by the NFRA.

On 29 April 2026, Mr. Zhang Daoming was elected as the Vice President of the Company at the 17th meeting of the fifth session of the Board of Directors of the Company. On 24 June 2026, the NFRA approved Mr. Zhang Daoming's qualification to serve as the Vice-President of the Company.

On 31 May 2026, Ms. Ding Xiangqun resigned as an executive Director, the Chairperson of the Board of Directors and the Chairperson of the Strategy and Investment/Sustainable Development Committee of the Board of Directors of the Company due to work adjustment.

On 26 June 2026, Mr. Song Hongjun resigned as a non-executive Director of the Company and a member of the Strategy and Investment/Sustainable Development Committee and the Risk Management & Consumers' Rights and Interests Protection Committee of the Board of Directors due to his age. Before the new Director is approved by the NFRA and formally assumes duties, Mr. Song Hongjun will continue to perform the duties.

On 11 August 2026, Mr. Tan Jiong was nominated as a candidate for an executive Director of the fifth session of the Board of Directors of the Company at the 20th meeting of the fifth session of the Board of Directors of the Company and elected as the Chairman of the fifth session of the Board of Directors of the Company. On 28 August 2026, Mr. Tan Jiong was elected as an executive Director of the fifth session of the Board of Directors of the Company at the Company's 2026 first extraordinary general meeting. Mr. Tan Jiong's qualification to serve as an executive Director and the Chairman is subject to approval by the NFRA.

Save as disclosed above, the Company is not aware of other changes in the Directors' or the senior management's biographical details which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules of the Stock Exchange since the publication of the 2025 annual report of the Company and up to the date of this report.

(III) Share Incentive Scheme, Employee Share Ownership Scheme or Other Employee Incentive Measures of the Company and Their Impacts

During the reporting period, the Company did not implement any share incentive scheme, employee share ownership scheme or other employee incentive measures.

(IV) Interim Dividend

The Board of Directors proposed the distribution of an interim dividend of RMB0.11 (tax inclusive) per share for the six months ended 30 June 2026, amounting to a total of approximately 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 has been disclosed by the Company 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.

II. MOVEMENTS IN ORDINARY SHARES AND SHAREHOLDERS

(I) Movements in Share Capital

During the reporting period, there was no change in the total number of shares and the share capital structure of the Company.

(II) Shareholders

1. Total Number of shareholders

Total number of ordinary shareholders as of the end of the reporting period (Shareholder)	A shares: 157,192 H shares: 4,554
Total number of preferred shareholders with restored voting rights as of the end of the reporting period (Shareholder)	Not applicable

2. *Shareholdings of the top ten shareholders and top ten shareholders of circulating shares (or shareholders not subject to selling restrictions) as of the end of the reporting period*

Unit: Share

Shareholdings of the Top Ten Shareholders (Excluding the Lending Shares through Refinancing)							
Name of shareholder	Increase/ decrease during the reporting period	Number of shares held as at the end of the period	Proportion (%)	Number of shares held subject to selling restrictions	Pledged, marked or frozen shares		Nature of shareholder
					Status of the shares	Number	
MOF	–	26,906,570,608	60.84	–	–	–	The State
HKSCC Nominees Limited	405,000	8,707,410,103	19.69	–	Unknown	–	Foreign legal person
SSF	–	5,605,582,779	12.68	–	–	–	The State
Hong Kong Securities Clearing Company Limited	-27,099,076	225,642,767	0.51	–	–	–	Foreign legal person
New China Life Insurance Company Ltd. – Dividend – Individual Dividend – 018L-FH002 Hu	14,843,745	91,452,841	0.21	–	–	–	Others
New China Life Insurance Company Ltd.－Traditional – General Insurance Products－018L-CT001 Hu	-18,513,500	63,687,689	0.14	–	–	–	Others
Kong Fengquan	1,000,000	53,856,885	0.12	–	–	–	Domestic natural person
Basic Pension Insurance Fund Portfolio 1908	27,961,000	44,472,200	0.10	–	–	–	Others
Wang Linming	-100	30,869,225	0.07	–	–	–	Domestic natural person
National Social Security Fund Portfolio 101	-16,945,400	30,131,274	0.07	–	–	–	Others

Unit: Share

Shareholdings of the Top Ten Shareholders Not Subject to Selling Restrictions (Excluding the Lending Shares through Refinancing)			
Name of shareholder	Number of circulating shares held not subject to selling restrictions	Class and number of shares: Class	Number
MOF	26,906,570,608	A shares	26,906,570,608
HKSCC Nominees Limited	8,707,410,103	H shares	8,707,410,103
SSF	5,605,582,779	A shares	5,605,582,779
Hong Kong Securities Clearing Company Limited	225,642,767	A shares	225,642,767
New China Life Insurance Company Ltd. – Dividend – Individual Dividend – 018L-FH002 Hu	91,452,841	A shares	91,452,841
New China Life Insurance Company Ltd.－Traditional – General Insurance Products－018L-CT001 Hu	63,687,689	A shares	63,687,689
Kong Fengquan	53,856,885	A shares	53,856,885
Basic Pension Insurance Fund Portfolio 1908	44,472,200	A shares	44,472,200
Wang Linming	30,869,225	A shares	30,869,225
National Social Security Fund Portfolio 101	30,131,274	A shares	30,131,274
Details of securities account designated for share repurchase of the top ten shareholders	Not applicable		
Details of the above-mentioned shareholders' entrusting of voting rights, entrusted voting rights, and waiver of voting rights	Not applicable		
Details of the above shareholders who are related to each other or acting in concert	The Company is not aware of any related relationship among the above shareholders or any parties acting in concert as defined by the Measures for the Administration of the Takeover of Listed Companies		
Details of preferred shareholders with restored voting rights and the number of shares held by them	Not applicable		

Notes:

1. All shares of the Company are tradable shares.
2. HKSCC Nominees Limited holds shares on behalf of securities firm customers in Hong Kong and other CCASS participants. Relevant regulations of the Hong Kong Stock Exchange do not require such persons to declare whether their shareholdings are pledged, marked or frozen. Hence, HKSCC Nominees Limited is unable to calculate or provide the number of shares that are pledged, marked or frozen.
3. The shares under Hong Kong Securities Clearing Company Limited are held by the shareholders of the Shanghai Stock Connect.

3. Participation of shareholders holding more than 5% of the shares, the top ten shareholders and the top ten shareholders not subject to selling restrictions in the lending of shares through refinancing business

During the reporting period, the Company had none of the above.

4. *Changes in the top ten shareholders and the top ten shareholders not subject to selling restrictions compared to the previous period due to reasons related to lending/ repayment through refinancing*

During the reporting period, the Company had none of the above.

(III) Changes in Controlling Shareholder

During the reporting period, there was no change in the controlling shareholder of the Company.

(IV) Interests and Short Positions Required to be Disclosed by Shareholders under the Securities and Futures Ordinance

As far as the Directors of the Company are aware, as at 30 June 2026, the following shareholders (other than the Directors and senior management of the Company) had an interest or short position in the shares or underlying shares of the Company which is required to be disclosed to the Company pursuant to Sections 2 and 3 of Part XV of the Securities and Futures Ordinance, or is required to be recorded in the register to be kept by the Company under Section 336 of the Securities and Futures Ordinance:

Unit: Share, except for percentages

Name of shareholder	Capacity	Number of A shares	Nature of interests	Percentage of total issued A shares	Percentage of total issued shares
MOF	Beneficial owner	26,906,570,608	Long position	75.80%	60.84%
SSF	Beneficial owner	5,605,582,779	Long position	15.79%	12.68%

Unit: Share, except for percentages

Name of shareholder	Capacity	Number of H shares	Nature of interests	Percentage of total issued H shares	Percentage of total issued shares
JPMorgan Chase & Co. (Note)	Beneficial owner	104,901,268	Long position	1.20%	0.24%
	Beneficial owner	91,206,577	Short position	1.05%	0.21%
	Investment manager	81,688,433	Long position	0.94%	0.18%
	Person having a security interest in shares	16,006,259	Long position	0.18%	0.04%
	Approved lending agent	514,754,984	Long position	5.90%	1.16%
BlackRock, Inc. (Note)	Interest of controlled corporation	522,725,380	Long position	5.99%	1.18%
		47,126,000	Short position	0.54%	0.11%
The Capital Group Companies, Inc. (Note)	Interest of controlled corporation	439,017,000	Long position	5.03%	0.99%

Note: The Company's H shares are held through its certain controlled subsidiaries.

Save as disclosed above, as at 30 June 2026, the Company is not aware of any other shareholders having any interest or short positions in the shares or underlying shares of the Company, that is required to be recorded in the register to be kept under Section 336 of the Securities and Futures Ordinance.

(V) Changes in Shareholdings of Directors and Senior Management

During the reporting period, none of the Directors and senior management of the Company held shares in the Company.

III. ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

(I) Environmental Information

EPIC actively devotes into the national green development strategy, comprehensively deploys measures to advance the Group's green finance and ESG initiatives, and continuously improves the management level of sustainable information disclosures. The Group's MSCI ESG rating is upgraded to the highest level, AAA.

1. Strengthened Green Finance and ESG Governance

The Group continued to strengthen green finance and ESG governance framework, steadily refined green finance and ESG working mechanisms, and optimized ESG management indicator system. All departments and subsidiaries of the Group worked in concert to advance the implementation of key green finance and ESG initiatives. In the first half of 2026, the Group organized a meeting of the Green Finance Committee to assess the Group's green finance and ESG work, analyze the latest policy and practical developments, and put forward targeted management recommendations. The Group formulated and issued the Key Work of Green Finance and ESG of PICC Group in 2026, set out core work priorities in areas such as developing green insurance, practicing green investment, advancing green operations, addressing climate change and participating in the development of standards, with a view to enhancing the quality and efficiency of the Group's green finance and ESG work to higher standards.

2. Enhanced Green Finance Risk Management

The Group focused on development of green finance risk management system, comprehensively strengthening risk prevention and control capabilities, and enhancing the level of refined management. On the insurance side, the Group established an ESG rating system for enterprises insuring pilot products, and issued the Notice on Clarifying the Key Tasks for 2026 Regarding the Construction of the ESG Risk Assessment System for Insurance Clients, thereby providing theoretical guidance on ESG risk assessment methodology. The Group's independently developed green insurance management platform was selected for the "7th Digital Finance Innovation Case Library" by the National Finance and Development Laboratory, with its digital risk control capabilities receiving authoritative recognition in the industry. The Group deepened its focus on climate risk management, taking the lead in implementing the People's Bank of China's pilot program on climate physical risk stress testing on the insurance side. On the investment side, the Group steadily advanced the establishment of an ESG investment evaluation system, successfully incorporated ESG credit factors into credit rating models for pilot industries, and enhanced risk assessment and early warning capabilities by integrating solvency and credit risk considerations.

3. Strengthened Operation-side Carbon Emission Management

The Group is not a high pollution and high emission enterprise, and the main energy and resource consumption are water, electricity, gasoline, diesel and natural gas, and the main emissions are GHG emissions and exhaust gas emissions caused by energy consumption, office domestic wastewater emissions and solid waste emissions. In the first half of 2026, the Company and its subsidiaries were not found to have been subject to administrative penalties due to environmental issues during the reporting period. The Group developed a green finance and ESG information management system to support the statistical accounting of energy consumption and emissions across the Group, and promoted energy-saving and emissions-reduction management in the workplace and encouraged paperless working. In the first half of 2026, this resulted in a year-on-year saving of 55,000 sheets of printing paper, with consumption falling by approximately 6.3% year-on-year.

(II) Fulfillment of Social Responsibilities

1. Actively Fulfilled the Responsibilities and Missions as a Central Financial Enterprise

PICC earnestly focused on advancing the “Five Priorities” on finance, fully leveraged the function of the insurance as an economic shock absorber and social stabilizer, and continued to step up its support for national strategies and socioeconomy. 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%, and the claims expenses were RMB241.0 billion, representing a year-on-year increase of 3.2%, thereby contributing to the construction of a strong nation and the great cause of national rejuvenation through high-quality financial development.

In terms of technology finance, the Group continued to refine technology insurance product and service system, covering the entire chain and the full lifecycle. The Group launched the country’s first innovative insurance products, such as liability insurance for unmanned aerial vehicles and low-altitude property and quality insurance, organized a launch event for innovative technology insurance products and services, and took the lead in establishing a quantum technology co-insurance consortium. In the first half of 2026, premiums for technological activities insurance rose by 18.5% year-on-year, with the insurance liability amount of RMB28.3 trillion, serving over 260,000 technology enterprises.

In terms of green finance, the Group continued to enrich the supply system of green insurance products, launched specialized products such as “Hydrogen Energy Insurance” and strengthened insurance coverage in key sectors including solar, wind and hydroelectric power. In the first half of 2026, the Group’s premium income from green insurance increased by 12.2% year-on-year.

In terms of inclusive finance, the value of risk protection provided through inclusive insurance increased by 12.7% year-on-year in the first half of 2026, and the Group continuously promoted the "expand the coverage, increase the range of products and raise the standards" of agricultural insurance. Agricultural insurance provided 32.896 million times of risk protection of RMB1.4 trillion for farmers, and the Group claimed the highest rating of "Excellent" in the assessment of central units' targeted assistance for eight consecutive years.

In terms of pension finance, the first pillar received additional funding from the Social Security Fund for six consecutive times, and the second pillar pioneered the launch of the nation's first city-level, comprehensive annuity scheme for non-permanent staff. The Group developed and implemented the market's first nursing care insurance benefit trust business, and advanced the establishment of a health management company from a high starting point. The participation rate in the national pilot scheme for long-term nursing care insurance stood at 85.7%.

In terms of digital finance, the Group took the lead in the establishment of the "Artificial Intelligence Insurance Innovation Center of Guangdong-Hong Kong-Macao Greater Bay Area", pioneered the development of "Computing Power Insurance" to fill a gap in the risk protection system for the computing power industry, and processed the nation's first claims for embodied intelligent robots insurance. PICC Health's Internet-based health insurance services served over 85 million customers.

In terms of supporting the smooth operation of the dual circulation strategy, the Group promoted to integrating insurance provision more deeply into daily consumption scenarios, and provided services for sports 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 premiums for Group's overseas interests insurance business rose by 30.2% year-on-year.

In terms of supporting safe development, catastrophe insurance provided cover for nearly 500 million people across 169 prefectures and cities in 23 provinces (autonomous regions and municipalities directly under the central government), efforts were made to comprehensively strengthen the capabilities for handling major disaster claims, and the "PICC Rescue Team" was established to actively respond to major disasters such as Typhoons "Maysak" and "Bavi" and the landslide in Pengshui, Chongqing.

2. *Actively Engaged in Public Welfare and Charity Activities*

With the PICC Charity Foundation as the professional operation platform for public welfare and charity, the Group planned and carried out the 2026 "PICC Mother Health Express" health assistance public welfare project. During the two festivals, labor unions at all levels across the Group carried out 8,876 visits to extend condolences to employees who were ill or in financial difficulty, those affected by natural disasters, front-line staff and on-duty personnel, and distributed cash and goods worth RMB8.54 million. They also extended condolences to 139 village-based officials in Xinjiang and Tibet, disbursing RMB410,000 in condolence payments.

3. *Consolidated and Expanded the Achievements in Poverty Alleviation and Promoted the Rural Revitalization*

(1) Strengthened top-level design and fully implemented the decisions and arrangements of the central government

PICC attached great importance to targeted assistance and rural revitalization works, continuously strengthened its political awareness and responsibility, resolutely shouldered the regular responsibility of targeted assistance, and solidly served the overall work of the country. **Held specialized working meetings**. On 10 March 2026, Zhao Peng, the deputy secretary of the Party Committee and President of the Group, presided over the "Work Meeting of Serving the Modernization of Agriculture and Rural Areas and Solidly Advancing the Comprehensive Rural Revitalization" to thoroughly study and implement General Secretary Xi Jinping's important remarks and important instructions on the work of "agriculture, rural areas and farmers", earnestly implement the relevant task requirements of the Central No. 1 Document, and clearly define the annual key tasks. **Published specific work plans**. In March 2026, PICC formulated and issued the Work Plan for Targeted Assistance and Promotion of Rural Revitalization for 2026, and formulated a work task list to refine a total of 76 specific tasks in 5 categories, regularly supervised the work progress of key tasks, and ensured their solid and refined implementation. **Carried out grassroots levels research and strengthened supervision and guidance**. PICC has always adhered to conduct in-depth research and understand the actual conditions relating to the economy, society and industrial development of the grassroots levels and front-lines, and planned effective measures to solve the urgencies and difficulties of the people. In June 2026, a team led by Cai Zhiwei, the Vice President of the Group, conducted research at Ji'an County and Le'an County, Jiangxi Province; in May 2026, a team led by Tian Geng, the Vice President of the Group, conducted research at Huachuan County, Heilongjiang Province. Institutions at all levels of the Group have visited targeted assistance counties several times to conduct research and supervision and guidance to coordinate the resolution of various concerns.

(2) Focused on the mission goals and solidly advanced the implementation of all work tasks

PICC insisted on early and refined implementation, regularly supervised and guided and promoted the progress of targeted assistance work, and promoted the orderly implementation of key tasks. **In terms of financial assistance**, in accordance with the Group's overall donation quota, the Group drew up an allocation task plan to donate funds to the five assisted counties and introduce funds in 2026, and sought feedbacks from relevant subsidiaries. Through the PICC Charity Foundation, the Group donated Mother Health Express to the assisted counties and carried out school renovation and upgrading works. **In terms of consumption assistance**, the Group actively optimized and upgraded the procurement platform for consumption assistance, enhanced the matching platform model to reduce costs and improve efficiency, and externally integrated major suppliers across multiple platforms to prepare for consumption assistance in 2026. The Group actively participated in a series of activities such as the Spring Festival Action for Consumption Assistance, and issued consumption assistance proposals. **In terms of temporary cadres**, the Group actively promoted the rotation of temporary cadres to ensure "no interruption and no disconnection" in assistance work. The Group designated primary secretaries to villages, and allocated special assistance funds and office funds to solve the worries of temporary cadres as practicable as possible. The Group claimed the highest rating of "Excellent" in the assessment of central units' targeted assistance for eight consecutive years. The article "Empowering the Entire Yak Industry Chain through Multiple Measures and "Targeted Breakthroughs" Leading to "Comprehensive Revitalization" (《多措並舉賦能犛牛全產業鏈「精準突破」引領「全面振興」》)" was published in Issue 13 in 2026 of the regional cooperation and assistance briefing of the Ministry of Agriculture and Rural Affairs.

(3) Gave play to the advantages of insurance to promote the comprehensive rural revitalization vigorously and effectively

PICC always insisted on giving play to the functions of insurance as an economic shock absorber and social stabilizer to continuously help consolidate and expand the achievements of poverty alleviation and promote the comprehensive rural revitalization. **Contributed to enhancing the overall production capabilities, quality and efficiency of agriculture**. The Group remained committed to implementing the central policies of strengthening agriculture and benefiting farmers, and continuously promoted the "expand the coverage, increase the range of products and raise the standards" of agricultural insurance. As of 30 June 2026, agricultural insurance provided 32.896 million times of risk protection of RMB1.42 trillion for farmers. PICC's integrated "insurance, prevention, mitigation, rescue and compensation" service model, designed to safeguard the "one and a half tonnes of grain (噸半糧)" target, was selected as an innovative model of financial support for agriculture by the Ministry of Agriculture and Rural Affairs. **Supported for upholding the bottom line of no occurrence of scale re-poverty and poverty**. The Group fully exerted the role of insurance in targeted assistance for preventing re-poverty, closely focused on the demands of households with unstable poverty alleviation, households vulnerable to poverty and households with sudden serious difficulties, and strengthened cooperation with local governments. **Supported for the development of livable, business-friendly and harmonious villages**. The Group focused closely on infrastructure construction, the provision of public services and the improvement of the ecological environment in rural areas, strengthened the supply of innovative insurance products and services to help accelerate the addressing of shortcomings in modern living conditions in rural areas, served and protected farmers to live and work in peace and contentment and ensured stability and tranquility in rural communities.

4. Protection of Consumer Rights and Interests

In the first half of 2026, the Group remained committed to prioritizing the interests of the people, actively established a consumer protection work pattern characterized by "full participation, process integration, adequate resources, and upgraded services", and continuously improved the capabilities and levels in the protection of consumer rights and interests.

(1) Deepened the construction of systems and mechanisms for protecting consumer rights and interests

The Group continued to strengthen the top-level coordination and design of consumer protection, convened annual consumer rights and interests protection conference, anchored efforts in the value orientation of finance for the people, clarified the key priorities for the annual consumer protection work, and led the way in shaping a positive image characterized by trustworthiness, reliability and warmth. The latest Net Promoter Score (NPS) survey data showed that PICC P&C, PICC Life and PICC Health recorded scores of 49.82%, 43.42% and 43.19% respectively, with overall customer satisfaction rising steadily. A total of seven case studies across the Group were selected for the "2025 Financial Consumer Rights and Interests Protection and Service Innovation Case", with the Group's relevant initiatives in consumer rights and interests protection receiving widespread recognition in the industry.

(2) Continuously promoted improvements in the quality and efficiency of complaint governance

The Group set targets for reducing and managing and controlling complaints, routinely implemented work mechanisms for regular analysis and reporting of complaints as well as specialized supervision and guidance, innovatively introduced a penetrative supervision and management model, and conducted quarterly specialized supervisory and guiding inspections of key provincial-level institutions. The Group iteratively optimized its NPS monitoring and management system, launched a real-time survey function covering the entire customer journey, and implemented a closed-loop resolution process for each ticket involving low satisfaction feedback, achieving significant results in the early resolution of front-end disputes. In the first half of 2026, the Group's total number of customer complaints fell by 4.08% year-on-year, with the overall scale of complaints continuing to decline. By business line: the number of complaints in the P&C insurance line fell by 3.79% year-on-year, among which, vehicle insurance-related complaints accounted for 82.9% of all P&C insurance complaints, with claims-related disputes being the primary type, accounting for 66.6%. In the life and health insurance line, the number of complaints fell by 6.4% year-on-year, among which, disputes relating to policy surrenders accounted for 42.8%, claims-related disputes accounted for 35.8%, and sales-related disputes accounted for 6%.

(3) Implementation and effectiveness of key consumer rights and interests protection mechanisms

The Group coordinated and promoted the implementation of the new regulations on the suitability management of financial products across the entire organization, establishing a closed-loop supervisory system ensuring end-to-end chain at the pre-transaction stage and comprehensive, full-dimensional penetration at the post-transaction stage. Prior to the implementation of the new regulatory requirements, the Group organized a comprehensive, end-to-end self-assessment across the entire organization, and following implementation, it continued to carry out penetrative monitoring and supervision and guidance, thereby effectively strengthening the foundations of compliant business management.

(4) Innovative financial education platforms to enhance the effectiveness of public education and outreach

The Group solidly organized and carried out concentrated public awareness campaigns for "3•15" and "5•15", as well as the "Silver-Haired Classroom in Residential Communities (銀髮課堂進院落)" initiative, covering over 2,000 communities and elderly care service organizations. By utilizing the "Financial Information Card (金融明白卡)", the Group established regular public education touchpoints lessons, reaching a cumulative total of over 73 million personnel times. The Group's series of reports on "Digital and Intelligent Consumption Protection for the Benefit of People's Livelihoods (數智消保惠民生)" was published by leading central media outlets, fully demonstrating the service efficiency and human touch of digitalization in empowering consumption protection work.

Significant Events

I. MATERIAL LAWSUITS AND ARBITRATION

The Company had no material lawsuits or arbitration during the reporting period.

II. RELATED PARTY TRANSACTIONS

(I) Connected Transactions under the Regulatory Standards of the Hong Kong Stock Exchange

During the reporting period, the Company had not conducted any connected transactions or continuing connected transactions that are required to be reported, announced or obtain independent shareholders' approval in accordance with Chapter 14A (Connected Transactions) of the Listing Rules of the Stock Exchange.

(II) Related Party Transactions under the Regulatory Standards of the SSE

In accordance with the SSE Listing Rules and other regulatory requirements, the SSF constitutes a related party of the Company under the regulatory rules of the SSE. Since 2017, the SSF has entrusted PICC AMC to manage part of its assets. As of 30 June 2026, the scale of assets under the management of PICC AMC was RMB12,157 million. During the reporting period, PICC AMC accrued assets management fee income of RMB8.0334 million. The above-mentioned transactions do not constitute major related party transactions and do not meet the disclosure standard of related party transactions.

(III) Overall Situation of Related Party Transactions under the Regulatory Standards of the NFRA

During the reporting period, the types of related party transactions of the Company under the regulatory standards of the NFRA mainly include related party transactions in relation to services, use of funds and insurance business. The Company did not have any significant related party transactions under the regulatory standards of the NFRA.

According to the requirements of the Administrative Measures on Related-party Transactions of Banking and Insurance Institutions, the types of related party transactions between the holding subsidiaries of the Company (excluding financial institutions that have been regulated by the industry) and the related parties of the Company under the regulatory standards of the NFRA mainly include related party transactions in relation to services, use of funds and insurance business.

The Company carried out the identification, consideration, disclosure and reporting work of related party transactions in accordance with laws and regulations, and actively cooperated with the related party transaction monitoring system for recording and reporting. The pricing of related party transactions was in line with the fairness requirements.

III. COMMITMENTS OF THE COMPANY, SHAREHOLDERS, DIRECTORS, SENIOR MANAGEMENT OR OTHER RELATED PARTIES DURING OR CONTINUED IN THE REPORTING PERIOD

Background	Commitment type	Commitment party	Commitment	Time of commitment	Performance term or not	Commitment period	Performed in time and strictly or not
Commitments related to the initial public offering	Others	MOF	Shareholders' intention to hold shares and commitments in relation to reducing their holdings in the Company's Prospectus.	16 November 2018	Yes	Effective from 16 November 2018	Yes
		SSF	Shareholders' intention to hold shares and commitments in relation to reducing their holdings in the Company's Prospectus.	16 November 2018	Yes	Effective from 16 November 2018	Yes
	Dividend	The Company	The dividend commitment in the Company's Prospectus.	16 November 2018	Yes	Effective from 16 November 2018	Yes
	Others	The Company	Commitment to take remedial measures for the dilution impact on immediate return in the Company's Prospectus.	16 November 2018	Yes	Effective from 16 November 2018	Yes
		Directors and senior management	Commitment to take remedial measures for the dilution impact on immediate return in the Company's Prospectus.	16 November 2018	Yes	Effective from 16 November 2018	Yes
	Others	The Company	Commitment in relation to the contents of the Prospectus in the Company's Prospectus.	5 November 2018	Yes	Effective from 5 November 2018	Yes
		Directors and senior management	Commitment in relation to the contents of the Prospectus in the Company's Prospectus.	5 November 2018	Yes	Effective from 5 November 2018	Yes

IV. NON-OPERATING CAPITAL ATTRIBUTABLE TO CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES OF THE COMPANY

During the reporting period, the controlling shareholder and other related parties of the Company did not occupy any non-operating capital of the Company.

V. SUSPECTED VIOLATIONS OF LAWS AND REGULATIONS BY THE COMPANY AND ITS CONTROLLING SHAREHOLDER, DIRECTORS AND SENIOR MANAGEMENT, AND RELEVANT PENALTIES AND RECTIFICATIONS

During the reporting period, the Company was not involved in any investigation of suspected commission of offences. The Company's controlling shareholder, Directors and senior management were not subject to any legally enforceable measures due to suspected commission of offences. The Company and its controlling shareholder, Directors and senior management were not subject to any criminal penalty, involved in any investigation by the CSRC or subject to any administrative penalty by the CSRC due to suspected violations of laws and regulations, or subject to any material administrative penalty imposed by other competent authorities. The Company's controlling shareholder, Directors and senior management were not suspected of committing serious laws or disciplinary offences or job-related crimes and being subject to detention measures by disciplinary inspection and supervision authorities and affecting the performance of their duties. The Company's Directors and senior management were not suspected of violating the laws and regulations and being subject to compulsory measures by other competent authorities and affecting the performance of their duties.

The existing and resigned Directors and senior management of the Company prior to the date of this report were not subject to any penalty by securities regulators within latest three years.

VI. EXPLANATION OF THE INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER

During the reporting period, the Company and its controlling shareholder did not report any failure to perform the effective obligations established by legal instruments of the court, or to pay outstanding debts with a large amount when due.

VII. MATERIAL CONTRACTS

During the reporting period, the Company neither acted as trustee, contractor or lessee of other companies' assets, nor entrusted, contracted or leased its assets to other companies, the profit or loss from which accounted for 10% or more of the Company's total profits for the reporting period, nor were there any such matters occur or those that occurred in previous periods but subsisted during the reporting period, and there were no other material contracts.

VIII. EXTERNAL GUARANTEES

During the reporting period, the Company and its subsidiaries did not have external guarantees, and there were no guarantees provided by the Company and its subsidiaries to subsidiaries. Therefore, during the reporting period, the Company did not enter into any guarantee contracts in violation of laws, administrative regulations and the procedures for resolution of external guarantees as prescribed by the CSRC.

IX. PURCHASE, DISPOSAL OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

As at 30 June 2026, the Company did not hold any treasury shares.

X. COMPLIANCE WITH LAWS AND REGULATIONS

The Company had complied with relevant laws and regulations which had significant impact on the businesses and operations of the Company in all material aspects during the reporting period.

XI. 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.

XII. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has established the Interim Management Measures for Shareholdings and the Changes of Shares of the Company's Directors, Supervisors and Senior Management (the "Measures") to regulate the dealing in securities by Directors and Senior Management. The Measures are no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules of the Stock Exchange and the relevant regulatory requirements of the SSE Listing Rules. Following enquiries made by the Company, all Directors and Senior Management confirmed that they had complied with the Model Code, the relevant regulatory requirements of the SSE and the standards of the Measures during the reporting period.

Report on Review of Interim Financial Information

To the Board of Directors of The People's Insurance Company (Group) of China Limited

(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 90 to 120, which comprises the interim condensed consolidated statement of financial position of The People's Insurance Company (Group) of China Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the interim condensed consolidated income statement, the interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting (*"IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong

28 August 2026

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

The accompanying notes form an integral part of the interim condensed consolidated financial information.

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)
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

The accompanying notes form an integral part of the interim condensed consolidated financial information.

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

(Amounts in millions of Renminbi, unless otherwise stated)

	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

The interim condensed consolidated financial information on pages 90 to 120 was approved and authorised for issue by the Board of Directors on 28 August 2026 and is signed on its behalf by:

Zhao Peng
DIRECTOR

Xiao Jianyou
DIRECTOR

The accompanying notes form an integral part of the interim condensed consolidated financial information.

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.

The accompanying notes form an integral part of the interim condensed consolidated financial information.

(Amounts in millions of Renminbi, unless otherwise stated)

	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.

The accompanying notes form an integral part of the interim condensed consolidated financial information.

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)
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

The accompanying notes form an integral part of the interim condensed consolidated financial information.

(Amounts in millions of Renminbi, unless otherwise stated)

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.

(Amounts in millions of Renminbi, unless otherwise stated)

3. OPERATING SEGMENT INFORMATION (continued)

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

(Amounts in millions of Renminbi, unless otherwise stated)

3. OPERATING SEGMENT INFORMATION (continued)

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

(Amounts in millions of Renminbi, unless otherwise stated)

3. OPERATING SEGMENT INFORMATION (continued)

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

(Amounts in millions of Renminbi, unless otherwise stated)

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

(Amounts in millions of Renminbi, unless otherwise stated)

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)

(Amounts in millions of Renminbi, unless otherwise stated)

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.

(Amounts in millions of Renminbi, unless otherwise stated)

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.

(Amounts in millions of Renminbi, unless otherwise stated)

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

(Amounts in millions of Renminbi, unless otherwise stated)

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.

(Amounts in millions of Renminbi, unless otherwise stated)

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

(Amounts in millions of Renminbi, unless otherwise stated)

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).

(Amounts in millions of Renminbi, unless otherwise stated)

19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

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%

(Amounts in millions of Renminbi, unless otherwise stated)

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%).

(Amounts in millions of Renminbi, unless otherwise stated)

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%).

(Amounts in millions of Renminbi, unless otherwise stated)

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

25. RISK MANAGEMENT

The Group's activities are exposed to insurance risk and varieties of financial risks. The Group issues contracts that transfer insurance risk, financial risk or both. The key financial risk is that proceeding from the sale of financial assets will not be sufficient to fund the obligations arising from the Group's insurance and investment contracts. The most important components of financial risks are credit risk, liquidity risk and market risk.

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

There have been no significant changes in the Group's risk management processes since 31 December 2025 or in any risk management policies.

26. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

This note provides information on how the Group determines the fair values of major financial assets and financial liabilities. Details of fair value measurements of investment properties are disclosed in note 20 to the interim condensed consolidated financial information.

The Group's financial assets mainly include cash and cash equivalents, financial assets measured at fair value through profit or loss, term deposits, financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, restricted statutory deposits, etc.

The Group's financial liabilities mainly include financial liabilities measured at fair value through profit or loss, securities sold under agreements to repurchase, investment contract liabilities and bonds payable, etc.

For the carrying amounts and fair values of financial assets measured at amortized cost and bonds payable that are not measured at fair value, are disclosed in note 26 (c) of the interim condensed consolidated financial information.

The carrying amounts of other financial assets and financial liabilities approximate to their fair values.

(Amounts in millions of Renminbi, unless otherwise stated)

26. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(a) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and input(s) used).

Items	Fair value 30 June 2026	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets measured at fair value through profit or loss	229,445	Level 1	Quoted bid prices in an active market.
Financial assets measured at fair value through profit or loss	168,260	Level 2	Valuations are generally obtained from third-party valuation service providers for identical or comparable assets based on directly or indirectly observable market inputs, or through the use of valuation methodologies using observable market inputs.
Financial assets measured at fair value through profit or loss	49,354	Level 3	Valuation techniques with non-observable input value are used to determine fair value, such as adjustment for liquidity restriction, comparable company method, net asset value method and recent financing price.
Financial assets measured at fair value through profit or loss	16,255	Level 3	Fair value of the investments is based on the use of internal discounted cash flow valuation models.
Debt instruments measured at fair value through other comprehensive income	17,908	Level 1	Quoted bid prices in an active market.
Debt instruments measured at fair value through other comprehensive income	638,979	Level 2	Valuations are generally obtained from third-party valuation service providers for identical or comparable assets based on directly or indirectly observable market inputs, or through the use of valuation methodologies using observable market inputs.
Equity instruments measured at fair value through other comprehensive income	84,289	Level 1	Quoted bid prices in an active market.
Equity instruments measured at fair value through other comprehensive income	54,856	Level 2	Valuations are generally obtained from third-party valuation service providers for identical or comparable assets based on directly or indirectly observable market inputs, or through the use of valuation methodologies using observable market inputs.
Equity instruments measured at fair value through other comprehensive income	217	Level 3	Valuation techniques with non-observable input value are used to determine fair value, such as adjustment for liquidity restriction, comparable company method, net asset value method and recent financing price.
Equity instruments measured at fair value through other comprehensive income	24,974	Level 3	Fair value of the investments is based on the use of internal discounted cash flow valuation models.
Financial liabilities measured at fair value through profit or loss	37,303	Level 2	Valuations are generally obtained from third-party valuation service providers for identical or comparable assets based on directly or indirectly observable market inputs, or through the use of valuation methodologies using observable market inputs.

(Amounts in millions of Renminbi, unless otherwise stated)

26. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(a) Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Items	Fair value 31 December 2025	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets measured at fair value through profit or loss	183,784	Level 1	Quoted bid prices in an active market.
Financial assets measured at fair value through profit or loss	161,558	Level 2	Valuations are generally obtained from third-party valuation service providers for identical or comparable assets based on directly or indirectly observable market inputs, or through the use of valuation methodologies using observable market inputs.
Financial assets measured at fair value through profit or loss	45,539	Level 3	Valuation techniques with non-observable input value are used to determine fair value, such as adjustment for liquidity restriction, comparable company method, net asset value method and recent financing price.
Financial assets measured at fair value through profit or loss	18,836	Level 3	Fair value of the investments is based on the use of internal discounted cash flow valuation models.
Debt instruments measured at fair value through other comprehensive income	14,509	Level 1	Quoted bid prices in an active market.
Debt instruments measured at fair value through other comprehensive income	592,818	Level 2	Valuations are generally obtained from third-party valuation service providers for identical or comparable assets based on directly or indirectly observable market inputs, or through the use of valuation methodologies using observable market inputs.
Equity instruments measured at fair value through other comprehensive income	70,514	Level 1	Quoted bid prices in an active market.
Equity instruments measured at fair value through other comprehensive income	73,219	Level 2	Valuations are generally obtained from third-party valuation service providers for identical or comparable assets based on directly or indirectly observable market inputs, or through the use of valuation methodologies using observable market inputs.
Equity instruments measured at fair value through other comprehensive income	316	Level 3	Valuation techniques with non-observable input value are used to determine fair value, such as adjustment for liquidity restriction, comparable company method, net asset value method and recent financing price.
Equity instruments measured at fair value through other comprehensive income	24,997	Level 3	Fair value of the investments is based on the use of internal discounted cash flow valuation models.
Financial liabilities measured at fair value through profit or loss	22,210	Level 2	Valuations are generally obtained from third-party valuation service providers for identical or comparable assets based on directly or indirectly observable market inputs, or through the use of valuation methodologies using observable market inputs.

During the six months ended 30 June 2026, the Group transferred certain financial assets with a carrying amount of RMB2,763 million (six months ended 30 June 2025: RMB10,662 million) from Level 1 to Level 2 due to changes in availability of quoted prices in active markets. The Group transferred certain financial assets with a carrying amount of RMB8,272 million (six months ended 30 June 2025: RMB10,555 million) from Level 2 to Level 1 during the current interim period due to changes in availability of quoted prices in active markets.

(Amounts in millions of Renminbi, unless otherwise stated)

26. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(b) Reconciliation of Level 3 fair value measurements

	Six months ended 30 June 2026	Six months ended 30 June 2025
Beginning of the period	89,688	80,959
Losses recognised in other comprehensive income	(287)	(195)
Additions	2,474	6,127
Gains/(losses) recognised in profit or loss	5,259	(422)
Transfer from Level 3 to Level 1	(105)	–
Disposals	(6,229)	(5,166)
End of the period	90,800	81,303

As at 30 June 2026 and 30 June 2025, the majority of Level 3 assets and liabilities measured at fair value mainly uses unobservable inputs such as the discount rate, liquidity discount, comparable company multiples etc. in valuation.

(c) Fair value of financial assets and liabilities not measured at fair value

The following table shows an analysis of financial instruments not recorded at fair value but for which fair value is disclosed by level of the fair value hierarchy:

	30 June 2026 Carrying amount	30 June 2026 Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at amortized cost	317,234	2,991	197,171	131,536	331,698
Financial liabilities					
Bonds payable	41,590	–	42,206	–	42,206

(Amounts in millions of Renminbi, unless otherwise stated)

26. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial assets and liabilities not measured at fair value (continued)

	31 December 2025 Carrying amount	31 December 2025 Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at amortized cost	322,656	4,004	197,875	144,475	346,354
Financial liabilities					
Bonds payable	41,806	–	42,132	–	42,132

Financial assets and liabilities for which fair values approximate to carrying amounts are not included in the above disclosure.

The fair value of debt instruments classified within Level 3 of the hierarchy is determined by the discounted cash flow model. The significant inputs in this model are the estimated cash flow and the discount rate that represents the risk of counterparty and the Group.

27. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

Given the nature of the insurance business, the Group is involved in legal proceedings in the ordinary course of business, including as plaintiff or defendant in litigation and arbitration. These legal proceedings primarily involve claims arising from the Group's insurance policies, and some losses arising therefrom may be partly indemnified by reinsurers or recoverable through other means, including salvages and subrogation. During the six months ended 30 June 2026, the Group was involved in similar legal proceedings related to certain insurance business activities. The claim amounts in these cases are significant, and the proceedings remain ongoing. While the outcomes of these contingencies, lawsuits or other proceedings cannot currently be determined, and the likelihood and amounts of any potential losses cannot be reliably estimated, the Group believes that any resulting liabilities, if any, will not have a material adverse effect on the financial position as at 30 June 2026 or on its operating results for the six months ended 30 June 2026.

(b) Capital commitments

	30 June 2026	31 December 2025
Property and equipment/intangible assets commitments:		
Contracted, but not provided for	2,151	1,293

	30 June 2026	31 December 2025
Investment commitments:		
Contracted, but not provided for	6,866	7,861

(Amounts in millions of Renminbi, unless otherwise stated)

28. RELATED PARTY DISCLOSURES

(a) The Company is a state-owned enterprise and its controlling shareholder is the MOF.

(b) During the six months ended 30 June 2026 and 30 June 2025, the Group had the following significant related party transactions:

Transactions with associates	Six months ended 30 June 2026	Six months ended 30 June 2025
Industrial Bank		
Gross written premiums	10	8
Interest income	75	105
Dividend income	2,856	2,840
Claims and policyholders' benefits	97	85
Handling charges and commission expenses	9	17
Hua Xia Bank		
Gross written premiums	7	7
Interest income	31	26
Dividend income	820	782
Claims and policyholders' benefits	1	3
Handling charges and commission expenses	2	–
Other associates		
Gross written premiums	1	–
Interest income	–	13
Dividend income	203	280
Other income	7	7

Transactions with these associates were conducted on a basis with reference to prevailing rates with other third parties.

(c) Balances with related parties

Receivables from associates	30 June 2026	31 December 2025
Industrial Bank		
Cash and cash equivalents	2,811	2,817
Term deposits	662	4,169
Hua Xia Bank		
Cash and cash equivalents	181	91
Term deposits	3,424	3,572
Other associates		
Other assets	5	–

Payables to associates	30 June 2026	31 December 2025
Other associates		
Other liabilities	21	13

28. RELATED PARTY DISCLOSURES (continued)

(d) Key management personnel

Key management personnel of the Company include certain directors and senior management.

No transactions were entered into with the key management personnel during the six months ended 30 June 2026 and the six months ended 30 June 2025 other than the emoluments RMB6 million (six months ended 30 June 2025: RMB5 million) paid to them (being the key management personnel compensation).

(e) Transactions with state-owned entities in the PRC

The MOF is the controlling shareholder of the Company. The MOF is a component of the State Council of the PRC ("State Council") and performs government functions such as finance, taxation and management of state-owned assets authorised by the State Council.

The Group's key business is insurance and investment related and therefore the business transactions with other government-related entities primarily include sales of insurance policies, purchase of reinsurance, deposits placed with banks, investments in debts or bonds and commissions paid to banks and postal offices for insurance policies distributed.

The Group considers that transactions with government-related entities are activities conducted in the ordinary course of business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those government-related entities are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are government-related entities.

Due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group.

29. EVENTS AFTER THE REPORTING PERIOD

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

(2) 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.

(3) On 28 August 2026, the Board of Directors of the Company proposed an interim dividend of RMB0.11 (tax inclusive) per share for the six months ended 30 June 2026, totalling approximately RMB4,865 million. This proposal is subject to the approval of the shareholders at the general meeting.

PICC

中国人民保险集团股份有限公司

THE PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LIMITED