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中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

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

(Stock Code: 2328)

UNAUDITED RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2026

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

The Board of Directors of the Company announces the unaudited results for the nine months ended 30 September 2026 of the Company (exclusive of its subsidiaries). The financial information included in this announcement was prepared in accordance with the PRC Accounting Standards for Business Enterprises and has not been audited.

I. Operating Analysis of Principal Activities

In the first three quarters of 2026, the Company resolutely implemented the major decisions and plans of the CPC Central Committee, focused on the strategic goal of PICC Group, adhered to the general principle of pursuing progress while ensuring stability, and accelerated the transition between old and new growth drivers. The Company strengthened professional operations, deepened digital-intelligent empowerment, and improved risk prevention. Building on the previous dynamic optimisation of the business structure, the Company focused on expanding the incremental markets and increased the proportion of protection-oriented business with high quality and effectiveness. In the first three quarters of 2026, the Company achieved an insurance revenue of RMB395,049 million, representing a year-on-year increase of 2.4%, recorded an underwriting profit¹ of RMB16,545 million, representing a year-on-year increase of 11.3%, recorded a combined ratio² of 95.8%, representing a year-on-year decrease of 0.3 pp, and realised a net profit of RMB25,954 million.

(i) Insurance Business

The Company remained steadfast in pursuing high-quality development, accelerated the transition between old and new growth drivers, prioritised strategic positioning in incremental markets and made every effort to cultivate new premium growth drivers. In the first three quarters of 2026, the Company achieved an insurance revenue of RMB395,049 million, representing a year-on-year increase of 2.4%, among which, the insurance revenue of the motor vehicle insurance amounted to RMB231,254 million, representing a year-on-year increase of 1.6%, and the insurance revenue of the non-motor vehicle insurance amounted to RMB163,795 million, representing a year-on-year increase of 3.5%.

¹ Underwriting profit = insurance revenue - insurance service expenses - (allocation of reinsurance premiums paid - amounts recovered from reinsurance contracts held) - (finance expenses/(income) from insurance contracts issued - finance income/(expenses) from reinsurance contracts held) - change in premium reserves

² Combined ratio = [insurance service expenses + (allocation of reinsurance premiums paid - amounts recovered from reinsurance contracts held) + (finance expenses/(income) from insurance contracts issued - finance income/(expenses) from reinsurance contracts held) + change in premium reserves]/insurance revenue

In the first three quarters of 2026, the Company achieved an original insurance premium income³ of RMB450,501 million, representing a year-on-year increase of 1.7%. The following table sets forth the breakdown of the Company's original insurance premium income by insurance type for the first three quarters of 2026:

	Original insurance premium income <i>RMB million</i>	Year-on-year change %
Motor vehicle insurance	220,356	0.1
Accidental injury and health insurance	104,836	6.1
Agriculture insurance	51,772	-0.8
Liability insurance	35,689	12.7
Commercial property insurance	15,157	1.9
Other insurance	22,691	-11.0
Total	450,501	1.7

The Company continuously improved its business structure, enhanced its risk-based pricing capabilities, and strengthened its underwriting and claims management. The Company maintained strict expense control, deepened efforts in cost reduction and efficiency enhancement, and strengthened risk mitigation services. In the first three quarters of 2026, the Company achieved an underwriting profit of RMB16,545 million, representing a year-on-year increase of 11.3%, with a combined ratio of 95.8%, representing a year-on-year decrease of 0.3 pp. Among which, the underwriting profit (*Note*) of the motor vehicle insurance amounted to RMB13,269 million, with a combined ratio of 94.3%, representing a year-on-year decrease of 0.5 pp, and the underwriting profit (*Note*) of the non-motor vehicle insurance amounted to RMB3,276 million, with a combined ratio of 98.0%, remaining the same as that in the same period of the previous year.

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

(ii) Insurance Fund Investment Business

The Company has always adhered to the long-term and prudent investment philosophy. In the third quarter of 2026, the total investment income recorded a year-on-year decrease due to the impact of volatility in the secondary market equity assets, coupled with a relatively high base of investment income arising from the sharp rally in the equity market in the same period of last year. In the first three quarters of 2026, the Company achieved a total investment income⁴ of RMB18,012 million and a total investment yield⁵ (unannualised) of 2.5%.

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

⁴ Total investment income = investment income + interest revenue + net gains/(losses) on fair value changes + rental income - investment asset impairment losses - interest expenses of securities sold under agreements to repurchase

⁵ Total investment yield = total investment income/(average of total investment assets at the beginning of the period and at the end of the period - average of securities sold under agreements to repurchase at the beginning of the period and at the end of the period). Among which, total investment assets mainly include cash and cash equivalents, term deposits, financial assets purchased under resale agreements, financial investments, investments in subsidiaries and associates, restricted statutory deposits, investment properties.

II. Solvency Margin

According to the Rules for the Supervision of Insurance Company Solvency (II) (Yin Bao Jian Fa (2021) No.51) and the relevant notices issued by the National Financial Regulatory Administration, the Company disclosed its summary of solvency margin report for the third quarter of 2026 on the official website of the Company (property.picc.com) and the website of the Insurance Association of China (www.iachina.cn) on 30 October 2026.

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

	As at 30 September 2026 <i>RMB million</i> Unaudited	As at 31 December 2025 <i>RMB million</i> Audited	Change %
Actual capital	299,182	287,896	3.9
Core capital	267,641	264,301	1.3
Minimum capital	131,065	123,864	5.8
Comprehensive solvency margin ratio	228.3%	232.4%	Decreased by 4.1 pp
Core solvency margin ratio	204.2%	213.4%	Decreased by 9.2 pp

III. Financial Statements

(i) Statement of Financial Position of the Company

Items	As at 30 September 2026 <i>RMB million</i> Unaudited	As at 31 December 2025 <i>RMB million</i> Audited
Cash and cash equivalents	9,661	9,993
Term deposits	66,536	64,335
Financial assets purchased under resale agreements	6,503	14,193
Financial investments:	607,715	584,387
Financial assets at fair value through profit or loss	158,635	147,225
Financial assets at amortised cost	150,496	149,892
Debt financial assets at fair value through other comprehensive income	196,354	170,765
Equity financial assets at fair value through other comprehensive income	102,230	116,505
Insurance contract assets	237	764
Reinsurance contract assets	41,828	43,129
Investments in subsidiaries and associates	79,608	76,620
Restricted statutory deposits	4,551	4,561
Investment properties	4,834	4,901
Property and equipment	20,273	21,085
Right-of-use assets	1,158	1,210
Intangible assets	5,916	6,762
Deferred income tax assets	17,167	9,547
Other assets	11,229	13,915
TOTAL ASSETS	877,216	855,402
Securities sold under agreements to repurchase	53,028	65,775
Premiums received in advance	5,486	9,075
Salaries and staff welfare payables	24,037	25,938
Tax payable	5,308	6,236
Investment contract liabilities	1,721	1,725
Premium reserves	1,933	359
Bonds payable	12,332	12,076
Insurance contract liabilities	450,447	433,087
Reinsurance contract liabilities	52	31
Lease liabilities	1,116	1,170
Other liabilities	25,601	14,220
TOTAL LIABILITIES	581,061	569,692
Issued capital	22,242	22,242
Share premium account	10,484	10,486
Other comprehensive income	19,690	20,107
Surplus reserve	94,817	94,817
General risk reserve	33,540	33,540
Catastrophic loss reserve	283	283
Retained profits	115,099	104,235

TOTAL EQUITY	296,155	285,710
TOTAL LIABILITIES AND EQUITY	877,216	855,402

(ii) Income Statement of the Company

Items	Nine months ended 30 September	
	2026 <i>RMB million</i> Unaudited	2025 <i>RMB million</i> Unaudited
Operating income	415,437	423,006
Insurance revenue	395,049	385,921
Interest revenue	8,484	8,880
Investment income	19,290	17,078
Included: Share of profits of associates	4,004	6,043
Gains on derecognition of financial assets at amortised cost	13	-
Other gains	204	152
Net (losses)/gains on fair value changes	(8,322)	10,166
Foreign exchange losses, net	(323)	(95)
Other operating income	976	894
Net gains on disposal of assets	79	10
Operating expenses	383,289	374,255
Insurance service expenses	366,890	358,107
Allocation of reinsurance premiums paid	26,200	25,625
Less: Amounts recovered from reinsurance contracts held	21,601	19,993
Finance expenses from insurance contracts issued	6,246	6,569
Less: Finance income from reinsurance contracts held	822	826
Interest expenses	781	706
Tax and other surcharges	93	73
General and administrative expenses	2,005	1,938
Other impairment losses	1,275	2
Credit impairment losses/(reversal)	40	(12)
Change in premium reserves	1,591	1,574
Other operating costs	591	492
Operating profit	32,148	48,751
Add: Sundry income	65	82
Less: Sundry expenses	935	129
Profit before income tax	31,278	48,704
Less: Income tax expense	5,324	8,436
Net profit	25,954	40,268

(iii) Statement of Cash Flows of the Company

Items	Nine months ended 30 September	
	2026 RMB million Unaudited	2025 RMB million Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Premiums received from insurance contracts issued	447,704	436,868
Proceeds from reinsurance contracts issued, net	6,721	6,600
Others	62,437	61,077
Cash inflows from operating activities	516,862	504,545
Claims paid for insurance contracts issued	282,410	273,872
Payments for reinsurance contracts held, net	9,412	9,432
Commissions paid	29,337	29,712
Payment to and on behalf of staff	32,335	29,750
Taxes and surcharges paid	29,774	27,434
Others	109,032	99,782
Cash outflows from operating activities	492,300	469,982
Net cash flows generated from operating activities	24,562	34,563
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	163,974	149,444
Investment income and interest revenue received	15,120	13,355
Proceeds from disposal of property and equipment, intangible assets and other long-term assets	53	16
Others	12,241	12,929
Cash inflows from investing activities	191,388	175,744
Payment for purchases of investments	198,320	198,258
Payment for purchases of property and equipment, intangible assets and other long-term assets	1,656	1,194
Cash outflows from investing activities	199,976	199,452
Net cash flows used in investing activities	(8,588)	(23,708)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from financial assets sold under agreements to repurchase, net	-	6,976
Cash inflows from financing activities	-	6,976
Cash repayments of borrowings	-	8,000
Payments for financial assets sold under agreements to repurchase, net	13,035	-
Payment for distribution of dividends, profit or payment of interests	9,787	7,672
Others	593	623
Cash outflows from financing activities	23,415	16,295
Net cash flows used in financing activities	(23,415)	(9,319)
Effect of exchange rate changes on cash and cash equivalents	(30)	(15)
Net (decrease)/increase in cash and cash equivalents	(7,471)	1,521

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

By Order of the Board
PICC Property and Casualty Company Limited
Bi Xin
Secretary of the Board

Beijing, the PRC, 30 October 2026

As at the date of this announcement, the Chairperson of the Board of the Company is Mr. Tan Jiong (non-executive director), the Vice Chairperson of the Board is Mr. Zhang Daoming (executive director), Mr. Lyu Chen and Mr. Hu Wei are executive directors, the employee director is Ms. Li Ling (non-executive director), and the independent directors are Mr. Cheng Fengchao, Mr. Wei Chenyang, Mr. Li Weibin, Mr. Qu Xiaobo and Ms. Xue Shuang.