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

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

(Stock Code: 1339)

ANNOUNCEMENT IN RESPECT OF RELEVANT PRESENTATIONS ON 2026 INVESTOR DAY

The People's Insurance Company (Group) of China Limited (the "**Company**") will hold the 2026 Investor Day on Friday, November 6, 2026. The theme of this Investor Day is "Cultivating New Growth Drivers, Expanding New Markets, and Strengthening New Advantages on the New Journey of the 15th Five-Year Plan". Please refer to the attachment of this announcement for the specific content of the company's relevant report.

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

Beijing, the PRC, 5 November 2026

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

2026
Investor Day

PICC 中国人民保险

PICC 601319.SH PICC 1339.HK PICC P&C 2328.HK

Enabling Confidence and Capabilities of Insurers to Underwrite Enhancing Insurance Willingness of Customers

Innovation and Practice of PICC in Science and Technology Insurance

Definition of Science and Technology Insurance

- In January 2024, the NFRA issued the Statistical System for Science and Technology Insurance Business, defining **science and technology insurance** as:
- The collective term for economic activities that serve the national innovation-driven development strategy and support high-level scientific and technological self-reliance, providing risk protection and financial support for **sci-tech activities** such as R&D, commercialization and industrial rollout, as well as **sci-tech entities**.



Science and technology insurance

Sci-tech Activity Insurance

- Risks of innovation activities, such as sci-tech R&D, commercialization and application and promotion — R&D failure, sci-tech interruption, pilot-test losses.
- **The highest growth potential, and the most challenging.**

Sci-tech Entity Insurance

- Other conventional risks of sci-tech entities as policyholders or insureds: property, liability, personnel, cargo, credit, etc.

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Capture Growth Trends and Unlock Market Potential

1. Long-Term Opportunity: Science and Technology Insurance Enters a New “Market-Driven” Era

Anchored to the strategic goal of 2035: building a global sci-tech powerhouse and accelerating high-level sci-tech self-reliance.

2026.2
Ministry of Science and Technology, National Financial Regulatory Administration, Ministry of Industry and Information Technology, and China National Intellectual Property Administration

Opinions on Accelerating the High-Quality Development of Science and Technology Insurance to Strongly Support High-Level Sci-tech Self-Reliance

- Twenty measures to advance the high-quality development of science and technology insurance, strengthen protection for major national sci-tech initiatives and enterprises, and support high-level scientific and technological self-reliance.

2026.3
Fourth Session of the 14th National People’s Congress

Outline of the 15th Five-Year Plan for National Economic and Social Development of the People’ s Republic of China

- Accelerate high-level scientific and technological self-reliance and lead the development of new quality productive forces.
- Improve the new system for mobilising resources nationwide and deliver more landmark original achievements.
- Adopt extraordinary measures and mobilize resources across the entire innovation chain to achieve decisive breakthroughs in key and core sci-tech in strategic areas such as integrated circuits.

2026.10
CPC Central Committee and State Council

Opinions on Developing New Quality Productive Forces

- Systematically improve the sci-tech finance framework to support innovation, develop insurance products covering the whole chain of sci-tech innovation, and explore technology leasing and other services.

2026.10
People’s Bank of China, Ministry of Science and Technology, National Financial Regulatory Administration, China Securities Regulatory Commission, National Development and Reform Commission, a total of 11 departments

Guiding Opinions on Financial Support for Building International Science and Technology Innovation Centres in Beijing (Beijing-Tianjin-Hebei), Shanghai (Yangtze River Delta), and the Guangdong-Hong Kong-Macao Greater Bay Area

- Build regional sci-tech finance systems with distinctive local features, and promote high-standard opening-up of sci-tech finance.
- Deepen supply-side financial reform, strengthen the full-chain financial services system for sci-tech innovation, and promote coordinated development of sci-tech finance across the three regions.

1. Demand Side: Innovation Investment Accelerates

Risk exposure from sci-tech activities keeps growing, and the demand base of science and technology insurance keeps expanding.



R&D Investment Stepping Up

RMB3.93 tn Total national R&D expenditure (+8.1%)

2.80% R&D intensity above OECD average

RMB277.8 bn Basic research spending, +11.1%, 12th globally

Faster Commercialization of Results

RMB7.6 tn 2025 national technology contract value

54.0% Industrialization rate of enterprise invention patent, up 9.1pp from 2020 (44.9%)

More Innovative Entities

500,000+ high-tech enterprises **600,000+** innovative SMEs **140,000+** SRDI

Source: NBS, "2025 Statistical Communiqué on National Economic and Social Development"
NBS, "2025 Statistical Bulletin on Sci-tech Expenditure"
NBS, "Report Series on 14th Five-Year Plan Economic and Social Development Achievements"

1. Supply Side: Rapid Growth in Industry

The industry generally expects sci-tech activity insurance to achieve a CAGR of approximately 20% over the next three to five years.

Product supply: from "insufficient" to "comprehensive"



Targeting New Scenarios

Traditional → Emerging → Future

Offers multi-type insurance protection based on the commonalities and differences of future industries



Full-cycle Protection

R&D → Mass production → Industrialization

Covers the full cycle from technology breakthrough to market launch, protecting the whole process



Full-element Coverage

People • Capital • Materials • Data • Technology

Beyond tangible assets, includes data, algorithms, talent and AI in the coverage



Shared Risk Protection Framework

Direct insurance + Reinsurance + Government + Research

Connects multi-party resources to build co-insurance pools and diversify systemic risks of future industries

1. Supply Side: Rapid Growth in Industry

Service model: from “standalone protection” to “integrated services”

Science and technology insurance is now linked with credit, guarantees and IP services.



Dongguan pioneered “Science and technology insurance + verification services + insurance-loan linkage”, enabling enterprises to obtain, with a verification report and R&D policy, tens of millions of RMB in sci-tech credit lines at the same time.



Wuxi is among the first in China with “Digital Golden Shield”, helping enterprises turn “intangible assets” into “financeable assets”.

1. Company: Strong First-Mover Foundation and Improving Metrics

PICC has been an early participant since science and technology insurance pilots began. Its leading position strengthened further in 2026.

RMB20.9 bn+

2025 broad science and technology insurance premiums; No.1 market share

360,000+

Sci-tech enterprises served in 2025

3.68 mn+

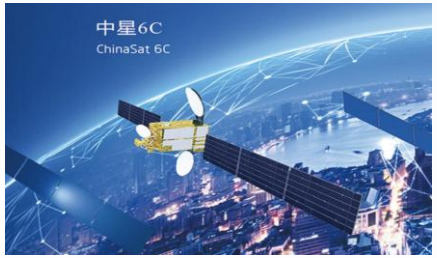
Claims services for sci-tech activities and sci-tech enterprises in 2025

RMB11.6 bn

Claims paid in 2025, delivering on protection commitments

RMB39 tn+

Sum insured by broad-based sci-tech insurance in Jan-Sep 2026



Covered more than 400 satellites and has served for years as the lead underwriter for China Satcom's in-orbit satellite fleet.



Sole insurer of China's first Mars rover, "Zhurong".



Lead underwriter for the operating phase of "Haiyou Guanlan", China's first deep-sea floating wind power platform.



Lead underwriter for the C919 and provided risk protection for ARJ21 aircraft delivered by COMAC for overseas operations.



Covered major national projects including China's first domestically built large cruise ship, Adora Magic City, and the country's first self-propelled offshore satellite launch vessel.

Source: Press release of the National Financial Regulatory Administration (NFRA) Science and Technology Insurance Exchange and Promotion Meeting

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2. Confidence to Underwrite Comes First : Leading the Market Beyond Traditional Underwriting Boundaries

Co-insurance Pool Model

Joint Risk Research

Deepen understanding of major sci-tech risks

Shared Underwriting Capacity

Address protection gaps for major projects

Joint Risk Reduction

Create a new risk-sharing mechanism

Market Leader

Risk Quantification
Risk Diversification
Risk Segmentation

Collective Industry Coverage, Focused Protection for Priority Risks

2. Confidence to Underwrite Comes First - Integrated Circuit Co-insurance Pool: Mobilizing Collective Strength





Results Since Launch Four Years Ago

RMB800 bn Annual Risk Protection Provided

Over RMB2 tn

Exceeds RMB35 bn Protection Limit per Single Risk Unit

- **Effectively eases industry underwriting capacity constraints**
- **Strengthens the independence and sustainability of China’s integrated circuit insurance market**

Fully combines the **institutional strength of mobilizing resources for major initiatives** with efficient market-based allocation.

2. Confidence to Underwrite Comes First - Commercial Aerospace Co-insurance Pool: Supporting Every Launch

Beijing Commercial Aerospace Co-insurance Pool

Led by PICC in 2025 as China's first commercial aerospace co-insurance pool

Unified Risk Assessment | Unified Underwriting Management | Unified Claims Services

35 launches

Commercial aerospace launches covered to date

RMB15bn+

Cumulative risk protection to date(as of September)

Flagship Case The pool covered the successful test mission of the reusable **Zhuque-3** Y2 rocket, including land recovery of the first-stage booster, supporting China's progress in reusable commercial launch technology.



2. Confidence to Underwrite Comes First - Strengthening Protection for Major National Sci-tech Initiatives

Co-insurance Pool Model Expanded to More Sci-tech Fields

2025.08 Low-altitude Economy Co-insurance Pool



2026.06 Quantum Sci-tech Co-insurance Pool



2026.09 Beijing Biomedicine, Intelligent Robotics and Pilot Testing Co-Insurance Pools



Prudently expand the co-insurance pool model and continuously strengthen insurance protection for major national sci-tech initiatives.

2. Built on Insurance Capabilities：Strengthening Professional Capabilities to Build a Stronger Foundation for Science and Technology Insurance

One system, four capabilities, and professional expertise to manage risks effectively

01

Understand the Technology

Product managers and underwriters assess technology pathways and process maturity rather than relying on experience alone.

Technical Due Diligence

02

Quantify the Risk

Satellite remote sensing, IoT and AI modelling convert complex risks into measurable parameters and support evidence-based pricing.

Quantitative Pricing

03

Prevent Losses

Move beyond post-event claims through early risk identification and preventive intervention.

Risk Reduction

04

Cover the Full Lifecycle

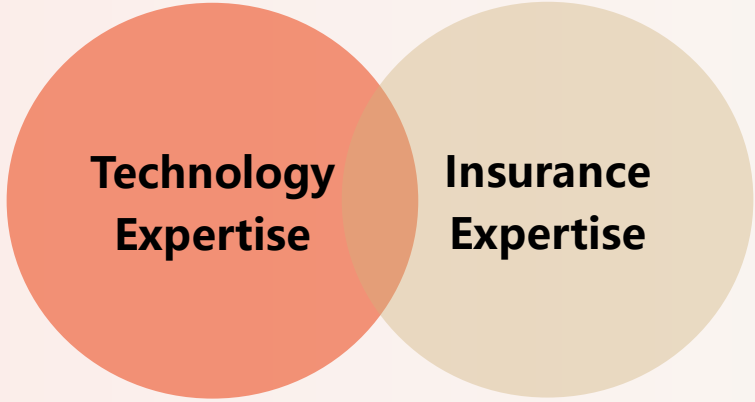
Dedicated protection from laboratory to mass production and from domestic operations to overseas expansion.

End-to-End Coverage

2. Built on Insurance Capabilities • Teams that Understand Technology

Established the Industry's First Science and Technology Insurance Centre in 2024, Strengthening Fundamental Risk Research and Precise Product Design

Integrated Collaboration



= Science and Technology Insurance Expertise

Product Managers and Underwriters × Engineers and Industry Experts

Assessment Basis: Technology Pathway and Product Maturity

~~**Experience-Based Judgement**~~ → **Assessment Based on Technology Pathways and Product Maturity**

01 Organization

Established the industry' s first Science and Technology Insurance Centre, with **15** sub-centres across key regions including **Beijing-Tianjin-Hebei, the Yangtze River Delta and the Greater Bay Area.**

02 Talent

Professionals with both technology and insurance expertise assess risks in **new quality productive forces**, including strategic emerging industries and future industries.

03 Expert Resources

An expert pool comprising over **8,000** industry, technology and intellectual property specialists provides professional support for frontline risk assessment.

3 International Science and Technology Innovation Centres

- Beijing (Beijing-Tianjin-Hebei)
  — Beijing and Tianjin
- Shanghai (Yangtze River Delta)
  — Shanghai, Jiangsu, Zhejiang and Anhui
- Greater Bay Area
  — Guangdong and Shenzhen

3 National Science Centres

- Shaanxi
- Hubei
- Chengdu-Chongqing
  — Sichuan and Chongqing

N Technology Finance Reform Pilot Zones

- Jinan — Shandong
- Shanghai, Nanjing, Hangzhou, Hefei and Jiaxing
- Beijing Zhongguancun
- Regional Innovation Hubs
  — Dalian and Henan

2. Built on Insurance Capabilities • Models that Quantify Risk

Proprietary Risk Management Platforms

“Deep Blue Sea Shield ” Offshore Wind

“Wanxiang Chip Shield” Semiconductors

“Energy Storage Safety Shield ” New Energy Storage



Typhoon Early Warning Case Study: Identifies projected wind-field paths at an early stage and issues prompt alerts to customers.

Using **satellite remote sensing**, **GIS**, **IoT** and **AI modelling** to make complex risks “observable, measurable and priceable”.



2. Built on Insurance Capabilities • Risk Reduction that Prevents Losses

Established China's first sci-tech achievement and IP Verification and Valuation Centre, embedding professional assessment into insurance processes.

Through "pre-risk intervention + active rescue", services shift from "compensating failure" to "enabling success"

Traditional Insurance Logic

Project failure: assess the loss, settle the claim, close the case.

PICC "Second-Chance Support"

During the critical stage of project commercialization, PICC does not rush to determine that a project has failed and pay the claim. Instead, we arrange an expert review and provide technology recovery funding to help restart the enterprise.

Reviving a project can create greater value than simply paying a claim.

Expert Diagnosis

Technical Recovery Funding

Project Commercialization

2. Willingness to Buy Insurance Matters: From “Have to Buy” to “Want to Buy”

Deliver tangible value to customers.

01

Lower barriers through products

Flexible options naturally increase willingness to buy insurance.

02

Build trust through services

Provide verification-center and risk mitigation services.

03

Amplify value through the ecosystem

Promote premium subsidies, sci-tech innovation vouchers and other policies, while embedding insurance into financing guarantee scenarios.

04

Ensure sustainability through mechanisms

Optimize performance incentives to create a virtuous cycle, improve underwriting profitability and enhance the combined ratio.

Changzhou, Jiangsu • Low-altitude Economy Company

A six-person team developed a high-subsonic unmanned aerial vehicle in six months. During its maiden flight in the Taklamakan Desert, an unusual heavy snowfall occurred. During recovery, foreign objects entered the engine and damaged the equipment. The company had purchased comprehensive R&D pilot-testing insurance. A fast-track claims process was activated, with claims personnel travelling to Beijing for an on-site inspection. The claim was paid within one week.

“Without this funding, our subsequent R&D would have been significantly delayed. The product has now entered small-batch delivery, and sales are expected to exceed RMB10 million this year. ”

— Company Representative

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3. Looking Ahead to the 15th Five-Year Plan

Science and technology insurance is poised to become another growth curve

Science and technology insurance is one of the few growth sectors offering a high degree of certainty. PICC will focus on the full-lifecycle needs of sci-tech companies, from start-up through mass production, supporting customers throughout their growth journey. This long-term partnership model not only strengthens customer trust and loyalty, but also enables PICC' s business to grow alongside its customers.

Market potential: under an optimistic scenario, premiums from sci-tech activity insurance could exceed RMB10 billion during the 15th Five-Year Plan period, potentially driving broader science and technology insurance premiums above RMB100 billion.

Science and technology insurance can continue to enhance PICC's profit level

A blue ocean for professional pricing. As PICC establishes risk-control standards and service models across key emerging and future industries, its **risk-pricing advantages** are expected to translate into **stronger profit base.**



3. Looking Ahead to the 15th Five-Year Plan

Strengthen PICC's long-term competitive advantages and the foundation for shareholder returns.

Early stage of the 15th Five-Year Plan

2026–2027

As data accumulate and models mature, business contribution will focus primarily on stability

Mid-stage of the 15th Five-Year Plan

2028–2029

Risk mitigation delivers tangible results, with underwriting costs gradually improving

End-stage of the 15th Five-Year Plan

End-stage of the 15th Five-Year Plan

Science and technology insurance enters a value-realization phase, will gradually enhance the profitability of the Company's corporate business

Insurance provider

Foundational support for the sci-tech innovation ecosystem

This outlook is subject to uncertainties arising from the macroeconomic environment, industry cycles and the competitive landscape. Nevertheless, **the direction is clear, the path is well defined, and the pace is manageable.**

Outlook

During the 15th Five-Year Plan period, science and technology insurance represents **not only a long-term growth opportunity for PICC, but also a long-term responsibility.**

Accelerator

Cultivate new growth drivers and provide risk protection for high-level sci-tech self-reliance

Gateway

Expand into new markets and unlock one of the business areas with the most growth potential during the 15th Five-Year Plan period

Anchor

Build new competitive advantages and long-term moat through data, models and ecosystem capabilities

We look forward to working together with all stakeholders to **build a stronger and more comprehensive safety net**.

Through solid and tangible performance, **we will reward every investor who has placed their long-term trust in PICC. Thank you!**

2026
Investor Day

PICC 中国人民保险

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Health • Family • Consumption
Strategically Developing
Personal Non-auto Insurance

01

Development Logic

02

Performance

03

Future Outlook

Strategic Layout of Personal Non-auto Insurance

- Policy: national policies set the direction
- Market: vast potential in health, family and consumption
- Company: massive customers base, multi-dimensional channels, rich products

Personal Non-auto Insurance is the second business growth curve of PICC P&C

Policies Set the Direction

Top-level Policies

Central Financial Work Conference called for the "five priorities" of technology, green, inclusive, pension and digital finance, setting the direction for areas related to personal non-auto insurance



National 15th Five-Year Plan Outline: strengthen household consumption, improve coordinated healthcare, medical insurance and pharmaceutical governance, and steadily raise social security, all favoring personal non-auto insurance



The State Council's new "Ten Guidelines for Insurance Sector": "enhance health insurance service and protection", "improve the inclusive insurance system" and "explore innovation in liability and household property insurance", strengthening insurance's role in people's wellbeing



Sector-specific Policies

Health Ecosystem	**2026 Government Work Report**: "accelerate the development of commercial health insurance"; **NFRA's Guiding Opinions on High-quality Development of Health Insurance**: "actively develop commercial medical insurance" and "integrate health insurance with health management"; **NHSA's 15th Five-Year Plan for Universal Medical Security**: "vigorously promote commercial medical insurance" and "cover new medical technologies, services, drugs and devices under commercial insurance"; the **Commercial Health Insurance Innovative Drug List** lets commercial health insurance play a role in drug payment
Family Protection	**State Council's 15th Five-Year Plan for Urban Renewal**: "establish a housing quality and safety insurance system"; **8 departments including MOFCOM**, **Action Plan for Promoting Smart Home Consumption**: "encourage financial institutions to develop diversified consumer finance products and services for home furnishing and decoration needs"; **Ministry of Culture and Tourism's Measures on Promoting RV Consumption**: "in view of the features of RV consumption … provide luggage insurance, in-vehicle household property insurance and other products and services"
NEV Industry	**9 departments including MIIT, 15th Five-Year Plan for Intelligent Connected NEVs**: "focus on key scenarios such as vehicle insurance, remote operation and maintenance, roadside assistance and software subscriptions, exploring precision services and business model innovation"; **Road Traffic Safety Law (Revised Draft)**: "encourage and support manufacturers, importers, owners and managers of autonomous vehicles to purchase commercial insurance"
Consumption	**Central Economic Work Conference**: "deepen the special action to boost consumption"; **15th Five-Year Plan for Expanding Consumption approved by the State Council**: "enrich distinctive tourism products", "promote the event economy" and "encourage insurers to develop insurance products and services for protection needs in key consumption areas"; **General Office of the State Council's Opinions on Sports Events Boosting Consumption**: "encourage insurers to enrich accidental injury, liability and other insurance products for sports events"
Personal Inclusive	**NFRA's Guiding Opinions on High-quality Development of Inclusive Insurance**: "provide the general public with insurance services that are widely accessible, fair, reasonably priced and effective"; **Implementation Plan for High-quality Inclusive Finance in Banking and Insurance**: "guide insurers to serve specific groups such as people lifted out of poverty, the elderly, people with disabilities and new urban residents, actively developing and providing … personal insurance and dedicated insurance products"

Our Plan

PICC P&C follows central requirements, serves national strategies and tracks industry trends, focusing on **Healthy China, people's wellbeing and expanding consumption** to strategically develop Personal Non-auto Insurance

From top-level design to each sector — policies bring certainty to future growth

Vast Room in Health, Family and Consumption Markets

Health: Blue Ocean

Commercial Health Insurance premium CAGR, 2015–2025

15.3%

The 10-year CAGR of P&C insurers' Commercial Health Insurance reaches **25.8%**, growing faster

P&C Health expected to add over RMB 100.0 billion in 5 years

- Total health spending over RMB **9** trillion; out-of-pocket share ~**27%**; commercial health insurance pays under **5%**
- Drugs: RMB **3** trillion, devices: RMB **1** trillion; health management business grows at double digits

Family: Under-penetrated

Industry disclosure: Household Property Insurance penetration rate in China mainland

Below 5%

Well below the average of **over 70%** in developed economies

Incremental premium from individuals and families expected to exceed RMB 100.0 billion in the next five years

- **~380 million** e-bikes (2025); ~20 million insured (2024), coverage below **10%**

Consumption: Rising Wave

In 2025, the retail sales of consumer goods exceeded

RMB 50 trillion for the first time

Travel

- 2025 domestic trips up **16.2%** YoY. 2026 domestic tourists expected up **6.0%** YoY

Emerging Areas

- 2025 NEV output and sales over **16 million**; Jan–Sep 2026 exports 4.006 million, up **127.9%**
- Penetration rate of combined L2 driver-assistance systems in China's new passenger cars has reached **70%** since 2026

Sources: NFRA, National Bureau of Statistics, Ministry of Culture and Tourism, MIIT, research institutions, etc.

Vast market room; rising penetration rate brings certain growth

Advantages of PICC P&C

Massive Personal Customer Base

- Serving **over 100 million** personal non-auto customers
- Drive integrated "Vehicle + Person + Home" sales and operations, explore customer needs, and extend from vehicles to family protection

Multi-dimensional Service Network

- Branches and service outlets across cities and the countryside
- Professional sales and service staff provide all-round service
- From city to countryside, online to offline, a **multi-dimensional sales network** advances Personal Non-auto Insurance together

Rich Product System

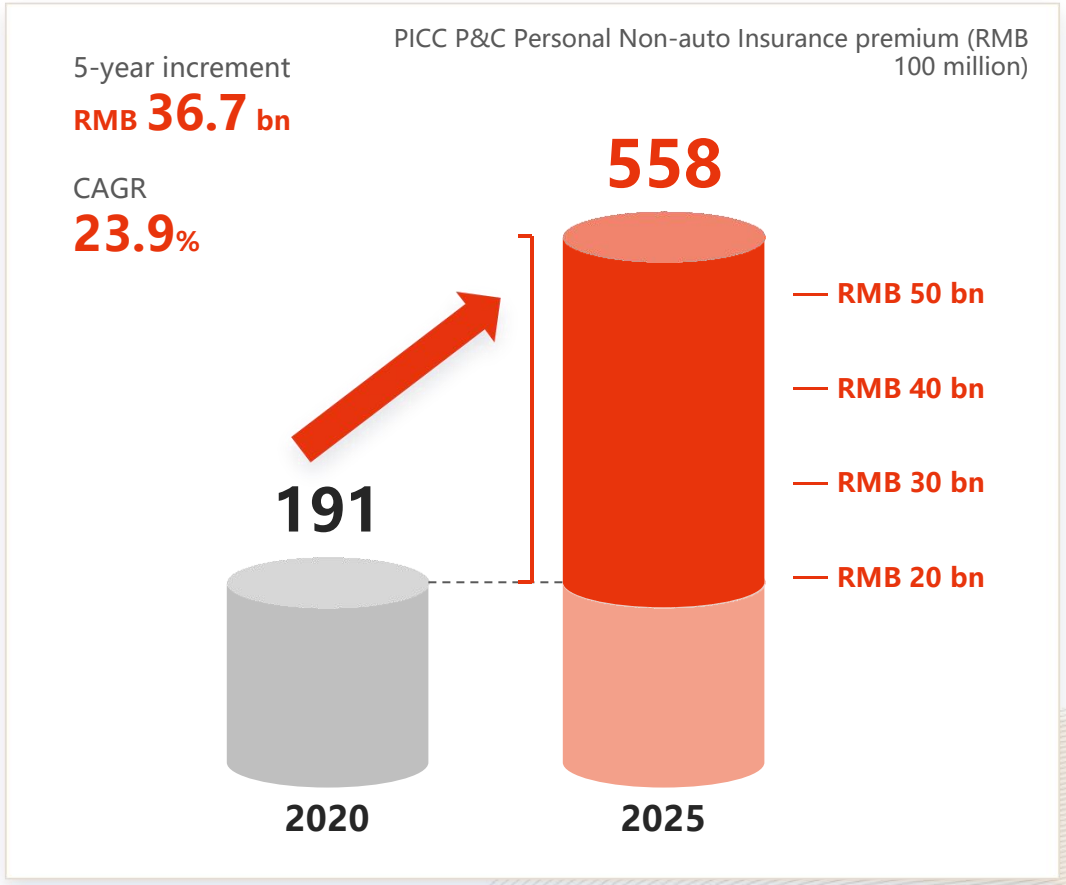
- Comprehensive policy terms and products cover all kinds of personal life scenarios
- Rapid product iteration keeps pace with policy and the market; core "*Ankang*" health products iterated **over 20 times** in five years
- **Health management, household protection, travel assistance** and other services, integrating Group and external resources to deliver "Insurance + Technology + Service"

Customer, channel and product strengths underpin long-term growth

Thriving Personal Non-auto Insurance of PICC P&C

- Fast growth in the 14th Five-Year Plan period: the CAGR is 23.9%, outpacing the market

Personal Non-auto Insurance crossed four RMB 10 billion milestones in five years, and will exceed RMB 60 billion this year



Scale, Growth and Increment All Rising

Data: Jan–Sep 2026

Scale

Written Premium

RMB 50.3 billion

Growth

YoY growth

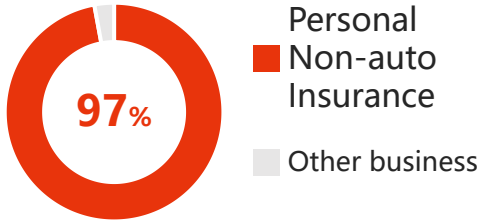
16.3%

Increment

Cumulative incremental premium

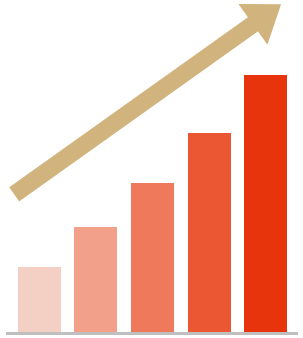
RMB 7.0 billion

Share of PICC P&C's total incremental premium



The incremental premium for the first three quarters of 2026 is on par with the full-year 2025 figure

Alongside rapid growth, profitability ranks among the leading level both within PICC P&C and across the industry



Personal Non-auto Insurance is now one of PICC P&C's main growth engines

"Three Programs" Power New Growth Momentum

Refinement: Stabilize the Base

Keep iterating business and tap core lines: vehicle-linked, Students and Children Insurance, *Huiminbao*

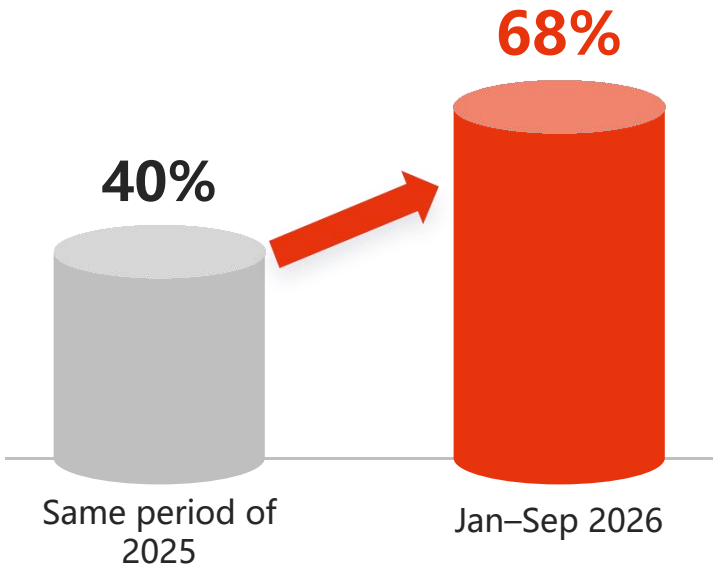
Expansion: Build the Engine

Seize new opportunities in five incremental markets (health, family, NEV, new consumption, new inclusive), driven on a project basis to ensure quality and results

Foundation: Consolidate the Base

Operational synergy + AI: renewal and cross-selling across an in-force customer base of 100 million; integrated sales and service

Expansion programs' share of increment



Expansion programs' share of the Personal Non-auto Insurance increment rose from **40%** in the same period of 2025 to **68%** in Jan-Sep 2026 — growth drivers are shifting, and **new business has become the main growth driver**

A stable base and faster increment: the shift in growth drivers is paying off

01

Development Logic

02

Performance

03

Future Outlook

Next Five Years: Building Another "New Personal Non-auto"

- Personal Non-auto Insurance enters a key strategic window
- Expand five incremental markets to meet key growth targets

Double-digit growth in the 15th Five-Year Plan period, striving for scale toward RMB 100 billion, sound profitability

Toward RMB 100 Billion

In the 15th Five-Year Plan period, Personal Non-auto Insurance enters a key strategic window. PICC P&C will **focus on the five incremental markets, advance the Refinement, Expansion and Foundation programs**, and step up strategic layout and resource input, sustaining **double-digit growth**, **moving toward the new RMB 100 billion level** and **building another "New Personal Non-auto"**, while maintaining sound profitability.

Annual Growth	Target **double-digit** annual growth in the 15th Five-Year Plan period as a key growth engine
Scale Milestones	Over **RMB 50.0 billion** in 2025, over **RMB 60.0 billion** in 2026, moving toward **RMB 100 billion**
Profitability	Combined Ratio stays at a sound level

Sustained double-digit growth, toward RMB 100 billion, sound profitability

Expanding Five Incremental Markets

Directions, targets and paths in the 15th Five-Year Plan period: a systematic layout of five incremental markets



Health

Upgrade the *Ankang* matrix online, offline and at the worksite

Future Growth

Personal commercial health: annual increment of main online + offline products

At least RMB 1.0 billion



Vehicle+Person+Home

Operational synergies and technology empowerment: integrated sales and customer operations

Future Growth

"Vehicle + Person + Home" personal customer penetration

Up 1 pp a year



NEV

Serve new quality productive forces: intelligent driving projects, NEVs going global

Future Growth

Penetration of vehicle service insurance among auto customers keeps rising

Fast growth in step with the NEV industry



Consumption

Serve consumption-boosting strategy: open up online, travel and sports scenarios

Future Growth

New-consumption business: premium in five years

Double



Inclusive Insurance

Leverage on strengths, replicate models: wider coverage of Inclusive Insurance in a systematic way

Future Growth

Richer products to benefit

Tens of millions

Five incremental markets support double-digit growth in the 15th Five-Year Plan period

Big Health Market

Focus on new needs and scenarios, developing personal commercial health insurance "**online** + **offline** + **worksite**"

Implementation Path

- **New products:** build an *Ankang* matrix by population and disease, upgrading products for pre-existing conditions, innovative drugs and devices, and online clinics
- **New scenarios:** integrate resources and expand into hospitals, pharmacies and more
- **New model:** an AI-supported online business model, fully advancing "Health Insurance + AI agent + end-to-end health management services"

Future Growth

Annual increment of main online and offline products

At least

RMB 1.0 billion

Fast growth in step with the health industry



Health Insurance is one of PICC P&C's fastest-growing, most certain personal lines

Family Insurance

Insurance demands expanded from vehicles to **owners**, **household protection** and **family members.**

Implementation Path

- **New products:** upgrade vehicle-linked online clinic, driver medical, household property, e-bike and pet insurance; integrate customer sales and operations; upgrade *Ankang*, vehicle service and family products for owners
- **New services:** richer scenario-based family products and more family protection + service offerings, moving family insurance from "paying cash" to "providing services" and actively adapting to the new market environment under non-auto comprehensive governance

Future Growth

"Vehicle + Person + Home" personal non-auto customer penetration

Up 1 pp a year



Existing motor customers are a key growth source for PICC P&C's personal lines

NEV Industry Chain

Serving new quality productive forces, we build personal insurance across the NEV chain, accelerate innovative cover such as **Intelligent Assisted Driving**, and consolidate PICC P&C's edge in the vehicle ecosystem

Implementation Path

- **From fuel to NEV:** promote Extended Warranty for the three electric systems (battery, motor, electronic control) and Intelligent Assisted Driving liability insurance, targeting new markets of high NEV insurance penetration and intelligent driving rollout
- **From China to the world:** promote export vehicle cover and other new personal products, targeting intelligent driving rollout at home and NEVs going global

Future Growth

Our vehicle owners: vehicle service insurance penetration

Keeps rising

Fast growth in step with the NEV industry



Early moves in NEV and Intelligent Driving keep us ahead

All Consumption Scenarios

Adapting to new consumption trends, embedding personal non-auto products online + offline across all consumption scenarios

Implementation Path

- **Product matrix:** upgrade products covering travel, entertainment and performances, sports, online consumption, pets and other consumption scenarios
- **Scenario delivery:** partner with online travel platforms; deliver projects offline with travel agencies, scenic spots, sports and cultural venues, sports events, mass sports and cultural performances

Future Growth

New-consumption business: premiums in five years

Double

Fast growth in step with the consumption market



Online grows fastest; offline coverage keeps expanding

Personal Inclusive Insurance

Keeping our *Huiminbao* industry lead, we replicate its experience across more personal inclusive insurance for new growth

Implementation Path

- **Broader cover:** refine and upgrade products with more inclusive protection, adding inclusive accident, outpatient and care benefits
- **Targeted groups:** promote Huigongbao, inclusive insurance for women & children, and new urban resident & gig worker insurance; focus on drivers, couriers and riders, align with policies, coordinate online + offline, and upgrade and expand dedicated inclusive products

Future Growth

New inclusive business: people covered in five years

Double

Richer products to benefit

Tens of millions



Investing in people, expanding inclusive coverage

Serving national priorities and people's needs is where our growth lies

Richer protection for **a stronger safety net,**

More diverse models to **reach online and offline customers and serve the people**

Thank you for your interest in and support for PICC!



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2026
Investor Day

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Integrating Healthcare into Insurance, Empowering with Health, Prevention and Promotion in Parallel

Building New Advantages for High-Quality Health Insurance Development in the 15th Five-Year Plan Period under the Health-First Strategy



01 Policy Guidance

02 Ecosystem Empowerment

03 Intelligence Leading the Future

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PART 01

Policy Guidance

Prevention is the most economical and effective health strategy

Opportunities and challenges in health insurance

Risk reduction is a long-term endeavor

Prevention Is the Most Economical and Effective Health Strategy: Health Insurance Moves Toward Integrated Management

National strategy upgrade

2016 National Health Conference · Healthy China 2030

Treatment-centered → Health-centered

2026 National Health Conference · critical period of the 15th Five-Year Plan

Prevention is the most economical and effective health strategy

Firmly implement the health-priority development strategy

Policy focus on health insurance

2025.09 **"Guiding Opinions on Promoting the High-Quality Development of Health Insurance"**

- Pre-event prevention—in-event management—post-event protection
- **Health risk reduction across society**

2026.08 **"15th Five-Year Plan for Universal Healthcare Protection"**

- Actively include new medical technologies, services, drugs and devices in commercial insurance coverage

Treatment-centered → Health-centered | Passive claims → Proactive management

Opportunities and Challenges in Health Insurance

During the "15th Five-Year Plan" period, policy tailwinds and expanding demand will create both opportunities and challenges for health insurance

Opportunities

① Policy: from "supplementary" to "gap-filling"

Multi-tiered protection framework clarified, **setting the direction for high-quality development**

② Economy: resilient growth, service-consumption upgrade

Resilient economy underpins a stable base, **supporting health insurance growth**

③ Social demand: aging, chronic disease, new residents

Diversified health demand expansion, **opening new room for industry service upgrades**

④ Technology support: upgraded risk control for precision services

Digital and intelligent technologies empower, **driving innovation and transformation**

Challenges

① Pre-existing conditions: weak underwriting and product supply

Large chronic-disease population, few products, weak disease-course management

② Innovative drug payment: Disconnect between market demand and hospital implementation

Growing barriers to hospital access and inadequate management of out-of-hospital medication

③ Long-term care: Demand-supply mismatch

Low demand among younger people and limited access for older people

④ Group customers: Rising product and claims pressure

Higher claims → higher premiums → insurer switching

Sources: "' 15th Five-Year Plan' for Universal Healthcare Protection " "National Health '15th Five-Year Plan' "; NFRA; National Healthcare Security Administration; Company assessment of the '15th Five-Year Plan' outlook; review of public reports, Jan–Oct 2026.

Health insurers must continuously build the "Insurance + health services + technology" business model

PICC Health Focuses on Risk Reduction; Dedicated Health Management Platform Builds New Growth Advantages For Health Insurance

Positioning: the Group's health management platform

PICC Group's big health and elderly care ecosystem strategy

"Insurance + health services + technology" business model

PICC Health

PICC Health Management Co., Ltd.

100% wholly owned | Inaugurated in Dec 2025|
Registered capital was RMB200 mn

Wholly owned structure empowers and secures strategic resolve

Wholly owned subsidiaries

- **Shareholder Interests First**
- **Long-term investment secured**
- **Services and data under full control**

VS

Third-party institutions

- Objectives not fully aligned with insurers
- Cooperation constrained by contract terms
- Hard to centrally control services and data

Risk reduction is a long-term commitment

5 years for initial results, 10 years for full impact

Serve shareholders, reduce long-term risk, contribute long-term value

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PART 02

Ecosystem Empowerment

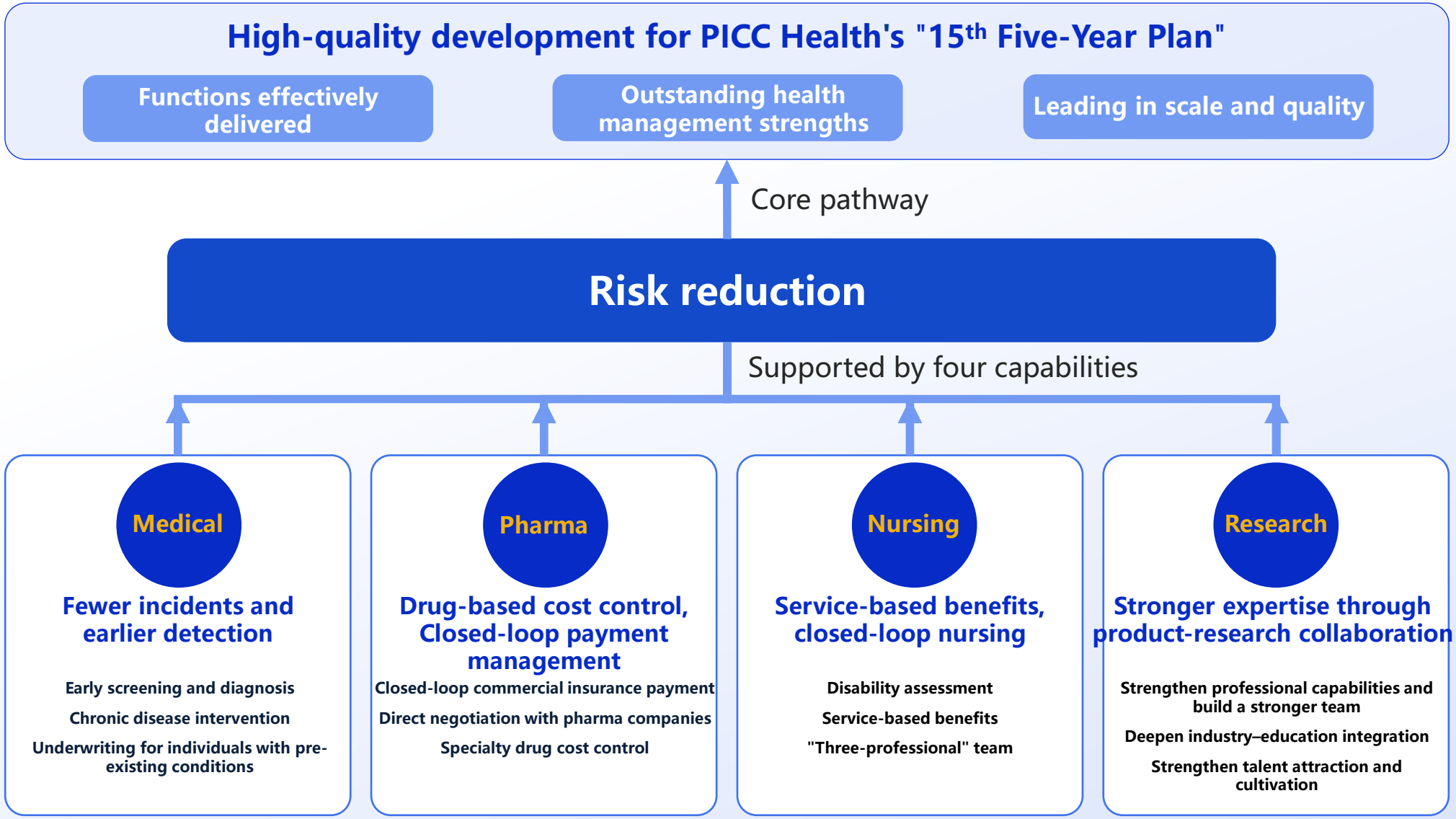
Medical: Risk reduction pays off over the long term

Pharma: Drug business background and value

Nursing: Overview of nursing services

Research: Industry–academia–research collaboration

Overview: Delivering Real Risk Reduction — Health Insurance Needs Four Capabilities: Medical, Pharma, Nursing and Research



Medical: Risk Reduction Is Latent Performance; PICC Upholds Long-Termism

Validated by academic and industry data:

Health management can reduce medical spending

Diabetes	Lifestyle change	⏩	**58%** Incidence reduction
Liver cancer	Early cancer screening	⏩	**60-80%** Cost savings
Claims	Integrated chronic care	⏩	**12.8%** Est. claims reduction

Early screening / chronic disease intervention

↓

Incidence rate / hospitalization rate / medical spending decline

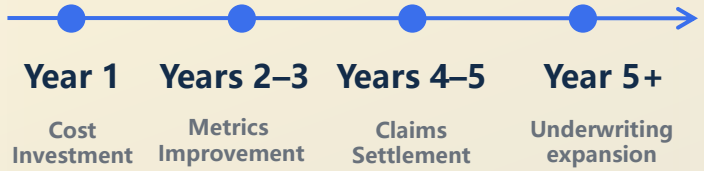
↓

Claims ratio improvement + underwriting boundary expansion

Risk reduction is latent performance:

Investment upfront, claims improvement later

Challenge 1: Long payback period



Challenge 2: Cost-control gains are not exclusive

Challenge 3: Unclear payment mechanism

PICC's solution:

Long-term strategic layout with aligned interests

- **Solution 1: deep integration with the core insurance business**
- **Solution 2: shared cost-control gains**

50% PICC Health (parent company)	🤝	**50%** PICC Health Management (wholly owned subsidiary)

- **Solution 3: clear cost and responsibility settlement**

Driven by responsibility, supported by capability, secured by motivation

*Data sources:
1. 2002, 2025 US CDC National Diabetes Prevention Program (National DPP) study Doi:10.1056/NEJMoa012512/Doi:10.2337/dc24-1110
2. 2024 China-led study Doi:10.57264/cer-2023-0146
3. 2025 UnitedHealth study UnitedHealthcare. (2025, November 17). Level2® helps cut costs, aims to improve health for Americans with type 2 diabetes. https://www.uhc.com/news-articles/benefits-and-coverage/level2-case-study

Pharma: Drug Business Background and Value

Business background

Protection gap creates significant growth potential for commercial Insurance

Heavy drug burden, accounting for ***44%*** of medical spending
Commercial insurance catalog implementation

Urgent demand for pharmaceutical services

Limited access to originator drugs
Growing demand for convenient access to medicines

Emerging opportunities: Accelerating new drug launches

Emerging opportunities: accelerating new drug launches
New drug launches are accelerating

PICC Solution

Integration

Insurance

1 Existing customer outreach

Leverage the health insurance customer base and multi-channel reach to drive **precise, cost-efficient customer conversion**

Integration

Pharma

2 Resource integration and price negotiation

Negotiate prices directly with pharmaceutical companies to **reduce medication costs and improve access to medicines**

Integration

Medical

3 Build real-world medication data

Build claims and health **data** to support precision medication and risk-based pricing

Care: Panorama of the Care Segment

Assessment

Medical insurance

- Long-term care insurance
- Disability level assessment

Civil affairs

- Elderly care service subsidies
- Comprehensive ability assessment for the elderly

Disabled Persons' Federation

- Physical disability assessment

Self-built "Three-professional" team

Long-term care specialists, **elderly ability assessors**, and long-term care practitioners

Nursing

Multiple scenarios

Commercial nursing insurance · in-hospital caregivers · home nursing · rehabilitation guidance

Long-term care insurance · rehabilitation aid rental

Civil affairs projects · home aging-friendly renovation

Huimin Bao · Daily care for the severely disabled

Payment

Nursing insurance

- Shifting insurance liabilities from cash-benefit **service-benefit** type
- Directly providing nursing services and delivering certain protection through insurance mechanisms

Professional nursing care helps to: Shorten hospital stays and recovery time, help customers return to a healthy life, and reduce the burden of family caregiving, medical expenses and insurance claims.

Supervision

Service supervision

Home-service supervision · audit and verification · on-site inspection · customer evaluation and feedback

Process control to ensure service supply

System supervision

In-home service oversight · Audit & verification · On-site inspections · Customer Reviews & Feedback

Ensure service quality and fund security

Research: Strengthen Industry-Academia-Research Collaboration to Develop Methodologies for Risk Reduction

Theoretical research
Joint projects with universities and ministries

Project pilots
Focused on key areas and validated at scale through research

Business-scale application
Implemented in risk reduction business

Key partners

Ministries

- National Healthcare Security Administration
- National Health Commission
- Ministry of Science and Technology
- Ministry of Industry and Information Technology
- National high-end think tank
- ……

Universities

- Fudan University
- Peking Union Medical College
- Peking University
- Zhejiang Chinese Medical University
- ……

Hospitals

- West China Hospital, Sichuan University
- Shanghai Zhongshan Hospital
- ……

Projects and outcomes

25+
Cooperation areas

Nearly
RMB 20 mn
Project funding

Representative projects

Ministry of Science and Technology	National Key R&D Program special project "Active Health and Technological Response to Population Aging"; undertaking sub-projects
State Council Healthcare Reform Secretariat	Research on social and commercial insurance synergy to support high-quality development of public hospitals; PICC Health is the only commercial insurer participating
National Health Commission & MIIT	Selected for the "5G + Emergency Treatment" and "5G + Health Management" pilots; the first insurer to enter
National high-end think tank	Focusing on insurance serving high-quality economic and social development: improving top-level design, strengthening the multi-tiered social security system, accelerating insurance services for consumption growth, and insurance serving Belt and Road construction
Fudan University	Co-established the Fudan–PICC Health Management Institute, conducting 2024 major projects, 2026 commercial insurance innovation research projects, etc.

Refine expertise: Support long-term risk reduction with a systematic methodology

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PART 03

Intelligence Leading the Future

Medical: Intervention, early screening and underwriting for pre-existing conditions
Pharma: Specialty drug loss reduction and improved direct payment
Nursing: Service-based benefits and expanded coverage
Corporate: "Integrating medical care into insurance" for diversified revenue
Research: High-quality talent support

Medical: "PICC • Guardian+" Risk Reduction

Moving health management ahead of claims payment

01 Proactive push ▶ 02 Risk classification ▶ 03 Early intervention ▶ 04 User segmentation ▶ 05 Tailored recommendation ▶ 06 Risk reduction

66
Products on sale

12
Health services

24,226,213
Total benefit coverage

Medical insurance Peace-of-mind guardian service plan

46 products

Intervention Frequent visits • Prompt treatment for minor illnesses

Ask early • treat early • adjust early to keep hospitalization at bay

"15th Five-Year Plan" • Target 1 **decreased by 2 percentage points**

Reduction in the overall medical insurance claims ratio

Focus on the 20% of key claims customers

Critical illness insurance Worry-free premium service plan

20 products

Early screening Critical illness risk • don't miss the window

key cancer types including lung • stomach • colorectal • breast • liver cancer

"15th Five-Year Plan" • Target 2 **60%**

Early diagnosis rate for key cancers

Prior to the stage of tumor diagnosis

Risk reduction logic Intervention → Fewer incidents | Early screening → Early detection | Claims shift from "late-stage treatment" to "early-stage blocking"

In practice



Service list



Service details

Medical: Results of Products for People with Pre-existing Conditions

Professional risk-control capability as the cornerstone to expand underwriting boundaries

Pre-UW

Expand insurability

Incremental product layer

Turning the uninsurable into the insurable

↑ New customer segments • new premiums

Post-UW

Reduce claims costs

Existing claims control layer

Full-course management cuts severe cases

↓ Claims cost • risk reduction

Beyond coverage

Generate additional revenue

Ecosystem service revenue layer

Hospital–pharma cooperation to provide exclusive services

↑ Service fees • non-premiums income

Foundation | Full-course management chain

Pre-disease prevention → in-disease intervention → post-disease services

Evidence-based actuarial → Underwriting access → File creation and classification → Follow-up intervention → **Data feedback**

Data backflow · Feed back into pricing and products

Model case | Pulmonary nodules

55.9% Health check-up population Pulmonary nodule detection rate

96.4% Low-dose CT positive ultimately benign

1 mn 10-year target patients managed

RMB 10 bn Value scale

One risk-control foundation, three monetization paths: Increase premiums → Control claims → Earn service fees

Pharma: Implementation Results in Drug Services

Key milestones achieved across the three core drug segments

Industry side • Fund empowerment

RMB 2 bn

Innovative drug private equity fund

Focused on early-stage and growth-stage innovative drug projects, securing upstream R&D pipeline reserves.

"Pharma–Insurance–Investment collaboration"

Distribution side • Sales channels

- **Obtained drug retail license**





- ***4*** **leading distributors in strategic cooperation**

Established strategic cooperation with leading domestic drug distributors to ensure stable supply and accessibility

国药集团 SINOPHARM · SPH 上药集团 Shanghai Pharma · 华润医药 CR PHARMA · 九州通 JOINTOWN

Payment side • Cost control and efficiency

- ***25*** **innovative pharma firms in talks**
- ***2*** **innovative drugs with priority underwriting**

RMB 25 mn

Out-of-hospital specialty drug loss reduction and cost control

Pharma: "15th Five-Year Plan" Targets for Drug Services

Specialty drug business

Business under pressure

- **Rapid claims growth**

Innovative drug and device claims growth exceeds internet health insurance premiums growth

- **Urgent patient needs**

Concentrated release of innovative drug accessibility demand; high-value specialty drug liabilities under continued pressure

- **Traditional risk control failure**

Changes in Pharmaceutical Companies' Market Strategies and the Continued Shift from In-Hospital to Out-of-Hospital Channels

Initial results

Prescription review

DTP pharmacy management

Charitable drug donation

Customer education

Specialty drug loss reduction and cost control

RMB 25 mn



"15th Five-Year " Plan outlook

01 Embed in the supply chain and expand direct-payment share

02 Raise influence and negotiate discounts directly with pharma companies

50%
Direct-payment share

1/4
Share of pharma companies with discounts implemented

RMB 600mn

Cumulative specialty drug loss reduction target during the "15th Five-Year Plan"

Nursing: Implementation Results and "15th Five-Year Plan" Targets in Nursing Services

Existing Base

Nursing benefits already cover

around 3.3 mn people

- In-hospital caregivers
- Home nursing
- Institutional nursing

Three categories of 100+ nursing services

Key levers

Demand side

- Insureds
- Corporate clients
- Individual clients

PICC Good Care platform

A core business hub connecting demand and service sides

- Benefit verification
- Booking and dispatch
- Resources
- Data statistics

Service side

- Providers
- Caregivers
- Supporting resources

Connect policyholders, care providers and caregivers, integrating benefit verification, service scheduling, quality control and data analytics.

Current priorities

01 Upgrade platform capabilities and improve nursing resource utilization

02 Promote penetration of nursing benefits in insurance products

03 Improve product packaging and sales support; enrich out-of-hospital and cash-benefit nursing supply

"15th Five-Year Plan" target

Target• 2030

Nursing benefit coverage

30 mn people

Expand the coverage of nursing benefits

Embed nursing benefits in more insurance products

Nursing resource development
Professional teams and service network

1400+	8%	300K	50K+	1000+
In-house certified care specialists	Intermediate title+ and assessment experts	Contracted nurses	Caregivers	Nursing outlets

Corporate Practice: "Healthcare-Insurance Integration" as the Best Business Model

Full process of corporate health management

Scenario-based customer acquisition → **Service efficiency** → **Diversified revenue generation**

Key Achievements

01 Shared risk

-8%

Health management services lowered claims expenditure

Shifted health interventions upstream to reduce disease and claims risks

↓ Insurance claims expenditure

02 Empowerment through health

+19%

Group insurance renewal rate significantly improved

Strengthened customer stickiness and long-term barriers

↑ Customer retention • Renewals

03 Parallel prevention and promotion

280mn+

Scale of medical, pharma, nursing and health management services for corporate employees

Check-ups, chronic care and medical-pharma-nursing synergy

↑ Diversified revenue • Value extension

"15th Five-Year Plan" target

over 50%

Corporate client coverage with comprehensive health management services

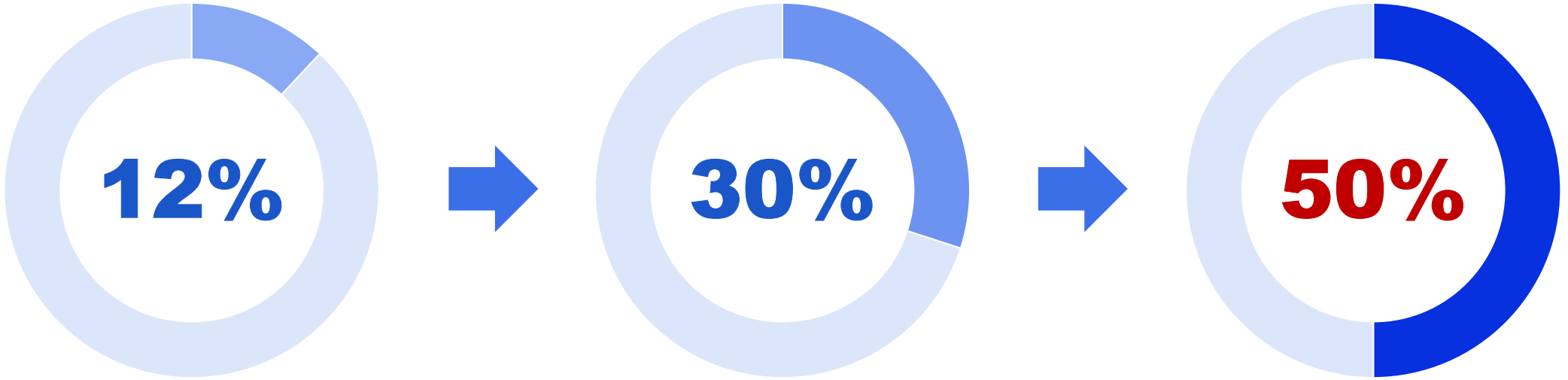
RMB 600mn

Health management service revenue from joint corporate client development

Research: High-Quality Development Requires High-Quality Talent Support

Share of public health and other professionals

"14th Five-Year Plan " : shifting from disease to health	"15th Five-Year Plan" : prevention is the most economical and effective health strategy



Start of the "14th Five-Year Plan" period (2021)

Start of the "15th Five-Year Plan" period (2026)

End of the "15th Five-Year Plan" period target

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Policy window open • Industry inflection point reached • Business platform established

PICC Health: More to Look Forward To

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Investor Day 2026

Embarking on a New Journey under the 15th Five-Year Plan

New Logic for Insurance Asset Allocation in a Changing Landscape

Contents

01

Navigating Opportunities and Challenges

Three Shifts in the Investment Environment

02

Optimizing the Asset Allocation

Enduring Principles, Evolving Approaches to Asset Allocation

03

Capturing the Key Variables

Balancing Risk and Return in Equity Investment

A New Landscape: Three Shifts in the Investment Environment

Macroeconomic, global competitive and regulatory forces are reshaping the fundamentals of capital deployment

01

Macroeconomy: New growth drivers

Technology-driven opportunities emerge;
Low interest rates persist

02

Global competition: A reshaped landscape

Friction is accelerating industrial upgrading and fostering global leaders

03

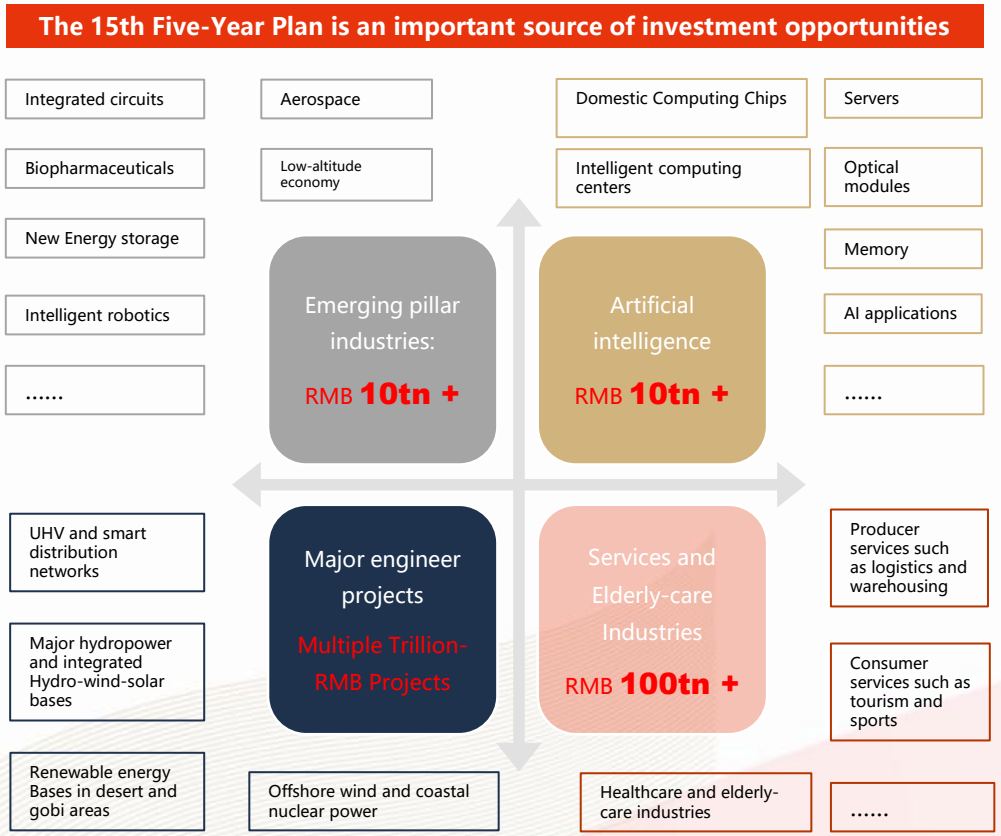
Regulation: Binding constraints take effect

New accounting standards and ALM rules are fully implemented

The three shifts are intertwined, changing the underlying assumptions for asset allocation

New Growth Drivers and an Optimized Economic Structure on the New Journey of the 15th Five-Year Plan

Predictable return opportunities are narrowing, while growth opportunities are more concentrated and volatile



New quality productive forces are growing rapidly

The full implementation of the "AI Plus" initiative is unlocking structural opportunities

Long-term expectations are priced in, leading to greater volatility

Low-interest-rate environment persists

Financing demand from traditional growth engines is declining, making the "asset shortage" a persistent feature

Global Competition: Friction Accelerates Upgrading and the Rise of Leaders

External pressure is translating into industrial competitiveness, a key structural theme for equity investment

Rising friction

De-globalization is deepening, trade frictions are rising and market volatility is increasing

Forced upgrading

Export sectors are moving towards higher value-added and technology-intensive activities, with industry consolidation accelerating

Rise of leaders

Global leaders are emerging, creating opportunities for excess returns

14%+

China's export share remains stable

50%+

Share of global supply in resources, intermediate and capital goods

New Accounting Standards and ALM Rules Reinforce an Asset-Liability-Oriented Approach

Understanding and managing volatility has become the most urgent investment-management priority

Changes in Standards

Previous Standards

Available for sale classification provided a buffer scross cycles

New Standards

TPL Market value volatility is immediately reflected in earnings statement

New ALM rules: An additional layer of requirements

Liabilities → Returns → Asset allocation

Liability-cost layer	Investment-return layer	Asset-allocation layer
• Guarantee cost • Cost of funds	• Net investment income • Total return	• Fixed-income coupons and equity dividends • Interest-rate and equity-market-value volatility

01

Navigating Opportunities and Challenges

Three Shifts in the Investment Environment

02

Optimizing the Asset Allocation

Enduring Principles, Evolving Approaches to Asset Allocation

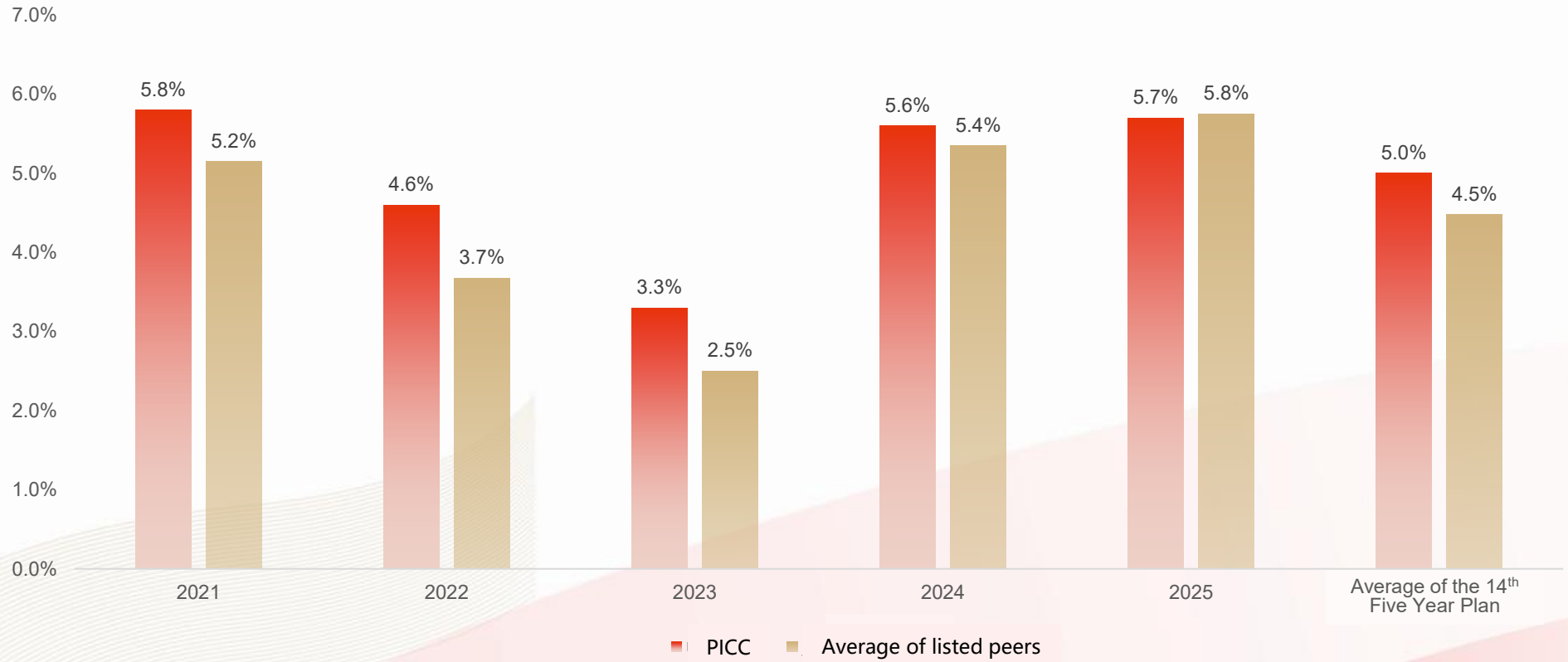
03

Capturing the Key Variables

Balancing Risk and Return in Equity Investment

Sustain Leading Position from the 14th Five-Year Plan Period and Embrace the Opportunities and Challenges Ahead in the 15th Five-Year Plan Period

During the "14th Five-Year Plan" period, the Company continued to strengthen its investment capabilities, achieving an average annual total investment yield of 5.0%.
Looking ahead to the "15th Five-Year Plan", we will identify and respond to changes with agility, seize emerging opportunities, and enhance the deployment of insurance funds in the evolving landscape.



Three Constants: The “Anchors” of Asset Allocation

Strategic resolve comes from holding firm to these constants; greater volatility calls for stronger adherence to the bottom line

01 Asset-liability matching remains the primary objective

- Yield matching, duration matching and cash-flow matching are the starting point andultimate objective of insurance asset allocation.

02 The long-term nature of insurance funds remains unchanged

- Long-duration liabilities and relatively stable cash flows enable insurance funds to invest through cycles, a distinctive advantage over other institutional capital.

03 The absolute-return orientation remains unchanged

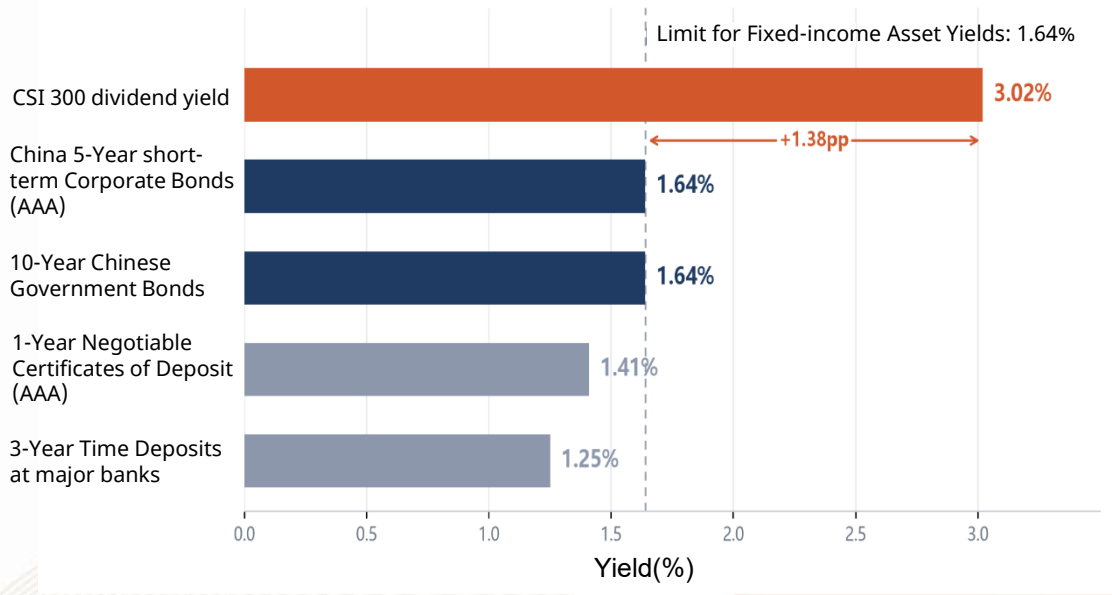
- Insurance investment aims to cover liability costs and achieve steady value growth with controlled risk.

Adaptation 1： New Landscape: Major Changes in Risk-return Characteristics Across Asset Classes

The new landscape is reshaping return levels and volatility across asset classes

Yields on fixed-income assets have fallen across the board below the dividend yield of the CSI 300 Index.
Amid heightened global geopolitical tensions, volatility across asset classes has increased significantly.

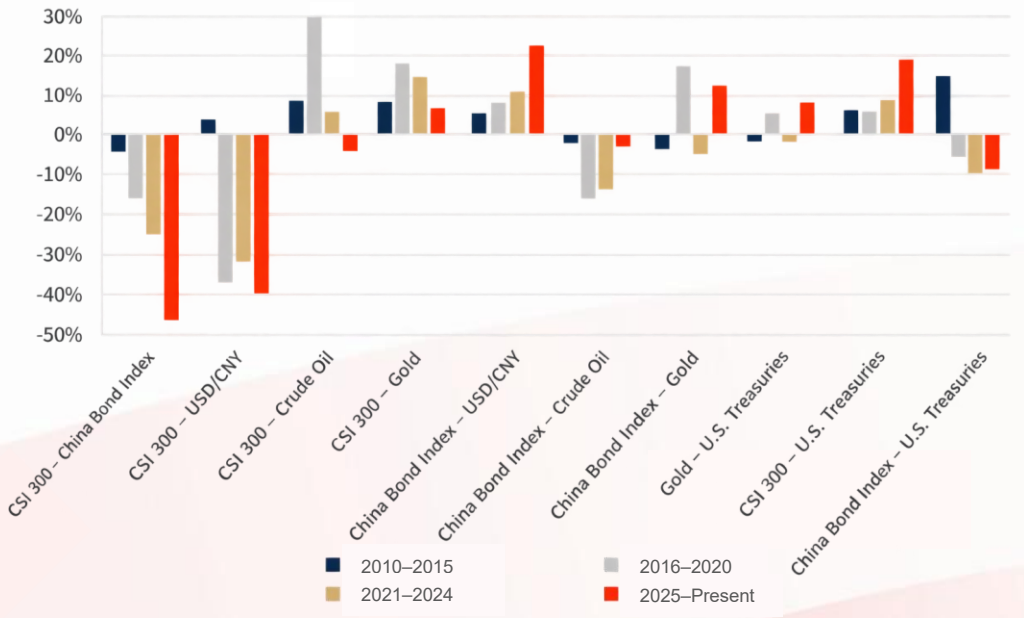
Chart: Yields on major fixed-income assets are below the CSI 300 dividend yield



Correlations among commodities, bonds and equities have changed

Gold has returned to a positive correlation with bonds. The CSI 300's correlation with oil has turned negative, while correlation with US Treasury prices has risen sharply.

Chart: Changes in return correlations across asset classes



Our Response: Enhancing the Precision and Flexibility of Asset Allocation

01

Align with capital-market trends

Keep pace with the market and dynamically recalibrate assessments of macroeconomic cycles, industry trends and valuation levels, ensuring that allocation decisions remain aligned with market developments.

02

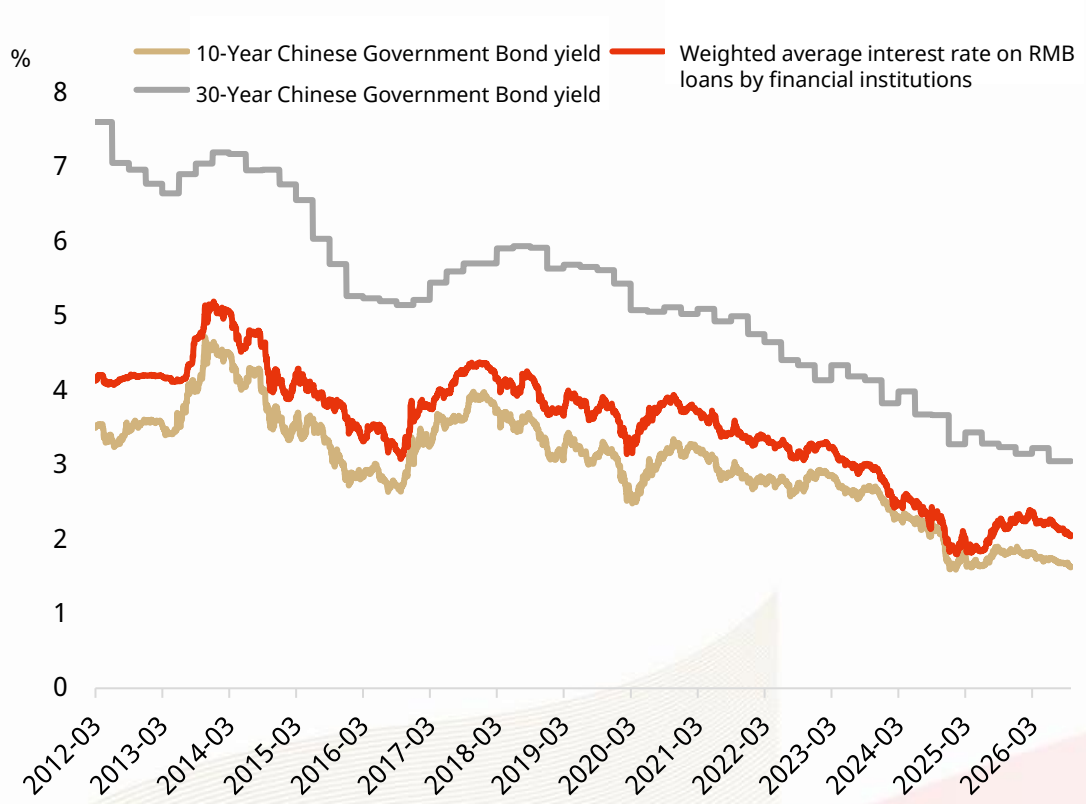
Disciplined position management

Subject to the binding constraint of asset-liability matching, manage positions dynamically in a prepared, evidence-based and disciplined manner to capture allocation opportunities arising from market changes while mitigating potential risks.

Greater precision and flexibility are the natural result of systematic investment-research capabilities and decision-making mechanisms

Adaptation 2: Evolving Fixed-income Management Requirements in a Low-interest-rate Environment

Interest-rate trend



Portfolio yields continued to decline

Fixed-income management must shift from "buy and hold for coupon income" to "duration management + tactical interest-rate trading".

Greater need for active management

The ability to assess interest-rate trends accurately and adjust duration and leverage flexibly directly determines the incremental contribution of fixed-income portfolios to covering liability costs.

Our Response: Strengthening Duration Management and Capturing Multi-asset, Multi-strategy Opportunities

Liabilities determine the duration center

Anchor portfolio duration to liability duration and establish a prudent duration floor, ensuring asset cash flows align with liability payments in both timing and scale. This helps mitigate duration-mismatch and liquidity risks and provides a buffer for stable returns.

Dynamically adjust duration with interest-rate trends

Closely monitor macroeconomic fundamentals, the direction of monetary policy and market interest rates; assess the stage of the interest-rate cycle; and dynamically adjust the duration center to capture allocation opportunities created by rate movements.

Capture multi-asset, multi-strategy opportunities

Deploy multiple asset classes and strategies, including Southbound Bond Connect, interest-rate swaps, government bond futures and convertible bonds, to enhance investment returns.

Adaptation 3: Evolving Management Models for Alternative Assets in the New Landscape

Traditional alternative assets are receding

The supply of high-quality alternative assets continues to contract. As existing assets mature, reinvestment pressure is increasing.

01

Equity investment opens up new growth opportunities

Developing new quality productive forces requires long-term capital, and insurance funds are well suited to serve as patient capital. Investment in AI, computing power and new energy aligns with both national strategy and the long-term nature of insurance liabilities.

02

The window for revitalising existing assets has opened

The sizeable stock of infrastructure, real estate and renewable energy power assets offers opportunities to invest through REITs, quasi-REITs and M&A funds, providing access to long-duration assets with manageable risks and stable cash flows, and helping alleviate the shortage of investable assets.

Our Response: Embracing a New Cycle of Equity Investment and Existing-asset Revitalisation under the 15th Five-Year Plan

Shift from "Debt financing that earns spreads" to "Equity investment and asset revitalisation that capture growth"

Equity Investment: Patient Capital

- Allocate to long-term capital needs in AI, computing power and new energy
- Support companies' long-term growth by identifying opportunities through industry research

Over RMB 10bn

Cumulative returns from early investments in relevant technology projects

Existing-asset revitalisation: Turning mature assets into returns

- Participate in revitalisation through REITs, quasi-REITs and M&A funds
- Integrate issuance, investment and management

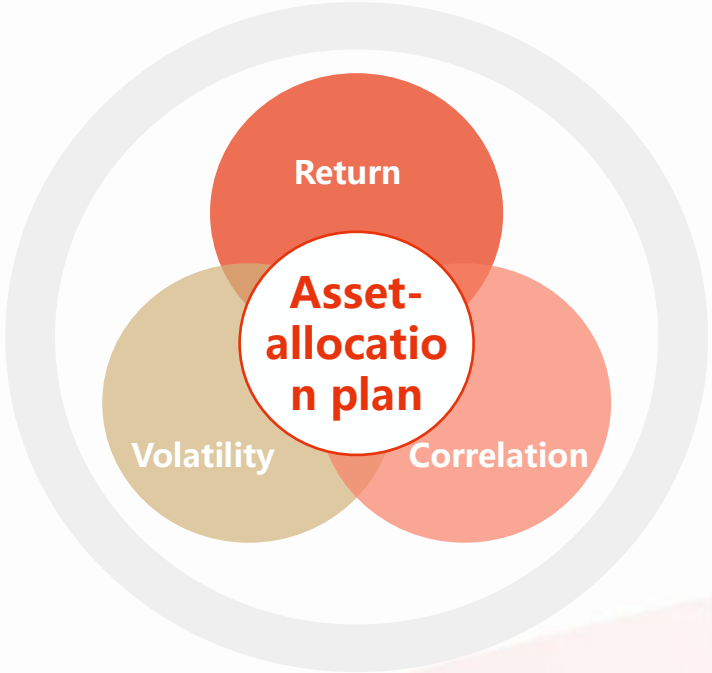
RMB 35bn + RMB 6bn

Investment Scale of Exchange-traded and Insurance Asset Registration and Trading System ABS / Public REITs

Adaptation 4: More Granular Segregated-account Management in the New Landscape

Account-specific investment constraints → **Account-specific asset allocation** → **Account-specific asset allocation**

1. Liability cost
2. Liability duration
3. Cash inflows
4. Volatility tolerance
5. Solvency constraints



Asset duration + **Equity positioning** + **Equity structure**

1. Return matching
2. Duration matching
3. Liquidity matching
4. Drawdown Control

Our Response: Refining Asset-liability Matching

Differentiated allocation based on liability characteristics: a single portfolio strategy can no longer serve all accounts

Fixed income

- Accounts focused on earnings stability favour AC classification, while accounts focused on net-asset stability favour OCI classification
- Asset duration in the life insurance segment has exceeded **10 years**

Equities

- VFA provides a volatility-absorption effect, allowing for higher equity exposure and a higher share of TPL assets
- OCI accounts for nearly **50%** of traditional life and P&C insurance portfolios, while participating insurance allows greater flexibility in position adjustment

01

Navigating Opportunities and Challenges

Three Shifts in the Investment Environment

02

Optimizing the Asset Allocation

Enduring Principles, Evolving Approaches to Asset Allocation

03

Capturing the Key Variables

Balancing Risk and Return in Equity Investment

Continuous Optimization of the Equity Asset-management Model

Mechanism • One Approach: Enhance the long-term investment mechanism, harness the through-cycle advantages of insurance funds, and capture strategic investment opportunities under the 15th Five-Year Plan

Approach: Three shifts

01	**Allocation between OCI and TPL**	This has become the most important decision in equity investment, taking priority even over sector and stock selection.
02	**Strengthen the portfolio-construction approach**	Shift from "selecting high-quality stocks through the cycle" to "winning through structure and dynamic balance", with greater emphasis on balancing styles and sectors.
03	**Growing need for hedging**	Tools such as stock-index futures are shifting from "contingency options" to "regular allocation instruments".

Objective: Four balances

Short-term returns × Long-term returns

Short-term returns support current-year earnings, while long-term returns smooth volatility and generate excess returns.

Absolute Returns × Relative returns

Absolute returns meet rigid liability requirements, while relative returns demonstrate the ability to outperform the market.

Financial returns × Business returns

Financial returns support earnings targets, while business returns support net assets and asset-liability matching.

Returns × Volatility

Returns are the ultimate objective, while avoiding breaches of risk-tolerance limits.

OCI: Dividends Anchor Returns, while NAV Growth Strengthens Net Assets

Stability: OCI contains volatility

The allocation to OCI is determined jointly by capital-market trends, the liability-side product mix and earnings-volatility management needs.

Progress: OCI NAV Growth Strengthens Net Assets

OCI portfolio construction focuses on the quality and sustainability of dividends, with timely rotation supporting steady NAV growth.

OCI Allocation: Determined by three factors

Capital-market trends

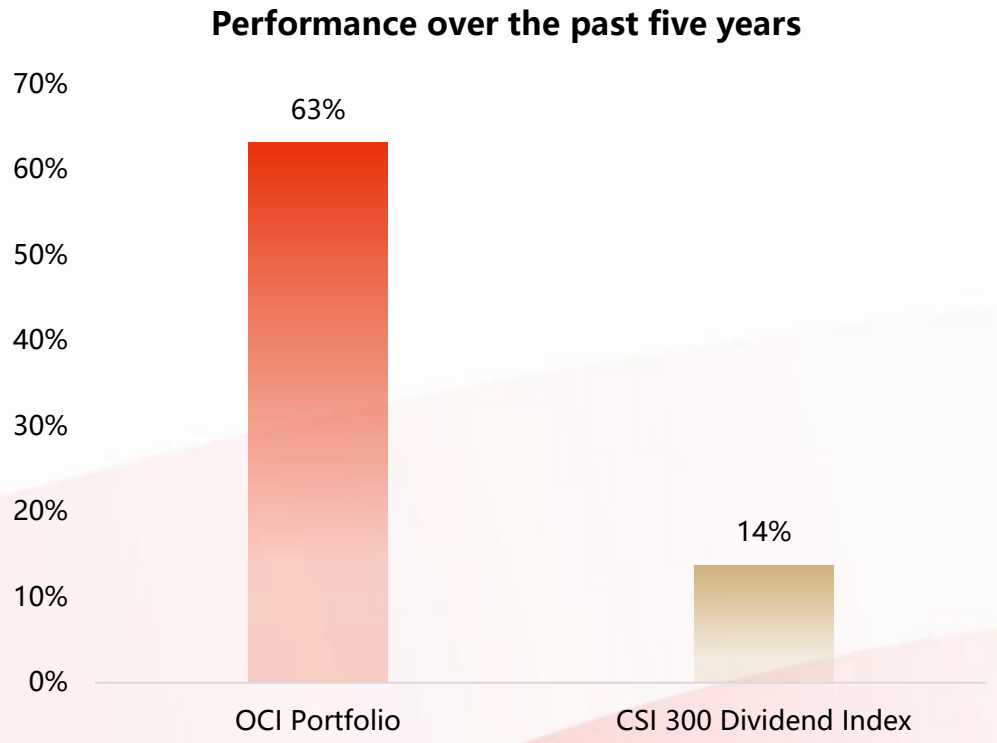
Dividend yields, the interest-rate environment and equity-market styles determine the timing of OCI allocation

Liability-side Product Mix

Return requirements across liability-side insurance products are also an important determinant.

Earnings-volatility Management Needs

Determine the allocation to OCI accounts subject to the objective of maintaining earnings-statement stability.



TPL: Multi-strategy Investing Smooths NAV Volatility and Enhances Return Potential through Industry and Stock Selection

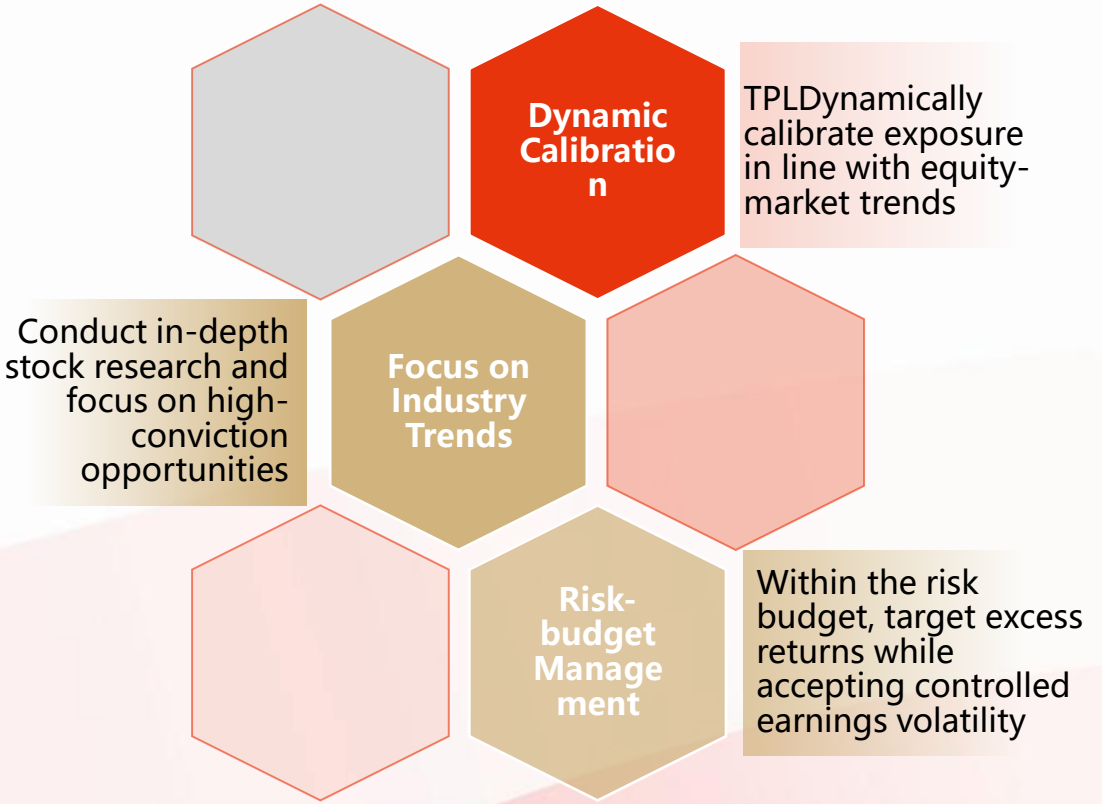
Stability: Multi-strategy investing smooths NAV volatility

Continue to integrate diversified strategies, clarify the roles of different equity allocations, define their risk budgets and return objectives, and enhance diversification within equity assets.

Dimension	OCI Dividend	TPL Value	TPL Growth
Portfolio Role	Anchor allocation providing stable base returns	Core allocation providing prudent return enhancement	Flexible allocation targeting excess returns
Stock-selection Style	High-dividend stocks, central and local SOEs, utilities, etc.	Low-valuation blue chips and leading pro-cyclical companies	Technology, advanced manufacturing, innovative pharmaceuticals, etc.
Holding Approach	Long-term holding, primarily for dividend income	Medium-term holding, realising gains at higher levels	Tactical trading with rapid entry and exit
Risk Budget	Low	Medium	High
Return Target	Dividend yield + long-term compounding	Medium	High

Progress: Capturing opportunities expands return potential

Focus on industry trends and conduct in-depth stock research, using TPL investments to enhance equity returns.



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