中国人民财产保险股份有限公司
PICC PROPERTY AND CASUALTY COMPANY LIMITED
Stock Code: 2328

2026
INTERIM REPORT

Company Profile

The Company, the largest property and casualty insurance company on the Chinese mainland, was established in July 2003 with PICC Group as its sole promoter. The Company became the first domestic financial enterprise listed overseas when the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange on 6 November 2003. The Company currently has a total share capital of 22,242,765,303 shares, of which 68.98% are held by PICC Group and 31.02% by H Shareholders.

PRINCIPAL ACTIVITIES

Motor vehicle insurance, commercial property insurance, cargo insurance, liability insurance, accidental injury insurance, short-term health insurance, agriculture insurance, credit insurance, surety insurance, household property insurance, marine hull insurance and other insurance businesses, which are denominated in RMB and foreign currencies, and the related reinsurance businesses as well as investment and funds application business permitted under the relevant laws and regulations of the PRC.

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RESULTS

	Six months ended 30 June 2026 RMB million	2025 RMB million	Change %
Original insurance premium income[1]	**327,529**	323,282	1.3
Insurance revenue	**254,617**	249,040	2.2
Underwriting profit[2]	**15,376**	13,015	18.1
Interest income from financial assets not measured at fair value through profit or loss	**5,729**	6,080	-5.8
Other investment income	**17,882**	7,901	126.3
Share of profit or loss of associates	**4,019**	3,617	11.1
Profit before income tax	**40,029**	28,904	38.5
Income tax expenses	**(7,745)**	(4,449)	74.1
Net profit for the period	**32,284**	24,455	32.0

ASSETS AND LIABILITIES

	30 June 2026 RMB million	31 December 2025 RMB million	Change %
Total assets	**884,859**	860,498	2.8
Total liabilities	**578,498**	571,795	1.2
Total equity	**306,361**	288,703	6.1

(1) The original insurance premium income was calculated in accordance with the "Premium Income" account specified in Accounting Standard for Business Enterprises No. 25 – Original Insurance Contracts published in 2006.

(2) Underwriting profit=insurance revenue – [insurance service expenses + net expenses/(income) from reinsurance contracts held + (finance expenses/(income) from insurance contracts issued – finance income/(expenses) from reinsurance contracts held)]

Financial Summary

Original insurance premium income	Market share	Underwriting profit	Combined ratio
RMB327,529 million	33.3%	RMB15,376 million	94.0%

Total investment income	Total investment yield (unannualized)	Net profit for the period	Return on equity (unannualized)
RMB27,359 million	3.8%	RMB32,284 million	10.9%

Comprehensive solvency margin ratio	Core solvency margin ratio	Proposed interim dividend per share	A year-on-year increase of
237.2%	213.8%	RMB0.34	41.7%

Discussion and Analysis of Operating Results and Financial Conditions

I. PERFORMANCE OVERVIEW

In the first half of 2026, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era with an effort to actively implement the decisions and plans of the CPC Central Committee, the Company and its subsidiaries 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 and its subsidiaries maintained stable business growth as well as leading profitability, further enhanced the ability to serve the overall development, achieving new progress in pushing forward high-quality development.

STEADY GROWTH IN BUSINESS SCALE AND STABLE IMPROVEMENT OF OPERATION QUALITY AND EFFICIENCY

In the first half of 2026, the Company and its subsidiaries actively pursued innovation in products, services and mechanisms, made every effort to cultivate new drivers of premium growth, promoted the high-quality development of motor vehicle insurance, optimized the business layout in the individual non-motor vehicle insurance, accelerated the transformation and development of corporate business, vigorously developed commercial health insurance, and enhanced the capacity to serve the comprehensive revitalization of rural areas. Overall, the business scale maintained steady growth. The Company and its subsidiaries achieved an original insurance premium income *(Note 1)* of RMB327,529 million, representing a year-on-year increase of 1.3%. The market share accounted for 33.3% *(Note 2)* of the property insurance market in the PRC. The insurance revenue reached RMB254,617 million, representing a year-on-year increase of 2.2% and maintaining the leading position in the industry.

The Company and its subsidiaries continuously strengthened strategic management, took the lead to advance "underwriting as filed" in motor vehicle insurance and "comprehensive governance" of non-motor vehicle insurance. The Company and its subsidiaries refined budget performance assessments, optimized organizational operations, strengthened risk-based pricing, deepened efforts in cost reduction and efficiency enhancement, innovated customer service, and accelerated the transition to digital and intelligent operations, thereby supporting high-quality development through improved operational mechanisms. In the first half of 2026, the Company and its subsidiaries achieved an underwriting profit *(Note 3)* of 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 pp. The total investment income was RMB27,359 million, representing a year-on-year increase of 58.5%. The net profit was RMB32,284 million, representing a year-on-year increase of 32.0%. The return on equity (unannualized) was 10.9%, representing a year-on-year increase of 1.9 pp.

As at 30 June 2026, the total assets of the Company and its subsidiaries amounted to RMB884,859 million, representing an increase of 2.8% as compared to the beginning of 2026, and the net assets amounted to RMB306,361 million, representing an increase of 6.1% as compared to the beginning of 2026. The net cash flow from operating activities was RMB27,577 million, representing a year-on-year increase of 2.6%. The comprehensive solvency margin ratio *(Note 4)* was 237.2%, representing an increase of 4.8 pp as compared to the beginning of 2026, and the core solvency margin ratio *(Note 4)* was 213.8%, representing an increase of 0.4 pp as compared to the beginning of 2026, with the solvency remaining adequate and stable.

Notes:

1. The original insurance premium income was calculated in accordance with the "Premium Income" account specified in Accounting Standard for Business Enterprises No. 25 – Original Insurance Contracts published in 2006.

2. Calculated based on the data of the PRC insurance industry published on the website of the NFRA.

3. Underwriting profit = insurance revenue – [insurance service expenses + net expenses/(income) from reinsurance contracts held + (finance expenses/(income) from insurance contracts issued – finance income/(expenses) from reinsurance contracts held)]

4. The solvency results were calculated in accordance with the Rules for the Supervision of Insurance Company Solvency (II) and the relevant notices issued by the NFRA.

ACCELERATING THE TRANSITION BETWEEN OLD AND NEW GROWTH DRIVERS AND ENHANCING THE ABILITY TO SERVE THE OVERALL DEVELOPMENT CONTINUOUSLY

Remaining steadfast in upholding the political nature and people-oriented nature of financial work and closely adhering to the spirits of Five Priorities of financial work, the Company and its subsidiaries have established a "5+N" strategic service system, and promoted the full realization of insurance's potential through the transition between old and new growth drivers. For the first half of 2026, the total amount of insurance liability assumed reached RMB1,928.4 trillion. **To serve the development of new-quality productive forces,** we continued to refine the technology insurance product and service system that covers the entire value chain and the full life cycle, and launched several nationwide firsts including liability insurance for unmanned aerial vehicles. Premiums for technology activity insurance rose by 18.5% year-on-year while serving over 261,000 technology enterprises. **To serve the expansion of domestic demand and the promotion of consumption,** we developed a "vehicle + person + home" full-lifecycle business model and integrated sales approach, providing comprehensive support for sporting events such as the "Xiong'an Marathon", "Lanzhou Marathon", "Jiangsu Super League" and "Fujian Super League". Rapid growth was achieved in personal commercial health insurance, service-oriented household property insurance and integrated culture-and-tourism insurance. **To serve the Beautiful China initiative,** we enriched the supply of green insurance products and services, with green insurance providing risk protection of RMB125.6 trillion. 8.061 million new energy vehicles were underwritten, representing a year-on-year increase of 30.9%. We provided risk protection of RMB12.7 trillion for clean energy industries such as solar, wind, hydropower and nuclear energy, and achieved the highest global MSCI ESG rating of AAA. **To serve the enhancement of people's livelihood and well-being,** we built a multi-tiered medical security system with policy-based health insurance covering 850 million person-times. Long-term care insurance was developed as a strategic priority, with a participation rate of 73.5% in the national pilot programs. Efforts were made to integrate and upgrade existing dispersed business into a "comprehensive catastrophe risk protection" model, with regional catastrophe insurance covering 169 cities in 23 provinces (autonomous regions, municipalities), protecting nearly 500 million people. **To serve the comprehensive revitalization of rural areas and the construction of an agricultural powerhouse,** we advanced the expansion of coverage, diversification of products and enhancement of standards in agriculture insurance. Insurance for the three major staple food crops has largely transitioned from input-cost insurance to full-cost insurance and crop revenue insurance. We actively expanded local agriculture insurance business and made every effort to launch county-level specialized crop insurance. Our support model for Dezhou's

"1.5-ton Grain" initiative in Shandong Province was recognized by the Ministry of Agriculture and Rural Affairs as an annual innovative model for financial support to agriculture. **To serve the country's high-level opening up,** we refined the risk coverage models for the "three types of trade" – goods, services and digital trade – and accelerated the development of products and services such as export credit insurance, cross-border e-commerce insurance, logistics freight insurance and multimodal container transport insurance, with shipping insurance providing risk protection exceeding RMB25.4 trillion. We also enhanced the overseas service network, acted as the lead underwriter for several "Belt and Road" flagship projects, providing risk protection of RMB1.5 trillion for Chinese overseas interests business.

PROACTIVELY LEVERAGING THE RISK MANAGEMENT FUNCTIONS OF THE INSURANCE AND ENHANCING THE OVERALL RESILIENCE TO RISKS

The Company and its subsidiaries were committed to building a value chain for risk mitigation services, strengthening the capabilities of the "Wanxiang Cloud" platform and tools, and driving the transformation of risk mitigation services towards greater specificity, scenario-based application, practicality and scalability. **For corporate customers,** we have refined risk assessment standards for key industries such as warehousing, photovoltaic power generation and flammable and explosive materials, whilst distilling and promoting service models covering work safety, flood and fire prevention, catastrophic risks, technological innovation, building safety and construction projects. We provided risk mitigation services for 3,353,100 times to 1,628,500 corporate customers, identifying 2,229,100 potential hazards and with an estimated loss reduction of RMB1.65 billion. **For agriculture insurance,** 51 risk mitigation service centres and 57 service demonstration parks were established, with 674,000 sets of materials distributed, resulting in an estimated loss reduction of RMB251 million. **For motor vehicle insurance,** 1,622,900 disaster alerts were issued and 4,212,100 instances of risk-mitigation value-added services were provided. The Company and its subsidiaries launched the service brands "PICC Five Highlights – Worry-Free Claims" and "PICC Preferred – Peace of Mind for Vehicle Repairs", ensuring end-to-end protection of customers' rights to claims services and setting a benchmark for the collaborative development of the insurance and vehicle repair sectors. We implemented pre-disaster risk mitigation and flood prevention inspections, strengthened pre-disaster early warning systems, and standardized pre-disaster risk mitigation services. We also organized special inspections for flood-related claims settlement, implemented all claims management measures covering "preparation, prevention, rescue and compensation", strengthening capacity for major disaster claims settlement. We organized responses to 119 major disaster incidents and mobilized over 13,000 personnel deployments for the major disaster response. Specifically, we effectively responded to major disasters and incidents including the earthquake in Liuzhou, Guangxi, and the torrential rain in mid-to-late May, sparing no effort to safeguard the lives and property of the people.

II. PRINCIPAL ACTIVITIES AND OPERATION ANALYSIS

(I) INSURANCE BUSINESS

1. Business Overview

Underwriting results

In the first half of 2026, the Company and its subsidiaries achieved an insurance revenue of RMB254,617 million, representing a year-on-year increase of RMB5,577 million (or 2.2%). The insurance service result amounted to RMB19,074 million, representing a year-on-year increase of 13.0%. The underwriting profit was RMB15,376 million, representing a year-on-year increase of 18.1%. The comprehensive loss ratio was 71.9%, representing a year-on-year increase of 0.1 pp. The comprehensive expense ratio was 22.1%, representing a year-on-year decrease of 0.9 pp. The combined ratio was 94.0%, representing a year-on-year decrease of 0.8 pp.

The following table sets forth the key operation results and selected financial indicators of the insurance business of the Company and its subsidiaries for the relevant periods:

	Six months ended 30 June		
	2026	2025	Change
	RMB million	*RMB million*	*%*
Insurance revenue	**254,617**	249,040	2.2
Insurance service expenses	**(231,295)**	(227,806)	1.5
Net expenses from reinsurance contracts held	**(4,248)**	(4,349)	-2.3
Insurance service result	**19,074**	16,885	13.0
Finance expenses from insurance contracts issued	**(4,246)**	(4,415)	-3.8
Finance income from reinsurance contracts held	**548**	545	0.6
Underwriting profit	**15,376**	13,015	18.1
Comprehensive loss ratio (%)(1)	**(71.9)**	(71.8)	Increased by 0.1 pp
Comprehensive expense ratio (%)(2)	**(22.1)**	(23.0)	Decreased by 0.9 pp
Combined ratio (%)(3)	**(94.0)**	(94.8)	Decreased by 0.8 pp

(1) Comprehensive loss ratio = [incurred claims and loss adjustment expenses for the period + changes in fulfilment cash flows related to liability for incurred claims + (recognition and reversal of loss component – loss component allocated in liability for remaining coverage) + net expenses/(income) from reinsurance contracts held + (finance expenses/(income) from insurance contracts issued – finance income/(expenses) from reinsurance contracts held)]/insurance revenue

(2) Comprehensive expense ratio = (amortization of insurance acquisition cash flows + maintenance costs)/ insurance revenue

(3) Combined ratio = [insurance service expenses + net expenses/(income) from reinsurance contracts held + (finance expenses/(income) from insurance contracts issued – finance income/(expenses) from reinsurance contracts held)]/insurance revenue; or combined ratio = comprehensive loss ratio + comprehensive expense ratio

Discussion and Analysis of Operating Results and Financial Conditions

Premiums by insurance segments

The following table sets forth the original insurance premium income of the Company and its subsidiaries by insurance segments for the relevant periods:

	Six months ended 30 June		
	2026	2025	Change
	RMB million	*RMB million*	*%*
Motor vehicle insurance	**144,227**	144,065	0.1
Accidental injury and health insurance	**87,613**	82,614	6.1
Agriculture 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 insurance[1]	**17,054**	19,687	-13.4
Total	**327,529**	323,282	1.3

(1) Other insurance includes credit and surety insurance, cargo insurance, household property insurance, special risks insurance, marine hull insurance and construction insurance.

Premiums by distribution channels

The following table sets forth the original insurance premium income of the Company and its subsidiaries by distribution channels for the relevant periods:

	Six months ended 30 June				
	2026			2025	
	Amount	**Percentage**	**Change**	Amount	Percentage
	RMB million	***%***	***%***	*RMB million*	*%*
Insurance agents	**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	**141,643**	**43.3**	**0.9**	140,360	43.5
Insurance brokers	**32,525**	**9.9**	**23.7**	26,298	8.1
Total	**327,529**	**100.0**	**1.3**	323,282	100.0

Premiums by region

The following table sets forth the original insurance premium income of the Company and its subsidiaries by top ten regions for the relevant periods:

	Six months ended 30 June		
	2026	2025	Change
	RMB million	*RMB million*	*%*
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

2. Operating Segment Data

In order to facilitate investors' understanding of the operating results of the insurance segments, the Company allocated the insurance revenue, insurance service expenses, and other profit or loss items of the reinsurance business to each insurance segment and simulated the net operating results of each insurance segment.

(1) Motor vehicle insurance

The following table sets forth the key operating results and selected financial indicators of the motor vehicle insurance business of the Company and its subsidiaries for the relevant periods:

	Six months ended 30 June		
	2026	2025	Change
	RMB million	*RMB million*	*%*
Insurance revenue	**153,168**	150,276	1.9
Insurance service expenses	**(140,352)**	(138,572)	1.3
Underwriting profit(1)	**9,917**	8,726	13.6
Comprehensive loss ratio (%)	**(73.6)**	(73.1)	Increased by 0.5 pp
Comprehensive expense ratio (%)	**(19.9)**	(21.1)	Decreased by 1.2 pp
Combined ratio (%)	**(93.5)**	(94.2)	Decreased by 0.7 pp

(1) The underwriting profit of each insurance segment includes the allocated profit or loss of reinsurance business.

Discussion and Analysis of Operating Results and Financial Conditions

The Company and its subsidiaries spared no effort in enhancing quality and efficiency, fully leveraged the risk identification and pricing advantages, and expanded channels and promoted sales force. The Company and its subsidiaries strived to enhance the ability to secure high-quality business, optimize service quality and efficiency, and continuously expand the overseas market for new energy vehicle insurance business. The motor vehicle insurance business has continued to develop steadily, achieving an insurance revenue of RMB153,168 million, representing a year-on-year increase of 1.9%.

The Company and its subsidiaries resolutely carried out "underwriting as filed" in motor vehicle insurance, took the lead in maintaining market order, and continuously enhanced the capacity for compliant operations. The combined ratio of the motor vehicle insurance business was 93.5%, representing a year-on-year decrease of 0.7 pp. The underwriting profit was RMB9,917 million, representing a year-on-year increase of 13.6%.

(2) Accidental injury and health insurance

The following table sets forth the key operating results and selected financial indicators of the accidental injury and health insurance business of the Company and its subsidiaries for the relevant periods:

	Six months ended 30 June		
	2026	2025	Change
	RMB million	*RMB million*	*%*
Insurance revenue	**35,251**	30,975	13.8
Insurance service expenses	**(34,561)**	(31,176)	10.9
Underwriting profit/(loss)	**364**	(569)	Not applicable
Comprehensive loss ratio (%)	**(68.8)**	(71.1)	Decreased by 2.3 pp
Comprehensive expense ratio (%)	**(30.2)**	(30.7)	Decreased by 0.5 pp
Combined ratio (%)	**(99.0)**	(101.8)	Decreased by 2.8 pp

The Company and its subsidiaries continuously strengthened the Company's functional role in the "1+3+N" multi-tier medical security system, and consolidated the leading position in the policy-based health insurance business. Addressing the protection needs of individual customers across vehicle, health and household scenarios, the Company and its subsidiaries built an insurance product system that serves multiple scenarios, caters to diverse customer groups, offers multi-tiered cover, facilitates the coordinated development of online and offline channels, and advances both inclusive and mid-to-high-end products in parallel. The accidental injury and health insurance business achieved an insurance revenue of RMB35,251 million, representing a year-on-year increase of 13.8%.

The Company and its subsidiaries focused on underwriting management and control, cost management and control, and claim settlement management, continuously improving business quality and enhancing the business structure. The combined ratio of the accidental injury and health insurance business was 99.0%, representing a year-on-year decrease of 2.8 pp, with the underwriting profit achieving RMB364 million.

(3) Agriculture insurance

The following table sets forth the key operating results and selected financial indicators of the agriculture insurance business of the Company and its subsidiaries for the relevant periods:

	Six months ended 30 June		
	2026	2025	Change
	RMB million	*RMB million*	*%*
Insurance revenue	**21,406**	23,179	-7.6
Insurance service expenses	**(19,102)**	(19,785)	-3.5
Underwriting profit	**1,588**	2,697	-41.1
Comprehensive loss ratio (%)	**(79.0)**	(74.5)	Increased by 4.5 pp
Comprehensive expense ratio (%)	**(13.6)**	(13.9)	Decreased by 0.3 pp
Combined ratio (%)	**(92.6)**	(88.4)	Increased by 4.2 pp

By focusing on the national strategic requirements of building an agricultural powerhouse and comprehensive rural revitalization, the Company and its subsidiaries continued to develop a multi-tiered product system, consolidated the role of agriculture insurance products in safeguarding food security and building a diversified food supply system, strengthened protection for bulk agricultural commodities, and made every effort to ensure the effective implementation of national policies designed to benefit and support farmers. The agriculture insurance business achieved an insurance revenue of RMB21,406 million, with an overall stable market share.

The Company and its subsidiaries were committed to the goal of high-quality development, vigorously advanced refined cost management, and implemented routine and coordinated control of expenses, thereby laying a solid foundation for the sustainable and sound operation of business. The combined ratio of the agriculture insurance business was 92.6% with the underwriting profit achieving RMB1,588 million.

(4) Liability insurance

The following table sets forth the key operating results and selected financial indicators of the liability insurance business of the Company and its subsidiaries for the relevant periods:

	Six months ended 30 June		
	2026	2025	Change
	RMB million	*RMB million*	*%*
Insurance revenue	**20,144**	18,575	8.4
Insurance service expenses	**(19,987)**	(18,312)	9.1
Underwriting loss	**(628)**	(674)	Not applicable
Comprehensive loss ratio (%)	**(77.1)**	(75.0)	Increased by 2.1 pp
Comprehensive expense ratio (%)	**(26.0)**	(28.6)	Decreased by 2.6 pp
Combined ratio (%)	**(103.1)**	(103.6)	Decreased by 0.5 pp

The Company and its subsidiaries served the expansion of domestic demand and consumption growth by accelerating the development of internet business, and served the new-quality productive forces by accelerating the development of businesses such as new energy vehicle extended warranty and intelligent assisted driving insurance. Focusing on the self-employed, the Company and its subsidiaries further upgraded and refined the dedicated insurance products for "new urban residents". In support of social governance, the Company and its subsidiaries vigorously promoted the development of work safety liability insurance business. The liability insurance business achieved an insurance revenue of RMB20,144 million, representing a year-on-year increase of 8.4%.

The Company and its subsidiaries strengthened business quality management and control, continuously improved business structure, and improved the management of marketing expenditure. The combined ratio of the liability insurance business was 103.1%, representing a year-on-year decrease of 0.5 pp.

(5) Commercial property insurance

The following table sets forth the key operating results and selected financial indicators of the commercial property insurance business of the Company and its subsidiaries for the relevant periods:

	Six months ended 30 June		
	2026	2025	Change
	RMB million	*RMB million*	*%*
Insurance revenue	**9,295**	9,243	0.6
Insurance service expenses	**(6,910)**	(7,058)	-2.1
Underwriting profit	**1,250**	918	36.2
Comprehensive loss ratio (%)	**(61.9)**	(64.3)	Decreased by 2.4 pp
Comprehensive expense ratio (%)	**(24.7)**	(25.8)	Decreased by 1.1 pp
Combined ratio (%)	**(86.6)**	(90.1)	Decreased by 3.5 pp

Focusing on serving the real economy, serving the specialized, sophisticated, distinctive and innovative enterprises, and serving the micro, small and medium-sized enterprises, the Company and its subsidiaries expanded product offerings, developed and launched user-friendly quotation tools, thereby continuously increasing the coverage of micro, small and medium-sized enterprises. Meanwhile, the Company and its subsidiaries implemented governance measures for high-risk business operations and promoted high-quality development. The commercial property insurance business achieved an insurance revenue of RMB9,295 million, representing a year-on-year increase of 0.6%.

The Company and its subsidiaries strengthened risk assessment in key sectors and enhanced underwriting control over high-risk business, continued to optimize business structure and improve business quality, and advanced the refined management of expenses. The combined ratio of the commercial property insurance business was 86.6%, representing a year-on-year decrease of 3.5 pp. The underwriting profit was RMB1,250 million, representing a year-on-year increase of 36.2%.

(6) Other insurance

The following table sets forth the key operating data and selected financial indicators of other insurance business of the Company and its subsidiaries for the relevant periods:

	Six months ended 30 June		
	2026	2025	Change
	RMB million	*RMB million*	*%*
Insurance revenue	**15,353**	16,792	-8.6
Insurance service expenses	**(10,383)**	(12,903)	-19.5
Underwriting profit	**2,885**	1,917	50.5
Comprehensive loss ratio (%)	**(50.0)**	(58.3)	Decreased by 8.3 pp
Comprehensive expense ratio (%)	**(31.2)**	(30.3)	Increased by 0.9 pp
Combined ratio (%)	**(81.2)**	(88.6)	Decreased by 7.4 pp

The Company and its subsidiaries focused on serving the construction of a modern industrial system, serving technological self-reliance and self-improvement and the development of the low-altitude economy, and serving high-level opening-up, strengthened the acquisition of high-quality business, accelerated the development of export credit insurance, cross-border e-commerce insurance, logistics freight insurance and multimodal transport insurance, proactively explored the growth opportunities in the marine economy, and promoted the high-quality development of marine hull insurance. The Company and its subsidiaries took the initiative to improve the quality and expand the coverage of "Huijia Bao", upgraded and promoted service-oriented household property insurance, as well as managed the high-loss-making business. The other insurance business achieved an insurance revenue of RMB15,353 million.

The Company and its subsidiaries continuously promoted underwriting portfolio management, strengthened the control over high-risk business, enhanced professional operating capabilities, upgraded risk mitigation services, improved the overseas insurance service network, strengthened differentiated resource allocation, and enhanced the effectiveness of expense allocation. The combined ratio of other insurance was 81.2%, representing a year-on-year decrease of 7.4 pp. The underwriting profit was RMB2,885 million, representing a year-on-year increase of 50.5%.

(II) *INSURANCE FUND INVESTMENT BUSINESS*

1. Investment Results

	Six months ended 30 June		
	2026	2025	Change
	RMB million	*RMB million*	*%*
Interest income from financial assets not measured at fair value through profit or loss	**5,729**	6,080	-5.8
Other investment income	**17,882**	7,901	126.3
Investment assets impairment reversal	**62**	56	10.7
Share of profit or loss of associates	**4,019**	3,617	11.1
Reduction: Interest on securities sold under agreements to repurchase	**(333)**	(394)	-15.5
Total investment income	**27,359**	17,260	58.5
Total investment yield (unannualized) (%)(1)	**3.8**	2.6	Increased by 1.2 pp
Total investment assets(2)	**781,951**	760,366	2.8

(1) Total investment yield = Total investment income/(Average total investment assets at the beginning and end of the period – Average securities sold under agreements to repurchase at the beginning and end of the period)

(2) Total investment assets mainly consist of cash and cash equivalents, financial investments, term deposits, investments in associates, investment properties, and restricted statutory deposits, based on data as of 30 June 2026 and 31 December 2025.

In adherence to the principle of long-term and prudent investment, the Company and its subsidiaries actively implemented the requirement for medium- and long-term funds to enter the market. On the premise of ensuring asset-liability matching and liquidity safety, we proactively seized phased market opportunities, continued to optimize the equity investment structure, gave full play to the advantages of long-term funds, so as to enhance the contribution of investment returns. In the first half of 2026, the Company and its subsidiaries achieved a total investment income of RMB27,359 million, representing an increase of RMB10,099 million (or 58.5%) as compared to the same period of the previous year. The unannualized total investment yield was 3.8%, representing a year-on-year increase of 1.2 pp.

2. Composition of Investment Assets

The following table sets forth the investment assets of the Company and its subsidiaries by accounting measurement at the relevant dates:

	30 June 2026			31 December 2025	
	Balance	Percentage	Change	Balance	Percentage
	RMB million	*%*	*%*	*RMB million*	*%*
Classified by accounting measurement:					
Cash and cash equivalents	**20,222**	**2.6**	**-13.1**	23,273	3.1
Term deposits	**67,472**	**8.6**	**4.6**	64,482	8.5
Financial assets measured at amortized cost	**152,485**	**19.5**	**1.3**	150,493	19.7
Financial assets measured at fair value through other comprehensive income	**280,880**	**35.9**	**-2.0**	286,708	37.7
Financial assets measured at fair value through profit or loss	**171,703**	**22.0**	**14.8**	149,630	19.7
Investments in associates	**76,352**	**9.8**	**4.8**	72,823	9.6
Investment properties	**6,908**	**0.9**	**-0.4**	6,934	0.9
Other investment assets[(1)]	**5,929**	**0.7**	**-1.6**	6,023	0.8
Total investment assets	**781,951**	**100.0**	**2.8**	760,366	100.0

(1) Other investment assets mainly included restricted statutory deposits.

The following table sets forth the investment assets of the Company and its subsidiaries classified by investment object at the relevant dates:

	30 June 2026			31 December 2025	
	Balance	Percentage	Change	Balance	Percentage
	RMB million	%	%	RMB million	%
Classified by investment object:					
Cash and cash equivalents	20,222	2.6	-13.1	23,273	3.1
Fixed-income investments	461,613	59.0	5.3	438,281	57.6
Term deposits	67,472	8.6	4.6	64,482	8.5
Government bonds	184,038	23.5	11.6	164,865	21.6
Financial bonds	82,601	10.6	9.8	75,220	9.9
Corporate bonds	69,525	8.9	-0.3	69,715	9.2
Long-term debt investment schemes	23,196	3.0	-15.9	27,587	3.6
Other fixed-income investments(1)	34,781	4.4	-4.5	36,412	4.8
Equity investments	209,606	26.8	-1.4	212,481	27.9
Funds	51,469	6.6	31.6	39,114	5.1
Listed shares	89,088	11.4	2.9	86,546	11.3
Unlisted equity	20,581	2.6	0.6	20,456	2.7
Preferred shares	6,756	0.9	-0.2	6,769	0.9
Perpetual bonds	22,387	2.9	-43.2	39,432	5.2
Other equity investments(2)	19,325	2.4	-4.2	20,164	2.7
Investments in associates	76,352	9.8	4.8	72,823	9.6
Investment properties	6,908	0.9	-0.4	6,934	0.9
Other investment assets(3)	7,250	0.9	10.3	6,574	0.9
Total investment assets	781,951	100.0	2.8	760,366	100.0

(1) Other fixed-income investments mainly consist of trust plans, project support schemes, etc.

(2) Other equity investments mainly consist of perpetual debt plans, trust plans, etc.

(3) Other investment assets are mainly restricted statutory deposits.

As at 30 June 2026, the balance of investment assets of the Company and its subsidiaries was RMB781,951 million, representing an increase of 2.8% as compared to the beginning of 2026, among which, the balance of fixed-income investment assets was RMB461,613 million, representing an increase of RMB23,332 million (or 5.3%) as compared to the beginning of 2026, and its share in the total portfolio increased by 1.4 pp as compared to the beginning of 2026, which was mainly attributable to increased allocations to treasury bonds and local government bonds. The balance of equity investment assets was RMB209,606 million, representing a decrease of RMB2,875 million (or -1.4%) as compared to the beginning of 2026, and its share in the total portfolio decreased by 1.1 pp as compared to the beginning of 2026, which was mainly due to the fact that the Company disposed of part of its perpetual bonds and increased its investments in shares and funds.

3. Investments in Associates

As at 30 June 2026, the amount of investments in associates of the Company and its subsidiaries was RMB76,352 million, representing an increase of RMB3,529 million (or 4.8%) as compared to the beginning of 2026. Please refer to Note 19 to the interim condensed consolidated financial information for details.

4. Material Investments

Save as disclosed in this interim report, during the reporting period, there was no material change in the information relating to material investments of the Company and its subsidiaries provided pursuant to paragraphs 32 and 40(2) of Appendix D2 to the Listing Rules as compared with the 2025 annual report. Please refer to Note 19 to the interim condensed consolidated financial information for details.

5. Asset Pledge

The Company conducted repurchase transactions in the market due to the liquidity management requirements. The securities held by the Company were pledged as collateral during the process of repurchase transactions.

(III) OVERALL RESULTS

The following table sets forth the overall results of the Company and its subsidiaries for the relevant periods or as at the relevant dates:

	Six months ended 30 June		
	2026	2025	Change
	RMB million	*RMB million*	*%*
Profit before income tax	**40,029**	28,904	38.5
Income tax expenses	**(7,745)**	(4,449)	74.1
Net profit for the period	**32,284**	24,455	32.0
Total assets(1)	**884,859**	860,498	2.8
Net assets(1)	**306,361**	288,703	6.1

(1) Based on the data as at 30 June 2026 and 31 December 2025.

Profit before income tax

As a result of the foregoing, the profit before income tax of the Company and its subsidiaries in the first half of 2026 was RMB40,029 million, representing a year-on-year increase of RMB11,125 million (or 38.5%).

Income tax expenses

In the first half of 2026, the Company and its subsidiaries recorded income tax expenses of RMB7,745 million, representing a year-on-year increase of RMB3,296 million (or 74.1%), which was mainly due to the increase in taxable profit.

Net profit for the period

As a result of the foregoing, the net profit increased by RMB7,829 million (or 32.0%) from RMB24,455 million in the first half of 2025 to RMB32,284 million in the first half of 2026, and basic earnings per share was RMB1.452.

III. SPECIFIC ANALYSIS

(I) ANALYSIS OF LIQUIDITY AND CAPITAL ADEQUACY

Cash Flow Analysis

The following table sets forth the cash flows of the Company and its subsidiaries for the relevant periods:

	Six months ended 30 June		
	2026	2025	Change
	RMB million	*RMB million*	*RMB million*
Net cash flows generated from operating activities	**27,577**	26,891	686
Net cash flows used in investing activities	**(5,680)**	(11,657)	5,977
Net cash flows used in financing activities	**(24,902)**	(17,633)	-7,269
Effects of exchange rate changes on cash and cash equivalents	**(43)**	(4)	-39
Net decrease in cash and cash equivalents	**(3,048)**	(2,403)	-645

In the first half of 2026, the net cash flows generated from operating activities of the Company and its subsidiaries were RMB27,577 million, representing a year-on-year increase of RMB686 million (or 2.6%), which was mainly attributable to the increase in cash inflows from premium income.

In the first half of 2026, the net cash flows used in investing activities of the Company and its subsidiaries were RMB5,680 million, representing a year-on-year decrease of RMB5,977 million (or -51.3%), which was mainly attributable to the year-on-year increase in net purchases of funds and shares with the year-on-year decrease in net purchases of bonds.

In the first half of 2026, the net cash flows used in financing activities of the Company and its subsidiaries were RMB24,902 million, representing a year-on-year increase of RMB7,269 million (or 41.2%), which was mainly attributable to a greater reduction in the scale of securities sold under agreements to repurchase by the Company as compared to the same period of the previous year.

Discussion and Analysis of Operating Results and Financial Conditions

As at 30 June 2026, cash and cash equivalents (exclusive of accrued interest) of the Company and its subsidiaries amounted to RMB20,220 million.

Gearing Ratio

As at 30 June 2026, the gearing ratio *(Note)* of the Company and its subsidiaries was 64.0%, representing a decrease of 1.0 pp as compared to the beginning of 2026.

Note: The gearing ratio is represented by total liabilities (excluding bonds payable) divided by total assets.

Source of Working Capital

The cash flows of the Company and its subsidiaries are primarily derived from cash generated from operating activities, which are principally insurance premiums received. In addition, sources of liquidity include interest and dividend income, proceeds from matured investments, disposal of assets and financing activities. The liquidity needs of the Company and its subsidiaries consist principally of the payment of claims and performance of other obligations under outstanding insurance policies, capital expenditure, operating expenses, tax payments, dividend payments and investment needs.

The Company issued capital supplementary bonds of RMB12.0 billion in November 2024, with a term of 10 years. Save for the capital supplementary bonds mentioned above, the Company and its subsidiaries did not obtain working capital by borrowing.

The Company and its subsidiaries expect that they can meet their working capital needs in the future with cash generated from operating activities. The Company and its subsidiaries have sufficient working capital.

Capital Expenditure

The capital expenditure of the Company and its subsidiaries primarily includes expenditures for operational properties under construction, acquisition of motor vehicles for operational purposes, and development of information systems. In the first half of 2026, the capital expenditure of the Company and its subsidiaries amounted to RMB814 million.

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 NFRA, the Company disclosed its summary of solvency margin report for the second quarter of 2026 on the official website of the Company (property.picc.com) and the website of Insurance Association of China (www.iachina.cn) on 28 August 2026.

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

	30 June 2026 RMB million	31 December 2025 RMB million	Change %
Actual capital	**306,243**	287,896	6.4
Core capital	**276,110**	264,301	4.5
Minimum capital	**129,131**	123,864	4.3
Comprehensive solvency margin ratio (%)	**237.2**	232.4	Increased by 4.8 pp
Core solvency margin ratio (%)	**213.8**	213.4	Increased by 0.4 pp

(II) RISK MANAGEMENT

Credit Risk

Credit risk is the risk of economic loss incurred by the Company and its subsidiaries resulting from the inability of debtors of the Company and its subsidiaries to make any principal or interest payments when due. The assets of the Company and its subsidiaries which are subject to credit risk are principally concentrated on insurance receivables, reinsurance assets, debt securities and deposits with commercial banks.

The Company and its subsidiaries are only committed to credit sales to corporate customers or individual customers who purchase certain insurance policies through insurance intermediaries. The capability to collect premiums in a timely manner is one of the key performance indicators of the Company. The Company's premiums receivable involve a large number of diversified customers, therefore there are no major credit concentration risks in insurance receivables.

Other than the state-owned reinsurance companies, the Company purchases reinsurance primarily from reinsurance companies with A- rating or above by Standard & Poor's (or equivalent ratings granted by other international rating agencies such as A.M. Best, Fitch and Moody's). The management of the Company regularly reviews the creditworthiness of the reinsurance companies in order to update the reinsurance strategies and determine reasonable impairment provisions on reinsurance assets of the Company.

The Company and its subsidiaries diligently manage credit risk in debt securities mainly by analyzing the creditworthiness of investee companies prior to making investments and by strictly conforming to the relevant regulations issued by the NFRA on the investment ratings of corporate bonds. More than 99% of the bonds held by the Company and its subsidiaries have an actual subject rating of AAA or are exempted from rating.

The Company and its subsidiaries manage and lower credit risk affecting their bank deposits mainly by depositing most of their deposits with state-owned banks or state-controlled commercial banks.

Exchange Rate Risk

The Company and its subsidiaries conduct their business primarily in RMB, which is also their functional and financial reporting currency. Certain businesses of the Company and its subsidiaries (including certain commercial property insurance, international cargo insurance and aviation insurance business) are conducted in foreign currencies (primarily in US dollars). The Company and its subsidiaries are also exposed to exchange rate risks for assets which are valued based on foreign currencies such as parts of their bank deposits and debt securities and certain insurance business liabilities which are denominated in foreign currencies (primarily in US dollars).

Foreign exchange transactions under the capital accounts of the Company and its subsidiaries are subject to foreign exchange control and the approval of the administration authority for foreign exchange. Exchange rate fluctuations may arise as a result of the foreign exchange policy adopted by the PRC government.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Company and its subsidiaries' interest rate risk policy requires to manage interest rate risk by maintaining an appropriate match of fixed and floating interest rate instruments. The policy also requires to manage the maturity of interest-bearing financial assets and interest-bearing financial liabilities, reprice interest on floating rate instruments at intervals of less than one year and manage floating interest rate risk through interest rate swap and other instruments. Interest on fixed interest rate instruments is priced at inception of the financial instrument and is fixed until maturity.

Interest Rate Swaps

The Company and its subsidiaries' financial assets which bear interest at different rates generate uncertain cash flows. As such, interest rate swap contracts are used by the Company and its subsidiaries to hedge against such interest rate risk whereby in general floating interest is received from, and fixed interest is paid to, the counterparties.

In the first half of 2026, the Company and its subsidiaries did not engage in interest rate swap operations.

(III) OTHER SPECIFIC ANALYSIS

Contingent Events

Owing to the nature of the insurance business, the Company and its subsidiaries are involved in legal proceedings in the ordinary course of business, acting as the plaintiff or the defendant in litigation and arbitration proceedings. Most of such legal proceedings involve claims on the insurance policies of the Company and its subsidiaries, and some losses arising therefrom may be indemnified by reinsurers or other recoveries including salvages and subrogation. While the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, the Company and its subsidiaries believe that any liabilities resulting therefrom, if any, will not have a material adverse effect on the financial position or operating results of the Company and its subsidiaries.

As at 30 June 2026, there were certain pending legal proceedings of the Company and its subsidiaries. After taking professional opinions into account, the management of the Company believes that such legal proceedings will not induce a significant impact on the operation of the Company and its subsidiaries.

Events after the Reporting Period

On 28 August 2026, the Board of Directors proposed an interim dividend of RMB0.34 per ordinary share for the year 2026, which is subject to the approval of the shareholders' general meeting of the Company.

Development of New Products

In the first half of 2026, adhering to a people-centered value orientation for innovation and following the decisions and plans of the CPC Central Committee, the Company implemented the requirements under the new "Ten National Rules" for the insurance sector, delivered solid outcomes in the "Five Priorities" of financial work, and continued to strengthen the supply of high-quality insurance products and services for major strategies, key areas and weak links. During the first half of the year, the Company developed or amended a total of 1,675 insurance provisions, including 830 national provisions and 845 regional provisions, or 844 main insurance provisions and 831 rider provisions.

Employees

As at 30 June 2026, the Company had 163,196 employees. In the first half of 2026, the employees' remuneration paid by the Company and its subsidiaries amounted to RMB22,304 million, mainly including basic salaries, performance-related bonuses, and various insurance and welfare contributions in accordance with the relevant PRC laws and regulations. The Company and its subsidiaries attach great importance to employee training, establish individual learning records for employees, encourage employees to sit for professional qualification examinations, carry out the development of role-based learning roadmaps, and develop a professional curriculum framework tailored to the employees' needs. The Company and its subsidiaries enhanced the performance and working efficiency of employees by providing various career development paths, strengthening employee training, implementing performance appraisal and other measures. The Company is of the view that the Company and its subsidiaries maintain a good relationship with their employees.

IV. LOOKING FORWARD

The meeting of the Political Bureau of the CPC Central Committee held on 30 July 2026 noted that China's economy is demonstrating a development momentum featuring new growth drivers and an optimized structure and emphasized accelerating the transition between old and new growth drivers, stepping up efforts to expand domestic demand and optimize supply, steadily advancing the planning and development of the "six networks", accelerating the development of a modern industrial system, and further implementing the "Artificial Intelligence+" initiative. These priorities have charted the course for economic work at present and in the period ahead, and provided fundamental guidance for the insurance industry to serve the real economy and achieve high-quality development. More rigorous regulation has promoted a more standardized and orderly market environment, and the industry is at an important stage of strategic opportunities. Looking ahead, the Company will actively seize prevailing trends and strategic opportunities, take the lead in implementing the major decisions and plans of the CPC Central Committee, accelerate the transition between old and new growth drivers, strengthen its core competitiveness, and achieve more balanced, higher-quality and more sustainable operating results.

Firstly, further leverage the function of insurance and facilitate the transition between old and new growth drivers. We will vigorously advance technology finance, conduct in-depth research on emerging and future industries, strengthen adaptive innovation in technology insurance products and services, and provide full-cycle risk protection for scientific and technological innovation. We will vigorously advance green finance, innovate insurance products and services for the new energy sector, actively develop green insurance products such as green building insurance and carbon sink insurance, and provide better risk protection for green and low-carbon development. We will vigorously advance inclusive finance, strengthen insurance protection for micro, small and medium-sized enterprises, accelerate the development of agriculture, rural areas and farmers-related insurance, catastrophe insurance and insurance for new urban residents, and enhance the accessibility and expand the coverage of insurance services. We will vigorously advance elderly care finance, deeply participate in the development of a multi-tier medical security system, actively develop long-term care insurance and insurance for outpatient chronic and special diseases, and meet the diverse elderly care protection needs of the public. We will vigorously advance digital finance, focus on customer, claims and technology operations, accelerate technological transformation and business model innovation, and enhance services and protection for the digital economy. We will vigorously support the expansion of domestic demand and the promotion of consumption, accelerate the transition toward the "vehicle + person + home" model, and actively develop consumer-oriented businesses such as electric bicycle insurance, gas insurance, cultural and tourism insurance and service-oriented household property insurance. We will vigorously support high-level opening-up and actively develop shipping insurance and overseas business.

Secondly, further strengthen professional operations and enhance the quality and efficiency of development. We will intensify research on emerging risks, deepen the development of risk pricing models, and continuously enhance underwriting and pricing capabilities. We will strengthen claims cost control, closely monitor key claims processes and critical indicators relating to personal injury and property damage, carry out key initiatives including anti-fraud and anti-leakage measures, strengthen refined expense management, optimize resource allocation, and continuously enhance resource utilization efficiency and value creation capabilities.

Thirdly, further deepen digital-intelligent empowerment and advance intelligent operations. We will accelerate digital transformation and the application of artificial intelligence, steadily implement the "No-Regret" projects, and improve the operating mechanism of integrated technology service teams. We will build an online, intelligent and integrated customer operations platform and focus on enhancing customer operating capabilities. We will formulate phased plans for the pilot implementation and rollout of artificial intelligence projects and improve the effectiveness of artificial intelligence applications.

Fourthly, further strengthen risk prevention and coordinate development and security. We will fully implement the "first agenda item" system, consolidate and deepen the outcomes of education on establishing and practicing a correct view of performance, improve internal control, compliance and comprehensive risk management systems, and enforce the responsibilities of the "three lines of defense". We will continue to improve the checks, balances and supervisory mechanisms governing the allocation and exercise of powers, maintain a tough stance on improving conduct, enforcing discipline and combating corruption, strengthen risk prevention and control in key areas, and ensure sound operation of the Company. We will further advance "underwriting as filed" in motor vehicle insurance and "comprehensive governance" of non-motor vehicle insurance, and take the lead in maintaining a fair, equitable, healthy and orderly market environment.

Fifthly, further optimize the asset structure and maintain a stable portfolio. In respect of equity investments, on the one hand, we will focus on technology and growth, conduct in-depth research and seize investment opportunities in fields such as artificial intelligence and new quality productive forces, and enhance the return elasticity of the portfolio. On the other hand, we will strengthen prudent value allocation, select high-quality listed companies with reasonable valuations, solid operating results and strong dividend-paying capabilities, continue to increase allocations to high-dividend assets, and enhance the stability of the portfolio. In respect of fixed-income investments, we will steadily expand the scale of assets, stabilize investment returns, flexibly adjust duration and category strategies based on interest rate market trends, uphold rigorous credit rating standards, select bank deposits and non-standard fixed-income assets, and strengthen investment research of the innovative fixed-income products.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

The Directors and the President of the Company did not hold any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as defined in Part XV of the SFO as at 30 June 2026 that were required to be recorded in the register as required to be kept under Section 352 of the SFO or required to be notified to the Company and the Hong Kong Stock Exchange under the Model Code.

During the six months ended 30 June 2026, the Company did not grant any rights to the Directors or the President of the Company (including their spouses or children under the age of 18) to subscribe for shares, underlying shares or debentures of the Company or any of its associated corporations as defined in Part XV of the SFO. As at 30 June 2026, none of the abovementioned subscription rights existed.

CHANGES IN THE BOARD

Changes in the Board members during the period from 1 January 2026 to the date of this interim report are as follows:

Ms. Li Ling's qualification as a Director of the Company was approved by the NFRA on 4 January 2026. The term of office of Ms. Li Ling as the employee Director and a member of the Audit Committee of the Board of the Company commenced on 4 January 2026.

Mr. Jiang Caishi resigned from his position as an executive Director of the Company with effect from 8 April 2026. His positions as a member of the Strategic Planning Committee/Sustainable Development Committee of the Board, a member of the Risk Management and Consumers' Rights and Interests Protection Committee (Assets and Liabilities Management and Investment Decision-making Committee) of the Board and a member of the Related Party Transaction Control Committee of the Board also automatically ceased simultaneously.

Mr. Zhang Daoming was elected as a member of the Strategic Planning Committee/Sustainable Development Committee of the Board on 29 April 2026.

Ms. Ding Xiangqun resigned from her positions as a non-executive Director of the Company, the Chairperson of the Board and the chairperson of the Strategic Planning Committee/Sustainable Development Committee of the Board with effect from 31 May 2026.

At the annual general meeting of the Company for the year 2025 held on 25 June 2026, Mr. Zhang Daoming, Mr. Lyu Chen and Mr. Hu Wei were elected as executive Directors of the 7th session of the Board, Mr. Gong Xinyu was elected as a non-executive Director of the 7th session of the Board, and Mr. Cheng Fengchao, Mr. Wei Chenyang, Mr. Li Weibin, Mr. Qu Xiaobo and Ms. Xue Shuang were elected as independent Directors of the 7th session of the Board. (The qualification of Mr. Gong Xinyu as a Director is still subject to the approval of the NFRA.) At the 3rd meeting of the 4th session of the meeting of employees' representatives of the Company held on 25 June 2026, Ms. Li Ling was elected as the employee Director of the 7th session of the Board.

At the 1st meeting of the 7th session of the Board of the Company held on 25 June 2026, Mr. Zhang Daoming was elected as the Vice Chairperson of the Board of the Company. At this meeting and the following meetings of committees of the Board, the new compositions of the committees of the Board were approved as follows: the Strategic Planning Committee/Sustainable Development Committee of the Board comprising Mr. Zhang Daoming, Mr. Lyu Chen, Mr. Gong Xinyu and Mr. Qu Xiaobo as members; the Audit Committee of the Board comprising Ms. Xue Shuang as the chairperson and Mr. Gong Xinyu, Mr. Cheng Fengchao, Mr. Wei Chenyang, Mr. Li Weibin and Ms. Li Ling as members; the Nomination, Remuneration and Review Committee of the Board comprising Mr. Cheng Fengchao as the chairperson and Mr. Gong Xinyu, Mr. Wei Chenyang, Mr. Li Weibin and Ms. Xue Shuang as members; the Risk Management and Consumers' Rights and Interests Protection Committee (Assets and Liabilities Management and Investment Decision-making Committee) of the Board comprising Mr. Zhang Daoming as the chairperson and Mr. Lyu Chen, Mr. Hu Wei, Mr. Cheng Fengchao, Mr. Wei Chenyang and Mr. Qu Xiaobo as members; the Related Party Transaction Control Committee of the Board comprising Mr. Li Weibin as the chairperson and Mr. Lyu Chen, Mr. Hu Wei, Mr. Qu Xiaobo and Ms. Xue Shuang as members. (The term of office of Mr. Gong Xinyu will commence from the date of the approval of his qualification as a Director by the NFRA.)

Mr. Lyu Chen's qualification as a Director of the Company was approved by the NFRA on 4 August 2026. The term of office of Mr. Lyu Chen as an executive Director and a member of the Strategic Planning Committee/Sustainable Development Committee of the Board, a member of the Risk Management and Consumers' Rights and Interests Protection Committee (Assets and Liabilities Management and Investment Decision-making Committee) of the Board and a member of the Related Party Transaction Control Committee of the Board of the Company commenced on 4 August 2026.

As at the date of this interim report, the Board comprises:

Mr. Zhang Daoming *(Vice Chairperson of the Board, Executive Director)*
Mr. Lyu Chen *(Executive Director)*
Mr. Hu Wei *(Executive Director)*
Ms. Li Ling *(Employee Director/Non-executive Director)*
Mr. Cheng Fengchao *(Independent Director)*
Mr. Wei Chenyang *(Independent Director)*
Mr. Li Weibin *(Independent Director)*
Mr. Qu Xiaobo *(Independent Director)*
Ms. Xue Shuang *(Independent Director)*

CHANGES IN THE INFORMATION OF DIRECTORS

Mr. Jiang Caishi, a former executive Director, has also resigned from his position as a Vice President of the Company.

Mr. Zhang Daoming, an executive Director, currently also serves as the President of the Company.

Mr. Lyu Chen, an executive Director, has ceased to serve as a non-executive director of PICC Health Insurance Company Limited and a non-executive director of Hua Xia Bank Co., Limited*.

Mr. Hu Wei, an executive Director, currently also serves as a non-executive director of PICC Health Insurance Company Limited.

Mr. Qu Xiaobo, an independent Director, currently also serves as an independent director of Changzhou NRB Corporation**.

Ms. Xue Shuang, an independent Director, currently also serves as an independent director of Shanghai Chengtou Holding Co., Ltd.* and Tsingtao Brewery Company Limited***.

* These companies are listed on the Shanghai Stock Exchange.

** This company is listed on the Shenzhen Stock Exchange.

*** This company is listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has formulated the Guidelines on Transactions of the Company's Securities by the Employees (the "Securities Transactions Guidelines") that are applicable to Directors and all employees. The terms of the Securities Transactions Guidelines are no less exacting than those set out in the Model Code. The Company enquired with all the Directors, and they all confirmed that they complied with the requirements under the Model Code and the Securities Transactions Guidelines during the first half of 2026.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER SFO

As at 30 June 2026, the following persons held interests or short positions in the shares or underlying shares of the Company that were required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register as required to be kept by the Company pursuant to Section 336 of the SFO, or notified to the Company and the Hong Kong Stock Exchange by other means:

Name of shareholder	Capacity	Number of domestic shares	Nature of interests	Percentage of total number of domestic shares in issue *(Note 1)*	Percentage of total number of shares in issue *(Note 1)*
PICC Group	Beneficial owner	15,343,471,470	Long position	100%	68.98%

Name of shareholder	Capacity	Number of H shares	Nature of interests	Percentage of total number of H shares in issue *(Note 1)*	Percentage of total number of shares in issue *(Note 1)*
JPMorgan Chase & Co.	Beneficial owner, investment manager, person having a security interest in shares, approved lending agent	558,321,930 *(Note 2)*	Long position	8.09%	2.51%
	Beneficial owner	41,241,774 *(Note 2)*	Short position	0.59%	0.18%
	Approved lending agent	408,089,054	Lending pool	5.91%	1.83%
Citigroup Inc.	Interest of controlled corporations, approved lending agent	476,710,493 *(Note 3)*	Long position	6.90%	2.14%
	Interest of controlled corporations	90,231,788 *(Note 3)*	Short position	1.30%	0.41%
	Approved lending agent	453,573,223	Lending pool	6.57%	2.04%
The Capital Group Companies, Inc.	Interest of controlled corporations	418,693,101	Long position	6.07%	1.88%
BlackRock, Inc.	Interest of controlled corporations	367,231,520 *(Note 4)*	Long position	5.32%	1.65%
	Interest of controlled corporations	116,194,000 *(Note 4)*	Short position	1.68%	0.52%

Notes:

1. As at 30 June 2026, the Company has issued a total number of 15,343,471,470 domestic shares and a total number of 6,899,293,833 H shares. The total number of its issued shares is 22,242,765,303.

2. Among which, 1,294,000 H shares (Long position) and 1,518,000 H shares (Short position) were held through derivatives, categorised as held through physically settled listed derivatives; 28,000 H shares (Short position) were held through derivatives, categorised as held through cash settled listed derivatives; 1,480,730 H shares (Long position) and 1,909,101 H shares (Short position) were held through derivatives, categorised as held through physically settled unlisted derivatives; 21,326,210 H shares (Long position) and 33,342,000 H shares (Short position) were held through derivatives, categorised as held through cash settled unlisted derivatives.

3. Among which, 230,434 H shares (Long position) and 1,273,670 H shares (Short position) were held through derivatives, categorised as held through physically settled unlisted derivatives; 10,702,000 H shares (Long position) and 72,248,190 H shares (Short position) were held through derivatives, categorised as held through cash settled unlisted derivatives.

4. Among which, 338,000 H shares (Long position) and 78,216,000 H shares (Short position) were held through derivatives, categorised as held through cash settled unlisted derivatives.

5. The details of the shareholding interests of the companies directly or indirectly controlled by Citigroup Inc. are set out below:

Name of controlled corporation	Name of controlling person	% control	Number of shares	
Citicorp LLC	Citigroup Inc.	100.00	Long position	453,670,094
			Short position	0
Citibank, N.A.	Citicorp LLC	100.00	Long position	453,670,094
			Short position	0
Citigroup Global Markets Holdings Inc.	Citigroup Inc.	100.00	Long position	23,040,399
			Short position	90,089,987
Citigroup Financial Products Inc.	Citigroup Global Markets Holdings Inc.	100.00	Long position	23,040,399
			Short position	90,089,987
Citigroup Global Markets Hong Kong Limited	Citigroup Financial Products Inc.	100.00	Long position	133,563
			Short position	1,135,449
Citigroup Global Markets Holdings Bahamas Limited	Citigroup Financial Products Inc.	90.00	Long position	22,906,836
			Short position	88,954,538
Citigroup Global Markets Limited	Citigroup Global Markets Holdings Bahamas Limited	100.00	Long position	22,906,836
			Short position	88,954,538
Citigroup Global Markets Holdings Inc.	Citigroup Inc.	100.00	Long position	0
			Short position	141,801

6. The details of the shareholding interests of the companies directly or indirectly controlled by BlackRock, Inc. are set out below:

Name of controlled corporation	Name of controlling person	% control	Number of shares	
BlackRock Finance, Inc.	BlackRock, Inc.	100.00	Long position	367,231,520
			Short position	116,194,000
Trident Merger, LLC	BlackRock Finance, Inc.	100.00	Long position	4,404,138
BlackRock Investment Management, LLC	Trident Merger, LLC	100.00	Long position	4,330,613
BlackRock Investment Management, LLC	Trident Merger, LLC	100.00	Long position	73,525
BlackRock Holdco 2, Inc.	BlackRock Finance, Inc.	100.00	Long position	362,827,382
			Short position	116,194,000
BlackRock Financial Management, Inc.	BlackRock Holdco 2, Inc.	100.00	Long position	360,454,866
			Short position	58,916,000
BlackRock Financial Management, Inc.	BlackRock Holdco 2, Inc.	100.00	Long position	2,372,516
			Short position	57,278,000
BlackRock Holdco 4, LLC	BlackRock Financial Management, Inc.	100.00	Long position	239,905,737
			Short position	43,142,000
BlackRock Holdco 6, LLC	BlackRock Holdco 4, LLC	90.00	Long position	239,905,737
			Short position	43,142,000
BlackRock Delaware Holdings Inc.	BlackRock Holdco 6, LLC	100.00	Long position	239,905,737
			Short position	43,142,000
BlackRock Institutional Trust Company, National Association	BlackRock Delaware Holdings Inc.	100.00	Long position	70,406,064
			Short position	43,142,000
BlackRock Fund Advisors	BlackRock Delaware Holdings Inc.	100.00	Long position	169,499,673
BlackRock International Holdings, Inc.	BlackRock Financial Management, Inc.	100.00	Long position	120,549,129
			Short position	15,774,000
BR Jersey International Holdings L.P.	BlackRock International Holdings, Inc.	86.00	Long position	114,405,729
			Short position	15,774,000
BlackRock Lux Finco S.à r.l.	BlackRock HK Holdco Limited	100.00	Long position	5,735,988
BlackRock Japan Holdings GK	BlackRock Lux Finco S.à r.l.	100.00	Long position	5,735,988
BlackRock Japan Co., Ltd.	BlackRock Japan Holdings GK	100.00	Long position	5,735,988
BlackRock Holdco 3, LLC	BR Jersey International Holdings L.P.	100.00	Long position	94,159,032
			Short position	15,774,000

Name of controlled corporation	Name of controlling person	% control	Number of shares	
BlackRock Canada Holdings ULC	BlackRock International Holdings, Inc.	100.00	Long position	6,143,400
BlackRock Asset Management Canada Limited	BlackRock Canada Holdings ULC	100.00	Long position	6,143,400
BlackRock Australia Holdco Pty. Ltd.	BR Jersey International Holdings L.P.	100.00	Long position	3,008,700
BlackRock Investment Management (Australia) Limited	BlackRock Australia Holdco Pty. Ltd.	100.00	Long position	3,008,700
BlackRock (Singapore) Holdco Pte. Ltd.	BR Jersey International Holdings L.P.	100.00	Long position	17,237,997
BlackRock HK Holdco Limited	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	Long position	15,751,997
BlackRock Asset Management North Asia Limited	BlackRock HK Holdco Limited	100.00	Long position	10,016,009
BlackRock Cayman 1 LP	BlackRock Holdco 3, LLC	100.00	Long position	94,159,032
			Short position	15,774,000
BlackRock Cayman West Bay Finco Limited	BlackRock Cayman 1 LP	100.00	Long position	94,159,032
			Short position	15,774,000
BlackRock Cayman West Bay IV Limited	BlackRock Cayman West Bay Finco Limited	100.00	Long position	94,159,032
			Short position	15,774,000
BlackRock Group Limited	BlackRock Cayman West Bay IV Limited	90.00	Long position	94,159,032
			Short position	15,774,000
BlackRock Finance Europe Limited	BlackRock Group Limited	100.00	Long position	18,524,477
BlackRock (Netherlands) B.V.	BlackRock Finance Europe Limited	100.00	Long position	232,000
BlackRock (Netherlands) B.V.	BlackRock Finance Europe Limited	100.00	Long position	2,613,028
BlackRock International Limited	BlackRock Group Limited	100.00	Long position	646,000
BlackRock Group Limited-Luxembourg Branch	BlackRock Group Limited	100.00	Long position	74,988,555
			Short position	15,774,000
BlackRock Luxembourg Holdco S.à r.l.	BlackRock Group Limited-Luxembourg Branch	100.00	Long position	74,988,555
			Short position	15,774,000
BlackRock Investment Management Ireland Holdings Unlimited Company	BlackRock Luxembourg Holdco S.à r.l.	100.00	Long position	74,520,747

Name of controlled corporation	Name of controlling person	% control	Number of shares	
BlackRock Asset Management Ireland Limited	BlackRock Investment Management Ireland Holdings Unlimited Company	100.00	Long position	74,520,747
BLACKROCK (Luxembourg) S.A.	BlackRock Luxembourg Holdco S.à r.l.	100.00	Long position Short position	377,808 15,774,000
BlackRock Investment Management (UK) Limited	BlackRock Finance Europe Limited	100.00	Long position	5,811,449
BlackRock Investment Management (UK) Limited	BlackRock Finance Europe Limited	100.00	Long position	9,868,000
BlackRock (Netherlands) B.V. – German Branch – Frankfurt BlackRock	BlackRock (Netherlands) B.V.	100.00	Long position	232,000
BlackRock Asset Management Deutschland AG	BlackRock (Netherlands) B.V. – German Branch – Frankfurt BlackRock	100.00	Long position	232,000
BlackRock Fund Managers Limited	BlackRock Investment Management (UK) Limited	100.00	Long position	5,811,449
BlackRock Life Limited	BlackRock International Limited	100.00	Long position	646,000
BlackRock (Singapore) Limited	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	Long position	1,486,000
BlackRock UK Holdco Limited	BlackRock Luxembourg Holdco S.à r.l.	100.00	Long position	90,000
BlackRock Asset Management Schweiz AG	BlackRock UK Holdco Limited	100.00	Long position	90,000
EG Holdings Blocker, LLC	BlackRock Investment Management, LLC	100.00	Long position	4,330,613
Amethyst Intermediate, LLC	BlackRock Investment Management, LLC	100.00	Long position	4,330,613
Aperio Holdings, LLC	Amethyst Intermediate, LLC	60.00	Long position	4,330,613
Aperio Holdings, LLC	EG Holdings Blocker, LLC	40.00	Long position	4,330,613
Aperio Group, LLC	Aperio Holdings, LLC	100.00	Long position	4,330,613

Save as disclosed above, the Company is not aware of any other persons having any interests or short positions in the shares or underlying shares of the Company that were required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register as required to be kept under Section 336 of the SFO, or being substantial shareholders of the Company as at 30 June 2026.

PROPOSED INTERIM DIVIDEND AND CLOSURE OF REGISTER OF H SHARE MEMBERS

The Board proposed the distribution of an interim dividend of RMB0.34 per share (inclusive of applicable tax) for the six months ended 30 June 2026. The total amount of dividend was RMB7,563 million. The above proposal is subject to the consideration and approval at the forthcoming extraordinary general meeting. The specific arrangement regarding announcement and distribution of the interim dividend, relevant arrangement for the closure of registration for H share members, etc. will be disclosed separately in the circular for the extraordinary general meeting by the Company. 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. To the knowledge of the Company, there has been no arrangement under which any shareholder has waived or agreed to waive any dividend.

WITHHOLDING AND PAYMENT OF DIVIDEND INCOME TAX

Pursuant to the regulations of relevant PRC laws and regulations and regulatory documents on taxation, the Company shall, as a withholding agent, withhold and pay income tax on the dividend, including withholding and payment of enterprise income tax on behalf of overseas non-resident enterprise shareholders, individual income tax on behalf of overseas individual shareholders and individual income tax on behalf of domestic individual shareholders investing through China-Hong Kong Stock Connect, in the distribution of the interim dividend to H shareholders of the Company for the six months ended 30 June 2026. Particulars of withholding and payment of income tax on dividend and information for H shareholders of the Company to obtain relevant relief from taxation will be disclosed separately in the circular of the extraordinary general meeting by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed securities (including sale of treasury shares) in the first half of 2026. As at 30 June 2026, the Company and its subsidiaries did not hold any treasury shares.

CORPORATE GOVERNANCE

During the period from 1 January 2026 to the date of this interim report, the Company has complied with all the code provisions of the Corporate Governance Code.

REVIEW OF INTERIM RESULTS

Ernst & Young, the Company's auditor, and the Audit Committee of the Company have reviewed the unaudited interim condensed consolidated financial information of the Company and its subsidiaries for the six months ended 30 June 2026.

Report on Review of Interim Condensed Consolidated Financial Information

To the Board of Directors of PICC Property and Casualty Company Limited
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 36 to 79, which comprises the interim condensed consolidated statement of financial position of PICC Property and Casualty Company Limited (the "Company") and its subsidiaries (together, 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 Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 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 Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. 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 Hong Kong 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 HKAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
28 August 2026

Interim Condensed Consolidated Income Statement

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(All amounts expressed in RMB million unless otherwise specified)

	Notes	**Six months ended 30 June 2026 (Unaudited)**	Six months ended 30 June 2025 (Unaudited)
Insurance revenue	*4*	**254,617**	249,040
Insurance service expenses	*4*	**(231,295)**	(227,806)
Net expenses from reinsurance contracts held		**(4,248)**	(4,349)
INSURANCE SERVICE RESULT		**19,074**	16,885
Finance expenses from insurance contracts issued		**(4,246)**	(4,415)
Finance income from reinsurance contracts held		**548**	545
Interest income from financial assets not measured at fair value through profit or loss	*5*	**5,729**	6,080
Other investment income	*6*	**17,882**	7,901
Credit impairment (losses)/reversals	*7*	**(35)**	19
Other (expenses)/income, net		**(660)**	175
Other finance costs	*8*	**(519)**	(460)
Other operating expenses	*9*	**(1,505)**	(1,386)
Share of profit or loss of associates		**4,019**	3,617
Foreign exchange losses, net		**(258)**	(57)
PROFIT BEFORE INCOME TAX		**40,029**	28,904
Income tax expenses	*10*	**(7,745)**	(4,449)
NET PROFIT FOR THE PERIOD		**32,284**	24,455
Attributable to:			
Owners of the parent		**32,296**	24,454
Non-controlling interests		**(12)**	1
Basic earnings per share	*11*	**RMB1.452**	RMB1.099
Diluted earnings per share	*11*	**RMB1.452**	RMB1.099

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

(All amounts expressed in RMB million unless otherwise specified)

	Six months ended 30 June 2026 (Unaudited)	Six months ended 30 June 2025 (Unaudited)
NET PROFIT FOR THE PERIOD	32,284	24,455
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified to profit or loss in subsequent periods:		
Finance expenses from insurance contracts issued	(259)	1,007
Finance income from reinsurance contracts held	63	(137)
Debt instruments measured at fair value through other comprehensive income		
Changes in fair value	1,981	147
Reclassification of gains to profit or loss upon disposals	(15)	(652)
Changes in impairment allowance recorded in profit or loss	1	2
Income tax effect	(426)	(97)
Share of other comprehensive income of associates	1,043	(998)
NET OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	2,388	(728)
Items that will not be reclassified to profit or loss in subsequent periods:		
Gains on revaluation of investment properties and right-of-use assets upon transfer to investment properties	133	69
Changes in fair value of equity instruments at fair value through other comprehensive income	(9,009)	5,234
Income tax effect	2,146	(1,282)
Share of other comprehensive income of associates	(449)	64
NET OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	(7,179)	4,085
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(4,791)	3,357
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	27,493	27,812
Attributable to:		
Owners of the parent	27,503	27,785
Non-controlling interests	(10)	27

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

(All amounts expressed in RMB million unless otherwise specified)

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
ASSETS			
Cash and cash equivalents	*13*	**20,222**	23,273
Financial investments:			
Financial assets measured at amortised cost	*14*	**152,485**	150,493
Financial assets measured at fair value through other comprehensive income	*15*	**280,880**	286,708
Financial assets measured at fair value through profit or loss	*16*	**171,703**	149,630
Insurance contract assets	*17*	**390**	764
Reinsurance contract assets	*17*	**36,677**	43,129
Term deposits	*18*	**67,472**	64,482
Investments in associates	*19*	**76,352**	72,823
Investment properties	*20*	**6,908**	6,934
Property and equipment	*21*	**23,857**	24,581
Right-of-use assets	*22*	**4,921**	5,038
Deferred income tax assets		**16,079**	9,499
Prepayments and other assets	*23*	**26,913**	23,144
TOTAL ASSETS		**884,859**	860,498
LIABILITIES			
Securities sold under agreements to repurchase		**41,405**	65,779
Income tax payable		**5,502**	4
Investment contract liabilities	*24*	**1,723**	1,725
Insurance contract liabilities	*17*	**451,082**	433,224
Reinsurance contract liabilities	*17*	**75**	31
Bonds payable	*25*	**12,246**	12,076
Lease liabilities		**1,077**	1,126
Accruals and other liabilities	*26*	**65,388**	57,830
TOTAL LIABILITIES		**578,498**	571,795

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

Interim Condensed Consolidated Statement of Financial Position

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
EQUITY			
Issued capital	27	22,242	22,242
Reserves		281,446	263,732
Equity attributable to owners of the parent		303,688	285,974
Non-controlling interests		2,673	2,729
TOTAL EQUITY		306,361	288,703
TOTAL LIABILITIES AND EQUITY		884,859	860,498

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

(All amounts expressed in RMB million unless otherwise specified)

	For the six months ended 30 June 2026 (Unaudited)												
	Attributable to owners of the parent												
		Reserves*											
	Issued capital	Share premium and other reserves	Asset revaluation reserve**	Revaluation reserve of financial assets at fair value through other comprehensive income	Insurance finance reserve	Surplus reserve***	General risk reserve	Catastrophic loss reserve	Share of other comprehensive income of associates	Retained earnings	Sub-total	Non-controlling interests	Total equity
1 January 2026	22,242	11,329	5,459	18,578	(893)	94,817	33,540	283	(3,071)	103,690	285,974	2,729	288,703
Total comprehensive income													
Net profit for the period	-	-	-	-	-	-	-	-	-	32,296	32,296	(12)	32,284
Other comprehensive income	-	-	99	(5,339)	(147)	-	-	-	594	-	(4,793)	2	(4,791)
Dividends declared (note 12)	-	-	-	-	-	-	-	-	-	(9,787)	(9,787)	(48)	(9,835)
Capital invested and reduced by holders	-	-	-	-	-	-	-	-	-	-	-	2	2
Reclassification of gains on equity instruments measured at fair value through other comprehensive income to retained earnings upon disposals	-	-	-	(1,295)	-	-	-	-	-	1,295	-	-	-
Others	-	(2)	-	-	-	-	-	-	(131)	131	(2)	-	(2)
30 June 2026 (Unaudited)	22,242	11,327	5,558	11,944	(1,040)	94,817	33,540	283	(2,608)	127,625	303,688	2,673	306,361

* The reserve accounts comprise the consolidated reserves of RMB281,446 million in the interim condensed consolidated statement of financial position as at 30 June 2026.

** The asset revaluation reserve arose from the change in use from owner-occupied properties to investment properties.

*** This account contains both statutory and discretionary surplus reserves.

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 2025 (Unaudited)

	Attributable to owners of the parent												
		Reserves*											
	Issued capital	Share premium and other reserves	Asset revaluation reserve**	Revaluation reserve of financial assets at fair value through other comprehensive income	Insurance finance reserve	Surplus reserve***	General risk reserve	Catastrophic loss reserve	Share of other comprehensive income of associates	Retained earnings	Sub-total	Non-controlling interests	Total equity
1 January 2025	22,242	11,362	5,299	20,998	(1,788)	90,566	29,289	258	(2,359)	82,057	257,924	2,698	260,622
Total comprehensive income													
Net profit for the period	–	–	–	–	–	–	–	–	–	24,454	24,454	1	24,455
Other comprehensive income	–	–	26	3,586	653	–	–	–	(934)	–	3,331	26	3,357
Dividends declared (note 12)	–	–	–	–	–	–	–	–	–	(7,385)	(7,385)	–	(7,385)
Others	–	–	–	(2,067)	–	–	–	–	(317)	2,384	–	12	12
30 June 2025 (Unaudited)	22,242	11,362	5,325	22,517	(1,135)	90,566	29,289	258	(3,610)	101,510	278,324	2,737	281,061

* The reserve accounts comprise the consolidated reserves of RMB256,082 million in the interim condensed consolidated statement of financial position as at 30 June 2025.

** The asset revaluation reserve arose from the change in use from owner-occupied properties to investment properties.

*** This account contains both statutory and discretionary surplus reserves.

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

(All amounts expressed in RMB million unless otherwise specified)

	Note	**Six months ended 30 June 2026 (Unaudited)**	Six months ended 30 June 2025 (Unaudited)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		**27,577**	26,891
NET CASH FLOWS USED IN INVESTING ACTIVITIES			
Interest received		**6,572**	7,639
Rental income received from investment properties		**198**	200
Dividends received from financial investments		**3,579**	3,160
Payments for capital expenditure		**(814)**	(730)
Proceeds from disposals and maturities of financial investments		**147,657**	92,457
Payments for purchase of financial investments		**(160,857)**	(124,975)
Dividends received from associates		**1,082**	906
Proceeds from disposal of property and equipment, intangible assets and other assets		**53**	109
(Increase)/Decrease in term deposits, net		**(3,150)**	9,577
Subtotal		**(5,680)**	(11,657)
NET CASH FLOWS USED IN FINANCING ACTIVITIES			
Payment for redemption of capital supplementary bonds		**–**	(8,000)
Decrease in securities sold under agreements to repurchase, net		**(24,369)**	(8,312)
Payments of lease liabilities		**(300)**	(467)
Interest paid		**(337)**	(604)
Dividends paid		**(48)**	–
Capital increase from non-controlling interests		**2**	12
Cash received/(paid) related to non-controlling interests of consolidated structured entities, net		**150**	(262)
Subtotal		**(24,902)**	(17,633)

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

Interim Condensed Consolidated Statement of Cash Flows

	Note	Six months ended 30 June 2026 (Unaudited)	Six months ended 30 June 2025 (Unaudited)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(43)	(4)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,048)	(2,403)
Cash and cash equivalents at beginning of the period		23,268	19,363
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	*13*	20,220	16,960
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Demand deposits and cash on hand	*13*	10,787	9,463
Securities purchased under resale agreements with original maturity of no more than three months	*13*	9,433	7,497
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	*13*	20,220	16,960

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

1. CORPORATE INFORMATION

PICC Property and Casualty Company Limited (the "Company") is a joint stock company with limited liability incorporated in the People's Republic of China (the "PRC"). The registered office of the Company is located at Tower 2, No. 2 Jianguomenwai Avenue, Chaoyang District, Beijing 100022, the PRC. The Company is listed on The Stock Exchange of Hong Kong Limited. The parent and the ultimate holding company of the Company is The People's Insurance Company (Group) of China Limited (the "PICC Group"), which is incorporated in the PRC and listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange.

The Company and its subsidiaries (collectively referred to as the "Group") are mainly engaged in property and casualty insurance business. Details of the operating segments are set out in note 3 to the interim condensed consolidated financial information.

The 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 for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") 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 the changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the interim condensed consolidated financial information for the six months ended 30 June 2026 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 consolidated 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. BASIS OF PREPARATION *(CONTINUED)*

(1) Application of new standards and amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments which are mandatory effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's interim condensed consolidated financial information:

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

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

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. OPERATING SEGMENT INFORMATION

The Group's operating segments are presented in a manner consistent with internal management reporting provided to the chief operating decision maker for deciding how to allocate resources and for assessing performance.

For management purposes, the Group is organised into business units based on their products and services and has six reportable segments other than the corporate and others as follows:

(i) the motor vehicle segment which provides insurance products covering motor vehicles;

(ii) the accidental injury and health segment which provides insurance products covering accidental injuries and medical expenses;

(iii) the agriculture segment which provides insurance products covering agriculture business;

(iv) the liability segment which provides insurance products covering policyholders' liabilities;

(v) the commercial property segment which provides insurance products covering commercial properties; and

(vi) the others which mainly represent insurance products related to cargo, credit and surety, household property, special risks, marine hull and construction.

Management monitors the results of the Group's operating segments separately for the purpose of performance assessment. Segment performance is evaluated based on reportable segment result.

The corporate and other segment includes the income and expenses from reinsurance contracts issued and held, the income and expenses from investment activities, other income, unallocated income and expenses of the Group.

Insurance business assets and liabilities directly attributable to operating segments of the insurance business will be allocated to each segment. Investment assets and liabilities will be allocated to the corporate and others together with property and equipment, investment properties, prepaid land premiums, other assets, bonds payable, income tax payable, deferred income tax assets and other payables, which are not allocated further.

Geographical information is not presented as the Group's customers, business, assets and liabilities are mainly located and operations are mainly carried out in the Chinese Mainland for relevant entities. There was no inter-segment transaction for the six months ended 30 June 2026 and 30 June 2025.

3. OPERATING SEGMENT INFORMATION *(CONTINUED)*

The segment income statements for the six months ended 30 June 2026 (unaudited) are as follows:

	Insurance							
	Motor vehicle	Accidental injury and health	Agriculture	Liability	Commercial property	Others	Corporate and others	Total
Insurance revenue	153,150	35,248	21,404	20,137	8,715	15,002	961	254,617
Insurance service expenses	(140,325)	(34,663)	(19,026)	(19,938)	(5,974)	(10,065)	(1,304)	(231,295)
Net expenses from reinsurance contracts held	–	–	–	–	–	–	(4,248)	(4,248)
Insurance service result	12,825	585	2,378	199	2,741	4,937	(4,591)	19,074
Finance expenses from insurance contracts issued	(2,573)	(435)	(20)	(533)	(192)	(408)	(85)	(4,246)
Finance income from reinsurance contracts held	–	–	–	–	–	–	548	548
Interest income from financial assets not measured at fair value through profit or loss	–	–	–	–	–	–	5,729	5,729
Other investment income	–	–	–	–	–	–	17,882	17,882
Credit impairment losses	–	–	–	–	–	–	(35)	(35)
Other expenses, net	–	–	–	–	–	–	(660)	(660)
Other finance costs	–	–	–	–	–	–	(519)	(519)
Other operating expenses	–	–	–	–	–	–	(1,505)	(1,505)
Share of profit or loss of associates	–	–	–	–	–	–	4,019	4,019
Foreign exchange losses, net	–	–	–	–	–	–	(258)	(258)
Profit/(Loss) before income tax	10,252	150	2,358	(334)	2,549	4,529	20,525	40,029
Income tax expenses	–	–	–	–	–	–	(7,745)	(7,745)
Net profit/(loss) for the period Segment operating result	10,252	150	2,358	(334)	2,549	4,529	12,780	32,284

3. OPERATING SEGMENT INFORMATION *(CONTINUED)*

The segment income statements for the six months ended 30 June 2025 (unaudited) are as follows:

	Insurance							
	Motor vehicle	Accidental injury and health	Agriculture	Liability	Commercial property	Others	Corporate and others	Total
Insurance revenue	150,272	30,974	23,169	18,632	8,421	17,537	35	249,040
Insurance service expenses	(138,565)	(31,176)	(19,729)	(18,368)	(6,215)	(13,525)	(228)	(227,806)
Net expenses from reinsurance contracts held	–	–	–	–	–	–	(4,349)	(4,349)
Insurance service result	11,707	(202)	3,440	264	2,206	4,012	(4,542)	16,885
Finance expenses from insurance contracts issued	(2,781)	(424)	(12)	(551)	(211)	(382)	(54)	(4,415)
Finance income from reinsurance contracts held	–	–	–	–	–	–	545	545
Interest income from financial assets not measured at fair value through profit or loss	–	–	–	–	–	–	6,080	6,080
Other investment income	–	–	–	–	–	–	7,901	7,901
Credit impairment reversals	–	–	–	–	–	–	19	19
Other income, net	–	–	–	–	–	–	175	175
Other finance costs	–	–	–	–	–	–	(460)	(460)
Other operating expenses	–	–	–	–	–	–	(1,386)	(1,386)
Share of profit or loss of associates	–	–	–	–	–	–	3,617	3,617
Foreign exchange losses, net	–	–	–	(1)	(2)	(11)	(43)	(57)
Profit/(Loss) before income tax	8,926	(626)	3,428	(288)	1,993	3,619	11,852	28,904
Income tax expenses	–	–	–	–	–	–	(4,449)	(4,449)
Net profit/(loss) for the period								
Segment operating result	8,926	(626)	3,428	(288)	1,993	3,619	7,403	24,455

3. OPERATING SEGMENT INFORMATION *(CONTINUED)*

The segment assets and liabilities of the Group at 30 June 2026 and other segment information for the six months ended 30 June 2026 are as follows:

	Insurance							
	Motor vehicle	Accidental injury and health	Agriculture	Liability	Commercial property	Others	Corporate and others	Total
30 June 2026 (Unaudited)								
Segment assets	135	1,340	396	975	1,040	1,546	879,427	884,859
Segment liabilities	281,199	52,230	8,369	52,726	20,726	35,569	127,679	578,498
For the six months ended 30 June 2026 (Unaudited)								
Other segment information:								
Capital expenditures	396	148	119	67	35	49	–	814
Depreciation and amortisation	1,185	406	167	187	43	178	18	2,184

3. OPERATING SEGMENT INFORMATION *(CONTINUED)*

The segment assets and liabilities of the Group at 31 December 2025 and other segment information for the six months ended 30 June 2025 are as follows:

	Insurance							
	Motor vehicle	Accidental injury and health	Agriculture	Liability	Commercial property	Others	Corporate and others	Total
31 December 2025 (Audited)								
Segment assets	111	1,202	698	839	1,034	1,314	855,300	860,498
Segment liabilities	281,184	44,294	41	49,777	20,421	36,182	139,896	571,795
For the six months ended 30 June 2025 (Unaudited)								
Other segment information:								
Capital expenditures	364	119	111	56	31	49	–	730
Depreciation and amortisation	1,019	304	152	147	41	149	2	1,814

4. INSURANCE REVENUE AND INSURANCE SERVICE EXPENSES

The following table discloses insurance revenue and insurance service expenses:

	Six months ended 30 June 2026	Six months ended 30 June 2025
Insurance revenue		
Contracts not measured under the premium allocation approach	2,105	2,420
Contracts measured under the premium allocation approach	252,512	246,620
Total insurance revenue	254,617	249,040
Insurance service expenses		
The liabilities for remaining coverage	43,166	44,371
The liabilities for incurred claims	188,129	183,435
Total insurance service expenses	231,295	227,806

An analysis of insurance revenue and contractual service margin ("CSM") for insurance contracts issued by transition approach is included in the following tables.

	Six months ended 30 June 2026	Six months ended 30 June 2025
Insurance revenue		
Contracts measured under the fair value approach at transition	311	544
Contracts measured under the modified retrospective approach at transition	35	71
Other insurance contracts	254,271	248,425
Total	254,617	249,040

	30 June 2026	31 December 2025
CSM		
Contracts measured under the fair value approach at transition	233	251
Other insurance contracts	2	3
Total	235	254

5. 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
Financial assets measured at amortised cost	**2,456**	2,623
Debt instruments measured at fair value through other comprehensive income	**2,227**	2,105
Current and term deposits at amortised cost	**1,046**	1,352
Total	**5,729**	6,080

6. OTHER INVESTMENT INCOME

	Six months ended 30 June 2026	Six months ended 30 June 2025
Operating lease income from investment properties	**198**	200
Interest income from financial assets at fair value through profit or loss	**805**	737
Dividends:		
Equity instruments measured at fair value through other comprehensive income	**3,049**	2,937
Financial assets measured at fair value through profit or loss	**580**	404
Subtotal	**3,629**	3,341
Unrealised gains on investments:		
Financial assets measured at fair value through profit or loss	**4,095**	1,008
Realised gains on investments:		
Financial assets measured at fair value through profit or loss	**9,221**	2,114
Debt instruments measured at fair value through other comprehensive income	**15**	652
Financial assets measured at amortised cost	**1**	–
Subtotal	**9,237**	2,766
Losses on fair value changes of investment properties (note 20)	**(82)**	(151)
Total	**17,882**	7,901

7. CREDIT IMPAIRMENT (LOSSES)/REVERSALS

	Six months ended 30 June 2026	Six months ended 30 June 2025
Financial assets measured at amortised cost	60	37
Term deposits	4	23
Debt instruments measured at fair value through other comprehensive income	(2)	(4)
Other financial assets	(97)	(37)
Total	(35)	19

8. OTHER FINANCE COSTS

	Six months ended 30 June 2026	Six months ended 30 June 2025
Interest on securities sold under agreements to repurchase	333	394
Interest on bonds payable	170	39
Interest on lease liabilities	16	20
Interest on investment contracts	–	7
Total	519	460

9. OTHER OPERATING EXPENSES

The following expenses for the six months ended 30 June 2026 and 30 June 2025 were analysed by nature. Expenses incurred that were fulfilment cash flows are not presented in other operating expenses, but are either presented as insurance service expenses or recognised as insurance acquisition cash flows in accordance with HKFRS 17.

	Six months ended 30 June 2026	Six months ended 30 June 2025
Employee expenses (including directors', supervisors' and senior management's remunerations)	21,126	21,062
Salaries, allowances and performance related bonuses	18,299	18,453
Pension scheme contributions	2,827	2,609
Commissions	17,753	18,719
Labor service fee	7,284	6,332
Business publicity expenses	5,095	5,555
Consulting fee	1,873	1,756
Depreciation of property and equipment	1,241	903
Taxes and other surcharges	1,077	1,020
Amortisation of intangible assets	510	457
Depreciation of right-of-use assets	411	400
Other expenses	5,511	6,466
Subtotal	61,881	62,670
Less: Insurance acquisition cash flows	(40,708)	(41,436)
Less: Other incurred expenses directly attributable to insurance contracts	(19,668)	(19,848)
Total	1,505	1,386

10. INCOME TAX EXPENSES

The provision for income tax expenses is calculated based on the statutory rate of 25% in accordance with the relevant PRC income tax rules and regulations during each period. Starting from 2020, the Company's branches in some western provinces and Hainan province have been entitled to the preferential tax rate of 15% for eligible taxable income. According to relevant tax regulations, the preferential tax rates of some western provinces and Hainan province are applicable until 2030 and 2027, respectively.

	Six months ended 30 June 2026	Six months ended 30 June 2025
Current tax	12,192	8,772
Deferred tax	(4,447)	(4,323)
Total	7,745	4,449

11. EARNINGS PER SHARE

(1) Basic earnings per share

The calculation of basic earnings per share attributable to owners of the parent is based on the following:

	Six months ended 30 June 2026	Six months ended 30 June 2025
Earnings:		
Net profit attributable to owners of the parent	32,296	24,454
Shares:		
Weighted average number of ordinary shares in issue (in million shares) (note 27)	22,242	22,242
Basic earnings per share (RMB yuan)	1.452	1.099

Basic earnings per share amounts were calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue for the six months ended 30 June 2026 and 30 June 2025.

(2) Diluted earnings per share

For the six months ended 30 June 2026 and 30 June 2025, the Company did not hold any dilutive potential ordinary shares; therefore, the diluted earnings per share amounts were the same as the basic earnings per share amounts.

12. DIVIDENDS

	Six months ended 30 June 2026	Six months ended 30 June 2025
Dividends recognised as distribution during the period:		
Final dividend for the year 2025:		
RMB0.44 per ordinary share	9,787	–
Final dividend for the year 2024:		
RMB0.332 per ordinary share	–	7,385

Pursuant to the shareholders' approval at the general meeting on 25 June 2026, a final dividend of RMB0.44 per ordinary share totalling RMB9,787 million in respect of the year ended 31 December 2025 was declared.

Pursuant to the shareholders' approval at the general meeting on 30 October 2025, an interim dividend of RMB0.24 per ordinary share totalling RMB5,338 million in respect of the six months ended 30 June 2025 was declared.

Pursuant to the shareholders' approval at the general meeting on 27 June 2025, a final dividend of RMB0.332 per ordinary share totalling RMB7,385 million in respect of the year ended 31 December 2024 was declared.

13. CASH AND CASH EQUIVALENTS

	30 June 2026	31 December 2025
Demand deposits and cash on hand	10,787	9,073
Securities purchased under resale agreements with original maturity of no more than three months	9,433	14,195
Subtotal	20,220	23,268
Add: Interest receivable	2	5
Less: Provision for impairment	–	–
Total	20,222	23,273
Cash and cash equivalents by accounting categories:		
Financial assets measured at amortised cost	20,222	23,273

For securities purchased under resale agreements, counterparties are required to pledge certain bonds as collaterals. The securities purchased are not recognised on the interim condensed consolidated statement of financial position.

The carrying amounts of cash and cash equivalents approximated to the fair values at 30 June 2026 and 31 December 2025.

14. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	30 June 2026	31 December 2025
Bond investments:		
Government bonds	80,610	69,015
Corporate bonds	12,628	13,950
Financial bonds	8,712	9,932
Long-term debt investment schemes	24,018	28,076
Trust plans	18,727	21,658
Project support schemes	8,339	8,450
Others	386	397
Subtotal	153,420	151,478
Less: Provision for impairment	(935)	(985)
Total	152,485	150,493

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

	30 June 2026	31 December 2025
Debt instruments:		
Bond investments		
Government bonds	102,875	95,348
Corporate bonds	54,263	53,365
Financial bonds	27,768	21,944
Project support schemes	108	108
Subtotal	185,014	170,765
Including:		
Amortised cost	176,130	163,847
Accumulated fair value changes	8,884	6,918
Equity instruments:		
Listed shares	50,933	55,180
Perpetual bonds	20,157	35,117
Perpetual trust plans and perpetual debt plans	18,020	18,877
Preferred shares	6,756	6,769
Subtotal	95,866	115,943
Including:		
Cost	89,153	98,513
Accumulated fair value changes	6,713	17,430
Total	280,880	286,708

15. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(CONTINUED)*

At 30 June 2026, the impairment provisions of financial assets measured at fair value through other comprehensive income were RMB137 million (31 December 2025: RMB136 million).

Certain investments in equity instruments that are not held for trading were designated at fair value through other comprehensive income. The equity instruments measured at fair value through other comprehensive income, designated by the Group, are non-trading equity investments with the primary objective of being held for long term or obtaining dividends during the holding period.

The dividend income recognised by the Group for such equity instruments for the six months ended 30 June 2026 was RMB3,049 million (for the six months ended 30 June 2025: RMB2,937 million). For the six months ended 30 June 2026, the Group disposed of equity instruments designated at fair value through other comprehensive income amounting to RMB24,469 million (for the six months ended 30 June 2025: RMB4,800 million). The cumulative earnings net of taxes of such equity instruments transferred into retained earnings from the revaluation reserve upon the disposals were RMB1,295 million during the period (for the six months ended 30 June 2025: RMB2,067 million).

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

	30 June 2026	31 December 2025
Bond investments:		
Financial bonds	**46,121**	43,343
Corporate bonds	**2,650**	2,421
Government bonds	**570**	519
Mutual funds	**48,916**	35,762
Listed shares	**38,155**	31,366
Equity investment funds and plans	**16,454**	16,203
Project support schemes	**7,301**	6,257
Unlisted shares	**4,127**	4,253
Asset management products	**2,553**	3,352
Perpetual bonds	**2,230**	4,315
Debt investment schemes	**1,305**	1,288
Others	**1,321**	551
Total	**171,703**	149,630

17. INSURANCE CONTRACTS

Analysis by liabilities for remaining coverage and liabilities for incurred claims of insurance contracts issued:

	30 June 2026	31 December 2025
Insurance contract assets	(390)	(764)
Insurance contract liabilities	451,082	433,224
Net insurance contract liabilities	450,692	432,460
Liabilities for remaining coverage	191,738	192,042
Excluding loss component	180,373	181,611
Loss component	11,365	10,431
Liabilities for incurred claims	258,954	240,418

Analysis by assets for remaining coverage and assets for incurred claims of reinsurance contracts held:

	30 June 2026	31 December 2025
Reinsurer's share of the assets for remaining coverage	(7,664)	(1,338)
Excluding loss-recovery component	(8,419)	(2,179)
Loss-recovery component	755	841
Reinsurer's share of the assets for incurred claims	44,266	44,436
Net reinsurance contract assets	36,602	43,098

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	168	101
More than 1 year but within 2 years	400	400
More than 2 years but within 3 years	17,315	20,755
More than 3 years	48,313	41,790
Subtotal	66,196	63,046
Add: Interest receivable	1,335	1,499
Less: Provision for impairment	(59)	(63)
Total	67,472	64,482

19. INVESTMENTS IN ASSOCIATES

	30 June 2026	31 December 2025
Associates		
Cost of investments in associates	**39,857**	39,857
Share of post-acquisition profit and other equity movements, less dividends received or receivable	**36,557**	33,028
Subtotal	**76,414**	72,885
Less: Provision for impairment	**(62)**	(62)
Total	**76,352**	72,823

As at 30 June 2026, the carrying amount of the Group's investment in Hua Xia Bank Co., Limited ("Hua Xia Bank", a material associate of the Group) 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 below the carrying amount. Considering that an impairment indicator exists, the Group performed an impairment test, 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 amount.

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 HKAS 36.

20. INVESTMENT PROPERTIES

	Six months ended 30 June 2026	Six months ended 30 June 2025
As at 1 January	6,934	7,234
Transferred from property and equipment and right-of-use assets	100	777
Fair value gains on revaluation of investment properties transferred from property and equipment and right-of-use assets	133	69
Decrease in fair value of investment properties (note 6)	(82)	(151)
Transferred to property and equipment and right-of-use assets	(177)	–
As at 30 June	6,908	7,929

At 30 June 2026, the fair values were determined based on the valuation carried out by external independent valuers, Shenzhen Worldunion Appraisal Co., Ltd. and Jones Lang LaSalle (Beijing) Real Estate Assets Appraisal & Consultancy Co., Ltd.. Valuations were carried out based on the following two approaches:

(i) The Group uses the income approach, determining the fair values at the 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 capitalisation rate; or

(ii) The Group uses the direct comparison approach, comparing the amounts of target properties with those of the similar properties that had recent market transactions, adjusting the differences of status, date, region and other specific factors those might have an impact on the fair value measurement of the properties.

The Group usually conducts an analysis of the applicability of valuation methods based on the actual circumstances of the property, 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.

21. PROPERTY AND EQUIPMENT

For the six months ended 30 June 2026, the Group acquired assets with a cost of RMB397 million (for the six months ended 30 June 2025: RMB391 million) and incurred construction costs of RMB98 million (for the six months ended 30 June 2025: RMB54 million) for construction in progress.

Assets with a net book value of RMB20 million were disposed of by the Group for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB131 million), resulting in a net disposal gain of RMB36 million (for the six months ended 30 June 2025: net gain of RMB11 million).

For the six months ended 30 June 2026, construction in progress with an aggregate amount of RMB259 million (for the six months ended 30 June 2025: RMB7 million) was transferred to lands and buildings upon completion.

For the six months ended 30 June 2026, items of property and equipment with a carrying amount of RMB87 million (for the six months ended 30 June 2025: RMB777 million) were transferred to investment properties, and items of investment properties with a carrying amount of RMB132 million (for the six months ended 30 June 2025: Nil) were transferred to property and equipment.

22. RIGHT-OF-USE ASSETS

For the six months ended 30 June 2026, the Group entered into certain new lease agreements for the use of office buildings and vehicles for terms of 1 to 10 years. The Group is required to make fixed payments periodically from the respective lease commencement dates. On the commencement date or effective date of modification of the leases, the Group recognised right-of-use assets of RMB280 million and lease liabilities of RMB280 million related to these new or modified leases.

At 30 June 2026, right-of-use assets included prepaid land premium of RMB3,819 million (31 December 2025: RMB3,870 million).

23. PREPAYMENTS AND OTHER ASSETS

	30 June 2026	31 December 2025
Restricted statutory deposits (i)	4,573	4,563
Receivables from co-insurers for amounts paid on their behalf	3,903	3,955
Receivables from securities clearing	3,054	402
Deductible input value-added tax	2,842	2,884
Receivables arising from redemption of investment funds	2,513	2,307
Intangible assets	2,436	2,945
Deposits paid	2,186	1,139
Prepaid output value-added tax borne by the policyholders	2,103	1,702
Restricted funds	1,358	1,462
Prepayments for acquisition of assets and services	332	287
Amounts due from PICC Group (note 31(2))	46	44
Amounts due from fellow subsidiaries under PICC Group (note 31(2))	21	21
Amounts due from associates (note 31(2))	10	7
Prepaid income tax	–	184
Others	2,370	1,981
Subtotal	27,747	23,883
Less: Provision for impairment	(834)	(739)
Total	26,913	23,144

(i) In accordance with the PRC Insurance Law, the Company is required to maintain a deposit equivalent to 20% of its registered capital with banks designated by the National Financial Regulatory Administration (the "NFRA") as a security fund. The use of the security fund is subject to the approval of the NFRA.

24. INVESTMENT CONTRACT LIABILITIES

	30 June 2026	31 December 2025
Policyholders' deposits	1,663	1,665
Policy dividends payable	60	60
Total	1,723	1,725

25. BONDS PAYABLE

Bonds payable comprised capital supplementary bonds.

	30 June 2026	31 December 2025
Carrying amount repayable in:		
More than five years	12,246	12,076

On 28 November 2024, the Company issued capital supplementary bonds issued at par for RMB12,000 million with a contractual period of ten years. With proper notice to the counterparties, the Company has an option to redeem the bonds at par value at the end of the fifth year from the date of issue. The coupon rate of the bonds is 2.33% per annum in the first five years and 3.33% per annum in the following five years.

26. ACCRUALS AND OTHER LIABILITIES

	30 June 2026	31 December 2025
Salaries and staff welfare payables	24,825	26,003
Dividends payable	9,787	–
Value added tax and other taxes payable	6,969	7,269
Premiums received in advance	5,701	9,075
Payables to co-insurers	5,204	3,995
Payables to non-controlling interests of consolidated structured entities	2,240	2,034
Insurance protection fund	1,195	708
Payables to suppliers	823	1,342
Insurance deposit received	672	670
Accrued capital expenditures	385	290
Amounts due to fellow subsidiaries under PICC Group (note 31(2))	250	297
Others	7,337	6,147
Total	65,388	57,830

27. ISSUED CAPITAL

	30 June 2026	31 December 2025
Issued and fully paid:		
Domestic shares of RMB1.00 each	15,343	15,343
H shares of RMB1.00 each	6,899	6,899
Total	22,242	22,242

28. RISK MANAGEMENT

The Group's activities are exposed to insurance risk and various of financial risks. The Group issues contracts that transfer insurance risk or financial risk or both. The key financial risk is that proceeds 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 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 or the Group's risk management policies since 31 December 2025.

29. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(1) Classification 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 amortised cost, financial assets measured at fair value through other comprehensive income, financial assets measured at fair value through profit or loss and term deposits, etc.

29. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(1) Classification of financial instruments *(continued)*

The Group's financial liabilities mainly include securities sold under agreements to repurchase, investment contract liabilities and bonds payable, etc.

The carrying amounts and fair values of the Group's financial assets measured at amortised cost and bonds payable that are not measured at fair value are disclosed in note 29(2)(b) Fair value of major financial assets and financial liabilities not measured at fair value.

The carrying amounts of the Group's other financial assets and financial liabilities approximated to their fair values.

(2) Determination of fair value and the fair value hierarchy of financial instruments

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

29. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(2) Determination of fair value and the fair value hierarchy of financial instruments *(continued)*

(a) Fair value of major 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 the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, their fair value hierarchy, the valuation technique(s) and key input(s) used).

Items	Fair value at 30 June 2026	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets measured at fair value through profit or loss	88,398	Level 1	Quoted bid prices in an active market.
Financial assets measured at fair value through profit or loss	61,263	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	18,704	Level 3	Valuation techniques with non-observable input values 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	3,338	Level 3	Fair value of the investments is based on the use of the respective discounted cash flow valuation models.
Debt instruments measured at fair value through other comprehensive income	5,899	Level 1	Quoted bid prices in an active market.
Debt instruments measured at fair value through other comprehensive income	179,115	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.

29. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(2) Determination of fair value and the fair value hierarchy of financial instruments *(continued)*

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

Items	Fair value at 30 June 2026	Fair value hierarchy	Valuation technique(s) and key input(s)
Equity instruments measured at fair value through other comprehensive income	51,034	Level 1	Quoted bid prices in an active market.
Equity instruments measured at fair value through other comprehensive income	27,817	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	17,015	Level 3	Fair value of the investments is based on the use of the respective discounted cash flow valuation models.

29. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(2) Determination of fair value and the fair value hierarchy of financial instruments *(continued)*

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

Items	Fair value at 31 December 2025	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets measured at fair value through profit or loss	65,989	Level 1	Quoted bid prices in an active market.
Financial assets measured at fair value through profit or loss	61,878	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	18,512	Level 3	Valuation techniques with non-observable input values 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	3,251	Level 3	Fair value of the investments is based on the use of the respective discounted cash flow valuation models.
Debt instruments measured at fair value through other comprehensive income	4,909	Level 1	Quoted bid prices in an active market.
Debt instruments measured at fair value through other comprehensive income	165,856	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	55,080	Level 1	Quoted bid prices in an active market.

29. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(2) Determination of fair value and the fair value hierarchy of financial instruments *(continued)*

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

Items	Fair value at 31 December 2025	Fair value hierarchy	Valuation technique(s) and key input(s)
Equity instruments measured at fair value through other comprehensive income	43,104	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	100	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	17,659	Level 3	Fair value of the investments is based on the use of the respective discounted cash flow valuation models.

	30 June 2026			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	88,398	61,263	22,042	171,703
Debt instruments measured at fair value through other comprehensive income	5,899	179,115	–	185,014
Equity instruments measured at fair value through other comprehensive income	51,034	27,817	17,015	95,866
Total	145,331	268,195	39,057	452,583

29. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(2) Determination of fair value and the fair value hierarchy of financial instruments *(continued)*

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

	31 December 2025			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	65,989	61,878	21,763	149,630
Debt instruments measured at fair value through other comprehensive income	4,909	165,856	–	170,765
Equity instruments measured at fair value through other comprehensive income	55,080	43,104	17,759	115,943
Total	125,978	270,838	39,522	436,338

For the six months ended 30 June 2026, financial assets measured at fair value through profit or loss with a carrying amount of RMB31 million and financial assets measured at fair value through other comprehensive income with a carrying amount of RMB1,037 million were transferred from Level 1 to Level 2 because the quoted prices in the market for such investments were no longer regularly available. Conversely, financial assets measured at fair value through profit or loss with a carrying amount of RMB942 million and financial assets measured at fair value through other comprehensive income with a carrying amount of RMB1,538 million were transferred from Level 2 to Level 1 because the quoted prices in active markets were available.

As at 30 June 2026, the fair value of derivative financial assets and derivative financial liabilities is RMB5 million (31 December 2025: RMB27 million) and RMB31 million (31 December 2025: RMB162 million), which are categorised in Level 3.

29. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(2) Determination of fair value and the fair value hierarchy of financial instruments *(continued)*

(b) Fair value of major financial assets and financial 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:

	Carrying amount at 30 June 2026	Fair value hierarchy at 30 June 2026			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at amortised cost	152,485	1,076	109,823	51,453	162,352
Financial liabilities					
Bonds payable	12,246	–	12,393	–	12,393

	Carrying amount at 31 December 2025	Fair value hierarchy at 31 December 2025			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at amortised cost	150,493	1,175	99,169	58,686	159,030
Financial liabilities					
Bonds payable	12,076	–	12,058	–	12,058

29. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(2) Determination of fair value and the fair value hierarchy of financial instruments *(continued)*

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

Financial assets and liabilities for which fair value approximates carrying amount are not included in the above disclosure.

The fair values of the debt instruments reported as financial assets and financial liabilities and included in the Level 3 category above have been determined using discounted cash flow model, with most significant inputs being the estimated cash flow and the discount rate that reflects the risk of counterparties and the Group.

(c) Reconciliation of Level 3 fair value measurements

	Six months ended 30 June 2026	Six months ended 30 June 2025
1 January	**39,522**	38,861
Addition	**791**	2,632
Gains/(losses) recognised in profit or loss	**272**	(62)
Gains/(losses) recognised in other comprehensive income	**67**	(139)
Disposals	**(1,595)**	(4,288)
30 June	**39,057**	37,004

30. CONTINGENCIES AND COMMITMENTS

(1) 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 salvage 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 then ended.

(2) Commitments

	30 June 2026	31 December 2025
Property and equipment commitments:		
Contracted, but not provided for	1,071	596
Authorised, but not contracted	29	74
Investment commitments:		
Contracted, but not provided for	6,197	7,128
Total	7,297	7,798

31. RELATED PARTY TRANSACTIONS

(1) Material transactions with related parties

	Six months ended 30 June 2026	Six months ended 30 June 2025
Transactions with PICC Group:		
2025 final dividend distribution	6,751	–
2024 final dividend distribution	–	5,094
Service expense	23	31
Transactions with fellow subsidiaries under PICC Group:		
Management fee	235	173
Technology service fees	317	241
Subscription amount of financial products	1,642	3,817
Premiums ceded	499	386
Reinsurance commission income	126	111
Paid losses recoverable from reinsurers	177	190
Brokerage commission expense	16	78
Addition to right-of-use assets	20	26
Addition to lease liabilities	20	26
Payment of lease liabilities	41	42
Interest on lease liabilities	8	6
Rental income	4	1
Reinsurance premiums assumed	583	356
Commission expenses – reinsurance	163	96
Gross claims paid – reinsurance	12	2
Property service fees	131	163

31. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(1) Material transactions with related parties *(continued)*

	Six months ended 30 June 2026	Six months ended 30 June 2025
Transactions with associates of the Company:		
Sale of insurance products	19	14
Gross claim paid	22	1
Premiums ceded	3,266	3,101
Reinsurance commission income	905	804
Paid losses recoverable from reinsurers	1,391	1,490
Purchase of spare parts	29	114
Premiums paid	84	102
Dividend income	1,082	906
Agency service commission expense	123	115
Agency service commission income	94	53
Addition to right-of-use assets	–	23
Addition to lease liabilities	–	23
Payment of lease liabilities	5	10
Rental income	10	10
Interest on lease liabilities	1	1
Interest Income	–	3
Service expense	1	1
Transactions with associates of PICC Group:		
Dividend income	1,310	1,337
Interest income	75	85
Sale of insurance products	10	–
Transactions with associates of fellow subsidiaries:		
Service expense	132	149

31. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(2) Outstanding balances with related parties

	30 June 2026	31 December 2025
Cash and cash equivalents:		
Associates of PICC Group	2,258	2,778
Associates	178	87
Term deposits:		
Associates of PICC Group	662	4,169
Associates	400	500
Equity securities at fair value through other comprehensive income:		
Associates of PICC Group	20,348	25,877
Receivables from reinsurers:		
Associates	2,715	949
Fellow subsidiaries under PICC Group	1,300	860
Amounts due from related parties:		
PICC Group (note 23)	46	44
Fellow subsidiaries under PICC Group (note 23)	21	21
Associates (note 23)	10	7
Payables to reinsurers:		
Associates	3,304	831
Fellow subsidiaries under PICC Group	852	418
Amounts due to related parties:		
Fellow subsidiaries under PICC Group (note 26)	250	297
PICC Group	65	29
Associates	2	9
Lease liabilities:		
Fellow subsidiaries under PICC Group	104	169
Associates	6	31

31. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(2) Outstanding balances with related parties *(continued)*

PICC Life Insurance Company Limited ("PICC Life"), PICC Health Insurance Company Limited ("PICC Health"), PICC Reinsurance Company Limited ("PICC Re") and PICC Financial Services Company Limited ("PICC Financial Services") are all associates of the Company and fellow subsidiaries of the Company as their parent company is PICC Group. In the above note, PICC Life, PICC Health, PICC Re and PICC Financial Services are included in "associates" and excluded from "fellow subsidiaries".

The balances with PICC Group, fellow subsidiaries, associates and an associate of PICC Group are settled according to the respective arrangements between the Company and the related parties.

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

The Company is a state-owned company indirectly controlled by the Ministry of Finance ("MOF"). 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 mainly 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.

31. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(4) Key management personnel

Key management personnel are those persons who have authorities and responsibilities for planning, directing and controlling the activities of the Group directly or indirectly, including directors and other members of senior management.

No transactions were entered with the key management personnel for the six months ended 30 June 2026 other than the emoluments paid to them (being the key management personnel compensation).

32. EVENTS AFTER THE REPORTING PERIOD

According to the interim profit distribution plan for 2026 approved by the Board of Directors on 28 August 2026, the Group proposed to distribute a cash dividend of RMB0.34 (including tax) per share to all shareholders based on the total share capital of 22,242,765,303 shares as of 30 June 2026, totalling RMB7,563 million. This proposal is subject to the approval of the shareholders at the general meeting.

Definitions

In this interim report, the following expressions shall have the following meanings unless the context otherwise requires:

"Board" or "Board of Directors"	the board of directors of the Company
"Company" or "we"	PICC Property and Casualty Company Limited
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
"Director(s)"	director(s) of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
"NFRA"	National Financial Regulatory Administration
"PICC Group"	The People's Insurance Company (Group) of China Limited
"pp"	percentage point(s)
"PRC"	the People's Republic of China, which, for the purpose 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, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"%"	per cent

Corporate Information

REGISTERED NAME

Chinese name:	中國人民財產保險股份有限公司 (Abbreviation of Chinese name: 人保財險)
English name:	PICC Property and Casualty Company Limited (Abbreviation of English name: PICC P&C)

REGISTERED OFFICE

Tower 2, No. 2 Jianguomenwai Avenue, Chaoyang District, Beijing 100022, the PRC

WEBSITE

property.picc.com

STOCK NAME

PICC P&C

STOCK CODE

2328

TYPE OF STOCK

H Share

PLACE OF LISTING OF H SHARES

The Stock Exchange of Hong Kong Limited

H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

LEGAL REPRESENTATIVE

Zhang Daoming

SECRETARY OF THE BOARD OF DIRECTORS

Bi Xin

COMPANY SECRETARY

Zhang Tianyuan

INVESTOR RELATIONS CONTACT

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AUDITORS

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Ernst & Young
Registered Public Interest Entity Auditor

Domestic Auditor
Ernst & Young Hua Ming LLP

人民保险 服务人民