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

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

**(Stock Code: 1339)**

**ANNOUNCEMENT OF THE ANNUAL RESULTS FOR  
THE YEAR ENDED 31 DECEMBER 2025**

The Board of Directors (the “**Board**”) of The People’s Insurance Company (Group) of China Limited (the “**Company**”) announces the following audited annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 together with the comparative figures for the previous year, which should be read in conjunction with the following management discussion and analysis:

**FINANCIAL STATEMENTS AND MATERIAL NOTES**

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

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
*(Amounts in millions of Renminbi, unless otherwise stated)*

|   | <i>Notes</i> | <b>2025</b>     | 2024     |
|---|--------------|-----------------|----------|
| Insurance revenue   | 7            | <b>570,717</b>  | 537,709  |
| Interest income (from financial assets not measured at fair value through profit or loss) | 8            | <b>31,851</b>   | 30,876   |
| Net investment gains  | 8            | <b>47,709</b>   | 35,878   |
| Share of profits or losses of associates and joint ventures                               |              | <b>13,891</b>   | 13,720   |
| Exchange (losses)/gains   |              | <b>(308)</b>    | 64       |
| Other income  |              | <b>5,394</b>    | 3,973    |
| <b>TOTAL OPERATING INCOME</b>   |              | <b>669,254</b>  | 622,220  |
| Insurance service expenses  | 9            | <b>527,170</b>  | 492,837  |
| Net expenses from reinsurance contracts held  |              | <b>6,373</b>    | 7,464    |
| Finance expenses from insurance contracts issued  |              | <b>45,898</b>   | 43,329   |
| Finance income from reinsurance contracts held  |              | <b>(1,111)</b>  | (1,264)  |
| Finance costs   |              | <b>3,300</b>    | 3,245    |
| Net credit impairment losses/(reversals) on financial assets                              |              | <b>1,175</b>    | (1,754)  |
| Other operating and administrative expenses   | 10           | <b>11,833</b>   | 9,131    |
| <b>TOTAL OPERATING EXPENSES</b>   |              | <b>594,638</b>  | 552,988  |
| Dilution loss on a reduced stake in an associate  |              | <b>(664)</b>    | –        |
| <b>PROFIT BEFORE TAX</b>  |              | <b>73,952</b>   | 69,232   |
| Income tax expenses   | 11           | <b>(11,501)</b> | (12,451) |
| <b>PROFIT FOR THE PERIOD</b>  |              | <b>62,451</b>   | 56,781   |
| Attributable to:  |              |                 |          |
| – Owners of the Company   |              | <b>46,207</b>   | 42,151   |
| – Non-controlling interests   |              | <b>16,244</b>   | 14,630   |
| <b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>                           |              |                 |          |
| – Basic (in RMB Yuan)   | 12           | <b>1.04</b>     | 0.95     |
| – Diluted (in RMB Yuan)   | 12           | <b>1.00</b>     | 0.91     |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
*(Amounts in millions of Renminbi, unless otherwise stated)*

|   | <i>Notes</i> | <b>2025</b>          | 2024                 |
|---|--------------|----------------------|----------------------|
| <b>PROFIT FOR THE PERIOD</b>  |              | <b><u>62,451</u></b> | <b><u>56,781</u></b> |
| <b>OTHER COMPREHENSIVE INCOME</b>   |              |                      |                      |
| Items that may be reclassified subsequently to profit or loss:  |              |                      |                      |
| Finance income/(expenses) from insurance contracts issued   |              | <b>17,999</b>        | (45,764)             |
| Finance income from reinsurance contracts held  |              | <b>234</b>           | 387                  |
| Changes in the fair value of debt instruments at fair value through other comprehensive income            |              | <b>(19,923)</b>      | 27,617               |
| Allowance for credit losses on debt instruments measured at fair value through other comprehensive income |              | <b>45</b>            | (288)                |
| Income tax effect   |              | <b><u>2,833</u></b>  | <u>3,969</u>         |
|   |              | <b><u>1,188</u></b>  | <u>(14,079)</u>      |
| Share of other comprehensive income of associates and joint ventures                                      |              | <b>(1,147)</b>       | 1,443                |
| Exchange differences arising on translating foreign operations  |              | <b><u>(46)</u></b>   | <u>16</u>            |
| <b>NET OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>    |              | <b><u>(5)</u></b>    | <u>(12,620)</u>      |

|   | <i>Notes</i> | <b>2025</b>          | 2024           |
|---|--------------|----------------------|----------------|
| Items that will not be reclassified to profit or loss:  |              |                      |                |
| Gains on revaluation of property and equipment and right-of-use assets upon transfer to investment properties |              | <b>228</b>           | 321            |
| Fair value gains on equity instruments at fair value through other comprehensive income                       |              | <b>4,186</b>         | 6,816          |
| Finance expenses from insurance contracts issued  |              | <b>(183)</b>         | (837)          |
| Income tax effect   |              | <b>(1,069)</b>       | (1,454)        |
|   |              | <u><b>3,162</b></u>  | <u>4,846</u>   |
| Actuarial gains/(losses) on pension benefit obligation  |              | <b>94</b>            | (217)          |
| Share of other comprehensive income of associates and joint ventures  |              | <b>(49)</b>          | 312            |
|   |              | <u><b>3,207</b></u>  | <u>4,941</u>   |
| <b>NET OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>   |              | <u><b>3,207</b></u>  | <u>4,941</u>   |
| <b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>   |              | <u><b>3,202</b></u>  | <u>(7,679)</u> |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>  |              | <u><b>65,653</b></u> | <u>49,102</u>  |
| Attributable to:  |              |                      |                |
| – Owners of the Company   |              | <b>48,947</b>        | 35,291         |
| – Non-controlling interests   |              | <b>16,706</b>        | 13,811         |
|   |              | <u><b>65,653</b></u> | <u>49,102</u>  |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***AT 31 DECEMBER 2025**(Amounts in millions of Renminbi, unless otherwise stated)*

|  | <i>Notes</i> | <b>31 December<br/>2025</b> | 31 December<br>2024     |
|--|--------------|-----------------------------|-------------------------|
| <b>ASSETS</b>  |              |                             |                         |
| Cash and cash equivalents  |              | <b>59,874</b>               | 44,132                  |
| Financial assets measured at amortized cost                                |              | <b>322,656</b>              | 316,231                 |
| Financial assets measured at fair value through other comprehensive income |              | <b>776,373</b>              | 639,359                 |
| Financial assets measured at fair value through profit or loss             |              | <b>409,717</b>              | 317,670                 |
| Insurance contract assets  |              | <b>794</b>                  | 1,728                   |
| Reinsurance contract assets  |              | <b>42,150</b>               | 39,762                  |
| Term deposits  |              | <b>127,438</b>              | 126,556                 |
| Restricted statutory deposits  |              | <b>13,662</b>               | 14,745                  |
| Investments in associates and joint ventures                               | <i>14</i>    | <b>177,113</b>              | 167,816                 |
| Investment properties  |              | <b>14,789</b>               | 15,232                  |
| Property and equipment   |              | <b>32,604</b>               | 32,953                  |
| Right-of-use assets  |              | <b>6,821</b>                | 7,252                   |
| Intangible assets  |              | <b>3,749</b>                | 3,400                   |
| Deferred tax assets  |              | <b>13,987</b>               | 12,430                  |
| Other assets   |              | <b>25,865</b>               | 27,055                  |
| <b>TOTAL ASSETS</b>  |              | <b><u>2,027,592</u></b>     | <b><u>1,766,321</u></b> |

|  | <i>Notes</i> | <b>31 December<br/>2025</b>  | 31 December<br>2024          |
|--|--------------|------------------------------|------------------------------|
| <b>LIABILITIES</b>   |              |                              |                              |
| Financial liabilities measured at fair value through<br>profit or loss |              | <b>22,210</b>                | 7,506                        |
| Securities sold under agreements to repurchase                         |              | <b>180,763</b>               | 111,236                      |
| Income tax payable   |              | <b>377</b>                   | 362                          |
| Bonds payable  |              | <b>41,806</b>                | 50,132                       |
| Lease liabilities  |              | <b>1,881</b>                 | 2,113                        |
| Insurance contract liabilities   |              | <b>1,239,519</b>             | 1,122,797                    |
| Reinsurance contract liabilities                                       |              | <b>146</b>                   | 71                           |
| Investment contract liabilities  |              | <b>6,879</b>                 | 8,171                        |
| Pension benefit obligation   |              | <b>2,559</b>                 | 2,795                        |
| Deferred tax liabilities   |              | <b>1,401</b>                 | 464                          |
| Other liabilities  |              | <b>109,585</b>               | 93,253                       |
|  |              | <hr/> <b>1,607,126</b> <hr/> | <hr/> <b>1,398,900</b> <hr/> |
| <b>TOTAL LIABILITIES</b>   |              |                              |                              |
| <b>EQUITY</b>  |              |                              |                              |
| Issued capital   | <i>15</i>    | <b>44,224</b>                | 44,224                       |
| Reserves   |              | <b>264,959</b>               | 224,642                      |
|  |              | <hr/> <b>309,183</b> <hr/>   | <hr/> 268,866 <hr/>          |
| Equity attributable to owners of the Company                           |              | <b>111,283</b>               | 98,555                       |
| Non-controlling interests  |              | <hr/> <b>420,466</b> <hr/>   | <hr/> 367,421 <hr/>          |
|  |              | <hr/> <b>2,027,592</b> <hr/> | <hr/> 1,766,321 <hr/>        |
| <b>TOTAL EQUITY</b>  |              |                              |                              |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    |              |                              |                              |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
*(Amounts in millions of Renminbi, unless otherwise stated)*

Attributable to owners of the Company

|   | Issued capital<br>(note 15) | Share premium<br>account | Revaluation reserve of financial assets at fair value through other comprehensive income | Insurance finance reserve | General risk reserve | Catastrophic loss reserve | Asset revaluation reserve | Share of other comprehensive income of associates and joint ventures | Foreign currency translation reserve | Surplus reserve | Other reserves | Actuarial losses on pension benefit obligation | Retained earnings | Non-controlling interests | Total   |         |
|---|-----------------------------|--------------------------|--|---------------------------|----------------------|---------------------------|---------------------------|--|--------------------------------------|-----------------|----------------|--|-------------------|---------------------------|---------|---------|
|   | **                          | **                       | **   | **                        | **                   | **                        | **                        | **   | **                                   | */**            | **             | **   | **                |                           |         |         |
| Balance at 1 January 2025                                   | 44,224                      | 23,973                   | 34,439   | (47,793)                  | 23,063               | 180                       | 4,391                     | 658  | 49                                   | 16,835          | (15,172)       | (1,729)  | 185,748           | 268,866                   | 98,555  | 367,421 |
| Profit for the year   | -                           | -                        | -  | -                         | -                    | -                         | -                         | -  | -                                    | -               | -              | -  | 46,207            | 46,207                    | 16,244  | 62,451  |
| Other comprehensive income for the year                     | -                           | -                        | (9,032)  | 12,447                    | -                    | -                         | 116                       | (843)  | (42)                                 | -               | -              | 94   | -                 | 2,740                     | 462     | 3,202   |
| Total comprehensive income for the year                     | -                           | -                        | (9,032)  | 12,447                    | -                    | -                         | 116                       | (843)  | (42)                                 | -               | -              | 94   | 46,207            | 48,947                    | 16,706  | 65,653  |
| Other comprehensive income transferred to retained earnings | -                           | -                        | (2,602)  | 272                       | -                    | -                         | -                         | 93   | -                                    | -               | -              | -  | 2,237             | -                         | -       | -       |
| Appropriations to general risk reserve and surplus reserve  | -                           | -                        | -  | -                         | 7,429                | -                         | -                         | -  | -                                    | 907             | -              | -  | (8,336)           | -                         | -       | -       |
| Appropriations to catastrophic loss reserve                 | -                           | -                        | -  | -                         | -                    | 199                       | -                         | -  | -                                    | -               | -              | -  | (199)             | -                         | -       | -       |
| Utilisation of catastrophic loss reserve                    | -                           | -                        | -  | -                         | -                    | (180)                     | -                         | -  | -                                    | -               | -              | -  | 180               | -                         | -       | -       |
| Dividends paid to shareholders (note 13)                    | -                           | -                        | -  | -                         | -                    | -                         | -                         | -  | -                                    | -               | -              | -  | (8,491)           | (8,491)                   | -       | (8,491) |
| Dividends paid to non-controlling interests                 | -                           | -                        | -  | -                         | -                    | -                         | -                         | -  | -                                    | -               | -              | -  | -                 | -                         | (4,040) | (4,040) |
| Others  | -                           | -                        | -  | -                         | -                    | -                         | -                         | -  | -                                    | -               | (139)          | -  | -                 | (139)                     | 62      | (77)    |
| Balance at 31 December 2025                                 | 44,224                      | 23,973                   | 22,805   | (35,074)                  | 30,492               | 199                       | 4,507                     | (92)   | 7                                    | 17,742          | (15,311)       | (1,635)  | 217,346           | 309,183                   | 111,283 | 420,466 |

\* This reserve contains both statutory and discretionary surplus reserves.

\*\* Consolidated reserves of RMB264,959 million in the consolidated statement of financial position as at 31 December 2025 comprise these reserve accounts.

Attributable to owners of the Company

|   | Issued capital<br>(note 15) | Share premium account<br>** | Revaluation reserve of financial assets at fair value through other comprehensive income<br>** | Insurance finance reserve<br>** | General risk reserve<br>** | Catastrophic loss reserve<br>** | Asset revaluation reserve<br>** | Share of other income of associates and joint ventures<br>** | Foreign currency translation reserve<br>** | Surplus reserve<br>*/** | Other reserves<br>** | Actuarial losses on pension benefit obligation<br>** | Retained earnings<br>** | Subtotal | Non-controlling interests | Total   |
|---|-----------------------------|-----------------------------|--|---------------------------------|----------------------------|---------------------------------|---------------------------------|--|--|-------------------------|----------------------|--|-------------------------|----------|---------------------------|---------|
| Balance at 1 January 2024                                   | 44,224                      | 23,973                      | 15,891   | (17,367)                        | 20,439                     | 91                              | 4,226                           | (387)  | 34   | 15,697                  | (15,226)             | (1,512)  | 153,123                 | 243,206  | 89,697                    | 332,903 |
| Profit for the year   | -                           | -                           | -  | -                               | -                          | -                               | -                               | -  | -  | -                       | -                    | -  | 42,151                  | 42,151   | 14,630                    | 56,781  |
| Other comprehensive income for the year                     | -                           | -                           | 19,561   | (27,652)                        | -                          | -                               | 165                             | 1,268  | 15   | -                       | -                    | (217)  | -                       | (6,860)  | (819)                     | (7,679) |
| Total comprehensive income for the year                     | -                           | -                           | 19,561   | (27,652)                        | -                          | -                               | 165                             | 1,268  | 15   | -                       | -                    | (217)  | 42,151                  | 35,291   | 13,811                    | 49,102  |
| Other comprehensive income transferred to retained earnings | -                           | -                           | (1,013)  | (2,774)                         | -                          | -                               | -                               | (223)  | -  | -                       | -                    | -  | 4,010                   | -        | -                         | -       |
| Appropriations to general risk reserve and surplus reserve  | -                           | -                           | -  | -                               | 2,624                      | -                               | -                               | -  | -  | 1,138                   | -                    | -  | (3,762)                 | -        | -                         | -       |
| Appropriations to catastrophic loss reserve                 | -                           | -                           | -  | -                               | -                          | 246                             | -                               | -  | -  | -                       | -                    | -  | (246)                   | -        | -                         | -       |
| Utilisation of catastrophic loss reserve                    | -                           | -                           | -  | -                               | -                          | (157)                           | -                               | -  | -  | -                       | -                    | -  | 157                     | -        | -                         | -       |
| Dividends paid to shareholders (note 13)                    | -                           | -                           | -  | -                               | -                          | -                               | -                               | -  | -  | -                       | -                    | -  | (9,685)                 | (9,685)  | -                         | (9,685) |
| Dividends paid to non-controlling interests                 | -                           | -                           | -  | -                               | -                          | -                               | -                               | -  | -  | -                       | -                    | -  | -                       | -        | (4,966)                   | (4,966) |
| Others  | -                           | -                           | -  | -                               | -                          | -                               | -                               | -  | -  | -                       | 54                   | -  | -                       | 54       | 13                        | 67      |
| Balance at 31 December 2024                                 | 44,224                      | 23,973                      | 34,439   | (47,793)                        | 23,063                     | 180                             | 4,391                           | 658  | 49   | 16,835                  | (15,172)             | (1,729)  | 185,748                 | 268,866  | 98,555                    | 367,421 |

\* This reserve contains both statutory and discretionary surplus reserves.

\*\* Consolidated reserves of RMB224,642 million in the consolidated statement of financial position as at 31 December 2024 comprise these reserve accounts.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
*(Amounts in millions of Renminbi, unless otherwise stated)*

|   | Notes | 2025             | 2024            |
|---|-------|------------------|-----------------|
| <b>OPERATING ACTIVITIES</b>   |       |                  |                 |
| Profit before tax   |       | 73,952           | 69,232          |
| Adjustments for:  |       |                  |                 |
| Investment income   | 8     | (47,709)         | (35,878)        |
| Interest income   | 8     | (31,851)         | (30,876)        |
| Exchange losses/(gains)   |       | 308              | (64)            |
| Share of profits or losses of associates and joint ventures   |       | (13,891)         | (13,720)        |
| Dilution loss on a reduced stake in an associate  |       | 664              | –               |
| Finance costs   |       | 3,300            | 3,245           |
| Net credit impairment losses/(reversals) on financial assets  |       | 1,175            | (1,754)         |
| Depreciation of property and equipment  |       | 2,722            | 2,546           |
| Depreciation of right-of-use assets   |       | 1,147            | 1,024           |
| Amortisation of intangible assets   |       | 1,239            | 1,431           |
| Disposal gains from investment properties, property and equipment, intangible assets and land use rights        |       | (110)            | (174)           |
| Impairment losses on other assets   |       | 3                | 248             |
| Investment expenses   |       | 210              | 459             |
|   |       | <u>(8,841)</u>   | <u>(4,281)</u>  |
| Operating cash flows before working capital changes   |       |                  |                 |
| Changes in insurance and reinsurance contract assets/liabilities  |       | 133,279          | 97,825          |
| Changes in investment contract liabilities  |       | (1,292)          | 186             |
| Decrease/(increase) in other assets, net  |       | 1,190            | (2,659)         |
| Increase in other liabilities, net  |       | 3,424            | 6,271           |
|   |       | <u>127,760</u>   | <u>97,342</u>   |
| Cash generated from operations  |       |                  |                 |
| Income tax paid   |       | (9,071)          | (9,352)         |
|   |       | <u>118,689</u>   | <u>87,990</u>   |
| <b>INVESTING ACTIVITIES</b>   |       |                  |                 |
| Interest received   |       | 21,114           | 21,267          |
| Dividends received  |       | 11,663           | 10,459          |
| Purchases of investment properties, property and equipment, intangible assets and land use rights               |       | (4,784)          | (4,397)         |
| Proceeds from disposals of investment properties, property and equipment, intangible assets and land use rights |       | 706              | 478             |
| Purchases of investments  |       | (644,540)        | (647,965)       |
| Proceeds from disposals of investments  |       | 460,358          | 586,111         |
| Payments for investment expenses  |       | (210)            | (385)           |
| Rentals received  |       | 520              | 685             |
| Increase in term deposits, net  |       | (571)            | (43,852)        |
|   |       | <u>(155,744)</u> | <u>(77,599)</u> |
| <b>Net cash used in investing activities</b>  |       |                  |                 |

|  | <i>Notes</i> | <b>2025</b>     | 2024     |
|--|--------------|-----------------|----------|
| <b>FINANCING ACTIVITIES</b>  |              |                 |          |
| Increase in securities sold under agreements to repurchase, net  |              | <b>69,527</b>   | 2,303    |
| Issue of bonds payable   |              | –               | 11,988   |
| Proceeds from bank borrowings  |              | –               | 150      |
| Repayment of bank borrowings and bonds payable   |              | <b>(8,060)</b>  | (314)    |
| Interests paid   |              | <b>(3,415)</b>  | (2,970)  |
| Dividends paid   |              | <b>(13,301)</b> | (11,866) |
| Payments of lease liabilities  |              | <b>(1,301)</b>  | (1,057)  |
| Cash received related to non-controlling interests of consolidated structured entities, net                |              | <b>9,935</b>    | 6,626    |
| <b>Net cash generated from financing activities</b>  |              | <b>53,385</b>   | 4,860    |
| Net increase in cash and cash equivalents  |              | <b>16,330</b>   | 15,251   |
| Cash and cash equivalents at beginning of the year   |              | <b>44,132</b>   | 28,835   |
| Effects of exchange rate changes on cash and cash equivalents  |              | <b>(588)</b>    | 46       |
| <b>Cash and cash equivalents at end of the year</b>  |              | <b>59,874</b>   | 44,132   |
| Analysis of balances of cash and cash equivalents  |              |                 |          |
| Securities purchased under resale agreements with original maturity of no more than three months           |              | <b>35,587</b>   | 19,230   |
| Deposits with banks with original maturity of no more than three months and money at call and short notice |              | <b>24,287</b>   | 24,902   |
| <b>Cash and cash equivalents at end of the year</b>  |              | <b>59,874</b>   | 44,132   |

## NOTES:

### 1. CORPORATE INFORMATION

The People's Insurance Company (Group) of China Limited (the "**Company**") was established on 22 August 1996 in the People's Republic of China (the "**PRC**") and its registered office is located at 1-13/F, No. 88, West Chang'an Street, XiCheng District, Beijing, the PRC. The Company's predecessor, The People's Insurance Company of China, is a state-owned enterprise established in October 1949 by the PRC government. The Company is listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange. The ultimate controlling party of the Company is the Ministry of Finance ("**MOF**") of the PRC.

The Company is an investment holding company. During the year ended 31 December 2025, the Company's subsidiaries mainly provide integrated financial products and services and are engaged in property and casualty insurance, life and health insurance, asset management and other businesses. The Company and its subsidiaries are collectively referred to as the "**Group**".

These consolidated financial statements are 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. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards, also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the disclosure requirements of the Hong Kong Companies Ordinance. IFRS Accounting Standards comprise the following authoritative:

- IFRS Accounting Standards
- IAS<sup>®</sup> Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC<sup>®</sup> Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC<sup>®</sup> Interpretations)

For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

### 3. BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost basis, except for investment properties, certain financial instruments and insurance and reinsurance contract assets/liabilities.

#### 4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

In current year, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards which are effective for annual periods beginning on or after 1 January 2025 for the preparation of the Group's consolidated financial statements:

Amendments to IAS 21 *Lack of Exchangeability*

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

#### 5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

These new and revised IFRS Accounting Standards have been issued, but have not been adopted before their effective dates by the Group:

|  |  |
|--|--|
| Amendments to IFRS 9 and IFRS 7  | <i>Amendments to Classification and Measurement of Financial Instruments<sup>1</sup></i>   |
| Amendments to IFRS 9 and IFRS 7<br>Annual Improvements to IFRS<br>Accounting Standards – Volume 11 | <i>Contracts Referencing Nature-dependent Electricity<sup>1</sup><br/>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7<sup>1</sup></i>  |
| Amendments to IAS 21<br>IFRS 18 (i)  | <i>Translation to a Hyperinflationary Presentation Currency<sup>2</sup><br/>Presentation and Disclosure in Financial Statements<sup>2</sup></i>                                      |
| IFRS 19 and its amendments<br>Amendments to IFRS 10 and IAS 28                                     | <i>Subsidiaries without Public Accountability: Disclosures<sup>2</sup><br/>Sale or Contribution of Assets between an Investor and its<br/>Associate or Joint Venture<sup>3</sup></i> |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

- (i) IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals. Entities are required to classify all income and expenses within the income statement into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

Besides the above (i), none of these new standards and amendments are expected to have a significant impact on the consolidated financial statements of the Group.

## 6. OPERATING SEGMENT INFORMATION

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

For management purposes, the Group is organised into business units based on principal activities of subsidiaries and has the following operating segments:

- (1) The non-life insurance segment offers a wide variety of non-life insurance products mainly by PICC Property and Casualty Company Limited ("**PICC P&C**");
- (2) The life insurance segment offers a wide range of life insurance products by PICC Life Insurance Company Limited ("**PICC Life**");
- (3) The health insurance segment offers a wide range of health and medical insurance products by PICC Health Insurance Company Limited ("**PICC Health**");
- (4) The asset management segment offers asset management services;
- (5) The headquarters and other segments provide management and support for the Group's business through its strategy, risk management, finance, legal and human resources functions and comprises insurance agent business, reinsurance business and other operating business of the Group.

The segment's net profit includes revenue less expenses that are directly attributable to the segment.

Segment's assets and liabilities mainly comprise operating assets and liabilities that are directly attributable to the segment. Segment's assets are recognised after deducting the related provisions, and such deductions are directly written off in the Group's consolidated statement of financial position.

In the segment reporting, insurance revenue and other income earned are included in the segment's revenue, and profit or loss is presented as the operating results of the segment.

The Group's revenue and profits for the period were mainly derived from the aforementioned business in Chinese mainland. As the revenue, net profit, assets and liabilities of operations outside Chinese mainland constitute less than 10% of the consolidated amounts in these financial statements, geographical segmental information is not presented.

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

## Segment revenue and results for the year ended 31 December 2025

|   | Non-life<br>insurance | Life<br>insurance | Health<br>insurance | Asset<br>management | Headquarters<br>and others | Eliminations | TOTAL    |
|---|-----------------------|-------------------|---------------------|---------------------|----------------------------|--------------|----------|
| Insurance revenue   | 513,591               | 25,337            | 30,433              | –                   | 5,366                      | (4,010)      | 570,717  |
| Interest income (from financial assets<br>not measured at fair value through<br>profit or loss) | 12,034                | 14,696            | 2,857               | 82                  | 2,182                      | –            | 31,851   |
| Net investment gains  | 18,947                | 21,500            | 3,924               | 341                 | 12,360                     | (9,363)      | 47,709   |
| Share of profits or losses of associates<br>and joint ventures                                  | 12,305                | 5,693             | 4                   | 63                  | 1,198                      | (5,372)      | 13,891   |
| Exchange losses   | (156)                 | (51)              | (15)                | (1)                 | (85)                       | –            | (308)    |
| Other income  | 1,580                 | 310               | 682                 | 2,565               | 5,267                      | (5,010)      | 5,394    |
| <b>TOTAL INCOME</b>   |                       |                   |                     |                     |                            |              |          |
| – SEGMENT INCOME  | 558,301               | 67,485            | 37,885              | 3,050               | 26,288                     | (23,755)     | 669,254  |
| – External income   | 554,352               | 67,118            | 37,420              | 1,636               | 8,728                      | –            | 669,254  |
| – Inter-segment income  | 3,949                 | 367               | 465                 | 1,414               | 17,560                     | (23,755)     | –        |
| Insurance service expenses  | 487,281               | 17,279            | 21,058              | –                   | 5,028                      | (3,476)      | 527,170  |
| Net expenses from reinsurance<br>contracts held   | 6,143                 | 91                | 769                 | –                   | 42                         | (672)        | 6,373    |
| Finance expenses from insurance<br>contracts issued   | 8,813                 | 32,427            | 4,519               | –                   | 279                        | (140)        | 45,898   |
| Finance (income)/expenses from<br>reinsurance contracts held                                    | (1,169)               | 3                 | (59)                | –                   | (18)                       | 132          | (1,111)  |
| Finance costs   | 976                   | 1,313             | 287                 | 5                   | 732                        | (13)         | 3,300    |
| Net credit impairment losses on<br>financial assets   | 279                   | 554               | 194                 | 10                  | 138                        | –            | 1,175    |
| Other operating and administrative<br>expenses  | 4,549                 | 2,368             | 1,173               | 1,852               | 6,459                      | (4,568)      | 11,833   |
| <b>TOTAL OPERATING EXPENSES</b>   | 506,872               | 54,035            | 27,941              | 1,867               | 12,660                     | (8,737)      | 594,638  |
| Dilution loss on a reduced stake in an<br>associate   | (305)                 | (318)             | –                   | –                   | (41)                       | –            | (664)    |
| <b>PROFIT BEFORE TAX</b>  | 51,124                | 13,132            | 9,944               | 1,183               | 13,587                     | (15,018)     | 73,952   |
| Income tax expenses   | (7,336)               | (1,679)           | (1,761)             | (306)               | (349)                      | (70)         | (11,501) |
| <b>PROFIT FOR THE PERIOD</b>  |                       |                   |                     |                     |                            |              |          |
| SEGMENT RESULTS   | 43,788                | 11,453            | 8,183               | 877                 | 13,238                     | (15,088)     | 62,451   |

## Segment revenue and results for the year ended 31 December 2024

|   | Non-life<br>insurance | Life<br>insurance | Health<br>insurance | Asset<br>management | Headquarters<br>and others | Eliminations | TOTAL    |
|---|-----------------------|-------------------|---------------------|---------------------|----------------------------|--------------|----------|
| Insurance revenue   | 486,792               | 22,384            | 27,217              | –                   | 5,252                      | (3,936)      | 537,709  |
| Interest income (from financial<br>assets not measured at fair<br>value through profit or loss) | 11,898                | 14,293            | 2,784               | 72                  | 1,829                      | –            | 30,876   |
| Net investment gains  | 13,908                | 19,056            | 1,761               | 408                 | 14,856                     | (14,111)     | 35,878   |
| Share of profits or losses of<br>associates and joint ventures                                  | 11,244                | 4,697             | 4                   | 40                  | 778                        | (3,043)      | 13,720   |
| Exchange gains/(losses)   | (22)                  | 48                | 4                   | (2)                 | 36                         | –            | 64       |
| Other income  | 1,466                 | 311               | 570                 | 2,558               | 3,178                      | (4,110)      | 3,973    |
| <b>TOTAL INCOME</b>   |                       |                   |                     |                     |                            |              |          |
| – SEGMENT INCOME  | 525,286               | 60,789            | 32,340              | 3,076               | 25,929                     | (25,200)     | 622,220  |
| – External income   | 524,329               | 60,483            | 32,138              | 1,755               | 3,515                      | –            | 622,220  |
| – Inter-segment income  | 957                   | 306               | 202                 | 1,321               | 22,414                     | (25,200)     | –        |
| Insurance service expenses  | 466,302               | 7,483             | 17,752              | –                   | 4,932                      | (3,632)      | 492,837  |
| Net expenses from reinsurance<br>contracts held   | 6,093                 | 164               | 1,742               | –                   | 71                         | (606)        | 7,464    |
| Finance expenses from insurance<br>contracts issued   | 9,994                 | 29,665            | 3,533               | –                   | 293                        | (156)        | 43,329   |
| Finance (income)/expenses from<br>reinsurance contracts held                                    | (1,305)               | 1                 | (91)                | –                   | (14)                       | 145          | (1,264)  |
| Finance costs   | 1,147                 | 1,178             | 212                 | 11                  | 697                        | –            | 3,245    |
| Net credit impairment (reversals)/<br>losses on financial assets                                | (910)                 | (725)             | (197)               | 17                  | 61                         | –            | (1,754)  |
| Other operating and administrative<br>expenses  | 3,017                 | 2,663             | 863                 | 1,905               | 4,779                      | (4,096)      | 9,131    |
| <b>TOTAL OPERATING<br/>EXPENSES</b>   | 484,338               | 40,429            | 23,814              | 1,933               | 10,819                     | (8,345)      | 552,988  |
| <b>PROFIT BEFORE TAX</b>  | 40,948                | 20,360            | 8,526               | 1,143               | 15,110                     | (16,855)     | 69,232   |
| Income tax expenses   | (5,859)               | (3,262)           | (2,796)             | (269)               | (152)                      | (113)        | (12,451) |
| <b>PROFIT FOR THE PERIOD<br/>SEGMENT RESULTS</b>  | 35,089                | 17,098            | 5,730               | 874                 | 14,958                     | (16,968)     | 56,781   |

Segment assets and liabilities as at 31 December 2025 and 2024, and other segment information for the years ended 31 December 2025 and 2024 are as follows:

|                               | Non-life<br>insurance | Life<br>insurance | Health<br>insurance | Asset<br>management | Headquarters<br>and others | Eliminations     | TOTAL            |
|-------------------------------|-----------------------|-------------------|---------------------|---------------------|----------------------------|------------------|------------------|
| <b>31 December 2025</b>       |                       |                   |                     |                     |                            |                  |                  |
| Segment assets                | <u>890,027</u>        | <u>854,834</u>    | <u>154,508</u>      | <u>14,663</u>       | <u>334,453</u>             | <u>(220,893)</u> | <u>2,027,592</u> |
| Segment liabilities           | <u>574,533</u>        | <u>799,638</u>    | <u>130,501</u>      | <u>4,081</u>        | <u>72,373</u>              | <u>26,000</u>    | <u>1,607,126</u> |
| Other segment information:    |                       |                   |                     |                     |                            |                  |                  |
| Capital expenditures          | <u>3,501</u>          | <u>172</u>        | <u>309</u>          | <u>186</u>          | <u>616</u>                 | <u>-</u>         | <u>4,784</u>     |
| Depreciation and amortization | <u>3,865</u>          | <u>571</u>        | <u>296</u>          | <u>163</u>          | <u>476</u>                 | <u>(263)</u>     | <u>5,108</u>     |
| <b>31 December 2024</b>       |                       |                   |                     |                     |                            |                  |                  |
| Segment assets                | <u>806,292</u>        | <u>740,268</u>    | <u>125,953</u>      | <u>14,363</u>       | <u>232,569</u>             | <u>(153,124)</u> | <u>1,766,321</u> |
| Segment liabilities           | <u>520,442</u>        | <u>700,718</u>    | <u>111,165</u>      | <u>4,383</u>        | <u>54,675</u>              | <u>7,517</u>     | <u>1,398,900</u> |
| Other segment information:    |                       |                   |                     |                     |                            |                  |                  |
| Capital expenditures          | <u>2,893</u>          | <u>273</u>        | <u>134</u>          | <u>593</u>          | <u>566</u>                 | <u>(62)</u>      | <u>4,397</u>     |
| Depreciation and amortization | <u>3,876</u>          | <u>636</u>        | <u>351</u>          | <u>165</u>          | <u>450</u>                 | <u>(327)</u>     | <u>5,151</u>     |

The headquarters, non-life and life insurance segments hold equity interests of 0.82%, 5.81%, and 6.03%, respectively, in Industrial Bank Co., Ltd. (“**Industrial Bank**”), an associate of the Group as at 31 December 2025 (31 December 2024: 0.85%, 5.91% and 6.14%). These interests are accounted for as financial assets in some segments. On consolidation, these interests in aggregate are accounted for as an associate and the impacts of relevant adjustments to the consolidated financial statements are allocated to the respective segments according to their respective equity interest holdings. Details of these interests are disclosed in note 14.

## 7. INSURANCE REVENUE

|   | 2025                  | 2024                  |
|---|-----------------------|-----------------------|
| Insurance revenue from contracts not measured under the premium allocation approach |                       |                       |
| Insurance revenue relating to the changes in the liability for remaining coverage   | 46,641                | 41,901                |
| Expected incurred claims and other insurance service expenses                       | 26,054                | 24,489                |
| Change in the risk adjustment for non-financial risk for the risk expired           | 2,075                 | 2,026                 |
| Contractual service margin recognised for the services provided                     | 17,851                | 14,772                |
| Experience adjustments for premium receipts relating to current and past services   | 661                   | 614                   |
| Insurance acquisition cash flows amortisation                                       | 10,826                | 10,498                |
| Subtotal  | <u>57,467</u>         | <u>52,399</u>         |
| Insurance revenue from contracts measured under the premium allocation approach     | <u>513,250</u>        | 485,310               |
| <b>TOTAL</b>  | <b><u>570,717</u></b> | <b><u>537,709</u></b> |

|  | 2025   |  |                       |
|--|--|--|-----------------------|
|  | Insurance contracts measured under the premium allocation approach | Insurance contracts not measured under the premium allocation approach | TOTAL                 |
| Contracts measured under the modified retrospective approach at transition | (7)  | 20,515   | 20,508                |
| Contracts measured under the fair value approach at transition             | –  | 2,308  | 2,308                 |
| Other insurance contracts  | 513,257  | 34,644   | 547,901               |
| <b>TOTAL</b>   | <b><u>513,250</u></b>  | <b><u>57,467</u></b>   | <b><u>570,717</u></b> |

|  | 2024   |  |                       |
|--|--|--|-----------------------|
|  | Insurance contracts measured under the premium allocation approach | Insurance contracts not measured under the premium allocation approach | TOTAL                 |
| Contracts measured under the modified retrospective approach at transition | 11   | 25,692   | 25,703                |
| Contracts measured under the fair value approach at transition             | –  | 2,215  | 2,215                 |
| Other insurance contracts  | 485,299  | 24,492   | 509,791               |
| <b>TOTAL</b>   | <b><u>485,310</u></b>  | <b><u>52,399</u></b>   | <b><u>537,709</u></b> |

## 8. INTEREST INCOME AND NET INVESTMENT GAINS

|  | 2025                 | 2024                 |
|--|----------------------|----------------------|
| Interest income from financial assets not measured at fair value through profit or loss (a)        | 31,851               | 30,876               |
| Net investment gains (b)   | <u>47,709</u>        | <u>35,878</u>        |
| <b>TOTAL</b>   | <b><u>79,560</u></b> | <b><u>66,754</u></b> |
| <b>(a) Interest income from financial assets not measured at fair value through profit or loss</b> |                      |                      |
|  | 2025                 | 2024                 |
| Debt instruments measured at fair value through other comprehensive income                         | 15,118               | 12,959               |
| Financial assets measured at amortized cost  | 12,006               | 13,256               |
| Current and term deposits  | 4,319                | 4,403                |
| Securities purchased under resale agreements   | 120                  | 144                  |
| Others   | <u>288</u>           | <u>114</u>           |
| <b>TOTAL</b>   | <b><u>31,851</u></b> | <b><u>30,876</u></b> |
| <b>(b) Net investment gains</b>  |                      |                      |
|  | 2025                 | 2024                 |
| Interest income  |                      |                      |
| Financial assets measured at fair value through profit or loss                                     | 4,953                | 5,743                |
| Dividend income  |                      |                      |
| Equity instruments measured at fair value through other comprehensive income                       | 5,199                | 3,812                |
| Financial assets measured at fair value through profit or loss                                     | 2,333                | 2,482                |
| Lease income from investment properties  | <u>520</u>           | <u>685</u>           |
| Subtotal   | <u>13,005</u>        | <u>12,722</u>        |
| Realised investment losses   |                      |                      |
| Financial assets measured at fair value through profit or loss                                     | 15,404               | (6,248)              |
| Debt instruments measured at fair value through other comprehensive income                         | 3,130                | 5,617                |
| Financial assets measured at amortized cost  | 24                   | 13                   |
| Investments in associates and joint ventures   | <u>2</u>             | <u>—</u>             |
| Subtotal   | <u>18,560</u>        | <u>(618)</u>         |
| Unrealised investment gains  |                      |                      |
| Financial assets measured at fair value through profit or loss                                     | 17,024               | 24,246               |
| Investment properties  | <u>(880)</u>         | <u>(472)</u>         |
| Subtotal   | <u>16,144</u>        | <u>23,774</u>        |
| <b>TOTAL</b>   | <b><u>47,709</u></b> | <b><u>35,878</u></b> |

Net unrealised gains or losses comprise changes in the fair value of financial instruments for the period and from reversal of prior periods' unrealised gains and losses for financial instruments, which were realised in the reporting period. Net realised gains or losses include the gains or losses on disposals of financial instruments which are calculated using the weighted average method. They represent the difference between a financial instrument's initial cost or amortised cost and disposal amount.

## 9. INSURANCE SERVICE EXPENSES

|  | 2025   |  | TOTAL          |
|--|--|--|----------------|
|  | Measured under the premium allocation approach | Not measured under the premium allocation approach |                |
| Incurring claims and other directly attributable expenses  | 410,527  | 28,954   | 439,481        |
| Insurance acquisition cash flows amortisation  | 89,742   | 10,826   | 100,568        |
| Losses on onerous contracts and reversals of those losses  | 3,698  | 4,629  | 8,327          |
| Changes that relate to past service – changes in the fulfilment cash flows relating to the liabilities for incurred claims | (12,692)                                       | (8,514)  | (21,206)       |
| Other expenses   | –  | –  | –              |
| <b>TOTAL</b>   | <b>491,275</b>                                 | <b>35,895</b>                                      | <b>527,170</b> |

  

|  | 2024   |  | TOTAL          |
|--|--|--|----------------|
|  | Measured under the premium allocation approach | Not measured under the premium allocation approach |                |
| Incurring claims and other directly attributable expenses  | 388,921  | 25,620   | 414,541        |
| Insurance acquisition cash flows amortisation  | 94,309   | 10,498   | 104,807        |
| Losses on onerous contracts and reversals of those losses  | 176  | (2,382)  | (2,206)        |
| Changes that relate to past service – changes in the fulfilment cash flows relating to the liabilities for incurred claims | (11,612)                                       | (12,693)   | (24,305)       |
| Other expenses   | –  | –  | –              |
| <b>TOTAL</b>   | <b>471,794</b>                                 | <b>21,043</b>                                      | <b>492,837</b> |

## 10. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

|   | 2025                 | 2024                |
|---|----------------------|---------------------|
| Employee costs (a)  | 53,648               | 50,543              |
| Technical/labour service and consulting fees                  | 21,588               | 19,379              |
| Promotion expenses  | 12,225               | 13,405              |
| Depreciation and amortisation                                 | 5,108                | 5,001               |
| Contributions to China Insurance Security Fund                | 4,627                | 4,417               |
| Business and travel expenses                                  | 1,648                | 1,813               |
| Prevention and risk mitigation costs                          | 1,599                | 1,320               |
| Electronic equipment's operating expenses                     | 153                  | 587                 |
| Impairment losses on other assets                             | 3                    | 248                 |
| Others  | 16,457               | 12,965              |
| Including: Auditor's remuneration                             | 41                   | 41                  |
| Subtotal  | <u>117,056</u>       | <u>109,678</u>      |
| Less: Expenses attributed to insurance acquisition cash flows | (55,846)             | (53,519)            |
| Less: Other insurance fulfilment cash flows in the period     | <u>(49,377)</u>      | <u>(47,028)</u>     |
| <b>TOTAL</b>  | <b><u>11,833</u></b> | <b><u>9,131</u></b> |

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

### (a) Employee costs

|   | 2025                 | 2024                 |
|---|----------------------|----------------------|
| Employee costs (including directors' and supervisors' remuneration) |                      |                      |
| – Salaries, allowances and performance related bonuses              | 47,453               | 44,773               |
| – Pension scheme contributions                                      | <u>6,195</u>         | <u>5,770</u>         |
| <b>TOTAL</b>  | <b><u>53,648</u></b> | <b><u>50,543</u></b> |

## 11. INCOME TAX EXPENSE

|                                       | 2025                 | 2024                 |
|---------------------------------------|----------------------|----------------------|
| Current tax                           | 9,674                | 8,517                |
| Adjustments in respect of prior years | (18)                 | 32                   |
| Deferred tax                          | 1,845                | 3,902                |
|                                       | <u>11,501</u>        | <u>12,451</u>        |
| <b>TOTAL</b>                          | <b><u>11,501</u></b> | <b><u>12,451</u></b> |

Certain operations of the Company's subsidiaries in the western provinces and Hainan province have been entitled to tax benefits and their eligible taxable income is subject to an income tax rate of 15%. One of the Company's subsidiaries is recognised as a high-tech enterprise and its eligible taxable income is subject to income tax at a rate of 15%. Except for the above-mentioned subsidiaries, the Company and its subsidiaries registered in the PRC are subject to corporate income tax ("CIT") at the statutory rate of 25% (2024: 25%) on their respective taxable income in accordance with the relevant PRC income tax rules and regulations. Income taxes on taxable income elsewhere were calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

A reconciliation of the tax expense applicable to profit before tax using the CIT rate of 25% to the tax expense at the Group's effective tax rate is as follows:

|  | 2025                 | 2024                 |
|--|----------------------|----------------------|
| Profit before tax  | 73,952               | 69,232               |
| Tax rate   | 25%                  | 25%                  |
| Tax at the statutory tax rate  | 18,488               | 17,308               |
| Adjustments in respect of prior years  | (18)                 | 32                   |
| Tax effect of share of profits or losses of associates and joint ventures                              | (3,473)              | (3,429)              |
| Income not subject to tax  | (4,978)              | (3,656)              |
| Expenses not deductible for tax  | 494                  | 426                  |
| Unrecognised deductible temporary differences and tax losses/tax losses utilised from previous periods | 1,310                | 1,980                |
| Effects of different tax rates applied to subsidiaries   | (315)                | (243)                |
| Others   | (7)                  | 33                   |
|  | <u>11,501</u>        | <u>12,451</u>        |
| Income tax expense for the year  | <b><u>11,501</u></b> | <b><u>12,451</u></b> |

In December 2021, the Organisation for Economic Co-operation and Development published *Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules* ("Pillar Two Model Rules"). According to the rules of Pillar Two, low-tax jurisdictions with effective tax rate below 15% may be subject to a Top-up Tax.

Some of jurisdictions where the Group's overseas entities are located, had implemented Pillar Two legislation during the reporting period. The Group has adopted amendments to IAS 12 on Pillar Two Model Rules. The Group has recognised a current tax expense under Pillar Two that arises in Hong Kong Special Administrative Region for the year ended 31 December 2025. The Group evaluates that the Pillar Two legislation has no significant impact on the Group's consolidated financial statement for the year ended 31 December 2025.

## 12. EARNINGS PER SHARE

### (a) Basic Earnings Per Share

The calculation of basic earnings per share for the years of 2025 and 2024 is based on the profit attributable to owners of the Company and the number of ordinary shares in issue during the periods.

|  | 2025               | 2024               |
|--|--------------------|--------------------|
| Profit attributable to owners of the Company for the year                        | 46,207             | 42,151             |
| Weighted average number of ordinary shares in issue ( <i>in million shares</i> ) | <u>44,224</u>      | <u>44,224</u>      |
| Basic earnings per share ( <i>in RMB Yuan</i> )                                  | <u><u>1.04</u></u> | <u><u>0.95</u></u> |

### (b) Diluted Earnings Per Share

|   | 2025               | 2024               |
|---|--------------------|--------------------|
| Profit attributable to owners of the Company for the year   | 46,207             | 42,151             |
| Add: Adjustment of profit attributable to owners of the Company from the assumption of the conversion of all the convertible bonds issued by an associate ( <i>note</i> ) | <u>(2,097)</u>     | <u>(1,745)</u>     |
| Profit attributable to owners of the Company for the calculation of diluted earnings per share  | <u>44,110</u>      | <u>40,406</u>      |
| Weighted average number of ordinary shares in issue ( <i>in million shares</i> )  | <u>44,224</u>      | <u>44,224</u>      |
| Diluted earnings per share ( <i>in RMB Yuan</i> )   | <u><u>1.00</u></u> | <u><u>0.91</u></u> |

*Note:* The associate of the Group, Industrial Bank issued convertible bonds with a share conversion period from 30 June 2022 to 26 December 2027 which meet potential ordinary shares under IAS 33. The adjustment of profit attributable to owners of the Company from the assumption of the conversion of all the convertible bonds issued by the associate was considered in the calculation of diluted earnings per share.

### 13. DIVIDENDS

|  | 2025              | 2024              |
|--|-------------------|-------------------|
| Dividends recognised as distributions:       |                   |                   |
| 2025 Interim, paid – RMB7.50 cents per share | 3,317             | –                 |
| 2024 Final, paid – RMB11.70 cents per share  | 5,174             | –                 |
| 2024 Interim, paid – RMB6.30 cents per share | –                 | 2,786             |
| 2023 Final, paid – RMB15.60 cents per share  | –                 | 6,899             |
|  | <u>          </u> | <u>          </u> |

An interim dividend in respect of the period ended 30 June 2025 of RMB7.50 cents per share was proposed by the Board of Directors on 27 August 2025 and approved by the shareholders on 30 October 2025 at the general meeting and paid on 12 December 2025.

A final dividend in respect of the year ended 31 December 2024 of RMB11.70 cents per share was proposed by the Board of Directors on 27 March 2025 and approved by the shareholders on 27 June 2025 at the general meeting and paid on 8 August 2025.

### 14. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(a) The Group's investments in associates and joint ventures as at 31 December 2025 and 2024 are as follows:

|   | 31 December<br>2025   | 31 December<br>2024   |
|---|-----------------------|-----------------------|
| Associates  |                       |                       |
| Cost of investment in associates  | 72,938                | 71,329                |
| Share of post-acquisition profits, other comprehensive income and other equity movement, less dividend received or receivable | <u>104,175</u>        | <u>96,397</u>         |
| Subtotal  | <u>177,113</u>        | <u>167,726</u>        |
| Joint ventures  |                       |                       |
| Cost of investment in joint ventures  | –                     | 196                   |
| Share of post-acquisition profits, other comprehensive income and other equity movement, less dividend received or receivable | <u>–</u>              | <u>(106)</u>          |
| Subtotal  | <u>–</u>              | <u>90</u>             |
| <b>TOTAL</b>  | <u><u>177,113</u></u> | <u><u>167,816</u></u> |

Movement of investments in associates and joint ventures is as follows:

| Associates and joint ventures | 1 January 2025 | Additions    | Disposals    | Share of profit | Share of other comprehensive income | Share of other movement | Dividend received | Impairment | 31 December 2025 |
|-------------------------------|----------------|--------------|--------------|-----------------|-------------------------------------|-------------------------|-------------------|------------|------------------|
| Industrial Bank               | 97,730         | -            | -            | 10,753          | (96)                                | (841)                   | (2,840)           | -          | 104,706          |
| Hua Xia Bank                  | 48,941         | -            | -            | 4,151           | (944)                               | 3                       | (1,038)           | -          | 51,113           |
| Others                        | 21,145         | 1,951        | (174)        | (1,013)         | (156)                               | (9)                     | (450)             | -          | 21,294           |
| <b>TOTAL</b>                  | <b>167,816</b> | <b>1,951</b> | <b>(174)</b> | <b>13,891</b>   | <b>(1,196)</b>                      | <b>(847)</b>            | <b>(4,328)</b>    | <b>-</b>   | <b>177,113</b>   |

As at 31 December 2025, the impairment provisions of associates and joint ventures was RMB253 million (31 December 2024: RMB253 million).

As at 31 December 2025, the carrying amount of the Group's investment in Industrial Bank was RMB104,706 million (31 December 2024: RMB97,730 million). As at 31 December 2025, the market value of the Group's investment in Industrial Bank was RMB56,420 million (31 December 2024: RMB51,330 million), which was lower than the carrying amount. Considering impairment indicator exists, the Group performed an impairment test on the carrying amount, which confirmed that there was no impairment at 31 December 2025 as the recoverable amount as determined by a value-in-use ("VIU") approach was higher than the carrying value.

The impairment test was performed by comparing the recoverable amount of Industrial Bank, determined by a VIU calculation, with its carrying amount. The VIU calculation uses discounted cash flow projections based on management's best estimates of future earnings available to ordinary shareholders prepared in accordance with IAS 36.

The recoverable amount of Industrial Bank was assessed by Watson (Beijing) International Asset Appraisal Co., Ltd.. The key assumptions used in the VIU calculation of Industrial Bank are as follows:

|                              |                       |
|------------------------------|-----------------------|
| Forecast period              | 5 years and perpetual |
| Long-term profit growth rate | 2.5%                  |
| Discount rate                | 10.4%                 |

As at 31 December 2025, the carrying amount of the Group's investment in Hua Xia Bank Co., Limited ("**Hua Xia Bank**") was RMB51,113 million (31 December 2024: RMB48,941 million). As at 31 December 2025, the market value of the Group's investment in Hua Xia Bank was RMB17,610 million (31 December 2024: RMB20,532 million), which was lower than the carrying amount. Considering impairment indicator exists, the Group performed an impairment test on the carrying amount, which confirmed that there was no impairment at 31 December 2025 as the recoverable amount as determined by a VIU approach was higher than the carrying value.

The impairment test was performed by comparing the recoverable amount of Hua Xia Bank, determined by a VIU calculation, with its carrying amount. The VIU calculation uses discounted cash flow projections based on management's best estimates of future earnings available to ordinary shareholders prepared in accordance with IAS 36.

The recoverable amount of Hua Xia Bank was assessed by Watson (Beijing) International Asset Appraisal Co., Ltd.. The key assumptions used in the VIU calculation of Hua Xia Bank are as follows:

|                              |                       |
|------------------------------|-----------------------|
| Forecast period              | 5 years and perpetual |
| Long-term profit growth rate | 2.5%                  |
| Discount rate                | 10.6%                 |

(b) Particulars of the principal associates are as follows:

| Associates      | Place of Principal activities<br>registration /Place of operation |              | Percentage of ownership interest<br>and voting rights held by the Group |          |                  |          |
|-----------------|---|--------------|---|----------|------------------|----------|
|                 |   |              | 31 December 2025  |          | 31 December 2024 |          |
|                 |   |              | Direct  | Indirect | Direct           | Indirect |
| Industrial Bank | Fujian, PRC   | Banking, PRC | 0.82%   | 11.84%   | 0.85%            | 12.05%   |
| Hua Xia Bank    | Beijing, PRC  | Banking, PRC | –   | 16.11%   | –                | 16.11%   |

The above table lists out the associates of the Group which principally affected the results of the year or form a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

## 15. ISSUED CAPITAL

|  | 31 December<br>2025 | 31 December<br>2024 |
|--|---------------------|---------------------|
| Issued and fully paid ordinary shares of RMB1 each (in million shares) |                     |                     |
| A shares   | 35,498              | 35,498              |
| H shares   | 8,726               | 8,726               |
| <b>TOTAL</b>   | <b>44,224</b>       | <b>44,224</b>       |
| Issued capital   |                     |                     |
| A shares   | 35,498              | 35,498              |
| H shares   | 8,726               | 8,726               |
| <b>TOTAL</b>   | <b>44,224</b>       | <b>44,224</b>       |

## 16. BALANCE SHEET OF THE COMPANY

|   | 31 December<br>2025 | 31 December<br>2024 |
|---|---------------------|---------------------|
| <b>ASSETS</b>   |                     |                     |
| Cash and cash equivalents   | 290                 | 693                 |
| Financial assets purchased under resale agreements                                | 2,616               | 3,190               |
| Financial investment:   |                     |                     |
| Financial assets measured at fair value through profit or loss                    | 3,186               | 2,701               |
| Financial assets measured at amortized cost                                       | 2,892               | 4,212               |
| Debt financial assets measured at fair value through other comprehensive income   | 10,935              | 10,634              |
| Equity financial assets measured at fair value through other comprehensive income | 4,865               | 4,845               |
| Term Deposits   | 585                 | 581                 |
| Long-term equity investment   | 92,536              | 92,390              |
| Investment properties   | 2,220               | 2,232               |
| Fixed assets  | 2,880               | 2,911               |
| Intangible assets   | 277                 | 160                 |
| Other assets  | 416                 | 614                 |
| <b>TOTAL ASSETS</b>   | <b>123,698</b>      | <b>125,163</b>      |
| <b>LIABILITIES AND EQUITY</b>   |                     |                     |
| <b>LIABILITIES</b>  |                     |                     |
| Securities sold under agreements to repurchase                                    | –                   | 890                 |
| Salaries and staff welfare payables   | 3,461               | 3,695               |
| Tax payable   | 32                  | 3                   |
| Bonds payable   | 12,225              | 12,225              |
| Other liabilities   | 2,510               | 3,777               |
| <b>TOTAL LIABILITIES</b>  | <b>18,228</b>       | <b>20,590</b>       |
| <b>EQUITY</b>   |                     |                     |
| Issued capital  | 44,224              | 44,224              |
| Capital reserves  | 35,578              | 35,578              |
| Other comprehensive income  | 786                 | 472                 |
| Surplus reserves  | 17,742              | 16,835              |
| Retained profits  | 7,140               | 7,464               |
| <b>TOTAL EQUITY</b>   | <b>105,470</b>      | <b>104,573</b>      |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>123,698</b>      | <b>125,163</b>      |

## 17. EVENT AFTER THE REPORTING PERIOD

On 26 March 2026, the Board of Directors of the Company proposed a final dividend of RMB14.50 cents (tax inclusive) per ordinary share for the year ended 31 December 2025, amounting to a total of approximately RMB6,412 million. The above proposal is subject to the approval of the shareholders at the general meeting.

## OPERATING HIGHLIGHTS

### 1. Steady Growth in Operating Performance and Continuous Increase in Dividend Payout

In 2025, the Group achieved a net profit of RMB62,451 million, representing a year-on-year increase of 10.0%. Net profit attributable to owners of the Company amounted to RMB46,207 million, representing a year-on-year increase of 9.6%.

The Group has paid an interim dividend for 2025 of RMB0.75 (tax inclusive) per 10 shares, and proposed to distribute a final dividend of RMB1.45 (tax inclusive) per 10 shares. The total cash dividend proposed to be paid to shareholders for the year 2025 amounted to RMB2.20 (tax inclusive) per 10 shares<sup>1</sup>, representing a year-on-year increase of 22.2%, so as to share the operating results with the investors.

### 2. Steady Growth in Business Scale and Continuous Growth in Comprehensive Strength

The Group's business development continued to improve. In 2025, the insurance revenue recorded RMB570,717 million, representing a year-on-year increase of 6.1%, and the original premiums income<sup>2</sup> recorded RMB738,333 million, representing a year-on-year increase of 6.5%. The size of investment assets maintained steady growth. As of 31 December 2025, the size of investment assets of the Group exceeded RMB1.90 trillion, representing an increase of 15.8% from the beginning of the year.

As of 31 December 2025, the Group's total assets amounted to RMB2,027,592 million, representing an increase of 14.8% from the end of the previous year. The net assets amounted to RMB420,466 million, representing an increase of 14.4% from the end of the previous year. The comprehensive solvency margin ratio was 249.9%, and core solvency margin ratio was 201.3%, indicating ample and robust capital strength.

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<sup>1</sup> On 26 March 2026, the Board of the Company proposed to distribute a final dividend of RMB1.45 (tax inclusive) per 10 shares for the year 2025, and the profit distribution plan shall be implemented after approval at the shareholders' general meeting of the Company.

<sup>2</sup> The original premiums income was calculated based on the premium data after the significant risk test for written premiums and splitting of mixed insurance contracts in accordance with the Notice of Relevant Issues Regarding the Implementation of the No. 2 Interpretation of Accounting Standards for Business Enterprises in Insurance Industry (Bao Jian Fa [2009] No. 1) and the Notice on the Publication of the Regulations on the Accounting Treatment Relating to Insurance Contracts (Cai Kuai [2009] No. 15).

### 3. Steady High-quality Development and Continuous Optimization of Operating Quality and Efficiency

The Group adhered to high-quality development orientation and continued to optimize its operational efficiency indicators. **In terms of the P&C insurance business**, PICC P&C worked hard on the development advantages, capturing a 31.6% market share in the P&C insurance sector<sup>3</sup>, maintaining its leadership in the industry. It drove forward various initiatives to enhance quality, reduce costs, and improve efficiency, and optimize its operational management system. It gave priority to business quality improvement and claims management and control enhancement. This has helped achieve an underwriting profit of RMB12,535 million, representing a year-on-year increase of 119.4%. Its combined ratio stood at 97.5%, a decrease of 1.3 percentage points year-on-year. The net cash inflow from operating activities was RMB43,048 million, representing a year-on-year increase of 18.1%. **In terms of the life and health insurance business**, operational quality and efficiency continued to improve. The original premiums income of PICC Life recorded a year-on-year increase of 18.8%, the first-year regular premiums recorded a year-on-year increase of 32.4%; and the renewal premiums recorded a year-on-year increase of 16.1%. The value of new business recorded a year-on-year increase of 64.5% on a like-for-like basis. The net cash inflow from operating activities was RMB58,161 million, representing a year-on-year increase of 53.4%. Contractual service margin of new business was RMB17,375 million, representing a year-on-year increase of 22.8%. The first-year regular premiums of PICC Health increased by 56.0% year-on-year; the first-year regular premiums of the Internet long-term insurance increased by 77.4%. Revenue from health management services increased by 17.2% year-on-year. The value of new business recorded a year-on-year increase of 22.5% on a like-for-like basis. The net cash inflow from operating activities was RMB18,145 million, representing a year-on-year increase of 18.0%. Contractual service margin of new business was RMB12,826 million, representing a year-on-year increase of 16.8%. **In terms of investment business**, the Group's active management capabilities continued to strengthen, and the stability of its investment performance improved effectively. It recorded a total investment income of RMB92,987 million, representing a year-on-year increase of 13.2%, and the total investment yield was 5.6%, remaining relatively stable. **Promoting the deepening business collaboration**, the insurance segment achieved premium income of RMB25,581 million, representing a year-on-year increase of 8.7% through business synergies, while the investment segment drove the insurance business to achieve premium income of RMB2,126 million, representing a year-on-year increase of 38.1%.

### 4. Serving the Overall National Development and Demonstrating the Responsibilities of a Central Enterprise

The Group actively fulfilled the responsibilities and mission of a central financial enterprise. It earnestly focused on advancing the “Five Priorities” on finance, strove to deliver world-class protection functions, continued to step up its support for national strategies and socioeconomic development, and remained committed to helping ensure employment, enterprises, market stability and expectations. In 2025, the total amount of the Group's insurance liability undertook was RMB3,648 trillion, representing a year-on-year increase of 14.9%. The paid claims<sup>4</sup> were RMB472.9 billion, representing a year-on-year increase of 5.4%. Its investment scale in serving the “Five Priorities” on finance amounted to RMB328.0 billion, representing an increase of 39.1% compared with the beginning of the year.

<sup>3</sup> The market share was independently calculated based on the original premiums income in the PRC (excluding Hong Kong, Macau and Taiwan) published by the National Financial Regulatory Administration. Starting from June 2021, the summarised data of P&C insurance companies and life and health insurance companies published by the National Financial Regulatory Administration does not include certain institutions which are in the stage of risk disposal in the insurance industry. The same applies below.

<sup>4</sup> The amount of paid claims data was based on the line item “Claims Expense” in the PRC Accounting Standards for Business Enterprises No. 25 – Original Insurance Contracts issued in 2006.

The Group made every effort to advance the “Five Priorities” on finance. **In terms of technology finance**, insurance liability provided by technology insurance amounted to RMB51 trillion. The Group continued to enrich its full lifecycle product system for technology insurance that caters to the needs of enterprises in the start-up, growth and maturity stages. The Group has issued the first domestically pioneering comprehensive insurance covering “proof of concept – pilot testing – pilot run”. It took the lead in establishing the Beijing Commercial Aerospace Insurance Pool and the Local Low-Altitude Economy Insurance Pool, provided insurance services for more than 360,000 technology-oriented enterprises, and successfully initiated the establishment of the “PICC Modern Industrial Fund” with a total fundraising scale of RMB10 billion. The Group has continuously increased investment efforts in key areas such as new quality productive forces and strategic emerging industries. **In terms of green finance**, insurance liability provided by green insurance amounted to RMB267 trillion, and the number of new energy vehicles to which the Group provided insurance increased by 34.3% year-on-year. In 2025, the Group’s investment scale in green finance recorded an increase of 29.4% compared with the beginning of the year. The Group established the industry’s first unified green insurance statistical system and the ESG risk evaluation system for insurance clients. The Company was granted Grade AAA ESG rating by MSCI, which is currently the highest rating among domestic insurance companies. The Group initiated the establishment of the “PICC Capital – State Grid Xinyuan Equity Investment Plan” to support the construction of a new energy system and promote the green and low-carbon transformation of the energy. **In terms of inclusive finance**, the Group established a “four-in-one” protection system for grain production, providing nearly RMB2 trillion in risk protection for farmers. It undertook 1,858 policy-based health insurance projects, including critical illness insurance, long-term care insurance, and outpatient chronic and special diseases insurance, covering over 1.5 billion personnel times. It enriched product and service protection for new citizens, covering 30.17 million personnel times. **In terms of pension finance**, the scale of the Group’s second-pillar annuity under management reached RMB724.1 billion. For the third pillar, the scale premiums of commercial pension insurance and personal pension recorded year-on-year increases of 116.3% and 167.1%, respectively, and the scale of assets under management for commercial pension nearly doubled compared with the beginning of the year. The cumulative premiums associated with institutional pension services exceeded RMB4.0 billion. **In terms of digital finance**, the Group formulated the *Work Plan for the High-Quality Development of Digital Finance* and the “AI+” *Action Plan for the Group*. The number of implemented AI application scenarios increased by 79.0% year-on-year, and the number of AI capability calls increased by 52.0% compared with the end of last year. The Group undertook one of the industry’s first pilot programs for large model customer-facing applications and achieved positive pilot results.

**Making every effort to boost consumption.** The Group took the lead in establishing a domestic trade credit insurance pool. As the lead underwriter, it issued the first policy in Zhejiang Province. It innovatively promoted travel and cultural tourism insurance products such as “Youyou Bao (優游保)”, with premiums in this sector increasing by 14.7% year-on-year. **Making every effort to support the development of foreign trade.** It served key projects under the “Belt and Road” and Chinese enterprises “going global”. Its China overseas interests business covered 149 countries and regions. It jointly developed a new “finance + shipping” service model, ensuring the successful maiden voyage of the world’s first China-Europe Arctic Express Route. **Making every effort to maintain capital market stability.** It implemented the deployment for the entry of medium- and long-term funds into the market, with the proportion of new premium investments in A-shares exceeding 30%. It actively involved itself in the pilot program for the reform of long-term investments of insurance funds, and the RMB multi-billion PICC Qiyuan Huizhong Private Securities Investment Fund commenced formal investment operations.

## 5. Fulfilling Corporate Responsibilities and Missions, and Building a Strong Barrier for Disaster Response

Adhering to the corporate mission of “People’s Insurance, Serving the People”, the Group, with a high sense of political responsibility and mission, deeply integrated itself into the national disaster prevention, mitigation, and relief system. Leveraging institutional mechanism construction, service model innovation, and technology empowerment, it contributed its insurance strength to public safety, industrial development, and livelihood protection.

**Actively participating in the construction of the national catastrophe insurance protection system.** The Group’s local catastrophe insurance protection covered 23 provinces (autonomous regions and municipalities directly under the central government) and 157 cities, protecting a population of 480 million people. **Accelerating the construction of risk reduction service value chain.** The Group systematically advanced the development of a professional team of risk engineers, and made ongoing efforts to strengthen the digital and intelligent service support capabilities of the Wanxiang Cloud Platform (萬象雲平台). This empowered the implementation of service models for various scenarios, including those for individuals and legal entities. In the individual sector, the Group provided 48.83 million instances of connected vehicle trusteeship early warning services. It also pushed over 30.00 million instances of disaster messages to customers to advise them on risk prevention. In the legal entity sector, the Group achieved full-scale risk inspections, providing 12.51 million services such as hazard identification, monitoring, and early warning. **Improving an integrated and coordinated claims response management system for disasters and accidents across the Group.** The Group continuously optimized claims service processes to support recovery and reconstruction and loss compensation. In 2025, the Group initiated over 100 claim emergency responses at levels one, two, and three. It efficiently responded to major disasters and accidents, including the earthquake in Shigatse, Tibet, the landslide in Junlian, Sichuan, the massive floods in Rongjiang, Qiandongnan, continuous rainy days during the autumn harvest season in the Huanghuai region, rain, snow and freezing disasters in North China. The Group strove to provide warm and convenient claims services to the people, fulfilling its solemn commitment to protecting people’s good lives through concrete actions.

## 6. Establishing a Sound Corporate Image and Increasing the Brand Value Significantly

The Group made great efforts in strengthening brand building, and continuously enhanced its brand value and influence. The Group ranked 141st in the list of Fortune Global 500 in 2025, marking its 16th consecutive year on the list. According to the latest data released by the internationally authoritative agency “Brand Finance”, the Group’s brand value reached USD16.82 billion, maintaining steady growth of over 9% for the 5th consecutive year. Its ranking in the “Global 500 Most Valuable Brands” list steadily climbed to 145th, up by 5 places from last year, once again recording a historic high.

The Group continued to strengthen its consumers’ rights and interests protection work system. Specifically, it accelerated the establishment of a consumer protection framework featuring full participation, process integration, adequate resources, and enhanced services. This has ensured that various consumer protection mechanisms operated efficiently. In 2025, consumer complaints across the entire Group decreased by 29.5% year-on-year. The Group has ten cases that have been awarded the “2025 Financial Consumer Protection and Service Innovation Case Award”. Multiple consumer protection publicity and education works were awarded excellent cases by the National Financial Regulatory Administration and the Insurance Association of China. The Group selected “Guardians” of consumer protection within the system for the first time, leading and shaping a positive corporate image that is “trustworthy, reliable, and warm”.

## 7. Accelerating Technological Construction and Supporting the Implementation of Strategies Effectively

The Group focused on developing digital finance, actively promoted the implementation of digitalized action plans and piloting enterprise architecture methods, accelerated the construction of digital “no-regrets (無悔)” portfolio, promoted the deep integration of business, technology and data, and strove to enhance the Group’s core technological competitiveness. Relevant technological achievements received one first prize, three second prizes, and one third prize in the “Financial Technology Development Award” presented by the People’s Bank of China, making the Group one of the leading insurance institutions in terms of the number of awards received.

**Optimizing computing power resource allocation.** The Group steadily advanced the construction of its Western Data Center, and its North Information Center obtained the national green computing power facility certification. **Strengthening technology security risk management and control.** The Group obtained ISO27001 certification for its information network security management system, organized and completed the classification and categorization of all information systems, improved the construction of the disaster recovery system and carried out emergency drills. Furthermore, it built a “cloud - network - edge - device” defense system. The automated interception rate for Internet attacks exceeded 95%. **Systematically promoting data governance.** The Group strengthened the coordinated management of data assets, achieving a 99.4% management ratio of metadata resources for application systems. In accordance with the requirements of the new national standards, it advanced the DCMM compliance assessment to accelerate the release of the value of data elements. **Continuing to enhance R&D levels.** The Group established a group-wide unified technical structural system and advanced the integration of development and operations. PICC P&C has obtained the CMMI Level 5 appraisal and certification, the highest maturity level in software development capability. **Deepening smart technology.** The Group continued to push forward with its construction on the capability of group-level AI intelligent middleware platform and introduce various mainstream base models. It deepened the application of large models and intelligent agents, promoted the construction of data engineering, knowledge engineering and other capabilities, independently developed “PICC Chenling (人保宸靈)”, a vertical large model dedicated to the insurance sector, and achieved an scenario intent recognition accuracy rate of over 99.0%. The number of invention patent applications across the Group increased by 21.1% compared to the same period of last year. **Focusing on empowering grassroots levels with technology.** The Group continuously strengthened demand coordination management, optimized mechanisms for empowering and serving grassroots levels, and enhanced demand response effectiveness. In 2025, the processing time for grassroots demand applications was improved by more than 10%. We have launched a series of characteristic projects including a digital platform for marine insurance, the restructuring of core life insurance systems, and the construction of a big health ecosystem. We have effectively enhanced the sense of technological gain among grassroots through digital means and tools.

## 8. Coordinating Development and Security, Prudently Responding to Various Risks and Challenges

In 2025, the Group’s risk appetite was stable, with no major risk incidents occurring, and significant results achieved in risk prevention and control. **Risk control efficiency and effectiveness kept improving.** The comprehensive risk ratings of the insurance subsidiaries all reached Grade A and above. The Group strengthened coordinated risk management and source management and control, optimizing risk appetite dimensions and monitoring indicator systems. The Group regulated risk compliance committees at all levels to operate in a standardized manner, and institutional mechanisms such as consolidated management, concentration risk management, and investment asset risk classification were improved. The Group continuously strengthened the proactiveness, penetration, and effectiveness of its risk management. The Group deepened

the application of its intelligent risk control platform, continuously enhancing its capabilities for dynamic risk monitoring and early warning. **The fruits of law-based and compliance operation were more productive.** Diligently following up on the Measures for the Compliance Management of Financial Institutions, the Group took solid steps to advance the rectification of key issues, and steadfastly implemented “reporting and implementation alignment” in areas including auto insurance and bancassurance, as well as the “comprehensive governance” of non-vehicle insurance. The Group extensively promoted the implementation and effectiveness of the “downgrading (下評一級)” internal control evaluation system, strengthened anti-money laundering self-inspection and self-correction across the whole system, and enhanced risk prevention for overseas institutions and businesses. The Group further strengthened its risk compliance culture, optimized the incentive and constraint mechanism for risk compliance performance assessment as an ongoing effort to standardize and improve the accountability and disciplinary mechanism, and strictly enforced risk compliance responsibilities. Holding fast to the concept of compliant development, all units within the Group’s system took the lead in promoting industry self-discipline and worked together to safeguard the market order.

## MANAGEMENT DISCUSSION AND ANALYSIS

The year of 2025 finished remarkably. Under the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core, the whole Party and the people of all ethnic groups across the country stood up to the challenges and strove hard. Unswervingly applying the new development philosophy, we pursued high-quality development. To that end, we took a holistic approach to domestic and international imperatives and implemented more proactive and impactful macroeconomic policies. Despite the pressure, China’s economy stayed on track for innovation and optimization. The building of a modern industrial system continued to advance and the reform and opening-up embraced new strides. Beyond that, extensive progress was achieved in defusing risks in key areas and guarantees for people’s livelihoods were strengthened. All of these marked the successful conclusion of the “14th Five-Year Plan” period and a sound start for the new journey toward the second centenary goal.

In full implementation of the decisions and arrangements of the CPC Central Committee with Comrade Xi Jinping at its core, the Group took solid steps to advance high-quality development. To do that, the Group progressively worked on reform and innovation and continued to strengthen risk prevention and control. Its key development indicators have witnessed record highs one after another, demonstrated by balanced growth in scale and efficiency and coordinated improvement of social responsibility and economic benefits. The Group has made solid strides in its journey to build a world-class insurance financial group and concluded the “14th Five-Year Plan” period with high-quality results. The insurance line has proactively responded to challenges arising from industry transformation. Specifically, it identified new growth drivers in serving economic and social development and doubled its efforts to seek innovation in products, services and models for continuously optimizing its business structure. This is how it effectively cemented its market position, and achieved another step-change growth in premium scale. The investment line has earnestly implemented the requirements for medium- to long-term capital to enter the market and achieved a substantial improvement in investment income by actively participating in pilot program for the reform of long-term investments of insurance funds, continuously enhancing its active management capabilities, steadily optimizing its secondary equity portfolio, strengthening asset-liability matching management, and accelerating the innovative transformation of the alternative investment business. The operations line has actively supported the Group’s strategy and main insurance business and advanced digital development in a steady manner, contributing to new breakthroughs in industrial development.

## I. BUSINESS OVERVIEW OF THE COMPANY

### (I) Review of Our Industry

In 2025, the insurance industry conscientiously implemented the decisions and arrangements of the Party Central Committee on “focusing on stabilizing employment, enterprises, markets and expectations” to fully leverage its role as an economic shock absorber and social stabilizer. As of the end of 2025, the total assets of China’s insurance industry were RMB41.31 trillion, an increase of RMB5.40 trillion from the beginning of the year. In 2025, it achieved original premiums income of RMB6.12 trillion, representing a year-on-year increase of 7.4%. The original policyholders’ benefits and claims were RMB2.44 trillion, representing a year-on-year increase of 6.2%, providing strong protection for the overall economic and social development.

In 2025, the National Financial Regulatory Administration stayed focused on the core priorities of preventing risks, strengthening regulation and promoting high-quality development, and made new breakthroughs in pursuing high-quality development and sound development of the industry in a coordinated manner. **In terms of strengthening regulation to forestall and defuse key risks**, the National Financial Regulatory Administration steadily advanced the development of the financial legal system and accelerated the revision of the Insurance Law. The National Financial Regulatory Administration improved the prudential regulatory framework, revising and issuing measures including the administrative measures for the capital deposits of insurance companies and the administrative measures for trust companies as an ongoing effort to enhance the relevance, timeliness and effectiveness of the regulatory regime. The National Financial Regulatory Administration revised and promulgated the Administrative Measures on Penalties, refined law enforcement approaches, and advanced penalty administration in a high-quality manner. The National Financial Regulatory Administration strengthened coordination and collaboration, and advanced reform and risk mitigation in a forceful and orderly manner. **In terms of pursuing holistic policies to steer industry reform and transformation**, the National Financial Regulatory Administration continued to implement the “consistency between regulatory filings and actual underwriting”, the adjustment of predetermined interest rates for the insurance industry and the “comprehensive governance” of non-vehicle insurance business, thereby guiding the insurance industry to deepen structural transformation. The life insurance industry continued to improve in both quality and efficiency development, with a focus on protection and pension services. Life insurance companies further adjusted their business mix and achieved a notable enhancement in overall strength; The combined ratio of the P&C insurance decreased significantly, the quality and efficiency of development improved markedly for P&C insurance companies. With strengthened technology empowerment and investment research capabilities, insurance asset management companies maintained steady growth in assets under management. It also guided insurance institutions to strengthen their capital base for better risk resilience. **In terms of targeted and effective support for steady and positive economic progress**, the insurance industry saw notable improvements in service quality and efficiency in key and weak-link areas, and made fresh progress in advancing the “Five Priorities” on finance. To boost confidence among micro and small private enterprises, financial support was stepped up to boost consumption. In response to tariff disputes and trade frictions, a series of policies and measures were formulated and implemented to support the development of foreign trade for the banking and insurance industry. To deliver greater benefits for the people’s happy lives, the “Vehicle Insurance Made Easy (車險好投保)” platform was officially launched, driving improvements in new energy vehicle coverage capabilities. The Guiding Opinions on Promoting the High-Quality Development of Health Insurance 《關於推動健康保險高質量發展的指導意見》) was issued, setting out clear directions for the development of major health insurance products. It has vigorously developed commercial long-term care

insurance to provide strong protection for disabled elderly people. To gather momentum for new quality productive forces, insurance funds have been guided to follow the principle of “long-term capital for long-term investment”. The Implementation Plan for the High-Quality Development of Technology Finance in the Banking and Insurance Industries (《銀行業保險業科技金融高質量發展實施方案》) was promulgated, laying out a clear implementation path for building a technology finance system in line with scientific and technological innovation.

## **(II) Principal Businesses**

In 2025, braving a complex external landscape and industry transformation challenges, the Group remained unwavering in its commitment to high-quality development, responding to the uncertainties of the external environment with the certainty of high-quality development. The Group made every effort to serve the overall economic and social development, with the paid claims being RMB472,889 million, representing a year-on-year increase of 5.4%. The business development showed steady growth, achieving original premiums income of RMB738,333 million, representing a year-on-year increase of 6.5%, being at a good level among major listed insurance groups; and achieved insurance revenue of RMB570,717 million, representing a year-on-year increase of 6.1%. The operating benefits improved significantly, achieving total investment income of RMB92,987 million, representing a year-on-year increase of 13.2%; and the net profit attributable to owners of the Company was RMB46,207 million, representing a year-on-year increase of 9.6%.

As of 31 December 2025, the market share of PICC P&C in the P&C insurance market was 31.6%, and the aggregate market share of PICC Life and PICC Health in the life and health insurance market was 4.2%.

### ***1. P&C Insurance Segment: Business Development Becoming More Resilient with Core Businesses Maintaining a Steady Upward Trajectory***

PICC P&C adhered to a customer-centric approach, optimized its operational management system, and effectively built its development advantages. In 2025, it achieved original premiums income of RMB555,777 million, representing a year-on-year increase of 3.3%, with a market share of 31.6%, and insurance revenue of RMB511,594 million, representing a year-on-year increase of 5.4%, maintaining its industry leadership. We optimized our development layout and business structure while serving the overall national interests. Motor insurance premium income exceeded RMB300,000 million, with market share remaining basically stable. The non-vehicle insurance business accounted for 45.0%, representing an increase of 0.3 percentage point year-on-year, with personal non-vehicle insurance business maintaining rapid growth. It drove forward various initiatives to enhance quality, reduce costs, and improve efficiency, focused on improving business quality, strengthened claims management and control, and achieved an underwriting profit of RMB12,535 million, representing a year-on-year increase of 119.4%. Its combined ratio was 97.5%, representing a decrease of 1.3 percentage points year-on-year and the net profit was RMB40,377 million, representing a year-on-year increase of 25.5%.

## ***2. Life and Health Insurance Segment: Becoming More Focused on Main Responsibilities and Businesses with Steady Enhancement in Operating Quality and Efficiency***

The life and health insurance segment persisted in returning to the origin of protection, focused on main responsibilities and businesses, and people's livelihood and well-being. PICC Life's business development trend was improving, and the operating quality and efficiency continued to enhance. In 2025, the original premiums income amounted to RMB125,970 million, representing a year-on-year increase of 18.8%, the first-year regular premiums amounted to RMB33,645 million, representing a year-on-year increase of 32.4%; and the renewal premiums amounted to RMB68,303 million, representing a year-on-year increase of 16.1%; the value of new business amounted to RMB8,229 million, representing a year-on-year increase of 64.5% on a like-for-like basis. PICC Health adhered to specialized and differentiated operations, continuously driving high-quality development towards excellence and innovation; PICC Health achieved original premiums income of RMB56,266 million in 2025, representing a year-on-year increase of 15.5%; PICC Health realized the first-year regular premiums of RMB10,372 million, representing a year-on-year increase of 56.0%; the value of new business amounted to RMB7,387 million, representing a year-on-year increase of 22.5% on a like-for-like basis; the growth rate of health insurance premiums was 22.2 percentage points ahead of the life and health insurance companies in the health insurance market; the original premiums income of the Internet health insurance business was RMB20,380 million, up 14.5% year-on-year, which continued to maintain the market leading position among life and health insurance companies.

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

The investment segment implemented the requirements of the Group's high-quality development. It continuously improved the quality and efficiency of investments serving national strategies, better met the wealth management needs of the people, and strengthened the development of active investment management capabilities to drive the steady improvement of the Group's investment performance. In 2025, the Group achieved a total investment income of RMB92,987 million, representing a year-on-year increase of 13.2%; the total investment yield was 5.6%, maintaining relative stability. It fully implemented requirements for channeling medium- and long-term funds into the market, actively participated in pilot programs for long-term investment of insurance funds, and continuously optimized the secondary market equity investment structure. The Group took asset securitization business as a breakthrough point to do more in the transformation and innovation of alternative investments. In 2025, PICC Group ranked first among insurance peers in terms of the issuance scale of inter-institutional REITs. It successfully launched the implementation of several industry-first and benchmark projects. This achieved an effective integration of helping revitalize existing assets, optimizing corporate financing structures, participating in building a multi-tiered securitization product system, and meeting the allocation needs of insurance funds. It actively expanded the development of third-party business with an aim to serve the wealth management of the masses, to create a well-established and influential PICC brand. As of 31 December 2025, the scale of third-party assets under the management of the Group amounted to RMB1,140,000 million.

#### ***4. Technology Segment: Pushing forward with the Construction of Technological Projects and Technological Empowerment at the Grassroots Level Showing Results***

The technology segment actively promoted the technological reform and construction work of the Group, actively empowered the “Five Priorities” on finance, and contributed science and technological strength to the high-quality development of the Group. It coordinated business lines to promote the construction of the digital projects in an orderly manner, achieving remarkable results. It continued to promote the implementation of key points of technology management work, strengthened architecture management, data management, security management, innovation management, demand management and project management, continuously enhanced the level of technological independence and control, and steadily advanced various technological construction work.

Additionally, technological empowerment at the grassroots level achieved new results, making tangible and accessible benefits for grassroots units. It continued to optimize and upgrade sales order tools. The “PICC e-Tong” has served more than 110 million personnel times, and achieved original premiums income of more than RMB140 billion. It continued to deepen the application and promotion of intelligent technology. PICC P&C smart assistant, intelligent outbound calling, and intelligent sparring partner have been rolled out nationwide, with intelligent outbound calls cumulatively exceeding 40 million in 2025. PICC Life continued to build a full-chain digital combat platform for the workplace segment, achieving a 53.9% increase in scale premiums. PICC Health, through process reconstruction and efficiency optimization, increased claims processing efficiency by 5 times and the claims anti-fraud model effectively identified high-risk cases and reduced losses of nearly RMB1,700 million. It continued to promote online customer services with the integrated platform serving over 210 million customer personnel times annually, the average monthly active users of the “PICC” APP increasing by 34.6% year-on-year, and the online penetration rate of household-use vehicle customers reaching 96.7%.

### **(III) Key Operating Data**

The Group primarily engages in three main businesses, namely P&C insurance business, life and health insurance business and asset management business. The Group’s businesses are composed of four main operating segments: the P&C insurance business consists of the Group’s P&C insurance segment and includes PICC P&C and People’s Insurance Company of China (Hong Kong), Limited (“**PICC Hong Kong**”), in which the Company holds 68.98% and 89.36% equity interests, respectively; the life and health insurance business consists of two separate operating segments, including the life insurance segment and the health insurance segment, among which the life insurance segment includes PICC Life, in which the Company holds 80.00% equity interest directly and indirectly, and the health insurance segment includes PICC Health, in which the Company holds 95.45% equity interest directly and indirectly; and the asset management business consists of the asset management segment of the Group and primarily includes PICC Asset Management Company Limited (“**PICC AMC**”), PICC Pension Company Limited (“**PICC Pension**”) and PICC Capital Insurance Asset Management Co., Ltd. (“**PICC Capital**”), which are all wholly owned by the Company. The Company also holds 100.00% equity interest in PICC Investment Holding Co., Ltd. (“**PICC Investment Holding**”) and PICC Information Technology Co., Ltd. (“**PICC Technology**”), and directly and indirectly holds 100.00% equity interest in PICC Reinsurance Company Limited (“**PICC Reinsurance**”) and PICC Financial Services Company Limited.

|   | <i>Unit: RMB million</i> |                     |                  |                    |
|---|--------------------------|---------------------|------------------|--------------------|
|   | <b>The Group</b>         | <b>PICC P&amp;C</b> | <b>PICC Life</b> | <b>PICC Health</b> |
| Actual capital                          | 557,698                  | 287,896             | 148,588          | 46,000             |
| Core capital                            | 449,227                  | 264,301             | 98,606           | 24,234             |
| Minimum capital                         | 223,166                  | 123,864             | 73,598           | 17,199             |
| Comprehensive solvency margin ratio (%) | 249.9                    | 232.4               | 201.9            | 267.5              |
| Core solvency margin ratio (%)          | 201.3                    | 213.4               | 134.0            | 140.9              |

The solvency results of the Group and major subsidiaries as at 31 December 2025 were calculated in accordance with the Regulatory Rules on the Solvency of Insurance Companies (II) and the relevant notices issued by the National Financial Regulatory Administration (the former China Banking and Insurance Regulatory Commission).

#### (IV) Key Financial Indicators

|  | <i>Unit: RMB million</i> |         |   |
|--|--------------------------|---------|---|
|  | <b>2025</b>              | 2024    | (% of change)                           |
| Total operating revenue                          | <b>669,254</b>           | 622,220 | 7.6                                     |
| Insurance revenue                                | <b>570,717</b>           | 537,709 | 6.1                                     |
| Total operating expenses                         | <b>594,638</b>           | 552,988 | 7.5                                     |
| Insurance services expenses                      | <b>527,170</b>           | 492,837 | 7.0                                     |
| Profit before tax                                | <b>73,952</b>            | 69,232  | 6.8                                     |
| Net Profit                                       | <b>62,451</b>            | 56,781  | 10.0                                    |
| Net profit attributable to owners of the Company | <b>46,207</b>            | 42,151  | 9.6                                     |
| Earnings per share <sup>Note</sup> (RMB/share)   | <b>1.04</b>              | 0.95    | 9.6                                     |
|  |                          |         | Decreased by<br>0.5 percentage<br>point |
| Weighted average return on equity (%)            | <b>15.9</b>              | 16.4    | point                                   |
| Net cash flows from operating activities         | <b>118,689</b>           | 87,990  | 34.9                                    |

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

|  | <i>Unit: RMB million</i>          |                           |               |
|--|-----------------------------------|---------------------------|---------------|
|  | <b>As at 31<br/>December 2025</b> | As at 31<br>December 2024 | (% of change) |
| Total assets                                     | <b>2,027,592</b>                  | 1,766,321                 | 14.8          |
| Total liabilities                                | <b>1,607,126</b>                  | 1,398,900                 | 14.9          |
| Net assets                                       | <b>420,466</b>                    | 367,421                   | 14.4          |
| Equity attributable to owners of the Company     | <b>309,183</b>                    | 268,866                   | 15.0          |
| Total share capital                              | <b>44,224</b>                     | 44,224                    | —             |
| Net assets per share <sup>Note</sup> (RMB/share) | <b>6.99</b>                       | 6.08                      | 15.0          |

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

## (V) Explanation for the Differences between Domestic and Overseas Accounting Standards

*Unit: RMB million*

|   | <u>Net profit attributable to owners of the Company</u> |        | <u>Equity attributable to owners of the Company</u> |                              |
|---|---|--------|---|------------------------------|
|   | 2025  | 2024   | As at<br>31 December<br>2025                        | As at<br>31 December<br>2024 |
| Under the China Accounting Standards for Business Enterprises | <b>46,646</b>   | 42,869 | <b>308,991</b>                                      | 268,733                      |
| Items and amounts adjusted in accordance with the IFRS:       |   |        |   |                              |
| Catastrophic risk reserve <sup>(1)</sup>                      | <b>79</b>   | (957)  | <b>257</b>  | 178                          |
| Dilution of equity interests in associates <sup>(2)</sup>     | <b>(498)</b>  | –      | –   | –                            |
| Impact of above adjustment on deferred income tax             | <b>(20)</b>   | 239    | <b>(65)</b>   | (45)                         |
| Under the IFRS Accounting Standards                           | <b>46,207</b>   | 42,151 | <b>309,183</b>                                      | 268,866                      |

### Explanation for major adjustments:

- (1) Besides recognizing insurance contract liabilities in accordance with Accounting Standards for Business Enterprises No. 25 – Insurance Contract, provision for premium reserves is required for certain insurance types under relevant regulations. For instance, in accordance with the provisions of Cai Kuai [2014] No. 12 and Cai Jin [2017] No. 38, agricultural insurance catastrophe premium reserves are provisioned at a certain percentage of retained agricultural insurance premiums, and residential earthquake insurance reserves are provisioned at a certain percentage of residential earthquake insurance premium income. The premium reserves provisioned or utilized in the current period are recognized in the profit or loss for the current period. There is no provision regarding thereof under the IFRS Accounting Standards, hence there exist differences between such standards. The liabilities for insurance contracts provided under the IFRS Accounting Standards No. 17 are the same as those provided under the Accounting Standards for Business Enterprises No. 25 – Insurance Contract.
- (2) In 2025, part of convertible bonds issued by an associate of the Group were converted into ordinary shares. Since the Group did not participate in the conversion, its total shareholding percentage was diluted, and the dilution of equity interests in the associate was directly charged to capital reserve under the China Accounting Standards for Business Enterprises, but was included in the profit or loss of the current period under the IFRS Accounting Standards, thus there exists a difference for the dilution of the equity interests in such associate under two reporting standards.

## (VI) Other Major Financial and Regulatory Indicators

*Unit: RMB million*

|  | <b>31 December<br/>2025/2025</b> | 31 December<br>2024/2024 |
|--|----------------------------------|--------------------------|
|--|----------------------------------|--------------------------|

### Consolidated

|  |                  |           |
|--|------------------|-----------|
| Insurance contract liabilities                   | <b>1,239,519</b> | 1,122,797 |
| Including: Liability for incurred claims         | <b>262,520</b>   | 243,144   |
| Liability for remaining coverage                 | <b>976,999</b>   | 879,653   |
| Reinsurance contract assets                      | <b>42,150</b>    | 39,762    |
| Reinsurance contract liabilities                 | <b>146</b>       | 71        |
| Net expenses from reinsurance contracts held     | <b>6,373</b>     | 7,464     |
| Finance expenses from insurance contracts issued | <b>45,898</b>    | 43,329    |
| Finance income from reinsurance contracts held   | <b>(1,111)</b>   | (1,264)   |
| Investment assets                                | <b>1,901,634</b> | 1,641,756 |
| Total investment yield (%)                       | <b>5.6</b>       | 5.6       |
| Gearing ratio <sup>(1)</sup> (%)                 | <b>79.3</b>      | 79.2      |

### PICC P&C

|   |                |         |
|---|----------------|---------|
| Insurance revenue                           | <b>511,594</b> | 485,223 |
| Insurance service expenses                  | <b>486,254</b> | 465,392 |
| Combined ratio <sup>(2)</sup> (%)           | <b>97.5</b>    | 98.8    |
| Comprehensive loss ratio <sup>(3)</sup> (%) | <b>73.9</b>    | 73.0    |

### PICC Life

|   |                |         |
|---|----------------|---------|
| Insurance revenue   | <b>25,337</b>  | 22,384  |
| Insurance service expenses  | <b>17,279</b>  | 7,483   |
| Contractual service margin for issued insurance contracts   | <b>104,451</b> | 92,555  |
| Contractual service margin for insurance contracts issued<br>on initial recognition in the current period | <b>17,375</b>  | 14,151  |
| Value of new business <sup>(4)</sup>  | <b>8,229</b>   | 5,024   |
| Embedded value <sup>(4)</sup>   | <b>124,149</b> | 119,731 |
| Lapse rate <sup>(5)</sup> (%)   | <b>1.7</b>     | 3.6     |

### PICC Health

|   |               |        |
|---|---------------|--------|
| Insurance revenue   | <b>30,433</b> | 27,217 |
| Insurance service expenses  | <b>21,058</b> | 17,752 |
| Contractual service margin for issued insurance contracts   | <b>23,426</b> | 20,189 |
| Contractual service margin for insurance contracts issued<br>on initial recognition in the current period | <b>12,826</b> | 10,979 |
| Value of new business <sup>(6)</sup>  | <b>7,387</b>  | 6,513  |
| Embedded value <sup>(6)</sup>   | <b>35,369</b> | 30,117 |
| Lapse rate <sup>(5)</sup> (%)   | <b>1.0</b>    | 1.0    |

*Notes:*

- (1) The gearing ratio refers to the ratio of total liabilities to total assets.
- (2) Combined ratio = (insurance service expenses + net expenses from reinsurance contracts held + finance expenses from insurance contracts issued – finance income from reinsurance contracts held)/insurance revenue.
- (3) Comprehensive loss ratio = (incurred claims and loss adjustment expenses for the period + change in fulfilment cash flows related to liability incurred claims + finance expenses from insurance contracts issued + (recognition and reversal of losses – allocation of losses) + net expenses from reinsurance contracts held – finance income from reinsurance contracts held)/insurance revenue.
- (4) Based on economic assumptions such as risk discount rate as at 31 December 2024, the value of new business in 2025 and the embedded value as of 31 December 2025 of PICC Life was RMB8,265 million and RMB123,703 million, respectively.
- (5) Lapse rate = surrender value for the period/(opening balance of long-term insurance liability reserves + long-term insurance original premiums income for the period) x 100%.
- (6) Based on the economic assumptions such as investment yield and risk discount rate as at 31 December 2024, the value of new business in 2025 and the embedded value as of 31 December 2025 of PICC Health was RMB7,981 million and RMB38,531 million, respectively.
- (7) Comparison period data for contractual service margin for issued insurance contracts and embedded value represent the data as at 31 December 2024, while comparison period data for other indices represent the cumulative data for the period from January to December 2024.

## II. PERFORMANCE ANALYSIS

### (I) Insurance Business

#### *P&C Insurance Business*

##### 1. PICC P&C

PICC P&C resolutely implemented the decisions and deployments of the central government, actively executed the strategic requirements of “building a first-class company” set by the Group, and deeply engaged in the practical application of the “Five Priorities” on finance. Adhering to its original aspiration and serving the broader national strategy, it continuously optimized and improved its operational and management systems to steadily promote high-quality development. Demonstrating the leading role within the industry, it actively fulfilled its functions as an economic shock absorber and social stabilizer. PICC P&C has achieved progress while maintaining stability, marked by steady improvements. Its inherent quality, service capabilities, comprehensive strength, and brand image have reached new heights, laying a solid foundation for advancing towards the new journey of the “15th Five-Year Plan”.

##### (1) Analysis of operating conditions and results

In 2025, PICC P&C reported insurance revenue of RMB511.594 billion, representing a year-on-year increase of 5.4%; the underwriting profit was RMB12.535 billion, representing a year-on-year increase of 119.4%; the combined ratio was 97.5%, representing a year-on-year decrease of 1.3 percentage points; the comprehensive loss ratio was 73.9%, representing a year-on-year increase of 0.9 percentage point; the comprehensive expense ratio was 23.6%, representing a year-on-year decrease of 2.2 percentage points; and the net profit was RMB40.377 billion, representing a year-on-year increase of 25.5%. PICC P&C’s three-year average combined ratio<sup>5</sup> was 98.0%, and the three-year average comprehensive loss ratio<sup>6</sup> was 72.5%.

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

| <b>Indicator</b>                                       | <b>2025</b>    | <i>Unit: RMB million</i> |               |
|--|----------------|--------------------------|---------------|
|  |                | 2024                     | (% of change) |
| Insurance revenue                                      | <b>511,594</b> | 485,223                  | 5.4           |
| Less: Insurance service expenses                       | <b>486,254</b> | 465,392                  | 4.5           |
| Less: Net expenses of reinsurance contracts ceded      | <b>5,175</b>   | 5,451                    | (5.1)         |
| Less: Finance expenses from insurance contracts issued | <b>8,762</b>   | 9,901                    | (11.5)        |
| Add: Finance income from reinsurance contracts held    | <b>1,132</b>   | 1,234                    | (8.3)         |
| <b>Underwriting profits</b>                            | <b>12,535</b>  | 5,713                    | 119.4         |

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

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

In order to facilitate investors' understanding of the operating results of major insurance types, PICC P&C has simulated and calculated the operating results of each insurance type after reinsurance by allocating the insurance revenue, insurance service expenses and other profit and loss accounts corresponding to reinsurance business to each insurance type. The following table sets out the selected operating information on each insurance type of PICC P&C for the reporting period:

| Insurance type                         | <i>Unit: RMB million</i> |                            |                      |                    |                      |
|--|--------------------------|----------------------------|----------------------|--------------------|----------------------|
|  | Insurance revenue        | Insurance service expenses | Underwriting profits | Combined ratio (%) | Insurance amount     |
| Motor vehicle insurance                | 305,335                  | 285,131                    | 14,258               | 95.3               | 291,983,618          |
| Accidental injury and health insurance | 61,788                   | 60,191                     | 621                  | 99.0               | 2,229,577,256        |
| Agricultural insurance                 | 54,561                   | 56,034                     | (1,056)              | 101.9              | 1,995,752            |
| Liability insurance                    | 38,485                   | 38,746                     | (1,742)              | 104.5              | 732,582,226          |
| Commercial property insurance          | 19,063                   | 17,185                     | (191)                | 101.0              | 50,819,397           |
| Other insurances                       | 32,362                   | 28,967                     | 645                  | 98.0               | 96,086,872           |
| <b>Total</b>                           | <b>511,594</b>           | <b>486,254</b>             | <b>12,535</b>        | <b>97.5</b>        | <b>3,403,045,122</b> |

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

- Motor vehicle insurance

PICC P&C consistently pursued high-quality development in its motor vehicle insurance business. It continuously iterated and upgraded its actuarial pricing models, strengthened risk selection, and optimized its business structure. Focusing on customer needs and business scenarios, PICC P&C enhanced specialized channel development, strengthened new vehicle insurance, improved policy renewal rates, and optimized policy conversion to improve service quality and efficiency. The motor vehicle insurance business achieved insurance revenue of RMB305.335 billion, representing a year-on-year increase of 3.6%.

PICC P&C focused on critical areas such as vehicle damage and personal injury by strengthening cost management and control, innovating claims service models, implementing risk reduction services, refining claims operation standards, promoting the construction of standardization and digitalization, cultivating the professional capabilities of its claims team, deepening the transformation and upgrading of internal claims control, actively promoting the continuous optimization of the industry ecosystem, and taking the lead in maintaining market order. The combined ratio for the motor vehicle insurance business was 95.3%, representing a year-on-year decrease of 1.5 percentage points; and the underwriting profit was RMB14.258 billion, representing a year-on-year increase of 53.6%.

- Accidental injury and health insurance

PICC P&C firmly adhered to the fundamental requirement of “enhancing services for people’s wellbeing”. It strengthened its functional role within the “1+3+N” multi-tiered medical security system, closely aligned with basic medical insurance policies, and continuously upgraded its health insurance product matrix tailored to different demographics, disease types, and scenarios, in response to the public’s health protection needs. Based on its positioning as a provider of individual business-centric products, PICC P&C promoted an integrated customer product offering covering “vehicle, individual, and household”, further elevating the penetration of personal non-vehicle insurance bundled with auto policies. To support the expansion of domestic demand, PICC P&C also drove the multi-model development of cultural and tourism insurance. Accidental injury and health insurance achieved insurance revenue of RMB61.788 billion, representing a year-on-year increase of 26.3%.

PICC P&C focused on the linkage between underwriting and claims risk management, continuously refining its underwriting risk control system. It addressed personal injury and leakage prevention to reduce claims costs, closely investigated high-risk accident and health insurance cases, strengthened the application of intelligent medical review tools, and enhanced expense management and control. The combined ratio for the accidental injury and health insurance business was 99.0%, representing a year-on-year decrease of 0.5 percentage point; and the underwriting profit was RMB621 million, representing a year-on-year increase of 156.6%.

- Agricultural insurance

In line with the national strategic requirements for building an agricultural powerhouse and promoting comprehensive rural revitalization, PICC P&C comprehensively constructed a multi-tiered, extensive coverage, and sustainable agricultural insurance development system, fully supporting the implementation and effectiveness of national policies favoring and supporting agriculture. The agricultural insurance business achieved insurance revenue of RMB54.561 billion.

With “protection, prevention, mitigation, relief, and claims” as its core work orientation, PICC P&C further increased investment in technological empowerment, enhanced the use of technological tools such as satellite remote sensing and drones, advanced the development of grassroots agricultural insurance claims service teams, and improved claims service quality and efficiency. The combined ratio for the agricultural insurance business was 101.9%, representing a year-on-year increase of 2.2 percentage points.

- Liability insurance

Serving the expansion of domestic demand, consumption growth, and new quality productive forces, PICC P&C continuously optimized its liability insurance business strategy. It strengthened the management and control of high-risk products and businesses, leading to rapid growth in areas such as new urban residents, the Internet, extended warranties for new energy vehicles, and intelligent driving. Liability insurance achieved insurance service revenue of RMB38.485 billion, representing a year-on-year increase of 3.7%.

PICC P&C focused on targeted governance of claims for key insurance lines, deepened expense management and control, strengthened risk selection and pricing capability development, and promoted quality improvement in its liability insurance business. The combined ratio for the liability insurance business was 104.5%, representing a year-on-year decrease of 0.7 percentage point.

- Commercial property insurance

Closely following the pace of building a modern industrial system and focusing on serving the real economy and new quality productive forces, PICC P&C implemented detailed operational strategies by customer group and channel. It adopted list-based management and precise engagement for key institutional clients, strengthened innovation in product supply and sales models, and enhanced the market responsiveness of underwriting quotations. The commercial property insurance business achieved insurance revenue of RMB19.063 billion, representing a year-on-year increase of 5.7%.

PICC P&C strengthened business structure management, tightened underwriting management and control over high-risk businesses, optimized risk reduction services, improved the efficiency of expense resource allocation, and enhanced business quality. The combined ratio for the commercial property insurance business was 101.0%, representing a year-on-year decrease of 12.4 percentage points.

- Other insurances

PICC P&C continuously optimized its market layout, focusing on key areas such as serving the construction of a modern industrial system, serving high-level technological self-reliance, serving high-level opening-up, serving people's livelihood protection, and serving comprehensive green transformation. It vigorously developed technology insurance, "Belt and Road" insurance, marine insurance, governance-related insurance, and green insurance. Other insurance businesses achieved insurance revenue of RMB32.362 billion, representing a year-on-year increase of 4.4%.

PICC P&C continuously promoted underwriting portfolio management, strengthened management and control over high-risk businesses, expanded the coverage of risk reduction services, consolidated the construction of claims expert teams in areas such as technology insurance, implemented differentiated expense allocation plans, and improved the precision of the investment in sales expenses. The combined ratio for other insurance businesses was 98.0%, representing a year-on-year decrease of 0.8 percentage point; and the underwriting profit was RMB645 million, representing a year-on-year increase of 78.2%.

## (2) Analysis from the business perspective

### ① Analysis by Insurance Type

The following table sets forth the original premiums income of PICC P&C by insurance type for the reporting period:

|  | <b>2025</b>    | <i>Unit: RMB million</i><br>2024 | (% of change) |
|--|----------------|----------------------------------|---------------|
| Motor vehicle insurance                | <b>305,745</b> | 297,394                          | 2.8           |
| Accidental injury and health insurance | <b>107,585</b> | 101,160                          | 6.4           |
| Agricultural insurance                 | <b>55,947</b>  | 54,919                           | 1.9           |
| Liability insurance                    | <b>38,234</b>  | 37,583                           | 1.7           |
| Commercial property insurance          | <b>17,656</b>  | 16,909                           | 4.4           |
| Other insurances                       | <b>30,610</b>  | 30,090                           | 1.7           |
| <b>Total</b>                           | <b>555,777</b> | 538,055                          | 3.3           |

## ② Analysis by Channel

The following table sets forth a breakdown of the original premiums income of PICC P&C by distribution channel for the reporting period, which can be further divided into insurance agents channel, direct sales channel and insurance brokerage channel.

|  | Amount         | 2025         |               | Unit: RMB million<br>2024 |              |
|--|----------------|--------------|---------------|---------------------------|--------------|
|  |                | (% of total) | (% of change) | Amount                    | (% of total) |
| Insurance agents channel                 | 318,370        | 57.3         | (2.3)         | 325,754                   | 60.5         |
| Among which: Individual insurance agents | 149,373        | 26.9         | (10.1)        | 166,194                   | 30.8         |
| Ancillary insurance agents               | 26,720         | 4.8          | (6.1)         | 28,470                    | 5.3          |
| Professional insurance agents            | 142,277        | 25.6         | 8.5           | 131,090                   | 24.4         |
| Direct sales channel                     | 189,101        | 34.0         | 12.3          | 168,315                   | 31.3         |
| Insurance brokerage channel              | 48,306         | 8.7          | 9.8           | 43,986                    | 8.2          |
| <b>Total</b>                             | <b>555,777</b> | <b>100.0</b> | <b>3.3</b>    | <b>538,055</b>            | <b>100.0</b> |

In 2025, PICC P&C continued to strengthen the construction of its own channels and to enhance the comprehensive sales service capabilities of the direct sales team, and promoted the integration and development of its businesses. The original premiums income of direct sales channel recorded a year-on-year increase of 12.3%.

## ③ Analysis by Region

The following table sets forth the original premiums income of PICC P&C in the top ten regions for the reporting period:

|                    | 2025           | Unit: RMB million |               |
|--------------------|----------------|-------------------|---------------|
|                    |                | 2024              | (% of change) |
| Guangdong Province | 59,660         | 57,022            | 4.6           |
| Jiangsu Province   | 57,174         | 55,342            | 3.3           |
| Zhejiang Province  | 47,669         | 45,627            | 4.5           |
| Shandong Province  | 33,637         | 32,905            | 2.2           |
| Hebei Province     | 29,431         | 28,846            | 2.0           |
| Sichuan Province   | 27,674         | 26,799            | 3.3           |
| Hubei Province     | 24,669         | 23,463            | 5.1           |
| Anhui Province     | 22,342         | 21,855            | 2.2           |
| Hunan Province     | 21,815         | 22,373            | (2.5)         |
| Fujian Province    | 19,994         | 21,370            | (6.4)         |
| Other regions      | 211,712        | 202,453           | 4.6           |
| <b>Total</b>       | <b>555,777</b> | <b>538,055</b>    | <b>3.3</b>    |

### (3) Insurance contract liabilities

As of 31 December 2025, the net amount of insurance contract liabilities increased by 8.1% from the end of the previous year, and the net amount of ceded reinsurance contract assets increased by 6.6% from the end of the previous year, primarily due to business growth.

The following table sets forth the insurance contract liabilities of PICC P&C measured by the premium allocation approach during the reporting period:

|  | <b>As of<br/>31 December<br/>2025</b> | As of<br>31 December<br>2024 | <i>Unit: RMB million</i><br>(% of change) |
|--|---------------------------------------|------------------------------|---|
| Insurance contract liabilities (assets)                        | <b>406,093</b>                        | 348,680                      | 16.5                                      |
| Liability for remaining coverage                               | <b>187,715</b>                        | 170,658                      | 10.0                                      |
| Liability for incurred claims                                  | <b>218,378</b>                        | 178,022                      | 22.7                                      |
| Reinsurance contract assets (liabilities)                      | <b>39,318</b>                         | 36,263                       | 8.4                                       |
| Remaining coverage assets recovered under reinsurance policies | <b>(1,430)</b>                        | (681)                        | 110.0                                     |
| Incurred claims assets recovered under reinsurance policies    | <b>40,748</b>                         | 36,944                       | 10.3                                      |

The following table sets forth the insurance contract liabilities of PICC P&C that were not measured by the premium allocation approach during the reporting period:

|  | <b>As of<br/>31 December<br/>2025</b> | As of<br>31 December<br>2024 | <i>Unit: RMB million</i><br>(% of change) |
|--|---------------------------------------|------------------------------|---|
| Insurance contract liabilities (assets)                        | <b>26,367</b>                         | 51,444                       | (48.7)                                    |
| Liability for remaining coverage                               | <b>4,327</b>                          | 4,936                        | (12.3)                                    |
| Liability for incurred claims                                  | <b>22,040</b>                         | 46,508                       | (52.6)                                    |
| Reinsurance contract assets (liabilities)                      | <b>3,780</b>                          | 4,184                        | (9.7)                                     |
| Remaining coverage assets recovered under reinsurance policies | <b>92</b>                             | 48                           | 91.7                                      |
| Incurred claims assets recovered under reinsurance policies    | <b>3,688</b>                          | 4,136                        | (10.8)                                    |

### (4) Reinsurance status

PICC P&C has been adhering to a prudent reinsurance policy, utilizing the reinsurance mechanism to disperse operational risks, safeguarding PICC P&C's operating results, enhancing risk control techniques and expanding underwriting capacity. PICC P&C maintained close cooperation with a number of industry-leading international reinsurance companies. In addition to state-owned reinsurance companies, PICC P&C mainly reinsured with reinsurance companies that have Standard & Poor's credit rating of A- (or equivalent ratings from other international rating agencies, such as A.M.Best, Fitch and Moody's) and above. The management of PICC P&C regularly evaluates the creditworthiness of reinsurers to update the reinsurance strategy and to determine a reasonable provision for impairment of reinsurance assets.

## 2. *PICC Hong Kong*

In 2025, PICC Hong Kong continued to adhere to the path of high-quality development, realized insurance revenue equivalent to RMB1,972 million, with a combined ratio of 100.6%. PICC Hong Kong actively played its role as an important window on the internationalization of the Group, strongly escorted the “going out” of Chinese-funded enterprises and Chinese-funded overseas projects. Its international business service network covered more than 80 countries and regions around the world, and the number of global reinsurance qualification registrations has increased to 9 countries. PICC Hong Kong played its functional role, supported the Hong Kong Special Administrative Region in consolidating and enhancing its status as an international financial center, integrated into the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, responded to and served the logistics and passenger flow insurance needs of the interconnection in the Guangdong-Hong Kong-Macao region, and achieved a net profit equivalent to RMB90 million in 2025.

### ***Reinsurance business***

#### *PICC Reinsurance*

PICC Reinsurance adhered to the general working principle of “seeking progress while maintaining stability”. It upheld strong political guidance and deeply implemented the political commitment and people-centered nature of financial work. In addition, it focused on building professional capabilities, consistently delivering innovative research outcomes, and striving to become a reinsurance company with leading technology and outstanding professional expertise. In 2025, PICC Reinsurance achieved an insurance revenue of RMB5.366 billion (representing a year-on-year increase of 2.2%) and a net profit of RMB601 million (representing a year-on-year increase of 15.7%); and maintained a consolidated risk rating of Class AA, maintaining a leading level in the industry.

### ***Life and Health Insurance***

#### 1. *PICC Life*

##### (1) Analysis of operating conditions and results

PICC Life solidly implemented the “Five Priorities” on finance, and adhered to the main work lines of “stabilizing growth, adjusting structure, enhancing value, optimizing services and preventing risks”. Its business developed positively with continuous improvement in operating quality and efficiency. In 2025, PICC Life achieved insurance revenue of RMB25,337 million, representing a year-on-year increase of 13.2%; the original premiums income achieved a year-on-year growth of 18.8%; and the regular premiums achieved a year-on-year growth of 21.0%; the value of new business amounted to RMB8,229 million, representing a year-on-year increase of 64.5% on a like-for-like basis; and it achieved a net profit of RMB11,774 million. The balance of the contract service margin stood at RMB104,451 million, representing an increase of 12.9% from the beginning of the year; the contract service margin of new business reached RMB17,375 million, representing an increase of 22.8% year-on-year; and net assets amounted to RMB55,196 million, representing an increase of 39.6% from the beginning of the year.

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

|  | <b>2025</b>   | <i>Unit: RMB million</i> |               |
|--|---------------|--------------------------|---------------|
|  |               | 2024                     | (% of change) |
| <b>Insurance revenue</b>                                     | <b>25,337</b> | 22,384                   | 13.2          |
| Contracts measured under the premium allocation approach     | <b>3,390</b>  | 3,064                    | 10.6          |
| Contracts not measured under the premium allocation approach | <b>21,947</b> | 19,319                   | 13.6          |
| <b>Insurance service expenses</b>                            | <b>17,279</b> | 7,483                    | 130.9         |
| Contracts measured under the premium allocation approach     | <b>3,456</b>  | 3,440                    | 0.5           |
| Contracts not measured under the premium allocation approach | <b>13,823</b> | 4,044                    | 241.8         |
| <b>Insurance services performance</b>                        | <b>8,058</b>  | 14,900                   | (45.9)        |
| Contracts measured under the premium allocation approach     | <b>(66)</b>   | (375)                    | (82.4)        |
| Contracts not measured under the premium allocation approach | <b>8,124</b>  | 15,276                   | (46.8)        |

(2) Analysis from the business perspective

① Analysis by Insurance Type

The following table sets forth the original premiums income of PICC Life by insurance type for the reporting period:

|                              | <b>2025</b>    |              |               | <i>Unit: RMB million</i> |              |
|------------------------------|----------------|--------------|---------------|--------------------------|--------------|
|                              | Amount         | (% of total) | (% of change) | 2024                     | (% of total) |
| Life insurance               | <b>109,185</b> | <b>86.7</b>  | <b>22.6</b>   | 89,070                   | 84.0         |
| General life insurance       | <b>92,896</b>  | <b>73.7</b>  | <b>66.1</b>   | 55,934                   | 52.8         |
| Participating life insurance | <b>16,173</b>  | <b>12.8</b>  | <b>(51.0)</b> | 33,010                   | 31.1         |
| Universal life insurance     | <b>116</b>     | <b>0.1</b>   | <b>(7.9)</b>  | 126                      | 0.1          |
| Health insurance             | <b>15,619</b>  | <b>12.4</b>  | <b>(1.0)</b>  | 15,779                   | 14.9         |
| Accident insurance           | <b>1,166</b>   | <b>0.9</b>   | <b>1.0</b>    | 1,155                    | 1.1          |
| <b>Total</b>                 | <b>125,970</b> | <b>100.0</b> | <b>18.8</b>   | 106,004                  | 100.0        |

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

In 2025, the business development of PICC Life showed a positive trend and its operating quality and efficiency continued to improve. PICC Life recorded original premiums income of RMB125,970 million, representing a year-on-year increase of 18.8%; and achieved original premiums income from general life insurance of RMB92,896 million, representing a year-on-year increase of 66.1%.

② Analysis by Channel

Income of PICC Life classified by channel for the purpose of original premiums income for the reporting period is as follows, which can be further divided into individual insurance channel, bancassurance channel and group insurance channel.

|  | 2025           |              |               | Unit: RMB million<br>2024 |              |
|--|----------------|--------------|---------------|---------------------------|--------------|
|  | Amount         | (% of total) | (% of change) | Amount                    | (% of total) |
| <b>Individual insurance channel</b>        | <b>54,004</b>  | <b>42.9</b>  | <b>5.4</b>    | 51,247                    | 48.3         |
| First-year business of long-term insurance | 15,586         | 12.4         | (5.2)         | 16,439                    | 15.5         |
| Single premiums                            | 5,925          | 4.7          | 8.5           | 5,460                     | 5.2          |
| First-year regular premiums                | 9,661          | 7.7          | (12.0)        | 10,980                    | 10.4         |
| Renewal business                           | 37,754         | 30.0         | 10.7          | 34,115                    | 32.2         |
| Short-term insurance                       | 664            | 0.5          | (4.2)         | 693                       | 0.7          |
| <b>Bancassurance channel</b>               | <b>68,278</b>  | <b>54.2</b>  | <b>33.5</b>   | 51,156                    | 48.3         |
| First-year business of long-term insurance | 38,496         | 30.6         | 41.4          | 27,224                    | 25.7         |
| Single premiums                            | 14,588         | 11.6         | 13.6          | 12,844                    | 12.1         |
| First-year regular premiums                | 23,909         | 19.0         | 66.3          | 14,380                    | 13.6         |
| Renewal business                           | 29,779         | 23.6         | 24.5          | 23,926                    | 22.6         |
| Short-term insurance                       | 2              | 0.0          | (60.0)        | 5                         | 0.0          |
| <b>Group insurance channel</b>             | <b>3,688</b>   | <b>2.9</b>   | <b>2.4</b>    | 3,601                     | 3.4          |
| First-year business of long-term insurance | 126            | 0.1          | (20.3)        | 158                       | 0.1          |
| Single premiums                            | 51             | 0.0          | (50.5)        | 103                       | 0.1          |
| First-year regular premiums                | 75             | 0.1          | 36.4          | 55                        | 0.1          |
| Renewal business                           | 770            | 0.6          | (3.9)         | 801                       | 0.8          |
| Short-term insurance                       | 2,793          | 2.2          | 5.7           | 2,642                     | 2.5          |
| <b>Total</b>                               | <b>125,970</b> | <b>100.0</b> | <b>18.8</b>   | 106,004                   | 100.0        |

As of 31 December 2025, the original premiums income of individual insurance channel was RMB54,004 million, representing a year-on-year increase of 5.4%, and the value of new business reached RMB3,508 million, representing a year-on-year increase of 30.4% on a like-for-like basis. The number of marketing manpower was 76,991; the number of monthly average effective manpower was 19,770. The first-year premiums with a payment duration of ten years or longer of the new army channel increased by 32.4% year-on-year. The first-year regular premiums of workplace segment business reached RMB337 million, representing a year-on-year increase of 10.0%. Among this, first-year premiums from regular policies with a term of ten years or longer amounted to RMB156 million, representing a year-on-year increase of 190.4%. For the comprehensive finance channel, it adhered to its development goal of “interaction between P&C insurance and life insurance, branch operation”, and convert the customer resource strengths of P&C insurance into the new driving force for life insurance via precise outreach through branch operation and full-process empowerment by specialist services. The scale premiums of personal pension increased by 375.0% year-on-year; the first-year regular premiums with a term of ten years or longer increased by 27.8% year-on-year; the short-term insurance premiums rose by 11.7% year-on-year; the average monthly effective manpower improved by 23.5% year-on-year; and the average monthly “diamond-level” manpower increased by 18.8% year-on-year.

As for bancassurance channel, PICC Life adhered to the business concept of “customer-oriented”, continued to deepen cooperation with large state-owned banks and key joint-stock banks, and promoted the high-quality development of channels by improving and optimizing systems, strengthening rigid management and control, and strictly implementing the regulatory requirement of the “consistency between regulatory filings and actual underwriting”. The value of new business reached RMB4,672 million, representing a year-on-year increase of 102.3% on a like-for-like basis; and the first-year regular premiums increased by 66.3% year-on-year.

Focusing on a new path for high-quality development in group insurance, the group insurance channel aligned itself with national strategies at a political and strategic level, driving both volume expansion and quality improvement in its short-term insurance business. The channel achieved original premium income of RMB3,688 million, representing a year-on-year increase of 2.4%. Within this, the original premium income from short-term insurance reached RMB2,793 million, representing a year-on-year increase of 5.7%.

### ③ Analysis by Region

The following table sets forth the original premiums income of PICC Life in the top ten regions for the reporting period:

|                    | <b>2025</b>    | <i>Unit: RMB million</i> |               |
|--------------------|----------------|--------------------------|---------------|
|                    |                | 2024                     | (% of change) |
| Zhejiang Province  | <b>17,118</b>  | 14,205                   | 20.5          |
| Sichuan Province   | <b>8,571</b>   | 8,581                    | (0.1)         |
| Jiangsu Province   | <b>8,307</b>   | 6,971                    | 19.2          |
| Beijing City       | <b>7,112</b>   | 5,137                    | 38.4          |
| Guangdong Province | <b>6,468</b>   | 6,087                    | 6.3           |
| Hebei Province     | <b>5,475</b>   | 3,644                    | 50.2          |
| Henan Province     | <b>4,834</b>   | 3,485                    | 38.7          |
| Anhui Province     | <b>4,604</b>   | 2,441                    | 88.6          |
| Shandong Province  | <b>4,521</b>   | 3,520                    | 28.4          |
| Hubei Province     | <b>4,502</b>   | 4,026                    | 11.8          |
| Other regions      | <b>54,459</b>  | 47,909                   | 13.7          |
| <b>Total</b>       | <b>125,970</b> | 106,004                  | 18.8          |

### ④ Persistency Ratios of Premiums

PICC Life constantly enhanced the quality of its businesses, refined its management mechanisms, and maintained the premium persistency ratios at a healthy level. The 13-month premium persistency ratio for omnichannel individual customers of PICC Life increased by 0.5 percentage point year-on-year, and the 25-month premium persistency ratio increased by 4.8 percentage points year-on-year.

The following table sets forth the 13-month and 25-month premium persistency ratios for individual customers of PICC Life for the reporting period:

| <b>Item</b>   | <b>2025</b> | <b>2024</b> |
|---|-------------|-------------|
| 13-month premium persistency ratio <sup>(1)</sup> (%) | <b>96.8</b> | 96.3        |
| 25-month premium persistency ratio <sup>(2)</sup> (%) | <b>94.7</b> | 89.9        |

Notes:

- (1) The 13-month premium persistency ratio for a given year is the proportion of the actual TWPs for the 13th month after the long-term regular premium individual life insurance policies newly issued in the preceding year were issued and came into effect, and the actual TWPs of such policies in the year of their issuance;
- (2) The 25-month premium persistency ratio for a given year is the proportion of the actual TWPs for the 25th month after the long-term regular premium individual life insurance policies newly issued in the penultimate year were issued and came into effect, and the actual TWPs of such policies in the year of their issuance.

### ⑤ Top Five Products

The following table sets forth the operating results of PICC Life's top five insurance products in terms of original premiums income for the reporting period:

| <b>Insurance product</b>                                | <b>Type of insurance</b>     | <b>Sales channels</b>                  | <i>Unit: RMB million</i><br><b>Original premiums income</b> |
|---|------------------------------|--|---|
| PICC Life Ru Yi Fu Endowment Insurance                  | General life insurance       | Bancassurance                          | 15,301  |
| PICC Life Xin Yu Endowment Insurance                    | General life insurance       | Bancassurance                          | 11,617  |
| PICC Life Zhen Xin Yi Sheng Whole Life Insurance        | General life insurance       | Individual insurance/<br>Bancassurance | 9,795   |
| PICC Life Zhen Ying Yi Sheng Whole Life Insurance       | General life insurance       | Individual insurance/<br>Bancassurance | 9,426   |
| PICC Life Ru Yi Bao Endowment Insurance (Participating) | Participating life insurance | Individual insurance/<br>Bancassurance | 7,274   |

### (3) Insurance contract liabilities

As of 31 December 2025, the net insurance contract liabilities increased by 11.7% compared with the end of last year, mainly due to the accumulation of insurance liabilities and the increase in the business scale; the net reinsurance contract assets increased by RMB607 million compared with the end of last year, mainly due to the accumulation of existing reinsurance business development.

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

|  | <b>As of<br/>31 December<br/>2025</b> | As of<br>31 December<br>2024 | <i>Unit: RMB million</i><br>(% of change) |
|--|---------------------------------------|------------------------------|---|
| Insurance contract liabilities (assets)                        | <b>2,986</b>                          | 2,765                        | 8.0                                       |
| Liability for remaining coverage                               | <b>1,901</b>                          | 1,707                        | 11.4                                      |
| Liability for incurred claims                                  | <b>1,085</b>                          | 1,057                        | 2.6                                       |
| Reinsurance contract assets (liabilities)                      | <b>68</b>                             | 20                           | 240.0                                     |
| Remaining coverage assets recovered under reinsurance policies | <b>28</b>                             | 5                            | 460.0                                     |
| Incurred claims assets recovered under reinsurance policies    | <b>40</b>                             | 15                           | 166.7                                     |

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

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

|  | <b>As of<br/>31 December<br/>2025</b> | As of<br>31 December<br>2024 | <i>Unit: RMB million</i><br>(% of change) |
|--|---------------------------------------|------------------------------|---|
| Insurance contract liabilities (assets)                        | <b>690,266</b>                        | 618,107                      | 11.7                                      |
| Liability for remaining coverage                               | <b>683,495</b>                        | 612,539                      | 11.6                                      |
| Liability for incurred claims                                  | <b>6,772</b>                          | 5,569                        | 21.6                                      |
| Reinsurance contract assets (liabilities)                      | <b>568</b>                            | 9                            | 6,211.1                                   |
| Remaining coverage assets recovered under reinsurance policies | <b>212</b>                            | (355)                        | –   |
| Incurred claims assets recovered under reinsurance policies    | <b>356</b>                            | 364                          | (2.2)                                     |

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

## 2. PICC Health

### (1) Analysis of operating conditions and results

In 2025, PICC Health actively participated in the Healthy China strategy and the construction of a multi-level social security system, optimized the “6+1”<sup>7</sup> business pattern, deepened the reform of the “Health Project”, and implemented the Year of Grassroots Development campaign. The operation and development of PICC Health continued to maintain a good momentum. In 2025, PICC Health achieved insurance revenue of RMB30,433 million, representing a year-on-year increase of 11.8%. The net profit was RMB8,182 million, representing a year-on-year increase of 42.8%. In 2025, PICC Health realized the value of new business of RMB7,387 million, representing a year-on-year increase of 22.5% on a like-for-like basis. The Internet health insurance business continued to maintain the market-leading position among life insurance companies. PICC Health Management Co., Ltd. (人保健康管理有限公司) was established, and the construction of a big health ecosystem gained new breakthroughs. PICC Health achieved a revenue from the health management business of RMB509 million, up 17.2% year-on-year, providing various health management services to over 9.52 million customer personnel times. The total service volume increased by 16.9% year-on-year, reflecting continuous improvement in the scale and service level of the health management business.

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

|  | <b>2025</b>   | <i>Unit: RMB million</i> |               |
|--|---------------|--------------------------|---------------|
|  |               | 2024                     | (% of change) |
| <b>Insurance revenue</b>                                     | <b>30,433</b> | 27,217                   | 11.8          |
| Contracts measured under the premium allocation approach     | —             | —                        | —             |
| Contracts not measured under the premium allocation approach | <b>30,433</b> | 27,217                   | 11.8          |
| <b>Insurance services expenses</b>                           | <b>21,058</b> | 17,752                   | 18.6          |
| Contracts measured under the premium allocation approach     | —             | —                        | —             |
| Contracts not measured under the premium allocation approach | <b>21,058</b> | 17,752                   | 18.6          |
| <b>Insurance services performance</b>                        | <b>9,375</b>  | 9,465                    | (1.0)         |
| Contracts measured under the premium allocation approach     | —             | —                        | —             |
| Contracts not measured under the premium allocation approach | <b>9,375</b>  | 9,465                    | (1.0)         |

<sup>7</sup> It refers to the construction of a “6+1” business pattern of integration and mutual promotion between six main channels, namely social insurance business, bancassurance business, Internet business, group customer business, business collaboration and individual insurance business, and health management.

(2) Analysis from the business perspective

① Analysis by Insurance Type

The following table sets forth the original premiums income of PICC Health by insurance type for the reporting period:

|                                   | 2025          |              |               | <i>Unit: RMB million</i><br>2024 |              |
|-----------------------------------|---------------|--------------|---------------|----------------------------------|--------------|
|                                   | Amount        | (% of total) | (% of change) | Amount                           | (% of total) |
| Medical insurance                 | <b>30,415</b> | <b>54.1</b>  | <b>13.1</b>   | 26,899                           | 55.3         |
| Participating endowment insurance | <b>8,901</b>  | <b>15.8</b>  | <b>(9.1)</b>  | 9,796                            | 20.1         |
| Illness insurance                 | <b>5,987</b>  | <b>10.6</b>  | <b>8.5</b>    | 5,517                            | 11.3         |
| Nursing care insurance            | <b>10,025</b> | <b>17.8</b>  | <b>75.4</b>   | 5,715                            | 11.7         |
| Accidental injury insurance       | <b>739</b>    | <b>1.3</b>   | <b>18.2</b>   | 625                              | 1.3          |
| Disability losses insurance       | <b>199</b>    | <b>0.4</b>   | <b>39.2</b>   | 143                              | 0.3          |
| <b>Total</b>                      | <b>56,266</b> | <b>100.0</b> | <b>15.5</b>   | 48,695                           | 100.0        |

In 2025, PICC Health grasped the development opportunities arising from the continuous improvement of the multi-level social security system, focused on the development of the health insurance business, continued to enrich the commercial medical insurance products, and realized an original premiums income from medical insurance of RMB30,415 million, representing a year-on-year increase of 13.1%. PICC Health stepped up the efforts in developing both policy-related and commercial nursing care insurance business, and realized an original premiums income of RMB10,025 million from nursing care insurance, representing a year-on-year increase of 75.4%.

② Analysis by Channel

Income of PICC Health by distribution channels in terms of original premiums income for the reporting period is as follows, which can further be divided into individual insurance channel, bancassurance channel and group insurance channel.

|  | 2025          |              |               | Unit: RMB million<br>2024 |              |
|--|---------------|--------------|---------------|---------------------------|--------------|
|  | Amount        | (% of total) | (% of change) | Amount                    | (% of total) |
| <b>Individual insurance channel</b>        | <b>22,677</b> | <b>40.3</b>  | <b>13.2</b>   | 20,039                    | 41.2         |
| First-year business of long-term insurance | 7,073         | 12.6         | 61.3          | 4,384                     | 9.0          |
| Single premiums                            | 125           | 0.2          | (30.2)        | 179                       | 0.4          |
| First-year regular premiums                | 6,948         | 12.3         | 65.2          | 4,205                     | 8.6          |
| Renewal business                           | 11,164        | 19.8         | 1.8           | 10,963                    | 22.5         |
| Short-term insurance                       | 4,440         | 7.9          | (5.4)         | 4,692                     | 9.6          |
| <b>Bancassurance channel</b>               | <b>16,597</b> | <b>29.5</b>  | <b>25.0</b>   | 13,280                    | 27.3         |
| First-year business of long-term insurance | 11,860        | 21.1         | 16.2          | 10,206                    | 21.0         |
| Single premiums                            | 8,455         | 15.0         | 8.7           | 7,779                     | 16.0         |
| First-year regular premiums                | 3,405         | 6.1          | 40.3          | 2,427                     | 5.0          |
| Renewal business                           | 4,737         | 8.4          | 54.1          | 3,074                     | 6.3          |
| Short-term insurance                       | –             | –            | –             | –                         | –            |
| <b>Group insurance channel</b>             | <b>16,992</b> | <b>30.2</b>  | <b>10.5</b>   | 15,376                    | 31.5         |
| First-year business of long-term insurance | 41            | –            | (2.4)         | 42                        | –            |
| Single premiums                            | 22            | –            | (8.3)         | 24                        | –            |
| First-year regular premiums                | 19            | –            | 5.6           | 18                        | –            |
| Renewal business                           | 94            | 0.2          | 11.9          | 84                        | 0.2          |
| Short-term insurance                       | 16,857        | 30.0         | 10.5          | 15,250                    | 31.3         |
| <b>Total</b>                               | <b>56,266</b> | <b>100.0</b> | <b>15.5</b>   | 48,695                    | 100.0        |

PICC Health continued to focus on individual insurance business. In terms of Internet insurance business, PICC Health kept up with market dynamics and customer needs, upgraded the main products of the series of Hao Yi Bao, expanded the protection of good medical and medicines, and developed and completed the products of “Hao Yi Bao, Long-term Medical Insurance (Flagship Edition 2025) (好醫保•長期醫療(旗艦版 2025))” and “Hao Yi Bao, Long-term Medical Insurance for the Middle-aged and Elderly (2025 Edition) (好醫保•中老年長期醫療(2025版))” covering advanced medical devices and facilities. PICC Health actively explored new paths for inclusiveness in the field of critical illness insurance, effectively reduced insurance costs through pricing at natural rates, segmented payment claims, etc., and launched new-format critical illness products of “Jian Kang Fu, Millions for Children (健康福•少兒百萬)” and “Millions for Adults (成人百萬)”. For insured persons with pre-existing conditions and chronic diseases, PICC Health leveraged intelligent underwriting and underwriting intelligent agents to provide personalized underwriting solutions, achieving effective coverage for such groups while maintaining stable risk control. PICC Health has built a proprietary account ecosystem covering its corporate APP, comprehensive e-commerce portals, Alipay, WeChat, Xiaohongshu and other platforms, forming a three-dimensional, tiered and multi-dimensional proprietary platform matrix. In total, 49 proprietary products have been launched and iterated, with the cumulative number of platform

followers reaching 8.5 million. In respect of personal agent business, PICC Health adhered to the core principle of high-quality development, put customers at the center, positioned itself for quality growth, followed an elite-oriented path, focused on smart marketing reforms, enhanced sales professionals' capabilities, and fostered a service-oriented sales force. The original premiums income of individual insurance channel was RMB22,677 million, representing a year-on-year increase of 13.2%.

PICC Health further strengthened its cooperation with the bank and fully tapped the online and offline sales potential of channels. PICC Health continuously enhanced team building, improving professional competence through training and empowerment. PICC Health steadily optimized its business mix by vigorously developing commercial long-term nursing insurance business. Committed to operation in compliance with laws and regulations, PICC Health strictly implemented all regulatory requirements, achieving steady growth in bancassurance business. The original premiums income of bancassurance channel was RMB16,597 million, representing a year-on-year increase of 25.0%.

PICC Health accelerated to promote group insurance business, focusing on “stabilizing growth, adjusting structure, enhancing value, building ecosystem, strengthening grassroots and tightening compliance”. Taking digital reform and innovation in business models and operations as key drivers, PICC Health consolidated and expanded traditional security business, accelerated breakthroughs in social and commercial integration business, and expanded and specialized in entrusted management business. In terms of social insurance business, insurance premiums scale reached a new level, innovative business maintained continuous growth, and efficiency indicators remained solid. In terms of commercial group insurance business, PICC Health implemented the national macro requirements for the construction of “Healthy Enterprises”, accelerated the construction of a professional capability system to serve corporate clients, strengthened communication with relevant government authorities, deepened cooperation with institutions in professional fields, and provided integrated health enterprise insurance solutions for corporate clients. The original premiums income of group insurance channel was RMB16,992 million, representing a year-on-year increase of 10.5%.

### ③ Analysis by Region

The following table sets forth the original premiums income of PICC Health in the top ten regions for the reporting period:

|                    | <b>2025</b>   | <i>Unit: RMB million</i> |               |
|--------------------|---------------|--------------------------|---------------|
|                    |               | 2024                     | (% of change) |
| Guangdong Province | <b>23,900</b> | 20,870                   | 14.5          |
| Shandong Province  | <b>3,138</b>  | 1,686                    | 86.1          |
| Hubei Province     | <b>2,901</b>  | 2,072                    | 40.0          |
| Shaanxi Province   | <b>2,893</b>  | 2,537                    | 14.0          |
| Liaoning Province  | <b>2,685</b>  | 2,303                    | 16.6          |
| Anhui Province     | <b>2,328</b>  | 1,973                    | 18.0          |
| Henan Province     | <b>2,265</b>  | 2,309                    | (1.9)         |
| Jiangsu Province   | <b>1,880</b>  | 1,386                    | 35.6          |
| Shanxi Province    | <b>1,815</b>  | 1,690                    | 7.4           |
| Jiangxi Province   | <b>1,686</b>  | 1,819                    | (7.3)         |
| Other Regions      | <b>10,775</b> | 10,050                   | 7.2           |
| <b>Total</b>       | <b>56,266</b> | 48,695                   | 15.5          |

#### ④ Persistency Ratios of Premiums

The following table sets forth the 13-month and 25-month premium persistency ratios for individual customers of PICC Health for the reporting period:

| <b>Item</b>   | <b>2025</b> | <b>2024</b> |
|---|-------------|-------------|
| 13-month premium persistency ratio <sup>(1)</sup> (%) | <b>95.5</b> | 93.9        |
| 25-month premium persistency ratio <sup>(2)</sup> (%) | <b>92.4</b> | 86.3        |

*Notes:*

- (1) The 13-month premium persistency ratio for a given year is the proportion of actual TWPs for the 13th month after the long-term regular premium individual health insurance policies newly issued in the preceding year were issued and came into effect, and the actual TWPs of such policies in the year of their issuance;
- (2) The 25-month premium persistency ratio for a given year is the proportion of actual TWPs for the 25th month after the long-term regular premium individual health insurance policies newly issued in the penultimate year were issued and came into effect, and the actual TWPs of such policies in the year of their issuance.

#### ⑤ Top Five Products

The following table sets forth the operating results of PICC Health's top five insurance products in terms of original premiums income for the reporting period:

| <b>Insurance product</b>  | <b>Type of insurance</b>          | <b>Sales channels</b>        | <i>Unit: RMB million</i><br><b>Original Premiums income</b> |
|---|-----------------------------------|------------------------------|---|
| PICC Health Kang Li Ren Sheng Endowment Insurance (Participating) (2024 Edition)                    | Participating Endowment insurance | Bancassurance channel        | 7,605   |
| PICC Health Group Critical Illness Medical Insurance for Urban and Rural Residents (Type A)         | Medical insurance                 | Group insurance channel      | 4,827   |
| PICC Health You Xiang Bao Internet Medical Insurance  | Medical insurance                 | Individual insurance channel | 4,032   |
| PICC Health He Xie Sheng Shi Large Amount Supplementary Group Medical Insurance for Urban Employees | Medical insurance                 | Group insurance channel      | 3,847   |
| PICC Health Jian Kang Jin Fu Internet Individual Medical Insurance                                  | Medical insurance                 | Individual insurance channel | 2,196   |

### (3) Insurance contract liabilities

As of 31 December 2025, the net insurance contract liabilities increased by 13.0% as compared to the end of last year, primarily due to the growth in business, while the net reinsurance contract assets increased by 1.5% as compared to the end of last year, primarily due to the newly signed reinsurance contracts in 2025.

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

|  | <b>As of<br/>31 December<br/>2025</b> | <i>Unit: RMB million</i><br>As of<br>31 December<br>2024 | (% of change) |
|--|---------------------------------------|--|---------------|
| Insurance contract liabilities (assets)                        | –                                     | –  | –             |
| Remaining coverage liabilities                                 | –                                     | –  | –             |
| Liability for incurred claims                                  | –                                     | –  | –             |
| Reinsurance contract assets (liabilities)                      | <b>22</b>                             | 13   | 69.2          |
| Remaining coverage assets recovered under reinsurance policies | <b>25</b>                             | 21   | 19.0          |
| Incurred claims assets recovered under reinsurance policies    | <b>(3)</b>                            | (8)  | (62.5)        |

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

|  | <b>As of<br/>31 December<br/>2025</b> | <i>Unit: RMB million</i><br>As of<br>31 December<br>2024 | (% of change) |
|--|---------------------------------------|--|---------------|
| Insurance contract liabilities (assets)                        | <b>104,383</b>                        | 92,376   | 13.0          |
| Remaining coverage liabilities                                 | <b>89,785</b>                         | 78,860   | 13.9          |
| Liability for incurred claims                                  | <b>14,598</b>                         | 13,516   | 8.0           |
| Reinsurance contract assets (liabilities)                      | <b>1,624</b>                          | 1,608  | 1.0           |
| Remaining coverage assets recovered under reinsurance policies | <b>(4,950)</b>                        | (4,295)  | 15.3          |
| Incurred claims assets recovered under reinsurance policies    | <b>6,574</b>                          | 5,903  | 11.4          |

### (II) Asset Management Business

In 2025, the investment segment fully implemented the Group's strategies, strengthened the development of proactive investment management capabilities, continuously optimized asset allocation, enhanced asset-liability matching management, and steadily advanced innovation in investment operations. Through high-quality investment practices, it supported the high-quality development of the Group.

## **1. *PICC AMC***

In 2025, PICC AMC aimed at the development goal of building a first-class comprehensive asset management company that serves the overall situation and has outstanding performance and leading comprehensive strength, served the development of insurance business with good investment performance, and vigorously developed third-party business with the service of wealth management for the people. Based on the “PICC Coordinate” of serving the Chinese path to modernization, PICC AMC continuously improved its proactive investment management capabilities, and continued to enhance its efforts in serving national strategies and supporting the real economy. As of 31 December 2025, the assets under management amounted to RMB1.98 trillion; the operating income was RMB1.76 billion, and net profit was RMB689 million.

PICC AMC adhered to the concept of long-term investment and value investment, implemented the requirements of serving “Five Priorities” on finance, and deepened and solidified asset-liability matching management. PICC AMC continuously refined asset allocation, optimized fixed-income investments, stabilized equity investments, and strengthened alternative investments, so as to enhance the stability and sustainability of the Group’s investment returns. For fixed-income investment, PICC AMC strengthened its capability in analyzing and judging medium-to-long-term interest rate trends, proactively seized allocation and trading opportunities arising from interest rate volatility, flexibly adjusted asset duration and boosted investment returns. For equity investment, PICC AMC implemented the deployment of the entry of medium- and long-term capital into the market, strengthened the concept of absolute returns, established strategic stock portfolios, enhanced the allocation of strategic varieties and grasped structural opportunities, achieving the organic integration of serving national priorities and improving investment returns. PICC AMC actively participated in the pilot program of long-term insurance fund investment, with PICC Qiyuan Huizhong Private Securities Investment Fund (人保啟元惠眾私募證券投資基金) officially put into operation, maintaining the long-term stable development of the capital market in a practical way. For alternative investment, PICC AMC vigorously advanced business transformation, achieving remarkable results in the development and investment of innovative asset securitization products. Its issuance scale of exchange-traded ABS reached RMB9,466 million, ranking first among insurance peers. It was awarded the title of “Excellent Institution for Market Development” by the Shanghai Stock Exchange and became the sole insurance asset management company to win the “Market Leading REITs Investment Institution Award” at the 10th CNABS Annual Conference.

## **2. *PICC Pension***

In 2025, PICC Pension focused on building a first-class pension financial institution with stable and leading investment returns, competitive products and services, and sustained growth in scale and strength, and assisted in the construction of the national multi-pillar pension security system. The coverage of annuity business continued to expand, and commercial pension business improved steadily. As of 31 December 2025, the assets under the management of PICC Pension amounted to RMB746,258 million, the operating income was RMB1,444 million, and the net profit was RMB481 million.

PICC Pension continued to make efforts on the priority on pension finance. The service coverage of annuity business grew steadily. As of 31 December 2025, the total assets under the management of the corporate annuities and occupational annuities amounted to RMB724,054 million, representing an increase of 12.1% compared to the beginning of the year. PICC Pension served 3,016 second-pillar corporate annuity customers. In 2025, PICC Pension won 583 new bids for corporate annuity collective plan clients. The third pillar commercial pension pilot has improved steadily, and has become an important tool for innovation and transformation of the business model of PICC Pension. The commercial pension of PICC Pension has covered ten pilot regions, and the assets under the management amounted to RMB22,204 million, representing an increase of 195.9% compared to the beginning of the year, serving 206.8 thousand customers, representing an increase of 31.9% compared to the beginning of the year.

### **3. *PICC Capital***

In 2025, with the goal of building a first-class alternative investment institution with advanced professional capabilities, outstanding innovation capabilities and leading investment returns, PICC Capital advanced steadily while focusing on quality improvement and efficiency enhancement. As of 31 December 2025, the scale of the assets under the management of PICC Capital was RMB145,960 million; it achieved operating income of RMB400 million and net profit of RMB97 million.

Centering on the allocation needs of insurance funds, PICC Capital made every effort to serve the development of the “Five Priorities” on finance, seized investment opportunities while serving national strategies, and optimized its investment layout. With the priorities of stabilizing returns, consolidating scale, optimizing structure, boosting innovation and guarding against risks, PICC Capital promoted the effective improvement in quality and reasonable growth in quantity of alternative investment, better leveraged insurance funds as patient capital, and enhanced value creation in alternative investment. PICC Capital maintained steady debt investment, shifted toward greater focus on project asset value, actively expanded asset securitization categories, streamlined processes and accelerated project implementation. PICC Capital strengthened equity investment by launching the “PICC Modernized Industry Fund” to steadily invest in key sectors including new quality productive forces and strategic emerging industries. PICC Capital improved physical asset investment by developing benchmark projects in new energy, warehousing and logistics, affordable rental housing and consumer infrastructure, and launched the “PICC Capital – State Grid Xin Yuan Equity Investment Plan” to support the development of China’s new energy system and green and low-carbon energy transformation. PICC Capital received the 2025 Ark Award for Innovative Insurance Asset Management Products from Securities Times. Its subsidiary, PICC Capital Equity Investment Company Limited, was awarded the Golden Bull Award for Private Equity Investment Institutions by China Securities Journal, listed as a Sustainable Excellence Case by the Beijing Private Equity Association, and named the Annual Best State-owned Investment Institution by CVINFO (投中信息).

### **(III) Investment Portfolio and Investment Income**

In 2025, the Group proactively responded to changes in the market environment, and coordinated business development and risk prevention and control. From the perspective of asset-liability matching management, the Group maintained the strength of strategic asset allocation, maintained flexible and effective allocation of strategic assets, and dynamically optimized the allocation structure of major assets in response to changes in market environment and economic cycles, and enhanced the stability and sustainability of investment returns.

## 1. Investment Portfolio

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

|   | <b>As of 31 December 2025</b> |                     | <i>Unit: RMB million</i><br><b>As of 31 December 2024</b> |                     |
|---|-------------------------------|---------------------|---|---------------------|
|   | <b>Amount</b>                 | <b>(% of total)</b> | <b>Amount</b>   | <b>(% of total)</b> |
| <b>Investment assets</b>                      | <b>1,901,634</b>              | <b>100.0</b>        | 1,641,756   | 100.0               |
| <b>Classified by investment object</b>        |                               |                     |   |                     |
| Cash and cash equivalents                     | 59,886                        | 3.1                 | 44,147  | 2.7                 |
| Fixed-income investments                      | 1,226,092                     | 64.5                | 1,115,058   | 67.9                |
| Term deposits                                 | 127,438                       | 6.7                 | 126,556   | 7.7                 |
| Treasury bonds and government bonds           | 531,300                       | 27.9                | 424,006   | 25.8                |
| Financial bonds                               | 188,000                       | 9.9                 | 191,187   | 11.6                |
| Corporate bonds                               | 198,713                       | 10.4                | 188,505   | 11.5                |
| Other fixed-income investments <sup>(1)</sup> | 180,641                       | 9.5                 | 184,804   | 11.3                |
| Equity investments at fair value              | 423,754                       | 22.3                | 299,503   | 18.2                |
| Funds   | 87,271                        | 4.6                 | 86,642  | 5.3                 |
| Shares  | 166,235                       | 8.7                 | 60,249  | 3.7                 |
| Permanent financial products                  | 103,670                       | 5.5                 | 76,898  | 4.7                 |
| Other equity investments                      | 66,578                        | 3.5                 | 75,714  | 4.6                 |
| Other investments                             | 191,902                       | 10.1                | 183,048   | 11.1                |
| Investment in associates and joint ventures   | 177,113                       | 9.3                 | 167,816   | 10.2                |
| Others <sup>(2)</sup>                         | 14,789                        | 0.8                 | 15,232  | 0.9                 |
| <b>Classified by accounting method</b>        |                               |                     |   |                     |
| Financial assets held for trading             | 409,717                       | 21.5                | 317,670   | 19.3                |
| Debt investments                              | 322,656                       | 17.0                | 316,231   | 19.3                |
| Other debt investments                        | 607,327                       | 31.9                | 523,581   | 31.9                |
| Other equity instruments investments          | 169,046                       | 8.9                 | 115,778   | 7.1                 |
| Long-term equity investments                  | 177,113                       | 9.3                 | 167,816   | 10.2                |
| Others <sup>(3)</sup>                         | 215,775                       | 11.4                | 200,680   | 12.2                |

Notes:

- (1) Other fixed-income investments consist of Tier-2 capital instruments, wealth management products, restricted statutory deposits, trust products and asset management products.
- (2) Others consist of investment real estate.
- (3) Others primarily consist of monetary capital, term deposits, financial assets purchased under resale agreements, restricted statutory deposits, and investment real estate.

*(1) Classified by investment object*

In terms of fixed-income investments, the Group maintained the “foundation” of asset allocation, strengthened proactive investment management capabilities, and achieved an effective balance between duration and yield. The Group intensified efforts in alternative transformation and innovation, actively seized investment opportunities of innovative products such as interbank REITs and CMBS, and alleviated asset allocation pressure for insurance funds; the Group strengthened credit risk management, continuously optimized the credit quality of existing assets, and prevented potential credit risks.

As of 31 December 2025, the bond investment accounted for 48.2%. Among corporate bonds and non-policy bank financial bonds, the proportion with an external credit rating of Grade AAA reached 96.7%, which were mainly distributed in the fields such as bank, public utilities, transportation, and non-bank finance. The ability of entities to repay debt is generally strong and the credit risks are controllable as a whole. The Group paid close attention to the prevention and control of credit risks, strictly followed relevant regulatory requirements, and established investment management process and risk control mechanisms in line with market practices and features of insurance funds, and strengthened early warning, analysis and disposal of credit risk.

The overall credit risk of investment in non-standard financial products invested by the funds in the Group’s system is controllable, with an external credit rating of Grade AAA accounting for 99.8%. The non-standard asset industry covers construction and decoration, public utilities, non-bank finance, transportation and other fields, which have played a positive role in serving the development of real economy and supporting the implementation of major national strategies. The Group strictly selected core counterparties with reliable credit qualifications, adopted practical and effective credit enhancement measures, and established stringent terms regarding accelerated expiry and fund misappropriation protection, providing a sound guarantee for the repayment of the principal and investment income.

In terms of equity investment, the Group firmly implemented the requirement for medium- to long-term capital to enter the market, gave full play to the patient capital advantages of insurance funds, and steadily increased the proportion of secondary equity holdings. The Group strengthened the absolute return orientation, optimized the equity asset position structure, innovatively established strategic stock investment portfolios focusing on long-term investment, increased the scale of other equity instrument investment types that are in line with the value investment philosophy of insurance funds, and enhanced the stability of investment performance under the new standards. The Group enhanced stock investment and research capabilities, actively seized structural investment opportunities in the market, and achieved the benign interaction between stabilizing the capital market and enhancing insurance fund investment returns.

*(2) Classified by accounting method*

The investment assets of the Group are mainly distributed in financial assets held for trading, debt investments and other debt investments. The proportion of financial assets held for trading increased by 2.2 percentage points compared to the end of last year, mainly due to the increase in allocation to trading shares. The proportion of debt investments decreased by 2.3 percentage points compared to the end of last year, mainly due to the decrease in the scale of non-standard assets as a result of the maturity of existing products. The proportion of other debt investments and other equity instruments investments increased by 1.8 percentage points compared to the end of last year, mainly due to the further increase in the bond allocation proportion of other debt investments and the investment share allocation proportion of other equity instruments investments from the perspective of asset-liability matching.

## 2. Investment Income

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

| Item  | Unit: RMB million |         |
|---|-------------------|---------|
|   | 2025              | 2024    |
| Cash and cash equivalents                               | 242               | 258     |
| Fixed-income investments                                | 36,559            | 48,288  |
| Interest income   | 36,562            | 36,361  |
| Gains and losses from disposal of financial instruments | 4,038             | 8,546   |
| Gains and losses on fair value changes                  | (2,913)           | 1,692   |
| Impairment  | (1,128)           | 1,689   |
| Equity investments at fair value                        | 41,989            | 19,684  |
| Dividends and bonus income                              | 7,532             | 6,294   |
| Gains and losses from disposal of financial instruments | 14,520            | (9,164) |
| Gains and losses on fair value changes                  | 19,937            | 22,554  |
| Impairment  | –                 | –       |
| Other investments                                       | 14,197            | 13,933  |
| Investment income from associates and joint ventures    | 13,891            | 13,720  |
| Other gains and losses                                  | 306               | 213     |
| Total investment income                                 | 92,987            | 82,163  |
| Net investment income <sup>(1)</sup>                    | 59,411            | 57,318  |
| Total investment yield <sup>(2)</sup> (%)               | 5.6               | 5.6     |
| Net investment yield <sup>(3)</sup> (%)                 | 3.5               | 3.9     |

Notes:

- (1) Net investment income = total investment income – gains and losses from the disposal of investment assets – gains and losses on fair value changes of investment assets – impairment losses of investment assets
- (2) Total investment yield = (total investment income – interest expenses on securities sold under agreements to repurchase)/(average total investment assets as of the beginning and end of the period – average amount of financial assets sold under agreement to repurchase as of the beginning and end of the period – average fair value changes of other debt investments as of the beginning and end of the period). The restated total investment yield for 2024 was 5.8% in accordance with the above formula.
- (3) Net investment yield = (net investment income – interest expenses on securities sold under agreements to repurchase)/(average total investment assets as of the beginning and end of the period – average amount of financial assets sold under agreement to repurchase as of the beginning and end of the period – average fair value changes of other debt investments as of the beginning and end of the period). The restated net investment yield for 2024 was 4.0% in accordance with the above formula.

In 2025, the total investment income of the Group amounted to RMB92,987 million, representing a year-on-year increase of 13.2%; the net investment income amounted to RMB59,411 million, representing a year-on-year increase of 3.7%; the total investment yield was 5.6%; and the net investment yield was 3.5%. The Group's three-year average total investment yield<sup>8</sup> was 4.9%.

### **III. SPECIFIC ANALYSIS**

#### **(I) Liquidity Analysis**

##### **1. Liquidity Analysis**

The liquidity of the Group is mainly derived from the issuance of insurance contracts, investment income, cash from disposals or maturity of investment assets and its own financing activities. The demand for liquidity primarily arises from insurance claims or benefits, surrenders, withdrawals or other forms of early termination of insurance policies for insurance contracts, payment of dividends to shareholders and cash required for payment of various ordinary expenses.

The Group generally collects premiums before the payment of insurance claims or benefits. At the same time, the Group maintains a certain proportion of assets with high liquidity within its investment assets to respond to liquidity demand. In addition, the Group could also obtain additional liquidity from the arrangements of securities sold under agreements to repurchase, interbank borrowings and other financing activities.

As a holding company, the Company's cash flows are mainly derived from the investment income arising from investment activities and cash flows generated by financing activities. The Company believes that it has adequate liquidity to meet foreseeable liquidity needs of the Group and the Company.

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<sup>8</sup> The three-year average total investment yield is the geometric average of the annualized total investment yields for the last three complete years (2023 to 2025).

## 2. Statement of Cash Flows

The Group has established a cash flow monitoring mechanism, regularly conducted cash flow rolling analysis and forecasting, and actively took initiatives to develop management plans and contingencies to effectively prevent liquidity risks.

|  | <b>2025</b>      | <i>Unit: RMB million</i> |               |
|--|------------------|--------------------------|---------------|
|  |                  | 2024                     | (% of change) |
| Net cash flows generated from operating activities | <b>118,689</b>   | 87,990                   | 34.9          |
| Net cash flows used in investing activities        | <b>(155,744)</b> | (77,599)                 | 100.7         |
| Net cash flows generated from financing activities | <b>53,385</b>    | 4,860                    | 998.5         |

The net cash flows generated from operating activities of the Group changed from a net inflow of RMB87,990 million in 2024 to a net inflow of RMB118,689 million in 2025, mainly due to the increase in cash inflows from premiums.

The net cash flows used in investing activities of the Group changed from a net outflow of RMB77,599 million in 2024 to a net outflow of RMB155,744 million in 2025, mainly due to the increase in cash paid for investment.

The net cash flows generated from financing activities of the Group changed from a net inflow of RMB4,860 million in 2024 to a net inflow of RMB53,385 million in 2025, mainly due to the increase in net cash received from financial assets sold under agreements to repurchase.

### (II) Solvency

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

## IV. EVENTS AFTER THE REPORTING PERIOD

On 26 March 2026, the Board of the Company proposed the distribution of a final dividend of RMB1.45 (tax inclusive) per 10 shares for the year 2025. The above profit distribution proposal will be implemented after consideration and approval at the Company’s shareholders’ general meeting.

## **FUTURE PROSPECT**

### **(I) Industry Landscape and Trend**

The recommendations adopted at the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China have set the course and shaped a magnificent vision for building a modern socialist country. They have outlined the plan for economic and social development during the “15th Five-Year Plan” period, creating an enabling environment for the high-quality development of the insurance industry. As the shift toward a domestic demand-driven economy deepens, insurance will further leverage its role in stabilizing expectations and incomes while optimizing the consumption environment and its share in the national economy will steadily rise. The development of a modern industrial system, cultivation and expansion of emerging industry clusters, and forward-looking deployment of future industries will bring greater demand for risk protection and management targeting emerging risks. Equal emphasis on “investment in things” and “investment in people” will create promising market opportunities for health insurance as strong support for the development of pension finance. Artificial intelligence will permeate every aspect of insurance by accelerating industrial and social transformation to drive cost reduction, and quality and efficiency enhancement. This will reform the traditional insurance business models.

### **(II) Development Strategy of the Company**

Embarking on a new journey ahead, the Group will be a strong champion of the guiding principles of the 20th National Congress of the CPC and all plenary sessions thereof and strengthen our strategic focus. To that end, the Group will firmly follow the path of financial development with Chinese characteristics and serve the initiative of building China into a financial powerhouse, so as to accelerate the building of a world-class insurance financial group with outstanding functions, efficient operation, distinct main business, modern governance and international competitiveness. This year, the Group will fully, accurately, and comprehensively implement the new development philosophy in all aspects. To make it happen, the Group will uphold the principle of pursuing progress while ensuring stability and better balance deepening reform with high-quality development and take a holistic approach to development and security. We will work harder to accelerate the development of a world-class insurance financial group, making our work more forward-looking, targeted, and coordinated. We will continue serving the broader national interest, optimizing supply, expanding new customers, and offering better services to existing customers. By developing new quality productive forces in insurance suited to local realities and persistently preventing and mitigating risks in key areas, we will achieve both qualitative improvement and quantitative growth and ensure a strong commencement to the “15th Five-Year Plan”.

### (III) Operation Plan

The **insurance line** will give priority to growth stability, structure optimization, and quality and efficiency enhancement to effectively fulfil its primary role in driving the Group's high-quality development as the main responsibilities and businesses. **PICC P&C** will resolutely shoulder its core responsibility as the Group's main business. To do that, it will proactively respond to structural market adjustments by coordinating the transition between old and new growth drivers. Furthermore, it will strengthen collaboration between products and channels to consolidate our market leadership. It will advance the regional development model innovation with differentiated approaches. For that end, it will give priority to optimizing operational and management systems tailored to local realities, and cultivate high-quality development advantages at the forefront of industry competition to further solidify and expand its strengths in county and rural markets. **PICC Life** will fully follow the "six-pronged" channel development strategy. To do that, it will strengthen the advantage of its bancassurance channel and drive stable, quality growth in the traditional personal insurance channel to unlock momentum across new forces, integrated finance, group insurance, and e-commerce channels. Confronting low-interest-rate environment challenges, it will give top priority to prudent liability cost management and control and continue to build a robust contractual service margin. **PICC Health** will continue to strengthen the two-way empowerment between health insurance and health management, promoting the Company's construction of health management with high-quality while enhancing specialized operations and optimizing the business structure to diversify profit sources. It will continue to improve core competitiveness. **PICC Reinsurance** will take a holistic approach to business relationships across internal and external channels, P&C and life insurance, and domestic and international to expand cooperation in global P&C markets while scaling up protection-focused life and health insurance business. It will steadily strengthen its professional expertise and grow the share of high-quality business. **PICC Hong Kong** will coordinate the three markets of local, cross-border and overseas to steadily develop retail businesses. This will help enhance its influence in the Hong Kong market.

The **investment line** will focus on stabilizing investment and returns while expanding scale, effectively fulfilling its role in driving the "insurance + investment" dual-engine model. **PICC AMC** will refine asset allocation, boost active equity investment capabilities, and better seize structural opportunities to align with initiatives to channel medium- and long-term capital into the market. It will strengthen fixed-income investment capabilities, enhance research and analysis of interest rate trends, and increase allocation to long-duration assets. **PICC Pension** will pursue both improved medium- to long-term results and market growth. To do that, it will deepen investment research capabilities to cement its second-pillar foundation and capitalize on commercial pension pilot policy benefits. **PICC Capital** will continue to strengthen its professional equity investment capabilities and work harder to accelerate the alternative investment transition for the balanced development across major business lines.

The **operations line** will focus on enhancing capabilities, optimizing services, and strengthening empowerment to effectively support the advancement of the core business development. **PICC Investment Holding** will remain committed to serving the Group's strategy and main business by coordinating asset operations, property services, and real estate project management while continuously strengthening its capabilities. **PICC Technology** will take proactive steps to serve the main business and stay close to the front line, providing empowerment and support in areas including technology infrastructure development, digital project implementation, shared operations services, and technology security assurance.

## EMBEDDED VALUE

### 1. Result Summary

Embedded Value of PICC Life and PICC Health as at 31 December 2025 and 31 December 2024 are summarized below (in RMB million):

|  | PICC Life             |                                      |                       | PICC Health          |                                      |                      |
|--|-----------------------|--------------------------------------|-----------------------|----------------------|--------------------------------------|----------------------|
|  | 31/12/2025            | 31/12/2025<br>(Before<br>adjustment) | 31/12/2024            | 31/12/2025           | 31/12/2025<br>(Before<br>adjustment) | 31/12/2024           |
| Adjusted Net Worth                       | 100,360               | 100,360                              | 97,494                | 15,359               | 15,216                               | 12,185               |
| Value of In-Force Business<br>before CoC | 53,652                | 54,015                               | 45,898                | 22,121               | 25,355                               | 19,315               |
| Cost of Required Capital                 | (29,863)              | (30,672)                             | (23,662)              | (2,112)              | (2,040)                              | (1,383)              |
| Value of In-Force Business<br>after CoC  | <u>23,789</u>         | <u>23,343</u>                        | <u>22,237</u>         | <u>20,010</u>        | <u>23,316</u>                        | <u>17,932</u>        |
| Embedded Value                           | <u><u>124,149</u></u> | <u><u>123,703</u></u>                | <u><u>119,731</u></u> | <u><u>35,369</u></u> | <u><u>38,531</u></u>                 | <u><u>30,117</u></u> |

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

2. In the table above, the embedded value before adjustment as at 31 December 2025 is recalculated based on the investment and risk discount rate assumptions as at 31 December 2024 while the other assumptions remain consistent with the assumptions used in the valuation as of 31 December 2025.

Value of One Year's New Business as at 31 December 2025 and 31 December 2024 of PICC Life and PICC Health are summarized below (in RMB million):

|  | PICC Life    |                                      |              | PICC Health  |                                      |              |
|--|--------------|--------------------------------------|--------------|--------------|--------------------------------------|--------------|
|  | 31/12/2025   | 31/12/2025<br>(Before<br>adjustment) | 31/12/2024   | 31/12/2025   | 31/12/2025<br>(Before<br>adjustment) | 31/12/2024   |
| Value of One Year's New<br>Business before CoC | 10,688       | 10,756                               | 7,692        | 8,172        | 8,732                                | 7,101        |
| Cost of Required Capital                       | (2,459)      | (2,492)                              | (2,668)      | (785)        | (751)                                | (588)        |
| Value of One Year's New<br>Business after CoC  | <u>8,229</u> | <u>8,265</u>                         | <u>5,024</u> | <u>7,387</u> | <u>7,981</u>                         | <u>6,513</u> |

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

2. In the table above, the value of one year's new business before adjustment as at 31 December 2025 is recalculated based on the investment and risk discount rate assumptions as at 31 December 2024 while the other assumptions remain consistent with the assumptions used in the valuation as of 31 December 2025.

Value of One Year's New Business as at 31 December 2025 and 31 December 2024 of PICC Life and PICC Health by distribution channel are summarized below (in RMB million):

|                                       | PICC Life    |                                      |              | PICC Health  |                                      |              |
|---------------------------------------|--------------|--------------------------------------|--------------|--------------|--------------------------------------|--------------|
|                                       | 31/12/2025   | 31/12/2025<br>(Before<br>adjustment) | 31/12/2024   | 31/12/2025   | 31/12/2025<br>(Before<br>adjustment) | 31/12/2024   |
| Bancassurance Channel                 | 4,672        | 4,737                                | 2,341        | 293          | 709                                  | 621          |
| Individual insurance agent<br>Channel | 3,508        | 3,480                                | 2,668        | 7,492        | 7,663                                | 6,032        |
| Group insurance sales Channel         | 49           | 47                                   | 16           | (398)        | (391)                                | (140)        |
| <b>Total</b>                          | <b>8,229</b> | <b>8,265</b>                         | <b>5,024</b> | <b>7,387</b> | <b>7,981</b>                         | <b>6,513</b> |

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

2. In the table above, the value of one year's new business before adjustment as at 31 December 2025 is recalculated based on the investment and risk discount rate assumptions as at 31 December 2024 while the other assumptions remain unchanged.

The results disclosed in this report are based on 100% shareholding of PICC Life and PICC Health.

## 2. Key Assumptions

For the results as at 31 December 2025 disclosed above, the risk discount rate assumption is 8.5% for traditional insurance and 7.5% for participating insurance/universal insurance used by PICC Life and PICC Health. The assumption on the rate of investment return is 4% p.a. used by PICC Life and the assumption on the rate of investment return is 3.5% p.a. used by PICC Health. Corporate income tax is currently levied at 25% on taxable income. The assumptions on mortality rates, morbidity rates, lapse rates, expenses and commissions are based on the operational experience of PICC Life and PICC Health, as well as expectations on future experience, etc.

### 3. Sensitivity Tests

Sensitivity tests are based on a range of alternative assumptions. In each of the tests, only the assumption referred to is changed, while other assumptions remain unchanged. For the investment return assumption scenarios, the expected participating policyholder dividend will also change.

The results of sensitivity tests for PICC Life at 31 December 2025 are summarized below (in RMB million):

| <b>Scenarios</b>                                 | <b>Risk Discount Rate at 8.5%<br/>for Traditional insurance and<br/>7.5% for Participating insurance/<br/>Universal insurance<sup>Note</sup></b> |   |
|--|--|---|
|  | <b>Value of<br/>In-Force<br/>Business<br/>after CoC</b>  | <b>Value of<br/>One Year's<br/>New Business<br/>after CoC</b> |
| Base Scenario                                    | 23,789   | 8,229   |
| Risk Discount Rate increased by 100 bps          | 17,384   | 7,178   |
| Risk Discount Rate decreased by 100 bps          | 31,708   | 9,494   |
| Rate of investment return increased by 50 bps    | 46,560   | 11,431  |
| Rate of investment return decreased by 50 bps    | 464  | 4,973   |
| Expenses increased by 10%                        | 22,742   | 8,102   |
| Expenses decreased by 10%                        | 24,836   | 8,356   |
| Lapse rates increased by 10%                     | 24,056   | 8,158   |
| Lapse rates decreased by 10%                     | 23,521   | 8,305   |
| Mortality increased by 10%                       | 23,337   | 8,167   |
| Mortality reduced by 10%                         | 24,245   | 8,293   |
| Morbidity increased by 10%                       | 22,272   | 8,199   |
| Morbidity reduced by 10%                         | 25,337   | 8,259   |
| Short-term business claim ratio increased by 10% | 23,738   | 8,046   |
| Short-term business claim ratio decreased by 10% | 23,840   | 8,412   |
| Participating Ratio (80/20)                      | 22,323   | 8,111   |

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

The results of sensitivity tests for PICC Health at 31 December 2025 are summarized below (in RMB million):

| <b>Scenarios</b>                                | <b>Risk Discount Rate at 8.5%<br/>for Traditional insurance and<br/>7.5% for Participating insurance/<br/>Universal insurance<sup>Note</sup></b> |   |
|---|--|---|
|   | <b>Value of<br/>In-Force<br/>Business<br/>after CoC</b>  | <b>Value of<br/>One Year's<br/>New Business<br/>after CoC</b> |
| Base Scenario                                   | 20,010   | 7,387   |
| Risk Discount Rate increased by 100 bps         | 18,540   | 6,962   |
| Risk Discount Rate decreased by 100 bps         | 21,734   | 7,871   |
| Rate of investment return increased by 50 bps   | 23,499   | 8,018   |
| Rate of investment return decreased by 50 bps   | 16,499   | 6,747   |
| Expenses increased by 10%                       | 19,892   | 7,198   |
| Expenses decreased by 10%                       | 20,128   | 7,558   |
| Lapse rates increased by 10%                    | 19,766   | 7,226   |
| Lapse rates decreased by 10%                    | 20,229   | 7,555   |
| Mortality increased by 10%                      | 20,042   | 7,382   |
| Mortality reduced by 10%                        | 19,979   | 7,391   |
| Morbidity increased by 10%                      | 20,462   | 7,026   |
| Morbidity reduced by 10%                        | 19,533   | 7,740   |
| Short-term business claim ratio increased by 5% | 19,943   | 6,811   |
| Short-term business claim ratio decreased by 5% | 20,077   | 7,963   |
| Participating Ratio (80/20)                     | 19,994   | 7,360   |

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

#### 4. Movement Analysis

This section shows the analysis of Embedded Value movement of PICC Life and PICC Health from 31 December 2024 to 31 December 2025 (in RMB million):

| No | Description   | PICC Life             | PICC Health          |
|----|---|-----------------------|----------------------|
| 1  | Embedded Value as at 31 December 2024                 | <b>119,731</b>        | <b>30,117</b>        |
| 2  | New Business Contribution                             | 8,766                 | 9,120                |
| 3  | Expected Return                                       | 6,478                 | 2,074                |
| 4  | Investment Return Variance                            | (3,603)               | 674                  |
| 5  | Other Experience Variances                            | (401)                 | (933)                |
| 6  | Model and Assumption Modification                     | (6,560)               | (5,731)              |
| 7  | Shareholder Dividend Distribution and Capital Changes | <u>(263)</u>          | <u>46</u>            |
| 8  | Embedded Value as at 31 December 2025                 | <b><u>124,149</u></b> | <b><u>35,369</u></b> |

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

Explanations to above items 2 to 7:

2. The contribution of new business sold in 2025 to the embedded value at 31 December 2025;
3. The expected return in 2025 arising from the in-force business and adjusted net worth as at 31 December 2024;
4. Change in embedded value arising from variances between the actual investment return and the related investment return assumption in 2025;
5. Change in embedded value arising from variances between the actual experiences and assumptions other than the related investment return in 2025;
6. The impact on embedded value due to model enhancement and the changes in assumptions during 2025;
7. The impact on embedded value due to dividend distributed to shareholders and capital changes during 2025.

## **CORPORATE GOVERNANCE**

The Company consistently complies with the Company Law of the People's Republic of China, the Insurance Law of the People's Republic of China and relevant laws, diligently carries out the requirements of relevant laws and regulations published by regulators, the Articles of Association of The People's Insurance Company (Group) of China Limited and other rules, strictly sticks to the principle of sound corporate governance, dedicates itself to continuously enhancing the level of corporate governance, ensures the solid development of the Company and endeavors to improve the interests of shareholders.

During the year of 2025, the Company has complied with the corporate governance provisions of listed companies of the Shanghai Stock Exchange and the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and continuously refined the structure of corporate governance. The general meeting of shareholders, the Board and senior management of the Company independently performed their rights and responsibilities in accordance with the Articles of Association of The People's Insurance Company (Group) of China Limited and complied with laws and regulations.

## **PURCHASE, DISPOSAL OR REDEMPTION OF LISTED SECURITIES**

On 24 March 2025, PICC P&C redeemed in full the RMB8 billion capital supplemental bonds issued on 23 March 2020.

Other than as disclosed above, the Company and its subsidiaries did not purchase, dispose of or redeem any listed securities (including sale of treasury shares, if any) of the Company or its subsidiaries during the reporting period. As at 31 December 2025, the Company did not hold any treasury shares.

## **RECOMMENDATION OF THE DISTRIBUTION OF FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS OF H SHARES**

The Board proposed the distribution of a final dividend of RMB1.45 (tax inclusive) per 10 shares for the year ended 31 December 2025, amounting to a total of approximately RMB6,412 million (tax inclusive). The above proposal will be put forward to a shareholders' general meeting of the Company for consideration and approval. The specific arrangements regarding the declaration and distribution of final dividend (including arrangement of withholding and payment of income tax) and the time arrangement of the closure of register of members of H shares will be disclosed separately in the circular for the relevant shareholders' general meeting of the Company. If approved at the shareholders' general meeting of the Company, the final dividend is expected to be paid before 28 August 2026.

## **REVIEW OF ANNUAL RESULTS**

The audit committee of the Board of the Company has reviewed, in the presence of the external auditor of the Company, the consolidated financial statements of the Group for the year ended 31 December 2025, including the accounting principles and practices. The figures in respect of the Group's consolidated results for the year ended 31 December 2025 as set out in this announcement have been agreed by the external auditor of the Company to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025.

## **PUBLICATION OF THE ANNUAL REPORT**

The 2025 annual report of the Company will be published on the website of the Company ([www.picc.com.cn](http://www.picc.com.cn)) and the HKEXnews website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) in due course.

By Order of the Board  
**The People's Insurance Company (Group) of China Limited**  
**Ding Xiangqun**  
*Chairperson*

Beijing, the PRC, 26 March 2026

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