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中國太平洋保險(集團)股份有限公司

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

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

(Stock Code: 02601)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is made pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The announcement is attached hereof for information purpose only.

By Order of the Board
China Pacific Insurance (Group) Co., Ltd.
GAO Guofu
Chairman

Shanghai, the PRC, 29 March 2017

As of the date of this announcement, the Executive Directors of the Company are Mr. GAO Guofu and Mr. HUO Lianhong; the Non-executive Directors of the Company are Mr. WANG Jian, Mr. WANG Chengran, Ms. SUN Xiaoning, Mr. WU Jumin, Mr. WU Junhao, Mr. ZHENG Anguo and Ms. HA Erman; and the Independent Non-executive Directors of the Company are Mr. BAI Wei, Mr. LEE Ka Sze, Carmelo, Mr. LAM Chi Kuen, Mr. ZHOU Zhonghui and Mr. GAO Shanwen.

Summary of Quarterly Solvency Report

China Pacific Life Insurance Co., Ltd.

Fourth Quarter of 2016

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I. Basic information

(I) Registered address

South Tower, Bank of Communications Financial Building, 190 Central Yincheng Road, Pudong New District, Shanghai, PRC.

(II) Legal representative

XU Jinghui

(III) Business scope and territories

1. Business scope

Personal insurance including life insurance, health insurance, accident insurance, etc. denominated in RMB or foreign currencies; reinsurance of the above said insurance; statutory life insurance; distribution and business relationship with domestic and overseas insurers and organizations, loss adjustment, claims and other business entrusted from overseas insurance organizations; insurance funds investment as prescribed by Insurance Law and relevant laws and regulation; international insurance activities as approved; other business as approved by the CIRC.

2. Business territories

Beijing, Shanghai, Tianjin, Chongqing, Heilongjiang Province, Jilin Province, Liaoning Province, Hebei Province, Shanxi Province, Shandong Province, Anhui Province, Jiangsu Province, Zhejiang Province, Fujian Province, Jiangxi Province, Guangdong Province, Hainan Province, Guangxi Zhuang Autonomous Region, Hunan province, Hubei Province, Henan Province, Yunnan Province, Guizhou Province, Sichuan Province, Shaanxi Province, Gansu Province, Xinjiang Uygur Autonomous Region, Ningxia Hui Autonomous Region, Inner Mongolia Autonomous Region, Qinghai Province.

(IV) Ownership structure and shareholders :

1. Ownership structure (10K shares or 10K RMB)

Equity category	Share or amount	percentage (%)
Domestic shares held by legal entities	842,000	100
Domestic shares held by natural persons	-	-
Foreign shares	-	-
Others	-	-
Total	842,000	100

2. Top 10 shareholders (10K shares or 10K RMB)

Names of shareholders	Shares held at the end of the reporting period	Percentage of the shareholding
China Pacific Insurance (Group) Co., Ltd.	827,621.84	98.292
Shenergy Group Co., Ltd.	4,597.90	0.546
Shanghai State-Owned Assets Operation Co., Ltd.	4,576.09	0.544
Shanghai Haiyan Investment Management Company Limited	3,140.45	0.373
Yunnan Hongta Group Co., Ltd.	2,063.72	0.245

(V) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd. is the de facto controller, holding 98.3% of the shares of the Company.

(VI) Subsidiary, joint or associate venture

Company name	Number of shares held (10K shares)	Percentage of the shareholding (%)
Fenghua Xikou Garden Hotel	414	51.80
Changjiang Pension Insurance Co., Ltd.	40,761	51.753
Tianjin Trophy Real Estate Co., Ltd	35,369	100
City Island Developments Limited	0.1	100
Pacific Insurance Aging Industry Investment Management Co., Ltd.	21,900	100

(VII) Contacts for solvency information disclosure

Contact person: HE Hui

Office number: 021-33965156

Email address: hehui@cpic.com.cn

II. Main Indicators

Items	At the end of this quarter	At the end of last quarter
Core solvency margin ratio	255%	249%
Core solvency margin surplus (10K RMB)	12,950,133	12,742,336
Comprehensive solvency margin ratio	257%	253%
Comprehensive solvency margin surplus (10K RMB)	13,100,133	13,052,336
The latest comprehensive risks assessment	B	A
Premium income (10K RMB)	2,002,745	3,510,095
Net profit (10K RMB)	320,732	112,745
Net assets (10K RMB)	6,668,082	6,508,681

III. Actual Capital

Items	At the end of this quarter	At the end of last quarter
Admitted assets (10K RMB)	84,628,617	82,842,515
Admitted liabilities (10K RMB)	63,176,927	61,263,790
Actual capital (10K)	21,451,690	21,578,725
Tier 1 core capital (10K RMB)	21,301,690	21,268,725
Tier 2 core capital (10K RMB)	-	-

Tier 1 supplement capital (10K RMB)	150,000	310,000
Tier 2 supplement capital (10K RMB)	-	-

IV. Required Capital

Items	At the end of this quarter	At the end of last quarter
Required capital (10K RMB)	8,351,557	8,526,388
Required capital for quantitative risk (10K RMB)	8,466,275	8,526,388
1) Required capital for insurance risk (10K RMB)	2,287,939	2,204,551
2) Required capital for market risk (10K RMB)	9,202,708	9,463,560
3) Required capital for credit risk (10K RMB)	1,256,943	1,156,543
4) Diversification effect for quantitative risks (10K RMB)	1,851,534	1,763,220
5) Loss Absorption effect for special-type insurance contract loss (10K RMB)	2,429,781	2,535,046
Required capital for control risk (10K RMB)	-114,718	-
Supplement capital (10K RMB)	-	-
1) Counter-cyclical supplement capital (10K RMB)	-	-
2) Supplement capital of D-SIIs (10K RMB)	-	-
3) Supplement capital of G-SIIs (10K RMB)	-	-
4) Other supplement capital (10K RMB)	-	-

V. Comprehensive Risk Assessment

According to the assessment feedback from CIRC, CPIC Life received A rating in comprehensive risk assessment for Q3 2016 and B rating for Q4 2016.

VI. Risk Management

(I) The latest CIRC solvency risk management assessment of the Company

In 2016, the Company scored 82.71 points in the onsite SARMRA risk assessment conducted by the CIRC. To be specific, we received 15.41 points for risk management infrastructure and environment, 7.57 points for risk management objectives and tools, 8.62 points for insurance risk management, 8.66 points for market risk management, 8.54 points for credit risk management, 8.38 points for operational risk management, 8.64 points for strategic risk management, 8.49 points for reputation risk management, and 8.42 points for liquidity risk management.

Item	Score
Infrastructure and environment	15.41
Objectives and tools	7.57
Insurance risk	8.62
Market risk	8.66

Credit risk	8.54
Operational risk	8.38
Strategic risk	8.64
Reputation risk	8.49
Liquidity risk	8.42
Total	82.71

(II) Measures taken to improve solvency risk management (if any) and the latest results in the reporting period

The Company has put in place a basic comprehensive risk management scheme with relevant rules, procedures, IT system and three lines of defense for internal control. Based on the results of the Company's self-assessment and issues identified in regulatory assessment, we have taken or plan to take the following measures for improvement: First, to further enhance our risk management, we will develop plans to improve solvency risk management by optimizing the risk limit system, improving structure and accountability and enhancing sophistication and implementation of the system; secondly, we have reviewed our risk appetite and solvency risk management rules for 2016 and issued updated versions for some of the rules.

VII. Liquidity Risk

(I) Liquidity risk management indicators

1. Net cash flow

Item	At the end of this quarter
Net cash flow (10K RMB)	10,658,184

2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	519%

3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio Company level	289%	281%

(II) Liquidity risk analysis and countermeasures

With liquidity risk under control, indicators such as comprehensive current ratio and liquidity coverage ratio look good for next quarter. The Company has taken the following measures to actively respond to possible liquidity risks:

1. Strengthen daily cash flow management, and ensure sufficient liquidity to meet all payment obligations via cash budgeting management.
2. Assess the Company's liquidity and the impact on liquidity before making business plan, selling new products or conducting other insurance business activities.
3. Assess the Company's liquidity and the impact of investment on liquidity when formulating investment strategies and plans.
4. Strengthen the management of financing; obtain access to capital at reasonable costs in a timely manner to meet liquidity needs.
5. Pay close attention to major events that might lead to liquidity risks, such as irregular concentration of surrenders, expected large-scale maturity payment or survival benefit payout, and analyze their impact on liquidity in a timely manner.
6. Develop contingency plan to avoid major liquidity risks.

VIII. Regulatory Measures Taken Against the Company

(I) Regulatory measures taken against the Company by CIRC

The Company did not receive any regulatory punishment from the CIRC in Q4 2016.

(II) Corrective measures taken by the Company

Going forward, the Company will pay continued attention to internal control and address the root causes of various issues, so as to improve its overall risk management capabilities.