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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.
KONG Qingwei
Chairman

Hong Kong, 25 March 2019

As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. HE Qing; the Non-executive Directors of the Company are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. WU Junhao and Mr. CHEN Xuanmin; 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.

* *Note: The appointment qualification of Mr. Huang Dinan is subject to approval by China Banking and Insurance Regulatory Commission.*

Summary of Solvency Report

China Pacific Insurance (Group) Co., Ltd.

2018

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I. Basic information

(1) Registered address:

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

(2) Legal representative:

KONG Qingwei

(3) Business scope

Invest in controlling stakes of insurance companies; supervise and manage the domestic and international reinsurance business of the insurers under its control; supervise and manage the investments by the insurers under its control; participate in international insurance activities as approved.

(4) Contacts for solvency information disclosure:

Contact person: LI Bo

Office number: 021-33961165

Email address: libo-091@cpic.com.cn

II. Group ownership structure and changes to member companies

Please refer to our 2018 Annual Report for detailed information.

III. Key indicators

Items	As at the end of 2018	As at the end of 2017
Core solvency margin ratio	292%	280%
Core solvency margin (10K RMB)	31,644,324	26,199,874
Comprehensive solvency margin ratio	301%	284%
Comprehensive solvency margin (10K RMB)	26,196,323	20,911,589

IV. Actual capital

Items	As at the end of 2018	As at the end of 2017
Actual capital (10K)	39,252,324	32,288,159
Tier 1 core capital (10K RMB)	38,172,324	31,888,159

Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	1, 080, 000	400, 000
Tier 2 supplement capital (10K RMB)	-	-

V. Required capital

Items	As at the end of 2018	As at the end of 2017
Required capital (10K RMB)	13, 056, 001	11, 376, 570
Required capital for quantitative risks (10K RMB)	13, 056, 001	11, 376, 570
1)Required capital for parent company	-	-
2)Required capital for insurance member company	13, 056, 001	11, 376, 570
3)Required capital for banking member company	-	-
4)Required capital for securities member company	-	-
5)Required capital for trust member company	-	-
6)Required capital for quantifiable Group specific risks	-	-
7)Increase in required capital for risk diversification effect	-	-
8)Decrease in required capital for risk diversification effect	-	-
Required capital for control risk (10K RMB)	-	-
Supplement capital (10K RMB)	-	-

Note: Detailed regulations are yet to be promulgated by the CBIRC regarding the required capital for quantifiable Group specific risks, increase in required capital for risk aggregation effect, decrease in required capital for risk diversification effect, required capital for control risk, and supplement capital.

VI. Material events

During the reporting period, there was no material investment losses, no major guarantees for external parties, no financial crisis incurred by the Group's subsidiaries or associates, or their administration by regulators.

VII. Risk governance and strategies

(1) Group risk governance status

The Board shoulders the primary responsibility for risk management. The Board Risk Management Committee was vested by the Board to perform risk management functions. In 2018, the Committee convened 7 sessions, reviewing relevant risk-related items and reports. The Company management confirmed the effectiveness of internal control of both the issuer and its associates.

The Company Management Committee is charged with organizing and implementing enterprise risk management. The Compliance and Risk Management Work Commission was established as an advisory body of the committee, headed by Group Chief Risk Officer. In 2018, the work commission convened 5 meetings, with a total 19 agenda items. At the end of 2018, it was replaced by the newly established Group Risk Management and Audit Work Commission.

At the end of 2018, the Group established the Risk Management Centre, with risk management departments in place at subsidiary levels, responsible for day-to-day risk management of the companies. Other functional departments of the Group and branch offices of its subsidiaries have all designated Risk Responsible Person and Risk Management Personnel, performing their duties in risk management as within their scope of responsibilities.

(2) Group risk management strategies and their implementation

The overall risk management strategy is: maximize profits and support the fulfillment of company business objectives and strategies through the establishment and improvement of risk management systems, standardization of risk management processes and adoption of advanced risk management tools, and within the limits of reasonable risk management objectives.

VIII. Group specific risks

(1) Risk contagion

As per regulatory requirements, the Company has set up risk quarantine mechanisms for its business operation, personnel management, fund management, information systems and internal transactions, etc., to effectively prevent the spread of relevant risks within the Group and to minimize the risk of contagion.

(2) Risk due to opaque organizational structure

As a listed insurance holding group, the Company boasts a clear ownership structure and sound corporate governance. The focus on insurance as its main business effectively prevents the risk of losses incurred by the Company as a result of opaque organizational structure.

(3) Concentration risk

As per regulatory requirements, the Company and its member insurers identify, evaluate, supervise and report on the concentration risk of various types on a regular basis, including investment and reinsurance counter-party concentration risk, insurance and non-insurance business concentration risk and invested asset concentration risk. This effectively prevents the aggregation of a single risk or risk portfolios at the Group level, or a material threat to the Group's solvency and liquidity.

(4) Non-insurance risk

The Company takes non-insurance risk management very seriously. Adhere to insurance as the main business. In strict compliance with regulatory rules, it prudent manages the adverse effect on the solvency of both the Group and its member

insurers by non-insurance investment and business operation of its non-insurance member companies, in a bid to safeguard policyholder's interests.