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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, 31 October 2019

*As at the date of this announcement, the Executive Director of the Company is Mr. KONG Qingwei; the Non-executive Directors of the Company are Mr. WANG Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. LI Qiqiang, Mr. WU Junhao, Mr. CHEN Xuanmin and Mr. HUANG Dinan; and the Independent Non-executive Directors of the Company are Mr. LEE Ka Sze, Carmelo, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. JIANG Xuping and Mr. GAO Shanwen.*

# Summary of Quarterly Solvency Report

**CPIC Allianz Health Insurance Co., Ltd.**

**3rd Quarter of 2019**

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## I. Basic information

**(I) Registered address:** 13<sup>th</sup> Floor, Building No. 1, 1229 Century Avenue, China  
(Shanghai) Pilot Free Trade Zone, Shanghai, the PRC

**(II) Legal representative:** SUN Peijian

### (III) Business scope and territories

#### 1. Business scope:

Health and personal accident insurance denominated in RMB yuan and foreign currencies; health insurance commissioned by the government or supplementary to state medical insurance policies; reinsurance of the above said insurance ; health insurance-related agency and consulting business; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CIRC.

#### 2. Business territories:

Shanghai, Beijing, Guangdong Province, Sichuan Province

### (IV) Ownership structure and shareholders:

#### 1. Ownership structure

Equity category	Number of shares or contributed amounts (10K shares)	Percentage (%)
Domestic shares held by legal entities	130,986.70	77.05
Domestic shares held by natural persons	-	-
Foreign shares	39,013.30	22.95
Others	-	-
Total	170,000.00	100.00

#### 2. Top 10 shareholders

Name of shareholders	Shares held or amounts contributed as at the end of the reporting period (10K shares)	Percentage of the shareholding (%)
1.China Pacific Insurance (Group) Co., Ltd.	130,986.70	77.05
2. Allianz Group	39,013.30	22.95

### (V) Controlling shareholder or de facto controller:

China Pacific Insurance (Group) Co., Ltd.

## (VI) Subsidiaries, joint or associate ventures:

Company name	Number of shares held (10k shares)	Percentage of the shareholding (%)
Shanghai Proton & Heavy Ion Hospital	10,000	20

## (VII) Contacts for solvency information disclosure

1. Contact person: CHANG Zhi
2. Telephone number: 021-33963458

## II. Main indicators

Items	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	154	171
Core solvency margin (10K RMB)	37,319.10	43,780.54
Comprehensive solvency margin ratio	154	171
Comprehensive solvency margin (10K RMB)	37,319.10	43,780.54
Latest IRR result	–	A
Premium income (10K RMB)	121,977.14	121,509.27
Net profit (10K RMB)	136.55	3,321.86
Net assets (10K RMB)	113,685.48	113,581.87

## III. Actual capital

Items	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	716,949.41	554,215.93
Admitted liabilities (10K RMB)	611,086.32	448,625.58
Actual capital (10K RMB)	105,863.09	105,590.35
Tier 1 core capital (10K RMB)	105,863.09	105,590.35
Tier 2 core capital (10K RMB)	–	–
Tier 1 supplement capital (10K RMB)	–	–
Tier 2 supplement capital (10K RMB)	–	–

## IV. Required capital

Items	As at the end of this quarter	As at the end of last quarter
Required capital (10K RMB)	68,543.99	61,809.81
Required capital for quantitative risks (10K RMB)	68,189.40	61,490.07
1) Required capital for insurance risk (10K RMB)	61,697.07	56,516.39
2) Required capital for market risk (10K RMB)	9,975.68	7,383.71
3) Required capital for credit risk (10K RMB)	7,755.73	6,778.36
Required capital for control risk (10K RMB)	354.58	319.75
Supplement capital (10K RMB)	–	–
1) Counter-cyclical supplement capital (10K RMB)	–	–

2) Supplement capital of D- SIIIs (10K RMB)	-	-
3) Supplement capital of G-SIIIs (10K RMB)	-	-
4) Other supplement capital (10K RMB)	-	-

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## **V. Integrated risk rating (IRR)**

The Company received an A rating for both Q1 and Q2 of 2019 at the IRR.

## **VI. Risk management status**

### **(I). The latest CBIRC solvency risk management assessment of the company**

In 2017, the Company received 78.96 points in the regulatory SARMRA assessment. The same score, as per regulatory notice, was used as the result for 2018 SARMRA assessment. To be specific, 78.96 consisted of 14.07 points for risk management infrastructure and environment, 7.54 points for risk management objectives and tools, 8.02 points for insurance risk management, 8.00 points for market risk management, 8.00 points for credit risk management, 8.36 points for operational risk management, 8.08 points for strategic risk management, 8.22 points for reputation risk management, and 8.68 points for liquidity risk management.

### **(II). Measures taken to improve solvency risk management and the latest results in the reporting period.**

In the 3<sup>rd</sup> quarter, as per Insurance Companies Solvency Regulation Standards No. 11: Solvency Risk Management Requirements and Assessment, and in view of its own risk profiles and risk management status, the Company continued to improve its solvency risk management systems. In terms of soundness of regulations, it formulated Provisions on Management of Strategic Investments, further improved the management framework of market risk; amended rules on anti-money laundering to facilitate endeavor on the front. With regard to effectiveness of adherence, firstly, it optimized the Risk Appetite Framework in line with its actual risk exposures and enhanced the transmission of risk appetite; secondly, it strengthened ALM, conducted an internal audit of its ALM system, with recommendations for improvement; thirdly, it enhanced the implementation of risk management procedures, and to this end, drafted a risk management manual to provide departments and branches with day-to-day operational tools of management processes

covering 9 major risks; fourthly, it increased the frequency of stress testing, and conducted testing on a monthly basis based on its solvency risk tolerance and capital injection plans to ensure sufficient solvency levels; fifthly, it stepped up media monitoring and engaged third-party outfits to monitor media reports about itself and its counterparties in insurance and investment transactions, so as to protect its own branding and the reputation of the industry.

In short, in the 3<sup>rd</sup> quarter, all work relating to the Company's risk management was proceeding according to plan, with continued improvement in risk management systems and procedures, and effective control of various risk exposures.

## VII. Liquidity risk

### (I) Liquidity risk management indicators

#### 1. Net cash flow

Items	During/as at the end of this quarter
Net cash flow (10K RMB)	66,262.90

#### 2. Comprehensive current ratio

Items	Within 3 months	Within one year	1-3 years	3-5 years	Above 5 years
Comprehensive current ratio	143	65	185	71,800	-

#### 3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio (%)	3,346	3,300

### (II) Liquidity risk analysis and countermeasures

The Company generated positive net cash flows under the baseline scenario and all stress scenarios, an indication of good liquidity.

## VIII. Regulatory measures taken against the Company

**(I) Regulatory measures taken against the Company by CBIRC**

CBIRC has not taken any regulatory measures against the Company.

**(II) Corrective measures taken by the Company**

None.