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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 April 2020

*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

**China Pacific Life Insurance Co., Ltd.**

**1st Quarter of 2020**

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## **I. Basic information**

### **(I) Registered address**

1 Zhongshan Road(South), Huangpu District, Shanghai, the PRC

### **(II) Legal representative**

PAN Yanhong

### **(III) Business scope and territories**

#### 1. Business scope

Life/health insurance denominated in RMB yuan and foreign currencies including life insurance, health insurance, personal accident insurance, etc.; reinsurance of the above said insurance; statutory life/health insurance; agency and business dealings with domestic and overseas insurers and organizations, loss adjustment, claims and other business entrusted from overseas insurance organizations; insurance funds investment as prescribed by The Insurance Law and relevant laws and regulations; 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)

<b>Equity category</b>	<b>Shares as at the end of the reporting period</b>	<b>Percentage (%)</b>
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)

Name 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 Hehe (Group) Co., Ltd.	2,063.72	0.245

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

China Pacific Insurance (Group) Co., Ltd. is the controlling shareholder, holding 98.292% of the shares of the Company.

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

Company name	Number of shares held (10k shares)	Shareholding percentage (%)
Fenghua Xikou Garden Hotel	-	-
Changjiang Pension Insurance Co., Ltd.	186,486	62.162
City Island Developments Limited	0.1	100
Tianjin Trophy	35,369	100
Pacific Insurance Elderly Care Investment Management Co., Ltd.	300,000	100
Pacific Health Care Management Co. Ltd.	50,000	100
CPIC Elderly Care Industry Development (Chengdu) Co. Ltd.	51,000	100
CPIC Elderly Care (Hangzhou) Co. Ltd.	35,000	100
CPIC Elderly Care (Xiamen) Co. Ltd.	27,000	100
Shanghai Dabao Guisheng Information Technology Co. Ltd.	1,020	34
Shanghai Rui Yong Jing Property Development Co. Ltd.	983,500	70
Llanren Health Care Big Data Technology Co. Ltd.	50,000	25
Changjiang Pension-CHEMCHINA Infrastructure Debt Investment Scheme	2,142	71.4
Ningbo Zhilin Investment Management (LP)	241,632	90
Changjiang Pension-Sichuan Tietou Xugu High-speed Infrastructure Debt Investment Scheme	205	34.17
Changjiang Pension-Yun'nan Nengtou Infrastructure Debt Investment Scheme	3,565	93.82
Jiaxing Yishang Private Equity Investment Partners Enterprise (LP)	95,000	94.81
CPIC AMC Yongquan Yihao Customized Product	60,000	100
China Venture Capital Fund Equity Investment Plan	612,000	100
Guolian'An Zengfu One-year Term Open-ended Bond Security Investment Fund	500,000	99.8
Guolian'An Zengyu One-year Term Open-ended Bond Security Investment Fund	500,000	99.8

Note: Changjiang Pension-CHEMCHINA Infrastructure Debt Investment Scheme, Ningbo Zhilin Investment Management (LP), Changjiang Pension-Sichuan Tietou Xugu High-speed Infrastructure Debt Investment Scheme, Changjiang Pension-Yun'nan Nengtou Infrastructure Debt Investment Scheme, Jiaxing Yishang Private Equity Investment Partners Enterprise (LP), CPIC AMC Yongquan Yihao Customized Product, China Venture Capital Fund Equity Investment Plan, Guolian'An Zengfu One-year Term Open-ended Bond Security Investment Fund and Guolian'An Zengyu One-year Term Open-ended Bond Security Investment Fund are structured entities.

## (VII) Contacts for solvency information disclosure

Contact person: WANG Teng

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Email address: [wangteng@cpic.com.cn](mailto:wangteng@cpic.com.cn)

## 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	254%	257%
Core solvency margin (10K RMB)	22,397,702	21,852,924
Comprehensive solvency margin ratio	254%	257%
Comprehensive solvency margin (10K RMB)	22,397,702	21,852,924
Latest IRR result	-	-
Premium income (10K RMB)	9,187,339	2,663,434
Net profit (10K RMB)	582,248	287,301
Net assets (10K RMB)	9,005,367	8,507,065

## III. Actual capital

Items	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Admitted assets (10K RMB)	134,516,525	128,374,131
Admitted liabilities (10K RMB)	97,562,139	92,585,857
Actual capital (10K)	36,954,386	35,788,274
Tier 1 core capital (10K RMB)	36,954,386	35,788,274
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/during this quarter	As at the end of last quarter/during last quarter
Required capital (10K RMB)	14,556,684	13,935,350
Required capital for quantitative risk (10K RMB)	14,780,610	14,149,718
1) Required capital for insurance risk (10K RMB)	4,443,761	4,302,214
2) Required capital for market risk (10K RMB)	15,082,141	14,454,959
3) Required capital for credit risk (10K RMB)	2,921,272	2,818,652
4) Diversification effect for quantitative risks (10K RMB)	3,820,174	3,686,004
5) Loss absorption effect for special-type insurance contracts (10K RMB)	3,846,390	3,740,103
Required capital for control risk (10K RMB)	(223,926)	(214,368)
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. Integrated risk rating (IRR)**

The Company received an A rating for both Q2 and Q3 of 2019, according to feed-backs from the regulator on the IRR results.

## **VI. Risk management status**

### **(I) The latest CBIRC Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company**

The Company's SARMRA score for 2017 was 83.03 points. To be specific, it received 16.12 points for risk management infrastructure and environment, 8.82 points for risk management objectives and tools, 8.36 points for insurance risk management, 8.00 points for market risk management, 8.00 points for credit risk management, 8.38 points for operational risk management, 8.96 points for strategic risk management, 8.33 points for reputation risk management, and 8.06 points for liquidity risk management.

In 2018 and 2019, the regulator conducted no SARMRA assessment of the Company.

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

The Company attaches great importance to risk management. Although exempt from SARMRA assessment in 2018 and 2019, it continued to identify gaps in solvency risk management systems and took effective remedial actions based on findings of regulatory assessments, including those of its peers, as well as findings of its own internal audits. Below is a summary of what was done in Q1 2020.

First, it reviewed and revised the risk appetite and Risk Functional Limits, and in particular adjusted the risk tolerance in the value dimension, set a total of 183 Risk Functional Limits, and conducted risk control reporting on a regular basis.

Second, it finished the 2019 Annual Enterprise Risk Management Report, which evaluated 8 major risks facing the Company, reviewed the work on risk management in 2019 and set out the work plan and main content of risk management in 2020.

Third, it pushed forward research into the risk of business operation, explored the establishment of a surveillance system for the risk, and completed the formulation of an indicator matrix.

Fourth, it conducted an analysis of COVID-19 impact on its business performance, with solvency stress testing, and briefed company management on the results.

In Q2 of 2020, the Company intends to focus on the following areas for its solvency risk management.

First, in light of the progress of the 2<sup>nd</sup> phase of C-ROSS, improve risk management

systems, enhance adherence, and optimize risk control performance evaluation.

Second, in line with the Group A14 Transformation Project on Integrated Risk Management, step up transmission of Risk Functional Limits, establish criteria for risk control of new products, and strictly control investment risk.

Third, initiate the SARMRA assessment, when timing is appropriate, push forward the establishment of IRR systems and rectification of gaps to maintain a high regulatory rating.

Fourth, foster a risk management system for business operation risk, enhance risk early-warning, implement a "see-through" approach towards key risk supervision and oversight, and improve professional capabilities in risk control.

## VII. Liquidity risk

### (I) Liquidity risk management indicators

#### 1. Net cash flow

Item	During/as at the end of this quarter
Net cash flow (10K RMB)	15,652,132

#### 2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	174%

#### 3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio -Company level	2,430%	2,416%

### (II) Liquidity risk analysis and mitigation

Liquidity risk is projected to be largely manageable in the next quarter. The Company has taken the following measures to pro-actively mitigate potential liquidity risk:

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 plans, selling new products and conducting other insurance business activities.
3. Assess the Company's liquidity and investment's impact on liquidity when formulating investment strategies and plans.
4. Strengthen the management of financing activities; ensure access to financing at reasonable costs and in a timely manner to meet liquidity needs. Meanwhile, strengthen the management of repurchase scale to avoid liquidity risks.
5. Closely monitor major events that might lead to liquidity risks, such as irregular tides of



surrender, expected major maturity payments or survival benefit pay-outs, and assess their impact on liquidity in a timely manner.

#### **VIII. Regulatory measures taken against the Company**

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

The Company head-office received no administrative penalties from CBIRC in Q1 2020.

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

The Company will continue to enhance internal control, address the root-causes of risk issues, strengthen its overall compliance and risk management capabilities.