

CPIC (SH601601, HK02601, LSE CPIC)
Stock Data (ending Feb. 28, 2021)

Total equity base (in million)	9, 620
A-share	6, 845
H-share	2, 775
Total Cap (in RMB million)	385, 055
A-share	302, 482
H-share (in HKD million)	98, 939
6-month highest/lowest	
A-share (in RMB)	46. 0/30. 1
H-share (in HKD)	41. 45/21. 2
GDR(in USD)	35. 65/20. 8

IR Calendar

April 1, 2021
 2020 Annual Results Announcement
 Online Conference

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Premium Income (Unit: in RMB million)

	Feb.	Changes	Feb.	Changes
P&C	26, 763	10. 64%	8, 115	24. 35%
Life	72, 198	8. 19%	15, 676	6. 06%

Regulatory Updates

- **CBIRC accelerates transitioning towards institution-oriented supervision**

Recently, CBIRC released the information on the division of supervisory responsibilities, with a list of headquarter departments and contacts responsible for direct supervision of insurance companies. P/C insurers and reinsurers have started the “geography-based” supervisory model, with 36 P/C insurance companies under direct remit of CBIRC while the rest under local CBIRC branch offices. In view of their systemic importance, asset scale and risk status, the 91 life/health insurance companies were classified into those under direct supervision by CBIRC and those by local CBIRC branches, with 39 in the former and 52 the latter.

- **CBIRC solicits public comments on rules for resumption of business and disposal of banks and insurance companies**

On February 26, CBIRC released Provisional Regulations on Resumption of Business and Disposal of Banks and Insurance Companies to solicit public opinions.

Regulators may expressly require banks or insurance companies to formulate plans for resumption of business and disposal based on the nature of their business, risk status and the “spill-over” effect. The banking and insurance institutions, when making the plan, shall abide by the principle of “compliant & orderly, self-depending, prudent & effective, and sharing in responsibility”. The plan shall be based on market-oriented mechanisms such as disposal of their own assets or bail-out from their shareholders, and only when this is not viable and may trigger regional or systemic risks, or jeopardize financial stability, can governments be involved on the basis of minimizing costs and ensuring compliance.

Industry Information

- **2021 Government Work Report calls for improvement in insurance protection and service**

On March 5, in the Government Work Report at the 4th session of the 13th National People’s Congress, “insurance” was mentioned 14 times, covering pension, unemployment, work-place accidents, cost indemnity & income protection, export credit, long-term care, and insurance protection and services.

The report talks about “enhancing insurance protection and services” in the context of deepening reform of fiscal and financial systems, calls for “promoting national centralization of pension insurance fund and develop the 3rd pillar of retirement provisions in an orderly

manner” to improve people’s well-being, and sets the target of “strengthening a multi-tiered social security system and increasing the coverage ratio of social pension insurance to 95%” as part of key objectives and tasks of social and economic development during the 14th Development Programme Period.

The report also mentioned continued expansion of unemployment insurance coverage, reduction in premium rates on work-place accident and unemployment insurance, roll-out of the pilot programme of cost indemnity and income protection insurance, expansion of coverage of export credit insurance, steady roll-out of the pilot programme of long-term care, removal of requirement for *Hukou*, or permanent residence certificates, for participation of social insurance in locations of employment, and improvement in a nationwide unified platform for social insurance public services.

● **Life insurance sales via telemarketing decline, while Internet health insurance maintains 6th consecutive year of growth**

On March 3, the Insurance Association of China released a report which indicates that Internet health insurance continued to grow in 2020, marking 6 consecutive years of steady growth, with increased share in Internet life/health insurance. In 2020, Internet health insurance recorded a premium income of RMB37.48bn, a growth of 58.8%, the highest among life/health business lines; the share of life insurance was 55.6%, down by nearly 10pt, and health insurance 17.8%, up by 5pt.

At the same time, in 2020, the number of insurance companies offering life insurance via telemarketing was largely stable. But there was a slowdown of growth momentum due to the impact of COVID-19, with premium income decreasing by 22.5% from 2019.

● **Report released on solvency of 178 insurance companies in 2020**

As of the end of 2020, the average comprehensive margin ratio and core solvency margin ratio of the 178 insurance companies under survey was 246.3% and 234.3% respectively. The average comprehensive margin ratios of L/H, P/C and reinsurance companies was 239.6%, 277.9% and 319.3% respectively. For Integrated Risk Rating, 100 companies were rated A, 71 B, 3 C and 3 D.

Company News

● **CPIC signs strategic co-operation agreement with Huawei**

On February 25, CPIC and Huawei signed the core agreement of strategic co-operation, focusing on exploration in new technologies & business model innovations, planning & execution of CPIC Cloud

Strategy, planning & execution of smart handling engines, and IT governance & technology management practice.

In customer service, the two sides will sharpen the focus on customer needs and join hands in the empowerment of health and retirement business; in priorities, the two sides will focus on cloud platforms, core business systems, technology capacity-building and data security; in values, they will learn from each other in organizational mechanisms, talent training, and incentive systems. Co-operation in social responsibilities will also be stepped up, with dialogues and exchanges in carbon emissions, carbon trading and ESG between the two companies to better fulfil their responsibilities in environmental protection.

● **CBIRC approves the renaming of CPIC Allianz Health**

On March 1, CBIRC approved the application for renaming of CPIC Allianz Health Insurance Company Limited as China Pacific Health Insurance Joint-stock Company Limited. The regulator required the company to ensure consistency and stability in systems, personnel and business during the renaming process to protect consumer rights and interests.