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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, 29 October 2022

*As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. FU Fan; the Non-executive Directors are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. WU Junhao, Mr. CHEN Ran, Mr. ZHOU Donghui, Ms. LU Qiaoling and Mr. John Robert DACEY; and the Independent Non-executive Directors are Ms. LIU Xiaodan, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. WOO Ka Biu, Jackson, and Mr. JIANG Xuping.*

# Summary of Quarterly Solvency Report (Excerpts)

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

**3<sup>rd</sup> Quarter of 2022**

## Company overview and contact information

Company name (Chinese):	中国太平洋财产保险股份有限公司
Company name (English):	China Pacific Property Insurance Company Limited
Legal representative:	GU Yue
Registered address:	South Tower, Bank of Communications Financial Building, 190 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC
Registered capital:	19.47bn yuan
Business license number:	P10021VSH
Date opening for business:	November 2001
Business scope:	Property indemnity insurance; liability insurance; credit and guarantee insurance; short-term health and personal accident insurance; reinsurance of the above said insurance; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CBIRC.
Business territories:	The People's Republic of China (excluding Hong Kong, Macao and Taiwan)
Contact person:	CHEN Mo
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## I. Board chairman and management statement

The report has been approved by chairman of the board of directors. The board chairman and the senior management of the Company warrant that the contents of this report are true, accurate and complete and have fully complied with applicable laws and regulations, and that there is no false representation, misleading statement or material omissions; and they severally and jointly accept responsibility for the contents of this report.

## II. Basic information

### (I) Ownership structure and shareholders, and change during the reporting period

#### 1. Ownership structure (unit: 10,000 shares)

Types of shareholders	Beginning of reporting period		Shareholder injection	Change			End of reporting period	
	Shares	Percentage (%)		Transfer from capital reserve and share dividends distribution	Share transfer	Subtotal	Shares	Percentage (%)
State	29,179	1.5	-	-	-	-	29,179	1.5
Private legal person	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Natural person	-	-	-	-	-	-	-	-
Others								
(listed company)	1,917,821	98.5	-	-	-	-	1,917,821	98.5
Total	1,947,000	100	-	-	-	-	1,947,000	100

#### 2. De facto controller

China Pacific Insurance (Group) Co., Ltd. is the majority shareholder of the Company, holding 98.5% of the stake.

3. Shareholding information (by descending order of shareholding percentage at the end of the reporting period, unit:share)

Names of shareholders	Types of shareholders	Change during the reporting period	Shares held at the end of the reporting period	Shareholding percentage at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Insurance (Group) Co., Ltd.	Others (listed company)	-	19,178,214,743	98.50	None
Shenergy Group Co., Ltd.	State-owned	-	90,874,742	0.47	None
Shanghai Haiyan Investment Management Company Limited	State-owned	-	90,620,982	0.46	None
Yunnan Hehe (Group) Co., Ltd.	State-owned	-	59,586,361	0.31	None
Shanghai State-owned Assets Operation Co., Ltd.	State-owned	-	50,703,172	0.26	None
Total	---	-	19,470,000,000	100	---
Related party relations among shareholders	Of the 5 shareholders of the Company, with the exception of CPIC Group, all are concurrently shareholders of CPIC Group. Other than that, the Company is not aware of any related party relations between its shareholders.				

4. Shareholding by directors, supervisors and senior management

Was there any shareholding by directors, supervisors and senior management as at the end of the reporting period? (Yes  No )

5. Share transfer

Was there any share transfer during the reporting period? (Yes  No )

**(II) Directors, supervisors and senior management and changes thereof**

1. Basic information on directors, supervisors and senior management

(1). Directors

Mr. SU Shaojun, born in February 1968, has a PhD degree. He has been serving as Director of the Company since May 2021 (approval document:CBIRC [2021] No. 377). Mr. SU currently serves as Board Secretary and Deputy Director on Transformation Matters of CPIC Group, and Director of CPIC Life. He previously served as Assistant General Manager, Deputy General Manager of Underwriting Department of CPIC P/C, Deputy General Manager, General Manager of CPIC P/C Beijing Branch, General Manager of Development and Planning Department of CPIC P/C, Head of Board Office of CPIC P/C, Head of Supervisory Board Office of CPIC P/C, General Manager of Tele-marketing Center of CPIC P/C, and Head of Strategy Research Center of CPIC Group.

Mr.WU Junhao, born in June 1965, has a master's degree. He has served as Director of the Company since August 2012 (approval document: CIRC P/C [2012] No. 796). Mr. WU currently serves as General Manager of Financial Management Department of Shenergy (Group) Co., Ltd., Non-executive Director of CPIC Group, and Director of CPIC Life. He is also Director of Shanghai ICY New Energy Venture Capital Co., Ltd., Supervisor of Orient Securities Co., Ltd., Chairman of the Board of Supervisors of Shanghai ICY Capital Co. Ltd., Chairman of the Board of Supervisors of Shanghai Shenergy Chengyi Equity Investment Co. Ltd., and Supervisor of Everbright Banking Co., Ltd. Mr. WU previously served as Supervisor of Shanghai Pharmaceuticals Holding Co., Ltd., a company listed on SSE and on SEHK, and Director of Shanghai Jiulian Group Co., Ltd..

Mr. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has been serving as Director of the Company since March 2018 (approval document: CBIRC [2018] No. 3). Mr. ZHANG currently serves as Compliance Responsible Person and General Counsel of CPIC Group and Director of CPIC Life, CPIC AMC, Changjiang Pension and CPIC Health, respectively. Mr. ZHANG previously served as Board Secretary of the Company, Chief Risk Officer and General Manager of Legal and Compliance Department and Risk Management Department of CPIC Group respectively, Head of Board Office and Office of the Board of Supervisors of CPIC Group respectively, and Board Secretary of CPIC Life and CPIC AMC respectively.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree. He has been serving as Director of the Company since March 2018 (approval document: CBIRC [2018] No. 68). Mr. ZHANG is also Finance Responsible Person and Chief Actuary of CPIC Group, Director of CPIC Life and CPIC Health. He previously served as Chief Actuary of Citi Group TRV-Citi Insurance Headquarters, Chief Actuary, Deputy General Manager and Vice President of MetLife Insurance Company Limited (Shanghai), Chief Actuary of Sino Life Insurance Co., Ltd., Deputy General Manager, CFO and Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd., Chief Risk Officer of CPIC Health, and director of CPIC AMC.

Mr. ZHANG Yuhua, born in November 1967, holds a master's degree. He has been serving as Director of the Company since May 2021 (approval document: CBIRC [2021] No. 378). Mr. ZHANG currently serves as Deputy General Manager of CPIC P/C. Previously, he served as Deputy General Manager of CPIC P/C Shenzhen Branch, General Manager of CPIC P/C Sichuan Branch, and Secretary of Discipline Inspection Commission of CPIC P/C. Prior to that, Mr. ZHANG served as Deputy Director of the Secretary and Administration Department of the Hong Kong and Macao Affairs Office of the State Council, Member of the Standing Committee of the Heze Municipal Party Committee, Deputy Mayor of Heze Municipal Government, Deputy Secretary of Party Committee of Heze Municipal Government, and Party Secretary of the State-owned Assets Supervision and Administration Commission of Heze.

Mr. YU Bin, born in August 1969, holds a master's degree. He has been serving as Director of the Company since September 2019 (approval document: CBIRC Shanghai [2019] No. 804). Mr. YU currently also serves as Vice President of CPIC Group and Chairman of CPIC Technology. Previously, Mr. YU served as Deputy General Manager of the Non-Marine Insurance Department of the Company, Deputy General Manager of Underwriting and Claims Department of the Company, General Manager of Market Development Center of the Company, General Manager of Marketing Department of the Company, Chief Marketing Officer, Deputy General Manager of the Company, and Assistant President of CPIC Group.



Mr. GU Yue, born in June 1965, holds a master's degree. He has been serving as Chairman and Executive Director of the Company since March 2015 (approval document: CIRC [2015] No. 228). Mr. GU also serves as Chairman of CPIC HK and Director of CPIC AMC. Previously, Mr. GU served as Director and General Manager of the Company, Chairman of Board of Supervisors and Director of CPIC Life, Chairman of Board of Supervisors of CPIC AMC, Director of CPIC Health, and Board Secretary, Chief Auditing Officer, Internal Auditing Responsible Person, Vice President and Finance Responsible Person, and Executive Vice President of CPIC Group.

## (2). Supervisors

Mr. Sun Peijian, born in September 1963, holds a master's degree and has been serving as Supervisor of the Company since September 2019 (approval document: CBIRC Shanghai [2019] No. 803). He was appointed as Chairman of Board of Supervisors of the Company in October 2019. Mr. SUN currently serves as Chief Risk Officer of CPIC Group, Chairman of Board of Supervisors of CPIC Life. Previously, Mr. SUN served as Assistant General Manager, Deputy General Manager of Reinsurance Department of China Pacific Insurance Company, Deputy General Manager, General Manager of Reinsurance Department of CPIC Group, Assistant General Manager, Deputy General Manager, Compliance Responsible Person, Compliance Director, and Vice President of CPIC Group, Director of CPIC P/C, CPIC Life and CPIC AMC respectively, and Chairman and General Manager of CPIC Health.

Ms. LI Shuhui, born in July 1972, holds a master's degree, and has been serving as Supervisor of the Company since April 2018 (approval document: CBIRC [2018] No. 125). Ms. LI currently serves as Deputy General Manager and Finance Responsible Person of Anxin Agricultural Insurance. Previously, she served as General Manager of Finance Department and Asset Management Department of the Company, General Manager of Audit Center/Audit Technology Division of CPIC Group, Supervisor of CPIC Health, Internal Auditing Responsible Person of Changjiang Pension, Supervisor of Pacific Insurance Elderly Care Investment Management Co., Ltd., Supervisor of Anxin Agricultural Insurance, and Supervisor of CPIC Online.

Mr. CAO Junhua, born in March 1966, has a PhD degree. He has been serving as Supervisor of the Company since May 2021 (approval document: CBIRC [2021] No. 376). Mr. CAO currently serves as Chief Auditor of Internal Audit Management Department of CPIC Group, Internal Auditing Responsible Person of CPIC AMC and Supervisor of Pacific Insurance Elderly Caring Investment Management Co., Ltd.. Previously, he served as Head of Secretary Department of General Office of CPIC Life, Deputy Section Chief of Board Office of CPIC Group, Assistant General Manager of CPIC P/C Suzhou Branch, Deputy General Manager of Legal Compliance Department of CPIC P/C Suzhou Branch, Head of Specialised Capacity-building Team of Audit Center of CPIC Group, Deputy General Manager (in charge), General Manager of General Audit Department of Audit Center of CPIC Group, General Manager of Audit Department (North China) of Audit Center of CPIC Group and Deputy Chief of Party Discipline Inspection Team of CPIC Group.

### (3) Senior management

Mr. GU Yue, born in June 1965, holds a master's degree. He has been serving as Chairman and Executive Director of the Company since March 2015 (approval document: CIRC [2015] No. 228). Mr. GU also serves as Chairman of CPIC HK and Director of CPIC AMC. Previously, Mr. GU served as Director and General Manager of the Company, Chairman of Board of Supervisors and Director of CPIC Life, Chairman of Board of Supervisors of CPIC AMC, Director of CPIC Health, and Board Secretary, Chief Auditing Officer, Internal Auditing Responsible Person, Vice President and Finance Responsible Person, and Executive Vice President of CPIC Group.

Mr. ZENG Yi, born in June 1965, holds a bachelor's degree, and has been serving as General Manager of the Company since June 2022 (approval document: CBIRC [2022] No. 379). Previously, Mr. ZENG served as Deputy General Manager, Operation Director, Director of Auto Insurance Business of CPIC P/C, and General Manager of CPIC P/C Chongqing Branch.

Mr. ZHANG Yuhua, born in November 1967, holds a master's degree. He has been serving as Deputy General Manager of the Company since April 2021 (approval document: CBIRC [2021] No. 226). Mr. ZHANG currently also serves as Director of the Company. Previously, he served as Deputy General Manager of CPIC P/C Shenzhen

Branch, General Manager of CPIC P/C Sichuan Branch, Secretary of Discipline Inspection Commission of CPIC P/C, and Deputy Party Secretary of CPIC P/C. Prior to that, Mr. ZHANG served as the Deputy Director of the Secretary and Administration Department of the Hong Kong and Macao Affairs Office of the State Council, Member of the Standing Committee of the Heze Municipal Party Committee, Deputy Mayor of Heze Municipal Government, Deputy Secretary of Party Committee of Heze Municipal Government, and Party Secretary of the State-owned Assets Supervision and Administration Commission of Heze.

Mr. SONG Jianguo, born in December 1966, holds a master's degree. He has been serving as Deputy General Manager of the Company since August 2012 (approval document: CIRC P/C Insurance [2011] No. 380). Mr. SONG also serves as Chairman of China Pacific Anxin Agricultural. Previously he served as General Manager of CPIC P/C Hainan Branch, General Manager of Property and Liability Insurance Department of CPIC P/C, General Manager of CPIC P/C Shandong Branch, and Sales Director of CPIC P/C.

Mr. ZHANG Dong, born in October 1963, holds a master's degree. He has been serving as Deputy General Manager and Compliance Responsible Person (approval documents: CIRC [2014] No. 750 and CIRC [2014] No. 753 respectively), and Chief Risk Officer of the Company since September 2014. Previously, Mr. ZHANG served as Head of Sales and General Manager of Group Business Department of CPIC Life, General Manager of CPIC Life Hunan Branch, General Manager of CPIC Life Jiangsu Branch, Secretary of Discipline Inspection Commission, Supervisor and Chairman of Trade Union of CPIC AMC.

Mr. XI Yulin, born in November 1962, received university education, and has been serving as Deputy General Manager of the Company since May 2021 (approval document: CIRC [2015] No. 543 (qualification for Assistant General Manager)). He has also been serving as Executive Director and General Manager of CPIC Online since August 2017. Previously, Mr. XI served as General Manager of CPIC P/C Suzhou Branch, and Assistant General Manager (auto insurance) of CPIC P/C.

Mr. CHEN Sen, born in October 1970, holds a master's degree and has been serving as Deputy General Manager of the Company (approval document: CBIRC [2021] No. 497) since August 2021. He has been serving as Chief Actuary of the Company since

October 2015 (approval document: CIRC [2015] No. 949), and Finance Responsible Person of the Company since June 2017 (approval document: CIRC [2017] No. 520). Currently, Mr. CHEN also serves as Director of China Pacific Anxin Agricultural and CPIC HK. Previously, he served as Deputy General Manager, Finance Responsible Person and Chief Actuary of China Property & Casualty Reinsurance Company Limited. Prior to that, Mr. CHEN worked at the New York Headquarters of Guy Carpenter & Company, and the North American Headquarters of Swiss Re.

Mr. ZHANG Yu, born in April 1965, received university education. He has been serving as Deputy General Manager of the Company since May 2021 (approval document: CBIRC Shanghai [2019] No. 826 (qualification for Assistant General Manager)). Previously, he served as Deputy General Manager of CPIC Suzhou Branch, Deputy General Manager, and General Manager of CPIC P/C Suzhou Central Sub-branch, Deputy General Manager of CPIC P/C Shanghai Branch, General Manager of CPIC P/C Ningbo Branch, General Manager of CPIC P/C Shanghai Branch, and Assistant General Manager (non-auto insurance) of CPIC P/C.

Mr. SU Zhanwei, born in June 1966, holds a master's degree and has been serving as Deputy General Manager of the Company since June 2022 (approval document: CBIRC Shanghai [2019] No. 841) . Prior to that, Mr. SU served as Assistant General Manager, Deputy General Manager, and General Manager of CPIC P/C Henan Branch, Head of General Office, Board Office and Supervisory Board Office of CPIC P/C, General Manager of Corporate Customer Department/Bancassurance Department, and Assistant General Manager of CPIC P/C.

Mr. LI Chao, born in March 1981, holds a master's degree, and has been serving as Assistant General Manager of the Company since August 2021 (approval document: CBIRC [2021] No. 496). Prior to this, Mr. LI served as Deputy General Manager of CPIC P/C Tianjin Branch, Deputy General Manager (in charge) and General Manager of CPIC P/C's Small and Medium-sized Customer Business Department, General Manager of CPIC P/C's Corporate Customer Department/Bancassurance Department, and General Manager of CPIC P/C Heilongjiang Branch.

Ms. TAO Lei, born in September 1977, holds a master's degree. She has been serving as Assistant General Manager (approval document: CBIRC [2021] No. 624) and Board Secretary (approval document: CBIRC [2021] No. 623) of the Company since August

2021. Ms. TAO currently also serves as General Manager of Development and Planning Department, Head of Board Office, and Head of Supervisory Board Office of the Company. Previously, she served as Assistant General Manager, Deputy General Manager of Tele-marketing Department of CPIC P/C, Deputy General Manager (in charge) of Project Management Department of CPIC Online, General Manager of Marketing Department of CPIC Online, General Manager of Shanghai Sub-center of Tele-marketing Center of CPIC P/C, and Deputy General Manager of Tele-marketing Center of CPIC P/C, Head of Transformation Matters, Head of Office for Deepening Transformation of the Company.

Mr. Wu Bo, born in June 1970, holds a doctorate degree, and he has been serving as Assistant General Manager of the Company since August 2021 (approval document: CBIRC [2021] No. 591). Mr. WU also serves as Director of the Company's Beijing-Tianjin-Hebei Regional Coordinated Development and General Manager of CPIC P/C Beijing Branch. Mr. WU previously served as Assistant General Manager, Deputy General Manager and General Manager of CPIC P/C Shandong Branch.

Mr. YU Baoyu, born in May 1965, holds a master's degree. He has been serving as Assistant General Manager of the Company (approval document: CBIRC [2022] No. 23) since January 2022. Mr. Yu also serves as the Company's Director for Coordinated Development of Guangdong-Hong Kong-Macao region, and General Manager of the Guangdong Branch of the Company. Previously, Mr. Yu served as Deputy General Manager of CPIC P/C Henan Branch, General Manager of Gansu Branch and Hubei Branch respectively.

Mr. XU Zhichun, born in October 1962, holds a master's degree. He has been serving as Internal Auditing Responsible Person of the Company (approval document: CBIRC Shanghai [2019] No. 956) since November 2019. Previously, Mr. XU served as Deputy General Manager and General Manager of CPIC P/C Wuxi Branch, General Manager of Claims Department and Auto Insurance Claims Department of CPIC P/C respectively, General Manager of CPIC P/C Guangdong Branch, General Manager of Operations Center of CPIC P/C, and General Manager of Shanghai Sub-Center of Operations Center of CPIC P/C.

## 2. Changes to directors, supervisors and senior management of head-office

Are there changes to the directors, supervisors and senior management during

the reporting period? (Yes  No )

### (III) Subsidiaries, joint ventures or associates

Were there subsidiaries, joint ventures or associates as at the end of the reporting period? (Yes  No )

Name of companies	Number of shares (10,000)			Percentage of shareholding (%)		
	End of last quarter	End of this quarter	Change	End of last quarter	End of this quarter	Change (pt)
<b>Subsidiaries</b>						
China Pacific Anxin Agricultural Insurance Co., Ltd.	73,206	73,206	-	67.78%	67.78%	
<b>Joint ventures</b>						
Shanghai Juche Information Technology Co., Ltd.	148	148	-	25.20%	25.20%	-
Zhongdao Automobile Assistance Co., Ltd.	1,280	1,280	-	20.32%	20.32%	-
Shanghai Lexiang Sijin Technology Joint-stock Co., Ltd.	369	369	-	6.09%	6.09%	-
Shanghai Heji Business Management Partnerships ( LP)	20,000	20,000	-	99.00%	99.00%	
<b>Associates</b>						
CPIC Euler Hermes Credit Insurance Sales Co., Ltd	2,550	2,550	-	51.00%	51.00%	
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd.	1,071	1,071	-	35.70%	35.70%	-

### (IV) Breaches

1. Did the Company receive any administrative penalties from financial regulators during the reporting period? (Yes  No )

Between July 1 and September 30, CBIRC meted out 17 administrative penalties to branch offices of the Company, with 4.83mn yuan in fine for branches and 1.033mn yuan in fine for individuals, totalling 5.863mn yuan. Breaches mainly concerned booking of false expenses,

falsification of brokerage business for expense-booking, deviation from terms & clauses and insurance rates as filed with the regulator, and granting extra benefits to insured other than those specified in insurance contracts.

2. Did the directors, senior management receive administrative penalties from financial regulators during the reporting period?

(Yes  No )

3. Did misconduct or breaches of directors and senior management trigger judicial proceedings during the reporting period?

(Yes  No )

4. Did the Company receive any regulatory measures from the CBIRC during the reporting period?

(Yes  No )

### III. Key solvency and business metrics

#### (I) Key solvency metrics

Unit: RMB yuan 10,000

Items	As at the end of the reporting period	As at the end of the previous period	Estimates for next quarter under base scenario
Admitted assets	23,430,718	23,538,205	23,339,171
Admitted liabilities	17,633,913	17,826,691	17,898,655
Available capital	5,796,805	5,711,515	5,440,516
Tier 1 core capital	4,388,334	4,391,342	4,432,045
Tier 2 core capital	-	-	-
Tier 1 supplement capital	1,408,471	1,320,172	1,008,471
Tier 2 supplement capital	-	-	-
Minimum capital	2,612,495	2,536,038	2,688,466
Minimum capital for quantifiable risks	2,657,901	2,580,116	2,735,238
Minimum capital for control risk	-45,407	-44,078	-46,773
Supplement capital	-	-	-
Core solvency margin surplus	1,775,840	1,855,346	1,743,580
Core solvency margin ratio (%)	168.0%	173.2%	164.9%
Comprehensive solvency margin surplus	3,184,310	3,175,476	2,752,051
Comprehensive solvency margin ratio (%)	221.9%	225.2%	202.4%

#### (II) Liquidity risk indicators

##### 1. Regulatory indicators for liquidity risk

Items		As at the end of the reporting period	As at the end of the previous period	
Net cash flows (RMB 10,000)	YTD	90,367	164,179	
	Year 2021	288,396	288,396	
	Year 2020	-287,992	-287,992	
LCR (%)	LCR1	Next 3 months	111.8%	117.1%
		Next 12 months	103.2%	103.5%
	LCR2	Next 3 months	220.1%	218.6%
		Next 12 months	125.6%	121.9%



	LCR3	Next 3 months	96.3%	76.9%
		Next 12 months	90.7%	83.5%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the last 2 quarters		927.3%	119.8%
	Over the last quarter		365.3%	927.3%

## 2. Other indicators of liquidity risk

	Items	Q3 (YTD)	Q2 (YTD)
Liabilities	Net cash flow from business activities (RMB 10,000)	721,968	560,906
	Net cash flow from business activities per 100 yuan in premiums (RMB yuan)	5.5	6.2
	Ratio of cash outflow from business of special types (%)	2.5%	2.3%
	Gross premium growth year-on-year (%)	12.1%	11.7%
Assets	Ratio of cash and liquidity management instruments (%)	3.2%	3.4%
	Quarterly average financing gear (%)	2.4%	1.0%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.7%	0.1%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.00%	0.03%
	Ratio of fund receivables (%)	16.7%	17.1%
	Ratio of assets of related parties held (%)	3.1%	3.5%

Ratio of cash outflow from business of special types: Ratio of cash outflow from business of special types = (claim expenses of special-type business + incurred and reported claim reserves of special-type business) ÷ (overall claim expenses + overall incurred and reported claim reserves) × 100%. Business of special types includes financing guarantee insurance business and non-auto business that accounts for more than 5% of overall claim expenses. The latter refers to non-auto insurance business that incurs estimated or actual claim expenses exceeding 5% of overall non-auto claim expenses after reinsurance of the previous year which are caused by catastrophes or major claims.

Gross premium growth(yoy): year-on-year growth of written premium

Ratio of receivables (%): Ratio of receivables=(premium receivables + reinsurance receivables) ÷ total assets by the end of the reporting period × 100%. Premium receivables, reinsurance receivables and total assets are based on the book value as at the end of the reporting period.

Ratio of assets of related parties held: Ratio of assets of related parties held = total investment assets of related parties held ÷ total assets as at the end of the reporting period × 100%, excluding related-party transactions between the insurance company and the insurance group that it belongs to or between subsidiaries of the insurance group.

### (III) Key business metrics

Unit: RMB yuan 10,000

Indicators	As at the end of this quarter/during this quarter	As at the end of this quarter/YTD
Gross written premiums	4,088,733	13,245,811
Net profits	185,618	617,629
Total assets	23,538,436	23,538,436
Net assets	4,851,832	4,851,832
Insurance contract liabilities	14,152,156	14,152,156
Basic earnings per share	0.1	0.3
ROE (%)	3.9	12.7
ROA (%)	0.8	2.8
Investment yield (%)	1.4	4.0
Comprehensive investment yield (%)	0.4	2.1
Combined ratio (%)	98.5	97.3
Expense ratio (%)	27.7	27.3
Loss ratio (%)	70.8	70.1
Ratio of commission and brokerage expenses (%)	7.8	8.3
Ratio of operating and administrative expenses (%)	16.1	17.2
Written premiums	4,264,242	13,558,278
Written premiums of auto insurance	2,495,109	7,600,931
Written premiums of top 5 non-auto insurance business lines	1,405,755	4,920,151
Health insurance	275,418	1,303,594

Agricultural insurance	311,966	1,243,625
Liability insurance	406,924	1,215,262
Guarantee insurance	226,761	627,978
Commercial property insurance	184,687	529,692
Average vehicle premium of auto insurance (RMB yuan)	2,843	2,831
Written premiums by channels	4,264,242	13,558,278
Agency	2,719,636	8,185,179
Direct	1,022,772	3,872,452
Brokerage	521,833	1,500,647
Others	-	-

Note: All calculation of reserves was based on financial statements; ROE and ROA were calculated based on (net assets as at the beginning of the reporting period + net assets as at the end of the reporting period) / 2, and (total assets at the beginning of the reporting period + total assets at the end of the reporting period) / 2, respectively; the expense ratio, the loss ratio and combined ratio were based on earned premiums; comprehensive investment yield includes changes in fair value of AFS assets which is not included in calculation of investment yield.

#### **IV. Risk management capabilities**

##### **(I) Classification of insurance companies (risk management requirements)**

As per CBIRC rules on classification of insurance companies contained in Solvency Regulatory Standards No. 12: Solvency-aligned Risk Management Requirements and Assessment, the Company, established on 9 November 2001, is a Category I insurance company. In FY2021, its annual written premiums amounted to 157.775bn yuan; total assets stood at 207.698bn yuan; there are 37 provincial-level branch offices.

##### **(II) Results of last solvency risk management valuation**

In 2021, CBIRC conducted SARMRA assessment of the Company, which scored 83.94 points. Of this, infrastructure and environment of risk management was 82.19 points, targets and instruments of risk management was 82.35 points, insurance risk management was 86.4 points, market risk management was 81.68 points, credit risk management was 86 points, operational risk management was 84.44 points, strategic risk management was 86.12 points, reputation risk management was 84.53 points, liquidity risk management was 83.54 points.

##### **(III) Measures taken to improve risk management and status during the reporting period**

During the quarter, the Company mainly took the following measures to improve risk management, especially in mechanisms of prevention and early-stage intervention.

First, it improved the emergency response mechanism for major risks: Based on its risk management realities, new regulations of C-ROSS II, its SARMRA results for 2021, and requirements of CPIC Group, as well as its systematic capacity-building requirements, the Company made efforts to optimize its risk control strategy, revised and issued master plan for emergency response as well as sub-plans for events such as natural disasters, major public health crises, petitions and complaints by the public, major reputational incidents, cash flow payment crises, etc., and clarified the management requirements, organizational structure of emergency command, emergency response process, as well as requirements for the review and update of the plan and exercise norms;

Second, it further improved the regulations on the implementation of risk control for major risk categories: For example, for reputational risks management, we strengthened the risk management of information release, and for operational risks management, we improved regulations on litigation management, personal information protection and so on.

Third, it carried out in-depth risk management training: The Company gave guidance to its branches in implementing risk control requirements from C-ROSS II, including the interpretation of the regulatory rules, the system of corporate risk management, and the risk management requirements for branches.

#### **(IV) Status of SARMRA self-assessment**

Not applicable in this quarter.

## **V. Information on IRR (differentiated supervision)**

### **(I) Information on IRR (differentiated supervision)**

#### 1. The last two IRR results

Rated AA at the IRR for Q1 of 2022; AA for Q2 of 2022.

#### 2. Self-assessment results

The Company strictly abides by CBIRC rules, improves work mechanisms and operational processes of IRR (differentiated supervision), and files information as required and in a timely manner on a quarterly basis, while ensuring the truthfulness, compliance and completeness of the data.

In the reporting quarter, it submitted data for IRR under C-ROSS II. Given the vast simplification of metrics under C-ROSS II and the adjustment of classification of business lines concerning operational risk, it modified the filing procedure, focusing on functionalities at headquarters to improve efficiency. Going forward, the Company will keep in touch with the regulator and industry peers, continue to optimise data definitions and the evaluation process.

### **(II) Status of various risks of the Company**

#### 1. Operational risk

No major operational risk events occurred in the Company during this quarter. The Company actively followed regulatory requirements, strengthened compliance in business operation, and enhanced operational risk management and anti-money laundering effort. The overall operational risk and money laundering risk status were stable and under control. The main work includes:

First, we waged a campaign on accountability. We clarified specific objectives for accountability, and formed a closed-loop mechanism including risk screening, improving internal control, warning and education to crack down upon employee

frauds in areas such as claims management, expense control, premium funds, fixed assets, and information security.

Second, we stepped up risk control capacity building of our central sub-branches and sub-branches. In strict compliance with CPIC Group's Code of Conduct for Business Operation of Central Sub-branches (2022) and Code of Conduct for Business Operation of Sub-branches (2022), and focusing on three objectives, we issued a work plan to improve risk control capabilities of key sub-branches and formulated eight work measures to further improve the foundation and environment for risk control and compliance and enhance the risk prevention and control capacity of our sub-branches.

Third, we established a systematic and standardized insurance contract management mechanism. In order to eradicate malpractices in insurance contracts (forged seals, fake contracts, and abuse of official documents), we formulated a work plan for systematic and standardized insurance contract management, which focuses on three implementation modules: regulation and standards, system control, and process control. We also set up an internal coordination mechanism to fully mobilize every unit in fighting malpractices in insurance contracts.

Fourth, we completed an online whole-process anti-money laundering self-assessment for 2021 as per the "Guidance for Corporate Financial Institutions on Self-assessment of Money Laundering and Terrorist Financing Risks".

Fifth, we developed customer identity image inspection RPA Robots for anti-money-laundering purposes, which randomly checked customers' image materials every month. The whole process was done without manual participation, which improves the efficiency of anti-money-laundering supervision.

Sixth, we organized relevant anti-money laundering (AML) activities – "Team up to achieve progress together". As of the end of the third quarter, we completed a

total of 8 projects, and conducted various exchanges on AML, including training and quizzing on AML of new recruits, competition of analysis of leads in money laundering cases, etc., with remarkable results.

## 2. Strategic risk

There was no occurrence of risk incidents which may impact the execution of the strategic planning of the Company in this quarter. In the third quarter of this year, given the unexpected challenges such as the complicated international environment, resurgence of COVID-19 in many parts of the country, and extreme heat waves, under the leadership of the CPC Central Committee, all regions and government departments of the country struck a good balance between pandemic control and economic and social development, effectively implemented the country's economy-stabilizing and other policy measures, and the national economy kept recovering and developing.

While serving the national strategy and social governance, the Company accelerated innovation to boost development. We further enriched our products and services to adapt to the country's new development paradigm, providing specialized, differentiated and customized insurance products in key areas of national economy and people's livelihood, such as rural revitalization, smart transportation, health care, environmental protection, technological innovation, cyber security and social governance.

The Company strengthened the application of science and technology to improve service capacity and risk control. Through innovating and expanding the "insurance + technology + service" risk reduction service and integrating risk early warning management with smart claims settlement service, we improved the efficiency of our service and our capability for loss reduction. By upgrading and improving digital risk control, we provide customers with comprehensive services and advanced technologies of social governance and risk control. Through the

application of science and technology, we enhanced our risk management in areas such as risk identification, monitoring and early warning. We also proactively provide disaster prevention and loss reduction service to reduce risk-related losses at source.

### 3. Reputational risk

During the quarter, there were no severe reputational risk incidents. As per Interim Provisions on Reputational Risk Management by Banking and Insurance Institutions (CBIRC[2021]No.4), Regulations on Reputational Risk Management of China Pacific Insurance (Group) Co., Ltd. (CPIC[2021]No.57) and Implementation Rules on Reputational Risk Management of China Pacific Property Insurance Co. Ltd. (CPIC P/C [2022] 86), when conducting business and branding activities, the Company will further enhance risk screening and prevention, step up fast response and coordination after the risk emerges and intensify revisit and optimisation after the completion of risk-handling, accumulate the “asset” of reputation and focus on early-stage intervention of reputational risk. In brief, the risk during the reporting quarter was under control.

### 4. Liquidity risk

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from business, investment and financing activities, pays special attention to large cash outflows arising from major claims, makes funds available in a timely manner to ensure sufficient liquidity to meet needs of various payment obligations. In Q3, in anticipation of large pay-outs like quarterly pre-payment of income tax, reinsurance accounts settlement, and major claims payment, the Company made early preparations and made funds available. In September, it conducted drill of emergency response to 2022 cash flow crisis to ensure sufficient knowledge and grasp of relevant risk management requirements and procedures. Given the requirement for quarterly account closure, it set dedicated positions at headquarters to handle needs for liquidity of



branch offices in a timely manner. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

## **VI. Management analysis and discussions**

### **(I) Review of key operating results**

#### **1. Analysis of changes to IRR ratings**

The IRR result for the Company in Q2 2022 was AA, the same as that of the previous quarter. The overall risk profile of the Company remains stable, with solvency margin ratios stable and strong, business operation and net cash flows from business activities showing signs of improvement amid stability, strategic risk, reputational risk and operational risk all in the normal status, and there was no occurrence of major incidents.

#### **2. Analysis of solvency margin ratio movement**

As of the end of the reporting quarter, the comprehensive and core solvency margin ratios of the Company stood at 221.9% and 168.0% respectively, down by 3.3pt and 5.2pt respectively from the end of the previous quarter.

Of this, available capital rose by 850mn yuan from the previous quarter, mainly due to impact of net profits and other comprehensive income.

Minimum capital rose by 760mn yuan from the previous quarter. Of this, minimum capital for insurance risk increased by 520mn yuan, mainly due to an increase of 830mn yuan in minimum capital for premium reserve; minimum capital for market risk decreased by 80mn yuan, mainly as a result of a decrease of 590mn yuan in minimum capital for equity price risk in the context of market volatility and adjustment of asset allocation; minimum capital for credit risk rose by 630mn yuan, largely because of increased risk exposure to debt instruments and inward reinsurance assets, which led to an increase in minimum capital by 680mn yuan for counter-parties defaults.

The Company formulated Solvency Risk Upper Limits and monitoring indicators compatible with its risk profile and risk appetite, and its own realities, with tracking of the indicators on a regular basis. In the meantime, it continued to

ensure stable and sufficient solvency positions via enhanced business quality control, raised risk awareness and optimised asset and business mix, etc.

### 3. Changes to liquidity risk indicators analysis

#### (1)Liquidity coverage ratios (LCRs)

As per C-ROSS II standards on liquidity, the liquidity coverage ratios, i.e. LCR1 and LCR 2, in the next 3 months and 1 year under the base and stress scenarios were both above 100%, and LCR3 above 50%, all meeting regulatory requirements. The Company adopts a prudent approach towards cash flow projections from operating activities, with the retrospective adverse deviation ratio of net cash flows from operating activities in the past 2 quarters consistently higher than the regulatory minimum of -30%. In the reporting period, net cash flows of the Company amounted to 900mn yuan. Of this, net cash inflow from operating activities was 7.22bn yuan; net cash outflow from investment activities 7.41bn yuan; net cash inflow from financing activities 1.02bn yuan.

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from operating, investment and financing activities to ensure sufficient liquidity to meet needs of surrenders, claims and other benefits payments. The Company has allocated a certain proportion of highly liquid assets in its SAA to meet liquidity requirements, which enables it to meet short-term cash flow requirements arising from business volatility. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.