

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 Quarterly Solvency Report

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

**4th Quarter of 2018**

## CONTENTS

<b>I. BASIC INFORMATION .....</b>	<b>1</b>
<b>II. KEY INDICATORS.....</b>	<b>3</b>
<b>III. ACTUAL CAPITAL.....</b>	<b>3</b>
<b>IV. REQUIRED CAPITAL.....</b>	<b>3</b>
<b>V. COMPREHENSIVE RISK ASSESSMENT.....</b>	<b>4</b>
<b>VI. RISK MANAGEMENT STATUS .....</b>	<b>4</b>
<b>VII. LIQUIDITY RISK .....</b>	<b>4</b>
<b>VIII. REGULATORY MEASURES TAKEN AGAINST THE COMPANY .....</b>	<b>5</b>

## **I. Basic information**

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

South Tower, Bank of Communications Financial Building, 190 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC

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

XU Jinghui

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

#### 1. Business scope

Personal insurance denominated in RMB yuan and foreign currencies including life insurance, health insurance, accident insurance, etc.; reinsurance of the above said insurance; statutory life insurance; agency and business relationship 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 regulation; 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 de facto controller, holding 98.292% of the shares of the Company.

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

Company name	Number of shares held (10k shares)	Percentage of shareholding (%)
Fenghua Xikou Garden Hotel	1,413	51.80
Changjiang Pension Insurance Co., Ltd.	186,486	62.162
Tianjin Trophy	35,369	100
City Island Developments Limited	0.1	100
Pacific Insurance Elderly Care Investment Management Co., Ltd.	300,000	100
Shanghai Dabao Guisheng Information Technology Co.Ltd.	1,020	34
Pacific Health Care Management Co. Ltd.	10,000	100
Shanghai Rui Yong Jing Property Development Co. Ltd.	983,500	70
Pacific Insurance Endowment Industry Development(Chengdu)Co.LTD	40,000	100
Changjiang Pension-CHEMCHINA Infrastructure Debt Investment Schemes	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	2,000	89.49
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 Schemes, 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, Guolian'An Zengfu One-year Term Open-ended Bond Security Investment Fund, 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

Office number: 021-33965143

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	261%	255%
Core solvency margin (10K RMB)	18,412,865	17,054,798
Comprehensive solvency margin ratio	261%	255%
Comprehensive solvency margin (10K RMB)	18,412,865	17,054,798
Latest comprehensive risks ranking	A	A
Premium income (10K RMB)	2,541,847	4,595,919
Net profit (10K RMB)	378,822	370,220
Net assets (10K RMB)	6,921,018	6,432,425

## III. Actual Capital

Items	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	111,060,751	107,053,811
Admitted liabilities (10K RMB)	81,195,316	78,968,610
Actual capital (10K)	29,865,435	28,085,201
Tier 1 core capital (10K RMB)	29,865,435	28,085,201
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)	11,452,570	11,030,403
Required capital for quantitative risk (10K RMB)	11,628,746	11,200,084
1) Required capital for insurance risk (10K RMB)	3,681,343	3,544,432
2) Required capital for market risk (10K RMB)	11,915,918	11,431,746
3) Required capital for credit risk (10K RMB)	2,232,153	2,178,403
4) Diversification effect for quantitative risks (10K RMB)	3,030,333	2,933,365
5) Loss absorption effect for special-type insurance contracts (10K RMB)	3,170,335	3,021,132
Required capital for control risk (10K RMB)	(176,176)	(169,681)
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. Comprehensive Risk Assessment

The Company received an A rating for both Q3 and Q4 of 2018 at the regulator's Comprehensive Risk Assessment.

## VI. Risk Management Status

### (I) The latest regulatory solvency risk management assessment of the Company

The Company's SARMRA score for 2017 was 83.03 points. To be specific, we 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, the Company received no SAMRA assessment.

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

The Company has achieved initial success in establishing a comprehensive risk management system, improved relevant systems and processes, and set up an internal control system consisting of three lines of defense. Based on recommendations made by the regulator's inspection team in the past few years, and the status of its risk control, the Company formulated the following improvement measures: first, vigorous efforts in rectification of solvency risk management in a bid to put in place risk management systems specific to branch offices, with improvement in risk KPI systems, effectiveness of implementation and overall adherence by branch offices; second, based on the best practices of the industry, comprehensively enhancing the Company's risk management expertise and management capabilities, improving the risk appetite transmission mechanism and risk management systems, and integrating its risk appetite system into business decision-making.

## VII. Liquidity Risk

### (I) Liquidity risk management indicators

#### 1. Net cash flow

<u>Item</u>	<u>During/as at the end of this quarter</u>
Net cash flow (10K RMB)	8,324,582

#### 2. Comprehensive current ratio

<u>Item</u>	<u>Within 3 months</u>
-------------	------------------------

Comprehensive current ratio 380%

3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	1999%	1970%
-Company level		

**(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 or 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.
5. Closely monitor major events that might lead to liquidity risks, such as irregular concentration of surrenders, expected major maturity payments or survival benefit pay-outs, and assess their impact on liquidity in a timely manner.
6. Amended again The Liquidity Risk Contingency Plan in compliance with regulatory requirements. Conducted drills for emergency response in 2018 in the reporting quarter.

**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 Q4 2018.

**(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.