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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, 26 August 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. WANG Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. WU Junhao, Mr. LI Qiqiang, Mr. CHEN Xuanmin and Mr. HUANG Dinan; and the Independent Non-executive Directors of the Company are Mr. BAI Wei, Mr. LEE Ka Sze, Carmelo, Mr. CHEN Jizhong, Ms. LAM Tyng Yhi, Elizabeth and Mr. GAO Shanwen.*

\* *Note:* The appointment of Mr. LI Qiqiang is subject to approval by China Banking and Insurance Regulatory Commission.

# Summary of Quarterly Solvency Report

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

**2<sup>nd</sup> 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	171	175
Core solvency margin (10K RMB)	43,780.54	44,227.51
Comprehensive solvency margin ratio	171	175
Comprehensive solvency margin (10K RMB)	43,780.54	44,227.51
Latest IRR result	-	A
Premium income (10K RMB)	121,509.27	139,751.85
Net profit (10K RMB)	3,321.86	-5,772.94
Net assets (10K RMB)	113,581.87	111,448.57

## III. Actual capital

Items	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	554,215.93	463,899.07
Admitted liabilities (10K RMB)	448,625.58	360,378.35
Actual capital (10K RMB)	105,590.35	103,520.72
Tier 1 core capital (10K RMB)	105,590.35	103,520.72
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)	61,809.81	59,293.21
Required capital for quantitative risks (10K RMB)	61,490.07	58,986.48
1) Required capital for insurance risk (10K RMB)	56,516.39	54,698.27
2) Required capital for market risk (10K RMB)	7,383.71	7,564.61
3) Required capital for credit risk (10K RMB)	6,778.36	4,161.01
Required capital for control risk (10K RMB)	319.75	306.73
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 2019 and Q4 of 2018 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 SAMRA 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.**

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 focused on 3 tasks to improve its solvency risk management systems, namely, updating risk management regulations, formulating its Risk Appetite Framework and implementing risk management processes. First, the Board of Directors and Management Committee, in the light of the Company's Risk Appetite Statement for 2019, reviewed and approved the Company's Solvency Risk Management Policy and amendments to regulations regarding the management of insurance, market, credit, reputation, strategy, operation, and liquidity risks. The amendments were intended to form part of the risk management systems which can both satisfy C-ROSS requirements, increase corporate value growth and be aligned with the Group integrated risk control framework. To be specific, the amendments added management processes specific to

health insurance business. The processes also seek to meet Group overall risk management requirements and increase accountability of front-lines. As a result, the Company's risk management systems were further strengthened in its effectiveness, as well as compatibility with the Group integrated risk control framework and the Company's actual risk exposure. Second, within the Annual Risk Appetite Framework, the Company's Management Committee approved the Annual Risk Functional Limits, which were further enhanced and covered underwriting, investment, operation, health management service and strategic planning, with breakdown of limits and indicators for tracking and monitoring. This enabled an all-around monitoring and control of the Company's risk status. Third, as per regulatory rules on solvency risk management, the Company continued to implement management processes of the 7 risks, conducted day-to-day monitoring and control activities of these risks, issued alerts to high risk areas and drew up a number of risk management measures.

## 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)	56,203.09

#### 2. Comprehensive current ratio

Items	Within 3 months	Within one year	1-3 years	3-5 years	Above 5 years
Comprehensive current ratio	136	52	142	48,967	-

#### 3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio (%)	3,672	3,475

### (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.