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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, 31 October 2020

*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 of the Company are Ms. LIANG Hong, Ms. LU Qiaoling, Mr. John Robert DACEY, Mr. HUANG Dinan, Mr. WANG Tayu, Mr. WU Junhao, Mr. ZHOU Donghui and Mr. CHEN Ran; and the Independent Non-executive Directors of the Company are Ms. LAM Tyng Yih, Elizabeth, Ms. LIU Xiaodan, Mr. WOO Ka Biu, Jackson, Mr. CHEN Jizhong, and Mr. JIANG Xuping.*

\* *Note:* The appointment qualifications of Ms. LIANG Hong, Ms. LU Qiaoling, Mr. John Robert DACEY, Mr. ZHOU Donghui, Mr. CHEN Ran, Ms. LIU Xiaodan and Mr. WOO Ka Biu, Jackson are subject to approval by China Banking and Insurance Regulatory Commission.

# Summary of Quarterly Solvency Report

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

**3<sup>rd</sup> Quarter of 2020**

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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: +86-21-33963458

## 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	129%	124%
Core solvency margin (10K RMB)	26,558.44	22,283.26
Comprehensive solvency margin ratio	129%	124%
Comprehensive solvency margin (10K RMB)	26,558.44	22,283.26
Latest IRR result	-	A
Premium income (10K RMB)	147,919.54	346,754.82
Net profit (10K RMB)	4,923.92	-755.76
Net assets (10K RMB)	128,346.16	123,393.52

## III. Actual capital

Items	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	995,304.22	988,915.90
Admitted liabilities (10K RMB)	876,133.18	874,738.13
Actual capital (10K RMB)	119,171.05	114,177.77
Tier 1 core capital (10K RMB)	119,171.05	114,177.77
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)	92,612.61	91,894.51
Required capital for quantitative risks (10K RMB)	92,133.51	91,419.13

1) Required capital for insurance risk (10K RMB)	80,350.11	80,576.89
2) Required capital for market risk (10K RMB)	19,288.75	18,151.37
3) Required capital for credit risk (10K RMB)	10,161.37	9,176.53
Required capital for control risk (10K RMB)	479.09	475.38
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)	-	-

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## V. Integrated risk rating (IRR)

The Company received an A rating for both Q1 and Q2 of 2020 at the IRR.

## VI. Risk management status

### (I). The latest CBIRC Solvency Aligned Risk Management Requirements and Assessment (SARMRA) 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 2020 SARMRA 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.

During the reporting period, the Company, as per regulatory requirements such as Insurance Company Solvency Regulatory Standards No. 11: Solvency Aligned Risk Management Requirements and Assessment, and based on its own risk profiles and risk status, continued to improve the solvency risk management systems. In soundness of regulations, it initiated the 5<sup>th</sup> updating of the solvency risk management system,

further optimised the definition of responsibilities and management processes of risk management rules based on adjustment of Group risk management policies, 2019 Internal Audit Report on Effectiveness of Solvency Risk Management Systems and result of its SARMRA self-assessment. In adherence effectiveness, it pushed for implementation of the 7 categories of risk management processes, conducted daily monitoring of 7 major risks. The board of directors reviewed the 2020 Interim Risk Management Report, and the management took remedial actions regarding the breach of certain Risk Upper Limits.

In Q3, the Company conducted effective risk management activity, continued to improve risk management systems and processes and ensured effective control of risks.

## 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)	-106,476.63

#### 2. Comprehensive current ratio

Items	Within 3 months	Within 1 year	1-3 years	3-5 years	Above 5 years
Comprehensive current ratio (%)	108	73	269	39,875	-

#### 3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio (%)	3,053	2,950

### (II) Liquidity risk analysis and countermeasures

Indicators of the Company's liquidity risk, such as the net cash flow in the foreseeable future, the comprehensive current ratio of various durations, and the liquidity coverage ratio under stress scenarios, are all in normal range. Therefore, its liquidity is enough to meet short-term cash flow requirements arising from business volatility.

To mitigate liquidity risk, the Company strictly abides by regulatory requirements on solvency cash flow projections while considering impact of business development and changes of market environment, enhances daily cash flow management, coordinates cash flows from business, investment and financing activities and evaluates the effectiveness of liquidity risk management systems and policies on a regular basis.

#### **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 during the reporting period.

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

None.