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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, 28 August 2023

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, Ms. LO Yuen Man, Elaine, and Mr. JIANG Xuping.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Property Insurance Co., Ltd.

2nd Quarter of 2023

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:	19.948bn yuan
Business license number:	000014
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 CIRC.
Business territories:	The People's Republic of China (excluding Hong Kong, Macao and Taiwan)
Contact person:	WANG Yucheng
Office Tel. number:	021-33962680
Cell phone:	13917427405
Email:	wangyucheng-003@cpic.com.cn

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I. Board and management statement

The report has been approved by the board of directors. The board and 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.

1. Voting results by directors

Name of directors	For	Against	Abstain
SU Shaojun	✓		
WU Junhao	✓		
ZHANG Weidong	✓		
ZHANG Yuanhan	✓		
YU Bin	✓		
GU Yue	✓		
ZENG Yi	✓		
Total	7		

2. Are there directors who can not warrant that the contents of this report are true, accurate and complete and have fully complied with applicable laws and regulations, or harbour any doubts in this regard? (yes no)

II. Basic information

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

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

Types of shareholders	Beginning of reporting period			Change			End of reporting period	
	Shares	Percentage (%)	Shareholder injection	Transfer from capital reserve and	Share transfer	Subtotal	Shares	Percentage (%)

				share dividends distribution				
State	29,895	1.5	-	-	-	-	29,895	1.5
Private legal person	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Natural person	-	-	-	-	-	-	-	-
Others (listed company)	1,964,914	98.5	-	-	-	-	1,964,914	98.5
Total	1,994,809	100	-	-	-	-	1,994,809	100

2. De facto controller

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

3. Shareholding information (by descending order of shareholding percentage as of 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)	---	19,649,137,578	98.50	None
Shenergy Group Co., Ltd.	State-owned	---	93,106,180	0.47	None
Shanghai Haiyan Investment Management Company Limited	State-owned	---	92,846,189	0.46	None
Yunnan Hehe (Group) Co., Ltd.	State-owned	---	61,049,510	0.31	None
Shanghai State-owned Assets Operation Co., Ltd.	State-owned	---	51,948,193	0.26	None
Total	---	---	19,948,087,650	100	---
Related-party relations among	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				

shareholders aware of any related-party relations between its shareholders.

4. Shareholding by directors, supervisors and senior management

Was there 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 the 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 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 the Board Office of Supervisors of CPIC P/C, General Manager of Tele-marketing Centre of CPIC P/C, Head of Strategy Research Center and Deputy Director of Transformation 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 Non-executive Director of CPIC Group, Director of CPIC Life, and General Manager of Financial Management Department of Shenergy (Group) Co., Ltd. He is also Director of Shanghai ICY New Energy Venture Capital Co., Ltd., Supervisor of Orient Securities Co., Ltd., a company listed on both SSE and SEHK, Supervisor of Everbright Banking Co., Ltd., a company listed on both SSE and SEHK, Chairman of Board of Supervisors of Shanghai ICY Capital Co. Ltd., and Chairman of

Board of Supervisors of Shanghai Shenergy Chengyi Equity Investment Co. Ltd. Previously, Mr. WU served as Teaching and Research Director of Department of Management of Changzhou University, Executive Deputy Manager of Shanghai New Resources Investment Consulting Company, Deputy General Manager of Shanghai Bailitong Investment Management Co., Ltd., Deputy Supervisor of Shanghai Shenergy Asset Management Co., Ltd., Deputy Supervisor, Supervisor, and Senior Supervisor of Asset Management Department of Shenergy (Group) Co., Ltd., Deputy Manager and Manager of Financial Management Department of Shenergy (Group) Co., Ltd., Director of Shanghai Jiulian Group Co., Ltd., and Director of Chengdu Xinshen Venture Capital Co., Ltd. Mr. WU also formerly served as supervisor of Shanghai Pharmaceuticals Holding Co., Ltd., a company listed on SSE and SEHK, and Director of Orient Securities Company Limited.

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 General Manager of Legal and Compliance Department, Head of Board Office of CPIC Group, Board Secretary of the Company, and Board Secretary of CPIC Life and CPIC AMC respectively, Risk & Compliance Director, General Manager of Risk Management Department and Chief Risk Officer of CPIC Group.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree and is a director of China Association of Actuaries, a member of the Society of Actuaries and American Academy of Actuaries. 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, 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., Director of Sun Life Everbright Asset Management Co., Ltd., Director of CPIC AMC and Chief Actuary of CPIC Health.

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 & Research 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). Previously, Mr. GU served as General Manager of CPIC Suzhou Branch and Nanjing Branch, Board Secretary and General Manager of Human Resources Department, Internal Audit Director, Internal Audit Responsible Person, Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group, Chairman of Board of Supervisors and Director of CPIC Life, Chairman of Board of Supervisors of CPIC AMC, Director of CPIC HK, Director of CPIC Health, and General Manager of the Company. Prior to that, Mr. GU worked at the Shanghai Municipal Bureau of Statistics.

Mr. ZENG Yi, born in June 1965, holds a bachelor's degree, and has been serving as Executive Director of the Company since June 2023 (approval document: CIRC [2023] No. 76). He currently serves as General Manager of the Company. Previously, Mr. ZENG served as Deputy Section Chief, Section Chief of Administration of Domestic Business Department, Head of Research and Development Department, Deputy Manager of Domestic Business Department and Research and Development Department, Deputy Manager of General Administration for P/C Insurance Department, Deputy Manager of General Administration for P/C Insurance Department & Jiangbei Sub-branch, Manager of P/C Insurance Business Development Department, Manager of P/C Insurance Business Centre of Chongqing Branch, Manager of P/C Insurance Business Centre & head of Supervisory Department,

Assistant General Manager, Deputy General Manager and General Manager of Chongqing Branch of the Company, Director of Auto Insurance Business, Chief Operating Officer and Deputy General Manager of CPIC P/C. Previously, he worked at PICC Chongqing Branch.

(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, 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.

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 General Manager of Audit Department (East China) of Audit Center of CPIC Group, and Supervisor of Pacific Insurance Elderly Care Investment Management Co., Ltd.. Previously, he served as Head of Secretariat 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 Audit Department (North China) of Audit Center of CPIC Group, Deputy Chief of Party Discipline Inspection Team of CPIC Group, and Internal Audit Responsible Person of CPIC AMC.

Ms. RUAN Yuhong, born in April 1970, holds a bachelor's degree, with designation of Account, CPA. She has been serving as Employee Supervisor of the Company since January 2023 (approval document: CBIRC [2023] No. 20). Ms. RUAN currently serves as General Manager of Finance/ Asset Management Department of the Company. She

previously served as General Manager of Auditing Department, General Manager of Finance Department, Deputy General Manager, and Chairman of Workers' Union of Ningbo Branch of the Company.

(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). Previously, Mr. GU served as General Manager of CPIC Suzhou Branch and Nanjing Branch, Board Secretary and General Manager of Human Resources Department, Internal Audit Director, Internal Audit Responsible Person, Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group, Chairman of Board of Supervisors and Director of CPIC Life, Chairman of Board of Supervisors of CPIC AMC, Director of CPIC HK, Director of CPIC Health, and General Manager of the Company. Prior to that, Mr. GU worked at the Shanghai Municipal Bureau of Statistics.

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). He currently serves as Director of the Company. Previously, Mr. ZENG served as Deputy Section Chief, Section Chief of Administration of Domestic Business Department, Head of Research and Development Department, Deputy Manager of Domestic Business Department and Research and Development Department, Deputy Manager of General Administration for P/C Insurance Department, Deputy Manager of General Administration for P/C Insurance Department & Jiangbei Sub-branch, Manager of P/C Insurance Business Development Department, Manager of P/C Insurance Business Centre of Chongqing Branch, Manager of P/C Insurance Business Centre & head of Supervisory Department, Assistant General Manager, Deputy General Manager and General Manager of Chongqing Branch of the Company, Director of Auto Insurance Business, Chief Operating Officer and Deputy General Manager of CPIC P/C. Previously, he worked at PICC Chongqing Branch.

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). Previously he served as Head of Operations Section of Overseas Business Department, Deputy Manager and Manager

of Overseas Business Department, and Assistant General Manager of CPIC Hainan Branch, Deputy General Manager, General Manager of the Company's Hainan Branch, General Manager of the Company's Property and Liability Insurance Department, General Manager of the Company's Shandong Branch, Head of Sales (Channel Building and Cooperation), and Deputy General Manager (agricultural insurance) of the Company. Prior to that, Mr. SONG worked at the Hainan Branch of the Bank of Communications.

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 Manager of CPIC Ganyu Sub-branch, Deputy General Manager and General Manager of CPIC Lainyungang Central Sub-branch, Assistant General Manager of CPIC Life Nanjing Branch, Deputy General Manager of CPIC Life Jiangsu Branch, General Manager of CPIC Life Hunan Branch, General Manager of CPIC Life Jiangsu Branch, Head of Sales of CPIC Life, Secretary of Discipline Inspection Commission, Employees' Representative Supervisor, and Chairman of Trade Union of CPIC AMC, and Deputy General Manager (comprehensive management) of the Company. Prior to that, Mr. ZHANG worked at the General Supply and Marketing Cooperative of Yugan County of Jiangsu Province.

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 CPIC 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 of CPIC P/C and Head of Board Office /Office of the Board of Supervisors, 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.

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 Head for Coordinated Development of Guangdong-Hong Kong-Macao, and General Manager of the Guangdong Branch of the Company. Previously, Mr. Yu served as Deputy General Manager of CPIC P/C Henan Branch, and General Manager of CPIC P/C Gansu Branch and Hubei Branch.

Mr. CHEN Yingjie, born in November 1967, holds a master's degree. He has been serving as Internal Audit Responsible Person of the Company since May 2023 (approval document: CBIRC [2023] No. 277). Previously he served as Member of Party Committee and Deputy General Manager of CPIC P/C Liaoning Branch, Secretary of Party Committee and General Manager of CPIC P/C Heilongjiang Branch, and Secretary of Party Committee and General Manager of CPIC P/C Sichuan Branch.

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)

Position	Predecessor	Incumbent
Director	ZHANG Yuhua	ZENG Yi
Deputy General Manager	ZHANG Yuhua	--
Internal Audit Responsible Person	ZHOU Xiaonan (acting)	CHEN Yingjie

(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	End of	Change	End of	End of this	Change (pt)

	last quarter	this quarter		last quarter	quarter	
Subsidiaries						
China Pacific Anxin Agricultural Insurance Co., Ltd.	73,206	73,206	-	67.78%	67.78%	-
Joint ventures						
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%	-
Associates						
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 April 1 and June 30 2023, CBIRC issued 11 administrative penalties to branch offices of the Company, with 1.33mn yuan in fines for branches and 485,000 yuan in fines for individuals, totalling 1.815mn yuan. Breaches mainly concerned falsification of brokerage business for expense-booking, failure to strictly implement insurance terms & clauses or rates filed with the regulator, granting extra benefits to the insured other than those specified in insurance contracts, loss of business permits, refusal to write compulsory commercial auto insurance, breach of limits on term of acting responsible person, and change of business sites without permission.

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 this quarter	As at the end of the previous quarter	Estimates for next quarter under base scenario
Admitted assets	26,040,835	25,747,483	25,891,883
Admitted liabilities	19,924,918	19,388,285	19,729,695
Available capital	6,115,917	6,359,198	6,162,188
Tier 1 core capital	4,533,101	4,712,642	4,679,372
Tier 2 core capital	-	-	-
Tier 1 supplement capital	1,582,816	1,646,556	1,482,816
Tier 2 supplement capital	-	-	-
Minimum capital	3,095,181	2,979,334	3,107,474
Minimum capital for quantifiable risks	3,146,692	3,028,917	3,159,189
Minimum capital for control risk	-51,511	-49,583	-51,716
Supplement capital	-	-	-
Core solvency margin	1,437,920	1,733,308	1,571,898
Core solvency margin ratio (%)	146.5%	158.2%	150.6%
Comprehensive solvency margin	3,020,736	3,379,864	3,054,714
Comprehensive solvency margin ratio (%)	197.6%	213.4%	198.3%

(II) Liquidity risk indicators

1. Regulatory indicators for liquidity risk

Items		This quarter	Previous quarter	
Net cash flows (RMB 10,000)	YTD	581,124	618,837	
	Year 2022	-326,022	-326,022	
	Year 2021	288,396	288,396	
LCR (%)	LCR1	Next 3 months	100.9%	114.3%

	LCR2	Next 12 months	104.1%	103.6%
		Next 3 months	235.1%	255.5%
	LCR3	Next 12 months	140.7%	142.1%
		Next 3 months	81.8%	116.7%
		Next 12 months	96.0%	105.3%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the last 2 quarters		140.4%	31.0%
	Over the last quarter		-36.2%	140.4%

2. Other indicators of liquidity risk

	Items	This quarter (YTD)	Previous quarter (YTD)
Liabilities	Net cash flow from operating activities (RMB 10,000)	74,798	39,614
	Net cash flow from operating activities per 100 yuan in premiums (RMB yuan)	0.7	0.7
	Ratio of cash outflow from business of special types (%)	3.1%	2.7%
	Written premiums year-on-year (%)	14.2%	16.5%
Assets	Ratio of cash and liquidity management instruments (%)	3.5%	3.7%
	Quarterly average financing gear (%)	2.2%	2.3%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.3%	0.4%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.0%	0.0%
	Ratio of fund receivables (%)	17.7%	17.0%
	Ratio of assets of related parties held (%)	1.6%	1.5%

Ratio of cash outflow from business of special types: Ratio of cash outflow from business of special types = (Claim expenses of special-type business + Claim reserves of special-type business) ÷ (Overall claim expenses + Overall 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, due to catastrophes or major claims, estimated or actual claim expenses after insurance exceeding 5% of overall non-auto claim expenses of the previous year.

Written premiums growth(yoy): year-on-year growth of written premiums

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 refer to their respective 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	4,702,199	10,477,368
Net profits	204,018	404,058
Total assets	21,290,205	21,290,205
Net assets	5,236,358	5,236,358
Insurance contract liabilities	12,123,568	12,123,568
Basic earnings per share (RMB yuan)	0.1	0.2
ROE (%)	3.8	7.7
ROA (%)	1.0	2.0
Investment yield (%)	1.0	1.8
Comprehensive investment yield (%)	1.3	2.7
Combined ratio (%)	97.7	97.8
Expense ratio (%)	28.1	28.0
Loss ratio (%)	69.6	69.8
Proportion of commission and brokerage expenses (%)	8.4%	8.1%
Proportion of operating and administrative expenses (%)	19.0%	16.3%
Written premiums	4,890,764	10,613,411
	2,636,044	5,381,069

Written premiums of auto insurance

Written premiums of top 5 non-auto insurance business lines	1,848,625	4,377,278
Health insurance	308,435	1,312,724
Agricultural insurance	725,285	1,245,447
Liability insurance	495,464	1,095,739
Guarantee insurance	158,440	362,221
Commercial property insurance	161,001	361,147
Average premium of auto insurance per vehicle (RMB yuan)	2,925	2,824
Written premiums by channels	4,890,764	10,613,411
Agency	2,824,374	5,861,574
Direct	1,448,997	3,460,727
Brokerage	617,393	1,291,110
Others	-	-

Note: 1. All calculation of reserves was based on financial statements; 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.

2. Net profits, total assets, net assets, and insurance contract liabilities listed above were based on Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments revised and promulgated by the Ministry of Finance in 2017, and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts revised and promulgated by the Ministry of Finance in 2020; basic earnings per share, ROE and ROA were calculated in accordance with the formula prescribed by Article 24 of Solvency Regulatory Standards of Insurance Companies No. 18 - Solvency Report, based on results of afore-mentioned indicators.

IV. Risk management capabilities

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

As per 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 2022, its annual written premiums amounted to RMB

175.677bn yuan; total assets stood at RMB 232.667bn yuan; there are 37 provincial-level branch offices.

(II) Measures taken to improve risk management and status during the reporting period

In Q2 this year, the Company held the 2023 Risk & Compliance Discipline Inspection Work Conference, requiring all its employees to be guided by the spirit of the 20th CPC National Congress and Xi Jinping's thoughts of socialism with Chinese characteristics in the new era. We strove to further promote risk & compliance discipline inspection work guided by the three-year Party building plan and the three-year sustainable development plan so as to better support high-quality sustainable development. During the quarter, the following was done for risk management:

First, we formulated a plan to build a risk reduction service system. Being customer-centred, the Company, leveraging risk engineering and external expertise, established a professional system of risk reduction service covering working SOPs, technical standards, professional teams and platform tools, and actively assisted our corporate customers in risk assessment, education and training, screening of potential hazard, emergency response drills, risk monitoring and early warning, and so on. To optimise resources allocation related to risk reduction, guide all our business lines and branches to improve risk reduction, further enrich "CPIC Services", and better serve China's social and economic development, we created an overarching design for our risk reduction system in the new era and made specific plans for the development of our risk reduction service system based on the Guidelines on Risk Reduction Services;

Second, we further improved our risk management processes and rules. To serve its strategy and risk management, the Company issued the 2023 Risk Appetite System within the framework of CPIC Group's risk appetite system, taking into consideration its own realities and development plans; to strengthen internal control of our foreign exchange business, standardise the accounting of foreign exchange business, and avoid and guard against the risks associated with our foreign exchange business, we revised the Regulations on the Management of Foreign Exchange Insurance Business; and to adapt to new regulatory requirements and further standardise its information disclosure, the Company amended its Rules on Information Disclosure Management;

Third, the Company carried out various assessments and self-inspections. We carried out quarterly and annual review of potential reputational risks to further improve the pro-activeness, foresight and effectiveness of reputational risk management; organised special investigations in areas such as personal information protection, anti-fraud, contract and agreement, credit and liquidity risks, etc., to strengthen risk control; and organised the 2023 Risk and Control Self-Assessment to strengthen the foundation of internal control;

Fourth, we organised the third Risk & Compliance Month and Clean Financial Culture themed activities as well as the 2023 Data Security Season themed activities. The Risk & Compliance Month activities helped to promote company-wide consensus on risk & compliance management and its compliance capacity building. They strengthened employees' awareness of compliance and integrity, and improved the Company's risk control capability and efforts to become a pioneer and leader in risk control, thus creating an environment of proactive compliance, effective risk control and clean practices, and contributing to new breakthroughs in the systematic capacity building of the Company. To strengthen data security management, enhance data security, and prevent all kinds of data security risks, the Company organised Data Security Season activities to further improve awareness of data security at all levels of the organisation and clarify the responsibility for data security.

(III) Results of last solvency risk management valuation

In 2021, the regulator 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.

(IV) Status of SARMRA self-assessment

Not applicable.

V. Information on IRR (differentiated supervision)

(I) Information on IRR (differentiated supervision)

The Company was rated AA at the IRR for both Q4 of 2022 and Q1 of 2023.

The Company strictly abides by rules of the former CBIRC, 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 purchased the IRR System Phase II from Pulian Software Co. Ltd. and continuously improved its functions, which helped with the data quality and efficiency of regulatory filing.

We have briefed the board on the content of Q1 regulatory communication, and plan to organise further analysis of rectification by relevant departments as per alerts by the regulator.

(II) Status of various risks of the Company

1. Operational risk

In the quarter, the Company strengthened compliance management as per relevant regulatory requirements, and made solid progress in management of operational risks and money-laundering related risks, with all of them well under control. The following was done in operational risk management:

First, we continued to embed risk controls into relevant business management systems. Leveraging progress made in integrated risk control under Transformation 2.0 and in light of the newly discovered issues from external assessment and internal auditing, we analysed relevant risk data, and the status quo and gaps in our system control in key areas, formulated business line-specific plans to optimise operational risk control, so as to embed important control rules into the relevant front-line business management systems.

Second, we upgraded “look-through” monitoring. Focusing on improving three key capabilities of system connection, data mining and process embedding, we formulated three Sky-Eye platforms, namely, “integrated planning of risk dashboard, optimisation of risk-probing function, and closed-loop management of comprehensive self-review and risk prevention”.

Third, we made efforts to further cultivate awareness for compliance management. We carried out the third Risk & Compliance Month and Clean Financial Culture activities, under the theme “Stimulating new energy of risk control to underpin development”, to further promote the Company's risk & compliance capacity building in a practical manner.

Fourth, we adopted standardised control over insurance contracts by actively promoting relevant projects for standardised and systematic control over insurance agreements.

Fifth, in accordance with the Circular on Anti-Money Laundering in Shanghai in 2023 issued by the Shanghai Branch of the People's Bank of China, we made plans and arrangements for anti-money laundering work for 2023 and issued risk alerts on strengthening capacity building for anti-money laundering, requesting organisations at all levels to get a clear understanding of the serious regulatory environment at home and abroad on anti-money laundering.

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. The main work done in this quarter includes:

First, the Company put forward the annual plan and implementation measures based on its overall development plan, and formulated the 2023 Business Development Plan, which was submitted to the board of directors for

consideration in May. Quarterly assessment of the plan was conducted to ensure its implementation;

Second, assessed the implementation of 2022 Development Plan, based on execution status of the overall plan, which was approved by senior management of the Company and relevant board committees in the first quarter and then by the Board of Directors in April;

Third, the Company strengthened the management of strategic risks in terms of talent management, business management, investment management and overseas operation management, and regularly collected and analysed relevant information and strengthened the monitoring of strategic risks through multi-dimensional indicators such as premium growth rate, combined ratio, solvency margin ratio, IRR rating and corporate governance evaluation;

Fourth, the Company assessed the overall situation of strategic risk management in a timely, all-round and objective manner, and summarised the assessment and management of strategic risks and incorporated them into its overall risk management and assessment report to senior management.

At the next stage, the Company will continue to pay close attention to the external economic environment and relevant policy developments, and adjust its strategic planning when appropriate accordingly while taking into account its own development needs, so as to ensure that its business activities will stay on course within the framework of the plan and towards its objectives.

3. Reputational risk

During the quarter, there were no severe reputational risk incidents, with the risk overall under control. 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 strengthen early-stage intervention and closed-loop management of reputational risk. In the quarter, the Company promoted the company-wide 2023 annual series of emergency response drills for reputation risks by relevant business lines. Next, building on those drills, it will improve whole process management, make regular recommendations, and continue to improve the emergency management and coordination capabilities for handling of reputation incidents.

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 reinsurance bills and taxes, makes funds available in a timely manner to ensure sufficient liquidity to meet needs of various payment obligations. In Q2, in anticipation of large pay-outs like prepayment of contribution into the Mandatory Insurance Security Fund, quarterly prepayment and settlement of income tax, and reinsurance outgo, the Company made appropriate arrangement of funds, while handling needs for liquidity or applications for payment of branch offices in a timely manner.

It will continue to monitor changes to its liquidity status and enhance risk management capabilities while considering various needs for liquidity.

VI. Management analysis and discussions

(I) Review of key operating results

1. Analysis of changes to IRR ratings

The overall risk status of the Company remains stable, with solvency margin ratios stable and solid, and business operation and net cash flows showing signs of improvement. It maintained normal status in strategic risk, reputational risk and operational risk. There was no occurrence of major risk incidents.

2. Analysis of solvency margin ratio movement

By the end of Q2 2023, the comprehensive and core solvency margin ratios of the Company stood at 197.6% and 146.5% respectively, down by 15.8pt and 11.7pt respectively from the end of the previous quarter. Of this, available capital fell by 2.43bn yuan from the previous quarter, mainly due to net profits, other comprehensive income, and dividend distribution.

Minimum capital rose by 1.16bn yuan from the previous quarter. Of this, minimum capital for insurance risk increased by 1.13bn yuan, with minimum capital for premium reserve risk up by 760mn yuan, mainly due to higher retained premiums for commercial property, agricultural and liability insurance, and higher claims reserve for short-term health and commercial property insurance compared with the previous quarter; minimum capital for catastrophe risk rose by 720mn yuan, mainly as a result of higher SA in commercial property insurance.

Minimum capital for market risk rose by 1.54bn yuan from the preceding quarter, largely due to increased risk exposure of bond securities investments, which led to higher capital requirement for interest rate risk.

Minimum capital for credit risk dropped by 0.83bn yuan from the preceding quarter, largely due to decreased risk exposure of term deposits and deposits with negotiable terms, which reduced minimum capital requirement.

The Company set forth its solvency risk upper limits and monitoring indicators compatible with its risk profile and appetite, and its own realities, and tracked them on a regular basis. In the meantime, it continued to ensure stable and sufficient solvency positions via enhanced business quality control, improved capability in risk identification and management, and optimised asset and business mix, etc.

3. Analysis of changes to liquidity risk indicators

(1) Liquidity coverage ratios (LCR)

As per C-ROSS II standards on liquidity, the liquidity coverage ratios, i.e., LCR1 and LCR2 in the next 3 months and 12 months under the base and stress scenarios respectively were 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%. On a YTD basis, net cash inflows of the Company amounted to 5.81bn yuan. Of this, net cash inflow from operating activities was 750mn yuan; net cash outflow from investment activities 760mn yuan; net cash inflow from financing activities 5.77bn 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.