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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 October 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.**

**3rd 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
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## I. Board chairman and management statement

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

## II. Basic information

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

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

Types of shareholding	End of the preceding period		Shareholder injection	Change			End of the reporting period	
	Shares	Percentage (%)		Transfer from capital reserve and share dividends distribution	Share transfer	Subtotal	Shares	Percentage (%)
State	29,895	1.5	-	-	-	-	29,895	1.5
Private legal persons	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Natural persons	-	-	-	-	-	-	-	-
Others								
(listed companies)	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 majority 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
<b>Total</b>	<b>—</b>	<b>—</b>	<b>19,948,087,650</b>	<b>100</b>	<b>—</b>
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 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 the Board Office of CPIC P/C, head of the Office of the Board of Supervisors of CPIC P/C, General Manager of Tele-marketing Centre of CPIC P/C, head of Strategy Research Centre 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 the Board of Supervisors of Shanghai ICY Capital Co. Ltd., and Chairman of the 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 the 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 Centre 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). He also serves as Chairman of CPIC Hong Kong and Director of CPIC AMC. 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 the 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: NAFR [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, China Pacific Insurance Co. Ltd., 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 the 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 the Internal Audit Department (East China) of the Internal Audit Centre 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 Internal Audit Centre of CPIC Group, Deputy General Manager (in charge), General Manager of Audit Department (North China) of Audit Centre 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). He also serves as Chairman of CPIC Hong Kong and Director of CPIC AMC. 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: CIRC [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, China Pacific Insurance Co. Ltd., 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 Business Section of Overseas Business Department, Deputy Manager and Manager of Overseas Business Department, and Assistant General Manager of CPIC Hai'nan Branch, Deputy General Manager, General Manager of the Company's Hai'nan 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 Lianyungang 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, Sales Director of CPIC Life, Secretary of Discipline Inspection Commission, Employees' Representative Supervisor, and Chairman of Trade Union of CPIC AMC, and Deputy General Manager (general administration) of the Company. Prior to that, Mr. ZHANG worked at the General Supply and Marketing Cooperative of Ganyu 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). Previously, Mr. SU served as Assistant General Manager, Deputy General Manager, and General Manager of CPIC P/C Henan Branch, head of General Administration/Board Office/Office of the Board of Supervisors of the Company, General Manager of Corporate Customer Department/Bancassurance Department, and Assistant General Manager of the Company.

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 the Development and Planning Department, head of the Board Office, and the Office of the Board of Supervisors 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-centre of Tele-marketing Centre of CPIC P/C, and Deputy General Manager of Tele-marketing Centre 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 head of 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 respectively.

Mr. CHENG 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 )

### (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 the preceding quarter	End of the reporting quarter	Change	End of the preceding quarter	End of the reporting quarter	Change (pt)
<b>Subsidiaries</b>						
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%	-
<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%	-
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#### (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 2023, branch offices of the Company received 11 administrative penalties from the insurance regulator, with 3.73mn yuan in fines for branches and 1.09mn yuan in fines for individuals, totalling 4.82mn yuan. Misconduct 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, conducting business in areas other than those approved by the regulator.

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 NAFR (previously 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	25,351,624	26,040,835	24,825,104
Admitted liabilities	19,281,446	19,924,918	18,692,515
Available capital	6,070,178	6,115,917	6,132,589
Tier 1 core capital	4,587,524	4,533,101	4,649,935

Tier 2 core capital	-	-	
Tier 1 supplement capital	1,482,654	1,582,816	1,482,654
Tier 2 supplement capital	-	-	
Minimum capital	2,965,981	3,095,181	2,983,766
Minimum capital for quantifiable risks	3,015,342	3,146,692	3,033,422
Minimum capital for control risk	-49,361	-51,511	-49,657
Supplement capital	-	-	
Core solvency margin	1,621,543	1,437,920	1,666,169
Core solvency margin ratio (%)	154.7%	146.5%	155.8%
Comprehensive solvency margin	3,104,198	3,020,736	3,148,823
Comprehensive solvency margin ratio (%)	204.7%	197.6%	205.5%

## (II) Liquidity risk indicators

### 1. Regulatory indicators for liquidity risk

Items		As at the end of/ during this quarter	As at the end of/ during the previous quarter	
Net cash flows (RMB 10,000)	YTD	273,685	581,124	
	Year 2022	-326,022	-326,022	
	Year 2021	288,396	288,396	
LCR (%)	LCR1	Next 3 months	104.2%	100.9%
		Next 12 months	103.9%	104.1%
	LCR2	Next 3 months	190.3%	235.1%
		Next 12 months	115.2%	140.7%
	LCR3	Next 3 months	58.3%	81.8%
		Next 12 months	79.1%	96.0%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the last 2 quarters	-36.2%	140.4%	
	Over the last quarter	88.9%	-36.2%	

### 2. Other indicators of liquidity risk

	Items	As at the end of/ during this quarter(YTD)	As at the end of/ during the previous quarter(YTD)
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Liabilities	Net cash flow from operating activities (RMB 10,000)	-15,567	74,798
	Net cash flow from operating activities per 100 yuan in premiums (RMB yuan)	-0.1	0.7
	Ratio of cash outflow from business of special types (%)	3.3%	3.1%
	Gross premium growth year-on-year (%)	11.9%	14.2%
Assets	Ratio of cash and liquidity management instruments (%)	2.4%	3.5%
	Quarterly average financing gear (%)	3.4%	2.2%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.4%	0.3%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.0%	0.0%
	Ratio of fund receivables (%)	17.3%	17.7%
	Ratio of assets of related parties held (%)	1.5%	1.6%

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, and the latter refers to non-auto insurance business that incurs, due to catastrophes or major claims, estimated or actual claim expenses after reinsurance exceeding 5% of total non-auto claim expenses of the previous year.

Gross premium 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	4,344,104	14,821,472
Net profits	47,067	451,125
Total assets	20,954,280	20,954,280

Net assets	5,275,421	5,275,421
Insurance contract liabilities	12,093,745	12,093,745
Basic earnings per share (RMB yuan)	0.02	0.2
ROE (%)	0.9	8.6
ROA (%)	0.2	2.2
Investment yield (%)	0.4	2.2
Comprehensive investment yield (%)	0.3	3.0
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Combined ratio (%)	99.9	98.5
Expense ratio (%)	27.6	27.9
Loss ratio (%)	72.2	70.6
Proportion of commissions and brokerage expenses (%)	9.7%	8.5%
Proportion of operating and administrative expenses (%)	19.9%	17.3%
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Written premiums	4,554,460	15,167,871
Written premiums of auto insurance	2,639,621	8,020,690
Written premiums of top 5 non-auto insurance business lines	1,500,452	5,877,730
Agricultural insurance	366,294	1,611,741
Health insurance	274,346	1,587,070
Liability insurance	490,671	1,586,409
Commercial property insurance	196,968	558,115
Guarantee insurance	172,174	534,395
Average vehicle premium of auto insurance (RMB yuan)	2,856	2,823
Written premiums by channels	4,554,460	15,167,871
Agency	2,853,626	8,715,200
Direct	1,034,422	4,495,149
Brokerage	666,413	1,957,522

Others

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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) (Comprehensive) Investment yields in the past 3 years**

Indicators	YTD
Average investment yield in the past 3 years (%)	4.98
Average comprehensive investment yield in the past 3 years (%)	4.89

Note: As per Notice on Optimising Standards for Solvency Regulation of Insurance Companies by National Financial Regulation Administration (Jingui [2023] No. 5), insurance companies shall disclose the average investment yield and average comprehensive investment yield in the past 3 years, based on the formula of:  $[(1+(\text{comprehensive}) \text{ investment yield in the past year}) * (1+(\text{comprehensive}) \text{ investment yield in the past 2 years}) * (1+(\text{comprehensive}) \text{ investment yield in the past 3 years})^{(1/3)}]-1$

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

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

In this quarter, the Company pushed forward risk management so as to better support high-quality, sustainable development. The following was done in Q3:

First, we continued to optimise risk management rules and processes. Based on realities of our risk management, we comprehensively reviewed and revised our “1+7+N” risk management system, including Measures for Enterprise Risk Management, Rules on Insurance Risk Management, Rules on Market Risk Management, Rules on Credit Risk Management, Regulations on Operational Risk Management, Regulations on Strategic Risk Management, Regulations on Liquidity Risk Management, Regulations on Risk Appetite System Management, Implementing Rules on Integrated Risk Rating (Differentiated Supervision), and Implementing Rules on SAMRA Self-assessment.

Second, we promoted risk reduction management in an all-around way. In August, Tai'an Agricultural Insurance Institute held the Tai'an Agriculture Risk Management International Forum (2023) under the theme of “Pooling Wisdom for Risk Reduction to Build Up China’s Strength in Agriculture”, where experts from home and abroad exchanged ideas on domestic and international agricultural risk reduction and technology enhancement. We formulated Rules on Third-Party Risk Reduction Service Suppliers to standardise and strengthen the management of such suppliers.

Third, the Company continued to strengthen risk management capacity-building. We organized various training sessions for personnel involved in risk management and compliance as well as for qualifications of mid-level positions, as part of our effort to cultivate the risk control and compliance team and enhance their capabilities.

Fourth, the Company carried out emergency drills to prevent major risk events. Through those drills, we tested the completeness, operability and effectiveness of our response plans and verified the availability of relevant resources in the plan, thus improving our overall capability in handling emergencies.

### **(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 for this quarter.

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

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

The Company was rated AA at the IRR for both Q1 and Q2 of 2023.

It briefed the board on the content of regulatory communications in Q2, and organised rectification by relevant departments as per alerts by the regulator. In Q3 it drafted and issued Implementing Rules on Integrated Risk Rating (Differentiated Supervision) of China Pacific Property Insurance Co. Ltd. to facilitate improvement in internal work mechanisms.

### **(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 related risks well under control. The following was done in operational risk management:

First, improved mechanisms of risk response and handling, formulated and issued Provisional Measures on Mechanisms of Risk Response and Handling, conducted an in-depth review of the work experience in recent years, and put in place a complete set of response systems.

Second, implemented measures as a follow-up of the 2022 regulatory communications. We reviewed regulatory findings one by one and developed rectification plans, and held an ad hoc meeting to deploy for and supervise implementation.

Third, enhanced competence of personnel in risk management. We held training sessions for personnel in risk control and compliance for capacity-building and qualification of mid-level positions. A total of 677 employees with full-time or part-time compliance responsibilities took part in qualification exams, which further improved their professional competence.

Fourth, as per requirements of PBoC Shanghai Branch, the Company organised the 2023 Anti-money Laundering Essay Writing Contest. Under the Group's unified plan, work was started to devolve ALM systems back to subsidiaries so as to improve the effectiveness of ALM efforts.

Fifth, integrated technology-outsourcing-related risks into the Company's enterprise risk management. Evaluation of relevant outsourcing service for Q3 indicated that the Company's technology outsourcing vendors were in good condition.

#### **2. Strategic risk**

There was no occurrence of risk events 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 in the first half of the year. Quarterly assessment of the plan was conducted to ensure its implementation, with steady business development YTD according to plan;

Second, 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, combined ratio, solvency margin ratio, IRR rating and corporate governance evaluation;

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

Next, 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 Regulations on Reputational Risk Management by Banking and Insurance Institutions, Regulations on Reputational Risk Management of China Pacific Insurance (Group) Co. Ltd. and Implementation Rules on Reputational Risk Management of China Pacific Property Insurance Co. Ltd., 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 continued to push for completion of the 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 with revisits and recommendations on a regular basis, and strengthen emergency management and coordination capabilities in the event of reputational risk incidents.

### 4. Liquidity risk

To mitigate the 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 Q3, 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, giving priority to claims payment for natural catastrophes 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 a normal status in strategic risk, reputational risk and operational risk. There was no occurrence of major risk events.

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

By the end of Q3 2023, the comprehensive and core solvency margin ratios of the Company stood at 204.7% and 154.7% respectively, up by 7.1pt and 8.2pt respectively from the end of the previous quarter. Of this, available capital fell by 460mn yuan from the previous quarter, mainly due to net profits, other comprehensive income, early redemption of capital supplement bond of 2018 phase II and capital reserve.

Minimum capital fell by 1.29bn yuan from the previous quarter. Of this, minimum capital for insurance risk decreased by 1.05bn yuan, and that for premium reserve risk by 290mn yuan, mainly due to the issuance of Notice on Optimising Standards for Solvency Regulation of Insurance Companies by National Financial Regulation Administration (Jingui [2023] No. 5). Under the new regulation, -0.05 was adopted in the calculation of retrospective deviation ratios of insurance risk and reserve risk, which led to lower minimum capital requirements versus the preceding quarter. Minimum capital for catastrophe risk dropped, mainly as a result of lower SA for typhoons and flooding in commercial property insurance.

Minimum capital for market risk decreased by 400mn from the preceding quarter, largely due to decreased risk exposure of bond securities investments, which led to lower capital requirement for interest rate risk.

Minimum capital for credit risk fell by 410mn from the preceding quarter, largely due to reduced risk exposure of premium receivables, lowered minimum capital requirement of default risk of transaction counterparties.

The Company sets its solvency risk upper limits and monitoring indicators in line with its risk profile and appetite, and its own realities, and tracks them on a regular basis. In the meantime, it continued to ensure stable and solid 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 2.74bn yuan. Of this, net cash outflow from operating activities was 160mn yuan; net cash inflow from investment activities 2.24bn yuan; net cash inflow from financing activities 630mn 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. Besides, the Company allocates in its SAA a certain proportion of highly liquid assets 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.