中国太平洋保险
China Pacific Insurance

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.
FU Fan
Chairman

Hong Kong, 29 March 2024

As at the date of this announcement, the Executive Directors of the Company are Mr. FU Fan and Mr. ZHAO Yonggang; the Non-executive Directors are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. CHEN Ran, Mr. ZHOU Donghui, Ms. LU Qiaoling and Mr. John Robert DACEY; and the Independent Non-executive Directors are Ms. LIU Xiaodan, Ms. LAM Tyng Yih, Elizabeth, Ms. LO Yuen Man, Elaine, Mr. CHIN Hung I David and Mr. JIANG Xuping.

**Note:* The appointment qualification of Mr. ZHAO Yonggang is subject to the approval by the National Administration of Financial Regulation.

Summary of Solvency Report (Excerpts)

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

2023

Company overview and contact information

Company name (Chinese):	中国太平洋保险（集团）股份有限公司
Company name (English):	CHINA PACIFIC INSURANCE (GROUP) CO., LTD.
Legal representative:	FU Fan
Registered address:	1 Zhongshan Road (South), Huangpu District, Shanghai, PRC.
Registered capital:	RMB9.62 billion
Business license number:	000013
First date for registration:	May 13, 1991
Business scope:	Invest in controlling stakes of insurance companies; supervise and manage the domestic and international reinsurance business of the insurers under its control; supervise and manage the investments by the insurers under its control; participate in international insurance activities as approved.
Contact person：	HUANG Danyan
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I. Statement by the board and management

The report has been approved by the board of directors. The board and the 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 statements 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
WANG Tayu	√		
LIU Xiaodan	√		
CHEN Ran	√		
LAM Tyng Yih, Elizabeth	√		
LO Yuen Man, Elainen	√		
CHIN Hung I David	√		
ZHOU Donghui	√		
JIANG Xuping	√		
HUANG Dinan	√		
FU Fan	√		
LU Qiaoling	√		
John Robert Dacey	√		
Total	12		

Note: Mark " √ " in corresponding blanks according to opinions of directors.

2． Are there any directors who cannot guarantee or harbor any doubt about the truthfulness, accuracy, completeness or compliance of the contents of this report? （yes☐no■）

II. Basic Information

(I) Shareholding structure, shareholders and change

1. Shareholding structure (unit: share)

	As at the beginning of the reporting period		Increase or decrease (+ or -) of shareholding during the reporting period					As at the end of the reporting period	
	Amount	**Percentage (%)**	**New shares issued**	**Bonus shares**	**Transfer from reserves**	**Others**	**Sub-total**	**Amount**	**Percentage (%)**
1.Ordinary shares denominated in RMB	6,845,041,455	71.15	-	-	-	-	-	6,845,041,455	71.15
2.Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3.Overseas listed foreign shares (H share)	2,775,300,000	28.85	-	-	-	-	-	2,775,300,000	28.85
4. Others	-	-	-	-	-	-	-	-	-
Total	9,620,341,455	100	-	-	-	-	-	9,620,341,455	100

2. Top 10 shareholders (unit: share)

Name of shareholders	**Percentage of shareholding**	**Total number of shares held**	**Increase or decrease (+ or -) of shareholding during the reporting period**	**Number of shares subject to pledge or lock-up**	**Type of shares**
HKSCC Nominees Limited	28.82%	2,772,583,107	+52,880	-	H Share
Shenergy (Group) Co., Ltd.	14.05%	1,352,129,014	-	-	A Share

Hwabao Investment Co., Ltd.	13.35%	1,284,277,846	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	6.34%	609,929,956	-	-	A Share
Shanghai Haiyan Investment Management Company Limited	4.87%	468,828,104	-	-	A Share
China Securities Finance Co., Ltd.	2.82%	271,089,843	+38,416,359	-	A Share
HKSCC	2.46%	236,525,992	-	-	A Share
Shanghai International Group	1.66%	160,000,000	-	-	A Share
Yunnan Hehe (Group) Company Limited	0.95%	91,868,387	-	-	A Share
Shanghai Jiushi Company Limited	0.93%	89,737,760	-1,141,900	-	A Share
Description of related relations or concerted actions among the aforesaid shareholder	HKSCC Nominees Limited and HKSCC are connected, as the former is a wholly-owned subsidiary of the latter. Shanghai State-Owned Assets Operation Co., Ltd. is a wholly-owned subsidiary of Shanghai International Group, and they act in concert. Other than this, the Company is not aware of any other connected relations or concerted actions among the above-mentioned shareholders.				

Notes:

1. As at the end of the reporting period, the Company did not issue any preferred shares.

2. The shareholding of the top 10 shareholders is based on the lists of registered shareholders provided by China Securities Depository and Clearing Corporation Limited Shanghai Branch (A share) and Computershare Hong Kong Investor Services Limited (H share) respectively. The nature of A shareholders is the same as the nature of their accounts registered with China Securities Depository and Clearing Corporation Limited Shanghai Branch.

3. The shares held by HKSCC Nominees Limited are held on behalf of its clients. As SEHK does not require such shareholders to disclose to HKSCC Nominees Limited whether the shares held by them are subject to pledge or lock-up period, HKSCC Nominees Limited is unable to calculate, or make available such data. Pursuant to Part XV of the SFO, a Substantial Shareholder is required to give notice to SEHK and the Company on the occurrence of certain events including a change in the nature of its interest in shares such as the pledging of its shares. As at the end of the reporting period, the Company is not aware of any such notices from Substantial Shareholders under Part XV of the SFO.

4. HKSCC is the nominal holder of shares traded through Shanghai-Hong Kong Connect Programme.

III. Business Operation of Major Member Companies

(I) CPIC Life

CPIC Life adhered to high-quality development, and achieved solid momentum in business development. In 2023, the subsidiary recorded written premiums of 252.817bn yuan, a year-on-year growth of 3.2%; net profits of 19.532bn yuan; NBV of 10.962bn yuan, up by 19.1% from 2022.

As of the end of 2023, its comprehensive solvency margin ratio was 210%, a decline of 8pt from the year beginning, mainly due to impact of changes in interest rate, capital market fluctuations, business development, changes to asset allocation, bond issuance, and implementation of new regulation (Jingui [2023] No.5). Of this,

(1) Actual capital 312.005bn yuan, down by 9.4%, or 32.217bn yuan from the year beginning;

(2) Minimum capital 148.723bn yuan, down by 5.8%, or 9.079bn yuan from the year beginning.

(II) CPIC P/C

In 2023, the subsidiary reported rapid premium growth with solid underwriting profitability. It delivered 188.342bn yuan in primary premium income, a year-on-year growth of 11.4%, and net profits of 6.575bn yuan.

As of the end of 2023, its comprehensive solvency margin ratio stood at 214%, up by 12pt from the year beginning, mainly due to impact of capital market fluctuations, changes to asset allocation, business development, issuance of bond, and implementation of new regulation. Of this,

(1) Actual capital61.775bn yuan, up by 6.621bn yuan from the year beginning, or a growth of 12.0%;

(2) Minimum capital 28.898bn yuan, up by 1.652bn yuan, or 6.1% from the year beginning.

(III) CPIC Health

The company saw sustained improvement in business metrics, with enhanced professional capability for sustainable development. During the reporting period, the subsidiary realised 2.079bn yuan in GWP and health management fee income, and net profits of 31mn yuan.

As of the end of 2023, its comprehensive solvency margin ratio stood at 258%, down by 7pt from the year beginning, mainly due to impact of changes of interest rate and capital market, business development, and changes to asset allocation and implementation of new regulation. Of this,

(1) Actual capital 3.488bn yuan, up by 8.1%, or 263mn yuan from the year beginning;

(2) Minimum capital 1.352bn yuan, up by 11.2%, or 136mn yuan from the year beginning.

(IV) CPIC AMC

During the reporting period, the company followed high-quality development, pro-actively optimised its investment strategies, vigourously managed various risks and pushed for steady development of third-party business. It posted 225.154bn yuan in third-party AuM.

(V) Changjiang Pension

Changjiang Pension stayed committed to serving China’s national retirement strategies, pro-actively optimise investment strategies, actively control all kinds of risks, and guarantee the stable operation of third-party asset management business. As at 31 December 2023, its third-party assets under trustee management amounted to RMB410.993 billion; third-party assets under investment management reached RMB352.032 billion.

(VI) Other member companies

As of the end of 2023, total assets of CPIC Property reached 225mn yuan, with net assets of 191mn yuan; total assets of CPIC Technology reached 1.625bn yuan, with net assets of 714mn yuan.

IV. Solvency Statements

Solvency Statements of Insurance Holding Groups

Name： China Pacific Insurance (Group) Co., Ltd.

(31 December, 2023)

unit： 10 thousand RMB yuan

Items	No. of lines	**As at the end of the reporting period** 1	**As at the beginning of the reporting period** 2
Actual capital	（1）=（2）+（3）+（4）+（5）	45,693,824	47,907,342
Tier 1 core capital	（2）	29,176,067	31,950,386
Tier 2 core capital	（3）	1,214,761	1,291,004
Tier 1 supplement capital	（4）	15,298,572	14,658,632
Tier 2 supplement capital	（5）	4,424	7,320
Minimum capital	（6）=（7）+（21）+（22）	17,801,725	18,733,329
Minimum capital for quantitative risks	（7）=（8）+（9）+（10）+（11）+（12）+（13）—（20）	18,012,787	18,733,329
Minimum capital for parent company	（8）		-
Minimum capital for insurance member companies	（9）	18,012,787	18,733,329
Minimum capital for banking member companies	（10）	-	-
Minimum capital for securities member companies	（11）	-	-
Minimum capital for trust member companies	（12）	-	-
Minimum capital for quantifiable group-specific risks	（13）=（14）+（15）	-	-
Minimum capital for risk contagion	（14）	-	-
Minimum capital for concentration risk	（15）=（16）+（17）+（18）-（19）	-	-
Minimum capital for concentration risk - counter parties	（16）	-	-
Minimum capital for concentration risk - industry	（17）	-	-
Minimum capital for	（18）	-	-

concentration risk - customers			
Risk diversification effect	（19）	-	-
Decrease in required capital for risk diversification effect	（20）	-	-
Minimum capital for control risk	（21）	(211,061)	-
Supplement capital	（22）	-	-
Core solvency margin	（23）=（2）+（3）－（6）× 50%	21,489,965	23,874,725
Core solvency margin ratio	（24）= [（2）+（3）] /（6）× 100%	171%	177%
Comprehensive solvency margin	（25）=（1）－（6）	27,892,098	29,174,012
Comprehensive solvency margin ratio	（26）=（1）/（6）× 100%	257%	256%

Note: Decrease in required capital for risk diversification effect and supplement capital at the group level are yet to be defined by the regulator.

V. Management Analysis and Discussions

(I) Analysis of solvency margin ratio movements during the reporting period

As of the end of 2023, Group comprehensive solvency margin ratio stood at 257%, up by 1pt from the year beginning; core solvency margin ratio was 171%, down by 6pt from the year beginning, mainly due to changes to interest rate and capital market, business development, and bond issuance of its subsidiaries. Of this,

1) Actual capital amounted to 456.9bn yuan, down by 22.2bn yuan from the year beginning; core capital 303.9bn yuan, down by 28.5bn yuan from the year beginning.

2) Minimum capital 178.0bn yuan, down by 9.3bn yuan from the year beginning.

In short, Group solvency margin ratios stayed solid, all above regulatory minimum levels.

(II) Analysis of changes to IRR and Group risk status during the reporting period

The regulator is yet to carry out Integrated Risk Rating for insurance groups.

In 2023, the Group enjoyed sound and stable operation overall with effective implementation of its risk appetite. All the risk indicators remained stable, with the overall risk under control. No risk events with significant impact occurred in the year. However, the Group still faces some risks caused by uncertainty in the environment, including:

First, macro-environmental risks. World political landscape remains complex and difficult, with flare-ups in geo-political conflicts, polarisation of economic development and technological advancement, and rising uncertainty; China’s economy faces multiple challenges, such as weak effective demand, faltering growth and uncertainty around market expectations, which presented challenges to business management, business development and investment performance of the Company. In response, the Company would closely follow changes to macro-economic environment, as well as developments in government policies, strengthen the study and analysis of trends and dynamics of risks, seize opportunities as well as meet challenges of high-quality development while ensuring prudent operation, and constantly improve its ability to support national strategies and handle risks.

Second, credit risks of investment. Amid comparatively weak economic growth, volatility of the financial market increased, risks of the property market and sectors upstream and downstream continued to unfold and run their course, which increased pressure on existing investment portfolios of the Company. We attached great importance to credit risk management, continuously upgraded credit risk management systems and professional expertise compatible with our investment business, optimised the unified credit-rating system, tightened counter-party access, and enhanced credit risk upper limits and concentration management. We continued to strengthen the monitoring, early warning and handling of credit risk in investment, put in place a “closed-loop” management system, so as to manage credit risk in a more pro-active, forward-looking manner.

Third, risk of insurance business. Momemtum of high-quality development of the insurance industry needs to be further boosted. In particular, for life insurance, value management has become even more important in the context of secular interest rate decline and constraint from capital; on the side of P/C insurance, business quality control will be under pressure, given the impact of extreme weather events and development of emerging business. In the face of such risks, we will stay prudent in our risk appetite, capture opportunities arising from serving China’s national strategies, the real economy and people’s pursuit of a better life. We’ll ensure effective control of major risks, optimise risk management mechanisms via upgrading of the risk management system, strengthen early warning and response to key risks, and consolidate the three lines of defense in risk management. Thus, we can improve the soundness and effectiveness of our risk management system, which would facilitate sustainable development of the Company.

VI. Risk Management Capabilities

(I) Group solvency risk governance

The Company has established a broad-based risk management framework in which all parties involved play their due roles: the Board of Directors bears the ultimate responsibility, management provides direct leadership, risk management departments focus on coordination, and the 3 lines of defense closely work together. The boards of directors of the Group and its subsidiaries are the supreme authority in risk management of the organisation, and bear the ultimate responsibility for their respective risk management systems and status of operation. The board Risk Management and Related Party Transactions Control Committee performs duties in risk management as is vested by the board. In 2023, the committee convened 5 meetings to review relevant risk management matters and reports.

The Company’s Management Committee is mandated to organise and execute the Company’s risk management activities. It sets up the position of Chief Risk Officer, who reports to the board Risk Management and Related Party Transactions Control Committee on the Company’s risk positions and management measures on a quarterly basis. The Management Committee has under it a Working Group of Risk Management and Internal Audit, which serves as a professional decision-making body across functions and departments, responsible for the review of risk management programmes and policies, execution and oversight, and general co-ordination.

The Group has set up the Risk Management Centre at its headquarters, under which there are Risk Management Department and Legal and Compliance Department, responsible for coordinating daily work in risk management, legal and compliance and internal control. All insurance member companies of the Group have set up Risk Management Departments, which coordinate and implement various decisions made by the management in the field of risk management, and organise, direct and supervise other departments in execution of daily risk management tasks determined by management. All the other functional departments of the Group headquarters and insurance subsidiaries and their branches have appointed responsible persons for risk management and set up corresponding positions, who are responsible for the risk management work within their scope of responsibility and communication with the risk management department.

The Group Internal Audit Centre audits, on an annual basis, the status and results of operation of the Group solvency-aligned risk management system, as well as the status of implementation of risk management policies, and reports to the board.

(II) Risk management strategies and implementation

1. Risk management strategies

The overall risk management strategy of the Company is: in view of its development objectives, organisational structure and business characteristics, support and promote fulfillment of business objectives and strategic planning of the Company via a sound risk management system, stringent risk management processes, and scientific risk management mechanisms and tools.

Risk management is a core element of the Company’s operation and management. The Company takes a centralised approach to risk management - setting up one overarching risk management framework covering the whole Group, with centralised design of risk management organisational structure, unified risk management objectives, unified risk management policies and core risk measurement tools, and unified planning and building of risk management information systems to guide and supervise the Group's risk management work. While maintaining their independent risk governance and setting up necessary firewalls, each subsidiary is responsible for managing various risks within their business segment in accordance with the basic goals and policies, systems and processes, methods and tools of the Group's risk management.

2.Risk appetite systems and objectives

Based on its rules on risk appetite system, the Company formulates the Group Risk Appetite System, which is reviewed and updated on an annual basis when necessary.

The Company adopts a “prudent” risk appetite, and cautiously manages various risks in business operation. The Company and its insurance subsidiaries maintain a sufficient level of solvency, and pursue stable profitability and sustained value growth while maintaining appropriate liquidity, maintain a sound risk management status and market image. It continuously upgrades the risk control system that is compatible with its status as a listed company in SSE, SEHK, and LSE, integrates ESG requirements into its ERM system, with leadership in promoting healthy and stable development of the industry.

The Company's risk tolerance includes five core dimensions: maintaining adequate capital, pursuing stable profitability, achieving sustained value growth, ensuring appropriate liquidity, and maintaining a sound risk management status and a good market image. The Company has established overall risk limits and cascaded them to its subsidiaries. Based on their own business characteristics and needs, each subsidiary further breaks down the limits for various risks and applies them to daily business decisions, risk monitoring and early warning to achieve healthy interaction and balance between risk management and business development.

3. Risk management tools

The Company uses a wide range of risk management tools, including risk management information system, comprehensive budgeting, asset liability management, capital planning and stress testing, etc., to manage the risks within the business scope of the Group and its major member companies. The Group and all its member companies have clear risk management plans and processes, and regularly monitor and supervise their implementation to ensure effective application of the tools.

To be specific, first, the Company set up a risk management information system to monitor key risk indicators and gradually achieve the transmission of financial statements and data between business departments and branches. Second, it adopted comprehensive budgeting management, put in place relevant rules and policies, and formulated scientific business plans to help it achieve the medium- and long-term development objectives based on its overarching strategic plans, risk appetite, goals of sustainable value growth, and by means of budget preparation, implementation, analysis, adjustment and evaluation. The member companies effectively promote the implementation of comprehensive budgeting under the guidance of the Group. Third, based on internal asset liability management rules, the Company implements prudent asset-liability risk management as per risk appetite and other constraints; it continuously develops, implements, monitors, and refines its asset liability management framework and strategies. Fourth, in terms of capital planning, the Company established a sound capital management system. In compliance with regulatory requirements, it assesses various risks and their capital requirements, putting in place a diversified capital replenishment mechanism to ensure that it is adequately capitalised to withstand risks and meet business development needs. The capital planning of each member company aligns with that of the Group. Fifth, the Company adopted a coordinated stress testing model that is both unified and differentiated, whereby the Group Management Committee takes direct leadership, with clear division of responsibilities and close cooperation between relevant departments and member companies, ensuring highly-efficient implementation. The Group sets out unified objectives, methods and standards of stress testing, carries out stress testing for headquarters and the Group as a whole; while member companies are responsible for their respective stress testing work, as well as providing the required data and professional advice as per Group stress testing requirements.

(III) Identification and assessment of Group-specific risks

1.Risk contagion

Risk contagion means that the risk of a member company may spread to other member companies of the same group through internal transactions or other means, thus causing unexpected losses to the group or other member companies. CPIC strictly controls related party transactions (RPTs), enhances risk quarantine mechanisms to minimise the risk of contagion. During the reporting period, relevant measures and their implementation status are as follows:

In term of related party transactions management, as per relevant regulatory requirements, the Company established long-term mechanisms for related party transactions management, improved internal control and risk management to curb intra-Group risk contagion, vigourously promoted IT system building so as to enhance the accuracy and data-processing capacity, and digitalisation of the entire RPT management process. The Company formulated Regulations on Related Party Transactions and its Implementation Rules, established the board Risk Management and Related Party Transactions Control Committee, set up the cross-departmental Office of Related Party Transactions, and defined its management roles and responsibilities. During the reporting period, the Company revised indicators for limits on major RPTs as per regulatory requirements, further improved norms for filing of standardised RPT data, defined the route of data filing so as to enhance the management of RPT data management.

As for risk quarantine, in strict conformity with regulatory requirements, the Company formulated risk quarantine rules, set up risk firewalls in areas such as corporate management, financial management, capital management, business operation, information management, personnel management, as well as brand publicity, information disclosure, related party transactions and guarantee management; identified risk contagion routes, established and implemented prudent risk quarantine management mechanisms and measures. During the reporting period, the Company reviewed relevant business regulations and operational processes, upgraded rules on financial management and guarantee management, and continued to optimise the risk quarantine management system; clarified policies on outsourcing management, established dedicated rules of IT outsourcing, formulated outsourcing strategies and conducted key decision-making, carried out technology outsourcing activities in accordance with laws and regulations.

2.Risk due to opaque organisational structure

It refers to the risk that an insurance group's shareholding structure, management structure, operational process, business types, etc. are excessively complex and opaque, which may cause losses to the group. In strict compliance with regulatory requirements, the Company drafted rules on risk management of opaque organisational structure, further defined relevant management mechanisms and regular assessment system. The status of the risk of opaque organisational structure in 2023 is as follows:

CPIC is a listed insurance holding group and maintains a clear shareholding structure, without any cross-shareholding or illegal subscription of capital instruments between its members and its associated companies, or between its member companies.

Based on their strategic planning and business development needs, each member company has established a compatible organisational structures with clear boundaries, well-defined responsibilities and powers. This helped to avoid either overlapping or gaps of functions, or over-centralisation of responsibilities and powers, and put in place a working mechanism with clear definition of roles and responsibilities, good coordination and checks and balances.

3. Concentration risk

Concentration risk refers to the risk of unexpected losses for an insurance group when individual risks or risk portfolios of its member companies are concentrated at the group level. In accordance with relevant regulatory requirements, CPIC formulated regulations on concentration risk management, regularly identifies, evaluates, monitors and reports on different types of concentration risks of the Group and its member companies along 4 dimensions, i.e., transaction counter-parties, investment assets, customers and business, and their sub-dimensions, to prevent or mitigate material adverse effects of concentration risk on the solvency or liquidity of the Group.

CPIC has a risk limit indicators system for concentration risk, covering all the four dimensions and their sub-dimensions, and uses the system to regularly evaluate the concentration risk on each dimension. During the reporting period, the overall concentration risk status was in the comfort zone, and there was no breach of limits nor occurrence of concentration risk which posed a material threat to the solvency or liquidity of the Company.

Based on realities of its business operation and its risk profiles, the Company focuses on the concentration risk relating to its investment counter-parties, and regularly assesses the concentration of investment assets with credit risk exposure, as well as the credit risk and financial situation of its major counter-parties. During the reporting period, the Company's major investment counter-parties maintained stable ratings, with related concentration risk under control.

4. Non-insurance risk

The Company's non-insurance business and investments are aligned with the Group's strategic positioning as "a pure insurance player", which helps to contain the magnitude and impact of non-insurance risks. The Company strictly complies with relevant regulations, prudently manages investment activities in non-insurance fields, and constantly monitors, prevents the adverse effects of operating activities of non-insurance member companies on the solvency of the Group and its insurance member companies.

In terms of investment by non-insurance member companies, CPIC has established an equity investment management system for non-insurance areas based on equity shareholding and corporate governance system. It has set up an investment decision-making panel under its Assets and Liabilities Management Committee to organise and coordinate major equity investments of its member companies, which helps to ensure that the Company's shareholding structure remains clear and that those investments are aligned with CPIC's risk appetite and limits.

In management of its non-insurance business, CPIC strictly complies with relevant regulations, and evaluates the risk exposure of non-insurance investments regularly, with results reported to the board. It also enhances equity management and risk monitoring of its member companies, as well as timely assessment and adjustment of the development strategies of its non-insurance business. The Company has also set up asset and liquidity quarantine mechanisms between its insurance and non-insurance member companies to ensure that investments in non-insurance member companies will not harm the interests of policyholders.

In 2023, the Company focused on enhancing management of its non-insurance member companies, particularly management based on consolidation of financial statements, differentiated management of member companies, non-insurance equity management, and non-insurance capital management. It proceeded with SARMRA rectification via strengthened mechanisms, policies & processes, division of responsibilities, and supportive tools.

(IV). Results of SARMRA assessment

In 2022, the regulator conducted an on-site SARMRA assessment of the Company, and the result was 81.77 points. It consisted of 12.28 points for solvency risk governance, 12.76 for risk management strategies and implementation, 9.88 for risk contagion management, 9.6 for risk management of opaque organisational structure, 10.06 for concentration risk management, 9.27 for non-insurance risk management, 8.35 for other risk management, and 9.57 for capital management.

VII. Integrated Risk Rating

(I) Results of the last 2 rounds of IRR

Not applicable. The regulator is yet to carry out Integrated Risk Rating for insurance groups.

(II) Remedial actions taken or to be taken

Not applicable.