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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.**  
**FU Fan**  
*Chairman*

Hong Kong, 30 August 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, Mr. XIE Weiqing, Ms. LU Qiaoling, Mr. CAI Qiang, John 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 qualifications of Mr. XIE Weiqing and Mr. CAI Qiang, John are subject to the approval by the regulatory authorities.*

# Summary of Quarterly Solvency Report (Excerpts)

**China Pacific Property Insurance Co., Ltd.**

**2<sup>nd</sup> Quarter of 2024**

## 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	√		
ZHANG Yuanhan	√		
YU Bin	√		
GU Yue	√		
ZENG Yi	√		
Total	5		

2. Are there directors who cannot warrant that the contents of this report are true, accurate and complete and have fully complied with applicable laws and regulations, or have raised issues 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 shareholding	As at the end of the preceding period		Change				As at the end of the reporting period	
	Shares	Percentage (%)	Shareholder injection	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
Total	---	---	19,948,087,650	100	---

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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.
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#### 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 at head-office level

#### (1). Directors

Mr. SU Shaojun, born in February 1968, has a PhD degree and the designation of Senior Engineer. 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 Board Office of Supervisors of CPIC P/C, General

Manager of Tele-marketing Centre of CPIC P/C, head of the Strategic Research Centre and Deputy Director of Transformation 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 and Acting Chief Actuary of CPIC Life, and Director of 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

the 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: NFRA [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, Deputy Manager of General Administration for P/C Insurance & 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. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has been serving as Chairman of the Board of Supervisors of the Company since March 2024 (approval document: NFRA[2024] No.139). Mr. ZHANG currently serves as Compliance Responsible Person, General Counsel and Chief Risk Officer of CPIC Group, director of CPIC Health, CPIC AMC and Changjiang Pension respectively, and chairman of board of supervisor of CPIC Life. Mr. ZHANG previously served as General Manager of Legal and Compliance Department, head of the Board Office of CPIC Group, Director and Board Secretary of CPIC P/C, Director and Board Secretary of CPIC Life, Board Secretary of CPIC AMC, Risk & Compliance Officer, General Manager of Risk Management Department, and Chief Risk Officer of CPIC Group.

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 and 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 at head-office level

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: 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, Deputy Manager of General Administration for P/C Insurance & 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 Hai'nan Branch of the Company, General Manager of the Property and Liability Insurance Department, General Manager of 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. CHEN Hui, born in February 1969, holds a master's degree and the designation of accountant. He started to serve as Compliance Responsible Person, Chief Risk Officer of the Company (approval document: NFRA [2024] No. 213) in April of 2024. Previously, Mr. CHEN served as Assistant General Manager and Deputy General Manager of Beijing Branch of CPIC P/C , Deputy General Manager of Hebei Branch of CPIC P/C, General Manager of Human Resources Department, and Chief Human Resources Officer of CPIC P/C. Prior to that, he worked at Beijing Coal Company.

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 of China Pacific Insurance Company Limited, 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 Tianjin Branch, Deputy General Manager (in charge) and General Manager of Small- and Medium-Sized Customer Business Department, General Manager of Corporate

Customer Department/Bancassurance Department, and General Manager of Heilongjiang Branch of CPIC P/C.

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 head of the Board Office, and head of the Office of the Board of Supervisors the Company. Previously, she served as Transformation Director, General Manager of the Development and Planning Department, head of the Office of Steering Committee on Deepening Transformation, General Manager of Shanghai Sub-centre of Tele-marketing Centre, and Deputy General Manager of Tele-marketing Centre of CPIC P/C, Deputy General Manager (in charge) of Project Management Department of CPIC Online, General Manager of Marketing Department of CPIC Online,

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

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 Liaoning Branch, Party Secretary and General Manager of Heilongjiang Branch, and Party Secretary and General Manager of Sichuan Branch of CPIC P/C.

## 2. Changes to directors, supervisors and senior management of headquarters

Are there changes to the directors, supervisors and senior management during the reporting period? (Yes  No )

Position	Predecessor	Incumbent
Compliance responsible person, Chief risk officer	ZHANG Dong	CHEN Hui

### (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>Subsidiary</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%	-

## (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, 2024, branch offices of the Company received 32 administrative penalties from the insurance regulator, with 9.725mn yuan in fines for branches and 2.692mn yuan in fines for individuals, totalling 12.417mn yuan. Misconduct mainly concerned falsification of brokerage business for expense-booking, falsification of financial documentation for expense-booking, granting extra benefits to the insured other than those specified in insurance contracts, etc.

2. Did the directors, senior management receive administrative penalties from financial regulators during the reporting period?

(Yes  No )

3. Was there any misconduct or breaches by the company, its directors and senior management which triggered judicial proceedings during the reporting period?

(Yes  No )

4. Did the Company receive any regulatory measures from the NFRA (previously CBIRC) during the reporting period?

(Yes  No )

## III. Key Indicators

### (I) Key solvency metrics

Unit: RMB yuan 10,000

Items	As at the end of Q2 2024	As at the end of Q1 2024	Estimates for next quarter under base scenario
Admitted assets	27,504,645	27,009,477	27,229,573
Admitted liabilities	20,825,372	20,529,862	20,446,599
Actual capital	6,679,272	6,479,615	6,782,974
Tier 1 core capital	5,237,506	5,051,961	5,341,208
Tier 2 core capital	-	-	-
Tier 1 supplement capital	1,441,766	1,427,654	1,441,766
Tier 2 supplement capital	-	-	-
Minimum capital	3,035,939	2,969,110	3,101,641

Minimum capital for quantifiable risks	3,083,058	3,015,192	3,153,260
Minimum capital for control risk	-47,119	-46,082	-51,618
Supplement capital	-	-	-
Core solvency margin	2,201,567	2,082,851	2,239,567
Core solvency margin ratio (%)	172.5%	170.2%	172.2%
Comprehensive solvency margin	3,643,333	3,510,505	3,681,333
Comprehensive solvency margin ratio (%)	220.0%	218.2%	218.7%

## (II) Liquidity risk indicators

### 1. Regulatory indicators for liquidity risk

Items		As at the end of/ during Q2 2024	As at the end of/ during Q1 2024	
Net cash flows (RMB 10,000)	YTD	246,836	264,463	
	Year 2023	346,474	346,474	
	Year 2022	-326,022	-326,022	
Liquidity Coverage Ratio (%)	LCR1	Next 3 months	116.9%	117.6%
		Next 12 months	104.5%	104.6%
	LCR2	Next 3 months	301.2%	212.4%
		Next 12 months	161.4%	130.4%
	LCR3	Next 3 months	90.5%	60.8%
		Next 12 months	104.5%	88.1%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the previous 2 quarters	141.5%	243.0%	
	Over the previous quarter	397.9%	141.5%	

## 2. Other indicators of liquidity risk

	Items	As at the end of Q2 2024/YTD	As at the end of Q1 2024/YTD
Liabilities	Net cash flow from operating activities (RMB 10,000)	535,887	144,874
	Net cash flow from operating activities per 100 yuan in premiums (RMB yuan)	4.8	2.3
	Ratio of cash outflow from business of special types (%)	2.5%	2.2%
	Gross premium growth year-on-year (%)	8.3%	9.6%
Assets	Ratio of cash and liquidity management instruments (%)	3.3%	3.5%
	Quarterly average financing gear (%)	2.7%	3.2%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.5%	0.6%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.0%	0.0%
	Ratio of fund receivables (%)	17.5%	17.6%
	Ratio of assets of related parties held (%)	3.3%	3.4%

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 which exceed 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/during Q2 2024	As at the end of Q2 2024/YDT
Gross written premiums	5,022,730	11,292,834
Net profit	285,883	479,203
Total assets	22,659,321	22,659,321
Net assets	5,914,154	5,914,154
Insurance contract liabilities	12,845,071	12,845,071
Basic earnings per share (RMB yuan)	0.1	0.2
ROE (%)	4.9	8.4
ROA (%)	1.3	2.2
Investment yield (%)	1.0	1.8
Comprehensive investment yield (%)	2.0	3.7
Combined ratio (%)	96.6	97.1
Expense ratio (%)	24.8	25.3
Loss ratio (%)	71.8	71.7
Proportion of commissions and brokerage expenses (%)	8.4	8.1
Proportion of operating and administrative expenses (%)	16.5	14.3
Written premiums	5,222,683	11,496,143
Written premiums of auto insurance	2,723,251	5,529,835
Written premiums of top 5 non-auto insurance business lines	2,063,504	5,042,765
Health insurance	358,790	1,564,027

Agricultural insurance	755,026	1,364,653
Liability insurance	566,259	1,295,830
Commercial property insurance	210,877	453,417
Homeowners' insurance	172,552	364,837
Average vehicle premium of auto insurance (RMB yuan)	2,887	2,812
Written premiums by channels	5,222,683	11,496,143
Agency	2,955,998	6,113,165
Direct	1,508,160	3,792,796
Brokerage	758,525	1,590,182
Others	-	-

Notes:

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 profit, 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 (%)	4.26
Average comprehensive investment yield in the past 3 years (%)	3.81

Note: As per Notice on Optimising Standards for Solvency Regulation of Insurance Companies by National Administration of Financial Regulation (NFRA [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**

As per rules on classification of insurance companies 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 2023, its annual written premiums amounted to 196.02bn yuan; total assets stood at 246.34bn yuan; there are 38 provincial-level branch offices.

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

In the quarter, the Company promoted systematic capacity-building for risk management, with related work as follows:

First, promoted the disaster response and risk reduction service which integrates “prevention, reduction, relief and compensation”. In accordance with the requirements of the P/C Insurance Supervision Department of NFRA on claims service for flood control and drought relief, and in the spirit of instructions by General Secretary Xi Jinping, we strived to leverage the mechanism of insurance to help with flood control and drought relief, particularly in terms of disaster prevention, disaster mitigation, rescue and relief during the flood season of 2024.

Second, strengthened emergency response and carried out relevant drills. To enhance emergency management and handling, we reviewed and revised the emergency contingency master plan and its sub-plans, and organised drills for emergencies such as catastrophes, major reputational risk events, major legal cases, and so on.

Third, conducted risk screening to prevent and mitigate risks. We carried out quarterly and annual screening of reputational risks to ensure pro-active, forward-looking and effective risk management. As per requirements of the People's Bank of China, we carried out monthly risk monitoring, and submitted reports on significant matters whenever necessary to mitigate potential risks; organised self-assessment of risk management and internal control of 2024 to further cement the foundation of internal control.

Fourth, organised the fourth “Risk Compliance Month” activities in May 2024 in line with the spirit of important speeches by General Secretary Xi Jinping and the Central Financial Work Conference, which considered risk prevention and control a “perennial theme” of financial work. During the month, we held 6 lectures on operational risk, credit risk and other topics for all employees to help them study

trends and dynamics of risk & compliance management; launched the “Risk Compliance e-School” as an easy-to-use channel for employees to learn about risk compliance in a systematic way; and held “Risk Management Competency Training” to raise risk awareness and disseminate risk management philosophies among employees.

### **(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 during the reporting period.

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

### **(I) Results of IRR in the previous 2 quarters**

The Company was rated AA at the IRR for both Q1 of 2024 and Q4 of 2023.

It briefed the board on regulatory communications of IRR, with follow-up tracking and analysis of the status of rectification.

### **(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 risk and money-laundering risk, with related risks staying under control. The following was done in operational risk management:

First, introduced new methods and tools to better respond to regulatory requirements. We listed 11 key points for implementation of standardised actions in response to regulatory requirements, which are differentiated and specific to different levels of branch offices and vertical functions, thus easy to use and compare; developed specialised system modules to provide online tools and support for the implementation at all levels, and carried out drills.

Second, conducted an ad hoc rectification for government-sponsored agricultural insurance as per NFRA directions and submitted the self-assessment reports of the Company and its branches.

Third, strengthened front-end loading of internal control rules. We followed up on the development of the proposed programme, pushed forward the application of existing front-end internal control rules, and launched an operational dashboard to track their operational status, verify returned data and analyse control effectiveness.

Fourth, enhanced tracking of external and internal audits of branches. We have established and implemented a “one-on-one” coaching mechanism to track status of implementation in each branch, focusing on accountability and assessment to ensure effectiveness of rectification.

Fifth, deployed for prevention and monitoring of frauds in 2024. We organised an online programme of compliance pledge and authorisation for all staff, incorporating requirements of “clean practice” and “fight against frauds and malpractice” into the scope of the commitment; carried out the “Double Hundred Actions” for seal/stamp verification, using technology for risk identification and handling to enhance the Company's risk management capability in frauds.

Sixth, organised the fourth “Risk Compliance Month” and “Clean Financial Culture” activities. Under the theme of “Upholding compliance and strengthening risk control”, we carried out 4 categories of activities, including internal and external exchanges, ad hoc competitions, simulation & drills and awareness cultivation to enhance ownership and compliance awareness among employees.

Seventh, as for risk management of IT outsourcing, in Q2, the Company had a total of 45 IT outsourcing vendors. Evaluation in Q2 indicated an overall healthy status in IT outsourcing of the Company, with related risks under control.

Eighth, in anti-money laundering (AML), we invited third-party experts to conduct specialised training on the draft revision of the Anti-Money Laundering Law during the “Risk Compliance Month” in Q2. We exchanged visits with Southwest University of Finance and Economics, finalised research topics on AML as part of our cooperation project with the university, officially launched the project, refined detailed arrangements under the project, proceeded with preparation for technology R & D and project implementation, and continued to promote the backward migration of the AML system.

## 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:

Strengthened strategic risk management in terms of talent management, business management, investment management and overseas operation management; 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 risk management and assessment report to be submitted to senior management.

In Q2 2024, to enhance strategic risk monitoring, the Company revisited and updated relevant risk indicators, to be followed by information collection and analysis along multiple dimensions, such as premium growth, combined ratio, IRR, solvency ratios, and corporate governance evaluation results, etc.

Next, the Company will closely follow changes in economic environment and developments in government policies, and adjust its strategic planning accordingly, while taking into account its own development needs, so as to ensure the alignment of business activities and the strategic planning, and the fulfillment of business 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., as well as other applicable regulatory rules and Group policies, the Company amended and issued relevant risk management rules and policies, conducted quarterly risk screening and analysis, convened the 1st quarterly work meeting of 2024 of the Reputational Risk Management Working Group to cascade down relevant pro-active management actions. Going forward, when conducting business and PR activities, it will further enhance risk screening and prevention, step up fast response and coordination in risk-handling, with review and optimisation afterwards, accumulate the “asset” of reputation and strengthen early-stage intervention and closed-loop management of reputational risk, in a bid to forestall the risk more pro-actively.

### 4. Liquidity risk

To mitigate the liquidity risk, the Company coordinates cash flows from operating, investment and financing activities, pays special attention to large cash outflows arising from major claims, reinsurance bills, taxes, expenses and fixed assets, 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 quarterly prepayment of contribution into the Mandatory Insurance Security Fund, payment of income tax, reinsurance outgo, purchase & construction of fixed assets and payment of shareholder dividend, the Company made

appropriate arrangement of funds, giving priority to large claims payment arising from natural disasters while handling needs for liquidity or applications for payment of branch offices in a timely manner. The Company 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 showed signs of improvement amid stability. The Company 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**

As at the end of Q2 2024, the comprehensive and core solvency margin ratios of the Company stood at 220.0% and 172.5% respectively, up by 1.8pt and 2.4pt respectively from the end of the previous quarter. Of this, actual capital rose by 2.0bn yuan from the previous quarter, mainly due to impact of net profit, other comprehensive income and profit distribution.

Minimum capital for insurance risk increased by 230mn yuan from the preceding quarter, mainly because of higher retained premiums from commercial property insurance, liability insurance and agricultural insurance in the previous 12 months, which raised minimum capital requirement for premium risk; on the other hand, the combined ratio of auto insurance improved in the past 6 months, which lowered the applicable factor and this in turn led to a slight decrease in minimum capital for premium risk; minimum capital for reserve risk increased, due to growth of outstanding claims reserve for liability insurance and commercial property insurance.

Minimum capital for market risk rose by 890mn from the preceding quarter, largely due to increased risk exposure of overseas stocks and other securities investment funds.

Minimum capital for credit risk climbed by 60mn from the preceding quarter, largely due to increased risk exposure of outward reinsurance assets and bank term deposits, which raised minimum capital requirement for counter-party default risk.

The Company sets its solvency risk upper limits and risk indicators based on its risk profile and appetite, 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 not lower than the regulatory minimum of -30%. On a YTD basis, net cash inflows of the Company amounted to 2.47bn yuan. Of this, net cash inflow from operating activities was 5.36bn yuan; net cash outflow from investment activities 4.55bn yuan; net cash inflow from financing activities 1.66bn 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.