

# Summary of Solvency Report

**China Pacific Insurance (Group) Co., Ltd.**

**2021**

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## I. Basic information

### (1) Registered address:

1 Zhongshan Road (South), Huangpu District, Shanghai, PRC.

### (2) Legal representative:

KONG Qingwei

### (3) 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.

### (4) Contacts for solvency information disclosure:

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## II. Group ownership structure and changes to member companies

Please refer to our 2021 Annual Report for detailed information.

## III. Key indicators

Items	As at the end of the reporting period	As at the beginning of the reporting period
Core solvency margin ratio	260%	282%
Core solvency margin (10K RMB)	40,122,319	41,212,169
Comprehensive solvency margin ratio	266%	288%
Comprehensive solvency margin surplus (10K RMB)	31,582,625	33,347,786

## IV. Actual capital

Items	As at the end of the reporting period	As at the beginning of the reporting period
Actual capital (10K)	50,662,014	51,076,552
Tier 1 core capital (10K RMB)	49,662,014	50,076,552

Tier 2 core capital (10K RMB)	–	–
Tier 1 supplement capital (10K RMB)	1, 000, 000	1, 000, 000
Tier 2 supplement capital (10K RMB)	–	–

## V. Required capital

Items	As at the end of the reporting period	As at the beginning of the reporting period
Required capital (10K RMB)	19, 079, 389	17, 728, 766
Required capital for quantitative risks (10K RMB)	19, 079, 389	17, 728, 766
1)Required capital for parent company	–	–
2)Required capital for insurance member company	19, 079, 389	17, 728, 766
3)Required capital for banking member company	–	–
4)Required capital for securities member company	–	–
5)Required capital for trust member company	–	–
6)Required capital for quantifiable Group specific risks	–	–
7)Increase in required capital for risk aggregation effect	–	–
8)Decrease in required capital for risk diversification effect	–	–
Required capital for control risk (10K RMB)	–	–
Supplement capital (10K RMB)	–	–

Note: Detailed regulations are yet to be promulgated by the CBIRC regarding the required capital for quantifiable Group specific risks, increase in required capital for risk aggregation effect, decrease in required capital for risk diversification effect, required capital for control risk, and supplement capital.

## VI. Material events

During the reporting period, there was no material investment losses, no major guarantees for external parties, no financial crisis incurred by the Group's subsidiaries or associates, or their takeovers by regulators.

## VII. Risk governance and strategies

### (1) Group risk governance status

The Company established a risk management organizational system with the Board shouldering the ultimate responsibility, the management responsible for direct stewardship, underpinned by risk management departments, with close participation of all relevant functions and covering all branch offices and positions. The boards of the Company and its subsidiaries are the top decision-making body in risk management, and bear the ultimate responsibility for their respective risk management systems and status of operation. The Board established the Risk Management & Related Party Transactions Committee, which was vested by the Board to perform risk management functions. In 2021, the Committee convened 6 sessions, reviewing relevant risk-related items and reports.

The Company Management Committee is responsible for organizing risk management

implementation, setting up the position of Group Chief Risk Officer, and reporting risk management status and risk profile to the Risk Management & Related Party Transactions Committee on a quarterly basis. Under the Committee there is Group Risk Management and Audit Work Commission, responsible for formulation of risk management and compliance plans, work co-ordination and execution & supervision as per decisions made by the Company.

The Risk Management Centre was set up at Group headquarters, responsible for coordination of daily risk management, and under it there are the Department of Risk Control and the Department of Legal Affairs and Compliance, in charge of coordinating daily risk monitoring, legal and compliance, and enhancement of internal control. Our insurance subsidiaries have all set up independent risk management departments, charged with coordinating the implementation of management decisions in risk management, including organizing, supervising, and guiding other departments in daily risk management as per decisions of the management. Other functional departments of the Group and branch offices of its subsidiaries have all designated Risk Responsible Person and Risk Management Personnel, performing their duties as within their scope of responsibilities and responsible for communications with risk management departments.

## **(2) Group risk management strategies and their implementation**

The overall risk management strategy is: set reasonable risk management objectives based on development strategies, organisational structure and business features of the Company, and under the guidance of the objectives, support and promote fulfillment of business objectives and strategic planning of the Company via a sound risk management system, stringent risk management processes, and advanced risk management mechanisms and tools.

The Group drafted, as per regulatory solvency regulations, its Risk Appetite Framework (RAF) which is reviewed annually and updated when necessary. In 2021, the overall execution status of the RAF of both the Group and its insurance subsidiaries was good, with reports presented to the Risk Management & Related Party Transactions Committee on a quarterly basis.

## **VIII. Group specific risks**

### **(1) Risk contagion**

As per regulatory requirements, the Company has set up risk quarantine mechanisms for its business operation, personnel management, fund management, information systems and internal transactions, etc., to effectively prevent the spread of relevant

risks within the Group and to minimize the risk of contagion.

**(2) Risk due to opaque organizational structure**

As a listed insurance holding group, the Company boasts a clear ownership structure and sound corporate governance. The focus on insurance as its core business supplemented by other related business effectively prevents the risk of losses incurred by the Company as a result of opaque organizational structure.

**(3) Concentration risk**

As per regulatory requirements, the Company and its member insurers identify, evaluate, monitor and report on the concentration risk of various types on a regular basis, including the concentration risk of investment and reinsurance counter-parties, insurance and non-insurance business and investment assets, which effectively prevented the aggregation of a single risk or risk portfolios at the Group level, or a material threat to the Group's solvency and liquidity.

**(4) Non-insurance risk**

The Company takes non-insurance risk management very seriously and stays focused on the core business of insurance. In strict compliance with regulatory rules, it prudently manages investment in non-insurance areas, pro-actively manages and prevents the adverse effect on the solvency of both the Group and its member insurers by the business operation of its non-insurance member companies, in a bid to safeguard policyholder's interests.

# Summary of Quarterly Solvency Report

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

**4<sup>th</sup> Quarter of 2021**

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## I. Basic information

### (I) Registered address

South Tower, Bank of Communications Financial Building, 190 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC

### (II) Legal representative

GU Yue

### (III) Business scope and territories

#### 1. 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 CBIRC.

#### 2. Business territories

The People's Republic of China (excluding Hong Kong, Macao and Taiwan)

### (IV) Ownership structure and shareholders

#### 1. Ownership structure

Equity categories	Shares or contributed amounts (10K shares)	Percentage (%)
Domestic shares held by legal entities	1,947,000	100
Domestic shares held by natural persons	-	-
Foreign shares	-	-
Others	-	-
Total	1,947,000	100

## 2. Top 10 shareholders

Names of shareholders	Shares held as at the end of the reporting period	Percentage of shareholding (%)
China Pacific Insurance (Group) Co., Ltd.	19,178,214,743	98.50
Shenergy Group Co., Ltd.	90,874,742	0.47
Shanghai Haiyan Investment Management Company Limited	90,620,982	0.46
Yunnan Hehe (Group) Co., Ltd.	59,586,361	0.31
Shanghai State-owned Assets Operation Co., Ltd.	50,703,172	0.26
Total	19,470,000,000	100.00

### (V) Controlling shareholder or de facto controller

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

### (VI) Subsidiaries, joint or associate ventures

Name of companies	Number of shares (10K)	Percentage of the shareholding (%)
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd.	1,071	35.70
China Pacific Anxin Agricultural Insurance Co., Ltd.	73,206	67.78
Shanghai Juche Information Technology Co., Ltd.	148	25.20
Zhongdao Automobile Assistance Co., Ltd	1,280	20.32
CPIC Euler Hermes Credit Insurance Sales Co., Ltd	2,550	51.00
Shanghai Lexiang Sijin Technology Joint-stock Co. Ltd.	369	6.16
Shanghai Heji Business Management Partnerships ( LP)	20,000	99.00

## **(VII) 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 and Deputy Head on Transformation Matters of CPIC Group, 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 CPICP/C Beijing Branch, General Manager of Development and Planning Department of CPIC P/C, Head of Board Office of CPIC P/C, Head of Supervisory Board Office of CPIC P/C, General Manager of Tele-marketing Center of CPIC P/C, and Head of Strategy Research Center 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 General Manager of Financial Management Department of Shenergy (Group) Co., Ltd., Non-executive Director of CPIC Group, and Director of CPIC Life. He is also Director of Shanghai ICY New Energy Venture Capital Co., Ltd., Supervisor of Orient Securities Co., Ltd., Director of Chengdu Xinshen Venture Capital Co., Ltd., Supervisor of Shanghai ICY Capital Management Ltd., Chairman of the Board of Supervisors of Shanghai Shenergy Yicheng Equity Investment Co. Ltd. and Supervisor of Everbright Banking Co., Ltd. Mr. WU previously served as Supervisor of Shanghai Pharmaceuticals Holding Co., Ltd., a company listed on SSE and on SEHK, and Director of Shanghai Jiulian Group Co., Ltd.

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 Legal Counsel of CPIC Group and Director of CPIC Life, CPIC AMC and Changjiang Pension respectively. Mr. ZHANG previously served as Board Secretary of the Company, Chief Risk Officer and General Manager of Legal and Compliance Department and Risk Management Department of CPIC Group respectively, Head of Board Office and Supervisor Office of CPIC Group respectively, and Board Secretary of CPIC Life and CPIC AMC respectively.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree. 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 AMC respectively, Director, Chief Actuary of CPIC Health. He previously served as Chief Actuary of Citi Group TRV-Citi Insurance Headquarters, 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., and Chief Risk Officer of CPIC Health.

Mr. ZHANG Yuhua, born in November 1967, holds a master's degree. He has been serving as Director of the Company since May 2021 (approval document: CBIRC [2021] No. 378). Mr. ZHANG currently serves as Deputy General Manager of CPIC P/C. Previously, he served as Deputy General Manager of CPIC P/C Shenzhen Branch, General Manager of CPIC P/C Sichuan Branch. Prior to that, Mr. ZHANG served as Deputy Director of the Secretary and Administration Department of the Hong Kong and Macao Affairs Office of the State Council, Member of the Standing Committee of the Heze Municipal Party Committee, Deputy Mayor of Heze Municipal Government, Deputy Secretary of Party Leadership Group of Heze, and Party Secretary of the State-owned Assets Supervision and Administration Commission of Shandong Province.

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 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 Center of the Company, General Manager of Marketing Department of the Company, Chief Marketing Officer, Deputy General Manager of the Company, and Assistant President of CPIC Group.

Mr. GU Yue, born in June 1965, holds a master's degree. He has been serving as Chairman of the Company since March 2015 (approval document: CIRC [2015] No. 228). Mr. GU also serves as Chairman of CPIC HK and Director of CPIC AMC. Previously, Mr. GU served as Director and General Manager of the Company, Chairman of Board of Supervisors and Director of CPIC Life, Chairman of Board of Supervisors of CPIC AMC, Director of CPIC Health, and Board Secretary, Chief Auditing Officer, Internal Auditing Responsible Person, Vice President and Finance Responsible Person, and Executive Vice President of CPIC Group.

## 2. Supervisors

Mr. Sun Peijian, born in September 1963, holds a master's degree and has been serving as Supervisor of the Company since September 2019 (approval document CBIRC Shanghai [2019] No. 803). He was appointed as Chairman of Board of Supervisors of the Company in October 2019. Mr. SUN currently serves as Chief Risk Officer of CPIC Group, Chairman of Board of Supervisors of CPIC Life. Previously, Mr. SUN served as Assistant General Manager, Deputy General Manager of Reinsurance Department of CPIC Group, 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.

Ms. LI Shuhui, born in July 1972, holds a master's degree, and has been serving as Supervisor of the Company since April 2018 (approval document: CBIRC [2018] No. 125). Ms. LI currently serves as General Manager of Finance Department/Asset Management Department of the Company<sup>1</sup>, Deputy General Manager and Finance Responsible Person of Anxin Agricultural Insurance. Previously, she served as General Manager of Audit Center/Audit Technology Division of CPIC Group, Supervisor of CPIC Health, Internal Auditing Responsible Person of Changjiang Pension, Supervisor of Pacific Insurance Elderly Caring Investment Management Co., Ltd., Supervisor of Anxin Agricultural Insurance, and Supervisor of CPIC Online.

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 Lead Auditor of Internal Audit Management Department of CPIC Group, Internal Audit Responsible Person of CPIC AMC, and Supervisor of CPIC Elderly Care Investment Management Co. Ltd.. Previously, he served as Head of Secretary Department of General Office of CPIC Life, Deputy Chief of Board Office of CPIC Group, Assistant General Manager of CPICP/C Suzhou Branch, Deputy General Manager of Legal Compliance Department of CPIC P/C Suzhou Branch, Head of Specialized Capacity-building Team of Audit Center of CPIC Group, Deputy General Manager (in charge), General Manager of General Audit Department of Audit Center of CPIC Group, General Manager of Audit Department (North China) of Audit Center of CPIC Group.

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<sup>1</sup> Starting from Jan. 27, 2022, Ms. LI Shuhui no longer served as GM of the Finance Department & GM of Asset Management Department of the Company.

### 3. Senior management

Mr. GU Yue, born in June 1965, holds a master's degree. He has been serving as Chairman of the Company since March 2015 (approval document: CIRC [2015] No. 228). Mr. GU also serves as Chairman of CPIC HK and Director of CPIC AMC. Previously, Mr. GU served as Director and General Manager of the Company, Chairman of Board of Supervisors and Director of CPIC Life, Chairman of Board of Supervisors of CPIC AMC, Director of CPIC Health, and Board Secretary, Chief Auditing Officer, Internal Auditing Responsible Person, Vice President and Finance Responsible Person, and Executive Vice President of CPIC Group.

Mr. ZHANG Yuhua, born in November 1967, holds a master's degree. He has been serving as Deputy General Manager of the Company since April 2021 (approval document: CBIRC [2021] No. 226). Mr. ZHANG currently also serves as Director of the Company. Previously, he served as Deputy General Manager of CPIC P/C Shenzhen Branch, General Manager of CPIC P/C Sichuan Branch, Secretary of Discipline Inspection Commission of CPIC P/C, and Deputy Party Secretary of CPIC P/C. Prior to that, Mr. ZHANG served as the Deputy Director of the Secretary and Administration Department of the Hong Kong and Macao Affairs Office of the State Council, Member of the Standing Committee of the Heze Municipal Party Committee, Deputy Mayor of Heze Municipal Government, Deputy Secretary of Party Leadership Group of Heze, and Party Secretary of the State-owned Assets Supervision and Administration Commission of Shandong Province.

Mr. ZENG Yi, born in June 1965, holds a bachelor degree, and has been serving as Deputy General Manager of the Company since March 2017 (approval document: CIRC [2015] No. 543). Previously, Mr. ZENG served as Chief Operating Officer of CPIC P/C, Director of Auto Insurance Business of CPIC P/C, and General Manager of CPIC P/C 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). Mr. SONG also serves as Chairman of China Pacific Anxin Agricultural. Previously he served as General Manager of CPIC P/C Hainan Branch, General Manager of Property and Liability Insurance Department of CPIC P/C, General Manager of CPIC P/C Shandong Branch, and Head of Sales of CPIC P/C.

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 since September 2014. Previously, Mr. ZHANG served as Head of Sales and General Manager of Group Business Department of CPIC Life, General Manager of CPIC Life Hunan Branch, General Manager of CPIC Life Jiangsu Branch, Supervisor of CPIC AMC, and Chairman of Trade Union of CPIC AMC.

Mr. XI Yulin, born in November 1962, received university education, and has been serving as Deputy General Manager of the Company since May 2021 (approval document: CIRC [2015] No. 543). He has also been serving as Executive Director and General Manager of CPIC Online since August 2017. Previously, Mr. XI served as General Manager of CPIC P/C Suzhou Branch, and Assistant General Manager (auto insurance) of CPIC P/C.

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 (qualification for Assistant General Manager: approval document CBIRC Shanghai [2019] No. 826). 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 Assistant General

Manager of the Company since October 2019 (approval document: CBIRC Shanghai [2019] No. 841). Prior to that, Mr. SU served as Assistant General Manager, Deputy General Manager, and General Manager of CPIC P/C Henan Branch, Head of General Office of CPIC P/C and Head of Office of Board of Directors and Head of Office of Board of Supervisors of CPIC P/C, and General Manager of Corporate Customer Department/Bancassurance Department of CPIC P/C.

Mr. LI Chao, born in March 1981, holds a master's degree, and has been serving as Assistant General Manager of the Company since August 2021 (approval document: CBIRC [2021] No.496). Prior to this, Mr. LI served as Deputy General Manager of CPIC P/C Tianjin Branch, Deputy General Manager (in charge) and General Manager of CPIC P/C's Small and Medium-sized Customer Business Department, General Manager of CPIC P/C's Corporate Customer Department/Banking Insurance 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 Head of Transformation Matters for the Company, Head of Office for Deepening Transformation, General Manager of Development and Planning Department, Head of Board Office, and Head of Supervisory Board Office of the Company. Previously, she served as Assistant General Manager, Deputy General Manager of Tele-marketing Department of CPIC P/C, Deputy General Manager (in charge) of Project Management Department of CPIC Online, General Manager of Marketing Department of CPIC Online, General Manager of Shanghai Sub-center of Tele-marketing Center of CPIC P/C, and Deputy General Manager of Tele-marketing Center of CPIC P/C.

Mr. Wu Bo, born in June 1970, holds a doctorate degree, and he has been serving as Assistant General Manager of the Company since August 2021 (approval document: CBIRC [2021] No. 591). Mr. WU also serves as Director of the Company's Beijing-Tianjin-Hebei Regional Coordinated Development and General Manager of CPIC P/C Beijing branch. Mr. WU previously served as Assistant General Manager, Deputy General Manager and General Manager of CPIC P/C Shandong Branch.

Mr. XU Zhichun, born in October 1962, holds a master's degree. He has been serving as Internal Auditing



Responsible Person of the Company (approval document: CBIRC Shanghai [2019] No. 956) since November 2019. Previously, Mr. XU served as Deputy General Manager, General Manager of CPIC P/C Wuxi Branch, General Manager of Claims Department and Auto Insurance Claims Department of CPIC P/C respectively, General Manager of CPIC P/C Guangdong Branch, General Manager of Operations Center of CPIC P/C, and General Manager of Shanghai Sub-Center of Operations Center of CPIC P/C, etc.

### **(VIII) Contacts for solvency information disclosure**

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E-mail: chenmo-004@cpic.com.cn

## **II. Main indicators**

In the reporting quarter, the comprehensive and core solvency margin ratios of the Company stood at 288% and 238% respectively.

Item	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	238%	229%
Core solvency margin surplus (10K RMB)	2,773,558	2,620,940
Comprehensive solvency margin ratio	288%	278%
Comprehensive solvency margin surplus (10K RMB)	3,773,558	3,620,940
Latest IRR result	B	B
Premium income (10K RMB)	3,495,540	3,612,743
Net profit (10K RMB)	153,957	130,966
Net assets (10K RMB)	4,892,897	4,718,425

### III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	20,643,217	21,031,948
Admitted liabilities (10K RMB)	14,862,417	15,382,109
Actual capital (10K RMB)	5,780,801	5,649,839
Tier 1 core capital (10K RMB)	4,780,801	4,649,839
Tier 2 core capital (10K RMB)		-
Tier 1 supplement capital (10K RMB)	1,000,000	1,000,000
Tier 2 supplement capital (10K RMB)	-	

### IV. Required capital

Item	As at the end of this quarter	As at the end of last quarter
Required capital (10K RMB)	2,007,243	2,028,900
Required capital for quantitative risks (10K RMB)	2,047,580	2,058,543
1) Required capital for insurance risk (10K RMB)	1,495,065	1,497,825
2) Required capital for market risk (10K RMB)	525,385	492,972
3) Required capital for credit risk (10K RMB)	703,346	753,398
Required capital for control risk (10K RMB)	-40,337	-29,643
Supplement capital (10K RMB)	-	-
1) Counter-cyclical supplement capital (10K RMB)	-	-
2) Supplement capital of D-SIIs (10K RMB)	-	-
3) Supplement capital of G-SIIs (10K RMB)	-	-
4) Other supplement capital (10K RMB)	-	-

## **V. Integrated risk rating (IRR)**

The Company was rated B at the IRR for both Q3 and Q4 of 2021.

## **VI. Risk management status**

### **(I) The latest CBIRC Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company**

The latest (2021) SARMRA score of the Company was 83.94 points: 16.44 points for risk management infrastructure and environment, 8.24 for risk management objectives and tools, 8.64 for insurance risk management, 8.17 for market risk management, 8.60 for credit risk management, 8.44 for operational risk management, 8.61 for strategic risk management, 8.45 for reputation risk management, and 8.35 for liquidity risk management.

### **(II) Measures taken to improve solvency risk management and the latest results in the reporting period**

During the quarter, the Company mainly took the following measures to improve the infrastructure of risk management, enhance prevention of major risks and foster the culture of risk management.

First, it improved the management system of major risk categories: amended Implementation Regulations on Reputation Risk Management, seeking to enhance the governance structure of the risk, and put in place full-process reputation risk management and mechanisms for routine system-building.

Second, it strengthened a series of policies in insurance risk, operational risk and liquidity risk, such as formulating Management Rules on Recourse of Credit & Guarantee Insurance for Commercial Lines, Policies on Self-review of Anti-money Laundering and Terrorism Financing, and amended Rules on Post-sale Management of Credit & Guarantee Insurance for Financing Purposes, Reinsurance Business Standards and Processes, and Provisional Regulations on Fund Management.

Third, to forestall major risks, it conducted the drill of Contingency Programmes of Solvency Deterioration, which tested the completeness, implementability and effectiveness of the programme, verified the availability of resources in emergency response and enhanced abilities to handle emergencies.

## VII. Liquidity risk

### (I) Liquidity risk management indicators

#### (1) Net cash flow

Item	During/as at the end of this quarter
Net cash flow (10K RMB)	-73,053

#### (2) Comprehensive current ratio

Item	Within 3 months	Within 1 year	Above 1 year
Comprehensive current ratio	86.5%	57.8%	222.7%

#### (3) Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio- Company level	227.0%	308.2%

### (II) Liquidity risk analysis and mitigation

#### (1) Cash flows

In this year, net cash inflow of the Company was RMB2.88 billion, up by RMB5.76 billion from the previous year; In this quarter, net cash outflow amounted to RMB730 million, a decrease of RMB510 million from the previous quarter.

Net cash inflow from the business activities of the Company was RMB6.61 billion, an increase of RMB5.73 billion from the previous quarter. The main impact came from cash inflow from primary insurance premiums of RMB45.68 billion, up by 19.6%.

Net cash outflow from the Company's investment activities was RMB28.1 billion. Of this,

cash inflow from recovery of investment and payment of investment income reached RMB12.54 billion, up by 68.3% from the previous quarter; cash paid for investments was RMB14.84 billion, up by 89.1%. The increase in net cash outflow is the result of normal asset allocation in light of the current investment strategy of the Company.

Net cash outflow from financing activities was RMB4.52 billion, mainly as a result of refund of financial assets sold under agreements to repurchase.

## (2) Liquidity indicator analysis

The comprehensive current ratio within the next 3 months, 1 year and above is 86.5%, 57.8% and 222.7%, respectively. Its liquidity coverage ratio is 227.0% and 308.0% under stress scenario 1 and 2 respectively in the next quarter. The Company has allocated a certain proportion of highly liquid assets in its SAA to meet liquidity requirements, which enables it to meet short-term cash flow requirements arising from business volatility.

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from business, investment and financing activities to ensure sufficient liquidity to meet needs of surrenders, claims and other benefits payments. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

## **VIII. Regulatory measures taken against the Company**

### **(I) Regulatory measures taken against the company by CBIRC**

During the reporting period, CBIRC has not taken any regulatory measures against the Company headquarters.

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

None.

# Summary of Quarterly Solvency Report

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

**4<sup>th</sup> Quarter of 2021**

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## **I. Basic information**

### **(I) Registered address**

1 Zhongshan Road (South), Huangpu District, Shanghai, the PRC

### **(II) Legal representative**

PAN Yanhong

### **(III) Business scope and territories**

#### 1. Business scope

Life/health insurance denominated in RMB yuan and foreign currencies including life insurance, health insurance, personal accident insurance, etc.; reinsurance of the above said insurance; statutory life/health insurance; agency and business dealings with domestic and overseas insurers and organizations, loss adjustment, claims and other business entrusted from overseas insurance organizations; insurance funds investment as prescribed by The Insurance Law and relevant laws and regulations; international insurance activities as approved; other business as approved by the CIRC.

#### 2. Business territories

Beijing, Shanghai, Tianjin, Chongqing, Heilongjiang Province, Jilin Province, Liaoning Province, Hebei Province, Shanxi Province, Shandong Province, Anhui Province, Jiangsu Province, Zhejiang Province, Fujian Province, Jiangxi Province, Guangdong Province, Hainan Province, Guangxi Zhuang Autonomous Region, Hunan Province, Hubei Province, Henan Province, Yunnan Province, Guizhou Province, Sichuan Province, Shaanxi Province, Gansu Province, Xinjiang Uygur Autonomous Region, Ningxia Hui Autonomous Region, Inner Mongolia Autonomous Region, Qinghai Province.

### **(IV) Ownership structure and shareholders :**

#### 1. Ownership structure (10k shares or 10k RMB)

<b>Equity category</b>	<b>Shares as at the end of the reporting period</b>	<b>Percentage (%)</b>
Domestic shares held by legal entities	842,000	100
Domestic shares held by natural persons	-	-
Foreign shares	-	-
Others	-	-
Total	842,000	100



## 2. Top 10 shareholders (10k shares or 10k RMB)

Name of shareholders	Shares held at the end of the reporting period	Percentage of the shareholding (%)
China Pacific Insurance (Group) Co., Ltd.	827,621.84	98.292
Shenergy Group Co., Ltd.	4,597.90	0.546
Shanghai State-Owned Assets Operation Co., Ltd.	4,576.09	0.544
Shanghai Haiyan Investment Management Company Limited	3,140.45	0.373
Yunnan Hehe (Group) Co., Ltd.	2,063.72	0.245

### (V) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd. is the controlling shareholder, holding 98.292% of the shares of the Company.

### (VI) Subsidiaries, joint or associate ventures

Company name	Number of shares (10k shares)			Shareholding percentage (%)		
	As at the beginning of this quarter	As at the end of this quarter	Change amount	As at the beginning of this quarter	As at the end of this quarter	Change percentage
Changjiang Pension Insurance Co., Ltd.	186,486	186,486	-	62.16	62.16	-
City Island Developments Limited	0.1	0.1	-	100.00	100.00	-
Tianjin Trophy	35,369	35,369	-	100.00	100.00	-
Pacific Insurance Elderly Care Investment Management Co., Ltd.	300,000	300,000	-	100.00	100.00	-
Pacific Health Care Management Co. Ltd.	50,000	50,000	-	100.00	100.00	-
CPIC Elderly Care Industry Development (Chengdu) Co. Ltd.	81,000	97,200	16,200	100.00	100.00	-
CPIC Elderly Care (Hangzhou) Co. Ltd.	67,000	87,500	20,500	100.00	100.00	-
CPIC Elderly Care (Xiamen) Co. Ltd.	45,000	51,000	6,000	100.00	100.00	-
CPIC Elderly Care (Nanjing) Co. Ltd.	10,900	12,900	2,000	100.00	100.00	-
CPIC Rehab & Retirement (Shanghai) Industrial Development Co. Ltd.	19,500	23,000	3,500	100.00	100.00	-
CPIC Elderly Care (Wuhan) Co. Ltd.	44,308	56,308	12,000	100.00	100.00	-
Beijing Borui Heming Insurance Agency Co. Ltd.	5,200	5,200	-	100.00	100.00	-
China Pacific Life Insurance (Hong Kong) Company Limited	-	100,000	100,000	-	100.00	100.00
Shanghai Dabao Guisheng Information Technology Co. Ltd.	1,020	1,020	-	34.00	34.00	-
Shanghai Rui Yong Jing Property Development Co. Ltd.	983,500	983,500	-	70.00	70.00	-
Shanghai Shantai Health Care Technology Co. Ltd.	4,000	4,000	-	40.00	40.00	-
Zhongbao Rongxin Private Equity Fund Management Co. Ltd.	-	150,000	150,000	-	10.14	10.14
Lianren Healthcare Big Data Technology Co. Ltd.	50,000	50,000	-	25.00	25.00	-
Changjiang Pension-CHEMCHINA Infrastructure Debt Investment Scheme	2,142	2,142	-	71.40	71.40	-

Changjiang Pension-Sichuan Tietou Xugu High-speed Infrastructure Debt Investment Scheme	205	205	-	34.17	34.17	-
Ningbo Zhilin Investment Management (LP)	241,632	241,632	-	90.00	90.00	-
Jiaxing Yishang Private Equity Investment Partners (LP)	95,000	95,000	-	94.80	94.80	-
Yangtze River Delta Integration Industry Equity Investment Partners (LP)	198,724	198,450	-274	27.75	27.75	-
Taijiashan Health Care Industry (Shanghai) Equity Investment Partners (LP)	150,000	250,000	100,000	99.01	99.01	-
CPIC Health Care Private Investment Fund (Shanghai) (LP)	150,000	150,000	-	83.33	83.33	-
Shanghai Science & Technology Innovation Centre Phase II Private Investment Fund (LP)	-	44,972	44,972	-	25.86	25.86
Shanghai Junhe Tongyi Start-ups Industrial Equity Investment Fund Partners (LP)	297,800	297,800	-	99.97	99.97	-
Shanghai Yibao Health Care Technology Centre (LP)	60,000	60,000	-	100.00	100.00	-
CPIC Yixin No.1 Private Investment Fund (Shanghai) (LP)	-	100	100	-	33.33	33.33
CPIC AMC Yongquan Yihao Customized Product	48,000	48,000	-	100.00	100.00	-
CPIC-Jiangsu Communications Holding Debt Investment Plan (Phase 1)	4,000	4,000	-	100.00	100.00	-
CPIC – Gansu HATG Debt Investment Plan	600	600	-	100.00	100.00	-
CPIC - Wuhan Subway Infrastructure Debt Investment Plan	-	600	600	-	100.00	100.00
CPIC - Hubei Transport Investment Infrastructure Debt Investment Plan	-	1,500	1,500	-	100.00	100.00
CPIC - He'nan Investment Group Infrastructure Debt Investment Plan	-	2,000	2,000	-	100.00	100.00
Changjiang Pension-SDIC (Shanghai) Technology Commercialization Equity Investment Fund	770	770	-	100.00	100.00	-
Changjiang Pension-Ansteel Infrastructural Projects Debt Investment Plan	1,800	1,800	-	72.00	72.00	-
Changjiang Pension-CHINALCO Debt Investment Plan	1,110	1,110	-	37.00	37.00	-
Changjiang Pension-Golden Industries Selective Equity Asset Management	12,148	12,148	-	93.65	93.65	-
Changjiang Pension-Golden Industries Selective Equity Asset Management No.2	66,468	66,468	-	100.00	100.00	-
Changjiang Pension-Golden Industries Quantifying Growth Asset Management Product	9,000	9,000	-	100.00	100.00	-
Changjiang Pension-Golden Yield Enhanced Asset Management Product No.1	600	600	-	100.00	100.00	-
Changjiang Pension-Flexible Allocation Asset Management Product No.1	600	600	-	100.00	100.00	-

Changjiang Pension-Golden Voyage Asset Management Product No.2	600	600	-	100.00	100.00	-
Changjiang Pension-Golden Yield Enhanced Asset Management Product No.2	600	600	-	100.00	100.00	-
Changjiang Pension- Jinse Zengying Asset Management Product No.6	-	31,000	31,000	-	28.18	28.18
Guolian'An Zengfu One-year Term Open-ended Bond Securities Investment Fund	500,000	714,412	214,412	99.80	99.99	0.19
Guolian'An Zengyu One-year Term Open-ended Bond Securities Investment Fund	598,658	622,528	23,870	99.83	77.05	(22.79)
Guolian'An New Blue Chips & Dividend One-year Term Open-ended Hybrid Securities Investment Fund	41,903	41,903	-	97.67	97.67	-
Dongfanghong Dingyuan 3-month Term Open-ended Hybrid Securities Investment Fund	186,896	229,702	42,806	99.47	99.57	0.10
Zhong Ou Growth 3-month Term Open-ended Hybrid Securities Investment Fund	131,955	131,955	-	99.25	99.25	-
Harvest Value 3-month Term Open-ended Hybrid Securities Investment Fund	181,572	319,181	137,609	99.40	99.66	0.26
Guotai Jinfu 3-month Term Open-ended Hybrid Securities Investment Fund	100,000	111,257	11,257	99.01	99.11	0.10
Invesco Great Wall Taibao 3-month Term Open-ended Hybrid Securities Investment Fund	100,000	253,792	153,792	99.01	99.61	0.60
Fullgoal Rongtai 3-month Term Open-ended Hybrid Securities Investment Fund	130,304	376,860	246,556	99.24	99.74	0.50
CMS Shengyang 3-month Term Open-ended Hybrid Securities Investment Fund	100,000	100,000	-	99.01	99.01	-
GF Securities Ruixuan 3-month Term Open-ended Hybrid Securities Investment Fund	100,000	213,596	113,596	99.01	99.53	0.52

Note: Changjiang Pension-CHEMCHINA Infrastructure Debt Investment Scheme, Changjiang Pension-Sichuan Tietou Xugu High-speed Infrastructure Debt Investment Scheme, Changjiang Pension-CHINALCO Debt Investment Plan, Changjiang Pension-Golden Industries Selective Equity Asset Management, Changjiang Pension-SDIC (Shanghai) Technology Commercialization Equity Investment Fund, Changjiang Pension-Ansteel Infrastructural Projects Debt Investment Plan, Changjiang Pension-Golden Industries Selective Equity Asset Management No.2, Changjiang Pension-Golden Industries Quantifying Growth Asset Management Product, Changjiang Pension-Golden Yield Enhanced Asset Management Product No.1, Changjiang Pension-Flexible Allocation Asset Management Product No.1, Changjiang Pension-Golden Voyage Asset Management Product No.2, Changjiang Pension-Golden Yield Enhanced Asset Management Product No.2, Changjiang Pension- Jinse Zengying Asset Management Product No.6, CPIC AMC Yongquan Yihao Customized Product, CPIC – Jiangsu Communications Holding Debt Investment Plan (Phase 1), CPIC – Gansu HATG Debt Investment Plan, CPIC - Wuhan Subway Infrastructure Debt Investment Plan, CPIC - Hubei Transport Investment Infrastructure Debt Investment Plan, CPIC - He'nan Investment Group Infrastructure Debt Investment Plan, Ningbo Zhilin Investment Management (LP), Jiaying Yishang Private Equity Investment Partners (LP), Yangtze River Delta Integration Industry Equity Investment Partners (LP), Shanghai Junhe Tongyi Start-ups Industrial Equity Investment Fund Partners (LP), and Shanghai Yibao Health Care Technology Centre (LP), Taijiashan Health Care Industry (Shanghai) Equity Investment Partners (LP), CPIC Health Care Private Investment Fund (Shanghai) (LP), Guolian'An Zengfu One-year Term Open-ended Bond Securities Investment Fund, Guolian'An Zengyu One-year Term Open-ended Bond Securities Investment Fund, Guolian'An New Blue Chips & Dividend One-year Term Open-ended Hybrid Securities Investment Fund, Dongfanghong Dingyuan 3-month Term Open-ended Hybrid Securities Investment Fund, Zhong Ou Growth 3-month Term Open-ended Hybrid Securities Investment Fund, Harvest Value 3-month Term Open-ended Hybrid Securities Investment Fund, Guotai Jinfu 3-month Term Open-ended Hybrid Securities Investment Fund, Invesco Great Wall Taibao 3-month Term Open-ended Hybrid Securities Investment

Fund, Fullgoal Rongtai 3-month Term Open-ended Hybrid Securities Investment Fund, CMS Shengyang 3-month Term Open-ended Hybrid Securities Investment Fund, GF Securities Ruixuan 3-month Term Open-ended Hybrid Securities Investment Fund are structured entities.

## **(VII) Directors, supervisors and senior management**

### **1. Directors**

The 7th Board of Directors of the Company has 7 directors in total:

Mr. MA Xin, born in April 1973, has a master's degree. He has been serving as Director of the Company since March 2018 (approval document: CIRC Approval [2018] No. 320). Mr. MA currently serves as Vice President of CPIC Group, Member of Consumer Rights Protection Committee of the Company, Director of Changjiang Pension, and Chairman of CPIC Health. He previously served Assistant Manager of Chengnan Sub-branch of CPIC Xi'an Branch, Assistant Manager of the Life Insurance General Management Department and Group Insurance Department of Chengnan Sub-branch of CPIC Xi'an Branch, Deputy Head, and Deputy Manager of Marketing Management Department of Chengdong Sub-branch, Manager of Individual Business Department and Assistant General Manager of CPIC Life Xi'an Branch, Deputy General Manager and General Manager of CPIC Life Shaanxi Branch, Director of CPIC P/C, Transformation Director, Director of Strategic Transformation Office, GM of Strategic Planning Department, and Board Secretary of CPIC Group.

Mr. SU Shaojun, born in February 1968, holds a PhD degree and a title of senior engineer. He has been serving as Director of the Company since December of 2021 (approval document: CBIRC Approval [2021] No. 1033). Mr. SU currently serves as Board Secretary, Deputy Director on transformation matters, and Director of Board Office of CPIC Group, Director of CPIC P/C. Previously, he served as Assistant General Manager and Deputy General Manager of the Underwriting Department, Deputy General Manager and General Manager of Beijing Branch, General Manager of Development Planning Department, Head of the Board Office, Head of the Board of Supervisors' Office, General Manager of the Telemarketing Department of CPIC P/C, and Head of the Strategic Research Center of CPIC Group.

Mr. WU Junhao, born in June 1965, has a master's degree. He has served as Director of the Company since July 2012 (approval document: CIRC Life [2012] No.816). Mr. WU currently serves as General Manager of the Financial Management Department of Shenergy (Group)

Co., Ltd., Non-executive Director of CPIC Group, and Director of CPIC P/C. He is also Supervisor of Orient Securities Co., Ltd., Director of Shanghai Chengyi New Energy Venture Capital Co., Ltd., Director of Chengdu Xinshen Venture Capital Co., Ltd., Supervisor of Shanghai Chengyi Capital Co., Ltd., Supervisor of Everbright Banking Co., Ltd., Chairman of the Supervisory Board of Shanghai Shenergy Leasing Co., Ltd., and Chairman of the Supervisory Board of Shanghai Shenergy Chengyi Equity Investment Co., Ltd. Mr. WU formerly worked as head of the Teaching Research Department of the School of Business Management of Changzhou University, executive deputy general manager of Shanghai New Resources Investment Consulting Company, Deputy General Manager of Shanghai Bailitong Investment Company, Deputy Chief of Shanghai Shenergy Assets Management Co., Ltd., Deputy Chief, Chief and Senior Chief of the Assets Management Department, Deputy Manager of the Financial Management Department of Shenergy (Group) Co., Ltd., and Director of Shanghai Jiulian Group Co., Ltd. Mr. WU was also a Supervisor of Shanghai Pharmaceuticals Holding Co., Ltd., a company listed on SSE and on SEHK

Mr. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has served as Director of the Company since March 2018 (approval document: CIRC [2018] No.330). Mr. ZHANG currently serves as Chief Compliance Officer and Chief Legal Councilor of CPIC Group, Member of Consumer Rights Protection Committee of the Company, and Director of CPIC P/C, CPIC AMC and Changjiang Pension respectively. Mr. ZHANG previously served as General Manager of Legal Compliance Department and Risk Management Department, Risk & Compliance Officer and Chief Risk Officer of CPIC Group, Head of Board Office of CPIC Group, and Board Secretary of CPIC P/C, CPIC Life and CPIC AMC.

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 served as Director of the Company since March 2018 (approval document: CIRC [2018] No.327). Mr. ZHANG is also Chief Actuary and Finance Responsible Person of CPIC Group, Director of CPIC P/C, CPIC AMC respectively, and Chief Actuary and Director of China Health. Mr. ZHANG previously served as Chief Actuary of Citi Group TRV-Citi Insurance headquarters, Chief Actuary, Deputy GM and Vice President of

MetLife Insurance Company Limited (Shanghai), Chief Actuary of Sino Life Insurance Co., Ltd., Deputy GM, CFO and Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd., and Chief Risk Officer of CPIC Health.

Mr. CAI Qiang, born in July 1967, holds a bachelor's degree. Mr. CAI is a CLU, ChFC, and CFP. He has been serving as Executive Director of the Company (approval document: CBIRC [2021] No. 390) since May 2021. Currently, he serves as General Manager (CEO) of the Company, and Director of CPIC Life Hong Kong. Previously, he served as insurance agent, regional manager, and regional director of AXA U.S., General Manager (agency business) and CEO of AXA Hong Kong, CEO of AIA China, Regional CEO of AIA Group, and Vice Chairman and President of WE DOCTOR GROUP.

Ms. PAN Yanhong, born in August 1969, holds a master's degree and the title of Senior Accountant, and is a Chinese Certified Public Accountant. She has been serving as Chairman of the Company since June 2021 (approval document: CBIRC [2021] No.421). Ms. PAN currently also serves as Chairperson of Consumer Rights Protection Committee of the Company, Director of CPIC AMC, CPIC Health and Changjiang Pension respectively, and Chairman of CPIC Life Hong Kong. Ms. PAN previously served as Deputy CFO, CFO, Deputy General Manager, Vice Chairperson, and General Manager of the Company, and Finance Responsible Person, Vice President, and Executive Vice President of CPIC Group.

## 2. Supervisors

The 7th Board of Supervisors of the Company has 3 supervisors:

Mr. SUN Peijian, born in September 1963, has a master's degree. He has been serving as Chairman of the Board of Supervisors of the Company since August 2019 (approval document: CBIRC Shanghai [2019] No.673). Mr. SUN currently serves as Chief Risk Officer of CPIC Group, Chairman of Board of Supervisors of CPIC P/C. Previously, he served as Assistant General Manager, Deputy General Manager, General Manager of Reinsurance Department of CPIC Group, Assistant General Manager, Deputy General Manager, Chief Compliance Officer, Head of Compliance, and Vice President of CPIC Group, Director of CPIC

P/C, CPIC Life and CPIC AMC respectively, General Manager and Chairman of CPIC Health.

Mr. FENG Jintao, born in November 1976, holds a master's degree. He has been serving as Supervisor of the Company (approval document: CBIRC [2021] No. 438) since June 2021. He currently serves as General Manager of Individual Business Planning Department of the Company. Previously, he served as Director of Individual Business Department of CPIC Life Shandong Branch, Deputy General Manager of CPIC Life Shandong Branch, General Manager of Individual Business Marketing Department and Individual Business Management Department of the Company, and General Manager of CPIC Life Henan Branch, concurrently General Manager of CPIC Life Yudong Branch.

Mr. ZHANG Lei, born in July 1976, holds a master's degree and a title of senior auditor. He has been serving as Supervisor of the Company (approval document: CBIRC [2021] No. 397) since June 2021. He currently also serves as General Manager of Legal and Compliance Department of the Company, and Director of Office of Board of Supervisors of the Company. Previously, he served as Deputy Director of Computer Audit Division, Deputy Director (in charge), Director of Social Security Audit Division, and Director of Corporate Audit Division of Shanghai Special Representative Office of National Audit Office, Chief Auditor (life insurance) of Audit Technology Department of Audit Center of CPIC Group, Chief Auditor (life insurance) of Digitalized Audit Technology Department of CPIC Group, General Manager of Investment Audit Department of CPIC Group, and Internal Auditing Responsible Person of Changjiang Pension.

### 3. Senior management

As of the end of December 2021, the Company has 17 members of senior management in total:

Mr. CAI Qiang (John), born in July 1967, holds a bachelor's degree. He has been serving as Executive Director, General Manager (CEO) of the Company (approval document: CBIRC [2021] No. 390) since June 2021. Previously, he served as Regional Director of AXA U.S., General Manager and CEO of AXA Hong Kong, CEO of AIA China, Regional CEO of AIA Group,

and Vice Chairman and President of WE DOCTOR GROUP. Mr. CAI is a CLU, ChFC, and CFP.

Mr. WANG Guangjian, born in June 1965, has a master's degree. Mr. HUANG currently serves as the Executive Deputy General Manager of the Company (approval document: CBIRC [2019] No.637) and General Manager of the Group Business Unit of the Company. He is also Director of Shanghai Dabao Guisheng Information Technology Co., Ltd. Mr. WANG previously served as Deputy Manager, Manager of the Planning and Finance Department of CPIC Urumqi Branch, Deputy GM of CPIC Life Urumqi Branch, Deputy GM of CPIC Taiyuan Branch, GM of CPIC Shanxi Branch, GM of CPIC Shandong Branch, assistant to the Chairman of the Operation Committee of CPIC Life, Deputy GM and Chief Compliance Officer, Chief Risk Officer of CPIC Life, Chairman of the Board of Supervisors of CPIC Life, and Executive Director of Pacific Medical Health Management Co., Ltd. Mr. WANG holds a title of accountant. He has served as the Executive Deputy General Manager of the Company since August 2019.

Mr. ZHOU Xiaonan, born in April 1966, holds a master's degree. He currently serves as Deputy General Manager (approval document: CIRC [2014] No.770), Chief Compliance Officer (approval document: CBIRC [2018] No.595), and Chief Risk Officer of the Company. Mr. ZHOU previously served as General Manager of CPIC Life Nanyang Central Sub-Branch, Assistant General Manager, Deputy General Manager (in charge), and General Manager of CPIC Henan Branch, and General Manager of CPIC Guangdong branch. Mr. ZHOU has been serving as Deputy General Manager of the Company since August 2014.

Mr. WEI Lin, born in July 1972, holds a master's degree. He currently serves as Deputy General Manager of the Company (approval document: CBIRC [2018] No.449), Executive Director and General Manager of CPIC Pension Industry Investment Management Co., Ltd., Chairman of Shanghai Ruiyongjing Real Estate Development Co., Ltd., Chairman and Legal Representative of Pacific ORPEA (Shanghai) Pension Enterprise Service Co., Ltd., Director of CPIC (Dali) Elderly Home Co., Ltd., and Executive Director of Pacific Medical Health Management Co., Ltd. Mr. WEI previously served as Chief Staff Member of the CIRC Chengdu Office, Deputy Director of the General Management Division of CIRC Sichuan



Bureau, Deputy Director of the General Office of CIRC Sichuan Bureau, Deputy Director (in charge) of the Personnel and Education Division of CIRC Sichuan Bureau, Senior Manager of the Board Office of China Insurance (Holdings) Co., Ltd., GM of Investment Management Department of Taiping Group, and General Manager of Taiping Pension Industry Investment Company. Mr. WEI has been serving as Deputy General Manager of the Company since June 2018.

Mr. DAI Wenhao, born in January 1974, holds a master's degree. He currently serves as Deputy GM of the Company (approval document: CBIRC [2018] No.440). Mr. DAI previously served as Manager of Information Technology Department and Human Resources Department of CPIC Life Ningbo Branch, assistant to GM, Deputy GM of the Information Technology Department of CPIC Life Ningbo Branch, GM of the Control Management Center of CPIC Life Ningbo Branch, GM of Contract Department and Operation and Planning Department of CPIC Life Ningbo Branch, GM of CPIC Life Jiangxi Branch, GM of CPIC Life Henan Branch and GM of CPIC Life Yudong Branch. He took up his current position in June 2018.

Mr. CUI Shunxin, born in July 1963, has a master's degree. He is currently Deputy GM of the Company (approval document: CIRC [2014] No.770). Mr. CUI previously served as head of Finance Department of State-Owned Hemp Products Factory in Wen'an County, Hebei Province, deputy director of the factory, deputy head of the Finance Department of the Economic Committee of Wen'an County, Hebei Province, manager and assistant to GM of CPIC Langfang Branch, Deputy GM of CPIC Tangshan Branch, Deputy GM (in charge), GM of CPIC Tangshan Central Sub-Branch, assistant to GM, Deputy GM, GM of CPIC Life Hebei Branch, GM of CPIC Life Henan Branch, and assistant to GM of CPIC Life. Mr. CUI holds the title of accountant. He took up his current position in April 2018.

Mr. YE Peng, born in March 1972, holds a master's degree. He is currently Deputy GM of the Company (approval document: CBIRC Shanghai [2019] No.638), CFO (approval document: CBIRC Shanghai [2019] No.689), and director of Changjiang Pension. Mr. YE previously served as accountant of the Financial Department of Shanghai Power Equipment

Co., Ltd., auditor of Audit Department, and head of Accounting Department of AIA Shanghai Branch, staff member of the Shanghai Representative Office of John Hancock Life Insurance Company, manager of Finance Department of John Hancock Tian'an Life Insurance Co., Ltd., chief accountant of John Hancock Tian'an Life Insurance Co., Ltd., GM of Finance Department of Changjiang Pension, Deputy Financial Director, Assistant GM, CFO, Board Secretary, and Deputy GM of Changjiang Pension. Mr. YE holds a title of senior accountant, and is a certified public accountant and tax advisor in China. He is also a senior member of FAIA, and a member of IFA/IPA. He took up his current position in August 2019.

Mr. LI Jinsong, born in June 1969, holds a master's degree. He currently serves as Deputy General Manager of the Company (approval document: CBIRC Shanghai [2020] No. 781) and General Manager of Bancassurance Business Operation Center of the Company. Mr. LI previously served as General Manager of CPIC Life Sichuan Branch, General Manager of the Bancassurance Department of CPIC Life, Assistant General Manager of CPIC Life, Deputy Head of Marketing of CPIC Group and GM of the Strategic Customer Department of CPIC Group. He took up his current position as Deputy GM of the Company in December 2020.

Ms. CHEN Xiujuan, born in June 1971, holds a master's degree. She is currently Chief Actuary of the Company (approval document: CIRC [2014] No.770) and General Manager of Health Insurance Business Unit of the Company. Ms. Chen previously served as deputy head of Actuarial Division of the Actuarial Department of CPIC Life, senior specialist of the Actuarial Department of CPIC Life, Assistant GM (in charge), Deputy GM (in charge), and GM of CPIC Life. Ms. CHEN has professional qualification of actuary, and is an executive director of the China Association of Actuaries. She took up her current position in September 2014.

Mr. ZHANG Shuming, born in December 1963, holds a bachelor degree. He is currently Deputy General Manager of the Company (approval document: CBIRC [2018] No.502). Mr. ZHANG previously served as GM of CPIC Life Baoding Central Sub-Branch, GM of CPIC Life Qinhuangdao Central Sub-Branch, assistant to GM and Deputy GM of CPIC Life Hebei Branch, GM of CPIC Life Gansu Branch, GM of CPIC Life Heilongjiang Branch, and assistant

to GM of CPIC Life. Prior to that, he was GM of Ping An Insurance Qinhuangdao Central Sub-branch. He took up his current position in June 2019.

Mr. LI Jing, born in September 1972, holds a master's degree. He is currently Assistant GM of the Company (approval document: CBIRC Shanghai [2019] No. 660) and director of Lianren Healthcare Big Data Technology Co., Ltd. Mr. LI previously served as deputy division head, division head of the Group Business Department of CPIC Life, division head of the Development and Planning Department of CPIC Life, Deputy GM of CPIC Life Ningbo Branch, assistant to GM of the Development and Planning Department of CPIC Life, Deputy GM, GM of the Market Department of CPIC Life, GM of CPIC Life Sichuan Branch, and GM of CPIC Life Zhejiang Branch. He took up his current position in August 2019.

Mr. DAI Chuanjiang, born in September 1973, holds a bachelor's degree. He is currently Assistant GM of the Company (approval document: CBIRC Shanghai [2019] No. 662). Mr. DAI previously served as Assistant Manager, Deputy Manager of CPIC Life Bijie Central Sub-Branch, Deputy Manager (in charge), Manager of Guiyang Business Department of CPIC Guizhou Branch, Deputy Manager of Business Division of CPIC Life Guizhou Branch, Manager of Individual Business Management Department of CPIC Life Guizhou Branch, Assistant GM, Deputy GM of CPIC Life Guizhou Branch, and Senior Deputy GM, GM of CPIC Life Shanghai Branch. He took up his current position in August 2019.

Mr. TAI Fuchun, born in December 1967, holds a master's degree. He currently serves as Assistant General Manager of the Company (approval document: CBIRC [2021] No. 745) and General Manager (Northern Region) of the Company. Mr. TAI previously served as Assistant General Manager, Deputy General Manager and General Manager of CPIC Life Shanxi Branch, General Manager of the Customer Resource Management Department of CPIC Life, General Manager of CPIC Life Shandong Branch, Deputy Chief Auditor of CPIC Group, and Internal Auditing Responsible Person (Life Insurance) of CPIC Group. Prior to that, Mr. TAI served as Cadre of the General Office of the Standing Committee of the Shanxi Provincial People's Congress. He took up his current positions in October 2021.

Mr. JIANG Yifeng, born in January 1978, holds a doctoral degree. He currently serves as Board Secretary (approval document: CBIRC [2021] No. 976), Assistant General Manager (approval document: CBIRC [2021] No. 746) and General Manager of the Human Resources Department of the Company. Mr. JIANG previously served as Deputy General Manager of the Human Resources Department of CPIC Life, General Manager of CPIC Life Ningxia Branch, General Manager of CPIC Life Shaanxi Branch, Head of Transformation Matters for CPIC Group, and General Manager of CPIC Life Zhejiang Branch. He took up his current positions in October 2021.

Mr. HUANG Kun, born in November 1977, holds a bachelor's degree. He currently serves as Assistant General Manager (approval document: CBIRC [2021] No. 748) and Chief Information Officer of the Company. Mr. HUANG previously served as Technical Director and Chief Architect of Digital China Rongxin Software Co., Ltd., Vice President of Digital China Engineering Institute, Executive Director, and General Manager of China Qicheng (Beijing) Technology Co., Ltd., and General Manager of Bank Cloud Credit Business Center of OneConnect Financial Technology Co., Ltd. of Ping An Group. He took up his current positions in October 2021.

Mr. ZHU Xuesong, born in November 1969, holds a bachelor's degree. He currently serves as Assistant General Manager (approval document: CBIRC [2021] No. 1033) and Chief Operation Officer of the Company. Mr. ZHU previously served as Attending Surgeon at the Third Affiliated Hospital to Shanghai Textile Industry Bureau, Responsible Person of the Group Insurance Operation Department of Taiping Life, Deputy General Manager of Taiping Pension Shanghai Branch, General Manager of the Group Insurance Business Department and Chief Operating Officer of the Operation Department of AIA China, Chief Operation Technology Officer of FWD China, General Manager of FWD Technology Co., Ltd., and Executive COO of WeDoctor Group. He took up his current positions in December 2021.

Mr. YU Yun, born in June 1965, holds a bachelor's degree. He currently serves as Internal Auditing Responsible Person of the Company (approval document: CBIRC [2021] No. 975), and Deputy Chief Auditor of CPIC Group. Mr. YU previously served as General Manager of

CPIC Xinjiang Karamay Central Sub-branch, Manager of the Personal Business Department of CPIC Xinjiang Branch, Assistant General Manager, Deputy General Manager, Deputy General Manager (in charge) and General Manager of CPIC Xinjiang branch, and General Manager of CPIC Beijing branch. Prior to that, Mr. YU served as Director of the Finance Bureau of Karamay City, Xinjiang. He took up his current positions in December 2021.

## (VIII) Contacts for solvency information disclosure

Contact person: XIAO Junshi

Office number: +86-21-33965144

Email address: [xiaojunshi@cpic.com.cn](mailto:xiaojunshi@cpic.com.cn)

## II. Main Indicators

Items	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	218%	227%
Core solvency margin surplus (10K RMB)	19,965,788	20,810,436
Comprehensive solvency margin ratio	218%	227%
Comprehensive solvency margin surplus (10K RMB)	19,965,788	20,810,436
Latest IRR result	A	A
Premium income (10K RMB)	2,988,901	4,034,787
Net profit (10K RMB)	245,255	357,918
Net assets (10K RMB)	10,109,965	9,737,838

## III. Actual Capital

Items	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	162,503,410	159,645,814
Admitted liabilities (10K RMB)	125,646,404	122,396,993
Actual capital (10K)	36,857,006	37,248,821
Tier 1 core capital (10K RMB)	36,857,006	37,248,821
Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	-	-
Tier 2 supplement capital (10K RMB)	-	-

## IV. Required Capital

Items	As at the end of this quarter	As at the end of last quarter
Required capital (10K RMB)	16,891,218	16,438,385
Required capital for quantitative risk (10K RMB)	17,151,057	16,691,257
1) Required capital for insurance risk (10K RMB)	4,936,844	4,894,089
2) Required capital for market risk (10K RMB)	16,933,494	16,516,505
3) Required capital for credit risk (10K RMB)	3,129,687	3,223,804
4) Diversification effect for quantitative risks (10K RMB)	4,178,420	4,211,707

5) Loss absorption effect for special-type insurance contracts (10K RMB)	3,670,548	3,731,434
Required capital for control risk (10K RMB)	(259,839)	(252,873)
Supplement capital (10K RMB)	–	–
1) Counter-cyclical supplement capital (10K RMB)	–	–
2) Supplement capital of D-SIIs (10K RMB)	–	–
3) Supplement capital of G-SIIs (10K RMB)	–	–
4) Other supplement capital (10K RMB)	–	–

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## V. Integrated risk rating (IRR)

The Company received an A rating for both Q3 and Q4 of 2021, according to feed-backs from the regulator on the IRR results.

## VI. Risk management status

### (I) The latest CBIRC Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

The Company's SARMRA score for 2017 was 83.03 points. To be specific, it received 16.12 points for risk management infrastructure and environment, 8.82 points for risk management objectives and tools, 8.36 points for insurance risk management, 8.00 points for market risk management, 8.00 points for credit risk management, 8.38 points for operational risk management, 8.96 points for strategic risk management, 8.33 points for reputation risk management, and 8.06 points for liquidity risk management.

In 2018, 2019, 2020 or 2021, the regulator conducted no SARMRA assessment of the Company.

### (II) Measures taken to improve solvency risk management and the latest status in the reporting period

The Company attaches great importance to risk management. It identified gaps in solvency risk management systems and took effective remedial actions to enhance solvency risk management based on findings of regulatory assessment of its peers as well as those of its own internal audits. Below is a summary of what was done in Q4 2021.

First, in line with the progress of C-ROSS II, it conducted a full review of and amendments to risk management policies by all departments to optimise its risk management system.

Second, it initiated the collection of key definitions and information, as well as stress testing models, in line with the contingency programme of Group risk-handling and bail-outs and the Group consulting project on optimising C-ROSS II risk management

system, in order to ensure that the contingency programme is realistic, implementable, and sustainable.

Third, it conducted review and amendment of Risk Upper Limits, enhanced risk management tools in response to latest in-house and external key risk factors.

In Q1 of 2022, the Company intends to focus on the following areas for its solvency risk management.

First is to proceed with the optimisation of the risk management system in an all-around way, and initiate the gap review and rules amendments, based on the official version of C-ROSS II.

Second is to set the RAF, risk tolerance and key risk indicators for 2022, as per regulatory rules, Group policies and the needs of business management of the Company.

Third is to review the mechanism of data filing, improve data quality management, and establish an integrated platform for indicator monitoring so as to enhance efficiency.

## VII. Liquidity Risk

### (I) Liquidity risk management indicators

#### 1. Net cash flow

Item	During/as at the end of this quarter
Net cash flow (10K RMB)	12,879,378

#### 2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	296%

#### 3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio -Company level	2242%	2302%

### (II) Liquidity risk analysis and mitigation

Liquidity risk is projected to be largely manageable in the next quarter. The Company has taken the following measures to pro-actively mitigate potential liquidity risk:

1. Introduce cash budgeting management which enables a planned coordination of cash surplus/ shortage. Cash budgeting management includes: cash in the treasury at the beginning of the period, projected cash inflows during the period and cash needed in the period. The mechanism enables the Company to know when there will be a shortage of cash, and how to address the issue; or when there will be cash surplus so

that plans can be made for necessary investment.

2. Continue to boost business mix restructuring, formulate effective financial policies to boost the growth of profitable business, and in particular, protection and long-term regular pay business; at the same time optimize the mix of universal life business, adjust the sales strategy of participating insurance business from bancassurance, and control the surrender risk of unit-linked business.
3. Optimize asset mix, balance between asset liquidity and investment yield; ensure long-term debt repayment capability and control the gearing ratio; maintain healthy short-term debt repayment capability and enhance monitoring of the current ratio and quick ratio.
4. Closely follow the development of business surrenders, with review and analysis thereof on a regular basis; ensure rational asset allocation based on cash flows of the Company.
5. The impact on liquidity has been duly considered before the Company makes business plans, sells new products or withdraws products from the market, develops or adjusts distribution channels, formulates policyholders' dividend policy for participating insurance business and determines crediting rate for universal life insurance, conducts other insurance business activities such as policy surrenders, payment of benefits and claims and policy loans. The impact is reflected in the cash flow stress testing. The Company will ensure effective ALM based on its actual situation to mitigate the liquidity risk.
6. Closely monitor major events that might lead to liquidity risks, such as irregular concentration of surrenders, expected major maturity payments or survival benefit pay-outs, major claims events, severe investment losses, financial crisis incurred by major counter-parties, significant changes to the Company's credit-ratings, severe adverse publicity of the Company, and the loss of key distributional channels and other material events.

## **VIII. Regulatory Measures Taken Against the Company**

### **(I) Regulatory measures taken against the Company by CBIRC**

The Company headquarters received no administrative penalty from CBIRC in Q4 2021.

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

The Company will continue to enhance internal control, address the root-causes of risk issues, strengthen its overall compliance and risk management capabilities.



# Summary of Quarterly Solvency Report

**Pacific Health Insurance Co., Ltd.**

**4<sup>th</sup> Quarter of 2021**

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## I. Basic information

(I) Registered address: 13<sup>th</sup> Floor, Building No. 1, 1229 Century Avenue, China  
(Shanghai) Pilot Free Trade Zone, Shanghai, the PRC

(II) Legal representative: MA Xin

### (III) Business scope and territories

#### 1. Business scope:

Health and personal accident insurance denominated in RMB yuan and foreign currencies; health insurance commissioned by the government or supplementary to state medical insurance policies; reinsurance of the above said insurance ; health insurance-related agency and consulting business; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CIRC.

#### 2. Business territories:

Shanghai, Beijing, Guangdong Province, Sichuan Province

### (IV) Ownership structure and shareholders:

#### 1. Ownership structure

Equity category	Number of shares or contributed amounts (10K shares)	Percentage (%)
Domestic shares held by legal entities	170,000.00	100.00
Domestic shares held by natural persons	-	-
Foreign shares	-	-
Others	-	-
Total	170,000.00	100.00

#### 2. Top 10 shareholders

Name of shareholders	Shares held or amounts contributed as at the end of the reporting period (10K shares)	Percentage of the shareholding (%)
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1.China Pacific Insurance (Group) Co., Ltd.	144, 586. 70	85. 051
2. China Pacific Life Insurance Co., Ltd	25, 413. 30	14. 949

**(V) Controlling shareholder or de facto controller:**

China Pacific Insurance (Group) Co., Ltd. holds 85.051% of the Company's stake and is thus its controlling shareholder.

**(VI) Subsidiaries, joint or associate ventures:**

Company name	Number of shares held (10k shares)	Percentage of the shareholding (%)
Shanghai Proton & Heavy Ion Hospital	10,000	20

**(VII) Directors, supervisors and senior management**

**1. Directors (6 in total):**

Mr. MA Xin, born in April 1973, has a master's degree and the title of Economist. He has been serving as Chairman of the Company since January 2021 (approval document: CBIRC Approval [2021] No. 4). He has been serving as the acting Responsible Person of the Company since June 2021. Mr. MA currently serves as Vice President of CPIC Group, Director of CPIC Life and Changjiang Pension respectively. He previously served as Manager of Individual Business Department and Assistant General Manager of CPIC Life Xi'an Branch, Deputy General Manager and General Manager of CPIC Life Shaanxi Branch, and Transformation Director, Head of Strategic Transformation Office and General Manager of the Strategic Planning Department of CPIC Group, Board Secretary of CPIC Group, and Director of CPIC P/C.

Mr. WANG Mingchao, born in October 1976, holds a master's degree and title of senior Human Resources Professional. He has been serving as Director of the Company (approval document: CBIRC [2019] No.856) since October 2019. Mr. WANG currently also serves as Deputy Marketing Officer of CPIC Group. Previously, he served as Head of Cadre's Division of Human Resources Department of CPIC Life, Assistant General

Manager of Human Resources Department of CPIC Life, Head, Deputy Head of Party Affairs Department/Organization and Cadre Department of CPIC Life, Senior Deputy General Manager of CPIC Life Shanghai Branch, General Manager of Cooperation Business Department of CPIC Life, General Manager, Head of Sales, SBU Head of CPIC Life Shanghai Branch (Operations Department), Board Secretary of CPIC P/C, and Head of Board Office of CPIC Group.

Mr. WANG Yong, born in July 1974, holds a master's degree. He has been serving as Director of the Company (approval document: CBIRC [2019] No.942) since December 2021. Mr. WANG currently serves as Head of the Strategic Research Center of CPIC Group. He previously served as Assistant General Manager of the Human Resources Department of CPIC Life, Secretary to Chairman of the CPIC Group, Head of the Party Affairs Department of the CPIC Group, General Manager of the Employee Affairs Department of the CPIC Group, Deputy Head of the Party Committee Office of the CPIC Group, Head of the Party and Public Department of the CPIC Group, General Manager of CPIC Tianjin Branch, Deputy Party Secretary of the Information Technology Center of the CPIC Group, and Senior Deputy General Manager of CPIC Life Suzhou Branch.

Mr. ZHANG Weidong, born in October 1970, holds a bachelor's degree. He has been serving as Director of the Company since May 2021 (approval document: CBIRC [2021] No.341). Mr. ZHANG currently serves as Compliance Responsible Person and General Counsel of CPIC Group, and Director of CPIC P/C, CPIC Life, CPIC AMC and Changjiang Pension respectively. Mr. ZHANG previously served as General Manager of Legal Compliance Department and Risk Management Department, Risk & Compliance Officer and Chief Risk Officer of CPIC Group, Head of Board Office of CPIC Group, and Board Secretary of CPIC P/C, CPIC Life and CPIC AMC.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree and is a member of Society of Actuaries and American Academy of Actuaries respectively, and director of China Association of Actuaries. He has been serving as Chief Actuary of the Company since August 2020 (approval document: CBIRC [2020] No.479), and Director of the Company (approval document: CBIRC [2021] No.280) since April 2021. Mr. ZHANG currently serves as Director, Chief Actuary of the Company, Chief Actuary, Finance

Responsible Person of CPIC Group, and Director of CPIC Life, CPIC P/C and CPIC AMC respectively. Mr. ZHANG previously served as Chief Actuary of the Company (29 January 2016-27 December 2019), acting Chief Actuary, Chief Risk Officer of the Company, Deputy General Manager, CFO, Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd, Director of Sun Life Everbright Asset Management Co., Ltd, Chief Actuary of Sino Life Insurance Co., Ltd., Chief Actuary, Deputy General Manager and Vice President of MetLife Insurance Company Limited (Shanghai), and Chief Actuary of Citi Group TRV-Citi Insurance headquarters.

Ms. PAN Yanhong, born in August 1969, holds a master's degree and title of senior accountant and is a Chinese CPA. She has been serving as Director of the Company since March 2015 (approval document: CIRC [2015] No.263). Ms. PAN currently serves as Chairman of CPIC Life, and Director of Changjiang Pension and CPIC AMC respectively. Ms. PAN previously served as Executive Vice President and Finance Responsible Person of CPIC Group, Director of CPIC P/C, and Deputy General Manager, General Manager of Finance Department of CPIC Life, Deputy Head of Finance, Executive Member of Business Management Committee, Head of Finance, Deputy General Manager, General Manager, and Vice Chairman of CPIC Life.

## **2. Supervisors (3 in total):**

Mr. GU Qiang, born in January 1967, holds a master's degree and title of senior accountant. He has been serving as Chairman of the Board of Supervisors of the Company (approval document: CRIC [2021] No. 165) since March 2021. Mr. GU currently serves as Employee Representative Supervisor of CPIC Group, Chairman of the Board of Supervisors of CPIC AMC and Chairman of the Board of Supervisors of Changjiang Pension. Mr. GU formerly was a lecturer at the Department of Finance and Insurance of Shanghai University of Finance and Economics, senior auditor of Pricewaterhouse Da Hua Certified Public Accountants, Manager of the International Business Department of Wanguo Securities Co., Ltd., Vice President and CFO of Shanghai Branch of American International Underwriters, served as Deputy Chief Accountant, CFO, Finance Responsible Person and Deputy General Manager of CPIC P/C, Vice President and CFO of China Pacific Anxin Agricultural Insurance Co., Ltd.

Ms. HU Shuangzhu, born in September 1980, holds a master's degree, is a certified internal auditor, certified information system auditor, financial risk manager, and has CRMA qualification. She has been serving as Supervisor of the Company since August 2016 (approval document: CIRC [2016] No.814). Ms. HU currently serves as Internal Control Chief Auditor of Internal Audit Center, Audit Technology Division of CPIC Group. Previously, Ms. HU served as Senior Manager of PricewaterhouseCoopers Business Consulting (Shanghai) Co., Ltd., and Chief Auditor of Internal Audit Center, Internal Audit Business Division of CPIC Group.

Ms. XUE Yongxian, born in November 1976, holds a master's degree. She has been serving as Supervisor (employee representative) of the Company (approval document: CRIC [2017] No. 161) since February 2017. Ms. XUE currently serves as General Manager of Shanghai Branch and Head of Life Individual Cross-selling Business Center of the Company. Previously, she served as General Manager of Sales Management Department of the Company, Deputy General Manager of Group Business Department Planning and Training Division of CPIC Life, Assistant General Manager of Group Business Department Accident Insurance Division of CPIC Life, Assistant General Manager and Senior Manager of Group Business Department Direct Sales Supervision Division of CPIC Life, and Section Head of Group Business Department of CPIC Life.

### **3. Senior management (9 in total)**

Mr. MA Xin, born in April 1973, has a master's degree and the title of Economist. He has been serving as Chairman of the Company since January 2021 (approval document: CBIRC [2021] No. 4). He has been serving as Acting Responsible Person of the Company since June 2021. Mr. MA currently serves as Vice President of CPIC Group, Director of CPIC Life and Changjiang Pension respectively. He previously served as Manager of Individual Business Department and Assistant General Manager of CPIC Life Xi'an Branch, Deputy General Manager and General Manager of CPIC Life Shaanxi Branch, and Transformation Director, Head of Strategic Transformation Office and General Manager of the Strategic Planning Department of CPIC Group, Board Secretary of CPIC Group,

and Director of CPIC P/C.

Mr. LI Jieqing, born in November 1968, holds a bachelor's degree and the title of Economist . He has been serving as Deputy General Manager of the Company (approval document: CRIC [2016] No. 450) since May 2016 and has been serving as Chief Risk Officer of the Company since August 2021. Previously, Mr. LI served as Head of Risk and Compliance and Compliance Responsible Person of CPIC Group, General Manager of Risk Management Department of CPIC Group, Director of CPIC P/C, CPIC Life, CPIC AMC and the Company.

Mr. ZHANG Yuanhan, born in November 1967, holds a master's degree and is a member of Society of Actuaries, American Academy of Actuaries, and director of China Association of Actuaries. He has been serving as Chief Actuary of the Company since August 2020 (approval document: CBIRC [2020] No.479), and Director of the Company (approval document: CBIRC [2021] No.280) since April 2021. Mr. ZHANG currently serves as Director, Chief Actuary of the Company, Chief Actuary, Finance Responsible Person of CPIC Group, and Director of CPIC Life, CPIC P/C and CPIC AMC respectively. Mr. ZHANG previously served as Chief Actuary of the Company (29 January 2016-27 December 2019), Acting Chief Actuary, Chief Risk Officer of the Company, Deputy General Manager, CFO, Chief Actuary of Sun Life Everbright Life Insurance Co., Ltd, Director of Sun Life Everbright Asset Management Co., Ltd, Chief Actuary of Sino Life Insurance Co., Ltd., Chief Actuary, Deputy General Manager and Vice President of MetLife Insurance Company Limited (Shanghai), and Chief Actuary of Citi Group TRV-Citi Insurance headquarters.

Mr. ZHOU Bin, born in April 1966, has received a post-graduate education. He has been serving as Deputy General Manager of the Company (approval document: CIRC [2016] No.450) since May 2016. Mr. Zhou is also Council Member of Shanghai Pacific Blue Charity Foundation. Previously, Mr. ZHOU served as General Manager of Information Technology Center Human Resources and Comprehensive Management Department of CPIC Group, Deputy Head of Cadre and Personnel Division of Shanghai Municipal Commission of Financial Industry (temporary post), General Manager of Human Resources Department of CPIC Group and Chief Risk Officer of the Company.



Mr. SONG Quanhua, born in February 1973, holds a master's degree. He has been serving as Deputy General Manager of the Company (approval document: CBIRC [2021] No. 691) since September 2021. Mr. SONG previously served as secretary of the Secretariat of the General Office of China Pacific Insurance Company, Deputy General Manager of CPIC Life Ningbo branch, General Manager of CPIC Life Dalian branch, Director of Party Affairs Department of CPIC Life headquarters, General Manager of New Channel Business Department of CPIC Life, General Manager of Corporate Channel Business Marketing Department of CPIC Life, Deputy General Manager of the Health and Elderly Care Business Center of CPIC Life, Deputy General Manager of Group Business Center of CPIC Life, and General Manager of Pacific Medical & Healthcare Management Co., Ltd.

Ms. YIN Yanling, born in June 1972, holds a master's degree and is a member of China Association of Actuaries. She has been serving as Finance Responsible Person of the Company since September 2021 (approval document: CBIRC [2021] No.729). Previously, she served as Head of the Actuarial Management Division of Planning and Finance Department of CPIC Group, Assistant General Manager of Planning and Finance Department of CPIC Group, Deputy General Manager (in charge) of Financial Investment Department/Actuarial Department, Deputy General Manager (in charge) of Financial Management Department/Actuarial Department, Deputy General Manager of Risk Management Department/Risk Monitoring Department, General Manager of Financial Management Department/Actuarial Department, and General Manager of Actuarial Department of CPIC Group, General Manager of Actuarial Department of CPIC Life, and Acting Finance Responsible Person of the Company.

Mr. ZHOU Qing, born in January 1978, holds a master's degree and legal professional qualification. He has been serving as Board Secretary of the Company since March 2015 (approval document: CIRC [2015] No.167). Mr. ZHOU is also General Manager of Strategic Development Department of the Company. Previously, Mr. ZHOU served as Deputy General Manager of Investor Relations Department of CPIC Group, General Manager of Administration and Personnel Department of the Company, General Manager of Legal and Compliance Department of the Company, Compliance

Responsible Person of the Company, and General Manager of Beijing Branch of the Company.

Ms. WEN Qin, born in October 1975, holds a bachelor's degree and has legal professional qualification. She has been serving as Compliance Responsible Person of the Company since September 2019 (approval document: CBIRC [2019] No.796). Ms. WEN is also Legal Responsible Person and General Manager of Risk and Compliance Department of the Company. Previously, she served as General Manager and Legal Responsible Person of Legal Compliance Department of Lujiazui Cathay Life Insurance Co., Ltd and Assistant General Manager and Legal Responsible Person of Legal Compliance Department of Cathay Life Insurance Co., Ltd., .

Mr. JIANG Honglang, born in November 1964, holds a doctoral degree and title of senior auditor. He has been serving as Internal Auditing Responsible Person of the Company since January 2019 (approval document: CBIRC [2019] No.128). Mr. JIANG currently serves as General Manager of Digital Audit Technology Department of CPIC Group. Previously, he served as Senior Auditor of Internal Audit Department of CPIC Group, Deputy General Manager of Internal Audit Management Department of CPIC Group, and General Manager of Remote Internal Audit Department of CPIC Group. Prior to that, he served as associate professor of Institute of Applied Mathematics of Guizhou University of Technology.

Notes:

- 1) Since 14 December 2021, WANG Yong has been serving as Director of CPIC Health.
- 2) Starting from 22 October 2021, ZHOU Qing no longer served as General Manager of Beijing Branch of CPIC Health.

#### **(VIII) Contacts for solvency information disclosure**

1. Contact person: XIA Bing
2. Telephone number: +86-21-33968652

## II. Main indicators

Items	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	138%	168%
Core solvency margin surplus (10K RMB)	35,236.37	54,428.94
Comprehensive solvency margin ratio	138%	168%
Comprehensive solvency margin surplus (10K RMB)	35,236.37	54,428.94
Latest IRR result	A	A
Premium income (10K RMB)	253,466.31	88,787.14
Net profit (10K RMB)	-5,918.88	3,232.17
Net assets (10K RMB)	141,044.84	145,779.39

## III. Actual capital

Items	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	1,022,543.80	856,257.43
Admitted liabilities (10K RMB)	893,939.84	722,323.02
Actual capital (10K RMB)	128,603.96	133,934.41
Tier 1 core capital (10K RMB)	128,603.96	133,934.41
Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	-	-
Tier 2 supplement capital (10K RMB)	-	-

## IV. Required capital

Items	As at the end of this quarter	As at the end of last quarter
Required capital (10K RMB)	93,367.59	79,505.47
Required capital for quantitative risks (10K RMB)	92,884.59	79,094.18
1) Required capital for insurance risk (10K RMB)	103,812.15	69,085.97
2) Required capital for market risk (10K RMB)	13,073.80	14,662.36

3) Required capital for credit risk (10K RMB)	12,540.46	12,889.56
4) Diversification effect for quantitative risks (10K RMB)	36,541.82	17,543.71
Required capital for control risk (10K RMB)	483.00	411.29
Supplement capital (10K RMB)	-	-
1) Counter-cyclical supplement capital (10K RMB)	-	-
2) Supplement capital of D-SIIs (10K RMB)	-	-
3) Supplement capital of G-SIIs (10K RMB)	-	-
4) Other supplement capital (10K RMB)	-	-

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## V. Integrated risk rating (IRR)

The Company received an A rating for both Q3 and Q4 of 2021 at the IRR.

## VI. Risk management status

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

The Company received 78.96 points in the latest (2017) regulatory SARMRA assessment. To be specific, 78.96 consisted of 14.07 points for risk management infrastructure and environment, 7.54 points for risk management objectives and tools, 8.02 points for insurance risk management, 8.00 points for market risk management, 8.00 points for credit risk management, 8.36 points for operational risk management, 8.08 points for strategic risk management, 8.22 points for reputation risk management, and 8.68 points for liquidity risk management.

### (II). Measures taken to improve solvency risk management and the latest results in the reporting period.

During the reporting period, as per regulatory requirements such as Insurance Company Solvency Regulatory Standards No. 11: Solvency Aligned Risk Management Requirements and Assessment, and in view of its risk profiles and risk status, the Company steadily implemented solvency risk management, and within the framework of solvency risk

management systems and in light of the annual risk management objectives, identified, monitored, and controlled various risks it faced, and adopted mitigation measures in a timely manner.

By the end of 2021, the Company had continuously followed up on all the major regulatory requirements it received in 2017, such as giving more priority to risk management, improving risk management systems, stepping up implementation of risk management rules, enhancing the use of risk management tools. It set the 2021 Annual Objectives for Solvency Risk Management, with follow-up execution and improvement, based on feed-backs of regulator rating, 2020 SAMRA internal audit findings, its own risk profile and risk management status. In 2022, it will continue to improve in risk appetite transmission, risk management IT system, receivables management, identification of operational risk, assessment of reputation risk, control of strategic risk, and management of liquidity risk, so as to further strengthen risk management capabilities.

The Company effectively identified, monitored and controlled seven risks it faced within the framework of solvency risk management systems in line with its annual risk management objectives, and was able to take control measures in a timely manner. The risks were all within the range specified in its Risk Appetite Framework (RAF), and there were no major risk incidents in Q4.

## VII. Liquidity risk

### (I) Liquidity risk management indicators

#### 1. Net cash flow

Items	During/as at the end of this quarter
Net cash flow (10K RMB)	149,761.94

#### 2. Comprehensive current ratio

Items	Within 3 months	Within 1 year	1-3 years	3-5 years	Above 5 years
Comprehensive current ratio	45%	45%	375%	1,647%	1,277%

### 3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio (%)	7,912%	7,237%

#### **(II) Liquidity risk analysis and countermeasures**

The Company's net cash flow in the next quarter, and its liquidity indicators such as the comprehensive current ratio and liquidity coverage ratio are all in the normal range..

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

#### **VIII. Regulatory measures taken against the Company**

##### **(I) Regulatory measures taken against the Company by CBIRC**

CBIRC has not taken any regulatory measures against the Company.

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

None.

# Summary of Quarterly Solvency Report

**China Pacific Anxin Agricultural Insurance Co., Ltd.**

**4<sup>th</sup> Quarter of 2021**

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## **I. Basic information**

### **(I) Registered address**

3651 Gonghexin Road, Shanghai, the PRC.

### **(II) Legal representative**

SONG Jianguo

### **(III) Business scope and territories**

#### 1. Business scope

Agricultural insurance; property indemnity insurance; liability insurance including mandatory liability insurance; credit and guarantee insurance; short-term health and accident insurance; other types of property insurance relating rural areas and farmers; reinsurance of the above said insurance; insurance agency business (subject to approval by regulators as per relevant laws and regulations);

#### 2. Business territories

Shanghai, Jiangsu Province, Zhejiang Province.

### **(IV) Ownership structure and shareholders**

#### 1. Ownership structure (10k shares or 10k RMB)

<b>Equity category</b>	<b>Shares or contributed amounts</b>	<b>Percentage (%)</b>
Domestic shares held by legal entities	108,000	100
Domestic shares held by natural persons	-	
Foreign shares	-	
Others	-	
Total	108,000	100

## 2. Top 10 shareholders (10k shares or 10k RMB)

Names of shareholders	Shares held or amounts contributed at the end of the reporting period	Percentage of shareholding (%)
China Pacific Property Insurance Co., Ltd.	73205.68	67.78
Shanghai Agricultural Development Co. Ltd.	7718.03	7.15
Shanghai Minhang Asset Investment (Group) Co., Ltd.	5365.19	4.97
Shanghai Nongfa Asset Management Co. Ltd.	4201.72	3.89
Shanghai Fengxian District State-owned Asset Operation Co., Ltd.	3653.35	3.38
Shanghai Baoshan Fiscal Investment Company	3150.84	2.92
Shanghai Jiading Guangwo Asset Management Co., Ltd.	2504.59	2.32
Shanghai Songjiang State-owned Asset Investment Management Group Co., Ltd.	2025.88	1.88
Shanghai Huinong Investment Management Co., Ltd.	1817.99	1.68
Shanghai Qingpu Asset Management Co., Ltd.	1719.37	1.59

### (V) Controlling shareholder or de facto controller

The Company has no de factor controller. China Pacific Property Insurance Co., Ltd. is the majority shareholder, holding 67.78% of the shares of the Company.

### (VI) Subsidiaries, joint or associate ventures

None during the reporting period

### (VII) Directors, supervisors and senior management

#### 1. Directors

As of the end of 2021, the 3rd Board of Directors of the Company has 8 Directors in total:

Mr. SONG Jianguo, born in December 1966, holds a master's degree. He has been serving as Chairman of the Company since February 2015 (approval document: CIRC Approval [2015] No. 143). Mr. SONG currently serves as Deputy General Manager of CPIC P/C and Dean of Tai'an Agricultural Insurance Research Institute. He previously served as General Manager of CPIC P/C Hainan Branch, General Manager of Property Liability Insurance Department of CPIC P/C, General Manager of CPIC P/C Shandong Branch, and Head of Sales of CPIC P/C.

Mr. MAO Xiaojun, born in March 1967, holds the title of Accountant. He has been serving as Non-executive Director of the Company since July 2015 (approval document: CIRC Approval [2015] No. 732). Mr. MAO currently serves as General Manager of Shanghai Shenlian Shengshi Enterprise Development Co., Ltd. He previously served as Head of Investment Management Department of Shanghai Minhang Asset Investment Management (Group) Co., Ltd., and CFO of Shanghai Dalong Accounting Firm.

Mr. SHI Jian, born in November 1973, holds a bachelor's degree, and has been serving as Director of the Company since September 2021 (approval document: CBIRC [2021] No. 680). Mr. SHI also serves as General Manager of the Company. Previously he served as Deputy General Manager (in charge) of Shanghai West Operation Management Office of China Life Insurance Company, Deputy General Manager (in charge) of Business Management Department of Shanghai Anxin Agricultural Insurance Co., Ltd., General Manager of Market Development Department of Shanghai Anxin Agricultural Insurance Co., Ltd., and General Manager of Product Development Department of Shanghai Anxin Agricultural Insurance Co., Ltd. He also served as Assistant President, Vice President, Board Secretary, Executive Director, President (General Manager) of Anxin Agricultural Insurance Co., Ltd., as well as Deputy Head of Marketing and General Manager of Strategic Account Department of CPIC Group.

Mr. JIANG Shengzhong, born in July 1958, holds a doctoral degree. He has been serving as Independent Director of the Company since April 2018 (approval document: CBIRC Approval [2018] No. 4). Mr. JIANG is currently a professor and PhD supervisor of Nankai University. He also serves as Director of Agricultural Insurance Center of Nankai University Finance College, Vice President of the Education Committee of the Insurance Society of China, Executive Director of China Society for Finance and Banking, Executive Director of Tianjin Insurance Society, and Honorary Director of Council of China Insurance News. Mr. JIANG was previously Dean of Insurance Department of Nankai University.

Mr. SUN Chaocai, born in January 1956, holds a bachelor's degree and the title of Level-2 Research Fellow. He has been serving as Independent Director of the Company since May 2016 (approval document CIRC Approval [2016] No. 391). Mr. SUN previously served as Deputy Director and Director of Institute of Crop Breeding and Cultivation of Shanghai Academy of Agricultural Sciences.

Mr. SHEN Chun, born in August 1971, holds a bachelor's degree. He has been serving as Independent Director of the Company since January 2019 (approval document: CBIRC Approval [2019] No. 44). Mr. SHEN currently serves as Director of the Management Committee of Excellent Law Firm, Chairman of the China Democratic National Construction Association Baoshan Committee Wusong General Branch, Member of 8th Baoshan District Political Consultative Conference, Law Enforcement Supervisor of Baoshan District Political and Legal Committee, and Member of Baoshan District Government Legal Adviser Thinktank. Mr. SHEN previously served as Deputy Head and Partner of Shanghai Zhengming Law Firm.

Mr. CHEN Sen, born in October 1970, holds a master's degree and membership of Society of Actuaries (SOA). He has been serving as Non-executive Director of the Company since March 2019 (approval document: CBIRC Approval [2019] No. 332). Mr. CHEN currently serves as Deputy General Manager, Chief Actuary, and Finance Responsible Person of CPIC P/C. He previously served as Actuary of Analysis Department of Guy Carpenter & Company, Senior Actuarial Analyst of Finance Department of Swiss Reinsurance Company (USA), Deputy General Manager, Chief Actuary, and Finance Responsible Person of China Property & Casualty Reinsurance Company respectively.

Mr. YIN Wenqian, born in April 1966, holds a bachelor's degree. He has been serving as Non-executive Director of the Company since January 2019 (approval document: CBIRC Approval [2019] No. 136). Mr. YIN currently serves as Deputy Director of Shanghai Agricultural Development Promotion Center. He previously served as Principal Staff Member of Economic and Commercial Division of Shanghai Municipal Agriculture Commission and Chief of Planning and Development Section of Chongming County Tourism Bureau.

## 2. Supervisors

As of the end of 2021, the 3rd Board of Supervisors of the Company has 6 Supervisors:

Mr. CHEN Yuanliang, born in June 1971, holds a master's degree. In December 2020, he became Supervisor and Chairman of the Board of Supervisors of the Company (approval document: CBIRC [2020] No. 859). Mr. CHEN is currently General Manager of CPIC P/C Xinjiang Branch and Vice President of Shanghai Tai'an Agricultural Insurance Research Institute. Previously, Mr. CHEN served as General Manager of CPIC P/C Baotou Central Sub-branch, Deputy General Manager of CPIC P/C Inner Mongolia Branch, General Manager of Agricultural Insurance Business Department, Agricultural Insurance Market Development Department, and Agricultural Insurance Business Management Department of CPIC P/C, and Deputy General Manager of Anxin Agricultural Insurance Co., Ltd.

Ms. ZHANG Wenjuan, born in November 1983, holds a master's degree, the title of Business Economist and national legal professional qualification. In December 2020, she became Employee Representative Supervisor of the Company (approval document: CBIRC [2020] No. 849). Ms. ZHANG also serves as Legal Responsible Person of the Company, Deputy General Manager (in charge) of Legal Compliance Department/Risk Management Department, Director of the Discipline Inspection Office of the Company and concurrently serves as Compliance Responsible Person and General Manager of Legal and Compliance Department of Shanghai Branch of the Company. Previously, she served as Assistant General Manager, Deputy General Manager of Legal Compliance Department/Risk Management Department of the Company, and Deputy Director of Discipline Inspection and Supervision Office of the Company.

Ms. XIA Haiying, born in November 1975, holds a bachelor's degree. She became Supervisor of the Company in January 2019 (approval document: CBIRC Approval [2019] No. 54). Ms. XIA currently serves as Deputy Head of Financial Auditing Department of Shanghai Songjiang State-owned Asset Management (Group) Co., Ltd.

Mr. MIAO Huan, born in August 1983, holds a bachelor's degree. He became Supervisor of the Company in December 2021 (approval document: CBIRC Approval [2019] No. 973). Mr. MIAO currently serves as Deputy General Manager of Shanghai Huijia Venture Capital Co., Ltd. and Executive Director of Shanghai Jiading Guangwo Assets Management Co., Ltd. Mr. MIAO previously served as Business Assistant, and Business Manager of the Investment Management Department of Shanghai Jiading District State-owned Assets Management (Group) Co., Ltd., and Business Manager of Shanghai Jiading Venture Capital Management Co., Ltd.

Mr. WENG Yingchun, born in January 1976, holds a master's degree. He has been serving as Supervisor of the Company since July 2017 (approval document: CIRC Approval [2017] No. 708). Mr. WENG currently serves as Deputy General Manager of Shanghai Pudong Water (Group) Co., Ltd. He previously served as Deputy Chief of Fund Raising Section of Shanghai Nanhui District State-owned Assets Management Office, Head of General Administration Section of Shanghai Nanhui District State-owned Assets Management Committee, and Assistant Consultant of Enterprise Cadre Division (Assessment and Distribution Division) of Shanghai Pudong District State-owned Assets Management Committee.

Mr. GUO Zongjie, born in December 1968, holds a bachelor's degree and the title of Business Economist. He became Employee Representative Supervisor of the Company in December 2020 (approval document: CBIRC [2020] No. 860). Mr. GUO is currently Director of the Administrative Office of the Company, Director of the Office of the Board of Directors/Office of the Board of Supervisors, and General Manager of the

Development Planning Department of the Company. Previously, he served as Director of the General Office and Party Committee Office of CPIC P/C Shandong Branch, Party Secretary of CPIC P/C Jining Central Sub-branch, and General Manager of the Intermediary Business Department of CPIC P/C Shandong Branch.

### 3. Senior management

As of the end of 2021, the Company has 7 members of senior management:

Mr. SHI Jian, born in November 1973, holds a bachelor's degree, and has been serving as General Manager of the Company since July 2021 (approval document: CBIRC [2021] No. 609). Mr. SHI also serves as Director of the Company. Previously he served as Deputy General Manager (in charge) of Shanghai West Operation Management Office of China Life Insurance Company, Deputy General Manager (in charge) of Business Management Department of Shanghai Anxin Agricultural Insurance Co., Ltd., General Manager of Market Development Department of Shanghai Anxin Agricultural Insurance Co., Ltd., and General Manager of Product Development Department of Shanghai Anxin Agricultural Insurance Co., Ltd. He also served as Assistant President, Vice President, Board Secretary, Executive Director, President (General Manager) of Anxin Agricultural Insurance Co., Ltd., as well as Deputy Head of Marketing and General Manager of Strategic Account Department of CPIC Group.

Mr. ZHENG Kai, born in August 1972, holds a master's degree. He has been serving as Deputy General Manager and Board Secretary of the Company since May 2016 (approval documents: CIRC Approval [2016] No. 391, and CIRC Approval [2016] No. 383 respectively). Mr. ZHENG is also Member of the Jing'an District Committee of CPPCC. Mr. ZHENG previously served as Deputy Head of Youth Work Department of Communist Youth League Shanghai Municipal Committee, Secretary-General of Shanghai Young Entrepreneurs Association, Deputy Director of Economy Division of Taiwan Affairs Office of Shanghai Municipal Government, Head of Exchange and Communication Division of Taiwan Affairs Office of Shanghai Municipal Government, Head of Coordination Division of Taiwan Affairs Office of Shanghai Municipal Government, and General Manager of Shanghai Sales Outlet of Anxin Agricultural Insurance Co., Ltd.

Mr. HUANG Xiongfei, born in March 1963, holds a bachelor's degree and the title of Accountant. He has been serving as Deputy General Manager of the Company since May 2016 (approval document: CIRC Approval [2016] No. 391). Mr. HUANG previously served as Department Manager of Chuansha Sub-branch of Shanghai Branch of Agricultural Bank of China, Department Manager of Pudong Branch of Shanghai Rural Commercial Bank, Deputy General Manager of Shanghai Pudong Sub-branch of Anxin Agricultural Insurance Co., Ltd., General Manager of Shanghai Nanhui Sub-branch of Anxin Agricultural Insurance Co., Ltd., and General Manager of Shanghai Branch of Anxin Agricultural Insurance Co., Ltd.

Ms. LI Shuhui, born in July 1972, holds a master's degree and the title of Senior Auditor, CPA and CCSA. She has been serving as Finance Responsible Person and Deputy General Manager of the Company since December 2019 (approval documents: CBIRC Shanghai Approval [2019] No. 984, and CBIRC Shanghai Approval [2019] No. 983 respectively). Ms. LI currently serves as General Manager of the Finance Department/Asset Department of CPIC P/C, and Supervisor of CPIC P/C. She previously served as Deputy General Manager of Internal Audit Center/Second Division of CPIC Group, General Manager of Internal Audit Center/Audit Technology Division of CPIC Group, Supervisor of CPIC Allianz Health, Internal Auditing Responsible Person of Changjiang Pension, and Supervisor of Anxin Agricultural Insurance Co., Ltd.

Mr. ZHUANG Yi, born in December 1969, holds a master's degree and the title of Accountant. He has been serving as Compliance Responsible Person of the Company since January 2014 (approval document: CIRC Approval [2014] No. 6). Mr. ZHUANG is also Chief Risk Officer of the Company. He previously served as Deputy Director (in charge) of the Internal Audit Division of PICC Shanghai Branch, General Manager of the Auto Insurance Department of PICC Shanghai Branch, General Manager of Jing'an Sub-branch of PICC Shanghai Branch, General Manager of the Customer Service Department of PICC Shanghai Branch, General Manager of the Auto Insurance Department of Anxin Agricultural Insurance Co., Ltd., and General Manager of the Internal Audit Department and the Compliance and Legal Department/Risk Management Department of Anxin Agricultural Insurance Co., Ltd. respectively.

Ms. YANG Guotao, born in January 1981, holds a master's degree and membership of China Association of Actuaries and FRM qualification. She has been serving as Chief Actuary of the Company since January 2020 (approval document: CBIRC Shanghai Approval [2019] No. 1096). Ms. YANG currently serves as General Manager of Actuarial Department of the Company. She previously worked in the capacity of actuarial service with China Continent Insurance Co. Ltd., served as Actuarial Responsible Person and Deputy General Manager (in charge) of the Actuarial Department of Anxin Agricultural Insurance Co., Ltd.

Mr. WU Kaibing, born in July 1968, holds a doctoral degree and the title of Senior Auditor. He has been serving as Internal Auditing Responsible Person since October 2017 (approval document: CIRC Approval [2017] No. 1191). Mr. WU currently serves as General Manager of the Internal Audit Department (South China) of CPIC Group. He previously served as Securities Research Head of the Shanghai Securities Department of SDIC Hainan, Assistant President of Shanghai Kaiquan Pump (Group) Co., Ltd., Deputy Director of the Financial Audit Division of CNAO's Shanghai Resident Office, Senior Auditor of the Second Division of the Internal Audit Headquarters of CPIC Group, Senior Auditor, and Deputy General Manager of the Internal Audit Business Department of the Internal Audit Center of CPIC Group.

### **(VIII) Contact person information**

Contact person: LI Mao

Tel. number: +86-21-66988703

Email: lim@aaic.com.cn

## II. Main indicators

Item	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	425%	246%
Core solvency margin (10K RMB)	218,995	106,887
Comprehensive solvency margin ratio	425%	246%
Comprehensive solvency margin surplus (10K RMB)	218,995	106,887
Latest IRR result	A	A
Premium income (10K RMB)	31,618	26,501
Net profit (10K RMB)	8,431	-8,875
Net assets (10K RMB)	273,961	163,272

## III. Actual capital

Item	As at the end of this quarter	As at the end of last quarter
Admitted assets (10K RMB)	520,933	586,540
Admitted liabilities (10K RMB)	234,640	406,603
Actual capital (10K)	286,293	179,938
Tier 1 core capital (10K RMB)	286,293	179,938
Tier 2 core capital (10K RMB)	-	-
Tier 1 supplement capital (10K RMB)	-	-
Tier 2 supplement capital (10K RMB)	-	-



#### IV. Required capital

Item	As at the end of	As at the end of
	this quarter	last quarter
Required capital (10K RMB)	67,298	73,051
Required capital for quantitative risks (10K RMB)	66,202	71,861
1)Required capital for insurance risk (10K RMB)	48,676	56,390
2)Required capital for market risk (10K RMB)	16,212	9,365
3)Required capital for credit risk (10K RMB)	23,045	27,506
4)Diversification effect for quantitative risks (10K RMB)	21,731	21,399
5)Loss absorption for special-type insurance contract loss (10K RMB)	-	-
Required capital for control risk (10K RMB)	1,096	1,189
Supplement capital (10K RMB)	-	-
1) Counter-cyclical supplement capital (10K RMB)	-	-
2) Supplement capital of D-SIIs (10K RMB)	-	-
3) Supplement capital of G-SIIs (10K RMB)	-	-
4) Other supplement capital (10K RMB)	-	-

#### V. Integrated risk rating (IRR)

The Company was rated A at the IRR by CBIRC for both Q3 and Q4 of 2021.

#### VI. Risk management status

##### (I) The latest CBIRC Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

The Company scored 76.69 points in the last (2017) SARMRA assessment conducted by the CBIRC. To be specific, it received 17.81 points for risk management infrastructure and environment, 7.06 points for risk management objectives and tools, 7.01 points for insurance risk management, 7.57 points for market risk management, 6.79 points for credit risk management, 7.38 points for operational risk management, 8.12 points for strategic risk management, 7.15 points for reputation risk management, and 7.81 points

for liquidity risk management.

**(II) Measures taken to improve solvency risk management and the latest results in the reporting period.**

First, it completed the 2021 SAMRA Self-review, which shows a sound status of its risk management capabilities, with big improvement in credit and reputation risk management, and yet room for improvement in market risk and liquidity risk management.

Second, it formulated and issued Rules on Risk Self-review of Money-laundering and Terrorism Financing, which set out the anti-money laundering organisational structure, content, process, frequency and results of the risk self-review, seeking to enhance capabilities in identification and assessment of money-laundering risk, optimise resources allocation and work effectiveness. At the same time, it amended and issued Reputation Risk Management Policies, so as to further step up the control of the risk, and improve the all-round risk management.

Third, as per PBoC requirements, the Company conducted monthly and quarterly risk screening & self-assessment. Monthly evaluations mainly cover basic financial status, business operation and insurance funds investment, while quarterly ones additionally review changes in solvency and reasons, major risks and mitigation, special risks and mitigation, impact of changes in economic environment.

Fourth, it completed the filing of IRR data for Q3 2021, Risk Upper Limits, and finished the evaluation of risk management in major categories, while closely monitoring its risk status and taking timely steps to mitigate potential risks.

**VII. Liquidity risk**

**(I) Liquidity risk management indicators**

**1. Net cash flow**

Item	During/as at the end of this quarter
Net cash flow (10K RMB)	-98,419

## 2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	138%

## 3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	2717%	1960%

## (II) Liquidity risk analysis and mitigation

### (1) Cash flows

In this quarter, net cash flow of the Company was -RMB984.1922 million. Net cash flow from business activities in this quarter decreased by RMB109.7730 million from the previous quarter to -RMB72.4692 million. Net cash flow from the Company's investment activities was -RMB526.0675 million, a decrease of RMB149.6981 million from the previous quarter. Financing activities generated -RMB385.6539 million in net cash flow, down by RMB1,749.2048 million from the previous quarter.

### (2) Liquidity indicator analysis

The comprehensive current ratio within the next 3 months is 137.81%, up by 25.3pt from the previous quarter. The liquidity coverage ratio is 2716.96% and 1960.31% under stress scenario 1 and 2 respectively in the next quarter, and high-quality liquid assets are sufficient for needs for cash flows arising from short-term business volatility.

## VIII. Regulatory measures taken against the Company

### (I) Regulatory measures taken against the Company by CBIRC

The Company received no regulatory measures from CBIRC during the reporting

quarter.

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

Going forward, the Company will continue to pay close attention to risk issues high on the regulator's agenda and internal control, address the root causes of the issues, so as to improve its overall risk management capabilities.