

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Property Insurance Co., Ltd.

3rd Quarter of 2022

Company overview and contact information

Company name (Chinese):	中国太平洋财产保险股份有限公司
Company name (English):	China Pacific Property Insurance Company Limited
Legal representative:	GU Yue
Registered address:	South Tower, Bank of Communications Financial Building, 190 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC
Registered capital:	19.47bn yuan
Business license number:	P10021VSH
Date opening for business:	November 2001
Business scope:	Property indemnity insurance; liability insurance; credit and guarantee insurance; short-term health and personal accident insurance; reinsurance of the above said insurance; insurance funds investment as approved by relevant laws and regulations; other business as approved by the CBIRC.
Business territories:	The People's Republic of China (excluding Hong Kong, Macao and Taiwan)
Contact person:	CHEN Mo
Office Tel. number:	021-33966153
Cell phone:	13564760117
Fax number:	021-68871589
Email:	chenmo-004@cpic.com.cn

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I. Board chairman and management statement

The report has been approved by chairman of the board of directors. The board chairman and the senior management of the Company warrant that the contents of this report are true, accurate and complete and have fully complied with applicable laws and regulations, and that there is no false representation, misleading statement or material omissions; and they severally and jointly accept responsibility for the contents of this report.

II. Basic information

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

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

Types of shareholders	Beginning of reporting period		Shareholder injection	Change			End of reporting period	
	Shares	Percentage (%)		Transfer from capital reserve and share dividends distribution	Share transfer	Subtotal	Shares	Percentage (%)
State	29,179	1.5	-	-	-	-	29,179	1.5
Private legal person	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Natural person	-	-	-	-	-	-	-	-
Others								
(listed company)	1,917,821	98.5	-	-	-	-	1,917,821	98.5
Total	1,947,000	100	-	-	-	-	1,947,000	100

2. De facto controller

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

3. Shareholding information (by descending order of shareholding percentage at the end of the reporting period, unit:share)

Names of shareholders	Types of shareholders	Change during the reporting period	Shares held at the end of the reporting period	Shareholding percentage at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Insurance (Group) Co., Ltd.	Others (listed company)	-	19,178,214,743	98.50	None
Shenergy Group Co., Ltd.	State-owned	-	90,874,742	0.47	None
Shanghai Haiyan Investment Management Company Limited	State-owned	-	90,620,982	0.46	None
Yunnan Hehe (Group) Co., Ltd.	State-owned	-	59,586,361	0.31	None
Shanghai State-owned Assets Operation Co., Ltd.	State-owned	-	50,703,172	0.26	None
Total	---	-	19,470,000,000	100	---
Related party relations among shareholders	Of the 5 shareholders of the Company, with the exception of CPIC Group, all are concurrently shareholders of CPIC Group. Other than that, the Company is not aware of any related party relations between its shareholders.				

4. Shareholding by directors, supervisors and senior management

Was there any shareholding by directors, supervisors and senior management as at the end of the reporting period? (Yes No)

5. Share transfer

Was there any share transfer during the reporting period? (Yes No)

(II) Directors, supervisors and senior management and changes thereof

1. Basic information on directors, supervisors and senior management

(1). Directors

Mr. SU Shaojun, born in February 1968, has a PhD degree. He has been serving as Director of the Company since May 2021 (approval document:CBIRC [2021] No. 377). Mr. SU currently serves as Board Secretary and Deputy Director on Transformation Matters of CPIC Group, and Director of CPIC Life. He previously served as Assistant General Manager, Deputy General Manager of Underwriting Department of CPIC P/C, Deputy General Manager, General Manager of CPIC P/C Beijing Branch, General Manager of Development and Planning Department of CPIC P/C, Head of Board Office of CPIC P/C, Head of 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., Chairman of the Board of Supervisors of Shanghai ICY Capital Co. Ltd., Chairman of the Board of Supervisors of Shanghai Shenergy Chengyi 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 General Counsel of CPIC Group and Director of CPIC Life, CPIC AMC, Changjiang Pension and CPIC Health, 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 Office of the Board of Supervisors 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 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., Chief Risk Officer of CPIC Health, and director of CPIC AMC.

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, and Secretary of Discipline Inspection Commission of CPIC P/C. 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 Committee of Heze Municipal Government, and Party Secretary of the State-owned Assets Supervision and Administration Commission of Heze.

Mr. YU Bin, born in August 1969, holds a master's degree. He has been serving as Director of the Company since September 2019 (approval document: CBIRC Shanghai [2019] No. 804). Mr. YU currently also serves as Vice President of CPIC Group and Chairman of CPIC Technology. Previously, Mr. YU served as Deputy General Manager of the Non-Marine Insurance Department of the Company, Deputy General Manager of Underwriting and Claims Department of the Company, General Manager of Market Development Center of the Company, General Manager of Marketing Department of the Company, Chief Marketing Officer, Deputy General Manager of the Company, and Assistant President of CPIC Group.

Mr. GU Yue, born in June 1965, holds a master's degree. He has been serving as Chairman and Executive Director of the Company since March 2015 (approval document: CIRC [2015] No. 228). 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 China Pacific Insurance Company, 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 Deputy General Manager and Finance Responsible Person of Anxin Agricultural Insurance. Previously, she served as General Manager of Finance Department and Asset Management Department of the Company, 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 Care 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 Chief Auditor of Internal Audit Management Department of CPIC Group, Internal Auditing Responsible Person of CPIC AMC and Supervisor of Pacific Insurance Elderly Caring Investment Management Co., Ltd.. Previously, he served as Head of Secretary Department of General Office of CPIC Life, Deputy Section Chief of Board Office of CPIC Group, Assistant General Manager of CPIC P/C Suzhou Branch, Deputy General Manager of Legal Compliance Department of CPIC P/C Suzhou Branch, Head of Specialised Capacity-building Team of Audit Center of CPIC Group, Deputy General Manager (in charge), General Manager of General Audit Department of Audit Center of CPIC Group, General Manager of Audit Department (North China) of Audit Center of CPIC Group and Deputy Chief of Party Discipline Inspection Team of CPIC Group.

(3) Senior management

Mr. GU Yue, born in June 1965, holds a master's degree. He has been serving as Chairman and Executive Director of the Company since March 2015 (approval document: CIRC [2015] No. 228). 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. ZENG Yi, born in June 1965, holds a bachelor's degree, and has been serving as General Manager of the Company since June 2022 (approval document: CBIRC [2022] No. 379). Previously, Mr. ZENG served as Deputy General Manager, Operation Director, Director of Auto Insurance Business of CPIC P/C, and General Manager of CPIC P/C Chongqing Branch.

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 Committee of Heze Municipal Government, and Party Secretary of the State-owned Assets Supervision and Administration Commission of Heze.

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 Sales Director 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 of the Company 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, Secretary of Discipline Inspection Commission, Supervisor 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 (qualification for Assistant General Manager)). 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 China Pacific Anxin Agricultural and CPIC HK. Previously, he served as Deputy General Manager, Finance Responsible Person and Chief Actuary of China Property & Casualty Reinsurance Company Limited. Prior to that, Mr. CHEN worked at the New York Headquarters of Guy Carpenter & Company, and the North American Headquarters of Swiss Re.

Mr. ZHANG Yu, born in April 1965, received university education. He has been serving as Deputy General Manager of the Company since May 2021 (approval document: CBIRC Shanghai [2019] No. 826 (qualification for Assistant General Manager)). Previously, he served as Deputy General Manager of CPIC Suzhou Branch, Deputy General Manager, and General Manager of CPIC P/C Suzhou Central Sub-branch, Deputy General Manager of CPIC P/C Shanghai Branch, General Manager of CPIC P/C Ningbo Branch, General Manager of CPIC P/C Shanghai Branch, and Assistant General Manager (non-auto insurance) of CPIC P/C.

Mr. SU Zhanwei, born in June 1966, holds a master's degree and has been serving as Deputy General Manager of the Company since June 2022 (approval document: CBIRC Shanghai [2019] No. 841) . Prior to that, Mr. SU served as Assistant General Manager, Deputy General Manager, and General Manager of CPIC P/C Henan Branch, Head of General Office, Board Office and Supervisory Board Office of CPIC P/C, General Manager of Corporate Customer Department/Bancassurance Department, and Assistant General Manager of CPIC P/C.

Mr. LI Chao, born in March 1981, holds a master's degree, and has been serving as Assistant General Manager of the Company since August 2021 (approval document: CBIRC [2021] No. 496). Prior to this, Mr. LI served as Deputy General Manager of CPIC P/C Tianjin Branch, Deputy General Manager (in charge) and General Manager of CPIC P/C's Small and Medium-sized Customer Business Department, General Manager of CPIC P/C's Corporate Customer Department/Bancassurance Department, and General Manager of CPIC P/C Heilongjiang Branch.

Ms. TAO Lei, born in September 1977, holds a master's degree. She has been serving as Assistant General Manager (approval document: CBIRC [2021] No. 624) and Board Secretary (approval document: CBIRC [2021] No. 623) of the Company since August

2021. Ms. TAO currently also serves as General Manager of Development and Planning Department, Head of Board Office, and Head of Supervisory Board Office of the Company. Previously, she served as Assistant General Manager, Deputy General Manager of Tele-marketing Department of CPIC P/C, Deputy General Manager (in charge) of Project Management Department of CPIC Online, General Manager of Marketing Department of CPIC Online, General Manager of Shanghai Sub-center of Tele-marketing Center of CPIC P/C, and Deputy General Manager of Tele-marketing Center of CPIC P/C, Head of Transformation Matters, Head of Office for Deepening Transformation of the Company.

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

Mr. YU Baoyu, born in May 1965, holds a master's degree. He has been serving as Assistant General Manager of the Company (approval document: CBIRC [2022] No. 23) since January 2022. Mr. Yu also serves as the Company's Director for Coordinated Development of Guangdong-Hong Kong-Macao region, and General Manager of the Guangdong Branch of the Company. Previously, Mr. Yu served as Deputy General Manager of CPIC P/C Henan Branch, General Manager of Gansu Branch and Hubei Branch respectively.

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 and 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.

2. Changes to directors, supervisors and senior management of head-office

Are there changes to the directors, supervisors and senior management during

the reporting period? (Yes No)

(III) Subsidiaries, joint ventures or associates

Were there subsidiaries, joint ventures or associates as at the end of the reporting period? (Yes No)

Name of companies	Number of shares (10,000)			Percentage of shareholding (%)		
	End of last quarter	End of this quarter	Change	End of last quarter	End of this quarter	Change (pt)
Subsidiaries						
China Pacific Anxin Agricultural Insurance Co., Ltd.	73,206	73,206	-	67.78%	67.78%	
Joint ventures						
Shanghai Juche Information Technology Co., Ltd.	148	148	-	25.20%	25.20%	-
Zhongdao Automobile Assistance Co., Ltd.	1,280	1,280	-	20.32%	20.32%	-
Shanghai Lexiang Sijin Technology Joint-stock Co., Ltd.	369	369	-	6.09%	6.09%	-
Shanghai Heji Business Management Partnerships (LP)	20,000	20,000	-	99.00%	99.00%	
Associates						
CPIC Euler Hermes Credit Insurance Sales Co., Ltd	2,550	2,550	-	51.00%	51.00%	
Shanghai Binjiang-Xiangrui Investment and Construction Co., Ltd.	1,071	1,071	-	35.70%	35.70%	-

(IV) Breaches

1. Did the Company receive any administrative penalties from financial regulators during the reporting period? (Yes No)

Between July 1 and September 30, CBIRC meted out 17 administrative penalties to branch offices of the Company, with 4.83mn yuan in fine for branches and 1.033mn yuan in fine for individuals, totalling 5.863mn yuan. Breaches mainly concerned booking of false expenses,

falsification of brokerage business for expense-booking, deviation from terms & clauses and insurance rates as filed with the regulator, and granting extra benefits to insured other than those specified in insurance contracts.

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

(Yes No)

3. Did misconduct or breaches of directors and senior management trigger judicial proceedings during the reporting period?

(Yes No)

4. Did the Company receive any regulatory measures from the CBIRC during the reporting period?

(Yes No)

III. Key solvency and business metrics

(I) Key solvency metrics

Unit: RMB yuan 10,000

Items	As at the end of the reporting period	As at the end of the previous period	Estimates for next quarter under base scenario
Admitted assets	23,430,718	23,538,205	23,339,171
Admitted liabilities	17,633,913	17,826,691	17,898,655
Available capital	5,796,805	5,711,515	5,440,516
Tier 1 core capital	4,388,334	4,391,342	4,432,045
Tier 2 core capital	-	-	-
Tier 1 supplement capital	1,408,471	1,320,172	1,008,471
Tier 2 supplement capital	-	-	-
Minimum capital	2,612,495	2,536,038	2,688,466
Minimum capital for quantifiable risks	2,657,901	2,580,116	2,735,238
Minimum capital for control risk	-45,407	-44,078	-46,773
Supplement capital	-	-	-
Core solvency margin surplus	1,775,840	1,855,346	1,743,580
Core solvency margin ratio (%)	168.0%	173.2%	164.9%
Comprehensive solvency margin surplus	3,184,310	3,175,476	2,752,051
Comprehensive solvency margin ratio (%)	221.9%	225.2%	202.4%

(II) Liquidity risk indicators

1. Regulatory indicators for liquidity risk

Items		As at the end of the reporting period	As at the end of the previous period	
Net cash flows (RMB 10,000)	YTD	90,367	164,179	
	Year 2021	288,396	288,396	
	Year 2020	-287,992	-287,992	
LCR (%)	LCR1	Next 3 months	111.8%	117.1%
		Next 12 months	103.2%	103.5%
	LCR2	Next 3 months	220.1%	218.6%
		Next 12 months	125.6%	121.9%

	LCR3	Next 3 months	96.3%	76.9%
		Next 12 months	90.7%	83.5%
Retrospective adverse deviation ratio of net cash flows from business activities (%)	Over the last 2 quarters		927.3%	119.8%
	Over the last quarter		365.3%	927.3%

2. Other indicators of liquidity risk

	Items	Q3 (YTD)	Q2 (YTD)
Liabilities	Net cash flow from business activities (RMB 10,000)	721,968	560,906
	Net cash flow from business activities per 100 yuan in premiums (RMB yuan)	5.5	6.2
	Ratio of cash outflow from business of special types (%)	2.5%	2.3%
	Gross premium growth year-on-year (%)	12.1%	11.7%
Assets	Ratio of cash and liquidity management instruments (%)	3.2%	3.4%
	Quarterly average financing gear (%)	2.4%	1.0%
	Share of domestic fixed income assets with external rating of AA and below (%)	0.7%	0.1%
	Proportion of shares representing over 5% of the stake of listed companies (%)	0.00%	0.03%
	Ratio of fund receivables (%)	16.7%	17.1%
	Ratio of assets of related parties held (%)	3.1%	3.5%

Ratio of cash outflow from business of special types: Ratio of cash outflow from business of special types = (claim expenses of special-type business + incurred and reported claim reserves of special-type business) ÷ (overall claim expenses + overall incurred and reported claim reserves) × 100%. Business of special types includes financing guarantee insurance business and non-auto business that accounts for more than 5% of overall claim expenses. The latter refers to non-auto insurance business that incurs estimated or actual claim expenses exceeding 5% of overall non-auto claim expenses after reinsurance of the previous year which are caused by catastrophes or major claims.

Gross premium growth(yoy): year-on-year growth of written premium

Ratio of receivables (%): Ratio of receivables=(premium receivables + reinsurance receivables) ÷ total assets by the end of the reporting period × 100%. Premium receivables, reinsurance receivables and total assets are based on the book value as at the end of the reporting period.

Ratio of assets of related parties held: Ratio of assets of related parties held = total investment assets of related parties held ÷ total assets as at the end of the reporting period × 100%, excluding related-party transactions between the insurance company and the insurance group that it belongs to or between subsidiaries of the insurance group.

(III) Key business metrics

Unit: RMB yuan 10,000

Indicators	As at the end of this quarter/during this quarter	As at the end of this quarter/YTD
Gross written premiums	4,088,733	13,245,811
Net profits	185,618	617,629
Total assets	23,538,436	23,538,436
Net assets	4,851,832	4,851,832
Insurance contract liabilities	14,152,156	14,152,156
Basic earnings per share	0.1	0.3
ROE (%)	3.9	12.7
ROA (%)	0.8	2.8
Investment yield (%)	1.4	4.0
Comprehensive investment yield (%)	0.4	2.1
Combined ratio (%)	98.5	97.3
Expense ratio (%)	27.7	27.3
Loss ratio (%)	70.8	70.1
Ratio of commission and brokerage expenses (%)	7.8	8.3
Ratio of operating and administrative expenses (%)	16.1	17.2
Written premiums	4,264,242	13,558,278
Written premiums of auto insurance	2,495,109	7,600,931
Written premiums of top 5 non-auto insurance business lines	1,405,755	4,920,151
Health insurance	275,418	1,303,594

Agricultural insurance	311,966	1,243,625
Liability insurance	406,924	1,215,262
Guarantee insurance	226,761	627,978
Commercial property insurance	184,687	529,692
Average vehicle premium of auto insurance (RMB yuan)	2,843	2,831
Written premiums by channels	4,264,242	13,558,278
Agency	2,719,636	8,185,179
Direct	1,022,772	3,872,452
Brokerage	521,833	1,500,647
Others	-	-

Note: All calculation of reserves was based on financial statements; ROE and ROA were calculated based on (net assets as at the beginning of the reporting period + net assets as at the end of the reporting period) / 2, and (total assets at the beginning of the reporting period + total assets at the end of the reporting period) / 2, respectively; the expense ratio, the loss ratio and combined ratio were based on earned premiums; comprehensive investment yield includes changes in fair value of AFS assets which is not included in calculation of investment yield.

IV. Risk management capabilities

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

As per CBIRC rules on classification of insurance companies contained in Solvency Regulatory Standards No. 12: Solvency-aligned Risk Management Requirements and Assessment, the Company, established on 9 November 2001, is a Category I insurance company. In FY2021, its annual written premiums amounted to 157.775bn yuan; total assets stood at 207.698bn yuan; there are 37 provincial-level branch offices.

(II) Results of last solvency risk management valuation

In 2021, CBIRC conducted SARMRA assessment of the Company, which scored 83.94 points. Of this, infrastructure and environment of risk management was 82.19 points, targets and instruments of risk management was 82.35 points, insurance risk management was 86.4 points, market risk management was 81.68 points, credit risk management was 86 points, operational risk management was 84.44 points, strategic risk management was 86.12 points, reputation risk management was 84.53 points, liquidity risk management was 83.54 points.

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

During the quarter, the Company mainly took the following measures to improve risk management, especially in mechanisms of prevention and early-stage intervention.

First, it improved the emergency response mechanism for major risks: Based on its risk management realities, new regulations of C-ROSS II, its SARMRA results for 2021, and requirements of CPIC Group, as well as its systematic capacity-building requirements, the Company made efforts to optimize its risk control strategy, revised and issued master plan for emergency response as well as sub-plans for events such as natural disasters, major public health crises, petitions and complaints by the public, major reputational incidents, cash flow payment crises, etc., and clarified the management requirements, organizational structure of emergency command, emergency response process, as well as requirements for the review and update of the plan and exercise norms;

Second, it further improved the regulations on the implementation of risk control for major risk categories: For example, for reputational risks management, we strengthened the risk management of information release, and for operational risks management, we improved regulations on litigation management, personal information protection and so on.

Third, it carried out in-depth risk management training: The Company gave guidance to its branches in implementing risk control requirements from C-ROSS II, including the interpretation of the regulatory rules, the system of corporate risk management, and the risk management requirements for branches.

(IV) Status of SARMRA self-assessment

Not applicable in this quarter.

V. Information on IRR (differentiated supervision)

(I) Information on IRR (differentiated supervision)

1. The last two IRR results

Rated AA at the IRR for Q1 of 2022; AA for Q2 of 2022.

2. Self-assessment results

The Company strictly abides by CBIRC rules, improves work mechanisms and operational processes of IRR (differentiated supervision), and files information as required and in a timely manner on a quarterly basis, while ensuring the truthfulness, compliance and completeness of the data.

In the reporting quarter, it submitted data for IRR under C-ROSS II. Given the vast simplification of metrics under C-ROSS II and the adjustment of classification of business lines concerning operational risk, it modified the filing procedure, focusing on functionalities at headquarters to improve efficiency. Going forward, the Company will keep in touch with the regulator and industry peers, continue to optimise data definitions and the evaluation process.

(II) Status of various risks of the Company

1. Operational risk

No major operational risk events occurred in the Company during this quarter. The Company actively followed regulatory requirements, strengthened compliance in business operation, and enhanced operational risk management and anti-money laundering effort. The overall operational risk and money laundering risk status were stable and under control. The main work includes:

First, we waged a campaign on accountability. We clarified specific objectives for accountability, and formed a closed-loop mechanism including risk screening, improving internal control, warning and education to crack down upon employee

frauds in areas such as claims management, expense control, premium funds, fixed assets, and information security.

Second, we stepped up risk control capacity building of our central sub-branches and sub-branches. In strict compliance with CPIC Group's Code of Conduct for Business Operation of Central Sub-branches (2022) and Code of Conduct for Business Operation of Sub-branches (2022), and focusing on three objectives, we issued a work plan to improve risk control capabilities of key sub-branches and formulated eight work measures to further improve the foundation and environment for risk control and compliance and enhance the risk prevention and control capacity of our sub-branches.

Third, we established a systematic and standardized insurance contract management mechanism. In order to eradicate malpractices in insurance contracts (forged seals, fake contracts, and abuse of official documents), we formulated a work plan for systematic and standardized insurance contract management, which focuses on three implementation modules: regulation and standards, system control, and process control. We also set up an internal coordination mechanism to fully mobilize every unit in fighting malpractices in insurance contracts.

Fourth, we completed an online whole-process anti-money laundering self-assessment for 2021 as per the "Guidance for Corporate Financial Institutions on Self-assessment of Money Laundering and Terrorist Financing Risks".

Fifth, we developed customer identity image inspection RPA Robots for anti-money-laundering purposes, which randomly checked customers' image materials every month. The whole process was done without manual participation, which improves the efficiency of anti-money-laundering supervision.

Sixth, we organized relevant anti-money laundering (AML) activities – "Team up to achieve progress together". As of the end of the third quarter, we completed a

total of 8 projects, and conducted various exchanges on AML, including training and quizzing on AML of new recruits, competition of analysis of leads in money laundering cases, etc., with remarkable results.

2. Strategic risk

There was no occurrence of risk incidents which may impact the execution of the strategic planning of the Company in this quarter. In the third quarter of this year, given the unexpected challenges such as the complicated international environment, resurgence of COVID-19 in many parts of the country, and extreme heat waves, under the leadership of the CPC Central Committee, all regions and government departments of the country struck a good balance between pandemic control and economic and social development, effectively implemented the country's economy-stabilizing and other policy measures, and the national economy kept recovering and developing.

While serving the national strategy and social governance, the Company accelerated innovation to boost development. We further enriched our products and services to adapt to the country's new development paradigm, providing specialized, differentiated and customized insurance products in key areas of national economy and people's livelihood, such as rural revitalization, smart transportation, health care, environmental protection, technological innovation, cyber security and social governance.

The Company strengthened the application of science and technology to improve service capacity and risk control. Through innovating and expanding the "insurance + technology + service" risk reduction service and integrating risk early warning management with smart claims settlement service, we improved the efficiency of our service and our capability for loss reduction. By upgrading and improving digital risk control, we provide customers with comprehensive services and advanced technologies of social governance and risk control. Through the

application of science and technology, we enhanced our risk management in areas such as risk identification, monitoring and early warning. We also proactively provide disaster prevention and loss reduction service to reduce risk-related losses at source.

3. Reputational risk

During the quarter, there were no severe reputational risk incidents. As per Interim Provisions on Reputational Risk Management by Banking and Insurance Institutions (CBIRC[2021]No.4), Regulations on Reputational Risk Management of China Pacific Insurance (Group) Co., Ltd. (CPIC[2021]No.57) and Implementation Rules on Reputational Risk Management of China Pacific Property Insurance Co. Ltd. (CPIC P/C [2022] 86), when conducting business and branding activities, the Company will further enhance risk screening and prevention, step up fast response and coordination after the risk emerges and intensify revisit and optimisation after the completion of risk-handling, accumulate the “asset” of reputation and focus on early-stage intervention of reputational risk. In brief, the risk during the reporting quarter was under control.

4. Liquidity risk

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from business, investment and financing activities, pays special attention to large cash outflows arising from major claims, makes funds available in a timely manner to ensure sufficient liquidity to meet needs of various payment obligations. In Q3, in anticipation of large pay-outs like quarterly pre-payment of income tax, reinsurance accounts settlement, and major claims payment, the Company made early preparations and made funds available. In September, it conducted drill of emergency response to 2022 cash flow crisis to ensure sufficient knowledge and grasp of relevant risk management requirements and procedures. Given the requirement for quarterly account closure, it set dedicated positions at headquarters to handle needs for liquidity of

branch offices in a timely manner. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

VI. Management analysis and discussions

(I) Review of key operating results

1. Analysis of changes to IRR ratings

The IRR result for the Company in Q2 2022 was AA, the same as that of the previous quarter. The overall risk profile of the Company remains stable, with solvency margin ratios stable and strong, business operation and net cash flows from business activities showing signs of improvement amid stability, strategic risk, reputational risk and operational risk all in the normal status, and there was no occurrence of major incidents.

2. Analysis of solvency margin ratio movement

As of the end of the reporting quarter, the comprehensive and core solvency margin ratios of the Company stood at 221.9% and 168.0% respectively, down by 3.3pt and 5.2pt respectively from the end of the previous quarter.

Of this, available capital rose by 850mn yuan from the previous quarter, mainly due to impact of net profits and other comprehensive income.

Minimum capital rose by 760mn yuan from the previous quarter. Of this, minimum capital for insurance risk increased by 520mn yuan, mainly due to an increase of 830mn yuan in minimum capital for premium reserve; minimum capital for market risk decreased by 80mn yuan, mainly as a result of a decrease of 590mn yuan in minimum capital for equity price risk in the context of market volatility and adjustment of asset allocation; minimum capital for credit risk rose by 630mn yuan, largely because of increased risk exposure to debt instruments and inward reinsurance assets, which led to an increase in minimum capital by 680mn yuan for counter-parties defaults.

The Company formulated Solvency Risk Upper Limits and monitoring indicators compatible with its risk profile and risk appetite, and its own realities, with tracking of the indicators on a regular basis. In the meantime, it continued to

ensure stable and sufficient solvency positions via enhanced business quality control, raised risk awareness and optimised asset and business mix, etc.

3. Changes to liquidity risk indicators analysis

(1)Liquidity coverage ratios (LCRs)

As per C-ROSS II standards on liquidity, the liquidity coverage ratios, i.e. LCR1 and LCR 2, in the next 3 months and 1 year under the base and stress scenarios were both above 100%, and LCR3 above 50%, all meeting regulatory requirements. The Company adopts a prudent approach towards cash flow projections from operating activities, with the retrospective adverse deviation ratio of net cash flows from operating activities in the past 2 quarters consistently higher than the regulatory minimum of -30%. In the reporting period, net cash flows of the Company amounted to 900mn yuan. Of this, net cash inflow from operating activities was 7.22bn yuan; net cash outflow from investment activities 7.41bn yuan; net cash inflow from financing activities 1.02bn yuan.

To mitigate liquidity risk, the Company attaches importance to daily cash flow management, coordinates cash flows from operating, investment and financing activities to ensure sufficient liquidity to meet needs of surrenders, claims and other benefits payments. The Company has allocated a certain proportion of highly liquid assets in its SAA to meet liquidity requirements, which enables it to meet short-term cash flow requirements arising from business volatility. It will continue to monitor changes to its liquidity status and enhance risk management capabilities.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Life Insurance Co., Ltd.

3rd Quarter of 2022

Company overview and contact person

Company name (Chinese):	中国太平洋人寿保险股份有限公司
Company name (English):	China Pacific Life Insurance Co., Ltd.
Legal representative:	PAN Yanhong
Registered address:	1 Zhongshan Road (South), Huangpu District, Shanghai, China
Registered capital:	8.6282bn yuan
Business license number:	000015
Date opening for business:	November 2001
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 international insurance business as approved.
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 (with offices in 5 vice-provincial level municipalities such as Dalian, Qingdao, Ningbo, Xiamen, Shenzhen, where

CBIRC also set up branch offices)

Contact person: HAN Shuwan
Office Tel. number: 021-33965311
Cell phone: 13681726026
Email: hanshuwan@cpic.com.cn

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I. Board and management statement

The report has been approved by the chairman of the board of directors. The board chairman and the senior management of the Company warrant that the contents of this report are true, accurate and complete and have fully complied with applicable laws and regulations, and that there is no false representation, misleading statement or material omissions; and they severally and jointly accept responsibility for the contents of this report.

II. Basic information

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

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

Types of shareholders	Beginning of reporting period		Shareholder injection	Change			End of reporting period	
	Shares or contribution	Percentage (%)		Transfer from capital reserve and share dividends distribution	Share transfer	Sub-total	Shares or contribution	Percentage (%)
State	-	-	-	-	-	-	-	-
Domestic legal person	842,000	100	20,820	-	-	20,820	862,820	100
Private legal person	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	842,000	100	20,820	-	-	20,820	862,820	100

2. Top 10 shareholders (by descending order of shareholding percentage as at the end of the reporting period, unit: 10,000 shares or RMB yuan 10,000)

Names of shareholders	Types of	Change to	Shares held as	Shareholding	Shares
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	shareholders	shareholding during Q3 2022	at the end of Q3 2022	percentage as at the end of Q3 2022 (%)	pledged or in lock-up
China Pacific Insurance (Group) Co., Ltd.	Listed company	20,464.47	848,086.31	98.292	-
Shenergy Group Co., Ltd.	State-owned	113.69	4,711.59	0.546	-
Shanghai State-Owned Assets Operation Co., Ltd.	State-owned	113.15	4,689.24	0.544	-
Shanghai Haiyan Investment Management Company Limited	State-owned	77.66	3,218.11	0.373	-
Yunnan Hehe (Group) Co., Ltd.	State-owned	51.03	2,114.75	0.245	-
Related party relations between shareholders	Of the 5 shareholders of the Company, with the exception of CPIC Group, all are concurrently shareholders of CPIC Group. Other than that, the Company is not aware of any related party relations between its shareholders.				

The Company has no de facto controller. China Pacific Insurance (Group) Co., Ltd is the majority shareholder, holding 98.292% of the stake of the Company.

3.Shareholding by directors, supervisors and senior management: Was there shareholding by directors, supervisors and senior management as at the end of the reporting period? (Yes No)

4. Share transfer: Was there any share transfer during the reporting period?(Yes No)

(II) Directors, supervisors and senior management

1. Basic information of directors, supervisors and senior management

(1) Directors

As of the end of September 2022, 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 [2018] No. 320). Mr. MA currently serves as Vice President of CPIC Group, Director of Changjiang Pension, and Chairman of CPIC Health. He previously served as 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 of Transformation Matters, and 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., a company listed in SSE and SEHK, Director of Shanghai Chengyi New Energy Venture Capital Co., Ltd., Chairman of the Supervisory Board of Shanghai Chengyi Capital Co., Ltd., Supervisor of Everbright Banking Co., Ltd., a company listed in SSE and SEHK, 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., 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 General Counsel of CPIC Group, Director of CPIC P/C, CPIC AMC and Changjiang Pension respectively. Mr. ZHANG previously served as General Manager of Legal and Compliance Department, Head of Board Office, General Manager of Risk Management Department, Risk & Compliance Officer and Chief Risk Officer 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, 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., Chief Risk Officer and Chief Actuary of CPIC Health, and Director of CPIC AMC.

Mr. CAI Qiang (John), 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 a 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 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

As of the end of September 2022, the 7th Board of Supervisors of the Company has 3 supervisors:

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 Head of Individual Business Department of CPIC Life Shandong Branch, Deputy General Manager and member of the Party Committee 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 and Party Secretary of CPIC Life Yudong Branch.

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. ZHANG Lei, born in July 1976, holds a master's degree in economics 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 Computerised Auditing 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 Digitalised 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 September 2022, the Company has 15 members of senior management in total:

Mr. CAI Qiang (John) currently serves as Executive Director, General Manager (CEO) of the Company. Please refer to Basic information of directors for detailed information.

Mr. WANG Guangjian, born in June 1965, has a master's degree. Mr. WANG currently serves as the Executive Deputy General Manager (approval document: CBIRC [2019] No.637) , Acting Compliance Responsible Person and Chief Risk Officer of the Company. 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 Life Taiyuan Branch, GM of CPIC Life Shanxi Branch, GM of CPIC Life Shandong Branch, assistant to chairman of the Management 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 and Acting Compliance Responsible Person and Chief Risk Officer of the Company since August 2019 and July 2022 respectively.

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 Pacific Elderly Care Investment Management Co., Ltd., Chairman and Legal Representative of Pacific ORPEA (Shanghai) Elderly Care 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 Elderly Care 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, GM of the Control Management Center of CPIC Life, GM of Contract Department, GM of Operation and Planning Department of CPIC Life, GM of CPIC Life Jiangxi Branch, GM of CPIC Life Henan Branch and concurrently 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 General

Manager of the Company (approval document: CBIRC Shanghai [2019] No.638), CFO (approval document: CBIRC Shanghai [2019] No.689), Director of Changjiang Pension, Director of CPIC Life HK, and Executive Director of Beijing Borui Heming Insurance Brokerage Co., Ltd. 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 Group Business Operation Center and 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 Section 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 qualifications of an 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. 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) and Director of CPIC Life Hong Kong. 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 (in charge) and 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). 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 position 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 Acting Responsible Person for CPIC Life Shanghai Branch. 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. He is also Director of Shanghai Dabao Guisheng Information Technology Co. Ltd.. 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.

2. Changes to directors, supervisors and senior management

Was there any change to the directors, supervisors and senior management during the reporting period? (Yes No)

(1) Changes to directors or supervisors? (Yes No)

(2) Changes to senior management? (Yes No)

Departures of senior management:

ZHOU Xiaonan, previously Deputy GM, Compliance Responsible Person, Chief Risk Officer

LI Jing, formerly Assistant GM, Director of CPIC Life Hong Kong, and Director of Lianren Health Big Data Technology Co. Ltd..

(III) Subsidiaries, joint ventures or associates

Were there any subsidiaries, joint ventures or associates as at the end of the reporting period? (Yes No)

Company name	Number of shares (10,000 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 (pt)
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 Real Estate Company Limited	35,369	35,369	-	100.00	100.00	-
Pacific Insurance Elderly Care Investment Management Co., Ltd.	500,000	500,000	-	100.00	100.00	-
Pacific Health Care Management Co. Ltd.	50,000	50,000	-	100.00	100.00	-
CPIC Elderly Care Development (Chengdu) Co. Ltd.	97,200	97,200	-	100.00	100.00	-
CPIC Elderly Care (Hangzhou) Co. Ltd.	90,000	94,000	4,000	100.00	100.00	-
CPIC Elderly Care (Xiamen) Co. Ltd.	66,000	70,500	4,500	100.00	100.00	-

CPIC Elderly Care (Nanjing) Co. Ltd.	14,900	16,900	2,000	100.00	100.00	-
CPIC Rehab & Retirement (Shanghai) Industrial Development Co. Ltd.	23,000	25,000	2,000	100.00	100.00	-
CPIC Elderly Care (Zhengzhou) Co. Ltd.	18,350	18,350	-	100.00	100.00	-
CPIC Elderly Care (Beijing) Co. Ltd.	59,700	59,700	-	100.00	100.00	-
CPIC Elderly Care (Wuhan) Co. Ltd.	57,308	59,308	2,000	100.00	100.00	-
CPIC Health Management (Sanya) Co. Ltd.	-	21,888	21,888	-	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	20.00	(5)

(IV) Breaches

1. Did the Company and its directors, supervisors and senior management receive any administrative penalties from financial regulators during the reporting period?
 (Yes No)

2. Did the directors, supervisors, management at department level and above and senior management of provincial-level branches conduct illegal acts which triggered judicial proceedings? (Yes No)

3. Did the Company receive any regulatory measures from the CBIRC during the reporting period?
 (Yes No)

During the reporting period, there was no regulatory measures against the Company by CBIRC. However, certain CBIRC branches took regulatory measures against the Company's branches, namely, Aotou Sub-branch of Guangdong Branch, Bozhou Key Sub-branch of Anhui Branch, Luoyang Key Sub-branch of He'nan Branch each

receiving an administrative penalty. Besides, Luoyang Key Sub-branch of He’nan Branch, Qingyuan Key Sub-branch of Guangdong Branch, Yichun Key Sub-branch of Jiangxi Branch and Ganzhou Key Sub-branch of Jiangxi Branch each received a Regulatory Opinion Letter; Guilin Key Sub-branch of Guangxi Branch and Luoyang Key Sub-branch of He’nan Branch each received a Regulatory Letter.

III. Key indicators

(I) Key solvency metrics

unit: 10,000 RMB yuan

Indicators	As at the end of this quarter	As at the end of last quarter	Next quarter estimates
Admitted assets	177,481,888	175,365,017	179,710,128
Admitted liabilities	143,386,208	140,292,966	145,636,333
Available capital	34,095,680	35,072,050	34,073,795
Tier 1 core capital	19,512,473	20,242,468	19,344,932
Tier 2 core capital	767,566	1,072,087	1,045,121
Tier 1 supplement capital	13,805,906	13,746,759	13,675,110
Tier 2 supplement capital	9,735	10,736	8,631
Minimum capital	14,169,686	14,137,241	14,288,614
Minimum capital for quantifiable risks	14,257,226	14,224,581	14,376,890
Minimum capital for control risk	-87,541	-87,340	-88,276
Supplement capital	0	0	0
Core solvency margin surplus	6,110,353	7,177,314	6,101,439
Core solvency margin ratio (%)	143	151	143
Comprehensive solvency margin surplus	19,925,994	20,934,809	19,785,181
Comprehensive solvency margin ratio (%)	241	248	238

(II) Regulatory indicators for liquidity risk

Items	As at the end of the reporting period	As at the end of the previous period
Liquidity coverage ratio (LCR) (%)		
LCR1 under base scenario		

Items	As at the end of the reporting period	As at the end of the previous period
Next 3 months	127	119
Next 12 months	106	104
LCR2 under stress scenario		
Next 3 months	706	669
Next 12 months	238	331
LCR3 under stress scenario excluding asset disposal		
Next 3 months	145	174
Next 12 months	116	203
Retrospective adverse deviation ratio of net cash flows from business activities (%)	35	35
Net cash flow YTD (RMB yuan 10,000)	563,476	335,365

(III) Indicators for monitoring of liquidity risk

Indicators	unit: 10,000 RMB yuan	
	As at the end of the reporting period	As at the end of the previous period
1. Net cash flow from operating activities	10,436,138	8,412,391
2. Comprehensive surrender ratio (%)	1.45	1.04
3-1. Net cash flow from participating accounts	3,609,761	3,236,494
3-2. Net cash flow from universal accounts	1,673,940	1,496,576
4.Total premiums growth year-on-year (%)	5.7	6.5
5.Ratio of cash and liquidity instruments (%)	1.7	1.5
6.Quarterly average financial leverage ratio (%)	5.9	4.5
7.Share of domestic fixed income assets rated AA and below (%)	3.2	3.4
8.Share of investments in listed stocks with a stake of 5% or above (%)	0.4	0.5
9.Share of receivables (%)	0.8	1.7
10.Share of related party assets held by the Company (%)	2.6	2.8

(IV) IRR results

The feed-back from the regulator concerning the results of the IRR (differentiated supervision) indicated an A rating for Q1 of 2022 and an AA rating for Q2 of 2022.

(V) Key business metrics

Indicators	unit: 10,000 RMB yuan	
	As at the end of this quarter/during this quarter	YTD
Gross written premiums	4,068,550	18,973,906
Net profits	477,074	1,363,112
Total assets	178,006,745	178,006,745
Net assets	9,901,601	9,901,601
Insurance contract liabilities	139,531,343	139,531,343
Basic earnings per share (RMB yuan)	0.56	1.61
ROE (%)	4.78	13.62
ROA (%)	0.27	0.80
Investment yield (%)	1.02	3.06
Comprehensive investment yield (%)	-0.16	1.28

IV. Risk management capabilities

(I) Company overview

Established in November 2001, the Company is the life insurance subsidiary of CPIC Group. As per Articles 5 and 6 of Solvency Regulatory Rules No.12: Solvency Aligned Risk Management Requirements and Assessment on classification of insurance companies, it is a Category I insurance company. As of the end of Q3, 2022, its written premiums amounted to 209.6bn yuan, with total assets of 1,780.1bn yuan, and 35 provincial-level branches.

(II) Results of last solvency risk management valuation

In on-site SARMRA evaluation in 2017, the Company scored 83.03 points. Of this, infrastructure and environment of risk management was 16.12 points, targets and

instruments of risk management was 8.82 points, insurance risk management was 8.36 points, market risk management was 8.00 points, credit risk management was 8.00 points, operational risk management was 8.38 points, strategic risk management was 8.96 points, reputation risk management was 8.33 points, liquidity risk management was 8.06 points. In 2022, the regulator carried out on-site SARMRA evaluation of the Company, but the results are yet to be released.

(III) Measures taken to improve risk management and implementation status during 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 Q3 2022.

First, proceeded with the optimisation of the risk management system in an all-around way, and completed amendments to and issuance of the overarching risk management rules, rules on key risk categories and certain detailed rules on implementation, based on the official version of C-ROSS II.

Second, monitored on a regularly basis the risk tolerance and key risk indicators for 2022, which were then reported to the Management Committee, the Asset Liability Management Working Group, followed by analysis of key risks, formulation of rectification plan to facilitate corrective measures by responsible departments.

Third, conducted an all-around review of the ERM systems in soundness of rules and effectiveness of adherence.

In Q4 of 2022, the Company intends to focus on the following areas for its solvency risk management.

First, push for rectification and optimisation of its risk management systems based on findings of on-site SARMRA evaluation and SARMRA internal auditing, and C-ROSS II standards as well.

Second, formulate the 3-year development plan for risk management, focusing on dimensions of governance structure, team-building, rules establishment and system improvement, so as to upgrade the entire risk management systems.

Third, conduct analysis of key risks in business operation, establish mechanisms for coordination and communication between headquarters and branch offices, with early warning or early-stage intervention of risks.

(IV). Status of SARMRA self-assessment

Time: Q2-Q3 of 2022

Methods and processes: To ensure the success of the self-assessment, the Company set up an ad hoc working group, defined work processes and assigned responsibilities, in a bid to push forward the assessment in an all-around, steady and efficient manner.

In May 2022, the Company organised relevant departments to review the soundness of and adherence to its risk management systems, carried out a self-review of its solvency risk management capabilities. At the same time, the Risk Management Department, as the lead department of SARMRA, held several special meetings and communicated with lead departments of major risk categories, with rounds of discussions over the completeness of materials, integrity of the scoring system and potential risks in internal control.

The Company has established long-term mechanisms for the building of solvency risk management systems. It will take the findings of the self-assessment seriously, and supervise functional departments in their respective rectification efforts. In the mean time, SARMRA results and related work progress will be incorporated into the performance evaluation of relevant departments, so that the self-assessment can effectively improve risk management capabilities and the long-term mechanism for risk management systems of the Company.

Results of self-assessment: In compliance with regulatory requirements, the Company assessed its solvency risk management capabilities from the dimensions of soundness of rules and effectiveness of adherence. The results are as follows: soundness of rules 45.73 points (full mark:50 points), or 91.5% of the full mark;

effectiveness of adherence 45.48 (full mark:50 points), or 91% of the full mark. Total score before non-applicable items was 91.21; that after non-applicable items 91.24 (full mark: 100 points).

Breakdown of the score is as follows:

Items	Score
Infrastructure and environment	93.70
Objectives and tools	91.80
Insurance risk	91.50
Market risk	89.30
Credit risk	89.50
Operational risk	88.99
Strategic risk	91.50
Reputational risk	91.40
Liquidity risk	91.05
Total	91.24

Gaps identified in the self-assessment:

First, the transmission of risk policies on certain dimensions needs to be enhanced, and the risk transmission mechanism needs to be more closely intertwined with business operation; second, Risk Management can play a more important part in empowerment of business operation and value-creation.

Next, the Company will organise rectification based on the findings of the assessment, with follow-up tracking of rectification status.

V. Information on IRR (differentiated supervision)

(I) IRR under current differentiated supervision regime

The feed-back from the regulator concerning the results of the IRR (differentiated supervision) indicated an A rating for Q1 of 2022 and an AA rating for Q2 of 2022, with improvement in Q2 from the previous quarter.

The Company continued to enhance the testing and evaluation system for differentiated supervision, keeping tabs on risk metrics and seeking to improve the timeliness and accuracy of such monitoring; issued risk early warning in a timely manner via the monitoring and analysis of changes to metrics on a regular basis; in the meantime, stepped up risk topical research and mitigation programmes, such as conducting in-depth

study of cause and trends of risks, identifying patterns and coming up with mitigation recommendations, with follow-up remedial actions. To date, the Company has issued several management policies on IRR, conducted amendment and revision according to the regulatory requirements, implemented quarterly data filing and internal rating of branches and put in place long-term mechanisms for the work. Currently, a dedicated IRR management system is in use, covering data filing, data analysis, rectification and reporting.

Going forward, it will focus on root-causes and the front-line of business to strengthen control of business operation risks, and leverage IRR to encourage branch offices to ensure compliance and basic management.

(II) Self-assessment of unquantifiable risks

As per requirements for IRR under C-ROSS II, the Company continued to strengthen its in-house testing and evaluation system for differentiated supervision, continuously reviewed risk metrics to improve the timeliness and accuracy of the monitoring; issued risk early warning in a timely manner via the monitoring and analysis of changes to metrics on a regular basis

1. Methods, processes and results of self-assessment

As part of its work in quarterly differentiated supervision, the Company organises, on a quarterly basis, a self-review of operational risk, strategic risk, reputational risk and liquidity risk involving relevant departments to evaluate its risk status in an objective way. Departments involved would monitor various indicators according to assignment of responsibilities, and in the event of detection of abnormalities, would follow up and identify their causes, so as to track the development of risks and roll out remedial actions in a timely manner; and in the absence of such remedial actions, they would formulate rectification plans with deadlines. The actual status as of the end of each quarter would be submitted by departments within their scope of responsibilities to the lead department, which, in turn, would compile the data, report them to company management and file with the regulator. The latest self-assessment indicated that unquantifiable risks were under control, and no triggers of material risk incidents were detected.

2. Status of unquantifiable risks

In operational risk, the Company issued Provisions on Operational Risk Management (CPIC Life [2022] No.170), Provisions on Data Loss Recovery of Operational Risk (CPIC Life [2022] No.234), Measures on Operational Risk and Internal Control(2022) (CPIC Life [2022] No.274), in a bid to clearly define the responsibility of operational risk management, and establish more scientific and regular risk mitigation mechanisms. Based on analysis of IRR indicators and the monitoring of operational risk metrics, the risk status was good and risks were manageable in insurance business, reinsurance, asset management, corporate governance, IT systems, legal cases management and others.

In reputational risk, the Company gives priority to risk screening including regular screening, routine screening and ad hoc screening so as to enhance at-source management of adverse publicity. It set up a risk-handling working group at headquarters, with dedicated positions on reputational risk management at both headquarters and branch offices in a bid to step up coordination. Training and drills have become an important part of daily risk management, which consist of specialised programmes in handling of media crisis and media interviews leveraging the expertise of in-house and third-party experts, and support for branch offices in routine training and drills via seminars, and the formulation, dissemination of handbooks. In Q3 2022, the Company monitored and detected 85 reports (original) of adverse publicity on the media, less than in the same period of 2021. Of this, there were 25 Level III reports, accounting for 29.4%, 60 Level IV reports, representing 70.6%, and there were no Level I or II major incidents, indicating manageable reputational risk. Self-media and social media tend to be the high-risk area. In terms of content, the share of mis-selling, claims disputes and regulatory punishments was relatively high.

As for strategic risk, the implementation of strategies of the Company is in a healthy status. In terms of factors which may impact its business operation and fulfillment of its strategic objectives, complicated COVID-19 situation and a challenging international environment heightened pressures on economic growth. But given the host of measures to shore up the economy by the government, the long-term trends of economic growth remain intact. The Company pressed ahead with the implementation of Changhang

Action Programme, pushed forward 8 projects in a systematic manner, with the Career-based Agency Force Project centering on “5 Directions and 3 Mosts” delivering initial results. It would persist in the Changhang Transformation and strive for healthy and steady development.

With respect to liquidity risk, net cash flows YTD amounted to 5.63476bn yuan, with sufficient LCRs under all scenarios. Relevant indicators show that the liquidity management of the Company was sound and effective, with the liquidity risk overall under control.

VI. Management Analysis and Discussions

(I) Changes to solvency analysis this quarter

As of the end of this quarter, the core solvency margin surplus amounted to 61.10353bn yuan, with the core solvency margin ratio of 143%, down by 8pt from the previous quarter; the comprehensive solvency margin surplus amounted to 199.25994bn yuan, with the comprehensive solvency margin ratio of 241%, down by 7pt from the previous quarter. Reasons for change are as follows:

1. As of the end of this quarter, available capital amounted to 340.95680bn yuan, versus 350.72050bn of the previous quarter, down by 2.8%, mainly due to:

(1) During the reporting quarter, core capital decreased by 10.34516bn yuan, due to the impact of capital market volatility and changes to insurance contract liabilities under solvency reporting.

(2) Supplement capital rose by 581.46mn yuan;

2. As of the end of this quarter, minimum capital amounted to 141.69686bn yuan, versus 141.37241bn as of the end of the previous quarter, up by 0.2%, mainly due to:

(1) Minimum capital for insurance risk during the quarter increased by 11.87mn yuan;

(2) Minimum capital for market risk during the quarter fell by 376.03mn yuan, as a result of fall of equity market;

(3) Minimum capital for credit risk during the quarter increased by 458.69mn yuan;

- (4) Risk diversification effect and loss absorption decreased by 231.91mn yuan, which raised minimum capital requirements;
- (5) Subtraction from minimum capital by control risk increased by 2mn yuan.

(II) Changes to regulatory liquidity risk indicators

The LCR for the next 3 months is 127%, and that for the next 12 months is 106%, which can still satisfy the minimum requirement of 100%. The LCR in the next 12 months under the stress scenario and the stress scenario without considering disposal of assets was 238% and 116%, respectively, all staying in comfort zones.

Net cash flows YTD grew steadily, amounting to 5.63476bn yuan as of the end of the quarter.

Summary of Quarterly Solvency Report (Excerpts)

Pacific Health Insurance Co., Ltd.

3rd Quarter of 2022

Company overview and contact information

Company name (Chinese):	太平洋健康保险股份有限公司
Company name (English):	Pacific Health Insurance Co., Ltd.
Legal representative:	MA Xin
Registered address	13th Floor, Building No. 1, 1229 Century Avenue, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC
Registered capital	3.6 billion yuan
Business license number	00000117
Date opening for business	December 2014
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.
Business territories	Shanghai, Beijing, Guangdong Province, Sichuan Province.
Contact person:	XIA Bing
Tel. number:	+86-21-33968652
Cell phone:	13761619886
Fax number:	+86-21-68870641
Email:	xiabing-003@cpic.com.cn

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I. Board chairman and management statement

The report has been approved by chairman of the board of directors. The board chairman and the senior management of the Company warrant that the contents of this report are true, accurate and complete and have fully complied with applicable laws and regulations, and that there is no false representation, misleading statement or material omissions; and they severally and jointly accept responsibility for the contents of this report while each of them being directly responsible for the reporting items within their respective responsibilities.

II. Basic information

(I) Ownership structure and shareholders

1. Ownership structure

Shares held by	Shares or contribution as at the end of reporting period (unit: 10,000 shares)	Percentage (%)	Shares or contribution as at the beginning of reporting period (unit: 10,000 shares)	Percentage (%)
Domestic legal persons	360,000.00	100.00	170,000.00	100.00
Domestic natural persons	-	-	-	-
Foreign	-	-	-	-
Others	-	-	-	-
Total	360,000.00	100.00	170,000.00	100.00

2. Top 5 shareholders as at the end of the reporting period

Names of shareholders	Shares held or contribution made as at the end of the reporting period (unit: 10,000 shares)	Shareholding percentage at the end of the reporting period (%)
China Pacific Insurance (Group) Co., Ltd.	306,183.60	85.051
China Pacific Life Insurance Co., Ltd.	53,816.40	14.949

3. Shareholding by directors, supervisors and senior management

Did any of them hold any shares of the Company during the reporting period? (Yes No)

4. Share transfer during the reporting period

Did any share transfer occur during the reporting period? (Yes No)

(II) Controlling shareholder or de facto controller

China Pacific Insurance (Group) Co., Ltd.

(III) Directors, supervisors and senior management

1. Directors (6 in total)

Mr. MA Xin, born in April 1973, has a master's degree. He has been serving as Chairman of the Company since January 2021 (approval document: CBIRC Approval [2021] No.4). 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, Transformation Director, Head of Strategic Transformation Office and General Manager of the Strategic Planning Department of CPIC Group, Board Secretary of CPIC Group, Director of CPIC P/C, and Acting Responsible Person of the Company..

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 Section of Human Resources Department of CPIC Life, Assistant General Manager of Human Resources Department of CPIC Life, Deputy Head and 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, General Manager of Shanghai Branch (Operations Department) and Head of Sales of the Company, Head of Individual Life Insurance Cooperation Business Centre (SBU) of the Company, 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 [2021] 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 CPIC Group, General Manager of Employee Affairs Department

of CPIC Group, Deputy Head of the Party Committee Office of CPIC Group, Head of the Party and People Department of CPIC Group, General Manager of CPIC P/C 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 Director of the Company since April 2021 (approval document: CBIRC [2021] No.280). Mr. ZHANG currently serves as Chief Actuary, Finance Responsible Person of CPIC Group, and Director of CPIC P/C, CPIC Life, and CPIC AMC respectively. Mr. ZHANG previously served as Chief Actuary of the Company, 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: CBIRC [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 Finance Responsible Person 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 Chief Auditor of Audit Technology Division, Internal Audit Center of CPIC Group. Previously, Ms. HU served as Senior Manager of PricewaterhouseCoopers Business Consulting (Shanghai) Co., Ltd., and Chief Auditor of Internal Audit Business Division of Internal Audit Center 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: CIRC [2017] No.161) since February 2017. Ms. XUE currently serves as General Manager of Shanghai Branch and Senior Director of Key Account Business Center of the Company. Previously, she served as General Manager of Sales Management Department of the Company, General Manager of Individual Life Insurance Cooperation Business Centre 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 (6 in total)

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

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 currently head of Health Care Eco-system Business Centre, head of Health Service Business Centre, and also Council Member of Shanghai Pacific Blue Charity Foundation. Previously, Mr. ZHOU served as General Manager of Human Resources and Comprehensive Management Department of Information Technology Center 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 is also head of Individual Customer Cooperation Business Centre and head of Key Account Business Center of the Company. He 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 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), serving

as the Chief Actuary of the Company since August 2022 (approval document: CBIRC [2022] No.532) and Board Secretary the Company since August 2022 (no approval document). She also serves as head of the Technology Centre of the Company. Previously, she served as head of the Actuarial Management Section 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 and Acting Actuarial Responsible Person 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 (Discipline Inspection Office) of the Company. Previously, she served as Legal Responsible Person and General Manager and 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.

Note: In August 2022, the role of General Manager started to be performed collectively by the Business Operation Committee, and MA Xin no longer served as

Acting Responsible Person of the Company. In August 2022, YIN Yanling was appointed Board Secretary, and ZHOU Qing no longer served as Board Secretary.

(IV) Subsidiaries, joint ventures or associate ventures (Yes No)

One associate venture: Shanghai Proton & Heavy Ion Hospital. The Company completed an investment of RMB100 million in its equity in January 2016, holding 20% of its shares.

There was no change during the reporting period.

(IV) Breaches and administrative penalties during the reporting period (Yes No)

None during the reporting period.

III. Main indicators

(I) Solvency margin ratios

unit: 10,000 RMB yuan

Items	As at the end of this quarter	As at the end of last quarter	Next quarter estimates
Admitted assets	1,104,691.71	1,081,102.21	1,094,109.12
Admitted liabilities	789,040.64	764,056.76	776,710.47
Available capital	315,651.07	317,045.45	317,398.65
Tier-1 core capital	301,754.26	304,059.56	304,611.19
Tier-2 core capital	-	-	-
Tier-1 supplement capital	13,896.81	12,985.89	12,787.46
Tier-2 supplement capital	-	-	-
Minimum capital	114,526.85	107,676.27	121,887.82
Minimum capital for quantifiable risks	112,971.43	106,206.80	120,232.43
Minimum capital for control risk	1,555.42	1,469.47	1,655.39
Minimum capital for supplement capital	-	-	-
Solvency margin surplus			
Core solvency margin surplus	187,227.41	196,383.29	182,723.37
Comprehensive solvency margin surplus	201,124.22	209,369.18	195,510.83
Core solvency margin ratio (%)	263	282	250
Comprehensive solvency margin ratio (%)	276	294	260

(II) Regulatory indicators and indicators for monitoring of liquidity risk

Indicators	Reporting quarter	Last quarter
Actual cash flow (unit:10,000 yuan)	-39,141.13	-153,836.93
Retrospective adverse deviation ratio of net cash flows from business activities (%)	-631	158
Overall liquidity coverage ratio under base scenario (next 3 months)(%)	121	116
Overall liquidity coverage ratio under base scenario (next 12 months)(%)	191	169
Overall liquidity coverage ratio under mandatory stress scenario (next 3 months)(%)	855	1556
Overall liquidity coverage ratio under mandatory stress scenario (next 12 months)(%)	222	328
Overall liquidity coverage ratio under self-assessment stress scenario (next 3 months)(%)	758	1313
Overall liquidity coverage ratio under self-assessment stress scenario (next 12 months)(%)	304	368
Overall liquidity coverage ratio before asset disposal under mandatory stress scenario (next 3 months)(%)	180	313
Overall liquidity coverage ratio before asset disposal under mandatory stress scenario (next 12 months)(%)	55	76

Overall liquidity coverage ratio before asset disposal under self-assessment stress scenario (next 3 months)(%)	187	306
Overall liquidity coverage ratio before asset disposal under self-assessment stress scenario (next 12 months)(%)	194	199
Net cash flow from business activities (unit: 10,000 yuan)	-44,757.83	15,180.57
GWP year-on-year growth (%)	4.76	-8.67
Comprehensive surrender ratio	0.02	0.01
Share of cash flow and liquidity management tools (%)	1.45	5.28
Quarterly average financial leverage ratio (%)	3.44	2.58
Share of domestic fixed income assets rated AA and below (%)	-	-
Share of investments in listed stocks where the Company holds a stake of 5% or above	-	-
Share of receivables (%)	22.37	17.45
Share of related party assets held by the Company (%)	3.62	3.91

(III) Key business metrics

Indicators	unit: 10,000 yuan	
	As at the end of this quarter/during this quarter	As at the end of this quarter/YTD
Gross written premiums	130,047.40	381,891.07
Net profits	1,784.97	4,834.85
Total assets	1,117,272.35	1,117,272.35
Net assets	329,482.94	329,482.94
Insurance contract liabilities	374,915.56	374,915.56
Basic earnings per share (yuan)	-	-
ROE (%)	0.54	2.06
ROA (%)	0.16	0.45
Investment yield (%)	1.08	3.02
Comprehensive investment yield (%)	-0.25	1.73

IV. Risk management capabilities

(I) Company category

The Company was incorporated in December 2014. As of the end of September 2022, its gross written premiums amounted to 3,818.9107 million yuan (primary premiums: 703.5751 million yuan, inwardly ceded premiums: 3,115.3357 million yuan), and its total assets stood at 11.1727235 billion yuan. It has 4 provincial-level branch offices, and according to Solvency Regulatory Standards of Insurance Companies No.12: Solvency-aligned Risk Management Requirement and Assessment, the Company is in Category II.

The Company was rated BB at the IRR (differentiated supervision) for Q2 of 2022 and B for Q1 of 2022.

(II) Measures taken to improve risk management and the latest status

In accordance with the CBIRC's Notice on the Supervision and Assessment of Solvency Risk Management Capability of Insurance Companies for 2022, the Company actively prepared for and cooperated with the 2022 solvency risk management capability regulatory assessment, and the specific progress and improvement is as follows:

1. Made full preparation for the assessment, optimized and upgraded the organization structure and management of risk control. As per regulatory requirements of SARMRA and given the Company's risk level and management needs, we, under the guidance of C-ROSS II, set up a steering group and a working group on solvency risk management capacity building, further improved regulations and organizational structure of risk management, optimized the rules for risk management performance appraisal, and strengthened the implementation of risk management process. It prepared complete and detailed materials for the assessment, and successfully completed the on-site assessment, and further enhanced our risk management awareness and capability under the regulatory guidance and supervision.
2. Identified defects in risk management system in a timely manner. According to the problems found in the initial review of the on-site assessment, the Company formulated plans to promote the improvement of related system, process, working methods and management tools in a timely manner.

In the third quarter of 2022, the Company's risk management work proceeded smoothly based on relevant regulations and processes. Under the operation of the Company's risk management and preference systems, no major risk events occurred in the quarter.

(III) The latest result of Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

As per the notification from CBIRC, the Company used its SARMRA assessment result from 2017 for the year of 2021, which was 78.96 points. To be specific, it 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 reputational risk management, and 8.68 points for liquidity risk management.

V. Integrated risk rating (differentiated supervision)

(I) The last two IRR results

The Company was rated BB at the IRR (differentiated supervision) for Q2 of 2022 and B for Q1 of 2022.

(II) Measure taken or to be taken for improvement

In Q3 2022, in light of regulatory briefing on IRR results, the Company reviewed indicators which received regulatory risk alerts, analysed reasons for points deduction on metrics of major risk categories, and briefed company senior management and the board on regulatory communication. In response to regulatory feed-backs, the Company, while ensuring continued compliance in solvency, adopted a differentiated approach, i.e., maintaining stability of high-performing metrics and focusing on rectification of under-performing ones, enhanced assignment of responsibilities to ensure steady progress in IRR.

(III) Findings of self-assessment of operational, strategic and reputational risks

Liquidity risk: For this quarter, net cash flow was -391 million yuan, mainly because of large cash outflows arising from the need for asset allocation after the capital increase was approved; the differential between actual net cash flow from operating activity and the

estimate was -517 million yuan, meaning a deviation of -631%, mainly because a statutory capital deposit of 500 million yuan was calculated as cash outflow from operating activity, and excluding this, the deviation would be -21%, within the expected range of deviation; as of the end of Q3, all LCRs under various scenarios and all liquidity indicators were within regulatory limits.

Operational risk: In terms of compliance and internal control, the Company didn't violate any regulations or receive administrative penalties from regulators in Q3 2022. There was zero violation per 100 million yuan in premiums and zero regulatory penalty per 100 million yuan in standard premiums for the Company. There was no major operational risk incidents, and no occurrence of insurance frauds or cases of money-laundering. Cases of litigation remained at a low level, with zero litigation cases in Q3.

Reputational risk: The Company's media monitoring system includes CPIC Group's own system, and third-party monitoring services, which can effectively monitor negative publicity of the Company and its insurance and investment counter-parties. In daily work, the Company strictly implements various reputational risk management processes covering assessment, risk handling and post-crisis accountability. In Q3 2022, the Company did not experience any reputational risk incidents on mainstream or other types of media.

Strategic risk: The Company formulated strategic development plans aligned with those of the Group, and the status of execution was in line with the plan, with no material deviation or need for adjustment of the plan. Strategic risk management was proceeding in an orderly manner under the guidance of Management Measures on Strategic Risk. While facilitating the implementation of strategies set by the board, it was closely linked with on-the-ground execution of strategies and formed an integral part of strategic evaluation and monitoring system. In Q3, in the wake of its organizational restructuring and based on regulatory requirements and strategic directions, the Company conducted a full review of its policies and regulations, with adjustment of applicability. It monitored 7 Risk Upper Limits including the budget fulfillment ratio of gross written premiums, and detected no breaches, and no occurrence of strategic risk events.

VI. Management analysis and discussions

(I) Solvency Analysis

1. Available capital

As of 30 September 2022, the Company's net assets was 3,294.8294 million yuan, and after deducting items such as intangible assets other than land use rights, long-term deferred expenses, and the differences in reserves under the accounting standards and C-ROSS II standards (which in total amounting to 138.3187 million yuan), the available capital stood at 3,156.5107 million yuan, a decrease of 13.9438 million yuan from the previous quarter, mainly due to the impact of equity market fluctuations and decrease of fair value of financial assets available for sale.

2. Minimum capital

The minimum capital of the Company at the end of Q3 was 1,145.2685 million yuan, rising by 6.36% from the previous quarter, mainly as a result of fast growth of long-term insurance business, which in turn led to increase in life insurance risk; in the mean time, investment of funds from the capital injection was gradually completed in Q3, with reduced allocation in portfolio asset management products during the transitional period and increased allocation in debt instruments, meaning lower exposure to market risk and increased exposure to credit risk. Of this, minimum capital for insurance risk of life business was 533.9655 million yuan, that for insurance risk of non-life business was 646.6768 million yuan, that for market risk 235.4786 million yuan, that for credit risk 342.9829 million yuan, diversification effect for quantifiable risk 629.3894 million yuan, that for control risk 15.5542 million yuan.

3. Solvency margin ratio

As of 30 September 2022, the Company's core solvency margin surplus was 1,872.2741 million yuan, and the core solvency margin ratio was 263%; comprehensive solvency margin surplus was 2,011.2422 million yuan, and the comprehensive solvency margin ratio was 276%. In Q3 of 2022, the core and comprehensive solvency margin ratios both fell by 19pt from the previous quarter, mainly due to increase in minimum capital from business operation.

(II) Liquidity risk

For this quarter, net cash flow was -391 million yuan, mainly because of allocation of

investment assets post approval of capital increase, which led to large cash outflows; the differential between actual net cash flow from operating activity and the estimate was -517 million yuan, meaning a deviation of -631%, mainly because a statutory capital deposit of 500 million yuan was calculated as cash outflow from operating activity, and excluding this, the deviation would be -21%, within the expected range of deviation; as of the end of Q3, all LCRs under various scenarios and all liquidity indicators were within regulatory limits. The Company will strictly follow the regulatory requirements on solvency cash flow forecasting, comprehensively consider factors such as business development and market changes, regularly evaluate the effectiveness of its liquidity risk management mechanisms and systems, and make appropriate adjustments to ensure a reasonable liquidity risk level.

Summary of Quarterly Solvency Report (Excerpts)

China Pacific Anxin Agricultural Insurance Co., Ltd.

3rd Quarter of 2022

Company overview and contact information

Company name (Chinese):	太平洋安信农业保险股份有限公司
Company name (English):	China Pacific Anxin Agricultural Insurance Company Limited
Legal representative:	SONG Jianguo
Registered address	3651 Gonghexin Road, Shanghai, the PRC.
Registered capital	1.08bn yuan
Business license number	00000089
Date opening for business	September 2004
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 to rural areas and farmers; reinsurance of the above said insurance; insurance agency business (subject to approval by regulators as per relevant laws and regulations)
Business territories	Shanghai, Jiangsu Province, Zhejiang Province.
Contact person:	LI Mao
Tel. number:	+86-21-66988703
Cell phone:	18817959847
Email:	limao-005@cpic.com.cn

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I. Board and management statement

The report has been approved by chairman of the board of directors. The chairman and the senior management of the Company warrant that the contents of this report are true, accurate and complete and have fully complied with applicable laws and regulations, and that there is no false representation, misleading statement or material omissions; and they severally and jointly accept responsibility for the contents of this report.

China Pacific Anxin Agricultural Insurance Company Limited
October 2022

II. Basic information

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

1. Ownership structure and change

Types of shareholders	Beginning of reporting period		Change of shares or stake				End of reporting period	
	Shares or contribution	Percentage (%)	Shareholder injection	Transfer from capital reserve and share dividends distribution	Share transfer	Sub-total	Shares or contribution	Percentage (%)
State	0	0%	0	0	0	0	0	0%
State-owned legal person	108,000	100%	0	0	0	0	108,000	100%
Private legal person	0	0%	0	0	0	0	0	0%
Foreign	0	0%	0	0	0	0	0	0%
Others	0	0%	0	0	0	0	0	0%
Total	108,000	100%	0	0	0	0	108,000	100%

Note:(1) Shares apply to joint-stock companies (unit: 10,000 shares), and stake applies to non joint-stock companies (unit: 10,000 yuan). (2) Ownership by state refers to the stake acquired by investment entities or departments on behalf of the state by way of capital contribution or following legal procedures. Such shares are registered by insurance companies as being owned by the entity or department. Ownership by state-owned legal persons refers to the stake acquired by state-owned enterprises, not-for-profit organisations and other entities by way of contributing capital to an independent insurance firm or acquired following legal procedures using assets legally in their possession. Such shares are registered by insurance companies as being owned by the state-owned enterprise, not-for-profit organisation and other entity.

2. 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.

3. Shareholders and related parties as at the end of the reporting period

Names of shareholders	Types of shareholders	Shares held at the end of the reporting period	Shareholding percentage at the end of the reporting period (%)	Shares pledged or in lock-up
China Pacific Property Insurance Co., Ltd.	State-owned	73,205.68	67.78%	0
Shanghai Agricultural Development Co., Ltd.	State-owned	7,718.03	7.15%	0
Shanghai Minhang Asset Investment (Group) Co., Ltd.	State-owned	5,365.19	4.97%	0
Shanghai Nongfa Asset Management Co., Ltd.	State-owned	4,201.72	3.89%	0
Shanghai Fengxian District State-owned Asset Operation Co., Ltd.	State-owned	3,653.35	3.38%	0
Shanghai Baoshan Fiscal Investment Company	State-owned	3,150.84	2.92%	0
Shanghai Jiading Guangwo Asset Management Co., Ltd.	State-owned	2,504.59	2.32%	0
Shanghai Songjiang State-owned Asset Investment Management Group Co., Ltd.	State-owned	2,025.88	1.88%	0
Shanghai Huinong Investment Management Co., Ltd.	State-owned	1,817.99	1.68%	0
Shanghai Qingpu Asset Management Co., Ltd.	State-owned	1,719.37	1.59%	0
Shanghai Jinshan Capital Management Group Co. Ltd.	State-owned	1,640.50	1.52%	0

Shanghai Chongming Asset Operation Co., Ltd.	State-owned	996.86	0.92%	0
Total	—	108,000.00	100.00%	0
Related party relations among shareholders	None			

Note: Types of shareholders refer to “state-owned”, “foreign” and “natural persons”, etc.

4. Shareholding by directors, supervisors and senior management

None during the reporting period.

5. Share transfer during the reporting period

None.

(II) Directors, supervisors and senior management

1. Directors, supervisors and senior management

1.1 Directors

As of the end of September 2022, the 4th Board of Directors of the Company has 9 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, received junior college education and 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 CFO of Shanghai Dalong Accounting Firm, and Head of Investment Management Department of Shanghai Minhang Asset

Investment Management (Group) Co., Ltd.

Ms. XING Zhibin, born in June 1982, holds a bachelor's degree. She has been serving as Non-executive Director of the Company since February 2022 (approval document: CBIRC Approval [2022] No. 32). Ms. XING currently serves as Head of Assets Supervision Section of Shanghai Agricultural Development Promotion Center. She previously served as Deputy Manager of Administrative Affairs Department of Shanghai Kaibo Property Management Co., Ltd., Deputy Head of Organization and Personnel Section of Shanghai Modern Agriculture Open Training Center, and Director of General Office of Shanghai Agricultural Development Promotion Center.

Mr. SHI Jian, born in November 1973, holds a bachelor's degree, and has been serving as Executive 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 Shanghai Branch of China Life Insurance Company, Deputy General Manager of Business Management Department, General Manager of Market Development Department, and General Manager of Product Development and Reinsurance 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, 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 the Standing Committee of the 9th Baoshan District Political Consultative Conference, and Member of Baoshan District Government Legal Adviser Think Tank. Mr. SHEN previously served as Deputy Head and Partner of Shanghai Zhengming Law Firm, Member of 8th Baoshan District Political Consultative Conference and Law Enforcement Supervisor of Baoshan District Political and Legal Committee

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, Finance Responsible Person, and Chief Actuary of CPIC P/C. He previously served as Senior Actuarial Analyst of Finance Department of Swiss Reinsurance Company (USA), Actuary of Analysis Department of Guy Carpenter & Company, Deputy General Manager, Chief Actuary, and Finance

Responsible Person of China Property & Casualty Reinsurance Company.

Ms. ZHOU Li, born in March 1979, holds a bachelor's degree and the title of Accountant. She has been serving as Non-executive Director of the Company since June 2022 (approval document: CBIRC Approval [2022] No. 403). Ms. ZHOU currently serves as Manager of General Affairs Department of Agricultural Development Asset Management Center of Shanghai Pudong State-owned Assets Investment Management Co., Ltd. Previously, she served as Deputy Manager of Finance Department of Shanghai Agricultural Development Asset Management Center, Head of Audit Office of Shanghai Agricultural Development Asset Management Co., Ltd., Manager of General Affairs Department of Agricultural Development Asset Management Center of Shanghai Pudong State-owned Assets Investment Management Co., Ltd., etc.

1.2 Supervisors

As of the end of September 2022, the 4th Board of Supervisors of the Company has 6 Supervisors:

Mr. Huang Xiongfei, born in March 1963, holds a bachelor's degree and the title of Accountant. He has been serving as Chairman of Board of Supervisors and Employee Representative Supervisor of the Company since July 2022 (approval document: CBIRC Approval [2022] No. 403). Previously, Mr. Huang served as Manager of Personal Financial Services Department of Shanghai Rural Commercial Bank Pudong Branch, 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., Member of the Party Committee of Agricultural Insurance Co., Ltd., Vice-president, Deputy General Manager of Anxin Agricultural Insurance Co., Ltd. and Deputy Secretary of the Party Committee of Shanghai Branch of Anxin Agricultural Insurance Co., Ltd., General Manager of Anxin Agricultural Insurance Co., Ltd., and Deputy General Manager of China Pacific Anxin Agricultural

Insurance Co., Ltd.

Ms. ZHANG Wenjuan, born in November 1983, holds a master's degree 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, Director of the Discipline Inspection Office, and General Manager of Legal Compliance Department/Risk Management Department of the Company. Previously, she served as Assistant General Manager, Deputy General Manager of Legal and Compliance Department of Anxin Agricultural Insurance Co., Ltd., Deputy General Manager (in charge) of Legal and Compliance Department of the Company, Deputy Director of the Discipline Inspection Office of the Company, Compliance Responsible Person of Shanghai Branch of the Company, and General Manager of Legal and Compliance Department of Shanghai Branch of the Company.

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. GUO Zongjie, born in December 1968, holds a bachelor's degree. He became Employee Representative Supervisor of the Company in December 2020 (approval document: CBIRC [2020] No. 860). Mr. GUO is currently Head of the Office of the Board of Directors/Office of the Board of Supervisors, Head of the Party Building Department, and Director of the Party Committee Office of the Company. Previously, he served as

Director of the General Office and Party Committee Office of CPIC P/C Shandong Branch, General Manager of the Intermediary Business Department of CPIC P/C Shandong Branch, and Director of the Administrative Office and General Manager of the Development Planning Department of the Company.

Mr. CHENG Song, born in November 1979, holds a master's degree. He became Employee Representative Supervisor of the Company in February 2022 (approval document: CBIRC [2022] No. 32). Mr. CHENG currently serves as General Manager of Finance Department and Asset Management Department of the Company. Previously, he served as Senior Manager of Accounting Center of Financial Management Department of CPIC Group, and Deputy General Manager of Financial Department of CPIC P/C.

Ms. ZHANG Wen, born in November 1984, holds a bachelor's degree. She has been serving as Supervisor of the Company since July 2022 (approval document: CBIRC Approval [2022] No. 403). Ms. ZHOU currently serves as Manager of Asset Management Department of Shanghai Kailun Investment Group Co., Ltd, Chairman of Kailun Financial Leasing (Shanghai) Co. , Ltd., Chairman of Shanghai Baoyou New Energy Technology Co. , Ltd., and Chairman of Shanghai Bowen Industrial Co., Ltd. Previously, she served as General Manager of Business Development Management Department, Employee Representative Supervisor, and Director of General Office of Shanghai Fengxian SPD Rural Bank, Assistant President, Deputy President of Shanghai Fengxian Branch of Ningbo Bank, and Executive Director, General Manager of Shanghai Xingbo Materials Co., Ltd.

1.3 Senior management

As of the end of September 2022, 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 Executive Director of the Company. Previously he served as Deputy General Manager (in charge) of Shanghai West Operation Management Office of Shanghai Branch of China Life Insurance Company, General Manager of Business Management Department, General Manager of Market Development Department, and General Manager of Product Development and Reinsurance 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.

Ms. LI Shuhui, born in July 1972, holds a master's degree and the title of Senior Auditor, CPA, CIA 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 also serves as Supervisor of CPIC P/C. She previously

served as Deputy General Manager of Internal Audit Center/Second Division, General Manager of Audit Technology Division of CPIC Group, Supervisor of CPIC Allianz Health, Internal Auditing Responsible Person of Changjiang Pension, Supervisor of CPIC Online Services, Supervisor of Anxin Agricultural Insurance Co., Ltd, and General Manager of Finance Department and Assets Management Department of CPIC P/C.

Mr. HUANG Xiaofeng, born in March 1971, holds a master's degree. He has been serving as Assistant General Manager of the Company (approval document: CBIRC [2022] No. 409) since June 2022. Previously, Mr. HUANG served as Deputy Head of Gaodong Township, Head of Heqing Township, Pudong New Area, Shanghai, Deputy Director of the Rural Affairs Office, Deputy Director of the District Agricultural Committee of the CPC Committee of Pudong New Area, Member of the CPC Committee of Anxin Agricultural Insurance Co., Ltd. and General Manager of its Shanghai Nanhui Sub-branch, Deputy Secretary of CPC Committee and Deputy General Manager of Shanghai Branch of Anxin Agricultural Insurance Co., Ltd., Member of CPC Committee, General Manager of Agricultural Insurance Market Development Department and General Manager of Agricultural Insurance Business Management Department of Pacific 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.

Mr. WU Gang, born in August 1970, holds a bachelor's degree. He has been serving as Compliance Responsible Person, and Chief Risk Officer of the Company (approval document: CBIRC [2022] No. 403) since June 2022. Previously, Mr. WU served as Assistant General Manager, Deputy General Manager (in charge) and General Manager of CPIC P/C Ningxia Branch, General Manager of CPIC P/C Gansu Branch, and General Manager of the Legal Affairs and Compliance Department of CPIC P/C.

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.

2. Changes to directors, supervisors and senior management of head-office

Position	Predecessor	Incumbent	Remarks
Chairman of Board of Supervisors, Employee Supervisor	-	HUANG Xiongfei	Newly elected
Supervisor	-	ZHANG Wen	Newly elected

(III) Subsidiaries, joint ventures or associate ventures

None during the reporting period.

(IV) Breaches and administrative penalties during the reporting period

1. Administrative penalties against insurance companies and their directors, supervisors, and senior management at head-office

None.

2. Misconduct which triggered judicial proceedings by directors, supervisors, management at department-head level or above at headquarters or senior management of provincial branch offices

None.

3. CBIRC regulatory measures against the Company

None during the reporting period.

III. Main indicators

(I) Solvency margin ratios

unit:yuan

Item	Reporting quarter	Last quarter	Next quarter estimates
Admitted assets	5,933,666,783	5,847,114,758	5,795,917,925
Admitted liabilities	2,990,124,799	2,895,288,121	2,778,552,651
Available capital	2,943,541,984	2,951,826,637	3,017,365,274
Tier-1 core capital	2,708,795,879	2,712,335,622	2,782,619,169
Tier-2 core capital	-	-	-
Tier-1 supplement capital	234,746,105	239,491,016	234,746,105
Tier-2 supplement capital	-	-	-
Minimum capital	855,779,966	779,041,876	815,882,108
Minimum capital for quantifiable risks	839,872,487	764,560,827	800,716,262
Minimum capital for life insurance risk	-	-	-
Minimum capital for non-life insurance risk	600,673,365	547,141,519	562,720,657
Minimum capital for market risk	346,628,555	277,629,052	338,575,810
Minimum capital for credit risk	281,632,956	292,846,475	274,362,641
Diversification effect for quantifiable risks	389,062,389	353,056,219	374,942,846

Loss absorption for special-type insurance contracts	-	-	-
Minimum capital for control risk	15,907,479	14,481,050	15,165,846
Supplement capital	-	-	-
Core solvency margin surplus	1,853,015,913	1,933,293,745	1,966,737,061
Core solvency margin ratio	316.53%	348.16%	341.06%
Comprehensive solvency margin surplus	2,087,762,018	2,172,784,761	2,201,483,166
Comprehensive solvency margin ratio	343.96%	378.90%	369.83%

(II) Regulatory indicators for liquidity risk

LCR	Q3 2022		Q2 2022	
	Next 3 months	Next 12 months	Next 3 months	Next 12 months
LCR1 under base scenario	115.13%	108.29%	115.30%	114.20%
LCR2 under stress scenario – compulsory	168.43%	132.75%	200.70%	145.55%
LCR2 under stress scenario- self-testing	188.52%	129.26%	196.59%	128.70%
LCR3 under stress scenario excluding asset disposal- compulsory	113.11%	108.69%	103.31%	113.89%
LCR3 under stress scenario excluding asset disposal-self-testing	111.96%	107.84%	103.21%	106.32%
Retrospective adverse deviation ratio of net cash flows from operating activities		164.52%		93.14%
Net cash flows YTD (unit: 10,000 yuan)		-3970.66		1496.88
Net cash flows in 2021 (unit: 10,000 yuan)		3041.26		3041.26
Net cash flows in 2020 (unit: 10,000 yuan)		1033.22		1033.22

(III) Monitoring indicators for liquidity risk

unit: yuan

Indicators	Item	Q3 2022	Q2 2022
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1. Net cash flows from operating activities	Amount	415,075,594	298,751,916
	Cash inflow from operating activities YTD	1,355,841,460	873,877,292
	Cash outflow from operating activities YTD	940,765,866	575,125,376
2. Net cash flows from operating activities per 100 yuan in premiums	Amount	28.99	26.36
	Net cash flows from operating activities YTD	415,075,594	298,751,916
	Premiums YTD	1,431,585,711	1,133,339,733
3. Weight of cash outflow for certain business	Percentage	26.72%	0
	Claims for business of special types	73,136,683.64	0
	Incurred and reported outstanding claim reserves for business of special types	112,756,743.3	0
	Claims	527,493,340	317,476,274
	Incurred and reported outstanding claim reserves	168,199,619	68,383,071
4. Total premiums growth year-on-year	Percentage	9.80%	9.12%
	Total premiums YTD	1,431,585,711	1,133,339,733
	Total premiums YTD for the same period of last year	1,303,795,832	1,038,612,423
5. Weight of cash and liquidity management instruments	Percentage	5.38%	6.06%
	The book value of cash and liquidity management instruments at the end of the period	315,504,917	356,172,324
	The ending balance of total assets	5,867,945,945	5,875,859,207
6. Quarterly average financial leverage ratio	Percentage	1.95%	0.59%
	Arithmetic mean of the ending balance of inter-bank lending, bond repurchase and other financing cash	116,333,333	34,666,667

	inflow at the end of each month during the quarter		
	The ending balance of total assets	5,964,945,945	5,875,859,207
7. Weight of domestic fixed income assets rated AA and below	Percentage	0.00%	0.00%
	The book value of domestic fixed income assets rated AA and below at the end of the period	0	0
	The ending balance of total assets	5,867,945,945	5,875,859,207
8. Weight of investments in listed stocks with a stake of 5% or above	Percentage	0.00%	0.00%
	The book value of investments in listed stocks with a stake of 5% or above at the end of the period	0	0
	The ending balance of total assets	5,964,945,945	5,875,859,207
9. Proportion of receivables	Percentage	14.79%	16.09%
	Premium receivables	578,933,866	698,140,361
	Reinsurance receivables	303,331,950	247,318,087
	The ending balance of total assets	5,964,945,945	5,875,859,207
10. Proportion of related party assets held by the Company	Percentage	0.12%	0.97%
	Total investment assets of related parties held by the Company	7,099,800	56,711,400
	The ending balance of total assets	5,964,945,945	5,875,859,207

(IV) Key business metrics

unit: yuan

Indicators	As at the end of this quarter/during this quarter	As at the end of this quarter/YTD
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Gross written premiums	320,245,916	1,465,403,673
Net profits	20,939,881	136,895,751
Total assets	5,964,945,945	5,964,945,945
Net assets	2,790,302,418	2,790,302,418
Insurance contract liabilities	2,179,191,269	2,179,191,269
Basic earnings per share	0.019	0.127
ROE	0.75%	4.95%
ROA	0.35%	2.44%
Investment yield	1.07%	3.61%
Comprehensive investment yield	0.28%	2.26%
Profitability indicators	--	--
Combined ratio	--	99.74%
Expense ratio	--	22.38%
Loss ratio	--	77.36%
Ratio of commission and brokerage expenses	--	2.51%
Ratio of operating and administrative expenses	--	16.29%
Scale indicators	--	--
Written premiums	298,245,978	1,431,585,711
Written premiums of auto insurance	-	-
Written premiums of top 5 non-auto insurance business lines	288,118,894	1,361,541,445
Largest non-auto business line	165,935,295	933,456,190
Second largest non-auto business line	65,217,330	190,912,422
Third largest non-auto business line	27,983,610	139,038,910
Fourth largest non-auto business line	16,789,172	52,258,464
Fifth largest non-auto business line	12,193,486	45,875,460
Average vehicle premium of auto insurance	-	-
Written premiums by channels	298,245,978	1,431,585,711
Agency	36,680,014	120,841,433
Direct	249,864,862	1,271,888,655
Brokerage	11,701,102	38,855,623
Others	-	-

IV. Risk management capabilities

(I) Company category

The Company was incorporated in Shanghai in September 2004 as per approval of the

former CIRC. In 2021, its written premiums amounted to 1.593 billion yuan, and as of the end of 2021, total assets stood at 5.241 billion yuan, with 3 provincial-level branch offices. According to Article 6 of Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment, the Company is a Category II insurance company.

(II) The latest result of Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

The Company scored 76.69 points in the last on-site SARMRA assessment. As per Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC Document [2021] No. 51), the final score of the Company was 76.21 points.

(III) Measures taken to improve solvency risk management and the latest status

The Company scored 76.69 points in the last on-site SARMRA assessment. As per Solvency Regulatory Standards of Insurance Companies No. 12: Solvency-aligned Risk Management Requirement and Assessment of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC Document [2021] No. 51), the final score of the Company was 76.21 points. During the reporting period, the Company took further steps to enhance risk management. To be specific:

In insurance risk, it conducted a retrospective review of reserves of 2021 and the preceding year and filed the results with the regulator. The review indicated favourable development in reserves; issued and circulated Underwriting Guidelines of China Pacific Anxin Agricultural Insurance Company Limited for 2022; completed response to typhoons, especially in terms of U/W and claims handling; carried out recovery of claims pay-outs under reinsurance for 2020 and 2021 to lower retained risks.

As for market risk, the Company amended and issued Provisional Rules on Look-through Management of Investment Assets, Management Measures on Investment

in Properties for Self-use, Management Measures on Investment Properties, in a bid to enhance monitoring and management of market risk.

In terms of credit risk, it reviewed key insurance projects of branch offices and priority items in premium receivables, set and circulated targets for collection of receivables, communicated overall targets and requirements for annual receivables management, conducted research into reconciliation of receivables statement for premiums payable by government agencies and explored off-line closed-loop management of fiscal subsidies; followed developments of reinsurance counter-parties to ensure stable and “manageable” credit risk outlook; resolved long over-due arrears to lower the credit risk.

With regard to operational risk, it issued Management Measures on Information Disclosure and Guidelines on Internal Compliance Auditing, so as to further cement soundness of rules and policies; launched a module for Internal Control Handbook in the risk management system, which supports on-line access to the handbook and on-line process of internal control self-review, helping to prevent operational risk; conducted self-assessment and rectification of agricultural insurance business as per regulatory requirements, with inspection and one-on-one supervision of certain branch offices to help them identify the root-causes and take effective remedial actions; organised a review of existing rules and policies in light of regulatory requirements by functions, completed the assessment of Products and Strategic Planning with formulation of special reports, tracked the status of rectification of previous assessments to ensure that the effort was effective; conducted self-evaluation of risks in AML and terrorist financing as per PBoC requirements, carried out training and publicity of AML based on latest PBoC rules for branch offices, which then conducted self-inspection of their respective AML effort, focusing particularly on integrity of entity information and supporting materials, and status of AML operational systems on the front-line; organised a quarterly review of anti-fraud work by branch offices along the dimensions of risk distribution, insurance lines distribution, conduct distribution, amounts distribution and geographical distribution, with the drafting of quarterly report on insurance fraud risk.

As for liquidity risk, the Company continued to track the status of claims of agricultural insurance arising from natural disasters, and assessed their potential impact on cash flows in a timely manner so as to ensure sufficient liquidity at hand and stable and normal cash flows; reviewed and optimised the risk matrix of investment liquidity, continuously monitored changes to market liquidity and interest rate movements and assessed their impact on liquidation of its investment assets; enhanced tracking of progress in collection of premium receivables owed by governments to ensure fulfillment of targets in Q3; paid attention to long-standing arrears arising from reinsurance business, and initiated settlement of funds in a timely manner when conditions were met; started recovery of claims for excess of loss reinsurance, which contributed to cash inflows; made monthly projection and assessment of reinsurance receivables and payables to ensure stable cash flows from the business; leveraged reinsurance to cushion the impact of natural catastrophes.

The Company followed up on reputational risk management in the context of the pandemic spread. In compliance with requirements for pandemic control by the Shanghai Government and its parent company, it coordinated work streams to contain the spread of the pandemic at a more normalised pace, and filed reports with supervising bodies. At the same time, it hosted events and launched programmes on important days. During the quarter, it organised celebration of the 101st anniversary of CPC, participated in the Insurance Publicity Day on July 8, launched advocacy programmes as part of Financial Literacy Month, took part in the signing ceremony for Food Production Alliance on the occasion of the Chinese Farmers Harvest Festival. It joined hands with the Group and ran extensive reports in media such as Xinhuanet.com, Caijing.com, Sohu.com, China Banking and Insurance Daily and Shanghai Securities Daily, effectively promoting its brand name. During the flood season, Jiangsu, Zhejiang and Shanghai were devastated by Typhoon Muifa, and the Company published a news report on how it helped to mitigate disruption to agricultural production, which was covered by the newspaper Eastern Urban and Rural Report. The official WeChat platform of the Company also sent typhoon alerts to the public. These efforts received extensive recognition from governments and customers,

which enhanced the Company's reputation.

On the front of strategic risk, it amended Rules on Management of Development Planning to strengthen strategic risk management in line with C-ROSS II requirements; formulated plans of branch office roll-out, which was submitted to the Company Management Committee for review.

(IV) Status of SAMRA self-assessment

None during the reporting period.

V. Integrated risk rating (differentiated supervision)

(I) The last two IRR results

The Company was rated AAA at the IRR (differentiated supervision) by CBIRC for Q1 and Q2 of 2022.

As per Solvency Regulatory Standards No.11: Integrated Risk Rating (differentiated supervision) of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC [2021] No. 51), starting from Q1 2022, the IRR(differentiated supervision) results will be in 4 categories, i.e., A, B, C, D, which can be further classified into AAA, AA, A, BBB, BB, and B, both by ascending order of risks.

(II) Measure taken or to be taken for improvement

The Company's integrated risk rating (IRR) for the last quarter was AAA. At the end of this quarter, the Company's comprehensive solvency adequacy ratio was 343.96%, and core solvency adequacy ratio was 316.53%.

In the third quarter, first, we revised and issued relevant regulations including the Management Measures on Information Disclosure, Management Measures on Co-insurance, Management Measures on Related Party Transactions; drafted and issued Rules on Look-through Management of Investment Assets, Management Measures on Leasing of Properties as Offices or for Commercial Purposes, Management Measures on Investment Properties, Management Measures on Investment in Properties for Self-use, Management Measures on Leasing of Properties for Self-use, Management Measures on Tax Invoices, with strict

adherence and implementation on the ground covering the entire business processes. Second, we conducted the filing of IRR for Q2. As per feed-back from the regulator on the IRR results for Q2, we maintained sound status in liquidity risk and reputational risk, but scored poorly on certain metrics of operational risk, such as settlement ratio of claims and claims payment turn-around for cases below 10,000 yuan. The Company held special meetings to review the gaps and step up oversight, issued risk alerts, and planned for rectification. The progress of rectification will be duly reported to the senior management and the board.

(III) Findings of self-assessment of operational, strategic, reputation and liquidity risks

1. Operational risk

1.1 Operational risk status

In this quarter, the Company formulated rectification plans for various defects newly discovered in the auditing, carried out rectification work with regular progress tracking and urged relevant parties to complete the rectification on time regarding issues covered in the rectification plan. Second, we launched the module for Internal Control Handbook in the risk management system, which supported on-line release of and access to the handbook, enhanced operational risk control by business units, finance and general administration so as to prevent potential risks caused by operational problems. Third, we revised and issued relevant regulations such as the Management Measures on Information Disclosure, Management Measures on Co-insurance, Management Measures on Related Party Transactions, with strict adherence and implementation on the ground and continuous improvement. Operational risk was overall under control. Fourth, based on IRR self-review, we continued to improve on metrics like settlement ratio of claims and claims payment turn-around for cases below 10,000 yuan. The progress of rectification will be duly reported to the senior management and the board.

1.2 Methods of operational risk assessment

Conducted self-review by business lines and reporting of emergencies of major operational risk as per Solvency Regulatory Standards of Insurance Companies No.11.

1.3 Process of operational risk assessment

In this quarter, first, the Company conducted screening of operational risk in misleading sales, frauds in claims, mis-handling in investment, erroneous financial information disclosure, money laundering, information security and system failures, with follow-up cross-departmental communications on mitigation measures, if necessary. Second, it monitored key indicators of operational risk in tandem with risk upper limits, management reports on operational risk and rectification of gaps, with clear ownership by departments or branch offices, and may conduct self-review if circumstances require.

1.4 Results of operational risk assessment

The review indicated no serious flaws in operational risk.

2.Strategic risk

2.1 Status of strategic risk

The strategic risk facing the Company mainly includes the following:

First is risks arising from concentration of business in Shanghai.

Second is the potential strategic risk arising from differentiated business strategies for agricultural insurance from CPIC P/C .

2.2 Methods of strategic risk assessment

Evaluation of market environment of industry strategic risk, the risk in strategic planning of the Company and the risk in implementation of its strategic planning.

2.3 Process of strategic risk assessment

Collected and analysed information on a regular basis, enhanced oversight of implementation status of plans made at the year beginning, and communicated the gaps to company middle and senior management.

2.4 Results of strategic risk assessment

Detected no serious mismatch between company strategies and market environment or its own capabilities.

3.Reputational risk

3.1 Status of reputational risk

In the third quarter, the Company followed up on reputational risk management in the

context of the pandemic. In compliance with requirements for pandemic control by the Shanghai Government and its parent company, it coordinated work streams to contain the spread of the pandemic at a more normalised pace, and filed reports with supervising bodies. During the quarter, it organised celebration of the 101st anniversary of CPC, participated in the Insurance Publicity Day on July 8, launched advocacy programmes as part of the Financial Literacy Month, took part in the signing ceremony for Food Production Alliance on the occasion of the Chinese Farmers Harvest Festival. It joined hands with the Group and ran extensive reports in media such as Xinhuanet.com, Caijing.com, Sohu.com, China Banking and Insurance Daily and Shanghai Securities Daily, effectively promoting its brand name. During the flood season, Jiangsu, Zhejiang and Shanghai were devastated by Typhoon Muifa, and the Company published a news report on how it helped to mitigate disruption to agricultural production, which was covered by the newspaper Eastern Urban and Rural Report. The official WeChat platform of the Company also sent typhoon alerts to the public. These efforts received extensive recognition from governments and customers, which enhanced the Company's reputation.

3.2 Methods of reputation risk assessment

Firstly, we monitor online public opinions through the Group's monitoring platform; secondly, our spokesperson and brand specialists joined the Group's brand management and spokesperson in the effort to share and handle public opinion information in a timely manner; thirdly, the Company issued the "Risk Early Warning" weekly reports to the part-time reputational risks management staff to promptly prevent and detect possible reputational risks. We also conducted a company-wide investigation of potential reputational risks, and continued to optimize and promote the construction of a closed-loop entire-process reputational management system, so as to create a good reputational environment for the Company's sustainable, healthy and stable development.

3.3 Process of reputational risk assessment

Filed sensitive words with the Group. Used Group platform for collection and statistical analysis of media reports containing such sensitive words, which would enable early

responses or mitigation measures.

3.4 Results of reputational risk assessment

During the reporting period, reputational risk of the Company was under control, and there were no incidents which were related to or might trigger reputational risk.

4. Liquidity risk

4.1 Status of liquidity risk

The Company derives liquidity mainly from cash received from premiums, net investment income, sales or maturity of investment assets and financing activities. Demand for liquidity mainly stems from cash needed for payment of claims, daily expenditures and dividends distributed to shareholders.

As a specialised agricultural insurance firm, it mainly faces two types of liquidity risk.

First is the time lag in settlement of agricultural insurance premium receivables by governments. The Company's main business is agricultural insurance, which accounted for 65% of total premiums, and of this, the share of fiscal subsidies was around 48%. As per Provisions on Fiscal Subsidies of Agricultural Insurance Premiums of Shanghai Municipal Government, the subsidy would be accrued in advance and settled in the next year. Thus, the time lag may impact the Company's cash flows. To address this, it vigorously conducted communications with government agencies in charge of agriculture and finance at various levels, seeking to optimise the process of fiscal subsidy transfer so that it could receive the fund at an early date.

Second is agricultural insurance catastrophe risks. The agricultural insurance business of the Company is concentrated in the Yangtze River Delta, and given this geographical concentration and the characteristics of the business line, the occurrence of one natural catastrophe could lead to huge outflow of cash for claims payments within a short period of time. In response to this, the Company

put in place mechanisms to closely monitor likelihood of disasters, issue early warning and prepare for relief and damage-reduction effort; it also paid close attention to potential disruption to cash flows by the pandemic, coordinated funds planning to ensure normal and stable cash flows.

As at the end of Q3, LCR1s of the next 12 months under base scenarios was 108.29%, and LCR2s of the 12 months under stress scenario (compulsory for testing) was 132.75%, indicating sound status in liquidity risk.

4.2 Methods of liquidity risk assessment

Conducted liquidity coverage ratio, retrospective adverse deviation ratios of net cash flows from operating activities, net cash flows and stress testing of cash flows of the Company as per Solvency Regulatory Standards No. 13.

4.3 Process for liquidity risk assessment

On a quarterly basis, the Finance Department would formulate comprehensive budgets for operating and investment activities in light of the strategic and business plans of the Company, project cash flows on rolling basis to evaluate the impact on its liquidity.

4.4 Results of liquidity risk assessment

The assessment indicated that all regulatory indicators of liquidity risk and cash flow stress testing pointed to sufficient liquidity of the Company.

VI. Management analysis and discussions

(I) Change to solvency and reasons

As of the end of the quarter, the comprehensive and core solvency margin ratios of the Company was 343.96% and 316.53% respectively, down by 34.9pt and 31.6pt respectively.

Of this, available capital was 2.944 billion yuan, down by 8 million yuan from the previous quarter, mainly due to quarterly net profits of 21 million yuan, decrease of 31 million yuan in other comprehensive income, increase of 5 million yuan in catastrophe reserve for agricultural insurance, and decrease in non-admitted assets of 3 million yuan.

Minimum capital was 856 million yuan, rising by 77 million yuan from the last quarter, as a result of increase in minimum capital for insurance risk by 54 million yuan, mainly as a result of increased claims reserve for agricultural insurance due to Typhoon Muifa; increase in minimum capital by 69 million yuan for market risk, mainly due to increased allocation in bonds and higher interest rate risk; decrease in minimum capital by 11 million yuan for credit risk, mainly because of a further fall of premium receivables and therefore lower counter-party default risk in the quarter; and increase by 36 million yuan in risk diversification effect.

(II) Change to liquidity risk indicators and reasons

As of the reporting quarter, cash and cash equivalents was 39.5049 million, down by 54.6754 million from 94.1803 million in the previous quarter. The decrease in cash was mainly due to much higher cash outflows as a result of more cash paid out in investment and financial assets purchased under resell during the quarter.

LCR1s of the next 3 months and next 12 months under base scenarios were 115.13% and 108.29%, respectively.

LCR2s of the next 3 months and next 12 months under stress scenario (compulsory for testing) were 168.43% and 132.75%, respectively.

LCR2s of next 3 months and next 12 months under stress scenarios (self-testing) were 188.52% and 129.26%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios excluding asset disposal (compulsory for testing) were 113.11% and 108.69%, respectively.

LCR3s of the next 3 months and next 12 months under stress scenarios excluding

asset disposal (self-testing) were 111.96% and 107.84%, respectively.

The retrospective adverse deviation ratios of net cash flow from operating activities of the reporting and the previous quarter were 164.52% and 93.14%, respectively. The projected amounts of cash paid as claims under direct insurance contracts during the reporting quarter were higher than the actual amounts.

The net cash flow YTD was -39.7066 million. The net cash flow for the previous fiscal year was 30.4126 million, and 10.3322 million in the year earlier.

(III) Change to IRR and reasons

The Company was rated AAA at the IRR (differentiated supervision) by CBIRC for Q1 and Q2 of 2022.

As per Solvency Regulatory Standards No.11: Integrated Risk Rating (differentiated supervision) of Solvency Regulatory Standards of Insurance Companies (II) (CBIRC [2021]No. 51), starting from Q1 2022, the IRR results will be in 4 categories, i.e., A, B, C, D, which can be further classified into AAA, AA, A, BBB, BB, and B, both by ascending order of risks.