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中國太平洋保險(集團)股份有限公司

**CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 02601)**

## **Overseas Regulatory Announcement**

This overseas regulatory announcement is made pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The announcement is attached hereof for information purpose only.

By Order of the Board

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

**Gao Guofu**

*Chairman*

Shanghai, the PRC, 30 April 2016

*As of the date of this announcement, the Executive Directors of the Company are Mr. GAO Guofu and Mr. HUO Lianhong; the Non-executive Directors of the Company are Mr. WANG Jian, Mr. WANG Chengran, Ms. SUN Xiaoning, Mr. WU Jumin, Mr. WU Junhao, Mr. ZHENG Anguo and Ms. HA Erman; and the Independent Non-executive Directors of the Company are Mr. BAI Wei, Mr. LEE Ka Sze, Carmelo, Mr. LAM Chi Kuen, Mr. ZHOU Zhonghui and Mr. GAO Shanwen.*

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# Summary of Quarterly Solvency Report

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

**First Quarter of 2016**

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## I. Basic information

### (I) Registered address

South Tower, Bank of Communications Financial Building, 190 Central Yincheng Road, Pudong New District, Shanghai, PRC.

### (II) Legal representative

Xu Jinghui

### (III) Business scope and territories

#### 1. Business scope

Personal insurance including life insurance, health insurance, accident insurance, etc. dominated in RMB or foreign currencies; reinsurance of the above said insurance; statutory life insurance; distribution and business relationship with domestic and overseas insurers and organizations, loss adjustment, claims and other business entrusted from overseas insurance organizations; insurance funds investment as prescribed by Insurance Law and relevant laws and regulation; international insurance activities as approved; other business as approved by the CIRC.

#### 2. Business territories

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

### (IV) Ownership structure and shareholders:

#### 1. Ownership structure (10K shares)

Equity category	Share or amount	Percentage (%)
Domestic shares held by legal entities	842,000	100
Domestic shares held by natural persons	-	-
foreign shares	-	-
Others	-	-
Total	842,000	100

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

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

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

CPIC is the de facto controller, holding 98.3% of the shares of the company.

**(VI) Subsidiary, joint or associate venture :**

Company name	Number of shares held (10K shares)	Percentage of the shareholding (%)
Fenghua Xikou Garden Hotel	414	51.80
Changjiang Pension Insurance Co., Ltd.	40,761	51.753
Tianjin Trophy	35,369	100
City Island	0.1	100
Pacific Insurance Aging Industry Investment Management Co., Ltd.	21,900	100

**(VII) Contacts for solvency information disclosure :**

1. Contact person: He Hui (T: 021-33965156)
2. Email: hehui@cpic.com.cn

**II. Main indicators**

Items	At the end of this quarter	At the end of last quarter
Core solvency margin	257%	256%
Core solvency margin surplus (10K RMB)	12,508,891	11,752,951
Comprehensive solvency margin ratio	262%	262%
Comprehensive solvency margin surplus (10K RMB)	12,968,891	12,212,951
The latest comprehensive risks assessment	-	A
Premium income (10K RMB)	5,235,035	1,903,712
Net profit (10K RMB)	164,909	145,251
Net asset (10K RMB)	6,889,793	7,084,454

**III. Actual capital**

Items	At the end of this quarter	At the end of last quarter
Admitted assets (10K RMB)	77,374,656	75,645,014
Admitted liabilities (10K RMB)	56,421,999	55,902,581
Actual capital (10K)	20,952,657	19,742,434
Tier 1 core capital (10K RMB)	20,492,657	19,282,434
Tier 2 core capital (10K RMB)	0	0
Tier 1 supplement capital (10K RMB)	460,000	460,000
Tier 2 supplement capital (10K RMB)	0	0

**IV. Required capital**

Items	At the end of this quarter	At the end of last quarter
Required capital (10K RMB)	7,983,766	7,529,483
Required capital for quantitative risks (10K RMB)	7,983,766	7,529,483
1) Required capital for insurance risk (10K RMB)	1,910,891	1,770,113
2) Required capital for market risk (10K RMB)	9,076,819	8,622,196
3) Required capital for credit risk (10K RMB)	972,618	866,334

Required capital for control risk (10K RMB)	-	-
Supplement capital (10K RMB)	-	-
1) Counter-cyclical supplement capital (10K RMB)	-	-
2) Supplement capital of domestic SIIIs (10K RMB)	-	-
3) Supplement capital of G-SIIIs (10K RMB)	-	-
4) Other supplement capital (10K RMB)	-	-

## V. Comprehensive risk assessment

CIRC is yet to carry out the comprehensive risk rating under C-ROSS. Under the previous solvency regulation system, we received a rating of A for the 2 latest regulatory evaluation results which were for the third and fourth quarter of 2015 respectively.

## VI. Risk management

### (I) The latest CIRC solvency risk management assessment of the company

CIRC hasn't made any solvency risk management assessment of our company yet.

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

The company has established a comprehensive risk management system, putting in place relevant rules, procedures, systems and an internal control scheme consisting of 3 lines of defense. Based on the 2015 Solvency Risk Management Self-assessment and the 2016 Work Plan, we are review and improving our solvency risk management system to further boost our risk management capabilities.

## VII. Liquidity risk

### (I) Liquidity risk management indicators

#### 1. Net cash flow

Item	At the end of this quarter
Net cash flow (10K RMB)	846,476

#### 2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	517%

#### 3. Liquidity coverage

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage	259%	258%

### (II) Liquidity risk analysis and countermeasures

With liquidity risk under control, indicators such as comprehensive current ratio and liquidity coverage look good for next quarter. The company has taken the following initiatives to actively respond to possible liquidity risks:

1. Strengthen daily cash flow management, and ensure sufficient liquidity to meet all payment obligations via cash budgeting management.
2. Assess the company's liquidity and its impact before making business plan, selling new products or implementing other insurance business activities.
3. Assess the company's liquidity and investment's impact on liquidity when formulating investment strategy and plans.
4. Strengthen financial management; obtain access to capital at reasonable costs in a timely manner to meet liquidity needs.
5. Pay close attention to major events that may lead to liquidity risks, such as abnormal concentration of surrender, expected large-scale maturity payment or survival benefit payout, and conduct timely analysis of their impact on liquidity.
6. Develop contingency plan to avoid major liquidity risks.

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

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

In Q1 2016, the company received 5 penalty fines from the CIRC, all relating to mis-selling of the telemarketing channel and failure to making welcome calls as per regulation.

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

To enhance our overall risk management, we paid close attention to the corrective measures for the issues identified by the inspection, focusing on addressing the root causes to prevent similar problems from happening again. We have finalized the corrective programs to be submitted to the CIRC before April and will report to the CIRC on the progress by the end of May.