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中国太平洋保险
China Pacific Insurance

中國太平洋保險(集團)股份有限公司
CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

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

(Stock Code: 02601)

Overseas Regulatory Announcement

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

The announcement is attached hereof for information purpose only.

By Order of the Board
China Pacific Insurance (Group) Co., Ltd.
KONG Qingwei
Chairman

Hong Kong, 28 August 2023

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

Summary of Solvency Report (Excerpts)

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

2023 Interim

Company overview and contact information

Company name (Chinese):	中国太平洋保险（集团）股份有限公司
Company name (English):	CHINA PACIFIC INSURANCE (GROUP) CO., LTD.
Legal representative:	KONG Qingwei
Registered address:	1 Zhongshan Road (South), Huangpu District, Shanghai, PRC.
Registered capital:	RMB9.620 billion
Business license number:	000013
First date for registration:	May 13, 1991
Business scope:	Invest in controlling stakes of insurance companies; supervise and manage the domestic and international reinsurance business of the insurers under its control; supervise and manage the investments by the insurers under its control; participate in international insurance activities as approved.
Contact person：	HUANG Danyan
Office Tel. number：	021-33968093
Cell phone：	13764517031
Fax number：	021-58792445
E-mail：	huangdanyan@cpic.com.cn

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I. Statement by the board and management

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

1． Voting results by directors

Name of directors	For	Against	Abstain
KONG Qingwei	√		
FU Fan	√		
HUANG Dinan	√		
WANG Tayu	√		
WU Junhao	√		
CHEN Ran	√		
ZHOU Donghui	√		
LU Qiaoling	√		
John Robert Dacey	√		
LIU Xiaodan	√		
CHEN Jizhong	√		
LAM Tyng Yih, Elizabeth	√		
LO Yuen Man, Elaine	√		
JIANG Xuping	√		
Total	14		

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

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

II. Basic Information

(I) Shareholding structure, shareholders and change

1．Shareholding structure (unit: share)

	Before change		Increase or decrease (+ or -)					After change	
	Amount	Percentage (%)	New shares issued	Bonus shares	Transfer from reserves	Others	Sub-total	Amount	Percentage (%)
1.Ordinary shares denominated in RMB	6,845,041,455	71.15	-	-	-	-	-	6,845,041,455	71.15
2.Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3.Overseas listed foreign shares (H share)	2,775,300,000	28.85	-	-	-	-	-	2,775,300,000	28.85
4. Others	-	-	-	-	-	-	-	-	-
Total	9,620,341,455	100.00	-	-	-	-	-	9,620,341,455	100.00

2．Top 10 shareholders (unit: share)

Name of shareholders	Percentage of shareholding	Total number of shares held	Increase or decrease (+ or -) of shareholding during the reporting period	Number of shares subject to pledge or lock-up	Type of shares
HKSCC Nominees Limited	28.82%	2,772,554,627	+24,400	-	H Share
Shenergy (Group) Co., Ltd.	14.05%	1,352,129,014	-	-	A Share
Hwabao Investment Co., Ltd.	13.35%	1,284,277,846	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	6.34%	609,929,956	-	-	A Share
Shanghai Haiyan Investment Management Company Limited	4.87%	468,828,104	-	-	A Share
HKSCC	3.46%	332,488,912	+134,379,279	-	A Share
China Securities Finance Co., Ltd.	2.82%	271,089,843	-	-	A Share
Shanghai International Group	1.66%	160,000,000	-	-	A Share
Citibank, National Association	1.55%	148,997,105	-22,950	-	A Share
Yunnan Hehe (Group) Co. Ltd.	0.95%	91,868,387	-	-	A Share
Description of related relations or concerted actions among the aforesaid shareholders	HKSCC Nominees Limited and HKSCC are connected, as the former is a wholly-owned subsidiary of the latter. Shanghai State-Owned Assets Operation Co., Ltd. is a wholly-owned subsidiary of Shanghai International Group, and they act in concert. Other than that, the Company is not aware of any other connected relations or concerted actions among the above-mentioned shareholders.				

Notes:

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

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

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

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

5. Citibank, National Association is the depository of the Company's GDRs, and the underlying A shares of the Company represented by the GDRs have been registered under it; according to Citibank, National Association, as of the end of the reporting period, the remaining number of the GDRs is 29,799,421, which is 26.69% of the number of GDRs issued under approval by the China Securities Regulatory Commission.

III. Business Operation of Major Member Companies

(I) CPIC P/C

In the first half of 2023, the subsidiary reported rapid premium growth and healthy levels of underwriting profitability. It realised 103.703bn yuan in primary premium income, a year-on-year growth of 14.3%, net profits of 4.041 billion.

As of the end of the reporting period, comprehensive solvency margin ratio was 198%, down by 4pt from the year beginning, mainly due to impact of business development and changes to asset allocation, etc. Of this,

(1) Available capital 61.159bn yuan, up by 6.005bn yuan from the year beginning, or a growth of 10.9%;

(2) Minimum capital 30.952bn yuan, up by 3.706bn yuan, or 13.6% from the year beginning.

(II) CPIC Life

In the first half of 2023, the subsidiary recorded steady premium growth, with robust NBV performance. It realised gross premium income of 169.574bn yuan, a year-on-year growth of 2.5%, NBV of 7.361bn yuan, up by 31.5% year-on-year, and net profits 14.023bn.

As of the end of June 2023, the comprehensive solvency margin ratio was 197%, down by 21pt from the year beginning, mainly due to impact of business development and changes in asset allocation, etc. Of this,

(1) Available capital 314.264bn yuan, down by 8.7%, or 29.958bn yuan from the year beginning;

(2) Minimum capital 159.165bn yuan, up by 0.9%, or 1.363bn yuan from the year beginning.

(III) CPIC Health

CPIC Health focused on specialised business operation, and proceeded with core capacity-building in an orderly manner. During the reporting period, the subsidiary realised 2.988bn yuan in GWPs and health management fees, with net profits of 65mn yuan.

As of the end of June 2023, its comprehensive solvency margin ratio stood at 246%, down by

19pt from the year beginning, mainly as a result of business development, changes in asset allocation. Of this,

(1) Available capital 3.361bn yuan, up by 4.2%, or 136mn yuan from the year beginning;

(2) Minimum capital 1.365bn yuan, up by 12.2%, or 149mn yuan from the year beginning.

(IV) CPIC AMC

The company implemented requirements of high-quality development in an all-around way, focusing on improvement of investment capabilities and control of various risks. As of the end of June 2023, third-party AuM of CPIC AMC amounted to 268.957bn yuan.

(V) Changjiang Pension

The company stayed committed to serving China's national retirement strategy, and strived to become a top-notch financial institution specialising in pension-related financial services with a positive public image. As at 30 June 2023, its third-party assets under trustee management amounted to RMB381.489 billion; third-party assets under investment management reached RMB363.890billion.

(VI) Other member companies

As of the end of June 2023, total assets of the CPIC Real Estate reached 207mn yuan, with net assets of 162mn yuan; total assets of CPIC Technology reached 1.226bn yuan, with net assets of 681mn yuan.

IV. Solvency Statements

Solvency Statements of Insurance Holding Groups

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

(30 June, 2023)

unit： 10 thousand RMB yuan

Items	No. of lines	As at the end of the reporting period 1	As at the beginning of the reporting period 2
Available capital	（1）＝（2）＋（3）＋（4）＋（5）	45,593,223	47,907,342
Tier 1 core capital	（2）	30,326,538	31,950,386
Tier 2 core capital	（3）	7,137	1,291,004
Tier 1 supplement capital	（4）	15,253,549	14,658,632
Tier 2 supplement capital	（5）	5,998	7,320
Minimum capital	（6）＝（7）＋（21）＋（22）	19,025,604	18,733,329
Minimum capital for quantitative risks	（7）＝（8）＋（9）＋（10）＋（11）＋（12）＋（13）－（20）	19,259,448	18,733,329
Minimum capital for parent company	（8）	-	-
Minimum capital for insurance member companies	（9）	19,259,448	18,733,329
Minimum capital for banking member companies	（10）	-	-
Minimum capital for securities member companies	（11）	-	-

Minimum capital for trust member companies	（12）	-	-
Minimum capital for quantifiable Group-specific risks	（13）＝（14）＋（15）	-	-
Minimum capital for risk contagion	（14）	-	-
Minimum capital for concentration risk	（15）＝（16）＋（17）＋（18）-（19）	-	-
Minimum capital for concentration risk - counter parties	（16）	-	-
Minimum capital for concentration risk - industry	（17）	-	-
Minimum capital for concentration risk - customers	（18）	-	-
Risk diversification	（19）	-	-
Decrease in required capital for risk diversification effect	（20）	-	-
Minimum capital for control risk	（21）	(233,844)	-
Supplement capital	（22）		
Core solvency margin	（23）＝（2）＋（3）－（6）× 50%	20,820,874	23,874,725
Core solvency margin ratio	（24）＝[（2）＋（3）] /（6）× 100%	159%	177%
Comprehensive solvency margin	（25）＝（1）－（6）	26,567,619	29,174,012
Comprehensive solvency margin ratio	（26）＝（1）/（6）× 100%	240%	256%

Notes: Decrease in required capital for risk diversification effect and supplement capital are yet to be defined by regulator.

V. Management Analysis and Discussions

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

As of the end of June 2023, Group comprehensive solvency margin ratio stood at 240%, down by 16pt from the year beginning; core solvency margin ratio was 159%, down by 16pt from the year beginning, mainly due to impact of business development, changes to asset allocation and shareholder profit distribution. Of this,

1) Available capital amounted to 455.9bn yuan, down by 23.2bn yuan from the year beginning; core capital 303.3bn yuan, down by 29.1bn yuan from the year beginning.

2) Minimum capital 190.3bn yuan, up by 3.0bn yuan from the year beginning.

In short, Group solvency remain stable, both above regulatory minimum levels.

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

The regulator is yet to conduct Integrated Risk Rating (IRR) for insurance groups.

During the reporting period, the Group posted sound and stable operational results overall with effective implementation of its risk appetite. All risk indicators remained stable, with the overall risk under control. No risk events with significant impact occurred in the year. However, the Group still faced some uncertainties due to impact of internal and external environment, including:

First, macro-environment risks. In a complicated international environment of momentous changes never seen before in the last century and geo-political shifts, China's economic development will face increasing risks and uncertainty, which, coupled with domestic insurance industry transformation, represent formidable challenges to the business operation, business development, and investment returns of the Company. In response, it closely followed the developments of domestic and international macroeconomic environment, seized development opportunities on the basis of prudent operation, and constantly improved its ability to support national strategies and mitigate risks.

Second, credit risk in investment. Currently the market environment is difficult and challenging. Drivers of domestic economic development have been weak, due to lack of demand. With economic slow-down, the "tail" credit risk may continue to deteriorate, with further divergence of market credit-worthiness. The Company attached great importance to credit risk management, continuously upgraded the credit risk management system and professional expertise compatible with needs of investment, optimised the unified credit-rating system, and enhanced control of counter-party access. It also strictly implemented credit risk limits and concentration management, continued to strengthen the monitoring, early warning and handling of credit risk of investment, so that it could be more pro-active and forward-looking in risk management.

Third, risk of insurance business. In P/C business, with normalisation of claims frequency and deepening of auto insurance comprehensive reform, the combined ratio is likely to go up; in life/health insurance, industry transformation has entered a critical stage, and negative spread once again became a “hot spot” of the industry, given secular decline of interest rates and subsequently rising pressure on insurance fund reinvestment. In the face of external uncertainties, the Company focused on things within its control, with steady growth of EV and steady momentum of core business segments. It pursued change while adhering to the right direction, captured business opportunities in supporting national strategies, the real economy and people’s pursuit of a better life. To forestall major risks, the Company upgraded the risk management system in accordance with C-ROSS II requirements, optimised risk management and control mechanisms, strengthened early warning and response to key risks, carried out rectification as per findings of SARMRA assessment, and consolidated the three lines of defence in risk management to improve the soundness and effectiveness of its risk management system, which greatly helped with the Company’s sustainable development strategy and high-quality development.

VI. Risk Management Capabilities

(I) Group solvency risk governance

The Company has established a broad-based risk management framework in which all parties involved play their due role: the Board of Directors bears the ultimate responsibility, management provides direct leadership, risk management departments provide coordination, and the 3 lines of defense closely work together. The boards of directors of the Group and its subsidiaries are the supreme authority for the risk management of the organization, and bear the ultimate responsibility for their respective risk management systems and status of operation. The board Risk Management and Related Party Transactions Control Committee performs duties in risk management as is mandated by the board.

The Company’s Management Committee is mandated to organize and execute the

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

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

Group Internal Audit Centre conducts, on an annual basis, audits of the status and effects of operation of the Group solvency risk management system, as well as implementation of risk management policies, issues reports and briefs the board on this.

(II) Risk management strategies and implementation

1. Risk management strategies

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

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

2.Risk appetite systems and objectives

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

The Company adopts a “prudent” risk appetite for 2023, and cautiously manages various risks in business operation. The Company and its insurance subsidiaries maintain a sufficient level of solvency, and pursue stable profitability and sustainable value growth while ensuring appropriate liquidity, maintain a sound risk management status and a positive market image, and continuously upgrade the risk control system so that it is more compatible with the Company’s status as a listed firm in SSE, SEHK, and LSE, gradually incorporates ESG requirements into the ERM (enterprise risk management) system, thus becoming a leader in healthy and stable development of the industry.

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

3. Risk management tools

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

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

(III) Identification and assessment of Group-specific risks

1.Risk contagion

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

In term of related party transaction management, as per relevant regulatory requirements, the Company established long-term mechanism for related party transaction management, improved internal control and risk management to curb intra-Group risk contagion, vigourously promoted IT system of RPT management so as to enhance the digitalisation, accuracy and data-processing capacity of the entire management chain. It set up and constantly improves RPT internal control. The Group's Risk Management and Related Party Transactions Control Committee is responsible for the identification of related parties, and the management, review, approval and risk control of related party transactions. Business, finance, compliance and risk control departments all performed their duties with due diligence. During the reporting period, the Company continued to optimise limits on material RPTs as per regulatory requirements, enhanced standards on submission of RPT data, clarified paths of data submission, so as to improve the efficiency of the RPT management system.

In risk quarantine, the Company formulated Rules on Management of Risk Quarantine in strict conformity with regulatory requirements, which seeks to establish a firewall in areas such as legal entity management, financial management, fund management, business operation, information system management, personnel management, branding & publicity, information disclosure, RPTs, and guarantee management, identify paths of contagion and put in place prudent risk quarantine measures. During the reporting period, the Company reviewed relevant business rules and processes to improve the risk quarantine system, and effectively prevented risk contagions across member companies; drafted technology outsourcing strategies and made decisions on major outsourcing projects as per regulatory regulations and Provisions on Outsourcing of Information Technology of the Company.

2.Risk due to opaque organizational structure

This refers to the risk that an insurance group's shareholding structure, management structure, operational process, scope of business, etc. are excessively complex and opaque, which may cause losses to the group. The Company strictly abides by regulatory rules, and has drafted Provisional Measures on Management of Risk of Opaque Organisational Structure, which defines relevant management mechanisms and the regular evaluation system. In the first of 2023, the status of the risk is as follows:

As a wholly-listed insurance group, the Company maintains a clear shareholding structure and there is no cross-shareholding and illegal subscription of capital instruments between insurance member companies and other affiliates under the Group, or between member companies under the Group.

Based on their strategic planning and business development, each member company has established suitable organizational structures with clearly-defined organisational boundaries, responsibilities and powers, which helps to to prevent either overlapping or gaps in function, or over-concentration of powers and responsibility, and formed work mechanisms of good coordination, checks and balances and clear division of responsibilities.

3. Concentration risk

It refers to the risk that the aggregation of individual risks or risk portfolios of member companies at the group level may cause unexpected losses to the group company. In accordance with relevant regulatory requirements, CPIC regularly identifies, evaluates, monitors and reports on different types of concentration risks of the Group and its member companies along 4 dimensions (namely, counter-parties, industry distribution of investment assets, customers and business) and their sub-dimensions, to prevent major adverse effects of concentration risk on its solvency or liquidity status.

CPIC has a risk limit indicators system for concentration risk, covering all the four dimensions and their sub-dimensions, and uses the system to regularly evaluate the concentration risk on each dimension. During the reporting period, there were no breaches of limits on these dimensions, nor events which may trigger early warning. The Company’s overall concentration risk was under control.

Based on realities of its business operation and risk profiles, the Company focuses on the concentration risk relating to investment counter-parties, and regularly assesses the concentration of investment assets with credit risk exposure, as well as the credit risk and financial situation of its major counter-parties. During the reporting period, the concentration risk of investment counter-parties was under control, and Company's major investment counter-parties maintained stable ratings, thus the related concentration risk was under control. During the reporting period, there was no concentration risk that posed a material threat to the Company's solvency or liquidity.

4. Non-insurance risk

CPIC stays focused on the core business of insurance, which dictates its investment in non-insurance sectors, with limited non-insurance risk exposure and impact. In strict compliance with regulatory rules, it prudently manages investment in non-insurance areas, pro-actively manages and prevents the adverse effect on the solvency of both the Group and its member insurers by the business operation of its non-insurance member companies.

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

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

In the first half of 2023, the Company intensified management of non-insurance members companies centering on consolidated management, differentiated management of member companies, non-insurance equity investment management, and non-insurance capital management. It also pushed forward rectification of SARMRA through enhancement of management mechanisms, rules and processes, division of responsibilities, and supportive tools.

(IV). Results of SARMRA assessment

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

VII. Integrated Risk Rating

(I) Results of the last 2 rounds of IRR

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

(II) Remedial actions taken or to be taken

Not applicable.