

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

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

## **2022 Third Quarter Report**

**(Trading Symbol: CPIC)**

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## §1 Important Information

1.1 The Board of Directors, the Board of Supervisors, the directors, the supervisors and the senior management of the Company warrant that the contents of this quarterly report are true, accurate and complete and that there is no false representation, misleading statement or material omission in this quarterly report; and they severally and jointly accept responsibility for the contents of this quarterly report.

1.2 The 2022 Third Quarter Report of the Company was considered and approved at the 20th meeting of the 9th Board of Directors of the Company on 28 October 2022, which 14 directors were required to attend and all of them attended in person.

1.3 The financial data contained in the 2022 Third Quarter Report of the Company are unaudited and have been prepared in accordance with the China Accounting Standards for Business Enterprises.

1.4 Mr. KONG Qingwei (person in charge of the Company), Mr. ZHANG Yuanhan (person in charge of accounting and Chief Actuary) and Ms. XU Zhen (Head of the Accounting Department) warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

## §2 Key Financial Information

### 2.1 Key Accounting Data and Financial Indicators

unit: RMB million

	For the three months from 1 July to 30 September 2022	Compared with the three months from 1 July to 30 September 2021 (%)	For the nine months ended 30 September 2022	Compared with the nine months ended 30 September 2021 (%)
Operating income	105,306	7.0	360,420	2.7
Net profit <sup>note</sup>	6,971	29.5	20,272	(10.6)
Net profit net of non-recurring profit or loss <sup>note</sup>	6,957	29.1	20,217	(10.4)
Net cash flows from operating activities	N/A	N/A	110,304	47.6
Basic earnings per share (RMB) <sup>note</sup>	0.73	29.5	2.11	(10.6)
Diluted earnings per share (RMB) <sup>note</sup>	0.73	29.5	2.11	(10.6)
Weighted average return on equity (%) <sup>note</sup>	3.1	0.6pt	9.0	(1.4pt)

	30 September 2022	31 December 2021	Change (%)
Total assets	2,122,142	1,946,164	9.0
Equity <sup>note</sup>	221,845	226,741	(2.2)

Note: Attributable to shareholders of the parent.

## 2.2 Non-recurring items

unit: RMB million

Non-recurring items	For the three months from 1 July to 30 September 2022	For the nine months ended 30 September 2022
Gains on disposal of non-current assets	1	1
Government grants recognised in current profit or loss	37	115
Custody fees of entrusted operation	15	30
Other net non-operating income and expenses other than aforesaid items	(31)	(65)
Effect of income tax relating to non-recurring profit or loss	(8)	(25)
Net non-recurring profit or loss attributable to non-controlling interests	-	(1)
Total	14	55

Note: As an integrated insurance group, investment is one of the major businesses of the Group. Therefore, the non-recurring items do not include fair value gains/(losses) from financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, etc., as well as investment income from the disposal of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss and available-for-sale financial assets, etc.

## 2.3 Significant changes of key accounting data and financial indicators and reasons for such changes

Items	Change(%)	Main reason for the changes
Net cash flows from operating activities	47.6	Increase in cash received from premium income from direct insurance contracts

## §3 Shareholder Information

As at the end of the reporting period, the Company had no shares with selling restrictions.

unit: share

Total number of shareholders as at the end of the reporting period: 161,898 (including 157,775 holders of A shares and 4,123 holders of H shares)							
Shares held by top 10 shareholders							
Name of shareholders	Type of shareholders	Total number of shares held	Percentage of the shareholding	Increase or decrease (+ or -) of shareholding during the reporting period	Number of shares held with selling restriction	Number of shares subject to pledge or lock-up period	Type of shares
HKSCC Nominees Limited	Overseas legal person	28.82%	2,772,522,227	+16,000	-	-	H Share
Shenergy (Group) Co., Ltd.	State-owned legal person	14.05%	1,352,129,014	-	-	-	A Share
Hwabao Investment Co., Ltd.	State-owned legal person	13.35%	1,284,277,846	-	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	State-owned legal person	6.27%	603,484,368	+17,669,629	-	-	A Share
Shanghai Haiyan Investment Management Company Limited	State-owned legal person	4.87%	468,828,104	-	-	-	A Share
China Securities Finance Co., Ltd.	Others	2.82%	271,089,843	-	-	-	A Share
HKSCC	Others	1.79%	171,806,922	-13,957,077	-	-	A Share
Shanghai International Group Co., Ltd.	State-owned legal person	1.66%	160,000,000	-	-	-	A Share
Citibank, National Association	Others	1.56%	149,838,515	-	-	-	A Share
China Structural Reform Fund	State-owned legal person	1.19%	114,931,140	+17,700	-	-	A Share
Description of connected 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, they act in concert. Other than this, the Company is not aware of any connected relations or concerted actions among the above-mentioned shareholders.						

Description of securities margin trading and refinancing business by top 10 shareholders and top 10 shareholders without selling restrictions, if any.	None.
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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. Shareholder types of A shares are based on “account types” as registered with China Securities Depository and Clearing Corporation Limited Shanghai Branch.
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 29,967,703, which is 26.84% of the number of GDRs issued under approval by the China Securities Regulatory Commission.

#### §4 Business Review

In the face of resurgence of COVID-19 in many parts of China, extreme heat waves and economic slow-down, the Company adhered to high-quality development, and delivered solid business results with improving momentum. For the reporting period, it realised gross written premiums (GWPs) of RMB324.647 billion, representing an increase of 7.7% as compared with the same period of 2021. Of this, GWPs from CPIC Life amounted to RMB189.739 billion, up by 4.4%; those from CPIC P/C<sup>note 1</sup> RMB133.885 billion, up by 12.5%. Net profits<sup>note 2</sup> amounted to RMB20.272 billion, down by 10.6%.

Notes:

1. Consolidated data of CPIC P/C and its subsidiary, China Pacific Anxin Agricultural Insurance Co., Ltd.
2. Attributable to shareholders of the parent.

#### CPIC Life

CPIC Life steadfastly pursues development through transformation, strives for progress while maintaining stability, deepens Changhang Action Programme to shift the mode of development. The implementation of a series of projects such as the Career Agents, Service-based Marketing, Value-oriented Bancassurance, and “Products + Service” have started to reap benefits. During the reporting period, it delivered RMB189.739 billion in GWPs, up by 4.4% from the same period of 2021. Of this, FYPs rose by 31.0% year-on-year. New business value (NBV) growth showed improving momentum quarter by quarter. NBV for the first 3 quarters amounted to RMB7.548 billion, down by 37.8% year-on-year, with the decline narrowing from the first half of the year. Of this, NBV growth for Q3 turned positive.

The agency channel continued with career-based restructuring, focusing on cultivating a new work

mode underpinned by “monthly planning, weekly operation and daily visits” for “normalised” sales and recruitment activities, with more balanced business development across the year. FYP and regular-pay FYP in Q3 both registered positive growth year-on-year. CPIC Life leveraged the new Basic Law, promoted the building of organisation of high-performing agents, optimised the agent recruitment process, improved the training system, and achieved further enhancement of agency force quality. The share of core manpower on a monthly average basis, monthly average FYP per core agent, monthly average FYC per core agent all reported year-on-year growth, with marked improvement in business quality, evidenced by a 13-month policy persistency ratio of 88.0%, up by 7.5pt from a year earlier.

The Company seeks to diversify channel mix. During the reporting period, it implemented business strategies for bancassurance, focusing on value-oriented banking outlets and products, and high-quality teams. For the first 3 quarters of 2022, bancassurance channel reported RMB22.056 billion in GWPs, a growth of 827.9%. The group channel stepped up the reshaping of business model, and posted RMB13.550 billion, up by 4.5%.

unit: RMB million

For the nine months ended 30 September	2022	2021	Changes (%)
<b>Gross written premiums</b>	<b>189,739</b>	<b>181,796</b>	<b>4.4</b>
<b>Agency channel</b>	<b>154,083</b>	<b>166,381</b>	<b>(7.4)</b>
New policies	19,665	26,505	(25.8)
Regular premium business	17,087	22,757	(24.9)
Renewed policies	134,418	139,876	(3.9)
<b>Bancassurance channel</b>	<b>22,056</b>	<b>2,377</b>	<b>827.9</b>
New policies	20,761	1,773	1,071.0
Renewed policies	1,295	604	114.4
<b>Group channel</b>	<b>13,550</b>	<b>12,967</b>	<b>4.5</b>
New policies	13,016	12,554	3.7
Renewed policies	534	413	29.3
<b>Other channels<sup>note</sup></b>	<b>50</b>	<b>71</b>	<b>(29.6)</b>

Note: Other channels include telemarketing & internet sales, and inward reinsurance business.

## CPIC P/C

CPIC P/C persisted in high-quality development, launched dedicated campaigns to tackle challenges, enhanced business quality control, responded to flooding caused by typhoons and mitigated the damage and losses; continued with service innovation and promoted sustainable development. With such efforts, the subsidiary recorded rapid top-line growth and marked improvement in underwriting profitability for the reporting period.

For the first 3 quarters of the year, it realised RMB133.885 billion in GWPs, up by 12.5% from the same period of 2021. Of this, automobile insurance contributed RMB71.708 billion, up by 7.8%, and non-auto insurance RMB62.177 billion, up by 18.5%. The combined ratio stood at 97.8%, down by 1.9pt. Of this, loss ratio was 70.2%, down by 0.6pt, and expense ratio 27.6%, down by 1.3pt.

unit: RMB million

For the nine months ended 30 September	2022	2021	Changes (%)
<b>GWPs</b>	<b>133,885</b>	<b>118,994</b>	<b>12.5</b>
Auto insurance	71,708	66,522	7.8
Non-auto insurance	62,177	52,472	18.5

## Asset management business

Since the beginning of the year, the A-share market fell steeply, and market interest rates remained relatively low, with movements within a band. The Company maintained a largely stable asset allocation based on profiles of liabilities. Under the guidance of Strategic Asset Allocation (SAA), it increased allocation into long-term fixed income assets to extend asset duration, while dynamically conducting Tactical Asset Allocation (TAA), seizing market opportunities and delivering solid investment results.

As at the end of the reporting period, Group investment assets amounted to RMB1,962.865 billion, an increase of 8.3% from the end of 2021. During the reporting period, annualised net investment yield was 4.1%, down by 0.2pt from the same period of last year; annualised total investment yield was 4.1%, down by 1.2pt.

For the nine months ended 30 September	2022	2021	Changes
Net investment yield (annualised) (%) <sup>note</sup>	4.1	4.3	(0.2pt)
Total investment yield (annualised) (%) <sup>note</sup>	4.1	5.3	(1.2pt)

Note: The impact of securities sold under agreements to repurchase was considered in the calculation of net investment yield. Average investment assets as the denominator in the calculation of net/total investment yield are computed based on the Modified Dietz method.

## §5 Other Information

5.1 Other significant information pertaining to the business operation of the Company during the reporting period that deserves attention from investors

Applicable Not applicable

5.2 Solvency

Please refer to the summaries of quarterly solvency reports (excerpts) published on the websites of SSE ([www.sse.com.cn](http://www.sse.com.cn)), SEHK ([www.hkexnews.hk](http://www.hkexnews.hk)), LSE ([www.londonstockexchange.com](http://www.londonstockexchange.com)) and the Company ([www.cpic.com.cn](http://www.cpic.com.cn)) for information about the solvency of major insurance subsidiaries of the Company.

## Definitions

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below:

“the Company” or “the Group”	China Pacific Insurance (Group) Co., Ltd.
“CPIC Life”	China Pacific Life Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC P/C”	China Pacific Property Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“SSE”	Shanghai Stock Exchange
“SEHK”	The Stock Exchange of Hong Kong Limited
“LSE”	London Stock Exchange
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Substantial Shareholder”	Has the meaning given to it under the Securities and Futures Ordinance, being a person who has an interest in the relevant share capital of the Company, the nominal value of which is equal to or more than 5% of the nominal value of the relevant share capital of the Company
“GDR”	Global depositary receipts
“RMB”	Renminbi
“pt”	Percentage point

By Order of the Board  
**China Pacific Insurance (Group) Co., Ltd.**

29 October 2022

## §6 APPENDIX

### 6.1

#### CONSOLIDATED BALANCE SHEET

30 September 2022

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	30 September 2022	31 December 2021
	(unaudited)	(audited)
<b>ASSETS</b>		
Cash at bank and on hand	26,531	32,545
Financial assets at fair value through profit or loss	18,331	12,353
Derivative financial assets	128	259
Securities purchased under agreements to resell	14,882	13,432
Premium receivables	44,160	25,803
Reinsurance receivables	8,186	11,091
Interest receivables	22,083	20,427
Reinsurers' share of unearned premium reserves	8,387	7,914
Reinsurers' share of claim reserves	11,686	9,164
Reinsurers' share of life insurance reserves	2,001	1,910
Reinsurers' share of long-term health insurance reserves	12,093	11,884
Policy loans	69,346	66,950
Term deposits	217,265	196,519
Available-for-sale financial assets	653,466	645,381
Held-to-maturity financial assets	519,639	396,428
Investments classified as loans and receivables	399,403	406,276
Long-term equity investments	25,118	26,984
Restricted statutory deposits	7,530	7,428
Investment properties	11,226	7,514
Fixed assets	17,336	17,504
Construction in progress	1,337	1,714
Right-of-use assets	3,169	3,475
Intangible assets	6,111	5,509
Goodwill	1,372	1,372
Deferred income tax assets	7,632	1,998
Other assets	13,724	14,330
<b>Total assets</b>	<b>2,122,142</b>	<b>1,946,164</b>

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

30 September 2022

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	30 September 2022	31 December 2021
	(unaudited)	(audited)
<b>LIABILITIES AND EQUITY</b>		
Derivative financial liabilities	86	1
Securities sold under agreements to repurchase	116,966	73,441
Premium received in advance	8,392	25,154
Commission and brokerage payable	5,010	3,695
Reinsurance payables	8,103	7,638
Employee benefits payable	6,702	7,386
Taxes payable	5,172	4,138
Interest payable	229	517
Claims payable	21,610	21,526
Policyholder dividend payable	23,377	24,176
Policyholders' deposits and investment contract liabilities	118,874	102,843
Unearned premium reserves	83,409	71,493
Claim reserves	74,227	58,420
Life insurance reserves	1,234,547	1,129,622
Long-term health insurance reserves	148,224	125,798
Insurance premium reserves	723	207
Bonds payable	9,998	9,995
Lease liabilities	2,841	3,105
Deferred income tax liabilities	580	3,601
Other liabilities	25,717	41,003
<b>Total liabilities</b>	<b>1,894,787</b>	<b>1,713,759</b>
Issued capital	9,620	9,620
Capital reserves	79,657	79,662
Other comprehensive income	4,112	19,655
Surplus reserves	5,114	5,114
General reserves	19,615	19,521
Retained profits	103,727	93,169
Equity attributable to shareholders of the parent	221,845	226,741
Non-controlling interests	5,510	5,664
<b>Total equity</b>	<b>227,355</b>	<b>232,405</b>
<b>Total liabilities and equity</b>	<b>2,122,142</b>	<b>1,946,164</b>

**Kong Qingwei**  
Legal Representative

**Zhang Yuanhan**  
Principal in charge of Accounting Affairs

**Xu Zhen**  
Head of Accounting Department

**CONSOLIDATED INCOME STATEMENT**  
For the nine months ended 30 September 2022

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	For the nine months ended 30 September 2022	For the nine months ended 30 September 2021
	(unaudited)	(unaudited)
I. Operating income	360,420	350,934
Net premiums earned	294,579	274,052
Gross written premiums	324,647	301,460
Including: Premiums from reinsurance assumed	1,263	1,212
Less: Premiums ceded to reinsurers	(18,627)	(19,839)
Net change in unearned premium reserves	(11,441)	(7,569)
Other income	112	132
Investment income	61,827	73,664
Including: Share of profits of associates and joint ventures	152	343
Losses arising from changes in fair value	(536)	(198)
Exchange gains/(losses)	1,522	(132)
Other operating income	2,915	3,414
Gains on disposal of assets	1	2
II. Operating expense	(338,173)	(323,691)
Surrenders	(16,709)	(16,907)
Claims	(107,762)	(110,698)
Less: Claim recoveries from reinsurers	10,019	9,809
Change in insurance contract reserves	(152,370)	(132,791)
Less: Insurance contract reserves recovered from reinsurers	2,796	3,297
Changes in insurance premium reserves	(517)	(362)
Policyholder dividends	(9,300)	(9,553)
Expenses for reinsurance assumed	(240)	(191)
Taxes and surcharges	(817)	(742)
Commission and brokerage expenses	(21,436)	(24,715)
Operating and administrative expenses	(36,785)	(35,929)
Less: Expense recoveries from reinsurers	4,992	6,114
Interest expenses	(2,433)	(2,517)
Other operating expenses	(4,472)	(4,568)
Asset impairment losses	(3,139)	(3,938)
III. Operating profit	22,247	27,243
Add: Non-operating income	81	130
Less: Non-operating expenses	(113)	(104)
IV. Profit before tax	22,215	27,269
Less: Income tax	(1,448)	(3,972)
V. Net profit	20,767	23,297
Classified by continuity of operations:		
Net profit from continuing operations	20,767	23,297
Net profit from discontinued operations	-	-
Classified by ownership of the equity:		
Attributable to shareholders of the parent	20,272	22,686
Non-controlling interests	495	611
VI. Earnings per share		
Basic earnings per share (RMB per share)	2.11	2.36
Diluted earnings per share (RMB per share)	2.11	2.36

**CONSOLIDATED INCOME STATEMENT (CONTINUED)**

For the nine months ended 30 September 2022

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	For the nine months ended 30 September 2022 (unaudited)	For the nine months ended 30 September 2021 (unaudited)
VII. Other comprehensive income/(loss)	(15,850)	(4,643)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:	(15,850)	(4,643)
Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	(47)	-
Exchange differences on translation of foreign operation	115	(5)
Changes of fair value of available-for-sale financial assets and related impact on insurance liabilities	(21,250)	(6,224)
Income tax relating to these items	5,332	1,586
VIII. Total comprehensive income	4,917	18,654
Attributable to shareholders of the parent	4,729	18,123
Attributable to non-controlling interests	188	531

**Kong Qingwei**  
Legal Representative

**Zhang Yuanhan**  
Principal in charge of Accounting Affairs

**Xu Zhen**  
Head of Accounting Department

## 6.3

**CONSOLIDATED CASH FLOW STATEMENT**

For the nine months ended 30 September 2022

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	For the nine months ended 30 September 2022 (unaudited)	For the nine months ended 30 September 2021 (unaudited)
<b>I Cash flows from operating activities</b>		
Cash received from premium income from direct insurance contracts	294,510	268,963
Net cash received from reinsurance contracts	3	-
Net increase in policyholders' deposits and investments contract liabilities	12,081	10,023
Refund of taxes and surcharges	123	15
Cash received relating to other operating activities	7,305	4,381
<b>Sub-total of cash inflows</b>	<b>314,022</b>	<b>283,382</b>
Cash paid for claims under direct insurance contracts	(105,952)	(109,889)
Net cash paid under reinsurance contracts	-	(991)
Cash paid for commission and brokerage expenses	(20,575)	(24,955)
Cash paid for policyholder dividends	(7,306)	(7,953)
Cash paid to and on behalf of employees	(19,751)	(19,914)
Payments of taxes and surcharges	(9,206)	(7,900)
Cash paid relating to other operating activities	(40,928)	(37,034)
<b>Sub-total of cash outflows</b>	<b>(203,718)</b>	<b>(208,636)</b>
<b>Net cash flows from operating activities</b>	<b>110,304</b>	<b>74,746</b>
<b>II Cash flows from investing activities</b>		
Cash received from disposal of investments	301,041	277,893
Cash received from returns on investments	57,500	53,297
Net cash received from disposal of subsidiaries and other business entities	2,152	3,643
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	21	11
<b>Sub-total of cash inflows</b>	<b>360,714</b>	<b>334,844</b>
Cash paid to acquire investments	(488,290)	(398,456)
Net increase in policy loans	(2,435)	(3,520)
Net cash paid to acquire subsidiaries and other business entities	(460)	(3,418)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(6,707)	(1,818)
Cash paid relating to other investing activities	(76)	(28)
<b>Sub-total of cash outflows</b>	<b>(497,968)</b>	<b>(407,240)</b>
<b>Net cash flows used in investing activities</b>	<b>(137,254)</b>	<b>(72,396)</b>
<b>III Cash flows from financing activities</b>		
Cash received from capital contributions	43	34
Net increase in securities sold under agreements to repurchase	43,503	1,339
Cash received relating to other financing activities	4,562	8,435
<b>Sub-total of cash inflows</b>	<b>48,108</b>	<b>9,808</b>
Cash repayments of borrowings	(12,875)	(5,850)
Cash payments for distribution of dividends, profits or interest expenses	(12,249)	(14,894)
Cash paid relating to other financing activities	(1,272)	(1,135)
<b>Sub-total of cash outflows</b>	<b>(26,396)</b>	<b>(21,879)</b>
<b>Net cash flows from/(used in) financing activities</b>	<b>21,712</b>	<b>(12,071)</b>
<b>IV Effects of exchange rate changes on cash and cash equivalents</b>	<b>591</b>	<b>(19)</b>
<b>V Net decrease in cash and cash equivalents</b>	<b>(4,647)</b>	<b>(9,740)</b>
Add: Cash and cash equivalents at the beginning of period	45,627	34,767
<b>VI Cash and cash equivalents at the end of period</b>	<b>40,980</b>	<b>25,027</b>

**Kong Qingwei**  
Legal Representative

**Zhang Yuanhan**  
Principal in charge of Accounting Affairs

**Xu Zhen**  
Head of Accounting Department

**BALANCE SHEET**  
30 September 2022

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	30 September 2022 (unaudited)	31 December 2021 (audited)
<b>ASSETS</b>		
Cash at bank and on hand	1,287	5,261
Financial assets at fair value through profit or loss	4	9
Securities purchased under agreements to resell	434	10
Interest receivables	505	631
Term deposits	14,736	14,278
Available-for-sale financial assets	33,040	29,442
Investments classified as loans and receivables	15,760	17,086
Long-term equity investments	69,609	64,985
Investment properties	3,314	2,992
Fixed assets	785	1,338
Construction in progress	3	3
Right-of-use assets	309	350
Intangible assets	164	236
Other assets	739	2,613
<b>Total assets</b>	<b>140,689</b>	<b>139,234</b>
<b>LIABILITIES AND EQUITY</b>		
Securities sold under agreements to repurchase	-	1,120
Commission and brokerage payable	-	1
Employee benefits payable	233	339
Taxes payable	205	8
Lease liabilities	314	362
Deferred income tax liabilities	116	356
Other liabilities	589	556
<b>Total liabilities</b>	<b>1,457</b>	<b>2,742</b>
Issued capital	9,620	9,620
Capital reserves	79,312	79,312
Other comprehensive income	732	1,354
Surplus reserves	4,810	4,810
Retained profits	44,758	41,396
<b>Total equity</b>	<b>139,232</b>	<b>136,492</b>
<b>Total liabilities and equity</b>	<b>140,689</b>	<b>139,234</b>

**Kong Qingwei**  
Legal Representative

**Zhang Yuanhan**  
Principal in charge of Accounting Affairs

**Xu Zhen**  
Head of Accounting Department

**INCOME STATEMENT**

For the nine months ended 30 September 2022

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	For the nine months ended 30 September 2022	For the nine months ended 30 September 2021
	(unaudited)	(unaudited)
I. Operating income	14,959	15,789
Other income	5	3
Investment income	13,449	15,129
Gains arising from changes in fair value	-	1
Exchange gains/(losses)	881	(95)
Other operating income	624	751
II. Operating expenses	(1,523)	(1,915)
Taxes and surcharges	(67)	(63)
Operating and administrative expenses	(1,282)	(1,585)
Interest expenses	(19)	(40)
Other operating expenses	(121)	(107)
Assets impairment losses	(34)	(120)
III. Operating profit	13,436	13,874
Add: Non-operating income	9	52
Less: Non-operating expenses	(26)	(32)
IV. Profit before tax	13,419	13,894
Less: Income tax	(437)	(284)
V. Net profit	12,982	13,610
Classified by continuity of operations:		
Net profit from continuing operations	12,982	13,610
Net profit from discontinued operations	-	-
VI. Other comprehensive income/(loss)	(622)	(246)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Changes in fair value of available-for-sale financial assets	(829)	(328)
Income tax relating to available-for-sale financial assets	207	82
VII. Total comprehensive income	12,360	13,364

**Kong Qingwei**  
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**CASH FLOW STATEMENT**

For the nine months ended 30 September 2022

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	For the nine months ended	For the nine months ended
	30 September 2022	30 September 2021
	(unaudited)	(unaudited)
<b>I Cash flows from operating activities</b>		
Cash received relating to other operating activities	1,170	534
<b>Sub-total of cash inflows</b>	1,170	534
Cash paid to and on behalf of employees	(764)	(848)
Payments of taxes and surcharges	(392)	(226)
Cash paid relating to other operating activities	(386)	(508)
<b>Sub-total of cash outflows</b>	(1,542)	(1,582)
<b>Net cash flows used in operating activities</b>	(372)	(1,048)
<b>II Cash flows from investing activities</b>		
Cash received from disposal of investments	12,773	17,476
Cash received from returns on investments	13,412	14,301
Net cash received from disposal of subsidiaries and other business entities	171	43
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	13	-
<b>Sub-total of cash inflows</b>	26,369	31,820
Cash paid to acquire investments	(15,842)	(16,850)
Net cash paid to acquire subsidiaries and other business entities	(3,158)	(155)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(36)	(87)
<b>Sub-total of cash outflows</b>	(19,036)	(17,092)
<b>Net cash flows from investing activities</b>	7,333	14,728
<b>III Cash flows from financing activities</b>		
Cash received relating to other financing activities	-	52
<b>Sub-total of cash inflows</b>	-	52
Cash payments for distribution of dividends, profits or interest expenses	(9,631)	(12,537)
Net decrease in securities sold under agreements to repurchase	(1,120)	(43)
Cash paid relating to other financing activities	(35)	(18)
<b>Sub-total of cash outflows</b>	(10,786)	(12,598)
<b>Net cash flows used in financing activities</b>	(10,786)	(12,546)
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	275	(2)
<b>V Net (decrease)/increase in cash and cash equivalents</b>	(3,550)	1,132
Add: Cash and cash equivalents at the beginning of period	5,271	381
<b>VI Cash and cash equivalents at the end of period</b>	1,721	1,513

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