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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)

## 2018 First Quarter Report

This announcement is made by China Pacific Insurance (Group) Co., Ltd. (the "Company") pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial data of the Company for the first quarter of 2018 are unaudited and have been prepared in accordance with the PRC Accounting Standards for Business Enterprises.

### §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 2018 First Quarter Report of the Company was considered and approved at the 8th session of the 8th Board of Directors on 27 April 2018, which 14 directors were required to attend and 14 of them attended in person.

1.3 The financial data contained in the 2018 First Quarter Report of the Company are unaudited and have been prepared in accordance with the PRC Accounting Standards for Business Enterprises.

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

## §2 Basic Information of the Company

### 2.1 Key Accounting Data and Financial Indicators

Unit: RMB million

	31 March 2018	31 December 2017	Change (%)
Total assets	1,227,189	1,171,224	4.8
Equity <sup>note</sup>	141,594	137,498	3.0
Net assets per share (RMB) <sup>note</sup>	15.63	15.17	3.0
	For the 3 months ended 31 March 2018	For the 3 months ended 31 March 2017	Compare with the same period of the previous year (%)
Net cash inflow from operating activities	43,313	26,426	63.9
Net cash inflow per share from operating activities (RMB)	4.78	2.92	63.9
	For the 3 months ended 31 March 2018	For the 3 months ended 31 March 2017	Compared with the same period of the previous year (%)
Operating income	124,438	108,402	14.8
Net profit <sup>note</sup>	3,751	2,000	87.6
Basic earnings per share (RMB) <sup>note</sup>	0.41	0.22	87.6
Diluted earnings per share (RMB) <sup>note</sup>	0.41	0.22	87.6
Net profit after deducting non-recurring items <sup>note</sup>	3,752	2,006	87.0
Basic earnings per share after deducting non-recurring items (RMB) <sup>note</sup>	0.41	0.22	87.0
Weighted average return on equity (%) <sup>note</sup>	2.7	1.5	+1.2pt
Weighted average return on equity after deducting non-recurring items (%) <sup>note</sup>	2.7	1.5	+1.2pt

Note: attributable to equity holders of the parent.

### 2.2 Non-recurring items

Unit: RMB million

Non-recurring items	For the 3 months ended 31 March 2018
Income on disposal of non-current assets	-
Government grants included in profit or loss	3
Net non-operating income and expenses other than those mentioned above	(3)
Effect of income tax	(1)
Effect of non-controlling interests	-
Total	(1)

### 2.3 Total number of shareholders, shares held by top ten shareholders and shares held by top ten shareholders without selling restrictions at the end of the reporting period

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: 110,553 (including 105,759 holders of A shares and 4,794 holders of H shares)						
Shares held by top ten shareholders						
Name of the shareholders	Total number of shares held	Percentage of the shareholding	Increase or decrease (+ or -) of shareholding during the	Number of shares held with selling restriction	Number of shares subject to pledge or lock-up	Type of shares

			reporting period		period	
HKSCC Nominees Limited	2,772,702,035	30.60%	+81,400	-	-	H Share
Fortune Investment Co., Ltd.	1,284,277,846	14.17%	-	-	-	A Share
Shenergy (Group) Co., Ltd.	1,225,082,034	13.52%	-	-	-	A Share
Shanghai Haiyan Investment Management Company Limited	468,828,104	5.17%	-	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	424,100,614	4.68%	-	-	-	A Share
China Securities Finance Co., Ltd.	274,887,341	3.03%	+18,673,878	-	-	A Share
Shanghai Jiushi (Group) Co., Ltd.	250,949,460	2.77%	-	-	-	A Share
Yunnan Hehe (Group) Co., Ltd.	132,613,032	1.46%	-	-	-	A Share
Central Huijin Investment Ltd.	110,741,200	1.22%	-	-	-	A Share
China Baowu Steel Group Corporation	68,818,407	0.76%	-	-	-	A Share
Description of connected relations or concerted action among the aforesaid shareholders	As is confirmed by relevant shareholders regarding the Company's inquiry, Fortune Investment Co., Ltd. and China Baowu Steel Group Corporation are connected, as the former is a wholly-owned subsidiary of the latter. The Company is not aware of any other connected relationship or acting in concert relationship among the above-mentioned shareholders.					

Notes:

- As at the end of the reporting period, the Company did not issue any preferred shares.
- The shareholding of the top ten 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.
- 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.
- Shanghai State-owned Assets Operation Co., Ltd. (SSOAO), a shareholder of the Company, completed the issuance of exchangeable bonds which were exchangeable into a portion of the Company's A shares on 10 December 2015. The 112,000,000 of the Company's A shares owned and to be exchanged by SSOAO and their dividends are held by China International Capital Corporation Limited (CICC) as guarantee and trust assets, and have been registered as a "Special Account for EB Guarantee and Trust Assets of SSOAO and CICC". For details please refer to the Company's Announcement in relation to the Completion of the Issuance of Exchangeable Bonds by a Shareholder of the Company and the Guarantee and Trust Registration for the part of the Company's A shares held by the Shareholder published on 15 December 2015.

### §3 Business Review for the Reporting Period

For the reporting period, the Company realized gross written premiums (GWPs) of RMB121.831 billion, representing an increase of 20.3% as compared to the same period of last year. GWPs from CPIC Life amounted to RMB90.312 billion, representing an increase of 20.5% as compared to the same period of last year. GWPs from CPIC P/C<sup>note 1</sup> amounted to RMB31.394 billion, representing an increase of 19.5% as compared to the same period of last year. The Group realized net profits<sup>note 2</sup> of RMB3.751 billion, up 87.6%.

Notes:

- The data of CPIC P/C in this report refer to the consolidated data of CPIC P/C and its subsidiary, Anxin Agricultural Insurance Co., Ltd.

2. Attributable to equity holders of the parent.

### CPIC Life

For the reporting period, GWPs from CPIC Life amounted to RMB90.312 billion, representing an increase of 20.5% as compared to the same period of last year. In particular, GWPs from the agency channel contributed RMB81.937 billion, representing an increase of 21.1% as compared to the same period of last year, among which, GWPs from new policies amounted to RMB20.069 billion, representing a decrease of 28.2% as compared to the same period of last year.

For the 3 months ended 31 March	2018	2017	Unit: RMB million Changes (%)
<b>Individual customers</b>	<b>87,472</b>	<b>73,217</b>	<b>19.5</b>
Agency channel	81,937	67,635	21.1
New policies	20,069	27,941	(28.2)
Regular premium business	18,953	27,241	(30.4)
Renewed policies	61,868	39,694	55.9
Other channels	5,535	5,582	(0.8)
<b>Group clients</b>	<b>2,840</b>	<b>1,703</b>	<b>66.8</b>
<b>Total GWPs</b>	<b>90,312</b>	<b>74,920</b>	<b>20.5</b>

### CPIC P/C

For the reporting period, GWPs from CPIC P/C amounted to RMB31.394 billion, representing an increase of 19.5% as compared to the same period of last year. In particular, GWPs from automobile insurance amounted to RMB22.255 billion, representing an increase of 14.1% as compared to the same period of last year, while GWPs from non-automobile insurance amounted to RMB9.139 billion, representing an increase of 34.7% as compared to the same period of last year.

For the 3 months ended 31 March	2018	2017	Unit: RMB million Changes (%)
<b>GWPs</b>	<b>31,394</b>	<b>26,282</b>	<b>19.5</b>
Auto insurance	22,255	19,498	14.1
Non-auto insurance	9,139	6,784	34.7

### Asset management business

As at the end of the reporting period, Group investment assets amounted to RMB1,120.056 billion, representing an increase of 3.6% as compared to the end of the previous year. Asset allocation was largely stable based on profiles of liabilities. The share of fixed income investments stood at 81.9%, up by 0.1pt from the end of the previous year; and the share of equity investments stood at 13.9%, down by 0.7pt, of which, the share of equity securities and equity funds was 7.2%, down by 0.2pt from the end of the previous year.

## Portfolio of Group investment assets

Unit: RMB million

	31 March 2018	Share (%)	Share changes from the end of 2017 (pt)	Amount changes from the end of 2017 (%)
<b>Group investment assets (Total)</b>	1,120,056	100.0	-	3.6
<b>By investment category</b>				
Fixed income investments	917,517	81.9	0.1	3.7
– Debt securities	529,469	47.3	(0.9)	1.6
– Term deposits	114,397	10.2	0.6	10.0
– Debt investment plans	103,544	9.2	0.6	11.5
– Wealth management products <sup>note 1</sup>	89,520	8.0	(0.3)	(0.2)
– Preferred shares	32,000	2.9	-	-
– Other fixed income investments <sup>note 2</sup>	48,587	4.3	0.1	7.5
Equity investments	155,889	13.9	(0.7)	(1.2)
– Equity funds	22,215	2.0	0.1	6.2
– Bond funds	15,211	1.4	(0.1)	(5.6)
– Equity securities	58,306	5.2	(0.3)	(1.1)
– Wealth management products <sup>note 1</sup>	14,991	1.3	(0.6)	(27.2)
– Preferred shares	7,777	0.7	-	0.2
– Other equity investments <sup>note 3</sup>	37,389	3.3	0.2	11.9
Investment properties	8,646	0.8	-	(0.9)
Cash, cash equivalents and others	38,004	3.4	0.6	26.5
<b>By investment purpose</b>				
Financial assets at fair value through profit or loss	16,191	1.4	(0.1)	-
Available-for-sale financial assets	375,404	33.5	(0.6)	1.8
Held-to-maturity financial assets	286,759	25.6	(1.0)	(0.3)
Long-term equity investments	6,322	0.6	0.1	19.9
Loans and other investments <sup>note 4</sup>	435,380	38.9	1.6	7.9

### Notes:

1. Wealth management products mainly include wealth management products issued by commercial banks, collective trust plans by trust firms, special asset management plans by securities firms and credit assets backed securities by banking institutions, etc.
2. Other fixed income investments include restricted statutory deposits and policy loans, etc.
3. Other equity investments include unlisted equities, etc.
4. Loan and other investments include term deposits, cash and short-term time deposits, securities purchased under agreements to resell, policy loans, restricted statutory deposits, investments classified as loans and receivables, and investment properties, etc.

## §4 Significant Events

4.1 Material changes of key financial statements items and financial indicators of the Company and reasons for such changes:

√Applicable □Not applicable

Unit: RMB million

Balance sheet items	31 March 2018	31 December 2017	Change (%)	Main reasons for the changes
Cash and short-term time deposits	16,433	11,660	40.9	Timing difference
Premium receivables	18,689	8,492	120.1	Growth in insurance business and timing

				difference
Deferred income tax assets	2,428	1,742	39.4	Increase in commissions and brokerages and other tax adjustment items
Securities sold under agreements to repurchase	45,878	66,243	(30.7)	Decrease in short-term fund borrowing business and timing difference
Premium received in advance	7,113	21,156	(66.4)	Timing difference
Commissions and brokerages payable	6,824	3,888	75.5	Growth in insurance business and timing difference
Salaries and welfare payable	3,063	4,703	(34.9)	Timing difference
Taxes payable	9,752	6,629	47.1	Growth in insurance business
Interest payable	52	309	(83.2)	Decrease in interest of bonds, etc
Bonds payable	8,988	3,999	124.8	Issuance of capital replenishment bond

Income statement items	For the 3 months ended 31 March 2018	For the 3 months ended 31 March 2017	Change (%)	Main reasons for the changes
Premium ceded	1,092	11	9,827.3	Growth in insurance business
Net change in unearned premium reserves	(5,016)	(2,607)	92.4	Growth in insurance business
Fair value change (losses) / gains	(795)	541	(247.0)	Change in market value for financial assets at fair value through profit or loss
Change in insurance contract liabilities	(64,404)	(48,735)	32.2	Growth in insurance business
Reinsurers' share of reserves recovery	1,648	60	2,646.7	Growth in insurance business ceded to reinsurers
Policyholder dividends	(2,826)	(1,940)	45.7	Growth in insurance business
Impairment losses	(223)	(366)	(39.1)	Decrease in impairment of available-for-sale financial assets
Income tax	(2,376)	(804)	195.5	Increase in taxable profit
Other comprehensive income/(loss)	351	(1,033)	(134.0)	Change in fair value for available-for-sale financial assets

#### 4.2 Progress of significant events and their impacts and solutions

Applicable Not applicable

#### 4.3 The fulfillment of the undertakings made by the Company and shareholders with shareholdings of 5% or above

Applicable Not applicable

#### 4.4 Cautionary statements for the forecast loss in accumulated net profit from the beginning of the year to the end of the next reporting period or the occurrence of material change as compared to the same period of last year and their reasons

Applicable Not applicable

#### 4.5 Solvency

Please refer to the summaries of quarterly solvency reports published on the websites of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), the SEHK ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cpic.com.cn](http://www.cpic.com.cn)) for information about the solvency of CPIC Life, CPIC P/C, Anxin

Agricultural Insurance Co., Ltd. and CPIC Allianz Health Insurance Co., Ltd.

## 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.
“the SEHK”	The Stock Exchange of Hong Kong Limited
“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 (Chapter 571 of the Laws of Hong Kong), 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
“RMB”	Renminbi
“pt”	Percentage point

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

Shanghai, the PRC, 27 April 2018

*As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. HE Qing; the Non-executive Directors of the Company are Mr. WANG Jian, Mr. WANG Tayu, Mr. KONG Xiangqing, Mr. ZHU Keping, Ms. SUN Xiaoning, Mr. WU Junhao and Mr. CHEN Xuanmin; 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.*

## §5 APPENDIX

### 5.1

#### CONSOLIDATED BALANCE SHEET

31 March 2018

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

in RMB million

ITEM	31 March 2018 (unaudited)	31 December 2017 (audited)
<b>ASSETS</b>		
Cash and short-term time deposits	16,433	11,660
Financial assets at fair value through profit or loss	16,191	16,187
Securities purchased under agreements to resell	19,975	17,126
Premium receivables	18,689	8,492
Due from reinsurers	8,352	7,841
Interest receivables	16,629	16,757
Reinsurers' share of unearned premium reserves	5,856	5,177
Reinsurers' share of claim reserves	7,796	6,719
Reinsurers' share of life insurance reserves	1,676	1,360
Reinsurers' share of long-term health insurance reserves	9,543	9,319
Policy loans	42,009	38,643
Term deposits	114,397	103,989
Available-for-sale financial assets	375,404	368,868
Held-to-maturity financial assets	286,759	287,497
Investments classified as loans and receivables	227,342	216,748
Long-term equity investments	6,322	5,271
Restricted statutory deposits	6,578	6,566
Investment properties	8,646	8,727
Fixed assets	12,824	12,986
Construction in progress	4,246	4,176
Intangible assets	1,463	1,545
Goodwill	962	962
Deferred income tax assets	2,428	1,742
Other assets	16,669	12,866
<b>Total assets</b>	<b>1,227,189</b>	<b>1,171,224</b>



**CONSOLIDATED BALANCE SHEET (CONTINUED)**

31 March 2018

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

in RMB million

ITEM	31 March 2018 (unaudited)	31 December 2017 (audited)
<b>LIABILITIES AND EQUITY</b>		
Securities sold under agreements to repurchase	45,878	66,243
Premium received in advance	7,113	21,156
Commissions and brokerages payable	6,824	3,888
Payables to reinsurers	6,175	6,002
Salaries and welfare payable	3,063	4,703
Taxes payable	9,752	6,629
Interest payable	52	309
Claims payable	19,714	19,035
Policyholder dividends payable	24,354	24,422
Policyholders' deposits and investments	58,644	56,343
Unearned premium reserves	49,928	44,247
Claim reserves	41,895	39,429
Life insurance reserves	744,052	681,766
Long-term health insurance reserves	38,389	36,797
Premium reserves	419	385
Bonds payable	8,988	3,999
Deferred income tax liabilities	950	920
Other liabilities	15,550	13,832
<b>Total liabilities</b>	1,081,740	1,030,105
Issued capital	9,062	9,062
Capital reserves	66,613	66,613
Other comprehensive income/(loss)	1,850	1,505
Surplus reserves	4,835	4,835
General reserves	9,761	9,761
Retained profits	49,473	45,722
Equity attributable to equity holders of the parent	141,594	137,498
Non-controlling interests	3,855	3,621
<b>Total equity</b>	145,449	141,119
<b>Total liabilities and equity</b>	1,227,189	1,171,224

**Kong Qingwei**  
Legal Representative  
of the Company

**Pan Yanhong**  
Person in charge of  
Accounting Affairs

**Xu Zhen**  
Head of Finance  
Department

**BALANCE SHEET**  
31 March 2018

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

in RMB million

ITEM	31 March 2018 (unaudited)	31 December 2017 (audited)
<b>ASSETS</b>		
Cash and short-term time deposits	169	121
Financial assets at fair value through profit or loss	60	62
Securities purchased under agreements to resell	-	60
Interest receivables	586	457
Term deposits	500	500
Available-for-sale financial assets	27,039	24,776
Held-to-maturity financial assets	800	900
Investments classified as loans and receivables	5,819	5,419
Long-term equity investments	63,039	63,039
Investment properties	3,515	3,553
Fixed assets	1,766	1,814
Construction in progress	45	1
Intangible assets	196	195
Deferred income tax assets	146	188
Other assets	1,013	1,013
<b>Total assets</b>	<b>104,693</b>	<b>102,098</b>
<b>LIABILITIES AND EQUITY</b>		
Securities sold under agreements to repurchase	2,608	140
Commissions and brokerages payable	1	1
Salaries and welfare payable	112	208
Taxes payable	98	61
Interest payable	1	-
Other liabilities	784	919
<b>Total liabilities</b>	<b>3,604</b>	<b>1,329</b>
Issued capital	9,062	9,062
Capital reserves	66,164	66,164
Other comprehensive income/(loss)	(262)	(388)
Surplus reserves	4,531	4,531
Retained profits	21,594	21,400
<b>Total equity</b>	<b>101,089</b>	<b>100,769</b>
<b>Total liabilities and equity</b>	<b>104,693</b>	<b>102,098</b>

**Kong Qingwei**  
Legal Representative  
of the Company

**Pan Yanhong**  
Person in charge of  
Accounting Affairs

**Xu Zhen**  
Head of Finance  
Department

## 5.2

**CONSOLIDATED INCOME STATEMENT**

For the three months ended 31 March 2018

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

in RMB million

ITEM	For the three months ended	For the three months ended
	31 March 2018	31 March 2017
	(unaudited)	(unaudited)
I. Operating income	124,438	108,402
Net premiums earned	111,985	94,694
Gross written premiums	121,831	101,283
Including: Premium ceded	1,092	11
Less: Premiums ceded to reinsurers	(4,830)	(3,982)
Net change in unearned premium reserves	(5,016)	(2,607)
Investment income	12,742	12,573
Including: investment income / (losses) from associates and joint ventures	94	(5)
Fair value change (losses) / gains	(795)	541
Foreign exchange losses	(144)	(14)
Other operating income	650	608
II. Operating expense	(118,230)	(105,552)
Surrenders	(2,700)	(3,226)
Claims paid	(25,356)	(25,858)
Less: Reinsurers' share of claim recovery	2,011	1,712
Change in insurance contract liabilities	(64,404)	(48,735)
Less: Reinsurers' share of reserves recovery	1,648	60
Net change in premium reserves	(33)	(23)
Policyholder dividends	(2,826)	(1,940)
Reinsurance expenses	(17)	(2)
Tax and surcharges	(252)	(224)
Commissions and brokerages	(17,227)	(17,293)
Operating and administrative expenses	(8,023)	(8,897)
Less: Reinsurers' share of commissions recovery	1,439	1,446
Interest expenses	(632)	(766)
Other operating expenses	(1,635)	(1,440)
Impairment losses	(223)	(366)
III. Operating profit	6,208	2,850
Add: Non-operating income	14	5
Less: Non-operating expenses	(14)	(11)
IV. Profit before tax	6,208	2,844
Less: Income tax	(2,376)	(804)
V. Net profit	3,832	2,040
Classified by continuity of operations:		
Net profit from continuing operations	3,832	2,040
Net profit from discontinued operations	-	-
Classified by ownership of the equity:		
Equity holders of the parent	3,751	2,000
Non-controlling interests	81	40
VI. Earnings per share		
Basic earnings per share (RMB per share)	0.41	0.22
Diluted earnings per share (RMB per share)	0.41	0.22
VII. Other comprehensive income / (loss)	351	(1,033)
Other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent periods:	351	(1,033)
Share of other comprehensive income in equity accounted investees	-	6
Exchange differences on translation of foreign operations	(21)	(4)
Available-for-sale financial assets	493	(1,385)
Income tax relating to available-for-sale financial assets	(121)	350
VIII. Total comprehensive income	4,183	1,007
Attributable to equity holders of the parent	4,096	985
Attributable to non-controlling interests	87	22

**Kong Qingwei**  
Legal Representative  
of the Company

**Pan Yanhong**  
Person in charge of  
Accounting Affairs

**Xu Zhen**  
Head of Finance  
Department

## INCOME STATEMENT

For the three months ended 31 March 2018

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

in RMB million

ITEM	For the three months ended 31 March 2018 (unaudited)	For the three months ended 31 March 2017 (unaudited)
I. Operating income	604	445
Investment income	354	219
Fair value change losses	(2)	-
Foreign exchange (losses) / gains	(2)	3
Other operating income	254	223
II. Operating expenses	(347)	(257)
Tax and surcharges	(20)	(20)
Operating and administrative expenses	(283)	(192)
Interest expenses	(9)	(10)
Other operating expenses	(34)	(35)
Impairment losses	(1)	-
III. Operating profit	257	188
IV. Profit before tax	257	188
Less: Income tax	(63)	(48)
V. Net profit	194	140
Classified by continuity of operations:		
Net profit from continuing operations	194	140
Net profit from discontinued operations	-	-
VI. Other comprehensive income / (loss)	126	(86)
Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:	126	(86)
Available-for-sale financial assets	168	(115)
Income tax relating to available-for-sale financial assets	(42)	29
VII. Total comprehensive income	320	54

**Kong Qingwei**  
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of the Company

**Pan Yanhong**  
Person in charge of  
Accounting Affairs

**Xu Zhen**  
Head of Finance  
Department

## 5.3

**CONSOLIDATED CASH FLOW STATEMENT**

For the three months ended 31 March 2018

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

in RMB million

ITEM	For the three months ended	For the three months ended
	31 March 2018	31 March 2017
	(unaudited)	(unaudited)
<b>I Cash flows from operating activities</b>		
Premiums received from direct insurance contracts	98,655	80,120
Net increase in policyholders' deposits and investments	1,519	3,744
Tax refund	14	150
Cash received from other operating activities	648	238
<b>Sub-total of cash inflows from operating activities</b>	<b>100,836</b>	<b>84,252</b>
Claims paid for direct insurance contracts	(24,001)	(25,124)
Net cash paid for reinsurance business	(797)	(220)
Cash paid for commissions and brokerages	(14,689)	(14,347)
Cash paid for policyholder dividends	(1,829)	(1,654)
Cash paid to and for employees	(6,354)	(5,628)
Cash paid for taxes and surcharges	(1,934)	(2,053)
Cash paid for other operating activities	(7,919)	(8,800)
<b>Sub-total of cash outflows from operating activities</b>	<b>(57,523)</b>	<b>(57,826)</b>
<b>Net cash inflow from operating activities</b>	<b>43,313</b>	<b>26,426</b>
<b>II Cash flows from investing activities</b>		
Cash received from sales and redemption of investments	63,113	91,200
Cash received from returns on investments	12,480	18,209
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	11	320
<b>Sub-total of cash inflows from investing activities</b>	<b>75,604</b>	<b>109,729</b>
Cash paid for acquisition of investments	(89,576)	(160,380)
Net increase in policy loans	(3,374)	(2,131)
Net cash paid for acquisition in subsidiaries and other business entities	(1,000)	-
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(446)	(963)
<b>Sub-total of cash outflows from investing activities</b>	<b>(94,396)</b>	<b>(163,474)</b>
<b>Net cash outflow from investing activities</b>	<b>(18,792)</b>	<b>(53,745)</b>
<b>III Cash flows from financing activities</b>		
Cash received from issuance of bonds	4,990	-
Cash received from other financing activities	248	22,766
<b>Sub-total of cash inflows from financing activities</b>	<b>5,238</b>	<b>22,766</b>
Cash paid for repayment of borrowed funds	(1,000)	(2)
Cash paid for distribution of dividends and interest	(710)	(691)
Cash paid for other financing activities	(20,372)	-
<b>Sub-total of cash outflows from financing activities</b>	<b>(22,082)</b>	<b>(693)</b>
<b>Net cash (outflow) / inflow from financing activities</b>	<b>(16,844)</b>	<b>22,073</b>
<b>IV Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<b>(55)</b>	<b>(8)</b>
<b>V Net increase / (decrease) in cash and cash equivalents</b>	<b>7,622</b>	<b>(5,254)</b>
Add: Cash and cash equivalents at beginning of period	28,786	36,395
<b>VI Cash and cash equivalents at end of period</b>	<b>36,408</b>	<b>31,141</b>

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## CASH FLOW STATEMENT

For the three months ended 31 March 2018

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

in RMB million

ITEM	For the three months ended 31 March 2018	For the three months ended 31 March 2017
	(unaudited)	(unaudited)
<b>I Cash flows from operating activities</b>		
Cash received from other operating activities	336	284
<b>Sub-total of cash inflows from operating activities</b>	336	284
Cash paid to and for employees	(248)	(217)
Cash paid for taxes and surcharges	(54)	(9)
Cash paid for other operating activities	(167)	(113)
<b>Sub-total of cash outflows from operating activities</b>	(469)	(339)
<b>Net cash outflow from operating activities</b>	(133)	(55)
<b>II Cash flows from investing activities</b>		
Cash received from sales and redemption of investments	1,731	4,860
Cash received from returns on investments	259	160
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	9	-
<b>Sub-total of cash inflows from investing activities</b>	1,999	5,020
Cash paid for acquisition of investments	(4,165)	(7,455)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(173)	(23)
<b>Sub-total of cash outflows from investing activities</b>	(4,338)	(7,478)
<b>Net cash outflow from investing activities</b>	(2,339)	(2,458)
<b>III Cash flows from financing activities</b>		
Cash received from other financing activities	2,468	1,867
<b>Sub-total of cash inflows from financing activities</b>	2,468	1,867
Cash paid for distribution of dividends and interest	(8)	(9)
<b>Sub-total of cash outflows from financing activities</b>	(8)	(9)
<b>Net cash inflow from financing activities</b>	2,460	1,858
<b>IV Effect of changes in foreign exchange rate on cash and cash equivalents</b>	-	-
<b>V Net decrease in cash and cash equivalents</b>	(12)	(655)
Add: Cash and cash equivalents at beginning of period	181	839
<b>VI Cash and cash equivalents at end of period</b>	169	184

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