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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)

## **2019 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 2019 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 2019 First Quarter Report of the Company was considered and approved at the 16th session of the 8th Board of Directors of the Company on 26 April 2019, which 12 directors were required to attend and 11 of them attended in person. Due to other business engagements, director HE Qing did not attend the board meeting and appointed in writing director KONG Qingwei to attend the meeting and vote on his behalf.

1.3 The financial data contained in the 2019 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), Mr. ZHANG Yuanhan (Provisional CFO and 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 2019	31 December 2018	Change (%)
Total assets	1,425,015	1,335,959	6.7
Equity <sup>note</sup>	162,090	149,576	8.4
Net assets per share (RMB) <sup>note</sup>	17.89	16.51	8.4
	For the 3 months ended 31 March 2019	For the 3 months ended 31 March 2018	Compared with the same period of the previous year (%)
Net cash inflow from operating activities	46,314	43,313	6.9
Net cash inflow per share from operating activities (RMB)	5.11	4.78	6.9
	For the 3 months ended 31 March 2019	For the 3 months ended 31 March 2018	Compared with the same period of the previous year (%)
Operating income	133,153	124,438	7.0
Net profit <sup>note</sup>	5,479	3,751	46.1
Basic earnings per share (RMB) <sup>note</sup>	0.60	0.41	46.1
Diluted earnings per share (RMB) <sup>note</sup>	0.60	0.41	46.1
Net profit after deducting non-recurring items <sup>note</sup>	5,489	3,752	46.3
Basic earnings per share after deducting non-recurring items (RMB) <sup>note</sup>	0.61	0.41	46.3
Weighted average return on equity (%) <sup>note</sup>	3.5	2.7	+0.8pt
Weighted average return on equity after deducting non-recurring items (%) <sup>note</sup>	3.5	2.7	+0.8pt

Note: Attributable to equity holders of the parent.

### 2.2 Non-recurring items

unit: RMB million

Non-recurring items	For the three months ended 31 March 2019
Government grants included in profit or loss	8
Net non-operating income and expenses other than those mentioned above	(20)
Effect of income tax	2
Effect of non-controlling interests	-
Total	(10)

### 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: 103,140 (including 98,465 holders of A shares and 4,675 holders of H shares)
Shares held by top ten shareholders

Name 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	2,772,641,215	30.60%	-17,600	-	-	H Share
Shenergy (Group) Co., Ltd.	1,326,776,782	14.64%	+41,093,816	-	-	A Share
Hwabao Investment Co., Ltd.	1,284,277,846	14.17%	-	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	505,642,439	5.58%	+15,120,219	-	-	A Share
Shanghai Haiyan Investment Management Company Limited	468,828,104	5.17%	-	-	-	A Share
China Securities Finance Co., Ltd.	271,089,922	2.99%	-	-	-	A Share
Shanghai Jiushi (Group) Co., Ltd.	250,949,460	2.77%	-	-	-	A Share
Central Huijin Investment Ltd.	110,741,200	1.22%	-	-	-	A Share
HKSCC	93,251,652	1.03%	+12,072,468	-	-	A Share
Yunnan Hehe (Group) Co., Ltd.	91,868,387	1.01%	-	-	-	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. 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 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.
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 Program.
5. Shanghai State-owned Assets Operation Co., Ltd. (SSOAOC), 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 SSOAOC 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 SSOAOC 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, the Company realized gross written premiums (GWPs) of RMB128.386 billion, representing an increase of 5.4% as compared to the same period of last year. GWPs from CPIC Life amounted to RMB92.852 billion, representing an increase of 2.8% as compared to the same period of last year. GWPs from CPIC P/C<sup>note 1</sup> amounted to RMB35.366 billion, representing an increase of 12.7% as compared to the same period of last year. The Group realized net profits<sup>note 2</sup> of RMB5.479 billion, up 46.1%.

Notes:

1. 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 RMB92.852 billion, representing an increase of 2.8% as compared to the same period of last year. In particular, GWPs from the agency channel of individual customers contributed RMB86.116 billion, representing an increase of 5.1% as compared to the same period of last year, among which, GWPs from new policies amounted to RMB17.442 billion, representing a decrease of 13.1% as compared to the same period of last year.

		unit: RMB million	
For the 3 months ended 31 March	2019	2018	Changes (%)
<b>Individual customers</b>	<b>89,471</b>	<b>87,472</b>	<b>2.3</b>
Agency channel	86,116	81,937	5.1
New policies	17,442	20,069	(13.1)
Regular premium business	15,523	18,953	(18.1)
Renewed policies	68,674	61,868	11.0
Other channels	3,355	5,535	(39.4)
<b>Group clients</b>	<b>3,381</b>	<b>2,840</b>	<b>19.0</b>
<b>Total GWPs</b>	<b>92,852</b>	<b>90,312</b>	<b>2.8</b>

## CPIC P/C

For the reporting period, GWPs from CPIC P/C amounted to RMB35.366 billion, representing an increase of 12.7% as compared to the same period of last year. In particular, GWPs from automobile insurance amounted to RMB23.652 billion, representing an increase of 6.3% as compared to the same period of last year, while GWPs from non-automobile insurance amounted to RMB11.714 billion, representing an increase of 28.2% as compared to the same period of last year.

		unit: RMB million	
For the 3 months ended 31 March	2019	2018	Changes (%)
<b>GWPs</b>	<b>35,366</b>	<b>31,394</b>	<b>12.7</b>
Auto insurance	23,652	22,255	6.3
Non-auto insurance	11,714	9,139	28.2

## Asset management business

As at the end of the reporting period, Group investment assets amounted to RMB1,307.780 billion, representing an increase of 6.0% 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 82.6%, down by 0.5pt from the end of the previous year; and the share of equity investments stood at 13.1%, up 0.6pt, of which, the share of equity securities and equity funds was 6.7%, up 1.1pt from the end of the previous year. During the 3 months

ended 31 March 2019, Group annualized net and total investment yields were 4.4% and 4.6%, respectively.

### Portfolio of Group investment assets

	31 March 2019	Share (%)	Share changes from the end of 2018 (pt)	unit: RMB million Amount changes from the end of 2018 (%)
<b>Group investment assets (Total)</b>	1,307,780	100.0	-	6.0
<b>By investment category</b>				
Fixed income investments	1,080,756	82.6	(0.5)	5.5
– Debt securities	575,006	44.0	(2.3)	0.7
– Term deposits	150,482	11.5	1.1	17.2
– Debt investment plans	149,646	11.4	0.5	11.6
– Wealth management products <sup>note 1</sup>	115,101	8.8	0.4	11.0
– Preferred shares	32,000	2.4	(0.2)	-
– Other fixed income investments <sup>note 2</sup>	58,521	4.5	-	4.6
Equity investments	171,194	13.1	0.6	10.8
– Equity funds	21,117	1.6	0.1	12.6
– Bond funds	14,186	1.1	(0.1)	(1.3)
– Equity securities	67,113	5.1	1.0	31.6
– Wealth management products <sup>note 1</sup>	3,416	0.3	(0.3)	(52.4)
– Preferred shares	7,777	0.6	-	0.2
– Other equity investments <sup>note 3</sup>	57,585	4.4	(0.1)	4.0
Investment properties	8,592	0.7	-	0.6
Cash, cash equivalents and others	47,238	3.6	(0.1)	4.1
<b>By investment purpose</b>				
Financial assets at fair value through profit or loss	8,159	0.6	(0.4)	(31.1)
Available-for-sale financial assets	444,896	34.0	0.3	7.0
Held-to-maturity financial assets	275,123	21.0	(2.1)	(3.4)
Long-term equity investments	19,082	1.5	0.1	9.2
Loans and other investments <sup>note 4</sup>	560,520	42.9	2.1	11.4

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.

For the 3 months ended 31 March	2019	2018	Changes
Net investment yield (annualized) (%) <sup>note</sup>	4.4	4.2	0.2pt
Total investment yield (annualized) (%) <sup>note</sup>	4.6	4.2	0.4pt

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.

## §4 Significant events

4.1 Significant 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 2019	31 December 2018	Change (%)	Main reasons for the changes
Cash and short-term time deposits	20,897	15,323	36.4	Timing difference
Financial assets at fair value through profit or loss	8,159	11,835	(31.1)	Decrease in investments of wealth management products, etc.
Premium receivables	24,675	12,063	104.6	Growth in insurance business and timing difference
Deferred income tax assets	814	2,379	(65.8)	Increase in fair value for investment assets
Right-of-use assets	3,785	-	/	Effect of new leases accounting standards
Premium received in advance	7,364	16,384	(55.1)	Timing difference
Commissions and brokerages payable	6,928	4,520	53.3	Growth in insurance business and timing difference
Salaries and welfare payable	3,326	4,972	(33.1)	Timing difference
Interest payable	311	585	(46.8)	Decrease in interest of bonds payable
Deferred income tax liabilities	2,148	1,168	83.9	Increase in fair value for investment assets
Lease liabilities	3,431	-	/	Effect of new leases accounting standards
Other comprehensive income / (loss)	9,827	2,792	252.0	Change in fair value for available-for-sale financial assets

Income statement items	For the 3 months ended 31 March 2019	For the 3 months ended 31 March 2018	Change (%)	Main reasons for the changes
Premium ceded	227	1,092	(79.2)	Change in insurance business
Net change in unearned premium reserves	(7,303)	(5,016)	45.6	Growth in insurance business
Fair value change gains / (losses)	1,071	(795)	(234.7)	Change in market value for financial assets at fair value through profit or loss
Claims paid	(33,945)	(25,356)	33.9	Increase in payment of maturity and annuity
Reinsurers' share of reserves recovery	500	1,648	(69.7)	Increase of reinsurers' share of claim recovery
Operating and administrative expenses	(10,985)	(8,023)	36.9	Growth in insurance business
Interest expenses	(968)	(632)	53.2	Increase in interest expenses of securities sold under agreements to repurchase and capital replenishment bond
Impairment losses	(432)	(223)	93.7	Increase in impairment losses
Other comprehensive income / (loss)	7,179	351	1,945.3	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 Disclosable unfulfilled undertakings during the reporting period

☐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 substantial change as compared to the same period of last year and their reasons

☐Applicable ☒Not applicable

#### 4.5 Change in accounting policies

Hong Kong Institute of Certified Public Accountants issued HKFRS 16 Leases in 2016. The Ministry of Finance of the PRC issued CAS 21 Leases in 2018. In accordance with the implementation requirements, the Company has adopted the above-mentioned new standards since 1 January 2019. There is no significant impact of implementing the above-mentioned standards on financial statements as at 1 January 2019.

#### 4.6 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)), 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 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.
“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*

Hong Kong, 26 April 2019

*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. HUANG Dinan, Mr. WANG Tayu, Mr. KONG Xiangqing, 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.*

*Note: The appointment qualification of Mr. Huang Dinan is subject to approval by China Banking and Insurance Regulatory Commission.*



## §5 APPENDIX

### 5.1

#### CONSOLIDATED BALANCE SHEET

31 March 2019

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

in RMB million

ITEM	31 March 2019	31 December 2018
	(unaudited)	(audited)
<b>ASSETS</b>		
Cash and short-term time deposits	20,897	15,323
Financial assets at fair value through profit or loss	8,159	11,835
Securities purchased under agreements to resell	23,210	23,095
Premium receivables	24,675	12,063
Due from reinsurers	7,822	6,949
Interest receivables	18,045	19,282
Reinsurers' share of unearned premium reserves	6,508	5,781
Reinsurers' share of claim reserves	6,316	6,018
Reinsurers' share of life insurance reserves	2,006	1,884
Reinsurers' share of long-term health insurance reserves	9,861	9,784
Policy loans	51,415	49,194
Term deposits	150,482	128,396
Available-for-sale financial assets	444,896	415,868
Held-to-maturity financial assets	275,123	284,744
Investments classified as loans and receivables	298,818	272,015
Long-term equity investments	19,082	17,472
Restricted statutory deposits	7,106	6,738
Investment properties	8,592	8,542
Fixed assets	15,051	15,058
Construction in progress	3,092	3,386
Intangible assets	2,773	2,886
Goodwill	1,357	1,357
Deferred income tax assets	814	2,379
Right-of-use assets	3,785	-
Other assets	15,130	15,910
<b>Total assets</b>	<b>1,425,015</b>	<b>1,335,959</b>

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

31 March 2019

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

in RMB million

ITEM	31 March 2019	31 December 2018
	(unaudited)	(audited)
<b>LIABILITIES AND EQUITY</b>		
Securities sold under agreements to repurchase	70,201	75,075
Premium received in advance	7,364	16,384
Commissions and brokerages payable	6,928	4,520
Payables to reinsurers	7,832	6,233
Salaries and welfare payable	3,326	4,972
Taxes payable	10,126	9,246
Interest payable	311	585
Claims payable	21,032	20,789
Policyholder dividends payable	25,344	26,501
Policyholders' deposits and investments	70,890	62,325
Unearned premium reserves	57,483	49,455
Claim reserves	39,715	38,864
Life insurance reserves	848,089	787,284
Long-term health insurance reserves	49,882	44,068
Premium reserves	454	407
Bonds payable	9,986	13,985
Deferred income tax liabilities	2,148	1,168
Lease liabilities	3,431	-
Other liabilities	23,721	20,050
<b>Total liabilities</b>	<b>1,258,263</b>	<b>1,181,911</b>
Issued capital	9,062	9,062
Capital reserves	66,635	66,635
Other comprehensive income / (loss)	9,827	2,792
Surplus reserves	4,835	4,835
General reserves	11,655	11,642
Retained profits	60,076	54,610
Equity attributable to equity holders of the parent	162,090	149,576
Non-controlling interests	4,662	4,472
<b>Total equity</b>	<b>166,752</b>	<b>154,048</b>
<b>Total liabilities and equity</b>	<b>1,425,015</b>	<b>1,335,959</b>

**Kong Qingwei**  
Legal Representative  
of the Company

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

**Xu Zhen**  
Head of Finance  
Department

**BALANCE SHEET**  
31 March 2019

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

in RMB million

ITEM	31 March 2019	31 December 2018
	(unaudited)	(audited)
<b>ASSETS</b>		
Cash and short-term time deposits	250	93
Financial assets at fair value through profit or loss	40	38
Securities purchased under agreements to resell	140	320
Interest receivables	668	519
Term deposits	500	500
Available-for-sale financial assets	29,893	29,081
Held-to-maturity financial assets	800	800
Investments classified as loans and receivables	8,076	6,976
Long-term equity investments	64,279	64,279
Investment properties	3,444	3,472
Fixed assets	1,824	1,891
Intangible assets	265	274
Deferred income tax assets	-	57
Right-of-use assets	15	-
Other assets	483	366
<b>Total assets</b>	<b>110,677</b>	<b>108,666</b>
<b>LIABILITIES AND EQUITY</b>		
Securities sold under agreements to repurchase	3,001	1,840
Commissions and brokerages payable	2	1
Salaries and welfare payable	121	200
Taxes payable	69	42
Interest payable	3	2
Deferred income tax liabilities	162	-
Lease liabilities	15	-
Other liabilities	980	1,007
<b>Total liabilities</b>	<b>4,353</b>	<b>3,092</b>
Issued capital	9,062	9,062
Capital reserves	66,164	66,164
Other comprehensive income / (loss)	687	56
Surplus reserves	4,531	4,531
Retained profits	25,880	25,761
<b>Total equity</b>	<b>106,324</b>	<b>105,574</b>
<b>Total liabilities and equity</b>	<b>110,677</b>	<b>108,666</b>

**Kong Qingwei**  
Legal Representative  
of the Company

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

**Xu Zhen**  
Head of Finance  
Department

## 5.2

**CONSOLIDATED INCOME STATEMENT**  
For the three months ended 31 March 2019

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

in RMB million

ITEM	For the three months ended 31 March 2019	For the three months ended 31 March 2018
	(unaudited)	(unaudited)
I. Operating income	133,153	124,438
Net premiums earned	115,833	111,985
Gross written premiums	128,386	121,831
Including: Premium ceded	227	1,092
Less: Premiums ceded to reinsurers	(5,250)	(4,830)
Net change in unearned premium reserves	(7,303)	(5,016)
Investment income	15,554	12,742
Including: investment income from associates and joint ventures	213	94
Fair value change gains / (losses)	1,071	(795)
Foreign exchange losses	(103)	(144)
Other operating income	794	650
Other income	4	-
II. Operating expense	(125,373)	(118,230)
Surrenders	(2,789)	(2,700)
Claims paid	(33,945)	(25,356)
Less: Reinsurers' share of claim recovery	2,216	2,011
Change in insurance contract liabilities	(59,813)	(64,404)
Less: Reinsurers' share of reserves recovery	500	1,648
Net change in premium reserves	(46)	(33)
Policyholder dividends	(3,492)	(2,826)
Reinsurance expenses	(64)	(17)
Tax and surcharges	(257)	(252)
Commissions and brokerages	(15,638)	(17,227)
Operating and administrative expenses	(10,985)	(8,023)
Less: Reinsurers' share of commissions recovery	1,569	1,439
Interest expenses	(968)	(632)
Other operating expenses	(1,229)	(1,635)
Impairment losses	(432)	(223)
III. Operating profit	7,780	6,208
Add: Non-operating income	9	14
Less: Non-operating expenses	(25)	(14)
IV. Profit before tax	7,764	6,208
Less: Income tax	(2,165)	(2,376)
V. Net profit	5,599	3,832
Classified by continuity of operations:		
Net profit from continuing operations	5,599	3,832
Net profit from discontinued operations	-	-
Classified by ownership of the equity:		
Equity holders of the parent	5,479	3,751
Non-controlling interests	120	81
VI. Earnings per share		
Basic earnings per share (RMB per share)	0.60	0.41
Diluted earnings per share (RMB per share)	0.60	0.41
VII. Other comprehensive income / (loss)	7,179	351
Other comprehensive income / (loss) to be reclassified to profit or loss in	7,179	351

subsequent periods:		
Exchange differences on translation of foreign operations	(12)	(21)
Available-for-sale financial assets	9,553	493
Income tax relating to available-for-sale financial assets	(2,362)	(121)
VIII. Total comprehensive income	12,778	4,183
Attributable to equity holders of the parent	12,514	4,096
Attributable to non-controlling interests	264	87

**Kong Qingwei**

Legal Representative  
of the Company

**Zhang Yuanhan**

Person in charge of  
Accounting Affairs

**Xu Zhen**

Head of Finance  
Department

# INCOME STATEMENT

For the three months ended 31 March 2019

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

in RMB million

ITEM	For the three months ended 31 March 2019 (unaudited)	For the three months ended 31 March 2018 (unaudited)
I. Operating income	580	604
Investment income	319	354
Fair value change gains / (losses)	5	(2)
Foreign exchange losses	(1)	(2)
Other operating income	257	254
II. Operating expenses	(427)	(347)
Tax and surcharges	(21)	(20)
Operating and administrative expenses	(353)	(283)
Interest expenses	(19)	(9)
Other operating expenses	(31)	(34)
Impairment losses	(3)	(1)
III. Operating profit	153	257
Less: Non-operating expenses	(10)	-
IV. Profit before tax	143	257
Less: Income tax	(24)	(63)
V. Net profit	119	194
Classified by continuity of operations:		
Net profit from continuing operations	119	194
Net profit from discontinued operations	-	-
VI. Other comprehensive income / (loss)	631	126
Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:	631	126
Available-for-sale financial assets	842	168
Income tax relating to available-for-sale financial assets	(211)	(42)
VII. Total comprehensive income	750	320

**Kong Qingwei**  
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## 5.3

**CONSOLIDATED CASH FLOW STATEMENT**

For the three months ended 31 March 2019

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

in RMB million

ITEM	For the three months ended 31 March 2019	For the three months ended 31 March 2018
	(unaudited)	(unaudited)
<b>I Cash flows from operating activities</b>		
Premiums received from direct insurance contracts	108,621	98,655
Net increase in policyholders' deposits and investments	7,377	1,519
Tax refund	-	14
Cash received from other operating activities	1,013	648
<b>Sub-total of cash inflows from operating activities</b>	<b>117,011</b>	<b>100,836</b>
Claims paid for direct insurance contracts	(33,306)	(24,001)
Net cash paid for reinsurance business	(804)	(797)
Cash paid for commissions and brokerages	(13,160)	(14,689)
Cash paid for policyholder dividends	(3,245)	(1,829)
Cash paid to and for employees	(7,188)	(6,354)
Cash paid for taxes and surcharges	(2,524)	(1,934)
Cash paid for other operating activities	(10,470)	(7,919)
<b>Sub-total of cash outflows from operating activities</b>	<b>(70,697)</b>	<b>(57,523)</b>
<b>Net cash inflow from operating activities</b>	<b>46,314</b>	<b>43,313</b>
<b>II Cash flows from investing activities</b>		
Cash received from sales and redemption of investments	88,648	63,113
Cash received from returns on investments	15,282	12,480
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	2	11
<b>Sub-total of cash inflows from investing activities</b>	<b>103,932</b>	<b>75,604</b>
Cash paid for acquisition of investments	(134,754)	(89,576)
Net increase in policy loans	(2,306)	(3,374)
Net cash paid for acquisition in subsidiaries and other business entities	(1,584)	(1,000)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(503)	(446)
<b>Sub-total of cash outflows from investing activities</b>	<b>(139,147)</b>	<b>(94,396)</b>
<b>Net cash outflow from investing activities</b>	<b>(35,215)</b>	<b>(18,792)</b>
<b>III Cash flows from financing activities</b>		
Cash received from issuance of bonds	-	4,990
Cash received from other financing activities	4,540	248
<b>Sub-total of cash inflows from financing activities</b>	<b>4,540</b>	<b>5,238</b>
Cash paid for repayment of borrowed funds	(4,002)	(1,000)
Cash paid for distribution of dividends and interest	(997)	(710)
Cash paid for other financing activities	(4,931)	(20,372)
<b>Sub-total of cash outflows from financing activities</b>	<b>(9,930)</b>	<b>(22,082)</b>
<b>Net cash outflow from financing activities</b>	<b>(5,390)</b>	<b>(16,844)</b>
<b>IV Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<b>(38)</b>	<b>(55)</b>
<b>V Net increase in cash and cash equivalents</b>	<b>5,671</b>	<b>7,622</b>
Add: Cash and cash equivalents at beginning of period	38,121	28,786
<b>VI Cash and cash equivalents at end of period</b>	<b>43,792</b>	<b>36,408</b>

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# CASH FLOW STATEMENT

For the three months ended 31 March 2019

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

in RMB million

ITEM	For the three months ended 31 March 2019 (unaudited)	For the three months ended 31 March 2018 (unaudited)
<b>I Cash flows from operating activities</b>		
Cash received from other operating activities	114	336
<b>Sub-total of cash inflows from operating activities</b>	114	336
Cash paid to and for employees	(282)	(248)
Cash paid for taxes and surcharges	(15)	(54)
Cash paid for other operating activities	(204)	(167)
<b>Sub-total of cash outflows from operating activities</b>	(501)	(469)
<b>Net cash outflow from operating activities</b>	(387)	(133)
<b>II Cash flows from investing activities</b>		
Cash received from sales and redemption of investments	3,159	1,731
Cash received from returns on investments	256	259
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>	3,415	1,999
Cash paid for acquisition of investments	(4,156)	(4,165)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(37)	(173)
<b>Sub-total of cash outflows from investing activities</b>	(4,193)	(4,338)
<b>Net cash outflow from investing activities</b>	(778)	(2,339)
<b>III Cash flows from financing activities</b>		
Cash received from other financing activities	1,161	2,468
<b>Sub-total of cash inflows from financing activities</b>	1,161	2,468
Cash paid for repayment of borrowed funds	(2)	-
Cash paid for distribution of dividends and interest	(17)	(8)
<b>Sub-total of cash outflows from financing activities</b>	(19)	(8)
<b>Net cash inflow from financing activities</b>	1,142	2,460
<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>	(23)	(12)
Add: Cash and cash equivalents at beginning of period	413	181
<b>VI Cash and cash equivalents at end of period</b>	390	169

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