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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)

## 2017 Third 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 third quarter of 2017 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 2017 Third Quarter Report of the Company was considered and approved at the 5th session of the 8th Board of Directors on 27 October 2017, which 13 directors were required to attend and 11 of them attended in person. Directors WANG Jian and ZHU Kebing could not attend the board meeting due to other business engagements and appointed in writing WU Junhao, a director, and KONG Xiangqing, a director, to attend the meeting and vote on their behalf respectively.

1.3 The financial data contained in the 2017 Third 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

	30 September 2017	31 December 2016	Change (%)
Total assets	1,168,179	1,020,692	14.4
Equity <sup>note</sup>	135,751	131,764	3.0
Net assets per share (RMB) <sup>note</sup>	14.98	14.54	3.0
	<b>For the 9 months ended 30 September 2017</b>	<b>For the 9 months ended 30 September 2016</b>	<b>Compared with the same period of the previous year (%)</b>
Net cash inflow from operating activities	65,227	41,950	55.5
Net cash inflow per share from operating activities (RMB)	7.20	4.63	55.5
	<b>For the 9 months ended 30 September 2017</b>	<b>For the 9 months ended 30 September 2016</b>	<b>Compared with the same period of the previous year (%)</b>
Operating income	258,957	213,273	21.4
Net profit <sup>note</sup>	10,926	8,829	23.8
Basic earnings per share (RMB) <sup>note</sup>	1.21	0.97	23.8
Diluted earnings per share (RMB) <sup>note</sup>	1.21	0.97	23.8
Net profit after deducting non-recurring items <sup>note</sup>	10,794	8,795	22.7
Basic earnings per share after deducting non-recurring items (RMB) <sup>note</sup>	1.19	0.97	22.7
Weighted average return on equity (%) <sup>note</sup>	8.1	6.6	+1.5pt
Weighted average return on equity after deducting non-recurring items (%) <sup>note</sup>	8.0	6.6	+1.4pt

Note: attributable to equity holders of the parent

### 2.2 Non-recurring items

Unit: RMB million

<b>Non-recurring items</b>	<b>For the 3 months from 1 July to 30 September 2017</b>	<b>For the 9 months ended 30 September 2017</b>
Income on disposal of non-current assets	161	166
Government grants included in profit or loss, excluding subsidies which the company is consistently entitled to for its business operation at a certain amount or rate according to the government policy	23	41
Net non-operating income and expenses other than those mentioned above	(8)	(20)
Effect of income tax	(47)	(53)
Effect of non-controlling interests (after tax)	(2)	(2)
Total	127	132

### 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: 77,317 (including 72,215 holders of A shares and 5,102 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 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	2,772,546,235	30.60	87,399	-	-	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.	424,100,514	4.68	1,300	-	-	A Share
China Securities Finance Co., Ltd.	357,458,669	3.94	32,044,450	-	-	A Share
Shanghai Jiushi (Group) Co., Ltd.	250,949,460	2.77	-	-	-	A Share
Yunnan Hehe (Group) Co., Ltd.	133,401,832	1.47	-200,614	-	-	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
<b>Description of connected relations or concerted action among the aforesaid shareholders</b>	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:

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 the 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 the 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. 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

For the reporting period, the Company realized gross written premiums (GWPs) of RMB233.572 billion, representing an increase of 23.5% as compared to the same period of last year. GWPs from CPIC Life amounted to RMB154.991 billion, representing an increase of 32.1% as compared to the same period of last year. GWPs from CPIC P/C<sup>note 1</sup> amounted to

RMB78.372 billion, representing an increase of 9.4% as compared to the same period of last year. The Group realized net profits<sup>note 2</sup> of RMB10.926 billion, up 23.8%.

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 RMB154.991 billion, representing an increase of 32.1% as compared to the same period of last year. In particular, GWPs from the agency channel maintained rapid growth and contributed RMB136.393 billion, representing an increase of 38.1% as compared to the same period of last year, among which, GWPs from new policies amounted to RMB46.790 billion, representing an increase of 38.8% as compared to the same period of last year.

For the 9 months ended 30 September	Unit: RMB million		
	2017	2016	Changes (%)
<b>Individual customers</b>	<b>150,001</b>	<b>113,567</b>	<b>32.1</b>
Agency channel	136,393	98,779	38.1
New policies	46,790	33,700	38.8
Regular premium business	44,860	32,515	38.0
Renewed policies	89,603	65,079	37.7
Other channels	13,608	14,788	(8.0)
<b>Group clients</b>	<b>4,990</b>	<b>3,768</b>	<b>32.4</b>
<b>Total GWPs</b>	<b>154,991</b>	<b>117,335</b>	<b>32.1</b>

### CPIC P/C

For the reporting period, GWPs from CPIC P/C amounted to RMB78.372 billion, representing an increase of 9.4% as compared to the same period of last year. In particular, GWPs from automobile insurance amounted to RMB59.307 billion, representing an increase of 7.2% as compared to the same period of last year, while GWPs from non-automobile insurance amounted to RMB19.065 billion, representing an increase of 16.8% as compared to the same period of last year.

For the 9 months ended 30 September	Unit: RMB million		
	2017	2016	Changes (%)
<b>GWPs</b>	<b>78,372</b>	<b>71,653</b>	<b>9.4</b>
Auto insurance	59,307	55,333	7.2
Non-auto insurance	19,065	16,320	16.8

### Asset management business

As at the end of the reporting period, Group investment assets amounted to RMB1,075.011 billion, representing an increase of 14.1% 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 81.3%, down by 1.0pt from the end of the previous year; and the share of equity investments stood at 15.2%, up by 2.9pt, of which, the share of equity securities and equity funds was 7.2%, up by 1.9pt from the end of the previous year.

## Portfolio of Group investment assets

	30 September 2017	Share (%)	Share changes from the end of 2016 (pt)	Unit: RMB million Amount changes from the end of 2016 (%)
<b>Group investment assets (Total)</b>	1,075,011	100.0	-	14.1
<b>By investment category</b>				
Fixed income investments	873,554	81.3	(1.0)	12.8
– Debt securities	512,621	47.7	(2.3)	8.8
– Term deposits	102,987	9.6	(4.5)	(22.1)
– Debt investment plans	93,885	8.7	2.2	52.9
– Wealth management products <sup>note 1</sup>	90,026	8.4	3.7	104.8
– Preferred shares	32,000	3.0	(0.4)	-
– Other fixed income investments <sup>note 2</sup>	42,035	3.9	0.3	23.9
Equity investments	163,983	15.2	2.9	41.5
– Equity funds	20,636	1.9	(0.1)	9.8
– Bond funds	21,500	2.0	(0.1)	10.8
– Equity securities	56,804	5.3	2.0	82.2
– Wealth management products <sup>note 1</sup>	32,974	3.1	0.7	44.6
– Preferred shares	4,645	0.4	(0.1)	2.2
– Other equity investments <sup>note 3</sup>	27,424	2.5	0.5	43.0
Investment properties	8,417	0.8	(0.1)	(2.8)
Cash, cash equivalents and others	29,057	2.7	(1.8)	(31.8)
<b>By investment purpose</b>				
Financial assets at fair value through profit or loss	15,836	1.5	(1.4)	(41.8)
Available-for-sale financial assets	361,732	33.6	6.1	39.8
Held-to-maturity financial assets	294,088	27.4	(5.0)	(3.5)
Long-term equity investments	3,605	0.3	0.3	2,287.4
Loans and other investments <sup>note 4</sup>	399,750	37.2	-	13.9

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. Loans 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	30 September 2017	31 December 2016	Change (%)	Main reasons for the changes
Financial assets at fair value through profit or loss	15,836	27,190	(41.8)	Decrease in debt investment
Securities purchased under agreements to resell	14,724	21,138	(30.3)	Decrease in short-term fund lending business and timing difference
Premium receivables	13,538	6,562	106.3	Growth in insurance business and timing difference
Due from reinsurers	8,093	5,705	41.9	Growth in insurance business and timing difference
Available-for-sale financial assets	361,732	258,711	39.8	Increase in debts, equity securities and wealth management products
Investments classified as loans and receivables	218,092	139,634	56.2	Increase in debt investment plans and wealth management products
Long-term equity investments	3,605	151	2,287.4	Increase in equity investments
Construction in progress	3,796	2,899	30.9	Increase in office buildings
Securities sold under agreements to repurchase	88,813	39,104	127.1	Increase in short-term fund borrowing business and timing difference
Premium received in advance	6,188	22,326	(72.3)	Timing difference
Commissions and brokerages payable	5,151	3,470	48.4	Growth in insurance business and timing difference
Interest payable	275	395	(30.4)	Redemption of subordinated debt
Premium reserves	355	261	36.0	Growth in insurance business
Subordinated debt	3,998	11,498	(65.2)	Redemption of subordinated debt

Income statement items	For the 9 months ended 30 September 2017	For the 9 months ended 30 September 2016	Change (%)	Main reasons for the changes
Premium ceded	2,248	109	1,962.4	Growth in insurance business
Net change in unearned premium reserves	(3,012)	(985)	205.8	Increase in retained premium growth
Fair value change gains/(losses)	1,284	(243)	(628.4)	Change in market value for financial assets at fair value through profit or loss
Change in insurance contract liabilities	(95,914)	(67,519)	42.1	Growth in insurance business
Tax and surcharges	(712)	(2,444)	(70.9)	Effect of the transfer from business tax to VAT, and the decrease of gains on investment
Commissions and brokerages	(37,943)	(27,613)	37.4	Growth in insurance business
Reinsurers' share of commissions recovery	4,530	3,440	31.7	Change in insurance business
Interest expenses	(2,628)	(1,711)	53.6	Increase in interest expenses of securities sold under agreements to repurchase
Other operating expenses	(5,139)	(3,387)	51.7	Increase in interest expenses of policyholders' investments
Other comprehensive loss	(598)	(2,138)	(72.0)	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. for the third quarter of 2017.

## 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 October 2017

*As at the date of this announcement, the Executive Director of the Company is Mr. KONG Qingwei; 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

30 September 2017

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

in RMB million

ITEM	30 September 2017 (unaudited)	31 December 2016 (audited)
<b>ASSETS</b>		
Cash and short-term time deposits	13,495	15,257
Financial assets at fair value through profit or loss	15,836	27,190
Securities purchased under agreements to resell	14,724	21,138
Premium receivables	13,538	6,562
Due from reinsurers	8,093	5,705
Interest receivables	17,998	17,003
Reinsurers' share of unearned premium reserves	5,423	4,351
Reinsurers' share of claim reserves	7,054	6,617
Reinsurers' share of life insurance reserves	1,790	1,503
Reinsurers' share of long-term health insurance reserves	8,345	7,670
Policy loans	35,957	27,844
Term deposits	102,987	132,226
Available-for-sale financial assets	361,732	258,711
Held-to-maturity financial assets	294,088	304,874
Investments classified as loans and receivables	218,092	139,634
Long-term equity investments	3,605	151
Restricted statutory deposits	6,078	6,078
Investment properties	8,417	8,657
Fixed assets	12,851	13,116
Construction in progress	3,796	2,899
Intangible assets	1,166	1,228
Goodwill	962	962
Deferred income tax assets	1,512	1,382
Separate account assets	5	16
Other assets	10,635	9,918
<b>Total assets</b>	<b>1,168,179</b>	<b>1,020,692</b>

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

30 September 2017

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

in RMB million

ITEM	30 September 2017 (unaudited)	31 December 2016 (audited)
<b>LIABILITIES AND EQUITY</b>		
Securities sold under agreements to repurchase	88,813	39,104
Premium received in advance	6,188	22,326
Commissions and brokerages payable	5,151	3,470
Payables to reinsurers	7,361	5,775
Salaries and welfare payable	3,332	3,871
Taxes payable	5,996	4,683
Interest payable	275	395
Claims payable	18,451	16,605
Policyholder dividends payable	23,193	21,735
Policyholders' deposits and investments	58,222	48,855
Unearned premium reserves	45,201	41,124
Claim reserves	40,984	36,643
Life insurance reserves	677,745	589,799
Long-term health insurance reserves	30,706	26,260
Premium reserves	355	261
Subordinated debt	3,998	11,498
Deferred income tax liabilities	965	937
Separate account liabilities	5	16
Other liabilities	12,576	12,572
<b>Total liabilities</b>	1,029,517	885,929
Issued capital	9,062	9,062
Capital reserves	66,742	66,742
Other comprehensive income	3,365	3,961
Surplus reserves	4,835	4,835
General reserves	8,392	8,392
Retained profits	43,355	38,772
Equity attributable to equity holders of the parent	135,751	131,764
Non-controlling interests	2,911	2,999
<b>Total equity</b>	138,662	134,763
<b>Total liabilities and equity</b>	1,168,179	1,020,692

**Kong Qingwei**  
Legal Representative  
of the Company

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

**Xu Zhen**  
Head of Finance  
Department

**BALANCE SHEET**  
30 September 2017

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

in RMB million

ITEM	30 September 2017 (unaudited)	31 December 2016 (audited)
<b>ASSETS</b>		
Cash and short-term time deposits	100	96
Financial assets at fair value through profit or loss	61	37
Securities purchased under agreements to resell	409	743
Interest receivables	410	335
Term deposits	500	-
Available-for-sale financial assets	26,973	21,187
Held-to-maturity financial assets	900	900
Investments classified as loans and receivables	5,219	60
Long-term equity investments	62,719	62,834
Investment properties	3,588	3,639
Fixed assets	1,775	1,948
Construction in progress	1	-
Intangible assets	133	131
Deferred income tax assets	68	44
Other assets	406	393
<b>Total assets</b>	<b>103,262</b>	<b>92,347</b>
<b>LIABILITIES AND EQUITY</b>		
Securities sold under agreements to repurchase	1,210	-
Commissions and brokerages payable	1	1
Salaries and welfare payable	143	204
Taxes payable	123	24
Other liabilities	768	951
<b>Total liabilities</b>	<b>2,245</b>	<b>1,180</b>
Issued capital	9,062	9,062
Capital reserves	66,164	66,164
Other comprehensive (loss)/income	(1)	119
Surplus reserves	4,531	4,531
Retained profits	21,261	11,291
<b>Total equity</b>	<b>101,017</b>	<b>91,167</b>
<b>Total liabilities and equity</b>	<b>103,262</b>	<b>92,347</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 nine months ended 30 September 2017

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

in RMB million

ITEM	For the three months from 1 July to 30 September 2017	For the nine months ended 30 September 2017	For the three months from 1 July to 30 September 2016	For the nine months ended 30 September 2016
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
I. Operating income	81,401	258,957	68,567	213,273
Net premiums earned	66,804	218,360	55,482	177,599
Gross written premiums	69,787	233,572	57,564	189,101
Including: Premium ceded	1,710	2,248	42	109
Less: Premiums ceded to reinsurers	(3,744)	(12,200)	(3,031)	(10,517)
Net change in unearned premium reserves	761	(3,012)	949	(985)
Investment income	13,449	37,408	12,179	34,149
Including: investment income from associates and joint ventures	38	36	9	26
Fair value change gains / (losses)	517	1,284	339	(243)
Foreign exchange (losses)/gains	(31)	(102)	(16)	32
Other operating income	656	1,988	583	1,736
Other income	6	19	-	-
II. Operating expenses	(75,317)	(243,273)	(64,648)	(200,452)
Surrenders	(2,432)	(7,989)	(2,837)	(10,568)
Claims paid	(22,560)	(70,845)	(21,647)	(67,428)
Less: Reinsurers' share of claim recovery	1,940	5,369	1,732	5,251
Change in insurance contract liabilities	(30,234)	(95,914)	(22,929)	(67,519)
Less: Reinsurers' share of reserves recovery	927	1,397	722	1,276
Net change in premium reserves	(35)	(104)	(25)	(58)
Policyholder dividends	(2,357)	(6,639)	(1,695)	(5,366)
Reinsurance expenses	19	(260)	(9)	(26)
Tax and surcharges	(228)	(712)	(206)	(2,444)
Commissions and brokerages	(9,717)	(37,943)	(8,731)	(27,613)
Operating and administrative expenses	(8,215)	(25,837)	(7,794)	(23,702)
Less: Reinsurers' share of commissions recovery	1,254	4,530	948	3,440
Interest expenses	(976)	(2,628)	(576)	(1,711)
Other operating expenses	(2,615)	(5,139)	(1,298)	(3,387)
Impairment losses	(88)	(559)	(303)	(597)
III. Operating profit	6,084	15,684	3,919	12,821
Add: Non-operating income	209	235	45	100
Less: Non-operating expenses	(39)	(67)	(15)	(50)
IV. Profit before tax	6,254	15,852	3,949	12,871
Less: Income tax	(1,747)	(4,700)	(1,217)	(3,879)
V. Net profit	4,507	11,152	2,732	8,992
Equity holders of the parent	4,417	10,926	2,687	8,829
Non-controlling interests	90	226	45	163
VI. Earnings per share				
Basic earnings per share (RMB per share)	0.49	1.21	0.30	0.97
Diluted earnings per share (RMB per share)	0.49	1.21	0.30	0.97
VII. Other comprehensive (loss) /income	(172)	(598)	1,404	(2,138)
Other comprehensive (loss)/income to be	(172)	(598)	1,404	(2,138)

reclassified to profit or loss in subsequent periods:				
Share of other comprehensive income/(loss) in equity accounted investees	3	9	(16)	(20)
Available-for-sale financial assets	(222)	(782)	1,887	(2,861)
Exchange differences on translation of foreign operations	(10)	(25)	4	13
Income tax relating to available-for-sale financial assets	57	200	(471)	730
VIII. Total comprehensive income	4,335	10,554	4,136	6,854
Attributable to equity holders of the parent	4,237	10,330	4,068	6,751
Attributable to non-controlling interests	98	224	68	103

**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 nine months ended 30 September 2017

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

in RMB million

ITEM	For the three months from 1 July to 30 September 2017	For the nine months ended 30 September 2017	For the three months from 1 July to 30 September 2016	For the nine months ended 30 September 2016
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
I. Operating income	691	17,507	485	11,618
Investment income	413	16,792	377	11,177
Fair value change gains/(losses)	1	2	-	(6)
Foreign exchange gains/(losses)	14	15	(32)	(32)
Other operating income	263	698	140	479
II. Operating expenses	(392)	(1,064)	(373)	(920)
Tax and surcharges	(22)	(66)	(11)	(42)
Operating and administrative expenses	(320)	(848)	(268)	(731)
Interest expenses	(10)	(39)	(3)	(9)
Other operating expenses	(40)	(110)	(19)	(66)
Impairment losses	-	(1)	(72)	(72)
III. Operating profit	299	16,443	112	10,698
Add: Non-operating income	1	3	-	-
Less: Non-operating expenses	-	-	-	(1)
IV. Profit before tax	300	16,446	112	10,697
Less: Income tax	(71)	(133)	(8)	(85)
V. Net profit	229	16,313	104	10,612
VI. Other comprehensive (loss)/income	(2)	(120)	97	(117)
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:	(2)	(120)	97	(117)
Available-for-sale financial assets	(3)	(160)	130	(156)
Income tax relating to available-for-sale financial assets	1	40	(33)	39
VII. Total comprehensive income	227	16,193	201	10,495

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## 5.3

**CONSOLIDATED CASH FLOW STATEMENT**

For the nine months ended 30 September 2017

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

in RMB million

ITEM	For the nine months ended 30 September 2017 (unaudited)	For the nine months ended 30 September 2016 (unaudited)
<b>I Cash flows from operating activities</b>		
Premiums received from direct insurance contracts	213,015	173,572
Net increase in policyholders' deposits and investments	6,067	6,750
Tax refund	50	406
Cash received from other operating activities	863	1,478
<b>Sub-total of cash inflows from operating activities</b>	<b>219,995</b>	<b>182,206</b>
Claims paid for direct insurance contracts	(67,590)	(64,583)
Net cash paid for reinsurance business	(1,479)	(1,550)
Cash paid for commissions and brokerages	(37,020)	(26,191)
Cash paid for policyholder dividends	(3,696)	(2,943)
Cash paid to and for employees	(14,282)	(12,464)
Cash paid for taxes and surcharges	(8,128)	(9,875)
Cash paid for other operating activities	(22,573)	(22,650)
<b>Sub-total of cash outflows from operating activities</b>	<b>(154,768)</b>	<b>(140,256)</b>
<b>Net cash inflow from operating activities</b>	<b>65,227</b>	<b>41,950</b>
<b>II Cash flows from investing activities</b>		
Cash received from sales and redemption of investments	260,457	206,976
Cash received from returns on investments	40,903	28,825
Net cash received from disposals of a subsidiary and other business entities	-	2
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	328	33
Cash received from other investing activities	-	137
<b>Sub-total of cash inflows from investing activities</b>	<b>301,688</b>	<b>235,973</b>
Cash paid for acquisition of investments	(395,390)	(274,955)
Net increase in policy loans	(8,123)	(6,253)
Net cash paid for acquisition of a subsidiary and other business entities	(3,437)	(550)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(2,265)	(2,792)
Cash paid from other investing activities	-	(7)
<b>Sub-total of cash outflows from investing activities</b>	<b>(409,215)</b>	<b>(284,557)</b>
<b>Net cash outflow from investing activities</b>	<b>(107,527)</b>	<b>(48,584)</b>
<b>III Cash flows from financing activities</b>		
Cash received from capital contribution	508	-
Cash received from other financing activities	50,217	10,072
<b>Sub-total of cash inflows from financing activities</b>	<b>50,725</b>	<b>10,072</b>
Cash paid for repayment of borrowed funds	(7,502)	-
Cash paid for distribution of dividends and interest	(9,026)	(10,372)
<b>Sub-total of cash outflows from financing activities</b>	<b>(16,528)</b>	<b>(10,372)</b>
<b>Net cash inflow/(outflow) from financing activities</b>	<b>34,197</b>	<b>(300)</b>
<b>IV Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<b>(74)</b>	<b>39</b>
<b>V Net decrease in cash and cash equivalents</b>	<b>(8,177)</b>	<b>(6,895)</b>
Add: Cash and cash equivalents at beginning of period	36,395	24,191
<b>VI Cash and cash equivalents at end of period</b>	<b>28,218</b>	<b>17,296</b>

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Department

## CASH FLOW STATEMENT

For the nine months ended 30 September 2017

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

in RMB million

ITEM	For the nine months ended 30 September 2017 (unaudited)	For the nine months ended 30 September 2016 (unaudited)
<b>I Cash flows from operating activities</b>		
Cash received from other operating activities	765	483
<b>Sub-total of cash inflows from operating activities</b>	765	483
Cash paid to and for employees	(492)	(432)
Cash paid for taxes and surcharges	(128)	(171)
Cash paid for other operating activities	(444)	(955)
<b>Sub-total of cash outflows from operating activities</b>	(1,064)	(1,558)
<b>Net cash outflow from operating activities</b>	(299)	(1,075)
<b>II Cash flows from investing activities</b>		
Cash received from sales and redemption of investments	16,054	17,813
Cash received from returns on investment	16,693	11,079
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	-	1
<b>Sub-total of cash inflows from investing activities</b>	32,747	28,893
Cash paid for acquisition of investments	(27,513)	(17,595)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(92)	(296)
<b>Sub-total of cash outflows from investing activities</b>	(27,605)	(17,891)
<b>Net cash inflow from investing activities</b>	5,142	11,002
<b>III Cash flows from financing activities</b>		
Cash received from other financing activities	1,210	-
<b>Sub-total of cash inflows from financing activities</b>	1,210	-
Cash paid for distribution of dividends and interest	(6,383)	(9,071)
Cash paid from other financing activities	-	(1,660)
<b>Sub-total of cash outflows from financing activities</b>	(6,383)	(10,731)
<b>Net cash outflow from financing activities</b>	(5,173)	(10,731)
<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>	(330)	(804)
Add: Cash and cash equivalents at beginning of period	839	1,253
<b>VI Cash and cash equivalents at end of period</b>	509	449

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