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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)

2020 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 2020 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 2020 First Quarter Report of the Company was considered and approved at the 25th session of the 8th Board of Directors of the Company on 24 April 2020, which 13 directors were required to attend and 12 of them attended in person. Due to other business engagements, director CHEN Xuanmin did not attend the board meeting and appointed in writing Chairman of the Board KONG Qingwei to attend the meeting and vote on his behalf.

1.3 The financial data contained in the 2020 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 (person in charge of accounting affairs 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 2020	31 December 2019	Change (%)
Total assets	1,611,323	1,528,333	5.4
Equity ^{Note}	185,925	178,427	4.2
Net assets per share (RMB) ^{Note}	20.52	19.69	4.2
	For the three months ended 31 March 2020	For the three months ended 31 March 2019	Compared with the same period of the previous year (%)
Net cash inflow from operating activities	43,621	46,314	(5.8)
Net cash inflow per share from operating activities (RMB)	4.81	5.11	(5.8)
	For the three months ended 31 March 2020	For the three months ended 31 March 2019	Compared with the same period of the previous year (%)
Operating income	138,211	133,153	3.8
Net profit ^{Note}	8,388	5,479	53.1
Basic earnings per share (RMB) ^{Note}	0.93	0.60	53.1
Diluted earnings per share (RMB) ^{Note}	0.93	0.60	53.1
Net profit after deducting non-recurring items ^{Note}	8,394	5,489	52.9
Basic earnings per share after deducting non-recurring items (RMB) ^{Note}	0.93	0.61	52.9
Weighted average return on equity (%) ^{Note}	4.6	3.5	+1.1pt
Weighted average return on equity after deducting non-recurring items (%) ^{Note}	4.6	3.5	+1.1pt

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 2020
Income on disposal of non-current assets	1
Government grants included in profit or loss	14
Net non-operating income and expenses other than those mentioned above	(20)
Effect of income tax	(1)
Effect of non-controlling interests	-
Total	(6)

2.3 Total number of shareholders, shares held by the top ten shareholders and shares held by the 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: 133,441 (including 128,871 holders of A shares and 4,570 holders of H shares)						
Shares held by the 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	2,772,682,229	30.60%	-22,406	-	-	H Share
Shenergy (Group) Co., Ltd.	1,326,776,782	14.64%	-	-	-	A Share

Hwabao Investment Co., Ltd.	1,284,277,846	14.17%	-	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	547,942,906	6.05%	+42,300,467	-	-	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
HKSCC	127,569,990	1.41%	-5,001,850	-	-	A Share
Central Huijin Investment Ltd.	110,741,200	1.22%	-	-	-	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:

- 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.
- HKSCC is the nominal holder of shares traded through Shanghai-Hong Kong Connect Program.
- 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 RMB131.148 billion, representing an increase of 2.2% as compared with the same period of last year. Of this, GWPs from CPIC Life amounted to RMB91.873 billion, a decrease of 1.1%, and that from CPIC P/C^{note 1} amounted to RMB39.044 billion, an increase of 10.4%. The Group realized net profits^{note 2} of RMB8.388 billion, up 53.1%.

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.
- Attributable to equity holders of the parent.

CPIC Life

COVID-19 severely hindered traditional life insurance business activities including sales, recruitment and agency force management, thus having a profound adverse impact on the business development in the short term. During the reporting period, CPIC Life reported GWPs

of RMB91.873 billion, down by 1.1% as compared with the same period of 2019. Of this, the agency channel of individual business realized GWPs of RMB84.908 billion, a decrease of 1.4%, and of which, new business premiums fell by 31.1% to RMB12.022 billion.

While taking effective disease control and prevention measures, the Company vigorously introduced steps to move its business operation online so as to mitigate the impact of the epidemic. To fulfill its corporate responsibility, it launched new short-term insurance products, expanded the coverage of existing personal accident and long-term disease insurance products, all of which offered protection against COVID-19. The move also helped the Company to acquire and accumulate customers. In agency force management, it conducted online recruitment, attendance checking, training and promoted customer acquisition and product sales. It upgraded the online “smart service” to enhance customer experience, improved the convenience and availability of customer service based on smooth and reliable online business processes. Centering on customer needs, it implemented the CPIC Service Program, fulfilled its commitments to customers and streamlined claims handling processes.

	unit: RMB million		
For the 3 months ended 31 March	2020	2019	Changes (%)
Individual customers	87,404	89,471	(2.3)
Agency channel	84,908	86,116	(1.4)
New policies	12,022	17,442	(31.1)
Regular premium business	9,665	15,523	(37.7)
Renewed policies	72,886	68,674	6.1
Other channels	2,496	3,355	(25.6)
Group clients	4,469	3,381	32.2
Total GWPs	91,873	92,852	(1.1)

CPIC P/C

Due to the impact of COVID-19, new vehicle sales fell steeply, hitting the automobile insurance business. Shut-downs of businesses and restrictions on flows of people and goods seriously impacted commercial property insurance, construction & engineering insurance, travel insurance and cargo insurance. On the other hand, demand increased for health protection and cover for resumption of business, leading to sustained rapid growth of health insurance, agricultural insurance and liability insurance. In the face of the pandemic, the Company stepped up management of renewal business to stabilize business performance; enhanced online capacity-building, developed and improved online service platforms via applications of new technologies in underwriting and claims management, so as to boost online business development; accelerated the development of innovative health and liability insurance products to meet market needs. During the reporting period, it recorded RMB39.044 billion in GWPs, up 10.4%. Of this, automobile insurance contributed RMB23.524 billion, down by 0.5%, and non-automobile insurance RMB15.520 billion, up 32.5%.

For the 3 months ended 31 March	unit: RMB million		
	2020	2019	Changes (%)
GWPs	39,044	35,366	10.4
Auto insurance	23,524	23,652	(0.5)
Non-auto insurance	15,520	11,714	32.5

Asset management business

As at the end of the reporting period, the Group investment assets amounted to RMB1,482.044 billion, an increase of 4.4% from the end of 2019. Asset allocation was largely stable based on profiles of liabilities. The share of fixed income investments stood at 80.2%, down by 0.2pt from the end of 2019; and that of equity investments 14.9%, down by 0.8pt, of which, the share of equity securities and equity funds was 7.8%, down by 0.5pt. During the reporting period, Group annualized net and total investment yields were 4.2% and 4.5%, respectively.

Portfolio of Group investment assets

	unit: RMB million			
	31 March 2020	Share (%)	Share changes from the end of 2019 (pt)	Amount changes from the end of 2019 (%)
Group investment assets (Total)	1,482,044	100.0	-	4.4
By investment category				
Fixed income investments	1,188,653	80.2	(0.2)	4.1
– Debt securities	615,367	41.5	(1.1)	1.7
– Term deposits	162,871	11.0	0.6	10.2
– Debt investment plans	166,600	11.2	0.5	10.0
– Wealth management products ^{note 1}	146,201	9.9	-	3.4
– Preferred shares	32,000	2.2	(0.1)	-
– Other fixed income investments ^{note 2}	65,614	4.4	(0.1)	2.4
Equity investments	221,028	14.9	(0.8)	(0.5)
– Equity funds	26,878	1.8	(0.1)	1.8
– Bond funds	18,315	1.2	(0.1)	0.8
– Equity securities	87,632	6.0	(0.4)	(3.3)
– Wealth management products ^{note 1}	1,408	0.1	-	93.1
– Preferred shares	13,699	0.9	(0.1)	0.6
– Other equity investments ^{note 3}	73,096	4.9	(0.1)	0.7
Investment properties	8,202	0.6	-	(1.0)
Cash, cash equivalents and others	64,161	4.3	1.0	36.3
By investment purpose				
Financial assets at fair value through profit or loss	4,522	0.3	-	(8.3)
Available-for-sale financial assets	521,405	35.2	(0.9)	1.9
Held-to-maturity financial assets	294,434	19.9	(0.9)	(0.3)
Long-term equity investments	20,172	1.4	-	(1.3)
Loans and other investments ^{note 4}	641,511	43.2	1.8	9.3

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	2020	2019	Changes
Net investment yield (annualized) (%) ^{note}	4.2	4.4	(0.2pt)
Total investment yield (annualized) (%) ^{note}	4.5	4.6	(0.1pt)

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 2020	31 December 2019	Change (%)	Main reasons for the changes
Cash and short-term time deposits	27,747	14,872	86.6	Timing difference
Premium receivables	35,404	17,916	97.6	Growth in insurance business and timing difference
Premium received in advance	7,423	21,000	(64.7)	Timing difference
Payables to reinsurers	8,569	4,543	88.6	Timing difference
Salaries and welfare payable	3,889	5,573	(30.2)	Timing difference
Taxes payable	4,141	2,166	91.2	Growth in insurance business
Interest payable	325	516	(37.0)	Decrease in interest of bonds payable

Income statement items	For the three months ended 31 March 2020	For the three months ended 31 March 2019	Change (%)	Main reasons for the changes
Premium ceded	439	227	93.4	Growth in insurance business
Fair value change (losses) / gains	(83)	1,071	(107.7)	Change in market value for financial assets at fair value through profit or loss
Reinsurers' share of reserves recovery	1,246	500	149.2	Growth in insurance business
Impairment losses	(1,105)	(432)	155.8	Increase in impairment losses
Other comprehensive (loss) /income	(908)	7,179	(112.6)	Change in fair value for available-for-sale financial assets

4.2 Progress of significant events and their impacts and solutions

√ Applicable □ Not applicable

The 20th session of the 8th Board of Directors and the 1st Extraordinary Shareholders' General Meeting (SGM) of the Company considered and approved relevant resolutions in relation to the issuance and admission of Global Depository Receipts (GDR) on London Stock Exchange. So far, the agenda has been proceeding in an orderly manner. The Company will complete the issuance

at a suitable time within the validity period as approved by the SGM based on capital market conditions and interest of potential investors, subject to approval of domestic and overseas regulatory bodies.

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

Applicable Not applicable

4.6 Solvency

Please refer to the summaries of quarterly solvency reports published on the websites of Shanghai Stock Exchange (www.sse.com.cn), SEHK (www.hkexnews.hk) and the Company (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 SFO, 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, 24 April 2020

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 Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. LI Qiqiang, Mr. WU Junhao, Mr. CHEN Xuanmin and Mr. HUANG Dinan; and the Independent Non-executive Directors of the Company are Mr. LEE Ka Sze, Carmelo, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. JIANG Xuping and Mr. GAO Shanwen.

§5 APPENDIX

5.1

CONSOLIDATED BALANCE SHEET

31 March 2020

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

in RMB million

ITEM	31 March 2020	31 December 2019
	(unaudited)	(audited)
ASSETS		
Cash and short-term time deposits	27,747	14,872
Financial assets at fair value through profit or loss	4,522	4,931
Securities purchased under agreements to resell	33,295	28,045
Premium receivables	35,404	17,916
Due from reinsurers	6,599	5,340
Interest receivables	18,291	19,493
Reinsurers' share of unearned premium reserves	7,329	6,385
Reinsurers' share of claim reserves	7,572	6,841
Reinsurers' share of life insurance reserves	1,974	1,881
Reinsurers' share of long-term health insurance reserves	10,879	10,453
Policy loans	58,186	57,194
Term deposits	162,871	147,756
Available-for-sale financial assets	521,405	511,822
Held-to-maturity financial assets	294,434	295,247
Investments classified as loans and receivables	344,552	324,013
Long-term equity investments	20,172	20,442
Restricted statutory deposits	6,658	6,658
Investment properties	8,202	8,283
Fixed assets	16,087	16,378
Construction in progress	1,999	1,987
Right-of-use assets	3,983	4,130
Intangible assets	3,784	3,652
Goodwill	1,357	1,357
Deferred income tax assets	1,078	860
Other assets	12,943	12,397
Total assets	1,611,323	1,528,333

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 March 2020

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

in RMB million

ITEM	31 March 2020 (unaudited)	31 December 2019 (audited)
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	78,568	78,366
Premium received in advance	7,423	21,000
Commissions and brokerages payable	5,517	4,364
Payables to reinsurers	8,569	4,543
Salaries and welfare payable	3,889	5,573
Taxes payable	4,141	2,166
Interest payable	325	516
Claims payable	22,123	21,712
Policyholder dividends payable	23,896	25,447
Policyholders' deposits and investments	82,552	75,576
Unearned premium reserves	70,227	61,975
Claim reserves	46,549	42,504
Life insurance reserves	945,297	891,195
Long-term health insurance reserves	81,824	72,347
Premium reserves	421	349
Bonds payable	9,989	9,988
Lease liabilities	3,562	3,668
Deferred income tax liabilities	2,814	2,911
Other liabilities	22,718	20,813
Total liabilities	1,420,404	1,345,013
Issued capital	9,062	9,062
Capital reserves	66,650	66,650
Other comprehensive income / (loss)	12,059	12,949
Surplus reserves	4,835	4,835
General reserves	14,345	14,329
Retained profits	78,974	70,602
Equity attributable to equity holders of the parent	185,925	178,427
Non-controlling interests	4,994	4,893
Total equity	190,919	183,320
Total liabilities and equity	1,611,323	1,528,333

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 2020

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

in RMB million

ITEM	31 March 2020 (unaudited)	31 December 2019 (audited)
ASSETS		
Cash and short-term time deposits	194	83
Financial assets at fair value through profit or loss	9	10
Securities purchased under agreements to resell	-	108
Interest receivables	675	499
Term deposits	5,300	2,000
Available-for-sale financial assets	27,830	29,143
Held-to-maturity financial assets	-	300
Investments classified as loans and receivables	13,204	12,449
Long-term equity investments	64,979	64,979
Investment properties	3,296	3,331
Fixed assets	1,684	1,750
Right-of-use assets	36	11
Intangible assets	317	343
Other assets	1,286	1,191
Total assets	118,810	116,197
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	4,040	1,540
Commissions and brokerages payable	1	1
Salaries and welfare payable	138	247
Taxes payable	156	86
Interest payable	1	-
Lease liabilities	38	11
Deferred income tax liabilities	176	194
Other liabilities	726	828
Total liabilities	5,276	2,907
Issued capital	9,062	9,062
Capital reserves	66,164	66,164
Other comprehensive income / (loss)	802	867
Surplus reserves	4,531	4,531
Retained profits	32,975	32,666
Total equity	113,534	113,290
Total liabilities and equity	118,810	116,197

Kong Qingwei
Legal Representative
of the Company

Zhang Yuanhan
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

CONSOLIDATED INCOME STATEMENT
For the three months ended 31 March 2020

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

in RMB million

ITEM	For the three months ended 31 March 2020 (unaudited)	For the three months ended 31 March 2019 (unaudited)
I. Operating income	138,211	133,153
Net premiums earned	117,067	115,833
Gross written premiums	131,148	128,386
Including: Premium ceded	439	227
Less: Premiums ceded to reinsurers	(6,775)	(5,250)
Net change in unearned premium reserves	(7,306)	(7,303)
Other income	11	4
Investment income	20,180	15,554
Including: investment income from associates and joint ventures	184	213
Fair value change (losses) / gains	(83)	1,071
Foreign exchange gains / (losses)	63	(103)
Other operating income	972	794
Gains on disposal of assets	1	-
II. Operating expense	(127,370)	(125,373)
Surrenders	(2,247)	(2,789)
Claims paid	(31,530)	(33,945)
Less: Reinsurers' share of claim recovery	2,126	2,216
Change in insurance contract liabilities	(67,847)	(59,813)
Less: Reinsurers' share of reserves recovery	1,246	500
Net change in premium reserves	(79)	(46)
Policyholder dividends	(3,155)	(3,492)
Reinsurance expenses	(94)	(64)
Tax and surcharges	(256)	(257)
Commissions and brokerages	(12,218)	(15,638)
Operating and administrative expenses	(11,398)	(10,985)
Less: Reinsurers' share of commissions recovery	1,472	1,569
Interest expenses	(866)	(968)
Other operating expenses	(1,419)	(1,229)
Impairment losses	(1,105)	(432)
III. Operating profit	10,841	7,780
Add: Non-operating income	6	9
Less: Non-operating expenses	(23)	(25)
IV. Profit before tax	10,824	7,764
Less: Income tax	(2,234)	(2,165)
V. Net profit	8,590	5,599
Classified by continuity of operations:		
Net profit from continuing operations	8,590	5,599
Net profit from discontinued operations	-	-
Classified by ownership of the equity:		
Equity holders of the parent	8,388	5,479
Non-controlling interests	202	120
VI. Earnings per share		
Basic earnings per share (RMB per share)	0.93	0.60
Diluted earnings per share (RMB per share)	0.93	0.60
VII. Other comprehensive (loss) / income	(908)	7,179
Other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods:	(908)	7,179

Exchange differences on translation of foreign operations	12	(12)
Available-for-sale financial assets	(1,159)	9,553
Income tax relating to available-for-sale financial assets	239	(2,362)
VIII. Total comprehensive income	7,682	12,778
Attributable to equity holders of the parent	7,498	12,514
Attributable to non-controlling interests	184	264

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 2020

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

in RMB million

ITEM	For the three months ended 31 March 2020	For the three months ended 31 March 2019
	(unaudited)	(unaudited)
I. Operating income	821	580
Investment income	602	319
Fair value change gains	-	5
Foreign exchange gains / (losses)	1	(1)
Other operating income	218	257
II. Operating expenses	(417)	(427)
Tax and surcharges	(18)	(21)
Operating and administrative expenses	(304)	(353)
Interest expenses	(15)	(19)
Other operating expenses	(35)	(31)
Impairment losses	(45)	(3)
III. Operating profit	404	153
Less: Non-operating expenses	(5)	(10)
IV. Profit before tax	399	143
Less: Income tax	(90)	(24)
V. Net profit	309	119
Classified by continuity of operations:		
Net profit from continuing operations	309	119
Net profit from discontinued operations	-	-
VI. Other comprehensive (loss) / income	(65)	631
Other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods:	(65)	631
Available-for-sale financial assets	(87)	842
Income tax relating to available-for-sale financial assets	22	(211)
VII. Total comprehensive income	244	750

Kong Qingwei
Legal Representative
of the Company

Zhang Yuanhan
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

CONSOLIDATED CASH FLOW STATEMENT

For the three months ended 31 March 2020

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

in RMB million

ITEM	For the three months ended	For the three months ended
	31 March 2020	31 March 2019
	(unaudited)	(unaudited)
I Cash flows from operating activities		
Premiums received from direct insurance contracts	102,421	108,621
Net increase in policyholders' deposits and investments	5,920	7,377
Tax refund	1	-
Cash received from other operating activities	1,186	1,013
Sub-total of cash inflows from operating activities	109,528	117,011
Claims paid for direct insurance contracts	(30,270)	(33,306)
Net cash paid for reinsurance business	(273)	(804)
Cash paid for commissions and brokerages	(11,284)	(13,160)
Cash paid for policyholder dividends	(3,296)	(3,245)
Cash paid to and for employees	(7,229)	(7,188)
Cash paid for taxes and surcharges	(1,850)	(2,524)
Cash paid for other operating activities	(11,705)	(10,470)
Sub-total of cash outflows from operating activities	(65,907)	(70,697)
Net cash inflow from operating activities	43,621	46,314
II Cash flows from investing activities		
Cash received from sales and redemption of investments	123,468	88,648
Cash received from returns on investments	16,716	15,282
Cash received from disposal of subsidiaries and other business entities	318	-
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	3	2
Sub-total of cash inflows from investing activities	140,505	103,932
Cash paid for acquisition of investments	(166,845)	(134,754)
Net increase in policy loans	(997)	(2,306)
Net cash paid for acquisition in subsidiaries and other business entities	-	(1,584)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(204)	(503)
Cash paid for other investing activities	(9)	-
Sub-total of cash outflows from investing activities	(168,055)	(139,147)
Net cash outflow from investing activities	(27,550)	(35,215)
III Cash flows from financing activities		
Increase in securities sold under agreements to repurchase, net	366	-
Cash received from other financing activities	2,615	4,540
Sub-total of cash inflows from financing activities	2,981	4,540
Cash paid for repayment of borrowed funds	-	(4,002)
Cash paid for distribution of dividends and interest	(728)	(997)
Decrease in securities sold under agreements to repurchase, net	-	(4,887)
Cash paid for other financing activities	(257)	(44)
Sub-total of cash outflows from financing activities	(985)	(9,930)
Net cash inflow/(outflow) from financing activities	1,996	(5,390)
IV Effect of changes in foreign exchange rate on cash and cash equivalents	25	(38)
V Net increase in cash and cash equivalents	18,092	5,671
Add: Cash and cash equivalents at beginning of period	42,546	38,121
VI Cash and cash equivalents at end of period	60,638	43,792

Kong Qingwei
Legal Representative
of the Company

Zhang Yuanhan
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

CASH FLOW STATEMENT

For the three months ended 31 March 2020

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

in RMB million

ITEM	For the three months ended 31 March 2020	For the three months ended 31 March 2019
	(unaudited)	(unaudited)
I Cash flows from operating activities		
Cash received from other operating activities	107	114
Sub-total of cash inflows from operating activities	107	114
Cash paid to and for employees	(263)	(282)
Cash paid for taxes and surcharges	(49)	(15)
Cash paid for other operating activities	(173)	(204)
Sub-total of cash outflows from operating activities	(485)	(501)
Net cash outflow from operating activities	(378)	(387)
II Cash flows from investing activities		
Cash received from sales and redemption of investments	2,388	3,159
Cash received from returns on investments	306	256
Sub-total of cash inflows from investing activities	2,694	3,415
Cash paid for acquisition of investments	(4,778)	(4,156)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(14)	(37)
Sub-total of cash outflows from investing activities	(4,792)	(4,193)
Net cash outflow from investing activities	(2,098)	(778)
III Cash flows from financing activities		
Decrease in securities sold under agreements to repurchase, net	2,500	1,161
Sub-total of cash inflows from financing activities	2,500	1,161
Cash paid for repayment of borrowed funds	-	(2)
Cash paid for distribution of dividends and interest	(14)	(17)
Cash paid for other financing activities	(7)	-
Sub-total of cash outflows from financing activities	(21)	(19)
Net cash inflow from financing activities	2,479	1,142
IV Effect of changes in foreign exchange rate on cash and cash equivalents	-	-
V Net increase/(decrease) in cash and cash equivalents	3	(23)
Add: Cash and cash equivalents at beginning of period	191	413
VI Cash and cash equivalents at end of period	194	390

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