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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)

2014 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 2014 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 2014 First Quarter Report of the Company was considered and approved at the 5th session of the 7th Board of Directors on 24 April 2014, which 12 directors were required to attend and 10 of them attended in person. Director WU Jumin and Director ZHENG Anguo could not attend the meeting due to other business engagements. They appointed, in writing, Director HUO Lianhong and Director WANG Chengran respectively to attend the meeting and vote on their behalf.

1.3 The financial data of the Company for the first quarter of 2014 are unaudited and have been prepared in accordance with the PRC Accounting Standards for Business Enterprises.

1.4 Mr. GAO Guofu (Chairman of the Board), 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 Key Financial Data and Changes in the Shareholders

2.1 Key Financial Data

in RMB million

| | 31 March 2014 | 31 December 2013 | Changes (%) |
|---|---|---|---|
| Total assets | 780,414 | 723,533 | 7.9 |
| Equity ^{Note} | 103,245 | 98,968 | 4.3 |
| Net assets per share (RMB) ^{Note} | 11.39 | 10.92 | 4.3 |
| | For the three months ended 31 March 2014 | For the three months ended 31 March 2013 | Compared with the same period of the previous year (%) |
| Net cash inflow from operating activities | 17,738 | 12,870 | 37.8 |
| Net cash inflow per share from operating activities (RMB) | 1.96 | 1.42 | 37.8 |
| | For the three months ended 31 March 2014 | For the three months ended 31 March 2013 | Compared with the same period of the previous year (%) |
| Operating income | 63,720 | 53,165 | 19.9 |
| Net profit ^{Note} | 3,211 | 2,225 | 44.3 |
| Basic earnings per share (RMB) ^{Note} | 0.35 | 0.25 | 44.3 |
| Diluted earnings per share (RMB) ^{Note} | 0.35 | 0.25 | 44.3 |
| Net profit after deducting non-recurring items ^{Note} | 3,202 | 2,215 | 44.6 |
| Basic earnings per share after deducting non-recurring items (RMB) ^{Note} | 0.35 | 0.24 | 44.6 |
| Weighted average return on equity (%) ^{Note} | 3.2 | 2.3 | Increased by 0.9 percentage points |
| Weighted average return on equity after deducting non-recurring items (%) ^{Note} | 3.2 | 2.3 | Increased by 0.9 percentage points |

Note: attributable to equity holders of the parent

2.2 Non-recurring items

in RMB million

| Non-recurring items | For the three months ended 31 March 2014 |
|--|--|
| Income on disposal of non-current assets | 2 |
| Government grants included in profit or loss | 11 |
| Effect of income tax | (4) |
| Effect of minority interests | - |
| Total | 9 |

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

Unit: share

A total number of 172,801 shareholders (including 166,084 A shareholders and 6,717 H shareholders) at the end of the reporting period

Shares held by top ten shareholders

| Name of the shareholders | Percentage of the shareholding (%) | Total number of shares held | Increase or decrease (+ or -) of shareholding during the | Number of shares held with selling restriction | Number of shares subject to pledge or lock-up period | Type of shares |
|--------------------------|------------------------------------|-----------------------------|--|--|--|----------------|
|--------------------------|------------------------------------|-----------------------------|--|--|--|----------------|

| | | | reporting period | | | |
|---|--|---------------|------------------|---|-------------|---------|
| HKSCC Nominees Limited | 30.58 | 2,770,713,656 | +6,600 | - | - | H Share |
| Fortune Investment Co., Ltd. | 14.17 | 1,284,277,846 | - | - | 189,717,800 | A Share |
| Shenergy Group Co., Ltd. | 13.69 | 1,240,963,027 | - | - | - | A Share |
| Shanghai Haiyan Investment Management Company Limited | 5.17 | 468,828,104 | - | - | - | A Share |
| Shanghai State-Owned Assets Operation Co., Ltd. | 4.68 | 424,099,214 | - | - | - | A Share |
| Shanghai Jiushi Corporation | 2.77 | 250,949,460 | - | - | - | A Share |
| Yunnan Hongta Group Co., Ltd. | 1.92 | 174,339,390 | - | - | - | A Share |
| Shanghai Aijian Trust Co. Ltd. – Single Fund Trust | 0.96 | 87,303,007 | - | - | - | A Share |
| Account No. 1 of the NSSF | 0.87 | 78,412,727 | - | - | - | A Share |
| Baosteel Group Corporation | 0.76 | 68,818,407 | - | - | - | A Share |
| Shares held by top ten shareholders without selling restrictions | | | | | | |
| Name of the shareholders | Number of shares held without selling restrictions | | Type of shares | | | |
| HKSCC Nominees Limited | 2,770,713,656 | | H Share | | | |
| Fortune Investment Co., Ltd. | 1,284,277,846 | | A Share | | | |
| Shenergy Group Co., Ltd. | 1,240,963,027 | | A Share | | | |
| Shanghai Haiyan Investment Management Company Limited | 468,828,104 | | A Share | | | |
| Shanghai State-Owned Assets Operation Co., Ltd. | 424,099,214 | | A Share | | | |
| Shanghai Jiushi Corporation | 250,949,460 | | A Share | | | |
| Yunnan Hongta Group Co., Ltd. | 174,339,390 | | A Share | | | |
| Shanghai Aijian Trust Co. Ltd. – Single Fund Trust | 87,303,007 | | A Share | | | |
| Account No. 1 of the NSSF | 78,412,727 | | A Share | | | |
| Baosteel Group Corporation | 68,818,407 | | A Share | | | |
| Description of connected relations or concerted action among the aforesaid shareholders | Fortune Investment Co., Ltd. and Baosteel Group Corporation are connected, as the former is a wholly-owned subsidiary of the latter. Shanghai Aijian Trust Co. Ltd. – Single Fund Trust is a single fund trust set up by Fortune Investment Co., Ltd. through Shanghai Aijian Trust Co. Ltd. Both parties are persons acting in concert. | | | | | |

Notes:

1. 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 Limited (H share) respectively.
2. The shares held by HKSCC Nominees Limited are held on behalf of a number of its clients. As Hong Kong Stock Exchange 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 Stock Exchange 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.

§3 Business Review for the Reporting Period

During the reporting period, the Company realized gross written premiums of RMB61.888 billion, representing an increase of 20.4% as compared to the same period of last year. Gross written premiums from CPIC Life amounted to RMB38.354 billion, representing an increase of 25.2% as compared to the same period of last year. Gross written premiums from CPIC Property amounted to RMB23.516 billion, representing an increase of 13.2% as compared to the same period of last year.

CPIC Life

During the reporting period, gross written premiums from CPIC Life amounted to RMB38.354 billion, representing an increase of 25.2% as compared to the same period of last year. In particular, premiums from new insurance policies amounted to RMB16.575 billion, while premiums from renewed policies amounted to RMB21.779 billion. The agency channel maintained its rapid growth and premiums from new insurance policies of the agency channel reached RMB7.257 billion, representing an increase of 43.8% as compared to the same period of last year.

Unit: RMB million

| For three months ended 31 March | 2014 | 2013 | Changes (%) |
|---------------------------------|--------|--------|-------------|
| Gross written premiums | 38,354 | 30,636 | 25.2 |
| Agency channel | 23,828 | 18,362 | 29.8 |
| Bancassurance | 12,353 | 10,466 | 18.0 |
| Direct Sales ^{note} | 2,173 | 1,808 | 20.2 |

Note: Direct sales include telemarketing and internet sales.

CPIC Property

During the reporting period, gross written premiums from CPIC Property amounted to RMB23.516 billion, representing an increase of 13.2% as compared to the same period of last year. In particular, gross written premiums from automobile insurance amounted to RMB17.520 billion, representing an increase of 15.0% as compared to the same period of last year, while gross written premiums from non-automobile insurance amounted to RMB5.996 billion, representing an increase of 8.4% as compared to the same period of last year. Businesses from telemarketing and internet sales maintained rapid development, with premiums amounting to RMB3.839 billion, representing an increase of 15.4% as compared to the same period of last year, and premiums from cross-selling amounted to RMB911 million, representing an increase of 22.4% as compared to the same period of last year. The premiums from telemarketing & internet sales and cross-selling accounted for 20.2% of the gross written premiums from CPIC Property.

Unit: RMB million

| For three months ended 31 March | 2014 | 2013 | Changes (%) |
|---------------------------------|--------|--------|-------------|
| Gross written premiums | 23,516 | 20,768 | 13.2 |
| Auto insurance | 17,520 | 15,238 | 15.0 |
| Non-auto insurance | 5,996 | 5,530 | 8.4 |

Asset management business

As at 31 March 2014, assets under management of the Group amounted to RMB814.767 billion, representing an increase of 9.1% as compared to the end of last year. Among which,

Group investment assets and third-party assets under management amounted to RMB719.125 billion and RMB95.642 billion, representing an increase of 7.8% and 19.8% as compared to those as at the end of last year, respectively.

Unit: RMB million

| | 31 March 2014 | 31 December 2013 | Changes (%) |
|--|----------------|------------------|-------------|
| Assets under management of the Group | 814,767 | 746,639 | 9.1 |
| Group in-house assets | 719,125 | 666,799 | 7.8 |
| Third-party assets under management | 95,642 | 79,840 | 19.8 |
| Third-party assets under management by CPIC AMC | 56,363 | 44,038 | 28.0 |
| Assets under investment management by Changjiang Pension | 39,279 | 35,802 | 9.7 |

Portfolio of Group investment assets

in RMB million

| | 31 March 2014 | Share (%) | Share Changes (percentage points) | Changes (%) |
|---|---------------|-----------|-----------------------------------|-------------|
| Group investment assets (Total) | 719,125 | 100.0 | - | 7.8 |
| By investment category | | | | |
| Fixed income investments | 598,507 | 83.2 | (1.6) | 5.8 |
| – Debt securities | 384,593 | 53.5 | (2.5) | 3.0 |
| – Term deposits | 153,292 | 21.3 | (0.3) | 6.2 |
| – Debt investment plans | 36,850 | 5.1 | (0.1) | 6.7 |
| – Wealth management products ^{note 1} | 8,986 | 1.2 | 1.0 | 551.2 |
| – Other fixed income investments ^{note 2} | 14,786 | 2.1 | 0.3 | 22.8 |
| Equity investment | 87,873 | 12.3 | 1.0 | 17.0 |
| – Investment Funds | 44,996 | 6.3 | 1.3 | 34.2 |
| – Equity securities | 32,489 | 4.5 | (0.2) | 4.1 |
| – Wealth management products ^{note 1} | 1,801 | 0.3 | - | (0.8) |
| – Other equity investments ^{note 3} | 8,587 | 1.2 | (0.1) | - |
| Investment properties | 6,739 | 0.9 | (0.1) | (0.8) |
| Cash and cash equivalents | 26,006 | 3.6 | 0.7 | 34.5 |
| By investment purpose | | | | |
| Financial assets at fair value through profit or loss | 6,458 | 0.9 | 0.1 | 31.1 |
| Available-for-sale financial assets | 188,320 | 26.2 | (0.1) | 7.3 |
| Held-to-maturity financial assets | 273,062 | 38.0 | (1.4) | 3.8 |
| Long-term equity investments | 11 | - | - | - |
| Loans and other investments ^{note 4} | 251,274 | 34.9 | 1.4 | 12.5 |

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 loans-backed securities by banks, 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, and 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:

in RMB million

| Balance sheet items | 31 March 2014 | 31 December 2013 | Change (%) | Main reasons for the changes |
|---|---------------|------------------|------------|---|
| Cash and short-term time deposits | 23,326 | 16,561 | 40.8 | Timing difference |
| Financial assets at fair value through profit or loss | 6,458 | 4,926 | 31.1 | Growth in debt investments |
| Premium receivables | 7,264 | 4,295 | 69.1 | Growth in insurance business and timing difference |
| Restricted statutory deposits | 5,300 | 3,600 | 47.2 | Capital change of the subsidiary |
| Securities sold under agreements to repurchase | 47,815 | 25,199 | 89.7 | Timing difference |
| Handling charges and commission payable | 3,136 | 1,857 | 68.9 | Growth in insurance business and timing difference |
| Taxes payable | 3,911 | 1,876 | 108.5 | Growth in insurance business and profit variance due to the seasonal factor |
| Interest payable | 367 | 160 | 129.4 | Increase in interest from subordinated debt |

| Income statement items | For the three months ended 31 March 2014 | For the three months ended 31 March 2013 | Change (%) | Main reasons for the changes |
|---|--|--|------------|--|
| (Losses)/gains from changes in fair value | (103) | 47 | (319.1) | Change in market value for financial assets at fair value through profit or loss |
| Foreign exchange gains/(losses) | 63 | (39) | (261.5) | Fluctuation of exchange rates |
| Other operating income | 393 | 279 | 40.9 | Growth in business |
| Surrenders | (7,096) | (5,172) | 37.2 | Growth in surrender |
| Reinsurers' share of change in insurance contract liabilities | 140 | (6) | (2,433.3) | Growth in insurance business ceded to reinsurers |
| Other operating expenses | (735) | (538) | 36.6 | Increase in interest expenses of policyholders' investments business |
| Impairment losses | (2,410) | (259) | 830.5 | Increase in impairment of investment 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

Definitions

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

| | |
|--|--|
| “The Company”, “the Group”, “CPIC” or “CPIC Group” | China Pacific Insurance (Group) Co., Ltd. |
| “CPIC Life” | China Pacific Life Insurance Co., Ltd., a subsidiary of CPIC Group |
| “CPIC Property” | China Pacific Property Insurance Co., Ltd., a subsidiary of CPIC Group |
| “CPIC AMC” | Pacific Asset Management Co., Ltd., a subsidiary of the Company |
| “Changjiang Pension” | Changjiang Pension Insurance Co., Ltd., a subsidiary of the Company |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “SFO” | The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time |
| “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 |

By Order of the Board
China Pacific Insurance (Group) Co., Ltd.
Gao Guofu
Chairman

Shanghai, China, 24 April 2014

As of the date of this announcement, the executive directors of the Company are Mr. GAO Guofu and Mr. HUO Lianhong; the non-executive directors of the Company are Mr. WANG Chengran, Ms. SUN Xiaoning, Mr. YANG Xianghai, Mr. WU Jumin, Mr. WU Junhao and Mr. ZHENG Anguo; and the independent non-executive directors of the Company are Mr. BAI Wei, Mr. LAM Chi Kuen, Mr. ZHOU Zhonghui and Mr. FOK Kwong Man.

§5 APPENDIX

5.1

CONSOLIDATED BALANCE SHEET

31 March 2014

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

in RMB million (unaudited)

| ITEM | 31 March 2014 (unaudited) | 31 December 2013 (audited) |
|--|------------------------------|-------------------------------|
| ASSETS | | |
| Cash and short-term time deposits | 23,326 | 16,561 |
| Financial assets at fair value through profit or loss | 6,458 | 4,926 |
| Securities purchased under agreements to resell | 2,153 | 2,394 |
| Premium receivables | 7,264 | 4,295 |
| Due from reinsurers | 3,524 | 3,468 |
| Interest receivables | 11,659 | 12,003 |
| Reinsurers' share of unearned premium reserves | 5,720 | 5,728 |
| Reinsurers' share of claim reserves | 5,297 | 5,313 |
| Reinsurers' share of life insurance reserves | 759 | 953 |
| Reinsurers' share of long-term health insurance reserves | 5,744 | 5,394 |
| Policy loans | 9,486 | 8,444 |
| Term deposits | 153,292 | 144,317 |
| Available-for-sale financial assets | 188,320 | 175,489 |
| Held-to-maturity financial assets | 273,062 | 262,942 |
| Investments classified as loans and receivables | 50,978 | 41,320 |
| Long-term equity investments | 11 | 11 |
| Restricted statutory deposits | 5,300 | 3,600 |
| Investment properties | 6,739 | 6,795 |
| Fixed assets | 7,972 | 8,120 |
| Construction in progress | 2,287 | 1,945 |
| Intangible assets | 913 | 966 |
| Goodwill | 962 | 962 |
| Deferred income tax assets | 3,514 | 3,178 |
| Other assets | 5,674 | 4,409 |
| Total assets | 780,414 | 723,533 |

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 March 2014

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

in RMB million (unaudited)

| ITEM | 31 March 2014 (unaudited) | 31 December 2013 (audited) |
|---|------------------------------|-------------------------------|
| LIABILITIES AND EQUITY | | |
| Securities sold under agreements to repurchase | 47,815 | 25,199 |
| Premium received in advance | 3,706 | 4,886 |
| Handling charges and commission payable | 3,136 | 1,857 |
| Payables to reinsurers | 3,616 | 4,703 |
| Salaries and welfare payable | 1,430 | 1,962 |
| Taxes payable | 3,911 | 1,876 |
| Interest payable | 367 | 160 |
| Claims payable | 11,098 | 10,119 |
| Policyholder dividends payable | 13,785 | 13,875 |
| Policyholders' deposits and investments | 35,043 | 34,520 |
| Unearned premium reserves | 37,900 | 35,297 |
| Claim reserves | 26,093 | 25,315 |
| Life insurance reserves | 446,123 | 426,736 |
| Long-term health insurance reserves | 16,065 | 15,188 |
| Long-term borrowings | 188 | 188 |
| Subordinated debt | 19,495 | 15,500 |
| Deferred income tax liabilities | 1,027 | 1,021 |
| Other liabilities | 4,885 | 4,745 |
| Total liabilities | 675,683 | 623,147 |
| Issued capital | 9,062 | 9,062 |
| Capital reserves | 62,650 | 61,587 |
| Surplus reserves | 3,089 | 3,089 |
| Retained profits | 28,505 | 25,294 |
| Foreign currency translation reserves | (61) | (64) |
| Equity attributable to equity holders of the parent | 103,245 | 98,968 |
| Minority interests | 1,486 | 1,418 |
| Total equity | 104,731 | 100,386 |
| Total liabilities and equity | 780,414 | 723,533 |

Gao Guofu
Legal Representative
of the Company

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

BALANCE SHEET
31 March 2014

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

in RMB million (unaudited)

| ITEM | 31 March 2014 (unaudited) | 31 December 2013 (audited) |
|---|------------------------------|-------------------------------|
| ASSETS | | |
| Cash and short-term time deposits | 2,652 | 2,762 |
| Financial assets at fair value through profit or loss | 35 | 41 |
| Securities purchased under agreements to resell | 154 | 100 |
| Interest receivables | 453 | 493 |
| Term deposits | 6,431 | 6,407 |
| Available-for-sale financial assets | 17,141 | 16,527 |
| Held-to-maturity financial assets | 1,254 | 1,945 |
| Investments classified as loans and receivables | 1,030 | - |
| Long-term equity investments | 54,813 | 54,813 |
| Investment properties | 2,324 | 2,345 |
| Fixed assets | 307 | 325 |
| Construction in progress | 769 | 673 |
| Intangible assets | 69 | 70 |
| Deferred income tax assets | 228 | 284 |
| Other assets | 310 | 376 |
| Total assets | 87,970 | 87,161 |
| LIABILITIES AND EQUITY | | |
| Securities sold under agreements to repurchase | 690 | - |
| Salaries and welfare payable | 108 | 152 |
| Taxes payable | 98 | 46 |
| Interest payable | 1 | - |
| Other liabilities | 373 | 600 |
| Total liabilities | 1,270 | 798 |
| Issued capital | 9,062 | 9,062 |
| Capital reserves | 65,730 | 65,619 |
| Surplus reserves | 2,785 | 2,785 |
| Retained profits | 9,123 | 8,897 |
| Total equity | 86,700 | 86,363 |
| Total liabilities and equity | 87,970 | 87,161 |

Gao Guofu
Legal Representative
of the Company

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

CONSOLIDATED INCOME STATEMENT
For the three months ended 31 March 2014

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

in RMB million (unaudited)

| ITEM | For the three months ended 31 March 2014 | For the three months ended 31 March 2013 |
|---|--|--|
| | (unaudited) | (unaudited) |
| I. Operating income | 63,720 | 53,165 |
| Net premiums earned | 55,456 | 45,865 |
| Gross written premiums | 61,888 | 51,421 |
| Including: Premium income assumed-in | 25 | 30 |
| Less: Premiums ceded to reinsurers | (3,822) | (3,523) |
| Net change in unearned premium reserves | (2,610) | (2,033) |
| Investment income | 7,911 | 7,013 |
| (Losses)/gains from changes in fair value | (103) | 47 |
| Foreign exchange gains/(losses) | 63 | (39) |
| Other operating income | 393 | 279 |
| II. Operating expense | (59,295) | (50,065) |
| Surrenders | (7,096) | (5,172) |
| Claims paid | (16,202) | (13,191) |
| Less: Reinsurers' share of claims paid | 2,044 | 1,632 |
| Change in insurance contract liabilities | (20,752) | (19,963) |
| Less: Reinsurers' share of change in insurance contract liabilities | 140 | (6) |
| Policyholder dividends | (997) | (968) |
| Reinsurance expenses | (5) | (6) |
| Business tax and surcharges | (1,408) | (1,216) |
| Handling charges and commission | (6,171) | (4,949) |
| General and administrative expenses | (6,216) | (5,948) |
| Less: Reinsurers' share of expenses | 1,088 | 1,152 |
| Interest expenses | (575) | (633) |
| Other operating expenses | (735) | (538) |
| Impairment losses | (2,410) | (259) |
| III. Operating profit | 4,425 | 3,100 |
| Add: Non-operating income | 19 | 19 |
| Less: Non-operating expenses | (6) | (5) |
| IV. Profit before tax | 4,438 | 3,114 |
| Less: Income tax | (1,176) | (856) |
| V. Net profit | 3,262 | 2,258 |
| Attributable to equity holders of the parent | 3,211 | 2,225 |
| Minority interests | 51 | 33 |
| VI. Earnings per share | | |
| Basic earnings per share (RMB per share) | 0.35 | 0.25 |
| Diluted earnings per share (RMB per share) | 0.35 | 0.25 |
| VII. Other comprehensive income | 1,083 | 1,101 |
| VIII. Total comprehensive income | 4,345 | 3,359 |
| Attributable to equity holders of the parent | 4,277 | 3,305 |
| Attributable to minority interests | 68 | 54 |

Gao Guofu
Legal Representative
of the Company

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

INCOME STATEMENT

For the three months ended 31 March 2014

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

in RMB million (unaudited)

| ITEM | For the three months ended 31 March 2014 | For the three months ended 31 March 2013 |
|---------------------------------------|---|---|
| | (unaudited) | (unaudited) |
| I. Operating income | 500 | 340 |
| Investment income | 286 | 226 |
| Gains from changes in fair value | 2 | 2 |
| Foreign exchange gains/(losses) | 45 | (35) |
| Other operating income | 167 | 147 |
| II. Operating expenses | (204) | (191) |
| Business tax and surcharges | (13) | (12) |
| General and administrative expenses | (150) | (153) |
| Interest expenses | (5) | (1) |
| Other operating expenses | (20) | (21) |
| Impairment losses | (16) | (4) |
| III. Operating profit | 296 | 149 |
| IV. Profit before tax | 296 | 149 |
| Less: Income tax | (70) | (67) |
| V. Net profit | 226 | 82 |
| VI. Other comprehensive income/(loss) | 111 | (4) |
| VII. Total comprehensive income | 337 | 78 |

Gao Guofu
Legal Representative
of the Company

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

CONSOLIDATED CASH FLOW STATEMENT

For the three months ended 31 March 2014

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

in RMB million (unaudited)

| ITEM | For the three months ended 31 March 2014 (unaudited) | For the three months ended 31 March 2013 (unaudited) |
|--|--|--|
| I Cash flows from operating activities | | |
| Premiums received from direct insurance | 57,532 | 47,740 |
| Net increase in policyholders' deposits and investments | 17 | - |
| Tax refund | 104 | 41 |
| Cash received from other operating activities | 322 | 168 |
| Sub-total of cash inflows from operating activities | 57,975 | 47,949 |
| Claims paid for direct insurance | (14,958) | (12,823) |
| Net cash paid for reinsurance business | (1,980) | (52) |
| Net decrease in policyholders' deposits and investments | - | (3,961) |
| Handling charges and commission paid | (4,874) | (3,976) |
| Policyholder dividends paid | (919) | (353) |
| Cash paid to and for employees | (3,665) | (3,425) |
| Cash paid for taxes and surcharges | (1,888) | (1,793) |
| Cash paid for other operating activities | (11,953) | (8,696) |
| Sub-total of cash outflows from operating activities | (40,237) | (35,079) |
| Net cash inflow from operating activities | 17,738 | 12,870 |
| II Cash flows from investing activities | | |
| Cash received from sales and redemption of investments | 32,175 | 24,605 |
| Cash received from returns on investments | 7,989 | 6,601 |
| Net cash received from disposals of fixed assets, intangible assets and other long-term assets | 6 | 2 |
| Sub-total of cash inflows from investing activities | 40,170 | 31,208 |
| Cash paid for purchase of investments | (76,177) | (35,273) |
| Net increase in policy loans | (1,065) | (523) |
| Net cash paid for investments in subsidiaries, associates and joint ventures | - | (11) |
| Cash paid for purchase of fixed assets, intangible assets and other long-term assets | (795) | (1,335) |
| Sub-total of cash outflows from investing activities | (78,037) | (37,142) |
| Net cash outflow from investing activities | (37,867) | (5,934) |
| III Cash flows from financing activities | | |
| Proceeds from issuance of subordinated debt | 4,000 | - |
| Cash received from other financing activities | 23,018 | - |
| Sub-total of cash inflows from financing activities | 27,018 | - |
| Cash paid for distribution of dividends and interest | (252) | (415) |
| Cash paid for other financing activities | - | (4,511) |
| Sub-total of cash outflows from financing activities | (252) | (4,926) |
| Net cash inflow/(outflow) from financing activities | 26,766 | (4,926) |
| IV Effect of changes in foreign exchange rate on cash and cash equivalents | 34 | (26) |
| V Net increase in cash and cash equivalents | 6,671 | 1,984 |
| Add: Cash and cash equivalents at beginning of period | 19,335 | 24,990 |
| VI Cash and cash equivalents at end of period | 26,006 | 26,974 |

Gao Guofu
Legal Representative
of the Company

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

CASH FLOW STATEMENT

For the three months ended 31 March 2014

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

in RMB million (unaudited)

| ITEM | For the three months ended 31 March 2014 (unaudited) | For the three months ended 31 March 2013 (unaudited) |
|---|---|---|
| I Cash flows from operating activities | | |
| Cash received from other operating activities | 213 | 79 |
| Sub-total of cash inflows from operating activities | 213 | 79 |
| Cash paid to and for employees | (140) | (126) |
| Cash paid for taxes and surcharges | (15) | (6) |
| Cash paid for other operating activities | (221) | (239) |
| Sub-total of cash outflows from operating activities | (376) | (371) |
| Net cash outflow from operating activities | (163) | (292) |
| II Cash flows from investing activities | | |
| Cash received from sales and redemption of investments | 3,583 | 2,435 |
| Cash received from returns on investment | 328 | 213 |
| Sub-total of cash inflows from investing activities | 3,911 | 2,648 |
| Cash paid for purchase of investments | (4,419) | (6,794) |
| Cash paid for purchases of fixed assets, intangible assets and other long-term assets | (101) | (76) |
| Sub-total of cash outflows from investing activities | (4,520) | (6,870) |
| Net cash outflow from investing activities | (609) | (4,222) |
| III Cash flows from financing activities | | |
| Cash received from other financing activities | 700 | 1,060 |
| Sub-total of cash inflows from financing activities | 700 | 1,060 |
| Cash paid for distribution of dividends and interest | (4) | (1) |
| Cash paid for other financing activities | - | (2) |
| Sub-total of cash outflows from financing activities | (4) | (3) |
| Net cash inflow from financing activities | 696 | 1,057 |
| IV Effect of changes in foreign exchange rate on cash and cash equivalents | 20 | (24) |
| V Net decrease in cash and cash equivalents | (56) | (3,481) |
| Add: Cash and cash equivalents at beginning of period | 2,862 | 9,550 |
| VI Cash and cash equivalents at end of period | 2,806 | 6,069 |

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