

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

2021 First Quarter Report

(Trading Symbol: CPIC)

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§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 2021 First Quarter Report of the Company was considered and approved at the 10th meeting of the 9th board of directors of the Company on 28 April 2021, which 15 directors were required to attend and 14 of them attended in person. Due to other business engagements, director ZHOU Donghui 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 2021 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 and chief actuary) and Ms. XU Zhen (head of the Accounting 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 2021	31 December 2020	Change (%)
Total assets	1,823,247	1,771,004	2.9
Equity ^{note}	221,422	215,224	2.9
Net assets per share (RMB) ^{note}	23.02	22.37	2.9
	For the three months ended 31 March 2021	For the three months ended 31 March 2020	Compared with the same period of the previous year (%)
Net cash flows from operating activities	36,055	43,621	(17.3)
Net cash flows per share from operating activities (RMB)	3.75	4.81	(22.0)
	For the three months ended 31 March 2021	For the three months ended 31 March 2020	Compared with the same period of the previous year (%)
Operating income	151,263	138,211	9.4
Net profit ^{note}	8,547	8,388	1.9
Basic earnings per share (RMB) ^{note}	0.89	0.93	(4.3)
Diluted earnings per share (RMB) ^{note}	0.89	0.93	(4.3)
Net profit net of non-recurring profit or loss ^{note}	8,483	8,394	1.1
Basic earnings per share net of non-recurring profit or loss (RMB) ^{note}	0.88	0.93	(5.4)
Weighted average return on equity (%) ^{note}	3.9	4.6	(0.7pt)
Weighted average return on equity net of non-recurring profit or loss (%) ^{note}	3.9	4.6	(0.7pt)

Note: Attributable to shareholders of the parent.

2.2 Non-recurring items

unit: RMB million

Non-recurring items	For the three months ended 31 March 2021
Government grants recognised in current profit or loss	39
Other net non-operating income and expenses other than aforesaid item	48
Effect of income tax relating to non-recurring profit or loss	(23)
Net non-recurring profit or loss attributable to non-controlling interests	-
Total	64

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: 117,477 (including 113,181 holders of A shares and 4,296 holders of H shares)						
Shares held by top ten shareholders						
Name of shareholders	Percentage of the shareholding	Total number of shares held	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	28.82%	2,772,822,829	+98,200	-	-	H Share
Shenergy (Group) Co., Ltd.	13.79%	1,326,776,782	-	-	-	A Share
Hwabao Investment Co., Ltd.	13.35%	1,284,277,846	-	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	5.39%	518,200,693	+28,067,610	-	-	A Share
Shanghai Haiyan Investment Management Company Limited	4.87%	468,828,104	-	-	-	A Share
China Securities Finance Co., Ltd.	2.82%	271,089,843	-79	-	-	A Share
Shanghai Jiushi (Group) Co., Ltd.	2.61%	250,949,460	-	-	-	A Share
HKSCC	2.12%	203,787,403	+61,050,916	-	-	A Share
Citibank, National Association	1.84%	177,208,400	-132,655,725	-	-	A Share
China Structural Reform Fund Corporation Limited	1.20%	115,181,140	+115,181,140	-	-	A Share
Description of connected relations or concerted actions among the aforesaid shareholders	HKSCC Nominees Limited and Hong Kong Securities Clearing Company Limited (HKSCC) are connected, as the former is a wholly-owned subsidiary of the latter. As is confirmed by relevant shareholders regarding the Company's inquiry, 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 Stock Connect.
- Citibank, National Association is the depository of the Global Depositary Receipts (GDRs) of the Company, and the underlying A shares represented by GDRs are registered under its name in accordance with the applicable laws. According to the depository, by the end of the reporting period, the remaining number of GDRs was 34,790,196, representing 31.15% of the number of GDRs issued and approved by CSRC. Due to possible redemption and/or generation of GDRs on the last day of the reporting period, there may be discrepancies between the number of underlying A shares represented by remaining GDRs amount on the depository's book and the number of A shares registered under the name of the depository at the end of the reporting period.

§3 Business Review

For the reporting period, the Company realised gross written premiums (GWPs) of RMB139.443 billion, representing an increase of 6.3% as compared with the same period of last year. Of this, GWPs from CPIC Life amounted to RMB95.438 billion, an increase of 3.9%, and that from CPIC P/C^{note 1} amounted to RMB43.747 billion, an increase of 12.0%. The Group realised net profit^{note 2} of RMB8.547 billion, up by 1.9%.

Notes:

1. Consolidated data of CPIC P/C and its subsidiary, China Pacific Anxin Agricultural Insurance Co., Ltd.
2. Attributable to shareholders of the parent.

CPIC Life

The subsidiary accelerated transformation, promoted upgrading of the agency force, continued to foster the culture for high performance and improve the result-oriented training system; enhanced its capabilities in customer operation and stepped up product promotion, centring on customers' needs in health protection, retirement preventions and wealth management; increased technological utilisation for agents and the level of digitalisation in business operation. During the reporting period, CPIC Life delivered RMB95.438 billion in GWPs, an increase of 3.9%. Of this, the agency channel of individual business realised GWPs of RMB86.998 billion, an increase of 2.5%, and of which, new business premiums up by 35.9% to RMB16.336 billion.

	unit: RMB million		
For the 3 months ended 31 March	2021	2020	Changes (%)
Individual customers	89,639	87,404	2.6
Agency channel	86,998	84,908	2.5
New policies	16,336	12,022	35.9
Regular premium business	14,448	9,665	49.5
Renewed policies	70,662	72,886	(3.1)
Other channels	2,641	2,496	5.8
Group clients	5,799	4,469	29.8
Total GWPs	95,438	91,873	3.9

CPIC P/C

CPIC P/C vigorously implemented a geographically differentiated development strategy in response to changing market environment. In light of the latest developments of the automobile insurance comprehensive reform, it deepened customer-centred business management and at the same time enhanced business quality control of non-automobile insurance business to pursue high-quality development in an all-around way. During the reporting period, CPIC P/C recorded RMB43.747 billion in GWPs, up 12.0%. Of this, automobile insurance contributed RMB21.867 billion, down by 7.0%, and non-automobile insurance RMB21.880 billion, up 41.0%.

	unit: RMB million		
For the 3 months ended 31 March	2021	2020	Changes (%)
GWPs	43,747	39,044	12.0
Auto insurance	21,867	23,524	(7.0)
Non-auto insurance	21,880	15,520	41.0

Asset management business

In the first quarter of 2021, market interest rates fell slightly from the year beginning, and the A-share market experienced some volatility after fall from a rally at the year beginning. The Company increased allocation into long-term government bonds and extended asset duration of life insurance business under the guidance of Strategic Asset Allocation (SAA), while dynamically conducted Tactical Asset Allocation (TAA), seized market opportunities and delivered solid investment results. As at the end of the reporting period, Group investment assets amounted to RMB1,681.266 billion, an increase of 2.0% from the end of 2020. Asset allocation was based on profiles of liabilities and stayed largely stable. The share of fixed income investments stood at 78.4%, up by 0.1pt from the end of 2020; and that of equity investments stood at 18.5%, down by 0.3pt from the end of 2020, of which, the share of stocks and equity funds was 10.0%, down by 0.2pt. During the reporting period, Group annualised net investment yield was 3.9%, down by 0.3pt, with annualised total investment yield of 4.6%, up by 0.1pt.

Portfolio of Group investment assets

unit: RMB million

	31 March 2021	Share (%)	Share changes from the end of 2020 (pt)	Amount changes from the end of 2020 (%)
Group investment assets (Total)	1,681,266	100.0	-	2.0
By investment category				
Fixed income investments	1,318,573	78.4	0.1	2.2
– Debt securities	650,144	38.7	(0.6)	0.3
– Term deposits	195,370	11.6	(0.1)	1.2
– Debt investment plans	215,268	12.8	1.4	14.8
– Wealth management products ^{note 1}	153,322	9.1	(0.5)	(2.8)
– Preferred shares	32,000	1.9	-	-
– Other fixed income investments ^{note 2}	72,469	4.3	(0.1)	0.7
Equity investments	311,252	18.5	(0.3)	0.3
– Equity funds	40,496	2.4	(0.1)	(1.1)
– Bond funds	19,246	1.2	-	0.6
– Stocks	128,299	7.6	(0.1)	0.8
– Wealth management products ^{note 1}	2,272	0.1	-	57.1
– Preferred shares	12,604	0.8	-	(4.0)
– Other equity investments ^{note 3}	108,335	6.4	(0.1)	-
Investment properties	7,784	0.5	-	(1.0)
Cash, cash equivalents and others	43,657	2.6	0.2	11.2
By investment purpose				
Financial assets at fair value through profit or loss ^{note 4}	14,299	0.9	0.2	13.4
Available-for-sale financial assets	592,798	35.3	(0.9)	(0.6)
Held-to-maturity financial assets	337,010	20.0	-	2.3
Long-term equity investments	22,257	1.3	(0.2)	(8.9)
Loans and other investments ^{note 5}	714,902	42.5	0.9	4.3

Notes:

1. Wealth management products 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 and derivative financial assets, etc.
4. Financial assets at fair value through profit or loss include financial assets at fair value through profit or loss, and derivative financial assets on financial statements.
5. Loans and other investments include term deposits, cash at bank and on hand, 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	2021	2020	Changes
Net investment yield (annualised) (%) ^{note}	3.9	4.2	(0.3pt)
Total investment yield (annualised) (%) ^{note}	4.6	4.5	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 and reasons for such changes

Applicable Not applicable

unit: RMB million

Balance sheet items	31 March 2021	31 December 2020	Change (%)	Main reasons for the changes
Premium receivables	40,761	21,692	87.9	Growth in insurance business and timing difference
Premium received in advance	6,946	27,983	(75.2)	Timing difference
Reinsurance payables	7,770	5,501	41.2	Growth in insurance business and timing difference
Taxes payable	4,359	3,211	35.8	Profit variance due to the seasonal factor
Interest payable	358	594	(39.7)	Decrease in interest of bonds payable
Insurance premium reserves	322	207	55.6	Growth in insurance business

Income statement items	For the three months ended 31 March 2021	For the three months ended 31 March 2020	Change (%)	Main reasons for the changes
Net change in unearned premium reserves	(9,528)	(7,306)	30.4	Growth in insurance business
Investment income	27,382	20,180	35.7	Growth in investment and increase in gains from securities trading
Surrenders	(5,040)	(2,247)	124.3	Growth in insurance business and increase in surrender
Claim recoveries from reinsurers	3,019	2,126	42.0	Growth in reinsurance business
Other operating expenses	(1,879)	(1,419)	32.4	Increase in expenses of policyholders' deposits and investment contract liabilities
Other comprehensive income/(loss)	(2,267)	(908)	149.7	Change in fair value for available-for-sale financial assets due to capital market fluctuation

4.2 Progress of significant events and their impacts and solutions

Applicable Not applicable

4.3 Disclosable unfulfilled undertakings during the reporting period

Applicable Not applicable

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

Applicable Not applicable

4.5 Change in accounting policies

Applicable Not applicable

4.6 Solvency

Please refer to the summaries of quarterly solvency reports published on the websites of SSE (www.sse.com.cn), SEHK (www.hkexnews.hk), LSE (www.londonstockexchange.com) 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.
“CSRC”	China Securities Regulatory Commission
“SSE”	Shanghai Stock Exchange
“SEHK”	The Stock Exchange of Hong Kong Limited
“LSE”	London Stock Exchange
“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, 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

§5 APPENDIX

5.1

CONSOLIDATED BALANCE SHEET

31 March 2021

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

in RMB million

ITEM	31 March 2021	31 December 2020
	(unaudited)	(audited)
ASSETS		
Cash at bank and on hand	22,155	20,878
Financial assets at fair value through profit or loss	14,187	12,473
Derivative financial assets	112	140
Securities purchased under agreements to resell	16,377	14,327
Premium receivables	40,761	21,692
Reinsurance receivables	8,104	8,180
Interest receivables	20,709	20,563
Reinsurers' share of unearned premium reserves	8,630	7,537
Reinsurers' share of claim reserves	7,990	7,253
Reinsurers' share of life insurance reserves	1,871	1,812
Reinsurers' share of long-term health insurance reserves	11,472	11,117
Policy loans	63,225	62,364
Term deposits	195,370	192,966
Available-for-sale financial assets	592,798	596,158
Held-to-maturity financial assets	337,010	329,360
Investments classified as loans and receivables	403,633	380,174
Long-term equity investments	22,257	24,443
Restricted statutory deposits	6,358	6,858
Investment properties	7,784	7,866
Fixed assets	16,175	16,516
Construction in progress	1,898	1,822
Right-of-use assets	3,695	3,798
Intangible assets	4,504	4,693
Goodwill	1,357	1,357
Deferred income tax assets	893	845
Other assets	13,922	15,812
Total assets	1,823,247	1,771,004

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 March 2021

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

in RMB million

ITEM	31 March 2021 (unaudited)	31 December 2020 (audited)
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	71,698	90,825
Premium received in advance	6,946	27,983
Commission and brokerage payable	5,089	4,003
Reinsurance payables	7,770	5,501
Employee benefits payable	4,741	6,711
Taxes payable	4,359	3,211
Interest payable	358	594
Claims payable	21,704	21,825
Policyholder dividend payable	22,259	24,351
Policyholders' deposits and investment contract liabilities	97,085	87,126
Unearned premium reserves	79,421	68,800
Claim reserves	50,771	47,386
Life insurance reserves	1,065,168	1,010,194
Long-term health insurance reserves	108,766	98,796
Insurance premium reserves	322	207
Bonds payable	9,992	9,991
Lease liabilities	3,332	3,430
Deferred income tax liabilities	4,422	5,055
Other liabilities	32,134	34,180
Total liabilities	1,596,337	1,550,169
Issued capital	9,620	9,620
Capital reserves	79,657	79,788
Other comprehensive income	20,122	22,340
Surplus reserves	5,114	5,114
General reserves	16,848	16,829
Retained profits	90,061	81,533
Equity attributable to shareholders of the parent	221,422	215,224
Non-controlling interests	5,488	5,611
Total equity	226,910	220,835
Total liabilities and equity	1,823,247	1,771,004

Kong Qingwei
Legal Representative

Zhang Yuanhan
Principal in charge of Accounting Affairs

Xu Zhen
Head of Accounting Department

BALANCE SHEET
31 March 2021

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

in RMB million

ITEM	31 March 2021 (unaudited)	31 December 2020 (audited)
ASSETS		
Cash at bank and on hand	178	271
Financial assets at fair value through profit or loss	15	11
Securities purchased under agreements to resell	1,008	110
Interest receivables	865	648
Term deposits	21,280	21,190
Available-for-sale financial assets	30,785	32,369
Investments classified as loans and receivables	16,831	12,971
Long-term equity investments	64,985	65,072
Investment properties	2,998	3,289
Fixed assets	1,503	1,310
Construction in progress	79	59
Right-of-use assets	325	317
Intangible assets	300	330
Other assets	569	487
Total assets	141,721	138,434
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	4,260	1,272
Commission and brokerage payable	1	1
Employee benefits payable	160	245
Taxes payable	158	11
Interest payable	1	-
Lease liabilities	307	330
Deferred income tax liabilities	328	432
Other liabilities	531	530
Total liabilities	5,746	2,821
Issued capital	9,620	9,620
Capital reserves	79,312	79,312
Other comprehensive income	1,269	1,548
Surplus reserves	4,810	4,810
Retained profits	40,964	40,323
Total equity	135,975	135,613
Total liabilities and equity	141,721	138,434

Kong Qingwei
Legal Representative

Zhang Yuanhan
Principal in charge of Accounting Affairs

Xu Zhen
Head of Accounting Department

5.2

CONSOLIDATED INCOME STATEMENT
For the three months ended 31 March 2021

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

in RMB million

ITEM	For the three months ended 31 March 2021	For the three months ended 31 March 2020
	(unaudited)	(unaudited)
I. Operating income	151,263	138,211
Net premiums earned	122,614	117,067
Gross written premiums	139,443	131,148
Including: Premiums from reinsurance assumed	489	439
Less: Premiums ceded to reinsurers	(7,301)	(6,775)
Net change in unearned premium reserves	(9,528)	(7,306)
Other income	32	11
Investment income	27,382	20,180
Including: Share of profits of associates and joint ventures	53	184
Losses arising from changes in fair value	(26)	(83)
Exchange gains	130	63
Other operating income	1,131	972
Gains on disposal of assets	-	1
II. Operating expenses	(140,477)	(127,370)
Surrenders	(5,040)	(2,247)
Claims	(39,058)	(31,530)
Less: Claim recoveries from reinsurers	3,019	2,126
Changes in insurance contract reserves	(71,174)	(67,847)
Less: Insurance contract reserves recovered from reinsurers	1,154	1,246
Changes in insurance premium reserves	(115)	(79)
Policyholder dividends	(3,562)	(3,155)
Expenses for reinsurance assumed	(216)	(94)
Taxes and surcharges	(266)	(256)
Commission and brokerage expenses	(11,353)	(12,218)
Operating and administrative expenses	(11,941)	(11,398)
Less: Expense recoveries from reinsurers	1,801	1,472
Interest expenses	(891)	(866)
Other operating expenses	(1,879)	(1,419)
Asset impairment losses	(956)	(1,105)
III. Operating profit	10,786	10,841
Add: Non-operating income	63	6
Less: Non-operating expenses	(8)	(23)
IV. Profit before tax	10,841	10,824
Less: Income tax	(2,053)	(2,234)
V. Net profit	8,788	8,590
Classified by continuity of operations:		
Net profit from continuing operations	8,788	8,590
Net profit from discontinued operations	-	-
Classified by ownership of the equity:		
Attributable to shareholders of the parent	8,547	8,388
Non-controlling interests	241	202
VI. Earnings per share		
Basic earnings per share (RMB per share)	0.89	0.93
Diluted earnings per share (RMB per share)	0.89	0.93

CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the three months ended 31 March 2021

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

in RMB million

ITEM	For the three months ended	For the three months ended
	31 March 2021	31 March 2020
	(unaudited)	(unaudited)
VII. Other comprehensive income/(loss)	(2,267)	(908)
Other comprehensive income/(loss) to be reclassified to profit or loss:	(2,267)	(908)
Exchange differences on translation of foreign operations	4	12
Changes of fair value of available-for-sale financial assets and related impact to insurance liabilities	(3,009)	(1,159)
Income tax relating to these item	738	239
VIII. Total comprehensive income	6,521	7,682
Attributable to shareholders of the parent	6,329	7,498
Attributable to non-controlling interests	192	184

Kong Qingwei
Legal Representative

Zhang Yuanhan
Principal in charge of Accounting Affairs

Xu Zhen
Head of Accounting Department

INCOME STATEMENT

For the three months ended 31 March 2021

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

in RMB million

ITEM	For the three months ended 31 March 2021	For the three months ended 31 March 2020
	(unaudited)	(unaudited)
I. Operating income	1,352	821
Other income	3	-
Investment income	995	602
Exchange gains	92	1
Other operating income	262	218
II. Operating expenses	(563)	(417)
Taxes and surcharges	(22)	(18)
Operating and administrative expenses	(436)	(304)
Interest expenses	(10)	(15)
Other operating expenses	(33)	(35)
Assets impairment losses	(62)	(45)
III. Operating profit	789	404
Add: Non-operating income	52	-
Less: Non-operating expenses	(1)	(5)
IV. Profit before tax	840	399
Less: Income tax	(199)	(90)
V. Net profit	641	309
Classified by continuity of operations:		
Net profit from continuing operations	641	309
Net profit from discontinued operations	-	-
VI. Other comprehensive income/(loss)	(279)	(65)
Other comprehensive income/(loss) to be reclassified to profit or loss:	(279)	(65)
Changes in fair value of available-for-sale financial assets	(372)	(87)
Income tax relating to available-for-sale financial assets	93	22
VII. Total comprehensive income	362	244

Kong Qingwei
Legal Representative

Zhang Yuanhan
Principal in charge of Accounting Affairs

Xu Zhen
Head of Accounting Department

5.3

CONSOLIDATED CASH FLOW STATEMENT

For the three months ended 31 March 2021

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

in RMB million

ITEM	For the three months ended	For the three months ended
	31 March 2021	31 March 2020
	(unaudited)	(unaudited)
I. Cash flows from operating activities		
Cash received from premium income from direct insurance contracts	101,827	102,421
Net increase in policyholders' deposits and investments contract liabilities	8,688	5,920
Refund of taxes and surcharges	11	1
Cash received relating to other operating activities	1,641	1,186
Sub-total of cash inflows	112,167	109,528
Cash paid for claims under direct insurance contracts	(39,082)	(30,270)
Net cash paid under reinsurance contracts	(128)	(273)
Cash paid for commission and brokerage expenses	(10,523)	(11,284)
Cash paid for policyholder dividends	(4,114)	(3,296)
Cash paid to and on behalf of employees	(8,277)	(7,229)
Payments of taxes and surcharges	(2,305)	(1,850)
Cash paid relating to other operating activities	(11,683)	(11,705)
Sub-total of cash outflows	(76,112)	(65,907)
Net cash flows from operating activities	36,055	43,621
II. Cash flows from investing activities		
Cash received from disposal of investments	90,896	123,468
Cash received from returns on investments	16,834	16,716
Net cash received from disposal of subsidiaries and other business entities	3,636	318
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	5	3
Sub-total of cash inflows	111,371	140,505
Cash paid to acquire investments	(118,312)	(166,845)
Net increase in policy loans	(875)	(997)
Net cash paid to acquire subsidiaries and other business entities	(1,936)	-
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(395)	(204)
Cash paid relating to other investing activities	(28)	(9)
Sub-total of cash outflows	(121,546)	(168,055)
Net cash flows used in investing activities	(10,175)	(27,550)
III. Cash flows from financing activities		
Increase in securities sold under agreements to repurchase, net	-	366
Cash received relating to other financing activities	74	2,615
Sub-total of cash inflows	74	2,981
Cash repayments of borrowings	(2,500)	-
Cash payments for distribution of dividends, profits or interest expenses	(894)	(728)
Decrease in securities sold under agreements to repurchase, net	(18,599)	-
Cash paid relating to other financing activities	(680)	(257)
Sub-total of cash outflows	(22,673)	(985)
Net cash flows (used in)/from financing activities	(22,599)	1,996
IV. Effects of exchange rate changes on cash and cash equivalents	17	25
V. Net increase in cash and cash equivalents	3,298	18,092
Add: Cash and cash equivalents at the beginning of period	34,767	42,546
VI. Cash and cash equivalents at the end of period	38,065	60,638

Kong Qingwei
Legal Representative

Zhang Yuanhan
Principal in charge of Accounting Affairs

Xu Zhen
Head of Accounting Department

CASH FLOW STATEMENT

For the three months ended 31 March 2021

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

in RMB million

ITEM	For the three months ended 31 March 2021	For the three months ended 31 March 2020
	(unaudited)	(unaudited)
I. Cash flows from operating activities		
Cash received relating to other operating activities	360	107
Sub-total of cash inflows	360	107
Cash paid to and on behalf of employees	(310)	(263)
Payments of taxes and surcharges	(23)	(49)
Cash paid relating to other operating activities	(246)	(173)
Sub-total of cash outflows	(579)	(485)
Net cash flows used in operating activities	(219)	(378)
II. Cash flows from investing activities		
Cash received from disposal of investments	4,358	2,388
Cash received from returns on investments	386	306
Net cash received from disposal of subsidiaries and other business entities	43	-
Sub-total of cash inflows	4,787	2,694
Cash paid to acquire investments	(6,608)	(4,778)
Net cash paid to acquire subsidiaries and other business entities	(155)	-
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(32)	(14)
Sub-total of cash outflows	(6,795)	(4,792)
Net cash flows used in investing activities	(2,008)	(2,098)
III. Cash flows from financing activities		
Increase in securities sold under agreements to repurchase, net	2,988	2,500
Cash received relating to other financing activities	52	-
Sub-total of cash inflows	3,040	2,500
Cash payments for distribution of dividends, profits or interest expenses	(6)	(14)
Cash paid relating to other financing activities	(3)	(7)
Sub-total of cash outflows	(9)	(21)
Net cash flows from financing activities	3,031	2,479
IV. Effect of exchange rate changes on cash and cash equivalents	1	-
V. Net increase in cash and cash equivalents	805	3
Add: Cash and cash equivalents at the beginning of period	381	191
VI. Cash and cash equivalents at the end of period	1,186	194

Kong Qingwei
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Xu Zhen
Head of Accounting Department