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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)

2011 Third Quarter Report

This announcement is made by China Pacific Insurance (Group) Co., Ltd. (the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial data of the Company for the third quarter of 2011 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 of the Company, the directors, supervisors and senior management warrant that there are no false representations, misleading statements or material omissions in this report and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the contents of this report.

1.2 The 2011 Third Quarter Report of the Company was considered and approved at the 7th session of the 6th Board of Directors on 18 October 2011, which 15 directors were required to attend and 13 of them attended in person. Mr. Yang Xianghai, a Director, appointed Mr. Zhou Ciming, a Director, to attend the meeting and vote on his behalf. Mr. Wang Chengran, a Director, appointed Mr. Zheng Anguo, a Director, to attend the meeting and vote on his behalf.

1.3 The financial data of the Company for the third quarter of 2011 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), Mr. GU Yue (the Financial Officer), Ms. CHI Xiaolei (Chief Actuary) and Ms. WANG Ying (Deputy Chief Financial Officer) warrant the truthfulness and completeness of the financial statements contained in this report.

§2 Corporate Information

2.1 Key Accounting Data and Financial Indicators

in RMB million

	30 September 2011	31 December 2010	Variance (%)
Total assets	540,722	475,711	13.7
Equity ^{Note}	74,658	80,297	(7.0)
Net assets per share (RMB) ^{Note}	8.68	9.34	(7.0)
	For the nine months ended 30 September 2011		Compare with the same period of the previous year (%)
Net cash inflow from operating activities		45,306	(9.7)
Net cash inflow per share from operating activities (RMB)		5.27	(9.7)
	For the three months from 1 July to 30 September 2011	For the nine months ended 30 September 2011	the three months from 1 July to 30 September 2011 compared with the same period of the previous year (%)
Net profit ^{Note}	1,202	7,018	35.7
Basic earnings per share (RMB) ^{Note}	0.14	0.82	35.7
Basic earnings per share after deducting non-recurring items (RMB) ^{Note}	0.07	0.71	(36.4)
Diluted earnings per share (RMB) ^{Note}	0.14	0.82	35.7
Weighted average return on equity (%) ^{Note}	1.5	9.0	Increased by 0.3pt
Weighted average return on equity after deducting non-recurring items (%) ^{Note}	0.8	7.9	Decreased by 0.4pt

Note: attributable to equity holders of the parent

2.2 Non-recurring items

in RMB million

Non-recurring items	For the nine months ended 30 September 2011
Income on disposal of non-current assets	1,152
Income from contingent liabilities irrelevant to corporate normal business	83
Net non-operating income and expenses other than those mentioned above	(5)
Effect of income tax	(309)
Effect of minority interests	—
Total	921

2.3 Total number of shareholders and shares held by top ten shareholders without selling restrictions at the end of the reporting period

Unit: share

Total number of shareholders at the end of the reporting period: 190,963 shareholders (including 183,197 A shareholders and 7,766 H shareholders)		
Shares held by top ten shareholders of tradable shares without selling restrictions		
Names of shareholders (full name)	Number of tradable shares held without selling restrictions at the end of the period	Types of shares
HKSCC Nominees Limited	1,865,179,199	H Share
Fortune Investment Co., Ltd.	1,284,277,846	A Share
Shenergy Group Co., Ltd.	1,232,034,619	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	424,099,214	A Share
Shanghai Haiyan Investment Management Company Limited	421,703,174	A Share
Parallel Investors Holdings Limited	329,824,102	H Share
Shanghai Jiushi Corporation	250,949,460	A Share
Yunnan Hongta Group Co., Ltd.	174,339,390	A Share
Carlyle Holdings Mauritius Limited	113,323,498	H Share
Baosteel Group Corporation	68,818,407	A Share

§3 Business Review for the Reporting Period

During the first three quarters of the year, the Company recorded gross written premiums of RMB121.378 billion, representing an increase of 12.3% over the same period of the previous year. Net profit attributable to equity holders of the parent amounted to RMB7.018 billion, representing an increase of 43.1% over the same period of the previous year. Gross written premiums of life insurance amounted to RMB74.528 billion, representing an increase of 8.2% over the same period of the previous year. Gross written premiums of property and casualty insurance amounted to RMB46.798 billion, representing an increase of 19.5% over the same period of the previous year.

§4 Significant Events

4.1 Significant changes of key financial statements items and financial indicators and reasons for such changes:

√ Applicable □ Not applicable

in RMB million

Balance sheet items	30 September 2011	31 December 2010	Flux (%)	Main reasons for the changes
Securities purchased under agreements to resell	523	2,600	(79.9)	Timing difference
Premium receivables	4,242	2,622	61.8	Growth in insurance business and timing difference
Policy loans	3,641	2,307	57.8	Growth in insurance business
Long-term equity investments	—	440	(100.0)	Transfer of a jointly-controlled entity
Investment properties	6,615	2,366	179.6	Addition of investment property
Intangible assets	415	607	(31.6)	Transfer land use right of Fudan Pacific Institute of Finance
Goodwill	935	149	527.5	Share acquisition
Deferred income tax assets	5,247	1,586	230.8	Increase in temporary differences between deductible taxable incomes
Other assets	5,601	4,202	33.3	Timing difference
Securities sold under agreements to repurchase	24,268	8,150	197.8	Timing difference
Handling charges and commission payable	1,879	1,325	41.8	Growth in insurance business and timing difference
Interest payable	20	6	233.3	Timing difference
Subordinated debt	—	2,338	(100.0)	Redemption of CPIC Life's subordinated debt
Deferred income tax liabilities	912	2	45,500.0	Increase in temporary differences between taxable incomes
Foreign currency translation reserve	(53)	(37)	43.2	Fluctuation in exchange rates

in RMB million

Income statement items	For the nine months ended 30 September 2011	For the nine months ended 30 September 2010	Flux (%)	Main reasons for the changes
Investment income/ (loss) from associates and jointly-controlled entities	16	(24)	(166.7)	Operating result of a jointly- controlled entity
(Loss)/Gain from changes in fair value	(528)	245	(315.5)	Decrease in market value for held- for-trading financial assets
Foreign exchange losses	(59)	(139)	(57.6)	Decrease in foreign currency balance and flux of exchange rates
Surrenders	(7,060)	(3,254)	117.0	Effect of interest rate rising
Reinsurers' share of claims paid	4,168	3,128	33.2	Growth in insurance business
Reinsurers' share of change in insurance contract reserves	1,199	2,194	(45.4)	Decrease in premium proportion ceded to reinsurers
Interest expenses	(571)	(280)	103.9	Growth in securities sold under agreements to repurchase
Impairment losses	(1,976)	(565)	249.7	Increase in impairment of investment assets
Non-operating income/ expenses	669	(30)	(2,330.0)	Transfer of Fudan Pacific Institute of Finance
Other comprehensive loss	(9,810)	(1,199)	718.2	Change of the fair value of available-for-sale financial assets

4.2 Progress of major events and their impacts and solutions

Applicable Not applicable

4.3 The fulfillment of the undertakings made by the Company, the shareholders and the de facto controllers

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 Implementation of cash distribution policy during the reporting period

Applicable Not applicable

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

Shanghai, China, 18 October 2011

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. YANG Xianghai, Mr. WANG Chengran, Ms. FENG Junyuan, Mr. WU Jumin, Mr. YANG Xiangdong, Mr. ZHOU Ciming, Mr. ZHENG Anguo and Ms. XU Fei; and the independent non-executive Directors of the Company are Mr. XU Shanda, Mr. CHANG Tso Tung Stephen, Mr. LI Ruoshan, Mr. XIAO Wei and Mr. YUEN Tin Fan.

§5 APPENDIX

5.1

CONSOLIDATED BALANCE SHEET

30 September 2011

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

in RMB million

ITEM	30 September 2011	31 December 2010
	(unaudited)	(audited)
ASSETS		
Cash and short-term time deposits	13,932	14,960
Held-for-trading financial assets	3,301	3,604
Securities purchased under agreements to resell	523	2,600
Premium receivables	4,242	2,622
Receivables from reinsurers	2,958	2,787
Interest receivable	11,383	9,207
Unearned premium reserves receivable from reinsurers	4,377	3,763
Claim reserves receivable from reinsurers	4,482	3,763
Life insurance reserves receivable from reinsurers	979	1,298
Long-term health insurance reserves receivable from reinsurers	4,322	3,523
Policy loans	3,641	2,307
Term deposits	131,286	106,772
Available-for-sale financial assets	119,994	119,759
Held-to-maturity financial assets	177,332	157,360
Investments classified as loans and receivables	29,329	22,811
Long-term equity investments	—	440
Restricted statutory deposits	3,140	2,772
Investment properties	6,615	2,366
Fixed assets	5,162	5,112
Construction in progress	1,526	1,341
Intangible assets	415	607
Goodwill	935	149
Deferred income tax assets	5,247	1,586
Other assets	5,601	4,202
Total assets	540,722	475,711

CONSOLIDATED BALANCE SHEET (CONTINUED)

30 September 2011

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

in RMB million

ITEM	30 September 2011	31 December 2010
	(unaudited)	(audited)
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	24,268	8,150
Premium received in advance	2,952	3,549
Handling charges and commission payable	1,879	1,325
Payables to reinsurers	4,146	3,510
Salary and staff welfare payable	1,438	1,457
Taxes payable	1,673	2,088
Interest payable	20	6
Claims payable	2,977	2,320
Policyholder dividend payable	8,547	7,110
Policyholders' deposits and investments	47,246	51,354
Unearned premium reserves	28,581	23,407
Claim reserves	20,539	15,826
Life insurance reserves	306,041	258,797
Long-term health insurance reserves	10,510	9,156
Subordinated debt	—	2,338
Deferred income tax liabilities	912	2
Other liabilities	3,192	3,765
Total liabilities	464,921	394,160
Issued capital	8,600	8,600
Capital reserves	47,179	56,810
Surplus reserves	1,703	1,703
Retained profits	17,229	13,221
Foreign currency translation reserve	(53)	(37)
Equity attributable to equity holders of the parent	74,658	80,297
Minority interests	1,143	1,254
Total equity	75,801	81,551
Total liabilities and equity	540,722	475,711

Gao Guofu
Legal Representative
of the Company

Gu Yue
Person in charge of
Accounting Affairs

Wang Ying
Head of Finance
Department

BALANCE SHEET

30 September 2011

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

in RMB million

ITEM	30 September 2011	31 December 2010
	(unaudited)	(audited)
ASSETS		
Cash and short-term time deposits	1,716	5,471
Held-for-trading financial assets	32	415
Securities purchased under agreements to resell	—	2,600
Interest receivable	461	248
Term deposits	10,029	8,529
Available-for-sale financial assets	7,908	5,279
Held-to-maturity financial assets	1,914	1,849
Investments classified as loans and receivables	1,199	1,199
Long-term equity investments	49,043	45,306
Investment properties	2,498	2,551
Fixed assets	419	488
Construction in progress	1	—
Intangible assets	13	202
Deferred income tax assets	375	568
Other assets	308	1,246
Total assets	75,916	75,951
LIABILITIES AND EQUITY		
Salary and staff welfare payable	129	161
Taxes payable	64	57
Other liabilities	278	1,964
Total liabilities	471	2,182
Issued capital	8,600	8,600
Capital reserves	57,503	58,153
Surplus reserves	1,399	1,399
Retained profits	7,943	5,617
Total equity	75,445	73,769
Total liabilities and equity	75,916	75,951

Gao Guofu
Legal Representative
of the Company

Gu Yue
Person in charge of
Accounting Affairs

Wang Ying
Head of Finance
Department

CONSOLIDATED INCOME STATEMENT
For the nine months ended 30 September 2011

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

in RMB million

ITEM	For the three months from 1 July to 30 September 2011	For the nine months ended 30 September 2011	For the three months from 1 July to 30 September 2010	For the nine months ended 30 September 2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
I. Operating income	35,136	122,374	32,526	105,157
Net premiums earned	31,352	106,474	28,377	91,564
Gross written premiums	34,503	121,378	32,032	108,098
Including: Premium income assumed-in	14	77	28	66
Less: Premiums ceded to reinsurers	(3,034)	(10,340)	(3,025)	(10,525)
Net change in unearned premium reserves	(117)	(4,564)	(630)	(6,009)
Investment income	4,038	15,811	3,753	12,861
Including: investment income/(loss) from associates and jointly-controlled entities	—	16	(2)	(24)
(Loss)/gain from changes in fair value	(441)	(528)	244	245
Foreign exchange losses	(19)	(59)	(40)	(139)
Other operating income	206	676	192	626
II. Operating expense	(34,540)	(114,257)	(31,558)	(99,109)
Surrenders	(3,162)	(7,060)	(1,190)	(3,254)
Claims paid	(9,713)	(29,284)	(8,250)	(24,597)
Less: Reinsurers' share of claims paid	1,561	4,168	1,183	3,128
Change in insurance contract reserves	(13,600)	(52,360)	(15,895)	(51,879)
Less: Reinsurers' share of change in insurance contract reserves	490	1,199	910	2,194
Policyholder dividends	(1,053)	(2,796)	(964)	(2,390)
Reinsurance expenses	(3)	(16)	(6)	(15)
Business tax and surcharges	(851)	(2,779)	(701)	(2,274)
Handling charges and commission	(3,137)	(10,339)	(2,686)	(8,494)
General and administrative expenses	(4,799)	(13,977)	(4,014)	(12,070)
Less: Reinsurers' share of expenses	1,107	3,341	1,139	3,209
Interest expenses	(260)	(571)	(75)	(280)
Other operating expenses	(312)	(1,807)	(509)	(1,822)
Impairment losses	(808)	(1,976)	(500)	(565)
III. Operating profit	596	8,117	968	6,048
Add: Non-operating income	679	705	20	46
Less: Non-operating expenses	(8)	(36)	(7)	(76)
IV. Profit before tax	1,267	8,786	981	6,018
Less: Income tax	(68)	(1,704)	(93)	(1,060)
V. Net profit	1,199	7,082	888	4,958
Attributable to equity holders of the parent	1,202	7,018	886	4,905
Minority interests	(3)	64	2	53
VI. Earnings per share				
Basic earnings per share	RMB0.14	RMB0.82	RMB0.10	RMB0.57
Diluted earnings per share	RMB0.14	RMB0.82	RMB0.10	RMB0.57
VII. Other comprehensive (loss)/income	(6,459)	(9,810)	3,576	(1,199)
VIII. Total comprehensive (loss)/income	(5,260)	(2,728)	4,464	3,759
Attributable to equity holders of the parent	(5,151)	(2,628)	4,397	3,727
Minority interests	(109)	(100)	67	32

Gao Guofu
Legal Representative
of the Company

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Person in charge of
Accounting Affairs

Wang Ying
Head of Finance
Department

INCOME STATEMENT

For the nine months ended 30 September 2011

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

in RMB million

ITEM	For the three months from 1 July to 30 September 2011	For the nine months ended 30 September 2011	For the three months from 1 July to 30 September 2010	For the nine months ended 30 September 2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
I. Operating income	341	5,586	232	3,436
Investment income	253	5,367	160	3,266
Including: investment income/(loss) from associates and jointly-controlled entities	—	16	(2)	(24)
Gain/(loss) from changes in fair value	1	(6)	21	23
Foreign exchange losses	(5)	(28)	(29)	(121)
Other operating income	92	253	80	268
II. Operating expense	(158)	(505)	(131)	(379)
Business tax and surcharges	(10)	(46)	(1)	(11)
General and administrative expenses	(48)	(307)	(130)	(363)
Interest expenses	—	(2)	—	(5)
Other operating expenses	(25)	(65)	—	—
Impairment losses	(75)	(85)	—	—
III. Operating profit	183	5,081	101	3,057
Add: Non-operating income	670	670	—	3
Less: Non-operating expenses	1	—	—	—
IV. Profit before tax	854	5,751	101	3,060
Less: Income tax	(193)	(415)	(25)	(133)
V. Net profit	661	5,336	76	2,927
VI. Other comprehensive (loss)/income	(449)	(650)	170	(8)
VII. Total comprehensive income	212	4,686	246	2,919

Gao Guofu
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Wang Ying
Head of Finance
Department

CONSOLIDATED CASH FLOW STATEMENT

For the nine months ended 30 September 2011

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

in RMB million

ITEM	For the nine months ended 30 September 2011	For the nine months ended 30 September 2010
	(unaudited)	(unaudited)
I Cash flows from operating activities		
Premiums received from insurance contracts	118,979	104,642
Tax refund	—	176
Cash received from other operating activities	405	633
Sub-total of cash inflows from operating activities	119,384	105,451
Claims paid for insurance contracts	(28,565)	(24,212)
Net cash paid for reinsurance business	(2,324)	(3,102)
Net decrease in policyholders' deposits and investments	(5,141)	(370)
Handling charges and commission paid	(9,787)	(7,903)
Policyholder dividends paid	(1,090)	(893)
Cash paid to and for employees	(7,004)	(5,348)
Cash paid for taxes and respective surcharges	(6,150)	(3,614)
Cash paid for other operating activities	(14,017)	(9,819)
Sub-total of cash outflows from operating activities	(74,078)	(55,261)
Net cash inflow from operating activities	45,306	50,190
II Cash flows from investing activities		
Cash received from sales and redemption of investments	58,791	76,776
Cash received from investment returns	13,501	9,895
Net cash received from disposal of a jointly-controlled entity	950	—
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	701	33
Sub-total of cash inflows from investing activities	73,943	86,704
Cash paid for purchase of investments	(125,837)	(134,804)
Net increase in policy loans	(1,423)	(641)
Cash paid for acquisition of subsidiaries	(4,125)	—
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(1,043)	(1,178)
Sub-total of cash outflows from investing activities	(132,428)	(136,623)
Net cash outflow from investing activities	(58,485)	(49,919)

ITEM	For the nine months ended 30 September 2011	For the nine months ended 30 September 2010
	(unaudited)	(unaudited)
III Cash flows from financing activities		
Cash received from capital contribution	53	3,021
Cash received from other financing activities	16,066	319
Sub-total of cash inflows from financing activities	16,119	3,340
Cash paid for Repayment of borrowed funds	(2,000)	—
Cash paid for distribution of dividends and interests	(3,840)	(2,752)
Cash paid for other financing activities	—	(7,558)
Sub-total of cash outflows from financing activities	(5,840)	(10,310)
Net cash inflow/(outflow) from financing activities	10,279	(6,970)
IV Effect of changes in foreign exchange rate on cash and cash equivalents	(105)	(179)
V Net decrease in cash and cash equivalents	(3,005)	(6,878)
Add: Cash and cash equivalents at beginning of period	17,560	30,238
VI Cash and cash equivalents at end of period	14,555	23,360

Gao Guofu
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Gu Yue
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Accounting Affairs

Wang Ying
Head of Finance
Department

CASH FLOW STATEMENT

For the nine months ended 30 September 2011

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

in RMB million

ITEM	For the nine months ended 30 September 2011	For the nine months ended 30 September 2010
	(unaudited)	(unaudited)
I Cash flows from operating activities		
Tax return	—	3
Cash received from other operating activities	130	278
Sub-total of cash inflows from operating activities	130	281
Cash paid to and for employees	(225)	(176)
Cash paid for taxes and respective surcharges	(48)	(60)
Cash paid for other operating activities	(566)	(296)
Sub-total of cash outflows from operating activities	(839)	(532)
Net cash outflow from operating activities	(709)	(251)
II Cash flows from investing activities		
Cash received from sales and redemption of investments	1,851	10,229
Cash received from investment returns	4,561	2,972
Net cash received from disposal of a jointly-controlled entity	950	—
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	680	2
Sub-total of cash inflows from investing activities	8,042	13,203
Cash paid for purchase of investments	(6,323)	(13,626)
Net cash paid for investments in subsidiaries, associates and jointly-controlled entities	(4,177)	(11,807)
Cash paid for purchases of fixed assets, intangible assets and other long-term assets	(101)	(429)
Sub-total of cash outflows from investing activities	(10,601)	(25,862)
Net cash outflow from investing activities	(2,559)	(12,659)

ITEM	For the nine months ended 30 September 2011	For the nine months ended 30 September 2010
	(unaudited)	(unaudited)
III Cash flows from financing activities		
Cash received from capital contribution	—	2,797
Cash received from other financing activities	—	319
Sub-total of cash inflows from financing activities	—	3,116
Cash paid for distribution of dividends and interests	(3,012)	(2,585)
Cash paid for other financing activities	—	(2,409)
Sub-total of cash outflows from financing activities	(3,012)	(4,994)
Net cash outflow from financing activities	(3,012)	(1,878)
IV Effect of changes in foreign exchange rate on cash and cash equivalents	(75)	(164)
V Net decrease in cash and cash equivalents	(6,355)	(14,952)
Add: Cash and cash equivalents at beginning of period	8,071	21,043
VI Cash and cash equivalents at end of period	1,716	6,091

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