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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)

## 2016 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 2016 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 2016 First Quarter Report of the Company was considered and approved at the 13th session of the 7th Board of Directors on 29 April 2016, which 14 directors were required to attend and 13 of them attended in person. Director WANG Jian could not attend the board meeting due to other business engagements and appointed in writing WU Junhao, a director, to attend the meeting and vote on his behalf.

1.3 The financial data contained in the 2016 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. 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 Accounting Data and Financial Indicators

Unit: RMB million

	31 March 2016	31 December 2015	Changes (%)
Total assets	944,239	923,843	2.2
Equity <sup>note</sup>	132,411	133,336	(0.7)
Net assets per share (RMB) <sup>note</sup>	14.61	14.71	(0.7)
	For the 3 months ended 31 March 2016	For the 3 months ended 31 March 2015	Compare with the same period of the previous year (%)
Net cash inflow from operating activities	16,000	6,358	151.7
Net cash inflow per share from operating activities (RMB)	1.77	0.70	151.7
	For the 3 months ended 31 March 2016	For the 3 months ended 31 March 2015	Compared with the same period of the previous year (%)
Operating income	83,443	73,762	13.1
Net profit <sup>note</sup>	2,199	4,903	(55.1)
Basic earnings per share (RMB) <sup>note</sup>	0.24	0.54	(55.1)
Diluted earnings per share (RMB) <sup>note</sup>	0.24	0.54	(55.1)
Net profit after deducting non-recurring items <sup>note</sup>	2,191	4,899	(55.3)
Basic earnings per share after deducting non-recurring items (RMB) <sup>note</sup>	0.24	0.54	(55.3)
Weighted average return on equity (%) <sup>note</sup>	1.7	4.1	-2.4pt
Weighted average return on equity after deducting non-recurring items (%) <sup>note</sup>	1.6	4.1	-2.5pt

Note: attributable to equity holders of the parent

### 2.2 Non-recurring items

Unit: RMB million

Non-recurring items	For the 3 months ended 31 March 2016
Income on disposal of non-current assets	1
Government grants included in profit or loss	17
Net non-operating income and expenses other than those mentioned above	(5)
Effect of income tax	(4)
Effect of non-controlling interests (after tax)	(1)
Total	8

### 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

<b>Total number of shareholders as at the end of the reporting period: 113,384 (including 107,652 holders of A shares and 5,732 holders of H shares)</b>
<b>Shares held by top ten shareholders</b>

Name of the shareholders	Total number of shares held	Percentage of the shareholding (%)	Increase or decrease (+ or -) of shareholding during the reporting period	Number of shares held with selling restriction	Number of shares subject to pledge or lock-up period	Type of shares
HKSCC Nominees Limited	2,772,363,236	30.59	+400	-	-	H Share
Fortune Investment Co., Ltd.	1,284,277,846	14.17	-	-	-	A Share
Shenergy (Group) Co., Ltd.	1,225,082,034	13.52	-	-	-	A Share
Shanghai Haiyan Investment Management Company Limited	468,828,104	5.17	-	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	424,099,214	4.68	-	-	-	A Share
China Securities Finance Co., Ltd.	292,884,771	3.23	+79,278,939	-	-	A Share
Shanghai Jiushi (Group) Co., Ltd.	250,949,460	2.77	-	-	-	A Share
Yunnan Hongta Group Co., Ltd.	156,684,390	1.73	-	-	-	A Share
Tian An Property & Casualty Insurance Company Ltd. - Baoying No. 1	134,666,431	1.49	+90,666,630	-	-	A Share
Central Huijin Investment Ltd.	110,741,200	1.22	-	-	-	A Share
Description of connected relations or concerted action among the aforesaid shareholders	The Company is not aware of any other connected relationship or acting in concert relationship 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 a number of its clients. As the 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 Hong Kong 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.
- 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

During the reporting period, the Company realized gross written premiums (GWPs) of RMB78.217 billion, representing an increase of 25.5% as compared to the same period of last year. GWPs from CPIC Life amounted to RMB52.350 billion, representing an increase of 38.1% as compared to the same period of last year. GWPs from CPIC P/C amounted to RMB25.830 billion, representing an increase of 5.8% as compared to the same period of last year.

## CPIC Life

During the reporting period, GWPs from CPIC Life amounted to RMB52.350 billion, representing an increase of 38.1% as compared to the same period of last year. In particular, GWPs from new policies amounted to RMB21.125 billion, while GWPs from renewed policies amounted to RMB31.225 billion. The individual channel maintained its rapid growth and GWPs from new policies of this very channel reached RMB17.811 billion, representing an increase of 84.2% as compared to the same period of last year.

For the 3 months ended 31 March		2016	2015	Unit: RMB million Changes (%)
<b>Individual business</b>				
GWPs		46,404	31,599	46.9
New policies		17,811	9,669	84.2
Regular premium		17,399	9,397	85.2
Single premium		412	272	51.5
Renewed policies		28,593	21,930	30.4
<b>Group &amp; Partnerships</b>				
GWPs		5,946	6,319	(5.9)
New policies		3,314	2,769	19.7
Regular premium		157	530	(70.4)
Single premium		3,157	2,239	41.0
Renewed policies		2,632	3,550	(25.9)
<b>Total</b>		<b>52,350</b>	<b>37,918</b>	<b>38.1</b>

## CPIC P/C

During the reporting period, GWPs from CPIC P/C amounted to RMB25.830 billion, representing an increase of 5.8% as compared to the same period of last year. In particular, GWPs from automobile insurance amounted to RMB19.200 billion, representing an increase of 5.5% as compared to the same period of last year, while GWPs from non-automobile insurance amounted to RMB6.630 billion, representing an increase of 7.0% as compared to the same period of last year. GWPs from telemarketing and internet sales amounted to RMB4.634 billion, representing an increase of 1.8% as compared to the same period of last year, and GWPs from cross-selling amounted to RMB1.408 billion, representing an increase of 40.1% as compared to the same period of last year. GWPs from telemarketing & internet sales and cross-selling accounted for 23.4% of GWPs from CPIC P/C.

For the 3 months ended 31 March		2016	2015	Unit: RMB million Changes (%)
GWPs		<b>25,830</b>	<b>24,404</b>	<b>5.8</b>
Auto insurance		19,200	18,206	5.5
Non-auto insurance		6,630	6,198	7.0

## Asset management business

As at the end of the reporting period, assets under management (AuM) of the Group amounted to RMB1,124.292 billion, representing an increase of 3.3% as compared to the end of last year. Among which, Group investment assets and third-party AuM amounted to RMB869.964 billion and RMB254.328 billion, representing an increase of 1.8% and 8.9% as compared to those as at the end of last year, respectively.

	31 March 2016	31 December 2015	Changes (%)
<b>Group AuM</b>	<b>1,124,292</b>	<b>1,087,932</b>	<b>3.3</b>
Group in-house assets	869,964	854,458	1.8
Third-party AuM	254,328	233,474	8.9
Third-party AuM by CPIC AMC	158,533	149,786	5.8
Assets under investment management by Changjiang Pension	95,795	83,688	14.5

Unit: RMB million

### Portfolio of Group investment assets

	31 March 2016	Share (%)	Share changes from the end of 2015 (pt)	Amount changes from the end of 2015 (%)
<b>Group investment assets (Total)</b>	<b>869,964</b>	<b>100.0</b>	<b>-</b>	<b>1.8</b>
<b>By investment category</b>				
Fixed income investments	716,582	82.4	0.3	2.3
– Debt securities	444,720	51.1	0.7	3.3
– Term deposits	143,126	16.5	(1.6)	(7.3)
– Debt investment plans	56,354	6.5	0.3	6.3
– Wealth management products <sup>note 1</sup>	29,024	3.3	0.3	15.0
– Preferred shares	16,300	1.9	0.5	38.1
– Other fixed income investments <sup>note 2</sup>	27,058	3.1	0.1	5.9
Equity investments	117,207	13.5	(0.9)	(4.9)
– Investment Funds	42,027	4.8	(0.6)	(8.5)
– Equity securities	30,230	3.5	(0.4)	(10.2)
– Wealth management products <sup>note 1</sup>	26,533	3.0	-	3.2
– Preferred shares	2,177	0.3	-	(1.8)
– Other equity investments <sup>note 3</sup>	16,240	1.9	0.1	3.1
Investment properties	6,290	0.7	-	(0.9)
Cash and cash equivalents	29,885	3.4	0.6	23.5
<b>By investment purpose</b>				
Financial assets at fair value through profit or loss	20,717	2.4	(0.2)	(6.7)
Available-for-sale financial assets	228,371	26.3	0.8	4.7
Held-to-maturity financial assets	309,515	35.6	(0.7)	(0.3)
Long-term equity investments	432	-	-	33.3
Loans and other investments <sup>note 4</sup>	310,929	35.7	0.1	2.4

Unit: RMB million

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, 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:

√Applicable □Not applicable

Unit: RMB million

Balance sheet items	31 March 2016	31 December 2015	Change (%)	Main reasons for the changes
Cash and short-term time deposits	13,888	9,500	46.2	Timing difference
Premium receivables	10,304	5,039	104.5	Growth in insurance business and timing difference
Long-term equity investments	432	324	33.3	Increase of associates
Deferred income tax assets	643	80	703.8	Decrease in fair value for investment assets
Premium received in advance	4,704	17,265	(72.8)	Timing difference
Handling charges and commission payable	4,698	2,781	68.9	Growth in insurance business and timing difference
Payables to reinsurers	4,499	3,396	32.5	Timing difference
Taxes payable	5,770	4,283	34.7	Growth in insurance business
Deferred income tax liabilities	953	2,499	(61.9)	Decrease in fair value for investment assets
Other comprehensive income/(loss)	5,404	8,528	(36.6)	Change in market value in capital market

Income statement items	For the 3 months ended 31 March 2016	For the 3 months ended 31 March 2015	Change (%)	Main reasons for the changes
Net change in unearned premium reserves	(1,784)	(985)	81.1	Increase in retained premium growth
(Losses)/gains from changes in fair value	(609)	733	(183.1)	Change in market value for financial assets at fair value through profit or loss
Other operating income	549	418	31.3	Increase in income of non-insurance contract
Surrenders	(4,666)	(12,013)	(61.2)	Decrease in surrender
Change in insurance contract liabilities	(29,870)	(16,891)	76.8	Growth in insurance business
Policyholder dividends	(1,673)	(1,142)	46.5	Growth in insurance business
Handling charges and commission	(10,741)	(7,541)	42.4	Growth in insurance business
Reinsurers' share of expenses	1,393	854	63.1	Growth in insurance business ceded to reinsurers
Other operating expenses	(1,646)	(1,240)	32.7	Increase in interest expenses of non-insurance contract
Impairment losses	(204)	(102)	100.0	Increase in impairment of premium receivables
Income tax	(955)	(2,039)	(53.2)	Decrease in taxable profit
Other comprehensive (loss)/income	(3,198)	1,757	(282.0)	Change in market value in capital market

### 4.2 Progress of significant events and their impacts and solutions

□Applicable √Not applicable

4.3 The fulfillment of the undertakings made by the Company and shareholders with shareholdings of 5% or above

Applicable Not applicable

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

Applicable Not applicable

#### 4.5 Solvency

Please refer to the summaries of 2016 first quarterly solvency reports published on the websites of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cpic.com.cn](http://www.cpic.com.cn)) for information about the solvency capabilities of CPIC Life, CPIC P/C and CPIC Allianz Health Insurance Co., Ltd.

### 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 holding subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC P/C”	China Pacific Property Insurance Co., Ltd., a holding subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC AMC”	Pacific Asset Management Co., Ltd., a holding subsidiary of China Pacific Insurance (Group) Co., Ltd.
“Changjiang Pension”	Changjiang Pension Insurance Co., Ltd., a holding subsidiary of China Pacific Insurance (Group) Co., Ltd.
“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)
“Substantial Shareholder”	Has the meaning given to it under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being a person who has an interest in the relevant share capital of the Company, the nominal value of which is equal to or more than 5% of the nominal value of the relevant share capital of the Company
“RMB”	Renminbi
“pt”	Percentage point

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

Chairman

Shanghai, the PRC, 30 April 2016

*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 Jian, Mr. WANG Chengran, Ms. SUN Xiaoning, Mr. WU Jumin, Mr. WU Junhao, Mr. ZHENG Anguo and Ms. HA Erman; and the Independent Non-executive Directors of the Company are Mr. BAI Wei, Mr. LEE Ka Sze, Carmelo, Mr. LAM Chi Kuen, Mr. ZHOU Zhonghui and Mr. GAO Shanwen.*



## §5 APPENDIX

### 5.1

#### CONSOLIDATED BALANCE SHEET

31 March 2016

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

in RMB million

ITEM	31 March 2016	31 December 2015
	(unaudited)	(audited)
<b>ASSETS</b>		
Cash and short-term time deposits	13,888	9,500
Financial assets at fair value through profit or loss	20,717	22,215
Securities purchased under agreements to resell	15,997	14,691
Premium receivables	10,304	5,039
Due from reinsurers	3,109	3,052
Interest receivables	14,354	15,763
Reinsurers' share of unearned premium reserves	4,627	4,157
Reinsurers' share of claim reserves	6,327	6,357
Reinsurers' share of life insurance reserves	794	972
Reinsurers' share of long-term health insurance reserves	7,005	6,771
Policy loans	21,120	19,610
Term deposits	143,126	154,398
Available-for-sale financial assets	228,371	218,062
Held-to-maturity financial assets	309,515	310,343
Investments classified as loans and receivables	104,570	93,033
Long-term equity investments	432	324
Restricted statutory deposits	5,938	5,938
Investment properties	6,290	6,344
Fixed assets	9,585	9,584
Construction in progress	4,171	4,123
Intangible assets	1,047	1,105
Goodwill	962	962
Deferred income tax assets	643	80
Separate account assets	38	38
Other assets	11,309	11,382
<b>Total assets</b>	<b>944,239</b>	<b>923,843</b>

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

31 March 2016

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

in RMB million

ITEM	31 March 2016 (unaudited)	31 December 2015 (audited)
<b>LIABILITIES AND EQUITY</b>		
Securities sold under agreements to repurchase	21,127	28,967
Premium received in advance	4,704	17,265
Handling charges and commission payable	4,698	2,781
Payables to reinsurers	4,499	3,396
Salaries and welfare payable	2,062	2,819
Taxes payable	5,770	4,283
Interest payable	352	340
Claims payable	15,487	14,720
Policyholder dividends payable	19,104	19,014
Policyholders' deposits and investments	45,508	40,084
Unearned premium reserves	41,988	39,736
Claim reserves	36,304	36,216
Life insurance reserves	551,856	523,362
Long-term health insurance reserves	21,644	21,765
Premium reserves	172	156
Subordinated debt	19,497	19,497
Deferred income tax liabilities	953	2,499
Separate account liabilities	38	38
Other liabilities	13,743	11,223
<b>Total liabilities</b>	809,506	788,161
Issued capital	9,062	9,062
Capital reserves	66,742	66,742
Other comprehensive income/(loss)	5,404	8,528
Surplus reserves	4,171	4,171
General reserves	7,105	7,105
Retained profits	39,927	37,728
Equity attributable to equity holders of the parent	132,411	133,336
Minority interests	2,322	2,346
<b>Total equity</b>	134,733	135,682
<b>Total liabilities and equity</b>	944,239	923,843

**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 2016

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

in RMB million

ITEM	31 March 2016 (unaudited)	31 December 2015 (audited)
<b>ASSETS</b>		
Cash and short-term time deposits	270	153
Financial assets at fair value through profit or loss	100	97
Securities purchased under agreements to resell	388	1,100
Interest receivables	362	422
Term deposits	7	1,507
Available-for-sale financial assets	21,291	20,757
Held-to-maturity financial assets	900	900
Investments classified as loans and receivables	100	248
Long-term equity investments	62,079	62,079
Investment properties	2,162	2,184
Fixed assets	403	419
Construction in progress	2,463	2,406
Intangible assets	94	93
Other assets	301	298
<b>Total assets</b>	<b>90,920</b>	<b>92,663</b>
<b>LIABILITIES AND EQUITY</b>		
Securities sold under agreements to repurchase	-	1,660
Handling charges and commission payable	1	1
Salaries and welfare payable	114	185
Taxes payable	107	48
Deferred income tax liabilities	78	121
Other liabilities	392	476
<b>Total liabilities</b>	<b>692</b>	<b>2,491</b>
Issued capital	9,062	9,062
Capital reserves	66,164	66,164
Other comprehensive income/(loss)	506	592
Surplus reserves	3,867	3,867
Retained profits	10,629	10,487
<b>Total equity</b>	<b>90,228</b>	<b>90,172</b>
<b>Total liabilities and equity</b>	<b>90,920</b>	<b>92,663</b>

**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 2016

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

in RMB million

ITEM	For the three months ended	For the three months ended
	31 March 2016	31 March 2015
	(unaudited)	(unaudited)
I. Operating income	83,443	73,762
Net premiums earned	72,360	57,427
Gross written premiums	78,217	62,342
Including: Premium income assumed-in	28	71
Less: Premiums ceded to reinsurers	(4,073)	(3,930)
Net change in unearned premium reserves	(1,784)	(985)
Investment income	11,169	15,173
Including: investment income from associates and joint ventures	9	12
(Losses)/gains from changes in fair value	(609)	733
Foreign exchange (losses)/gains	(26)	11
Other operating income	549	418
II. Operating expense	(80,252)	(66,743)
Surrenders	(4,666)	(12,013)
Claims paid	(24,512)	(21,162)
Less: Reinsurers' share of claims paid	1,792	1,879
Change in insurance contract liabilities	(29,870)	(16,891)
Less: Reinsurers' share of change in insurance contract liabilities	34	(211)
Net change in premium reserves	(16)	(6)
Policyholder dividends	(1,673)	(1,142)
Reinsurance expenses	(67)	(4)
Business tax and surcharges	(1,566)	(1,743)
Handling charges and commission	(10,741)	(7,541)
General and administrative expenses	(7,890)	(6,659)
Less: Reinsurers' share of expenses	1,393	854
Interest expenses	(620)	(762)
Other operating expenses	(1,646)	(1,240)
Impairment losses	(204)	(102)
III. Operating profit	3,191	7,019
Add: Non-operating income	31	13
Less: Non-operating expenses	(18)	(7)
IV. Profit before tax	3,204	7,025
Less: Income tax	(955)	(2,039)
V. Net profit	2,249	4,986
Attributable to equity holders of the parent	2,199	4,903
Minority interests	50	83
VI. Earnings per share		
Basic earnings per share (RMB per share)	0.24	0.54
Diluted earnings per share (RMB per share)	0.24	0.54
VII. Other comprehensive (loss)/income	(3,198)	1,757
Other comprehensive (loss)/income to be reclassified to profit or loss	(3,198)	1,757
Share of other comprehensive income in equity accounted investees	(5)	(1)
Exchange differences on translation of foreign operations	(2)	1
Available-for-sale financial assets	(4,257)	2,287
Income tax relating to available-for-sale financial assets	1,066	(530)
VIII. Total comprehensive (loss)/income	(949)	6,743
Attributable to equity holders of the parent	(925)	6,624
Attributable to minority interests	(24)	119

**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 2016

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

in RMB million

ITEM	For the three months ended 31 March 2016	For the three months ended 31 March 2015
	(unaudited)	(unaudited)
I. Operating income	454	850
Investment income	297	671
(Losses)/gains from changes in fair value	(12)	12
Foreign exchange gains	-	2
Other operating income	169	165
II. Operating expenses	(274)	(232)
Business tax and surcharges	(18)	(34)
General and administrative expenses	(229)	(153)
Interest expenses	(6)	(22)
Other operating expenses	(21)	(23)
III. Operating profit	180	618
Add: Non-operating income	-	2
IV. Profit before tax	180	620
Less: Income tax	(37)	(156)
V. Net profit	143	464
VI. Other comprehensive (loss)/income	(86)	(54)
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:	(86)	(54)
Available-for-sale financial assets	(115)	(72)
Income tax relating to available-for-sale financial assets	29	18
VII. Total comprehensive income	57	410

**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 2016

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

in RMB million

ITEM	For the three months ended 31 March 2016	For the three months ended 31 March 2015
	(unaudited)	(unaudited)
<b>I Cash flows from operating activities</b>		
Premiums received from direct insurance	60,384	54,868
Net cashflow received under reinsurance business	44	105
Net increase in policyholders' deposits and investments	4,401	1,114
Tax refund	92	108
Cash received from other operating activities	423	316
<b>Sub-total of cash inflows from operating activities</b>	<b>65,344</b>	<b>56,511</b>
Claims paid for direct insurance	(23,041)	(19,946)
Handling charges and commission paid	(8,816)	(6,115)
Policyholder dividends paid	(1,267)	(988)
Cash paid to and for employees	(4,848)	(4,428)
Cash paid for taxes and surcharges	(2,244)	(2,826)
Cash paid for other operating activities	(9,128)	(15,850)
<b>Sub-total of cash outflows from operating activities</b>	<b>(49,344)</b>	<b>(50,153)</b>
<b>Net cash inflow from operating activities</b>	<b>16,000</b>	<b>6,358</b>
<b>II Cash flows from investing activities</b>		
Cash received from sales and redemption of investments	85,434	55,368
Cash received from returns on investments	11,678	10,993
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	3	1
Cash received from other investing activities	-	190
<b>Sub-total of cash inflows from investing activities</b>	<b>97,115</b>	<b>66,552</b>
Cash paid for purchase of investments	(98,304)	(84,064)
Net increase in policy loans	(1,535)	(863)
Net cash paid for investments in subsidiaries and other business entities	(125)	-
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(350)	(378)
Cash paid for other investing activities	-	(190)
<b>Sub-total of cash outflows from investing activities</b>	<b>(100,314)</b>	<b>(85,495)</b>
<b>Net cash outflow from investing activities</b>	<b>(3,199)</b>	<b>(18,943)</b>
<b>III Cash flows from financing activities</b>		
Cash received from other financing activities	-	18,243
<b>Sub-total of cash inflows from financing activities</b>	<b>-</b>	<b>18,243</b>
Cash paid for distribution of dividends and interest	(437)	(591)
Cash paid for other financing activities	(6,666)	(1,105)
<b>Sub-total of cash outflows from financing activities</b>	<b>(7,103)</b>	<b>(1,696)</b>
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(7,103)</b>	<b>16,547</b>
<b>IV Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<b>(4)</b>	<b>4</b>
<b>V Net increase in cash and cash equivalents</b>	<b>5,694</b>	<b>3,966</b>
Add: Cash and cash equivalents at beginning of period	24,191	14,042
<b>VI Cash and cash equivalents at end of period</b>	<b>29,885</b>	<b>18,008</b>

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## CASH FLOW STATEMENT

For the three months ended 31 March 2016

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

in RMB million

ITEM	For the three months ended 31 March 2016 (unaudited)	For the three months ended 31 March 2015 (unaudited)
<b>I Cash flows from operating activities</b>		
Cash received from other operating activities	175	315
<b>Sub-total of cash inflows from operating activities</b>	175	315
Cash paid to and for employees	(187)	(146)
Cash paid for taxes and surcharges	(14)	(171)
Cash paid for other operating activities	(186)	(122)
<b>Sub-total of cash outflows from operating activities</b>	(387)	(439)
<b>Net cash outflow from operating activities</b>	(212)	(124)
<b>II Cash flows from investing activities</b>		
Cash received from sales and redemption of investments	5,263	5,685
Cash received from returns on investment	334	413
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	1	-
<b>Sub-total of cash inflows from investing activities</b>	5,598	6,098
Cash paid for purchase of investments	(4,250)	(5,855)
Cash paid for purchases of fixed assets, intangible assets and other long-term assets	(65)	(164)
<b>Sub-total of cash outflows from investing activities</b>	(4,315)	(6,019)
<b>Net cash inflow from investing activities</b>	1,283	79
<b>III Cash flows from financing activities</b>		
Cash received from other financing activities	-	214
<b>Sub-total of cash inflows from financing activities</b>	-	214
Cash paid for distribution of dividends and interest	(6)	(22)
Cash paid for other financing activities	(1,660)	-
<b>Sub-total of cash outflows from financing activities</b>	(1,666)	(22)
<b>Net cash (outflow)/inflow from financing activities</b>	(1,666)	192
<b>IV Effect of changes in foreign exchange rate on cash and cash equivalents</b>	-	-
<b>V Net (decrease)/increase in cash and cash equivalents</b>	(595)	147
Add: Cash and cash equivalents at beginning of period	1,253	489
<b>VI Cash and cash equivalents at end of period</b>	658	636

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