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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)

2015 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 2015 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 2015 First Quarter Report of the Company was considered and approved at the 9th session of the 7th Board of Directors on 29 April 2015, which 14 directors were required to attend and 11 of them attended in person. Directors WANG Chengran, HA Erman and ZHENG Anguo could not attend the meeting due to other business engagements. Directors WANG Chengran and HA Erman appointed, in writing, Director GAO Guofu to attend the meeting and vote on their behalf. Director ZHENG Anguo appointed, in writing, Director HUO Lianhong to attend the meeting and vote on his behalf.

1.3 The financial data of the Company for the first quarter of 2015 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 2015	31 December 2014	Changes (%)
Total assets	874,775	825,100	6.0
Equity ^{note}	123,755	117,131	5.7
Net assets per share (RMB) ^{note}	13.66	12.93	5.7
	For the 3 months ended 31 March 2015	For the 3 months ended 31 March 2014	Compare with the same period of the previous year (%)
Net cash inflow from operating activities	6,358	17,738	(64.2)
Net cash inflow per share from operating activities (RMB)	0.70	1.96	(64.2)
	For the 3 months ended 31 March 2015	For the 3 months ended 31 March 2014	Compared with the same period of the previous year (%)
Operating income	73,762	63,720	15.8
Net profit ^{note}	4,903	3,211	52.7
Basic earnings per share (RMB) ^{note}	0.54	0.35	52.7
Diluted earnings per share (RMB) ^{note}	0.54	0.35	52.7
Net profit after deducting non-recurring items ^{note}	4,899	3,202	53.0
Basic earnings per share after deducting non-recurring items (RMB) ^{note}	0.54	0.35	53.0
Weighted average return on equity (%) ^{note}	4.1	3.2	Increased by 0.9pt
Weighted average return on equity after deducting non-recurring items (%) ^{note}	4.1	3.2	Increased by 0.9pt

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 2015
Income on disposal of non-current assets	3
Government grants included in profit or loss	2
Net non-operating income and expenses other than those mentioned above	1
Effect of income tax	(2)
Total	4

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

Total number of shareholders as at the end of the reporting period: 192,959 (including 186,697 A shareholders and 6,262 H shareholders)						
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	30.59	2,772,133,636	+208,980	-	-	H Share
Fortune Investment Co., Ltd.	14.17	1,284,277,846	-	-	189,717,800	A Share
Shenergy (Group) Co., Ltd.	13.52	1,225,082,034	-	-	-	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.	1.79	162,339,390	-	-	-	A Share
HKSCC	0.97	87,502,232	-8,926,865	-	-	A Share
Baosteel Group Corporation	0.76	68,818,407	-	-	-	A Share
Shanghai Guoxin Investment and Development Co., Ltd.	0.36	33,024,151	-	-	-	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	2,772,133,636		H Share			
Fortune Investment Co., Ltd.	1,284,277,846		A Share			
Shenergy (Group) Co., Ltd.	1,225,082,034		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.	162,339,390		A Share			
HKSCC	87,502,232		A Share			
Baosteel Group Corporation	68,818,407		A Share			
Shanghai Guoxin Investment and Development Co., Ltd.	33,024,151		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 Guoxin Investment and Development Co., Ltd. and Shanghai State-Owned Assets Operation Co., Ltd. are connected, as the former is a wholly-owned subsidiary of the latter. HKSCC Nominees Limited and HKSCC are connected, as the former is a wholly-owned subsidiary of the latter.					

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 Hong Kong Investor Services 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. HKSCC is the nominal holder of shares traded through the Hugangtong (Shanghai-Hong Kong Connect) program.

§3 Business Review for the Reporting Period

During the reporting period, the Company realized gross written premiums (GWPs) of RMB62.342 billion, representing an increase of 0.7% as compared to the same period of last year. GWPs from CPIC Life amounted to RMB37.918 billion, representing a decrease of 1.1% as compared to the same period of last year. GWPs from CPIC P/C amounted to RMB24.404 billion, representing an increase of 3.8% as compared to the same period of last year.

CPIC Life

During the reporting period, GWPs from CPIC Life amounted to RMB37.918 billion, representing a decrease of 1.1% as compared to the same period of last year. In particular, GWPs from new insurance policies amounted to RMB12.438 billion, while GWPs from renewed policies amounted to RMB25.480 billion. The individual channel maintained its rapid growth and GWPs from new insurance policies of this very channel reached RMB9.669 billion, representing an increase of 23.4% as compared to the same period of last year.

For 3 months ended 31 March		2015	2014	Unit: RMB million Changes (%)
Individual business				
GWPs		31,599	24,861	27.1
New policies		9,669	7,833	23.4
Regular premium		9,397	7,512	25.1
Single premium		272	321	(15.3)
Renewed policies		21,930	17,028	28.8
Group & Partnerships				
GWPs		6,319	13,493	(53.2)
New policies		2,769	8,742	(68.3)
Regular premium		530	599	(11.5)
Single premium		2,239	8,143	(72.5)
Renewed policies		3,550	4,751	(25.3)
Total		37,918	38,354	(1.1)

Note: Figures for 2014 have been restated.

CPIC P/C

During the reporting period, GWPs from CPIC P/C amounted to RMB24.404 billion, representing an increase of 3.8% as compared to the same period of last year. In particular, GWPs from automobile insurance amounted to RMB18.206 billion, representing an increase of 3.9% as compared to the same period of last year, while GWPs from non-automobile insurance amounted to RMB6.198 billion, representing an increase of 3.4% as compared to the same period of last year. Businesses from telemarketing and internet sales maintained rapid development, with GWPs amounting to RMB4.554 billion, representing an increase of 18.6% as compared to the same period of last year, and GWPs from cross-selling amounted to RMB1.005 billion, representing an increase of 10.3% as compared to the same period of last year. GWPs from telemarketing & internet sales and cross-selling accounted for 22.8% of GWPs from CPIC P/C.

For the 3 months ended 31 March		2015	2014	Unit: RMB million Changes (%)
GWPs		24,404	23,516	3.8
Auto insurance		18,206	17,520	3.9
Non-auto insurance		6,198	5,996	3.4

Asset management business

As at 31 March 2015, assets under management (AuM) of the Group amounted to RMB982.712 billion, representing an increase of 7.9% as compared to the end of last year. Among which, Group investment assets and third-party AuM amounted to RMB807.692 billion and RMB175.020 billion, representing an increase of 6.0% and 17.7% as compared to those as at the end of last year, respectively.

	31 March 2015	31 December 2014	Changes (%)
Group AuM	982,712	910,542	7.9
Group in-house assets	807,692	761,886	6.0
Third-party AuM	175,020	148,656	17.7
Third-party AuM by CPIC AMC	108,396	89,841	20.7
Assets under investment management by Changjiang Pension	66,624	58,815	13.3

Unit: RMB million

Portfolio of Group investment assets

	31 March 2015	Share (%)	Share Changes (percentage points)	Changes (%)
Group investment assets (Total)	807,692	100.0	-	6.0
By investment category				
Fixed income investments	683,083	84.6	(2.1)	3.4
– Debt securities	418,212	51.8	(3.4)	(0.5)
– Term deposits	174,483	21.6	(0.1)	5.4
– Debt investment plans	51,002	6.3	-	7.2
– Wealth management products ^{note 1}	20,287	2.5	1.3	114.7
– Other fixed income investments ^{note 2}	19,099	2.4	0.1	7.1
Equity investment	100,093	12.4	1.8	24.2
– Investment Funds	39,581	4.9	0.5	18.5
– Equity securities	32,815	4.1	0.3	13.0
– Wealth management products ^{note 1}	17,068	2.1	1.1	127.2
– Other equity investments ^{note 3}	10,629	1.3	(0.1)	0.1
Investment properties	6,508	0.8	(0.1)	(0.8)
Cash and cash equivalents	18,008	2.2	0.4	28.2
By investment purpose				
Financial assets at fair value through profit or loss	17,704	2.2	(0.1)	(0.3)
Available-for-sale financial assets	183,864	22.8	0.9	10.4
Held-to-maturity financial assets	312,220	38.7	(2.3)	0.1
Long-term equity investments	274	-	-	3.8
Loans and other investments ^{note 4}	293,630	36.4	1.6	10.7

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 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:

√Applicable □Not applicable

Unit: RMB million

Balance sheet items	31 March 2015	31 December 2014	Changes (%)	Main reasons for the changes
Cash and short-term time deposits	17,573	11,220	56.6	Timing difference
Securities purchased under agreements to resell	385	2,822	(86.4)	Timing difference
Premium receivables	8,692	4,703	84.8	Growth in insurance business and timing difference
Due from reinsurers	4,987	3,654	36.5	Timing difference
Deferred income tax assets	62	148	(58.1)	Increase in fair value for investment assets
Securities sold under agreements to repurchase	41,478	26,908	54.1	Timing difference
Premium received in advance	3,953	7,860	(49.7)	Timing difference
Handling charges and commission payable	3,620	2,199	64.6	Growth in insurance business and timing difference
Payables to reinsurers	5,795	3,577	62.0	Timing difference
Taxes payable	4,023	3,029	32.8	Growth in insurance business and profit variance due to the seasonal factor
Deferred income tax liabilities	2,251	1,628	38.3	Increase in fair value for investment assets
Other liabilities	13,537	8,879	52.5	Increase in payables for securities purchased but not settled and payables to minority interests of consolidated structured entities
Other comprehensive income/(loss)	7,241	5,520	31.2	Change in market value for available-for-sale financial assets

Income statement items	For the 3 months ended 31 March 2015	For the 3 months ended 31 March 2014	Changes (%)	Main reasons for the changes
Premium income assumed-in	71	25	184.0	Growth in insurance business
Net change in unearned premium reserves	(985)	(2,610)	(62.3)	Decrease in retained premium growth
Investment income	15,173	7,911	91.8	Increase in interest income and realized gains
Investment income from associates and joint ventures	12	-	/	Accounting computation of the new-added joint venture in the second half year in 2014 under the equity method
Gains/(losses) from changes in fair value	733	(103)	(811.7)	Change in market value for financial assets at fair value through profit or loss
Foreign exchange gains	11	63	(82.5)	Decrease of foreign currency and fluctuation of exchange rates
Surrenders	(12,013)	(7,096)	69.3	Growth in surrender
Claims paid	(21,162)	(16,202)	30.6	Increase in payment of maturity and annuity
Reinsurers' share of change in insurance contract liabilities	(211)	140	(250.7)	Decrease of reinsurers' share due to the reduce in change in insurance contract liabilities during the period
Interest expenses	(762)	(575)	32.5	Increase in interests expenses of securities sold under agreements to repurchase

Other operating expenses	(1,240)	(735)	68.7	Increase in interest expenses of policyholders' investments business
Impairment losses	(102)	(2,410)	(95.8)	No need to charge impairment of investment assets during the period
Non-operating income/expenses	6	13	(53.8)	Increase in non-operating expenses
Income tax	(2,039)	(1,176)	73.4	Increase in taxable profit
Other comprehensive income	1,757	1,083	62.2	Change in fair value for available-for-sale financial 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 P/C”	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

“pt”

Percentage point

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

Shanghai, China, 29 April 2015

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, Mr. ZHENG Anguo and Ms. HA Erman; and the independent non-executive directors of the Company are Mr. BAI Wei, Mr. LAM Chi Kuen, Mr. ZHOU Zhonghui, Mr. GAO Shanwen and Mr. FOK Kwong Man.

§5 APPENDIX

5.1

CONSOLIDATED BALANCE SHEET

31 March 2015

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

in RMB million (unaudited)

ITEM	31 March 2015 (unaudited)	31 December 2014 (audited)
ASSETS		
Cash and short-term time deposits	17,573	11,220
Financial assets at fair value through profit or loss	17,704	17,764
Securities purchased under agreements to resell	385	2,822
Premium receivables	8,692	4,703
Due from reinsurers	4,987	3,654
Interest receivables	14,124	15,232
Reinsurers' share of unearned premium reserves	4,532	4,144
Reinsurers' share of claim reserves	5,800	6,150
Reinsurers' share of life insurance reserves	694	926
Reinsurers' share of long-term health insurance reserves	6,327	5,947
Policy loans	13,091	12,253
Term deposits	174,483	165,562
Available-for-sale financial assets	183,864	166,601
Held-to-maturity financial assets	312,220	311,998
Investments classified as loans and receivables	75,582	61,259
Long-term equity investments	274	264
Restricted statutory deposits	6,008	5,580
Investment properties	6,508	6,563
Fixed assets	8,918	8,993
Construction in progress	3,417	3,448
Intangible assets	881	944
Goodwill	962	962
Deferred income tax assets	62	148
Other assets	7,687	7,963
Total assets	874,775	825,100

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 March 2015

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

in RMB million (unaudited)

ITEM	31 March 2015	31 December 2014
	(unaudited)	(audited)
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	41,478	26,908
Premium received in advance	3,953	7,860
Handling charges and commission payable	3,620	2,199
Payables to reinsurers	5,795	3,577
Salaries and welfare payable	1,772	2,472
Taxes payable	4,023	3,029
Interest payable	372	366
Claims payable	13,443	12,788
Policyholder dividends payable	15,960	16,024
Policyholders' deposits and investments	37,866	35,738
Unearned premium reserves	40,574	39,190
Claim reserves	32,817	31,548
Life insurance reserves	493,506	476,575
Long-term health insurance reserves	18,071	17,330
Premium reserves	116	111
Long-term borrowings	187	187
Subordinated debt	19,496	19,496
Deferred income tax liabilities	2,251	1,628
Other liabilities	13,537	8,879
Total liabilities	748,837	705,905
Issued capital	9,062	9,062
Capital reserves	66,742	66,742
Other comprehensive income/(loss)	7,241	5,520
Surplus reserves	3,574	3,574
General reserves	5,539	5,539
Retained profits	31,597	26,694
Equity attributable to equity holders of the parent	123,755	117,131
Minority interests	2,183	2,064
Total equity	125,938	119,195
Total liabilities and equity	874,775	825,100

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 2015

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

in RMB million (unaudited)

ITEM	31 March 2015 (unaudited)	31 December 2014 (audited)
ASSETS		
Cash and short-term time deposits	636	389
Financial assets at fair value through profit or loss	114	20
Securities purchased under agreements to resell	-	100
Interest receivables	304	429
Term deposits	1,783	3,860
Available-for-sale financial assets	18,834	15,530
Held-to-maturity financial assets	943	965
Investments classified as loans and receivables	249	1,130
Long-term equity investments	62,079	62,079
Investment properties	2,250	2,271
Fixed assets	379	394
Construction in progress	2,052	2,049
Intangible assets	62	65
Other assets	336	199
Total assets	90,021	89,480
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	284	70
Handling charges and commission payable	1	-
Salaries and welfare payable	121	167
Taxes payable	150	153
Deferred income tax liabilities	9	6
Other liabilities	657	695
Total liabilities	1,222	1,091
Issued capital	9,062	9,062
Capital reserves	66,164	66,164
Other comprehensive income/(loss)	198	252
Surplus reserves	3,270	3,270
Retained profits	10,105	9,641
Total equity	88,799	88,389
Total liabilities and equity	90,021	89,480

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 2015

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

in RMB million (unaudited)

ITEM	For the three months ended	For the three months ended
	31 March 2015	31 March 2014
	(unaudited)	(unaudited)
I. Operating income	73,762	63,720
Net premiums earned	57,427	55,456
Gross written premiums	62,342	61,888
Including: Premium income assumed-in	71	25
Less: Premiums ceded to reinsurers	(3,930)	(3,822)
Net change in unearned premium reserves	(985)	(2,610)
Investment income	15,173	7,911
Including: investment income from associates and joint ventures	12	-
Gains/(losses) from changes in fair value	733	(103)
Foreign exchange gains	11	63
Other operating income	418	393
II. Operating expense	(66,743)	(59,295)
Surrenders	(12,013)	(7,096)
Claims paid	(21,162)	(16,202)
Less: Reinsurers' share of claims paid	1,879	2,044
Change in insurance contract liabilities	(16,891)	(20,752)
Less: Reinsurers' share of change in insurance contract liabilities	(211)	140
Net change in premium reserves	(6)	-
Policyholder dividends	(1,142)	(997)
Reinsurance expenses	(4)	(5)
Business tax and surcharges	(1,743)	(1,408)
Handling charges and commission	(7,541)	(6,171)
General and administrative expenses	(6,659)	(6,216)
Less: Reinsurers' share of expenses	854	1,088
Interest expenses	(762)	(575)
Other operating expenses	(1,240)	(735)
Impairment losses	(102)	(2,410)
III. Operating profit	7,019	4,425
Add: Non-operating income	13	19
Less: Non-operating expenses	(7)	(6)
IV. Profit before tax	7,025	4,438
Less: Income tax	(2,039)	(1,176)
V. Net profit	4,986	3,262
Attributable to equity holders of the parent	4,903	3,211
Minority interests	83	51
VI. Earnings per share		
Basic earnings per share (RMB per share)	0.54	0.35
Diluted earnings per share (RMB per share)	0.54	0.35
VII. Other comprehensive income	1,757	1,083
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income in equity accounted investees	(1)	-
Exchange differences on translation of foreign operations	1	3
Available-for-sale financial assets	2,287	1,440
Income tax relating to available-for-sale financial assets	(530)	(360)
VIII. Total comprehensive income	6,743	4,345
Attributable to equity holders of the parent	6,624	4,277
Attributable to minority interests	119	68

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 2015

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

in RMB million (unaudited)

ITEM	For the three months ended 31 March 2015	For the three months ended 31 March 2014
	(unaudited)	(unaudited)
I. Operating income	850	500
Investment income	671	286
Gains from changes in fair value	12	2
Foreign exchange gains	2	45
Other operating income	165	167
II. Operating expenses	(232)	(204)
Business tax and surcharges	(34)	(13)
General and administrative expenses	(153)	(150)
Interest expenses	(22)	(5)
Other operating expenses	(23)	(20)
Impairment losses	-	(16)
III. Operating profit	618	296
Add: Non-operating income	2	-
IV. Profit before tax	620	296
Less: Income tax	(156)	(70)
V. Net profit	464	226
VI. Other comprehensive (loss)/income	(54)	111
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale financial assets	(72)	149
Income tax relating to available-for-sale financial assets	18	(38)
VII. Total comprehensive income	410	337

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 2015

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

in RMB million (unaudited)

ITEM	For the three months ended 31 March 2015 (unaudited)	For the three months ended 31 March 2014 (unaudited)
I Cash flows from operating activities		
Premiums received from direct insurance	54,868	57,532
Net cashflow received under reinsurance business	105	-
Net increase in policyholders' deposits and investments	1,114	17
Tax refund	108	104
Cash received from other operating activities	316	322
Sub-total of cash inflows from operating activities	56,511	57,975
Claims paid for direct insurance	(19,946)	(14,958)
Net cash paid for reinsurance business	-	(1,980)
Handling charges and commission paid	(6,115)	(4,874)
Policyholder dividends paid	(988)	(919)
Cash paid to and for employees	(4,428)	(3,665)
Cash paid for taxes and surcharges	(2,826)	(1,888)
Cash paid for other operating activities	(15,850)	(11,953)
Sub-total of cash outflows from operating activities	(50,153)	(40,237)
Net cash inflow from operating activities	6,358	17,738
II Cash flows from investing activities		
Cash received from sales and redemption of investments	55,368	32,175
Cash received from returns on investments	10,993	7,989
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	1	6
Cash received from other investing activities	190	-
Sub-total of cash inflows from investing activities	66,552	40,170
Cash paid for purchase of investments	(84,064)	(76,177)
Net increase in policy loans	(863)	(1,065)
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(378)	(795)
Cash paid for other investing activities	(190)	-
Sub-total of cash outflows from investing activities	(85,495)	(78,037)
Net cash outflow from investing activities	(18,943)	(37,867)
III Cash flows from financing activities		
Proceeds from issuance of subordinated debt	-	4,000
Cash received from other financing activities	18,243	23,018
Sub-total of cash inflows from financing activities	18,243	27,018
Cash paid for distribution of dividends and interest	(591)	(252)
Cash paid for other financing activities	(1,105)	-
Sub-total of cash outflows from financing activities	(1,696)	(252)
Net cash inflow from financing activities	16,547	26,766
IV Effect of changes in foreign exchange rate on cash and cash equivalents	4	34
V Net increase in cash and cash equivalents	3,966	6,671
Add: Cash and cash equivalents at beginning of period	14,042	19,335
VI Cash and cash equivalents at end of period	18,008	26,006

Gao Guofu
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of the Company

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CASH FLOW STATEMENT

For the three months ended 31 March 2015

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

in RMB million (unaudited)

ITEM	For the three months ended 31 March 2015	For the three months ended 31 March 2014
	(unaudited)	(unaudited)
I Cash flows from operating activities		
Cash received from other operating activities	315	213
Sub-total of cash inflows from operating activities	315	213
Cash paid to and for employees	(146)	(140)
Cash paid for taxes and surcharges	(171)	(15)
Cash paid for other operating activities	(122)	(221)
Sub-total of cash outflows from operating activities	(439)	(376)
Net cash outflow from operating activities	(124)	(163)
II Cash flows from investing activities		
Cash received from sales and redemption of investments	5,685	3,583
Cash received from returns on investment	413	328
Sub-total of cash inflows from investing activities	6,098	3,911
Cash paid for purchase of investments	(5,855)	(4,419)
Cash paid for purchases of fixed assets, intangible assets and other long-term assets	(164)	(101)
Sub-total of cash outflows from investing activities	(6,019)	(4,520)
Net cash inflow/(outflow) from investing activities	79	(609)
III Cash flows from financing activities		
Cash received from other financing activities	214	700
Sub-total of cash inflows from financing activities	214	700
Cash paid for distribution of dividends and interest	(22)	(4)
Sub-total of cash outflows from financing activities	(22)	(4)
Net cash inflow from financing activities	192	696
IV Effect of changes in foreign exchange rate on cash and cash equivalents	-	20
V Net increase/(decrease) in cash and cash equivalents	147	(56)
Add: Cash and cash equivalents at beginning of period	489	2,862
VI Cash and cash equivalents at end of period	636	2,806

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