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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)

2017 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 2017 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 2017 First Quarter Report of the Company was considered and approved at the 17th session of the 7th Board of Directors on 28 April 2017, which 12 directors were required to attend and all of them attended in person.

1.3 The financial data contained in the 2017 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. HUO Lianhong (person in charge of the Company), 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 Basic Information of the Company

2.1 Key Accounting Data and Financial Indicators

Unit: RMB million

	31 March 2017	31 December 2016	Change (%)
Total assets	1,089,171	1,020,692	6.7
Equity ^{note}	132,749	131,764	0.7
Net assets per share (RMB) ^{note}	14.65	14.54	0.7
	For the three months ended 31 March 2017	For the three months ended 31 March 2016	Compare with the same period of the previous year (%)
Net cash inflow from operating activities	26,426	16,000	65.2
Net cash inflow per share from operating activities (RMB)	2.92	1.77	65.2
	For the three months ended 31 March 2017	For the three months ended 31 March 2016	Compared with the same period of the previous year (%)
Operating income	108,402	83,443	29.9
Net profit ^{note}	2,000	2,199	(9.0)
Basic earnings per share (RMB) ^{note}	0.22	0.24	(9.0)
Diluted earnings per share (RMB) ^{note}	0.22	0.24	(9.0)
Net profit after deducting non-recurring items ^{note}	2,006	2,191	(8.4)
Basic earnings per share after deducting non-recurring items (RMB) ^{note}	0.22	0.24	(8.4)
Weighted average return on equity (%) ^{note}	1.5	1.7	Decreased by 0.2pt
Weighted average return on equity after deducting non-recurring items (%) ^{note}	1.5	1.6	Decreased by 0.1pt

Note: attributable to equity holders of the parent

2.2 Non-recurring items

Unit: RMB million

Non-recurring items	For the three months ended 31 March 2017
Income on disposal of non-current assets	-
Government grants included in profit or loss	2
Net non-operating income and expenses other than those mentioned above	(8)
Effect of income tax	-
Effect of non-controlling interests	-
Total	(6)

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: 98,872 (including 93,290 holders of A shares and 5,582 holders of H shares)						
Shares held by top ten shareholders						
Name of the shareholders	Total number of shares held	Percentage of the shareholding (%)	Increase or decrease (+ or -) of shareholding during the	Number of shares held with selling restriction	Number of shares subject to pledge or lock-up	Type of shares

			reporting period		period	
HKSCC Nominees Limited	2,772,432,636	30.59	-554,800	-	-	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
Shanghai Jiushi (Group) Co., Ltd.	250,949,460	2.77	-	-	-	A Share
China Securities Finance Co., Ltd.	222,622,829	2.46	-10,805,042	-	-	A Share
Yunnan Hehe (Group) Co., Ltd.	156,709,360	1.73	-	-	-	A Share
Tianan Property Insurance Co., Ltd— BAO YING NO. 1	123,861,668	1.37	-34,510,617	-	-	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:

1. As at the end of the reporting period, the Company did not issue any preferred shares.
2. 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.
3. The shares held by HKSCC Nominees Limited are held on behalf of a number 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.
4. 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" ("上海國資—中金公司—15 國資 EB 擔保及信託財產專戶"). 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

For the reporting period, the Company realized gross written premiums (GWPs) of RMB101.283 billion, representing an increase of 29.5% as compared to the same period of last year. GWPs from CPIC Life amounted to RMB74.920 billion, representing an increase of 43.1% as compared to the same period of last year. GWPs from CPIC P/C^{note} amounted to RMB26.282 billion, representing an increase of 1.7% as compared to the same period of last year.

Note: The business data of CPIC P/C in this report refer to the consolidated data of CPIC P/C and Anxin Agricultural Insurance Co., Ltd., its controlled subsidiary.

CPIC Life

For the reporting period, GWPs from CPIC Life amounted to RMB74.920 billion, representing an increase of 43.1% as compared to the same period of last year. In particular, GWPs from the agency channel maintained rapid growth and contributed RMB67.635 billion, representing an increase of 54.1% as compared to the same period of last year, among which, GWPs from new policies amounted to RMB27.941 billion, representing an increase of 67.7% as compared to the same period of last year.

	Unit: RMB million		
For the 3 months ended 31 March	2017	2016	Changes (%)
Individual customers	73,217	50,733	44.3
Agency channel	67,635	43,889	54.1
New policies	27,941	16,664	67.7
Regular premium business	27,241	16,280	67.3
Renewed policies	39,694	27,225	45.8
Other channels	5,582	6,844	(18.4)
Group clients	1,703	1,617	5.3
Total GWPs	74,920	52,350	43.1

CPIC P/C

For the reporting period, GWPs from CPIC P/C amounted to RMB26.282 billion, representing an increase of 1.7% as compared to the same period of last year. In particular, GWPs from automobile insurance amounted to RMB19.498 billion, representing an increase of 1.6% as compared to the same period of last year, while GWPs from non-automobile insurance amounted to RMB6.784 billion, representing an increase of 2.3% as compared to the same period of last year.

	Unit: RMB million		
For the 3 months ended 31 March	2017	2016	Changes (%)
GWPs	26,282	25,830	1.7
Auto insurance	19,498	19,200	1.6
Non-auto insurance	6,784	6,630	2.3

Asset management business

As at the end of the reporting period, Group investment assets amounted to RMB1,001.348 billion, representing an increase of 6.3% as compared to the end of the previous year. Asset allocation was largely stable based on profiles of liabilities. The share of fixed income investments stood at 81.7%, down by 0.6pt from the end of the previous year; and the share of equity investments stood at 13.7%, up by 1.4pt, of which, the share of equity securities and equity funds was 6.0%, up by 0.7pt from the end of the previous year.

Portfolio of Group investment assets

Unit: RMB million

	31 March 2017	Share (%)	Share changes from the end of 2016 (pt)	Amount changes from the end of 2016 (%)
Group investment assets (Total)	1,001,348	100.0	-	6.3
By investment category				
Fixed income investments	817,671	81.7	(0.6)	5.6
– Debt securities	498,837	49.8	(0.2)	5.9
– Term deposits	97,026	9.7	(4.4)	(26.6)
– Debt investment plans	76,813	7.7	1.2	25.1
– Wealth management products ^{note 1}	76,960	7.7	3.0	75.1
– Preferred shares	32,000	3.2	(0.2)	-
– Other fixed income investments ^{note 2}	36,035	3.6	-	6.2
Equity investments	137,937	13.7	1.4	19.0
– Equity funds	22,317	2.2	0.2	18.8
– Bond funds	23,978	2.4	0.3	23.6
– Equity securities	38,100	3.8	0.5	22.2
– Wealth management products ^{note 1}	25,479	2.5	0.1	11.7
– Preferred shares	4,588	0.5	-	1.0
– Other equity investments ^{note 3}	23,475	2.3	0.3	22.4
Investment properties	8,581	0.9	-	(0.9)
Cash, cash equivalents and others	37,159	3.7	(0.8)	(12.8)
By investment purpose				
Financial assets at fair value through profit or loss	26,108	2.6	(0.3)	(4.0)
Available-for-sale financial assets	312,998	31.3	3.8	21.0
Held-to-maturity financial assets	301,218	30.1	(2.3)	(1.2)
Long-term equity investments	152	-	-	0.7
Loans and other investments ^{note 4}	360,872	36.0	(1.2)	2.9

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. Loans and other investments include term deposits, cash and short-term time deposits, securities purchased under agreements to resell, policy loans, restricted statutory deposits, 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 2017	31 December 2016	Change (%)	Main reasons for the changes
Premium receivables	13,230	6,562	101.6	Growth in insurance business and timing difference
Investments classified as loans and receivables	188,089	139,634	34.7	Increase in debt investment plans and wealth management products
Deferred income tax assets	2,506	1,382	81.3	Decrease in fair value for investment

				assets
Securities sold under agreements to repurchase	59,466	39,104	52.1	Increase in short-term fund borrowing business and timing difference
Premium received in advance	6,216	22,326	(72.2)	Timing difference
Commissions and brokerages payable	6,697	3,470	93.0	Growth in insurance business and timing difference
Taxes payable	6,278	4,683	34.1	Growth in insurance business

Income statement items	For the three months ended 31 March 2017	For the three months ended 31 March 2016	Change (%)	Main reasons for the changes
Net premiums earned	94,694	72,360	30.9	Growth in insurance business
Net change in unearned premium reserves	(2,607)	(1,784)	46.1	Increase in retained premium growth
Fair value change gains / (losses)	541	(609)	(188.8)	Change in market value for financial assets at fair value through profit or loss
Surrenders	(3,226)	(4,666)	(30.9)	Decrease in surrender
Change in insurance contract liabilities	(48,735)	(29,870)	63.2	Growth in insurance business
Tax and surcharges	(224)	(1,566)	(85.7)	Effect of the transfer from business tax to VAT, and the decrease of gains on investment
Commissions and brokerages	(17,293)	(10,741)	61.0	Growth in insurance business
Impairment losses	(366)	(204)	79.4	Increase in impairment of available-for-sale financial assets
Other comprehensive (loss)/ income	(1,033)	(3,198)	(67.7)	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

4.5 Solvency

Please refer to the summaries of 2017 first quarterly solvency reports published on the websites of Shanghai Stock Exchange (www.sse.com.cn), SEHK (www.hkexnews.hk) and the Company (www.cpic.com.cn) for information about the solvency of CPIC Life, CPIC P/C, Anxin Agricultural Insurance Co., Ltd. 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.
“SEHK”	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

**The Board of
China Pacific Insurance (Group) Co., Ltd.**

Shanghai, the PRC, 28 April 2017

As of the date of this announcement, the Executive Director of the Company is Mr. HUO Lianhong; the Non-executive Directors of the Company are Mr. WANG Jian, Mr. WANG Chengran, Ms. SUN Xiaoning, 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 2017

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

in RMB million

ITEM	31 March 2017	31 December 2016
	(unaudited)	(audited)
ASSETS		
Cash and short-term time deposits	15,230	15,257
Financial assets at fair value through profit or loss	26,108	27,190
Securities purchased under agreements to resell	15,911	21,138
Premium receivables	13,230	6,562
Due from reinsurers	6,507	5,705
Interest receivables	15,072	17,003
Reinsurers' share of unearned premium reserves	4,850	4,351
Reinsurers' share of claim reserves	6,481	6,617
Reinsurers' share of life insurance reserves	1,530	1,503
Reinsurers' share of long-term health insurance reserves	7,825	7,670
Policy loans	29,957	27,844
Term deposits	97,026	132,226
Available-for-sale financial assets	312,998	258,711
Held-to-maturity financial assets	301,218	304,874
Investments classified as loans and receivables	188,089	139,634
Long-term equity investments	152	151
Restricted statutory deposits	6,078	6,078
Investment properties	8,581	8,657
Fixed assets	12,869	13,116
Construction in progress	3,645	2,899
Intangible assets	1,166	1,228
Goodwill	962	962
Deferred income tax assets	2,506	1,382
Separate account assets	16	16
Other assets	11,164	9,918
Total assets	1,089,171	1,020,692

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 March 2017

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

in RMB million

ITEM	31 March 2017 (unaudited)	31 December 2016 (audited)
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	59,466	39,104
Premium received in advance	6,216	22,326
Commissions and brokerages payable	6,697	3,470
Payables to reinsurers	7,138	5,775
Salaries and welfare payable	2,782	3,871
Taxes payable	6,278	4,683
Interest payable	311	395
Claims payable	16,980	16,605
Policyholder dividends payable	21,510	21,735
Policyholders' deposits and investments	53,487	48,855
Unearned premium reserves	44,228	41,124
Claim reserves	36,968	36,643
Life insurance reserves	637,312	589,799
Long-term health insurance reserves	26,437	26,260
Premium reserves	274	261
Subordinated debt	11,498	11,498
Deferred income tax liabilities	955	937
Separate account liabilities	16	16
Other liabilities	14,870	12,572
Total liabilities	953,423	885,929
Issued capital	9,062	9,062
Capital reserves	66,742	66,742
Other comprehensive income/(loss)	2,946	3,961
Surplus reserves	4,835	4,835
General reserves	8,392	8,392
Retained profits	40,772	38,772
Equity attributable to equity holders of the parent	132,749	131,764
Non-controlling interests	2,999	2,999
Total equity	135,748	134,763
Total liabilities and equity	1,089,171	1,020,692

Huo Lianhong
Person in charge

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

BALANCE SHEET
31 March 2017

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

in RMB million

ITEM	31 March 2017 (unaudited)	31 December 2016 (audited)
ASSETS		
Cash and short-term time deposits	133	96
Financial assets at fair value through profit or loss	49	37
Securities purchased under agreements to resell	51	743
Interest receivables	415	335
Available-for-sale financial assets	23,405	21,187
Held-to-maturity financial assets	900	900
Investments classified as loans and receivables	365	60
Long-term equity investments	62,719	62,834
Investment properties	3,605	3,639
Fixed assets	1,899	1,948
Intangible assets	126	131
Deferred income tax assets	61	44
Other assets	377	393
Total assets	94,105	92,347
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	1,867	-
Commissions and brokerages payable	1	1
Salaries and welfare payable	123	204
Taxes payable	75	24
Interest payable	1	-
Other liabilities	817	951
Total liabilities	2,884	1,180
Issued capital	9,062	9,062
Capital reserves	66,164	66,164
Other comprehensive income/(loss)	33	119
Surplus reserves	4,531	4,531
Retained profits	11,431	11,291
Total equity	91,221	91,167
Total liabilities and equity	94,105	92,347

Huo Lianhong
Person in charge

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2017

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

in RMB million

ITEM	For the three months ended 31 March 2017	For the three months ended 31 March 2016
	(unaudited)	(unaudited)
I. Operating income	108,402	83,443
Net premiums earned	94,694	72,360
Gross written premiums	101,283	78,217
Including: Premium ceded	11	28
Less: Premiums ceded to reinsurers	(3,982)	(4,073)
Net change in unearned premium reserves	(2,607)	(1,784)
Investment income	12,573	11,169
Including: investment (losses)/ income from associates and joint ventures	(5)	9
Fair value change gains / (losses)	541	(609)
Foreign exchange losses	(14)	(26)
Other operating income	608	549
II. Operating expense	(105,552)	(80,252)
Surrenders	(3,226)	(4,666)
Claims paid	(25,858)	(24,512)
Less: Reinsurers' share of claim recovery	1,712	1,792
Change in insurance contract liabilities	(48,735)	(29,870)
Less: Reinsurers' share of reserves recovery	60	34
Net change in premium reserves	(23)	(16)
Policyholder dividends	(1,940)	(1,673)
Reinsurance expenses	(2)	(67)
Tax and surcharges	(224)	(1,566)
Commissions and brokerages	(17,293)	(10,741)
Operating and administrative expenses	(8,897)	(7,890)
Less: Reinsurers' share of commissions recovery	1,446	1,393
Interest expenses	(766)	(620)
Other operating expenses	(1,440)	(1,646)
Impairment losses	(366)	(204)
III. Operating profit	2,850	3,191
Add: Non-operating income	5	31
Less: Non-operating expenses	(11)	(18)
IV. Profit before tax	2,844	3,204
Less: Income tax	(804)	(955)
V. Net profit	2,040	2,249
Equity holders of the parent	2,000	2,199
Non-controlling interests	40	50
VI. Earnings per share		
Basic earnings per share (RMB per share)	0.22	0.24
Diluted earnings per share (RMB per share)	0.22	0.24
VII. Other comprehensive (loss)/income	(1,033)	(3,198)
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:	(1,033)	(3,198)
Share of other comprehensive income in equity accounted investees	6	(5)
Exchange differences on translation of foreign operations	(4)	(2)
Available-for-sale financial assets	(1,385)	(4,257)
Income tax relating to available-for-sale financial assets	350	1,066
VIII. Total comprehensive income/ (loss)	1,007	(949)
Attributable to equity holders of the parent	985	(925)
Attributable to non-controlling interests	22	(24)

Huo Lianhong
Person in charge

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

INCOME STATEMENT

For the three months ended 31 March 2017

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

in RMB million

ITEM	For the three months ended 31 March 2017	For the three months ended 31 March 2016
	(unaudited)	(unaudited)
I. Operating income	445	454
Investment income	219	297
Fair value change losses	-	(12)
Foreign exchange gains	3	-
Other operating income	223	169
II. Operating expenses	(257)	(274)
Tax and surcharges	(20)	(18)
Operating and administrative expenses	(192)	(229)
Interest expenses	(10)	(6)
Other operating expenses	(35)	(21)
III. Operating profit	188	180
IV. Profit before tax	188	180
Less: Income tax	(48)	(37)
V. Net profit	140	143
VI. Other comprehensive (loss)/income	(86)	(86)
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:	(86)	(86)
Available-for-sale financial assets	(115)	(115)
Income tax relating to available-for-sale financial assets	29	29
VII. Total comprehensive income	54	57

Huo Lianhong
Person in charge

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 2017

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

in RMB million

ITEM	For the three months ended 31 March 2017	For the three months ended 31 March 2016
	(unaudited)	(unaudited)
I Cash flows from operating activities		
Premiums received from direct insurance contracts	80,120	60,384
Net cash received from reinsurance business	-	44
Net increase in policyholders' deposits and investments	3,744	4,401
Tax refund	150	92
Cash received from other operating activities	238	423
Sub-total of cash inflows from operating activities	84,252	65,344
Claims paid for direct insurance contracts	(25,124)	(23,041)
Net cash paid for reinsurance business	(220)	-
Cash paid for commissions and brokerages	(14,347)	(8,816)
Cash paid for policyholder dividends	(1,654)	(1,267)
Cash paid to and for employees	(5,628)	(4,848)
Cash paid for taxes and surcharges	(2,053)	(2,244)
Cash paid for other operating activities	(8,800)	(9,128)
Sub-total of cash outflows from operating activities	(57,826)	(49,344)
Net cash inflow from operating activities	26,426	16,000
II Cash flows from investing activities		
Cash received from sales and redemption of investments	91,200	85,434
Cash received from returns on investments	18,209	11,678
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	320	3
Sub-total of cash inflows from investing activities	109,729	97,115
Cash paid for acquisition of investments	(160,380)	(98,304)
Net increase in policy loans	(2,131)	(1,535)
Net cash paid for acquisition of subsidiaries and other business entities	-	(125)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(963)	(350)
Sub-total of cash outflows from investing activities	(163,474)	(100,314)
Net cash outflow from investing activities	(53,745)	(3,199)
III Cash flows from financing activities		
Cash received from other financing activities	22,766	-
Sub-total of cash inflows from financing activities	22,766	-
Cash paid for repayment of borrowed funds	(2)	-
Cash paid for distribution of dividends and interest	(691)	(437)
Cash paid for other financing activities	-	(6,666)
Sub-total of cash outflows from financing activities	(693)	(7,103)
Net cash inflow/ (outflow) from financing activities	22,073	(7,103)
IV Effect of changes in foreign exchange rate on cash and cash equivalents	(8)	(4)
V Net (decrease)/increase in cash and cash equivalents	(5,254)	5,694
Add: Cash and cash equivalents at beginning of period	36,395	24,191
VI Cash and cash equivalents at end of period	31,141	29,885

Huo Lianhong
Person in charge

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

CASH FLOW STATEMENT

For the three months ended 31 March 2017

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

in RMB million

ITEM	For the three months ended 31 March 2017	For the three months ended 31 March 2016
	(unaudited)	(unaudited)
I Cash flows from operating activities		
Cash received from other operating activities	284	175
Sub-total of cash inflows from operating activities	284	175
Cash paid to and for employees	(217)	(187)
Cash paid for taxes and surcharges	(9)	(14)
Cash paid for other operating activities	(113)	(186)
Sub-total of cash outflows from operating activities	(339)	(387)
Net cash outflow from operating activities	(55)	(212)
II Cash flows from investing activities		
Cash received from sales and redemption of investments	4,860	5,263
Cash received from returns on investments	160	334
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	-	1
Sub-total of cash inflows from investing activities	5,020	5,598
Cash paid for acquisition of investments	(7,455)	(4,250)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(23)	(65)
Sub-total of cash outflows from investing activities	(7,478)	(4,315)
Net cash (outflow)/inflow from investing activities	(2,458)	1,283
III Cash flows from financing activities		
Cash received from other financing activities	1,867	-
Sub-total of cash inflows from financing activities	1,867	-
Cash paid for distribution of dividends and interest	(9)	(6)
Cash paid for other financing activities	-	(1,660)
Sub-total of cash outflows from financing activities	(9)	(1,666)
Net cash inflow/(outflow) from financing activities	1,858	(1,666)
IV Effect of changes in foreign exchange rate on cash and cash equivalents	-	-
V Net decrease in cash and cash equivalents	(655)	(595)
Add: Cash and cash equivalents at beginning of period	839	1,253
VI Cash and cash equivalents at end of period	184	658

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