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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)

2012 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 2012 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 2012 Third Quarter Report of the Company was considered and approved at the 11th session of the 6th Board of Directors on 26 October 2012, which 15 directors were required to attend and 12 of them attended in person. WU Jumin, a Director, appointed GAO Guofu, Chairman of the Board of Directors, to attend the meeting and vote on his behalf. YANG Xiangdong, a Director, appointed FENG Junyuan, Janine, a Director, to attend the meeting and vote on his behalf. WANG Chengran, a Director, appointed 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 2012 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 2012	31 December 2011	Variance (%)
Total assets	646,169	570,612	13.2
Equity ^{Note}	81,407	76,796	6.0
Net assets per share (RMB) ^{Note}	9.47	8.93	6.0
	For the nine months ended 30 September 2012		Compare with the same period of the previous year (%)
Net cash inflow from operating activities		43,203	(4.6)
Net cash inflow per share from operating activities (RMB)		5.02	(4.6)
	For the three months from 1 July to 30 September 2012	For the nine months ended 30 September 2012	The three months from 1 July to 30 September compared with the same period of the previous year (%)
Net profit ^{Note}	497	3,135	(58.7)
Basic earnings per share (RMB) ^{Note}	0.06	0.36	(58.7)
Basic earnings per share after deducting non-recurring items (RMB) ^{Note}	0.06	0.36	(19.0)
Diluted earnings per share (RMB) ^{Note}	0.06	0.36	(58.7)
Weighted average return on equity (%) ^{Note}	0.6	4.0	Decreased by 0.9 pt
Weighted average return on equity after deducting non-recurring items (%) ^{Note}	0.6	3.9	Decreased by 0.2 pt

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 2012
Income from disposal of non-current assets	19
Government grants included in profit or loss	3
Income from contingent liabilities irrelevant to normal business	3
Effect of income tax	(10)
Effect of minority interests	—
Total	15

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: 157,880 shareholders (including 150,314 A shareholders and 7,566 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	2,104,492,599	H Share
Fortune Investment Co., Ltd.	1,284,277,846	A Share
Shenergy Group Co., Ltd.	1,235,291,781	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.	174,339,390	A Share
Carlyle Holdings Mauritius Limited	113,323,498	H Share
Parallel Investors Holdings Limited	90,384,102	H Share
Baosteel Group Corporation	68,818,407	A Share

§3 Business Review for the Reporting Period

During the first three quarters of 2012, the Company realized gross written premiums of RMB127.047 billion, representing a YOY increase of 4.7%.

The gross written premiums from life insurance business amounted to RMB74.938 billion, representing a YOY decrease of 0.6%. In particular, premiums from new insurance policies amounted to RMB31.424 billion, while premiums from renewed policies amounted to RMB43.514 billion. The individual channel maintained its rapid growth and premiums from new insurance policies reached RMB9.631 billion, representing a YOY increase of 11.2%, among which the premiums from new regular insurance policies of the individual channel amounted to RMB9.033 billion.

Gross written premiums from property and casualty insurance businesses amounted to RMB52.051 billion, representing a YOY increase of 11.2%. Business of new channels maintained its rapid growth. Premiums from telemarketing amounted to RMB7.136 billion, representing a YOY increase of 108.8%, and premiums from cross-selling amounted to RMB1.889 billion, representing a YOY increase of 28.4%. The premiums from telemarketing and cross-selling accounted for 17.3% of the gross written premiums from the property and casualty insurance business.

§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 2012	31 December 2011	Flux (%)	Main reasons for the changes
Financial assets at fair value through profit or loss	1,737	2,907	(40.2)	Decrease of such investments
Securities purchased under agreements to resell	2,584	43	5,909.3	Growth in short-term investment business
Premium receivables	5,321	3,074	73.1	Growth in insurance business and timing difference
Interest receivable	14,594	11,006	32.6	Increase of investments on the fixed-interest assets
Other assets	4,684	2,880	62.6	Increase in tax paid in advance
Handling charges and commission payable	2,037	1,348	51.1	Growth in insurance business and timing difference
Interest payable	502	75	569.3	Increase of subordinated debt of CPIC Life
Claims payable	6,345	3,920	61.9	Increase in survival benefits payable
Subordinated debt	15,500	8,000	93.8	Issuance of subordinated debt of CPIC Life's RMB7.5 billion in 2012

in RMB million

Income statement items	For the nine months ended 30 September 2012	For the nine months ended 30 September 2011	Flux (%)	Main reasons for the changes
Premium income assumed-in	128	77	66.2	Growth in reinsurance business
Investment income from associates and jointly-controlled entities	—	16	(100.0)	Sale of a jointly-controlled entity in 2011
Gains/(losses) from changes in fair value	66	(528)	(112.5)	Change in market value for financial assets at fair value through profit or loss
Foreign exchange gains/(losses)	6	(59)	(110.2)	Decrease in fluctuation of exchange rates
Surrenders	(9,301)	(7,060)	31.7	Increased surrenders of certain bancassurance products
Reinsurers' share of change in insurance contract liabilities	232	1,199	(80.7)	Decrease in the proportion of reinsurance ceded-out
Reinsurance expenses	(26)	(16)	62.5	Increase accordingly due to growth in reinsurance business
Interest expenses	(1,633)	(571)	186.0	Increase in interest expenses of securities sold under agreements to repurchase and subordinated debt
Impairment losses	(4,175)	(1,976)	111.3	Increase in impairment of investment assets
Non-operating income/expenses	22	669	(96.7)	Transfer of Fudan Pacific Institute of Finance in 2011
Other comprehensive (loss)/income	4,561	(9,810)	(146.5)	Change in fair value for 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, 28 October 2012

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, Janine, Mr. WU Jumin, Mr. WU Junhao, Mr. YANG Xiangdong, 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 2012

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

in RMB million

ITEM	30 September 2012	31 December 2011
	(unaudited)	(audited)
ASSETS		
Cash and short-term time deposits	15,047	14,903
Financial assets at fair value through profit or loss	1,737	2,907
Securities purchased under agreements to resell	2,584	43
Premium receivables	5,321	3,074
Due from reinsurers	3,361	3,178
Interest receivable	14,594	11,006
Reinsurers' share of unearned premium reserves	3,947	4,201
Reinsurers' share of claim reserves	4,578	4,737
Reinsurers' share of life insurance reserves	774	849
Reinsurers' share of long-term health insurance reserves	4,800	4,331
Policy loans	5,265	4,094
Term deposits	167,517	137,373
Available-for-sale financial assets	132,165	117,592
Held-to-maturity financial assets	223,637	202,536
Investments classified as loans and receivables	33,035	32,929
Restricted statutory deposits	3,580	3,580
Investment properties	6,394	6,573
Fixed assets	6,070	5,754
Construction in progress	1,769	1,573
Intangible assets	617	557
Goodwill	962	962
Deferred income tax assets	3,731	4,980
Other assets	4,684	2,880
Total assets	646,169	570,612

CONSOLIDATED BALANCE SHEET (CONTINUED)

30 September 2012

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

in RMB million

ITEM	30 September 2012	31 December 2011
	(unaudited)	(audited)
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	40,746	32,105
Premium received in advance	3,362	4,711
Handling charges and commission payable	2,037	1,348
Payables to reinsurers	3,598	3,235
Salaries and welfare payable	1,558	1,717
Taxes payable	2,014	1,845
Interest payable	502	75
Claims payable	6,345	3,920
Policyholder dividends payable	10,909	9,132
Policyholders' deposits and investments	44,138	47,262
Unearned premium reserves	31,218	28,177
Claim reserves	22,201	21,196
Life insurance reserves	362,378	314,707
Long-term health insurance reserves	12,526	10,851
Subordinated debt	15,500	8,000
Deferred income tax liabilities	955	960
Other liabilities	3,484	3,316
Total liabilities	563,471	492,557
Issued capital	8,600	8,600
Capital reserves	52,507	48,024
Surplus reserves	2,234	2,234
Retained profits	18,118	17,993
Foreign currency translation reserves	(52)	(55)
Equity attributable to equity holders of the parent	81,407	76,796
Minority interests	1,291	1,259
Total equity	82,698	78,055
Total liabilities and equity	646,169	570,612

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 2012

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

in RMB million

ITEM	30 September 2012	31 December 2011
	(unaudited)	(audited)
ASSETS		
Cash and short-term time deposits	1,121	823
Financial assets at fair value through profit or loss	38	32
Securities purchased under agreements to resell	900	—
Interest receivable	419	320
Term deposits	10,047	10,029
Available-for-sale financial assets	4,771	4,463
Held-to-maturity financial assets	2,021	1,922
Investments classified as loans and receivables	1,199	1,199
Long-term equity investments	54,663	54,663
Investment properties	2,398	2,486
Fixed assets	435	415
Construction in progress	28	1
Intangible assets	56	16
Deferred income tax assets	177	300
Other assets	388	351
Total assets	78,661	77,020
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	500	900
Salaries and welfare payable	122	132
Taxes payable	60	53
Interest payable	—	1
Other liabilities	324	258
Total liabilities	1,006	1,344
Issued capital	8,600	8,600
Capital reserves	58,090	57,766
Surplus reserves	1,930	1,930
Retained profits	9,035	7,380
Total equity	77,655	75,676
Total liabilities and equity	78,661	77,020

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 2012

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

in RMB million

ITEM	For the three months from 1 July to 30 September 2012	For the nine months ended 30 September 2012	For the three months from 1 July to 30 September 2011	For the nine months ended 30 September 2011
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
I. Operating income	39,767	132,062	35,136	122,374
Net premiums earned	33,662	114,565	31,352	106,474
Gross written premiums	36,536	127,047	34,503	121,378
Including: Premium income assumed-in	56	128	14	77
Less: Premiums ceded to reinsurers	(2,563)	(9,188)	(3,034)	(10,340)
Net change in unearned premium reserves	(311)	(3,294)	(117)	(4,564)
Investment income	5,832	16,606	4,038	15,811
Including: investment income from associates and jointly-controlled entities	—	—	—	16
(Losses)/gains from changes in fair value	(11)	66	(441)	(528)
Foreign exchange gains/(losses)	4	6	(19)	(59)
Other operating income	280	819	206	676
II. Operating expenses	(39,287)	(128,121)	(34,540)	(114,257)
Surrenders	(3,126)	(9,301)	(3,162)	(7,060)
Claims paid	(12,691)	(35,834)	(9,713)	(29,284)
Less: Reinsurers' share of claims paid	1,681	4,977	1,561	4,168
Change in insurance contract liabilities	(12,448)	(49,825)	(13,600)	(52,360)
Less: Reinsurers' share of change in insurance contract liabilities	192	232	490	1,199
Policyholder dividends	(1,072)	(2,855)	(1,053)	(2,796)
Reinsurance expenses	(10)	(26)	(3)	(16)
Business tax and surcharges	(994)	(3,068)	(851)	(2,779)
Handling charges and commission	(3,359)	(11,469)	(3,137)	(10,339)
General and administrative expenses	(5,592)	(16,238)	(4,799)	(13,977)
Less: Reinsurers' share of expenses	898	2,909	1,107	3,341
Interest expenses	(561)	(1,633)	(260)	(571)
Other operating expenses	(606)	(1,815)	(312)	(1,807)
Impairment losses	(1,599)	(4,175)	(808)	(1,976)
III. Operating profit	480	3,941	596	8,117
Add: Non-operating income	16	67	679	705
Less: Non-operating expenses	(14)	(45)	(8)	(36)
IV. Profit before tax	482	3,963	1,267	8,786
Less: Income tax	14	(799)	(68)	(1,704)
V. Net profit	496	3,164	1,199	7,082
Equity holders of the parent	497	3,135	1,202	7,018
Minority interests	(1)	29	(3)	64
VI. Earnings per share				
Basic earnings per share (RMB per share)	0.06	0.36	0.14	0.82
Diluted earnings per share (RMB per share)	0.06	0.36	0.14	0.82
VII. Other comprehensive (loss)/income	(854)	4,561	(6,459)	(9,810)
VIII. Total comprehensive (loss)/income	(358)	7,725	(5,260)	(2,728)
Attributable to equity holders of the parent	(341)	7,621	(5,151)	(2,628)
Attributable to minority interests	(17)	104	(109)	(100)

Gao Guofu
Legal Representative
of the Company

Gu Yue
Person in charge of
Accounting Affairs

Wang Ying
Head of Finance
Department

INCOME STATEMENT

For the nine months ended 30 September 2012

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

in RMB million

ITEM	For the three months from 1 July to 30 September 2012	For the nine months ended 30 September 2012	For the three months from 1 July to 30 September 2011	For the nine months ended 30 September 2011
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
I. Operating income	303	5,506	341	5,586
Investment income	179	5,157	253	5,367
Including: investment income from associates and jointly-controlled entities	—	—	—	16
Gains/(losses) from changes in fair value	—	—	1	(6)
Foreign exchange gains/(losses)	1	(2)	(5)	(28)
Other operating income	123	351	92	253
II. Operating expenses	(329)	(834)	(158)	(505)
Business tax and surcharges	(12)	(34)	(10)	(46)
General and administrative expenses	(181)	(472)	(48)	(307)
Interest expenses	(1)	(13)	—	(2)
Other operating expenses	(18)	(60)	(25)	(65)
Impairment losses	(117)	(255)	(75)	(85)
III. Operating profit	(26)	4,672	183	5,081
Add: Non-operating income	—	9	670	670
Less: Non-operating expenses	—	(1)	1	—
IV. Profit before tax	(26)	4,680	854	5,751
Less: Income tax	5	(15)	(193)	(415)
V. Net profit	(21)	4,665	661	5,336
VI. Other comprehensive income/(loss)	71	324	(449)	(650)
VII. Total comprehensive income	50	4,989	212	4,686

Gao Guofu
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Wang Ying
Head of Finance
Department

CONSOLIDATED CASH FLOW STATEMENT

For the nine months ended 30 September 2012

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

in RMB million

ITEM	For the nine months ended	For the nine months ended
	30 September 2012	30 September 2011
	(unaudited)	(unaudited)
I Cash flows from operating activities		
Premiums received from direct insurance	123,156	118,979
Tax refund	19	—
Cash received from other operating activities	618	405
Sub-total of cash inflows from operating activities	123,793	119,384
Claims paid for direct insurance	(32,417)	(28,565)
Net cash paid for reinsurance business	(1,038)	(2,324)
Net decrease in policyholders' deposits and investments	(4,347)	(5,141)
Handling charges and commission paid	(10,851)	(9,787)
Policyholder dividends paid	(746)	(1,090)
Cash paid to and for employees	(8,178)	(7,004)
Cash paid for taxes and surcharges	(5,490)	(6,150)
Cash paid for other operating activities	(17,523)	(14,017)
Sub-total of cash outflows from operating activities	(80,590)	(74,078)
Net cash inflow from operating activities	43,203	45,306
II Cash flows from investing activities		
Cash received from sales and redemption of investments	47,352	58,791
Cash received from returns on investments	15,817	13,501
Proceeds from disposal of a jointly-controlled entity	—	950
Net cash received from disposals of property and equipment, intangible assets and other assets	41	701
Sub-total of cash inflows from investing activities	63,210	73,943
Cash paid for purchase of investments	(112,760)	(125,837)
Net increase in policy loans	(1,247)	(1,423)
Net cash paid for acquisition of subsidiaries	—	(4,125)
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(1,696)	(1,043)
Sub-total of cash outflows from investing activities	(115,703)	(132,428)
Net cash outflow from investing activities	(52,493)	(58,485)
III Cash flows from financing activities		
Cash received from capital contribution	—	53
Cash received from issuance of subordinated debt	7,500	—
Cash received from other financing activities	8,545	16,066
Sub-total of cash inflows from financing activities	16,045	16,119
Cash paid for repayment of borrowed funds	—	(2,000)
Cash paid for distribution of dividends and interest	(4,097)	(3,840)
Sub-total of cash outflows from financing activities	(4,097)	(5,840)
Net cash inflows from financing activities	11,948	10,279
IV Effect of changes in foreign exchange rate on cash and cash equivalents	7	(105)
V Net increase/(decrease) in cash and cash equivalents	2,665	(3,005)
Add: Cash and cash equivalents at beginning of period	14,966	17,560
VI Cash and cash equivalents at end of period	17,631	14,555

Gao Guofu
Legal Representative
of the Company

Gu Yue
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Wang Ying
Head of Finance
Department

CASH FLOW STATEMENT
For the nine months ended 30 September 2012

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

in RMB million

ITEM	For the nine months ended 30 September 2012	For the nine months ended 30 September 2011
	(unaudited)	(unaudited)
I Cash flows from operating activities		
Cash received from other operating activities	390	130
Sub-total of cash inflows from operating activities	390	130
Cash paid to and for employees	(269)	(225)
Cash paid for taxes and surcharges	(37)	(48)
Cash paid for other operating activities	(118)	(566)
Sub-total of cash outflows from operating activities	(424)	(839)
Net cash inflow from operating activities	(34)	(709)
II Cash flows from investing activities		
Cash received from sales and redemption of investments	794	1,851
Cash received from returns on investment	5,131	4,561
Proceeds from disposal of a jointly-controlled entity	—	950
Net cash received from disposals of property and equipment, intangible assets and other assets	10	680
Sub-total of cash inflows from investing activities	5,935	8,042
Cash paid for purchase of investments	(1,220)	(6,323)
Net cash paid for investments in subsidiaries, associates and jointly-controlled entities	—	(4,177)
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(62)	(101)
Sub-total of cash outflows from investing activities	(1,282)	(10,601)
Net cash inflow/(outflow) from investing activities	4,653	(2,559)
III Cash flows from financing activities		
Cash paid for distribution of dividends and interest	(3,023)	(3,012)
Cash paid for other financing activities	(400)	—
Sub-total of cash outflows from financing activities	(3,423)	(3,012)
Net cash outflow from financing activities	(3,423)	(3,012)
IV Effect of changes in foreign exchange rate on cash and cash equivalents	2	(75)
V Net increase/(decrease) in cash and cash equivalents	1,198	(6,355)
Add: Cash and cash equivalents at beginning of period	823	8,071
VI Cash and cash equivalents at end of period	2,021	1,716

Gao Guofu
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Wang Ying
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Department