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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)

2013 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 2013 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 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 2013 First Quarter Report of the Company was considered and approved at the 13th session of the 6th Board of Directors on 24 April 2013, which 15 directors were required to attend and 13 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. FENG Junyuan, Janine, a Director, appointed YANG Xiangdong, a Director, to attend the meeting and vote on her behalf.

1.3 The financial data of the Company for the first quarter of 2013 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), Mr. ZHANG Yuanhan (Chief Actuary) and Ms. WANG Ying (Deputy Chief Financial Officer) warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

§2 Key Financial Data and Changes in the Shareholders of the Company

2.1 Key Financial Data

in RMB million

	31 March 2013	31 December 2012	Variance (%)
Total assets	699,388	681,502	2.6
Equity ^{Note}	99,482	96,177	3.4
Net assets per share (RMB) ^{Note}	10.98	10.61	3.4
	For the three months ended 31 March 2013		Compare with the same period of the previous year (%)
Net cash inflow from operating activities		12,870	(38.0)
Net cash inflow per share from operating activities (RMB)		1.42	(41.1)
	For the three months ended 31 March 2013		Compare with the same period of the previous year (%)
Operating income		53,165	7.4
Net profit ^{Note}		2,225	241.3
Basic earnings per share (RMB) ^{Note}		0.25	212.5
Diluted earnings per share (RMB) ^{Note}		0.25	212.5
Net profit after deducting non-recurring items ^{Note}		2,215	237.1
Basic earnings per share after deducting non-recurring items (RMB) ^{Note}		0.24	200.0
Weighted average return on equity (%) ^{Note}		2.3	increased by 1.5 percentage point
Weighted average return on equity after deducting non-recurring items (%) ^{Note}		2.3	increased by 1.5 percentage point

Note: attributable to equity holders of the parent

2.2 Non-recurring items

in RMB million

Non-recurring items	For the three months ended 31 March 2013
Income on disposal of non-current assets	14
Effect of income tax	(4)
Effect of minority interests	—
Total	10

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: 166,489 shareholders (including 159,313 A shareholders and 7,176 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	Type of shares
HKSCC Nominees Limited	2,770,382,599	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
Baosteel Group Corporation	68,818,407	A Share
Portfolio 102 of the National Council for Social Security Fund	42,081,287	A Share
Portfolio 108 of the National Council for Social Security Fund	42,010,135	A Share

§3 Business Review for the Reporting Period

During the first quarter of 2013, the Company realized gross written premiums of RMB51.421 billion, representing an increase of 4.1% compared with the same period of the previous year.

The gross written premiums from life insurance business amounted to RMB30.636 billion, representing a decrease of 4.5% compared with the same period of the previous year. In particular, premiums from new insurance policies amounted to RMB11.501 billion, while premiums from renewed policies amounted to RMB19.135 billion. The agency channel maintained its rapid growth and premiums from new insurance policies of the agency channel reached RMB5.047 billion, representing an increase of 12.6% compared with the same period of the previous year, among which the premiums from new regular insurance policies of the agency channel amounted to RMB4.848 billion.

Gross written premiums from property and casualty insurance businesses amounted to RMB20.768 billion, representing an increase of 20.1% compared with the same period of the previous year. In particular, gross written premiums from automobile insurance amounted to RMB15.238 billion, representing an increase of 21.2% compared with the same period of the previous year, while gross written premiums from non-automobile insurance amounted to RMB5.530 billion, representing an increase of 17.2% compared with the same period of the previous year. Businesses of telemarketing and cross-selling maintained rapid growth. Premiums from telemarketing amounted to RMB3.306 billion, representing an increase of 53.6% compared with the same period of the previous year, and premiums from cross-selling amounted to RMB744 million, representing an increase of 28.9% compared with the same period of the previous year. The premiums from telemarketing and cross-selling accounted for 19.5% of the gross written premiums from the property and casualty insurance business.

§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

in RMB million

Balance sheet items	31 March 2013	31 December 2012	Flux (%)	Main reasons for the changes
Securities purchased under agreements to resell	40	1,115	(96.4)	Decline in short-term investment business
Premium receivables	6,626	4,041	64.0	Growth in insurance business and timing difference
Long-term equity investments	11	—	/	Investment for Shanghai Bingjiang-Xiangrui Investment and Construction Co., Ltd. (上海濱江祥瑞投資建設有限責任公司)
Other assets	7,448	5,532	34.6	Prepayment for the land use right and timing difference
Handling charges and commission payable	2,547	1,596	59.6	Growth in insurance business and timing difference
Salaries and welfare payable	1,202	1,777	(32.4)	Bonus for the year of 2012 paid in 2013
Interest payable	383	266	44.0	Increase of subordinated debt

Income statement items	For the three months ended 31 March 2013	For the three months ended 31 March 2012	Flux (%)	Main reasons for the changes
Premium income assumed-in	30	53	(43.4)	Decrease in reinsurance business
Net change in unearned premium reserves	(2,033)	(1,420)	43.2	Increase in property and casualty insurance business growth
Investment income	7,013	4,627	51.6	Increase in interest income from fixed income investment, and decrease in losses from disposal of equity investment
Gains from changes in fair value	47	28	67.9	Increase in market value of financial assets at fair value through profit or loss
Foreign exchange losses	(39)	(1)	3,800.0	Increase in foreign currency fund and fluctuation of exchange rates
Surrenders	(5,172)	(3,202)	61.5	Higher surrender rate for part of bancassurance products
Reinsurers' share of change in insurance contract liabilities	(6)	262	(102.3)	Decrease in change of insurance contract liabilities due to increased claims paid
Reinsurance expenses	(6)	(10)	(40.0)	Decrease in reinsurance business
Impairment losses	(259)	(1,373)	(81.1)	Decrease in impairment of investment assets
Non-operating income/expenses	14	(5)	(380.0)	Increase in non-operating income and decrease in non-operating expenses
Other comprehensive income/(loss)	1,101	3,393	(67.6)	Sales, provision, and change in the fair value of 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

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

Shanghai, China, 25 April 2013

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

31 March 2013

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

in RMB million (unaudited)

ITEM	31 March 2013	31 December 2012
	(unaudited)	(audited)
ASSETS		
Cash and short-term time deposits	26,764	23,875
Financial assets at fair value through profit or loss	2,206	1,714
Securities purchased under agreements to resell	40	1,115
Premium receivables	6,626	4,041
Due from reinsurers	3,308	4,136
Interest receivables	13,940	13,659
Reinsurers' share of unearned premium reserves	4,104	3,694
Reinsurers' share of claim reserves	4,531	4,721
Reinsurers' share of life insurance reserves	761	764
Reinsurers' share of long-term health insurance reserves	5,129	4,942
Policy loans	6,206	5,700
Term deposits	167,354	164,297
Available-for-sale financial assets	139,848	135,815
Held-to-maturity financial assets	251,374	248,766
Investments classified as loans and receivables	37,733	36,097
Long-term equity investments	11	—
Restricted statutory deposits	3,600	3,600
Investment properties	6,318	6,349
Fixed assets	6,618	6,750
Construction in progress	2,200	2,108
Intangible assets	750	798
Goodwill	962	962
Deferred income tax assets	1,557	2,067
Other assets	7,448	5,532
Total assets	699,388	681,502

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 March 2013

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

in RMB million (unaudited)

ITEM	31 March 2013	31 December 2012
	(unaudited)	(audited)
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	45,639	50,143
Premium received in advance	3,506	4,376
Handling charges and commission payable	2,547	1,596
Payables to reinsurers	3,365	3,514
Salaries and welfare payable	1,202	1,777
Taxes payable	2,068	2,159
Interest payable	383	266
Claims payable	7,276	7,298
Policyholder dividends payable	12,196	11,711
Policyholders' deposits and investments	38,222	41,833
Unearned premium reserves	33,706	31,264
Claim reserves	22,534	22,340
Life insurance reserves	392,231	372,730
Long-term health insurance reserves	13,061	12,553
Subordinated debt	15,500	15,500
Deferred income tax liabilities	959	958
Other liabilities	4,065	3,915
Total liabilities	598,460	583,933
Issued capital	9,062	9,062
Capital reserves	65,957	64,876
Surplus reserves	2,698	2,698
Retained profits	21,821	19,596
Foreign currency translation reserves	(56)	(55)
Equity attributable to equity holders of the parent	99,482	96,177
Minority interests	1,446	1,392
Total equity	100,928	97,569
Total liabilities and equity	699,388	681,502

Gao Guofu
Legal Representative
of the Company

Gu Yue
Person in charge of
Accounting Affairs

Wang Ying
Head of Finance
Department

BALANCE SHEET

31 March 2013

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

in RMB million (unaudited)

ITEM	31 March 2013	31 December 2012
	(unaudited)	(audited)
ASSETS		
Cash and short-term time deposits	6,069	9,550
Financial assets at fair value through profit or loss	70	37
Interest receivables	339	333
Term deposits	8,958	7,672
Available-for-sale financial assets	10,982	7,617
Held-to-maturity financial assets	1,930	2,275
Investments classified as loans and receivables	1,200	1,200
Long-term equity investments	54,663	54,663
Investment properties	2,372	2,377
Fixed assets	395	428
Construction in progress	82	76
Intangible assets	65	67
Deferred income tax assets	84	150
Other assets	375	258
Total assets	87,584	86,703
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	1,060	—
Salaries and welfare payable	115	145
Taxes payable	57	48
Other liabilities	246	482
Total liabilities	1,478	675
Issued capital	9,062	9,062
Capital reserves	66,025	66,029
Surplus reserves	2,394	2,394
Retained profits	8,625	8,543
Total equity	86,106	86,028
Total liabilities and equity	87,584	86,703

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 three months ended 31 March 2013

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

in RMB million (unaudited)

ITEM	For the three months ended 31 March 2013	For the three months ended 31 March 2012
	(unaudited)	(unaudited)
I. Operating income	53,165	49,490
Net premiums earned	45,865	44,570
Gross written premiums	51,421	49,389
Including: Premium income assumed-in	30	53
Less: Premiums ceded to reinsurers	(3,523)	(3,399)
Net change in unearned premium reserves	(2,033)	(1,420)
Investment income	7,013	4,627
Gains from changes in fair value	47	28
Foreign exchange losses	(39)	(1)
Other operating income	279	266
II. Operating expense	(50,065)	(48,598)
Surrenders	(5,172)	(3,202)
Claims paid	(13,191)	(11,048)
Less: Reinsurers' share of claims paid	1,632	1,624
Change in insurance contract liabilities	(19,963)	(23,229)
Less: Reinsurers' share of change in insurance contract liabilities	(6)	262
Policyholder dividends	(968)	(1,028)
Reinsurance expenses	(6)	(10)
Business tax and surcharges	(1,216)	(1,020)
Handling charges and commission	(4,949)	(4,539)
General and administrative expenses	(5,948)	(5,113)
Less: Reinsurers' share of expenses	1,152	1,007
Interest expenses	(633)	(509)
Other operating expenses	(538)	(420)
Impairment losses	(259)	(1,373)
III. Operating profit	3,100	892
Add: Non-operating income	19	9
Less: Non-operating expenses	(5)	(14)
IV. Profit before tax	3,114	887
Less: Income tax	(856)	(233)
V. Net profit	2,258	654
Equity holders of the parent	2,225	652
Minority interests	33	2
VI. Earnings per share		
Basic earnings per share (RMB per share)	0.25	0.08
Diluted earnings per share (RMB per share)	0.25	0.08
VII. Other comprehensive income/(loss)	1,101	3,393
VIII. Total comprehensive income	3,359	4,047
Attributable to equity holders of the parent	3,305	3,988
Attributable to minority interests	54	59

Gao Guofu
Legal Representative
of the Company

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Wang Ying
Head of Finance
Department

INCOME STATEMENT

For the three months ended 31 March 2013

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

in RMB million (unaudited)

ITEM	For the three months ended 31 March 2013	For the three months ended 31 March 2012
	(unaudited)	(unaudited)
I. Operating income	340	285
Investment income	226	179
Gains from changes in fair value	2	—
Foreign exchange losses	(35)	(1)
Other operating income	147	107
II. Operating expenses	(191)	(237)
Business tax and surcharges	(12)	(10)
General and administrative expenses	(153)	(125)
Interest expenses	(1)	(7)
Other operating expenses	(21)	(20)
Impairment losses	(4)	(75)
III. Operating profit	149	48
Add: Non-operating income	—	1
IV. Profit before tax	149	49
Less: Income tax	(67)	(11)
V. Net profit	82	38
VI. Other comprehensive (loss)/income	(4)	136
VII. Total comprehensive income	78	174

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Wang Ying
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CONSOLIDATED CASH FLOW STATEMENT

For the three months ended 31 March 2013

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

in RMB million (unaudited)

ITEM	For the three months ended 31 March 2013 (unaudited)	For the three months ended 31 March 2012 (unaudited)
I Cash flows from operating activities		
Premiums received from insurance contracts	47,740	46,334
Tax refund	41	5
Cash received from other operating activities	168	214
Sub-total of cash inflows from operating activities	47,949	46,553
Claims paid for insurance contracts	(12,823)	(9,907)
Net cash paid for reinsurance business	(52)	(312)
Net decrease in policyholders' deposits and investments	(3,961)	(1,380)
Handling charges and commission paid	(3,976)	(3,775)
Policyholder dividends paid	(353)	(263)
Cash paid to and for employees	(3,425)	(3,067)
Cash paid for taxes and surcharges	(1,793)	(1,636)
Cash paid for other operating activities	(8,696)	(5,471)
Sub-total of cash outflows from operating activities	(35,079)	(25,811)
Net cash inflow from operating activities	12,870	20,742
II Cash flows from investing activities		
Cash received from sales and redemption of investments	24,605	20,953
Cash received from returns on investments	6,601	4,965
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	2	12
Sub-total of cash inflows from investing activities	31,208	25,930
Cash paid for purchase of investments	(35,273)	(59,387)
Net increase in policy loans	(523)	(371)
Net cash paid for investments in subsidiaries, associates and jointly-controlled entities	(11)	—
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(1,335)	(563)
Sub-total of cash outflows from investing activities	(37,142)	(60,321)
Net cash outflow from investing activities	(5,934)	(34,391)
III Cash flows from financing activities		
Cash received from other financing activities	—	16,952
Sub-total of cash inflows from financing activities	—	16,952
Cash paid for distribution of dividends and interest	(415)	(242)
Cash paid for other financing activities	(4,511)	—
Sub-total of cash outflows from financing activities	(4,926)	(242)
Net cash (outflow)/inflow from financing activities	(4,926)	16,710
IV Effect of changes in foreign exchange rate on cash and cash equivalents	(26)	(1)
V Net increase in cash and cash equivalents	1,984	3,060
Add: Cash and cash equivalents at beginning of period	24,990	14,966
VI Cash and cash equivalents at end of period	26,974	18,026

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CASH FLOW STATEMENT
For the three months ended 31 March 2013

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

in RMB million (unaudited)

ITEM	For the three months ended 31 March 2013	For the three months ended 31 March 2012
	(unaudited)	(unaudited)
I Cash flows from operating activities		
Cash received from other operating activities	79	210
Sub-total of cash inflows from operating activities	79	210
Cash paid to and for employees	(126)	(97)
Cash paid for taxes and surcharges	(6)	(5)
Cash paid for other operating activities	(239)	(36)
Sub-total of cash outflows from operating activities	(371)	(138)
Net cash (outflow)/inflow from operating activities	(292)	72
II Cash flows from investing activities		
Cash received from sales and redemption of investments	2,435	277
Cash received from returns on investment	213	245
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	—	2
Sub-total of cash inflows from investing activities	2,648	524
Cash paid for purchase of investments	(6,794)	(170)
Cash paid for purchases of fixed assets, intangible assets and other long-term assets	(76)	(11)
Sub-total of cash outflows from investing activities	(6,870)	(181)
Net cash (outflow)/inflow from investing activities	(4,222)	343
III Cash flows from financing activities		
Cash received from other financing activities	1,060	—
Sub-total of cash inflows from financing activities	1,060	—
Cash paid for distribution of dividends and interest	(1)	(8)
Cash paid for other financing activities	(2)	(52)
Sub-total of cash outflows from financing activities	(3)	(60)
Net cash inflow/(outflow) from financing activities	1,057	(60)
IV Effect of changes in foreign exchange rate on cash and cash equivalents	(24)	(1)
V Net (decrease)/increase in cash and cash equivalents	(3,481)	354
Add: Cash and cash equivalents at beginning of period	9,550	823
VI Cash and cash equivalents at end of period	6,069	1,177

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