

# **CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**

(A joint stock company incorporated in the People's Republic of China with limited liability)

## **2023 Third Quarter Report**

**(Trading Symbol: CPIC)**

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## §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 2023 Third Quarter Report of the Company was considered and approved at the 28th meeting of the 9th Board of Directors of the Company on 27 October 2023, which 14 directors were required to attend and all of them attended in person.

1.3 The financial data contained in the 2023 Third Quarter Report of the Company are unaudited and have been prepared in accordance with the China Accounting Standards for Business Enterprises. The Company adopted the new insurance standard and the new financial instruments standards from 1 January 2023. According to requirements of the new insurance standard, the Company adjusted comparative figures of the prior period which related to insurance business. According to requirements of new financial instruments standards, the Company did not adjust comparative figures of the prior period which related to investment business.

1.4 Mr. KONG Qingwei (person in charge of the Company), Mr. ZHANG Yuanhan (person in charge of accounting and Chief Actuary) and Ms. XU Zhen (Head of the Accounting Department) warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

## §2 Key Financial Information

### 2.1 Key Accounting Data and Financial Indicators

unit: RMB million

	For the three months from 1 July to 30 September 2023	For the three months from 1 July to 30 September 2022		Changes (%)	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022		Changes (%)
		Unadjusted	Adjusted <sup>note 2</sup>	Adjusted		Unadjusted	Adjusted <sup>note 2</sup>	Adjusted
Operating income	80,387	105,306	88,637	(9.3)	255,926	360,420	253,494	1.0
Net profit <sup>note 1</sup>	4,817	6,971	10,543	(54.3)	23,149	20,272	30,617	(24.4)
Net profit net of non-recurring profit or loss <sup>note 1</sup>	4,805	6,957	10,529	(54.4)	23,022	20,217	30,562	(24.7)
Net cash flows from operating activities	N/A	N/A	N/A	N/A	110,992	110,304	110,610	0.3
Basic earnings per share (RMB) <sup>note 1</sup>	0.50	0.73	1.09	(54.3)	2.41	2.11	3.18	(24.4)
Diluted earnings per share (RMB) <sup>note 1</sup>	0.50	0.73	1.09	(54.3)	2.41	2.11	3.18	(24.4)
Weighted average return on equity (%) <sup>note 1</sup>	2.0	3.1	5.6	(3.6pt)	9.9	9.0	16.1	(6.2pt)

unit: RMB million

	30 September 2023	31 December 2022		Changes (%)
		Unadjusted	Adjusted <sup>note 2</sup>	Adjusted
Total assets	2,261,382	2,176,299	2,071,336	9.2
Equity <sup>note 1</sup>	238,520	228,446	196,477	21.4

Notes:

1. Attributable to shareholders of the parent.

2. The Company adopted the new insurance standard and the new financial instruments standards from 1 January 2023. Comparative figures of the prior period are restated according to the requirements of the new standards. According to requirements of the new insurance standard, the Company adjusted comparative figures of the prior period which related to insurance business. According to requirements of new financial instruments standards, the Company did not adjust comparative figures of the prior period which related to investment business. For detailed information, please refer to “Other Information - Changes in Accounting Policies” and “Appendix” of this report.

## 2.2 Non-recurring items

unit: RMB million

Non-recurring items	For the three months from 1 July to 30 September 2023	For the nine months ended 30 September 2023
Gains on disposal of non-current assets	-	1
Government grants recognised in current profit or loss	29	205
Custody fees of entrusted operation	-	27
Other net non-operating income and expenses other than aforesaid items	(10)	(55)
Effect of income tax relating to non-recurring profit or loss	(7)	(50)
Net non-recurring profit or loss attributable to non-controlling interests	-	(1)
Total	12	127

Note: As the Group is an integrated insurance group, investment is one of the major businesses of the Group. Therefore, the non-recurring items do not include fair value gains/(losses) and investment income, etc. from hold or disposal of financial investment, etc.

## 2.3 Significant changes of key accounting data and financial indicators and reasons for such changes

For the three months from 1 July to 30 September		
Items	Compared with the three months from 1 July to 30 September 2022 (%)	Main reason for the changes
Net profit <sup>note 1,2</sup>	(54.3)	Capital market fluctuation
Net profit net of non-recurring profit or loss <sup>note 1,2</sup>	(54.4)	
Basic earnings per share <sup>note 1,2</sup>	(54.3)	
Diluted earnings per share <sup>note 1,2</sup>	(54.3)	

Notes:

1. Attributable to shareholders of the parent.

2. The Company adopted the new insurance standard and the new financial instruments standards from 1 January 2023. Comparative figures of the prior period are restated according to the requirements of the new standards. According to requirements of the new insurance standard, the Company adjusted comparative figures of the prior period which related to insurance business. According to requirements of new financial instruments standards, the Company did not adjust comparative figures of the prior period which related to investment business. For detailed information, please refer to “Other Information - Changes in Accounting Policies” and “Appendix” of this report.

### §3 Shareholder Information

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: 103,598 (including 99,575 holders of A shares and 4,023 holders of H shares)							
Shares held by top ten shareholders							
Name of shareholders	Types of shareholders	Percentage of the shareholding	Total number of shares held	Increase or decrease (+ or -) of shareholding during the reporting period	Number of shares held with selling restriction	Number of shares subject to pledge or lock-up period	Type of shares
HKSCC Nominees Limited	Overseas legal person	28.82%	2,772,561,107	+6,480	-	-	H Share
Shenergy (Group) Co., Ltd.	State-owned legal person	14.05%	1,352,129,014	-	-	-	A Share
Hwabao Investment Co., Ltd.	State-owned legal person	13.35%	1,284,277,846	-	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	State-owned legal person	6.34%	609,929,956	-	-	-	A Share
Shanghai Haiyan Investment Management Company Limited	State-owned legal person	4.87%	468,828,104	-	-	-	A Share
China Securities Finance Co., Ltd.	Others	2.82%	271,089,843	-	-	-	A Share
HKSCC	Others	2.79%	268,239,871	-64,249,041	-	-	A Share
Shanghai International Group Co. Ltd.	State-owned legal person	1.66%	160,000,000	-	-	-	A Share
Yunnan Hehe (Group) Co., Ltd.	State-owned legal person	0.95%	91,868,387	-	-	-	A Share
Shanghai Jiushi (Group) Co., Ltd.	State-owned legal person	0.94%	90,427,860	-517,700	-	-	A Share
Description of related relations or concerted actions among the aforesaid shareholders	HKSCC Nominees Limited and HKSCC are related, as the former is a wholly-owned subsidiary of the latter; Shanghai State-Owned Assets Operation Co., Ltd. and Shanghai International Group Co. Ltd. are acting in concert, as the former is a wholly-owned subsidiary of the latter. Other than this, the Company is not aware of any related relations or concerted actions among the above-mentioned shareholders.						
Description of securities margin trading and refinancing business by top 10 shareholders and top 10 shareholders without selling restrictions, if any.	As at the end of the reporting period, Shanghai Jiushi (Group) Co., Ltd. lent total of 521,600 A-shares of the Company held by it through the refinancing business.						

Notes:

- As at the end of the reporting period, the Company did not issue any preferred shares.
- The shareholding of the top ten shareholders is based on the lists of registered shareholders provided by China Securities Depository and Clearing Corporation Limited Shanghai Branch (A share) and Computershare Hong Kong Investor Services Limited (H share) respectively. Shareholder types are based on "account types" as registered with China Securities Depository and Clearing Corporation Limited Shanghai Branch.
- The shares held by HKSCC Nominees Limited are held on behalf 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.
- HKSCC is the nominal holder of shares traded through Shanghai-Hong Kong Connect Programme.

## §4 Business Review

For the first nine months of the year, the Company realised insurance revenue of RMB204.775 billion, representing an increase of 7.4% compared with the same period of 2022. Of this, insurance revenue from CPIC Life amounted to RMB63.914 billion, down by 5.2%; that from CPIC P/C<sup>note 1</sup> RMB139.533 billion, up by 13.9%. Group net profits<sup>note 2</sup> amounted to RMB23.149 billion, down by 24.4%.

Notes:

1. Consolidated data of CPIC P/C and its subsidiary, Pacific Anxin Agricultural Insurance Co., Ltd.
2. Attributable to shareholders of the parent.

### CPIC Life

In the first three quarters of 2023, amid steady recovery of China's economy, CPIC Life persisted in high-quality development, focused on the long term, forged ahead with Changhang Transformation, and strived to become a life insurer with the best customer experience. It initiated a staff-oriented organisational restructuring which aims to build a customer-centered, dynamic, value-creating organisation, with corporate headquarters focusing on empowerment and branch offices on independent business operation, in a bid to accelerate the transition from "paradigm shift" towards "new paradigm establishment". In the first three quarters of 2023, the subsidiary reported RMB222.625 billion in written premiums, up by 6.2%. New business value amounted to RMB10.328 billion, an increase of 36.8% year on year. Insurance revenue reached RMB63.914 billion, down by 5.2%.

The agency channel continued to deepen the restructuring centering on "3 Directions and 5 Mosts", drove for change in behaviours of agents via the leverage of the new Basic Law (i.e., rules on management and compensation of agents), enhanced basic management, stimulated its existing sales force, pushed for normalised, high-quality and integrated recruitment and coaching, and strengthened organisation-building for high-performing agents. The channel rolled out product-driven customer relations management programmes and high-performance training so as to improve the professional skills, capabilities and independent operation of the agency force. It upgraded the product and service system to support customer engagement and retention, and agent activities management as well; and it enhanced technology empowerment and digital capabilities of agents. These measures led to steady improvement in key performance metrics of the agency channel in the first nine months of the year: first, value growth picked up steadily amid improving business momentum, with regular-pay FYPs from the channel amounting to RMB23.567 billion for the first nine months of 2023, a year-on-year growth of 37.9%; second, agency force fundamentals started to stabilise, with improvement in the share of core manpower and high-performing teams, as well as a sharp increase in monthly average FYC per core agent and monthly average pre-tax income per core agent; third, high-quality recruitment and coaching delivered tangible benefits, with improvement in both the scale and quality of new recruits, measured by their headcount, their business contribution and productivity, and there was also a marked improvement

in 13-month retention for new recruits; fourth, business quality improved steadily, evidenced by a 13-month policy persistency ratio of 95.5%, up by 7.5pt from a year earlier.

CPIC Life seeks to diversify its channel mix, strives to establish a new, value-oriented business model of bancassurance, underpinned by value-oriented banking outlets and products, and high-quality teams. It continued to optimise channel product mix, with rapid value growth and considerable improvement in its value contribution. For the first three quarters of 2023, bancassurance channel reported RMB32.694 billion in written premiums, an increase of 31.1%. Of this, regular-pay FYPs amounted to RMB8.284 billion, up by 289.5%. The group channel stepped up the shaping-up of work-site marketing, optimised the strategy of short-term business, and in particular enhanced the loss control of government-sponsored business. For the first three quarters of 2023, it posted RMB16.643 billion in written premiums, down by 10.5%.

unit: RMB million

<b>For the nine months ended 30 September</b>	<b>2023</b>	<b>2022</b>	<b>Changes (%)</b>
<b>Written premiums</b>	<b>222,625</b>	<b>209,564</b>	<b>6.2</b>
<b>Agency channel</b>	<b>172,151</b>	<b>165,987</b>	<b>3.7</b>
New policies	29,102	24,206	20.2
Regular premium business	23,567	17,087	37.9
Renewed policies	143,049	141,781	0.9
<b>Bancassurance channel</b>	<b>32,694</b>	<b>24,933</b>	<b>31.1</b>
New policies	29,425	23,623	24.6
Renewed policies	3,269	1,310	149.5
<b>Group channel</b>	<b>16,643</b>	<b>18,595</b>	<b>(10.5)</b>
New policies	15,892	17,992	(11.7)
Renewed policies	751	603	24.5
<b>Other channels<sup>note</sup></b>	<b>1,137</b>	<b>49</b>	<b>2,220.4</b>

Note: Other channels include telemarketing & internet sales.

## CPIC P/C

CPIC P/C stayed committed to objectives of high-quality development, stepped up systematic capacity-building for business development, accelerated digital transitioning, and improved professional business management capabilities. In response to regulatory requirements, automobile insurance intensified cost control and expense management; enhanced pricing capabilities in the context of further pricing liberalisation, with improved business mix; stepped up channel capacity-building, with improvement in per capita productivity. Non-auto business deepened transition towards customer resources management (CRM) and strengthened customer insights to support differentiated product/service solutions, so as to improve customer retention. The company seized opportunities of the Rural Invigoration Initiative, stepped up innovation in products, technology and research for the sannong (i.e., farmers, agriculture and rural areas) market and optimised the system of smart underwriting and claims management in a bid to further improve its professional business management capabilities. To enhance risk reduction management, the company increased the use of technology before, during and after occurrences of risk events. In

particular, it shortened claims turnaround, improved timeliness of response, increased advance claims payment in the event of natural catastrophes to facilitate resumption of normal life post the disaster. For the first three quarters of 2023, CPIC P/C maintained stable business development, with secure market standings and respectable underwriting profitability.

For the same period, the subsidiary recorded RMB148.455 billion in primary premium income, up by 11.8% from the same period of 2022. Of this, automobile insurance contributed RMB75.668 billion, up by 5.5%, and non-auto insurance RMB72.787 billion, up by 19.3%. Insurance revenue amounted to RMB139.533 billion, up by 13.9%, with an underwriting combined ratio of 98.7%, up by 1.0pt year on year, mainly due to low base effect from last year and natural catastrophes in 2023.

For the nine months ended 30 September	2023	2022	unit: RMB million Changes (%)
<b>Primary premium income</b>	<b>148,455</b>	<b>132,733</b>	<b>11.8</b>
Auto insurance	75,668	71,708	5.5
Non-auto insurance	72,787	61,025	19.3

## Asset management

Since the beginning of the year, China's economy experienced a gradual "bottom-out", with a slight decline in treasury bond yields, narrowing of credit spread and adjustment of the equity market. The Company maintained a largely stable asset allocation based on profiles of liabilities. Under the guidance of Strategic Asset Allocation (SAA), it increased allocation into long-term fixed income assets to extend asset duration, while dynamically conducting Tactical Asset Allocation (TAA) and pro-active management of equity assets to cushion the impact of New Accounting Standards.

As at the end of the reporting period, Group investment assets amounted to RMB2,172.660 billion, an increase of 11.1% from the end of 2022<sup>note</sup>. During the first nine months of the year, net investment yield was 3.0%, down by 0.2pt from the same period of last year; total investment yield was 2.4%, down by 0.8pt.

Note: The figure as at the end of the previous year was adjusted.

For the nine months ended 30 September	2023	2022	Changes
Net investment yield (%) <sup>note 1</sup>	3.0	3.2	(0.2pt)
Total investment yield (%) <sup>note 2</sup>	2.4	3.2	(0.8pt)

### Notes:

1. Net investment yield was not annualised. Net investment as the numerator in the calculation of net investment yield included interest income, dividend income and rental income from investment properties, etc. Average investment assets as the denominator in the calculation of net investment yield are computed based on the Modified Dietz method.

2. Total investment yield was not annualised. Total investment as the numerator in the calculation of total investment yield included interest income, dividend income, gains/(losses) from securities trading, gains/(losses) arising from changes in fair value and rental income from investment properties, etc. Average investment assets as the denominator in the calculation of total investment yield are computed based on the Modified Dietz method.



## §5 Other Information

5.1 Other significant information pertaining to the business operation of the Company during the reporting period that deserves attention from investors.

Applicable Not applicable

### 5.2 Changes in Accounting Policies

The Ministry of Finance of the People's Republic of China (hereinafter referred to as the "Ministry of Finance") promulgated and revised Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standard for Business Enterprises No. 23 - Transfer of Financial Assets, Accounting Standard for Business Enterprises No. 24 - Hedge Accounting and Accounting Standard for Business Enterprises No. 37 – Presentation of Financial Instruments (collectively hereinafter referred to as the "new financial instruments standards") and Accounting Standard for Business Enterprises No. 25 - Insurance Contracts (hereinafter referred to as the "new insurance standard") in 2017 and 2020 sequentially. The Company adopted the new insurance standard and the new financial instruments standards from 1 January 2023 according to requirements. For detailed information, please refer to "Appendix" of this report.

### 5.3 Solvency

Please refer to the summaries of quarterly solvency reports (excerpts) published on the websites of SSE ([www.sse.com.cn](http://www.sse.com.cn)), SEHK ([www.hkexnews.hk](http://www.hkexnews.hk)), LSE ([www.londonstockexchange.com](http://www.londonstockexchange.com)) and the Company ([www.cpic.com.cn](http://www.cpic.com.cn)) for information about the solvency of major insurance subsidiaries of the Company.

## 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 subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC P/C”	China Pacific Property Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“SSE”	Shanghai Stock Exchange
“SEHK”	The Stock Exchange of Hong Kong Limited
“LSE”	London Stock Exchange
“New Accounting Standards”	The Accounting Standard for Business Enterprises Nos. 22, 23, 24, 37 and 25 promulgated and revised by the Ministry of Finance of the People's Republic of China in 2017 and 2020 sequentially
“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, 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.**

28 October 2023

## §6 Appendix

### 6.1

#### CONSOLIDATED BALANCE SHEET

30 September 2023

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

in RMB million

ITEM	30 September 2023	31 December 2022
	(unaudited)	(unaudited)
<b>ASSETS</b>		
Cash at bank and on hand	28,144	33,134
Financial assets at fair value through profit or loss	-	26,560
Derivative financial assets	59	197
Securities purchased under agreements to resell	13,070	21,124
Interest receivables	-	19,656
Term deposits	163,994	204,517
Available-for-sale financial assets	-	715,085
Held-to-maturity financial assets	-	514,250
Investments classified as loans and receivables	-	397,270
Financial Investments:		
Financial assets at fair value through profit or loss	527,952	-
Financial assets at amortised cost	85,040	-
Debt investments at fair value through other comprehensive income	1,217,669	-
Equity investments at fair value through other comprehensive income	95,369	-
Insurance contract assets	-	305
Reinsurance contract assets	36,483	33,205
Long-term equity investments	22,962	25,829
Restricted statutory deposits	7,676	7,290
Investment properties	10,725	11,202
Fixed assets	17,701	17,465
Construction in progress	2,419	2,291
Right-of-use assets	2,512	3,030
Intangible assets	6,115	6,666
Goodwill	1,372	1,372
Deferred income tax assets	7,619	19,661
Other assets	14,501	11,227
<b>Total assets</b>	<b>2,261,382</b>	<b>2,071,336</b>

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

30 September 2023

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

in RMB million

ITEM	30 September 2023	31 December 2022
	(unaudited)	(unaudited)
<b>LIABILITIES AND EQUITY</b>		
Derivative financial liabilities	105	8
Securities sold under agreements to repurchase	97,950	119,665
Premium received in advance	4,634	17,891
Employee benefits payable	7,172	8,635
Taxes payable	3,234	5,166
Interest payable	-	469
Bonds payable	10,194	9,999
Insurance contract liabilities	1,846,853	1,664,848
Reinsurance contract liabilities	766	809
Commission and brokerage payable	5,395	4,639
Insurance premium reserves	893	316
Lease liabilities	2,219	2,718
Deferred income tax liabilities	295	568
Other liabilities	37,270	33,933
<b>Total liabilities</b>	<b>2,016,980</b>	<b>1,869,664</b>
Issued capital	9,620	9,620
Capital reserves	79,657	79,665
Other comprehensive income	1,317	(11,581)
Surplus reserves	5,114	5,114
General reserves	22,793	21,071
Retained profits	120,019	92,588
Equity attributable to shareholders of the parent	238,520	196,477
Non-controlling interests	5,882	5,195
<b>Total equity</b>	<b>244,402</b>	<b>201,672</b>
<b>Total liabilities and equity</b>	<b>2,261,382</b>	<b>2,071,336</b>

Note: Figures as at the end of the previous year were restated. According to requirements of the new insurance standard, the Company adjusted figures which related to insurance business. According to requirements of new financial instruments standards, the Company did not adjust figures which related to investment business.

**Kong Qingwei**  
Legal Representative

**Zhang Yuanhan**  
Principal in charge of Accounting Affairs

**Xu Zhen**  
Head of Accounting Department

**CONSOLIDATED INCOME STATEMENT**  
For the nine months ended 30 September 2023

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

in RMB million

ITEM	For the nine months ended 30 September 2023 (unaudited)	For the nine months ended 30 September 2022 (unaudited)
I. Operating income	255,926	253,494
Insurance revenue	204,775	190,752
Interest income	43,714	-
Investment income	6,039	59,082
Including: Share of (losses)/profits of associates and joint ventures	(66)	152
Other income	203	112
Losses arising from changes in fair value	(1,917)	(536)
Exchange gains	298	1,361
Other operating income	2,813	2,722
Gains on disposal of assets	1	1
II. Operating expense	(227,205)	(217,234)
Insurance service expenses	(178,175)	(162,114)
Allocation of reinsurance premiums	(12,181)	(11,283)
Less: Recoveries of insurance service expenses from reinsurers	10,846	9,957
Insurance finance expenses for insurance contracts issued	(38,529)	(43,824)
Less: Reinsurance finance income for reinsurance contracts held	878	846
Changes in insurance premium reserves	(607)	(517)
Interest expenses	(1,751)	(2,031)
Commission and brokerage expenses	(78)	(35)
Taxes and surcharges	(288)	(287)
Operating and administrative expenses	(4,997)	(4,098)
Impairment losses on financial assets	(1,539)	-
Asset impairment losses	-	(2,784)
Other operating expenses	(784)	(1,064)
III. Operating profit	28,721	36,260
Add: Non-operating income	76	81
Less: Non-operating expenses	(102)	(113)
IV. Profit before tax	28,695	36,228
Less: Income tax	(5,015)	(4,953)
V. Net profit	23,680	31,275
Classified by continuity of operations:		
Net profit from continuing operations	23,680	31,275
Net profit from discontinued operations	-	-
Classified by ownership of the equity:		
Attributable to shareholders of the parent	23,149	30,617
Non-controlling interests	531	658
VI. Other comprehensive income/(loss)	(5,222)	(30,980)
Other comprehensive income/(loss) that will not be reclassified to profit or loss:	805	-
Changes in the fair value of equity investments at fair value through other comprehensive income	1,409	-
Insurance finance income/(expenses) for insurance contracts issued that will not be reclassified to profit or loss	(604)	-

**CONSOLIDATED INCOME STATEMENT (CONTINUED)**

For the nine months ended 30 September 2023

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

in RMB million

ITEM	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
	(unaudited)	(unaudited)
Other comprehensive income/(loss) that will be reclassified to profit or loss:	(6,027)	(30,980)
Share of other comprehensive income/(loss) that will be reclassified to profit or loss of investees accounted for using the equity method	(52)	(47)
Changes in the fair value of debt instruments at fair value through other comprehensive income	20,072	-
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income	792	-
Exchange differences on translation of foreign operations	21	63
Insurance finance income/(expenses) for insurance contracts issued that will be reclassified to profit or loss	(26,860)	(6,133)
Changes of fair value of available-for-sale financial assets	-	(35,004)
Income tax impact relating to available-for-sale financial assets	-	10,141
VII. Total comprehensive income	18,458	295
Attributable to shareholders of the parent	18,012	200
Attributable to non-controlling interests	446	95
VIII. Earnings per share		
Basic earnings per share (RMB per share)	2.41	3.18
Diluted earnings per share (RMB per share)	2.41	3.18

Note: Figures for the same period of the previous year were restated. According to requirements of the new insurance standard, the Company adjusted figures which related to insurance business. According to requirements of new financial instruments standards, the Company did not adjust figures which related to investment business.

**Kong Qingwei**  
Legal Representative

**Zhang Yuanhan**  
Principal in charge of Accounting Affairs

**Xu Zhen**  
Head of Accounting Department

## 6.3

**CONSOLIDATED CASH FLOW STATEMENT**

For the nine months ended 30 September 2023

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

in RMB million

ITEM	For the nine months ended 30 September 2023 (unaudited)	For the nine months ended 30 September 2022 (unaudited)
<b>I Cash flows from operating activities</b>		
Cash received from premium of insurance contracts issued	349,121	313,645
Net cash received from reinsurance contracts issued	1,073	208
Net decrease in policy loans	1,797	306
Refund of taxes and surcharges	21	123
Cash received relating to other operating activities	4,816	7,305
<b>Sub-total of cash inflows</b>	<b>356,828</b>	<b>321,587</b>
Cash paid for claims under insurance contracts issued	(132,217)	(113,983)
Net cash paid under reinsurance contracts held	(4,499)	(205)
Cash paid for commission and brokerage expenses	(26,569)	(20,575)
Cash paid to and on behalf of employees	(20,846)	(19,751)
Payments of taxes and surcharges	(9,916)	(9,206)
Cash paid relating to other operating activities	(51,789)	(47,257)
<b>Sub-total of cash outflows</b>	<b>(245,836)</b>	<b>(210,977)</b>
<b>Net cash flows from operating activities</b>	<b>110,992</b>	<b>110,610</b>
<b>II Cash flows from investing activities</b>		
Cash received from disposal of investments	441,807	301,041
Cash received from returns on investments and interest income	56,154	54,759
Net cash received from disposal of subsidiaries and other business entities	2,345	2,152
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	106	21
<b>Sub-total of cash inflows</b>	<b>500,412</b>	<b>357,973</b>
Cash paid to acquire investments	(590,638)	(488,290)
Net cash paid to acquire subsidiaries and other business entities	(6,792)	(460)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(1,899)	(6,707)
Cash paid relating to other investing activities	(1,155)	(76)
<b>Sub-total of cash outflows</b>	<b>(600,484)</b>	<b>(495,533)</b>
<b>Net cash flows used in investing activities</b>	<b>(100,072)</b>	<b>(137,560)</b>
<b>III Cash flows from financing activities</b>		
Cash received from capital contributions	-	43
Cash received from bonds issued	9,998	-
Increase in securities sold under agreements to repurchase, net	-	43,503
Cash received relating to other financing activities	10,833	4,562
<b>Sub-total of cash inflows</b>	<b>20,831</b>	<b>48,108</b>
Cash repayments of borrowings	(10,000)	(12,875)
Cash payments for distribution of dividends, profits or interest expenses	(11,743)	(12,249)
Decrease in securities sold under agreements to repurchase, net	(21,961)	-
Cash paid relating to other financing activities	(1,320)	(1,272)
<b>Sub-total of cash outflows</b>	<b>(45,024)</b>	<b>(26,396)</b>
<b>Net cash flows (used in)/from financing activities</b>	<b>(24,193)</b>	<b>21,712</b>

**CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)**

For the nine months ended 30 September 2023

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

in RMB million

ITEM	For the nine months ended 30 September 2023 (unaudited)	For the nine months ended 30 September 2022 (unaudited)
IV Effects of exchange rate changes on cash and cash equivalents	241	591
V Net decrease in cash and cash equivalents	(13,032)	(4,647)
Add: Cash and cash equivalents at the beginning of period	53,809	45,627
VI Cash and cash equivalents at the end of period	40,777	40,980

Note: Figures for the same period of the previous year were restated. According to requirements of the new insurance standard, the Company adjusted figures which related to insurance business. According to requirements of new financial instruments standards, the Company did not adjust figures which related to investment business.

**Kong Qingwei**  
Legal Representative

**Zhang Yuanhan**  
Principal in charge of Accounting Affairs

**Xu Zhen**  
Head of Accounting Department



## 6.4

**BALANCE SHEET**  
30 September 2023

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

in RMB million

ITEM	30 September 2023 (unaudited)	31 December 2022 (audited)
<b>ASSETS</b>		
Cash at bank and on hand	6,859	6,610
Financial assets at fair value through profit or loss	-	2
Securities purchased under agreements to resell	515	-
Interest receivables	-	562
Term deposits	5,379	8,999
Available-for-sale financial assets	-	37,692
Investments classified as loans and receivables	-	15,543
Financial Investments:		
Financial assets at fair value through profit or loss	13,020	-
Financial assets at amortised cost	14,262	-
Debt investments at fair value through other comprehensive income	23,592	-
Equity investments at fair value through other comprehensive income	1,766	-
Long-term equity investments	71,115	69,900
Investment properties	3,170	3,274
Fixed assets	929	924
Construction in progress	3	3
Right-of-use assets	301	364
Intangible assets	195	233
Deferred income tax assets	7	-
Other assets	433	564
<b>Total assets</b>	<b>141,546</b>	<b>144,670</b>
<b>LIABILITIES AND EQUITY</b>		
Securities sold under agreements to repurchase	-	3,919
Employee benefits payable	210	282
Taxes payable	104	34
Interest payable	-	2
Lease liabilities	330	404
Deferred income tax liabilities	-	59
Other liabilities	657	886
<b>Total liabilities</b>	<b>1,301</b>	<b>5,586</b>
Issued capital	9,620	9,620
Capital reserves	79,312	79,312
Other comprehensive income	397	546
Surplus reserves	4,810	4,810
Retained profits	46,106	44,796
<b>Total equity</b>	<b>140,245</b>	<b>139,084</b>
<b>Total liabilities and equity</b>	<b>141,546</b>	<b>144,670</b>

**Kong Qingwei**  
Legal Representative

**Zhang Yuanhan**  
Principal in charge of Accounting Affairs

**Xu Zhen**  
Head of Accounting Department

## INCOME STATEMENT

For the nine months ended 30 September 2023

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

in RMB million

ITEM	For the nine months ended	For the nine months ended
	30 September 2023	30 September 2022
	(unaudited)	(unaudited)
I. Operating income	12,561	14,959
Interest income	1,545	-
Investment income	10,464	13,449
Including: Share of losses of associates and joint ventures	(1)	-
Other income	3	5
Losses arising from changes in fair value	(143)	-
Exchange gains	184	881
Other operating income	508	624
II. Operating expenses	(1,392)	(1,523)
Interest expenses	(19)	(19)
Taxes and surcharges	(60)	(67)
Operating and administrative expenses	(1,180)	(1,282)
Impairment losses on financial assets	6	-
Asset impairment losses	-	(34)
Other operating expenses	(139)	(121)
III. Operating profit	11,169	13,436
Add: Non-operating income	20	9
Less: Non-operating expenses	(20)	(26)
IV. Profit before tax	11,169	13,419
Less: Income tax	(195)	(437)
V. Net profit	10,974	12,982
Classified by continuity of operations:		
Net profit from continuing operations	10,974	12,982
Net profit from discontinued operations	-	-
VI. Other comprehensive income/(loss)	15	(622)
Other comprehensive income/(loss) that will not be reclassified to profit or loss:	(29)	-
Changes in the fair value of equity investments at fair value through other comprehensive income	(29)	-
Other comprehensive income/(loss) that will be reclassified to profit or loss:	44	(622)
Changes in the fair value of debt instruments at fair value through other comprehensive income	49	-
Changes in provisions for credit risks of debt instruments at fair value through other comprehensive income	(5)	-
Changes of fair value of available-for-sale financial assets	-	(829)
Income tax impact relating to available-for-sale financial assets	-	207
VII. Total comprehensive income	10,989	12,360

**Kong Qingwei**  
Legal Representative

**Zhang Yuanhan**  
Principal in charge of Accounting Affairs

**Xu Zhen**  
Head of Accounting Department

**CASH FLOW STATEMENT**  
For the nine months ended 30 September 2023

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

in RMB million

ITEM	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
	(unaudited)	(unaudited)
<b>I Cash flows from operating activities</b>		
Cash received relating to other operating activities	625	1,170
<b>Sub-total of cash inflows</b>	625	1,170
Cash paid to and on behalf of employees	(580)	(764)
Payments of taxes and surcharges	(261)	(392)
Cash paid relating to other operating activities	(667)	(386)
<b>Sub-total of cash outflows</b>	(1,508)	(1,542)
<b>Net cash flows used in operating activities</b>	(883)	(372)
<b>II Cash flows from investing activities</b>		
Cash received from disposal of investments	22,920	12,773
Cash received from returns on investments and interest income	12,022	13,412
Net cash received from disposal of subsidiaries and other business entities	-	171
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	-	13
<b>Sub-total of cash inflows</b>	34,942	26,369
Cash paid to acquire investments	(18,699)	(15,842)
Net cash paid to acquire subsidiaries and other business entities	(750)	(3,158)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(221)	(36)
<b>Sub-total of cash outflows</b>	(19,670)	(19,036)
<b>Net cash flows from investing activities</b>	15,272	7,333
<b>III Cash flows from financing activities</b>		
Cash payments for distribution of dividends, profits or interest expenses	(9,823)	(9,631)
Decrease in securities sold under agreements to repurchase, net	(3,919)	(1,120)
Cash paid relating to other financing activities	(54)	(35)
<b>Sub-total of cash outflows</b>	(13,796)	(10,786)
<b>Net cash flows used in financing activities</b>	(13,796)	(10,786)
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	171	275
<b>V Net increase/(decrease) in cash and cash equivalents</b>	764	(3,550)
Add: Cash and cash equivalents at the beginning of period	6,610	5,271
<b>VI Cash and cash equivalents at the end of period</b>	7,374	1,721

**Kong Qingwei**  
Legal Representative

**Zhang Yuanhan**  
Principal in charge of Accounting Affairs

**Xu Zhen**  
Head of Accounting Department

Adoption of the new standards for the first time in 2023- impact on the opening balance

The Company adopted the new standards from 1 January 2023. According to the transitional provisions of the new standards, the Company adjusted retrospectively for any differences between accounting treatments of insurance contracts before the initial application date and requirements of the new insurance standard; any differences to the carrying amounts of financial instruments at the date of transition were recognised in opening retained earnings or other comprehensive income.

**CONSOLIDATED BALANCE SHEET**

in RMB million

ITEM	31 December 2022	1 January 2023	Adjustment
	(unaudited)	(unaudited)	
<b>ASSETS</b>			
Cash at bank and on hand	33,134	33,138	4
Financial assets at fair value through profit or loss	26,560	-	(26,560)
Derivative financial assets	197	197	-
Securities purchased under agreements to resell	21,124	21,134	10
Interest receivables	19,656	-	(19,656)
Term deposits	204,517	211,234	6,717
Available-for-sale financial assets	715,085	-	(715,085)
Held-to-maturity financial assets	514,250	-	(514,250)
Investments classified as loans and receivables	397,270	-	(397,270)
Financial Investments:			
Financial assets at fair value through profit or loss	-	415,758	415,758
Financial assets at amortised cost	-	91,428	91,428
Debt investments at fair value through other comprehensive income	-	1,119,324	1,119,324
Equity investments at fair value through other comprehensive income	-	85,086	85,086
Insurance contract assets	305	305	-
Reinsurance contract assets	33,205	33,205	-
Long-term equity investments	25,829	25,829	-
Restricted statutory deposits	7,290	7,603	313
Investment properties	11,202	11,202	-
Fixed assets	17,465	17,465	-
Construction in progress	2,291	2,291	-
Right-of-use assets	3,030	3,030	-
Intangible assets	6,666	6,666	-
Goodwill	1,372	1,372	-
Deferred income tax assets	19,661	8,363	(11,298)
Other assets	11,227	11,116	(111)
<b>Total assets</b>	<b>2,071,336</b>	<b>2,105,746</b>	<b>34,410</b>

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

in RMB million

ITEM	31 December 2022	1 January 2023	Adjustment
	(unaudited)	(unaudited)	
<b>LIABILITIES AND EQUITY</b>			
Derivative financial liabilities	8	8	-
Securities sold under agreements to repurchase	119,665	119,831	166
Premium received in advance	17,891	17,891	-
Employee benefits payable	8,635	8,635	-
Taxes payable	5,166	5,166	-
Interest payable	469	-	(469)
Bonds payable	9,999	10,302	303
Insurance contract liabilities	1,664,848	1,664,848	-
Reinsurance contract liabilities	809	809	-
Commission and brokerage payable	4,639	4,630	(9)
Insurance premium reserves	316	316	-
Lease liabilities	2,718	2,718	-
Deferred income tax liabilities	568	505	(63)
Other liabilities	33,933	34,048	115
<b>Total liabilities</b>	1,869,664	1,869,707	43
Issued capital	9,620	9,620	-
Capital reserves	79,665	79,665	-
Other comprehensive income	(11,581)	6,470	18,051
Surplus reserves	5,114	5,114	-
General reserves	21,071	22,692	1,621
Retained profits	92,588	106,768	14,180
Equity attributable to shareholders of the parent	196,477	230,329	33,852
Non-controlling interests	5,195	5,710	515
<b>Total equity</b>	201,672	236,039	34,367
<b>Total liabilities and equity</b>	2,071,336	2,105,746	34,410

Note: Figures as at the end of the previous year were restated. According to requirements of the new insurance standard, the Company adjusted figures at the end of the previous year which related to insurance business. According to requirements of new financial instruments standards, the Company did not adjust figures at the end of the previous year which related to investment business.

**BALANCE SHEET**

in RMB million

ITEM	31 December 2022	1 January 2023	Adjustment
	(audited)	(unaudited)	
<b>ASSETS</b>			
Cash at bank and on hand	6,610	6,610	-
Financial assets at fair value through profit or loss	2	-	(2)
Interest receivables	562	-	(562)
Term deposits	8,999	9,199	200
Available-for-sale financial assets	37,692	-	(37,692)
Investments classified as loans and receivables	15,543	-	(15,543)
Financial Investments:			
Financial assets at fair value through profit or loss	-	13,611	13,611
Financial assets at amortised cost	-	15,695	15,695
Debt investments at fair value through other comprehensive income	-	23,193	23,193
Equity investments at fair value through other comprehensive income	-	1,079	1,079
Long-term equity investments	69,900	69,900	-
Investment properties	3,274	3,274	-
Fixed assets	924	924	-
Construction in progress	3	3	-
Right-of-use assets	364	364	-
Intangible assets	233	233	-
Other assets	564	564	-
<b>Total assets</b>	<b>144,670</b>	<b>144,649</b>	<b>(21)</b>
<b>LIABILITIES AND EQUITY</b>			
Securities sold under agreements to repurchase	3,919	3,921	2
Employee benefits payable	282	282	-
Taxes payable	34	34	-
Interest payable	2	-	(2)
Lease liabilities	404	404	-
Deferred income tax liabilities	59	53	(6)
Other liabilities	886	886	-
<b>Total liabilities</b>	<b>5,586</b>	<b>5,580</b>	<b>(6)</b>
Issued capital	9,620	9,620	-
Capital reserves	79,312	79,312	-
Other comprehensive income	546	389	(157)
Surplus reserves	4,810	4,810	-
Retained profits	44,796	44,938	142
<b>Total equity</b>	<b>139,084</b>	<b>139,069</b>	<b>(15)</b>
<b>Total liabilities and equity</b>	<b>144,670</b>	<b>144,649</b>	<b>(21)</b>