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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)

2023 Third Quarter Report

This announcement is made by China Pacific Insurance (Group) Co., Ltd. (the "Company") pursuant to Part XIVA of the SFO 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 third quarter of 2023 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 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 ^{note 2} | Adjusted | | Unadjusted | Adjusted ^{note 2} | Adjusted |
| Operating income | 80,387 | 105,306 | 88,637 | (9.3) | 255,926 | 360,420 | 253,494 | 1.0 |
| Net profit ^{note 1} | 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 ^{note 1} | 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) ^{note 1} | 0.50 | 0.73 | 1.09 | (54.3) | 2.41 | 2.11 | 3.18 | (24.4) |
| Diluted earnings per share (RMB) ^{note 1} | 0.50 | 0.73 | 1.09 | (54.3) | 2.41 | 2.11 | 3.18 | (24.4) |
| Weighted average return on equity (%) ^{note 1} | 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 ^{note 2} | Adjusted |
| Total assets | 2,261,382 | 2,176,299 | 2,071,336 | 9.2 |
| Equity ^{note 1} | 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 ^{note 1,2} | (54.3) | Capital market fluctuation |
| Net profit net of non-recurring profit or loss ^{note 1,2} | (54.4) | |
| Basic earnings per share ^{note 1,2} | (54.3) | |
| Diluted earnings per share ^{note 1,2} | (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:

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. Shareholder types are based on “account types” as registered with China Securities Depository and Clearing Corporation Limited Shanghai Branch.
3. 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.
4. 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^{note 1} RMB139.533 billion, up by 13.9%. Group net profits^{note 2} 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

| For the nine months ended 30 September | 2023 | 2022 | Changes (%) |
|--|----------------|----------------|----------------|
| Written premiums | 222,625 | 209,564 | 6.2 |
| Agency channel | 172,151 | 165,987 | 3.7 |
| 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 |
| Bancassurance channel | 32,694 | 24,933 | 31.1 |
| New policies | 29,425 | 23,623 | 24.6 |
| Renewed policies | 3,269 | 1,310 | 149.5 |
| Group channel | 16,643 | 18,595 | (10.5) |
| New policies | 15,892 | 17,992 | (11.7) |
| Renewed policies | 751 | 603 | 24.5 |
| Other channels^{note} | 1,137 | 49 | 2,220.4 |

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 (%) |
|---|----------------|----------------|---|
| Primary premium income | 148,455 | 132,733 | 11.8 |
| 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^{note}. 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 (%) ^{note 1} | 3.0 | 3.2 | (0.2pt) |
| Total investment yield (%) ^{note 2} | 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), SEHK (www.hkexnews.hk), LSE (www.londonstockexchange.com) and the Company (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.
KONG Qingwei
Chairman

Hong Kong, 27 October 2023

As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. FU Fan; the Non-executive Directors are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. WU Junhao, Mr. CHEN Ran, Mr. ZHOU Donghui, Ms. LU Qiaoling and Mr. John Robert DACEY; and the Independent Non-executive Directors are Ms. LIU Xiaodan, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Ms. LO Yuen Man, Elaine and Mr. JIANG Xuping.

§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) |
| ASSETS | | |
| 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 |
| Total assets | 2,261,382 | 2,071,336 |

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) |
| LIABILITIES AND EQUITY | | |
| 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 |
| Total liabilities | 2,016,980 | 1,869,664 |
| 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 |
| Total equity | 244,402 | 201,672 |
| Total liabilities and equity | 2,261,382 | 2,071,336 |

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) |
|--|---|---|
| I Cash flows from operating activities | | |
| 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 |
| Sub-total of cash inflows | 356,828 | 321,587 |
| 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) |
| Sub-total of cash outflows | (245,836) | (210,977) |
| Net cash flows from operating activities | 110,992 | 110,610 |
| II Cash flows from investing activities | | |
| 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 |
| Sub-total of cash inflows | 500,412 | 357,973 |
| 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) |
| Sub-total of cash outflows | (600,484) | (495,533) |
| Net cash flows used in investing activities | (100,072) | (137,560) |
| III Cash flows from financing activities | | |
| 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 |
| Sub-total of cash inflows | 20,831 | 48,108 |
| 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) |
| Sub-total of cash outflows | (45,024) | (26,396) |
| Net cash flows (used in)/from financing activities | (24,193) | 21,712 |

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) |
|---|----------------------------------|-------------------------------|
| ASSETS | | |
| 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 |
| Total assets | 141,546 | 144,670 |
| LIABILITIES AND EQUITY | | |
| 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 |
| Total liabilities | 1,301 | 5,586 |
| 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 |
| Total equity | 140,245 | 139,084 |
| Total liabilities and equity | 141,546 | 144,670 |

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
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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) |
| I Cash flows from operating activities | | |
| Cash received relating to other operating activities | 625 | 1,170 |
| Sub-total of cash inflows | 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) |
| Sub-total of cash outflows | (1,508) | (1,542) |
| Net cash flows used in operating activities | (883) | (372) |
| II Cash flows from investing activities | | |
| 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 |
| Sub-total of cash inflows | 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) |
| Sub-total of cash outflows | (19,670) | (19,036) |
| Net cash flows from investing activities | 15,272 | 7,333 |
| III Cash flows from financing activities | | |
| 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) |
| Sub-total of cash outflows | (13,796) | (10,786) |
| Net cash flows used in financing activities | (13,796) | (10,786) |
| IV Effect of exchange rate changes on cash and cash equivalents | 171 | 275 |
| V Net increase/(decrease) in cash and cash equivalents | 764 | (3,550) |
| Add: Cash and cash equivalents at the beginning of period | 6,610 | 5,271 |
| VI Cash and cash equivalents at the end of period | 7,374 | 1,721 |

Kong Qingwei
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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) | |
| ASSETS | | | |
| 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) |
| Total assets | 2,071,336 | 2,105,746 | 34,410 |

CONSOLIDATED BALANCE SHEET (CONTINUED)

in RMB million

| ITEM | 31 December 2022 | 1 January 2023 | Adjustment |
|---|------------------|----------------|------------|
| | (unaudited) | (unaudited) | |
| LIABILITIES AND EQUITY | | | |
| 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 |
| Total liabilities | 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 |
| Total equity | 201,672 | 236,039 | 34,367 |
| Total liabilities and equity | 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) | |
| ASSETS | | | |
| 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 | - |
| Total assets | 144,670 | 144,649 | (21) |
| LIABILITIES AND EQUITY | | | |
| 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 | - |
| Total liabilities | 5,586 | 5,580 | (6) |
| 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 |
| Total equity | 139,084 | 139,069 | (15) |
| Total liabilities and equity | 144,670 | 144,649 | (21) |