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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)

2011 First Quarter Report

This announcement is made by China Pacific Insurance (Group) Co., Ltd. (the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial data of the Company for the first quarter of 2011 are unaudited and have been prepared in accordance with the PRC Accounting Standards for Business Enterprises.

§1 Important Information

1.1 The board of directors, the board of supervisors of the Company, the Directors, Supervisors and senior management warrant that there are no false representations, misleading statements or material omissions in this report and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the contents of this report.

1.2 The 2011 first quarter report of the Company was considered and approved at the 5th session of the 6th board of directors on 28 April 2011, which 15 directors were required to attend and 14 of them attended in person. WU Jumin, a Director, appointed GAO Guofu, Chairman of the Board of Directors, to attend the meeting and vote on his behalf.

1.3 The financial data of the Company for the first quarter of 2011 are unaudited and have been prepared in accordance with the PRC Accounting Standards for Business Enterprises.

1.4 Mr. GAO Guofu (Chairman of the Board), Mr. NGO Tai Chuan Alan (Chief Financial Officer), Ms. CHI Xiaolei (Chief Actuary) and Ms. WANG Ying (Deputy Chief Financial Officer) warrant the truthfulness and completeness of the financial statements contained in this report.

§2 Corporate Information

2.1 Key Accounting Data and Financial Indicators

in RMB million

	31 March 2011	31 December 2010	Variance (%)
Total assets	517,080	475,711	8.7
Equity ^{Note}	82,819	80,297	3.1
Net assets per share (RMB per share) ^{Note}	9.63	9.34	3.1
	For the three months ended 31 March 2011		Compare with the same period of last year (%)
Net cash inflow from operating activities	21,140		(3.6)
Net cash inflow per share from operating activities (RMB per share)	2.46		(3.5)
	For the three months ended 31 March 2011		Compare with the same period of last year (%)
Net profit ^{Note}	3,449		22.6
Basic earnings per share (RMB per share) ^{Note}	0.40		21.2
Basic earnings per share after deducting non-recurring items (RMB per share) ^{Note}	0.40		21.2
Diluted earnings per share ^{Note}	N/A		N/A
Weighted average return on equity (%) ^{Note}	4.2		Increased by 0.6pt
Weighted average return on equity after deducting non-recurring items (%) ^{Note}	4.2		Increased by 0.6pt

Note: attributable to equity holders of the parent

2.2 Non-recurring items

in RMB million

Non-recurring items	For the three months ended 31 March 2011
Losses on disposal of non-current assets	-
Net non-operating income and expenses other than those mentioned above	(2)
Effect of income tax	-
Effect of minority interests after tax	-
Total	(2)

2.3 Total number of shareholders and shares held by top ten shareholders without selling restrictions at the end of the reporting period

Unit: share

Total number of shareholders at the end of the reporting period: 219,989 shareholders (including 211,927 A shareholders and 8,062 H shareholders)		
Shares held by top ten shareholders of tradable shares without selling restrictions		
Names of shareholders (full name)	Number of tradable shares held without selling restrictions at the end of the period	Types of shares
HKSCC Nominees Limited	1,616,353,800	H Share
Fortune Investment Co., Ltd.	1,284,277,846	A Share
Shenergy Group Co., Ltd.	1,225,081,938	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	424,099,214	A Share
Shanghai Haiyan Investment Management Company Limited	421,703,174	A Share
Parallel Investors Holdings Limited	412,864,102	H Share
Carlyle Holdings Mauritius Limited	279,403,498	H Share

Shanghai Jiushi Corporation	250,107,060	A Share
Yunnan Hongta Group Co., Ltd.	174,339,390	A Share
Baosteel Group Corporation	68,818,407	A Share

§3 Business Review for the Reporting Period

Since the start of this year, the economy in China has continued to develop steadily and the national economy has been growing in the direction as expected under the macroeconomic adjustment policy. CPIC has proactively taken steps in response to the changes in the macro climate and market environment and adopted specific strategies and effective measures. The results are that our businesses have maintained growth at a healthy, coordinated and stable pace and our profitability has been further enhanced. The gross written premiums for the first quarter reached RMB 48.150 billion, representing an increase of 13.7% over the same period in the previous year. The net profit attributable to equity holders of the parent was RMB3.449 billion, representing an increase of 22.6% over the same period in the previous year.

Based on the business strategy of “focusing on the sales channel and regular premium business”, CPIC Life has emphasized the continuous boosting of the value of its new business. CPIC Life meticulously devised its “Brilliant Start” plan for business competition, to accelerate the innovation of its sales models and maintain the growth momentum of new businesses of the sales channel while proactively responding to the change in the banking and insurance regulatory environment. This ensured sound growth of our business and further optimisation of our business structure. The realized gross written premiums amounted to RMB 32.308 billion, representing an increase of 13.6% over the same period in the previous year.

By maintaining its leading position in the industry in terms of combined ratio, CPIC Property worked hard to consolidate and increase its market share. During the first quarter, various factors caused a decline in the growth of the domestic consumption of new vehicles. Accordingly, CPIC Property adopted a differential regional development strategy together with a range of other measures to refine its auto insurance management and at the same time enhance its non-auto insurance marketing capability. This ensured that CPIC Property was able to achieve a stable growth of its business and further improve its underwriting profitability. The gross written premiums reached RMB 15.828 billion, representing an increase of 13.9% over the same period in the previous year.

§4 Significant Events

4.1 Significant changes of key financial statements items and financial indicators and reasons for such changes:

√Applicable Not applicable

in RMB million

Balance sheet items	31 March 2011	31 December 2010	Variance (%)	Main reasons for the changes
Securities purchased under agreements to resell	1,438	2,600	(44.7)	Timing difference
Premium receivables	4,240	2,622	61.7	Business growth and timing difference
Investment property	6,577	2,366	178.0	Addition of investment property
Goodwill	1,040	149	598.0	Share acquisition
Securities sold under agreements to repurchase	19,400	8,150	138.0	Timing difference
Handling charges and commission payable	1,869	1,325	41.1	Business growth and timing difference
Interest payable	19	6	216.7	Timing difference
Deferred income tax liabilities	895	2	44,650.0	Increase in temporary differences

Income statement items	For the three months ended 31 March 2011	For the three months ended 31 March 2010	Variance (%)	Main reasons for the changes
Premium income assumed-in	20	12	66.7	Business growth
Net change in unearned premium reserves	(2,319)	(3,350)	(30.8)	Slower growth rate of premium income
Investment income/(loss) from associates	3	(44)	(106.8)	Operating result of associate
(Loss)/gain from changes in fair value	(37)	7	(628.6)	Decrease in market value of held-for-trading financial assets
Surrenders	(1,634)	(1,003)	62.9	Business growth
Reinsurers' share of change in insurance contract reserves	307	831	(63.1)	Decrease in reinsurers' share of change in life insurance reserves
Policyholder dividends	(844)	(450)	87.6	Growth in participating insurance business
Reinsurers' share of expenses	(5)	(3)	66.7	Business growth
Interest expenses	(132)	(99)	33.3	Increase in interest expenses on securities sold under agreements to repurchase
Impairment losses	(121)	(48)	152.1	Increase in impairment on investment assets
Non-operating income/expenses	(2)	12	(116.7)	Decrease in non-operating income

4.2 Progress of major events and their impacts and solutions

√Applicable Not applicable

4.2.1 As approved by CIRC pursuant to the document Bao Jian Fa Gai [2011] No. 424, the registered capital of CPIC Property was changed to RMB 7,300 million. Upon completion of such capital increase, the Company's shareholding in CPIC Property increased from 98.41% to 98.50%.

4.2.2 As approved by CIRC pursuant to the document Bao Jian Fa Gai [2011] No. 425, the Company will transfer its 50% equity interest in Pacific-Antai Life Insurance Co., Ltd. to a group of transferees led by China Construction Bank Corporation. Currently, the parties have yet to complete the transfer.

4.3 The fulfillment of the undertakings made by the Company, the shareholders and the de facto controllers

Applicable Not applicable

4.4 Cautionary statements for the forecast loss in accumulated net profit from the beginning of the year to the end of the next reporting period or the occurrence of substantial change as compared to the same period of last year and their reasons

Applicable Not applicable

4.5 Implementation of cash distribution policy during the reporting period

Applicable Not applicable

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

Shanghai, China, 28 April 2011

As of the date of this announcement, the executive Directors of the Company are Mr. GAO Guofu and Mr. HUO Lianhong; the non-executive Directors of the Company are Mr. YANG Xianghai, Mr. WANG Chengran, Ms. FENG Junyuan, Mr. WU Jumin, Mr. YANG Xiangdong, Mr. ZHOU Ciming, Mr. ZHENG Anguo and Ms. XU Fei; and the independent non-executive Directors of the Company are Mr. XU Shanda, Mr. CHANG Tso Tung Stephen, Mr. LI Ruoshan, Mr. XIAO Wei and Mr. YUEN Tin Fan.

§5 APPENDIX

5.1

CONSOLIDATED BALANCE SHEET

31 March 2011

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

in RMB million (unaudited)

ITEM	31 March 2011	31 December 2010
ASSETS		
Cash and short-term time deposits	16,262	14,960
Held-for-trading financial assets	3,333	3,604
Securities purchased under agreements to resell	1,438	2,600
Premium receivables	4,240	2,622
Receivables from reinsurers	2,866	2,787
Interest receivable	9,572	9,207
Unearned premium reserves receivable from reinsurers	4,336	3,763
Claim reserves receivable from reinsurers	3,918	3,763
Life insurance reserves receivable from reinsurers	1,044	1,298
Long-term health insurance reserves receivable from reinsurers	3,930	3,523
Policy loans	2,645	2,307
Term deposits	129,266	106,772
Available-for-sale financial assets	128,082	119,759
Held-to-maturity financial assets	158,864	157,360
Investments classified as loans and receivables	23,303	22,811
Long-term equity investments	439	440
Restricted statutory deposits	3,140	2,772
Investment property	6,577	2,366
Fixed assets	5,072	5,112
Construction in progress	1,359	1,341
Intangible assets	583	607
Goodwill	1,040	149
Deferred income tax assets	1,820	1,586
Other assets	3,951	4,202
Total assets	517,080	475,711

CONSOLIDATED BALANCE SHEET(CONTINUED)

31 March 2011

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

in RMB million (unaudited)

ITEM	31 March 2011	31 December 2010
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	19,400	8,150
Premium received in advance	2,815	3,549
Handling charges and commission payable	1,869	1,325
Payables to reinsurers	4,379	3,510
Salary and staff welfare payable	1,098	1,457
Taxes payable	2,327	2,088
Interest payable	19	6
Claims payable	2,259	2,320
Policyholder dividend payable	7,449	7,110
Policyholders' deposits and investments	49,321	51,354
Unearned premium reserves	26,298	23,407
Claim reserves	17,455	15,826
Life insurance reserves	280,094	258,797
Long-term health insurance reserves	10,015	9,156
Subordinated debt	2,357	2,338
Deferred income tax liabilities	895	2
Other liabilities	4,876	3,765
Total liabilities	432,926	394,160
Issued capital	8,600	8,600
Capital reserves	55,887	56,810
Surplus reserves	1,703	1,703
Retained profits	16,670	13,221
Foreign currency translation reserve	(41)	(37)
Equity attributable to equity holders of the parent	82,819	80,297
Minority interests	1,335	1,254
Total equity	84,154	81,551
Total liabilities and equity	517,080	475,711

Gao Guofu
Legal Representative
of the Company

Ngo Tai Chuan Alan
Person in charge of
Accounting Affairs

Wang Ying
Head of Finance
Department

BALANCE SHEET

31 March 2011

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

in RMB million (unaudited)

ITEM	31 March 2011	31 December 2010
ASSETS		
Cash and short-term time deposits	3,358	5,471
Held-for-trading financial assets	120	415
Securities purchased under agreements to resell	350	2,600
Interest receivable	272	248
Term deposits	10,029	8,529
Available-for-sale financial assets	5,706	5,279
Held-to-maturity financial assets	1,899	1,849
Investments classified as loans and receivables	1,200	1,199
Long-term equity investments	49,483	45,306
Investment property	2,530	2,551
Fixed assets	466	488
Intangible assets	197	202
Deferred income tax assets	553	568
Other assets	1,118	1,246
Total assets	77,281	75,951
LIABILITIES AND EQUITY		
Salary and staff welfare payable	129	161
Taxes payable	59	57
Other liabilities	3,232	1,964
Total liabilities	3,420	2,182
Issued capital	8,600	8,600
Capital reserves	58,073	58,153
Surplus reserves	1,400	1,399
Retained profits	5,788	5,617
Total equity	73,861	73,769
Total liabilities and equity	77,281	75,951

Gao Guofu
Legal Representative
of the Company

Ngo Tai Chuan Alan
Person in charge of
Accounting Affairs

Wang Ying
Head of Finance
Department

5.2

CONSOLIDATED INCOME STATEMENT
For the three months ended 31 March 2011

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

in RMB million (unaudited)

ITEM	For the three months ended 31 March 2011	For the three months ended 31 March 2010
I. Operating income	47,657	40,397
Net premiums earned	42,054	34,886
Gross written premiums	48,150	42,357
Including: Premium income assumed-in	20	12
Less: Premium ceded to reinsurers	(3,777)	(4,121)
Net change in unearned premium reserves	(2,319)	(3,350)
Investment income	5,472	5,322
Including: investment income/(loss) from associates	3	(44)
(Loss)/gain from changes in fair value	(37)	7
Foreign exchange losses	(26)	(29)
Other operating income	194	211
II. Operating expenses	(43,395)	(36,816)
Surrenders	(1,634)	(1,003)
Claims paid	(9,536)	(8,145)
Less: Reinsurers' share of claims paid	1,319	1,030
Change in insurance contract reserves	(23,874)	(21,427)
Less: Reinsurers' share of change in insurance contract reserves	307	831
Policyholder dividends	(844)	(450)
Reinsurance expenses	(5)	(3)
Business tax and surcharges	(931)	(819)
Handling charges and commission	(3,723)	(3,102)
General and administrative expenses	(4,352)	(3,989)
Less: Reinsurers' share of expenses	1,048	1,134
Interest expenses	(132)	(99)
Other operating expenses	(917)	(726)
Impairment losses	(121)	(48)
III. Operating profit	4,262	3,581
Add: Non-operating income	5	23
Less: Non-operating expenses	(7)	(11)
IV. Profit before tax	4,260	3,593
Less: Income tax	(763)	(738)
V. Net profit	3,497	2,855
Attributable to equity holders of the parent	3,449	2,813
Minority interests	48	42
VI. Earnings per share		
Basic earnings per share	RMB0.40	RMB0.33
Diluted earnings per share	N/A	RMB0.33
VII. Other comprehensive loss	(946)	(1,297)
VIII. Total comprehensive income	2,551	1,558
Attributable to equity holders of the parent	2,521	1,540
Minority interests	30	18

Gao Guofu
Legal Representative
of the Company

Ngou Tai Chuan Alan
Person in charge of
Accounting Affairs

Wang Ying
Head of Finance
Department

INCOME STATEMENT

For the three months ended 31 March 2011

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

in RMB million (unaudited)

ITEM	For the three months ended 31 March 2011	For the three months ended 31 March 2010
I. Operating income	319	216
Investment income	297	181
Including: investment income/(loss) from associates	3	(44)
Foreign exchange losses	(17)	(27)
Other operating income	39	62
II. Operating expenses	(108)	(82)
Business tax and surcharges	(7)	(4)
General and administrative expenses	(80)	(74)
Interest expenses	(2)	(4)
Other Operating Expenses	(19)	-
III. Operating profit	211	134
IV. Profit before tax	211	134
Less: Income tax	(40)	(40)
V. Net profit	171	94
VI. Other comprehensive (loss)/income	(80)	39
VII. Total comprehensive income	91	133

Gao Guofu
Legal Representative
of the Company

Ngo Tai Chuan Alan
Person in charge of
Accounting Affairs

Wang Ying
Head of Finance
Department

5.3

CONSOLIDATED CASH FLOW STATEMENT

For the three months ended 31 March 2011

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

in RMB million (unaudited)

ITEM	For the three months ended 31 March 2011	For the three months ended 31 March 2010
I Cash flows from operating activities		
Premiums received from insurance business	45,817	38,755
Net increase in policyholders' deposits and investments	-	498
Cash received from other operating activities	126	294
Sub-total of cash inflows from operating activities	45,943	39,547
Claims paid for insurance contracts	(9,561)	(7,934)
Net cash paid for reinsurance business	(619)	(552)
Net decrease in policyholders' deposits and investments	(2,696)	-
Handling charges and commission paid	(3,184)	(2,595)
Policyholder dividends paid	(391)	(316)
Cash paid to and for employees	(2,572)	(1,905)
Cash paid for taxes and respective surcharges	(1,751)	(1,152)
Cash paid for other operating activities	(4,029)	(3,173)
Sub-total of cash outflows from operating activities	(24,803)	(17,627)
Net cash inflow from operating activities	21,140	21,920
II Cash flows from investing activities		
Cash received from sales and redemption of investments	27,412	25,149
Cash received from investment returns	4,537	2,918
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	621	13
Cash received from other investing activities	-	330
Sub-total of cash inflows from investing activities	32,570	28,410
Cash paid for purchase of investments	(59,876)	(45,231)
Net increase in Policy loans	(373)	(150)
Net cash paid for acquisition of subsidiaries	(4,125)	-
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(362)	(512)
Cash paid for other investing activities	-	(330)
Sub-total of cash outflows from investing activities	(64,736)	(46,223)
Net cash outflow from investing activities	(32,166)	(17,813)
III Cash flows from financing activities		
Cash received from capital contribution	53	2,817
Cash received from other financing activities	11,198	319
Sub-total of cash inflows from financing activities	11,251	3,136
Cash paid for distribution of dividends and interests	(55)	(43)
Cash paid for other financing activities	-	(7,675)
Sub-total of cash outflows from financing activities	(55)	(7,718)
Net cash inflow/(outflow) from financing activities	11,196	(4,582)
IV Effect of exchange rate changes on cash and cash equivalents	(30)	(29)
V Net increase/(decrease) in cash and cash equivalents	140	(504)
Add: Cash and cash equivalents at beginning of period	17,560	30,238
VI Cash and cash equivalents at end of period	17,700	29,734

Gao Guofu
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Accounting Affairs

Wang Ying
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Department

CASH FLOW STATEMENT

For the three months ended 31 March 2011

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

in RMB million (unaudited)

ITEM	For the three months ended 31 March 2011	For the three months ended 31 March 2010
I Cash flows from operating activities		
Cash received from other operating activities	762	376
Sub-total of cash inflows from operating activities	762	376
Cash paid to and for employees	(93)	(59)
Cash paid for taxes and respective surcharges	(5)	(45)
Cash paid for other operating activities	(34)	(58)
Sub-total of cash outflows from operating activities	(132)	(162)
Net cash (outflow)/inflow from operating activities	630	214
II Cash flows from investing activities		
Cash received from sales and redemption of investments	1,181	236
Cash received from investment returns	206	45
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	620	2
Sub-total of cash inflows from investing activities	2,007	283
Cash paid for purchase of investments	(2,716)	(7,480)
Net cash paid for investments in subsidiaries	(4,177)	(11)
Cash paid for purchases of fixed assets, intangible assets and other long-term assets	(82)	(329)
Sub-total of cash outflows from investing activities	(6,975)	(7,820)
Net cash (outflow)/inflow from investing activities	(4,968)	(7,537)
III Cash flows from financing activities		
Cash received from capital contribution	-	2,797
Cash received from other financing activities	-	319
Sub-total of cash inflows from financing activities	-	3,116
Cash paid for distribution of dividends and interests	(1)	(4)
Cash paid for other financing activities	-	(1,945)
Sub-total of cash outflows from financing activities	(1)	(1,949)
Net cash outflow from financing activities	(1)	1,167
IV Effect of exchange rate changes on cash and cash equivalents	(24)	(29)
V Net decrease in cash and cash equivalents	(4,363)	(6,185)
Add: Cash and cash equivalents at beginning of period	8,071	21,043
VI Cash and cash equivalents at end of period	3,708	14,858

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