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新華人壽保險股份有限公司

NEW CHINA LIFE INSURANCE COMPANY LTD.

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

(Stock Code: 1336)

2016 FIRST QUARTER REPORT

This announcement is made by New China Life Insurance Company Ltd. (the “**Company**”) pursuant to the provisions regarding disclosure of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial data in the 2016 First Quarter Report of the Company have been prepared in accordance with the PRC Accounting Standards for Business Enterprises and are unaudited.

§1 IMPORTANT INFORMATION

- 1.1 The board of directors of the Company (the “**Board**”), the board of supervisors of the Company and the directors, supervisors, and members of senior management warrant the truthfulness, accuracy and completeness of the contents of this report, and that there are no false representations, misleading statements or material omissions in this report, and are legally liable for this report jointly and severally.
- 1.2 The 2016 First Quarter Report of the Company was considered and approved at the third meeting of the sixth session of the Board on 29 April 2016, which 11 directors were required to attend and 9 of them attended in person. Independent non-executive director CAMPBELL Robert David and FONG Chung Mark authorized independent non-executive director ZHENG Wei to attend the meeting and vote on behalf of them.
- 1.3 The financial statements of the Company for the first quarter of 2016 have been prepared in accordance with the PRC Accounting Standards for Business Enterprises and are unaudited.
- 1.4 Mr. WAN Feng, the Chairman of the Company, Mr. GONG Xingfeng, the Chief Actuary of the Company and Ms. MENG Xia, the officer in charge of the Accounting Department of the Company warrant the truthfulness, accuracy and completeness of the financial statements in the 2016 First Quarter Report.

§2 BASIC INFORMATION OF THE COMPANY

2.1 Key accounting data and financial indicators

Unit: RMB in millions

	As of the end of the reporting period	As of the end of last year	Increase/ (decrease) compared to the end of last year
Total assets	664,676	660,560	0.6%
Shareholders' equity attributable to shareholders of the Company	57,241	57,835	-1.0%
Net assets per share attributable to shareholders of the Company (RMB per share)	18.35	18.54	-1.0%
	The reporting period (from January to March)	The same period of last year (from January to March)	Increase/ (decrease) compared to the same period of last year
Net cash flows from operating activities	4,825	5,773	-16.4%
Weighted average net cash flows per share from operating activities (RMB per share)	1.55	1.85	-16.2%
Operating Income	55,267	66,256	-16.6%
Net profit attributable to shareholders of the Company	1,994	3,624	-45.0%
Net profit attributable to shareholders of the Company after deducting non-recurring items	1,959	3,635	-46.1%
Basic/diluted earnings per share (RMB per share)	0.64	1.16	-44.8%
Basic earnings per share after deducting non-recurring items (RMB per share)	0.63	1.17	-46.2%
Weighted average return on equity	3.47%	7.09%	decrease by 3.62 percentage points
Weighted average return on equity after deducting non-recurring items	3.40%	7.11%	decrease by 3.71 percentage points

Notes: Data and indicators of shareholders' equity refers to shareholders' equity attributable to shareholders of the Company, while that of net profit refers to net profit attributable to shareholders of the Company.

2.2 Deducting non-recurring items and amount

Unit: RMB in millions

Non-recurring items	From the beginning of the year to the end of the reporting period
Losses on disposal of fixed assets, intangible assets and other long-term investment assets	–
Other non-recurring items	40
Effect of income tax expenses of non-recurring items	(5)
Attribute to minority interest	–
Total	35

2.3 Other key indicators

Unit: RMB in millions

Indicators	As of 31 March 2016/For the three months ended 31 March 2016	As of 31 December 2015/For the three months ended 31 March 2015	Increase/ (decrease) compared to 31 December 2015/Increase/ (decrease) compared to the same period of 2015
Investment assets ⁽¹⁾	643,909	635,688	1.3%
Premium income	46,575	51,997	-10.4%
Premiums earned	46,076	51,624	-10.7%
Growth rate of earned premiums	-10.7%	7.4%	decrease by 18.1 percentage points
Net claims expense	11,932	7,407	61.1%
In: claims and death, invalid and medical benefits	1,082	986	9.7%
maturity benefits and annuity paid	11,316	6,491	74.3%
Less: claims recoverable from reinsurers	(466)	(70)	565.7%
Surrender rate ⁽²⁾	3.7%	5.8%	decrease by 2.1 percentage points

Notes:

1. Investment assets of unit-linked contracts account are included in investment assets.
2. Surrender rate = Surrenders/(Balance of life insurance contract liabilities at the beginning of the period + Opening balance of long-term health insurance contract liabilities + Premium income of long-term insurance policies)

For the three months ended 31 March 2016, the annualized total investment yield was 6.0%, the annualized total investment yield = (Investment income + Fair value gains/(losses) – Impairment losses on investment assets – Interest expense of items sold under agreements to repurchase))/ (Average monthly investment assets balance – Average monthly financial assets sold under agreements to repurchase balance – Average monthly interest receivables balance) ×366/91.

2.4 Quarterly business data

Unit: RMB in millions			
For the 3 months ended 31 March	2016	2015	Change
Individual life insurance	45,988	51,406	-10.5%
Of which:			
Individual insurance agent channel	18,244	15,267	19.5%
First year premiums	5,582	3,689	51.3%
Regular premiums	4,646	3,007	54.5%
Single premiums	936	682	37.2%
Renewal premiums	12,662	11,578	9.4%
Bancassurance channel	23,197	32,783	-29.2%
First year premiums	18,639	26,737	-30.3%
Regular premiums	1,981	953	107.8%
Single premiums	16,658	25,784	-35.4%
Renewal premiums	4,558	6,046	-24.6%
Service and business development channel	4,547	3,356	35.5%
First year premiums	1,773	1,130	56.9%
Regular premiums	1,600	935	71.1%
Single premiums	173	195	-11.1%
Renewal premiums	2,774	2,226	24.6%
Group insurance	587	591	-0.6%
Total	46,575	51,997	-10.4%

Note: Numbers may not be additive due to rounding.

2.5 Solvency

China Insurance Regulatory Commission (the “CIRC”) issued the China Risk Oriented Solvency System (“C-ROSS”) in February 2015. The insurance industry entered the C-ROSS transition period. Based on the trial operations during the transition period and as approved by the State Council, the CIRC decided to enforce the *Solvency Regulatory Rules (No. 1-17) for Insurance Companies* from 1 January 2016.

The solvency margin ratios of the Company calculated in accordance with the *Solvency Regulatory Rules (No. 1-17) for Insurance Companies* under C-ROSS are as follows:

Unit: RMB in millions

	As of the end of this quarter	As of the end of last quarter
Core capital	153,580	145,680
Actual capital	172,580	164,680
Minimum capital	61,786	58,613
Core solvency margin ratio	248.57%	248.54%
Comprehensive solvency margin ratio	<u>279.32%</u>	<u>280.96%</u>

Notes:

1. Core solvency margin ratio = core capital/minimum capital; comprehensive solvency margin ratio = actual capital/minimum capital.
2. For details of the solvency margin of the Company, please refer to the Company’s website (www.newchinalife.com).

2.6 Total number of shareholders and their shareholdings as of the end of the reporting period

Unit: Share

Total number of shareholders	54,292 (including 53,694 A Share shareholders and 598 H Share shareholders)					
Shares held by top ten shareholders						
Names of the shareholders	Classes of the shares	Percentage of the shareholding	Total number of shares held	Number of shares held with selling restrictions	Number of shares pledged or frozen	Types of shares
HKSCC Nominees Limited ⁽²⁾	Overseas legal person shares	33.14%	1,033,921,136	–	–	H
Central Huijin Investment Ltd.	State-owned shares	31.34%	977,530,534	–	–	A
Baosteel Group Corporation ⁽³⁾	State-owned legal person shares	15.10%	471,185,465	–	164,973,279	A
China Securities Finance Corporation Limited	State-owned legal person shares	2.87%	89,509,052	–	–	A
Central Huijin Asset Management Ltd.	State-owned legal person shares	0.91%	28,249,200	–	–	A
Beijing Taiji Huaqing Information System Co., Ltd.	Domestic legal person shares	0.71%	22,080,000	–	–	A
Hong Kong Securities Clearing Company Limited ⁽⁴⁾	Overseas legal person shares	0.43%	13,411,172	–	–	A
Tibet Shannan Xinshang Investment Management Limited	Domestic legal person shares	0.36%	11,361,558	–	–	A
HFT Investment Management-ABC-Huaneng Guicheng Trust -No.3 Assembled Funds Trust Plan of HFT Securities Investment	Others	0.24%	7,599,904	–	–	A
ICBC-Harvest New Opportunity Flexible Allocation Mixed Launched Securities Investment Fund	Others	0.23%	7,276,311	–	–	A
Description of related-party relations or concerted action among the aforesaid shareholders	<p>Central Huijin Asset Management Ltd. is a wholly owned subsidiary of Central Huijin Investment Ltd.</p> <p>Save for the above, the Company is not aware of any related-party relationship among the shareholders or whether they are parties acting in concert.</p>					

Notes:

1. As at the end of the reporting period, none of the Company's A Shares or H Shares was subject to selling restrictions.
2. HKSCC Nominees Limited is a company that holds shares on behalf of the clients of the Hong Kong stock brokers and other participants of CCASS system. The relevant regulations of the HKSE do not require such persons to declare whether their shareholdings are pledged or frozen. Therefore, HKSCC Nominees Limited is unable to calculate or provide the number of shares pledged or frozen.
3. Baosteel Group Corporation ("**Baosteel Group**") has completed the issuance of exchangeable bonds on 12 December 2014. A total number of 165,000,000 A Shares of the Company held by Baosteel Group that are exchangeable from the Bonds and the entitlements of such shares have been transferred into a special trust account as guaranteed and trusted assets. For details, please refer to the announcement titled *Announcement in Relation to the Completion of the Issuance of Exchangeable Bonds by A Substantial Shareholder of the Company and the Guarantee and Trust Registration for the Company's A Shares Held by The Shareholder* published by the Company on 16 December 2014. As of the end of the reporting period, a total number of 26,721 A Shares of the Company held by Baosteel Group as guaranteed and trusted assets for the exchangeable bonds issued by Baosteel Group were exchanged into A Shares of the Company by exchangeable bonds holders.
4. Hong Kong Securities Clearing Company Limited is the nominee for investors of Shanghai-Hong Kong Stock Connect programme.

§3 SIGNIFICANT EVENTS

3.1 Significant changes in key financial statements items and financial indicators and reasons for the changes

✓ Applicable Not applicable

Unit: RMB in millions

Items in the Balance sheet	As of 31 March 2016	As of 31 December 2015	Increase/ (decrease)	Main reasons for the changes
Measured at fair value and the changes are recorded into the profits and losses of the current financial assets	20,734	13,625	52.2%	Increase of funds in trading financial assets
Financial assets purchased under agreements to resell	560	91	515.4%	Requirements for daily liquidity management
Premiums receivables	2,624	1,525	72.1%	Uneven distribution of insurance business among quarters and accumulative increase of insurance business
Receivables from reinsurers	548	95	476.8%	Increase in maturities recoverable from reinsurers due to maturity of certain reinsurance business

Items in the Balance sheet	As of 31 March 2016	As of 31 December 2015	Increase/ (decrease)	Main reasons for the changes
Unearned premium reserves receivable from reinsurers	102	53	92.5%	Increase in ceded out short-term insurance business and uneven distribution between quarters
Other receivables	3,331	8,556	-61.1%	Decrease in investment clearing amount receivable
Deferred tax assets	92	6	1433.3%	Decrease in carrying amount of available-for-sale financial assets due to the downturn of the capital market with fluctuation
Premiums received in advance	132	2,823	-95.3%	Different time points of business underwriting
Reinsurance payable	273	95	187.4%	Impact of the billing cycles of the reinsurance business
Claims payable	2,310	1,624	42.2%	Increase in maturities
Other payable	1,150	2,072	-44.5%	New China Health excluded from consolidated statements due to its changing from subsidiary to a joint venture
Unearned premiums liabilities	1,411	1,083	30.3%	Increase in short-term insurance business and uneven distribution between quarters
Deferred tax liabilities	54	853	-93.7%	Effect of deferred tax liabilities arising from long-term equity investment difference between consolidated statement and statement of holding company due to New China Health changing from subsidiary to a joint venture

Items in the Balance sheet	As of 31 March 2016	As of 31 December 2015	Increase/ (decrease)	Main reasons for the changes
Other liabilities	556	312	78.2%	Decrease in interest income from financial assets sold under agreements to repurchase
Other comprehensive income	1,074	3,662	-70.7%	Decrease in carrying amount of available-for-sale financial assets due to the downturn of the capital market with fluctuation

Items in the statement of income	For the three months ended 31 March 2016	For the three months ended 31 March 2015	Increase/ (decrease)	Main reasons for the changes
Net change in unearned premiums liabilities	(279)	(190)	46.8%	Increase in short-term insurance business and uneven distribution between quarters
Investment income	9,284	14,517	-36.0%	Change from realized gains to losses on investment assets due to the downturn of the capital market with fluctuation
Fair value gains/(losses)	(170)	(54)	214.8%	Increase of fair value losses on stocks in trading financial assets due to the downturn of the capital market with fluctuation
Foreign exchange gains/(losses)	(42)	33	N/A	Fluctuation of USD exchange rate
Surrenders	(21,294)	(30,677)	-30.6%	Effect of adjustment in insurance product structure
Claims expense	(12,398)	(7,477)	65.8%	Increase in maturity benefits and annuity paid
Claims recoverable from reinsurers	466	70	565.7%	Increase in maturities recoverable from reinsurers due to maturity of certain reinsurance business

Items in the statement of income	For the three months ended 31 March 2016	For the three months ended 31 March 2015	Increase/ (decrease)	Main reasons for the changes
Insurance reserves recoverable from reinsurers	(595)	34	N/A	Decrease in insurance reserves recoverable from reinsurers due to maturity of certain reinsurance business
Business tax and surcharges expenses	(60)	(405)	-85.2%	Decrease in business tax from realized gains on investment assets due to the downturn of the capital market with fluctuation
Commission and brokerage expenses	(4,063)	(2,956)	37.4%	Increase in the first year premiums from individual insurance agent channel
Other operating expenses	(580)	(1,351)	-57.1%	Decrease in interest expense of items sold under agreements to repurchase and expenses of non-insurance contracts
Impairment losses	(43)	(3)	1,333.3%	Increase in available-for-sale financial assets which meet requirements of impairment in the reporting period due to the downturn of the capital market with fluctuation
Income tax	(204)	(1,059)	-80.7%	Decrease in taxable income

3.2 Explanation and analysis of significant events and their impacts and solutions

✓ Applicable Not applicable

Issuance of 2016 capital supplement bond

To ensure the Company's sufficient solvency ability and to broaden the financing channels, and according to the 36th meeting of the fifth session of the Board held on 4 February 2016 and resolution of the first extraordinary meeting of 2016 held on 4 March 2016, the Company shall issue a capital supplement bond in the amount not exceeding RMB5.0 billion or equivalent amount in U.S. dollar in 2016. The issue of 2016 capital supplement bond is still subject to approvals of regulatory authorities.

Please refer to the *Supplementary Announcement to the First Extraordinary General Meeting of 2016* published on 19 February 2016 and the *Announcement on the Voting Results of the First Extraordinary General Meeting of 2016 and Election of Employee Representative Supervisors for the Sixth Session of the Board of Supervisors* published on 4 March 2016 for details.

3.3 Implementation of undertakings by the Company and its shareholders with over 5% shares

Applicable Not applicable

Controlling shareholder's commitment relating to avoidance of horizontal competition

For details of the commitment made by Central Huijin Investment Ltd., the controlling shareholder of the Company, to avoid horizontal competition, please refer to the section titled "Substantial Shareholder – Relationship with Huijin" in the Prospectus dated 2 December 2011 issued by the Company.

During the reporting period, the commitment relating to avoidance of horizontal competition is being fulfilled continuously and normally.

3.4 Warnings and explanation for any significant changes in net profit or cumulative losses from the beginning of the year to the end of the next reporting period as compared to the same period of last year

Applicable Not applicable

By order of the Board
New China Life Insurance Company Ltd.
WAN Feng
Chairman

Beijing, China, 29 April 2016

As at the date of this announcement, the Executive Director of the Company is WAN Feng; the Non-executive Directors are LI Zongjian, LIU Xiangdong, CHEN Yuanling, WU Kunzong, DACEY John Robert and ZHANG Guozheng; and the Independent Non-executive Directors are LI Xianglu, ZHENG Wei, CAMPBELL Robert David and FONG Chung Mark.

§4 APPENDIX

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Financial Position (unaudited)

31 March 2016

(All amounts in RMB million unless otherwise stated)

Assets	As of 31 March 2016 Group	As of 31 December 2015 Group	As of 31 March 2016 Company	As of 31 December 2015 Company
Assets				
Cash and bank deposits	14,512	13,765	14,160	12,376
Measured at fair value and the changes are recorded into the profits and losses of the current financial assets	20,734	13,625	20,384	13,393
Financial assets purchased under agreements to resell	560	91	560	91
Interest receivables	9,028	9,754	8,848	9,407
Premiums receivables	2,624	1,525	2,624	1,525
Receivables from reinsurers	548	95	548	95
Unearned premium reserves receivables from reinsurers	102	53	102	53
Claim reserves receivable from reinsurers	21	32	21	32
Reserves for life insurance receivables from reinsurers	2,257	2,883	2,257	2,883
Reserves for long-term health insurance receivables from reinsurance	339	297	339	297
Policy loans	21,406	20,879	21,406	20,879
Other receivables	3,331	8,556	2,508	7,725
Term deposits	110,882	127,762	110,358	127,208
Available-for-sale financial assets	231,052	216,897	230,700	216,307
Held-to-maturity investments	177,718	177,502	177,718	177,502
Investments classified as loans and receivables	52,628	50,722	32,615	30,709
Long-term equity investments	4,428	3,626	27,695	27,531
Statutory deposits	716	716	715	715
Investment properties	2,496	2,177	2,496	2,177
Fixed assets	4,420	4,566	3,964	4,020
Constructions in process	2,239	2,261	1,388	1,511
Intangible assets	1,659	1,693	1,621	1,647
Deferred tax assets	92	6	83	–
Other assets	609	788	748	988
Separate account assets	275	289	275	289
Total assets	664,676	660,560	664,133	659,360

Wan Feng
Chairman & Chief Financial Officer

Gong Xingfeng
Chief Actuary

Meng Xia
Head of Accounting Department

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Financial Position (unaudited) (continued)

31 March 2016

(All amounts in RMB million unless otherwise stated)

Liabilities and Equity	As of 31 March 2016 Group	As of 31 December 2015 Group	As of 31 March 2016 Company	As of 31 December 2015 Company
Liabilities				
Measured at fair value and the changes are recorded into the profits and losses of the current financial liabilities	18	22	–	–
Financial assets sold under agreements to repurchase	19,090	19,816	19,090	19,816
Premiums received in advance	132	2,823	132	2,823
Brokerage and commission payable	1,995	1,547	1,995	1,547
Reinsurance payable	273	95	273	95
Salary and welfare payable	1,383	1,748	1,262	1,457
Taxes payable	1,398	1,171	1,365	1,133
Claims payable	2,310	1,624	2,310	1,624
Other payable	1,150	2,072	1,189	1,172
Policyholder deposits	28,882	26,881	28,882	26,881
Unearned premiums liabilities	1,411	1,083	1,411	1,083
Outstanding claims liabilities	510	559	510	559
Reserves for life insurance	495,598	491,441	495,598	491,441
Reserves for long-term health insurance	33,379	31,358	33,379	31,358
Borrowings	19,000	19,000	19,000	19,000
Provisions	29	29	29	29
Deferred tax liabilities	54	853	–	853
Other liabilities	556	312	555	311
Separate account liabilities	261	285	261	285
Total liabilities	607,429	602,719	607,241	601,467
Shareholders' equity				
Share capital	3,120	3,120	3,120	3,120
Capital reserve	23,964	23,964	23,962	23,962
Other comprehensive income	1,074	3,662	1,068	3,651
Surplus reserve	2,945	2,955	2,945	2,955
General reserve	2,945	2,955	2,945	2,955
Retained earnings	23,193	21,179	22,852	21,250
Total equity attributable to shareholders of the company	57,241	57,835	56,892	57,893
Non-controlling interests	6	6	–	–
Total shareholders' equity	57,247	57,841	56,892	57,893
Total liabilities and shareholders' equity	664,676	660,560	664,133	659,360

Wan Feng
Chairman & Chief Financial Officer

Gong Xingfeng
Chief Actuary

Meng Xia
Head of Accounting Department

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Income (unaudited)

For the three months ended 31 March 2016

(All amounts in RMB million unless otherwise stated)

	For the three months ended 31 March 2016 Group	For the three months ended 31 March 2015 Group	For the three months ended 31 March 2016 Company	For the three months ended 31 March 2015 Company
1. Operating Income	55,267	66,256	54,906	66,186
Premiums earned	46,076	51,624	46,076	51,624
Premium income	46,575	51,997	46,575	51,997
Less: Premiums ceded out	(220)	(183)	(220)	(183)
Net change in unearned premiums liabilities	(279)	(190)	(279)	(190)
Investment income	9,284	14,517	8,957	14,492
In: Share of profit of associates	459	133	109	133
Fair value gains/(losses)	(170)	(54)	(175)	(57)
Foreign exchange gains/(losses)	(42)	33	(42)	33
Other operating income	119	136	90	94
2. Operating expenses	(53,109)	(61,558)	(53,121)	(61,533)
Surrenders	(21,294)	(30,677)	(21,294)	(30,677)
Claims expense	(12,398)	(7,477)	(12,398)	(7,477)
Less: claims recoverable from reinsurers	466	70	466	70
Increase in insurance contracts reserve	(11,359)	(15,930)	(11,359)	(15,930)
Less: insurance reserves recoverable from reinsurers	(595)	34	(595)	34
Business tax and surcharges expenses	(60)	(405)	(50)	(399)
Commission and brokerage expenses	(4,063)	(2,956)	(4,063)	(2,956)
Administrative expenses	(3,212)	(2,903)	(3,236)	(2,913)
Less: expenses recoverable from reinsurers	29	40	29	40
Other operating expenses	(580)	(1,351)	(578)	(1,322)
Impairment losses	(43)	(3)	(43)	(3)
3. Operating profit	2,158	4,698	1,785	4,653
Add: Non-operating income	56	2	56	2
Less: Non-operating expenses	(16)	(16)	(16)	(16)
4. Net profit before income tax expenses	2,198	4,684	1,825	4,639
Less: Income tax	(204)	(1,059)	(143)	(1,053)
5. Net profit	<u>1,994</u>	<u>3,625</u>	<u>1,682</u>	<u>3,586</u>

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Income (unaudited) (continued)

For the three months ended 31 March 2016

(All amounts in RMB million unless otherwise stated)

	For the three months ended 31 March 2016 Group	For the three months ended 31 March 2015 Group	For the three months ended 31 March 2016 Company	For the three months ended 31 March 2015 Company
6. Attributable to:				
Shareholders of the Company	1,994	3,624		
Non-controlling interests	–	1		
7. Earnings per share				
Basic earnings per share	RMB0.64	RMB1.16		
Diluted earnings per share	RMB0.64	RMB1.16		
8. Other Comprehensive income/(loss)	<u>(2,588)</u>	<u>1,957</u>	<u>(2,583)</u>	<u>1,959</u>
9. Total Comprehensive income	<u>(594)</u>	<u>5,582</u>	<u>(901)</u>	<u>5,545</u>
Attributable to shareholders of the Company	(594)	5,581		
Attributable to non-controlling interests	–	1		

Wan Feng
Chairman & Chief Financial Officer

Gong Xingfeng
Chief Actuary

Meng Xia
Head of Accounting Department

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Cash Flows (unaudited)

For the three months ended 31 March 2016

(All amounts in RMB million unless otherwise stated)

	For the three months ended 31 March 2016 Group	For the three months ended 31 March 2015 Group	For the three months ended 31 March 2016 Company	For the three months ended 31 March 2015 Company
1. Cash flows from operating activities				
Premium received	42,828	48,672	42,828	48,672
Net increase in policyholder deposits	1,823	1,069	1,823	1,069
Cash received for taxes and surcharges	141	256	141	256
Cash received from other operating activities	242	276	157	262
	<u>45,034</u>	<u>50,273</u>	<u>44,949</u>	<u>50,259</u>
Sub-total of cash inflows from operating activities				
Cash paid for claims	(33,006)	(38,194)	(33,006)	(38,194)
Net cash paid from reinsurance business	–	(2)	–	(2)
Cash paid for brokerage and commission fees	(3,618)	(2,687)	(3,618)	(2,687)
Cash paid to and for employees	(2,810)	(2,544)	(2,603)	(2,357)
Cash paid for taxes and surcharges	(99)	(385)	(81)	(367)
Cash paid from other operating activities	(676)	(688)	(656)	(682)
	<u>(40,209)</u>	<u>(44,500)</u>	<u>(39,964)</u>	<u>(44,289)</u>
Sub-total of cash outflows from operating activities				
Net cash flows from operating activities operating activities	<u>4,825</u>	<u>5,773</u>	<u>4,985</u>	<u>5,970</u>
2. Cash flows from investing activities				
Cash received from sales and redemption of investments	58,715	66,461	57,951	66,074
Cash received from investment income	9,574	8,411	9,615	8,393
Cash received from financial assets purchased under agreements to resell	9,127	90,958	9,127	90,748
	<u>77,416</u>	<u>165,830</u>	<u>76,693</u>	<u>165,215</u>
Sub-total of cash inflows from investing activities				

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Cash Flows (unaudited) (continued)

For the three months ended 31 March 2016

(All amounts in RMB million unless otherwise stated)

	For the three months ended 31 March 2016 Group	For the three months ended 31 March 2015 Group	For the three months ended 31 March 2016 Company	For the three months ended 31 March 2015 Company
Cash paid for investment	(75,478)	(58,177)	(74,775)	(57,980)
Net increase in policy loans	(527)	(1,628)	(527)	(1,628)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(436)	(288)	(225)	(123)
Cash paid for financial assets purchased under agreements to resell	(9,595)	(89,377)	(9,595)	(89,205)
Net cash generated from the disposal of subsidiary	(855)	–	–	–
Cash paid from other investing activities	–	–	(168)	(163)
Sub-total of cash outflows from investing activities	<u>(86,891)</u>	<u>(149,470)</u>	<u>(85,290)</u>	<u>(149,099)</u>
Net cash flows from investing activities	<u>(9,475)</u>	<u>16,360</u>	<u>(8,597)</u>	<u>16,116</u>
3. Cash flows from financing activities				
Cash received from financial assets sold under agreements to repurchase	716,757	1,298,922	716,757	1,298,922
Sub-total of cash inflows from financing activities	<u>716,757</u>	<u>1,298,922</u>	<u>716,757</u>	<u>1,298,922</u>
Cash paid from financial assets sold under agreements to repurchase	(711,366)	(1,319,400)	(711,366)	(1,319,400)
Sub-total of cash outflows from financing activities	<u>(711,366)</u>	<u>(1,319,400)</u>	<u>(711,366)</u>	<u>(1,319,400)</u>
Net cash flows from financing activities	<u>5,391</u>	<u>(20,478)</u>	<u>5,391</u>	<u>(20,478)</u>
4. Effect of foreign exchange rate changes	<u>(35)</u>	<u>18</u>	<u>(35)</u>	<u>18</u>
5. Net increase/(decrease) in cash and cash equivalents	706	1,673	1,744	1,626
Add: Opening balance of cash and cash equivalents	13,904	14,503	12,432	13,885
6. Closing balance of cash and cash equivalents	<u>14,610</u>	<u>16,176</u>	<u>14,176</u>	<u>15,511</u>

Wan Feng
Chairman & Chief Financial Officer

Gong Xingfeng
Chief Actuary

Meng Xia
Head of Accounting Department