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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)**

## **2014 THIRD 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 2014 Third 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 2014 Third Quarter Report of the Company was considered and approved at the 22th meeting of the fifth session of the Board on 24 October 2014, which 14 directors were required to attend and 10 of them attended in person. Director ZHAO Haiying, WU Kunzong respectively authorized director MENG Xingguo, director ZHAO John Huan authorized Chairman of the Board KANG Dian, independent non-executive director WANG Yuzhong authorized independent non-executive director CAMPBELL Robert David to attend the meeting and vote on behalf of them.
- 1.3 The financial statements of the Company for the third quarter of 2014 have been prepared in accordance with the PRC Accounting Standards for Business Enterprises and are unaudited.
- 1.4 Mr. KANG Dian, the Chairman and Chief Executive Officer of the Company, Mr. CHEN Guogang, the Chief Financial Officer 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 2014 Third Quarter Report.

## §2 BASIC INFORMATION OF THE COMPANY

### 2.1 Key accounting data and financial indicators

Unit: RMB in millions

	<b>As of the end of the reporting period</b>	<b>As of the end of last year</b>	<b>Increase/ decrease compared to the end of last year</b>
Total assets	610,480	565,849	7.9%
Shareholders' equity attributable to shareholders of the company	46,816	39,312	19.1%
Net assets per share attributable to shareholders of the company (RMB per share)	15.01	12.60	19.1%
	<b>The reporting period (January – September)</b>	<b>The same period of last year (January – September)</b>	<b>Increase/ decrease compared to the same period of last year</b>
Net cash flows from operating activities	30,038	38,327	-21.6%
Weighted average net cash flows per share from operating activities (RMB per share)	9.63	12.28	-21.6%
Operating Income	109,925	90,498	21.5%
Net profit attributable to shareholders of the Company	6,325	3,950	60.1%
Net profit attributable to shareholders of the Company after deducting non-recurring items	6,341	4,014	58.0%
Basic/diluted earnings per share (RMB per share)	2.03	1.27	59.8%
Basic earnings per share after deducting non-recurring items (RMB per share)	2.03	1.29	57.4%
Weighted average return on equity	14.68%	10.44%	N/A
Weighted average return on equity after deducting non-recurring items	14.71%	10.61%	N/A

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

	<b>From the beginning to the end of the reporting period</b>
<b>Non-recurring items</b>	
Losses on disposal of fixed assets, intangible assets and other long-term investment	(3)
Other non-recurring items	(16)
Effect of income tax expenses of non-recurring items	3
Attribute to minority interest	–
<b>Total</b>	<b>(16)</b>

## 2.3 Other key indicators

Unit: RMB in millions

<b>Indicators</b>	<b>As of 30 September 2014/For the nine months ended 30 September 2014</b>	<b>As of 31 December 2013/For the nine months ended 30 September 2013</b>	<b>Increase/decrease compared to 31 December 2013/ Increase/decrease compared to the same period of 2013</b>
Investment assets <sup>(1)</sup>	592,639	549,596	7.8%
Premium income <sup>(2)</sup>	86,225	72,273	19.3%
Premiums earned	85,725	71,863	19.3%
Growth rate of earned premiums	19.3%	-7.4%	N/A
Net claims expense	12,222	6,907	77.0%
Surrender rate <sup>(3)</sup>	5.5%	4.9%	N/A

Notes:

- The related investment assets of unit-linked contracts account are included in investment assets.
- In the first three quarters of 2014, the premium income of the Company amounted to 86.225 billion, among which, 37.224 billion was generated from the individual insurance agent channel, 41.668 billion from the bancassurance channel, 6.167 billion from the service and business development channel and 1.166 billion from the group insurance business.
- 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).

From the beginning of the year to the end of the reporting period, the annualized total investment yield was 5.6%, and the annualized total investment yield = (Investment income + Changes in fair value gains and losses- Impairment loss of assets of investment – Interest expense of items sold under agreements to repurchase)/(monthly average investment assets – monthly financial assets sold under agreements to repurchase – monthly interest receivables) × 365/273.

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

Unit: Share

<b>Total number of shareholders</b>	18,797 (including 18,449 A Share shareholders and 348 H Share shareholders)				
<b>Shares held by top ten shareholders</b>					
<b>Names of the shareholders</b>	<b>Classes of the shares</b>	<b>Percentage of the shareholding</b>	<b>Total number of shares held</b>	<b>Number of shares held with selling restrictions</b>	<b>Number of shares pledged or frozen</b>
HKSCC Nominees Limited <sup>(1)</sup>	Overseas legal person shares	32.13%	1,002,426,113	–	–
Central Huijin Investment Ltd.	State-owned shares	31.34%	977,530,534	974,173,154	–
Baosteel Group Corporation	State-owned legal person shares	15.11%	471,212,186	–	–
Beijing Hony 2010 Equity Investment Center (Limited Partnership)	Others	2.59%	80,853,658	–	–
Tibet Shannan Xinshang Investment Management Limited	Domestic legal person shares	1.55%	48,428,636	–	23,618,600
Tibet Shannan Century Golden Resources Investment Management Limited	Domestic legal person shares	1.25%	39,143,368	–	34,143,368
Shanghai Shangyan Investment Center (Limited Partnership)	Others	1.16%	36,166,156	–	–
Vats Group Company Limited	Domestic legal person shares	0.78%	24,272,566	–	21,745,000
Beijing Taiji Huaqing Information System Co., Ltd.	Domestic legal person shares	0.76%	23,700,000	–	–
CITIC Securities Co., Ltd.	Domestic legal person shares	0.74%	23,240,211	–	–
Description of connected relations or connected action among the aforesaid shareholders	Tibet Shannan Xinshang Investment Management Limited is a subsidiary of CITIC Private Equity Funds Management Co., Ltd., and Shanghai Shangyan Investment Center (Limited Partnership) is the investment entity of a fund operated by CITIC Private Equity Funds Management Co., Ltd.. CITIC Securities Co., Ltd. holds 35% shares of CITIC Private Equity Funds Management Co., Ltd.. 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.				

Note:

- 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 including shares held by investors. The relevant regulations of The Stock Exchange of Hong Kong Limited 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.

<b>Shares held by top ten shareholders who are not subject to selling restrictions</b>		
<b>Name of shareholders</b>	<b>Number of shares held without selling restrictions</b>	<b>Types of shares</b>
HKSCC Nominees Limited	1,002,426,113	H
Baosteel Group Corporation	471,212,186	A
Beijing Hony 2010 Equity Investment Center (Limited Partnership)	80,853,658	A
Tibet Shannan Xinshang Investment Management Limited	48,428,636	A
Tibet Shannan Century Golden Resources Investment Management Limited	39,143,368	A
Shanghai Shangyan Investment Center (Limited Partnership)	36,166,156	A
Vats Group Company Limited	24,272,566	A
Beijing Taiji Huaqing Information System Co., Ltd.	23,700,000	A
CITIC Securities Co., Ltd.	23,240,211	A
Hongyidaoyuan (Tianjin) Private Equity Fund Partnership Enterprise (Limited Partnership)	14,268,293	A
Description of connected relations or connected action among the aforesaid shareholders	<p>Tibet Shannan Xinshang Investment Management Limited is a subsidiary of CITIC Private Equity Funds Management Co., Ltd., and Shanghai Shangyan Investment Center (Limited Partnership) is the investment entity of a fund operated by CITIC Private Equity Funds Management Co., Ltd.. CITIC Securities Co., Ltd. holds 35% shares of CITIC Private Equity Funds Management Co., Ltd.. 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>	

### §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 30 September 2014	As of 31 December 2013	Increase/ decrease	Main reasons for the changes
Cash and bank deposits	10,919	16,431	-33.5%	Requirement for daily liquidity management
Measured at fair value and the changes are recorded into the profits and losses of the current financial assets	7,318	2,376	208.0%	Increase in corporate bonds and asset management plan
Financial assets purchased under agreements to resell	105	1,222	-91.4%	Requirement for daily liquidity management
Premiums receivables	2,642	1,581	67.1%	Uneven distribution of insurance business between quarters and increased accumulation of insurance business
Unearned premium reserves receivables from reinsurers	49	79	-38.0%	Decrease in ceded out short-term insurance business
Policy loans	13,748	8,841	55.5%	Increase in demand for policy loans
Investments classified as loans and receivables	42,848	24,401	75.6%	Increase in debt plans
Constructions in process	983	629	56.3%	Purchase of workplace
Deferred tax assets	512	1,040	-50.8%	Increase of fair values of investment assets due to capital market fluctuation
Other assets	358	569	-37.1%	Decrease of dividends receivable
Premiums received in advance	187	432	-56.7%	Different time points of business underwriting
Reinsurance payable	164	54	203.7%	Increase of long-term reinsurance business and unclosed part of new business bills
Taxes payable	731	363	101.4%	Increase in corporate income tax payable

Items in the statement of income	For the nine months ended 30 September 2014	For the nine months ended 30 September 2013	Increase/decrease	Main reasons for the changes
Fair value gains/(losses)	192	(107)	N/A	Fluctuation of the capital market
Foreign exchange gains/(losses)	83	(217)	N/A	Fluctuation of USD exchange rate
Surrenders	(27,962)	(21,149)	32.2%	Effect of life insurance marketing environment
Claims expense	(12,362)	(7,203)	71.6%	Increase of maturity benefits and annuity payment
Claims recoverable from reinsurers	140	296	-52.7%	Decrease in maturity benefits and surrenders from part reinsurance ceded business
Insurance reserves recoverable from reinsurers	50	(126)	N/A	Decrease in maturity benefits and surrenders from part reinsurance ceded business
Business tax and surcharges expenses	(132)	(85)	55.3%	Increase in Investment bid-ask spread
Income tax	(1,359)	(701)	93.9%	Increase in net profit before tax
Net profit	6,326	3,952	60.1%	Increase in investment income
Other comprehensive income	1,645	(30)	N/A	Fluctuation of fair value of available for-sale financial assets

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

✓ Applicable □ Not applicable

#### (I) Issuance of 2014 subordinated term debts

To further enhance the Company's solvency adequacy ratio, the Company's annual general meeting of 2013 held on 20 May 2014 considered and approved to issue subordinated term debts with a period of more than 5 years and a total amount of not more than RMB5 billion in 2014. During the reporting period, the Company received the approval from the China Insurance Regulatory Commission ("CIRC") titled "Approval of the Issuance of Subordinated Term Debts by New China Life Insurance Company Ltd." (《關於新華人壽保險股份有限公司募集次級定期債務的批覆》) (Bao Jian Xu Ke No.[2014] 800), pursuant to which the Company was approved to issue subordinated term debts with maturity term of 10 years and an aggregate amount not exceeding RMB4 billion, and the Company was also required to complete the issuance of subordinated term debts within six months since the date of the approval and to report to CIRC about the results of the issuance.

***(II) Proposed issuance of exchangeable bonds by a substantial shareholder of the Company***

The Company has received a written notice from Baosteel Group Corporation (“**Baosteel Group**”), a substantial shareholder of the Company, on 3 April 2014, informing the Company that Baosteel Group proposes to issue certain bonds that are exchangeable into a portion of Baosteel Group’s current shareholding in the Company’s A Shares (the “**Issuance**”). The Company received written notifications from Baosteel Group on 24 April 2014 and 23 September 2014, respectively, informing the Company that the Issuance has been approved by the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission, respectively.

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

✓ Applicable  Not applicable

***(I) Controlling shareholder’s commitment relating to avoidance of horizontal competition***

For details of the commitment made by Central Huijin Investment Ltd. (“**Huijin**”), 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.

***(II) Pre-IPO shareholders’ commitment of not to transfer the Company’s shares within a lock-up period***

For details of the pre-IPO shareholders’ commitment of not to transfer the Company’s shares within a lock-up period, please refer to the section titled “Share Capital – Lock-up Periods” in the Prospectus dated 2 December 2011 issued by the Company.

During the reporting period, Huijin, the controlling shareholder of the Company, is fulfilling its commitment of not to transfer the Company’s shares within a lock-up period continuously and normally.

***(III) Commitment relating to special dividend distribution and the establishment of public investor protection mechanism***

For details of the commitment of special dividend distribution and the establishment of public investor protection mechanism, please refer to the *Announcement on the Declaration of Special Dividend* issued by the Company on 26 July 2012. The special dividend distribution fund is used to cover other actual losses beyond the impairments and provisions as disclosed in the Prospectus arising from the former chairman’s misconduct during the custody period.



During the reporting period, the commitment relating to the special dividend distribution has been fully fulfilled. The commitment relating to the special dividend distribution fund which is used to cover other actual losses beyond the impairments and provisions as disclosed in the Prospectus arising from the former chairman's misconduct during the custody period is still 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.**  
**KANG Dian**  
*Chairman*

Beijing, China, 24 October 2014

*As at the date of this announcement, the Executive Director of the Company is KANG Dian; the Non-Executive Directors are ZHAO Haiying, MENG Xingguo, LIU Xiangdong, WU Kunzong, ZHAO John Huan, LIU Lefei and DACEY John Robert; and the Independent Non-Executive Directors are CAMPBELL Robert David, CHEN Xianping, WANG Yuzhong, ZHANG Hongxin, ZHAO Hua and FONG Chung Mark.*

§4 APPENDIX

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Financial Position (unaudited)

30 September 2014

(All amounts in RMB million unless otherwise stated)

Assets	As of 30 September 2014 Group	As of 31 December 2013 Group	As of 30 September 2014 Company	As of 31 December 2013 Company
<b>Assets</b>				
Cash and bank deposits	10,919	16,431	10,554	15,479
Measured at fair value and the changes are recorded into the profits and losses of the current financial assets	7,318	2,376	7,203	2,327
Financial assets purchased under agreements to resell	105	1,222	105	1,168
Interest receivables	12,192	9,849	11,835	9,509
Premiums receivables	2,642	1,581	2,642	1,581
Receivables from reinsurers	113	92	113	92
Unearned premium reserves receivables from reinsurers	49	79	49	79
Claim reserves receivable from reinsurers	29	23	29	23
Reserves for life insurance receivables from reinsurers	2,740	2,717	2,740	2,717
Reserves for long-term health insurance receivables from reinsurance	64	43	64	43
Policy loans	13,748	8,841	13,748	8,841
Other receivables	3,080	2,517	3,038	3,017
Term deposits	167,272	165,231	166,668	164,820
Available-for-sale financial assets	150,697	127,895	150,203	127,876
Held-to-maturity investments	176,417	183,008	176,417	183,008
Investments classified as loans and receivables	42,848	24,401	22,836	4,390
Long-term equity investments	10,004	9,404	32,493	30,739
Statutory deposits	716	716	715	715
Investment properties	1,672	1,594	1,672	1,594
Fixed assets	4,240	3,842	3,180	3,601
Constructions in process	983	629	1,213	441
Intangible assets	1,516	1,512	1,501	1,497
Deferred tax assets	512	1,040	496	1,024
Other assets	358	569	608	969
Separate account assets	246	237	246	237
<b>Total assets</b>	<b>610,480</b>	<b>565,849</b>	<b>610,368</b>	<b>565,787</b>

**Kang Dian**  
Chairman

**Chen Guogang**  
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)**

**30 September 2014**

(All amounts in RMB million unless otherwise stated)

<b>Liabilities and Equity</b>	<b>As of 30 September 2014 Group</b>	<b>As of 31 December 2013 Group</b>	<b>As of 30 September 2014 Company</b>	<b>As of 31 December 2013 Company</b>
<b>Liabilities</b>				
Financial assets sold under agreements to repurchase	38,393	52,211	38,393	52,211
Premiums received in advance	187	432	187	432
Brokerage and commission payable	1,117	876	1,117	876
Reinsurance payable	164	54	164	54
Salary and welfare payable	1,230	1,217	1,138	1,128
Taxes payable	731	363	715	335
Dividends payable	–	4	–	–
Claims payable	1,023	959	1,023	959
Other payable	2,029	1,815	1,988	1,780
Policyholder deposits	27,533	25,701	27,533	25,701
Unearned premiums liabilities	1,124	967	1,124	967
Outstanding claims liabilities	505	520	505	520
Reserves for life insurance	449,525	403,348	449,525	403,348
Reserves for long-term health insurance	24,131	22,046	24,131	22,046
Borrowings	15,000	15,000	15,000	15,000
Provisions	458	458	458	458
Other liabilities	269	328	257	327
Separate account liabilities	240	232	240	232
<b>Total liabilities</b>	<b>563,659</b>	<b>526,531</b>	<b>563,498</b>	<b>526,374</b>
<b>Shareholders' equity</b>				
Share capital	3,120	3,120	3,120	3,120
Capital reserve	23,965	23,963	23,963	23,963
Other comprehensive income	669	(976)	669	(975)
Surplus reserve	1,458	1,458	1,458	1,458
General reserve	1,458	1,458	1,458	1,458
Retained earnings	16,146	10,289	16,202	10,389
<b>Total equity attributable to shareholders of the company</b>	<b>46,816</b>	<b>39,312</b>	<b>46,870</b>	<b>39,413</b>
Non-controlling interests	5	6	–	–
<b>Total shareholders' equity</b>	<b>46,821</b>	<b>39,318</b>	<b>46,870</b>	<b>39,413</b>
<b>Total liabilities and shareholders' equity</b>	<b>610,480</b>	<b>565,849</b>	<b>610,368</b>	<b>565,787</b>

**Kang Dian**  
*Chairman*

**Chen Guogang**  
*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 nine months ended 30 September 2014**

(All amounts in RMB million unless otherwise stated)

	<b>For the nine months ended 30 September 2014 Group</b>	<b>For the nine months ended 30 September 2013 Group</b>	<b>For the nine months ended 30 September 2014 Company</b>	<b>For the nine months ended 30 September 2013 Company</b>
<b>1. Operating Income</b>	109,925	90,498	109,766	90,455
Premiums earned	85,725	71,863	85,725	71,863
Premium income	86,225	72,273	86,225	72,273
Less: Premiums ceded out	(313)	(242)	(313)	(242)
Net change in unearned premiums liabilities	(187)	(168)	(187)	(168)
Investment income	23,532	18,455	23,464	18,428
Fair value gains/(losses)	192	(107)	192	(107)
Foreign exchange losses	83	(217)	83	(217)
Other operating income	393	504	302	488
<b>2. Operating expenses</b>	(102,221)	(85,763)	(102,094)	(85,745)
Surrenders	(27,962)	(21,149)	(27,962)	(21,149)
Claims expense	(12,362)	(7,203)	(12,362)	(7,203)
Less: claims recoverable from reinsurers	140	296	140	296
Increase in insurance contracts reserve	(44,900)	(42,592)	(44,900)	(42,592)
Less: insurance reserves recoverable from reinsurers	50	(126)	50	(126)
Business tax and surcharges expenses	(132)	(85)	(116)	(74)
Commission and brokerage expenses	(5,748)	(4,474)	(5,748)	(4,475)
Administrative expenses	(7,966)	(6,894)	(7,919)	(6,902)
Less: expenses recoverable from reinsurers 96	85	96	85	96
Other operating expenses	(2,480)	(2,423)	(2,416)	(2,407)
Impairment losses	(946)	(1,209)	(946)	(1,209)
<b>3. Operating profit</b>	7,704	4,735	7,672	4,710
Add: Non-operating income	30	4	8	4
Less: Non-operating expenses	(49)	(86)	(56)	(80)
<b>4. Net profit before income tax expenses</b>	7,685	4,653	7,624	4,634
Less: Income tax	(1,359)	(701)	(1,343)	(693)
<b>5. Net profit</b>	<u>6,326</u>	<u>3,952</u>	<u>6,281</u>	<u>3,941</u>

**NEW CHINA LIFE INSURANCE COMPANY LTD.**

**Statement of Income (unaudited) (continued)**

**For the nine months ended 30 September 2014**

(All amounts in RMB million unless otherwise stated)

	<b>For the nine months ended 30 September 2014 Group</b>	<b>For the nine months ended 30 September 2013 Group</b>	<b>For the nine months ended 30 September 2014 Company</b>	<b>For the nine months ended 30 September 2013 Company</b>
<b>6. Attributable to:</b>				
Shareholders of the Company	6,325	3,950		
Non-controlling interests	1	2		
<b>7. Earnings per share</b>				
Basic earnings per share	RMB2.03	RMB1.27		
Diluted earnings per share	RMB2.03	RMB1.27		
<b>8. Other Comprehensive income</b>	<u>1,645</u>	<u>(30)</u>	<u>1,644</u>	<u>(30)</u>
<b>9. Total Comprehensive income</b>	<u><u>7,971</u></u>	<u><u>3,922</u></u>	<u><u>7,925</u></u>	<u><u>3,911</u></u>
Attributable to shareholders of the Company	7,970	3,920		
Attributable to non-controlling interests	1	2		

**Kang Dian**  
*Chairman*

**Chen Guogang**  
*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 30 September 2014**

(All amounts in RMB million unless otherwise stated)

	<b>For the three months ended 30 September 2014 Group</b>	<b>For the three months ended 30 September 2013 Group</b>	<b>For the three months ended 30 September 2014 Company</b>	<b>For the three months ended 30 September 2013 Company</b>
<b>1. Operating Income</b>	28,633	27,807	28,558	27,789
Premiums earned	19,316	20,922	19,316	20,922
Premium income	19,408	20,929	19,408	20,929
Less: Premiums ceded out	(100)	(81)	(100)	(81)
Net change in unearned premiums liabilities	8	74	8	74
Investment income	9,124	6,335	9,087	6,326
Fair value gains/(losses)	71	466	71	466
Foreign exchange losses	(9)	(50)	(9)	(50)
Other operating income	131	134	93	125
<b>2. Operating expenses</b>	(25,451)	(25,625)	(25,391)	(25,618)
Surrenders	(9,274)	(7,889)	(9,274)	(7,889)
Claims expense	(3,988)	(2,290)	(3,988)	(2,290)
Less: claims recoverable from reinsurers	47	121	47	121
Increase in insurance contracts reserve	(6,688)	(10,717)	(6,688)	(10,717)
Less: insurance reserves recoverable from reinsurers	24	(28)	24	(28)
Business tax and surcharges expenses	(65)	(25)	(59)	(21)
Commission and brokerage expenses	(1,623)	(1,399)	(1,623)	(1,399)
Administrative expenses	(2,728)	(2,361)	(2,701)	(2,365)
Less: expenses recoverable from reinsurers	28	55	28	55
Other operating expenses	(992)	(810)	(965)	(803)
Impairment losses	(192)	(282)	(192)	(282)
<b>3. Operating profit</b>	3,182	2,182	3,167	2,171
Add: Non-operating income	3	3	1	3
Less: Non-operating expenses	(23)	(28)	(31)	(26)
<b>4. Net profit before income tax expenses</b>	3,162	2,157	3,137	2,148
Less: Income tax	(585)	(393)	(579)	(390)
<b>5. Net profit</b>	<u>2,577</u>	<u>1,764</u>	<u>2,558</u>	<u>1,758</u>

**NEW CHINA LIFE INSURANCE COMPANY LTD.**

**Statement of Income (unaudited) (continued)**

**For the three months ended 30 September 2013**

(All amounts in RMB million unless otherwise stated)

	<b>For the three months ended 30 September 2014 Group</b>	<b>For the three months ended 30 September 2013 Group</b>	<b>For the three months ended 30 September 2014 Company</b>	<b>For the three months ended 30 September 2013 Company</b>
<b>6. Attributable to:</b>				
Shareholders of the Company	2,577	1,763		
Non-controlling interests	–	1		
<b>7. Earnings per share</b>				
Basic earnings per share	RMB0.83	RMB0.57		
Diluted earnings per share	RMB0.83	RMB0.57		
<b>8. Other Comprehensive income</b>	948	345	948	345
<b>9. Total Comprehensive income</b>	<b>3,525</b>	<b>2,109</b>	<b>3,506</b>	<b>2,103</b>
Attributable to shareholders of the Company	3,525	2,108		
Attributable to non-controlling interests	–	1		

**Kang Dian**  
*Chairman*

**Chen Guogang**  
*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 nine months ended 30 September 2014**

(All amounts in RMB million unless otherwise stated)

	<b>For the nine months ended 30 September 2014</b>	<b>For the nine months ended 30 September 2013</b>	<b>For the nine months ended 30 September 2014</b>	<b>For the nine months ended 30 September 2013</b>
<b>1. Cash flows from operating activities</b>				
Premium received	84,902	70,896	84,902	70,896
Net cash received from reinsurance business	1	424	1	424
Net increase in policyholder deposits	1,080	6,418	1,080	6,418
Cash received for taxes and surcharges	211	544	211	544
Cash received from other operating activities	237	296	79	290
<b>Sub-total of cash inflows from operating activities</b>	<u>86,431</u>	<u>78,578</u>	<u>86,273</u>	<u>78,572</u>
Cash paid for claims	(40,260)	(28,076)	(40,260)	(28,076)
Cash paid for brokerage and commission fees	(5,527)	(4,368)	(5,528)	(4,369)
Cash paid to and for employees	(5,405)	(4,662)	(5,201)	(4,517)
Cash paid for taxes and surcharges	(1,927)	(607)	(1,884)	(576)
Cash paid from other operating activities	(3,274)	(2,538)	(2,787)	(2,470)
<b>Sub-total of cash outflows from operating activities</b>	<u>(56,393)</u>	<u>(40,251)</u>	<u>(55,660)</u>	<u>(40,008)</u>
<b>Net cash flows from operating activities</b>	<u>30,038</u>	<u>38,327</u>	<u>30,613</u>	<u>38,564</u>
<b>2. Cash flows from investing activities</b>				
Cash received from sales and redemption of investments	87,051	75,965	87,051	75,935
Cash received from investment income	19,055	14,816	19,145	14,792
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	4	4	4	4
Cash received from financial assets purchased under agreements to resell	58,015	17,470	57,961	17,470
<b>Sub-total of cash inflows from investing activities</b>	<u>164,125</u>	<u>108,255</u>	<u>164,161</u>	<u>108,201</u>



**NEW CHINA LIFE INSURANCE COMPANY LTD.**

**Statement of Cash Flows (unaudited) (continued)**

**For the nine months ended 30 September 2014**

(All amounts in RMB million unless otherwise stated)

	For the nine months ended 30 September 2014	For the nine months ended 30 September 2013	For the nine months ended 30 September 2014	For the nine months ended 30 September 2013
Cash paid for investment	(117,128)	(129,166)	(116,951)	(128,721)
Net increase in policy loans	(4,907)	(3,008)	(4,907)	(3,008)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(842)	(1,630)	(717)	(1,621)
Cash paid for financial assets purchased under agreements to resell	(56,922)	(17,510)	(56,922)	(17,470)
Cash paid from other investing activities	–	–	(222)	(180)
<b>Sub-total of cash outflows from investing activities</b>	<u>(179,799)</u>	<u>(151,314)</u>	<u>(179,719)</u>	<u>(151,000)</u>
<b>Net cash flows from investing activities</b>	<u>(15,674)</u>	<u>(43,059)</u>	<u>(15,558)</u>	<u>(42,799)</u>
<b>3. Cash flows from financing activities</b>				
Proceeds from share issuance	–	–	–	–
Cash received from financial assets sold under agreements to repurchase	3,342,317	3,841,060	3,342,317	3,841,060
Received from borrowings	–	–	–	–
<b>Sub-total of cash inflows from financing activities</b>	<u>3,342,317</u>	<u>3,841,060</u>	<u>3,342,317</u>	<u>3,841,060</u>
Cash paid for dividends and interests	(1,202)	(745)	(1,198)	(745)
Cash paid from financial assets sold under agreements to repurchase	(3,356,555)	(3,845,679)	(3,356,555)	(3,845,679)
<b>Sub-total of cash outflows from financing activities</b>	<u>(3,357,757)</u>	<u>(3,846,424)</u>	<u>(3,357,753)</u>	<u>(3,846,424)</u>
<b>Net cash flows from financing activities</b>	<u>(15,440)</u>	<u>(5,364)</u>	<u>(15,436)</u>	<u>(5,364)</u>
<b>4. Effect of foreign exchange rate changes</b>	<u>37</u>	<u>(186)</u>	<u>37</u>	<u>(186)</u>
<b>5. Net increase/(decrease) in cash and cash equivalents</b>	<u>(1,039)</u>	<u>(10,282)</u>	<u>(344)</u>	<u>(9,785)</u>
Add: Opening balance of cash and cash equivalents	<u>18,570</u>	<u>25,066</u>	<u>17,407</u>	<u>24,262</u>
<b>6. Closing balance of cash and cash equivalents</b>	<u><u>17,531</u></u>	<u><u>14,784</u></u>	<u><u>17,063</u></u>	<u><u>14,477</u></u>

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