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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 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 2016 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 2016 Third Quarter Report of the Company was considered and approved at the sixth meeting of the sixth session of the Board on 28 October 2016, which 13 directors were required to attend and 10 of them attended in person. Director DACEY John Robert and director ZHANG Guozheng respectively authorized Chairman of the Board WAN Feng, while independent non-executive director 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 third 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 Third 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	689,096	660,560	4.3%
Shareholders' equity attributable to shareholders of the Company	59,757	57,835	3.3%
Net assets per share attributable to shareholders of the Company (RMB per share)	19.15	18.54	3.3%
	The reporting period (from January to September)	The same period of last year (from January to September)	Increase/ (decrease) compared to the same period of last year
Net cash flows from operating activities	9,819	5,755	70.6%
Weighted average net cash flows per share from operating activities (RMB per share)	3.15	1.84	71.2%
Operating income	117,785	133,994	-12.1%
Net profit attributable to shareholders of the Company	4,786	8,644	-44.6%
Net profit attributable to shareholders of the Company after deducting non-recurring items	4,726	8,692	-45.6%
Basic/diluted earnings per share (RMB per share)	1.53	2.77	-44.8%
Basic earnings per share after deducting non-recurring items (RMB per share)	1.51	2.79	-45.9%
Weighted average return on equity	8.12%	16.84%	decrease by 8.72 percentage points
Weighted average return on equity after deducting non-recurring items	8.02%	16.93%	decrease by 8.91 percentage points

Notes: Data and indicators of shareholders' equity refer 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

	From the beginning of the year to the end of the reporting period
Non-recurring items	
Losses on disposal of fixed assets, intangible assets and other long-term investment assets	(3)
Other non-recurring items	65
Effect of income tax expenses of non-recurring items	(2)
Attribute to minority interest	–
Total	60

2.3 Other key indicators

Unit: RMB in millions

Indicators	As of 30 September 2016/For the nine months ended 30 September 2016	As of 31 December 2015/For the nine months ended 30 September 2015	Increase/(decrease) compared to 31 December 2015/Increase/(decrease) compared to the same period of 2015
Investment assets ⁽¹⁾	668,940	635,688	5.2%
Premium income	93,418	94,623	-1.3%
Premiums earned	92,474	94,011	-1.6%
Growth rate of earned premiums	-1.6%	9.7%	decrease by 11.3 percentage points
Net claims expense	29,745	18,578	60.1%
In: claims and death, invalid and medical benefits	3,335	2,906	14.8%
maturity benefits and annuity paid	27,711	15,869	74.6%
Less: claims recoverable from reinsurers	(1,301)	(197)	560.4%
Surrender rate ⁽²⁾	5.3%	8.3%	decrease by 3.0 percentage points

Notes:

- Investment assets of unit-linked contracts account are included in investment assets.
- 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 nine months ended 30 September 2016, the annualized total investment yield was 5.1%, 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) ×366/274.

2.4 Quarterly business data

Unit: RMB in millions

For the 9 months ended 30 September	2016	2015	Change
Individual life insurance	92,309	93,526	-1.3%
Individual insurance agent channel	46,826	39,960	17.2%
First year premiums	12,608	10,139	24.4%
Regular premiums	10,727	7,905	35.7%
Single premiums	1,881	2,234	-15.8%
Renewal premiums	34,218	29,821	14.7%
Bancassurance channel	34,931	45,627	-23.4%
First year premiums	24,631	33,152	-25.7%
Regular premiums	4,713	2,881	63.6%
Single premiums	19,918	30,271	-34.2%
Renewal premiums	10,300	12,475	-17.4%
Service and business development channel	10,552	7,939	32.9%
First year premiums	3,990	3,036	31.4%
Regular premiums	3,611	2,447	47.6%
Single premiums	379	589	-35.7%
Renewal premiums	6,562	4,903	33.8%
Group insurance	1,109	1,097	1.1%
Total	93,418	94,623	-1.3%

Notes:

1. Premium revenue from the wealth management team was included in the bancassurance channel and figures for the comparative period were recalculated to be in line with the presentation for the current period.
2. Numbers may not be additive due to rounding.

2.5 Solvency

The Company calculated and disclosed core capital, actual capital, minimum capital and solvency margin ratios according to *the Solvency Regulatory Rules (No. 1-17) for Insurance Companies*. As required by the China Insurance Regulatory Committee, solvency margin ratios of a domestic insurance company in the PRC must meet the prescribed thresholds.

Unit: RMB in millions

	As of the end of this quarter	As of the end of last quarter
Core capital	166,069	159,055
Actual capital	180,069	178,055
Minimum capital	67,245	63,179
Core solvency margin ratio	246.96%	251.75%
Comprehensive solvency margin ratio	267.78%	281.83%

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	46,993 (including 46,394 A Share shareholders and 599 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%	1,033,879,736	-	-	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	2.86%	89,359,634	-	-	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	0.40%	12,534,988	-	-	A
China Universal Asset Management-ICBC-China Universal-No.53 Tianfuniu Asset Management Plan	Others	0.24%	7,538,697	-	-	A
Industrial and Commercial Bank of China Limited-Harvest New Opportunity Flexible Allocation and Mixed Launched Securities Investment Fund	Others	0.23%	7,276,311	-	-	A
China Life Insurance Company Ltd.-dividend-personal dividend-005L-FH002 Hu	Others	0.20%	6,392,067	-	-	A
Description of related-party relations or concerted action among the aforesaid shareholders	<p>1. Central Huijin Asset Management Ltd. is a wholly owned subsidiary of Central Huijin Investment Ltd.</p> <p>2. China Universal Asset Management-ICBC-China Universal-No.53 Tianfuniu Asset Management Plan has Industrial and Commercial Bank of China Limited as its asset trustee and Industrial and Commercial Bank of China Limited-Harvest New Opportunity Flexible Allocation and Mixed Launched Securities Investment Fund has Industrial and Commercial Bank of China Limited as its fund depository.</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 (the "**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 Bonds 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 30 September 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	18,387	13,625	35.0%	Increase of funds allocated to financial assets for trading purpose
Financial assets purchased under agreements to resell	335	91	268.1%	Requirements for daily liquidity management
Premiums receivables	2,948	1,525	93.3%	Uneven distribution of insurance business among quarters and accumulative increase of insurance business
Receivables from reinsurers	869	95	814.7%	Increase in maturities recoverable from reinsurers due to maturity of certain businesses ceded out and the impact of the billing cycles of the reinsurance business

Items in the Balance sheet	As of 30 September 2016	As of 31 December 2015	Increase/ (decrease)	Main reasons for the changes
Unearned premium reserves receivables from reinsurers	69	53	30.2%	Increase in short-term insurance business ceded out and uneven distribution among quarters
Reserves for life insurance receivables from reinsurers	1,892	2,883	-34.4%	Maturity of the life insurance business ceded out
Reserves for long-term health insurance receivables from reinsurance	485	297	63.3%	Increase in long-term health insurance business ceded out
Other receivables	1,953	8,556	-77.2%	Decrease in investment clearing amount receivables
Term deposit	87,310	127,762	-31.7%	Decrease in the allocation of term deposit due to the maturity of some of the term deposit
Investment properties	3,197	2,177	46.9%	The rent out of the ready-to-use workplaces of certain branches
Deferred tax assets	74	6	1,133.3%	Fluctuation of the capital market
Financial assets sold under agreements to repurchase	28,350	19,816	43.1%	Requirements for daily liquidity management
Premiums received in advance	186	2,823	-93.4%	Difference of timing of business underwriting
Brokerage and commission payable	2,054	1,547	32.8%	Uneven distribution of insurance business among quarters
Reinsurance payable	372	95	291.6%	Normal increase in business and the impact of the billing cycles of the reinsurance business
Claims payable	2,776	1,624	70.9%	Increase in maturities
Deferred tax liabilities	57	853	-93.3%	Fluctuation of the capital market
Other comprehensive income	1,715	3,662	-53.2%	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 nine months ended 30 September 2016	For the nine months ended 30 September 2015	Increase/ (decrease)	Main reasons for the changes
Premiums ceded out	(712)	(492)	44.7%	Increase in insurance business ceded out
Increase in unearned premiums liabilities	(232)	(120)	93.3%	Increase of short-term insurance business
Investment income	24,892	39,479	-36.9%	Increase in realized gains on investment assets due to fluctuation of the capital market
Surrenders	(32,620)	(47,163)	-30.8%	Effect of adjustment in insurance product structure
Claims expense	(31,046)	(18,775)	65.4%	Increase in maturity benefits and annuity paid
Claims recoverable from reinsurers	1,301	197	560.4%	Increase in maturities recoverable from reinsurers due to maturity of certain business ceded out
Insurance reserves recoverable from reinsurers	(810)	153	N/A	Decrease in insurance reserves recoverable from reinsurers due to maturity of certain business ceded out
Business tax and surcharges expenses	(72)	(1,044)	-93.1%	Decrease in business tax from realized gains on investment assets due to the downturn of the capital market with fluctuation
Commission and brokerage expenses	(10,531)	(7,679)	37.1%	Effect of adjustment in insurance product structure and increase in the first year premiums from individual insurance agent channel
Expenses recoverable from reinsurers	147	110	33.6%	Increase in insurance business ceded out
Impairment losses	(783)	(584)	34.1%	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	(1,314)	(2,704)	-51.4%	Decrease in taxable income

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

Applicable Not applicable

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. (“**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.

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, 28 October 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, HU Aimin, DACEY John Robert and ZHANG Guozheng; and the Independent Non-executive Directors are LI Xianglu, ZHENG Wei, FONG Chung Mark, CHENG Lie and NEOH Anthony Francis.

§4 APPENDIX

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Financial Position (unaudited)

30 September 2016

(All amounts in RMB millions unless otherwise stated)

Assets	As of 30 September 2016 Group	As of 31 December 2015 Group	As of 30 September 2016 Company	As of 31 December 2015 Company
Assets				
Cash and bank deposits	11,488	13,765	10,654	12,376
Measured at fair value and the changes are recorded into the profits and losses of the current financial assets	18,387	13,625	18,014	13,393
Financial assets purchased under agreements to resell	335	91	335	91
Interest receivables	11,867	9,754	11,700	9,407
Premiums receivables	2,948	1,525	2,948	1,525
Receivables from reinsurers	869	95	869	95
Unearned premium reserves receivables from reinsurers	69	53	69	53
Claim reserves receivable from reinsurers	25	32	25	32
Reserves for life insurance receivables from reinsurers	1,892	2,883	1,892	2,883
Reserves for long-term health insurance receivables from reinsurance	485	297	485	297
Policy loans	23,343	20,879	23,343	20,879
Other receivables	1,953	8,556	1,096	7,725
Term deposits	87,310	127,762	86,642	127,208
Available-for-sale financial assets	261,673	216,897	261,305	216,307
Held-to-maturity investments	195,733	177,502	195,733	177,502
Investments classified as loans and receivables	53,249	50,722	33,249	30,709
Long-term equity investments	4,548	3,626	28,659	27,531
Statutory deposits	716	716	715	715
Investment properties	3,197	2,177	3,197	2,177
Fixed assets	4,638	4,566	4,183	4,020
Constructions in process	1,653	2,261	688	1,511
Intangible assets	1,766	1,693	1,571	1,647
Deferred tax assets	74	6	64	–
Other assets	613	788	748	988
Separate account assets	265	289	265	289
Total assets	689,096	660,560	688,449	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)
30 September 2016

(All amounts in RMB millions unless otherwise stated)

Liabilities and Equity	As of 30 September 2016 Group	As of 31 December 2015 Group	As of 30 September 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	28,350	19,816	28,350	19,816
Premiums received in advance	186	2,823	186	2,823
Brokerage and commission payable	2,054	1,547	2,054	1,547
Reinsurance payable	372	95	372	95
Salary and welfare payable	1,889	1,748	1,718	1,457
Taxes payable	1,492	1,171	1,484	1,133
Claims payable	2,776	1,624	2,776	1,624
Other payable	2,118	2,072	2,170	1,172
Policyholder deposits	29,723	26,881	29,723	26,881
Unearned premiums liabilities	1,331	1,083	1,331	1,083
Outstanding claims liabilities	558	559	558	559
Reserves for life insurance	506,776	491,441	506,776	491,441
Reserves for long-term health insurance	37,057	31,358	37,057	31,358
Borrowings	14,000	19,000	14,000	19,000
Provisions	29	29	29	29
Deferred tax liabilities	57	853	–	853
Other liabilities	289	312	289	311
Separate account liabilities	257	285	257	285
Total liabilities	629,332	602,719	629,130	601,467
Shareholders' equity				
Share capital	3,120	3,120	3,120	3,120
Capital reserve	23,920	23,964	23,918	23,962
Other comprehensive income	1,715	3,662	1,706	3,651
Surplus reserve	2,945	2,955	2,945	2,955
General reserve	2,945	2,955	2,945	2,955
Retained earnings	25,112	21,179	24,685	21,250
Total equity attributable to shareholders of the company	59,757	57,835	59,319	57,893
Non-controlling interests	7	6	–	–
Total shareholders' equity	59,764	57,841	59,319	57,893
Total liabilities and shareholders' equity	689,096	660,560	688,449	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 nine months ended 30 September 2016

(All amounts in RMB millions unless otherwise stated)

	For the nine months ended 30 September 2016 Group	For the nine months ended 30 September 2015 Group	For the nine months ended 30 September 2016 Company	For the nine months ended 30 September 2015 Company
1. Operating Income	117,785	133,994	117,332	133,676
Premiums earned	92,474	94,011	92,474	94,011
Premium income	93,418	94,623	93,418	94,623
Less: Premiums ceded out	(712)	(492)	(712)	(492)
Net change in unearned premiums liabilities	(232)	(120)	(232)	(120)
Investment income	24,892	39,479	24,537	39,369
In: Share of profit of associates	28	398	16	398
Fair value gains/(losses)	(155)	(178)	(161)	(171)
Foreign exchange losses	195	171	195	171
Other operating income	379	511	287	296
2. Operating expenses	(111,730)	(122,583)	(111,752)	(122,371)
Surrenders	(32,620)	(47,163)	(32,620)	(47,163)
Claims expense	(31,046)	(18,775)	(31,046)	(18,775)
Less: claims recoverable from reinsurers	1,301	197	1,301	197
Increase in insurance contracts reserve	(25,755)	(36,011)	(25,755)	(36,011)
Less: insurance reserves recoverable from reinsurers	(810)	153	(810)	153
Business tax and surcharges expenses	(72)	(1,044)	(60)	(1,025)
Commission and brokerage expenses	(10,531)	(7,679)	(10,531)	(7,679)
Administrative expenses	(9,575)	(8,955)	(9,613)	(8,873)
Less: expenses recoverable from reinsurers	147	110	147	110
Other operating expenses	(1,986)	(2,832)	(1,982)	(2,721)
Impairment losses	(783)	(584)	(783)	(584)
3. Operating profit	6,055	11,411	5,580	11,305
Add: Non-operating income	117	5	115	5
Less: Non-operating expenses	(71)	(67)	(70)	(66)
4. Net profit before income tax expenses	6,101	11,349	5,625	11,244
Less: Income tax	(1,314)	(2,704)	(1,237)	(2,684)
5. Net profit	4,787	8,645	4,388	8,560

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Income (unaudited) (continued)

For the nine months ended 30 September 2016

(All amounts in RMB millions unless otherwise stated)

	For the nine months ended 30 September 2016 Group	For the nine months ended 30 September 2015 Group	For the nine months ended 30 September 2016 Company	For the nine months ended 30 September 2015 Company
6. Attributable to:				
Shareholders of the Company	4,786	8,644		
Non-controlling interests	1	1		
7. Earnings per share				
Basic earnings per share	RMB1.53	RMB2.77		
Diluted earnings per share	RMB1.53	RMB2.77		
8. Other Comprehensive income	(1,947)	(2,266)	(1,945)	(2,275)
9. Total Comprehensive income	<u>2,840</u>	<u>6,379</u>	<u>2,443</u>	<u>6,285</u>
Attributable to shareholders of the Company	2,839	6,378		
Attributable to non- controlling interests	1	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 Income (unaudited)

For the three months ended 30 September 2016

(All amounts in RMB millions unless otherwise stated)

	For the three months ended 30 September 2016 Group	For the three months ended 30 September 2015 Group	For the three months ended 30 September 2016 Company	For the three months ended 30 September 2015 Company
1. Operating Income	30,334	29,997	30,280	29,921
Premiums earned	22,172	21,834	22,172	21,834
Premium income	22,383	21,962	22,383	21,962
Less: Premiums ceded out	(266)	(159)	(266)	(159)
Net change in unearned premiums liabilities	55	31	55	31
Investment income	7,965	7,855	7,944	7,846
In: Share of profit of associates	(11)	143	(11)	143
Fair value gains/(losses)	20	(56)	18	(45)
Foreign exchange losses	53	180	53	180
Other operating income	124	184	93	106
2. Operating expenses	(28,455)	(27,472)	(28,455)	(27,391)
Surrenders	(5,808)	(7,741)	(5,808)	(7,741)
Claims expense	(10,326)	(5,735)	(10,326)	(5,735)
Less: claims recoverable from reinsurers	400	65	400	65
Increase in insurance contracts reserve	(5,723)	(7,158)	(5,723)	(7,158)
Less: insurance reserves recoverable from reinsurers	293	40	293	40
Business tax and surcharges expenses	(9)	(85)	(8)	(78)
Commission and brokerage expenses	(3,115)	(2,514)	(3,115)	(2,514)
Administrative expenses	(3,203)	(3,131)	(3,206)	(3,099)
Less: expenses recoverable from reinsurers	94	36	94	36
Other operating expenses	(717)	(689)	(715)	(647)
Impairment losses	(341)	(560)	(341)	(560)
3. Operating profit	1,879	2,525	1,825	2,530
Add: Non-operating income	21	2	19	2
Less: Non-operating expenses	(31)	(21)	(30)	(20)
4. Net profit before income tax expenses	1,869	2,506	1,814	2,512
Less: Income tax	(416)	(614)	(430)	(619)
5. Net profit	<u>1,453</u>	<u>1,892</u>	<u>1,384</u>	<u>1,893</u>

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Income (unaudited) (continued)

For the three months ended 30 September 2016

(All amounts in RMB millions unless otherwise stated)

	For the three months ended 30 September 2016 Group	For the three months ended 30 September 2015 Group	For the three months ended 30 September 2016 Company	For the three months ended 30 September 2015 Company
6. Attributable to:				
Shareholders of the Company	1,453	1,892		
Non-controlling interests	–	–		
7. Earnings per share				
Basic earnings per share	RMB0.46	RMB0.61		
Diluted earnings per share	RMB0.46	RMB0.61		
8. Other Comprehensive income	593	(4,739)	593	(4,740)
9. Total Comprehensive income	<u>2,046</u>	<u>(2,847)</u>	<u>1,977</u>	<u>(2,847)</u>
Attributable to shareholders of the Company	2,046	(2,847)		
Attributable to non-controlling interests	–	–		

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 nine months ended 30 September 2016

(All amounts in RMB millions unless otherwise stated)

	For the nine months ended 30 September 2016 Group	For the nine months ended 30 September 2015 Group	For the nine months ended 30 September 2016 Company	For the nine months ended 30 September 2015 Company
1. Cash flows from operating activities				
Premium received	89,375	91,300	89,375	91,300
Net cash received from reinsurance business	239	–	239	–
Net increase in policyholder deposits	2,114	–	2,114	–
Cash received for taxes and surcharges	304	1,203	304	1,203
Cash received from other operating activities	566	446	459	717
	<u>92,598</u>	<u>92,949</u>	<u>92,491</u>	<u>93,220</u>
Sub-total of cash inflows from operating activities				
Cash paid for claims	(62,514)	(65,907)	(62,514)	(65,907)
Net cash paid for reinsurance business	–	(67)	–	(67)
Net decrease in policyholder deposits	–	(2,336)	–	(2,336)
Cash paid for brokerage and commission fees	(10,031)	(7,143)	(10,031)	(7,143)
Cash paid to and for employees	(7,026)	(6,245)	(6,720)	(5,914)
Cash paid for taxes and surcharges	(1,301)	(2,804)	(1,235)	(2,742)
Cash paid from other operating activities	(1,907)	(2,692)	(2,359)	(2,566)
	<u>(82,779)</u>	<u>(87,194)</u>	<u>(82,859)</u>	<u>(86,675)</u>
Sub-total of cash outflows from operating activities				
Net cash flows from operating activities	<u>9,819</u>	<u>5,755</u>	<u>9,632</u>	<u>6,545</u>
2. Cash flows from investing activities				
Cash received from sales and redemption of investments	164,745	226,701	163,312	221,471
Cash received from investment income	21,308	21,740	21,195	21,657
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	3	2	1	2
Cash received from financial assets purchased under agreements to resell	46,249	147,173	46,057	146,963
	<u>232,305</u>	<u>395,616</u>	<u>230,565</u>	<u>390,093</u>
Sub-total of cash inflows from investing activities				
Cash paid for investment	(201,788)	(204,006)	(200,531)	(199,456)
Net increase in policy loans	(2,464)	(4,629)	(2,464)	(4,629)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(1,244)	(1,161)	(662)	(787)

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Cash Flows (unaudited) (continued)

For the nine months ended 30 September 2016

(All amounts in RMB millions unless otherwise stated)

	For the nine months ended 30 September 2016 Group	For the nine months ended 30 September 2015 Group	For the nine months ended 30 September 2016 Company	For the nine months ended 30 September 2015 Company
Cash paid for financial assets purchased under agreements to resell	(46,490)	(146,163)	(46,300)	(145,992)
Net cash generated from the disposal of subsidiary	(855)	–	–	–
Cash paid from other investing activities	–	–	(384)	(343)
Sub-total of cash outflows from investing activities	<u>(252,841)</u>	<u>(355,959)</u>	<u>(250,341)</u>	<u>(351,207)</u>
Net cash flows from investing activities	<u>(20,536)</u>	<u>39,657</u>	<u>(19,776)</u>	<u>38,886</u>
3. Cash flows from financing activities				
Cash received from financial assets sold under agreements to repurchase	3,161,251	2,775,542	3,161,251	2,775,542
Sub-total of cash inflows from financing activities	<u>3,161,251</u>	<u>2,775,542</u>	<u>3,161,251</u>	<u>2,775,542</u>
Cash paid for dividends and interests	(1,590)	(1,374)	(1,590)	(1,374)
Cash paid from financial assets sold under agreements to repurchase	(3,146,325)	(2,826,474)	(3,146,325)	(2,826,474)
Cash paid for borrowings	(5,000)	–	(5,000)	–
Sub-total of cash outflows from financing activities	<u>(3,152,915)</u>	<u>(2,827,848)</u>	<u>(3,152,915)</u>	<u>(2,827,848)</u>
Net cash flows from financing activities	<u>8,336</u>	<u>(52,306)</u>	<u>8,336</u>	<u>(52,306)</u>
4. Effect of foreign exchange rate changes	<u>153</u>	<u>141</u>	<u>150</u>	<u>138</u>
5. Net increase/(decrease) in cash and cash equivalents	(2,228)	(6,753)	(1,658)	(6,737)
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>11,676</u>	<u>7,750</u>	<u>10,774</u>	<u>7,148</u>

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