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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)**

## **2013 FIRST QUARTER REPORT**

This announcement is made by New China Life Insurance Company Ltd. (the “Company”) pursuant to provisions regarding disclosure of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 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 2013 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 (the “Board”), the board of supervisors, directors, supervisors, and members of senior management of the Company warrant that there are no false representations, misleading statements or material omissions in the contents of this report, and are jointly and severally liable for the authenticity, accuracy and completeness of this report.
- 1.2 The 2013 First Quarter Report of the Company was considered and approved at the sixth meeting of the fifth session of the Board of the Company on 26 April 2013, which 15 directors were required to attend and 14 of them attended in person. Director CHEONG Chee Meng, authorized director CHEN Johnny to attend the meeting and vote on behalf of him.
- 1.3 The financial statements of the Company for the first quarter of 2013 have been prepared in accordance with the PRC Accounting Standards for Business Enterprises and are unaudited.
- 1.4 Mr. KANG Dian, the chairman of the Company, Mr. CHEN Guogang, the Chief Financial Officer, Mr. GONG Xingfeng, the Chief Actuary of the Company and Ms. MENG Xia, the officer in charge of the Accounting Department warrant the authenticity, accuracy and completeness of the financial statements in the 2013 First Quarter Report.

## §2 BASIC INFORMATION OF THE COMPANY

### 2.1 Key accounting data and financial indicators

Unit: RMB Million

	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	508,361	493,693	3.0%
Shareholders' equity attributable to shareholders of the Company	37,407	35,870	4.3%
Net assets per share attributable to shareholders of the Company (RMB per share)	11.99	11.50	4.3%
	The reporting period	The same period of last year	Increase/ (decrease) compared to the same period of last year
Net cash flows from operating activities	14,931	22,405	(33.4%)
Weighted average net cash flows per share from operating activities (RMB per share)	4.79	7.18	(33.3%)
Operating Income	37,256	38,790	(4.0%)
Net profit attributable to shareholders of the Company	1,465	768	90.8%
Net profit attributable to shareholders of the Company after deducting non-recurring items	1,487	800	85.9%
Basic/diluted earnings per share (RMB per share)	0.47	0.25	88.0%
Basic earnings per share after deducting non-recurring items (RMB per share)	0.48	0.26	84.6%
Weighted average return on equity	4.00%	2.39%	N/A
Weighted average return on equity after deducting non-recurring items	4.06%	2.49%	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 Million

Non-recurring items	From the beginning to the end of the reporting period
Losses on disposal of fixed assets, intangible assets and other long-term investment	(4)
Other non-recurring items	(25)
Effect of income tax expenses of non-recurring items	7
Attribute to minority interest	–
Total	(22)

## 2.3 Other key indicators

Unit: RMB Million

Indicators	As of 31 March 2013/ For the three months ended 31 March 2013	As of 31 December 2012/ For the three months ended 31 March 2012	Increase/ (decrease) compared to 31 December 2012/ Increase/ (decrease) compared to the same period of 2012
Investment assets <sup>(1)</sup>	491,935	478,481	2.8%
Premiums earned	31,324	34,899	(10.2%)
Growth rate of earned premiums	(10.2%)	15.6%	N/A
Net claims expense	2,683	1,952	37.4%
Surrender rate <sup>(2)</sup>	1.9%	1.4%	N/A

Notes:

- Cash and bank deposits as well as related 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)

From the beginning of the year to the end of the reporting period, the total investment yield of the Company was 1.2%, total investment yield = (Investment income – Investment income in associates + Net fair value gains/(losses) – Impairment losses on financial assets)/((Investment assets at the beginning of the period + Investment assets at the end of the period)/2). The annualized total investment yield was 4.9%, annualized total investment yield = total investment yield in first quarter × 365/90.

## 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>	25,605 (including 25,246 A shareholders and 359 H 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>
Central Huijin Investment Ltd.	State-owned shares	31.23%	974,173,154	974,173,154	
HKSCC Nominees Limited <sup>(1)</sup>	Overseas legal person shares	17.31%	539,933,960	0	
Baosteel Group Corporation	State-owned legal person shares	15.11%	471,212,186	0	
Zurich Insurance Company Ltd	Overseas legal person shares	12.50%	390,000,000	0	
Hebei Deren Investment Co., Ltd.	Domestic legal person shares	4.00%	124,825,942	0	
CICC Securities (HK) Limited	Overseas legal person shares	2.08%	65,000,000	0	
Standard Chartered Principal Finance (Cayman) Ltd.	Overseas legal person shares	1.25%	39,000,000	0	
Shanghai Shangyan Investment Center (Limited Partnership)	Domestic legal person shares	1.16%	36,166,156	0	
Century Golden Resources Investment Group Co., Ltd.	Domestic legal person shares	1.09%	34,143,368	0	34,143,368
Tibet Shannan Xinshang Investment Management Limited	Domestic legal person shares	1.04%	32,585,712	0	32,581,951
Description of connected relations or connected action among the aforesaid shareholders	Central Huijin Investment Ltd. holds 43.35% equity interest in China International Capital Corporation Limited, an overseas fund operated by an overseas subsidiary of China International Capital Corporation Limited holds 100% equity interest in CICC Securities (HK) Limited, and CICC Securities (HK) Limited holds 2.08% equity interest in the Company; 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., thus the two have connected relation. Except the above mentioned, the Company is not aware of any connections among the shareholders or whether they are parties acting in concert.				

### Notes:

1. 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 Stock Exchange of Hong Kong Limited do not require such person 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	539,933,960	H
Baosteel Group Corporation	471,212,186	A
Zurich Insurance Company Ltd	390,000,000	H
Hebei Deren Investment Co., Ltd.	124,825,942	A
CICC Securities (HK) Limited	65,000,000	H
Standard Chartered Principal Finance (Cayman) Ltd.	39,000,000	H
Shanghai Shangyan Investment Center (Limited Partnership)	36,166,156	A
Century Golden Resources Investment Group Co., Ltd.	34,143,368	A
Tibet Shannan Xinshang Investment Management Limited	32,585,712	A
VATS Group	31,745,000	A
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., thus the two have connected relation. Except the above mentioned, the Company is not aware of any connections among the shareholders or whether they are parties acting in concert.	

### §3 SIGNIFICANT EVENTS

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

✓ Applicable    □ Not applicable

##### (1) Significant changes in items of financial statements and their reasons

Unite: RMB Million

Items in the balance sheet	As of 31 March 2013	As of 31 December 2012	Increase/ (decrease)	Main reasons for the changes
Held-for-trading financial assets	6,526	4,549	43.5%	Increase in equity securities allocated to held-for-trading financial assets
Premiums receivables	2,936	1,556	88.7%	Increased accumulation of insurance business
Receivables from reinsurers	503	364	38.2%	Impact of the billing cycles of the reinsurance companies
Unearned premium reserves receivable from reinsurers	89	27	229.6%	Uneven distribution of short-term insurance premium and increase in ceded out insurance business
Investments classified as loans and receivables	3,158	308	925.3%	Increase in new investment products because of the broadening of investment channels for insurance funds
Unearned premiums liabilities	1,018	750	35.7%	Uneven distribution of short-term insurance premium
Premiums received in advance	171	518	(67.0%)	Different time points of business underwriting
Brokerage and commission payable	870	630	38.1%	Increase in initial premiums collected from individual operating segment in March 2013 compared to December 2012
Reinsurance payable	127	33	284.8%	Impact of the billing cycles of the reinsurance companies
Salary and welfare payable	700	1,031	(32.1%)	Different time points of salary and welfare payment
Taxes payable	367	270	35.9%	Increase in corporate income tax payable
Other liabilities	615	338	82.0%	Increase in the interests for subordinated term debts

Items in the statement of income	For the nine months ended 30 September 2012	For the nine months ended 30 September 2011	Increase/ (decrease)	Main reasons for the changes
Premiums ceded out	(85)	45	N/A	Decrease in surrenders from certain reinsurance business
Investment income	6,113	3,415	79.0%	Fluctuation of the capital market and the Company's timely sales of equity assets with impairment losses recognized previously
Fair value gains/(losses)	(280)	365	N/A	Fluctuation of the capital market
Surrenders	(7,338)	(4,741)	54.8%	Increase in life insurance surrenders
Claims recoverable from reinsurers	109	272	(59.9%)	Decrease in maturity benefits recoverable from reinsurers due to the decrease of maturity benefits of business ceded
Insurance reserves recoverable from reinsurers	(73)	(332)	(78.0%)	Decrease in maturity benefits recoverable from reinsurers due to decrease in maturity benefits of business ceded
Impairment losses	(186)	(520)	(64.2%)	The recognition of impairment losses of the financial assets in the same period of 2012 due to fluctuation of capital market
Income tax	(312)	(92)	239.1%	Increase in income tax for the current period due to increase in net profit before tax
Other comprehensive income	72	808	(91.1%)	Fluctuation of capital market and the Company's timely sales of equity assets, thus transferred fair value changes previously recognized as other comprehensive income into investment income.

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

Applicable    Not applicable

#### (1) *Issuance of 2013 debt financing instruments*

To further enhance the Company's solvency adequacy ratio, pursuant to the resolution of the Company's Second Extraordinary General Meeting of 2013, the Company planned to issue debt financing instruments with a period of more than 5 years and a total amount of not more than RMB5 billion in 2013. The issuance of the 2013 debt financing instruments of the Company is pending on the approval of regulatory authorities.

#### (2) *Recovery for the monetary loss relating to the former chairman's misconduct*

To settle fund transactions and clarify the debtor-creditor relationship between the Company and Beijing Tianhuan Real Estate Development Co., Ltd. during the term of office of the former chairman, the Company brought a lawsuit against Beijing Tianhuan Real Estate Development Co., Ltd., requiring the latter to return the debt principal of RMB575 million and its interest to the Company. In December 2012, Beijing Second Intermediate People's Court ruled to reject the lawsuit filed by us. The Company made an appeal to Beijing Municipal Higher People's Court during the appealing period. Beijing Municipal Higher People's Court has made the second instance ruling, which sustained the first instance ruling of Beijing Second Intermediate People's Court. The Company brought a lawsuit regarding the aforesaid matter to Chongqing Municipal Higher People's Court on 18 March 2013. The case is now under trial.

### 3.3 Implementation of undertakings by the Company, its shareholders and de facto controller

Applicable    Not applicable

#### (1) *Controlling shareholders' 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.

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

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

During the reporting period, Huijin, our controlling shareholder, is fulfilling its commitment of not to transfer the Company's shares within a certain period continuously and normally.



**(3) 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 Announcement on the Declaration of Special Dividend issued by the Company on 26 July 2012. As of 31 March 2013, the balance of the onshore Special Fund Accounts for the special dividend distribution amounted to RMB612,604,694.19, while that of the offshore Special Fund Accounts amounted to HK\$225,188,800.20. The aforesaid Special 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, such commitment 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.  
**KANG Dian**  
*Chairman*

Beijing, China, 26 April 2013

*As at the date of this announcement, the Executive Directors of the Company are KANG Dian and HE Zhiguang; the Non-executive Directors are ZHAO Haiying, MENG Xingguo, LIU Xiangdong, WANG Chengran, CHEN Johnny, CHEONG Chee Meng and ZHAO John Huan; 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)

31 March 2013

(All amounts in RMB million unless otherwise stated)

Assets	As of 31 March 2013 Group	As of 31 December 2012 Group	As of 31 March 2013 Company	As of 31 December 2012 Company
<b>Assets</b>				
Cash and bank deposits	22,701	24,809	22,669	24,235
Held-for-trading financial assets	6,526	4,549	5,952	4,503
Interest receivables	10,120	10,762	10,113	10,758
Premiums receivables	2,936	1,556	2,936	1,556
Receivables from reinsurers	503	364	503	364
Unearned premium reserves receivables from reinsurers	89	27	89	27
Claim reserves receivable from reinsurers	15	22	15	22
Reserves for life insurance receivables from reinsurers	2,777	2,844	2,777	2,844
Reserves for long-term health insurance receivables from reinsurance	26	25	26	25
Policy loans	4,469	3,866	4,469	3,866
Other receivables	2,260	2,369	2,322	2,426
Term deposits	174,325	172,083	173,894	171,652
Available-for-sale financial assets	91,729	84,335	91,729	84,335
Held-to-maturity investments	177,915	176,817	177,915	176,817
Investments classified as loans and receivables	3,158	308	3,147	297
Long-term equity investments	701	708	2,020	2,028
Statutory deposits	717	717	715	715
Investment properties	1,625	1,635	1,625	1,635
Fixed assets	3,756	3,789	3,555	3,584
Constructions in process	374	337	202	163
Intangible assets	104	102	95	93
Deferred tax assets	737	863	722	846
Other assets	525	543	493	510
Separate account assets	273	263	273	263
<b>Total assets</b>	<b>508,361</b>	<b>493,693</b>	<b>508,256</b>	<b>493,564</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)**

**31 March 2013**

(All amounts in RMB million unless otherwise stated)

<b>Liabilities and Equity</b>	<b>As of 31 March 2013 Group</b>	<b>As of 31 December 2012 Group</b>	<b>As of 31 March 2013 Company</b>	<b>As of 31 December 2012 Company</b>
<b>Liabilities</b>				
Financial assets sold under agreements to repurchase	47,282	55,437	47,282	55,437
Premiums received in advance	171	518	171	518
Brokerage and commission payable	870	630	870	630
Reinsurance payable	127	33	127	33
Salary and welfare payable	700	1,031	667	965
Taxes payable	367	270	346	252
Claims payable	967	789	967	789
Other payable	2,225	2,051	2,240	2,070
Policyholder deposits	18,100	18,734	18,100	18,734
Unearned premiums liabilities	1,018	750	1,018	750
Outstanding claims liabilities	432	452	432	452
Reserves for life insurance	363,451	342,790	363,451	342,790
Reserves for long-term health insurance	18,887	18,280	18,887	18,280
Borrowings	15,000	15,000	15,000	15,000
Provisions	458	458	458	458
Other liabilities	615	338	615	338
Separate account liabilities	275	254	275	254
<b>Total liabilities</b>	<b>470,945</b>	<b>457,815</b>	<b>470,906</b>	<b>457,750</b>
<b>Shareholders' equity</b>				
Share capital	3,120	3,120	3,120	3,120
Capital reserve	24,038	23,967	24,038	23,967
Surplus reserve	1,000	1,000	1,000	1,000
General reserve	1,000	1,000	1,000	1,000
Retained earnings	8,249	6,783	8,192	6,727
<b>Total equity attributable to shareholders of the Company</b>	<b>37,407</b>	<b>35,870</b>	<b>37,350</b>	<b>35,814</b>
Non-controlling interests	9	8	–	–
<b>Total shareholders' equity</b>	<b>37,416</b>	<b>35,878</b>	<b>37,350</b>	<b>35,814</b>
<b>Total liabilities and shareholders' equity</b>	<b>508,361</b>	<b>493,693</b>	<b>508,256</b>	<b>493,564</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 three months ended 31 March 2013**

(All amounts in RMB million unless otherwise stated)

	For the three months ended 31 March		For the three months ended 31 March	
	2013 Group	2012 Group	2013 Company	2012 Company
<b>1. Operating Income</b>	37,256	38,790	37,250	38,789
Premiums earned	31,324	34,899	31,324	34,899
Premium income	31,615	35,076	31,615	35,076
Less: Premiums ceded out	(85)	45	(85)	45
Net change in unearned premiums liabilities	(206)	(222)	(206)	(222)
Investment income	6,113	3,415	6,107	3,412
Fair value gains/(losses)	(280)	365	(280)	365
Foreign exchange losses	(28)	(12)	(28)	(12)
Other operating income	127	123	127	125
<b>2. Operating expenses</b>	(35,448)	(37,898)	(35,447)	(37,907)
Surrenders	(7,338)	(4,741)	(7,338)	(4,741)
Claims expense	(2,792)	(2,224)	(2,792)	(2,224)
Less: claims recoverable from reinsurers	109	272	109	272
Increase in insurance contracts reserve	(20,780)	(25,390)	(20,780)	(25,390)
Less: insurance reserves recoverable from reinsurers	(73)	(332)	(73)	(332)
Business tax and surcharges expenses	(26)	(31)	(23)	(28)
Commission and brokerage expenses	(1,727)	(2,115)	(1,727)	(2,116)
Administrative expenses	(2,189)	(2,235)	(2,193)	(2,246)
Less: expenses recoverable from reinsurers	19	13	19	13
Other operating expenses	(465)	(595)	(463)	(595)
Impairment losses	(186)	(520)	(186)	(520)
<b>3. Operating profit</b>	1,808	892	1,803	882
Add: Non-operating income	–	–	–	–
Less: Non-operating expenses	(30)	(32)	(26)	(32)
<b>4. Net profit before income tax expenses</b>	1,778	860	1,777	850
Less: Income tax	(312)	(92)	(312)	(92)
<b>5. Net profit</b>	<u>1,466</u>	<u>768</u>	<u>1,465</u>	<u>758</u>

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

**For the three months ended 31 March 2013**

(All amounts in RMB million unless otherwise stated)

	For the three months ended 31 March		For the three months ended 31 March	
	2013 Group	2012 Group	2013 Company	2012 Company
<b>6. Attributable to:</b>				
Shareholders of the Company	1,465	768		
Non-controlling interests	1	–		
<b>7. Earnings per share</b>				
Basic earnings per share	RMB0.47	RMB0.25		
Diluted earnings per share	RMB0.47	RMB0.25		
<b>8. Other Comprehensive income</b>	<u>72</u>	<u>808</u>	<u>72</u>	<u>808</u>
<b>9. Total Comprehensive income</b>	<u><u>1,538</u></u>	<u><u>1,576</u></u>	<u><u>1,537</u></u>	<u><u>1,566</u></u>
Attributable to shareholders of the Company	1,537	1,576		
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 three months ended 31 March 2013**

(All amounts in RMB million unless otherwise stated)

	For the three months ended 31 March		For the three months ended 31 March	
	2013 Group	2012 Group	2013 Company	2012 Company
<b>1. Cash flows from operating activities</b>				
Premium received	29,864	33,810	29,864	33,810
Net increase in policyholder deposits	–	300	–	300
Cash received from other operating activities	146	69	140	69
<b>Sub-total of cash inflows from operating activities</b>	<b>30,010</b>	<b>34,179</b>	<b>30,004</b>	<b>34,179</b>
Cash paid for claims	(9,952)	(6,804)	(9,952)	(6,804)
Net cash paid from reinsurance business	(3)	(1)	(3)	(1)
Net decrease in policyholder deposits	(548)	–	(548)	–
Cash paid for brokerage and commission fees	(1,506)	(1,934)	(1,507)	(1,934)
Cash paid to and for employees	(1,880)	(1,833)	(1,826)	(1,791)
Cash paid for taxes and surcharges	(269)	(387)	(250)	(371)
Cash paid from other operating activities	(921)	(815)	(915)	(810)
<b>Sub-total of cash outflows from operating activities</b>	<b>(15,079)</b>	<b>(11,774)</b>	<b>(15,001)</b>	<b>(11,711)</b>
<b>Net cash flows from operating activities</b>	<b>14,931</b>	<b>22,405</b>	<b>15,003</b>	<b>22,468</b>
<b>2. Cash flows from investing activities</b>				
Cash received from sales and redemption of investments	23,347	9,490	22,835	9,456
Cash received from investment income	5,714	3,896	5,712	3,896
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	1	1	1	1
Cash received from financial assets purchased under agreements to resell	4,290	6,885	4,290	6,885
<b>Sub-total of cash inflows from investing activities</b>	<b>33,352</b>	<b>20,272</b>	<b>32,838</b>	<b>20,238</b>

**Statement of Cash Flows (unaudited) (continued)**  
**For the three months ended 31 March 2013**

(All amounts in RMB million unless otherwise stated)

	For the three months ended 31 March		For the three months ended 31 March	
	2013 Group	2012 Group	2013 Company	2012 Company
Cash paid for investment	(36,796)	(54,671)	(35,757)	(54,704)
Net increase in policy loans	(603)	(312)	(603)	(312)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(75)	(846)	(70)	(845)
Cash paid for financial assets purchased under agreements to resell	(4,290)	(6,852)	(4,290)	(6,852)
Cash paid from other investing activities	—	—	(59)	(30)
<b>Sub-total of cash outflows from investing activities</b>	<u>(41,764)</u>	<u>(62,681)</u>	<u>(40,779)</u>	<u>(62,743)</u>
<b>Net cash flows from investing activities</b>	<u>(8,412)</u>	<u>(42,409)</u>	<u>(7,941)</u>	<u>(42,505)</u>
<b>3. Cash flows from financing activities</b>				
Proceeds from share issuance	—	59	—	58
Cash received from financial assets sold under agreements to repurchase	963,781	901,451	963,781	901,451
<b>Sub-total of cash inflows from financing activities</b>	<u>963,781</u>	<u>901,510</u>	<u>963,781</u>	<u>901,509</u>
Cash paid from financial assets sold under agreements to repurchase	(971,560)	(878,003)	(971,560)	(878,003)
<b>Sub-total of cash outflows from financing activities</b>	<u>(971,560)</u>	<u>(878,003)</u>	<u>(971,560)</u>	<u>(878,003)</u>
<b>Net cash flows from financing activities</b>	<u>(7,779)</u>	<u>23,507</u>	<u>(7,779)</u>	<u>23,506</u>
<b>4. Effect of foreign exchange rate changes</b>	<u>(2)</u>	<u>—</u>	<u>(2)</u>	<u>—</u>
<b>5. Net increase/(decrease) in cash and cash equivalents</b>	(1,262)	3,503	(719)	3,469
Add: Opening balance of cash and cash equivalents	25,065	21,095	24,262	20,744
<b>6. Closing balance of cash and cash equivalents</b>	<u>23,803</u>	<u>24,598</u>	<u>23,543</u>	<u>24,213</u>

**Kang Dian**  
Chairman

**Chen Guogang**  
Chief Financial Officer

**Gong Xingfeng**  
Chief Actuary

**Meng Xia**  
Head of Accounting  
Department