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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: 01336)

2017 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 2017 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 2017 First Quarter Report of the Company was considered and approved at the twelfth meeting of the sixth session of the Board on 28 April 2017, which 12 directors were required to attend and 12 directors attended in person.
- 1.3 The financial statements of the Company for the first quarter of 2017 have been prepared in accordance with the PRC Accounting Standards for Business Enterprises and are unaudited.
- 1.4 Wan Feng, the Chairman of the Company, Yang Zheng, the Chief Financial Officer (Financial Principal), Gong Xingfeng, the Chief Actuary of the Company and 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 2017 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	710,533	699,181	1.6%
Shareholders' equity attributable to shareholders of the Company	61,601	59,118	4.2%
Net assets per share attributable to shareholders of the Company (RMB per share)	19.74	18.95	4.2%
	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	(4,900)	4,825	N/A
Weighted average net cash flows per share from operating activities (RMB per share)	(1.57)	1.55	N/A
Operating Income	44,595	55,267	-19.3%
Net profit attributable to shareholders of the Company	1,837	1,994	-7.9%
Net profit attributable to shareholders of the Company after deducting non-recurring items	1,899	1,959	-3.1%
Basic/diluted earnings per share (RMB per share)	0.59	0.64	-7.8%
Basic earnings per share after deducting non-recurring items (RMB per share)	0.61	0.63	-3.2%
Weighted average return on equity	3.04%	3.47%	decrease by 0.43 percentage points
Weighted average return on equity after deducting non-recurring items	3.15%	3.40%	decrease by 0.25 percentage points

Notes: Data and indicators of shareholders' equity refer to shareholders' equity attributable to shareholders of the Company, while those of net profit refer 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	(2)
Other non-recurring items	(80)
Effect of income tax expenses of non-recurring items	20
Attribute to minority interest	–
Total	(62)

2.3 Other key indicators

Unit: RMB in millions

Indicators	As of 31 March 2017/For the three months ended 31 March 2017	As of 31 December 2016/For the three months ended 31 March 2016	Increase/ (decrease) compared to 31 December 2016/Increase/ (decrease) compared to the same period of 2016
Investment assets ⁽¹⁾	690,059	679,794	1.5%
Premium income	37,251	46,575	-20.0%
Premiums earned	36,705	46,076	-20.3%
Growth rate of earned premiums	-20.3%	-10.7%	decrease by 9.6 percentage points
Net claims expense	15,431	11,932	29.3%
In: claims and death, invalid and medical benefits	1,293	1,082	19.5%
maturity benefits and annuity paid	14,308	11,316	26.4%
Less: claims recoverable from reinsurers	(170)	(466)	-63.5%
Surrender rate ⁽²⁾	2.9%	3.7%	decrease by 0.8 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 2017, the annualized total investment yield of the Company was 4.5%, 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) ×365/90.

2.4 Quarterly business data

Unit: RMB in millions			
For the 3 months ended 31 March	2017	2016	Change
Individual insurance channel ⁽¹⁾	29,084	22,791	27.61%
First year premiums	9,903	7,355	34.63%
Regular premiums	9,173	6,246	46.86%
Regular premiums with payment periods of ten years or more	7,552	4,233	78.42%
Single premiums	729	1,109	-34.23%
Renewal premiums	19,181	15,436	24.27%
Bancassurance channel	7,487	23,197	-67.73%
First year premiums	2,989	18,639	-83.96%
Regular premiums	2,963	1,981	49.60%
Regular premiums with payment periods of ten years or more	89	54	65.67%
Single premiums	26	16,658	-99.84%
Renewal premiums	4,498	4,558	-1.32%
Group insurance	680	587	15.77%
Total	37,251	46,575	-20.02%

Notes:

1. The premiums of individual insurance channel are the sum of premiums from the original individual insurance agent channel and the service and business development channel. The comparative figures have been recalculated on the base line of the reporting period.
2. Numbers may not be additive due to rounding.

2.5 Solvency

The Company calculated and disclosed core capital, actual capital, minimum capital, core solvency margin ratio and comprehensive solvency margin ratio according to the Solvency Regulatory Rules (No. 1-17) for Insurance Companies. As required by China Insurance Regulatory Commission, solvency margin ratios of a domestic insurance company in 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	177,521	168,616
Actual capital	191,521	182,616
Minimum capital	67,994	64,917
Core solvency margin ratio	261.08%	259.74%
Comprehensive solvency margin ratio	<u>281.67%</u>	<u>281.30%</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	45,351 (including 44,755 A Share shareholders and 596 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%	1,033,882,836	–	–	H
Central Huijin Investment Ltd.	State-owned shares	31.34%	977,530,534	–	–	A
China Baowu Steel Group Corporation Limited ⁽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	2.98%	92,855,574	–	–	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	0.41%	12,858,571	–	–	A
China Universal Asset Management Co., Ltd – ICBC – China Universal Tianfu Bull No. 53 Asset Management Plan	Others	0.24%	7,538,697	–	–	A
ICBC-Harvest New Opportunity Flexible Allocation Mixed Launched Securities Investment Fund	Others	0.23%	7,276,311	–	–	A
Chinalife – Dividends – Personal Dividends – 005L – FH002SH	Others	0.21%	6,471,916	–	–	A
Description of related-party relations or concerted action among the aforesaid shareholders	Central Huijin Asset Management Ltd. is a wholly owned subsidiary of Central Huijin Investment 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.					

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. The Company's shareholder, China Baowu Steel Group Corporation Limited ("**Baowu Group**"), completed the issuance of exchangeable bonds on 12 December 2014. A total number of 165,000,000 A shares of the Company held by Baowu 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. The shares are held by China International Capital Corporation Limited ("**CICC**") nominally and registered on the list of shareholders with "Baosteel Group-CICC-14 Baosteel EB Guaranteed and Trusted Assets Special Account" as the shareholder. 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 the website of the Hong Kong Stock Exchange on 16 December 2014. As of the end of the reporting period, among the A shares as guaranteed and trusted assets for the exchangeable bonds issued by Baowu Group, 26,721 shares have been exchanged to A shares of the Company by the bond 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 2017	As of 31 December 2016	Increase/ (decrease)	Main reasons for the changes
Cash and cash equivalents	18,912	14,132	33.8%	Requirements for daily liquidity management
Premiums receivables	2,904	1,846	57.3%	Uneven distribution of insurance business among quarters and accumulative increase of insurance business
Unearned premium reserves receivable from reinsurers	107	57	87.7%	Increase in ceded out short-term insurance business
Other receivables	535	866	-38.2%	Decrease in investment clearing amount receivable
Premiums received in advance	225	3,042	-92.6%	Different time points of business underwriting

Items in the Balance sheet	As of 31 March 2017	As of 31 December 2016	Increase/ (decrease)	Main reasons for the changes
Brokerage and commission payable	3,007	1,713	75.5%	Effect of adjustment in insurance product structure
Reinsurance payable	462	215	114.9%	Increase in ceded out insurance business
Taxes payable	2,571	1,550	65.9%	Increase in business income taxes payable
Other payable	4,772	1,460	226.8%	Increase in investment clearing amount payable
Other liabilities	643	411	56.4%	Increase in subordinated debt interest payable
Other comprehensive income	1,567	921	70.1%	Increase in carrying amount of available-for-sale financial assets due to the capital market with fluctuation

Items in the statement of income	For the three months ended 31 March 2017	For the three months ended 31 March 2016	Increase/ (decrease)	Main reasons for the changes
Premiums ceded out	(303)	(220)	37.7%	Increase in ceded out insurance business
Fair value gains/(losses)	98	(170)	N/A	Change of fair value from realized losses to gains on stocks and enterprise bonds in trading financial assets due to the capital market with fluctuation
Foreign exchange gains/(losses)	(19)	(42)	-54.8%	Fluctuation of USD exchange rate
Other income	163	119	37.0%	Increase in other income due to the clearance of long-term payables
Claims recoverable from reinsurers	170	466	-63.5%	Decrease in maturities recoverable from reinsurers in 2017 and the maturity of certain reinsurance business insurance product in 2016

Items in the statement of income	For the three months ended 31 March 2017	For the three months ended 31 March 2016	Increase/ (decrease)	Main reasons for the changes
Increase in insurance contracts reserve	201	(11,359)	N/A	Effect of adjustment in insurance product structure and increase in claims expense
Insurance reserves recoverable from reinsurers	50	(595)	N/A	Increase in ceded out insurance business in 2017 and the maturity of certain reinsurance business in 2016
Tax and surcharges expenses	(17)	(60)	-71.7%	The change from business tax to value added tax, which is tax exclusive price and no longer included in this report item
Expenses recoverable from reinsurers	48	29	65.5%	Increase in ceded out insurance business
Other operating expenses	(795)	(580)	37.1%	Increase in interest expense of financial assets sold under agreements to repurchase
Impairment losses	(424)	(43)	886.0%	Increase in impairment losses of available-for-sale financial assets in the reporting period due to capital market with fluctuation
Income tax	(847)	(204)	315.2%	Increase in taxable income

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

✓ Applicable Not applicable

Issuance of Domestic Debt Financing Instruments

To maintain the Company's stability of solvency, support the healthy development of businesses, and further optimize the capital structure, according to the 9th meeting of the sixth session of the Board on 24 February 2017, the Company may issue capital supplement bond and other debt financing instruments in compliance with regulatory requirements not exceeding RMB15 billion. The term of authorization shall start from the date of the first extraordinary general meeting of 2017 till the end of the annual general meeting of 2019. The issue of domestic debt financing instruments is still subject to approvals of the general meeting of shareholders and regulatory authorities.

Please refer to “the Proposed Issue of Domestic Debt Financing Instruments and Overseas Debt Financing Instruments” published on 24 February 2017 and “the Proposal on the Election of Non-executive Director of the Sixth Session of the Board; Proposal on the Standard of the Remuneration of the Chairman of the Board of Supervisors of the Company; Proposal on the Outline of the 13th Five Year Development Plan of the Company; Proposal on the Domestic Debt Financing Scheme of the Company; Proposal on the Overseas Debt Financing Scheme of the Company; and Notice of the First EGM of 2017” published on 13 March 2017 for details.

Issuance of Overseas Debt Financing Instruments

To broaden the channel of investment and financing in overseas markets, strengthen the cooperation in overseas markets, and enhance the Company’s influence in the international market, according to the 9th meeting of the sixth session of the Board on 24 February 2017, the Company may issue overseas debt financing instruments in the amount not exceeding USD2 billion or equivalent amount in other foreign currencies. The term of authorization shall be start from the date of the first extraordinary general meeting of 2017 till the end of the annual general meeting of 2019. The issue of domestic debt financing instruments is still subject to the general meeting of shareholders and approvals of regulatory authorities.

Please refer to “the Proposed Issue of Domestic Debt Financing Instruments and Overseas Debt Financing Instruments” published on 24 February 2017 and “the Proposal on the Election of Non-executive Director of the Sixth Session of the Board; Proposal on the Standard of the Remuneration of the Chairman of the Board of Supervisors of the Company; Proposal on the Outline of the 13th Five Year Development Plan of the Company; Proposal on the Domestic Debt Financing Scheme of the Company; Proposal on the Overseas Debt Financing Scheme of the Company; and Notice of the First EGM of 2017” published on 13 March 2017 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

3.5 Other significant events

According to the “Notice of the China Insurance Regulatory Commission on Optimizing the Discount Rate Curve Applicable to Insurance Contract Liabilities” (Bao Jian Fa [2017] No. 23), other related regulations and current information available in the reporting period ended on 31 March 2017, the company reset the assumptions on the discount rate used to evaluate the insurance contract reserves in this reporting period ended on 31 March 2017, which led to an increase in reserves for life insurance by RMB746 million, an increase in reserves for long-term health insurance by RMB380 million, and a decrease in profit before income tax by RMB1,126 million.

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

Beijing, China, 28 April 2017

As at the date of this announcement, the Executive Directors of the Company are WAN Feng and LI Zongjian; the Non-executive Directors are LIU Xiangdong, CHEN Yuanling, WU Kunzong, HU Aimin and DACEY John Robert; and the Independent Non-executive Directors are LI Xianglu, ZHENG Wei, FONG Chung Mark, NEOH Anthony Francis and CHENG Lie.

§4 APPENDIX

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Financial Position (unaudited)

31 March 2017

(All amounts in RMB million unless otherwise stated)

Assets	As of 31 March 2017 Group	As of 31 December 2016 Group	As of 31 March 2017 Company	As of 31 December 2016 Company
Assets				
Cash and bank deposits	18,912	14,132	17,806	12,634
Measured at fair value and the changes are recorded into the profits and losses of the current financial assets	11,534	11,678	11,339	11,585
Financial assets purchased under agreements to resell	2,319	2,322	1,934	2,211
Interest receivables	10,093	9,664	9,909	9,312
Premiums receivables	2,904	1,846	2,904	1,846
Receivables from reinsurers	882	720	882	720
Unearned premium reserves receivables from reinsurers	107	57	107	57
Claim reserves receivable from reinsurers	29	38	29	38
Reserves for life insurance receivables from reinsurers	1,411	1,410	1,411	1,410
Reserves for long-term health insurance receivables from reinsurance	526	468	526	468
Policy loans	24,064	23,831	24,064	23,831
Other receivables	535	866	1,360	1,911
Term deposits	61,536	79,845	60,936	79,245
Available-for-sale financial assets	302,597	283,308	297,074	277,844
Held-to-maturity investments	196,366	195,126	196,366	195,126
Investments classified as loans and receivables	56,945	54,235	36,925	34,235
Long-term equity investments	4,630	4,575	34,039	33,652
Statutory deposits	816	816	715	715
Investment properties	3,473	3,395	3,473	3,395
Fixed assets	6,162	6,292	4,418	4,546
Constructions in process	1,728	1,557	650	508
Intangible assets	1,742	1,792	1,559	1,595
Deferred tax assets	361	308	343	290
Other assets	611	643	735	931
Separate account assets	250	257	250	257
Total assets	710,533	699,181	709,754	698,362

Wan Feng
Chairman

Yang Zheng
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 2017

(All amounts in RMB million unless otherwise stated)

Liabilities and Equity	As of 31 March 2017 Group	As of 31 December 2016 Group	As of 31 March 2017 Company	As of 31 December 2016 Company
Liabilities				
Measured at fair value and the changes are recorded into the profits and losses of the current financial liabilities	9	9	–	–
Financial assets sold under agreements to repurchase	41,870	39,246	41,868	39,246
Premiums received in advance	225	3,042	225	3,042
Brokerage and commission payable	3,007	1,713	3,007	1,713
Reinsurance payable	462	215	462	215
Salary and welfare payable	1,720	2,078	1,568	1,781
Taxes payable	2,571	1,550	2,572	1,491
Claims payable	3,354	2,950	3,354	2,950
Other payable	4,772	1,460	4,710	1,484
Policyholder deposits	31,640	29,820	31,640	29,820
Unearned premiums liabilities	1,457	1,164	1,457	1,164
Outstanding claims liabilities	613	640	613	640
Reserves for life insurance	500,415	502,493	500,415	502,493
Reserves for long-term health insurance	41,839	38,931	41,839	38,931
Borrowings	14,000	14,000	14,000	14,000
Provisions	29	29	29	29
Deferred tax liabilities	54	54	–	–
Other liabilities	643	411	640	408
Separate account liabilities	245	251	245	251
Total liabilities	648,925	640,056	648,644	639,658
Shareholders' equity				
Share capital	3,120	3,120	3,120	3,120
Capital reserve	23,919	23,919	23,917	23,917
Other comprehensive income	1,567	921	1,547	900
Surplus reserve	3,403	3,403	3,403	3,403
General reserve	3,403	3,403	3,403	3,403
Retained earnings	26,189	24,352	25,720	23,961
Total equity attributable to shareholders of the company	61,601	59,118	61,110	58,704
Non-controlling interests	7	7	–	–
Total shareholders' equity	61,608	59,125	61,110	58,704
Total liabilities and shareholders' equity	710,533	699,181	709,754	698,362

Wan Feng
Chairman

Yang Zheng
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 2017

(All amounts in RMB million unless otherwise stated)

	For the three months ended 31 March 2017 Group	For the three months ended 31 March 2016 Group	For the three months ended 31 March 2017 Company	For the three months ended 31 March 2016 Company
1. Operating Income	44,595	55,267	44,554	54,906
Premiums earned	36,705	46,076	36,705	46,076
Premium income	37,251	46,575	37,251	46,575
Less: Premiums ceded out	(303)	(220)	(303)	(220)
Net change in unearned premiums liabilities	(243)	(279)	(243)	(279)
Investment income	7,648	9,284	7,634	8,957
In: Share of profit of associates	15	(22)	15	(33)
Fair value gains/(losses)	98	(170)	99	(175)
Foreign exchange gains/(losses)	(19)	(42)	(19)	(42)
Other operating income	163	119	135	90
2. Operating expenses	(41,829)	(53,109)	(41,872)	(53,121)
Surrenders	(16,604)	(21,294)	(16,604)	(21,294)
Claims expense	(15,601)	(12,398)	(15,601)	(12,398)
Less: claims recoverable from reinsurers	170	466	170	466
Increase in insurance contracts reserve	201	(11,359)	201	(11,359)
Less: insurance reserves recoverable from reinsurers	50	(595)	50	(595)
Business tax and surcharges expenses	(17)	(60)	(15)	(50)
Commission and brokerage expenses	(5,175)	(4,063)	(5,175)	(4,063)
Administrative expenses	(3,682)	(3,212)	(3,733)	(3,236)
Less: expenses recoverable from reinsurers	48	29	48	29
Other operating expenses	(795)	(580)	(789)	(578)
Impairment losses	(424)	(43)	(424)	(43)
3. Operating profit	2,766	2,158	2,682	1,785
Add: Non-operating income	2	56	2	56
Less: Non-operating expenses	(84)	(16)	(84)	(16)
4. Net profit before income tax expenses	2,684	2,198	2,600	1,825
Less: Income tax	(847)	(204)	(841)	(143)
5. Net profit	<u>1,837</u>	<u>1,994</u>	<u>1,759</u>	<u>1,682</u>

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Income (unaudited) (continued)

For the three months ended 31 March 2017

(All amounts in RMB million unless otherwise stated)

	For the three months ended 31 March 2017 Group	For the three months ended 31 March 2016 Group	For the three months ended 31 March 2017 Company	For the three months ended 31 March 2016 Company
6. Attributable to:				
Shareholders of the Company	1,837	1,994		
Non-controlling interests	–	–		
7. Earnings per share				
Basic earnings per share	RMB0.59	RMB0.64		
Diluted earnings per share	RMB0.59	RMB0.64		
8. Other Comprehensive income/(loss)	646	(2,588)	647	(2,583)
9. Total Comprehensive income	<u>2,483</u>	<u>(594)</u>	<u>2,406</u>	<u>(901)</u>
Attributable to shareholders of the Company	2,483	(594)		
Attributable to non-controlling interests	–	–		
Wan Feng <i>Chairman</i>	Yang Zheng <i>Chief Financial Officer</i>	Gong Xingfeng <i>Chief Actuary</i>	Meng Xia <i>Head of Accounting Department</i>	

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Cash Flows (unaudited)

For the three months ended 31 March 2017

(All amounts in RMB million unless otherwise stated)

	For the three months ended 31 March 2017 Group	For the three months ended 31 March 2016 Group	For the three months ended 31 March 2017 Company	For the three months ended 31 March 2016 Company
1. Cash flows from operating activities				
Premium received	33,420	42,828	33,420	42,828
Net increase in policyholder deposits	1,570	1,823	1,570	1,823
Cash received for taxes and surcharges	12	141	12	141
Cash received from other operating activities	208	242	455	157
Sub-total of cash inflows from operating activities	<u>35,210</u>	<u>45,034</u>	<u>35,457</u>	<u>44,949</u>
Cash paid for claims	(31,801)	(33,006)	(31,801)	(33,006)
Cash paid for brokerage and commission fees	(3,882)	(3,618)	(3,882)	(3,618)
Cash paid to and for employees	(3,333)	(2,810)	(3,156)	(2,603)
Cash paid for taxes and surcharges	(164)	(99)	(112)	(81)
Cash paid from other operating activities	(930)	(676)	(911)	(656)
Sub-total of cash outflows from operating activities	<u>(40,110)</u>	<u>(40,209)</u>	<u>(39,862)</u>	<u>(39,964)</u>
Net cash flows from operating activities	<u>(4,900)</u>	<u>4,825</u>	<u>(4,405)</u>	<u>4,985</u>
2. Cash flows from investing activities				
Cash received from sales and redemption of investments	69,410	58,715	69,141	57,951
Cash received from investment income	7,086	9,574	7,078	9,615
Cash received from financial assets purchased under agreements to resell	85,183	9,127	78,660	9,127
Sub-total of cash inflows from investing activities	<u>161,679</u>	<u>77,416</u>	<u>154,879</u>	<u>76,693</u>

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Cash Flows (unaudited) (continued)

For the three months ended 31 March 2017

(All amounts in RMB million unless otherwise stated)

	For the three months ended 31 March 2017 Group	For the three months ended 31 March 2016 Group	For the three months ended 31 March 2017 Company	For the three months ended 31 March 2016 Company
Cash paid for investment	(68,665)	(75,478)	(68,597)	(74,775)
Net increase in policy loans	(233)	(527)	(233)	(527)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(226)	(436)	(189)	(225)
Cash paid for financial assets purchased under agreements to resell	(85,286)	(9,595)	(78,488)	(9,595)
Net cash generated from the disposal of subsidiary	–	(855)	–	–
Cash paid from other investing activities	(3)	–	(207)	(168)
Sub-total of cash outflows from investing activities	<u>(154,413)</u>	<u>(86,891)</u>	<u>(147,714)</u>	<u>(85,290)</u>
Net cash flows from investing activities	<u>7,266</u>	<u>(9,475)</u>	<u>7,165</u>	<u>(8,597)</u>
3. Cash flows from financing activities				
Cash received from financial assets sold under agreements to repurchase	2,094,035	716,757	2,093,987	716,757
Sub-total of cash inflows from financing activities	<u>2,094,035</u>	<u>716,757</u>	<u>2,093,987</u>	<u>716,757</u>
Cash paid from financial assets sold under agreements to repurchase	(2,091,692)	(711,366)	(2,091,646)	(711,366)
Sub-total of cash outflows from financing activities	<u>(2,091,692)</u>	<u>(711,366)</u>	<u>(2,091,646)</u>	<u>(711,366)</u>
Net cash flows from financing activities	<u>2,343</u>	<u>5,391</u>	<u>2,341</u>	<u>5,391</u>
4. Effect of foreign exchange rate changes	<u>(11)</u>	<u>(35)</u>	<u>(10)</u>	<u>(35)</u>
5. Net increase/(decrease) in cash and cash equivalents	4,698	706	5,091	1,744
Add: Opening balance of cash and cash equivalents	14,230	13,904	12,732	12,432
6. Closing balance of cash and cash equivalents	<u>18,928</u>	<u>14,610</u>	<u>17,823</u>	<u>14,176</u>

Wan Feng
Chairman

Yang Zheng
Chief Financial Officer

Gong Xingfeng
Chief Actuary

Meng Xia
Head of Accounting Department