



新華人壽保險股份有限公司
New China Life Insurance Company Ltd.

New China Life Insurance Co., Ltd 2012 Interim Results Announcement



August 2012

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1	Overview
2	Operating results and highlights
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Overview

In the first half of 2012, China's life insurance industry faced a number of complex changes and challenges from macroeconomic environment, industry cyclicity and more. At the same time, factors such as a rapidly aging population and urbanization bring many potential opportunities to the industry. Under such complicated and uncertain environment, Chinese life insurers have proactively sought out new areas for growth and innovative approaches for value-driven business, embracing a period of industry-wide transition and development

Owing to the efforts of our entire team, in the first half of 2012, NCI continued to define and expand its numerous customer-focused operating practices. We have further ingrained our principle of value-oriented growth, and enforced strict regulatory compliance in our operations. The company has established the foundation for continuous balanced growth

In the second half of 2012, NCI will continue to implement its strategy of maintaining strict fundamental management, strengthening execution capabilities, and driving towards achieving operational targets

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Results highlights



1

Solidified market position and maintained premiums growth

2

Deepened value-driven strategic transformation

3

Focused on asset-liability management and maintained a prudent investment strategy

4

Further strengthened management and operational capabilities

Premiums income

— Solidified market position with continued premiums growth in each channel

Gross written premiums ("GWP")²

(RMB million)

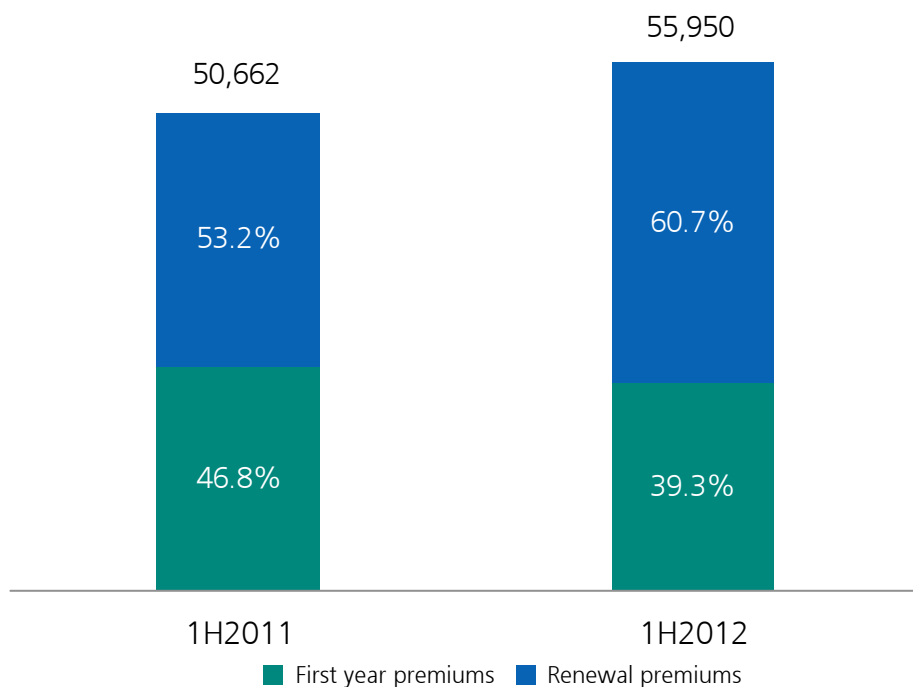
NCI ranking¹: **3**

Market share¹: **9.0%**

3

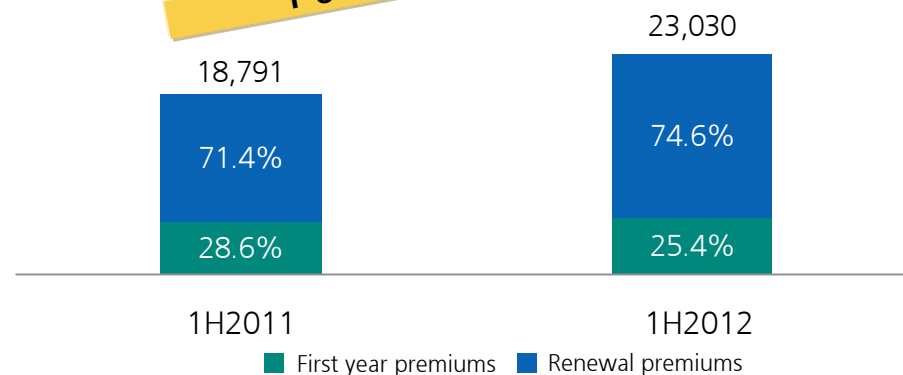
9.8%

Y-o-Y growth: **10.4%**



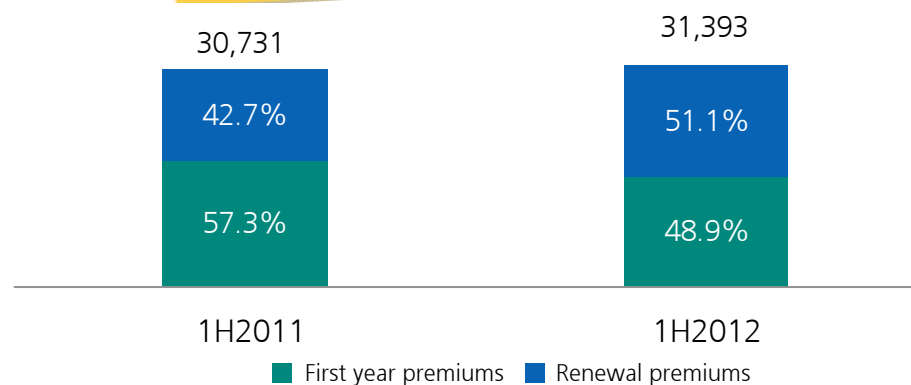
Insurance agent channel GWP

Y-o-Y growth: **22.6%**



Bancassurance channel GWP

Y-o-Y growth: **2.2%**



Notes:

1. Market share and ranking based on CIRC
2. First year premiums and renewal premiums as a % of total premiums excluding group insurance premiums

Insurance agent channel

— Focused on building agent channel, continuously improved agent quality

Agent channel FYP

(RMB million)

Y-o-Y growth: 8.9%



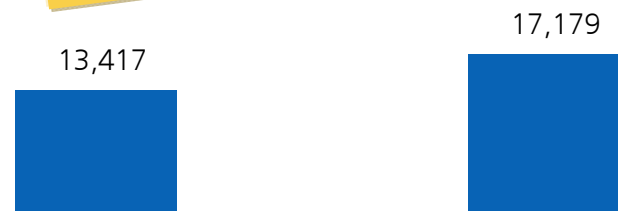
1H2011

1H2012

Agent channel renewal premiums

(RMB million)

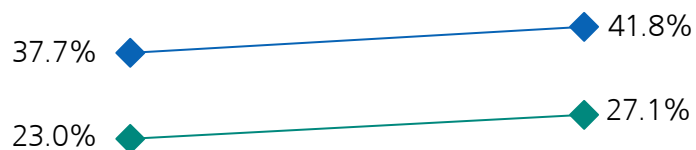
Y-o-Y growth: 28.0%



1H2011

1H2012

Agent channel FYP and GWP contribution



1H2011

1H2012

◆ % of individual insurance GWP ◆ % of individual insurance FYP

Number of insurance agents

(Thousands)



202

207

25

30

31 Dec 2011

30 Jun 2012

■ High-performing agents ■ Total agents

◆ High-performing agents as a % of total agents

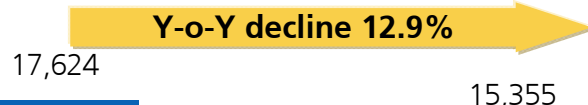
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Bancassurance channel

— Explored innovative business model, actively adjusted product mix

Bancassurance channel FYP

(RMB million)



1H2011

1H2012

Bancassurance channel renewal premiums

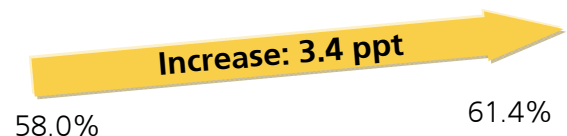
(RMB million)



1H2011

1H2012

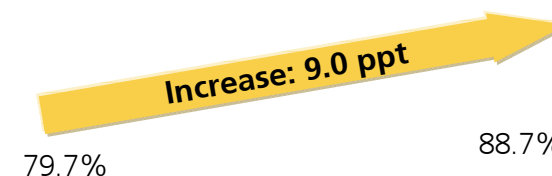
Contribution of total regular premiums in bancassurance channel¹



1H2011

1H2012

Contribution of regular premiums with 5-year payment period or above²



1H2011

1H2012

Notes:

1. (Bancassurance renewal premiums + bancassurance first year regular premiums) / bancassurance GWP

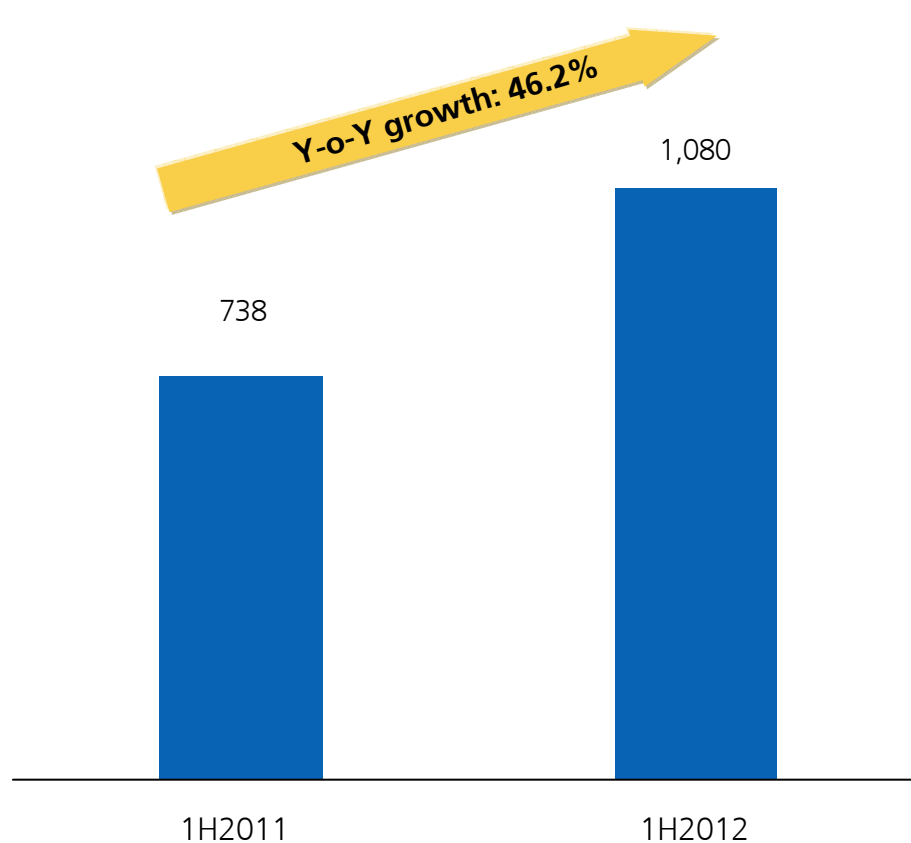
2. Bancassurance regular premiums with 5 year payment period or above / bancassurance first year regular premiums

Innovative channels

— Strengthened team-building efforts led to rapidly growing premiums

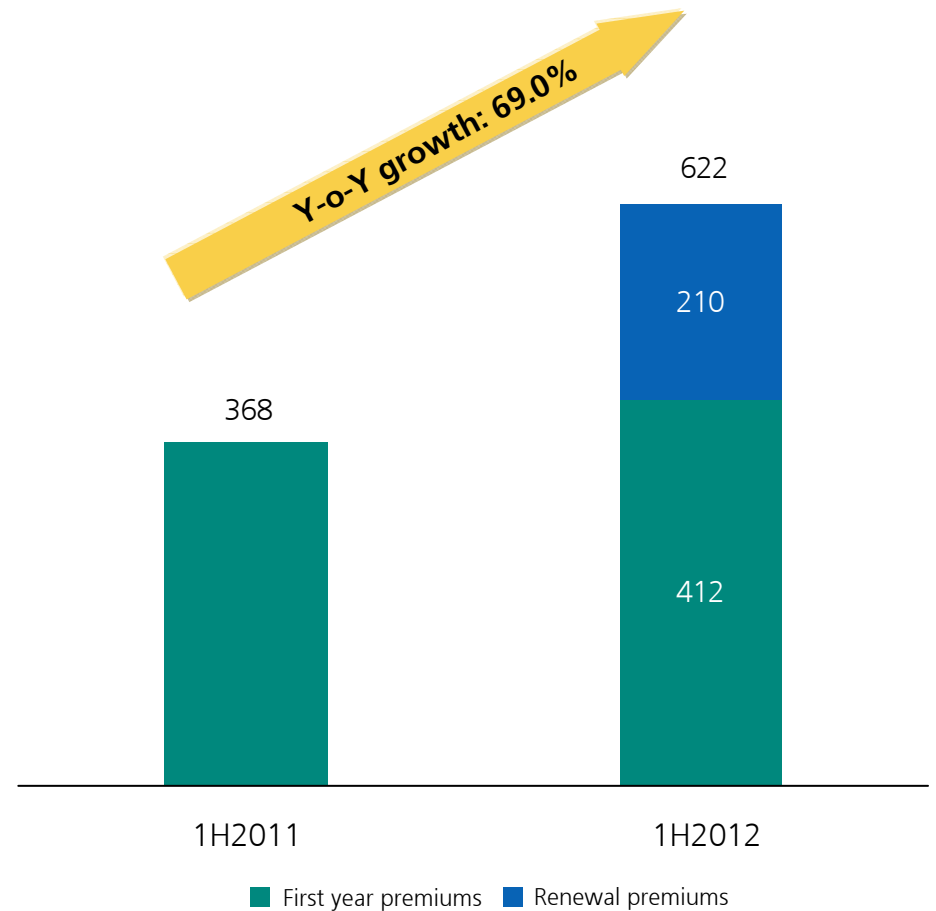
Renewal team FYP

(RMB million)



Wealth management channel GWP

(RMB million)



Customer service quality

— Persistency ratios remained stable

13-month persistency ratio

92.4%



1H2011

90.6%



1H2012

25-month persistency ratio

89.1%



1H2011

89.4%

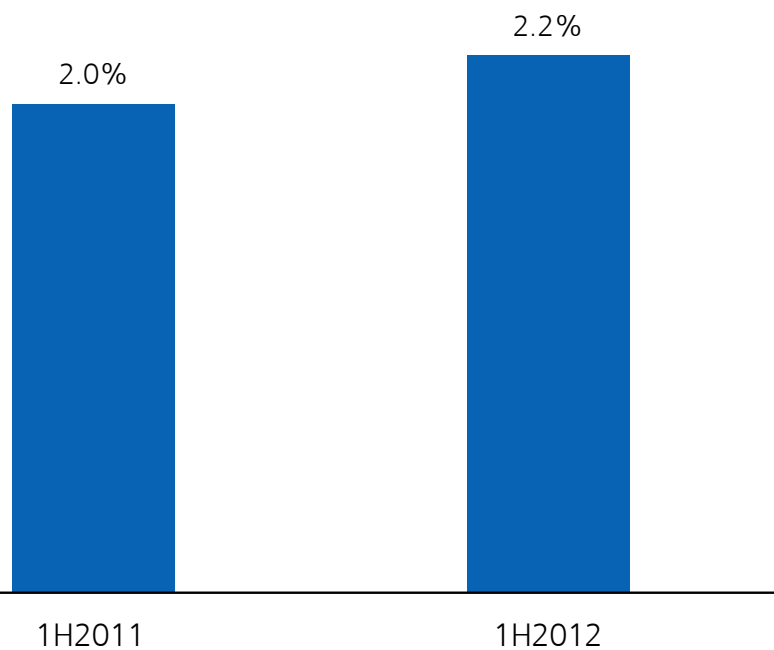


1H2012

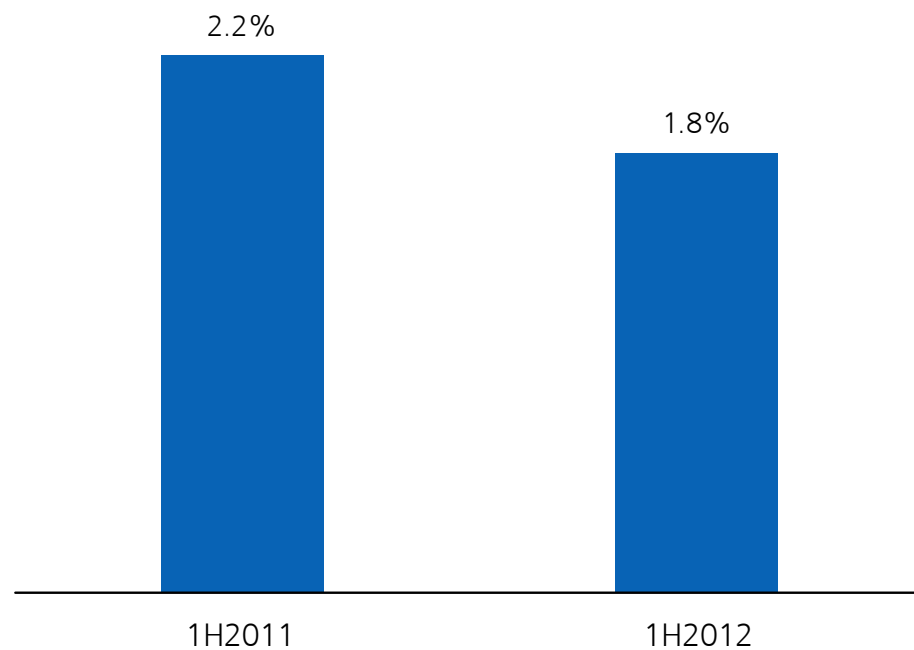
Investment strategy and performance

— Focused on asset-liability management, maintained a prudent investment strategy

Net investment yield^{1,3,4}



Total investment yield^{2,3,4}



Notes:

1. Net investment income includes cash, term deposits, interest income from debt and other investments, and stock dividends
2. Total investment income = net investment income + spread income from investment assets trading + gain / (loss) arising from changes in fair value + impairment loss of investment assets
3. Investment yield = Investment income / [(investment assets at the beginning of the period + investment assets at the end of the period) / 2]
4. Figures have not been annualized

Further strengthened management and operational capabilities

Achieved preliminary success in team building – standardization, specialisation and performance optimisation

1

Achieved full training coverage for the back office team

2

Commenced the Yunfan campus recruitment plan, expanded the recruitment channels and strengthened the development of potential leadership team

3

Continued to develop the leadership hierarchy and improve job allocation, ensuring the supply of talents

Strengthened the integrated service support capability

1

Increased centralisation of the operating system to achieve high efficiency

2

Improved the overall support capability of the IT system







3

Transformed the risk management framework towards a defensive and systematic system

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Key operating metrics

Units: RMB million	1H2012	1H2011 ¹		Change
GWP	55,950	50,662		10.4%
Market share	9.8%	9.0%		0.8 ppt
Net profit attributable to shareholders	1,904	1,775		7.3%
Basic EPS (RMB)	0.61	0.93		(34.4%)
Net assets per share (RMB)	11.2	10.0¹		11.5%
Return on weighted average equity	5.7%	13.1%		(7.4) ppt

Note:

1. Net assets per share as of 31 Dec 2011

Investment performance

	30 Jun 2012	31 Dec 2011	Change
Term deposits	36.0%	32.9%	 3.1 ppt
Debt securities	46.8%	50.9%	 (4.1) ppt
Equity securities	7.4%	7.8%	 (0.4) ppt
Cash and cash equivalents	6.8%	5.6%	 1.2 ppt
Other investments ¹	3.0%	2.8%	 0.2 ppt
Total investment assets (RMB million)	452,910	373,958	 21.1%

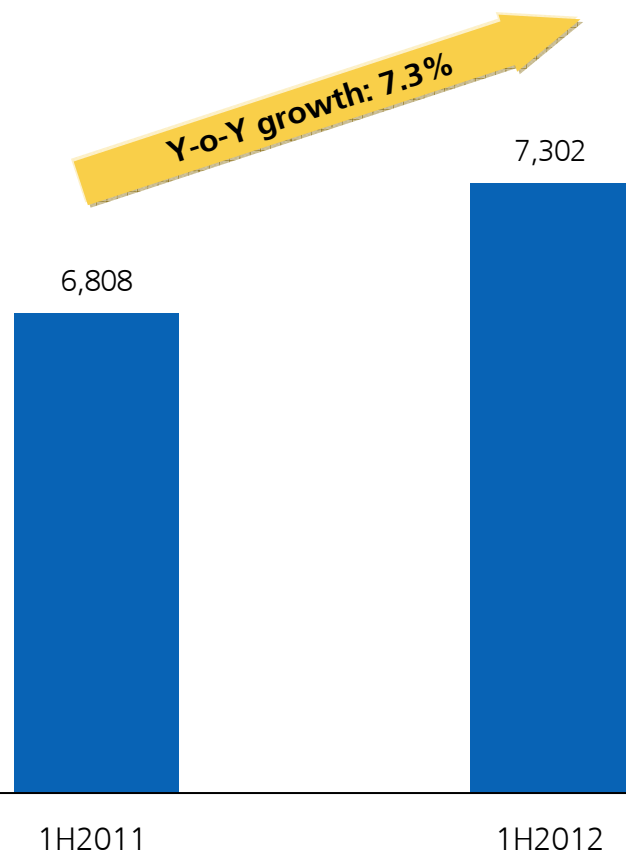
Note:

1. Other investments mainly include statutory deposits, policy loans, financial assets purchased under agreements to resell and accrued investment income

Investment performance

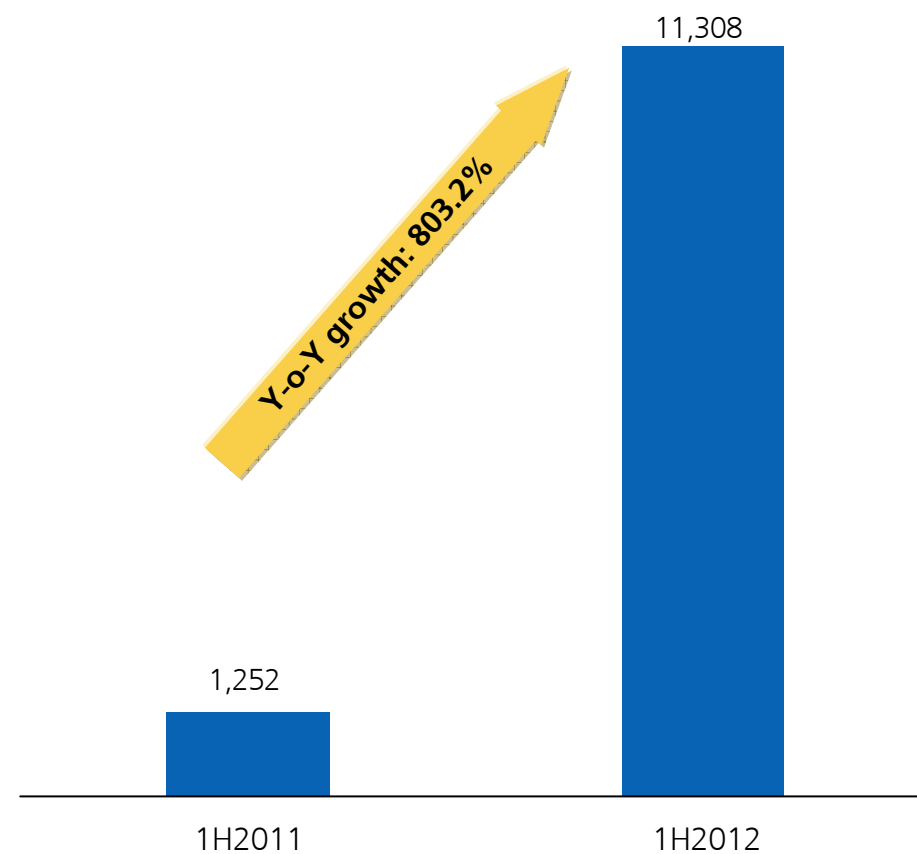
Total investment income

(RMB million)



Comprehensive investment income¹

(RMB million)



Note:

1. Comprehensive investment income = Total investment income + Gain / (loss) due to changes in fair value of available-for-sale financial assets + Net amount recorded as other consolidated income in previous reporting period and transferred to P&L this period

Financial position

Total assets

(RMB million)

Growth: 21.3%

386,771

469,004

31 Dec 2011

30 Jun 2012

Equity attributable to shareholders

(RMB million)

Growth: 11.6%

31,306

34,934

31 Dec 2011

30 Jun 2012

Solvency margin ratio

Increase: 2.8 ppt

156.0%

158.8%

>200.0%¹

31 Dec 2011

30 Jun 2012

Note:

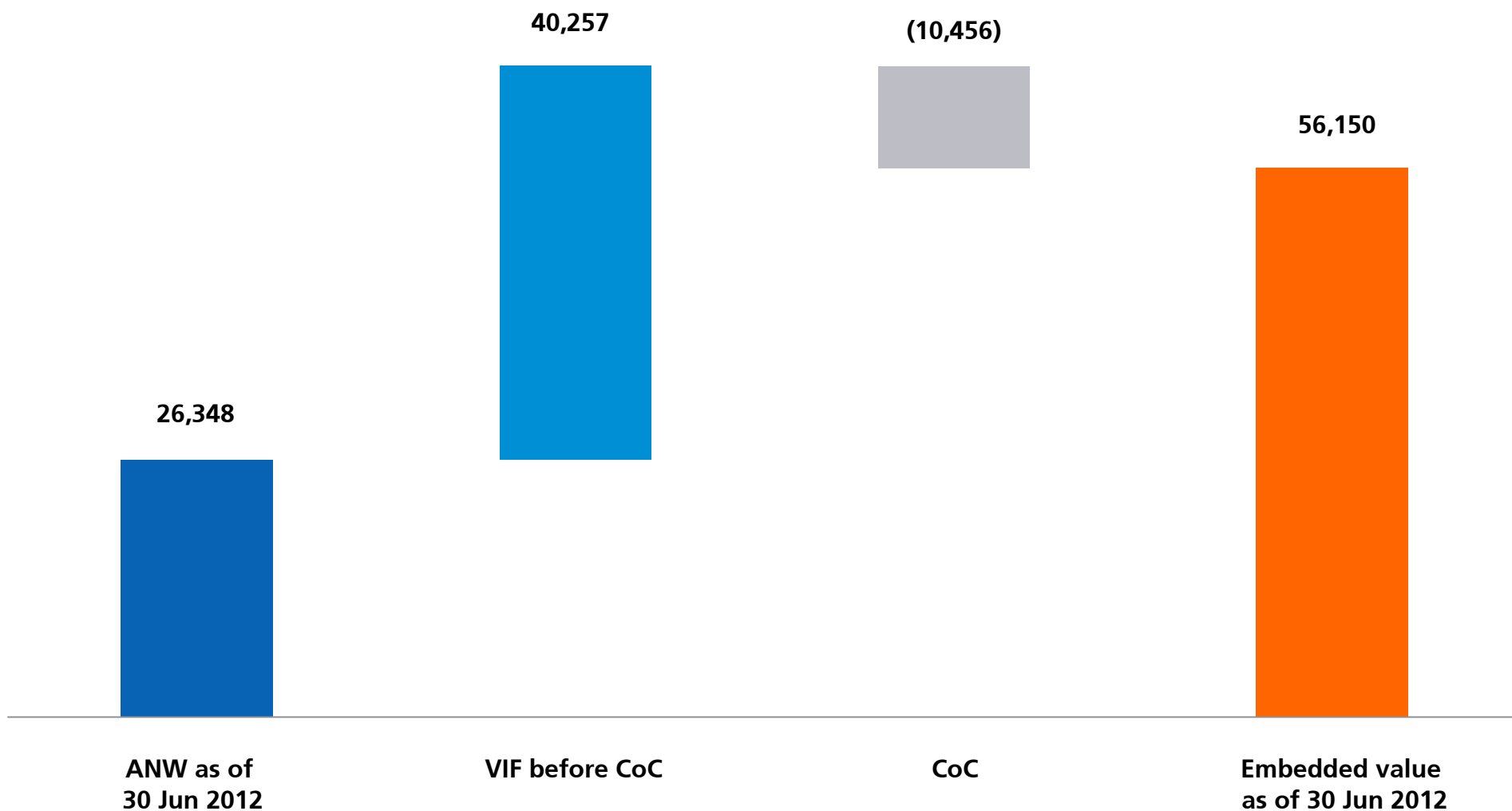
1. After completion of RMB10bn subordinated debt issuance, solvency margin ratio will exceed 200%

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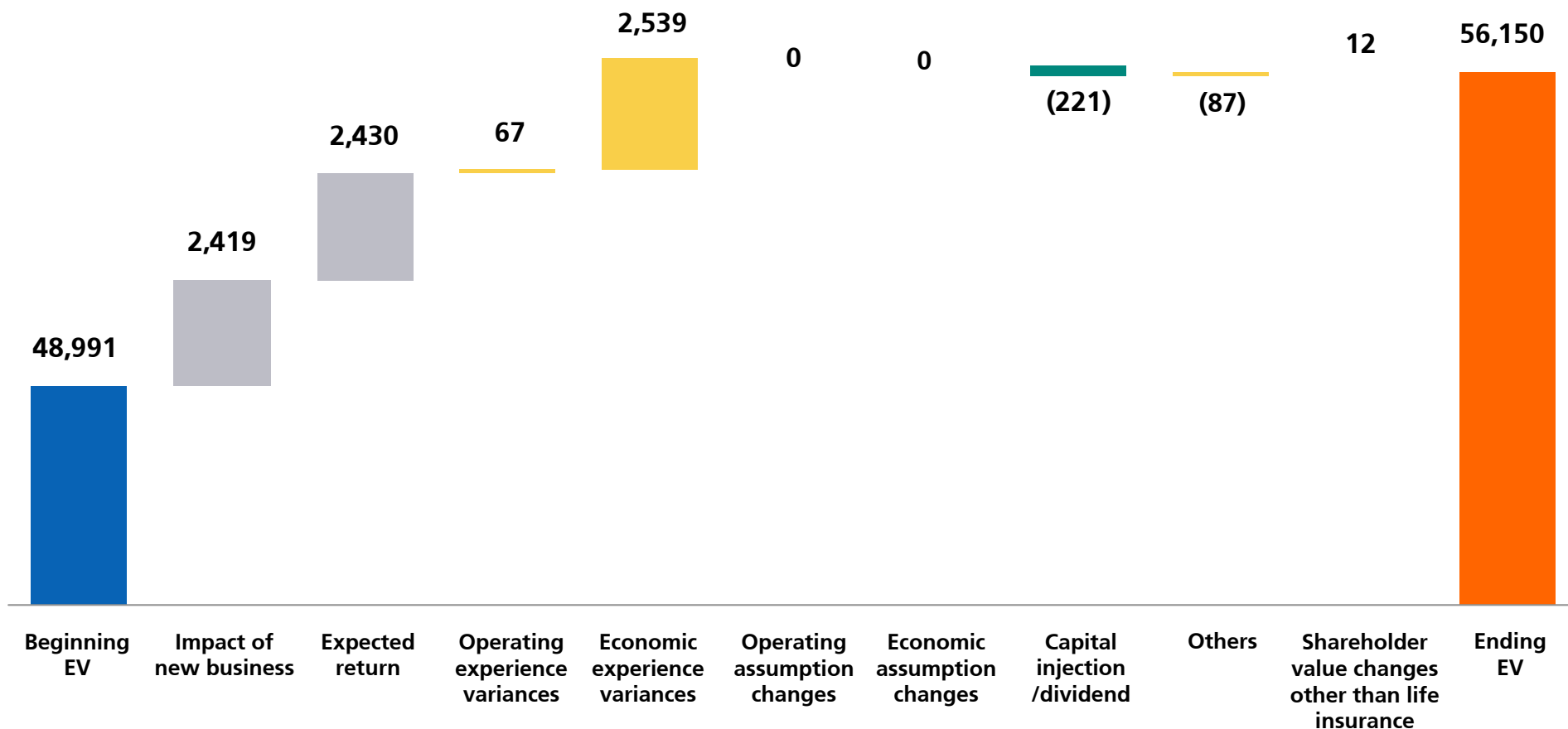
Embedded value—composition analysis

(RMB million)



Embedded value—movement analysis

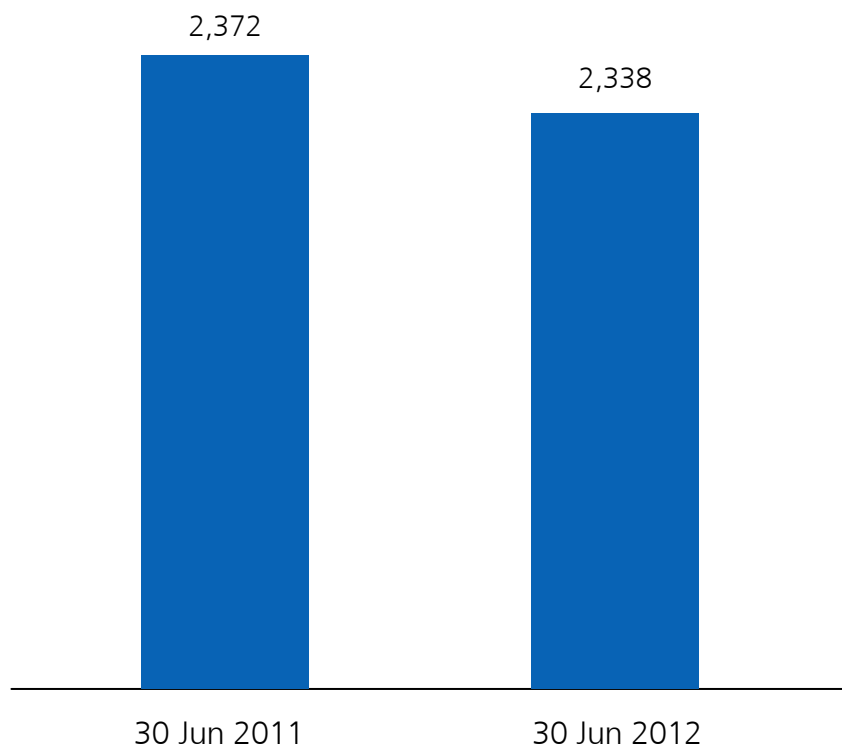
(RMB million)



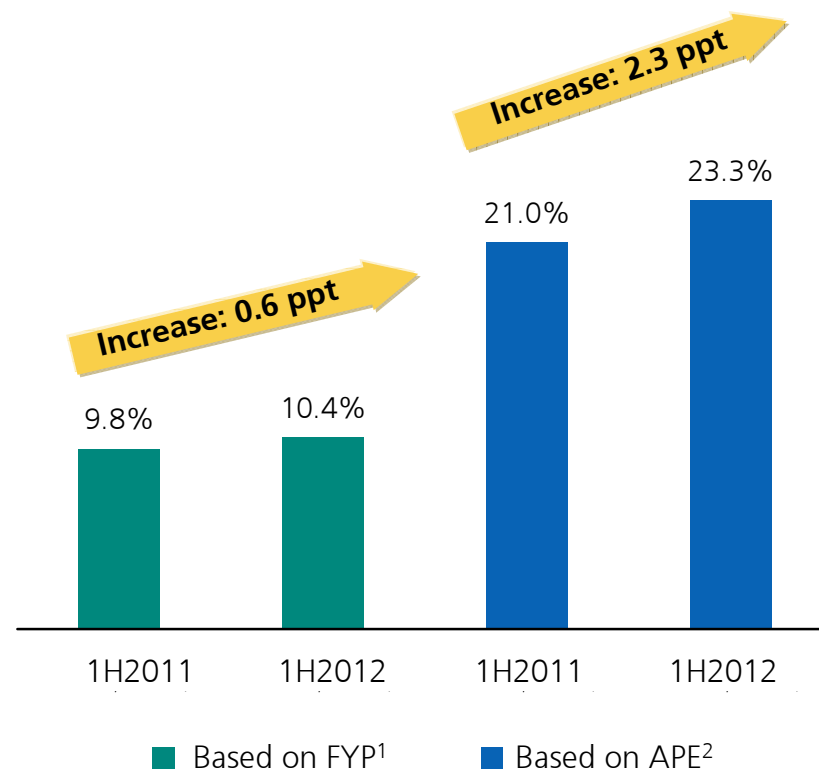
Value of new business

1H new business value

(RMB million)



New business value margin



Notes:

1. New business margin (FYP) = value of new business / FYP

2. New business margin (APE) = value of new business / (100% * first year regular premium + 10% * first year single premium)

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Strategic plan for 2H2012





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Q & A

