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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)

2015 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 2015 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 2015 Third Quarter Report of the Company was considered and approved at the 30th meeting of the fifth session of the Board on 30 October 2015, which 13 directors were required to attend and 9 of them attended in person. Director ZHAO Haiying, DACEY John Robert respectively authorized director MENG Xingguo, Chairman of the Board KANG Dian, independent non-executive director FONG Chung Mark, ZHAO Hua respectively authorized independent non-executive director CHEN Xianping, WANG Yuzhong to attend the meeting and vote on behalf of them.
- 1.3 The financial statements of the Company for the third quarter of 2015 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. WAN Feng, the President 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 2015 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	630,905	643,709	-2.0%
Shareholders' equity attributable to shareholders of the Company	54,082	48,359	11.8%
Net assets per share attributable to shareholders of the Company (RMB per share)	17.33	15.50	11.8%
	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	5,755	30,038	-80.8%
Weighted average net cash flows per share from operating activities (RMB per share)	1.84	9.63	-80.9%
Operating Income	133,994	109,925	21.9%
Net profit attributable to shareholders of the Company	8,644	6,325	36.7%
Net profit attributable to shareholders of the Company after deducting non-recurring items	8,692	6,341	37.1%
Basic/diluted earnings per share (RMB per share)	2.77	2.03	36.5%
Basic earnings per share after deducting non-recurring items (RMB per share)	2.79	2.03	37.4%
Weighted average return on equity	16.84%	14.68%	increase by 2.16 percentage points
Weighted average return on equity after deducting non-recurring items	16.93%	14.71%	increase by 2.22 percentage points

Notes: Data and indicators of shareholders' equity refers to shareholders' equity attributable to shareholders of the Company, while that of net profit refers to net profit attributable to shareholders of the Company.

2.2 Deducting non-recurring items and amount

Unit: RMB in millions

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 assets	(3)
Other non-recurring items	(59)
Effect of income tax expenses of non-recurring items	14
Attribute to minority interest	–
Total	(48)

2.3 Other key indicators

Unit: RMB in millions

Indicators	As of 30 September 2015/For the nine months ended 30 September 2015	As of 31 December 2014/For the nine months ended 30 September 2014	Increase/ (decrease) compared to 31 December 2014/Increase/ (decrease) compared to the same period of 2014
Investment assets ⁽¹⁾	610,982	625,718	-2.4%
Premium income ⁽²⁾	94,623	86,225	9.7%
Premiums earned	94,011	85,725	9.7%
Growth rate of earned premiums	9.7%	19.3%	decrease by 9.6 percentage points
Net claims expense	18,578	12,222	52.0%
Surrender rate ⁽³⁾	8.3%	5.5%	increase by 2.8 percentage points

Notes:

- Investment assets of unit-linked contracts account are included in investment assets.
- During the first three quarters of 2015, premium income amounted to RMB94,623 million, of which individual insurance agent channel amounted to RMB40,784 million, bancassurance channel amounted to RMB44,804 million, service and business development channel amounted to RMB7,939 million, and group insurance amounted to RMB1,096 million.
- 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 2015, the annualized total investment yield was 8.7%, 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) × 365/273.

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

Unit: Share

Total number of shareholders	58,193 (including 57,597 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%	1,033,949,456	–	–	H
Central Huijin Investment Ltd.	State-owned shares	32.24%	1,005,779,734	–	–	A
Baosteel Group Corporation ⁽³⁾	State-owned legal person shares	15.11%	471,212,186	–	165,000,000	A
China Securities Finance Corporation Limited	State-owned legal person shares	2.99%	93,276,155	–	–	A
Hong Kong Securities Clearing Company Limited ⁽⁴⁾	Overseas legal person shares	1.10%	34,442,655	–	–	A
Beijing Taiji Huaqing Information System Co., Ltd.	Domestic legal person shares	0.72%	22,400,000	–	–	A
Tibet Shannan Xinshang Investment Management Limited	Domestic legal person shares	0.69%	21,536,502	–	–	A
Shanghai Shangyan Investment Center (Limited Partnership)	Others	0.49%	15,274,188	–	–	A
YANG Peng	Domestic natural person shares	0.39%	12,269,165	–	–	A
ICBC – the southern consuming dynamic and flexible configuration hybrid securities investment fund	Others	0.28%	8,600,128	–	–	A
Description of connected relations or connected action among the aforesaid shareholders	<p>Tibet Shannan Xinshang Investment Management Limited is a subsidiary of CITIC Private Equity Funds Management Co., Ltd., and Shanghai Shangyan Investment Center (Limited Partnership) is the investment entity of a fund operated by CITIC Private Equity Funds Management Co., Ltd..</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 of the end of the reporting period, none of the Company's A Shares and 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 (the "**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.
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 2015	As of 31 December 2014	Increase/ (decrease)	Main reasons for the changes
Cash and bank deposits	7,421	12,672	-41.4%	Requirement for daily liquidity management
Measured at fair value and the changes are recorded into the profits and losses of the current financial assets	18,833	8,469	122.4%	Increase of open-end funds in trading financial assets
Financial assets purchased under agreements to resell	605	1,584	-61.8%	Requirement for daily liquidity management
Premiums receivables	2,759	1,543	78.8%	Uneven distribution of insurance business between quarters and increased accumulation of insurance business
Reserves for long-term health insurance receivables from reinsurance	168	86	95.3%	Increase in ceded out long-term health insurance business
Policy loans	19,533	14,903	31.1%	Increase in demand for policy loans
Deferred tax assets	658	36	1,727.8%	Capital market fluctuation

Items in the Balance sheet	As of 30 September 2015	As of 31 December 2014	Increase/ (decrease)	Main reasons for the changes
Financial assets sold under agreements to repurchase	9,542	59,234	-83.9%	Requirement for daily liquidity management
Premiums received in advance	119	2,246	-94.7%	Different time points of business underwriting
Brokerage and commission payable	1,590	1,047	51.9%	Increase in initial premiums collected from individual insurance agent channel in September 2015 compared to December 2014
Reinsurance payable	186	67	177.6%	Delayed payment of part of the reinsurance companies bills and increase of reinsurance business
Taxes payable	1,263	252	401.2%	Increase in corporate income tax payable
Other payable	1,170	1,768	-33.8%	Decrease in liquidation expenses payable
Other liabilities	298	559	-46.7%	Decrease in interest income from financial assets sold under agreements to repurchase
Other comprehensive income	(134)	2,132	N/A	Capital market downturn with fluctuation

Items in the statement of income	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	Increase/ (decrease)	Main reasons for the changes
Premiums ceded out	(492)	(313)	57.2%	Increase in ceded out insurance business and decrease in surrenders recovered from part of the business
Increase in unearned premiums liabilities	(120)	(187)	-35.8%	Uneven distribution of short-term insurance business between quarters
Investment income	39,479	23,532	67.8%	Increase in realized gains on investment assets due to fluctuation of the capital market

Items in the statement of income	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	Increase/ (decrease)	Main reasons for the changes
Fair value gains/(losses)	(178)	192	N/A	Change of fair value from gains to losses on stocks and corporate bonds of trading financial assets due to fluctuation of the capital market
Foreign exchange gains/(losses)	171	83	106.0%	Fluctuation of USD exchange rate
Other business income	511	393	30.0%	Increased income in health examination and entrust management business of subsidiaries
Surrenders	(47,163)	(27,962)	68.7%	Effect of life insurance marketing environment and increase in life insurance surrenders
Claims expense	(18,775)	(12,362)	51.9%	Increase of maturity benefits and annuity payment
Claims recoverable from reinsurers	197	140	40.7%	Increase in ceded out insurance business
Insurance reserves recoverable from reinsurers	153	50	206.0%	Increase in ceded out insurance business and decrease in surrenders from part of the reinsurance ceded business
Business tax and surcharges expenses	(1,044)	(132)	690.9%	Increase in business tax from realized gains on investment assets due to the upturn of the capital market with fluctuation
Brokerage and commission expenses	(7,679)	(5,748)	33.6%	Increase in the first year premiums
Impairment losses	(584)	(946)	-38.3%	Decrease in available-for-sale financial assets which meets the requirements of impairment in the reporting period due to the upturn of the capital market with fluctuation
Income tax	(2,704)	(1,359)	99.0%	Increase in taxable income

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

Applicable Not applicable

The particulars of the dispute arising from the Company's entrustment for New Industry Investment Co., Ltd. to hold equity interest in China Minzu Securities Co., Ltd., are as follows:

In order to enforce the award of Beijing Arbitration Commission and the judgment of Shenzhen Municipal Intermediate People's Court in Guangdong Province, New Industry Investment Co., Ltd., Orient Group Co., Ltd. and the Company entered into an agreement, pursuant to which the Company should pay the principal amount of RMB170 million and its interests to Orient Group Co., Ltd., and New Industry Investment Co., Ltd. should then pay the principal amount of RMB170 million and its interests to the Company. The agreement was completed during the reporting period.

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

By order of the Board
New China Life Insurance Company Ltd.
KANG Dian
Chairman

Beijing, China, 30 October 2015

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

§4 APPENDIX

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Financial Position (unaudited)

30 September 2015

(All amounts in RMB millions unless otherwise stated)

Assets	As of 30 September 2015 Group	As of 31 December 2014 Group	As of 30 September 2015 Company	As of 31 December 2014 Company
Assets				
Cash and bank deposits	7,421	12,672	6,985	12,313
Measured at fair value and the changes are recorded into the profits and losses of the current financial assets	18,833	8,469	18,561	8,414
Financial assets purchased under agreements to resell	605	1,584	605	1,545
Interest receivables	11,771	10,639	11,603	10,290
Premiums receivables	2,759	1,543	2,759	1,543
Receivables from reinsurers	82	80	82	80
Unearned premium reserves receivables from reinsurers	68	51	68	51
Claim reserves receivable from reinsurers	28	35	28	35
Reserves for life insurance receivables from reinsurers	2,846	2,768	2,846	2,768
Reserves for long-term health insurance receivables from reinsurance	168	86	168	86
Policy loans	19,533	14,903	19,533	14,903
Other receivables	3,029	3,618	2,212	3,554
Term deposits	135,145	169,109	134,508	168,350
Available-for-sale financial assets	181,684	175,502	181,165	174,979
Held-to-maturity investments	176,650	175,997	176,650	175,997
Investments classified as loans and receivables	48,928	45,745	28,915	25,733
Long-term equity investments	9,404	10,150	33,261	33,195
Statutory deposits	716	716	715	715
Investment properties	1,912	1,665	1,912	1,665
Fixed assets	4,122	4,204	3,579	3,656
Constructions in process	2,082	1,713	1,426	1,134
Intangible assets	1,556	1,559	1,510	1,513
Deferred tax assets	658	36	646	–
Other assets	632	610	674	835
Separate account assets	273	255	273	255
Total assets	630,905	643,709	630,684	643,609

Kang Dian
Chairman

Wan Feng
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 2015

(All amounts in RMB millions unless otherwise stated)

Liabilities and Equity	As of 30 September 2015 Group	As of 31 December 2014 Group	As of 30 September 2015 Company	As of 31 December 2014 Company
Liabilities				
Measured at fair value and the changes are recorded into the profits and losses of the current financial liabilities	20	–	–	–
Financial assets sold under agreements to repurchase	9,542	59,234	9,542	59,234
Premiums received in advance	119	2,246	119	2,246
Brokerage and commission payable	1,590	1,047	1,590	1,047
Reinsurance payable	186	67	186	67
Salary and welfare payable	1,446	1,512	1,290	1,302
Taxes payable	1,263	252	1,251	194
Claims payable	1,331	1,301	1,331	1,301
Other payable	1,170	1,768	1,106	1,822
Policyholder deposits	26,511	27,965	26,511	27,965
Unearned premiums liabilities	1,269	1,132	1,269	1,132
Outstanding claims liabilities	508	562	508	562
Reserves for life insurance	482,669	452,805	482,669	452,805
Reserves for long-term health insurance	29,598	25,601	29,598	25,601
Borrowings	19,000	19,000	19,000	19,000
Provisions	29	29	29	29
Deferred tax liabilities	2	17	–	17
Other liabilities	298	559	298	546
Separate account liabilities	266	248	266	248
Total liabilities	576,817	595,345	576,563	595,118
Shareholders' equity				
Share capital	3,120	3,120	3,120	3,120
Capital reserve	23,964	23,964	23,962	23,962
Other comprehensive income	(134)	2,132	(147)	2,128
Surplus reserve	2,102	2,102	2,102	2,102
General reserve	2,102	2,102	2,102	2,102
Retained earnings	22,928	14,939	22,982	15,077
Total equity attributable to shareholders of the company	54,082	48,359	54,121	48,491
Non-controlling interests	6	5	–	–
Total shareholders' equity	54,088	48,364	54,121	48,491
Total liabilities and shareholders' equity	630,905	643,709	630,684	643,609

Kang Dian
Chairman

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Gong Xingfeng
Chief Actuary

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Head of
Accounting Department

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Income (unaudited)

For the nine months ended 30 September 2015

(All amounts in RMB millions unless otherwise stated)

	For the nine months ended 30 September 2015 Group	For the nine months ended 30 September 2014 Group	For the nine months ended 30 September 2015 Company	For the nine months ended 30 September 2014 Company
1. Operating Income	133,994	109,925	133,676	109,766
Premiums earned	94,011	85,725	94,011	85,725
Premium income	94,623	86,225	94,623	86,225
Less: Premiums ceded out	(492)	(313)	(492)	(313)
Net change in unearned premiums liabilities	(120)	(187)	(120)	(187)
Investment income	39,479	23,532	39,369	23,464
In:Share of profit of associates	398	387	398	387
Fair value gains/(losses)	(178)	192	(171)	192
Foreign exchange losses	171	83	171	83
Other operating income	511	393	296	302
2. Operating expenses	(122,583)	(102,221)	(122,371)	(102,094)
Surrenders	(47,163)	(27,962)	(47,163)	(27,962)
Claims expense	(18,775)	(12,362)	(18,775)	(12,362)
Less: claims recoverable from reinsurers	197	140	197	140
Increase in insurance contracts reserve	(36,011)	(44,900)	(36,011)	(44,900)
Less: insurance reserves recoverable from reinsurers	153	50	153	50
Business tax and surcharges expenses	(1,044)	(132)	(1,025)	(116)
Commission and brokerage expenses	(7,679)	(5,748)	(7,679)	(5,748)
Administrative expenses	(8,955)	(7,966)	(8,873)	(7,919)
Less: expenses recoverable from reinsurers	110	85	110	85
Other operating expenses	(2,832)	(2,480)	(2,721)	(2,416)
Impairment losses	(584)	(946)	(584)	(946)
3. Operating profit	11,411	7,704	11,305	7,672
Add: Non-operating income	5	30	5	8
Less: Non-operating expenses	(67)	(49)	(66)	(56)
4. Net profit before income tax expenses	11,349	7,685	11,244	7,624
Less: Income tax	(2,704)	(1,359)	(2,684)	(1,343)
5. Net profit	<u>8,645</u>	<u>6,326</u>	<u>8,560</u>	<u>6,281</u>

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Income (unaudited) (continued)

For the nine months ended 30 September 2015

(All amounts in RMB millions unless otherwise stated)

	For the nine months ended 30 September 2015 Group	For the nine months ended 30 September 2014 Group	For the nine months ended 30 September 2015 Company	For the nine months ended 30 September 2014 Company
6. Attributable to:				
Shareholders of the Company	8,644	6,325		
Non-controlling interests	1	1		
7. Earnings per share				
Basic earnings per share	RMB2.77	RMB2.03		
Diluted earnings per share	RMB2.77	RMB2.03		
8. Other Comprehensive income	<u>(2,266)</u>	<u>1,645</u>	<u>(2,275)</u>	<u>1,644</u>
9. Total Comprehensive income	<u><u>6,379</u></u>	<u><u>7,971</u></u>	<u><u>6,285</u></u>	<u><u>7,925</u></u>

Attributable to shareholders of the Company	6,378	7,970
Attributable to non- controlling interests	1	1

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NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Income (unaudited)

For the three months ended 30 September 2015

(All amounts in RMB millions unless otherwise stated)

	For the three months ended 30 September 2015 Group	For the three months ended 30 September 2014 Group	For the three months ended 30 September 2015 Company	For the three months ended 30 September 2014 Company
1. Operating Income	29,997	28,633	29,921	28,558
Premiums earned	21,834	19,316	21,834	19,316
Premium income	21,962	19,408	21,962	19,408
Less: Premiums ceded out	(159)	(100)	(159)	(100)
Net change in unearned premiums liabilities	31	8	31	8
Investment income	7,855	9,124	7,846	9,087
In:Share of profit of associates	143	118	143	118
Fair value gains/(losses)	(56)	71	(45)	71
Foreign exchange losses	180	(9)	180	(9)
Other operating income	184	131	106	93
2. Operating expenses	(27,472)	(25,451)	(27,391)	(25,391)
Surrenders	(7,741)	(9,274)	(7,741)	(9,274)
Claims expense	(5,735)	(3,988)	(5,735)	(3,988)
Less: claims recoverable from reinsurers	65	47	65	47
Increase in insurance contracts reserve	(7,158)	(6,688)	(7,158)	(6,688)
Less: insurance reserves recoverable from reinsurers	40	24	40	24
Business tax and surcharges expenses	(85)	(65)	(78)	(59)
Commission and brokerage expenses	(2,514)	(1,623)	(2,514)	(1,623)
Administrative expenses	(3,131)	(2,728)	(3,099)	(2,701)
Less: expenses recoverable from reinsurers 96	36	28	36	28
Other operating expenses	(689)	(992)	(647)	(965)
Impairment losses	(560)	(192)	(560)	(192)
3. Operating profit	2,525	3,182	2,530	3,167
Add: Non-operating income	2	3	2	1
Less: Non-operating expenses	(21)	(23)	(20)	(31)
4. Net profit before income tax expenses	2,506	3,162	2,512	3,137
Less: Income tax	(614)	(585)	(619)	(579)
5. Net profit	<u>1,892</u>	<u>2,577</u>	<u>1,893</u>	<u>2,558</u>

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Income (unaudited) (continued)

For the three months ended 30 September 2015

(All amounts in RMB millions unless otherwise stated)

	For the three months ended 30 September 2015 Group	For the three months ended 30 September 2014 Group	For the three months ended 30 September 2015 Company	For the three months ended 30 September 2014 Company
6. Attributable to:				
Shareholders of the Company	1,892	2,577		
Non-controlling interests	-	-		
7. Earnings per share				
Basic earnings per share	RMB0.61	RMB0.83		
Diluted earnings per share	RMB0.61	RMB0.83		
8. Other Comprehensive income	(4,739)	948	(4,740)	948
9. Total Comprehensive income	<u>(2,847)</u>	<u>3,525</u>	<u>(2,847)</u>	<u>3,506</u>

Attributable to shareholders of the Company	(2,847)	3,525
Attributable to non-controlling interests	-	-

Kang Dian
Chairman

Wan Feng
Chief Financial Officer

Gong Xingfeng
Chief Actuary

Meng Xia
*Head of
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NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Cash Flows (unaudited)

For the nine months ended 30 September 2015

(All amounts in RMB millions unless otherwise stated)

	For the nine months ended 30 September 2015 Group	For the nine months ended 30 September 2014 Group	For the nine months ended 30 September 2015 Company	For the nine months ended 30 September 2014 Company
1. Cash flows from operating activities				
Premium received	91,300	84,902	91,300	84,902
Net cash received from reinsurance business	–	1	–	1
Net increase in policyholder deposits	–	1,080	–	1,080
Cash received for taxes and surcharges	1,203	211	1,203	211
Cash received from other operating activities	446	237	717	79
Sub-total of cash inflows from operating activities	<u>92,949</u>	<u>86,431</u>	<u>93,220</u>	<u>86,273</u>
Cash paid for claims	(65,907)	(40,260)	(65,907)	(40,260)
Net cash paid for reinsurance business	(67)	–	(67)	–
Net decrease in policyholder deposits	(2,336)	–	(2,336)	–
Cash paid for brokerage and commission fees	(7,143)	(5,527)	(7,143)	(5,528)
Cash paid to and for employees	(6,245)	(5,405)	(5,914)	(5,201)
Cash paid for taxes and surcharges	(2,804)	(1,927)	(2,742)	(1,884)
Cash paid from other operating activities	(2,692)	(3,274)	(2,566)	(2,787)
Sub-total of cash outflows from operating activities	<u>(87,194)</u>	<u>(56,393)</u>	<u>(86,675)</u>	<u>(55,660)</u>
Net cash flows from operating activities	<u>5,755</u>	<u>30,038</u>	<u>6,545</u>	<u>30,613</u>
2. Cash flows from investing activities				
Cash received from sales and redemption of investments	226,701	87,051	221,471	87,051
Cash received from investment income	21,740	19,055	21,657	19,145
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	2	4	2	4
Cash received from financial assets purchased under agreements to resell	147,173	58,015	146,963	57,961
Sub-total of cash inflows from investing activities	<u>395,616</u>	<u>164,125</u>	<u>390,093</u>	<u>164,161</u>

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Cash Flows (unaudited) (continued)

For the nine months ended 30 September 2015

(All amounts in RMB millions unless otherwise stated)

	For the nine months ended 30 September 2015 Group	For the nine months ended 30 September 2014 Group	For the nine months ended 30 September 2015 Company	For the nine months ended 30 September 2014 Company
Cash paid for investment	(204,006)	(117,128)	(199,456)	(116,951)
Net increase in policy loans	(4,629)	(4,907)	(4,629)	(4,907)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(1,161)	(842)	(787)	(717)
Cash paid for financial assets purchased under agreements to resell	(146,163)	(56,922)	(145,992)	(56,922)
Cash paid from other investing activities	–	–	(343)	(222)
Sub-total of cash outflows from investing activities	<u>(355,959)</u>	<u>(179,799)</u>	<u>(351,207)</u>	<u>(179,719)</u>
Net cash flows from investing activities	<u>39,657</u>	<u>(15,674)</u>	<u>38,886</u>	<u>(15,558)</u>
3. Cash flows from financing activities				
Cash received from financial assets sold under agreements to repurchase	2,775,542	3,342,317	2,775,542	3,342,317
Sub-total of cash inflows from financing activities	<u>2,775,542</u>	<u>3,342,317</u>	<u>2,775,542</u>	<u>3,342,317</u>
Cash paid for dividends and interests	(1,374)	(1,202)	(1,374)	(1,198)
Cash paid from financial assets sold under agreements to repurchase	(2,826,474)	(3,356,555)	(2,826,474)	(3,356,555)
Sub-total of cash outflows from financing activities	<u>(2,827,848)</u>	<u>(3,357,757)</u>	<u>(2,827,848)</u>	<u>(3,357,753)</u>
Net cash flows from financing activities	<u>(52,306)</u>	<u>(15,440)</u>	<u>(52,306)</u>	<u>(15,436)</u>
4. Effect of foreign exchange rate changes	<u>141</u>	<u>37</u>	<u>138</u>	<u>37</u>
5. Net increase/(decrease) in cash and cash equivalents	(6,753)	(1,039)	(6,737)	(344)
Add: Opening balance of cash and cash equivalents	14,503	18,570	13,885	17,407
6. Closing balance of cash and cash equivalents	<u>7,750</u>	<u>17,531</u>	<u>7,148</u>	<u>17,063</u>

Kang Dian
Chairman

Wan Feng
Chief Financial Officer

Gong Xingfeng
Chief Actuary

Meng Xia
*Head of
Accounting Department*