



新华人寿保险股份有限公司
New China Life Insurance Company Ltd.

2013 Interim Results Announcement



August 2013

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Strategy & outlook



Since the beginning of this year, directed by “customer centric” strategy, the Company has formulated an overall concept and direction towards value-driven transformation. The Company has been able to maintain stable business growth and optimize its business structure, leading to the further improvement of the management system.

- Fully promoted value-driven transformation with the establishment and refining of the value-driven performance evaluation system
- Established seven regional management centers and strengthened the differentiated management for different branches
- Timely launched the "selected" series asset-oriented universal insurance products and reversed the declining trend of the business
- Focused more on the sales of protection-type products and increased the business margin

Key financial & business indicators

Unit: RMB million	1H2013	1H2012	Change (%)
Gross written premiums	51,344	55,950	↓ 8.2%
Market share	8.2%	9.8%	↓ 1.6 pts
Net profit attributable to shareholders of the Company	2,187	1,904	↑ 14.9%
Total investment income ¹	10,616	7,301	↑ 45.4%
Total investment yield (annualized)	4.3%	3.5%	↑ 0.8 pts
Net investment yield (annualized)	4.5%	4.4%	↑ 0.1 pts
Basic earnings per share (RMB)	0.70	0.61	↑ 14.8%
Weighted ROAE	6.0%	5.7%	↑ 0.3 pts
Value of first half year's new business ²	2,073	2,178	↓ 4.8%

Notes

1. total investment income = interest income of monetary capital, time deposits, debt securities and other investment assets + dividend and bonus of equity investments + spread income of investment assets + gain/loss from change in fair value + impairments of investment assets

2. New business value as of 30 June 2012 recalculated based on assumptions on 31 December 2012

Key financial & business indicators (cont'd)

Unit: RMB million	30 June 2013	31 December 2012	Change (%)	
Total assets	531,048	493,693	↑	7.6%
Shareholders' equity attributable to the Company	37,682	35,870	↑	5.1%
Investment assets	516,506	479,189	↑	7.8%
Net assets per share attributable to shareholders of the Company (RMB)	12.08	11.50	↑	5.0%
Embedded value	60,785	56,870	↑	6.9%
Solvency margin	174.19%	192.56%	↓	18.4 pts

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Strategy & outlook



Market leadership well-maintained

Gross written premiums

(RMB million)

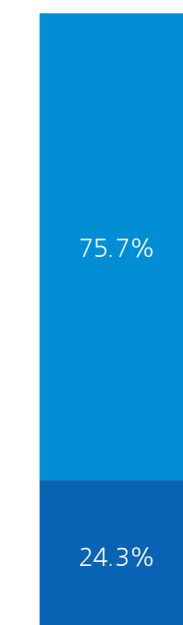
NCI ranking¹: **3** (2012) → **4** (2013)
 Market share¹: **9.8%** (2012) → **8.2%** (2013)

Decrease: 8.2%

55,950



51,344



1H2012

1H2013

■ FYP

■ Renewal premiums

First year premiums (FYP)

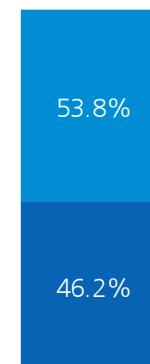
(RMB million)

Decrease: 44.5%

22,480



12,487



1H2012

1H2013

■ Regular premiums

■ Single premiums

Renewal premiums

(RMB million)

Increase: 16.1%

33,469



38,857



1H2012

1H2013

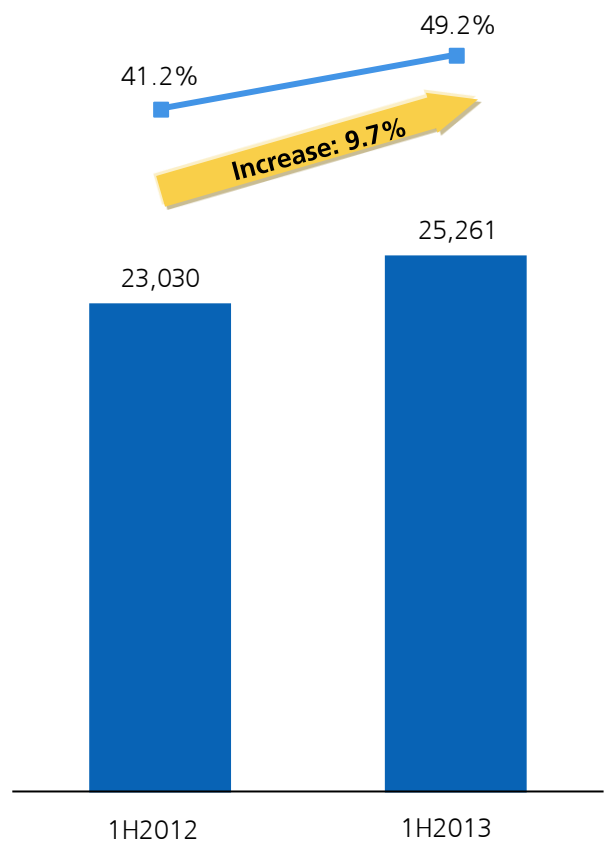
Note: 1. Market ranking and market share data derived from CIRC

Individual insurance agent channel

— Value-based growth and sustained optimization

Individual insurance agent channel GWP

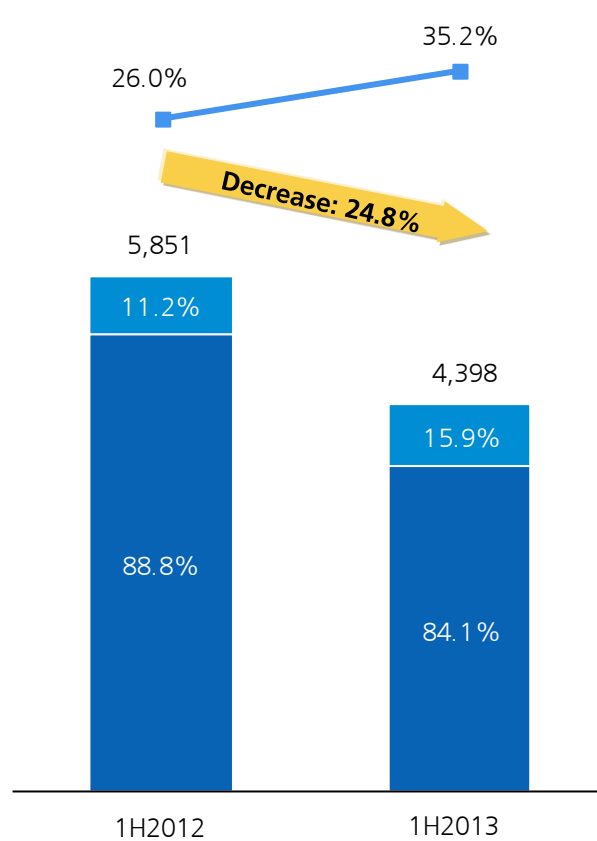
(RMB million)



■ Individual insurance agent channel GWP
 ■ % of total GWP

Individual insurance agent channel FYP

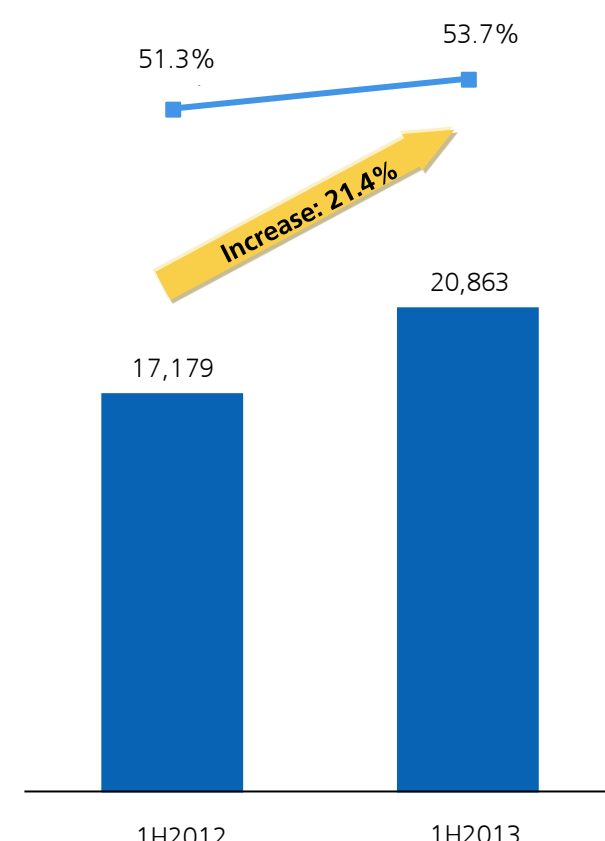
(RMB million)



■ Regular premiums ■ Single premiums
 ■ % of total FYP

Individual insurance agent channel renewal premiums

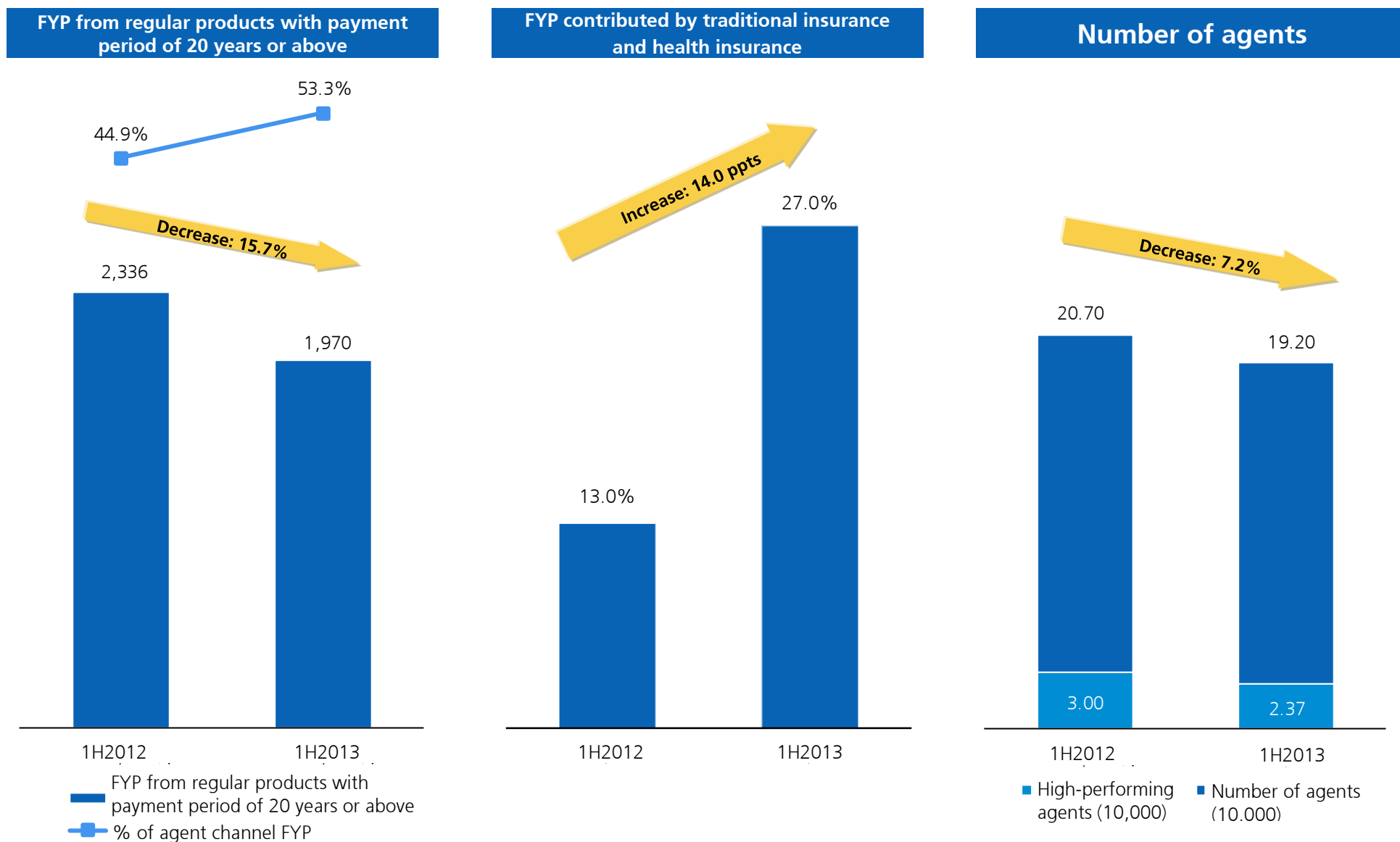
(RMB million)



■ Individual insurance agent channel renewal premiums
 ■ % of total renewal premiums

Individual insurance agent channel

— Value-based growth and sustained optimization (cont'd)

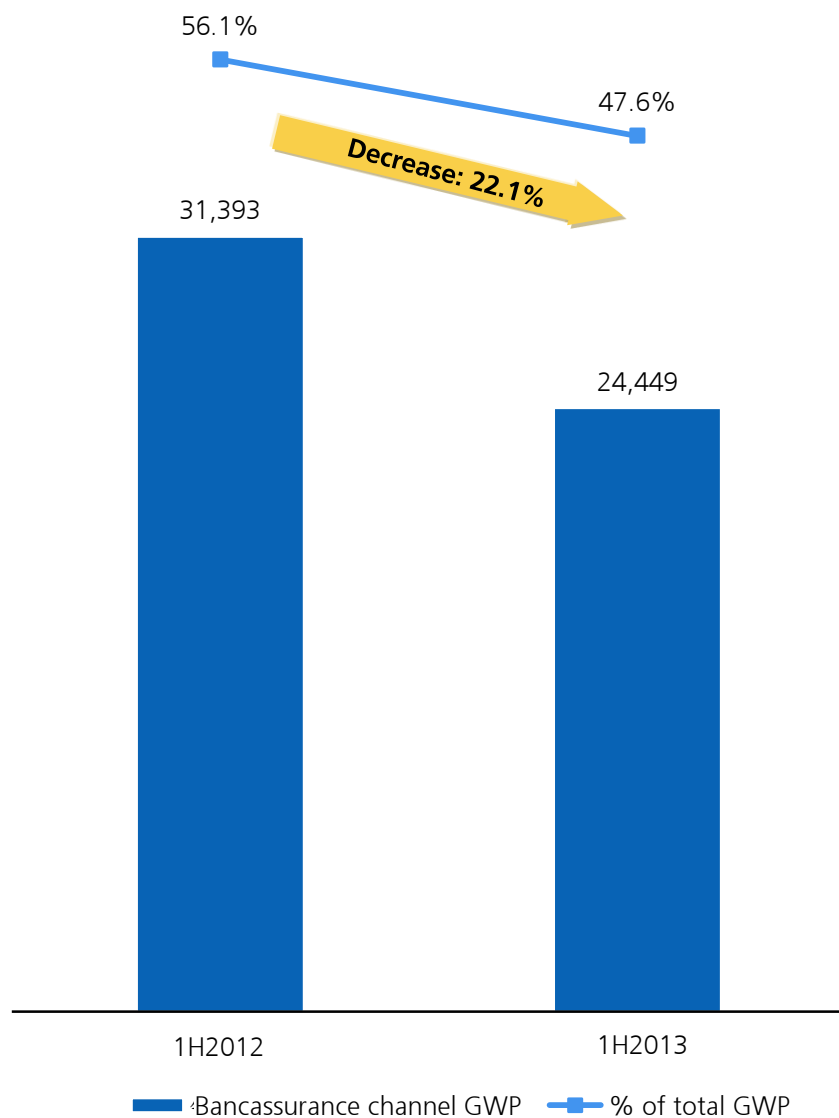


Bancassurance channel

— Responded to industry-wide adjustments

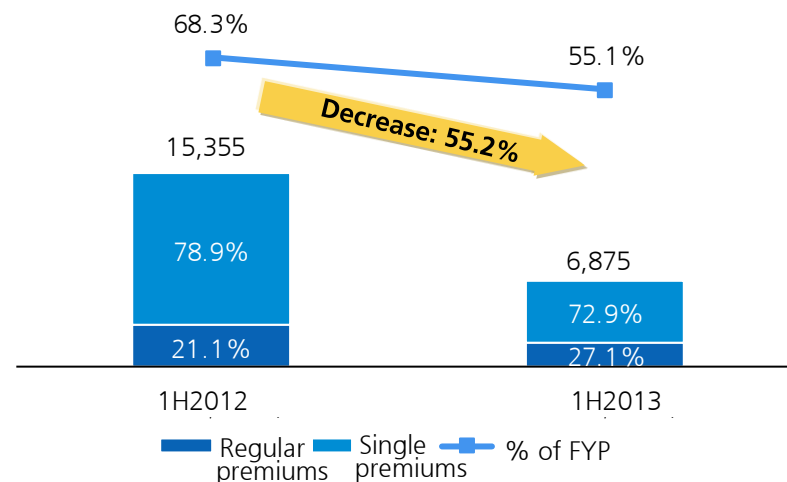
Bancassurance channel GWP

(RMB million)



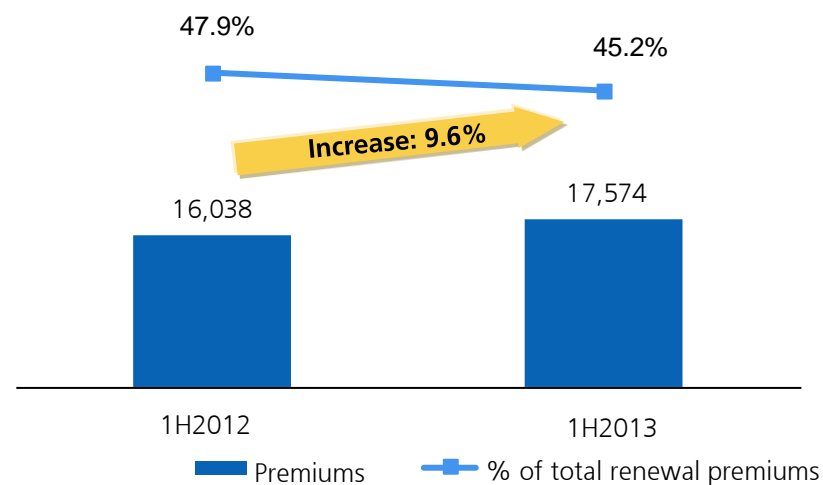
Bancassurance channel FYP

(RMB million)



Bancassurance channel renewal premiums

(RMB million)

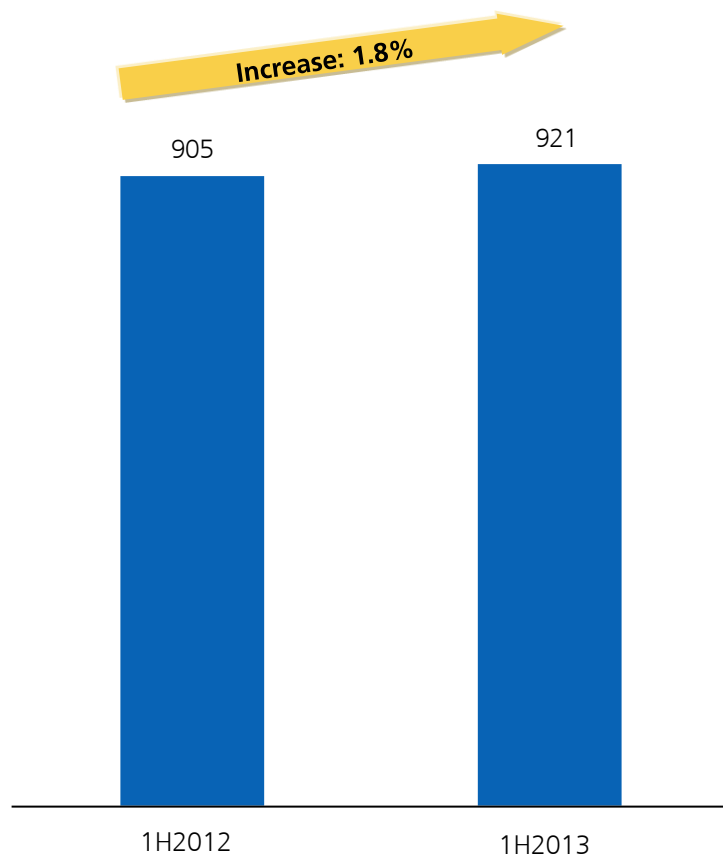


Group insurance business & wealth management channel

— Experiencing steady growth

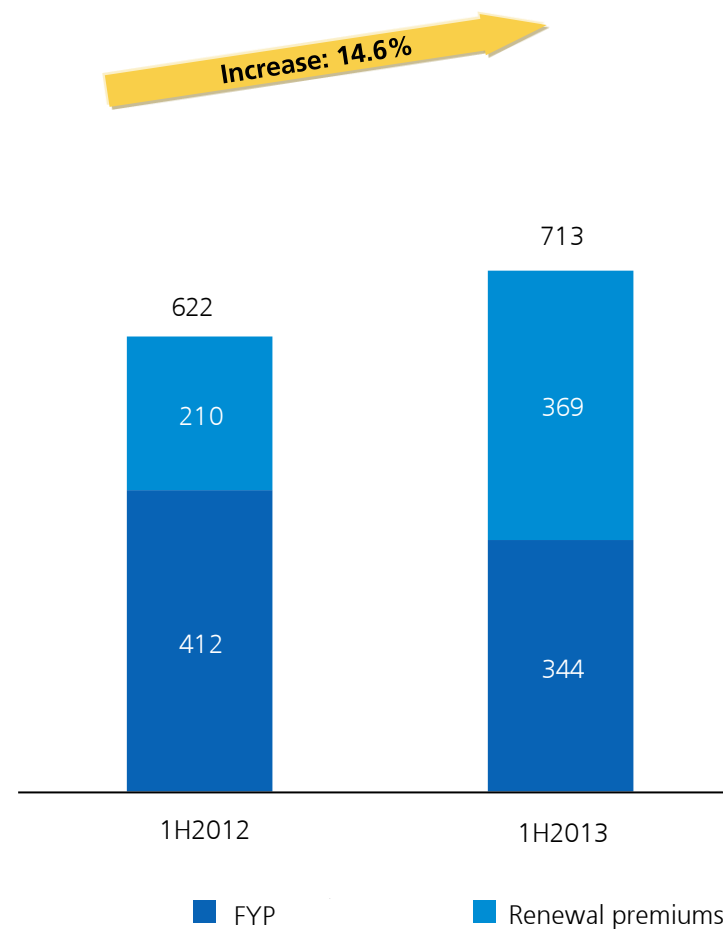
Group insurance business GWP

(RMB million)



Wealth management channel GWP

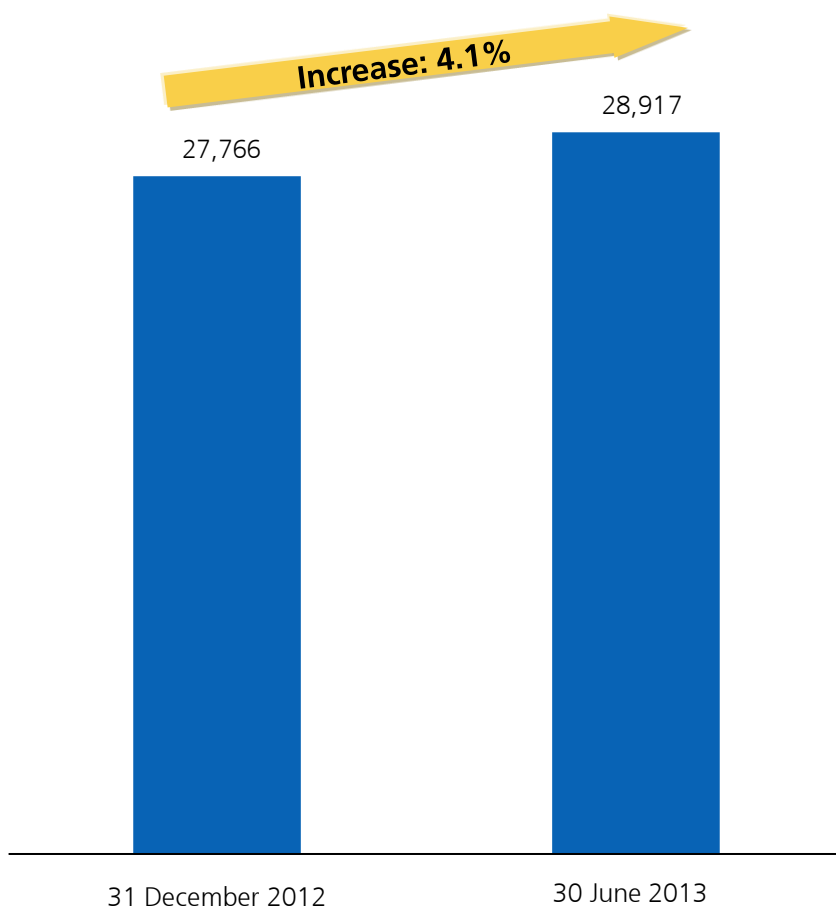
(RMB million)



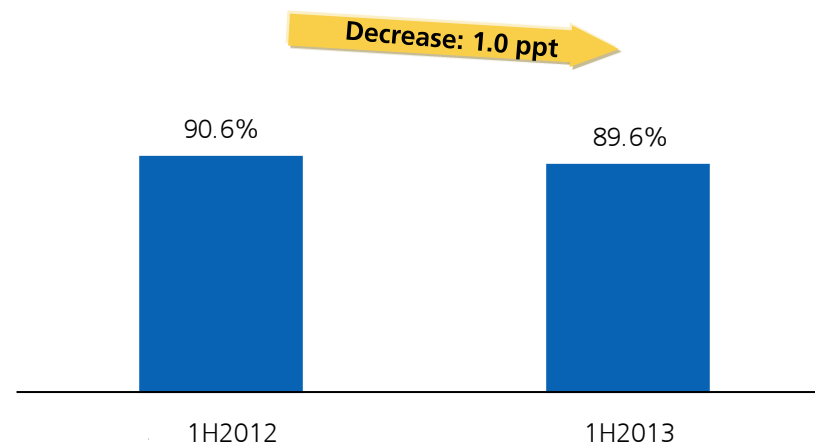
Customer base & customer service quality

Amount of customers

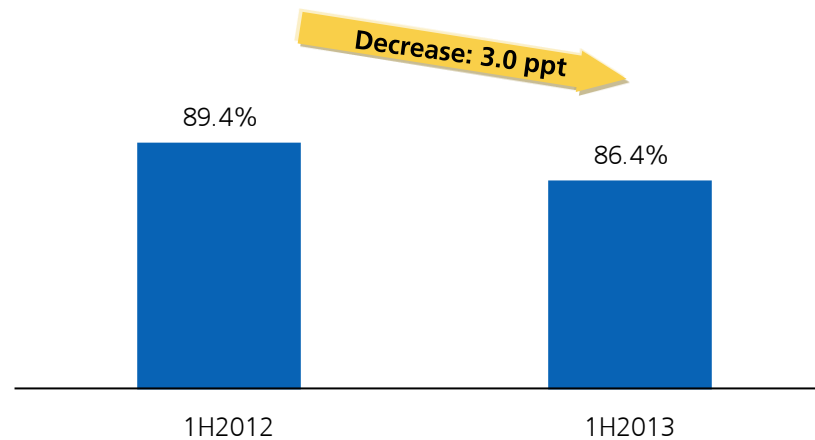
(thousand)



13-month persistency ratio



25-month persistency ratio



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Strategy and outlook

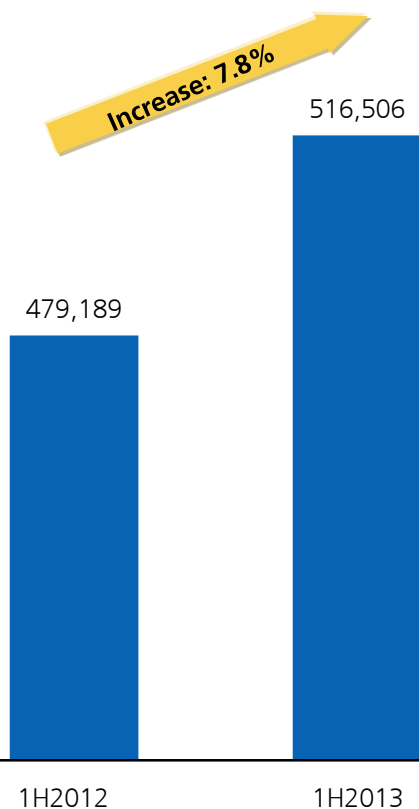


Investment strategy and performance

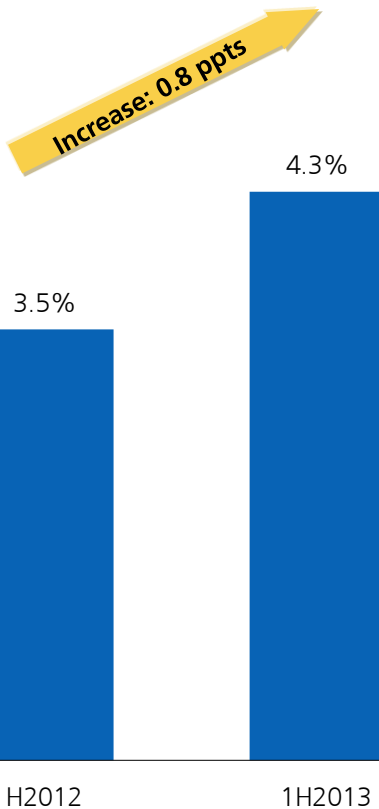
— Superior asset allocation and effective risk control

Investment assets

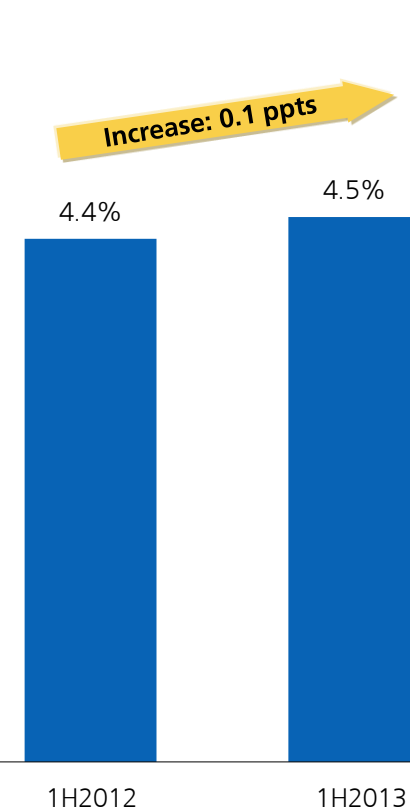
(RMB million)



Total investment yield¹ (annualized)



Net investment yield² (annualized)



Notes:

1. Annualized total investment yield = (net investment income + realized gains/(losses) + unrealized gains/(losses) + impairment losses on financial assets + share of results of associates) / [(investment assets at beginning of period + investment assets at end of period) / 2] * 2

2. Annualized net investment yield = net investment income / [(investment assets at beginning of period + investment assets at end of period) / 2] * 2

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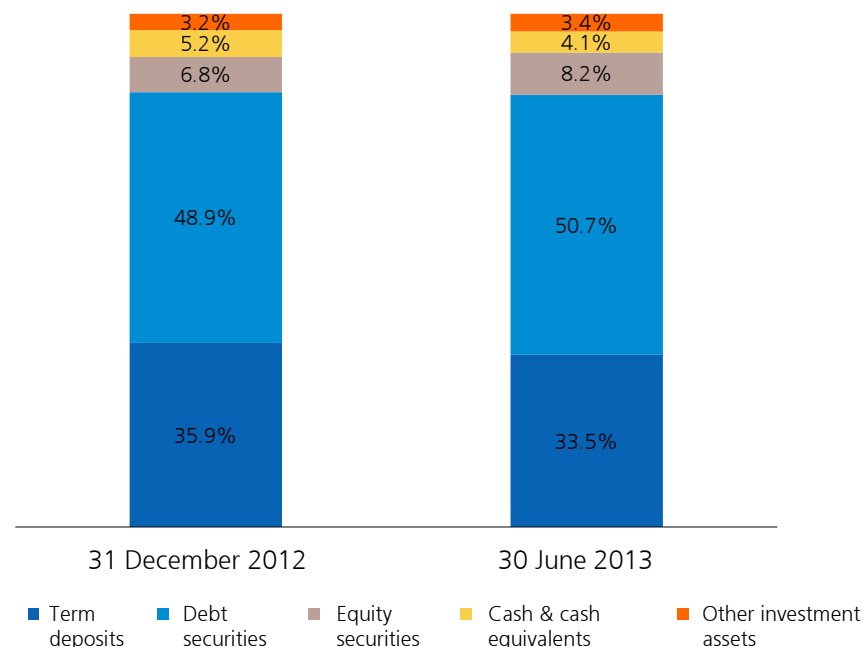
Investment strategy and performance

— Superior asset allocation and effective risk control (cont'd)

Investment portfolio

Unit: RMB million	30 June 2013	31 December 2012	Change (%)
Investment assets	516,506	479,189	↑ 7.8%
Term deposits	173,280	171,853	↑ 0.8%
Debt securities	261,683	234,130	↑ 11.8%
Equity securities	42,554	32,793	↑ 29.8%
— Funds	15,495	15,869	↓ -2.4%
— Stocks	17,763	16,216	↑ 9.5%
— Investments in associates	9,296	708	↑ 1,213.0%
Cash & cash equivalents	21,409	25,066	↓ -14.6%
Other investment assets	17,580	15,347	↑ 14.6%

Asset allocation



Investment strategy

- 1 Asset liability management as the foundation while preserving the security, liquidity and profitability of its managed funds
- 2 Maximize the investment portfolio returns on the basis of sound asset allocation and effective risk control
- 3 Actively expand new investment channels such as infrastructure debt investment to effectively improve investment return under the premise of ensuring fund security

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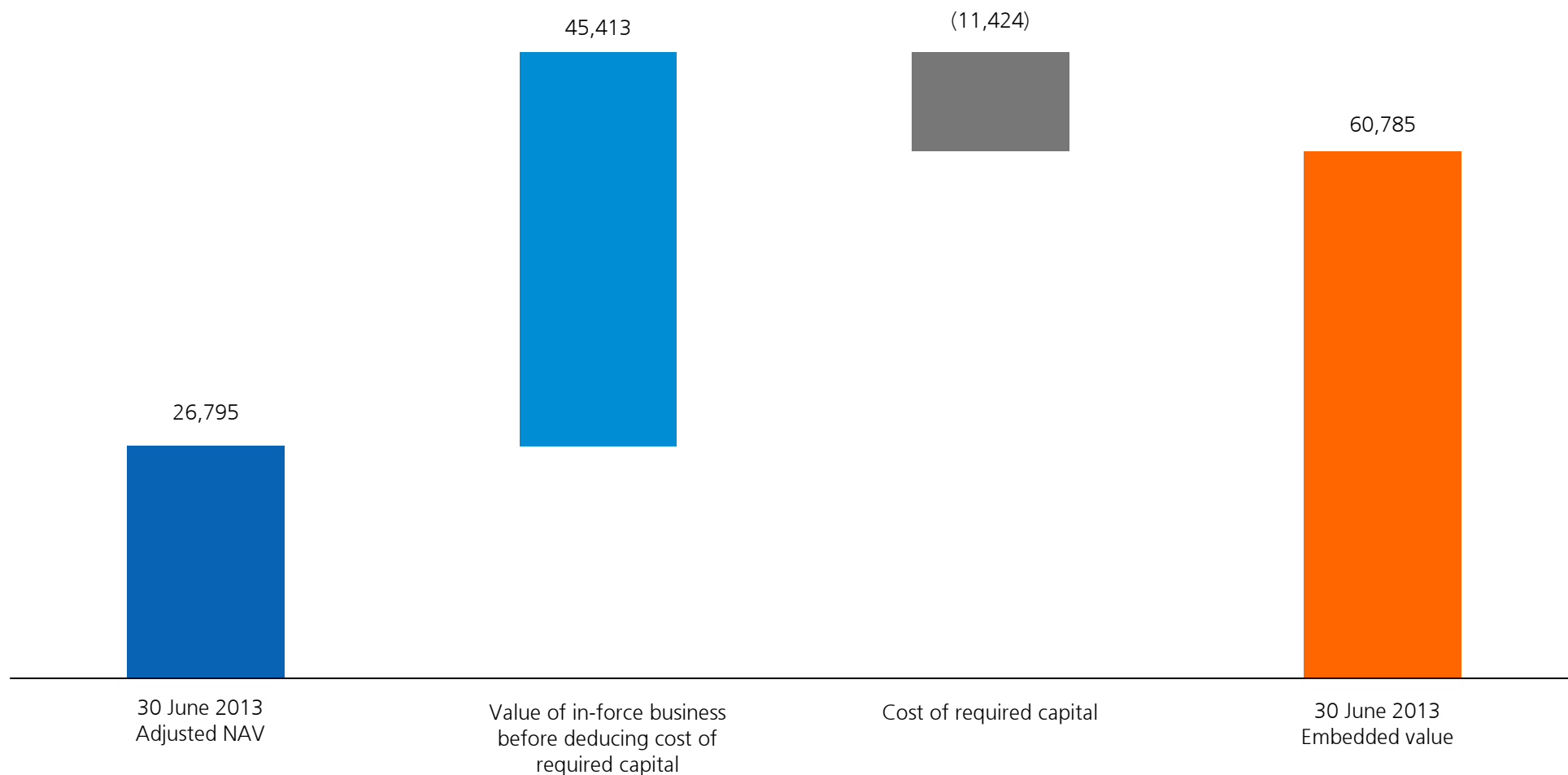
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Strategy and outlook



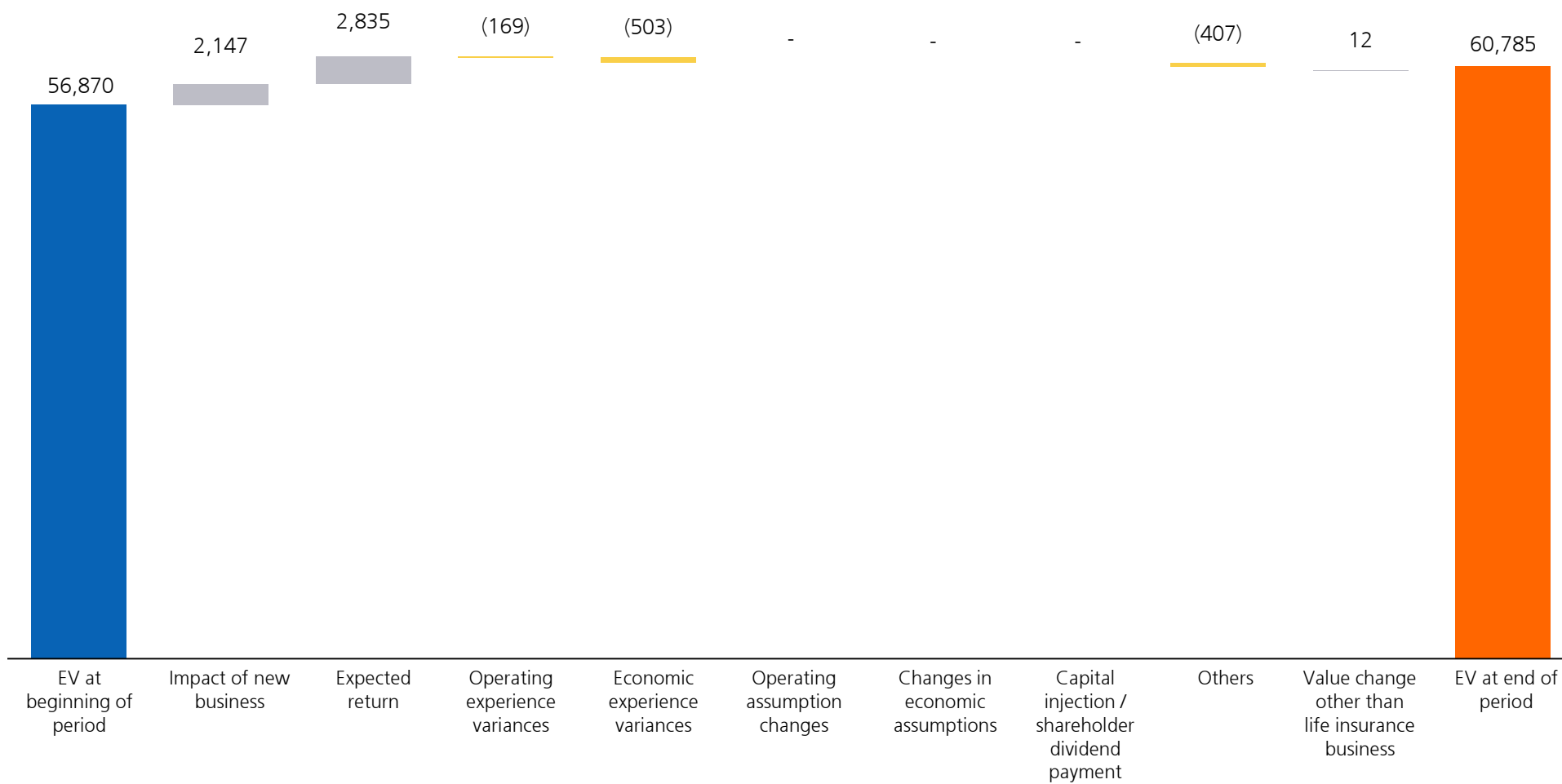
Embedded value—composition analysis

(RMB million)



Embedded value—analysis of change

(RMB million)

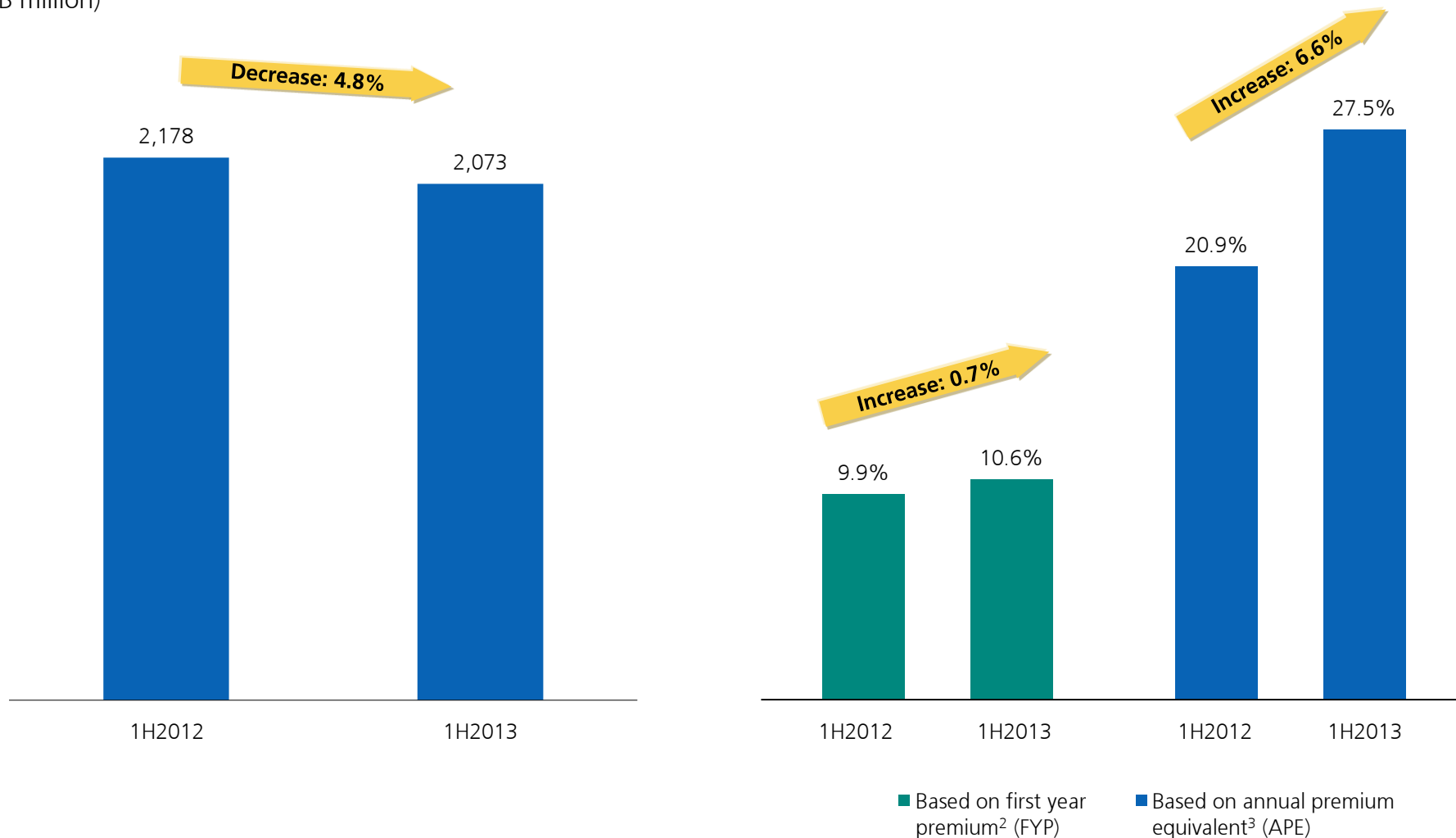


Value of half year's new business

Value of half year's new business¹

New business margin¹

(RMB million)



Notes:

1. Value of first half year's new business as of 30 June 2012 was recalculated based on the assumption as of 31 December 2012

2. New business margin based on FYP = value of half year's new business / FYP

3. New business margin based on APE = value of half year's new business / (100% * first year regular premiums + 10% * first year single premiums)

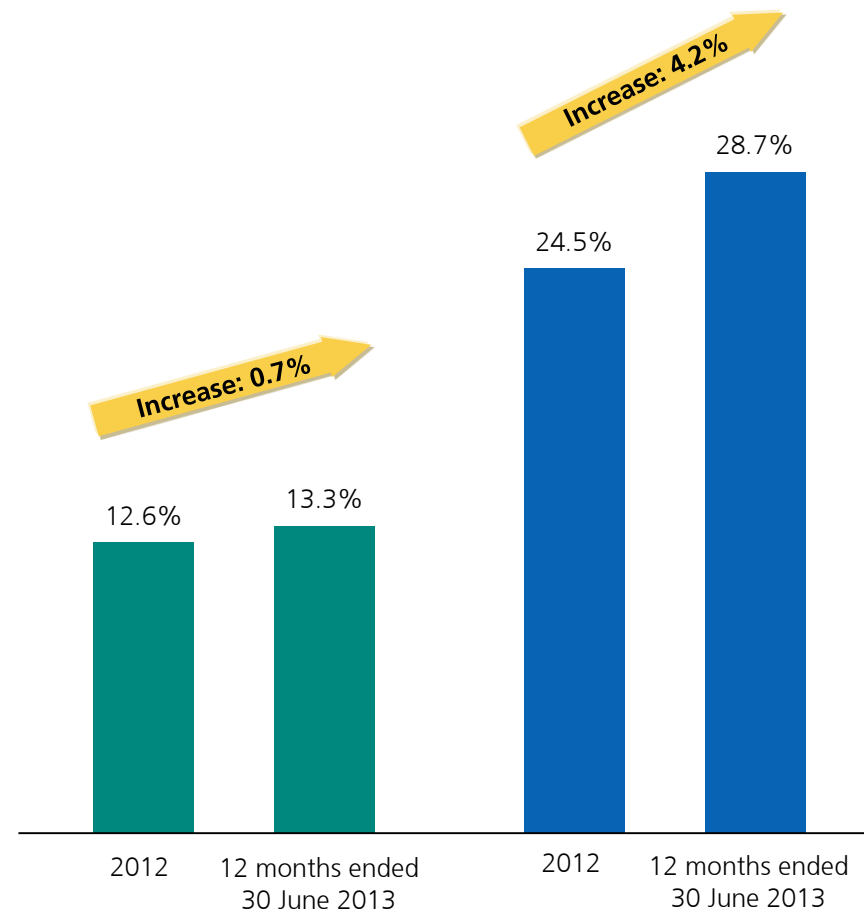
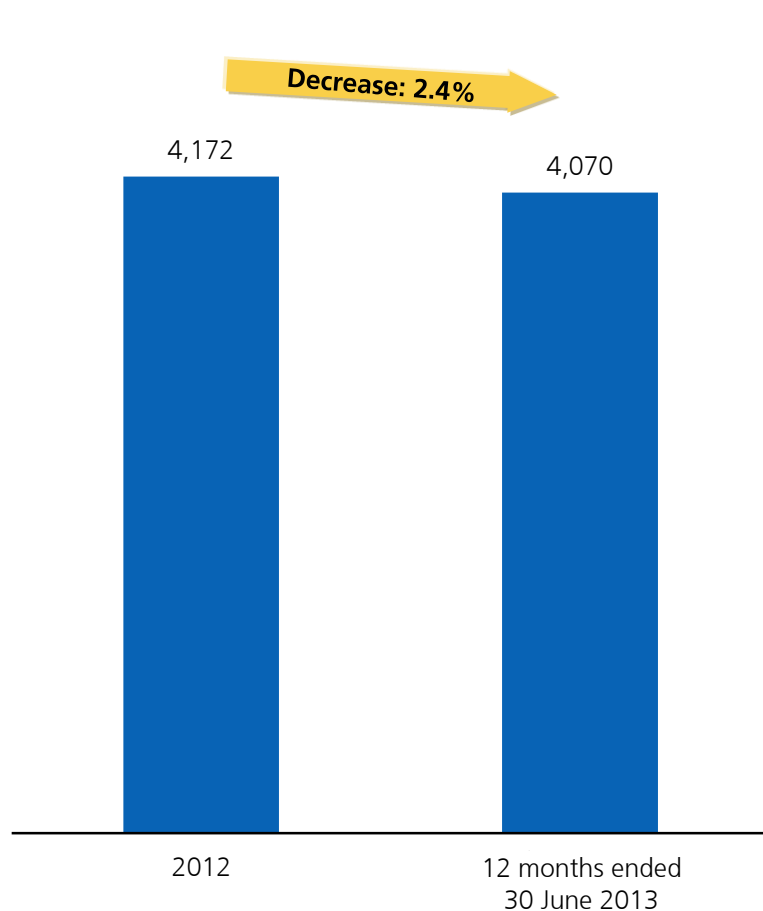
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Value of one year's new business

Value of one year's new business

New business margin

(RMB million)



■ Based on first year premium¹ (FYP)

■ Based on annual premium equivalent² (APE)

Notes:

1. New business margin based on FYP = value of one year's new business / FYP

2. New business margin based on APE = value of one year's new business / (100% * first year regular premiums + 10% * first year single premiums)

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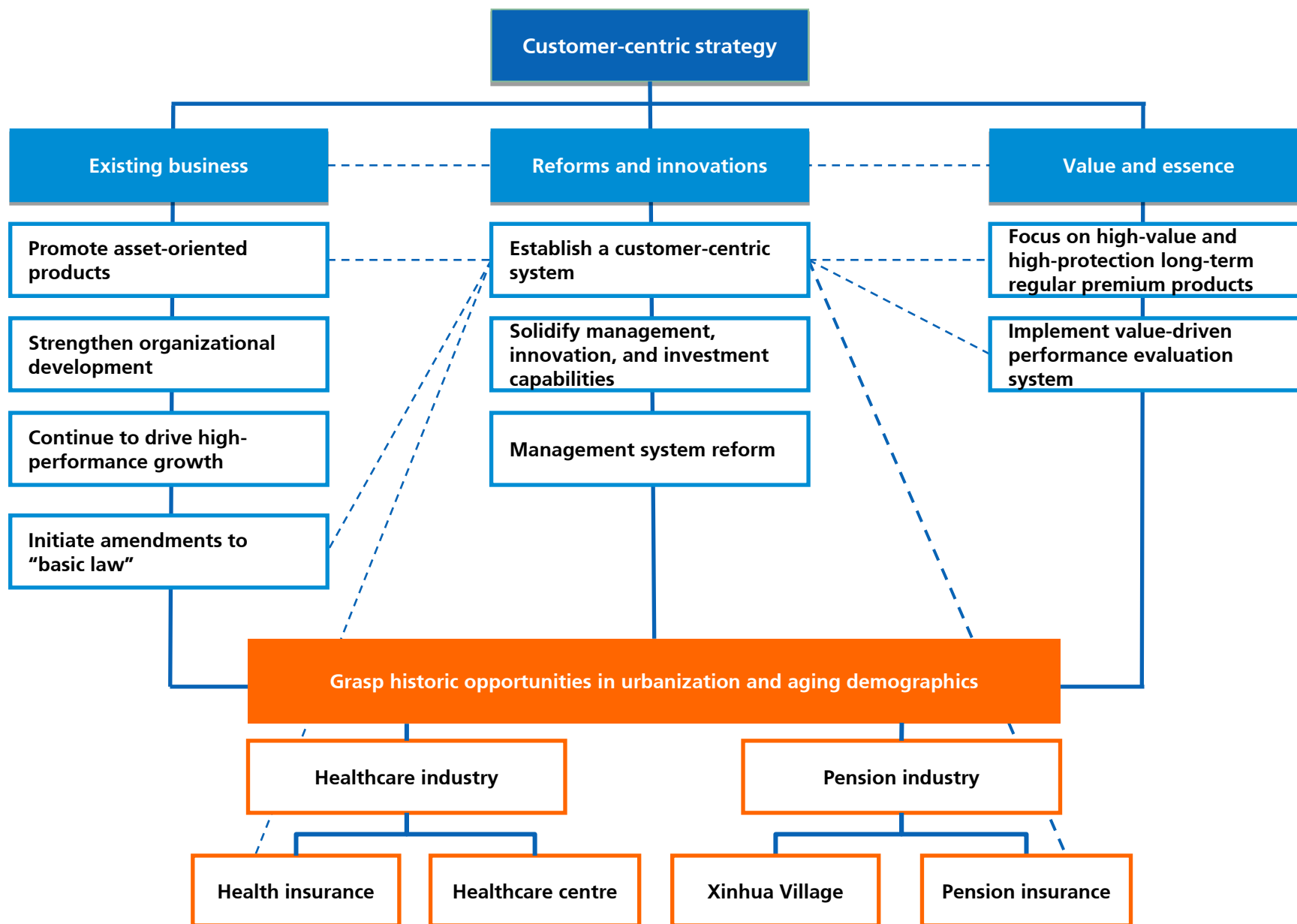
Embedded value

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Strategy and outlook



Summary of initiatives



Challenges

Uncertainties of the global and domestic economy, and frequent volatilities in financial markets

Difficulties in rapidly improving the investment returns, and full recovery of the underwriting business will take time

Intensified competition in bancassurance channel and cash flow pressure from surrenders and maturity

Far reaching impact of fee rate liberalization to test the adaptive, innovation and risk management capabilities of the industry

Balance the development of value and scale during the strategic transformation

Countermeasures

Customer-centric

Deepen the reform of regional management and delegate management responsibilities to front-line units

Strengthen fundamental management, investment and innovation capabilities and enhance operational management

Take advantage of beneficial policies and expand investment channels to drive enhanced insurance funds management

Enhance product innovation capability and asset and liability management

Q & A

