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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 THIRD 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 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 2013 Third Quarter Report of the Company was considered and approved at the 12th meeting of the fifth session of the Board on 30 October 2013, which 14 directors were required to attend and 12 of them attended in person. Director ZHAO Haiying authorized director MENG Xingguo, director WANG Chengran authorized chairman of the Board KANG Dian to attend the meeting and vote on behalf of them.
- 1.3 The financial statements of the Company for the third 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 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 authenticity, accuracy and completeness of the financial statements in the 2013 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	545,437	493,693	10.5%
Shareholders' equity attributable to shareholders of the company	39,790	35,870	10.9%
Net assets per share attributable to shareholders of the company (RMB per share)	12.75	11.50	10.9%
	The reporting period (January – September)	The same period of last year (January – September)	Increase/ decrease compared to the same period of last year
Net cash flows from operating activities	38,327	44,978	-14.8%
Weighted average net cash flows per share from operating activities (RMB per share)	12.28	14.42	-14.8%
Operating Income	90,498	91,932	-1.6%
Net profit attributable to shareholders of the Company	3,950	2,324	70.0%
Net profit attributable to shareholders of the Company after deducting non-recurring items	4,014	2,383	68.4%
Basic/diluted earnings per share (RMB per share)	1.27	0.74	71.6%
Basic earnings per share after deducting non-recurring items (RMB per share)	1.29	0.76	69.7%
Weighted average return on equity	10.44%	6.97%	N/A
Weighted average return on equity after deducting non-recurring items	10.61%	7.15%	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 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	(6)
Other non-recurring items	(76)
Effect of income tax expenses of non-recurring items	18
Attribute to minority interest	—
Total	(64)

2.3 Other key indicators

Unit: RMB in millions

Indicators	As of 30 September 2013/For the nine months ended 30 September 2013	As of 31 December 2012/For the nine months ended 30 September 2012	Increase/decrease compared to 31 December 2012/ Increase/decrease compared to the same period of 2012
Investment assets ⁽¹⁾	528,825	479,189	10.4%
Premiums earned	71,863	77,621	-7.4%
Growth rate of earned premiums	-7.4%	4.1%	N/A
Net claims expense	6,907	5,013	37.8%
Surrender rate ⁽²⁾	4.9%	3.5%	N/A

Notes:

1. The related investment assets of unit-linked contracts account are included in investment assets. The comparative figures have been recalculated on the base line of this period.
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). The comparative figures have been recalculated on the base line of this period.

From the beginning of the year to the end of the reporting period, the annualized total investment yield was 4.5%, and the annualized total investment yield = (Investment income + 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) × 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	25,220 (including 24,863 A shareholders and 357 H 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
Central Huijin Investment Ltd.	State-owned shares	31.34%	977,530,534	974,173,154	–
HKSCC Nominees Limited ⁽¹⁾	Overseas legal person shares	31.06%	968,928,488	–	–
Baosteel Group Corporation	State-owned legal person shares	15.11%	471,212,186	–	–
Beijing Hony 2010 Equity Investment Center (Limited Partnership)	Others	2.59%	80,853,658	–	–
CICC Securities (HK) Limited	Overseas legal person shares	2.08%	65,000,000	–	–
Tibet Shannan Century Golden Resources Investment Management Limited	Domestic legal person shares	1.25%	39,143,368	–	–
Special Securities Account for Securities Based Lending Products of Shenyin & Wanguo Securities Co., Ltd	Others	1.17%	36,392,400	–	–
Shanghai Shangyan Investment Center (Limited Partnership)	Others	1.16%	36,166,156	–	–
Vats Group Company Limited	Domestic legal person shares	1.02%	31,745,000	–	31,745,000
Beijing Taiji Huaqing Information System Co., Ltd.	Domestic legal person shares	0.83%	26,000,000	–	–
Description of connected relations or connected action among the aforesaid shareholders	Central Huijin Investment Ltd. (“Huijin”) 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. Except this, the Company is not aware of any connections among the shareholders or whether they are parties acting in concert.				

Note:

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 including shares held by investors such as Zurich Insurance Company Ltd.. The relevant regulations of The Stock Exchange of Hong Kong Limited 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.

Shares held by top ten shareholders who are not subject to selling restrictions		
Name of shareholders	Number of shares held without selling restrictions	Types of shares
HKSCC Nominees Limited	968,928,488	H
Baosteel Group Corporation	471,212,186	A
Beijing Hony 2010 Equity Investment Center (Limited Partnership)	80,853,658	A
CICC Securities (HK) Limited	65,000,000	H
Tibet Shannan Century Golden Resources Investment Management Limited	39,143,368	A
Special Securities Account for Securities Based Lending Products of Shenyin & Wanguo Securities Co., Ltd	36,392,400	A
Shanghai Shangyan Investment Center (Limited Partnership)	36,166,156	A
Vats Group Company Limited	31,745,000	A
Beijing Taiji Huaqing Information System Co., Ltd.	26,000,000	A
Special Securities Account for Fixed-term Securities Repurchases of CITIC Securities Co., Ltd.	25,370,000	A
Description of connected relations or connected action among the aforesaid shareholders	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

Unit: RMB in millions

Items in the balance sheet	As of 30 September 2013	As of 31 December 2012	Increase/ decrease	Main reasons for the changes
Cash and bank deposits	13,295	24,809	-46.4%	Requirement for daily liquidity management
Financial assets purchased under agreements to resell	40	–	N/A	Requirement for daily liquidity management
Premiums receivables	2,772	1,556	78.1%	Uneven distribution of insurance business between quarters and increased accumulation of insurance business
Receivables from reinsurers	154	364	-57.7%	Decrease in receivables from China Life Reinsurance Company Ltd.
Unearned premium reserves receivables from reinsurers	106	27	292.6%	Increase in ceded out short-term insurance business
Reserves for long-term health insurance receivables from reinsurers	34	25	36.0%	Increase in ceded out long-term health insurance business
Policy loans	6,874	3,866	77.8%	Increase in demand for policy loans
Available-for-sale financial assets	118,439	84,335	40.4%	Purchase of securitization products
Investments classified as loans and receivables	14,232	308	4,520.8%	Increase in asset-backed project plans
Long-term equity investment	9,446	708	1,234.2%	Investment in projects such as equity investment plans

Items in the balance sheet	As of 30 September 2013	As of 31 December 2012	Increase/ decrease	Main reasons for the changes
Intangible assets	1,452	102	1,323.5%	Purchase of land use right
Unearned premiums liabilities	997	750	32.9%	Uneven distribution of short-term insurance business between quarters
Premiums received in advance	279	518	-46.1%	Different time points of business underwriting
Reinsurance payable	96	33	190.9%	Uneven distribution of insurance business between quarters
Taxes payable	418	270	54.8%	Increase in corporate income tax payable
Claims payable	1,066	789	35.1%	Increase in maturity benefits payable
Policyholder deposits	25,524	18,734	36.2%	Increase in universal insurance business
Other liabilities	130	338	-61.5%	Payment in the interests for subordinated term debts
Brokerage and commission payable	940	630	49.2%	Increase in initial premiums collected from individual insurance channel in September 2013 compared to December 2012

Items in the statement of income	For the nine months ended 30 September 2013	For the nine months ended 30 September 2012	Increase/decrease	Main reasons for the changes
Premiums ceded out	(242)	14	N/A	Increase in the business of premiums ceded out and decrease in surrenders recoverable from reinsurers
Investment income	18,455	13,845	33.3%	Increase in investment of securitization products and fluctuation of the capital market
Fair value gains/(losses)	(107)	33	N/A	Fluctuation of the capital market
Foreign exchange gains/(losses)	(217)	44	N/A	Fluctuation of USD exchange rate
Surrenders	(21,149)	(12,946)	63.4%	Effect of life insurance marketing environment and increase in life insurance surrenders
Claims recoverable from reinsurers	296	705	-58.0%	Decrease in maturity benefits recoverable from reinsurers due to decrease of maturity benefits from certain reinsurance business
Insurance reserves recoverable from reinsurers	(126)	(726)	-82.6%	Decrease in maturity benefits recoverable from reinsurers due to decrease of maturity benefits from certain reinsurance business
Expenses recoverable from reinsurance	96	39	146.2%	Increase in ceded out insurance business
Other operating expenses	(2,423)	(1,862)	30.1%	Increase in interests for subordinated term debts and expenses of non-insurance contracts
Impairment losses	(1,209)	(4,769)	-74.6%	Decrease in available-for-sale financial assets which meet requirements of impairment
Income tax	(701)	444	N/A	Increase in net profit before tax and deferred tax expenses
Net profit	3,952	2,325	70.0%	Increase in investment income and decrease in impairment losses
Other comprehensive income	(30)	2,066	N/A	Fluctuation of fair value of available-for-sale financial assets

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

☐ Applicable ☒ Not applicable

3.3 Implementation of undertakings by the Company and its shareholders with over 5% shares

☒ Applicable ☐ Not applicable

(1) Controlling shareholders' commitment relating to avoidance of horizontal competition

For details of the commitment made by 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 the 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. The special dividend distribution 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, 30 October 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 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)

30 September 2013

(All amounts in RMB million unless otherwise stated)

Assets	As of 30 September 2013 Group	As of 31 December 2012 Group	As of 30 September 2013 Company	As of 31 December 2012 Company
Assets				
Cash and bank deposits	13,295	24,809	13,207	24,235
Held-for-trading financial assets	4,696	4,549	4,678	4,503
Financial assets purchased under agreements to resell	40	—	—	—
Interest receivables	12,654	10,762	12,513	10,758
Premiums receivables	2,772	1,556	2,772	1,556
Receivables from reinsurers	154	364	154	364
Unearned premium reserves receivables from reinsurers	106	27	106	27
Claim reserves receivable from reinsurers	19	22	19	22
Reserves for life insurance receivables from reinsurers	2,712	2,844	2,712	2,844
Reserves for long-term health insurance receivables from reinsurance	34	25	34	25
Policy loans	6,874	3,866	6,874	3,866
Other receivables	2,395	2,369	2,410	2,426
Term deposits	173,054	172,083	172,633	171,652
Available-for-sale financial assets	118,439	84,335	117,979	84,335
Held-to-maturity investments	174,985	176,817	174,985	176,817
Investments classified as loans and receivables	14,232	308	4,221	297
Long-term equity investments	9,446	708	20,782	2,028
Statutory deposits	716	717	715	715
Investment properties	1,604	1,635	1,604	1,635
Fixed assets	3,793	3,789	3,595	3,584
Constructions in process	416	337	242	163
Intangible assets	1,452	102	1,443	93
Deferred tax assets	784	863	769	846
Other assets	512	543	611	510
Separate account assets	253	263	253	263
Total assets	545,437	493,693	545,311	493,564

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)

30 September 2013

(All amounts in RMB million unless otherwise stated)

Liabilities and Equity	As of 30 September 2013 Group	As of 31 December 2012 Group	As of 30 September 2013 Company	As of 31 December 2012 Company
Liabilities				
Financial assets sold under agreements to repurchase	52,950	55,437	52,950	55,437
Premiums received in advance	279	518	279	518
Brokerage and commission payable	940	630	940	630
Reinsurance payable	96	33	96	33
Salary and welfare payable	971	1,031	911	965
Taxes payable	418	270	412	252
Claims payable	1,066	789	1,066	789
Other payable	1,747	2,051	1,762	2,070
Policyholder deposits	25,524	18,734	25,524	18,734
Unearned premiums liabilities	997	750	997	750
Outstanding claims liabilities	482	452	482	452
Reserves for life insurance	383,936	342,790	383,936	342,790
Reserves for long-term health insurance	20,392	18,280	20,392	18,280
Borrowings	15,000	15,000	15,000	15,000
Provisions	458	458	458	458
Other liabilities	130	338	130	338
Separate account liabilities	251	254	251	254
Total liabilities	505,637	457,815	505,586	457,750
Shareholders' equity				
Share capital	3,120	3,120	3,120	3,120
Capital reserve	23,937	23,967	23,937	23,967
Surplus reserve	1,000	1,000	1,000	1,000
General reserve	1,000	1,000	1,000	1,000
Retained earnings	10,733	6,783	10,668	6,727
Total equity attributable to shareholders of the Company	39,790	35,870	39,725	35,814
Non-controlling interests	10	8	—	—
Total shareholders' equity	39,800	35,878	39,725	35,814
Total liabilities and shareholders' equity	545,437	493,693	545,311	493,564

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 nine months ended 30 September 2013

(All amounts in RMB million unless otherwise stated)

	For the nine months ended 30 September		For the nine months ended 30 September	
	2013	2012	2013	2012
	Group	Group	Company	Company
1. Operating Income	90,498	91,932	90,455	91,925
Premiums earned	71,863	77,621	71,863	77,621
Premium income	72,273	77,826	72,273	77,826
Less: Premiums ceded out	(242)	14	(242)	14
Net change in unearned premiums liabilities	(168)	(219)	(168)	(219)
Investment income	18,455	13,845	18,428	13,835
Fair value gains/(losses)	(107)	33	(107)	33
Foreign exchange losses	(217)	44	(217)	43
Other operating income	504	389	488	393
2. Operating expenses	(85,763)	(89,975)	(85,745)	(89,993)
Surrenders	(21,149)	(12,946)	(21,149)	(12,946)
Claims expense	(7,203)	(5,718)	(7,203)	(5,718)
Less: claims recoverable from reinsurers	296	705	296	705
Increase in insurance contracts reserve	(42,592)	(52,433)	(42,592)	(52,433)
Less: insurance reserves recoverable from reinsurers	(126)	(726)	(126)	(726)
Business tax and surcharges expenses	(85)	(95)	(74)	(86)
Commission and brokerage expenses	(4,474)	(5,282)	(4,475)	(5,283)
Administrative expenses	(6,894)	(6,888)	(6,902)	(6,914)
Less: expenses recoverable from reinsurers	96	39	96	39
Other operating expenses	(2,423)	(1,862)	(2,407)	(1,862)
Impairment losses	(1,209)	(4,769)	(1,209)	(4,769)
3. Operating profit	4,735	1,957	4,710	1,932
Add: Non-operating income	4	6	4	6
Less: Non-operating expenses	(86)	(82)	(80)	(82)
4. Net profit before income tax expenses	4,653	1,881	4,634	1,856
Less: Income tax	(701)	444	(693)	447
5. Net profit	<u>3,952</u>	<u>2,325</u>	<u>3,941</u>	<u>2,303</u>

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Income (unaudited) (continued)

For the nine months ended 30 September 2013

(All amounts in RMB million unless otherwise stated)

	For the nine months ended 30 September		For the nine months ended 30 September	
	2013	2012	2013	2012
	Group	Group	Company	Company
6. Attributable to:				
Shareholders of the Company	3,950	2,324		
Non-controlling interests	2	1		
7. Earnings per share				
Basic earnings per share	RMB1.27	RMB0.74		
Diluted earnings per share	RMB1.27	RMB0.74		
8. Other Comprehensive income	(30)	2,066	(30)	2,066
9. Total Comprehensive income	<u>3,922</u>	<u>4,391</u>	<u>3,911</u>	<u>4,369</u>
Attributable to shareholders of the Company	3,920	4,390		
Attributable to non-controlling interests	2	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 Income (unaudited)

For the three months ended 30 September 2013

(All amounts in RMB million unless otherwise stated)

	For the three months ended 30 September		For the three months ended 30 September	
	2013	2012	2013	2012
	Group	Group	Company	Company
1. Operating Income	27,807	26,581	27,789	26,578
Premiums earned	20,922	21,858	20,922	21,858
Premium income	20,929	21,876	20,929	21,876
Less: Premiums ceded out	(81)	(26)	(81)	(26)
Net change in unearned premiums liabilities	74	8	74	8
Investment income	6,335	4,799	6,326	4,795
Fair value gains/(losses)	466	(239)	466	(239)
Foreign exchange losses	(50)	16	(50)	15
Other operating income	134	147	125	149
2. Operating expenses	(25,625)	(26,189)	(25,618)	(26,196)
Surrenders	(7,889)	(4,387)	(7,889)	(4,387)
Claims expense	(2,290)	(1,783)	(2,290)	(1,783)
Less: claims recoverable from reinsurers	121	258	121	258
Increase in insurance contracts reserve	(10,717)	(12,791)	(10,717)	(12,791)
Less: insurance reserves recoverable from reinsurers	(28)	(239)	(28)	(239)
Business tax and surcharges expenses	(25)	(24)	(21)	(21)
Commission and brokerage expenses	(1,399)	(1,486)	(1,399)	(1,486)
Administrative expenses	(2,361)	(2,348)	(2,365)	(2,358)
Less: expenses recoverable from reinsurers	55	16	55	16
Other operating expenses	(810)	(652)	(803)	(652)
Impairment losses	(282)	(2,753)	(282)	(2,753)
3. Operating profit	2,182	392	2,171	382
Add: Non-operating income	3	1	3	1
Less: Non-operating expenses	(28)	(20)	(26)	(20)
4. Net profit before income tax expenses	2,157	373	2,148	363
Less: Income tax	(393)	47	(390)	47
5. Net profit	<u>1,764</u>	<u>420</u>	<u>1,758</u>	<u>410</u>

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Income (unaudited) (continued)
For the three months ended 30 September 2013

(All amounts in RMB million unless otherwise stated)

	For the three months ended 30 September		For the three months ended 30 September	
	2013	2012	2013	2012
	Group	Group	Company	Company
6. Attributable to:				
Shareholders of the Company	1,763	420		
Non-controlling interests	1	—		
7. Earnings per share				
Basic earnings per share	RMB0.57	RMB0.13		
Diluted earnings per share	RMB0.57	RMB0.13		
8. Other Comprehensive income	345	120	345	120
9. Total Comprehensive income	2,109	540	2,103	530
Attributable to shareholders of the Company	2,108	540		
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 nine months ended 30 September 2013

(All amounts in RMB million unless otherwise stated)

	For the nine months ended 30 September		For the nine months ended 30 September	
	2013	2012	2013	2012
	Group	Group	Company	Company
1. Cash flows from operating activities				
Premium received	70,896	76,274	70,896	76,274
Net cash received from reinsurance business	424	578	424	578
Net increase in policyholder deposits	6,418	—	6,418	—
Cash received for taxes and surcharges	544	—	544	—
Cash received from other operating activities	296	236	290	654
Sub-total of cash inflows from operating activities	78,578	77,088	78,572	77,506
Cash paid for claims	(28,076)	(18,513)	(28,076)	(18,513)
Net decrease in policyholder deposits	—	(128)	—	(128)
Cash paid for brokerage and commission fees	(4,368)	(5,207)	(4,369)	(5,208)
Cash paid to and for employees	(4,662)	(4,742)	(4,517)	(4,637)
Cash paid for taxes and surcharges	(607)	(1,170)	(576)	(1,142)
Cash paid from other operating activities	(2,538)	(2,350)	(2,470)	(2,324)
Sub-total of cash outflows from operating activities	(40,251)	(32,110)	(40,008)	(31,952)
Net cash flows from operating activities	38,327	44,978	38,564	45,554

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Cash Flows (unaudited) (continued)

For the nine months ended 30 September 2013

(All amounts in RMB million unless otherwise stated)

	For the nine months ended 30 September		For the nine months ended 30 September	
	2013	2012	2013	2012
	Group	Group	Company	Company
2. Cash flows from investing activities				
Cash received from sales and redemption of investments	75,965	41,524	75,935	41,523
Cash received from investment income	14,816	10,687	14,792	10,681
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	4	3	4	2
Cash received from financial assets purchased under agreements to resell	17,470	63,596	17,470	63,596
Sub-total of cash inflows from investing activities	108,255	115,810	108,201	115,802
Cash paid for investment	(129,166)	(122,174)	(128,721)	(122,845)
Net increase in policy loans	(3,008)	(1,241)	(3,008)	(1,241)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(1,630)	(1,170)	(1,621)	(1,168)
Cash paid for financial assets purchased under agreements to resell	(17,510)	(63,537)	(17,470)	(63,537)
Cash paid from other investing activities	–	–	(180)	(141)
Sub-total of cash outflows from investing activities	(151,314)	(188,122)	(151,000)	(188,932)
Net cash flows from investing activities	(43,059)	(72,312)	(42,799)	(73,130)

NEW CHINA LIFE INSURANCE COMPANY LTD.

Statement of Cash Flows (unaudited) (continued)

For the nine months ended 30 September 2013

(All amounts in RMB million unless otherwise stated)

	For the nine months ended 30 September		For the nine months ended 30 September	
	2013	2012	2013	2012
	Group	Group	Company	Company
3. Cash flows from financing activities				
Proceeds from share issuance	–	59	–	59
Cash received from financial assets sold under agreements to repurchase	3,841,060	3,568,647	3,841,060	3,568,647
Received from borrowings	–	10,000	–	10,000
	<u>3,841,060</u>	<u>3,578,706</u>	<u>3,841,060</u>	<u>3,578,706</u>
Sub-total of cash inflows from financing activities	<u>3,841,060</u>	<u>3,578,706</u>	<u>3,841,060</u>	<u>3,578,706</u>
Cash paid for dividends and interests	(745)	(953)	(745)	(953)
Cash paid from financial assets sold under agreements to repurchase	<u>(3,845,679)</u>	<u>(3,544,315)</u>	<u>(3,845,679)</u>	<u>(3,544,315)</u>
Sub-total of cash outflows from financing activities	<u>(3,846,424)</u>	<u>(3,545,268)</u>	<u>(3,846,424)</u>	<u>(3,545,268)</u>
Net cash flows from financing activities	<u>(5,364)</u>	<u>33,438</u>	<u>(5,364)</u>	<u>33,438</u>
4. Effect of foreign exchange rate changes	<u>(186)</u>	<u>15</u>	<u>(186)</u>	<u>15</u>
5. Net increase/(decrease) in cash and cash equivalents	<u>(10,282)</u>	<u>6,119</u>	<u>(9,785)</u>	<u>5,877</u>
Add: Opening balance of cash and cash equivalents	<u>25,066</u>	<u>21,095</u>	<u>24,262</u>	<u>20,744</u>
6. Closing balance of cash and cash equivalents	<u><u>14,784</u></u>	<u><u>27,214</u></u>	<u><u>14,477</u></u>	<u><u>26,621</u></u>

Kang Dian
Chairman

Chen Guogang
Chief Financial Officer

Gong Xingfeng
Chief Actuary

Meng Xia
*Head of Accounting
Department*