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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)

2012 THIRD QUARTER REPORT

This announcement is made by New China Life Insurance Company Ltd. (the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial data in the 2012 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 (the "Board"), the board of supervisors and directors, supervisors, and members of senior management of the Company warrant that there are no false representations, misleading statements or material omissions in the contents of this report, and are jointly and severally liable for the authenticity, accuracy and completeness of this report.
- 1.2 The 2012 Third Quarter Report of the Company was considered and approved at the 50th meeting of the fourth session of the Board of the Company on 29 October 2012, 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 director 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 2012 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, Mr. GONG Xingfeng, the Chief Actuary of the Company and Ms. MENG Xia, the officer in charge of the accounting department warrant the authenticity and completeness of the financial statements in the 2012 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	481,358	386,771	24.5%
Shareholders' equity attributable to shareholders of the Company	34,474	31,306	10.1%
Net assets per share attributable to shareholders of the Company (RMB per share)	11.05	10.04	10.1%
	From the beginning of the year to the end of the reporting period (January – September)		Increase/ decrease compared to the same period of last year
Net cash flows from operating activities	44,978		2.7%
Weighted average net cash flows from operating activities per share (RMB)	14.42		-29.8%
	For the reporting period (July – September)	From the beginning of the year to the end of the reporting period (January – September)	Increase/ decrease compared to the same period of last year (July – September)
Net profit attributable to shareholders of the Company	420	2,324	-15.0%
Basic/diluted earnings per share (RMB per share)	0.13	0.74	-31.6%
Basic earnings per share after deducting non-recurring items (RMB per share)	0.14	0.76	-30.0%
Weighted average return on equity (%)	1.20%	6.97%	Decreased by 1.3 percentage points
Weighted average return on equity after deducting non-recurring items (%)	1.25%	7.15%	Decreased by 1.5 percentage points

Notes: Shareholders' equity refers to shareholders' equity attributable to shareholders of the Company, while 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	-73
Effect of income tax expenses of non-recurring items	17
Attribute to minority interest	—
Total	-59

2.3 Other key indicators

Unit: RMB in millions

Indicators	As of 30 September 2012/ For the nine months ended 30 September 2012	As of 31 December 2011/ The same period of 2011	Increase/decrease compared to 31 December 2011/ Increase/decrease compared to the same period of 2011
Investment assets ⁽¹⁾	464,811	373,958	24.3%
Premiums earned	77,621	74,571	4.1%
Growth rate of earned premiums (%)	4.1%	1.6%	Increased by 2.5 percentage points
Net claims expense	5,013	4,957	1.1%
Surrender rate ⁽²⁾ (%)	4.0%	4.2%	Decreased by 0.2 percentage points

Notes:

1. Cash and bank deposits as well as investment assets of separate account assets are included in investment assets. The comparative figures have been reclassified in the same way as the disclosures made in the financial statements of the reporting period.
2. Surrender rate = Surrenders of the reporting period/[(Life insurance contract liabilities and long-term health insurance contract liabilities at the beginning of the period + Life insurance contract liabilities and long-term health insurance contract liabilities at the end of the period)/2].

For the nine months ended 30 September 2012, the total investment yield of the Company was 2.2%, total investment yield =(Investment income – Investment income in associates + Fair value gains/(losses) – Impairment losses on investment assets)/((Investment assets at the beginning of the period + Investment assets at the end of the period)/2)). The annualized total investment yield was 2.9%, annualized total investment yield=total investment yield for the nine months ended 30 September 2012 × 366/274.

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

Unit: Share

Total number of shareholders	16,259 (including 15,876 A share holders and 383 H share holders)				
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	31.23%	974,173,154	974,173,154	
Baosteel Group Corporation	State-owned legal person shares	15.11%	471,212,186	471,212,186	
HKSCC Nominees Limited ⁽¹⁾	Overseas legal person shares	12.72%	396,924,760	0	
Zurich Insurance Company Ltd	Overseas legal person shares	12.50%	390,000,000	390,000,000	
Hebei Deren Investment Co., Ltd.	Domestic legal person shares	4.07%	126,987,805	126,987,805	
Tianjin Xinshang Investment Management Limited	Domestic legal person shares	2.61%	81,454,878	81,454,878	32,581,951
Century Golden Resources Investment Group Co., Ltd.	Domestic legal person shares	2.50%	78,000,000	78,000,000	78,000,000
Fullerton Management Pte Ltd	Overseas legal person shares	2.50%	78,000,000	78,000,000	
CICC Securities (HK) Limited	Overseas legal person shares	2.08%	65,000,000	65,000,000	
Nomura Securities Co Ltd.	Overseas legal person shares	2.08%	65,000,000	65,000,000	
Description of connected relations or connected action among the aforesaid shareholders	Central Huijin Investment Ltd. 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 for this, the Company is not aware of any connections among the shareholders or whether they are parties acting in concert.				

Notes:

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. The relevant regulations of The Stock Exchange of Hong Kong Limited do not require such person 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 without subject to selling restrictions		
Name of shareholders	Number of shares held without selling restrictions	Types of shares
HKSCC Nominees Limited	396,924,760	H
Bank of China – Da Cheng Blue Chip Safe Securities Investment Fund	4,589,186	A
China Construction Bank – Huaxia Advantage Growth Equity Securities Investment Fund	3,377,704	A
Southwest Securities Co., Ltd.	3,238,239	A
Industrial and Commercial Bank of China – Bo Shi Well-selected Equity Securities Investment Fund	3,057,678	A
Guang Fa Securities – Industrial and Commercial Bank of China – Guang Fa Jinguanjia New Aggregate Asset Management Plan with High Growth	2,914,454	A
China Construction Bank – Yin Hua Fortune-subject Equity Securities Investment Fund	2,599,907	A
The National Council for Social Security Fund of the PRC 103 Combination	2,599,731	A
The National Council for Social Security Fund of the PRC 118 Combination	2,507,077	A
Da Cheng Value Growth Securities Investment Fund	2,499,815	A
Description of connected relations or connected action among the aforesaid shareholders	Some of the shareholders mentioned above were managed by the same entity. Except for this, 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

Unite: RMB in millions

Items in the Balance Sheet	As of 30 September 2012	As of 31 December 2011	Increase/ (decrease)	Main reasons for the changes
Cash and bank deposits	26,940	12,986	107.5%	Requirements for daily liquidity management
Securities purchased under agreements to resell	–	19	-100.0%	Requirements for daily liquidity management
Interest receivables	11,276	7,743	45.6%	The growth of total interest-earning investment assets
Premiums receivables	2,444	1,395	75.2%	Increased accumulation of insurance business
Receivables from reinsurers	498	274	81.8%	Increase in maturity benefits due from reinsurers arising from the maturity of ceded out insurance products
Unearned premium reserves receivables from reinsurers	34	16	112.5%	Increase in ceded out short-term insurance business
Reserves for long-term health insurance receivables from reinsurers	21	11	90.9%	Increase in ceded out long-term health insurance business
Policy loans	3,297	2,055	60.4%	Increase in demand for policy loans
Other receivables	2,118	1,124	88.4%	Increase in prepaid business tax, and etc.
Term deposits	171,772	131,047	31.1%	Increase in agreement term deposits
Investments classified as loans and receivables	11	20	-45.0%	Deal of financial assets
Statutory deposits	717	522	37.4%	Increase in registered capital from initial public offering
Constructions in progress	2,589	1,533	68.9%	Partial payment of building purchased
Intangible assets	94	65	44.6%	The purchase of computer software
Deferred tax assets	1,217	14	8,592.9%	During the reporting period, the Company recognized the resultant deferred tax assets according to the expectation of future earnings
Unearned premiums liabilities	841	604	39.2%	Uneven distribution of short-term insurance premium

Items in the Balance Sheet	As of 30 September 2012	As of 31 December 2011	Increase/ (decrease)	Main reasons for the changes
Financial assets sold under agreements to repurchase	57,734	32,481	77.7%	Requirements for daily liquidity management
Premiums received in advance	143	504	-71.6%	Different time points of business underwriting
Reinsurance payable	74	31	138.7%	Increase in ceded out insurance business
Taxes payable	557	408	36.5%	Increase in income tax payable
Claims payable	650	499	30.3%	Increase in maturity benefits payable
Borrowings	15,000	5,000	200.0%	Issuance of subordinated term debts
Other liabilities	200	116	72.4%	Increase in the interests for subordinated term debts

Items in the Statement of Income	For the nine months ended 30 September 2012	For the nine months ended 30 September 2011	Increase/ (decrease)	Main reasons for the changes
Premiums ceded out	14	383	-96.3%	Decrease in surrenders from certain reinsurance business
Fair value gains/(losses)	33	(1,359)	N/A	Fluctuation of the capital market
Foreign exchange gains/(losses)	44	(145)	N/A	Fluctuation of US/RMB exchange rate
Claims recoverable from reinsurers	705	62	1,037.1%	Increase in maturity benefits recoverable from reinsurers arising from the maturity of ceded out insurance business
Insurance reserves recoverable from reinsurers	(726)	(339)	114.2%	The maturity of ceded out insurance business
Business tax and surcharges expenses	(95)	(143)	-33.6%	Decrease in business tax related to disposal gains of investment
Other operating expenses	(1,862)	(1,084)	71.8%	Increase in the interest expenses for financial assets sold under agreements to repurchase and interest expenses for subordinated term debts
Impairment losses	(4,769)	(73)	6,432.9%	Continued downturn of the capital market
Income tax	444	(286)	N/A	The recognition of the resultant deferred tax assets
Other comprehensive income	2,066	(3,974)	N/A	The loss on available-for-sale financial assets partially transferred to impairment loss on assets

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

✓ Applicable ☐ Not applicable

(1) *Issuance of Subordinated Term Debts*

According to the resolution of the first shareholders' extraordinary general meeting of 2012 of the Company, the Company planned to issue subordinated term debts with a period of more than 5 years and a total amount of no more than RMB10 billion in 2012. With the approval from China Insurance Regulatory Commission, the issuance of the subordinated term debts with a period of 10 years and a total amount of RMB10 billion was completed in July 2012. For details, please refer to "Announcement of the Completion of Issuance of Subordinated Term Debts" dated 31 July 2012 issued by the Company.

(2) *The Lawsuit with Orient Group Co., Ltd. and its Affiliates*

On 5 November 2010, the Company brought a lawsuit to Beijing Municipal Higher People's Court, requiring Orient Group Co., Ltd. and its affiliates to return the debt principal of approximately RMB940 million and its interest (For details, please refer to the section titled "Business – Special Events – Measures taken in respect of the former chairman's misconduct" in the prospectus dated 2 December 2011 issued by the Company). On 27 July 2012, the Beijing Municipal Higher People's Court dismissed the Company's lawsuit in its ruling of instance.

3.3 Implementation of undertakings by the Company, its shareholders and de facto controller

✓ Applicable ☐ Not applicable

In October 2011, the Company held the 39th meeting of the fourth session of the Board and the sixth shareholders' extraordinary general meeting of 2011, and considered and approved the *Proposal Concerning Special Dividend Distribution and Public Investor Protection Mechanism of New China Life Insurance Company Ltd.* For details, please refer to the section titled "Business – Special Events – Investor protection mechanism" and other relevant contents in the prospectus dated 2 December 2011 issued by the Company.

On 26 July 2012, the Company held the 47th meeting of the fourth session of the Board, considered and approved the *Proposal Concerning the Specific Matters Relating to the Special Dividend Distribution and Public Investor Protection Mechanism of New China Life Insurance Company Ltd.*, and agreed to distribute the special cash dividend of RMB0.32056 per share (including tax) to all the shareholders based on the Company's current total issued 3,119,546,600 shares, totaling approximately RMB1 billion. For details, please refer to "Announcement on the Declaration of the Special Dividend" dated 26 July 2012 issued by the Company. The distribution of the aforesaid special cash dividend to shareholders of A share and H share was completed on 24 August 2012 and 28 September 2012 separately.

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 The implementation of cash dividend policy during the reporting period

☒ Applicable ☐ Not applicable

(1) *Distribution of 2011 Final Dividend*

The Company considered and approved *The Proposal of New China Life Insurance Company Ltd. on Dividend Distribution Plan for the year of 2011* at the annual shareholders' general meeting of 2011 on 20 June 2012, and agreed to distribute 2011 final dividend of RMB0.09 per share (including tax) to all the shareholders based on the Company's total issued 3,119,546,600 shares, totaling RMB280,759,194. The aforesaid dividend distribution plan has been completed during the reporting period.

(2) *Distribution of Special Dividend*

For details of the distribution of special dividend of the Company during the reporting period, please refer to 3.3 Implementation of undertakings by the Company, its shareholders and de facto controller of this report.

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

Beijing, China, 29 October 2012

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, CHEN Johnny, CHEONG Chee Meng, and WANG Chengran; 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 2012

(All amounts in RMB million unless otherwise stated)

	As of 30 September 2012 Group	As of 31 December 2011 Group	As of 30 September 2012 Company	As of 31 December 2011 Company
Assets				
Assets				
Cash and bank deposits	26,940	12,986	26,360	12,647
Held-for-trading financial assets	5,667	5,310	5,642	5,283
Securities purchased under agreements to resell	–	19	–	19
Interest receivables	11,276	7,743	11,272	7,739
Premiums receivables	2,444	1,395	2,444	1,395
Receivables from reinsurers	498	274	498	274
Unearned premium reserves receivables from reinsurers	34	16	34	16
Claim reserves receivables from reinsurers	25	28	25	28
Reserves for life insurance receivables from reinsurers	3,140	3,873	3,140	3,873
Reserves for long-term health insurance receivables from reinsurers	21	11	21	11
Policy loans	3,297	2,055	3,297	2,055
Other receivables	2,118	1,124	2,437	1,863
Term deposits	171,772	131,047	171,559	130,834
Available-for-sale financial assets	84,361	72,876	84,361	72,876
Held-to-maturity investments	160,511	141,090	160,511	141,090
Investments classified as loans and receivables	11	20	–	10
Long-term equity investments	710	709	1,489	818
Statutory deposits	717	522	715	520
Investment properties	467	451	467	451
Fixed assets	2,652	2,751	2,432	2,526
Constructions in process	2,589	1,533	2,427	1,371
Intangible assets	94	65	89	60
Deferred tax assets	1,217	14	1,203	–
Other assets	547	579	528	556
Separate account assets	250	280	250	280
Total assets	481,358	386,771	481,201	386,595

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 2012

(All amounts in RMB million unless otherwise stated)

	As of 30 September 2012 Group	As of 31 December 2011 Group	As of 30 September 2012 Company	As of 31 December 2011 Company
Liabilities and Equity				
Liabilities				
Financial assets sold under agreements to repurchase	57,734	32,481	57,734	32,481
Premiums received in advance	143	504	143	504
Brokerage and commission payable	767	637	767	637
Reinsurance payable	74	31	74	31
Salary and welfare payable	882	1,004	825	947
Taxes payable	557	408	554	389
Claims payable	650	499	650	499
Other payable	1,737	1,505	1,746	1,488
Policyholder deposits	19,054	18,730	19,054	18,730
Unearned premiums liabilities	841	604	841	604
Outstanding claims liabilities	416	392	416	392
Reserves for life insurance	330,604	277,353	330,604	277,353
Reserves for long-term health insurance	17,520	15,465	17,520	15,465
Borrowings	15,000	5,000	15,000	5,000
Provisions	458	458	458	458
Other liabilities	200	116	200	116
Separate account liabilities	239	271	239	271
Total liabilities	<u>446,876</u>	<u>355,458</u>	<u>446,825</u>	<u>355,365</u>
Shareholders' equity				
Share capital	3,120	3,117	3,120	3,117
Capital reserve	23,179	21,058	23,179	21,058
Surplus reserve	705	705	705	705
General reserve	705	705	705	705
Retained earnings	6,765	5,721	6,667	5,645
Total equity attributable to shareholders of the Company	<u>34,474</u>	<u>31,306</u>	<u>34,376</u>	<u>31,230</u>
Non-controlling interests	8	7	—	—
Total shareholders' equity	<u>34,482</u>	<u>31,313</u>	<u>34,376</u>	<u>31,230</u>
Total liabilities and shareholders' equity	<u><u>481,358</u></u>	<u><u>386,771</u></u>	<u><u>481,201</u></u>	<u><u>386,595</u></u>

Kang Dian
Chairman

Chen Guogang
Chief Financial Officer

Gong Xingfeng
Chief Actuary

Meng Xia
Head of Accounting
Department

Statement of Income (unaudited)**For the nine months ended 30 September 2012**

(All amounts in RMB million unless otherwise stated)

	For the nine months ended 30 September		For the nine months ended 30 September	
	2012	2011	2012	2011
	Group	Group	Company	Company
1. Operating Income	91,932	84,618	91,925	84,619
Premiums earned	77,621	74,571	77,621	74,571
Premium income	77,826	74,361	77,826	74,361
Less: Premiums ceded out	14	383	14	383
Net change in unearned premiums liabilities	(219)	(173)	(219)	(173)
Investment income	13,845	11,181	13,835	11,174
Fair value gains/(losses)	33	(1,359)	33	(1,359)
Foreign exchange gains/(losses)	44	(145)	43	(144)
Other operating income	389	370	393	377
2. Operating expenses	(89,975)	(82,001)	(89,993)	(82,030)
Surrenders	(12,946)	(10,734)	(12,946)	(10,734)
Claims expense	(5,718)	(5,019)	(5,718)	(5,019)
Less: claims recoverable from reinsurers	705	62	705	62
Increase in insurance contracts reserve	(52,433)	(52,982)	(52,433)	(52,982)
Less: insurance reserves recoverable from reinsurers	(726)	(339)	(726)	(339)
Business tax and surcharges expenses	(95)	(143)	(86)	(135)
Commission and brokerage expenses	(5,282)	(5,426)	(5,283)	(5,428)
Administrative expenses	(6,888)	(6,294)	(6,914)	(6,329)
Less: expenses recoverable from reinsurers	39	31	39	31
Other operating expenses	(1,862)	(1,084)	(1,862)	(1,084)
Impairment losses	(4,769)	(73)	(4,769)	(73)
3. Operating profit	1,957	2,617	1,932	2,589
Add: Non-operating income	6	34	6	32
Less: Non-operating expenses	(82)	(95)	(82)	(95)
4. Net profit before income tax expenses	1,881	2,556	1,856	2,526
Less: Income tax	444	(286)	447	(273)
5. Net profit	<u>2,325</u>	<u>2,270</u>	<u>2,303</u>	<u>2,253</u>

Statement of Income (unaudited) (continued)

For the nine months ended 30 September 2012

(All amounts in RMB million unless otherwise stated)

	For the nine months ended 30 September		For the nine months ended 30 September	
	2012	2011	2012	2011
	Group	Group	Company	Company
6. Attributable to:				
Shareholders of the Company	2,324	2,269		
Non-controlling interests	1	1		
7. Earnings per share				
Basic earnings per share	RMB0.74	RMB1.06		
Diluted earnings per share	RMB0.74	RMB1.06		
8. Other Comprehensive income	<u>2,066</u>	<u>(3,974)</u>	<u>2,066</u>	<u>(3,974)</u>
9. Total Comprehensive income	<u><u>4,391</u></u>	<u><u>(1,704)</u></u>	<u><u>4,369</u></u>	<u><u>(1,721)</u></u>
Attributable to shareholders of the Company	4,390	(1,705)		
Attributable to non-controlling interests	1	1		

Kang Dian
Chairman

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Gong Xingfeng
Chief Actuary

Meng Xia
*Head of Accounting
Department*

Statement of Income (unaudited)**For the three months ended 30 September 2012**

(All amounts in RMB million unless otherwise stated)

	For the three months ended 30 September		For the three months ended 30 September	
	2012	2011	2012	2011
	Group	Group	Company	Company
1. Operating Income	26,581	26,806	26,578	26,809
Premiums earned	21,858	23,864	21,858	23,864
Premium income	21,876	23,699	21,876	23,699
Less: Premiums ceded out	(26)	145	(26)	145
Net change in unearned premiums liabilities	8	20	8	20
Investment income	4,799	3,791	4,795	3,789
Fair value gains/(losses)	(239)	(895)	(239)	(895)
Foreign exchange gains/(losses)	16	(75)	15	(74)
Other operating income	147	121	149	125
2. Operating expenses	(26,189)	(26,262)	(26,196)	(26,276)
Surrenders	(4,387)	(4,595)	(4,387)	(4,595)
Claims expense	(1,783)	(1,243)	(1,783)	(1,243)
Less: claims recoverable from reinsurers	258	17	258	17
Increase in insurance contracts reserve	(12,791)	(15,555)	(12,791)	(15,555)
Less: insurance reserves recoverable from reinsurers	(239)	(120)	(239)	(120)
Business tax and surcharges expenses	(24)	(51)	(21)	(49)
Commission and brokerage expenses	(1,486)	(1,759)	(1,486)	(1,760)
Administrative expenses	(2,348)	(2,276)	(2,358)	(2,291)
Less: expenses recoverable from reinsurers	16	11	16	11
Other operating expenses	(652)	(377)	(652)	(377)
Impairment losses	(2,753)	(314)	(2,753)	(314)
3. Operating profit	392	544	382	533
Add: Non-operating income	1	1	1	—
Less: Non-operating expenses	(20)	(39)	(20)	(39)
4. Net profit before income tax expenses	373	506	363	494
Less: Income tax	47	(11)	47	(5)
5. Net profit	<u>420</u>	<u>495</u>	<u>410</u>	<u>489</u>

Statement of Income (unaudited)(continued)
For the three months ended 30 September 2012

(All amounts in RMB million unless otherwise stated)

	For the three months ended 30 September		For the three months ended 30 September	
	2012	2011	2012	2011
	Group	Group	Company	Company
6. Attributable to:				
Shareholders of the Company	420	494		
Non-controlling interests	—	1		
7. Earnings per share				
Basic earnings per share	RMB0.13	RMB0.19		
Diluted earnings per share	RMB0.13	RMB0.19		
8. Other Comprehensive income	120	(2,103)	120	(2,103)
9. Total Comprehensive income	540	(1,608)	530	(1,614)
Attributable to shareholders of the Company	540	(1,609)		
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 2012

(All amounts in RMB million unless otherwise stated)

	For the nine months ended 30 September		For the nine months ended 30 September	
	2012	2011	2012	2011
	Group	Group	Company	Company
1. Cash flows from operating activities				
Premium received	76,274	72,607	76,274	72,607
Net cash received from reinsurance business	578	38	578	38
Cash received from other operating activities	236	698	654	698
	<u>77,088</u>	<u>73,343</u>	<u>77,506</u>	<u>73,343</u>
Sub-total of cash inflows from operating activities				
Cash paid for claims	(18,513)	(15,659)	(18,513)	(15,659)
Net decrease in policyholder deposits	(128)	(1,290)	(128)	(1,290)
Cash paid for brokerage and commission fees	(5,207)	(5,147)	(5,208)	(5,148)
Cash paid to and for employees	(4,742)	(4,205)	(4,637)	(4,100)
Cash paid for taxes and surcharges	(1,170)	(341)	(1,142)	(320)
Cash paid for other operating activities	(2,350)	(2,890)	(2,324)	(3,192)
	<u>(32,110)</u>	<u>(29,532)</u>	<u>(31,952)</u>	<u>(29,709)</u>
Sub-total of cash outflows from operating activities				
Net cash flows from operating activities	<u>44,978</u>	<u>43,811</u>	<u>45,554</u>	<u>43,634</u>
2. Cash flows from investing activities				
Cash received from sales and redemption of investments	41,524	43,409	41,523	43,409
Cash received from investment income	10,687	7,261	10,681	7,258
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	3	3	2	3
Cash received from financial assets purchased under agreements to resell	63,596	47,418	63,596	47,241
	<u>115,810</u>	<u>98,091</u>	<u>115,802</u>	<u>97,911</u>
Sub-total of cash inflows from investing activities				

Statement of Cash Flows (unaudited) (continued)**For the nine months ended 30 September 2012**

(All amounts in RMB million unless otherwise stated)

	For the nine months ended 30 September		For the nine months ended 30 September	
	2012 Group	2011 Group	2012 Company	2011 Company
Cash paid for investment	(122,174)	(101,619)	(122,845)	(101,579)
Net increase in policy loans	(1,241)	(930)	(1,241)	(930)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(1,170)	(168)	(1,168)	(165)
Cash paid for financial assets purchased under agreements to resell	(63,537)	(48,503)	(63,537)	(48,341)
Cash paid for other investing activities	—	—	(141)	(165)
Sub-total of cash outflows from investing activities	(188,122)	(151,220)	(188,932)	(151,180)
Net cash flows from investing activities	(72,312)	(53,129)	(73,130)	(53,269)
3. Cash flows from financing activities				
Proceeds from share issuance	59	—	59	—
Cash received from financial assets sold under agreements to repurchase	3,568,647	763,387	3,568,647	763,387
Received from borrowings	10,000	5,000	10,000	5,000
Sub-total of cash inflows from financing activities	3,578,706	768,387	3,578,706	768,387
Cash paid for dividends and interests	(953)	—	(953)	—
Cash paid for financial assets sold under agreements to repurchase	(3,544,315)	(770,600)	(3,544,315)	(770,600)
Sub-total of cash outflows from financing activities	(3,545,268)	(770,600)	(3,545,268)	(770,600)
Net cash flows from financing activities	33,438	(2,213)	33,438	(2,213)
4. Effect of foreign exchange rate changes	15	(91)	15	(91)
5. Net increase/(decrease) in cash and cash equivalents	6,119	(11,622)	5,877	(11,939)
Add: Opening balance of cash and cash equivalents	21,095	27,368	20,744	27,343
6. Closing balance of cash and cash equivalents	27,214	15,746	26,621	15,404

Kang Dian
Chairman

Chen Guogang
Chief Financial Officer

Gong Xingfeng
Chief Actuary

Meng Xia
Head of Accounting
Department