

New China Life Insurance Company Ltd.

Consolidated Statement of Financial Position

As at 31 December 2015

(All amounts in RMB millions unless otherwise stated)

	Notes	As at 31 December	
		2015	2014
ASSETS			
Property, plant and equipment	6	6,827	5,917
Investment properties	7	2,177	1,665
Intangible assets	8	1,693	1,559
Investments in associates	9	3,626	10,150
Debt financial assets		348,281	345,518
- Held-to-maturity	10(1)	177,502	175,997
- Available-for-sale	10(2)	116,668	117,490
- At fair value through profit or loss	10(3)	3,389	6,286
- Loans and receivables	10(4)	50,722	45,745
Equity financial assets		110,696	60,403
- Available-for-sale	10(2)	100,229	58,012
- At fair value through profit or loss	10(3)	10,467	2,391
Term deposits	10(5)	127,679	167,297
Statutory deposits	10(6)	716	716
Policy loans		20,879	14,903
Financial assets purchased under agreements to resell		91	1,584
Accrued investment income	10(7)	9,816	10,644
Premiums receivable	11	1,525	1,543
Deferred tax assets	20	6	36
Reinsurance assets	12	3,360	3,020
Other assets	13	9,284	4,251
Cash and cash equivalents		13,904	14,503
Total assets		660,560	643,709

The notes on pages 10 to 118 form an integral part of these consolidated financial statements.

New China Life Insurance Company Ltd.

Consolidated Statement of Financial Position (Continued)

As at 31 December 2015

(All amounts in RMB millions unless otherwise stated)

	Notes	As at 31 December	
		2015	2014
LIABILITIES AND EQUITY			
Liabilities			
Insurance contracts			
Long-term insurance contract liabilities	14	522,799	478,406
Short-term insurance contract liabilities			
- Outstanding claims liabilities	14	559	562
- Unearned premiums liabilities	14	1,083	1,132
Investment contracts	15	27,166	28,213
Borrowings	16	19,000	19,000
Financial liabilities at fair value through profit or loss		22	-
Financial assets sold under agreements to repurchase	17	19,816	59,234
Benefits, claims and surrenders payable		1,624	1,301
Premiums received in advance		2,823	2,246
Reinsurance liabilities		95	67
Provisions	18	29	29
Other liabilities	19	5,843	5,090
Current income tax liabilities		1,007	48
Deferred tax liabilities	20	853	17
Total liabilities		602,719	595,345
Shareholders' equity			
Share capital	21	3,120	3,120
Reserves	22	33,536	30,300
Retained earnings		21,179	14,939
Equity attributable to owners of the parent		57,835	48,359
Non-controlling interests		6	5
Total equity		57,841	48,364
Total liabilities and equity		660,560	643,709

The notes on pages 10 to 118 form an integral part of these consolidated financial statements.

New China Life Insurance Company Ltd.

**Consolidated Statement of Comprehensive Income
For the year ended 31 December 2015
(All amounts in RMB millions unless otherwise stated)**

	Notes	For the year ended 31 December	
		2015	2014
REVENUES			
Gross written premiums and policy fees	23	111,994	110,067
Less: premiums ceded out		(690)	(404)
Net written premiums and policy fees		111,304	109,663
Net change in unearned premiums liabilities		51	(193)
Net premiums earned and policy fees		111,355	109,470
Investment income	24	45,069	31,784
Other income	25	1,494	840
Total revenues		157,918	142,094
BENEFITS, CLAIMS AND EXPENSES			
Insurance benefits and claims			
Claims and net change in outstanding claims liabilities	26	(1,044)	(1,115)
Life insurance death and other benefits	26	(77,820)	(64,883)
Increase in long-term insurance contract liabilities	26	(39,855)	(46,019)
Investment contracts benefits		(1,331)	(1,144)
Commission and brokerage expenses		(10,679)	(7,641)
Administrative expenses	27	(12,655)	(11,335)
Other expenses	28	(1,430)	(543)
Total benefits, claims and expenses		(144,814)	(132,680)
Share of profits and losses of associates		535	539
Finance costs	29	(1,857)	(2,171)
Profit before income tax		11,782	7,782
Income tax expense	20	(3,180)	(1,375)
Net profit for the year		8,602	6,407
Net profit for the year attributable to:			
- Owners of the parent	30	8,601	6,406
- Non-controlling interests		1	1
Earnings per share (RMB)			
Basic and diluted	31	2.76	2.05

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New China Life Insurance Company Ltd.

Consolidated Statement of Comprehensive Income (Continued)
For the year ended 31 December 2015
(All amounts in RMB millions unless otherwise stated)

	<u>For the year ended 31 December</u>	
	2015	2014
Net profit for the year	8,602	6,407
Other comprehensive income <i>to be reclassified to profit or loss in subsequent periods</i>		
Available-for-sale financial assets		
Gains arising from fair value changes	21,758	13,672
Losses transferred to profit or loss from other comprehensive income	(16,092)	(3,605)
Impairment transferred to profit or loss from other comprehensive income	610	1,023
Changes in liabilities for insurance and investment contracts arising from net unrealized gains	(4,244)	(6,955)
Currency translation differences	6	-
Share of other comprehensive income of associates under the equity method	-	5
Income tax relating to components of other comprehensive income	(508)	(1,033)
Total other comprehensive income for the year, net of tax	<u>1,530</u>	<u>3,107</u>
Total comprehensive income for the year	<u>10,132</u>	<u>9,514</u>
Total comprehensive income for the year attributable to:		
- Owners of the parent	10,131	9,513
- Non-controlling interests	<u>1</u>	<u>1</u>

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New China Life Insurance Company Ltd.

**Consolidated Statement of Changes in Equity
For the year ended 31 December 2015
(All amounts in RMB millions unless otherwise stated)**

	Attributable to owners of the parent				Non-controlling interests	Total equity
	Share capital	Reserves (Note 22)	Retained earnings	Total		
For the year ended 31 December 2014						
As at 1 January 2014	3,120	25,903	10,289	39,312	6	39,318
Net profit for the year	-	-	6,406	6,406	1	6,407
Other comprehensive income	-	3,107	-	3,107	-	3,107
Total comprehensive income	-	3,107	6,406	9,513	1	9,514
Effect on capital injection to subsidiary	-	2	-	2	(2)	-
Dividends paid	-	-	(468)	(468)	-	(468)
Appropriation to reserves	-	1,288	(1,288)	-	-	-
Total transactions with owners	-	1,288	(1,756)	(468)	-	(468)
As at 31 December 2014	<u>3,120</u>	<u>30,300</u>	<u>14,939</u>	<u>48,359</u>	<u>5</u>	<u>48,364</u>
For the year ended 31 December 2015						
As at 1 January 2015	3,120	30,300	14,939	48,359	5	48,364
Net profit for the year	-	-	8,601	8,601	1	8,602
Other comprehensive income	-	1,530	-	1,530	-	1,530
Total comprehensive income	-	1,530	8,601	10,131	1	10,132
Dividends paid (Note 32)	-	-	(655)	(655)	-	(655)
Appropriation to reserves	-	1,706	(1,706)	-	-	-
Total transactions with owners	-	1,706	(2,361)	(655)	-	(655)
As at 31 December 2015	<u>3,120</u>	<u>33,536</u>	<u>21,179</u>	<u>57,835</u>	<u>6</u>	<u>57,841</u>

The notes on pages 10 to 118 form an integral part of these consolidated financial statements.

New China Life Insurance Company Ltd.

**Consolidated Statement of Cash Flows
For the year ended 31 December 2015
(All amounts in RMB millions unless otherwise stated)**

	<u>For the year ended 31 December</u>	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	11,782	7,782
Adjustments for:		
Investment income	(45,069)	(31,784)
Finance costs	1,857	2,171
Net change in outstanding claims liabilities	-	30
Net change in unearned premiums liabilities	(51)	193
Increase in long-term insurance contract liabilities	39,855	46,019
Investment contract benefits	1,331	1,144
Policy fees	(135)	(199)
Depreciation and amortization	507	455
Impairment losses on other receivables	3	1
Losses on disposal of property, plant and equipment	5	5
Changes in operational assets and liabilities:		
Receivables and payables	1,542	(639)
Investment contracts	(2,314)	1,256
Income tax paid	(1,864)	(1,382)
Net cash flows from operating activities	<u>7,449</u>	<u>25,052</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of financial asset investments		
Proceeds from sales of debt financial assets	8,354	14,416
Proceeds from maturities of debt financial assets	50,236	37,242
Proceeds from sales of equity financial assets	171,667	51,807
Purchases of financial assets investments		
Purchase of debt financial assets	(58,459)	(87,750)
Purchase of equity financial assets	(196,611)	(68,673)
Proceeds from disposal of property, plant and equipment, intangible assets and other assets	4	19
Purchase of property, plant and equipment, intangible assets and other assets	(2,475)	(2,278)
Interests received	30,425	26,410
Dividends received	606	1,261
Term deposits, net	39,635	(4,142)
Financial assets purchased under agreements to resell, net	1,523	(293)
Others	(5,096)	(6,563)
Net cash flows from investing activities	<u>39,809</u>	<u>(38,544)</u>

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New China Life Insurance Company Ltd.

Consolidated Statement of Cash Flows (Continued)
For the year ended 31 December 2015
(All amounts in RMB millions unless otherwise stated)

	<u>For the year ended 31 December</u>	
	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES		
Received from investors	783	-
Received from borrowings	-	4,000
Interests and dividends paid	(1,598)	(1,202)
Financial assets sold under agreements to repurchase, net	(47,284)	6,616
Net cash flows from financing activities	<u>(48,099)</u>	<u>9,414</u>
Effect of foreign exchange rate changes	242	11
Net decrease in cash and cash equivalents	<u>(599)</u>	<u>(4,067)</u>
Cash and cash equivalents		
Beginning of the year	14,503	18,570
End of the year	<u>13,904</u>	<u>14,503</u>
Analysis of balances of cash and cash equivalents		
Cash at banks and in hand	13,821	12,691
Short deposits	83	1,812
Total of cash and cash equivalents	<u>13,904</u>	<u>14,503</u>

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