



关爱人生每一天

2017 Interim Results Announcement

2017.8.30



Disclaimer

- These materials are for information purposes only and do not constitute or form part of an offer or invitation to sell or issue or the solicitation of an offer or invitation to buy or subscribe for securities of New China Life Insurance Company Ltd. (the “Company”) or any of its holding company or affiliates in any jurisdiction. No part of these materials shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.
- The information or opinions contained in these materials has not been independently verified. No representation or warranty, whether expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The information and opinions contained in these materials are provided as of the date of the presentation, are subject to change without notice and will not be updated or otherwise revised to reflect any developments, which may occur after the date of the presentation. The Company, any of its affiliates, directors, supervisors, senior managers, officers, employees, advisers and any of their respective representatives shall not have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from or in reliance upon any information contained or presented in or derived from these materials or otherwise arising in connection with these materials.
- These materials contain statements that reflect the Company’s current beliefs and expectations about the future as of the respective dates indicated herein. These forward-looking statements are based on a number of assumptions about the Company’s operations and businesses and on factors beyond the Company’s control, and are subject to significant risks and uncertainties, and, accordingly, the actual results may differ materially from these forward-looking statements. You should not place undue reliance on any of such forward-looking information. The Company assumes no obligation whatsoever to update or otherwise revise these forward-looking statements for new information, events or circumstances that emerge subsequent to such dates.



Overview



Insurance Business



Financials & Investment



Embedded Value



Outlook

CONTENT



Overview

Since 2017, adhering to the principle of “making steady progress with further transformation and development”, NCI has been striving to optimize its business structure with focus on regular premium business.



**Core business
grew significantly**



**Business value
increased steadily**



**Business structure
further optimized**



**Business quality
improved**

Key Business & Financial Indicators

Unit: RMB million

Indicators		1H2017/ End of June 2017	1H2016 / End of 2016	Change
Gross written premiums		61,239	71,035	-13.8%
First year regular premiums		16,654	13,587	22.6%
Regular premiums with payment periods of ten years or more		10,827	7,680	41.0%
Total assets		705,320	699,181	0.9%
Equity attributable to shareholders		61,722	59,118	4.4%
Net profit attributable to shareholders		3,237	3,333	-2.9%
Embedded value		142,089	129,450	9.8%
Value of new business		7,153	5,553	28.8%
Solvency ratio	Core	272.28%	259.74%	12.54ppts
	Comprehensive	293.31%	281.30%	12.01ppts

Note:

Unless otherwise specified, the Unit in the report is RMB million

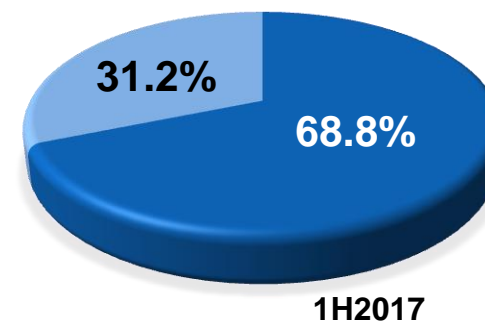
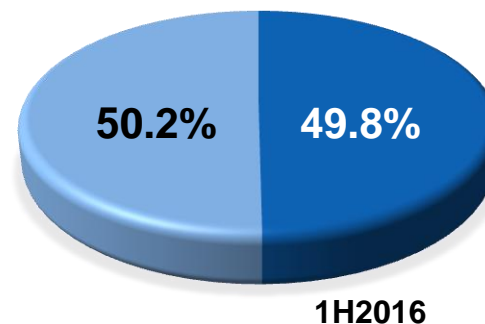
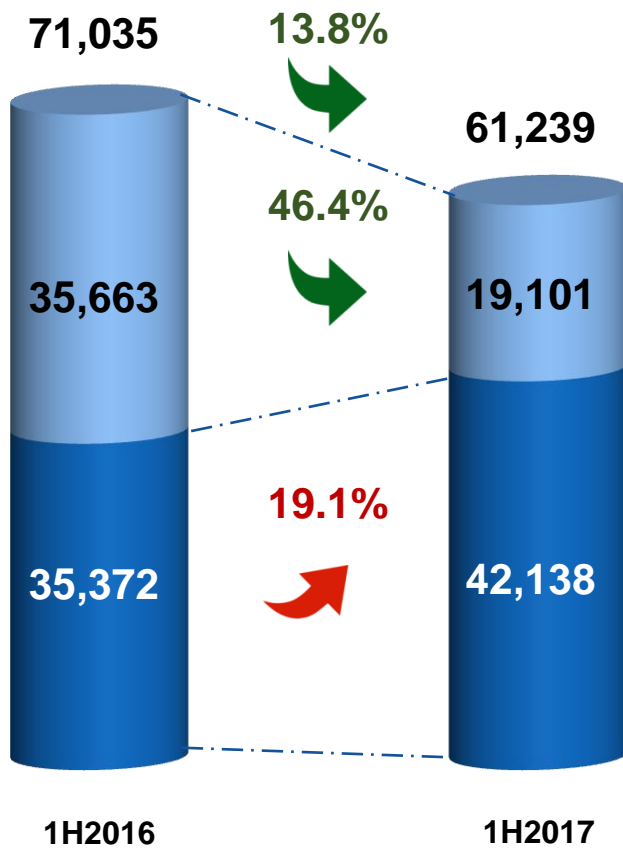
CONTENT

- 1 Overview
- 2 Insurance Business
- 3 Financials & Investment
- 4 Embedded Value
- 5 Outlook



Gross Written Premiums & Breakdown

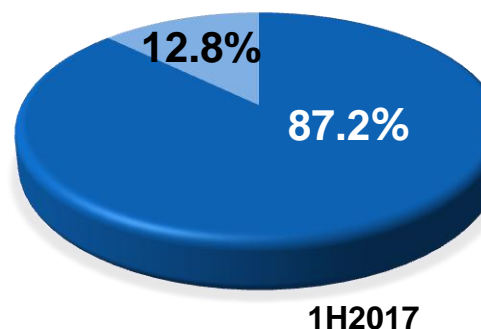
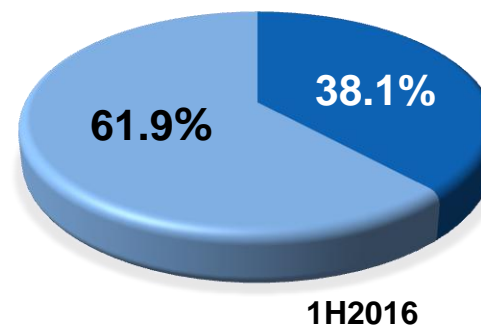
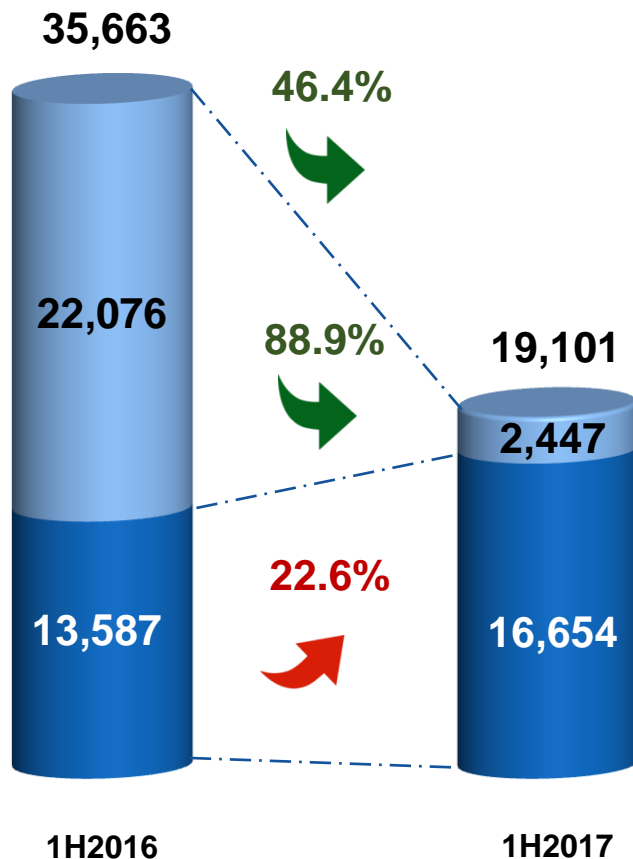
Business structure optimized substantially



■ FYP ■ Renewal

First Year Premiums & Breakdown

Regular premium business grew fast



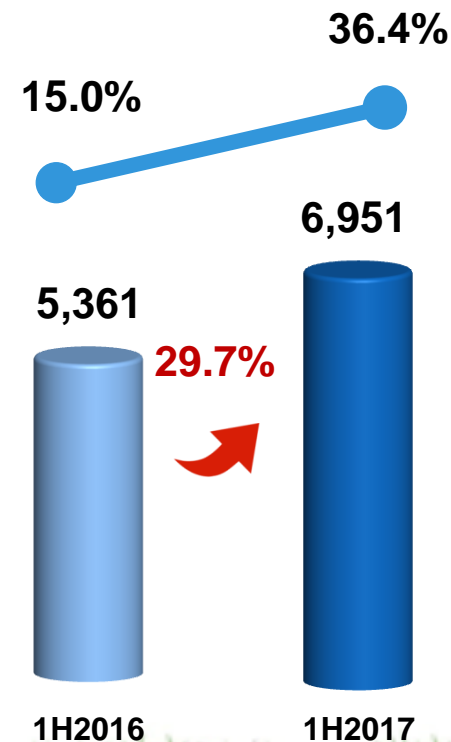
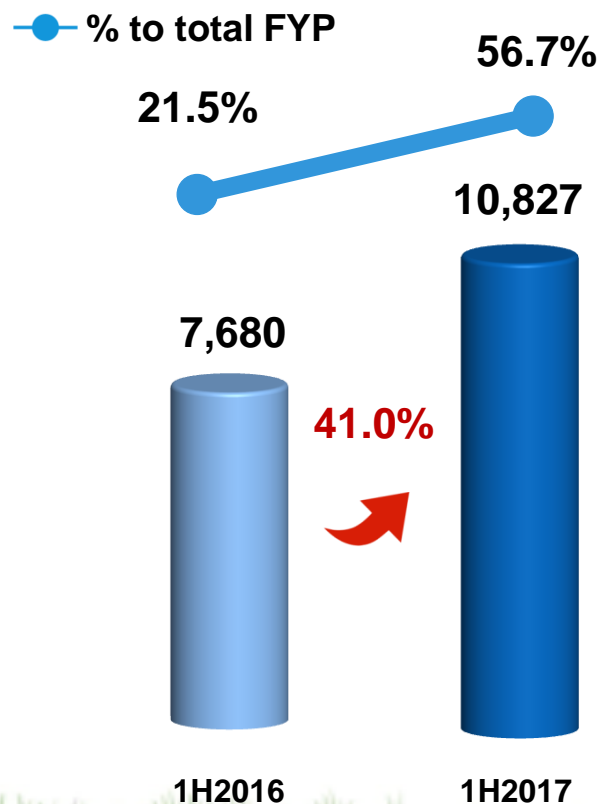
Single Regular

Term Structure & Product Structure

Core business grew significantly

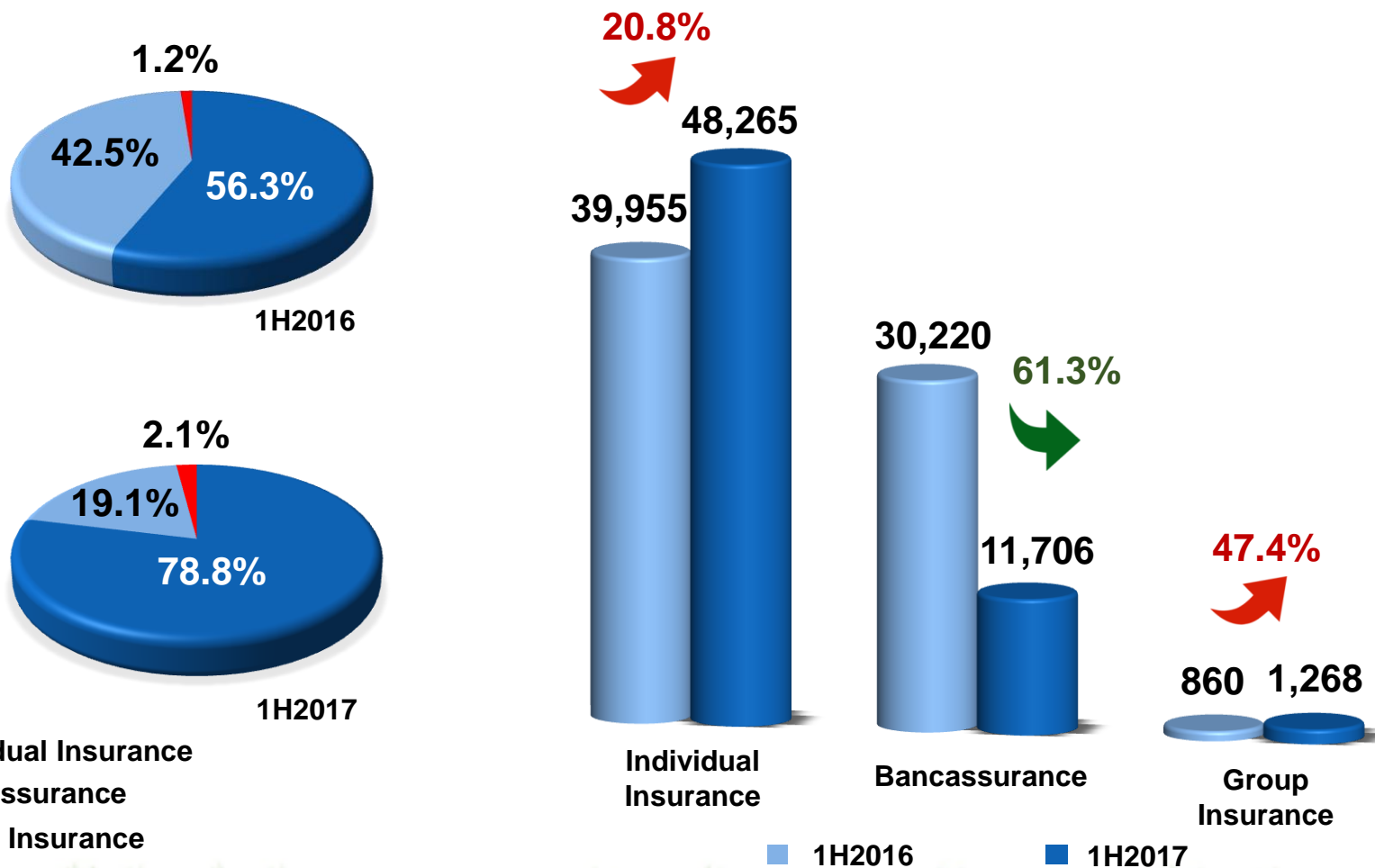
FYRP with payment periods of 10 years or more

FYP from health insurance



GWP Breakdown by Channels

Proportion of premiums from individual insurance rose dramatically



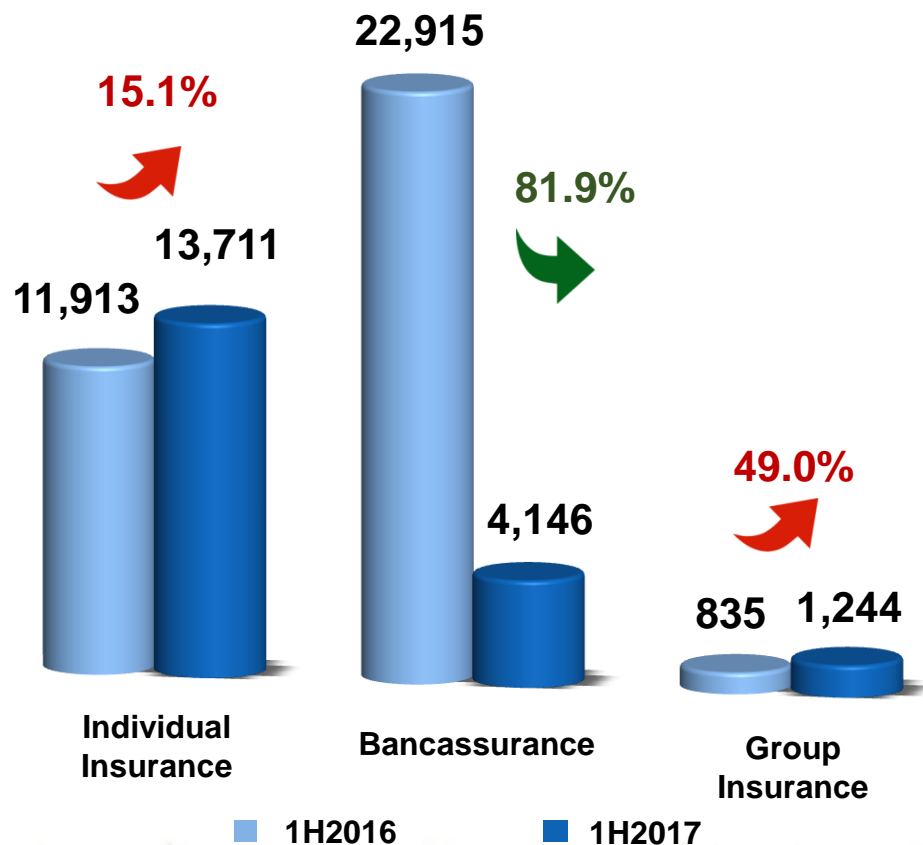
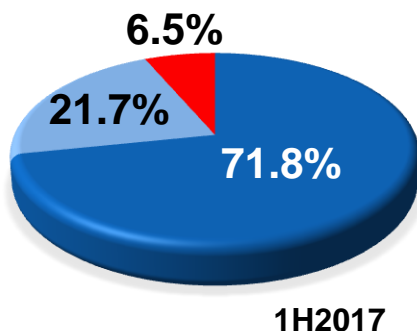
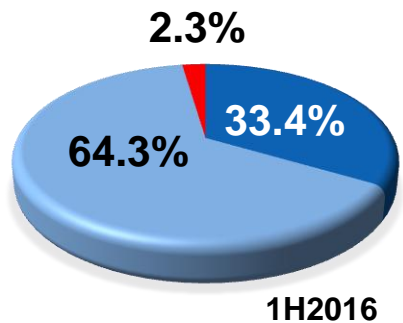
- Individual Insurance
- Bancassurance
- Group Insurance

Note:

1. The premiums of individual insurance channel are the sum of premiums from the original individual insurance agent channel and the service and business development channel. The comparative figures have been recalculated on the base line of the reporting period.

FYP Breakdown by Channels

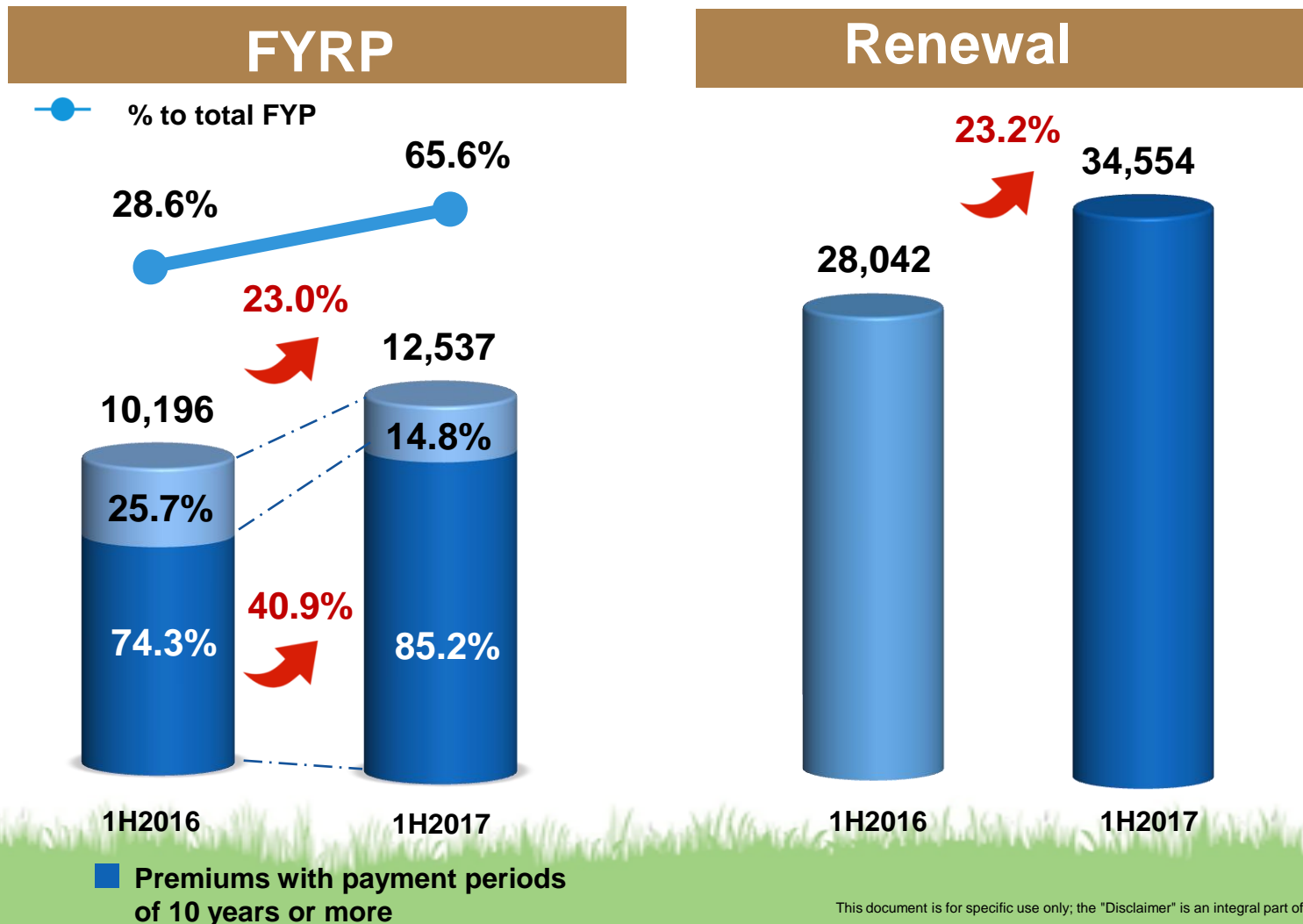
Proportion of FYP from individual insurance rose sharply



- Individual Insurance
- Bancassurance
- Group Insurance

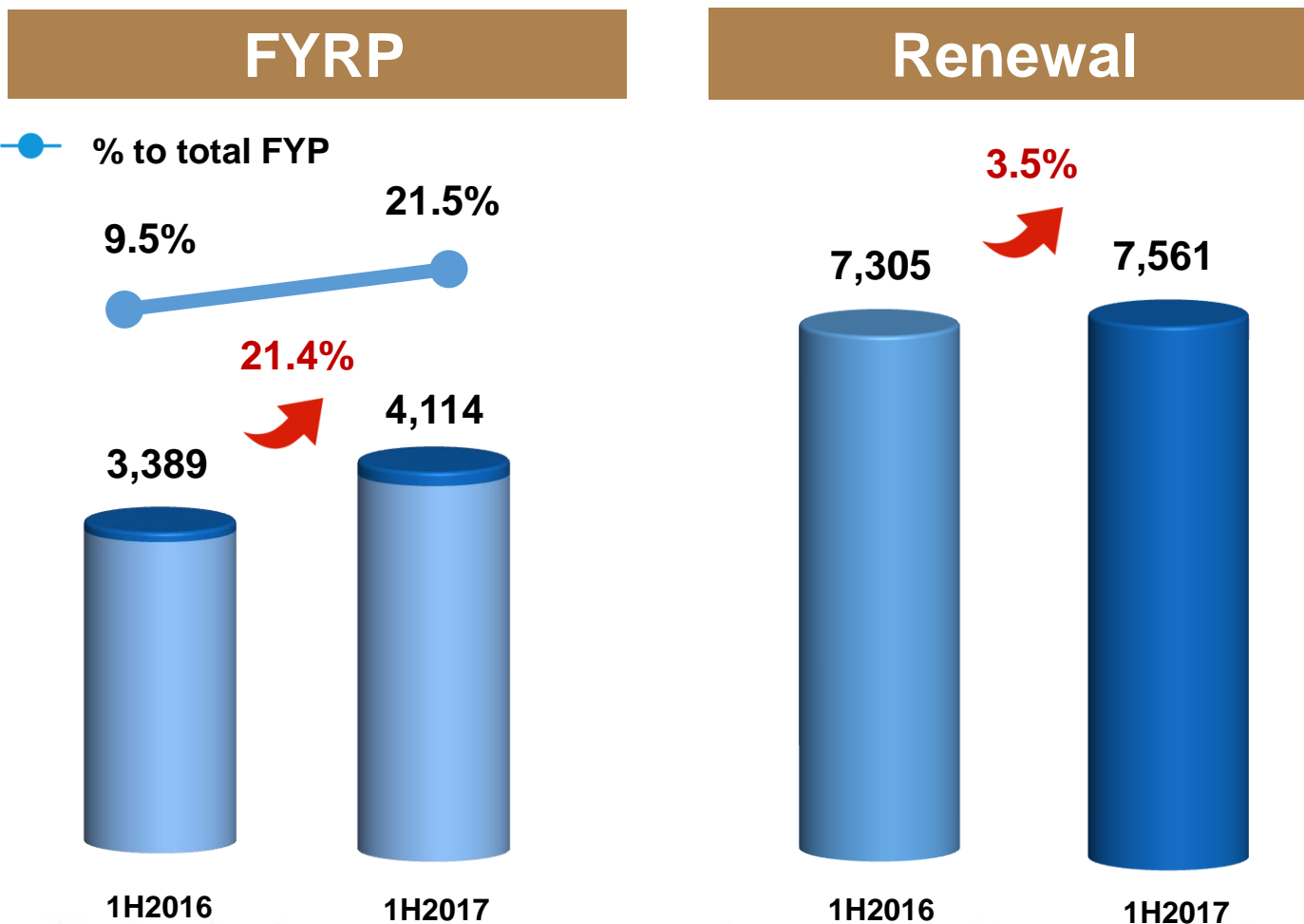
Individual Insurance — FYRP & Renewal

Premiums with payment periods of 10 years or more and its proportion rose; renewal premiums increased



Bancassurance — FYRP & Renewal

FYRP increased



■ Premiums with payment periods of 10 years or more

Sales Force of Individual Insurance Channel

Team integration strengthened; team productivity increased



Total individual insurance agents

333,000

52,000



Monthly average performing agents

167,000

7.3%



Monthly comprehensive productivity per capita

¥ 7,032

2.8%



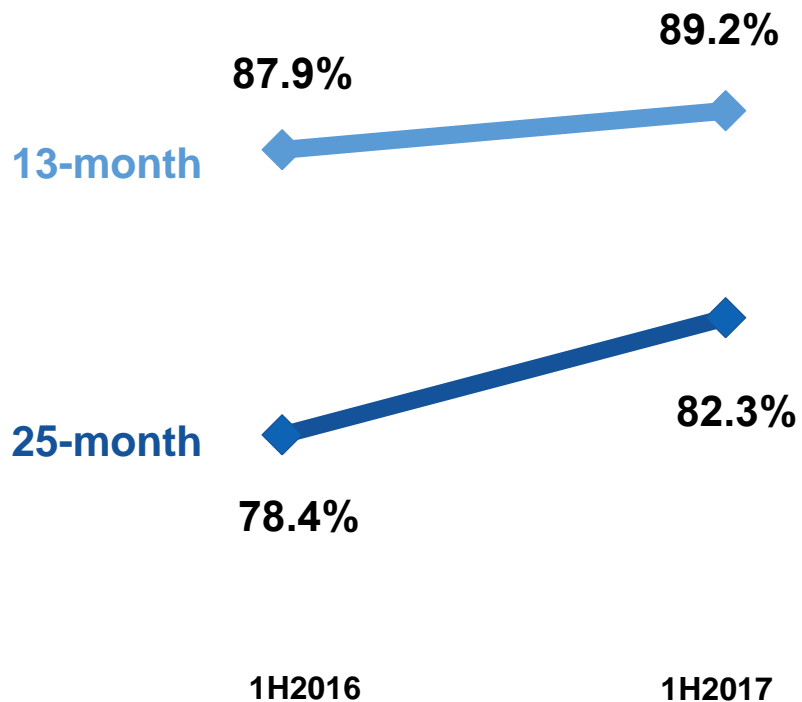
1. Monthly average number of performing agents = $(\sum \text{number of performing agents in a month}) / \text{the number of months in the reporting period}$, where monthly number of performing agents refers to the number of agents who have issued one insurance policy or more (including card-type short-term accident insurance policy) which are not cancelled by policy holders in a month and whose first year commission in the month exceeds zero.

2. Monthly comprehensive productivity per capita = $\text{monthly average first year premiums} / \text{monthly average number of agents}$.

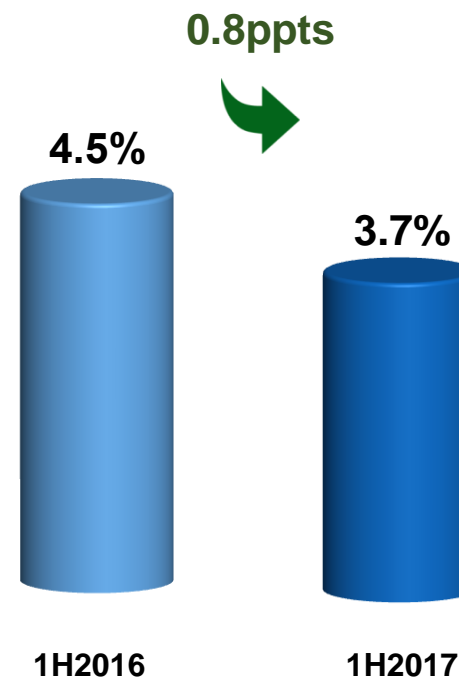
Business Quality

Persistency ratio and surrender rate improved

Persistency ratio of individual life insurance business



Surrender rate



CONTENT

- 1 Overview
- 2 Insurance Business
- 3 Financials & Investment**
- 4 Embedded Value
- 5 Outlook



Key Financial Indicators

Indicators	1H2017/ End of Jun 2017	1H2016 / End of 2016	Change
Total Revenues	76,263	87,050	-12.4%
- Net written premiums and policy fees	60,637	70,635	-14.2%
- Investment Income	15,893	16,255	-2.2%
Total Expenses	(70,543)	(82,209)	-14.2%
- Insurance benefits and claims	(53,919)	(67,766)	-20.4%
- Commission and brokerage expenses	(8,796)	(7,421)	18.5%
- Administrative expenses	(6,949)	(6,319)	10.0%
Net profit attributable to shareholders	3,237	3,333	-2.9%
Earnings per share (RMB)	1.04	1.07	-2.8%
Net assets per share attributable to shareholders (RMB)	19.78	18.95	4.4%
Weighted average return on equity attributable to shareholders	5.29%	5.73%	-0.44ppts

Note: Above figures are IFRS based

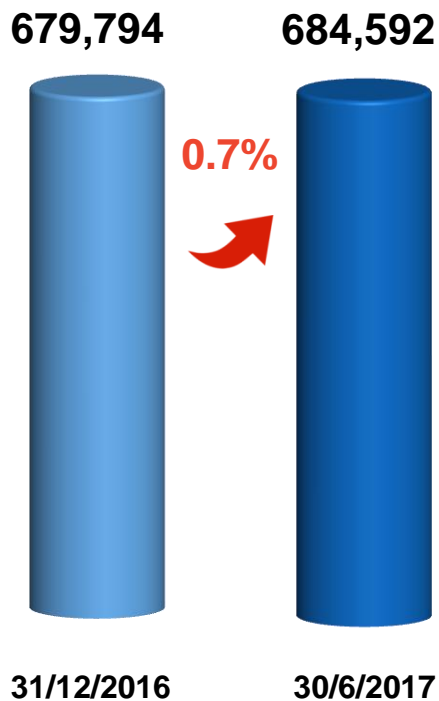


Investment Performance

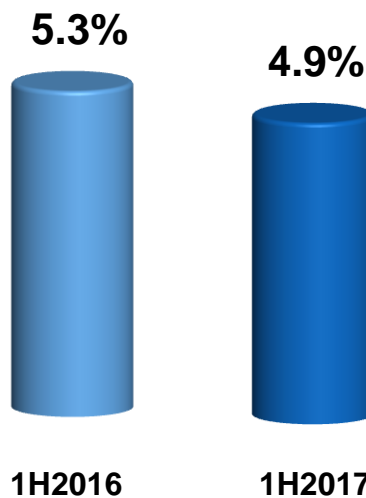
Investment assets

Total investment yield

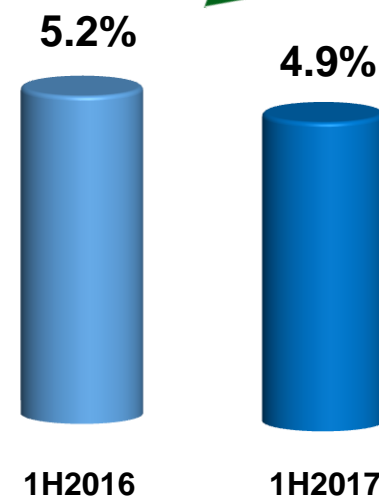
Net investment yield



0.4ppts



0.3ppts



Investment Asset Allocation

Indicators	As at Jun. 30 2017 (Percentage)	As at Dec. 31 2016 (Percentage)	Change (ppts)
Term deposits	7.0%	11.7%	-4.7
Debt securities	67.9%	64.3%	3.6
- Bonds	38.5%	35.7%	2.8
- Trust products	8.7%	9.2%	-0.5
- Debt plans ¹	5.2%	4.8%	0.4
- Project asset support plans	2.9%	3.0%	-0.1
- Others ²	12.6%	11.6%	1.0
Equity securities	16.8%	16.5%	0.3
- Funds	6.9%	6.9%	0.0
- Stocks	4.4%	4.3%	0.1
- Investments in associates and joint ventures	0.7%	0.7%	0.0
- Others ³	4.8%	4.6%	0.2
Cash and cash equivalents	2.3%	2.1%	0.2
Other investments⁴	6.0%	5.4%	0.6

Notes: 1. Debt plans mainly consist of infrastructure and real estate funding projects

2. Others include debt asset management products, perpetual bonds, interbank deposits, and wealth management products

3. Others include equity asset management plans, private equity, equity plans and unlisted equity investments

4. Other investments mainly include statutory deposits, policy loans, financial assets purchased under agreements to resell, and dividends receivables and interests receivables etc.

This document is for specific use only; the
"Disclaimer" is an integral part of this document.

Non-standard Asset Portfolio

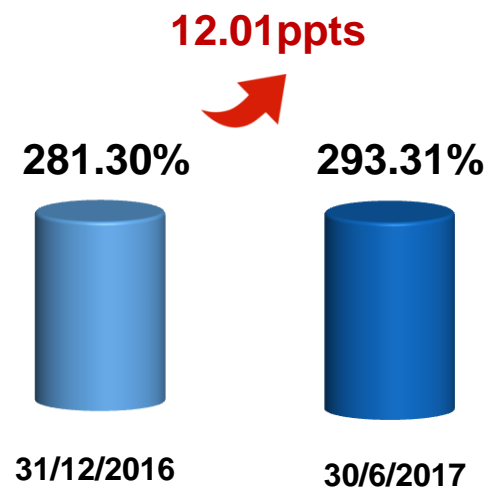
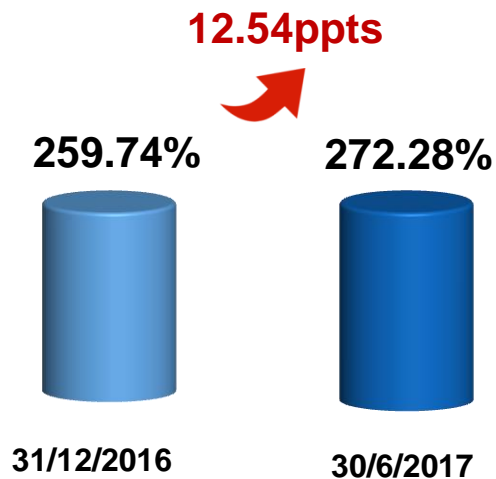
Indicators	As at Jun. 30 2017	As at Dec. 31 2016	Change
Non-standard debt investments	197,913	194,163	1.9%
- Trust products	59,698	62,534	-4.5%
- Debt plans	35,259	32,835	7.4%
- Project asset support plans	20,000	20,000	0.0%
- Wealth management products	77,876	71,126	9.5%
- Perpetual bonds	5,000	5,000	0.0%
- Asset management plans	80	2,668	-97.0%
Non-standard equity investments	32,789	31,260	4.9%
- Asset management plans	14,191	13,769	3.1%
- Private equity	3,825	2,728	40.2%
- Unlisted equity	11,073	11,063	0.1%
- Equity investment plans	3,700	3,700	0.0%
Total	230,702	225,423	2.3%



Solvency Ratio

Core solvency ratio

Comprehensive solvency ratio

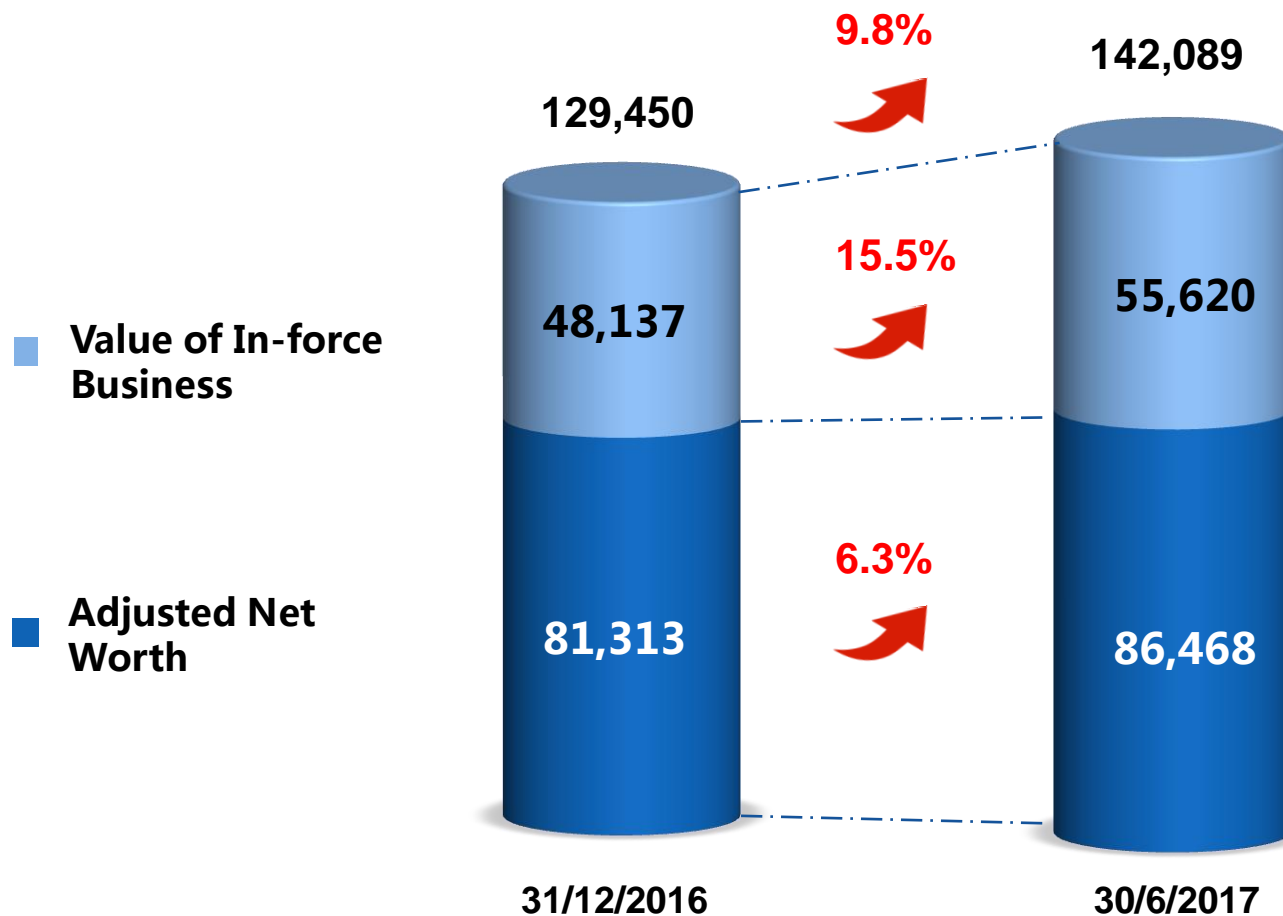


Indicators	30/6/2017	31/12/2016	Change
Core Capital	181,313	168,616	12,697
Actual Capital	195,313	182,616	12,697
Minimum Capital	66,590	64,917	1,673

CONTENT

- 1 **Overview**
- 2 **Insurance Business**
- 3 **Financials & Investment**
- 4 **Embedded Value**
- 5 **Outlook**

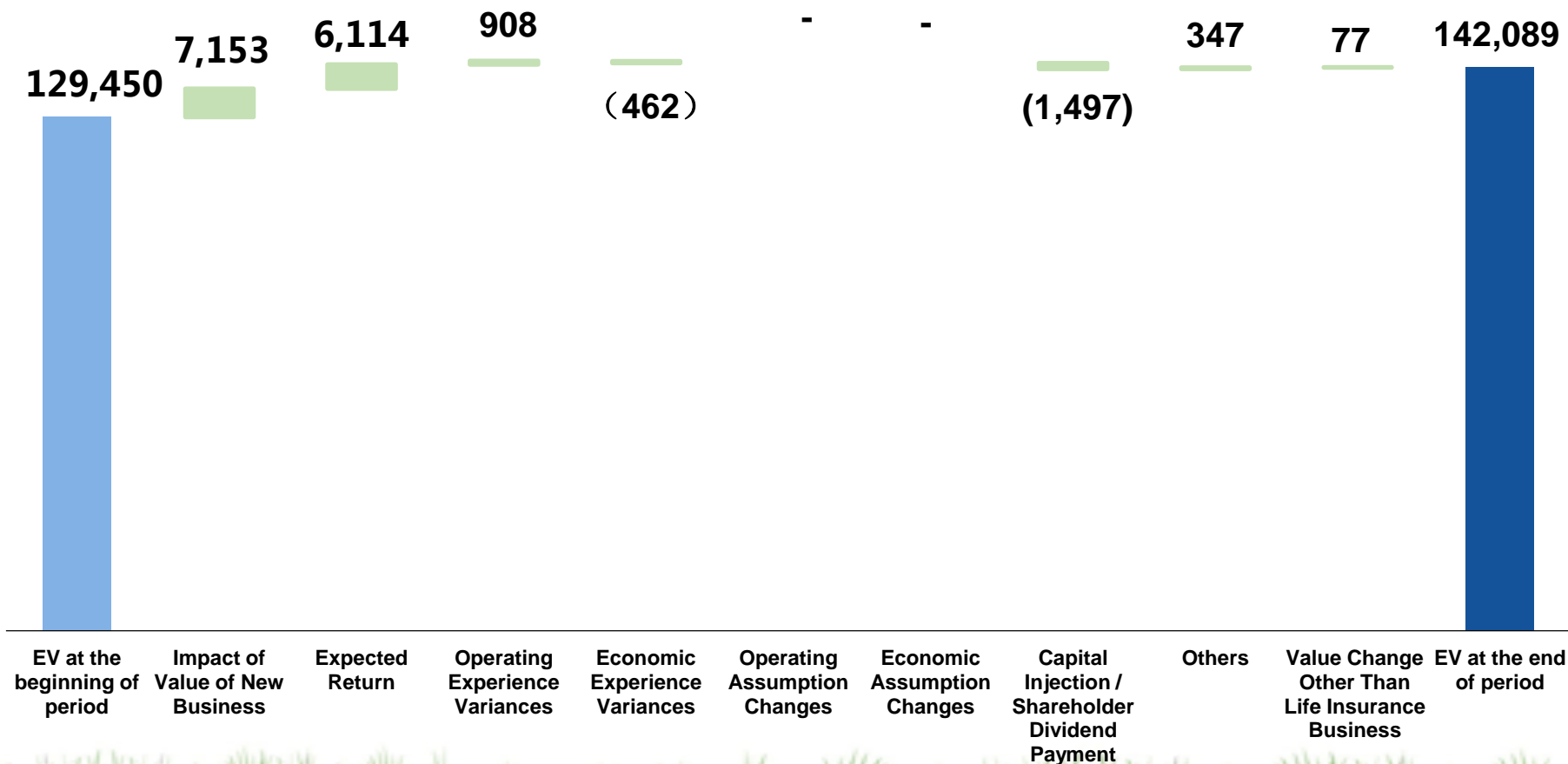
Embedded Value—Composition Analysis



Note:
Numbers may not be additive due to rounding

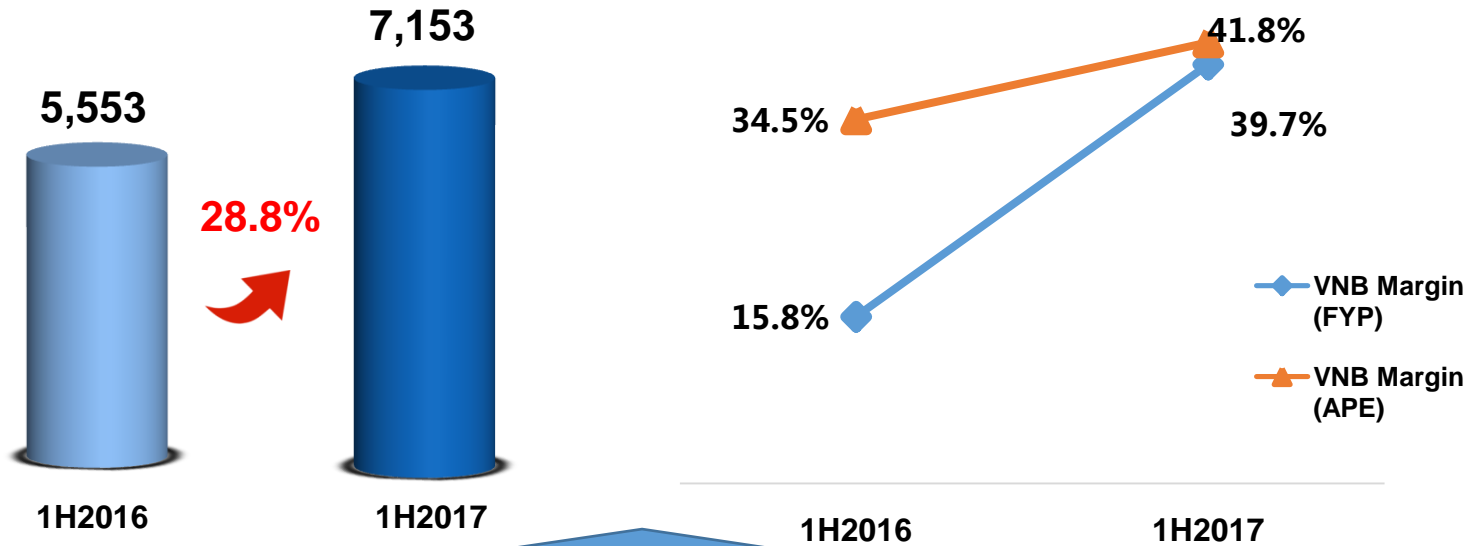
Embedded Value—Movement Analysis

Movement analysis from Dec. 31, 2016 to Jun. 30, 2017



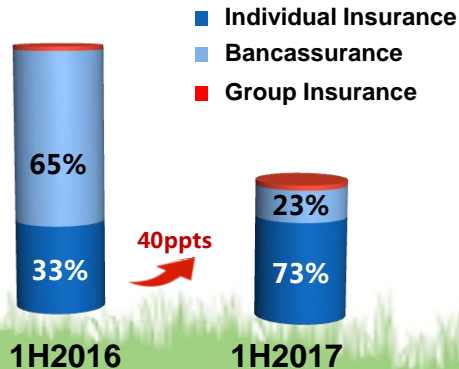
Note:
The analysis of change in Embedded Value was calculated at the risk discount rate of 11.5%.
Numbers may not be additive due to rounding.

Value of New Business

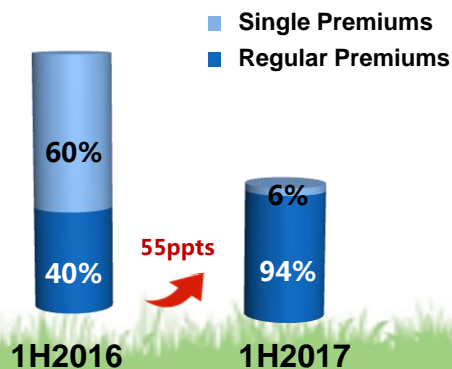


Strategic transformation promoted value growth

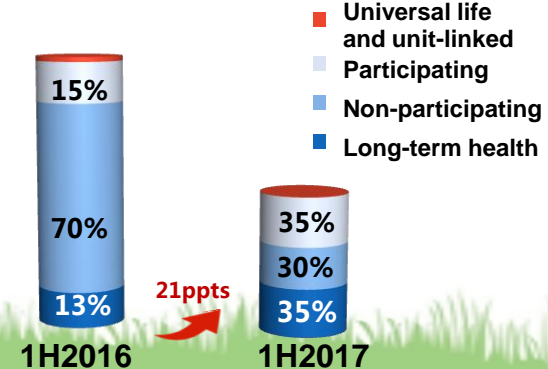
Proportion of Individual insurance increased



Proportion of regular premiums increased



Proportion of long-term health insurance increased



Notes: 1. NBV based on FYP = New business value / First year premium used for calculation of embedded value

2. NBV based on APE = New business value / (100% * first year regular premiums + 10% * first year single premiums)

3. Numbers may not be additive due to rounding

CONTENT

- 1 **Overview**
- 2 **Insurance Business**
- 3 **Financials & Investment**
- 4 **Embedded Value**
- 5 **Outlook**





Outlook

Adhering to the principle of “making steady progress with further transformation and development”, NCI endeavors to improve competitiveness through six measures.



Constantly focus on core business



Emphasize protection-type products



Build advantages in channel development



Strengthen sales force



Persist in prudent investment strategy



Control risks & safeguard the bottom line



Q & A