

NEW CHINA LIFE INSURANCE COMPANY LTD.

**Condensed Consolidated Statement of Financial Position
As at 30 June 2014
(All amounts in RMB million unless otherwise stated)**

	Notes	As at 30 June 2014	As at 31 December 2013
		Unaudited	
ASSETS			
Property, plant and equipment		4,778	4,471
Investment properties		1,626	1,594
Intangible assets		1,496	1,512
Investments in associates	7	10,148	9,404
Financial assets			
Debt securities		335,605	305,558
- Held-to-maturity	8(1)	176,667	183,008
- Available-for-sale	8(2)	113,231	96,449
- At fair value through profit or loss	8(3)	6,920	1,700
- Loans and receivables	8(4)	38,787	24,401
Equity securities		32,155	32,185
- Available-for-sale	8(2)	31,285	31,446
- At fair value through profit or loss	8(3)	870	739
Term deposits	8(5)	162,173	163,137
Statutory deposits		716	716
Policy loans		12,468	8,841
Financial assets purchased under agreements to resell		306	1,336
Accrued investment income		9,691	9,849
Premiums receivable		2,593	1,581
Deferred tax assets	19	795	1,040
Reinsurance assets		2,950	2,954
Other assets		3,004	3,101
Cash and cash equivalents		31,500	18,570
Total assets		612,004	565,849

NEW CHINA LIFE INSURANCE COMPANY LTD.

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2014

(All amounts in RMB million unless otherwise stated)

	Notes	As at 30 June 2014	As at 31 December 2013
		Unaudited	
LIABILITIES AND EQUITY			
Liabilities			
Insurance contracts			
Long-term insurance contracts liabilities	9	464,901	425,394
Short-term insurance contracts liabilities			
- Outstanding claims liabilities	9	482	520
- Unearned premiums liabilities	9	1,153	967
Financial liabilities			
Investment contracts	10	27,302	25,933
Borrowings	11	15,000	15,000
Financial assets sold under agreements to repurchase	12	52,117	52,211
Benefits, claims and surrenders payable		1,125	959
Premiums received in advance		296	432
Reinsurance liabilities		97	54
Provisions	13	459	458
Other liabilities		5,624	4,584
Current income tax liabilities		152	19
Total liabilities		568,708	526,531
Shareholders' equity			
Share capital	14	3,120	3,120
Reserves	15	26,602	25,903
Retained earnings		13,569	10,289
Total shareholders' equity		43,291	39,312
Non-controlling interests		5	6
Total equity		43,296	39,318
Total liabilities and equity		612,004	565,849

NEW CHINA LIFE INSURANCE COMPANY LTD.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2014
(All amounts in RMB million unless otherwise stated)

	Notes	For the six months ended 30 June	
		2014	2013
		Unaudited	Unaudited
REVENUES			
Gross written premiums and policy fees	16	66,927	51,628
Less: premiums ceded out		(213)	(161)
Net written premiums and policy fees		66,714	51,467
Net change in unearned premiums liabilities		(195)	(242)
Net premiums earned and policy fees		66,519	51,225
Investment income	17	13,506	10,631
Other income		179	87
Total revenues		80,204	61,943
BENEFITS, CLAIMS AND EXPENSES			
Insurance benefits and claims			
Claims and net change in outstanding claims liabilities		(508)	(554)
Life insurance death and other benefits		(26,421)	(17,458)
Increase in long-term insurance contracts liabilities		(38,226)	(31,959)
Investment contracts benefits		(510)	(344)
Commission and brokerage expenses		(4,140)	(3,257)
Administrative expenses	18	(5,181)	(4,492)
Other expenses		(92)	(335)
Total benefits, claims and expenses		(75,078)	(58,399)
Share of results of associates		269	(12)
Finance cost		(872)	(1,036)
Net profit before income tax		4,523	2,496
Income tax	19	(774)	(308)
Net profit for the period		3,749	2,188
Net profit for the period attributable to:			
- Shareholders of the Company		3,748	2,187
- Non-controlling interests		1	1
Earnings per share (RMB)			
Basic and diluted	20	1.20	0.70

NEW CHINA LIFE INSURANCE COMPANY LTD.

Condensed Consolidated Statement of Comprehensive Income (Continued)
For the six months ended 30 June 2014
(All amounts in RMB million unless otherwise stated)

	For the six months ended 30 June	
	2014	2013
	Unaudited	Unaudited
Other comprehensive income/(losses)		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Available-for-sale financial assets		
Gains/(losses) arising from fair value changes	1,955	(528)
Losses/(gains) transferred to profit or loss from other comprehensive income	(522)	(1,214)
Impairment transferred to profit or loss from other comprehensive income	754	928
Changes in liabilities for insurance and investment contracts arising from net unrealized (gains)/losses	(1,266)	315
Currency translation differences	1	-
Share of other comprehensive income of associates under the equity method	5	-
Income tax relating to components of other comprehensive income	(230)	124
Total other comprehensive income/(losses)	<u>697</u>	<u>(375)</u>
Total comprehensive income	<u>4,446</u>	<u>1,813</u>
Total comprehensive income for the period attributable to:		
- Shareholders of the Company	4,445	1,812
- Non-controlling interests	<u>1</u>	<u>1</u>

NEW CHINA LIFE INSURANCE COMPANY LTD.
Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2014
(All amounts in RMB million unless otherwise stated)

	For the six months ended 30 June 2013 (Unaudited)					
	Attributable to shareholders of the Company				Non-controlling Interests	Total Equity
	Share capital	Reserves	Retained earnings	Total		
As at 1 January 2013	3,120	25,967	6,783	35,870	8	35,878
Net profit for the period	-	-	2,187	2,187	1	2,188
Other comprehensive income	-	(375)	-	(375)	-	(375)
Total comprehensive income	-	(375)	2,187	1,812	1	1,813
As at 30 June 2013	<u>3,120</u>	<u>25,592</u>	<u>8,970</u>	<u>37,682</u>	<u>9</u>	<u>37,691</u>

	For the six months ended 30 June 2014 (Unaudited)					
	Attributable to shareholders of the Company				Non-controlling Interests	Total Equity
	Share capital	Reserves	Retained earnings	Total		
As at 1 January 2014	3,120	25,903	10,289	39,312	6	39,318
Net profit for the period	-	-	3,748	3,748	1	3,749
Other comprehensive income	-	697	-	697	-	697
Total comprehensive income	-	697	3,748	4,445	1	4,446
Effect on capital injection to subsidiary	-	2	-	2	(2)	-
Dividends paid	-	-	(468)	(468)	-	(468)
Total transactions with owners	-	-	(468)	(468)	-	(468)
As at 30 June 2014	<u>3,120</u>	<u>26,602</u>	<u>13,569</u>	<u>43,291</u>	<u>5</u>	<u>43,296</u>

NEW CHINA LIFE INSURANCE COMPANY LTD.
Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2014
(All amounts in RMB million unless otherwise stated)

	For the six months ended 30 June	
	2014	2013
	Unaudited	Unaudited
Operating Activities		
Cash generated from operating activities	30,723	31,771
Tax paid	(1,497)	(715)
Net cash inflow from operating activities	<u>29,226</u>	<u>31,056</u>
Investing Activities		
Cash paid for investing activities	(30,288)	(40,880)
Proceeds from disposal of property and equipment, intangible assets and other assets	2	5
Purchases of property and equipment, intangible assets and other assets	(520)	(162)
Interest received	13,154	10,049
Dividends received	457	550
Financial assets purchased under agreements to resell, net	1,064	(468)
Net cash outflow from investing activities	<u>(16,131)</u>	<u>(30,906)</u>
Financing Activities		
Dividends paid	(4)	-
Financial assets sold under agreements to repurchase, net	(207)	(3,747)
Net cash outflow from financing activities	<u>(211)</u>	<u>(3,747)</u>
Effects of exchange rate changes on cash and cash equivalents	46	(60)
Cash and cash equivalents at beginning of period	<u>18,570</u>	<u>25,066</u>
Cash and cash equivalents at end of period	<u>31,500</u>	<u>21,409</u>
Analysis of balances of cash and cash equivalents		
Cash at banks and in hand	26,204	20,739
Short-term bank deposits	5,296	670
Cash and cash equivalents at end of period	<u>31,500</u>	<u>21,409</u>