



2018 Annual Results Announcement

March 21 2019



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Outlook & Social Responsibility

Overview

In 2018, facing complicated changes in macro-economy, insurance industry and regulation, the Company unswervingly promoted transformation, developed the protection business, realized steady growth of gross written premiums with the advantageous renewal-premium-driven growth model. Business structure was optimized, and business quality improved.



**Rapidly growing
GWP**



**Optimized
business structure**



**Improved
business quality**

Key Business & Financial Indicators

Unit: RMB in millions

Indicators		2018/ End of 2018	2017/ End of 2017	Change
Gross written premiums		122,286	109,294	11.9%
FYP from long-term insurance business		20,811	28,618	-27.3%
Regular premiums with payment periods of ten years or more		12,603	18,311	-31.2%
Total assets		733,929	710,275	3.3%
Equity attributable to shareholders		65,587	63,715	2.9%
Net profit attributable to shareholders		7,922	5,383	47.2%
Embedded value		173,151	153,474	12.8%
Value of One Year's New Business		12,210	12,063	1.2%
Residual margin		195,637	170,435	14.8%
Solvency margin ratio	Core	269.64%	275.93%	-6.29ppts
	Comprehensive	274.51%	281.67%	-7.16ppts

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Overview



Insurance Business



Financials & Investment



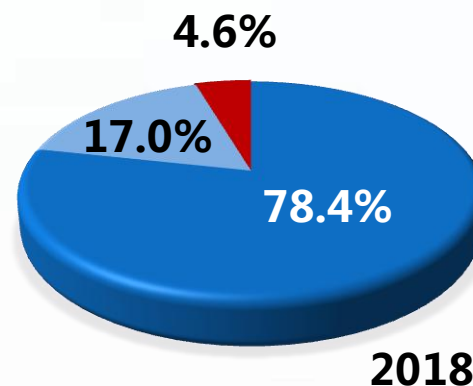
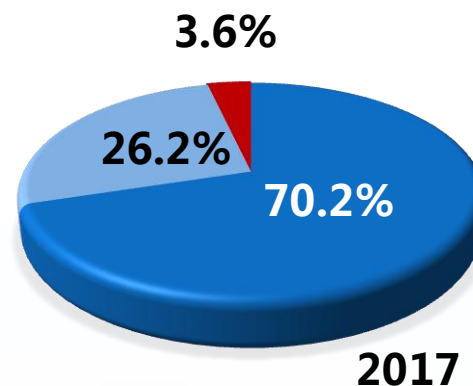
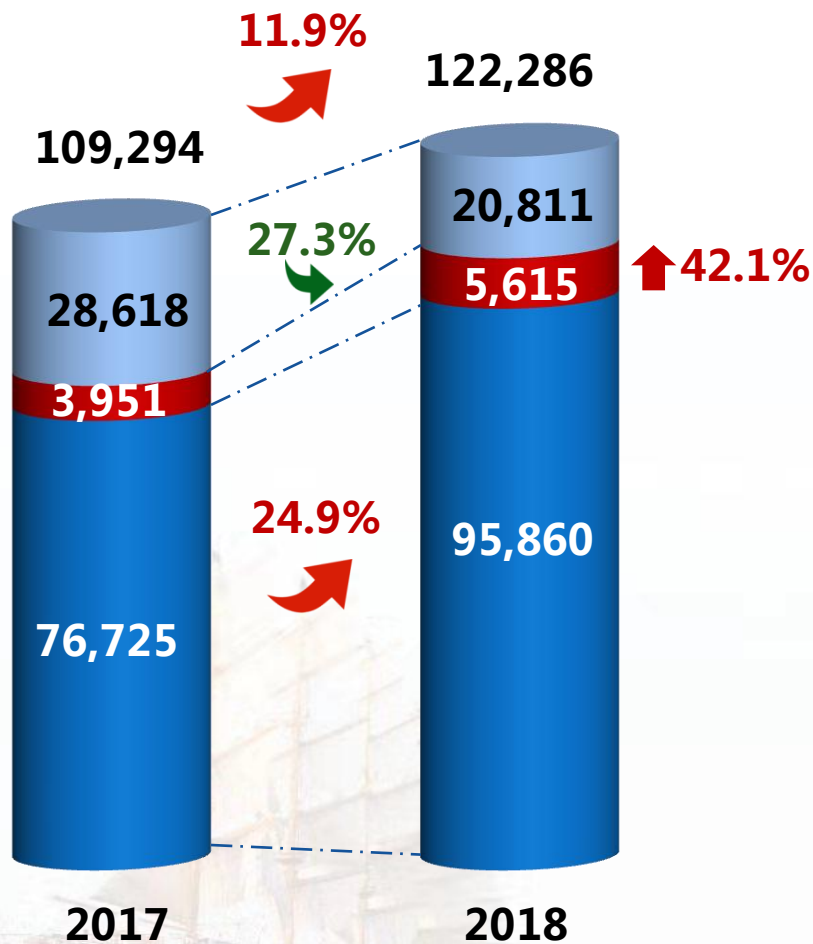
Embedded Value



Outlook & Social Responsibility

Gross Written Premiums & Breakdown

Unit: RMB in millions



■ FYP from long-term insurance business

■ Premiums from short-term insurance business

■ Renewal premiums

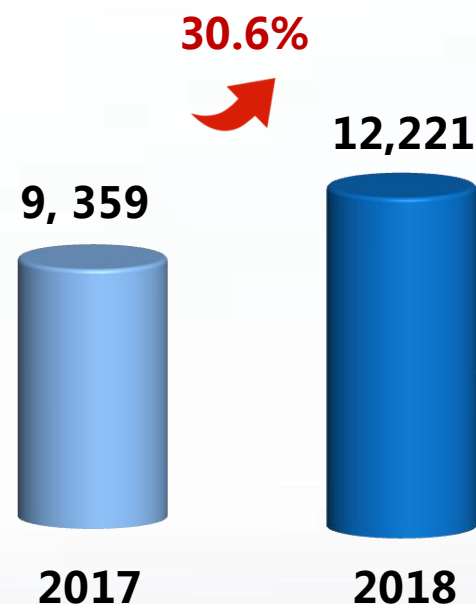
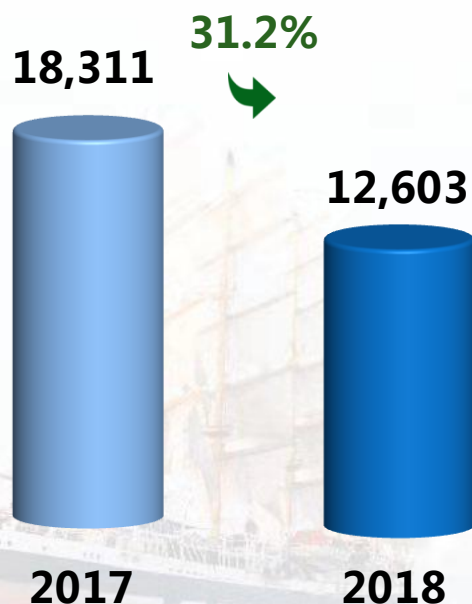
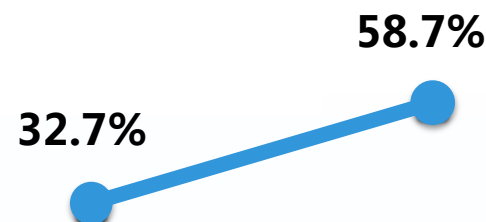
Term Structure & Product Structure

Unit: RMB in millions

FYRP with payment periods of 10 years or more

FYP from long-term health insurance

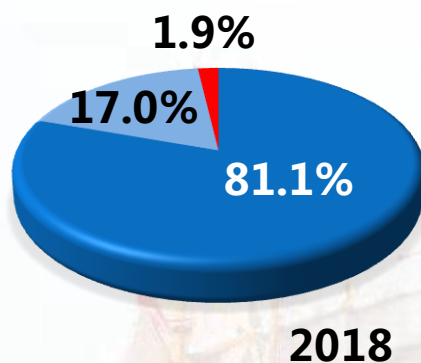
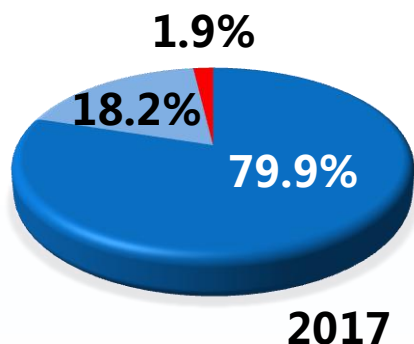
● % to FYP from long-term insurance business



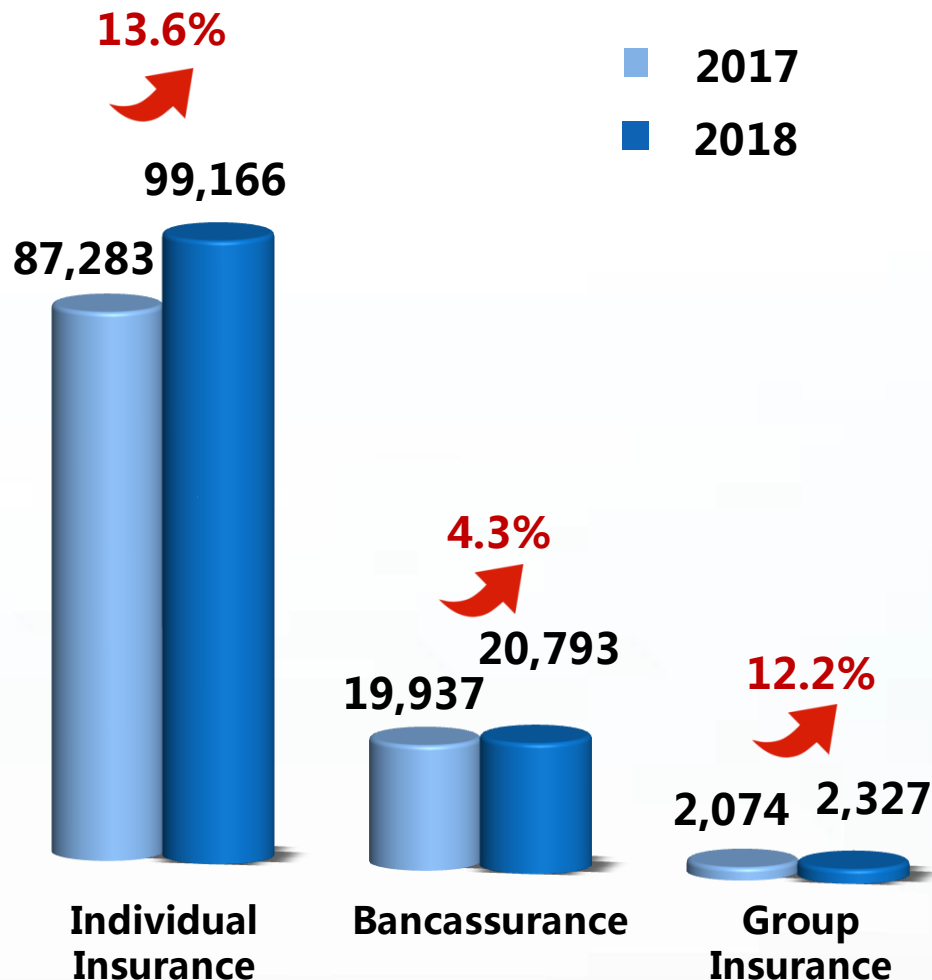
GWP Breakdown by Channels

Unit: RMB in millions

■ 2017
■ 2018



■ Individual Insurance
■ Bancassurance
■ Group Insurance



Individual Insurance - Premiums

Focus on protection business with its core on health insurance, promote the sales of primary insurance through riders, and enrich rider products. The first CVD rider was launched to fill the market.

FYP from long-term insurance business

● % to premiums from individual insurance

25.3% 16.2%



27.2%



22,097



2017

16,078



2018

Renewal premiums

72.5% 80.5%



26.1%



63,272



2017

79,808



2018

Premiums from short-term insurance business

Unit: RMB in millions

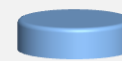
2.2% 3.3%



71.4%

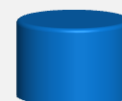


1,914



2017

3,280



2018

Individual Insurance - Sales Force

“Risk managers” reshape the professional image of agents, and improve the professional knowledge of sales team.



Total agents

370,000

6.3%



Monthly average performing agents

175,000

15.9%



Monthly average performance rate

52.8%

6ppts



Monthly average comprehensive productivity per capita

RMB4,372

24.6%



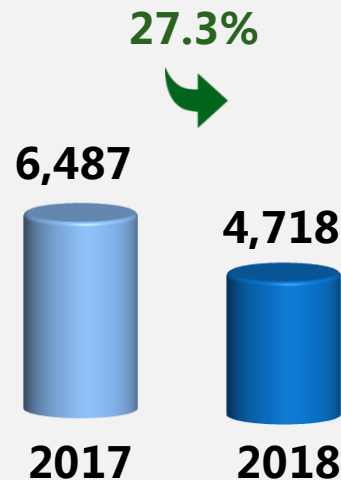
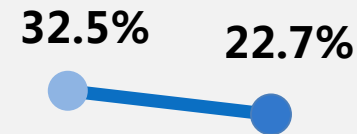
Bancassurance - Premiums

Expand cooperation, conduct special cooperation.

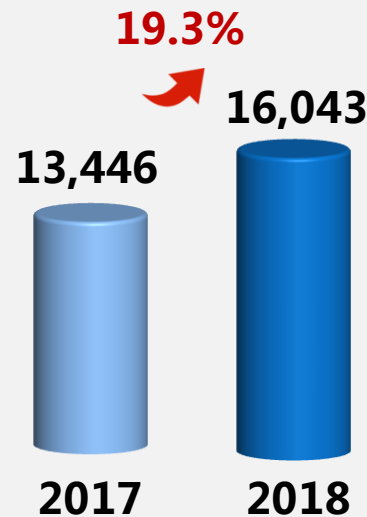
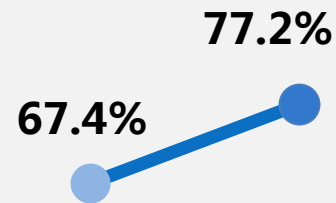
Unit: RMB in millions

FYP from long-term insurance business

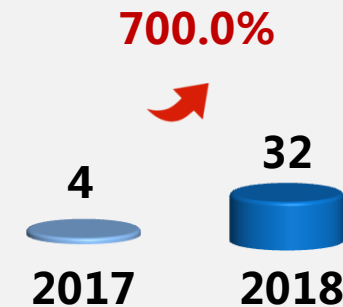
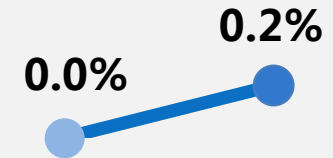
—●— % to premiums from Bancassurance



Renewal premiums



Premiums from short-term insurance business

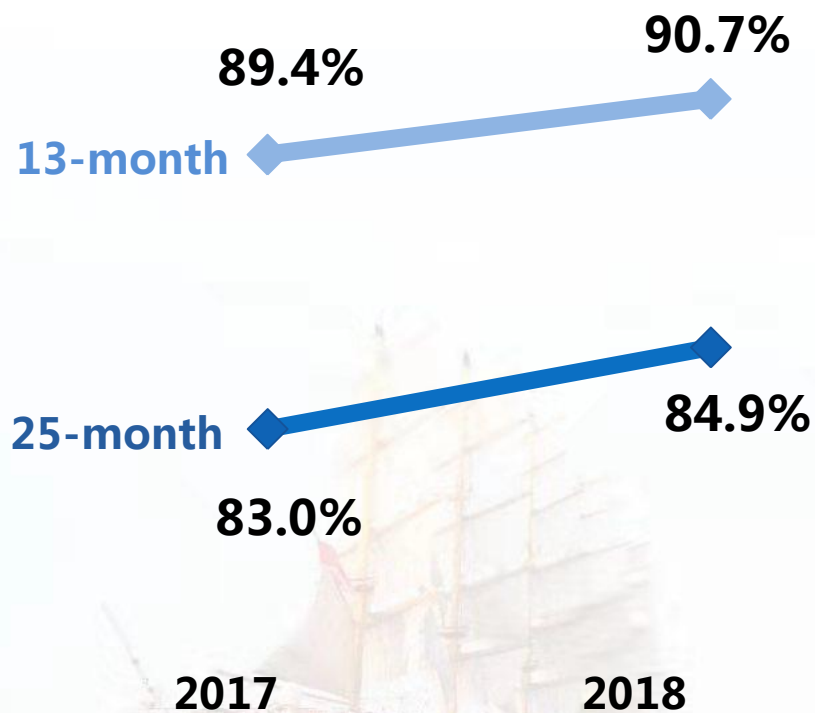


Note: Numbers may not be additive due to rounding.

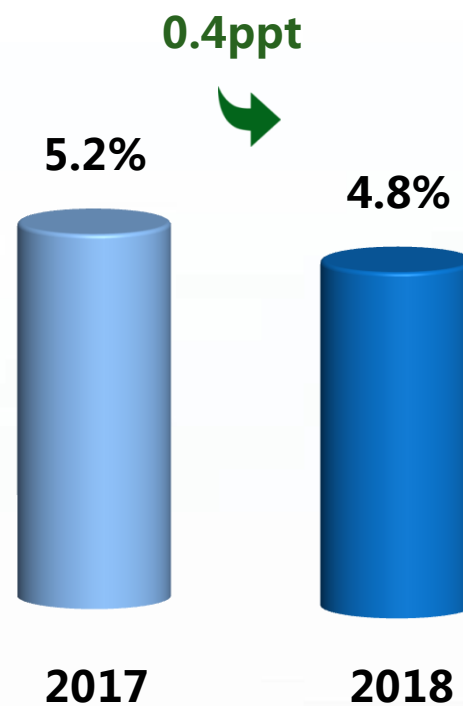
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Business Quality

Persistency ratio of individual life insurance business



Surrender rate



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Outlook & Social Responsibility

Key Financial Indicators

Unit: RMB in millions

Indicators	2018/ End of 2018	2017/ End of 2017	Change
Total Revenues	151,964	143,082	6.2%
- Net written premiums and policy fees	120,409	108,092	11.4%
- Investment income	31,185	34,380	-9.3%
Benefits, claims and expenses	140,755	134,334	4.8%
- Insurance benefits and claims	109,842	102,481	7.2%
- Commission and brokerage expenses	16,711	15,908	5.0%
- Administrative expenses	11,968	13,777	-13.1%
Net profit attributable to shareholders	7,922	5,383	47.2%
Earnings per share (RMB)	2.54	1.73	46.8%
Net assets per share attributable to shareholders (RMB)	21.02	20.42	2.9%
Weighted average return on equity attributable to shareholders	12.25%	8.76%	3.49ppts

Note: Above figures are IFRS based.

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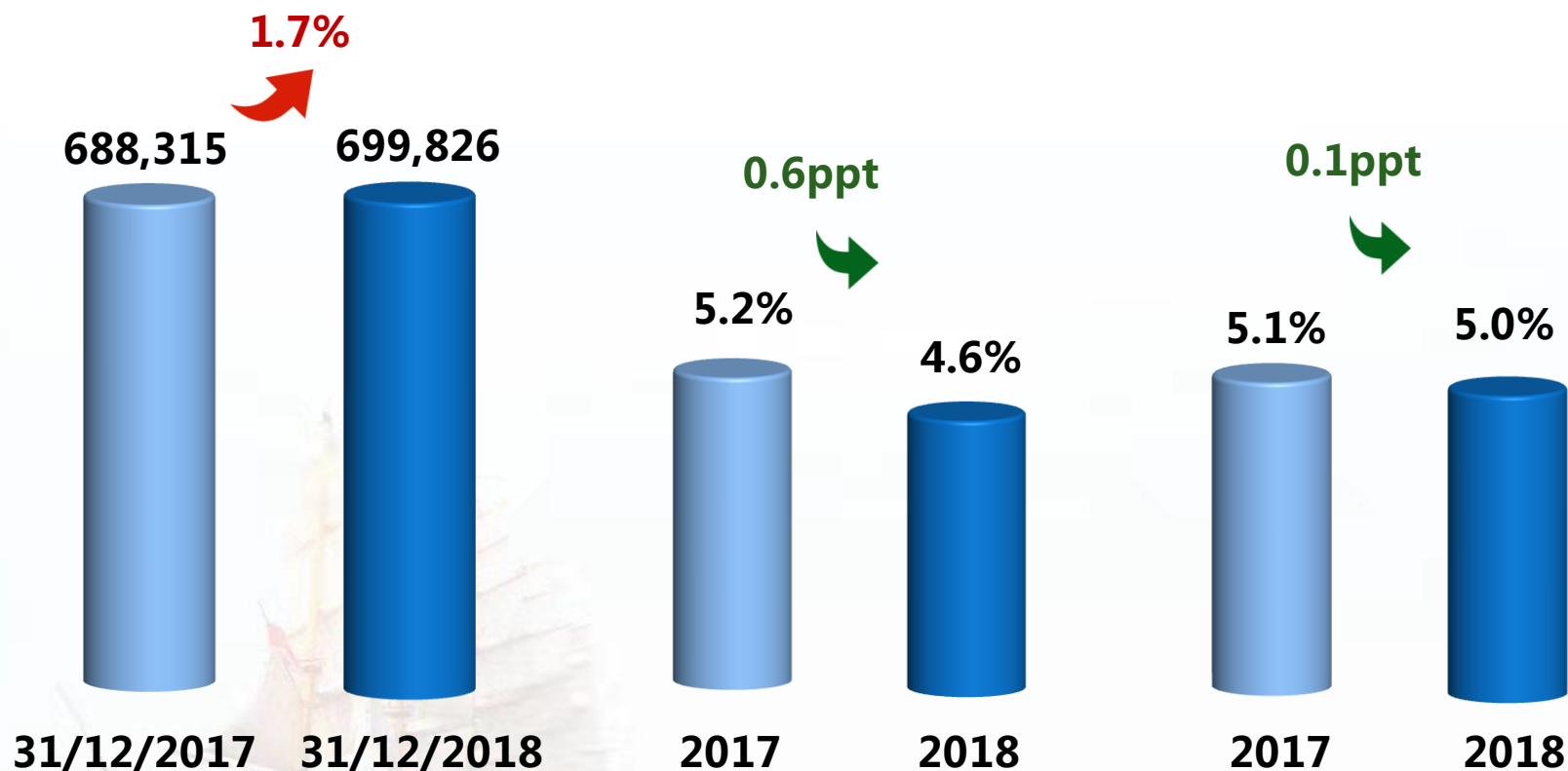
Investment Performance

Unit: RMB in millions

Investment assets

Total investment yield

Net investment yield



Investment Asset Allocation

Indicators	As at Dec. 31 2018 (Proportion)	As at Dec. 31 2017 (Proportion)	Change (ppt)
Term deposits	9.2%	6.1%	3.1
Debt financial assets	65.7%	67.3%	-1.6
- Bonds	39.3%	38.3%	1.0
- Trust products	9.5%	9.3%	0.2
- Debt plans	5.6%	5.8%	-0.2
- Asset funding plans	1.4%	2.9%	-1.5
- Others	9.9%	11.0%	-1.1
Equity financial assets	16.6%	19.1%	-2.5
- Funds	6.1%	7.3%	-1.2
- Stocks	4.6%	5.8%	-1.2
- Others	5.9%	6.0%	-0.1
Investments in associates and joint ventures	0.7%	0.7%	0.0
Cash and cash equivalents	1.3%	1.3%	0.0
Other investment assets	6.5%	5.5%	1.0

Non-standard Asset Portfolio

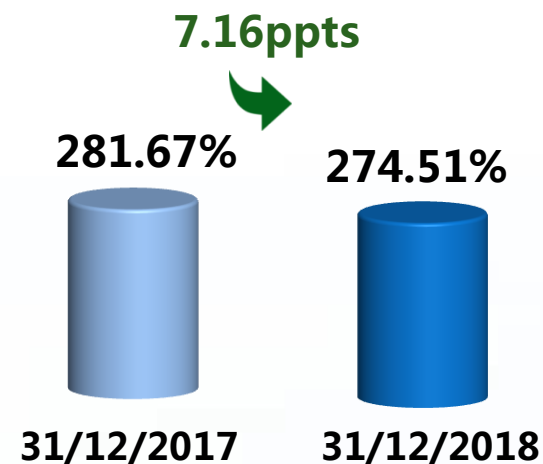
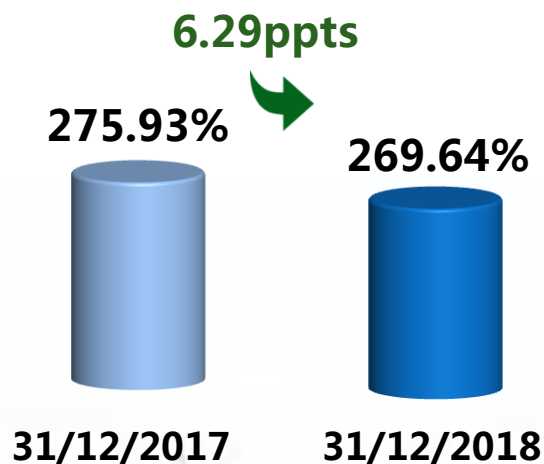
Unit: RMB in millions

Indicators	As at Dec. 31 2018	Proportion	Proportion Change (ppt)	Amount change
Non-standard debt investments	184,689	81.7%	-1.2	(14,997)
- Trust product	66,281	29.3%	2.8	2,525
- Debt plan	39,109	17.3%	0.6	(1,091)
- Project asset support plan	10,000	4.4%	-3.9	(10,000)
- Wealth management product	64,299	28.5%	-0.8	(6,431)
- Perpetual bond	5,000	2.2%	0.1	-
Non-standard equity investments	41,392	18.3%	1.2	115
- Asset management plan	13,568	6.0%	-1.4	(4,296)
- Private equity	4,443	1.9%	0.2	315
- Unlisted equity	18,565	8.2%	2.1	3,980
- Equity investment plan	4,700	2.1%	0.2	-
- Wealth management product	116	0.1%	0.1	116
Total	226,081	100%		(14,882)

Solvency

Core solvency margin ratio

Comprehensive solvency margin ratio



Unit: RMB in millions

Indicators	31/12/2018	31/12/2017	Change
Core Capital	221,299	192,528	28,771
Actual Capital	225,299	196,528	28,771
Minimum Capital	82,072	69,773	12,299

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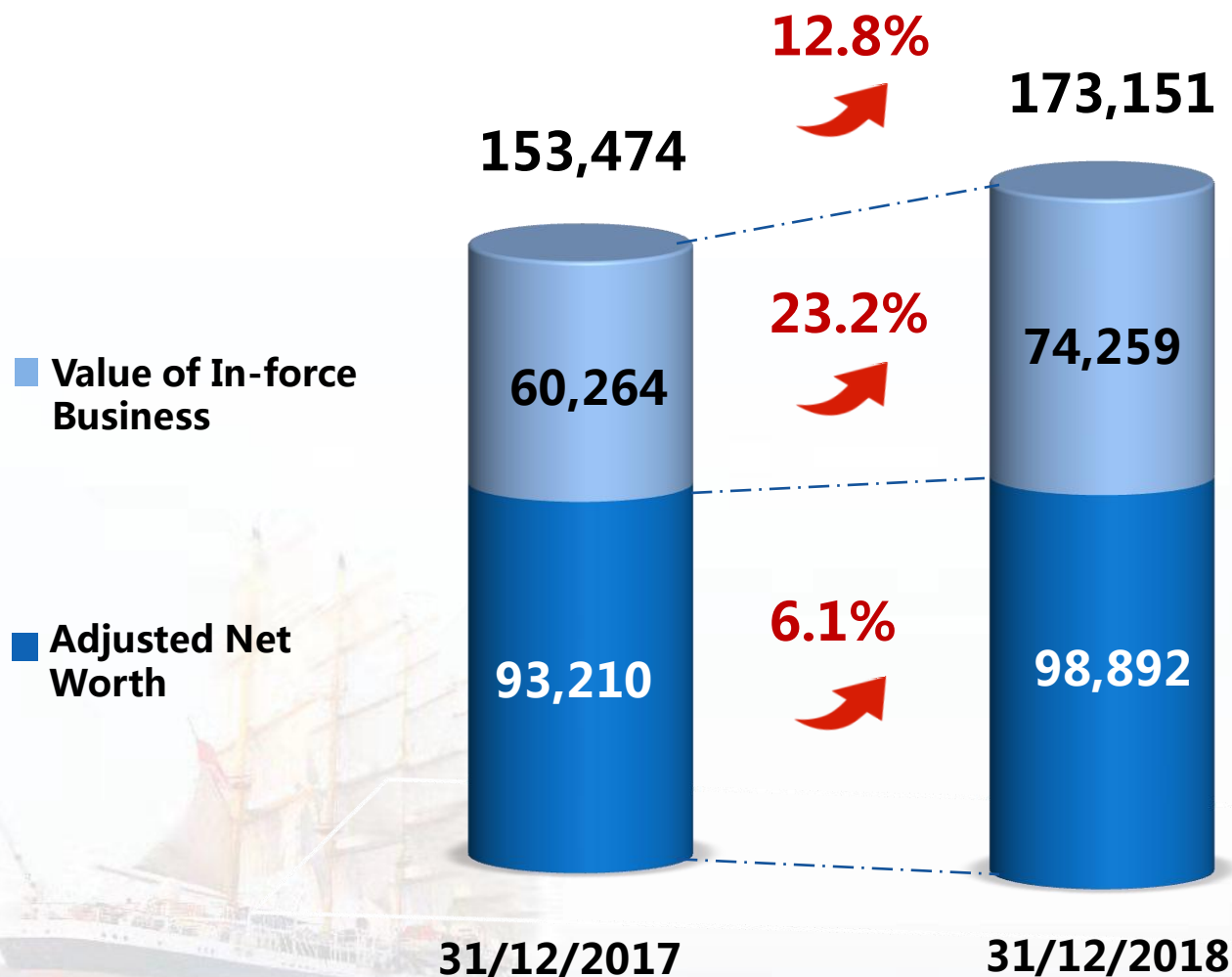
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Outlook & Social Responsibility

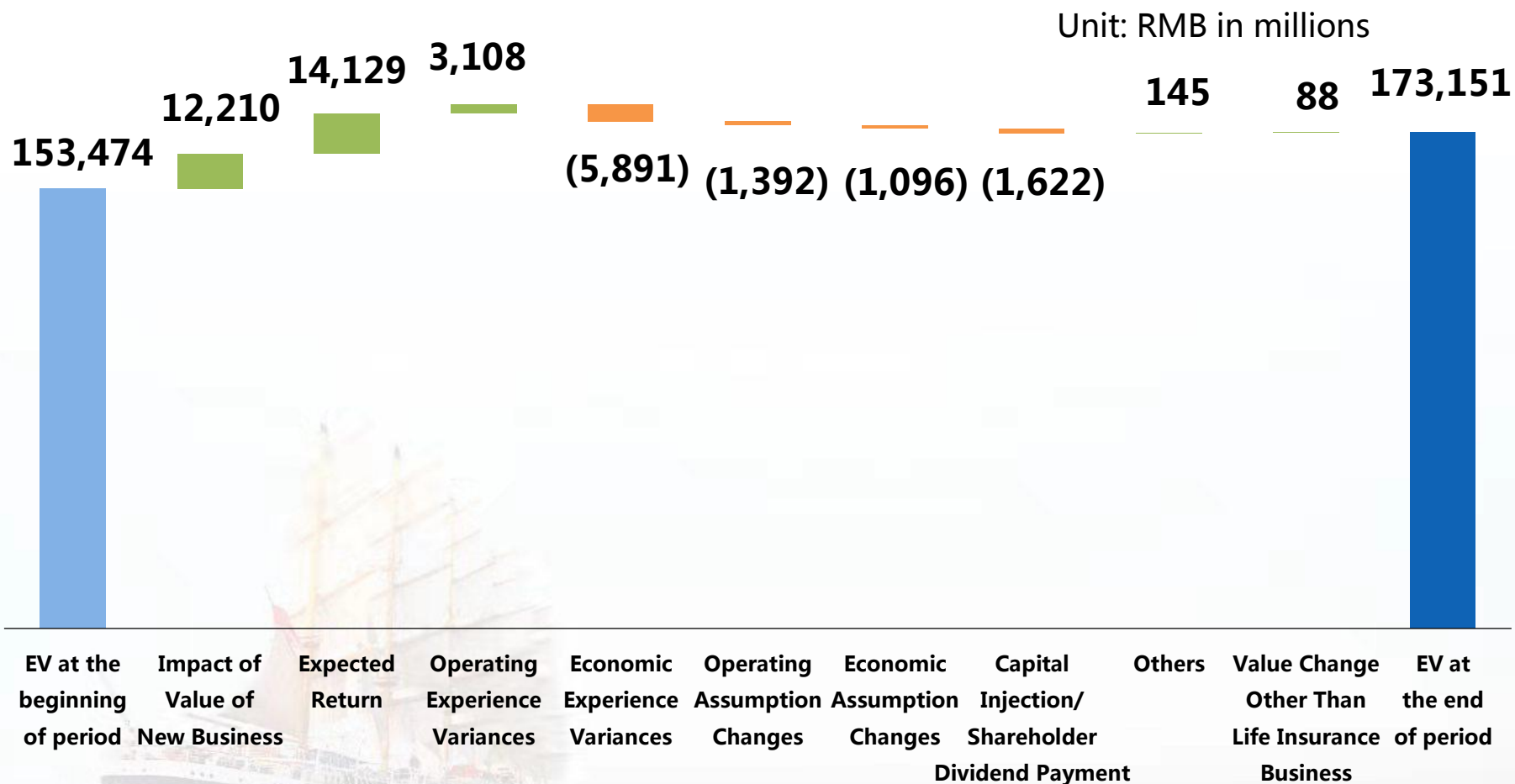
Embedded Value - Composition Analysis

Unit: RMB in millions



Embedded Value - Movement Analysis

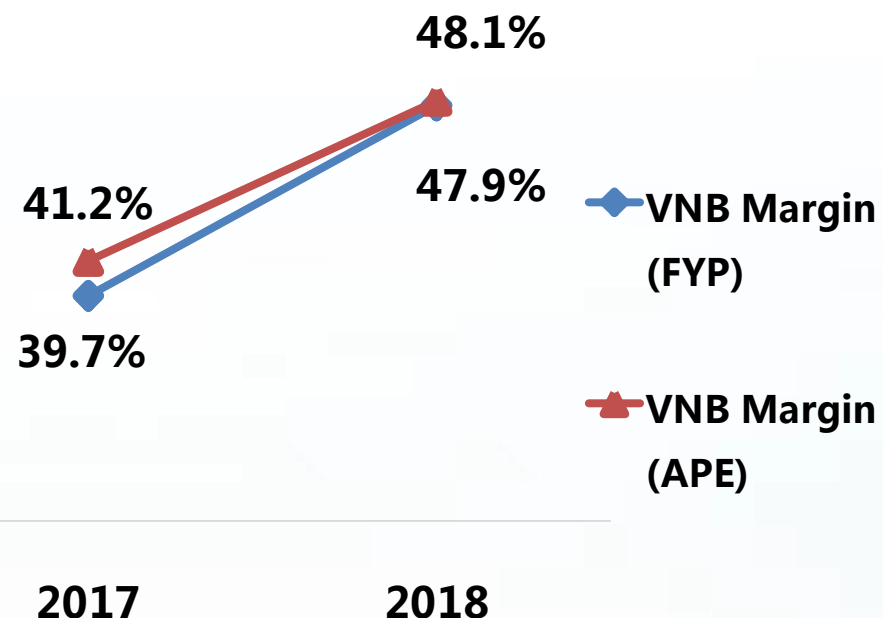
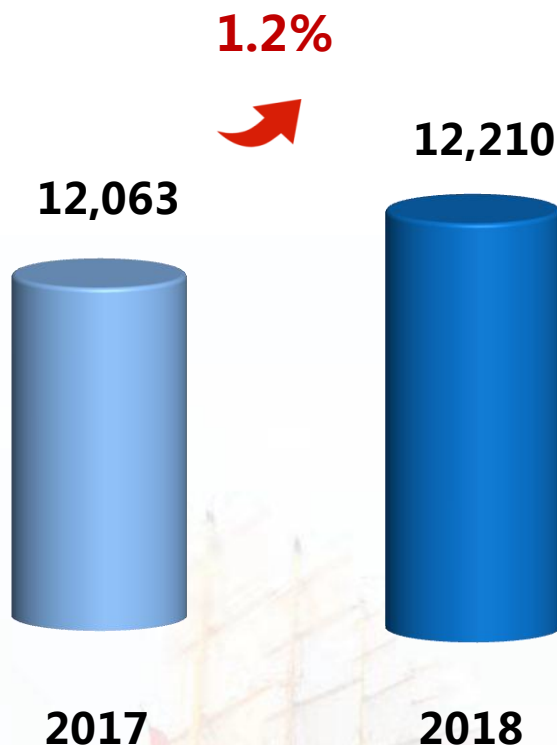
Movement analysis from Dec. 31, 2017 to Dec. 31, 2018



Note: Numbers may not be additive due to rounding.

Value of One Year's New Business

Unit: RMB in millions



Notes:

1. NBV based on FYP = New business value / First year premiums used for calculation of embedded value.
2. NBV based on APE = New business value / (100% * first year regular premiums + 10% * first year single premiums + 100% * Premiums from short-term insurance business).
3. Numbers may not be additive due to rounding.

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Outlook & Social Responsibility

Outlook

The Company will adhere to the general principle of “maintaining steady growth” , intensify the supply-side reform, give full play to the advantages of life insurance business, strengthen the synergy between health and pension insurance, continue to optimize products pipeline, sales team and service and explore the path of high-quality development with NCI characteristics to ease the concern of health care, pension and wealth preservation and appreciation for customers.

**Develop
core
business**

**Strengthen
sales team**

**Improve
customer
experience**

**Upgrade
investment
management**

**Prevent and
control risks**

Social Responsibility



New China Life Foundation

Explore the "insurance + public welfare" model and participate in charity projects such as education donation, poverty alleviation, health care and environmental protection.



Sanitation workers insurance donation

515,000 sanitation workers benefited from projects in 56 cities with sum assured of accident insurance worth RMB51.5 billion. 45 claim cases were settled in 2018 with total claim payment of RMB4.01 million.



Targeted poverty alleviation

Targeted poverty alleviation was implemented in Gansu, Inner Mongolia and Heilongjiang, etc., sending insurance protection to more than 30,000 poor households with sum assured totaling more than RMB3 billion.



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