

New China Life

2019 Annual Results Announcement

March 26, 2020

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Insurance Business

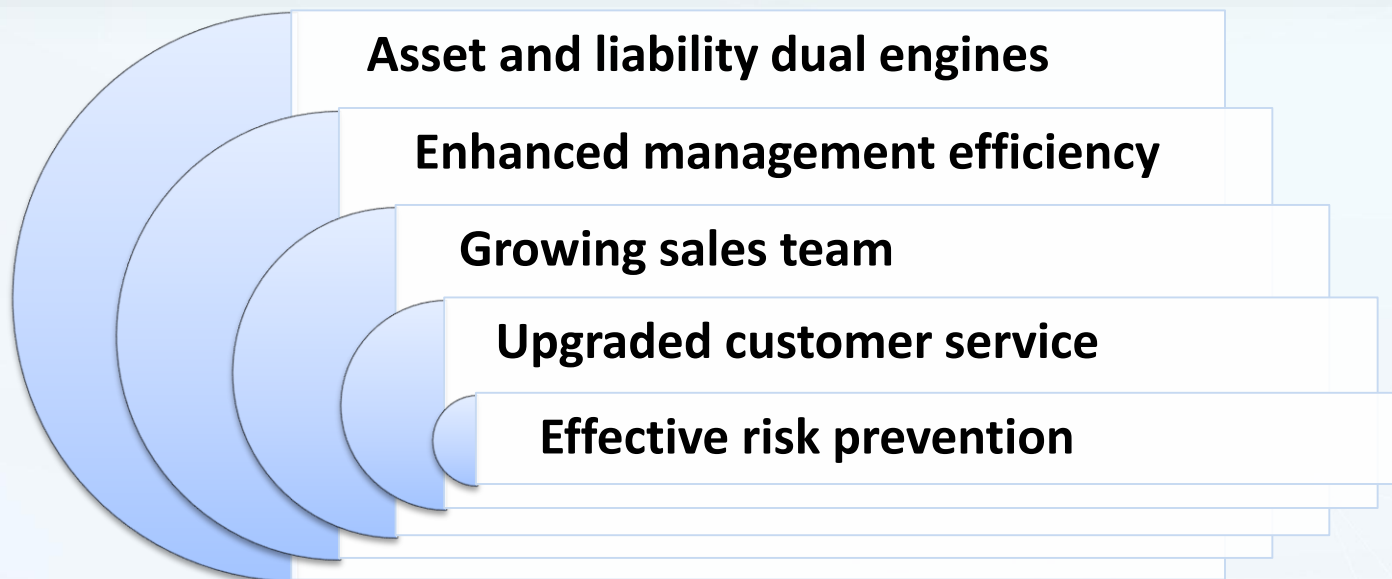
Financials & Investment

Embedded Value

Outlook & Social Responsibility

Overview

In 2019, the Company adopted the growth pattern of “volume and value growth driven by the dual engines of asset and liability” , put forward the “1+2+1” strategy with life insurance as the main body, wealth management, health and old-age care as two wings, and technology empowerment as the support for NCI’ s distinctive and sustainable growth.



Key Business & Financial Indicators

Unit: RMB in millions

Indicators		2019/ End of 2019	2018/ End of 2018	Change
Gross written premiums		138,131	122,286	13.0%
FYP from long-term insurance business		25,396	20,811	22.0%
Renewal premiums		105,821	95,860	10.4%
Total assets		878,970	733,929	19.8%
Equity attributable to shareholders		84,451	65,587	28.8%
Net profit attributable to shareholders		14,559	7,922	83.8%
Embedded value		205,043	173,151	18.4%
Value of One Year's New Business		9,779	12,210	-19.9%
Residual margin		214,525	195,637	9.7%
Solvency margin ratio	Core	283.64%	269.64%	14.00pts
	Comprehensive	283.64%	274.51%	9.13pts

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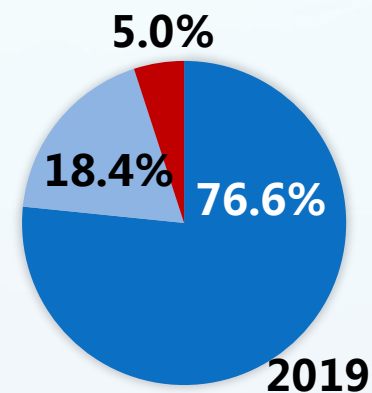
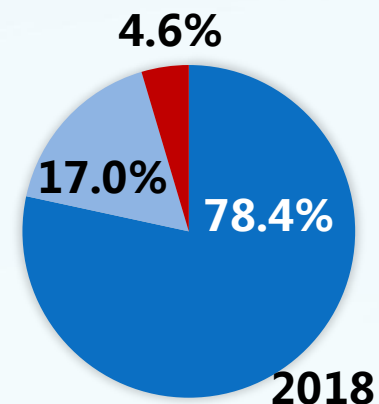
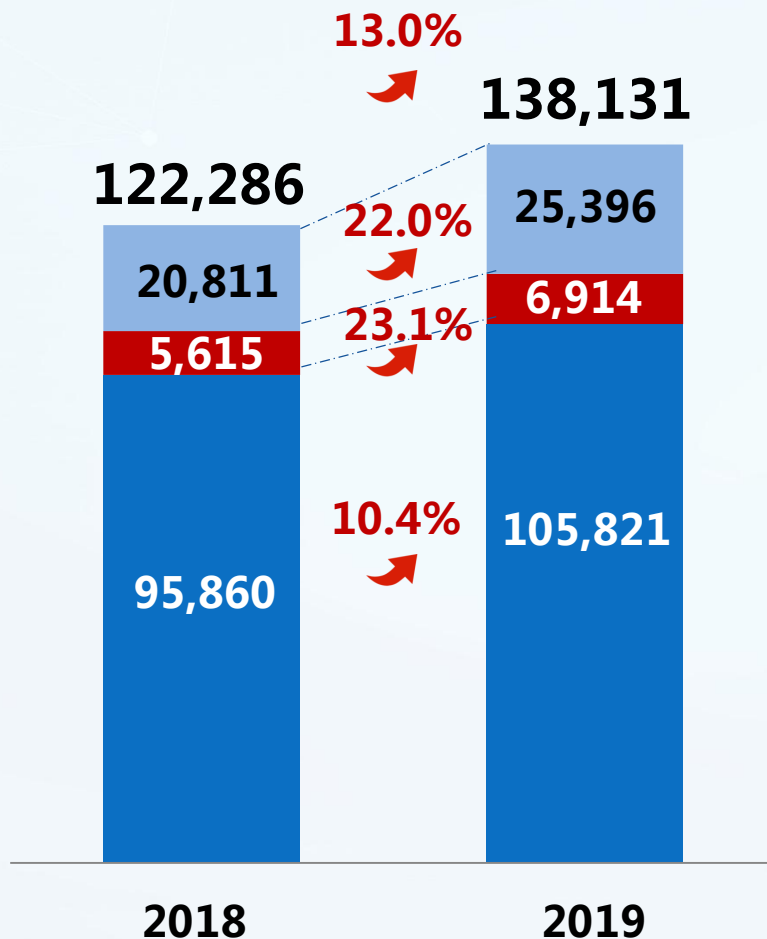
Financials & Investment

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Gross Written Premiums & Breakdown

Unit: RMB in millions



■ FYP from long-term insurance business

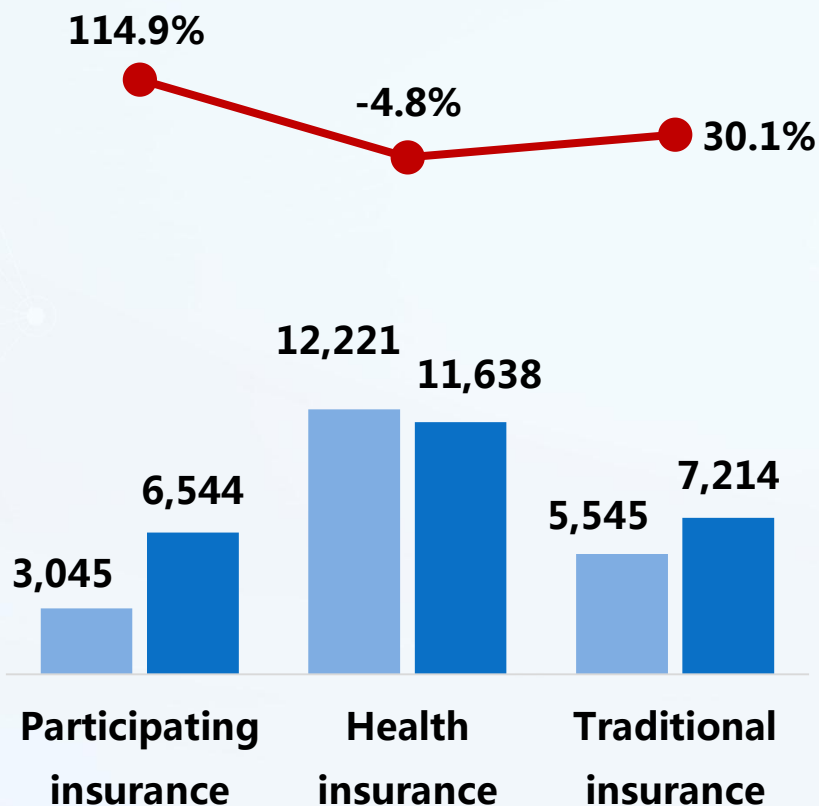
■ Premiums from short-term insurance business

■ Renewal premiums

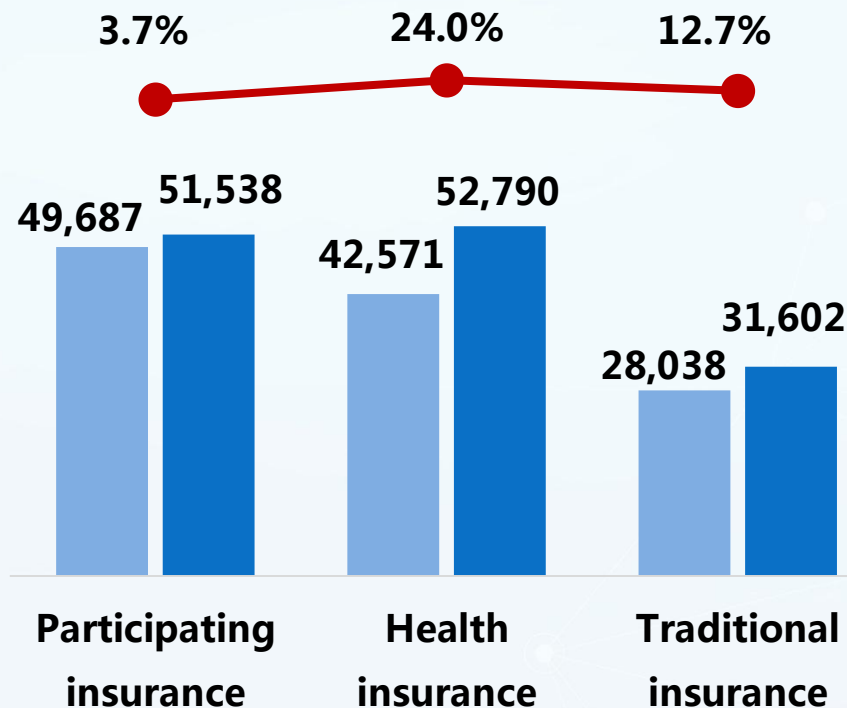
Product Structure

Unit: RMB in millions

FYP from long-term insurance



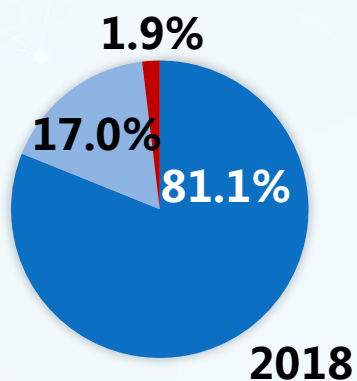
GWP



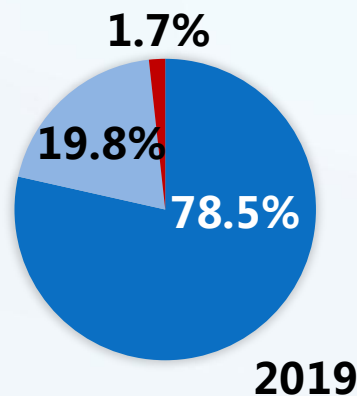
■ 2018 ■ 2019 ● Change

GWP Breakdown by Channels

Unit: RMB in millions

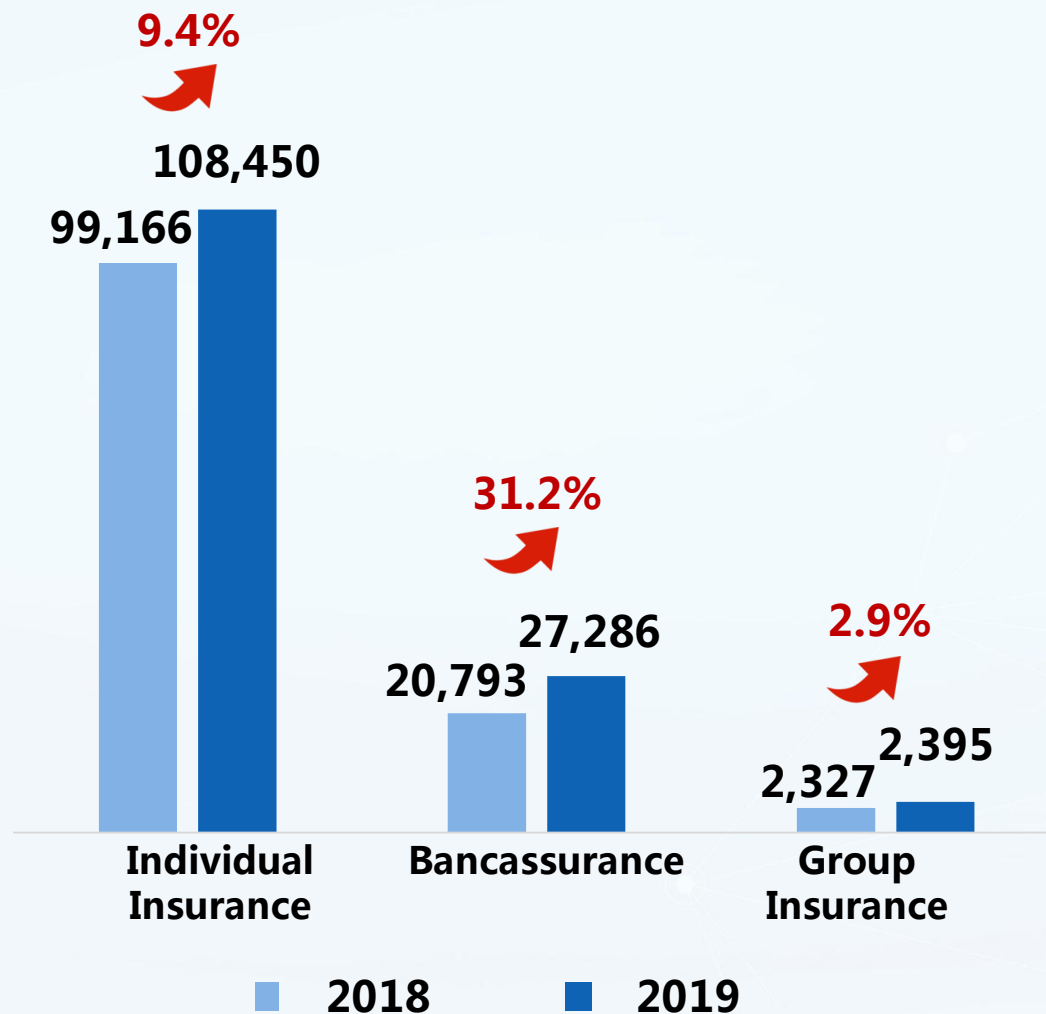


2018



2019

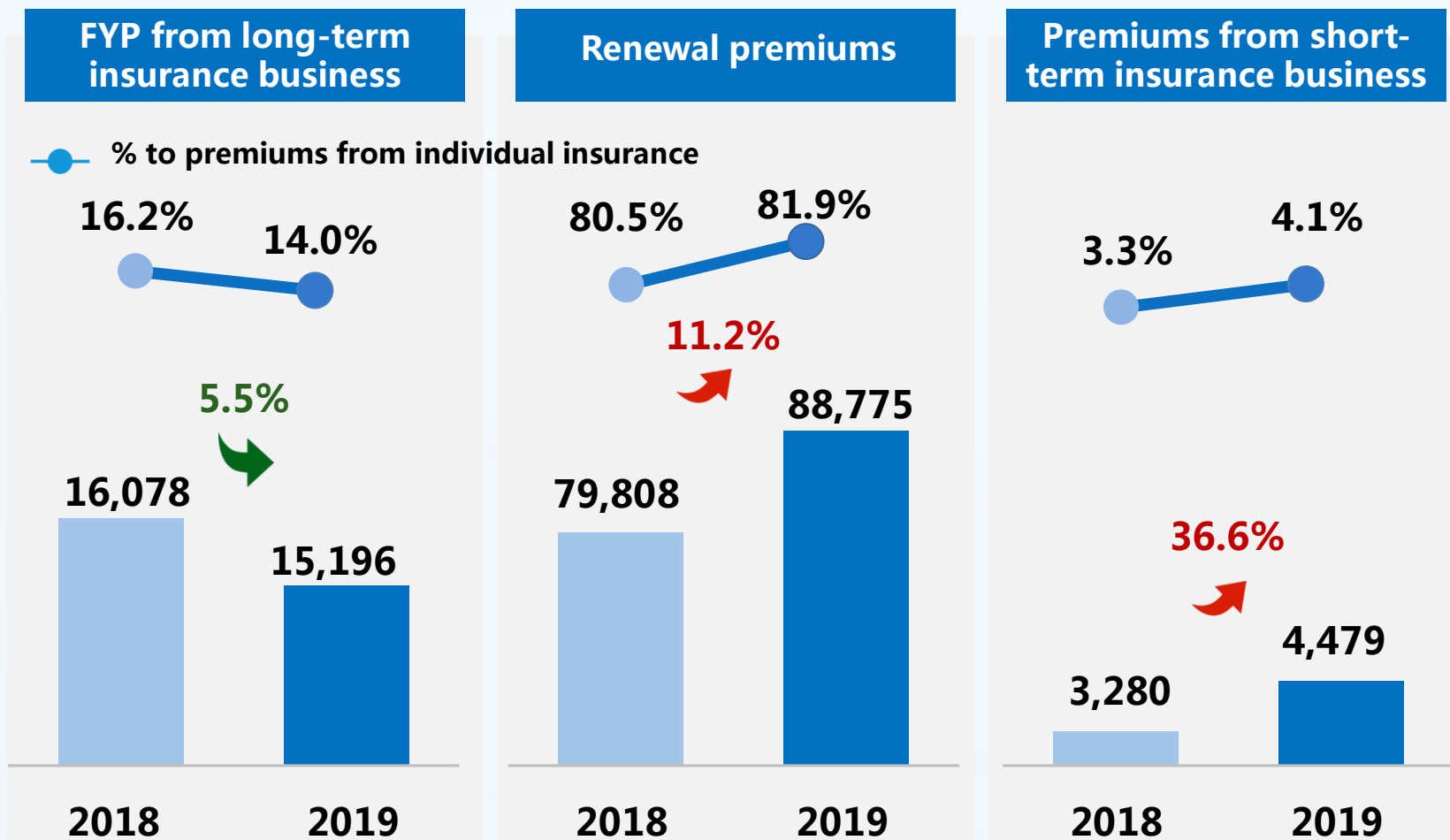
- Individual Insurance
- Bancassurance
- Group Insurance



Individual Insurance - Premiums









Adopted the strategy of "health insurance + annuity insurance + riders" .

Unit: RMB in millions



Individual Insurance - Sales Force

Sales team was expanded with "Winning in NCI" program.

	Total agents	507,000	37.0%	
	Monthly average qualified agents	133,000	3.5%	
	Monthly average qualified rate	33.1%	5.7pts	
	Monthly average comprehensive productivity per capita	RMB3,387	22.5%	

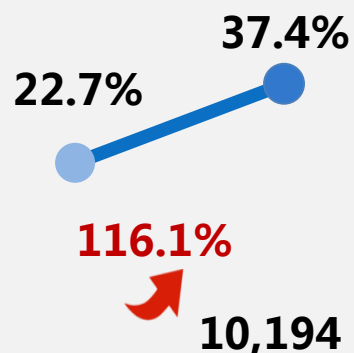
Bancassurance

Product supply and business scale improved.

Unit: RMB in millions

FYP from long-term insurance business

● % to premiums from Bancassurance



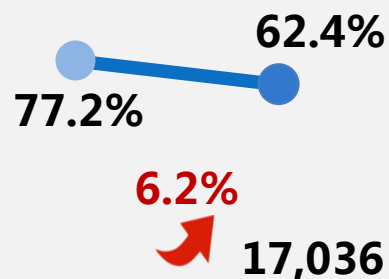
4,718

10,194

2018

2019

Renewal premiums



16,043

17,036

2018

2019

Premiums from short-term insurance business

● 0.2% ● 0.2%

75.0%

32

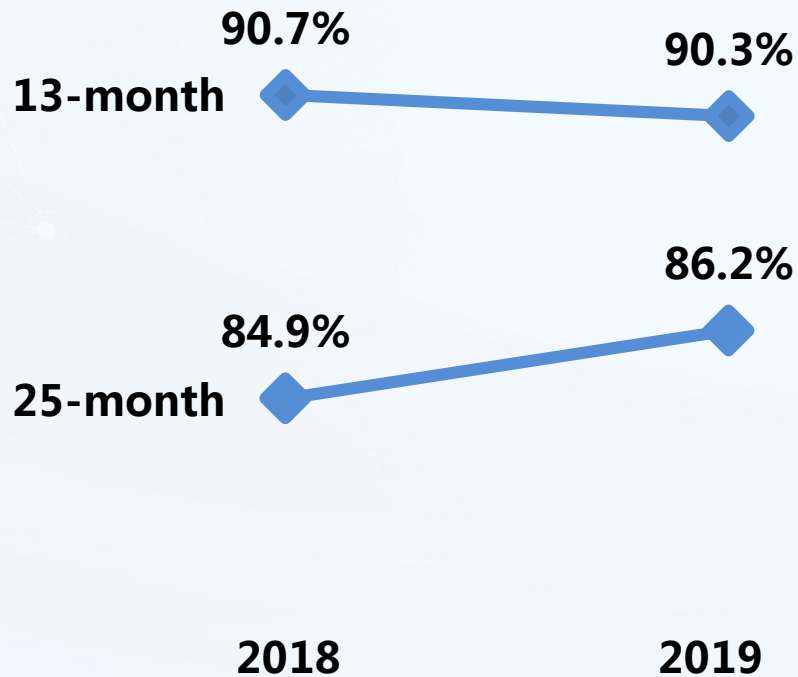
56

2018

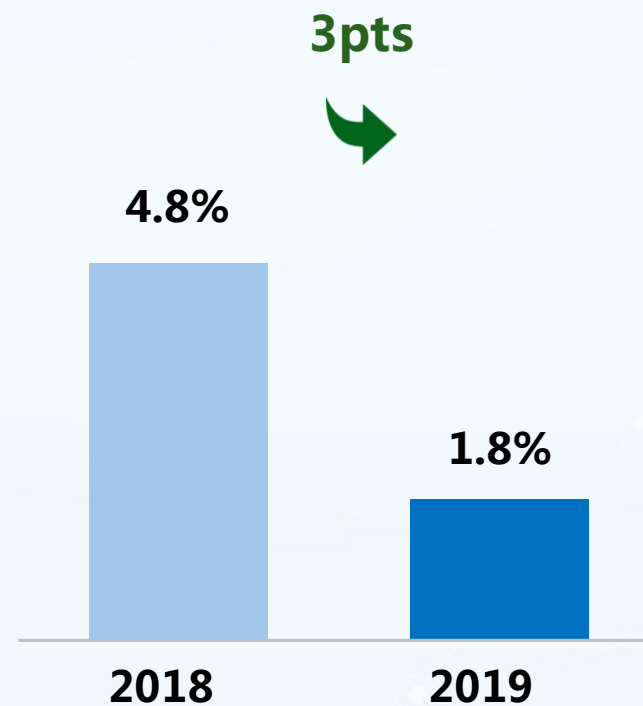
2019

Business Quality

Persistency ratio of individual life insurance business



Surrender rate



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Key Financial Indicators

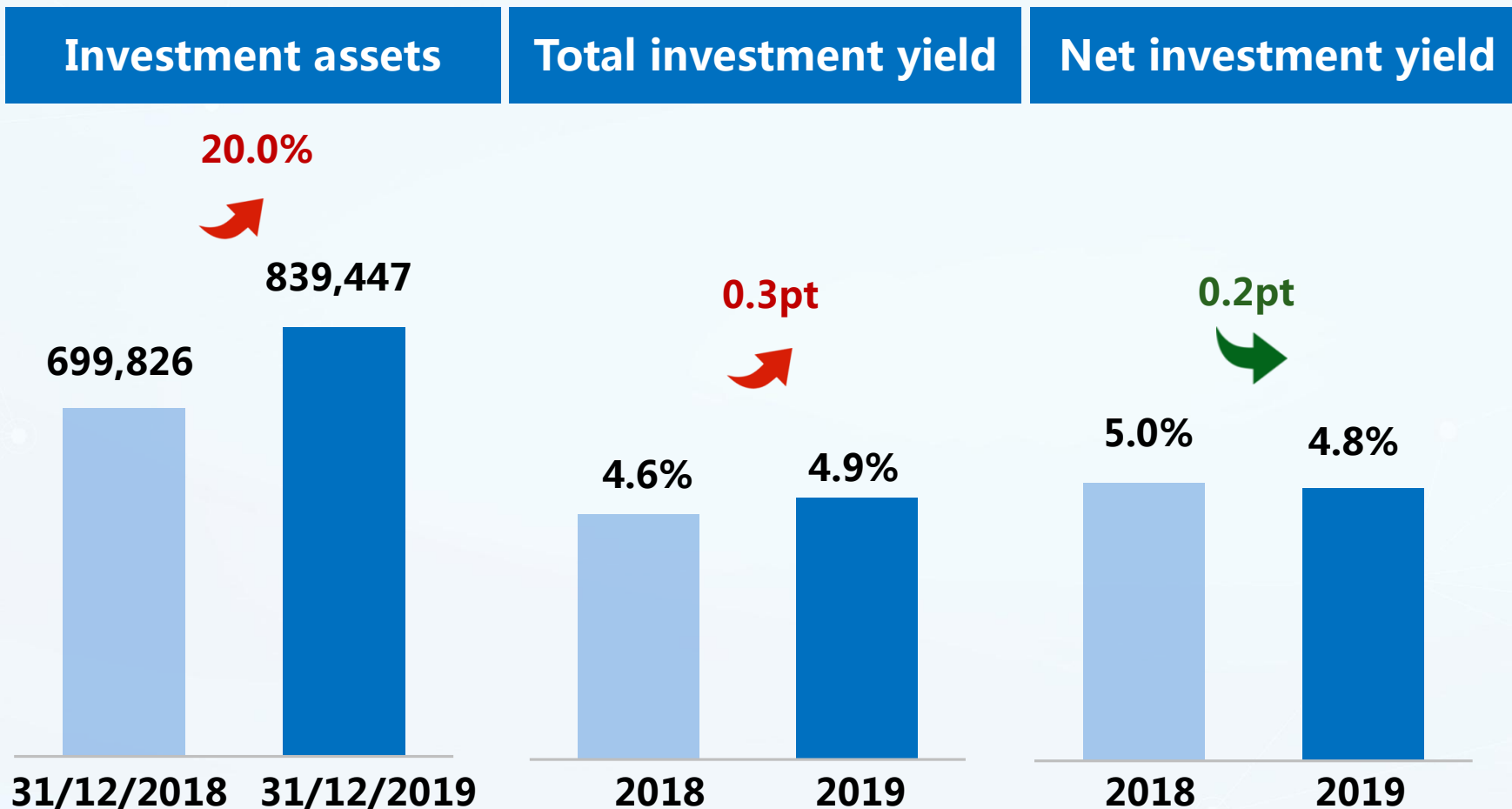
Unit: RMB in millions

Indicators	2019/ End of 2019	2018/ End of 2018	Change
Total Revenues	172,103	151,964	13.3%
- Net written premiums and policy fees	135,744	120,409	12.7%
- Investment income	35,842	31,185	14.9%
Total benefits, claims and expenses	158,342	140,755	12.5%
- Insurance benefits and claims	125,928	109,842	14.6%
- Commission and brokerage expenses	16,872	16,711	1.0%
- Administrative expenses	13,037	11,968	8.9%
Net profit attributable to shareholders	14,559	7,922	83.8%
Earnings per share (RMB)	4.67	2.54	83.9%
Net assets per share attributable to shareholders (RMB)	27.07	21.02	28.8%
Weighted average return on equity attributable to shareholders	19.41%	12.25%	7.16pts

Note: Above figures are IFRS based.

Investment Performance

Unit: RMB in millions



Investment Asset Allocation

Indicators	As at Dec. 31 2019 (Proportion)	As at Dec. 31 2018 (Proportion)	Change (pt)
Term deposits	7.6%	9.2%	-1.6
Debt financial assets	65.6%	65.7%	-0.1
- Bonds	42.7%	39.3%	3.4
- Trust products	9.2%	9.5%	-0.3
- Debt plans	4.6%	5.6%	-1.0
- Asset funding plans	1.2%	1.4%	-0.2
- Others	7.9%	9.9%	-2.0
Equity financial assets	18.7%	16.6%	2.1
- Funds	5.5%	6.1%	-0.6
- Stocks	6.6%	4.6%	2.0
- Others	6.6%	5.9%	0.7
Investments in associates and joint ventures	0.6%	0.7%	-0.1
Cash and cash equivalents	1.4%	1.3%	0.1
Other investment assets	6.1%	6.5%	-0.4

Non-standard Asset Portfolio

Unit: RMB in millions

Indicators	As at Dec. 31 2019	Proportion	Proportion Change (pt)	Amount change
Non-standard debt investments	192,477	78.1%	-3.6	7,788
- Trust product	77,266	31.3%	2.0	10,985
- Debt plan	38,934	15.8%	-1.5	-175
- Project asset support plan	10,000	4.1%	-0.3	-
- Wealth management product	61,232	24.9%	-3.6	-3,067
- Perpetual bond	5,000	2.0%	-0.2	-
- Asset management plan	45	-	-	45
Non-standard equity investments	54,117	21.9%	3.6	12,725
- Asset management plan	22,325	9.0%	3.0	8,757
- Private equity	7,054	2.9%	1.0	2,611
- Unlisted equity	18,664	7.5%	-0.7	99
- Equity investment plan	4,700	1.9%	-0.2	-
- Derivative financial assets	1,374	0.6%	0.6	1,374
- Wealth management product	-	-	-0.1	-116
Total	246,594	100.0%		20,513

Core solvency margin ratio

Comprehensive solvency margin ratio

14pts



269.64%

283.64%

31/12/2018

31/12/2019

9.13pts



274.51%

283.64%

31/12/2018

31/12/2019

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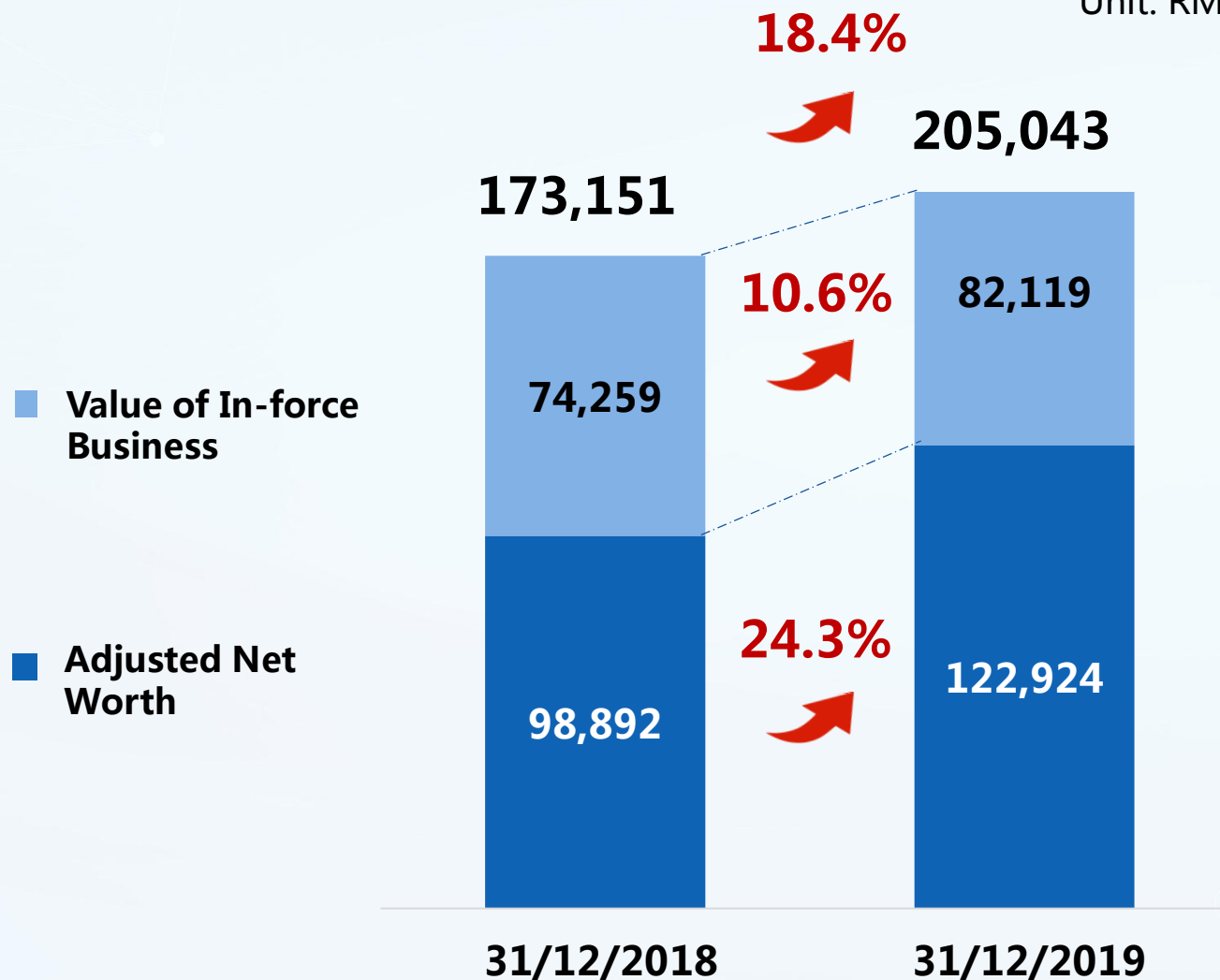
Financials & Investment

 **Embedded Value**

Outlook & Social Responsibility

Embedded Value - Composition Analysis

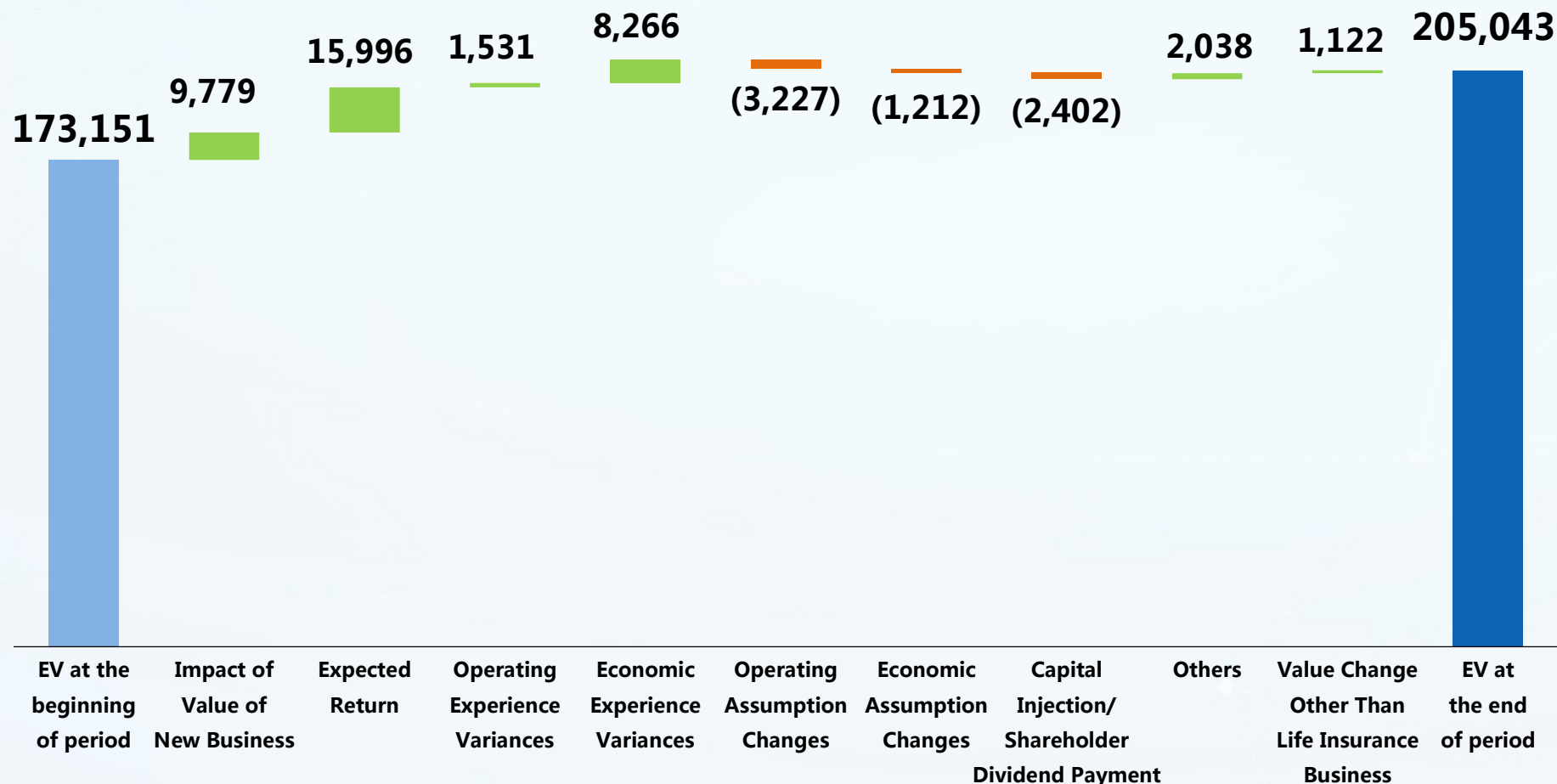
Unit: RMB in millions



Embedded Value - Movement Analysis

Movement analysis from Dec. 31, 2018 to Dec. 31, 2019

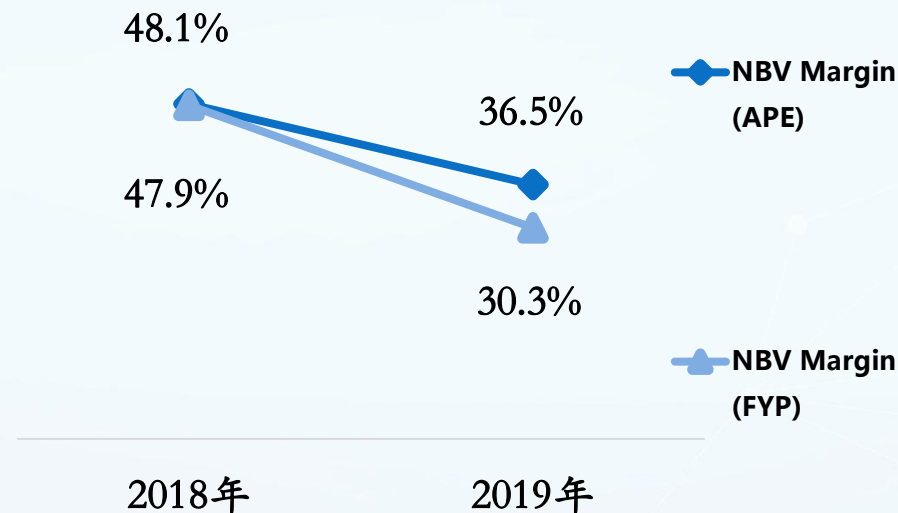
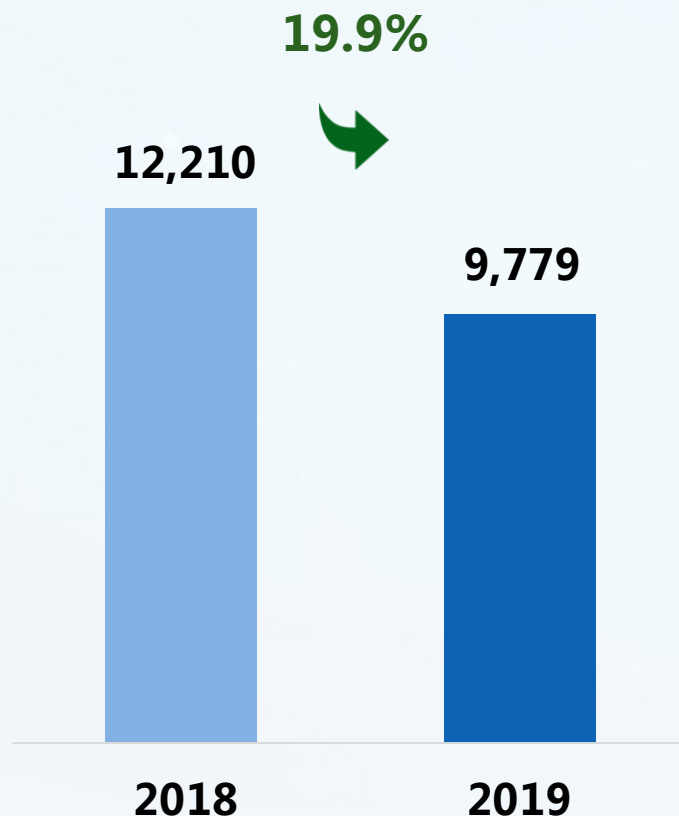
Unit: RMB in millions



Note: Numbers may not be additive due to rounding.

Value of One Year's New Business

Unit: RMB in millions



Notes:

1. FYP = 100% * first year regular premiums + 100% * single premiums + 100% * premiums from short-term insurance business.
2. APE = 100% * first year regular premiums + 10% * single premiums + 100% * premiums from short-term insurance business.
3. Numbers may not be additive due to rounding.

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Outlook

In 2020, the Company will follow the “1+2+1” strategy, continue to return to the essence of insurance to accelerate high-quality growth.



**Party building
and leadership**



**Benchmarking to grow
life insurance business**



**Richer products for
customers' demands**



**Industrial synergy and
service ecosystem**



**Technology application
and empowerment**



**Compliance and
risk control**

Social Responsibility



Sanitation workers insurance donation

- 102 cities
- Over 750,000 sanitation workers
- Sum assured over RMB75 billion.



Targeted poverty alleviation

- 7 provinces or autonomous regions
- Over 20,000 poor people
- Sum assured over RMB2.2 billion.



Fighting COVID-19

- Expanding Insurance coverage
- Donation worth RMB7.037 million
- Sum assured RMB72.23 billion.

Note: Data used for "Fighting COVID-19" are as of March 20, 2020.



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