

NEW CHINA LIFE

2020 Annual Results Announcement

25 March 2021

Beijing, China

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 have 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.

CONTENTS

**OVERVIEW &
INSURANCE BUSINESS**

LI Quan
CEO & President

**FINANCIALS &
INVESTMENT**

YANG Zheng
Vice President & CFO

EMBEDDED VALUE

GONG Xingfeng
Vice President, Chief Actuary &
Board Secretary

OVERVIEW

INSURANCE
BUSINESS

FINANCIALS &
INVESTMENT

EMBEDDED
VALUE

OVERVIEW

LI Quan



$x = \frac{-b \pm \sqrt{b^2 - 4ac}}{2a}$
 $3x^3 + x^2 + 4x +$
 $y = e^x(\cos y + i \sin y)$

OVERVIEW | Business Performance

Unit: RMB in millions

159,511
+15.5%

Gross written
premiums

39,022
+53.7%

FYP from long-term
insurance business

240,604
+17.3%

Embedded value

9,182
-6.1%

Value of one year's
new business

14,294
-1.8%

Net profit attributable
to shareholders of the
Company

1,004,376
+14.3%

Total assets

5.5%
+0.6pt

Total investment yield

606,000
+19.5%

Agent headcounts

OVERVIEW | Insurance Business

Facing multiple challenges brought by COVID-19 in 2020, the Company seized market opportunities, gave full play to the synergy advantages of both assets and liabilities and enhanced industrial coordination. Meanwhile, the Company promoted integrated development of online and offline businesses, innovated product and service supply, strengthened team building and risk management. As a result, all businesses realized steady development.



GWP grew rapidly



Business structure remained sound



Embedded value continued to increase



Business quality remained stable

OVERVIEW | Social Responsibility



Sanitation workers project

- ◆ 133 cities
- ◆ Over 830,000 sanitation workers
- ◆ Donated sum assured over RMB228.8 billion since 2017

Fighting COVID-19

- ◆ Money donated RMB6.435 million
- ◆ Donated sum assured RMB71.73 billion
- ◆ Supplies donated RMB1.13 million



Targeted poverty alleviation

- ◆ 6 provinces and autonomous regions
- ◆ Over 19,000 poor people
- ◆ Donated sum assured over RMB1.8 billion

Volunteer league

- ◆ 35 branches nationwide
- ◆ 44,705 volunteers
- ◆ 2,469 voluntary service activities

Our Vision

To be China's best financial service group with comprehensive life insurance business as its core

"One body, two wings+ technology empowerment"

WEALTH MANAGEMENT

Investment
Asset management

LIFE INSURANCE

Comprehensive protection
and wealth management plan

OLD-AGE CARE & HEALTHCARE

Old-age care
Healthcare

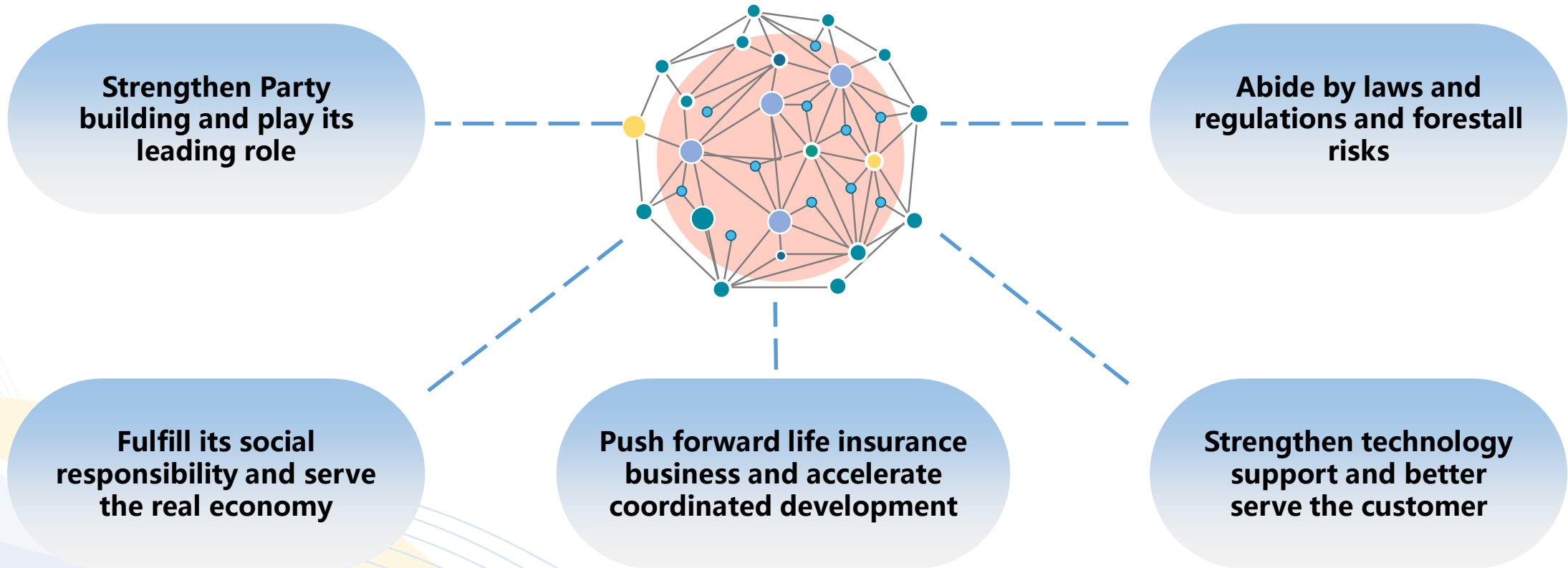
Investment supports for life insurance

TECHNOLOGY EMPOWERMENT

Industry synergy supports for life insurance

OVERVIEW | Future Prospect

In 2021, the Company will further integrate into the new pattern of national development, provide insurance protection, pursue high-quality development and forestall risks.



OVERVIEW

**INSURANCE
BUSINESS**

FINANCIALS &
INVESTMENT

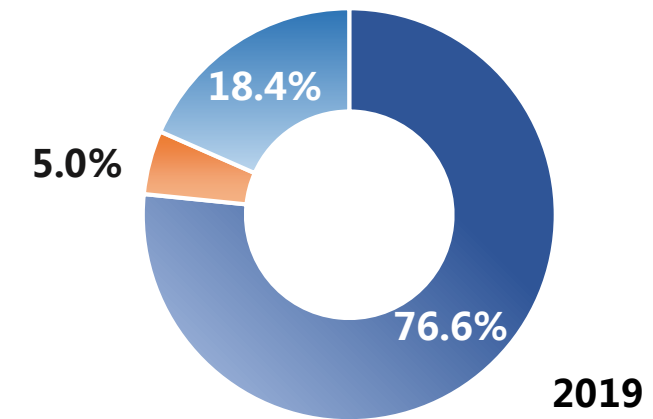
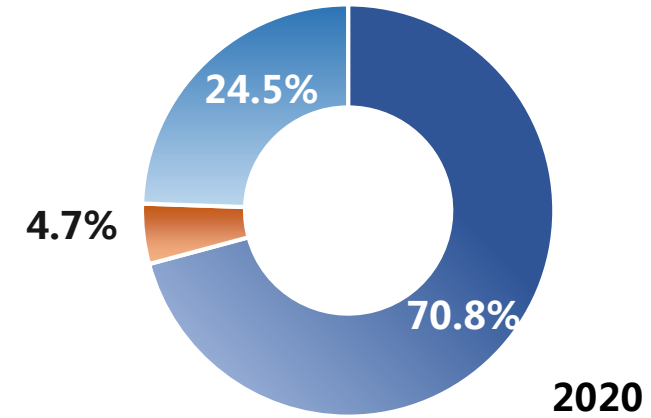
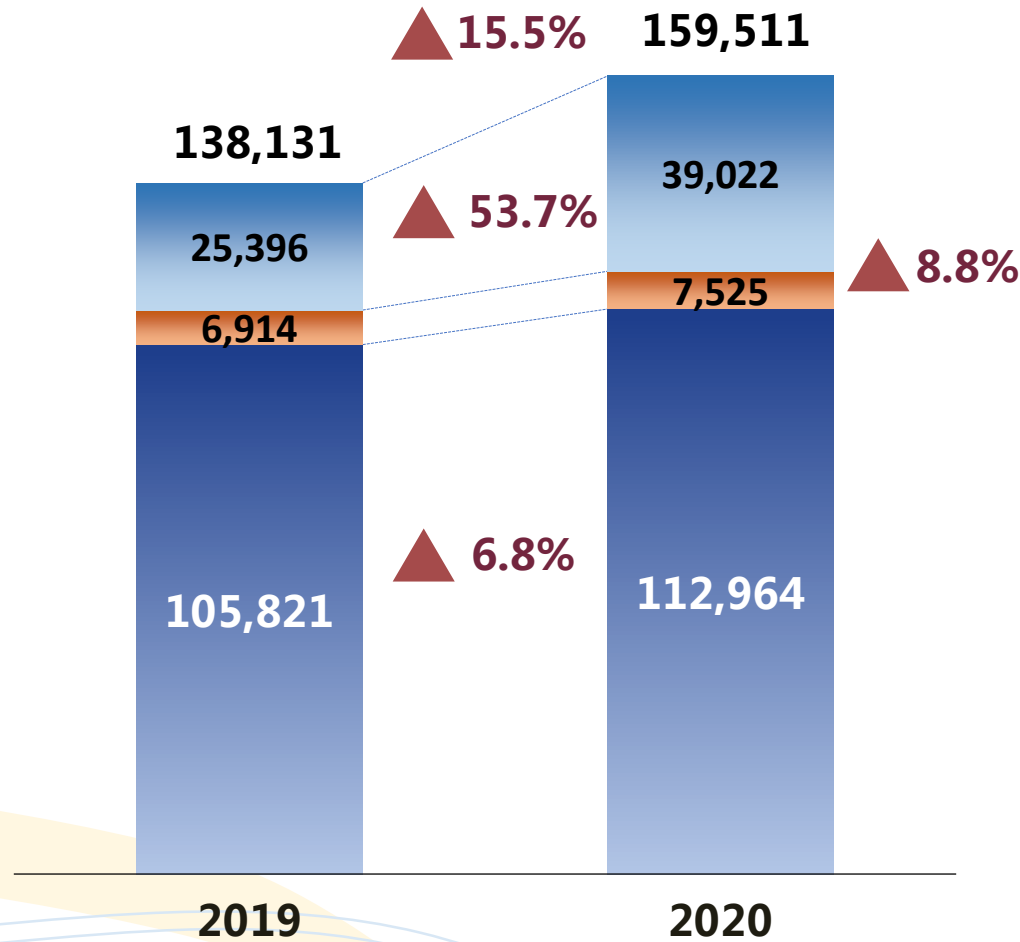
EMBEDDED
VALUE

INSURANCE BUSINESS

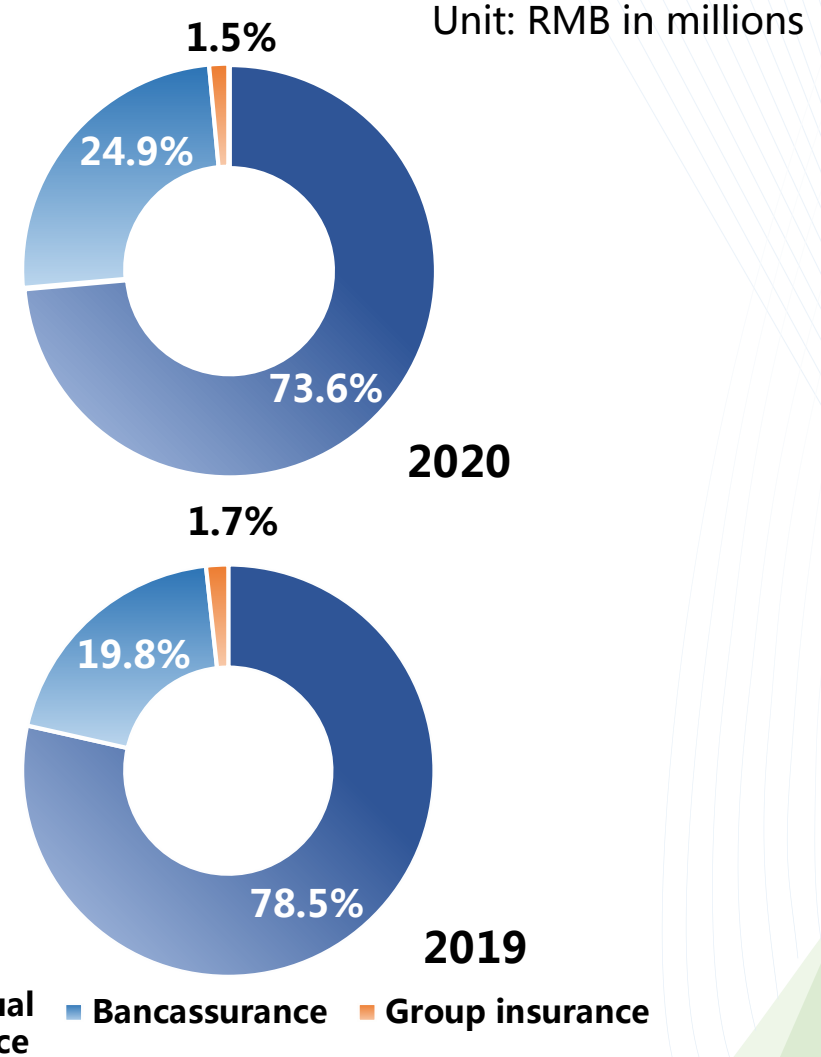
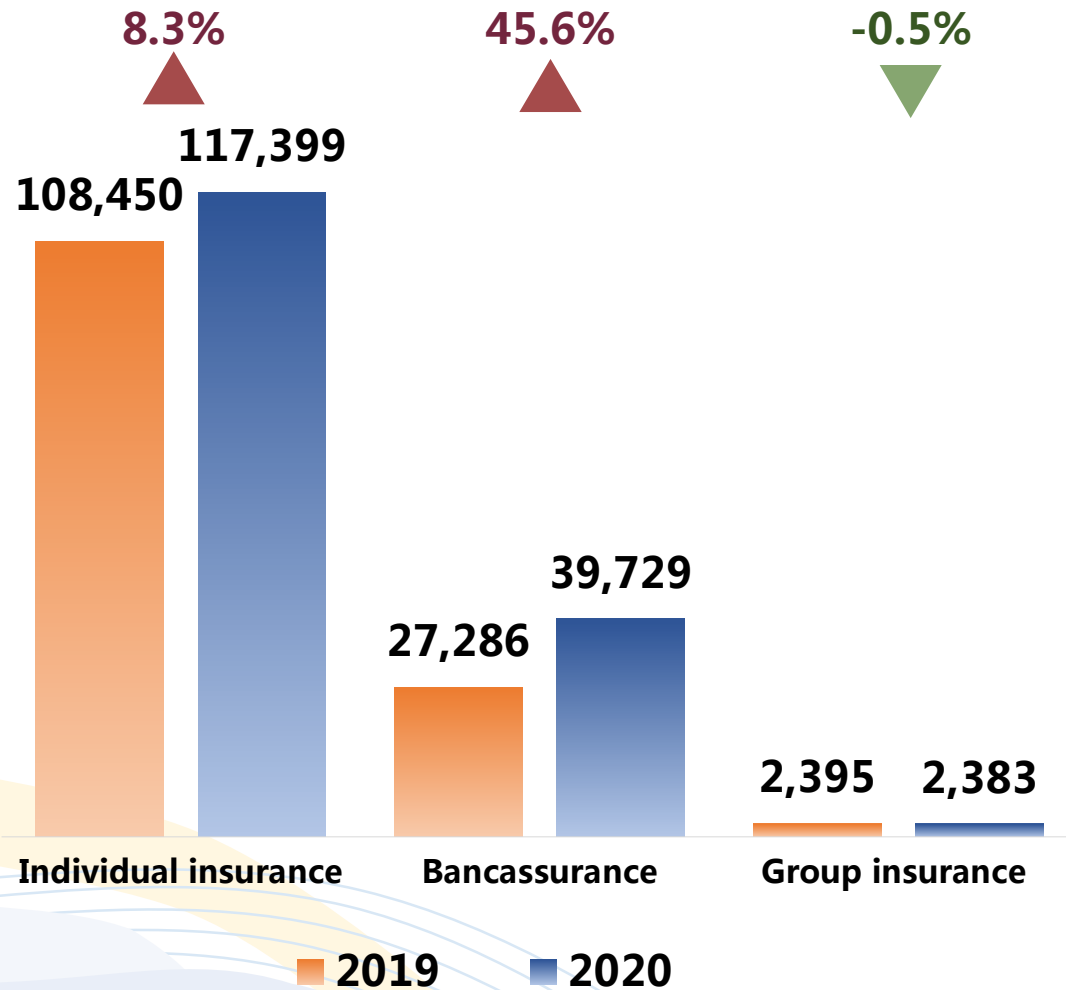
LI Quan



Unit: RMB in millions

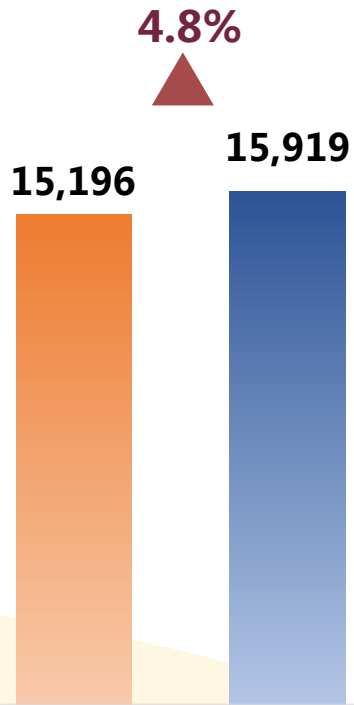


■ FYP from long-term insurance business
 ■ Premiums from short-term insurance business
 ■ Renewal premiums

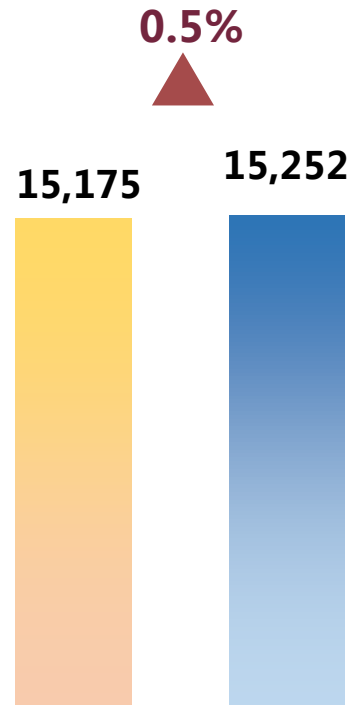


Unit: RMB in millions

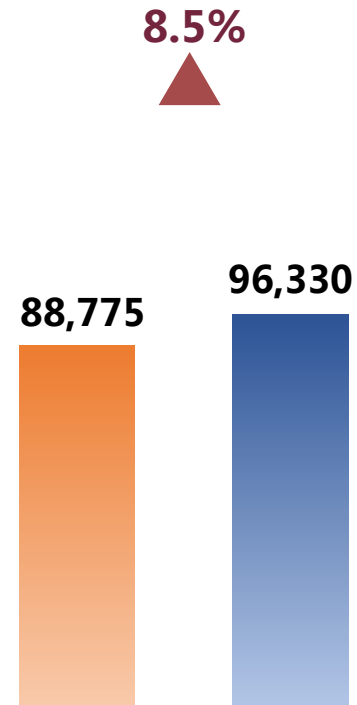
FYP from long-term insurance business



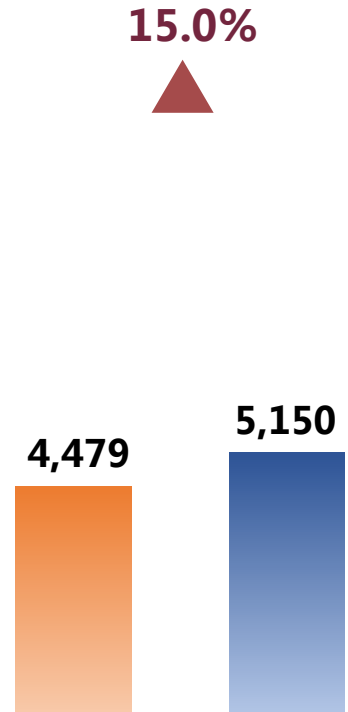
FYRP from long-term insurance business



Renewal premiums

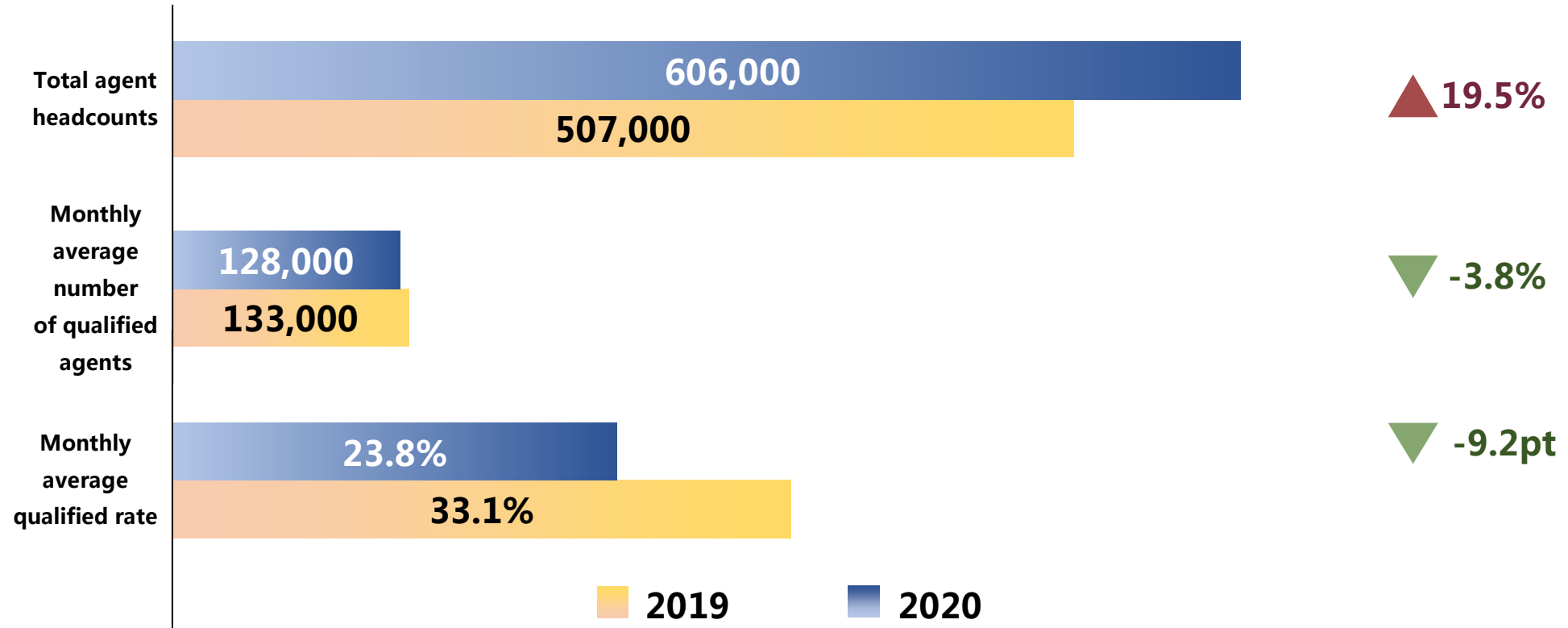


Premiums from short-term insurance business



2019

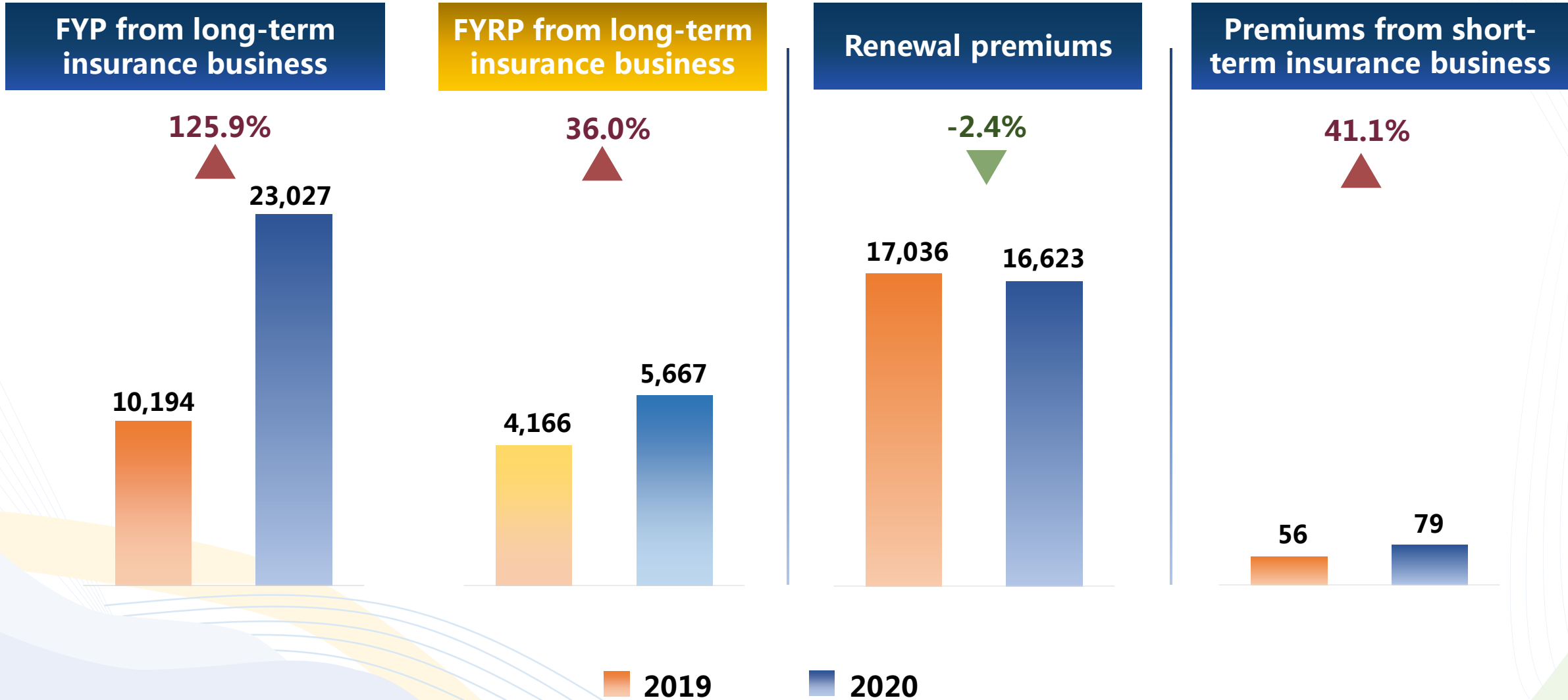
2020



Notes:

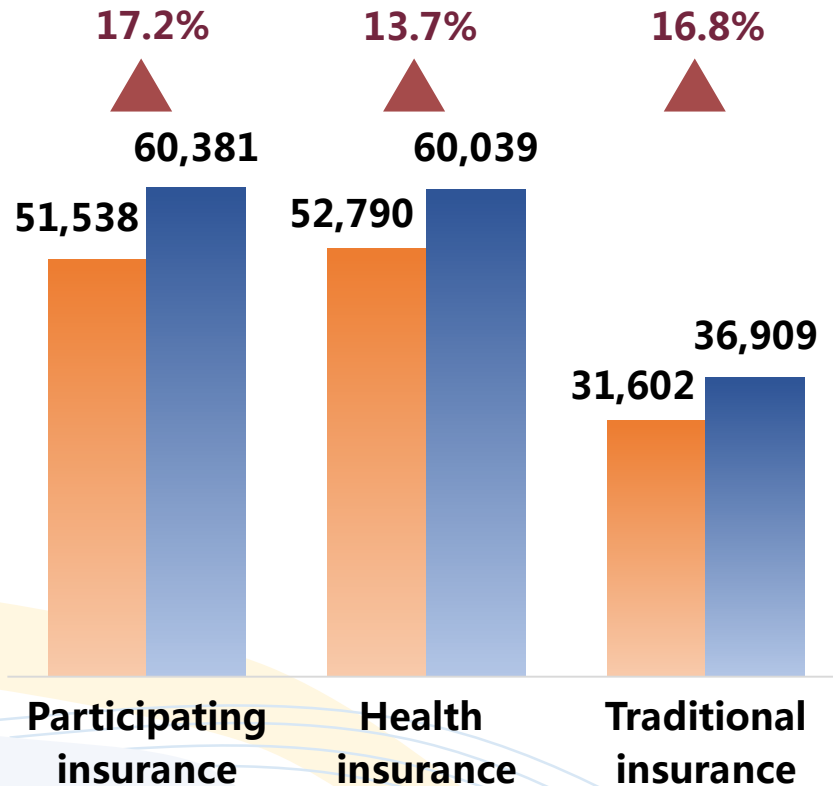
1. Monthly average number of qualified agents = $(\sum \text{number of qualified agents in a month}) / \text{the number of months in the reporting period}$, where monthly number of qualified agents refers to the number of agents who have issued one insurance policy or more (including card-type short-term accident insurance policy) which are not cancelled by policy holders in a month and whose first year commission in the month is equal or greater than RMB800.
2. Monthly average qualified rate = $\text{monthly average number of qualified agents} / \text{monthly average number of agents} * 100\%$. Monthly average number of agents = $\{ \sum [(\text{number of agents at start of the month} + \text{number of agents at end of the month}) / 2] \} / \text{the number of months in the reporting period}$.
3. Monthly average comprehensive productivity per capita = $\text{monthly average first year premiums} / \text{monthly average number of agents}$.
4. Numbers may not be additive due to rounding.

Unit: RMB in millions



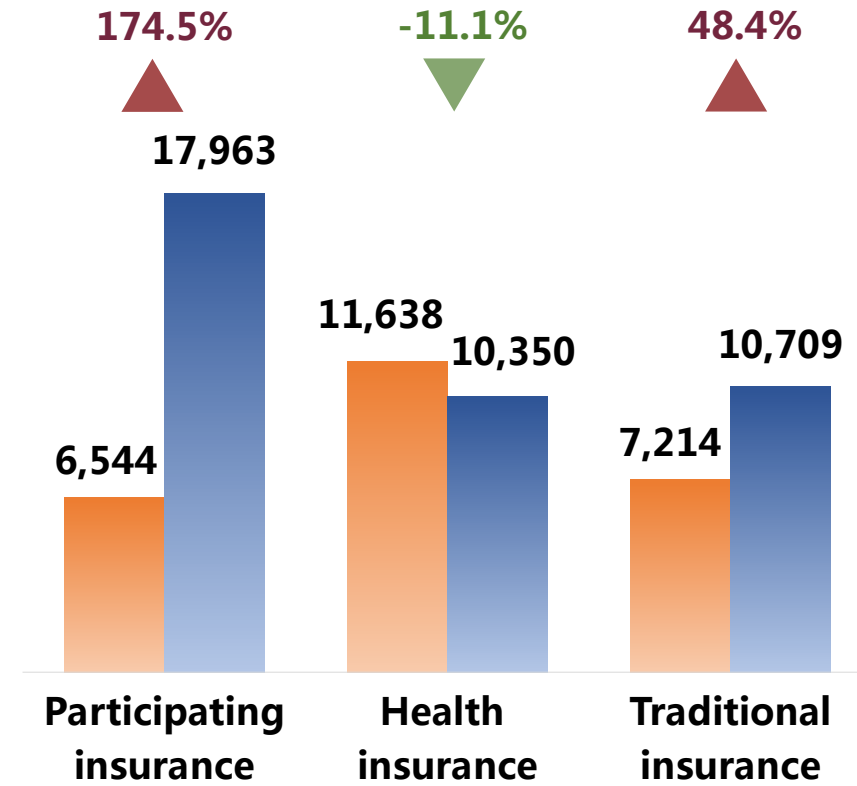
Unit: RMB in millions

Gross Written Premiums



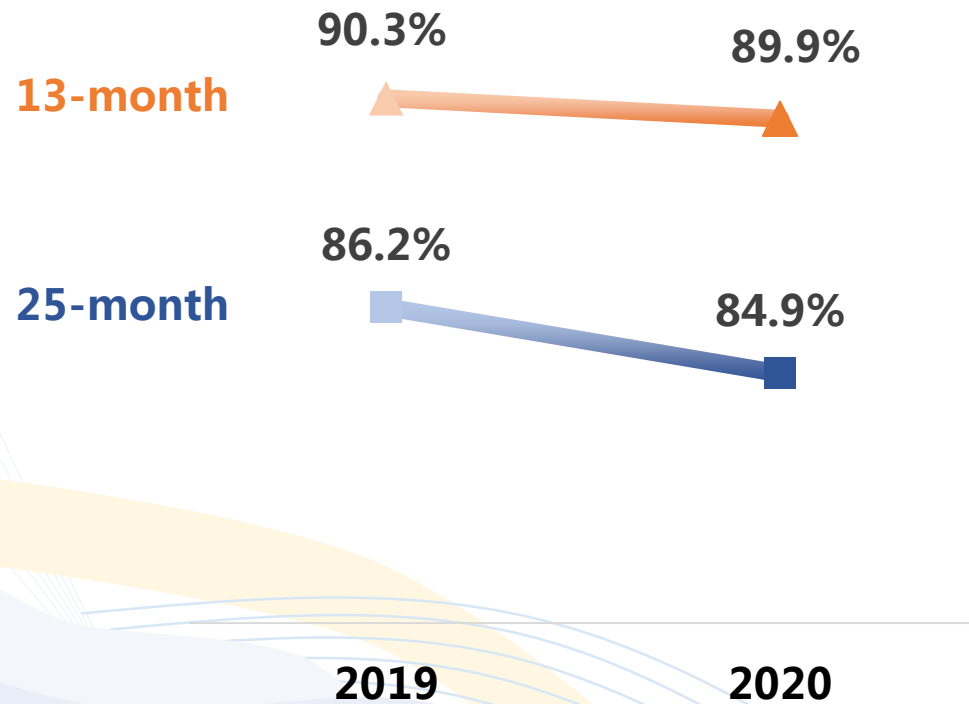
2019

FYP from long-term insurance business

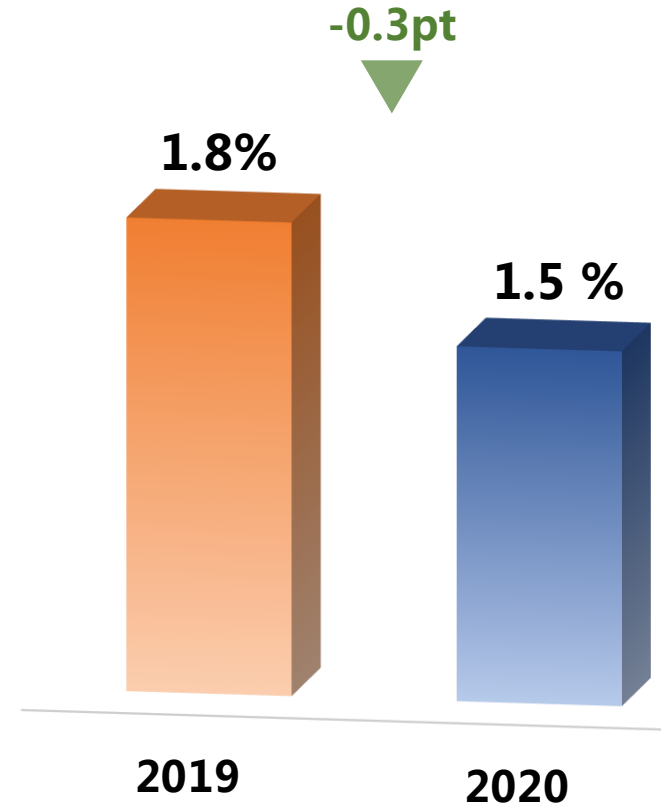


2020

Persistency ratio of individual life insurance business



Surrender rate



OVERVIEW

INSURANCE
BUSINESS

**FINANCIALS &
INVESTMENT**

EMBEDDED
VALUE

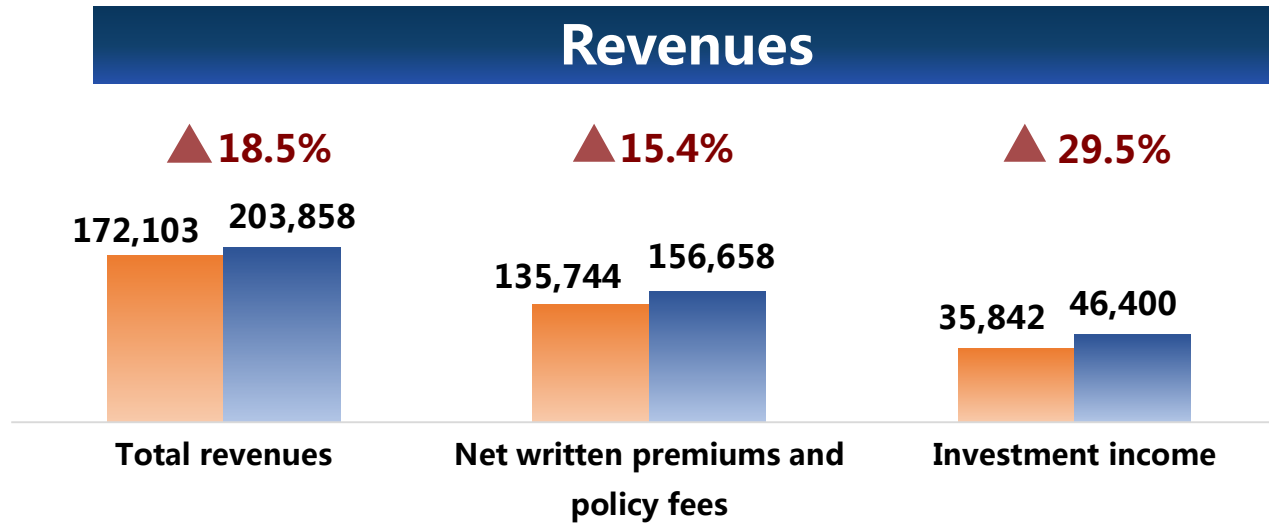
FINANCIALS & INVESTMENT

YANG Zheng

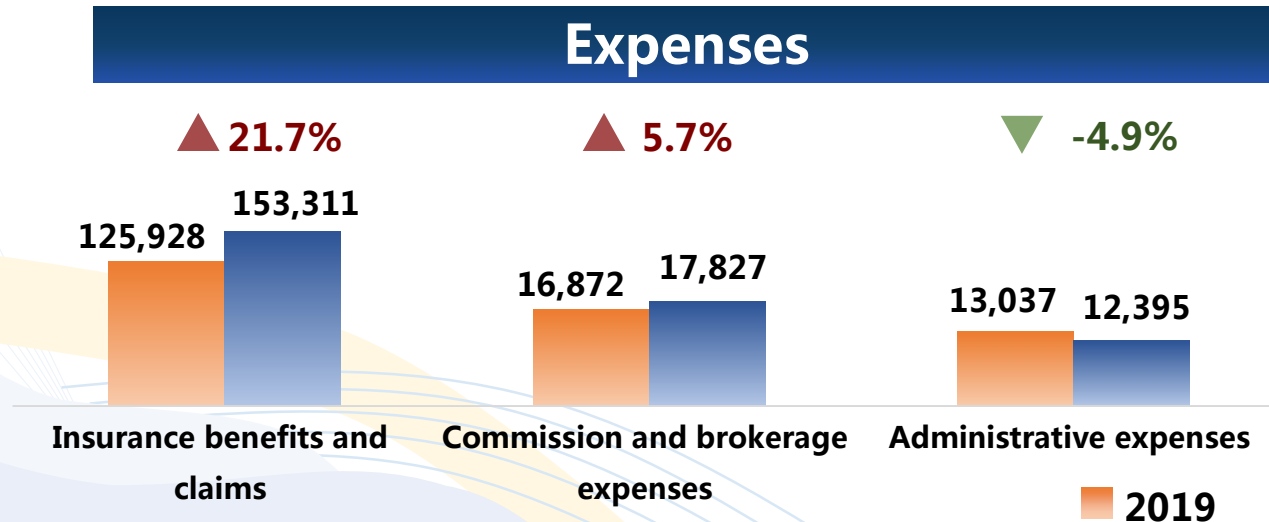


Unit: RMB in millions

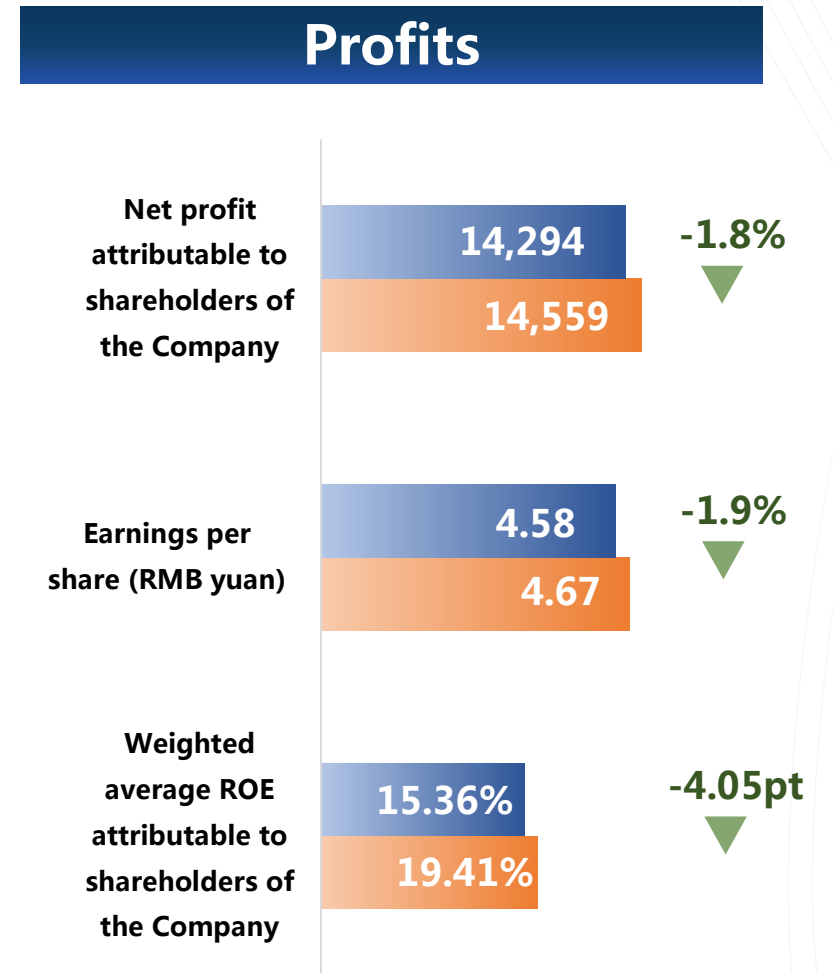
Revenues



Expenses



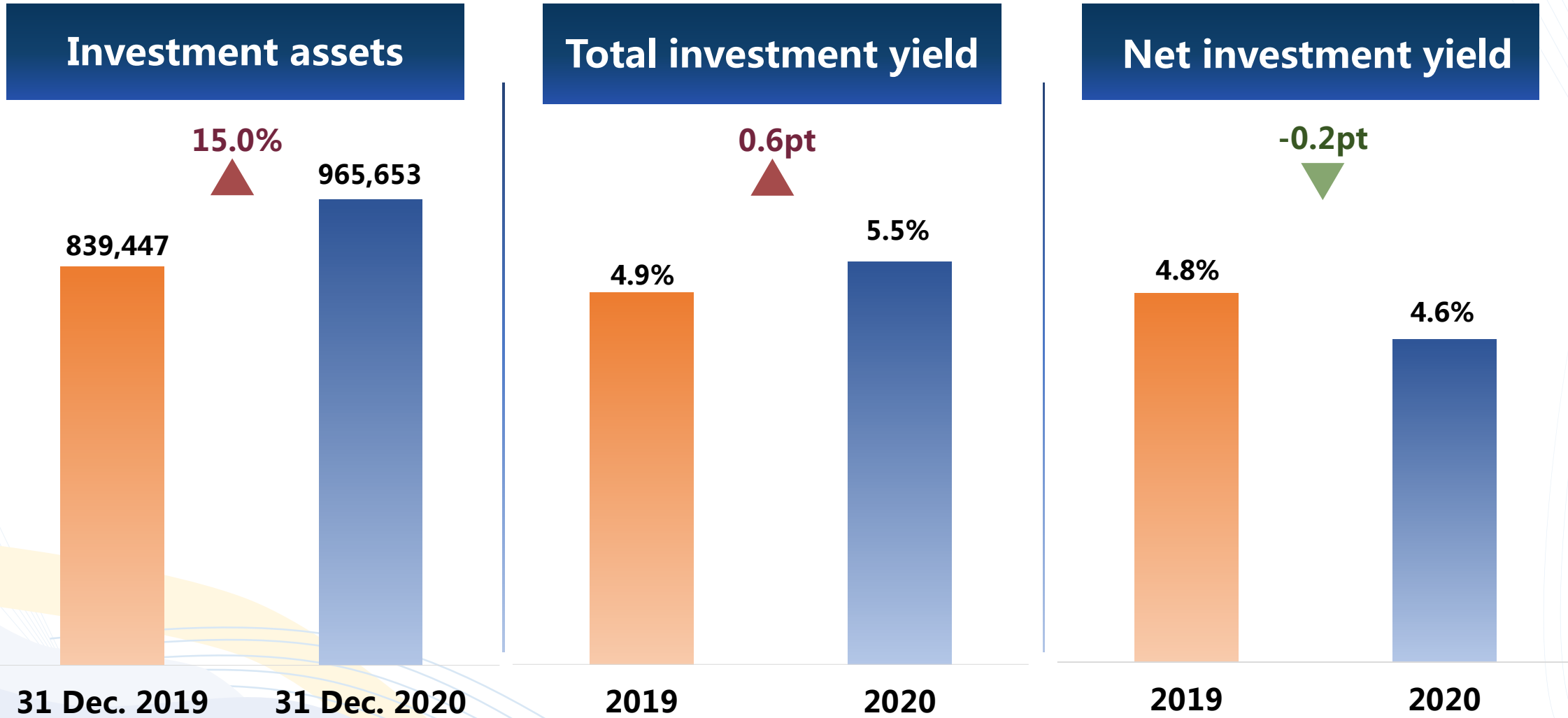
Profits



Note: Above figures are IFRS based.

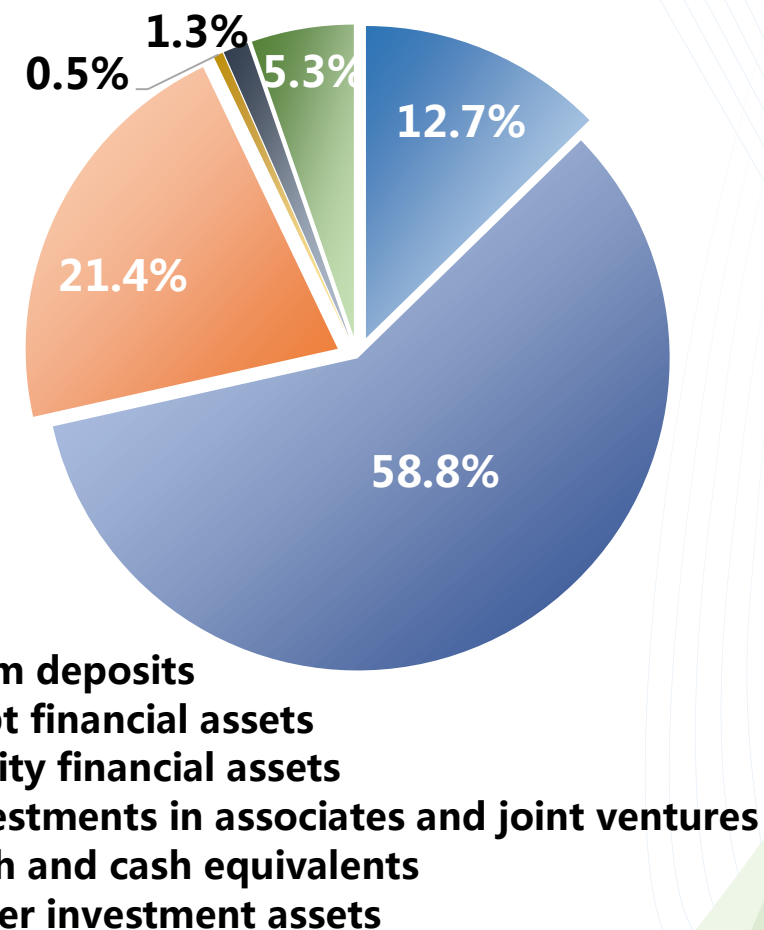
■ 2020

Unit: RMB in millions



As at 31 December Investment assets	2020 Proportion	2019 Proportion	Change (pt)
Term deposits	12.7%	7.6%	5.1
Debt financial assets	58.8%	65.6%	-6.8
- Bonds	40.4%	42.7%	-2.3
- Trust products	10.3%	9.2%	1.1
- Debt plans	4.3%	4.6%	-0.3
- Asset funding plans	-	1.2%	-1.2
- Others	3.8%	7.9%	-4.1
Equity financial assets	21.4%	18.7%	2.7
- Funds	5.8%	5.5%	0.3
- Stocks	8.8%	6.6%	2.2
- Others	6.8%	6.6%	0.2
Investments in associates and joint ventures	0.5%	0.6%	-0.1
Cash and cash equivalents	1.3%	1.4%	-0.1
Other investment assets	5.3%	6.1%	-0.8

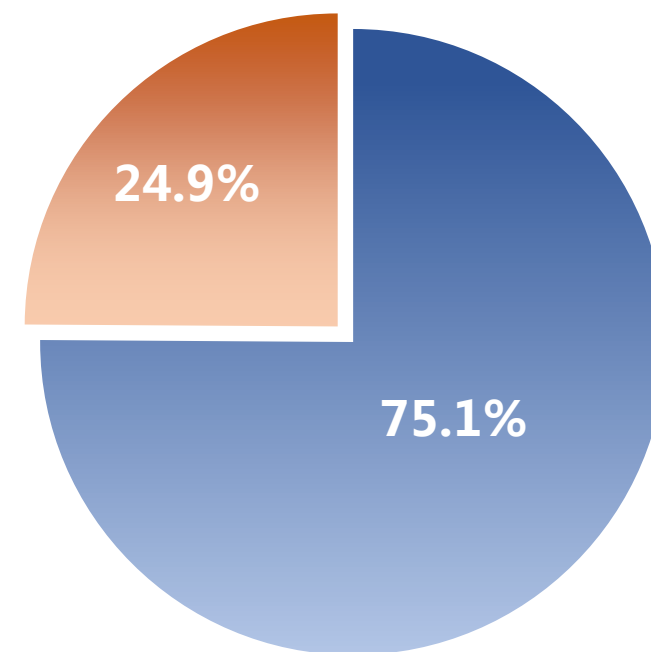
Investment Portfolio as at 31 Dec. 2020



As at 31 Dec. 2020 Non-standard assets	Amount	Proportion	Proportion Change (pt)
Non-standard debt investments	175,061	75.1%	-3.0
- Trust product	99,831	42.8%	11.5
- Debt plan	41,135	17.7%	1.9
- Project asset support plan	-	-	-4.1
- Wealth management product	29,050	12.5%	-12.4
- Perpetual bond	5,000	2.1%	0.1
- Asset management plan	45	-	-
Non-standard equity investments	57,892	24.9%	3.0
- Asset management plan	27,111	11.7%	2.7
- Private equity	9,411	4.0%	1.1
- Unlisted equity	16,570	7.1%	-0.4
- Equity investment plan	4,800	2.1%	0.2
- Derivative financial assets	-	-	-0.6
Total	232,953	100.0%	-

Unit: RMB in millions

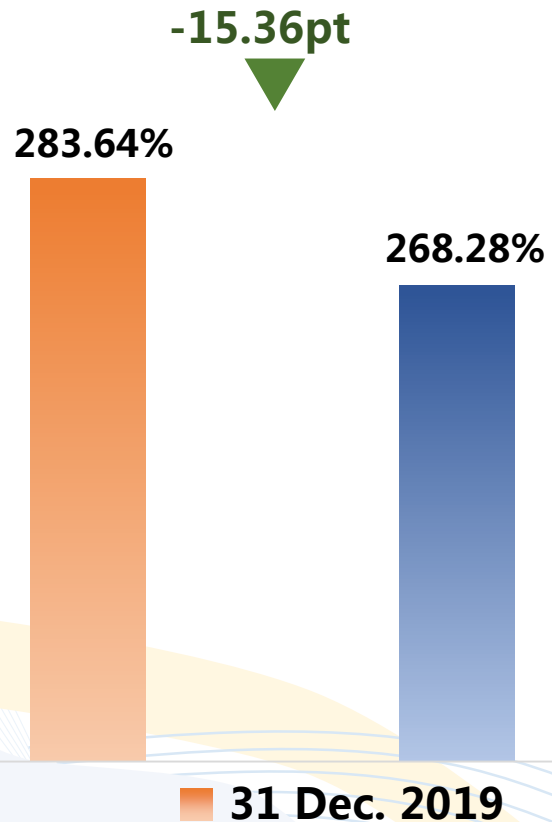
**Non-standard Investment Portfolio
as at 31 Dec. 2020**



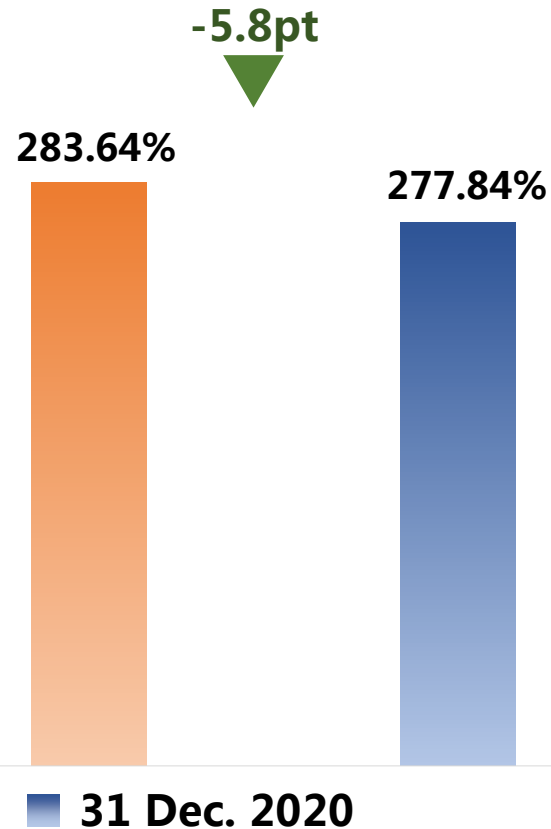
■ Non-standard debt investments
■ Non-standard equity investments

Unit: RMB in millions

Core solvency margin ratio



Comprehensive solvency margin ratio



Capital

	31/12/2020	31/12/2019	change
Core capital	280,817	261,164	19,653
Actual capital	290,817	261,164	29,653
Minimum capital	104,672	92,077	12,595

OVERVIEW

INSURANCE
BUSINESS

FINANCIALS &
INVESTMENT

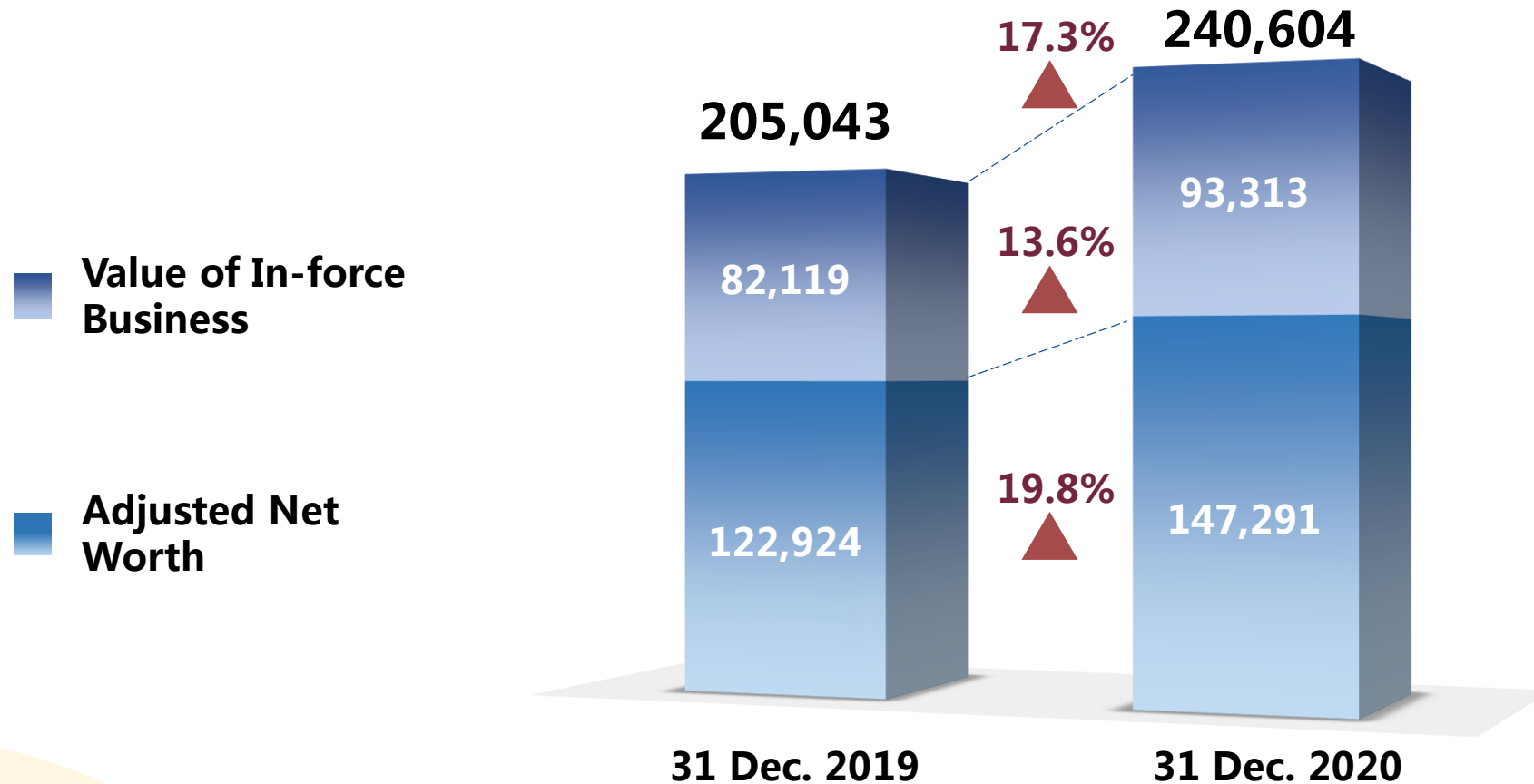
**EMBEDDED
VALUE**

EMBEDDED VALUE

GONG Xingfeng



Unit: RMB in millions

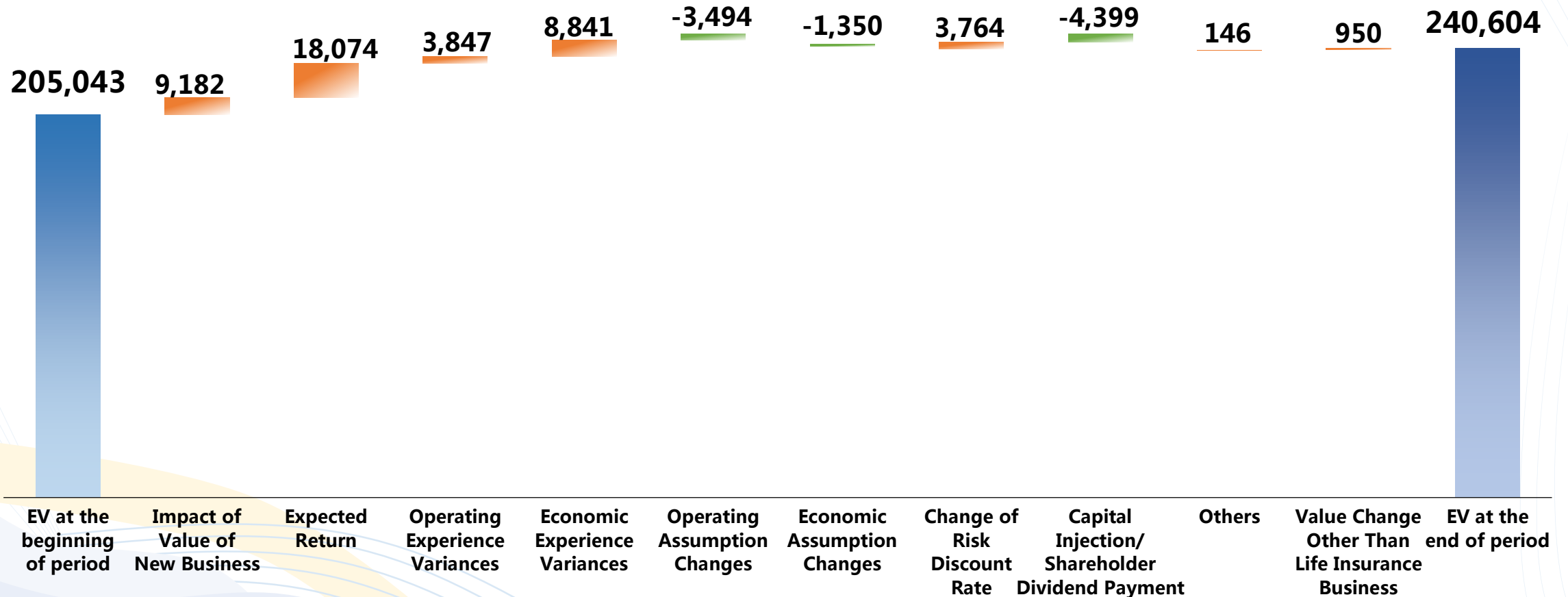


Note:

1. The risk discount rate used for the measurement of value of in-force business was 11.0% as at 31 December 2020. The risk discount rate used for the measurement of value of in-force business was 11.5% as at 31 December 2019.
2. Numbers may not be additive due to rounding.

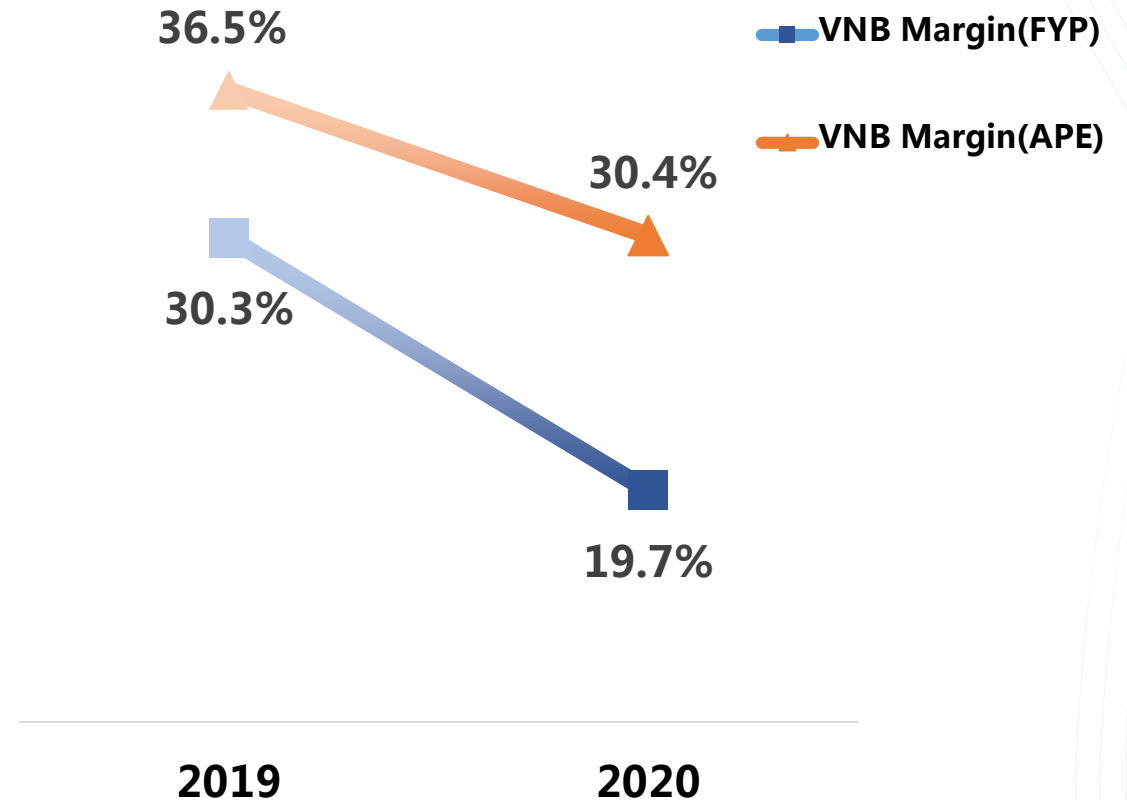
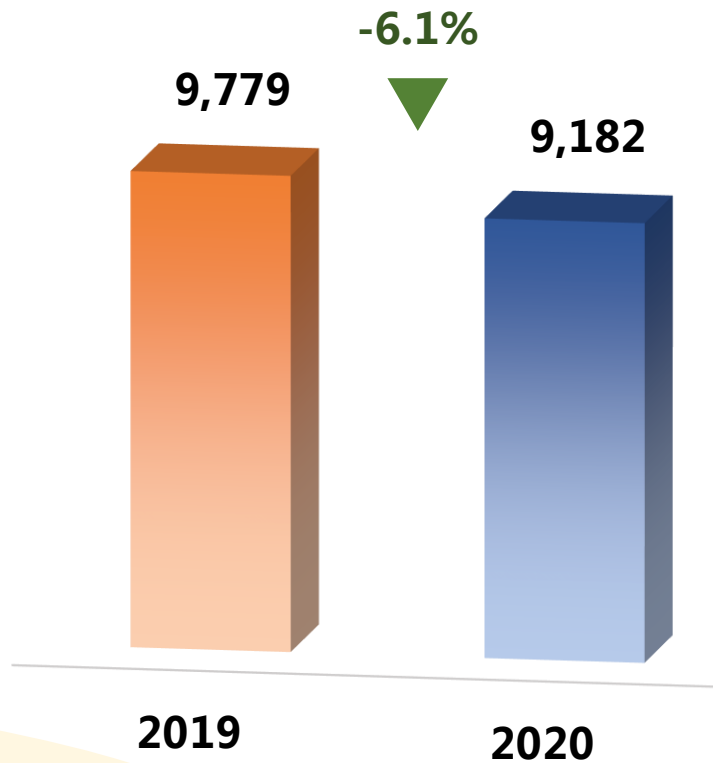
Unit: RMB in millions

Analysis of change in EV from Dec. 31, 2019 to Dec. 31, 2020



Note: Numbers may not be additive due to rounding.

Unit: RMB in millions



Notes:

1. The risk discount rate used for the measurement of value of new business was 11.0% in 2020. The risk discount rate used for the measurement of value of new business was 11.5% in 2019.
2. FYP= 100% * first year regular premiums+100% * first year single premiums +100% * premiums from short-term insurance business
3. APE= 100% * first year regular premiums+10% * first year single premiums +100% * premiums from short-term insurance business
4. Numbers may not be additive due to rounding.

Thank you!

Q&A