

NEW CHINA LIFE

2021 Interim Results Announcement

27 August 2021

Beijing, China

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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



GWP rose

gross written premiums **100,610**
+3.9%



Business quality stabilized

25-month persistency ratio **85.8%**
+1.2pt



Embedded value increased

embedded value **250,766**
+4.2%



Total assets increased

total assets **1,022,175**
+1.8%



Net profit grew

net profit attributable to shareholders **10,546**
+28.3%



Investment yield improved

annualized total investment yield **6.5%**
+1.4pt

Note: In this material, pt shall have the meaning of percentage point(s).

OVERVIEW

ENVIRONMENTAL & SOCIAL RESPONSIBILITY

Unit: RMB in millions



Environment Information

Adhered to low-carbon and environment-friendly operation, actively responded to climate change and promoted ecological civilization.

- In office decoration, achieved energy saving, high efficiency and low consumption.
- In daily operation, took measures to save energy, reduce emissions and save food.
- In business, applied mobile service platform, reduced paper consumption in marketing.



Social Responsibility

Actively planned and fulfilled social responsibilities.

- Decided to donate RMB10 million to Henan province to support flood relief and post-disaster reconstruction.
- In the first half of year, allocated RMB8.3 million to support Shibing County, Guizhou province.
- Provided sanitation workers with sum assured exceeding RMB264.3 billion and claim payment totaled RMB22.23 million since 2017.

OVERVIEW | Future Prospect

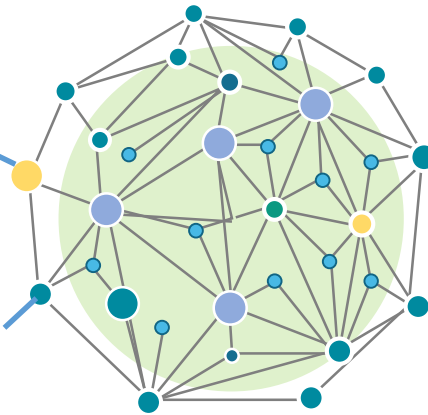
In the second half of 2021, the Company under high-quality Party building, will adhere to return to the essence of insurance, optimize products and services offering, strengthen technological empowerment, and strictly prevent and control risks to promote business growth throughout the year.

accelerate the transformation of sales team to improve its quality

optimize product offering and improve industrial coordination

foster innovation and strengthen scientific and technological support

strengthen risk control and practice compliance operation



OVERVIEW

**INSURANCE
BUSINESS**

FINANCIALS &
INVESTMENT

EMBEDDED
VALUE

INSURANCE BUSINESS

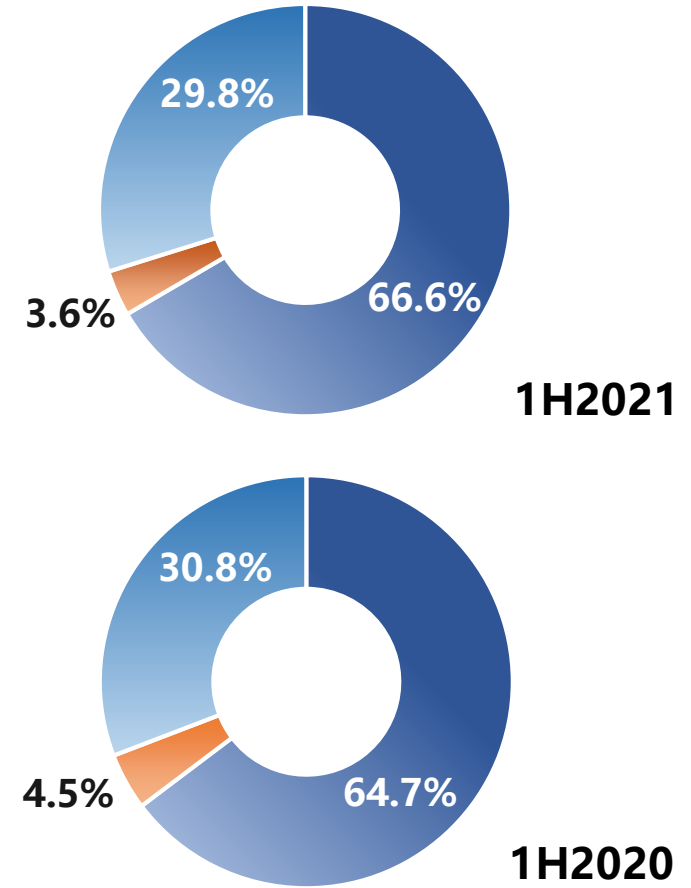
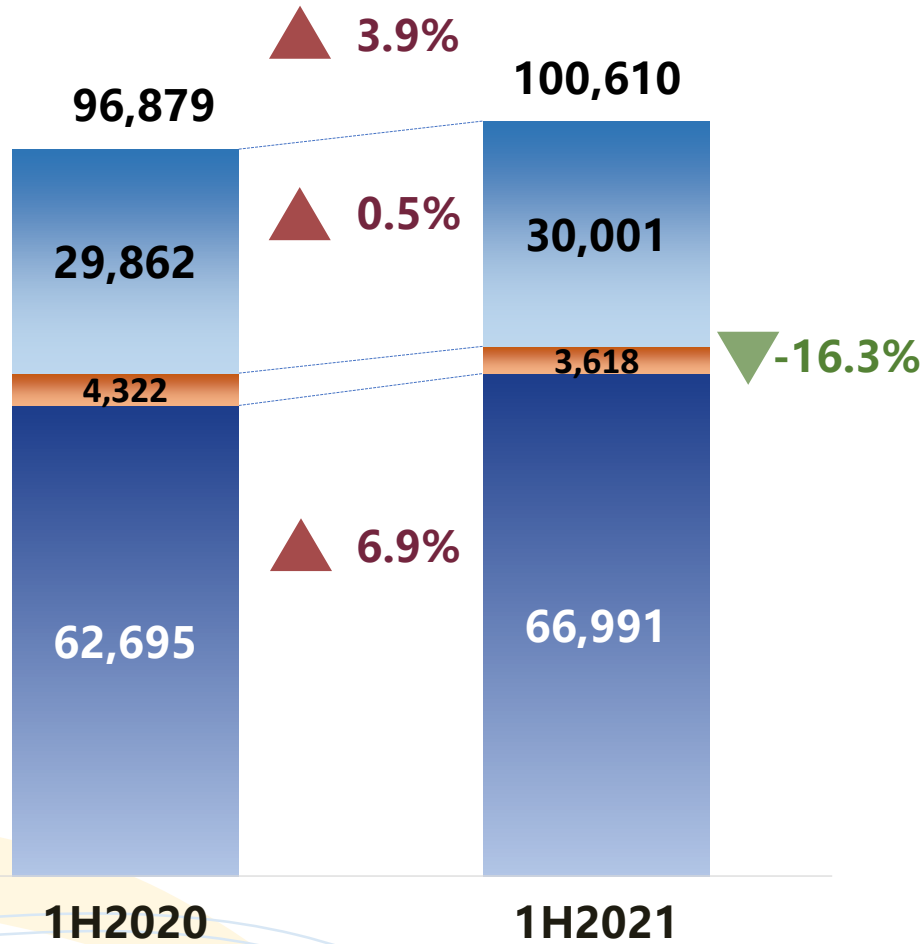
LI Quan



INSURANCE BUSINESS

Gross Written Premiums & Breakdown

Unit: RMB in millions

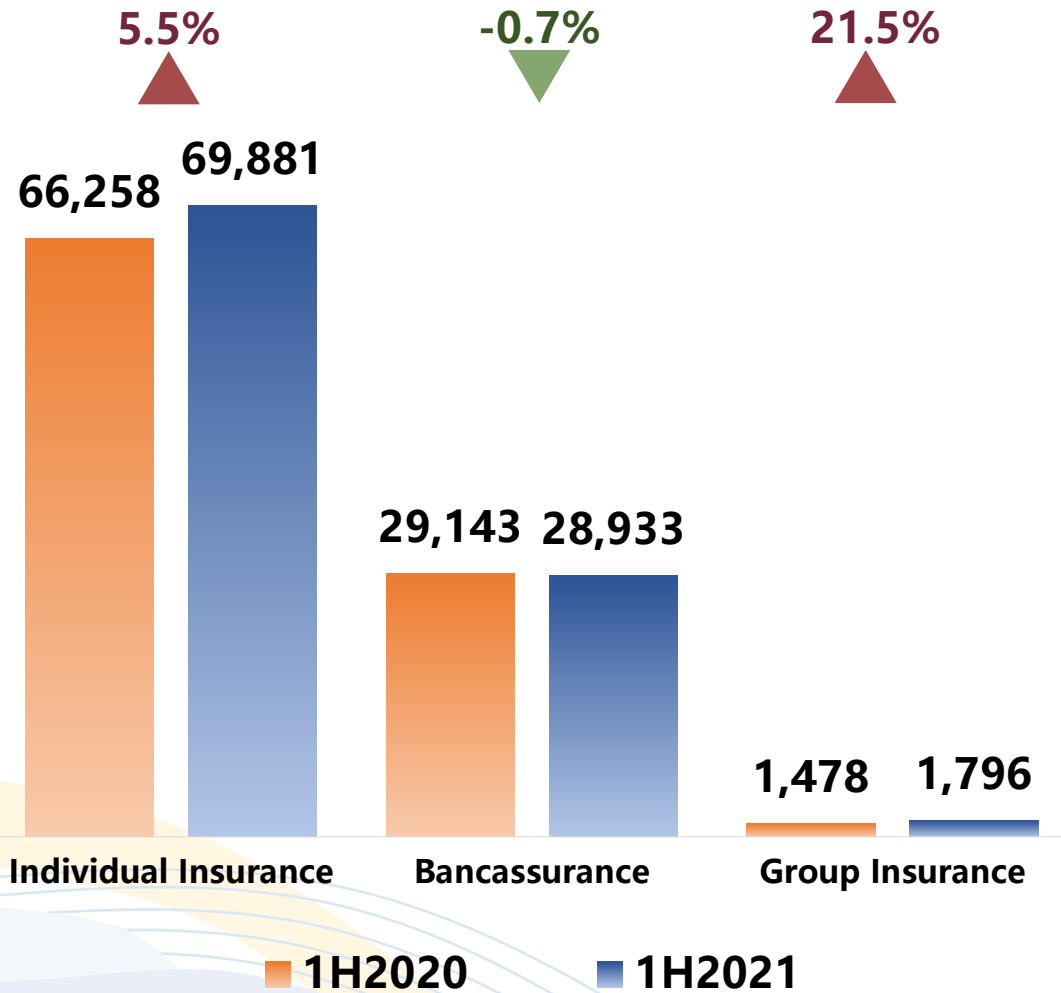


■ FYP from long-term insurance business
 ■ Premiums from short-term insurance business
 ■ Renewal premiums

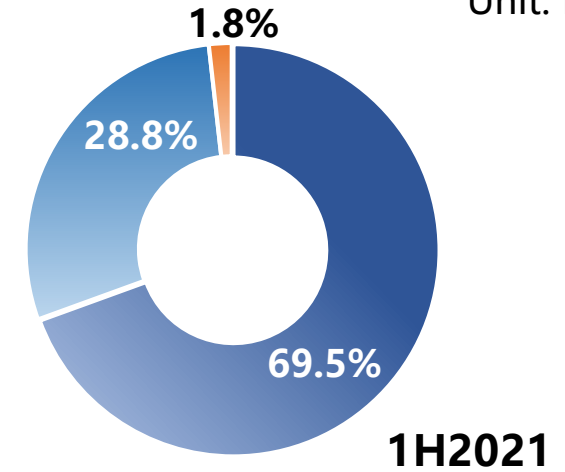
Note: Numbers may not be additive due to rounding.

INSURANCE BUSINESS

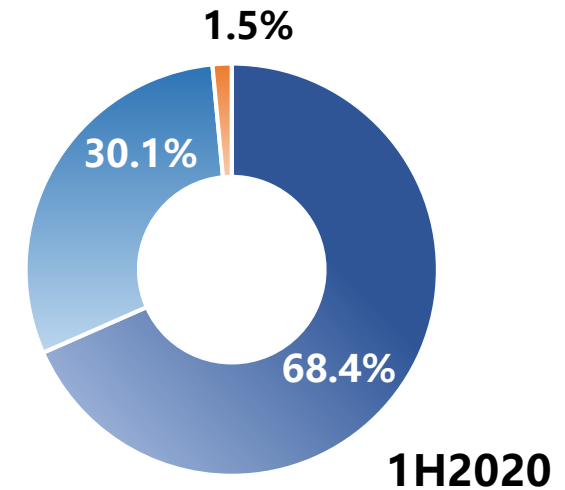
GWP Breakdown by Channels



Unit: RMB in millions



1H2021



1H2020

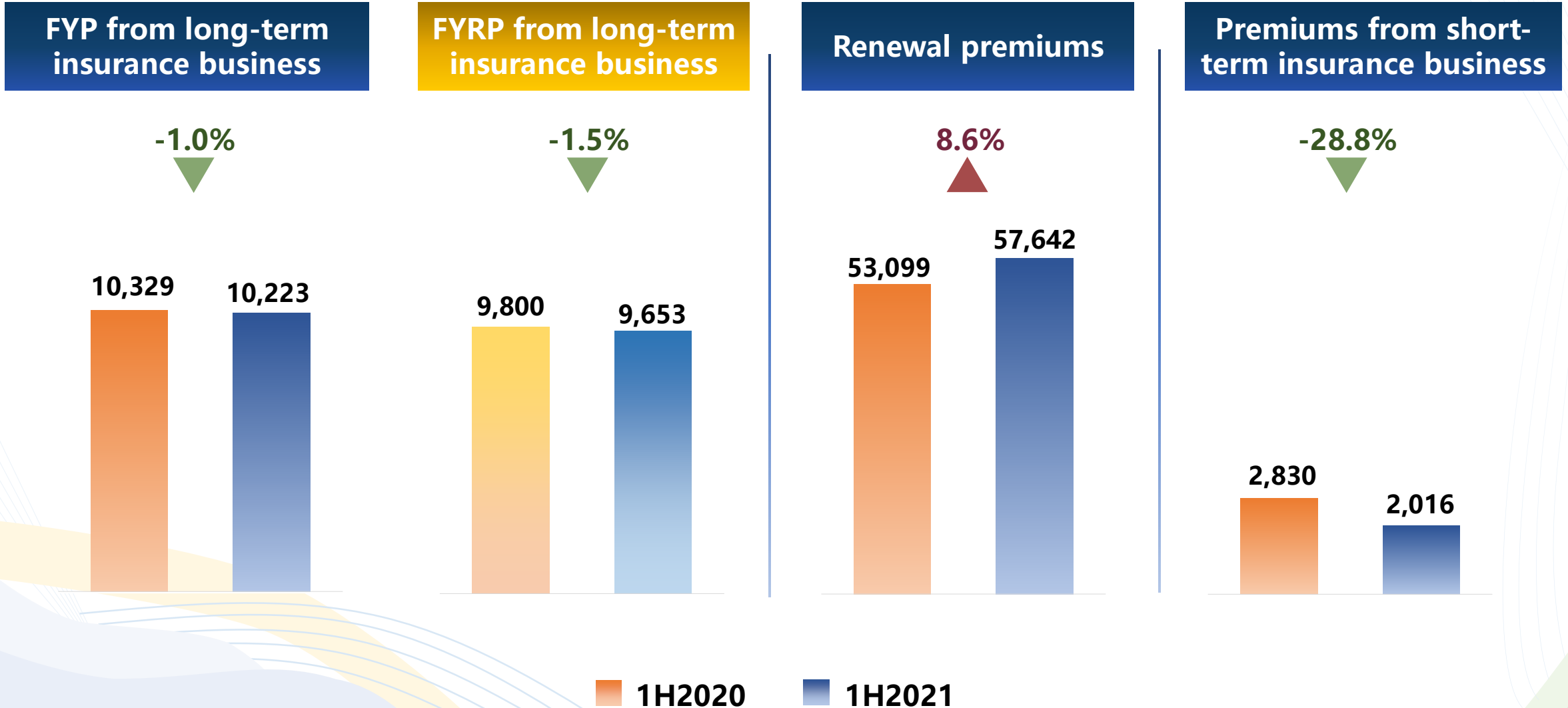
■ Individual Insurance ■ Bancassurance ■ Group Insurance

Note: Numbers may not be additive due to rounding.

INSURANCE BUSINESS

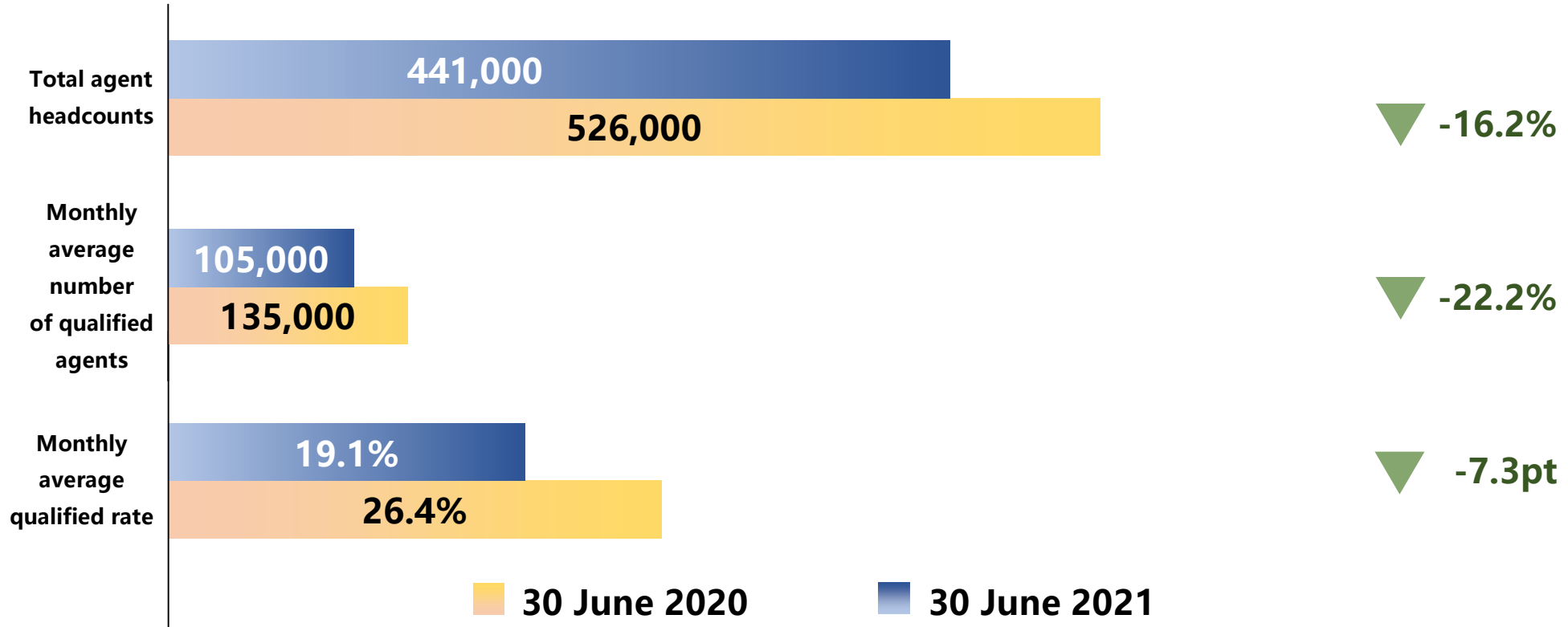
Individual Insurance Premiums

Unit: RMB in millions



INSURANCE BUSINESS

Individual Insurance Sales Team



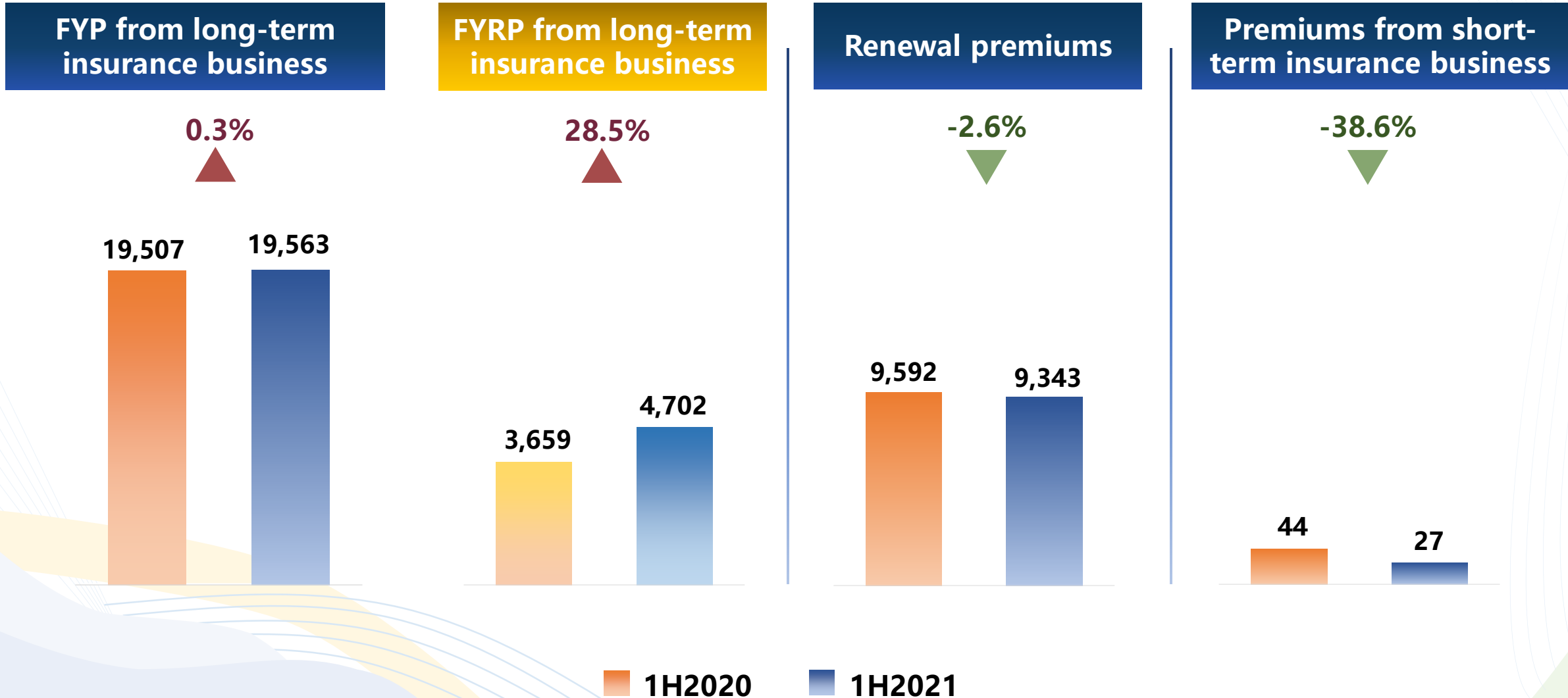
Notes:

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. Numbers may not be additive due to rounding.

INSURANCE BUSINESS

Bancassurance Premiums

Unit: RMB in millions

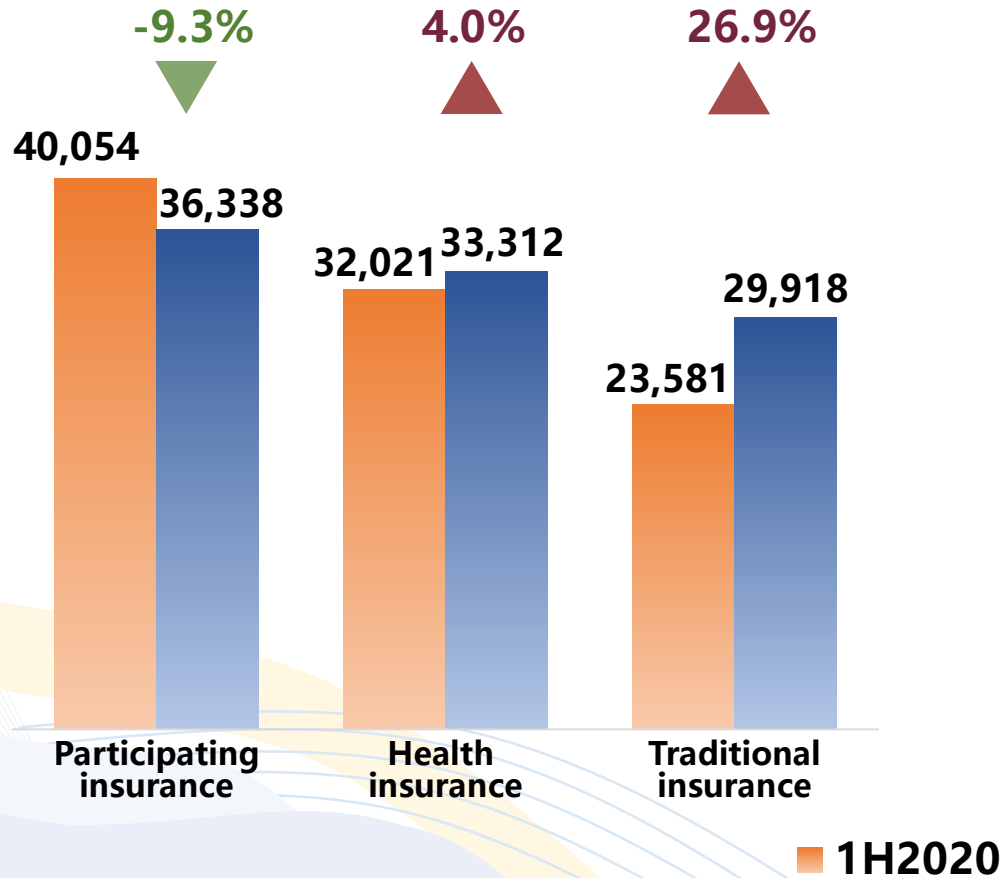


INSURANCE BUSINESS

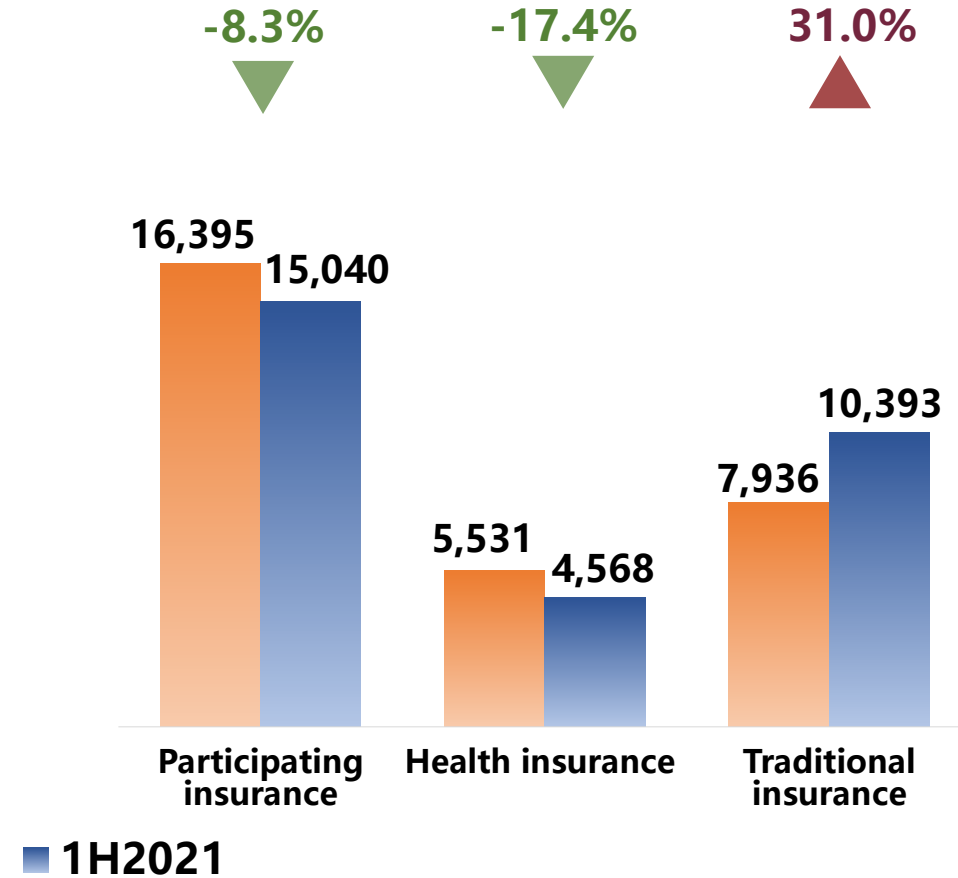
Premiums of Major Products

Unit: RMB in millions

Gross Written Premiums



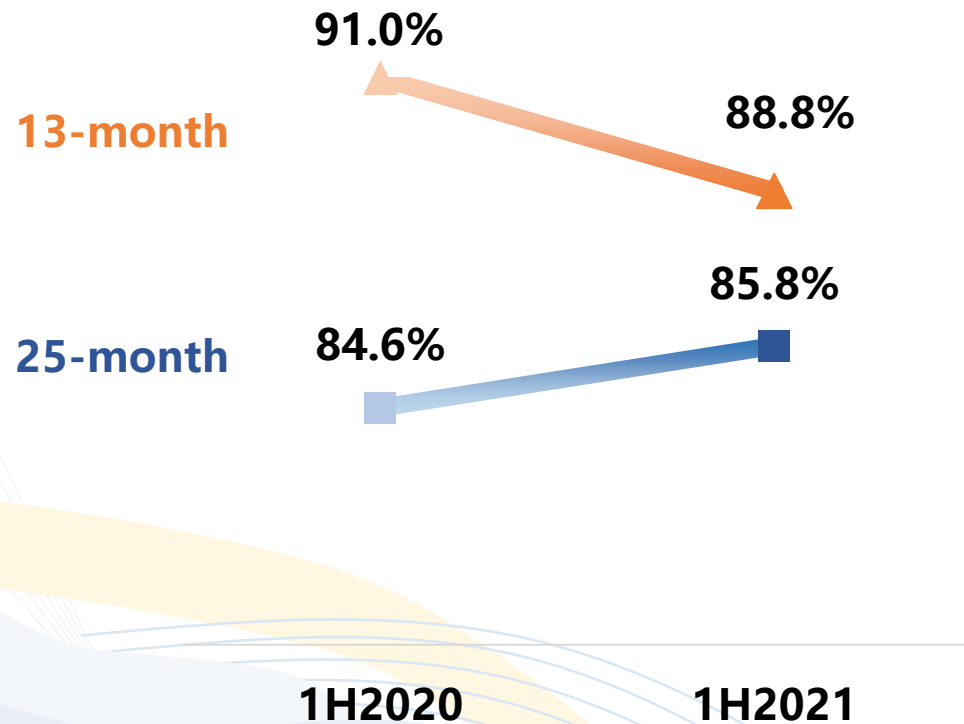
FYP from long-term insurance business



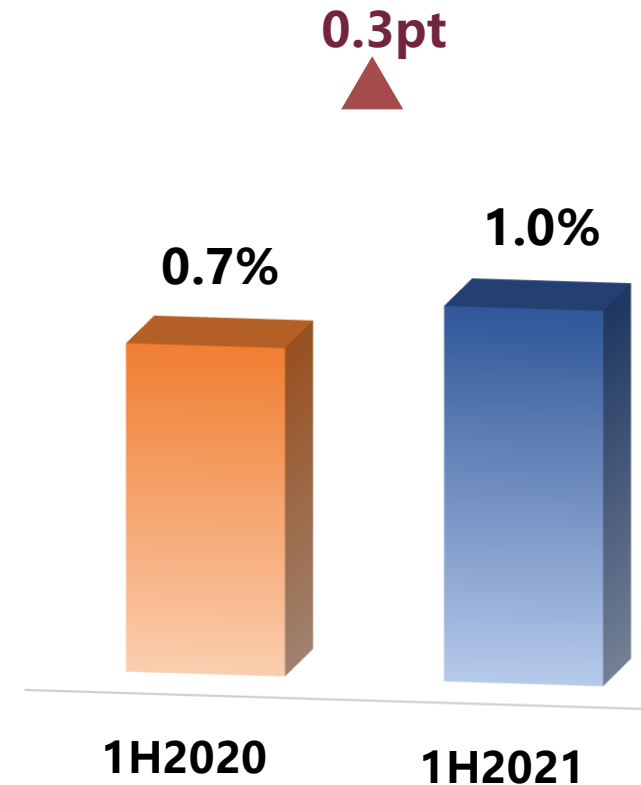
INSURANCE BUSINESS

Business Quality

Persistency ratio of individual life insurance business



Surrender rate



OVERVIEW

INSURANCE
BUSINESS

**FINANCIALS &
INVESTMENT**

EMBEDDED
VALUE

FINANCIALS & INVESTMENT

YANG Zheng

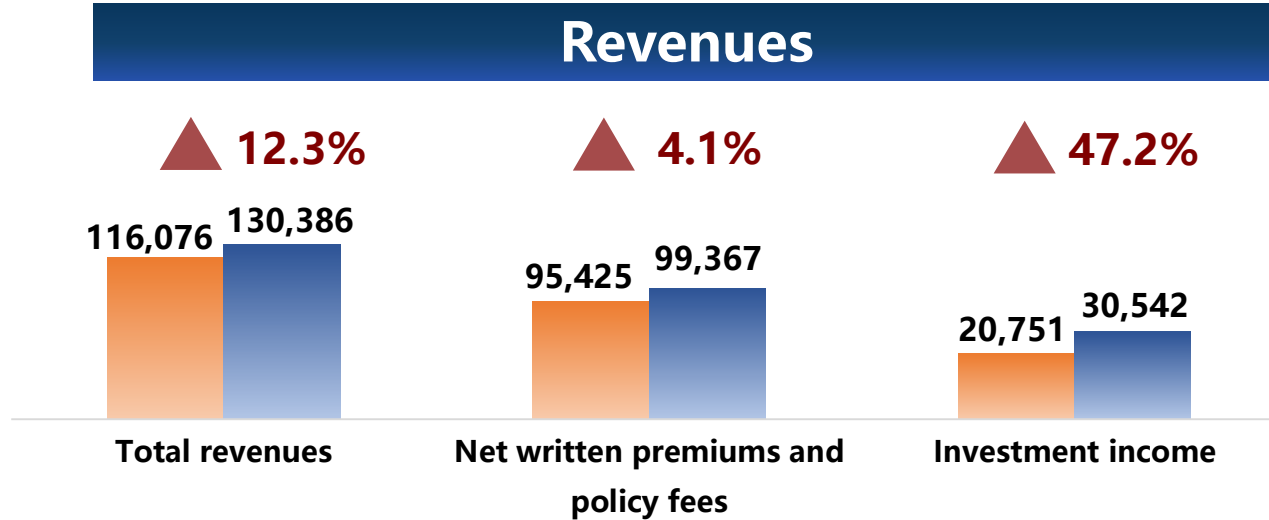


FINANCIALS & INVESTMENT

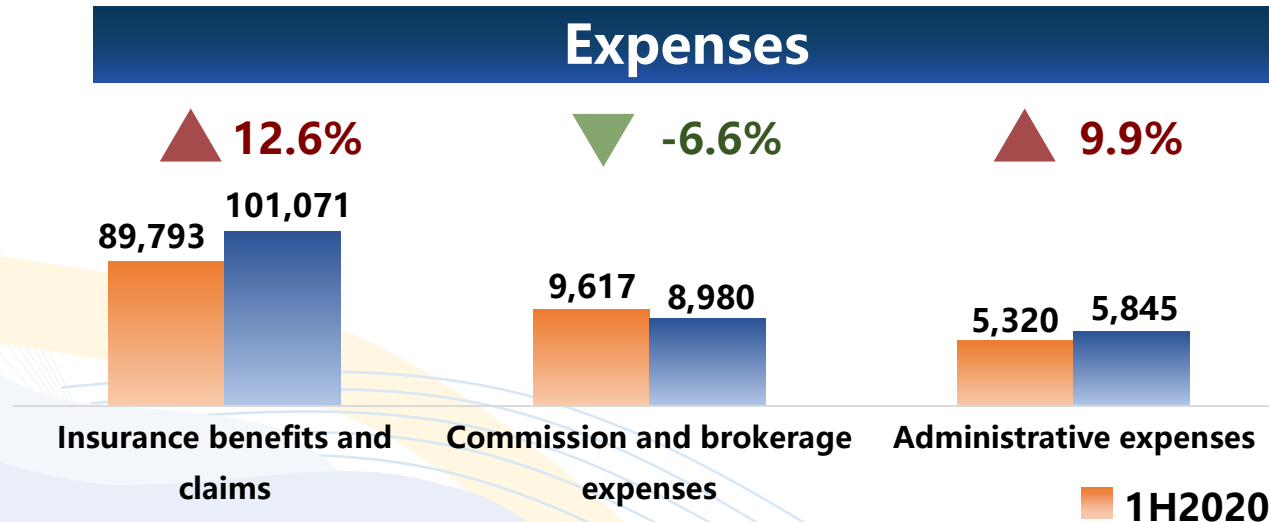
Key Financial Indicators

Unit: RMB in millions

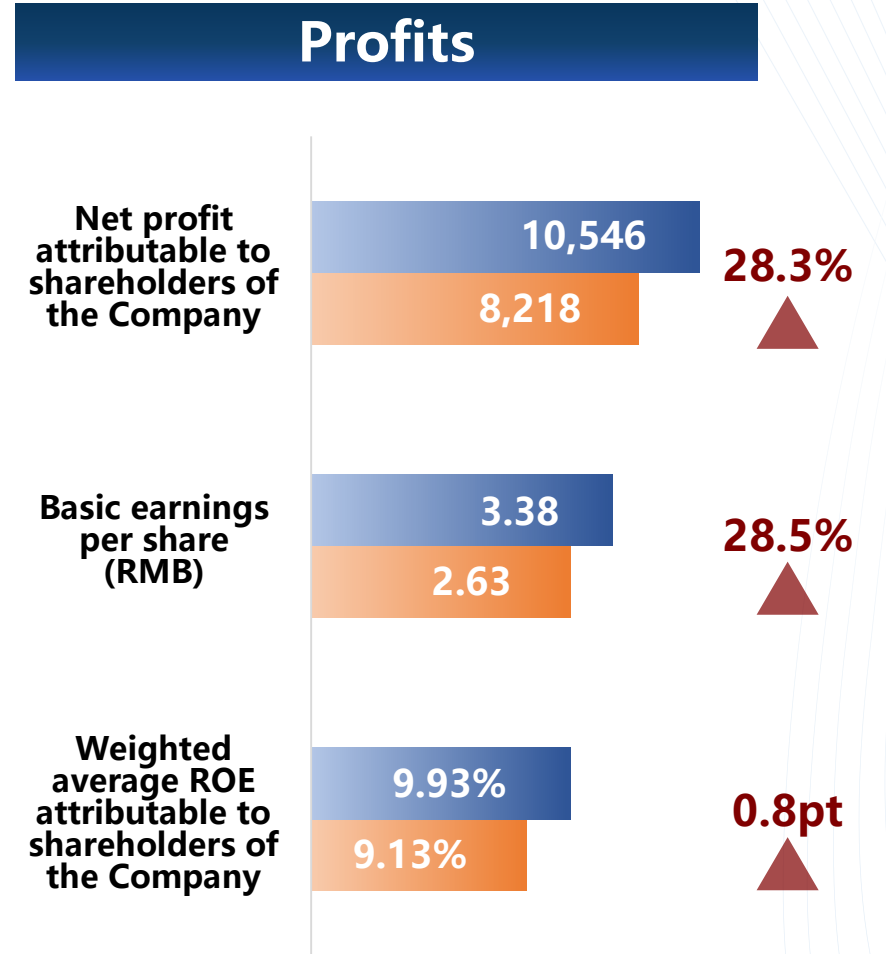
Revenues



Expenses



Profits



Note: Above figures are IFRS based.

1H2021

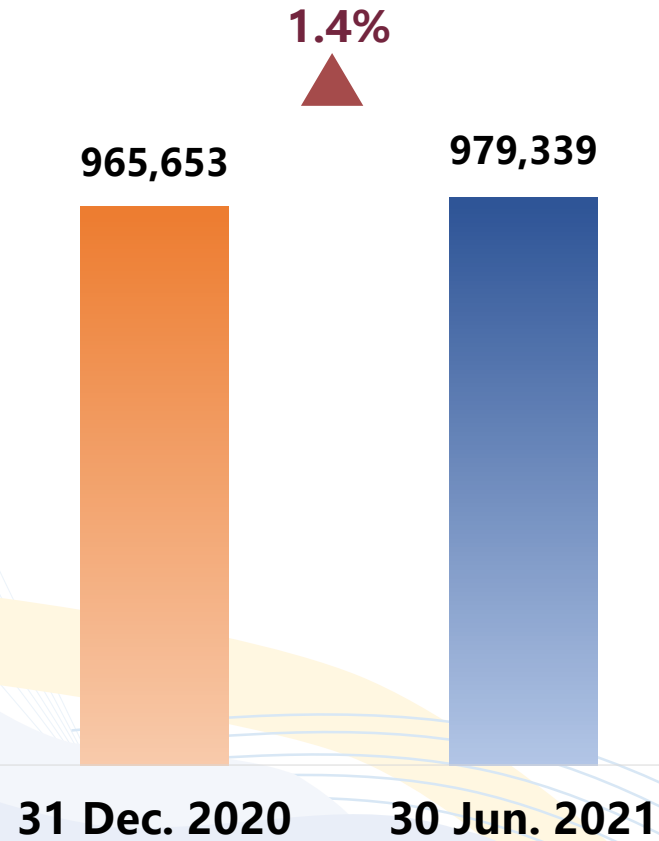
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FINANCIALS & INVESTMENT

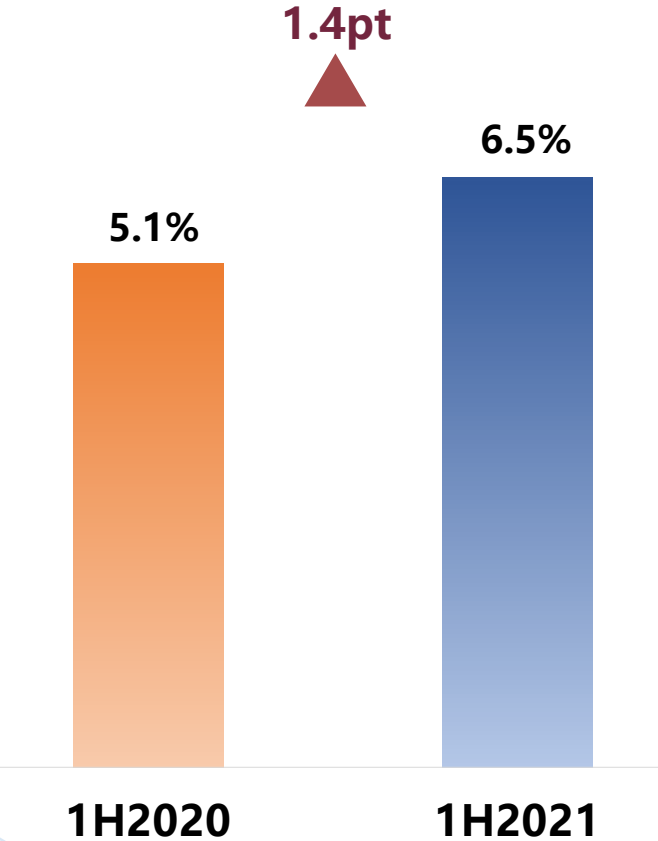
Investment Performance

Unit: RMB in millions

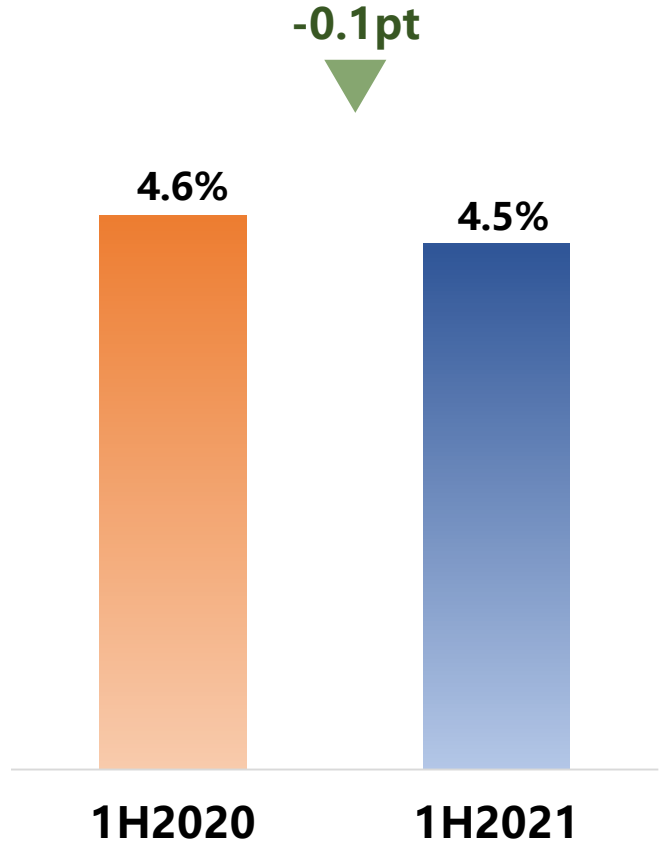
Investment assets



Annualized total investment yield



Annualized net investment yield

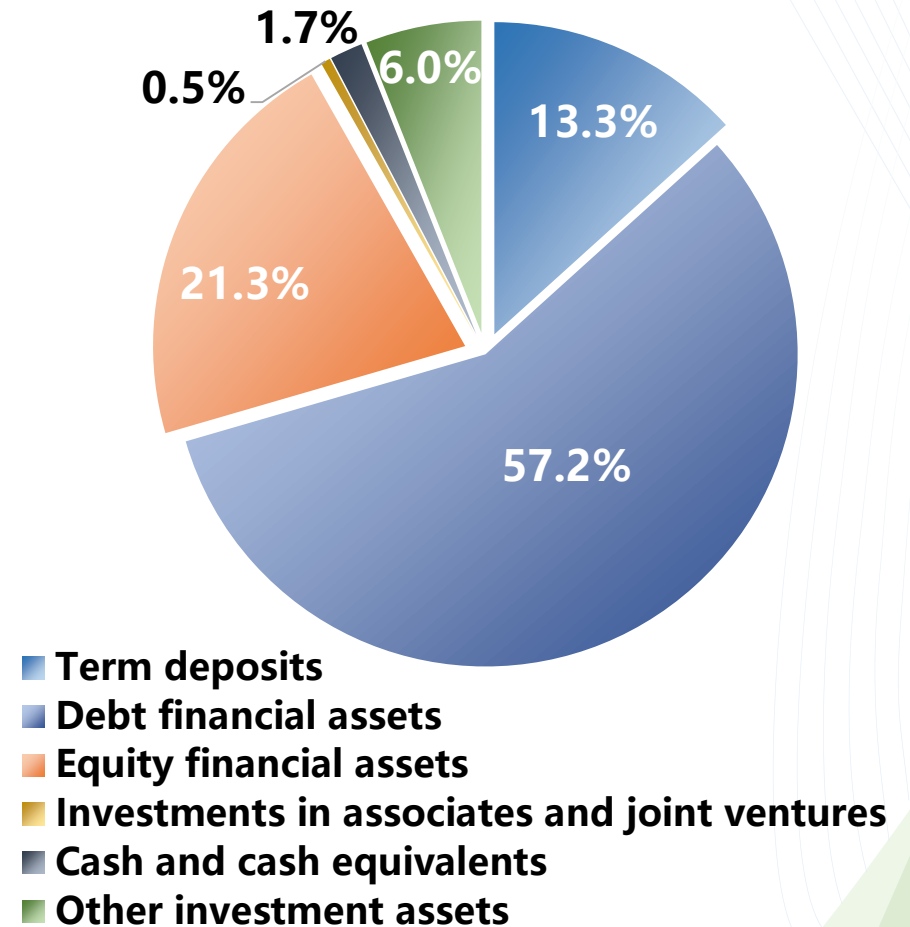


FINANCIALS & INVESTMENT

Investment Portfolio

Investment assets	As at 30 Jun. 2021 Proportion	As at 31 Dec. 2020 Proportion	Change (pt)
Term deposits	13.3%	12.7%	0.6
Debt financial assets	57.2%	58.8%	-1.6
- Bonds	40.1%	40.4%	-0.3
- Trust products	9.4%	10.3%	-0.9
- Debt plans	4.2%	4.3%	-0.1
- Asset funding plans	0.2%	-	0.2
- Others	3.3%	3.8%	-0.5
Equity financial assets	21.3%	21.4%	-0.1
- Funds	5.8%	5.8%	0
- Stocks	7.9%	8.8%	-0.9
- Others	7.6%	6.8%	0.8
Investments in associates and joint ventures	0.5%	0.5%	0
Cash and cash equivalents	1.7%	1.3%	0.4
Other investment assets	6.0%	5.3%	0.7

Investment Portfolio as at 30 Jun. 2021



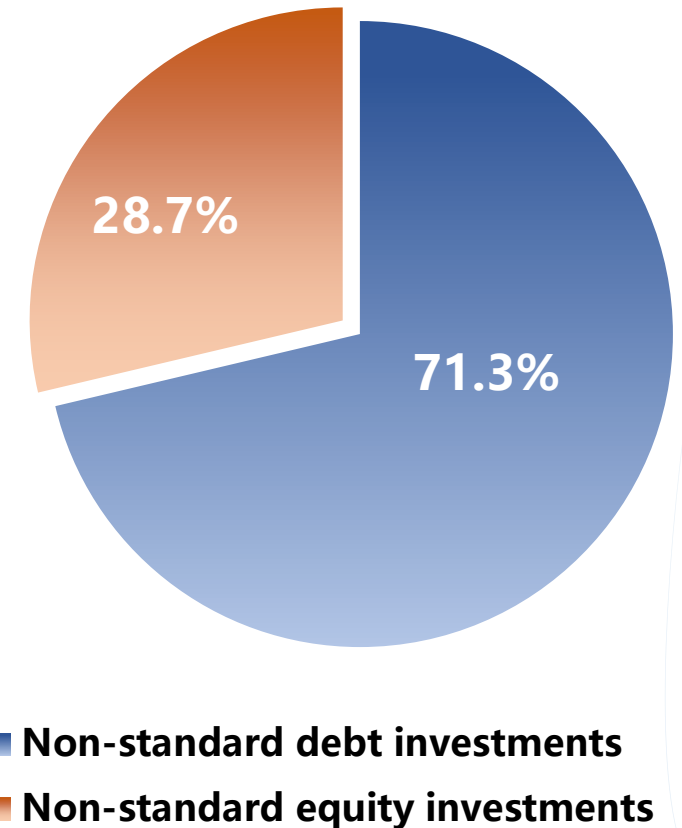
FINANCIALS & INVESTMENT

Non-standard Investment Portfolio

As at 30 Jun. 2021 Non-standard assets	Amount	Proportion	Proportion Change (pt)
Non-standard debt investments	162,442	71.3%	-3.8
- Trust product	91,558	40.2%	-2.6
- Debt plan	41,396	18.2%	0.5
- Project asset support plan	1,900	0.8%	0.8
- Wealth management product	23,543	10.3%	-2.2
- Perpetual bond	4,000	1.8%	-0.3
- Asset management plan	45	-	-
Non-standard equity investments	65,247	28.7%	3.8
- Asset management plan	31,714	13.9%	2.2
- Private equity	10,663	4.7%	0.7
- Unlisted equity	16,570	7.3%	0.2
- Equity investment plan	6,300	2.8%	0.7
Total	227,689	100.0%	-

Unit: RMB in millions

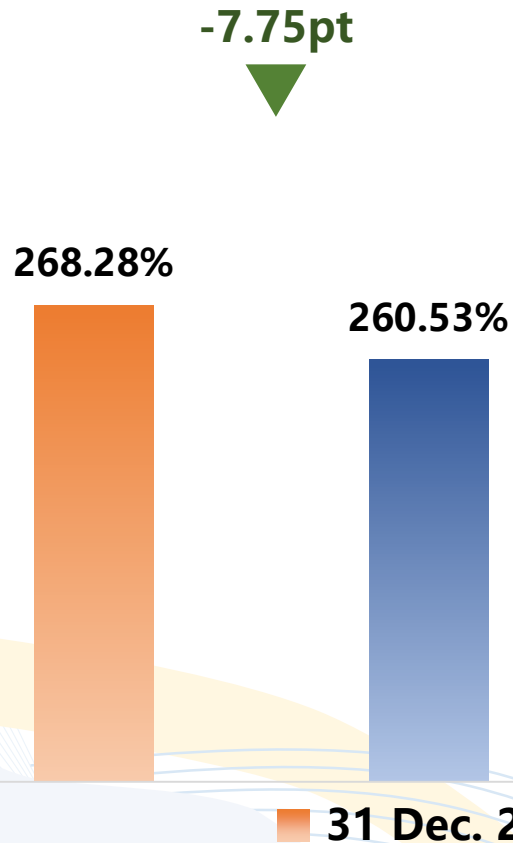
**Non-standard Investment Portfolio
as at 30 Jun. 2021**



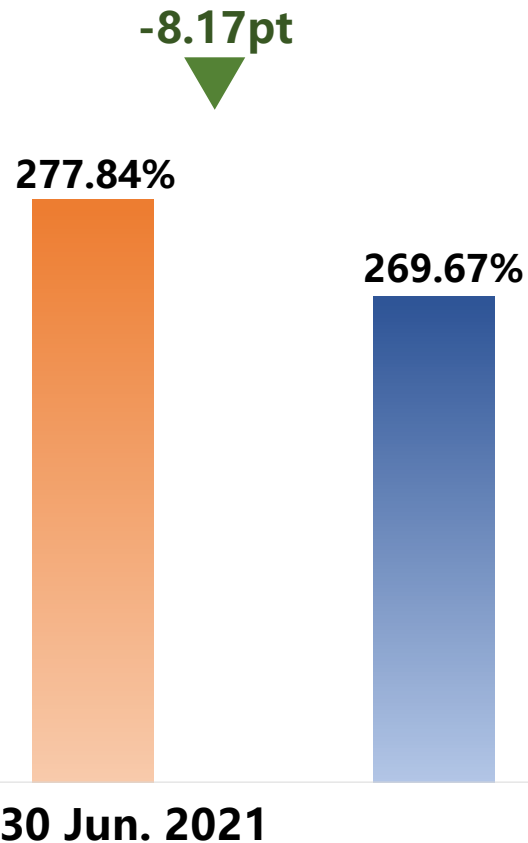
FINANCIALS & INVESTMENT

Solvency

Core solvency margin ratio



Comprehensive solvency margin ratio



Unit: RMB in millions

Capital

	30/6/2021	31/12/2020	Change
Core capital	285,025	280,817	4,208
Actual capital	295,025	290,817	4,208
Minimum capital	109,401	104,672	4,729

OVERVIEW

INSURANCE
BUSINESS

FINANCIALS &
INVESTMENT

EMBEDDED
VALUE

EMBEDDED VALUE

GONG Xingfeng

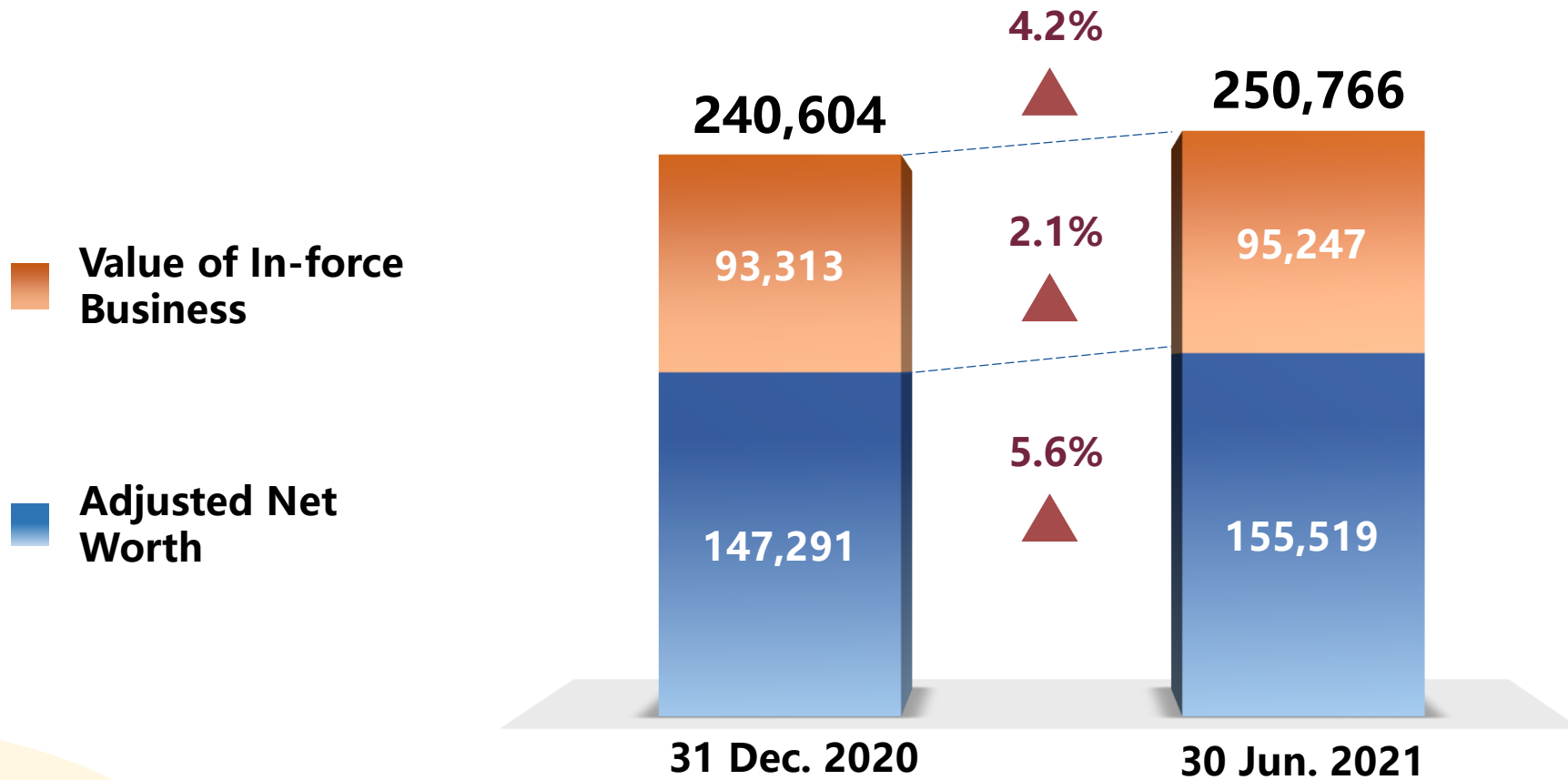


$x = \frac{-b \pm \sqrt{b^2 - 4ac}}{2a}$
 $3x^3 + x^2 + 4x +$
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Embedded Value

Composition Analysis

Unit: RMB in millions



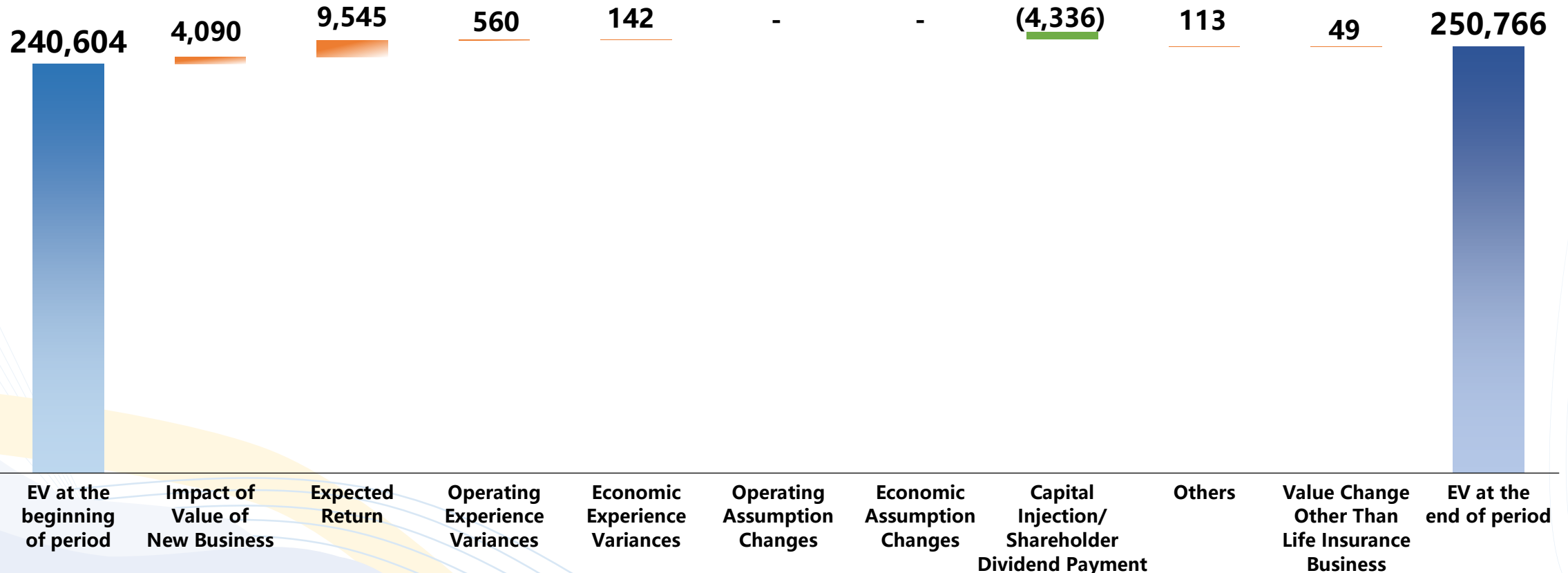
Note: Numbers may not be additive due to rounding.

Embedded Value

Analysis of Change

Unit: RMB in millions

Analysis of change in EV from 31 Dec. 2020 to 30 Jun. 2021



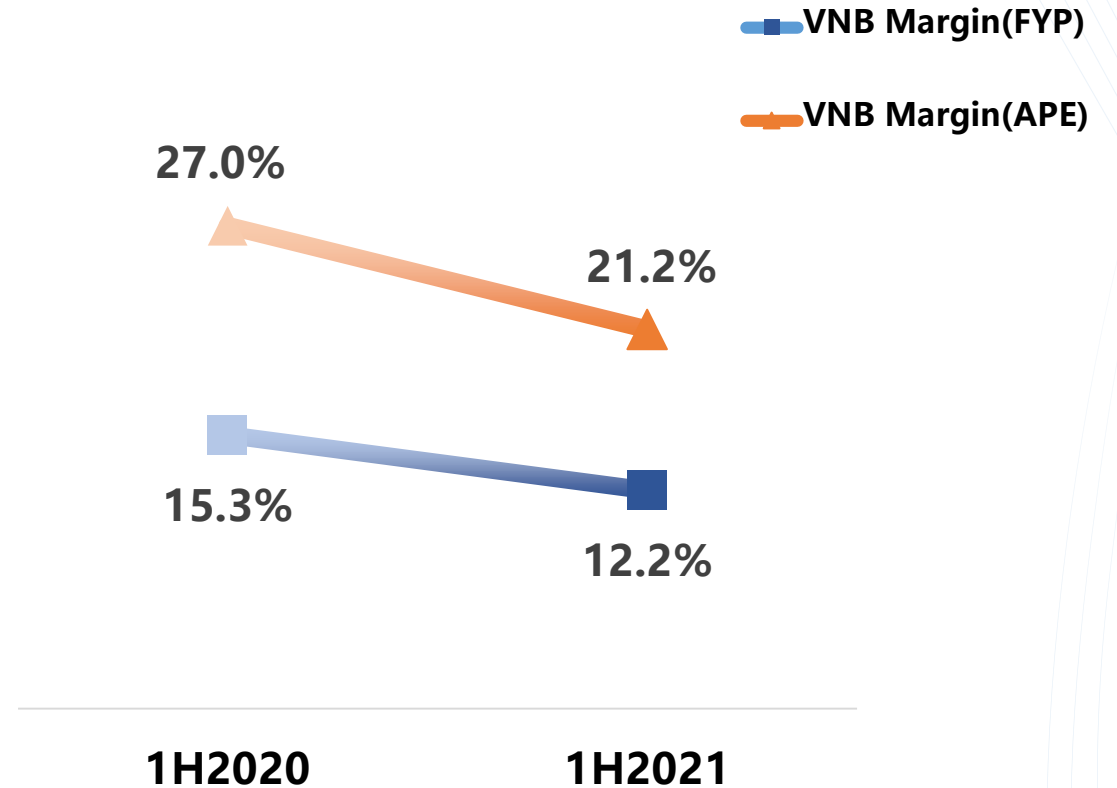
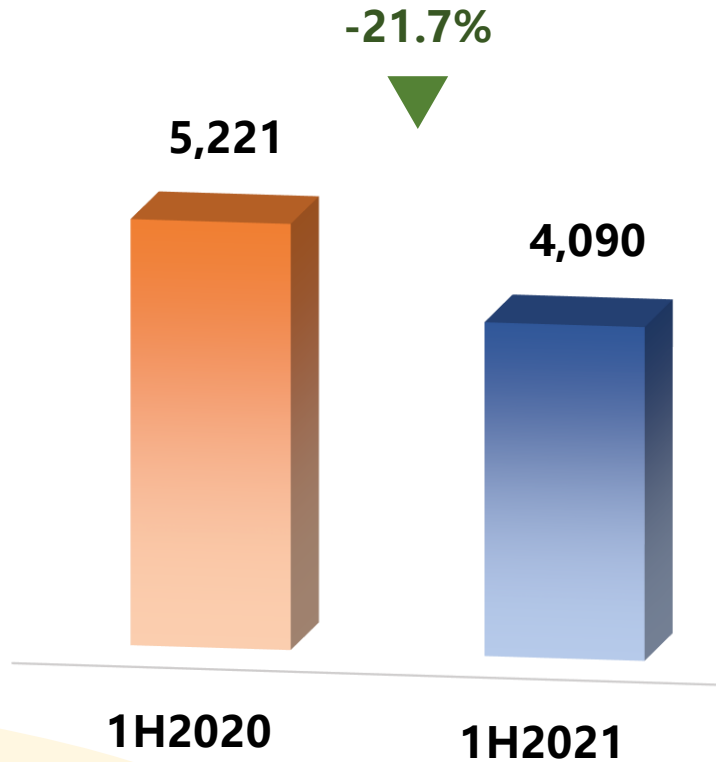
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Embedded Value

Value of New Business

Unit: RMB in millions



Notes:

1. FYP= 100% * first year regular premiums+100% * first year single premiums +100% * premiums from short-term insurance business
2. APE= 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.

Thank you!

Q&A session
