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新華人壽保險股份有限公司

**NEW CHINA LIFE INSURANCE COMPANY LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01336)**

### **THIRD QUARTER REPORT 2021**

This announcement is made by New China Life Insurance Company Ltd. (the “**Company**”) pursuant to the provisions regarding disclosure of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial data in the Third Quarter Report 2021 of the Company have been prepared in accordance with the PRC Accounting Standards for Business Enterprises and are unaudited.

### **IMPORTANT INFORMATION**

- The board of directors (the “**Board**”), the board of supervisors and directors, supervisors and members of senior management of the Company guarantee the correctness, accuracy and completeness of the contents of this report, and that there is no false representation, misleading statement or material omission in this report, and are legally liable for this report jointly and severally.
- Mr. LI Quan, the chief executive officer and president of the Company, Mr. YANG Zheng, the chief financial officer (financial principal) of the Company, Mr. GONG Xingfeng, the chief actuary of the Company and Mr. ZHANG Tao, the officer in charge of the accounting department of the Company guarantee the correctness, accuracy and completeness of financial statements of this report.
- The financial statements for the third quarter of 2021 of the Company have been prepared in accordance with the PRC Accounting Standards for Business Enterprises and are unaudited.

## §1 KEY FINANCIAL DATA

### 1.1 Key accounting data and financial indicators

*Unit: RMB in millions*

| Items   | For the<br>three months<br>ended 30<br>September<br>2021 | Increase/<br>decrease<br>over the<br>corresponding<br>period of<br>last year | For the nine<br>months ended<br>30 September<br>2021 | Increase/<br>decrease<br>over the<br>corresponding<br>period of<br>last year |
|---|--|--|--|--|
| Operating revenue   | 51,913   | 1.6%   | 183,988  | 8.4%   |
| Net profit attributable<br>to shareholders of the<br>Company  | 1,408  | -51.2%   | 11,954   | 7.6%   |
| Net profit attributable<br>to shareholders of the<br>Company after deducting<br>non-recurring items       | 1,441  | -50.2%   | 11,978   | 7.1%   |
| Net cash flows from<br>operating activities   | N/A  | N/A  | 57,798   | 3.9%   |
| Basic weighted<br>average earnings per<br>share attributable to<br>shareholders of the<br>Company (RMB)   | 0.45   | -51.6%   | 3.83   | 7.6%   |
| Diluted weighted<br>average earnings per<br>share attributable to<br>shareholders of the<br>Company (RMB) | 0.45   | -51.6%   | 3.83   | 7.6%   |
| Weighted average return<br>on equity attributable<br>to shareholders of the<br>Company                    | <u>1.33%</u>   | <u>-1.79pt<sup>(1)</sup></u>   | <u>11.50%</u>  | <u>-0.86pt</u>   |

*Note:*

1. Pt represents percentage point(s) in this report.

|   | As at 30<br>September<br>2021 | As at 31<br>December<br>2020 | Increase/<br>decrease as<br>compared to<br>the end of<br>last year |
|---|-------------------------------|------------------------------|--|
| Total assets  | 1,061,702                     | 1,004,376                    | 5.7%   |
| Equity attributable to shareholders of<br>the Company | <u>104,758</u>                | <u>101,667</u>               | <u>3.0%</u>  |

## 1.2 Non-recurring items and amount

|   | <i>Unit: RMB in millions</i>                          |  |
|---|---|--|
|   | For the three<br>months ended<br>30 September<br>2021 | For the nine<br>months ended<br>30 September<br>2021 |
| <b>Non-recurring items</b>                        |   |  |
| Gains/(Losses) on disposal of non-current assets  | — <sup>(1)</sup>                                      | (3)  |
| Custody fee from entrusted operation              | 10  | 37   |
| Gains/(Losses) on other non-recurring items       | (53)  | (65)   |
| Less: Effect on the amount of income tax expenses | 10  | 7  |
| Attribute to minority shareholders (after tax)    | —   | —  |
| <b>Total</b>                                      | <u>(33)</u>   | <u>(24)</u>  |

*Notes:*

1. “—” means less than RMB500,000.
2. Investment business (the utilization of insurance funds) is one of the main businesses of an insurance company. The change of fair value gains or losses arising from holding or disposal of financial assets and financial liabilities and investment income are the recurring items of the Company.

### 1.3 Other key indicators

|   | <i>Unit: RMB in millions</i>  |  |         |
|---|---|--|---------|
|   | As at 30<br>September<br>2021/For the<br>nine months<br>ended 30<br>September<br>2021 | As at 31<br>December<br>2020/For the<br>nine months<br>ended 30<br>September<br>2020 | Change  |
| Investment assets <sup>(1)</sup>                      | <b>1,018,414</b>  | 965,653  | 5.5%    |
| Premium income  | <b>136,562</b>  | 134,355  | 1.6%    |
| Premiums earned                                       | <b>134,882</b>  | 131,421  | 2.6%    |
| Growth rate of earned premiums                        | <b>2.6%</b>   | 24.9%  | -22.3pt |
| Net claims expense                                    | <b>33,811</b>   | 42,468   | -20.4%  |
| In: Claims and death, invalid and<br>medical benefits | <b>9,723</b>  | 7,569  | 28.5%   |
| Maturity benefits and annuity paid                    | <b>25,412</b>   | 35,850   | -29.1%  |
| Less: Claims recoverable from<br>reinsurers           | <b>(1,324)</b>  | (951)  | 39.2%   |
| Surrender rate <sup>(2)</sup>                         | <b>1.5%</b>   | 1.1%   | 0.4pt   |

*Notes:*

- Investment assets of unit-linked contracts account are included in investment assets.
- Surrender rate = surrenders for the reporting period/(balance of life insurance and long-term health insurance contract liabilities at the beginning of the period + premium income of long-term insurance contracts).

## 1.4 Solvency

New China Life Insurance Company Ltd. calculated and disclosed core capital, actual capital, minimum capital, core solvency margin ratio and comprehensive solvency margin ratio according to the Solvency Regulatory Rules (No. 1-17) for Insurance Companies. As required by the China Banking and Insurance Regulatory Commission, solvency margin ratios of a domestic insurance company in the PRC must meet the prescribed thresholds.

|  | <i>Unit: RMB in millions</i>           |                          |
|--|--|--------------------------|
|  | <b>As at 30<br/>September<br/>2021</b> | As at 30<br>June<br>2021 |
| Core capital                                       | <b>281,242</b>                         | 285,025                  |
| Actual capital                                     | <b>291,242</b>                         | 295,025                  |
| Minimum capital                                    | <b>111,151</b>                         | 109,401                  |
| Core solvency margin ratio <sup>(1)</sup>          | <b>253.03%</b>                         | 260.53%                  |
| Comprehensive solvency margin ratio <sup>(1)</sup> | <b>262.02%</b>                         | 269.67%                  |

*Note:*

1. Core solvency margin ratio = core capital/minimum capital; comprehensive solvency margin ratio = actual capital/minimum capital.

## 1.5 Changes in key accounting data and financial indicators and reasons for the change

*Unit: RMB in millions*

| Items in the statement of income  | For the three months ended 30 September |       | Change  | Main reasons for the change   |
|---|---|-------|---------|---|
|   | 2021                                    | 2020  |         |   |
| Net profit attributable to shareholders of the Company  | <b>1,408</b>                            | 2,887 | -51.2%  | The change of accounting estimates  |
| Net profit attributable to shareholders of the Company after deducting non-recurring items    | <b>1,441</b>                            | 2,896 | -50.2%  | The change of accounting estimates  |
| Basic weighted average earnings per share attributable to shareholders of the Company (RMB)   | <b>0.45</b>                             | 0.93  | -51.6%  | Decrease of net profit attributable to shareholders of the Company year on year |
| Diluted weighted average earnings per share attributable to shareholders of the Company (RMB) | <b>0.45</b>                             | 0.93  | -51.6%  | Decrease of net profit attributable to shareholders of the Company year on year |
| Weighted average return on equity attributable to shareholders of the Company                 | <b>1.33%</b>                            | 3.12% | -1.79pt | Decrease of net profit attributable to shareholders of the Company year on year |

## §2 SHAREHOLDER INFORMATION

*Unit: Share*

| Total number of shareholders   | 114,219 (including 113,937 A Share shareholders and 282 H Share shareholders)  |                             |                                    |  |                                  |                  |
|--|--|-----------------------------|------------------------------------|--|----------------------------------|------------------|
| Shares held by top ten shareholders  |  |                             |                                    |  |                                  |                  |
| Name of shareholders   | Character of shareholders  | Total number of shares held | Percentage of the shareholding (%) | Number of shares held with selling restrictions <sup>(1)</sup> | Shares pledged, marked or frozen |                  |
|  |  |                             |                                    |  | Status                           | Number of shares |
| HKSCC Nominees Limited <sup>(2)</sup>  | Overseas legal person shares   | 1,033,428,831               | 33.13                              | –  | Unknown                          | Unknown          |
| Central Huijin Investment Ltd.   | State-owned shares   | 977,530,534                 | 31.34                              | –  | –                                | –                |
| China Baowu Steel Group Corporation  | State-owned legal person shares  | 377,162,581                 | 12.09                              | –  | –                                | –                |
| China Securities Finance Corporation Limited   | State-owned legal person shares  | 93,339,003                  | 2.99                               | –  | –                                | –                |
| Hong Kong Securities Clearing Company Limited <sup>(3)</sup>   | Overseas legal person shares   | 33,206,866                  | 1.06                               | –  | –                                | –                |
| Central Huijin Asset Management Ltd.   | State-owned legal person shares  | 28,249,200                  | 0.91                               | –  | –                                | –                |
| Kehua Tianyuan (Tianjin) Business Operation Management Company Limited   | Domestic legal person shares   | 15,500,000                  | 0.50                               | –  | –                                | –                |
| National Social Security Fund 110 Combination  | State-owned legal person shares  | 9,704,143                   | 0.31                               | –  | –                                | –                |
| Dacheng Fund-ABC-Dacheng China Securities Financial Asset Management Plan  | Others   | 8,713,289                   | 0.28                               | –  | –                                | –                |
| Guosen Securities Company Limited – Fangzheng Fubon China Securities Insurance Themed Index Securities Investment Fund | Others   | 8,521,190                   | 0.27                               | –  | –                                | –                |
| Description of related-party relations or concerted action among the aforesaid shareholders                            | Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. Save for the above, the Company is not aware of any related-party relationship among the shareholders or whether they are parties acting in concert. |                             |                                    |  |                                  |                  |

*Notes:*

1. As at the end of the reporting period, none of the Company's A Shares or H Shares was subject to selling restrictions.
2. HKSCC Nominees Limited is a company that holds shares on behalf of the clients of the Hong Kong stock brokers and other participants of CCASS system. The relevant regulations of The Stock Exchange of Hong Kong Limited do not require such persons to declare whether their shareholdings are pledged or frozen. Therefore, HKSCC Nominees Limited is unable to calculate or provide the number of shares pledged or frozen.
3. Hong Kong Securities Clearing Company Limited is the nominee for investors of Shanghai-Hong Kong Stock Connect programme.



### §3 QUARTERLY BUSINESS ANALYSIS

#### 3.1 Insurance business

As of the end of the third quarter 2021, the Company achieved gross written premiums of RMB136,562 million, representing a year-on-year increase of 1.6%. First year premiums from long-term insurance business amounted to RMB35,122 million, decreasing by 2.4% year on year. First year regular premiums from long-term insurance business realized RMB18,412 million, increasing by 2.2% year on year. Renewal premiums reached RMB96,596 million, growing by 4.9% year on year. The premiums from short-term insurance business amounted to RMB4,844 million, dropping by 22.4% year on year.

The individual insurance channel realized total premiums of RMB98,827 million, representing a year-on-year increase of 3.2%. First year premiums from long-term insurance business reached RMB13,060 million, decreasing by 4.3% year on year. First year regular premiums from long-term insurance business realized RMB12,363 million, reducing by 5.3% year on year. Renewal premiums amounted to RMB83,134 million, increasing by 6.7% year on year.

The bancassurance channel achieved total premiums of RMB35,307 million, representing a year-on-year decrease of 3.5%. First year premiums from long-term insurance business amounted to RMB21,822 million, dropping by 2.2% year on year. Renewal premiums amounted to RMB13,451 million, decreasing by 5.4% year on year.

The group insurance realized premiums of RMB2,428 million, increasing by 21.8% year on year.

*Unit: RMB in millions*

|  | <b>For the nine months ended</b> |              |               |
|--|----------------------------------|--------------|---------------|
|  | <b>30 September</b>              |              |               |
|  | <b>2021</b>                      | <b>2020</b>  | <b>Change</b> |
| <b>Gross written premiums</b>                                | <b>136,562</b>                   | 134,355      | 1.6%          |
| <b>First year premiums from long-term insurance business</b> | <b>35,122</b>                    | 35,995       | -2.4%         |
| Regular premiums   | <b>18,412</b>                    | 18,015       | 2.2%          |
| Regular premiums with payment periods of ten years or more   | <b>5,085</b>                     | 7,837        | -35.1%        |
| Single premiums  | <b>16,710</b>                    | 17,980       | -7.1%         |
| <b>Renewal premiums</b>                                      | <b>96,596</b>                    | 92,118       | 4.9%          |
| <b>Premiums from short-term insurance business</b>           | <b>4,844</b>                     | <b>6,242</b> | <b>-22.4%</b> |

Unit: RMB in millions

|   | For the nine months ended |                |              |
|---|---------------------------|----------------|--------------|
|   | 30 September              |                |              |
|   | 2021                      | 2020           | Change       |
| <b>Individual insurance channel</b>                   |                           |                |              |
| First year premiums from long-term insurance business | 13,060                    | 13,645         | -4.3%        |
| Regular premiums                                      | 12,363                    | 13,050         | -5.3%        |
| Single premiums                                       | 697                       | 595            | 17.1%        |
| Renewal premiums                                      | 83,134                    | 77,894         | 6.7%         |
| Premiums from short-term insurance business           | 2,633                     | 4,222          | -37.6%       |
| <b>Total</b>  | <b>98,827</b>             | <b>95,761</b>  | <b>3.2%</b>  |
| <b>Bancassurance channel</b>                          |                           |                |              |
| First year premiums from long-term insurance business | 21,822                    | 22,319         | -2.2%        |
| Regular premiums                                      | 6,032                     | 4,964          | 21.5%        |
| Single premiums                                       | 15,790                    | 17,355         | -9.0%        |
| Renewal premiums                                      | 13,451                    | 14,216         | -5.4%        |
| Premiums from short-term insurance business           | 34                        | 66             | -48.5%       |
| <b>Total</b>  | <b>35,307</b>             | <b>36,601</b>  | <b>-3.5%</b> |
| <b>Group insurance</b>                                |                           |                |              |
| First year premiums from long-term insurance business | 240                       | 31             | 674.2%       |
| Renewal premiums                                      | 11                        | 8              | 37.5%        |
| Premiums from short-term insurance business           | 2,177                     | 1,954          | 11.4%        |
| <b>Total</b>  | <b>2,428</b>              | <b>1,993</b>   | <b>21.8%</b> |
| <b>Gross written premiums</b>                         | <b>136,562</b>            | <b>134,355</b> | <b>1.6%</b>  |

### 3.2 Asset management business

As at 30 September 2021, the investment assets of the Company amounted to RMB1,018,414 million, increasing by 5.5% compared with the end of 2020. The annualized total investment yield <sup>(1)</sup> was 6.4% for the nine months ended 30 September 2021, increasing by 0.8 percentage point year on year.

*Note:*

1. The annualized total investment yield = (investment income + fair value gains/(losses) – impairment losses on investment assets – interest expenses of financial assets sold under agreements to repurchase)/(monthly average investment assets – monthly average financial assets sold under agreements to repurchase – monthly average interest receivables) ×365/273.

## §4 OTHER IMPORTANT INFORMATION

The Company determined actuarial assumptions which include assumptions on the discount rates, mortality rates, morbidity rates, expenses, policyholder dividends, lapse rates, etc. based on current available information as at the date of the balance sheet. These assumptions were used to calculate the liabilities of insurance contracts as at the date of the balance sheet.

The Company reviewed the above assumptions based on the available information as at 30 September 2021. Movements in liabilities of insurance contracts arising from the changes in the above assumptions were recognised in the income statement. The changes in accounting estimates resulted in an increase in liabilities of life insurance by RMB2,467 million, an increase in liabilities of long-term health insurance by RMB6,380 million as at 30 September 2021, which in aggregate reduced profit before income tax by RMB8,847 million for the first three quarters of 2021.

Please refer to the *Announcement on Changes in Accounting Estimates* issued by the Company on the same day on the websites of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) for the details of this event.

## §5 QUARTERLY FINANCIAL STATEMENTS

Please refer to Appendix.

By Order of the Board  
**New China Life Insurance Company Ltd.**  
**LI Quan**  
*Executive Director*

Beijing, China, 28 October 2021

*As at the date of this announcement, the executive directors of the Company are LI Quan and ZHANG Hong; the non-executive directors are YANG Yi, HU Aimin, LI Qiqiang, PENG Yulong and Edouard SCHMID; and the independent non-executive directors are LI Xianglu, ZHENG Wei, CHENG Lie, GENG Jianxin and MA Yiu Tim.*

## APPENDIX

### 1. Statement of Financial Position (unaudited)

|  | <i>Unit: RMB in millions</i> |                 |
|--|------------------------------|-----------------|
|  | <b>As at 30</b>              | <b>As at 31</b> |
|  | <b>September</b>             | <b>December</b> |
| <b>Assets</b>  | <b>2021</b>                  | <b>2020</b>     |
|  | <b>Group</b>                 | <b>Group</b>    |
| <b>Assets</b>  |                              |                 |
| Cash and bank deposits   | <b>13,475</b>                | 13,002          |
| Financial assets measured at fair value through profit or loss       | <b>65,802</b>                | 32,095          |
| Derivative financial instruments                                     | <b>4</b>                     | —               |
| Financial assets purchased under agreements to resell                | <b>4,633</b>                 | 1,832           |
| Interest receivables   | <b>13,914</b>                | 10,303          |
| Premiums receivables   | <b>6,079</b>                 | 2,312           |
| Receivables from reinsurers  | <b>158</b>                   | 246             |
| Unearned premium reserves receivables from reinsurers                | <b>105</b>                   | 217             |
| Claim reserves receivable from reinsurers                            | <b>114</b>                   | 83              |
| Reserves for life insurance receivables from reinsurers              | <b>1,593</b>                 | 1,519           |
| Reserves for long-term health insurance receivables from reinsurance | <b>1,770</b>                 | 1,601           |
| Policy loans   | <b>39,801</b>                | 37,732          |
| Other receivables  | <b>1,993</b>                 | 2,097           |
| Term deposits  | <b>149,740</b>               | 122,640         |
| Available-for-sale financial assets                                  | <b>384,416</b>               | 426,703         |
| Held-to-maturity investments   | <b>291,440</b>               | 273,076         |
| Investments classified as loans and receivables                      | <b>48,015</b>                | 41,384          |
| Long-term equity investments   | <b>5,175</b>                 | 4,967           |
| Statutory deposits   | <b>1,715</b>                 | 1,715           |
| Investment properties  | <b>8,424</b>                 | 8,857           |
| Fixed assets   | <b>12,620</b>                | 11,633          |
| Constructions in process   | <b>4,329</b>                 | 4,059           |
| Right-of-use assets  | <b>1,180</b>                 | 1,243           |
| Intangible assets  | <b>3,611</b>                 | 3,753           |
| Deferred tax assets  | <b>193</b>                   | 153             |
| Other assets   | <b>1,179</b>                 | 940             |
| Separate account assets  | <b>224</b>                   | 214             |
| <b>Total assets</b>  | <b>1,061,702</b>             | 1,004,376       |

# 1. Statement of Financial Position (unaudited) (continued)

|   | <i>Unit: RMB in millions</i>                     |   |
|---|--|---|
|   | <b>As at 30<br/>September<br/>2021<br/>Group</b> | <b>As at 31<br/>December<br/>2020<br/>Group</b> |
| <b>Liabilities and Equity</b>                                       |  |   |
| <b>Liabilities</b>  |  |   |
| Financial liabilities measured at fair value through profit or loss | 2,074  | 14,837  |
| Financial assets sold under agreements to repurchase                | 19,121   | 41,888  |
| Premiums received in advance  | 231  | 6,458   |
| Brokerage and commission payable                                    | 2,506  | 2,358   |
| Reinsurance payable   | 195  | 297   |
| Salary and welfare payable  | 3,777  | 4,404   |
| Taxes payable   | 362  | 170   |
| Claims payable  | 6,153  | 6,445   |
| Policyholder dividends payable                                      | 7  | 3   |
| Other payable   | 5,196  | 4,847   |
| Policyholder deposits   | 57,013   | 51,476  |
| Unearned premiums liabilities                                       | 2,066  | 2,349   |
| Outstanding claims liabilities                                      | 2,064  | 1,802   |
| Reserves for life insurance   | 696,927  | 634,501   |
| Reserves for long-term health insurance                             | 146,067  | 115,757   |
| Borrowings  | 10,000   | 10,000  |
| Lease liabilities   | 1,018  | 1,064   |
| Deferred income   | 494  | 504   |
| Deferred tax liabilities  | 801  | 2,673   |
| Other liabilities   | 638  | 667   |
| Separate account liabilities  | 218  | 196   |
| <b>Total liabilities</b>  | <b>956,928</b>                                   | <b>902,696</b>                                  |
| <b>Shareholders' equity</b>   |  |   |
| Share capital   | 3,120  | 3,120   |
| Capital reserve   | 23,907   | 23,901  |
| Other comprehensive income  | 6,717  | 11,250  |
| Surplus reserve   | 11,375   | 10,039  |
| General reserve   | 7,414  | 7,414   |
| Retained earnings   | 52,225   | 45,943  |
| <b>Total equity attributable to shareholders of the company</b>     | <b>104,758</b>                                   | <b>101,667</b>                                  |
| Non-controlling interests   | 16   | 13  |
| <b>Total shareholders' equity</b>                                   | <b>104,774</b>                                   | <b>101,680</b>                                  |
| <b>Total liabilities and shareholders' equity</b>                   | <b>1,061,702</b>                                 | <b>1,004,376</b>                                |

**LI Quan**  
*President*

**YANG Zheng**  
*Chief Financial Officer*

**GONG Xingfeng**  
*Chief Actuary*

**ZHANG Tao**  
*Head of Accounting  
Department*

## 2. Statement of Income (unaudited)

|  | <i>Unit: RMB in millions</i>   |  |
|--|--|--|
|  | <b>For the nine<br/>months ended<br/>30 September<br/>2021<br/>Group</b> | <b>For the nine<br/>months ended<br/>30 September<br/>2020<br/>Group</b> |
| <b>1. Operating Income</b>                           | <b>183,988</b>   | 169,772  |
| Premiums earned                                      | <b>134,882</b>   | 131,421  |
| Premium income                                       | <b>136,562</b>   | 134,355  |
| Less: Premiums ceded out                             | <b>(1,851)</b>   | (2,350)  |
| Net change in unearned premiums liabilities          | <b>171</b>   | (584)  |
| Investment income                                    | <b>48,723</b>  | 39,777   |
| In: Share of profit of associates                    | <b>210</b>   | 328  |
| Fair value gains/(losses)                            | <b>(534)</b>   | (2,098)  |
| Foreign exchange gains/(losses)                      | <b>(21)</b>  | (76)   |
| Assets disposal gains/(losses)                       | <b>–</b>   | (1)  |
| Other gains  | <b>70</b>  | 78   |
| Other operating income                               | <b>868</b>   | 671  |
| <b>2. Operating expenses</b>                         | <b>(170,858)</b>   | (157,682)  |
| Surrenders   | <b>(13,112)</b>  | (8,808)  |
| Claims expense                                       | <b>(35,135)</b>  | (43,419)   |
| Less: claims recoverable from reinsurers             | <b>1,324</b>   | 951  |
| Increase in insurance contracts reserve              | <b>(97,479)</b>  | (78,377)   |
| Less: insurance reserves recoverable from reinsurers | <b>274</b>   | 510  |
| Policyholder Dividends                               | <b>(985)</b>   | (377)  |
| Business tax and surcharges expenses                 | <b>(242)</b>   | (170)  |
| Commission and brokerage expenses                    | <b>(12,051)</b>  | (14,258)   |
| Administrative expenses                              | <b>(9,149)</b>   | (8,755)  |
| Less: expenses recoverable from reinsurers           | <b>269</b>   | 573  |
| Other operating expenses                             | <b>(2,619)</b>   | (2,853)  |
| Impairment losses                                    | <b>(1,953)</b>   | (2,699)  |
| <b>3. Operating profit</b>                           | <b>13,130</b>  | 12,090   |
| Add: Non-operating income                            | <b>40</b>  | 29   |
| Less: Non-operating expenses                         | <b>(109)</b>   | (79)   |
| <b>4. Net profit before income tax expenses</b>      | <b>13,061</b>  | 12,040   |
| Less: Income tax expenses                            | <b>(1,104)</b>   | (933)  |

## 2. Statement of Income (unaudited) (continued)

|  | <i>Unit: RMB in millions</i>   |  |
|--|--|--|
|  | <b>For the nine<br/>months ended<br/>30 September<br/>2021<br/>Group</b> | <b>For the nine<br/>months ended<br/>30 September<br/>2020<br/>Group</b> |
| <b>5. Net profit</b>   | <b><u>11,957</u></b>   | <b><u>11,107</u></b>   |
| (1) Classification of net profit:  |  |  |
| Net profit from continuing operation   | <b>11,957</b>  | 11,107   |
| Net profit from discontinued operation   | <b>—</b>   | —  |
| (2) Attributable to:   |  |  |
| Shareholders of the Company  | <b>11,954</b>  | 11,105   |
| Non-controlling interests  | <b>3</b>   | 2  |
| <b>6. Other Comprehensive income, net of tax</b>   | <b>(4,533)</b>   | 2,675  |
| Total other comprehensive income attribute to<br>shareholders of the company, net of tax   | <b>(4,533)</b>   | 2,675  |
| Other comprehensive income to be reclassified to profit<br>or loss in subsequent periods   | <b>(4,533)</b>   | 2,675  |
| Available-for-sale financial assets changes in fair<br>value   | <b>4,636</b>   | 11,543   |
| Less: (Gains)/losses transferred to profit or loss from<br>other comprehensive income  | <b>(15,318)</b>  | (5,013)  |
| Changes in liabilities for insurance and<br>investment contracts arising from net<br>unrealized gains  | <b>4,513</b>   | (3,077)  |
| Share of other comprehensive income of associates<br>and joint ventures under the equity method<br>and the effect on liabilities for insurance and<br>investment contracts | <b>132</b>   | 119  |
| Currency translation differences   | <b>(8)</b>   | (7)  |
| Income tax relating to components of other<br>comprehensive income   | <b>1,512</b>   | (890)  |
| Total other comprehensive income attribute to non-<br>controlling interests, net of tax  | <b><u>—</u></b>  | <b><u>—</u></b>  |
| <b>7. Total Comprehensive income</b>   | <b><u>7,424</u></b>  | <b><u>13,782</u></b>   |
| Attributable to shareholders of the Company  | <b>7,421</b>   | 13,780   |
| Attributable to non-controlling interests  | <b>3</b>   | 2  |
| <b>8. Earnings per share</b>   |  |  |
| Basic earnings per share   | <b>RMB3.83</b>   | RMB3.56  |
| Diluted earnings per share   | <b>RMB3.83</b>   | RMB3.56  |

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**YANG Zheng**  
*Chief Financial Officer*

**GONG Xingfeng**  
*Chief Actuary*

**ZHANG Tao**  
*Head of Accounting  
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### 3. Statement of Cash Flows (unaudited)

|  | <i>Unit: RMB in millions</i>   |  |
|--|--|--|
|  | <b>For the nine<br/>months ended<br/>30 September<br/>2021<br/>Group</b> | <b>For the nine<br/>months ended<br/>30 September<br/>2020<br/>Group</b> |
| <b>1. Cash flows from operating activities</b>   |  |  |
| Premium received   | 126,658  | 127,131  |
| Net increase in policyholder deposits  | 3,857  | 3,225  |
| Cash received from other operating activities  | 1,058  | 723  |
| <b>Sub-total of cash inflows from operating activities</b>                                 | <b>131,573</b>   | <b>131,079</b>   |
| Cash paid for claims   | (48,539)   | (51,415)   |
| Net cash paid for reinsurance business   | (272)  | (538)  |
| Cash paid for policyholder dividends   | (981)  | (377)  |
| Cash paid for brokerage and commission fees  | (11,903)   | (13,476)   |
| Cash paid to and for employees   | (7,089)  | (6,624)  |
| Cash paid for taxes and surcharges   | (3,126)  | (849)  |
| Cash paid for other operating activities   | (1,865)  | (2,190)  |
| <b>Sub-total of cash outflows from operating activities</b>                                | <b>(73,775)</b>  | <b>(75,469)</b>  |
| <b>Net cash flows from operating activities</b>  | <b>57,798</b>  | <b>55,610</b>  |
| <b>2. Cash flows from investing activities</b>   |  |  |
| Cash received from investments   | 297,919  | 239,352  |
| Cash received from investment income   | 25,278   | 31,755   |
| Net cash received from sales of fixed assets, intangible assets and other long-term assets | 5  | 1  |
| Net cash received from financial assets purchased under agreements to resell               | –  | 1,631  |
| Net cash received from acquisition of subsidiaries and structured entities                 | 956  | –  |
| Net cash received from the disposal of subsidiaries and structured entities                | 3,721  | –  |
| <b>Sub-total of cash inflows from investing activities</b>                                 | <b>327,879</b>   | <b>272,739</b>   |
| Cash paid for investment   | (378,876)  | (284,959)  |
| Net increase in policy loans   | (2,070)  | (1,849)  |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets    | (1,515)  | (1,555)  |
| Net cash paid for financial assets purchased under agreements to resell                    | (4,105)  | –  |
| Net cash generated from the disposal of subsidiaries and structured entities               | –  | (3,676)  |
| Cash paid for other investing activities   | (306)  | (80)   |
| <b>Sub-total of cash outflows from investing activities</b>                                | <b>(386,872)</b>   | <b>(292,119)</b>   |
| <b>Net cash flows from investing activities</b>  | <b>(58,993)</b>  | <b>(19,380)</b>  |

### 3. Statement of Cash Flows (unaudited) (continued)

|   | <i>Unit: RMB in millions</i>   |  |
|---|--|--|
|   | <b>For the nine<br/>months ended<br/>30 September<br/>2021<br/>Group</b> | <b>For the nine<br/>months ended<br/>30 September<br/>2020<br/>Group</b> |
| <b>3. Cash flows from financing activities</b>  |  |  |
| Cash received from investors  | <b>42,019</b>  | 81   |
| In: Capital injected into structured entities by<br>non-controlling interests             | <b>42,019</b>  | 81   |
| Net cash received from issue of bonds   | <b>–</b>   | 10,000   |
| Cash received from other financing activities   | <b>2,770</b>   | –  |
| <b>Sub-total of cash inflows from financing activities</b>                                | <b>44,789</b>  | 10,081   |
| Net cash paid from financial assets sold under agreements<br>to repurchase                | <b>(22,946)</b>  | (43,096)   |
| Cash paid for dividends, profits and interests  | <b>(4,859)</b>   | (4,416)  |
| In: Dividends, profits shared between non-controlling<br>interests by structured entities | <b>(193)</b>   | (18)   |
| Cash paid for principal and interest of lease liabilities                                 | <b>(442)</b>   | (469)  |
| Cash paid for other financing activities  | <b>(14,858)</b>  | (70)   |
| <b>Sub-total of cash outflows from financing activities</b>                               | <b>(43,105)</b>  | (48,051)   |
| <b>Net cash flows from financing activities</b>   | <b>1,684</b>   | (37,970)   |
| <b>4. Effect of foreign exchange rate changes</b>   | <b>(15)</b>  | (62)   |
| <b>5. Net increase/(decrease) in cash and cash equivalents</b>                            | <b>474</b>   | (1,802)  |
| Add: Opening balance of cash and cash equivalents   | <b>12,993</b>  | 11,765   |
| <b>6. Closing balance of cash and cash equivalents</b>                                    | <b>13,467</b>  | 9,963  |

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