

NEW CHINA LIFE

2021 Annual Results Announcement

30 March 2022
Beijing, China

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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



OVERVIEW | Business Performance

Unit: RMB in millions

GWP rose

Gross written premiums **163,470**
+2.5%

Core business increased

FYRP from long-term insurance business **21,764**
+4.0%

Embedded value grew

Embedded value **258,824**
+7.6%

Total assets increased

Total assets **1,127,721**
+12.3%

Net profit stabilized

Net profit attributable to shareholders **14,947**
+4.6%

Investment yield improved

Total investment yield **5.9%**
+0.4pt

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



National Strategy

- ⊙ **Devoted into social & national development**
 - invested over RMB380,000 million
 - sum assured over RMB1.3 trillion
- ⊙ **Carried out Healthy China strategy**
 - policy-oriented insurance covered about 9.42 million people
 - helped 246.8 thousand people
 - claim payment over RMB179 million
- ⊙ **Supported commercial pension insurance system**
 - put in place the pilot program for exclusive commercial pension insurance.
- ⊙ **Supported Regional economic development**
 - launched the exclusive critical illness insurance for Guangdong-Hong Kong-Macao Greater Bay Area
- ⊙ **Served the real economy**
 - invested more in innovative financial products



Social Responsibility

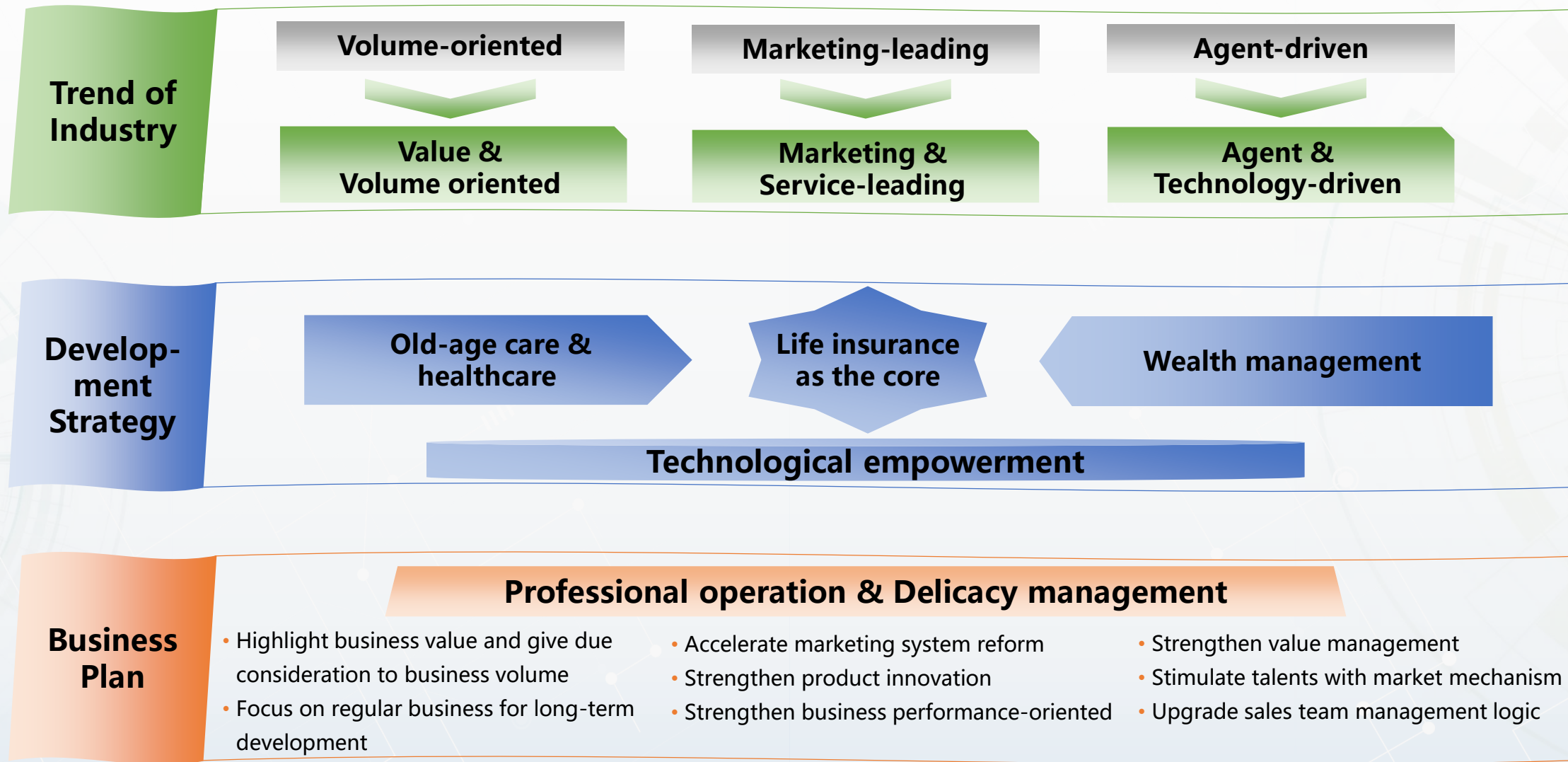
- ⊙ **Rural Revitalization**
 - invested a total of RMB9.7 million in Guizhou and Inner Mongolia
 - institutions donated funds and supplies, and insurance with the sum assured over RMB59 million
- ⊙ **Cared for sanitation Workers**
 - since the launch of the project, donated sum assured of over RMB319.2 billion, and a compensation amount of RMB25.135 million
- ⊙ **Supported flood relief**
 - donated RMB10 million to Henan Province
 - donated insurance to disaster relief workers, with a cumulative sum assured of more than RMB105 million
- ⊙ **Fought against COVID-19**
 - donated pandemic prevention insurance to front-line personnel with a cumulative sum assured of RMB458.8 billion



Sustainable Development

- ⊙ **Green operation system**
 - practicing austerity and opposing waste, developing mobile business development, building green data base to minimize the negative impact on the environment and natural resources in daily operations
- ⊙ **Ecological civilization & win-win partnership**
 - carrying out ESG publicity, holding green ecological development activities
 - green insurance, green supply chain management
- ⊙ **Sustainable development investment**
 - enhancing investment capacity in sustainable development, build consensus of ESG concept
 - focusing on development of green finance and paying heed to the ESG investment hotspots.
 - giving priority to environmental-friendly buildings, increase more in green buildings

OVERVIEW | Future Prospect



OVERVIEW

**INSURANCE
BUSINESS**

FINANCIALS &
INVESTMENT

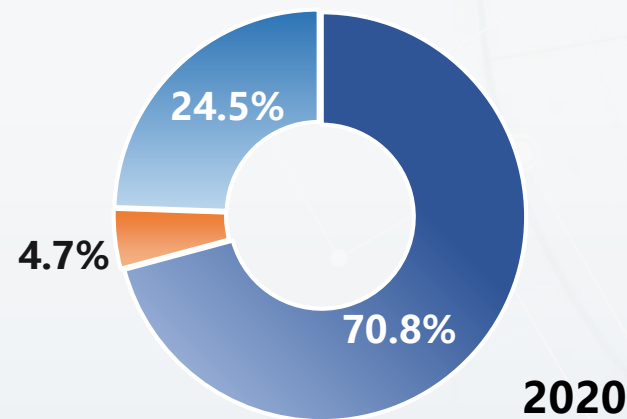
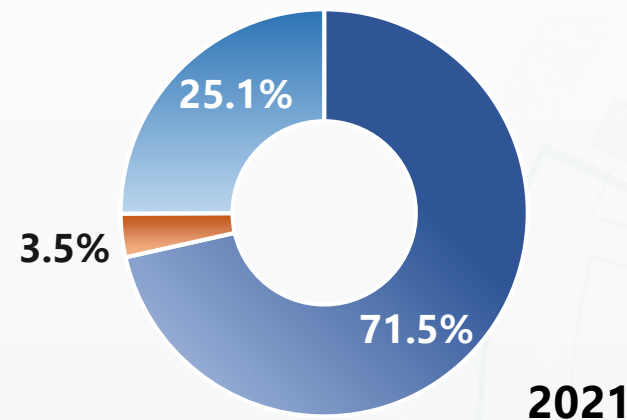
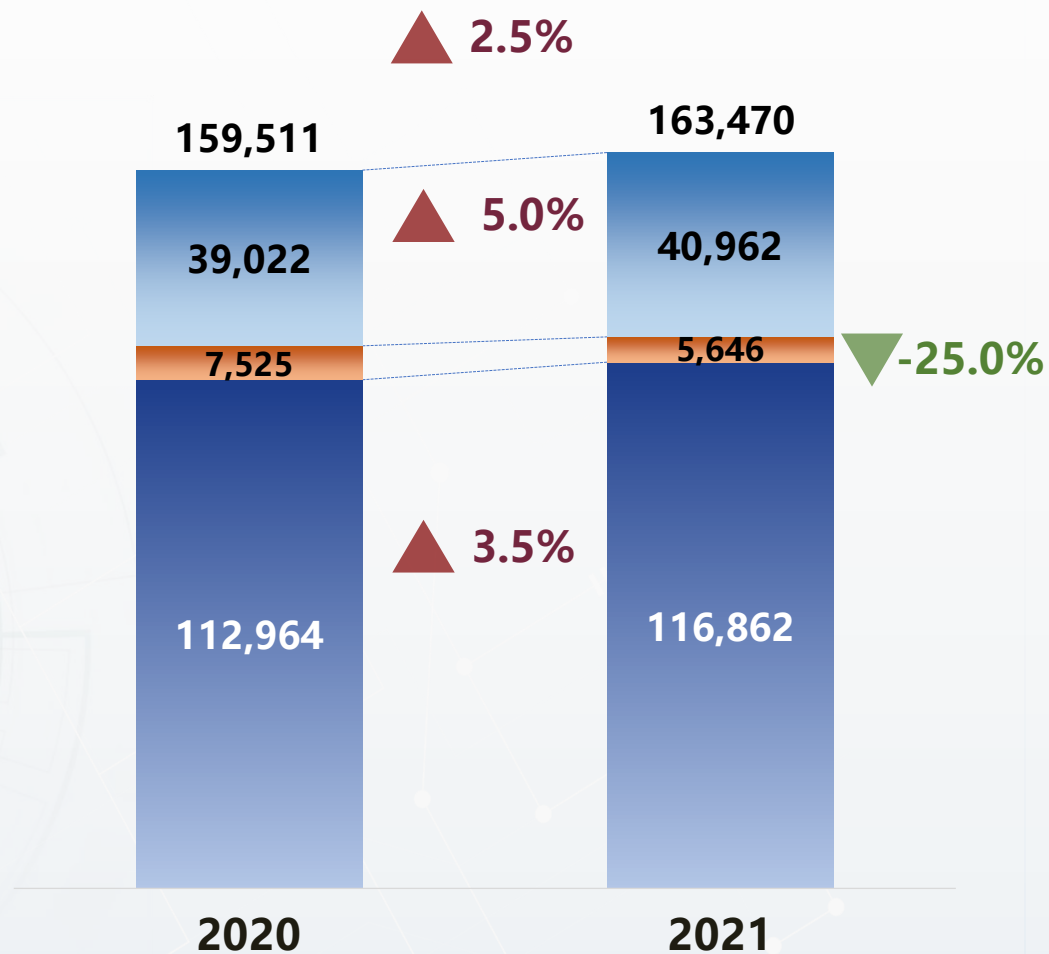
EMBEDDED
VALUE

INSURANCE BUSINESS

LI Quan



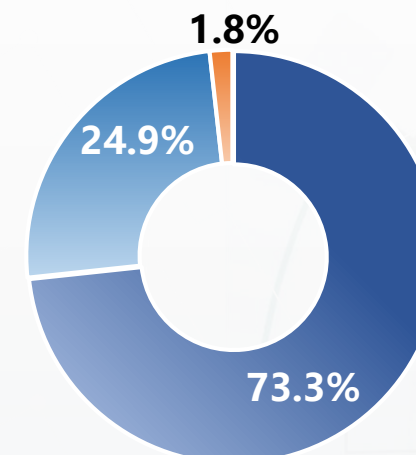
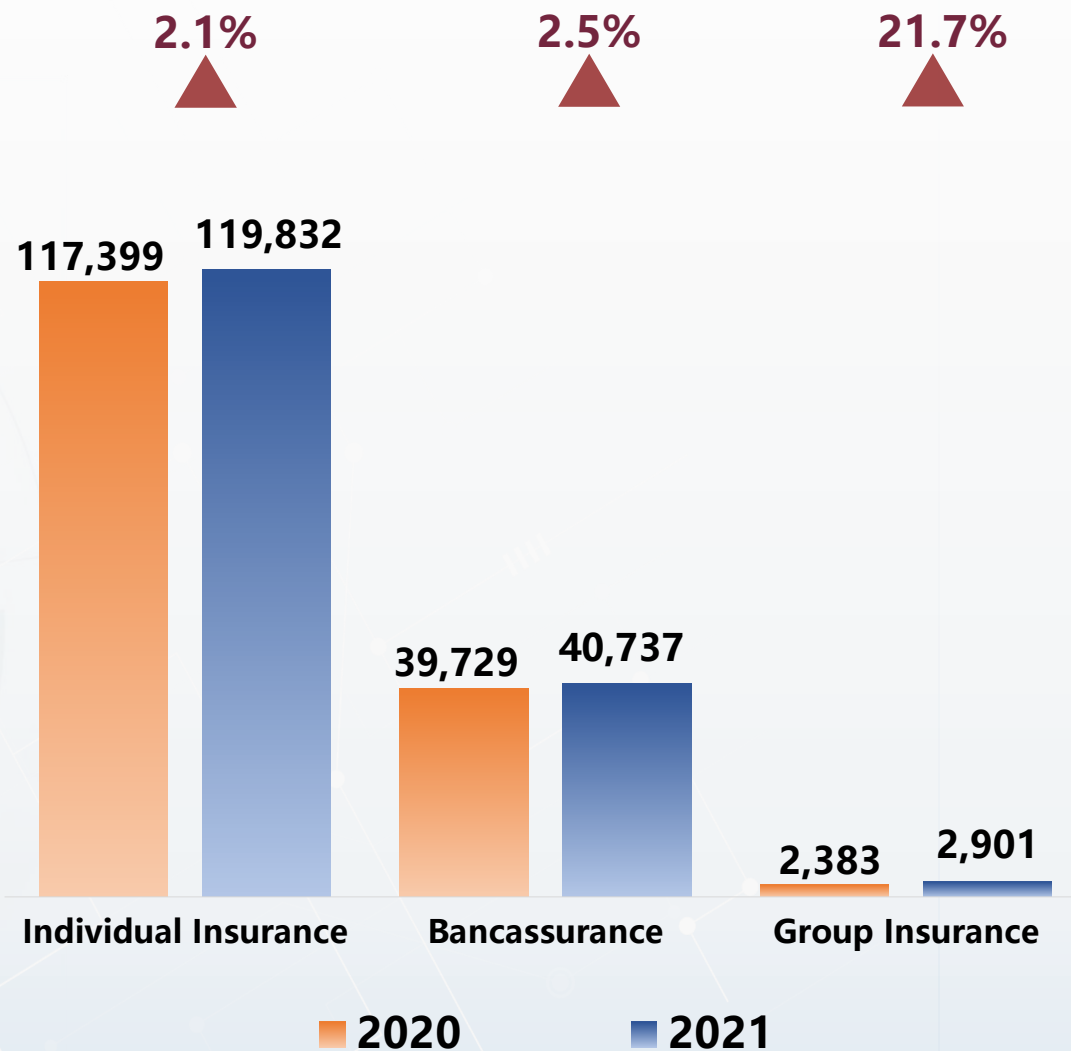
Unit: RMB in millions



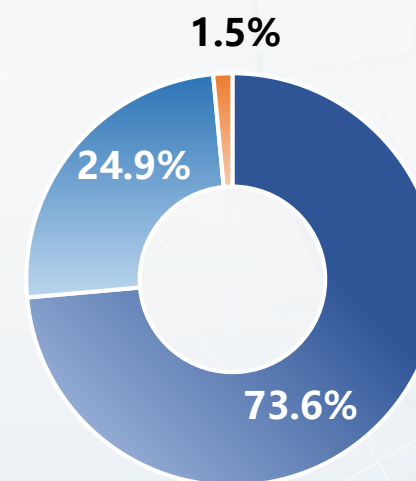
■ FYP from long-term insurance business
 ■ Premiums from short-term insurance business
 ■ Renewal premiums

Note: Numbers may not be additive due to rounding.

Unit: RMB in millions



2021

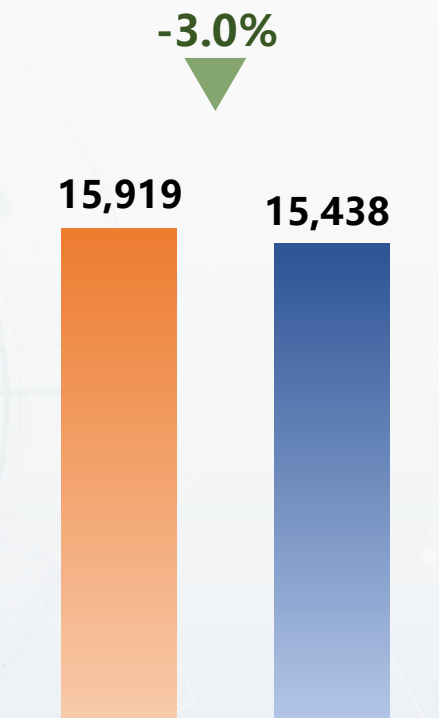


2020

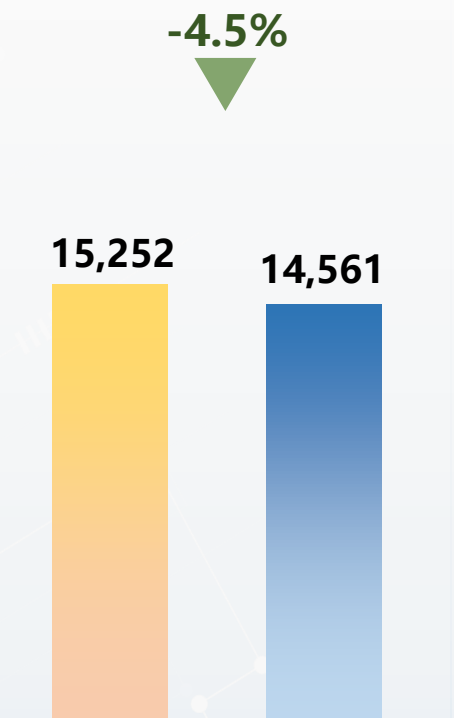
■ Individual Insurance ■ Bancassurance ■ Group Insurance

Unit: RMB in millions

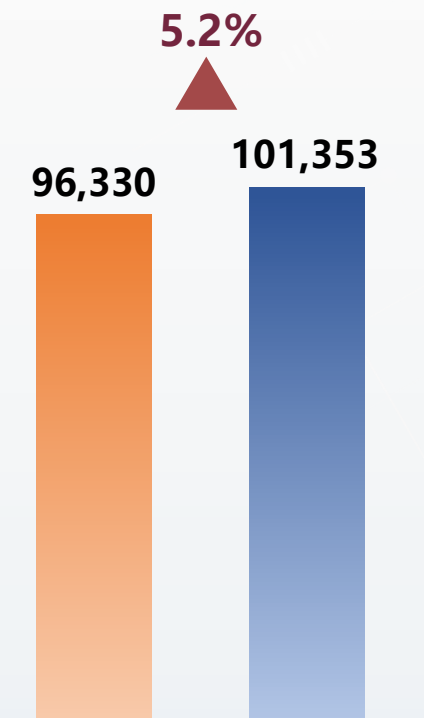
FYP from long-term insurance business



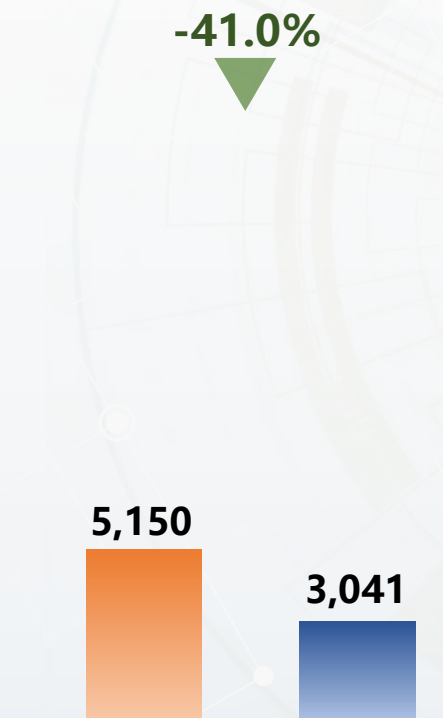
FYRP from long-term insurance business



Renewal premiums

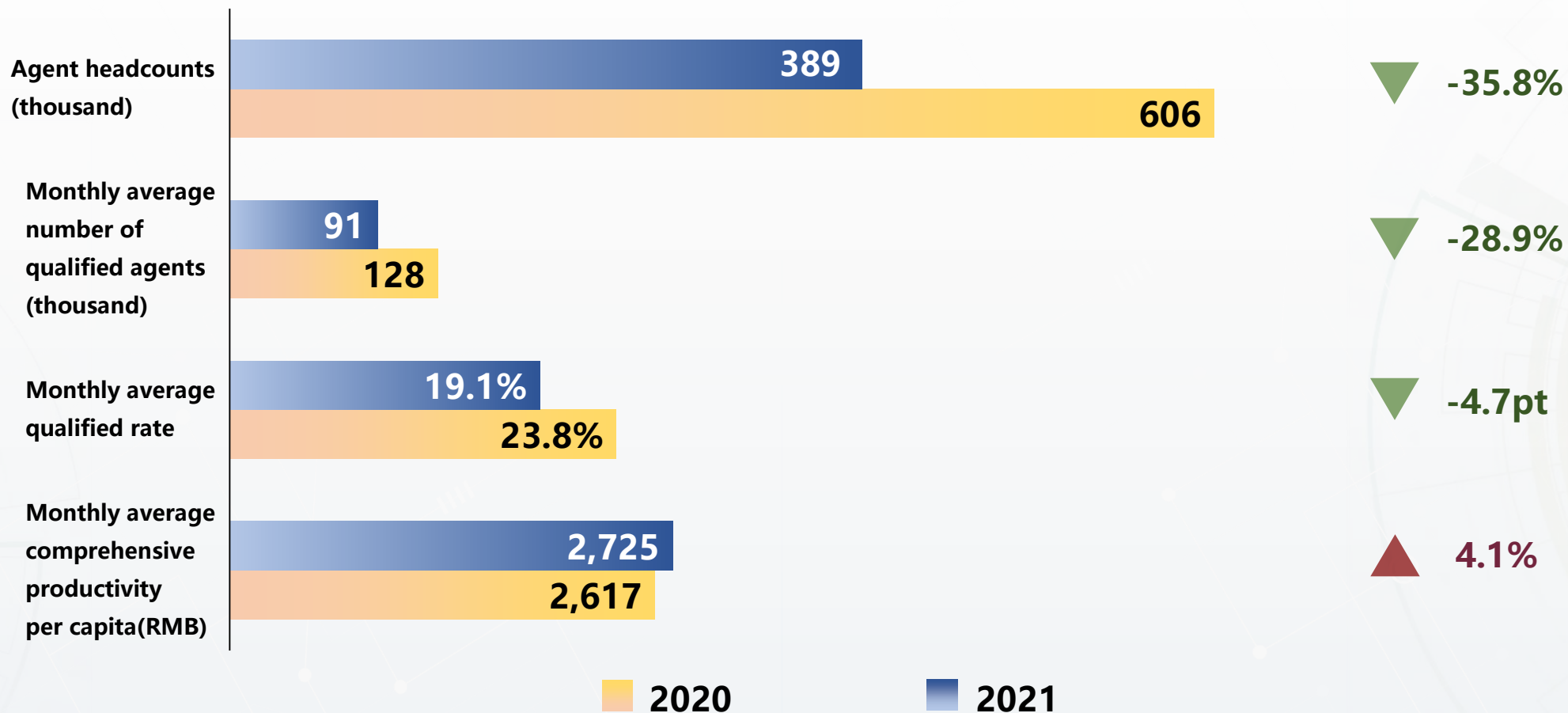


Premiums from short-term insurance business



2020

2021

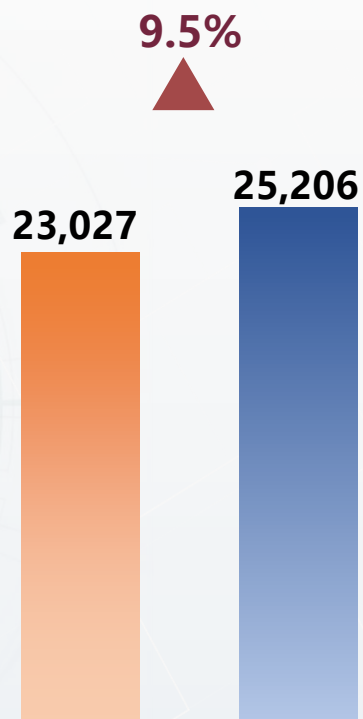


Notes:

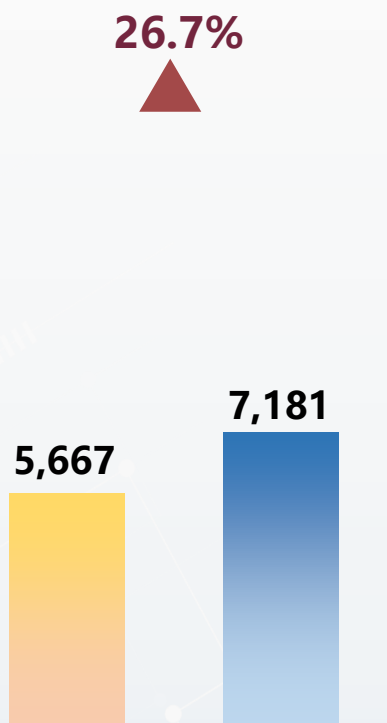
1. Monthly average number of qualified agents = $(\sum \text{number of qualified agents in a month}) / \text{the number of months in the reporting period}$, where monthly number of qualified agents refers to the number of agents who have issued one insurance policy or more (including card-type short-term accident insurance policy) which are not cancelled by policy holders in a month and whose first year commission in the month is equal to 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 = $\text{monthly average first year premiums} / \text{monthly average number of agents}$.

Unit: RMB in millions

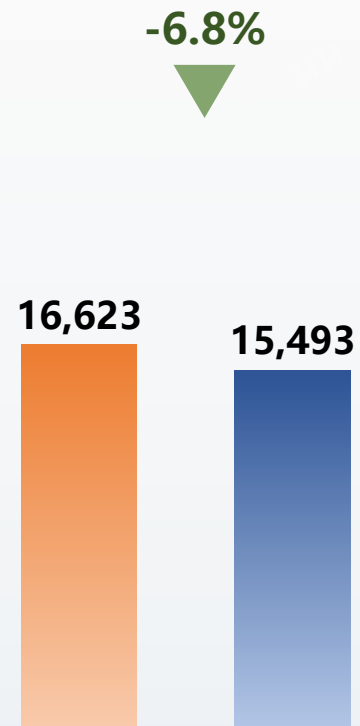
FYP from long-term insurance business



FYRP from long-term insurance business



Renewal premiums



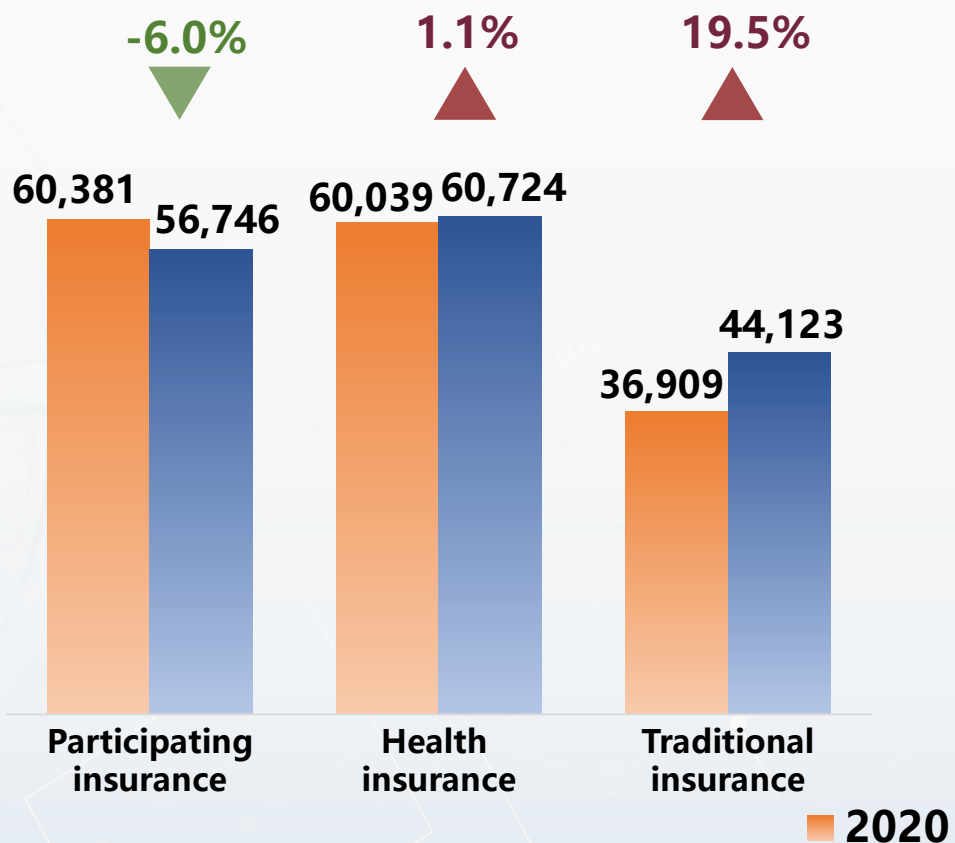
Premiums from short-term insurance business



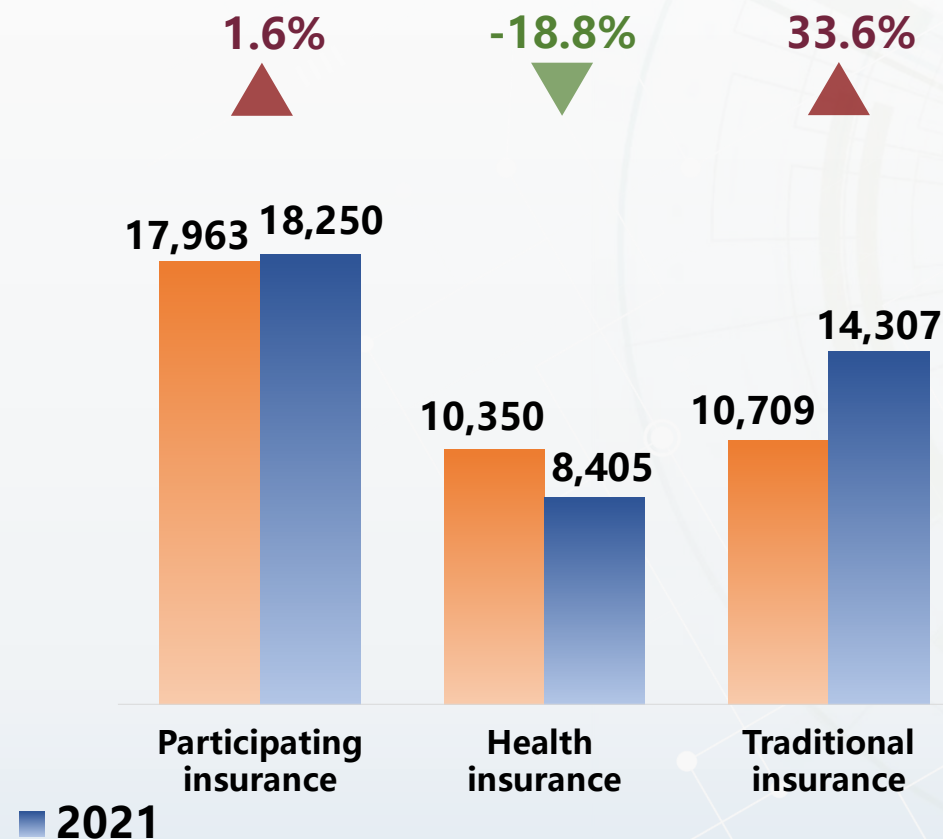
2021

Unit: RMB in millions

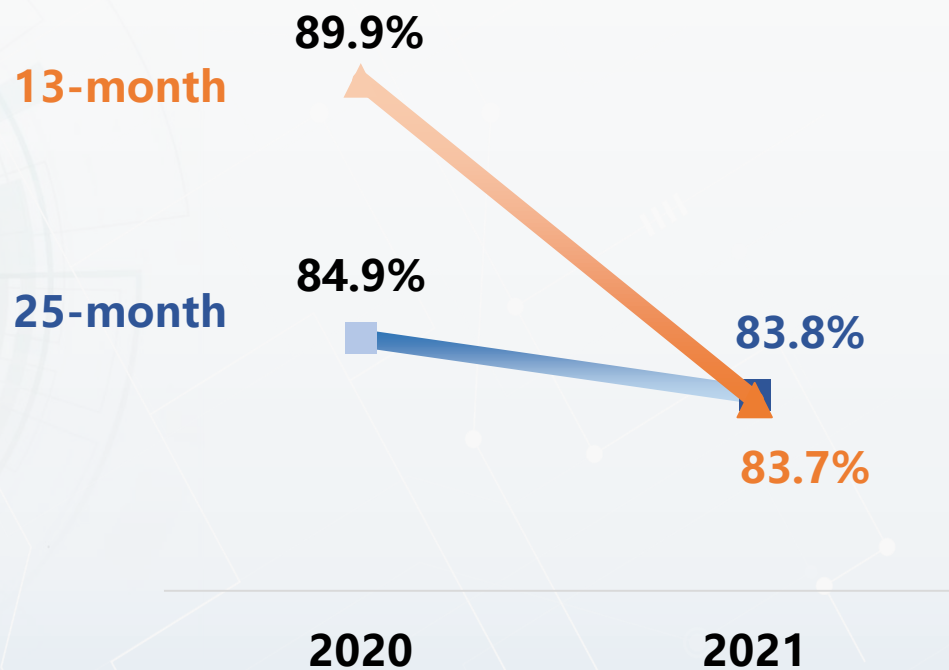
Gross Written Premiums



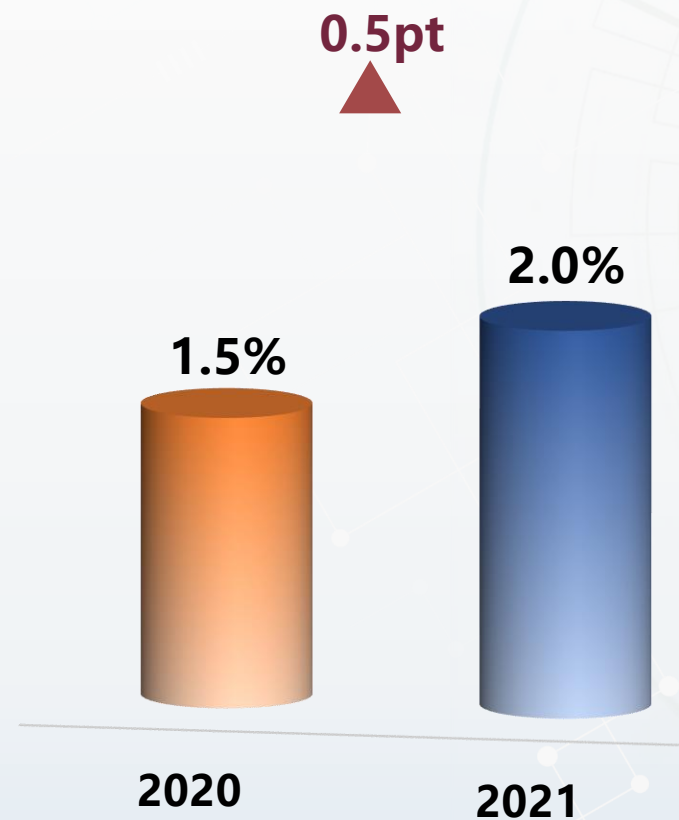
FYP from long-term insurance business



Persistency ratio of individual life insurance business



Surrender rate



OVERVIEW

INSURANCE
BUSINESS

FINANCIALS &
INVESTMENT

EMBEDDED
VALUE

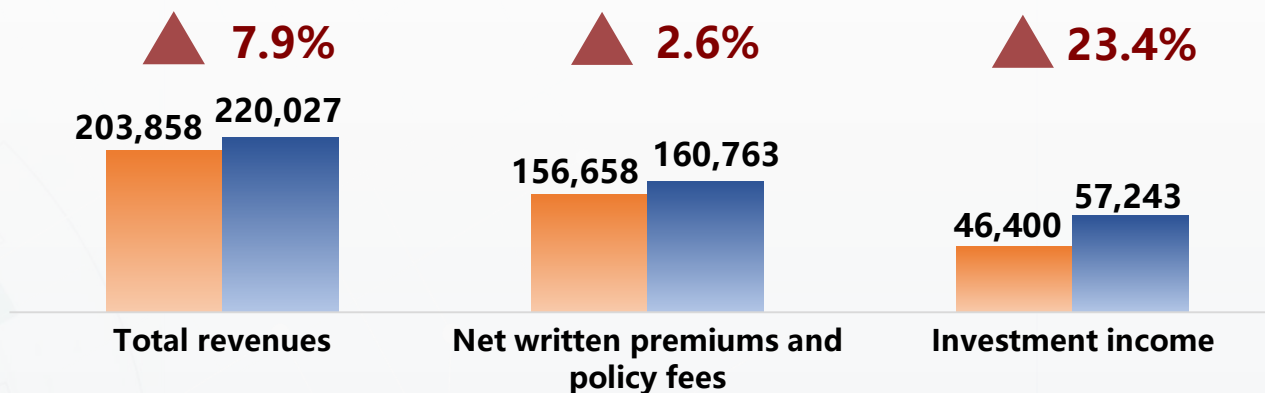
FINANCIALS & INVESTMENT

YANG Zheng

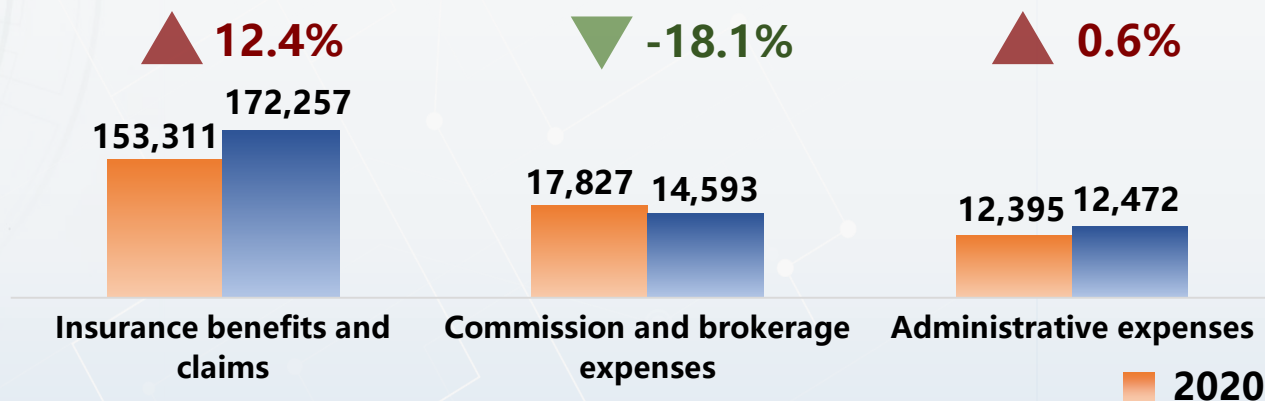
$$x = \frac{-b \pm \sqrt{b^2 - 4ac}}{2a}$$
$$\int (2x + 4) dx = 3x^3 + x^2 + 4x + C \Big|_0^3 = 102$$
$$e^{x+iy} = e^x (\cos y + i \sin y)$$

Unit: RMB in millions

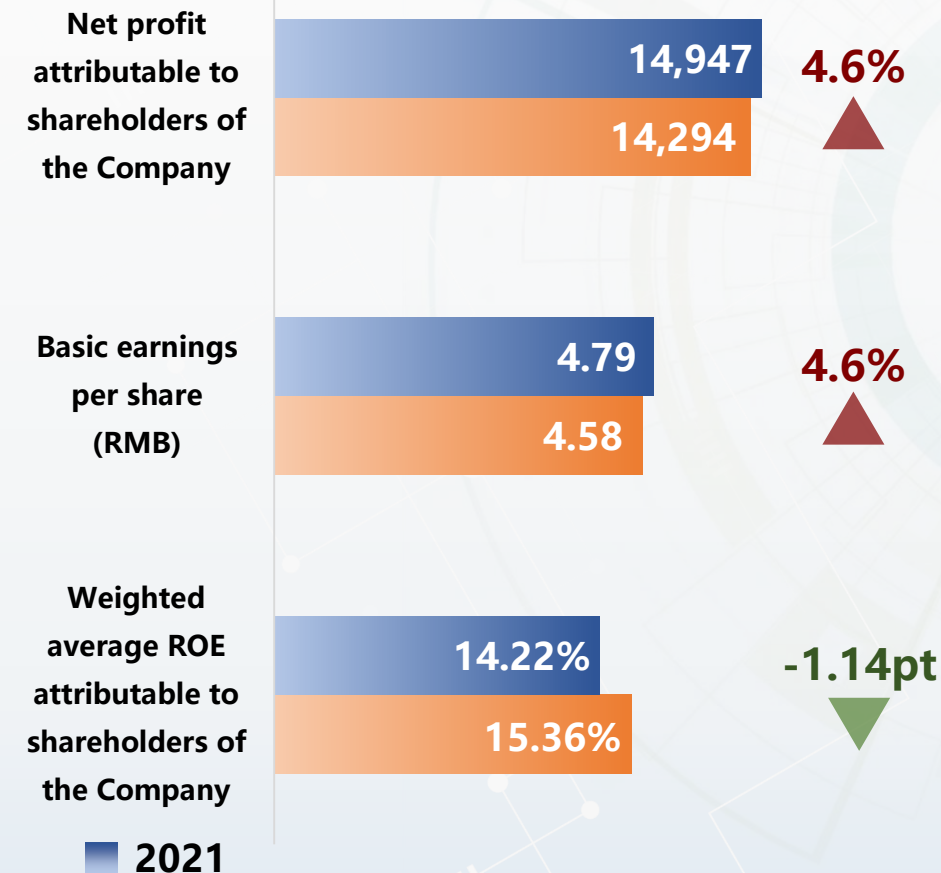
Revenues



Expenses



Profits

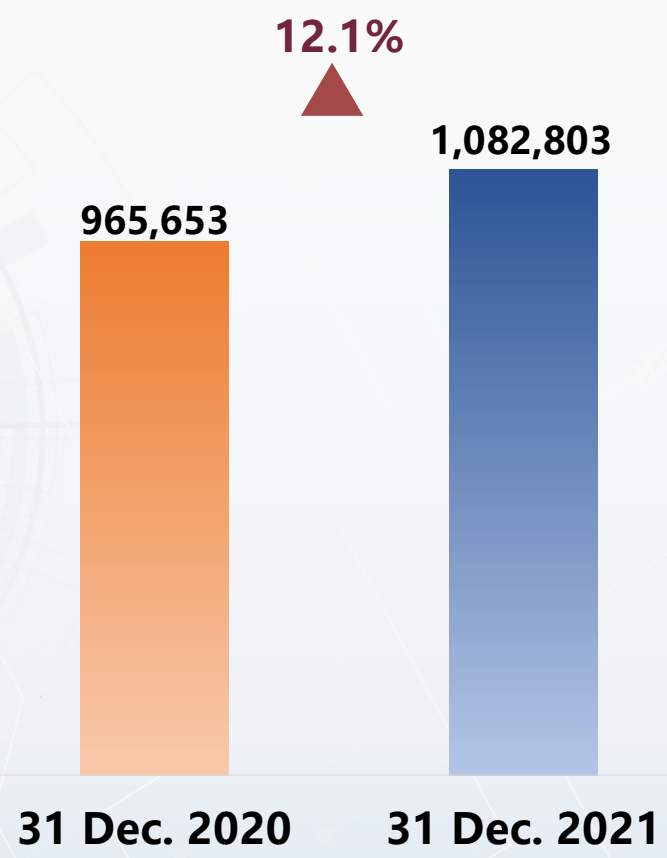


Note: Above figures are IFRS based.

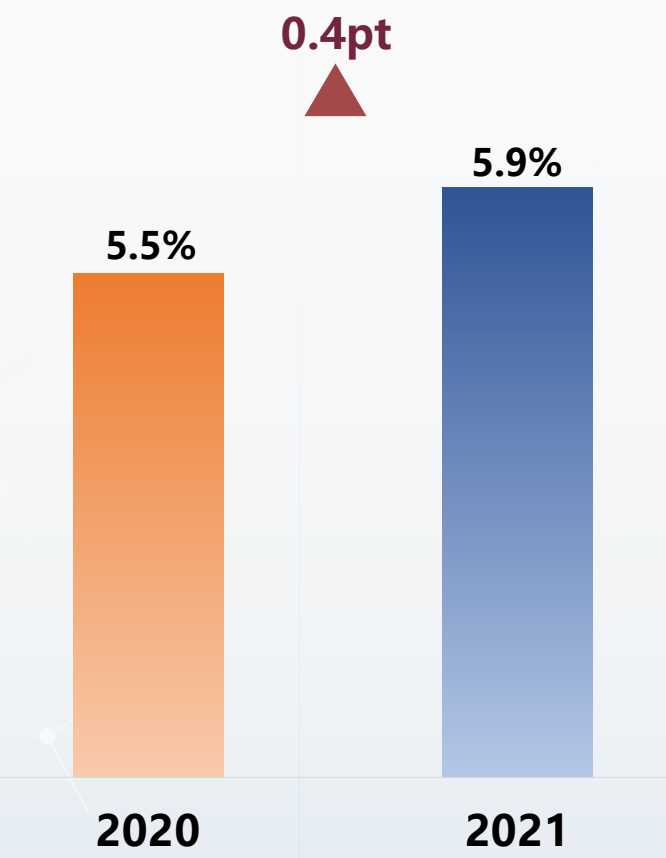
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Unit: RMB in millions

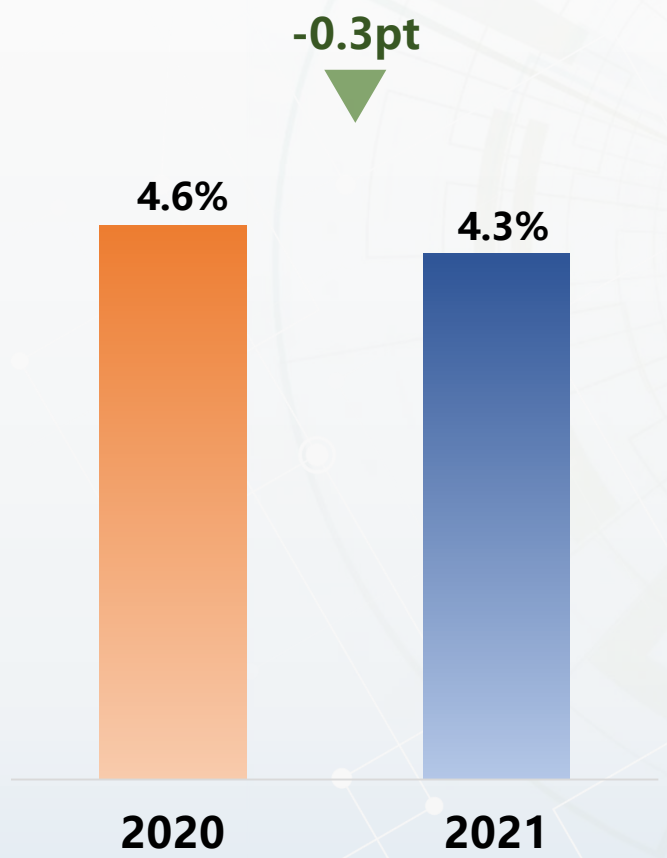
Investment assets



Total investment yield

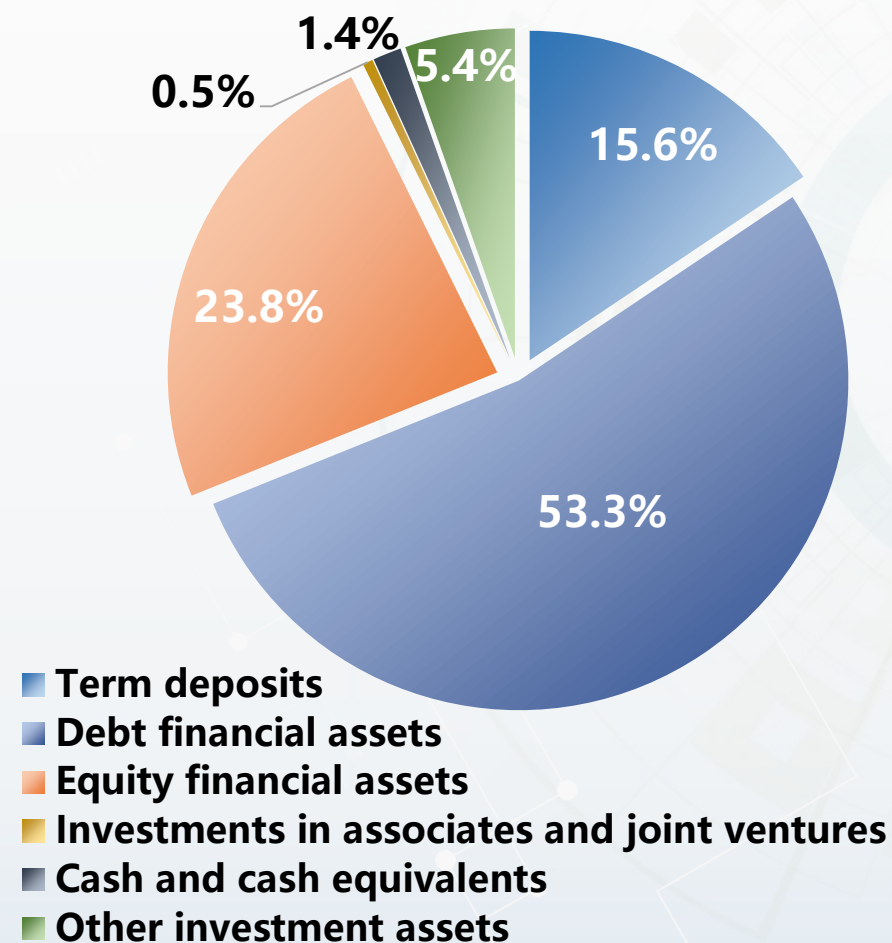


Net investment yield



Investment assets	As at 31 Dec. 2021 Proportion	As at 31 Dec. 2020 Proportion	Change (pt)
Term deposits	15.6%	12.7%	2.9
Debt financial assets	53.3%	58.8%	-5.5
- Bonds	38.5%	40.4%	-1.9
- Trust products	7.7%	10.3%	-2.6
- Debt plans	5.3%	4.3%	1.0
- Others	1.8%	3.8%	-2.0
Equity financial assets	23.8%	21.4%	2.4
- Funds	7.0%	5.8%	1.2
- Stocks	8.5%	8.8%	-0.3
- Others	8.3%	6.8%	1.5
Investments in associates and joint ventures	0.5%	0.5%	0
Cash and cash equivalents	1.4%	1.3%	0.1
Other investment assets	5.4%	5.3%	0.1

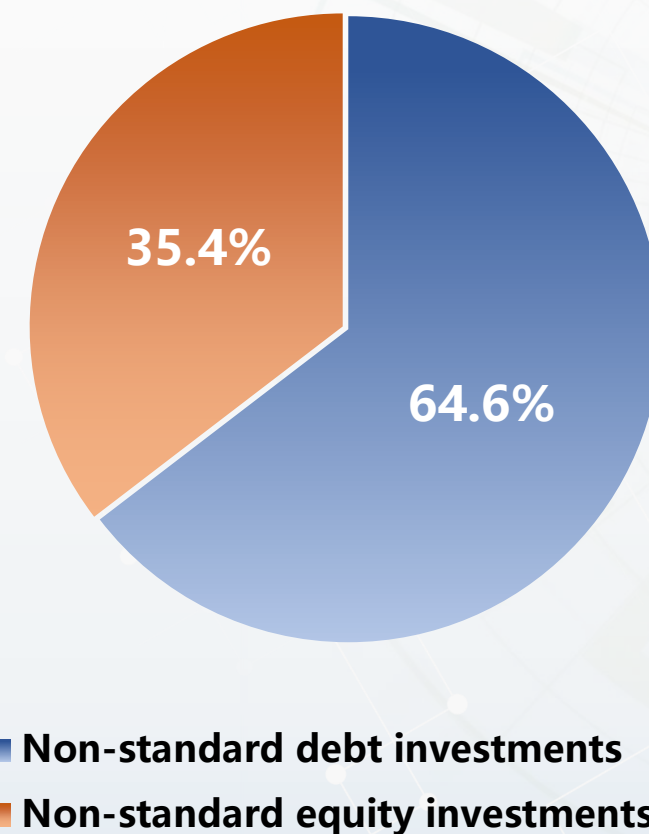
Investment Portfolio as at 31 Dec. 2021



Unit: RMB in millions

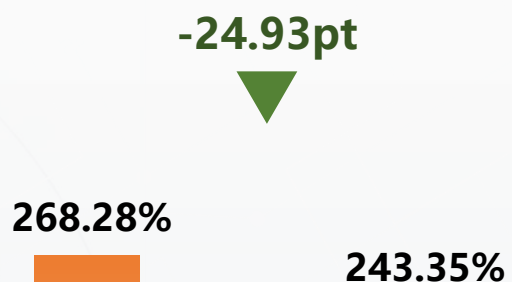
As at 31 Dec. 2021 Non-standard assets	Amount	Proportion	Proportion Change (pt)
Non-standard debt investments	143,425	64.6%	-10.5
- Trust products	83,733	37.7%	-5.1
- Debt plan	57,747	26.0%	8.3
- Asset funding plans	1,900	0.9%	0.9
- Wealth management products	-	-	-12.5
- Perpetual bonds	-	-	-2.1
- Asset management plans	45	-	-
Non-standard equity investments	78,481	35.4%	10.5
- Asset management plans	42,055	19.0%	7.3
- Private equity	10,664	4.8%	0.8
- Unlisted equity	17,472	7.9%	0.8
- Equity investment plans	8,290	3.7%	1.6
Total	221,906	100.0%	

Non-standard Investment Portfolio
as at 31 Dec. 2021



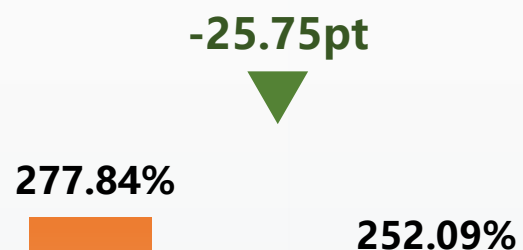
Unit: RMB in millions

Core solvency margin ratio



31 Dec. 2020

Comprehensive solvency margin ratio



31 Dec. 2021

Capital

	31/12/2021	31/12/2020	Change
Core capital	278,510	280,817	-2,307
Actual capital	288,510	290,817	-2,307
Minimum capital	114,448	104,672	9,776

OVERVIEW

INSURANCE
BUSINESS

FINANCIALS &
INVESTMENT

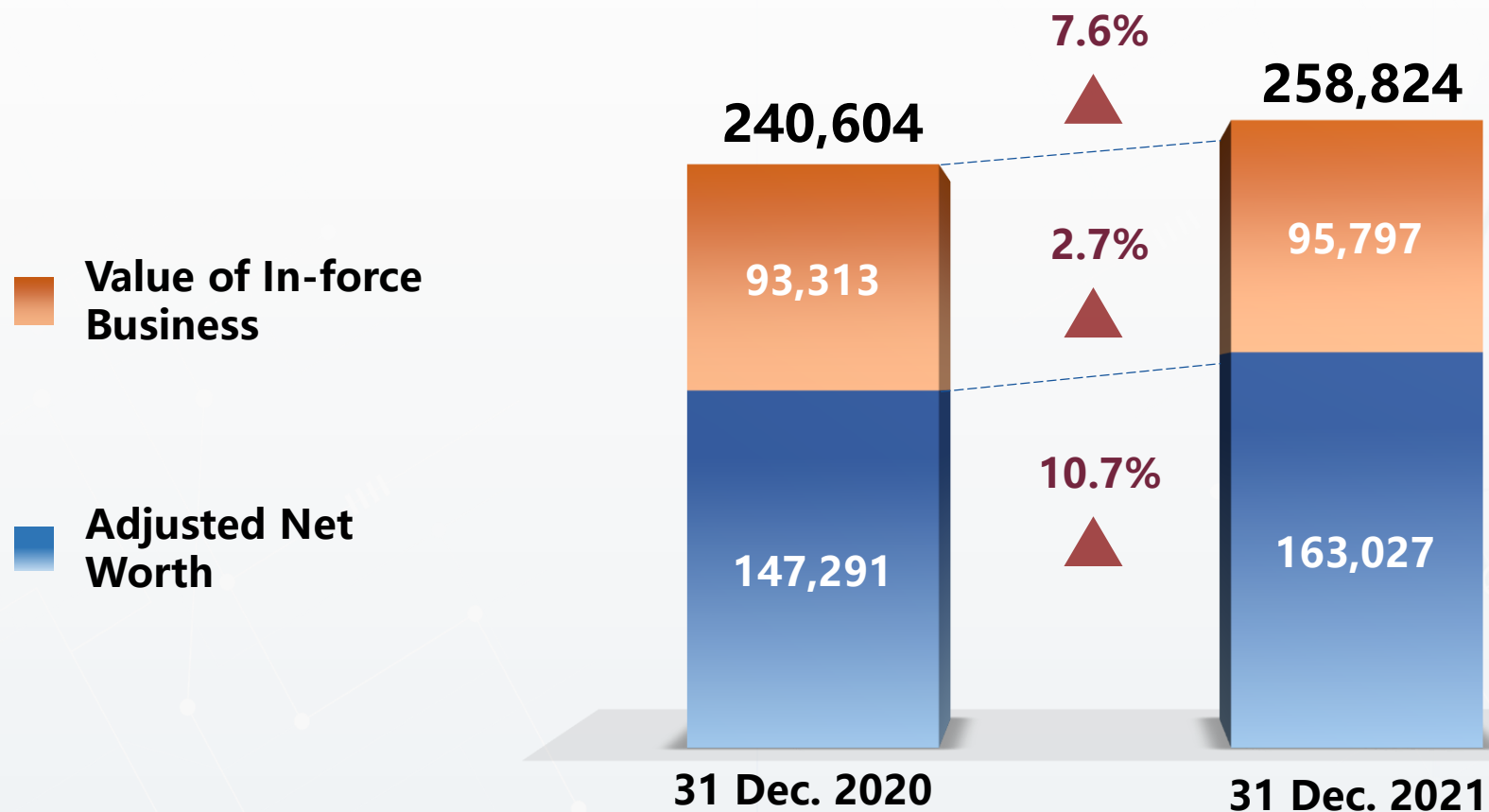
EMBEDDED
VALUE

EMBEDDED VALUE

GONG Xingfeng



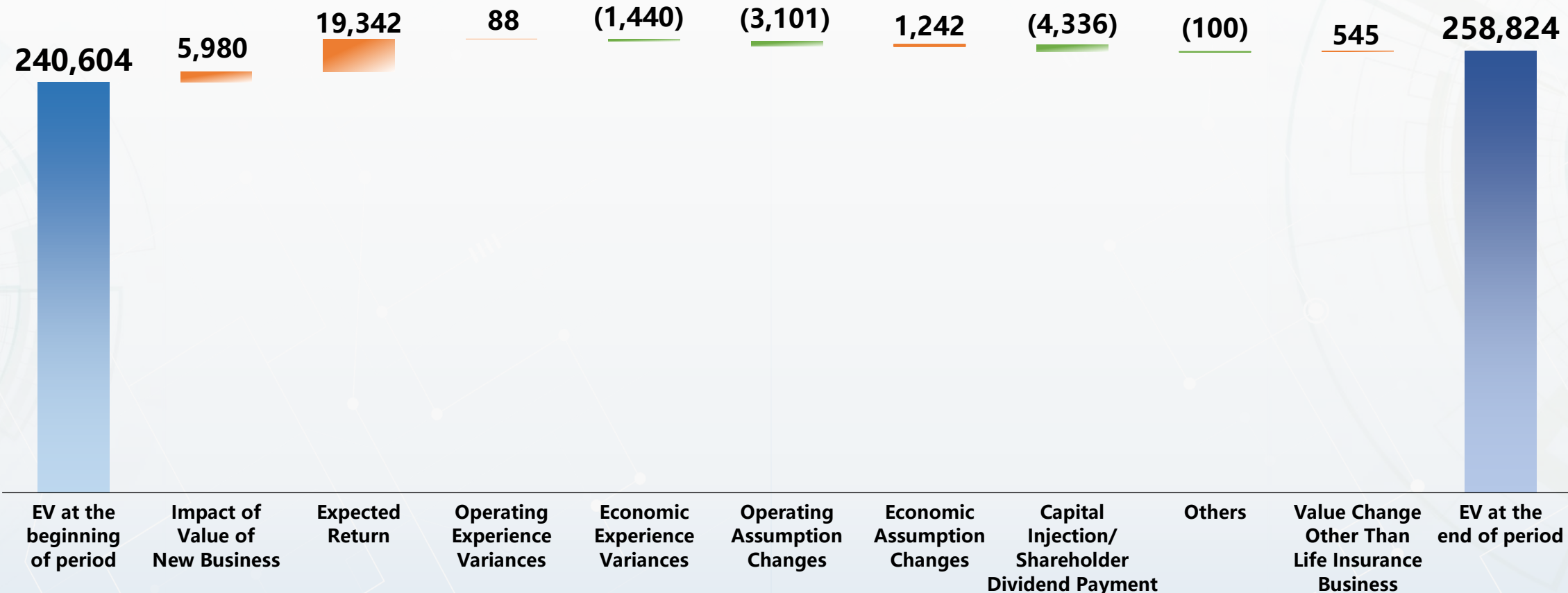
Unit: RMB in millions



Note: Numbers may not be additive due to rounding.

Unit: RMB in millions

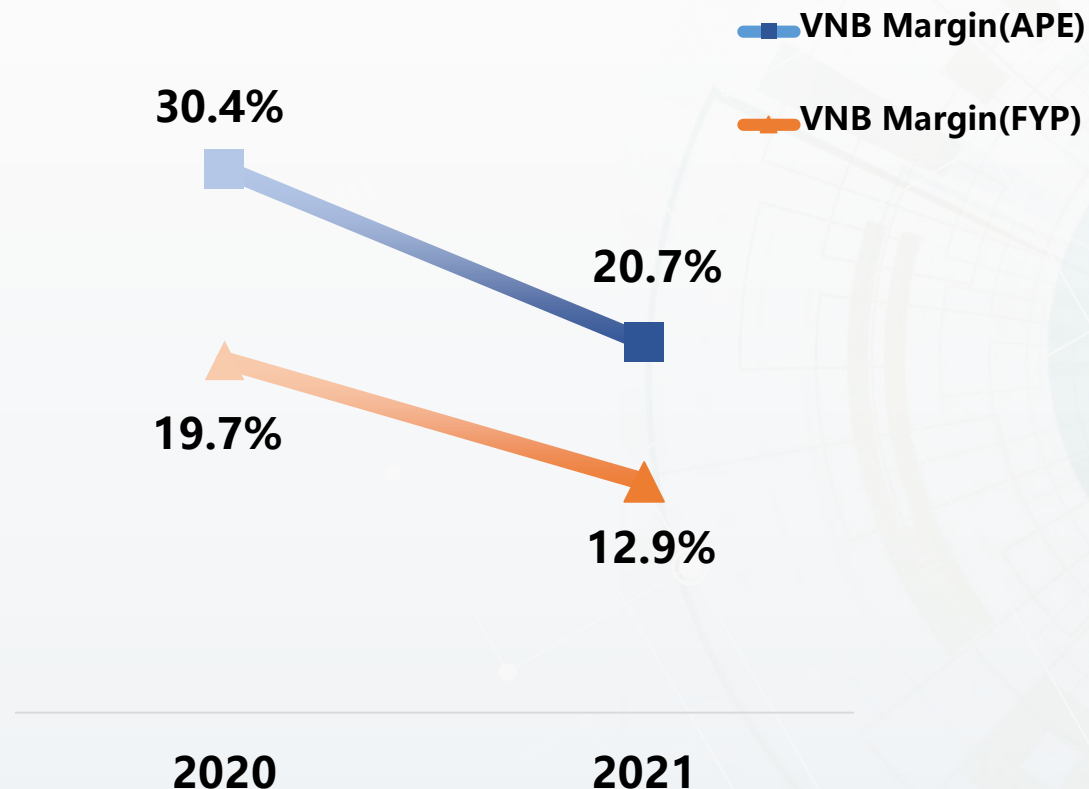
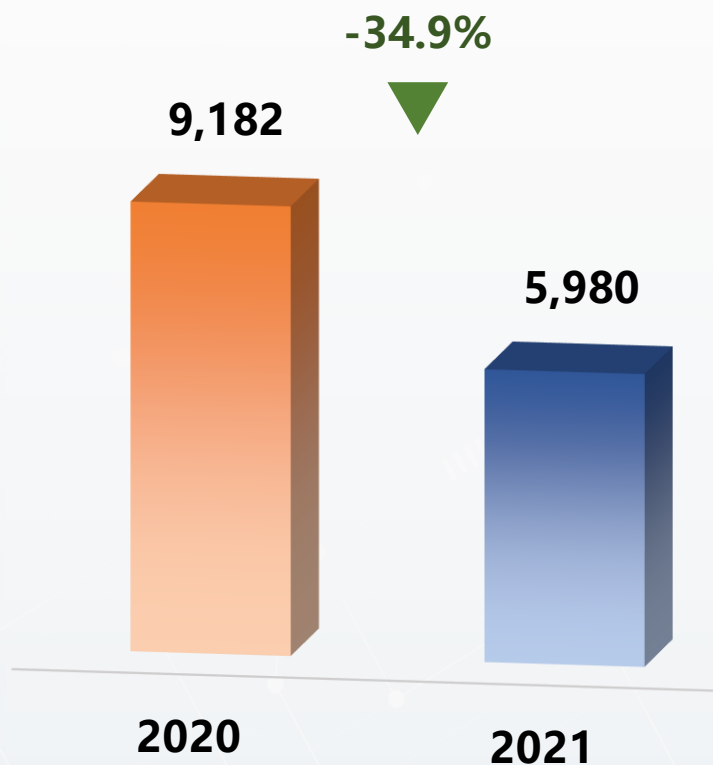
Analysis of change in EV from 31 Dec. 2020 to 31 Dec. 2021



Note: Numbers may not be additive due to rounding.

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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!
