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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 2022

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 information in the Third Quarter Report 2022 of the Company has been prepared in accordance with the PRC Accounting Standards for Business Enterprises and is 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 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 accounting department of the Company guarantee the correctness, accuracy and completeness of financial information of this report.
- The financial statements for the third quarter of 2022 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

Items	<i>Unit: RMB in millions</i>			
	For the three months ended 30 September 2022	Increase/decrease over the corresponding period of last year	For the nine months ended 30 September 2022	Increase/decrease over the corresponding period of last year
Operating revenue	46,383	-10.7%	171,178	-7.0%
Net profit attributable to shareholders of the Company	3	-99.8%	5,190	-56.6%
Net profit attributable to shareholders of the Company after deducting non-recurring items	18	-98.8%	5,198	-56.6%
Net cash flows from operating activities	N/A	N/A	74,309	28.6%
Basic weighted average earnings per share attributable to shareholders of the Company (RMB)	–	-99.8%	1.66	-56.7%
Diluted weighted average earnings per share attributable to shareholders of the Company (RMB)	–	-99.8%	1.66	-56.7%
Weighted average return on equity attributable to shareholders of the Company	–	-1.33pt ⁽¹⁾	4.94%	-6.56pt
	As at 30 September 2022		As at 31 December 2021	Increase/decrease as compared to the end of last year
Total assets	1,195,213		1,127,721	6.0%
Equity attributable to shareholders of the Company	<u>100,054</u>		<u>108,497</u>	<u>-7.8%</u>

Notes:

1. Pt represents percentage point(s) in this report.
2. “–” means the amount is extremely small.

1.2 Non-recurring items and amount

	<i>Unit: RMB in millions</i>	
	For the three months ended 30 September 2022	For the nine months ended 30 September 2022
Non-recurring items		
Gains/(Losses) on disposal of non-current assets	–	(1)
Custody fee from entrusted operation	6	34
Gains/(Losses) on other non-recurring items	(26)	(41)
Less: Effect on the amount of income tax expenses	5	–
Attribute to minority shareholders (after tax)	<u>–</u>	<u>–</u>
Total	<u>(15)</u>	<u>(8)</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

Items	<i>Unit: RMB in millions</i>		
	As at 30 September 2022/For the nine months ended 30 September 2022	As at 31 December 2021/For the nine months ended 30 September 2021	Change
Investment assets ⁽¹⁾	1,145,133	1,082,803	5.8%
Premium income	137,792	136,562	0.9%
Premiums earned	135,533	134,882	0.5%
Growth rate of earned premiums	0.5%	2.6%	-2.1pt
Net claims expense	29,551	33,811	-12.6%
In: Claims and death, invalid and medical benefits	9,853	9,723	1.3%
Maturity benefits and annuity paid	21,849	25,412	-14.0%
Less: Claims recoverable from reinsurers	(2,151)	(1,324)	62.5%
Surrender rate ⁽²⁾	<u>1.5%</u>	<u>1.5%</u>	<u>—</u>

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 for Insurance Companies (II)*. 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>	
	As at 30 September 2022	As at 30 June 2022
Core capital	143,265	152,931
Actual capital	243,440	251,910
Minimum capital	101,121	104,572
Core solvency margin ratio ⁽¹⁾	141.68%	146.25%
Comprehensive solvency margin ratio ⁽¹⁾	240.74%	240.90%

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

Main items	For the nine months ended 30 September		Change	Main reasons for the change
	2022	2021		
Net profit attributable to shareholders of the Company	5,190	11,954	-56.6%	Based on high net profit in the same period of last year, affected by the gloomy capital market, investment return decreased compared to the same period of last year, which resulted in decrease of net profit for the first three quarters of 2022
Net profit attributable to shareholders of the Company after deducting non-recurring items	5,198	11,978	-56.6%	Based on high net profit in the same period of last year, affected by the gloomy capital market, investment return decreased compared to the same period of last year, which resulted in decrease of net profit for the first three quarters of 2022
Basic weighted average earnings per share attributable to shareholders of the Company (RMB)	1.66	3.83	-56.7%	Due to the decrease of net profit attributable to shareholders of the Company compared to the same period of last year
Diluted weighted average earnings per share attributable to shareholders of the Company (RMB)	1.66	3.83	-56.7%	Due to the decrease of net profit attributable to shareholders of the Company compared to the same period of last year
Weighted average return on equity attributable to shareholders of the Company	4.94%	11.50%	-6.56pt	Due to the decrease of net profit attributable to shareholders of the Company compared to the same period of last year

Unit: RMB in millions

Main items	For the three months ended 30 September		Change	Main reasons for the change
	2022	2021		
Net profit attributable to shareholders of the Company	3	1,408	-99.8%	Based on high net profit in the same period of last year, affected by the gloomy capital market, investment return decreased compared to the same period of last year, which resulted in decrease of net profit for the three months ended 30 September 2022
Net profit attributable to shareholders of the Company after deducting non-recurring items	18	1,441	-98.8%	Based on high net profit in the same period of last year, affected by the gloomy capital market, investment return decreased compared to the same period of last year, which resulted in decrease of net profit for the three months ended 30 September 2022
Basic weighted average earnings per share attributable to shareholders of the Company (RMB)	–	0.45	-99.8%	Due to the decrease of net profit attributable to shareholders of the Company compared to the same period of last year
Diluted weighted average earnings per share attributable to shareholders of the Company (RMB)	–	0.45	-99.8%	Due to the decrease of net profit attributable to shareholders of the Company compared to the same period of last year
Weighted average return on equity attributable to shareholders of the Company	–	1.33%	-1.33pt	Due to the decrease of net profit attributable to shareholders of the Company compared to the same period of last year

Note:

1. “–” means the amount is extremely small.

§2 SHAREHOLDER INFORMATION

Unit: Share

Total number of shareholders as at the end of September 2022		107,088 (including 106,804 A Share shareholders and 284 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 ⁽¹⁾	Shares pledged or frozen	
					Status	Number of shares
HKSCC Nominees Limited ⁽²⁾	Overseas legal person shares	1,033,271,297	33.12	–	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 ⁽³⁾	Overseas legal person shares	44,234,364	1.42	–	–	–
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	–	–	–
Guosen Securities Co., Ltd. – Founder Fubon CSI Insurance Theme Index Security Investment Fund	Others	12,615,894	0.40	–	–	–
Dacheng Fund-ABC-Dacheng China Securities Financial Asset Management Plan	Others	8,713,289	0.28	–	–	–
China Asset Management-ABC-China Asset Management Plan of CSI Financial Assets	Others	7,863,699	0.25	–	–	–
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:

- As at the end of the reporting period, none of the Company's A Shares or H Shares was subject to selling restrictions.
- 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.
- 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 2022, the Company achieved gross written premiums of RMB137,792 million, representing a year-on-year increase of 0.9%. As Covid-19 occurred frequently and affected by other factors, traditional business went through difficult transformation and new business growth was under pressure. First year regular premiums from long-term insurance business totaled RMB15,715 million, decreasing by 14.6% over the corresponding period of last year. Premiums from short-term insurance business amounted to RMB3,851 million, dropping by 20.5% over the corresponding period of last year. Renewal premiums reached RMB98,989 million, growing by 2.5% over the corresponding period of last year, a solid contributor to gross written premiums.

<i>Unit: RMB in millions</i>			
	For the nine months ended 30 September		Change
	2022	2021	
Gross written premiums	137,792	136,562	0.9%
First year premiums from long-term insurance business	34,952	35,122	-0.5%
Regular premiums	15,715	18,412	-14.6%
Regular premiums with payment periods of ten years or more	2,275	5,085	-55.3%
Single premiums	19,237	16,710	15.1%
Renewal premiums	98,989	96,596	2.5%
Premiums from short-term insurance business	3,851	4,844	-20.5%

As sales team contracted, individual insurance channel realized total premiums of RMB96,876 million for the first three quarters of 2022, representing a year-on-year decrease of 2.0%. First year regular premiums from long-term insurance business realized RMB9,175 million, reducing by 25.8% year on year. Renewal premiums amounted to RMB85,631 million, rising by 3.0% compared with the same period of last year.

Bancassurance channel achieved total premiums of RMB38,576 million for the first three quarters of 2022, representing a year-on-year increase of 9.3%. First year premiums from long-term insurance business amounted to RMB25,230 million, rising by 15.6% compared with the same period of last year. Renewal premiums amounted to RMB13,330 million, reducing by 0.9% compared with the same period of last year.

Group insurance realized premiums of RMB2,340 million for the first three quarters of 2022, reducing by 3.6% compared with the same period of last year.

Unit: RMB in millions

For the nine months ended 30 September			
	2022	2021	Change
Individual insurance channel			
First year premiums from long-term insurance business	9,664	13,060	-26.0%
Regular premiums	9,175	12,363	-25.8%
Single premiums	489	697	-29.8%
Renewal premiums	85,631	83,134	3.0%
Premiums from short-term insurance business	1,581	2,633	-40.0%
Total	96,876	98,827	-2.0%
Bancassurance channel			
First year premiums from long-term insurance business	25,230	21,822	15.6%
Regular premiums	6,510	6,032	7.9%
Single premiums	18,720	15,790	18.6%
Renewal premiums	13,330	13,451	-0.9%
Premiums from short-term insurance business	16	34	-52.9%
Total	38,576	35,307	9.3%
Group insurance			
First year premiums from long-term insurance business	58	240	-75.8%
Renewal premiums	28	11	154.5%
Premiums from short-term insurance business	2,254	2,177	3.5%
Total	2,340	2,428	-3.6%
Gross written premiums	137,792	136,562	0.9%

3.2 Asset management business

As of the end of September 2022, the investment assets of the Company amounted to RMB1,145,133 million, increasing by 5.8% compared with the end of last year. The annualized total investment yield ⁽¹⁾ was 3.7% for the nine months ended 30 September 2022, reducing by 2.7 percentage points 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 actuarial 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 2022. The changes 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 contracts by RMB2,277 million, an increase in liabilities of long-term health insurance contracts by RMB2,667 million as at 30 September 2022, which in aggregate reduced profit before tax by RMB4,944 million for the first three quarters of 2022.

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) and The Stock Exchange of Hong Kong Limited (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 2022

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, HE Xingda, YANG Xue, HU Aimin, LI Qiqiang 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) 30 September 2022

<i>Unit: RMB in millions</i>				
	As at 30 September 2022 Group	As at 31 December 2021 Group	As at 30 September 2022 Company	As at 31 December 2021 Company
Assets				
Assets				
Cash and bank deposits	12,911	15,476	9,093	13,442
Financial assets measured at fair value through profit or loss	70,141	70,000	37,841	41,671
Derivative financial instruments	3	4	3	4
Financial assets purchased under agreements to resell	11,182	4,112	9,690	2,086
Interest receivables	16,292	12,021	15,272	11,255
Premiums receivables	5,862	2,867	5,862	2,867
Receivables from reinsurers	507	243	507	243
Unearned premium reserves receivables from reinsurers	70	69	70	69
Claim reserves receivable from reinsurers	39	74	39	74
Reserves for life insurance receivables from reinsurers	922	1,595	922	1,595
Reserves for long-term health insurance receivables from reinsurance	2,410	2,000	2,410	2,000
Policy loans	43,004	40,806	43,004	40,806
Other receivables	2,757	3,864	1,983	3,455
Term deposits	198,647	168,540	183,727	147,580
Available-for-sale financial assets	388,311	403,427	386,460	401,381
Held-to-maturity investments	346,853	301,102	346,621	300,830
Investments classified as loans and receivables	49,896	59,895	44,754	54,523
Long-term equity investments	5,869	5,452	60,834	65,152
Statutory deposits	1,715	1,715	715	715
Investment properties	9,200	9,427	9,224	9,453
Fixed assets	16,125	15,322	11,035	10,950
Constructions in process	2,004	2,649	1,603	1,547
Right-of-use assets	1,052	1,200	1,015	1,154
Intangible assets	3,795	3,792	1,917	1,871
Deferred tax assets	4,140	196	3,791	–
Other assets	1,304	1,637	1,051	1,321
Separate account assets	202	236	202	236
Total assets	1,195,213	1,127,721	1,179,645	1,116,280

1. Statement of Financial Position (unaudited) (continued)
30 September 2022

Unit: RMB in millions

	As at 30 September 2022 Group	As at 31 December 2021 Group	As at 30 September 2022 Company	As at 31 December 2021 Company
Liabilities and Equity				
Liabilities				
Financial liabilities measured at fair value through profit or loss	9,018	2,612	–	–
Financial assets sold under agreements to repurchase	31,344	55,415	28,653	52,906
Premiums received in advance	250	5,095	250	5,095
Brokerage and commission payable	1,965	2,081	1,965	2,081
Reinsurance payable	655	504	655	504
Salary and welfare payable	4,018	4,386	3,444	3,656
Taxes payable	153	171	82	71
Claims payable	5,813	5,971	5,813	5,971
Policyholder dividends payable	16	9	16	9
Other payable	10,618	7,596	10,611	7,206
Policyholder deposits	66,955	57,691	66,955	57,691
Unearned premiums liabilities	1,719	1,585	1,719	1,585
Outstanding claims liabilities	2,518	2,184	2,518	2,184
Reserves for life insurance	767,110	707,345	767,110	707,345
Reserves for long-term health insurance	180,367	152,581	180,367	152,581
Borrowings	10,000	10,000	10,000	10,000
Lease liabilities	903	1,040	865	993
Deferred income	480	490	–	–
Deferred tax liabilities	58	1,118	–	603
Other liabilities	981	1,109	327	381
Separate account liabilities	199	224	199	224
Total liabilities	1,095,140	1,019,207	1,081,549	1,011,086

1. Statement of Financial Position (unaudited) (continued)
30 September 2022

Unit: RMB in millions

	As at 30 September 2022 Group	As at 31 December 2021 Group	As at 30 September 2022 Company	As at 31 December 2021 Company
Liabilities and Equity				
Shareholders' equity				
Share capital	3,120	3,120	3,120	3,120
Capital reserve	24,004	23,905	24,002	23,903
Other comprehensive income	(1,775)	7,465	(1,856)	7,410
Surplus reserve	14,255	12,815	14,255	12,815
General reserve	8,861	8,861	8,829	8,829
Retained earnings	51,589	52,331	49,746	49,117
Total equity attributable to shareholders of the company	100,054	108,497	98,096	105,194
Non-controlling interests	19	17	—	—
Total shareholders' equity	100,073	108,514	98,096	105,194
Total liabilities and shareholders' equity	1,195,213	1,127,721	1,179,645	1,116,280

LI Quan
Chief Executive Officer

YANG Zheng
Chief Financial Officer

GONG Xingfeng
Chief Actuary

ZHANG Tao
*Head of Accounting
Department*

2. Statement of Income (unaudited)
For the nine months ended 30 September 2022

Unit: RMB in millions

	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2021 Group	For the nine months ended 30 September 2022 Company	For the nine months ended 30 September 2021 Company
1. Operating Income	171,178	183,988	172,690	183,723
Premiums earned	135,533	134,882	135,533	134,882
Premium income	137,792	136,562	137,792	136,562
Less: Premiums ceded out	(2,126)	(1,851)	(2,126)	(1,851)
Net change in unearned premiums liabilities	(133)	171	(133)	171
Investment income	35,762	48,723	36,504	48,382
In: Share of profit of associates	155	210	147	171
Fair value gains/(losses)	(1,658)	(534)	(419)	1
Foreign exchange gains/(losses)	580	(21)	580	(21)
Other gains	78	70	36	33
Other operating income	883	868	456	446
2. Operating expenses	(167,733)	(170,858)	(167,471)	(170,512)
Surrenders	(14,452)	(13,112)	(14,452)	(13,112)
Claims expense	(31,702)	(35,135)	(31,702)	(35,135)
Less: claims recoverable from reinsurers	2,151	1,324	2,151	1,324
Increase in insurance contracts reserve	(98,056)	(97,479)	(98,056)	(97,479)
Less: insurance reserves recoverable from reinsurers	(298)	274	(298)	274
Policyholder dividends	(1,386)	(985)	(1,386)	(985)
Business tax and surcharges expenses	(181)	(242)	(143)	(218)
Commission and brokerage expenses	(8,503)	(12,051)	(8,503)	(12,051)
Administrative expenses	(8,570)	(9,149)	(8,409)	(8,998)
Less: expenses recoverable from reinsurers	132	269	132	269
Other operating expenses	(3,083)	(2,619)	(3,020)	(2,473)
Impairment losses	(3,785)	(1,953)	(3,785)	(1,928)

2. Statement of Income (unaudited) (continued)
For the nine months ended 30 September 2022

Unit: RMB in millions

	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2021 Group	For the nine months ended 30 September 2022 Company	For the nine months ended 30 September 2021 Company
3. Operating profit	3,445	13,130	5,219	13,211
Add: Non-operating income	28	40	20	8
Less: Non-operating expenses	<u>(70)</u>	<u>(109)</u>	<u>(70)</u>	<u>(108)</u>
4. Net profit before income tax expenses	3,403	13,061	5,169	13,111
Less: Income tax expenses	<u>1,789</u>	<u>(1,104)</u>	<u>1,392</u>	<u>(1,102)</u>
5. Net profit	<u>5,192</u>	<u>11,957</u>	<u>6,561</u>	<u>12,009</u>
(1) Classification of net profit:				
Net profit from continuing operation	5,192	11,957	6,561	12,009
Net profit from discontinued operation	–	–	–	–
(2) Attributable to:				
Shareholders of the Company	5,190	11,954		
Non-controlling interests	<u>2</u>	<u>3</u>		

2. Statement of Income (unaudited) (continued)
For the nine months ended 30 September 2022

Unit: RMB in millions

	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2021 Group	For the nine months ended 30 September 2022 Company	For the nine months ended 30 September 2021 Company
6. Other Comprehensive income, net of tax	(9,240)	(4,533)	(9,266)	(4,545)
Total other comprehensive income attribute to shareholders of the company, net of tax	(9,240)	(4,533)	(9,266)	(4,545)
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(9,240)	(4,533)	(9,266)	(4,545)
Changes in fair value of available-for-sale financial assets	(25,529)	4,636	(25,498)	4,609
Less: (Gains)/losses transferred to profit or loss from other comprehensive income	3,392	(15,318)	3,393	(15,314)
Changes in liabilities for insurance and investment contracts arising from net unrealized gains	10,224	4,513	10,224	4,513
Share of other comprehensive income of associates and joint ventures under the equity method and the effect on liabilities for insurance and investment contracts	(474)	132	(474)	132
Currency translation differences	36	(8)	–	–
Income tax relating to components of other comprehensive income	3,111	1,512	3,089	1,515
Total other comprehensive income attribute to non-controlling interests, net of tax	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
7. Total Comprehensive income	<u>(4,048)</u>	<u>7,424</u>	<u>(2,705)</u>	<u>7,464</u>
Attributable to shareholders of the Company	(4,050)	7,421		
Attributable to non-controlling interests	2	3		
8. Earnings per share				
Basic earnings per share	RMB1.66	RMB3.83		
Diluted earnings per share	RMB1.66	RMB3.83		

LI Quan
Chief Executive Officer

YANG Zheng
Chief Financial Officer

GONG Xingfeng
Chief Actuary

ZHANG Tao
*Head of Accounting
Department*

3. Statement of Cash Flows (unaudited)
For the nine months ended 30 September 2022

	<i>Unit: RMB in millions</i>			
	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2021 Group	For the nine months ended 30 September 2022 Company	For the nine months ended 30 September 2021 Company
1. Cash flows from operating activities				
Premium received	130,056	126,658	130,056	126,658
Net cash received from reinsurance business	42	–	42	–
Net increase in policyholder deposits	8,214	3,857	8,214	3,857
Cash received from other operating activities	1,571	1,058	976	580
Sub-total of cash inflows from operating activities	139,883	131,573	139,288	131,095
Cash paid for claims	(46,310)	(48,539)	(46,310)	(48,539)
Net cash paid for reinsurance business	–	(272)	–	(272)
Cash paid for policyholder dividends	(1,379)	(981)	(1,379)	(981)
Cash paid for brokerage and commission fees	(8,620)	(11,903)	(8,620)	(11,903)
Cash paid to and for employees	(6,401)	(7,089)	(5,799)	(6,489)
Cash paid for taxes and surcharges	(487)	(3,126)	(284)	(2,893)
Cash paid for other operating activities	(2,377)	(1,865)	(2,186)	(1,836)
Sub-total of cash outflows from operating activities	(65,574)	(73,775)	(64,578)	(72,913)
Net cash flows from operating activities	74,309	57,798	74,710	58,182

3. Statement of Cash Flows (unaudited) (continued)
For the nine months ended 30 September 2022

	<i>Unit: RMB in millions</i>			
	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2021 Group	For the nine months ended 30 September 2022 Company	For the nine months ended 30 September 2021 Company
2. Cash flows from investing activities				
Cash received from disinvestments	306,726	297,919	316,153	289,932
Cash received from investment income	28,120	25,278	28,273	25,294
Net cash received from sales of fixed assets, intangible assets and other long-term assets	3	5	2	5
Net cash received from acquisition of subsidiaries and structured entities	45	956	–	–
Net cash received from the disposal of subsidiaries and structured entities	7,815	3,721	–	–
Sub-total of cash inflows from investing activities	342,709	327,879	344,428	315,231
Cash paid for investment	(391,469)	(378,876)	(384,747)	(339,969)
Net increase in policy loans	(2,198)	(2,070)	(2,198)	(2,070)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(1,386)	(1,515)	(1,050)	(1,007)
Net cash paid for financial assets purchased under agreements to resell	(7,699)	(4,105)	(7,515)	(3,524)
Cash paid for other investing activities	(450)	(306)	(841)	(808)
Sub-total of cash outflows from investing activities	(403,202)	(386,872)	(396,351)	(347,378)
Net cash flows from investing activities	(60,493)	(58,993)	(51,923)	(32,147)

3. Statement of Cash Flows (unaudited) (continued)
For the nine months ended 30 September 2022

Unit: RMB in millions

	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2021 Group	For the nine months ended 30 September 2022 Company	For the nine months ended 30 September 2021 Company
3. Cash flows from financing activities				
Cash received from investors	20,577	42,019	–	–
In: Capital injected into subsidiaries and structured entities by non-controlling interests	20,577	42,019	–	–
Cash received from other financing activities	5,530	2,770	6,000	3,000
Sub-total of cash inflows from financing activities	26,107	44,789	6,000	3,000
Cash paid for dividends, profits and interests	(5,062)	(4,859)	(5,045)	(4,666)
In: Dividends, profits paid to non-controlling interests by subsidiaries and structured entities	(239)	(193)	–	–
Net cash paid for financial assets sold under agreements to repurchase	(24,900)	(22,946)	(25,211)	(23,809)
Cash paid for principal and interest of lease liabilities	(426)	(442)	(394)	(427)
Cash paid for other financing activities	(14,035)	(14,858)	(3,000)	–
Sub-total of cash outflows from financing activities	(44,423)	(43,105)	(33,650)	(28,902)
Net cash flows from financing activities	(18,316)	1,684	(27,650)	(25,902)
4. Effect of foreign exchange rate changes	512	(15)	513	(13)
5. Net increase/(decrease) in cash and cash equivalents	(3,988)	474	(4,350)	120
Add: Opening balance of cash and cash equivalents	15,459	12,993	13,458	11,233
6. Closing balance of cash and cash equivalents	11,471	13,467	9,108	11,353

LI Quan
Chief Executive Officer

YANG Zheng
Chief Financial Officer

GONG Xingfeng
Chief Actuary

ZHANG Tao
*Head of Accounting
Department*