

# NEW CHINA LIFE

## 2023 Annual Results Announcement

28 March 2024  
Beijing, China



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## CONTENTS

 **Reform & Development**

 **Value Growth**

 **Future Prospect**



NCI initiated professional and market-oriented reform, and explored models of high-quality development on the path of financial development with Chinese characteristics.

## ✓ Define Development Position

- Clarified positioning as a financial service group with life insurance at its core
- Defined development goals and approaches of main businesses
- Built wealth management system and explored innovative development model
- Promoted old-age care and healthcare business, realized one-stop financial product supply

## ✓ Improve Systems and Mechanisms

- Improved organizational structure, built market-oriented mechanism
- Strengthened expense management, elevated meticulous management level
- Placed greater emphasis on systematic operations, optimized resource allocation
- Strengthened risk-control and compliance, ensured no major risk arise

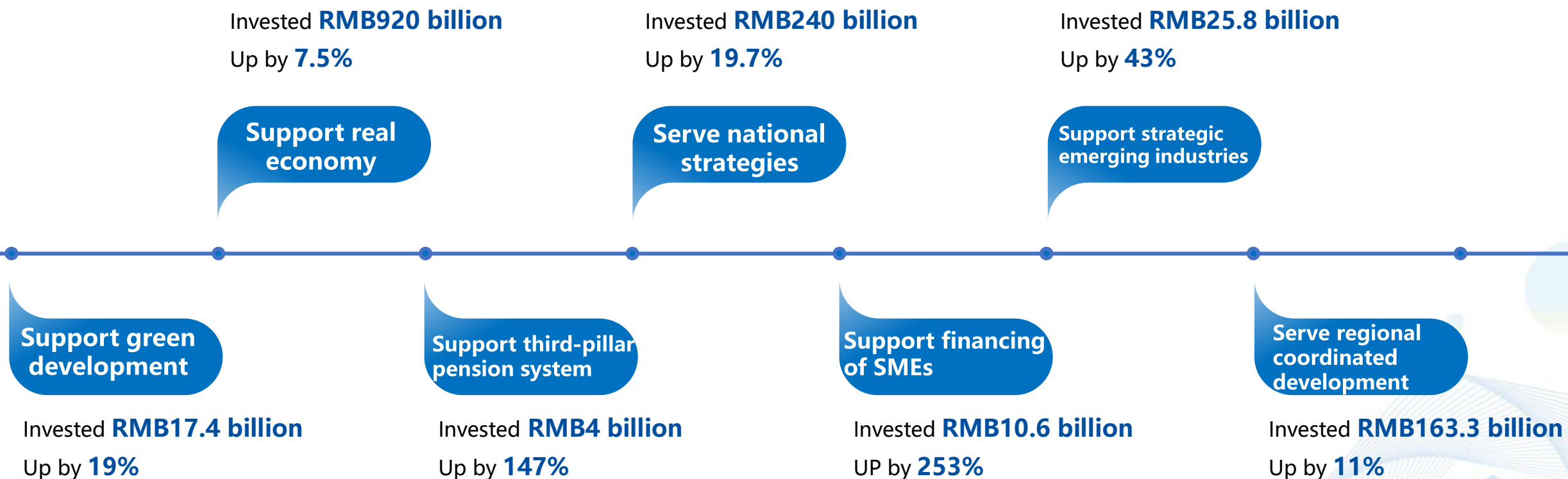
## ✓ Upgrade Management System

- Improved marketing system, clarified high-performance orientation
- Improved product system and product mechanism
- Upgraded service system, improved service capacity
- Optimized support system, enhanced coordination and support

## ✓ Optimize Development Layout

- Prioritized developed markets, consolidated competitive regions
- Built strong local offices, initiated regional development layout
- Improved supporting policies, adopted differentiated operation
- Enhanced implementation, improved the closed-loop mechanism featuring supervision, assessment, etc.

NCI actively served national development strategies with focus on five major areas: technology finance, green finance, inclusive finance, pension finance and digital finance.



NCI supported rural revitalization and built a unique public welfare model of “insurance products + public welfare platforms + volunteer services” to fulfill social responsibilities.



## Rural Revitalization

- Assistance funds **RMB20.66 million**
- **20** assistance projects in Shibing County, Guizhou Province and Ulanqab, Inner Mongolia



## Charitable Donations

- Charitable donations exceeded **RMB16.45 million**
- Donated supplies worth **RMB1.1 million**
- Donated **RMB1 million** to earthquake-stricken areas in Qinghai and Gansu



## Public Welfare Projects

- Donated total sum assured **RMB505.4 billion** to sanitation workers with a compensation amount of **RMB34.74 million**
- Carried out public welfare project “NCI Accompanies You” in first-aid capacity building

Staying committed to “people-oriented” finance, NCI proactively fulfilled insurance responsibilities, and provided comprehensive products and service for 31.986 million individual and 83,000 institutional customers.

## Science

Technology empowerment



- Smart customer service cluster served **22.52 million** visitors
- Zhangshang NCI and Official WeChat served **11.4 million** users
- 53 million** platform visits

## Products

Improve product supply



- 107** health insurance
- 8** annuity
- 20** life insurance
- 34** accident insurance

## Claim Settlement

“Fast claims & excellent services”



- 4.4 million** cases
- RMB15.9 billion** compensation
- Average settlement time: **0.67 day**
- Online settlement ratio: **96.99%**

## Service

Upgrade service capacity



- 1,500+** counters
- 630+** elderly stations
- Benefited **100,000+** customers



## Moody' s Ratings

Insurer Financial Strength (IFS)  
Rating at **"A2"**  
Basic Credit Assessment (BCA)  
Rating at **"A3"**



## Fitch Ratings

Insurer Financial Strength (IFS)  
Rating at **"A" (Strong)**



## Fortune

Ranking **478** in Fortune 500



## Forbes

Ranking **497** in World' s Top  
2000 Public Companies



## Financial News

**Best Claim Service** Life  
Insurance Company in 2023



## Brand Finance

Ranking **33** in the World' s 100  
Most Valuable Insurance Brands





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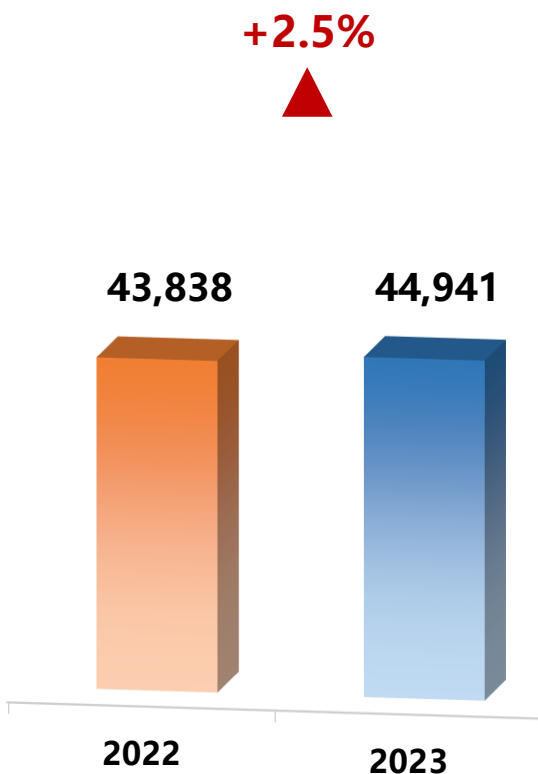
- ① **Reform & Development**
- ② **Value Growth**
- ③ **Future Prospect**



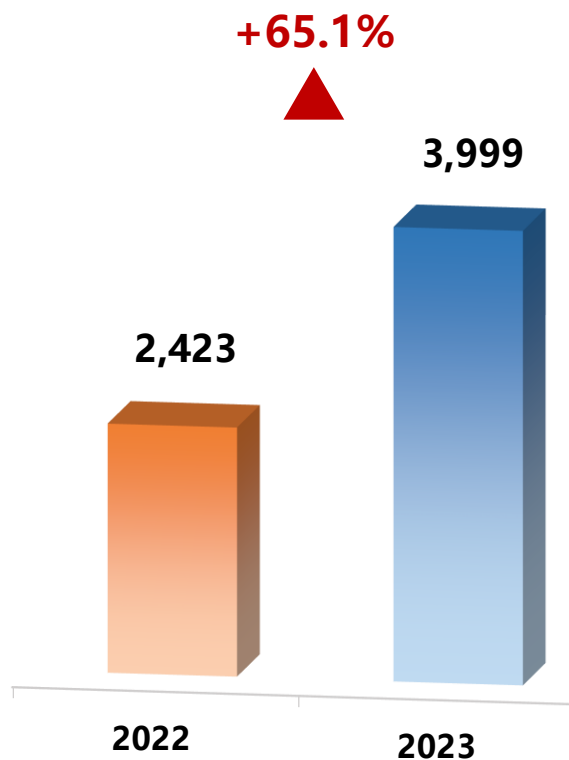
# Value Growth | NBV Grew Greatly

Unit: RMB in millions

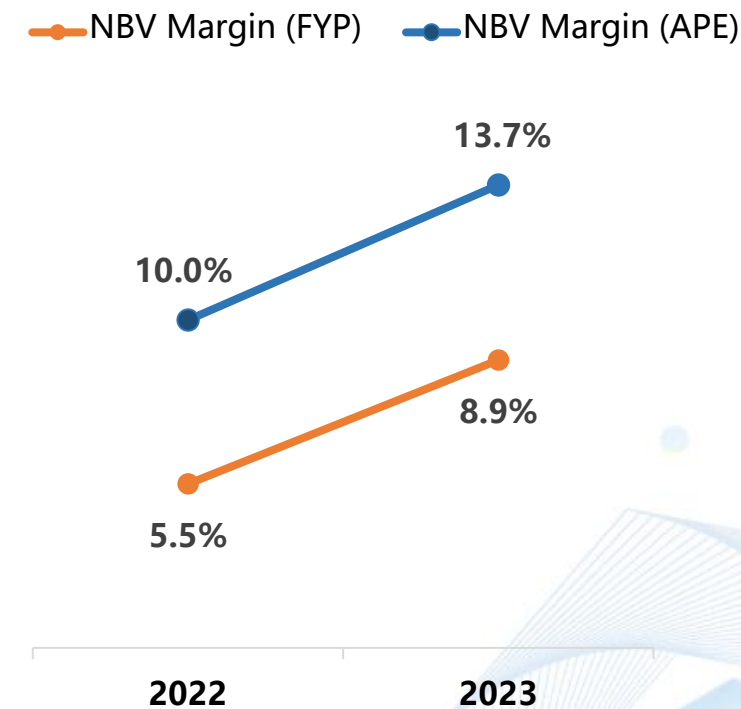
## FYP Used to Calculate NBV



## NBV (like-for-like basis)



## NBV Margin (like-for-like basis)



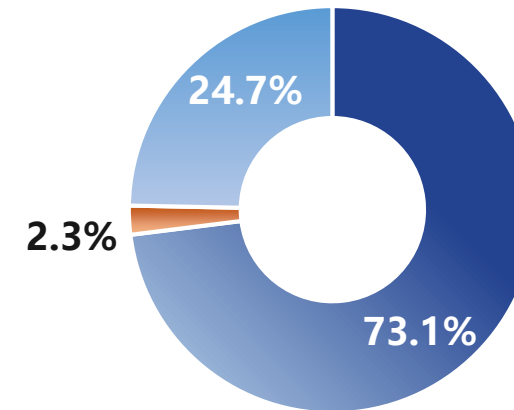
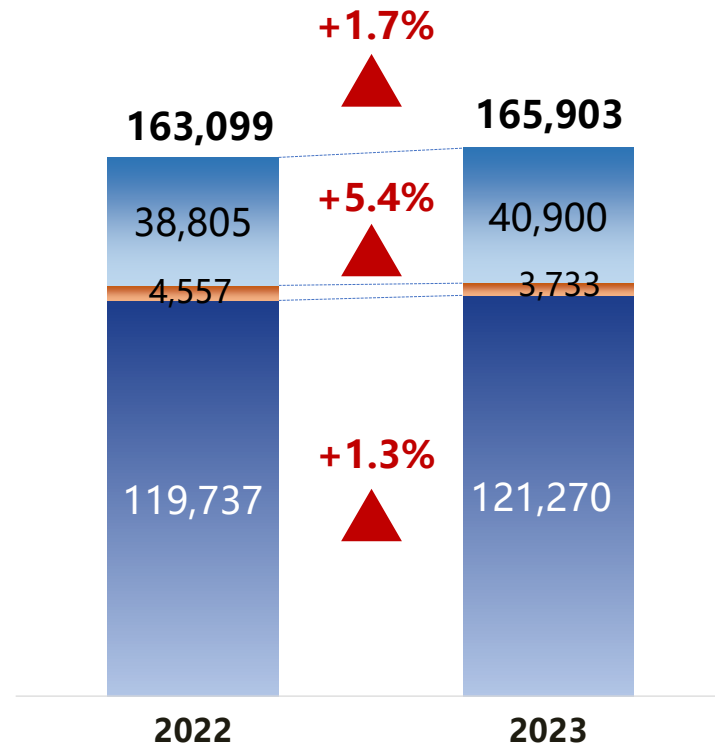
Notes:

1. The Company prudently lowered the non-unit-linked insurance funds investment return assumption to 4.5% and the risk discount rate to 9.0% for the evaluation of embedded value. The Company's NBV in 2023 was RMB3,024 million. If using the non-unit-linked insurance funds investment return assumption of 5.0% and risk discount rate of 11.0%, NBV would be RMB3,999 million, up by 65.1% year on year on a like-for-like basis.
2. APE= 100% \* first year regular premiums+10% \* first year single premiums +100% \* premiums from short-term insurance business; FYP= 100% \* first year regular premiums+100% \* first year single premiums +100% \* premiums from short-term insurance business.
3. Numbers may not be additive due to rounding.

# Value Growth | Premiums Increased Steadily

Core business grew stably. Renewal premiums remained a solid contributor.

Unit: RMB in millions



FYP from long-term insurance business

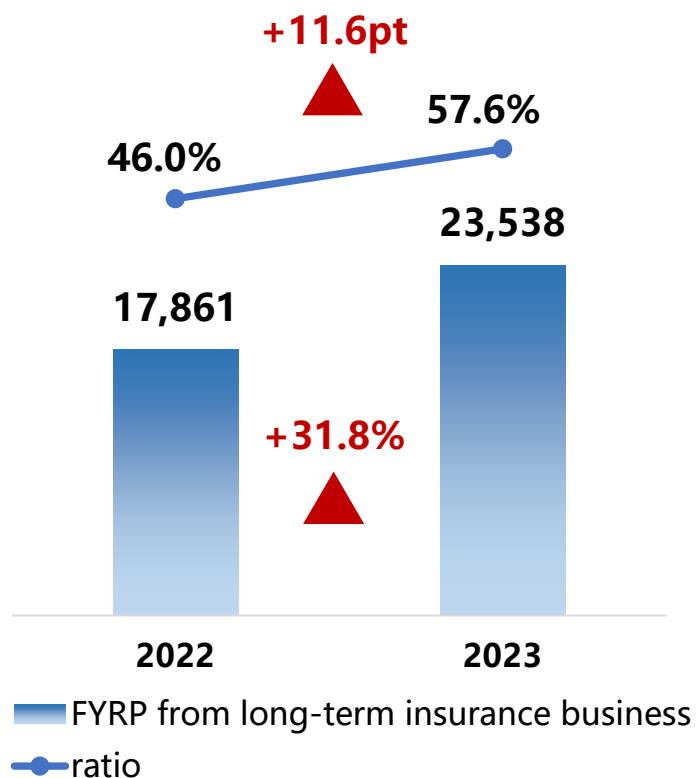
Premiums from short-term insurance business

Renewal premiums

Note: Numbers may not be additive due to rounding.

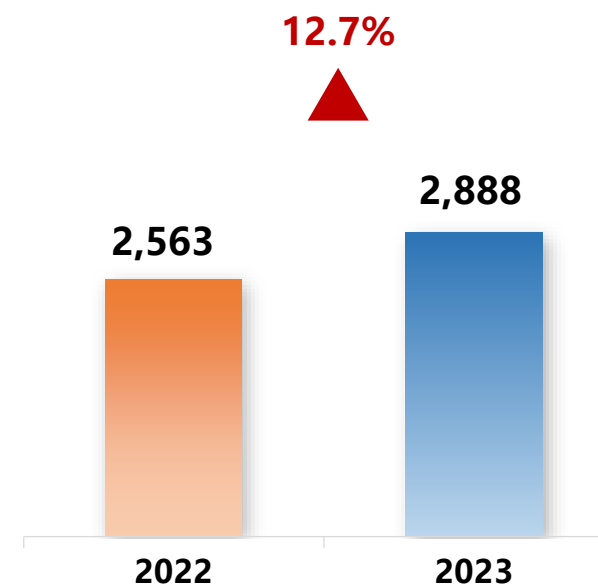
Unit: RMB in millions

## FYRP to FYP Ratio Increased



Note: Numbers may not be additive due to rounding.

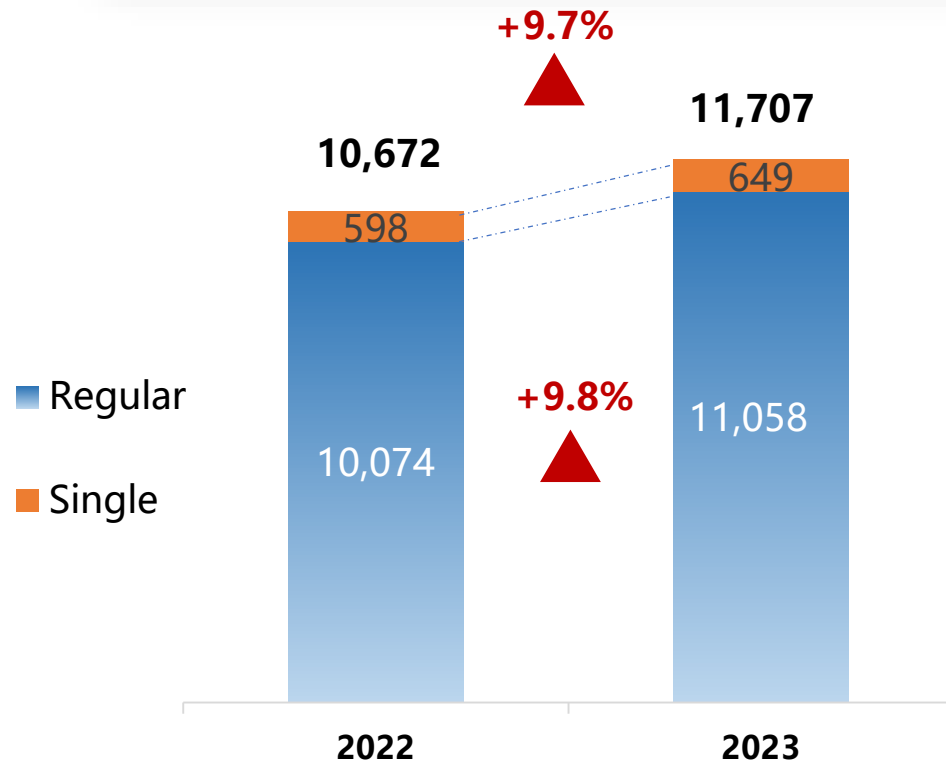
## Regular Premiums with Payment Periods of 10-year or More Grew



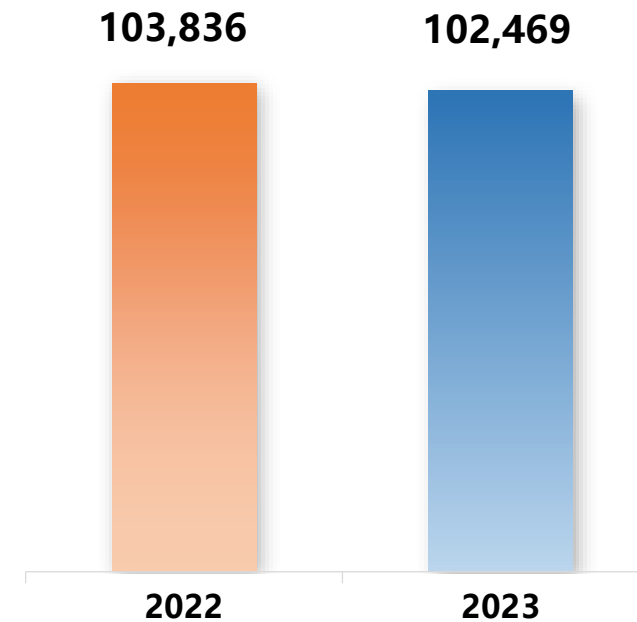
# Value Growth | Core Business of Individual Insurance Grew Steadily

Unit: RMB in millions

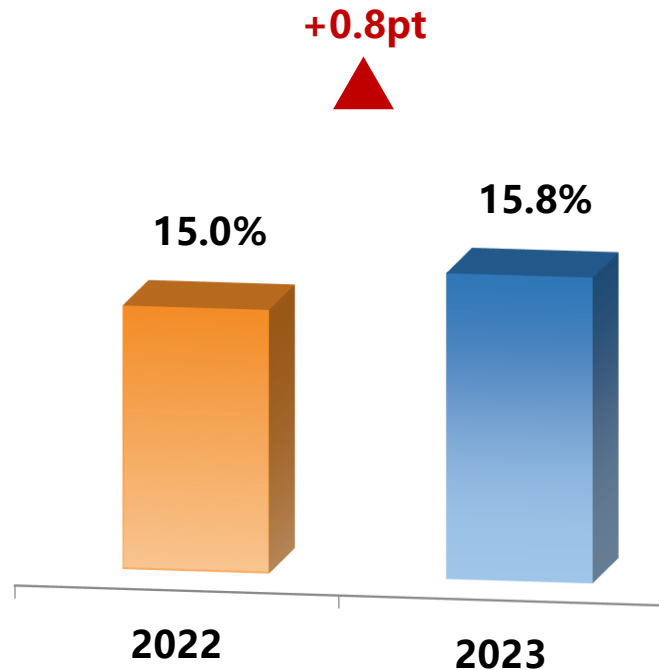
## FYP from Long-term Insurance Business



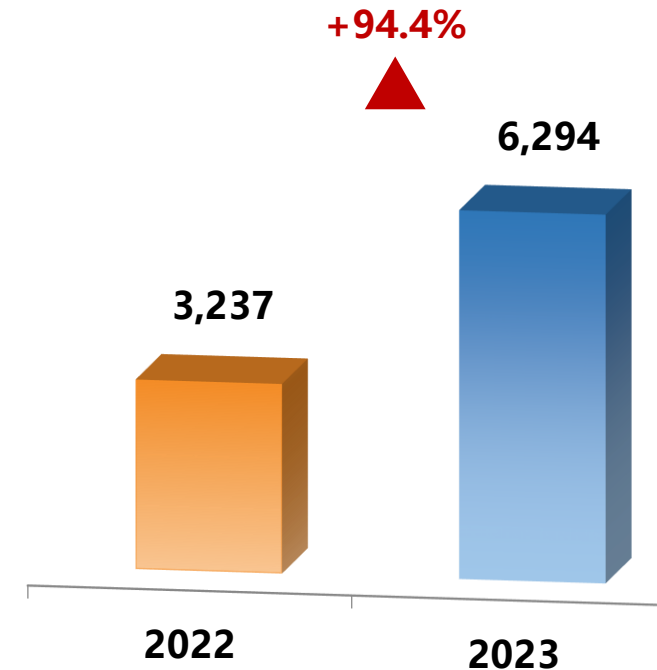
## Renewal Premiums



## Monthly Average Qualified Rate

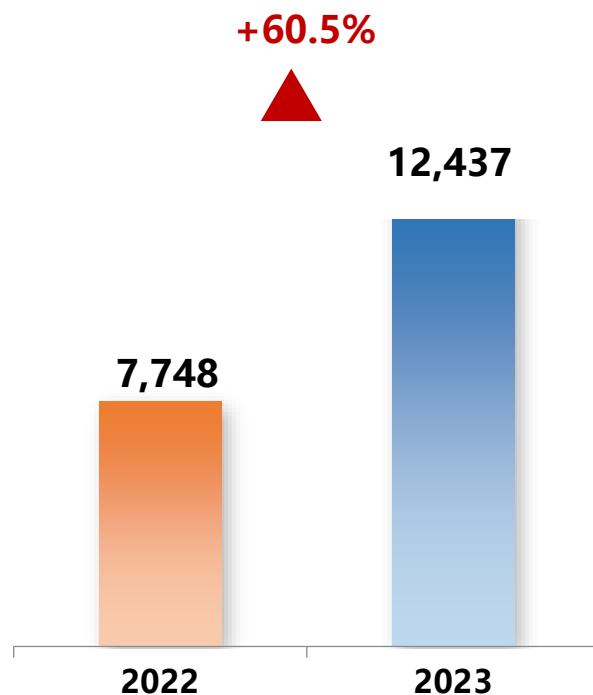


## Monthly Average Comprehensive Productivity Per Capita (RMB)

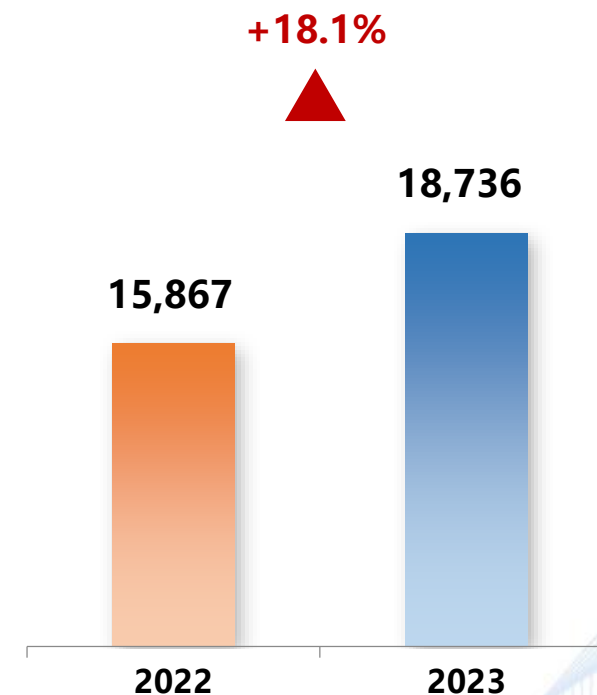


Unit: RMB in millions

### FYRP from Long-term Insurance Business



### Renewal Premiums





## Optimize Channel Layout

Stabilize cooperation, strengthen key breakthroughs and achieve rapid growth in important bank partners.



## Focus on Regular Premium Business

Optimize product supply, increase regular premium business share, and increase bancassurance channel value.



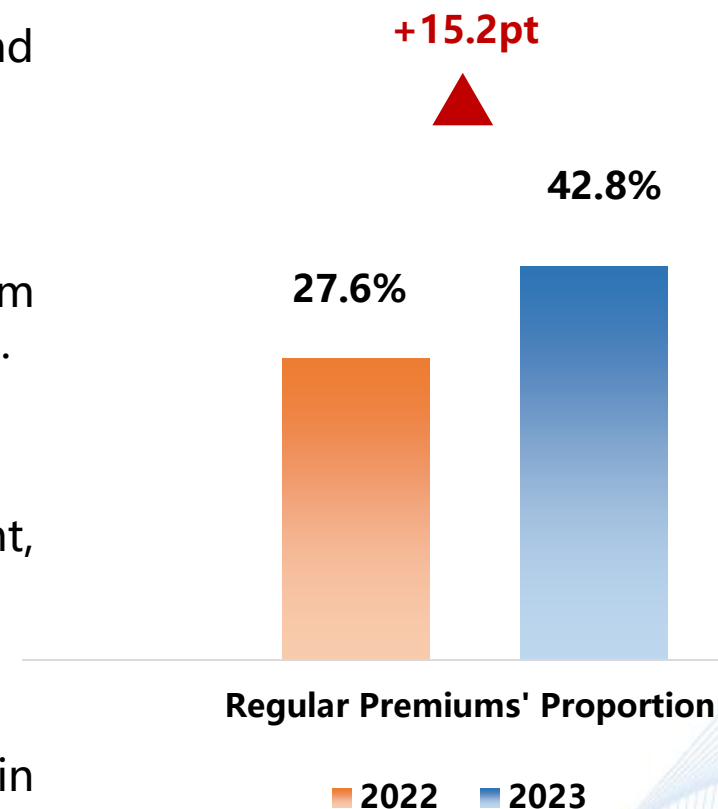
## Enhance Team Building

Strengthen capability improvement and empowerment, and significantly improve team productivity.



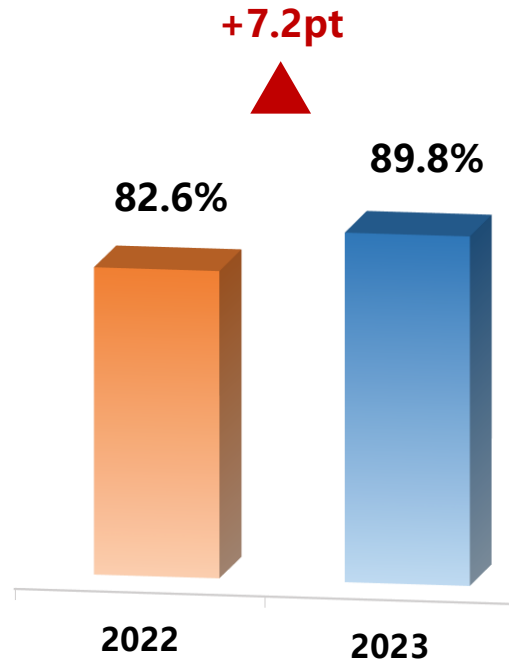
## Improve Customer Operation

Business development of high net worth customers in progress, insurance trust service in execution.

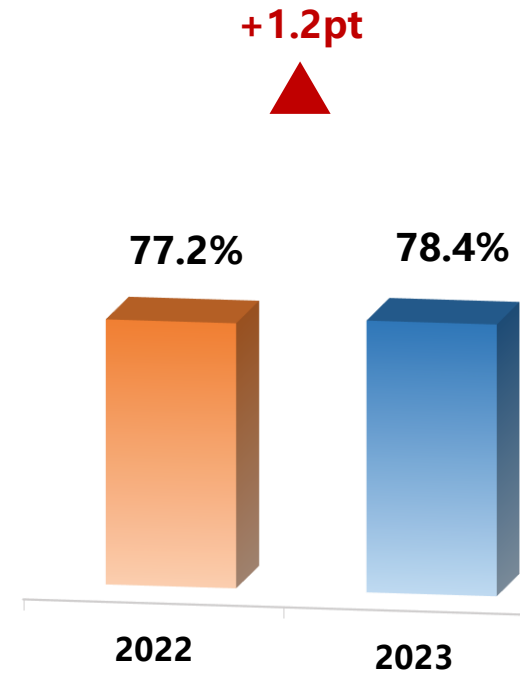




## 13-month Persistency Ratio

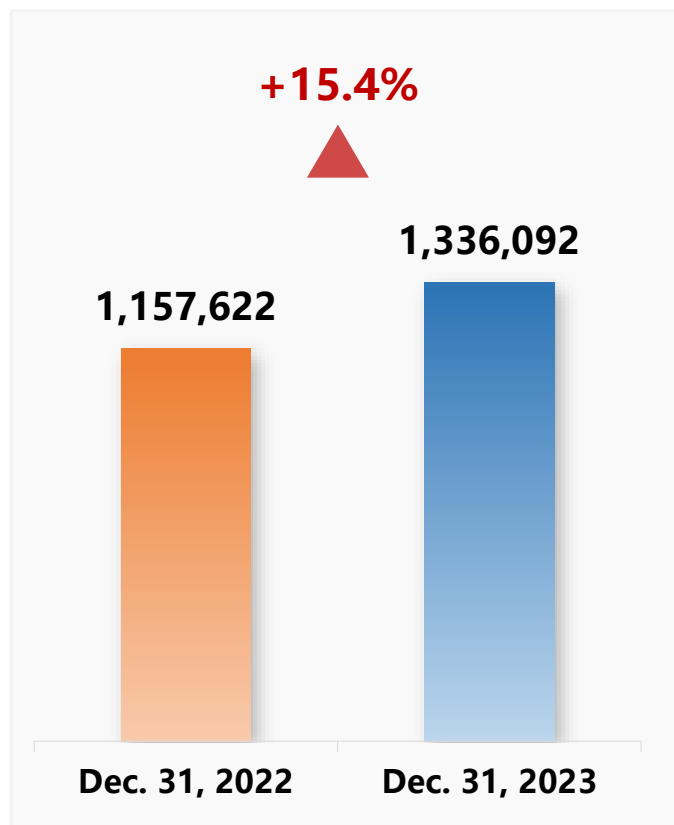


## 25-month Persistency Ratio



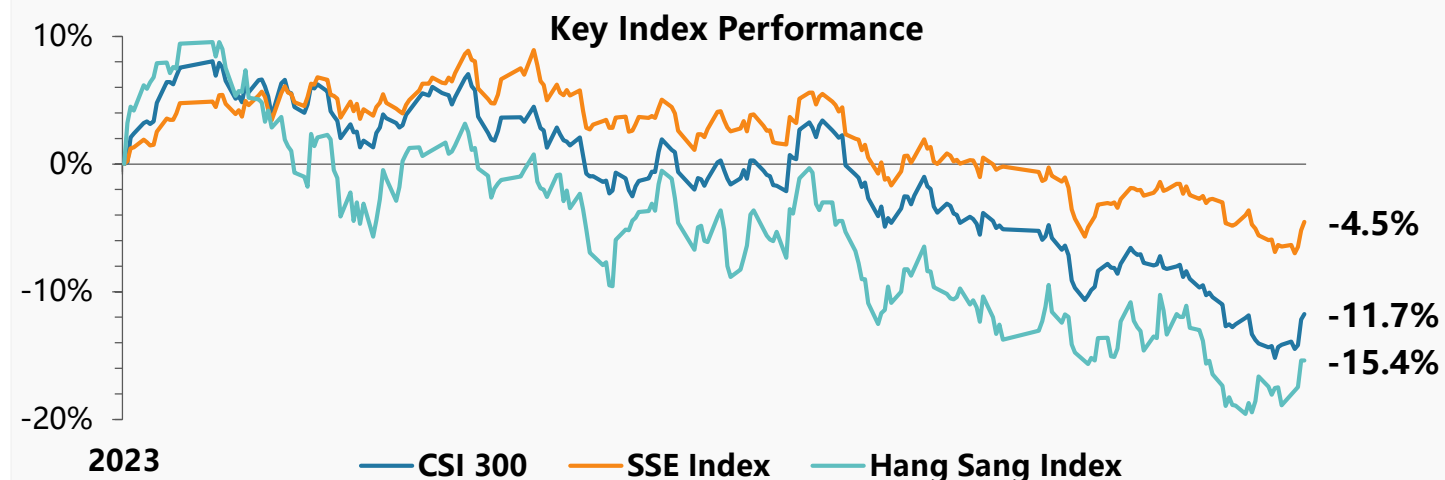
Unit: RMB in millions

## Investment Assets



## Investment Yield




 Total Investment Yield **1.8%**
 Net Investment Yield **3.4%**

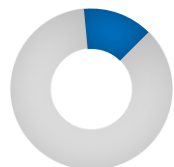


Type	As at Dec. 31 2023 Proportion	As at Dec. 31 2022 Proportion
<b>Investment assets</b>	<b>100%</b>	<b>100%</b>
<b>Cash and cash equivalents</b>	1.7%	1.5%
<b>Term deposits</b>	19.2%	19.7%
<b>Financial investments</b>		
Bonds	50.4%	41.6%
Trust products	3.1%	6.1%
Debt investment plans	2.9%	4.0%
Stocks	7.9%	7.1%
Funds	6.3%	7.5%
Other financial investments	7.6%	9.8%
<b>Investments in associates and joint ventures</b>	0.4%	0.5%
<b>Other investment assets</b>	0.5%	2.2%

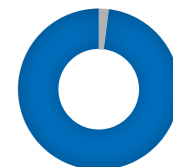
Note: Numbers may not be additive due to rounding.

## Controllable Credit Risk

- Implement a strict internal credit and credit rating system for counterparties
 
- Monitor credit risk of investment portfolios and strengthen the penetrating risk management
 
- Improve the "Negative List" management mechanism and the risk asset classification management system
 



Non-standard assets accounted for  
**11.7%** of the total investment assets  
Decreasing by **6.7pt**



Existing non-standard assets<sup>1</sup> with  
AAA ratings accounted for **98.6%**  
The overall credit risk was limited

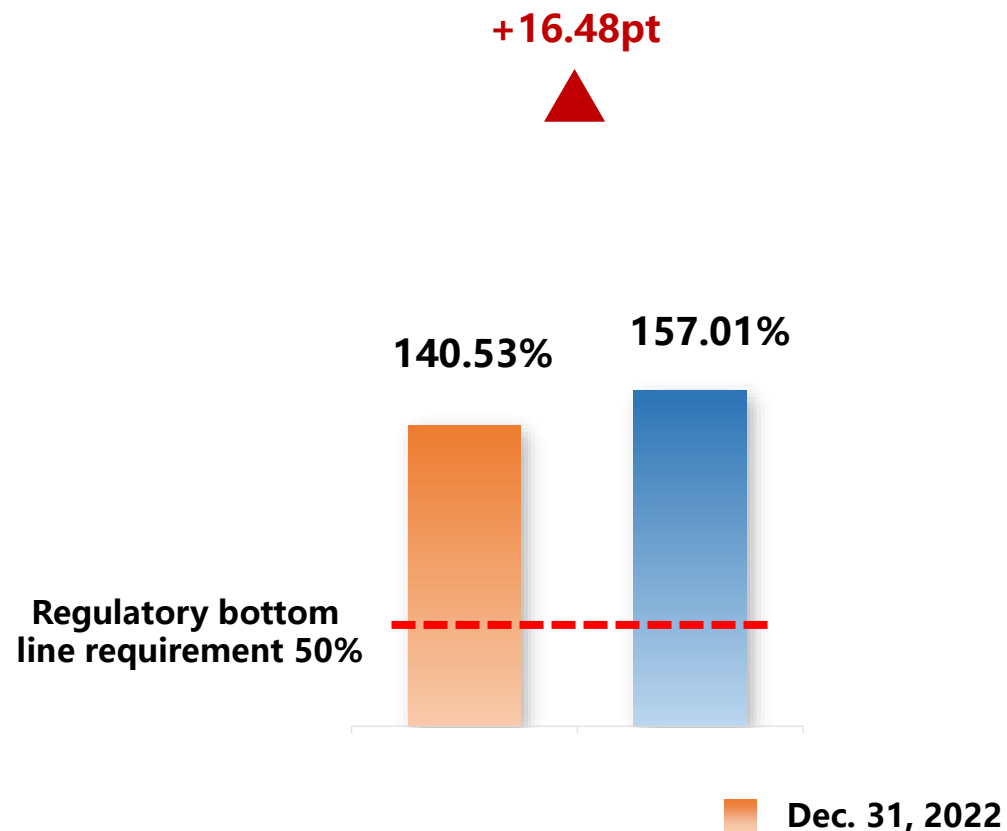
Unit: RMB in millions

As at 31 Dec. 2023	Amount	Proportion	Proportion change compared with the end of last year <sup>2</sup>	Amount change compared with the end of last year
Trust products	40,765	26.0%	-5.7pt	(29,381)
Debt investment plans	39,174	25.0%	3.9pt	(7,489)
Asset management plans	37,107	23.6%	-4.8pt	(25,637)
Unlisted equity investments	7,648	4.9%	-2.7pt	(9,060)
Others	32,254	20.5%	9.3pt	7,402
<b>Total</b>	<b>156,948</b>	<b>100.0%</b>	<b>-</b>	<b>(64,165)</b>

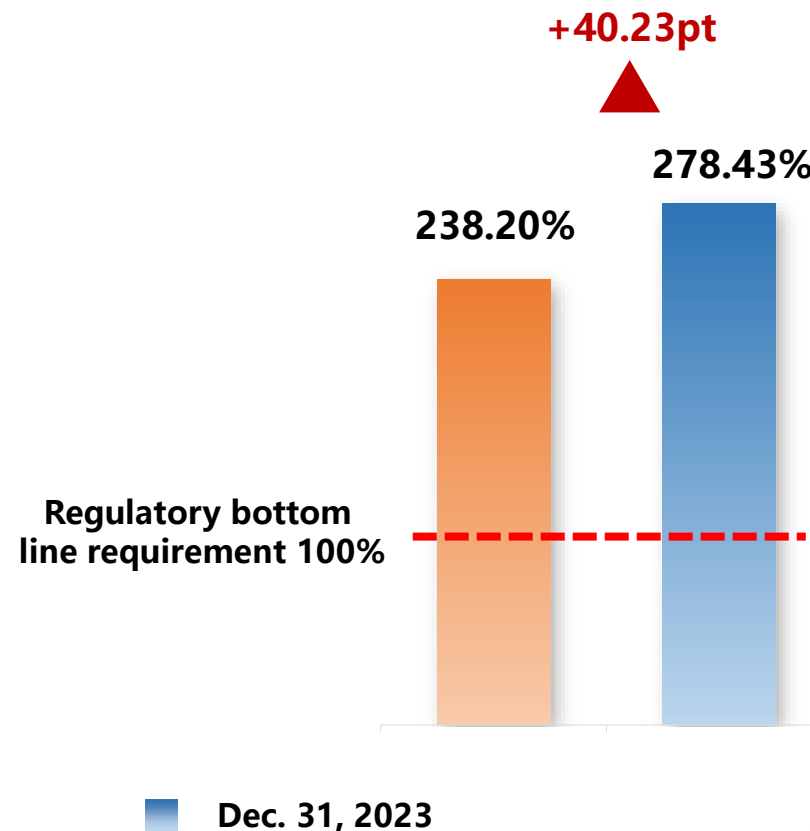
Notes:

1. Excluding non-fixed income financial products and portfolio products issued by insurance asset management companies not requiring external ratings.
2. The data as at 31 December 2022 is under IAS 39.

## Core Solvency Margin Ratio



## Comprehensive Solvency Margin Ratio





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● **Reform & Development**

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Build a world-leading insurance company that is professional, market-oriented, modern and international.

### Strengthen Strategy and Advance Reform

#### Center on Customers

- Enhance insurance supply
- Establish comprehensive training system
- Forge a service-empowered organization

### Enhance Development Capabilities and Foundation

#### Focus on Structural Optimization

- Improve management quality and efficiency
- Enhance asset-liability management
- Strengthen development of branch offices

### Upgrade Service System and Ecosystem

#### Improve Service Quality

- Implement the Xinhua Zun service system
- Strengthen high-performing team building
- Build a multi-layered service model

### Cultivate Brand Culture and Spiritual Heritage

#### Renew Cultural Values

- Advocate competition and openness
- Institutionalize and standardize company culture
- Build a trustworthy brand

# Q&A Session

