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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)

FIRST QUARTER REPORT 2024

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 First Quarter Report 2024 of the Company have been prepared in accordance with China Accounting Standards 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. YANG Yucheng, the chairman of the Company, Mr. ZHANG Hong, the president of the Company, Mr. GONG Xingfeng, the chief actuary and temporary financial principal of the Company and Mr. ZHANG Tao, the head of the accounting department of the Company guarantee the correctness, accuracy and completeness of financial statements of this quarter report.
- The financial data in the First Quarter Report 2024 of the Company 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 31 March 2024		Increase/ decrease over the corresponding period of last year
Operating revenue	26,479		-8.7%
Net profit attributable to shareholders of the Company	4,942		-28.6%
Net profit attributable to shareholders of the Company after deducting non-recurring items	4,953		-28.4%
Net cash flows from operating activities	37,658		-1.5%
Basic weighted average earnings per share attributable to shareholders of the Company (RMB)	1.58		-28.8%
Diluted weighted average earnings per share attributable to shareholders of the Company (RMB)	1.58		-28.8%
Weighted average return on equity attributable to shareholders of the Company	4.97%		-0.89pt⁽¹⁾
	As at 31 March 2024	As at 31 December 2023	Increase/ decrease as compared to the end of last year
Total assets	1,429,598	1,403,257	1.9%
Equity attributable to shareholders of the Company	94,002	105,067	-10.5%

Note:

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

1.2 Non-recurring items and amount

	<i>Unit: RMB in millions</i>
	For the three months ended 31 March 2024
Non-recurring items	
Gains/(Losses) on the disposal of non-current assets	(1)
Gains/(Losses) on other non-recurring items	(10)
Less: Effect on the amount of income tax expenses	_(1)
Attributable to minority shareholders (after tax)	—
Total	<u>(11)</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 and investment income arising from holding or disposal of financial assets and financial liabilities are the recurring items of the Company.

1.3 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)*. Solvency margin ratios of a domestic insurance company in the PRC must meet the prescribed thresholds.

	<i>Unit: RMB in millions</i>	
	As at 31 March 2024	As at 31 December 2023
Core capital	145,245	145,069
Actual capital	256,700	257,252
Minimum capital	<u>101,839</u>	<u>92,393</u>
Core solvency margin ratio ⁽¹⁾	142.62%	157.01%
Comprehensive solvency margin ratio ⁽¹⁾	<u>252.06%</u>	<u>278.43%</u>

Note:

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

§2 SHAREHOLDER INFORMATION

Unit: Share

Total number of shareholders	91,880 (including 91,594 A share shareholders and 286 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
Central Huijin Investment Ltd.	State-owned	977,530,534	31.34	-	-	-
HKSCC Nominees Limited ⁽²⁾	Overseas legal person	972,719,377	31.18	-	Unknown	Unknown
China Baowu Steel Group Corporation Limited	State-owned legal person	377,162,581	12.09	-	-	-
China Securities Finance Corporation Limited	State-owned legal person	93,339,003	2.99	-	-	-
Hwabao Investment Co., Ltd. ⁽³⁾	State-owned legal person	60,503,300	1.94	-	-	-
Hong Kong Securities Clearing Company Limited ⁽⁴⁾	Overseas legal person	34,805,962	1.12	-	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	28,249,200	0.91	-	-	-
Kehua Tianyuan (Tianjin) Business Operation Management Company Limited	Domestic legal person	11,790,000	0.38	-	-	-
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund	Others	8,938,752	0.29	-	-	-
Dacheng Fund-ABC-Dacheng China Securities Financial Asset Management Plan	Others	8,713,289	0.28	-	-	-
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. Hwabao Investment Co., Ltd. is a wholly-owned subsidiary of China Baowu Steel Group Corporation Limited. Save for the above, the Company is not aware of any related-party relationship among the above shareholders or whether they are parties acting in concert.					
Description of margin trading and security lending by top 10 shareholders and top 10 shareholders without selling restrictions	Kehua Tianyuan (Tianjin) Business Operation Management Company Limited held 5,500,000 shares of the Company through credit account. At the beginning of the reporting period, Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund held 6,331,402 shares through general account and credit account, representing 0.20% of the total shares of the Company, and the number of the Company's shares lent that have not yet been returned were 20,300 shares, representing 0.0% of the total shares of the Company. At the end of the reporting period, Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund held 8,938,752 shares through general account and credit account, representing 0.29% of the total shares of the Company, and there was no shares lent that have not yet been returned.					

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. As of 31 March 2024, Hwabao Investment Co., Ltd. held 60,503,300 H shares of the Company, which are registered under the name of HKSCC Nominees Limited. To avoid repeat calculation, the number of shares held by HKSCC Nominees Limited subtracted the number of shares held by Hwabao Investment Co., Ltd.
4. 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

In the first quarter of 2024, the Company focused on value growth in business strategy and optimized business structure. The Company achieved gross written premiums of RMB57,193 million in the first quarter of 2024, among which first year regular premiums with payment periods of ten years or more increased by 83.9% over the corresponding period of last year. Renewal premiums grew by 2.7% over the corresponding period of last year. The surrender rate in the first quarter was 0.5%, decreasing by 0.1 percentage point compared with same period of last year. The optimized business structure and improved business quality boosted significant growth in new business value.

Unit: RMB in millions

	For the three months ended 31 March		
	2024	2023	Change
Gross written premiums⁽¹⁾	57,193	64,772	-11.7%
First year premiums from long-term insurance business	10,910	19,839	-45.0%
Regular premiums	8,961	9,351	-4.2%
Regular premiums with payment periods of ten years or more	993	540	83.9%
Single premiums	1,949	10,488	-81.4%
Renewal premiums	44,601	43,422	2.7%
Premiums from short-term insurance business	1,682	1,511	11.3%

Note:

1. Premiums mentioned above are pursuant to the *Accounting Standards for Business Enterprises No. 25 – Original Insurance Contracts* (Cai Kuai [2006] No. 3) and the *Regulations regarding the Accounting Treatment of Insurance Contracts* (Cai Kuai [2009] No. 15) of the Ministry of Finance of the People's Republic of China.

The individual insurance channel stressed on value growth, optimized product and service supply to develop long-term insurance business and improve productivity. The individual insurance channel realized total premiums of RMB39,821 million in the first quarter of 2024. First year regular premiums from long-term insurance business realized RMB5,093 million, increasing by 23.0% compared with the same period of last year. The individual insurance channel achieved initial results in building high-performing team, and witnessed great improvement in high-performing agent headcount and productivity per capita.

Bancassurance channel adhered to high-quality development and optimized business structure. Bancassurance channel strengthened cooperation with important banks, looked for opportunities, improved professional abilities to build elite sales team, and reduced cost to improve operating efficiency. Bancassurance channel achieved total premiums of RMB15,875 million in the first quarter of 2024.

Group insurance prioritized three tasks, namely optimizing business structure, improving customer structure and serving national strategies, to consolidate group insurance business and improve professional operating capabilities. Group insurance realized premiums of RMB1,497 million in the first quarter of 2024, increasing by 25.2% compared with the same period of last year.

Unit: RMB in millions

For the three months ended 31 March

	2024	2023	Change
Individual insurance channel			
First year premiums from long-term insurance business	5,191	4,298	20.8%
Regular premiums	5,093	4,139	23.0%
Single premiums	98	159	-38.4%
Renewal premiums	34,295	36,386	-5.7%
Premiums from short-term insurance business	335	400	-16.3%
Total	39,821	41,084	-3.1%
Bancassurance channel			
First year premiums from long-term insurance business	5,615	15,485	-63.7%
Regular premiums	3,816	5,189	-26.5%
Single premiums	1,799	10,296	-82.5%
Renewal premiums	10,257	7,003	46.5%
Premiums from short-term insurance business	3	4	-25.0%
Total	15,875	22,492	-29.4%
Group insurance			
First year premiums from long-term insurance business	104	56	85.7%
Renewal premiums	49	33	48.5%
Premiums from short-term insurance business	1,344	1,107	21.4%
Total	1,497	1,196	25.2%
Gross written premiums	57,193	64,772	-11.7%

3.2 Asset management business

As of the end of March 2024, the investment assets of the Company amounted to RMB1,366,669 million. The annualized total investment yield ⁽¹⁾ was 4.6% for the three months ended 31 March 2024. The annualized comprehensive investment yield ⁽²⁾ was 6.7% for the three months ended 31 March 2024, and the annualized comprehensive investment yield was 5.7% for the three months ended 31 March 2023.

Notes:

1. The total investment yield = (total investment income – 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).
2. The comprehensive investment yield = (total investment income + equity investments designated at fair value through other comprehensive income + debt investments at fair value through other comprehensive income – 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).

§4 QUARTERLY FINANCIAL STATEMENTS

Please refer to Appendix.

By Order of the Board
New China Life Insurance Company Ltd.
YANG Yucheng
Chairman

Beijing, China, 29 April 2024

As at the date of this announcement, the chairman and executive Director of the Company is YANG Yucheng; the executive Director is ZHANG Hong; the non-executive Directors are YANG Yi, HE Xingda, YANG Xue, HU Aimin and LI Qiqiang; and the independent non-executive Directors are MA Yiu Tim, LAI Guanrong, XU Xu and GUO Yongqing.

APPENDIX

1. Statement of Financial Position (unaudited) 31 March 2024

	<i>Unit: RMB in millions</i>			
	As at 31 March 2024 Group	As at 31 December 2023 Group	As at 31 March 2024 Company	As at 31 December 2023 Company
Assets				
Cash and bank deposits	25,373	21,808	23,407	19,614
Derivative financial instruments	1	2	-	2
Financial assets purchased under agreements to resell	1,056	5,265	635	4,328
Other receivables	4,008	13,529	3,345	12,974
Term deposits	255,237	255,984	250,355	250,043
Financial instruments:				
Trading financial assets	423,426	380,239	397,955	356,144
Debt investments at amortized cost	309,984	313,148	298,240	301,009
Debt investments at fair value through other comprehensive income	331,489	347,262	338,032	354,536
Equity investments designated at fair value through other comprehensive income	8,102	5,370	8,084	5,352
Reinsurance contract assets	9,877	9,802	9,877	9,802
Long-term equity investments	10,085	5,174	46,333	41,827
Statutory deposits	1,799	1,784	760	754
Investment properties	9,255	9,383	8,942	9,064
Fixed assets	16,018	15,979	11,243	11,160
Constructions in process	2,286	2,039	1,403	1,365
Right-of-use assets	809	881	812	865
Intangible assets	3,981	4,063	2,130	2,197
Deferred tax assets	15,931	10,709	15,560	10,305
Other assets	881	836	601	534
Total assets	1,429,598	1,403,257	1,417,714	1,391,875

1. Statement of Financial Position (unaudited)(continued)
31 March 2024

	As at 31 March 2024 Group	As at 31 December 2023 Group	As at 31 March 2024 Company	As at 31 December 2023 Company
Liabilities and Equity				
Liabilities				
Trading financial liabilities	3,236	3,592	–	–
Financial assets sold under agreements to repurchase	75,700	106,987	73,479	104,276
Premiums received in advance	262	274	264	274
Brokerage and commission payable	1,829	1,571	1,806	1,549
Salary and welfare payable	4,229	3,915	3,646	3,363
Taxes payable	127	125	75	76
Other payable	7,254	12,217	6,874	12,049
Insurance contract liabilities	1,219,926	1,146,497	1,218,430	1,145,668
Borrowings	20,429	20,262	20,429	20,262
Lease liabilities	711	760	702	743
Deferred income	6	470	6	6
Deferred tax liabilities	81	56	–	–
Other liabilities	1,780	1,439	904	1,023
Total liabilities	<u>1,335,570</u>	<u>1,298,165</u>	<u>1,326,615</u>	<u>1,289,289</u>
Shareholders' equity				
Share capital	3,120	3,120	3,120	3,120
Capital reserve	23,975	23,979	23,973	23,977
Other comprehensive income	(67,096)	(51,093)	(67,013)	(50,941)
Surplus reserve	21,721	21,721	21,721	21,721
General reserve	15,217	15,216	15,182	15,182
Retained earnings	97,065	92,124	94,116	89,527
Total equity attributable to shareholders of the company	<u>94,002</u>	<u>105,067</u>	<u>91,099</u>	<u>102,586</u>
Non-controlling interests	26	25	/	/
Total shareholders' equity	<u>94,028</u>	<u>105,092</u>	<u>91,099</u>	<u>102,586</u>
Total liabilities and shareholders' equity	<u>1,429,598</u>	<u>1,403,257</u>	<u>1,417,714</u>	<u>1,391,875</u>

Yang Yucheng
Chairman
Legal Representative

Zhang Hong
President

Gong Xingfeng
Chief Actuary
Temporary Financial
Principal

Zhang Tao
Head of Accounting
Department

2. Statement of Income (unaudited)
For the three months ended 31 March 2024

Unit: RMB in millions

	For the three months ended 31 March 2024 Group	For the three months ended 31 March 2023 Group	For the three months ended 31 March 2024 Company	For the three months ended 31 March 2023 Company
1. Operating Income	26,479	29,005	26,170	28,149
Insurance revenue	11,742	13,558	11,742	13,558
Interest income	8,182	7,784	7,841	7,546
Investment income	(1,719)	(1,755)	(1,339)	(1,834)
In: Share of profits/(losses) of associates and joint ventures	(16)	(77)	(16)	(77)
Fair value gains/(losses)	8,018	9,157	7,802	8,750
Foreign exchange gains/(losses)	9	29	9	28
Other gains	30	24	15	11
Other operating income	217	208	100	90
2. Operating expenses	(21,326)	(20,957)	(21,468)	(20,886)
Insurance service expenses	(7,826)	(8,928)	(8,010)	(9,104)
Allocation of reinsurance premiums paid	(506)	(517)	(506)	(517)
Less: Amounts recovered from reinsurance contracts	441	372	441	372
Finance expenses from insurance contracts issued	(12,008)	(10,767)	(12,143)	(10,767)
Less: Finance income from reinsurance contracts held	64	67	64	67
Interest expense	(798)	(369)	(792)	(366)
Business tax and surcharges expenses	(24)	(24)	(13)	(12)
Administrative expenses	(606)	(732)	(408)	(503)
Expected credit losses	(24)	29	(22)	(3)
Other operating expenses	(39)	(88)	(79)	(53)
3. Operating profit	5,153	8,048	4,702	7,263
Add: Non-operating income	1	10	1	10
Less: Non-operating expenses	(12)	(13)	(12)	(13)
4. Net profit before income tax expenses	5,142	8,045	4,691	7,260
Less: Income tax expenses	(199)	(1,127)	(102)	(929)
5. Net profit	4,943	6,918	4,589	6,331
(1) Classification of net profit				
Net profit from continuing operation	4,943	6,918	4,589	6,331
(2) Attributable to				
Owners of the Company	4,942	6,917		
Non-controlling interests	1	1		

2. Statement of Income (unaudited)(continued)
For the three months ended 31 March 2024

	For the three months ended 31 March 2024 Group	For the three months ended 31 March 2023 Group	For the three months ended 31 March 2024 Company	For the three months ended 31 March 2023 Company
6. Other Comprehensive income, net of tax	(16,003)	375	(16,072)	520
Total other comprehensive income attributable to shareholders of the company, net of tax	(16,003)	375	(16,072)	520
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	77	337	77	337
Changes in fair value on equity investments designated at fair value through other comprehensive income	81	340	81	340
Finance income/expenses from insurance contracts will not be reclassified to profit or loss in subsequent periods	(4)	(3)	(4)	(3)
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(16,080)	38	(16,149)	183
Changes in fair value on debt investments at fair value through other comprehensive income	4,877	485	4,687	621
Allowance for expected credit losses on debt investments at fair value through other comprehensive income	-	1	(1)	1
Finance expenses from insurance contracts issued	(21,088)	(460)	(20,977)	(460)
Finance income from reinsurance contracts held	196	(74)	196	(74)
Share of other comprehensive income of associates and joint ventures under the equity method	(54)	95	(54)	95
Currency translation differences	(11)	(9)	-	-
Total other comprehensive income attribute to non-controlling interests, net of tax	-	-	/	/
7. Total Comprehensive income	(11,060)	7,293	(11,483)	6,851
Attributable to owners of the Company	(11,061)	7,292		
Attributable to non-controlling interests	1	1		
8. Earnings per share				
Basic earnings per share	RMB1.58	RMB2.22		
Diluted earnings per share	RMB1.58	RMB2.22		

Yang Yucheng
Chairman
Legal Representative

Zhang Hong
President

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Chief Actuary
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Head of Accounting
Department

3. Statement of Cash Flows (unaudited)
For the three months ended 31 March 2024

	<i>Unit: RMB in millions</i>			
	For the three months ended 31 March 2024 Group	For the three months ended 31 March 2023 Group	For the three months ended 31 March 2024 Company	For the three months ended 31 March 2023 Company
1. Cash flows from operating activities				
Premiums received from insurance contracts issued	60,623	69,062	59,961	69,060
Net cash received from reinsurance contracts	185	606	185	606
Net decrease of policy loans	374	–	374	–
Cash received from other operating activities	531	485	216	292
Sub-total of cash inflows from operating activities	61,713	70,153	60,736	69,958
Cash paid for claims from insurance contracts issued	(18,439)	(24,731)	(18,435)	(24,721)
Net increase of policy loans	–	(282)	–	(282)
Cash paid for brokerage and commission fees	(2,683)	(3,381)	(2,666)	(3,381)
Cash paid to and for employees	(1,746)	(2,532)	(1,655)	(2,230)
Cash paid for taxes and surcharges	(230)	(302)	(144)	(214)
Cash paid for other operating activities	(957)	(692)	(824)	(630)
Sub-total of cash outflows from operating activities	(24,055)	(31,920)	(23,724)	(31,458)
Net cash flows from operating activities	37,658	38,233	37,012	38,500
2. Cash flows from investing activities				
Cash received from the disposal of investments	131,000	137,597	126,200	132,281
Cash received from investment income and interest income	6,325	9,828	6,028	8,464
Net cash received from financial assets purchased under agreements to resell	3,605	1,888	2,487	1,590
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	17	–	17	–
Net cash received from the disposal of subsidiaries and structured entities	4,116	922	10	–
Sub-total of cash inflows from investing activities	145,063	150,235	134,742	142,335
Cash paid for investment	(136,285)	(203,821)	(132,904)	(192,116)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(423)	(463)	(213)	(463)
Cash paid for other investing activities	(93)	(95)	(231)	(251)
Sub-total of cash outflows from investing activities	(136,801)	(204,379)	(133,348)	(192,830)
Net cash flows from investing activities	8,262	(54,144)	1,394	(50,495)

3. Statement of Cash Flows (unaudited)(continued)
For the three months ended 31 March 2024

	For the three months ended 31 March 2024 Group	For the three months ended 31 March 2023 Group	For the three months ended 31 March 2024 Company	For the three months ended 31 March 2023 Company
3. Cash flows from financing activities				
Capital injected into structured entities by non-controlling interests	805	10,150	-	-
Net cash received for financial assets sold under agreements to repurchase	-	12,629	-	12,470
Proceeds from issuance of asset funding plans	-	3,680	-	4,000
Sub-total of cash inflows from financing activities	805	26,459	-	16,470
Payment of redemption for structured entities to non-controlling interests	(8,365)	(6,912)	-	-
Cash paid for dividends, profits and interests	(163)	(147)	(220)	(68)
In: Dividends, profits paid to non-controlling interests by subsidiaries and structured entities	(145)	(79)	-	-
Net cash paid for financial assets sold under agreements to repurchase	(30,885)	-	(30,384)	-
Cash paid for redemption of the principal and interest of lease liabilities	(151)	(117)	(96)	(125)
Payment of redemption for asset funding plans	(3,680)	(13)	(4,000)	-
Sub-total of cash outflows from financing activities	(43,244)	(7,189)	(34,700)	(193)
Net cash flows from financing activities	(42,439)	19,270	(34,700)	16,277
4. Effect of foreign exchange rate changes	86	21	87	24
5. Net increase/(decrease) in cash and cash equivalents	3,567	3,380	3,793	4,306
Add: Opening balance of cash and cash equivalents	21,788	17,586	19,614	15,026
6. Closing balance of cash and cash equivalents	25,355	20,966	23,407	19,332
Yang Yucheng <i>Chairman</i> <i>Legal Representative</i>	Zhang Hong <i>President</i>	Gong Xingfeng <i>Chief Actuary</i> <i>Temporary Financial Principal</i>	Zhang Tao <i>Head of Accounting Department</i>	