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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 2023

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 2023 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. LI Quan, the chairman and 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 the accounting department of the Company guarantee the correctness, accuracy and completeness of financial statements of this report.
- The financial statements for the first quarter of 2023 of the Company have been prepared in accordance with the China Accounting Standards (CAS) 22-Recognition and Measurement of Financial Instruments (the “**new accounting standards for financial instruments**”) amended and issued in 2017, CAS 25-Insurance Contracts (the “**new accounting standards for insurance contracts**”) amended and issued in 2020 by the Ministry of Finance PRC and other standards under CAS.
- The financial data in the First Quarter Report 2023 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 2023		Increase/decrease over the corresponding period of last year
Operating revenue	29,005		17.4%
Net profit attributable to shareholders of the Company	6,917		114.8%
Net profit attributable to shareholders of the Company after deducting non-recurring items	6,916		115.1%
Net cash flows from operating activities	38,233		8.0%
Basic weighted average earnings per share attributable to shareholders of the Company (RMB)	2.22		115.5%
Diluted weighted average earnings per share attributable to shareholders of the Company (RMB)	2.22		115.5%
Weighted average return on equity attributable to shareholders of the Company	<u>5.86%</u>		<u>2.42pt</u>
	As at 31 March 2023	As at 31 December 2022	Increase/decrease as compared to the end of last year
Total assets	1,283,416	1,214,936	5.6%
Equity attributable to shareholders of the Company	<u>121,602</u>	<u>97,975</u>	<u>24.1%</u>

Notes:

- Pt represents percentage point(s) in this report.
- The financial data for the first quarter of 2023 is prepared according to new accounting standards for financial instruments and insurance contracts. The financial data for the first quarter of 2022 is prepared according to old accounting standards for financial instruments and new accounting standards for insurance contracts.

1.2 Non-recurring items and amount

	<i>Unit: RMB in millions</i>
	For the three months ended 31 March 2023
Non-recurring items	
Custody fee from entrusted operation	5
Gains/(Losses) on other non-recurring items	(3)
Less: Effect on the amount of income tax expenses	(1)
Attributable to minority shareholders (after tax)	— ⁽¹⁾
Total	<u>1</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 31 March 2023/For the three months ended 31 March 2023	As at 31 December 2022/For the three months ended 31 March 2022	
Items			Change
Insurance service income ⁽¹⁾	13,558	14,177	-4.4%
Insurance service expense ⁽¹⁾	8,928	8,938	-0.1%
Investment assets ⁽²⁾	<u>1,234,624</u>	<u>1,157,622</u>	<u>6.7%</u>

Notes:

1. In accordance with the provisions of new accounting standards for insurance contracts, the recognized insurance service income and insurance service expense for the current period for fulfilling insurance contract obligations do not include investment components in insurance contracts.
2. Investment assets as at 31 March 2023 are prepared according to new accounting standards for financial instruments and insurance contracts. Investment assets as at 31 December 2022 are prepared according to old accounting standards for financial instruments and new accounting standards for 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 31 March 2023	As at 31 December 2022
Core capital	158,232	143,990
Actual capital	254,452	244,069
Minimum capital	107,917	102,463
Core solvency margin ratio ⁽¹⁾	146.62%	140.53%
Comprehensive solvency margin ratio ⁽¹⁾	235.78%	238.20%

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 three months ended 31 March		Change	Main reasons for the change
	2023	2022		
Net profit attributable to shareholders of the Company	6,917	3,220	114.8%	Due to the increase of total investment income compared to the same period of last year
Net profit attributable to shareholders of the Company after deducting non-recurring items	6,916	3,215	115.1%	
Basic weighted average earnings per share attributable to shareholders of the Company (RMB)	2.22	1.03	115.5%	Increase of net profit attributable to shareholders of the Company
Diluted weighted average earnings per share attributable to shareholders of the Company (RMB)	2.22	1.03	115.5%	
Weighted average return on equity attributable to shareholders of the Company	5.86%	3.44%	2.42pt	

§2 SHAREHOLDER INFORMATION

Unit: Share

Total number of shareholders	96,145 (including 95,860 A Share shareholders and 285 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	972,740,897	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	48,184,882	1.54	-	-	-
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	14,100,000	0.45	-	-	-
HU Maoxiang	Domestic nature person	10,006,822	0.32	-	-	-
Guosen Securities Co., Ltd. – Founder Fubon CSI Insurance Theme Index Security Investment Fund	Others	9,338,194	0.30	-	-	-
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 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. As of 31 March 2023, Hwabao Investment Co., Ltd., the wholly-owned subsidiary of China Baowu Steel Group Corporation Limited, 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 2023, the Company achieved gross written premiums of RMB64,772 million, remaining basically flat compared with same period last year. First year regular premiums from long-term insurance business totaled RMB9,351 million, increasing by 9.2% over the corresponding period of last year. Renewal premiums reached RMB43,422 million, growing by 2.5% over the corresponding period of last year. Premiums from short-term insurance business amounted to RMB1,511 million, rising by 5.7% over the corresponding period of last year. The surrender rate in the first quarter of 2023 was 0.6%, remaining flat with same period of last year.

Unit: RMB in millions

	For the three months ended 31 March		
	2023	2022	Change
Gross written premiums	64,772	64,890	-0.2%
First year premiums from long-term insurance business	19,839	21,096	-6.0%
Regular premiums	9,351	8,566	9.2%
Regular premiums with payment periods of ten years or more	540	880	-38.6%
Single premiums	10,488	12,530	-16.3%
Renewal premiums	43,422	42,364	2.5%
Premiums from short-term insurance business	1,511	1,430	5.7%

As agent headcounts declined, individual insurance channel realized total premiums of RMB41,084 million in the first quarter of 2023, representing a year-on-year decrease of 4.0%. First year regular premiums from long-term insurance business realized RMB4,139 million, reducing by 25.8% compared with the same period of last year. Renewal premiums amounted to RMB36,386 million, remaining basically flat compared with the same period of last year.

Bancassurance channel met customers' demands for protection and grew regular premium business. Bancassurance channel achieved total premiums of RMB22,492 million in the first quarter of 2023, representing a year-on-year increase of 5.9%. First year premiums from long-term insurance business amounted to RMB15,485 million, rising by 1.6% compared with the same period of last year. Renewal premiums amounted to RMB7,003 million, increasing by 17.0% compared with the same period of last year.

Group insurance realized premiums of RMB1,196 million in the first quarter of 2023, increasing by 39.7% compared with the same period of last year.

Unit: RMB in millions

For the three months ended 31 March

	2023	2022	Change
Individual insurance channel			
First year premiums from long-term insurance business	4,298	5,799	-25.9%
Regular premiums	4,139	5,578	-25.8%
Single premiums	159	221	-28.1%
Renewal premiums	36,386	36,361	0.1%
Premiums from short-term insurance business	400	633	-36.8%
Total	41,084	42,793	-4.0%
Bancassurance channel			
First year premiums from long-term insurance business	15,485	15,247	1.6%
Regular premiums	5,189	2,964	75.1%
Single premiums	10,296	12,283	-16.2%
Renewal premiums	7,003	5,988	17.0%
Premiums from short-term insurance business	4	6	-33.3%
Total	22,492	21,241	5.9%
Group insurance			
First year premiums from long-term insurance business	56	50	12.0%
Renewal premiums	33	15	120.0%
Premiums from short-term insurance business	1,107	791	39.9%
Total	1,196	856	39.7%
Gross written premiums	64,772	64,890	-0.2%

3.2 Asset management business

As of the end of March 2023, the investment assets of the Company amounted to RMB1,234,624 million. The annualized total investment yield ⁽¹⁾ was 5.2% for the three months ended 31 March 2023.

Note:

1. The annualized total investment yield = (interest income + 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)×365/90

§4 OTHER IMPORTANT INFORMATION

Changes in Significant Accounting Policies

The Company has adopted *CAS 22- Recognition and Measurement of Financial Instruments*, *CAS 23- Transfer of Financial Assets*, *CAS 24- Hedge Accounting*, *CAS 25- Insurance Contracts* and *CAS 37- Presentation of Financial Instruments* amended and issued by the Ministry of Finance since 1 January 2023. The Company retrospectively restated relevant insurance business data for the same period last year according to the requirements under the new accounting standards for insurance contracts, and chose not to retrospectively restate relevant investment business data for the same period last year according to the requirements under the new accounting standards for financial instruments. Please refer to the announcement in relation to changes of accounting policies disclosed on the same day on websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange for the impact of the new accounting standards above on the Company. The Company has disclosed balance sheet under the new accounting standards since 1 January 2023 in the Appendix to this report.

§5 QUARTERLY FINANCIAL STATEMENTS

Please refer to Appendix.

By Order of the Board
New China Life Insurance Company Ltd.
LI Quan
Chairman

Beijing, China, 27 April 2023

As at the date of this announcement, the chairman and executive director of the Company is LI Quan; 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 GENG Jianxin, MA Yiu Tim, LAI Guanrong, XU Xu and GUO Yongqing.

APPENDIX

1. Statement of Financial Position (unaudited)¹ 31 March 2023

Assets	<i>Unit: RMB in millions</i>			
	As at 31 March 2023 Group	As at 31 December 2022 Group	As at 31 March 2023 Company	As at 31 December 2022 Company
Cash and bank deposits	20,982	17,603	19,332	15,026
Derivative financial instruments	2	3	2	3
Financial assets purchased under agreements to resell	6,345	8,847	3,326	4,576
Interest receivables	–	14,481	–	12,752
Other receivables	4,395	5,461	3,540	5,041
Term deposits	229,885	227,547	210,965	193,027
Financial instruments:				
Trading financial assets	380,076	–	348,872	–
Financial assets at amortized cost	267,606	–	255,786	–
Debt financial assets at fair value through other comprehensive income	315,737	–	324,287	–
Equity financial assets at fair value through other comprehensive income	5,559	–	5,547	–
Financial assets measured at fair value through profit or loss	–	79,465	–	48,137
Available-for-sale financial assets	–	375,654	–	373,007
Held-to-maturity investments	–	378,391	–	378,160
Investments classified as loans and receivables	–	47,456	–	42,316
Reinsurance contract assets	9,805	10,590	9,805	10,590
Long-term equity investments	5,846	5,820	58,159	64,384
Statutory deposits	1,917	1,715	736	715
Investment properties	9,498	9,553	9,139	9,161
Fixed assets	15,879	15,873	11,254	11,241
Constructions in progress	1,890	1,877	1,382	1,401
Right-of-use assets	1,036	986	1,014	953
Intangible assets	3,927	4,002	2,053	2,115
Deferred tax assets	1,261	7,890	1,016	7,555
Other assets	1,770	1,722	1,506	1,459
Total assets	1,283,416	1,214,936	1,267,721	1,181,619

1. The financial data as at 31 March 2023 is prepared according to the new accounting standards for financial instruments and insurance contracts. The financial data as at 31 December 2022 is prepared according to the old accounting standards for financial instruments and the new accounting standards for insurance contracts.

1. Statement of Financial Position (unaudited)(continued)
31 March 2023

Unit: RMB in millions

	As at 31 March 2023 Group	As at 31 December 2022 Group	As at 31 March 2023 Company	As at 31 December 2022 Company
Liabilities and Equity				
Liabilities				
Trading financial liabilities	7,925	–	–	–
Financial liabilities measured at fair value through profit or loss	–	25,877	–	–
Financial assets sold under agreements to repurchase	57,629	43,617	53,904	40,072
Premiums received in advance	344	431	344	428
Brokerage and commission payable	2,189	1,579	2,189	1,579
Salary and welfare payable	3,773	4,349	3,364	3,714
Taxes payable	245	236	143	196
Other payable	17,539	13,840	17,847	13,944
Insurance contract liabilities	1,058,266	1,013,191	1,058,233	1,013,154
Investment contract liabilities	1,165	1,225	1,165	1,225
Borrowings	10,292	10,000	10,292	10,000
Lease liabilities	901	855	877	822
Deferred income	481	484	7	7
Deferred tax liabilities	111	57	–	–
Other liabilities	932	1,199	168	451
Total liabilities	1,161,792	1,116,940	1,148,533	1,085,592
Shareholders' equity				
Share capital	3,120	3,120	3,120	3,120
Capital reserve	23,990	24,006	23,988	24,004
Other comprehensive income	(36,143)	(37,134)	(36,069)	(37,152)
Surplus reserve	19,809	18,233	19,809	18,233
General reserve	14,417	12,840	14,384	12,808
Retained earnings	96,409	76,910	93,956	75,014
Total equity attributable to shareholders of the company	121,602	97,975	119,188	96,027
Non-controlling interests	22	21	–	–
Total shareholders' equity	121,624	97,996	119,188	96,027
Total liabilities and shareholders' equity	1,283,416	1,214,936	1,267,721	1,181,619

LI Quan
*Chairman & Chief
Executive Officer*

YANG Zheng
*Chief Financial
Officer*

GONG Xingfeng
Chief Actuary

ZHANG Tao
*Head of Accounting
Department*

2. Statement of Income (unaudited)²
For the three months ended 31 March 2023

Unit: RMB in millions

	For the three months ended 31 March 2023 Group	For the three months ended 31 March 2022 Group	For the three months ended 31 March 2023 Company	For the three months ended 31 March 2022 Company
1. Operating Income	29,005	24,698	28,149	26,438
Insurance service income	13,558	14,177	13,558	14,177
Interest income	7,784	7,464	7,546	7,421
Investment income	(1,755)	3,897	(1,834)	5,009
In: Share of loss of associates and joint ventures	(77)	(83)	(77)	(83)
Fair value gains/(losses)	9,157	(1,093)	8,750	(287)
Foreign exchange gains/(losses)	29	(30)	28	(30)
Other gains	24	21	11	14
Other operating income	208	262	90	134
2. Operating expenses	(20,957)	(21,537)	(20,886)	(21,433)
Insurance service expenses	(8,928)	(8,938)	(9,104)	(9,094)
Allocation of reinsurance premiums paid	(517)	(420)	(517)	(420)
Less: Amounts recovered from reinsurance contracts	372	363	372	363
Insurance finance expenses from insurance contracts issued	(10,767)	(11,021)	(10,767)	(11,021)
Less: Finance income from reinsurance contracts held	67	52	67	52
Interest expense	(369)	(320)	(366)	(320)
Business tax and surcharges expenses	(24)	(22)	(12)	(10)
Administrative expenses	(732)	(784)	(503)	(584)
Expected credit losses	29	-	(3)	-
Impairment losses	-	(299)	-	(299)
Other operating expenses	(88)	(148)	(53)	(100)
3. Operating profit	8,048	3,161	7,263	5,005
Add: Non-operating income	10	10	10	4
Less: Non-operating expenses	(13)	(17)	(13)	(17)
4. Net profit before income tax expenses	8,045	3,154	7,260	4,992
Less: Income tax expenses	(1,127)	67	(929)	(381)
5. Net profit	6,918	3,221	6,331	4,611
(1) Classification of net profit				
Net profit from continuing operation	6,918	3,221	6,331	4,611
	-	-	-	-
(2) Attributable to				
Shareholders of the Company	6,917	3,220		
Non-controlling interests	1	1		

2. The financial data for the first quarter of 2023 is prepared according to the new accounting standards for financial instruments and insurance contracts. The financial data for the first quarter of 2022 is prepared according to the old accounting standards for financial instruments and the new accounting standards for insurance contracts.

**2. Statement of Income (unaudited)(continued)
For the three months ended 31 March 2023**

	<i>Unit: RMB in millions</i>			
	For the three months ended 31 March 2023 Group	For the three months ended 31 March 2022 Group	For the three months ended 31 March 2023 Company	For the three months ended 31 March 2022 Company
6. Other Comprehensive income, net of tax	375	(3,353)	520	(3,324)
Total other comprehensive income attribute to shareholders of the company, net of tax	375	(3,353)	520	(3,324)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	337	-	337	-
Changes in the fair value of equity instruments at fair value through other comprehensive income	340	-	340	-
Changes in the financial component of insurance contracts that will not be reclassified to profit or loss	(3)	-	(3)	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	38	(3,353)	183	(3,324)
Changes in the fair value of debt instruments at fair value through other comprehensive income	485	-	621	-
Credit risks provision of debt instruments at fair value through other comprehensive income	1	-	1	-
Finance expenses/income from insurance contracts issued	(460)	10,414	(460)	10,414
Finance expenses/income from reinsurance contracts held	(74)	3	(74)	3
Fair value gains/(losses) of Available-for-sale financial assets	-	(13,791)	-	(13,753)
Share of other comprehensive income of associates and joint ventures under the equity method	95	12	95	12
Currency translation differences	(9)	9	-	-
Total other comprehensive income attribute to non-controlling interests, net of tax	-	-	-	-
7. Total Comprehensive income	<u>7,293</u>	<u>(132)</u>	<u>6,851</u>	<u>1,287</u>
Attributable to shareholders of the Company	7,292	(133)	-	-
Attributable to non-controlling interests	1	1	-	-
8. Earnings per share				
Basic earnings per share	RMB 2.22	RMB 1.03		
Diluted earnings per share	RMB 2.22	RMB 1.03		

LI Quan
*Chairman & Chief
Executive Officer*

YANG Zheng
*Chief Financial
Officer*

GONG Xingfeng
Chief Actuary

ZHANG Tao
*Head of Accounting
Department*

3. Statement of Cash Flows (unaudited)³
For the three months ended 31 March 2023

Unit: RMB in millions

	For the three months ended 31 March 2023 Group	For the three months ended 31 March 2022 Group	For the three months ended 31 March 2023 Company	For the three months ended 31 March 2022 Company
1. Cash flows from operating activities				
Premium received from insurance contracts issued	69,062	65,788	69,060	65,788
Net cash received from reinsurance contracts	606	124	606	124
Cash received from other operating activities	485	508	292	345
Sub-total of cash inflows from operating activities	70,153	66,420	69,958	66,257
Cash paid for claims from insurance contracts issued	(24,731)	(21,292)	(24,721)	(21,292)
Net increase of policy loans	(282)	(735)	(282)	(735)
Cash paid for brokerage and commission fees	(3,381)	(3,738)	(3,381)	(3,738)
Cash paid to and for employees	(2,532)	(2,944)	(2,230)	(2,548)
Cash paid for taxes and surcharges	(302)	(586)	(214)	(435)
Cash paid for other operating activities	(692)	(1,711)	(630)	(1,649)
Sub-total of cash outflows from operating activities	(31,920)	(31,006)	(31,458)	(30,397)
Net cash flows from operating activities	38,233	35,414	38,500	35,860
2. Cash flows from investing activities				
Cash received from investments	137,597	122,960	132,281	129,223
Cash received from investment income and interest income	9,828	7,649	8,464	8,326
Net cash received for financial assets purchased under agreements to resell	1,888	-	1,590	-
Net cash received from acquisition of subsidiaries and structured entities	-	13	-	-
Net cash received from the disposal of subsidiaries and structured entities	922	3,397	-	-
Sub-total of cash inflows from investing activities	150,235	134,019	142,335	137,549
Cash paid for investment	(203,821)	(143,657)	(192,116)	(138,278)
Net cash paid for financial assets purchased under agreements to resell	-	(7,069)	-	(6,238)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(463)	(867)	(463)	(571)
Cash paid for other investing activities	(95)	(101)	(251)	(370)
Sub-total of cash outflows from investing activities	(204,379)	(151,694)	(192,830)	(145,457)
Net cash flows from investing activities	(54,144)	(17,675)	(50,495)	(7,908)

3. The financial data for the first quarter of 2023 is prepared according to the new accounting standards for financial instruments and insurance contracts. The financial data for the first quarter of 2022 is prepared according to the old accounting standards for financial instruments and the new accounting standards for insurance contracts.

3. Statement of Cash Flows (unaudited)(continued)
For the three months ended 31 March 2023

Unit: RMB in millions

	For the three months ended 31 March 2023	For the three months ended 31 March 2022	For the three months ended 31 March 2023	For the three months ended 31 March 2022
	Group	Group	Company	Company
3. Cash flows from financing activities				
Cash received from investors	10,150	12,585	-	-
In: Capital injected into subsidiaries and structured entities by non-controlling interests	10,150	12,585	-	-
Net cash received for financial assets sold under agreements to repurchase	12,629	-	12,470	-
Cash received from other financing activities	3,680	-	4,000	-
Sub-total of cash inflows from financing activities	26,459	12,585	16,470	-
Cash paid for repayment of debts	(6,912)	(2,417)	-	-
Cash paid for dividends, profits and interests	(147)	(112)	(68)	-
In: Dividends, profits paid to non-controlling interests by subsidiaries and structured entities	(79)	(112)	-	-
Net cash paid for financial assets sold under agreements to repurchase	-	(25,627)	-	(25,881)
Cash paid for other financing activities	(130)	(134)	(125)	(130)
Sub-total of cash outflows from financing activities	(7,189)	(28,290)	(193)	(26,011)
Net cash flows from financing activities	19,270	(15,705)	16,277	(26,011)
4. Effect of foreign exchange rate changes	21	(26)	24	(26)
5. Net increase in cash and cash equivalents	3,380	2,008	4,306	1,915
Add: Opening balance of cash and cash equivalents	17,586	15,459	15,026	13,458
6. Closing balance of cash and cash equivalents	20,966	17,467	19,332	15,373

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YANG Zheng
*Chief Financial
Officer*

GONG Xingfeng
Chief Actuary

ZHANG Tao
*Head of Accounting
Department*

4. Adjusted Statement of Financial Position under the New Standards Since 1 January 2023 (unaudited)⁴

Unit: RMB in millions

Assets	31 December 2022 Group	1 January 2023 Group	Adjustment Group
Assets			
Cash and bank deposits	17,603	17,604	1
Derivative financial instruments	3	3	–
Financial assets purchased under agreements to resell	8,847	8,845	(2)
Interest receivables	14,481	–	(14,481)
Other receivables	5,461	5,461	–
Term deposits	227,547	235,247	7,700
Financial instruments:			
Trading financial assets	–	333,546	333,546
Financial assets at amortized cost	–	252,023	252,023
Debt financial assets at fair value through other comprehensive income	–	317,631	317,631
Equity financial assets at fair value through other comprehensive income	–	5,211	5,211
Financial assets measured at fair value through profit or loss	79,465	–	(79,465)
Available-for-sale financial assets	375,654	–	(375,654)
Held-to-maturity investments	378,391	–	(378,391)
Investments classified as loans and receivables	47,456	–	(47,456)
Reinsurance contract assets	10,590	10,590	–
Long-term equity investments	5,820	5,820	–
Statutory deposits	1,715	1,912	197
Investment properties	9,553	9,553	–
Fixed assets	15,873	15,873	–
Constructions in progress	1,877	1,877	–
Right-of-use assets	986	986	–
Intangible assets	4,002	4,002	–
Deferred tax assets	7,890	2,445	(5,445)
Other assets	1,722	2,652	930
Total assets	<u>1,214,936</u>	<u>1,231,281</u>	<u>16,345</u>

4. The financial data as at 31 December 2022 is prepared according to the old accounting standards for financial instruments and the new accounting standards for insurance contracts. The financial data as at 1 January 2023 is prepared according to the new accounting standards for financial instruments and insurance contracts.

**4. Adjusted Statement of Financial Position under the New Standards Since 1 January 2023
(unaudited) (continued)**

Unit: RMB in millions

Liabilities and Equity	31 December 2022	1 January 2023	Adjustment
	Group	Group	Group
Liabilities			
Trading financial liabilities	–	25,874	25,874
Financial liabilities measured at fair value through profit or loss	25,877	–	(25,877)
Financial assets sold under agreements to repurchase	43,617	43,610	(7)
Premiums received in advance	431	431	–
Brokerage and commission payable	1,579	1,579	–
Salary and welfare payable	4,349	4,349	–
Taxes payable	236	236	–
Other payable	13,840	13,913	73
Insurance contract liabilities	1,013,191	1,013,191	–
Investment contract liabilities	1,225	1,225	–
Borrowings	10,000	10,211	211
Lease liabilities	855	855	–
Deferred income	484	484	–
Deferred tax liabilities	57	57	–
Other liabilities	1,199	919	(280)
Total liabilities	<u>1,116,940</u>	<u>1,116,934</u>	<u>(6)</u>
Shareholders' equity			
Share capital	3,120	3,120	–
Capital reserve	24,006	24,006	–
Other comprehensive income	(37,134)	(36,518)	616
Surplus reserve	18,233	19,809	1,576
General reserve	12,840	14,417	1,577
Retained earnings	76,910	89,492	12,582
Total equity attributable to shareholders of the company	<u>97,975</u>	<u>114,326</u>	<u>16,351</u>
Non-controlling interests	<u>21</u>	<u>21</u>	<u>–</u>
Total shareholders' equity	<u>97,996</u>	<u>114,347</u>	<u>16,351</u>
Total liabilities and shareholders' equity	<u>1,214,936</u>	<u>1,231,281</u>	<u>16,345</u>

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**4. Adjusted Statement of Financial Position under the New Standards Since 1 January 2023
(unaudited) (continued)**

Unit: RMB in millions

Assets	31 December 2022	1 January 2023	Adjustment
	Company	Company	Company
Assets			
Cash and bank deposits	15,026	15,026	–
Derivative financial instruments	3	3	–
Financial assets purchased under agreements to resell	4,576	4,575	(1)
Interest receivables	12,752	–	(12,752)
Other receivables	5,041	5,041	–
Term deposits	193,027	199,420	6,393
Financial instruments:			
Trading financial assets	–	297,165	297,165
Financial assets at amortized cost	–	240,155	240,155
Debt financial assets at fair value through other comprehensive income	–	326,275	326,275
Equity financial assets at fair value through other comprehensive income	–	5,199	5,199
Financial assets measured at fair value through profit or loss	48,137	–	(48,137)
Available-for-sale financial assets	373,007	–	(373,007)
Held-to-maturity investments	378,160	–	(378,160)
Investments classified as loans and receivables	42,316	–	(42,316)
Reinsurance contract assets	10,590	10,590	–
Long-term equity investments	64,384	64,384	–
Statutory deposits	715	742	27
Investment properties	9,161	9,161	–
Fixed assets	11,241	11,241	–
Constructions in progress	1,401	1,401	–
Right-of-use assets	953	953	–
Intangible assets	2,115	2,115	–
Deferred tax assets	7,555	2,113	(5,442)
Other assets	1,459	2,386	927
Total assets	<u>1,181,619</u>	<u>1,197,945</u>	<u>16,326</u>

**4. Adjusted Statement of Financial Position under the New Standards Since 1 January 2023
(unaudited)(continued)**

Unit: RMB in millions

Liabilities and Equity	31 December 2022	1 January 2023	Adjustment
	Company	Company	Company
Liabilities			
Financial assets sold under agreements to repurchase	40,072	40,065	(7)
Premiums received in advance	428	428	–
Brokerage and commission payable	1,579	1,579	–
Salary and welfare payable	3,714	3,714	–
Taxes payable	196	196	–
Other payable	13,944	14,037	93
Insurance contract liabilities	1,013,154	1,013,154	–
Investment contract liabilities	1,225	1,225	–
Borrowings	10,000	10,211	211
Lease liabilities	822	822	–
Deferred income	7	7	–
Other liabilities	451	154	(297)
Total liabilities	<u>1,085,592</u>	<u>1,085,592</u>	<u>–</u>
Shareholders' equity			
Share capital	3,120	3,120	–
Capital reserve	24,004	24,004	–
Other comprehensive income	(37,152)	(36,589)	563
Surplus reserve	18,233	19,809	1,576
General reserve	12,808	14,384	1,576
Retained earnings	75,014	87,625	12,611
Total shareholders' equity	<u>96,027</u>	<u>112,353</u>	<u>16,326</u>
Total liabilities and shareholders' equity	<u>1,181,619</u>	<u>1,197,945</u>	<u>16,326</u>
LI Quan <i>Chairman & Chief Executive Officer</i>	YANG Zheng <i>Chief Financial Officer</i>	GONG Xingfeng <i>Chief Actuary</i>	ZHANG Tao <i>Head of Accounting Department</i>