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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 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 Third 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. ZHANG Hong, the president 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 third 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 of the PRC and other standards under CAS.
- The financial data in the Third Quarter Report 2023 of the Company are unaudited.

§1 KEY FINANCIAL DATA

1.1 Key accounting data and financial indicators

Unit: RMB in millions

Items	For the	For the three months ended			For the	For the nine months ended		
	three months ended 30 September 2023	For the three months ended 30 September 2022 Unadjusted	Adjusted ⁽¹⁾	Change	nine months ended 30 September 2023	For the nine months ended 30 September 2022 Unadjusted	Adjusted ⁽¹⁾	Change
Operating income	12,912	46,383	24,639	-47.6%	61,855	171,178	76,017	-18.6%
Net profit attributable to shareholders of the Company	(436)	3	2,102	-120.7%	9,542	5,190	11,292	-15.5%
Net profit attributable to shareholders of the Company after deducting non-recurring items	(428)	18	2,117	-120.2%	9,561	5,198	11,300	-15.4%
Net cash flows from operating activities	N/A	N/A	N/A	N/A	79,611	74,309	72,269	10.2%
Basic weighted average earnings per share attributable to shareholders of the Company (RMB)	(0.14)	-	0.67	-120.9%	3.06	1.66	3.62	-15.5%
Diluted weighted average earnings per share attributable to shareholders of the Company (RMB)	(0.14)	-	0.67	-120.9%	3.06	1.66	3.62	-15.5%
Weighted average return on equity attributable to shareholders of the Company	<u>-0.40%</u>	<u>-</u>	<u>2.34%</u>	<u>-2.74pt⁽²⁾</u>	<u>8.53%</u>	<u>4.94%</u>	<u>12.48%</u>	<u>-3.95pt</u>

Unit: RMB in millions

	As at	As at 31 December 2022		Change
	30 September 2023	Unadjusted	Adjusted ⁽¹⁾	
Total assets	1,364,374	1,255,044	1,214,936	12.3%
Equity attributable to shareholders of the Company	<u>108,312</u>	<u>102,884</u>	<u>97,975</u>	<u>10.6%</u>

Notes:

1. The Company has adopted new accounting standards for insurance contracts and new accounting standards for financial instruments since 1 January 2023. Comparative figures of the prior period are restated according to the new accounting standards. According to requirements of new accounting standards for insurance contracts, the Company retrospectively restated relevant insurance business data for the same period last year. According to requirements of new accounting standards for financial instruments, the Company chose not to retrospectively restate relevant investment business data for the same period last year. Similarly hereinafter.
2. 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 30 September 2023	For the nine months ended 30 September 2023
Non-recurring items		
Gains/(Losses) on the disposal of non-current assets	–	(1)
Custody fee from entrusted operation	1	10
Gains/(Losses) on other non-recurring items	(7)	(25)
Less: Effect on the amount of income tax expenses	(2)	(3)
Attributable to minority shareholders (after tax)	–	–
Total	<u>(8)</u>	<u>(19)</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

Unit: RMB in millions

Items	As at 30 September 2023/For the nine months ended 30 September 2023	As at 31 December 2022/For the nine months ended 30 September 2022	Change
Insurance revenue ⁽¹⁾	39,726	42,040	-5.5%
Insurance service expense ⁽¹⁾	26,254	26,795	-2.0%
Investment assets ⁽²⁾	<u>1,308,788</u>	<u>1,157,622</u>	<u>13.1%</u>

Notes:

1. According to new accounting standards for insurance contracts, insurance revenue and insurance service expense recognized for fulfilling insurance obligations for the nine months ended 30 September 2023 and 2022 do not include investment components of insurance contracts.
2. According to new accounting standards for insurance contracts, policyholder loan is included in insurance contract liabilities rather than a part of investment assets and the interest income generated is no longer part of investment income. Investment assets as at 31 December 2022 are restated in accordance with rules above. Similarly hereinafter.

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 National Administration of Financial Regulation, 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 2023	As at 30 June 2023
Core capital	151,207	153,029
Actual capital	247,890	248,975
Minimum capital	103,492	104,164
Core solvency margin ratio ⁽¹⁾	146.10%	146.91%
Comprehensive solvency margin ratio ⁽¹⁾	239.52%	239.02%

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 30 September		Change	Main reasons for the change
	2023	2022		
Operating income	12,912	24,639	-47.6%	Impact of implementation of the new accounting standards for financial instruments and fluctuation of capital market, investment income in the third quarter of 2023 decreased compared to the same period of last year.
Net profit attributable to shareholders of the Company	(436)	2,102	-120.7%	
Net profit attributable to shareholders of the Company after deducting non-recurring items	(428)	2,117	-120.2%	
Basic weighted average earnings per share attributable to shareholders of the Company (RMB)	(0.14)	0.67	-120.9%	Decrease in the net profit attributable to shareholders of the Company.
Diluted weighted average earnings per share attributable to shareholders of the Company (RMB)	(0.14)	0.67	-120.9%	
Weighted average return on equity attributable to shareholders of the Company	-0.40%	2.34%	-2.74pt	

§2 SHAREHOLDER INFORMATION

Unit: Share

Total number of shareholders		78,010 (including 77,723 A Share shareholders and 287 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	972,719,277	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	50,881,536	1.63	-	-	-
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	12,540,000	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. 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:

- 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.
- As of 30 September 2023, 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.
- 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 of 2023, the Company achieved gross written premiums of RMB142,911 million, increasing by 3.7% compared with same period last year. First year regular premiums from long-term insurance business totaled RMB22,031 million, increasing by 40.2% over the corresponding period of last year. Renewal premiums reached RMB100,425 million, growing by 1.5% over the corresponding period of last year. Premiums from short-term insurance business amounted to RMB3,360 million, decreasing by 12.7% over the corresponding period of last year. The surrender rate for the three quarters of 2023 was 1.5%, remaining flat with same period of last year.

Unit: RMB in millions

	For the nine months ended		
	30 September		
	2023	2022	Change
Gross written premiums⁽¹⁾	142,911	137,792	3.7%
First year premiums from			
long-term insurance business	39,126	34,952	11.9%
Regular premiums	22,031	15,715	40.2%
Regular premiums with payment periods of ten years or more	2,538	2,275	11.6%
Single premiums	17,095	19,237	-11.1%
Renewal premiums	100,425	98,989	1.5%
Premiums from short-term insurance business	<u>3,360</u>	<u>3,851</u>	<u>-12.7%</u>

Note:

1. Gross written premiums mentioned above are calculated 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. Similarly hereinafter.

Individual insurance channel of the Company focused on business value, optimized product supply and pushed forward team transformation. As of the end of the third quarter, individual insurance channel realized total premiums of RMB96,556 million, representing a year-on-year decrease of 0.3%. First year regular premiums from long-term insurance business realized RMB10,085 million, increasing by 9.9% compared with the same period of last year. Renewal premiums amounted to RMB84,757 million, decreasing by 1.0% compared with the same period of last year.

Bancassurance channel seized market opportunities and grew regular premium business. Bancassurance channel achieved total premiums of RMB44,014 million as of the end of the third quarter, representing a year-on-year increase of 14.1%. First year regular premiums from long-term insurance business amounted to RMB11,909 million, rising by 82.9% compared with the same period of last year. Renewal premiums amounted to RMB15,616 million, increasing by 17.1% compared with the same period of last year.

Group insurance continued to adjust business structure to improve performance. Group insurance achieved premiums of RMB2,341 million as of the end of the third quarter of 2023, remaining flat with same period of last year. Premiums from short-term insurance business reached RMB2,192 million, decreasing by 2.8% compared with the same period of last year.

Unit: RMB in millions

For the nine months ended
30 September

	2023	2022	Change
Individual insurance channel			
First year premiums from long-term insurance business	10,644	9,664	10.1%
Regular premiums	10,085	9,175	9.9%
Single premiums	559	489	14.3%
Renewal premiums	84,757	85,631	-1.0%
Premiums from short-term insurance business	1,155	1,581	-26.9%
Total	96,556	96,876	-0.3%
Bancassurance channel			
First year premiums from long-term insurance business	28,385	25,230	12.5%
Regular premiums	11,909	6,510	82.9%
Single premiums	16,476	18,720	-12.0%
Renewal premiums	15,616	13,330	17.1%
Premiums from short-term insurance business	13	16	-18.8%
Total	44,014	38,576	14.1%
Group insurance			
First year premiums from long-term insurance business	97	58	67.2%
Renewal premiums	52	28	85.7%
Premiums from short-term insurance business	2,192	2,254	-2.8%
Total	2,341	2,340	-
Gross written premiums	142,911	137,792	3.7%

3.2 Asset management business

As of the end of September 2023, the investment assets of the Company amounted to RMB1,308,788 million. The annualized total investment yield⁽¹⁾ was 2.3% for the nine months ended 30 September 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)×365/273.

§4 QUARTERLY FINANCIAL STATEMENTS

Please refer to Appendix.

By Order of the Board
New China Life Insurance Company Ltd.
ZHANG Hong
Executive Director

Beijing, China, 27 October 2023

As at the date of this announcement, the executive director of the Company 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) 30 September 2023

Unit: RMB in millions

	As at 30 September 2023 Group	As at 31 December 2022 Group	As at 30 September 2023 Company	As at 31 December 2022 Company
Assets				
Cash and bank deposits	17,001	17,603	14,890	15,026
Derivative financial instruments	3	3	3	3
Financial assets purchased under agreements to resell	5,518	8,847	4,145	4,576
Interest receivables	N/A	14,481	N/A	12,752
Other receivables	5,182	5,461	1,901	5,041
Term deposits	264,658	227,547	253,458	193,027
Financial instruments:				
Trading financial assets	369,839	N/A	341,679	N/A
Debt investments at amortized cost	314,473	N/A	300,333	N/A
Debt investments at fair value through other comprehensive income	324,284	N/A	333,405	N/A
Equity investments designated at fair value through other comprehensive income	5,420	N/A	5,404	N/A
Financial assets at fair value through profit or loss	N/A	79,465	N/A	48,137
Available-for-sale financial assets	N/A	375,654	N/A	373,007
Held-to-maturity investments	N/A	378,391	N/A	378,160
Investments classified as loans and receivables	N/A	47,456	N/A	42,316
Reinsurance contract assets	10,013	10,590	10,013	10,590
Long-term equity investments	5,693	5,820	48,245	64,384
Statutory deposits	1,770	1,715	748	715
Investment properties	9,388	9,553	9,040	9,161
Fixed assets	15,842	15,873	11,281	11,241
Constructions in process	1,997	1,877	1,400	1,401
Right-of-use assets	948	986	927	953
Intangible assets	3,880	4,002	2,019	2,115
Deferred tax assets	7,599	7,890	7,184	7,555
Other assets	866	1,722	601	1,459
Total assets	1,364,374	1,214,936	1,346,676	1,181,619

1. STATEMENT OF FINANCIAL POSITION (UNAUDITED) (CONTINUED)
30 September 2023

	As at 30 September 2023 Group	As at 31 December 2022 Group	As at 30 September 2023 Company	As at 31 December 2022 Company
Liabilities and Equity				
Liabilities				
Trading financial liabilities	10,367	N/A	–	N/A
Financial liabilities at fair value through profit or loss	N/A	25,877	N/A	–
Financial assets sold under agreements to repurchase	86,110	43,617	82,961	40,072
Premiums received in advance	343	431	333	428
Brokerage and commission payable	1,622	1,579	1,621	1,579
Salary and welfare payable	4,334	4,349	3,798	3,714
Taxes payable	210	236	105	196
Other payable	13,820	13,840	14,247	13,944
Insurance contract liabilities	1,125,770	1,013,191	1,125,707	1,013,154
Borrowings	10,127	10,000	10,127	10,000
Lease liabilities	798	855	774	822
Deferred income	474	484	7	7
Deferred tax liabilities	70	57	–	–
Other liabilities	1,994	2,424	1,178	1,676
	<u>1,256,039</u>	<u>1,116,940</u>	<u>1,240,858</u>	<u>1,085,592</u>
Total liabilities				

1. STATEMENT OF FINANCIAL POSITION (UNAUDITED) (CONTINUED)
30 September 2023

	As at 30 September 2023 Group	As at 31 December 2022 Group	As at 30 September 2023 Company	As at 31 December 2022 Company
Shareholders' equity				
Share capital	3,120	3,120	3,120	3,120
Capital reserve	23,981	24,006	23,979	24,004
Other comprehensive income	(48,680)	(37,134)	(48,561)	(37,152)
Surplus reserve	20,923	18,233	20,923	18,233
General reserve	14,417	12,840	14,384	12,808
Retained earnings	<u>94,551</u>	<u>76,910</u>	<u>91,973</u>	<u>75,014</u>
Total equity attributable to shareholders of the company	108,312	97,975	105,818	96,027
Non-controlling interests	<u>23</u>	<u>21</u>	<u>/</u>	<u>/</u>
Total shareholders' equity	<u>108,335</u>	<u>97,996</u>	<u>105,818</u>	<u>96,027</u>
Total liabilities and shareholders' equity	<u>1,364,374</u>	<u>1,214,936</u>	<u>1,346,676</u>	<u>1,181,619</u>

ZHANG Hong
President

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 2023

Unit: RMB in millions

	For the nine months ended 30 September 2023 Group	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2023 Company	For the nine months ended 30 September 2022 Company
1. Operating Income	61,855	76,017	61,130	77,529
Insurance revenue	39,726	42,040	39,726	42,040
Interest income	23,827	22,528	23,285	23,067
Investment income	211	11,643	483	11,846
In: Share of profits/(losses) of associates and joint ventures	(39)	155	(37)	147
Fair value gains/(losses)	(2,862)	(1,658)	(2,876)	(419)
Foreign exchange gains/(losses)	204	580	204	580
Other gains	120	78	14	36
Other operating income	629	806	294	379
2. Operating expenses	(53,144)	(64,436)	(53,336)	(64,174)
Insurance service expenses	(26,254)	(26,795)	(26,819)	(27,279)
Allocation of reinsurance premiums paid	(1,727)	(882)	(1,727)	(882)
Less: Amounts recovered from reinsurance contracts	1,247	1,354	1,247	1,354
Finance expenses from insurance contracts issued	(22,206)	(30,789)	(22,432)	(30,789)
Less: Finance income from reinsurance contracts held	198	162	198	162
Interest expense	(1,312)	(977)	(1,564)	(933)
Business tax and surcharges expenses	(73)	(71)	(34)	(32)
Administrative expenses	(2,353)	(2,356)	(1,690)	(1,712)
Expected credit losses	(262)	N/A	(290)	N/A
Impairment losses	-	(3,785)	-	(3,785)
Other operating expenses	(402)	(297)	(225)	(278)

2. STATEMENT OF INCOME (UNAUDITED) (CONTINUED)**For the nine months ended 30 September 2023**

	For the nine months ended 30 September 2023 Group	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2023 Company	For the nine months ended 30 September 2022 Company
3. Operating profit	8,711	11,581	7,794	13,355
Add: Non-operating income	34	28	25	20
Less: Non-operating expenses	<u>(60)</u>	<u>(70)</u>	<u>(59)</u>	<u>(70)</u>
4. Net profit before income tax expenses	8,685	11,539	7,760	13,305
Less: Income tax expenses	<u>859</u>	<u>(245)</u>	<u>1,071</u>	<u>(642)</u>
5. Net profit	<u>9,544</u>	<u>11,294</u>	<u>8,831</u>	<u>12,663</u>
(1) Classification of net profit				
Net profit from continuing operation	9,544	11,294	8,831	12,663
(2) Attributable to				
Owners of the Company	9,542	11,292		
Non-controlling interests	<u>2</u>	<u>2</u>	<u></u>	<u></u>

2. STATEMENT OF INCOME (UNAUDITED) (CONTINUED)

For the nine months ended 30 September 2023

	For the nine months ended 30 September 2023 Group	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2023 Company	For the nine months ended 30 September 2022 Company
6. Other Comprehensive income, net of tax	(12,162)	(14,934)	(11,972)	(14,960)
Total other comprehensive income attributable to shareholders of the company, net of tax	(12,162)	(14,934)	(11,972)	(14,960)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	153	–	150	–
Changes in fair value on equity investments designated at fair value through other comprehensive income	156	N/A	153	N/A
Finance income/expenses from insurance contracts that will not be reclassified to profit or loss in subsequent periods	(3)	–	(3)	–
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(12,315)	(14,934)	(12,122)	(14,960)
Changes in fair value on debt investments at fair value through other comprehensive income	4,365	N/A	4,399	N/A
Allowance for expected credit losses on debt investments at fair value through other comprehensive income	(1)	N/A	(2)	N/A
Finance expenses from insurance contracts issued	(16,843)	1,813	(16,673)	1,813
Finance income from reinsurance contracts held	165	173	165	173
Changes in fair value on available-for-sale financial assets	N/A	(16,589)	N/A	(16,579)
Share of other comprehensive income of associates and joint ventures under the equity method	(11)	(367)	(11)	(367)
Currency translation differences	10	36	–	–
Total other comprehensive income attribute to non-controlling interests, net of tax	–	–	/	/

2. STATEMENT OF INCOME (UNAUDITED) (CONTINUED)

For the nine months ended 30 September 2023

	For the nine months ended 30 September 2023 Group	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2023 Company	For the nine months ended 30 September 2022 Company
7.Total Comprehensive income	<u>(2,618)</u>	<u>(3,640)</u>	<u>(3,141)</u>	<u>(2,297)</u>
Attributable to owners of the Company	(2,620)	(3,642)		
Attributable to non-controlling interests	2	2		
8.Earnings per share				
Basic earnings per share	RMB3.06	RMB3.62		
Diluted earnings per share	RMB3.06	RMB3.62		

ZHANG Hong
President

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 2023

Unit: RMB in millions

	For the nine months ended 30 September 2023 Group	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2023 Company	For the nine months ended 30 September 2022 Company
1. Cash flows from operating activities				
Premiums received from insurance contracts issued	160,166	149,596	160,142	149,596
Net cash received from reinsurance contracts	512	42	512	42
Cash received from other operating activities	<u>1,404</u>	<u>2,134</u>	<u>798</u>	<u>1,539</u>
Sub-total of cash inflows from operating activities	<u>162,082</u>	<u>151,772</u>	<u>161,452</u>	<u>151,177</u>
Cash paid for claims from insurance contracts issued	(63,176)	(57,681)	(63,176)	(57,681)
Net increase of policy loans	(961)	(2,040)	(961)	(2,040)
Cash paid for brokerage and commission fees	(9,472)	(8,620)	(9,472)	(8,620)
Cash paid to and for employees	(6,188)	(6,401)	(5,638)	(5,799)
Cash paid for taxes and surcharges	(378)	(487)	(124)	(284)
Cash paid for other operating activities	<u>(2,296)</u>	<u>(4,274)</u>	<u>(2,233)</u>	<u>(4,083)</u>
Sub-total of cash outflows from operating activities	<u>(82,471)</u>	<u>(79,503)</u>	<u>(81,604)</u>	<u>(78,507)</u>
Net cash flows from operating activities	<u>79,611</u>	<u>72,269</u>	<u>79,848</u>	<u>72,670</u>

3. STATEMENT OF CASH FLOWS (UNAUDITED) (CONTINUED)

For the nine months ended 30 September 2023

	For the nine months ended 30 September 2023 Group	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2023 Company	For the nine months ended 30 September 2022 Company
2. Cash flows from investing activities				
Cash received from the disposal of investments	402,171	306,726	363,038	308,279
Cash received from investment income and interest income	31,337	27,962	30,146	28,115
Net cash received from financial assets purchased under agreements to resell	1,798	–	510	–
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	4	3	1	2
Net cash received from acquisition of subsidiaries and structured entities	2,340	45	–	–
Net cash received from the disposal of subsidiaries and structured entities	<u>7,317</u>	<u>7,815</u>	<u>9,632</u>	<u>7,874</u>
Sub-total of cash inflows from investing activities	<u>444,967</u>	<u>342,551</u>	<u>403,327</u>	<u>344,270</u>
Cash paid for investment	(567,124)	(391,469)	(520,288)	(384,747)
Net cash paid for financial assets purchased under agreements to resell	–	(7,699)	–	(7,515)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(1,262)	(1,386)	(953)	(1,050)
Cash paid for other investing activities	<u>(405)</u>	<u>(450)</u>	<u>(768)</u>	<u>(841)</u>
Sub-total of cash outflows from investing activities	<u>(568,791)</u>	<u>(401,004)</u>	<u>(522,009)</u>	<u>(394,153)</u>
Net cash flows from investing activities	<u>(123,824)</u>	<u>(58,453)</u>	<u>(118,682)</u>	<u>(49,883)</u>

3. STATEMENT OF CASH FLOWS (UNAUDITED) (CONTINUED)

For the nine months ended 30 September 2023

	For the nine months ended 30 September 2023 Group	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2023 Company	For the nine months ended 30 September 2022 Company
3. Cash flows from financing activities				
Cash received from investors	19,347	20,577	–	–
In: Capital injected into subsidiaries and structured entities by non-controlling interests	19,347	20,577	–	–
Net cash received from financial assets sold under agreements to repurchase	41,766	–	42,219	–
Cash received from other financing activities	6,440	5,530	7,000	6,000
Sub-total of cash inflows from financing activities	67,553	26,107	49,219	6,000
Cash paid for repayment of debts	(14,000)	(11,265)	–	–
Cash paid for dividends, profits and interests	(4,082)	(5,062)	(4,205)	(5,045)
In: Dividends, profits paid to non-controlling interests by subsidiaries and structured entities	(399)	(239)	–	–
Net cash paid for financial assets sold under agreements to repurchase	–	(24,900)	–	(25,211)
Cash paid for redemption of the principal and interest of lease liabilities	(388)	(426)	(373)	(394)
Cash paid for other financing activities	(5,530)	(2,770)	(6,000)	(3,000)
Sub-total of cash outflows from financing activities	(24,000)	(44,423)	(10,578)	(33,650)
Net cash flows from financing activities	43,553	(18,316)	38,641	(27,650)

3. STATEMENT OF CASH FLOWS (UNAUDITED) (CONTINUED)

For the nine months ended 30 September 2023

	For the nine months ended 30 September 2023 Group	For the nine months ended 30 September 2022 Group	For the nine months ended 30 September 2023 Company	For the nine months ended 30 September 2022 Company
4. Effect of foreign exchange rate changes	<u>57</u>	<u>512</u>	<u>57</u>	<u>513</u>
5. Net increase/(decrease) in cash and cash equivalents	(603)	(3,988)	(136)	(4,350)
Add: Opening balance of cash and cash equivalents	<u>17,586</u>	<u>15,459</u>	<u>15,026</u>	<u>13,458</u>
6. Closing balance of cash and cash equivalents	<u><u>16,983</u></u>	<u><u>11,471</u></u>	<u><u>14,890</u></u>	<u><u>9,108</u></u>

ZHANG Hong
President

YANG Zheng
*Chief Financial
Officer*

GONG Xingfeng
Chief Actuary

ZHANG Tao
*Head of Accounting
Department*