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 2020

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 2020 of the Company have been prepared in accordance with the PRC Accounting Standards for Business Enterprises and are unaudited.

§1 IMPORTANT INFORMATION

1.1 The board of directors (the "**Board**"), the board of supervisors, directors, supervisors, and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of this report, and that there are no false representations, misleading statements or material omissions in this report, and are legally liable for this report jointly and severally.

1.2 The First Quarter Report 2020 of the Company was considered and approved at the 9th meeting of the seventh session of the Board on 28 April 2020, which 15 directors were required to attend and 14 of them attended in person, director Mr. HU Aimin authorized director Mr. LI Qiqiang to attend the meeting and vote on behalf of him.

1.3 The financial statements of the Company for the first quarter of 2020 have been prepared in accordance with the PRC Accounting Standards for Business Enterprises and are unaudited.

1.4 Mr. LIU Haoling, the chairman of the Board of the Company, Mr. LI Quan, the chief executive officer and 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 warrant the truthfulness, accuracy and completeness of the financial statements in the First Quarter Report 2020.

§2 BASIC INFORMATION OF THE COMPANY

2.1 Key accounting data and financial indicators

Unit: RMB in millions

	As at 31 March 2020	As at 31 December 2019	Change
Total assets	**939,040**	878,970	6.8%
Equity attributable to shareholders of the Company	**87,644**	84,451	3.8%
Net assets per share attributable to shareholders of the Company (RMB)	**28.09**	27.07	3.8%

For the three months ended 31 March	**2020**	2019	Change
Net cash flows from operating activities	**28,697**	9,789	193.2%
Weighted average net cash flows per share from operating activities (RMB)	**9.20**	3.14	193.0%

For the three months ended 31 March	**2020**	2019	Change
Operating income	**68,148**	49,565	37.5%
Net profit attributable to shareholders of the Company	**4,635**	3,367	37.7%
Net profit attributable to shareholders of the Company after deducting non-recurring items	**4,644**	3,349	38.7%
Basic/diluted earnings per share (RMB)	**1.49**	1.08	38.0%
Basic earnings per share after deducting non-recurring items (RMB)	**1.49**	1.07	39.3%
Weighted average return on equity	**5.39%**	4.85%	Increasing by 0.54 percentage points
Weighted average return on equity after deducting non-recurring items	**5.40%**	4.83%	Increasing by 0.57 percentage points

Note: Data and indicators of shareholders' equity refer to shareholders' equity attributable to shareholders of the Company, while those of net profit refers to net profit attributable to shareholders of the Company.

2.2 Non-recurring items and amount

Unit: RMB in millions

Non-recurring items	**For the three months ended 31 March 2020**	For the three months ended 31 March 2019
Gains/(Losses) on disposal of fixed assets, intangible assets and other long-term investment assets	**–**	–
Gains/(Losses) on other non-recurring items	**(12)**	27
Effect of income tax expenses of non-recurring items	**3**	(9)
Attribute to minority shareholders	**–**	–
Total	**(9)**	18

2.3 Other key indicators

Unit: RMB in millions

Indicators	**As at 31 March 2020/ For the three months ended 31 March 2020**	As at 31 December 2019/ For the three months ended 31 March 2019	Change
Investment assets[(1)]	**897,939**	839,447	7.0%
Premium income	**58,245**	43,169	34.9%
Premiums earned	**56,919**	42,002	35.5%
Growth rate of earned premiums	**35.5%**	8.8%	Increasing by 26.7 percentage points
Net claims expense	**17,060**	20,842	-18.1%
In: Claims and death, invalid and medical benefits	**1,864**	2,220	-16.0%
Maturity benefits and annuity paid	**15,431**	18,827	-18.0%
Less: Claims recoverable from reinsurers	**(235)**	(205)	14.6%
Surrender rate[(2)]	**0.3%**	0.6%	Decreasing by 0.3 percentage points

Notes:

1. Investment assets of unit-linked contracts account are included in investment assets.

2. Surrender rate = Surrenders/(Balance of life insurance and long-term health insurance contract liabilities at the beginning of the period + Premium income of long-term insurance contracts)

2.4 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 (No. 1-17) for Insurance Companies*. 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.

Unit: RMB in millions

	As at 31 March 2020	As at 31 December 2019
Core capital	**266,316**	261,164
Actual capital	**266,316**	261,164
Minimum capital	**97,726**	92,077
Core solvency margin ratio[1]	**272.51%**	283.64%
Comprehensive solvency margin ratio[1]	**272.51%**	283.64%

Note:

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

2.5 Total number of shareholders and their shareholdings

Unit: Share

Total number of shareholders	92,706 (including 92,420 A Share shareholders and 286 H Share shareholders)					
Shares held by top ten shareholders						
Names of the shareholders	**Classes of the shares**	**Percentage of the shareholding**	**Total number of shares held**	**Number of shares held with selling restrictions**	**Number of shares pledged or frozen**	**Types of shares**
HKSCC Nominees Limited[2]	Overseas legal person shares	33.13%	1,033,620,236	–	unknown	H
Central Huijin Investment Ltd.	State-owned shares	31.34%	977,530,534	–	–	A
China Baowu Steel Group Corporation	State-owned legal person shares	12.09%	377,162,581	–	–	A
China Securities Finance Corporation Limited	State-owned legal person shares	2.99%	93,339,045	–	–	A
Hong Kong Securities Clearing Company Limited[3]	Overseas legal person shares	1.24%	38,534,907	–	–	A
Central Huijin Asset Management Ltd.	State-owned legal person shares	0.91%	28,249,200	–	–	A
Beijing Taiji Huaqing Information System Co., Ltd.	Domestic legal person shares	0.58%	18,200,000	–	–	A
DachengFund-ABC-Dacheng China Securities Financial Asset Management Plan	Others	0.28%	8,713,289	–	–	A
Huaxia Fund-ABC-Huaxia China Securities Financial Asset Management Plan	Others	0.25%	7,863,699	–	–	A
Bank of Communications Co.,Ltd. – Maxwealth Technology Empowerment Hybrid Securities Investment Fund	Others	0.24%	7,572,255	–	–	A
Description of related-party relations or concerted action among the aforesaid shareholders	Central Huijin Asset Management Ltd. is a wholly owned subsidiary of Central Huijin Investment Ltd. Save for the above, the Company is not aware of any related-party relationship among the shareholders or whether they are parties acting in concert.					

Notes:

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. 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

At the beginning of 2020, the Company realized the stable growth of insurance business through advance deployment and concerted efforts. In the first quarter of 2020, the Company achieved gross written premiums of RMB58,245 million, representing a year-on-year increase of 34.9%. The first year premiums from long-term insurance business amounted to RMB19,645 million, increasing by 174.3% year on year. The renewal premiums amounted to RMB36,199 million, representing a year-on-year increase of 7.0%. The premiums from short-term insurance business amounted to RMB2,401 million in the first quarter, representing a year-on-year increase of 10.2%.

The individual insurance channel realized total premiums of RMB38,455 million, rising by 11.5% year on year. The first year premiums from long-term insurance business amounted to RMB6,592 million, increasing by 19.4% year on year. Premiums from short-term insurance business amounted to RMB1,408 million, growing by 23.5% year on year.

The bancassurance channel realized the first year premiums from long-term insurance business of RMB13,036 million driven by both regular premium business and single premium business in the first quarter, increasing by 693.9% year on year.

The group insurance has been transforming to focus on business quality and realized premiums of RMB988 million in the first quarter of 2020, reducing by 4.0% year on year.

Unit: RMB in millions

	For the three months ended 31 March		
	2020	2019	Change
Gross written premiums	**58,245**	43,169	34.9%
First year premiums from long-term insurance business	**19,645**	7,163	174.3%
Single premiums	**11,533**	9	128,044.4%
Regular premiums	**8,112**	7,154	13.4%
Regular premiums with payment periods of ten years or more	**2,021**	3,393	-40.4%
Renewal premiums	**36,199**	33,827	7.0%
Premiums from short-term insurance business	**2,401**	2,179	10.2%

Unit: RMB in millions

	For the three months ended 31 March		
	2020	2019	Change
Individual insurance channel			
First year premiums from long-term insurance business	**6,592**	5,520	19.4%
Regular premiums	**6,192**	5,513	12.3%
Single premiums	**400**	7	5,614.3%
Renewal premiums	**30,455**	27,815	9.5%
Premiums from short-term insurance business	**1,408**	1,140	23.5%
Total	**38,455**	34,475	11.5%
Bancassurance channel			
First year premiums from long-term insurance business	**13,036**	1,642	693.9%
Regular premiums	**1,920**	1,641	17.0%
Single premiums	**11,116**	1	1,111,500.0%
Renewal premiums	**5,742**	6,010	-4.5%
Premiums from short-term insurance business	**24**	13	84.6%
Total	**18,802**	7,665	145.3%
Group insurance			
First year premiums from long-term insurance business	**17**	1	1,600.0%
Renewal premiums	**2**	2	0.0%
Premiums from short-term insurance business	**969**	1,026	-5.6%
Total	**988**	1,029	-4.0%
Gross written premiums	**58,245**	43,169	34.9%

3.2 Asset management business

As at 31 March 2020, the investment assets of the Company amounted to RMB897,939 million, growing by 7.0% compared with the end of 2019. The annualized total investment yield[1] was 5.1% in the first quarter of 2020, increasing by 0.9 percentage points year on year.

Note:

1. The annualized total investment yield = (Investment income + Fair value gains/(losses) – Impairment losses on investment assets – Interest expense of financial assets sold under agreements to repurchase)/(Average monthly investment assets balance – Average monthly financial assets sold under agreements to repurchase balance – Average monthly interest receivables balance) ×366/91.

§4 SIGNIFICANT EVENTS

4.1 Significant changes in key financial statements items and financial indicators and reasons for the changes

✓Applicable ☐Not applicable

Unit: RMB in millions

Items in the balance sheet	As at 31 March 2020	As at 31 December 2019	Change	Main reasons for the changes
Cash and bank deposits	**30,874**	11,768	162.4%	The requirement of liquidity management
Financial assets purchased under agreements to resell	**1,217**	5,682	-78.6%	The allocation of investment assets and the requirement of liquidity management
Premiums receivable	**5,193**	2,233	132.6%	Accumulated increase of insurance business and uneven distribution among quarters
Deferred tax assets	**576**	162	255.6%	Increase in deductible temporary differences
Other assets	**999**	1,938	-48.5%	Decrease in corporate income tax to be refunded
Premiums received in advance	**241**	4,181	-94.2%	The impact of business development pace
Claims payable	**7,870**	5,704	38.0%	Increase in maturity benefits payable at the end of the quarter
Other payables	**9,871**	2,533	289.7%	Increase in investment clearing account payables
Unearned premiums liabilities	**2,738**	2,102	30.3%	Increase of short-term insurance business and uneven distribution among quarters
Other comprehensive income	**2,434**	3,960	-38.5%	The effect of change in fair value of available-for-sale financial assets

Unit: RMB in millions

Items in the statement of income	For the three months ended 31 March		Change	Main reasons for the changes
	2020	2019		
Premium income	**58,245**	43,169	34.9%	Increase in business scale
Investment income	**12,392**	6,889	79.9%	Increase in net realized gains on investment assets
Fair value gains/(losses)	**(1,512)**	595	N/A	The effect of the disposal of a part of financial assets measured at fair value through profit or loss and fair value change.
Foreign exchange gains/(losses)	**104**	(97)	N/A	Exchange rate fluctuations in assets denominated in foreign currencies
Surrenders	**(2,288)**	(3,888)	-41.2%	Decrease in surrenders in a part of insurance products
Increase in insurance contracts reserve	**(34,184)**	(12,542)	172.6%	The increase in premium income and decrease in claims and surrenders
Other operating expenses	**(1,012)**	(602)	68.1%	Increase in interest of financial assets sold under agreements to repurchase
Impairment losses	**(572)**	(209)	173.7%	Increase in impairment of available-for-sale financial assets due to the fluctuation of the capital market in comparison with the same period of the last year
Income tax expenses	**(933)**	(702)	32.9%	Increase in taxable income
Net profit	**4,636**	3,368	37.6%	Increase in investment income
Other comprehensive income, net of tax	**(1,526)**	4,241	N/A	The effect of change in fair value of available-for-sale financial assets

4.2 Explanation and analysis of significant events and their impacts and solutions

☐Applicable ✓Not applicable

4.3 Disclosable unfulfilled undertaking during the reporting period

☐Applicable ✓Not applicable

4.4 Warnings and explanation for any significant changes in net profit or cumulative losses from the beginning of the year to the end of the next reporting period as compared to the same period of last year

☐ Applicable ✓ Not applicable

By Order of the Board
New China Life Insurance Company Ltd.
LIU Haoling
Chairman

Beijing, China, 28 April 2020

As at the date of this announcement, the chairman and non-executive director of the Company is LIU Haoling, the executive directors are LI Quan and LI Zongjian; the non-executive directors are XIONG Lianhua, YANG Yi, GUO Ruixiang, HU Aimin, LI Qiqiang, PENG Yulong and Edouard SCHMID; and the independent non-executive directors are LI Xianglu, ZHENG Wei, CHENG Lie, GENG Jianxin and MA Yiu Tim.

§5 APPENDIX

5.1 Statement of Financial Position (unaudited)

(All amounts in RMB million unless otherwise stated)

Assets	**As at 31 March 2020 Group**	As at 31 December 2019 Group	**As at 31 March 2020 Company**	As at 31 December 2019 Company
Assets				
Cash and bank deposits	**30,874**	11,768	**19,842**	10,972
Financial assets measured at fair value through profit or loss	**27,383**	24,409	**16,212**	12,460
Financial assets purchased under agreements to resell	**1,217**	5,682	**672**	5,307
Interest receivables	**10,276**	8,671	**9,978**	8,193
Premiums receivable	**5,193**	2,233	**5,193**	2,233
Receivables from reinsurers	**40**	188	**40**	188
Unearned premium reserves receivables from reinsurers	**233**	185	**233**	185
Claim reserves receivable from reinsurers	**45**	44	**45**	44
Reserves for life insurance receivables from reinsurers	**1,470**	1,433	**1,470**	1,433
Reserves for long-term health insurance receivables from reinsurance	**1,251**	1,178	**1,251**	1,178
Policy loans	**35,391**	35,148	**35,391**	35,148
Other receivables	**2,936**	3,890	**2,736**	3,511
Term deposits	**77,040**	64,040	**76,780**	63,780
Available-for-sale financial assets	**404,916**	387,296	**397,313**	379,993
Held-to-maturity investments	**253,880**	246,212	**253,778**	246,090
Investments classified as loans and receivables	**50,130**	49,434	**39,060**	38,364
Long-term equity investments	**4,967**	4,917	**51,185**	40,998
Statutory deposits	**1,715**	1,715	**715**	715
Investment properties	**9,034**	9,051	**9,095**	9,112
Fixed assets	**10,115**	10,165	**7,688**	7,719
Constructions in process	**4,422**	4,170	**2,637**	2,509
Right-of-use assets	**1,125**	1,152	**1,089**	1,114
Intangible assets	**3,659**	3,726	**1,684**	1,736
Deferred tax assets	**576**	162	**414**	-
Other assets	**999**	1,938	**861**	1,978
Separate account assets	**153**	163	**153**	163
Total assets	**939,040**	878,970	**935,515**	875,123

5.1 Statement of Financial Position (unaudited) (continued)

(All amounts in RMB million unless otherwise stated)

Liabilities and equity	**As at 31 March 2020 Group**	As at 31 December 2019 Group	**As at 31 March 2020 Company**	As at 31 December 2019 Company
Liabilities				
Financial liabilities measured at fair value through profit or loss	**513**	501	**–**	–
Financial assets sold under agreements to repurchase	**82,581**	68,190	**82,470**	67,964
Premiums received in advance	**241**	4,181	**241**	4,181
Brokerage and commission payable	**2,705**	2,353	**2,705**	2,353
Reinsurance payable	**388**	220	**388**	220
Salary and welfare payable	**2,879**	3,905	**2,533**	3,304
Taxes payable	**224**	289	**68**	87
Claims payable	**7,870**	5,704	**7,870**	5,704
Policyholder dividends payable	**140**	-	**140**	-
Other payables	**9,871**	2,533	**9,653**	2,647
Policyholder deposits	**49,813**	46,366	**49,813**	46,366
Unearned premiums liabilities	**2,738**	2,102	**2,738**	2,102
Outstanding claims liabilities	**1,534**	1,611	**1,534**	1,611
Reserves for life insurance	**594,468**	567,985	**594,468**	567,985
Reserves for long-term health insurance	**93,582**	86,493	**93,582**	86,493
Lease liabilities	**935**	961	**900**	921
Provisions	**29**	29	**29**	29
Deferred income	**514**	517	**–**	–
Deferred tax liabilities	**55**	298	**–**	244
Other liabilities	**159**	119	**158**	117
Separate account liabilities	**146**	152	**146**	152
Total liabilities	**851,385**	794,509	**849,436**	792,480
Shareholders' equity				
Share capital	**3,120**	3,120	**3,120**	3,120
Capital reserve	**23,954**	23,870	**23,952**	23,868
Other comprehensive income	**2,434**	3,960	**2,370**	3,915
Surplus reserve	**7,357**	7,357	**7,357**	7,357
General reserve	**6,067**	6,067	**6,053**	6,053
Retained earnings	**44,712**	40,077	**43,227**	38,330
Total equity attributable to shareholders of the company	**87,644**	84,451	**86,079**	82,643
Non-controlling interests	**11**	10	**–**	–
Total shareholders' equity	**87,655**	84,461	**86,079**	82,643
Total liabilities and shareholders' equity	**939,040**	878,970	**935,515**	875,123

LIU Haoling	**LI Quan**	**YANG Zheng**	**GONG Xingfeng**	**ZHANG Tao**
Chairman	*President*	*Chief Financial Officer*	*Chief Actuary*	*Head of Accounting Department*

5.2 Statement of Income (unaudited)

(All amounts in RMB million unless otherwise stated)

For the three months ended 31 March	**2020 Group**	2019 Group	**2020 Company**	2019 Company
1. Operating income	**68,148**	49,565	**68,321**	49,325
Premiums earned	**56,919**	42,002	**56,919**	42,002
Premium income	**58,245**	43,169	**58,245**	43,169
Less: Premiums ceded out	**(738)**	(553)	**(738)**	(553)
Net change in unearned premiums liabilities	**(588)**	(614)	**(588)**	(614)
Investment income	**12,392**	6,889	**12,593**	6,776
In: Share of profit of associates and joint ventures	**34**	(19)	**29**	(19)
Fair value gains/(losses)	**(1,512)**	595	**(1,454)**	514
Foreign exchange gains/(losses)	**104**	(97)	**105**	(97)
Other gains	**16**	1	**12**	1
Other operating income	**229**	175	**146**	129
2. Operating expenses	**(62,567)**	(45,522)	**(62,496)**	(45,462)
Surrenders	**(2,288)**	(3,888)	**(2,288)**	(3,888)
Claims expense	**(17,295)**	(21,047)	**(17,295)**	(21,047)
Less: Claims recoverable from reinsurers	**235**	205	**235**	205
Increase in insurance contracts reserve	**(34,184)**	(12,542)	**(34,184)**	(12,542)
Less: Insurance reserves recoverable from reinsurers	**111**	96	**111**	96
Policyholder dividends	**(141)**	(15)	**(141)**	(15)
Business tax and surcharges expenses	**(39)**	(31)	**(35)**	(28)
Commission and brokerage expenses	**(4,812)**	(4,726)	**(4,812)**	(4,726)
Administrative expenses	**(2,730)**	(2,921)	**(2,686)**	(2,887)
Less: Expenses recoverable from reinsurers	**160**	158	**160**	158
Other operating expenses	**(1,012)**	(602)	**(989)**	(579)
Impairment losses	**(572)**	(209)	**(572)**	(209)
3. Operating profit	**5,581**	4,043	**5,825**	3,863
Add: Non-operating income	**4**	54	**4**	4
Less: Non-operating expenses	**(16)**	(27)	**(16)**	(27)

5.2 Statement of Income (unaudited) (continued)

(All amounts in RMB million unless otherwise stated)

For the three months ended 31 March	2020 Group	2019 Group	2020 Company	2019 Company
4. Net profit before income tax expenses	**5,569**	4,070	**5,813**	3,840
Less: Income tax expenses	**(933)**	(702)	**(916)**	(681)
5. Net profit	**4,636**	3,368	**4,897**	3,159
(1) Classification of net profit:				
Net profit from continuing operation	**4,636**	3,368	**4,897**	3,159
Net profit from discontinued operation	**–**	–	**–**	–
(2) Attributable to:				
Shareholders of the company	**4,635**	3,367		
Non-controlling interests	**1**	1		
6. Other comprehensive income, net of tax	**(1,526)**	4,241	**(1,545)**	4,236
Total other comprehensive income attribute to shareholders of the company, net of tax	**(1,526)**	4,241	**(1,545)**	4,236
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Share of other comprehensive income under the equity method and the effect on insurance contracts reserve and policyholder deposits, net of tax	**(70)**	26	**(70)**	26
Gains/(losses) arising from fair value changes and the effect on insurance contracts reserve and policyholder deposits, net of tax	**(1,462)**	4,220	**(1,475)**	4,210
Currency translation differences	**6**	(5)	**–**	–
Total other comprehensive income attribute to non-controlling interests, net of tax	**–**	–	**–**	–
7. Total comprehensive income	**3,110**	7,609	**3,352**	7,395
Attributable to shareholders of the Company	**3,109**	7,608		
Attributable to non-controlling interests	**1**	1		
8. Earnings per share				
Basic earnings per share	**RMB1.49**	RMB1.08		
Diluted earnings per share	**RMB1.49**	RMB1.08		

LIU Haoling	**LI Quan**	**YANG Zheng**	**GONG Xingfeng**	**ZHANG Tao**
Chairman	*President*	*Chief Financial Officer*	*Chief Actuary*	*Head of Accounting Department*

5.3 Statement of Cash Flows (unaudited)

(All amounts in RMB million unless otherwise stated)

For the three months ended 31 March	2020 Group	2019 Group	2020 Company	2019 Company
1. Cash flows from operating activities				
Premium received	**51,406**	39,542	**51,406**	39,542
Net cash received from reinsurance business	**–**	24	**–**	24
Net increase in policyholder deposits	**2,988**	2,324	**2,988**	2,324
Cash received from other operating activities	**232**	260	**113**	216
Sub-total of cash inflows from operating activities	**54,626**	42,150	**54,507**	42,106
Cash paid for claims	**(17,417)**	(24,012)	**(17,417)**	(24,012)
Net cash paid for reinsurance business	**(28)**	–	**(28)**	–
Cash paid for policyholder dividends	**–**	(1)	**–**	(1)
Cash paid for brokerage and commission fees	**(4,460)**	(4,215)	**(4,460)**	(4,215)
Cash paid to and for employees	**(3,104)**	(2,945)	**(2,729)**	(2,663)
Cash paid for taxes and surcharges	**(422)**	(214)	**(338)**	(171)
Cash paid for other operating activities	**(498)**	(974)	**(445)**	(1,007)
Sub-total of cash outflows from operating activities	**(25,929)**	(32,361)	**(25,417)**	(32,069)
Net cash flows from operating activities	**28,697**	9,789	**29,090**	10,037
2. Cash flows from investing activities				
Cash received from sales and redemption of investments	**66,753**	44,852	**61,101**	42,466
Cash received from investment income	**9,996**	6,628	**10,157**	6,530
Net cash received from sales of fixed assets, intangible assets and other long-term assets	**1**	–	**–**	–
Net cash received from financial assets purchased under agreements to resell	**4,476**	37	**4,645**	–
Sub-total of cash inflows from investing activities	**81,226**	51,517	**75,903**	48,996
Cash paid for investment	**(111,080)**	(60,878)	**(116,339)**	(58,470)
Net increase in policy loans	**(243)**	(802)	**(243)**	(802)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**(572)**	(578)	**(448)**	(399)
Net cash paid for financial assets purchased under agreements to resell	**–**	–	**–**	(116)
Net cash generated from the disposal of subsidiary	**(21)**	–	**–**	–
Cash paid for other investing activities	**(34)**	(18)	**(327)**	(131)
Sub-total of cash outflows from investing activities	**(111,950)**	(62,276)	**(117,357)**	(59,918)
Net cash flows from investing activities	**(30,724)**	(10,759)	**(41,454)**	(10,922)

5.3 Statement of Cash Flows (unaudited) (continued)

(All amounts in RMB million unless otherwise stated)

For the three months ended 31 March	2020 Group	2019 Group	2020 Company	2019 Company
3. Cash flows from financing activities				
Cash received from investors	**37**	25	**–**	–
In: Capital injected into structured entities by non-controlling interests	**37**	25	**–**	–
Net cash received from financial assets sold under agreements to repurchase	**21,177**	3,862	**21,293**	3,870
Sub-total of cash inflows from financing activities	**21,214**	3,887	**21,293**	3,870
Cash paid for dividends and interests	**(18)**	–	**–**	–
Cash paid for principal and interest of lease liabilities	**(145)**	(114)	**(137)**	(114)
Cash paid for other financing activities	**(2)**	–	**–**	–
Sub-total of cash outflows from financing activities	**(165)**	(114)	**(137)**	(114)
Net cash flows from financing activities	**21,049**	3,773	**21,156**	3,756
4. Effect of foreign exchange rate changes	**95**	(87)	**89**	(86)
5. Net increase/(decrease) in cash and cash equivalents	**19,117**	2,716	**8,881**	2,785
Add: Opening balance of cash and cash equivalents	**11,765**	9,005	**10,988**	8,338
6. Closing balance of cash and cash equivalents	**30,882**	11,721	**19,869**	11,123

LIU Haoling	**LI Quan**	**YANG Zheng**	**GONG Xingfeng**	**ZHANG Tao**
Chairman	*President*	*Chief Financial Officer*	*Chief Actuary*	*Head of Accounting Department*