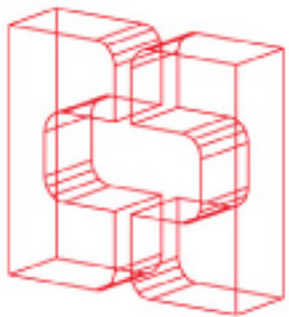


China Life Insurance Co., Ltd.

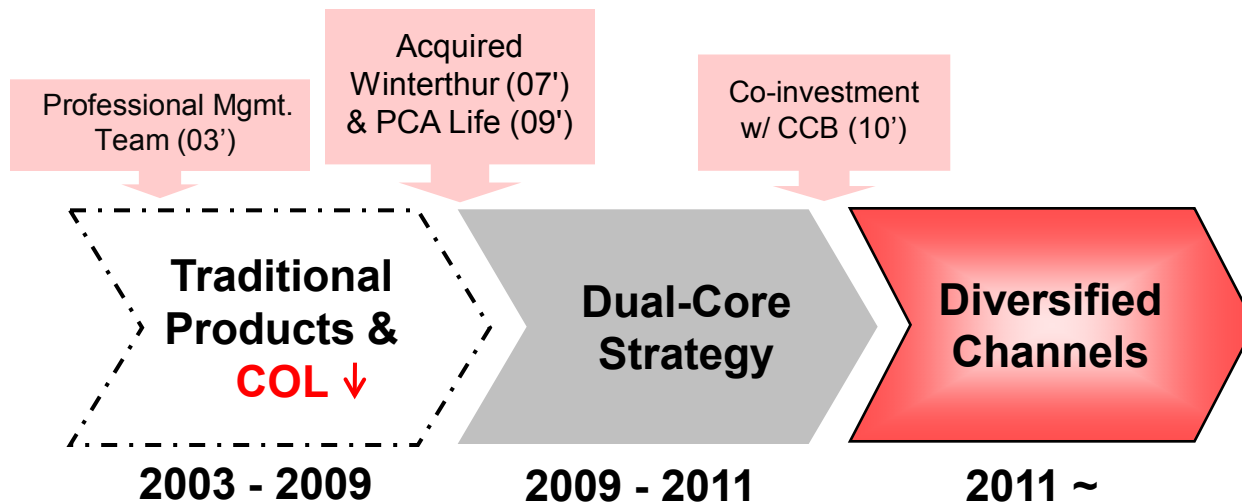
April 2015

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Business Performance

- Emphasize Asset Liability Management (ALM)
- Keep promoting traditional policies to further average down cost of liability (COL)
- Launch multi-currency products to fulfill customers' variable product needs
- Focus on long-term regular paid policies & high EV contribution products
- For the joint investment with China Construction Bank (CCB) in Mainland China, CCB Life focuses on branch expansion and operational scale enlargement



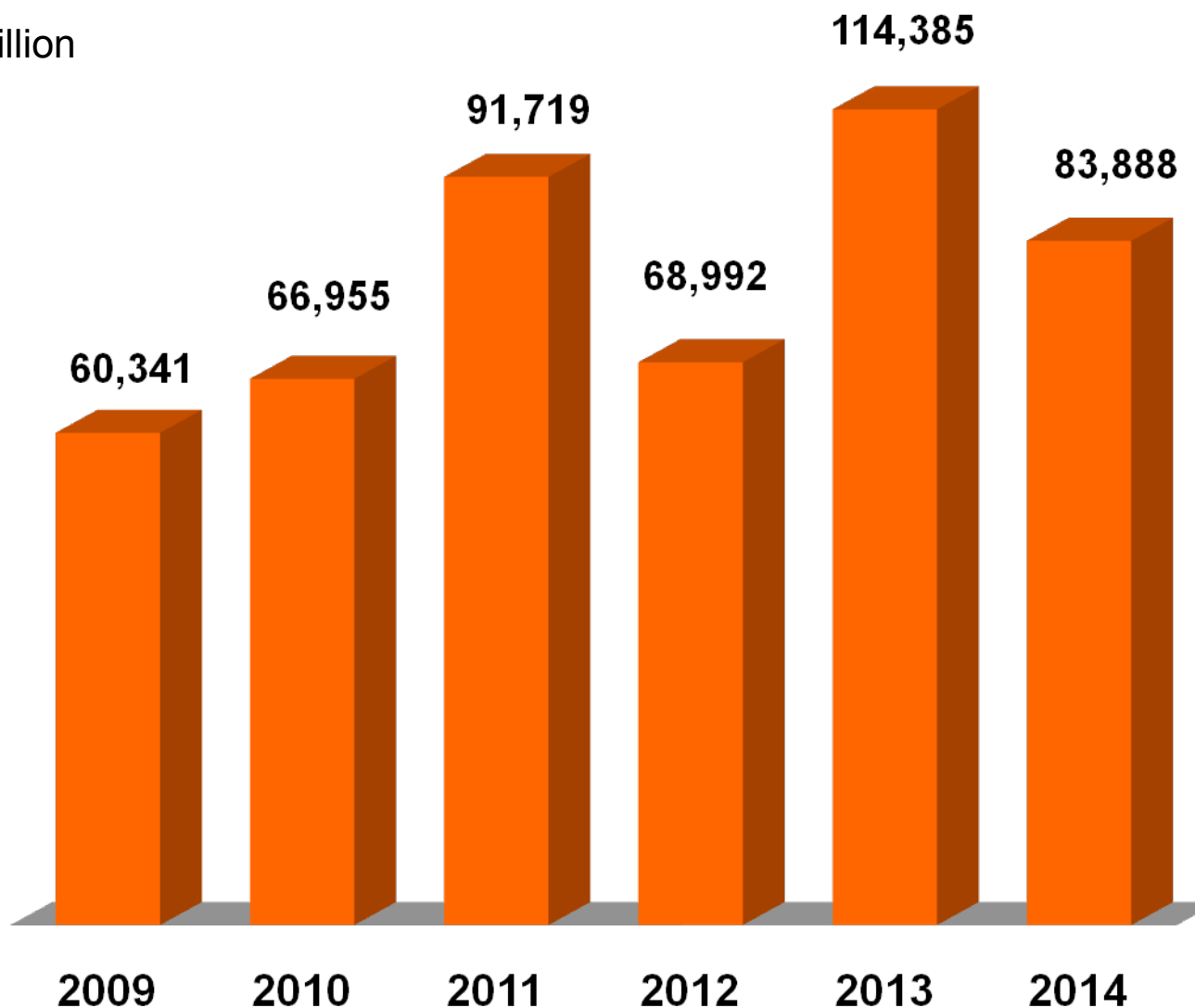
2013 Awards

Institutional Investor

Awarded
Most Honored Companies
Best Companies in Taiwan
Best IR Professionals
by Institutional Investor

▶▶▶ First Year Premium (FYP)

NT\$ million

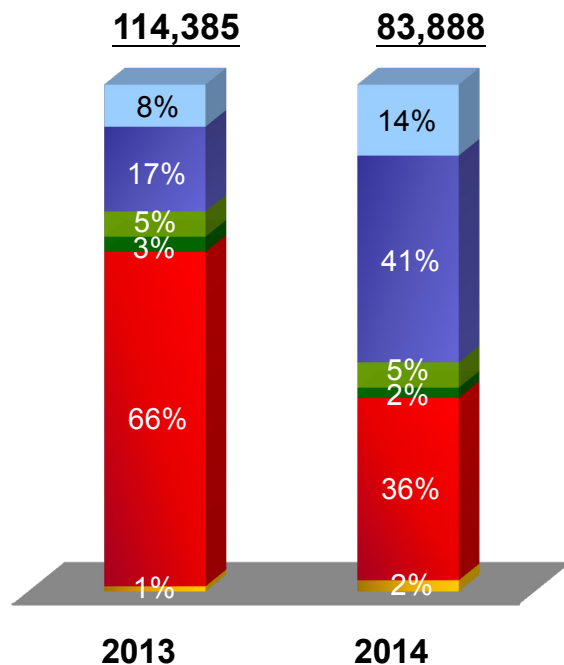


- ❑ Target at high margin, long-term regular-paid products
- ❑ Increase the sales of protection-based multi-currency policies to enhance clients' portfolio diversification
- ❑ Provide well-rounded product selections to facilitate general public's high saving rate feature
- ❑ Develop medical, long term health care, and retirement products to adapt to the aging population trend & demands
- ❑ Build up a complete investment linked product (ILP) platform to satisfy customers with different risk preference

FYP

- Traditional** - regular
- Traditional** - single
- Foreign Currency - regular
- Foreign Currency - single
- Interest Sensitive Annuity & UL
- ILP

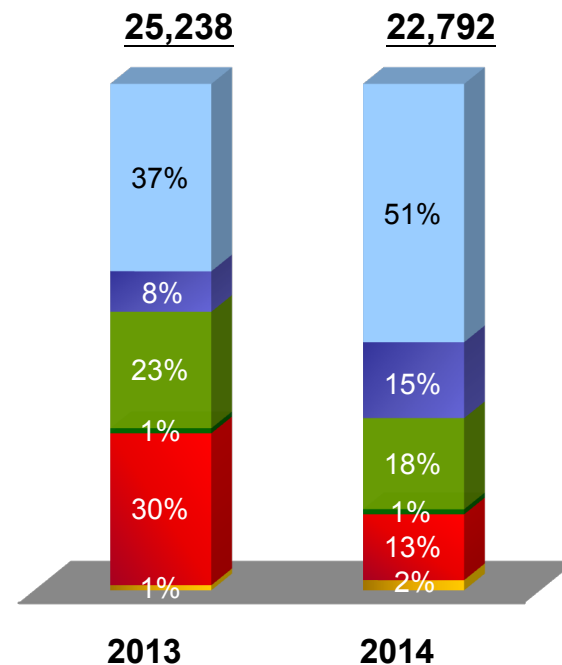
NT\$ m



FYPE*

- Traditional** - regular
- Traditional** - single
- Foreign Currency - regular
- Foreign Currency - single
- Interest Sensitive Annuity & UL
- ILP

NT\$ m



* **FYPE (First Year Premium Equivalent)** = 10% x single & flexible premium + 20% x 2-year premium payment term + ... + 50% x 5-year premium payment term + 100% x 6-year and more premium payment term

** **Traditional**: incl. Traditional Life, Interest Sensitive Life, A&H, Riders, & Short Term etc.

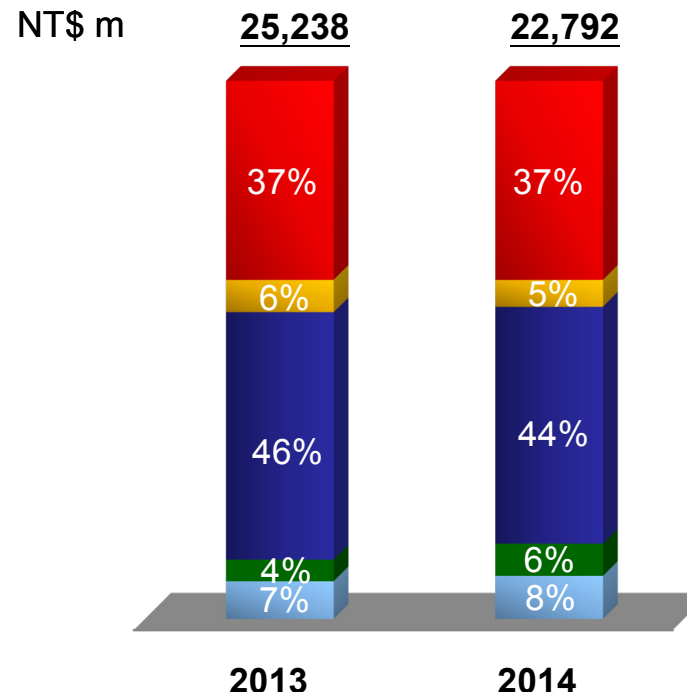
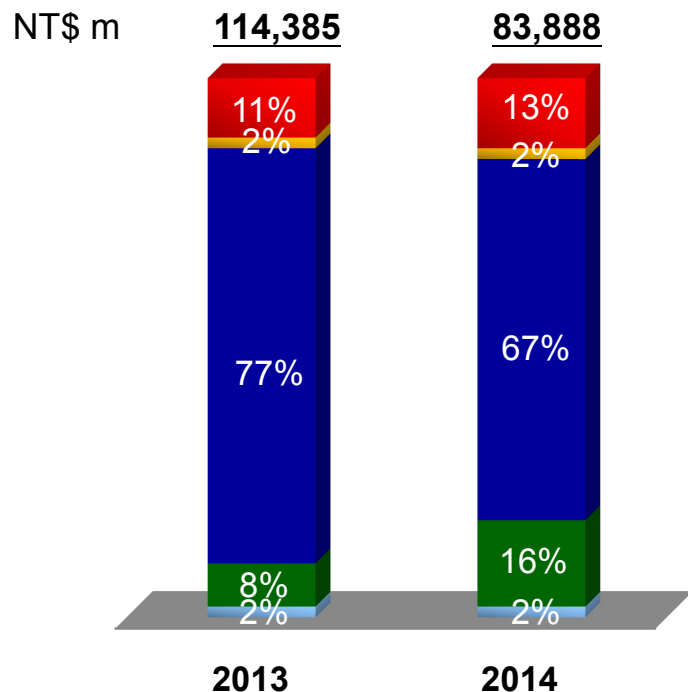
- ❑ Enlarge sales contribution from agency force, continuously expand exclusive agent numbers and focus on regular-paid products
- ❑ Expand the sales scale of bancassurance channel to satisfy customer needs on savings & financial planning. Progress product focus to regular-paid with protection elements
- ❑ Satisfy high-net worth clients' wealth management plans via financial services team, and introduce regular-paid investment linked products (ILP)
- ❑ Promote regular-paid products in broker channel, to enhance sales performance & profitability
- ❑ Broaden multi-channel platform to tap into different segment customers with protection, savings & financial planning needs

FYP

FYPE*

- Agency
- Broker
- Bancassurance
- Financial Services
- Group

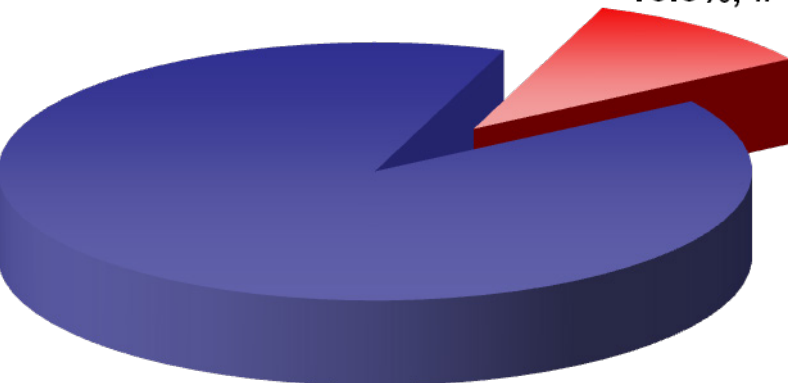
- Agency
- Broker
- Bancassurance
- Financial Services
- Group



* **FYPE (First Year Premium Equivalent)** = 10% x single & flexible premium + 20% x 2-year premium payment term + ... + 50% x 5-year premium payment term + 100% x 6-year and more premium payment term

2013

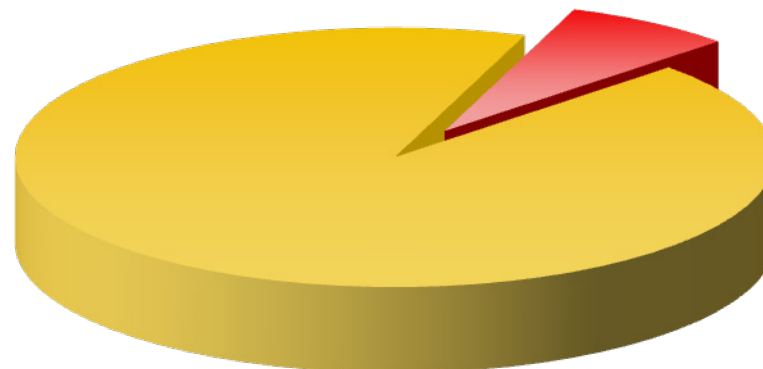
China Life
10.3%, # 4



Others
89.7%

2014

China Life
7.2%, # 6



Others
92.8%

- ❑ Provide segregated products according to different channel customer demands
- ❑ Promote multi-currency allocation concept through a well-rounded product offering
- ❑ Target at high net worth individuals to provide wealth management services
- ❑ Strengthen protection on accidental & medical/health care policies

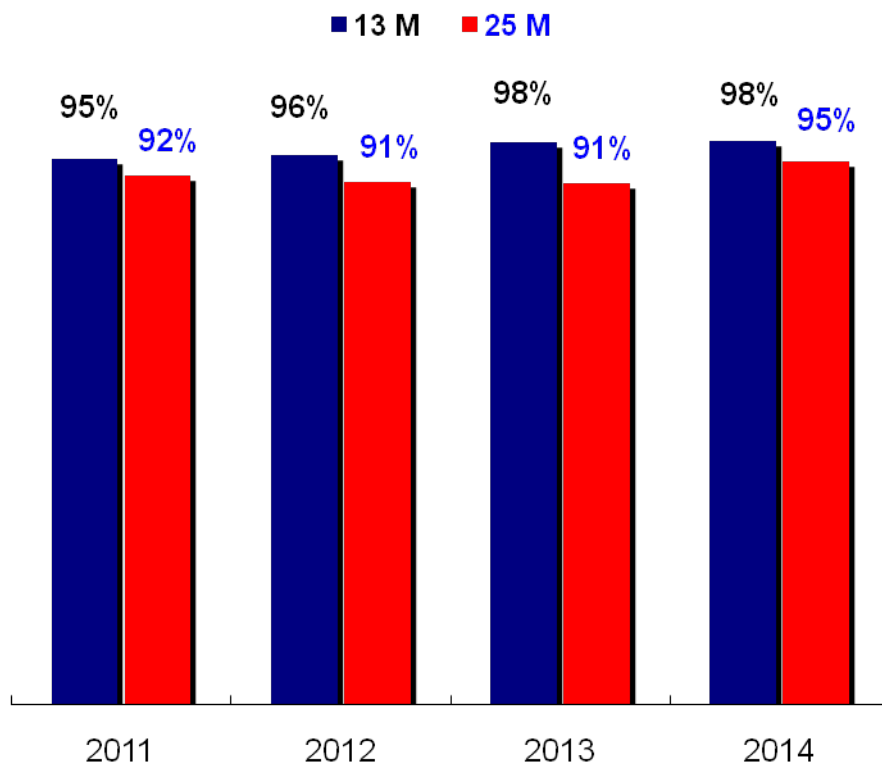
▶▶▶ Financial Highlights

NT\$ million	2012*	2013**	2014**	+/- %
First Year Premium	68,992	114,385	83,888	-27%
Total Premium	125,319	177,246	154,455	-13%
Investment Income	26,770	32,438	41,698	29%
Profit before Tax	4,752	6,343	7,023	11%
Income Tax	(173)	(344)	(511)	49%
Net Profit	4,579	5,999	6,512	9%
Basic EPS	1.70	2.00	2.15	8%
Total Asset	846,210	977,602	1,107,268	13%
Paid-in Capital	23,878	27,221	30,365	12%
Net worth	63,318	62,490	74,325	19%

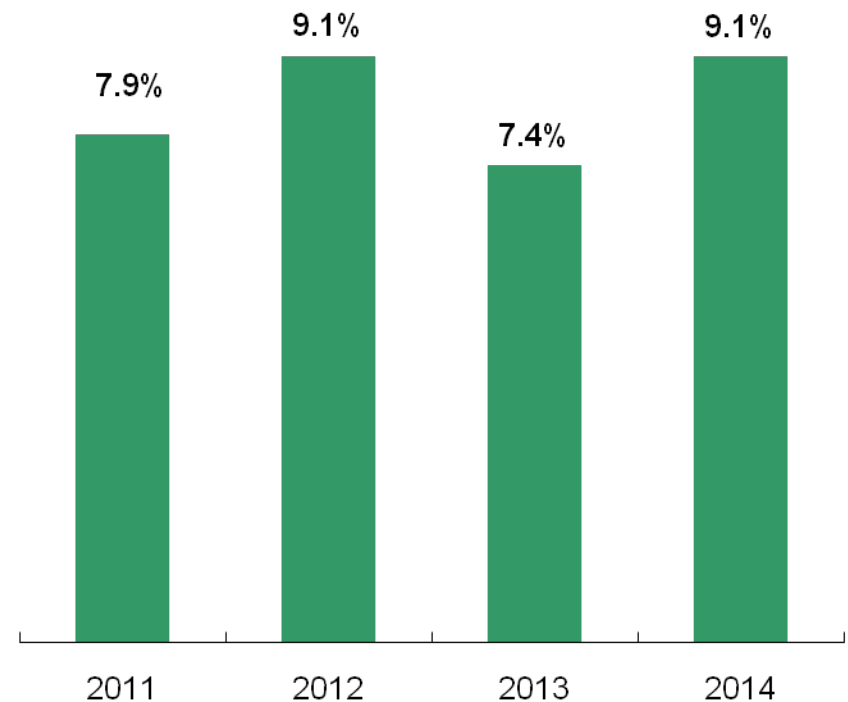
* From 2013, all financial reporting are required to comply with IFRS, from ROC GAAP, and 2012 numbers were reproduced based on IFRS for comparison purpose (investment properties were evaluated by cost model)

** From 2014, the accounting policy regarding subsequent measurement of investment properties was changed from cost model to fair value model, and 2013 numbers were reproduced for comparison purpose

Persistence Ratio



Expense Ratio



❑ Fixed Income

- Account for 79% of total invested assets
- Emphasize on Asset Liability Matching principle

❑ Domestic Equities

- Focus on equities with long-term upside potential & stable cash dividend yield
- Select undervalued stocks with sustainable profitability growth

❑ Foreign Investment

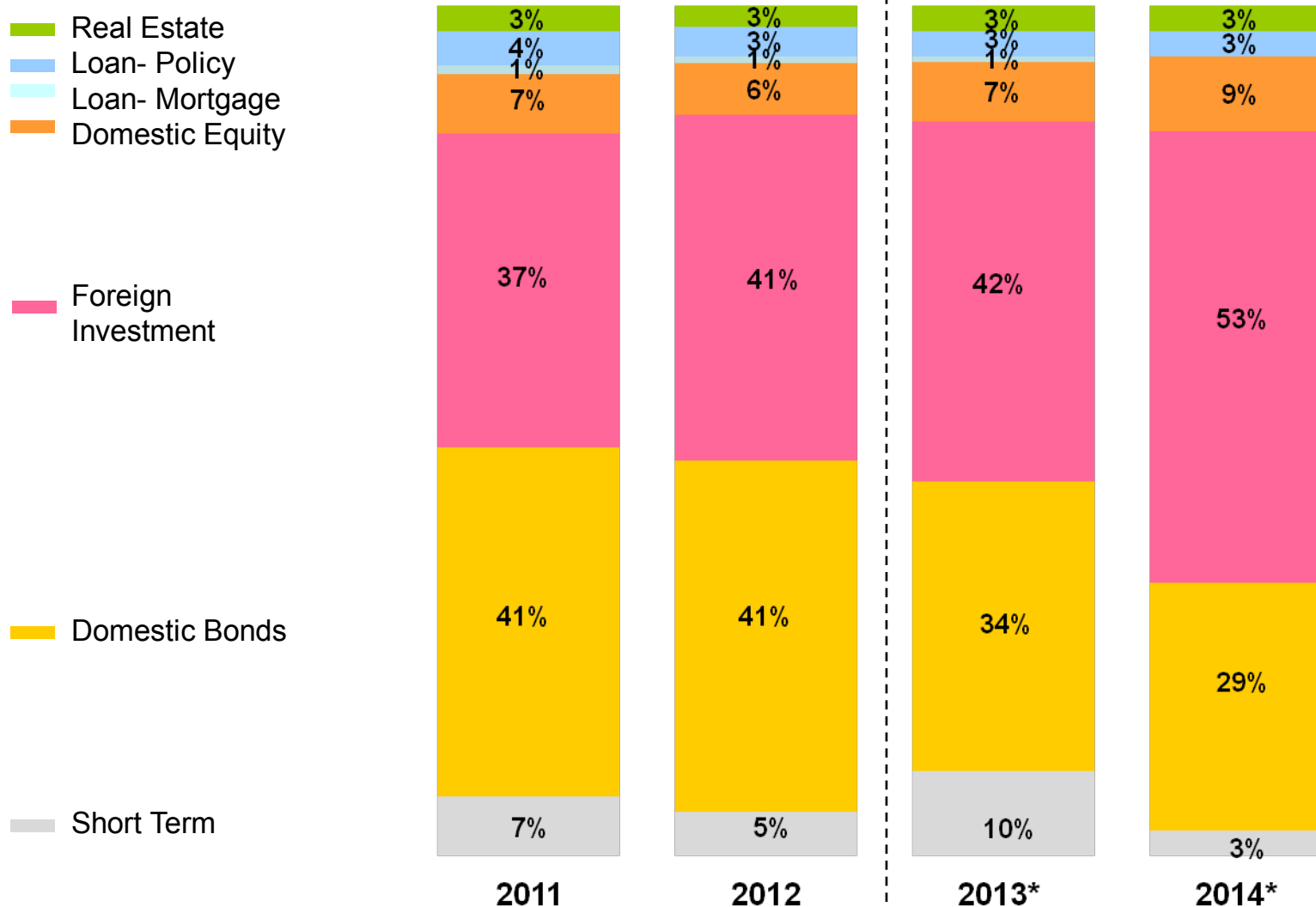
- Maintain cautious, assume reasonable interest rate risk
- Utilize direct hedge and FX reserve; dynamically adjust hedging ratio
- Measure credit risks on a particular security; target at industries with steady outlooks and companies with sound operations and long-term profitability perspectives; would not compromise credit standard for yield enhancement
- Received China QFII investment quota of USD\$ 550 million

❑ Real Estate

- 3% of total invested assets (4.4%, if including superficiary right to the Taipei Academy), and plan to increase gradually to 5~8%
- Target at Grade A commercial buildings with reasonable price and rental yield
- Select areas with high appreciation potential

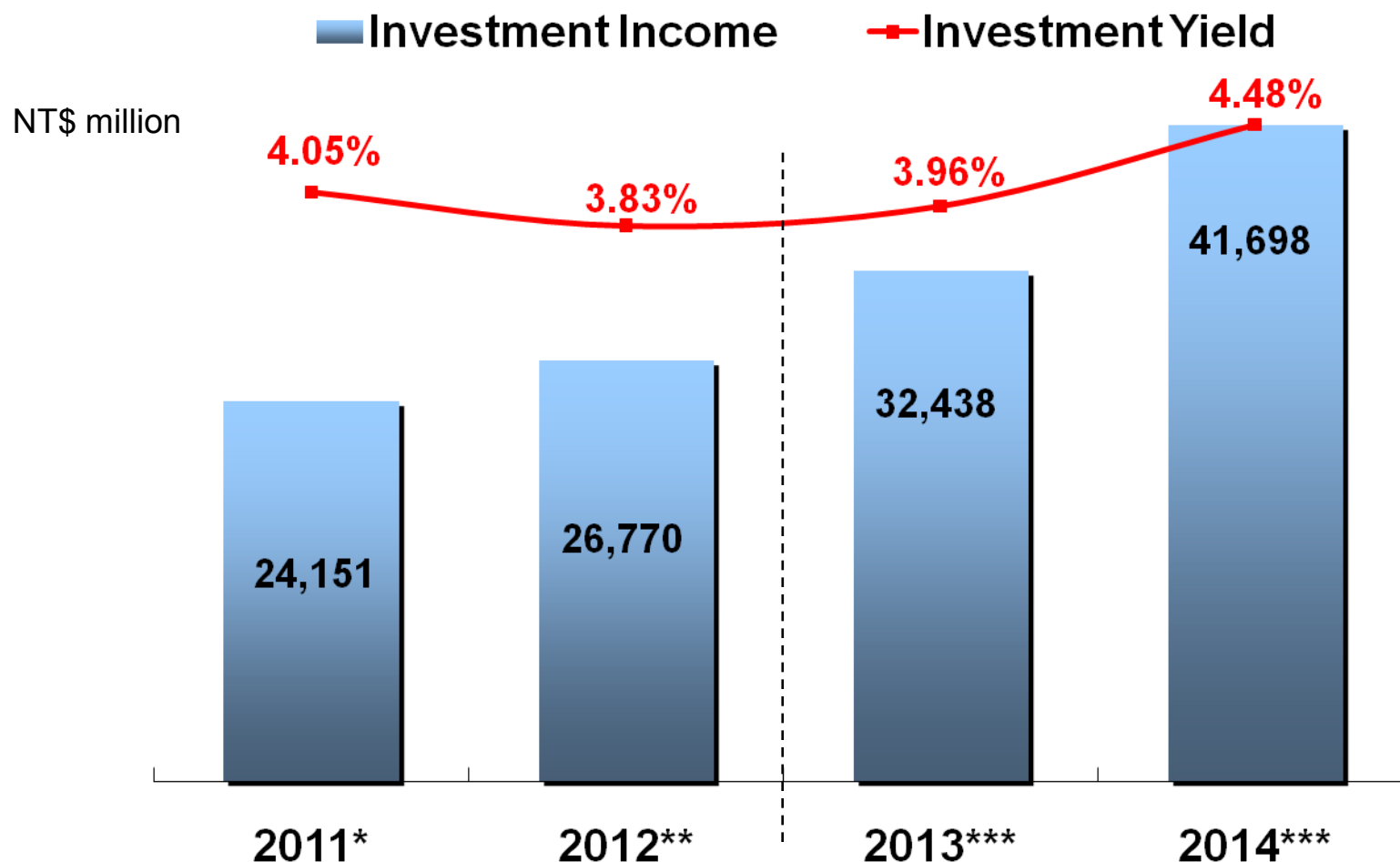


Asset Portfolio



* From 2014, the accounting policy regarding subsequent measurement of investment properties was changed from cost model to fair value model, and 2013 numbers were reproduced for comparison purpose

Investment Income



* Financial numbers of 2011 was complied with ROC GAAP

** From 2013, all financial reporting are required to comply with IFRS, from ROC GAAP, and 2012 numbers were reproduced based on IFRS for comparison purpose (investment properties were evaluated by cost model)

*** From 2014, the accounting policy regarding subsequent measurement of investment properties was changed from cost model to fair value model, and 2013 numbers were reproduced for comparison purpose

Financial Summary

NT\$ million

Income Statement Data

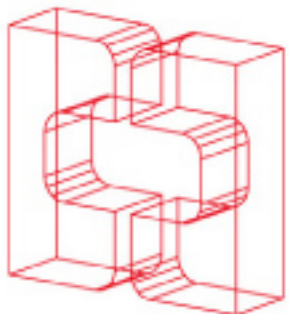
	<u>2012*</u>	<u>2013*</u>	<u>Variance</u>	<u>2013**</u>	<u>2014**</u>	<u>Variance</u>
Premium Income	115,577	167,592	45.0%	167,592	144,674	-13.7%
Net Investment Income	26,770	31,114	16.2%	32,438	41,698	28.5%
Other Revenue - separate account	9,949	8,026	-19.3%	8,026	10,116	26.0%
Miscellaneous Income	1,512	1,575	4.2%	1,575	1,365	-13.3%
Benefits to Policyholders and Beneficiaries	47,463	51,673	8.9%	51,673	64,446	24.7%
Acquisition and Operation Expenses	10,334	12,206	18.1%	12,071	12,907	6.9%
Change in Actuarial Liabilities	80,181	129,522	61.5%	129,710	99,827	-23.0%
Other Operating Cost - separate account	9,949	8,026	-19.3%	8,026	10,116	26.0%
Miscellaneous Expenses	1,129	1,808	60.1%	1,808	3,534	95.5%
Net Profit Before Tax	4,752	5,072	6.7%	6,343	7,023	10.7%
Net Profit	4,579	4,725	3.2%	5,999	6,512	8.6%
Basic EPS	1.70	1.74	2.4%	2.00	2.15	7.5%

Balance Sheet Data

Total Assets	846,210	967,780	14.4%	977,602	1,107,268	13.3%
Total Liabilities	782,892	913,685	16.7%	915,112	1,032,943	12.9%
Total Stockholders' Equity	63,318	54,095	-14.6%	62,490	74,325	18.9%

* From 2013, all financial reporting are required to comply with IFRS, from ROC GAAP, and 2012 numbers were reproduced based on IFRS for comparison purpose (investment properties were evaluated by cost model)

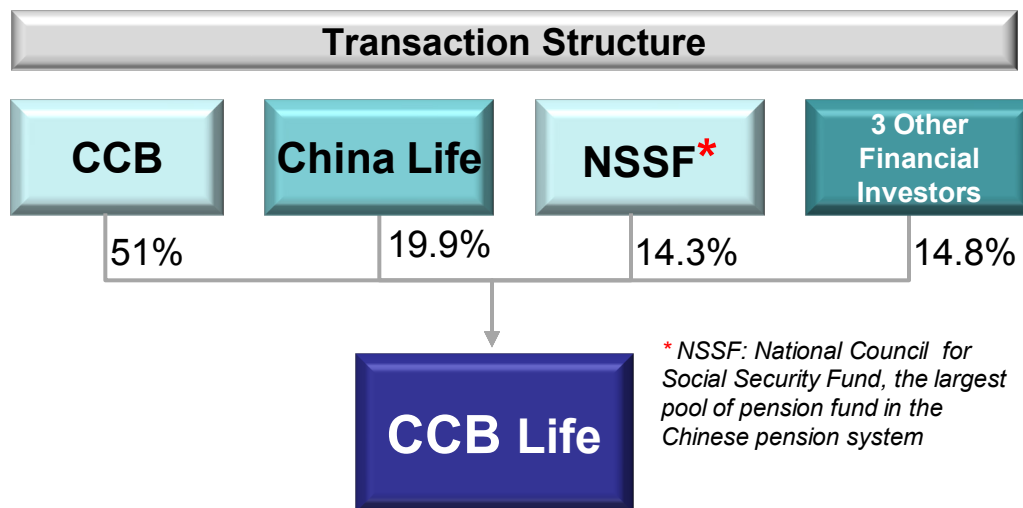
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CCB Life Business Overview

CCB Life Introduction

- **China Life** holds **19.9%** stake of CCB Life, with a total investment amount of NTD\$7.4 billion (RMB\$1.58 billion), and obtained one director seat, a supervisory seat, and nominated one independent director. China Life will continue to fully assist in providing insurance expertise and technical supports to CCB Life
- CCB Life continues its expansion plan with a total of 15 provincial branches and 87 sub-branches and offices, utilizing CCB's 6,000 bancassurance network
- In 2014, CCB Life generated RMB\$17.9 billion premium income, and net profit was RMB\$170 million. Asset size was RMB\$40.6 billion as of December 2014



2014 Awards

Best Bank-Owned Insurance Company
by MoneyWeek

Most Innovative Insurance Company
by Financial Time

Excellent Bancassurance Product
by 21st Century Business Herald

❑ Strong Business Growth:

CCB Life generated RMB\$17.9 billion total premium income in 2014, an increase of 60% YoY; net profit was RMB\$170 million, representing a 69% YoY growth. In addition, CCB Life had solid kick-off sales (Kai Men Hong) in the beginning of 2015, contributing a premium income of RMB\$10.9 billion in January

❑ Diversified Distribution Network:

Enhanced cross-selling strategy with CCB, and established a VTM (Vision TV Machine) system at CCB's branches, which helps promoting direct communications between life product managers and bank clients via the Pad, effectively save acquisition costs and enhance sales efficiency

❑ Rapid Branch Expansion:

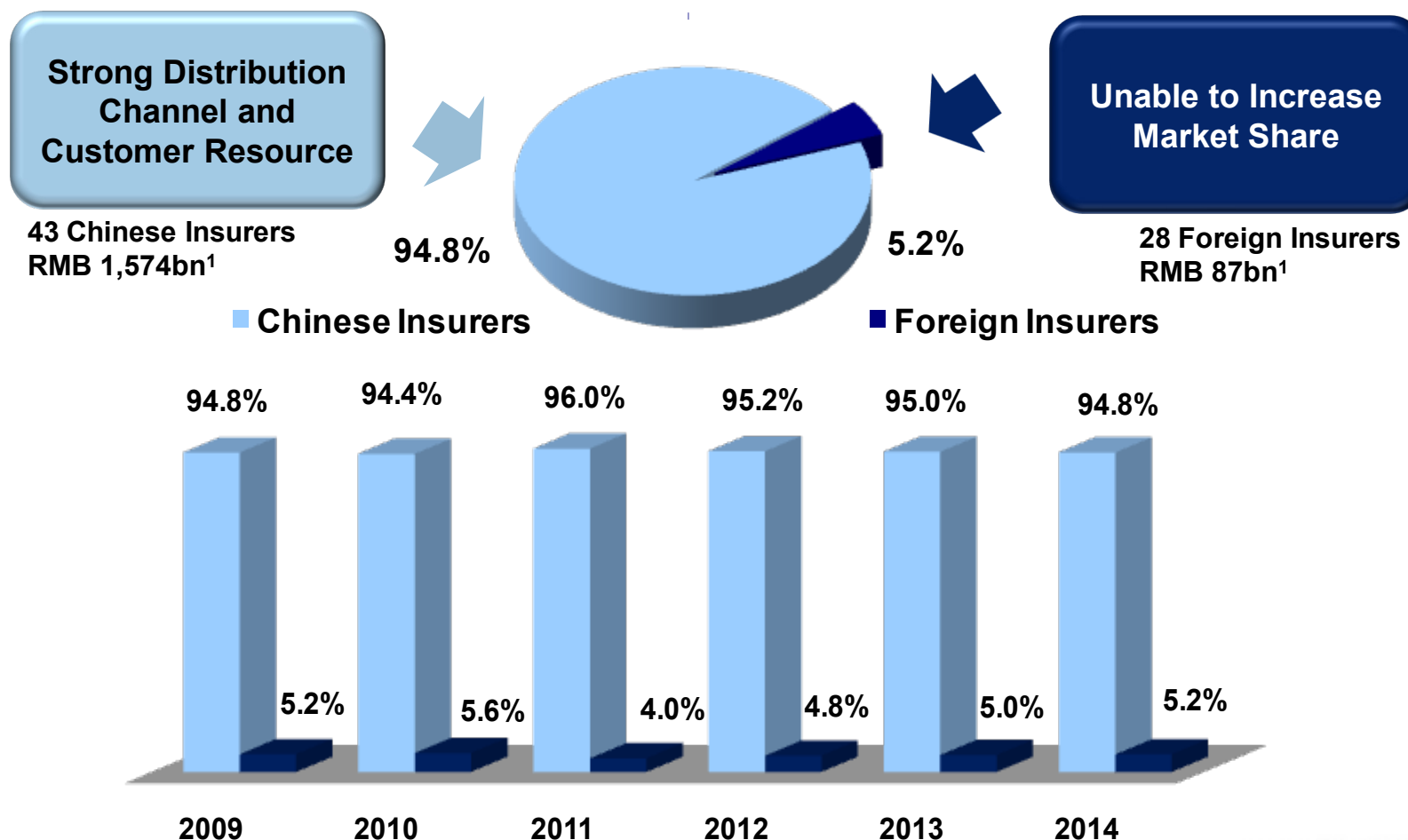
CCB Life received Shaanxi branch set up approval in 4Q14, making up to a total of 15 provincial branches nationwide, on top of Shanghai, Guangdong, Jiangsu, Beijing, Shandong, Qingdao, Suzhou, Shenzhen, Sichuan, Hubei, Hebei, Henan, Fujian, and Chongqing. It plans to further enlarge business scale by expanding to more provinces

❑ Superior Capital Structure:

Solvency Ratio over 300% exceeded regulatory requirement of 100%, demonstrating a very solid capital soundness for future business growth

▶▶ Mainland China Strategy

- ❑ Team up with the most competitive partner with strong distribution advantage to become a leading life insurer
- ❑ 19.9% equity investment in a Chinese insurer is superior to a 50% stake in a foreign insurer



Note 1 : 2014 Total Premium (Source: CIRC website).