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IR Announcement

China Life Reports Embedded Value for 2015

Taipei, 26 May 2016 - China Life Insurance Co., Ltd. (TWSE: 2823) today announced its embedded value (EV) of NT\$183.6 billion for 2015, up by 15.1% year over year. Based on 3.34 billion outstanding shares at the end of last year, EV per share reached NT\$55. China Life also reported net profits of NT\$3.64 billion and EPS of NT\$1.09 for the first four months of 2016, and EPS excluding the FX reserve impact was NT\$0.84.

Performance highlights:

China Life

- Embedded value as of the end of 2015 reached NT\$183.6 billion, up by 15.1% yoy; EV per share was NT\$55
- Value of new business in 2015 grew by 67.2% yoy
- China Life reported net profit of NT\$3.64 billion and EPS of NT\$1.09 for 4M16

CCB Life

- Total premium income for 4M16 achieved RMB 43.53 billion, which exceeded the full year level of 2015
- CCB Life presents a rapid growth in operations; Meanwhile, CCB Life extends its business to related financial fields

Supported by strong sales of regular-paid traditional life insurance products in 2015, China Life delivered 67.2% growth of new business value (VNB) to NT\$29.8 billion, which boosted value of in-force business (VIF) increased from NT\$75.9 billion in 2014 to NT\$102.3 billion after deducting cost of capital. With the adjusted net worth of NT\$81.2 billion, accumulate embedded value as of the end of 2015 grew by 15.1% to NT\$183.6 billion.

Considering the low interest rate environment, investment yield assumptions for traditional policies and interest sensitive policies were adjusted down to 3.75%~5.35% and 2.75%~4.55%, respectively. Risk discount rate stayed at 10.5%. Ernst & Young Actuarial Services, Ltd. was retained by China Life to provide an independent review of the Company's actuarial assumptions.

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Focusing on prudent asset liability management and investment strategy over a long period of time, China Life delivered sustainable results in 2016 despite volatile market. China Life reported net profit of NT\$950 million in April 2016, and accumulated net profit of NT\$3.64 billion and EPS of NT\$1.09 for the first four months of 2016.

Furthermore, China Life dedicates to corporate governance and risk management. The Taiwan Stock Exchange released the 2nd Corporate Governance Evaluation results on April 8th 2016, China Life has been ranked at Top 5% among more than 800 listed companies for the second consecutive year, and gained recognition in “maintain shareholder value”, “equal treatment of all shareholders”, “information transparency” and “implementation of corporate social responsibility”. The outcome recognizes China Life’s long-term cultivation of corporate governance.

CCB Life, China Life’s equity investment in Mainland China, recorded total premium income of RMB 38.94 billion in 2015, grew by 118% year over year; total premium income for the first four months of 2016 achieved RMB 43.53 billion, which exceeded the full year level of 2015. However, due to one-off expenses from business growth and branches expansion, CCB Life reported net loss of RMB 228 million for the first four months in 2016.

In first quarter 2016, CCB Life ranked No.9 for gross premium income in the industry, and it’s on top of bank-owned life insurance companies. The company’s total assets reached RMB 100.6 billion as of April 2016, presenting a fast growth from RMB 5.5 billion in 2011.

Meanwhile, CCB Life extends its business to related financial fields. CIRC approved the establishment of CCB Life general insurance company with nationwide license in March 2016. CCB asset management was founded in April 2016, and it will gradually broaden its operation to asset management, investment banking, financial institution business and wealth management.