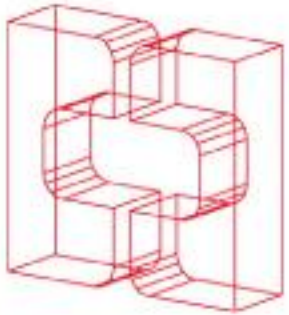


China Life Insurance Co., Ltd.

April 2014

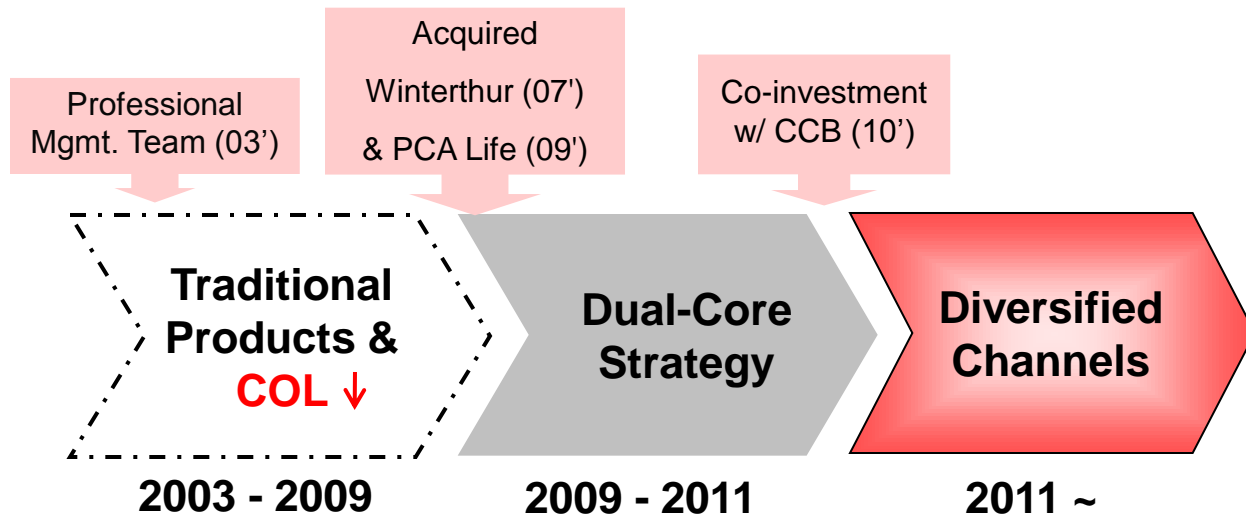
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Business Performance

Business Strategies

- ❑ 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 currency 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



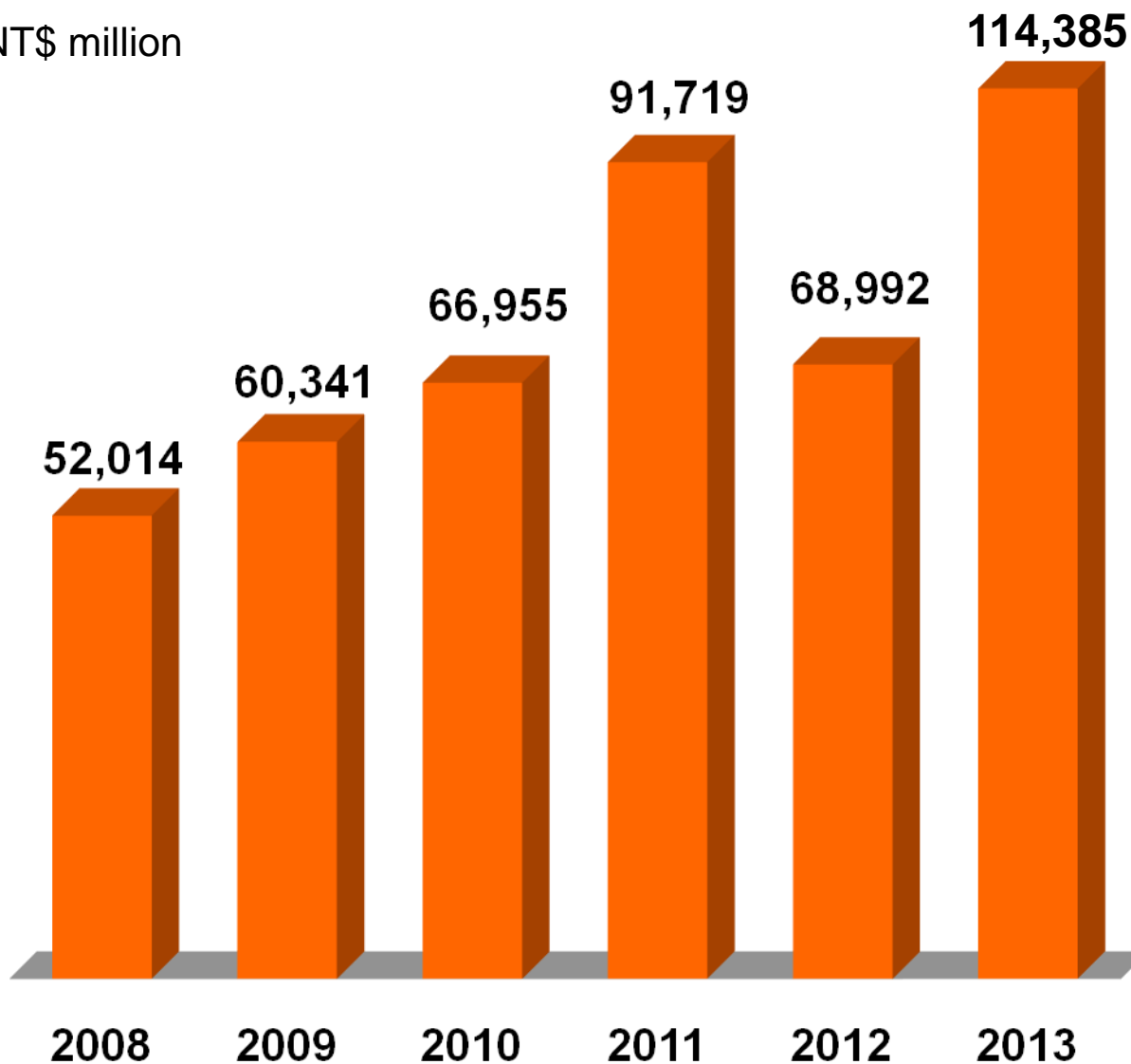
2013 Awards

Institutional Investor

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

First Year Premium (FYP)

NT\$ million

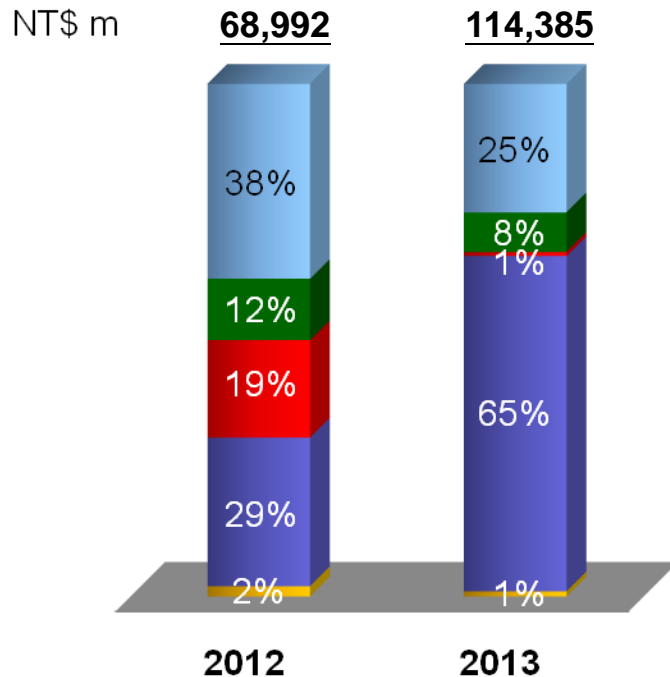


FYP YoY growth:
China Life: 66%
Industry: (-7%)

- ❑ Keep developing diverse products and target at high margin regular-paid products to facilitate general public's high saving rate feature with various product offering
- ❑ Provide foreign currency policies (RMB, USD, AUD) to comprehend customer needs
- ❑ Build up a complete investment linked product (ILP) platform to satisfy customers with different risk preference
- ❑ Penetrate into regular premium, long duration products with higher profit margin
- ❑ Increase the sales of protection-based foreign currency policies to enhance clients' portfolio diversification

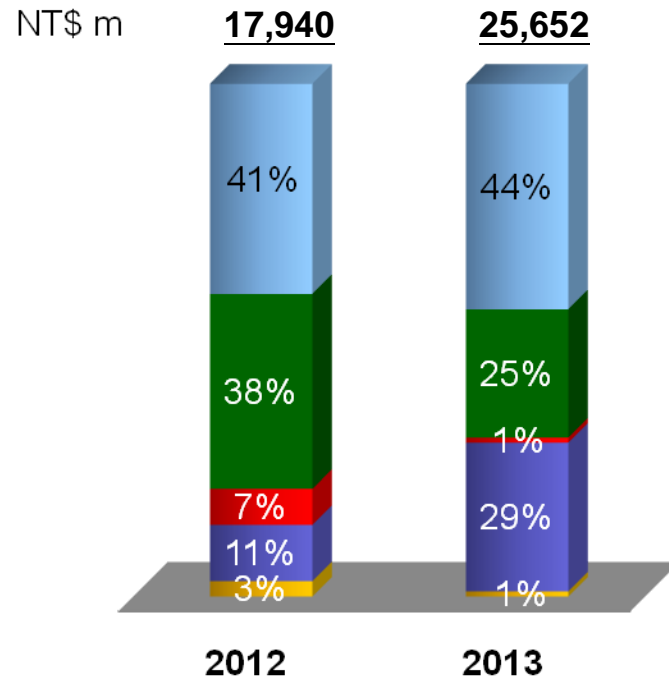
FYP by YoY

- Traditional*
- Foreign Currency - Life
- Universal Life
- Interest Sensitive Annuity
- ILP



FYP by APE**

- Traditional*
- Foreign Currency - Life
- Universal Life
- Interest Sensitive Annuity
- ILP

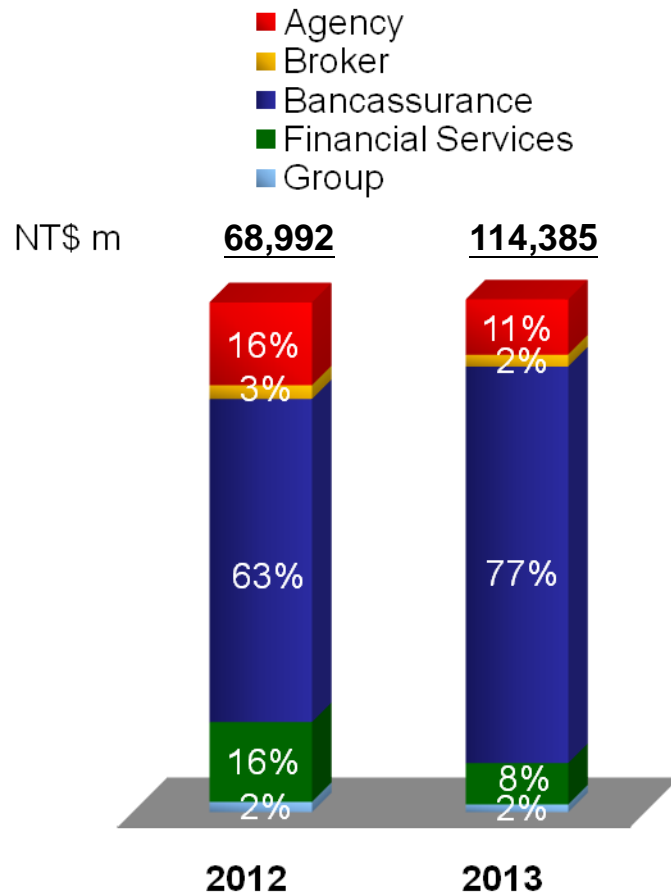


* **Traditional:** incl. Traditional Life. Interest Sensitive Life, A&H, Riders, & Short Term etc.

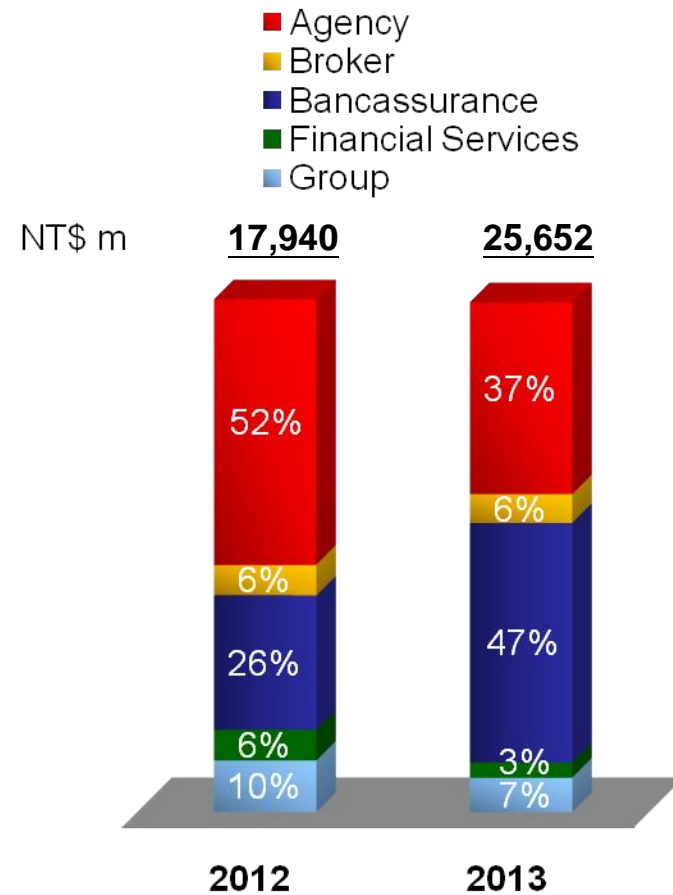
** **APE (Annual Premium Equivalent)** = Total amount of regular premiums from new business + 10% of the total amount of single premiums on business written during the period

- ❑ Led the market to start bancassurance business in 2000 and carry out the products with a variety of banks (holding companies, national banks, local banks etc.) Currently the company has rooted in 34 banks
- ❑ Introduced an exclusive low-cost, high-productivity financial services team in 1989 to focus on high net worth clients, and provide wealth management services to build up loyalty through professionally trained sales team
- ❑ Expand and broaden multi-channel platform to tap into different segment customers
- ❑ Enlarge sales contribution from agency force, continuously expand exclusive agent numbers
- ❑ Increase sales volume from high profit margin channels and maximize cross-selling opportunities

FYP by YoY

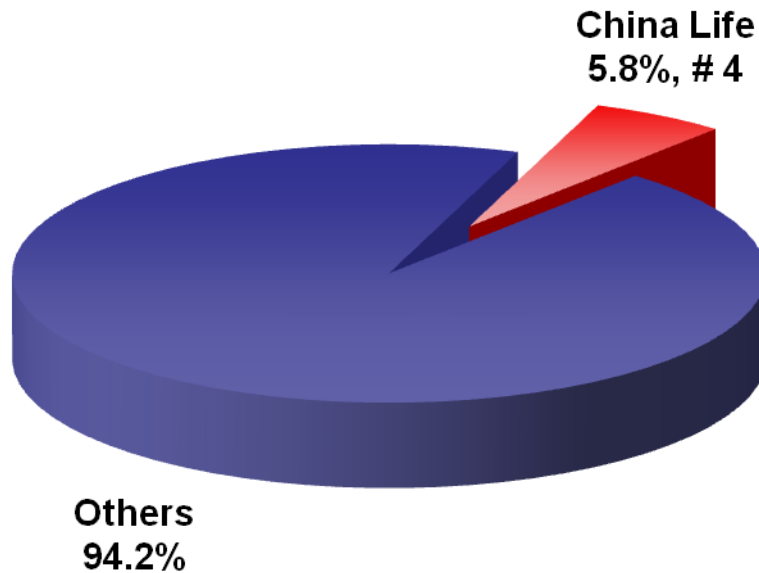


FYP by APE*

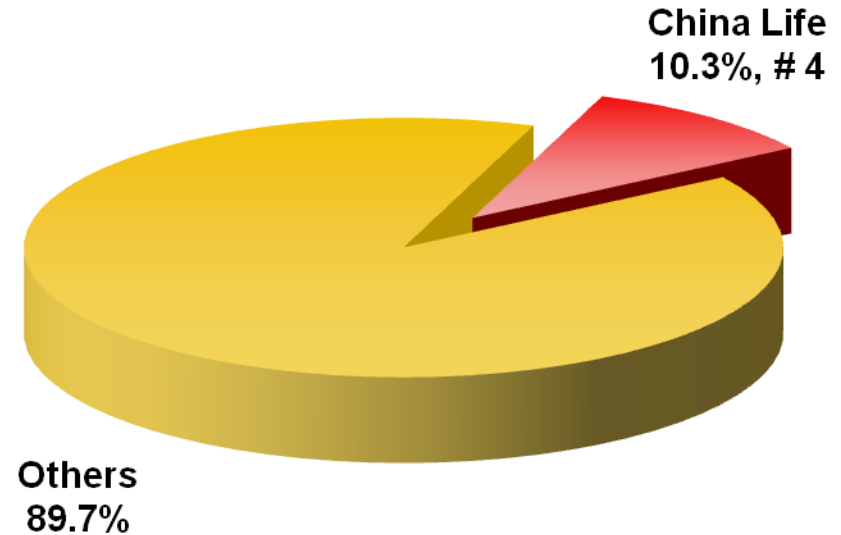


* **APE (Annual Premium Equivalent)** = Total amount of regular premiums from new business + 10% of the total amount of single premiums on business written during the period

2012



2013



- ❑ 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

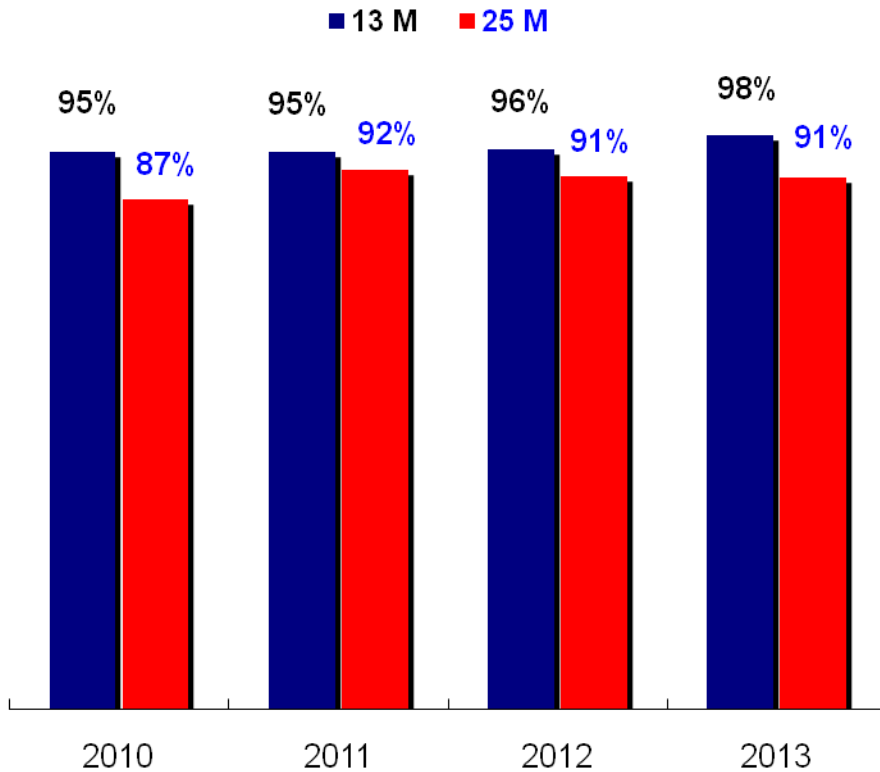
Financial Highlights

NT\$ million	2011**	2012*	2013*	+/- %
First Year Premium	91,719	68,992	114,385	66%
Total Premium	144,789	125,319	177,246	41%
Investment Income	24,151	26,770	31,114	16%
Profit before Tax	4,444	4,752	5,072	7%
Income Tax	(237)	(173)	(347)	101%
Net Profit	4,207	4,579	4,725	3%
Basic EPS	2.01	1.70	1.74	2%
Total Asset	730,326	846,210	967,780	14%
Paid-in Capital	21,994	23,878	27,221	14%
Net worth	32,831	63,318	54,095	-15%

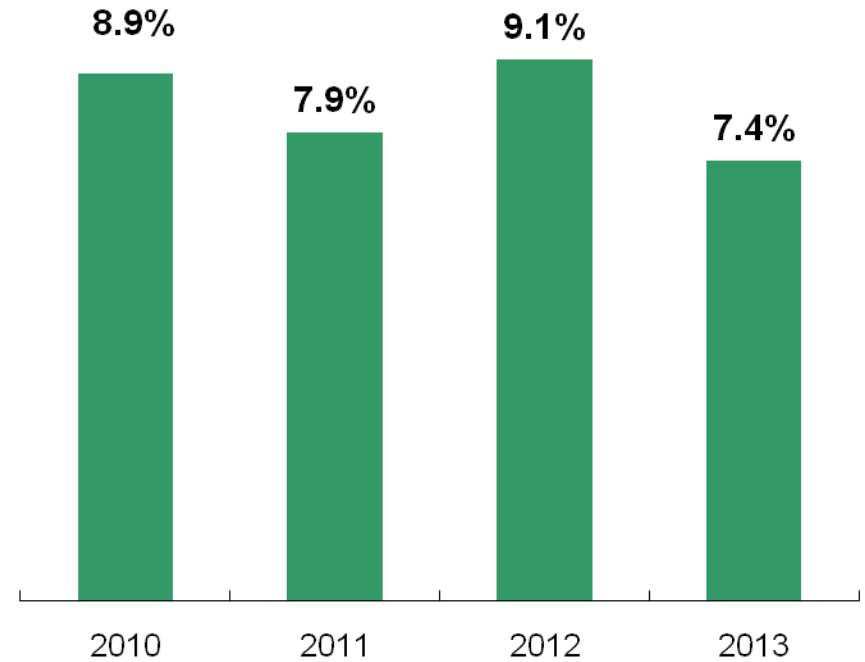
* From 2013, all financial reporting will be required to comply with IFRS, from ROC GAAP, and 2012 numbers were reproduced based on IFRS for comparison purpose

** Financial numbers of 2011 were complied with ROC GAAP

Persistency Ratio



Expense Ratio



Fixed Income

- Account for 75% 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

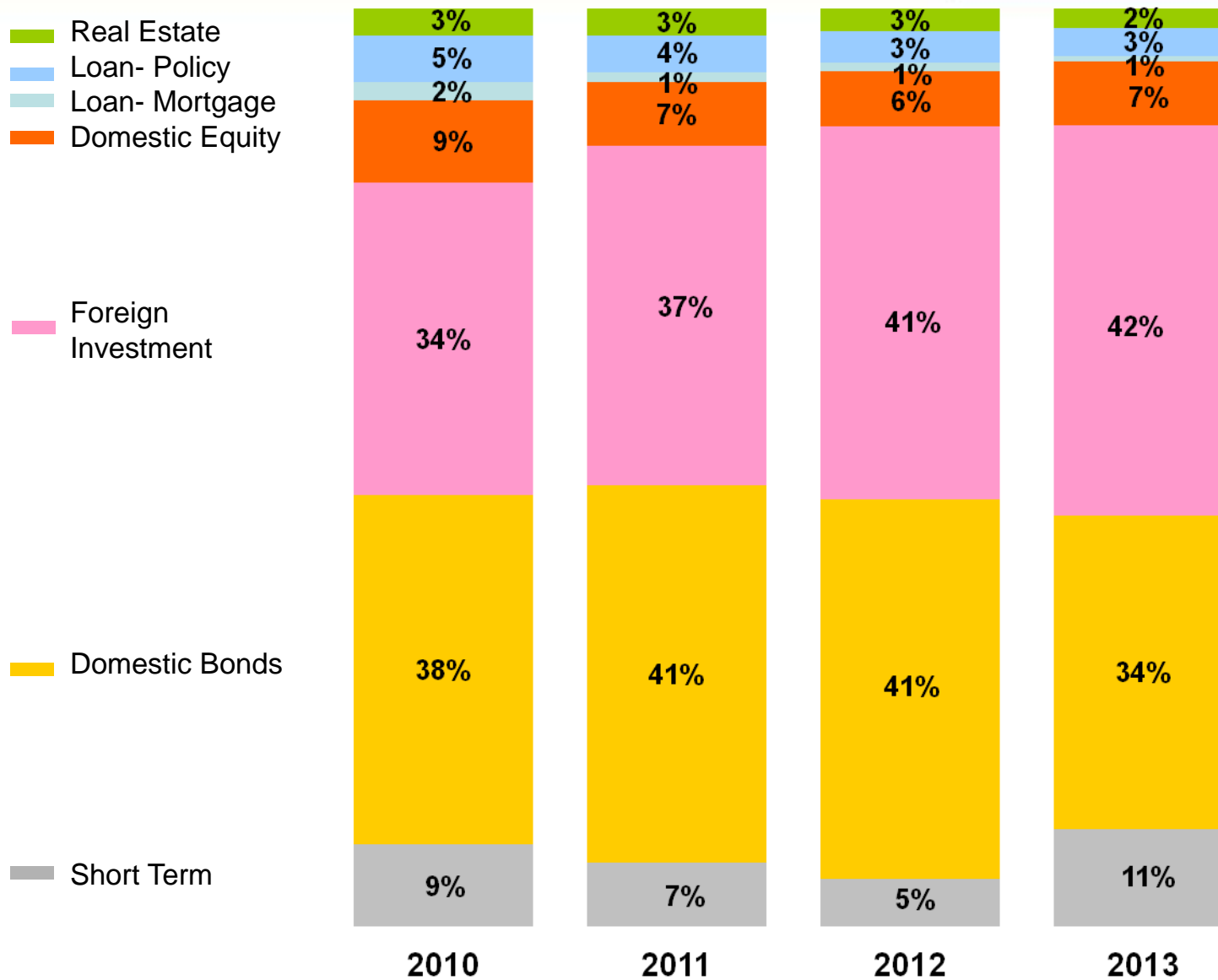
Foreign Investment

- 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 the increase of investment quota of China QFII to USD 250 million

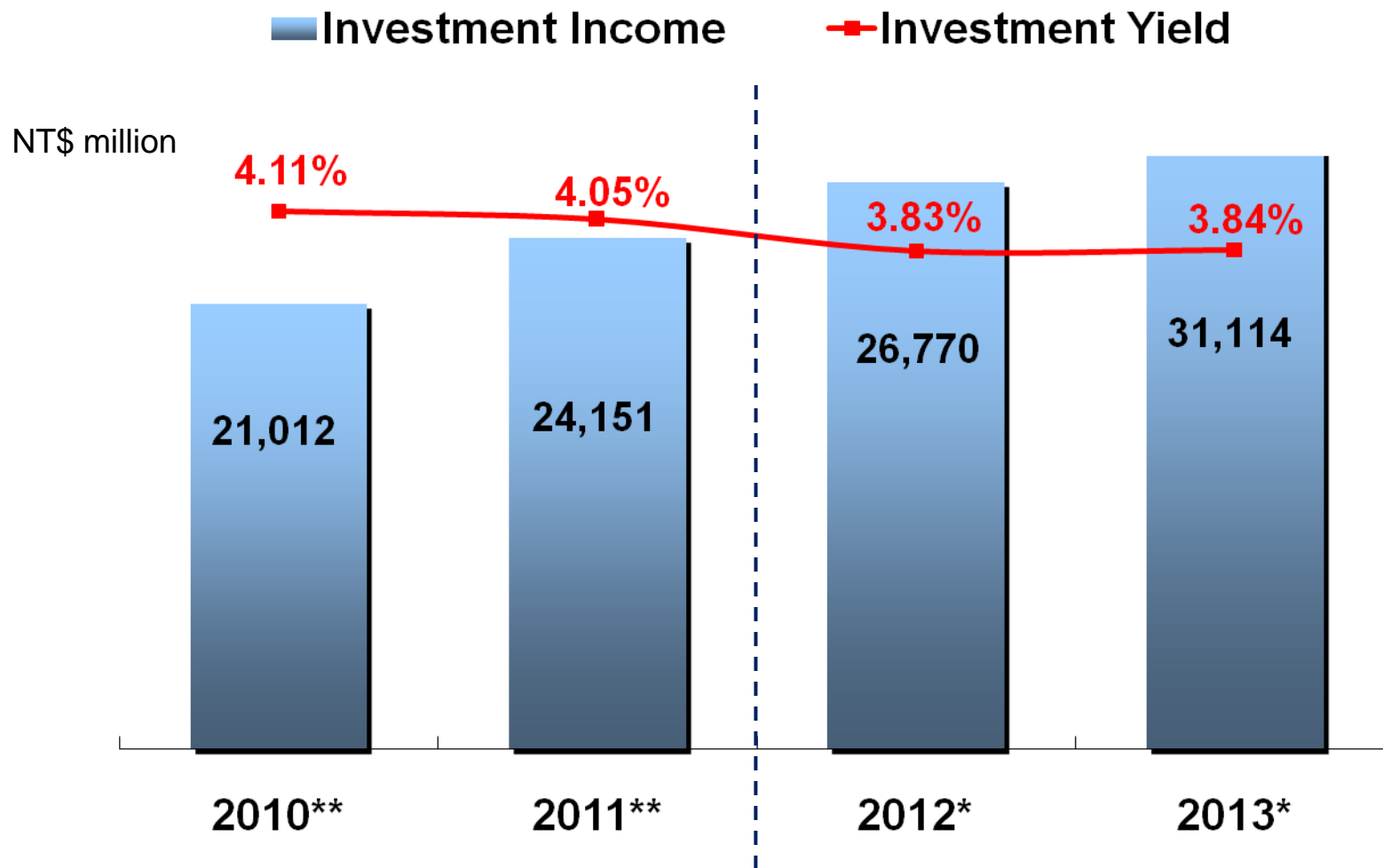
Real Estate

- 2% of total invested assets, 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



Investment Income



* From 2013, all financial reporting will be required to comply with IFRS, from ROC GAAP, and 2012 numbers were reproduced based on IFRS for comparison purpose

** Financial numbers of 2011 and 2010 were all complied with ROC GAAP

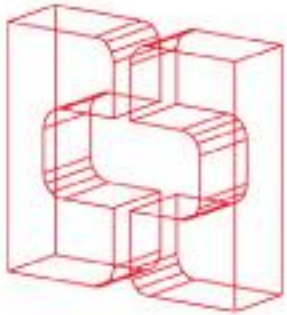
Financial Summary

NT\$ million

<u>Income Statement Data</u>	<u>2011**</u>	<u>2012**</u>	<u>Variance</u>	<u>2012*</u>	<u>2013*</u>	<u>Variance</u>
Premium Income	128,923	115,577	-10.4%	115,577	167,592	45.0%
Net Investment Income	24,151	26,776	10.9%	26,770	31,114	16.2%
Other Revenue - separate account	5,151	9,949	93.1%	9,949	8,026	-19.3%
Miscellaneous Income	1,787	1,314	-26.5%	1,293	766	-40.8%
Benefits to Policyholders and Beneficiaries	55,836	47,463	-15.0%	47,463	51,673	8.9%
Acquisition and Operation Expenses	9,871	10,324	4.6%	10,334	12,206	18.1%
Change in Actuarial Liabilities	83,857	79,955	-4.7%	80,181	129,522	61.5%
Other Operating Cost - separate account	5,151	9,949	93.1%	9,949	8,026	-19.3%
Miscellaneous Expenses	853	927	8.7%	910	999	9.8%
Net Profit Before Tax	4,444	4,998	12.5%	4,752	5,072	6.7%
Net Profit	4,207	4,784	13.7%	4,579	4,725	3.2%
Basic EPS	2.01	2.03	1.0%	1.70	1.74	2.4%
<u>Balance Sheet Data</u>						
Total Assets	730,326	842,267	15.3%	846,210	967,780	14.4%
Total Liabilities	697,495	782,356	12.2%	782,892	913,685	16.7%
Total Stockholders' Equity	32,831	59,911	82.5%	63,318	54,095	-14.6%

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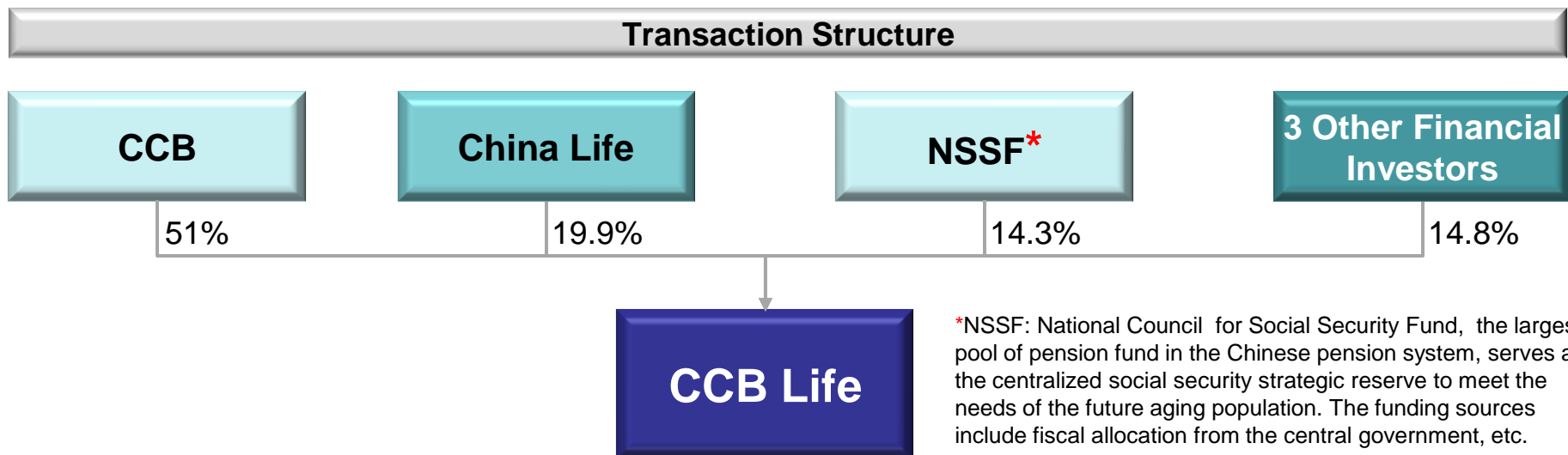
** Financial numbers of 2012 and 2011 were all complied with ROC GAAP for comparison purpose



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 received two new provincial branch approvals from CIRC in 2013, amounted the company to a total of 12 provincial branches, and plans to further enlarge business scale
- ❑ As of 2013, CCB Life generated RMB\$11.15 billion premium income in the year of 2013, representing a 84% growth. The unaudited net profit for 2013 was RMB\$101.5 million, increased by 104% YoY; assets size scaled to RMB\$26.28 billion



❑ Strong Business Growth:

Accumulated net profit in 2013 was RMB\$ 101.5 million, representing a 104% YoY growth

❑ Diversified Distribution Network:

Add telemarketing and credit card cross-selling to the existing bancassurance, agency, and group insurance channels. For bancassurance expansion, on top of the original CCB network, CCB Life entered into business agreements with 5 other banks

❑ Rapid Branch Expansion:

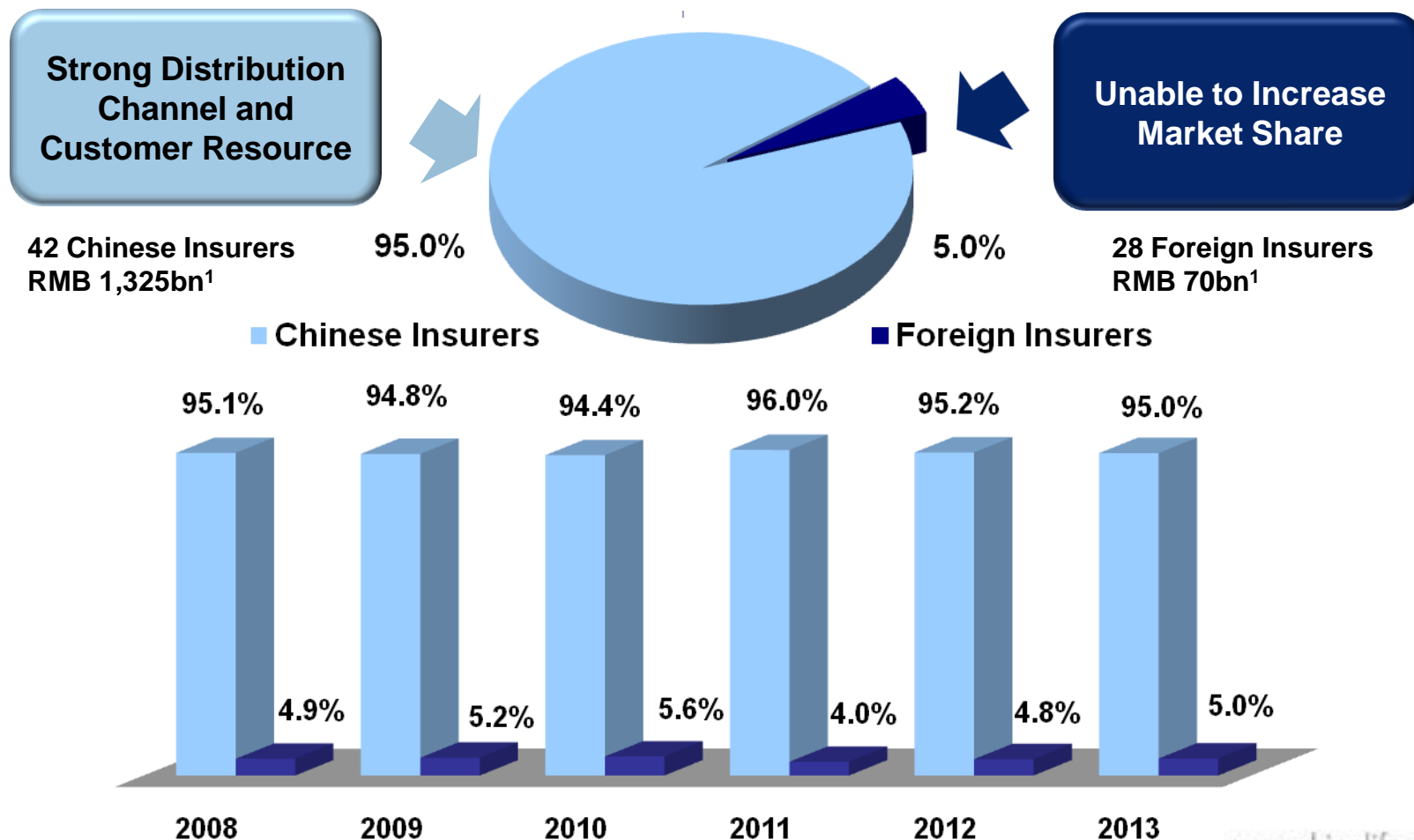
CCB Life currently has 10 branches nationwide, operating in Shanghai, Guangdong, Jiangsu, Beijing, Shandong, Qingdao, Suzhou, and Shenzhen, Sichuan and Hubei. It received two new provincial branch approvals (Hebei & Henan) from CIRC in 2013, and plans to further enlarge business scale

❑ Superior Capital Structure:

Solvency Ratio exceeds 600% in 2013, surpassed the regulatory requirement of 100%, demonstrating a very solid capital soundness

▶▶ 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 : 2013 Total Premium (Source: CIRC website).