

News Release

China Life Reports Embedded Value for 2009

China Life Insurance today announced the result of embedded value as of the end of 2009. Embedded value (EV) was NT\$ 49.42 billion. Based on the 1,501 million outstanding common shares, EV per share was NT\$ 32.92.

PricewaterhouseCoopers, the independent actuarial consultant company, has examined the assumptions, methodology and calculation of China Life's embedded value

As of the end of 2009, the adjusted net worth was NT\$33.14 billion, plus value of in-force policies of NT\$28.55 billion and deducted by cost of capital of NT\$12.27 billion, the embedded value was NT\$ 49.42 billion, representing NT\$ 32.92 per share (Based on the 1,501 million outstanding common shares). This number, compared with the embedded value per share on a pro-forma basis in 2008 of NT\$22.74, representing a 45% growth. The calculation has incorporated the assumptions under which are investment yield of 3.75%~5.25%, rate of discount rate of 10.5%, and the regulatory minimum risk based capital requirement (RBC) of 200%.

Synergies from PCA Life acquisition start to emerge. Year-to-May first year premium increased by 60% compared to same period last year, and new business from agency channel also grew by 263% YoY. On an annual premium equivalent (APE) basis, contribution from agency channel to total first year premium was more than doubled.