

## News Release

# China Life Reports 1H 2011 Financial Results

The China Life Board of Directors and Audit Committee approved the financial results for the first half year in 2011. First year premium (FYP) of 1H 2011 was NT\$ 43.7 billion, compared with 30.4 billion same period last year, representing a 44% growth. Total premium was NT\$ 69.4 billion, compared with 55.5 billion in 1H 2010, representing a 25% growth. Investment Income reached NT\$ 11.6 billion, a 27% YoY growth from 9.1 billion. Year-to date net profit after tax was NT\$ 2.63 billion, with Basic EPS after tax of \$1.47; compared to 1.11 billion same period last year, representing a 137% YoY growth,. Total assets was NT\$ 703.4 billion in end-June 2011, compared to 592.2 billion in 1H2010, representing a 19% growth. Net worth increased by 89% from NT\$ 20.5 billion in 1H2010, to 38.7 billion.

First year premium (FYP) in the second quarter 2011 was NT\$ 23.2 billion, compared with 15.9 billion same period last year, representing a 46% growth. Strong new business growth reflected higher acquisition costs in the second quarter, and product mix change will contribute to China Life's long term embedded value. Besides, cash dividend from domestic equity investment will be mostly recognized in July and August, and therefore net profit after tax for the second quarter of 2011 was NT\$ 410 million, year-to-date net profit was 2.63

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billion. Foreign investment accounts for 37% of invested assets, with direct hedge proportion of 83%, annualized hedging cost for the 1H 2011 was 0.75%

In addition to Taiwan business expansion, China Life endeavors to provide technical supports to its Mainland China equity investment of CCB Life, including IT System, Product Development, Process Reengineering, as well as Investment and Bancassurance expertise. CCB Life was grand opened on July 22<sup>nd</sup>, 2011, in the hope to accelerate business growth and expedite branch expansion, to become a scalable insurance company in Mainland China.