

(2823.tw)

IR Announcement

China Life pays NT\$1 to acquire 78,000 traditional policies from Allianz Taiwan Life

Taipei, 19 October 2017 - China Life Insurance Co., Ltd. (TWSE: 2823) today announced that its board has approved to pay NT\$1 to acquire approximately 78,000 traditional policies from Allianz Taiwan Life Insurance Co, a subsidiary of German insurer Allianz SE. As per the financial figures of Allianz Taiwan Life as of 31 December 2016, China Life can assume statutory reserves of NT\$27.6 billion and corresponding assets of NT\$49.8 billion. The actual amount of the transaction will be subject to the valuation on the completion date. The rights and interests of policyholders will be fully protected, and none of Allianz Taiwan Life employees will be transferred to China Life. This transaction is subject to approvals from the special shareholders' meeting of China Life and the regulators.

Under the agreement, China Life will undertake approximately 78,000 traditional policies and 44,000 policyholders from Allianz Taiwan Life. China Life will provide customer services for the transferred policyholders through its 12,000 tied agents, and capture remarketing opportunities therefrom.

China Life delivers solid investment performance with long-term track record. The Company expects its investment income will be enhanced along with the increase investment assets from the transaction. With a sound balance sheet, China Life maintains its RBC ratio above 300%, and expects its capital ratio will still be sufficient to support the sustained asset growth and business expansion after the transaction.

China Life acquired Winterthur Taiwan from AXA in 2007 and acquired major assets and operations of PCA Life Taiwan in 2009. Meanwhile, China Life is the only insurance company which has been ranked at Top 5% among listed companies for three consecutive years by Taiwan Stock Exchange in Corporate Governance Evaluation. With extensive experiences in managing transferred insurance business and good execution in corporate governance, China Life is expected to provide comprehensive services for the policyholders after the transaction.