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IR Announcement

China Life Reports Embedded Value for 2013

China Life Insurance Co., Ltd. (China Life) today announced its embedded value (EV) as of the end of 2013 to be NT\$ 118.1 billion. The represents a 24.5% increase over the EV of NT\$ 94.8 billion in 2012. Based on the 2.722 billion outstanding common shares, EV per share was NT\$ 43.37. Ernst & Young Actuarial Services, Ltd., has provided an independent review of the Company's actuarial assumptions for calculating this EV.

China Life's major assumptions remained unchanged from last year: an investment yield of 3.75% ~ 5.15% for traditional policies and 2.75% ~ 4.5% for interest sensitive policies; and a rate of discount rate of 10.5%. The RBC assumption was based on the regulations regarding capital that require maintaining at least 200% with a K factor equal to 0.5. The company's adjusted net worth of NT\$ 64.5 billion excluded the marked-to-market adjustment of available-for-sale (AFS) fixed-income assets, and included unrealized property gain based on a March 2011 appraisal that did not reflect the value of appreciation since then. In 2013, the value of new business after cost of capital was NT\$ 16.3 billion, a 32.6% increase over the 2012 figure of 12.3 billion.

China Life has demonstrated strong results in 1Q 2014. First year premium (FYP) for the first quarter was NT\$ 28.77 billion, with a total premium of \$ 42.48 billion. The Company's assets have grown strikingly in the past 10 years, and **its asset size exceeded NT\$1 trillion in the first quarter of 2014**, an outstanding increase of 768% from NT\$115.7 billion in 2002. This which secures China Life's position in the top 5 providers in Taiwan's life insurance industry.

CCB Life is actively exploring new distribution opportunities, especially through eCommerce venues. It has start selling policies on third-party internet shopping platforms and on CCB Life & CCB's websites, in order to understand the physical and virtual operation channels of such venues. In April, the company received approval to open a new branch in Fujian province, and this year it plans to apply for approval for another 4~5 new branches.