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China Life Reports Embedded Value for 2017

Taipei, 17 May 2018 - China Life Insurance Co., Ltd. (TWSE: 2823) today announced its embedded value (EV) of NT\$ 244.7 billion for the year 2017, up by 10.2% year over year. Based on 3,786 million outstanding shares at the end of last year, EV per share was to NT\$ 64.6.

China Life delivered a strong growth in the first four month of the year. FYP grew by 60% yoy to NT\$41.8 billion, and total premium grew by 42% to NT\$86.8 billion. Preliminary net profits grew to NT\$4.2 billion from NT\$0.65 billion at same period last year, and it's translated to EPS of NT\$1.11.

Performance highlights:

China Life

- Embedded value as of the end of 2017 reached NT\$244.7 billion, up 10.2% yoy
- In the first four months of 2018, FYP up by 60% yoy to NT\$41.77 billion and total premium up by 42% NT\$86.82 billion

CCB Life

- Total premium income grew by 43% yoy to RMB 29.3 billion in first quarter of 2018
- Total assets reached RMB 133.3 billion, up 20% yoy

China Life delivered NT\$19 billion of new business value (VNB) in 2017. Driven by strategic focusing on regular premium products in recent years, value of in-force business (VIF) deducted cost of capital increased to NT\$151.4 billion. With the adjusted net worth of NT\$93.3 billion, embedded value as of the end of 2017 grew by 10.2% to NT\$244.7 billion.

Investment yield assumptions for traditional policies and interest sensitive policies unchanged at 3.75%~5.35% and 2.75%~4.55%, respectively. Risk discount rate stayed at 10.5%. Ernst & Young Actuarial Services, Ltd. was retained by China Life to provide an independent review of the Company's actuarial assumptions.

China Life consistently commits to enhancement of corporate governance and risk management. China Life has been ranked at Top 5% among more than 800 listed companies

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for four consecutive years by Taiwan Stock Exchange in Corporate Governance Evaluation. Furthermore, China Life is one of the three financial institutions which were recognized at Top 5 % from 2015~2018, which demonstrates the Company's execution in protecting the interests of shareholders, enhancing transparency, and rooting for social responsibility.

Meanwhile, under the solid risk management, China Life maintained RBC ratio at 350% as of the end of 2017, on top of large size insurance companies in Taiwan.

CCB Life, China Life's equity investment in Mainland China, has refined its product strategy since 2017 to abide by the regulatory guidelines, shifting towards regular premium and high value products. Driven by solid momentum at the beginning of the year, CCB Life recorded total premium income of RMB 29.3 billion in the first quarter of 2018, grew by 43% yoy. As the end of March 2018, total assets reached RMB 133.3 billion, up by 20% yoy.

CCB Life had added Hunan, Tianjin and Jiangxi provincial branches in 2017. With 22 provincial branches and 169 sub-branches, CCB Life continues to expand its operations and fully utilizes China Construction Bank's 10,567 branches as banc assurance network.