



中国人寿保险股份有限公司
China Life Insurance Company Limited

2010 Annual Results

March 23, 2011

Forward-looking Statements

Certain statements contained in this presentation may be viewed as “forward-looking statements” within the meaning of Section 21E of U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. Further information regarding these risks, uncertainties and other factors are included in the Company’s Annual Report on Form 20-F for the fiscal year ended on December 31, 2009 filed with the U.S. Securities and Exchange Commission, or SEC, on April 29, 2010; and in the Company’s other filings with the SEC. The Company does not undertake any obligation to update any forward-looking statement, except as required under applicable law. All information provided in this presentation is as of the date of this presentation, and the Company undertakes no duty to update such information, except as required under applicable law.

Unless otherwise indicated, the Chinese insurance market information set forth in this presentation is based on public information released by CIRC.

Agenda

Section I 2010 Highlights

Section II Business Review

Section III Financial Summary

Section IV Investment Performance

Section V Embedded Value

Section I: 2010 Highlights



Overall Performance



Steady and healthy business growth and effective business mix restructuring

Stable investment income as a result of proactive investment strategy adjustment

Further consolidation of corporate infrastructure and strengthened risk management

Results Highlights

	RMB mn		
	2010	2009	Change
Gross Written Premiums	318,229	275,970	+15.3% ↑
Gross Investment Income	64,151	60,921	+5.3% ↑
Net profit Attributable to Equity Holders	33,626	32,881	+2.3% ↑
Investment Assets	1,336,245	1,172,145	+14.0% ↑
Equity Holders' Equity	208,710	211,072	-1.1% ↓
Weighted Average ROE	16.02%	17.13%	-1.11 pts ↓
EV per Share	10.55 Yuan	10.09 Yuan	+0.46 Yuan ↑

Note : Gross Investment Income (IFRS) = Investment Income + Net Realized Gains on Financial Assets + Net Fair Value Gains through Income – Business Tax and Extra Charges for Investment

Further Enhanced Corporate Infrastructure

- ① **Continuous efforts for sales force buildup. To stay competitive and effectively manage our sales force, we modified and implemented fundamental policies for individual, group and bancassurance channels, and standardized management was fostered**
- ② **Stronger IT support. Implemented nationwide centralized data management, providing integrated data support to both head office and branches, strengthened sales capabilities with trial launch of E-commerce sales support platform**
- ③ **Upgraded customer service. Nation-wide implementation of customer service standards and further improvement of customer relationship management**

Effective Risk Control System



Strengthened Risk Management System

Compliance with SOX 404 from 2006 for five consecutive years

“2010 Internal Control Implementation Manual” completed with commitment mechanism for internal control standards

Risk precaution and screening rolled out by setting up risk identification, evaluation, and reporting system between headquarters and branches

Credit rating classification for individual agents initiated

Proactively Assuming Social Responsibilities

The largest life insurance sales force in China, creating a lot of job opportunities

Breakthrough in New Rural Pension Scheme

Proactive in assuming social responsibilities with due consideration to both social and corporate interests

Expanding the New Rural Cooperative Medical Insurance and complementary medical insurance

Offering donations for earthquake relief and sponsoring earthquake orphans

Strong Brand Recognition

FORTUNE

“Fortune 500” for 8 consecutive years, 118th in 2010, 8th among the named 54 Chinese enterprises



世界品牌实验室
World Brand Laboratory

Enlisted in “Global Top 500 Most Valuable Brands” for 4 consecutive years, 5th among “China’s 500 Most Valuable Brands”

Forbes

“Forbes Global 2000” for 7 consecutive years

FT FINANCIAL
TIMES

“FT Global Top 500”, 41st in place by market cap

FinanceAsia

“Corporate Governance of the Year” and “100 Most Profitable Companies” by FinanceAsia in 2010



恒生可持續發展
企業指數 2010 成份股

Enlisted three indices of Hang Seng Corporate Sustainability Index Series

2011 Outlook

Opportunities

- China's insurance sector will benefit from continued economic growth, per capita income increase, consumption mix upgrading, urbanization, aging population, and improvement of people's wellbeing in medium-to long-term
- Improving regulatory regime creates favorable environment
- Improving investment environment and diversified investment channels help insurers enhance their profitability

Challenges

- To maintain economic growth while controlling inflation creates uncertainties on macroeconomic environment and macro-control policies, posing challenges to our business development, asset management and risk control
- Increasing competition exerts pressure for maintaining market leadership while optimizing business mix
- New bancassurance rules could generate uncertainties towards business development and regular premium growth in bancassurance

Section II: Business Review

Overview of Life Insurance Sector

Life insurance premiums exhibit a high growth

Bancassurance, as one of the key growth drivers, contributes over 50% of total premiums

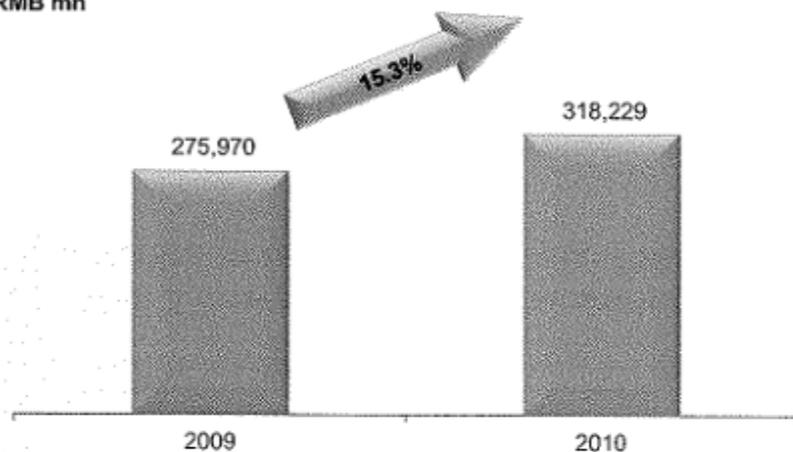
“No. 2 Interpretation of Accounting Standards for Business Enterprises” steers life insurers to adjust product mix. Premiums from participating products reached a historical high

The growth of sales force slowed down due to the deceleration of labor force growth, and lack of competitiveness of insurance agent compensation

Stable Business Growth

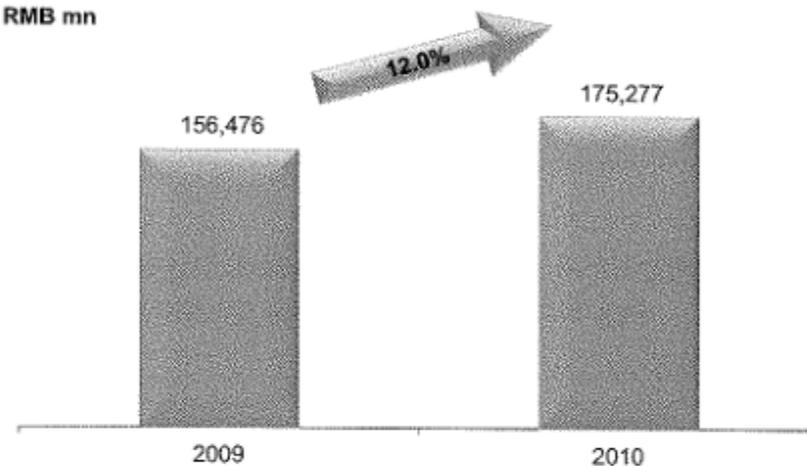
Gross Written Premiums

RMB mn



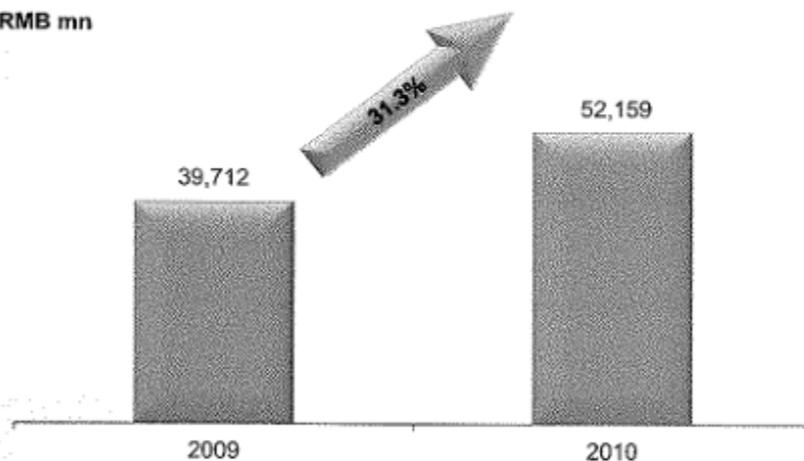
Long Term First-year Premiums

RMB mn



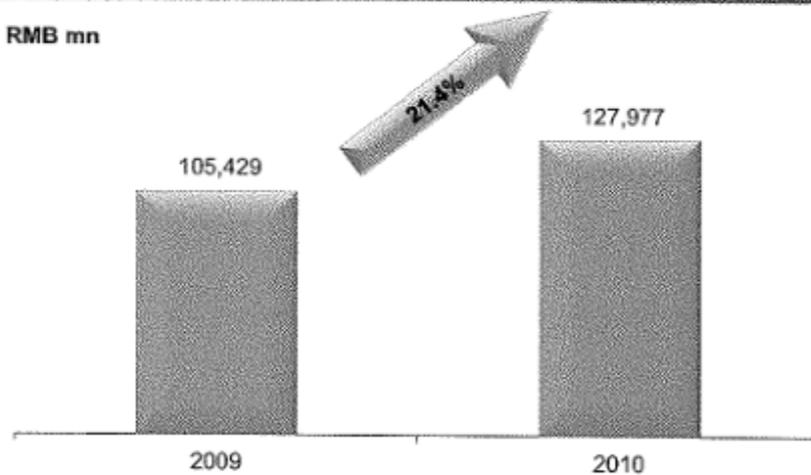
First Year Regular Premiums

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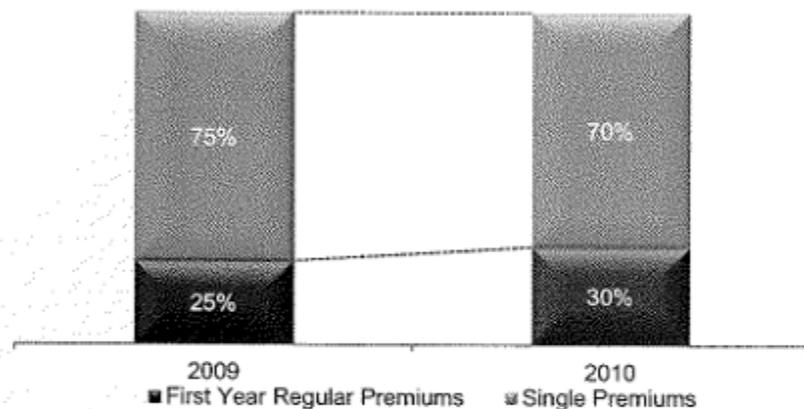
Renewal Premiums

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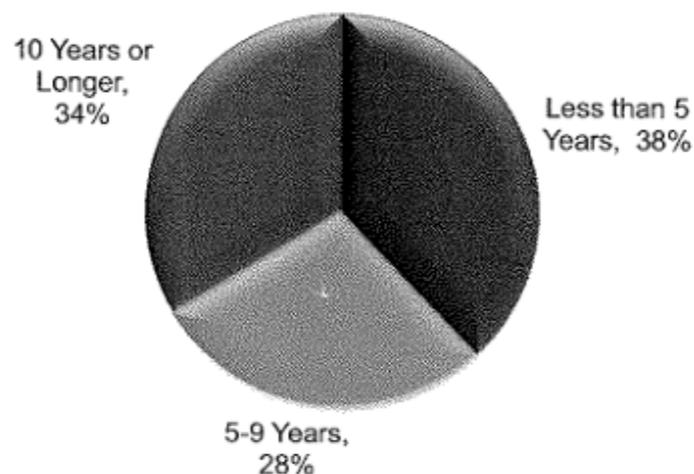


Effective Adjustments of Business Mix

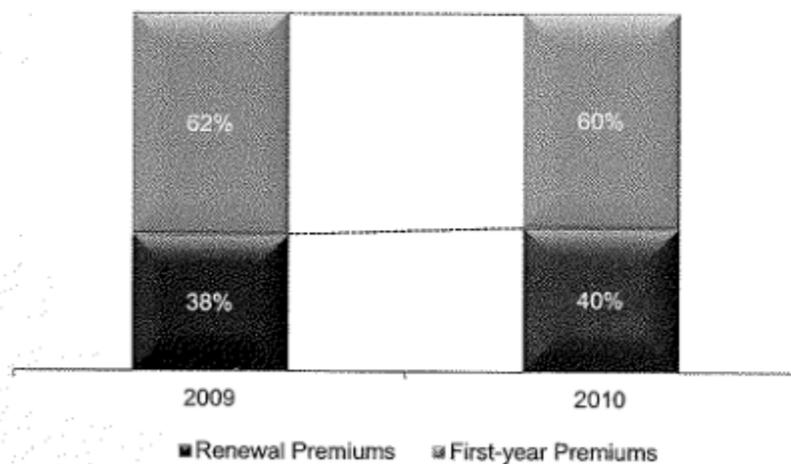
First Year Regular Premiums in Long-term FYP



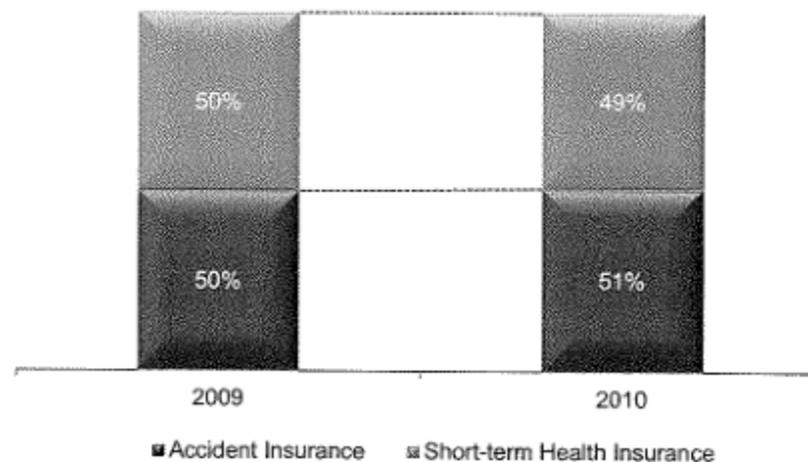
First Year Regular Premiums Breakdown



Renewal Premiums in GWP



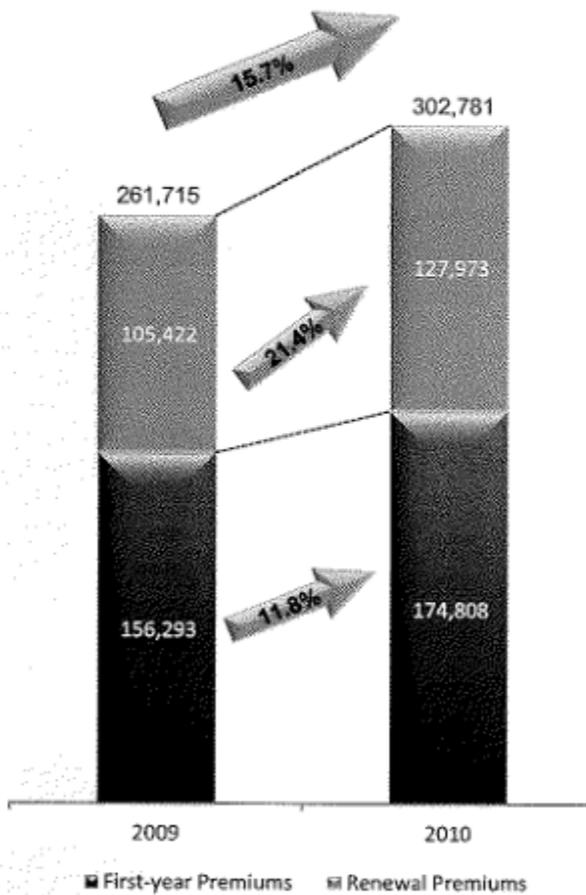
Accident Premiums in Short-term Premiums



Steady Growth in Individual, Group and Short-term Business

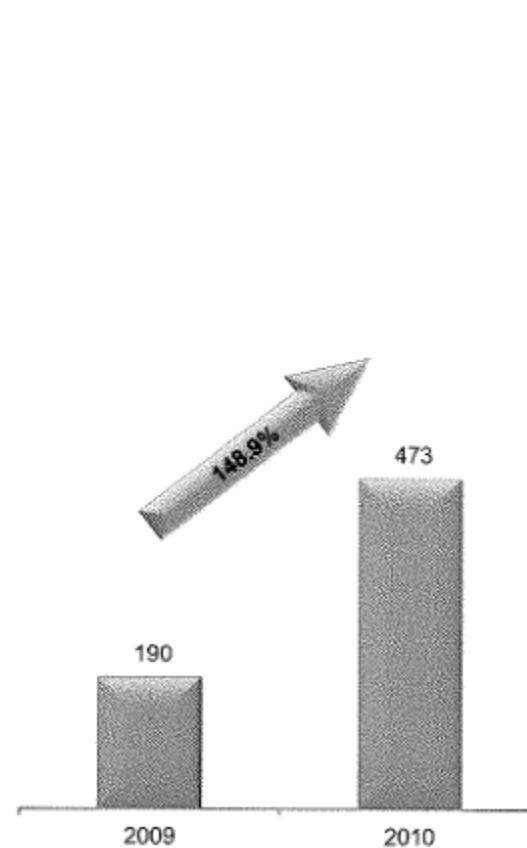
Individual Business

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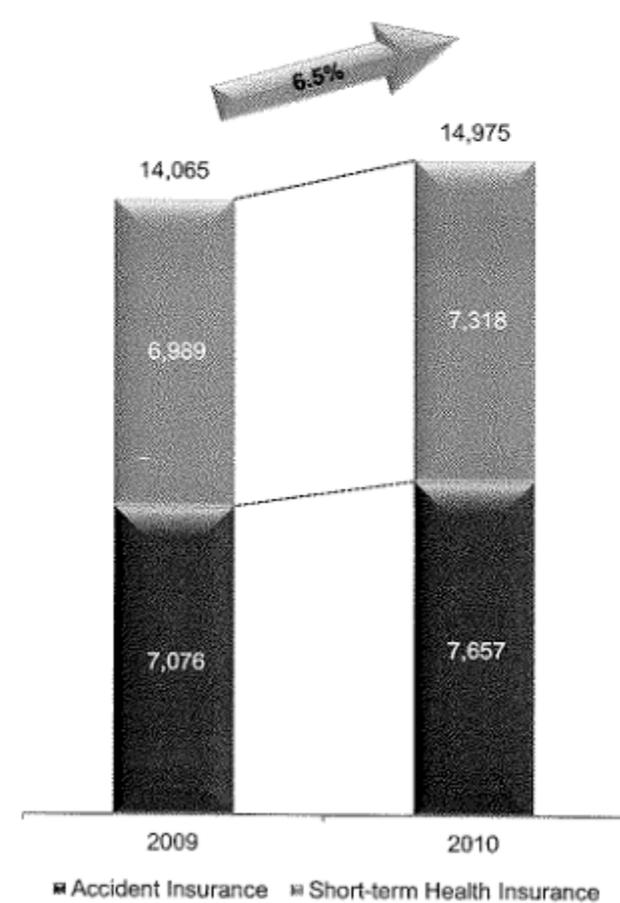
Group Business

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Short-term Business

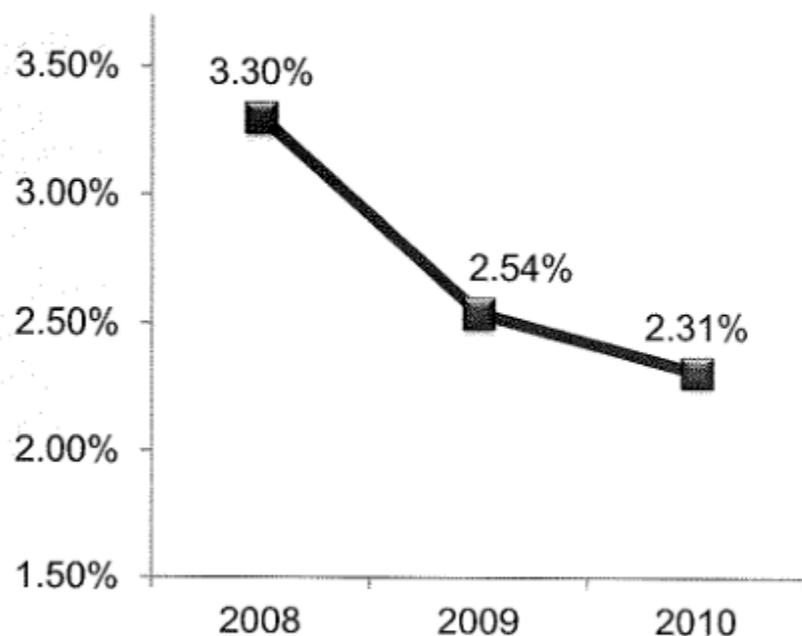
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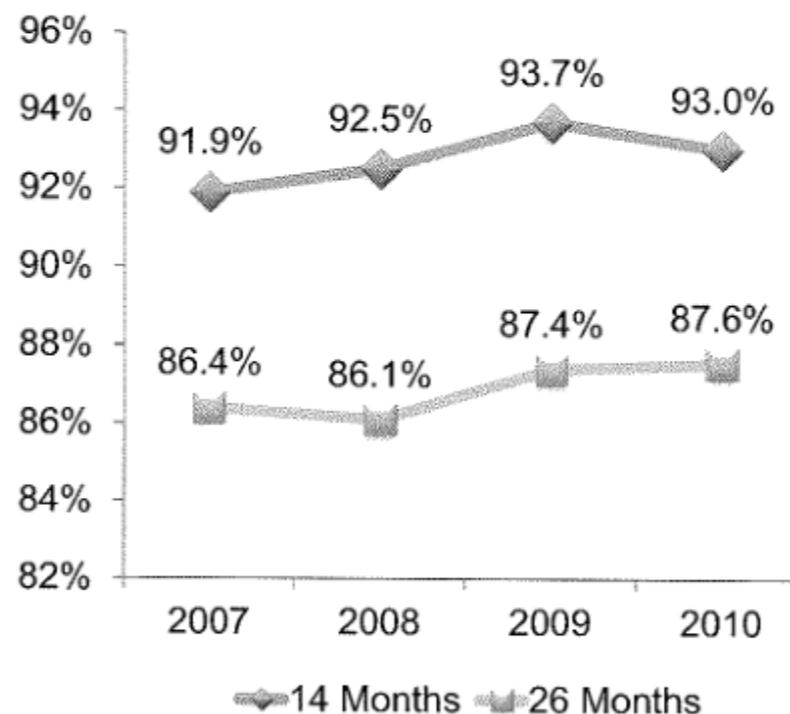
Stable Policy Persistency Experience

In 2010, our surrender rate remained at a low level of 2.31%, successfully warding off abnormal surrender risks

Further Decrease in Surrender Rate



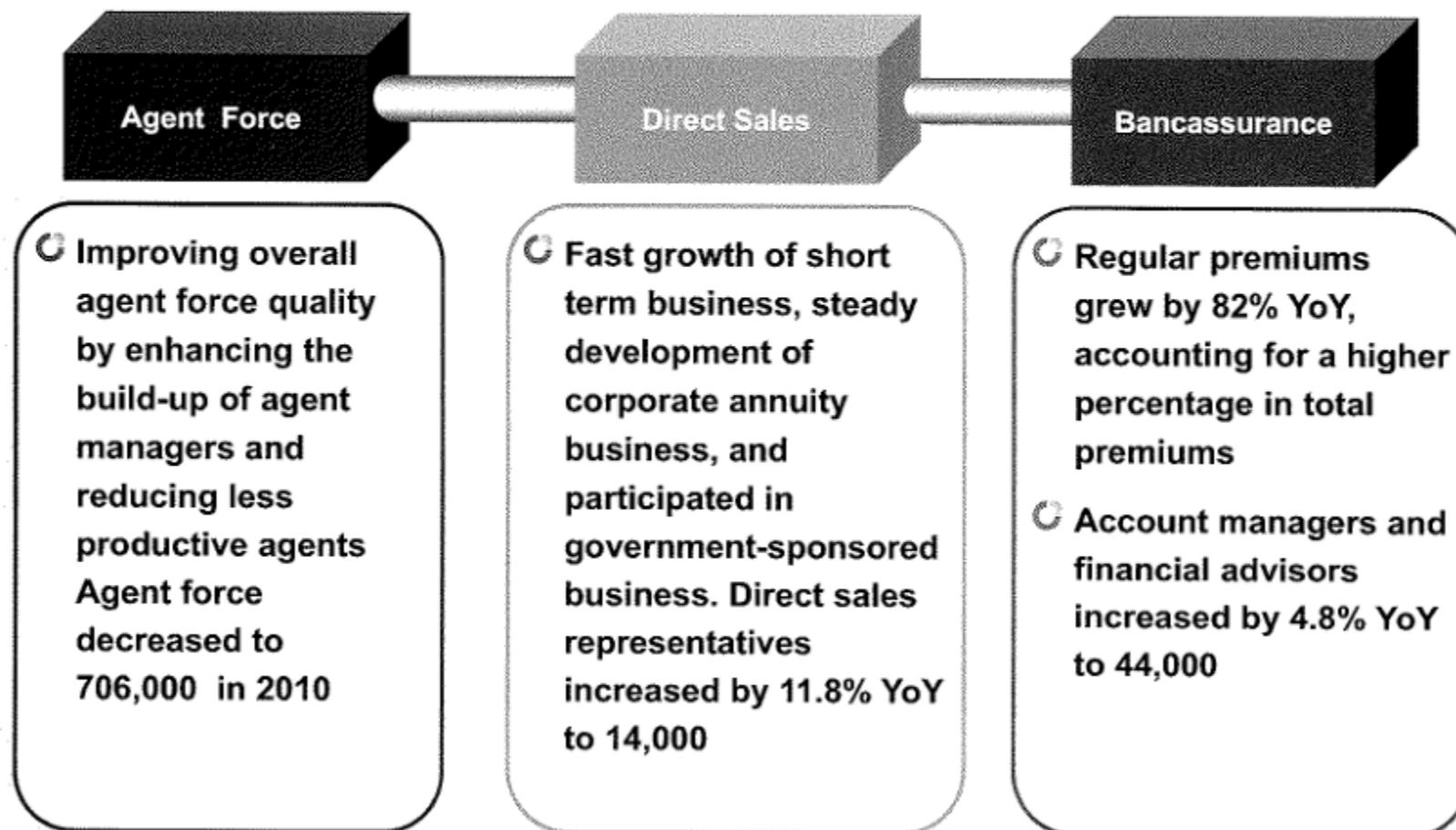
Long-term Individual Policy Persistency Rate



Note :Surrender rate = Surrender amount during the year / (reserves for long-term health insurance and life insurance liabilities at the beginning of the period + premiums from life insurance and long-term health insurance during the year)

Policy persistency rate = in-force policies within the review month that are commenced 14/26 months prior to the review month / policies that are commenced 14/26 months prior to the review month

Optimizing Key Distribution Channels



2011 Business Development Strategies

Business Strategy:

Continue to focus on regular payment business and increase business value

Market Strategy:

Strengthen market leadership and further improve competitiveness in urban markets

Transforming business model, accelerating business growth, deepening reform, enhancing infrastructure, and operating in compliance with regulations, following China Life's unique development path

Product Strategy:

Focus on traditional and participating products while moderately developing unit-linked, universal and other new investment type products

Distribution Strategy:

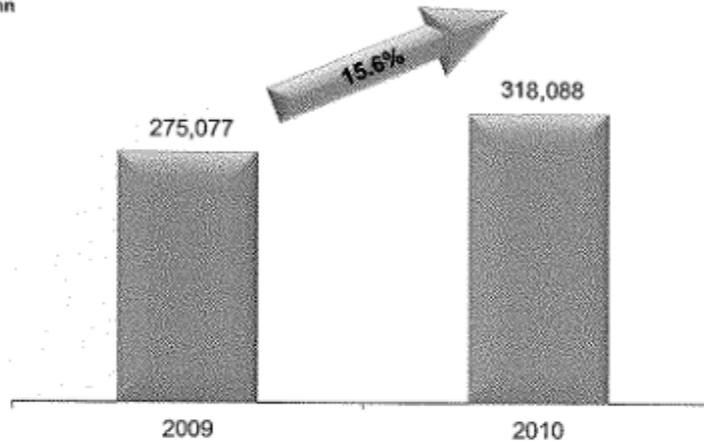
Individual agents as the key channel while leveraging complementary strength from group and bancassurance channels

Section III: Financial Summary

Steady Top-line Growth

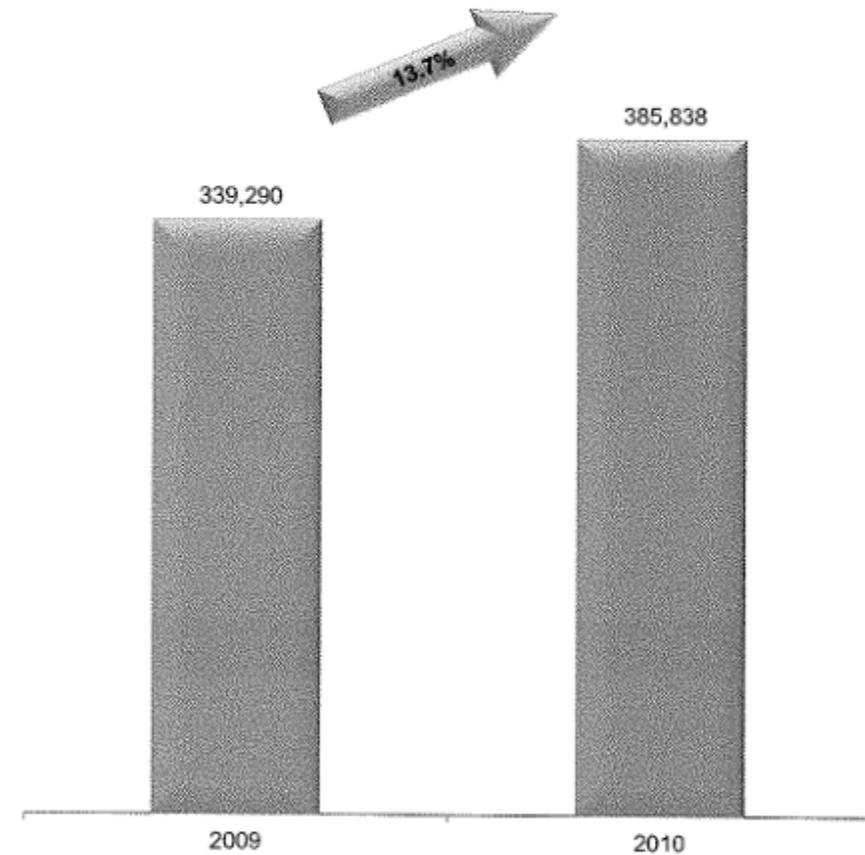
Net Premiums Earned

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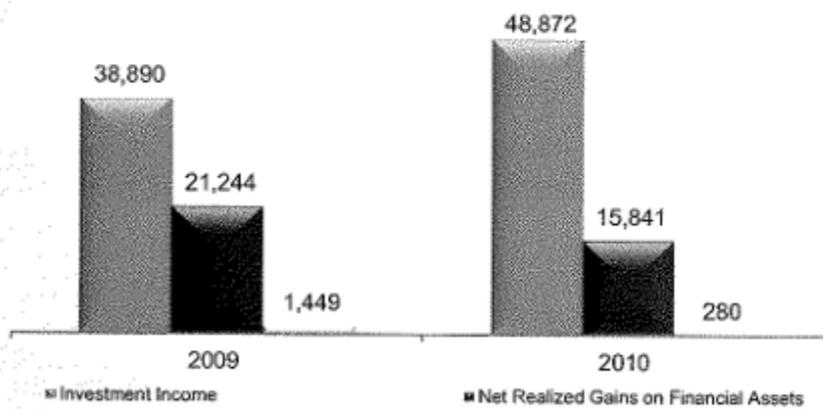
Total Revenues

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Investment Income and Realized / Unrealized Gains

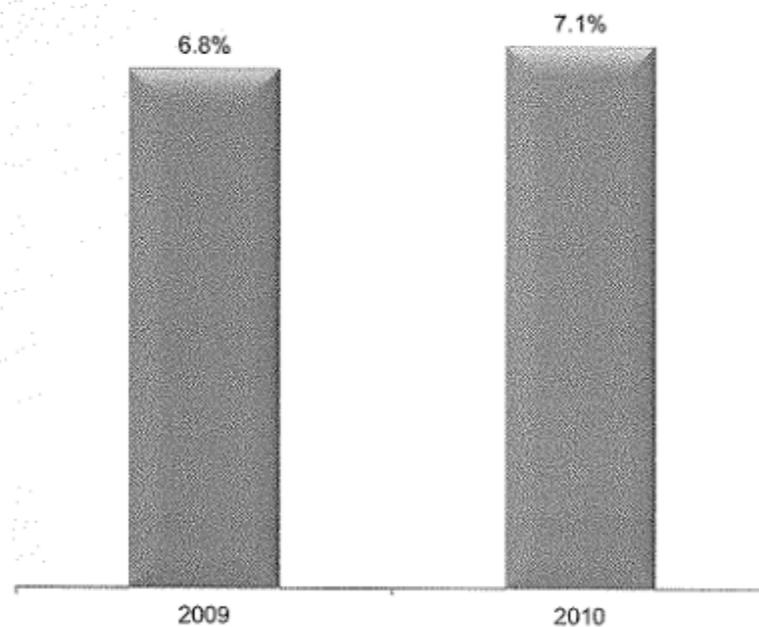
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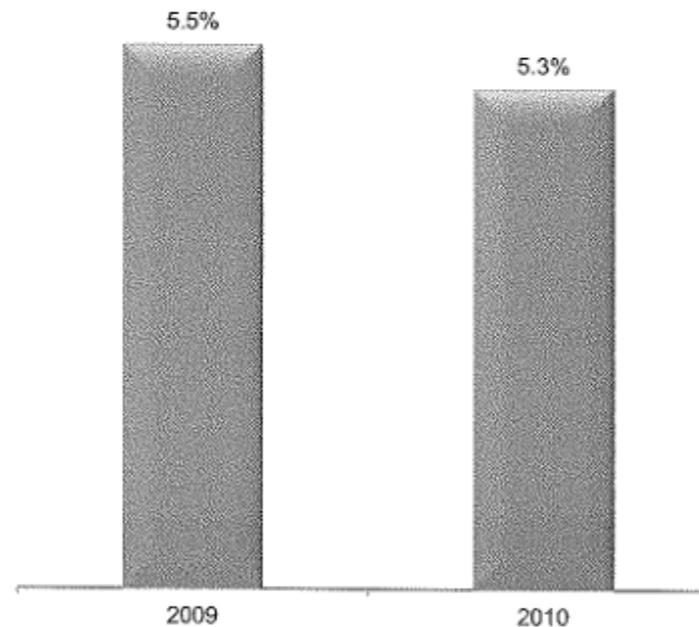
■ Investment Income
 ■ Net Realized Gains on Financial Assets
 ■ Net Fair Value Gains through Income

Effective Cost Control

Commissions and Fees Ratio



Administrative Expenses Ratio



Notes: Commissions and fees ratio = Commission and fees / total revenue
Administrative expenses ratio = Administrative expenses / total revenue

Continued Increase in Profitability

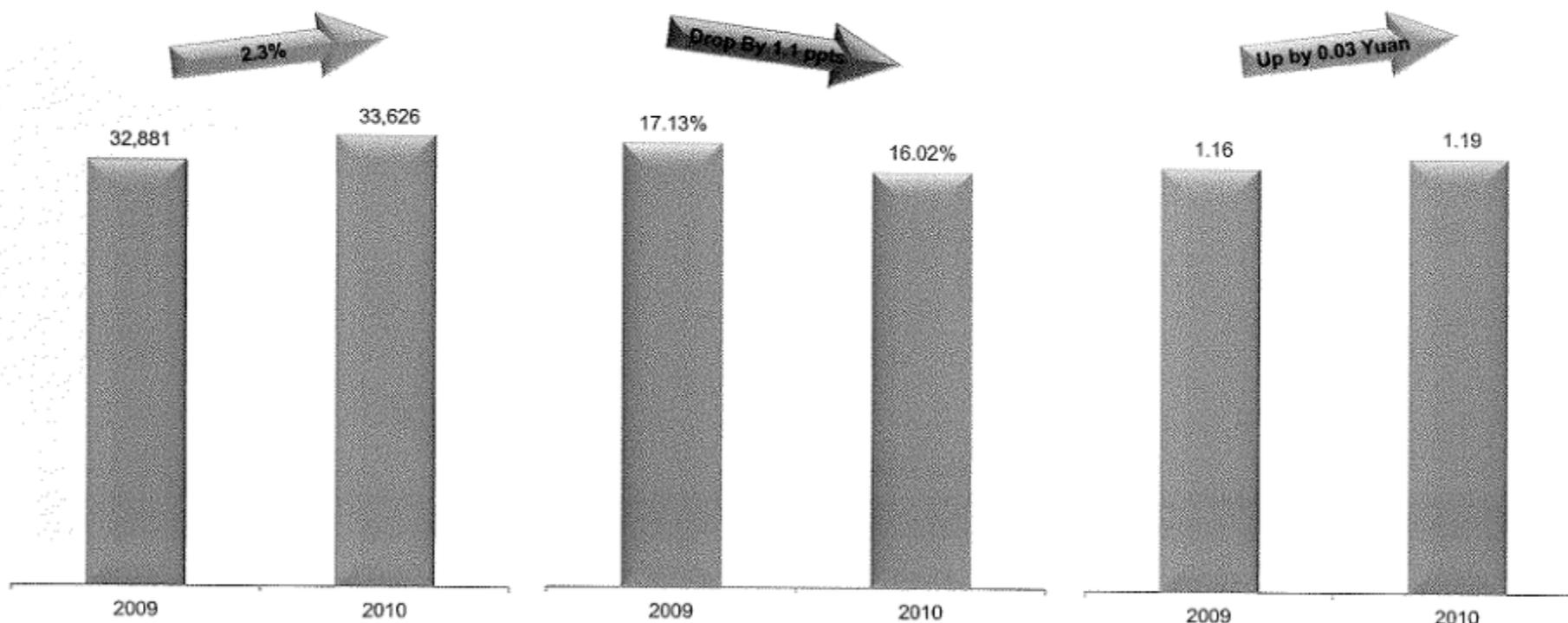
Net Profit Attributable to Equity Holders

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Weighted Average ROE

EPS

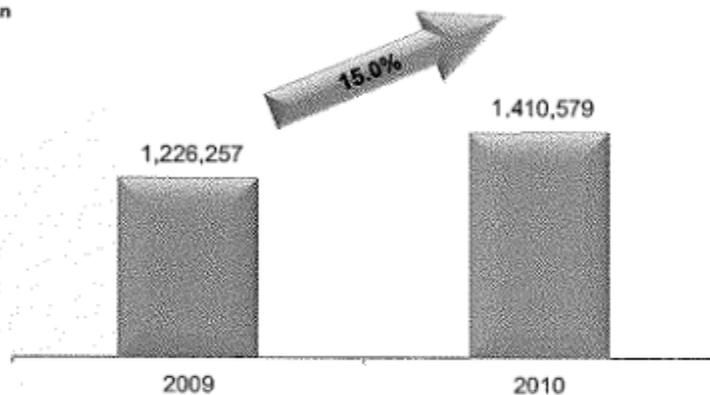
RMB Yuan



Solid Financial Strength

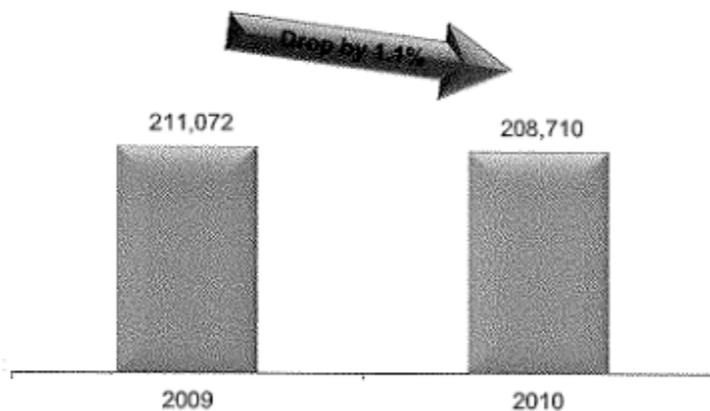
Total Assets

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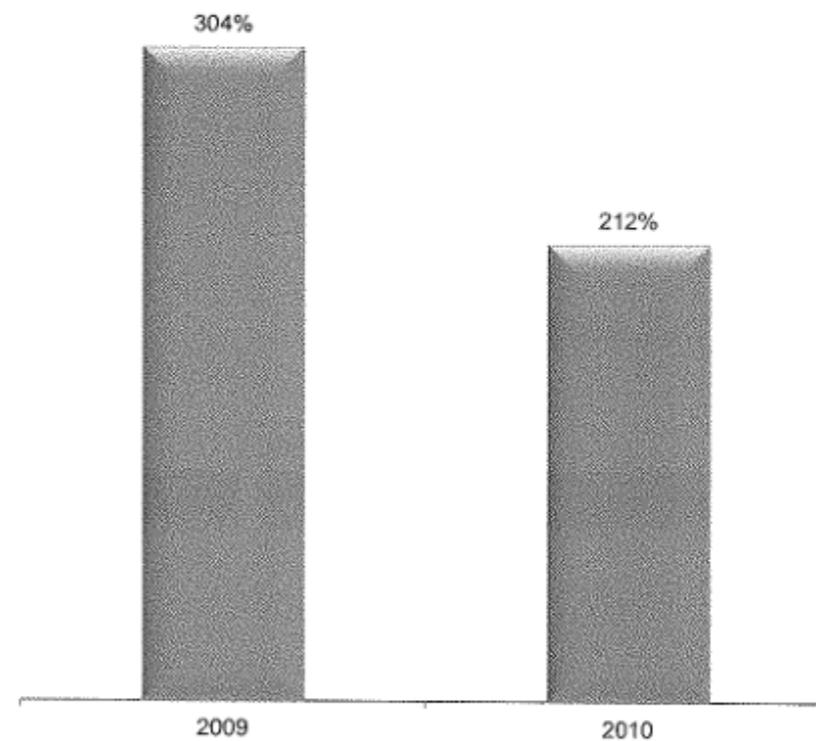
Equity Holders' Equity

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Solvency Margin

Solvency Adequacy Ratio

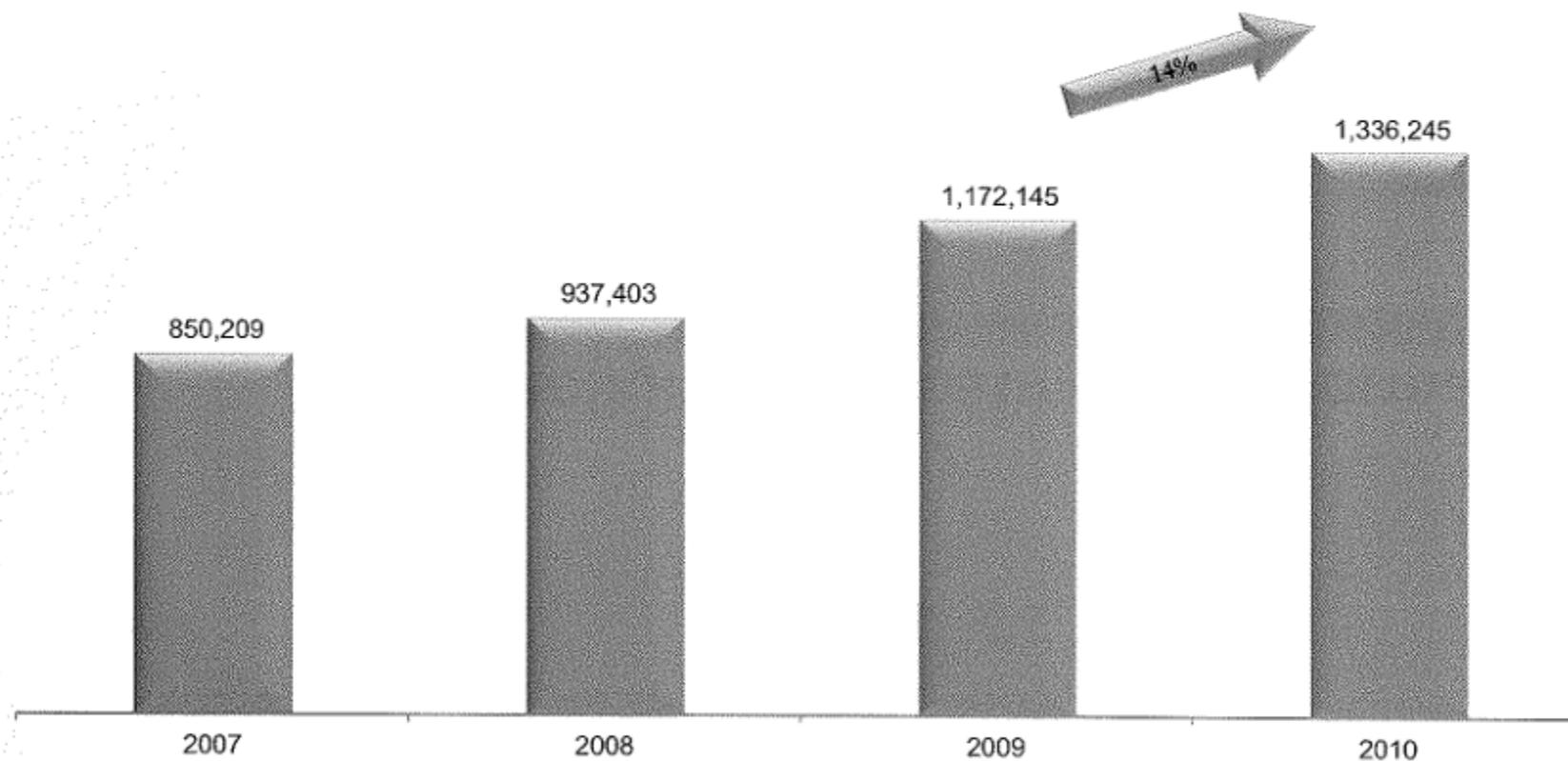


Section IV: Investment Performance

Increased Investment Assets

Total Investment Assets

RMB mn



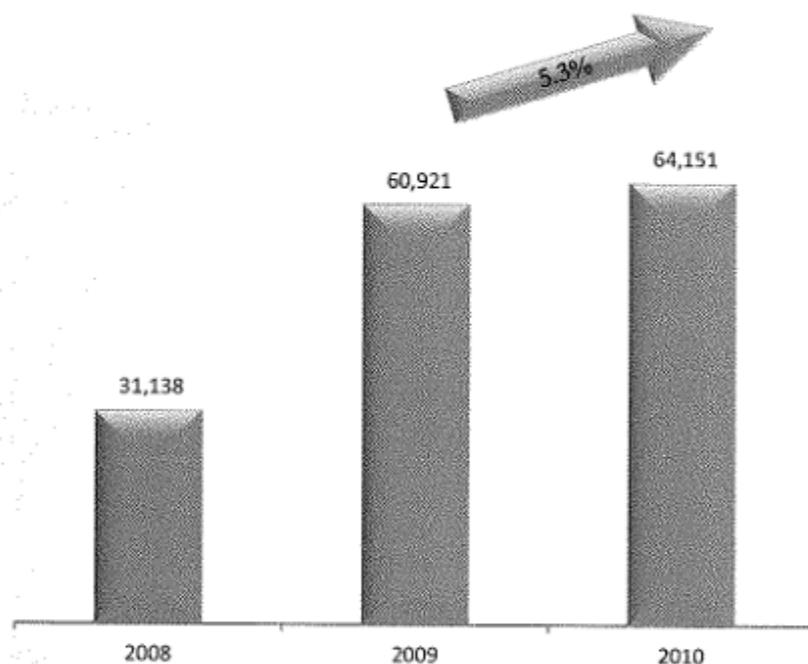
Note: Investment assets = Cash and Cash Equivalents + Securities at fair value through income + Available-for-sale Securities + Held-to-maturity Securities + Term Deposits + Securities Purchased under Agreements to Resell + Loans + Statutory Deposits

Stable Investment Income

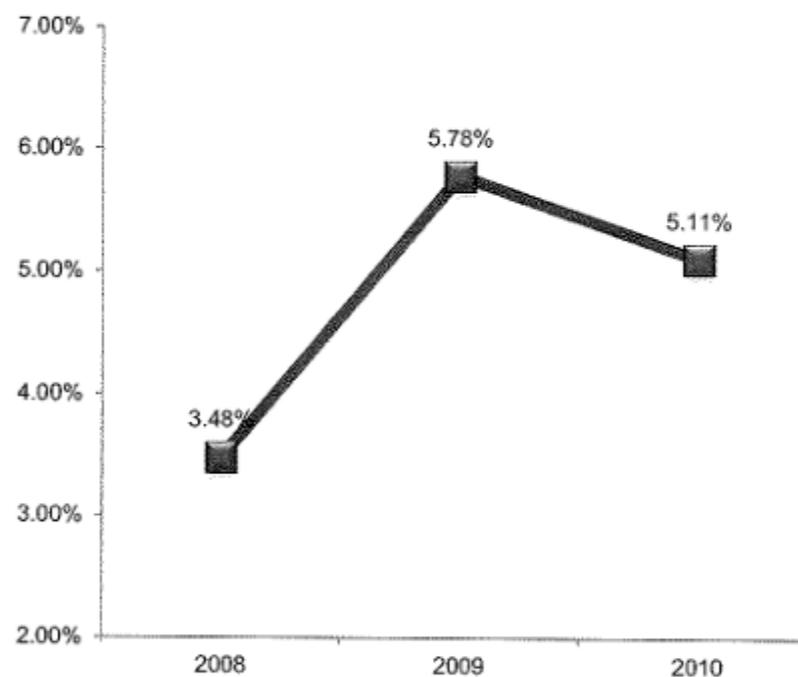
In 2010, in spite of 'U-shaped' volatility of the equity market with 14.31% decline of SSE Composite Index, we have achieved a stable investment performance

Gross Investment Income

RMB mn



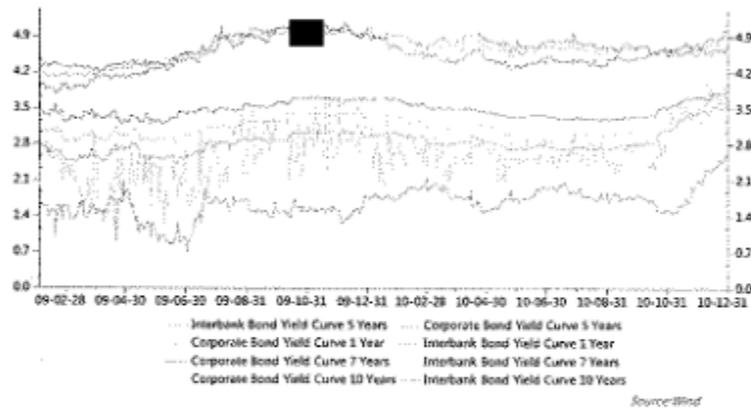
Gross Investment Yield



Gross Investment Yield(IFRS) = (Investment Income + Net Realized Gains on Financial Assets + Net Fair Value Gains through Income – Business Tax and Extra Charges for Investment)/((Initial Investment assets + End term investment assets)/2)

Proactively Capturing Investment Opportunities

Bond Yield Curve



Investment Strategies

Fixed Income Investment

Proactively allocated to negotiated deposits with floating rate and high-yield credit bonds, continued to adjust investment portfolio and improved existing portfolio yield

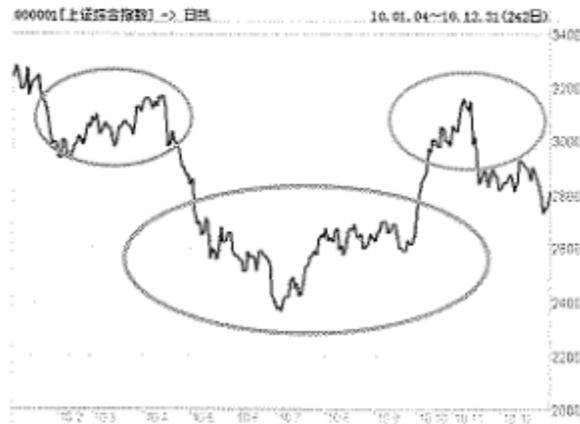
Equity Investment

Followed up policies and liquidity changes, seized market timing and structured opportunities, strategically improved investment allocation

Alternative Investment

Expanded investment channels, invested in 4 floating rate debt plans including "Pudong Development", avoided interest hike risk; participated in GDB secondary issuance, built up real estate and PE investment capabilities and actively sought potential investment targets

SSE Composite Index



Enhanced Asset Allocation

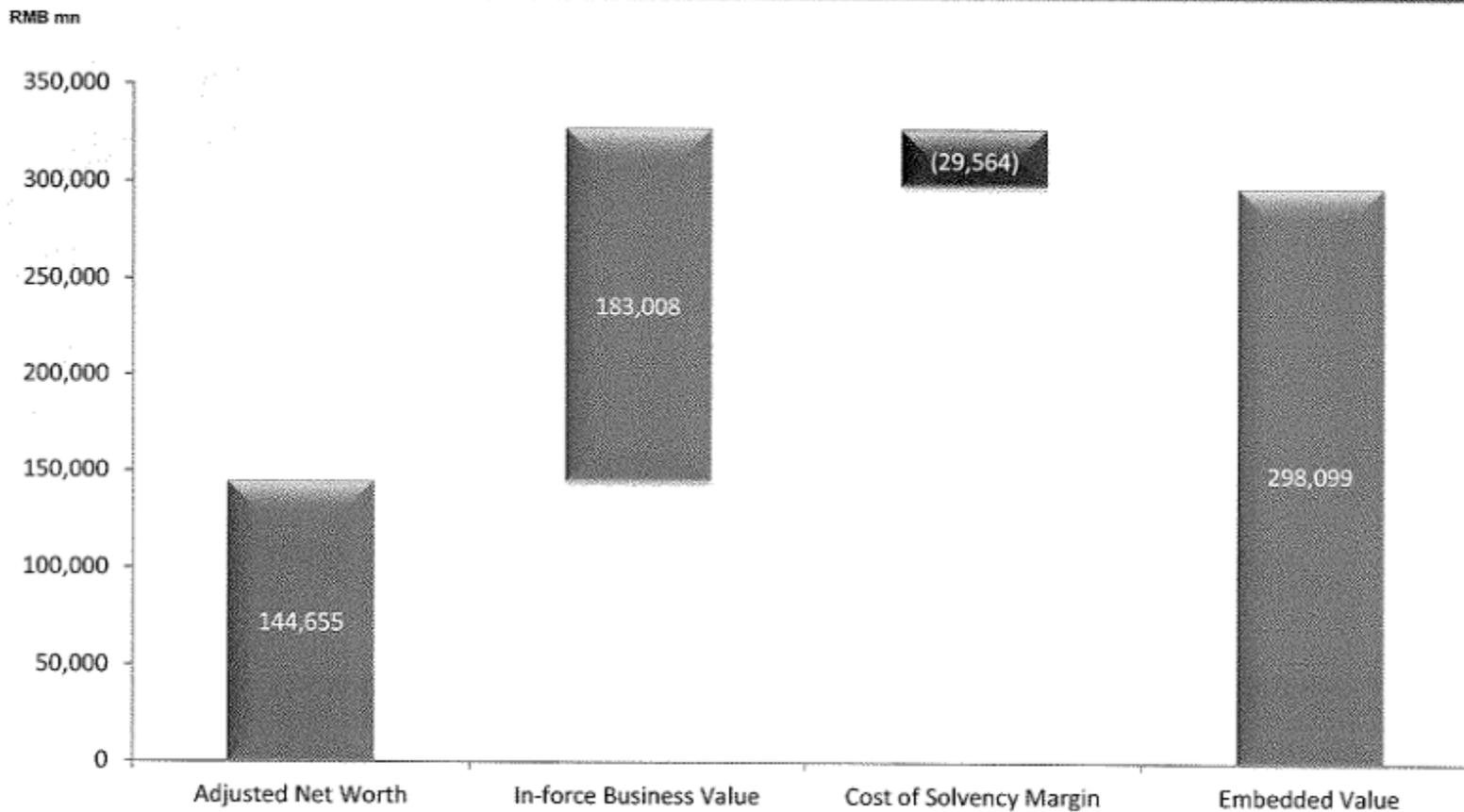
	December 31, 2010	December 31, 2009	Change (ppts)
Fixed-income Securities	45.51%	49.68%	-4.17 ↓
Term Deposits	33.05%	29.43%	+3.62 ↑
Equities	14.66%	15.31%	-0.65 ↓
Cash & Cash Equivalents	3.58%	3.09%	+0.49 ↑
Others	3.20%	2.49%	+0.71 ↑

Section V: Embedded Value



EV Breakdown by Components

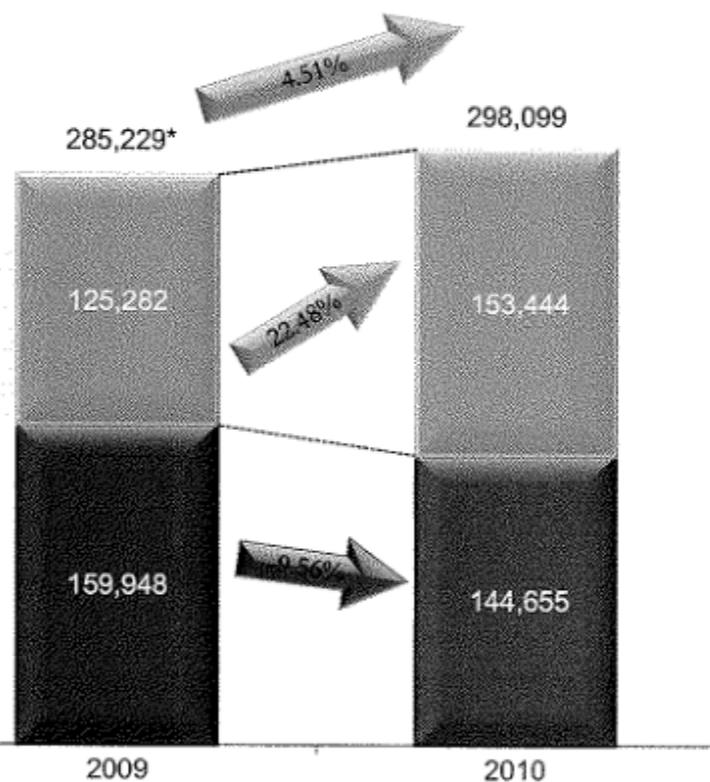
2010 China Life Embedded Value Breakdown



Growth of EV and Value of One-Year's Sales

Embedded Value

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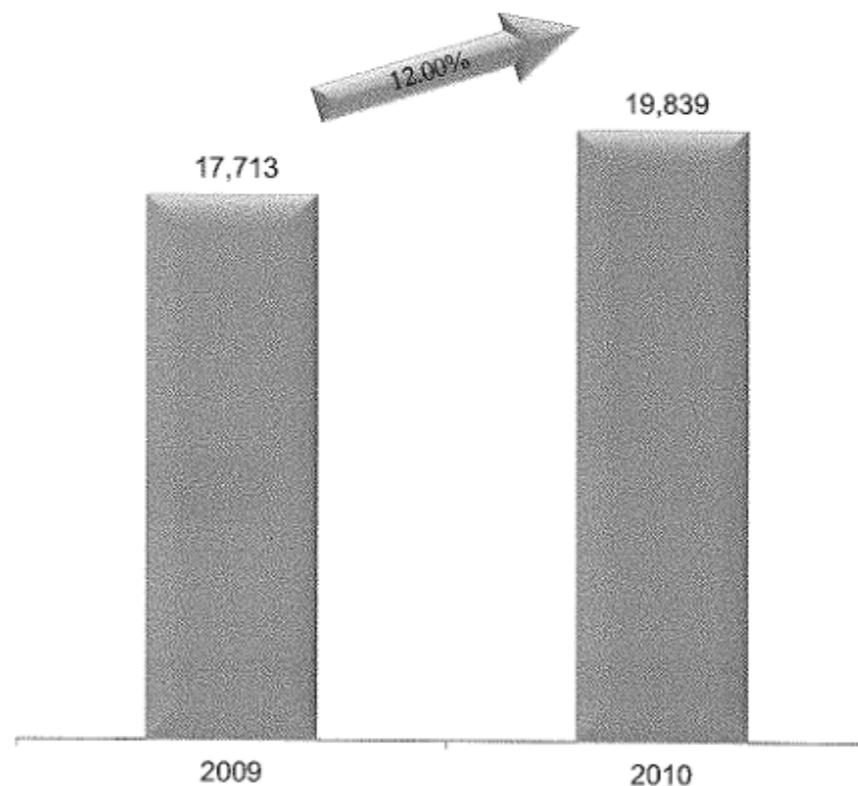


■ Adjusted Net Worth ■ In-force Business Value (After cost of solvency margin)

*Note: Numbers may not be additive due to rounding.

Value of One Year's Sales

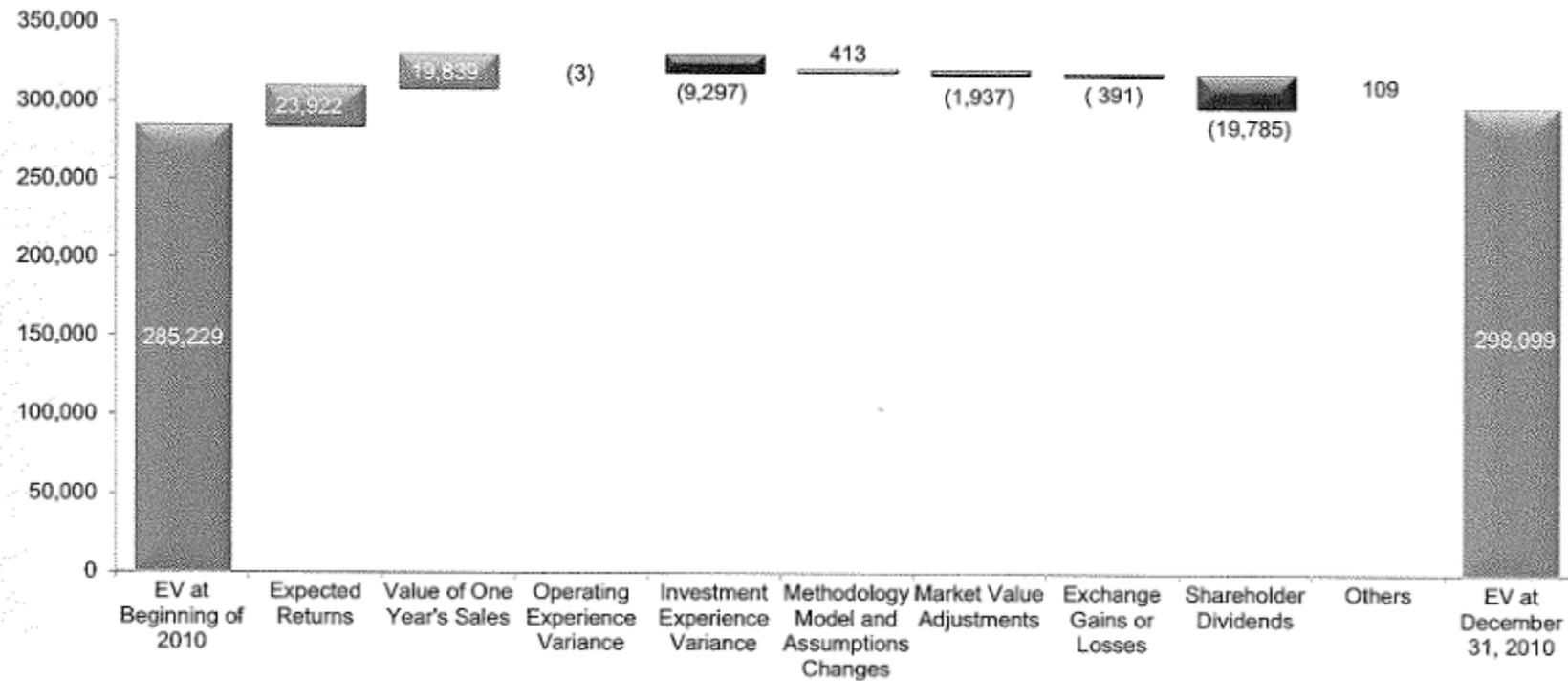
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Embedded Value Movement Analysis

EV Movement from 2009 Year End to 2010 Year End

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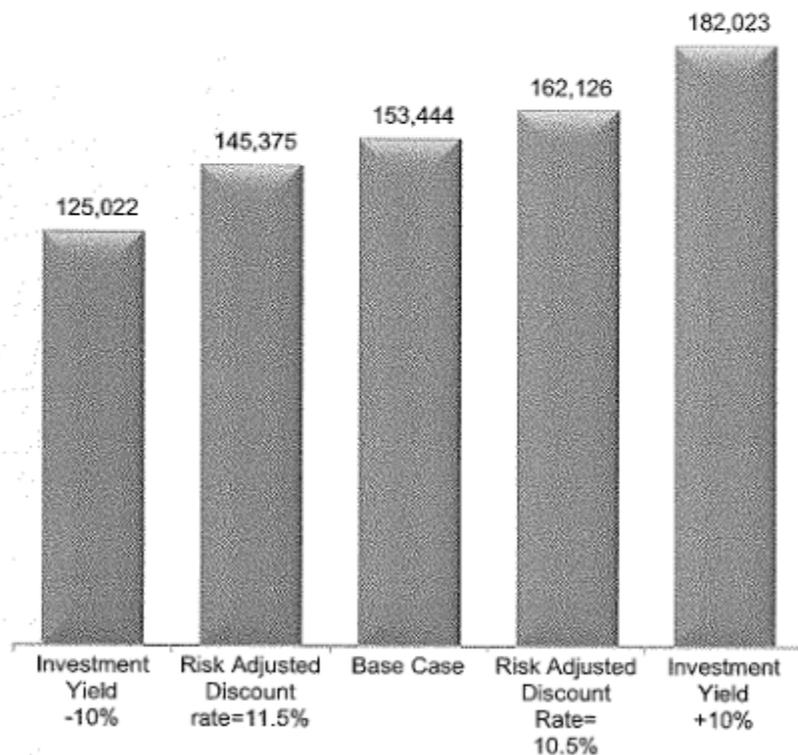


Sensitivity Analysis – Investment Return and Discount Rate



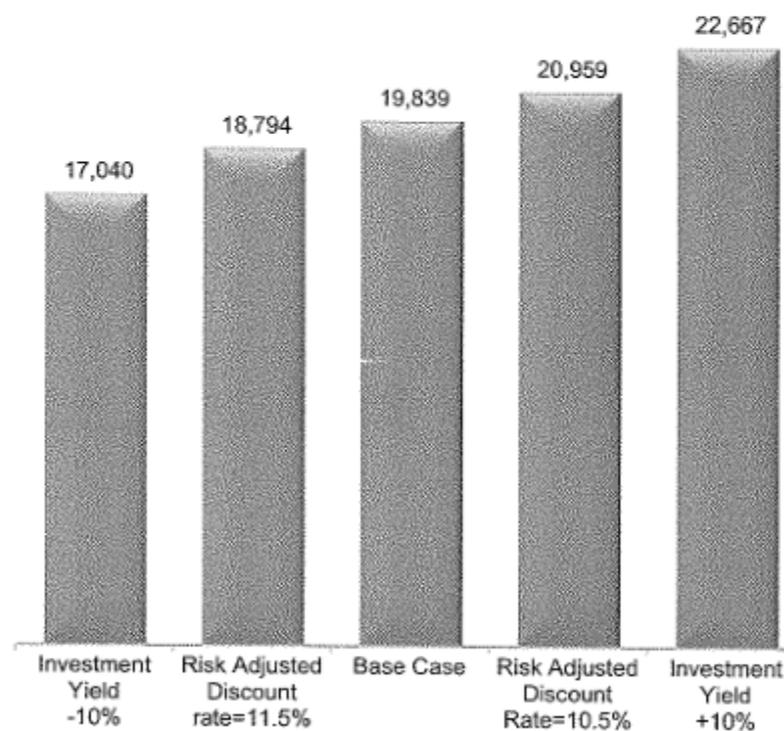
Value of In-force Business after Cost of Solvency Margin

RMB mn



Value of One Year's Sales after Cost of Solvency Margin

RMB mn



Sensitivity Analysis – Operational And Other Assumptions



Sensitivity Analysis Results

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	Value of in-force business after the cost of solvency margin	Value of one-year's sales after the cost of solvency margin
Base case scenario	153,444	19,839
Cost ratio +10%	151,002	18,014
Cost ratio -10%	155,882	21,664
Mortality ratio for non-annuity products + 10%, Mortality ratio for annuity products -10%	151,791	19,757
Mortality ratio for non-annuity products - 10%, Mortality ratio for annuity products + 10%	155,118	19,920
Surrender ratio + 10%	152,080	19,756
Surrender ratio - 10%	154,857	19,916
Morbidity Ratio +10%	151,609	19,756
Morbidity Ratio -10%	155,294	19,922
Claim ratio for short-term insurance + 10%	153,162	19,249
Claim ratio for short-term insurance - 10%	153,725	20,429
Solvency Margin at 150% of Statutory Minimum	139,372	17,865
Projected taxable income is based on the accounting profit calculated in accordance with "Provisions on Accounting Treatment of Insurance Contracts"	148,722	19,990
EV assumptions applied in 2009	153,452	19,809



Thank you!