



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

2007 Interim Results

28 August 2007

Forward-looking Statements

Certain statements contained in this presentation may be viewed as “forward-looking statements” with in 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 is included in the Company’s Registration Statement on form F-1 for its initial public offering filed with the U.S. Securities and Exchange Commission, or SEC (file number 333-110615); and in the Company’s other filings with the SEC.

Unless otherwise indicated, the Chinese insurance market information set forth in this presentation is based on information reported by insurance companies to the CIRC. The reported information includes premium and deposit information that is not determined in accordance with HKFRS.



Agenda

Section I Highlights

Section II Business Review

Section III Financial Summary

Section IV Investment Performance



Section I Highlights



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



Outstanding Results in First Half 2007

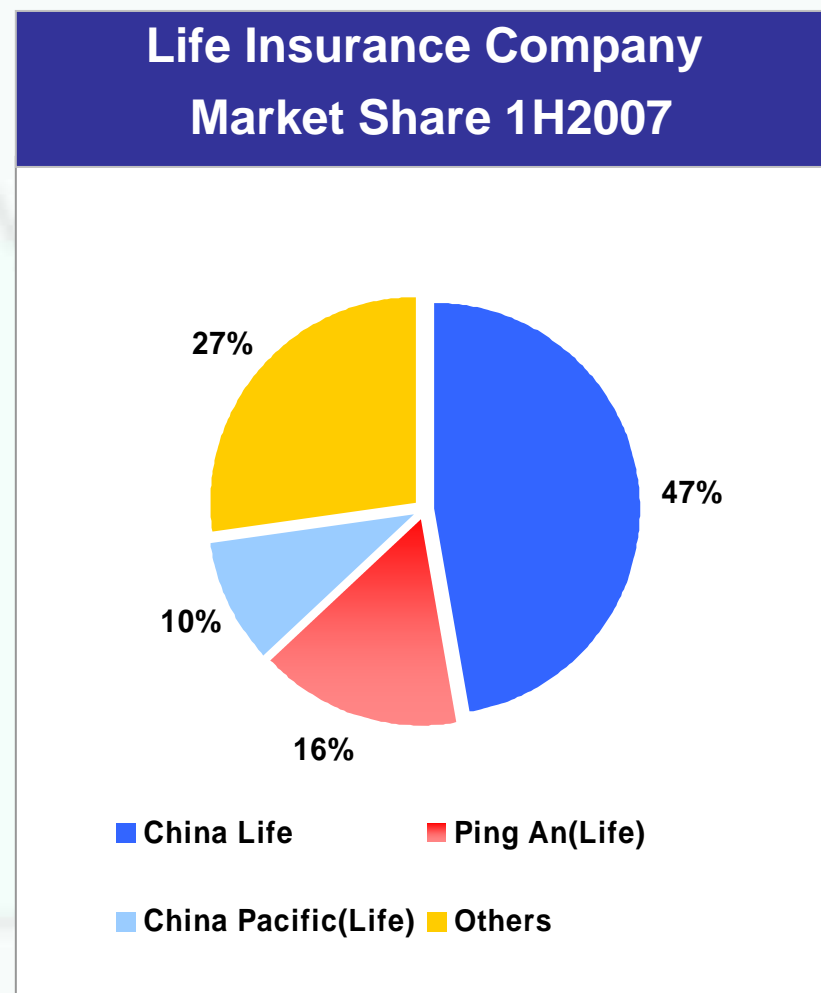
GWP & policy fees	RMB 63,753 million	+ 16.8%
Net profit	RMB 23,289 million	+ 159.7%
Gross investment income	RMB 37,175 million	+ 111.3%
Gross investment yield	5.19%	+ 1.9 percentage points
Total assets	RMB 849,804 million	+ 11.2% over 2006
Shareholder's equity	RMB 167,493 million	+ 19.9% over 2006
ROE	15.1%	+ 4.7 percentage points
Basic and diluted EPS	RMB 0.82	+ RMB 0.49

Note: Gross investment income includes net investment income, net realized gains on financial assets and net fair value gains on assets at fair value through income (held for trading). Gross investment yield = Gross investment income / ((Investment assets at the beginning of the period - securities sold under agreements to repurchase at the beginning of the period + investment assets at the end of the period - securities sold under agreements to repurchase at the end of the period) / 2). Investment assets includes cash and cash equivalents.



Continued Market Leadership

Continued Market Leadership			
	2005	2006	1H2007
China Life	44%	45%	47%
Ping An (Life)	16%	17%	16%
China Pacific (Life)	10%	9%	10%
Others	30%	29%	27%



Source: CIRC Note :Premiums under PRC GAAP



Improved Corporate Governance

Corporate Governance Self-Review

In 1H2007, the Company completed a self-review on corporate governance according to CSRC requirements. The self-review report was approved by the board of directors on 12 June 2007 and subsequently made public after being successfully approved by regulatory authorities.

Improving Internal Controls

In 1H2007, in accordance with the Sarbanes-Oxley Act, Section 404 and other securities legislation in the United States, the management completed a self-assessment on internal control over financial reporting as at 31 December 2006 and confirmed such internal control was effective. The Company had also received from our independent auditors unqualified opinions on the above management assessment of the effectiveness of internal control over financial reporting and on the effectiveness of our internal control over financial reporting as at Dec. 31, 2006. The Company's internal controls are continually improving.

Innovative Investor Relations

In May 2007, the Company successfully organised the first Corporate Day in Guangxi for international analysts. In July 2007, the Company held a Workshop on Analysis of the Valuation of Life Insurers in Beijing for domestic funds.

Improving Corporate Governance
Maximizing Corporate value

Proactively Meeting Our Social Responsibility

Established China life
Charity Foundation with
an initial donation
of RMB 50 million

Assisted in building 18
China Life Long March
Primary Schools

***Focusing on people,
caring for life, creating
value, serving society***

Co-launched the Healthy
New Village project with
the Red Cross Society
of China with a donation
of RMB 10 million

Actively participated
in the New Village
Cooperative Medical
Scheme



Accorded the “Red Cross Medal” by the Red Cross Society of China



Our Honors

 **2007 Fortune 500 Ranked 192th, 6th amongst all Chinese companies**

Fortune magazine

 **2007 World-Famous Brand 500 7th amongst Chinese companies**

Word Brand Organisation and USCGC

 **Top 10 Most Valuable Brand Names of China**

World Brand Lab

 **Most Favoured Corporate Brands by Chinese Consumers**

Asian Centre for Brand Management

 **Best Public Company Profile Award in 2006**

Development Research Center of the State Council

 **Award of the Best Call Centre in China 2007**

Ministry of Information Industry

 **2007 Best IPO IR Award**

China Securities Journal and Nanjing University

Our Goals

**Learning and
innovation**

**Optimising
resources**

**Growing with
added value**



**World-class
life insurance
company**



Opportunities and Challenges

Opportunities

- **Stable macro-economic growth drives robust demand for insurance products.**
- **Furtherance of Social Security Reform, expanding social security coverage in urban areas and the initial establishment of rural social medical scheme and pension system provide new opportunities for insurance business development.**
- **Further implementation of the State Council's *Ten Provisions* and the issuance of the *Provisional Regulations on Overseas Investment of Insurance Capital* enable insurers access more investment opportunities at home and abroad.**
- **Increasing interest rates help to improve overall investment yield.**

Challenges

- **Interest rate hikes and regulatory changes including insurance product pricing by CIRC may affect life insurance businesses.**
- **Mutual funds and other financial management products may direct money away from life insurance products.**
- **Competition will continue to escalate.**
- **Uncertainty in the capital markets.**



Section II Business Review



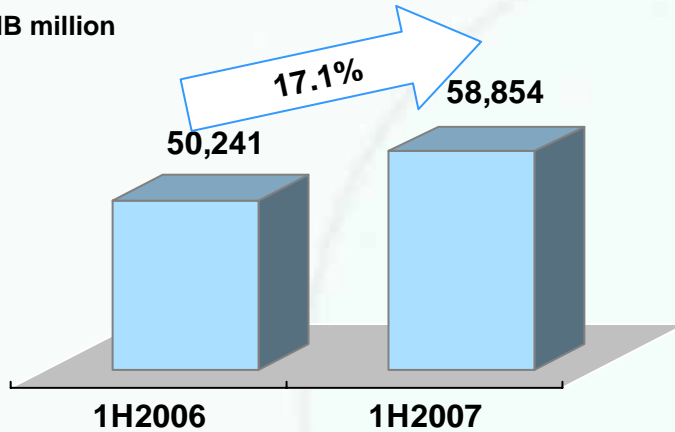
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Continuous Business Growth

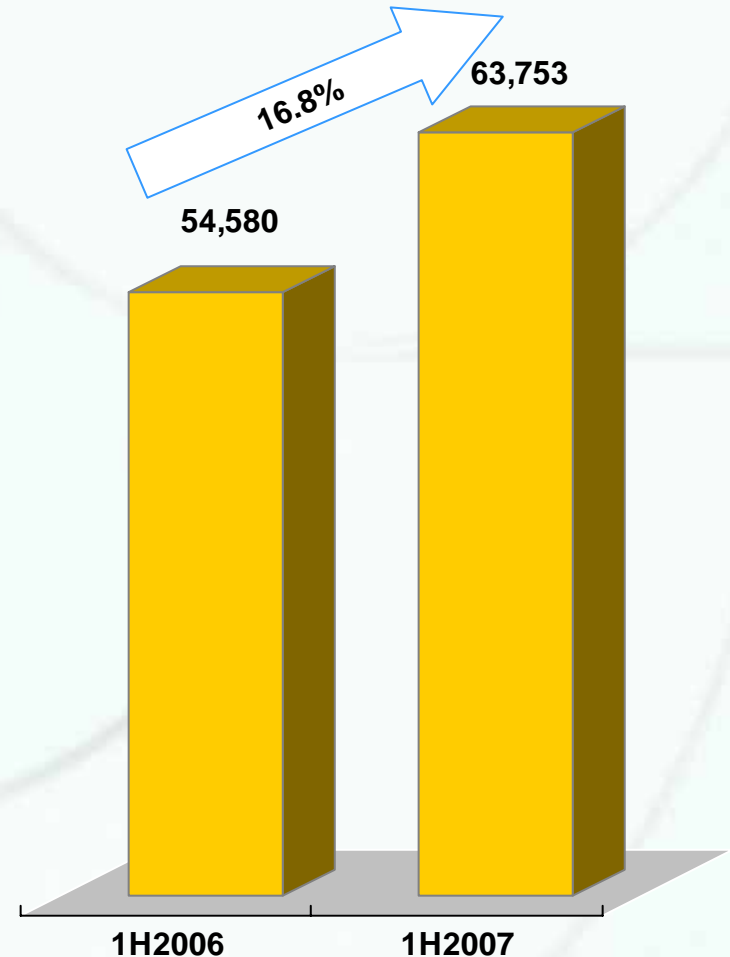
Gross written premiums

RMB million



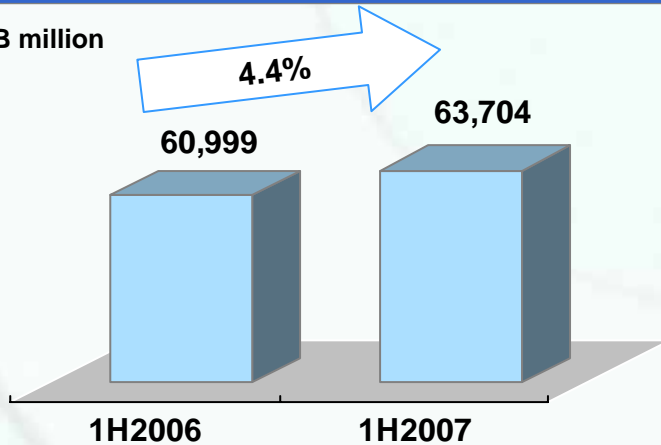
Gross written premiums and policy fees

RMB million



Deposits

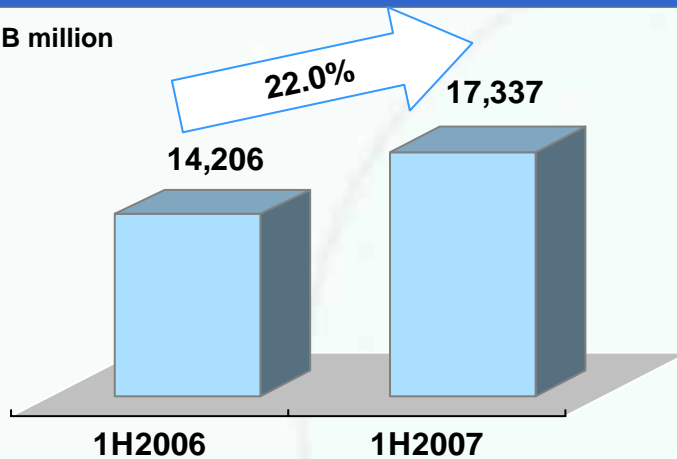
RMB million



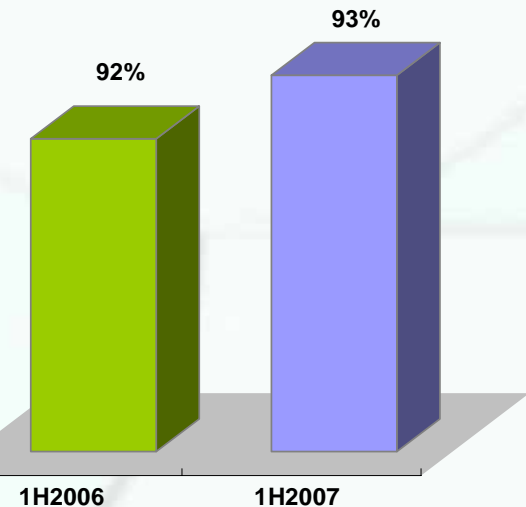
Optimized Business Structure

Robust growth in 1st-year GWP

RMB million

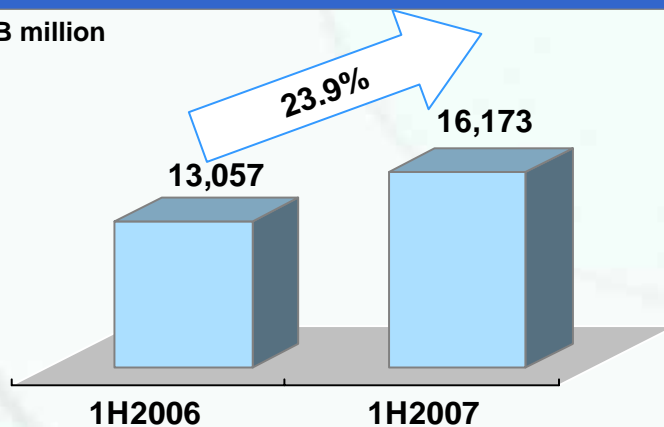


Increased percentage of 1st-year regular GWP in FYP

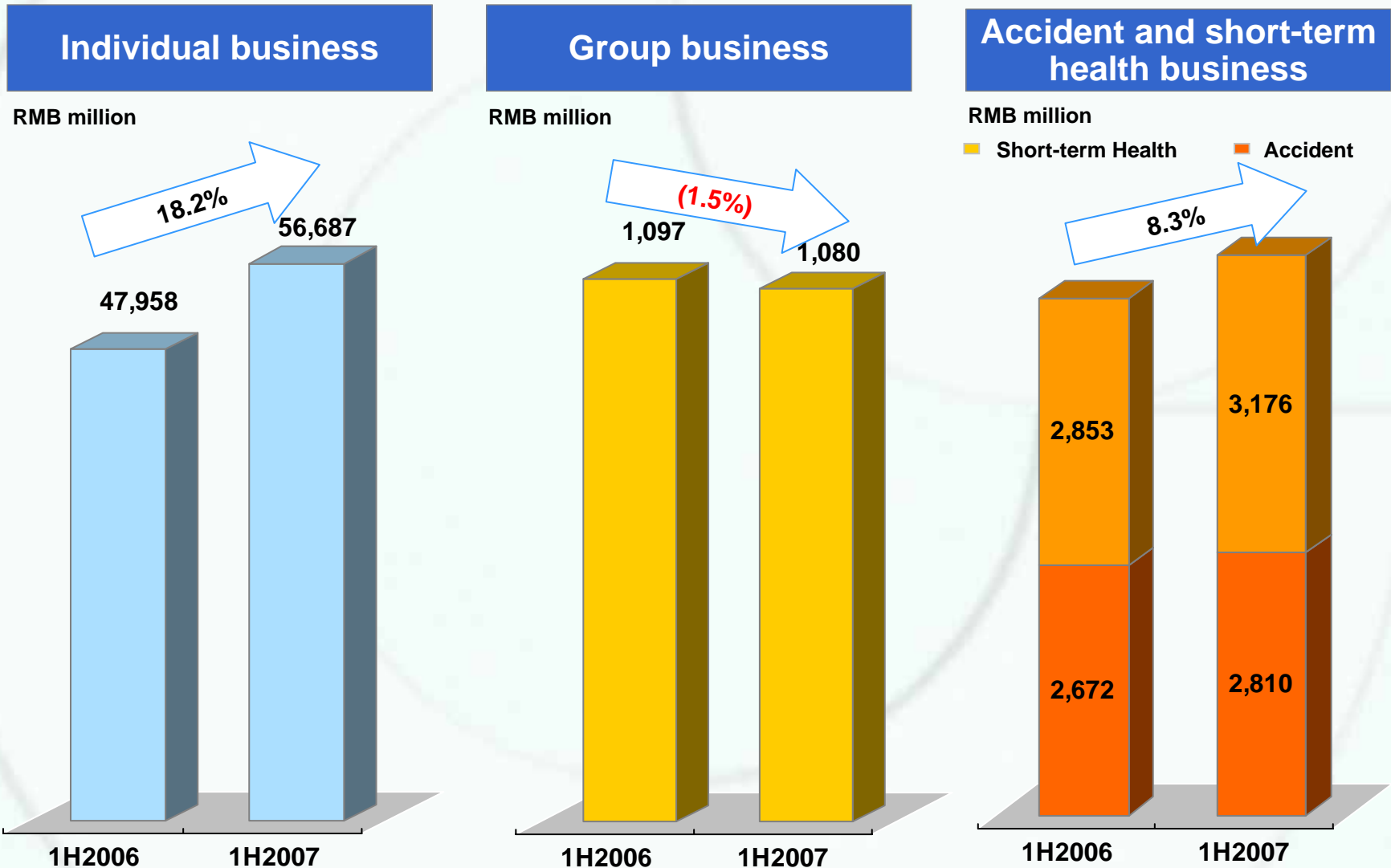


Strong increase in 1st-year regular GWP

RMB million



Steady Growth in Individual and Short-term Businesses



Note: Figures for individual and group business represent gross written premiums and policy fees. Figures for accident and short-term health insurances represent gross written premiums.



Distribution Channels Reinforced

Most extensive nationwide distribution network

Strongest agent force

- Over 650,000 exclusive agents
- About 17,000 field offices
- 97.5% of agents licensed

Largest direct sales force

- Over 12,000 direct sales representatives
- 3,613 branches and sub-branches

Largest bancassurance network

- Over 90,000 bancassurance outlets
- Over 20,000 account managers

Supporting continuous business growth

- Resources consolidation and cross sales

- Setup of Tibet branch, coverage in all provinces, municipalities and autonomous regions in mainland China

- Continue to expand rural distribution network and rural agent force

Diversified distribution channels



Business Innovation

Marketing innovation

- We have built a collection and repeat sales team comprising 25,000 individual agents.
- We are building a team of financial advisors to serve high-end individual customers in some first- and second-tier cities.
- Over 4,000 financial advisors in the bancassurance channel.

**Accelerate
business
innovation**

Channel innovation

- We have been test-running our tele-sales centres in Beijing and Shenzhen.
- We are promoting online direct and agency sales.

Product innovation

- New Industrial Life Insurance, the first life insurance product targeting the rural market in China.
- Ruixin Endowment Plan



Customer Service Innovation

Customer services innovation

- **Join hands with China Life for a Life of Harmony campaign and first China Life Customer Day**
 - June 16 of every year set as “China Life Customer Day”
- **China Life 1+N customer service brand**
 - Standardise VIP service plan and supporting manuals
 - China Life 1+N customer service brand promotion campaign

Refined management

- **Refined and standardised customer service management**
 - Call centre refined management
 - Research and develop CRM system
- **Successfully tide over payout peaks of certain products**
 - Paid over RMB 40 billion maturity benefits in over 2 million cases in 1H2007



Business Strategy in 2H2007

Balanced growth between urban and rural market

- First- and second-tier cities are the focus of our geographic strategy. We will continue to reinforce our leadership in first- and second-tier cities.
- Rural market is an important arena for future competition. We will further leverage on our first mover advantage in the rural market.

Optimize business mix

- Emphasise sales of traditional and participating products, expand sales of universal business and develop new investment-type plans.
- Continue to focus on long-term regular premium products to optimise business mix.

Leverage multi-channel competitive advantage

- Continue to view individual agents as our major and most important sales force.
- Give full scope to other channels including direct sales force and bancassurance.
- Promote development of new channels, e.g. telesales, online sales



Section III Financial Summary



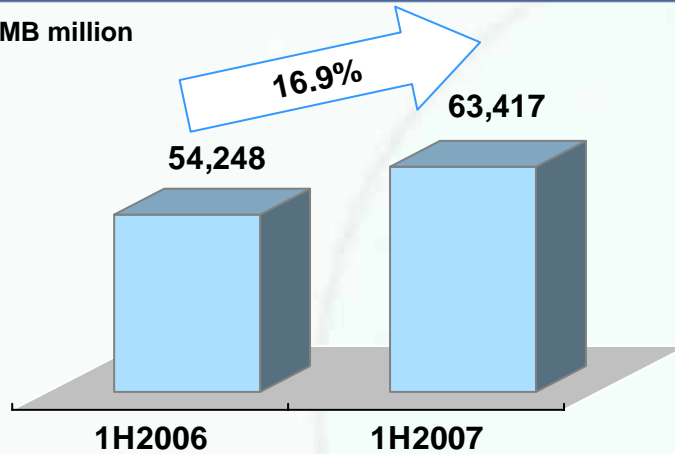
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Strong Revenue Growth

Net premiums earned and policy fees

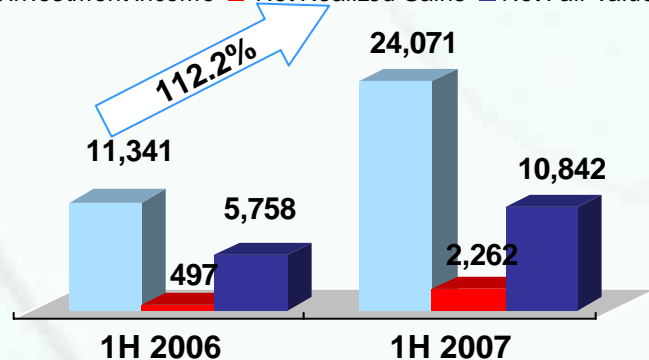
RMB million



Net investment income and realised/unrealised gains

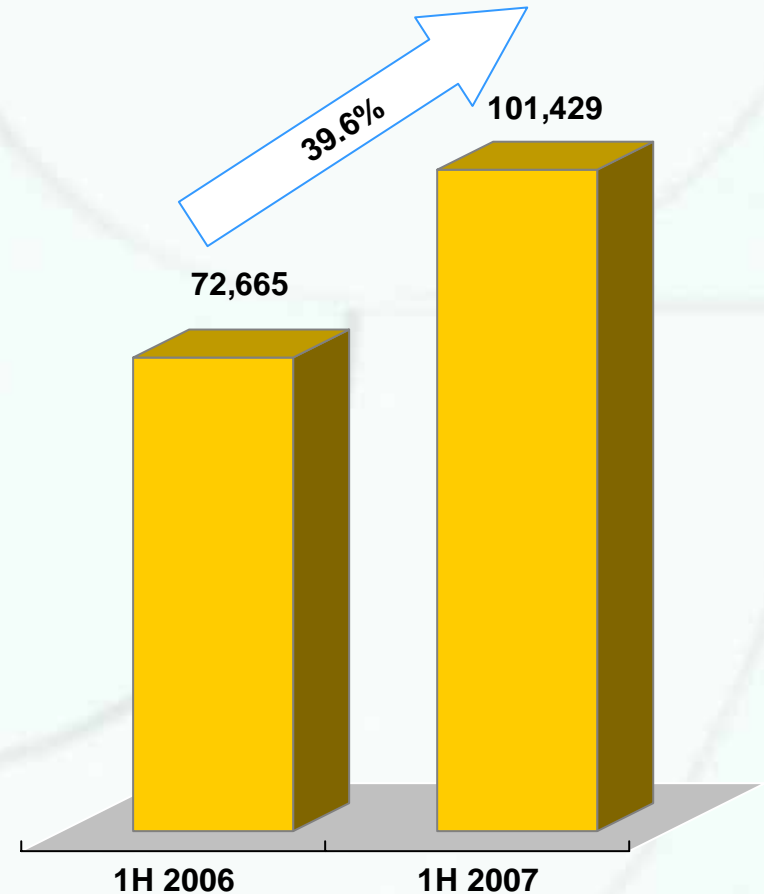
RMB million

■ Net Investment Income ■ Net Realized Gains ■ Net Fair Value Gains



Total revenues

RMB million

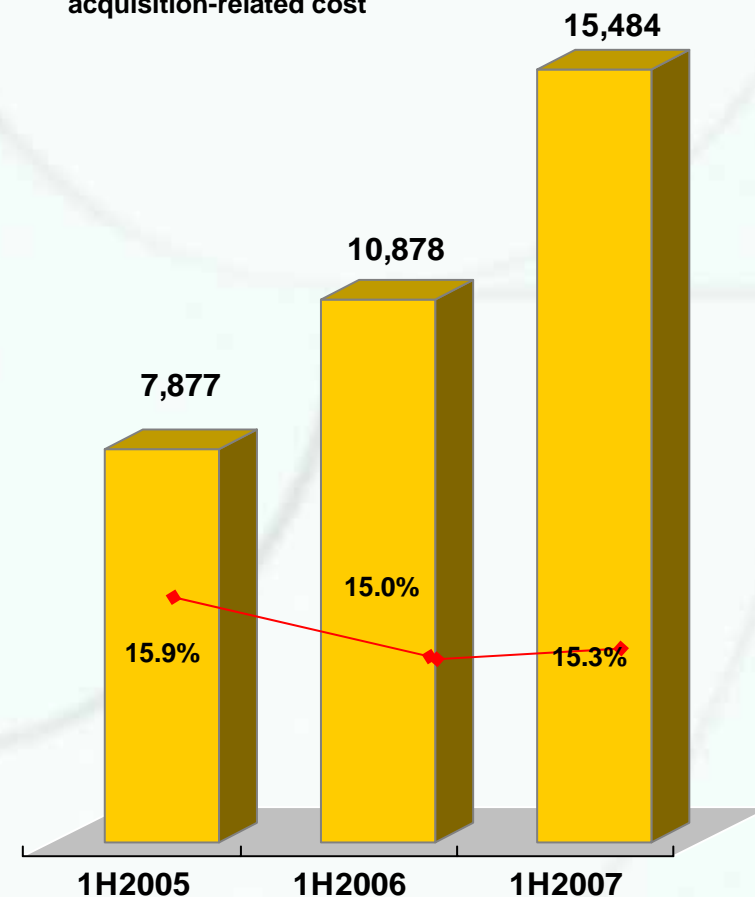


Enhanced Cost Efficiency

Administrative & acquisition-related expenses as % of total revenues Note

RMB million

■ Administrative and acquisition-related cost ◆ Consolidated cost ratio



Enhanced budget management and optimised financial resources allocation

Strengthened fixed asset management

Reinforced treasury management

Note: Administrative and acquisition-related cost = Underwriting and policy acquisition costs + amortization of DAC + administrative expenses

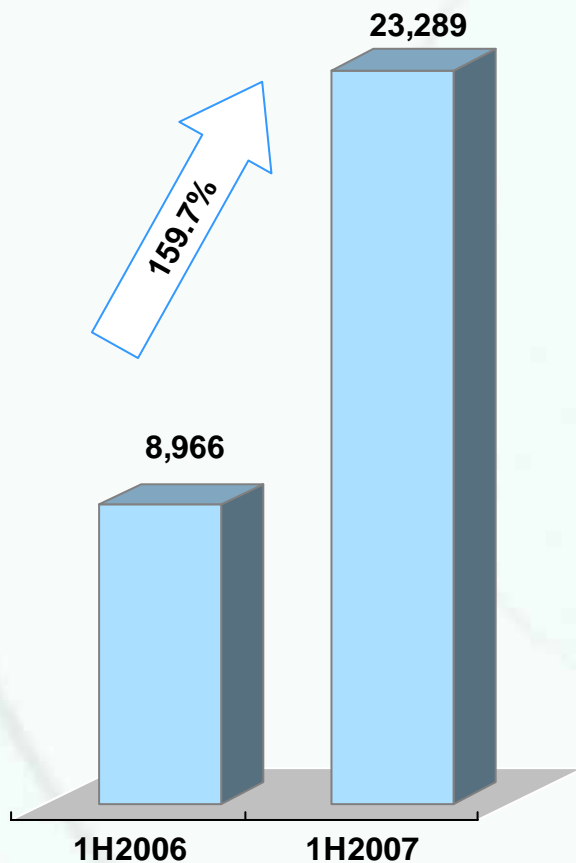


Improved Profitability and Return to Shareholders

Strong profit growth

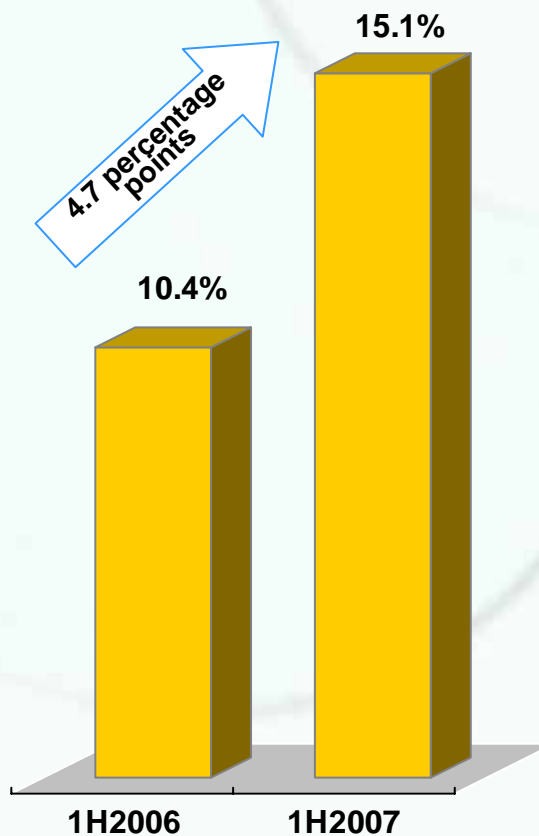
RMB million

Net profit



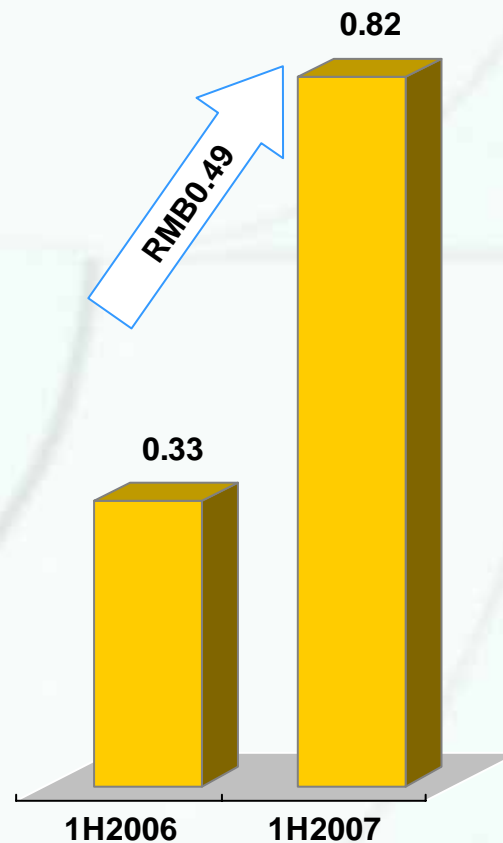
Increased return to shareholders

ROE



RMB

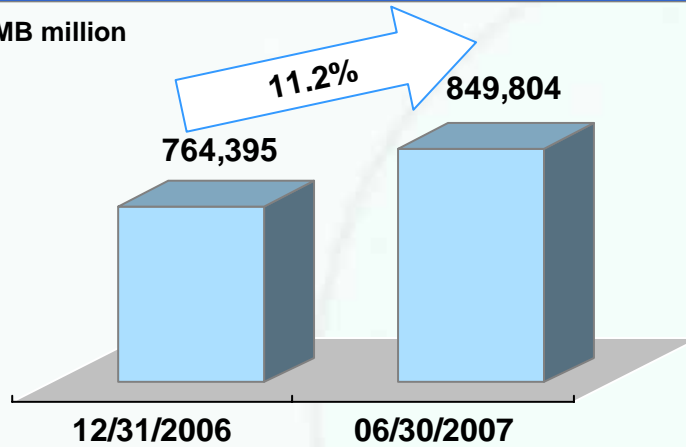
Basic and diluted EPS



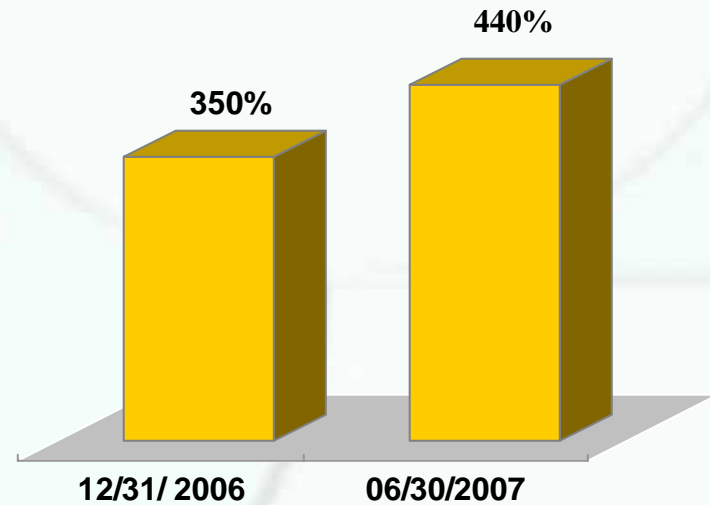
Solid Financial Strength

Growing total assets

RMB million

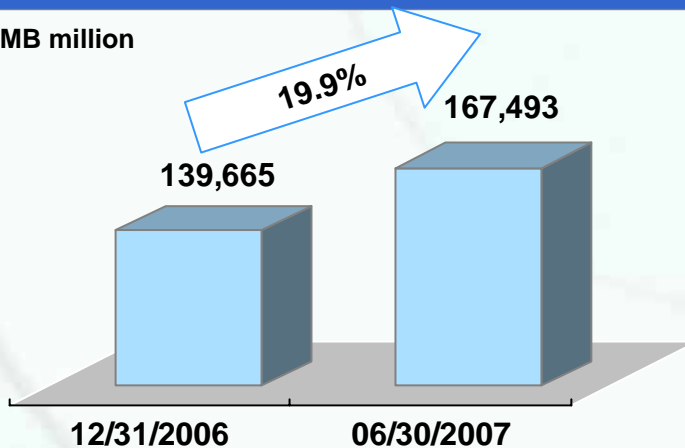


Strong solvency ratio



Increasing shareholders' equity

RMB million



Solvency ratio reinforced by changes in solvency reporting standards set by CIRC and unwinding reserves from plan maturity.



Section IV Investment Performance



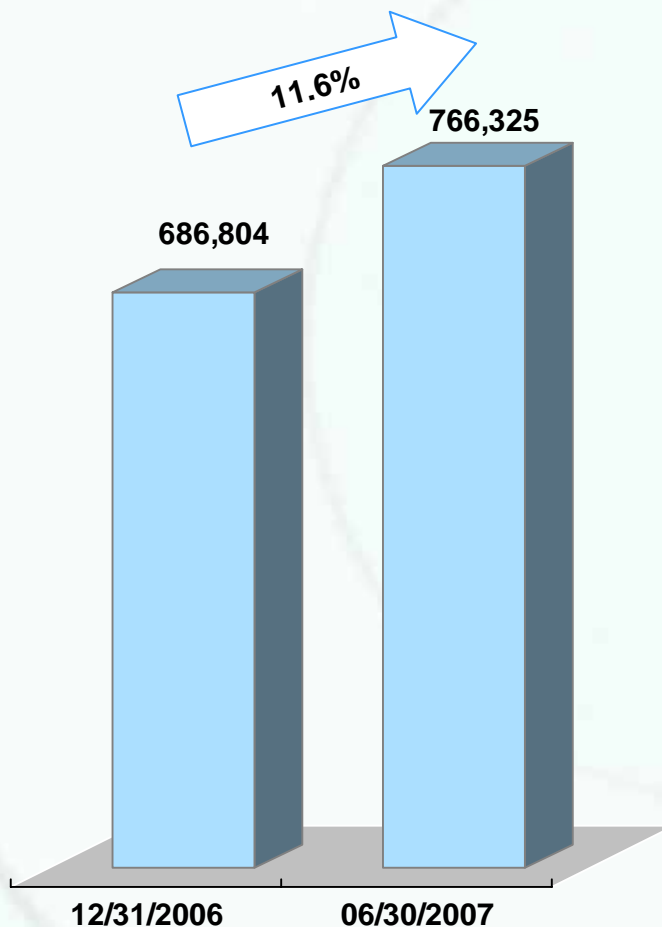
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Substantial Increase in Investment Assets and Investment Income

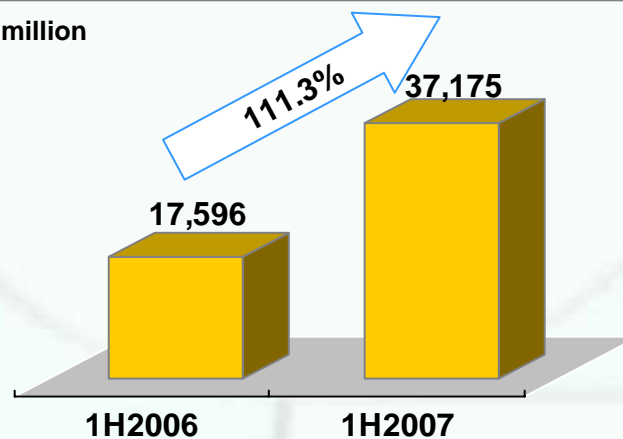
Investment assets

RMB million



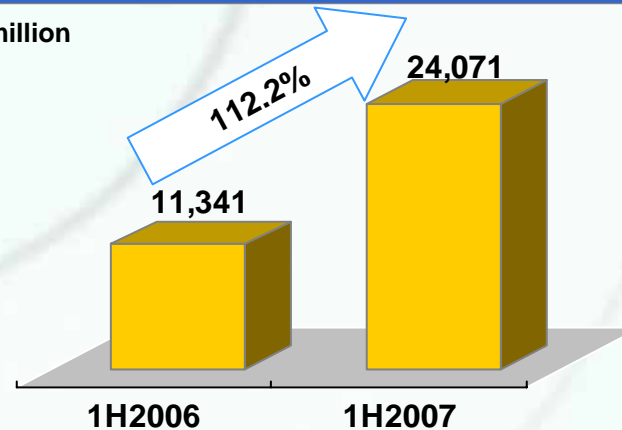
Total investment income

RMB million



Net investment income

RMB million



Note: Investment assets = Debt securities + term deposits + equity securities + cash and cash equivalents + others



Significant Increase in Investment Yield

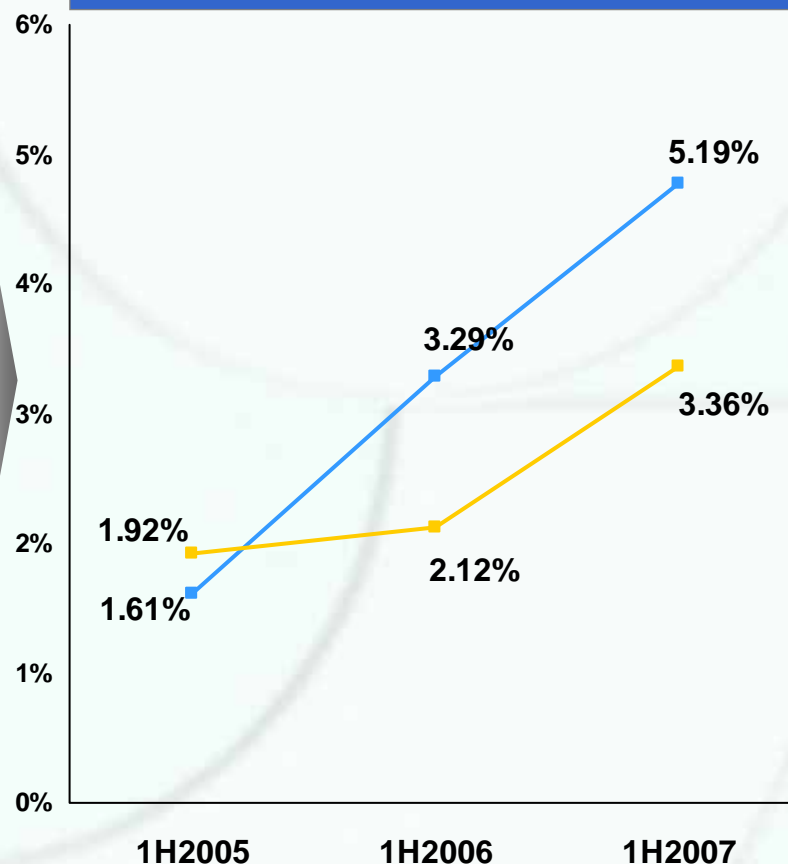
Favourable market conditions

- Yields from fund and stock investment improved substantially thanks to a bullish market.
- More equity investment opportunities opened along with new investment channels, which helped to generate good returns.
- Interest rate environment change will improve overall investment income.

Enhancement of investment management

- Optimising asset allocation and increasing investment income
- Capturing strategic opportunities and promoting strategic investment
- Sound investment management and improving professional expertise

Significant increase in investment yield



— Gross Investment yield — Net investment yield

Note: Net investment yield = net investment income / ((Investment assets at the beginning of the period – securities sold under agreements to repurchase at the beginning of the period + investment assets at the end of the period - securities sold under agreements to repurchase at the end of the period) / 2).

Gross investment yield = Gross investment income / ((Investment assets at the beginning of the period - securities sold under agreements to repurchase at the beginning of the period + investment assets at the end of the period - securities sold under agreements to repurchase at the end of the period) / 2). Investment assets includes cash and cash equivalents.



Optimised Investment Portfolio

	2007 1H	2006	Change
Debt securities	51.8%	52.1%	0.3% ↓
Term deposits	22.5%	25.6%	3.1% ↓
Equity securities	16.7%	13.9%	2.8% ↑
Cash and cash equivalents	7.5%	7.3%	0.2% ↑
Others	1.5%	1.1%	0.4% ↑



Investment Innovation and Expansion

Continue to seek strategic investment opportunities

Actively look for investment opportunities in infrastructure sector such as energy and transportation

Start investing overseas on a progressive basis

Explore investment innovation in light of future integrated operations in the insurance industry



Thank you!

