



Press Release

For Immediate Release

**CHINA LIFE INSURANCE COMPANY LIMITED
ANNOUNCES 2011 ANNUAL RESULTS (H SHARE)**

HONG KONG, 26 March 2012 – China Life Insurance Company Limited (SSE: 601628, HKSE: 2628, NYSE: LFC;) today announces the audited consolidated results of the Company (China Life Insurance Company Limited and its subsidiaries) for the twelve months ended 31 December 2011 (the “Reporting Period”) under International Financial Reporting Standards.

Highlights

- During the Reporting Period, the Company’s total revenues reached RMB370,899 million, a decrease of 3.9% from 2010. Net profit attributable to equity holders of the Company was RMB18,331 million, a decrease of 45.5% from 2010.
- As at the end of the Reporting Period, the Company’s total assets reached RMB1,583,907 million, a 12.3% increase from the end of 2010. The Company’s embedded value was RMB292,854 million.
- As at the end of the Reporting Period, the Company’s investment assets reached RMB1,494,969 million, an increase of 11.9% from 2010. During the Reporting Period, the Company’s gross investment yield was 3.51%.
- During the Reporting Period, the Company’s net premiums earned was RMB318,276 million, an increase of 0.1% from 2010, and the Company’s market share was 33.3%, maintaining a leading position in the life insurance market. One-year new business value was RMB20,199 million, an increase of 1.8% from 2010.
- The Board of Directors of the Company recommended the payment of a final dividend of RMB0.23 per share.



In 2011, the Chinese economy maintained a stable and relatively fast growth, which provided a solid foundation for the continuous development of the insurance industry. At the same time, however, continued inflationary pressure led to an increased tightening of monetary policy and the capital markets experienced depression. The China Insurance Regulatory Commission (“CIRC”) strengthened regulation concerning solvency ratios and market conducts, further ensuring an orderly business environment in the insurance industry. At the same time, however, due to a number of factors such as changes in bancassurance regulations, less competitive investment type life insurance products and increasing labor costs, the insurance industry faced heavy pressures.

During the Reporting Period, the Company’s total revenues reached RMB370,899 million, a decrease of 3.9% from 2010. As at the end of the Reporting Period, the Company’s total assets reached RMB1,583,907 million, an increase of 12.3% from 2010. The Company’s embedded value was RMB292,854 million, a decrease of 1.8% from 2010, and one-year new business value was RMB20,199 million, an increase of 1.8% from 2010. The Company’s market share in 2011 was approximately 33.3%, maintaining a leading position in life insurance market. During the Reporting Period, net profit attributable to equity holders of the Company was RMB18,331 million, a decrease of 45.5% from 2010. The Company strengthened the management of its solvency ratio and issued subordinated term debts of RMB30 billion. As of 31 December 2011, the Company’s solvency ratio was 170.12%.

The Board of Directors of the Company recommended the payment of a final dividend of RMB0.23 per share. This will come into effect after shareholders’ approval at the Annual General Meeting to be held on Tuesday, 22 May 2012.

Overview of Operations in 2011

The Company proactively responded to the changes in the external environment. Braving the difficulties and forging ahead, the Company made great efforts to promote the transformation of development mode, and achieved steady business growth and continued improvement of business structure. During the Reporting Period, the Company’s net premiums earned was RMB318,276 million, an increase of 0.1% from 2010, and the Company’s market share was 33.3%, maintaining a leading position in life insurance

market. One-year new business value was RMB20,199 million, an increase of 1.8% from 2010. Continuous business structure adjustments had gradually showed positive results. Renewal premiums increased by 20.9% from 2010 and the percentage of renewal premiums in gross written premiums increased to 48.62% in 2011 from 40.22% in 2010. The percentage of first-year regular premiums in first-year premiums increased to 32.56% in 2011 from 29.76% in 2010. First-year regular premiums with 10 years or longer payment duration increased by 8.4% from 2010, and the percentage of first-year regular premiums with 10 years or longer payment duration in first-year regular premiums increased to 39.75% in 2011 from 33.81% in 2010. The percentage of accident insurance premiums in short-term insurance premiums increased to 55.47% in 2011 from 51.13% in 2010. Due to the impact of other financial products and the changes in bancassurance regulations, there was a significant drop of the premiums earned through bancassurance channel, resulting in first-year premiums decreasing by 15.7% from 2010 and first-year regular premiums decreasing by 7.8% from 2010. As at 31 December 2011, the number of in-force policies increased by 7.8% from the end of 2010, the Policy Persistency Rate (14 months and 26 months) reached 92.50% and 86.90%, respectively, and the Surrender Rate was 2.79%, a 0.48 percentage point increase from 2010.

With respect to the exclusive individual agent channel, the Company took advantage of competitive opportunities, achieved a steady business growth and maintained its leading position in the market. The Company steadily achieved the unity, upgrade and transformation of the Exclusive Individual Agents Management Measures, which effectively enhanced the competitiveness and incentive function of such system. As at the end of the Reporting Period, the Company had a total of 685,000 exclusive individual agents, a decrease of 21,000 agents from 2010. However, through the implementation of the “effective expansion” strategy, the number of exclusive individual agents steadily increased compared to the first half of 2011. With respect to group insurance channel, there were steady growth in premiums and improvement in operational efficiency. Premiums earned from short-term insurance business achieved relatively fast growth and the percentage of premiums earned from accident insurance further increased. As at the end of



the Reporting Period, the Company had approximately 14,000 direct sales representatives. With respect to the bancassurance channel, the Company actively responded to the macro-economic control and the changes in bancassurance regulations, strengthened its efforts in product innovation, enhanced agency channel cooperation, improved support and services, enhanced the quality of the sales team and accelerated the channel's upgrade and development. Due to various factors, premiums earned from the bancassurance channel declined, but the decline was below market average and business structure was further improved. As at the end of the Reporting Period, the number of intermediary bancassurance outlets was 96,000, with a total of 44,000 sales representatives. With respect to the telephone sales channel, the Company regarded infrastructure building as its core goal, aiming to establish high-quality nationwide centers to overlook telephone sales at provincial levels. The number of sales outlets, premiums earned and sales representatives with respect to the telephone sales channel increased simultaneously and the number of telephone sales centers increased to 11, as a result of which the development of telephone sales business has accelerated.

The Company proactively responded to changes in the capital markets and allocated investment assets with flexibility and prudence. The Company took advantage of market opportunities in a high interest rate environment to increase allocation of fixed-interest negotiated deposits and long-term bonds. The proportion of term deposits increased to 34.84% in 2011 from 33.05% in 2010, and the investment yield for fixed income investment assets increased significantly. The Company effectively responded to the decline in the equity securities market by making prudent investments. The proportion of equity securities decreased to 12.17% in 2011 from 14.66% in 2010, which to a certain extent reduced the risk associated with equity securities. The Company actively developed its capacities in new investment channels, proactively sought out investment opportunities, and was the first to complete filings with the CIRC relating to equity investment in the Chinese insurance industry, which allowed for alternative investments. The Company completed the first private equity fund investment in the insurance industry with a RMB1,500 million capital commitment. The Company increased investment in debt



investment plans in the infrastructure industry by making 14 new investments totaling RMB15.41 billion. The Company also invested RMB3.3 billion in a Beijing real estate investment plan. The duration of these alternative investment assets effectively match the duration of the Company's liabilities and are expected to create long-term and stable investment returns for the Company. These alternative investments also demonstrated the Company's capability to invest in new investment channels. As at the end of the Reporting Period, the Company's investment assets reached RMB1,494,969 million, an increase of 11.9% from 2010. During the Reporting Period, the interest income earned from the Company's investment portfolio increased significantly, and the net investment yield was 4.28%. However, due to the continuous depression of the Chinese capital markets, after taking factors including the impairment losses of equity securities into account, the Company's gross investment yield was 3.51%.

The Company made great efforts to tackle its development challenges, stimulate business vitalities and strengthen management innovation through reform. By promoting in-depth reforms to its operation management system, the Company effectively achieved a separation between sales and administration, and improved the function of its vertical management system. Business management was further improved by centralizing management at the provincial levels, and business processing became more efficient. In addition, the Company enhanced its IT service level to provide sufficient back-up support and service guarantees to each sales channel.

China Life was a global insurance partner of the 2011 Xi'an International Horticultural Exposition. The Company successfully launched the China Life Week and China Life Customer Day activities under the theme of "Hand in Hand with China Life, Making a Green and Energetic China", and made great efforts to improve the quality of its customer service.

The Company adopted the Guidelines for the Implementation of Comprehensive Risk Management of Personal Insurance Companies issued by the CIRC, improved its comprehensive risk management system, advanced the implementation and evaluation of

its internal control standards, ensured the training and practice of the Internal Control Implementation Manual from the level of management to the level of its 100,000 employees, and established a solid basis for internal controls. Moreover, the Company utilized its sales risk monitoring and evaluating system to instantly and quantitatively monitor and evaluate the sales risks in each provincial branch on a quarterly basis, and fully implemented a system for assessing the credibility of its individual agents, which helped to detect sales risk and provide a means for controlling the risk at an earlier stage.

Outlook

2012 is an important nexus for the implementation of the “Twelfth Five-Year Plan”. Faced with a complex external environment, the Company plans to strengthen its in-depth analysis of macro-economic trends, improve foresight and flexibility of work, and improve its ability to respond to and steer through complex situations. The Company will uphold its business philosophy of “customers as the center, local branches as the focus, and value as the core”, and intend to continue to make steady progress and maintain the balance between scale and speed of business and improved structure and efficiency of business. Under the premise of maintaining steady business growth, the Company intends to further accelerate the development of medium and long-term regular premium business, make great efforts to enhance business value and strengthen capability in sustainable development capability. The Company firmly intends to promote reforms in all areas and improve innovation so as to continuously create new competitive advantages. The Company intends to further strengthen the development of its local branches by allocating more resources to local branches and fully mobilizing their potential. The Company intends to devote great efforts to developing its distribution channels by continuing to build up its exclusive agent team and to improve the productivity of such team, proactively developing new distribution approaches in response to the changes in bancassurance regulations, improving the profitability of group insurance distribution channel and promoting the development of new distribution channels. The Company also intends to strengthen management, optimize management process and strengthen back-office support. The Company also plans to strengthen risk prevention so as to ensure the stable operation of the Company.



At present, China Life is stepping into a critical period for its reform and development. Striving to enhance the Company's value is not only the expectation of our shareholders, customers and society in general, but also the unshirkable responsibility of all our employees. The Company will pursue a development path with China Life's distinct characteristics. By diligently working together, we are greatly committed to firmly grasping the industry development opportunities, advancing towards our goal of developing into a leading international life insurance company, and offering excellent services to our customers and long-term, stable returns to our shareholders.



About China Life Insurance Company Limited

China Life Insurance Company Limited is a life insurance company established in Beijing, China on 30 June 2003 according to the Company Law of the People's Republic of China and Insurance Law of the People's Republic of China. The Company was successfully listed on the New York Stock Exchange, the Hong Kong Stock Exchange and the Shanghai Stock Exchange on 17 and 18 December 2003, and 9 January 2007, respectively. The Company's registered capital is RMB28,264,705,000.

The Company is the largest life insurance company in China. Our distribution network, comprising exclusive agents, direct sales representatives, and dedicated and non-dedicated agencies, is the most extensive one in China. The Company is one of the largest institutional investors in China, and through its controlling shareholding in China Life Assets Management Company Limited, the Company is the largest insurance asset management company in China. The Company also has controlling shareholding in China Life Pension Company Limited.

Our products and services include individual life insurance, group life insurance, accident and health insurance. The Company is a leading provider of individual and group life insurance, annuity products and accident and health insurance in China. As at 31 December, 2011, the Company had nearly 139 million individual and group life policies and annuities, and long-term health insurance policies in force. We also provide both individual and group accident and short-term health insurance policies and services.



Forward-looking statements

Certain statements contained in this press release may be viewed as “forward-looking statements” within the meaning of Section 21E of the 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 Annual Report on Form 20-F for the fiscal year ended December 31, 2010 filed with the U.S. Securities and Exchange Commission, or SEC, on April 26, 2011 and in the Company’s other filings with the SEC. You should not place undue reliance on these forward-looking statements. All information provided in this press release is as of the date of this press release, unless otherwise stated, and we undertake no duty to update such information, except as required under applicable law.



For further information, please contact:

Media enquiries

Mr Lan Yuxi

China Life Insurance Company Limited

Tel: +8610 6363 1068

Fax: +8610 6657 5112

E-mail: lanyuxi@e-chinalife.com

Mr Mill Seen

Citigate Dewe Rogerson

Mobile: +852 9224 9240

Tel: +852 3103 0102

Fax: +852 2524 5599

E-mail: mill.seen@citigate.com.hk

Ms Agnes Zhao

Citigate Dewe Rogerson

Mobile: +86 139 1185 8985

Tel: +8610 6567 5056

Fax: +8610 6567 5865

E-mail: agnes.zhao@citigate.com.cn

Investor and analyst enquiries

Mr Li Ke

China Life Insurance Company Limited

Mobile: +852 6188 3566 (For March 26 and 27 only)

Tel: +8610 6363 1245

Fax: +8610 6657 5112

Email: like@e-chinalife.com