



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

2010 Interim Results

August 26, 2010

Forward-looking Statements

Certain statements contained in this presentation may be viewed as “forward-looking statements” within the meaning of Section 27A of U.S. Securities Act and 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 Annual Report on Form 20-F for the fiscal year ended 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 1H 2010 Overview

Section II Business Review

Section III Financial Summary

Section IV Investment Performance

Section V Embedded Value



Section I: 1H 2010 Overview



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

Outstanding Performance in a Complex Environment



**Sustainable and sound business growth;
Continual business mix restructuring**



**Proactive adjustment of investment strategy;
Market leading investment returns**



**Strengthened internal control;
Improved operating support**



Interim Results Highlights

RMB: mn

| | June 30, 2010 | June 30, 2009 (restated) | Changes | June 30, 2009 (HKFRS) |
|---|---------------|-----------------------------|---------|--------------------------|
| Gross Written Premiums | 183,614 | 162,460 | 13.0% | 79,192 |
| Gross Investment Income | 30,257 | 32,241 | -6.2% | 31,836 |
| Net Profit Attributable to Shareholders | 18,034 | 16,795 | 7.4% | 18,226 |
| Weighted Average ROE | 8.5% | 9.0% | -0.5pps | 9.4% |
| | June 30, 2010 | June 30, 2009 (restated) | Changes | |
| EV per share | 9.85 Yuan | 10.09 Yuan | -2.4% | — |
| Investment Assets | 1,242,944 | 1,172,145 | 6.0% | — |
| Shareholders' Equity | 191,739 | 211,072 | -9.2% | — |

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

Gross Investment Income (HKFRS) = Net Investment Income + Net Realized Gains/(Losses) on Financial Assets + Net Fair Value Gains/(Losses) on Assets at Fair Value through Income Statement

Strengthened Internal Control, Improved Operating Support

 **New independent director appointed: Mr. Anthony Francis Neoh as the independent director of the third session of the Board**

 **Board committees restructured: four committees are chaired by independent directors**

 **Individual Agent Credibility Evaluation System rolled-out and sales risk pre-warning model for branches built up**

 **Centralized internal audit function and established off-site audit indicators system for off-site monitoring.**

 **Constantly improving IT R&D as well as operational support system; Move forward with telemarketing and internet direct selling**



Strong Commitment to Corporate Social Responsibilities

Contribution to Social Development and People's Well-being

- Abundant job opportunities created as we have the largest sales force in China
- Further development of New Rural Cooperative Medical Insurance System and Basic Medical Insurance for Urban Residents, etc.
- Actively involved in rural micro-insurance and the New Rural Pension Scheme

Strong Support to Post-disaster Reconstruction

- China Life Foundation donated a total of RMB 11 million to Yushu for rescue and reconstruction efforts
- Continue to promote "Earthquake Orphans Raising Campaign"
- Quick claim payments to the insured during natural catastrophes and major accidents

Actively Involved in Poverty Alleviation

- Donated RMB 1 million to China Women's Development Foundation to support women in rural areas for screening of breast/cervical cancer and other major diseases
- Donated RMB 2 million to the China Foundation for poverty alleviation to improve drinking water supply and address severe droughts

Strong Brand Recognition



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



“Forbes Global 2000” for 7 consecutive years, 90th in 2010



“FT Global Top 500 by Market Cap”, 41st in place



“China Top 500 Most Valuable Brands” by World Brand Lab, 5th in 2010



“Credible Enterprises in China”, highest honor for 4 consecutive years



The only company enlisted in 3 types of the constituent stocks of “Hang Seng Corporate Sustainability Index Series”

Outlook: 2H 2010

Opportunities

- ① The upward momentum of macro-economy and insurance sector provides a solid foundation for insurance business development
- ① Changes in the mode of economic development, gradual implementation of income allocation reform, more efforts toward regional economic development as well as the accelerating urbanization provide a precious opportunity for the company's business model transformation
- ① Increasing risk awareness of the public facilitates the company's further development

Challenges

- ① The severe impact of global financial crisis and the uncertainties in economic recovery are beyond expectations; macro-control in 2H will face more "dilemmas", which may pose more challenges to the insurance industry
- ① Uncertainties in capital market will create pressure on asset management and earnings
- ① Increasing competition and the market strategy adjustment of competitors pose challenge for our market position and business restructuring efforts.



Section II: Business Review

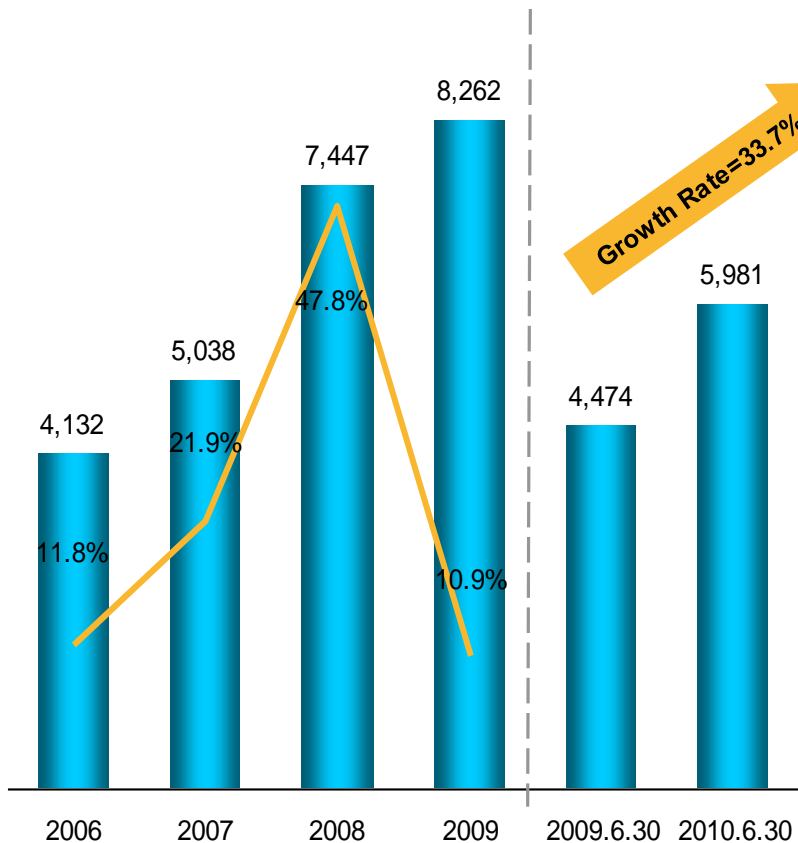


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Life Insurance Industry Overview

Premium Growth* of the Industry

RMB: 100mn



Source: CIRC

Features of Industry Development

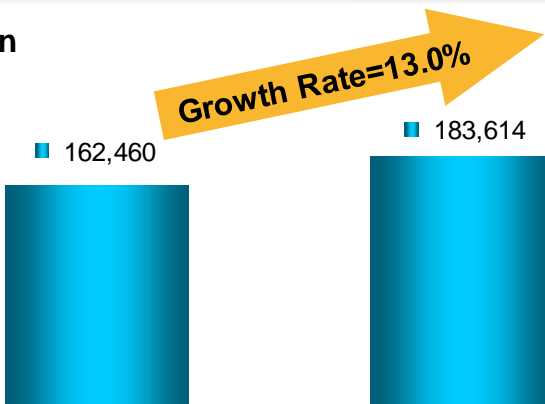
- The premiums of the industry maintained high growth
- Bancassurance drove the rapid growth of total premiums
- Growth in short- and medium-term regular payment business accelerated
- Traditional and participating insurance products became the focus

Note: All data are based on PRC GAAP (before the implementation of "No.2 Interpretation of Accounting Standards for Business Enterprises")
 Personal insurance premiums include life insurance premiums, health insurance premiums and accident insurance premiums

Stable and Healthy Business Development

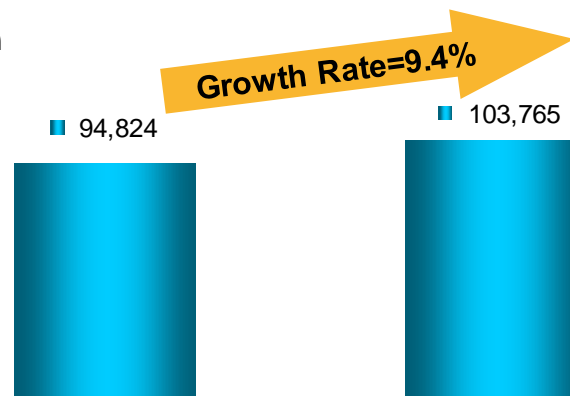
Gross Written Premiums

RMB: mn



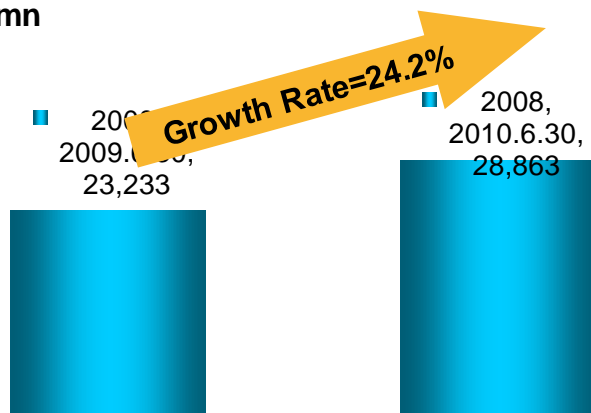
First-year Premiums

RMB mn



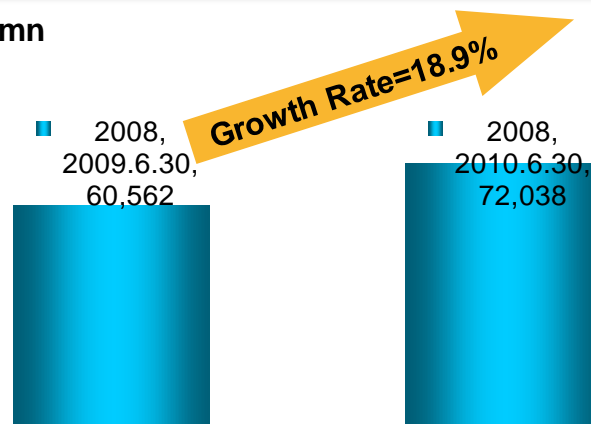
First-year Regular Premiums

RMB: mn



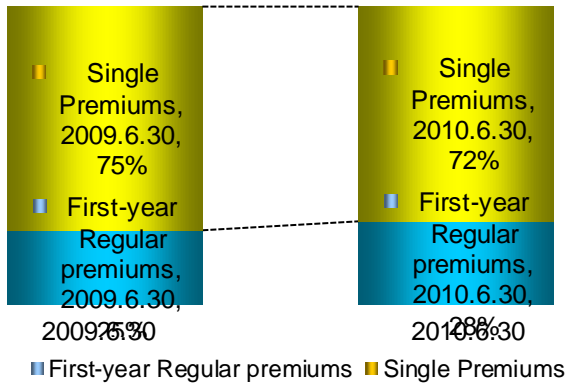
Renewal Premiums

RMB: mn

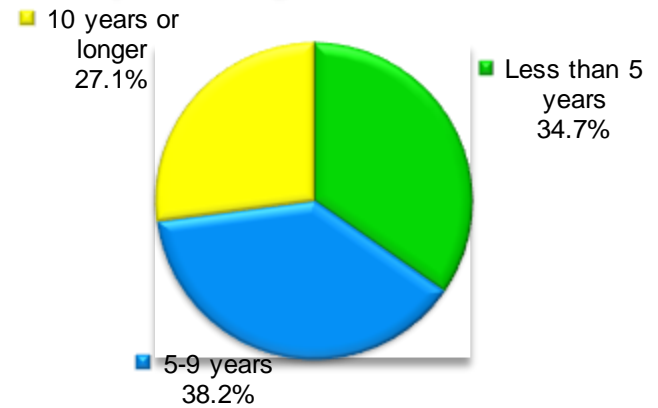


Strengthened Growth Sustainability

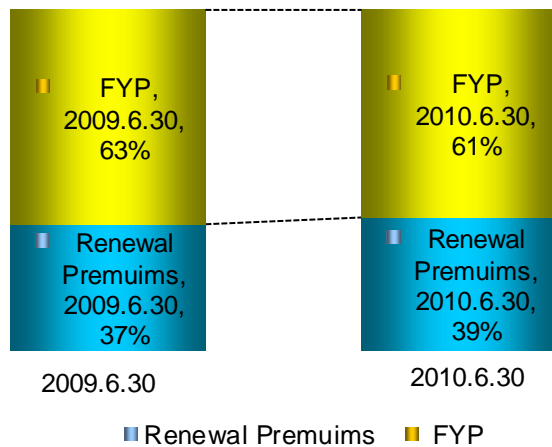
First-year Regular Premiums in Long-term FYP



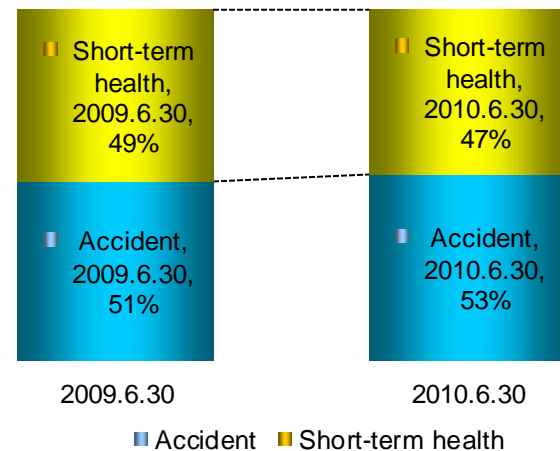
Breakdown of First-year Regular Premiums



Renewal Premiums in GWP



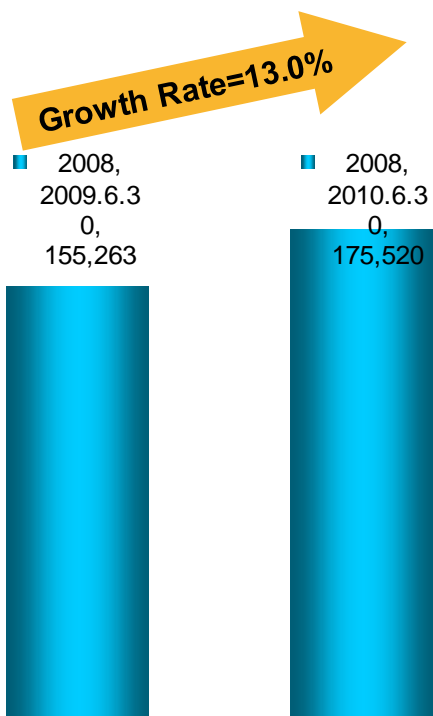
Accident Business in Short-term Business



Steady Growth in Individual, Group and Short-term Business

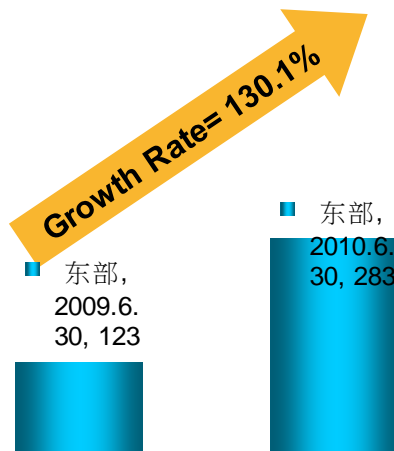
Individual Business

RMB: mn



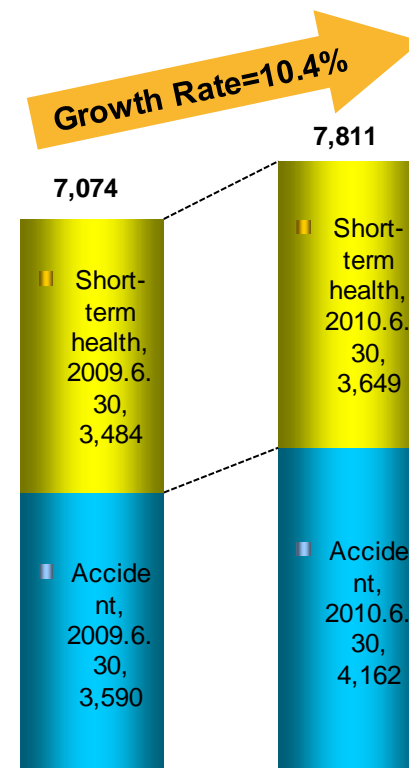
Group Business

RMB: mn



Short-term Business

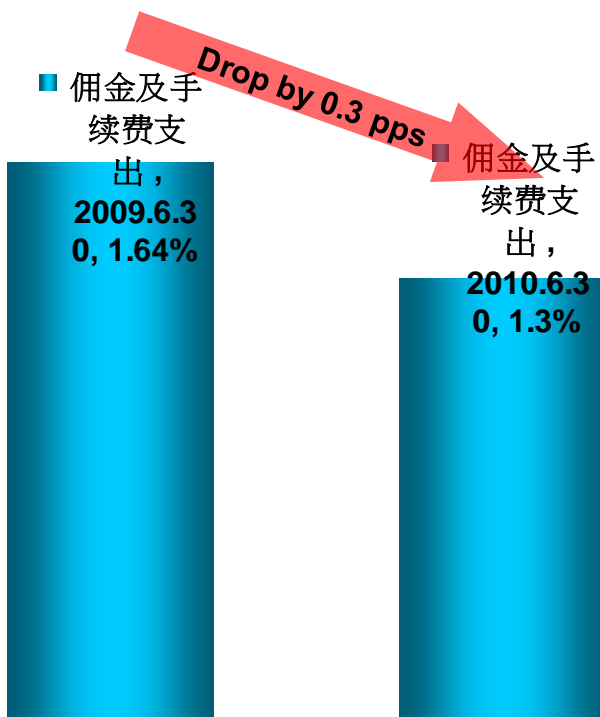
RMB: mn



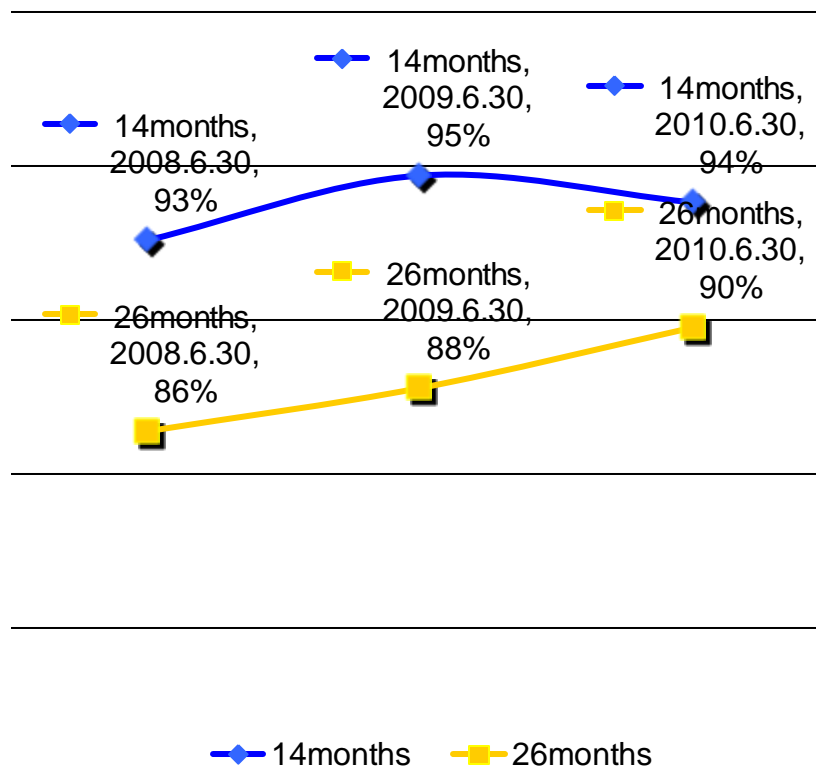
■ Accident ■ Short-term health

Excellent Persistency Experience

Lower 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

Strong Sales Force in Key Distribution Channels



Business Development Strategy in 2H 2010

Business Goals:

Maintain stable business growth, improve business mix, enhance profitability steadily and strengthen sustainable development

Business Strategy:

- Speed up development of regular payment business to further expand renewal premiums;
- Enhance competitiveness in urban markets to reinforce market dominance;
- Strengthen sales force to build up core competency;
- Restructure the sales organization system to shore up the foundation for growth;
- Further expand the customer base to create sustainable growth opportunities.

Section III Financial Summary

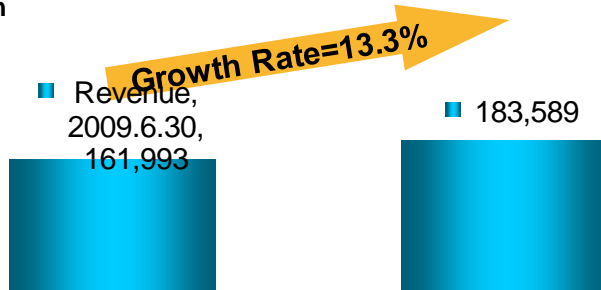


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Steady Top-line Growth

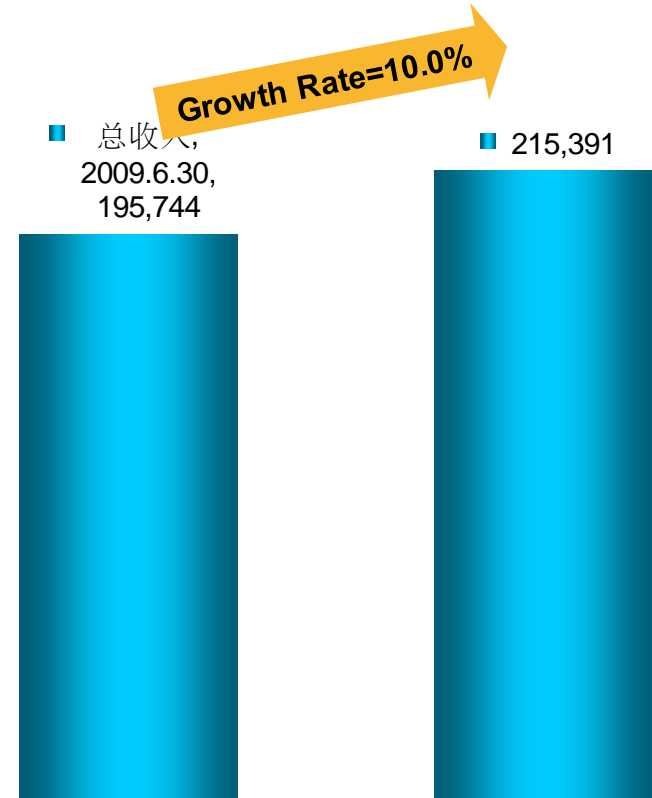
Net Premiums Earned

RMB mn



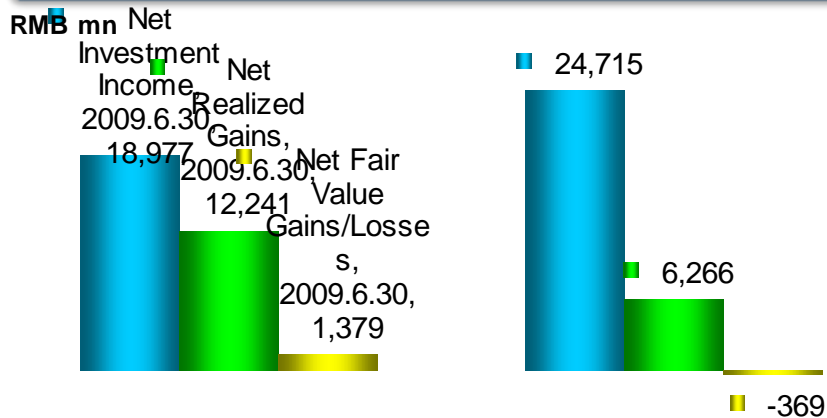
Total Revenues

RMB mn



Net Investment Income and Realized/Unrealized Gains

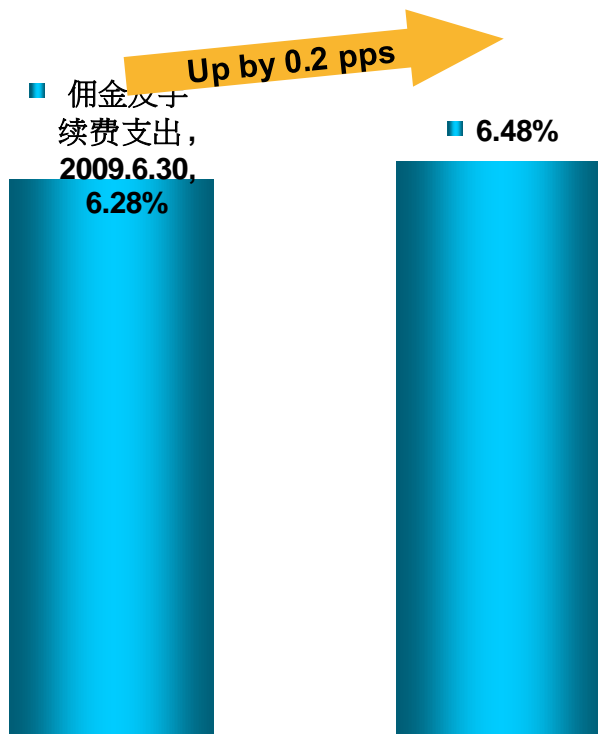
RMB mn



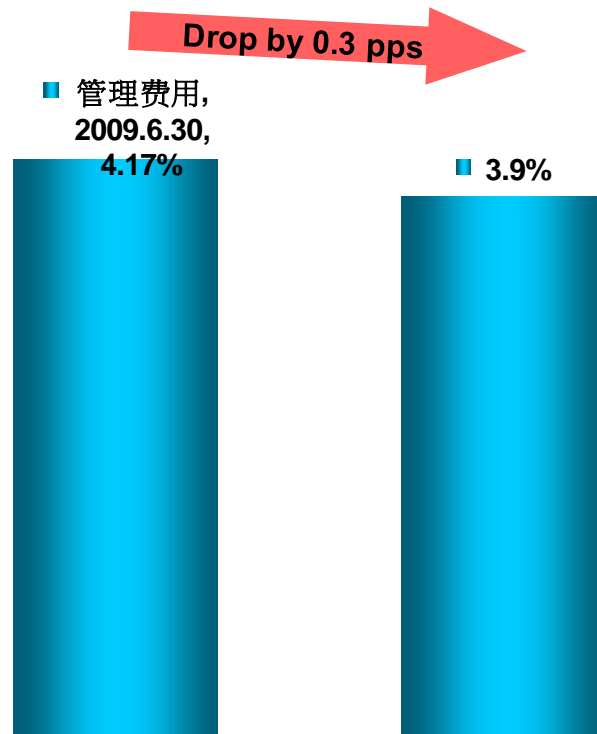
- Net Investment Income
- Net Realized Gains
- Net Fair Value Gains/Losses

Effective Cost Control

Commissions and Fees Ratio



Administrative Expenses Ratio



Note: Commissions & Fees Ratio=Commissions& Fees/Total Revenues

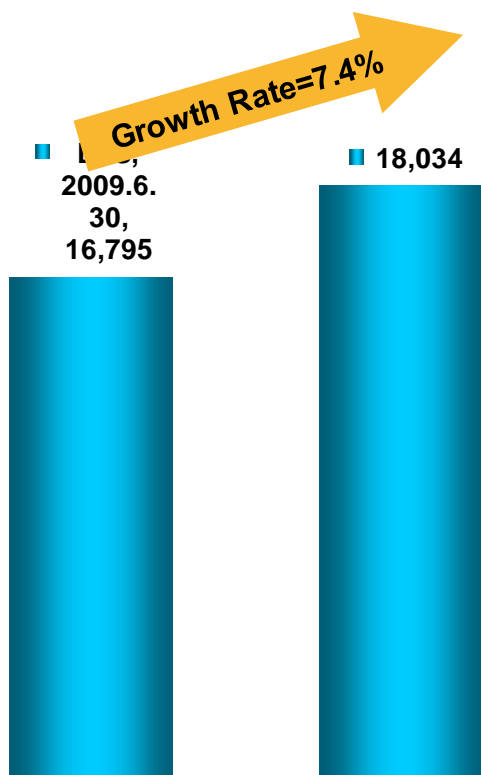
Administrative Expenses Ratio=Administrative Expense/ Total Revenues



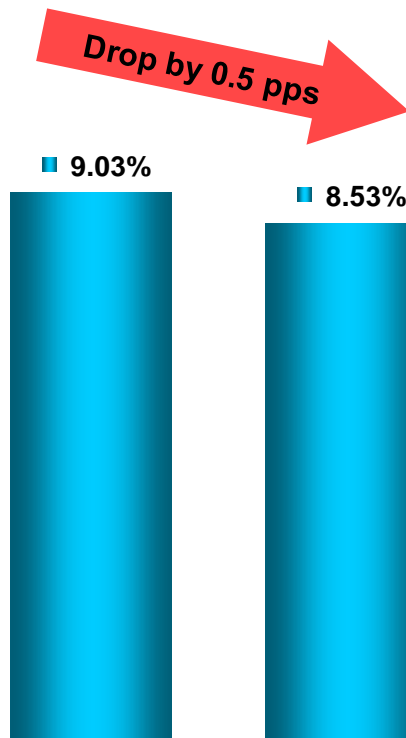
Steady Increase in Profitability

Net Profit Attributable to Shareholders

RMB mn

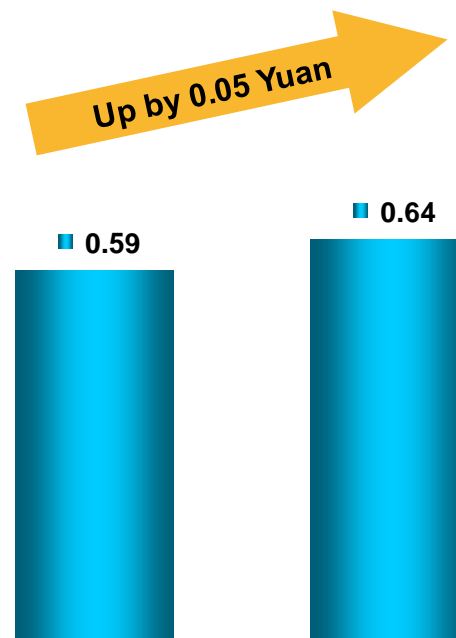


Weighted Average ROE



EPS

RMB Yuan

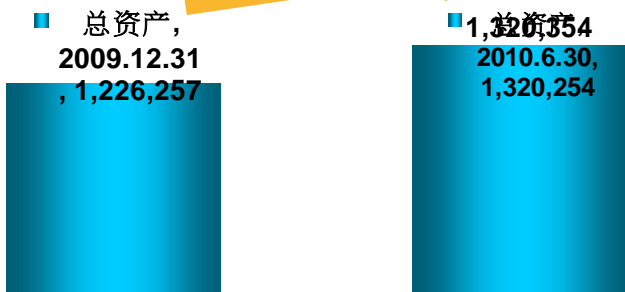


Solid Financial Strength

Total Assets

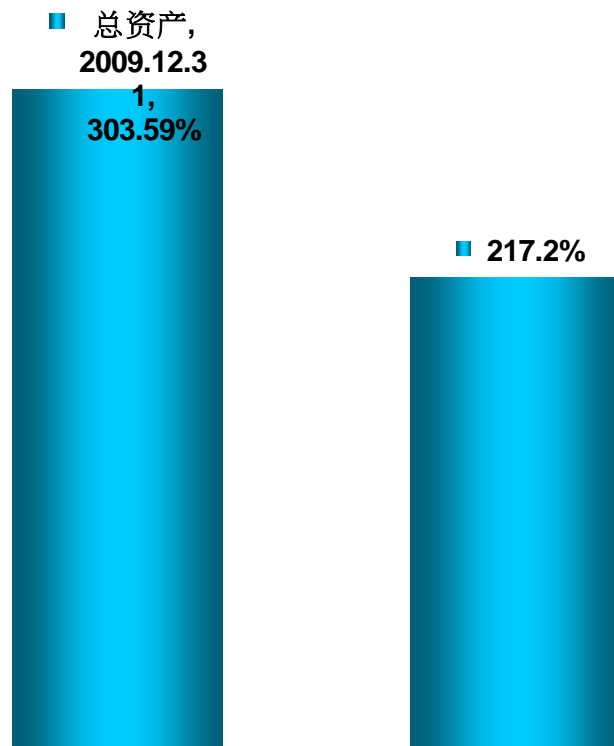
RMB mn

Growth Rate=7.7%



Solvency Margin

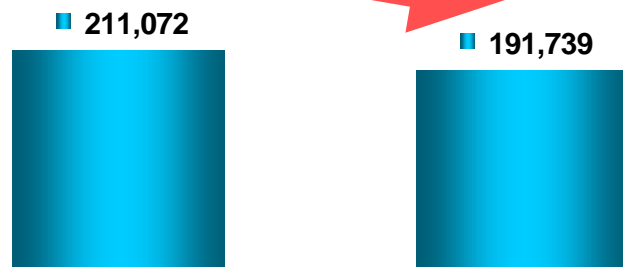
Solvency Adequacy Ratio



Shareholder's Equity

RMB mn

Drop by 9.2%



Section IV Investment Performance

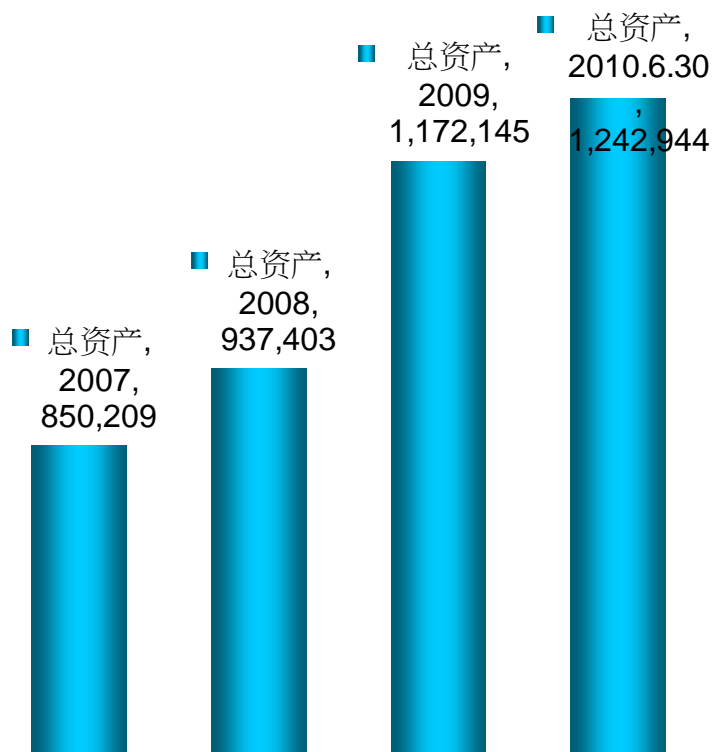


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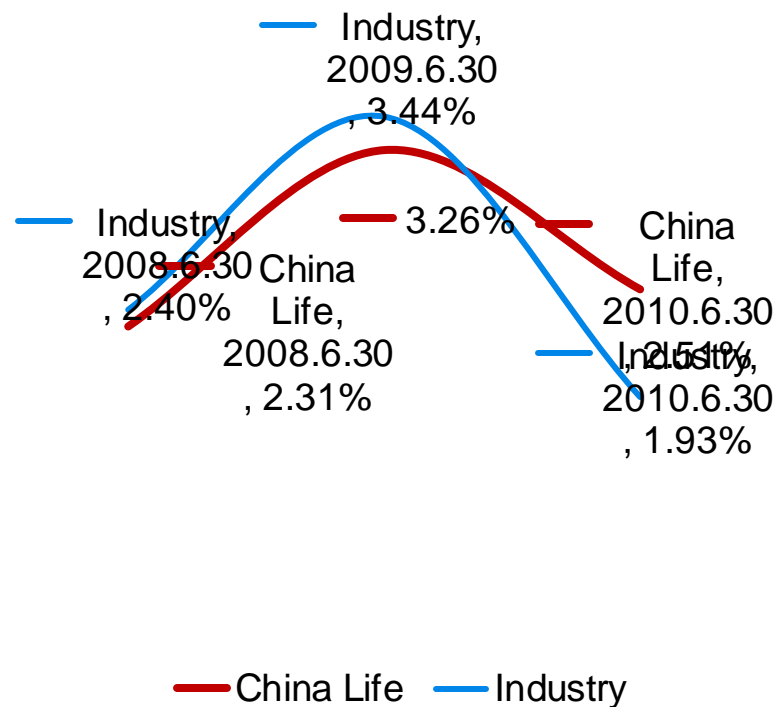
Steady Increase in Investment Assets and Industry Leading Investment Yield

Investment Assets

RMB mn



Gross Investment Yield (Unannualized)



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

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

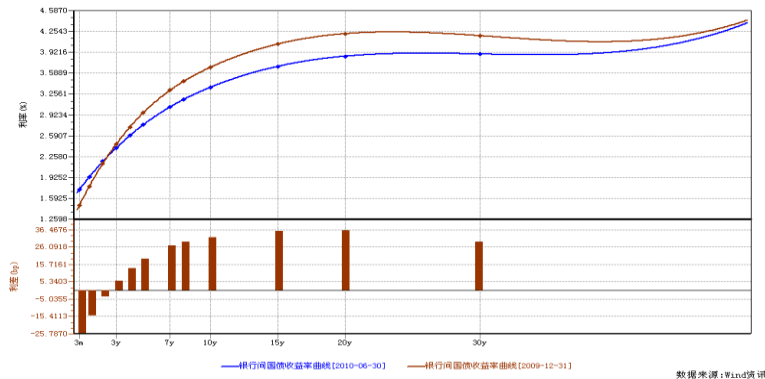
Industry data is from public information



Capturing Investment Opportunities, Fending off Market Risks

Fixed-income Market in 1H 2010

- The yield curve moved downwards in domestic fixed-income market, while term deposit rate increased



Equity Market in 1H 2010

- The domestic stock market tumbled with valuation moved downwards



Investment Strategies

- Fixed-income securities: Actively invested in high-yield debenture bonds and floating rate term deposits to improve recurring yields

- Equities: Secured high return while reduced the cost-of-carry, to effectively control the systematic risks

- Actively captured opportunities in strategic investment and in infrastructure projects and lay a solid foundation for long-term development



Enhanced Asset Allocation, Adjusted Investment Portfolio

| | June 30, 2010 | December 31, 2009 | Change (pps) |
|-------------------------|---------------|-------------------|---|
| Fixed-income Securities | 48.5% | 49.7% | 1.2  |
| Term Deposits | 33.9% | 29.4% | 4.5  |
| Equities | 11.1% | 15.3% | 4.2  |
| Cash & Cash Equivalent | 3.6% | 3.1% | 0.5  |
| Other | 2.9% | 2.5% | 0.4  |

Market Outlook and Strategy in 2H 2010

Market Outlook

■ In 2H 2010

- **Bond yields are expected to stay at low levels with high pressure to optimize the bond portfolio**
- **Stock market continues to correct with strong volatility, creating both structural opportunities and risks**
- **Regulatory policies are expected to be eased, which will generate positive impacts on the asset management**

Investment Strategy

■ **Follow prudent and long-term investment philosophy, balance between safety, yield and liquidity. Further improve asset-liability management**

- **Fixed Income Securities: follow market changes, prudent allocation in bond with required yield and adjust the mix between bond and term deposit**
- **Equity Investments: closely follow macro-policy and liquidity, focus more on market timing and flexibility to make a strategic layout**
- **New Investment Channels: closely monitor changes in the regulatory environment and make active preparations to push forward investment in related fields**



Section V Embedded Value

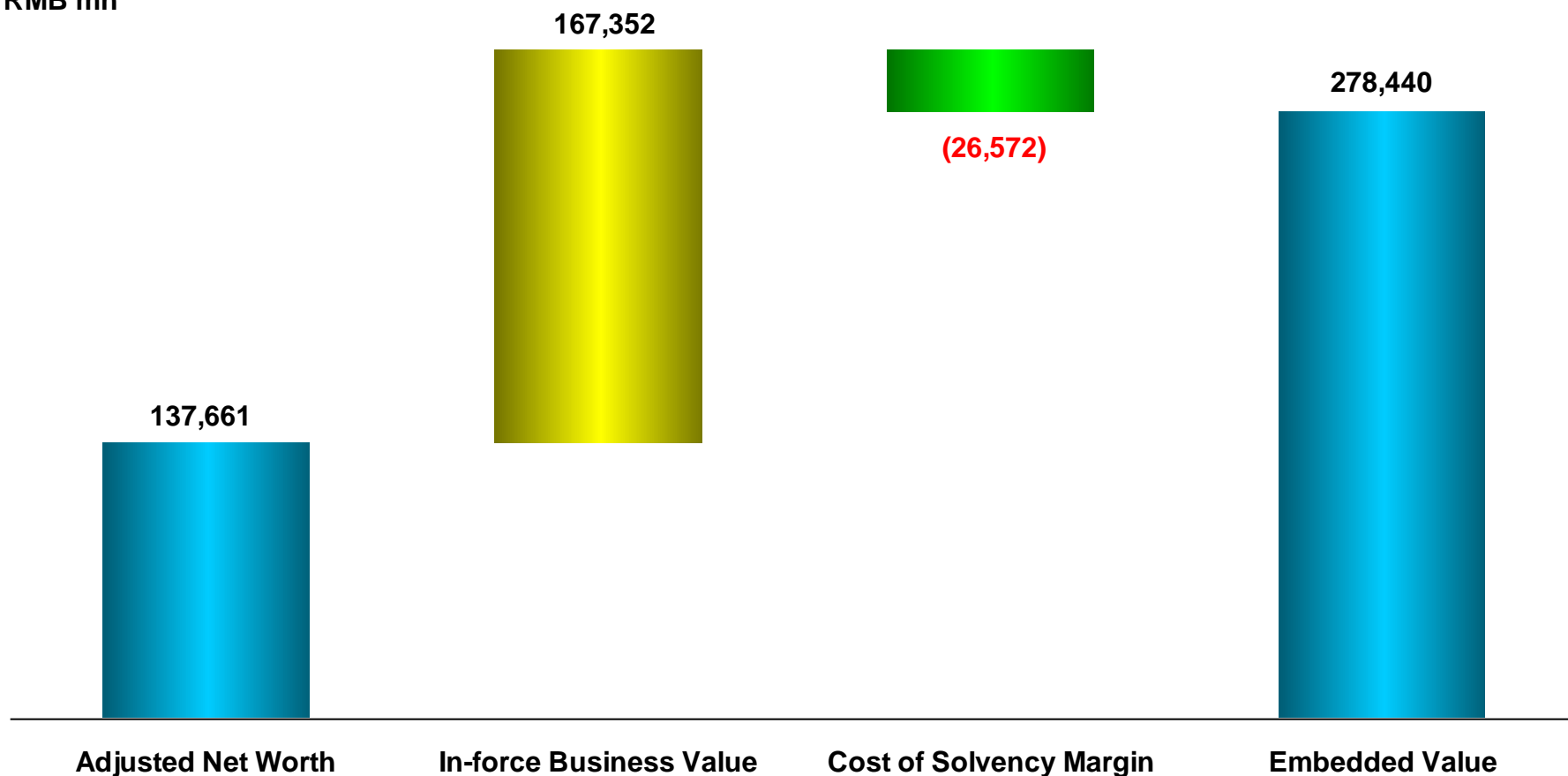


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EV Breakdown by Components

As of June 30, 2010

RMB mn

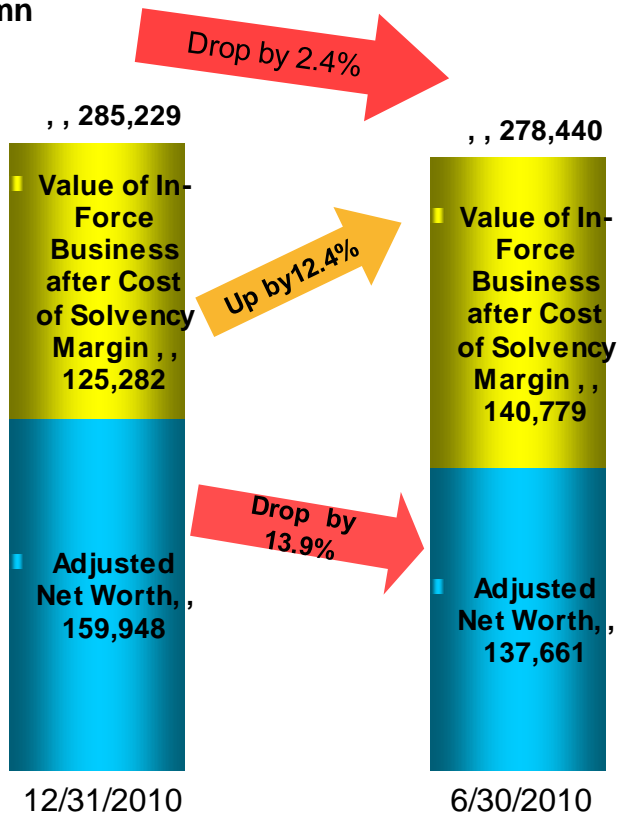


Note: The valuation assumptions used as at June 30, 2010 are consistent with those used as at December 31, 2009.
Numbers may not be additive due to rounding.

Growth of EV and Value of One Year's Sales

Embedded Value

RMB mn

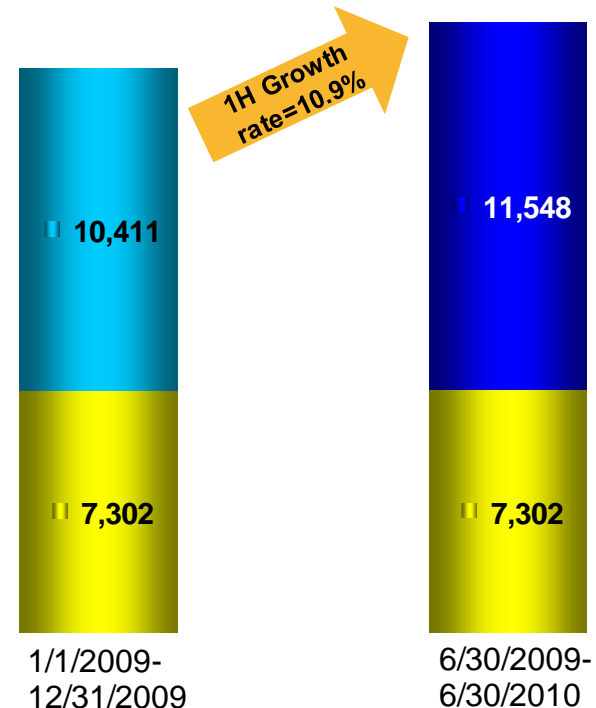


Value of One Year's Sales

RMB mn , , 17,713

截至2009年6月30日
18,850

■ 1H 2010
■ 1H 2009
■ 2H 2009



■ Value of In-Force Business after Cost of Solvency Margin

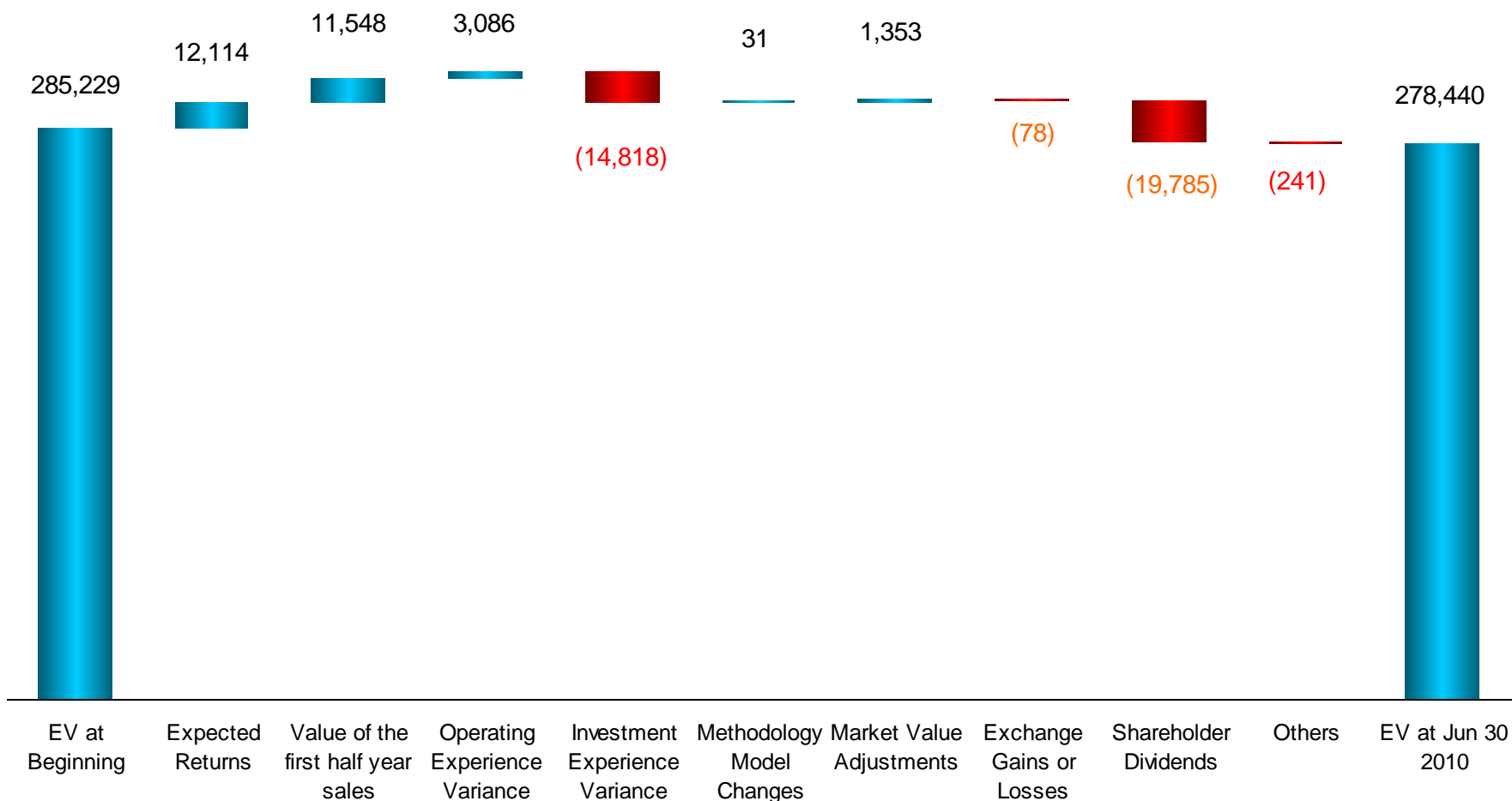
Value of One Year's Sales after Cost of Solvency Margin

Note: The valuation assumptions used as at June 30, 2010 are consistent with those used as at December 31, 2009.

The value of half year's sales to 30 June, 2009 is recalculated using the assumptions used as at December 31, 2009.

EV Movement Analysis

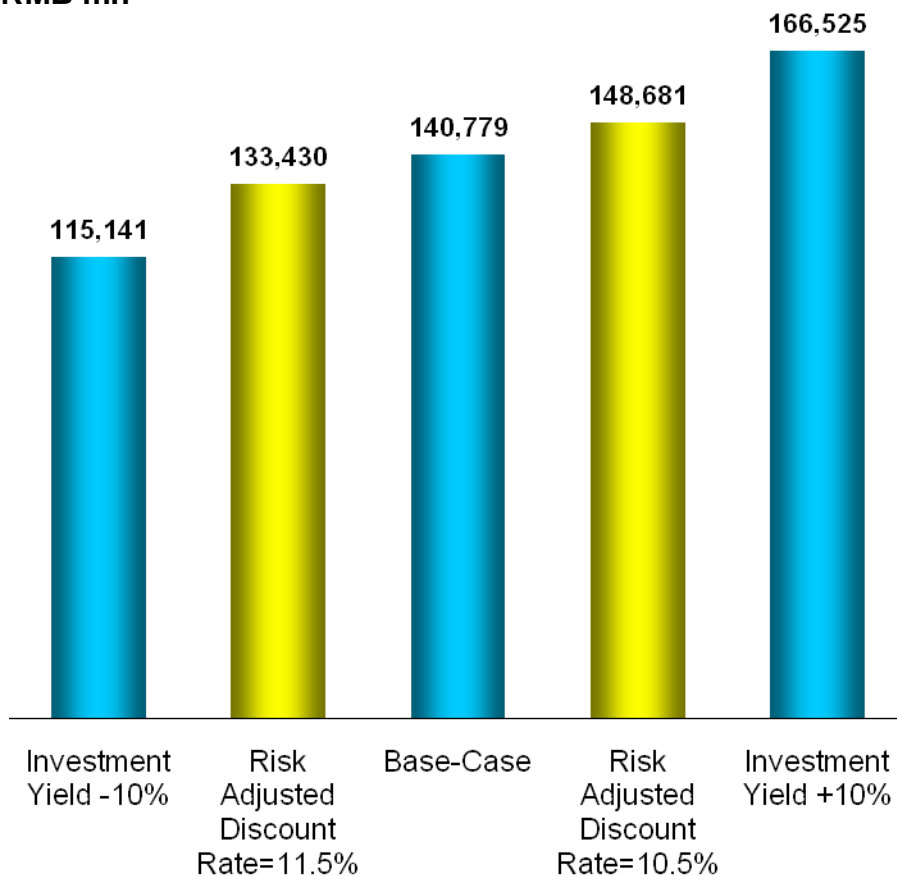
RMB mn



Sensitivity Analysis- Investment Returns and Discount Rate

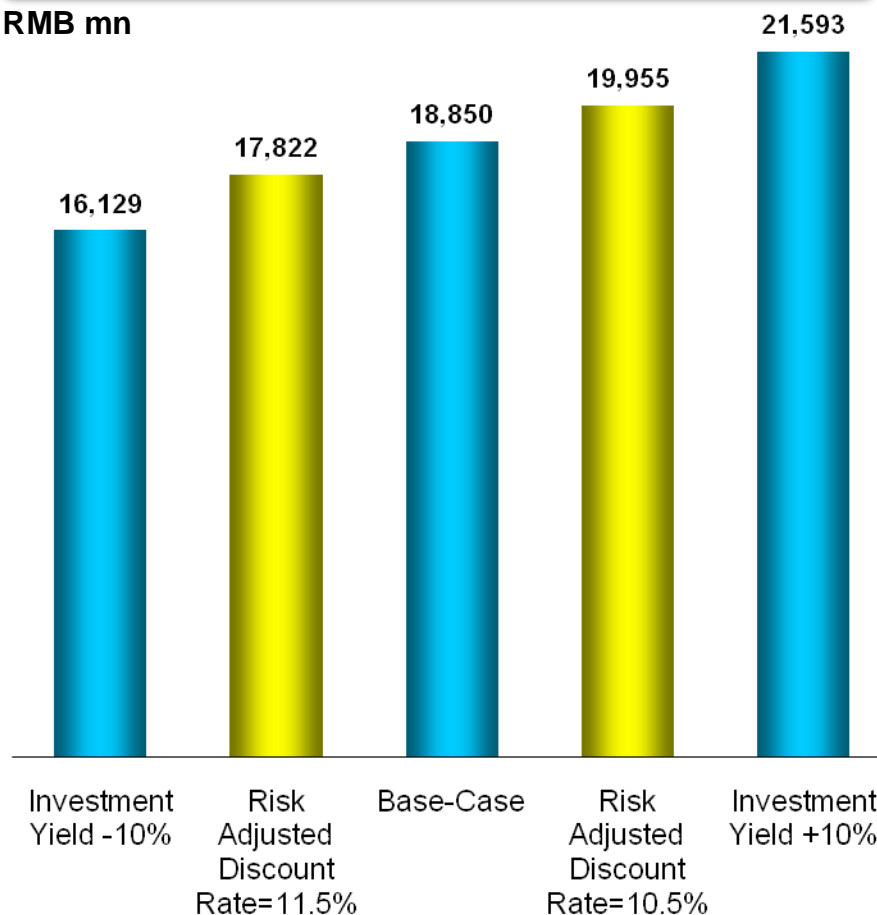
Value of In-force Business after Cost of Solvency Margin

RMB mn



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

RMB mn



Sensitivity Analysis-Other Assumptions

Sensitivity Analysis Results

RMB mn

| | 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 | 140,779 | 18,850 |
| Cost Ratio +10% | 138,659 | 17,148 |
| Cost Ratio -10% | 142,897 | 20,553 |
| Mortality Ratio for Non-annuity Products +10%; Mortality Ratio for Annuity Products -10% | 139,214 | 18,731 |
| Mortality Ratio for Non-annuity Products -10%; Mortality Ratio for Annuity Products +10% | 142,366 | 18,970 |
| Surrender Ratio +10% | 139,279 | 18,721 |
| Surrender Ratio -10% | 142,349 | 18,977 |
| Morbidity Ratio +10% | 139,019 | 18,707 |
| Morbidity Ratio -10% | 142,554 | 18,994 |



Sensitivity Analysis-Other Assumptions

Sensitivity Analysis Results

RMB mn

| | Value of In-force Business after the Cost of Solvency Margin | Value of One Year's Sales after the Cost of Solvency Margin |
|--|--|--|
| Claims Ratio for Short-term Insurance +10% | 140,492 | 18,316 |
| Claims Ratio for Short-term Insurance -10% | 141,067 | 19,384 |
| Solvency Margin at 150% of Statutory Minimum | 128,146 | 16,983 |
| Projected taxable income is based on the accounting profit calculated in accordance with 2009 "Provisions on Accounting Treatment of Insurance Contracts" | 135,983 | 18,428 |

Thank you !



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