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December 2, 2011

The Directors
New China Life Insurance Company Ltd.
New China Insurance Tower
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Dear Sirs:

ACTUARIAL CONSULTANTS' REPORT

1. Introduction

New China Life Insurance Company Ltd. ("NCI" or the "Company") has prepared embedded value results as at December 31, 2010 and June 30, 2011.

Towers Watson Management Consulting (Shenzhen) Company Limited ("Towers Watson", "we" or "us") has been engaged by NCI to perform certain review work and provide opinions on certain matters relating to these results in connection with the proposed offering of shares by NCI on the Shanghai Stock Exchange ("A-Share") and Hong Kong Stock Exchange ("H-Share").

This report has been produced for inclusion in this document (the "Prospectus") and sets out the scope of work that we have been engaged to undertake and summarizes the results of our review. This report also summarizes the methodology and assumptions chosen by NCI and the results calculated by NCI.

The rest of the Prospectus includes a description of NCI's various businesses and related risk factors which should be read and considered in conjunction with this report.

The reader's attention is also drawn to Section 9 of this report which sets out certain reliances and limitations to the use of this report.

Towers Watson is acting exclusively for NCI and no-one else in connection with the proposed offering of shares of NCI. This report is not addressed to, and may not be relied upon, by any third party for any purpose whatsoever.

2. Scope of Work

The scope of our work was as follows:

- To review and report on the methodology used by NCI to calculate the embedded value ("EV") as at December 31, 2010 and June 30, 2011, and the value of new business ("VNB") in the 12 months to December 31, 2010 and in the 12 months to June 30, 2011;
- To review and report on the economic and operating assumptions used by NCI as at December 31, 2010 and June 30, 2011; and

- To review and report on the following results prepared by NCI (collectively the "EV Results"):
  - — the EV and VNB as at December 31, 2010 and June 30, 2011;
  - — the results of the sensitivity tests of the Value of In-Force Business ("VIF") and VNB as at December 31, 2010 and June 30, 2011; and
  - — the analysis of change ("AOC") of the EV from December 31, 2009 to December 31, 2010, and from December 31, 2010 to June 30, 2011.

3. Methodology

NCI has prepared its EV Results based on the requirements of the Life Insurance Embedded Value Reporting Guidelines ("EV Guidelines") as issued by the China Insurance Regulatory Commission ("CIRC") in September 2005.

The EV is a measure of the value of shareholders' interests in the earnings distributable from assets allocated to the in-force business after allowance for the aggregate risks in that business. NCI uses a traditional deterministic discounted cash flow methodology for determining its EV and VNB. This methodology makes implicit allowance for all sources of risk including the cost of investment return guarantees and policyholder options, asset / liability mismatch risk, credit risk, the risk that actual experience in future years differs from that assumed, and for the economic cost of capital, through the use of a risk adjusted discount rate. Typically, the higher the risk discount rate, the greater the allowance for these factors.

Alternative valuation methodologies for the valuation of life insurance business have emerged in recent years which utilize capital markets valuations of risks associated with the business (such as "market-consistent" methods). No consideration has been taken of the effect of using measures of value that may be obtained from applying such an alternative method.

A traditional actuarial appraisal value develops the economic value of an insurance company from the following components:

- Adjusted Net Worth ("ANW");
- VIF; and
- VNB.

The EV is defined as the sum of the ANW and the VIF.

The ANW at the valuation date is defined as the market value of assets, after appropriate allowance for tax, in excess of the assets backing the policy reserves on the statutory basis and other liabilities of NCI's life insurance business, plus the equity value (according to China accounting standards) of other activities such as New China Asset Management Co. Ltd.

The VIF is the present value of the projected after-tax statutory profits emerging in the future from NCI's current life insurance business in force less the cost arising from holding the required capital ("CoC") to support the in-force business. CoC is calculated as the face value of the required capital at 100% of the regulatory required level as at the valuation date less the present value of the net of tax investment return on the shareholder assets backing the required capital less the present value of projected releases from the assets backing the required capital.

New business includes the sale of new contracts during the period. For short-term accident and health business with a term of one year or less, renewals of existing contracts are not considered as new business.

The VNB is the present value, measured at point of sale, of projected after-tax statutory profits emerging in the future from new life insurance business sold in the period less the cost of holding required capital at 100% of the regulatory required level in excess of regulatory reserves to support this business.

In determining the VIF and the VNB of NCI, the policy databases underlying the long term business policies of NCI as at December 31, 2010 and June 30, 2011 have been used, and the starting statutory policy reserves have been reconciled to actual accounts, while volumes used in deriving the VNB have been reconciled to statistics on new business written in the 12 months to the valuation date. Business volumes for short term business for the VIF and the VNB have been derived from actual premium received in the 12 months to December 31, 2010 and in the 12 months to June 30, 2011.

We note that the values in some of the tables in this report may not be additive due to rounding.

4. Results

This section of the report summarizes the EV, VNB and AOC results calculated by NCI.

Using the assumptions described in Section 5, Table 1 shows NCI's EV as at December 31, 2010 and VNB in the 12 months to December 31, 2010, and Table 2 shows NCI's EV as at June 30, 2011 and VNB in the 12 months to June 30, 2011.

Table 1

EV as at December 31, 2010 and VNB in the 12 months to December 31, 2010 (CNY million)

Risk Discount Rate	**10.0%**	**11.5%**	**13.0%**
ANW	**6,400**	**6,400**	**6,400**
VIF before CoC	33,032	29,866	27,241
CoC	(7,211)	(8,181)	(8,964)
VIF after CoC	**25,820**	**21,685**	**18,277**
EV	**32,220**	**28,084**	**24,677**
VNB			
VNB before CoC	7,439	6,722	6,120
CoC	(1,745)	(1,981)	(2,170)
VNB after CoC	**5,695**	**4,741**	**3,950**

Table 2

EV as at June 30, 2011 and VNB in the 12 months to June 30, 2011 (CNY million)

Risk Discount Rate	**10.0%**	**11.5%**	**13.0%**
ANW	**17,673**	**17,673**	**17,673**
VIF before CoC	37,325	33,798	30,880
CoC	(8,043)	(9,149)	(10,052)
VIF after CoC	**29,282**	**24,650**	**20,828**
EV	**46,955**	**42,323**	**38,501**
VNB			
VNB before CoC	7,263	6,514	5,892
CoC	(1,601)	(1,805)	(1,965)
VNB after CoC	**5,663**	**4,710**	**3,928**

Refer to the "Business" section of the Prospectus for details regarding new and in-force business volumes.

An analysis of change in the EV reconciles the movement in the EV from one valuation date to the next into its constituent components. Table 3 shows this analysis from December 31, 2009 to December 31, 2010, calculated at a risk discount rate of 11.5%. Table 4 shows this analysis from December 31, 2010 to June 30, 2011, also calculated at a risk discount rate of 11.5%.

Table 3

Analysis of Change in EV in 2010 at Risk Discount Rate of 11.5% (CNY million)

Item	Adjusted Net Worth (1)	Value of In Force Business (2)	Total (3) = (1) + (2)
1. EV at beginning of period	**4,322**	**16,010**	**20,333**
2. Impact of new business	83	5,012	5,095
3. Expected return	2,246	408	2,654
4. Operating experience variances	21	(91)	(70)
5. Economic experience variances	(224)	—	(224)
6. Operating assumption changes	—	390	390
7. Economic assumption changes	—	(53)	(53)
8. Capital injection / shareholder dividend payment	—	—	—
9. Others	(70)	7	(63)
10. Value change other than life insurance business	21	—	21
11. EV at end of period	**6,400**	**21,685**	**28,084**

Table 4

Analysis of Change in EV from December 31, 2010 to June 30, 2011 at Risk Discount Rate of 11.5% (CNY million)

Item	Adjusted Net Worth (1)	Value of In Force Business (2)	Total (3) = (1) + (2)
1. EV at beginning of period	**6,400**	**21,685**	**28,084**
2. Impact of new business	7	2,551	2,558
3. Expected return	1,680	294	1,974
4. Operating experience variances	(127)	132	4
5. Economic experience variances	(4,179)	—	(4,179)
6. Operating assumption changes	—	—	—
7. Economic assumption changes	—	—	—
8. Capital injection / shareholder dividend payment	14,000	—	14,000
9. Others	(118)	(11)	(129)
10. Value change other than life insurance business	11	—	11
11. EV at end of period	**17,673**	**24,650**	**42,323**

Items (2) to (10) are explained below:

2. Value of new business in the relevant period as measured as at the relevant valuation dates instead of as at point of sale.

3. Expected return on ANW and VIF during the relevant period.

4. Reflects the difference between actual operating experience in the relevant period (including mortality, morbidity, discontinuance and expenses) and the start year assumptions.

5. Reflects the difference between actual and expected investment returns in the relevant period.
6. Reflects the change in operational assumptions between valuation dates.
7. Reflects the change in economic assumptions between valuation dates.
8. Capital injection and dividend payment to shareholders.
9. Other miscellaneous items.
10. Value change other than those arising from the life insurance business.

5. Assumptions

This section summarizes the assumptions used by NCI to determine the EV as at December 31, 2010 and the VNB for the 12 months to December 31, 2010. These assumptions have also been adopted to determine the EV and VNB as at June 30, 2011. The assumptions shown in this section are referred to as the "Central Scenario".

Risk Discount Rate

As selected by NCI, values are illustrated using risk discount rates of 10.0%, 11.5% and 13.0%.

The selection of a risk discount rate depends on myriad factors and the range of values illustrated is provided in order to assist readers assess the sensitivity of value to changes in the risk discount rate applied. The range given should not be interpreted to imply an upper or lower bound. In particular, the risk discount rate appropriate to an investor will depend on objective and subjective considerations including their own requirements, tax position and perception of risks associated with the realization of future profits.

In calculating values at alternative risk discount rates, all other assumptions, including those relating to investment return assumptions, have been left unchanged.

In calculating the VIF, NCI has a relatively small block of non-participating business (representing around 1.7% and 1.5% of the total statutory reserves as at December 31, 2010 and June 30, 2011 respectively) that were sold before June 1999 that is expected to be loss making over time as the valuation interest rates on these products exceed the expected investment returns in the future. The approach to valuing business with expected losses varies amongst market practitioners. For example, some might adopt a ring-fenced approach (i.e. treat this business effectively on a stand alone basis) and discount the business at the assumed investment earned rate or risk free rate, rather than discount losses at the risk discount rate. In aggregate, NCI expects to generate positive statutory profits from the in-force business going forward on the adopted economic and operational assumptions. All cash flows are discounted at the risk discount rate as the allowance for risk in the range of risk discount rates used by NCI has been set taking into account the presence of such lines of business with expected future losses.

Investment Returns

Under the Central Scenario, future returns are based on a combination of current portfolio yields together with new money rates based on assumptions for long term forward rates on Chinese government bonds. The forward rates are such that investment returns used in the valuation are projected to increase. The investment return assumptions have also been set to be consistent with the basis of valuation of the assets backing the policy liabilities. The returns have been derived by considering current and expected future asset mix and associated investment returns for a range of major investment asset classes at the valuation date.

The resulting investment return assumptions as selected by NCI as at December 31, 2009, December 31, 2010 and June 30, 2011 are shown in Table 5 and Table 6 respectively for the different funds.

Table 5

Investment Return Assumptions for VIF and VNB as at December 31, 2009

	2010	2011	2012	2013+
Non-participating	4.4%	4.9%	4.9%	5.1%
Participating	5.2%	5.3%	5.3%	5.5%
Universal life	5.8%	5.9%	5.9%	5.9%
Unit-linked	7.3%	7.4%	7.6%	7.7%

Table 6

Investment Return Assumptions for VIF and VNB as at December 31, 2010 and June 30, 2011

	2011	2012	2013	2014+
Non-participating	5.1%	5.2%	5.2%	5.2%
Participating	5.2%	5.3%	5.5%	5.5%
Universal life	5.6%	5.7%	5.8%	5.9%
Unit-linked	8.1%	8.2%	8.2%	8.2%

Mortality

Assumptions have been developed based on NCI's past mortality experience and expectations of current and future experience, and the overall knowledge of the Chinese insurance market. Mortality assumptions have been expressed as a percentage of the standard industry mortality tables: "China Life Tables (2000 to 2003)". Central Scenario assumes ultimate mortality rates of:

- Individual Life and Annuity Products (accumulation phase): Male: 65%, Female: 60%
- Individual Annuity Products (payout phase): 75% of Individual Life
- Group Life and Annuity Products (accumulation phase): Male: 75%, Female 70%
- Group Annuity Products (payout phase): 75% of Group Life

Selection factors were applied to policy year 1 and policy year 2 to Individual Life and Annuity Products (accumulation phase) and Group Life and Annuity Products (accumulation phase) mentioned above. Ultimate rates are applicable thereafter.

Morbidity

Assumptions have been developed based on NCI's past morbidity experience and expectations of current and future experience, and overall knowledge of the Chinese insurance market. Morbidity assumptions have been expressed as a percentage of Taiwan morbidity tables. Central Scenario assumes ultimate morbidity rates of:

- Individual Dread Disease: Male: 65%, Female: 95%
- Group Dread Disease: Male: 75%, Female 105%

Selection factors were applied to policy year 1 and policy year 2 for these products. Ultimate rates are applicable thereafter.

Discontinuance Rates

Assumptions have been developed based on NCI's past discontinuance experience, expectations of current and future experience, and overall knowledge of the Chinese insurance market. Assumptions vary by product type and policy duration.

No allowance has been made in respect of premium persistency and partial withdrawals for universal life and unit linked business due to the relative immateriality of these product lines.

Expenses

Unit cost assumptions have been developed based on NCI's 2010 actual experience. In particular, the total actual 2010 expenses were used to derive unit cost assumptions. Central Scenario also assumes future expense inflation of 2.0% p.a. in respect of per policy expenses.

Commission and Handling Fees

The assumed level of commission and commission override has been based on the levels currently being paid for individual business. For group products and products sold via banks, allowance has been made for handling fees as part of NCI's overall expenses.

Policyholder Bonuses and Dividends

Policyholder dividends have been derived in accordance with NCI's current policyholder bonus and dividend policy whereby 70% of surplus arising from participating business is paid to policyholders.

Tax

Tax has been assumed to be payable at 25% of profits with allowance for the exemption of certain investment income, including Chinese government bonds, and dividend income from equities and equity investment funds. Tax is assumed to be based on taxable income using reserves calculated on the PRC statutory basis.

In addition, a 5% business tax has been applied to the gross premium of short term accident business.

Short Term Business

Short term business covers accident business and health business. While this business has a term of one year or less, many of the policies are renewed. In developing the value of short term business, NCI estimated the new business premium based on the total short term business premium received in 2010, while premium not considered as new business is treated as renewal business.

Cost of Holding Required Capital

The level of required capital assumed to be held by NCI is also a critical determinant of the values presented herein.

The CIRC defines three categories of solvency: (1) Inadequate Solvency where solvency margin ratio is less than 100%; (2) Adequate Solvency Level I where solvency margin ratio is between 100% to 150%; and (3) Adequate Solvency Level II where solvency margin ratio is greater than 150%. The CIRC may take various supervisory measures against companies in each of these solvency categories. The "Supervision and Regulation" section of the Prospectus provides further details.

The common practice in China is to assume the level of required capital in the calculation of VIF and VNB to be 100% of the minimum solvency margin required by the CIRC, i.e. sufficient to be classified as Adequate Solvency Level I, and this has been assumed by NCI.

The current basis for calculating the required statutory minimum solvency margin has been assumed to be unaltered throughout the course of the projection.

Other Assumptions

The current methods for calculating NCI's policy reserves under PRC statutory basis and surrender values have been assumed to be unaltered throughout the course of the projection.

NCI's current reinsurance arrangements have been assumed to continue unaltered.

6. Sensitivity tests

The VIF as at December 31, 2010 and June 30, 2011 and the VNB for the 12 months to December 31, 2010 and June 30, 2011 have been recalculated by NCI to illustrate the sensitivity of the results to changes in certain of the central assumptions discussed in Section 5. The results of the sensitivity tests are shown in Table 7 to Table 10 in the Appendix to this report. These values have been shown under alternative assumptions given the uncertainties associated with the future economic and operational environment in China. Examples of these uncertainties are set out in the "Risk Factors" section of the Prospectus. The sensitivities chosen do not represent the boundaries of potential outcomes, but instead illustrate how certain alternative assumptions would affect the results.

The sensitivities tested were:

- Investment return 0.5 percentage points per annum higher than the Central Scenario;
- Investment return 0.5 percentage points per annum lower than the Central Scenario;
- Acquisition and maintenance expenses 10% higher than the Central Scenario (i.e. 110% of the Central Scenario);
- Acquisition and maintenance expenses 10% lower than the Central Scenario (i.e. 90% of the Central Scenario);
- Discontinuance rates increased proportionally by 10% (i.e. 110% of the Central Scenario);
- Discontinuance rates decreased proportionally by 10% (i.e. 90% of the Central Scenario);
- Mortality rates increased proportionally by 10% (i.e. 110% of the Central Scenario);
- Mortality rates decreased proportionally by 10% (i.e. 90% of the Central Scenario);
- Morbidity rates and loss ratios increased proportionally by 10% (i.e. 110% of the Central Scenario);
- Morbidity rates and loss ratios decreased proportionally by 10% (i.e. 90% of the Central Scenario);

- For participating business, profit sharing between policyholders and shareholders is assumed to be 75% / 25% instead of 70% / 30% in the Central Scenario;
- Required capital 50% higher than assumed in the Central Scenario (i.e. 150% of the Central Scenario); and
- Profits tax payment assuming NCI pays tax calculated based on taxable income derived under the China accounting standards, rather than based on the statutory basis.

7. Towers Watson Review

In the following section, we describe the approach by which we have performed our review.

(i) Methodology

The VIF and VNB shown in Section 4 have been prepared by NCI using a deterministic discounted cash flow methodology. The methodology is consistent with the EV Guidelines and is a common methodology used by life insurance companies in China at the current time. Allowance for risk has been made through the use of a risk-adjusted discount rate and an explicit allowance for the cost of holding required capital. We have reviewed the methodology against the requirements of the EV Guidelines and commonly adopted methodology used by other life insurance companies in China.

It should be noted that, in assessing the total value of a life insurance company, the value attributable to future sales may be determined as the product of the value of new business issued in one year and a multiplier which reflects an allowance for future sales growth and the risks associated with achieving future sales at the assumed profit margin. The scope of work did not include providing an opinion on those matters such as the new business multiplier by which to assess the total value of NCI.

(ii) Assumptions

The operating assumptions utilized to calculate the VIF and the VNB shown in Section 4 have been selected by NCI having regard to past, current and the expected future operating experience and environment. The economic assumptions utilized to calculate the VIF and VNB shown in Section 4 have been set by NCI with regard to economic conditions as at the valuation dates. Our review involved an assessment as to whether the operating assumptions have been set by NCI with appropriate regard to past, current and expected future experience of NCI, and whether the economic assumptions are internally consistent and have been set with regard to current economic conditions.

The validity of the VIF and VNB shown in Section 4 depends upon the extent to which future experience conforms to the aforementioned assumptions. In addition, it is also our assessment that the situation of NCI is markedly different in nature from that of a mature company operating in a mature and relatively stable, less dynamic, market. The environment in which NCI, and more generally Chinese life insurance companies, are operating is extremely dynamic: NCI has grown very rapidly in recent years, and is facing a range of challenges and competition from established as well as fast expanding competitors in an evolving market undergoing relatively rapid regulatory changes. In these circumstances, past operational experience is less reliable as an indicator of likely future experience than the past experience of a mature company operating in a mature and relatively stable market.

Consequently, the assumptions adopted by NCI in developing the VIF and VNB should be regarded only as being illustrative of possible future experience, and actual future experience could therefore be materially different to that assumed in this report. Furthermore, it must be emphasized that assumptions are forward looking and should not be mechanically aligned to past experience. We strongly recommend that the readers of this report consider the significance of each assumption by referring to the various values given in order to gain an understanding of the impact on value that result from the use of alternative assumptions.

(iii) Results

We have conducted a review of EV Results against the methodology and assumptions used by NCI. Our review was designed to confirm whether the EV Results were calculated, in all material respects, in accordance with the methodology and assumptions adopted.

We have not checked all the programs and parameter files used to produce the results. We have, however, carried out a number of checks to satisfy ourselves as to the overall reasonableness of the results including checks on the projected results output from NCI's valuation models, checks on the validation of valuation models to accounting data, and reasonableness checks on consolidation of the results from the models to arrive at final results.

8. Opinion

On the basis of our review set out in Section 7 above, we have concluded that:

- The methodology adopted by NCI to determine the EV and the VNB is consistent with the EV Guidelines and is a common methodology used to determine EVs of life insurance companies in China at the current time;
- The operating assumptions have been set with appropriate regard to past, current and expected future experience of NCI. The economic assumptions are internally consistent and have been set with regard to current economic conditions; and
- The EV Results have been prepared by NCI, in all material respects, in accordance with the methodology and assumptions described in this report.

This opinion is subject to the reliances and limitations set out below.

9. Reliances and Limitations

In performing our work, we have relied on audited and unaudited information supplied to us by, or on behalf of, NCI for periods up to June 30, 2011, and on information from a range of other sources.

In particular, we have relied on:

- Policy data covering the numbers and types of policies issued and in force (including policy details), levels of in-force premiums and volumes of new business written;
- Premium rates, base commission rates, override allowances made to agents and other distributors;
- Details of product terms and conditions including surrender and cash values;
- Information regarding reinsurance arrangements and terms and conditions;
- Statistical data and experience investigations relating to the current and historical operating experience;
- Information on expenses incurred;

- Asset values (both book and market value) as at December 31, 2010 and June 30, 2011 including the ANW;
- Information on current and future investment strategies;
- Information on NCI's practices in determining bonus rates and credited interest rates;
- Financial statements as at December 31, 2010 and June 30, 2011;
- Statutory value of policy reserves as at December 31, 2010 and June 30, 2011;
- Information regarding the basis for calculating solvency margin as at December 31, 2010 and June 30, 2011;
- Information regarding the net of tax difference between the market value of assets and the value shown in the financial statements, and other tax adjustments made in the derivation of the ANW;
- Information regarding the taxation basis and the tax treatment of certain investment income for the purpose of determining taxable income; and
- Information as at December 31, 2009 for the purpose of reviewing the analysis of change of EV from December 31, 2009 to December 31, 2010.

Reliance was also placed on, but not limited to, the accuracy and completeness of information regarding historical operating experience, commission and override payments to agents and distributors, regulatory returns, details of policy terms and conditions and terms of reinsurance arrangements.

In determining the results shown in this report, it is noted that NCI has considered only those claims made by life insurance policyholders in the normal course of business under the terms of the policies. No attempt has been made by us to determine the effect upon the value of any other claims by or against NCI, and no allowance has been made for any other potential liabilities. The only assumed restrictions on distribution of surplus are the reserving and capital requirements defined in this report.

The projections and values developed by NCI have been constructed on a "going concern" basis and assume a continuation of the current political and legal environments prevailing in China. Also it should be noted that the values produced in this report assume that taxable profit is derived using the statutory reserving basis. While NCI used this method as at December 31, 2010 and June 30, 2011, there is uncertainty as to whether this basis will continue into the future. Any changes in the tax basis could affect the result presented in this report.

It should be noted that the scope of our work did not include an independent verification, or audit, of the accuracy or completeness of the policy data and other information supplied to us. Similarly, the scope of our work did not include a review of the value or quality of the asset portfolio of NCI, nor have we reviewed the adequacy of balance sheet provisions. In addition, we have not checked all the programs or parameter files within the actuarial model used by NCI to produce its results. We have, however, carried out a number of checks to satisfy ourselves as to the overall reasonableness of the results produced.

The values attributed to the components of life insurance business are highly dependent on the results of financial projections. In developing the projections, numerous assumptions have been made with respect to economic conditions and other factors, many of which are beyond NCI's control. Changes in the internal or external environment will affect the suitability of the parameters used in the projections and could alter the projected results materially. In addition, deviations from the most probable experience are normal and are to be expected. Even without changes in the perceived environments, and in parameters used to reflect them, actual results will vary from those projected due to normal random fluctuations. The results shown are presented at the valuation dates of December 31, 2010 and June 30, 2011 and no warranty is given by Towers Watson that future experience after these valuation dates will be in line with the assumptions made.

10. Disclosures and Consents

Towers Watson has given, and not withdrawn, its written consent to the inclusion of this report and its name within the Prospectus in the form and context in which they are included. Towers Watson does not authorize or cause the issue of this Prospectus and takes no responsibility for its contents other than this report.

For and on behalf of Towers Watson

Mark Saunders
Managing Director
Risk Consulting Practice Leader, Asia Pacific

Adrian Liu
General Manager
Life Insurance Consulting, China

Appendix

Sensitivity Results

Table 7 and Table 8 show the sensitivity results of VIF as at December 31, 2010 and the VNB for the 12 months to December 31, 2010. Table 9 and Table 10 show the sensitivity results of VIF as at June 30, 2011 and the VNB for the 12 months to June 30, 2011.

TABLE 7

VIF sensitivity results as at December 31, 2010 (CNY Million)

	10.00%			11.50%			13.00%		
Scenario	VIF before CoC	CoC	VIF after CoC	VIF before CoC	CoC	VIF after CoC	VIF before CoC	CoC	VIF after CoC
Central Scenario	33,018	(7,198)	25,820	29,866	(8,181)	21,685	27,260	(8,983)	18,277
Investment return 0.5 percentage points higher	36,949	(6,724)	30,225	33,394	(7,751)	25,643	30,461	(8,589)	21,871
Investment return 0.5 percentage points lower	29,080	(7,668)	21,413	26,330	(8,608)	17,722	24,053	(9,375)	14,677
Expenses 10% higher (110% of central)	32,200	(7,198)	25,003	29,103	(8,181)	20,922	26,545	(8,983)	17,562
Expenses 10% lower (90% of central)	33,836	(7,198)	26,638	30,628	(8,181)	22,447	27,975	(8,983)	18,992
Discontinuance 10% higher (110% of central)	32,397	(7,010)	25,388	29,356	(7,981)	21,375	26,835	(8,775)	18,059
Discontinuance 10% lower (90% of central)	33,662	(7,393)	26,269	30,393	(8,389)	22,004	27,699	(9,198)	18,501
Mortality 10% higher (110% of central)	32,886	(7,188)	25,698	29,750	(8,172)	21,578	27,157	(8,974)	18,183
Mortality 10% lower (90% of central)	33,150	(7,207)	25,944	29,982	(8,190)	21,792	27,364	(8,992)	18,372
Morbidity and loss ratio 10% higher (110% of central)	32,526	(7,194)	25,332	29,415	(8,178)	21,238	26,845	(8,980)	17,865
Morbidity and loss ratio 10% lower (90% of central)	33,511	(7,201)	26,310	30,317	(8,184)	22,133	27,676	(8,986)	18,690
Higher policyholder dividend	29,292	(7,200)	22,092	26,477	(8,182)	18,295	24,151	(8,982)	15,169
150% of statutory minimum solvency margin	33,006	(10,804)	22,201	29,861	(12,281)	17,580	27,263	(13,485)	13,778
Taxable income based on China accounting standards	32,357	(7,211)	25,147	29,130	(8,194)	20,936	26,484	(8,996)	17,488

TABLE 8

VNB sensitivity results in the 12 months to December 31, 2010 (CNY Million)

	10.00%			11.50%			13.00%		
Scenario	VNB before CoC	CoC	VNB after CoC	VNB before CoC	CoC	VNB after CoC	VNB before CoC	CoC	VNB after CoC
Central Scenario	7,439	(1,745)	5,695	6,722	(1,981)	4,741	6,120	(2,170)	3,950
Investment return 0.5 percentage points higher	8,252	(1,629)	6,623	7,457	(1,875)	5,581	6,790	(2,074)	4,716
Investment return 0.5 percentage points lower	6,623	(1,861)	4,762	5,983	(2,086)	3,897	5,447	(2,267)	3,181
Expenses 10% higher (110% of central)	7,070	(1,745)	5,325	6,363	(1,981)	4,382	5,771	(2,170)	3,601
Expenses 10% lower (90% of central)	7,808	(1,745)	6,064	7,080	(1,981)	5,099	6,469	(2,170)	4,299
Discontinuance 10% higher (110% of central)	7,235	(1,688)	5,547	6,549	(1,920)	4,629	5,972	(2,106)	3,865
Discontinuance 10% lower (90% of central)	7,650	(1,804)	5,846	6,900	(2,044)	4,856	6,273	(2,236)	4,037
Mortality 10% higher (110% of central)	7,407	(1,743)	5,664	6,693	(1,979)	4,715	6,095	(2,168)	3,927
Mortality 10% lower (90% of central)	7,472	(1,747)	5,725	6,750	(1,983)	4,767	6,145	(2,172)	3,973
Morbidity and loss ratio 10% higher (110% of central)	7,335	(1,744)	5,591	6,627	(1,980)	4,646	6,033	(2,170)	3,863
Morbidity and loss ratio 10% lower (90% of central)	7,543	(1,745)	5,798	6,817	(1,981)	4,836	6,208	(2,170)	4,038
Higher policyholder dividend	6,509	(1,745)	4,764	5,878	(1,981)	3,897	5,350	(2,170)	3,180
150% of statutory minimum solvency margin	7,439	(2,621)	4,818	6,722	(2,975)	3,747	6,120	(3,259)	2,861
Taxable income based on China accounting standards	7,304	(1,745)	5,560	6,571	(1,981)	4,590	5,961	(2,170)	3,791

TABLE 9

VIF sensitivity results as at June 30, 2011 (CNY Million)

	10.00%			11.50%			13.00%		
Scenario	VIF before CoC	CoC	VIF after CoC	VIF before CoC	CoC	VIF after CoC	VIF before CoC	CoC	VIF after CoC
Central Scenario	37,325	(8,043)	29,282	33,798	(9,149)	24,650	30,880	(10,052)	20,828
Investment return 0.5 percentage points higher	41,688	(7,516)	34,171	37,719	(8,670)	29,048	34,440	(9,614)	24,826
Investment return 0.5 percentage points lower	32,959	(8,571)	24,388	29,873	(9,629)	20,245	27,315	(10,492)	16,822
Expenses 10% higher (110% of central)	36,418	(8,043)	28,374	32,951	(9,149)	23,803	30,086	(10,052)	20,034
Expenses 10% lower (90% of central)	38,233	(8,043)	30,189	34,645	(9,149)	25,497	31,674	(10,052)	21,622
Discontinuance 10% higher (110% of central)	36,681	(7,845)	28,836	33,270	(8,937)	24,333	30,439	(9,832)	20,606
Discontinuance 10% lower (90% of central)	37,992	(8,250)	29,742	34,344	(9,369)	24,975	31,333	(10,279)	21,054
Mortality 10% higher (110% of central)	37,173	(8,033)	29,140	33,665	(9,139)	24,527	30,761	(10,042)	20,719
Mortality 10% lower (90% of central)	37,478	(8,053)	29,424	33,932	(9,159)	24,773	30,999	(10,062)	20,936
Morbidity and loss ratio 10% higher (110% of central)	36,756	(8,040)	28,716	33,278	(9,146)	24,132	30,399	(10,049)	20,350
Morbidity and loss ratio 10% lower (90% of central)	37,895	(8,047)	29,849	34,320	(9,152)	25,168	31,361	(10,055)	21,306
Higher policyholder dividend	33,100	(8,046)	25,054	29,951	(9,150)	20,802	27,348	(10,052)	17,296
150% of statutory minimum solvency margin	37,313	(12,065)	25,248	33,794	(13,724)	20,070	30,881	(15,079)	15,803
Taxable income based on China accounting standards	36,543	(8,049)	28,494	32,924	(9,154)	23,770	29,955	(10,057)	19,898

TABLE 10

VNB sensitivity results in the 12 months to June 30, 2011 (CNY Million)

	10.00%			11.50%			13.00%		
Scenario	VNB before CoC	CoC	VNB after CoC	VNB before CoC	CoC	VNB after CoC	VNB before CoC	CoC	VNB after CoC
Central Scenario	7,263	(1,601)	5,663	6,514	(1,805)	4,710	5,892	(1,965)	3,928
Investment return 0.5 percentage points higher	8,018	(1,495)	6,523	7,189	(1,709)	5,480	6,502	(1,878)	4,623
Investment return 0.5 percentage points lower	6,507	(1,707)	4,800	5,838	(1,900)	3,937	5,282	(2,052)	3,230
Expenses 10% higher (110% of central)	6,902	(1,601)	5,301	6,165	(1,805)	4,360	5,553	(1,965)	3,588
Expenses 10% lower (90% of central)	7,625	(1,601)	6,024	6,864	(1,805)	5,059	6,232	(1,965)	4,267
Discontinuance 10% higher (110% of central)	7,048	(1,545)	5,503	6,333	(1,745)	4,588	5,738	(1,904)	3,834
Discontinuance 10% lower (90% of central)	7,486	(1,659)	5,827	6,702	(1,866)	4,835	6,052	(2,029)	4,023
Mortality 10% higher (110% of central)	7,227	(1,599)	5,628	6,483	(1,803)	4,680	5,865	(1,963)	3,902
Mortality 10% lower (90% of central)	7,300	(1,602)	5,698	6,546	(1,807)	4,740	5,920	(1,967)	3,953
Morbidity and loss ratio 10% higher (110% of central)	7,145	(1,600)	5,545	6,406	(1,804)	4,602	5,793	(1,965)	3,828
Morbidity and loss ratio 10% lower (90% of central)	7,382	(1,601)	5,781	6,623	(1,805)	4,818	5,992	(1,965)	4,027
Higher policyholder dividend	6,398	(1,601)	4,797	5,735	(1,805)	3,930	5,184	(1,965)	3,219
150% of statutory minimum solvency margin	7,263	(2,402)	4,862	6,514	(2,708)	3,807	5,892	(2,948)	2,944
Taxable income based on China accounting standards	7,103	(1,601)	5,503	6,338	(1,805)	4,533	5,707	(1,965)	3,742