

CHINA LIFE INSURANCE CO LTD
Form 6-K
August 26, 2009

Commission File Number 001-31914

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of the

Securities Exchange Act of 1934

August 26, 2009

China Life Insurance Company Limited

(Translation of registrant's name into English)

16 Chaowai Avenue

Chaoyang District

Beijing 100020, China

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Tel: (86-10) 8565-9999

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes No

If is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____

China Life Insurance Company Limited issued an announcement on August 25, 2009, a copy of which is attached as Exhibit 99.1 hereto.

EXHIBIT LIST

Exhibit	Description
99.1	Announcement, dated August 25, 2009

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

China Life Insurance Company Limited
(Registrant)

By: /s/ Wan Feng
(Signature)

August 26, 2009

Name: Wan Feng
Title: President and Executive Director

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2009

CHAIRMAN'S STATEMENT

In the first half of 2009, with the guideline of adjusting structure, stabilizing growth, preventing risk and raising profit and the overall strategy of stable growth, improving profitability, further reform and strengthening control, the Company strived to overcome the impact of the global financial crisis and the slowdown of domestic economic development, and continued to practise the mode of development with its own characteristics. The Company has adjusted its business structure on its own initiative, continued to maintain a leading position in the market, further strengthened internal control management and promoted reform and innovation, and its operational performance was significantly enhanced.

During the reporting period, the gross written premiums and policy fees of the Group (the Company and its subsidiaries) were RMB87,863 million, up 10.82% from the corresponding period in 2008, while net profit attributable to shareholders of the Company was RMB18,226 million, up 15.08% from the corresponding period in 2008. Basic and diluted earnings per share were RMB0.64. As of 30 June 2009, the Group's total assets reached RMB1,160,322 million, an increase of 11.05% from the end of

2008. Embedded value reached RMB267,320 million, an increase of 11.34% from the end of 2008. The Company's market share in the first half of 2009 was approximately 39.2%¹, maintaining its leading position in the life insurance market of China².

The Company was named in Forbes Global 2000 for the sixth consecutive year, ranking No. 72. China Life was named in Fortune Global 500 for the seventh consecutive year, ranking No. 133. The China Life brand was named in the World Brand Lab's The World's 500 Most Influential Brands for the third consecutive year, ranking No. 5 among domestic enterprises. The Company's comprehensive strength and brand value were enhanced continuously.

¹ According to the data released by China Insurance Regulatory Commission (CIRC) under PRC Generally Accepted Accounting Principles (PRC GAAP)

² For the purpose of this announcement, China refers to the People's Republic of China, excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region, and Taiwan region.

REVIEW OF THE FIRST HALF OF 2009

In the first half of 2009, the Company strived to transform its growth model under the guideline of the scientific outlook on development. While maintaining a stable development, the Company strengthened efforts at business restructuring and has achieved remarkable success. First, the structure of regular premium business kept on improving, and the proportion of first-year regular premiums to the gross written premiums from first year long-term traditional insurance contracts increased to 97.63% in the first half of 2009 from 92.23% in the first half of 2008. Second, renewal premiums became a stronger driving force for growth. The renewal premiums grew 23.03% from the corresponding period in 2008, and the proportion of renewal premiums to gross written premiums increased to 66.84% in the first half of 2009 from 60.44% in the corresponding period in 2008. Third, the value of new business was enhanced significantly. The value of one year's sales for the 12 months as of 30 June 2009 reached RMB16,763 million, an increase of 20.4% compared with that for the 12 months as of 31 December 2008; the new business value for the 6 months to 30 June 2009 reached RMB10,346 million, an increase of 37.8% from the corresponding period in 2008. Underwriting quality of the Company was enhanced continuously, and the Company's Policy Persistency Rate (14 months and 26 months) reached 94.65% and 87.81%, respectively. Surrender Rate⁴ was 2.08%, a 0.91 percentage point decrease from the corresponding period in 2008.

In the first half of 2009, the Company actively responded to changes in the capital market and timely adjusted its investment portfolio by reducing the proportion of fixed income investment and increasing the proportion of equity investment, and the investment assets allocation were further optimized. For the reporting period, the gross investment yield⁵ was 3.27% (the simple annualized gross investment yield⁶ was 6.63%), an increase of 0.96 percentage points from the corresponding period in 2008. As of 30 June 2009, the proportion of debt securities in investment assets decreased from 61.43% at the end of 2008 to 51.49%, the proportion of term deposits in investment assets increased from 24.35% at the end of 2008 to 26.49%, and the proportion of equity securities in investment assets increased from 8.01% at the end of 2008 to 13.43%. Moreover, the Company successfully bid for the China Construction Bank's H shares being sold by Bank of America, and participated in the share placement of Bank of China's H shares, both of which yielded satisfactory investment returns.

³ The Persistency Rate for long-term individual policy is an important operating performance indicator for life insurance companies. It measures the ratio of in-force policies in a pool of policies after a certain period of time. It refers to the proportion of policies that are still effective during the designated month in the pool of policies whose issue date was 14 or 26 months ago.

⁴ According to PRC GAAP

⁵ The gross investment yield = (net investment income + net realized gains/(losses) on financial assets + net fair value gains/(losses) on assets at fair value through income(held-for-trading)) / ((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)

⁶ The simple annualized gross investment yield = (the gross investment yield for the first half year/180)*365

In the first half of 2009, the Company focused on further strengthening the sales force, and made great efforts to create a first-class sales team which was of industry leading size, consisting of personnel with high quality, professionalism and strong competitiveness, in order to lay a solid foundation for growth mode transformation. As of 30 June 2009, the total number of individual exclusive agents of the Company reached around 740,000. The Company's direct sales team had over 12,000 representatives. The bancassurance channel had more than 97,000 intermediary bancassurance outlets, including commercial bank branches, postal savings outlets and cooperative savings institutions, over 28,000 client service managers, and over 14,000 financial advisors. The Company actively developed new distribution channels such as telephone and online sales, and commenced building an email sales platform and had achieved some initial success.

In the first half of 2009, the Company revised its internal control manual and compliance evaluation rules, strengthened assessment for responsibility, accelerated the establishment of regional audit centers, and continued to strengthen internal control and risk management. The Company also upgraded management on the credit quality of insurance agents, and continuously optimized its monitoring and early-warning mechanism. Moreover, the Company stepped up efforts at business management standardization, and further optimized centralization of operational and financial systems, and promoted various reforms and innovations actively.

In the first half of 2009, the Company continued to carry out a series of "China Life Customer Festival" activities in various forms. The Company further enriched the customer service content and upgraded the "China Life 1+N" service by utilizing the China Life Crane Card platform. The Company exerted itself to promote the development of micro-insurance in rural villages, and had offered insurance protection to over 6 million low-income rural residents and more than 3 million rural families in total. The Company offered New Village Cooperative Medical Scheme in 118 counties (towns, districts), from which about 28 million people have benefited.

CORPORATE GOVERNANCE

In the first half of 2009, the Company successfully completed its election of a new session of the Board of Directors and the Supervisory Committee, and the third session of the Board of Directors and the Supervisory Committee were formed. Mr. Sun Changji and Mr. Bruce Douglas Moore have joined the new session of the Board of Directors, and Mr. Shi Xiangming and Mr. Wang Xu have joined the new session of the Supervisory Committee. The Company believes that the new session of the Board of Directors and the Supervisory Committee will continue to play a role in making decisions in relation to and supervision of the Company's strategic plans, risk management, internal control and compliance as well as performance appraisal. Meanwhile, the Company expresses its heartfelt gratitude for the significant contribution to the Company's development made by the former directors Mr. Long Yongtu, Mr. Chau Tak Hay, Mr. Cai Rang and Mr. Ngai Wai Fung, and the former supervisors Mr. Wu Weimin and Mr. Qing Ge.

DIVIDEND

Pursuant to the resolution of the meeting of the Board of Directors on 25 August 2009, the Company will not declare interim dividend for the six months ended 30 June 2009.

OUTLOOK

In the second half of 2009, China's economy will become stabilized with a positive outlook, but the base for growth remains unsecured and there are still uncertainties in the capital market. With the new Insurance Law taking into effect, the Notification on the Implementation of the No. 2 Interpretation of Accounting Standard for Business Enterprises in the Insurance Sector issued by the CIRC and the continuous improvement of regulation, the insurance industry will operate in a better regulated environment, favorable for its further development in a scientific way, though insurance companies will be required to meet higher operating and management standards. At the same time, with the ongoing innovation of financial products and services, the competition in life insurance industry will become more comprehensive in nature. The Company is facing with various challenges as well as opportunities. While ensuring steady business development, the Company will effectively drive the change of development mode. The Company will strengthen the sales team through intensified training and education, exert great efforts on developing long-term regular premium business, and promote continuous improvement of its business structure and enhancement of its business value. The Company will adjust its investment strategy and endeavor to capture investment opportunities, so as to increase its investment income. The Company will also strive to achieve satisfactory operational results by strengthening risk control and risk monitoring, and implementing revenue-enhancing and expenditure-control measures. At the same time, the Company will endeavor to maintain its leading market position, enhance its sustainable development capabilities, and work firmly towards its target of establishing itself as a first-class international life insurance company.

MANAGEMENT DISCUSSION AND ANALYSIS**Gross written premiums and Policy fees**

	Unaudited For the six months ended 30 June 2009		
	Gross written premiums <i>RMB million</i>	Deposits <i>RMB million</i>	Policy fees <i>RMB million</i>
Individual Life Insurance	72,090	86,977	8,435
First-year business	19,161	79,363	
Single	348	74,947	
First-year regular	18,813	4,416	
Renewal business	52,929	7,614	
Group Life Insurance	118	7,892	236
First-year business	113	7,891	
Single	109	7,891	
First-year regular	4		
Renewal business	5	1	
Accident and Health Insurance	6,984		
Short-term accident insurance business	3,544		
Short-term health insurance business	3,440		
Total	79,192	94,869	8,671

For the reporting period, the Company's gross written premiums and policy fees was RMB87,863 million, as compared with RMB79,285 million for the corresponding period in 2008, representing an increase of 10.82%. The increase was mainly attributable to an increase in insurance business.

Investment Income

For the reporting period, the investment income of the Group was as follows:

	Unaudited	
	For the six months ended 30 June	
	2009	2008
	<i>RMB</i>	<i>RMB</i>
	<i>million</i>	<i>million</i>
	<i>(excluding</i>	<i>(excluding</i>
	<i>percentage)</i>	<i>percentage)</i>
Net investment income	18,930	25,302
Net realized gains on financial assets	11,887	742
Net fair value gains/(losses) on assets at fair value through income (held-for-trading)	1,375	(6,495)
Gross investment yield	3.27%	2.31%
Net investment yield⁷	1.92%	2.99%

For the reporting period, the Group's net investment income decreased by 25.18% as compared with the corresponding period in 2008. Such decrease was mainly attributable to the decrease of dividends from securities investment funds.

For the reporting period, the Group's net realized gains on financial assets increased by 1,502.02% as compared with the corresponding period in 2008. Such increase was mainly attributable to a significant increase in realized gains from available-for-sale financial assets resulting from the rally of the capital market.

For the reporting period, the Group's net fair value gains on assets at fair value through income (held-for-trading) was RMB1,375 million. Such increase was mainly attributable to a significant increase of both realized and unrealized gains of financial assets at fair value through income (held-for-trading) resulting from the rally of the capital market.

Based on the above reasons, for the reporting period, the Group's net investment yield was 1.92% and the gross investment yield was 3.27%.

⁷ The 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).

As at 30 June 2009 and 31 December 2008, the investment assets of the Group were as follows:

	Unaudited As at 30 June 2009 <i>RMB million</i>	Audited As at 31 December 2008 <i>RMB million</i>
Debt securities	537,260	575,885
Held-to-maturity securities	222,294	211,929
Available-for-sale securities	307,002	356,220
At fair value through income (held-for-trading)	7,964	7,736
Equity securities	140,154	75,082
Available-for-sale securities	137,257	68,719
At fair value through income (held-for-trading)	2,897	6,363
Term deposits	276,438	228,272
Statutory deposits restricted	6,153	6,153
Loans	20,081	17,926
Securities purchased under agreements to resell	2,000	
Cash and cash equivalents	61,279	34,085

Benefits, claims and expenses

For the reporting period, the Group's total benefits, claims and expenses were RMB97,399 million, as compared with RMB83,103 million for the corresponding period in 2008, which were increased by 17.20%. The increase was mainly attributable to an increase in insurance business.

	Unaudited For the six months ended 30 June	
	2009 <i>RMB million</i>	2008 <i>RMB million</i>
Insurance benefits and claims	57,279	50,824
Interest credited to investment contracts	613	714
Increase in deferred income	12,091	14,463
Policyholder dividends resulting from participation in profits	8,875	1,922
Amortisation of deferred policy acquisition costs	9,759	6,757
Underwriting and policy acquisition costs	1,894	1,803
Administrative expenses	6,273	5,026
Other operating expenses	486	1,409
Statutory insurance fund	129	185

For the reporting period, the Group's insurance benefits and claims increased by 12.70% as compared with the corresponding period in 2008. Such increase was mainly attributable to an increase in insurance business.

For the reporting period, the Group's increase in deferred income decreased by 16.40% compared with the corresponding period in 2008. Such decrease was mainly attributable to an increase in amortization of deferred income resulting from the increase in investment yield.

For the reporting period, the Group's policyholder dividends resulting from participation in profits increased by 361.76% as compared with the corresponding period in 2008. Such increase was mainly attributable to an increase in investment income from the Company's participating products resulting from the rally of the capital market.

For the reporting period, the Group's amortisation of deferred policy acquisition costs increased by 44.43% as compared with the corresponding period in 2008. Such increase was mainly attributable to an increase in investment yield.

For the reporting period, the Group's underwriting and policy acquisition costs increased by 5.05% as compared with the corresponding period in 2008. Such increase was mainly attributable to an increase in insurance business.

For the reporting period, the Group's administrative expenses and other operating expenses increased by 5.03% as compared with the corresponding period in 2008. Such increase was mainly attributable to an increase in insurance business.

Income tax

For the reporting period, the Group's income tax expenses increased to RMB5,140 million from RMB918 million in the corresponding period in 2008. The increase was mainly attributable to the decrease in non-taxable income and the increase in deferred income tax. The effective tax rate of the Group increased from 5.4% in the first half of 2008 to 21.9% in the first half of 2009.

Net profit

For the reporting period, the net profit attributable to shareholders of the Company was RMB18,226 million, representing an increase of 15.08% as compared with the corresponding period in 2008. Such increase was mainly attributable to a considerable increase in investment income resulting from the rally of the capital market.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

The Group's principal cash inflows come from insurance premiums, deposits, proceeds from sales and maturity of financial assets, investment income and financing. The primary risks over liquidity with respect to these cash inflows are the risk of early withdrawals by contract holders and policyholders, the risks of default by debtors, as well as volatilities in interest rate and capital market and other risks. The Group will closely monitor and manage these risks.

Additional sources of liquidity to meet unexpected cash outflows are available from our cash and investment assets. As at 30 June 2009, the amount of cash and cash equivalents of the Group was RMB61,279 million (RMB34,085 million as at 31 December 2008). As at 30 June 2009, the amount of term deposits of the Group was RMB276,438 million (RMB228,272 million on 31 December 2008).

Our investment portfolio may also provide us with a source of liquidity to meet unexpected cash outflows. As at 30 June 2009, the investments in debt securities had a fair value of RMB543,864 million (RMB592,554 million as at 31 December 2008). As at 30 June 2009, investment in equity securities had a fair value of RMB140,154 million (RMB75,082 million as at 31 December 2008).

Uses of Liquidity

The Group's principal cash outflows primarily relate to the benefits and claims associated with our various life insurance, annuity and accident and health insurance products, dividend and interest payments on our insurance policies and annuity contracts, operating expenses, income taxes and dividends that may be declared and payable to the Company's shareholders.

The Group believes that its sources of liquidity are sufficient to meet its current cash requirements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2009

		Unaudited	
		For the six months ended	
		30 June	
	Note	2009 RMB million	2008 RMB million
REVENUES			
Gross written premiums and policy fees (including gross written premiums and policy fees from insurance contracts for the six months ended 30 June 2009: RMB 87,666 million, for the six months ended 30 June 2008: RMB 78,941 million)		87,863	79,285
Less: premiums ceded to reinsurers		(64)	(62)
Net written premiums and policy fees		87,799	79,223
Net change in unearned premium reserves		(365)	(486)
Net premiums earned and policy fees		87,434	78,737
Net investment income	1	18,930	25,302
Net realised gains on financial assets	2	11,887	742
Net fair value gains/(losses) on assets at fair value through income (held-for-trading)	3	1,375	(6,495)
Other income		797	998
Total revenues		120,423	99,284
BENEFITS, CLAIMS AND EXPENSES			
Insurance benefits and claims			
Life insurance death and other benefits		(10,298)	(10,020)
Accident and health claims and claim adjustment expenses		(3,805)	(3,671)
Increase in long-term traditional insurance contracts liabilities		(37,493)	(32,939)
Interest credited to long-term investment type insurance contracts		(5,683)	(4,194)
Interest credited to investment contracts		(613)	(714)
Increase in deferred income		(12,091)	(14,463)
Policyholder dividends resulting from participation in profits		(8,875)	(1,922)
Amortisation of deferred policy acquisition costs		(9,759)	(6,757)
Underwriting and policy acquisition costs		(1,894)	(1,803)
Administrative expenses		(6,273)	(5,026)
Other operating expenses		(486)	(1,409)
Statutory insurance fund		(129)	(185)
Total benefits, claims and expenses		(97,399)	(83,103)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Note	Unaudited For the six months ended 30 June	
		2009 RMB million	2008 RMB million
Share of results of associates		404	707
Net profit before income tax expenses	4	23,428	16,888
Income tax expenses	5	(5,140)	(918)
Net profit		18,288	15,970
Attributable to:			
shareholders of the Company		18,226	15,838
minority interest		62	132
Basic and diluted earnings per share	6	RMB 0.64	RMB 0.56
Dividends approved and declared during the period	7	6,501	11,871
Other comprehensive income/(loss)			
Available-for-sale financial assets			
Arising from available-for-sale securities during the period		28,655	(76,955)
Reclassification adjustment for gains included in profit or loss		(12,242)	(2,403)
Impact from available-for-sale securities on other assets and liabilities		(3,238)	22,367
Share of other comprehensive income of associates		(53)	(49)
Others			9
Income tax relating to components of other comprehensive income/(loss)		(3,293)	14,247
Other comprehensive income/(loss) for the period, net of tax		9,829	(42,784)
Total comprehensive income/(loss) for the period		28,117	(26,814)
Attributable to:			
shareholders of the Company		28,048	(26,891)
minority interest		69	77

Notes:

1 NET INVESTMENT INCOME

	For the six months ended 30 June	
	2009 <i>RMB million</i>	2008 <i>RMB million</i>
Debt securities	11,713	10,464