

Hong Kong

**ADD** (no change)

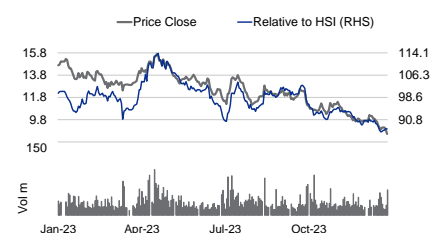
Consensus ratings\*: Buy 23 Hold 2 Sell 2

Current price:	HK\$8.52
Target price:	HK\$12.40
Previous target:	HK\$15.60
Up/downside:	45.5%
CGS-CIMB / Consensus:	-20.7%
Reuters:	2628.HK
Bloomberg:	2628 HK
Market cap:	US\$82,798m
	HK\$647,877m
Average daily turnover:	US\$35.81m
	HK\$279.8m
Current shares o/s:	28,265m
Free float:	29.0%

\*Source: Bloomberg

**Key changes in this note**

- FY23F EPS cut by 26.9%.
- FY24F EPS cut by 22.9%.
- FY25F EPS cut by 23.6%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-13.9	-31.2	-40.9
Relative (%)	-4.9	-17.1	-11.7

Major shareholders	% held
China Life Insurance Group	68.4

# China Life Insurance

## Model adjustment

- We adjust our models to reflect 2023's movements in the equity and bonds markets, as well as recent premium growth trends.
- Our FY23F EPS is cut by 27%, while our FY24F and FY25F EPS are cut by 23% and 24% respectively.
- Our forecasts are based on the new accounting standards of IFRS 17 and 9. Our new weighted P/EV & P/BV GGM-based TP is cut to HK\$12.40.

### Incorporating 2023's investment markets and premium trends

We adjust our models to reflect 2023's movements in the equity and bonds markets, as well as recent premium growth trends. As a result, our FY23F EPS is cut by 27%, while our FY24F and FY25F EPS are cut by 23% and 24% respectively (Fig 1). These EPS forecasts are based on the new accounting standards of International Financial Reporting Standards (IFRS) 17 and 9. For 4Q23F, we expect a net loss of Rmb3.3bn versus 3Q23's Rmb0.6bn. Our FY23F, FY24F and FY25F new business growth forecasts are 12.5%, 10.1% and 11.2% respectively.

### Maintain Add rating; TP cut to HK\$12.40

Our weighted P/EV & P/BV GGM-based TP is cut to HK\$12.40, from HK\$15.60, in part due to lower FY23F – 25F EPS estimates and in part due to a higher cost of equity assumption to reflect a more uncertain macroeconomic outlook (Fig 2). We reiterate our Add rating on attractive P/EV valuations as it trades more than 1 s.d. below its post-2010 P/EV mean, as well as our view of a strong 2024 jump-start sales campaign. Potential re-rating catalysts: stronger NBV growth and better investment income should investment markets stabilise. Downside risks are falling agent numbers, lower bond yields, investment asset risk and greater regulatory risk.

**Analyst(s)**



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**Financial Summary**

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Gross Premium (Rmbm)	618,327	615,190	179,285	184,663	192,050
Investment And Other Income (Rmbm)	203,674	187,180	113,079	142,854	163,184
Net Premium (Rmbm)	618,327	615,190	179,285	184,663	192,050
Net Profit (Rmbm)	50,766	32,082	32,272	43,513	45,720
Normalised EPS (Rmb)	1.80	1.14	1.14	1.54	1.62
Normalised EPS Growth	1.4%	(36.8%)	0.6%	34.8%	5.1%
FD Normalised P/E (x)	4.36	6.90	6.86	5.09	4.84
P/NB (x)	(21.92)	(28.03)	(27.68)	(27.87)	(27.86)
DPS (Rmb)	0.65	0.49	0.49	0.49	0.52
Dividend Yield	8.30%	6.25%	6.27%	6.29%	6.61%
P/EV (x)	0.18	0.18	0.16	0.15	0.14
P/BV (x)	0.46	0.51	0.47	0.44	0.41
ROE	10.9%	7.0%	7.1%	8.9%	8.8%
% Change In Normalised EPS Estimates			(26.9%)	(22.9%)	(23.6%)
Normalised EPS/consensus EPS (x)			1.04	0.89	0.86

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Model adjustment

### Changes to our forecasts

We cut our FY23F-25F EPS forecasts by 22.9-26.9% primarily due to weaker-than-expected investment income (Fig 1). These EPS forecasts are based on the new accounting standards of International Financial Reporting Standards (IFRS) 17 and 9. For 4Q23F, we expect a net loss of Rmb3.3bn versus 3Q23's Rmb0.6bn. Our FY23F, FY24F and FY25F new business growth (NBV) forecasts are 12.5%, 10.1% and 11.2% respectively.

Figure 1: Key changes to estimates

(Rmb m)	FY23F			FY24F			FY25F		
	Old	New	% change	Old	New	% change	Old	New	% change
<b>Profit &amp; loss</b>									
Total Revenue	776,701	298,165	-61.6%	910,765	333,492	-63.4%	993,480	361,387	-63.6%
Total benefits, claims and expenses	-738,379	-278,663	-62.3%	-856,913	-295,099	-65.6%	-936,520	-321,041	-65.7%
Share of P/L from associates	499	7,930	1490.6%	523	8,326	1490.6%	550	8,742	1490.6%
Income tax	7,295	5,486	-24.8%	4,606	-2,336	-150.7%	5,023	-2,454	-148.9%
Minority interests (or non-controlling interests)	-1,970	645	-132.8%	-2,520	870	-134.5%	-2,672	914	-134.2%
Net profit	44,145	32,272	-26.9%	56,461	43,513	-22.9%	59,860	45,720	-23.6%
EPS (Rmb)	1.56	1.14	-26.9%	2.00	1.54	-22.9%	2.12	1.62	-23.6%
DPS (Rmb)	0.49	0.46	-7.1%	0.53	0.54	0.8%	0.57	0.57	-0.1%
BVPS (Rmb)	16.50	16.77	1.6%	17.96	17.85	-0.6%	19.52	18.93	-3.0%
EVPS (Rmb)	44.31	47.51	7.2%	50.07	51.85	3.5%	56.83	56.72	-0.2%
<b>Key balance sheet items</b>									
Total investment assets	5,849,688	5,494,400	-6.1%	6,746,892	6,043,840	-10.4%	7,771,358	6,648,224	-14.5%
Total assets	6,052,052	5,617,337	-7.2%	6,965,730	6,172,924	-11.4%	8,007,843	6,783,762	-15.3%
Total shareholders' equity excl. minorities	466,415	474,056	1.6%	507,766	504,661	-0.6%	551,606	535,151	-3.0%
<b>Key EV and NBV metrics</b>									
NBV	40,519	40,522	0%	45,981	44,600	-3%	51,198	49,612	-3%
NBV growth	12.5%	12.5%	0.0% pts	13.5%	10.1%	-3.4% pts	11.3%	11.2%	-0.1% pts
Life embedded value	1,252,400	1,342,902	7%	1,415,295	1,465,447	4%	1,606,182	1,603,183	0%
Life ROEV	2.9%	10.3%	7.4% pts	14.1%	10.1%	-4.0% pts	14.6%	10.4%	-4.1% pts
ROE	9.8%	7.7%	-2.1% pts	11.6%	8.9%	-2.7% pts	11.3%	8.8%	-2.5% pts
NBV margin	33%	34%	1.3% pts	33%	34%	0.9% pts	34%	35%	0.9% pts
First year premiums (APE weighted)	123,913	119,063	-4%	138,130	130,395	-6%	151,527	142,904	-6%
<b>Other key metrics</b>									
Gross written premiums (GWP)	647,216	624,756	-3%	675,123	644,389	-5%	716,825	678,123	-5%
GWP growth	5%	2%	-3.7% pts	4%	3%	-1.2% pts	6%	5%	-0.9% pts
FYP (APE) growth	18%	13%	-4.6% pts	11%	10%	-2.0% pts	10%	10%	-0.1% pts
Net investment yield	3%	2%	-0.3% pts	4%	3%	-1.1% pts	4%	3%	-1.0% pts
Effective tax rate	-19%	-20%	-1.2% pts	-8%	5%	13.5% pts	-9%	5%	13.7% pts
Dividend payout ratio	31%	40%	8.5% pts	27%	35%	8.2% pts	27%	35%	8.2% pts

SOURCES: CGS-CIMB RESEARCH ESTIMATES

### Valuation and risks

We cut our target price to HK\$12.40, from HK\$15.60, due to lower FY23F-25F EPS as well as a higher cost of equity assumptions to reflect a more uncertain macroeconomic outlook.

We value China Life using a weighted P/EV and P/BV Gordon Growth Model (GGM) methodology. We assume a beta of 1.45 (previously 1.25), which results in a cost of equity of 14.6% (previously 13%), and a terminal growth rate of 5% (unchanged).

We assign a 67% weighting for the P/BV valuation and a 33% weighting for the P/EV valuation (unchanged). These reflect our assumption that investors have been losing faith in the embedded value valuation methodology over time and

might be more comfortable with a book value valuation methodology, based on our discussions with investors over the past 18 years.

We project a sustainable return on embedded value (ROEV) of 9.7% (previously 9.9%) and a sustainable ROE of 8.5% (previously 10.1%) for China Life.

Our FY24F (previously FY23F) embedded value per share (EVPS) forecast is Rmb51.82 (previously Rmb44.31), while our FY24F (previously FY23F) BVPS is Rmb17.85 (previously Rmb16.50).

As a result, our target price is HK\$12.40 (previously HK\$15.60) once we convert it at an Rmb/HK\$ exchange rate of 1.15 (unchanged), which implies a 46% potential upside to China Life's share price as of 17 Jan 2024 (Fig 2). Therefore, we reiterate our Add rating, given our view of strong demand for savings insurance products over FY23F-25F.

**Figure 2: Changes to our key valuation assumptions for China Life**

	New	Old	% change
Equity risk premiums (ERP)	8.0%	8.0%	0.0% pts
Risk free rate	3.0%	3.0%	0.0% pts
Beta	1.45	1.25	16%
Cost of equity (COE)	14.6%	13.0%	1.6% pts
Terminal growth rate	5.0%	5.0%	0.0% pts
Sustainable ROEV	9.7%	9.9%	-0.2% pts
Target P/EV	0.5x	0.6x	-19%
FY24F EVPS (Rmb)	51.81	44.31	17%
i.e. FY24F EVPS (HK\$)	59.58	50.96	17%
Rmb/HK\$ exchange rate	1.15	1.15	0%
Hence target price (HK\$) if 100% weighting to a P/EV GGM approach	29.17	30.93	-6%
Sustainable ROE	8.5%	10.1%	-1.7% pts
Target P/BV	0.4x	0.6x	-44%
FY24F BVPS (Rmb)	17.82	16.50	-7%
i.e. FY24F BVPS (HK\$)	20.49	18.98	8%
Hence target price (HK\$) if 100% weighting to a P/BV GGM approach	7.39	12.15	-39%
Weighting applied to P/EV based approach	33%	33%	0.0% pts
Weighting applied to P/BV based approach	67%	67%	0.0% pts
Conglomerate discount	15%	15%	0.0% pts
Final target price (HK\$)	12.40	15.60	-20.5%
Current share price (HK\$)	8.52		
Upside/ downside	46%		

SOURCES: CGS-CIMB RESEARCH ESTIMATES  
DATA AS OF 17 JAN 2024

We see potential re-rating catalysts from an acceleration in premium growth as well as any rebound in the A-share market, which can benefit investment income. Key downside risks are intensifying competition (especially within the savings insurance and critical illness insurance segments) and a prolonged period of falling bond yields, which could hurt the long-term profitability of the saving insurance products sold.

**Figure 3: Sector comparison (Share prices as of 17 Jan 2024)**

Ticker	Rec	Market Cap (US\$bn)	Price (Lcy)	Target Price (Lcy)	+/- (%)	P/EV (x)		VONB multiple (x)		P/BV (x)		Group ROEV (%)		ROE (%)		P/E (x)		Dividend yield (%)		
						FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F
China Life	2628 HK	Add	98.05	8.52	12.40	46%	0.17x	0.15x	-27.5x	-27.7x	0.5x	0.5x	10.3x	10.1x	7.7x	8.9x	7.0x	5.2x	6.1	6.1
Ping An	2318 HK	Add	96.17	30.10	80.00	166%	0.33x	0.30x	-32.4x	-32.7x	0.5x	0.4x	14.1x	12.5x	17.1x	17.3x	3.1x	2.6x	9.5	10.6
CPIC	2601 HK	Add	28.74	13.64	32.10	135%	0.22x	0.20x	-42.1x	-42.3x	0.5x	0.5x	12.0x	10.3x	11.6x	11.4x	4.1x	3.9x	9.2	10.7
NCI	1336 HK	Hold	11.24	13.44	20.70	54%	0.14x	0.14x	-82.1x	-78.6x	0.4x	0.3x	8.9x	7.7x	12.0x	13.8x	3.1x	2.4x	11.1	14.0
PICC P&C	2328 HK	Add	26.37	9.39	10.20	9%	n.a.	n.a.	n.a.	n.a.	0.9x	0.8x	n.a.	n.a.	13.3x	12.5x	6.7x	6.6x	6.0	6.1
AIA	1299 HK	Add	97.97	59.60	91.00	53%	1.30x	1.21x	4.8x	2.8x	2.5x	2.3x	7.2x	12.7x	9.8x	19.9x	24.6x	11.8x	2.6	2.7
Pru	2378 HK	Add	29.49	78.00	114.00	46%	0.61x	0.54x	-6.0x	-6.3x	1.5x	1.4x	10.5x	13.9x	7.8x	11.7x	20.1x	12.5x	1.4	1.3
Manulife	945 HK	NR	35.13	163.50	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.3x	1.1x	n.a.	n.a.	14.2x	14.6x	8.7x	8.1x	5.1	5.5
HK-listed weighted average							0.56x	0.51x	-21.2x	-21.8x	1.1x	1.0x	10.6x	11.7x	11.7x	14.8x	10.4x	6.2x	6.5	7.0
HK-listed weighted average ex AIA, Pru and Manulife							0.24x	0.22x	-33.9x	-34.0x	0.5x	0.5x	12.0x	11.0x	12.4x	12.8x	5.0x	4.1x	7.9	8.6

CPIC: China Pacific Insurance Company; NCI: New China Life Insurance; PICC P&C: PICC (The People's Insurance Company of China) Property & Casualty; Pru: Prudential plc  
SOURCES: CGS-CIMB RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS



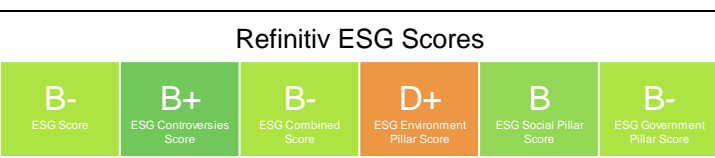
Note that we use Bloomberg consensus data to compute valuation multiples for Manulife as we do not cover the stock

**Figure 4: Key financial data (under the new accounting standards applied since the start of 2023)**

<b>(Rmb m)</b>	<b>FY23F</b>	<b>FY24F</b>	<b>FY25F</b>
<b><u>Profit &amp; Loss</u></b>			
Insurance revenue	179,285	184,663	192,050
Investment return	113,079	142,854	163,184
Total revenue	298,165	333,492	361,387
Insurance service expenses	(129,085)	(132,958)	(138,276)
Net finance income expenses	(124,387)	(135,712)	(155,025)
Total expenses	(278,663)	(295,099)	(321,041)
Share of P/L from associates	7,930	8,326	8,742
Net profit/(loss) before tax	27,432	46,720	49,089
Income tax	5,486	(2,336)	(2,454)
Net profit after tax	32,918	44,384	46,634
Minority interests	645	870	914
Net profit attributable to ordinary shareholders	32,272	43,513	45,720
EPS (Rmb)	1.14	1.54	1.62
DPS (Rmb)	0.46	0.54	0.57
BVPS (Rmb)	16.77	17.85	18.93
EVPS (Rmb)	47.51	51.85	56.72
<b><u>Key balance sheet items</u></b>			
Total investment assets	5,494,400	6,043,840	6,648,224
Total assets	5,617,337	6,172,924	6,783,762
Total shareholders' equity excl. minorities	474,056	504,661	535,151
<b><u>Key EV and NBV metrics</u></b>			
NBV	40,522	44,600	49,612
NBV growth	12.5%	10.1%	11.2%
Life embedded value	1,342,902	1,465,447	1,603,183
Life ROEV	10.3%	10.1%	10.4%
ROE	7.7%	8.9%	8.8%
NBV margin	34.0%	34.2%	34.7%
<b><u>Other key metrics</u></b>			
Investment return yield	2.4%	2.6%	2.7%
The ratio of insurance service expenses to insurance revenue	11%	10%	10%
The ratio of insurance finance expenses to investment income	110%	95%	95%
Effective tax rate	-20%	5%	5%
Dividend payout ratio	40%	35%	35%
Growth in insurance revenue	n.a.	3%	4%
Growth in net profit attributable to ordinary shareholders	n.a.	35%	5%

SOURCES: CGS-CIMB RESEARCH ESTIMATES

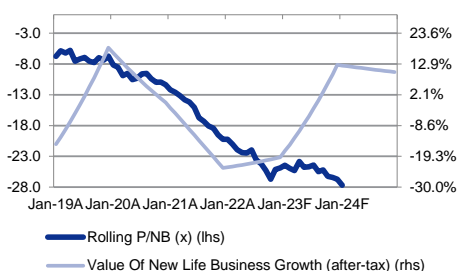
NOTE THAT CHINA LIFE HAS NOT DISCLOSED HISTORICAL NUMBERS UNDER THE NEW ACCOUNTING STANDARDS OF IFRS 17 AND IFRS 9

  	
<p>China Life was given a B- rating for its combined ESG score by Refinitiv in 2022. China Life has actively supported green finance, improved the green investment and management system, runs a low carbon operation and integrated energy conservation and emissions reduction into daily operation and business development. As of 31 Dec 2021, China Life's accumulative green investment surpassed Rmb300bn and contributed to the national objective of peaking carbon dioxide emission by 2030 and realising carbon neutrality by 2060. To promote a digital workplace and paperless services, the application rate of online paperless insurance for individual long-term insurance was 99.9%, saving about 3,557 tons of paper. China Life is also committed to poverty alleviation, having established a comprehensive investment and financing mechanism, a financial and insurance product system for poverty alleviation, and a model of "poverty alleviation through insurance" in order to fight poverty and work on its rural revitalisation strategy. As of 31 Dec 2021, the company's poverty prevention products covered 9.68m people, with insurance coverage of Rmb0.92tr.</p>	
<p><b>Keep your eye on</b></p> <p>Climate change risk forms part of China Life's overall insurance risk profile given climate change's role in increasing the frequency and intensity of certain diseases and the health and mortality impact arising from natural disasters.</p>	<p><b>Implications</b></p> <p>There has not been much detail on how China Life manages the risks from climate change. However, we expect the company to disclose more information on this in the future, including about how it is going to price in the risks from climate change in the calculation of premium rates for its insurance products.</p>
<p><b>ESG highlights</b></p> <p>China Life's B- ESG rating falls in the middle among ESG scores of its peers, driven by its incorporation of ESG into its strategy, investment decisions and operations.</p>	<p><b>Implications</b></p> <p>China Life has been increasingly committed to ESG issues over the past few years. While not priced into valuations at the current stage, we believe China Life's ESG progress will support re-rating cycles.</p>
<p><b>Trends</b></p> <p>China Life's ESG score decreased to B- in 2022 from B+ in 2021. The Environmental pillar fell from B+ in 2020 to D+ in 2022 and the Social pillar score decreased from A- in 2020, B+ in 2021 to C- in 2022. The Governance pillar score fell from A- in 2021 to B- in 2022. The company's ESG Controversies score was B+ in 2022, up from B in 2021.</p>	<p><b>Implications</b></p> <p>We believe China Life's trend could be stable over the next two years. The key driver would be the company's climate change risk disclosure.</p>

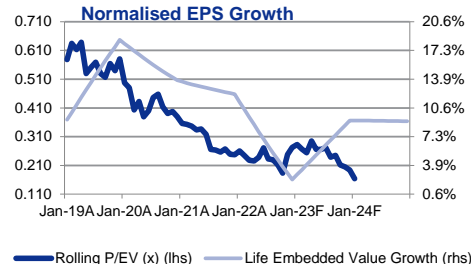
SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS

**P/NB vs NB Growth**



**12-mth Fwd FD Normalised P/E vs FD Normalised EPS Growth**



### Profit & Loss

(Rmbm)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Revenue	611,251	607,825	179,285	184,663	192,050
Total Claims and Changes in Reserves	(645,265)	(652,663)	(197,308)	(204,350)	(214,488)
Acq. Costs/Other Underwriting Exp.					
Total Underwriting Result	(173,670)	(173,000)	(99,378)	(110,435)	(128,991)
Investment Income on Tech Reserve	0	0	0	0	0
Insurance Profit / (Loss)	(173,670)	(173,000)	(99,378)	(110,435)	(128,991)
Total Other Technical Income	213,682	196,563	118,880	148,829	169,337
<b>Total Other Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Operating Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other Technical Income / (Loss)					
<b>Depreciation And Amortisation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating Profit</b>	<b>40,012</b>	<b>23,563</b>	<b>19,502</b>	<b>38,394</b>	<b>40,347</b>
Pretax Income/(Loss) from Assoc.	10,328	484	7,930	8,326	8,742
Post-Tax Oper. Earnings - Life/Other Biz					
Head Office Costs					
<b>Non-Operating Income/(Expense)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Interest Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Investment Income on Shareholders Fund					
Other Income					
Exceptional Items					
<b>Pre-tax Profit</b>	<b>50,340</b>	<b>24,047</b>	<b>27,432</b>	<b>46,720</b>	<b>49,089</b>
Taxation	1,917	9,467	5,486	(2,336)	(2,454)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>52,257</b>	<b>33,514</b>	<b>32,918</b>	<b>44,384</b>	<b>46,634</b>
Minority Interests	(1,491)	(1,432)	(645)	(870)	(914)
Preferred Dividends					
Special Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>50,766</b>	<b>32,082</b>	<b>32,272</b>	<b>43,513</b>	<b>45,720</b>

### Operating Ratios

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Premium Retention Ratio (life & Health)	100.0%	100.0%	100.0%	100.0%	100.0%
Benefits Ratio (life & Health)	(101%)	(104%)	(103%)	(103%)	(103%)
Acquisition Expense Ratio (life & Health)	10.6%	8.9%	19.4%	21.0%	23.7%
Admin Expense Ratio (life & Health)	6.6%	6.5%	14.1%	15.3%	17.3%
Total Expense Ratio (life & Health)	22.6%	20.8%	45.4%	49.1%	55.5%
Policyholder Dividends Ratio (life & Health)	4.29%	3.36%	7.32%	7.93%	8.95%
Combined Underwriting Ratio (life & Health)	(74.4%)	(79.8%)	(50.0%)	(45.7%)	(38.3%)
Underwriting Profit Margin (life & Health)	(28.4%)	(28.5%)	(55.4%)	(59.8%)	(67.2%)
Operating Profit Margin (life & Health)	6.5%	3.9%	10.9%	20.8%	21.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(Rmbm)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Fixed Assets	55,632	54,559	54,821	57,562	60,440
Intangible Assets	0	0	0	0	0
Other Long Term Assets	4,702,413	4,995,877	5,306,263	5,833,558	6,413,415
<b>Total Non-current Assets</b>	<b>4,758,045</b>	<b>5,050,436</b>	<b>5,361,084</b>	<b>5,891,120</b>	<b>6,473,855</b>
Total Cash And Equivalents	62,977	129,404	199,137	219,050	240,955
Trade Debtors	20,361	19,697	55,642	61,206	67,327
Other Current Assets	51,097	52,451	1,474	1,548	1,625
<b>Total Current Assets</b>	<b>134,435</b>	<b>201,552</b>	<b>256,253</b>	<b>281,804</b>	<b>309,907</b>
Creditors - Direct & Reinsurance Business					
Provision For Claims Outstanding					
Other Current Liabilities	299,928	213,359	156,991	174,381	193,527
<b>Total Current Liabilities</b>	<b>299,928</b>	<b>213,359</b>	<b>156,991</b>	<b>174,381</b>	<b>193,527</b>
Total Long-term Debt	19,222	12,774	12,774	12,774	12,774
Hybrid Debt - Debt Component					
Other Liabilities	617,598	649,744	182,856	201,587	222,210
<b>Total Non-current Liabilities</b>	<b>636,820</b>	<b>662,518</b>	<b>195,630</b>	<b>214,361</b>	<b>234,984</b>
<b>Total Technical &amp; Other Provisions</b>	<b>3,468,598</b>	<b>3,930,990</b>	<b>4,781,708</b>	<b>5,271,536</b>	<b>5,810,811</b>
<b>Total Liabilities</b>	<b>4,405,346</b>	<b>4,806,867</b>	<b>5,134,328</b>	<b>5,660,279</b>	<b>6,239,321</b>
Shareholders' Equity	479,061	436,169	474,056	503,693	535,488
Minority Interests	8,073	8,952	8,952	8,952	8,952
<b>Total Equity</b>	<b>487,134</b>	<b>445,121</b>	<b>483,008</b>	<b>512,645</b>	<b>544,440</b>
Life Embedded Value	1,203,008	1,230,519	1,342,902	1,464,479	1,603,480

### Key Ratios

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Net Premium Growth	1.0%	(0.5%)	(70.9%)	3.0%	4.0%
Operating Profit Growth (Life & Health)	(14.5%)	(41.1%)	(17.2%)	96.9%	5.1%
Value Of New Life Business Growth (after-tax)	(23.3%)	(19.6%)	12.5%	10.1%	11.2%
Life Embedded Value Growth	12.2%	2.3%	9.1%	9.1%	9.5%
Pre-tax Margin	8.2%	4.0%	15.3%	25.3%	25.6%
Net Profit Margin	8.3%	5.3%	18.0%	23.6%	23.8%
Effective Tax Rate	0.00%	0.00%	0.00%	5.00%	5.00%
Net Dividend Payout Ratio	36.2%	43.2%	43.0%	32.0%	32.0%
Return On Average Assets	1.14%	0.66%	0.61%	0.75%	0.72%
Net Gearing	(10.1%)	(36.5%)	(64.8%)	(69.4%)	(74.3%)
Financial Leverage	9.84	11.08	11.94	12.06	12.47
Equity / Assets	9.79%	8.30%	8.44%	8.16%	7.89%

### Key Drivers

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Total GWP	0.0	(0.0)	0.0	0.0	0.1
Total FYP	(0.1)	0.1	0.1	0.1	0.1
Total renewal business	0.1	(0.0)	(0.0)	0.0	0.0
Total short-term insurance business	(0.0)	(0.0)	0.0	0.0	0.0
Effective tax rate	(0.0)	(0.4)	(0.2)	0.1	0.1
Investment assets growth	0.2	0.1	0.1	0.1	0.1
Dividend payout ratio	0.4	0.4	0.4	0.3	0.3

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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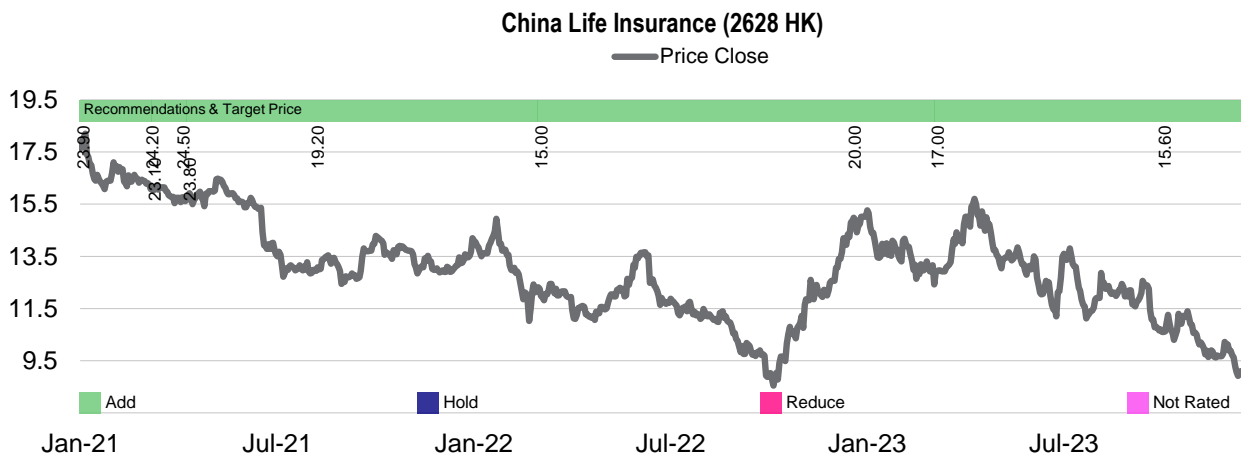
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2023		
636 companies under coverage for quarter ended on 31 December 2023		
	Rating Distribution (%)	Investment Banking clients (%)
Add	67.5%	1.3%
Hold	22.5%	0.0%
Reduce	10.1%	0.2%

**Spitzer Chart for stock being researched ( 2 year data )**



<b>Recommendation Framework</b>	
<b>Stock Ratings</b>	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
<b>Sector Ratings</b>	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
<b>Country Ratings</b>	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.