

ACE LIFE INSURANCE COMPANY LIMITED

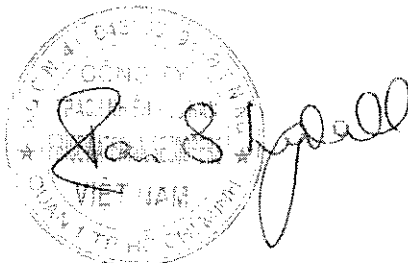
**OPERATIONAL STATUS OF UNIVERSAL LIFE FUND
FOR THE YEAR ENDED 31 DECEMBER 2009**

**AUDITOR'S REPORT TO BOARD OF MANAGEMENT AND DIRECTORS
OF ACE LIFE INSURANCE COMPANY LIMITED**

We have audited the accompanying operational status of Universal Life Fund of ACE Life Insurance Company Limited ("the Company") for the year ended 31 December 2009. The operational status of Universal Life Fund is the responsibility of the Company's management. Our responsibility is to express an opinion on the operational status based on our audit.

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we have to plan and perform the audit to obtain reasonable assurance about whether the operational status of the Universal Life Fund is free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the operational status of Universal Life Fund. We believe that our audit provides a reasonable basis for our audit opinion.

In our opinion, the operational status of Universal Life Fund of ACE Life Insurance Company Limited for the year ended 31 December 2009 has been prepared, in all material respects, in accordance with the guidelines (Article 15.2) of the Decision No. 96/2007/QD/BTC issued by the Ministry of Finance dated 23 November 2007.



Ian S. Lydall
AC No. N.0559/KTV
General Director



Le Van Hoa
AC No. 0248/KTV

PricewaterhouseCoopers (Vietnam) Limited
Ho Chi Minh City, SR Vietnam
Audit report number HCM2451
31 March 2010

ACE Life Insurance Company Limited
Operational Status of Universal Life Fund
For the year ended 31 December 2009

A - SUMMARY OF OPERATIONAL STATUS OF UNIVERSAL LIFE FUND

I. PREMIUMS AND VALUE OF UNIVERSAL LIFE FUND DURING THE YEAR

	(Million VND)
Total premium paid in the year	473,772
Amount of premiums allocated to cost of insurance	59,398
Related fees:	
- Initial fee	228,591
- Management fee	14,594
Total premiums invested in Universal Life Fund	171,189
Value of Universal Life Fund at the beginning of year	149,707
Value of Universal Life Fund at the end of year	337,293
Investment rate of Universal Life Fund	10.00%

II. REPORT ON STATUS OF ASSETS OF THE UNIVERSAL LIFE FUND

Assets	(Million VND)		
	Value at beginning of year	Changes during the year	Value at end of year
- Cash	573	9,927	10,500
- Investment portfolio	144,114	164,209	308,323
+ Fixed deposits	67,217	(67,217)	-
+ Government bonds	48,164	156,631	204,795
- Term 5 years	3,000	138,331	141,331
- Term 10 years	20,000	-	20,000
- Term 15 years	25,164	18,300	43,464
+ Corporate bonds	28,733	74,795	103,528
- Term 3 years	-	29,411	29,411
- Term 5 years	28,733	45,384	74,117
- Other assets	5,020	13,450	18,470
Total assets	149,707	187,586	337,293

III. REPORT ON INCOME AND EXPENSES OF THE UNIVERSAL LIFE FUND

Item	(Million VND)			
	2006	2007	2008	2009
Income:				
+ Interest on current bank accounts	10	40	22	1
+ Interest on fixed deposits	4	655	2,772	4,935
+ Interest on Government bonds	246	1,065	3,972	10,698
+ Interest on Corporate bonds	-	287	2,524	5,130
Total income	260	2,047	9,290	20,764
Expenses:				
Total expenses	-	-	-	-
Difference between income and expenses	260	2,047	9,290	20,764
Income paid to policyholders	162	1,501	7,477	17,814
Actual investment rate	7.6%	8.3%	11.00%	10.00%
Actual investment rate paid to policyholders:				
For regular Universal Life policies	6.5%	6.5%	9.15%	8.25%
For single Universal Life policies	-	-	9.40%	8.50%

ACE Life Insurance Company Limited
Operational Status of Universal Life Fund
For the year ended 31 December 2009

B - NOTE

1. When participating in the Universal Life Insurance product (under the Group of Universal Life Insurance), the premium to be submitted, after deducting allowed expenses, will be transferred to a fund, named Universal Life Fund. This fund is controlled and invested for profits by ACE Life under the investment policies that are presented to their policyholders' right when they agree to buy insurances.
2. The investment objectives are to maximise and stabilize the income from long-term investments. ACE Life has invested in a list of sources which can bring in a foreseeable stable income under a reasonable level in a medium and long-term future, including debt instruments (mainly such as bonds, long term deposits, and other instruments which can generate fixed income) issued by financial institutions, or corporate organisations operating in Vietnam in accordance with current laws and regulations.
3. Since Universal Life Fund came into operation in March 2006, ACE Life has always paid its customers, who have regular Universal Life policies with the company, above the commitment of 4% per annum which is stated in the insurance policies, in particular:

<i>Duration</i>	<i>Credit rates (% p.a.)</i>	
	<i>Range</i>	<i>Average</i>
March 2006 to 31 December 2007	6.50%	6.50%
January 2008 to 31 December 2008	6.80% – 11.50%	9.15%
January 2009 to 31 December 2009	7.50% – 11.00%	8.25%
January 2010 to present	8.00% – 8.30%	8.14%

From January 2008, ACE Life has distributed single Universal Life products, which have a guaranteed credit rate of 5% per annum for the first 10 years and 4% per annum for the remaining in-force years, to the market. For customers of single Universal Life products, the credit rates are always 0.25% per annum higher than the regular Universal Life product credit rates in the same period.

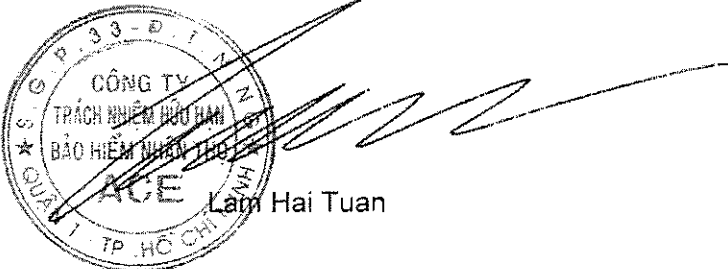
With realistic status and prospects of Vietnamese economy in a long term future, ACE Life expressed their confidence that the investment results could exceed their commitments with its customers.

Chief Financial Officer

Ho Chi Minh City, 31 March 2010
 General Director



Nguyen Hong Son



Lam Hai Tuan