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## **China Reinsurance (Group) Corporation**

### **中國再保險(集團)股份有限公司**

*(A joint stock limited liability company incorporated in the People's Republic of China)*  
**(Stock Code:1508)**

#### **ANNOUNCEMENT**

#### **THE UNAUDITED FINANCIAL DATA AND**

#### **SOLVENCY REPORT OF CHINA RE P&C FOR THE**

#### **NINE MONTHS ENDED 30 SEPTEMBER 2018**

This announcement is made by China Reinsurance (Group) Corporation (the “**Company**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the voluntary announcement of the Company dated 17 August 2018 in relation to the completion of the issuance of the capital supplementary bonds of China Property and Casualty Reinsurance Company Ltd. (“**China Re P&C**”), a subsidiary of the Company. China Re P&C has successfully issued the capital supplementary bonds with a total principal amount of RMB4 billion publicly in the National Interbank Bond Market. In accordance with the relevant regulations, within the duration of the capital supplementary bonds, China Re P&C needs to disclose its financial data and solvency report at the websites of China Money ([www.chinamoney.com.cn](http://www.chinamoney.com.cn)) and China Bond ([www.chinabond.com.cn](http://www.chinabond.com.cn)) on a quarterly basis. For details of the solvency report, please refer to the Solvency Report of China Property and Casualty Reinsurance Company Ltd. for the Third Quarter of 2018 disclosed at the above websites by China Re P&C and the announcement of the Company in relation to the main indicators of solvency at the end of the third quarter in 2018 published at the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinare.com.cn](http://www.chinare.com.cn)) on 30 October 2018.

The below unaudited financial data for the nine months ended 30 September 2018 prepared by China Re P&C in accordance with the PRC Accounting Standards for Business Enterprises will also be disclosed:

# STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	(RMB)	
Assets	Balance at the end of the period (Unaudited)	Balance at the beginning of the year (Audited)
Assets:		
Cash and short-term time deposits	1,362,475,210.48	908,985,291.28
Capital lent	—	—
Held for trading financial assets	629,489,928.33	358,989,102.71
Derivative financial assets	—	—
Financial assets held under resale agreements	299,000,000.00	238,100,000.00
Interest receivables	743,908,992.73	599,667,651.90
Premiums receivable	—	—
Subrogation receivables	—	—
Reinsurance debtors	14,098,794,271.48	11,887,751,741.82
Unearned premium reserves receivable from reinsurers	347,098,376.35	253,408,122.72
Claim reserves receivable from reinsurers	681,074,994.35	1,000,822,353.76
Reserves for life insurance receivables from reinsurers	—	—
Reserves for long-term health insurance receivables from reinsurers	—	—
Loans	9,373,700,746.94	8,507,383,825.51
Of which: Policy loans	—	—
Debt investment schemes	9,373,700,746.94	8,507,383,825.51
Time deposits	81,089,109.68	195,837,151.36
Available-for-sale financial assets	18,127,365,355.89	20,064,625,242.58
Held-to-maturity investments	10,088,172,128.55	6,452,750,966.02
Long-term equity investment	792,352,193.62	810,849,895.61
Statutory deposits	2,300,000,000.00	2,300,000,000.00
Investment properties	754,641,897.77	748,500,184.77
Fixed assets	5,940,449.47	6,037,376.47
Intangible assets	24,365,622.67	28,502,187.27
Separate account assets	—	—
Deferred tax assets	1,087,544,623.59	940,535,972.60
Goodwill	—	—
Other assets	3,492,842,900.94	971,033,988.71
Of which: Other receivables	2,923,646,885.36	226,817,659.94
Reinsurance deposits	545,645,896.64	482,871,876.52
<b>Total assets</b>	<b><u>64,289,856,802.84</u></b>	<b><u>56,273,781,055.09</u></b>

	(RMB)	
<b>Liabilities and owners' equity (or shareholders' equity)</b>	<b>Balance at the end of the period (Unaudited)</b>	<b>Balance at the beginning of the year (Audited)</b>
Liabilities:		
Short-term borrowings	—	—
Capital borrowed	—	—
Held for trading financial liabilities	—	—
Derivative financial liabilities	—	—
Securities sold under agreements to repurchase	4,107,404,000.00	2,839,000,000.00
Premiums received in advance	—	—
Handling charges and commissions payable	—	—
Reinsurance payables	7,144,661,570.63	7,033,352,778.02
Salaries payable	132,791,357.11	152,285,454.24
Taxes payable	42,426,256.51	147,902,285.15
Claims payable	—	—
Policyholders' dividends payable	—	—
Policyholders' deposits and investments	—	—
Unearned premium reserves	8,368,204,341.67	7,509,518,016.81
Claim reserves	21,126,092,983.18	19,773,770,915.93
Reserves for life insurance	—	—
Reserves for long-term health insurance	—	—
Premium reserves	—	—
Long-term borrowings	—	—
Bonds payable	3,998,495,580.25	—
Separate account liabilities	—	—
Deferred tax liabilities	—	—
Other liabilities	825,075,964.53	786,705,673.66
Of which: Other payables	372,603,614.90	476,241,884.96
Insurance guarantee fund	—	—
Reinsurance funds withheld	132,499,902.64	308,668,099.62
Capital flows	—	—
<b>Total liabilities</b>	<b>45,745,152,053.88</b>	<b>38,242,535,123.81</b>
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	11,482,250,000.00	11,482,250,000.00
Capital reserves	14,134,796.94	24,166,700.94
Less: Treasury shares	—	—
Other comprehensive income	-106,449,608.56	-80,988,993.49
Surplus reserves	931,145,533.96	931,145,533.96
Generic risk reserves	972,857,428.59	972,857,428.59
Catastrophic risk profit reserves	—	—
Retained profits	5,250,766,598.03	4,701,815,261.28
Total equity attributable to the parent's owners	18,544,704,748.96	18,031,245,931.28
Non-controlling interests	—	—
<b>Total owners' equity (or shareholders' equity)</b>	<b>18,544,704,748.96</b>	<b>18,031,245,931.28</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>64,289,856,802.84</b>	<b>56,273,781,055.09</b>

# INCOME STATEMENT

For the nine months ended 30 September 2018

	Amount for the current period (Unaudited)	Amount for the last period (Unaudited)
		(RMB)
<b>I. Operating income</b>	<b><u>20,341,389,014.63</u></b>	<b><u>18,442,251,298.09</u></b>
Premiums earned	19,191,581,974.37	17,194,467,282.57
Insurance income	20,748,051,767.32	18,243,184,937.37
Of which: Premium income	—	—
Reinsurance premium income	20,748,051,767.32	18,243,184,937.37
Less: Premiums ceded to reinsurers	823,449,175.96	516,648,620.77
Provision for unearned premium reserves	733,020,616.99	532,069,034.03
Investment income	1,203,068,947.17	1,148,832,205.67
Of which: Share of profits of associates and joint ventures	2,529,152.79	24,575,180.93
Interest income	1,160,113,093.71	957,092,307.00
Securities trading gains	-98,575,295.95	24,983,865.63
Dividend income	139,001,996.62	142,180,852.11
Gains/(losses) from changes in fair value	-22,160,124.77	33,278,947.31
Exchange gains/(losses)	-65,040,203.98	10,538,309.73
Other operating income	33,816,671.32	55,134,552.81
Of which: Management fee income	29,783,345.29	51,589,894.42
Rental income	—	—
Asset disposal income	121,750.52	—
Other income	—	—
<b>II. Operating expenses</b>	<b><u>19,388,342,523.78</u></b>	<b><u>18,122,583,725.34</u></b>
Surrenders	—	—
Claims expense	10,075,160,706.39	10,433,842,835.47
Less: Claims recoverable from reinsurers	576,375,523.24	759,625,296.94
Change in insurance contract reserves	1,219,281,253.78	1,028,953,160.39
Of which: Provision for claim reserves	1,219,281,253.78	1,028,953,160.39
Provision for reserves for life insurance	—	—
Provision for long-term reserves for health insurance	—	—
Less: Insurance contract reserves recoverable from reinsurers	-333,278,465.59	-225,045,451.36
Of which: Write-back of claim reserves	-333,278,465.59	-225,045,451.36
Write-back of reserves for life insurance	—	—

	<b>Amount for the current period (Unaudited)</b>	Amount for the last period (Unaudited)
Write-back of long-term reserves for health insurance	—	—
Provision for premium reserves	—	—
Policyholders' dividends	—	—
Reinsurance commissions	7,988,469,158.21	6,501,098,562.29
Business taxes and surcharges	125,386,292.14	115,090,850.29
Handling charges and commission expenses	81,469,268.09	46,937,251.08
Operating and administrative expenses	189,008,970.84	164,192,052.65
Of which: Provision for insurance guarantee fund	—	—
Less: Reinsurance commission income	174,201,715.96	-239,237,061.90
Other operating costs	79,894,593.15	45,471,910.40
Impairment loss charges	46,971,054.79	82,339,886.45
<b>III. Operating profit</b>	<b><u>953,046,490.85</u></b>	<b><u>319,667,572.75</u></b>
Add: Non-operating income	15,000.02	31,407,646.90
Less: Non-operating expenses	373,654.53	2,543,942.02
<b>IV. Profit before tax</b>	<b><u>952,687,836.34</u></b>	<b><u>348,531,277.63</u></b>
Less: Income tax expenses	110,053,499.59	58,787,066.11
<b>V. Net profit</b>	<b><u>842,634,336.75</u></b>	<b><u>289,744,211.52</u></b>
Net profit attributable to owners of the Company	842,634,336.75	289,744,211.52
Non-controlling interests	—	—
<b>VI. Other comprehensive income</b>	<b><u>-25,460,615.07</u></b>	<b><u>160,681,114.08</u></b>
(1) Other comprehensive income that cannot be reclassified to profit or loss subsequently	—	—
1. Changes in net liabilities or net assets arising from re-measurement of defined benefit plans	—	—
2. Share of other comprehensive income of investees that cannot be reclassified to profit or loss under equity method	—	—

	<b>Amount for the current period (Unaudited)</b>	Amount for the last period (Unaudited)
3. Other kinds of other comprehensive income that cannot be reclassified to profit or loss subsequently	—	—
(2) Other comprehensive income to be reclassified subsequently to profit or loss	<b>-25,460,615.07</b>	<b>160,681,114.08</b>
1. Share of other comprehensive income of investees that will be reclassified subsequently to profit or loss under equity method	2,042,409.29	11,714,862.64
2. Gain or loss from change in fair value of available-for-sale financial assets	-27,503,024.36	148,966,251.44
3. Gain or loss arising from reclassification from held-to-maturity investments to available-for-sale financial assets	—	—
4. Effective portion of gain or loss arising from cash flow hedging instruments	—	—
5. Exchange differences on translation of financial statements denominated in foreign currencies	—	—
6. Other kinds of other comprehensive income to be reclassified subsequently to profit or loss	—	—
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<b>VII. Total comprehensive income</b>	<b>817,173,721.68</b>	<b>450,425,325.60</b>
Total comprehensive income attributable to the parent's owners	817,173,721.68	450,425,325.60
Total comprehensive income attributable to minority interests	—	—
<b>VIII. Earnings per share</b>		
(1) Basic earnings per share	0.07	0.03
(2) Diluted earnings per share	0.07	0.03

# CASH FLOW STATEMENT

For the nine months ended 30 September 2018

	Amount for the current period (Unaudited)	Amount for the last period (Unaudited)
<i>(RMB)</i>		
<b>I. Cash flow generated from operating activities:</b>		
Cash received from premiums of primary insurance contracts	—	—
Net cash received from reinsurance business	1,191,506,005.19	621,746,541.81
Net increase in policyholders' deposits and investments	—	—
Cash received from other operating activities	18,112,951.75	304,340,850.53
<b>Sub-total of cash inflows from operating activities</b>	<b>1,209,618,956.94</b>	<b>926,087,392.34</b>
Cash paid for claims of primary insurance contracts	—	—
Cash paid for handling charges and commission	—	—
Cash paid for policyholders' dividends	—	—
Cash paid to and for employees	138,530,682.75	119,588,971.16
Cash paid for taxes	1,346,070,031.99	1,318,093,471.74
Cash paid for other operating activities	66,339,663.99	78,974,467.64
<b>Sub-total of cash outflows from operating activities</b>	<b>1,550,940,378.73</b>	<b>1,516,656,910.54</b>
<b>Net cash flows generated from operating activities</b>	<b>-341,321,421.79</b>	<b>-590,569,518.20</b>
<b>II. Cash flows generated from investing activities</b>		
Cash received from sales and redemption of investments	19,723,206,353.51	15,378,694,873.98
Cash received from investment income	1,293,794,329.65	1,100,774,269.61
Cash received from other investing activities	374,335,114.04	743,285,700.29
<b>Sub-total of cash inflows from investing activities</b>	<b>21,391,335,797.20</b>	<b>17,222,754,843.88</b>
Cash paid for investments	25,480,384,640.31	20,057,671,123.57
Net increase in policy loans	—	—
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	4,591,600.35	3,006,243.06
Cash paid for other investing activities	513,938,334.12	269,371,400.48



	Amount for the current period (Unaudited)	Amount for the last period (Unaudited)
<b>Sub-total of cash outflows from investing activities</b>	<b><u>25,998,914,574.78</u></b>	<b><u>20,330,048,767.11</u></b>
<b>Net cash flows generated from investing activities</b>	<b><u>-4,607,578,777.58</u></b>	<b><u>-3,107,293,923.23</u></b>
<b>III. Cash flows from financing activities</b>		
Cash received from investment	—	—
Cash received from issuing bonds	4,000,000,000.00	—
Cash received from other financing activities	<u>183,476,583,000.00</u>	<u>64,533,120,000.00</u>
<b>Sub-total of cash inflows from financing activities</b>	<b><u>187,476,583,000.00</u></b>	<b><u>64,533,120,000.00</u></b>
Cash paid for repayment of debt	—	—
Cash paid for distribution of dividends, profit or payment of interests	—	—
Cash paid for other financing activities	<u>182,174,983,181.11</u>	<u>63,483,188,454.53</u>
<b>Sub-total of cash outflows from financing activities</b>	<b><u>182,174,983,181.11</u></b>	<b><u>63,483,188,454.53</u></b>
<b>Net cash flows generated from financing activities</b>	<b><u>5,301,599,818.89</u></b>	<b><u>1,049,931,545.47</u></b>
<b>IV. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	<u>36,182,163.19</u>	<u>-25,988,795.12</u>
<b>V. Net increase in cash and cash equivalents</b>	<b><u>388,881,782.71</u></b>	<b><u>-2,673,920,691.08</u></b>
Add: Balance of cash and cash equivalents at the beginning of the period	<u>1,077,764,803.44</u>	<u>3,956,854,438.93</u>
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b><u>1,466,646,586.15</u></b>	<b><u>1,282,933,747.85</u></b>



**The above unaudited financial data of China Re P&C for the nine months ended 30 September 2018 have been prepared in accordance with the PRC Accounting Standards for Business Enterprises, which have not been audited or reviewed by the auditors of the Company, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

On behalf of the Board  
**China Reinsurance (Group) Corporation**  
**Zhu Xiaoyun**  
*Joint Company Secretary*

Beijing, the PRC, 30 October 2018

*As at the date of this announcement, the executive Directors of the Company are Mr. Yuan Linjiang, Mr. He Chunlei and Mr. Ren Xiaobing, the non-executive Directors are Ms. Lu Xiuli and Mr. Shen Shuhai, and the independent non-executive Directors are Mr. Hao Yansu, Mr. Li Sanxi, Ms. Mok Kam Sheung and Ms. Jiang Bo\*.*

\* *The appointment of Ms. Jiang Bo will become effective upon the approval of her qualification as a director by the China Banking and Insurance Regulatory Commission and the implementation of the procedural requirements set out by the Articles of Association of the Company.*