



中国再保险(集团)股份有限公司

CHINA REINSURANCE (GROUP) CORPORATION

2021 Annual Results Announcement

March 29, 2022 Beijing



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Agenda



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CHINA REINSURANCE (GROUP) CORPORATION

01

**Results
Overview**

02

**Business
Analysis**

03

Outlook



01 Results Overview

Results Overview: Steady performance improvement



**Gross written premiums
of the Group**
(RMB million)

162,732
+0.7%

**Net profit attributable to equity
shareholders of the parent company**
(RMB million)

6,363
+11.4%

ROE

6.84%
+0.50ppts

Earnings per share
(RMB)

0.15
+11.4%

Dividends per share¹
(RMB)

0.045
+9.8%

**Dividend yield corresponding to
recent share price**

7.76%

1. Subject to the approval of Annual General Meeting

Results Overview: Solid market position



**Global reinsurance ranking:
from 7th to 6th¹**



**Fortune Global 500
in 2021**



**Brand Finance Global 500
in 2021**



**Annual corporate governance
evaluation: top ranking**



**Largest market share in
domestic reinsurance industry**

1. Source: *Global Reinsurance Market Report*, A.M. Best

Results Overview: Business structure improvement and robust risk management



Proportion of premiums from key segments

Overseas P&C reinsurance¹

32.4%
+1.5ppts

Domestic P&C reinsurance
emerging lines²

7.8%
+0.9ppts

Domestic L&H reinsurance
protection-type business

37.6%
+6.5ppts

P&C primary insurance
non-auto business

48.0%
+4.5ppts

Ratings and solvency

S&P Global
Ratings

Financial Strength Rating of **A**
for 5 consecutive years and
Stable outlook



Best's Financial Strength Rating of
A (Excellent) for 12 consecutive
years and **Stable** outlook



Comprehensive solvency
adequacy ratio of each entity
remained more than **200%**

1. Proportion of overseas P&C reinsurance = gross written premiums of overseas P&C reinsurance and Chaucer business ÷ gross written premiums of P&C reinsurance business
2. Proportion of domestic P&C reinsurance emerging lines = reinsurance premiums from domestic emerging lines ÷ reinsurance premiums from non-auto lines of domestic P&C reinsurance

Strategy Implementation: A continuous strategy named “One Four Five”



“One Four Five” adheres to reinsurance business and inherits core value of “One Three Five” strategy.

Objectives

Seeking progress while maintaining stability and enhancing value, and building a world-class comprehensive reinsurance group with sustainable development capabilities and core competitiveness in an all-round manner

Concepts

One core

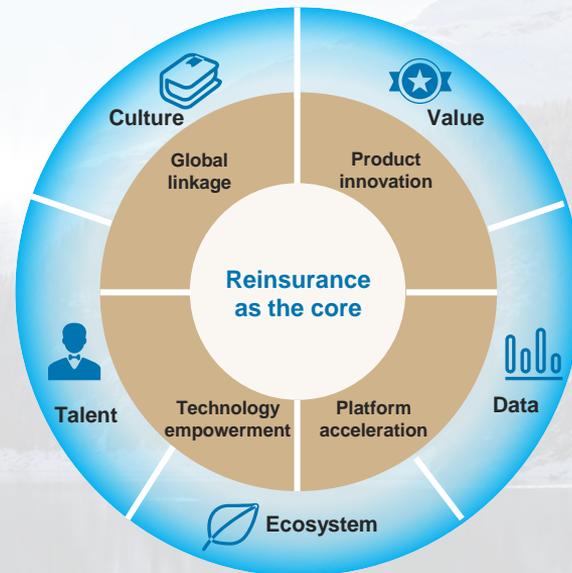
Adhering to reinsurance business as the core, China Re will improve the core competitiveness as a national reinsurer, promote the comprehensive layout of industry chains including primary insurance, asset management, digital technology, insurance intermediary etc., and enhance sustainable development capacities.

Four pivots

Through product innovation, platform acceleration, technology empowerment and global linkage, China will strengthen capacity building, enhance Group control and lay a solid developing foundation.

Five upgrades

China Re will make upgrades in value, data, ecosystem, talent and culture, accelerate data-driven development and ecosystem layout, bring together core talent resources, strengthen corporate culture building, and improve corporate value, client value and social value.



Strategy Implementation: Active connection to national strategies with innovative business momentum



P&C sum insured serving related key national strategies

~ ¥20 trillion
(+28%)



Market share of health reinsurance business serving “Healthy China” strategy

> 40%



Products newly designed

~ 200

01 Expanding catastrophic risk protection supply

- China Re participated in pilot catastrophe projects in 16 provinces, serving as the chief or sole reinsurer in more than 80% of the projects.
- China Re provided catastrophe reinsurance protection in disaster events including floods in Henan.
- China Re successfully issued the first catastrophe bond in the Hong Kong market, innovating catastrophe risk management method.

02 Serving the “Healthy China” Strategy

- China Re provided critical illness and long-term care insurance worth more than RMB 30 trillion.
- As the main domestic reinsurer, China Re supported more than 50 inclusive insurance plans covering more than 50% of policyholders nationwide.
- China Re provided reinsurance protection for the quality & safety liability of 800 million doses of domestic Covid-19 inactivated vaccines and RMB 10 billion of risk coverage for vaccine export and transport.

03 Facilitating the goal of “Carbon Peaking and Carbon Neutrality”

- China Re supported nuclear energy operation, covering nearly RMB 1 trillion of assets and 24,000 personnel of all nuclear power units in China, and supporting nuclear power companies to reduce carbon emissions by 302 million tons.
- China Re set up connection with transformation and upgrading of alternative energy power, providing insurance protection for the vast majority of domestic offshore wind power projects

04 Participating in national governance system construction

- China Re innovated “Shanghai Model” of IDI business and promoted it nationwide. IDI platform insured areas of nearly 140 million square meters and its cumulative sum insured was nearly 500 billion yuan
- The anti-poverty insurance was extended from Xunhua, Qinghai to the whole country, and the premium income increased by 25.7% year-on-year.
- Safety production liability umbrella excess of loss was first initiated and launched in Shanghai.

05 Supporting Belt and Road Initiative construction

- China Belt and Road Reinsurance Pool, which has been operating for the first whole year, provided risk coverage for RMB 16.1 trillion of assets for 19 Chinese interest abroad projects.
- China Re initiated Belt and Road Political Violence Consortium and Chaucer was the managing institute.

Strategy Implementation: “Digital China Re 2.0” for digital transformation



Technological achievements



中再巨灾管理
CHINA RE CRM

The first insurtech company to focus on catastrophe risk management



1st

China Earthquake Catastrophe Model
China Typhoon Catastrophe Model

2 patents

Earthquake Catastrophe Model Software
Modern Agriculture Service Platform



Iterated China Earthquake Catastrophe Model 3.5, which was the only scientific research project in China’s insurance industry selected for the National “13th Five-Year Plan” Science and Technology Achievement Exhibition.



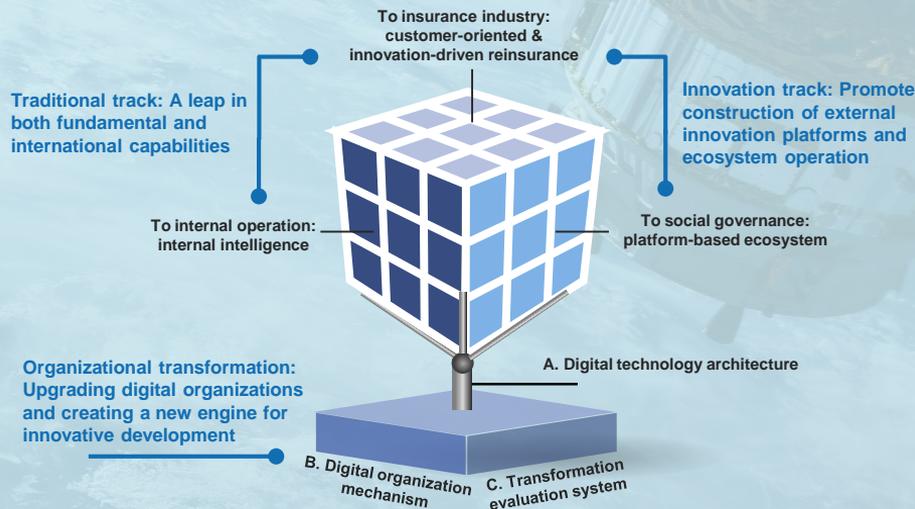
Released China Typhoon Catastrophe Model 2.0 commercial version, filling the technology gap in China.



The operating income was more than RMB 23 million, achieving profit for the first time.

Gathering Resources • Building Platforms • Constructing ecosystems

Core value of “Digital China Re 2.0”: a digital magic cube



CAGR of science and technology investment during “14th Five-Year Plan” will be no less than

15%

Strategy Implementation: Constant improvement in global presence and management expertise



Constant improvement in global presence

- With overseas branches expanding into 11 countries and regions, China Re becomes a Chinese insurance company with the most widespread overseas branches.
- Premium income from overseas business accounted for 18.9%, and overseas investments accounted for 25.9%.

Significance of Chaucer acquisition

- Business, operation and personnel of Chaucer remained stable since the acquisition, with its operating results better than the industry average.
- Chaucer Five-Year Plan was implemented successfully, with a return on economic capital¹ of 14.8% for 2021.
- Management of Chaucer has been constantly optimized, with a clear control structure and communication mechanism to promote refined management at all levels.

Improvement of management expertise

- China Re improved functions of Overseas Development and Management Committee and established International Department, focusing on the control of strategy, capital, human resources and risks.
- Business coordination and analysis was strengthened and a hardening cycle of the international market was captured, resulting underwriting profits of all three major platforms of overseas P&C reinsurance.

Deepened International synergy

- Within “Belt and Road” projects as a bond, China Re strengthened domestic and overseas linkages through building platforms, product innovation and overseas cooperation.
- Technological advantages from Chaucer in handling political risks and nuclear risks nurtured domestic business and enhanced specialty lines expertise of China Re.

1. Return on economic capital = the net profit of Chaucer under the UK GAAP (management information) ÷ economic capital of statements

Strategy Implementation: Improvement in risk management and solid foundation of headquarter management



Continuous improvement in risk management system

- Risk Management and Internal Control and Compliance Committee was optimized, and overall management and control in key areas such as major risks and international business was strengthened.
- A three-year work plan for risk management was formulated and top-level design of risk control compliance was strengthened.
- Penetrating management of risks in key areas was strengthened with several investigations throughout the year, and the overall risks were under control.



Further promotion of headquarter management

- Planning Implementation Office of the Group was set up, forming a grand strategic closed-loop management.
- China Re Institute, as well as a new innovation incubation center, was established to strengthen forward-looking research and innovation management.
- Operating performance assessment mechanism and the assessment system oriented to the balanced growth of profit scale were improved.
- The construction of the talent team has been continuously strengthened. The Group's overseas reinsurance talents account for more than 40%, and domestic reinsurance talents account for nearly half of the industry.



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02 Business Analysis





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01 P&C Reinsurance

02 L&H Reinsurance

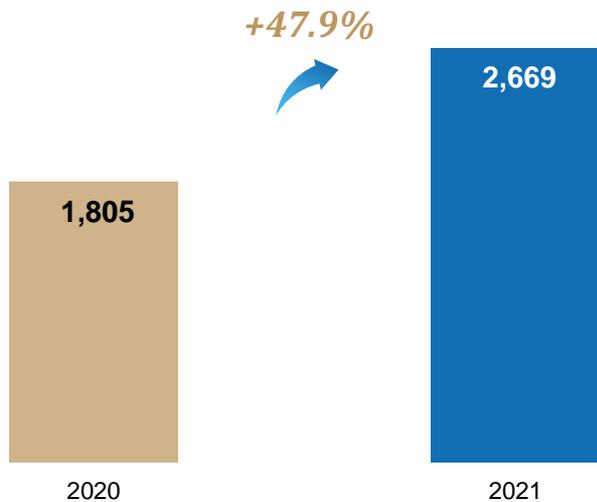
03 P&C Primary Insurance

04 Asset Management

A new high of premiums and profits

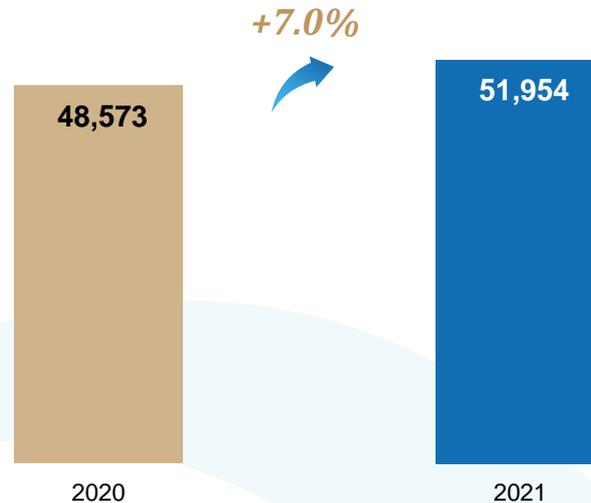


Net profit (RMB million)



ROE: 9.76% (+2.48pts)

Gross written premiums¹ (RMB million)



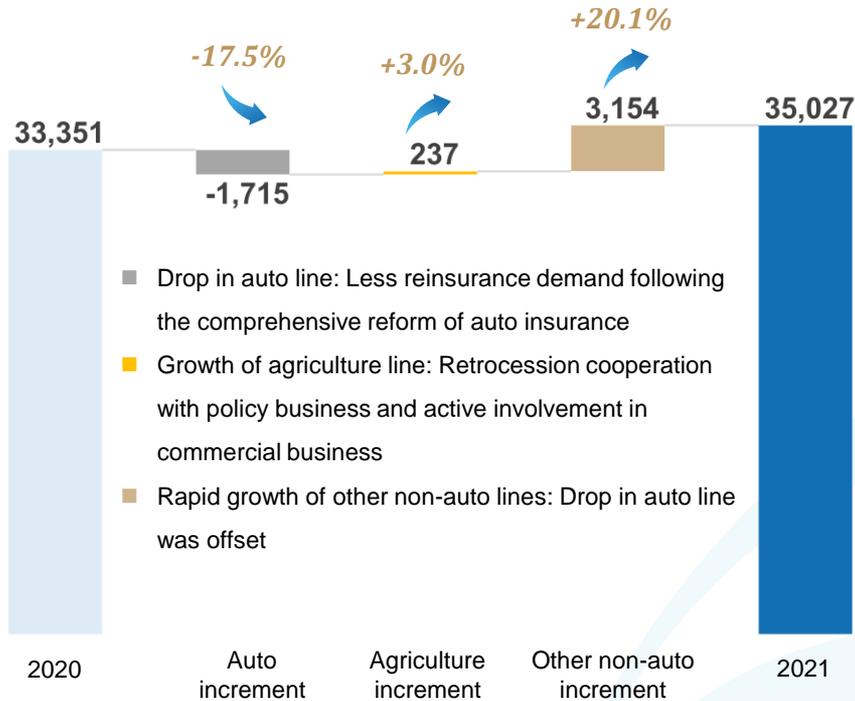
Domestic business: 35,027 (+5.0%)
Overseas business: 16,824 (+12.0%)

1. Inter-segment eliminations are excluded.

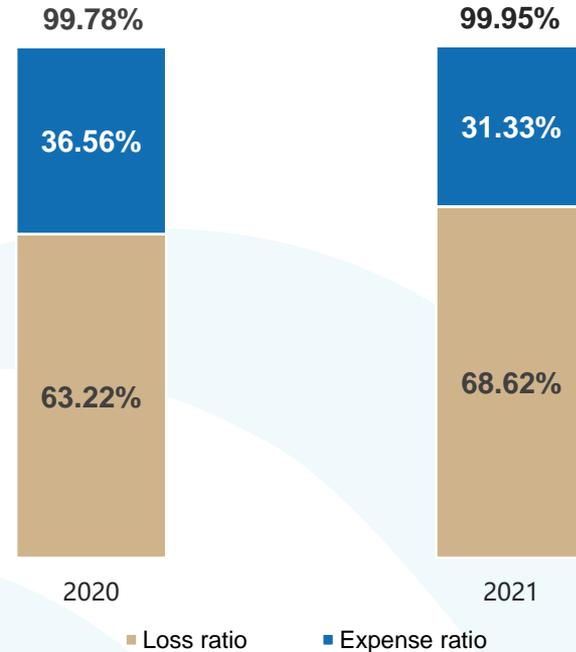
Domestic business: Rapid premiums growth of non-auto lines (excl. agriculture) and overall underwriting result stable



Reinsurance premiums (RMB million)



Combined ratio

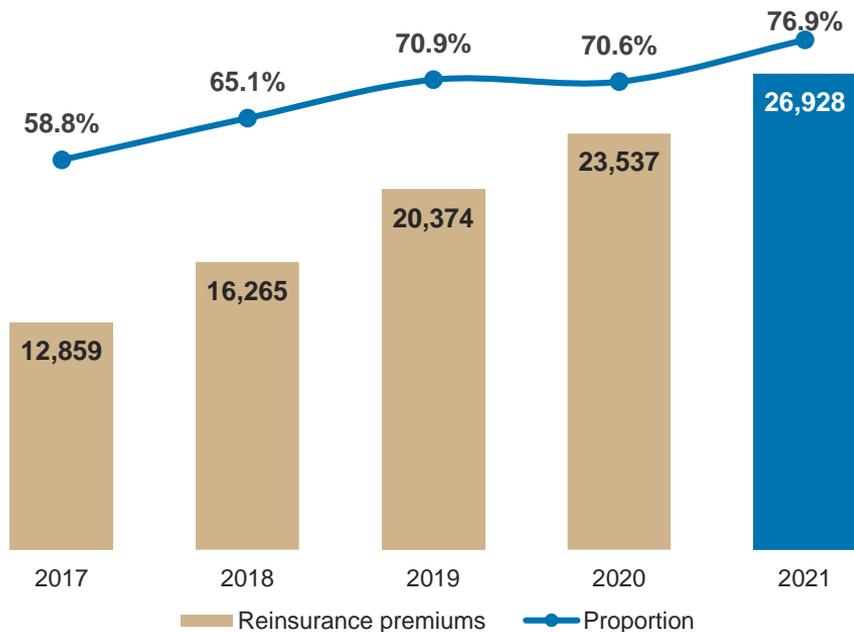


Domestic business: Improvement in business mix and rapid growth of emerging lines



Reinsurance premiums and proportions of non-auto lines¹ (RMB million)

CAGR: 20.3%



Reinsurance premiums and proportion of emerging lines² (RMB million)

Reinsurance premiums

2,096
+29.6%

Proportion

7.8%
+0.9ppts

Premiums growth of key lines

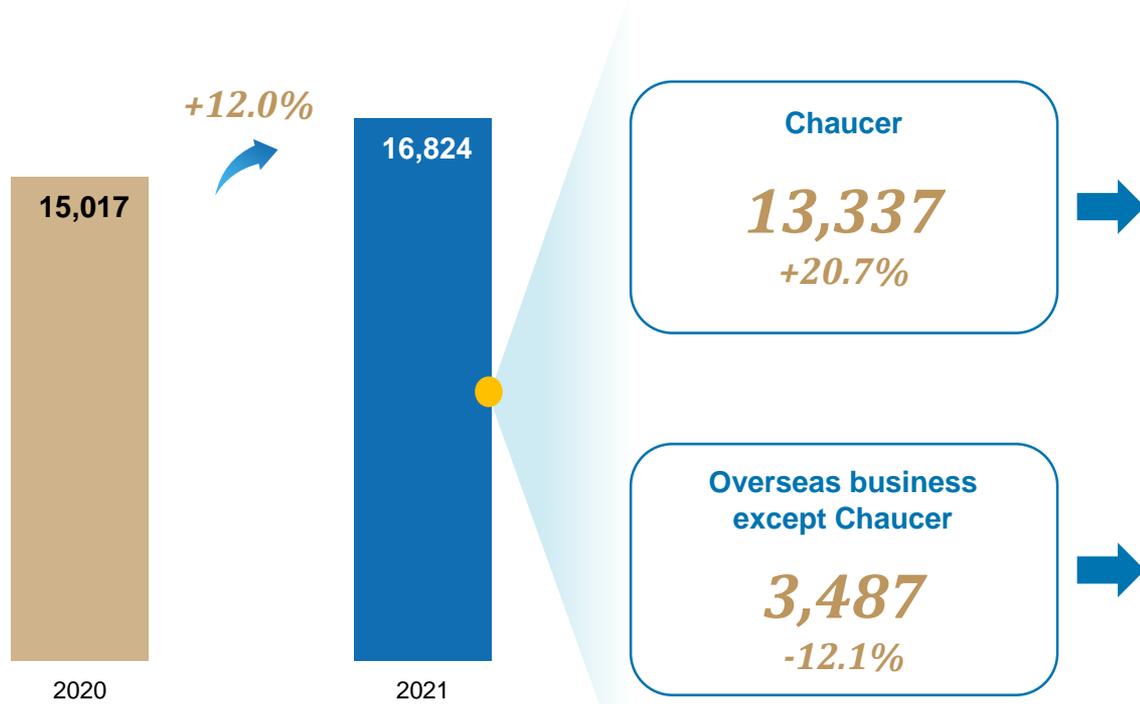
Chinese interest abroad project	+94.4%
Construction surety bond	+54.2%
Inherent defects insurance	+43.8%
Catastrophe	+15.1%

1. Proportion of non-auto lines = reinsurance premiums from non-auto lines of domestic P&C reinsurance ÷ reinsurance premiums of domestic P&C reinsurance
2. Proportion of emerging lines = reinsurance premiums from emerging lines ÷ reinsurance premiums from non-auto lines of domestic P&C reinsurance

Overseas business: Rapid growth of premiums while actively optimizing business structure



Gross written premiums (RMB million)



Business strategy

- Further expanded competitive business in the hardening market
- Continuously improved contract conditions and proactively adjusted business with poor performance

- Proactively adjusted business structure and reduced business with poor performance

Overseas business: Significant improvement in underwriting result

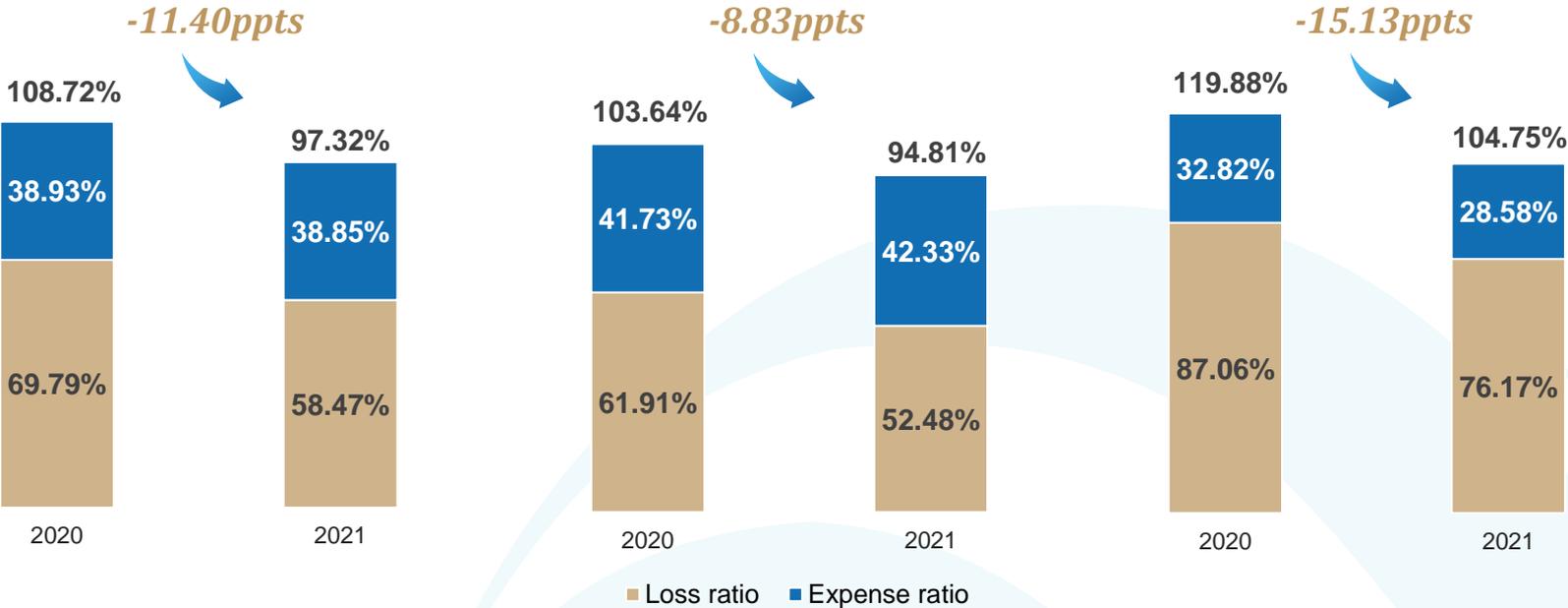


Combined ratio

Overseas business in total

Chaucer

Overseas business except Chaucer



01 P&C Reinsurance

02 L&H Reinsurance

03 P&C Primary Insurance

04 Asset Management

Steady improvement in performance and business mix



Key financial indicators (RMB million)

Reinsurance premiums¹

69,302

Year-on-year growth

+4.2%

Net profit

2,710

Year-on-year growth

+3.7%

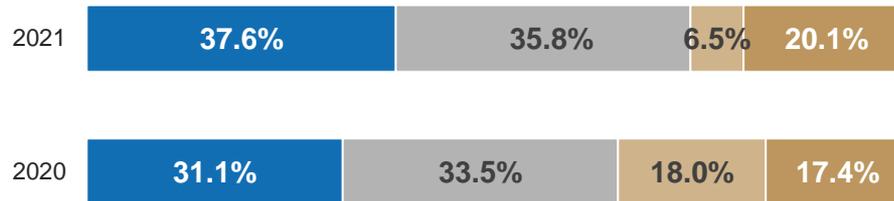
ROE

10.80%

Year-on-year growth

+0.23 ppts

Business mix



- Domestic protection-type business
- Domestic financial reinsurance
- Domestic savings-type business
- Overseas business

Domestic protection-type business

Adverse effect was overcome and steady development was achieved with core competitiveness further demonstrated.

The proportion increased by **6.5 ppts.**

Overseas business

Premiums surpassed RMB 10 billion and overseas layout showed positive effect.

The proportion increased by **2.7 ppts.**

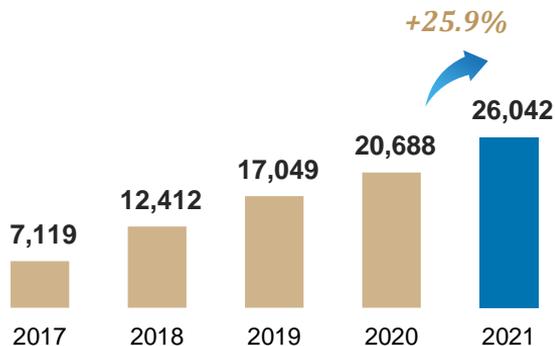
1. The premium data only cover China Re Life (including China Re Hong Kong).

Rapid growth of protection-type business with stable underwriting results¹

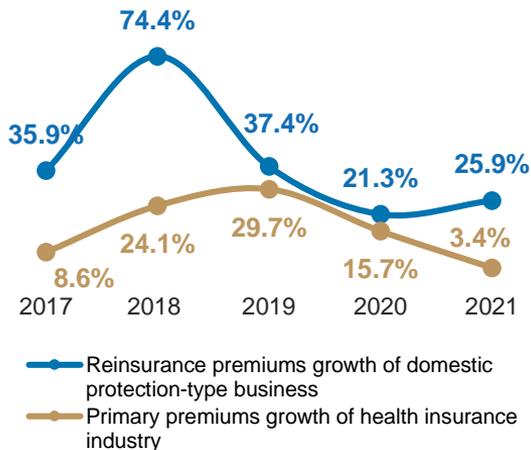


Reinsurance premiums of protection-type business (RMB million)

CAGR: 38.3%

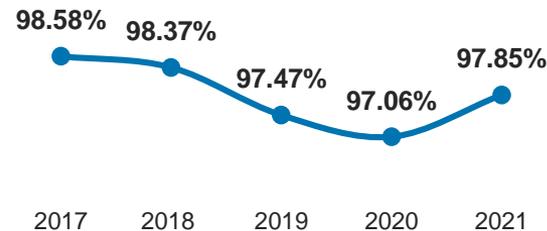


Premiums growth comparison



Combined ratio of short-term protection-type business²

Underwriting profit: RMB 415 million



Seeking progress while ensuring stability, protection-type business maintained growth momentum

- Loss prevention and reduction for each existing business was deepened realizing full coverage of monitoring. Underwriting result was improved via new definition of critical illness and iteration of medical insurance.
- Traditional track: Key business opportunities were identified accurately. YRT business plans were innovated. China Re dominated product development of commercial long-term care insurance, launching more than 10 new products throughout 2021.
- Innovation track: Inclusive insurance plans China Re participated in covered a population of over 50 million. China Re developed products covering dental care and online outpatient drugs for chronic disease and daily use.

1. Business data only refer to China Re Life, and protection-type business only refers to the domestic.

2. Combined ratio is calculated after retrocession excluding business management fee.

Continuous improvement in core competitiveness



Building risk data strength based on data

- **Diversifying data sources:** 5.4 billion insurance policies and 10.4 million claims documents were sorted out. On-site analysis was provided for clients, which diversified first-hand medical data resources. Linkage of insurance and social medical insurance data was promoted in several provinces, expanding data sources.
- **Enhancing data application capability:** Data technology including OCR¹ phase II construction was implemented. Intelligent training modules were first incorporated, empowering accident insurance and critical illness re-examination projects in the industry.
- **Empowering business through data:** “Data + Risk Control” supported claims improvement. “Data + Pricing” fueled health insurance development. “Data + Products” was widely used in new product development.



Developing new products empowered by innovation

- **Dominating new critical illness product design:** China Re proposed insurance liability design sorted by mild, medium and critical illness, making it a standard configuration of critical illness insurance products in the industry.
- **Innovating long-term medical insurance:** China Re offered specific suggestions including a positive list of drugs and medical devices and triggering conditions for fee adjustment for the transition of medical insurance from short-term to long-term products.
- **Innovating new risk fields:** China Re developed new products such as nursing, disability and medical care for the aged, which was promoted to the industry large insurers
- **Establishing a product research brand:** China Re released influential reports including *Annual Health Insurance product Research Report 2020-2021*.



Constructing a new track via industrial combination

- **Consolidating the advantage in special drugs insurance:** China Re set up leading position in special drugs service within inclusive insurance plans, where acted as the only reinsurer for such coverage.
- **Offering insurance capability for online drugs:** China Re promoted insurance capability for online outpatient drugs for chronic disease and daily use, satisfying immediate drugs demand.
- **Initiating medical devices and new therapies insurance products:** Business model of special drugs was extended to medical devices and new therapies. The first breast prosthesis insurance product and the first medical insurance product covering cardiovascular and cerebrovascular implantable devices were introduced. CAR-T² related insurance products were developed.

1. OCR: Optical Character Recognition
2. CAR-T: Chimeric Antigen Receptor T-Cell Immunotherapy



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01 P&C Reinsurance

02 L&H Reinsurance

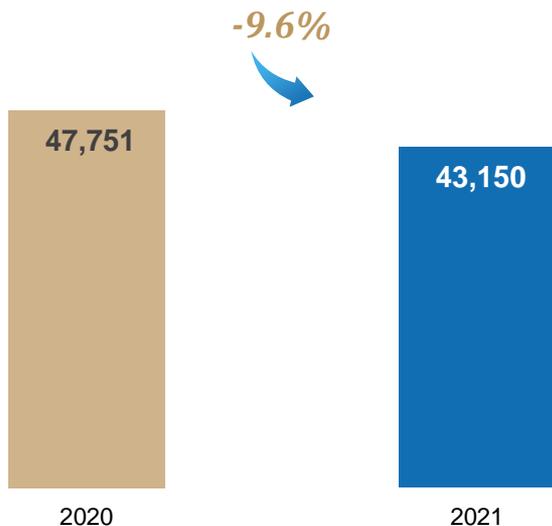
03 P&C Primary Insurance

04 Asset Management

Active business transformation and continuous improvement in underwriting result

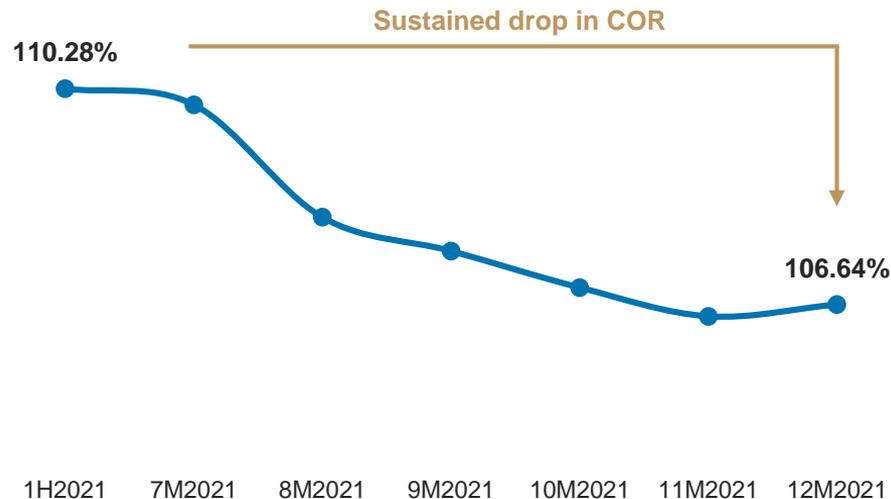


Primary premiums (RMB million)



The decrease was due to the comprehensive auto insurance reform as well as the active narrowing of surety line.

Combined ratio¹



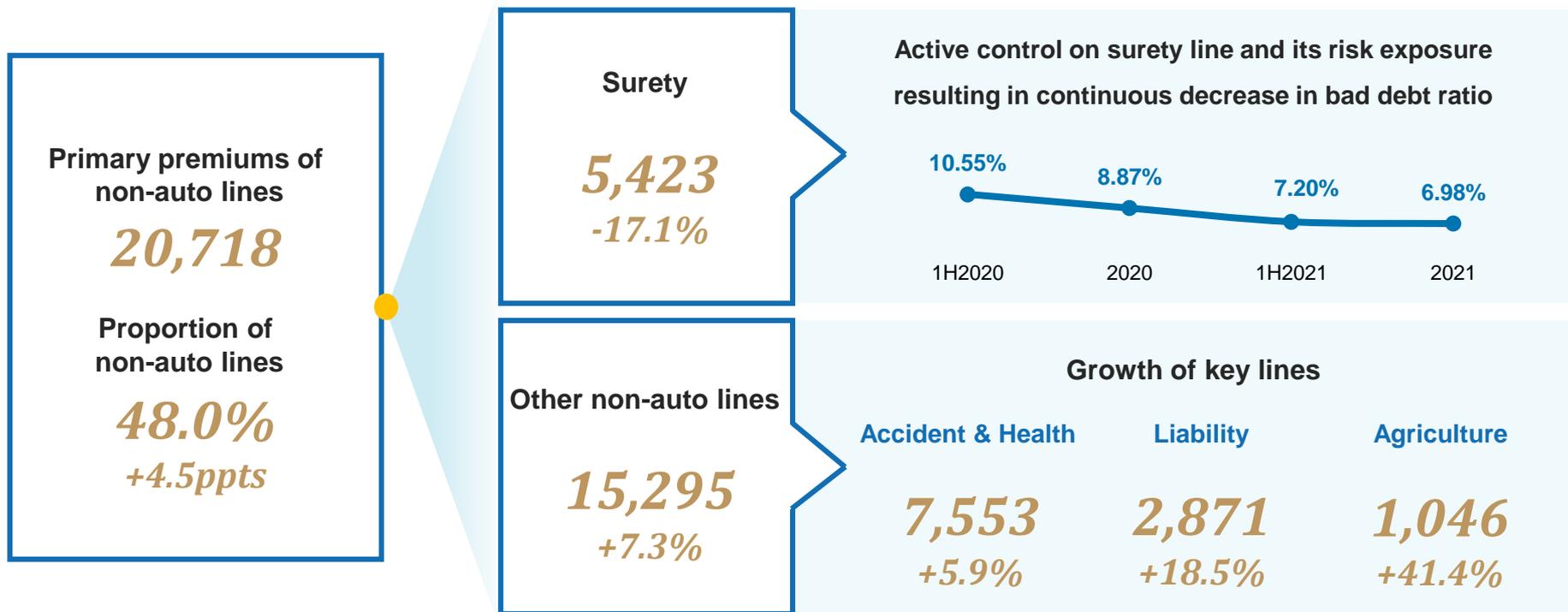
New normal of comprehensive auto insurance reform was actively responded with continuous optimization in business structure and cost control, resulting in constant improvement in underwriting result.

1. Calculation of the combined ratio includes the effect of government grants.

Stable premiums of non-auto lines and active control on surety line



Primary premiums and growth of key non-auto lines (RMB million)





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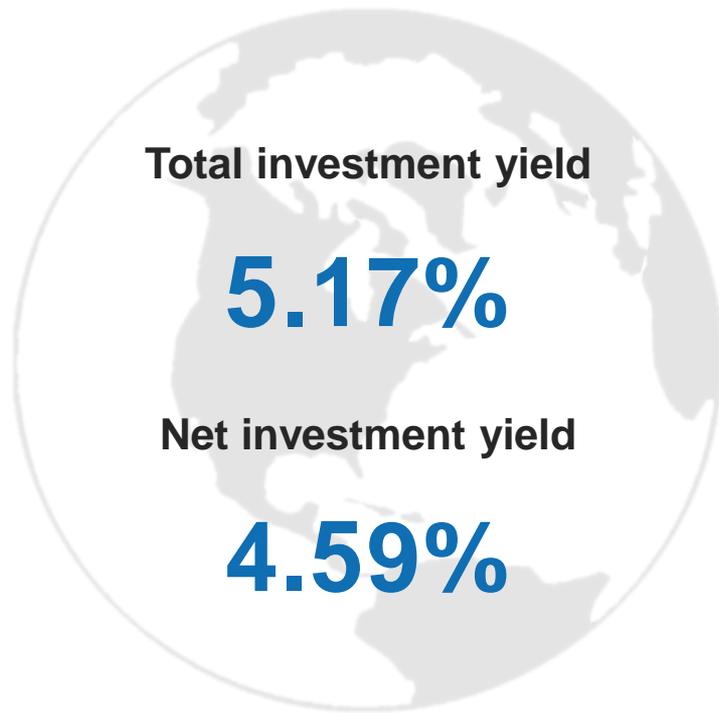
01 P&C Reinsurance

02 L&H Reinsurance

03 P&C Primary Insurance

04 Asset Management

Actively seizing investment opportunities and equity investment outperforming the market



Equity investment outperforming the market¹

Comprehensive return on secondary A-share equity
surpassed the CSI 300 Index

190+ bps

Comprehensive return on secondary H-share equity
surpassed the Hang Seng Index

980+ bps

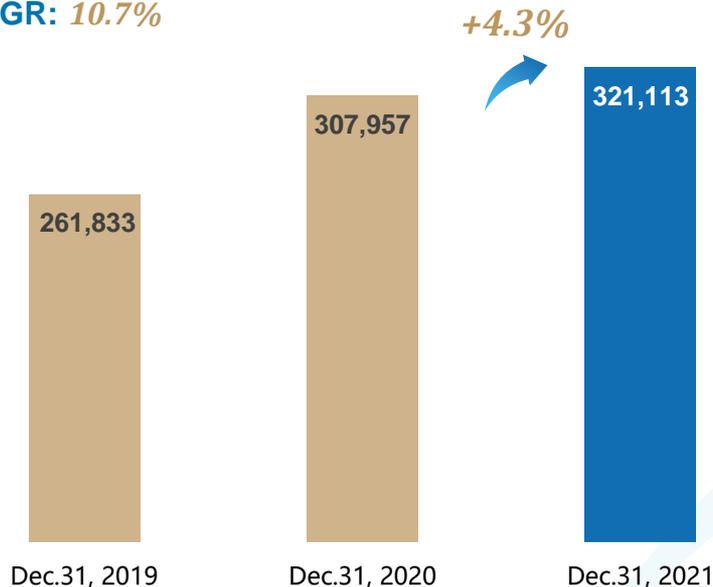
1. Comprehensive return on secondary A-share equity was calculated compared to the CSI 300 Index. Comprehensive return on secondary H-share equity was calculated compared to the Hang Seng Index. Secondary equity investment excludes high dividend portfolios that aim to obtain dividends when compared with index performance.

Constant growth of investment assets and robust asset allocation

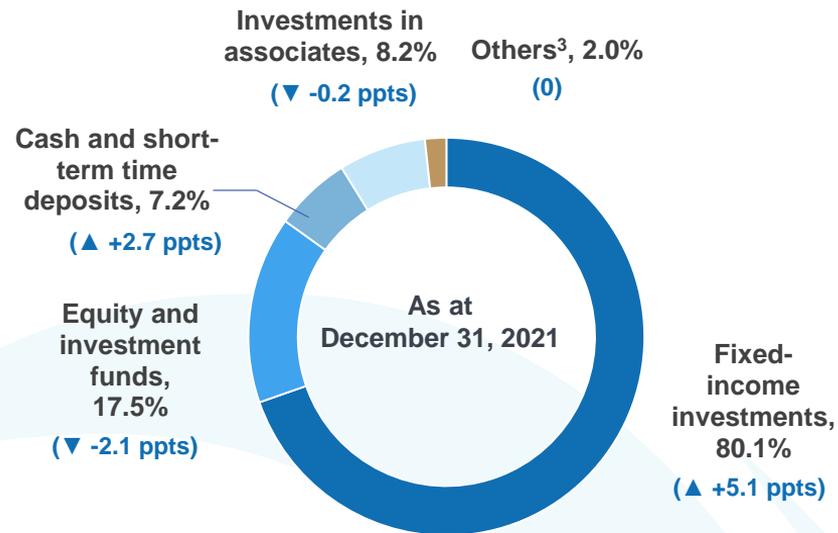


Total investment assets¹ (RMB million)

CAGR: 10.7%



Asset allocation structure²

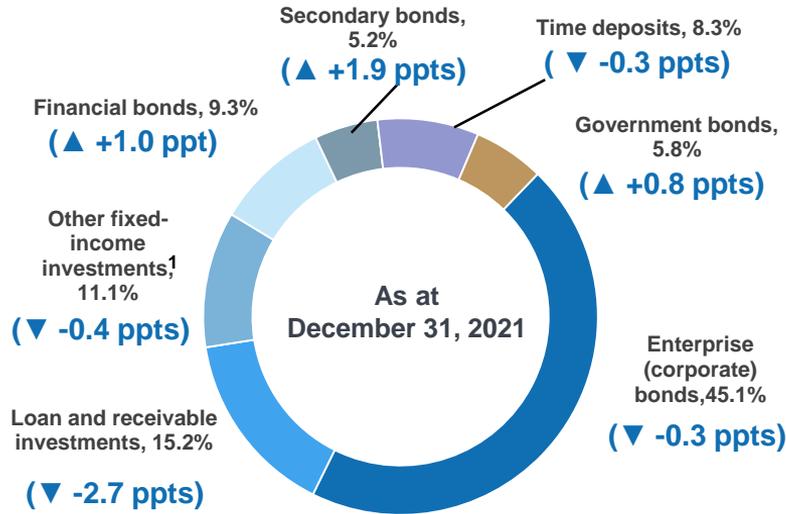


1. Investment assets = Cash and short-term time deposits + financial assets at fair value through profit or loss + financial assets held under resale agreements + time deposits + available-for-sale financial assets + held-to-maturity investments + investments classified as loans and receivables + reinsurers' share of policy loans + investments in associates + statutory deposits + derivative financial instruments + investment properties – financial liabilities at fair value through profit or loss – securities sold under agreements to repurchase.
2. Sum of percentages of all asset classes amounts to over 100% due to the subtraction of securities sold under agreements to repurchase from total investment assets. Percentage points in the label are the comparison with data as at 31 December 2020.
3. Other investments include investment properties, currency swaps, etc.

Seizing fixed-income investment opportunities and optimizing equity investment mix

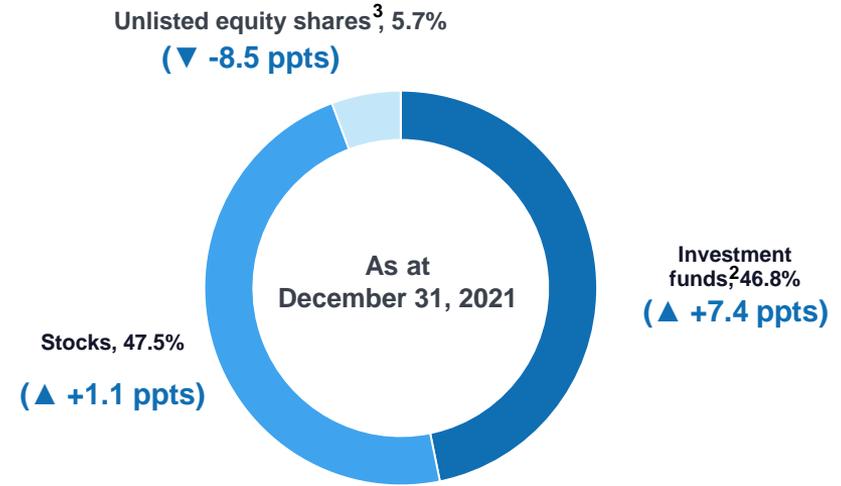


Fixed-income investment mix



Bond investment was increased in the allocation window period, and arrangements of non-standard products including publicly offered REITs and perpetual bonds were accelerated to consolidate foundation in fixed income.

Equity and fund investment mix



Profit was gained in time by seizing the equity market opportunity. High-dividend stocks were increasingly allocated. Diversified management of investment style and portfolios were strengthened.

1. Other fixed-income investments primarily include financial assets held under resale agreements, statutory deposits and reinsurers' share of policy loans and others.
2. Investment funds include monetary funds and the senior tranche of structured index funds.
3. Unlisted equity shares include assets management products, unlisted equity investments and equity investment schemes.
4. Percentage points in the label are the comparison with data as at 31 December 2020.



03 Outlook



Opportunities and Challenges

Promising Development Opportunities

- Sturdy and positive macroeconomy foundation
- Valuable opportunities in serving national strategies
- Strong demand for social risk management

Multiple Challenges

- Complex and challenging global situation
- Accelerating development of the unprecedented changes
- Industry stuck in a short-term trough



Momentum and Pressure

Switching Supply-Demand Structure

- Digital economy and green economy spurred the rapid development of technology insurance and green insurance
- Age of longevity and wealth management brought prosperity to the elderly care insurance and third-party asset management business.

Transforming Business Model

- Comprehensive reform of auto insurance, expanding advantages of the clustering top enterprises forced small and medium P&C companies to accelerate their differentiated development
- Substantial shrinkage of number of agents and decreasing profits from the Internet forced life insurance companies to upgrade their business models



Innovation and Regulation

Growing Driving Force of Innovation

- Transaction models reshaped to be customer-oriented
- Competitiveness supported with ecosystem building
- Capturing blue oceans with technology empowerment

Regulated Industry Development

- Strong regulation enabled favorable environment
- Frequent release of new policies and regulations
- Optimized supply, orderly competition, and regulated operation





Making stability top priority and pursuing progress actively



Strengthen the capability to serve national strategies while seizing development opportunities

- Highlight characteristics of China Re's principal business and take full advantage of comprehensive development
- Focus on the three major areas, i.e. agricultural insurance, inclusive insurance plans and NEV insurance, and nurture alternative growth momentum.
- Consolidate leading edge in blue oceans such as new markets and new types of insurance



Make steady improvements in profitability while strengthening value creation

- Increase revenue while cutting expenditure, strengthen intra-system synergy and domestic and overseas linkages.
- Stabilize auto insurance, accelerate non-auto insurance, focus on health pensions, steadily develop international business, and actively expand third-party asset management
- Improve underwriting profits, optimize assets and liabilities, and stabilize investment gains.



Strengthen product innovation and technology empowerment to stabilize industry position

- Innovate and develop products with focus on digital technology, Green and Low-carbon, health and elderly care, public welfare, etc.
- Explore data value and accelerate establishment of ecosystems for disaster management and health care services
- Accelerate cost reduction, efficiency improvement and income increase through digital transformation



Strengthen risk prevention and control to maintain bottom line of safety

- Consistent bottom-line awareness
- Improve capabilities of early warning, identification, prevention and mitigation of risks, and improve systematic, digitalized and intelligent risk management expertise
- Ensure that risks are "clearly seen, touchable and manageable"



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Questions & Answers

Appendix: Key financial indicators



RMB million (unless otherwise stated)	2021	2020	Change
Gross written premiums	162,732	161,574	0.7%
P&C reinsurance	51,954	48,573	7.0%
L&H reinsurance	69,374	66,957	3.6%
P&C primary insurance	43,496	48,167	-9.7%
Net profit	6,390	5,924	7.9%
Net profit attributable to equity shareholders of the parent company	6,363	5,711	11.4%
EPS (RMB)	0.15	0.13	11.4%
ROE	6.84%	6.34%	0.50ppts
Total investment yield	5.17%	6.01%	-0.84ppts

Appendix: Key financial indicators



RMB million (unless otherwise stated)	December 31, 2021	December 31, 2020	Change
Total assets	500,439	453,577	10.3%
Total liabilities	397,852	350,676	13.5%
Total equity	102,587	102,901	-0.3%
Net assets per share attributable to equity shareholders of the parent company (RMB)	2.19	2.19	0.1%
Core solvency adequacy ratio	185%	189%	-4ppts
Aggregated solvency adequacy ratio	209%	215%	-6ppts
Total investment assets	321,113	307,957	4.3%