



中国再保险(集团)股份有限公司

CHINA REINSURANCE (GROUP) CORPORATION

**2022**

# Interim Results Announcement

30 August 2022    Beijing





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**01**

**Results  
Overview**

**02**

**Business  
Analysis**

**03**

**Outlook**



# 01 Results Overview

# Key indicators<sup>1</sup>



Consolidated gross written  
premiums of the Group

**87,980**

Net profit attributable to equity  
shareholders of the parent  
company

**1,681**

Annualized ROE

**3.66%**

Total assets

**508,511**

Total equity

**98,182**

Dividend yield corresponding to  
recent share price

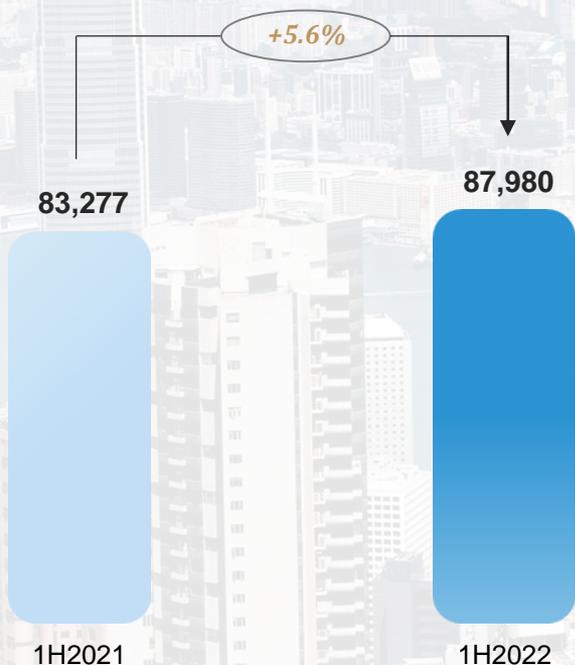
**More than 7%**

1. Unit: RMB million, unless otherwise stated

# Steady growth of premiums and optimization of business structure



## Consolidated gross written premiums of the Group (RMB million)



## Premiums from key segments (RMB million)

### Domestic P&C reinsurance non-motor business

**15,853**  
+42.1%

### Overseas P&C reinsurance<sup>1</sup>

**11,374**  
+17.7%

### Domestic L&H reinsurance protection-type business

**13,506**  
+12.6%

### P&C primary insurance non-motor business

**12,319**  
+9.2%

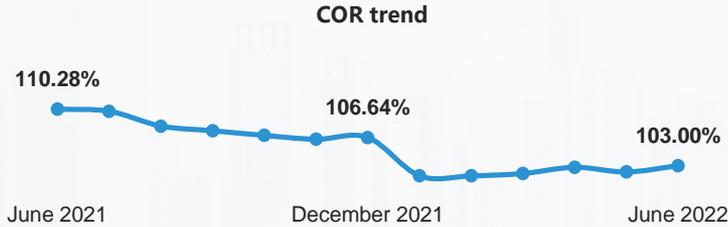
1. Refers to overseas P&C reinsurance and Chaucer business in this presentation.

# Underwriting result improvement and robust risk management



## Improved underwriting result

Combined ratio of primary P&C insurance was improving

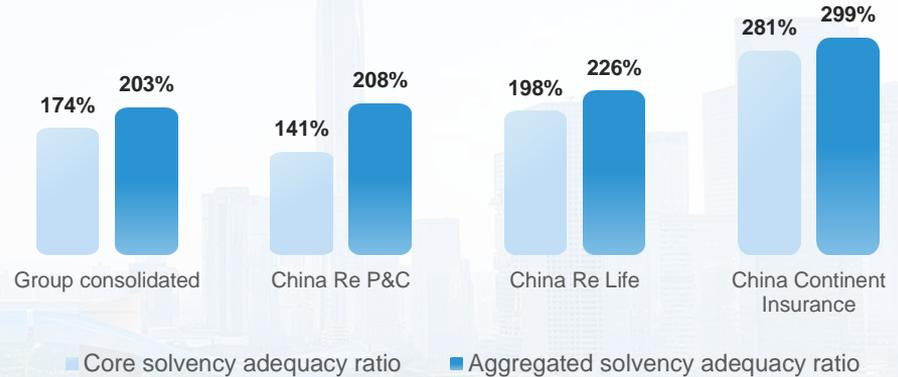


Combined ratio of Chaucer

**96.34%**

- Underwriting profit was recorded despite prudent provisions for Russian-Ukrainian conflict and other natural catastrophe loss.

## Sufficient solvency



**S&P Global**  
Ratings

Financial Strength Rating of **A** and **Stable** outlook



Financial Strength Rating of **A** (**Excellent**) and **Stable** outlook

# Active connection to national strategies with innovative business momentum



## Facilitating the economic stability

- China Re bailed out small enterprises, introducing comprehensive insurance products and providing risk protection of RMB**69.5** billion for more than 20,000 small enterprises.
- China Re guaranteed national food security, piloting high-standard farmland insurance products in many provinces.
- China Re served the domestic and international circulation, acting as the chief reinsurer in **30%+** of freight logistics reinsurance contracts in China, where the number of chiefs ranked **the first**.
- China Re served people's livelihood, taking the lead in providing risk solutions aiming at key groups such as new citizens, logistics personnel, medical staff, etc.



## Serving “Green Development” Strategy

- China Re promoted the construction of new energy vehicle insurance infrastructure, releasing the **first** new energy vehicle insurance pricing model in the industry.
- China Re released the **first** *Electrochemical Energy Storage Insurance Development Report* in China within cross-border cooperation to create an integrated development model of “renewable energy + electrochemical energy storage technology + green insurance protection”.
- China Re supported nuclear power operation, providing full-life-cycle risk protection for domestic nuclear power projects worth nearly RMB **500 billion**.
- China Re provided reinsurance protection for more than **1,000** projects in green energy fields including wind power and solar power etc.



## Serving “Healthy China” Strategy

- China Re upgraded coverage of inclusive insurance plans, integrating treatment projects outside the social insurance catalogue including CAR-T<sup>1</sup>, medical devices, etc. and newly covering more than **23 million** insureds.
- China Re upgraded other inclusive products and services, innovating more than **10** products such as pulmonary nodule related medical insurance, elderly critical illness long-term care insurance, and nurse inclusive insurance.
- China Re upgraded investment in medical care and health industry, supporting medical and health industries such as vaccines, drugs and health management. Investment balance in the fields related to the construction of Healthy China increased by **26.8%** year-on-year.



## Participating in national governance system construction

- Most of the indicators within newly iterated China typhoon catastrophe model and China earthquake catastrophe model are better than those of international models, realizing localized substitution and independence, which is strengthening core competitiveness in catastrophe
- China Earthquake Catastrophe Model Version 3.5 has been put into use in **4** government units and **22** insurance institutions.
- The leading advantage of IDI business has been further expanded, and a new project in Guangzhou has been launched. Total area insured of the IDI platform exceeded **140 million** square meters.



## 02 Business Analysis



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**01 P&C Reinsurance**

02 L&H Reinsurance

03 P&C Primary Insurance

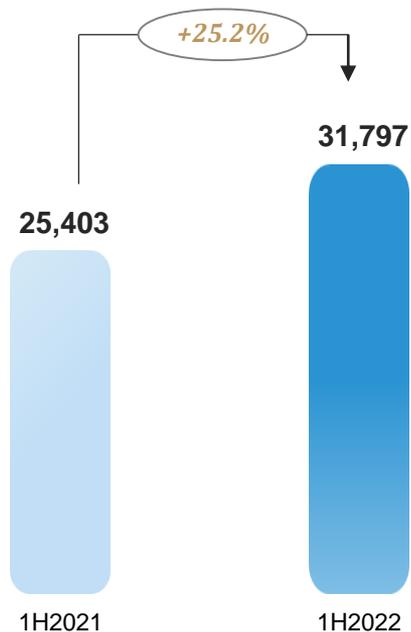
04 Asset Management

# Rapid growth of premiums and stable underwriting result



## Gross written premiums<sup>1</sup> (RMB million)

## Earnings indicators (RMB million)



### Domestic business

**20,369**  
+30.0%

### Overseas business

**11,374**  
+17.7%

Combined ratio **98.46%**

Net profit **903**

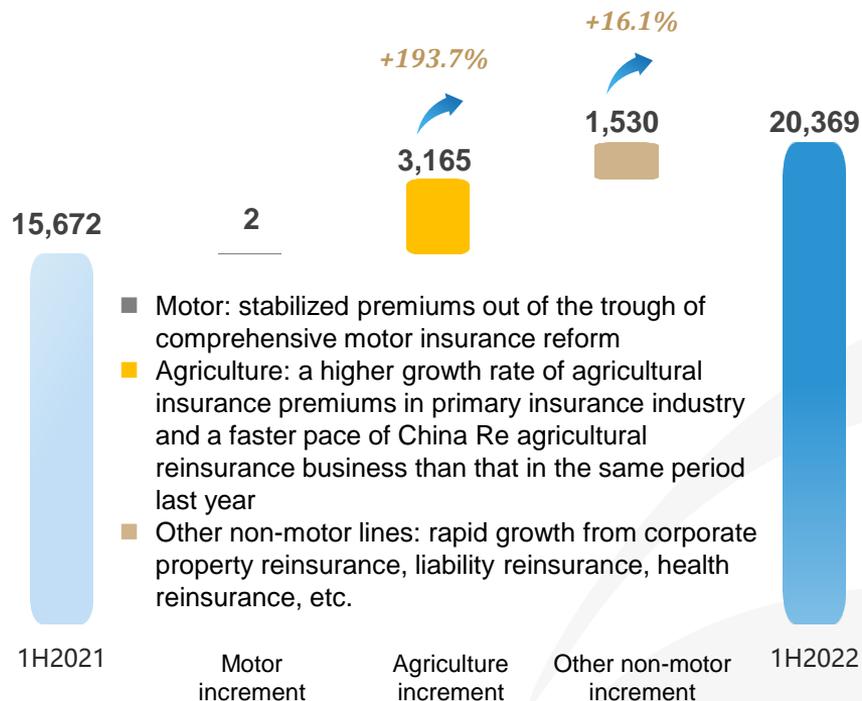
Annualized ROE **6.37%**

1. Mainly includes domestic P&C reinsurance business, overseas P&C reinsurance and Chaucer business, CNIP business and legacy P&C reinsurance business.

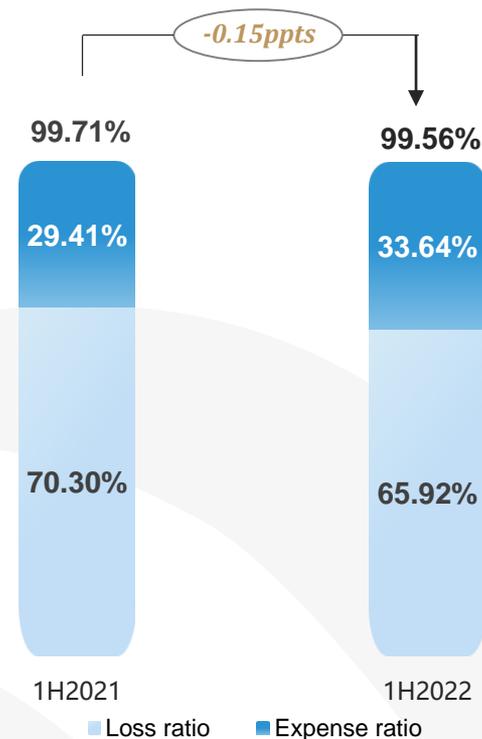
# Domestic business: Rapid growth of non-motor lines and stable underwriting result



## Reinsurance premiums (RMB million)



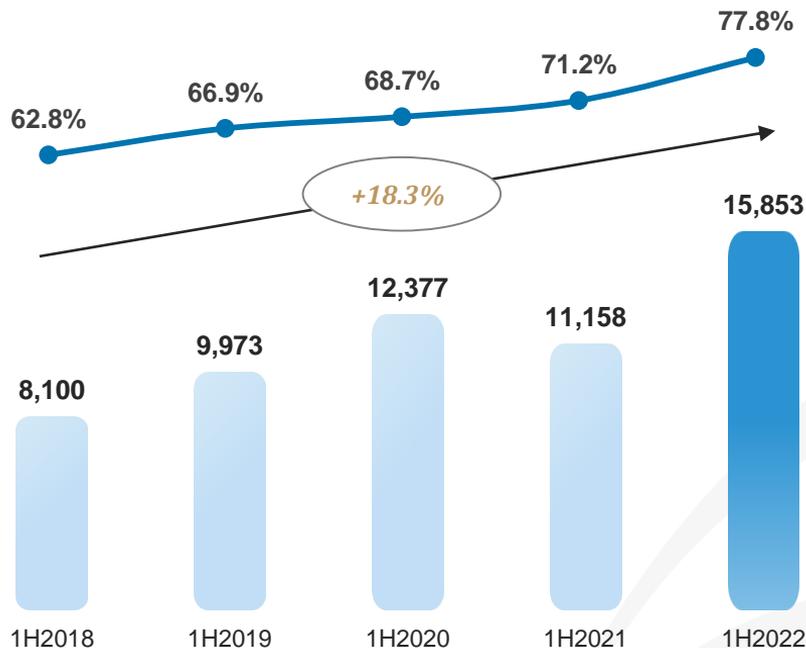
## Combined ratio



# Domestic business: consolidation of emerging lines advantages and seizing business opportunities within blue ocean markets



Reinsurance premiums and proportions of non-motor lines<sup>1</sup> (RMB million)



Reinsurance premiums and proportion of emerging lines<sup>2</sup> (RMB million)

Reinsurance premiums

**1,582**  
+52.9%

Proportion

**10.0%**  
+0.7ppts

## Premiums growth of key lines

Catastrophe insurance	+354.0%
Inherent defects insurance	+114.1%
Construction surety bond	+44.9%
First piece (set)/new material comprehensive insurance	+43.7%

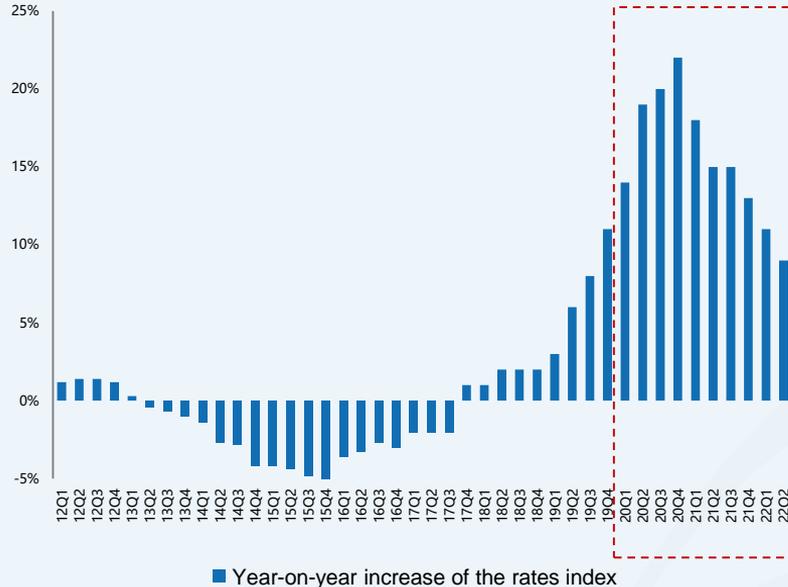
1. Proportion of non-motor lines = reinsurance premiums from non-motor lines of domestic P&C reinsurance ÷ reinsurance premiums of domestic P&C reinsurance

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

# Overseas business: Seizing opportunities from rising rates with premiums growing rapidly



## Global insurance market rates keep rising since 2020<sup>1</sup>



## Gross written premiums and growth (RMB million)

	Gross written premiums	YoY growth
<b>Total</b>	<b>11,374</b>	<b>+17.7%</b>
<b>Of which: Chaucer</b>	<b>8,906</b>	<b>+20.6%</b>
<b>Others</b>	<b>2,468</b>	<b>+8.2%</b>

- The hardening market opportunity was seized to further expand advantageous business, resulting in rapid growth of premiums.

# Overseas business: active business structure improvement and catastrophe risk control



## Combined ratio

	Combined ratio	YoY change
<b>Total</b>	<b>96.50%</b>	<b>+4.16ppts</b>
<b>Of which: Chaucer</b>	<b>96.34%</b>	<b>+6.60ppts</b>
<b>Others</b>	<b>96.96%</b>	<b>-1.37ppts</b>



- Following up on Russian-Ukrainian conflict and other catastrophe losses in a timely manner, Chaucer set aside prudent provisions.
- Chaucer adjusted business structure and lowered business fluctuation, resulting good underwriting profit.



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01 P&C Reinsurance

**02 L&H Reinsurance**

03 P&C Primary Insurance

04 Asset Management

# Business structure optimization and growth of core business



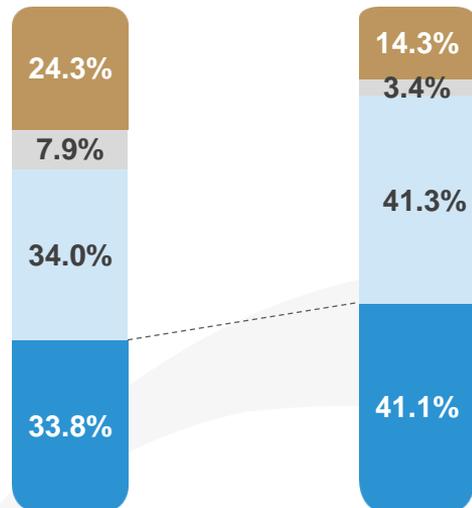
## Key financial figures (RMB million)

Reinsurance premiums<sup>1</sup> **32,897**

Net profit **564**

Annualized ROE **4.99%**

## Business structure



1H2021

1H2022

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

Proportion of domestic protection-type business



**+7.3ppts**

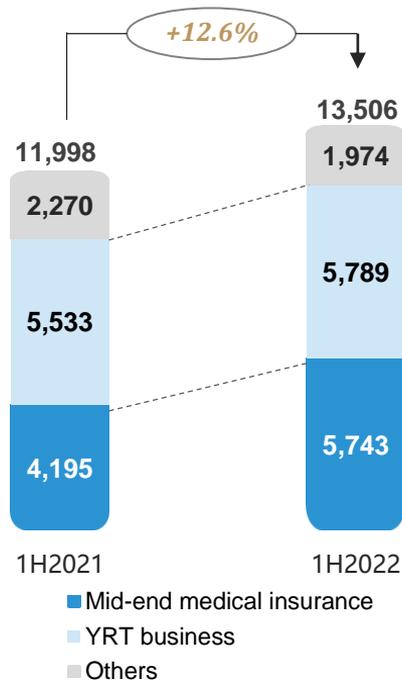
Active innovation and core competitiveness was demonstrated, so that adverse effect from weak industry growth was overcome.

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

# Rapid growth of protection-type business with stable underwriting results



## Reinsurance premiums of protection-type business (RMB million)



Proportion combined with  
YRT business and mid-end  
medical insurance

85.4% ↑ +4.3ppts

**Traditional track:** Major business opportunities from mid-end medical insurance as well as incremental business opportunities such as long-term medical insurance and special drugs promotion, were seized.

**Innovative track:** Inclusive insurance plans in multiple regions were deeply participated. Implementation of emerging risk protections such as disability, long-term care, sick body, chronic disease management, etc., was promoted.

## Underwriting result of short-term protection-type business (RMB million)

Combined ratio **98.24%**

Underwriting profit **213**

- Profitable lines including mid-end medical insurance were actively developed. Loss prevention and reduction for the existing business was deepened. Underwriting result remained stable through innovative momentum and strict risk control.

# Continuous enhancement in core competitiveness



## Data+

- China Re took the lead in Critical Illness Morbidity Review Project, 2022 Life Table Project and Long-term Medical Insurance Experience Analysis Project.
- China Re carried out research on the historical experience, characteristics and future development trends of newly-defined critical illness products, leading the industry on forward-looking research results.
- China Re conducted in-depth analysis of historical experience of inclusive insurance plans, actively promoted cooperation on medical insurance data with local governments, and established new pricing for inclusive insurance plans business model.
- China Re conducted analysis on new risks of CAR-T, provided technical support for new risk pricing and product development, and promoted implementation of multiple CAR-T projects.



## Product+

- Efforts were made in key areas such as consumption medical insurance, disability insurance, long-term care insurance, and elderly health insurance to realize product implementation.
- A product innovation laboratory was set up with a primary insurer to jointly innovate products.
- China Re strengthened research on inclusive insurance plans, and jointly released the first *White Paper on the Development Prospect of Inclusive Insurance Plans*, which was widely recognized by the industry.



## Industrial combination

- On the basis of special drug business, China Re conducted in-depth research and exploration on innovative payment, and carried out innovative payment cooperation in the fields of inclusive insurance plans, sick body insurance, consumption medical insurance and innovative therapy represented by CAR-T.
- China Re intensively operated business in the million-yuan medical insurance market. By promoting advanced medical insurance integrating protection including drugs, equipment, testing and advanced treatment, China Re promoted additional protection from existing insureds within million-yuan medical insurance and the upgrade of products.
- China Re cooperated with insurers to explore business opportunities within institutional care.



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01 P&C Reinsurance

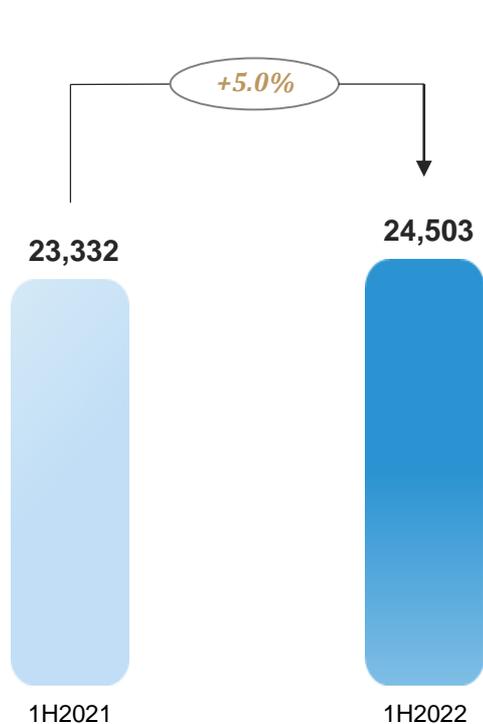
02 L&H Reinsurance

**03 P&C Primary Insurance**

04 Asset Management

# Steady growth in premiums and improvement in underwriting result

## Primary premiums (RMB million)



## Combined ratio

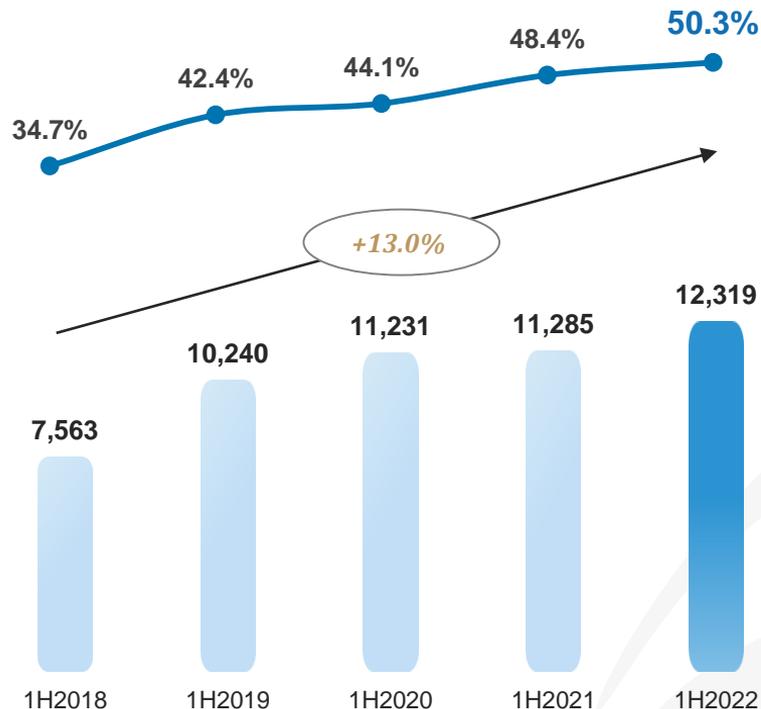


- Business structure was actively optimized, and business quality and cost control were strengthened, so that **combined ratio was decreasing**.

# Business structure improved and non-motor lines accounting more than 50% for the first time



## Primary premiums and proportions of non-motor lines (RMB million)



## Key non-motor lines (RMB million)

### Surety

2,009  
-14.4%

- Prioritizing risk control, premiums were actively reduced and risk exposure was constantly narrowed. Bad debt ratio of personal loan surety insurance in the first half was 8.4% and **underwriting profit was achieved.**

### Others<sup>1</sup>

10,310  
+15.4%

#### Accident & Health

5,225  
+17.8%

#### Liability

2,073  
+35.5%

#### Agriculture

975  
+71.4%

1. Non-motor lines excluding surety.



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02 L&H Reinsurance

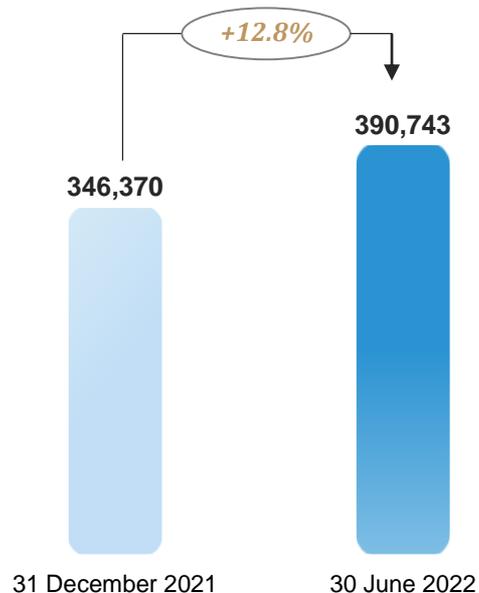
03 P&C Primary Insurance

**04 Asset Management**

# Rapid growth of assets under management with breakthroughs from third-party business



## Assets under management<sup>1</sup> (RMB million)



Of which: third-party investment assets

80,652

↑ +211.8%

## Investment yields

Annualized total investment yield<sup>2</sup>

2.76%

Annualized net investment yield<sup>3</sup>

4.82%

1. Assets under management = total investment assets + third-party investment assets

2. Annualized total investment yield = total investment income ÷ average of total investment assets as at the beginning and end of the period × 2

3. Annualized net investment yield = net investment income ÷ average of total investment assets as at the beginning and end of the period × 2

# Prudent asset allocation with optimization of fixed-income investment and equity investment



## Asset allocation structure (RMB million)

Investment assets	As at 30 June 2022		
	Amount	Percentage (%)	Change (ppts) <sup>5</sup>
<b>Cash and short-term time deposits</b>	<b>15,932</b>	<b>5.1</b>	<b>-2.1</b>
<b>Fixed-income investments</b>	<b>251,842</b>	<b>81.2</b>	<b>0.9</b>
Time deposits	18,542	6.0	-0.7
Government bonds	14,994	4.8	0.2
Financial bonds	22,680	7.3	-0.2
Enterprise (corporate) bonds	115,774	37.3	1.1
Subordinated bonds	12,809	4.2	0.0
Investments classified as loans and receivables	38,732	12.5	0.3
Other fixed-income investments <sup>1</sup>	28,311	9.1	0.2
<b>Equity and investment funds</b>	<b>54,723</b>	<b>17.6</b>	<b>0.1</b>
Investment funds <sup>2</sup>	22,523	7.3	-0.9
Stocks	29,118	9.4	1.1
Unlisted equity shares <sup>3</sup>	3,082	1.0	0.0
<b>Other investments</b>	<b>31,478</b>	<b>10.2</b>	<b>0.2</b>
Investment in associates	25,608	8.3	0.3
Others <sup>4</sup>	5,870	1.9	-0.1
<b>Less: Financial assets sold under agreements to repurchase</b>	<b>-43,884</b>	<b>-14.1</b>	<b>0.9</b>
<b>Total investment assets</b>	<b>310,091</b>	<b>100.0</b>	<b>0.0</b>

### Seizing fixed-income investment opportunities

- Fixed income investment flexibly grasped the market rhythm, steadily promoted maturity re-allocation, strictly controlled credit risk, and played the role of ballast.
- External rated AAA bonds accounted for 93.45% of domestic credit bonds.

### Optimizing equity investment portfolio

- Equity investment balanced and optimized the structure, significantly increased the allocation of high-dividend assets, and focused on exploring industries and high-quality stocks with medium and long-term sustainable growth as well as valuations that match fundamentals.

1. Primarily including financial assets held under resale agreements, statutory deposits and reinsurers' share of policy loans and others.
2. Including monetary funds and the senior tranche of structured index funds.
3. Including assets management products, unlisted equity investments and equity investment schemes.
4. Including investment properties, currency swaps, etc.
5. Percentage points in the label are compared with data as at 31 December 2021.



## 03 Outlook



## The insurance industry is still in a period of transformation

- The momentum for short-term economic growth is insufficient whereas the long-term economic development foundation is solid and improving.
- Insurance demand is changing fast. Demand for personalized, diversified and comprehensive insurance continues to grow, and transformation of government functions and climate change provide opportunities for insurers to participate in social governance.
- Technological empowerment drives the change of competition models, triggering the accelerated upgrading of insurance business from concept to model.

## The insurance industry is recovering

- The P&C insurance industry has been firstly getting out of the trough after the comprehensive motor insurance reform, with a rapid rebound in written premiums.
- Growth rate of the L&H insurance premiums has been increasing month by month, and equal attention has been paid to the growth of premiums and embedded value.
- Structural transformation is accelerating. Under the guidance of the “carbon peaking and carbon neutrality” goal, there is strong growth in renewable energy and new energy vehicle insurance.

## The insurance industry is faced with opportunities

- There is huge growth potential and broad market space within Chinese market.
- National strategies including Rural Revitalization, “Dual Carbon” Goals, Healthy China etc., as well as “Belt and Road” initiative, have provided a broad blue ocean for the insurance industry.
- Real economy is transforming and upgrading, aging of population is accelerating and extreme catastrophe events occur more frequently. Demand for social risk management brings new opportunities in segmental markets.

# Major tasks



Adhere to the general tone of **“making progress while ensuring stability and value creation”**. Uphold the four unwavering principles of **“profitable development, market benchmarks, risk compliance bottom line and digital transformation”**. Adhere to the business strategy of **“stabilizing growth, adjusting structure, controlling risk, and enhancing profitability”**. Promote a high-quality development of China Re.



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# Questions & Answers

# Appendix: Key financial indicators



RMB million (unless otherwise stated)	1H2022	1H2021	Change
<b>Gross written premiums</b>	87,980	83,277	5.6%
P&C reinsurance	31,797	25,403	25.2%
L&H reinsurance	32,998	35,439	-6.9%
P&C primary insurance	24,678	23,585	4.6%
<b>Net profit</b>	1,637	3,977	-58.8%
<b>Net profit attributable to equity shareholders of the parent company</b>	1,681	4,011	-58.1%
<b>EPS (RMB)</b>	0.04	0.09	-58.1%
<b>Annualized ROE</b>	3.66%	8.50%	-4.84pts

# Appendix: Key financial indicators



RMB million (unless otherwise stated)	30 June 2022	31 December 2021	Change
<b>Total assets</b>	508,511	499,796	1.7%
<b>Total liabilities</b>	410,329	397,706	3.2%
<b>Total equity</b>	98,182	102,090	-3.8%
<b>Net assets per share attributable to equity shareholders of the parent company (RMB)</b>	2.09	2.18	-4.1%
<b>Core solvency adequacy ratio</b>	174%	184%	-10ppts
China Re P&C	141%	157%	-16ppts
China Re Life	198%	187%	11ppts
China Continent Insurance	281%	366%	-85ppts
<b>Aggregated solvency adequacy ratio</b>	203%	208%	-5ppts
China Re P&C	208%	213%	-5ppts
China Re Life	226%	215%	11ppts
China Continent Insurance	299%	366%	-67ppts