



中国再保险(集团)股份有限公司  
CHINA REINSURANCE (GROUP) CORPORATION

# 2022 Annual Results Announcement

March 29, 2023 Beijing



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## 01 Results Overview

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## 02 Business Analysis

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## 03 Outlook





中再集团  
CHINA RE

# 01 Results Overview



In the face of severe and complex internal and external situations, China Re maintained strategic focus, fully served the national strategy, deeply promoted business transformation, and comprehensively strengthened risk prevention and control. New achievements were made in high-quality development.

1

Maintained strategic focus to address multiple challenges with coordinating development and security

2

Served the national strategy to show responsibility with prominent leading position

3

Promoted digital transformation with consolidating development advantage

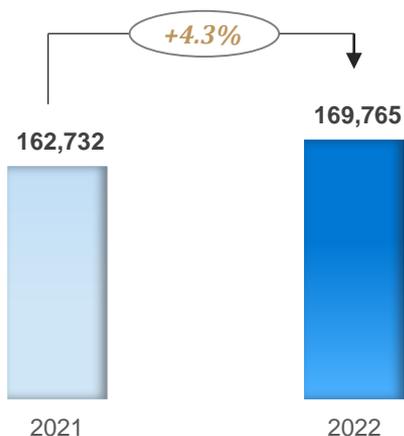
4

Continued to deepen refined management with strengthening high-quality development



### Consolidated gross written premiums of the Group

(RMB million)



Market share ranked **Top 1** in domestic reinsurance market

### Premiums from key segments

(RMB million)

Domestic P&C reinsurance non-motor business

**33,640**  
↑ +24.9%

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

**19,621**  
↑ +16.6%

Domestic L&H reinsurance protection-type business

**29,065**  
↑ +11.6%

P&C primary insurance non-motor business

**22,256**  
↑ +7.4%

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

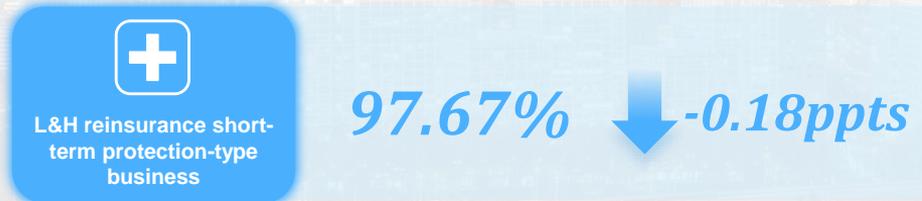
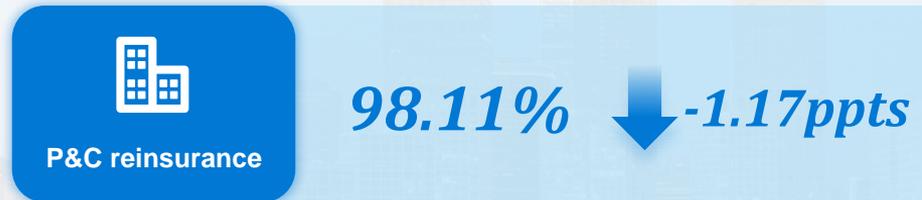
# Results Overview

## Underwriting results improvement and robust risk management

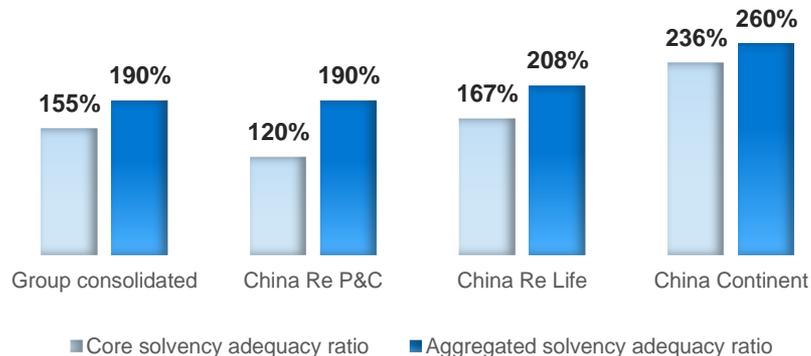


### Combined ratio

In the case of major losses including Russian-Ukrainian conflict, Hurricane Ian, and floods in Australia, underwriting profit was still achieved while significantly improved



### Solvency and rating



**S&P Global**  
Ratings

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



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



### Earthquake, typhoon and flood catastrophe models within China Re brand matrix



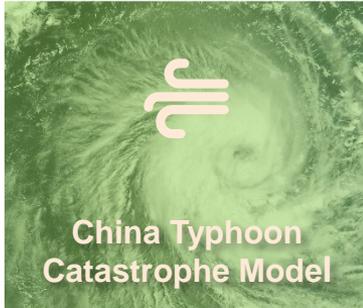
中再巨灾管理  
CHINA RE CRM

The first insurtech company to focus on catastrophe risk management

### China's first catastrophe model with independent intellectual property rights



China Earthquake Catastrophe Model



China Typhoon Catastrophe Model



China Flood Catastrophe Model

Most of the indicators are better than those of international models, realizing localized substitution and independence.

China Earthquake and Typhoon catastrophe models have been used by more than 30 insurance and government institutions.

### Consolidation in technological foundation

- The Digital Transformation Committee has been established to accelerate the implementation of "Digital China Re 2.0".
- An international catastrophe portfolio risk management platform (CREST) was independently developed to accurately quantify catastrophe risk.
- The group of new standard systems for insurance contracts was launched as scheduled, covering all domestic and overseas operating institutions and improving globalized management and control.
- More than 90% of underwriting from key business segments was operated online. Data quality and management preciseness have been significantly improved.

## 02 Business Analysis

**01 P&C Reinsurance**

02 L&H Reinsurance

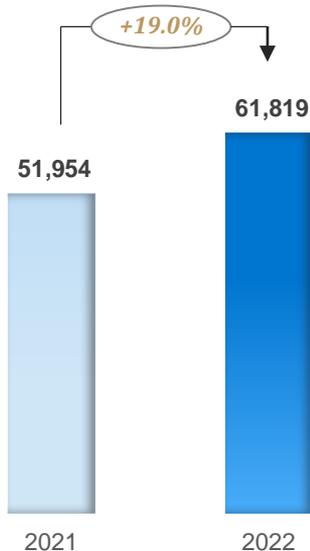
03 P&C Primary Insurance

04 Asset Management



### Gross written premiums<sup>1</sup>

(RMB million)



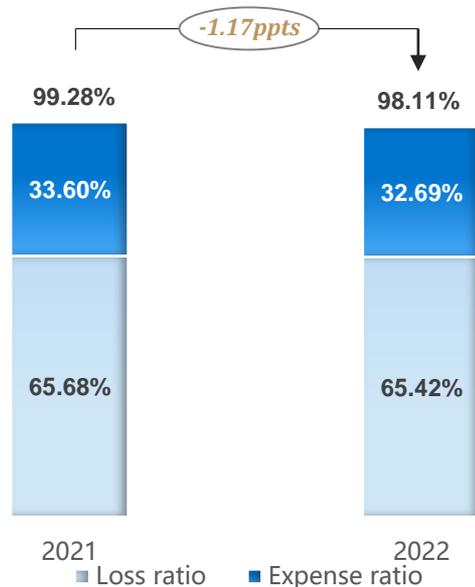
#### Domestic business

**42,097**  
↑ +20.2%

#### Overseas business

**19,621**  
↑ +16.6%

### Combined ratio

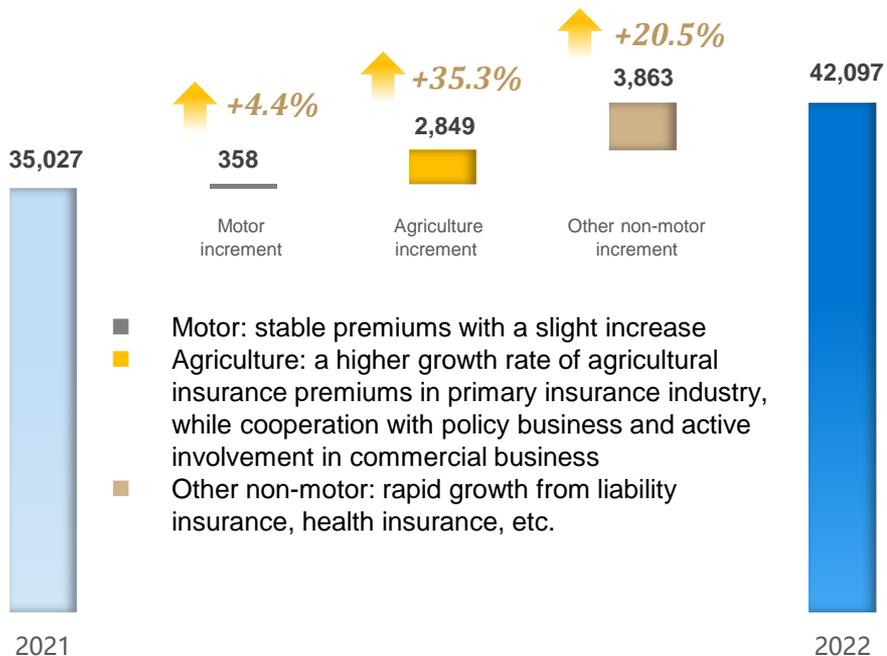


1. Mainly includes domestic P&C reinsurance business, overseas P&C reinsurance business, CNIP business and legacy P&C reinsurance business.

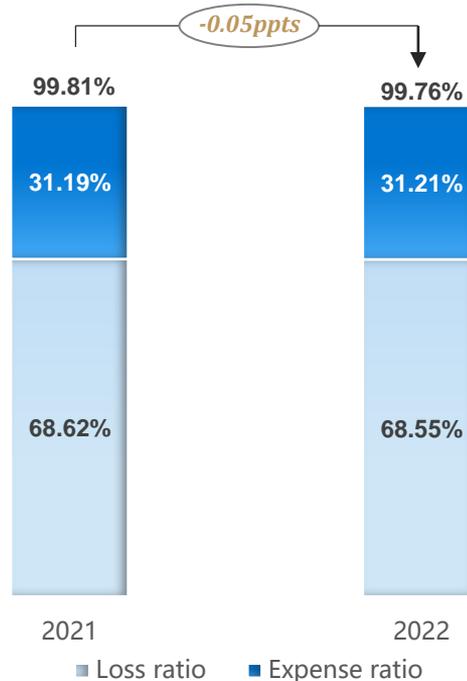


## Reinsurance premiums

(RMB million)



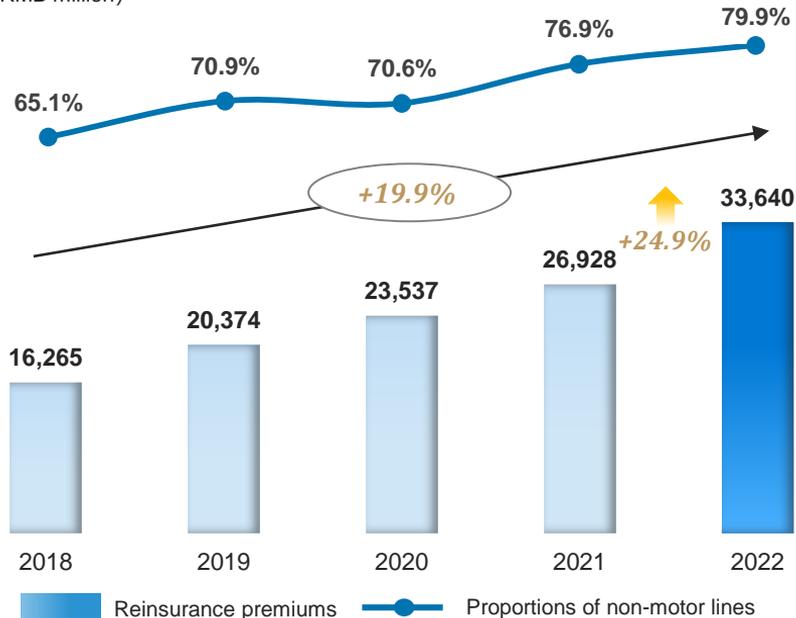
## Combined ratio





### 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

**2,822**  
↑ +34.6%

Proportion

**8.4%**  
↑ +0.6ppts

#### Premiums growth of key lines

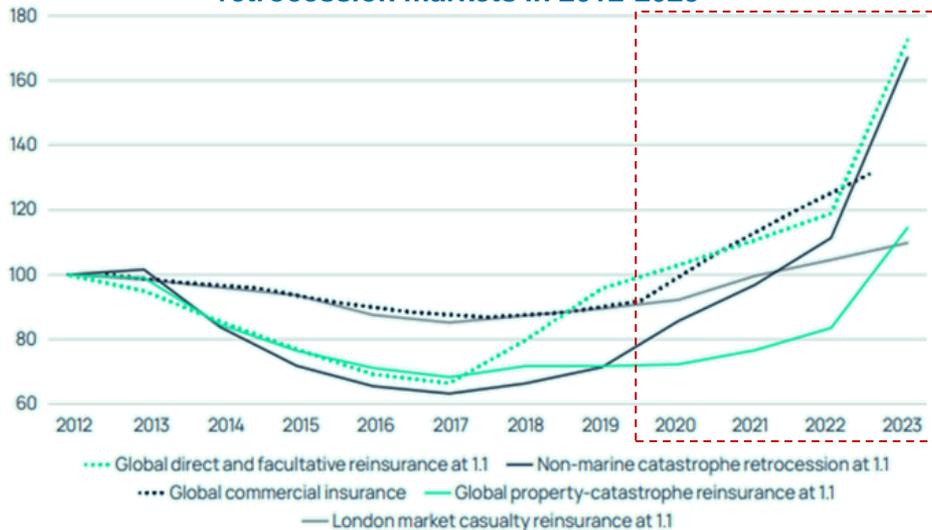
Inherent defects insurance	↑ +18.3%
First piece (set)/new material comprehensive insurance	↑ +35.5%
Catastrophe insurance	↑ +13.7%
Intellectual property insurance	↑ +39.1%
Cyber security insurance	↑ +12.8%

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 premium from emerging lines ÷ reinsurance premiums from non-motor lines of domestic P&C reinsurance



### Global insurance market rates keep rising since 2020

Price index trends of global primary insurance, reinsurance and retrocession markets in 2012-2023<sup>1</sup>



### Gross written premiums and growth

(RMB million)

	Gross written premiums	YoY growth
<b>Total</b>	<b>19,621</b>	<b>+16.6%</b>
<b>Of which: Chaucer</b>	<b>15,720</b>	<b>+17.9%</b>
<b>Others<sup>2</sup></b>	<b>3,901</b>	<b>+11.9%</b>

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

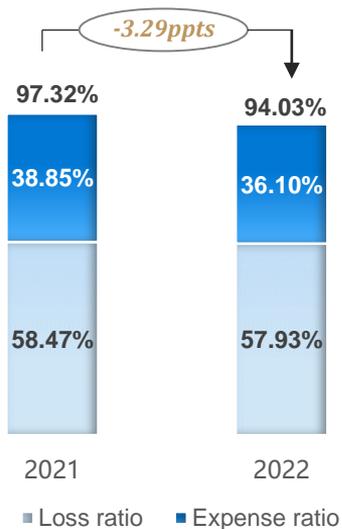
1. Source: Howden

2. Other overseas P&C reinsurance refers to reinsurance premiums

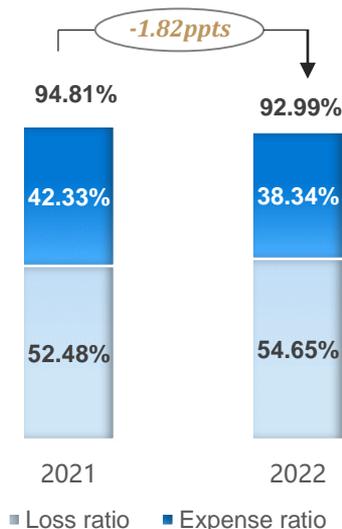


### Combined ratio

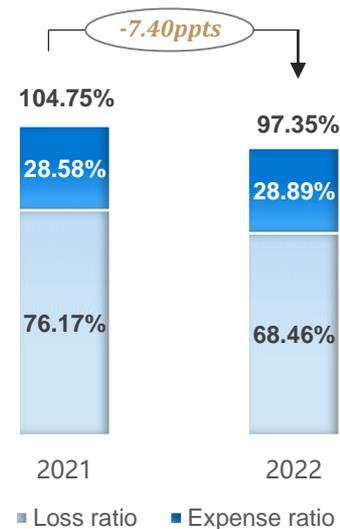
Overseas business in total



Chaucer



Overseas business except Chaucer



Proactively adjusted business with poor performance, and despite the impact of the Russian-Ukrainian conflict and other natural catastrophes, underwriting profits still improved significantly

# P&C Reinsurance | Ecosystem model with outstanding results



## Disaster management ecosystem

- China Re participated in pilot catastrophe projects in **18** provinces, serving as the chief or sole reinsurer in more than **80%** of the projects.
- China Re jointly set up joint open laboratories for weather risk and insurance.



## Agricultural and rural ecosystem

- China Re supported policy agricultural reinsurance by increasing undertaking ratio to **36%**.
- China Re innovated commercial agricultural insurance products, provided reinsurance support to promote pilot high-standard farmland insurance in five provinces, and launched the **first** agricultural carbon sink insurance.



## Belt and Road ecosystem

- China Belt and Road Reinsurance Pool provided risk coverage for **19 billion** of assets for **30** Chinese interest abroad projects.
- China Re developed China's **first** foreign country terrorism risk assessment system from China's perspective independently.



## Construction quality ecosystem

- The leading advantage of IDI business has been further expanded by upgrading "Shanghai Model" and promoting nationwide. Total area insured by the IDI platform exceeded **178 million square meters**.
- Solid market position in domestic IDI reinsurance industry was maintained with market share of more than **40%**.



## Intelligent transportation ecosystem

- China Re promoted the integration, innovation and synergy between insurance industry and new energy vehicle industry by releasing the **first** new energy vehicle insurance pricing model in the industry.
- China Re launched the **first** commercialized new energy vehicle domestic chip quality & safety liability insurance.

01 P&C Reinsurance

**02 L&H Reinsurance**

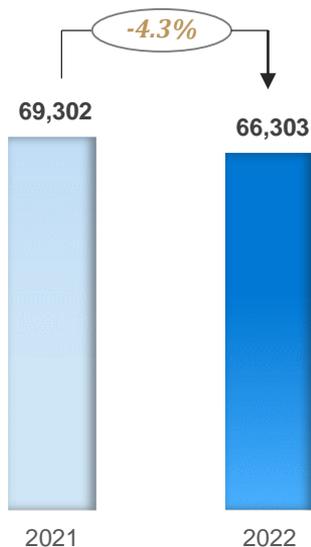
03 P&C Primary Insurance

04 Asset Management



### Reinsurance premiums<sup>1</sup>

(RMB million)



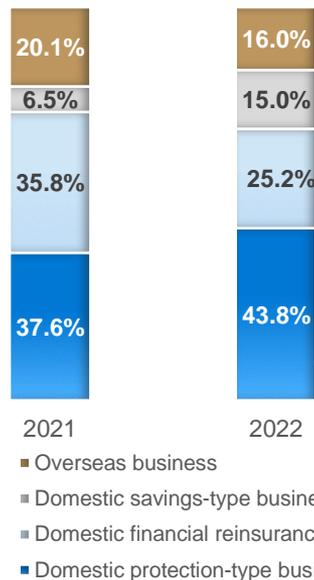
Domestic business

55,717

Overseas business

10,586

### Business structure



Proportion of domestic protection-type business

↑ +6.2ppts

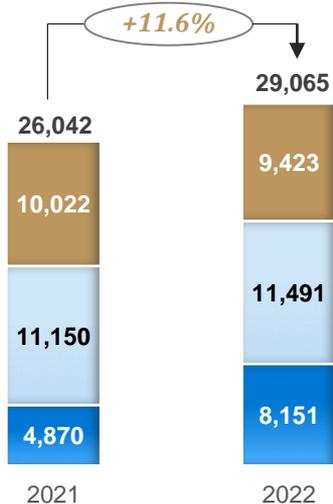
Active innovation and core competitiveness was demonstrated, so that adverse effect from weak industry growth was overcome.

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



### Reinsurance premiums of protection-type business

(RMB million)



+11.6%

#### Proportion of medical insurance

**28.0%**  
↑ +9.3ppts

- **Traditional track:** Major business opportunities from medical insurance were seized, transformation of medical insurance market was adapted and a leading market share was maintained
- **Innovative track:** “Hui Min Bao” business in multiple regions were deeply participated relying on industrial integration, potential first-mover opportunities such as innovative cancer treatments and consumer medical care were seized leveraging product innovation

■ Medical insurance ■ YRT business ■ Others

### Underwriting result of short-term protection-type business

(RMB million)

#### Combined ratio

**97.67%** ↓ -0.18ppts

#### Underwriting profit

**569** ↑ +37.1%

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



### Empowering business through data

- China Re took the lead in the fourth set Life Table Project, Processing of insurance policies amounted to 900 million, and also took the lead to study the life insurance and long-term care insurance conversion mechanism and to formulate industry norms.
- China Re conducted special studies on new risks in the field of medical and health, provided support for new risk pricing, new field development, new mode exploration.
- China re iteratively upgraded intelligent risk control system, selected as "2022 Excellent Case of Risk Prevention and Control in China Insurance Industry" by *China Banking and Insurance News*.
- China Re used artificial intelligence algorithms to build a series of health insurance claims text cleaning models, laying the foundation for refined disease analysis and precise risk management.

### Combining industry with multi-point efforts

- On the basis of special drug business, China Re further promoted innovative payment cooperation, and carried out innovative payment cooperation of new therapies and new devices in the fields of "Hui Min Bao", consumer medical insurance, etc.
- China Re expanded the risk protection field of consumer medical products via integrating medical resources, and launched elderly insurance products for specific diseases by cooperating with health care institutions.

Converting services into products by aggregating resources with integration parties

Profound data analysis and pricing capabilities

### Developing new products through innovation

- China Re Participated in liability design of mainstream critical illness products, and guided market direction of product optimization.
- China Re launched first consumption-type personal disability insurance, and developed 35 "protection-type care insurance" products, accounting for more than 60% of the industry.



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Developing product solutions and taking risks for insurers

01 P&C Reinsurance

02 L&H Reinsurance

**03 P&C Primary Insurance**

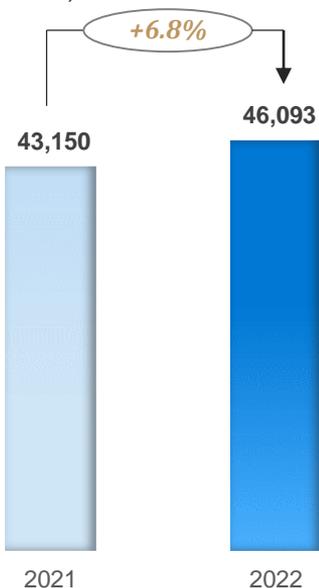
04 Asset Management

# Primary P&C Insurance | Active business transformation and significant improvement in underwriting result



## Primary premiums

(RMB million)



### Motor line

23,837

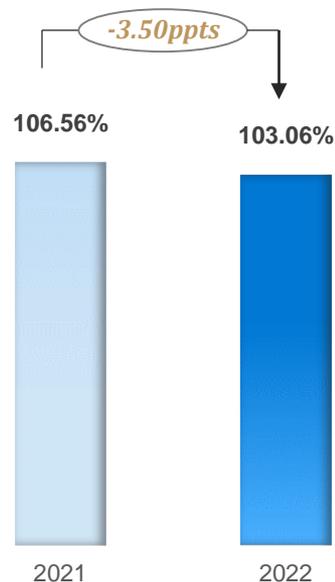
↑ +6.3%

### Non-motor lines

22,256

↑ +7.4%

## Combined ratio



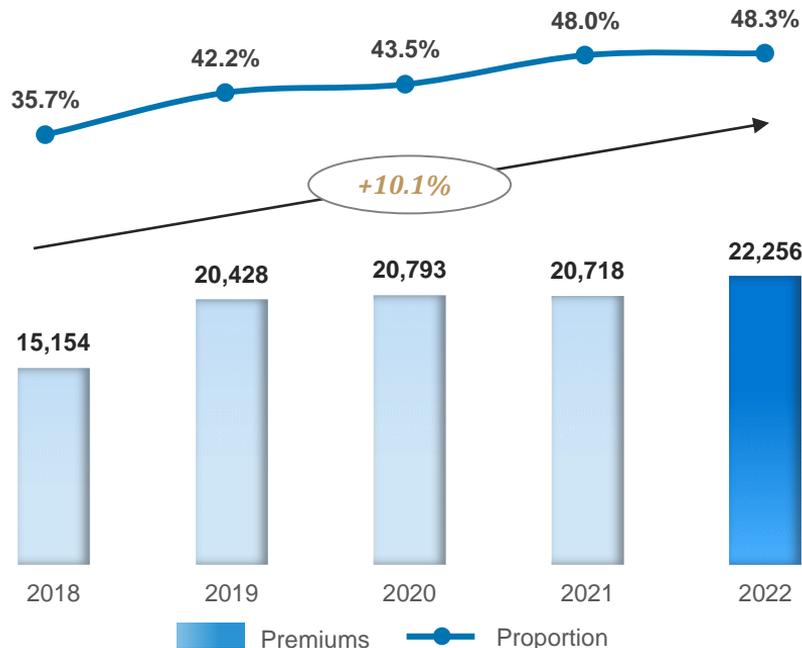
Business structure was actively optimized, and business quality and cost control were strengthened, so that combined ratio was decreasing.

# Primary P&C Insurance | Continuously optimization in business structure and active control on surety insurance



## Primary premiums and proportions of non-motor lines

(RMB million)



## Key non-motor lines

(RMB million)

### Surety

4,492

↓ -17.2%

- Prioritizing risk control, premiums were actively reduced and risk exposure was constantly narrowed.
- Due to the pandemic, bad debt ratio of personal consumption loan surety insurance slightly increased but under control, of which underwriting profit was achieved.

### Other <sup>1</sup>

17,764

↑ +16.1%

### Accident & Health

8,457

↑ +12.0%

### Liability

4,018

↑ +40.0%

### Agricultural

1,491

↑ +42.5%

1. Non-motor lines excluding surety

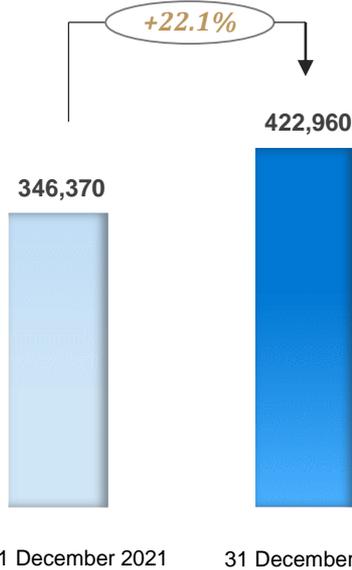
- 01 P&C Reinsurance
- 02 L&H Reinsurance
- 03 P&C Primary Insurance
- 04 Asset Management**

# Asset Management | Rapid growth of assets under management and prudent asset allocation



## Assets under management<sup>1</sup>

(RMB million)



**Total investment assets**

**320,697**

**Third-party investment assets**

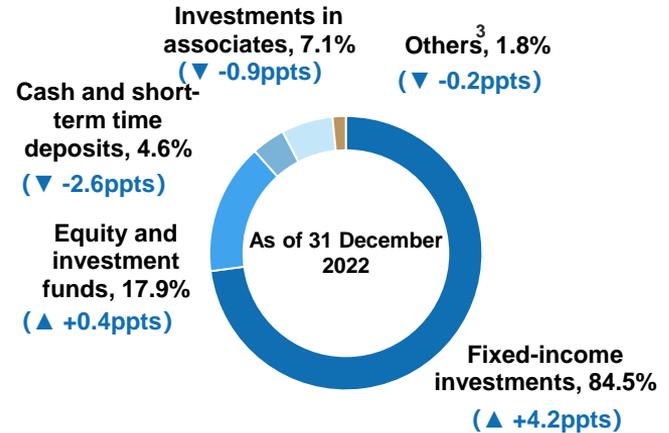
**102,263**

**↑ +295.3%**

31 December 2021

31 December 2022

## Asset allocation structure<sup>2</sup>



**Total investment yield**

**1.79%**

**Net investment yield**

**3.97%**

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

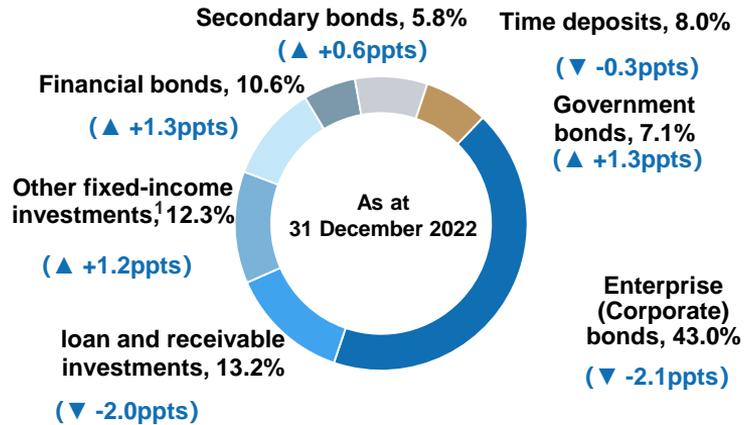
2. Sum of percentages of all asset classes amounts to over 100% due to the subtraction of securities sold under agreements to repurchase from total investment assets

3. Other investments include investment properties, currency swaps, etc.

# Asset Management | Seizing fixed-income investment opportunities and optimizing equity investment mix

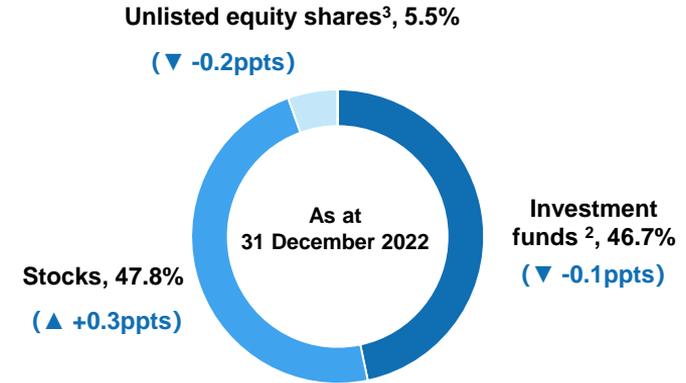


## Fixed-income investment mix



- Fixed-income investment flexibly grasped the market rhythm, steadily promoted maturity reallocation, strictly controlled credit risk, and played the role of ballast.
- External rated AAA bonds accounts for 97.55% of domestic credit bonds.

## Equity and fund investment mix



- Equity investment 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 the reinsurer's share of policy loans and others  
 2. Including monetary funds and senior tranche of structured index funds  
 3. Including asset management products, unlisted equity investments and equity investment schemes.

## 03 Outlook

## Market situation

Chinese insurance industry will remain in a significant period of strategic opportunities for a long time



**In the process of Chinese-style modernization, driven by supply-side structural reforms and demand-side comprehensive upgrades, Chinese insurance industry will remain in a significant period of strategic opportunities for a long time**



**Macro environment  
presents opportunities  
and challenges**



**Supply-side structural  
reform of insurance  
industry continues to  
deepen**



**Demand side of  
insurance industry is  
comprehensively  
upgrading**



By 2035, become a world-class comprehensive reinsurance group with distinctive Chinese characteristics, prominent strategic role, well-defined professional advantages and an outstanding market position

### Ramp up period

- Emphasize on serving the national strategies, demonstrating our responsibility, focusing on our advantage in main business, and grasping policy opportunities to achieve better development
- **Emphasize on profit at top priority and coordinated development, highlighting profitability, promoting the coordinated development of underwriting with investment, and domestic with international business**
- Emphasize on fine management and laying a solid foundation, promoting digital transformation, implementing precisely whole-process management to enhance efficiency

### Development breakthrough period

- Under the multi-wheel drive of underwriting and investment as well as domestic and international businesses, to **achieve breakthroughs in performance**
- Fully promote the digital China Re strategy and kick start the second growth curve **to achieve innovative breakthroughs**
- Build dual-wings of insurtech and catastrophe technology, improve the insurance industry chain and global network **to achieve layout breakthroughs**
- Continue to enhance the vitality of mechanisms in terms of innovation, incentives and collaboration **to achieve breakthroughs in management**

### Catch up and surpass period

- Global business layout, refined operation and management, technological support capabilities, professional talent team and global brand influence will **reach an industry-leading level**
- China Re will rank at the forefront of the international reinsurance industry, **becoming a world-class comprehensive reinsurance group**

By 2035

2025-2027

2023-2024



 Adhere to the general principle of “seeking progress while maintaining stability, enhancing value”, make significant improvement in management level and the continuous enhancement of core competitiveness, to take the first steps during the “ramp up period”

## Comprehensively advance high-quality development

- Strengthen strategic guidance, and improve the quality and efficiency of strategic deployment and implementation
- Adhere to the coordinated-development-oriented business management, uphold the **policy of “stabilizing growth, adjusting structure, controlling risk, and increasing profitability”**, and reinforce the concept of coordinated development and profitability first
- Prevent and control risk, hold the risk bottom line, and coordinate development and security

1

2

## Comprehensively improve the level of serving national strategy

- In-depth understanding of the internal logic of serving the national strategy and achieving high-quality development in line with each other
- Actively integrate into and serve the overall national strategies to develop and expand a new blue ocean
- Promote product innovation, to be a co-governor of social management, a supporter of enterprise risk reduction, and a guardian of people’s entire life cycle

## Comprehensively promote digital transformation

- Promote the unification and standardization of basic data platforms to consolidate the foundation for digital transformation
- Promote intelligent operations to realize digital-driven business development
- Accelerate the conversion from reinsurance to primary insurance and the conversion of platform into ecology to lead innovation and transformation driven by digitalization

3

4

## Comprehensively expand the development layout

- Improve the main business chain, and create a new development model with a body of “reinsurance + primary insurance + asset management + brokerage” and dual-wings of “insurtech + catastrophe technology”
- Accelerate construction of ecology to increase the strategic synergy
- Improve the international operation and management levels to tap the overall value of global network

# Questions & Answers

# Appendix: Key financial indicators



RMB million (unless otherwise stated)	2022	2021 (Restated)	Change
<b>Gross written premiums</b>	169,765	162,732	4.3%
P&C reinsurance	61,819	51,954	19.0%
L&H reinsurance	66,385	69,374	-4.3%
P&C primary insurance	46,361	43,496	6.6%
<b>Net profit</b>	1,525	5,895	-74.1%
<b>Net profit attributable to equity shareholders of the parent company</b>	1,871	5,954	-68.6%
<b>EPS (RMB)</b>	0.04	0.14	-68.6%
<b>ROE</b>	2.09%	6.41%	-4.32ppts

# Appendix: Key financial indicators



RMB million (unless otherwise stated)	31 December 2022	31 December 2021 (Restated)	Change
<b>Total assets</b>	520,695	499,796	4.2%
<b>Total liabilities</b>	426,022	397,706	7.1%
<b>Total equity</b>	94,673	102,090	-7.3%
<b>Net assets per share attributable to equity shareholders of the parent company(RMB)</b>	2.02	2.18	-7.2%
<b>Core solvency adequacy ratio</b>	155%	184%	-29ppts
China Re P&C	120%	157%	-37ppts
China Re L&H	167%	187%	-20ppts
China Continent Insurance	236%	366%	-130ppts
<b>Aggregated solvency adequacy ratio</b>	190%	208%	-18ppts
China Re P&C	190%	213%	-23ppts
China Re L&H	208%	215%	-7ppts
China Continent Insurance	260%	366%	-106ppts