



中國再保險(集團)股份有限公司

CHINA REINSURANCE (GROUP) CORPORATION

(A joint stock limited company incorporated in the People's Republic of China)

Stock Code : 1508

2024 Interim Report

專業 讓保險更保險

EMPOWER YOUR INSURANCE BY EXPERTISE



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# FINANCIAL HIGHLIGHTS

The Group has implemented International Financial Reporting Standards (“IFRS”) 17 – Insurance Contracts (the “New Standard for Insurance Contracts”) and IFRS 9 – Financial Instruments (the “New Standard for Financial Instruments”) (collectively, the “New Standards”) from 1 January 2023. The Group presented the data of financial assets for the same period last year using the classification overlay method.

*Unit: in RMB millions, except for percentages and unless otherwise stated*

	As at 30 June 2024	As at 31 December 2023	Change (%)
Total assets	474,465	459,728	3.2
Total liabilities	366,972	357,549	2.6
Total equity	107,493	102,179	5.2
Net assets per share attributable to equity shareholders of the parent company (RMB)	2.31	2.20	5.4

	For the six months ended 30 June		
	2024	2023	Change (%)
Insurance revenue	51,784	48,466	6.8
Net profit	5,922	2,067	186.5
Net profit attributable to equity shareholders of the parent company	5,727	2,012	184.6
Earnings per share (RMB)	0.13	0.05	184.6
Annualised weighted average return on equity (%) <sup>1</sup>	11.85	4.46	Increase by 7.39 percentage points

Notes: 1. Annualised weighted average return on equity = net profit attributable to equity shareholders of the parent company ÷ balance of weighted average equity × 2.

2. Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

The Group is engaged in P&C reinsurance, life and health reinsurance, primary P&C insurance, asset management, insurance intermediary and other businesses. We operate our domestic and overseas P&C reinsurance business primarily through China Re P&C, Chaucer and Singapore Branch; our domestic and overseas life and health reinsurance business primarily through China Re Life, China Re HK and Singapore Branch; our domestic and overseas primary P&C insurance business primarily through China Continent Insurance and Chaucer. We utilise and manage our insurance funds in a centralised and professional manner primarily through China Re AMC. We operate our insurance intermediary business primarily through Huatai Insurance Agency and its subsidiary. In addition, the Group Company manages domestic and overseas P&C reinsurance business through China Re P&C, and manages domestic and overseas life and health reinsurance business through China Re Life.

## Key Operating Data

The following table sets forth the key operating data of the Group for the reporting periods indicated:

	<i>Unit: in RMB millions, except for percentages</i>		
	<b>For the six months</b>		
	<b>ended 30 June</b>		
	<b>2024</b>	<b>2023</b>	<b>Change (%)</b>
Insurance revenue	51,784	48,466	6.8
Insurance revenue by business segment:			
P&C reinsurance <sup>1</sup>	23,474	19,986	17.5
Life and health reinsurance <sup>1</sup>	5,861	7,008	(16.4)
Primary P&C insurance <sup>1</sup>	23,157	22,580	2.6
Total investment income <sup>2</sup>	9,647	5,590	72.6
Annualised total investment yield (%) <sup>3</sup>	4.66	3.55	Increase by 1.11 percentage points
Net investment income <sup>4</sup>	6,978	6,990	(0.2)
Annualised net investment yield (%) <sup>3</sup>	3.90	3.96	Decrease by 0.06 percentage points

# MANAGEMENT DISCUSSION AND ANALYSIS

Notes: 1. Insurance revenue for each business segment do not consider inter-segment eliminations, in which: the businesses of P&C reinsurance segment mainly include domestic P&C reinsurance business, overseas P&C reinsurance and Chaucer business, CNIP business and legacy P&C reinsurance business; the businesses of life and health reinsurance segment mainly include domestic life and health reinsurance business, overseas life and health reinsurance business and legacy life and health reinsurance business; and the business of primary P&C insurance segment refers to the property and casualty insurance business operated by China Continent Insurance.

2. Total investment income = Investment income after deducting non-insurance investment contracts and derivative financial instruments related to life insurance business + interest income + share of profit of associates + impairment losses of associates – interest expenses on financial assets sold under repurchase agreements – net impairment loss on financial assets after deducting other assets – loss on dilution of equity in associates.

3. In the calculation of an annualised total investment yield and an annualised net investment yield, only interest income, rental income from investment properties and share of profit of associates are annualised, and such treatment does not apply to dividend income, realised gains/(losses), unrealised gains/(losses), interest income from financial assets held under resale agreements, interest expenses on financial assets sold under repurchase agreements and impairment losses, etc.

Annualised total/net investment yield = Annualised total/net investment income ÷ average total investment assets at the beginning and the end of the period.

4. Net investment income = Interest income + dividend income + rental income + share of profit of associates – interest expenses on financial assets sold under repurchase agreements.

5. Under the China Accounting Standards for Business Enterprises, the Company continues to implement the Accounting Standards for Business Enterprises No. 25 – Original Insurance Contracts (Cai Kuai [2006] No. 3), the Accounting Standards for Business Enterprises No. 26 – Reinsurance Contracts (Cai Kuai [2006] No. 3), the Regulations on Accounting Treatment Related to Insurance Contracts (Cai Kuai [2009] No. 15), the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets, the Accounting Standards for Business Enterprises No. 24 – Hedging (Cai Kuai [2006] No. 3), the Accounting Standards for Business Enterprises No. 37 – Presentation and Reporting of Financial Instruments (Cai Kuai [2014] No. 23) and other relevant accounting standards (the “Old Standards”). Under the Old Standards, the Group’s gross written premiums for the Reporting Period were RMB100,412 million, representing a year-on-year decrease of 2.1%.

# MANAGEMENT DISCUSSION AND ANALYSIS

	30 June 2024		31 December 2023	
	Core solvency adequacy ratio (%)	Aggregated solvency adequacy ratio (%)	Core solvency adequacy ratio (%)	Aggregated solvency adequacy ratio (%)
The Group	161	194	155	192
Group Company	315	315	409	409
China Re P&C	161	249	152	249
China Re Life	166	212	158	216
China Continent Insurance	254	280	235	262

Notes: 1. The relevant solvency data as at 30 June 2024 were not audited or reviewed by the auditors of the Company.

2. According to Articles 5 and 7 of the Regulations on the Solvency Supervision of Insurance Companies No. 1: Actual Capital, the evaluation of actual capital shall be based on the Accounting Standards for Business Enterprises approved by the former CBIRC, and the evaluation standards of assets and liabilities shall be adjusted according to the purpose of solvency supervision; as for the assets and liabilities of insurance contracts, their book value shall be recognised and measured in accordance with the Accounting Standards for Business Enterprises No. 25 – Original Insurance Contracts and the Accounting Standards for Business Enterprises No. 26 – Reinsurance Contracts issued in 2006 by the Ministry of Finance, and the Regulations on Accounting Treatment of Insurance Contracts issued in 2009 by the Ministry of Finance.

# MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2024, the Group had always adhered to the general tone of “seeking progress while ensuring stability, enhancing value” and the business philosophy of “expanding business scale, increasing underwriting profits and making prudent investment”. The Group actively responded to internal and external challenges, strengthened refined management, and strove to enhance core competitiveness, taking solid steps towards high-quality development. Firstly, the Group saw stable and healthy growth in insurance revenue, which amounted to RMB51,784 million, representing a year-on-year increase of 6.8%. Secondly, the Group’s operational efficiency continuously improved. Its underwriting profit kept improving, while investment income significantly increased. The solvency and international ratings of the Group remained stable. During the Reporting Period, we maintained “A (Excellent)” by A.M. Best and “A” by S&P Global Ratings, with our financial condition remaining stable.

## Key Financial Indicators

The following table sets forth the key financial indicators of the Group for the reporting periods indicated:

*Unit: in RMB millions, except for percentages and unless otherwise stated*

	For the six months ended 30 June		
	2024	2023	Change (%)
Operating income	60,686	54,501	11.3
Profit before tax	7,414	2,361	214.0
Net profit	5,922	2,067	186.5
Net profit attributable to equity			
shareholders of the parent company	5,727	2,012	184.6
Earnings per share (RMB)	0.13	0.05	184.6
Annualised weighted average return on equity (%) <sup>1</sup>	11.85	4.46	Increase by 7.39 percentage points

Note: 1. Annualised weighted average return on equity = net profit attributable to equity shareholders of the parent company ÷ balance of weighted average equity × 2.

# MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2024, net profit attributable to equity shareholders of the parent company of the Group was RMB5,727 million, representing a year-on-year increase of 184.6%, mainly due to the fact that we adhered to the business philosophy of “expanding business scale, increasing underwriting profits and making prudent investment”, and made balanced efforts in both ends of underwriting and investment, so that our underwriting performance continuously improved and investment income achieved year-on-year growth. The significant increase in investment income was due to the fact that we actively grasped market opportunities to increase investment income, while the measurement of investment business-related profit became more sensitive to changes in the capital market under the New Standard for Financial Instruments.

*Unit: in RMB millions, unless otherwise stated*

	<b>30 June</b>	31 December	
	<b>2024</b>	2023	Change (%)
Total assets	474,465	459,728	3.2
Total liabilities	366,972	357,549	2.6
Total equity	107,493	102,179	5.2
Net assets per share attributable to equity shareholders of the parent company (RMB)	<u>2.31</u>	<u>2.20</u>	<u>5.4</u>

Note: Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.



# MANAGEMENT DISCUSSION AND ANALYSIS

## P&C REINSURANCE BUSINESS

The business of P&C reinsurance segment mainly includes domestic P&C reinsurance business, overseas P&C reinsurance and Chaucer business, CNIP business and legacy P&C reinsurance business.

In the first half of 2024, we focused on consolidating the leading position in domestic reinsurance market, and continued to facilitate the establishment of platforms for domestic commercial insurance business and national policy-oriented business, strengthen the innovation-driven model and technological application, adhere to risk reduction services, and create new value while giving full play to our professional advantages. We continued to upgrade our customer service system, consistently strengthened the capability of our underwriting team, and enhanced our technical capabilities. We vigorously developed emerging businesses such as construction inherent defects insurance (IDI), safety production liability insurance, catastrophe insurance and cyber securities insurance, and thus our business structure continued to optimise.

For overseas business, we continued to adhere to high-quality development, constantly optimised management mechanism and strengthened risk management and control. Matching with market cycles, our operation continued to improve with an adjusted business portfolio. We strengthened team building, reinforced core channels, and improved customer service capabilities. By constantly promoting the synergy between domestic and overseas businesses, concerted forces were formed to enhance domestic and overseas operating entities' underwriting capacity, facilitate business development, optimise the risk portfolio and promote the "Belt and Road Initiative" related business development.

In the first half of 2024, the insurance revenue from our P&C reinsurance segment amounted to RMB23,474 million, representing a year-on-year increase of 17.5% and accounting for 44.7% of insurance revenue of the Group (before inter-segment eliminations). In particular, the insurance revenue from our domestic P&C reinsurance business amounted to RMB12,477 million, representing a year-on-year increase of 24.9%, and the insurance revenue from our overseas P&C reinsurance and Chaucer business amounted to RMB10,942 million, representing a year-on-year increase of 10.2%. The increase in insurance revenue from our P&C reinsurance segment was mainly due to the fact that we seized the opportunities of rising rates and ceding in international market to actively expand new business. Net profit amounted to RMB2,579 million, representing a year-on-year increase of 246.6%. The increase in net profit was mainly due to: in addition to the increase in investment income, we adhered to the high-quality development strategy and actively seized market opportunities to develop advantageous businesses, resulting in significant improvement in underwriting efficiency. We strove to consolidate our position as the main channel in the domestic reinsurance market, continued to promote the platform construction for domestic commercial insurance business and national policy-oriented business, strengthened innovation-driven and technology application, adhered to risk reduction services, and created new value by leveraging our professional advantages. In the field of overseas business, we continued to adhere to high-quality development, constantly optimised management mechanisms, strengthened risk management and control, adapted to market cycles, and adjusted business structure, so that our operations continued to improve.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial Analysis

The following table sets forth the selected key financial data of our P&C reinsurance segment for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

	2024	2023	Change (%)
Insurance revenue	23,474	19,986	17.5
Interest income	1,465	1,240	18.1
Investment income	1,286	161	698.8
Exchange gains/(losses), net	(84)	370	–
Other income	93	73	27.4
<b>Total income</b>	<b>26,233</b>	<b>21,830</b>	<b>20.2</b>
Insurance service expenses	(21,031)	(17,725)	18.7
Allocation of reinsurance premiums	(2,600)	(2,670)	(2.6)
Amounts recoverable from reinsurers	2,131	856	148.9
Finance expenses from insurance contracts issued	(760)	(886)	(14.2)
Finance income from reinsurance contracts held	141	167	(15.6)
Net impairment loss on financial assets	(15)	(17)	(11.8)
Other finance costs	(342)	(397)	(13.9)
Other operating and administrative expenses	(564)	(461)	22.3
<b>Total insurance service expense and others</b>	<b>(23,040)</b>	<b>(21,133)</b>	<b>9.0</b>
Share of profit of associates	113	180	(37.2)
<b>Profit before tax</b>	<b>3,306</b>	<b>877</b>	<b>277.0</b>
Income tax	(727)	(133)	446.6
<b>Net profit</b>	<b>2,579</b>	<b>744</b>	<b>246.6</b>

Note: Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Insurance revenue**

Insurance revenue of our P&C reinsurance segment increased by 17.5% from RMB19,986 million in the first half of 2023 to RMB23,474 million in the first half of 2024, mainly due to the fact that we seized the opportunities of rising rates and ceding in international market to actively expand new business.

## **Interest income**

Interest income from our P&C reinsurance segment increased by 18.1% from RMB1,240 million in the first half of 2023 to RMB1,465 million in the first half of 2024. For details of analysis on changes of interest income, please refer to relevant contents in asset management business segment.

## **Investment income**

Investment income from our P&C reinsurance segment increased by 698.8% from RMB161 million in the first half of 2023 to RMB1,286 million in the first half of 2024. For details of analysis on changes of investment income, please refer to relevant contents in asset management business segment.

## **Insurance service expenses**

Insurance service expenses of our P&C reinsurance segment increased by 18.7% from RMB17,725 million in the first half of 2023 to RMB21,031 million in the first half of 2024, mainly due to the corresponding increase in insurance service expenses caused by the business scale.

## **Share of profit of associates**

Share of profit of associates from our P&C reinsurance segment decreased by 37.2% from RMB180 million in the first half of 2023 to RMB113 million in the first half of 2024, mainly due to the decline in operating results of invested enterprises in the first half of 2024.

## **Net profit**

As a result of the foregoing reasons, net profit for our P&C reinsurance segment increased by 246.6% from RMB744 million in the first half of 2023 to RMB2,579 million in the first half of 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Analysis

The data under the “Business Analysis” were prepared in accordance with the Old Standards.

### Domestic P&C Reinsurance Business

Domestic P&C reinsurance business mentioned in this section refers to domestic P&C reinsurance business operated by China Re P&C.

In the first half of 2024, the reinsurance premium income from our domestic P&C reinsurance business amounted to RMB21,192 million, representing a year-on-year decrease of 12.8%. The combined ratio was 99.64%, representing a year-on-year decrease of 0.01 percentage points.

The following table sets forth the loss ratio, expense ratio and combined ratio of our domestic P&C reinsurance business for the reporting periods indicated:

	For the six months ended 30 June		Change
	2024	2023	
Loss ratio (%)	68.24	65.01	Increase by 3.23 percentage points
Expense ratio (%)	31.40	34.64	Decrease by 3.24 percentage points
Combined ratio (%)	99.64	99.65	Decrease by 0.01 percentage points

In terms of types of reinsurance arrangement and forms of cession, our domestic P&C reinsurance business primarily consisted of treaty reinsurance and proportional reinsurance, which was generally in line with the business mix of the domestic P&C reinsurance market.

In terms of business channels, by virtue of our good cooperation relationship with domestic clients, our domestic P&C reinsurance business was mainly on primary basis.

# MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the reinsurance premium income from our domestic P&C reinsurance business by type of reinsurance arrangement for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Type of reinsurance arrangement	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Treaty reinsurance	20,093	94.8	23,450	96.5
Facultative reinsurance	1,099	5.2	861	3.5
<b>Total</b>	<b>21,192</b>	<b>100.0</b>	<b>24,311</b>	<b>100.0</b>

The following table sets forth the reinsurance premium income from our domestic P&C reinsurance business by form of cession for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Form of cession	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Proportional reinsurance	20,849	98.4	24,006	98.7
Non-proportional reinsurance	342	1.6	305	1.3
<b>Total</b>	<b>21,192</b>	<b>100.0</b>	<b>24,311</b>	<b>100.0</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the reinsurance premium income from our domestic P&C reinsurance business by business channel for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Business channel	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Primary	19,353	91.3	22,784	93.7
Via broker	1,838	8.7	1,527	6.3
<b>Total</b>	<b>21,192</b>	<b>100.0</b>	<b>24,311</b>	<b>100.0</b>

## Lines of Business

As the largest domestic specialised P&C reinsurance company in the PRC, we offer a wide variety of P&C reinsurance coverage catering to the business characteristics of the PRC market. Our lines of business cover a wide range of P&C insurance types in the PRC, mainly including motor, commercial property, liability, agriculture and engineering insurance. By continuously improving our technical strength, we actively captured the opportunities brought by the transformation and development of the market, and achieved rapid growth in emerging business sectors such as construction inherent defects insurance (IDI), safety production liability insurance, catastrophe insurance and cyber securities insurance, with total reinsurance premium income recorded at RMB1,709 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the reinsurance premium income from our domestic P&C reinsurance business by line of business for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Line of business	2024		YoY Change (%)	2023	
	Amount	Percentage (%)		Amount	Percentage (%)
Motor	6,075	28.7	0.1	6,072	25.0
Commercial property	4,398	20.8	15.7	3,800	15.6
Liability	3,808	18.0	19.0	3,200	13.2
Agriculture	2,436	11.5	(59.0)	5,934	24.4
Engineering	1,275	6.0	(20.6)	1,607	6.6
Others <sup>1</sup>	3,200	15.1	(13.5)	3,697	15.2
<b>Total</b>	<b>21,192</b>	<b>100.0</b>	<b>(12.8)</b>	<b>24,311</b>	<b>100.0</b>

Note: 1. Others include, among others, cargo, surety, marine hull, specialty insurance and health.

# MANAGEMENT DISCUSSION AND ANALYSIS

*Motor reinsurance.* In the first half of 2024, the reinsurance premium income from motor insurance business amounted to RMB6,075 million, representing a year-on-year increase of 0.1%, and the premium volume steadily increased.

*Commercial property reinsurance.* In the first half of 2024, the reinsurance premium income from commercial property insurance business amounted to RMB4,398 million, representing a year-on-year increase of 15.7%, mainly due to the increase in the scale of premiums ceded to reinsurers in the market.

*Liability reinsurance.* In the first half of 2024, the reinsurance premium income from liability insurance business amounted to RMB3,808 million, representing a year-on-year increase of 19.0%, mainly due to the fact that we stepped up our efforts in promotion of businesses such as construction inherent defects insurance (IDI), safety production liability insurance and cyber securities insurance.

*Agriculture reinsurance.* In the first half of 2024, the reinsurance premium income from agriculture insurance business amounted to RMB2,436 million, representing a year-on-year decrease of 59.0%. We actively explored and developed commercial agriculture reinsurance, while promoting innovation of our agriculture insurance products.

*Engineering reinsurance.* In the first half of 2024, the reinsurance premium income from engineering insurance business amounted to RMB1,275 million, representing a year-on-year decrease of 20.6%, mainly due to optimisation of business structure and the fact that we proactively reduced the business scale.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Clients and Client Services

In the first half of 2024, we continued to uphold the customer-oriented philosophy. We maintained stable cooperation relationships with major P&C insurance companies in the PRC, continued to improve user experience through business cooperation, exchange of technical know-how and client services, and delivered insurance value to promote the in-depth development of cooperative relationships. We continue to promote the optimisation and upgrading of our customer service model and provide customised solutions that closely met customer needs. As at the end of the Reporting Period, we maintained business relationships with 87 domestic P&C insurance companies, covering 97.8% of clients. We were the lead reinsurer for over 40% of our reinsurance contracts. We ranked first in the domestic market in terms of both client coverage and the number of contracts entered into as the lead reinsurer.

## Overseas P&C Reinsurance and Chaucer Business

Overseas P&C reinsurance business described in this section includes overseas P&C reinsurance business operated by China Re P&C and Singapore Branch. Chaucer business described in this section refers to overseas P&C reinsurance and overseas primary P&C insurance business operated by the entities of Chaucer.

In the first half of 2024, we seized the overall trend of rising rates and proactively adjusted business structure to expand the scale of our advantageous businesses, which resulted in rapid growth in premium volume and significant improvement in underwriting efficiency. Gross written premiums from our overseas P&C reinsurance and Chaucer business amounted to RMB16,331 million, representing a year-on-year increase of 17.3%. The combined ratio was 89.09%, which almost remained flat compared to the same period last year.

The following table sets forth the loss ratio, expense ratio and combined ratio of our overseas P&C reinsurance business and Chaucer business for the reporting periods indicated:

	For the six months ended 30 June		Change
	2024	2023	
Loss ratio (%)	50.82	50.53	Increase by 0.29 percentage points
Expense ratio (%)	38.27	37.92	Increase by 0.35 percentage points
Combined ratio (%)	<b>89.09</b>	88.45	Increase by 0.64 percentage points

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overseas P&C Reinsurance Business

In the first half of 2024, the reinsurance premium income from our overseas P&C reinsurance business amounted to RMB2,805 million, representing a year-on-year increase of 2.0%. The growth in premium income was mainly due to the rising rates of underlying businesses, and the fact that we seized the opportunity of rising rates in the international market to actively expand new business, which proved effective. The combined ratio significantly decreased, which was mainly due to the higher base in the same period last year as a result of the losses incurred by the earthquake in Turkey.

The following table sets forth the loss ratio, expense ratio and combined ratio of our overseas P&C reinsurance business for the reporting periods indicated:

	For the six months ended 30 June		Change
	2024	2023	
Loss ratio (%)	68.08	79.90	Decrease by 11.82 percentage points
Expense ratio (%)	28.24	24.63	Increase by 3.61 percentage points
Combined ratio (%)	96.32	104.53	Decrease by 8.21 percentage points

In terms of types of business, treaty reinsurance continued to dominate our overseas P&C reinsurance business.

The following table sets forth the gross written premiums from our overseas P&C reinsurance business by type of business for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

Type of business	For the six months ended 30 June			
	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Treaty reinsurance	2,696	96.1	2,599	94.5
Facultative reinsurance	109	3.9	152	5.5
Primary insurance	–	–	–	–
<b>Total</b>	<b>2,805</b>	<b>100.0</b>	<b>2,751</b>	<b>100.0</b>

In terms of lines of business, our overseas P&C reinsurance business mainly provided coverage for non-marine, specialty and liability reinsurance. Business portfolio consisted mainly of short tail business.

# MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the gross written premiums from our overseas P&C reinsurance business by line of business for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Line of business	2024			2023	
	Amount	Percentage (%)	YoY Change (%)	Amount	Percentage (%)
Non-marine	1,980	70.6	6.8	1,854	67.4
Specialty	373	13.3	(4.4)	390	14.2
Liability	159	5.7	(8.6)	174	6.3
Others <sup>1</sup>	293	10.4	(12.0)	333	12.1
<b>Total</b>	<b>2,805</b>	<b>100.0</b>	<b>2.0</b>	<b>2,751</b>	<b>100.0</b>

Note: 1. Others include, among others, whole account, motor, credit guarantee and agriculture reinsurance.

In terms of business channels, we adhered to the principle of long-term cooperation and mutual benefit to develop a balanced and stable network of business channels. We focused on consolidating and strengthening cooperation with reputable international brokers, while exploring business opportunities with distinctive regional brokers. At the same time, we continuously strengthened our direct cooperation with quality clients and built up closer business connections.

In terms of clients, we continuously developed quality clients based on our management philosophy of prioritising profitability while valuing service quality. By virtue of long-term and stable business relationships with quality and core clients, we captured their profitable ceding business. We established comprehensive cooperation relationship network with various internationally renowned major ceding companies and increased our efforts in developing quality regional clients by leveraging the geographical advantages of different international platforms which all contributed to significant results in expansion of quality client base.

In terms of service ability, our quotation ability continued to improve, and our service quality received more client recognition. Leveraging our talents and technology advantages as well as years of experience in international business operations, we were able to better serve local clients in the PRC by providing more products and cooperation solutions for international reinsurance practise, and exert our synergy advantages between domestic and overseas businesses especially in promoting the “Belt and Road” related business development and in safeguarding the overseas interests of Chinese clients.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Chaucer Business

In the first half of 2024, Chaucer leveraged its own professional advantages to seize the opportunity of rising rates in the market, actively explored business opportunities, optimised business portfolios, and effectively controlled expense ratio. The gross written premiums amounted to RMB13,526 million, representing a year-on-year increase of 21.1%; the combined ratio was 87.22%<sup>1</sup>, representing a year-on-year increase of 4.56 percentage points; the return on economic capital (ROEC) was 11.9%<sup>2</sup>. The premium of contracts led by Chaucer accounted for approximately 50% of its overall gross written premiums. Chaucer is one of a limited number of Lloyd's market entities that gained market recognition in respect of both of its underwriting and claims fronts.

The following table sets forth the loss ratio, expense ratio and combined ratio of Chaucer business for the reporting periods indicated:

	For the six months ended 30 June		Change
	2024	2023	
Loss ratio (%)	46.36	39.95	Increase by 6.41 percentage points
Expense ratio (%)	40.86	42.71	Decrease by 1.85 percentage points
Combined ratio (%)	87.22	82.66	Increase by 4.56 percentage points

Notes: 1. Under the UK GAAP, the combined ratio of Chaucer was 82.74%, which was different from that under the IFRS 4, mainly due to the different treatment for reserve discounting and risk margin.

2. Return on economic capital = the net profit of Chaucer's statement under the UK GAAP (Management Information)/ economic capital.

In terms of types of business and lines of business, Chaucer business consists of treaty reinsurance, facultative reinsurance and primary insurance. Of which treaty reinsurance business primarily provided coverage for property, specialty and casualty reinsurance worldwide; and facultative reinsurance and primary insurance businesses primarily provided coverage for marine, space and aviation, political risk/credit, political violence, energy, property and casualty insurance worldwide.

# MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the gross written premiums from Chaucer business by type of business for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Type of business	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Treaty reinsurance	6,856	50.7	6,056	54.2
Facultative reinsurance	1,774	13.1	1,485	13.3
Primary insurance	4,896	36.2	3,631	32.5
<b>Total</b>	<b>13,526</b>	<b>100.0</b>	<b>11,172</b>	<b>100.0</b>

The following table sets forth the gross written premiums from Chaucer business by line of business for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Line of business	2024			2023	
	Amount	Percentage (%)	YoY Change (%)	Amount	Percentage (%)
Casualty and political risk/credit insurance	1,774	13.1	17.0	1,516	13.6
Marine, energy, space and aviation, nuclear insurance	2,130	15.7	(0.9)	2,149	19.2
Property and political violence	2,352	17.4	26.0	1,867	16.7
Others <sup>1</sup>	7,270	53.8	28.9	5,640	50.5
<b>Total</b>	<b>13,526</b>	<b>100.0</b>	<b>21.1</b>	<b>11,172</b>	<b>100.0</b>

Note: 1. Others mainly refer to global treaty reinsurance business, including, among others, property treaty reinsurance, specialty treaty reinsurance and casualty treaty reinsurance.

# MANAGEMENT DISCUSSION AND ANALYSIS

In terms of development strategy, in the first half of 2024, Chaucer followed the trend of rising rates in the market, further focused on the direction of business development, and deployed business resources more specifically in Chaucer's core business areas. In the long run, Chaucer will continue to focus on the development of its core business which will further consolidate Chaucer's sustainable, differentiated and influential market leading position in this segment.

In terms of business channels, the broker channel is the main source of business of Chaucer. We continued to consolidate our business relationships with major international brokers, develop further cooperation with regional brokers while actively expanding our underwriting agency channels. In addition, we further strengthened direct connection with our clients and sought to build closer business relationships.

In terms of professional capability, with an excellent management team and more than 110 experienced underwriters, we were able to deliver customised risk solutions to the market, having distinctive reputation in the market across 45 specialty lines, including political risk and nuclear insurance, etc. Our outstanding claims team with over 100 years of claims handling experience in London market is capable of dealing with the most complex claims, which effectively handles approximately 10,000 claims each year. In addition, we operate an Enterprise Risk Management Framework to ensure the commercially effective management of risks in the business. The Framework comprises five components: "strategy, governance, appetite, assessment and reporting". Together, these components set out the risk management internal processes, controls and responsibilities in place throughout the organisation to achieve an effective risk culture.

In terms of service platforms, with headquarters in London, and international branches for Europe, the Middle East and North Africa, Latin America and Asia, Chaucer provides protections to clients worldwide. We provide our clients with a range of flexible business platforms to choose from. Membership of Lloyd's allows Chaucer to take advantage of Lloyd's strong rating and excellent brand reputation to provide risk coverage to our clients in over 200 countries and territories worldwide. Our underwriting capacity at Lloyd's exceeded GBP1.8 billion, making us one of the leading platforms with substantial contract leadership capabilities in Lloyd's market. Furthermore, the brand strength and global reputation of China Re have brought Chaucer many new business opportunities, including providing underwriting support to the "Belt and Road" related enterprises.

In terms of product innovation, we increased investment in this aspect and endeavoured to leverage digital solution to provide innovative products while offering more intelligent and efficient underwriting capabilities. We formulated a "smart underwriting" strategy for the use of modern technology in some business lines to improve work efficiency in channel management, risk analysis, and underwriting processes.

In terms of environmental, social and governance (ESG), Chaucer partnered with Moody's Analytics to develop a market-leading Balanced Scorecard tool and set up a joint working group in the Lloyd's market to promote the establishment of ESG market standards. In addition, Chaucer has joined the United Nations Principles for Sustainable Insurance (UN PSI) and become one of the signatories of over 150 major global insurance and reinsurance companies.

## **CNIP Business**

The Group Company, together with China Re P&C and China Continent Insurance, underwrites global nuclear insurance business via CNIP. In the first half of 2024, our reinsurance premium income via the CNIP platform amounted to RMB96 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

## LIFE AND HEALTH REINSURANCE BUSINESS

The life and health reinsurance segment comprises the life and health reinsurance business operated by China Re Life, China Re HK and Singapore Branch, as well as the legacy life and health reinsurance business operated by the Group Company through China Re Life.

In the first half of 2024, although the downward pressure on domestic macroeconomics has eased, in the context of continued decline in interest rates in the market, savings products were still the main products to drive market growth. In the overseas market, business costs for the savings-type reinsurance business in Hong Kong and Singapore markets remained high, where competition was fierce in the reinsurance market. Adhering to the general tone of “seeking progress while ensuring stability”, we continued to optimise our business structure, proactively pursued innovative development, and effectively managed risks and responded to external challenges. We strategically developed the protection-type reinsurance business, and leveraged the integration of data, products and industry to facilitate the supply-side structural reform of the industry. We led key projects of the industry including the compilation work of the Fourth Mortality Table and the Guangdong-Hong Kong-Macao Greater Bay Area Mortality Table for Life and Health Insurance Industry of China (《人身保險業第四套經驗生命表及粵港澳大灣區經驗生命表》) and the review of the empirical incidence rates of major diseases in the life and health insurance industry, empowering the infrastructure construction of the industry. To actively implement Healthy China Action and develop Inclusive Finance, we developed innovative products such as long-term care insurance and disability insurance. We also promoted the integration of health insurance products and health industry by constantly implementing innovation in insurance payment models. Moreover, we controlled the underwriting pace of savings-type reinsurance business, and attached great importance to cost control and asset-liability management. We developed new financial reinsurance business under the premise of compliance and improved management of inforce business. We continued paying close attention to the credit risk and compliance risk of our counterparties. We are in a solid competitive position in both the mainland and Hong Kong markets. In the mainland market, we have maintained the highest proportion of reinsurance contracts being entered into as leading reinsurer in all reinsurance contracts.

In the first half of 2024, insurance revenue from our life and health reinsurance segment amounted to RMB5,861 million, representing a year-on-year decrease of 16.4% and accounting for 11.2% of the Group’s gross insurance revenue (before inter-segment eliminations). The decrease in insurance revenue was mainly due to the decline of protection-type business. Net profit amounted to RMB2,511 million, representing a year-on-year increase of 326.3%. The increase in net profit was mainly due to the fact that in addition to the increase in investment income, we insisted on innovation-driven and stringent risk control to ensure stable business quality. We continued to optimise our business structure, actively innovated and developed, effectively controlled risks and responded to external challenges. We strategically developed protection-type reinsurance business; controlled the underwriting pace of savings-type reinsurance business, attaching great importance on cost control and asset-liability management; developed new financial reinsurance business under the premise of compliance and improved management of inforce business, paying close attention to the credit risk and compliance risk of our counterparties.

Considering the business significance and operational independence of China Re Life (consolidated with China Re HK), and given that the insurance revenue from China Re Life (consolidated with China Re HK) is the main part of the whole life and health reinsurance business segment, unless otherwise stated, references to our life and health reinsurance business in the business analysis of this section shall be the business of China Re Life (consolidated with China Re HK) only.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial Analysis

The following table sets forth the selected key financial data of our life and health reinsurance segment for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

	For the six months ended 30 June		
	2024	2023	Change (%)
Insurance revenue	5,861	7,008	(16.4)
Interest income	2,307	2,333	(1.1)
Investment income	1,782	(641)	–
Exchange gains/(losses), net	45	1,105	(95.9)
Other income	12	10	20.0
<b>Total income</b>	<b>10,007</b>	<b>9,815</b>	<b>2.0</b>
Insurance service expenses	(5,380)	(7,435)	(27.6)
Allocation of reinsurance premiums	(1,386)	(451)	207.3
Amounts recoverable from reinsurers	1,673	1,191	40.5
Finance expenses from insurance contracts issued	(1,765)	(2,241)	(21.2)
Finance income from reinsurance contracts held	230	113	103.5
Net impairment loss on financial assets	(35)	(241)	(85.5)
Other finance costs	(496)	(535)	(7.3)
Other operating and administrative expenses	(323)	(214)	50.9
<b>Total insurance service expense and others</b>	<b>(7,481)</b>	<b>(9,813)</b>	<b>(23.8)</b>
Share of profit of associates	581	594	(2.2)
<b>Profit before tax</b>	<b>3,106</b>	<b>597</b>	<b>420.3</b>
Income tax	(595)	(8)	7,337.5
<b>Net profit</b>	<b>2,511</b>	<b>589</b>	<b>326.3</b>

Note: Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.



# MANAGEMENT DISCUSSION AND ANALYSIS

## **Insurance revenue**

Insurance revenue of our life and health reinsurance segment decreased by 16.4% from RMB7,008 million in the first half of 2023 to RMB5,861 million in the first half of 2024, mainly due to the decline of protection-type business.

## **Investment income**

Investment income from our life and health reinsurance segment increased by RMB2,423 million from RMB-641 million in the first half of 2023 to RMB1,782 million in the first half of 2024. For details of analysis on changes of investment income, please refer to relevant contents in asset management business segment.

## **Insurance service expenses**

Insurance service expenses from our life and health reinsurance segment decreased by 27.6% from RMB7,435 million in the first half of 2023 to RMB5,380 million in the first half of 2024, mainly due to the combined effect of the decrease in scale of some existing businesses and loss-making contracts.

## **Finance expenses from insurance contracts issued**

Finance expenses from insurance contracts issued from our life and health reinsurance segment decreased by 21.2% from RMB2,241 million in the first half of 2023 to RMB1,765 million in the first half of 2024, mainly due to foreign exchange rate changes.

## **Share of profit of associates**

Share of profit of associates from our life and health reinsurance segment decreased by 2.2% from RMB594 million in the first half of 2023 to RMB581 million in the first half of 2024, which was mainly due to the decrease in profit of associates in the first half of 2024.

## **Net profit**

As a result of the foregoing reasons, net profit for our life and health reinsurance segment increased by 326.3% from RMB589 million in the first half of 2023 to RMB2,511 million in the first half of 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Analysis

The data under the “Business Analysis” were prepared in accordance with the Old Standards.

In terms of business line, the protection-type reinsurance business overcame the impact of weak industry growth and took the initiative to innovate and develop; the savings-type business continuously strengthened the assets and liabilities management and domestic and overseas interconnection; and the financial reinsurance business adhered to the compliance baseline and continued to improve risk management level.

The following table sets forth the reinsurance premium income from our life and health reinsurance business by business line for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Business line	2024		YoY Change (%)	2023	
	Amount	Percentage (%)		Amount	Percentage (%)
Domestic protection-type reinsurance	14,173	39.5	(8.9)	15,559	40.7
Domestic savings-type reinsurance	10,399	29.0	(27.0)	14,237	37.2
Domestic financial reinsurance	9,126	25.4	79.8	5,077	13.3
<b>Domestic in total</b>	<b>33,698</b>	<b>94.0</b>	<b>(3.4)</b>	<b>34,872</b>	<b>91.1</b>
Overseas savings-type reinsurance	683	1.9	(63.8)	1,886	4.9
Other overseas business	1,487	4.1	(1.1)	1,504	3.9
<b>Overseas in total</b>	<b>2,170</b>	<b>6.0</b>	<b>(36.0)</b>	<b>3,390</b>	<b>8.9</b>
<b>Total</b>	<b>35,868</b>	<b>100.0</b>	<b>(6.3)</b>	<b>38,262</b>	<b>100.0</b>

Note: Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Domestic Life and Health Reinsurance Business

The domestic life and health reinsurance business described in this section refers to the domestic life and health reinsurance business operated by China Re Life.

In the first half of 2024, reinsurance premium income from the domestic life and health reinsurance business amounted to RMB33,698 million, representing a year-on-year decrease of 3.4%.

In respect of the protection-type reinsurance business, the reinsurance premium income amounted to RMB14,173 million in the first half of 2024, representing a year-on-year decrease of 8.9%, which was affected by industry transformation as well as the sources and demand of new protection-type business. However, the business structure was optimised. Of which, reinsurance premium income of RMB5,354 million was from the yearly renewable term protection-type business<sup>1</sup> and RMB6,739 million was from the mid-end and long-term medical care insurance business, and the total share increased by 4.0 percentage points. Facing severe business environment, we actively took the following countermeasures. Firstly, we deeply cultivated major business areas to capture key customers and main product opportunities, made use of innovative laboratories and other methods to promote product iteration and innovation, effectively controlled risks, promoted business cooperation, and achieved long-term win-win cooperation with customers. Secondly, we made efforts to deploy in new risk areas such as long-term care insurance and disability insurance, and actively created a set of closed-loop underwriting solutions that could be exported to the industry to lay a solid foundation for assisting pension finance. Thirdly, we continuously served national strategies such as Healthy China and Inclusive Finance by constantly providing customised reinsurance support plans for specific groups of people such as Hui Min Bao and Hui Gong Bao. Fourthly, we continued to promote industrial integration and innovation, and carried out innovative cooperation on payment model around Internet outpatient insurance, special medicine, chronic disease management and other fields, realising normalised underwriting of profitable businesses. Under the combined effect of innovation-driven and stringent risk control, we ensured stable quality of our business. The combined ratio (excluding operating and administrative expenses) after retrocession of the overall short-term protection-type business of the Company was 96.60%, with underwriting profits of RMB361 million.

Note: 1. Yearly Renewable Term protection-type business, i.e., “YRT” business, is a kind of reinsurance arrangement entered into by ceding companies based on a certain proportion of net amount at risk at an annual rate.

In respect of the savings-type reinsurance business, given the persistently rigid costs of domestic business, we strengthened asset-liability matching management and reasonably seized business opportunities. The reinsurance premium income amounted to RMB10,399 million in the first half of 2024, representing a year-on-year decrease of 27.0%, which was due to the completion of larger orders in the same period last year resulting in a higher base.

In respect of the financial reinsurance business, we continuously strengthened compliance and risk management and pursued the management of inforce businesses to enhance the efficiency of capital usage. The reinsurance premium income amounted to RMB9,126 million in the first half of 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overseas Life and Health Reinsurance Business

The overseas life and health reinsurance business described in this section represents the overseas life and health reinsurance business operated by China Re Life and China Re HK.

In the first half of 2024, the reinsurance premium income from our overseas life and health reinsurance business amounted to RMB2.17 billion, representing a year-on-year decrease of 36.0%, of which the reinsurance premium income from China Re Life and China Re HK (both after intra-segment eliminations) amounted to RMB1,584 million and RMB586 million, respectively.

In respect of the overseas savings-type reinsurance business, given the persistently high costs of overseas business, the Company insisted on prioritising cost and selectively underwrote new businesses at the right opportunities. The reinsurance premium income amounted to RMB683 million in the first half of 2024, representing a year-on-year decrease of 63.8%.

In respect of other overseas business, the Company actively promoted business diversification and explored innovative business models. The reinsurance premium income amounted to RMB1,487 million in the first half of 2024, representing a year-on-year decrease of 1.1%.

In terms of type of reinsurance arrangement and form of cession, our life and health reinsurance business primarily consisted of treaty reinsurance and proportional reinsurance, respectively.

The following table sets forth the reinsurance premium income from our life and health reinsurance business by type of reinsurance arrangement for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Type of reinsurance arrangement	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Treaty reinsurance	35,828	99.9	38,215	99.9
Facultative reinsurance	40	0.1	47	0.1
<b>Total</b>	<b>35,868</b>	<b>100.0</b>	<b>38,262</b>	<b>100.0</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the reinsurance premium income from our life and health reinsurance business by form of cession for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Form of cession	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Proportional reinsurance	35,845	99.9	38,206	99.9
Non-proportional reinsurance	23	0.1	56	0.1
<b>Total</b>	<b>35,868</b>	<b>100.0</b>	<b>38,262</b>	<b>100.0</b>

In terms of line of business, our life and health reinsurance business primarily consisted of life insurance, and the business structure remained generally stable.

The following table sets forth the reinsurance premium income from our life and health reinsurance business by line of business for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Line of business	2024			2023	
	Amount	Percentage (%)	YoY Change (%)	Amount	Percentage (%)
Life reinsurance	21,935	61.2	(5.8)	23,279	60.8
Health reinsurance	13,041	36.4	(5.7)	13,832	36.2
Accident reinsurance	892	2.5	(22.5)	1,151	3.0
<b>Total</b>	<b>35,868</b>	<b>100.0</b>	<b>(6.3)</b>	<b>38,262</b>	<b>100.0</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

## PRIMARY P&C INSURANCE BUSINESS

The business of primary P&C insurance segment refers to the property and casualty insurance business operated by China Continent Insurance.

In the first half of 2024, insurance revenue from our primary P&C insurance segment amounted to RMB23,157 million, representing a year-on-year increase of 2.6% and accounting for 44.1% of gross insurance revenue of the Group (before inter-segment eliminations). Net profit amounted to RMB560 million, representing a year-on-year increase of 275.8%. The increase in net profit was mainly due to the fact that in addition to the increase in investment income, the insurance business-related profit improved year-on-year. Guided by the new blueprint of “Value Continent”, we steadily promoted internal transformation, and continued to consolidate fundamental management, achieving steady growth in scale, underwriting profits, and business development.

Based on primary premium income of P&C insurance companies in the domestic market in the first half of 2024, as disclosed by the industry, we maintained leading market share in domestic primary P&C insurance business.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial Analysis

The following table sets forth the selected key financial data of our primary P&C insurance segment for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

For the six months ended 30 June

	2024	2023	Change (%)
Insurance revenue	23,157	22,580	2.6
Interest income	553	625	(11.5)
Investment income	651	100	551.0
Exchange gains/(losses), net	7	31	(77.4)
Other income	99	75	32.0
<b>Total income</b>	<b>24,467</b>	<b>23,411</b>	<b>4.5</b>
Insurance service expenses	(22,744)	(22,009)	3.3
Allocation of reinsurance premiums	(1,385)	(1,495)	(7.4)
Amounts recoverable from reinsurers	1,066	913	16.8
Finance expenses from insurance contracts issued	(402)	(388)	3.6
Finance income from reinsurance contracts held	64	74	(13.5)
Net impairment loss on financial assets	(19)	(1)	1,800.0
Other finance costs	(110)	(98)	12.2
Other operating and administrative expenses	(259)	(299)	(13.4)
<b>Total insurance service expense and others</b>	<b>23,790</b>	<b>23,302</b>	<b>2.1</b>
Share of profit of associates	14	14	–
<b>Profit before tax</b>	<b>691</b>	<b>122</b>	<b>466.4</b>
Income tax	(130)	27	–
<b>Net profit</b>	<b>560</b>	<b>149</b>	<b>275.8</b>

Note: Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Insurance revenue**

Insurance revenue of our primary P&C insurance segment (including reinsurance contracts ceded in) increased by 2.6% from RMB22,580 million in the first half of 2023 to RMB23,157 million in the first half of 2024, mainly due to the effect of business growth.

## **Interest income**

Interest income from our primary P&C insurance segment decreased by 11.5% from RMB625 million in the first half of 2023 to RMB553 million in the first half of 2024. For details of analysis on changes of interest income, please refer to relevant contents in asset management business segment.

## **Investment income**

Investment income from our primary P&C insurance segment increased by 551.0% from RMB100 million in the first half of 2023 to RMB651 million in the first half of 2024. For details of analysis on changes of investment income, please refer to relevant contents in asset management business segment.

## **Insurance service expenses**

Insurance service expenses from our primary P&C insurance segment increased by 3.3% from RMB22,009 million in the first half of 2023 to RMB22,744 million in the first half of 2024, mainly due to the increase in loss ratio.

## **Allocation of reinsurance premiums**

Allocation of reinsurance premiums from our primary P&C insurance segment decreased by 7.4% from RMB1,495 million in the first half of 2023 to RMB1,385 million in the first half of 2024, mainly due to the year-on-year decrease in premiums ceding ratio.

## **Net profit**

As a result of the foregoing reasons, net profit for our primary P&C insurance segment increased by 275.8% from RMB149 million in the first half of 2023 to RMB560 million in the first half of 2024.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Analysis

The data under the “Business Analysis” were prepared in accordance with the Old Standards.

### Analysis by Line of Business

The following table sets forth primary premium income of our primary P&C insurance business by line of business for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Line of business	2024		YoY Change (%)	2023	
	Amount	Percentage (%)		Amount	Percentage (%)
Motor insurance	12,868	45.8	3.0	12,499	45.0
Accident and short-term health insurance	7,693	27.4	13.7	6,768	24.4
Liability insurance	2,092	7.4	(9.2)	2,304	8.3
Surety insurance	1,534	5.5	(41.0)	2,601	9.4
Agriculture insurance	1,339	4.8	13.7	1,177	4.2
Cargo insurance	799	2.8	2.5	780	2.8
Others <sup>1</sup>	1,769	6.3	8.2	1,635	5.9
<b>Total</b>	<b>28,094</b>	<b>100.0</b>	<b>1.2</b>	<b>27,764</b>	<b>100.0</b>

Note: 1. Others include, among others, commercial property, engineering, credit, marine hull, household property and specialty insurance.

*Motor Insurance.* In the first half of 2024, primary premium income from our motor insurance amounted to RMB12,868 million, representing a year-on-year increase of 3.0%. Adhering to the business philosophy of “upholding the main line of cost, focusing on process monitoring, deepening the overall layout, strictly preventing systematic risks”, and with the management of policy cost as the core, we continued to deepen professional operations, improved pricing capabilities, promoted collaboration between products and channels, and pursued professional operations in specialised sectors to promote the healthy and stable development of motor insurance business. Based on the implementation principle of “product traction, channel connection, organisational integration”, a joint effort of products, channels, and organisations was formed to achieve the objectives of dynamic adjustment of business development and overall cost control. Focusing on structural optimisation, we vigorously promoted the improvement of benefit and risk level for household vehicles, optimised the development model for non-household vehicles, and achieved cost improvement through refined management. We continued to strengthen the functional optimisation of underwriting management, optimised processes to lay a solid foundation, steadily promoted the construction of pricing capabilities, accelerated the construction of smart operating systems, and iterated technologies to improve quality and efficiency.

# MANAGEMENT DISCUSSION AND ANALYSIS

*Accident and Short-term Health Insurance.* In the first half of 2024, primary premium income from accident and short-term health insurance amounted to RMB7,693 million, representing a year-on-year increase of 13.7%. We promoted classified operations, adopted the project manager system to strengthen the construction of business organising and marketing capabilities of individuals, deepened the integrated sales of insurance + services, explored and promoted online operations of customer groups; focused on multiple dimensions such as “specific groups of people”, “specific scenarios”, “specific protection” and “specific services” to explore the integrated marketing of products + services, continued to promote the customer-oriented comprehensive operation to meet individual demands of customers; actively served the national strategies, participated in various livelihood protection businesses such as major illness insurance for urban and rural residents, large amount insurance for urban employees, nursing care insurance and Hui Min Bao; constantly explored insurance products for new citizens, the old and young and women, vigorously developed personal commercial health insurance, and actively participated in the construction of a multi-level medical security system, so as to assume the function of insurance in serving the society.

*Liability Insurance.* In the first half of 2024, primary premium income from liability insurance amounted to RMB2,092 million, representing a year-on-year decrease of 9.2%. Our liability insurance proactively eliminated loss-making businesses, and the scale of clean-up of loss-making businesses in the first half of 2024 exceeded RMB0.3 billion. We comprehensively promoted the business development of safety production liability insurance, carrier liability insurance, and litigation preservation liability insurance. Actively promoting business innovation, we explored emerging areas such as smart driving. Our cyber securities insurance solution was selected into the typical service solution catalogue by the Ministry of Industry and Information Technology. The overall business structure was significantly optimised, and the actuarial loss ratio continued to decline.

*Surety Insurance.* In the first half of 2024, primary premium income from surety insurance amounted to RMB1,534 million, representing a year-on-year decrease of 41.0%. The cumulative bad debt rate of personal loan surety insurance business was 9.26%, representing a decrease of 0.6 percentage points compared to that of the same period last year. We persisted with the development concept of prioritising risk control, constantly enhancing risk identification ability, and steadily improving management efficiency. We actively played the financial service role of financing surety insurance to help micro, small and medium-sized enterprises steadily develop. In the first half of 2024, we provided risk protection for approximately 22.3 thousand micro, small and medium-sized enterprises cumulatively, underwriting risk protection amounted to RMB4,906 million.

*Agriculture Insurance.* In the first half of 2024, primary premium income from agriculture insurance amounted to RMB1,339 million, representing a year-on-year increase of 13.7%. We continued to improve the operating conditions of agriculture insurance business, obtaining operating qualifications for agriculture insurance in 33 provinces (autonomous regions, municipalities directly under the central government and municipalities separately listed on the state plan) cumulatively. We made every effort to advance the policy selection projects for agriculture insurance, and made breakthroughs in innovative insurance for planting insurance, breeding insurance, forest insurance and agriculture insurance. We continued to innovate and develop insurance products, and focused on exploring insurance for agricultural products with local characteristics, weather index insurance, price index insurance, agricultural futures price insurance, planting income insurance and other insurances. Cumulatively, 138 products including 61 innovative products were developed and filed.

# MANAGEMENT DISCUSSION AND ANALYSIS

*Cargo Insurance.* In the first half of 2024, primary premium income from cargo insurance amounted to RMB799 million, representing a year-on-year increase of 2.5%. Impacted by multiple factors, the growth rate slowed down, and the main source of increase was currently return freight insurance.

## Analysis by Business Channel

The following table sets forth primary premium income from our primary P&C insurance business by business channel for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Business channel	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Insurance agents	14,154	50.4	14,232	51.3
Of which: Individual insurance agents	8,432	30.0	8,322	30.0
Ancillary insurance agencies	733	2.6	745	2.7
Professional insurance agencies	4,990	17.8	5,165	18.6
Direct sales	10,536	37.5	10,062	36.2
Insurance brokers	3,403	12.1	3,470	12.5
<b>Total</b>	<b>28,094</b>	<b>100.0</b>	<b>27,764</b>	<b>100.0</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

## Analysis by Region

The following table sets forth primary premium income from our primary P&C insurance business by region for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

**For the six months ended 30 June**

Region	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Shanghai	3,003	10.7	4,022	14.5
Zhejiang	2,205	7.9	2,333	8.4
Yunnan	2,045	7.3	1,975	7.1
Jiangxi	1,601	5.7	1,516	5.5
Inner Mongolia	1,435	5.1	1,386	5.0
Shandong	1,413	5.0	1,409	5.1
Sichuan	1,380	4.9	1,207	4.3
Henan	1,230	4.4	958	3.5
Shaanxi	1,047	3.7	1,007	3.6
Guangdong	1,017	3.6	1,018	3.7
Others	11,717	41.7	10,931	39.4
<b>Total</b>	<b>28,094</b>	<b>100.0</b>	<b>27,764</b>	<b>100.0</b>

## Combined Ratio

The following table sets forth the loss ratio, expense ratio and combined ratio of our primary P&C insurance business for the reporting periods indicated:

**For the six months ended 30 June**

	2024	2023
Loss ratio (%)	71.99	68.08
Expense ratio (%) <sup>1</sup>	27.87	32.78
<b>Combined ratio (%)</b>	<b>99.86</b>	<b>100.86</b>

Note: 1. The calculation of the expense ratio takes into account the effect of government grants.

# MANAGEMENT DISCUSSION AND ANALYSIS

## ASSET MANAGEMENT BUSINESS

In the first half of 2024, as the external environment has become more complex and severe, the world economic growth momentum was not strong, inflation showed a downward trend from the peak but remained sticky, and the economic growth and monetary policies of major economies diverged. China's economy was generally stable, making progress while maintaining stability with high-quality development solidly advanced. However, it still faced challenges such as insufficient effective demand and weak social expectations. In the first half of 2024, A-share and Hong Kong stock markets showed structural trends, with the high-dividend sector relatively dominant; domestic bond interest rates showed a downward trend, with the curves flattened.

As at the end of the Reporting Period, the balance of assets under the management of the Group amounted to RMB724,736 million, of which the total investment assets balance of the Group was RMB361,105 million, representing an increase of 4.5% from the end of the previous year; the balance of assets of third parties under management was RMB363,631 million, representing a decrease of 4.1% from the end of the previous year.

### Investment Portfolio

The following table sets forth the portfolio of the Group's total investment assets as at the dates indicated:

Investment assets	<i>Unit: in RMB millions, except for percentages</i>			
	30 June 2024		31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
<b>Cash and short-term time deposits</b>	17,898	5.0	14,597	4.2
<b>Fixed-income investments</b>	312,508	86.5	299,711	86.8
Time deposits	29,478	8.2	27,759	8.0
Bonds	218,889	60.5	205,125	59.5
Government bonds	29,879	8.3	24,591	7.1
Financial bonds	35,100	9.7	23,021	6.7
Enterprise (corporate) bonds	110,208	30.4	120,081	34.9
Subordinated bonds	43,702	12.1	37,432	10.8
Other fixed-income investments <sup>1</sup>	64,141	17.8	66,827	19.3
<b>Equity and investment funds</b>	59,298	16.4	62,742	18.2
Investment funds <sup>2</sup>	30,837	8.5	32,347	9.4
Stocks	24,401	6.8	25,317	7.4
Unlisted equity shares <sup>3</sup>	834	0.2	1,878	0.5
Others	3,226	0.9	3,200	0.9
<b>Other investments</b>	29,248	8.1	28,659	8.3
Investment in associates	24,238	6.7	23,524	6.8
Others <sup>4</sup>	5,010	1.4	5,135	1.5
<b>Financial assets sold under repurchase agreements</b>	(57,847)	(16.0)	(60,309)	(17.5)
<b>Total investment assets</b>	<b>361,105</b>	<b>100.0</b>	<b>345,400</b>	<b>100.0</b>

Notes: 1. Primarily including financial assets held under resale agreements, statutory deposits, debt investment schemes, trust schemes, asset support schemes and others.

2. Including stock funds, bond funds, equity funds, monetary funds, etc.

3. Including asset management products and unlisted equity investments.

4. Including investment properties, currency swaps, etc.

# MANAGEMENT DISCUSSION AND ANALYSIS

**In terms of investment management**, we adhered to the general tone of “seeking progress while ensuring stability, enhancing value” amid significant market fluctuations, and firmly established the business philosophy of “making prudent investment”. We maintained asset allocation to adapt to market changes, and strengthened active response and refined management to continuously optimise the management model of high-dividend portfolio. In terms of domestic fixed-income investments, we mastered the relatively high yield since the beginning of the year and increased the allocation of long-term bonds to extend the duration; strengthened liquidity management and maintained appropriate leverage to obtain stable returns; continued to optimise the credit structure of positions and enhanced the overall credit quality of the assets held. As for overseas fixed-income investments, we leveraged the allocation value at the peak of rate cycle, increased the allocation of high-grade corporate bonds, and extended the duration to optimise credit structure of the assets held and improve medium- and long-term returns. As for secondary equity investment, we optimised the investment research system, and the investment allocation structure was significantly tilted towards high-dividend portfolio such as value dividends and resource types, so as to effectively seize structural opportunities in the market. For alternative investments, we kept paying attention to high-growth quality enterprises and prudently selected our new and premium investments, continuing to improve the stability of rental income from real estate investments.

As at the end of the Reporting Period, in terms of par value, among the assets entrusted by the Group Company, China Re P&C, China Re Life, China Continent Insurance and products from insurance asset managers for management<sup>1</sup> with China Re AMC acting as the trustee, domestic credit bond investment accounted for 14.56% of entrusted assets under the management of China Re AMC, of which bonds with AAA rating accounted for 99.05%, and bonds with AA rating<sup>2</sup> and above accounted for 100%. Currently, there is no bond default and the risk is generally controllable.

As at the end of the Reporting Period, in terms of par value, among the assets entrusted by the Group Company, China Re P&C, China Re Life and China Continent Insurance and products from insurance asset managers for management with China Re AMC acting as the trustee, directly held domestic non-standard assets<sup>3</sup> accounted for 6.00% of entrusted assets under the management of China Re AMC, of which those with an external rating of AA+ and above accounted for 82.38%. The top three industries in terms of positions held were public utilities, transportation and real estate, accounting for 28.37%, 23.40% and 22.50%, respectively.

- Notes: 1. The products from insurance asset managers for management issued by China Re AMC include external client funds.
2. Some of the credit bonds have no external debt rating, and the bonds are rated according to external rating agencies.
  3. Non-standard assets include five types of assets which are collective fund trust plans of the trust company, the infrastructure debt investment plans, the equity investment plans, the project asset support plans, and the real estate debt investment plans.

**In terms of risk management**, we continued to improve our comprehensive risk management system, and promoted the effective conduction of asset allocation strategies and risk appetite policies. We improved our risk assessment system, strengthened the investment risk limits and concentration management, and continuously conducted analysis of investment performance. We also optimised the risk monitoring management indicator system and conducted risk investigation, evaluation, and reporting to improve our refined management of investment risk.

# MANAGEMENT DISCUSSION AND ANALYSIS

We strove to promote the information system construction of risk management, and constantly enriched and improved embedded risk management tools to achieve visualisation of monitoring. We established a multi-layered and multi-dimensional risk reporting system to reflect the investment risk status in a timely and comprehensive manner. In order to effectively cope with the extreme risk condition, we measured the potential loss by scenario analysis, stress test, and other methods, paid close attention to the impact of market volatility on the investment income, invested assets, and the solvency of the Group. We strengthened the risk prevention and control measures in key areas and took instant response to the warning signals of risk arising in assets held, and the risk was generally controllable.

During the Reporting Period, we actively responded to changes in the external environment such as the aggravation of macro and capital market risks, reviewed and further improved the investment risk limit management, the key points of which included the evaluation and adjustment of the list of industries and regions with high credit risk, carefully adjusted investment limits for high-risk regions of local government debt platforms, paid attention to the concentration of low-grade or long-duration assets, constantly carried out rating and credit management, asset quality tracking, risk investigation and review, etc., strengthened risk management to control off-balance sheet businesses, and controlled relevant risks within an acceptable range. In terms of overseas risk, we strengthened our overseas market research and judgment, and formulated risk control policies and management mechanisms for overseas subsidiaries. We strengthened the credit risk sorting and analysis of overseas positions, established a combined credit management solution at the domestic and overseas level, promoted the management synergy and experience sharing of the two-level platform, and continued to strengthen the penetration management of credit risk at overseas investment platforms.

As at the end of the Reporting Period, our significant investments held mainly included China Re – Bairong World Trade Center Real Estate Debt Investment Scheme, investments in associate, namely China Everbright Bank, and investment in the real estate of the Shanghai Fuyuan Landmark Plaza Project.

On 23 June 2016, China Re AMC initiated to establish China Re – Bairong World Trade Center Real Estate Debt Investment Scheme with a term of 11 years. The subscription amount by China Re P&C, China Re Life and China Continent Insurance was RMB8.0 billion in total. A principal of RMB1,540 million in total for such scheme was repaid five times on 27 June 2017, 27 June 2018, 27 June 2019, 30 July 2019 and 20 December 2019, respectively. Since 2020, China Re AMC has taken legal measures on behalf of the investment plan due to failure of the debt-servicing entity and the guarantor of the investment plan to make timely payments relating to the investment plan.

In the first half of 2024, the quality and overall performance of China Everbright Bank's assets were relatively stable. As at the end of the Reporting Period, the Group held approximately 3.93% equity interest in China Everbright Bank in aggregate. China Everbright Bank is expected to bring us stable and healthy returns in the future.

On 15 December 2018, China Continent Insurance entered into a sale and purchase agreement with Shanghai Fuyuan Binjiang Development Co. Ltd., to acquire a property with a total area of 36,006.28 square metres at an acquisition price of approximately RMB3,089 million, payable in cash. The property is Building No. 1 (the address is No. 6 Lane 38, Yuanshen Road) of the Shanghai Fuyuan Landmark Plaza Project located at the land plot Nos. 04-4 of Huangpu Riverbank Unit E10, Pudong New District, Shanghai, the PRC. China Continent Insurance has acquired title certificate for the project. As at the end of the Reporting Period, all of the transaction price of the project has been paid. Of which, 19,925.48 square metres is used for investment, while the remaining 16,080.80 square metres is a real estate for self-use purpose.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Investment Performance

The following table sets forth the relevant information on investment income of the Group for the reporting periods indicated:

*Unit: in RMB millions, except for percentages*

Investment income	For the six months ended 30 June	
	2024	2023
<b>Cash and fixed-income investments</b>	<b>6,743</b>	<b>5,319</b>
Interest income	5,617	5,137
Realised gains/(losses)	(57)	104
Unrealised gains/(losses)	1,265	334
Impairment losses	(82)	(256)
<b>Equity and investment funds</b>	<b>2,413</b>	<b>(271)</b>
Dividend income	831	1,171
Realised gains/(losses)	(1,761)	(1,581)
Unrealised gains/(losses)	3,343	139
<b>Other investments</b>	<b>1,193</b>	<b>1,211</b>
Share of profit of associates	1,077	1,200
Other gains or losses <sup>1</sup>	116	11
<b>Interest expenses on financial assets sold under repurchase agreements</b>	<b>(702)</b>	<b>(669)</b>
<b>Total investment income<sup>2</sup></b>	<b>9,647</b>	<b>5,590</b>
Annualised total investment yield (%) <sup>4</sup>	4.66	3.55
Net investment income <sup>3</sup>	6,978	6,990
Annualised net investment yield (%) <sup>4</sup>	3.90	3.96

Notes: 1. Including gains or losses from changes in fair value and realised gains or losses from financial liabilities at fair value through profit or loss, gains or losses from changes in fair value and realised gains or losses from derivative financial instruments related to non-life insurance business, rental income from investment properties.

2. Total investment income = Investment income after deducting non-insurance investment contracts and derivative financial instruments related to life insurance business + interest income + share of profit of associates + impairment loss of associates – interest expenses on financial assets sold under repurchase agreements – net impairment loss on financial assets after deducting other assets – loss on dilution of equity in associates.

3. Net investment income = Interest income + dividend income + rental income + share of profit of associates – interest expenses on financial assets sold under repurchase agreements.

4. In the calculation of an annualised total investment yield and an annualised net investment yield, only interest income, rental income from investment properties and share of profit of associates are annualised, and such treatment does not apply to dividend income, realised gains/(losses), unrealised gains/(losses), interest income from financial assets held under resale agreements, interest expenses on financial assets sold under repurchase agreements and impairment losses, etc.

Annualised total/net investment yield = Annualised total/net investment income ÷ average total investment assets at the beginning and the end of the period.

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 + financial assets at amortised cost + debt investments at fair value through other comprehensive income + equity investment designated at fair value through other comprehensive income + investments in associates + statutory deposits for insurance operations + derivative financial instruments + investment properties – financial liabilities at fair value through profit or loss – financial assets sold under repurchase agreements.



# MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2024, the Group's total investment income was RMB9,647 million, representing a year-on-year increase of 72.6%. The annualised total investment yield was 4.66%, representing a year-on-year increase of 1.11 percentage points. The increase in total investment income was mainly because: firstly, we actively seized structural opportunities to optimise the structure of equity positions, thus increasing the return on equity and fund investments year-on-year. Secondly, as the domestic bond prices went up, income from cash and fixed-income investments increased year-on-year. In the first half of 2024, the net investment income of the Group was RMB6,978 million, representing a year-on-year decrease of 0.2%. The annualised net investment yield was 3.90%, representing a year-on-year decrease of 0.06 percentage points.

## INSURANCE INTERMEDIARY BUSINESS

Insurance intermediary business refers to the insurance intermediary business operated by Huatai Insurance Agency and its subsidiary, Huatai Surveyors & Adjusters Company. In the first half of 2024, adhering to the general principle of “seeking progress while ensuring stability and striving for innovation and transformation” as well as the operation approach of “Party building as the guide, development as the key, efficiency as the priority, and sticking to the bottom line”, we further highlighted the orientation of high-quality development, coordinated the promotion of market expansion and structural adjustment, and continued to strengthen coordinated development, lean management, and risk control and compliance. Affected by the proactive adjustment of business structure, business income decreased in the first half of 2024, while operating efficiency steadily improved.

In the first half of 2024, revenue from insurance intermediary business amounted to RMB255 million, representing a year-on-year decrease of 25.4%. Profit before tax amounted to RMB2,402 thousand, representing a year-on-year increase of 13.6%.

# MANAGEMENT DISCUSSION AND ANALYSIS

## SOLVENCY

The following table sets forth the relevant data of the Group, the Group Company and major reinsurance and insurance subsidiaries of the Group as at the dates indicated:

	<i>Unit: in RMB millions, except for percentages</i>		
	30 June 2024	31 December 2023	Change (%)
<b>The Group</b>			
Core capital	105,170	97,709	7.6
Available capital	127,001	121,423	4.6
Minimum capital	65,426	63,132	3.6
Core solvency adequacy ratio (%)	161	155	Increase by 6 percentage points
Aggregated solvency adequacy ratio (%)	194	192	Increase by 2 percentage points
<b>Group Company</b>			
Core capital	87,438	82,783	5.6
Available capital	87,438	82,783	5.6
Minimum capital	27,752	20,223	37.2
Core solvency adequacy ratio (%)	315	409	Decrease by 94 percentage points
Aggregated solvency adequacy ratio (%)	315	409	Decrease by 94 percentage points
<b>China Re P&amp;C</b>			
Core capital	20,395	17,966	13.5
Available capital	31,517	29,465	7.0
Minimum capital	12,668	11,850	6.9
Core solvency adequacy ratio (%)	161	152	Increase by 9 percentage points
Aggregated solvency adequacy ratio (%)	249	249	Increase by 0.1 percentage points
<b>China Re Life</b>			
Core capital	37,500	31,575	18.8
Available capital	47,809	43,131	10.8
Minimum capital	22,584	20,007	12.9
Core solvency adequacy ratio (%)	166	158	Increase by 8 percentage points
Aggregated solvency adequacy ratio (%)	212	216	Decrease by 4 percentage points
<b>China Continent Insurance</b>			
Core capital	22,200	20,930	6.1
Available capital	24,534	23,273	5.4
Minimum capital	8,752	8,894	(1.6)
Core solvency adequacy ratio (%)	254	235	Increase by 18 percentage points
Aggregated solvency adequacy ratio (%)	280	262	Increase by 19 percentage points

# MANAGEMENT DISCUSSION AND ANALYSIS

Notes: 1. Core solvency adequacy ratio = core capital ÷ minimum capital;

Aggregated solvency adequacy ratio = available capital ÷ minimum capital.

2. Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.
3. The solvency-related data as at 30 June 2024 have not been audited or reviewed by the Company's auditors.
4. According to Articles 5 and 7 of the Regulations on the Solvency Supervision of Insurance Companies No. 1: Actual Capital, the evaluation of actual capital shall be based on the Accounting Standards for Business Enterprises approved by the former China Banking and Insurance Regulatory Commission, and the evaluation standards of assets and liabilities shall be adjusted according to the purpose of solvency supervision; as for the assets and liabilities of insurance contracts, their book value shall be recognised and measured in accordance with the Accounting Standards for Business Enterprises No. 25 – Original Insurance Contracts and the Accounting Standards for Business Enterprises No. 26 – Reinsurance Contracts issued in 2006 by the Ministry of Finance, and the Regulations on Accounting Treatment of Insurance Contracts issued in 2009 by the Ministry of Finance.

Compared with the end of 2023, the consolidated solvency adequacy ratio of the Group remained stable basically. In particular, the solvency adequacy ratio of the Group Company saw a decrease, which was mainly due to the policy changes during the transition period of calculation rules. The solvency adequacy ratio of China Re P&C and China Re Life remained stable basically. The solvency adequacy ratio of China Continent Insurance increased, mainly due to the comprehensive income growth.

# MANAGEMENT DISCUSSION AND ANALYSIS

According to the requirements of the Solvency Regulatory Rules (II) for Insurance Companies (Yin Bao Jian Fa [2021] No. 51), the “Summary of Solvency Reports” as of the end of the second quarter of 2024 of the Group Company and its subsidiaries, namely China Re P&C, China Re Life and China Continent Insurance, have been disclosed on their official websites respectively and the website of Insurance Association of China. Shareholders and investors are advised by the Board to pay attention to the following key operating indicators extracted from the Summary of Solvency Report as of the end of the second quarter:

*Table 1: Key Operating Indicators*

*Unit: in RMB millions unless otherwise stated*

Indicators	Entities			
	Group Company	China Re P&C	China Re Life	China Continent Insurance
<b>30 June 2024</b>				
Total assets	97,911	136,656	277,405	96,652
Net assets	61,323	23,977	22,391	25,440
Insurance contract liabilities	24,563	65,892	170,486	50,844
<b>For the six months ended 30 June 2024</b>				
Insurance income	7,049	25,787	36,171	28,244
Net profit	773	953	725	145
Basic earnings per share (RMB)	0.018	0.083	0.089	0.010
Return on equity (%)	1.25	4.15	3.47	0.58
Return on total assets (%)	0.80	0.71	0.28	0.15
Investment yield (%)	1.60	1.50	1.79	0.30
Combined investment yield (%)	1.72	3.66	3.98	2.96

# MANAGEMENT DISCUSSION AND ANALYSIS

Table 2: Other specific operation indicators of the P&C insurance company

*Unit: in RMB millions unless otherwise stated*

Indicators	Entity	China Continent Insurance
<b>For the six months ended 30 June 2024</b>		
Premiums of signed policies (total premiums for policies sold)		27,895
Premiums of signed policies for motor insurance		12,665
Premiums of signed policies for top 5 non-motor insurance		12,688
Average premiums per motor for motor insurance (RMB) (written premiums from new motor insurance policies/ number of new motors underwritten)		1,851
Premiums of signed policies by channels		27,895
Premiums of signed policies of agency channels		14,020
Premiums of signed policies of direct sale channels		10,372
Premiums of signed policies of brokerage channels		3,503
Premiums of signed policies of other channels		0

Notes: 1. As the consolidated scope is larger than these four companies and affected by offsetting factors when calculating the consolidated net profit of the Group, the consolidated net profit of the Group is not equal to the sum of net profits of these four companies.

2. The relevant data as at 30 June 2024 in the Summary of Solvency Reports of the Group Company, China Re P&C, China Re Life and China Continent Insurance are the same as the data submitted to the National Administration of Financial Regulation, which are not audited or reviewed by the auditors of the Company.

3. Due to rounding adjustments, figures shown may not be arithmetic aggregation of the figures preceding them.

For viewing of the Summary of Solvency Reports for the second quarter of 2024, shareholders and potential investors can visit the official websites of the Company at <http://www.chinare.com.cn>, China Re P&C at <http://www.cpcr.com.cn>, China Re Life at <http://www.chinalifere.cn> and China Continent Insurance at <http://www.ccic-net.com.cn>, or the website of Insurance Association of China at <http://www.iachina.cn> for enquiries.

# MANAGEMENT DISCUSSION AND ANALYSIS

## EXCHANGE RATE FLUCTUATION RISK

Substantial amount of assets and liabilities of the Group are denominated in Renminbi, but certain assets and liabilities are denominated in Hong Kong dollars, US dollars, British pounds and other foreign currencies. The fluctuations of the value of Renminbi against such currencies expose us to foreign exchange risks. We control the adverse impacts of the fluctuations of exchange rates through enhancing management of the assets and liabilities matching in different currencies, keeping foreign exchange positions under control and using foreign currency derivatives appropriately. As at 30 June 2024, the Group held foreign currency derivatives of RMB-198 million (31 December 2023: RMB-240 million).

## DETAILS OF ASSETS CHARGED AND BANK BORROWINGS

As at 30 June 2024, bonds with a carrying value of RMB12,231 million (as at 31 December 2023: RMB18,017 million) were pledged as collateral for the securities sold under agreements to repurchase resulting from debt repurchase transactions entered into by the Group in the interbank market.

For debt repurchase transactions through the stock exchange, the Group is required by the stock exchange to deposit certain exchange-traded bonds into a collateral pool with fair value converted at a standard rate pursuant to the stock exchange's regulation which should be no less than the balance of the related repurchase transactions during the repurchase period. As at 30 June 2024, the carrying value of bonds deposited in the collateral pool was RMB64,424 million (as at 31 December 2023: RMB60,095 million). The collateral is restricted from trading during the period of the repurchase transaction. The Group can withdraw the exchange-traded bonds from the collateral pool in short time provided that the value of the bonds is no less than the balance of related repurchase transactions.

As at 30 June 2024, the Group held bank borrowings of USD200 million with a coupon rate of Term SOFR+0.85%. The maturity date of the bank borrowings is 28 December 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## CONTINGENCIES

As at 30 June 2024, the Group had issued the following guarantees:

- (1) As at 30 June 2024, the Group Company provided maritime guarantee of RMB1,271 million (31 December 2023: RMB1,359 million) for domestic and overseas ship mutual insurance associations or overseas insurance institutions which provided 100% of counter guarantee for the aforesaid maritime guarantee.
- (2) As at 30 June 2024, CRIH provided the letter of credit to Lloyd's to support Syndicate 1084's and Syndicate 1176's underwriting business of GBP420 million totally (31 December 2023: GBP420 million).
- (3) During the Reporting Period, CRIH entered into Tier 1 securities lending arrangements for Funds at Lloyd's with two financial institutions. The facilities amounted to GBP100 million and USD75 million (31 December 2023: GBP100 million and USD75 million) respectively.

## EMPLOYEES

As of 30 June 2024, the Group had a total of 48,770 employees. The Group's staff remuneration comprises three components, namely basic salary, performance salary and benefits and subsidies. We uphold the distribution guidance of "giving priority to the value creator", and have established a fair, competitive and motivating remuneration system. We have established an enterprise annuity plan and a supplementary medical insurance plan to provide employees with more comprehensive benefits, which plays an important role in attracting, motivating and retaining talents.

The Group is devoted to realising a win-win situation between corporate development and employee improvement, and has fully implemented talent protection to increase investment in talent cultivation, strengthen employee career planning management, and clear the obstacles on the career growth channels. We have established a talent training system with our characteristics through multi-level training, internal rotation and exchange, and overseas training to create a high-quality, professional and international team of employees.

# MANAGEMENT DISCUSSION AND ANALYSIS

## MAJOR EVENTS

### Material Connected Transactions

During the Reporting Period, the Group did not conduct any connected transaction that was subject to the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

In addition, the related-party transactions set out in Note 31 to the financial statements did not constitute connected transactions under the Hong Kong Listing Rules, and were not subject to all the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

### Undertakings of the Company and Controlling Shareholder Given or Effective during the Reporting Period

During the Reporting Period, the Company and Central Huijin, the controlling shareholder, complied with the undertakings made by them as set out in the prospectus. For details of the relevant undertakings, please refer to the sections headed "Substantial Shareholders" and "Share Capital" in the prospectus.



# MANAGEMENT DISCUSSION AND ANALYSIS

## PROSPECTS

The Group will continue to deeply implement the business philosophy of “expanding business scale, increasing underwriting profits and making prudent investment”, give full play to the value and role of a reinsurance platform company, fully tap market opportunities, focus on optimising business structure and profit structure, and continue to promote reasonable growth in volume and effective improvement in quality.

In terms of P&C reinsurance business, we will continuously adhere to the general tone of “seeking progress while ensuring stability, enhancing value”, deepen reform and innovation, deeply serve the national strategies, improve the level of refined management, strengthen risk prevention and control, consolidate our leading position in the domestic market, enhance the resilience of international business operations, improve comprehensive risk reduction service capabilities, enhance innovation promotion and achievement transformation, and continuously promote the high-quality development to a new level.

For the life and health reinsurance business, we will focus on major development opportunities such as the health insurance development of the industry, industrial integration and digital transformation, actively promote supply side reforms such as products and services, and continue to pay attention to industry policies and risk events. Focusing on data, products and industry integration, we will vigorously expand the protection-type reinsurance business, promote the upgrading and iteration of the main medical insurance in the market, actively cultivate commercial long-term medical care insurance and other innovative sectors, and continue to strengthen risk management. We will strictly control operating cost, enhance the asset-liability matching and risk management of the savings-type reinsurance business. We will strengthen counterparty risk management and enforce business management, and perform the financial reinsurance business innovatively under the premise of compliance and controllable risk. We will fully capitalise on “(domestic and overseas) dual-markets” and “(business and investment) dual-platforms” to achieve the collaborative development of business in domestic and overseas markets.

For the primary P&C insurance business, we will adhere to the business approach of “demonstrating value, strengthening assessment, cultivating talents, and preventing risks”, deeply practise the political and people-oriented nature of financial work, better integrate business development into the overall national strategy, find the right direction and clear positioning, consciously integrate into the entire Chinese-style modernisation construction, strive to work on the “five target areas” well, and effectively play the role of economic shock absorber and social stabiliser.

In respect of asset management business, in the face of complex and severe market situations at home and abroad, we will continue to maintain strategic focus, adhere to the general tone of “seeking progress while ensuring stability, enhancing value”, uphold a healthy and prudent investment philosophy, expand our global vision, build a domestic and overseas integrated, cross-market diversified asset allocation system, and continuously optimise the asset allocation structure. While each investment line will closely focus on asset allocation plans and risk preferences, we will deepen the understanding of domestic and foreign economic situations, market environments and policy expectations, strengthen trend analysis and forward-looking judgment, strive to improve investment capabilities, and create investment returns. As for third-party asset management business, we will continue to enrich product lines, actively expand channels and new customers, and improve quality and efficiency through refined management. In terms of risk management and control, we will continuously consolidate and improve the penetrating risk management system covering home and abroad, on- and off-balance sheet, and all businesses and processes, and enhance the synergy of the “three lines of defence” to provide solid support for the high-quality development of the Company.

# OTHER INFORMATION

## CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code as its corporate governance code. During the Reporting Period, the Company has been in compliance with all applicable code provisions stipulated in the Corporate Governance Code and adopted recommended best practices under appropriate circumstances.

During the Reporting Period, after Ms. Ye Mei was appointed as a member of the nomination and remuneration committee of the Board on 29 February 2024, the composition of the nomination and remuneration committee of the Board has complied with Rule 3.25 and Rule 3.27A of the Hong Kong Listing Rules which require that the nomination and remuneration committee of the Board should comprise a majority of independent non-executive Directors. For details, please refer to the announcement of the Company dated 29 February 2024.

## SECURITIES TRANSACTIONS

During the Reporting Period, the Company has adopted the Model Code for Securities Transactions as its own code in respect of dealings in securities by Directors and Supervisors. The Company has made enquiries to all Directors and Supervisors, and all the Directors and Supervisors confirmed that they had strictly complied with the relevant requirements set out in the Model Code for Securities Transactions during the Reporting Period.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Company has appointed three independent non-executive Directors who have appropriate professional qualifications or accounting or related financial management expertise as required under the Hong Kong Listing Rules. The three independent non-executive Directors are Ms. Jiang Bo, Mr. Dai Deming and Ms. Ye Mei.

References are made to the announcements of the Company dated 15 February 2023 and 3 March 2023, in relation to, among others, the election of Mr. Ma Ho Fai as an independent non-executive Director of the fifth session of the Board of Directors. Due to incomplete application materials, the Company has withdrawn the qualification application of Mr. Ma Ho Fai from the National Financial Regulatory Administration. The above-mentioned appointment of Mr. Ma Ho Fai shall not take effect. On 13 September 2024, after consideration and approval by the Board, Mr. Jiang Yaohui was nominated as an independent non-executive Director candidate for the fifth session of the Board. His appointment is subject to the approval by the shareholders' meeting of the Company, and his term of office shall commence from the date on which his qualification as a director is approved by the National Financial Regulatory Administration and the performance of the procedural requirements set out in the Articles of Association is completed, and end upon the expiry of the term of the fifth session of the Board. Upon expiration of his term of office, he may serve consecutive terms if he is re-elected. For details regarding the nomination of Mr. Jiang Yaohui, please refer to the announcement of the Company dated 13 September 2024 and the circular of the Company dated 19 September 2024. After Mr. Jiang Yaohui formally assumes the position of independent non-executive Director, the Company shall meet the requirement of having at least one independent non-executive director ordinarily residing in Hong Kong under Rule 19A.18(1) of the Hong Kong Listing Rules. The Company will make further announcement(s) as and when appropriate.

# OTHER INFORMATION

## INTERIM DIVIDEND

The Company does not declare interim dividend for the six months ended 30 June 2024.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company or any of its subsidiaries has not purchased, sold or redeemed any of the Company's or its subsidiaries' listed securities (including sale of treasury shares) during the Reporting Period. As at the end of the Reporting Period, neither the Company nor its subsidiaries held any treasury shares.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS OR SHORT POSITIONS IN SHARES OR UNDERLYING SHARES OF THE COMPANY

As at the end of the Reporting Period, to the best knowledge of the Directors, the following persons (other than the Directors, Supervisors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or were, either directly or indirectly, interested in 5% or more of the nominal value of any class of share capital.

Name of shareholders	Nature of interest and capacity	Class	Number of shares	Approximate percentage of interests of the Company (%)	Approximate percentage of relevant class of shares of the Company (%)
Central Huijin Investment Ltd.	Beneficial owner	Domestic share	30,397,852,350 (Long position)	71.56	84.91
Ministry of Finance of the PRC	Beneficial owner	Domestic share	4,862,285,131 (Long position)	11.45	13.58
Great Wall Pan Asia International Investment Co., Ltd.	Beneficial owner	H share	431,050,000 (Long position)	1.01	6.45

Notes: 1. The information disclosed above was the information shown on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

2. According to Section 336 of the SFO, shareholders of the Company are required to file disclosure of interests forms when certain criteria are fulfilled. When the shareholdings of the shareholders in the Company change, it is not necessary for the shareholders to notify the Company and the Hong Kong Stock Exchange unless certain criteria are fulfilled. Therefore, the latest shareholdings of the shareholders in the Company may be different from the shareholdings filed with the Hong Kong Stock Exchange.

3. Great Wall Pan Asia International Investment Co., Ltd. is the wholly-owned subsidiary of China Great Wall Asset Management Corporation in Hong Kong.

## OTHER INFORMATION

Save as disclosed above, as at the end of the Reporting Period, so far as the Directors were aware, no other person (other than the Directors, Supervisors or chief executive of the Company) had any interest or short position in the shares or underlying shares of the Company which were required to be disclosed or recorded in the register of the Company to be kept under Section 336 of the SFO.

### DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at the end of the Reporting Period, none of the Directors, Supervisors or chief executive of the Company, upon the listing of H shares, had any interest and/or short position in the shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interest and/or short position taken or deemed to be held under the relevant provisions of the SFO), or were required to be notified to the Company and the Hong Kong Stock Exchange under the Model Code for Securities Transactions upon the listing of H shares, or were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO.

### CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AND THEIR INFORMATION

#### Changes of Directors and Their Information

Name	Original Position	Present Position	Changes of Biographies
Li Bingquan	Non-executive Director	Nil	Ceased to serve as a non-executive Director since 4 January 2024.
Li Wenfeng	Non-executive Director	Nil	Ceased to serve as a non-executive Director since 7 May 2024.
Jia Xiangxiang	Nil	Non-executive Director	Has served as a non-executive Director since 28 April 2024.
Zhou Zheng	Nil	Non-executive Director	Has served as a non-executive Director since 28 April 2024.

## OTHER INFORMATION

- Notes:
1. For details of Mr. Li Bingquan and Mr. Li Wenfeng ceasing to serve as Directors, please refer to the announcements of the Company dated 4 January 2024 and 7 May 2024, respectively.
  2. For details of the appointments of Ms. Jia Xiangxiang and Mr. Zhou Zheng as Directors, please refer to the announcement of the Company dated 7 May 2024 and the supplemental circular of the Company dated 8 February 2024.
  3. During the Reporting Period, the following adjustments were made to the composition of specialised committees of the Board of Directors:
    - (1) On 4 January 2024, Mr. Li Bingquan ceased to serve as a member of the Strategy and Sustainable Development Committee of the Board of Directors, a member and the vice chairman of the Audit Committee of the Board of Directors, and a member of the Risk Management Committee of the Board of Directors.
    - (2) On 29 February 2024, Ms. Ye Mei has been appointed as a member of the Nomination and Remuneration Committee of the Board of Directors.
    - (3) On 28 April 2024, Ms. Jia Xiangxiang has been appointed as a member and the vice chairlady of the Audit Committee of the Board of Directors, a member of the Nomination and Remuneration Committee of the Board of Directors, and a member of the Risk Management Committee of the Board of Directors.
    - (4) On 28 April 2024, Mr. Zhou Zheng has been appointed as a member of the Strategy and Sustainable Development Committee of the Board of Directors, and a member and the vice chairman of the Related-Party Transactions Control Committee of the Board of Directors.
    - (5) On 7 May 2024, Mr. Li Wenfeng ceased to serve as a member of the Nomination and Remuneration Committee of the Board of Directors, and a member and the vice chairman of the Related-Party Transactions Control Committee of the Board of Directors.
  4. On 25 July 2024, after consideration and approval by the Board, Ms. Zhu Xiaoyun was nominated as an executive Director candidate for the fifth session of the Board. Her appointment is subject to the approval by the shareholders' meeting of the Company, and her term of office shall commence from the date on which her qualification as a director is approved by the National Financial Regulatory Administration and the performance of the procedural requirements set out in the Articles of Association is completed, and end upon the expiry of the term of the fifth session of the Board. Upon expiration of her term of office, she may serve consecutive terms if she is re-elected. For details regarding the nomination of Ms. Zhu Xiaoyun, please refer to the announcement of the Company dated 25 July 2024 and the circular of the Company dated 19 September 2024.
  5. On 13 September 2024, after consideration and approval by the Board, Mr. Jiang Yaohui was nominated as an independent non-executive Director candidate for the fifth session of the Board. His appointment is subject to the approval by the shareholders' meeting of the Company, and his term of office shall commence from the date on which his qualification as a director is approved by the National Financial Regulatory Administration and the performance of the procedural requirements set out in the Articles of Association is completed, and end upon the expiry of the term of the fifth session of the Board. Upon expiration of his term of office, he may serve consecutive terms if he is re-elected. For details regarding the nomination of Mr. Jiang Yaohui, please refer to the announcement of the Company dated 13 September 2024 and the circular of the Company dated 19 September 2024.

Save as the above, during the Reporting Period and as of the Latest Practicable Date, there was no other change of the Directors or their information required to be disclosed in accordance with Rule 13.51B(1) of the Hong Kong Listing Rules.

# OTHER INFORMATION

## Changes of Supervisors and Their Information

Name	Original Position	Present Position	Changes of Biographies
Zhu Yong	Shareholder Representative Supervisor	Nil	Ceased to serve as a shareholder representative Supervisor since 19 January 2024.

Note: For details of Mr. Zhu Yong ceasing to serve as Supervisor, please refer to the announcement of the Company dated 19 January 2024.

Save as disclosed above, during the Reporting Period and as of the Latest Practicable Date, there was no other change of the Supervisors or their information required to be disclosed in accordance with Rule 13.51B(1) of the Hong Kong Listing Rules.

## Changes of Senior Management and Their Information

Name	Original Position	Present Position	Changes of Biographies
Liu Yuanzhang	Nil	Assistant to President	Has served as the Assistant to President of the Company since 19 March 2024.

Save as disclosed above, during the Reporting Period and as of the Latest Practicable Date, there was no other change of the senior management or their information required to be disclosed in accordance with Rule 13.51B(1) of the Hong Kong Listing Rules.

## REVIEW OF INTERIM REPORT

The Group's 2024 interim financial information prepared under IFRS has been reviewed by KPMG LLP. The Group's 2024 interim report has been reviewed by the Audit Committee of the fifth session of the Board.

# EMBEDDED VALUE



To the Directors of China Reinsurance (Group) Corporation

Dear Sirs,

## Independent Actuarial Consultants' Report on Embedded Value of China Reinsurance (Group) Corporation

China Reinsurance (Group) Corporation (the "Group Company") has retained Deloitte Consulting (Shanghai) Co., Ltd. to quantify and report on embedded value of the Group Company's and its subsidiaries' (the "Group") life and health reinsurance business, covering the life and health reinsurance business of the Group Company and all businesses of China Life Reinsurance Company Limited ("China Re Life") and China Reinsurance (Hong Kong) Company Limited ("China Re HK") ("the Covered Business") as at 30 June 2024. The task is undertaken by Deloitte Actuarial and Insurance Solutions of Deloitte Consulting (Shanghai) Co., Ltd. ("Deloitte Consulting", "we").

The report summarises the scope of work carried out by Deloitte Consulting, basis of report, reliance and limitations, valuation methodologies and results.

### Scope of Work

The scope of our work is summarised as follows:

- Quantifying embedded value of the Group as at 30 June 2024;
- Quantifying value of one year's new business underwritten by the Group during the 12 months prior to 30 June 2024;
- Reviewing the assumptions used for embedded value and value of one year's new business valuation as at 30 June 2024;
- Performing sensitivity tests of value of in-force business and value of one year's new business under alternative assumptions.

# EMBEDDED VALUE

## Basis of Report, Reliance and Limitation

This report has been prepared by Deloitte Consulting solely for the information and use of China Reinsurance (Group) Corporation for the purpose set out in the introduction of this report, including the valuation and reporting under the requirements of “Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance” published by the China Association of Actuaries and industry practice for publicly listed companies in Hong Kong. Accordingly, we accept no responsibility or liability to any other party.

In performing our work, we have relied upon the accuracy and completeness of the audited and unaudited data and information provided verbally and in writing by, or on behalf of, the Group for periods up to 30 June 2024.

The calculation of embedded value is based on a range of assumptions on future operations and investment performance. Many of these assumptions cannot be controlled by the Group. They are affected by internal and external factors. Hence the actual experience may deviate from these assumptions.

On behalf of  
Deloitte Consulting (Shanghai) Co., Ltd.

Eric Lu  
FIAA, FCAA



# EMBEDDED VALUE

## 1. Definitions and Methodology

### 1.1 Definitions

A number of specific terminologies are used in this report. They are defined as follows:

- Embedded Value (“EV”): this is the sum of the adjusted net worth and value of in-force business less the cost of required capital as at the valuation date;
- Adjusted Net Worth (“ANW”): this is the fair value of assets attributable to shareholders in excess of liabilities of the Covered Business as at the valuation date;
- Value of In-force Business (“VIF”): this is the present value of future cash flows attributable to shareholders arising from the in-force business and the corresponding assets as at the valuation date. The assets contributing to the cash flows are those supporting the corresponding liabilities of in-force business;
- Cost of Required Capital (“CoC”): this is defined as the amount of capital required from shareholders at the valuation date and the present value of future movements of such capital (end of period value less start of period value), and the calculation should take into account the after-tax investment earnings on the assets backing such required capital;
- Value of One Year’s New Business (“1-year VNB”): this is equal to the present value as at the policy issue dates of the future cash flows attributable to shareholders from the business accepted during the 12 months prior to the valuation date and the corresponding assets. The assets contributing to the cash flows are those supporting the corresponding liabilities of the business accepted.

# EMBEDDED VALUE

## 1.2 Methodology

Based on “Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance” issued by the China Association of Actuaries (“CAA”) in November 2016 and industry practice for publicly listed companies in Hong Kong, we determined the embedded value and the value of one year’s new business.

In this report, embedded value of the Group is defined as the sum of adjusted net worth of the Group and VIF of the Covered Business after the cost of required capital.

Since the Group does not hold 100% of all companies within it, ANW has excluded minority interests. As China Re Life and China Re HK are 100% owned by the Group, all of those VIF are included in the reported EV valuation results.

The adjusted net worth at the valuation date is defined as the sum of below two items:

- Net asset value under PRC GAAP basis of the Group on a consolidated basis with allowance for the reserve difference between PRC GAAP basis and EV basis for the Covered Business;
- The asset value adjustments, which reflect the after-tax difference of market value and book value under PRC GAAP basis for certain relevant assets, together with the relevant adjustments to liabilities.

Value of in-force business after the cost of required capital is the present value of future cash flows attributable to shareholders arising from the in-force business of the Group life and health reinsurance business and the corresponding assets as at the valuation date, less the amount of capital required from shareholders at the valuation date and the present value of future movements of such capital (end of period value less start of period value). The calculation of cost of required capital should take into account the after-tax investment earnings on the assets backing such required capital.

Value of one year’s new business after the cost of required capital is the present value as at the policy issue dates of the future cash flows attributable to shareholders from the business accepted during the 12 months prior to the valuation date and the corresponding assets, less the amount of capital supporting the corresponding new business required from shareholders at the policy issue date and the present value of future movements of such capital (end of period value less start of period value).

# EMBEDDED VALUE

## 2. Results Summary

The embedded value and value of one year's new business results as at 30 June 2024 and the corresponding results as at prior valuation date are summarised as below:

**Table 2.1 EV as at 30 June 2024 and 31 December 2023**

Valuation Date	<i>Unit: in RMB millions</i>	
	30 Jun 2024	31 Dec 2023
<b>Embedded Value</b>		
Adjusted Net Worth	110,603	101,571
Value of In-force Business before CoC	11,484	11,486
Cost of Required Capital	(4,892)	(4,215)
Value of In-force Business after CoC	6,592	7,272
Embedded Value	117,196	108,843
Of which:		
ANW of the life and health reinsurance business	31,148	25,999
VIF after CoC of the life and health reinsurance business	6,518	7,171
EV of the life and health reinsurance business	37,665	33,170

Note 1: Figures may not add up due to rounding, and the same applies in the tables below.

Note 2: Figures related to life and health reinsurance business only include business of China Re Life and China Re HK, which are the main part of whole life and health reinsurance business. The same applies in the tables below.

**Table 2.2 1-year VNB for the 12 months up to 30 June 2024 and 31 December 2023**

Valuation Date	<i>Unit: in RMB millions</i>	
	30 Jun 2024	31 Dec 2023
<b>Value of One Year's New Business of the life and health reinsurance business</b>		
Value of One Year's New Business before CoC	1,869	2,102
Cost of Required Capital	(615)	(799)
Value of One Year's New Business after CoC	1,253	1,303

# EMBEDDED VALUE

## 3. Assumptions

The key assumptions, except claim ratio, used for the life and health reinsurance business of the Group Company and China Re Life as at 30 June 2024 are the same as those used in 2023 year-end valuation. The claim ratio assumptions of short-term reinsurance business are determined on a contract-by-contract basis according to the claim experience of recent years.

## 4. Sensitivity

We have performed a series of sensitivity tests on alternative assumptions for value of in-force business and value of one year's new business of the life and health reinsurance business of the Group as at 30 June 2024. For each test, only the referred assumption is changed, while the other assumptions are kept unchanged. Results of the sensitivity tests are shown as below:

Table 4.1 Sensitivity test results of VIF and 1-year VNB as at 30 June 2024

Scenarios	<i>Unit: in RMB millions</i>	
	VIF after CoC	1-year VNB after CoC
Base Scenario	6,518	1,253
Risk discount rate increased by 100 basis points	5,425	1,119
Risk discount rate decreased by 100 basis points	7,797	1,398
Annual investment return rates increased by 50 basis points	8,482	1,396
Annual investment return rates decreased by 50 basis points	4,544	1,110
Mortality and morbidity rates increased by 10%	6,500	1,253
Mortality and morbidity rates decreased by 10%	6,548	1,254
Discontinuance rates increased by 10%	6,361	1,243
Discontinuance rates decreased by 10%	6,689	1,265
Expenses increased by 10%	6,348	1,239
Expenses decreased by 10%	6,687	1,268
Combined ratio of short-term reinsurance contracts increased by 1 percentage point on absolute basis	6,390	1,210
Combined ratio of short-term reinsurance contracts decreased by 1 percentage point on absolute basis	6,807	1,303

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Review report to the board of directors  
of China Reinsurance (Group) Corporation  
*(incorporated in the People's Republic of China with limited liability)*

## Introduction

We have reviewed the interim financial report set out on pages 61 to 116, which comprises the consolidated statement of financial position of China Reinsurance (Group) Corporation (the “Company”) as of 30 June 2024 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, Interim Financial Reporting, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the International Auditing and Assurance Standards Board. A review of the interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34, Interim Financial Reporting.

KPMG  
Certified Public Accountants  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

30 August 2024



# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
<b>Operating Income</b>			
Insurance revenue	4	51,783,901	48,465,956
Interest income	5	4,544,007	4,418,717
Investment income	6	3,820,875	(455,053)
Exchange gains/(losses), net		(25,879)	1,507,258
Other income	7	563,450	564,611
<b>Total income</b>		<b>60,686,354</b>	<b>54,501,489</b>
<b>Operating Expense</b>			
Insurance service expenses	4	(48,477,990)	(45,588,913)
Allocation of reinsurance premiums		(4,696,100)	(3,487,046)
Amounts recoverable from reinsurers		4,287,763	1,945,189
Finance expenses from insurance contracts issued		(2,896,870)	(3,487,797)
Finance income from reinsurance contracts held		393,699	314,482
Net impairment loss on financial assets	8	(80,596)	(261,274)
Other finance costs		(1,025,654)	(1,101,744)
Other operating and administrative expenses	9	(1,853,968)	(1,672,884)
<b>Total insurance service expenses and others</b>		<b>(54,349,716)</b>	<b>(53,339,987)</b>
Share of profit of associates		1,077,118	1,199,571
<b>Profit before tax</b>		<b>7,413,756</b>	<b>2,361,073</b>
Income tax	10	(1,492,193)	(294,026)
<b>Net profit</b>		<b>5,921,563</b>	<b>2,067,047</b>
<b>Attributable to:</b>			
Equity shareholders of the parent		5,726,787	2,011,676
Non-controlling interests		194,776	55,371
<b>Earnings per share (RMB)</b>	12		
– Basic		0.13	0.05
– Dilution		0.13	0.05

The notes on pages 69 to 116 form part of this interim financial report.

# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
<b>Net profit</b>	5,921,563	2,067,047
Other comprehensive income for the period after tax		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit obligation	(9,463)	(4,629)
Equity instruments designated at fair value through other comprehensive income	1,062,705	874,420
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates	130,707	108,517
Fair value changes on debt instruments measured at fair value through other comprehensive income	666,192	559,834
Provision for credit losses on debt instruments measured at fair value through other comprehensive income	(4,025)	219,570
Exchange differences on translation of financial statements of foreign operations	141,308	282,218
Finance income/(expenses) from insurance contracts issued	(1,573,478)	(948,433)
Finance income/(expenses) on reinsurance contracts held	762,732	325,082
Other comprehensive income for the period after tax	1,176,678	1,416,579
<b>Total comprehensive income for the period</b>	7,098,241	3,483,626
Attributable to:		
Equity shareholders of the parent	6,819,528	3,391,654
Non-controlling interests	278,713	91,972
<b>Total comprehensive income for the period</b>	7,098,241	3,483,626

The notes on pages 69 to 116 form part of this interim financial report.

# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	30 June 2024 (Unaudited)	31 December 2023
<b>Assets</b>			
Cash and short-term time deposits	13	17,898,475	14,596,526
Derivative financial assets		107,255	72,318
Financial assets held under resale agreements		4,660,838	7,505,037
Financial investments:			
Financial assets measured at fair value through profit or loss	14	117,226,822	104,382,718
Financial assets measured at amortised cost	15	84,368,385	84,093,352
Debt instruments measured at fair value through other comprehensive income	16	110,131,187	108,546,085
Equity instruments designated at fair value through other comprehensive income	17	7,865,424	11,278,023
Insurance contract assets		708,842	459,221
Reinsurance contract assets		27,272,382	24,988,528
Investment contract assets		6,711,254	4,606,628
Time deposits	18	29,478,353	27,758,604
Statutory deposits for insurance operations	20	18,075,362	18,889,763
Investment properties		5,709,012	5,818,963
Property and equipment		3,529,223	3,670,265
Right-of-use assets		840,928	922,361
Intangible assets		2,229,923	2,314,198
Investments in associates	21	24,237,995	23,523,867
Goodwill		1,645,348	1,642,522
Deferred tax assets		5,860,198	7,805,283
Other assets	22	5,908,024	6,853,325
<b>Total assets</b>		<b>474,465,230</b>	<b>459,727,587</b>

The notes on pages 69 to 116 form part of this interim financial report.



# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	30 June 2024 (Unaudited)	31 December 2023
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Financial liabilities measured at fair value through profit or loss		502,000	444,374
Derivative financial liabilities		305,566	312,108
Financial assets sold under repurchase agreements		57,846,861	60,308,770
Income tax payable		460,013	2,043,898
Investment contract liabilities		31,467,090	27,129,136
Insurance contract liabilities	23	242,474,854	239,061,469
Reinsurance contract liabilities		82,422	40,152
Notes and bonds payable	24	13,251,760	13,152,917
Bank loans	25	1,425,360	1,416,540
Lease liabilities		773,369	861,815
Deferred tax liabilities		975,820	575,563
Other liabilities	26	17,407,213	12,201,928
<b>Total liabilities</b>		<b>366,972,328</b>	<b>357,548,670</b>
<b>Equity</b>			
Share capital	27	42,479,808	42,479,808
Reserves		23,084,441	21,956,855
Retained earnings		32,724,451	28,816,384
Total equity attributable to equity shareholders of the parent		98,288,700	93,253,047
Non-controlling interests		9,204,202	8,925,870
<b>Total equity</b>		<b>107,492,902</b>	<b>102,178,917</b>
<b>Total liabilities and equity</b>		<b>474,465,230</b>	<b>459,727,587</b>

Approved and authorised for issue by the Board of Directors on 30 August 2024.

**He Chunlei**  
Director

**Zhuang Qianzhi**  
Director

**Tian Meipan**  
Chief Actuary

The notes on pages 69 to 116 form part of this interim financial report.

# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

Note	Attributable to equity shareholders of the parent													Non-controlling interests	Total equity
	Reserves											Subtotal			
	Share capital	Capital reserve	Surplus reserve	General risk reserve	Catastrophic loss reserve	Defined benefit remeasurement reserve	Fair value reserve	Insurance finance reserve	Exchange reserve	Retained earnings					
As at 1 January 2024	42,479,808	10,670,969	3,256,447	7,627,689	308,416	(35,614)	(250,172)	563,541	(184,421)	28,816,384	93,253,047	8,925,870	102,178,917		
Profit for the period	-	-	-	-	-	-	-	-	-	5,726,787	5,726,787	194,776	5,921,563		
Other comprehensive income	-	-	-	-	-	(9,463)	1,774,571	(781,817)	109,450	-	1,092,741	83,937	1,176,678		
<b>Total comprehensive income</b>	-	-	-	-	-	(9,463)	1,774,571	(781,817)	109,450	5,726,787	6,819,528	278,713	7,098,241		
Distributions to shareholders of the parent	11	-	-	-	-	-	-	-	-	(1,784,152)	(1,784,152)	-	(1,784,152)		
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(381)	(381)		
Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	34,568	-	-	(34,568)	-	-	-		
Others	-	277	-	-	-	-	-	-	-	-	277	-	277		
<b>As at 30 June 2024 (Unaudited)</b>	<b>42,479,808</b>	<b>10,671,246</b>	<b>3,256,447</b>	<b>7,627,689</b>	<b>308,416</b>	<b>(45,077)</b>	<b>1,558,967</b>	<b>(218,276)</b>	<b>(74,971)</b>	<b>32,724,451</b>	<b>98,288,700</b>	<b>9,204,202</b>	<b>107,492,902</b>		

The notes on pages 69 to 116 form part of this interim financial report.

# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to equity shareholders of the parent												Non-controlling interests	Total equity
	Reserves													
	Note	Share capital	Capital reserve	Surplus reserve	General risk reserve	Catastrophic loss reserve	Defined benefit obligation remeasurement reserve	Fair value reserve	Insurance finance reserve	Exchange reserve	Retained earnings	Subtotal		
As at 1 January 2023	42,479,808	10,684,516	3,132,644	7,306,057	212,951	(19,844)	(1,875,107)	2,373,105	(211,680)	24,429,333	88,511,783	8,869,152	97,380,935	
Profit for the period	-	-	-	-	-	-	-	-	-	2,011,676	2,011,676	55,371	2,067,047	
Other comprehensive income	-	-	-	-	-	(4,629)	1,719,048	(614,538)	280,097	-	1,379,978	36,601	1,416,579	
<b>Total comprehensive income</b>	-	-	-	-	-	(4,629)	1,719,048	(614,538)	280,097	2,011,676	3,391,654	91,972	3,483,626	
Distributions to shareholders of the parent	11	-	-	-	-	-	-	-	-	(594,717)	(594,717)	-	(594,717)	
Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	28,237	-	-	(28,237)	-	-	-	
Others	-	6,019	-	-	-	-	-	-	-	-	6,019	-	6,019	
As at 30 June 2023 (Unaudited)	42,479,808	10,690,535	3,132,644	7,306,057	212,951	(24,473)	(127,822)	1,758,567	68,417	25,818,055	91,314,739	8,961,124	100,275,863	

The notes on pages 69 to 116 form part of this interim financial report.



# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
<b>Operating activities</b>		
Cash (used in)/generated from operations	(404,216)	17,463,450
Income tax paid	(998,462)	(2,306,853)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(1,402,678)</b>	<b>15,156,597</b>
<b>Investing activities</b>		
Interest received	4,177,018	5,190,681
Dividends received	528,418	631,695
Purchases of property and equipment, investment properties and intangible assets	(112,064)	(118,209)
Proceeds from disposal of property and equipment, investment properties and intangible assets	38,810	68,131
Purchases of investments	(121,402,708)	(138,452,963)
Proceeds from disposal of investments	118,355,557	122,938,053
<b>Net cash flows generated from/(used in) investing activities</b>	<b>1,585,031</b>	<b>(9,742,612)</b>

The notes on pages 69 to 116 form part of this interim financial report.

# FINANCIAL STATEMENTS AND NOTES

## CONSOLIDATED CASH FLOW STATEMENT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
<b>Financing activities</b>		
Net changes in third party investors' interests of consolidated structured entities	494,548	327,293
Net proceeds from bonds issued	–	4,000,000
Interest paid	(915,898)	(722,235)
Payments paid for lease liabilities	(199,417)	(234,133)
Net proceeds from securities sold under agreements to repurchase	(206,780)	(8,517,009)
<b>Net cash flows used in financing activities</b>	<b>(827,547)</b>	<b>(5,146,084)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(645,194)</b>	<b>267,901</b>
Cash and cash equivalents at the beginning of the period	17,803,419	15,416,186
Effect of foreign exchange rate changes	51,125	64,176
<b>Cash and cash equivalents at the end of the period</b>	<b>17,209,350</b>	<b>15,748,263</b>
Cash and short-term time deposits	17,898,295	14,246,154
Add: Financial assets held under resale agreements with original maturity of no more than three months	4,662,120	5,057,716
Less: Restricted cash and short-term time deposits	(5,351,065)	(3,555,607)
<b>Cash and cash equivalents at the end of the period</b>	<b>17,209,350</b>	<b>15,748,263</b>

The notes on pages 69 to 116 form part of this interim financial report.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 1 CORPORATE INFORMATION

The predecessor of China Reinsurance (Group) Corporation (the “Company”), PICC Reinsurance Company Limited, was originated from The People’s Insurance Company of China, which was established in October 1949. On 23 March 1999, pursuant to the approval of the State Council of the PRC and the former China Insurance Regulatory Commission (the “former CIRC”), PICC Reinsurance Company Limited was renamed to China Reinsurance Company. On 20 June 2003, with the approval of the former CIRC, China Reinsurance Company was renamed to China Reinsurance (Group) Company. On 9 October 2007, pursuant to the approval from relevant authorities, China Reinsurance (Group) Company was converted into a joint stock limited company and changed the company name to China Reinsurance (Group) Corporation.

The Company completed its initial public offering of overseas-listed foreign shares (“H shares”) and was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 26 October 2015.

The Company’s registered office is located at No. 11 Jinrong Avenue, Xicheng District, Beijing 100033, the PRC.

The Company and its subsidiaries (the “Group”) are mainly engaged in property and casualty reinsurance, life and health reinsurance, primary property and casualty insurance, asset management and other businesses.

### 2 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board (IASB), and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of new accounting standards and amendments effective from 1 January 2024 are set out in Note 2.1.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2023 annual financial statements. The consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 2 BASIS OF PREPARATION (continued)

#### 2.1 New accounting standards and amendments adopted by the Group for the first time for the financial year beginning on 1 January 2024

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liabilities in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Financing Arrangements

The above amendments to the standards did not have any material impact on the interim consolidated financial statements of the Group for the six months ended 30 June 2024.

#### 2.2 New accounting standards and amendments that are not yet effective and have not been early adopted by the Group for the financial year beginning on 1 January 2024

Amendments to IFRS 9 and IFRS 7	Classification of Financial Assets with ESG Targets and Similar Features
	Settlement of Financial Liabilities through Electronic Payment Systems
Amendments to IFRS 18	Presentation Consistency of Income Statement and Cash Flow Statement
Amendments to IFRS 19	Simplify Disclosure Requirements for Subsidiaries
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 21	Lack of Exchangeability



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 3 SEGMENT INFORMATION

The Group's operating segments are presented in a manner consistent with the internal management reporting provided to management for deciding how to allocate resources and for assessing performance.

For management purposes, the Group is organised into business units based on their products and services and has the following operating and reportable segments:

- The property and casualty reinsurance segment, operated by the Company and subsidiaries of the Company, China Property and Casualty Reinsurance Company Ltd. ("China Re P&C"), etc. offers a wide variety of reinsurance products for various property and casualty insurance, such as motor, property, agricultural and liability insurance, and also includes the business operated by Chaucer. Chaucer mainly includes China Re International Holdings Limited ("CRIH"), Chaucer Insurance Company Designated Activity Company ("CIC") and China Re Australia HoldCo Pty Ltd ("CRAH").
- The life and health reinsurance segment, operated by the Company and its subsidiary Company, China Life Reinsurance Company Ltd. ("China Re Life"), offers a wide range of reinsurance products, such as life, health and accident insurance.
- The primary property and casualty insurance segment, operated by the subsidiary of the Company, China Continent Property and Casualty Insurance Company Ltd. ("China Continent Insurance"), offers a wide variety of insurance products and other businesses including motor, property and liability insurance.
- The asset management segment, operated by the subsidiary of the Company, China Re Asset Management Company Ltd. ("China Re AMC"), offers asset management services and manages assets and liabilities related to notes issued in overseas.
- Other segments and activities primarily consist of the headquarters that manages and supports the business development of the Group with its strategy, risk management, actuary, finance, legal and human resource functions; the insurance agency business and other businesses provided by the Group.

Management monitors the results of the Group's operating segments separately to make decisions about resources allocation and performance assessment. Segment performance is evaluated based on segment profit/(loss).

More than 75% of the Group's revenue is derived from its operations in China.

Inter-segment sales are transacted according to terms and conditions negotiated by the relevant parties within the Group.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 3 SEGMENT INFORMATION (continued)

	For the six months ended 30 June 2024 (Unaudited)						
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	Total
Insurance revenue	23,474,176	5,861,356	23,157,074	–	–	(708,705)	51,783,901
Interest income	1,465,408	2,306,882	552,814	36,972	181,931	–	4,544,007
Investment income	1,285,555	1,781,533	650,818	30,319	214,454	(141,804)	3,820,875
Exchange gains/(losses), net	(84,306)	44,914	7,295	(416)	6,661	(27)	(25,879)
Other income	92,545	12,072	98,713	329,484	304,953	(274,317)	563,450
<b>Total income</b>	<b>26,233,378</b>	<b>10,006,757</b>	<b>24,466,714</b>	<b>396,359</b>	<b>707,999</b>	<b>(1,124,853)</b>	<b>60,686,354</b>
– External income	25,684,404	9,831,658	24,428,597	191,925	549,770	–	60,686,354
– Inter-segment income	548,974	175,099	38,117	204,434	158,229	(1,124,853)	–
Insurance service expenses	(21,031,093)	(5,379,966)	(22,744,391)	–	–	677,460	(48,477,990)
Allocation of reinsurance premiums	(2,600,484)	(1,385,654)	(1,384,960)	–	–	674,998	(4,696,100)
Amounts recoverable from reinsurers	2,130,835	1,672,602	1,065,863	–	–	(581,537)	4,287,763
Finance expenses from insurance contracts issued	(760,033)	(1,764,660)	(401,975)	–	–	29,798	(2,896,870)
Finance income from reinsurance contracts held	140,614	229,849	63,651	–	–	(40,415)	393,699
Net impairment loss on financial assets	(14,874)	(34,688)	(18,855)	291	(12,470)	–	(80,596)
Other finance costs	(341,970)	(495,811)	(110,249)	(4,650)	(72,974)	–	(1,025,654)
Other operating and administrative expenses	(563,527)	(322,762)	(258,959)	(187,734)	(649,863)	128,877	(1,853,968)
<b>Total insurance service expenses and others</b>	<b>(23,040,532)</b>	<b>(7,481,090)</b>	<b>(23,789,875)</b>	<b>(192,093)</b>	<b>(735,307)</b>	<b>889,181</b>	<b>(54,349,716)</b>
Share of profit of associates	113,182	580,662	13,857	(145)	416,257	(46,695)	1,077,118
<b>Profit before tax</b>	<b>3,306,028</b>	<b>3,106,329</b>	<b>690,696</b>	<b>204,121</b>	<b>388,949</b>	<b>(282,367)</b>	<b>7,413,756</b>
Income tax	(727,198)	(595,026)	(130,431)	(40,322)	(30,977)	31,761	(1,492,193)
<b>Net profit</b>	<b>2,578,830</b>	<b>2,511,303</b>	<b>560,265</b>	<b>163,799</b>	<b>357,972</b>	<b>(250,606)</b>	<b>5,921,563</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 3 SEGMENT INFORMATION (continued)

	For the six months ended 30 June 2023 (Unaudited)						
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	Total
Insurance revenue	19,985,765	7,008,289	22,580,149	–	–	(1,108,247)	48,465,956
Interest income	1,239,545	2,333,097	624,547	26,817	194,711	–	4,418,717
Investment income	161,087	(640,873)	99,694	47,884	(114,652)	(8,193)	(455,053)
Exchange gains/(losses), net	370,115	1,105,024	31,121	313	900	(215)	1,507,258
Other income	73,453	9,840	75,138	282,713	384,601	(261,134)	564,611
<b>Total income</b>	<b>21,829,965</b>	<b>9,815,377</b>	<b>23,410,649</b>	<b>357,727</b>	<b>465,560</b>	<b>(1,377,789)</b>	<b>54,501,489</b>
– External income	21,535,725	8,999,533	23,409,946	145,432	410,853	–	54,501,489
– Inter-segment income	294,240	815,844	703	212,295	54,707	(1,377,789)	–
Insurance service expenses	(17,724,634)	(7,435,320)	(22,008,816)	–	–	1,579,857	(45,588,913)
Allocation of reinsurance premiums	(2,669,941)	(451,108)	(1,494,921)	–	–	1,128,924	(3,487,046)
Amounts recoverable from reinsurers	855,916	1,191,395	912,895	–	–	(1,015,017)	1,945,189
Finance expenses from insurance contracts issued	(886,341)	(2,240,987)	(387,884)	–	–	27,415	(3,487,797)
Finance income from reinsurance contracts held	166,517	113,485	74,054	–	–	(39,574)	314,482
Net impairment loss on financial assets	(16,601)	(241,127)	(502)	(130)	(2,914)	–	(261,274)
Other finance costs	(396,709)	(535,202)	(98,151)	(7,708)	(63,974)	–	(1,101,744)
Other operating and administrative expenses	(461,649)	(214,083)	(298,770)	(180,491)	(648,343)	130,452	(1,672,884)
<b>Total insurance service expenses and others</b>	<b>(21,133,442)</b>	<b>(9,812,947)</b>	<b>(23,302,095)</b>	<b>(188,329)</b>	<b>(715,231)</b>	<b>1,812,057</b>	<b>(53,339,987)</b>
Share of profit of associates	180,081	594,323	13,565	–	456,596	(44,994)	1,199,571
<b>Profit before tax</b>	<b>876,604</b>	<b>596,753</b>	<b>122,119</b>	<b>169,398</b>	<b>206,925</b>	<b>389,274</b>	<b>2,361,073</b>
Income tax	(132,945)	(7,670)	26,744	(27,866)	(24,763)	(127,526)	(294,026)
<b>Net profit</b>	<b>743,659</b>	<b>589,083</b>	<b>148,863</b>	<b>141,532</b>	<b>182,162</b>	<b>261,748</b>	<b>2,067,047</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 3 SEGMENT INFORMATION (continued)

	30 June 2024 (Unaudited)						
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	Total
Segment assets	140,613,512	228,280,743	74,990,866	5,550,735	64,688,933	(39,659,559)	474,465,230
Segment liabilities	(99,395,482)	(205,557,483)	(49,567,500)	(974,164)	(14,454,199)	2,976,500	(366,972,328)

  

	31 December 2023						
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	Total
Segment assets	137,374,974	220,217,927	72,570,642	5,149,167	63,574,573	(39,159,696)	459,727,587
Segment liabilities	(98,455,841)	(200,634,833)	(47,928,590)	(804,465)	(12,539,835)	2,814,894	(357,548,670)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 4 INSURANCE REVENUE AND INSURANCE SERVICE EXPENSES

	Six months ended 30 June	
	2024	2023
<b>Insurance revenue</b>		
Contracts not measured under the PAA	17,568,671	17,139,684
Contracts measured under the PAA	34,215,230	31,326,272
<b>Total</b>	<b>51,783,901</b>	<b>48,465,956</b>
<b>Insurance service expenses</b>		
Contracts not measured under the PAA	15,106,967	14,225,853
Contracts measured under the PAA	33,371,023	31,363,060
<b>Total</b>	<b>48,477,990</b>	<b>45,588,913</b>

### 5 INTEREST INCOME

	Six months ended 30 June	
	2024	2023
<b>Interest income</b>		
Current and time deposits	1,032,646	965,537
Fixed maturity investment		
– Financial assets measured at amortised cost	1,678,916	1,544,501
– Debt instruments measured at fair value through other comprehensive income	1,797,733	1,880,449
Financial assets held under resale agreements	34,712	28,230
<b>Total</b>	<b>4,544,007</b>	<b>4,418,717</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 6 INVESTMENT INCOME

	Six months ended 30 June	
	2024	2023
Interest, dividend and rental income (1)	2,058,390	2,040,483
Realised gains and losses (2)	(1,920,860)	(1,451,318)
Unrealised gains and losses (3)	3,683,345	(387,691)
Dilution loss from investments in associates	–	(656,527)
<b>Total</b>	<b>3,820,875</b>	<b>(455,053)</b>

#### (1) Interest, dividend and rental income

	Six months ended 30 June	
	2024	2023
Interest income		
– Financial assets measured at fair value through profit or loss	1,073,096	718,002
Dividend income		
– Financial assets measured at fair value through profit or loss	743,808	969,672
– Equity instruments designated at fair value through other comprehensive income	86,924	201,387
<b>Subtotal</b>	<b>830,732</b>	<b>1,171,059</b>
Rental income from investment properties	154,562	151,422
<b>Total</b>	<b>2,058,390</b>	<b>2,040,483</b>

An analysis of the dividend income from listed and unlisted securities is as follows:

	Six months ended 30 June	
	2024	2023
Dividend income		
– Listed equity securities	600,991	753,186
– Unlisted equity securities	229,741	417,873
<b>Total</b>	<b>830,732</b>	<b>1,171,059</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 6 INVESTMENT INCOME (continued)

#### (2) Realised gains/(losses)

	Six months ended 30 June	
	2024	2023
Fixed maturity investment		
– Financial assets measured at fair value through profit or loss	(69,243)	(22,355)
– Debt instruments measured at fair value through other comprehensive income	12,652	126,331
Equity securities		
– Financial assets measured at fair value through profit or loss	(1,761,418)	(1,581,338)
Derivative instruments	(102,851)	26,044
<b>Total</b>	<b>(1,920,860)</b>	<b>(1,451,318)</b>

#### (3) Unrealised gains/(losses)

	Six months ended 30 June	
	2024	2023
Financial assets measured at fair value through profit or loss	4,607,919	474,199
Financial liabilities measured at fair value through profit or loss	(57,626)	(119,103)
Derivative financial assets	25,211	(54,765)
Derivative financial liabilities	9,255	(299,835)
Investment contracts measured at fair value	(901,414)	(388,187)
<b>Total</b>	<b>3,683,345</b>	<b>(387,691)</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 7 OTHER INCOME

	Six months ended 30 June	
	2024	2023
Income relating to insurance brokerages	221,542	340,904
Management fee income	142,171	45,364
Income from sales of goods	38,384	7,361
Commission income arising from the tax collection of motor vehicles and vessels	24,616	12,937
Others	136,737	158,045
Total	563,450	564,611

### 8 NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	Six months ended 30 June	
	2024	2023
Financial investment:		
Financial assets measured at amortised cost	81,261	(9,019)
Debt instruments measured at fair value through other comprehensive income	(5,789)	262,017
Others	5,124	8,276
Total	80,596	261,274

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 9 OTHER OPERATING AND ADMINISTRATIVE EXPENSES

	Six months ended 30 June	
	2024	2023
Employee costs	2,793,364	2,971,661
Outsourcing costs	1,152,632	1,333,157
Advertising and promotion expenses	771,242	964,215
Depreciation and amortisation	541,087	563,705
Taxes and surcharges	259,071	254,577
Official and travel expenses	217,534	365,655
Insurance guarantee fund	198,011	205,829
Interest expenses of policyholders' deposits and investment contracts	140,487	50,086
Bank settlement fee	70,571	69,858
Asset management fee	66,581	35,668
Rental expenses	48,183	55,544
Cost of sales of goods	33,927	8,890
Traffic accident rescue expense	16,911	20,649
Others	958,740	1,121,213
Subtotal	7,268,341	8,020,707
Less: Expenses directly attributed to insurance contracts	(5,414,373)	(6,347,823)
Total	1,853,968	1,672,884



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 10 INCOME TAX

	Six months ended 30 June	
	2024	2023
Current income tax		
Income tax expense at current period	805,355	733,958
Income tax adjustment at prior year	22,050	(22,410)
Deferred income tax	664,788	(417,522)
Total	1,492,193	294,026

Note: The income tax rate applied to the Company and its subsidiaries in the Chinese mainland is 25% for the six months ended 30 June 2024 (for the six months ended 30 June 2023: 25%). Taxation for overseas subsidiaries and branches is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

### 11 DIVIDENDS

	Six months ended 30 June	
	2024	2023
In respect of previous year:		
2023 final dividend (declared in 2024): RMB0.042 per ordinary share	1,784,152	
2022 final dividend (declared in 2023): RMB0.014 per ordinary share		594,717

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 12 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to ordinary equity shareholders of the parent and the weighted average number of ordinary shares in issue for the six months ended 30 June 2024 and the six months ended 30 June 2023.

	Six months ended 30 June	
	2024	2023
Net profit attributable to the shareholders of the parent	5,726,787	2,011,676
Weighted average number of ordinary shares (in thousands)	42,479,808	42,479,808
Basic earnings per share (in RMB)	0.13	0.05

There were no potential diluted ordinary shares in issue during the six months ended 30 June 2024 and the six months ended 30 June 2023, so the diluted earnings per share were the same as the basic earnings per share.

### 13 CASH AND SHORT-TERM TIME DEPOSITS

	30 June 2024	31 December 2023
Cash at banks and on hand	11,847,109	9,733,781
Time deposits with original maturity of no more than three months	351,945	480,606
Other deposits	5,699,241	4,381,898
Interest receivable	4,508	3,143
Subtotal	17,902,803	14,599,428
Less: loss allowance	(4,328)	(2,902)
Total	17,898,475	14,596,526

As at 30 June 2024, cash and short-term time deposits of RMB5,351,065 thousand (31 December 2023: RMB4,300,366 thousand) were restricted from use, which were mainly trading deposits.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 14 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024	31 December 2023
<b>Listed</b>		
<b>Debt securities</b>		
Government bonds	21,247	10,402
Financial bonds	1,026,894	580,435
Corporate bonds	18,903,779	19,752,383
Subordinated bonds	5,406,593	3,366,285
Assets backed securities	197,781	230,939
<b>Equity securities</b>		
Funds	10,344,567	8,653,463
Stocks	19,865,716	17,345,257
<b>Subtotal</b>	<b>55,766,577</b>	<b>49,939,164</b>
<b>Unlisted</b>		
<b>Debt securities</b>		
Government bonds	167,715	434,493
Financial bonds	1,292,658	1,479,845
Corporate bonds	1,564,551	1,572,335
Subordinated bonds	31,934,751	20,003,364
Debt investment plans	2,158,959	2,142,164
Trust schemes	3,119,168	3,162,548
Assets backed plans	–	183,359
<b>Equity securities</b>		
Investment funds	20,492,322	23,693,346
Unlisted shares	410,227	476,229
Other investment schemes	319,894	1,295,871
<b>Subtotal</b>	<b>61,460,245</b>	<b>54,443,554</b>
<b>Total</b>	<b>117,226,822</b>	<b>104,382,718</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 15 FINANCIAL ASSETS MEASURED AT AMORTISED COST

	30 June 2024	31 December 2023
<b>Listed</b>		
Government bonds	9,698,015	8,111,675
Financial bonds	1,842,584	603,225
Corporate bonds	21,705,542	24,523,980
Subordinated bonds	1,804,318	2,251,389
<b>Subtotal</b>	<b>35,050,459</b>	<b>35,490,269</b>
<b>Unlisted</b>		
Government bonds	611,127	1,256,368
Financial bonds	4,310,635	2,267,066
Corporate bonds	6,974,520	6,829,096
Subordinated bonds	1,526,139	3,568,682
Debt investment plans	23,084,074	22,794,513
Trust schemes	15,239,107	14,234,140
<b>Subtotal</b>	<b>51,745,602</b>	<b>50,949,865</b>
<b>Total</b>	<b>86,796,061</b>	<b>86,440,134</b>
Less: loss allowance	(2,427,676)	(2,346,782)
<b>Net</b>	<b>84,368,385</b>	<b>84,093,352</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 16 DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2024	31 December 2023
<b>Listed</b>		
Government bonds	10,404,380	6,156,474
Financial bonds	4,489,487	4,132,374
Corporate bonds	48,612,656	54,346,458
Subordinated bonds	3,034,619	2,585,371
<b>Subtotal</b>	<b>66,541,142</b>	<b>67,220,677</b>
<b>Unlisted</b>		
Government bonds	8,977,621	8,622,981
Financial bonds	22,138,678	13,962,905
Corporate bonds	12,473,746	13,082,363
Subordinated bonds	–	5,657,159
<b>Subtotal</b>	<b>43,590,045</b>	<b>41,325,408</b>
<b>Total</b>	<b>110,131,187</b>	<b>108,546,085</b>
Including: cost	108,542,596	108,054,213
Accumulated changes in fair value	1,588,591	491,872

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 17 EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2024	31 December 2023
<b>Listed</b>		
Stocks	4,535,327	7,971,588
Perpetual bonds	3,226,408	3,200,327
Subtotal	7,761,735	11,171,915
<b>Unlisted</b>		
Unlisted shares	103,689	106,108
Subtotal	103,689	106,108
Total	7,865,424	11,278,023
Including: cost	10,615,639	15,391,823
Accumulated changes in fair value	(2,750,215)	(4,113,800)



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 18 TIME DEPOSITS

Remaining maturity	30 June 2024	31 December 2023
Within 3 months (inclusive)	5,544,162	240,797
3 months to 1 year (inclusive)	7,419,839	6,120,405
1 to 2 years (inclusive)	5,464,806	9,861,951
2 to 3 years (inclusive)	3,691,299	4,660,515
3 to 4 years (inclusive)	4,739,322	–
4 to 5 years (inclusive)	1,049,888	5,759,574
Interest receivable	1,587,876	1,129,821
Subtotal	29,497,192	27,773,063
Less: loss allowance	(18,839)	(14,459)
Total	29,478,353	27,758,604

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 19 SCOPE OF CONSOLIDATION

(1) Particulars of the Company's primary subsidiaries as at 30 June 2024 are as follows:

Name	Place of incorporation/ registration	Registered share capital or paid-in capital	Percentage of equity attributable to the Company		Principal activities/ Place of operation
			Direct	Indirect	
China Re P&C	Beijing	Registered share capital of RMB 11,482,250,000	100.00%	–	Property and casualty reinsurance, China
China Re Life	Beijing	Registered share capital of RMB 8,170,000,000	100.00%	–	Life and health reinsurance, China
China Continent Insurance	Shanghai	Registered share capital of RMB 15,115,918,986	64.30%	–	Primary property and casualty insurance, China
China Re AMC	Beijing	Registered share capital of RMB 1,500,000,000	70.00%	26.43%	Management of insurance investments, China
Huatai Insurance Agency and Consultant Service Limited	Beijing	Registered share capital of RMB 50,000,000	52.50%	–	Insurance brokerage, risk evaluation and management, China
China Re UK Limited	London	Paid-in capital of GBP 95,300,000	100.00%	–	Property and casualty reinsurance, UK
China Re Underwriting Agency Limited	London	Paid-in capital of GBP 18,000,000	100.00%	–	Underwriting agency, UK
China Re Hong Kong Company Limited	Hong Kong	Paid-in capital of USD 700,000,000	100.00%	–	Investment holding, HK



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 19 SCOPE OF CONSOLIDATION (continued)

(1) Particulars of the Company's primary subsidiaries as at 30 June 2024 are as follows: (continued)

Name	Place of incorporation/ registration	Registered share capital or paid-in capital	Percentage of equity attributable to the Company		Principal activities/ Place of operation
			Direct	Indirect	
China Reinsurance Digital Technology Company Limited	Beijing	Registered share capital of RMB 200,000,000	100.00%	–	Service of information technology, China
China Re Asset Management (Hong Kong) Company Limited	Hong Kong	Paid-in capital of HKD 100,000,000	–	96.43%	Investment management, HK
China Continent Insurance E-commerce Co. Ltd	Ningbo	Registered share capital of RMB 1,200,000,000	–	64.30%	E-commerce, China
China Continent Insurance Agent Co. Ltd	Shanghai	Registered share capital of RMB 150,000,000	–	64.30%	Insurance brokerage, China
China Re Catastrophe Risk Management Company Ltd	Chongqing	Registered share capital of RMB 100,000,000	–	70.00%	Risk advisory, management consulting, China
China Re International Company Limited	London	Paid-in capital of USD 320,000,000	–	100.00%	Investment holding, UK
CRIH	London	Paid-in capital of USD 475,919,560	–	100.00%	Investment holding, UK

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 19 SCOPE OF CONSOLIDATION (continued)

(1) Particulars of the Company's primary subsidiaries as at 30 June 2024 are as follows: (continued)

Name	Place of incorporation/ registration	Registered share capital or paid-in capital	Percentage of equity attributable to the Company		Principal activities/ Place of operation
			Direct	Indirect	
Chaucer Holdings Limited	London	Paid-in capital of GBP 139,296,892	–	100.00%	Property and casualty reinsurance, Primary property and casualty insurance, UK
China Reinsurance (Hong Kong) Company Limited	Hong Kong	Paid-in capital of HKD 4,000,000,000	–	100.00%	Life and annuity reinsurance, HK
CIC	Dublin	Paid-in capital of USD1,000,001	–	100.00%	Specialty insurance, Ireland
CRAH	Sydney	Paid-in capital of AUD 16,574,495	–	100.00%	Insurance agent, broker services, Australia
China Reinsurance Finance Corporation Limited	British Virgin Islands	Paid-in capital of HKD 60,000,000	–	96.43%	Bond issue and investment, HK

Note: As at 30 June 2024, all the Company's primary subsidiaries registered in the Chinese mainland are limited liability companies.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 19 SCOPE OF CONSOLIDATION (continued)

(2) As at 30 June 2024, the Company consolidated the following structured entities:

Name	Paid-in capital	Attributable equity interests	Principal activities
China Re Zhongzai Alternative Equity Fund	RMB668,243,341	100.00%	Investment in equity
China Re Bairong Shimao Mall Debt Investment Plans	RMB7,460,000,000	91.11%	Investment in loans
China Re Subway Sixteen Equity Investment Plans	RMB7,000,000,000	65.00%	Investment in loans
China Re Fangzheng Hangzhou Real Estate Debt Investment Plans	RMB150,560,611	100.00%	Investment in loans
Huaxin Trust Haorui No. 36 Hongdao Trust Investment Plans	RMB130,398,982	100.00%	Investment in loans
Huaxin Trust Haorui No. 36 Xining Trust Investment Plans	RMB137,237,395	100.00%	Investment in loans
Huaxin Trust Haorui No. 36 Tongtian Trust Investment Plans	RMB142,296,545	100.00%	Investment in loans
Huaxin Trust Haorui No. 36 Guangde Trust Investment Plans	RMB156,719,764	100.00%	Investment in loans
China Re Ruiqi Asset Management Product	RMB335,869,169	100.00%	Investment in debt/debt investment plan
China Re Ruiqi 2nd Asset Management Product	RMB2,848,998	100.00%	Investment in debt
China Re Ruiqi 3rd Asset Management Product	RMB1,100,616,077	100.00%	Investment in debt/equity
China Re Ruiqi 5th Asset Management Product	RMB286,179,231	100.00%	Investment in debt



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 19 SCOPE OF CONSOLIDATION (continued)

(2) As at 30 June 2024, the Company consolidated the following structured entities:  
(continued)

Name	Paid-in capital	Attributable equity interests	Principal activities
China Re Ruiqi 6th Asset Management Product	RMB1,061,381,900	100.00%	Investment in debt/equity
China Re Ruiqi 7th Asset Management Product	RMB718,847,715	100.00%	Investment in debt/equity
China Re Ruiqi 9th Asset Management Product	RMB439,832,897	100.00%	Investment in debt/equity
China Re Ruiqi 10th Asset Management Product	RMB361,657,557	100.00%	Investment in debt/equity
China Re Ruiqi 11th Asset Management Product	RMB434,065,773	100.00%	Investment in debt/equity
China Re Ruiqi 12th Asset Management Product	RMB494,558,417	100.00%	Investment in debt/equity
China Re Value Growth Asset Management Product	RMB357,675,201	100.00%	Investment in equity
China Re Healthy Life Asset Management Product	RMB349,188,555	100.00%	Investment in equity
China Re Industry Prosperity and Hedge Asset Management Product	RMB398,255,269	100.00%	Investment in equity
China Re FOF Active configuration 1st Asset Management Product	RMB326,000,050	100.00%	Investment in equity
China Re FOF Flexible configuration 1st Asset Management Product	RMB311,500,025	100.00%	Investment in equity
China Re Ruicheng 1st Asset Management Product	RMB3,000,050	100.00%	Investment in debt
China Re Ruicheng 2nd Asset Management Product	RMB347,495,050	42.48%	Investment in debt

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 19 SCOPE OF CONSOLIDATION (continued)

(2) As at 30 June 2024, the Company consolidated the following structured entities:  
(continued)

Name	Paid-in capital	Attributable equity interests	Principal activities
China Re Ruicheng 3rd Asset Management Product	RMB3,000,050	100.00%	Investment in debt
China Re Ruicheng 4th Asset Management Product	RMB3,000,050	100.00%	Investment in debt
China Re Ruicheng 6th Asset Management Product	RMB1,637,674,938	94.64%	Investment in debt/equity
China Re Ruicheng 7th Asset Management Product	RMB3,000,050	100.00%	Investment in debt
China Re Ruicheng 10th Asset Management Product	RMB1,890,019	100.00%	Investment in debt
China Re Wenying 1st Asset Management Product	RMB263,500,030	100.00%	Investment in debt/equity
China Re Peace of Mind Income 3rd Asset Management Product	RMB3,002,130	100.00%	Investment in debt
China Re Solid Harvest More Measurement Slightly 1st Asset Management Product	RMB85,105	100.00%	Investment in debt
China Re Solid Harvest More Measurement Slightly 2nd Asset Management Product	RMB356,005	100.00%	Investment in debt
China Re Ruitong 1st Asset Management Product	RMB423,819,109	66.02%	Investment in equity
China Re Infrastructure Construction REITs Asset Management Product	RMB1,133,877,222	83.73%	Investment in debt
China Re Infrastructure Construction REITs 2nd Asset Management Product	RMB1,000,006	100.00%	Investment in debt



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 19 SCOPE OF CONSOLIDATION (continued)

(2) As at 30 June 2024, the Company consolidated the following structured entities: (continued)

Name	Paid-in capital	Attributable equity interests	Principal activities
China Re Long-term Selection Asset Management Product	RMB55,400,000	100.00%	Investment in debt/equity
China Re Medium and Long-term Interest Rate Bond Closed-end Insurance Asset Management Product	RMB310,000,000	100.00%	Investment in debt
China Re Fuzhou Sanjiangkou Infrastructure Debt Investment Plans	RMB350,000,000	42.86%	Investment in loans
China Re Fujian Expressway Punan Infrastructure Debt Investment Plans	RMB2,000,000,000	42.50%	Investment in loans
CCB Pujiang Anxin 29th Asset Management Product	RMB260,000,000	100.00%	Investment in debt
Guangxin Guangxin Outstanding Debt 221st Trust Investment Plans	RMB300,000,000	100.00%	Investment in loans
China Re Credit Selection 6th Insurance Asset Management Product	RMB284,000,000	100.00%	Investment in debt
China Re Credit Selection 7th Insurance Asset Management Product	RMB218,000,000	100.00%	Investment in debt

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 20 STATUTORY DEPOSITS FOR INSURANCE OPERATIONS

In accordance with relevant provision of Insurance Law of the PRC, the Company, China Re P&C, China Re Life and China Continent Insurance should place certain portion of its issued capital as restricted statutory deposits, respectively.

Details of the Group's statutory deposits are as follows:

	30 June 2024	31 December 2023
The Company	9,821,318	9,821,318
China Re P&C	2,600,000	3,000,000
China Re Life	2,000,000	2,600,000
China Continent Insurance	3,056,157	3,096,157
Interest receivable	614,535	387,318
Subtotal	18,092,010	18,904,793
Less: loss allowance	(16,648)	(15,030)
Total	18,075,362	18,889,763



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 21 INVESTMENTS IN ASSOCIATES

	30 June 2024	31 December 2023
Carrying amount		
– Listed shares	21,596,248	20,886,609
– Unlisted shares	2,641,747	2,637,258
<b>Total</b>	<b>24,237,995</b>	<b>23,523,867</b>
	Six months ended 30 June	
	2024	2023
1 January	23,523,867	22,639,532
Share of profit or loss	1,077,118	1,199,571
Dividends received or receivable	(535,812)	(552,687)
Share of other comprehensive income	172,451	145,839
Dilution loss	–	(656,527)
Share of other equity movements	371	6,019
<b>30 June</b>	<b>24,237,995</b>	<b>22,781,747</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 21 INVESTMENTS IN ASSOCIATES (continued)

#### Particulars of the Group's major associates

Name of associates	Place of incorporation and business	Registered capital (in RMB millions)	Principal activities	Proportion of ownership interests		
				Group's effective interest	Held by the Company	Held by a subsidiary
China Everbright Bank Company Limited ("CEB")	China	59,086	Commercial banking			
30 June 2024				3.93%	1.34%	2.59%
31 December 2023				3.93%	1.34%	2.59%

The Group has significant influence over CEB through a group representative being a director of CEB with the power to participate in the financial and operating policy decisions of CEB. As such, the interests in this associate are accounted for using the equity method. Whereby the investment is initially recognised at cost and adjusted change in the Group's share of CEB's net assets. An impairment test is required if there is any indication of impairment.

As at 30 June 2024, the market value of the Group's investment in CEB was RMB5,538 million (31 December 2023: RMB5,207 million).

As at 30 June 2024, the fair value of the Group's investment in CEB was below the carrying amount. As a result, the Group performed an impairment test on the carrying amount, which confirmed that there was no impairment as at 30 June 2024 as the recoverable amount as determined by a value in use calculation was higher than the carrying value.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 22 OTHER ASSETS

	30 June 2024	31 December 2023
Insurance business related advanced value-added tax	1,081,573	944,804
Overseas deposits	1,056,547	1,169,335
Dividends receivable	824,608	2,615
Tax prepaid	644,052	743,105
Receivables from investment contracts	573,316	522,400
Prepayments	424,907	294,518
Interest receivable	320,976	318,505
Guarantee deposits	261,763	521,767
Receivables from co-insurers	242,790	234,035
Management fee receivable	104,315	92,902
Subscription prepayment for securities and securities clearance receivable	77,818	1,843,237
Deferred expenses	15,379	28,913
Others	875,020	733,437
<b>Total</b>	<b>6,503,064</b>	<b>7,449,573</b>
Less: loss allowance	(595,040)	(596,248)
<b>Net</b>	<b>5,908,024</b>	<b>6,853,325</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 23 INSURANCE CONTRACT LIABILITIES

#### (1) Analysis by remaining coverage and incurred claims of insurance contracts

	30 June 2024	31 December 2023
Liabilities for remaining coverage	84,667,885	117,635,066
Liabilities for incurred claims	157,806,969	121,426,403
<b>Total</b>	<b>242,474,854</b>	<b>239,061,469</b>

#### (2) Analysis by measurement component of insurance contracts

	30 June 2024	31 December 2023
Insurance contracts not measured under the PAA		
– Estimates of present value of future cash flows	157,503,253	162,076,863
– Risk adjustment for non-financial risk	12,322,804	10,422,830
– Contractual service margin	11,795,229	10,875,630
Insurance contracts measured under the PAA	60,853,568	55,686,146
<b>Total</b>	<b>242,474,854</b>	<b>239,061,469</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 24 NOTES AND BONDS PAYABLE

	30 June 2024	31 December 2023
Bonds payable	13,251,760	13,152,917
<b>Total</b>	<b>13,251,760</b>	<b>13,152,917</b>

The following table indicates the balances of supplementary capital bonds issued by the Group:

Issuer	Type	Par value	Coupon rate	Issued year	Maturity
China Re Life	Supplementary capital bonds	5,000 (in RMB millions)	First 5 years: 3.24% Next 5 years: 4.24% (if not redeemed)	2023	2033
China Re P&C	Supplementary capital bonds	4,000 (in RMB millions)	First 5 years: 4.40% Next 5 years: 5.40% (if not redeemed)	2020	2030
China Re P&C	Supplementary capital bonds	4,000 (in RMB millions)	First 5 years: 3.45% Next 5 years: 4.45% (if not redeemed)	2023	2033

### 25 BANK LOANS

	30 June 2024	31 December 2023
Bank loans	1,425,360	1,416,540
<b>Total</b>	<b>1,425,360</b>	<b>1,416,540</b>

As at 30 June 2024, the Group held a bank loan of USD200 million (31 December 2023: USD200 million) with a coupon rate of Term SOFR+0.85% and a maturity date of 28 December 2024.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 26 OTHER LIABILITIES

	30 June 2024	31 December 2023
Payables to third party investors of consolidated structured entities	4,928,035	3,272,022
Securities clearance payable	2,912,270	191,183
Salaries and welfare payable	2,030,672	2,715,959
Dividends payable	1,784,592	–
Suspend and unallocated cash	1,667,351	1,756,838
Premiums received in advance	488,731	497,392
Accounts payable for coinsurance and reinsurance	333,645	343,035
Withholding vehicle and vessel use tax	285,809	339,340
Payables for acquisition of property and equipment	259,184	315,316
Defined benefit obligation	203,616	194,694
Taxes payable	164,522	542,136
Payable to the insurance guarantee fund	99,935	80,856
Others	2,248,851	1,953,157
<b>Total</b>	<b>17,407,213</b>	<b>12,201,928</b>

### 27 SHARE CAPITAL

	30 June 2024	31 December 2023
Issued and fully paid ordinary shares of RMB1 each		
– Domestic shares	35,800,391	35,800,391
– H shares	6,679,417	6,679,417
<b>Total</b>	<b>42,479,808</b>	<b>42,479,808</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 28 RISK MANAGEMENT

#### 28.1 Insurance risk

An insurance policy's risk lies in uncertainty of insured events and the corresponding paid loss. From the perspective of fundamental nature of each policy, the above risk occurs randomly, and the actual paid amount will differ from the estimated data based on statistical methods for each period. For those policy portfolios using probability theory for pricing and reserve estimation, the main risk the Group faces is that the actual payment exceeds the carrying amount of insurance liabilities, which will occur when the actual loss occurrence or severity exceeds expected values. Such risk is likely to occur in the following situations:

Occurrence risk – the possibility that the number of insured events will differ from that expected;

Severity risk – the possibility that the cost of the events will differ from that expected; or

Development risk – the possibility that changes may occur in the amount of an insurer's obligation at the end of the contract period.

Experience shows that the larger the insurance contracts portfolio of the same nature, the smaller the variability of expected results. In addition, a more diversified portfolio is less likely to be impacted by any sub-portfolio's change. The Group has already established insurance underwriting strategy to diversify underwriting risks, and has maintained a sufficient number of policies for different types of insurance risk. Therefore uncertainty of expected results will be reduced.

For the Group's property and casualty insurance and reinsurance contracts, claims are often affected by natural disasters, catastrophes, terrorist attacks and other factors. For the Group's health and accident reinsurance contracts, infectious diseases, huge lifestyle changes, natural disasters and accidents are all important factors that may increase the loss ratio, which may lead to earlier or more claims than expected. For the Group's life reinsurance contracts, the most important factor is that continuous improvement of medical standards and social conditions help to extend life expectancy. Furthermore, policyholders' terminating contracts, reducing and refusing to pay premiums also impact insurance risk, which means that insurance risk is affected by policyholders' behaviors and decisions.

According to the risk characters, the Group's different departments and subsidiaries manage corresponding insurance risk by determining insurance products' underwriting standards and strategy, and prescribing counterparty risk limits, reinsurance arrangements and claim processing. The Group's assumed insurance liabilities also incorporate international business underwritten by the former PICC (Group) Company, including asbestos, pollution, health hazard and other potential long-tail risks. Due to such high level of inherent uncertainty in the above business, consisting of relevant payment instability and insurance liabilities' cognisant uncertainty, the Group cannot completely rule out such significant loss possibilities such as other reinsurance companies underwrite this kind of business. The Group reduces the uncertainty posted by such business through contacting with ceding companies actively and seeking to settle the liability.

The Group's insurance business mainly comes from Mainland China.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 28 RISK MANAGEMENT (continued)

#### 28.2 Financial risk

##### (a) Credit risk

Credit risks refer to the risk of losses incurred by the inability of debtors or counterparties to fulfill their contractual obligations or by the adverse changes in their credit conditions. The Group is exposed to credit risks primarily associated with its deposit arrangements with commercial banks, bond investments, financed funds and bonds, non-standard debt investments, insurance contract assets, reinsurance contract assets, etc. The Group uses a variety of controls to identify, measure, monitor and report credit risk.

##### *Measurement of ECL*

The Group applies the ECL model to calculate loss allowances for its debt financial instruments measured at amortised cost and FVOCI.

Methods applied by the Group in assessing the expected credit losses of its financial assets include risk parameters model and the discounted cash flow (“DCF”) model. Stage I and Stage II wholesale credit assets are assessed using risk parameters, while Stage III wholesale credit assets are subject to the discounted cash flow method.

The Group assesses ECL in light of forward-looking information and uses models and assumptions in calculating the expected credit losses. These models and assumptions relate to the future macroeconomic conditions and the debtors’ creditworthiness. In assessing the expected credit risks in accordance with accounting standards, the Group uses the judgements, assumptions and estimates where appropriate, including:

- Parameters for measuring ECL
- Criteria for significant increase in credit risk
- Definition of credit-impaired financial assets
- Forward-looking information



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 28 RISK MANAGEMENT (continued)

#### 28.2 Financial risk (continued)

##### (a) Credit risk (continued)

###### *Parameters for measuring ECL*

According to whether there is a significant increase in credit risk and whether a financial asset has become credit-impaired, the Group recognises an loss allowance based on the expected credit loss for the next 12 months or the entire lifetime of the financial asset, respectively. The relevant parameters of ECL measurement include probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Group establishes its PD models, LGD models and EAD models based on the internal and external rating based system as currently used for its risk management purpose, in accordance with the requirements of IFRS 9, in light of forward-looking information.

The parameters are defined as follows:

- PD represents the likelihood of a debtor defaulting on its financial obligation, either over the next 12 months (“12m PD”), or over the remaining lifetime (“Lifetime PD”) of the obligation; The Group’s PD is adjusted on the basis of the results of the Group’s internal rating model, incorporating forward-looking information to reflect the point-in-time PD of the debtor in the current macroeconomic environment;
- EAD is based on the amounts the Group expects to be reimbursed at the time of default;
- LGD represents the Group’s expectation of the extent of loss on defaulted exposure. It varies depending on the type of counterparty, method of recourse and priority, and the availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 28 RISK MANAGEMENT (continued)

#### 28.2 Financial risk (continued)

##### (a) Credit risk (continued)

###### *Criteria for Judging Material Increase in Credit Risk*

The Group assesses whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each reporting date. For the purpose of staging assessment of its financial assets, the Group thoroughly considers various reasonable and supportable information that may reflect whether there has been a significant change in their credit risk, including forward-looking information. Key factors considered include regulatory and operating environments, internal and external credit ratings, solvency, viability as a going concern, repayment behaviors, among others. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the reporting date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The Group sets quantitative and qualitative criteria to determine whether the credit risk of a financial instrument has increased significantly since its initial recognition. The criteria includes changes in debtor's credit risk classification, overdue status and other factors. In particular, the five-category classification of asset is downgraded to Special mention; internal debt ratings of assets are downgraded to speculative grade; external debt ratings of assets are downgraded to speculative grade or below the regulatory access level, but no credit impairment has occurred; and the assets are past due, but not more than 90 days old, and have not been deemed to be credit-impaired.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The Group recognises a financial instrument as having low credit risk if its internal rating is consistent with the globally accepted definition for low credit risk (e.g. external "investment grade" rating).



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 28 RISK MANAGEMENT (continued)

#### 28.2 Financial risk (continued)

##### (a) Credit risk (continued)

###### *Definition of credit impairment assets that have occurred*

The criteria adopted by the Group to determine whether a credit impairment occurs under IFRS 9 is consistent with the internal credit risk management objectives for relevant financial instruments, in addition to consideration of quantitative and qualitative indicators. In assessing whether a borrower has become credit-impaired, the Group mainly considers the following factors:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract arising from the borrower, such as a default or past due event in relation to interest or principal payment;
- The lender, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- The borrower is overdue for more than 90 days in any principal, advances, interest or investment in bonds due to the Group.

The credit impairment of a financial asset may be caused by the combined effect of multiple events rather than any single discrete event.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 28 RISK MANAGEMENT (continued)

#### 28.2 Financial risk (continued)

##### (a) Credit risk (continued)

###### *Forward-looking information*

The assessment of whether there has been a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the forward-looking information that affect the credit risk and ECL of various portfolio. Forward-looking information include Gross Domestic Product (GDP), Money Supply (M2) and Consumer Price Index (CPI) etc.

The impact of these forward-looking information on the PDs and the LGDs varies from one portfolio to another. The Group comprehensively considers internal and external data, expert forecasts and statistical analysis to determine the correlation between these forward-looking information and the PDs and LGDs. The Group assesses and forecasts these forward-looking information at least every year, calculates the best estimates for the future, and regularly reviews and assesses results.

Based on statistical analysis and expert judgements, the Group determines the weightings of multiple scenarios and the corresponding forward-looking information forecast under each scenario. The Group uses the weighted 12 months ECL (Stage I) or weighted lifetime ECL (Stage II and Stage III) to measure relevant loss allowance. These weighted credit losses are calculated by multiplying the expected credit loss under each scenario by the assigned scenario weighting.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 28 RISK MANAGEMENT (continued)

#### 28.2 Financial risk (continued)

##### (b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates (interest rate risk), foreign exchange rates (currency risk), and market prices (price risk).

The Group adopts various measures managing market risk, including sensitive analysis, Value-at-Risk (“VaR”), stress testing, scenario analysis and other quantitative models to analyse market risks; mitigating market risk through a diversified investment portfolio; setting acceptable risk tolerance level according to development goals; and tracking the risk control results dynamically to maintain market risk exposure within acceptable level.

##### (i) Interest rate risk

The Group’s interest rate risk arises primarily from financial instruments, including cash and short-term time deposits, time deposits and debt investments. Generally financial instruments at fixed rates and at floating rates expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively.

##### (ii) Currency risk

Fluctuations in exchange rates between the RMB and other currencies in which the Group conducts business may affect its financial position and results of operations. The foreign currency risk facing the Group mainly comes from fluctuations in the USD/RMB, HKD/RMB, GBP/RMB and other currency to RMB exchange rates.

##### (iii) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Since the Group doesn’t issue any insurance contracts with direct participation features, there is no price risk for insurance contract liabilities from related assets. So the Group’s price risk exposure mainly relates to the stock and fund investments whose values will fluctuate as a result of changes in market prices.

The Group uses VaR to measure the expected loss in respect of equity price risk for stock and fund investments measured at fair value. The Group monitors the daily value fluctuation risk over a portent period of 1 day for going concern basis. Moreover, VaR is measured over a holding period of 250 trading days at a confidence level of 95% assumed under normal market condition.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

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(Expressed in thousands of Renminbi, unless otherwise stated)

### 28 RISK MANAGEMENT (continued)

#### 28.2 Financial risk (continued)

##### (c) Liquidity risk

Liquidity risk is the risk that the Group fails to obtain sufficient capital to pay off its matured liabilities. During normal operating activities, the Group reduces liquidity risk through matching the maturity date of investment assets with that of financial liabilities and insurance liabilities.

The Group's relevant departments and the asset management company are responsible for managing and monitoring daily liquidity risks, including analysis of liquidity ratio, establishment of short-term and long-term investment strategy and setting up of a liquidity warning system to ensure liquidity safety.

### 29 FAIR VALUE MEASUREMENT

#### 29.1 Financial assets and liabilities measured at fair value

##### Fair value hierarchy

The following tables present the fair value of the Group's financial instruments measured as at 30 June 2024 on a recurring basis, categorised into the three-level fair value hierarchy. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e., unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e., observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 29 FAIR VALUE MEASUREMENT (continued)

#### 29.1 Financial assets and liabilities measured at fair value (continued)

##### Fair value hierarchy (continued)

	Fair value as at 30 June 2024	Fair value measurements as at 30 June 2024 categorised into		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Financial assets measured at fair value through profit or loss				
– Fixed maturity investment	65,794,095	1,642,171	58,734,845	5,417,079
– Equity securities	51,432,727	31,561,490	15,306,471	4,564,766
Debt instruments measured at fair value through other comprehensive income	110,131,187	2,339,632	107,753,115	38,440
Equity instruments designated at fair value through other comprehensive income	7,865,424	4,535,327	3,226,408	103,689
Derivative financial assets	107,255	–	–	107,255
<b>Total assets</b>	<b>235,330,688</b>	<b>40,078,620</b>	<b>185,020,839</b>	<b>10,231,229</b>
<b>Liabilities</b>				
Financial liabilities measured at fair value through profit or loss	(502,000)	–	–	(502,000)
Derivative financial liabilities	(305,566)	–	–	(305,566)
<b>Total liabilities</b>	<b>(807,566)</b>	<b>–</b>	<b>–</b>	<b>(807,566)</b>



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 29 FAIR VALUE MEASUREMENT (continued)

#### 29.1 Financial assets and liabilities measured at fair value (continued)

##### Fair value hierarchy (continued)

	Fair value as at 31 December 2023	Fair value measurements as at 31 December 2023 categorised into		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Financial assets measured at fair value through profit or loss				
– Fixed maturity investment	52,918,552	1,788,009	45,486,910	5,643,633
– Equity securities	51,464,166	28,346,612	17,824,836	5,292,718
Debt instruments measured at fair value through other comprehensive income				
	108,546,085	4,365,730	104,180,355	–
Equity instruments designated at fair value through other comprehensive income				
	11,278,023	7,971,588	3,200,328	106,107
Derivative financial assets	72,318	–	–	72,318
<b>Total assets</b>	<b>224,279,144</b>	<b>42,471,939</b>	<b>170,692,429</b>	<b>11,114,776</b>
<b>Liabilities</b>				
Financial liabilities measured at fair value through profit or loss				
	(444,374)	–	–	(444,374)
Derivative financial liabilities	(312,108)	(6,600)	–	(305,508)
<b>Total liabilities</b>	<b>(756,482)</b>	<b>(6,600)</b>	<b>–</b>	<b>(749,882)</b>

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

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### 29 FAIR VALUE MEASUREMENT (continued)

#### 29.1 Financial assets and liabilities measured at fair value (continued)

##### Reconciliation of movements in Level 3 financial instruments measured at fair value

	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Derivative financial assets	Financial liabilities at fair value through profit or loss	Derivative financial liabilities
1 January 2024	10,936,351	-	106,107	72,318	(444,374)	(305,508)
Additions	102,109	38,440	-	2,702	-	-
Disposals/Expired	(369,629)	-	-	-	-	-
Transfer out from Level 3	(366,427)	-	-	-	-	-
Gains/(Losses) through profit or loss	(320,559)	-	-	31,770	(57,626)	(81)
Gains/(Losses) through other comprehensive income	-	-	(2,418)	465	-	23
30 June 2024	9,981,845	38,440	103,689	107,255	(502,000)	(305,566)

For the six months ended 30 June 2024, the Group did not transfer financial instruments from Level 2 to Level 1 (For the six months ended 30 June 2023: Nil).

For the six months ended 30 June 2024, financial investments with carrying amounts of approximately RMB366 million (For the six months ended 30 June 2023: Nil) were transferred from Level 3 to Level 2 according to the underlying investment information of the investment plan.

#### Valuation techniques and inputs used in Level 2 fair value measurements

As at 30 June 2024, most of the prices of debt securities obtained from the valuation service providers are issued by the Chinese government and state-owned organisations. These valuation service providers utilise a discounted cash flow valuation model using observable market parameters, mainly interest rate, to determine a fair value.

#### Valuation techniques and inputs used in Level 3 fair value measurements

As at 30 June 2024, significant unobservable inputs such as discount rate and discounts for lack of marketability were used in the valuation of primarily financial assets and liabilities at fair value classified as Level 3, there was no significant changes compared to the end of the previous year.

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 29 FAIR VALUE MEASUREMENT (continued)

#### 29.2 Fair value of financial assets and liabilities carried at other than fair value

	30 June 2024		30 June 2024 The fair value hierarchy		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Assets</b>					
Financial assets measured at amortised cost	84,368,385	88,191,562	–	50,972,418	37,219,144
<b>Liabilities</b>					
Notes and bonds payable	13,251,760	13,723,925	–	13,723,925	–
Bank loans	1,425,360	1,425,011	–	–	1,425,011

  

	31 December 2023		31 December 2023 The fair value hierarchy		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Assets</b>					
Financial assets measured at amortised cost	84,093,352	83,904,907	–	50,542,455	33,362,452
<b>Liabilities</b>					
Notes and bonds payable	13,152,917	13,373,366	–	13,373,366	–
Bank loans	1,416,540	1,410,387	–	–	1,410,387



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

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### 30 CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to focus on the balance between risk and profit, to ensure that the Group meets the external capital requirements and maintains a sound solvency margin ratio to support its business development and maximise profit for shareholders, by pricing products and services commensurately with the level of risk and by accessing to finance at a reasonable cost.

The Group regularly reviews and manages its capital structure to achieve the most ideal capital structure and maximum returns to the shareholders. Factors taken into consideration include future capital requirement, capital efficiency, actual and expected profitability, expected cash flows and expected capital expenditure of the Group. The Group makes adjustments to the capital structure in light of changes in economic conditions.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

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### 31 SIGNIFICANT RELATED-PARTY RELATIONSHIPS AND TRANSACTIONS

#### 31.1 Significant related parties

Name of significant related parties	Relationship with the Company
China Everbright Bank Company Limited	Associate

#### 31.2 Transactions with related parties except for key management personnel

(a) Significant related-party transactions between the Group and CEB are as follows:

	Six months ended 30 June	
	2024	2023
Interest income	2,683	1,747
Premium income	56	218
Claims payments	318,611	371,181
Fees and commissions	8	28

(b) The balances of significant related-party transactions between the Group and CEB are as follows:

	30 June	31 December
	2024	2023
Cash and short-term time deposits	127,064	172,123
Dividends receivable	402,394	–

# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

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### 31 SIGNIFICANT RELATED-PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

#### 31.3 Transactions with state-owned entities in the PRC

The Company is a state-owned enterprise which is subject to the control of the State Council of the PRC government. The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the government through its authorities, affiliates or other organisations (collectively the “state-owned entities”). The Group’s key business is primary insurance and reinsurance related business and therefore the business transactions with other state-owned entities are primarily related to insurance, reinsurance and investment activities, including but not limited to insurance, reinsurance, provision of asset management or other services, and the sale, purchase, and redemption of bonds or equity instruments.

Management considers that transactions with state-owned entities are activities conducted in the ordinary course of business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those state-owned entities are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are state-owned entities.

Due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group.

### 32 CONTINGENCIES

Owing to the nature of the insurance business, the Group is involved in the making of estimates for contingencies and legal proceedings in the ordinary course of business. The adverse effects of these contingencies and legal proceedings mainly involve claims on the Group’s insurance contracts and reinsurance contracts. The Group has considered possible losses caused by such litigations when measuring insurance contract liabilities. For the six months ended 30 June 2024, certain subsidiaries of the Group were involved in such legal proceedings, and the amounts for specific legal claims may be significant and the cases are being investigated by relevant authorities. While the outcomes of such contingencies and legal proceedings cannot be determined at present, based on the current available information, the Group believes that they did not have a material adverse impact on the financial position as at 30 June 2024 and operating results of the Group for the six months ended 30 June 2024.



# FINANCIAL STATEMENTS AND NOTES

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT (continued)

For the six months ended 30 June 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

### 32 CONTINGENCIES (continued)

As at 30 June 2024, the Group had issued the following guarantees:

- (1) As at 30 June 2024, the Company provided maritime guarantee of RMB1,271 million (31 December 2023: RMB1,359 million) for domestic and overseas ship mutual insurance associations or overseas insurance institutions which provided 100% of counter guarantee for the aforesaid maritime guarantee.
- (2) As at 30 June 2024, CRIH provided letter of credit to Lloyd's to support Syndicate 1084's and Syndicate 1176's underwriting business of GBP 420 million totally (31 December 2023: GBP 420 million).
- (3) CRIH entered into two Tier 1 securities lending arrangement for Funds at Lloyd's with two financial institutions. The facilities total GBP 100 million and USD75 million (31 December 2023: GBP 100 million and USD75 million).

### 33 COMMITMENTS

#### Capital commitments

	30 June 2024	31 December 2023
Contracted for		
– Intangible assets commitments	26,530	12,648
– Property and equipment commitments	4,326	5,277
– Investment commitments	1,068,948	866,755
Total	1,099,804	884,680

### 34 APPROVAL OF THE INTERIM FINANCIAL REPORT

The interim financial report was approved and authorised for issue by the Board of Directors of the Company on 30 August 2024.

# DEFINITIONS

“Articles of Association”	the articles of association of our Company as adopted at our shareholders’ meeting held on 26 June 2015, 24 October 2017, 28 June 2018, 27 June 2023 and approved by the former CBIRC on 9 July 2015, 2 March 2016 and 16 January 2019 and by the National Financial Regulatory Administration on 29 January 2024
“Belt and Road Initiative”	Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road issued by the National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce of the PRC on 28 March 2015
“Board of Directors” or “Board”	the board of directors of our Company
“Central Huijin”	Central Huijin Investment Ltd.
“Chaucer”	the collective name of CRIH, CIC and CRAH
“China Continent Insurance”	China Continent Property & Casualty Insurance Company Ltd. (中國大地財產保險股份有限公司), a subsidiary of the Company incorporated in the PRC on 15 October 2003. The Company holds 64.3% of its shares
“China Everbright Bank”	China Everbright Bank Co., Ltd. (中國光大銀行股份有限公司), a joint stock limited liability company incorporated in the PRC
“China Re AMC”	China Re Asset Management Company Ltd. (中再資產管理股份有限公司), a subsidiary of the Company incorporated in the PRC on 18 February 2005. The Company holds 70% of its shares, and China Re P&C, China Re Life and China Continent Insurance hold 10% of its shares respectively



# DEFINITIONS

“China Re HK”	China Reinsurance (Hong Kong) Company Limited (中國再保險(香港)股份有限公司), a subsidiary of China Re Life licensed and incorporated by Hong Kong Insurance Authority on 16 December 2019
“China Re Life”	China Life Reinsurance Company Ltd. (中國人壽再保險有限責任公司), a wholly-owned subsidiary of the Company incorporated in the PRC on 16 December 2003
“China Re P&C”	China Property and Casualty Reinsurance Company Ltd. (中國財產再保險有限責任公司), a wholly-owned subsidiary of the Company incorporated in the PRC on 15 December 2003
“CIC”	Chaucer Insurance Company Designated Activity Company, a company registered in the Republic of Ireland
“CNIP”	China Nuclear Insurance Pool. CNIP was established in 1999 and the Group Company has been the management institution and chairman company of CNIP from its establishment date to November 2016. Starting from November 2016, the management institution of CNIP changed from the Group Company to China Re P&C
“Company”, “Group Company” or “China Re”	China Reinsurance (Group) Corporation (中國再保險(集團)股份有限公司)
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
“CRAH”	China Re Australia HoldCo Pty Ltd, a company registered in Australia, the former name of which is Hanover Australia HoldCo Pty Ltd
“CRIH”	China Re International Holdings Limited, a company registered in England and Wales, the former name of which is The Hanover Insurance International Holdings Limited

# DEFINITIONS

“Director(s)”	the director(s) of the Company
“former CBIRC”	the former China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“Group”, “China Re Group” or “we”	our Company and its subsidiaries (except where the context requires otherwise)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huatai Insurance Agency”	Huatai Insurance Agency and Consultant Service Limited (華泰保險經紀有限公司), a subsidiary of the Company incorporated in the PRC on 1 March 1993. The Company holds 52.5% of its shares
“Latest Practicable Date”	18 September 2024, being the latest practicable date for the inclusion of certain information in this report prior to its publication
“Lloyd’s”	The Society of Lloyd’s, a global leading specialised P&C and liability insurance market
“Ministry of Finance”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“Model Code for Securities Transactions”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
“Reporting Period”	since 1 January 2024 until 30 June 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Supervisor(s)”	the supervisor(s) of the Company

# CORPORATE INFORMATION

## REGISTERED NAMES

**Legal Chinese name:** 中國再保險(集團)股份有限公司  
**Chinese abbreviation:** 中國再保  
**Legal English name:** China Reinsurance  
(Group) Corporation  
**English abbreviation:** China Re

## REGISTERED OFFICE AND HEADQUARTERS

No. 11 Jinrong Avenue, Xicheng District,  
Beijing, the PRC (Postal code: 100033)

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1618, Sun Hung Kai Centre,  
30 Harbour Road, Wanchai, Hong Kong

## PLACE OF LISTING OF SHARES

The Stock Exchange of Hong Kong Limited

## CLASS OF SHARES

H shares

## STOCK NAME

China Re

## STOCK CODE

1508

## H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Wanchai, Hong Kong

## WEBSITE

<http://www.chinare.com.cn>

## INVESTOR RELATIONS DEPARTMENT

*Office of the Board of Directors*  
Telephone: (8610) 66576880  
Email: [IR@chinare.com.cn](mailto:IR@chinare.com.cn)

## LEGAL REPRESENTATIVE

Mr. He Chunlei

## SECRETARY TO THE BOARD<sup>1</sup>

Ms. Zhu Xiaoyun

## AUTHORISED REPRESENTATIVES

Mr. He Chunlei  
Ms. Ng Sau Mei

## JOINT COMPANY SECRETARIES

Ms. Zhu Xiaoyun<sup>2</sup>  
Ms. Ng Sau Mei

## AUDITORS

*Domestic auditor:*  
KPMG Huazhen LLP

*Overseas auditor:*  
KPMG LLP  
(*Certified Public Accountants and Registered PIE Auditor*)

## ACTUARIAL CONSULTANT

Deloitte Consulting (Shanghai) Co., Ltd.

## HONG KONG LEGAL ADVISER

Clifford Chance

## UNIFIED SOCIAL CREDIT CODE

9110000010002371XD

- Notes:*
1. Upon consideration and approval by the Board, Mr. Liu Yuanzhang was appointed as the Secretary to the Board of the Company on 25 July 2024, and will formally perform his duties after the National Financial Regulatory Administration approves his qualification and the performance of the procedural requirements set out in the Articles of Association is completed.
  2. Upon consideration and approval by the Board, Mr. Liu Yuanzhang was appointed as the joint company secretary of the Company on 30 August 2024, and will formally perform his duties from the date when the Hong Kong Stock Exchange grants the relevant waiver.

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