

2023 Interim Results Announcement

30 August 2023, Beijing



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01 Results Overview

02 Business Analysis

03 Outlook





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01 Results Overview



In the face of severe and complex external situations, China Re Group has fully implemented the general tone of “seeking progress while maintaining stability and enhancing value” around the strategic goal of building a world-class comprehensive reinsurance group and has taken new steps for high-quality development.

1

Comprehensive improvement in operating performance

2

New achievements in serving national strategies

3

Digital transformation continues to advance

4

Comprehensive risk management continues to deepen



Consolidated gross written premiums of the Group

(RMB million)

102,617 **↑ +16.6%**

Consolidated insurance revenue of the Group

(RMB million)

48,466 **↑ +16.4%**

Net profit attributable to equity shareholders of the parent company

(RMB million)

2,012 **↑ +331.5%**

Annualized ROE

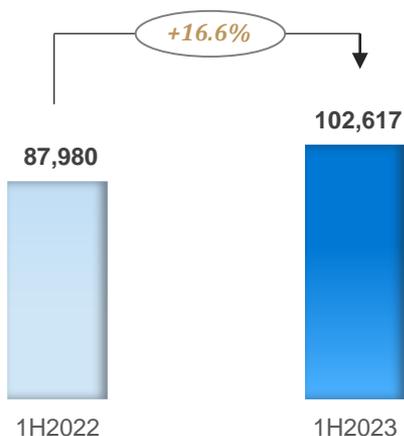
4.46% **↑ +3.44ppts**

1. The Company has implemented International Financial Reporting Standards (“IFRS”) 17 –Insurance Contracts and IFRS 9 – Financial Instruments (collectively, the “New Standards”) from 1 January 2023.
2. The basis of preparation of consolidated gross written premiums of the Group is the same as that for the same period last year. Other indicators are based on the New Standards.



Consolidated gross written premiums of the Group

(RMB million)



Half-year gross written premiums exceeding RMB100,000 million

Premiums from key segments

(RMB million)

Domestic P&C reinsurance non-motor business

18,239
↑ +15.1%

Overseas P&C reinsurance¹

13,923
↑ +22.4%

Domestic L&H reinsurance protection-type business

15,559
↑ +15.2%

P&C primary insurance non-motor business

15,265
↑ +23.9%

1. Refers to overseas P&C reinsurance and Chaucer business in this presentation.
2. The basis of preparation of all data is the same as that for the same period last year.



Combined ratio¹



Despite heavy losses from the major natural catastrophe such as the earthquake in Turkey, underwriting profit of the Group increased significantly and reached a record high

Domestic P&C reinsurance

99.65%

↑ **+0.09ppts**

L&H reinsurance short-term protection-type business

97.35%

↓ **-0.89ppts**

Overseas P&C reinsurance

88.45%

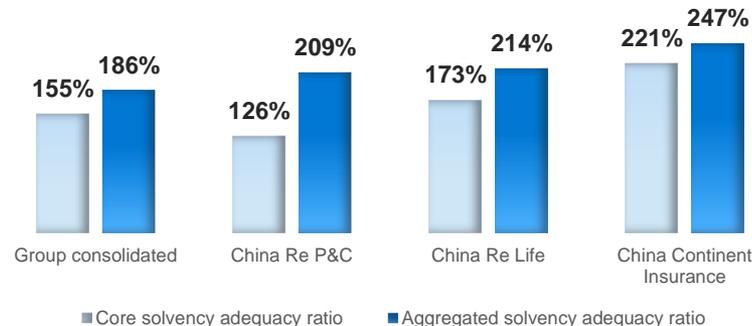
↓ **-8.05ppts**

Primary P&C insurance

100.86%

↓ **-2.14ppts**

Solvency and international ratings



S&P Global
Ratings

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



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

1. The basis of preparation of data is the same as that for the same period last year.



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02 Business Analysis

01 P&C Reinsurance

02 L&H Reinsurance

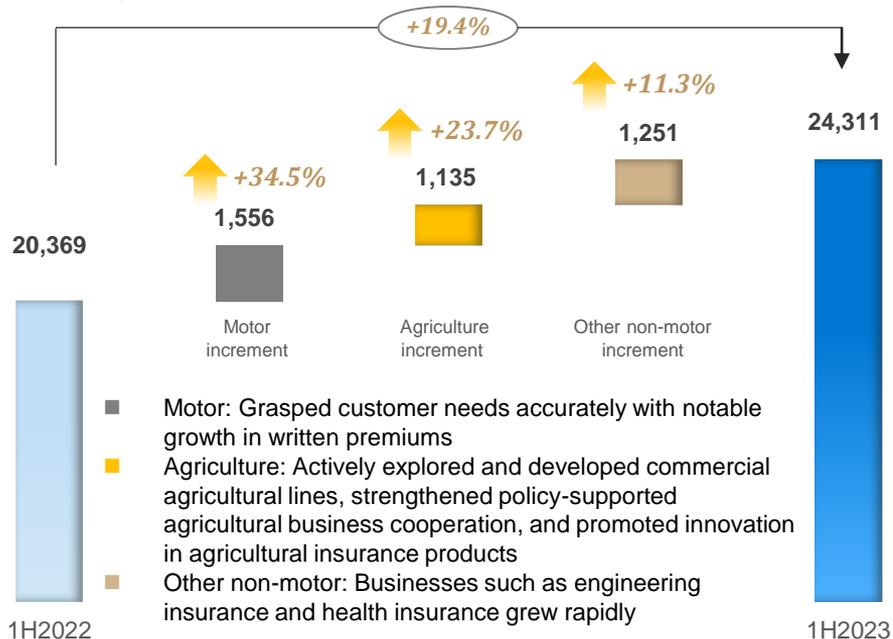
03 P&C Primary Insurance

04 Asset Management

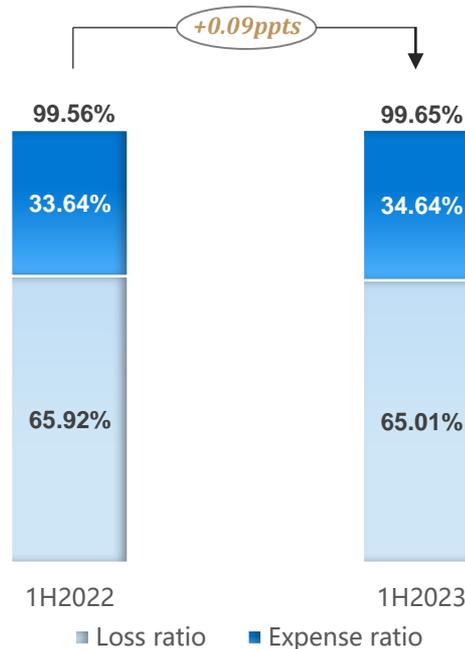


Reinsurance premiums

(RMB million)



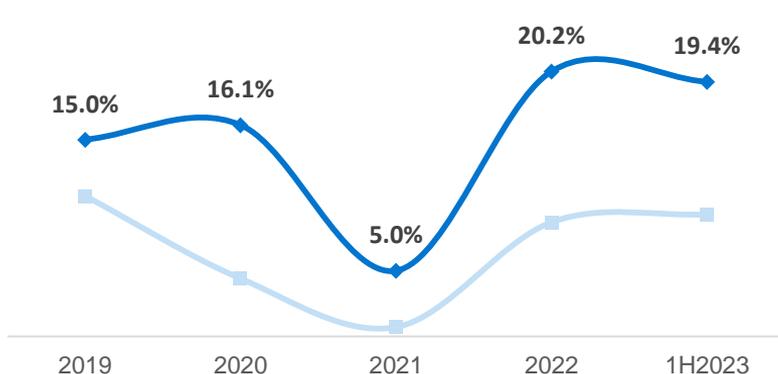
Combined ratio



1. The basis of preparation of data is the same as that for the same period last year.



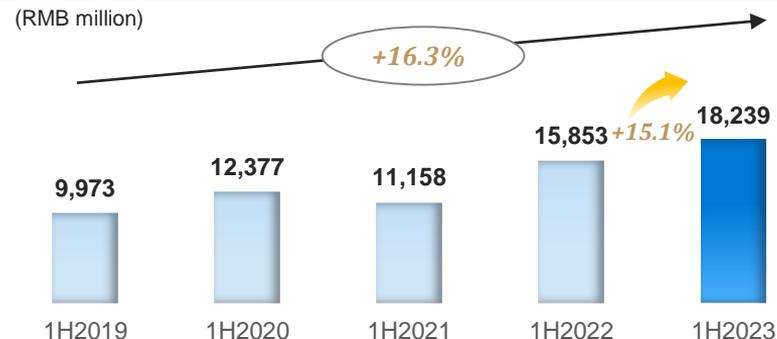
Comparison of premiums growth rate



- Growth rate of primary premiums of P&C insurance industry
- ◆— Growth rate of reinsurance premiums of domestic business of China Re P&C

- Benefitted from the acceleration of the growth momentum of P&C insurance market towards non-motor insurance, the growth rate of domestic reinsurance premiums continued to exceed that of primary insurance industry.

Reinsurance premiums of non-motor lines



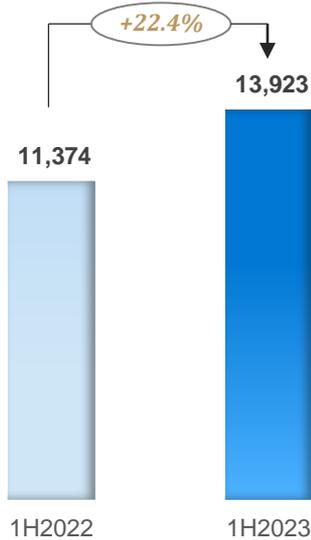
Growth rate of reinsurance premiums of key business lines

- Commercial agriculture insurance ↑ +77.4%
- Short-term health insurance ↑ +84.0%
- Inherent defects insurance ↑ +11.5%
- Cyber securities insurance ↑ +158.0%



Gross written premiums

(RMB million)



Chaucer

11,172

↑ +25.4%

Overseas business except Chaucer

2,751

↑ +11.5%

Business strategies



Adhering to the general principle of "optimising portfolio, prioritising efficiency, seizing opportunities, and strictly controlling risks"



Grasping the opportunity of rising premium rates by expanding the scale of advantageous businesses on the basis of efficiency, resulting in rapidly growing premiums

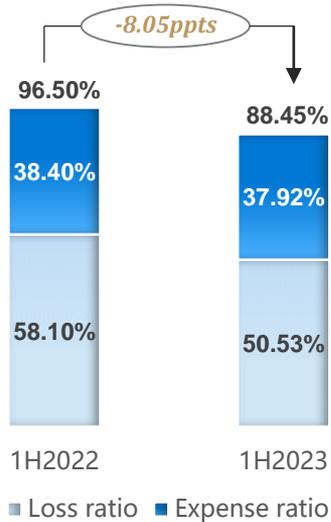


Continuously improving contract conditions, actively reducing business with poor operating efficiency, and continuously optimising business structure

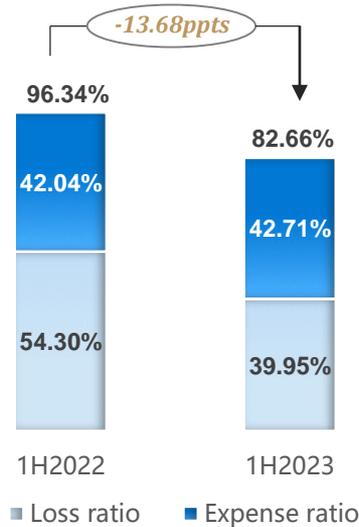


Combined ratio

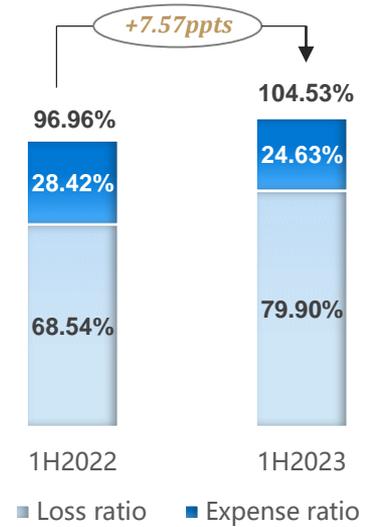
Overseas business in total



Chaucer



Overseas business except Chaucer



Proactively grasped hard market opportunities and continuously optimised business portfolio
 Despite the impact of natural catastrophes such as the earthquake in Turkey, overall underwriting result improved continuously

1. The basis of preparation of data is the same as that for the same period last year.

01 P&C Reinsurance

02 L&H Reinsurance

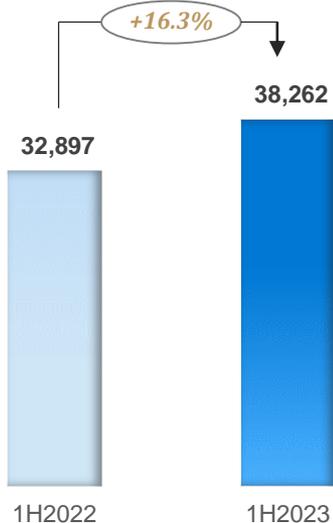
03 P&C Primary Insurance

04 Asset Management



Reinsurance premiums

(RMB million)



Domestic business

34,872

↑ +23.7%

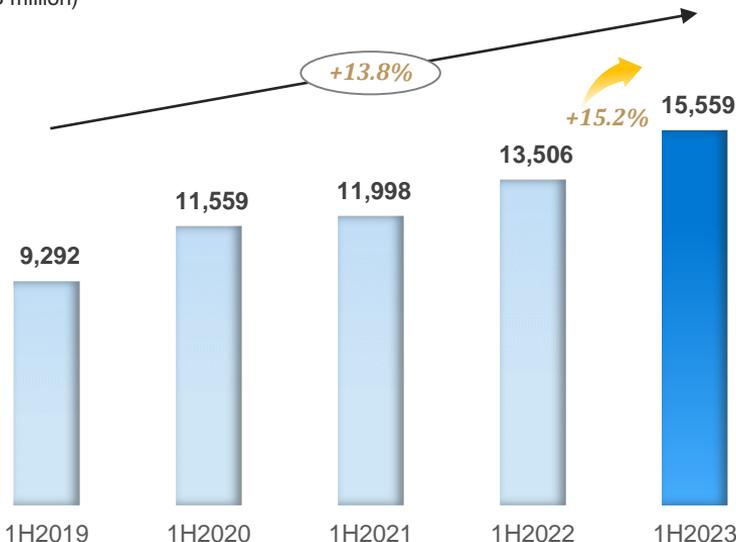
Overseas business

3,390

↓ -27.9%

Reinsurance premiums from domestic protection-type business

(RMB million)

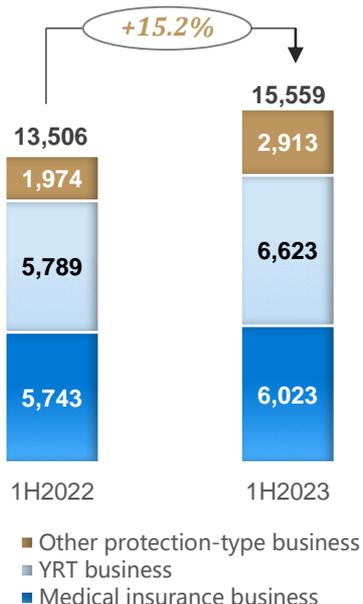


1. The basis of preparation of data is the same as that for the same period last year.



Protection-type business structure

(RMB million)



Total reinsurance premium income of YRT business and medical insurance business

12,646

↑ +9.7%

- **Traditional track:** Seized the business opportunities of medical insurance, actively guided the development and iteration of medical insurance products, and maintained a leading position in the market; innovated YRT business solutions
- **Innovative track:** Relied on industrial integration to deeply participate in the multi-region Hui Min Bao business, newly covered more than 17 million people; provided customised reinsurance support solutions for specific groups of people

Underwriting result from short-term protection-type business

Combined ratio

97.35% ↓ -0.89ppts

(RMB million)

Underwriting profits

320 ↑ +50.2%

- Actively developed efficiency-type businesses such as medical insurance, continued to deepen loss prevention and reduction of existing businesses, and achieved significant improvement in underwriting efficiency through innovation-driven and strict risk control



Data+

- Entrusted to lead the industry's fourth mortality table compilation project and the industry's critical illness incidence review project, facilitating the construction of infrastructure for the industry
- Iterations to upgrade the smart risk control system, realised model upgrades and data upgrades, and carried out system matching with leading insurers
- Data empowered business development, providing support for product pricing, product development, and risk warning



Product+

- Keeping up with the guidance of tax preferential policies, provided support for the development of tax preferential health insurance products, and assisted related products to launch quickly in the market
- Provided a variety of industrial integration options for health insurance products for local branches of insurers
- Summarised the practical experience of Hui Min Bao and published the report: *The Connotation, Current Situation, and Sustainable Development of Regional Customized Commercial Medical Insurance*



Industrial integration

- Taking "Hypertension, Hyperlipidemia and Hyperglycemia Management" as the entry point, explored the business model of chronic disease management, and realised the innovative integration and transformation of "insurance + medicine + platform"
- Implemented a new innovative payment model for cancer innovative therapy (CAR-T), and innovated profit model for health insurance
- Integrated advanced medical resources such as artificial heart and anti-liver cancer innovative drugs, and empowered iteration for product upgrades
- Explored the full-process service system for lymphoma integrated insurance products and improved the sensitivity of the public on insurance products

01 P&C Reinsurance

02 L&H Reinsurance

03 P&C Primary Insurance

04 Asset Management

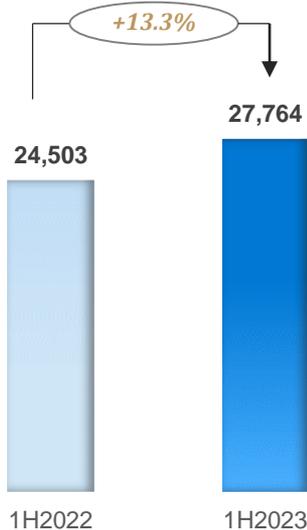
Primary P&C insurance

Rapid growth in premiums and continuous improvement in underwriting result



Primary premiums

(RMB million)



Motor line

12,499

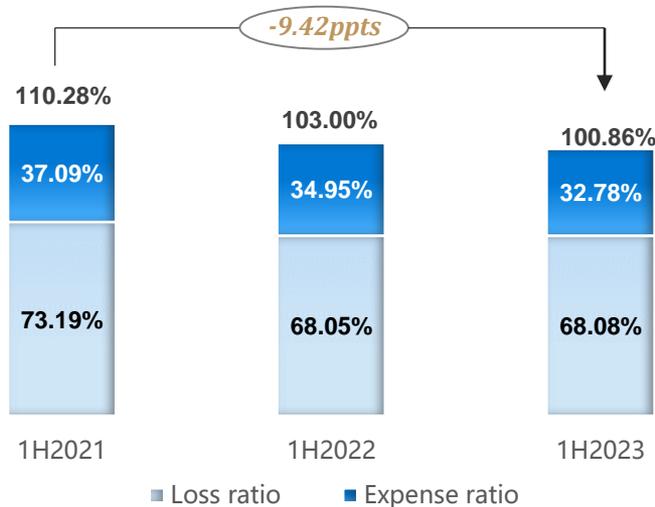
↑ +2.6%

Non-motor lines

15,265

↑ +23.9%

Combined ratio



- Continuously optimised cost management, actively adjusted business structure, and strengthened business quality control, resulting in the continuous decrease in combined ratio

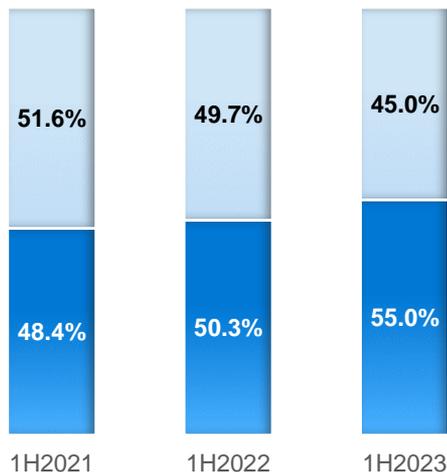
1. The basis of preparation of data is the same as that for the same period last year.

Primary P&C insurance

Continuous optimisation of business structure and stable improvement of business quality



Increasing share of non-motor lines



- Motor insurance business
- Non-motor insurance business

Share of motor line

45.0%
 ↓ -4.7ppts

- Continued to optimise business structure, strictly controlled the development of high-cost businesses, and accelerated the development of profitable businesses through resource allocation
- Premiums of family car business accounted for more than 60%, and the renewal rate was nearly 70%

Share of non-motor lines

55.0%
 ↑ +4.7ppts

- **Surety insurance:** Proactively adjusted the structure of customer groups, the cumulative bad debt ratio of personal loan surety insurance continued to decline, realising underwriting profits



1. The basis of preparation of data is the same as that for the same period last year.

01 P&C Reinsurance

02 L&H Reinsurance

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04 Asset Management



Net investment income

(RMB million)

6,990 ↓ -1.9%

Annualised net investment yield

3.96% ↓ -0.34ppts

Total investment income

(RMB million)

4,626 ↑ +99.7%

Annualised total investment yield

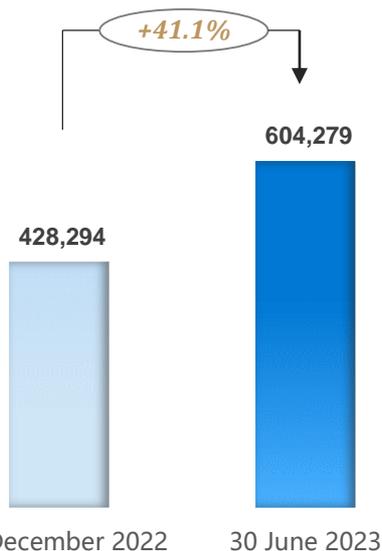
3.27% ↑ +0.50ppts

1. All indicators are based on the New Standards.
2. 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, expenses on financial assets sold under agreements to repurchase and impairment losses, etc.



Assets under management¹

(RMB million)



Total investment assets of the Group

352,584

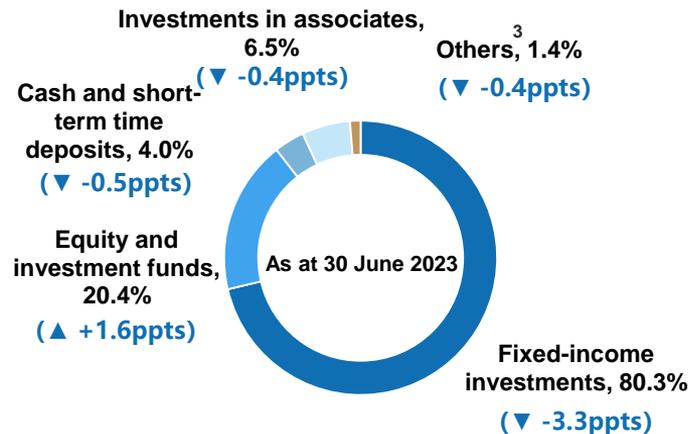
↑ +8.1%

Assets of third parties under management

251,695

↑ +146.1%

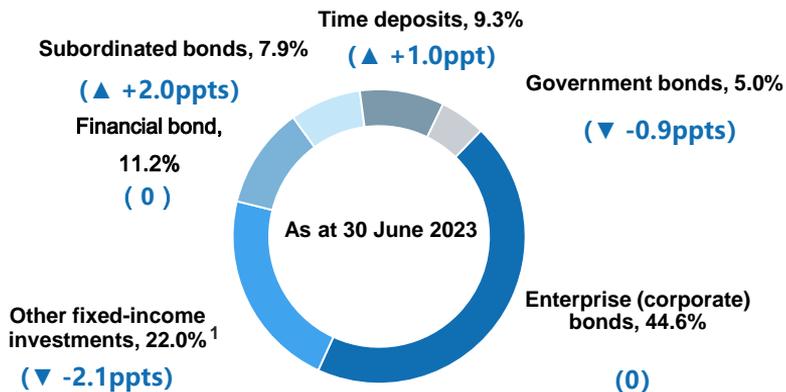
Asset allocation structure²



- Assets under management = Total investment assets of the Group + Assets of third parties under management
- Sum of percentages of all asset classes amounts to over 100% due to the subtraction of securities sold under agreements to repurchase from total investment assets.
- Including investment properties, currency swaps, etc.
- All indicators are based on the New Standards.

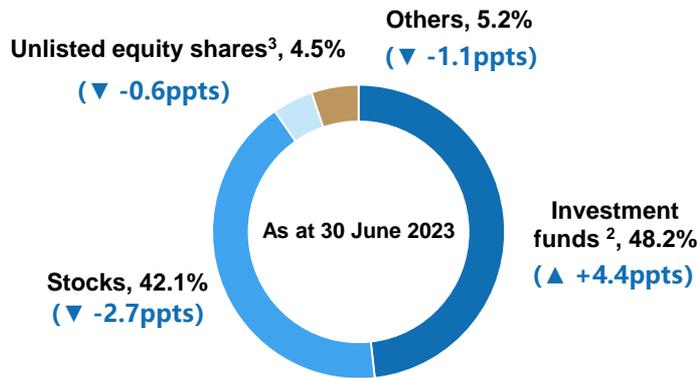


Fixed-income investment mix



- In terms of domestic fixed-income investments, we flexibly mastered the market pace to steadily promote re-allocation upon maturity and allocation of new cash flow, and strictly controlled the credit risk. As for overseas fixed-income investments, we leveraged the allocation value at the peak of rate cycle for high-grade corporate bonds and extended the duration to improve medium-and-long-term returns.

Equity and fund investment mix



- Maintaining concentration with flexible operation, focusing on exploring industries and quality stocks with the room for medium- and long-term sustainable growth and the valuations that match fundamentals
- Steady and prudent allocation of high-dividend assets to obtain stable investment returns

1. Primarily including financial assets held under resale agreements, statutory deposits and others.
2. Including monetary funds and the senior tranche of structured index funds, etc.
3. Including assets management products, unlisted equity investments and equity investment schemes.
4. All indicators are based on the New Standards.



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03 Outlook



The market environment is stable and improving, and medium- and long-term structural opportunities are gradually emerging



**Macroeconomic
recovery in progress
New momentum is
gaining momentum**



**The insurance industry is
stabilising and recovering
with clear trend**



**With climate change
worsening,
the reinsurance industry
is facing new
opportunities and
challenges**



Adhere to the overall business philosophy of “growth in premiums, profitable underwriting, and stable investment”, fully promote the achievement of annual operating goals, and accelerate the construction of a world-class comprehensive reinsurance group

Strengthen the assessment of the situation and business resilience

- Actively grasp the development opportunities of domestic and international insurance/reinsurance markets and follow the business pace
- Strengthen global foreign exchange and financial market research and proactively navigate through risk cycles
- Closely monitor climate change risks and geopolitical risks, and continuously optimize the business portfolio

Adhere to fine management

- Adhere to the efficiency first, calculate the underwriting account, investment account and capital account, and steadily increase the return on capital
- Reinsurance business will increase business screening, continue to improve the level of profitability
- Primary insurance business will promote quality and efficiency, adhere to underwriting profits
- Asset management business will optimize asset allocation to cushion the impact of market fluctuations

Promote transformation and upgrading, and build core competitiveness

- Give full play to the advantages of the main business, make precise breakthroughs, accelerate the expansion of strategic emerging business areas, and continue to create a "new blue ocean" of business
- Strengthen the guidance of research and accelerate the implementation of new business models such as "insurance + technology to reduce risks" and "insurance + special medicine or chronic disease management"
- Accelerate digital transformation and strengthen scientific and technological empowerment

Pursue reform and innovation to unleash growth momentum

- Anchor the strategic goal of building a world-class reinsurance group, and define strategic planning and action plans
- Accelerate the strategic layout of Catastrophe Company and Digital Technology Company, and actively grasp the policy opportunities of the construction of the "international board" of Shanghai Reinsurance Center
- Actively explore and reform to improve the Group's global development control system
- Strengthen the group's systematic strategic coordination to form comparative advantages and occupy market opportunities





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Questions & Answers

Appendix: Key financial indicators



RMB million (unless otherwise stated)	January to June 2023	January to June 2022	Change
Insurance revenue	48,466	41,639	16.4%
P&C reinsurance	19,986	16,408	21.8%
L&H reinsurance	7,008	5,191	35.0%
Primary P&C insurance	22,580	20,941	7.8%
Net profit	2,067	366	464.8%
Net profit attributable to equity shareholders of the parent	2,012	466	331.5%
Earnings per share (RMB)	0.05	0.01	331.5%
Annualised ROE	4.46%	1.02%	3.44ppts

Appendix: Key financial indicators



RMB million (unless otherwise stated)	30 June 2023	31 December 2022	Change
Total assets	449,688	424,732	5.9%
Total liabilities	349,412	327,236	6.8%
Total equity	100,276	97,496	2.9%
Net assets per share attributable to equity shareholders of the parent (RMB)	2.15	2.09	2.9%
Core solvency adequacy ratio¹	155%	157%	-1ppts
China Re P&C	126%	119%	7ppts
China Re Life	173%	167%	6ppts
China Continent Insurance	221%	235%	-14ppts
Aggregated solvency adequacy ratio¹	186%	190%	-4ppts
China Re P&C	209%	191%	18ppts
China Re Life	214%	208%	6ppts
China Continent Insurance	247%	260%	-14ppts

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