



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

中国再保险



# 2023 Annual Results Announcement

28 March 2024 • Hong Kong, China

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01

◆ Results Overview ◆

CHINA RE



Adhere to the general tone of “seeking progress while ensuring stability, enhancing value” with significant improvement in business resilience and development quality



**Significant  
performance  
improvement**



**Quality and efficiency  
enhancement in serving  
national strategies**



**Accelerated digital  
transformation**



**Sound and effective  
risk management**

### Consolidated gross written premiums of the Group

**176,849** (RMB million)

**+4.2%**

### Net profit attributable to equity shareholders of the parent company

**5,652** (RMB million)

**+5,977**

### Dividend per share

**0.042** (RMB)

**+200.0%**

### Consolidated insurance revenue of the Group

**99,755** (RMB million)

**+11.8%**

### ROE

**6.22%**

**+6.58ppts**

### Dividend yield against recent share price

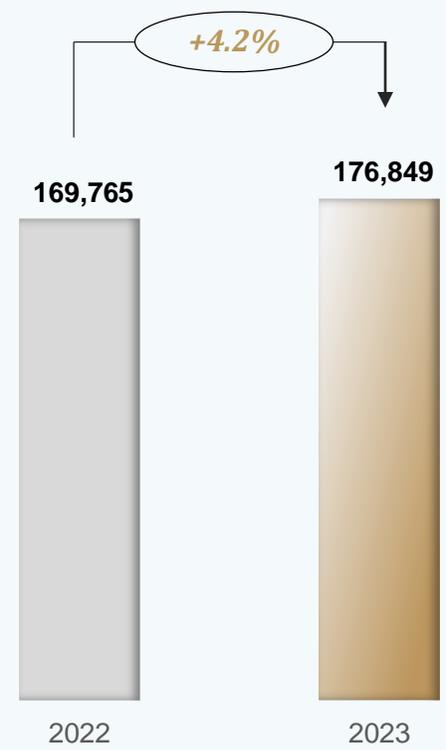
**8%+**

**+ More than 5ppts**

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. 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 (collectively, the “Old Standards”).
2. The Group's consolidated gross written premiums are calculated based on the Old Standards, while other indicators are calculated based on the New Standards.

### Consolidated gross written premiums of the Group

(RMB million)



### P&C reinsurance

Domestic market share grew for the **6<sup>th</sup> consecutive years**

A year-on-year increase of **18.7%** in gross written premiums for overseas business

### L&H reinsurance

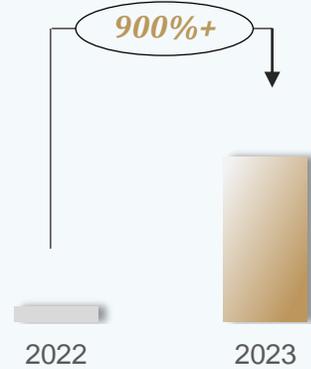
Constant optimisation of business structure enables us to retain **the top ranking** in market share for our domestic business

### Primary P&C insurance

Growth of primary premiums exceeds the market average

1. All indicators are calculated based on the Old Standards

The Group's consolidated underwriting profits hit a record high



Combined ratio across each business segments decreased year on year

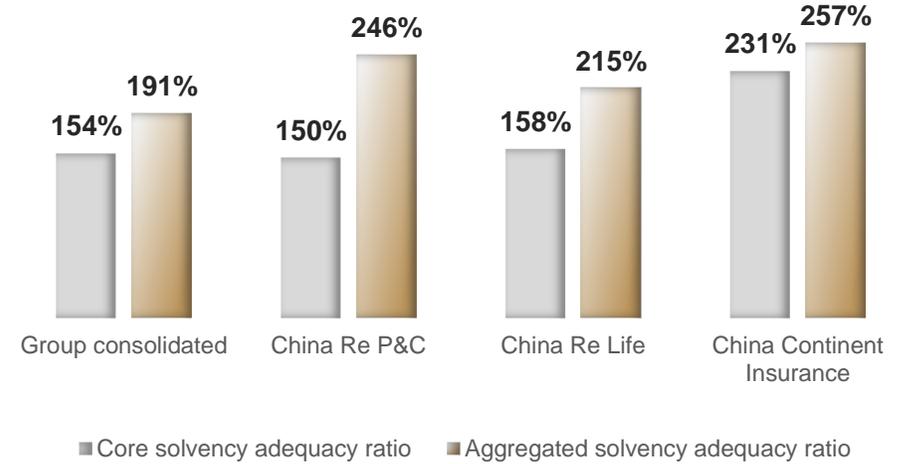
Domestic P&C reinsurance business  
**99.53%**  
-0.23ppts

Overseas P&C reinsurance business  
**85.74%**  
-8.29ppts

L&H reinsurance protection-type business  
**97.12%**  
-0.55ppts

Primary P&C insurance  
**100.78%**  
-2.28ppts

### 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

**67 RMB trillion**  **+11.3%**

Annual sum insured covering risks in the key national strategic areas

**210 million people**  **+78.5%**

Served under the Healthy China strategy

**3.72 million**  **+150.8%**

Number of medium, small, and micro enterprises served

### Support scientific and technological self-sufficiency

- Signed the first exclusive reinsurance contract for “specialised and sophisticated producers of new and unique products” in China
- Provided reinsurance coverage for the first passenger-taking flight of China’s homegrown passenger jet C919, and the launch of national key satellites, etc.
- Rolled out cyber security insurance

### Support business transformation toward green development

- Safeguarded the commercial operation of the world’s first Generation IV nuclear power plant
- Provided risk protection of nearly RMB400 billion for wind power, photovoltaic and other green energy projects covering their entire lifecycle

### Support social governance modernisation

- Insurance coverage provided against domestic earthquake, flood and typhoon risks amounted to RMB25.8 trillion
- Acted as the chief reinsurer in over 80% of the catastrophe insurance pilot projects
- Launched highly innovative index-type catastrophe insurance products

### Support full-scale rural revitalisation

- Launched the first exclusive reinsurance contract for rural revitalisation and fishing vessels and fisheries, promoted the comprehensive reinsurance coverage of full cost and income insurance for three main grain crops in major grain-producing counties nationwide
- Provided services and safeguards for the development of high-standard farmland projects in 16 provinces, with a market share of over 50%

### Support BRI construction

- Provided protection of over RMB100 billion for hundreds of projects under the “Belt and Road” initiative
- The Karot Hydroelectric Power Station project covered was selected as one of the practical cooperation projects of the Third International Cooperation Summit Forum under the “Belt and Road” initiative



Iteratively optimised the “Digital China Re” strategy, and formed a new development layout of “One Core Business Pattern with Digital Technology and Catastrophe-Management Technology as Two Wings” to inject strong momentum into high-quality development

## Accelerated digital intelligence

- Accelerated construction of data centre and business platform construction
- Accelerated development of data standards and data governance systems
- Accelerated development of digital bases and information security systems
- Iterated catastrophe portfolio risk management platform
- Put the new accounting standards project into operation

## Improve top-level design

**Top-level organization design:** Set up the Digital Transformation Committee and Digital Transformation Office, set up the Digital Finance Department & Digital Promotion Office, and completed the upgraded control of China Re CRM and the formal operation China Re DT

**Top-level planning and design:** Released the topological map and roadmap of the digital transformation of the Group's system, and start the construction of 12 major project groups and the "4+N" ecosystem

## Deepen platform empowerment

Iteratively upgraded the catastrophe models with independent intellectual property rights in China

Lead the national key research and development program for the prevention and control of major natural disasters and public safety

Unveiled the industry's first “Zai · Yun” comprehensive agricultural insurance technology platform

Upgraded the “Zai · Tu” new energy vehicle insurance pricing and risk control model

Jointly expanded the application scenarios of blockchain trading platform with primary insurance companies

Promoted construction and application of IDI, safety production liability insurance



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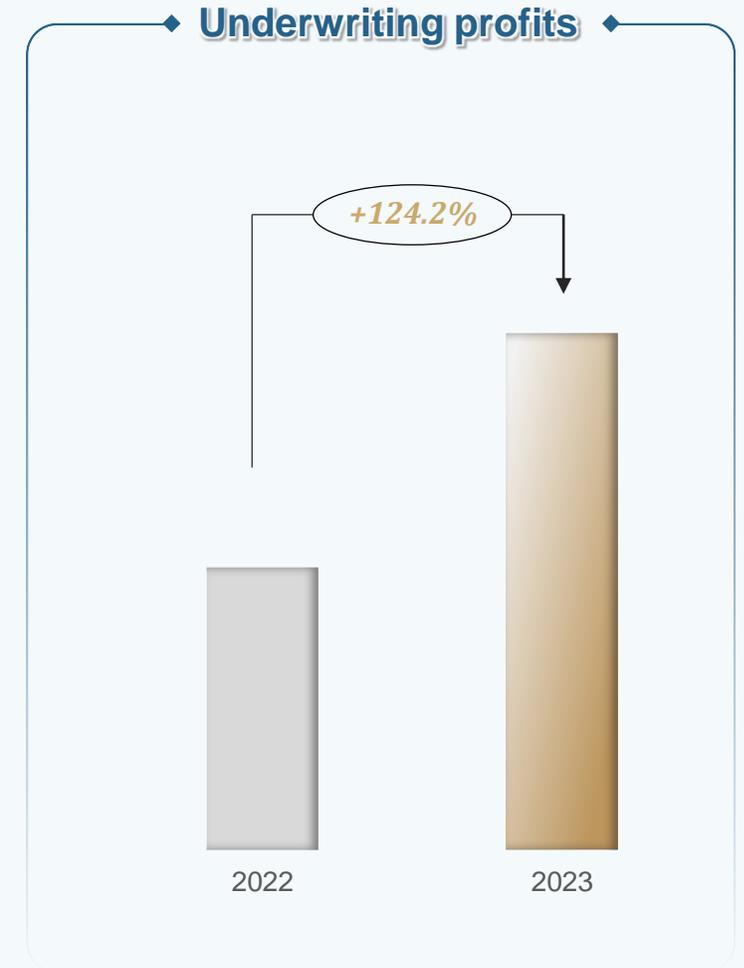
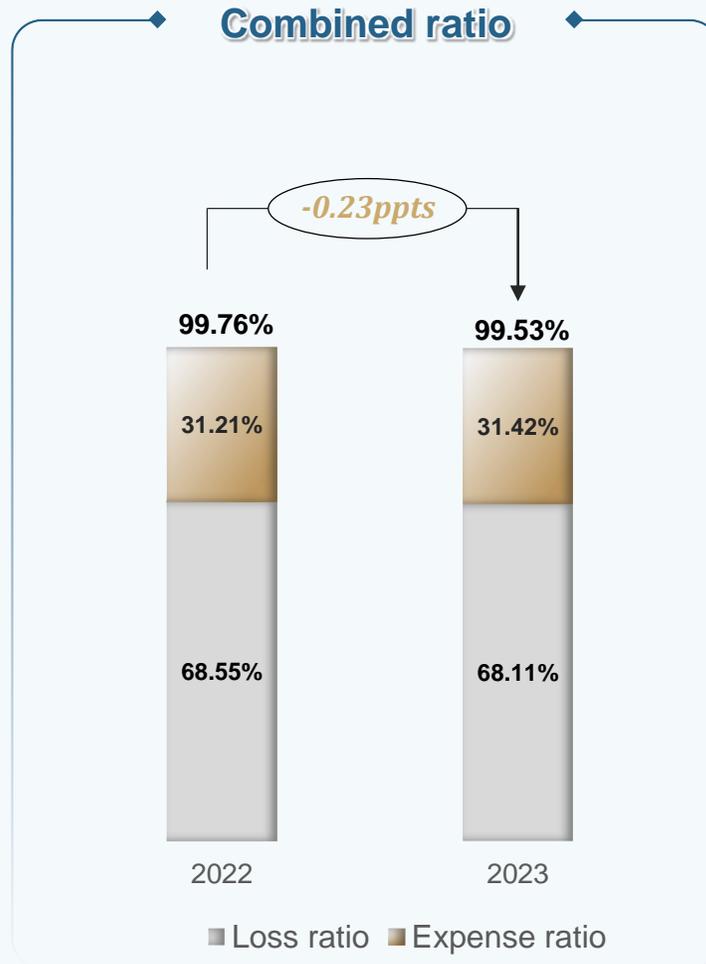
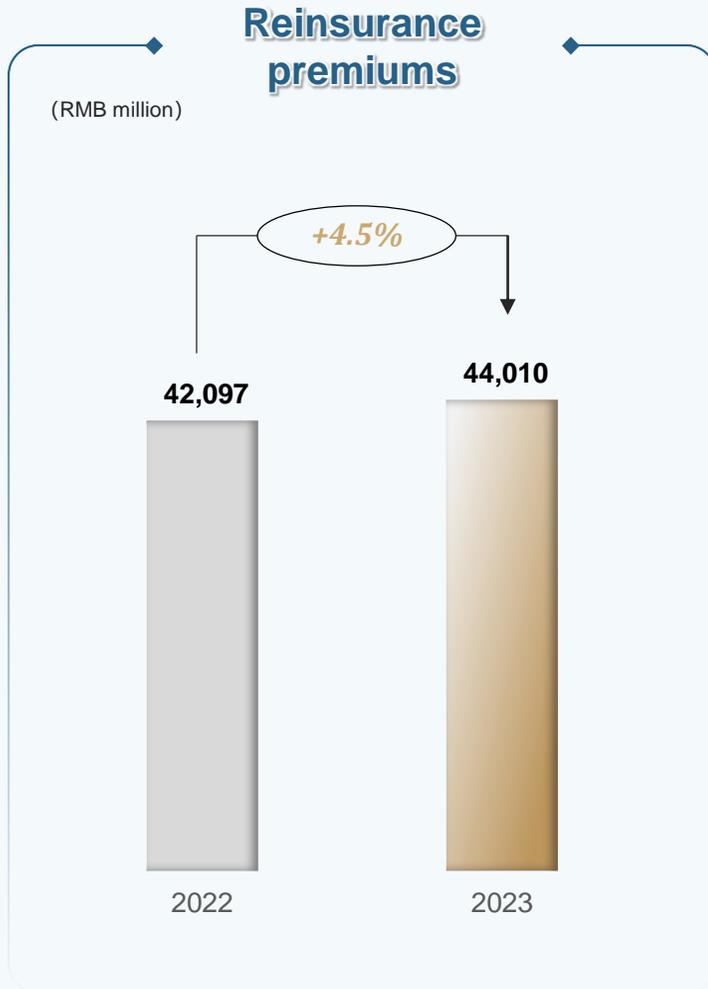
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◆ **Business Analysis** ◆

CHINA RE

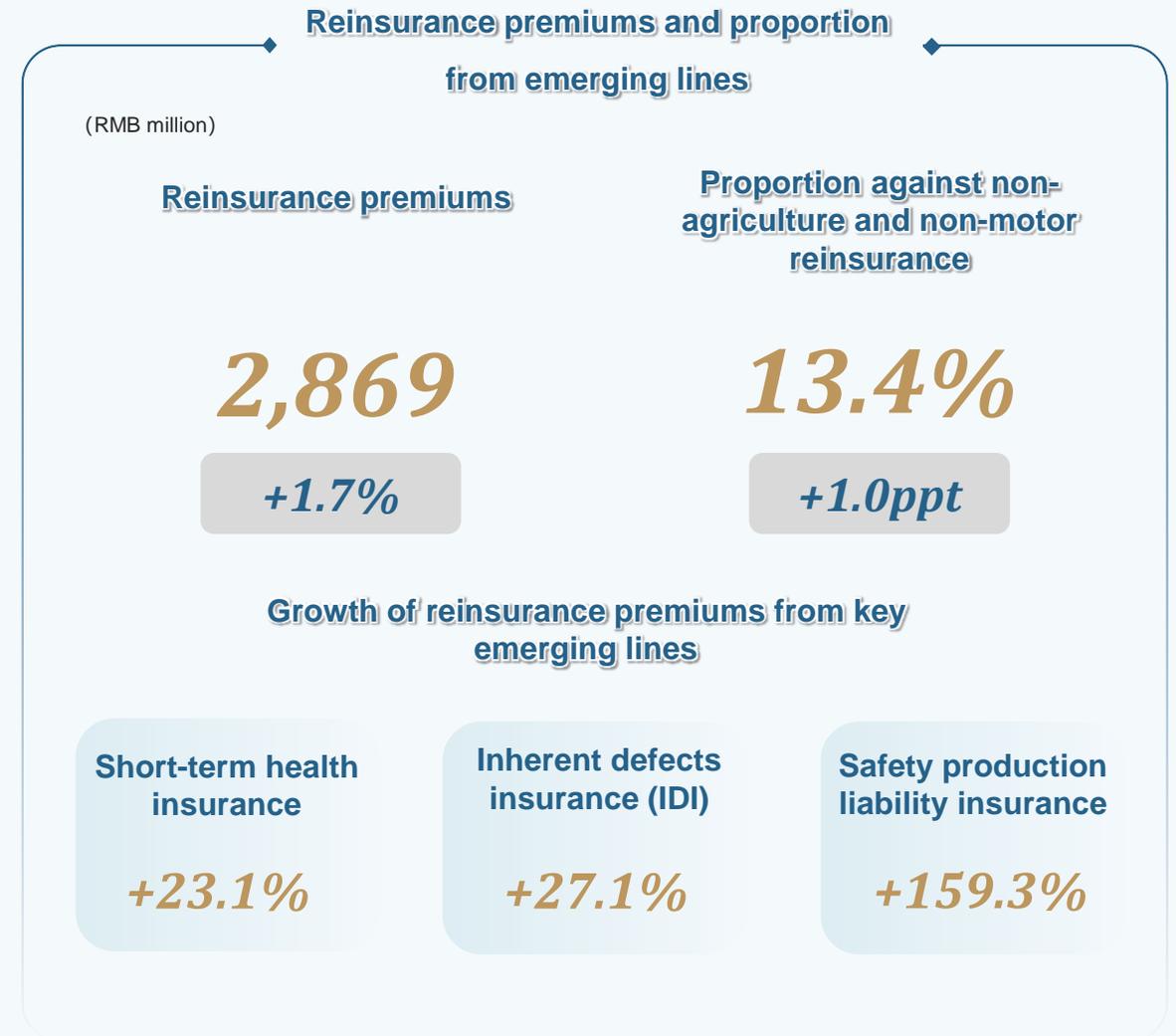
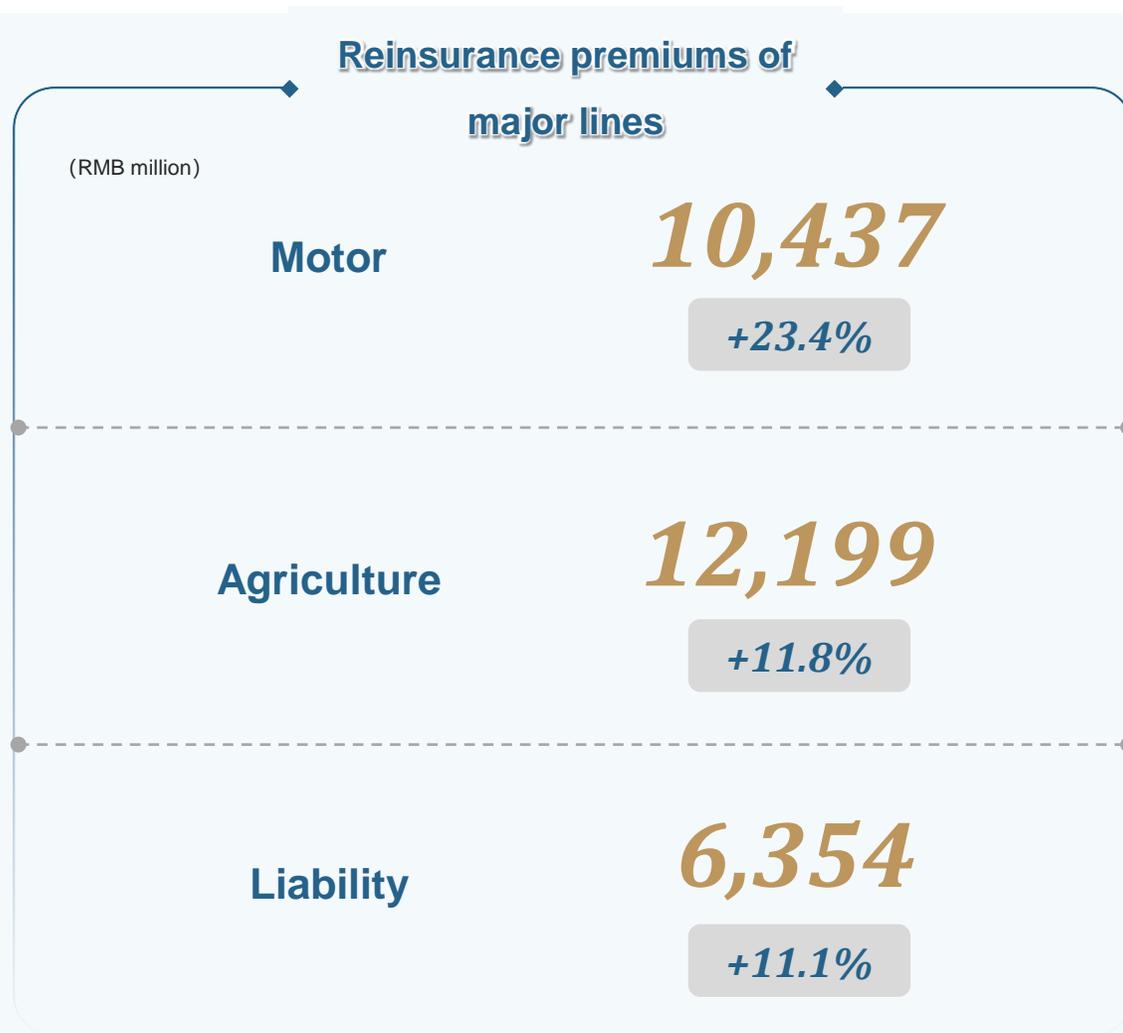
# Domestic P&C reinsurance

Premiums record high with significant growth in underwriting profits



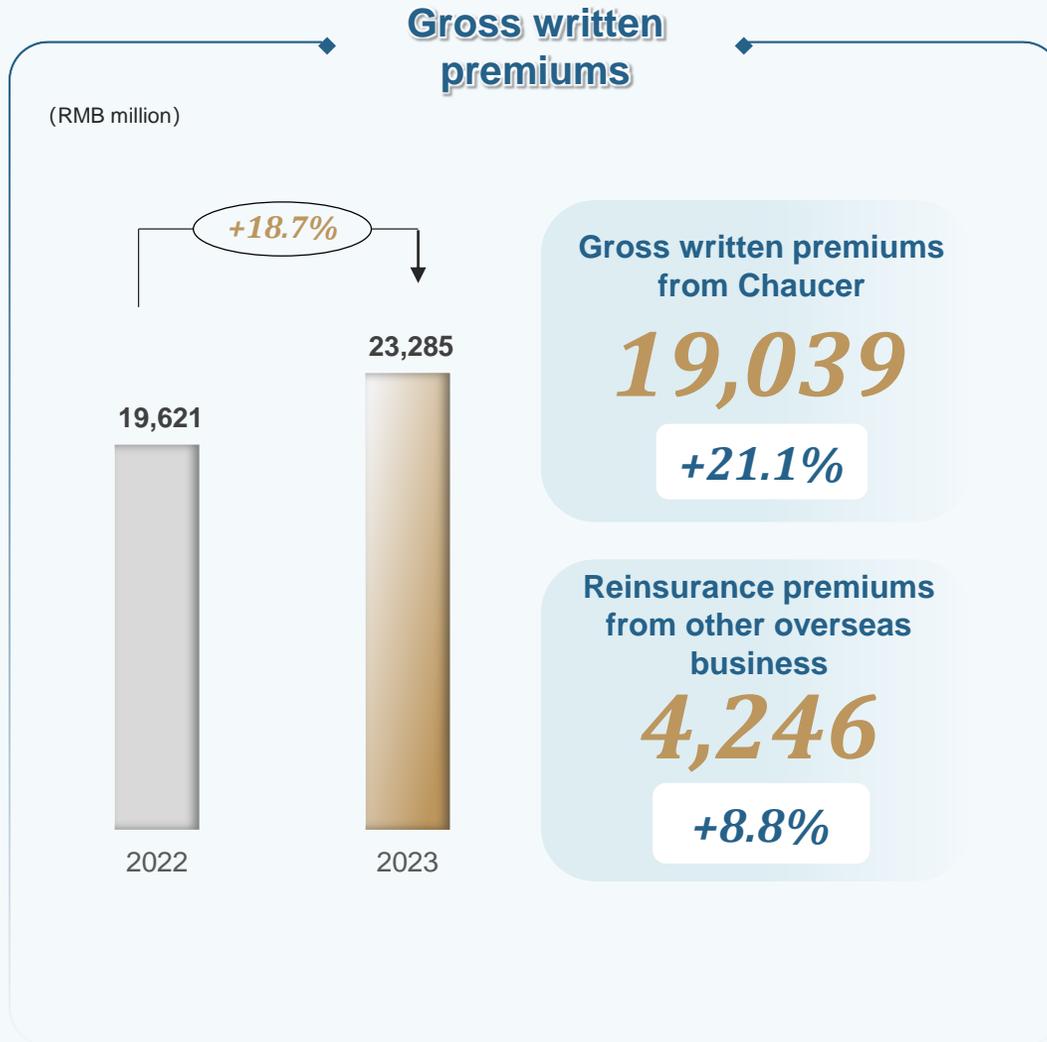
1. All indicators are calculated based on the Old Standards

# Domestic P&C reinsurance | Rapid growth from major lines and strength consolidation from emerging lines



1. All indicators are calculated based on the Old Standards

# Overseas P&C reinsurance | Rapid growth in premiums and significant improvement in business quality



1. All indicators are calculated based on the Old Standards

# Overseas P&C reinsurance

Both premiums and profit of Chaucer doubled, with significant improvement of capital return

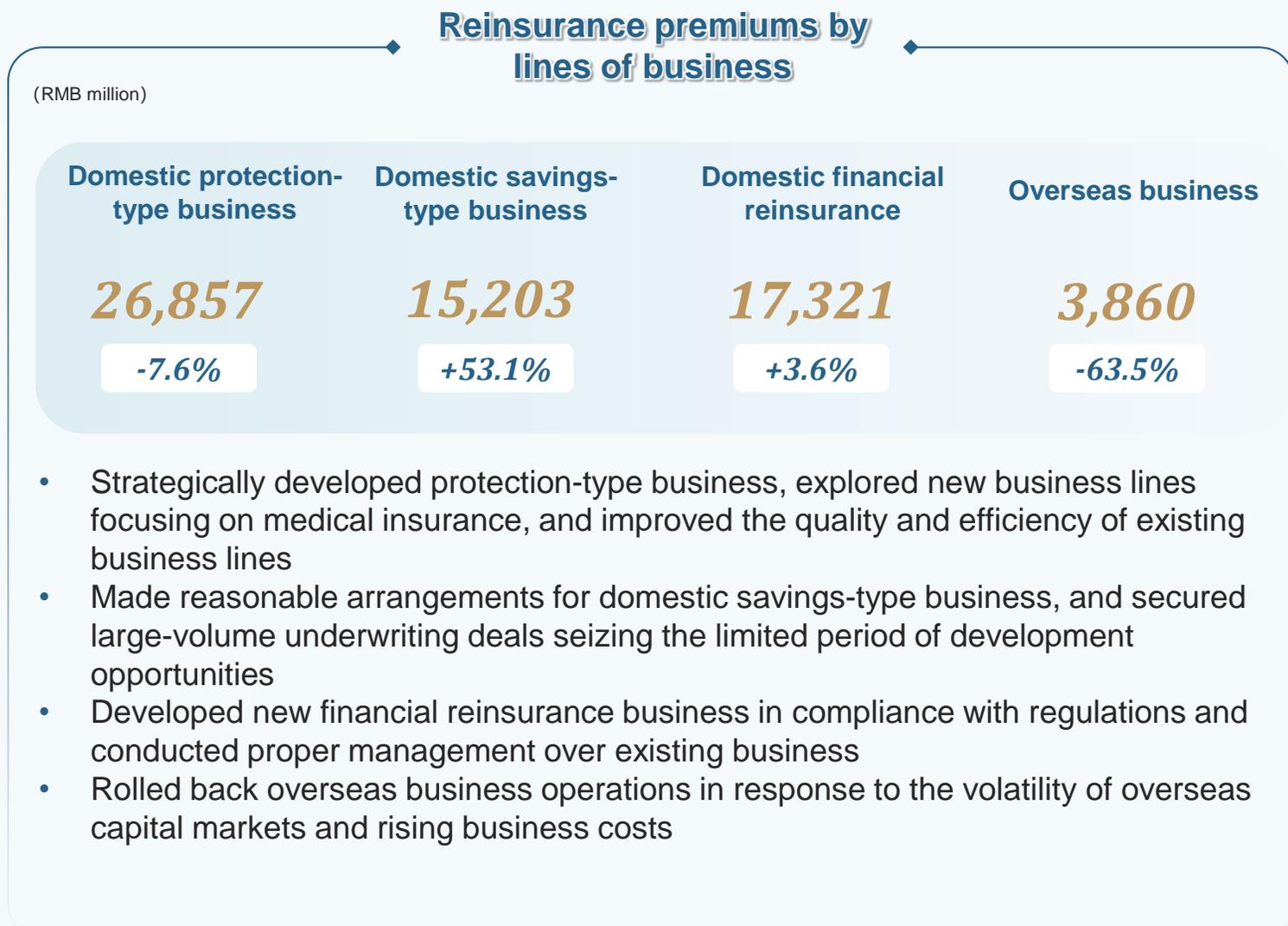
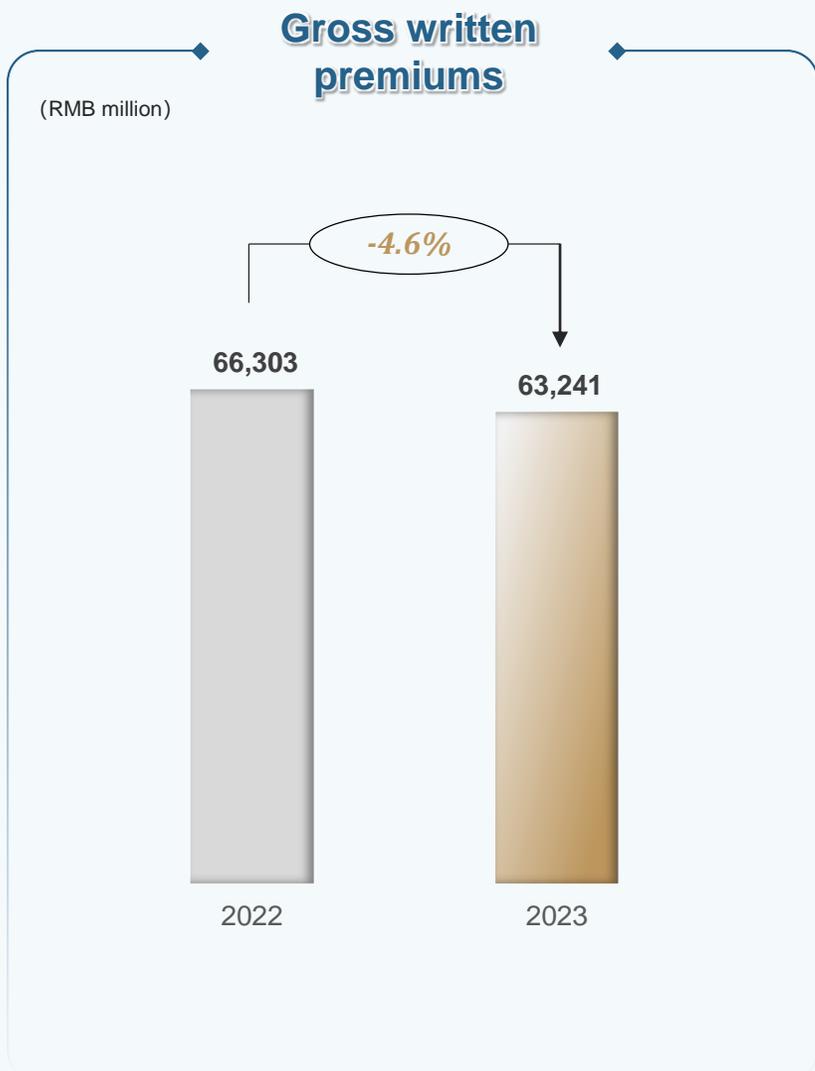


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CHINA RE

Chaucer achieved high-quality development resulting in a two-fold increase in premiums and profit since the acquisition deal, and recorded 9.1 percentage points increase in the return on economic capital

<b>chaucer</b> <small>© A China Re Company</small>	2023	2019 (1st year after acquisition)	Change
 <b>Gross written premiums</b> (RMB million)	<b>19,039</b>	<b>9,614</b>	 <b>98.0%</b>
 <b>Combined ratio</b>	<b>81.88%</b>	<b>99.25%</b>	 <b>17.37ppts</b>
 <b>Return on economic capital (ROEC)</b>	<b>18.8%</b>	<b>9.7%</b>	 <b>9.1ppts</b>

1. Return on economic capital = the net profit of Chaucer's statement under the UK GAAP (Management Information)/economic capital.
2. The gross written premiums and combined ratio are calculated based on the Old Standards.



1. All indicators are calculated based on the Old Standards

### Reinsurance premiums from YRT business and medical insurance business

(RMB million)

Reinsurance premiums from YRT business

**12,054**

**+4.9%**

Reinsurance premiums from medical insurance business

**8,243**

**+1.1%**

Proportion of YRT business and medical insurance business

**75.6%**

**+8.0ppts**

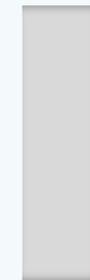
### Underwriting results of protection-type business

(RMB million)

Combined ratio

**-0.55ppts**

97.67%



2022

97.12%



2023

Underwriting profits

**+7.2%**

569



2022

610

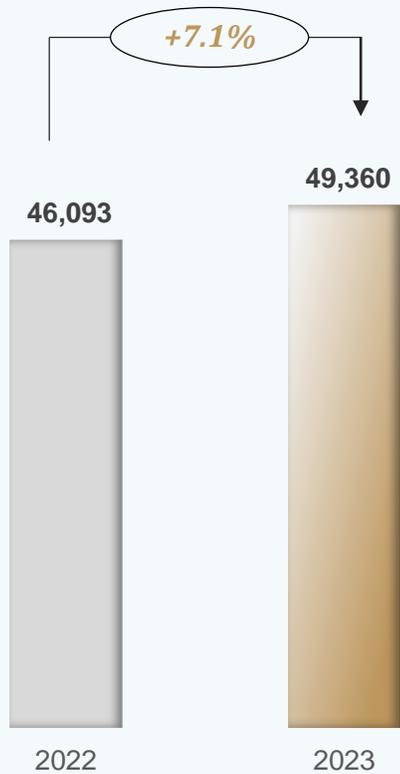


2023

- Actively developed profitable business including medical insurance business, continuously increased efforts to prevent losses from existing business, and improved underwriting results through innovation and rigorous risk control

### Primary premiums

(RMB million)



#### Motor lines

**24,840**

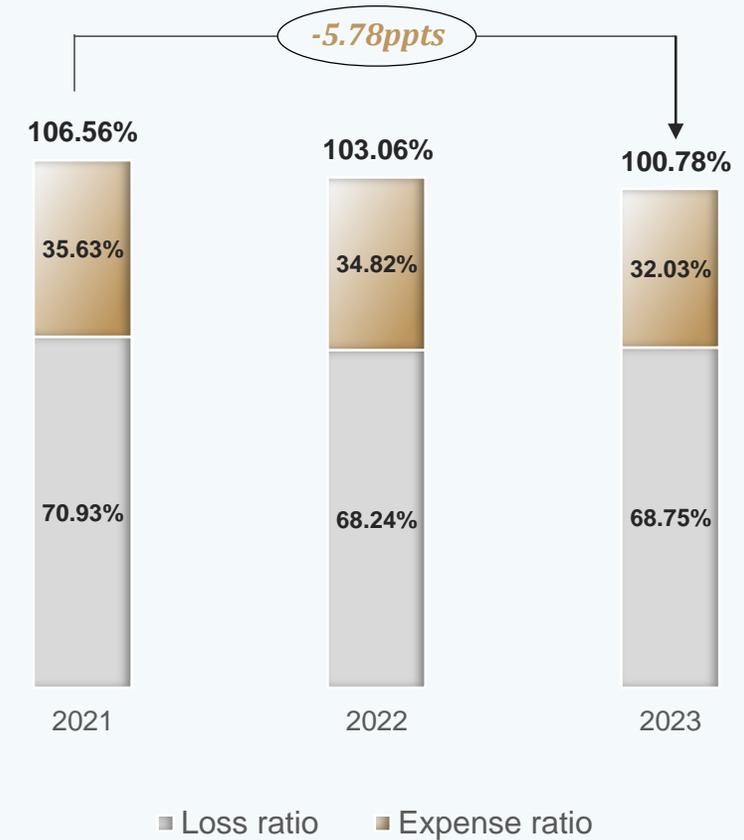
+4.2%

#### Non-motor lines

**24,520**

+10.2%

### Combined ratio



Quality improvement of motor lines

Renewal rate of motor insurance

67.9%

+2.6ppts

Renewal rate of household vehicles

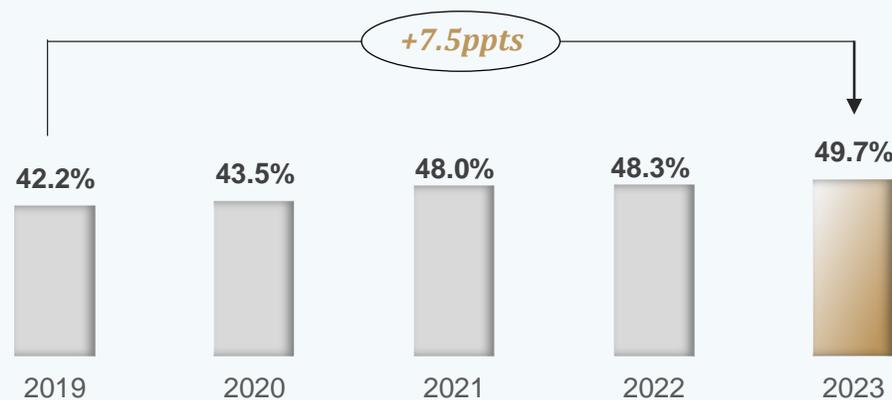
70.1%

+2.7ppts

Number of household vehicles underwritten

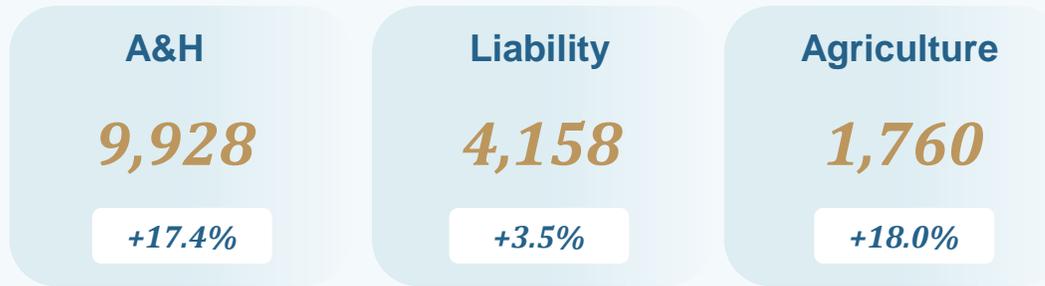
+5.2%

Increasing proportion of non-motor lines



Key non-motor lines

(RMB million)



1. All indicators are calculated based on the Old Standards

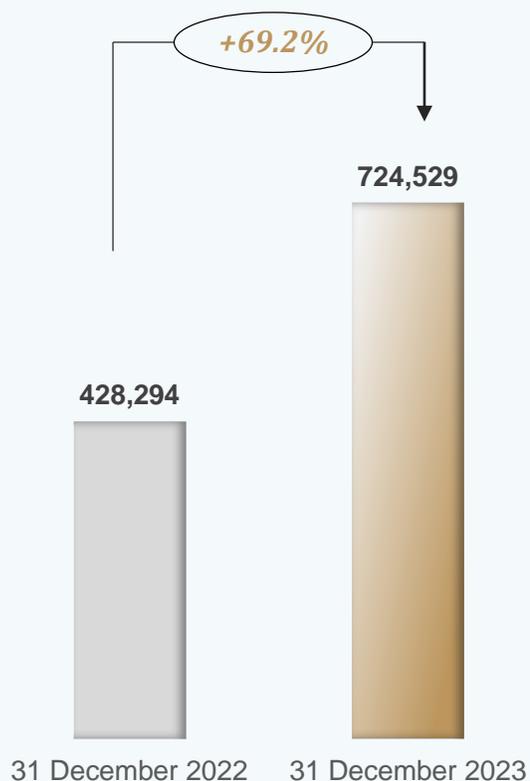
# Asset Management | Steady net investment yield and increasing total investment yield



1. All indicators are calculated based on the New Standards.

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

(RMB million)



Total investment assets of the Group

**345,400**

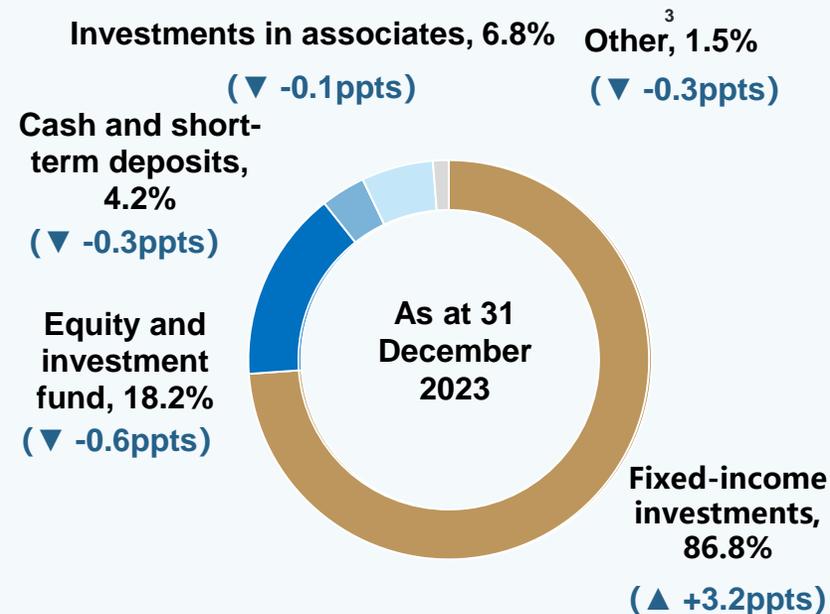
+5.9%

Assets of third party under management

**379,129**

+270.7%

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



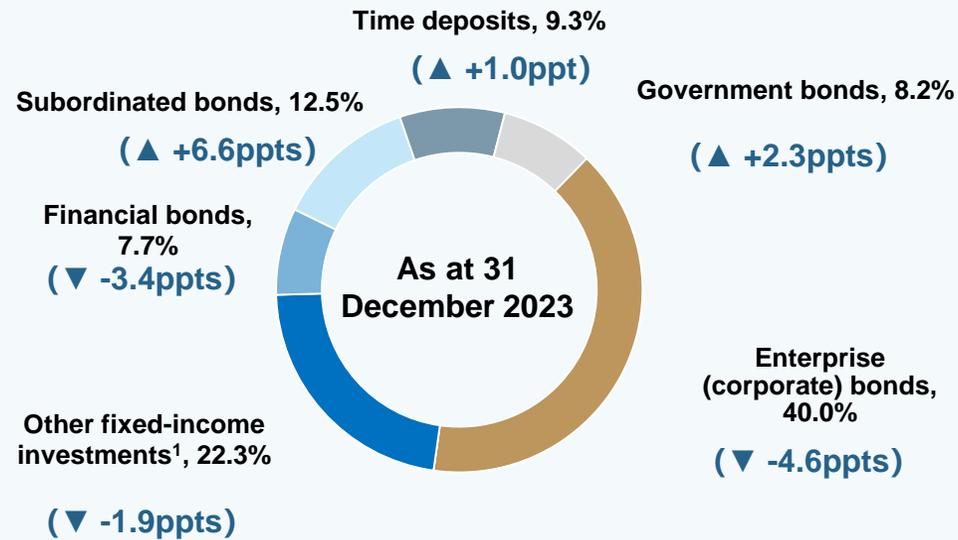
1. Assets under management = Total investment assets of the Group + Assets of third party under management

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

3. Including investment properties, currency swap, etc.

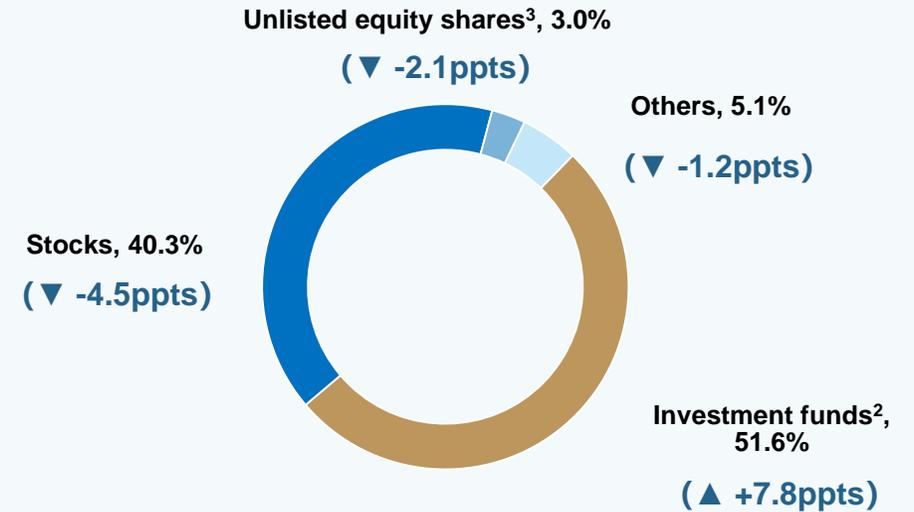
4. All indicators are calculated based on the New Standards.

### Fixed-income investment mix



- In terms of domestic fixed-income investment, we flexibly mastered the market pace to increase allocation of RMB savings, domestic foreign currency savings, long-term interest bonds, high-grade credit bonds, and optimized the credit mix of the position. As for overseas fixed-income investment, we leveraged the allocation value at the peak of rate cycle for U.S. bonds and high grade corporate bonds, and extended the duration to improve medium-and-long term returns.

### Equity and fund investment mix



- We fully promoted the integrated management of domestic and overseas equity, and adopted a dumbbell-type assets allocation strategy to manage market volatility. In particular, we invested in low-valued and high-dividend assets, and actively adjusted the structural position of high-dividend assets to make the portfolio more defensive. On the other hand, we focused on sectors with high development potential to enhance the portfolio's resilience.

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

2. Including monetary funds and index funds.

3. Including assets management products, unlisted equity investments and equity investment schemes.

4. All indicators are calculated based on the New Standards.



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03

Outlook



CHINA RE

**The underlying trend of long-term economic growth in China remains unchanged  
(Re)insurance industry is in the midst of a period of great strategic opportunities  
The Central Financial Work Conference opened up new historic opportunities for the reinsurance industry**

**Long-term economic upturn in China is the biggest support for China Re's sustainable development**

- The underlying trend of long-term economic growth in China remains unchanged.
- With the continuous improvement of insurance depth and insurance density, China is expected to become the world's largest insurance market.

**The Chinese-style modernization is the biggest opportunity to achieve high-quality development**

- The high-end manufacturing industry, the green transformation of the economy and society, the modernization of social governance, and the intensification of high-level opening up need a modern insurance industry.
  - A modern insurance industry is inseparable from a strong and stable reinsurance industry.

**Giving full play to the function of reinsurance is the biggest task for the construction of a powerful financial country**

- The Central Financial Work Conference opened up new historic opportunities for the reinsurance industry.
- The reinsurance sector plays a crucial role in safeguarding national economic and social security, facilitating the insurance industry to better serve the real economy and enhance people's well-being, as well as fostering the stable and sustainable development of the insurance industry.



Adhering to the general tone of “seeking progress while ensuring stability, enhancing value” and sticking to the operational approach of “expanding business scale, increasing underwriting profits and making prudent investment”, China Re will accelerate reform and innovation, improve quality and efficiency, and speed up the establishment of a world-class comprehensive reinsurance group.

## Push forward high-quality development

- Deepen strategic guidance and capital management, and support and promote the implementation of major strategic projects
- Step up operation management and coordination, highlight value creation, and facilitate the fulfilment of business objectives on a comprehensive scale
- Enhance globalisation management capability and management level, and continuously improve capital return and operation efficiency

1

2

## Deliver new achievements in serving national strategies

- Promote reinsurance market development and get actively involved in the creation of the national catastrophe insurance protection system
- Seamlessly combine the capacity of serving real-economy with insurance and reinsurance functions
- Strive for innovation focusing on the major fields within the “Five Priorities for High-Quality Development of Financial Industry”
- Promote resource integration and synergisation, and accelerate the formation of a characteristic insurance and reinsurance ecosystem

## Make digital transformation a new growth engine

- Implement the 2024 digital transformation programme, as well as the topology and roadmap solidly and effectively
- Establish and improve data governance rules and management workflow, accelerating the construction of an enterprise-level data governance system
- Establish a digital transformation assessment system to carry out assessment, monitoring and feedback on the effectiveness
- Play the function of China Re CRM and China Re DT as the “two wings” to empower the transformation and upgrading of business development and operation management

3

4

## Achieve new progress in risk and compliance management

- Consolidate the comprehensive risk management system, enhance the synergy effect of “three lines of defence”, and build a full-coverage and penetrating risk management framework
- Step up risk screening and forward-looking study on risks in key areas, endeavouring to ensure early risk identification, early warning, early exposure and early disposal
- Tighten up compliance operation, continuously improve the compliance management system and cultivate a corporate culture of compliance



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◆ Questions & Answers ◆

CHINA RE

# Appendix: key financial and operating indicators

RMB million (unless otherwise stated)	2023	2022	Change
<b>Insurance revenue</b>	99,755	89,225	+11.8%
P&C reinsurance	43,309	36,471	+18.7%
L&H reinsurance	11,914	12,950	-8.0%
Primary P&C insurance	46,558	43,129	+8.0%
<b>Net profit</b>	5,791	-875	-
<b>Net profit attributable to equity shareholders of the parent company</b>	5,652	-325	-
<b>Earnings per share (RMB)</b>	0.13	-0.01	-
<b>ROE</b>	6.22%	-0.36%	+6.58ppts

# Appendix: key financial and operating indicators

RMB million (unless otherwise stated)	31 December 2023	31 December 2022	Change
<b>Total assets</b>	459,728	424,732	+8.2%
<b>Total liabilities</b>	357,549	327,236	+9.3%
<b>Total equity</b>	102,179	97,496	+4.8%
<b>Net assets per share attributable to equity shareholders of the parent company (RMB)</b>	2.20	2.09	+5.3%
<b>Core solvency adequacy ratio<sup>1</sup></b>	154%	157%	-3ppts
China Re P&C	150%	119%	+31ppts
China Re Life	158%	167%	-9ppts
China Continent Insurance	231%	235%	-4ppts
<b>Aggregated solvency adequacy ratio<sup>1</sup></b>	191%	190%	+1ppt
China Re P&C	246%	191%	+55ppts
China Re Life	215%	208%	+7ppts
China Continent Insurance	257%	260%	-4ppts

1. Indicators may not be equal when calculated directly due to rounding.