



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

# 2024 Interim Results Announcement

30 August 2024 · Beijing



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## **New Accounting Standards**

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.

## **Old Accounting Standards**

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”).



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01

## Results Overview

CHINA RE

(RMB million)

**Consolidated insurance revenue  
of the Group**

**51,784**

**+6.8%**

**Consolidated gross written premiums  
of the Group**

**100,412**

**-2.1%**

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

**5,727**

**+184.6%**

**Annualized ROE**

**11.85%**

**+7.39ppts**

**Total assets**

**474,465**

**+3.2%**

**Total equity**

**107,493**

**+5.2%**

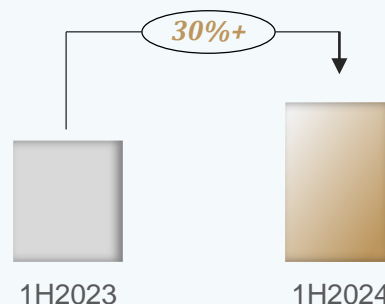
1. Unless there is special statements, the consolidated gross written premiums, reinsurance premiums and primary premiums in this report are calculated based on the Old Standards.

### Underwriting results



The Group's consolidated underwriting profits continued to improve from a record high last year

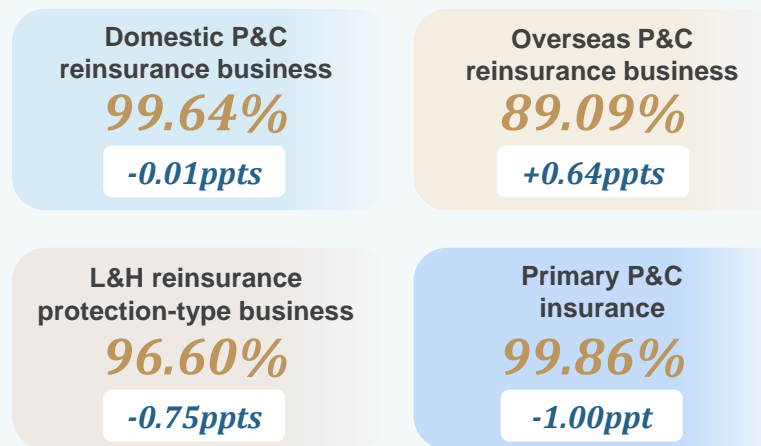
#### Underwriting profits



#### Combined ratio



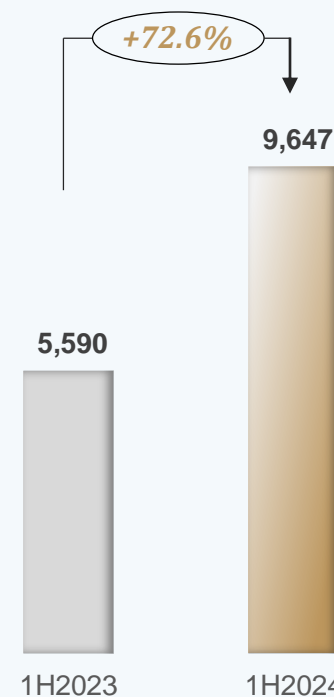
Each business segment achieved underwriting profits



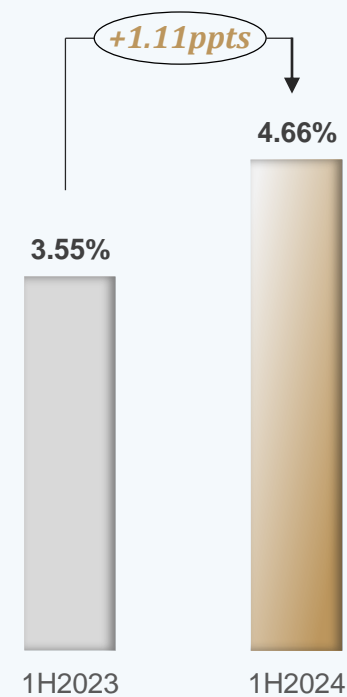
### Investment income

(RMB million)

#### Total investment income



#### Annualized total investment yield



1. The indicators of underwriting results are calculated based on the Old Standards.

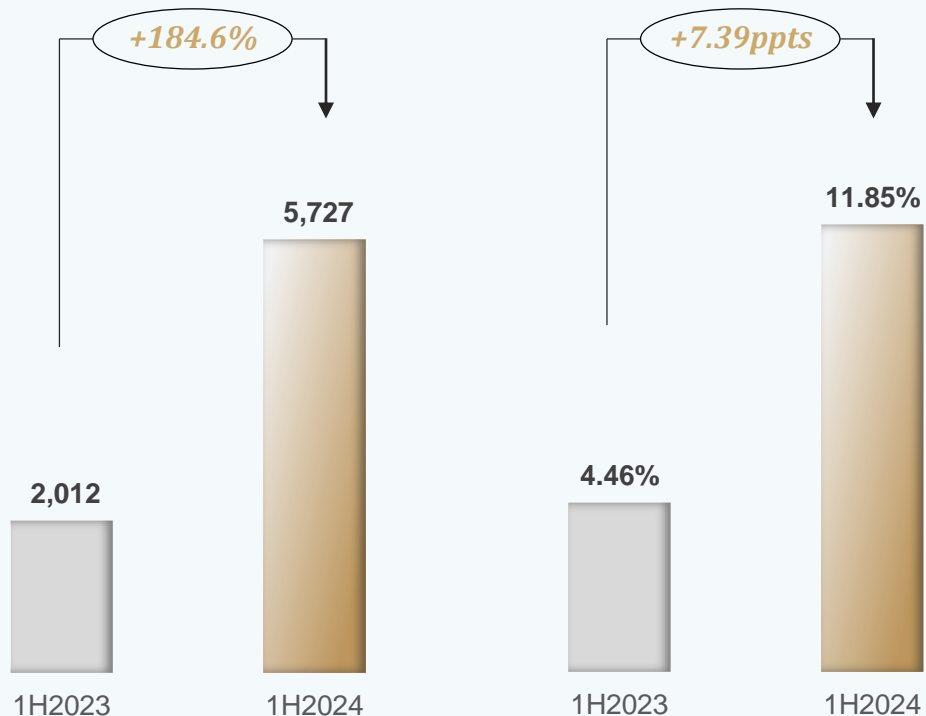


### Profitability

(RMB million)

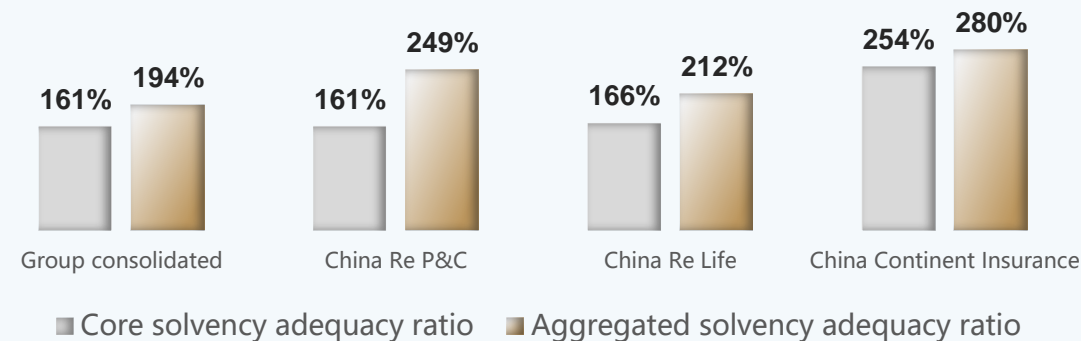
Net profit attributable to equity shareholders of the parent company

Annualized ROE



### Risk management

Solvency and international ratings



S&P Global Ratings Financial Strength Rating of **A** and **Stable** outlook  
AM Best Financial Strength Rating of **A (Excellent)** and **Stable** outlook

- We continued to improve our risk management policy and risk appetite system.
- There was no additional significant risk events during the first half of the year, and the overall risk of the Group was controllable.

# 140.5 RMB trillion

Sum insured covering risks in the key national strategic areas

# 2 million people

Served under the Healthy China strategy

# 4.543 million

Number of medium, small, and micro enterprises served

### Play a leading role in the fields within the “Five Priorities for High-Quality Development of Financial Industry”



#### Science & technology finance

Release the first demonstration clause for third-party liability insurance for unmanned aerial vehicles in China.



#### Green finance

Participated in the establishment of the China Green Ship Insurance Pool. Number of nuclear power units China Nuclear Insurance Pool has underwritten hit the second in the world.



#### Inclusive finance

Provided a series of inclusive insurance products such as comprehensive protection for flexible employment scenarios, exclusive liability insurance for small and micro enterprises.



#### Elder-caring finance

Innovated new products such as disability income loss insurance and elderly accident insurance to promote the upgrade of health risk protection.



#### Digital finance

Developed the "Re-Journey" new energy vehicle insurance pricing and risk control model. Upgraded the "Re-Till" comprehensive agricultural insurance technology platform.

### Support national strategies to address climate change

- Established work mechanism for addressing climate change, and studied and formulated action plan and roadmap to address climate change
- Innovated new model of "Meteorology + Insurance" jointly with China Meteorological Administration to address climate change, and explored new functions of insurance in diversifying and transferring meteorological disaster risks
- Undertook pressure testing for physical risks in addressing climate change encountered by the central bank, and explored paths to control climate risk

### Support creation of catastrophe insurance protection system and reinsurance market development

- Independently developed catastrophe models for earthquakes, typhoons, and floods in China. Most of the indicators are better than similar products worldwide.
- Deeply involved in 19 pilot projects for catastrophe insurance across the country, acting as the chief reinsurer in more than 80% of the projects.
- Supported the first comprehensive catastrophe insurance that covers all disaster types and has wide coverage and long duration, and served as the chief reinsurer
- The Shanghai Reinsurance Operation Center of China Continent Insurance officially commenced operation, and issued its first insurance policy.



## Business mechanism innovation

- Optimized the role positioning of the strategic customer department to enhance the collaborative innovation capabilities in serving customers.
- Formulated an important innovation business upgrade review method to improve the management capabilities in dealing with innovation risks.

## Management ability innovation

- Iterated and upgraded China Re Catastrophe Risk Management System(CREST), extending the measurement and pricing capabilities of catastrophe risks from reinsurance business to primary insurance business. Plan to cover both domestic business and overseas business overall.

## Digital transformation acceleration

- Developed a plan to enhance data management capabilities.
- Accelerated the construction of key projects in the data mid-end and business platforms to improve the decision-making capabilities supported by data.

## Sustained enhancement in globalization management

- Fully leveraged the role of the overseas development and management committee to strengthen comprehensive supervision and management of significant matters in overseas institutions.
- Improved the management system of overseas institutions, enhanced overseas risk monitoring, and continuously optimized the control system of overseas institutions.
- Convened a strategic seminar for overseas institutions, increased training and exchange of personnel between domestic and overseas institutions, and strengthened the synergy between domestic and overseas business.

## Constant improvement in overseas business quality

Proportion of gross written premiums from overseas business of the Group **18.4%**

Premiums and profit of Chaucer since M&A **Doubled**

All business platforms of overseas P&C Reinsurance achieved **Underwriting profits**



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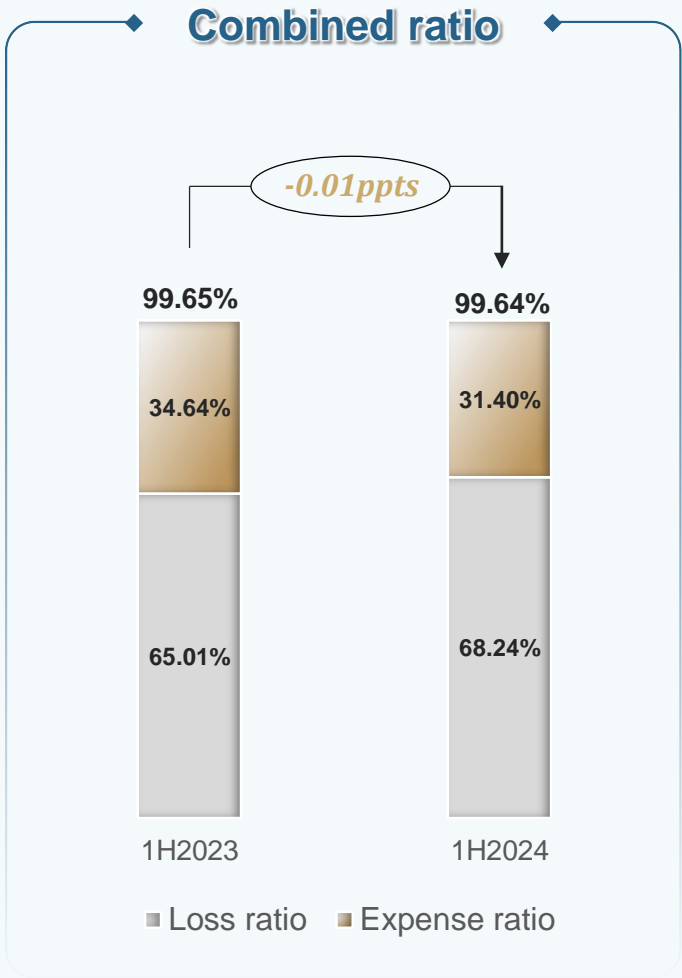
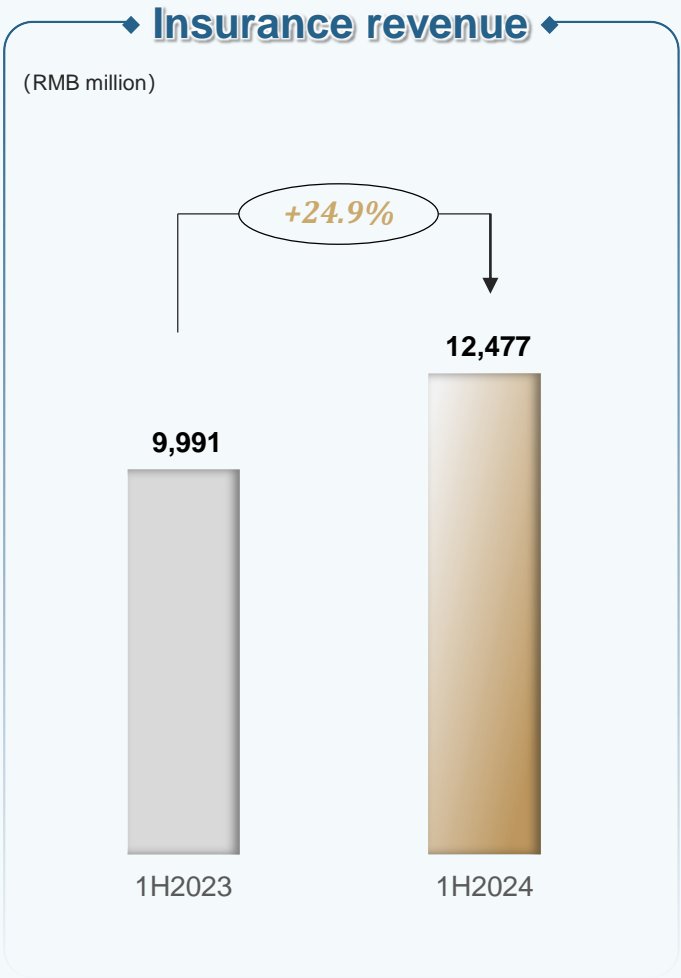
02

◆ **Business Analysis** ◆

CHINA RE

# Domestic P&C reinsurance

Rapid growth in revenue and remaining stable in underwriting results



1. Combined ratio indicators are calculated based on the Old Standards.

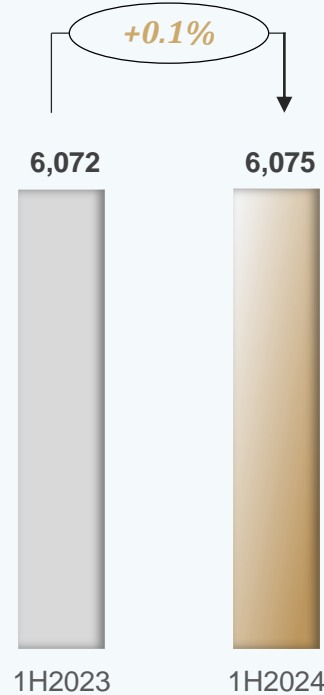
# Domestic P&C reinsurance

Robust growth from major lines and strength consolidation from emerging lines

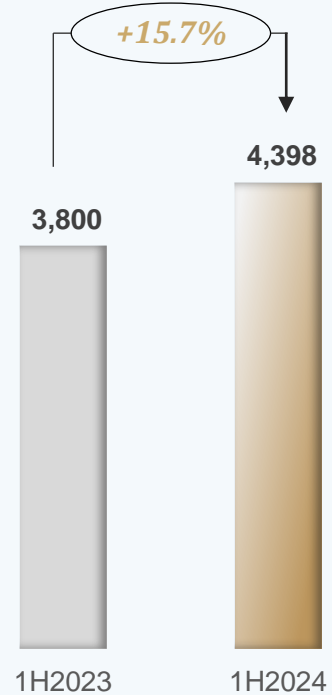
## Reinsurance premiums of major lines

(RMB million)

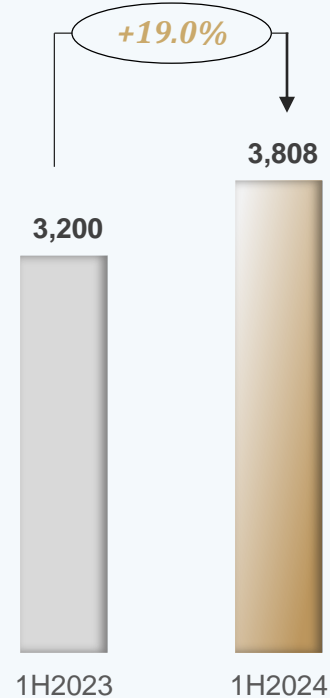
### Motor



### Commercial property



### Liability



## Reinsurance premiums from emerging lines

(RMB million)

1,709

Catastrophe  
insurance

+58.5%

Construction  
inherent defects  
insurance (IDI)

+36.6%

Cyber security  
insurance

+13.1%

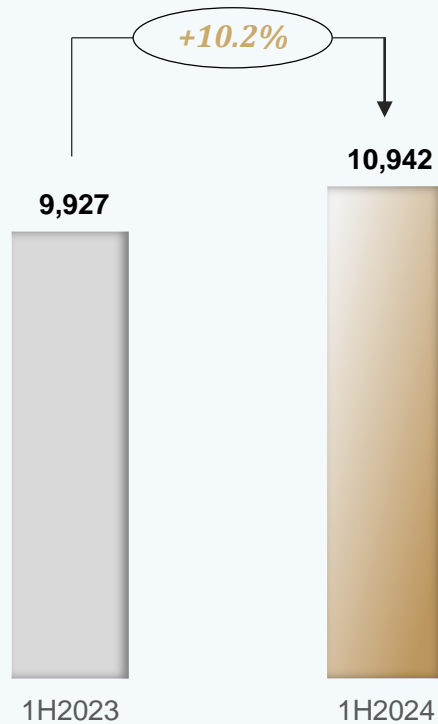


# Overseas P&C reinsurance

Seizing the opportunities of business cycle to drive rapid growth in revenue

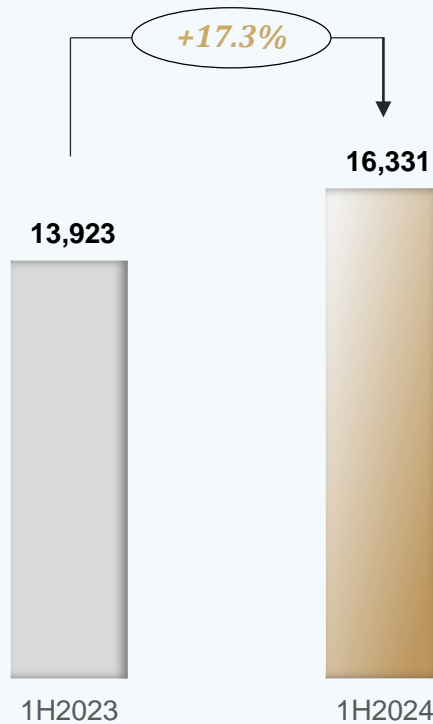
## Insurance revenue

(RMB million)



## Reinsurance premiums

(RMB million)



Chaucer  
business

13,526

+21.1%

Other overseas  
business

2,805

+2.0%

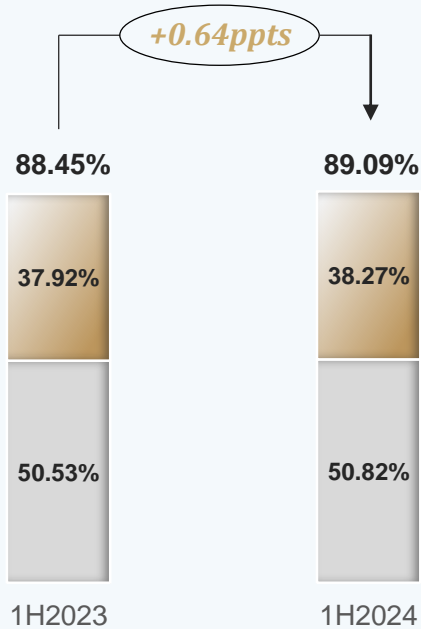
# Overseas P&C reinsurance

Keeping more balanced in business quality and remaining robust in underwriting results

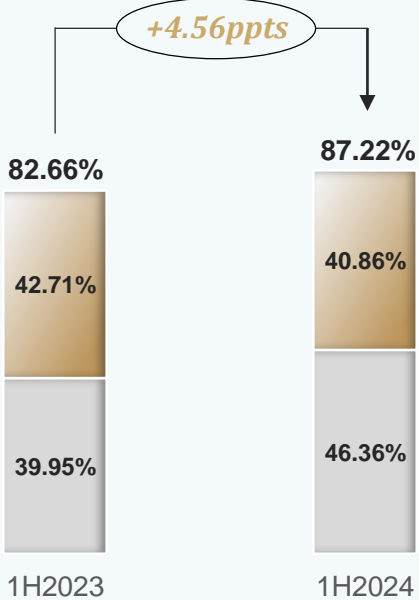


## Combined ratio

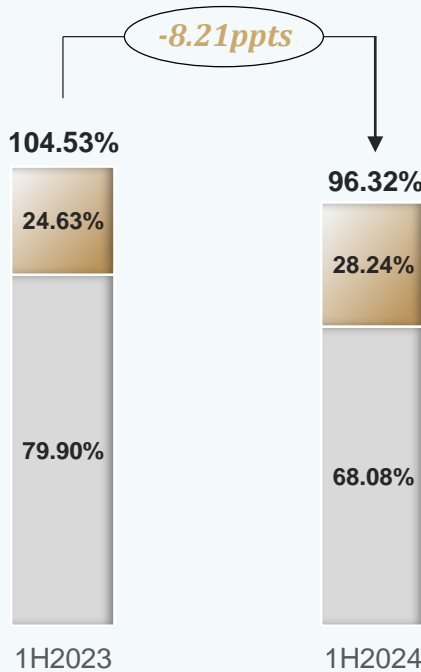
### Total overseas business



### Chaucer business



### Other overseas business



■ Loss ratio ■ Expense ratio

1. Combined ratio indicators are calculated based on the Old Standards.

# L&H reinsurance

## Proactively promoting business transformation and maintaining a reasonable underwriting schedule

### Insurance revenue

(RMB million)

5,861

### Reinsurance premiums

(RMB million)

35,868

### Reinsurance premiums by lines of business

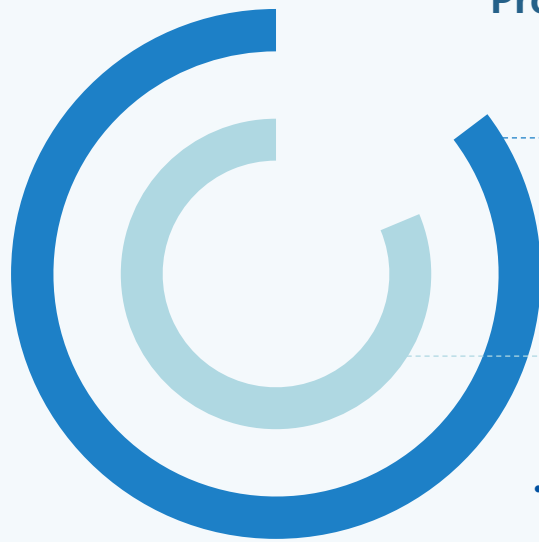
(RMB million)

Domestic protection-type business	Domestic savings-type business	Domestic financial reinsurance business	Overseas business
14,173	10,399	9,126	2,170

- Protection-type business: Assisted insurance industry supply-side structural reform, empowered the industry's infrastructure construction, developed inclusive finance, and built layout in emerging risk areas.
- Savings-type business: Strengthened asset-liability matching management, focused on cost control, and reasonably seized business opportunities.
- Financial reinsurance business: Developed new business in compliance with regulations and conducted proper management over existing business, paid attention to the credit risk and compliance risk of trading counterparts.

## Reinsurance premiums mix of protection-type business

## Proportion of medical insurance and YRT business



1H2023  
1H2024

85.3%

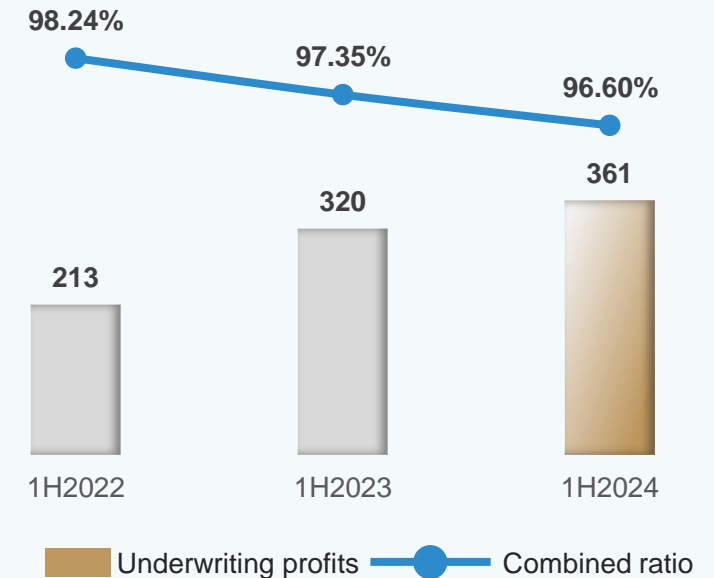
+4.0ppts

81.3%

- Deepened key areas, seized opportunities from key customers and main products, promoted product iteration and innovation via innovation LABS, effectively controlled risks, and promoted business cooperation.
- Continued to promote industrial integration and innovation, and carried out innovative payment cooperation around Internet outpatient insurance, special medicine, chronic disease management and other fields, realizing normalized underwriting of profitable businesses.

## Underwriting results of protection-type business

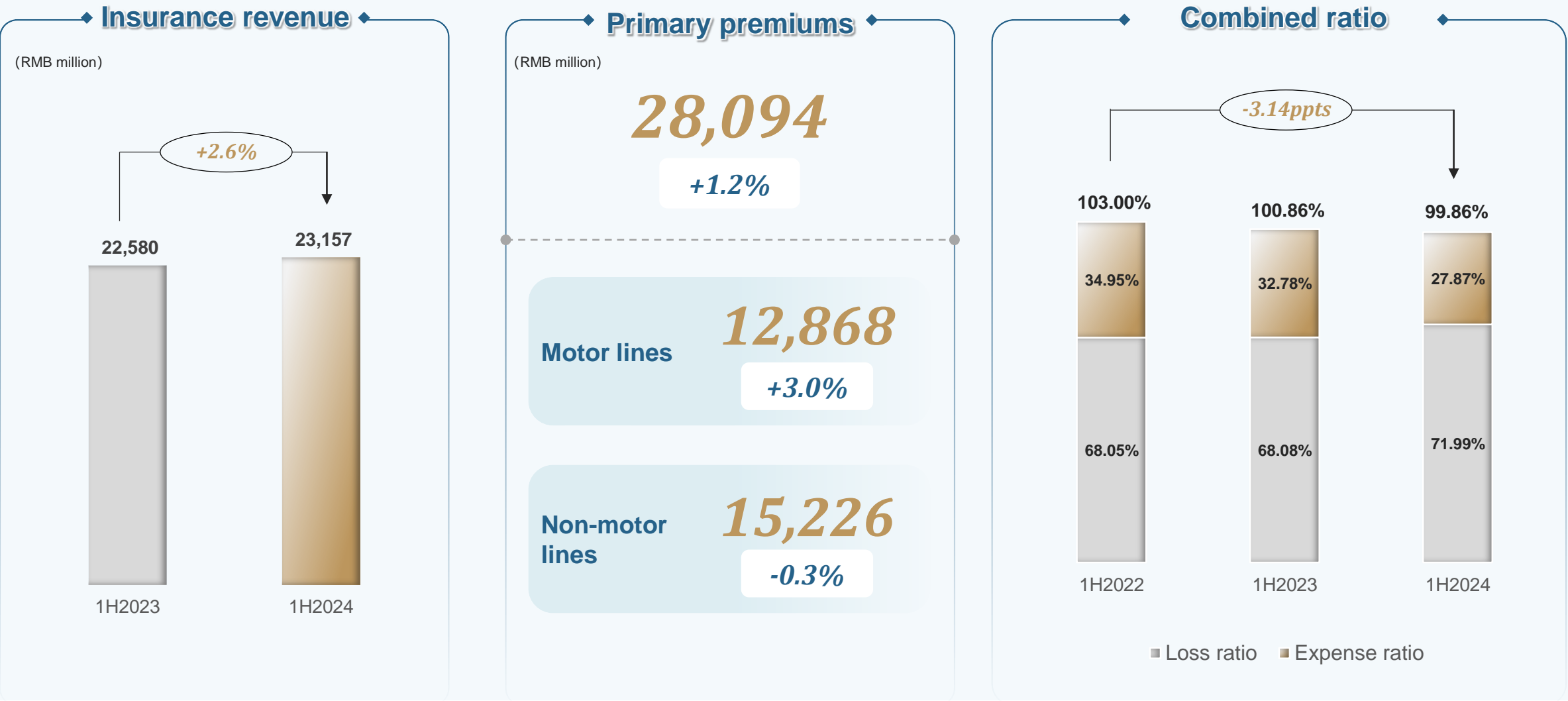
(RMB million)



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

P&C Primary insurance

Steady growth of revenue and a turnaround from loss to profit in underwriting results



1. Combined ratio indicators are calculated based on the Old Standards.



### Quality improvement of motor lines

Renewal rate of motor insurance **67.6%**  
**+1.0ppt**

Renewal rate of household vehicles **69.5%**  
**+0.8ppts**

Proportion of premiums of household vehicles **62.6%**

Number of household vehicles underwritten **+2.3%**

### Stable development of non-motor lines

(RMB million)

Primary premiums of A&H insurance

**7,693**

**+13.7%**

Primary premiums of agriculture insurance

**1,339**

**+13.7%**

Primary premiums of cargo insurance

**799**

**+2.5%**

Primary premiums of surety insurance

**1,534**

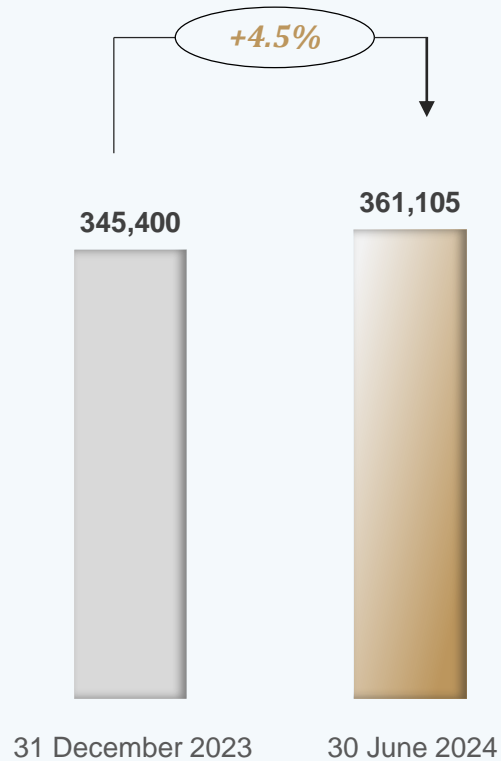
**-41.0%**

- Prioritizing risk control, the cumulative bad debt rate of personal loan surety insurance business was 9.3%, representing a decrease of 0.6 percentage points compared to that of the same period last year

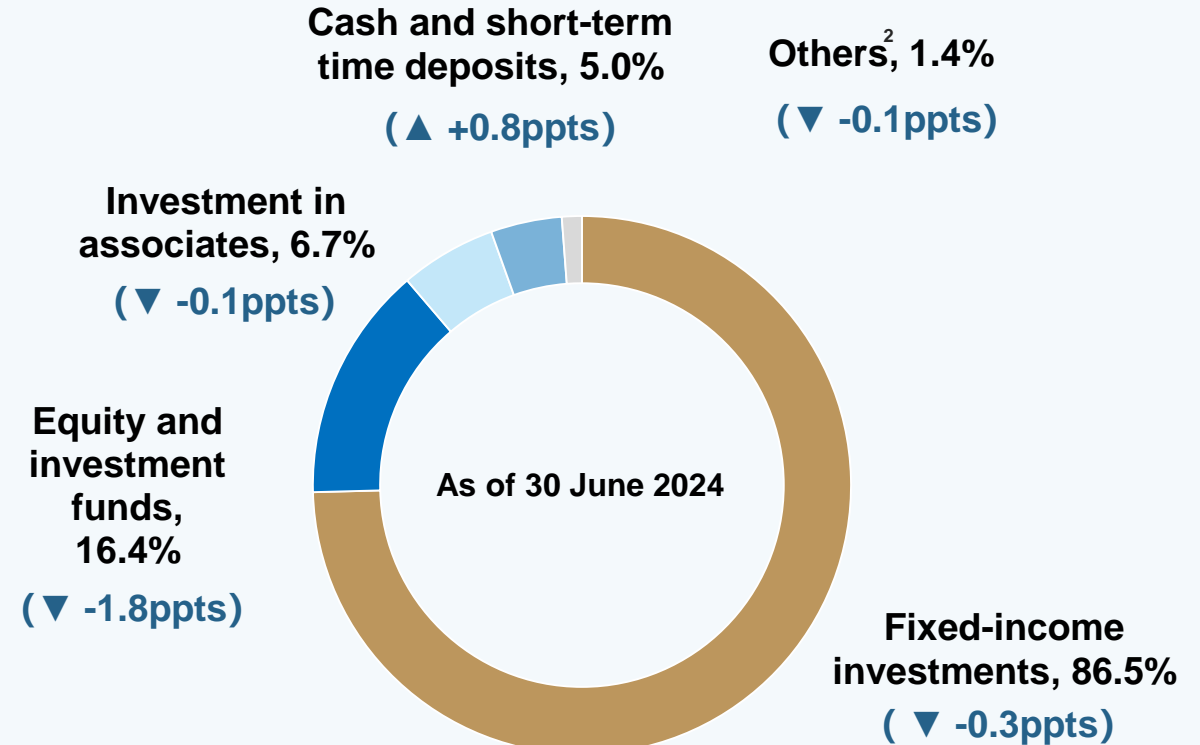
# Asset Management | Constant growth of investment assets and prudent asset allocation

## Total investment assets of the Group

(RMB million)



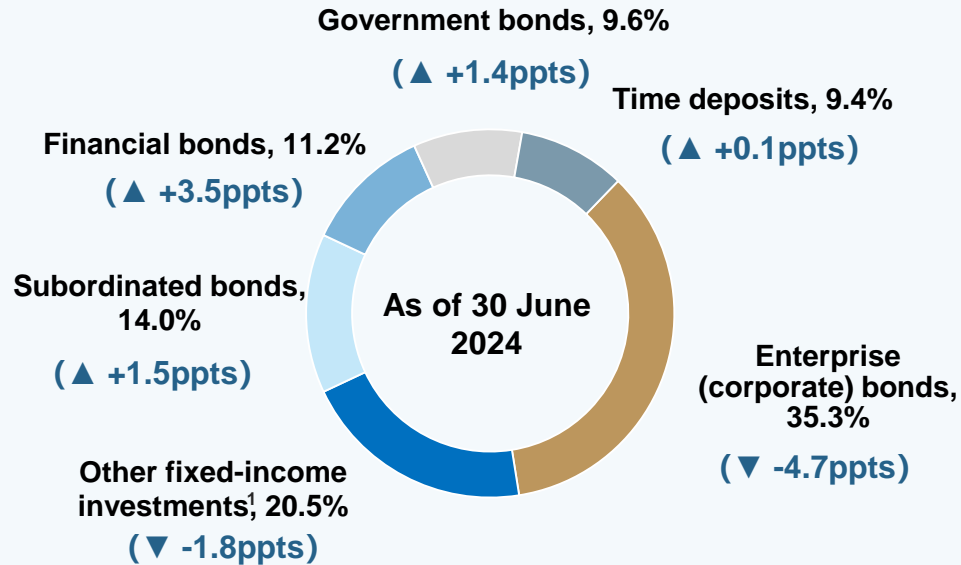
## Assets allocation structure<sup>1</sup>



1. 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.

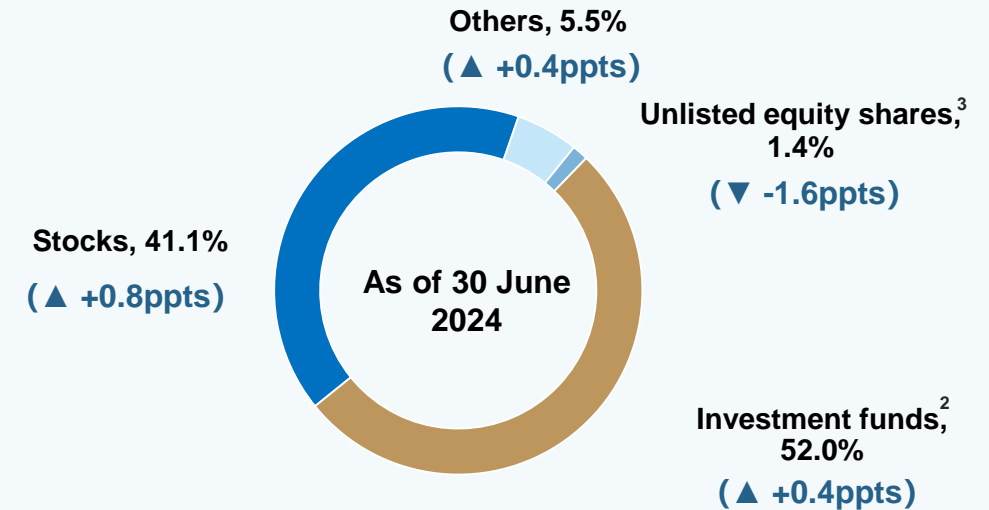
2. Including investment properties, currency swaps, etc.

### Fixed-income investment mix



- In terms of domestic investment, we mastered the opportunity of high yield since the beginning of the year and increased the investment in long-term bonds; we strengthened liquidity management and maintained appropriate leverage to obtain stable returns; we continued to optimize the credit structure of positions
- As for overseas investments, we leveraged the allocation value at the peak of rate cycle, increased the investment in high-grade corporate bonds, and extended the duration to improve medium-and-long-term returns

### Equity and fund investment mix



- We optimized the investment research system, and the 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

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 assets management products and unlisted equity investments.

### Annualized total investment yield

**4.66%**

**+1.11ppts**

### Annualized net investment yield

**3.90%**

**-0.06ppts**

### Equity investments outperforming the market

Domestic stock comprehensive investment yield exceeded the CSI 300 benchmark

**1600 bps+**

Overseas stock comprehensive investment yield exceeded the Hang Sang Index benchmark

**800 bps+**



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03

Outlook



CHINA RE





Deepening reform is the main theme of macroeconomic policy



The domestic insurance market is at a critical stage of transformation and upgrading



The risk landscape of the international insurance market is continuously evolving



## Overall management objective

Adhering 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”, China Re will make every effort to realize the annual business objectives and promote the Group’s high-quality development.



Achieving annual business objectives  
comprehensively

Enhancing quality and efficiency in serving  
national strategies comprehensively

Focusing on strategic guidance and  
reform and innovation comprehensively

Improving risk control and  
compliance level comprehensively







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## Questions & Answers

CHINA RE

# Appendix: key financial and operating indicators



RMB million (unless otherwise stated)	1H2023	1H2024	Change
Insurance revenue	51,784	48,466	6.8%
P&C reinsurance	23,474	19,986	17.5%
L&H reinsurance	5,861	7,008	-16.4%
Primary P&C insurance	23,157	22,580	2.6%
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%
Annualized ROE	11.85%	4.46%	7.39ppts

# Appendix: key financial and operating indicators

RMB million (unless otherwise stated)	30 June 2024	31 December 2023	Change
<b>Total assets</b>	474,465	459,728	3.2%
<b>Total liabilities</b>	366,972	357,549	2.6%
<b>Total equity</b>	107,493	102,179	5.2%
<b>Net assets per share attributable to equity shareholders of the parent company (RMB)</b>	2.31	2.20	5.4%
<b>Core solvency adequacy ratio<sup>1</sup></b>	161%	155%	6ppts
China Re P&C	161%	152%	9ppts
China Re Life	166%	158%	8ppts
China Continent Insurance	254%	235%	18ppts
<b>Aggregated solvency adequacy ratio<sup>1</sup></b>	194%	192%	2ppts
China Re P&C	249%	249%	0.1ppts
China Re Life	212%	216%	-4ppts
China Continent Insurance	280%	262%	19ppts

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