



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

CHINA
REINSURANCE
GROUP | ANNUAL
REPORT
2014

WE MAKE INSURANCE MORE INSURED

CHINA RE



Prudence Innovation Openness Mutual-Benefit

In 2014, China Reinsurance (Group) Corporation and its subsidiaries China Re P&C and China Re Life received an “A+” rating by Standard & Poor’s, and maintained their “A (excellent)” rating by A.M. Best. China Continent received an A.M Best rating of “A (excellent)”. All these rating results were with a stable outlook.



Spreading risks in national economic operation
Serving the industry's steady development

Becoming a world-class reinsurance group
with outstanding expertise and eminent brand



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COMPANY PROFILE

China Reinsurance (Group) Corporation (hereinafter “China Re”) was co-founded by the Ministry of Finance of the People’s Republic of China and the Central Huijin Investment Company Limited with a registered capital of RMB36,407,611,085. The Ministry of Finance and the Central Huijin Investment Co., Ltd. hold 15.09% and 84.91% of the shares, respectively. As at the end of 2014, China Re has consolidated total assets of RMB189.675 billion, total liabilities of RMB135.04 billion, and net assets of RMB54.635 billion. This represents a year-on-year increase of 22.51%, 23.96%, and 19.06%, respectively. In 2014, the consolidated operating revenue of China Re was RMB75.655 billion, of which revenue from reinsurance premium amounted to RMB51.397 billion (a year-on-year increase of 8.14%), revenue from direct insurance premium amounted to RMB22.356 billion (a year-on-year increase of 12.65%) and consolidated profits before taxes tallied to the amount of RMB7.007 billion (a year-on-year increase of 63.29%).

China Re originated from the People’s Insurance Company of China, which was founded in October 1949. In October 2007, it was restructured into a joint-stock limited company. By the end of 2014, China Re held controlling stakes in 6 domestic subsidiaries, namely, China Property & Casualty Reinsurance Company Ltd. (hereinafter “China Re P&C”), China Life Reinsurance Company Ltd. (hereinafter “China Re Life”), China Continent Property & Casualty Insurance Company Ltd. (hereinafter “China Continent”), China Re Asset Management Company Ltd. (hereinafter “China Re Asset”), China Insurance Media Company Ltd. (hereinafter “China Insurance Media”), and Huatai Insurance Agency & Consulting Service Ltd. (hereinafter “Huatai Insurance Agency”). It has five overseas subsidiaries, namely, China Re UK Limited, China Re Underwriting Agency Co., Ltd., New York Representative Office, London Representative Office and Hong Kong Representative Office.

In line with its “marketization, professionalization and internationalization” strategy, China Re aims to strengthen its core reinsurance business, actively develop direct insurance business, strive to enhance the level of its asset management, and establish a group-wide management model with clearer focus and higher efficiency, in an effort to develop itself into a world-class reinsurance group with outstanding expertise and eminent brand.



Market position

China Re is now the Asia's largest and the world's eighth largest reinsurer in terms of reinsurance premium income. As China's sole state-owned reinsurance group, it has always been the main channel of reinsurance in China.

Brand strength

China Re is supported by powerful shareholders and enjoys strong capital strength. China Re has been rated "A (excellent)" by A.M. Best for five consecutive years with a stable outlook. In 2014, China Re was rated "A+" by Standard & Poor's with a stable outlook.

Business structure

China Re is an integrated and well-constructed reinsurance group with well established core business, and it has a complete industrial chain covering reinsurance, direct insurance, asset management and insurance brokerage.

Development capacity

With extensive domestic connections, a nationwide service network, diversified domestic and overseas business channels, China Re is well positioned to sustain its business development and achieve profitable growth.

Technical Innovation

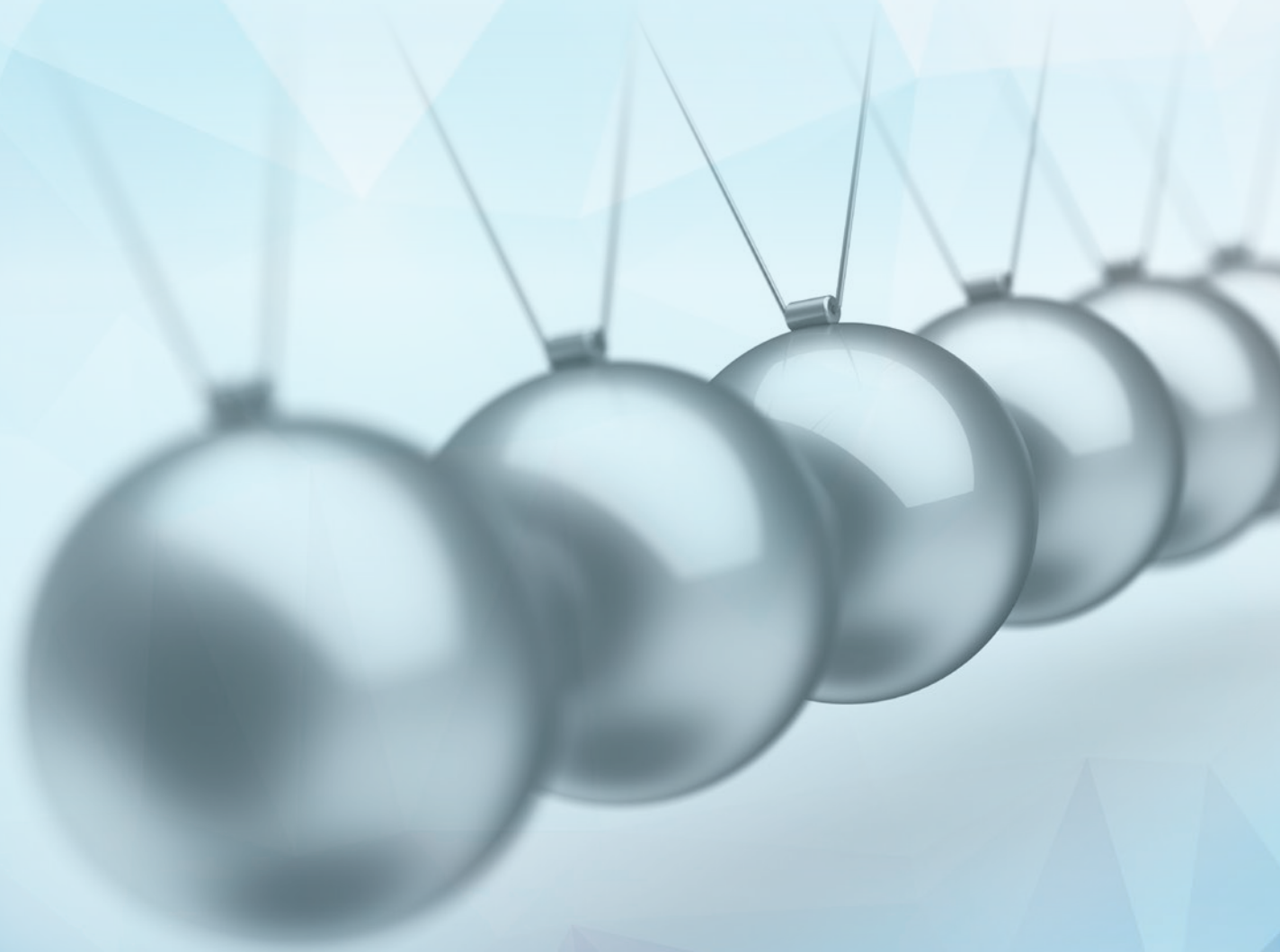
China Re has accumulated abundant industry data and preeminent professional technical strength, a profound understanding of the Chinese market and powerful capacity to create innovative products.

Management Capacity

China Re has a management and technical team with rich experience, efficient group-based control management, strong risks management, and solid basic management.

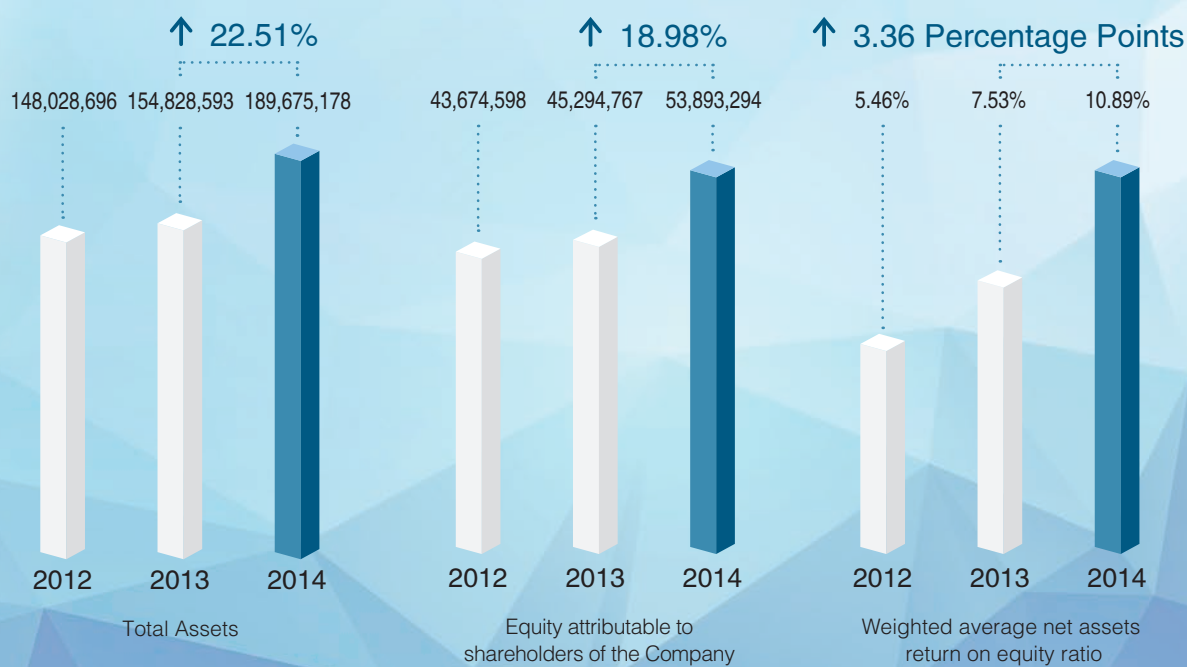
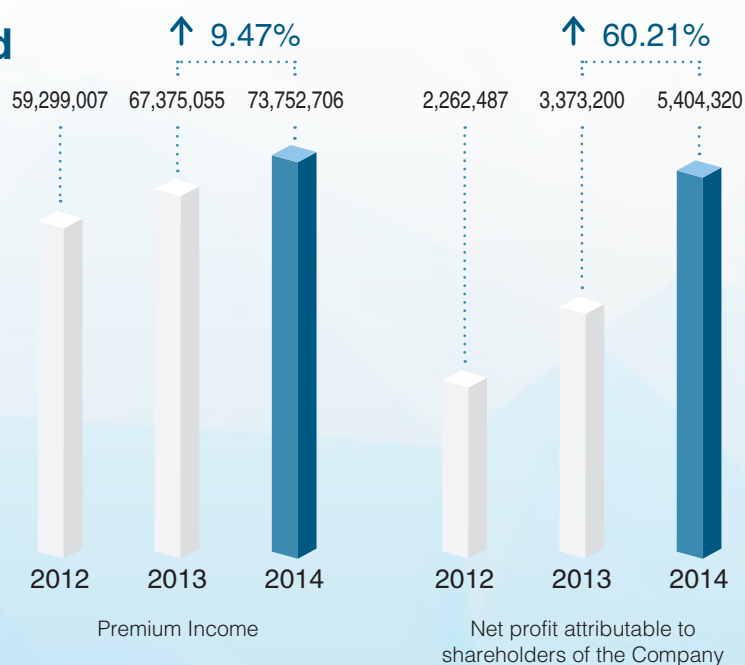
- China Re is the Chairman member and Management Company of the China Nuclear Insurance Pool
- China Re P&C is the management agency of the China Agricultural Reinsurance Pool
- China Re UK Limited is a corporate member of Lloyd's

SUMMARY OF OPERATING RESULTS



Group Consolidated

Unit:
RMB Thousand



CHAIRMAN'S MESSAGE



In 2014, China Re persevered and continued with its two-pronged approach of stable development and innovation, and responded to the macro-economic trends and changes to the insurance industry in a prompt and proactive manner. It spurred the thorough implementation of the "marketization, professionalization and internationalization" strategy, endeavored to shoulder the industrial and social responsibilities as China's biggest reinsurer and successfully realized the business objectives of "stable growth, risk prevention and value creation". As at the end of 2014, China Re's consolidated total assets amounted to RMB189.675 billion (a year-on-year increase of 22.51%) whilst its consolidated net assets were RMB54.635 billion (a year-on-year increase of 19.06%). Also in 2014, the realized consolidated operating revenue was RMB75.655 billion (a year-on-year increase of 12.02%), and consolidated profits before taxes amounted to RMB7.007 billion (a year-on-year increase of 63.29%).

In 2014, China Re sped up its implementation of market reforms, internationalization, and several other key strategies. Moreover, China Re sought to propel the further development of its core reinsurance business system while simultaneously enhancing its risk management system. As China Re maintained the A.M. Best "A (excellent)" rating, it also attained its initial Standard & Poor's "A+" rating. In addition, China Re successfully transformed China Re Syndicate 2088 into a stand-alone syndicate and is able to, henceforth, develop and carry on its underwriting business using an independent brand name and seat within Lloyd's. China Re's various business sectors were able to achieve balanced development. The Property & Casualty reinsurance sector maintained its prominence in market positioning, customer relationships, and data. China Re P&C co-founded the "China Agricultural Reinsurance Pool"

for which it was entrusted as the management agency, and actively participated in and assisted the local government in implementing the "local catastrophe insurance" pilot scheme. The Life reinsurance sector continued its march towards achieving its three pillars – "customers, technology and operations" and actively participated in infrastructure construction, such as the compilation of the third collection of the mortality table. The P&C direct insurance sector underwent a comprehensive transformation and emerged with much improvement, taking the path of robust development. The Asset Management sector significantly boosted its investment capabilities and returns. And finally, the insurance brokerage business steadily trended upwards. The management level, innovation capabilities, professionalism, and brand value of China Re all got further enhanced as it augmented its market influence and contributions to the industry.

Moving forward to 2015, the Group will further seize strategic development opportunities brought about by the "Opinions of the State Council on Accelerating the Development of the Modern Insurance Service Industry"; persist in continuous development, innovation and progress; accelerate the execution of forward-looking strategic plans; strive to spur business growth; proactively respond to new challenges and tests arising from social development and industry restructuring, and embrace this new era of China Re's reform and development!

Chairman of China Re:

A stylized, bold handwritten signature in black ink, consisting of three main characters.

PRESIDENT'S MESSAGE



Year 2014 was not only an extraordinary year in terms of the development of the Group, but also one in which we met challenges whilst breaking our sales record. Faced with the changes, in the domestic economy, the volatility in the capital markets, as well as the opportunities arising from the "Opinions of the State Council on Accelerating the Development of the Modern Insurance Service Industry", China Re persevered with its "marketization, professionalization and internationalization" strategy and the "stable growth, risk prevention and value creation" operational strategy, and also steadily implemented a variety of key strategic projects and achieved improved sales results. In 2014, China Re's realized revenue from reinsurance premiums amounted to RMB51.397 billion (a year-on-year increase of 8.14%); premium income of direct insurance amounted to RMB22.356 billion (a year-on-year increase of 12.65%), the consolidated investment (book value) income rate amounted to 6.60%.

2015 is the final year of China Re's 12th Five-Year Development Plan. China Re is determined to make development its top priority and the attainment of first-class international standards as its end-goal. The Group will also seize the opportunities brought on by the State Council's "Opinions of the State Council on Accelerating the Development of the Modern Insurance Service Industry" during this new journey. The Group will take the initiative to promote growth, streamline its structure and strengthen its capability; continue to consolidate its market position, take the initiative to gain new markets and realize the goal of sustained growth in profits and scale of operations; and finally, lay a solid foundation for the long-term development and prospect!

President of China Re:

MESSAGE FROM THE CHAIRMAN OF BOARD OF SUPERVISORS




In 2014, China Re achieved significant results in corporate governance and operational development. Our capabilities in risk management were further strengthened, whilst our ability to create value as well as our market influence was further enhanced. The Board of Supervisors of China Re paid close attention to the prevailing financial situation, operational changes, and internal-external communication. It promoted research and innovation, highlighted key elements requiring supervision, strove to achieve constructive supervision, and promoted the sustainable and stable development of the entire Group.

In 2014, the Board of Supervisors took a closer look into how to achieve a balanced growth in its core business, and how to refine the standards of management; it emphasized the need for daily supervisory reminders, and duty performance evaluation guidelines; it conducted systematic quantitative analysis and attributive qualitative assessments of the changes in cash-flow for its insurance business; supervised and spurred the drive to increase underwriting profits, cash flow generating capability, cash asset deployment efficiency, investment income and overall efficiency levels; and focused on the foundations of management, including the three lines of defense encompassing work quality and efficiency of internal and external audits, supervision and strengthening of information disclosure, and risk management.

Moving forward to 2015, the Board of Supervisors will carry on and forge ahead through prudent supervision, and focus on maximizing shareholders' profit, actively fulfilling its corporate social responsibility, enhancing effectiveness and accountability and endeavoring to elevate corporate governance to a higher level.

Chairman of Board of Supervisors of China Re:



INNOVATION, HONORS AND INFLUENCE

—China Re Syndicate 2088 successfully transformed into a Lloyd's stand-alone syndicate

In November 2014, China Re's application to transform China Re Syndicate 2088 into a stand-alone syndicate was formally approved by Lloyd's. Syndicate 2088 will underwrite business as an independent syndicate within Lloyd's, which is an insurance market with a history of more than 300 years. Thus, China Re became the first institution from mainland China to establish a syndicate in Lloyd's. This marked a breakthrough for Chinese insurance companies "Going Global" and effectively enhanced the influence of Chinese insurance companies in the international market.



Chairman Li Peiyu visited China Re Syndicate 2088

—China Re received its initial Standard & Poor's "A+" rating while maintaining its A.M. Best "A (Excellent)" rating

On December 22nd, 2014, China Re and its subsidiaries China P&C as well as China Re Life received an "A+" rating for their financial strength and issuer's credit by Standard & Poor's with a stable outlook.

In 2014, China Re and its subsidiaries China Re P&C as well as China Re Life maintained their rating of "A (excellent)" by A.M. Best; China Continent attained its initial A.M. Best rating. All the rating results were "A (excellent)" in Financial Strength Rating (FSR) and "a" in Issuer's Credit Rating (ICR) with a stable outlook.

—China Re P&C participated in the establishment of the China Agricultural Reinsurance Pool and acted as its management agency

On November 21st, 2014, the China Agricultural Reinsurance Pool, jointly initiated by China Re P&C and 23 domestic insurance companies with agricultural insurance licenses, was founded. China Re P&C served as the management agency for the Pool and this event was selected as one of the "2014 Top 10 Chinese Insurance Industry Events".



China Re P&C was appointed as the management agency for the China Agricultural Reinsurance Pool

—China Re hosted the "14th Asian Reinsurers' Summit"

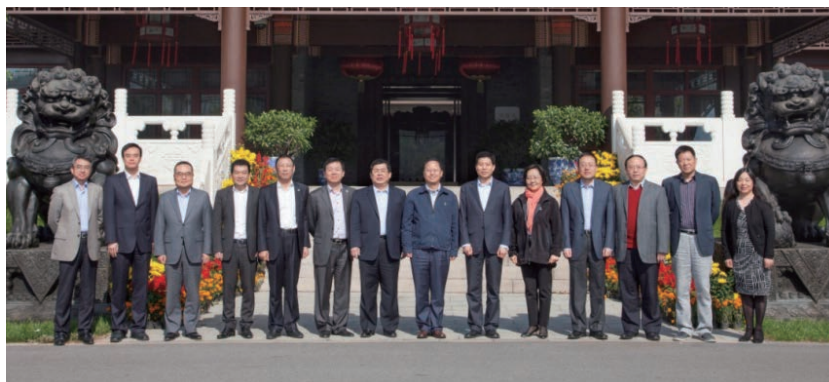
On August 29th, 2014, the 14th Asian Reinsurers' Summit hosted by China Re was held in Beijing and centered on the theme "Asian Catastrophe Risk Management: Opportunities and Challenges". Mr. Chen Wenhui, Vice-President of the China Insurance Regulatory Commission, attended the meeting and delivered a speech. 34 senior management delegates from 15 reinsurance institutions across 14 Asian countries and regions attended the summit.



China Re hosted the 14th Asian Reinsurers' Summit, where Mr. Chen Wenhui, the Vice-President of the China Insurance Regulatory Commission, attended and delivered a speech

—China Re endeavors to establish a communication platform within the insurance industry in China

On October 17th, 2014, China Re P&C successfully organized the “2014 China Property & Casualty Insurance Industry CEO Round Table Conference” with the theme of “Reform, Innovation and Development”. The discussions focused on issues (and their impact) of the situation and trends within the domestic P&C insurance market in 2014. These included detariffication of motor insurance, obstacles faced by P&C insurance industry, and the immediate and long-term impact of the “China Risk Oriented Solvency System” (C-ROSS) on the P&C insurance market. The Chairmen, CEOs of China Re Group and 10 other domestic P&C insurance companies attended the conference.



China Re P&C successfully held the 2014 China P&C Insurance Industry CEO Round Table Conference

On December 29th, 2014, the 2014 China Chief Actuaries (Life Insurance) Forum, jointly hosted by the China Association of Actuaries and China Re Life, was held in Beijing. Chief actuaries from more than 60 domestic life insurance companies attended the forum, constructing an interactive communication platform for senior management of life insurance companies across the country.

—China Re actively pursues the “Going Global” strategy to expand its business areas



China Re P&C and BOC Insurance signed a cooperation agreement to serve the overseas projects of Chinese enterprises “Going Global”

The signing ceremony for the cooperation agreement between China Re P&C and BOC Insurance took place in Beijing on September 29th, 2014, which was focused on overseas projects by Chinese enterprises. The wide-ranging cooperation between the two parties on the relevant overseas projects demonstrates that the domestic insurance industry is aligned with the national strategy of “Going Global” and is paving the way for other Chinese enterprises to expand overseas.

In 2014, China Re Life signed a reinsurance contract with Taiwan Cathay Life Insurance and successfully settled the first premiums transfer in mid-December, making China Re Life the first off-shore reinsurer for traditional RMB insurance products in Taiwan. This marked another breakthrough following China Re Life’s success in developing the RMB business in Hong Kong and Macao.

—China Re Group actively explores and implements “Internet+” strategy

In 2014, China Re Life signed a strategic partnership agreement with professional internet company, planned to jointly build a new internet services platform, which will realize the integration of the development, sales, underwriting, claims of online products, take the initiative to lead the market behavior in the reinsurance industry and increase the source of reinsurance businesses, and promote the upgrade of the internet from a merely sales channel to a comprehensive insurance market platform in insurance industry.

—China Re Group steps up innovative and technical capabilities

China Re Group comprehensively moves ahead to establish a new business system for its core sectors

In 2014, the reinsurance core business new platform (NCR) project was smoothly launched to integrate China Re's P&C and life insurance. According to the plan, a set of uniform, efficient and mature reinsurance business system platforms up to par with advanced international levels will be established within two years. The platform will enhance China Re's overall technical capabilities in the reinsurance segment and further build China Re's core competitiveness.

China Re Asset successfully issues China's first "rail transportation equity investment plan" product

In 2014, China Re Asset successfully issued the "China Re-Beijing Subway Line 16 equity investment plan (Phase I)", with the initial issue amounting to RMB7 billion. The product utilizes transactions that have been innovatively structured and is the first rail transportation equity investment plan set up by the insurance asset management industry, expanding the product coverage and product design concepts of insurance asset management products.

China Re P&C was awarded the first prize for "Shanghai Financial Industry Outstanding Researches in Reform and Development".

On May 8th, 2014, the *Shanghai Shipping Financial Risk Assessment Manual*, mostly written by China Re P&C staff, was awarded the first prize for the "2013 Shanghai Financial Industry Outstanding Researches in Reform and Development" organized by the Shanghai Financial Association.



GROUP MANAGEMENT



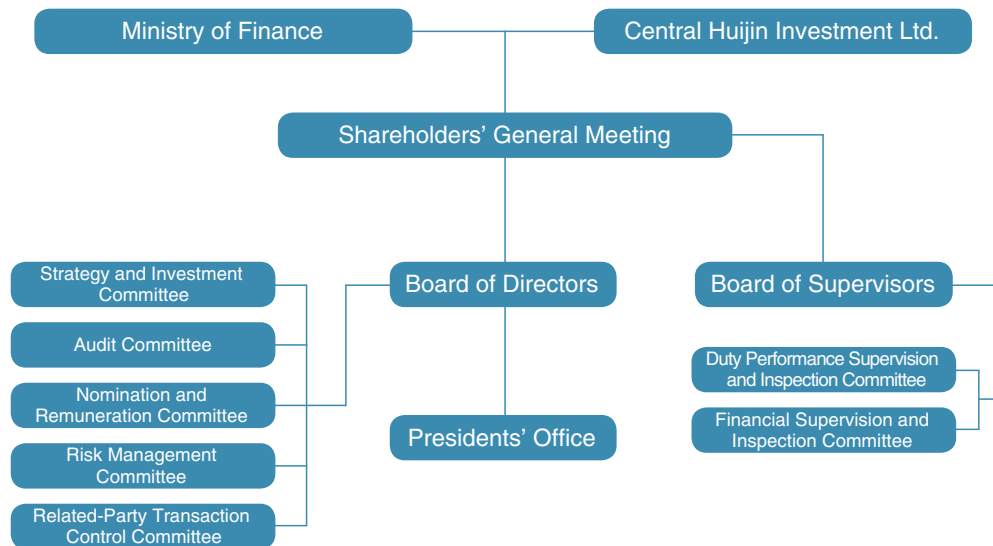


Mr. Guo Haoda, the Chairman of the Board of Supervisors of the China Investment Corporation, paid a visit to China Re

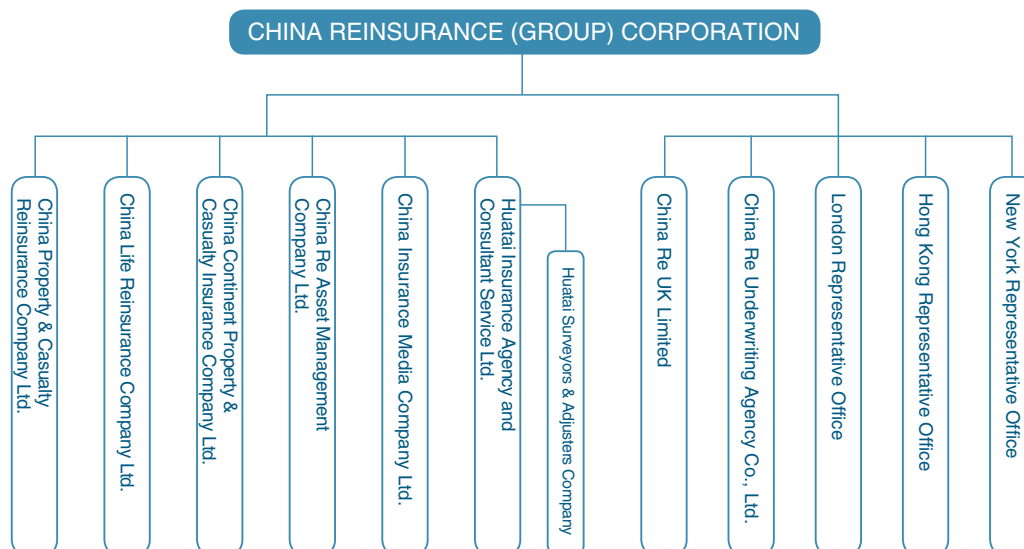
China Re strictly complies with the Company Law, the Insurance Law, and other relevant laws and regulations of the People's Republic of China, and its corporate governance operating mechanism is continuously being enhanced. The Group attaches great importance to "strategic management, human resources management, internal control and risk management", furthering reforms and innovation, the orderly implementation of strategic plans, and the establishment of a market-oriented and specialized group management structure which has effectively enhanced the Group's strategic synergies and overall operating efficiency.

Group Structure

Corporate Governance Structure



Group Organization Structure



Note: The chart shows the group structure as at December 31st, 2014.

Directors, Supervisors and Senior Management

Members of the Board of Directors

Name	Title	Tenure of office
Li Peiyu	Chairman, Executive Director	Since Sep. 2010
Wang Pingsheng	Vice-Chairman, Executive Director	Since Aug. 2012
Zhang Hong	Executive Director	Since Aug. 2012
Ren Xiaobing	Executive Director	Since Aug. 2012
Lu Xiuli	Non-Executive Director	Since Dec. 2014
Shen Shuhai	Non-Executive Director	Since Dec. 2014
Wang Jun	Independent Non-Executive Director	Since Jun. 2011
Hao Yansu	Independent Non-Executive Director	Since Dec. 2014
Li Sanxi	Independent Non-Executive Director	Since Feb. 2014

Members of the Board of Supervisors

Name	Title	Tenure of office
Wang Yonggang	Chairman	Since Sep. 2010
Wei Shiping	Shareholders' Representative Supervisor	Since Jun. 2011
Zhu Yong	Shareholders' Representative Supervisor	Since Dec. 2014
Cao Shunming	Staff Supervisor	Since Dec. 2014
Lin Wei	Staff Supervisor	Since Dec. 2014

Senior Management

Name	Title	Tenure of office
Zhang Hong	President	Since Aug. 2012
Ren Xiaobing	Vice-President	Since Aug. 2012
Kou Riming	Vice-President, Financial Controller	Vice-President Since Mar. 2009; Financial Controller Since Dec. 2011
Yu Qing	Vice-President, Secretary of the Board of Directors	Since Mar. 2009
Liu Tianyang	Secretary of Disciplinary Inspection Commission, Audit Controller	Secretary of Disciplinary Inspection Commission Since Sep. 2009; Audit Controller Since May. 2013
Tian Meipan	Chief Actuary	Since Nov. 2012

Strategy Management

In 2014, in accordance with the development items specified in the “12th Five-year Development Plan”, China Re steadily pushed forward the implementation of various significant strategies and achieved remarkable progress.



China Re Syndicate 2088's box at Lloyd's



Underwriters at China Re Syndicate 2088

——China Re Syndicate successfully transformed into a stand-alone syndicate at Lloyd's, a remarkable progress in its internationalization strategy

China Re Syndicate 2088, on the basis of three years' steady performance and its good achievements upon establishment, successfully transformed from a special purpose syndicate to a stand-alone syndicate, and set up its own underwriting agency. The Lloyd's syndicate serves as an important platform for the Group's international strategy and its successful transformation lays the milestone in China Re's international strategy and expands the international influence of the Chinese insurance industry.

——Actively promoting the construction of Agricultural Reinsurance Pool

The China Agricultural Reinsurance Pool (CARP) was established by 23 domestic insurance companies and China Re P&C which acts as the management agency. This further enhanced the Group's dominance and influence in China's agricultural reinsurance market.

——Accelerate the strategic layout of the asset management

A professional asset management platform was promoted and Hong Kong subsidiary was set up to carry out the overseas currency asset management business, which built a new pattern of asset management capability during a new era of asset management. Meanwhile, the Group actively developed new businesses and alternative investments, expanded third-party asset management business.

——Make new progress in integrating of the reinsurance sector

China Re completed a 100% stock acquisition of China Re P&C and China Re Life, which have become wholly owned subsidiaries of the Group, further strengthening the Group's management of the entire reinsurance segment for the sake of creating a better foundation for corporate governance.

——Implement strategic planning and business strategy layout

China Re actively seized opportunities in the insurance industry under the new “Opinions of the State Council on Accelerating the Development of the Modern Insurance Service Industry” issued by the government, started to work on “the 13th Five-year Development Plan” to explore a broader pattern of development. The Group has also been exploring an expansion into the primary life insurance market, when opportunities arise. China Re conducted researches on the internet insurance, and other forward-looking development ideas.

——Enhance capital management continuously

China Re evaluated and updated its mid-long term capital planning and capital management model, made capital demand analysis by building a capital demand model, explored and improved the strategic planning index system. In line with business development, the Group completed the capital injection into such subsidiaries as China Re P&C, and China Continent. The capital allocation has become more efficient.

Human Resources Management

● China Re actively promotes the marketization reform of human resources management, with an aim to determine employees' position, income and employment based on their own merits. By conducting market-oriented reforms at senior management level of its subsidiaries, which are featured by public selection, tenure system, strict evaluation, strong incentives, solid constraints and contractualization, the Group is building a more effective mechanism of incentive and constraint to stimulate the vitality of senior management.

● China Re focused on strengthening the building of the core team, through both internal cultivation and external recruitment, it can vigorously introduce talents within or beyond the system as well as talents from local and overseas, optimize the Group personnel structure and the allocation of the human capital, nurture and build up a professional, international, and creative cadre, in the domains of operation management, underwriting, products research and development, actuary, asset management, risk management and marketing. Both principal business domains and business lines form the professional cadre with the leading talents as the core and wise allocation of all employees in the company.

● To adhere with the philosophy of talents cultivation by practicing and training, China Re made great efforts on its talent cultivation project, improved employees' comprehensive quality and professional competence and expanded international vision by online and offline training, domestic and overseas training, theory study and practice. In 2014, one employee became the first Chinese permanent member of the council of the British Institute of Actuaries and another became the first Chinese certified catastrophe modeler, certified by an international organization.

● China Re is devoted to realize the win-win situation with the enterprise's development and the growth of the employees, draws up an "H type" career development plan for employees, provides them with guidance and suggestions on career development by the implementation of career development action plan, and promotes the all-round development of employees by rotations and secondment.

● China Re adheres to the concept of "appointment based on competence and achievements", combining selection and competition to enable a number of promising excellent staff to stand out in open competition and continue to strengthen the construction of personnel.

● China Re upholds the concept of "remuneration based on value and contribution", highlights the value creation orientation and priorities of incentives, provides outstanding personnel with competitive remuneration based on the principle of ensuring remuneration is consistent with position, responsibility and challenge, and furnishes employees with more competitive welfare by means of establishing the annuities.

● China Re regards appraisal as an important part of talent cultivation, continuously improves appraisal system, and closely interlocks with the application of appraisal in the assessment results, staff incentives, career development, training of employees and optimization of human resources allocation, which fully serves as the conducting and leading role.



Young employees of China Re

Internal Control and Risk Management

Upholding the concept of “strengthening internal control and risk management is to promote development and improve profitability”, China Re regards internal control and risk management as an integral part of its core competence and important guarantee for sustainable development. The Board of Directors assumes the ultimate liability for China Re’s internal control and risk management and the work is under direct leadership of the Senior Management. All entities, departments and employees are an integral part of the internal control and risk management system, forming three Lines of defense for internal control and risk management and building sound mechanism for preventing and mitigating various risks.

Internal Control and Risk Management Situation in 2014

—Deepening the line management of internal control, supporting the implementation of Group’s strategy

China Re strengthened co-ordination of internal control and compliance management, made appropriate standards for the Group’s systems of internal control and compliance of each subsidiary management, established professional team of internal control and compliance, which developed line synergy effectively. It also provided legal support of internal control for mechanism innovation and significant decision-making, optimized authorization management, assets management system and information management to control risks and to boost the implementation of various strategies.

—Strengthening internal control infrastructure, improving internal control mechanism

China Re carried out self-examination and self-correction in Group’s systems of internal control, cleared up influences from internal and external environment, investigated potential risk areas in key areas and processes. Internal control information system was promoted and internal control methods were improved. China Re carried out comprehensive assessments of internal control annually and other sectors, such as asset management and maritime guarantees, to find out problems promptly and took effective measures to tackle them.

—Enhancing Risk Management System and Perfecting Management Mechanism

China Re set the Group’s overall risk appetite and a macro goal for the Group’s overall risk management, promoted risk appetite trial operation, risk tolerance and risk limits of core subsidiary. The overall objectives were converted into actual operational risk guidance to achieve the Group’s management of risk appetite. China Re completed the integration and maintenance updates to work, connected communication among subsidiaries in terms of technology, data and other exchanges, assisted subsidiaries to complete maintenance and updates for the model, ensuring economic capital models at Group level of integrity and consistency, and formed a unified and orderly working mechanism.

—Carrying out Risk Evaluation of Reinsurance Sector, Supporting the Development of Core Business

China Re Life carried out risk assessments from the perspective of comprehensive business risk and business values, and cleared up the insurance risk, which served as a new reference to the scientific evaluation of the business value, the scientific development strategy and a better job of risk management of China Re Life. China Re P&C carried out analysis on catastrophe risks. In the course of screening the Company’s major catastrophe risks, special attention was paid to the main risk factors.

—Actively participating in the new generation solvency regime (C-ROSS) related work

China Re provided powerful technical support to the construction of “China Risk Oriented Solvency System” (C-ROSS) by playing a pioneering role on the issues, such as “minimum capital for reinsurers’ insurance risk” and “risk correlation.”



The background of the slide is a light blue gradient. Overlaid on this is a faint, stylized world map. In the foreground, there is a network of glowing blue spheres connected by thin, metallic-looking lines, resembling a molecular structure or a digital network. The spheres are of varying sizes and are positioned at the intersections of the lines.

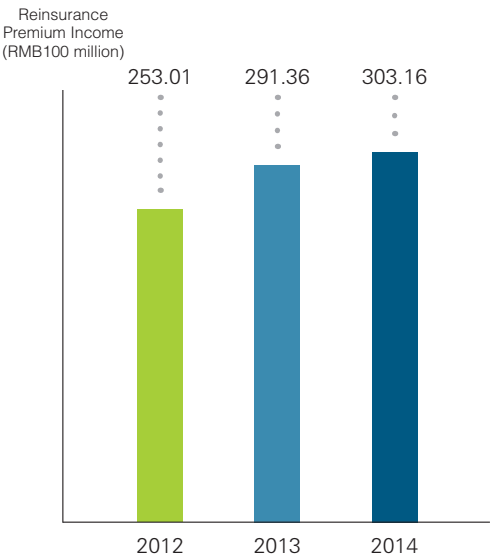
MANAGEMENT DISCUSSION AND ANALYSIS

In 2014, China Re made comprehensive achievements in both business scale and operating results by pursuing the strategic orientation of “marketization, professionalization and internationalization” as well as business orientation of “stable growth, risk prevention and value creation”. Each business segment developed balancedly and operating performance stepped onto a new level and marked the best year in the history.

Reinsurance Business

Property and Casualty (P&C) Reinsurance

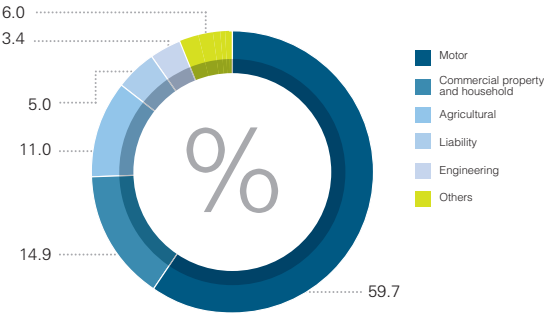
In 2014, in line with the business strategy “controlling risk, adjusting structure, obtaining profit”, China Re P&C optimized business structure, strengthened risk management, enhanced the technological strength and consolidated the management foundation. The Company achieved annual reinsurance premium income of RMB30.316 billion from home and abroad.



Development of P&C Reinsurance in Recent Years

Domestic P&C Reinsurance

As the core subsidiary of China Re in P&C insurance, China Re P&C accomplished domestic reinsurance premium income of approximately RMB29.287 billion (total income of reinsurance premium was RMB29.296 billion). The Company continued to improve its business and its market leading position was further enhanced.



2014 Domestic P&C Reinsurance Premium Income by Insurance Type

China Property & Casualty Reinsurance Company Ltd. continuously strengthened the technical support and reforms over professionalization; independently developed the Reinsurance Enterprise Analysis & Pricing System (REAPS) and put it into use. The reinsurance analysis standard was kept in line with international standards; and the use of economic capital models was further extended. China Re cooperated with catastrophe modelling company RMS and the RMS model was mutually agreed to be upgraded for China typhoon model. China Re actively studied and promoted the issue of China's first catastrophe bond. It launched the multi-level Customer Service and successfully held the 2014 Symposium of China's P&C Reinsurance Market and CEO Round Table Conference of China Insurance Industry. Customer Service added value significantly in which pricing models, products development and data mining have become the hallmarks, and hence customer satisfaction has been further improved.

China Re P&C proactively performed the functions of the national reinsurance company, implemented the insurance requirements of the "Opinions of the State Council on Accelerating the Development of the Modern Insurance Service Industry"; strived for advanced position in the pioneering industry development, contributed to national economic growth and managing catastrophic disaster. Moreover, China Re P&C played an important role in the founding "China Agricultural Reinsurance Pool" and served as the management agency. China Re P&C actively participated in the construction of catastrophe insurance system in China, acted as a major reinsurer in Shenzhen, Ningbo, Yunnan and other provinces' catastrophe insurance systems. China Re P&C deployed its talents and technological edges to support C-ROSS of commercial China's insurance industry and reform of commercial motor insurance premium rate which was innovated by CIRC.



China Re P&C's self-developed portfolio analysis and pricing system

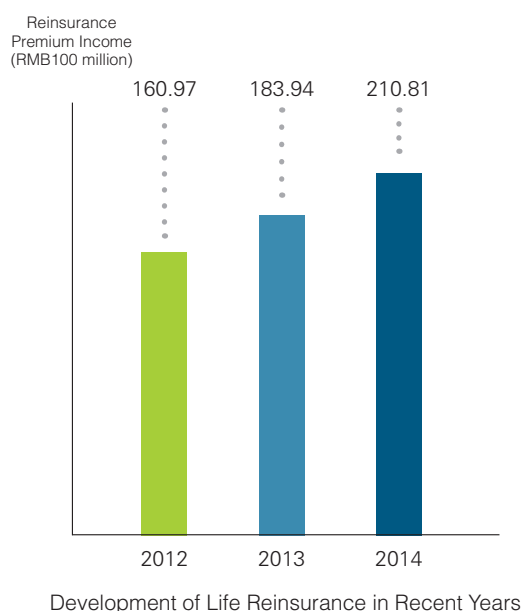
Overseas P&C Reinsurance

In 2014, China Re Syndicate 2088, established in London Lloyd's market, succeeded in transforming from special purpose syndicate to a stand-alone syndicate and has been put into formal operation. As the dual platforms for a business, both Beijing headquarter and Syndicate 2088 provided customers with products and services, and the business structure continued to be optimized in terms of regions and lines of business.

In 2014, China Re Group achieved a reinsurance premium income of RMB1.356 billion from overseas market and China Re Syndicate 2088 realized reinsurance premium income of RMB476 million.

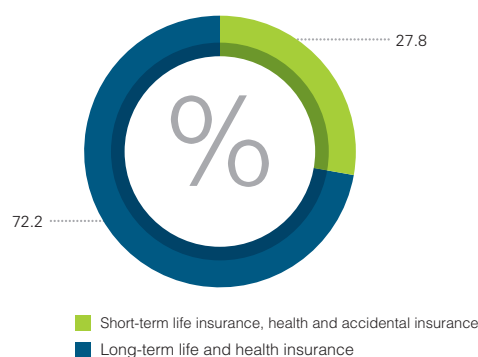
Life Reinsurance Business

In 2014, China Re life reinsurance business focused on the business development principle of “improving efficiency and increasing value”, and deepened the implementation of a balanced development strategy, which guaranteed the establishment of the business pattern in which domestic and foreign business enjoyed balanced development, the structure of security insurance, endowment insurance and property and casualty reinsurance was balanced, and traditional business and innovation-oriented business enjoyed development. China Re continuously maintained its pioneering role in the market of core business areas so as to strengthen the influence of the life insurance industry. Premium volume and underwriting profits reached a higher stage of development, and the reinsurance premium income with amount of RMB21.081 billion in the whole year is generated, in which reinsurance premium income of China Re Life amounted to RMB20.957 billion.



In 2014, as a core subsidiary of China Re, China Re Life which mainly engaged in life reinsurance business, has obtained new progress continuously in both domestic and foreign businesses. In domestic business development, the subsidiary seized the market opportunities brought by the transition of direct insurance company as well as charged rate marketization reform, strengthened the exploration and application of the results derived from the project on the rate of major diseases. In a bid to satisfy the market demand,

the cancer prevention business was further developed. All these measures obtained sound demonstrative effects in innovative business cooperation which had led the subsidiary become the pioneering insurer in cancer prevention reinsurance business; besides, the subsidiary had made notable progress in middle-end medical care, TPA resources integration and other key programs. In the course of the development of foreign business, the subsidiary had developed a series of fruitful jobs centering on multiple regions, diversified clients and varied products in RMB business; hence, the places of cooperation and clients increased steadily and products functions were enriched continuously. Under the circumstances of increasing numbers of rivals, the subsidiary kept its pioneering position and broke new breakthrough in overseas catastrophe, exchanges of business and other fields.



2014 Life Reinsurance Business by Insurance Type

China Re Life kept improving its technical strength, increasing technical content of customer services, achieving progress in industrial research, customer training and independent technology research, development and application. China Re Life actively participates in the drafting project of third life table of the industry, the occupational classification standard specification project of insurance industry, life insurance approval and claims qualification examination textbook design project and tax-preferential commercial health insurance project. China Re Life also worked with China Association of Actuaries to hold a chief actuary forum of life insurance. It actively engaged in the establishment, application and promotion of foreign customer service information platform, the sales of underwriting-supporting engine system, claims inquiry system, continuous improvement of electronic underwriting manual, thus increasing the activity of users and initially maintaining the advantage of special technical service.

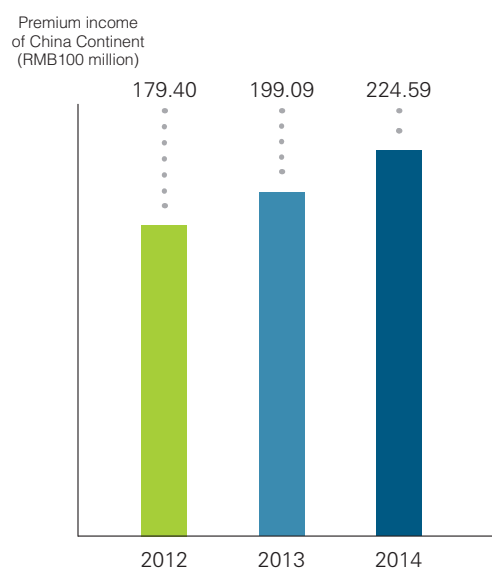
Direct P&C Insurance

In 2014, China Re achieved efficient development in direct P&C insurance. As one of the core subsidiaries of China Reinsurance Group, China Continent Property & Casualty Insurance Company Ltd. achieved gross written premiums of RMB22.459 billion and pre-tax profits of RMB1.146 billion respectively.

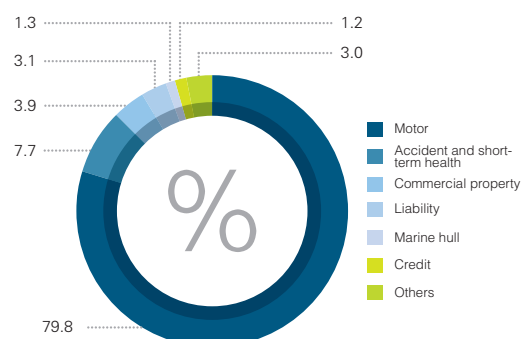
China Continent steadily pushed forward the management reform, improving the stratified management of institutions and performance appraisal system and making endeavor to explore new mode of management. It improved authorized management and promoted flexible resource allocation under the overall constraint of COR. It promoted the building of claims settlement unit and strengthened the professionalization of claims team. It promoted the formulation of new basic law and building of sales team and vigorously advocated sales culture, which enhanced the marketing capability. It strengthened human resources management and built a development access of technique sequence and functional sequence so that four dimensional management systems including management, sales, technology and function were initially established. Moreover, a shipping insurance operating center was set up and the platform for intensive management of shipping insurance was developed. It was also qualified for the business of short-term export credit insurance, which provided a comparative edge for Company to expand the market in terms of insurance.



China Continent's advanced branch is awarded by Li Peiyu, Chairman of China Re



Development of China Continent in Recent Years

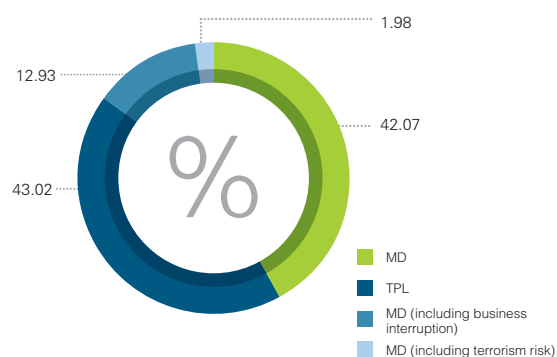


2014 Insurance Business Structure of China Continent Insurance's Original Premium Income

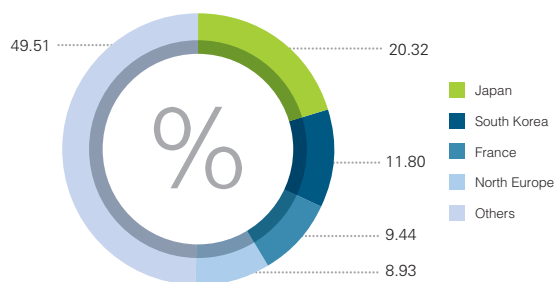
Nuclear Insurance

As the chairman member and management company of China Nuclear Insurance Pool (CNIP), China Re participated in worldwide nuclear insurance business via CNIP, and leveraged its edges in reinsurance field to provide support for the development of CNIP. China Nuclear Insurance Pool took a post as a member of the International Nuclear Insurance Pool General Purpose Commission (GPC) and a member of Engineers Sub-Committee (ESC) in International Nuclear Insurance Pool.

China Re's domestic nuclear insurance business, mainly underwrites nuclear material damage (MD) and nuclear third party liability (TPL) insurance, covers a total of 23 nuclear power generating units of the whole 11 nuclear power plants that have been put into commercial operation in China and storage of spent fuel and transportation of various kinds of nuclear materials. The types of insurances undertaken mainly cover nuclear property insurance and the third party nuclear responsibility insurance. China Re has spread its overseas nuclear business to 23 nuclear power countries and regions in Europe, Asia and America. Its insurance interests covered about 70% of the nuclear facilities in commercial operation throughout the world, and its classes of insurance primarily included nuclear material damage, nuclear TPL insurance, nuclear terrorism insurance and business interruption insurance. In 2014, China Re generated nuclear insurance premium income of RMB57.79 million, of which RMB33.44 million was derived from domestic business and RMB24.35 million from overseas business.



2014 Distribution of Overseas Nuclear Premium Income by Insurance Type



2014 Origin Distribution of Overseas Nuclear Premium Income by Region



The 15th Anniversary of CNIP and Chinese Nuclear Damage Compensation System Establishment and Nuclear Insurance Development Forum

Asset Management

In 2014, China Re, on the basis of insisting on the idea of sound and prudent investment, actively grasped market opportunities and achieved good investment performance. As at the end of 2014, China Re's investment assets reached RMB139.638 billion; China Re's investment (book value) profits reached RMB8.374 billion and realized book rate of returns on investment reached 6.60%, thus reaching a record high level and take up the pioneering position in the insurance industry.

2014 Allocation of Investment Assets in China Re

Cash and short-term time deposit	5.7%
Fixed-income investment	74.0%
Equity and investment funds	16.1%
Investment property	0.3%
Investments in associates	5.6%
Less: Financial assets sold under agreements to repurchase	1.7%

China Re Asset, as a specialized asset management subsidiary of China Re, possesses many business qualifications, such as the qualification of managing the entrusted insurance premiums, the qualification of credit risks managing capacity, the qualification of entrusted investment under infrastructure creditors' rights investment plan, the qualification of products innovative capacity, the qualification of products innovation business capacity under real estate investment plan, the qualification of equity investment business capacity, and the qualification of real estate investment.

In the course of focusing on further improvement and exploration in the market segments of the traditional assets management business including equity investments and bond investments, China Re Asset actively develops business innovations and has made breakthroughs and progresses in products release, alternative investments as well as third party asset management, etc. In terms of products release, China Re Asset has built a product release team with strong innovative design ability which has brought China Re Asset a certain extent of edges in several segments, such as infrastructure construction financing, new urbanization construction financing and project assets support plan. In 2014, China Re Asset successfully launched the first rail transportation share option scheme named "China Re – Beijing Metro Line 16 Equity Investment Plan" in China. In terms of alternative investment, by taking a series of measures, including investing in many overseas and domestic PE funds, real estate projects, initiating and releasing alternative investment products within the company as well as carrying out the business of direct equity investment, the brand and influence of China Re's alternative investment have been preliminarily established. In 2014, China Re Asset was elected "Best Limited Partner in China for 2013-2014" and "Insurance Fund Management Group (Alternative Asset Management Group) for 2013-2014" by China Limited Partners Associates (CLPA). It had also been awarded one of China's Top 10 "Best Limited Partner in 2013" by China Venture Group (China Venture) in 2014 China Investment Summit. In terms of the third party asset management, China Re Asset actively carried out active management investment in accordance with the development trend of overlapping, integration and competition in asset management industry. As at the end of 2014, the balance of assets entrusted by the third parties under China Re Asset's management was RMB58.3 billion.

Other business sectors

Insurance Intermediary

In 2014, China Re realized an income from insurance intermediary business of RMB155 million from insurance agency and consulting service (a year-on-year increase of 5.4%).

Huatai agency's direct insurance brokerage business has succeeded in winning the bidding of 11 subway lines, regaining the pioneering position in insurance industry, moving into the new field of corporate marine insurance for the first time and having achieved significant breakthrough and innovation in insurance business of internet electronic commerce. On the other hand, overseas market business has been steadily promoted by assessment business and new service areas have been actively developed. Maritime business has been strengthened through the maintenance and development of international market, and signing clean-up agreement business continue to be carried out; Overseas traveling business has overcome the adverse impact derived from the slump in Japanese economy and continuous depreciation of yen, and it has made active breakthrough in expanding customers market; The profits of reinsurance brokerage have been increased by improving the service level and strengthening cooperation within the Group; Life insurance business has been successful in setting up the service system, including the establishment

of medical network, call center and service team, and it has established cooperative relationship with more than 230 medical institutions in 28 provinces and cities of the country, thus the integration of domestic and foreign service resources has been initially completed. Risk consulting business made great efforts to develop the market of risk assessment and risk control training and it has been carried out in 12 areas.

News Media

In 2014, China Re news media business segment achieved operating income of RMB52.36 million, with a pre-tax profit of RMB6.99 million.



FINANCIAL STATUS



Consolidated Balance Sheets

Unit: RMB'000

Assets	Line	31 December 2014	31 December 2013	31 December 2012
Assets				
Cash and short-term time deposits	1	7,904,122	7,324,966	2,739,288
Financial assets at fair value through profit or loss	2	2,538,290	2,641,443	5,142,984
Financial assets held under resale agreements	3	1,155,100	236,120	150,000
Interest receivable	4	2,471,128	2,214,185	2,336,466
Premiums receivable	5	589,138	470,688	439,919
Reinsurance debtors	6	11,733,594	14,902,833	11,768,966
Reinsurers' share of unearned premium reserves	7	633,949	595,378	583,939
Reinsurers' share of claim reserves	8	2,709,009	2,446,926	1,608,251
Reinsurers' share of life insurance contract reserves	9	1,715,469	951,688	–
Time deposits	10	31,961,589	30,698,215	35,778,045
Available-for-sale financial assets	11	45,933,623	41,730,934	41,861,291
Held-to-maturity investments	12	18,186,456	17,890,502	17,039,303
Investments classified as loans and receivables	13	12,945,000	7,380,000	2,960,000
Policy loans	14	235,269	180,308	153,092
Investments in associates	15	7,708,646	6,247	6,247
Statutory deposits	16	12,180,351	12,980,316	11,810,291
Investment property	17	433,094	459,808	486,521
Fixed assets	18	2,510,957	2,377,131	2,322,848
Intangible assets	19	313,868	314,279	296,380
Goodwill	20	1,188,538	1,188,538	1,188,538
Deferred tax assets	21	441,955	500,249	493,252
Other assets	22	24,186,033	7,337,839	8,863,075
Total assets	23	189,675,178	154,828,593	148,028,696

- Notes:
1. The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards issued by MOF.
 2. The accounting year starts from 1 January to 31 December.
 3. Consolidated financial statements for the year ended 31 December 2012, 2013 and 2014 have been audited by KPMG Huazhen LLP. Certain items in the consolidated financial statements for the year ended 31 December 2012 and 2013 have been reclassified in accordance with the disclosure of the consolidated financial statements for the year ended 31 December 2014.

Consolidated Balance Sheets (continued)

Unit: RMB'000

Liabilities and equity	Line	31 December 2014	31 December 2013	31 December 2012
Liabilities				
Securities sold under agreements to repurchase	24	2,308,800	3,480,880	12,742,200
Premiums received in advance	25	886,652	699,211	658,146
Handling charges and commissions payable	26	247,291	210,940	181,024
Reinsurance payables	27	4,697,941	8,792,288	7,713,329
Employee benefits payable	28	977,259	631,998	651,276
Taxes payable	29	858,613	247,158	476,045
Claims payable	30	326,992	183,787	185,020
Policyholders' deposits and investment contract liabilities	31	22,142,755	5,982,874	3,158,293
Unearned premium reserves	32	19,851,908	19,105,655	16,414,856
Claim reserves	33	32,818,011	28,993,664	25,453,661
Reserves for life insurance	34	39,795,204	34,305,037	30,018,344
Reserves for long-term health insurance	35	4,780,415	4,593,254	4,243,237
Premium reserves	36	2,064	117,066	171,919
Deferred tax liabilities	37	1,403,586	321,087	470,163
Other liabilities	38	3,942,979	1,275,779	1,221,880
Total liabilities	39	135,040,470	108,940,678	103,759,393
Equity				
Share capital	40	36,407,611	36,407,611	36,407,611
Capital reserve	41	1,166,250	1,138,150	1,138,150
Other comprehensive income	42	2,558,353	-1,073,863	589,268
Surplus reserve	43	697,827	540,445	400,056
General risk reserve	44	1,745,000	1,204,741	822,397
Retained profits	45	11,318,253	7,077,683	4,317,116
Total equity attributable to equity shareholders of the Company	46	53,893,294	45,294,767	43,674,598
Non-controlling interests	47	741,414	593,148	594,705
Total equity	48	54,634,708	45,887,915	44,269,303
Total liabilities and equity	49	189,675,178	154,828,593	148,028,696

Consolidated Income Statements

Unit: RMB'000

	Line	2014	2013	2012
I. Operating income	1	75,655,254	67,536,510	60,036,967
Net premiums earned	2	68,852,408	61,112,102	55,293,159
Gross written premiums	3	73,752,706	67,375,055	59,299,007
Including: Reinsurance premium income	4	51,396,800	47,530,144	41,397,868
Less: Premiums ceded to reinsurers and retrocessionaires	5	-4,191,500	-3,557,874	-2,428,655
Change in unearned premium reserves	6	-708,798	-2,705,079	-1,577,193
Investment income	7	6,234,510	5,809,794	4,001,429
Unrealised gains/(losses)	8	55,059	-51,443	98,971
Exchange (losses)/gains, net	9	-93,391	38,696	15,699
Other operating income	10	606,668	627,361	627,709
II. Operating expenses	11	-70,745,150	-63,237,057	-57,130,542
Surrenders	12	-9,868,091	-5,816,381	-3,945,281
Claims	13	-34,307,693	-30,195,616	-25,988,930
Less: Claims recovery	14	2,296,953	1,062,129	972,003
Change in insurance contract liabilities	15	-9,523,181	-8,381,225	-9,264,463
Less: Reinsurance reserves recovery	16	1,024,946	1,795,853	466,588
Change in premium reserves	17	115,002	54,853	-91,386
Reinsurance commissions	18	-11,021,570	-13,858,732	-11,883,443
Business taxes and surcharges	19	-1,259,161	-1,121,570	-1,026,014
Handling charges and commissions	20	-2,204,876	-1,940,368	-1,752,567
General and administrative expenses	21	-6,187,719	-4,876,213	-4,536,924
Less: Reinsurance commissions recovery	22	786,632	541,616	458,082
Other operating expenses	23	-607,770	-491,520	-321,173
Charge/(reversal) of impairment losses	24	11,378	-9,883	-217,034
III. Operating profit	25	4,910,104	4,299,453	2,906,425
Add: Non-operating income	26	2,120,793	24,792	68,239
Less: Non-operating expenses	27	-24,129	-33,364	-41,438
IV. Profit before tax	28	7,006,768	4,290,881	2,933,226
Less: Income tax expenses	29	-1,531,205	-895,346	-615,548
V. Net profit	30	5,475,563	3,395,535	2,317,678
Attributable to equity shareholders of the Company	31	5,404,320	3,373,200	2,262,487
Non-controlling interests	32	71,243	22,335	55,191
VI. Other comprehensive income after tax	33	3,684,278	-1,681,506	1,338,018
VII. Total comprehensive income	34	9,159,841	1,714,029	3,655,696
Attributable to equity shareholders of the Company	35	9,036,536	1,710,069	3,592,366
Comprehensive income attributable to non-controlling interests	36	123,305	3,960	63,330



SOCIAL RESPONSIBILITY REPORT

In 2014, in a bid to fulfill its social responsibility and to project a healthy corporate image, China Re took upon itself to “diversify economic operation risks and serve the industry’s steady development”

—Demonstrating the social protection aspect of reinsurance

As the de facto national reinsurance company, China Re has sought to actively perform the said function and to act as a “stabilizer” and “safety net” within the insurance industry, especially, in relation to national economy and the people’s livelihood and disaster management. This has consequently stimulated not only national economic development but also social harmony and stability. On the other hand, China Re P&C has undertaken in-depth research with the hope of determining a mechanism for disaster risk diversification pertaining to agricultural insurance. It has also played an active role in the formation of the “China Agricultural Reinsurance Pool” and serves as the management agency. Furthermore, mere China Re P&C has participated in the establishing of a national disaster insurance system and has taken part in the trial of the Ningbo typhoon, flood and disaster insurance pilot scheme. In addition, China Re Life actively participates in the compilation of the third collection of the mortality table in the industry, several other projects concerning the industry, including establishing the Industry Standards in relation to Classification of Occupations, the Study Guide for the Life Insurance Underwriting and Claims Qualification Certification as well as the Optimum Tax Commercial Health Insurance.

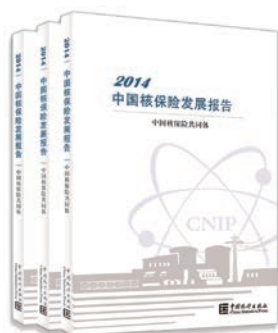
—Demonstrating its technical dominance while doing its part in the development of the industry

China Re has continued to develop a comprehensive risk management system and to drive the implementation of a risk preference evaluation system so as to achieve an integrated and autonomous economic capital model. Moreover, China Re has exploited its technological dominance to actively participate in the “C-ROSS” supervision system, the overall plan for the disaster insurance system and the market reforms pertaining to commercial motor insurance premium rates. China Re was also able to successfully convene and organize the 14th Asian Reinsurers’ Summit, 2014 China Property & Casualty Insurance Industry CEO Round Table Conference, the Chinese Property Reinsurance Market Seminar, the China Chief Actuaries (Life Insurance) Forum and a series of high-end industry forums. All these serve to promote intra-industry technical exchanges as well as communications between the respective international counterparts.



China Re received accolades for its compilation and editing of professional insurance publications

—Maintaining its support for the development of the national nuclear insurance



2014 Chinese Nuclear Insurance Development Report

2014 marks the 15th year since the establishment of the Chinese Nuclear Insurance Pool. As one of the foremost insurance models with regards to nuclear risk diversification, the Nuclear Insurance Pool has been a pillar in the peaceful development and use of nuclear energy, successfully drawing from international experience and yet carving a distinct path to meet the nuclear insurance needs of China. Accordingly, the Nuclear Insurance Pool has become an important platform and a symbol for the contributions of the insurance industry towards nuclear development. The release of the *2014 Chinese Nuclear Insurance Development Report* provides important analysis and strategic advice in relation to Chinese nuclear insurance and risk management, trends in nuclear risk and the establishment of a nuclear damages and claims system.

—Promoting employee growth and welfare

China Re continues to attach great importance to talent development and has set up a multi-faceted system not only to cultivate talent but to enable them to demonstrate and utilize their skills. In addition, China Re also established a Labor Union and put in place a “employees’ congress” system and procedure. Consequently, the employees are able to genuinely be involved in the business and its management. China Re has sought to foster its corporate culture via a variety of recreational and sports activities as well as amenities. The fitness center and the library allow employees to relax their minds and bodies, thereby stimulating learning and growth. The end result is the strengthening of the employer-employee bond and a sense of ownership.



Enriching and fun-filled activities for employees



China Re employees imbued with vitality

—Dedicated to providing disaster assistance and relief

After the occurrence of an earthquake in Ludian, Yunnan Province, China Re and its subsidiaries contributed the amount of RMB4 million to the disaster zone as a form of relief and to aid in the post-disaster recovery and reconstruction. China Re and its subsidiary, China Continent also initiated the “emergency processing mechanism”, acting rapidly and efficiently in the handling and settlement of claims and doing its part to help in disaster relief. Again, when a serious traffic accident occurred along the Shaohuai section of the Shanghai-Kunming highway on July 19th, China Continent set in motion the “major incident emergency response mechanism” and commenced advance payment procedures without delay. All in all, the company disbursed RMB20 million in advance payments, merely four days after the accident. These served as reparations which provided relief to the insured.

—Actively engaged in social public welfare

Over the years, China Re has been involved in helping the needy in Xunhua County, Qinghai Province. To this end, China Re has built “China Re reading rooms”, donated 14,129 books and replaced 750 sets of tables and chairs for 17 primary schools within Xunhua County in 2014. In addition, it has also been providing lunch stipends for 2,050 primary school students, conducted in-depth field studies in low-income counties and provided tuition assistance of RMB5,000 each for 60 needy students who had successfully gained admittance to universities in 2014. China Re P&C continued its Hainan Educational project “Responsibly Illuminating the Future” and China Re Life established donated the “China Re Life Charity Woods” while China Re Asset’s “New Green Charity Plan” to assist the needy and promote education continues for the second year. China Continent went on to set up the “China Continent Insurance Hope Project – Sports Fund”, cooperating with the China Youth Development Foundation to develop 300 “China Continent Sports Campus”. For its efforts, China Continent was bestowed the “Hope Project – 25 Years of Outstanding Contribution” by the China Youth Development Foundation.



China Re Asset developed “New Green Charity Plan” to assist the needy and promote education



Liang Xiang, the Secretary of the Disciplinary Inspection Commission of China Investment Corporation, awarding tuition assistance for needy college students in Xunhua County, Qinghai Province



China Continent Sports Campus



SUBSIDIARIES AND CONTACT METHODS

SUBSIDIARIES

China Property & Casualty Reinsurance Company Ltd.

China Re P&C, founded on December 15th, 2003, is the largest professional property & casualty reinsurance company in China. Headquartered in Beijing, the company has a registered capital of RMB10.03 billion.

Guided by its strategy of “marketization, professionalization and internationalization”, China Re P&C is committed to becoming a professional property & casualty reinsurance company with advanced technical expertise, efficient management, strong innovation capabilities and dominant market influence. It also endeavors to be profitable, capital-sufficient while simultaneously providing excellent service. In 2014, China Re P&C strengthened its dominant position in the market in line with its corporate philosophy of “controlling risks, making structural adjustments, ensuring profits”. While careful to maintain stability, it also sought to promote reform and innovation. As a result, reinsurance premium for the year reached RMB29.296 billion in total.

China Re has sought to actively perform the function of a “national reinsurance company” coordinating with the regulatory authorities in the formation of the “China Agricultural Reinsurance Pool” and for which it acts as the management agency. To this end, China Re P&C has also participated in the establishment of a national disaster insurance system and has taken part in the trials of the Shenzhen, Ningbo and Yunnan disaster insurance pilot schemes. It has also devoted much time and effort in developing the multi-faceted client service channels through a gradual process. China Re P&C successfully hosted the 2014 China P&C Reinsurance Market Seminar and 2014 China Property & Casualty Insurance Industry CEO Annual Round Table Conference. Through these meetings, its services to the industry players were enhanced, via improvements in model pricing, products development and data mining. As a result, customer satisfaction improved, while its influence in the industry grew.

China Life Reinsurance Company Ltd.

China Re Life was founded on December 16th, 2003, and is the sole company specializing in life reinsurance incorporated in mainland China. It is also the largest life reinsurance company in China. Headquartered in Beijing, the company has a registered capital of RMB6.72 billion.

China Re Life’s business scope extends from life insurance, health insurance, accident insurance, annuities to various other types of insurance. Due to the unique position it holds, China Re Life has been able to execute a balanced development strategy via stable development in both domestic and foreign businesses, balanced structure in its product offerings such as insurance, savings and financial reinsurance and the ability to exploit the business landscape where both traditional and emerging businesses are able to mutually benefit and grow. In 2014, China Re Life, basing

its development strategy of “increasing efficiency, raising value”, successfully maintained its prominence in the industry, achieved total revenue from realized reinsurance premium of RMB20.957 billion for the full year.

China Re Life continued to boost its technical strength and actively participates in the compilation of the industry’s third collection of the mortality table, several other projects concerning the industry, including establishing the *Industry Standards* in relation to Classification of Occupations, the Study Guide for the Life Insurance Underwriting and Claims Qualification Certification as well as the Optimum Tax Commercial Health Insurance. In particular, China Re Life paid great attention to the establishment of a multi-dimensional customer relations support system and has managed to achieve a competitive edge in the areas of the underwriting engine, electronic claims, branding and training. Hence, customer experience and satisfaction have been on the uptrend.

China Continent Property & Casualty Insurance Company Ltd. (CCIC)

The sole direct P&C insurance company under the China Re Group, China Continent is a nationwide P&C insurance Company established in Shanghai on October 15th, 2003 with a registered capital of RMB7.302 billion. It has 35 branches and an operating office, with more than 1,800 sub-branches in provinces, cities, prefectures and counties, forming a formidable nationwide service network. As at the end of 2014, the company generated RMB22.459 billion in revenue gleaned from realized insurance premiums, ranking 6th in the market.

Since its establishment, China Continent realized the great leap forward during the past eleven years and gained good social recognition. It ranked the 7th in the people.com survey of 2005’s “Top Ten Insurance Companies Most Trusted by Netizens”. China Continent ranked first in the sina.com 2006 survey of the “Most Reliable Insurance Companies by Netizens”. In 2008, China Continent entered the list of “Top 500 Enterprises in China” for the first time, and has since appeared on the list of “Top 500 Service Enterprises in China” successively for 3 times. It entered the list of “Top 100 Enterprises in Shanghai” in 2007 and entered for impressively 5 times thereafter. In 2008, China Continent was awarded “The Insurer Providing the Most Expedient Settlement of P&C Claims” from sohu.com. Its national customer service hotline-95590 has been awarded “Best Customer Service Contact Center in China” for 6 times. In 2010, it was awarded the “Best Insurance Service Innovation Award” from sohu.com, the “2010 Most Reliable P&C Insurer Award” from hexun.com, the “Insurer Exhibiting the Most Growth” from eastmoney.com and the “Insurer Exhibiting the Most Growth” during the Fourth Insurance Innovation Competition as well as the award of “Best Performance by

an Insurer for Claims Settlement in 2010" from cnfol.com. In 2011, it was awarded the "Chinese Brand Exhibiting the Most Growth – First Place" at the 6th Asian Brand Ceremony, the "Annual Most Reliable P&C Insurer" from hexun.com, and the "Most Influential Insurance Brand" at the 6th Insurance Innovation Award. Further, in 2012, it was conferred the "Financial Institution with the Highest Customer Satisfaction – 2012", the "Consumer Financial Institution", and the "Golden Bell" awards. In the subsequent year, it achieved the "2013 Top 100 Brands in China", the "Most Trusting P&C Insurance Institution", the "Most Socially Responsible Enterprise of the Year", "Operation and Service Model Innovation" awards and the "Outstanding Enterprise Award for Corporate Social Responsibility – 2013". In 2014, the Company was granted the ISO9001 and ISO14001 certificates for motor insurance claims service by the United Kingdom Accreditation Service ("UKAS"), the sole national accreditation body recognized by the British government. Finally, it was also bestowed the "2014 Best Customer Service Center" and the "Hope Project – 25 Years of Outstanding Contributions" awards.

China Continent has always adhered to the corporate mission of "good faith, long-run stability, value supremacy and social responsibility" as well as the corporate spirit of "to enjoy a brilliant future by exploring, to build a joint career in CCIC". China Continent's development is based on the continuing but gradual restructuring and transforming of its businesses, while simultaneously, retaining its "Continent" characteristics. With this in mind, It will work towards improving its competitive edge and accentuating its position within the industry.

China Re Asset Management Company Ltd.

China Re Asset, one of the four pioneering insurance asset management companies to be set up and to operate in China, was established on February 18th, 2005. In recent years, China Re Asset has amassed exceptional investment returns predicated on its strategy of "marketization, professionalization and internationalization" as well as sound management and dedication. Further, it has managed to put in place a stable, ambitious, open-minded and innovative team. China Re Asset has actively pursued innovation and breakthrough in the areas of asset management, product offerings, alternative investments and its international business; it has sought improvements in areas such as risk control, information system as well as other middle/back office infrastructure. All these have led to an escalation in China Re Asset's position and image within the industry and the general public and it is now a core business within the China Re Group.

Currently, the asset management industry sector in China is ushering facing in a "grand asset management" an era of in-depth liberalization opening and reforming. In order to fully grasp this historic opportunity, China Re Asset will undergo a "rebirth and transformation". It will make every effort to

strengthen and improve its traditional asset management business such as fixed income investment and equity investment while actively seeking emerging businesses. These include new product offerings and investment, alternative investment and third party asset management and a steady move towards international business so as to build an integrated "grand asset management" platform geared towards the market.

China Insurance Media Company Ltd.

China Insurance Media Company Ltd. was the first joint-stock media enterprise in China. The company owns China Insurance News as well as an insurance web portal – Sinoins.com and has a registered capital of RMB100 million. The company is jointly invested by China Reinsurance (Group) Corporation, China Life Insurance (Group) Company, the People's Insurance Company (Group) of China Limited and Changxiang Investment Group Co., Ltd., with China Re as the controlling shareholder.

The company relies on the insurance industry, highlights core business, serves the industry and plays the role of the main media channel of the insurance industry. It adheres to the corporate values of "honesty, pragmatism, professionalism and dedication" and is committed to becoming a modern financial media enterprise with multiple business offerings, such as newspapers, websites, big data services and multimedia client terminals. It is also working towards enhancing its capabilities in sustainable development and its core competencies.

Huatai Insurance Agency & Consultant Service Ltd.

Founded on March 1st, 1993 and headquartered in Beijing, Huatai Insurance Agency & Consultant Service Ltd. is the first nationwide insurance brokerage services company to be approved by the national insurance regulatory department. The company is jointly held by China Re, China Taiping Insurance Holdings Co., Ltd., IBL Limited and Singapore Reinsurance Co., Ltd.

The business scope of Huatai Insurance Agency & Consultant Service Ltd. extends from insurance brokerage, loss assessment, marine affairs, marine travel, personal accident insurance, risk consulting and reinsurance brokerage. Its service network spreads across the country. After 21 years of operations, the company has become one of the premier insurance brokerage companies in China and boasts pioneering technology and the widest range of service offerings within the insurance industry. Its professional ethics and sound expertise has won high praises from customers and peers in the industry, contributing to the healthy brand image in the domestic and international insurance market.

CONTACT METHODS

China Re & Its Domestic Subsidiaries

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China Property & Casualty Reinsurance Company Ltd.	Address: China Re Building, No. 11, Jinrong Avenue, Xicheng District, Beijing Post Code: 100033 Tel: (8610) 6657 6188 Fax: (8610) 6655 3688 Website: www.cpcr.com.cn
China Life Reinsurance Company Ltd.	Address: China Re Building, No. 11, Jinrong Avenue, Xicheng District, Beijing Post Code: 100033 Tel: (8610) 6657 6366 Fax: (8610) 6657 6363 Website: www.chinalifere.cn
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China Insurance Media Company Ltd.	Address: No.51, Wujiachang Road, Haidian District, Beijing Post Code: 100036 Tel: (8610) 6399 8282 Fax: (8610) 6399 8300 Website: www.zgbxb.com
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