中再集团

China Reinsurance (Group) Corporation
中國再保險（集團）股份有限公司
(A joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 1508)

ANNOUNCEMENT OF THE UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

The board of directors of China Reinsurance (Group) Corporation hereby announces the unaudited interim results of the Group for the six months ended 30 June 2020 together with the comparative figures for the corresponding period in 2019, which should be read in conjunction with the following management discussion and analysis.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	**Six months ended 30 June 2020 (Unaudited)**	2019 (Unaudited)
Gross written premiums	*4*	**102,123,295**	84,771,557
Less: Premiums ceded to reinsurers and retrocessionaires	*4*	**(7,799,823)**	(5,959,943)
Net written premiums	*4*	**94,323,472**	78,811,614
Changes in unearned premium reserves		**(5,243,082)**	(5,729,204)
Net premiums earned		**89,080,390**	73,082,410
Reinsurance commission income		**1,583,780**	903,957
Investment income	*5*	**6,927,817**	5,189,255
Exchange losses, net		**(31,127)**	(15,012)
Other income		**1,893,796**	878,459
Total income		**99,454,656**	80,039,069

	Note	Six months ended 30 June 2020 (Unaudited)	2019 (Unaudited)
Total income		**99,454,656**	80,039,069
Claims and policyholders' benefits	*6*	**(71,814,702)**	(55,914,408)
– Claims incurred		**(32,110,170)**	(25,973,382)
– Life and health reinsurance death and other benefits paid		**(5,502,480)**	(17,716,183)
– Changes in long-term life and health reinsurance contract liabilities		**(34,202,052)**	(12,224,843)
Handling charges and commissions		**(14,216,488)**	(11,136,890)
Finance costs		**(815,698)**	(613,306)
Other operating and administrative expenses		**(10,218,487)**	(9,338,892)
Total benefits, claims and expenses		**(97,065,375)**	(77,003,496)
Share of profits of associates		**897,332**	1,157,975
Profit before tax	*7*	**3,286,613**	4,193,548
Income tax	*8*	**(537,242)**	(577,480)
Profit for the period		**2,749,371**	3,616,068
Attributable to:			
Equity shareholders of the parent		**2,467,421**	3,319,727
Non-controlling interests		**281,950**	296,341
Profit for the period		**2,749,371**	3,616,068
Earnings per share (in RMB)	*10*		
– Basic		**0.06**	0.08
– Diluted		**0.06**	0.08

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020
(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Profit for the period	**2,749,371**	3,616,068
Other comprehensive income for the period after tax		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit obligation	**2,986**	(9)
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates, after tax	**(14,123)**	6,258
Available-for-sale financial assets, after tax	**208,646**	2,519,864
Exchange differences on translation of financial statements of foreign operations	**106,394**	22,525
Other comprehensive income for the period after tax	**303,903**	2,548,638
Total comprehensive income for the period	**3,053,274**	6,164,706
Attributable to:		
Equity shareholders of the parent	**2,820,530**	5,678,803
Non-controlling interests	**232,744**	485,903
Total comprehensive income for the period	**3,053,274**	6,164,706

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	**30 June 2020 (Unaudited)**	31 December 2019 (Audited)
Assets			
Cash and short-term time deposits		**16,930,276**	20,262,473
Financial assets at fair value through profit or loss		**14,371,395**	11,856,246
Derivative financial instruments		**499,873**	411,129
Financial assets held under resale agreements		**5,269,035**	2,981,215
Premiums receivable	*11*	**17,496,131**	14,755,963
Reinsurance debtors	*12*	**84,941,293**	55,939,565
Investment contracts receivable		**8,198,807**	3,433,251
Reinsurers' share of insurance contract liabilities		**22,544,964**	18,173,603
Reinsurer's share of policy loans		**530,124**	503,744
Time deposits		**16,270,593**	3,907,342
Available-for-sale financial assets		**139,736,444**	117,402,385
Held-to-maturity investments		**33,049,515**	34,593,283
Investments classified as loans and receivables		**43,538,937**	43,726,769
Statutory deposits		**17,223,184**	15,723,184
Investment properties		**7,759,359**	7,891,771
Property and equipment		**2,924,293**	3,007,394
Right-of-use assets		**1,318,125**	1,176,562
Intangible assets		**2,261,463**	2,267,111
Investments in associates	*13*	**24,353,296**	24,061,529
Goodwill		**1,642,316**	1,635,695
Deferred tax assets		**1,760,786**	1,314,116
Other assets		**14,786,545**	11,614,058
Total assets		**477,406,754**	396,638,388

	Note	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Liabilities and equity			
Liabilities			
Short-term borrowings		**274,720**	732,349
Securities sold under agreements to repurchase		**28,795,775**	21,487,751
Reinsurance payables		**25,153,930**	17,947,144
Income tax payable		**951,843**	1,353,982
Policyholders' deposits		**5,689,253**	2,839,974
Investment contract liabilities		**29,116,011**	22,066,813
Insurance contract liabilities		**241,353,035**	191,637,068
Notes and bonds payable		**19,559,562**	19,390,012
Long-term borrowings		**3,879,555**	3,821,130
Lease liabilities		**1,209,971**	1,117,491
Deferred tax liabilities		**2,338,111**	1,860,121
Other liabilities		**20,922,837**	15,406,564
Total liabilities		**379,244,603**	299,660,399
Equity			
Share capital	*14*	**42,479,808**	42,479,808
Reserves		**23,310,927**	22,957,818
Retained profits		**22,296,975**	21,698,666
Total equity attributable to equity shareholders of the parent		**88,087,710**	87,136,292
Non-controlling interests		**10,074,441**	9,841,697
Total equity		**98,162,151**	96,977,989
Total liabilities and equity		**477,406,754**	396,638,388

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

(Expressed in thousands of Renminbi, unless otherwise stated)

		Attributable to equity shareholders of the parent											
			Reserves										
	Note	**Share capital**	**Capital reserve**	**Surplus reserve**	**General risk reserve**	**Agriculture catastrophic loss reserve**	**Defined benefit obligation remeasurement reserve**	**Fair value reserve**	**Exchange reserve**	**Retained profits**	**Subtotal**	**Non-controlling interests**	**Total equity**
As at 31 December 2019 (Audited)		**42,479,808**	**10,725,376**	**2,288,028**	**5,380,024**	**9,968**	**14,274**	**4,532,496**	**7,652**	**21,698,666**	**87,136,292**	**9,841,697**	**96,977,989**
Profit for the period		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,467,421**	**2,467,421**	**281,950**	**2,749,371**
Other comprehensive income		**–**	**–**	**–**	**–**	**–**	**2,986**	**243,729**	**106,394**	**–**	**353,109**	**(49,206)**	**303,903**
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	**2,986**	**243,729**	**106,394**	**2,467,421**	**2,820,530**	**232,744**	**3,053,274**
Distributions to shareholders of the parent	*9*	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,869,112)**	**(1,869,112)**	**–**	**(1,869,112)**
As at 30 June 2020 (Unaudited)		**42,479,808**	**10,725,376**	**2,288,028**	**5,380,024**	**9,968**	**17,260**	**4,776,225**	**114,046**	**22,296,975**	**88,087,710**	**10,074,441**	**98,162,151**

		Attributable to equity shareholders of the parent											
			Reserves										
	Note	Share capital	Capital reserve	Surplus reserve	General risk reserve	Agriculture catastrophic loss reserve	Defined benefit obligation remeasurement reserve	Fair value reserve	Exchange reserve	Retained profits	Subtotal	Non-controlling interests	Total equity
As at 31 December 2018 (Audited)		42,479,808	10,724,722	2,021,523	4,690,828	9,968	(27,845)	154,428	(26,702)	18,254,471	78,281,201	8,972,616	87,253,817
Impact of change in accounting policy in associate		–	–	–	–	–	–	145,192	–	(332,575)	(187,383)	(34,918)	(222,301)
Restated total equity at 1 January 2019		42,479,808	10,724,722	2,021,523	4,690,828	9,968	(27,845)	299,620	(26,702)	17,921,896	78,093,818	8,937,698	87,031,516
Profit for the period		–	–	–	–	–	–	–	–	3,319,727	3,319,727	296,341	3,616,068
Other comprehensive income		–	–	–	–	–	(9)	2,336,560	22,525	–	2,359,076	189,562	2,548,638
Total comprehensive income		–	–	–	–	–	(9)	2,336,560	22,525	3,319,727	5,678,803	485,903	6,164,706
Distributions to shareholders of the parent	*9*	–	–	–	–	–	–	–	–	(1,316,874)	(1,316,874)	–	(1,316,874)
Dividend paid to non-controlling interests		–	–	–	–	–	–	–	–	–	–	(91,620)	(91,620)
Others		–	655	–	–	–	–	–	–	–	655	363	1,018
As at 30 June 2019 (Unaudited)		42,479,808	10,725,377	2,021,523	4,690,828	9,968	(27,854)	2,636,180	(4,177)	19,924,749	82,456,402	9,332,344	91,788,746

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020
(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Operating activities		
Cash generated from operations	**25,306,549**	8,200,059
Income tax paid	**(1,281,964)**	(729,131)
Net cash flows generated from operating activities	**24,024,585**	7,470,928
Investing activities		
Interests received	**5,006,784**	4,793,959
Dividends received	**655,535**	512,604
Purchases of property and equipment, investment properties and intangible assets	**(155,581)**	(1,272,747)
Proceeds from disposals of property and equipment, investment properties and intangible assets	**671**	58,813
Acquisition of subsidiary, net of cash and cash equivalent acquired	**–**	(184,474)
Purchases of investments	**(107,036,197)**	(80,121,352)
Proceeds from disposals of investments	**69,119,859**	75,349,745
Net cash flows used in investing activities	**(32,408,929)**	(863,452)

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Financing activities		
Changes in third party investors' interests of consolidated structured entities, net	**(557,978)**	(529,256)
Proceeds from bank borrowings	**200,000**	309,611
Cash paid for debt	**(624,292)**	–
Interests paid	**(573,328)**	(375,233)
Cash paid for lease liabilities	**(222,614)**	(254,402)
Dividends paid by subsidiaries to non-controlling interests	**–**	(91,620)
Net proceeds from securities sold under agreements to repurchase	**7,423,535**	667,436
Net cash flows generated from/(used in) financing activities	**5,645,323**	(273,464)
Net (decrease)/increase in cash and cash equivalents	**(2,739,021)**	6,334,012
Cash and cash equivalents at the beginning of the period	**21,267,582**	14,701,860
Effect of foreign exchange rate changes	**138,770**	93,708
Cash and cash equivalents at the end of the period	**18,667,331**	21,129,580
Cash and short-term time deposits	**16,930,276**	20,147,203
Add: Financial assets held under resale agreements with original maturity of no more than three months	**5,269,035**	2,855,200
Less: Restricted cash and short-term time deposits	**(3,531,980)**	(1,872,823)
Cash and cash equivalents at the end of the period	**18,667,331**	21,129,580

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2020
(Expressed in thousands of Renminbi, unless otherwise stated)

1 Corporate information

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

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

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

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

2 Basis of preparation and significant accounting policies

(1) Basis of preparation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board, and the applicable disclosure requirements of Appendix 16 to the Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2019.

(2) Significant accounting policies

(a) New accounting standards and amendments adopted by the Group for the first time for the financial year beginning on 1 January 2020

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest rate benchmark reform
Revised Conceptual Framework for Financial Reporting	

Adoption of the above standards and amendments does not have a significant impact on the interim financial information.

(b) Accounting standards and amendments that are effective but temporary exemption is applied by the Group

IFRS 9, Financial Instruments

On 24 July 2014, the IASB issued the complete standard of IFRS 9 (IFRS 9 (2014)).

Classification and measurement of financial assets and financial liabilities

IFRS 9 retains but simplifies the mixed measurement model by allowing three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income, with the basis of classification dependent on the entity's business model and contractual cash flow characteristics of the financial assets. IFRS 9 introduces a new requirement that the gain or loss on a financial liability designated at fair value through profit or loss that is attributable to changes in the entity's own credit risk is recognised in other comprehensive income; the remaining amount of change in fair value is recognised in profit or loss ("**own credit risk requirements**").

Impairment

The new impairment methodology in IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model. Under IFRS 9, it is not necessary for a credit event to have occurred before credit losses are recognised.

The IASB has issued amendments to IFRS 4 Insurance Contracts 'Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts'. The amendments provide two optional approaches to deal with the mismatched effective dates of IFRS 9 and the new insurance contracts standard to replace IFRS 4:

(a) The overlay approach: all companies that issue insurance contracts have the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and

(b) The deferral approach: companies whose activities are predominantly connected with insurance have an optional temporary exemption from applying IFRS 9 until 2021. Entities that defer the application of IFRS 9 will continue to apply IAS 39 Financial Instruments: Recognition and Measurement.

IAS 28 Investments in Associates and Joint Ventures require an entity to apply uniform accounting policies when using the equity method. Nevertheless, for annual periods beginning before 1 January 2021, an entity is permitted, but not required, to retain the relevant accounting policies applied by the associate or joint venture as follows:

(a) The entity applies IFRS 9 but the associate or joint venture applies the temporary exemption from IFRS 9; or

(b) The entity applies the temporary exemption from IFRS 9 but the associate or joint venture applies IFRS 9.

The Group concludes that the Group's operation activities are predominantly connected with insurance. The Group decides to apply the temporary exemption for IFRS 9. The Group's major associates, China Everbright Bank Company Limited ("**CEB**"), applied IFRS 9 from 1 January 2018. The Group decides not to adopt uniform accounting policies for associates in group level.

(c) New accounting standards and amendments that are not yet effective and have not been early adopted by the Group for the financial year beginning on 1 January 2020

IFRS 17, Insurance Contracts

IFRS 17 was published on 18 May 2017. IFRS 17 established principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It replaces IFRS 4, which currently permits a wide variety of practices. IFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cashflows, a risk adjustment and a contractual service margin representing the unearned profit of the contract. The Group is in the process of assessing the impact of IFRS17.

The effective date of IFRS 17 (including amendments) will be deferred to annual reporting periods beginning on or after 1 January 2023; the due date for the temporary exemption from IFRS 9 in IFRS 4 has been deferred to annual reporting periods beginning on or after 1 January 2023.

3 Segment information

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

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

- The property and casualty reinsurance segment, operated by the Company and subsidiaries of the Company China Property and Casualty Reinsurance Company Ltd. ("**China Re P&C**"), etc. offers a wide variety of reinsurance products for various property and casualty insurance, such as motor, property, agricultural and liability insurance, etc., and also includes the business operated by China Re UK Limited ("**China Re UK**") and Chaucer. Chaucer mainly includes China Re International Holdings Limited ("**CRIH**"), CIC (Chaucer Insurance Company Designated Activity Company) and CRAH (China Re Australia HoldCo Pty Ltd).

- The life and health reinsurance segment, operated by the Company and its subsidiary Company China Life Reinsurance Company Ltd. ("**China Re Life**"), offers a wide range of reinsurance products, such as life, health and accident insurance, etc.

- The primary property and casualty insurance segment, operated by the subsidiary of the Company China Continent Property and Casualty Insurance Company Ltd. ("**China Continent Insurance**"), offers a wide variety of insurance products and other businesses including motor, property and liability insurance, etc.

- The asset management segment, operated by the subsidiary of the Company, China Re Asset Management Company Ltd. ("**China Re AMC**"), offers asset management services and manages assets and liabilities related to notes issued in overseas.

- Other segments and activities primarily consist of the holding company that manages and supports the business development of the Group with its strategy, risk management, actuary, finance, legal and human resource functions; the insurance agency business and other businesses provided by the Group.

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

More than 80% of the Group's revenue is derived from its operations in Mainland China.

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

	For the six months ended 30 June 2020 (Unaudited)						
	Property and casualty reinsurance	**Life and health reinsurance**	**Primary property and casualty insurance**	**Asset management**	**Others**	**Elimination**	**Total**
Gross written premiums	27,077,618	50,499,695	25,763,015	–	–	(1,217,033)	102,123,295
Less: Premiums ceded to reinsurers and retrocessionaires	(3,046,805)	(3,273,452)	(2,696,005)	–	–	1,216,439	(7,799,823)
Net written premiums	24,030,813	47,226,243	23,067,010	–	–	(594)	94,323,472
Changes in unearned premium reserves	(2,611,160)	(1,163,719)	(1,466,411)	–	–	(1,792)	(5,243,082)
Net premiums earned	21,419,653	46,062,524	21,600,599	–	–	(2,386)	89,080,390
Reinsurance commission income	411,428	699,967	930,076	–	–	(457,691)	1,583,780
Investment income	1,636,699	3,206,538	1,566,055	388,596	137,376	(7,447)	6,927,817
Exchanges gains/(losses), net	894	(127,345)	28,526	42,693	13,471	10,634	(31,127)
Other income	55,256	925,204	691,456	248,619	217,149	(243,888)	1,893,796
Total income	23,523,930	50,766,888	24,816,712	679,908	367,996	(700,778)	99,454,656
– External income	22,551,106	50,701,761	25,405,172	485,981	310,636	–	99,454,656
– Inter-segment income	972,824	65,127	(588,460)	193,927	57,360	(700,778)	–
Claims and policyholders' benefits	(13,622,364)	(45,648,250)	(12,542,421)	–	–	(1,667)	(71,814,702)
– Claims incurred	(13,622,364)	(5,943,718)	(12,542,421)	–	–	(1,667)	(32,110,170)
– Life and health reinsurance death and other benefits paid	–	(5,502,480)	–	–	–	–	(5,502,480)
– Changes in long-term life and health reinsurance contract liabilities	–	(34,202,052)	–	–	–	–	(34,202,052)
Handling charges and commissions	(7,948,865)	(3,294,621)	(3,434,100)	–	–	461,098	(14,216,488)
Finance costs	(301,112)	(217,057)	(89,643)	(189,791)	(18,095)	–	(815,698)
Other operating and administrative expenses	(894,902)	(995,240)	(7,717,230)	(226,371)	(634,969)	250,225	(10,218,487)
Total benefits, claims and expenses	(22,767,243)	(50,155,168)	(23,783,394)	(416,162)	(653,064)	709,656	(97,065,375)
Share of profits of associates	16,151	499,895	1,348	5,972	452,200	(78,234)	897,332
Profit before tax	772,838	1,111,615	1,034,666	269,718	167,132	(69,356)	3,286,613
Income tax	(74,281)	(236,980)	(236,397)	(14,736)	25,152	–	(537,242)
Profit for the period	698,557	874,635	798,269	254,982	192,284	(69,356)	2,749,371

	For the six months ended 30 June 2019 (Unaudited)						
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	Total
Gross written premiums	23,032,630	38,426,901	24,378,888	–	–	(1,066,862)	84,771,557
Less: Premiums ceded to reinsurers and retrocessionaires	(2,558,532)	(2,318,486)	(2,137,329)	–	–	1,054,404	(5,959,943)
Net written premiums	20,474,098	36,108,415	22,241,559	–	–	(12,458)	78,811,614
Changes in unearned premium reserves	(1,982,274)	(923,368)	(2,822,389)	–	–	(1,173)	(5,729,204)
Net premiums earned	18,491,824	35,185,047	19,419,170	–	–	(13,631)	73,082,410
Reinsurance commission income	256,850	339,270	712,045	–	–	(404,208)	903,957
Investment income (Note)	1,208,443	1,953,233	1,004,852	730,564	913,926	(621,763)	5,189,255
Exchanges (losses)/gains, net	(35,175)	(7,982)	934	20,973	3,202	3,036	(15,012)
Other income	59,563	235,143	357,628	246,077	231,973	(251,925)	878,459
Total income	19,981,505	37,704,711	21,494,629	997,614	1,149,101	(1,288,491)	80,039,069
– External income	19,050,755	37,683,305	22,019,746	801,151	484,112	–	80,039,069
– Inter-segment income	930,750	21,406	(525,117)	196,463	664,989	(1,288,491)	–
Claims and policyholders' benefits	(10,319,901)	(35,093,182)	(10,514,340)	–	–	13,015	(55,914,408)
– Claims incurred	(10,319,901)	(5,152,156)	(10,514,340)	–	–	13,015	(25,973,382)
– Life and health reinsurance death and other benefits paid	–	(17,716,183)	–	–	–	–	(17,716,183)
– Changes in long-term life and health reinsurance contract liabilities	–	(12,224,843)	–	–	–	–	(12,224,843)
Handling charges and commissions	(7,209,212)	(1,303,941)	(3,034,560)	–	–	410,823	(11,136,890)
Finance costs	(166,832)	(170,355)	(83,749)	(184,508)	(7,862)	–	(613,306)
Other operating and administrative expenses	(1,074,686)	(765,063)	(6,980,784)	(179,416)	(590,177)	251,234	(9,338,892)
Total benefits, claims and expenses	(18,770,631)	(37,332,541)	(20,613,433)	(363,924)	(598,039)	675,072	(77,003,496)
Share of profits/(losses) of associates	160,497	627,305	111,107	(290)	442,105	(182,749)	1,157,975
Profit before tax	1,371,371	999,475	992,303	633,400	993,167	(796,168)	4,193,548
Income tax	(177,590)	(162,918)	(152,010)	(33,435)	(51,527)	–	(577,480)
Profit for the period	1,193,781	836,557	840,293	599,965	941,640	(796,168)	3,616,068

Note: Investment income of other segments in 2019 includes dividends from subsidiaries of RMB609 million.

	30 June 2020 (Unaudited)						
	Property and casualty reinsurance	**Life and health reinsurance**	**Primary property and casualty insurance**	**Asset management**	**Others**	**Elimination**	**Total**
Segment assets	**120,453,658**	**234,925,385**	**85,968,606**	**14,820,928**	**60,163,373**	**(38,925,196)**	**477,406,754**
Segment liabilities	**(95,493,443)**	**(209,416,008)**	**(58,092,410)**	**(11,475,350)**	**(11,100,177)**	**6,332,785**	**(379,244,603)**

	31 December 2019 (Audited)						
	Property and casualty reinsurance	Life and health reinsurance	Primary property and casualty insurance	Asset management	Others	Elimination	Total
Segment assets	108,933,054	170,871,692	79,894,268	14,207,029	60,259,916	(37,527,571)	396,638,388
Segment liabilities	(85,516,224)	(147,085,869)	(52,678,481)	(11,043,884)	(8,280,547)	4,944,606	(299,660,399)

4 Gross and net written premiums

(a) Gross written premiums

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Long-term life and health reinsurance	**38,675,897**	28,954,193
Short-term life and health reinsurance	**11,731,370**	9,458,096
Property and casualty reinsurance	**23,570,792**	19,912,352
Primary property and casualty insurance	**28,145,236**	26,446,916
Total	**102,123,295**	84,771,557

(b) Premiums ceded to reinsurers and retrocessionaires

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Short-term life and health reinsurance	**3,273,452**	2,318,486
Property and casualty reinsurance	**1,993,250**	1,811,997
Primary property and casualty insurance	**2,533,121**	1,829,460
Total	**7,799,823**	5,959,943

(c) Net written premiums

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Net written premiums	**94,323,472**	78,811,614

5 Investment income

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Interest, dividend and rental income (a)	**5,509,379**	4,868,878
Realised gains/(losses) (b)	**1,854,682**	(89,952)
Unrealised (losses)/gains (c)	**(34,450)**	561,548
Negative goodwill arising from investments in associates	**186,459**	–
Impairment losses on financial assets (d)	**(318,866)**	(151,219)
Impairment losses on investment in associates *(note 13)*	**(269,387)**	–
Total	**6,927,817**	5,189,255

(a) Interest, dividend and rental income

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Interest income		
Current and time deposits	**786,176**	633,374
Fixed maturity investment		
– Held-to-maturity investment	**879,994**	915,633
– Available-for-sale financial assets	**1,672,339**	1,369,621
– Financial assets at fair value through profit or loss	**55,605**	35,051
– Investment classified as loans and receivables	**1,291,171**	1,257,007
Financial assets held under resale agreements	**29,712**	30,301
Reinsurers' share of policy loans	**3,322**	–
Subtotal	**4,718,319**	4,240,987
Dividend income		
Equity securities		
– Available-for-sale financial assets	**588,754**	502,231
– Financial assets at fair value through profit or loss	**58,169**	103,030
Others		
– Available-for-sale financial assets	**39,177**	22,630
Subtotal	**686,100**	627,891
Rent income from investment properties	**104,960**	–
Total	**5,509,379**	4,868,878

(b) Realised gains/(losses)

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Fixed maturity investment		
– Available-for-sale financial assets	**58,915**	41,153
– Financial assets at fair value through profit or loss	**26,375**	12,409
Equity securities		
– Available-for-sale financial assets	**1,379,760**	(200,769)
– Financial assets at fair value through profit or loss	**322,274**	57,255
Derivative financial instruments	**67,358**	–
Total	**1,854,682**	(89,952)

(c) Unrealised (losses)/gains

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Fixed maturity investment		
– Financial assets at fair value through profit or loss	**(182,438)**	9,970
Equity securities		
– Financial assets at fair value through profit or loss	**48,987**	485,432
Derivative financial instruments	**99,001**	66,146
Total	**(34,450)**	561,548

(d) Impairment losses on financial assets

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Fixed maturity investment		
– Investments classified as loans and receivables	**(105,990)**	–
Equity securities		
– Available-for-sale financial assets	**(212,876)**	(151,219)
Total	**(318,866)**	(151,219)

6 Claims and policyholders' benefits

	Six months ended 30 June 2020 (Unaudited)		
	Gross	**Ceded**	**Net**
Claims incurred	**37,050,517**	**(4,940,347)**	**32,110,170**
– Short-term life and health reinsurance	**8,355,266**	**(2,436,615)**	**5,918,651**
– Property and casualty reinsurance	**13,093,454**	**(426,109)**	**12,667,345**
– Primary property and casualty insurance	**15,601,797**	**(2,077,623)**	**13,524,174**
Life and health reinsurance death and other benefits paid	**5,906,738**	**(404,258)**	**5,502,480**
Changes in long-term life and health reinsurance contract liabilities	**34,232,294**	**(30,242)**	**34,202,052**
Total	**77,189,549**	**(5,374,847)**	**71,814,702**

	Six months ended 30 June 2019 (Unaudited)		
	Gross	Ceded	Net
Claims incurred	29,648,100	(3,674,718)	25,973,382
– Short-term life and health reinsurance	6,885,835	(1,745,151)	5,140,684
– Property and casualty reinsurance	10,476,576	(1,033,379)	9,443,197
– Primary property and casualty insurance	12,285,689	(896,188)	11,389,501
Life and health reinsurance death and other benefits paid	17,839,210	(123,027)	17,716,183
Changes in long-term life and health reinsurance contract liabilities	12,162,402	62,441	12,224,843
Total	59,649,712	(3,735,304)	55,914,408

7 Profit before tax

Profit before tax is recognized at after charging/(crediting) the following items:

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Employee costs (including directors' and supervisors' emoluments) *(note)*	**3,376,053**	3,119,784
Depreciation of property and equipment *(note)*	**160,893**	138,429
Depreciation of right-of-use assets *(note)*	**211,264**	161,581
Depreciation of investment properties	**128,990**	81,116
Amortisation of intangible assets *(note)*	**90,114**	131,482
Rental expenses *(note)*	**93,743**	124,276
Impairment losses on investments in associates	**269,387**	–
Impairment losses on available-for-sale financial assets	**212,876**	151,219
Impairment losses on investments classified as loans and receivables	**105,990**	–
Impairment losses on premiums receivable	**144,253**	104,721
Impairment losses on reinsurance debtors	**16,864**	5,938

Note: Certain employee costs, depreciation, amortisation and rental expenses are recorded as loss adjustment expenses and are not included in other operating and administrative expenses.

8 Income tax

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Current income tax		
Charge for the period	**591,150**	407,304
Adjustments in respect of prior years	**11,065**	(68,032)
Deferred income tax	**(64,973)**	238,208
Total	**537,242**	577,480

Note: The income tax rate applied to the Company and its subsidiaries in Mainland China is 25% for the six months ended 30 June 2020 (six months ended 30 June 2019: 25%). Taxation for overseas subsidiaries and branches is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

9 Dividends

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
In respect of previous year:		
2019 final dividend (declared in 2020): RMB0.044 per ordinary share	**1,869,112**	
2018 final dividend (declared in 2019): RMB0.031 per ordinary share		1,316,874

10 Earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary equity shareholders of the parent and the weighted average number of ordinary shares in issue during the six months ended 30 June 2020 and the six months ended 30 June 2019.

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Net profit attributable to the equity shareholders of the parent	**2,467,421**	3,319,727
Weighted average number of ordinary shares (in thousands)	**42,479,808**	42,479,808
Basic and diluted earnings per share (in RMB)	**0.06**	0.08

There were no potential diluted ordinary shares in issue during the six months ended 30 June 2020 and the six months ended 30 June 2019, so the diluted earnings per share were the same as the basic earnings per share.

11 Premiums receivable

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Premiums receivable	**17,986,755**	15,102,334
Less: impairment provision	**(490,624)**	(346,371)
Premiums receivable, net	**17,496,131**	14,755,963

(a) Aging analysis

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Within 3 months (inclusive)	**16,937,664**	14,267,296
3 months to 1 year (inclusive)	**698,746**	574,926
1 to 2 years (inclusive)	**206,424**	154,953
Over 2 years	**143,921**	105,159
Total	**17,986,755**	15,102,334
Less: impairment provision	**(490,624)**	(346,371)
Net	**17,496,131**	14,755,963

(b) Impairment provision of premiums receivable

	Six months ended 30 June	
	2020 (Unaudited)	2019 (Unaudited)
At the beginning of the period	**346,371**	211,094
Charge for the period	**144,253**	104,721
At the end of the period	**490,624**	315,815

12 Reinsurance debtors

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Reinsurance debtors	**85,090,273**	56,071,043
Less: impairment provision	**(148,980)**	(131,478)
Reinsurance debtors, net	**84,941,293**	55,939,565

(a) Aging analysis

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Within 3 months (inclusive)	**80,980,368**	49,535,046
3 months to 1 year (inclusive)	**2,570,624**	4,499,732
1 to 2 years (inclusive)	**805,800**	1,404,705
Over 2 years	**733,481**	631,560
Total	**85,090,273**	56,071,043
Less: impairment provision	**(148,980)**	(131,478)
Net	**84,941,293**	55,939,565

(b) Impairment provision of reinsurance debtors

	Six months ended 30 June	
	2020 (Unaudited)	2019 (Unaudited)
At the beginning of the period	**131,478**	126,718
Charge for the period	**16,864**	5,938
Exchange difference	**638**	104
At the end of the period	**148,980**	132,760

13 Investments in associates

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Book balance		
– Listed shares	**19,571,349**	18,944,197
– Unlisted shares	**5,051,334**	5,117,332
Total	**24,622,683**	24,061,529
Less: impairment provision	**(269,387)**	–
Carrying amount	**24,353,296**	24,061,529

14 Share capital

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Issued and fully paid ordinary shares of RMB1 each		
– Domestic shares	**35,800,391**	35,800,391
– H shares	**6,679,417**	6,679,417
Total	**42,479,808**	42,479,808

15 CONTINGENCIES

Owing to the nature of the insurance business, the Group is involved in the making of estimates for contingencies and legal proceedings in the ordinary course of business. The adverse effects of these contingencies and legal proceedings mainly involve claims on the Group's insurance contracts and reinsurance contracts. The Group has considered possible losses caused by such litigations when measuring insurance contract liabilities. During the first half of 2020, certain subsidiaries of the Group were involved in similar legal proceedings, and the amounts for specific legal claims may be significant and the cases are being investigated by relevant authorities. While the outcomes of such contingencies and legal proceedings cannot be determined at present, based on the current available information, the Group believes that it will not have a material adverse impact on the financial position as at 30 June 2020 and operating results of the Group for the six months ended 30 June 2020.

As at 30 June 2020, the Group has issued the following guarantees:

(1) As at 30 June 2020, the Company provided maritime guarantee of RMB2,661 million (31 December 2019: RMB2,937 million) for domestic and overseas ship mutual insurance associations or overseas insurance institutions which provided 100% of counter guarantee for the aforesaid maritime guarantee.

(2) As at 30 June 2020, the Company provided letter of credit of GBP100 million to Lloyd's to support China Re Syndicate 2088's underwriting business (31 December 2019: GBP100 million). As at 30 June 2020, CRIH provided letter of credit of GBP300 million to Lloyd's to support Syndicate 1084's and Syndicate 1176's underwriting business (31 December 2019: GBP300 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

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

Key Operating Data

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

Unit: in RMB millions, except for percentages

	For the six months ended 30 June		
	2020	2019	Change (%)
Gross written premiums	**102,123**	84,772	20.5
Gross written premiums by business segment:			
P&C reinsurance business[1]	**27,078**	23,033	17.6
Life and health reinsurance[1]	**50,500**	38,427	31.4
Primary P&C insurance business[1]	**25,763**	24,379	5.7
Total investment income[2]	**7,565**	6,159	22.8
Annualised total investment yield (%)[3]	**5.48**	5.19	Increase by 0.29 percentage points
Net investment income[4]	**6,407**	6,027	6.3
Annualised net investment yield (%)[5]	**4.64**	5.07	Decrease by 0.43 percentage points

Note: 1. Gross written premiums for each business segment do not consider inter-segment eliminations, in which:

the businesses of P&C reinsurance segment mainly include domestic P&C reinsurance business, overseas P&C reinsurance business and Chaucer business, CNIP business and legacy P&C reinsurance business;

the businesses of life and health reinsurance segment mainly include domestic life and health reinsurance business, overseas life and health reinsurance business and legacy life and health reinsurance business; and

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

2. Total investment income = investment income + share of profits of associates – interest expenses on securities sold under agreements to repurchase.

3. Annualised total investment yield = Total investment income ÷ average of investment assets as at the beginning and end of the period x 2.

4. Net investment income = interest + dividend + rental income + share of profits of associates.

5. Annualised net investment yield = Net investment income ÷ average of investment assets as at the beginning and end of the period x 2.

	As at 30 June 2020		As at 31 December 2019	
	Core solvency adequacy ratio *(%)*	**Consolidated solvency adequacy ratio** *(%)*	Core solvency adequacy ratio *(%)*	Consolidated solvency adequacy ratio *(%)*
China Re Group	**175**	**192**	190	209
Group Company	**478**	**478**	561	561
China Re P&C	**178**	**212**	182	218
China Re Life	**186**	**214**	179	213
China Continent Insurance	**350**	**350**	371	371

Note: The relevant solvency data as at 30 June 2020 was not audited or reviewed by the auditors of the Company.

In the first half of 2020, the outbreak and global spread of the novel coronavirus (the "**COVID-19 Pandemic**") posed a certain degree of adverse impact on the Group in terms of underwriting profit, business development, client services and other aspects. The Group has always been focusing on high-quality development while dedicating efforts to pandemic prevention and control as well as business management. Consequently we turned "threats" into "opportunities" and achieved a rapid growth in premium income with an overall enhanced stable business performance across all segments. The Group will closely monitor the development of the pandemic and take responsive actions when necessary.

Our business maintained relatively fast growth. Our gross written premiums recorded an increase of 20.5% from RMB84,772 million in the first half of 2019 to RMB102,123 million in the first half of 2020. In particular, the gross written premiums from P&C reinsurance, life and health reinsurance and primary P&C insurance (before inter-segment eliminations) were RMB27,078 million, RMB50,500 million and RMB25,763 million, respectively. The main reason for our increased gross written premiums was the rapid growth in savings-type life and health reinsurance business and domestic P&C reinsurance business.

Our core reinsurance business maintained its solid market position and we continued to maintain the leading market share in both domestic P&C reinsurance market and life and health reinsurance market. In terms of primary premium income, we accounted for a market share of 3.53% in primary P&C insurance business, ranking sixth in all primary P&C insurance companies in the domestic market. During the Reporting Period, we maintained our Financial Strength Rating of "A (Excellent)" by A.M. Best and were rated "A" by S&P Global Ratings, with our financial condition remaining stable.

In the first half of 2020, the Group's total investment income was RMB7,565 million, representing a year-on-year increase of 22.8%, and the net investment income was RMB6,407 million, representing a year-on-year increase of 6.3%. The increase in our investment income was mainly due to (1) the relatively rapid growth in the scale of our total investment assets, which was mainly derived from premium cash inflows and the accumulation of investment income; and (2) the active seizure of the opportunity of capital market volatility to obtain excess investment income, while benefiting from the recovery of the A-share capital market and the good performance of the investment income of public market varieties. The annualised total investment yield was 5.48%, representing a year-on-year increase of 0.29 percentage points, and the annualised net investment yield was 4.64%, representing a year-on-year decrease of 0.43 percentage points.

Key Financial Indicators

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

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

	For the six months ended 30 June		
	2020	2019	Change (%)
Gross written premiums	**102,123**	84,772	20.5
Profit before tax	**3,287**	4,194	(21.6)
Net profit	**2,749**	3,616	(24.0)
Net profit attributable to equity shareholders of the parent company	**2,467**	3,320	(25.7)
Earnings per share (RMB)	**0.06**	0.08	(25.7)
Annualised weighted average return on equity (%)[1]	**5.63**	8.20	Decrease by 2.57 percentage points

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

In the first half of 2020, net profit attributable to equity shareholders of the parent company of the Group amounted to RMB2,467 million, representing a year-on-year decrease of 25.7%, which was mainly due to the decrease in the underwriting profits of our overseas P&C reinsurance business and primary P&C insurance as a result of the outbreak of the COVID-19 Pandemic.

Unit: in RMB millions, unless otherwise stated

	As at 30 June 2020	As at 31 December 2019	Change (%)
Total assets	**477,407**	396,638	20.4
Total liabilities	**379,245**	299,660	26.6
Total equity	**98,162**	96,978	1.2
Net assets per share attributable to equity shareholders of the parent company (RMB)	**2.07**	2.05	1.1

P&C Reinsurance Business

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

In the first half of 2020, we made efforts to strengthen our position as a leading domestic reinsurer. We continued to facilitate the establishment of platforms for domestic commercial insurance business and national policy-oriented business, strengthen the innovation-driven model and technological application, and accelerate the implementation of strategic initiatives. We continued to upgrade our customer service system, consistently strengthened the capability of our underwriting team, and enhanced our technical capabilities. We continued to achieve breakthrough in emerging business sectors such as the first piece (set)/new material comprehensive insurance, construction inherent defects insurance (IDI), short-term health insurance, catastrophe insurance, construction surety bond insurance, Chinese interest abroad projects insurance and customs bond insurance, and thus our business structure continued to optimise.

For overseas business, we continued to implement the international development strategy, taking high-quality business development as the long-term development goal of our international business in accelerating platform integration, promoting overseas organic growth, and strengthening risk management and control. We successfully promoted the integration with Chaucer, incorporating Chaucer into the overall operational and management system of the Group's international business, and defining the business development direction in the medium and long term. We continued to deepen the synergy between domestic and overseas businesses by strengthening the collaboration in political risk insurance, political violence insurance and cyber insurance, and other areas of business, which resulted in jointed forces regarding expanding the underwriting capacity, facilitating business development, optimising the risk portfolio and responding to the national Belt and Road Initiative.

In the first half of 2020, gross written premiums from our P&C reinsurance segment amounted to RMB27,078 million, representing a year-on-year increase of 17.6% and accounting for 26.2% of gross written premiums of the Group (before inter-segment eliminations). Net profit amounted to RMB699 million, and annualised weighted average return on equity reached 5.78%. The combined ratio was 102.39%, representing a year-on-year increase of 5.03 percentage points, of which the loss ratio was 63.60%, representing a year-on-year increase of 7.79 percentage points; the expense ratio was 38.79%, representing a year-on-year decrease of 2.76 percentage points. The increase in the combined ratio was mainly due to the impact of COVID-19 Pandemic, which resulted in loss in our overseas business.

Business Analysis

Domestic P&C Reinsurance Business

Domestic P&C reinsurance business mentioned in this section refers to domestic P&C reinsurance business operated by China Re P&C. In the first half of 2020, reinsurance premium income from our domestic P&C reinsurance business amounted to RMB18,021 million, representing a year-on-year increase of 20.8%. The combined ratio was 99.80%, representing a year-on-year increase of 0.18 percentage points, of which the loss ratio was 63.83%, representing a year-on-year increase of 6.88 percentage points; the expense ratio was 35.97%, representing a year-on-year decrease of 6.70 percentage points.

In terms of types of reinsurance arrangement and forms of cession, our domestic P&C reinsurance business primarily consisted of treaty reinsurance and proportional reinsurance, which was generally in line with the business mix of the domestic P&C reinsurance market. Meanwhile, as a result of our active development, the reinsurance premium income from our facultative reinsurance business, amounted to RMB1,300 million, representing a year-on-year increase of 18.5%.

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

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

Unit: in RMB millions, except for percentages

Type of reinsurance arrangement	**For the six months ended 30 June**			
	2020		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Treaty reinsurance	**16,721**	**92.8**	13,817	92.6
Facultative reinsurance	**1,300**	**7.2**	1,097	7.4
Total	**18,021**	**100.0**	14,914	100.0

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

Unit: in RMB millions, except for percentages

Form of cession	**For the six months ended 30 June**			
	2020		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Proportionate reinsurance	**17,672**	**98.1**	14,672	98.4
Non-proportional reinsurance	**349**	**1.9**	242	1.6
Total	**18,021**	**100.0**	14,914	100.0

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

Unit: in RMB millions, except for percentages

Business channel	For the six months ended 30 June			
	2020		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Primary	**16,946**	**94.0**	14,027	94.1
Via broker	**1,075**	**6.0**	887	5.9
Total	**18,021**	**100.0**	14,914	100.0

Lines of business

As the largest domestic specialised P&C reinsurance company in the PRC, we offer a wide variety of P&C reinsurance coverage catering to the business characteristics of the PRC market. Our lines of business cover a wide range of P&C insurance types in the PRC, mainly including motor, agriculture, commercial and household property, liability and engineering insurance. We actively captured the opportunities brought by the transformation and development of the market, vigorously developed non-motor reinsurance business and the proportion of non-motor reinsurance business in our domestic P&C reinsurance business for the first half of 2020 increased by 24.1% on a year-on-year basis, resulting in further optimisation of business structure. In particular, we achieved a rapid growth in emerging business sectors such as the first piece (set)/new material comprehensive insurance, construction inherent defects insurance (IDI), short-term health insurance, catastrophe insurance, construction surety bond insurance, Chinese interest abroad projects insurance and customs bond insurance, with reinsurance premium income recorded at RMB968 million, representing a year-on-year increase of 27.7%, which further consolidated our development advantages in emerging business sectors.

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

Unit: in RMB millions, except for percentages

Line of business	For the six months ended 30 June			
	2020		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Motor	**5,644**	**31.3**	4,941	33.1
Agriculture	**4,375**	**24.3**	2,716	18.2
Commercial and household property	**3,063**	**17.0**	2,722	18.3
Liability	**2,081**	**11.5**	1,916	12.8
Engineering	**811**	**4.5**	984	6.6
Others[1]	**2,047**	**11.4**	1,635	11.0
Total	**18,021**	**100.0**	14,914	100.0

Note: 1. Others include, among others, health, cargo, marine hull, specialty and accident reinsurance.

Motor reinsurance. In the first half of 2020, reinsurance premium income from motor insurance amounted to RMB5,644 million, representing a year-on-year increase of 14.2%, mainly due to the success in capturing business opportunities, resulting in a relatively fast growth in the scale of motor insurance business in the first half of the year.

Agriculture reinsurance. In the first half of 2020, the reinsurance premium income from agriculture insurance amounted to RMB4,375 million, representing a year-on-year increase of 61.1%, mainly due to an overall higher growth of agriculture insurance premium cession in the market.

Commercial and household property reinsurance. In the first half of 2020, the reinsurance premium income from commercial and household property insurance amounted to RMB3,063 million, representing a year-on-year increase of 12.5%, which was mainly due to the fact that we actively expanded our property insurance business, while accomplishing impressive achievements in exploring cession of governmental pilot business of catastrophe insurance.

Liability reinsurance. In the first half of 2020, the reinsurance premium income from liability insurance amounted to RMB2,081 million, representing a year-on-year increase of 8.6%, mainly due to the fact that we actively captured opportunities in the liability insurance market and stepped up investment in research and development and efforts in promotion of new types of liability insurance products such as the first piece (set)/new material comprehensive insurance and the construction inherent defects insurance (IDI).

Engineering reinsurance. In the first half of 2020, the reinsurance premium income from engineering insurance amounted to RMB811 million, representing a year-on-year decrease of 17.6%, mainly due to the structural adjustment of reinsurance premiums ceded by individual customers.

Clients and client services

In the first half of 2020, we continued to maintain good client relationships. We maintained stable relationships with major P&C insurance companies in the PRC and strengthened our relationships through business cooperation, exchange of technical know-how and client services. We advanced the operational transformation through customer manager and product innovation by means of focusing on customers' needs, which comprehensively enhanced our business philosophy and business model known as "customer-oriented & innovation-driven reinsurance" in areas such as product innovation, data sharing, risk pricing, technology empowerment and channel building with business preposition and beforehand service. As at the end of the Reporting Period, we maintained business relationships with 83 domestic P&C insurance companies, covering 94.3% of P&C insurance companies in the PRC. We were the lead reinsurer for 34% of our reinsurance contracts. We ranked first in the domestic market both in terms of client coverage and the number of contracts entered into as the lead reinsurer.

Overseas P&C Reinsurance and Chaucer Business

Overseas P&C reinsurance business mentioned in this section refers to the overseas P&C reinsurance business operated by China Re P&C and Singapore Branch, as well as the legacy business of China Re Syndicate 2088. Chaucer business described in this section refers to overseas P&C reinsurance and overseas primary P&C insurance business operated by the entities of Chaucer.

In the first half of 2020, gross written premiums from overseas P&C reinsurance and Chaucer business amounted to RMB9,725 million (before intra-segment eliminations), representing a year-on-year increase of 14.9%. The combined ratio was 110.32%, representing a year-on-year increase of 15.15 percentage points. Of such combined ratio, the loss ratio and expense ratio were 69.32% and 41.00% respectively, representing a year-on-year increase of 14.17 percentage points and 0.98 percentage points respectively. The increase in combined ratio was mainly caused by COVID-19 Pandemic losses, and the combined ratio excluding COVID-19 Pandemic losses was 92.08%, representing a year-on-year decrease of 3.09 percentage points. As at the end of the Reporting Period, total net loss on COVID-19 Pandemic was approximately US$144 million, which has been reflected in the financial result for the first half of 2020.

Overseas P&C Reinsurance Business

In the first half of 2020, gross written premiums from our overseas P&C reinsurance business amounted to RMB3,307 million (before intra-segment eliminations), representing a year-on-year increase of 13.7%. The combined ratio was 111.25%, representing a year-on-year increase of 14.68 percentage points, of which the loss ratio was 77.52%, representing a year-on-year increase of 14.81 percentage points, which was mainly caused by COVID-19 Pandemic losses; the expense ratio was 33.73%, representing a year-on-year decrease of 0.13 percentage points.

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

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

Unit: in RMB millions, except for percentages

Type of business	For the six months ended 30 June			
	2020		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Treaty reinsurance	**3,073**	**92.9**	2,592	89.1
Facultative reinsurance	**173**	**5.2**	84	2.9
Primary insurance	**61**	**1.9**	233	8.0
Total	**3,307**	**100.0**	2,909	100.0

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

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

Unit: in RMB millions, except for percentages

Line of business	For the six months ended 30 June			
	2020		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Non-marine	**2,104**	**63.6**	1,423	48.9
Specialty	**517**	**15.7**	443	15.2
Liability	**341**	**10.3**	393	13.5
Others[1]	**345**	**10.4**	650	22.4
Total	**3,307**	**100.0**	2,909	100.0

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

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

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

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

Chaucer Business

In the first half of 2020, gross written premiums from Chaucer amounted to RMB6,418 million, representing a year-on-year increase of 15.6%. The combined ratio was 109.68%[1], representing a year-on-year increase of 15.51 percentage points. Of such combined ratio, the loss ratio and expense ratio were 63.70% and 45.98% respectively, representing a year-on-year increase of 13.93 percentage points and 1.58 percentage points respectively. The increase in loss ratio was mainly caused by the COVID-19 Pandemic losses. We took advantage of the opportunities provided by the increased rates in certain business areas, and allocated more capacity to support a steady growth in written premiums. We constantly adjusted our business mix by reducing our participation in under-performing business. Barring the impact of COVID-19 Pandemic, our overall business quality continued to improve. The premium of contracts led by Chaucer accounted for approximately 42% of its overall gross written premiums. Chaucer is one of a limited number of Lloyd's market entities with substantial contract leadership capabilities.

Note: 1. Under the UK GAAP, the combined ratio of Chaucer was 111.70%, which was different from that under the International Accounting Standards due to the different treatment for reserve discounting and risk margin.

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

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

Unit: in RMB millions, except for percentages

Type of business	For the six months ended 30 June **2020** Amount	**2020** Percentage (%)	2019 Amount	2019 Percentage (%)
Treaty reinsurance	**2,213**	**34.5**	2,354	42.4
Facultative reinsurance	**1,588**	**24.7**	1,144	20.6
Primary insurance	**2,617**	**40.8**	2,054	37.0
Total	**6,418**	**100.0**	5,552	100.0

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

Unit: in RMB millions, except for percentages

Line of business	For the six months ended 30 June **2020** Amount	**2020** Percentage (%)	2019 Amount	2019 Percentage (%)
Casualty insurance and political risk insurance/credit insurance	**1,595**	**24.8**	1,235	22.2
Marine insurance, energy insurance, space and aviation insurance and nuclear insurance	**1,297**	**20.2**	1,213	21.9
Property insurance and political violence insurance	**1,025**	**16.0**	750	13.5
Others[1]	**2,501**	**39.0**	2,354	42.4
Total	**6,418**	**100.0**	5,552	100.0

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

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

In terms of service capabilities, Chaucer provides customers with the benefits of a number of key strengths as a business. With headquarter in London, and international hubs for Europe, MENA, Latin America and Asia, Chaucer protects clients worldwide. We provide our clients with a range of flexible business platforms to choose from. On one hand, Membership of Lloyd's allows Chaucer to take advantage of Lloyd's strong rating and excellent brand reputation to provide risk coverage to our clients in over 200 countries and territories worldwide. Our underwriting capacity at Lloyd's exceeded £1 billion, making us one of the leading platforms with substantial contract leadership capabilities in Lloyd's market. On the other hand, CIC can provide commercial alternative for clients wishing to place business through the Company Market. CIC is also eligible to write excess and surplus lines business in the United States and provides Chaucer with continued access to all EEA markets now that the United Kingdom is no longer a member of the European Union. The Chaucer senior management team is highly experienced, with an average term in office of approximately 16 years, and has an entrepreneurial approach to business. We deliver customised risk solutions to the market with more than 110 experienced underwriters having distinctive capabilities across 45 specialty lines, including political, nuclear insurance, and etc. We also have an outstanding claims team with over 100 years of claims handling experience in London market capable of dealing with the most complex claims, which effectively handles approximately 10,000 claims each year. We operate an Enterprise Risk Management Framework to ensure the commercially effective management of risks in the business. The Framework comprises five components: strategy, governance, appetite, assessment and reporting. Together, these components set out the risk management internal processes, controls and responsibilities in place throughout the organisation to achieve an effective risk culture.

In terms of product innovation, we continued to invest in product innovation and smarter and more efficient underwriting capabilities. This included the launch of a parametric cyber multi-peril insurance product for small businesses, "pay as you fly" drone insurance and the development of a new next generation underwriting platform for high volume specialty products. Machine learning and AI underpins each of these new initiatives.

CNIP Business

The Group Company, together with China Re P&C and China Continent Insurance, underwrites global nuclear insurance business via CNIP. In the first half of 2020, our reinsurance premium income from the CNIP platform amounted to RMB64 million.

Financial Analysis

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

Unit: in RMB millions, except for percentages

	For the six months ended 30 June		
	2020	2019	Change (%)
Gross written premiums	**27,078**	23,033	17.6
Less: premiums ceded to reinsurers and retrocessionaires	**(3,047)**	(2,559)	19.1
Net written premiums	**24,031**	20,474	17.4
Changes in unearned premium reserves	**(2,611)**	(1,982)	31.7
Net premiums earned	**21,420**	18,492	15.8
Reinsurance commission income	**411**	257	59.9
Investment income	**1,637**	1,208	35.5
Exchange gains/losses, net	**1**	(35)	102.9
Other income	**55**	60	(8.3)
Total income	**23,524**	19,982	17.7
Claims and policyholders' benefits	**(13,622)**	(10,320)	32.0
Handling charges and commissions	**(7,949)**	(7,209)	10.3
Finance costs	**(301)**	(167)	80.2
Other operating and administrative expenses	**(895)**	(1,075)	(16.7)
Total benefits, claims and expenses	**(22,767)**	(18,771)	21.3
Share of profits of associates	**16**	160	(90.0)
Profit before tax	**773**	1,371	(43.6)
Income tax	**(74)**	(177)	(58.2)
Net profit	**699**	1,194	(41.5)

Gross Written Premiums

Total premium income of our P&C reinsurance segment increased by 17.6% from RMB23,033 million in the first half of 2019 to RMB27,078 million in the first half of 2020, mainly due to the rapid growth of agriculture and motor reinsurance business in China and non-marine reinsurance business abroad.

Premiums Ceded to Reinsurers and Retrocessionaires

Premiums ceded to reinsurers and retrocessionaires for our P&C reinsurance segment increased by 19.1% from RMB2,559 million in the first half of 2019 to RMB3,047 million in the first half of 2020, mainly due to the corresponding increase in ceded premiums in line with the increase in our business scale. In addition, Chaucer's premiums ceding ratio was relatively high due to the requirements of its risk appetite management.

Investment Income

Investment income from our P&C reinsurance segment increased by 35.5% from RMB1,208 million in the first half of 2019 to RMB1,637 million in the first half of 2020. For details of analysis on changes of investment income, please refer to relevant contents in asset management business segment.

Claims and Policyholders' Benefits

Claims and policyholders' benefits for our P&C reinsurance segment increased by 32.0% from RMB10,320 million in the first half of 2019 to RMB13,622 million in the first half of 2020, mainly due to the impact of the COVID-19 Pandemic, African swine fever, typhoon Lekima and other risk events.

Handling Charges and Commissions

Handling charges and commissions for our P&C reinsurance segment increased by 10.3% from RMB7,209 million in the first half of 2019 to RMB7,949 million in the first half of 2020, mainly due to the significant increase in our business scale.

Share of Profits of Associates

Share of profits of associates for our P&C reinsurance segment decreased by 90.0% from RMB160 million in the first half of 2019 to RMB16 million in the first half of 2020, mainly due to the decrease in profits of our associates in the first half of 2020.

Net Profit

As a result of the foregoing reasons, net profit for our P&C reinsurance segment decreased by 41.5% from RMB1,194 million in the first half of 2019 to RMB699 million in the first half of 2020.

Life and Health Reinsurance Business

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

In the first half of 2020, affected by the COVID-19 Pandemic and other factors, domestic and global economies experienced a significant downturn. A new dual circulation development pattern is forming, focusing on the domestic economy with mutual promotion between the international circulation and domestic circulation. As resumption of production and operation progressed orderly, the life insurance industry stabilised and rebounded in the second quarter. The growth of premiums from new policies still faced relatively big challenges whereas a rapid growth of the health insurance business was shown, in addition to the quickened digital transformation and online-offline integration. We unswervingly promoted "platform operation, technology advancement and globalisation" development, continuously optimised business structure and improved business quality while developing our business. We strategically developed the protection-type reinsurance business, innovated health insurance products based on "Product+" and "Data+" strategies and promoted the integration of insurance products and health services. We helped the industry to fight against the pandemic by innovating products and providing risk solutions to cover insurance liabilities arising from COVID-19. We sought opportunities to develop the savings-type reinsurance business, and strengthened cost control and asset-liability management. We strategically developed financial reinsurance business by paying attention to the credit risk of counterparties and effectively managing existing business. Since China Re Hong Kong was established, the Company has fully brought into play its advantages in both domestic and overseas markets to actively expand its foreign-currency savings-type business, providing reinsurance solutions with China Re's characteristics for markets such as Hong Kong and Singapore. We are in a solid competitive position in both the mainland and Hong Kong markets, with the proportion of reinsurance contracts being entered into as leading reinsurer in all reinsurance contracts maintaining the highest in the domestic market.

In the first half of 2020, reinsurance premium income from our life and health reinsurance segment amounted to RMB50,500 million, representing a year-on-year increase of 31.4% and accounting for 48.9% of the Group's gross written premiums (before inter-segment eliminations). Net profit amounted to RMB875 million, and annualised weighted average return on equity reached 7.10%, of which reinsurance premium income from China Re Life (merged with China Re Hong Kong) amounted to RMB50,286 million, representing a year-on-year increase of 31.1%; total written premiums ("**TWPs**") amounted to RMB53,501 million (including TWPs of RMB3,215 million from savings-type non-insurance business), representing a year-on-year increase of 23.5%.

Considering the business significance and operational independence of China Re Life (merged with China Re Hong Kong), and given that the reinsurance premium income from China Re Life (merged with China Re Hong Kong) accounted for more than 99.5% of the whole life and health reinsurance business segment, unless otherwise stated, references to our life and health reinsurance business in the business analysis of this section shall be the business of China Re Life (merged with China Re Hong Kong).

Business Analysis

In terms of lines of business, the protection-type reinsurance business grew at a relatively fast speed, the savings-type reinsurance business grew significantly, and the financial reinsurance business recorded a decline.

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

Unit: in RMB millions, except for percentages

Line of business	For the six months ended 30 June 2020		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Domestic protection-type reinsurance	**11,559**	**23.0**	9,292	24.2
Domestic savings-type reinsurance	**10,483**	**20.8**	2,710	7.1
Domestic financial reinsurance	**19,540**	**38.9**	23,932	62.4
Domestic in total	**41,582**	**82.7**	35,934	93.7
Overseas savings-type reinsurance	**8,369**	**16.6**	2,127	5.5
Other overseas business	**335**	**0.7**	308	0.8
Overseas in total	**8,704**	**17.3**	2,435	6.3
Total	**50,286**	**100.0**	38,369	100.0

In addition, we also developed savings-type non-insurance business. The following table sets forth the TWPs of the savings-type non-insurance business for the reporting periods indicated:

Unit: in RMB millions, except for percentages

Non-insurance business	For the six months ended 30 June 2020		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Domestic savings-type non-insurance	**3,212**	**99.9**	4,938	99.9
Overseas savings-type non-insurance	**3**	**0.1**	4	0.1
Total	**3,215**	**100.0**	4,942	100.0

Domestic Life and Health Reinsurance Business

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

In the first half of 2020, the reinsurance premium income from our domestic life and health reinsurance business amounted to RMB41,582 million, representing a year-on-year increase of 15.7%; and the TWPs amounted to RMB44,794 million (including TWPs of RMB3,212 million from savings-type non-insurance business), representing a year-on-year increase of 9.6%.

In respect of the protection-type reinsurance business, reinsurance premium income amounted to RMB11,559 million in the first half of 2020, representing a year-on-year increase of 24.4%, of which reinsurance premium income from the yearly renewable term reinsurance business[1] amounted to RMB7,180 million, representing a year-on-year increase of 33.0%, accounting for 62.1% of reinsurance premium income from the protection-type reinsurance business. On one hand, we relied on "Data+" and "Product+" development strategies to explore the integration of health insurance with the health industry, accelerated cooperation with Internet platforms, and continued to consolidate our development advantages in health insurance. On the other hand, through experience analysis, product iteration, data co-creation and risk control model development, the Company actively carried out risk mitigation and prevention work, conducted in-depth research on the risk control mechanism of long-term medical insurance, and further deepened the work of "Data + Risk Prevention and Control". The combined ratio (excluding operating and administrative expenses) after retrocession of the short-term protection-type business was 97.26%, representing a year-on-year decrease of 0.30 percentage points, and the underwriting profits were RMB181 million.

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

In respect of the savings-type reinsurance business, reinsurance premium income amounted to RMB10,483 million in the first half of 2020, representing a year-on-year increase of 286.8%; and the TWPs amounted to RMB13,695 million (including TWPs of RMB3,212 million from savings-type non-insurance business), representing a year-on-year increase of 79.1%. We proactively responded to adverse circumstances such as the downward pressure on interest rates and cost regidity, actively improved the interactive mechanism of assets and liabilities, seized opportunities for development at the beginning of the year, and paid attention to the needs of clients. As a result, we achieved a significant growth in TWPs under the condition of controllable costs.

In respect of the financial reinsurance business, reinsurance premium income amounted to RMB19,540 million in the first half of 2020, representing a year-on-year decrease of 18.4%. We paid close attention to changes in the regulatory policies, strengthened the analysis of counterparty risk during the pandemic, improved capital optimisation and enhanced the efficiency of capital usage.

Overseas Life and Health Reinsurance Business

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

In the first half of 2020, reinsurance premium income from overseas life and health reinsurance business amounted to RMB8,704 million, representing a year-on-year increase of 257.5%; and the TWPs amounted to RMB8,707 million (including TWPs of RMB3 million from savings-type non-insurance business), representing a year-on-year increase of 257.0%, of which the reinsurance premium income of China Re Hong Kong (after intra-group eliminations) amounted to RMB4,793 million.

In respect of the overseas savings-type reinsurance business, reinsurance premium income amounted to RMB8,369 million in the first half of 2020, representing a year-on-year increase of 293.5%; and the TWPs amounted to RMB8,372 million (including TWPs of RMB3 million from savings-type non-insurance business), representing a year-on-year increase of 292.9%. In view of globally low interest rates and the pandemic, we actively developed our relationship with clients, expanded our business coverage, strengthened global market research, and introduced innovative service plans to achieve a generally fast development of the overseas savings-type reinsurance business.

In respect of other overseas business, reinsurance premium income amounted to RMB335 million in the first half of 2020, representing a year-on-year increase of 8.8%.

In terms of types of reinsurance arrangements and forms of cession, our life and health reinsurance business primarily consisted of treaty reinsurance and proportional reinsurance, respectively.

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

Unit: in RMB millions, except for percentages

Type of reinsurance arrangement	For the six months ended 30 June			
	2020		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Treaty reinsurance	**50,220**	**99.9**	38,145	99.4
Facultative reinsurance	**66**	**0.1**	224	0.6
Total	**50,286**	**100.0**	38,369	100.0

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

Unit: in RMB millions, except for percentages

Form of cession	For the six months ended 30 June			
	2020		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Proportional reinsurance	**50,247**	**99.9**	38,332	99.9
Non-proportional reinsurance	**39**	**0.1**	37	0.1
Total	**50,286**	**100.0**	38,369	100.0

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

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

Unit: in RMB millions, except for percentages

Line of business	For the six months ended 30 June			
	2020		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Life	**39,121**	**77.8**	29,537	77.0
Health	**9,937**	**19.8**	7,384	19.2
Accident	**1,228**	**2.4**	1,448	3.8
Total	**50,286**	**100.0**	38,369	100.0

Financial Analysis

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

Unit: in RMB millions, except for percentages

	For the six months ended 30 June		
	2020	2019	Change (%)
Gross written premiums	**50,500**	38,427	31.4
Less: premiums ceded to retrocessionaires	**(3,274)**	(2,319)	41.2
Net written premiums	**47,226**	36,108	30.8
Changes in unearned premium reserves	**(1,163)**	(923)	26.0
Net premiums earned	**46,063**	35,185	30.9
Reinsurance commission income	**700**	339	106.5
Investment income	**3,207**	1,953	64.2
Exchange losses, net	**(127)**	(8)	1,487.5
Other income	**924**	236	291.5
Total income	**50,767**	37,705	34.6
Claims and policyholders' benefits	**(45,648)**	(35,093)	30.1
Handling charges and commissions	**(3,295)**	(1,304)	152.7
Finance costs	**(217)**	(170)	27.6
Other operating and administrative expenses	**(995)**	(766)	29.9
Total benefits, claims and expenses	**(50,155)**	(37,333)	34.3
Share of profits of associates	**500**	627	(20.3)
Profit before tax	**1,112**	999	11.3
Income tax	**(237)**	(162)	46.3
Net profit	**875**	837	4.5

Gross Written Premiums

Gross written premiums for our life and health reinsurance segment increased by 31.4% from RMB38,427 million in the first half of 2019 to RMB50,500 million in the first half of 2020, mainly due to the growth in the savings-type reinsurance business.

Premiums Ceded to Retrocessionaires

Premiums ceded to retrocessionaires for our life and health reinsurance segment increased by 41.2% from RMB2,319 million in the first half of 2019 to RMB3,274 million in the first half of 2020, mainly due to the increase in retrocessionaires from the protection-type reinsurance business.

Investment Income

Investment income for our life and health reinsurance segment increased by 64.2% from RMB1,953 million in the first half of 2019 to RMB3,207 million in the first half of 2020. For details of analysis on changes of investment income, please refer to relevant contents in the asset management business segment.

Claims and Policyholders' Benefits

Claims and policyholders' benefits for our life and health reinsurance segment increased by 30.1% from RMB35,093 million in the first half of 2019 to RMB45,648 million in the first half of 2020, mainly due to the growth in business scale.

Handling Charges and Commissions

Handling charges and commissions for our life and health reinsurance segment increased by 152.7% from RMB1,304 million in the first half of 2019 to RMB3,295 million in the first half of 2020, mainly due to the growth in the savings-type reinsurance business.

Share of Profits of Associates

Share of profits of associates for our life and health reinsurance segment decreased by 20.3% from RMB627 million in the first half of 2019 to RMB500 million in the first half of 2020, mainly due to the decrease in profits of associates in the first half of 2020.

Net Profit

As a result of the foregoing reasons, net profit for our life and health reinsurance segment increased by 4.5% from RMB837 million in the first half of 2019 to RMB875 million in the first half of 2020.

Primary P&C Insurance Business

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

In the first half of 2020, we deepened the reform and innovation, stuck to high-quality development, devoted ourselves in the implementation of online, digital and intelligent operation, further enhancing our ability of technology-driven and innovation development. In the face of the COVID-19 Pandemic, we adhered to our management policy of "fighting the pandemic and managing the business simultaneously and promoting both", and rapidly developed insurance products for resumption of work and production to help enterprises affected by the pandemic overcome their difficulties. The "Resumption of Work and Safety Insurance" (復工安行保) relieved migrant workers' worries about returning to work and covered more than 200,000 laborers in 15 provinces and cities, while the "Pandemic Prevention Insurance" (防疫保) and "Resumption of Work Insurance" (復工保) alleviated enterprises' worries about labors, providing over 3,500 enterprises with insurance coverage. In addition, the "Enterprise Welfare Insurance" (企福保) addressed small and micro enterprises' concerns, providing risk protection for nearly 1,350 small and micro enterprises. We actively dealt with the market-oriented reform of commercial motor insurance rates and enhanced quality of motor insurance business by increasing the coverage ratio of profitable products and controlling the proportion of high-risk businesses. We consistently optimised the business structure, strived to develop non-motor insurance businesses such as personal health insurance business, so that premium income from non-motor insurance businesses continued to increase. The customer online application platform "China Continent Super APP" was successfully launched, with over 820,000 registered users and the share of monthly active users (MAU) over 40%, providing strong support for business development.

For the first half of 2020, gross written premiums from our primary P&C insurance segment amounted to RMB25,763 million, representing a year-on-year increase of 5.7% and accounting for 24.9% of gross written premiums of the Group (before inter-segment eliminations), of which the primary premium income was RMB25,469 million, representing a year-on-year increase of 5.4%. Net profit amounted to RMB798 million, and annualised weighted average return on equity reached 5.80%. The combined ratio was 101.93%, representing a year-on-year increase of 2.07 percentage points. Of this combined ratio, the loss ratio and expense ratio were 57.84% and 44.09% respectively, representing a year-on-year increase of 3.65 percentage points and a year-on-year decrease of 1.58 percentage points respectively. The year-on-year increase in the combined ratio was mainly attributable to the increase in the loss ratio of certain non-motor insurance businesses as a result of the pandemic.

Based on primary premium income of P&C insurance companies in the domestic market in the first half of 2020 published by the CBIRC, the market share of our primary P&C insurance business segment reached 3.53%, basically remaining flat.

Business Analysis

Analysis by Line of Business

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

Unit: in RMB millions, except for percentages

Line of business	For the six months ended 30 June **2020** Amount	**2020** Percentage (%)	2019 Amount	2019 Percentage (%)
Motor	**14,238**	**55.9**	13,923	57.6
Accident and short-term health	**3,980**	**15.6**	3,775	15.6
Surety	**3,252**	**12.8**	2,826	11.7
Liability	**1,234**	**4.8**	1,142	4.7
Cargo	**786**	**3.1**	529	2.2
Commercial property	**710**	**2.8**	725	3.0
Others[1]	**1,269**	**5.0**	1,243	5.2
Total	**25,469**	**100.0**	24,163	100.0

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

Motor Insurance. In the first half of 2020, primary premium income from our motor insurance amounted to RMB14,238 million, representing a year-on-year increase of 2.3%. We continued to push forward the strategy of "identifying, controlling and introducing", and launched the "Motor Insurance C Index" online successfully in the first half of the year. By introducing factors such as vehicle factor, people factor, credit factor and driving behaviour factor, we effectively improved our pricing capability and risk selection ability. More than 70% of motor insurance business was related to private cars, and by controlling the proportion of high-risk businesses such as those related to specialty vehicles and trucks, our quality of motor insurance business improved significantly. We effectively increased the average premiums per motor insurance policy and ensured the quality of motor insurance business by increasing policy renewal rate and coverage ratio of profitable products, and promoting the third-party liability insurance to be fully insured and other measures.

Accident and Short-term Health Insurance. In the first half of 2020, primary premium income from accident and short-term health insurance amounted to RMB3,980 million, representing a year-on-year increase of 5.4%, of which primary premium income from accident insurance amounted to RMB1,394 million, representing a year-on-year decrease of 32.8%; primary premium income from short-term health insurance (critical illness insurance not included) amounted to RMB1,571 million, representing a year-on-year increase of 24.3%; primary premium income from critical illness insurance amounted to RMB1,015 million, representing a year-on-year increase of 132.3%. We further tapped into the secondary demand of motor insurance clients. Our "Motor + Personal Accident" business and Million Medical Care business maintained rapid growth, and the business structure continued to be optimised. Under strengthened risk management and control, we participated in various livelihood project businesses such as major illness medical insurance for urban and rural residents, nursing care insurance, accident insurance and health insurance for the poor, and explored the development of home accident insurance and accident insurance of public welfare nature, so as to assume the function of insurance in serving the society.

Surety Insurance. In the first half of 2020, primary premium income from surety insurance amounted to RMB3,252 million, representing a year-on-year increase of 15.1%. We continued to develop the personal loan surety insurance business, and continuously innovated products, channels, technologies and development mode. In the first half of the year, we opened 311 stores/business outlets under the personal loan surety insurance business department, covering 202 cities in 30 provinces (including autonomous regions and municipalities) and with a bad debt ratio of 10.55%. As affected by the COVID-19 Pandemic, the bad debt ratio is higher as compared with the same period of the previous year. We have taken management and control measures such as enhancing client access standards as well as adjusting underwriting and recovery policies, striving to mitigate the risk of bad debts caused by the pandemic.

Liability Insurance. In the first half of 2020, primary premium income from liability insurance amounted to RMB1,234 million, representing a year-on-year increase of 8.1%. We designed and developed new products to meet the profile of the pandemic and launched various product portfolio solutions to provide risk protection for enterprises to resume work and production as soon as possible. We actively responded to new requirements arising from the shift of government functions, developed government rescue liability insurance and government anti-poverty liability insurance, thus maintaining steady growth in liability insurance business as a whole.

Cargo Insurance. In the first half of 2020, primary premium income from cargo insurance amounted to RMB786 million, representing a year-on-year increase of 48.6%. The main reason for the rapid year-on-year increase is that innovative digital traffic businesses, such as the return freight insurance of online shopping, maintained a relatively high growth rate. Meanwhile, traditional cargo insurance acquired some good quality clients which led to steady development.

Commercial Property Insurance. In the first half of 2020, primary premium income from commercial property insurance amounted to RMB710 million, representing a year-on-year decrease of 2.1%. We integrated platform resources within the Group, took full advantage of the technical strengths of professionals in various fields, and undertook four new projects with an insured amount of more than RMB10 billion as chief insurance underwriter. Meanwhile, we innovated and developed products to help small and micro enterprises resume work and production during the COVID-19 Pandemic. Adhering to our core strategy, we further focused on key national themes such as enterprises going global through the Belt and Road Initiative, large-scale clean energy projects and "Insurance + Services".

Analysis by Business Channel

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

Unit: in RMB millions, except for percentages

	For the six months ended 30 June			
Business channel	**2020**		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Insurance agents	**15,263**	**59.9**	14,198	58.8
Of which: Individual insurance agents	**9,706**	**38.1**	8,291	34.3
Ancillary insurance agencies	**1,645**	**6.5**	1,917	8.0
Professional insurance agencies	**3,912**	**15.4**	3,990	16.5
Direct sales	**8,123**	**31.9**	7,532	31.2
Insurance brokers	**2,083**	**8.2**	2,433	10.0
Total	**25,469**	**100.0**	24,163	100.0

Analysis by Region

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

Unit: in RMB millions, except for percentages

Region	For the six months ended 30 June 2020		2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Shanghai	**4,429**	**17.4**	4,064	16.8
Zhejiang	**2,101**	**8.2**	1,753	7.3
Yunnan	**1,833**	**7.2**	1,484	6.1
Shandong	**1,359**	**5.3**	1,253	5.2
Inner Mongolia	**1,156**	**4.5**	1,035	4.3
Jiangxi	**996**	**3.9**	863	3.6
Henan	**927**	**3.6**	839	3.5
Guangdong	**887**	**3.5**	1,075	4.4
Hunan	**799**	**3.1**	757	3.1
Chongqing	**797**	**3.1**	612	2.5
Others	**10,185**	**40.0**	10,428	43.2
Total	**25,469**	**100.0**	24,163	100.0

Combined Ratio

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

	For the six months ended 30 June 2020	2019
Loss ratio (%)	**57.84**	54.19
Expense ratio (%)[1]	**44.09**	45.67
Combined ratio (%)	**101.93**	99.86

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

Financial Analysis

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

Unit: in RMB millions, except for percentages

	For the six months ended 30 June		
	2020	2019	Change (%)
Gross written premiums	**25,763**	24,379	5.7
Less: premiums ceded to reinsurers	**(2,696)**	(2,137)	26.2
Net written premiums	**23,067**	22,242	3.7
Changes in unearned premium reserves	**(1,466)**	(2,823)	(48.1)
Net premiums earned	**21,601**	19,419	11.2
Reinsurance commission income	**930**	712	30.6
Investment income	**1,566**	1,004	56.0
Exchange gains, net	**29**	1	2,800.0
Other income	**691**	358	(93.0)
Total income	**24,817**	21,494	15.5
Claims and policyholders' benefits	**(12,542)**	(10,514)	19.3
Handling charges and commissions	**(3,434)**	(3,035)	13.1
Finance costs	**(90)**	(84)	7.1
Other operating and administrative expenses	**(7,717)**	(6,981)	10.5
Total benefits, claims and expenses	**(23,783)**	(20,614)	15.4
Share of profits of associates	**1**	112	(99.1)
Profit before tax	**1,035**	992	4.3
Income tax	**(237)**	(152)	55.9
Net profit	**798**	840	(5.0)

Gross Written Premiums

Gross written premiums for our primary P&C insurance segment increased by 5.7% from RMB24,379 million in the first half of 2019 to RMB25,763 million in the first half of 2020, mainly due to the growth of motor insurance business and rapid growth of non-motor insurance businesses including personal loan surety insurance, cargo insurance, etc.

Premiums Ceded to Reinsurers

Premiums ceded to reinsurers for our primary P&C insurance segment increased by 26.2% from RMB2,137 million in the first half of 2019 to RMB2,696 million in the first half of 2020, mainly due to the relatively rapid growth in non-motor insurance businesses which led to a corresponding increase in premiums ceded to reinsurers.

Reinsurance Commission Income

Reinsurance commission income for our primary P&C insurance segment increased by 30.6% from RMB712 million in the first half of 2019 to RMB930 million in the first half of 2020, which was basically in line with the increase in premiums ceded to reinsurers.

Investment Income

Investment income for our primary P&C insurance segment increased by 56.0% from RMB1,004 million in the first half of 2019 to RMB1,566 million in the first half of 2020. For details of analysis on changes of investment income, please refer to relevant contents in asset management business segment.

Claims and Policyholders' Benefits

Claims and policyholders' benefits for our primary P&C insurance segment increased by 19.3% from RMB10,514 million in the first half of 2019 to RMB12,542 million in the first half of 2020, mainly due to the rise of loss ratio for certain non-motor insurance businesses as a result of the COVID-19 Pandemic.

Handling Charges and Commissions

Handling charges and commissions for our primary P&C insurance segment increased by 13.1% from RMB3,035 million in the first half of 2019 to RMB3,434 million in the first half of 2020, mainly due to effective implementation of the "Non-motor" development strategy which led to a further climb in the share of premium income from the non-motor insurance businesses.

Net Profit

As a result of the foregoing reasons, net profit for our primary P&C insurance segment decreased by 5.0% from RMB840 million in the first half of 2019 to RMB798 million in the first half of 2020.

Asset Management Business

In the first half of 2020, due to the severe impact of the COVID-19 Pandemic, global economy experienced phased recession while financial markets became more volatile amidst increasing uncertainty and instability. Under normalised pandemic prevention and control, domestic economy and social order restored in an orderly manner, and the economy still remained resilient with new drivers of development continuing growing. In the first half of the year, domestic stock markets and overseas markets showed differentiation in that the former performed significantly better than the latter; bond yields first declined and then rose, showing increased volatility.

As at the end of the Reporting Period, balance of assets under the management of the Group amounted to RMB312,902 million, of which the balance of total investment assets of the Group was RMB290,736 million, representing an increase of 11.0% from the end of the previous year; the balance of investment assets under the management of China Re AMC was RMB256,209 million.

Investment Portfolio

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

Unit: in RMB millions, except for percentages

Investment assets	**As at 30 June 2020**		As at 31 December 2019	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Cash and short-term time deposits	**16,930**	**5.8**	20,262	7.7
Fixed-income investments	**216,410**	**74.5**	182,555	69.7
Time deposits	**16,271**	**5.6**	3,907	1.5
Bonds	**130,599**	**45.0**	113,658	43.4
Government bonds	**11,221**	**3.9**	8,972	3.5
Financial bonds	**19,998**	**6.9**	19,723	7.5
Enterprise (corporate) bonds	**91,578**	**31.5**	75,729	28.9
Subordinated bonds	**7,802**	**2.7**	9,234	3.5
Investments classified as loans and receivables	**43,539**	**15.0**	43,727	16.7
Other fixed-income investments[1]	**26,001**	**8.9**	21,263	8.1
Equity and investment funds	**53,579**	**18.4**	48,139	18.4
Investment funds[2]	**24,847**	**8.6**	21,565	8.3
Stocks	**20,487**	**7.0**	18,589	7.1
Embedded derivatives	**–**	**–**	40	0.0[5]
Unlisted equity shares[3]	**8,245**	**2.8**	7,945	3.0
Other investments	**32,613**	**11.2**	32,365	12.4
Investments in associates	**24,353**	**8.4**	24,062	9.2
Others[4]	**8,260**	**2.8**	8,303	3.2
Less: securities sold under agreements to repurchase	**(28,796)**	**(9.9)**	(21,488)	(8.2)
Total investment assets	**290,736**	**100.0**	261,833	100.0

Notes: 1. Primarily including financial assets held under resale agreements, statutory deposits and reinsurers' share of policy loans and others.

2. Including monetary funds and the senior tranche of structured index funds.

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

4. Including investment properties, currency swaps, etc.

5. The data shown herein is a result of rounding, and the actual number is 0.015%.

In terms of investment management, by adhering to the philosophy of value investment and long-term investment while insisting on the strategy of seeking progress in stability and balanced configuration, we continued to optimise our asset allocation structure and flexibly responded to the complicated economic and financial situation in a low interest rate environment. In terms of fixed income investment, we made great efforts to play the role of a “ballast” by flexibly capturing the allocation pattern and duration strategy to increase our allocation of high-grade assets such as bank deposits, local government bonds, policy bank bonds and high-quality financial products to secure stable sources of income. For equity investment, we continued to leverage the long-term capital advantage of insurance funds by holding additional products with long-term investment value and higher dividend yield, deployed projects of high-quality unlisted equities and funds, and actively seized opportunities of highly volatile markets to optimise our position structure and secure excess investment returns.

In terms of risk management, (1) we optimised online operation and risk monitoring during the period of the pandemic to ensure agile response to risks while maintaining stable operation; (2) we paid close attention to the impact of the pandemic and the change in financial markets, utilised scenario analysis and stress testing, strengthened monitoring and early warning of market risk exposure to prevent market risks and liquidity risks caused by significant market fluctuations, and enhanced the ability to respond to extremely risky conditions; (3) we kept refining our credit risk management mechanism, strengthening penetrative risk management of major projects before and after investment, and improving the prospective, pertinent and effective risk management; (4) we strengthened concentration management of investments and strictly controlled large risk exposures; and (5) we continued to improve the investment risk management mechanism, enhanced the risk assessment system, consolidated the comprehensive risk management structure for “full coverage, whole course management and whole staff engagement”. Currently, overall risks are stable and controllable.

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

On 23 June 2016, China Re AMC initiated to establish China Re – Bairong World Trade Center Real Estate Debt Investment Scheme with a term of 11 years. The subscription amount by China Re P&C, China Re Life and China Continent Insurance was RMB8,000 million in total. A principal of RMB1,540 million in total for such scheme was repaid on 27 June 2017, 27 June 2018, 27 June 2019, 30 July 2019 and 20 December 2019, respectively.

In the first half of 2020, China Everbright Bank recorded stable growth in revenue and the profit growth was in line with the market expectation. As at the end of the Reporting Period, China Re Group held approximately 4.42% equity interest in China Everbright Bank in aggregate. China Everbright Bank is expected to bring us long-term and stable investment returns in the future.

Against the backdrop of the COVID-19 Pandemic coupled with downward growth rate of the macro-economy, the size of new business for acquisition of non-performing assets by Great Wall Asset has slowed down compared with previous years, but it has recently tended to return to normal gradually with improvement in the status of the pandemic. Going forward, Great Wall Asset will firmly focus on the business philosophy of resolving financial risks and supporting the real economy to increase business expansion along with improving efficiency. It is expected to create stable returns for shareholders in the future. As of the end of the Reporting Period, China Re P&C and China Continent Insurance respectively held 3.64% and 2.86% equity interest in Great Wall Asset, that is China Re Group held 6.5% of Great Wall Asset's equity share in aggregate.

On 15 December 2018, China Continent Insurance entered into a sale and purchase agreement with Shanghai Fuyuan Binjiang Development Co. Ltd., to acquire a property at a consideration of approximately RMB3,085 million, payable in cash. The property is Building No. 1 (the address is No. 6 Lane 38, Yuanshen Road) of the Shanghai Fuyuan Landmark Plaza Project located at the land plot Nos. 04-4 of Huangpu Riverbank Unit E10, Pudong New District, Shanghai, the PRC. The property is an investment property for commercial use and is an impermanent self-owned property of the Group. As at the end of the Reporting Period, 90% of the transaction price of the project has been paid, amounting to RMB2,777 million in total. The project is now completed and delivered.

Investment Performance

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

Unit: in RMB millions, except for percentages

Investment income	**For the six months ended 30 June 2020**	2019
Cash and fixed-income investments	**4,515**	4,305
Interest income	**4,718**	4,241
Realised gains	**85**	54
Unrealised (losses)/gains	**(182)**	10
Impairment losses	**(106)**	–
Equity and investment funds	**2,224**	818
Dividend income	**686**	628
Realised gains/(losses)	**1,702**	(144)
Unrealised gains	**49**	485
Impairment losses	**(213)**	(151)
Other investments	**1,086**	1,224
Net investment income from investment in associates	**815**	1,158
Other gains[1]	**271**	66
Less: interest expenses on securities sold under agreements to repurchase	**(260)**	(188)
Total investment income[2]	**7,565**	6,159
Annualised total investment yield (%)[2]	**5.48**	5.19
Net investment income[3]	**6,407**	6,027
Annualised net investment yield (%)[3]	**4.64**	5.07

Notes: 1. Including gains or losses from changes in fair value of derivative financial instruments, realised gains or losses from derivative financial instruments and rental income of investment properties.

2. Total investment income = Investment income + share of profits of associates – interest expenses on securities sold under agreements to repurchase;

Annualised total investment yield = Total investment income ÷ average of total investment assets as at the beginning and end of the period x 2;

Investment assets = cash and short-term time deposits + financial assets at fair value through profit or loss + financial assets held under resale agreements + time deposits + available-for-sale financial assets + held-to-maturity investments + investments classified as loans and receivables + reinsurers' share of policy loans + investments in associates + statutory deposits + derivative financial instruments + investment properties – securities sold under agreements to repurchase.

3. Net investment income = interest income + dividend income + rental income + share of profits of associates;

Annualised net investment yield = Net investment income ÷ average of total investment assets as at the beginning and end of the period x 2.

In the first half of 2020, the Group's total investment income was RMB7,565 million, representing a year-on-year increase of 22.8%, and the net investment income was RMB6,407 million, representing a year-on-year increase of 6.3%. The increase in our investment income was mainly due to (1) the relatively rapid growth in the scale of our total investment assets, which was mainly derived from premium cash inflows and the accumulation of investment income; and (2) the active seizure of the opportunity of capital market volatility to obtain excess investment income, while benefiting from the recovery of the A-share capital market and the good performance of the investment income of public market varieties. The annualised total investment yield was 5.48%, representing a year-on-year increase of 0.29 percentage points, and the annualised net investment yield was 4.64%, representing a year-on-year decrease of 0.43 percentage points.

Insurance Intermediary Business

Insurance intermediary business refers to the insurance intermediary business operated by Huatai Insurance Agency and its subsidiary, Huatai Surveyors & Adjusters Company. In the first half of 2020, against a general environment of intensifying competition and tightening regulatory policies in the insurance intermediary market, we insisted on our general strategy of "market-oriented development, institutionalised management and professional service" with channels as the core, collaboration as the booster and innovation as the driving force, continuously promoting our "Going Out" marketing strategy, synergetic development, innovative development and refined management. Facing the impact of the COVID-19 Pandemic on business development, we coordinated our efforts in pandemic prevention and operation management, and carried out the "Fight the 'Pandemic' • Sprint for '6.30' (戰「疫」行動 • 衝刺「6.30」)" activities, realising quick rebound and ongoing improvement in business development.

In the first half of 2020, revenue from insurance intermediary business amounted to RMB162 million, representing a year-on-year decrease of 6.4%. Profit before tax amounted to RMB2.46 million, representing a year-on-year increase of 17.7%.

Solvency

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

Unit: in RMB millions, except for percentages

	30 June 2020	31 December 2019	Change (%)
China Re Group			
Core capital	**92,933**	88,316	5.2
Available capital	**101,929**	97,311	4.7
Minimum capital	**53,194**	46,579	14.2
Core solvency adequacy ratio (%)	**175**	190	Decrease of 15 percentage points
Aggregated solvency adequacy ratio (%)	**192**	209	Decrease of 17 percentage points
Group Company			
Core capital	**70,037**	72,497	(3.4)
Available capital	**70,037**	72,497	(3.4)
Minimum capital	**14,650**	12,917	13.4
Core solvency adequacy ratio (%)	**478**	561	Decrease of 83 percentage points
Aggregated solvency adequacy ratio (%)	**478**	561	Decrease of 83 percentage points
China Re P&C			
Core capital	**20,956**	20,084	4.3
Available capital	**24,955**	24,083	3.6
Minimum capital	**11,784**	11,025	6.9
Core solvency adequacy ratio (%)	**178**	182	Decrease of 4 percentage points
Aggregated solvency adequacy ratio (%)	**212**	218	Decrease of 7 percentage points
China Re Life			
Core capital	**33,760**	26,253	28.6
Available capital	**38,757**	31,250	24.0
Minimum capital	**18,135**	14,691	23.4
Core solvency adequacy ratio (%)	**186**	179	Increase of 7 percentage points
Aggregated solvency adequacy ratio (%)	**214**	213	Increase of 1 percentage point
China Continent Insurance			
Core capital	**26,913**	26,226	2.6
Available capital	**26,913**	26,226	2.6
Minimum capital	**7,695**	7,063	8.9
Core solvency adequacy ratio (%)	**350**	371	Decrease of 22 percentage points
Aggregated solvency adequacy ratio (%)	**350**	371	Decrease of 22 percentage points

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

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

3. The solvency-related data as at 30 June 2020 have not been audited or reviewed by the Company's auditors.

4. The data of the Group Company, China Re P&C, China Re Life and China Continent Insurance is the same as the data submitted to the CBIRC.

As at the end of the Reporting Period, the Group, the Group Company and each of the reinsurance and insurance subsidiaries of the Group were all in compliance with the regulatory requirement regarding their respective solvency. Compared with the end of 2019, the consolidated solvency adequacy ratio of China Re Group decreased, mainly due to the overall increased business of the Group. In particular, the solvency adequacy ratio of the Group Company had a relative large decrease mainly due to the changes in the retrocession arrangement within the Group. The solvency adequacy ratio of China Re P&C and China Re Life generally remained stable and that of China Continent Insurance decreased, mainly due to business growth.

According to the requirements of The Solvency Regulatory Rules (Nos. 1-17) for Insurance Companies (《保險公司償付能力監管規則(1-17號)》) issued by the CBIRC, the "Summary of Solvency Reports" as of the end of the second quarter of 2020 of the Group Company and its subsidiaries, namely China Re P&C, China Re Life and China Continent Insurance, will be disclosed on their official websites respectively and the website of Insurance Association of China in due course. Shareholders and investors are advised by the Board to pay attention to the following key operation indicators extracted from the Summary of Solvency Reports as of the end of the second quarter of 2020:

Unit: in RMB millions

Entity / Indicators	**Group Company**	**China Re P&C**	**China Re Life**	**China Continent Insurance**
	As at 30 June 2020			
Net assets	57,971	20,996	18,504	28,017
	For the six months ended 30 June 2020			
Insurance income	3,678	20,696	45,492	25,763
Net profit	480	741	1,132	765

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

2. The relevant data as at 30 June 2020 in the Summary of Solvency Reports of the Group Company, China Re P&C, China Re Life and China Continent Insurance is the same as the data submitted to the CBIRC, which is not audited or reviewed by the auditors of the Company.

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

Exchange Rate Fluctuation Risk

Substantial amount of assets and liabilities of the Group are denominated in Renminbi, but certain assets and liabilities are denominated in Hong Kong dollars, US dollars and other foreign currencies. The fluctuations of the value of Renminbi against such currencies expose us to foreign exchange risks. We control the adverse impacts of the fluctuations of exchange rates through enhancing management of the assets and liabilities matching in different currencies, keeping foreign exchange positions under control and using foreign currency hedging instruments appropriately. As at 30 June 2020, the Group held currency swaps of RMB500 million (31 December 2019: RMB411 million).

Details of Assets Charged and Bank Borrowings

As at 30 June 2020, the bonds with a carrying amount of RMB28,796 million (31 December 2019: RMB26,421 million) were deposited in the collateral pool for the securities sold under agreements to repurchase by the Group. Securities sold under agreements to repurchase are generally repurchased within three months from the date the securities are sold.

As at 30 June 2020, the Group held an unsecured short-term borrowing of GBP20 million with a coupon rate of Libor plus 1.85%, which will be repayable within one year; and unsecured short-term borrowings of RMB30 million and RMB70 million with a coupon rate of 4.5% and 8.5%, respectively, which will be repayable within one year.

As at 30 June 2020, the Group held a long-term borrowing of USD550 million with a coupon rate of 4.7%, and the term is 60 months.

Contingencies

As at 30 June 2020, the Group had issued the following guarantees:

As at 30 June 2020, the Group Company provided maritime guarantee of RMB2,661 million (31 December 2019: RMB2,937 million) for domestic and overseas ship mutual insurance associations or overseas insurance institutions which provided 100% of counter guarantee for the aforesaid maritime guarantee.

As at 30 June 2020, the Group Company provided letter of credit for Lloyd's to support China Re Syndicate 2088's underwriting business of GBP100 million (31 December 2019: GBP100 million).

As at 30 June 2020, CRIH provided letter of credit for Lloyd's to support Syndicate 1084 and Syndicate 1176's underwriting business of GBP300 million (31 December 2019: GBP300 million).

Employees

As of 30 June 2020, China Re Group had a total of 70,248 employees. The Group's staff remuneration comprises three components, namely basic salary, performance bonus and benefits and subsidies. We always uphold the guidance of "combining the market practice with the real situation of China Re", follow the distribution concept of "giving priority to the front-line staff, the front office staff, the core backbones and the best-performing staff", and have established a fair, competitive and motivating remuneration system. We have established an enterprise annuity plan and a supplementary medical insurance plan to provide employees with more comprehensive benefits, which plays an important role in attracting, motivating and retaining talents.

The Group is devoted to realising a win-win situation between corporate development and employee improvement, and has fully implemented talent protection to train young employees, backbone talents, and core talents in a targeted manner, in which we have increased investment in talent cultivation, strengthened employee career planning management, cleared the obstacles on the career growth channels, and established a talent training system with our characteristics through multi-level training, internal rotation and exchange, and overseas training to create a high-quality, professional and international team of employees.

Major Events

Material Connected Transactions

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

Use of Proceeds

The Company's shares were listed and traded on the Main Board of the Hong Kong Stock Exchange on 26 October 2015. The total proceeds from the initial public offering (including the partial exercise of the over-allotment option as stated in the Prospectus) amounted to approximately HKD16,392 million. As of 30 June 2020, the invested proceeds from the initial public offering of the Company amounted to HKD10,044 million, of which:

(1) HKD7,600 million was used for the capital increase of the subsidiaries and overseas branches of the Company;

(2) HKD876 million was used for the payment of underwriting expenses of initial public offering and general corporate purposes; and

(3) HKD1,568 million was used to pay the consideration for acquisition of subsidiaries by the Company.

During the Reporting Period, the Company has not utilised the proceeds.

As of the end of the Reporting Period, the balance of the proceeds from the Company's initial public offering amounted to HKD6,348 million, of which: SGD20 million (equivalent to approximately HKD111 million if calculated at the central parity rate of Renminbi against SGD and Hong Kong dollars as announced by the State Administration of Foreign Exchange on 30 June 2020) was proposed to be used for the continuous increase of registered working capital of Singapore Branch, which has been approved by regulatory authorities; and the remaining proceeds will be used for the purposes as disclosed in the Prospectus, which are continuously supporting the Company's solvency and international rating to uphold business development. Considering the capital and operation conditions of the Company, currently there is no specific utilisation plan for the remaining proceeds.

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

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

Prospects

China Re Group will adhere to the drivers of “platform operation, technology advancement and globalisation”, implement the operation policy of “stabilising growth, adjusting structure, controlling risk, and increasing profitability” and actively cope with the new market changes and new regulatory requirements while striving to intensity refined management and technology empowerment so as to achieve high-quality development.

For the P&C reinsurance business, we will continue to facilitate the transformation and upgrading of our operating mode, optimise the customer service system and vigorously promote technology empowerment and innovation driven development. We will strengthen our advantages in traditional businesses, expand the business deployment in emerging fields, actively cultivate and develop new businesses and put effort in creating new growth momentum. We will also establish a reinsurance ecosystem, expand the industrial chain and cooperation network and enhance our development capabilities. We will adhere to being customer-centric, enhance the promotion of customised and professional service solutions and improve our customer service standard and quality. We will also facilitate the in-depth integration of overseas business, enhance domestic and overseas business collaboration and strengthen international business risk management to promote the high-quality development of overseas business. We will continuously facilitate the technology upgrade of catastrophe modeling framework and promote its commercial application, expand the application of artificial intelligence and blockchain technology in operation and management and continuously improve the innovation ability of technology application.

For the life and health reinsurance business, we will adhere to our strategic focus, actively promote supply-side reforms such as products and services by focusing on major development opportunities such as the digital transformation of the industry, health insurance development and health industry integration, carefully evaluate business development strategies in a low interest rate environment, and actively pay attention to industry policies and risk events. Focusing on “Data+” and “Product+”, we will vigorously expand business scale of the protection-type business, explore policy opportunities such as new critical illnesses and long-term medical care, innovate and upgrade product development and service integration, as well as continue to strengthen risk prevention and management to ensure high-quality development of the protection-type business. We will strictly control operating cost, enhance the asset-liability management, utilise our advantages of “(domestic and overseas) dual-markets” and “(business and investment) dual-platforms” to achieve the collaborative development of savings-type reinsurance business in domestic and overseas markets. We will meet our customers’ needs, manage the existing business and develop new business, and develop the financial reinsurance business with innovative solutions under the principles of risk control and priority to benefit.

For the primary P&C insurance business, we will continuously optimise product structure, improve efficiency, reduce costs to further consolidate our market position. In respect of the motor insurance, we will continuously put efforts in the technology empowerment and refined management, actively respond to the comprehensive reform of motor insurance, optimise the renewal and claims process, strengthen the cost management and control and improve the business quality. In respect of the non-motor insurance, we will enhance operation capabilities, strengthen risk management and control, continue to deepen the "Non-motor" strategy, strive to make breakthroughs and achieve balanced development in policy-related and profitable insurance types. We will further promote the "China Continent Super APP" customer online application platform and continue to promote the in-depth implementation of the customer-oriented comprehensive operation model. We will fully enhance the abilities of online operation, digitisation and intelligent technology application, strengthen the abilities of technology innovation and application and facilitate strategic transformation, so as to build a brand new model for customer management.

For the asset management business, we will continue to follow the orientation of professionalisation, marketisation and internationalisation to comprehensively enhance our strategic positioning, asset and liability synergy and institutionalised investment capabilities. We will adhere to a steady and prudent investment concept and strengthen our judgement on the key factors such as the economic situation, market environment and interest rate trends, aiming to optimise the dynamic asset allocation mechanism and strengthen the refined management of various types of assets. Sticking to comprehensive risk management, we will improve our risk assessment system and enhance our capabilities to cope with extreme risks. We will keep tapping into the potential of business synergy with the main insurance businesses and make due efforts to develop third-party business to support the high-quality development of China Re Group.

EMBEDDED VALUE

1. Valuation Results

As at 30 June 2020, the China Re Group life and health reinsurance business includes the life and health reinsurance business of the Group Company and all business of China Re Life and China Re HK. Based on “Guidance on Actuarial Practice: Valuation of Embedded Value for Life and Health Insurance” issued by the China Association of Actuaries in November 2016 and industry practice for publicly listed companies in Hong Kong, we performed the China Re Group embedded value (“**EV**”) calculation as at 30 June 2020.

This section summarises the EV and the value of one year’s new business (“**1-year VNB**”) results as at 30 June 2020 and the corresponding results as at prior valuation date.

Unit: in RMB millions

Valuation Date	**30 June 2020**	31 December 2019
Embedded Value		
Adjusted Net Worth (“**ANW**”)	**93,102**	91,031
Value of In-force Business (“**VIF**”) before CoC	**13,900**	10,880
Cost of Required Capital (“**CoC**”)	**(4,692)**	(3,458)
Value of In-force Business after CoC	**9,208**	7,422
Embedded Value	**102,310**	98,453
Of which:		
ANW of the life and health reinsurance business	**22,396**	20,462
VIF after CoC of the life and health reinsurance business	**9,042**	7,259
EV of the life and health reinsurance business	**31,438**	27,721
Value of One Year’s New Business of the life and health reinsurance business		
Value of One Year’s New Business before CoC	**3,179**	2,865
Cost of Required Capital	**(1,203)**	(647)
Value of One Year’s New Business after CoC	**1,975**	2,219

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

Note 2: Figures related to life and health reinsurance business only include business of China Re Life and China Re HK, which accounts for more than 99.5% of total life and health reinsurance business. The same applies in the tables below.

2. Assumptions

The key assumptions used for the life and health reinsurance business of the Group Company and China Re Life as at 30 June 2020 are the same as those used in 2019 year-end valuation.

The key assumptions used for the life and health reinsurance business of China Re HK as at 30 June 2020 are determined based on recent experience analysis results, and with reference to the life and health insurance market experience, economic environment and tax policies in the Hong Kong market. The investment return rates and tax assumptions used for the value of in-force business and value of one year's new business for China Re HK as at 30 June 2020 are summarised as below, while the other valuation assumptions are consistent with those used for the Group Company and China Re Life.

Investment Return Rates

The following table summarises the assumptions of investment return rates used to calculate the value of in-force business and value of one year's new business for China Re HK as at 30 June 2020:

	2020	**2021**	**2022**	**2023-2029**	**2030+**
Life and health reinsurance business of China Re HK	4.3%	4.3%	4.3%	4.3%	4.3%

The assumptions shown above are determined with reference to the circumstances of current capital market in Hong Kong, current and expected future asset allocations, and the investment returns of major asset classes.

Tax

Currently, corporate income tax is assumed to be 8.25% of taxable profit in Hong Kong. And some percentage of investment return is assumed to be tax free based on current experience and future expectation.

3. Sensitivity

We have performed a series of sensitivity tests on alternative assumptions for value of in-force business and value of one year's new business of the life and health reinsurance business of China Re Group as at 30 June 2020. For each test, only the referred assumption is changed, while the other assumptions are kept unchanged. Results of the sensitivity tests are shown as below:

Unit: in RMB millions

Scenarios	VIF after CoC	1-year VNB after CoC
Base Scenario	9,042	1,975
Risk discount rate increased by 100 basis points	8,194	1,730
Risk discount rate decreased by 100 basis points	9,992	2,246
Annual investment return rates increased by 50 basis points	10,491	2,381
Annual investment return rates decreased by 50 basis points	7,587	1,568
Mortality and morbidity rates increased by 10%	8,985	1,974
Mortality and morbidity rates decreased by 10%	9,101	1,977
Discontinuance rates increased by 10%	8,861	1,931
Discontinuance rates decreased by 10%	9,228	2,022
Expenses increased by 10%	8,886	1,924
Expenses decreased by 10%	9,199	2,027
Combined ratio of short-term reinsurance contracts increased by 1 percentage point on absolute basis	8,618	1,846
Combined ratio of short-term reinsurance contracts decreased by 1 percentage point on absolute basis	9,458	2,093

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

SECURITIES TRANSACTIONS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company or any of its subsidiaries has not purchased, sold or redeemed any of the Company's or its subsidiaries' listed securities during the Reporting Period.

INTERIM DIVIDEND

The Company does not declare interim dividend for the six months ended 30 June 2020.

REVIEW OF INTERIM RESULTS

The Group's 2020 interim financial information prepared under International Financial Reporting Standards has been reviewed by PricewaterhouseCoopers. The interim results have been reviewed by the Audit Committee of the Board.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 30 June 2020 will be published on the website of the Company (www.chinare.com.cn) and HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) in due course.

DEFINITIONS

"Belt and Road Initiative"	Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road issued by the National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce of the PRC on 28 March 2015
"Board of Directors" or "Board"	the board of directors of our Company
"CBIRC"	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
"Central Huijin"	Central Huijin Investment Ltd.
"Chaucer"	The collective name of China Re International Holdings Limited, Chaucer Insurance Company Designated Activity Company and China Re Australia HoldCo Pty Ltd
"China Continent Insurance"	China Continent Property & Casualty Insurance Company Ltd. (中國大地財產保險股份有限公司), a subsidiary of the Company incorporated in the PRC on 15 October 2003. The Company holds 64.3% of its shares
"China Everbright Bank"	China Everbright Bank Co., Ltd. (中國光大銀行股份有限公司), a joint stock limited liability company incorporated in the PRC
"China Re AMC"	China Re Asset Management Company Ltd. (中再資產管理股份有限公司), a subsidiary of the Company incorporated in the PRC on 18 February 2005. The Company holds 70% of its shares, and China Re P&C, China Re Life and China Continent Insurance hold 10% of its shares respectively

"China Re HK"	China Reinsurance (Hong Kong) Company Limited (中國再保險(香港)股份有限公司), a subsidiary of China Re Life licensed and incorporated by Hong Kong Insurance Authority on 16 December 2019
"China Re Life"	China Life Reinsurance Company Ltd. (中國人壽再保險有限責任公司), a wholly-owned subsidiary of the Company incorporated in the PRC on 16 December 2003
"China Re P&C"	China Property and Casualty Reinsurance Company Ltd. (中國財產再保險有限責任公司), a wholly-owned subsidiary of the Company incorporated in the PRC on 15 December 2003
"China Re Syndicate 2088"	the syndicate established at Lloyd's in December 2011 by the Company through China Re UK
"China Re UK"	China Re UK Limited, a wholly-owned subsidiary of the Company incorporated in England and Wales on 28 September 2011
"CIC"	Chaucer Insurance Company Designated Activity Company, a company registered in the Republic of Ireland
"CNIP"	China Nuclear Insurance Pool. CNIP was established in 1999 and the Group Company has been the management institution and chairman company of CNIP from its establishment date to November 2016. Starting from November 2016, the management institution of CNIP changed from the Group Company to China Re P&C
"Company" or "Group Company"	China Reinsurance (Group) Corporation (中國再保險(集團)股份有限公司)
"Corporate Governance Code"	the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Hong Kong Listing Rules

"CRAH"	China Re Australia HoldCo Pty Ltd, a company registered in Australia, the former name of which is Hanover Australia HoldCo Pty Ltd
"CRIH"	China Re International Holdings Limited, a company registered in England and Wales, the former name of which is The Hanover Insurance International Holdings Limited
"Director(s)"	the director(s) of the Company
"former CIRC"	China Insurance Regulatory Commission (中國保險監督管理委員會), the functions of which have been incorporated into the CBIRC
"Great Wall Asset"	China Great Wall Asset Management Co., Ltd. (中國長城資產管理股份有限公司), a joint stock limited liability company incorporated in the PRC
"Group", "China Re Group" or "we"	our Company and its subsidiaries (except where the context requires otherwise)
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huatai Insurance Agency"	Huatai Insurance Agency and Consultant Service Limited (華泰保險經紀有限公司), a subsidiary of the Company incorporated in the PRC on 1 March 1993. The Company holds 52.5% of its shares
"Lloyd's"	the Society of Lloyd's, a global leading specialised P&C and liability insurance market

"Model Code for Securities Transactions"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Hong Kong Listing Rules
"Prospectus"	the prospectus of the Company dated 13 October 2015
"Reporting Period"	since 1 January 2020 until 30 June 2020
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Supervisor(s)"	the supervisor(s) of the Company

On behalf of the Board
China Reinsurance (Group) Corporation
Zhu Xiaoyun
Joint Company Secretary

Beijing, the PRC, 28 August 2020

As at the date of this announcement, the executive Directors are Mr. Yuan Linjiang, Mr. He Chunlei and Mr. Ren Xiaobing, the non-executive Directors are Ms. Lu Xiuli, Mr. Wen Ning, Ms. Wang Xiaoya and Mr. Liu Xiaopeng, and the independent non-executive Directors are Mr. Hao Yansu, Mr. Li Sanxi, Ms. Mok Kam Sheung and Ms. Jiang Bo.