

BEST'S CREDIT REPORT

Taiping Reinsurance Company Limited

29A, United Centre, 95 Queensway, Admiralty, Hong Kong

AMB #: 085029

NAIC #: N/A

AIIN#: AA-5324100

Phone: 852-2865-3838

Fax: 852-2544-9633

Website: www.tpre.cntaiping.com

[Best's Credit Rating Methodology](#) | [Disclaimer](#) | [Best's Credit Rating Guide](#)

Copyright © 2018 A.M. Best Company, Inc. and/or its affiliates. ALL RIGHTS RESERVED. No part of this report or document may be distributed in any electronic form or by any means, or stored in a database or retrieval system, without the prior written permission of A.M. Best. For additional details, refer to our *Terms of Use* available at A.M. Best website: www.ambest.com/terms.



Taiping Reinsurance Company Limited

Credit Report

Report Release Date:
October 18, 2018

Group Members Rating Effective Date:
September 28, 2018

Disclosure Information: View A.M. Best's [Rating Disclosure Form](#)

Analytical Contacts

A.M. Best Asia-Pacific Ltd.

James Chan
Senior Financial Analyst
James.Chan@ambest.com
+852 2827 3418

Christie Lee
Director-Analytics
Christie.Lee@ambest.com
+852 2827 3413

Ultimate Parent: [055742 - China Taiping Insurance Group Ltd.](#)

A.M. Best Rating Unit: 085029 - Taiping Reinsurance Company Limited

Best's Credit Ratings:

Rating Effective Date: September 28, 2018

Best's Financial Strength Rating:	A	Outlook:	Stable	Action:	Affirmed
Best's Issuer Credit Rating:	a	Outlook:	Stable	Action:	Affirmed

Best's Credit Ratings for Group Members:

Rating Effective Date: September 28, 2018

AMB#	Company	Rating Unit	Best's Financial Strength Ratings			Best's Issuer Credit Ratings		
			Rating	Outlook	Action	Rating	Outlook	Action
085029	Taiping Reinsurance Co Limited		A	Stable	Affirmed	a	Stable	Affirmed
094637	Taiping Re China		A	Stable	Affirmed	a	Stable	Affirmed

Five Year Credit Rating History:

Date	Best's Financial Strength Ratings			Best's Issuer Credit Ratings		
	Rating	Outlook	Action	Rating	Outlook	Action
09/28/2018	A	Stable	Affirmed	a	Stable	Affirmed
09/29/2017	A	Stable	Affirmed	a	Stable	Affirmed
09/29/2016	A	Stable	Affirmed	a	Stable	Affirmed
09/30/2015	A	Stable	Affirmed	a	Stable	Affirmed
10/08/2014	A	Stable	Upgraded	a	Stable	Upgraded

Rating Rationale:

Balance Sheet Strength: Very Strong

- Taiping Reinsurance Company Limited's (TPRe) consolidated capital and surplus has benefited from a track record of profit retention and financial support from its parent, China Taiping Insurance Holdings Company Limited (CTIH), over the past five years. Capital injections totaled HKD 3.5 billion during the period of 2013 to 2017.
- The company's consolidated risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio (BCAR), is expected to remain solid over the short to intermediate term, underpinned by the anticipated continued parental support to offset the increasing underwriting and investment risks in tandem with the dynamic premium growth trajectory.
- TPRe is exposed to worldwide catastrophe risk and has arranged retrocession programs that are aligned with its risk tolerances to protect itself from catastrophe exposure in peak zones.

Operating Performance: Adequate

- TPRe has demonstrated consistently profitable overall underwriting results during the past five years, despite the occurrence of some global and regional major catastrophe events in 2017.
- In view of the high proportion of property business and the robust expansion in business from China, TPRe may experience larger pressure to its non-life underwriting margin due to the intensified market competition.
- Net investment results have been favorable over the past five years, underpinned by a strong and stable stream of interest income from bonds and loan-type investments. Notwithstanding, the company's investment portfolio is exposed to some concentration risk in single investments in bonds and mutual funds.

Business Profile: Neutral

- Leveraging its long operating history and the strong brand name, TPRe's non-life portfolio is geographically diversified with a focus in Asia. In particular, China continues to be the largest source of premium income and growth momentum.
- TPRe has been robustly developing its life reinsurance business since 2014, which helps lower the volatility in overall claims experience arising from the non-life portfolio, which is skewed towards property business.

Enterprise Risk Management: Appropriate

- Established processes are in place to monitor key risk indicators against the company's defined risk tolerances, including solvency, catastrophe protection, operating performance, investment guidelines, credit risk and concentration risk.
- The company's enterprise risk management (ERM) framework is considered appropriate to support its risk profile.

Rating Lift/Drag

- TPRe is wholly owned by CTIH and benefits from the brand recognition and enhanced financial flexibility of CTIH as a publicly listed company. In addition, the company has received explicit support from CTIH, as reflected by the track record of material capital injections from the parent group.
- TPRe has become highly integrated into the wider group in terms of business development, investment strategy, risk management and operational support.

Outlook

The stable outlooks reflect the expectations that the company's rating fundamentals will remain unchanged over the intermediate term.

Rating Drivers

Negative rating actions could occur if there is a material deterioration in the company's risk-adjusted capitalization or if China Taiping Insurance Holdings Limited reduces the level of support it provides to Taiping Reinsurance Company Limited.

Financial Data Notes:

Time Period: Annual - 2017

Status: A.M. Best Quality Cross Checked

Key Financial Indicators:

Key Financial Indicators (000)

	Year End				
	2017	2016	2015	2014	2013
Premiums					
Gross premiums written - combined	11,057,594	9,175,447	8,004,953	6,108,144	3,737,472
Gross premiums written - non life	6,767,792	4,951,473	4,601,188	4,007,131	3,693,546
Net premiums written - combined	9,992,794	8,357,970	6,370,463	5,706,531	3,389,977
Net premiums written - non life	5,733,468	4,226,351	3,911,214	3,606,527	3,346,632
Net premiums written - life	4,259,326	4,131,619	2,459,249	2,100,004	43,345
Capital & Surplus	8,201,874	6,870,923	6,193,368	4,468,275	3,895,069
Total Assets	37,038,874	27,187,341	19,531,048	12,750,223	10,119,315

Source: Bestlink - Best's Statement File - Global

Local Currency: Hong Kong Dollar

US \$ per Local Currency Unit .12796 = 1 Hong Kong Dollar (HKD)

Key Financial Indicators: (Continued...)

Key Financial Indicators - A.M. Best Ratios (%)

	Year End				
	2017	2016	2015	2014	2013
Combined Ratio	96.4	92.9	93.3	89.4	96.5
Net Premiums Written to Equity	121.8	121.6	102.9	127.7	87.0
Liquidity					
Liquid Assets to Total Liabilities	82.5	89.1	90.0	101.8	116.4
Total Investments to Total Liabilities	106.5	111.4	119.3	123.1	135.0

Source: Bestlink - Best's Statement File - Global

(*) Data reflected within all tables of this report has been compiled from the financial statements of this company (Source: Company Financial Statement).

Best's Capital Adequacy Ratio Summary - AMB Rating Unit (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	68.0	57.0	52.0	51.0

Source: Best's Capital Adequacy Ratio Model - Universal

Credit Analysis:

Balance Sheet Strength: Very Strong

Capitalization:

Taiping Reinsurance Company Limited's (TPRe) consolidated capital and surplus has more than doubled in the past five years, mainly driven by capital injections from its parent company, China Taiping Insurance Holdings Company Limited (CTIH), and the retention of operating profits during the period.

The company's consolidated capital and surplus increased to HKD 8.1 billion as of June 30, 2018, from HKD 3.9 billion as of year-end 2013. CTIH injected capital worth HKD 250 million and HKD 500 million in 2012 and 2013, respectively, to enhance TPRe's financial strength. Furthermore, CTIH made two additional capital injections of HKD 350 million each in 2014 and 2015 to support TPRe's growth in the life reinsurance business. In 2015, CTIH further injected RMB 1 billion (approximately HKD 1.2 billion) to support the growth of its subsidiary, Taiping Reinsurance (China) Company Limited (TPRe China). Subsequently in 2016 and 2017, TPRe received capital injections that totaled HKD 500 million and HKD 635 million, respectively, from CTIH.

TPRe's consolidated risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio (BCAR), remained solid as of year-end 2017 and supportive of the current ratings over the short to intermediate term. Going forward, A.M. Best expects CTIH to render continued capital and financial support to the benefit of TPRe.

Capitalization: (Continued...)

Capital Generation Analysis (000)

	Year End				
	2017	2016	2015	2014	2013
Capital & surplus brought forward	6,870,923	6,193,368	4,468,275	3,895,068	3,058,010
Change in share capital	635,000	500,000	1,546,100	350,000	500,000
Currency exchange gains	115,722	-99,554	-101,897	-7,139	3,752
Profit or loss for the year	760,420	434,060	422,440	387,564	404,532
Capital gains or (losses)	99	999	-25,280	-35,855	-37,601
Dividend to shareholders	-180,290	-157,950	-116,270	-121,363	-33,625
Total change in capital & surplus	1,330,951	677,555	1,725,093	573,207	837,058
Capital & surplus carried forward	8,201,874	6,870,923	6,193,368	4,468,275	3,895,068

Source: Bestlink - Best's Statement File - Global

Local Currency: Hong Kong Dollar

US \$ per Local Currency Unit .12796 = 1 Hong Kong Dollar (HKD)

Asset Liability Management – Investments:

As of year-end 2017, TPRE's non-life investment portfolio consisted mostly of bonds and fixed income securities (69.7%), followed by cash and bank deposits (13.5%), equities and investment funds (8.4%), loans (8.0%) and investment properties (0.4%).

In terms of the investment portfolio for the life business, 75.1% was allocated to bonds and fixed income securities, followed by loans (12.8%), equities and investment funds (8.0%), and cash and bank deposits (4.1%).

The total invested asset base increased 35.8% to HKD 30.7 billion as of year-end 2017, mainly driven by the robust growth in the relatively new life operations. Approximately 78% of the total investments were liquid assets, leading to a liquid assets to net technical reserves ratio of 103% compared with 113% in the prior year. Notwithstanding, TPRE actively manages its liquidity risk by monitoring the adjusted liquidity of different assets against liquidity needs from insurance liabilities over the one-month and one-year periods. The company's liquidity is considered to be adequate to support its business operations.

Reserve Adequacy:

TPRe has employed an internal actuary to perform valuations of reserves for its non-life business. Besides, the company has employed an external actuarial consultant to perform peer reviews of its reserves. Reserve analysis is performed separately for the Hong Kong office, Labuan office and subsidiary in China to comply with local regulations. Various IBNR estimation methods are used, including the loss ratio approach, chain-ladder method, and B-F method. Reserves are estimated on both a gross and net basis. Most non-life product lines are short-tailed in nature, and net claims development generally stabilizes within three years.

Operating Performance: Adequate

TPRe has consistently demonstrated favorable operating results since 2013, mainly attributed to strong investment income, as well as consistently positive underwriting results.

The non-life combined ratio increased from 92.9% in 2016 to 96.4% in 2017, mainly attributed to the combined results of intensified market competition, increased human resources expenses as well as additional costs from making investments to enhance catastrophe modeling and IT systems. In terms of claims experience, proportional treaty business in commercial property was negatively impacted by catastrophe losses from multiple major typhoons and hurricanes in 2017; however, more favorable results in non-proportional treaty business as well as some prior-year reserve releases contributed to stabilize the overall loss ratio at 56.7%.

The life reinsurance segment reported overall net profit in 2017, supported by investment income from interest, as well as favorable net foreign exchange gains. Going forward, the company believes that its life portfolio has entered a stable stage and will gradually grow as a profit contributor. A.M. Best will continue to monitor the progress the execution of its business plan.

TPRe has been consistently producing positive investment income over the past five years, underpinned by a strong and stable stream of interest income from bonds and loan-type investments. The favorable investment results have continued to be the key producer of overall operating profits since 2013. Notwithstanding, the company's investment portfolio is exposed to some concentration risk in bonds and mutual funds.

Although the majority of the investment portfolio consists of products denominated in Hong Kong dollars or U.S. dollars, unhedged exposure to some investments denominated in Chinese renminbi has been attributed to some volatility in foreign exchange gains or losses. For instance, the Chinese renminbi reversed its depreciating trend against the Hong Kong dollar in 2017, resulting in a net exchange gain of HKD 396 million compared to a net exchange loss of HKD 134 million in 2016.

TPRe China's non-life gross premiums written (GPW) represented about 52% of TPRe's consolidated non-life GPW in 2017. However, TPRe China has reported a non-life combined ratio of close to 100% over the past three years, leading to a relatively small contribution to TPRe's underwriting results. In terms of net profits, TPRe China accounted for 16% of TPRe's net profits due to the favorable support from its stable investment performance.

Financial Performance Summary (000)

	Year End				
	2017	2016	2015	2014	2013
Pre-Tax Income	918,341	567,367	526,838	481,151	433,863
Net income (after noncontrolling interests)	760,421	434,060	422,440	387,565	404,533

Source: Bestlink - Best's Statement File - Global

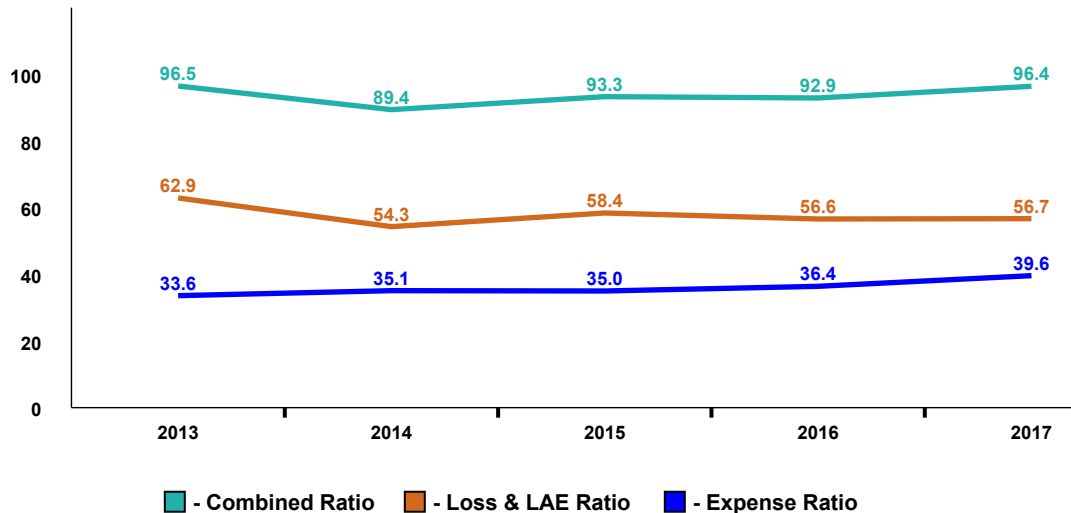
Local Currency: Hong Kong Dollar

US \$ per Local Currency Unit .12796 = 1 Hong Kong Dollar (HKD)

A.M. Best Ratios (%)

	Year End				
	2017	2016	2015	2014	2013
Overall Performance:					
Return on Assets	2.4	1.9	2.6	3.4	4.2
Return on Equity	10.1	6.6	7.9	9.3	11.6
Non-Life Performance:					
Loss & LAE Ratio	56.7	56.6	58.4	54.3	62.9
Expense Ratio	39.6	36.4	35.0	35.1	33.6
Combined Ratio	96.4	92.9	93.3	89.4	96.5
Combined less Investment Ratio	86.5	81.4	83.0	79.0	86.4

Source: Bestlink - Best's Statement File - Global

Combined Ratio (%)**Business Profile: Neutral**

TPRe is a wholly owned subsidiary of CTIH, an insurance holding company headquartered in Hong Kong and listed on the Hong Kong Stock Exchange. TPRe, formerly known as China International Reinsurance Company Limited, changed its name following the name change of its parent company to CTIH (previously known as China Insurance International Holdings Company Limited) on August 17, 2009.

CTIH's largest shareholder is China Taiping Insurance Group Ltd. (TPG), which is one of the major state-owned insurance groups in China and is directly supervised by the Ministry of Finance. The group has a global business presence in mainland China, Hong Kong, Macau, Southeast Asia, East Asia, Europe, North America and Oceania. It also operates in various segments including life insurance, general insurance, pension insurance, reinsurance, reinsurance brokerage and insurance agency, securities brokerage and non-financial investments.

Given the robust growth of the Chinese insurance industry, the group's life and non-life insurance operations in China – namely, Taiping Life Insurance Company Limited and Taiping General Insurance Company Limited – have become the group's key revenue drivers in recent years.

Headquartered in Hong Kong, TPRe has maintained a well-established leading position in the non-life reinsurance markets of Hong Kong and Macau. Its clientele currently covers more than 100 countries. Meanwhile, TPRe has taken advantage of being a subsidiary of TPG to establish a strong foothold in the Greater China region. In addition, TPRe China, which had formerly been the Beijing branch of TPRe, was converted to a wholly owned subsidiary of TPRe on November 18, 2015, and has obtained approval from the former China Insurance Regulatory Commission (CIRC) to become a licensed life and non-life reinsurance company in China.

TPRe has a composite reinsurer's license in Hong Kong. Since 2014, TPRe has been developing its life reinsurance business and successfully grew its life premium income in 2017 to HKD 4.3 billion, which accounted for 39% of its total GPW during the year. Most of TPRe's life reinsurance business was coinsurance business of short-term and medium-term durations, while yearly-renewable-term (YRT) business constituted only a small portion. Against the regulatory backdrop to promote more protection-type products in Mainland China, TPRe sees business potential in expanding its health and pension products as well as YRT treaties. Almost all life premiums are generated through the direct channel.

The company's non-life reinsurance portfolio is strongly focused on property business, which generated 58% of the non-life GPW in 2017; TPRe also underwrites reinsurance risks in motor, marine, liability, bond and credit, and accident and health. Approximately three-quarters of the non-life GPW consists of proportional treaties, while excess-of-loss treaties and facultative business produce the remainder.

In terms of geographical breakdown, China remained as the key growth engine and the largest non-life premium contributor, accounting for about 60% of TPRE's worldwide non-life GPW and three-quarters that of Asia. Other Asian business produced one-fifth of the worldwide premium, followed by Europe and North America. The company has taken a proactive approach in supporting reinsurance demand arising from the Chinese government's One-Belt-One-Road initiative. Approximately 60% of TPRE's non-life business is generated through the direct channel, while the remainder comes from brokers.

Additional market entrants over the past few years, coupled with the continued soft global reinsurance market, have intensified industry competition. However, the vast growth potential in China's reinsurance market, in particular business opportunities arising from the One-Belt-One-Road initiative and other global projects engaged by Chinese enterprises, is expected to provide TPRE China with good business prospects.

Enterprise Risk Management: Appropriate

TPRe formulated its enterprise risk management (ERM) framework with support from the parent group. The company enhanced the risk appetite system and strengthened the monitoring of core risks by adopting a risk appetite statement that focuses on proactively developing potential business while maintaining stable profits and prudent risk control. TPRE has composed internal guidelines concerning risk management for assigning risk responsibilities, as well as risk appetite construction, implementation and monitoring.

Risk appetite and risk tolerance are defined in relation to underwriting performance, investment returns, catastrophe protection, solvency, compliance and reputational risk, and then assessed on an annual basis and submitted to the board of directors for approval. The company reviews different categories of risk with a self-assessment system and oversees them through a comprehensive list of monitoring indices on a regular basis.

In terms of catastrophe risk management, TPRE assessed its catastrophe risk exposure through monitoring the accumulation of exposure in key exposed regions, including China, Taiwan, Japan, the United States, Caribbean and Europe. Retrocession purchase decision-making is also based on catastrophe modeling results.

Reinsurance Summary:

TPRe is exposed to worldwide catastrophe risk. A series of catastrophe excess-of-loss retrocession covers have been purchased to protect the company from undue catastrophic events in various regions. Retrocession is also utilized to support the company's underwriting capacity on a per-risk basis or to impose controls over peak zone catastrophic exposure. Most of the retrocessionaires in TPRE's catastrophe excess-of-loss retrocession program have strong financial strength.

Rating Lift/Drag

TPRe benefits from the continued holistic implicit and explicit support from the parent company, CTIH, in terms of capital and investment, as well as the high level of integration in business development, operation and risk management.

Financial Statements:

Balance Sheet:

Balance Sheet:

Assets	12/31/2017 HKD(000)	12/31/2017 % of total	12/31/2017 USD(000)
Cash & deposits with credit institutions	4,223,703	11.4	540,465
Bonds & other fixed interest securities	18,811,646	50.8	2,407,138
Shares & other variable interest instruments	761,878	2.1	97,490
Liquid assets	23,797,227	64.2	3,045,093
Unquoted investments	6,811,351	18.4	871,580
Real Estate	116,271	0.3	14,878
Total investments	30,724,849	83.0	3,931,552
Reinsurers' share of technical reserves - unearned premiums	254,705	0.7	32,592
Reinsurers' share of technical reserves - claims	1,443,596	3.9	184,723
Reinsurers' share of technical reserves - life	269,176	0.7	34,444
Total reinsurers share of technical reserves	1,967,477	5.3	251,758
Deposits with ceding companies	390,402	1.1	49,956
Insurance/reinsurance debtors	2,779,394	7.5	355,651
Inter-company debtors	199,590	0.5	25,540
Other debtors	756,622	2.0	96,817
Total debtors	3,735,606	10.1	478,008
Fixed assets	28,658	0.1	3,667
Prepayments & accrued income	191,882	0.5	24,553
Total assets	37,038,874	100.0	4,739,494

Balance Sheet: (Continued...)

Balance Sheet: (Continued...)

Liabilities	12/31/2017 HKD(000)	12/31/2017 % of total	12/31/2017 USD(000)
Capital	5,381,100	14.5	688,566
Paid-up capital	5,381,100	14.5	688,566
Non-distributable reserves	-31,110	-0.1	-3,981
Other reserves	-89,133	-0.2	-11,405
Retained earnings	2,941,017	7.9	376,333
Capital & surplus	8,201,874	22.1	1,049,512
Gross provision for unearned premiums	1,969,863	5.3	252,064
Gross provision for outstanding claims	7,075,562	19.1	905,389
Gross provision for outstanding claims - life	96,546	0.3	12,354
Gross provision for long term business - life	16,101,558	43.5	2,060,355
Total gross technical reserves	25,243,529	68.2	3,230,162
Deposits received from reinsurers	1,212,334	3.3	155,130
Insurance/reinsurance creditors	1,673,618	4.5	214,156
Inter-company creditors	62,120	0.2	7,949
Other creditors	643,999	1.7	82,406
Total creditors	2,379,737	6.4	304,511
Accruals & deferred income	1,400	...	179
Total liabilities & surplus	37,038,874	100.0	4,739,494

Source: Bestlink - Best's Statement File - Global

Local Currency: Hong Kong Dollar

US \$ per Local Currency Unit .12796 = 1 Hong Kong Dollar (HKD)

Summary of Operations:

Statement of Income (000)

General technical account:

	12/31/2017	12/31/2017
	HKD(000)	USD(000)
Reinsurance premiums assumed	6,767,792	866,007
Gross premiums written	6,767,792	866,007
Reinsurance ceded	1,034,324	132,352
Net premiums written	5,733,468	733,655
Increase/(decrease) in gross unearned premiums	403,618	51,647
Increase/(decrease) in reinsurers share unearned premiums	46,530	5,954
Net premiums earned	5,376,380	687,962
Other technical income	315	40
Total underwriting income	5,376,695	688,002
Net claims paid	2,336,661	298,999
Net increase/(decrease) in claims provision	713,303	91,274
Net claims incurred	3,049,964	390,273
Management expenses	222,703	28,497
Acquisition expenses	1,908,453	244,206
Net operating expenses	2,131,156	272,703
Other technical expenses	38	5
Total underwriting expenses	5,181,158	662,981
Balance on general technical account	195,537	25,021

Source: Bestlink - Best's Statement File - Global

Local Currency: Hong Kong Dollar

US \$ per Local Currency Unit .12796 = 1 Hong Kong Dollar (HKD)

Life technical account:

	12/31/2017	12/31/2017
	HKD(000)	USD(000)
Reinsurance premiums assumed	4,289,802	548,923
Annual premiums	2,088,518	267,247
New business premiums	2,201,284	281,676
Gross premiums written	4,289,802	548,923
Reinsurance ceded	30,476	3,900
Net premiums written	4,259,326	545,023
Increase/(decrease) in gross unearned premiums	2,483	318
Increase/(decrease) in reinsurers share unearned premiums	26	3
Net premiums earned	4,256,869	544,709
Net investment income	582,996	74,600
Total revenue	4,839,865	619,309
Net claims paid	707,973	90,592
Surrenders and premium refunds	-609,222	-77,956
Net increase/(decrease) in claims provision	39,035	4,995

Summary of Operations: (Continued...)

Statement of Income (000) (Continued...)

Life technical account:

	12/31/2017 HKD(000)	12/31/2017 USD(000)
Net claims incurred	137,786	17,631
Net increase/(decrease) in long term business provision	4,410,604	564,381
Management expenses	18,100	2,316
Acquisition expenses	372,858	47,711
Net operating expenses	390,958	50,027
Other technical expenses	10,257	1,312
Total expenses	4,949,605	633,351
Balance on long-term technical account	-109,740	-14,042

Source: Bestlink - Best's Statement File - Global

Local Currency: Hong Kong Dollar

US \$ per Local Currency Unit .12796 = 1 Hong Kong Dollar (HKD)

Combined technical account:

	12/31/2017 HKD(000)	12/31/2017 USD(000)
Reinsurance premiums assumed	11,057,594	1,414,930
Annual premiums	2,088,518	267,247
New business premiums	2,201,284	281,676
Gross premiums written	11,057,594	1,414,930
Reinsurance ceded	1,064,800	136,252
Net premiums written	9,992,794	1,278,678
Increase/(decrease) in gross unearned premiums	406,101	51,965
Increase/(decrease) in reinsurers share unearned premiums	46,556	5,957
Net premiums earned	9,633,249	1,232,671
Net investment income	582,996	74,600
Other technical income	315	40
Total revenue	10,216,560	1,307,311
Net claims paid	3,044,634	389,591
Surrenders and premium refunds	-609,222	-77,956
Net increase/(decrease) in claims provision	752,338	96,269
Net claims incurred	3,187,750	407,904
Net increase/(decrease) in long term business provision	4,410,604	564,381
Management expenses	240,803	30,813
Acquisition expenses	2,281,311	291,917
Net operating expenses	2,522,114	322,730
Other technical expenses	10,295	1,317
Total underwriting expenses	10,130,763	1,296,332
Balance on combined technical account	85,797	10,979

Source: Bestlink - Best's Statement File - Global

Local Currency: Hong Kong Dollar

Summary of Operations: (Continued...)

Statement of Income (000) (Continued...)

US \$ per Local Currency Unit .12796 = 1 Hong Kong Dollar (HKD)

Non-technical account:

	12/31/2017	12/31/2017
	HKD(000)	USD(000)
Net investment income	530,625	67,899
Exchange gains/(losses)	396,197	50,697
Other income/(expense)	-94,278	-12,064
Profit/(loss) before tax	918,341	117,511
Taxation	157,920	20,207
Profit/(loss) after tax	760,421	97,303
Dividend to shareholders	180,290	23,070
Retained Profit/(loss) for the financial year	580,131	74,234
Retained Profit/(loss) brought forward	2,360,887	302,099
Retained Profit/(loss) carried forward	2,941,018	376,333

Source: Bestlink - Best's Statement File - Global

Local Currency: Hong Kong Dollar

US \$ per Local Currency Unit .12796 = 1 Hong Kong Dollar (HKD)

Taiping Reinsurance Company Limited

Report Revision Date:

October 18, 2018

Company Attributes:

Industry: Insurance
Business Type: Composite
Entity Type: Operating Company
Organization Type: Stock
Business Status: In Business - Actively Underwriting
Marketing Type: Direct Response
Financial Size: XII (\$1 Billion to \$1.25 Billion)

Company History:

Date Incorporated: 09/09/1980

Date Commenced: N/A

Domicile: Hong Kong

Company Management:

Last significant update on 10/18/2018

Officers

CEO: Shihong Liu

General Manager: Kin Wing Polly Ho

Deputy General Manager: Xiaodong Sheldon Yu

Deputy General Manager: Fengyuan Gong

Deputy General Manager: Loi Man Tommy Yiu

Deputy General Manager: Zhongyi Jeremy Zhang

Deputy General Manager: Wei Pang

Deputy General Manager: Hang Yin

Deputy General Manager: Wei Lisa Huang

Assistant General Manager: Shao Fen Joyce Li

CFO: Yung Ada Wong

Directors

Bo Hong (Chairman)

Huiping Zhang (Vice Chairman)

Shihong Liu (Vice Chairman)

Siu Mun Sammy Lau (Independent Non-Executive Director)

Chai Fun Luk (Independent Non-Executive Director)

Regulatory:

Auditor: PricewaterhouseCoopers

An independent audit of the company's affairs through December 31, 2017, was conducted by PricewaterhouseCoopers.

Additional Resources:

[Related News](#)

[Rating Activity and Announcements](#)

[Company Overview](#)

[Archived Best's Credit Report](#)

[Corporate Changes & Retirements](#)

[BestAlert Service](#)

[Best's Credit Ratings Mobile Application](#)

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. Any and all ratings, opinions and information contained herein are provided "as is," without any express or implied warranty.

Visit <http://www.ambest.com/ratings/notice.asp> for additional information or <http://www.ambest.com/terms.html> for details on the Terms of Use.