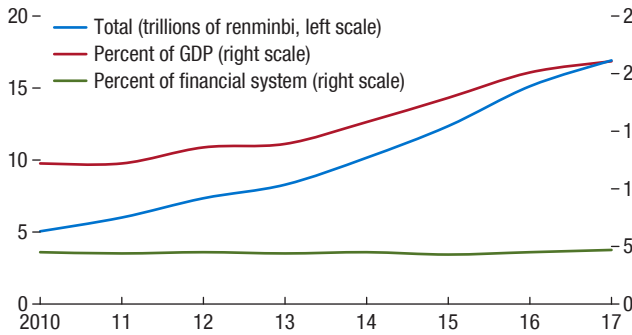


Figure 1.21. Chinese Insurers

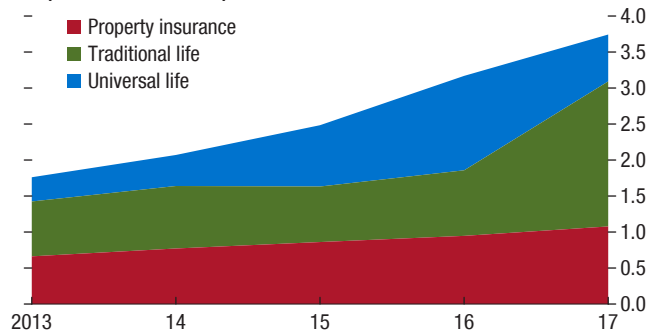
Chinese insurers have grown rapidly ...

1. Insurance Sector Total Assets



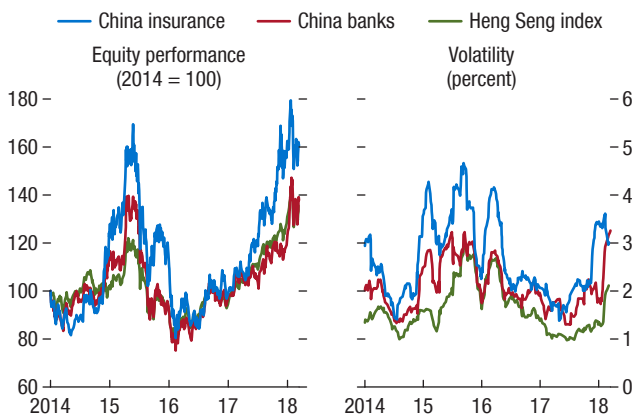
... fueled by life insurance sales.

2. Annual Insurance Premiums (Trillions of renminbi)



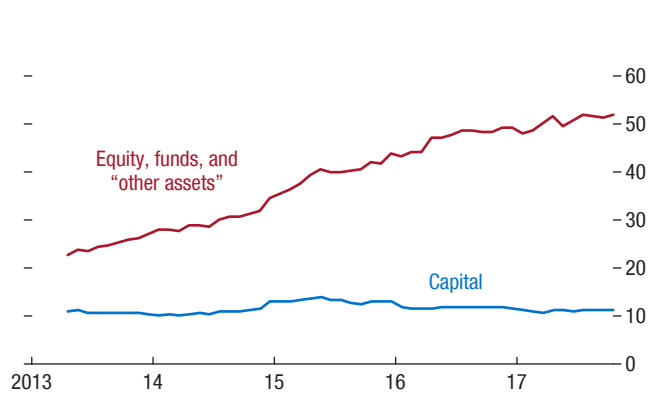
Insurers' shares have risen sharply, accompanied by high volatility.

3. Equity Performance and Volatility



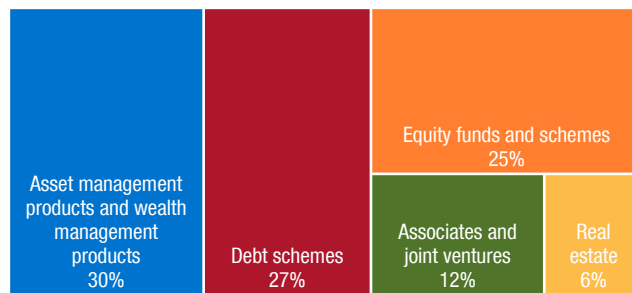
Increased revenues have been invested in higher-risk assets but capital has not been raised.

4. Non-Fixed-Income Assets and Capital (Percent of total assets)



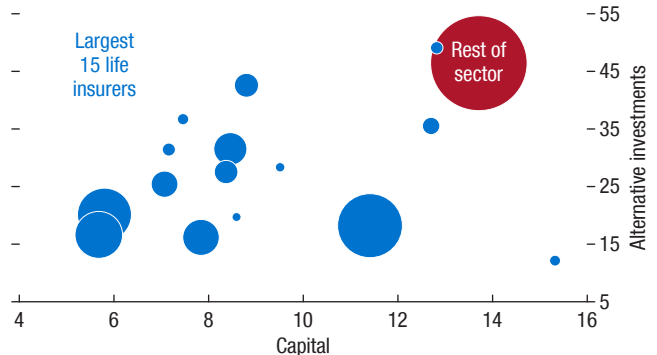
Other assets are mainly portfolios of infrastructure projects, real estate, and loans provided by asset managers.

5. Decomposition of "Other Assets," 2016 (Percent of other assets)



Variation of alternative investments and capital buffers within the sector is large.

6. Capital and Alternative Investments, 2016 (Percent of assets)



Sources: Annual reports; Bloomberg Finance L.P.; China Insurance Regulatory Commission; Morgan Stanley Capital International; and IMF staff calculations. Note: In panel 3, volatility is calculated as the annualized standard deviation of the relative price change for the 60 most recent trading days' closing price. In panel 5, an associate is an entity in which the company/group has a long-term interest of generally not less than 20 percent of the equity voting rights and over which it is in a position to exercise significant influence. Panels 5 and 6 are based on annual reports of the 15 largest life insurers. These companies cover two-thirds of the total assets of the Chinese insurance sector. In panel 6, the size of the bubbles denotes total assets.