

QUARTERLY SOLVENCY REPORT SUMMARY



General Reinsurance AG
Shanghai Branch

1st quarter of 2019

I. Basic Introduction

Company Name	General Reinsurance AG – Shanghai Branch
Legal Representative	Chua Tuan Miang
Address	Room 1803, China Merchants Tower, 161 East Lujiazui Road, Shanghai
Business scope	(1) Life reinsurance, including reinsurance business and retrocession business within PRC region and international reinsurance business; (2) Non - life reinsurance, including reinsurance business and retrocession business within PRC and international reinsurance business.
Contact Person Name	Yolanda Huang
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II. Basic Information

1. Actual Controller

The Head Office of General Reinsurance AG Shanghai branch (called “GRAG Shanghai”) is General Reinsurance AG located in Cologne, Germany. And the ultimate holding group is Berkshire Hathaway Inc. located in U.S.

2. There is no subsidiaries, associates and joint ventures for GRAG Shanghai.

3. Senior management basic information

Name	Age	Education	Tenure date	Title	Approval file No.	Whether take the job or part-time job in the affiliate company or other company	Working experience for the last 5 years
Chua Tuan Miang	46	Master of Economics	2006.05	General Manager	Bjgj[2006]410	No	Gen Re Shanghai
Tom Qiu	50	Master of Science / Arts in Computer	2009.01	Deputy general manager	Bjgj[2009]31	No	Gen Re Shanghai
Haifei Chen	41	Master of Science	2011.04	Deputy general manager	Bjgj[2011]493	No	Gen Re Shanghai and Gen Re Beijing

The Compliance officer and CRO, Laura Liu, handed her registration in the 1st quarter, and which was approved by the Management on Jan.15th. The company reported it to CIRC on Jan.17th. At the same time, Jenny Zhou was appointed as interim Compliance officer and Lydia Huang was appointed as interim CRO, which was reported to CIRC on Feb.15th.

III. Key Performance Indicator

1. Solvency Ratio Indicator

(RMB: 1 Yuan, %)

Indicators	Current quarter	Previous quarter
Admitted assets	4,822,525,559	4,486,167,702
Admitted liabilities	2,319,067,495	2,104,262,432
Actual capital	2,503,458,064	2,381,905,270
Of which: Tier 1 core capital	2,503,458,064	2,381,905,270
Tier 2 core capital	-	-
Tier 1 supplementary capital	-	-
Tier 2 supplementary capital	-	-
Minimum capital	1,213,042,490	1,200,860,738
Of which: Quantifiable risk minimum capital	1,207,427,950	1,195,302,581
Insurance risk minimum capital for Life	777,415,788	776,210,097
Insurance risk minimum capital for Non-Life	515,035,457	506,478,401
Market risk minimum capital	300,896,750	293,740,657
Credit risk minimum capital	8,298,247	6,483,240
Correlation coefficient effect	394,218,291	387,609,814
Loss absorbency effect for special contract	-	-
Control risk minimum capital	5,614,540	5,558,157
Supplementary capital	-	-
Core solvency surplus	1,290,415,574	1,181,044,532
Core solvency ratio	206%	198%
Comprehensive solvency surplus	1,290,415,574	1,181,044,532
Comprehensive solvency ratio	206%	198%

2. Liquidity risk regulatory indicator

(RMB: 1 Yuan, %)

Indicator	Current quarter	Previous quarter
Actual net cash flow	(162,437,930)	272,771,669
Consolidated Liquidity Ratio		
Within 3 months	106%	112%
Within 1 year	49%	60%
Above 1 year	217%	210%
Liquidity Coverage Ratio		
Stress scenario 1	36.41	29.13
Stress scenario 2	156.11	81.13

Stress scenario 1 is under the assumption that the claim cash outflow will increase by 50% compared to the basic one within the forecast period.

Stress scenario 2 is under the assumption that there will be 20% interests of fixed income assets can not be recovered within the forecast period.

Net cash flow out for this quarter was RMB 162 million, mainly because that the company bought RMB 314 million government bonds. The operating activities and investment activities were in line with the expectations. There were no financing activities in this quarter. The consolidated liquidity ratios for 3 months, within 1 year and above 1 year were 106%, 49% and 217% respectively. Compared with the previous quarter, the consolidated liquidity ratios for 3 months and within 1 year reduced in this quarter, the consolidated liquidity ratio for above 1 year increased. GRAG Shanghai branch holds sufficient high-quality liquidity assets cash and government bonds, so the Liquidity Coverage Ratios is high.

3. Operating indicator

(RMB: 1 Yuan)

Indicator	Current quarter	Previous Quarter
Premium	1,004,842,896	1,396,193,171
Net profit	65,136,698	-161,344,993
Net assets	739,353,150	666,501,938

IV. Integrated Risk Rating Indicator

GRAG Shanghai branch was classified as category A in Q4 2018 CIRC integrated risk rating (IRR) evaluation.

GRAG Shanghai branch was classified as category A in Q3 2018 CIRC integrated risk rating (IRR) evaluation.

V. Solvency Risk Management Capability

1. Latest score of solvency risk management capability

As assessed by CIRC and CIRC Heilongjiang Bureau, the SARMRA score of the Company in 2018 was 79.07. Among them, risk management foundation and environment 17.24 points, risk management objectives and tools 7.23 points, insurance risk management 7.78 points, market risk management 7.61 points, credit risk management 8.37 points, operational risk management 8.17 points, strategic risk management 7.30 points, reputation risk Management 7.46 points, liquidity risk management 7.93 points.

2. Improvements of solvency management

Referring to the risk management framework of the Head Office, GRAG Shanghai Branch established appropriate risk management system, including solvency management guide, including insurance risk, market risk, credit risk, operational risk, strategic risk, reputation risk, liquidity risk, etc. To build a sound risk management system, the responsible departments and individuals are identified in each risk system, and the responsibility of each department, reporting content, reporting line, and frequency, etc. are clearly stated.

VI. Regulatory measures taken by regulatory authorities

None.

The difference is...the quality of the promise.



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