

QUARTERLY SOLVENCY REPORT SUMMARY



General Reinsurance AG Shanghai Branch

2nd quarter of 2019

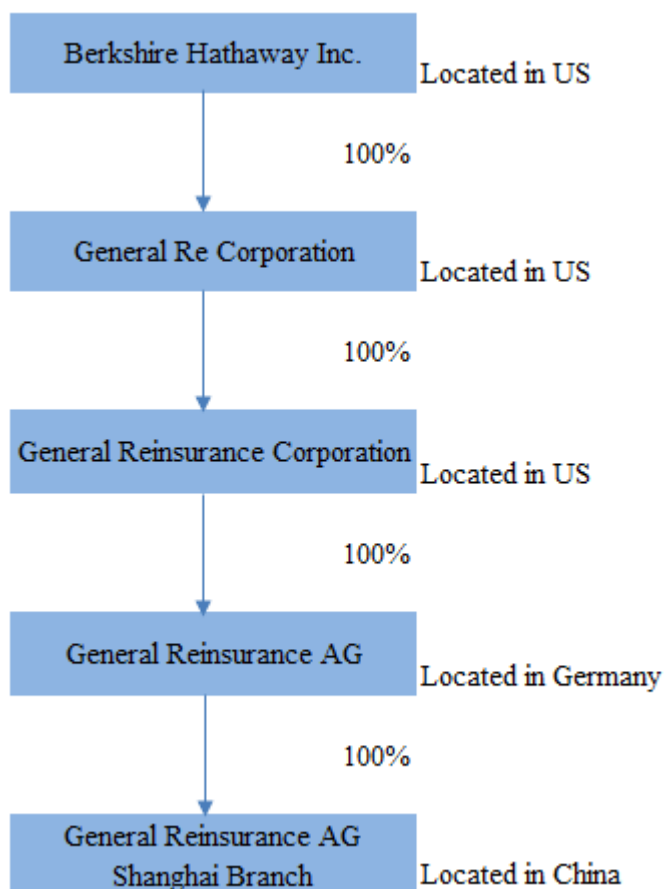
I. Basic Introduction

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	47	Master of Economics	2006.05	General Manager	Bjgj[2006]410	No	Gen Re Shanghai
Haifei Chen	42	Master of Science	2011.04	Deputy general manager	Bjgj[2011]493	No	Gen Re Shanghai

The deputy general manager, Tom Qiu's last day is on 30th April 2019, and he will officially depart from Gen Re Shanghai Branch on 31st July 2019. The branch has reported it to CBIRC on 26 April 2019(Gen Re Shanghai [2019]No.25).

III. Key Performance Indicator

1. Solvency Ratio Indicator

(RMB: 1 Yuan, %)

Indicators	Current quarter	Previous quarter
Admitted assets	4,783,697,406	4,822,525,559
Admitted liabilities	2,286,064,253	2,319,067,495
Actual capital	2,497,633,153	2,503,458,064
Of which: Tier 1 core capital	2,497,633,153	2,503,458,064
Tier 2 core capital	-	-
Tier 1 supplementary capital	-	-
Tier 2 supplementary capital	-	-
Minimum capital	1,218,484,800	1,213,042,490
Of which: Quantifiable risk minimum capital	1,212,845,070	1,207,427,950
Insurance risk minimum capital for Life	777,277,279	777,415,788
Insurance risk minimum capital for Non-Life	524,297,770	515,035,457
Market risk minimum capital	295,116,370	300,896,750

Indicators	Current quarter	Previous quarter
Credit risk minimum capital	23,229,738	8,298,247
Correlation coefficient effect	407,076,087	394,218,291
Loss absorbency effect for special contract	-	-
Control risk minimum capital	5,639,730	5,614,540
Supplementary capital	-	-
Core solvency surplus	1,279,148,353	1,290,415,574
Core solvency ratio	205%	206%
Comprehensive solvency surplus	1,279,148,353	1,290,415,574
Comprehensive solvency ratio	205%	206%

2. Liquidity risk regulatory indicator

(RMB: 1 Yuan, %)

Indicator	Current quarter	Previous quarter
Actual net cash flow	-7,596,053	-162,437,930
Consolidated Liquidity Ratio		
Within 3 months	107%	106%
Within 1 year	46%	49%
Above 1 year	213%	217%
Liquidity Coverage Ratio		
Stress scenario 1	2464%	3641%
Stress scenario 2	10121%	15611%

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% principals and interests of fixed income assets can not be recovered within the forecast period.

Net cash flow-out for this quarter was RMB 7.6 million, mainly because that the company bought RMB 102 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 107%, 46% and 213% respectively. Compared with the previous quarter, the consolidated liquidity ratio for 3 months had no much change in this quarter, the consolidated liquidity ratios for within 1 year and above 1 year reduced a little. GRAG Shanghai branch holds sufficient high-quality liquidity assets cash and government bonds, so the Liquidity Coverage Ratios was high.

3. Operating indicator

(RMB: 1 Yuan)

Indicator	Current quarter	Previous Quarter
Premium	902,709,278	1,004,842,896
Net profit	-50,281,760	65,136,698
Net assets	682,334,605	739,353,150

IV. Integrated Risk Rating Indicator

GRAG Shanghai branch was classified as category A in Q1 2019 CIRC integrated risk rating (IRR) evaluation.

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

V. Solvency Risk Management Capability

1. Latest score of solvency risk management capability

As assessed by CBIRC and CBIRC 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

General Reinsurance AG is committed to an integrated approach to risk management which forms the basis of a company-wide understanding of all risks that impact the organization and ensures that conscious risk management is part of the daily decision-making processes of each and every member of our staff. Referring to the risk management framework of the Head Office, GRAG Shanghai Branch established appropriate risk management system,

including solvency management guide. 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. In order to improve the risk management capability, Gen Re Shanghai Branch carefully analyzed the gap based on the evaluation results of solvency risk management capability in 2018 and self-assessment, and determined the priority of rectification items from the time, manpower, material resources and other aspects that need to be invested. The risk management system can be improved from two aspects of policies soundness and implementation effectiveness

VI. Regulatory measures taken by regulatory authorities

None.

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



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