

QUARTERLY SOLVENCY REPORT SUMMARY



General Reinsurance AG
Shanghai Branch

3rd quarter of 2020

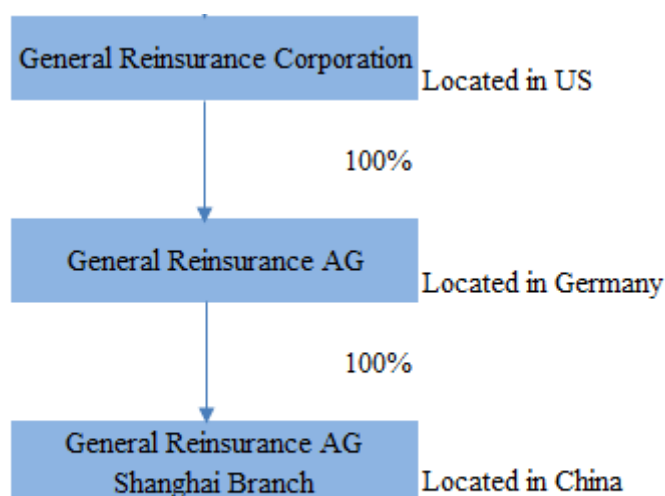
I. Basic Introduction

Company Name (English)	General Reinsurance AG Shanghai Branch
Company Name (Chinese)	德国通用再保险股份有限公司上海分公司
Legal Representative	Chua Tuan Miang
Registered Address	Room 1801A, 1801B, 1802A, 1803, China Merchants Tower, 161 East Lujiazui Road, Shanghai
Registered Capital	
Opening Year	438,714,000 CNY
Business Scope	July of 2004
Contact Person	(1) Life reinsurance, including reinsurance business and retrocession business in the region of PRC and international reinsurance business; (2) Non-life reinsurance, including reinsurance business and retrocession business in the region of PRC and international reinsurance business.
Office Telephone	Yolanda Huang
Office Fax	+86 21 6100 6312
Email	+86 21 6100 6366
	Yolanda.huang@genre.com

II. Basic Information

1. Actual Controller

The Head Office of General Reinsurance AG Shanghai branch ((hereinafter referred to as “GRAG Shanghai) is General Reinsurance AG located in Cologne, Germany. And the ultimate holding group is General Reinsurance Corporation in the United States.



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	48	Master of Economics	2006.05	General Manager	Bjgj[2006]410	No	Gen Re Shanghai
Haifei Chen	43	Master of Science	2011.04	Deputy general manager	Bjgj[2011]493	No	Gen Re Shanghai
Pin Huang	44	Bachelor	2019.08	Deputy general manager/ Chief Risk Officer	Ybjf[2019]704	No	Gen Re Shanghai
Hong Shao	41	Master of Economics	2020.08	Chief Actuary	Ybjf[2020]439	No	Gen Re Shanghai

On 10 July 2020, China Banking and Insurance Regulatory Commission approved Ms. Shao Hong as the Chief Actuary (Ybjf No. [2020]439). On 1 August 2020, Gen Re Shanghai Branch officially appointed Ms. Shao Hong as the Chief Actuary (Gen Re Shanghai [2020] No.50).

III. Key Performance Indicator

1. Solvency Ratio Indicator

(RMB: 1 Yuan, %)

Indicators	Current quarter	Previous quarter
Admitted assets	6,895,618,112	6,499,957,508
Admitted liabilities	3,287,667,217	3,186,546,690
Actual capital	3,607,950,895	3,313,410,818
Of which: Tier 1 core capital	3,607,950,895	3,313,410,818
Tier 2 core capital	-	-
Tier 1 supplementary capital	-	-
Tier 2 supplementary capital	-	-
Minimum capital	1,362,860,554	1,348,823,879
Of which: Quantifiable risk minimum capital	1,356,552,584	1,342,580,878
Insurance risk minimum capital for Life	927,613,320	913,033,585
Insurance risk minimum capital for Non-	566,398,408	585,218,705
Market risk minimum capital	282,807,326	254,858,876
Credit risk minimum capital	13,590,504	38,628,823
Correlation coefficient effect	433,856,974	449,159,111
Loss absorbency effect for special contract	-	-
Control risk minimum capital	6,307,970	6,243,001
Supplementary capital	-	-
Core solvency surplus	2,245,090,341	1,964,586,939
Core solvency ratio	265%	246%
Comprehensive solvency surplus	2,245,090,341	1,964,586,939
Comprehensive solvency ratio	265%	246%

2. Liquidity risk regulatory indicator

(RMB: 1 Yuan, %)

Indicators	Current quarter	Previous quarter
Actual net cash flow	-167,067,438	301,071,387
Consolidated Liquidity Ratio		
Within 3 months	79%	247%
Within 1 year	84%	80%
Above 1 year	234%	127%
Liquidity Coverage Ratio		
Stress scenario 1	1814%	312%
Stress scenario 2	6886%	391%
Liquidity coverage of independent accounts for investment products	Not applicable	Not applicable

**Stress scenario 1 is under the assumption that the cash outflow of reinsurance business in the forecast period is 50% higher than that in the basic scenario.*

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

Net cash outflow in this quarter is RMB 167 million constituted by RMB 270 million received from reinsurance business, 1,520 million received from the redemption of government bonds, 1,949 million for purchasing government bonds and other cash inflow and outflow of business operation and investment activities are in line with the expectations. There was no cash flow from financing activities during this quarter. The consolidated liquidity ratios for 3 months, 1 year and above 1 year were 79%, 84% and 234% respectively. Compared to the previous quarter, the consolidated liquidity ratios for 3 months decreased 168%. The consolidated liquidity ratio for 1 year and above 1 year increased 4% and 108% respectively, mainly because of government bonds that due in 3 months decreasing a lot during this quarter, and the due dates for newly purchased bonds are almost above 1 year. It results in the material fluctuation of the consolidated liquidity ratios for 3 months and above 1 year.

Shanghai branch holds enough high-quality liquidity assets consist of cash and government bonds, so the liquidity coverage ratios keep high.

3. Operating indicator

(RMB: 1 Yuan)

Indicator	Current quarter	Current year
Premium	1,440,656,478	4,519,198,660
Net profit	195,795,406	341,570,814
Net assets	1,531,346,680	1,531,346,680

IV. Integrated Risk Rating Indicator for the last two quarter

GRAG Shanghai branch was classified as category A in Q2 2020 CBIRC integrated risk rating (IRR) evaluation.

GRAG Shanghai branch was classified as category A in Q1 2020 CBIRC integrated risk rating (IRR) evaluation.

V. Solvency Risk Management Capability

1. Latest score of solvency risk management capability

In November 2018, GRAG Shanghai branch received the "Notice on the Results of the SARMRA Assessment of 2018" issued by the China Banking and Insurance Regulatory Commission. The SARMRA evaluation score of our 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 every member of our staff.

GRAG Shanghai Branch established a risk management mechanism applicable to the Shanghai branch under the framework of the risk management of the head office to achieve the overall goal of solvency management with appropriate risk management methods and tools based on the company's strategy and business objectives.

To improve the risk management capability, Gen Re Shanghai Branch carefully analyzed the gap between evaluation result of solvency risk management capability in 2018 and annual self-assessment result. Meanwhile, considering the time, manpower, material resources and other aspects that need to be invested to determine the priority of rectification matters. Besides, the risk management system can be improved from aspects of policies soundness and implementation effectiveness.

In current quarter, the risk management department and legal department took the lead in reviewing and improving the solvency risk management guideline and policies. To build a

sound risk management system, the risk management charts are updated, and the responsibility of each department, reporting content, reporting line, and frequency, etc. are clearly stated. At the same time, the work processes required for the operation of risk management was also improved in a timely manner.

VI. Regulatory measures taken by regulatory authorities

None.

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



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General Reinsurance AG

Shanghai Branch

Room 1803, China Merchants Tower, 161 East Lujiazui Road

Shanghai 200120 (P.R. China)

Tel. +86 21 6100 6300

Fax +86 21 6100 6388

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