

# QUARTERLY SOLVENCY REPORT SUMMARY



**General Reinsurance AG**  
**Shanghai Branch**

4th quarter of 2020

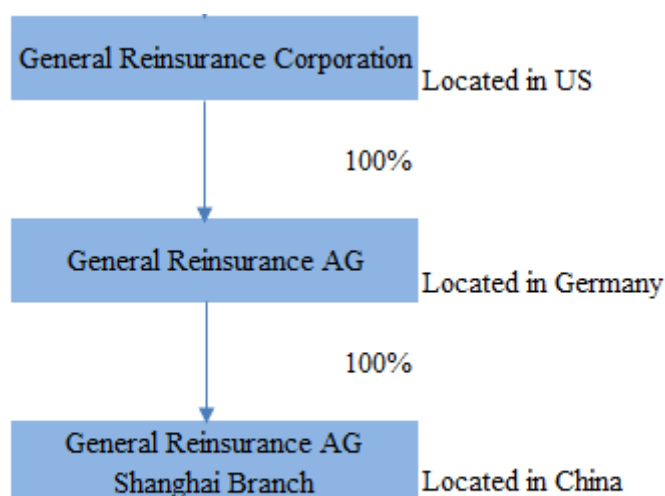
## I. Basic Introduction

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
	July of 2004
Business Scope	(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.
Contact Person	Yolanda Huang
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## 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
Ni Zhou	65	Bachelor	2021.01	Chief Compliance Officer	Ybjf[2020]958	No	Gen Re Shanghai

On 30 December 2020, China Banking and Insurance Regulatory Commission approved Ms. Zhou Ni as the Chief Compliance Officer (Ybjf No. [2020]958). On 1<sup>st</sup> January 2021, Gen Re Shanghai Branch officially appointed Ms. Zhou Ni as the Chief Compliance Officer (Gen Re Shanghai [2021] No.2).

### III. Key Performance Indicator

#### 1. Solvency Ratio Indicator

(RMB: 1 Yuan, %)

Indicators	Current quarter	Previous quarter
Admitted assets	6,879,897,293	6,895,618,112
Admitted liabilities	3,372,263,725	3,287,667,217
<b>Actual capital</b>	<b>3,507,633,568</b>	<b>3,607,950,895</b>
Of which: Tier 1 core capital	3,507,633,568	3,607,950,895
Tier 2 core capital	-	-
Tier 1 supplementary capital	-	-
Tier 2 supplementary capital	-	-
<b>Minimum capital</b>	<b>1,594,755,190</b>	<b>1,362,860,554</b>
Of which: Quantifiable risk minimum capital	1,587,373,901	1,356,552,584
Insurance risk minimum capital for Life	1,183,728,608	927,613,320
Insurance risk minimum capital for Non-	590,905,242	566,398,408
Market risk minimum capital	268,479,221	282,807,326
Credit risk minimum capital	13,896,731	13,590,504
Correlation coefficient effect	469,635,901	433,856,974
Loss absorbency effect for special contract	-	-
Control risk minimum capital	7,381,289	6,307,970
Supplementary capital	-	-
<b>Core solvency surplus</b>	<b>1,912,878,378</b>	<b>2,245,090,341</b>
<b>Core solvency ratio</b>	<b>220%</b>	<b>265%</b>
<b>Comprehensive solvency surplus</b>	<b>1,912,878,378</b>	<b>2,245,090,341</b>
<b>Comprehensive solvency ratio</b>	<b>220%</b>	<b>265%</b>

#### 2. Liquidity risk regulatory indicator

(RMB: 1 Yuan, %)

Indicators	Current quarter	Previous quarter
Actual net cash flow	45,499,934	-167,067,438
Consolidated Liquidity Ratio		
Within 3 months	82%	79%
Within 1 year	183%	84%
Above 1 year	63%	234%
Liquidity Coverage Ratio		
Stress scenario 1	2255%	1814%
Stress scenario 2	2826%	6886%
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 inflow during this quarter is RMB 45 million constituted by RMB 465 million received from reinsurance business, 90 million received from the redemption of government bonds, 502 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 82%, 183% and 63% respectively. Compared to the previous quarter, the consolidated liquidity ratios within 3 months and within 1 year increased 3% and 99% respectively. The consolidated liquidity ratio above 1 year decreased 172%, mainly because of government bonds that due dates in 3 months and more than 3 months and less than 1 year increasing 150 million and 2,668 million respectively at the quarter end, and the due dates above 1 year decreasing 2,402 million.

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	Previous quarter
Premium	1,333,186,907	1,440,656,478
Net profit	55,223,326	195,795,406
Net assets	1,591,589,149	1,531,346,680

### IV. Integrated Risk Rating Indicator for the last two quarter

GRAG Shanghai branch was classified as category B in Q3 2020 CBIRC integrated risk rating (IRR) evaluation.

GRAG Shanghai branch was classified as category A in Q2 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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