

# QUARTERLY SOLVENCY REPORT SUMMARY



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

1<sup>st</sup> quarter of 2018

## 1. Basic Introduction

|                      |   |
|----------------------|---|
| Company Name         | General Reinsurance AG – Shanghai Branch  |
| Legal Representative | Chua Tuan Miang   |
| Address              | Room 1803, China Merchants Tower  |
| 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.<br><br>The operation region of the Branch is within China. |
| Contact Person Name  | Laura Liu   |
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## 2. Basic Information

Actual Controller : General Reinsurance AG

Whether set up Subsidiaries, Associates and Joint ventures? (Yes  No )

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      |
| Laura Liu       | 40  | Bachelor of Acutary                  | 2015.09     | Compliance officer/CRO | Bjxk[2015]922     | No  | Gen Re Shanghai, Munich Re Beijing      |

### 3. Key Performance Indicator

#### 1. Solvency Ratio Indicator (RMB: 1 Yuan, %)

| Indicators                                  | Current quarter | Previous quarter* |
|---|-----------------|-------------------|
| Admitted assets                             | 2,677,110,161   | 2,443,264,068     |
| Admitted liabilities                        | 655,573,468     | 510,802,887       |
| Actual capital                              | 2,021,536,693   | 1,932,461,182     |
| Of which: Tier 1 core capital               | 2,021,536,693   | 1,932,461,182     |
| Tier 2 core capital                         |                 |                   |
| Tier 1 supplementary capital                |                 |                   |
| Tier 2 supplementary capital                |                 |                   |
| Minimum capital                             | 974,367,637     | 921,365,839       |
| Of which: Quantifiable risk minimum capital | 980,150,525     | 926,834,161       |
| Insurance risk minimum capital for Life     | 717,101,436     | 704,249,635       |
| Insurance risk minimum capital for Non-Life | 257,898,684     | 193,949,032       |
| Market risk minimum capital                 | 264,511,842     | 248,825,681       |
| Credit risk minimum capital                 | 7,083,289       | 8,079,494         |
| Correlation coefficient effect              | 266,444,726     | 228,269,681       |
| Loss absorbency effect for special contract | -               | -                 |
| Control risk minimum capital                | -5,782,888      | -5,468,322        |
| Supplementary capital                       | -               | -                 |
| Core solvency surplus                       | 1,047,169,056   | 1,011,095,343     |
| Core solvency ratio                         | 207%            | 210%              |
| Comprehensive solvency surplus              | 1,047,169,056   | 1,011,095,343     |
| Comprehensive solvency ratio                | 207%            | 210%              |

\* Previous quarter refer to the data of Q4 2017 after the solvency audit.

#### 2. Liquidity risk regulatory indicator (RMB: 1 Yuan, %)

| Indicator                    | Current quarter | Previous quarter |
|------------------------------|-----------------|------------------|
| Actual net cash flow         | -114,063,800    | 155,172,467      |
| Consolidated Liquidity Ratio |                 |                  |
| Within 3 months              | 136%            | 169%             |
| Within 1 year                | 77%             | 123%             |
| Above 1 year                 | 159%            | 129%             |
| Liquidity Coverage Ratio     |                 |                  |
| Stress scenario 1            | 7524%           | 8975%            |
| Stress scenario 2            | 6282%           | 9113%            |

Net cash flow for this quarter was RMB -114 million, the negative net cash flow was mainly due to the increase of RMB 330 million in government bonds during the quarter. Operating activities, investing activities met expectation. There were no financing activities in this quarter. 3-month, within one year and above 1 year consolidated liquidity ratios were 136%, 77% and 159% respectively. Compared with the previous quarter, the 3-month and within one year consolidated liquidity ratios were dropped, above one year consolidated ratio was improved in

last quarter. GRAG Shanghai branch holds sufficient high quality liquidity asset cash and government bonds, so the Liquidity Coverage Ratios were high.

### 3. Integrated Risk Rating Indicator

GRAG Shanghai branch was classified as category A in Q4 2017 CIRC integrated risk rating (IRR) evaluation.

According to CIRC circular ckbh[2017]1543, GRAG Shanghai branch was classified as category A in Q3 2017 CIRC integrated risk rating (IRR) evaluation.

### 4. Solvency Risk Management Capability

As assessed by CIRC and CIRC Hubei Bureau, the SARMRA score of the Company in 2016 was 81.18. Among them, risk management foundation and environment 14.61 points, risk management objectives and tools 7.26 points, insurance risk management 9.42 points, market risk management 9.66 points, 8.31 credit risk management, operational risk management 9.35 points, strategic risk management 6.12 points, reputation risk Management 7.54 points, liquidity risk management 8.91 points.

According to CIRC circular bjck[2017]156, GRAG Shanghai branch was exempt from SARMRA on-site inspection for year 2017, and continue to use the SARMRA assessment result of year 2016 to calculate minimum capital of control risk.

### 5. Operation indicator

(RMB: 1 Yuan)

| Indicator  | Current quarter | Previous Quarter |
|------------|-----------------|------------------|
| Premium    | 656,159,084     | 710,926,006      |
| Net profit | 6,866,137       | 31,840,783       |
| Net assets | 644,895,716     | 631,844,153      |

### 6. Regulatory measures taken by regulatory authorities

None.

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

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