

QUARTERLY SOLVENCY REPORT SUMMARY



General Reinsurance AG
Shanghai Branch

3rd quarter of 2019

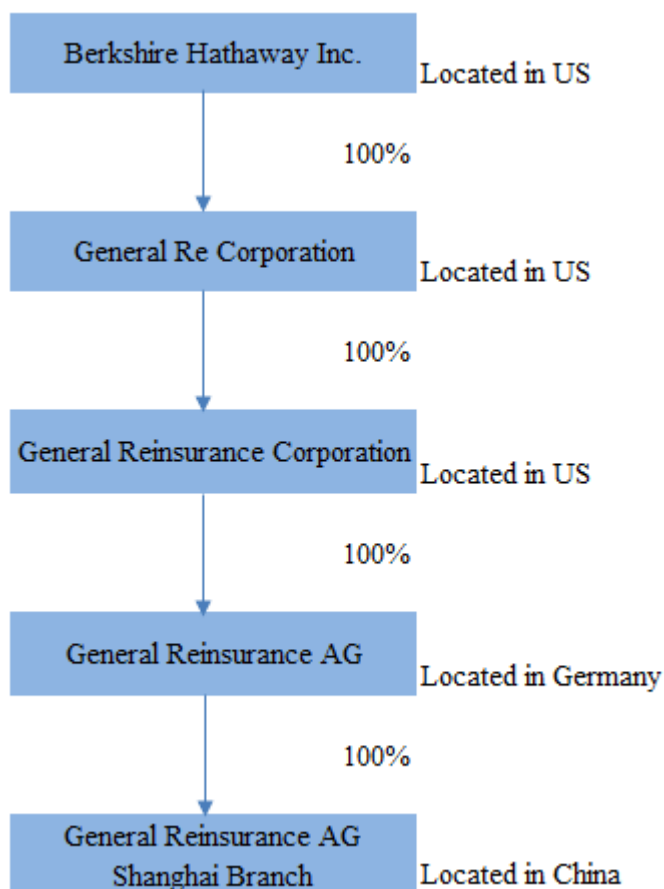
I. Basic Introduction

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 1803, China Merchants Tower, 161 East Lujiazui Road, Shanghai
Registered Capital	300 million CNY
Opening Year	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 Berkshire Hathaway Inc. 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	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
Pin Huang	43	Bachelor	2019. 08	Deputy general manager/ Chief Risk Officer	Ybjf[2019]704	No	Gen Re Shanghai

On 23 July 2019, China Banking and Insurance Regulatory Commission approved Ms. Huang Pin as the deputy general manager (Ybjf No. [2019]704). On 1 August 2019, Gen Re Shanghai Branch officially appointed Ms. Huang Pin as the Deputy General Manager and the Chief Risk Officer (Gen Re Shanghai [2019] No.65).

III. Key Performance Indicator

1. Solvency Ratio Indicator

(RMB: 1 Yuan, %)

Indicators	Current quarter	Previous quarter
Admitted assets	4,951,967,955	4,783,697,406
Admitted liabilities	2,356,373,496	2,286,064,253
Actual capital	2,595,594,459	2,497,633,153
Of which: Tier 1 core capital	2,595,594,459	2,497,633,153
Tier 2 core capital	-	-
Tier 1 supplementary capital	-	-
Tier 2 supplementary capital	-	-
Minimum capital	1,221,849,366	1,218,484,800
Of which: Quantifiable risk minimum capital	1,216,194,064	1,212,845,070
Insurance risk minimum capital for Life	776,461,664	777,277,279
Insurance risk minimum capital for Non-Life	542,320,631	524,297,770
Market risk minimum capital	289,862,987	295,116,370
Credit risk minimum capital	8,479,878	23,229,738
Correlation coefficient effect	400,931,096	407,076,087
Loss absorbency effect for special contract	-	-
Control risk minimum capital	5,655,302	5,639,730
Supplementary capital	-	-
Core solvency surplus	1,373,745,093	1,279,148,353
Core solvency ratio	212%	205%
Comprehensive solvency surplus	1,373,745,093	1,279,148,353
Comprehensive solvency ratio	212%	205%

2. Liquidity risk regulatory indicator

(RMB: 1 Yuan, %)

Indicators	Current quarter	Previous quarter
Actual net cash flow	217,969,331	-7,596,053
Consolidated Liquidity Ratio		
Within 3 months	104%	107%
Within 1 year	119%	46%
Above 1 year	143%	213%

Indicators	Current quarter	Previous quarter
Liquidity Coverage Ratio		
Stress scenario 1	1287%	2464%
Stress scenario 2	4615%	10121%
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 in this quarter is RMB 218 million constituted by RMB 385 million received from reinsurance and 140 million redemption of maturity government bonds deducted 301 million purchase of government bonds. The operating activities and investment activities are in line with the expectations. There was no cash flow from financing activities during the quarter. The consolidated liquidity ratios for 3 months, 1 year and above 1 year were 104%, 119% and 143% respectively. Compared to the previous quarter, the consolidated liquidity ratio for 3 months had no much change in this quarter while one-year consolidated liquidity ratios rose 73% and comprehensive liquidity ratio for above 1 year fell 70% because of government bonds that due within one year increased more than last quarter. Shanghai branch holds enough 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	1,002,232,765	902,709,278
Net profit	127,588,869	-50,281,760
Net assets	811,132,380	682,334,605

IV. Integrated Risk Rating Indicator

GRAG Shanghai branch was classified as category A in Q2 2019 CIRC integrated risk rating (IRR) evaluation.

GRAG Shanghai branch was classified as category A in Q1 2019 CIRC 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 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 two aspects of policies soundness and implementation effectiveness.

This quarter, the risk management department took the lead in updating and reviewing risk management system, including risk management organizational structure, risk appetite and

risk tolerance. At the same time, it also timely improved the work processes required for risk management operations and established a relatively complete risk management system.

VI. Regulatory measures taken by regulatory authorities

None.

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



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