

# QUARTERLY SOLVENCY REPORT SUMMARY



## **General Reinsurance AG Shanghai Branch**

2<sup>nd</sup> quarter of 2021

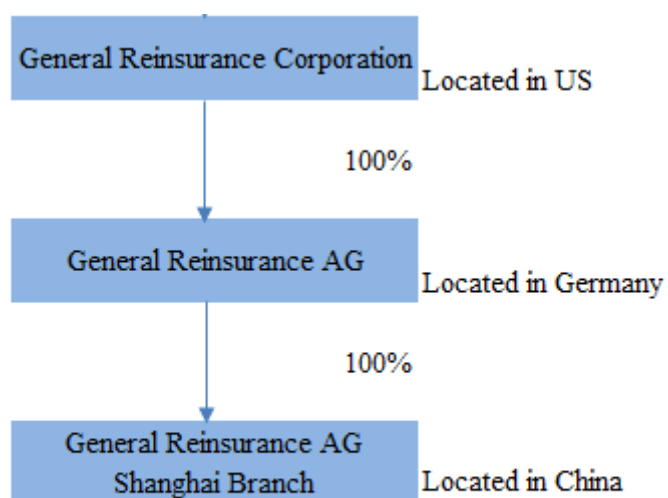
## I. Basic Introduction

|                        |   |
|------------------------|---|
| 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     | 438,714,000 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   |
| Office Telephone       | +86 21 6100 6312  |
| Office Fax             | +86 21 6100 6366  |
| Email                  | 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/<br>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                         |

### III. Key Performance Indicator

#### 1. Solvency Ratio Indicator

(RMB: 1 Yuan, %)

| Indicators                                  | Current quarter      | Previous quarter     |
|---|----------------------|----------------------|
| Admitted assets                             | 7,829,569,569        | 7,248,468,680        |
| Admitted liabilities                        | 4,108,306,318        | 3,857,787,798        |
| <b>Actual capital</b>                       | <b>3,721,263,251</b> | <b>3,390,680,882</b> |
| Of which: Tier 1 core capital               | 3,721,263,251        | 3,390,680,882        |
| Tier 2 core capital                         | -                    | -                    |
| Tier 1 supplementary capital                | -                    | -                    |
| Tier 2 supplementary capital                | -                    | -                    |
| <b>Minimum capital</b>                      | <b>1,565,402,123</b> | <b>1,540,571,102</b> |
| Of which: Quantifiable risk minimum capital | 1,558,156,694        | 1,533,440,603        |
| Insurance risk minimum capital for Life     | 1,177,399,914        | 1,172,926,007        |
| Insurance risk minimum capital for Non-     | 620,776,152          | 552,775,324          |
| Market risk minimum capital                 | 202,996,170          | 235,091,430          |
| Credit risk minimum capital                 | 26,890,251           | 13,542,574           |
| Correlation coefficient effect              | 469,905,793          | 440,894,732          |
| Loss absorbency effect for special contract | -                    | -                    |
| Control risk minimum capital                | 7,245,429            | 7,130,499            |
| Supplementary capital                       | -                    | -                    |
| <b>Core solvency surplus</b>                | <b>2,155,861,128</b> | <b>1,850,109,780</b> |
| <b>Core solvency ratio</b>                  | <b>238%</b>          | <b>220%</b>          |
| <b>Comprehensive solvency surplus</b>       | <b>2,155,861,128</b> | <b>1,850,109,780</b> |
| <b>Comprehensive solvency ratio</b>         | <b>238%</b>          | <b>220%</b>          |

#### 2. Liquidity risk regulatory indicator

(RMB: 1 Yuan, %)

| Indicators   | Current quarter | Previous quarter |
|--|-----------------|------------------|
| Actual net cash flow   | 748,298,472     | -166,801,917     |
| Consolidated Liquidity Ratio                                       |                 |                  |
| Within 3 months  | 178%            | 105%             |
| Within 1 year  | 181%            | 186%             |
| Above 1 year   | 53%             | 45%              |
| Liquidity Coverage Ratio   |                 |                  |
| Stress scenario 1  | 701%            | 815%             |
| Stress scenario 2  | 877%            | 1020%            |
| 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 during this quarter is RMB 748 million constituted by RMB 300 million received from reinsurance business, 700 million received from the redemption of government bonds, 202 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 178%, 181% and 53% respectively. Compared to the previous quarter, the consolidated liquidity ratios within 3 months and above 1 year increased 73% and 8% respectively, while the consolidated liquidity ratio within 1 year decreased 5%. It is mainly because of government bonds that due dates within 3 months increasing 150 million at the quarter end, and the due dates more than 3 months and less than 1 year decreasing 649 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    | 2,106,595,480   | 1,321,757,136    |
| Net profit | 304,490,114     | 144,175,012      |
| Net assets | 2,120,816,814   | 1,815,689,875    |

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

GRAG Shanghai branch was classified as category A in Q1 2021 CBIRC integrated risk rating (IRR) evaluation.

GRAG Shanghai branch was classified as category B in Q4 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. 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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