2022 Annual Report
General Reinsurance AG

A Berkshire Hathaway Company

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Key Figures

		2022	2021	2020	2019	2018
Balance sheet data						
Investments	Euro m	9,446.8	8,643.1	12,631.1	12,169.2	11,422.5
thereof: deposits	Euro m	1,959.2	1,888.6	1,702.9	1,663.4	1,653.7
Cash and cash equivalents	Euro m	576.8	479.8	324.1	304.3	337.8
Investments including cash and cash equivalents	Euro m	10,023.6	9,122.9	12,955.2	12,473.5	11,760.3
Shareholders' equity	Euro m	3,226.5	3,061.2	2,800.4	2,707.4	2,353.4
Return on equity	%	5.3	8.9	3.4	14.0	-2.9
Net underwriting reserves	Euro m	7,197.9	6,789.1	10,565.7	10,389.9	9,702.8
Total assets	Euro m	11,892.1	11,271.9	14,690.7	14,209.2	13,156.5
Income statement						
Gross premiums written	Euro m	4,187.3	4,525.9	4,213.5	4,038.9	3,266.7
Life/health	Euro m	2,671.3	2,917.3	2,558.8	2,355.0	1,929.3
Property/casualty	Euro m	1,516.0	1,608.6	1,654.7	1,683.9	1,337.4
Net premiums earned	Euro m	3,771.0	4,058.3	3,752.8	3,496.4	2,796.0
Life/health	Euro m	2,620.1	2,853.2	2,507.8	2,236.6	1,813.6
Property/casualty	Euro m	1,150.9	1,205.1	1,245.0	1,259.8	982.4
Underwriting result before change in the equalization reserve	Euro m	64.5	-146.1	14.9	356.5	359.1
Life/health	Euro m	219.2	67.2	138.6	184.9	170.6
Property/casualty	Euro m	-154.8	-213.3	-123.7	171.6	188.5
Combined ratio	%	98.3	103.6	99.6	89.8	87.2
Life/health	%	91.6	97.6	94.5	91.7	90.6
Property/casualty	%	113.4	117.7	109.9	86.4	80.8
Change in the equalization reserve	Euro m	132.4	135.1	120.6	-125.1	-109.4
Underwriting result after change in the equalization reserve	Euro m	196.8	-11.0	135.5	231.4	249.7
Investment income	Euro m	81.6	323.4	117.0	251.5	-128.1
thereof: current investment income	Euro m	168.0	178.5	152.0	193.3	187.9
thereof: realized gains / losses*	Euro m	-86.4	144.9	-35.0	58.2	-316.0
Net income before taxes	Euro m	296.9	312.5	152.4	464.9	45.7
Net income / net loss	Euro m	165.3	260.8	92.9	354.0	-71.1
Dividend	Euro m	0.0	0.0	0.0	0.0	0.0
Employees**		792	756	758	735	714
thereof: in Germany		393	384	393	395	380
Ratings	Standard & Poor's: AA+		A.M. Best: A++		Moody's: Aa1	

*including write-ups and write-downs

**as at 31 December, including staff of General Reinsurance AG employed at service companies

Executive Board Report

Introduction

Berkshire Hathaway Inc. is the parent company of General Re Corporation (Gen Re) – a holding company whose subsidiaries include General Reinsurance Corporation. General Reinsurance Corporation, in turn, is the immediate parent company of General Reinsurance AG. One of the world's leading reinsurance groups, Gen Re transacts international reinsurance business as well as all related operations. The Gen Re Group is represented worldwide by a network of more than forty locations.

General Reinsurance AG is represented by branches or through subsidiaries in all major markets of life/health reinsurance and property/casualty reinsurance outside the United States, with the exception of the Australian property/casualty market. Business in the Australian property/casualty market is transacted by an affiliate within the Gen Re Group, which is not part of the General Reinsurance AG Group.

In 2022, the global macroeconomic environment was heavily impacted by rising inflation, the resulting interest rate increases, and the effects of the war in Ukraine. The changing economic conditions led to rising prices and lower real disposable incomes and made loans more expensive. These developments slowed new business in life insurance in many markets. In health insurance and in property/casualty insurance, inflation pushed both premiums and claims higher. While 2022 saw a number of natural catastrophes with violent storms in Europe and flooding in Australia and South Africa, the level of claims activity and financial cost was less than that caused by devastating floods in Europe in 2021. The impacts of the COVID-19 pandemic on international life and health insurance markets were significantly lower in 2022 than in the previous two years.

General Reinsurance AG recorded an underwriting profit of Euro 64.5 million before changes in the equalization reserve in the 2022 business year (previous year: loss of Euro 146.1 million). We withdrew an amount of Euro 132.4 million from the equalization reserve in 2022 (2021: release of Euro 135.1 million). After allowance for changes in the equalization reserve, the underwriting result improved from a loss of Euro -11.0 million in 2021 to a profit of Euro 196.8 million in the year under review.

In 2022, the claims experience associated with the COVID-19 pandemic had little impact on our underwriting result, while natural hazards again took a toll on the underwriting result.

The considerably changed macroeconomic environment triggered the heaviest losses across financial markets since the global financial crisis. The rise in inflation to a 40-year high prompted the United States Federal Reserve to raise its benchmark federal-funds rate seven times through the course of the year. Leading central banks around the world followed the Federal Reserve's swift response. These interest rate increases resulted in very high negative total returns for fixed income investments. Equity markets were also severely impacted.

In the year under review we recorded total investment income of Euro 81.6 million compared to Euro 323.5 million in the previous year. While current investment income was at the level of the previous year, the decline in total investment income was due to the fact that, in contrast to the previous year, we recorded realized losses on disposals and there was also a higher need for write-downs required as a result of developments on the international financial markets.

Including the effects of other income and expenses, we reported net income of Euro 165.3 million in the year under review, after net income of Euro 260.8 million in the previous year.

Macroeconomic Environment and Capital Market Developments

In 2022, the global macroeconomic environment was heavily influenced by rising inflation, the resulting interest rate increases, and the effects of the war in Ukraine. These factors triggered the heaviest losses across financial markets since the global financial crisis.

The rise in inflation to a 40-year high prompted the United States Federal Reserve to raise its benchmark federal-funds rate seven times through the course of the year, from a range of 0.00 % - 0.25 % at the beginning of the year to a range of 4.25 % - 4.50 % by year-end.

Leading central banks around the world, such as the European Central Bank, the Bank of England, and even the Bank of Japan followed the Federal Reserve's swift response.

Not surprisingly, global bond markets responded to the rapid tightening of monetary conditions. The U.S. 10-year government bond yield, a global benchmark for long-term borrowing costs, rose sharply to 3.9 % from 1.5 % at the end of 2021.

The yield of the German 10-year bund increased from -0.2 % at the beginning of the year to 2.6 % at year-end. The 10-year U.K. gilt yield increased from 1.0 % to 3.7 % at year-end. These interest rate increases resulted in very high negative total returns for fixed income investments.

Equity markets were also severely impacted with most leading equity indices recording significant declines. The blue-chip U.S. Standard & Poor's 500 index (S&P 500), which includes 500 leading publicly traded U.S. companies, declined by 20 % while the technology-heavy Nasdaq Composite was down 33 %. The MSCI Europe index lost 11 % and China's CSI 300 index fell 28 % in dollar terms.

In Europe, the war in Ukraine further fueled inflation and disrupted supply chains which were already challenged following the COVID-19 pandemic. Energy supplies were severely affected as Russia reduced its natural gas exports to the European Union and elsewhere.

During the summer, there was a reasonable fear that gas storage levels in Europe would be insufficient to cater for the anticipated demand during the cold winter months. By year-end, through imports and lower consumption, storage levels were satisfactory and a devasting energy crisis for the 2022/2023 winter appears to have been largely averted.

With some exceptions, employment globally was remarkably resilient throughout 2022. The post pandemic cultural shift that led to the advent of hybrid working arrangements has meant that retaining and recruiting staff has been challenging. Dampening inflation against the backdrop of near full employment in many of the world's leading economies is no easy task.

Financial Performance

	2022 Euro m	2021 Euro m
Net earned premium	3,771.0	4,058.3
Net underwriting result	196.8	-11.0
Total investment income	81.6	323.5
Other income / expenses	18.5	0.0
Taxes	-131.6	-51.7
Net income / net loss	**165.3**	**260.8**
Shareholders' equity	**3,226.5**	**3,061.2**

Our financial performance in 2022 was shaped by the positive underwriting result. The claims experience associated with the COVID-19 pandemic had little impact, while losses from natural catastrophes were considerably lower than in 2021. Investment income was significantly down on the previous year due to unrealized losses from the impact of interest rate increases around the world. Premium income declined in both our life/health and property/casualty business due to continued competitive market conditions.

Including the change in the equalization reserve, the underwriting result showed a gain of Euro 196.8 million in 2022 compared to a loss of Euro 11.0 million in the previous year.

Our investment income closed with a profit of Euro 81.6 million in the year under review, following a profit of Euro 323.5 million in the previous year. The balance of write-ups and write-downs in our equity portfolio was negative in both 2022 and 2021.

Net income contracted from a profit of Euro 260.8 million in the previous year to Euro 165.3 million in 2022. Shareholders’ equity grew by 5.4% to Euro 3,226.5 million (previous year: increase of 9.3 % to Euro 3,061.2 million).

Underwriting Result

	2022 Euro m	2022 Combined Ratio	2021 Euro m	2021 Combined Ratio
Net earned premium	3,771.0		4,058.3	
Life/health	2,620.1		2,853.2	
Property/casualty	1,150.9		1,205.1	
Underwriting result before change in the equalization reserve	64.5	98.3%	-146.1	103.6%
Underwriting result after change in the equalization reserve	196.8		-11.0	
Life/health	219.2	91.6%	67.2	97.6%
Property/casualty	-22.4		-78.2	
Underwriting result before change in the equalization reserve	-154.8	113.4%	-213.3	117.7%
Change in the equalization reserve	132.4		135.1	

Our total net earned premium decreased by 7.1% from Euro 4,058.3 million in the previous year to Euro 3,771.0 million. Net premium in life/health business fell by 8.2% (2022: Euro 2,620.1 million, previous year: Euro 2,853.2 million, largely in Asia. The decline in premiums was more pronounced in euros than in original currency due to the impact of exchange rates. Net earned premium in property/casualty business decreased by 4.5% from Euro 1,205.1 million in 2021 to Euro 1,150.9 million in 2022. As in previous years, we retroceded 20% of this portfolio to our parent company, General Reinsurance Corporation.

As the excess mortality associated with the COVID-19 pandemic had only a minor impact, the underwriting result in life/health was significantly higher than in the previous year (2022: Euro 219.2 million, previous year: Euro 67.2 million). The combined ratio decreased to 91.6% (previous year: 97.6%).

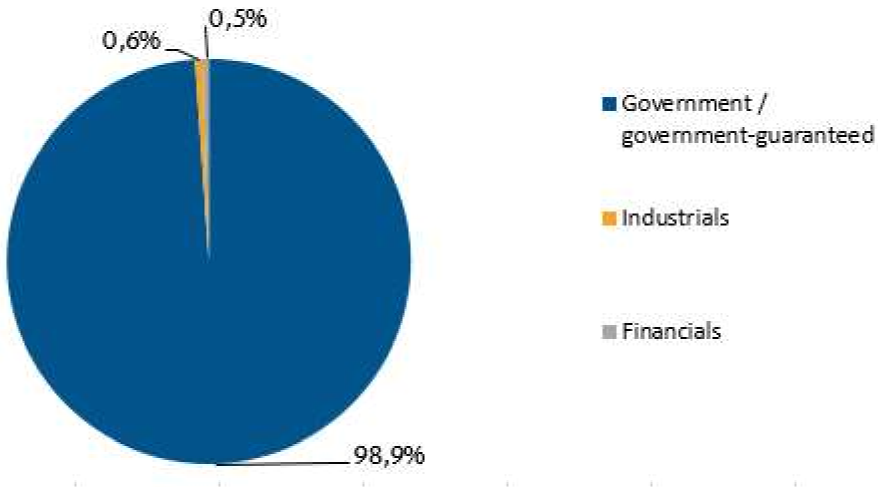
Our result in property/casualty reinsurance was again impacted by claims from catastrophe events. Excluding such losses, the result in most lines of business was in line with expectations. Following an underwriting loss of Euro 213.3 million in 2021, the year under review produced a loss of Euro 154.8 million before changes in the equalization reserve. This equates to a combined ratio of 113.4% (previous year: 117.7%). After allowing for the changes in the equalization reserve we recorded a loss of Euro 22.4 million in 2022 (previous year: loss of Euro 78.2 million).

Investments incl. Cash and Cash Equivalents

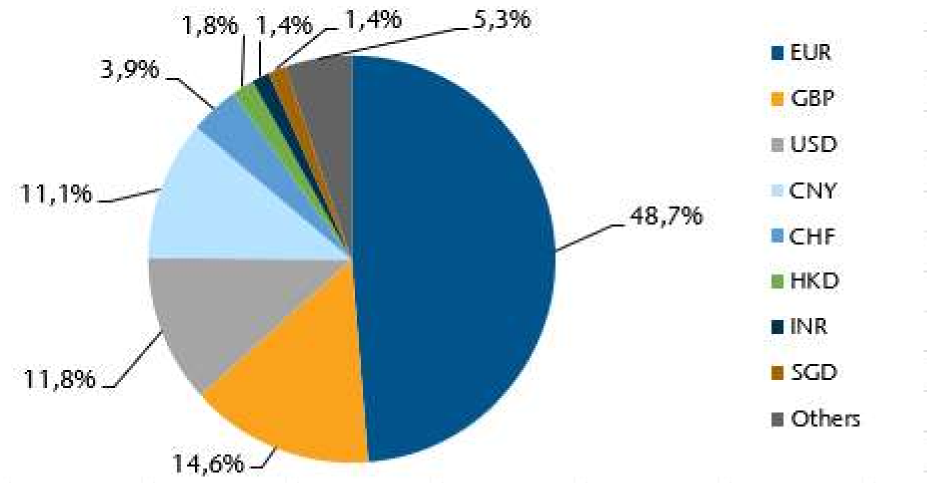
	2022		2021	
	Euro m	%	Euro m	%
Real estate, rights to real estate and buildings	26.3	0.4	22.6	0.3
Investments in affiliated companies and participations	536.0	7.2	537.3	8.0
Equities, investment fund certificates and other non-fixed-income securities	2,238.2	29.9	2,308.6	34.2
Bearer bonds and other fixed-income securities	3,878.4	51.8	3,143.4	46.5
Bank deposits	808.8	10.8	742.6	11.0
Investments, excluding deposits retained on assumed reinsurance business	**7,487.7**	**100.0**	**6,754.5**	**100.0**
Deposits retained on assumed reinsurance business	1,959.2		1,888.6	
Total investments	**9,446.8**		**8,643.1**	
Current accounts with banks, cheques and cash	576.8		479.8	
Investments including cash and cash equivalents	**10,023.6**		**9,122.9**	

Our investment portfolio has remained relatively stable, encompassing high-quality, highly liquid fixed-income securities, equities and loans.

Bond Portfolio



Investments by currency



Reflecting the weighting of our underwriting liabilities, the majority (48.7%) of our investments are in euro-denominated instruments (previous year: 52.5%), followed by investments held in pound sterling (14.6%, previous year: 14.2%), U.S. dollars (11.8%, previous year: 6.1%) and Chinese yuan renminbi (11.1%, previous year: 12.3%).

Investment Income

	2022 Euro m	2021 Euro m
Income from participations	1.2	1.2
Income from equities	106.0	85.9
Income from bearer bonds and other fixed-interest securities	24.6	61.8
Interest on reinsurance deposits	50.0	51.8
Income from other investments	33.9	28.0
Less administration costs on investments, interest costs and other investment expenses	4.7	5.2
Less income from technical interest	43.0	45.0
Current investment income	**168.0**	**178.5**
Gains / losses from disposals	-2.9	178.4
Write-ups / write-downs of investments	-83.5	-33.5
Total investment income	**81.6**	**323.4**

Current investment income declined from the previous year's level of Euro 178.5 million to Euro 168.0 million. In 2022 we booked losses from disposals in the amount of Euro -2.9 million (2021: gain of Euro 178.4 million). The remaining balance of write-ups and write-downs was attributable for the most part to the equity portfolio (2022: loss of Euro 83.5 million, previous year: loss of Euro 33.5 million).

Dividends from our equity portfolio increased to Euro 106.0 million (2021: Euro 85.9 million). The interest income on our fixed-income securities decreased from Euro 61.8 million in 2021 to Euro 24.6 million. This was mainly due to the reduction of the securities portfolio in 2021 following the loss portfolio transfer transaction in 2021 referred to in last year's Annual Report.

We generated a return of 0.6 % on our bond portfolio (2021: 1.0%) and a dividend yield of 5.6 % in our equity portfolio (2021: 4.6%), delivering a total return of 2.2% (2021: 1.9%).

Total investment income excluding technical interest therefore amounted to a profit of Euro 81.6 million in the year under review after a profit of Euro 323.4 million in the previous year.

Other Profit Contributions

Other income/expenses closed with a gain of Euro 18.5 million in 2022 (2021: loss of Euro 21.7 thousand). The result is mainly due to lower contributions of interest to pension reserves compared to previous year and the adjustment in interest expenses on tax provisions.

Shareholders' Equity

Capital strength and solvency rank among the key competitive factors in international reinsurance business. The shareholder's equity of General Reinsurance AG increased by 5.4 % in 2022 to Euro 3,226.5 million after an increase of 9.3 % in the previous year.

The net income for 2022 amounted to profit of Euro 165.3 million. Taking into account the profit carried forward from prior years of Euro 734.1 million, the disposable profit amounts to Euro 899.4 million. The Executive Board of General Reinsurance AG proposes to the Ordinary General Meeting that the disposable profit should be carried forward.

Development of the Major Classes of Business

Classes of Business Transacted

In reporting on operations, we distinguish between two business segments: on the one hand, life and health reinsurance; on the other hand, property and casualty reinsurance. Developments in the main classes of business and in our major regional markets were as follows:

Life and Health Reinsurance

Market Development

The impacts of the COVID-19 pandemic on international life and health insurance markets were significantly reduced in 2022 compared to the previous two years. However, the war in Ukraine, the sharp rise in energy prices and high inflation in many parts of the world meant that the market environment for life and health insurers remained challenging in 2022. The surge in interest rates put an abrupt end to the long phase of extremely low interest rates, thereby opening up new investment opportunities for life and health insurers – at least in the medium term. On the other hand, the changing economic conditions have led to lower real disposable incomes and made loans more expensive. These developments have slowed new business in life insurance in many markets. In health insurance, inflation has led to increased premiums for both existing and new customers.

Our focus in life and health reinsurance is on the coverage of biometric risks. Despite the challenging environment, we continue to see great potential here in many countries in view of demographic and economic developments, the pressure on social security systems and the fact that coverage is often still inadequate. Above and beyond pricing and product design, lean and simple processes and the customer experience play an important role for life and health insurers in this business segment. Thanks to our expertise and range of services in the field of biometric risks, we continue to be very well positioned as a partner to our clients in the international life and health insurance markets and are also developing new markets that open up attractive business opportunities for us. Along with our expertise and service, the financial strength of Gen Re gives us a further decisive competitive advantage relative to our reinsurance peers.

Financial Results

Due to our prudent underwriting approach in the pandemic environment and the trend toward lower reinsurance cessions by primary insurers in China, our premium income from life and health business declined year-on-year. The claims experience improved significantly compared to the previous year because the excess mortality associated with the COVID-19 pandemic had little impact on our business during the period under review. This meant that, at Euro 219.2 million, the underwriting result was above the previous year's level (Euro 67.2 million).

The combined ratio stood at 91.6%, compared to 97.6% in 2021. Gross written premiums decreased by 8.4% to Euro 2,671.3 million (2021: Euro 2,917.3 million). The decline in premiums, such as in China, was partially offset by growth in other Asian markets, the United Kingdom and Continental Europe. Net earned premium in life and health insurance also decreased by 8.2% in the year under review to Euro 2,620.1 million (previous year: Euro 2,853.2 million). Adjusted for exchange rate effects, written premiums decreased by 7.5% for gross account or 7.2% for net earned; the decline in premiums in euros was thus greater than in original currency due to exchange rate movements.

Analysis by Classes of Business

	Gross Written Premiums		Underwriting Profit		Combined Ratio	
	2022	2021	2022	2021	2022	2021
	Euro m	Euro m	Euro m	Euro m	%	%
Life	2,050.0	2,093.1	179.5	-21.2	90.9	101.1
Health	621.3	824.2	39.8	88.5	93.9	89.7
Total	**2,671.3**	**2,917.3**	**219.3**	**67.2**	**91.6**	**97.6**

Developments in our Home Market and Abroad

Germany

The war in Ukraine, the rapid rise in energy prices and high inflation have unsettled consumers. The return to significantly higher interest rates has mitigated the pressure on interest rate guarantees in the portfolios of life insurers but has also led to changes in the long-term investment decisions of insurance customers, which has affected single-premium business. With regular premiums stable, new business in German life insurance is below the level of the previous year due to the decline in single premiums. Life insurers are adapting their product portfolios to the changed conditions, with guarantees remaining lower than for traditional savings and retirement products.

In the changed interest rate environment, biometric covers continue to be of great importance, even though life insurers experienced a decline in new business in this area due to the economic environment. There are still significant gaps in coverage, for example insufficient protection for the capacity to work. As in previous years, many life insurers are strategically interested in diversifying their portfolios and strengthening their business in death and capacity to work cover in addition to retirement provision. This trend is expected to continue in the future despite the recent decline in new business. When it comes to protection for the capacity to work, "essential abilities cover" – as a product based on transparent benefit criteria at a lower premium – has established itself as a more affordable alternative to traditional disability insurance. This alternative solution is primarily aimed at the target group of employed persons who perform predominantly physical work. We continued to work closely with various life insurers on the development of new products in this segment and were thus able to expand our client base. In disability insurance, too, we kept up our close cooperation with our clients on the ongoing refinement of their offerings and supported them with our broad range of services. We also expanded the user base of our underwriting and claims management systems, thus contributing to the further digitization of our clients' business models.

Due to the broad base of existing client relations, as well as some new ones, further long-term growth opportunities are opening up in Germany. With stable premium income, we achieved another pleasing result in 2022.

International

Some of the factors described above in relation to our home market also apply to other life insurance markets in **Europe**. Growth in new business and premium income in **Continental European** life and health insurance markets was significantly subdued due to the sharp surge in inflation and economic uncertainties. Some markets have already seen a decline in premium volumes. The rise in interest rates affected mortgage costs from the second half of the year onwards and weakened demand. Credit life business was therefore flat and already down in some countries. It is to be expected that the uncertain economic environment will also affect business with self-employed individuals and small enterprises in the coming months.

With the outbreak of the war in Ukraine, we decided to terminate our contracts with our clients in Russia and initiated the closure of our representative office in Moscow. We similarly terminated our contractual relations with our clients in Ukraine.

Our business in Continental European markets developed positively overall despite this mixed environment. In some markets, we were able to increase our premium through new business relationships. Overall, we achieved a pleasing result in the 2022 financial year.

In the **UK**, our competitors are offering aggressive terms to our clients in the “insurtech” segment, making it more challenging to write business in this market. Business has grown overall, and there are promising opportunities, especially in the disability insurance market.

European markets still offer considerable potential for life and health insurance business due to the comparatively low level of retirement provision and inadequate individual risk protection. However, given the uncertain economic environment shaped by inflation, rising interest rates and supply chain issues, our growth expectations for the next one to two years are cautious.

Through our strong emphasis on service when it comes to supporting our clients with product development and risk management, we continue to play a consistent role in generating new business opportunities with our clients – both now and going forward.

Our life/health business in **Asia** recorded a very good result in 2022. Due to increased deductibles from clients in China and our cautious underwriting policy in India, we recorded an overall decline in premium volume in Asia. We take the view that the environment for renewed growth in annual business remains unfavorable in 2023. On the other hand, our long-term new business continues to grow. Due to the increased risk awareness resulting from the COVID-19 pandemic, we expect demand for biometric coverage to rise and thus continue to see considerable growth potential for life and health business in Asia in the future.

Our business in **Latin America** recovered from the impacts of the COVID-19 pandemic in the previous year and was profitable. In a fiercely competitive market environment, we pay attention to adequate terms and conditions that appropriately reflect the experience of the pandemic as well as inflation in health insurance.

In the **Middle East and in North Africa** we continue to see good opportunities for growth over the medium and long term. With some markets in the region developing very dynamically, our premium income has increased – not least due to business opportunities opened up by our new branch in Dubai.

Our business in **sub-Saharan Africa** and in **Australia** is written by subsidiaries and affects our underwriting results through their retrocessions to General Reinsurance AG.

We achieved a pleasing underwriting result, to which all regions contributed with underwriting gains. Although premiums declined in the year under review, we see promising growth opportunities in various markets for the coming years. We benefit from our globally diversified portfolio and our strong position in many markets. With our reinsurance solutions, our risk management expertise, and our range of services, we are very well positioned to further grow our business. We are investing in various forward-looking technology projects that will be to our own benefit and that of our clients in a number of ways – and thereby putting in place the foundation for our sustained success in what remains a very challenging environment.

Property and Casualty Reinsurance

Market Development

As in the previous year, 2022 brought devasting natural catastrophes throughout the world, with major windstorm events in Northern Europe early in the year, followed by floods in Australia and South Africa and severe storms in France early in the summer. Hurricane Ian made landfall in Florida in late September resulting in a further major industry loss.

2022 began with a marginally improved rating environment for reinsurance. The significant losses incurred in Germany in the previous year from storms Bernd and Volker had resulted in a material pricing correction for reinsurance business with natural perils exposure in Germany. However, many treaties in property insurance, and in particular in motor lines, remained at an inadequate rating level despite the considerable inflationary pressure. As a consequence of our disciplined underwriting stance, the picture that came out of the 1 January 2022 treaty renewals was a mixed one: we were able to renew the bulk of our property business and indeed grow our portfolio here, while our motor business contracted significantly.

The frequency and amount of the catastrophe losses that occurred in the course of the year had a material impact on our own results and those of the market. Toward the end of the year there were clear signs that many participants in our market are reassessing their exposures and risk appetite in the light of the twin perils of natural catastrophe accumulations and inflation and against the backdrop of rising interest rates. We expect this dynamic to create conditions for more adequate rates in 2023 with the potential to grow our business.

Financial Results

Gross written premium in property and casualty business decreased by 5.8% to Euro 1,516.0 million (2021: Euro 1,608.6 million). Adjusted for exchange rate effects, gross written premiums decreased by 6.3%.

With regard to COVID-19 pandemic-related claims, it should be noted that the reserves recognized in previous years developed in line with our expectations. For the underwriting year 2022, no further loss reserves were established in connection with the pandemic.

Excluding catastrophe losses, the result in most lines of business was within the bounds of expectations. An underwriting loss of Euro 154.8 million was recorded for 2022 before changes in the equalization reserve (2021: loss of Euro 213.3 million).

Including changes in the equalization reserve, we booked an overall loss of Euro 22.4 million (2021: loss of Euro 78.2 million). On the whole, we recorded a material improvement in the pricing strength of the portfolios renewed in 2022 as we continued to focus on ensuring an adequate return from the risk that we assumed. Our catastrophe exposures decreased considerably in 2022, as we reduced our exposure to business that no longer met our profitability requirements and moved further away from lower attaching programs.

Analysis by Classes of Business

Before change in the equalization reserve	Gross Written Premiums 2022 Euro m	Gross Written Premiums 2021 Euro m	Underwriting Result 2022 Euro m	Underwriting Result 2021 Euro m	Combined Ratio 2022 %	Combined Ratio 2021 %
Property insurance	862.2	707.9	-39.6	-156.4	106.6	129.3
Motor insurance	265.8	565.6	-67.2	-73.7	122.9	116.9
General third party liability insurance	201.5	169.9	-17.2	8.2	112.5	93.6
Other classes of insurance	186.5	165.2	-30.8	8.6	125.2	92.0
Total	**1,516.0**	**1,608.6**	**-154.8**	**-213.3**	**113.4**	**117.7**

We took further action throughout 2022 to reduce our exposure to inadequately priced business. In 2022 this action was particularly focused on motor business where inflationary effects on damage claim amounts and trends in bodily injury claims costs, particularly in Israel, have caused us to reduce our exposure to this line. Overall, our motor premium decreased by 53.0%, while our general liability premium increased by 18.6 % and our marine premium contracted by 15.3%. In addition, the premium decline was partially offset by a moderate increase in property premium of 21.8%.

Developments in our Major Regional Markets

Germany

Thanks to strong client loyalty our business in Germany again developed positively overall in 2022. Following the major losses and market disruptions arising from storms Bernd and Volker in the previous year, we were able to grow our business.

Our premium from liability business showed another slight increase compared to the previous year. Overall, the underwriting results including run-off profits from claims in prior years was satisfactory.

Our premium volume from the German motor insurance market remained stable. The trend towards above-average claims inflation was, however, sustained in 2022. This effect was again offset by a lower claims frequency attributable to less driving in the aftermath of the COVID-19 pandemic. However, with larger motor third party liability losses, the trend towards a decreasing claims frequency is not nearly as clear.

International

In most other **European markets**, the burden of catastrophe losses and the inadequacy of rates relative to risk assumed meant that we saw little opportunity to grow our portfolio. We generally reduced our exposure to business involving inadequate risk premiums and unfavorable structures such as aggregate deductibles or very low attachments..

The motor insurance market in the **United Kingdom**, which had been a source of sizeable growth in recent years, saw a material reduction in premium as we considered rates inadequate for the level of risk assumed. The rate adequacy of UK motor reinsurance is highly sensitive to changes in the so-called Ogden discount rate as well as expected changes in inflation over the long term. We believe that the increases in reinsurance rates seen in recent years are not sufficient to achieve rate adequacy over the longer term. For this reason, we further reduced our participation in this class. In 2022, as in previous year, we were able to increase shares in non-motor business and expand our participation in some London Market special lines despite scaling back our premium volume overall in the UK market.

In **France, Italy, Scandinavia and the Iberian Peninsula,** we reduced our shares on a number of programs in response to persistently low rates, particularly in the case of catastrophe-exposed business or business placed with an aggregate deductible structure. The French and Scandinavian markets have seen continued elevated levels of large property losses both from natural hazards and other events. The proportion of pro-rata business is higher in the Iberian Peninsula and Italy, leading to more stable results. Following the large losses in the Spanish market in 2020 and 2021, we reduced our natural catastrophe exposure in Spain in 2022.

Our **Latin American business** also continues to increase in importance with further growth recorded in a number of markets. Our expertise and broad experience enable us to support our clients well and continue to grow our business with a sustainable level of profitability.

Turning to **Asia,** we saw modest growth in 2022 after materially reducing our catastrophe exposure in the region in 2021. This growth derived predominantly from India and Singapore in 2022, with modest growth also booked in China.

Our business in **Africa** is written through a subsidiary and impacts our underwriting results through their retrocessions to General Reinsurance AG. Our African business generated an underwriting loss in 2022 due to the major floods that took place in KwaZulu-Natal, a province of South Africa, early in the year.

Business Development of the Major Subsidiaries

General Reinsurance AG, Cologne, is the parent company within the General Reinsurance AG Group. The General Reinsurance AG Group is included as part of the Gen Re Group in the consolidated financial statements of Berkshire Hathaway Inc., Omaha/USA.

The primary risk carrier of the General Reinsurance AG Group is General Reinsurance AG, which is represented by numerous branches, subsidiaries, and representative offices based in Europe (Copenhagen, London, Madrid, Milan, Paris, Vienna), the Middle East (Beirut, Dubai), Asia (Beijing, Hong Kong, Labuan, Mumbai, Seoul, Shanghai, Singapore, Taipei, Tokyo) and Latin America (Buenos Aires, Mexico City, São Paulo).

The two major subsidiaries as at the balance sheet date were General Reinsurance Africa Ltd., Cape Town/South Africa, and General Reinsurance Life Australia Ltd., Sydney/Australia. All property/casualty business written by General Reinsurance Africa Ltd. is retroceded in varying proportions to General Reinsurance AG and its parent company, General Reinsurance Corporation.

The financial impact of the COVID-19 pandemic on our South African life/health business was low in 2022 and results were in line with expectations. We continue to see new business opportunities in a dynamic competitive environment.

The result of our subsidiary in Australia was better than expected, mainly due to improvements in disability business. Premium volume also increased due to business with new clients.

Our Staff

At the end of the 2022 financial year General Reinsurance AG employed a total workforce including its staff at service companies of 792 (36 more than at the end of the previous year), of whom 393 (+9) were based in Germany and 399 (+27) abroad.

Depending on the location, we have put in place various models of flexible, mobile working practices to enable local management to find the best solutions for our employees and clients. As a modern employer, an appropriate balance between professional requirements and private needs is important for us over the long term to ensure high employee satisfaction as well as to find new talented people for General Reinsurance AG and integrate them.

The success of our company is founded on the expertise, experience, and dedication of our employees. As an employer, we offer our staff attractive working conditions. These include the fair and respectful treatment of our employees, competitive remuneration, flexible working hours and opportunities for individual development. We also offer an Employee Assistance Program, which provides confidential external counseling services that can assist our staff and their families with professional, private or health matters.

In our Talent Management System, we offer a wide range of online learning content covering topics ranging from leadership and management to technical and data skills. Many of the courses are available in multiple languages and new materials are constantly added. All our employees are also required to complete interactive online compliance training as well as courses related to data security, ethical business conduct, handling conflicts of interest, preventing corruption and money laundering, financial integrity, data protection, antitrust law, trade sanctions as well as avoiding insider trading and workplace harassment.

Additionally, our Learning & Development department and our external partners offer virtual courses on core interpersonal skills such as holding difficult conversations on a variety of topics including Diversity, Equity, and Inclusion (DEI), performance and compensation. We also piloted a program this year focused on resilience training that covers practical methods for staying healthy, launched a leadership training program for new managers and reintroduced the offer of coaching sessions.

We continue to support cooperation with universities to promote interaction between research and corporate practice. At the same time, offering internships and employing working students opens up access to interested young talent.

In 2022 we created a very important new role for the company, the Global Diversity Equity and Inclusion (DEI) Officer, who helps us to move forward with shaping a more diverse, equitable and inclusive work environment at General Reinsurance AG. The purpose of their role is to foster a culture that encourages collaboration, flexibility, and fairness so as to enable all employees to contribute to their full potential. They define the company's DEI strategy and support our various Employee Research Groups (ERGs) with their programs and events. The ERGs are committed to improving the inclusion of the following important constituencies within our workforce: Employees of diverse ethnicities and cultures, LGBTQ employees, professional women and working parents. The Global DEI Officer works with the leaders of the ERGs to learn more about the needs of these employees and develop more effective and successful inclusion and integration strategies. Furthermore, we offer online courses on an ongoing basis covering a suite of DEI topics, for example, to help employees understand and reduce their own inbuilt unconscious biases. We also support managers so that they can act as inclusive leaders and promote inclusion in their teams and throughout the organization.

As part of our global DEI approach, we strive to drive cultural change within the company from the bottom up, thus making everyone accountable for creating a more inclusive environment and a more diverse workforce. This explicitly includes, but is not limited to, gender equality. We believe this approach best supports our goals and ensures the most qualified individuals are given every opportunity. To review our progress, we will regularly analyze workforce data disaggregated and summarized according to various demographic characteristics, including assigned sex. This data will enable us to measure the changes in our workforce over time. We will further examine the three factors which account for the changes in our workforce over time: who we hire, who we promote, and who leaves our company. We firmly believe that this holistic approach and self-evaluation of our progress will raise awareness and contribute more effectively to our overall success in creating a more diverse workforce over time.

Participation of Women in Management Positions

In implementing the Act on the Equal Participation of Women and Men in Leadership Positions in the Private Sector and Public Sector, we set ourselves targets in 2017 for the proportion of women on the various levels of leadership positions. Target achievement was last reviewed and updated in 2022.

As in 2017, it was decided in 2022 that the current quota of women in leadership positions will at least be maintained, while at the same time ensuring that the most qualified candidate is given every opportunity to take on a leadership role.

The targets set and the status of the proportion of women on the four management levels as of 31 December 2022 correspond to the following percentages:

Management Level	Targets 2017	Status 31 Dec. 2022	Targets 2022
Supervisory Board	16.67 %	16.67%	16.67%
Executive Board	0%	0%	0%
Level 1 below Executive Board	8.8 %	30%	29%
Level 2 below Executive Board	39 %	40%	40%

We will review our targets again by 30 June 2027 and adjust them if necessary.

The targets set reflect our firm belief that the best qualified individual should be selected in each case, regardless of gender.

In line with our fit-and-proper policy and regulatory requirements, the company must ensure that individual Executive Board members are personally reliable and have the appropriate skills, experience and knowledge to perform the duties assigned to their respective areas of responsibility on the Board.

At the same time, the company must ensure that the collective knowledge and experience of the Executive Board guarantee sound and prudent corporate governance at all times.

Although we promote a truly diverse workforce and strive to improve diversity at Board level as well, we continue to consider the decision not to set a specific target proportion of women on the Executive Board to be appropriate. However, this in no way stands in the way of a natural development towards more diversity at Board level as well.

These statements at the same time constitute the disclosures required under § 289f (4) German Commercial Code.

Word of Thanks to Our Staff

Our thanks go to all our staff for their considerable dedication, strong motivation, and successful collaboration on all levels. Their expertise and personal commitment under extremely challenging circumstances are greatly appreciated by the entire leadership team.

Risk Report

Our core business is the assessment and acceptance of risks, in particular insurance risks. The key elements of our risk assessment are comprehensive qualitative methods supported by quantitative extensive analysis.

Risk Governance

General Reinsurance AG is committed to an integrated approach to risk management. This forms the basis for our company-wide understanding of all risks affecting the organization and ensures that conscious risk management is part of the daily decision-making processes of each individual employee. We have implemented a decentralized Risk Management System embedded in a company-wide internal control framework, overseen and facilitated by a central Risk Management Function.

The responsibilities in the area of risk management at General Reinsurance AG are allocated as follows:

The **Executive Board** is responsible for the effective functioning of the company's Risk Management System. It determines the risk strategy, which includes the specification of the risk appetite and overall tolerance limits, and it ensures operational implementation of the risk management processes.

The **Chief Risk Officer** bears responsibility for the Risk Management Function and has a direct reporting line to the Executive Board. The Risk Management Function is responsible for the implementation and further development of the Risk Management System on behalf of the Executive Board. It executes the Risk Strategy on the operational level, including monitoring and reporting on the company's risk profile. In this role, the Risk Management Function is supported by the Life/Health Risk Committee, the Property/Casualty Risk Committee, the Investment Risk Committee, the Operational Risk Committee and the Asia Risk Committee, which provide detailed input and expert knowledge and report directly to the Chief Risk Officer. This enables the Risk Management Function to ensure appropriate monitoring of the Company's risk profile as well as risk topics across various units and to leverage professional expertise Group-wide.

In addition to the Risk Management Function, we have established the key functions for Compliance, Actuarial, and Internal Audit in line with the Solvency II regulatory framework.

Risk Strategy

Our Risk Strategy defines our general approach to risk management by specifying all relevant risks based on our business strategy. It sets out how risks are measured, managed and controlled and specifies our risk appetite and risk tolerances.

We broadly define risk as the threat of potential developments or events negatively impacting our ability to achieve the company's business goals, continue to operate successfully, preserve our financial strength and reputation, and maintain the quality of our products, services and people. Our Risk Management System aims to support the company's business strategy by limiting risks to acceptable levels.

Risk Management Process

The risk management process at General Reinsurance AG comprises the following elements:

- risk identification,
- risk measurement,
- risk monitoring,
- risk response, and
- risk reporting.

This process is applied globally and includes all legal entities and branches. A key element of this process is the corporate risk library, which was developed to promote a consistent approach to the definition and identification of risks and to enable effective aggregation of risks across the entire Gen Re Group. We divide risks into insurance, market, operational and strategic risks (see chart below). Where relevant, we consider sustainability risks with environmental, social and governance factors (ESG) within our existing risk categories.

Regular quarterly and annual risk reporting routines within the Risk Committee structure referred to above as well as ad-hoc risk reporting ensure continuous monitoring of the Group's risk profile.

Our global **Internal Audit** unit regularly reviews the adequacy and effectiveness of the internal control system within the scope of its audit mandate. Internal Audit is an integral part of the internal control framework and performs operational, financial and IT audits focusing on the structure, control mechanisms, procedures and processes associated with the insurance business, investments and operational aspects supporting these business areas. Internal Audit also performs compliance audits to review adherence to regulatory requirements, laws or guidance as well as special reviews as requested by Management. The results of each audit are shared with the Audit Committee of the Supervisory Board and relevant stakeholders, including the Chief Risk Officer.

Our **risk universe** is outlined in the chart below:

In the following paragraphs we describe our insurance, market, operational and strategic risks as well as their control mechanisms.

Insurance Risks

The **pricing and underwriting risk** is the risk that actual aggregate claims amounts may exceed those expected in the underwriting process. In this context, we differentiate between:

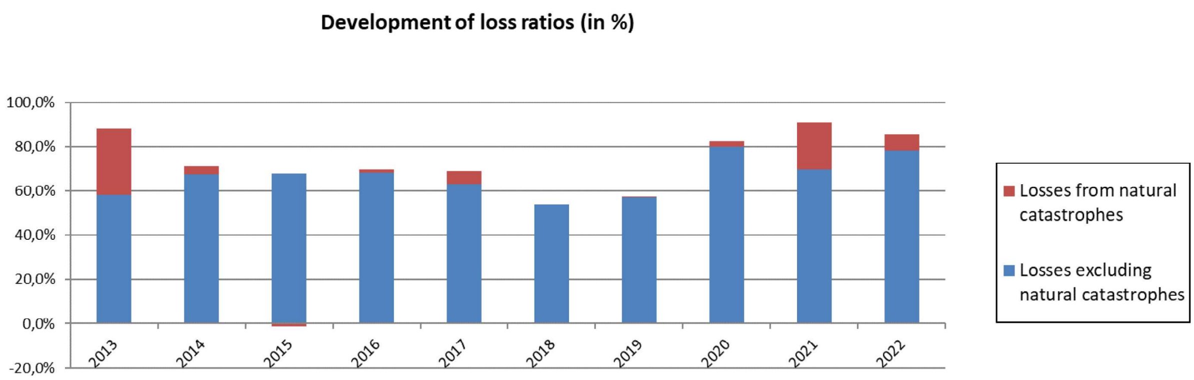
- Risk of random fluctuations as well as pricing model and parameter risk, which can lead to a higher-than-expected claims frequency or severity,
- Large loss accumulation risk caused by a single loss event covered by multiple contracts or covered by one contract affected by many individual losses. In the following paragraphs we specifically address natural catastrophe, terrorism, war, pandemic and cyber risks in more detail, but we also consider other accumulations if deemed relevant.

We manage these risks by means of a well-defined and controlled underwriting process. The key elements are a clear referral process, with authorization levels specified in the underwriting guidelines, centrally approved pricing guidelines and operational limits reflecting our risk appetites and tolerances, as well as the use of standardized methodologies and software tools.

Our exposure to **natural catastrophes** is systematically monitored and reported to senior management, the Risk Management Function and the Executive Board to ensure that peak exposures are properly understood. We have a risk tolerance framework in place that is linked to capacities representing maximum admissible sums of limits per peril and country. This determination of capacities ensures that the natural catastrophe risk is managed within our risk appetite/risk tolerance.

The **development of our loss ratios (split between natural catastrophe losses and other losses)** over the last ten years is shown below, expressed as percentages of net premiums earned. In 2022, the share of natural catastrophe losses was 7.3 %, compared with 21.3 % in the previous year, partly due to the high losses from the floods in Europe in the previous year. In 2015 and 2018 this proportion was even negative (-1.2% and -0.2%, respectively) because the reserves released in respect of prior-year catastrophes exceeded the relatively low level of losses from natural catastrophes in these years.

Development of Loss Ratios (in %) in Property/Casualty Business



We do not actively seek to cover **terrorism** exposures, but it is a risk that we assume in the course of writing reinsurance business and one which we manage and control, including the monitoring of potential accumulations. Our exposure to terrorism is limited predominantly through exclusion clauses in reinsurance contracts.

We limit our **war risk** wherever possible through standard exclusions, and we monitor our exposure by analyzing appropriate scenarios.

Pandemic risk may emanate from events such as the spread of serious highly infectious diseases. We regularly consider various scenarios in order to evaluate the potential impact of pandemic events on both our property/casualty and life/health portfolios and to assess our risk tolerance. In managing this risk, we have implemented an appropriate underwriting policy, including standard terms and conditions, guidelines, referral processes and underwriting reviews.

Cyber risk refers to potential losses from cyber-attacks or threats covered by our reinsurance contracts that result in unauthorized access to or disclosure of business-critical or sensitive applications, data or infrastructure systems. In general, it is related to online activities, electronic systems and technological networks. Cyber risks can be caused by the intentional actions of third parties as well as by human error or technical failure.

Cyber risks remain one of the biggest challenges from an underwriting perspective in assessing, pricing, monitoring and aggregating risks. The management of cyber risks covered by our reinsurance treaties is continuously refined with a view to our risk appetite, risk management procedures and accumulation control.

With regard to potential non-affirmative or so-called “silent cyber” exposures we aim to apply exclusion clauses where possible. As we have successfully implemented such exclusions in our portfolio, we consider the impact of silent cyber accumulations on our solvency positions to be manageable. Nevertheless, we continue to refine our analyses of those business lines where accumulations could occur and develop appropriate scenarios to evaluate possible loss exposures. Our “Cyber Tracker” facilitates the systematic monitoring of current exposures.

Reserving risk is the risk of inadequate reserves for the ultimate settlement of claims due to unanticipated changes in the loss trend and/or inappropriate reserve modelling. The estimation process includes reasonable assumptions, techniques and judgments in accordance with best-practice actuarial standards. It also includes reconciliations, checks and independent reviews. The risk is controlled by monitoring the underlying business as well as through actuarial reviews and appropriate segregation of duties in the reserving process.

We consider the reserving process to be a core function of a disciplined reinsurer. We have established a centralized independent function with quarterly reserving and reporting procedures. The anticipated ultimate loss ratios are regularly verified and adjusted if necessary, based on updated data.

Run-off Result in % of the Original Net Reserves in Property/Casualty business

2022	-20.5
2021	-2.7
2020	-2.5
2019	0.9
2018	3.8
2017	0.8
2016	1.7
2015	2.7
2014	0.9
2013	3.1

This table shows the run-off results of recent years in property/casualty business on a calendar-year basis, expressed as a percentage of the original net provision. As regards business written on an underwriting-year basis, we are unable to determine a sufficiently precise allocation of claims between the current and prior years due to limitations in the data received from clients. The corresponding claims are fully allocated to the prior years, thus adversely impacting the run-off result. The net run-off result in 2022 is impacted by the loss portfolio transfer referred to in last year's Annual Report, under which the majority of the reserve development of the Company is ceded to our parent company, General Reinsurance Corporation.

Market Risks

Our corporate Investment Policy is designed to ensure that we maintain adequate liquidity at all times to cover our liabilities in line with our risk profile. Our Master Investment Guidelines include properly defined and measurable risk limits for the various investment risks and asset classes. Both the Policy and the Guidelines are reviewed by the Executive Board at least annually.

They are designed to protect our assets and our return on investment against risks such as:

- **interest rate risk**: interest rate volatility or value sensitivity to changes in term structures,
- **equity risk**: volatility in market prices due to economic and other factors such as inflation,
- **currency risk**: volatility of currency exchange rates or inadequate currency matching,
- **spread risk**: changes in the credit spread above the quasi-risk-free interest rate,
- **concentration risk**: losses/volatility resulting from concentration of investment exposures in a specific instrument, issuer or financial market,
- **liquidity risk**: changes in market liquidity preventing timely or effective liquidation of investments as and when required, and
- **counterparty default risk**: bank or other counterparty failure or credit rating downgrades

In 2022 interest rates increased in most markets and remain volatile. Our policy of maintaining a relatively short duration of our fixed-income investments has significantly reduced the volatility in our investment portfolio as well as our liquidity risk. We also maintain adequate capital to cover the associated interest rate and spread risk. The performance of the portfolio is regularly analyzed against defined benchmarks and the portfolio undergoes regular stress testing and scenario analyses.

Amounting to 39.3% at the balance sheet date (compared to 43.1% at the end of 2021), a substantial proportion of the fixed-income securities of General Reinsurance AG was held in AAA-rated investments, with a further 54.5% held in AA-rated securities (2021: 42.9%).

Our investment guidelines define a specific limit for the proportion of equities in the portfolio. They also contain detailed criteria for controlling **credit and concentration risks**, such as minimum rating requirements and maximum exposure limits per asset class. The credit quality of the fixed-income securities held by General Reinsurance AG at year-end 2022 clearly shows the high quality of our portfolio.

Equity risks and interest rate risks affecting our investments are monitored by means of various stress tests. The following table shows an excerpt from the list of scenarios considered and the resulting changes in the fair value of our investment portfolio:

Portfolio	Assumptions	Changes in fair value in Euro m
Equities	Price increase of 20%	+527.2
Equities	Price decline of 20%	-527.2
Fixed-income securities	Interest rate rise of 1%	-51.0
Fixed-income securities	Interest rate drop of 1%	+51.8

Counterparty default risks arise from our different counterparties, most notably from investment transactions with issuers or financial service providers and from reinsurance business with respect to cedants, retrocessionaires and brokers.

We manage the risk arising from investment transactions through the rigorous criteria for credit quality, concentration and duration referred to above. Outstanding receivables and recoverables from reinsurance business are regularly monitored and necessary provisions are calculated for overdue receivables and recoverables in accordance with Group-wide standards. Measures for dealing with overdue receivables are agreed with the business units, and their enforcement is regularly reviewed.

Overdue balances amounted to Euro 71.9 million at year-end (2021: Euro 116.0 million). As in previous years, the default rate in the year under review was negligible. Recoverable balances are reviewed with senior management.

Finally, **currency risk** is managed as part of our asset/liability matching policy and the regular review of currency balances in order to ensure adequate liquidity to meet all our obligations in each of our major operating currencies. In addition, we keep in mind that assets must sometimes be held in the currency of the jurisdiction in which we operate to meet local capital requirements. Any funds that are surplus to these requirements are invested in such a way as to earn a competitive return. This means that we may invest in currencies that do not match those of the liabilities. The Executive Board is aware of the additional risks associated with such an approach and it is ensured that sufficient solvency capital is always available.

In the following paragraphs we address other risk categories that we consider important, even though we believe that none of them constitutes a serious threat to the organization.

Operational Risks

Operational risks arise from inadequate internal processes or systems, human error or technical failure, fraud and/or external events. All operational risks are reviewed, analyzed and assessed on a regular basis in order to promptly identify any deficiencies in policies, processes and controls as well as to propose and implement corrective actions. We manage and control operational risks by means of:

- appropriate policies and processes,
- education and training,
- internal controls including segregation of duties, dual control principle, plausiblity checks and avoidance of conflicts of interest,
- regular measures to identify and evaluate potential new operational risks,
- effective quarterly/annual monitoring and reporting procedures, and
- appropriate testing and documentation of asscociated controls.

Our goal is to continuously improve our risk awareness and risk culture across the company's different operational units. This is also supported by the Internal Audit function, which assists senior management and the Executive Board by independently reviewing the application and effectiveness of operational risk management procedures and our internal control system.

We provide further detail on individual operational risks in the latest version of our Solvency and Financial Condition Report, which is available on our website.

Strategic Risks

Like operational risks, strategic risks are also subject to regular assessment; this is facilitated, in particular, by qualitative discussions intended to raise risk awareness and ensure that effective controls are in place to minimize potential exposures. We differentiate between the following strategic risks:

Strategy

The company's identification and assessment of new opportunities is critical to the successful growth and profitability of our business. The Executive Board is responsible for our business strategy; it regularly reviews and evaluates whether all aspects of the current strategy are appropriate given the dynamic business environment and in consideration of any risks which could affect the company's position and performance over the long term. In view of our profit-oriented underwriting policy, our robust pricing and monitoring systems as well as our strong consulting expertise and software offerings in the life/health insurance industry, we continue to manage this risk appropriately.

Reputation

We view reputational risks as possible side effects of our operations that may arise from potential weaknesses or deficiencies in our internal control environment. In order to minimize our exposure to these risks, we have implemented a comprehensive policy framework, standards for process documentation and an effective internal control environment.

In addition, we have adopted a Code of Conduct outlining our position on corporate integrity and values. This was established by Berkshire Hathaway Inc., our ultimate parent company. Our associates around the world are committed to maintaining the highest level of integrity among themselves, the company and toward our business partners.

All employees receive regular training to raise awareness of compliance with regulations and laws and how to deal with conflicts of interest. These measures help to preserve our image and credibility and minimize our exposure to reputational risks.

Emerging Risks

We define emerging risks as risks of loss arising from new or changing situations (political, economic, social, technological, legal, regulatory, fiscal, environmental, etc.) that could have a decisive impact on the company's operations. Such risks have not yet been fully understood, are difficult to quantify, and may not yet be reflected in contract terms, pricing and reserving, operations or capital allocation. We identify and evaluate emerging trends and risks as part of the annual group-wide Own Risk and Solvency Assessment (ORSA) process. Throughout the year, developments such as potential new exposures and geopolitical risks are monitored as part of the company's quarterly risk reporting.

Intra-Group Risks

We define group or intra-group risk as the risk that an affiliate within the Berkshire Hathaway Group will fail to meet its financial obligations, which may result in limited growth, increased costs and/or additional regulatory scrutiny and may affect the solvency or liquidity of the General Reinsurance AG Group. In addition, the following risks are included: reputational risks, risks arising from intra-group transactions, concentrations within the Berkshire Hathaway Group, and interdependencies between risks arising from transacting business through different operational entities and in different jurisdictions as well as risks from third-country entities.

We manage our subsidiaries by applying consistent policies in all operational areas, including underwriting and investment. We regularly monitor liquidity and local capital requirements at each location. In addition, we continuously monitor compliance with site-specific regulatory requirements.

Considering our processes and monitoring procedures as well as the financial strength of General Reinsurance AG and the Berkshire Hathaway Group, we assess the intra-group risk as low. This was also addressed in General Reinsurance AG's Recovery Plan for the 2022 reporting year, which considers several scenarios that could threaten the financial position of the company and lead to a recovery situation, as well as the potential management actions that could be taken in response to each scenario.

Solvency II Reporting and Major Factors Influencing Opportunities and Risks

Solvency II reporting encompasses requirements such as the Own Risk and Solvency Assessment (ORSA) Report, the annual and quarterly Quantitative Reporting Templates (QRTs) and the Regular Supervisory Report (RSR). The Solvency and Financial Condition Report (SFCR) will be publicly available on our corporate website from 22 May 2023.

We have received permission from the Federal Financial Supervisory Authority (BaFin) to prepare and publish a "Single SFCR" covering both the solo and group position, as the overall risk profile of the General Reinsurance AG Group does not differ materially from the risk profile of the parent company General Reinsurance AG. The Solvency II balance sheets are audited annually in accordance with regulatory requirements.

Our calculations of the Solvency Capital Requirements are based on the Solvency II standard formula, including the use of undertaking-specific parameters. The calculations for year-end 2022 have not yet been completed at the date of publication of this report. The solvency ratio for the fourth quarter of 2022 was 210% (2021: 176%) for General Reinsurance AG on a stand-alone basis.

In addition to regulatory developments in Europe, we continuously monitor the potential impacts of other international solvency regimes on the General Reinsurance AG Group.

Change in Reporting Standards

International Financial Reporting Standard (IFRS) 17 "Insurance Contracts" will become effective on 1 January 2023 and will introduce some fundamental changes in the accounting, measurement and disclosure of insurance and reinsurance contracts. It does not apply to General Reinsurance AG as an individual company, but to some of its branches and subsidiaries.

The United States has not adopted IFRS 17 but instead has adopted the U.S. accounting standard Long Duration Targeted Improvements (LDTI), which is also effective 1 January 2023, and is applicable to long-term contracts, such as life (re)insurance, and therefore impacts General Reinsurance AG with respect to consolidation within the financial statements of Berkshire Hathaway Inc. We have successfully continued our global implementation project to ensure we are compliant with the new requirements of IFRS 17 and LDTI from 1 Jan. 2023.

COVID-19

Our experience of COVID-19 claims from property/casualty business was stable in 2022 and there were no significant changes to our reserves. As noted in our Annual Report last year, our property/casualty business was significantly impacted by the COVID-19 pandemic in 2020. The lines of business most heavily affected by the pandemic included Travel, Travel Bond, Contingency and Business Interruption (BI). In response, we have strengthened our wordings and in particular our exclusions for most of our markets and products to reduce our exposure as much as possible.

In 2022, the excess mortality associated with the COVID-19 pandemic had little impact on our life/health business. Nevertheless, we continue to monitor developments in individual countries closely and we are reviewing our pandemic risk pricing in order to allow for the impact that different factors could have on our business and exposures going forward, such as the level of public health infrastructure as well as access to affordable/publicly funded health insurance in various countries.

Sustainability

In common with other industries, there is an increasing political and regulatory focus on sustainability risks, particularly on climate change, worldwide. This includes a number of new reporting requirements currently under development. As part of our risk assessment process, we have begun to note the potential impacts of environmental, social and governance (ESG) factors on our specific risks and our overall risk profile. As it is currently still difficult to reliably quantify the risks, we consider scenarios, sensitivities as well as qualitative aspects to assess the effects of climate change and other sustainability risks on our risk profile. We have started to develop and implement processes to better understand our exposures in this regard and the potential financial impacts.

Geopolitical Tensions and Inflation

Global conflicts and geopolitical uncertainties as well as their impact on operating and business models are currently considered one of the main challenges facing companies today. The repercussions of the outbreak of war in Ukraine led to significant uncertainty in financial markets and commodity prices, along with supply chain challenges which contributed to high inflation environments in many economies around the world. While losses from armed conflicts are either excluded from coverage or provide a basis for cancellation, the consequences from an economic point of view are still uncertain. We also remain vigilant of the heightened geopolitical risks (including associated risks such as cyber risk) around the world, and we continue to monitor the potential impact on our pricing and reserving practices.

Operational Resilience

Operational resilience is defined as the ability of an organization to continue operations through adverse events or changes in business conditions. For internationally active organizations such as General Reinsurance AG it is important to recognize the heightened risk of disruption, and wherever possible to prepare adequately. Our Business Continuity Management Framework, which has been in place for several years now, includes activities for our business and service units and IT so as to plan for scenarios involving disruption to our IT infrastructure for an indefinite period of time and ensure compliance with regulatory developments around the world in this area.

Both in terms of its financial strength and the quality of its risk management system, General Reinsurance AG remains well positioned to successfully pursue its business strategy. We consider our capital resources sufficient and appropriately structured to meet our business needs over the short- and long-term horizon. We have effective controls and risk management processes in place.

Outlook

The core of our commercial activities consists of reinsurance business transacted in all major markets outside of the USA with the exception of property and casualty insurance in Australia, which is served by a Gen Re affiliate that is not part of the General Reinsurance AG Group. Above and beyond traditional reinsurance products, we offer a comprehensive range of services, including actuarial advice, product development, underwriting and claims management, as well as software solutions. We continue to systematically adopt a profit-oriented underwriting policy. Our underwriting know-how and our pricing and monitoring systems are continuously refined and updated. Our strong consulting expertise is held in high regard by clients at home and abroad.

In life/health reinsurance, we expect premium development to remain stable or increase slightly in 2023. Our growth expectations are correspondingly cautious for the next one to two years in view of the uncertain economic environment in a number of markets, which is characterized by inflation, interest rates and geopolitical problems. By contrast, our continued strong service orientation, both in terms of product development support and risk management, continues to provide a solid basis for generating new business opportunities with our clients in the future.

The majority of treaties in our property/casualty portfolio came up for renewal on 1 January 2022. As in the previous year, we believe that conditions remain challenging for reinsurers and that there are few opportunities for profitable growth in many lines and areas, prompting us not to renew some business. Toward the end of the year, however, there were also clear signs that many market participants were reassessing their exposures and appetite in light of the risk posed by the frequency of natural catastrophes as well as inflation and against the backdrop of rising interest rates. We expect these dynamics to create conditions for more appropriate rating in 2023, with the potential to grow our business. As a result, our expectation for the full year is that premium income will increase in 2023. We consider underwriting discipline essential to our success and going forward we shall continue to decline opportunities where we are unable to secure adequate terms and conditions. We benefit from strong client retention, which has enabled us to secure the quality of our portfolio in keeping with our underwriting standards. Our financial strength and service quality remain key factors in this respect.

With regard to investments, it should be noted that the macroeconomic outlook crucial to their performance for 2023 and beyond, will be strongly influenced by the development of inflation, the monetary policy decisions of central banks, the further development of the war in Ukraine and the ongoing energy transition, given the real risk of a global recession in 2023.

Inflation is expected to remain high in 2023 but will probably not reach the level of the previous year.

The federal-funds rate is expected to peak at around 5.0 % in the first half of 2023 and will likely stay at this level for some time. Taking account of inflation and the threat of economic recession, the decision making of other leading central banks will be influenced by the monetary policy moves of the U.S. Federal Reserve.

The energy crisis in the wake of the war in Ukraine will lead to greater awareness of energy security and a shift in attitudes toward energy consumption, which will have positive a long-term effect on reducing CO_2 and other emissions.

Higher interest rates make holding assets such as equities and riskier debt instruments less attractive, as safe assets such as government bonds generate better returns. Since higher interest rates also make borrowing more expensive, they tend to put pressure on the broader economy by tightening financial conditions for businesses and households. Stabilizing interest rates at higher levels is an issue for 2023 and beyond.

Compared to 2022, the current outlook points to stable premiums and favorable results in our life and health reinsurance business and improved results in our property and casualty reinsurance business, but our results can be affected by many factors, such as a high catastrophe loss burden or volatile capital markets.

Report on Relations with Affiliated Companies

General Reinsurance Corporation, Wilmington, Delaware/USA, holds 100 % of the voting capital of General Reinsurance AG. General Reinsurance AG is thus a majority-owned company pursuant to § 16 German Stock Corporation Act, which is required to draw up a report on relations with affiliated companies pursuant to §§ 312 and 17 of the German Stock Corporation Act. In the report of General Reinsurance AG on relations with affiliated companies in the 2022 financial year, dated 3 March 2023, which was compiled by the Executive Board, the following closing declaration was made:

"For all legal transactions with the affiliated companies listed in Annex 1 General Reinsurance AG received appropriate consideration according to the circumstances known at the time when the transactions were effected."

Corporate Social Responsibility Reporting

General Reinsurance AG is compiling a Corporate Social Responsibility (CSR) report guided by UN Global Compact reporting standards. This will be published in the Financial Information section of our website (www.genre.com) by the end of April 2023.

Balance Sheet as at 31 December 2022

Assets		Euro	2022 Euro	2021 Euro
A. Intangible assets	I. Internally created industrial property rights and similar rights and assets	20,492,882		16,350,494
	II. Concessions, industrial property rights and similar rights and assets acquired against payment as well as licenses to such rights and assets	38,684		38,275
			20,531,566	16,388,769
B. Investments	I. Real estate, rights to real estate and buildings	26,339,692		22,626,624
	II. Investments in affiliated companies and participations	535,954,958		537,300,220
	III. Other investments	6,925,380,946		6,194,583,905
	IV. Deposits retained on assumed reinsurance business	1,959,157,669		1,888,564,243
			9,446,833,265	8,643,074,992
C. Receivables	I. Reinsurance accounts receivable of which from affiliated companies: Euro 78,518,156 (previous year: Euro 58,711,254) of which from participations: Euro 6.339.169 (previous year: Euro 1,427,582)	1,127,964,892		1,255,495,421
	II. Sundry receivables of which from affiliated companies: Euro 2,743,834 (previous year: Euro 38,096,514) of which from participations: Euro 0 (previous year: Euro 0)	245,492,688		314,119,425
			1,373,457,580	1,569,614,846
D. Sundry assets	I. Property, plant and equipment and inventories	6,540,404		6,387,287
	II. Current accounts with banks, cheques and cash	576,781,988		479,841,311
			583,322,392	486,228,598
E. Deferred items	I. Deferred interest	28,412,556		25,478,379
	II. Other deferred items	552,712		484,142
			28,965,268	25,962,521
F. Deferred tax assets			439,023,712	515,854,417
G. Excess of plan assets over pension liability			0	14,791,917
Total assets			11,892,133,783	11,271,916,059

Liabilities			Euro	Euro	2022 Euro	2021 Euro
A. Shareholders' equity	I. Share capital			55,000,000		55,000,000
	II. Capital reserve			866,173,704		866,173,704
	III. Retained earnings					
		1. Legal reserve	715,809			715,809
		2. Other retained earnings	1,405,208,342			1,405,208,342
				1,405,924,151		1,405,924,151
	IV. Profit brought forward			734,060,675		473,274,444
	V. Net income/net loss for the year			165,310,671		260,786,231
					3,226,469,201	3,061,158,530
B. Underwriting reserves	I. Unearned premiums					
		1. Gross amount	735,346,129			819,684,243
		2. Less: reinsured portion	138,148,936			185,759,801
				597,197,193		633,924,442
	II. Actuarial reserves for life and health policies					
		1. Gross amount	1,684,734,899			1,719,218,001
		2. Less: reinsured portion	48,596,155			54,314,717
				1,636,138,744		1,664,903,284
	III. Reserve for outstanding claims					
		1. Gross amount	9,315,217,226			9,204,893,668
		2. Less: reinsured portion	5,022,183,500			5,506,031,381
				4,293,033,726		3,698,862,287
	IV. Equalization reserve and similar reserves			584,083,196		716,437,077
	V. Other underwriting reserves					
		1. Gross amount	87,528,025			74,976,747
		2. Less: reinsured portion	45,022			35,144
				87,483,003		74,941,603
					7,197,935,862	6,789,068,693
C. Other provisions					867,847,555	736,175,101
D. Deposits retained on assumed reinsurance business					22,114,370	23,636,883

Liabilities			Euro	Euro	2022 Euro	2021 Euro
E. Other liabilities	I.	Reinsurance accounts payable of which to affiliated companies: Euro 574,336 (previous year: Euro 369,659), of which to participations: Euro 107,533 (previous year: Euro 111,568)		547,727,754		633,396,272
	II.	Sundry liabilities of which taxes: Euro 3,018,391 (previous year: Euro 11,800,365) of which social security: Euro 780,420 (previous year: Euro 1,943,556) of which to affiliated companies: Euro 2,526,189 (previous year: Euro 2,930,002) of which from participations: Euro 0 (previous year: Euro 0)		29,687,498		28,166,246
					577,415,252	661,562,518
F. Deferred items					351,543	314,334
Total liabilities					11,892,133,783	11,271,916,059

Income Statement

		Euro	Euro	2022 Euro	2021 Euro
I. Underwriting Account	1. Earned premiums net of reinsurance				
	a) Gross premiums	4,187,259,585			4,525,940,144
	b) Retrocession premiums	448,140,270			581,364,898
			3,739,119,315		3,944,575,246
	c) Change in gross unearned premiums	80,458,691			24,779,456
	d) Change in the reinsurers' share of the gross unearned premiums	48,649,867			-88,906,247
			31,808,824		113,685,703
				3,770,928,139	4,058,260,949
	2. Interest on reinsurance funds net of reinsurance			42,383,070	44,277,413
	3. Sundry underwriting income net of reinsurance			965,348	947,636
	4. Claims expenditure net of reinsurance				
	a) Claims payments				
	aa) Gross amount	2,697,324,883			2,617,454,750
	bb) Reinsurers' share	500,474,130			-4,473,078,085
			2,196,850,753		7,090,532,835
	b) Change in the reserve for outstanding claims				
	aa) Gross amount	153,765,123			1,001,074,816
	bb) Reinsurers' share	-465,811,398			4,886,178,199
			619,576,521		-3,885,103,383
				2,816,427,274	3,205,429,452
	5. Change in the other underwriting reserves net of reinsurance			9,862,620	-70,335,797
	6. Expenditure relating to profit- and non-profit-related premium refunds net of reinsurance			879,635	778,899
	7. Insurance business expenditure net of reinsurance			936,000,342	967,635,052
	8. Sundry underwriting expenses net of reinsurance			6,358,562	5,390,476
	9. Subtotal			64,473,364	-146,083,678
	10. Change in the equalization reserve and similar reserves			132,353,881	135,116,715
	11. Underwriting result net of reinsurance			196,827,245	-10,966,963
II. Investment and general account	1. Investment income of which from affiliated companies: Euro 20,611,265 (previous year: Euro 26,394,485)	217,689,502			451,492,577
	2. Investment expenses	93,077,934			83,030,083
			124,611,568		368,462,494
	3. Underwriting interest on reinsurance funds		-43,000,680		-44,953,843
				81,610,888	323,508,651
	4. Sundry income		106,667,627		74,850,935
	5. Sundry expenditure		88,135,098		74,872,639
				18,532,529	-21,704
	6. Profit before taxes			296,970,662	312,519,984
	7. Tax on income and profit		130,310,886		50,647,636
	8. Other taxes		1,349,105		1,086,117
				131,659,991	51,733,753
	9. Income/loss after taxes			165,310,671	260,786,231

Notes to the Financial Statement

Development of assets items A and B I. to III. in the 2022 business year	Book values previous year Euro	Exchange rate gains/losses Euro	Acquisition Euro	Disposals Euro	Write-ups Euro	Write-downs Euro	Book value business year Euro
Asset items A. Intangible assets							
1. Internally generated industrial property rights and similar rights and assets	16,350,493	26,697	7,247,315	0	0	3,131,624	20,492,881
2. Concessions, industrial property rights and similar rights and assets acquired against payment as well as licenses for such rights and assets	38,276	-1098	17,463	0	0	15,956	38,685
3 Total A.	16,388,769	25,599	7,264,778	0	0	3,147,580	20,531,566
B. I. Real estate, rights to real estate and buildings including buildings on foreign real estate	22,626,624	0	4,260,964	0	0	547,896	26,339,692
II. Investments in affiliated companies and participations							
1. Shares in affiliated companies	174,548,771	0	0	0	0	0	174,548,771
2. Loans to affiliated companies	334,800,000	0	0	0	0	0	334,800,000
3. Participations	27,951,449	0	0	95,307	0	1,249,955	26,606,187
4. Total B II.	537,300,220	0	0	95,307	0	1,249,955	535,954,958
III. Other investments							
1. Equities, investment fund certificates and other non-fixed-income securities	2,308,649,968	11,237,997	7,691,050	7,691,050	0	81,697,530	2,238,190,435
2. Bearer bonds and other fixed-income securities	3,143,356,286	-1,904,458	2,603,636,478	1,866,664,580	0	19,823	3,878,403,903
3. Sundry fixed-term securities							
a) Notes and loans	0	0	0	0	0	0	0
4. Bank deposits	742,577,651	-23,078,530	89,287,487	0	0	0	808,786,608
5. Sundry investments	0	0	0	0	0	0	0
6. Total B III.	6,194,583,905	-13,744,991	2,700,615,015	1,874,355,630	0	81,717,353	6,925,380,946
Total	**6,770,899,518**	**-13,719,392**	**2,712,140,757**	**1,874,450,937**	**0**	**86,662,784**	**7,508,207,162**

Company identification

General Reinsurance AG with registered business address in Cologne, Theodor-Heuss-Ring 11, is entered in the Cologne commercial register under HRB 773.

General accounting principles and valuation methods

The company compiled the annual financial statement and the Executive Board Report in accordance with the provisions of the German Commercial Code, the German Stock Corporation Law, the Insurance Supervisory Law and the Ordinance on the Accounting of Insurance Companies of 8 November 1994 as amended on 10 August 2021.

Assets

Intangible assets

Intangible assets were valued at cost of acquisition less amortization.

In accordance with §248 section 2 German Commercial Code internally created intangible assets were capitalized and valued at production costs less amortization.

Investments

Real estate, rights to real estate and buildings were valued at cost of acquisition or construction. Depreciation was taken using the straight-line method based on the economic useful life.

The fair values were calculated using the discounted cash flow method.

Investments in affiliated companies and participations were valued on a purchase cost basis at the lower of amortized cost or fair value in accordance with § 253, section 3, sentence 3 German Commercial Code and allowing for write-ups made in accordance with § 253, section 5 German Commercial Code.

Loans to subsidiaries were valued at the lower of amortized cost or fair value.

Equities, investment fund certificates, bearer bonds and other fixed-income securities were carried at acquisition cost. Shares and bearer bonds which we acquired in several tranches were grouped per investment and valued at the average book value in accordance with § 240, section 4 German Commercial Code. Securities were intended for use on a continuing basis in the normal course of business activities in the year under review according to § 341 b, section 2 German Commercial Code. There were no reclassifications in the year under review.

The valuation of equities, investment fund certificates, bearer bonds and other fixed-income securities was contingent upon whether they were allocated to fixed assets or current assets. Write-downs on securities in current assets were based on their value at the balance sheet date pursuant to § 253, section 4 German Commercial Code, insofar as the fair value was lower than the book value. Securities allocated to fixed assets were valued according to the modified lower-of-cost-or-market principle. Premiums relating to fixed-income securities allocated to fixed assets were recognized pro rata temporis in the income statement.

Notes and other loans were valued at the amount repayable.

Bank deposits were valued at their nominal value.

Other investments were valued at purchase cost less write-downs pursuant to § 253, section 3, sentence 5 German Commercial Code.

The fair values of investments were determined on the basis of available market prices and stock exchange quotations. Insofar as this was not possible in the case of affiliated companies and sundry fixed-term securities, suitable recognized methods were used to calculate the fair values. Simplified discounted cash flow methods and present value methods were used for this purpose.

Deposits receivable were shown at their nominal value. Specific bad debt provision was made for known risks. In cases where no statements of account were available, these deposits receivable were estimated.

Receivables and other assets

Reinsurance accounts receivables were shown at their nominal value. Specific bad debt provision was made for known risks. Where no statements of account were available, the receivables were estimated.

Zillmer adjustments in assumed life reinsurance business were recognized under reinsurance accounts receivables.

Fixed assets were valued at purchase cost less write-downs based on the economic useful life.

Low-value items for which the purchase costs less input VAT were lower than Euro 800 were completely written off in the year of acquisition in accordance with § 6, section 2 German Income Tax Act.

Inventories were recognized at a fixed quantity and a fixed value in accordance with § 240, section 3 German Commercial Code due to immateriality and merely minor changes.

Current accounts with banks, cheques and cash as well as other sundry receivables were shown at their nominal value.

Deferred items

Interest income was shown as deferred interest if the amount pertained to the period prior to the closing date but was not yet due. This position also includes expenditures prior to the closing date, which represent expenses for a certain period after this date.

Deferred tax assets

Deferred taxes were calculated using the temporary concept. The company exercised the option to recognize the amount of deferred tax assets in excess of liabilities resulting from temporary and quasi-permanent differences between commercial and tax regulations. Deferred tax assets and liabilities are shown on a net basis.

Excess of plan assets over pension liability

The balances in respect of pension assets and liabilities relate to both defined benefit pension plans and also insurance policies purchased as part of a defined contribution plan. In accordance with § 246, section 2 of the German Commercial Code, the pension liabilities have been netted with the plan assets and corresponding expenses have been netted with income. The plan assets in respect of the defined benefit plans were recognized at fair value. Creditors of the company are unable to access these assets by way of individual enforcement measures or insolvency.

The amounts receivable under insurance policies correspond to the liability of the company towards its associates. Furthermore, the fair values of investments in respect of the insurance policies were determined on the basis of market prices and stock exchange quotations.

Liabilities

Underwriting reserves

The provisions of §§ 341e to 341h German Commercial Code were applied to the recognition of underwriting reserves.

The gross written premiums include all premiums due for the reinsurance treaties in the course of the business year. Reinsurance premiums which are written but attributable to future periods are accrued as unearned premiums. The unearned premiums are calculated as at the balance sheet date. The accruals are determined on the basis of flat-rate methods in life and health insurance and on the basis of individual contractual agreements in property and casualty insurance.

Actuarial reserves were established in life and health insurance. Their carrying amount essentially reflects figures supplied by cedants. In cases where cedant information is not or not sufficiently available, the level of actuarial reserves is determined on the basis of realistic assumptions with regard to interest rates, mortality and morbidity. The actuarial methods applied take into account the current cash value of future benefits paid to the policyholder less future premium income.

The reserves for outstanding claims were generally recognized on the basis of the figures supplied by cedants. Due to the sometimes considerable time lag that may occur between the loss event and the reporting of the claim to the reinsurer, reserves are established for IBNR losses on the basis of our own estimates. These estimates are made using recognized actuarial methods (chain-ladder method, Bornhuetter-Ferguson method and expected-loss method).

The equalization reserve was determined based on § 341 h German Commercial Code in conjunction with § 29 of the Ordinance on the Accounting of Insurance Companies as per the annex to § 29 of the Ordinance on the Accounting of Insurance Companies. Reserves for major pharmaceutical product liability risks and for nuclear plant insurance are based on § 30, sections 1 and 2 of the Ordinance on the Accounting of Insurance Companies. A reserve for terrorism risks was constituted in conjunction with § 30, section 2a of the Ordinance on the Accounting of Insurance Companies.

The other underwriting reserves mainly comprise the reserves for profit commission. These reserves were generally constituted in line with our contractual arrangements with our cedants.

Sundry liabilities

Deposits and reinsurance accounts payable were shown at their nominal value. Where statements of account were not yet available, the liabilities were estimated.

Zillmer adjustments in ceded life reinsurance business were recognized under reinsurance accounts payable.

The provisions for pension obligations were established according to § 253, sections 1, 2 and 6 of the German Commercial Code applying the Klaus Heubeck 2018 G mortality tables for Germany and corresponding mortality tables for foreign pension liabilities. The actuarial interest rate of 1.79% was determined by extrapolating the rates published by the German Bundesbank until 30 September 2022 in accordance with § 253, section 2 of the German Commercial Code to 31 December 2022 using the method prescribed by the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungs-verordnung).

In addition, a rate of compensation increase of 2.5%, pension indexation rate of 1.90% and a staff turnover rate of 4.00% were taken as a basis. The assumed maturity is 15 years.

The difference between recognition of the pension obligation calculated according to the 7- and 10-year average interest rate in accordance with § 253, section 6 of the German Commercial Code amounted to Euro 23,916,927.

In accordance with § 253, section 1 sentence 2 of the German Commercial code the other reserves were established in the settlement amount required according to reasonable and prudent business judgement. Based on the regulations of § 253, section 2 of the German Commercial Code, reserves with a maturity of more than one year were discounted with the corresponding average market rate of the past seven financial years in accordance with their maturity.

The other liabilities are valued at the settlement amounts.

The deferred items include revenues prior to the closing date insofar as they represent income for a defined period after that date.

Currency conversion basis

Items in the balance sheet and profit and loss account expressed in foreign currencies were converted into euros at the mean rates of exchange as at the balance sheet date. The exchange profits or losses were shown, after setting off amounts within the same currency, as "sundry income" or "sundry expenditure" in the income statement. If the offsetting of amounts within the same currency resulted in gains, these amounts were allocated to other provisions.

The most important conversion rates for our balance sheet are set out in the following table:

in €	2022	2021
Australian Dollar	0.6339	0.6342
British Pound	1.1374	1.1776
Chinese Yuan Renminbi	0.1348	0.1392
Indian Rupee	0.0114	0.0117
Hong Kong Dollar	0.1207	0.1137
Japanese Yen	0.0071	0.0078
South Korean Won	0.0007	0.0007
South African Rand	0.0549	0.0558
Swiss Franc	1.0177	0.9592
Singapore Dollar	0.6976	0.6492
Taiwan Dollar	0.0307	0.0319
US Dollar	0.9406	0.8869

Appropriation of profit

The 2022 business year closed with a net profit after taxes of Euro 165,310,671. Taking into account the profit of Euro 734,060,675 carried forward from prior years, the disposable profit totals Euro 899,371,346. The Executive Board of General Reinsurance AG proposes that the disposable profit should be carried forward.

Notes to the Balance Sheet

Assets		2022 Book values	2022 Fair values	2022 Valuation reserve	2021 Book values	2021 Fair values	2021 Valuation reserve
Valuation reserves in respect of investments	I. Real estate, rights to real estate and buildings including buildings on foreign real estate *)	26,339,692	53,700,000	27,360,308	22,626,624	28,300,000	5,673,376
	II. Investments in affiliated companies and participations						
	1. Shares in affiliated companies	174,548,771	628,833,794	454,285,023	174,548,771	207,929,230	33,380,459
	2. Loans to affiliated companies	334,800,000	334,130,400	-669,600	334,800,000	373,469,400	38,669,400
	3. Participations	26,606,187	26,698,421	92,234	27,951,449	28,811,446	859,997
	4. Total II.	535,954,958	989,662,615	453,707,657	537,300,220	610,210,076	72,909,856
	III. Other investments						
	1. Equities, investment fund certificates and other non-fixed-income securities	2,238,190,435	2,997,060,402	758,869,967	2,308,649,968	3,330,653,416	1,022,003,448
	2. Bearer bonds and other fixed-income securities	3,878,403,903	3,834,390,990	-44,012,913	3,143,356,286	3,151,244,901	7,888,615
	3. Sundry fixed-term securities						
	a) Notes and loans	0	0	0	0	0	0
	4. Bank deposits	808,786,608	808,786,608	0	742,577,651	742,577,651	0
	5. Sundry investments	0	0	0	0	18,664	18,664
	6. Total III.	6,925,380,946	7,640,238,000	714,857,054	6,194,583,905	7,224,494,632	1,029,910,727
Total		**7,487,675,596**	**8,683,600,615**	**1,195,925,019**	**6,754,510,749**	**7,863,004,708**	**1,108,493,959**

*) The fair values of real estate and buildings were last calculated in 2022 by an external expert.

Assets

Intangible assets

In accordance with § 285 number 22 of the German Commercial Code internally created intangible assets accounted for an amount of Euro 20,492,882 (previous year: Euro 16,350,494).

The total research and development expenses of the financial year 2022 amounted to Euro 27,346,299.

Real estate and buildings

The book value of the real estate and buildings utilized by the company was Euro 26,339,692 (previous year: Euro 22,626,624).

Other investments

In the year under review, as in the previous business year, no write-up was made on investments in affiliated companies according to § 253, section 5 of the German Commercial Code.

No omitted write-down occurred on participations for the business year just ended (previous year: Euro 0).

There was no write-up in accordance with § 253, section 5 German Commercial Code on participations (previous year: Euro 2,142,780).

A permanent impairment of Euro 1,249,955 (previous year: Euro 0) was recognized on participations in the area of securities allocated to fixed assets in the business year just ended.

As at 31 December 2022 no additional payment obligations existed in respect of the recognized share capital (previous year: Euro 0).

There were also omitted write-downs on equities of Euro 55,904,604 (previous year: Euro 0). These equities are used in business operations on a permanent basis and allocated to fixed assets.

A permanent impairment of Euro 81,697,530 (previous year: Euro 35,159,781) was recognized on equities in the area of securities allocated to fixed assets in the business year just ended.

Write-downs on the equities recognized as fixed assets are taken after in-depth internal and external analysis of the future business development of these items and with an eye to the volatility of equity markets.

In the area of securities classified as fixed assets no write-up was made according to § 253, section 5 German Commercial Code on equities amounting (previous year: Euro 0). No write-up was recognized on other investments according to § 253, section 5 of the German Commercial Code in the business year just ended (previous year: Euro 0).

The book value of the investment fund certificates relates to a special fund for which no write-down was taken was Euro 403,769,000 (previous year: Euro 403,769,000). The fair value of the securities invested in the fund amounted to Euro 387,587,515 (previous year: Euro 396,469,298).

The investment fund certificates relate to a special fund, which is entirely held by General Reinsurance AG and serves to secure specific foreign underwriting reserves. The fund is mainly invested in German government bonds. No distribution was made for the business year (previous year: Euro 0).

In all above-mentioned cases a permanent impairment was not to be expected because the financial standing of the issuers was not in doubt.

The book value of the bearer bonds for which no write-down was taken was Euro 3,512,803,331 (previous year: Euro 2,224,216,488). The fair value of these bonds amounted to Euro 3,464,247,325 (previous year: Euro 2,218,448,199).

Write-downs of Euro 19,823 (previous year: Euro 140,183) were taken in the year under review on fixed-income securities assigned to current assets.

No write-up was made on fixed-income securities classified as current assets in accordance with § 253, section 5 German Commercial Code (previous year: Euro 0).

The amount of the write-downs omitted under § 341 b, section 2 of the German Commercial Code in conjunction with § 253, section 3 of the German Commercial Code totaled Euro 120,642,095 (previous year: Euro 13,067,991); it was attributable in an amount of Euro 55,904,604 (previous year: Euro 0) to equities, in an amount of Euro 16,181,485 (previous year: Euro 7,299,702) to investment certificates relating to a special fund and in an amount of Euro 0 (previous year: Euro 0) to participations as well as in an amount of Euro 48,556,006 (previous year: Euro 5,768,289) to fixed-income securities.

Investments amounting to Euro 368,339,734 (previous year: Euro 331,338,913) have been deposited with cedants as security for reinsurance liabilities or were administered for us on a trustee basis.

No investments were made in bonds of highly indebted states in the Euro region, the issuers of which may be dependent on support measures, in 2022 or 2021.

Investments in limited partnership firms and other shares are shown under other investments.

No derivative financial transactions were entered into in 2022 or 2021. As at 31 December 2022 and 31 December 2021 there were no outstanding foreign exchange forward transactions.

Deposits retained on assumed reinsurance business

Of these, deposits receivable from affiliated companies accounted for Euro 90,038,399 (previous year: Euro 99,682,487).

Reinsurance accounts receivable

An amount of Euro 26,853,151 of the reinsurance accounts receivable is attributable to Zillmer adjustments in assumed life reinsurance business (previous year: Euro 21,125,849).

Sundry receivables

The item "Sundry receivables" primarily shows tax receivables from revenue authorities of Euro 207,265,189 as well as receivables from Sharia compliant Takaful business of Euro 20,139,635 and interest receivables on tax appears an amount to Euro 10,373,804.

Receivables with a maturity of more than one year in accordance with § 268, section 4 German Commercial Code amounted to Euro 94,768,250 (previous year: Euro 69,670,954).

Deferred tax assets

The recognized deferred tax assets mainly relate to the revaluation of underwriting reserves, the different fiscal treatment of pension provisions and intangible assets, differences in investment positions due to national and international tax regulations and different accounting principles at foreign branches as well as existing Net Operating Losses for Germany and for some of the foreign branches. Deferred taxes are calculated at a tax rate of 32.45% with the exception of deferred taxes relating to branch offices. Deferred taxes here are established on the basis of the individual local tax rates of the branches (8.25% - 43.00%)

Excess of plan assets over pension liability

The company had offered a defined contribution pension plan in the past for employees in Cologne under which contributions were made through deferred compensation. At the same time General Reinsurance AG used the contributions to purchase life insurance contracts, which guarantee a defined minimum return. The amount of the claim under the insurance policy corresponds to the liability of the company towards its associates.

The following table shows the amounts netted in the balance sheet as at 31 December 2022 according to § 246, section 2 of the German Commercial Code:

Euro thsd.	
Fair value of plan assets	3,425
Pension fund liabilities	-3,425
Total	**0**

The UK branch has pension plans funded by the company, which are managed through trust funds. Due to the provisions for pensions exceed for financial year 2022 the fair values of the plan assets the netted amount is shown under “Other provisions” this year.

Liabilities

Subscribed capital

The share capital as at 31 December 2022 was composed of 55,000,000 registered no-par shares.

Retained earnings

	Euro	Euro
a) Legal reserves		715,809
b) Other reserves		
Opening balance on 1 January 2022	1,405,208,342	
Contributions from the previous year's disposable profit	0	
Withdrawals in the current year	0	
Contribution from current year's net income	0	
Closing balance on 31 December 2022		1,405,208,342
		1,405,924,151

Other provisions

			2022	2021
		Euro	Euro	Euro
I.	Provisions for pensions and similar obligations		351,171,176	302,275,882
II.	Tax provisions		294,292,385	228,670,567
III.	Sundry provisions			
a)	Provisions for currency translation gains	125,048,916	125,048,916	85,889,556
b)	Services which have been received but for which accounts have not yet been settled	2,963,479		2,478,653
c)	Miscellaneous	94,371,599		116,860,443
			222,383,994	205,228,652
			867,847,555	**736,175,101**

The miscellaneous other provisions mainly relate to provisions for interest on taxes.

Reinsurance accounts payable

An amount of Euro 0 (previous year: Euro 0) of the reinsurance accounts payable is attributable to Zillmer adjustments in ceded life reinsurance business.

Sundry liabilities

Liabilities with a maturity of less than one year amounted to Euro 29,687,498 (previous year: Euro 28,166,246). Thereof liabilities to Sharia compliant Takaful business show an amount of Euro 20,139,635, liabilities toward tax authorities an amount of Euro 3,018,391 and liabilities to affiliated companies show an amount of Euro 2,526,189.

As at 31 December 2022 there were no liabilities with a maturity of more than five years (previous year: Euro 0).

As at 31 December 2022 no liabilities were secured by pledges or similar rights (previous year: Euro 0).

Non-distributable amounts pursuant to §285 No. 28 German Commercial Code

	Euro	Euro
1. Internally created intangible assets	20,492,881	
less deferred tax liabilities established thereon	0	
		20,492,881
2. Fair value of assets netted in accordance with § 246 section 2 German Commercial Code	46,080,166	
Less acquisition costs of such assets	31,968,547	
		14,111,619
3. Deferred tax assets in *accordance with § 253 section 6 German Commercial Code		439,023,712
4. Difference in pension obligation between 7- and 10-year average interest rate in accordance with § 253 section 6 German Commercial Code		23,916,927
Non-distributable amount as at 31.12.2022		**497,545,139**
Available capital		3,170,753,392
Less non-distributable amount		497,545,139
Amount available for distribution as at 31.12.2022		**2,673,208,253**

*including deferred tax liabilities for 2. pursuant to § 268, section 8, sentence 3 German Commercial Code (HGB)

Notes to the Income Statement

Claims expenditure net of reinsurance

The Claims experience improved compared to the previous year. The COVID-19-claims hardly affected the result of the financial year 2022. The burden from major losses and natural catastrophes remained high.

Change in the other underwriting reserves net of reinsurance

	2022 Euro	2021 Euro
a) Net actuarial reserves for life and health policies	22,817,724	-66,705,349
b) Sundry net underwriting reserves	-12,955,104	-3,630,448
	9,862,620	**-70,335,797**

Minus signs indicate contributions to the reserves.

Insurance business expenditure net of reinsurance

	2022 Euro	2021 Euro
a) Gross insurance business expenditure	1,058,558,187	1,084,028,405
b) Less: commission and profit commission on reinsured business	122,557,845	116,393,353
	936,000,342	**967,635,052**

Interest on reinsurance funds net of reinsurance

Interest on reinsurance funds net of reinsurance comprises interest on deposits retained on assumed reinsurance business in accordance with § 38, section 1 no. 3 of the Ordinance on the Accounting of Insurance Companies. The disclosure is based on the information provided by cedants; where statements of account were not available, the interest on deposits retained was estimated. The retrocessionaires' share was deducted.

The interest on reinsurance funds is reflected in the transfer of a portion of the investment income from the investment and general income statement to the underwriting income statement.

Sundry underwriting expenses

Sundry underwriting expenses mainly comprise fire protection tax.

Investment Income

		2022 Euro	2021 Euro
a)	Income from participations of which in affiliated companies: Euro 0 (previous year: Euro 0)	1,178,529	1,178,529
b)	Income from other investments of which in affiliated companies Euro 20,611,265 (previous year: Euro 26,394,485)		
aa)	Income from real estate, rights to real estate and buildings	3,367,602	2,110,130
bb)	Income from other investments	211,119,930	225,436,351
		214,487,532	227,546,480
c)	Write-ups on investments	0	2,142,780
d)	Income from the disposals of investments	2,023,441	220,624,788
		217,689,502	**451,492,577**

The interest costs from negative interest rates were offset against interest income.

Investment expenses

		2022 Euro	2021 Euro
a)	Expenses for the administration of investments, interest expenditure and other investment expenses	4,658,434	5,150,108
b)	Write-downs on investments	83,515,203	35,684,784
c)	Losses from the disposal of investments	4,904,297	42,195,191
		93,077,934	**83,030,083**

Sundry income

Sundry income mainly relates to income from exchange rate gains of Euro 86,030,714 (previous year: Euro 72,362,037) followed by interest income from discounting of reserves of Euro 5,758,261 (previous year: Euro 2,730,487), income from write-downs of Euro 5,267,359 (previous year: Euro 2,550,875), interest income from tax of Euro 3,210,733 (previous year: expenditure of Euro 6,780,574) and income from services to third parties of Euro 2,828,024 (previous year: Euro 2,147,364).

Sundry expenditure

Sundry expenditure mainly comprises exchange rate losses of Euro 79,815,559 (previous year: Euro 35,890,590). Contributions to interest on pension reserves decreased to Euro 10,907,412 (previous year: Euro 27,463,112). Allowances and write-offs on receivables accounted for Euro 11,879,682 (previous year: Euro 12,133,177). The interest expense on tax provisions includes a gain of Euro 31,573,507 from the adjustment of interest expense on tax provisions (previous year: gain of Euro 15.414.038).

Tax on income and profit

The profit before taxes was reduced by Euro 130,310,886 (previous year: Euro 50,647,636 due to tax on income. Deferred taxes accounted for loss of Euro 76,830,705 (previous year: income of Euro 49,057,299).

Details on the Individual Classes of Reinsurance

		2022 Euro	2021 Euro
Premium income Gross written premiums	Life insurance	2,050,000,373	2,093,132,541
	Health insurance	621,266,030	824,166,850
	General third party liability insurance	201,510,240	169,910,160
	Accident insurance	16,484,386	16,254,779
	Motor insurance	265,775,889	565,637,662
	Marine insurance	47,078,257	55,564,617
	Property insurance	862,196,819	707,878,434
	Engineering insurance	93,939,511	73,739,535
	Sundry classes of insurance	29,008,081	19,655,566
	Total	**4,187,259,585**	**4,525,940,144**

		2022 Euro	2021 Euro
Net earned premiums	Life insurance	1,967,260,331	1,991,619,757
	Health insurance	652,802,375	861,573,685
	General third party liability insurance	137,527,691	127,620,871
	Accident insurance	12,548,641	12,686,264
	Motor insurance	293,102,126	436,392,424
	Marine insurance	32,964,843	35,313,059
	Property insurance	598,008,028	533,760,741
	Engineering insurance	57,199,732	43,781,445
	Sundry classes of insurance	19,514,372	15,512,703
	Total	**3,770,928,139**	**4,058,260,949**

		2022 Euro	2021 Euro
Subtotal before change in the equalization reserve and similar reserves net of reinsurance	Life insurance	179,457,303	-21,242,813
	Health insurance	39,789,991	88,469,242
	General third party liability insurance	-17,223,304	8,221,463
	Accident insurance	-1,611,768	986,871
	Motor insurance	-67,177,705	-73,727,520
	Marine insurance	-16,561,049	1,603,246
	Property insurance	-39,614,979	-156,390,848
	Engineering insurance	-10,566,477	6,419,581
	Sundry classes of insurance	-2,018,648	-422,900
	Total	**64,473,364**	**-146,083,678**

		2022 Euro	2021 Euro
Underwriting result after change in the equalization reserve and similar reserves net of reinsurance	Life insurance	179,457,303	-21,242,813
	Health insurance	39,789,991	88,469,242
	General third party liability insurance	1,727,738	32,183,048
	Accident insurance	-586,407	216,205
	Motor insurance	22,223,606	-47,215,682
	Marine insurance	-3,544,875	8,502,810
	Property insurance	-28,274,677	-91,284,603
	Engineering insurance	-6,883,301	16,896,346
	Sundry classes of insurance	-7,082,132	2,508,484
	Total	**196,827,245**	**-10,966,963**

		2022 %	2021 %
Combined ratio *) before change in the equalization reserve and similar reserves net of reinsurance	Life insurance	90.9	101.1
	Health insurance	93.9	89.7
	General third party liability insurance	112.5	93.6
	Accident insurance	112.8	92.2
	Motor insurance	122.9	116.9
	Marine insurance	150.2	95.5
	Property insurance	106.6	129.3
	Engineering insurance	118.5	85.3
	Sundry classes of insurance	110.3	102.7
	Total	**98.3**	**103.6**

*) Underwriting result in relation to earned premium

		2022 Euro	2021 Euro
Underwriting reserves net of reinsurance total underwriting reserves	Life insurance	4,015,686,160	3,909,286,498
	Health insurance	303,444,701	368,311,351
	General third party liability insurance	474,336,836	388,901,626
	Accident insurance	24,894,293	19,109,216
	Motor insurance	931,978,207	964,383,031
	Marine insurance	78,022,165	64,324,535
	Property insurance	1,114,226,447	881,311,153
	Engineering insurance	117,030,776	69,115,835
	Sundry classes of insurance	138,316,277	124,325,448
	Total	**7,197,935,862**	**6,789,068,693**

		2022 Euro	2021 Euro
Reserves for outstanding claims net of reinsurance	Life insurance	3,762,932,573	3,657,371,562
	Health insurance	142,609,029	181,392,165
	General third party liability insurance	312,671,380	222,400,473
	Accident insurance	23,465,292	16,665,448
	Motor insurance	707,371,824	582,008,015
	Marine insurance	64,390,557	38,399,361
	Property insurance	809,363,532	601,985,633
	Engineering insurance	79,490,967	43,287,933
	Sundry classes of insurance	26,877,315	20,254,981
	Total	**5,929,172,469**	**5,363,765,571**

Life and health reserves include actuarial reserves

Overall, the net run-off result is negative and represents -1.4% (previous year: -0.9%) of the original provision.

		2022 Euro	2021 Euro
Equalization reserve and similar reserves	General third party liability insurance	119,562,716	138,513,756
	Accident insurance	597,548	1,622,908
	Motor insurance	166,331,961	255,733,273
	Marine insurance	21,994	13,038,168
	Property insurance	194,311,982	205,652,286
	Engineering insurance	0	3,683,176
	Sundry classes of insurance	103,256,995	98,193,510
	Total	**584,083,196**	**716,437,077**

General Information

Employees

In 2022 the company employed an average of 654 staff (previous year: 626), including 264 working for our branch offices abroad (previous year: 240). Furthermore, an average of 125 staff (previous year: 128) was employed at service companies.

In contrast to these annual averages, the Executive Board Report contains corresponding information as at the end of the year.

Personnel expenses

	2022 Euro	2021 Euro
1. Salaries and wages	99,602,169	80,770,590
2. Statutory social security contributions and expenses for benefits	14,278,826	13,492,318
3. Expenses for retirement benefits	73,141,002	37,838,599
	187,021,997	**132,101,507**

The total remuneration granted to members of the Executive Board in 2022 includes fixed annual basic salary and bonus payments, intra-group allocations of remunerations and benefits. The members of the Executive Board were granted a total remuneration of Euro 1,436,753 (previous year: Euro 1,698,173). This amount is broken down as follows: Euro 1,156,036 was paid for fixed salary and intra-group allocations and variable compensation amounted to Euro 280,717, which is based on the company’s underwriting result in the previous year. A reserve had been constituted for this purpose at the end of the previous year. In addition, the members of the Executive Board received other compensation in the form of benefits, such as the use of a company car and insurance coverage and those resulting from deferred tax liabilities. The monetary benefit associated with such other compensation amounted to Euro 130,902.

The loss from increasing the pension reserve for active members of the Executive Board amounted to Euro 171,310 (previous year: income of Euro 295,572). No loans or advances were granted. The members of the Executive Board do not receive compensation for serving on the supervisory and management committees of Group companies. A reserve has been constituted for benefits owed to members of the Executive Board who left the company.

Payments amounting to Euro 2,077,904 (previous year: Euro 1,932,891) were made to former members of the Executive Board or their dependents in the 2022 business year. The provisions for pensions payable to such persons as at 31 December 2022 totaled Euro 44,315,859 (previous year: Euro 40,117,392).

Fixed remuneration paid to the members of the Supervisory Board totaled Euro 40,000 (previous year: Euro 42,335).

Shareholdings in our company

General Reinsurance Corporation, Wilmington, Delaware/USA, which is a wholly owned subsidiary of General Re Corporation, Wilmington, Delaware/USA, holds 100% of the voting share capital of General Reinsurance AG and has informed us of this in accordance with § 20, section 4 of the German Stock Corporation Act. In relation to this corporation, we are a dependent company in accordance with § 17 of the German Stock Corporation Act. We are thus an affiliate of General Re Corporation and its subsidiaries. General Reinsurance AG is included in the consolidated accounts of General Re Corporation.

Berkshire Hathaway Inc., Omaha, Nebraska/USA, has held 100% of the shares in General Re Corporation since December 1998, meaning that we are also an affiliate of Berkshire Hathaway Inc. and its subsidiaries. General Reinsurance AG is included in the consolidated accounts of Berkshire Hathaway Inc. These consolidated accounts are on file with the U.S. Securities and Exchange Commission, Washington, DC/USA.

Pursuant to the waiver stipulated in § 292 of the German Commercial Code, General Reinsurance AG does not compile consolidated financial statements. Reference is made to the consolidated accounts of Berkshire Hathaway Inc., which are compiled on a US GAAP basis and – in common with the CSR report – are published in the electronic Federal Gazette.

Important differences between the regulations of the German Commercial Code (HGB) and US GAAP

Reinsurance business

- US GAAP requires acquisition costs to be deferred; this is not permitted by the German Commercial Code (HGB) (§ 248 HGB).
- The equalization reserve and provision for major risks required by German accounting principles are not included as reserves under US GAAP, since they do not involve liabilities to third parties at the balance sheet date. This gives rise, on the one hand, to higher shareholders' equity and, on the other hand, to greater volatility in the result for the period recognized under US GAAP.
- For the purpose of measuring the loss reserves US GAAP permits portfolio measurement. This contrasts with the principle of individual measurement required under German commercial law. In addition, under US GAAP the reserve is to be established in accordance with the best estimate principle, whereas HGB expressly requires prudent measurement (§ 252 HGB).
- The reinsurance recoverables on the loss reserves are shown as an asset under US GAAP and are not deducted from the loss reserves.
- Under US GAAP the premium income in life insurance is reduced by the savings elements – only the premiums collected to cover the technical risk are recognized under premium income. Actuarial reserves established in the balance sheet are netted with funds held by ceding companies, insofar as netting is contractually permissible.

Investments

- The measurement of investments excluding equity positions at fair values as well as the open recognition of unrealized gains and losses in the asset classes in shareholders' equity under US GAAP run contrary to the cost method specified in § 253 HGB. The same applies to the measurement of equity positions at fair values as well as the open recognition of unrealized gains and losses in this asset category in the consolidated income statement under US GAAP (ASU 2016-01).

- Investment funds (Spezialfonds) are entities that must be consolidated under US GAAP. Through inclusion of these investment funds in the consolidated financial statements the securities held within the funds are treated as direct holdings (look-through accounting). This means that income and expenses are recognized in the consolidated financial statement at the time of their accrual, whereas the provisions of German commercial law recognize income and expenses at the time of distribution.
- Under US GAAP investments are written down if the impairments are not temporary. This contrasts with the depreciation rules of the German Commercial Code, under which an asset allocated to current assets is to be measured at acquisition cost or at the value on the balance sheet date if this is lower (§ 253 HGB). Under the rules of § 341b HGB securities allocated to long-term assets are to be written down only in the event of permanent impairment. What is more, when measuring the impairment to be taken on units in investment funds (Spezialfonds) the German Commercial Code requires that portfolio effects be recognized, while the consolidation of investment funds under US GAAP results in the measurement of individual instruments.
- The provisions of German commercial law require write-ups to be made on investments up to the cost of acquisition. Such write-ups are not permissible under US GAAP.

Other provisions

- Under the German Commercial Code pension provisions are discounted according to the Act on the Modernization of Accounting Law (BilMoG) on a flat basis using an average market interest rate determined by the German Bundesbank (§ 253 HGB) and assuming a term to maturity of 15 years. Under US GAAP the discount rate is geared to long-term bonds of high-quality issuers.
- Under the German Commercial Code provisions with a term to maturity of more than one year are discounted using the average market interest rate of the past seven financial years according to their term to maturity (§ 253 HGB). The discount rates are determined by the German Bundesbank. Such discounting is not permitted under US GAAP.

Currency translation

- The principle of functional currencies under ASC 830 results in parts of the translation gains/losses being recognized in shareholders' equity under US GAAP.
- Based on the German imparity principle, unrealized exchange losses are to be recognized in income, whereas exchange gains may only be recognized upon realization. In accordance with US GAAP exchange gains and losses are recognized in the period of accrual.

Audit fees

- A total of Euro 1,493,000 (previous year: Euro 1,418,000) was expensed for audit fees in the business year. No expenditure was incurred in 2022 for other assurance services or other services performed by the auditors (previous year: Euro 0).
- The fees for auditing services provided by Deloitte GmbH Wirtschaftsprüfungsgesellschaft mainly related to the audit of the annual financial statements and US GAAP the reporting package in accordance with the instructions of the group auditor as well as statutory extensions of the engagement.

Contingent liabilities and other liabilities

We are a member of the Association for the Reinsurance of Pharmaceutical Risks and the Association for the Insurance of German Nuclear Reactors. In the event of one of the other members failing to meet its liabilities, we are required to take over such other member’s share within the framework of our mutual participation.

Following the dissolution of the German Aviation Pool on 31 December 2003, we are participating in the run-off of the remaining treaty relationships. As at 31 December 2022 there were no accounts payable resulting from contingent liabilities relating to investments (previous year: Euro 0).

By way of a letter of comfort we have undertaken to provide the subsidiaries specified below with sufficient financial resources to fulfil their liabilities at all times. The liquidity planning of these companies indicates that positive cash flows will be generated in future years. Therefore, we do not expect any claims arising out of the letters of comfort.

- General Reinsurance Life Australia Ltd., Sydney/Australia
- General Reinsurance Africa Ltd., Cape Town/South Africa

As at 31 December 2022, other financial liabilities from leasing agreements amounted to Euro 10,313,336 (previous year: Euro 11,948,059).

No further transactions were effected which are not shown in the balance sheet.

Related party disclosures

A party is defined as related to an entity if the party controls, is controlled by or is under common control with the entity, is able to exert a significant influence over the entity or has joint control over the entity (this includes parent companies, subsidiaries and sister companies).

The immediate parent company is General Reinsurance Corporation incorporated in Delaware/USA. The ultimate controlling entity of the Group is Berkshire Hathaway Inc. incorporated in Nebraska/USA.

As a majority-owned company – and in view of the existing dependency and the absence of a control agreement or profit transfer agreement – General Reinsurance AG has drawn up a dependent company report on relations with affiliated companies in accordance with § 312 of the German Stock Corporation Act. All business relations with related parties are based upon arm's-length principles.

To the extent that reinsurance arrangements were commuted in order to simplify administrative processes, arm's-length conditions on the basis of internal actuarial and other analyses were applied.

Contracts for the outsourcing of services and functions were concluded at arm's length-conditions according to the group-wide guideline on transfer pricing. The guideline regulates the principles for the settlement of intercompany services as well as the distinction between chargeable services and stewardship expenses. The guideline further defines the requirements for pricing, invoicing and documentation and thus ensures transparency, group-wide consistency and compliance.

The agreed prices are generally accounted for on a fully absorbed cost basis plus profit margin. Loans, leases and other contractual agreements between related parties are based on arm's-length conditions.

As of 1 January 2017, our parent company, General Reinsurance Corporation, participates in our property and casualty business with a quota share of 20%. In addition, we carried out a loss portfolio transfer with General Reinsurance Corporation, on July 1,2021. Under this agreement, a larger portion of the loss reserves for property and casualty business was retroceded to General Reinsurance Corporation. In 2022, we entered into a stop-loss agreement with General Reinsurance Corporation for part of our property/casualty business.

Since 2020, a stop loss agreement has been in place with General Re Life Corporation for part of our life/health business. General Re Life Corporation is an affiliated company of General Reinsurance AG.

Our company is a member of the following associations:

- Gesamtverband der Deutschen Versicherungswirtschaft e.V., Berlin,
- Arbeitgeberverband der Versicherungsunternehmen in Deutschland, Munich.

List of Affiliated Companies

	Name and registered office	Share %	Shareholders' equity [1] Euro	Business year result[1] Euro
Affiliated companies	General Reinsurance AG - Escritório de Representacão no Brasil Ltda., São Paulo	100	1,627,143	296,085
	General Reinsurance Life Australia Ltd., Sydney	100	116,723,397	-7,099,788
	General Reinsurance Africa Ltd., Cape Town	100	73,725,208	5,894,160
	General Reinsurance Beirut S.A.L. (Off-Shore), Beirut	100	1,040,009	114,969
	Gen Re Servicios México S.A., Mexico City	100	1,298,030	144,945
	Gen Re Support Services Mumbai Private Ltd. [2] *	100	182,995	-2,811

	Name and registered office	Share %	Shareholders' equity[1] Euro	Business year result[1] Euro
Participations	Triton Gesellschaft für Beteiligungen mbH, Luxembourg [2]	19	476,626	-83,554
	Nürnberger Beteiligungs-Aktiengesellschaft, Nuremberg	3	733,923,128	55,696,377

[1] Figures taken from last available Annual Report

[2] In liquidation

*) Different fiscal year (31 March 2022)

Supervisory Board

Manfred Seitz
Managing Director
Berkshire Hathaway Group of Insurance Companies
Reinsurance Division – International (Europe), Munich/Germany
Chairman

Stephen A. Michael
Chief Executive Officer
Resolute Management Services Limited, London/UK
Deputy Chairman

Sandra Bell
Senior Vice President
Chief Human Resources Officer
General Re Corporation, Stamford, Connecticut/USA

Andrew Gifford
Senior Vice President
General Counsel & Secretary
General Re Corporation, Stamford, Connecticut/USA

Rafael Lorsbach*
Senior Claims Specialist
General Reinsurance AG, Cologne/Germany

Thomas Mosakowski*
Regional BCM Coordinator
General Reinsurance AG, Cologne/Germany

*Employees' representative

Executive Board

Charles S. Shamieh
New York City, New York/USA
Chair

Life/Health Asia, Australia & New Zealand, Canada, Caribbean, Sub-Saharan Africa, UK & Ireland
Investments
Actuarial Life/Health
Global Marketing & Client Communications

Andrew Michael D'Arcy
Sevenoaks, Kent/UK

Property/Casualty
Actuarial Property/Casualty

Michael O'Dea
Richmond, Surrey/UK

Finance (Accounting/Controlling/Tax)
Legal/Compliance
Internal Audit
Corporate Risk Management
Business Continuity Management
Human Resources

Ulrich Pasdika
Solingen/Germany

Life/Health Continental Europe, Middle East, North Africa, Latin America

Dr. Frank A. Schmid
Stamford, Connecticut/USA

Technology & Operations

Cologne, 3 March 2023

The Executive Board

Digitally signed by Charles Said Shamieh
Date: 2023-03-26 07:44:11-04:00

Charles S. Shamieh

Digitally signed by Andrew MICHAEL D'Arcy
Date: 2023-03-28 04:02:52+01:00

Andrew Michael D'Arcy

Digitally signed by Michael PATRICK O'Dea
Date: 2023-03-26 19:50:31+01:00

Michael O'Dea

Digitally signed by Ulrich Pasdika
Date: 2023-03-26 16:20:26+02:00

Ulrich Pasdika

Digitally signed by Frank ANDREAS Schmid
Date: 2023-03-26 07:15:52-04:00

Dr. Frank A. Schmid

Independent Auditor's Report

To General Reinsurance AG, Cologne/Germany

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of General Reinsurance AG, Cologne/Germany, which comprise the balance sheet as at 31 December 2022, and the statement of profit and loss for the financial year from 1 January to 31 December 2022, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of General Reinsurance AG, Cologne/Germany, for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of the non-financial report within the meaning of Sections 289b (3) German Commercial Code (HGB) included in section "Corporate So-cial Responsibility Report" of the management report nor the content of the statement on the quota for women pursuant to Section 289f (1) no. 4 HGB included in the section "Our Employees", nor the paragraphs 2 to 8 of that section of the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the separate non-financial report, the paragraphs referred to above and the disclosures concerning the quota for women.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following, we present the reserve for incurred but not reported (IBNR) claims (Nonlife business line) that we determined as a key audit matter in the course of our audit.

Our presentation of this key audit matter has been structured as follows:

a) description (including reference to corresponding information in the annual financial statements)
b) auditor's response

Reserve for incurred but not reported (IBNR) claims (Nonlife business line)

a) The outstanding claims reserve includes a reserve for IBNR claims of mEUR 9,315 for claims or events that have transpired as at the balance sheet date but have not been reported until recorded as part of an inventory count. The IBNR claims reserve is to be reported on a lump-sum basis by the Company in accordance with Section 341g (2) HGB. This measurement is required to also take into account historical experience of the Company in respect of both the number and the related expense of insurance claims that have been reported after the reporting date. In estimating the IBNR claims reserve, the Company uses generally accepted actuarial methods, such as the chain ladder method or the Bornhuetter-Ferguson method or the expected loss approach.

   The proper measurement of the IBNR claims reserve in the form of a lump-sum estimate is dependent on the application of an appropriate actuarial method, the parameters used and the assumptions made as well as on one-off effects taken into account. The determination of the IBNR claims reserve is thus subject to uncertainties of estimation and to judgement, which may result in an under- or overstatement of the IBNR claims reserve influencing the amount of the technical reserves in the annual financial statements. In addition, the uncertainty of estimation can result in a failure to account for income and expenses on an accrual basis. Overall, this may influence the result of the technical account. Therefore, this matter has been classified as a key audit matter.

   Information on the outstanding claims reserve is provided in the notes to the financial statements in the "Technical Reserves" section.

b) During our audit we conducted, as the basis for our audit, a process analysis followed by an evaluation of the operating effectiveness, design and implementation of relevant controls. Furthermore, we assured ourselves through tests of details on a sample basis of the account settlements with ceding insurers that claims were properly recorded and processed.

   As regards the process of the underlying data extraction, we monitored the preparation of the abstract from the data maintenance system as at the reporting date. This also included monitoring the performance of controls as regards completeness and accuracy of the data extraction.

   For auditing the computation of the IBNR claims reserve we assign internal experts (actuaries). Our experts recalculate the IBNR claims reserve by means of actuarial methods. Thereby, a range of reasonable results of the IBNR claims reserve is determined which is derived from appropriate upper and lower limits subject to defined parameters and assumptions. The results of the recalculation are then compared with the IBNR claims reserve determined by the Company.

The assumptions and the parameters, which are taken into account in the actuarial computation of the IBNR claims reserve of the Company, are reviewed and discussed both with the employees of the actuary function of GRAG and assessed and reviewed with objectivity by our internal experts. The quality of the IBNR claims reserve estimate is reviewed by obtaining an understanding of the actual settlement – also during the year – in the course of time.

Furthermore, the computation and the development of the IBNR claims reserve are discussed both with the Company's chief actuary and executive directors.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the separate non-financial report within the meaning of Section 289b (3) HGB referred to in the "Corporate Social Responsibility Report" section of the management report, that will be made available probably after the date of the Independent Auditor's Report,
- the statement on the quota for women pursuant to Section 289f (1) no. 4 HGB referred to in the section "Our Employees" in the management report and the paragraphs 2 to 8 of that section,
- all other parts of the annual report,
- but not the annual financial statements, not the audited content of the management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. Otherwise the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German le-gal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the annual financial statements and in the management report or, if such dis-closures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, finan-cial position and financial performance of the Company in compliance with German Legally Required Ac-counting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company’s position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the general meeting on 23 March 2022. We were engaged by the supervisory board on 23 March 2022. We have been the auditor of General Reinsurance AG, Cologne/Germany, without interruption since the financial year 1999.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the supervisory board pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Michael Kilbinger.

Düsseldorf/Germany, 09 March 2023

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Michael CHRISTOPH Kilbinger Digitally signed by Michael CHRISTOPH Kilbinger Date: 2023-03-30 19:06:21+02:00	Wolfgang Peter Fritz Werner Balz Digitally signed by Wolfgang Peter Fritz Werner Balz Date: 2023-03-30 14:51:41+02:00
Signed	Signed
Michael Kilbinger	Wolfgang Balz
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

TRANSLATION
GERMAN VERSION PREVAILS

Supervisory Board Report

Dear Sir or Madam,

The Supervisory Board held four meetings in the course of 2022, two of which were held in the form of video conferences due to the pandemic.

At the meetings, the Supervisory Board was informed in detail and in a timely manner by the Executive Board about the performance of the Company's business, the results of individual business units and the ongoing underwriting policy. The impacts of the COVID-19 pandemic, the war in Ukraine and inflation on the Company's various business units were explored at length. The Supervisory Board further considered developments on the financial markets, in particular rising interest rates, as well as the investment strategy and capital management measures within the Group.

The Executive Board fully complied with its duties to provide information and report to the Supervisory Board and in this regard presented in particular the interim and annual results as well as the investment plan. The Supervisory Board was promptly and directly involved in all business transactions of material importance. Outside the meetings, too, the Executive Board kept the Supervisory Board informed in a timely and comprehensive manner about major developments at the Company. In addition, the Chairman of the Supervisory Board and the Chairman of the Executive Board regularly discussed the general development of business, the short- and medium-term planning and the focus of the various segments as well as the special claims burdens from natural catastrophes in the European Union. Management and personnel issues were also discussed.

The holders of the key functions informed the Supervisory Board in writing and verbally about significant activities. The Actuarial function reported at length to the Supervisory Board at two meetings on the development of reserves as well as the underlying assumptions and measurement methods. The Risk Management function informed the Supervisory Board about significant activities as well as changes in the risk profile compared with the previous year. The Supervisory Board deliberated in detail on the Company's risk strategy, particularly with regard to the volatility of financial markets. The Supervisory Board was informed in detail about the coverage ratios in relation to the Solvency Capital Requirement (SCR) of General Reinsurance AG on an individual and group basis. All material risk management reports were submitted to the members of the Supervisory Board. The Compliance function informed the Supervisory Board about significant activities, in particular, legal and regulatory developments, the sanctions against Russia and cooperation with the competent authorities.

In the course of the year under review, the Supervisory Board repeatedly considered the repercussions of the COVID-19 pandemic on the working situation at General Reinsurance AG’s offices worldwide and the measures taken to protect the employees. In addition, Human Resources informed the Supervisory Board about the implementation of the voluntary company agreement on "Mobile Working".

The member of the Executive Board responsible for information technology (IT) regularly reported to the Supervisory Board on measures to further strengthen IT security and the Company’s IT strategy, especially with regard to the resilience of business processes against cyberattacks. In the month of August, the Company’s Information Security Officer also reported on information security risks and measures to strengthen information security, including employee training.

Other topics included the Company's sustainability strategy and future environmental, social and governance (ESG) reporting requirements. Once again, employees from the two management levels below the Executive Board introduced themselves and reported to the Supervisory Board on current topics from their areas. In the November meeting, for example, the Global DEI Officer informed the Supervisory Board about his function and General Re’s diversity, equity and inclusion (DEI) strategy.

The Supervisory Board discussed the individual performance assessments and the individual targets of the Executive Board members for the financial year 2022 and determined the amounts of Executive Board remuneration and bonus payments for the individual Executive Board members.

The Supervisory Board further discussed the Executive Board’s schedule of responsibilities.

The Supervisory Board reviewed and confirmed the professional suitability and reliability of the members of the Executive Board and examined the self-assessment of the members of the Supervisory Board with regard to their expertise. The Supervisory Board as a whole has the necessary expertise to adequately monitor the work of the Executive Board and actively support the development of the Company.

Committees

The Supervisory Board has formed various committees to perform its duties: the Remuneration Committee and the Audit Committee. The Remuneration Committee met twice in the period under review and prepared the resolutions of the full Supervisory Board on matters relating to the compensation of the members of the Executive Board. The Audit Committee met three times in 2022 and discussed, among other things, the Company’s internal control system and the rotation of the independent auditor planned for the 2024 audit year. The Internal Audit function reported to the Audit Committee on the results of the audits carried out in 2021 and the focus of the audits planned for 2022. On 27 March 2023 the Audit Committee considered at length the annual financial statement of General Reinsurance AG, the Executive Board Report, the independent auditors’ report and the proposal by the Executive Board for the appropriation of the disposable profit for the 2022 financial year. The independent auditor reported to the Audit Committee on the course and outcome of its audit. Individual focal points of the audit were discussed in detail. In addition, the Audit Committee held discussions with the responsible member of the Executive Board, the Chief Financial Officer of the Company, and the Head of Internal Audit.

Annual Financial Statement, Report on Relations with Affiliated Companies, Executive Board Report

The annual financial statement of General Reinsurance AG for the financial year 2022 submitted by the Executive Board and the associated Executive Board Report as well as the accounting methods and the notes to the annual financial statement were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, and given an unqualified audit opinion in accordance with § 322 German Commercial Code. The documentation pertaining to the annual financial statement and the audit reports of the independent auditor were made available to the Supervisory Board without delay.

At its meeting on 30 March 2023 the Supervisory Board was informed in detail about the prior review of the annual financial statement and the Executive Board Report by the Audit Committee. The report of the Audit Committee covered in particular the discussions of the auditor about the scope, concentrations and key findings of its audit. No material weaknesses were identified in the internal control system and the risk management system. After the annual financial statement and the Executive Board Report had also been considered in detail by the full Supervisory Board, the Supervisory Board approved the annual financial statement, which is thus adopted in accordance with § 172 German Stock Corporation Act. The Supervisory Board approved the Executive Board Report as submitted.

The Supervisory Board discussed the Executive Board's proposal that the remaining disposable profit should be carried forward and endorsed the Executive Board’s recommendation to the Ordinary General Meeting.

The report of the Executive Board on relations with affiliated companies was audited under § 313 German Stock Corporation Act by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, and certified with an unqualified opinion as follows:

"Following our audit and judgement performed in keeping our professional duties, we confirm that 1. the facts in the report are stated accurately, 2. the consideration given by the Company for the transactions set out in the report was not excessive.”

The Supervisory Board examined the Executive Board's report on relations with affiliated companies and the report of the independent auditor. Having conducted a critical assessment, it concurred with the independent auditor's opinion. The Supervisory Board raised no objections to the declaration of the Executive Board at the end of its report on relations with affiliated companies.

The Annual General Meeting followed the recommendations of the Audit Committee and the full Supervisory Board and decided to commission Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, to audit the financial statements for the 2023 financial year.

Personalia

Upon conclusion of the Ordinary General Meeting on 23 March 2022 all terms of office on the Supervisory Board ended as scheduled.

The election of the employee representatives took place on 3 March 2022. Mr. Thomas Mosakowski and Mr. Rafael Lorsbach were elected as employee representatives to the Supervisory Board.

The election of the shareholder representatives on the Supervisory Board took place at the Ordinary General Meeting on 23 March 2022. The Ordinary General Meeting approved the election proposal of the Supervisory Board to elect Ms. Sandra Bell, Mr. Manfred Seitz, Mr. Stephen A. Michael and Mr. Andrew Gifford to the Supervisory Board.

At the constituent meeting of the Supervisory Board held subsequent to the Ordinary General Meeting on 23 March 2022, Mr. Seitz was re-elected as Chairman of the Supervisory Board and Mr. Michael was re-elected as Deputy Chairman.

Word of Thanks

The Supervisory Board would like to thank the Executive Board and the employees of General Reinsurance AG, for their commitment, which has enabled the company to develop successfully in a challenging business environment.

Cologne, 30 March 2023

Digitally signed by MANFRED WILLIBALD OTTO SEITZ
Date: 2023-03-31 11:12:13+02:00

Manfred Seitz
(Chairman of the Supervisory Board)

Stephen Andrew Michael
Digitally signed by Stephen Andrew Michael
Date: 2023-04-01 07:52:56+01:00

Stephen A. Michael
(Deputy Chairman of the Supervisory Board)

SLBell
Digitally signed by Sandra Lynn Bell
Date: 2023-03-30 07:50:12-04:00

Sandra Bell

Digitally signed by Andrew RANDALL Gifford
Date: 2023-03-30 07:52:35-04:00

Andrew Gifford

Rafael Lorsbach
Digitally signed by Rafael Gerd Lorsbach
Date: 2023-03-30 16:22:17+02:00

Rafael Lorsbach

Digitally signed by Thomas Johann Mosakowski
Date: 2023-03-30 16:24:57+02:00

Thomas Mosakowski

The people behind the promise®

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