2021 Annual Report
General Reinsurance AG

A Berkshire Hathaway Company

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Key Figures

		2021	2020	2019	2018	2017
Balance sheet data						
Investments	Euro m	8,643.1	12,631.1	12,169.2	11,422.5	11,503.4
thereof: deposits	Euro m	1,888.6	1,702.9	1,663.4	1,653.7	1,662.4
Cash and cash equivalents	Euro m	479.8	324.1	304.3	337.8	217.3
Investments including cash and cash equivalents	Euro m	9,122.9	12,955.2	12,473.5	11,760.3	11,720.7
Shareholders' equity	Euro m	3,061.2	2,800.4	2,707.4	2,353.4	2,624.8
Return on equity	%	8.9	3.4	14.0	-2.9	11.6
Net underwriting reserves	Euro m	6,789.1	10,565.7	10,389.9	9,702.8	9,318.2
Total assets	Euro m	11,271.9	14,690.7	14,209.2	13,156.5	12,778.4
Income statement						
Gross premiums written	Euro m	4,525.9	4,213.5	4,038.9	3,266.7	2,702.6
Life/health	Euro m	2,917.3	2,558.8	2,355.0	1,929.3	1,663.0
Property/casualty	Euro m	1,608.6	1,654.7	1,683.9	1,337.4	1,039.6
Net premiums earned	Euro m	4,058.3	3,752.8	3,496.4	2,796.0	2,417.7
Life/health	Euro m	2,853.2	2,507.8	2,236.6	1,813.6	1,599.9
Property/casualty	Euro m	1,205.1	1,245.0	1,259.8	982.4	817.8
Underwriting result before change in the equalization reserve	Euro m	-146.1	14.9	356.5	359.1	185.7
Life/health	Euro m	67.2	138.6	184.9	170.6	141.6
Property/casualty	Euro m	-213.3	-123.7	171.6	188.5	44.1
Combined Ratio	%	103.6	99.6	89.8	87.2	92.3
Life/health	%	97.6	94.5	91.7	90.6	91.1
Property/casualty	%	117.7	109.9	86.4	80.8	94.6
Change in the equalization reserve	Euro m	135.1	120.6	-125.1	-109.4	17.4
Underwriting result after change in the equalization reserve	Euro m	-11.0	135.5	231.4	249.7	203.1
Investment income	Euro m	323.5	117.0	251.5	-128.1	263.7
thereof: current investment income	Euro m	178.5	152.0	193.3	187.9	184.9
thereof: realized gains / losses*	Euro m	145.0	-35.0	58.2	-316.0	78.8
Profit before taxes	Euro m	312.5	152.4	464.9	45.7	433.5
Net income before taxes	Euro m	312.5	152.4	464.9	45.7	433.5
Net income / net loss	Euro m	260.8	92.9	354.0	-71.1	290.4
Dividend	Euro m	0.0	0.0	0.0	0.0	200.2
Employees**		756	758	735	714	732
thereof: in Germany		384	393	395	380	404
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

A subsidiary of Berkshire Hathaway Inc., General Re Corporation (Gen Re) is a holding company that owns General Reinsurance Corporation, which in turn owns General Reinsurance AG. One of the world's leading reinsurance groups, Gen Re transacts international reinsurance business and related operations. The Gen Re Group is represented worldwide by a network of more than forty locations.

General Reinsurance AG is present directly or represented indirectly by branches or subsidiaries in all major markets of life/health reinsurance and property/casualty reinsurance outside of the USA, with the exception of Australian property/casualty business, which is transacted by another affiliate within the Gen Re Group that does not belong to General Reinsurance AG.

Our results for the year were again adversely impacted by the Covid-19 pandemic in 2021, with increased reserves for reported and expected claims in our life/health business. The property/casualty business suffered from a higher level of global insured losses from natural disasters compared to more recent years. A large part of this was due to the disastrous floods in Europe, particularly in Germany from the Bernd weather system. Our underwriting result again benefited from the partial release of reserves established for loss events in prior years.

General Reinsurance AG recorded an underwriting loss of Euro 146.1 million before changes in the equalization reserve (previous year: profit of Euro 14.9 million). We withdrew an amount of Euro 135.1 million from the equalization reserve in 2021 (2020: release of Euro 120.6 million). After allowance for changes in the equalization reserve, the underwriting result decreased from a profit of Euro 135.5 million in 2020 to a loss of Euro 11.0 million in the year under review.

Market conditions in 2021 were again impacted by the Covid-19 pandemic as well as by increased natural catastrophe losses. In our property/casualty business, we saw some hardening of rates as well as improvements in terms and conditions, although this was largely limited to property lines.

Financial markets again experienced appreciable volatility in 2021 as the pandemic kept unfolding. Interest rates continued to hover near their historic lows, with significant repercussions for the insurance industry on both sides of the balance sheet. The implications of the low interest rate environment for General Reinsurance AG are mitigated to a large extent by our policy of reserving for long-tail casualty business on a nominal basis and by our focus on biometric risks rather than life insurance products with savings components.

In the year under review we recorded total investment income of Euro 323.5 million compared to Euro 117.0 million in the previous year. This increase was driven by realised gains from the disposal of investments, partly offset by some write-downs in our equity portfolio under German accounting standards. Last year's investment income was also unfavorably impacted by such write-downs.

Including the effects of other income and expenses, we reported net income of Euro 260.8 million in the year under review, after net income of Euro 92.9 million in the previous year.

Macroeconomic Environment and Capital Market Developments

Following a year of extraordinary growth developments in 2020, economies and financial markets once again experienced exceptional volatility during 2021. These developments were due to various aspects of the Covid-19 pandemic and policymakers' responses to it.

Governments around the world faced enormous challenges at the beginning of 2021. With economies locked down to various extents throughout much of the year, business activity was shuttered at times, unemployment skyrocketed, and economies experienced severe negative growth.

The approval of vaccines to counter the effects of Covid-19 at the beginning of 2021 was a cause for great optimism. With the most vulnerable and especially elderly populations being prioritized, widespread administration of these vaccines began during Q1 2021. By mid-year much of the EU population had been vaccinated, economic growth rebounded and sentiment meaningfully improved.

With widespread vaccination of populations, the view of the pandemic on capital markets changed significantly during 2021. National politicians actively encouraged vaccination in an effort to better control the pace at which they could reopen their economies and thereby enable recovery. As a result, the assessment of broad economic conditions was far more favorable in 2021 compared to 2020, despite the high case numbers resulting from the Delta and Omicron variants.

Following two successive quarters of negative GDP growth (Q4 2020 and Q1 2021), the euro area economy emerged from recession and generated positive GDP growth in Q2 2021, which was sustained in both Q3 and Q4. While much of the ground lost during 2020 was not regained, economic growth for most of 2021 was steady.

Global business activity was constrained during 2021 but not to the same extent as in 2020. Strains came in the form of special pandemic-related effects, most notably supply chain shortages or bottlenecks and rising energy prices. This led to an increase in inflation and inflation expectations. Central banks sought to ease these concerns by attributing inflation spikes to special or transitory factors that would unwind as pandemic-related fears faded. These inflation concerns led to expectations that central banks might alter their course and withdraw monetary stimuli earlier than had been previously anticipated.

Following a period of hope resulting from the efficacy and widespread deployment of vaccines, Europe experienced new waves of SARS-CoV-2 infections in 2021 as the Delta and Omicron variants took hold. Financial markets responded with equity markets selling off and bond yields moving significantly lower. By mid-summer, the yields of many government bonds had reached their lowest point of the year. Toward the end of the year, with the Omicron variant the focus of great attention, markets once again responded with deteriorating sentiment and a sell-off of risk assets.

Throughout 2020, financial markets' performance had reflected economies' responses to the ebb and flow of the Covid-19 pandemic. With some regional Covid strategies performing better than others, financial markets were somewhat uneven. As positive sentiment took hold again, equity markets performed steadily and very strongly throughout 2021.

Financial Performance

	2021 Euro m	2020 Euro m
Net earned premium	4,058.3	3,752.8
Net underwriting result	-11.0	135.5
Total investment income	323.5	117.0
Other income / expenses	0.0	-100.1
Taxes	-51.7	-59.5
Net income / net loss	**260.8**	**92.9**
Shareholders' equity	**3,061.2**	**2,800.4**

Our financial performance in 2021 was significantly impacted by the Covid-19 pandemic and natural catastrophes, which was reflected in an underwriting loss. This was offset by a reduction in the equalization reserve as a result of the high loss activity. Investment income recovered and was higher than in the previous year due to realized gains on the sale of equity investments. Premium growth was generated in our life/health business.

The impacts of catastrophe events in 2021 were substantially greater than in the previous years, particularly due to the significant flooding in Germany caused by the Bernd weather system, which also affected other countries. We incurred further losses from Storm Filomena in Spain and Storm Volker in central Europe. Loss reserves established in prior years again developed favorably. Including the change in the equalization reserve, the underwriting result showed a loss of Euro 11.0 million in 2021 compared to a profit of Euro 135.5 million in the previous year.

Our investment income closed with a profit of Euro 323.5 million in the year under review, following a profit of Euro 117.0 million in the previous year. The balance of write-ups and write-downs in our equity portfolio was negative in both 2021 and 2020. Largely tax-free realized gains from the sale of investments contributed significantly to a reduction in the tax rate compared to the previous year.

Net income increased from a profit of Euro 92.9 million in the previous year to Euro 260.8 million in 2021. Shareholders' equity grew by 9.3% to Euro 3,061.2 million (previous year: increase of 3.4% to Euro 2,800.4 million).

Underwriting Result

	2021 Euro m	2021 Combined Ratio	2020 Euro m	2020 Combined Ratio
Net earned premium	4,058.3		3,752.8	
Life/health	2,853.2		2,507.8	
Property/casualty	1,205.1		1,245.0	
Underwriting result before change in the equalization reserve	-146.1	103.6%	14.9	99.6%
Underwriting result after change in the equalization reserve	-11.0		135.5	
Life/health	67.2	97.6%	138.6	94.5%
Property/casualty	-78.2		-3.1	
Underwriting result before change in the equalization reserve	-213.3	117.7%	-123.7	109.9%
Change in the equalization reserve	135.1		120.6	

Our total net earned premium grew by 8.1% from Euro 3,752.8 million in the previous year to Euro 4,058.3 million. Life/health business increased by 13.8% (2021: Euro 2,853.2 million, previous year: Euro 2,507.8 million largely due to growth opportunities in Asia. Net earned premium in property/casualty business decreased slightly by 3.2% from Euro 1,245.0 million in 2020 to Euro 1,205.1 million in 2021. As in previous years, we retroceded 20% of this portfolio to our parent company, General Reinsurance Corporation. In addition, we transacted a loss portfolio transfer (LPT) for a large part of our property and casualty reserves with our parent company in the year under review.

Despite the impacts of the Covid-19 pandemic, life/health reinsurance was able to close with a positive underwriting result (2021: Euro 67.2 million, previous year: Euro 138.6 million), equivalent to a combined ratio of 97.6% (previous year: 94.5%). Overall, the underwriting result was below our expectations owing to the excess mortality in certain markets associated with the Covid-19 pandemic.

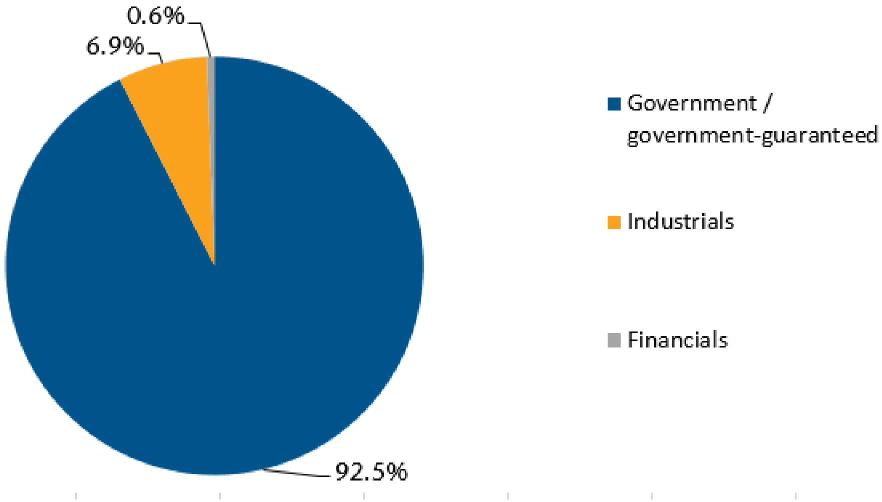
Our result in property/casualty reinsurance was heavily impacted by expenditures for catastrophe events, especially the European floods. The development of loss reserves established in prior years was favorable as noted above. Following an underwriting loss of Euro 123.7 million in 2020, the year under review produced a loss of Euro 213.3 million before changes in the equalization reserve. This equates to a combined ratio of 117.7% (previous year: 109.9%). After allowing for the changes in the equalization reserve we recorded a loss of Euro 78.2 million in 2021 (previous year: loss of Euro 3.1 million).

Investments incl. Cash and Cash Equivalents

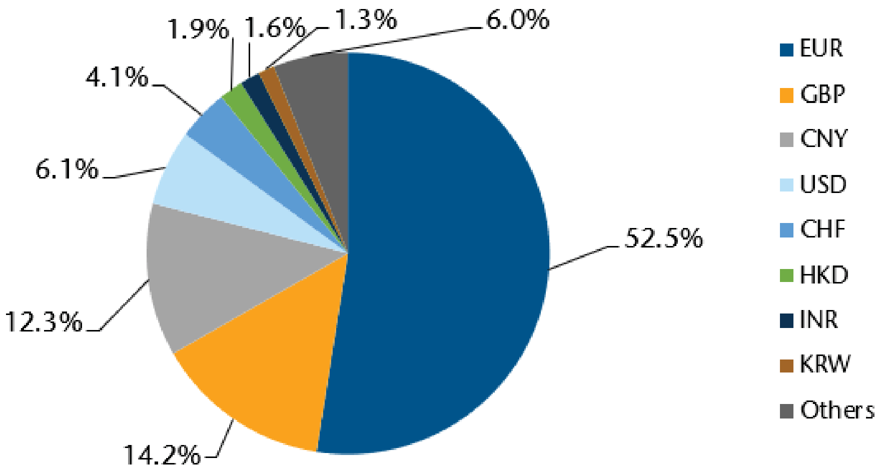
		2021		2020
	Euro m	%	Euro m	%
Real estate, rights to real estate and buildings	22.6	0.3	14.7	0.1
Investments in affiliated companies and participations	537.3	8.0	777.8	7.1
Equities, investment fund certificates and other non-fixed-income securities	2,308.6	34.2	2,236.7	20.5
Bearer bonds and other fixed-income securities	3,143.4	46.5	7,836.8	71.7
Bank deposits	742.6	11.0	62.2	0.6
Investments, excluding deposits retained on assumed reinsurance business	**6,754.5**	**100.0**	**10,928.2**	**100.0**
Deposits retained on assumed reinsurance business	1,888.6		1,702.9	
Total investments	**8,643.1**		**12,631.1**	
Current accounts with banks, cheques and cash	479.8		324.1	
Investments including cash and cash equivalents	**9,122.9**		**12,955.2**	

Our investments continue to encompass a portfolio of high-quality, highly liquid fixed-income securities, equities and loans. As a result of the LPT contract with our parent company for the loss portfolio transfer mentioned on the previous page, the value of our fixed-income portfolio was significantly reduced in 2021.

Bond Portfolio



Investments by currency



Reflecting the weighting of our underwriting liabilities, the majority (52.5%) of our investments are in euro-denominated instruments (previous year: 57.6%), followed by investments held in pound sterling (14.2%, previous year: 22.2%), Chinese yuan renminbi (12.3%, previous year: 5.8%) and US dollars (6.1%, previous year: 4.8%).

Investment Income

	2021 Euro m	2020 Euro m
Income from participations	1.2	1.2
Income from equities	85.9	69.7
Income from bearer bonds and other fixed-interest securities	61.8	54.3
Interest on reinsurance deposits	51.8	49.9
Income from other investments	28.0	26.9
Less administration costs on investments, interest costs and other investment expenses	5.2	4.9
Less income from technical interest	45.0	45.1
Current investment income	**178.5**	**152.0**
Gains / losses from disposals	178.5	-1.8
Write-ups / write-downs of investments	-33.5	-33.2
Total investment income	**323.5**	**117.0**

Current investment income increased from the previous year's level of Euro 152.0 million to Euro 178.5 million. In 2021 we booked profits from disposals in the amount of Euro 178.5 million (2020: losses of Euro 1.8 million). The remaining balance of write-ups and write-downs was attributable for the most part to the equity portfolio (2021: loss of Euro 33.5 million, previous year: loss of Euro 33.2 million).

Dividends from our equity portfolio increased to Euro 85.9 million (2020: Euro 69.7 million). Despite the persistently low level of interest rates, we recorded a slight increase in interest income on our fixed-income securities from Euro 54.3 million in 2020 to Euro 61.8 million. This was mainly due to the sale of negative-yielding bonds.

We generated a return of 1.0 % on our bond portfolio (2020: 0.7%) and a dividend yield of 4.6 % in our equity portfolio (2020: 3.8%), delivering a total return of 1.9% (2020: 1.4%).

Total investment income excluding technical interest therefore amounted to a profit of Euro 323.5 million in the year under review after a profit of Euro 117.0 million in the previous year.

Other Profit Contributions

Other income/expenses closed with a reduced loss of Euro 21.7 thousand in 2021 (2020: loss of Euro 100.1 million). The significantly higher loss in 2020 was mainly driven by exchange rate losses - in contrast, unrealized foreign exchange gains are recorded in a currency revaluation reserve under German accounting standards – as well as by reserves for interest on income tax.

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 9.3% in 2021 to 3,061.3 million after an increase of 3.4% in the previous year.

The net income for 2021 amounted to profit of Euro 260.8 million. Taking into account the profit carried forward from prior years of Euro 473.3 million, the disposable profit amounts to Euro 734.1 million. The Executive Board of General Reinsurance AG proposes to the Supervisory Board that the disposable profit should be carried forward.

Development of the Major Classes of Business

Classes of Business Transacted

Please refer to the introduction for a description of our business. 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

Developments on international life and health insurance markets were again influenced by the Covid-19 pandemic in 2021. The protracted low interest rates in many countries and the sharp volatility on capital markets posed additional challenges for life and health insurers. New business picked up in many markets after the lockdowns of 2020, while other markets continued to suffer more heavily under the economic impacts of the pandemic; the reduction in disposable income here associated with lower economic output continued to keep new business below pre-pandemic levels. Certain international markets recorded significant excess mortality in life insurance portfolios from Covid-19.

Our focus in life and health reinsurance is on the coverage of biometric risks. The need for protection remains high; an uptick in demand was evident in 2021, especially in health insurance. Above and beyond pricing and product design, lean and simple processes as well as the customer experience are taking on greater prominence here as competitive factors. Our expertise and range of services in the field of biometric risks again enabled us to access very attractive opportunities to write new business. In view of the challenges facing most primary markets, Gen Re's service capabilities and financial strength constitute crucial competitive advantages.

Financial Results

We generated pleasing growth in our life and health reinsurance business, although the claims experience was impacted by excess mortality in certain markets associated with the Covid-19 pandemic. This meant that, at Euro 67.2 million, the underwriting result fell short of the previous year's level (Euro 138.6 million). We have made appropriate adjustments to our underwriting policy in response to the ongoing pandemic risk exposure, especially in the case of business renewed annually, e. g. by means of commensurately higher reinsurance rates.

The combined ratio stood at 97.6%, compared to 94.5% in 2020. Gross written premiums increased by 14.0% to Euro 2,917.3 million (2020: Euro 2,558.8 million). We again benefited from growth opportunities in some Asian markets, especially China. Net earned premium in life and health insurance climbed by 13.8% in the year under review to Euro 2,853.2 million (previous year: Euro 2,507.8 million). Adjusted for exchange rate effects, written premiums grew by 7.8% for gross account or 7.4% for net. In contrast to the previous year, premium growth was more pronounced in Euro than in original currency due to changes in exchange rates.

Analysis by Classes of Business

	Gross Written Premiums		Underwriting Profit		Combined Ratio	
	2021	2020	2021	2020	2021	2020
	Euro m	Euro m	Euro m	Euro m	%	%
Life	2,093.1	1,766.0	-21.2	81.5	101.1	95.2
Health	824.2	792.8	88.5	57.1	89.7	92.9
Total	**2,917.3**	**2,558.8**	**67.2**	**138.6**	**97.6**	**94.5**

Developments in our Home Market and Abroad

Germany

After the special effects caused by the Covid-19 pandemic in 2020, the business development in the German life insurance sector increasingly returned to normal. New business with a regular premium payment recovered appreciably. The move away from traditional guarantees in savings and retirement provision products has been sustained owing to the low interest rate environment.

This trend continues to go hand-in-hand with a strong focus on biometric covers. Along with retirement provision solutions, many life insurers are diversifying their portfolio through growth in life and disability products. When it comes to disability cover, essential abilities insurance is increasingly establishing itself as a product with a lower premium and transparent benefit criteria – targeting, for example, the sector of the working population engaged in largely physical occupations. We are a sought-after partner for collaboration on the development of essential abilities insurance and the associated processes. In the more classical “own occupation“disability insurance, too, we continued to work closely with our clients on the ongoing refinement of their products and we support them with our broad range of services. Our systems for underwriting and claims management are successfully used by our clients for the further digitalization of their business models.

In the financial year just ended we were again able to grow our client base in Germany, hence opening up additional long-term growth opportunities. On the back of a moderate increase in premium, we generated another pleasing result in 2021.

International

Some of the factors described in relation to our home market also apply to other life insurance markets in **Europe**. The new business and premium income booked on **Continental European** life and health insurance markets enjoyed a rebound overall. Along with growth stimuli such as the high savings rate and brisk business in the protection of mortgage loans, the uncertain economic climate is nevertheless palpable – making itself felt, for example, in business with self-employed individuals and small enterprises. In this environment our growth in Continental European markets delivered a pleasing performance. We boosted the premium volume, primarily through additional opportunities in Italy and France, and achieved a positive result.

UK business also remained profitable as the impact of Covid-19 was less significant than in other markets. Results and growth have exceeded our expectations.

Even in the face of numerous sources of uncertainty, we remain convinced that European markets – on both the primary and reinsurance side – still offer considerable potential for life and health business. Crucial factors here are the demographic trend combined with the relatively low level of retirement provision and inadequate individual risk protection.

Thanks to our strong emphasis on service when it comes to supporting our clients with product development and risk management, we are able to leverage this potential to generate new business opportunities.

Our **China** business had another year of strong growth and pleasing profits. We wrote further large treaties and strengthened our relationships with key clients. Sales of Critical Illness policies dropped significantly in 2021 but medical insurance continued to grow. In a few South-East Asian countries, the Delta virus variant caused more deaths than we priced for, but in total Covid-19 claims had only a small impact on our results. In Malaysia, we significantly expanded our business through a major new contract.

In **India,** the second wave of Covid-19 in the second quarter of 2021 had a material impact on the life and health insurance industry's bottom line, especially for reinsurers such as ourselves who focus on biometric risk. The claims experience improved during the second half of 2021. Due to a retrocession agreement with a sister company in the Gen Re Group regarding our Indian life and health reinsurance business, the net result of General Reinsurance AG was not exceptionally burdened.

Our business in **Latin America** was also adversely affected by the Covid-19 pandemic. Group business in Mexico and other countries in the region recorded substantial excess mortality. We were quick to adopt a more prudent underwriting policy, enabling us to mitigate the effects of the pandemic on our portfolio while incurring some premium erosion.

In the **Middle East and North Africa**, we continue to see good opportunities for growth over the medium and long term. With an eye to profitability considerations, however, we did not renew certain large treaties, as a consequence of which the premium income declined year-on-year. In this region, too, the Covid-19 pandemic resulted in increased mortality affecting our results. We are pleased that our new Dubai Branch started operations in August. This will enable us to continue to develop and strengthen our business in this region.

Our business in **sub-Saharan Africa** and in **Australia** is written by subsidiary companies and impacts our underwriting results through their retrocessions to General Reinsurance AG

Overall, while we achieved a positive underwriting result, the international claims experience was less favorable than in previous years owing to the impacts of the pandemic in various regions. However, based on adjustments to our underwriting policy and against the backdrop of progress made by vaccination campaigns in many countries, the conditions are in place for underwriting results to improve again in 2022. With our reinsurance solutions, our risk management expertise, and our range of services, we are very well positioned to further grow our business. We continue to actively monitor and explore the latest developments in digitalization and data analytics as well as their applications for the benefit of our clients – and hence also for our own sustained success in what remains a very challenging environment.

Property and Casualty Reinsurance

Market Development

2021 was characterized by heavy catastrophe losses in Europe alongside a higher frequency of large single risk property losses. The Bernd weather system caused a tragedy on a particularly massive scale in our home market of Germany. More than 180 people lost their lives and very significant property damage was recorded. We took pride in supporting our clients and our associates through these extreme events.

2021 began with a continuation of the highly competitive reinsurance market that has persisted for a number of years. We continued to maintain our disciplined underwriting stance in the face of this soft market. The prolonged period of low reinsurance rates coupled with a worsening loss experience in many lines caused us not to renew some of our business early in 2021.

The heavy losses incurred in the course of the year had a material impact on our own results and those of the market. There are signs that this has led to a moderate reduction in competition as many participants in our market reassessed their exposures and their risk appetite in light of the increased frequency of climate-related events. This, in turn, prompted some strengthening in reinsurance rates for catastrophe-exposed business in the latter part of 2021, which may lead to some opportunity for growth in 2022 and beyond.

Financial Results

Gross written premium in property and casualty business decreased by 2.8% to Euro 1,608.6 million (2020: Euro 1,654.7 million). Adjusted for exchange rate effects, gross written premiums decreased by 5.6%.

While significant reserves were released for losses from prior years for a number of regions, this was more than offset by new catastrophe losses and large fire losses in the year under review.

With regard to pandemic-related claims, it should be noted that the reserves established in the previous year developed in line with our expectations. For the underwriting year 2021, no further losses were recorded in connection with the pandemic.

Excluding catastrophe losses, the result in most lines of business was within the bounds of expectations. The exception here was property insurance, where numerous large loss events across Europe again impacted our result. An underwriting loss of Euro 213.3 million was recorded for 2021 before changes in the equalization reserve (2020: loss of Euro 123.7 million).

Including changes in the equalization reserve, we booked an overall loss of Euro 78.2 million (2020: loss of Euro 3.1 million). On average, we recorded a material improvement in the pricing strength of the portfolios renewed in 2021 as we continued to focus on ensuring an adequate return from the risk that we assumed. Our catastrophe exposures reduced in 2021, having reduced exposure to business that no longer met our profitability requirements.

Analysis by Classes of Business

Before change in the equalization reserve	Gross Written Premiums		Underwriting Result		Combined Ratio	
	2021 Euro m	2020 Euro m	2021 Euro m	2020 Euro m	2021 %	2020 %
Property insurance	707.9	682.8	-156.4	-139.0	129.3	127.2
Motor insurance	565.6	613.8	-73.7	17.6	116.9	96.2
General third-party liability insurance	169.9	192.6	8.2	-1.0	93.6	100.7
Other classes of insurance	165.2	165.6	8.6	-1.3	92.0	101.1
Total	**1,608.6**	**1,654.7**	**-213.3**	**-123.7**	**117.7**	**109.9**

We took firm action throughout 2021 to reduce our exposure to inadequately priced business. This has resulted in premium reductions across multiple lines. Overall, our motor premium decreased by 7.8%, while our general liability premium contracted by 11.8% and our marine premium by 15.2%. This was partially offset by a modest increase in the property premium of 3.7%.

The decrease in motor business was driven by a lack of opportunity to renew parts of our UK portfolio at acceptable terms, whilst the decreases in general liability and marine premium were more widespread and reflected poor rating levels that we saw in these lines in many of our markets. The increase in property business was due to improvements in underlying rate as well as some increased opportunity in Germany, in Austria and Switzerland.

Developments in our Major Regional Markets

Germany

Thanks to strong client loyalty our business in Germany again developed positively overall in 2021.

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

Our premium volume from the German motor insurance market remained stable. The trend towards above-average claims inflation continued in 2021. This effect was again offset by a lower claims frequency attributable to less driving due to the Covid-19 pandemic. Almost all segments of the property insurance and reinsurance market were heavily affected by losses from natural catastrophes in 2021. The dominant issue was the impact of the two natural disasters Bernd and Volker. While Volker was an event within the expected range of industry-modelled scenarios, this was certainly not the case for Bernd. It is possible that Bernd may turn out to be the biggest natural catastrophe event in the history of Germany.

International

In most other **European markets,** the volume of large individual claims in the property insurance market remains high. We generally reduced our exposure to such business written on an excess of loss basis, particularly in the case of deals written with an aggregate deductible structure.

The motor insurance market in the **United Kingdom,** which had been a source of sizeable growth in recent years, yielded fewer attractive opportunities for growth in 2021 as we considered the rates not to be commensurate with the assumed risk. 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. We reduced our participation in this class as a result. Although we scaled back our premium volume overall in the UK market, we were able to increase shares in non-motor business and expand our participation in some London Market specialty lines.

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. The Spanish market was impacted by Storm Filomena in early 2021, which, following Storm Gloria in 2020, has highlighted the inadequacy of catastrophe pricing in the region.

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,** during 2021 we materially reduced our catastrophe exposure in the region, particularly in Japan where we consider rates to be inadequate given the heightened level of loss activity in recent years. Competition for non-catastrophe business in China and Singapore remained strong in the earlier part of 2021, prompting us to reduce our portfolio in these countries too. Nevertheless, there were signs of modest improvements in the Chinese market in late 2021 and we expect to see opportunities for growth there in the future.

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 a modest underwriting profit in 2021.

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, Moscow, 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.

As noted in the Introduction section, General Reinsurance AG again reported a lower underwriting profit. Along with natural catastrophes, this was largely due to the impacts of the Covid-19 pandemic. Our branches and subsidiaries were also affected.

We suffered some significant losses in South Africa due to the greater than expected impact of the Covid-19 pandemic. Our results in Australia were satisfactory overall, with no significant events of note.

Our Staff

At the end of the 2021 business year General Reinsurance AG employed a total workforce including its staff at service companies of 756 (2 less than at the end of the previous year), of whom 384 (-9) were based in Germany and 372 (+7) worked abroad.

Despite the restrictions and uncertainties caused by the Covid-19 pandemic, we continue to operate efficiently. Our employees have adapted very well to working partially from home and staying connected with each other and with our clients thanks to a good IT infrastructure. A local approach to our return-to-office strategy has been adopted in order to enable management on the spot to determine the best solutions for our staff and clients. We have conducted employee feedback surveys to better understand the needs of our staff and at the same time evaluate options for flexible working going forward. We consider it important to offer flexible solutions so as to retain and motivate talent by facilitating an appropriate balance between the needs of professional and private life. This aspect is also pivotal when it comes to attracting new talent.

The success of our company is founded on the expertise, experience and dedication of our people. As an employer, we offer our staff attractive working conditions. These include the fair and consistent 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 added continuously. All our employees are also required to complete online interactive compliance training courses as well as courses related to data security, ethical business conduct, conflicts of interest, corruption, money laundering, financial integrity, data protection, anti-trust law, trade sanctions, insider trading and workplace harassment.

We continue to support cooperation with universities to promote interaction between research and practice. At the same time, offering internships and employing working students is a very helpful way to get in touch with interested young talent.

In terms of DE&I (diversity, equity and inclusion) we launched various Employee Research Groups (ERGs) to address the needs of the following groups: Multicultural Professionals and Allies, Professional Women and Allies, LGBTQ Professionals and Allies, Working Parents and Allies. Along with these initiatives, we continuously offer online courses on a suite of DE&I topics, e. g. to help employees understand and eliminate their own inbuilt unconscious biases.

In line with legislation (Law on Equal Participation of Women and Men in Leadership Positions in the Private Sector and Public Sector), the Executive Board continues to closely monitor the numbers of men and women in senior positions and pursues the target set in September 2017, namely that by 30 June 2022 the proportion of women on the highest level of management below the Board should be maintained at least on the level at 30 June 2017 and the proportion of women on the second level of management below the Board should not be less than 40%. On 30 June 2017 the relevant proportions of women in these management positions were 8.8% on the first and 43.2% on the second level below the Board; by 31 December 2021 these proportions stood at 32.5% and 43.0% respectively.

Word of Thanks to Our Staff

As ever, we extend our thanks to all our staff for their superb dedication, considerable motivation and efficient collaboration on all levels. Their expertise and personal effort in extremely challenging circumstances are greatly appreciated by the entire leadership team.

Risk Report

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

Risk Governance

General Reinsurance AG is committed to an integrated approach to risk management. This forms the basis of our company-wide understanding of all risks that impact the organization and ensures that conscious risk management is part of the daily decision-making processes of each and every member of our staff. 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 specification of the risk appetite and overall tolerance limits, and it ensures operational implementation of the risk management process.

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 at an operational level, including the monitoring and reporting of 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 and the Operational 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 risk topics across various units and to leverage professional expertise Group-wide.

In addition to the Risk Management Function we have implemented 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 has been 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 categorize risks into insurance, market, operational and strategic risks (see chart below). Within our existing risk categories, we also consider sustainability risks and the impacts of environmental, social and governance factors (ESG) where relevant.

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 or guidance as well as special reviews as requested by Management. The results of each audit are shared with relevant stakeholders and 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 environments.

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:

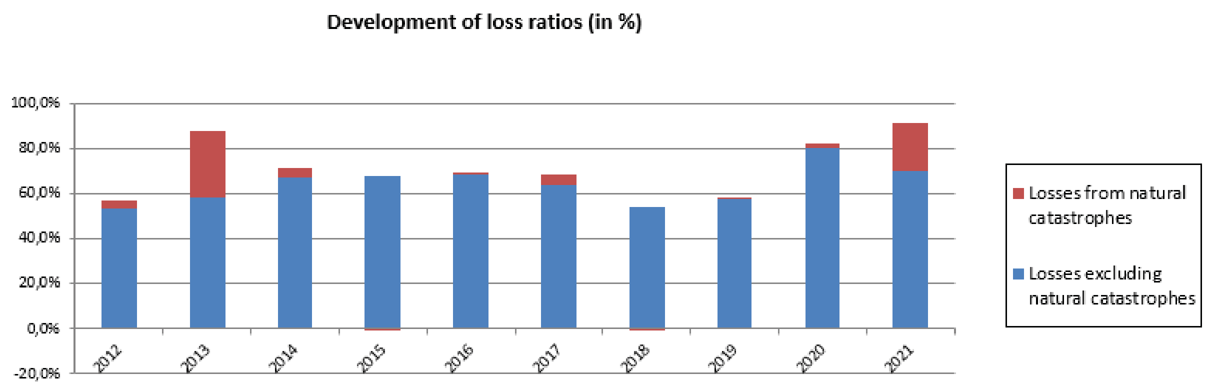
- Risk of random fluctuations as well as pricing model and parameter risk, which can lead to a higher-than-expected claims frequency or severity,
- Large loss accumulation risk caused by a single loss covered by multiple clients or by one event affecting several risks. In the following paragraphs we 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 limit systems reflecting our risk appetites and tolerances, as well as the use of standardized methodologies and software in our pricing 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 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. Due to the high losses from the European floods in 2021, the proportion of natural catastrophe losses increased to 21.3%. 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 by way of exclusionary language at the reinsurance level.

We limit our **war risk** via standard exclusions, and we monitor our exposure by evaluating relevant 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 – including the ongoing Covid-19 pandemic – 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 resulting in unauthorized access to, or release 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 intentional third-party actions as well as human 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 an eye to our risk appetite, risk management procedures and accumulation control.

With respect to potential non-affirmative or so-called "silent cyber" exposures we aim to apply exclusion clauses when possible. We 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 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

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
2012	3.3

This table shows the run-off results of recent years in property/casualty business on a calendar-year basis, expressed in % of the original net liability. In the case of 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 therefore fully allocated to the prior years, thus adversely impacting the run-off result. This approach gave rise to negative run-off results for 2020 and 2021, although the loss reserves established in prior years developed positively as mentioned earlier.

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 and changes to term structures,
- **equity risk**: price volatility on stock markets,
- **currency risk**: volatility of exchange rates, incomplete currency matching,
- **spread risk**: changes in the credit spread above the risk-free interest rate, downgrades in credit quality,
- **concentration risk**: losses/volatility resulting from concentration of investment exposure in a specific instrument, issuer or financial market,
- **liquidity risk**: changes in market liquidity preventing effective liquidation of investments as and when required, and
- **counterparty default risk**: bank or other counterparty failure or credit rating downgrades

In view of the prevailing low interest rate environment, we aim to maintain a relatively short duration of our fixed-income investments. This significantly reduces the volatility of our investment return 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 43.1% at the balance sheet date (compared to 30.6% at the end of 2020), a substantial proportion of the fixed-income securities of General Reinsurance AG was held in AAA-rated investments, with a further 42.9% held in AA-rated securities (2020: 33.4%).

Our investment guidelines define a specific limit for the equity allocation in the portfolio. They also include detailed criteria for controlling **credit and concentration risks**, such as minimum rating requirements and maximum exposure limits per asset class. The average credit quality of the fixed-income securities held by General Reinsurance AG at year-end 2021 illustrates the high quality of our portfolio.

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

Portfolio	Assumptions	Changes in fair value in Euro m
Equities	Price increase of 20%	+592.6
Equities	Price decline of 20%	-592.6
Fixed-income securities	Interest rate rise of 1%	-45.8
Fixed-income securities	Interest rate drop of 1%	+44.7

Counterparty default risks arise from our different counterparties, most notably from investment transactions and 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 are regularly monitored and necessary provisions are calculated for overdue receivables and recoverables in accordance with uniform Group-wide standards. Targets and measures for dealing with overdue receivables are agreed with the business units, and their enforcement is regularly reviewed.

Overdue balances amounted to Euro 116.0 million at year-end (2020: Euro 30.3 million). As in previous years, the default rate in the year under review was negligible. Recoverable balances are reviewed with senior management in the same way.

Lastly, **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 also recognize that assets are sometimes required to be held in the currency of the jurisdiction in which we operate so as 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 ensures that sufficient solvency capital is always maintained.

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 detect 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,
- internal controls including segregation of duties,
- regular measures to identify and evaluate operational risks,
- effective quarterly 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

In common with operational risks, strategic risks are subject to regular assessment; this is facilitated, in particular, by qualitative discussions intended to increase risk awareness and ensure that effective controls are in place to minimize 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 performance 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 a possible by-product of operational, regulatory or strategic risks that can arise out of potential weaknesses or failures 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 setting out our position on corporate integrity and values. This has been established by Berkshire Hathaway, our ultimate parent company. Our associates worldwide are required to maintain the highest degree of integrity towards each other, the company, and our business partners.

Regular training initiatives are carried out for all employees to ensure awareness of regulatory and legal compliance requirements and for dealing 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 the risk of losses resulting from a newly developing or changing situation (political, economic, social, technological, legal, regulatory, tax, environmental, etc.) that could have a material impact on the company's operations. Such risks have still to be fully understood, are difficult to quantify and may not have been considered in contract terms and conditions, pricing, reserving, operational activities or capital allocation. We identify and evaluate emerging risks as part of the annual group-wide Own Risk and Solvency Assessment (ORSA) process.

Intra-Group Risks

We define group or intra-group risk as the risk of an affiliated company within the Berkshire Hathaway Group failing to meet its financial commitments, which can lead to restricted growth, increased costs and/or additional regulatory scrutiny and may impair the General Reinsurance AG Group's solvency or liquidity. These risks may involve reputational risks, risks stemming from intra-group transactions, concentrations across the Berkshire Hathaway Group, and interdependencies between risks arising from conducting business through different entities and in different jurisdictions as well as risks from third-country entities.

We actively manage our subsidiaries by means of specifically agreed limits and we regularly monitor the liquidity and local capital requirements at each location. In addition, we constantly monitor regulatory requirements to ensure that we comply with applicable policies, rules and standards. In view of our implemented processes and monitoring procedures as well as the financial strength of General Reinsurance AG and the Berkshire Hathaway Group, we assess the group risk as remote. This was also addressed in General Reinsurance AG's Recovery Plan, which considers several scenarios that could threaten the financial position of the company and result in a recovery situation as well as the potential management actions that could be taken in response to the relevant scenarios.

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 effective 20 May 2022.

We have been granted permission by 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 substantially differ 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 Solvency Capital Requirement calculations are based on the Solvency II standard formula, including the use of undertaking-specific parameters. The calculations for year-end 2021 have not been completed as of the date of this report. The solvency ratio for the fourth quarter of 2021 was 176% for General Reinsurance AG on a stand-alone basis.

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

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

While the US will not adopt IFRS 17, US GAAP will adopt the US Long Duration Targeted Improvements (LDTI) accounting standard with effect from 1 January 2023 as well. This will apply to long-term contracts, such as life (re)insurance. It will impact General Reinsurance AG with respect to its consolidation within the financial statements of Berkshire Hathaway Inc. We have launched a worldwide implementation project to address the new requirements of both IFRS 17 and LDTI.

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 exclusions for most of our markets and products to reduce our exposure as much as possible.

In 2021 our life/health business saw a significantly higher-than-expected mortality in certain countries, despite the progress made with the development of vaccines. 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.

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 impact of environmental, social and governance factors (ESG) 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 impact 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.

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 in individual life insurance 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 a stable or slightly increasing premium development for 2022. Against the backdrop of continuing pandemic risks, we will optimize our portfolio composition in more exposed markets and exploit opportunities for diversification. We are enjoying pleasing demand for our consulting and other services, which provide a solid platform for the development of our business.

The majority of treaties in our property/casualty portfolio came up for renewal on 1 January. Whilst there has been some improvement in the rating environment compared to previous years, our view is that conditions remain difficult for reinsurers and opportunities for profitable growth remain scarce in many lines and territories, prompting us not to renew some business. However, we have been able to develop a number of new client relationships and strengthen many existing ones, which has offset the less profitable business that we have chosen not to renew. As a result, our expectation for the full year is that premium income will be broadly stable in 2022. We regard underwriting discipline as essential to our success and we continue to decline opportunities where we are unable to secure adequate terms and conditions. We benefit from strong client loyalty, which has enabled us to preserve the quality of our portfolio in keeping with our underwriting standards. Our financial strength and service quality remain key factors in this respect.

With respect to investments, the economic outlook for 2022 remains focused on recovery and stabilization. Threats to economic growth which existed in 2020 and, to a lesser extent in 2021, are no longer as significant. The supportive government fiscal programs of 2020 and 2021 will be gradually scaled back and withdrawn, but the debt which was accumulated will remain a concern for some time to come.

It is our expectation that many key policy rates will be increased meaningfully in increments during 2022, led by the US Federal Reserve. This tightening of monetary policy, not seen for many years, will likely result in an easing of inflation concerns but it will also bring less favorable financing conditions. With short-term interest rates set to increase, we can expect to see most yield curves move upwards. This will likely result in investors restructuring their portfolios to position them more defensively against the headwind of generally increasing interest rates.

Finally, it should be kept in mind that potentially intensifying geopolitical crises pose considerable uncertainties for the economic development in the current year.

Gen Re is constantly monitoring the efficient and effective management and allocation of its capital throughout the Group to ensure that it is optimally deployed, that each regulated entity remains adequately capitalized, and that Gen Re's capital is as fungible as possible. A property/casualty stop loss retrocession arrangement incepting on January 1, 2022, has been established with our parent company. Not only does this effectively manage the tail risk, particularly from catastrophe exposures, it also has a beneficial effect on our solvency ratio by reducing the capital requirements for catastrophe exposure under Solvency II.

Compared with 2021, we anticipate a considerably improved overall level of underwriting and total operating profits in 2022. Gross premium income in original currency for 2022 is expected to remain at best on a par with 2021. Our results in life/health business will depend primarily on the further development of the Covid-19 pandemic.

In view of the measures we have taken, there is reason to be confident that the underwriting result will improve significantly on 2021. In property/casualty business, the improvement is based on the assumption that our loss experience from natural catastrophes, man-made disasters and particularly with respect to any continuing effects from the Covid-19 pandemic will be in line with our expectations. We have also assumed that our investment performance is not materially impacted by volatility on the capital markets.

Report on Relations with Affiliated Companies

General Reinsurance AG is wholly owned by General Reinsurance Corporation, Wilmington, Delaware/USA. The former is thus a majority-owned company which, pursuant to § 312 German Stock Corporation Act, is required to draw up a report on relations with affiliated companies. In this report, which has to be compiled by the Executive Board, the following closing declaration was made:

"For all transactions with affiliated companies 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 2022.

Balance Sheet as at 31 December 2021

Assets			Euro	2021 Euro	2020 Euro
A. Intangible assets	I.	Internally created industrial property rights and similar rights and assets	16,350,494		10,470,003
	II.	Concessions, industrial property rights and similar rights and assets acquired against payment as well as licenses to such rights and assets	38,275		43,239
				16,388,769	10,513,241
B. Investments	I.	Real estate, rights to real estate and buildings	22,626,624		14,662,267
	II.	Investments in affiliated companies and participations	537,300,220		777,845,762
	III.	Other investments	6,194,583,905		10,135,761,067
	IV.	Deposits retained on assumed reinsurance business	1,888,564,243		1,702,868,475
				8,643,074,992	12,631,137,571
C. Receivables	I.	Reinsurance accounts receivable of which from affiliated companies: Euro 58,711,254 (previous year: Euro 2,460,175) of which from participations: Euro 1,427,582 (previous year: Euro 2,942,934)	1,255,495,421		1,008,997,906
	II.	Sundry receivables of which from affiliated companies: Euro 38,096,514 (previous year: Euro 3,626,826) of which from participations: Euro 0 (previous year: Euro 0)	314,119,425		168,456,463
				1,569,614,846	1,177,454,369
D. Sundry assets	I.	Property, plant and equipment and inventories	6,387,287		6,754,360
	II.	Current accounts with banks, cheques and cash	479,841,311		324,080,485
				486,228,598	330,834,845
E. Deferred items	I.	Deferred interest	25,478,379		61,696,384
	II.	Other deferred items	484,142		424,862
				25,962,521	62,121,246
F. Deferred tax assets				515,854,417	466,797,118
G. Excess of plan assets over pension liability				14,791,917	11,866,834
Total assets				11,271,916,059	14,690,725,224

Liabilities			Euro	Euro	2021 Euro	2020 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		473,274,444		380,344,131
	V.	Net income/net loss for the year		260,786,231		92,930,313
					3,061,158,530	2,800,372,299
B. Underwriting reserves	I.	Unearned premiums				
		1. Gross amount	819,684,243			794,647,289
		2. Less: reinsured portion	185,759,801			96,566,940
				633,924,442		698,080,349
	II.	Actuarial reserves for life and health policies				
		1. Gross amount	1,719,218,001			1,681,559,220
		2. Less: reinsured portion	54,314,717			51,840,449
				1,664,903,284		1,629,718,771
	III.	Reserve for outstanding claims				
		1. Gross amount	9,204,893,668			7,938,540,756
		2. Less: reinsured portion	5,506,031,381			617,984,184
				3,698,862,287		7,320,556,572
	IV.	Equalization reserve and similar reserves		716,437,077		851,553,792
	V.	Other underwriting reserves				
		1. Gross amount	74,976,747			65,801,536
		2. Less: reinsured portion	35,144			28,156
				74,941,603		65,773,380
					6,789,068,693	10,565,682,864
C. Other provisions					736,175,101	703,265,472
D. Deposits retained on assumed reinsurance business					23,636,883	25,878,807

Liabilities		Euro	Euro	2021 Euro	2020 Euro
E. Other liabilities	I. Reinsurance accounts payable of which to affiliated companies: Euro 369,659 (previous year: Euro 167,347,948), of which to participations: Euro 111,568 (previous year: Euro 114,822)		633,396,272		581,240,592
	II. Sundry liabilities of which taxes: Euro 11,800,365 (previous year: Euro 2,922,364) of which social security: Euro 1,943,556 (previous year: Euro 5,018,834) of which to affiliated companies: Euro 2,930,002 (previous year: Euro 1,530,481) of which from participations: Euro 0 (previous year: Euro 0)		28,166,246		13,917,941
				661,562,518	595,158,533
F. Deferred items				314,334	367,249
Total liabilities				11,271,916,059	14,690,725,224

Income Statement

				2021	2020
		Euro	Euro	Euro	Euro
I. Underwriting Account	1.Earned premiums net of reinsurance				
	a) Gross premiums	4,525,940,144			4,213,474,348
	b) Retrocession premiums	581,364,898			409,474,019
			3,944,575,246		3,804,000,329
	c) Change in gross unearned premiums	24,779,456			-67,193,200
	d) Change in the reinsurers' share of the gross unearned premiums	-88,906,247			-15,988,294
			113,685,703		-51,204,906
				4,058,260,949	3,752,795,423
	2.Interest on reinsurance funds net of reinsurance			44,277,413	44,346,164
	3.Sundry underwriting income net of reinsurance			947,636	651,140
	4.Claims expenditure net of reinsurance				
	a) Claims payments				
	aa) Gross amount	2,617,454,750			2,456,165,542
	bb) Reinsurers' share	-4,473,078,085			168,344,689
			7,090,532,835		2,287,820,853
	b) Change in the reserve for outstanding claims				
	aa) Gross amount	1,001,074,816			770,986,958
	bb) Reinsurers' share	4,886,178,199			139,370,913
			-3,885,103,383		631,616,045
				3,205,429,452	2,919,436,898
	5.Change in the other underwriting reserves net of reinsurance			-70,335,797	62,183,131
	6.Expenditure relating to profit- and non-profit-related premium refunds net of reinsurance			778,899	194,499
	7.Insurance business expenditure net of reinsurance			967,635,052	919,987,257
	8.Sundry underwriting expenses net of reinsurance			5,390,476	5,461,213
	9.Subtotal			-146,083,678	14,895,991
	10.Change in the equalization reserve and similar reserves			135,116,715	120,602,612
	11.Underwriting result net of reinsurance			-10,966,963	135,498,603
II. Investment and general account	1.Investment income of which from affiliated companies: Euro 26,394,485 (previous year: Euro 25,803,808)	451,492,577			222,390,163
	2.Investment expenses	83,030,083			60,254,454
			368,462,494		162,135,709
	3.Underwriting interest on reinsurance funds		-44,953,843		-45,089,125
				323,508,651	117,046,584
	4.Sundry income		74,850,935		51,854,324
	5.Sundry expenditure		74,872,639		151,979,849
				-21,704	-100,125,525
	6.Profit before taxes			312,519,984	152,419,662
	7.Tax on income and profit		50,647,636		56,606,173
	8.Other taxes		1,086,117		2,883,176
				51,733,753	59,489,349
	9.Income/loss after taxes			260,786,231	92,930,313

Notes to the Financial Statement

Development of assets items A and B I. to III. in the 2021 business year			Book values previous year Euro	Exchange rate gains/losses Euro
Asset items	A.	Intangible assets		
	1.	Internally generated industrial property rights and similar rights and assets	10,470,002	23,312
	2.	Concessions, industrial property rights and similar rights and assets acquired against payment as well as licenses for such rights and assets	43,239	0
	3	Total A.	10,513,241	23,312
	B. I.	Real estate, rights to real estate and buildings including buildings on foreign real estate	14,662,267	0
	II.	Investments in affiliated companies and participations		
		1. Shares in affiliated companies	117,234,537	0
		2. Loans to affiliated companies	634,800,000	0
		3. Participations	25,811,225	0
		4. Total B II.	777,845,762	0
	III.	Other investments		
		1. Equities, investment fund certificates and other non-fixed-income securities	2,236,694,615	25,666,973
		2. Bearer bonds and other fixed-income securities	7,836,801,801	290,784,366
		3. Sundry fixed-term securities		
		a) Notes and loans	0	0
		4. Bank deposits	62,264,650	2,540,682
		5. Sundry investments	1	0
		6. Total B III.	10,135,761,067	318,992,021
Total			**10,938,782,337**	**319,015,333**

Acquisitions Euro	Disposals Euro	Write-ups Euro	Write-downs Euro	Book values business year Euro
6,901,050	0	0	1,043,871	16,350,493
33,069	19,558	0	18,474	38,276
6,934,119	19,558	0	1,062,345	16,388,769
8,349,176	0	0	384,819	22,626,624
57,314,234	0	0	0	174,548,771
0	300,000,000	0	0	334,800,000
0	2,556	2,142,780	0	27,951,449
57,314,234	300,002,556	2,142,780	0	537,300,220
331,077,533	249,629,371	0	35,159,782	2,308,649,968
6,000,372,585	10,984,462,283	0	140,183	3,143,356,286
0	0	0	0	0
677,772,319	0	0	0	742,577,651
0	1	0	0	0
7,009,222,437	11,234,091,655	0	35,299,965	6,194,583,905
7,081,819,966	**11,534,113,769**	**2,142,780**	**36,747,129**	**6,770,899,518**

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 19 December 2018.

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 1.87% was determined by extrapolating the rates published by the German Bundesbank until 31 October 2021 in accordance with § 253, section 2 of the German Commercial Code to 31 December 2021 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 1.50% and a staff turnover rate of 3.00% 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 34,142,994.

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 €	2021	2020
Australian Dollar	0.6342	0.6211
British Pound	1.1776	1.1016
Chinese Yuan Renminbi	0.1392	0.1254
Indian Rupee	0.0117	0.0111
Hong Kong Dollar	0.1137	0.1058
Japanese Yen	0.0078	0.0079
South Korean Won	0.0007	0.0007
South African Rand	0.0558	0.0562
Swiss Franc	0.9592	0.9226
Singapore Dollar	0.6492	0.6153
Taiwan Dollar	0.0319	0.0291
US Dollar	0.8869	0.8202

Appropriation of profit

The 2021 business year closed with a net profit after taxes of Euro 260,786,231. Taking into account the profit of Euro 473,274,444 carried forward from prior years, the disposable profit totals Euro 734,060,675. The Executive Board of General Reinsurance AG proposes that the disposable profit should be carried forward.

Notes to the Balance Sheet

Assets	
Valuation reserves in respect of investments	I. Real estate, rights to real estate and buildings including buildings on foreign real estate *)
	II. Investments in affiliated companies and participations
	1. Shares in affiliated companies
	2. Loans to affiliated companies
	3. Participations
	4. Total II.
	III. Other investments
	1. Equities, investment fund certificates and other non-fixed-income securities
	2. Bearer bonds and other fixed-income securities
	3. Sundry fixed-term securities
	a) Notes and loans
	4. Bank deposits
	5. Sundry investments
	6. Total III.
Total	

*) The fair values of real estate and buildings were last calculated in 2019 by an external expert.

		2021			2020
Book value	**Fair value**	**Valuation reserve**	**Book value**	**Fair value**	**Valuation reserve**
22,626,624	28,300,000	5,673,376	14,662,267	28,300,000	13,637,733
174,548,771	207,929,230	33,380,459	117,234,537	239,219,139	121,984,602
334,800,000	373,469,400	38,669,400	634,800,000	698,880,240	64,080,240
27,951,449	28,811,446	859,997	25,811,225	26,715,552	904,327
537,300,220	610,210,076	72,909,856	777,845,762	964,814,931	186,969,169
2,308,649,968	3,330,653,416	1,022,003,448	2,236,694,615	2,903,160,824	666,466,209
3,143,356,286	3,151,244,901	7,888,615	7,836,801,801	7,877,758,489	40,956,688
0	0	0	0	0	0
742,577,651	742,577,651	0	62,264,650	62,264,650	0
0	18,664	18,664	1	20,804	20,803
6,194,583,905	7,224,494,632	1,029,910,727	10,135,761,067	10,843,204,767	707,443,700
6,754,510,749	**7,863,004,708**	**1,108,493,959**	**10,928,269,096**	**11,836,319,698**	**908,050,602**

Assets

Intangible assets

In accordance with § 285 number 22 of the German Commercial Code internally created intangible assets accounted for an amount of Euro 16,350,494 (previous year: Euro 10,470,003).

The total research and development expenses of the financial year 2021 amounted to Euro 20,099,937.

Real estate and buildings

The book value of the real estate and buildings utilized by the company was Euro 22,626,624 (previous year: Euro 14,662,267).

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 Euro 0 (previous year: Euro 0).

There was a write-up in accordance with § 253, section 5 German Commercial Code on participations amounting to Euro 2,142,780 (previous year: Euro 828,542).

As at 31 December 2021 no additional payment obligations existed in respect of the recognized share capital (previous year: Euro 0).

There were also no omitted write-downs on equities (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 35,159,781 (previous year: Euro 43,848,734) 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 13,709,517). 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 relate 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 396,469,298 (previous year: Euro 399,697,284).

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 retrocession agreement concluded with General Reinsurance on 01.07.2021 for a loss portfolio transfer of a larger part of our loss reserves for property and casualty business led to a liquidation of part of our securities portfolio for the purpose of settling the transaction.

The book value of the bearer bonds for which no write-down was taken was Euro 2,224,216,488 (previous year: Euro 1,502,183,880). The fair value of these bonds amounted to Euro 2,218,448,190 (previous year: Euro 1,500,691,181).

Write-downs of Euro 140,183 (previous year: Euro 3,479,932) 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 13,067,991 (previous year: Euro 5,564,415); it was attributable in an amount of Euro 0 (previous year: Euro 0) to equities, in an amount of Euro 7,299,702 (previous year: Euro 4,071,716) 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 5,768,289 (previous year: Euro 1,492,699) to fixed-income securities.

Investments amounting to Euro 331,338,913 (previous year: Euro 332,055,746) 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 2021 or 2020.

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

No derivative financial transactions were entered into in 2021 or 2020. As at 31 December 2021 and 31 December 2020 there were no outstanding foreign exchange forward transactions.

Deposits retained on assumed reinsurance business

Of these, deposits receivable from affiliated companies accounted for Euro 99,682,487 (previous year: Euro 90,263,469).

Reinsurance accounts receivable

An amount of Euro 21,125,849 of the reinsurance accounts receivable is attributable to Zillmer adjustments in assumed life reinsurance business (previous year: Euro 16,453,602).

Sundry receivables

The item "Sundry receivables" primarily shows tax receivables from revenue authorities of Euro 253,843,472 as well as receivables from affiliated companies of Euro 38,096,515.

Receivables with a maturity of more than one year in accordance with § 268, section 4 German Commercial Code amounted to Euro 69,670,954 (previous year: Euro 68,645,813).

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 2021 according to § 246, section 2 of the German Commercial Code:

Euro thsd.	
Fair value of plan assets	3,461
Pension fund liabilities	-3,461
Total	**0**

The UK branch has pension plans funded by the company, which are managed through trust funds. The table below shows the amounts netted in the balance sheet as at 31 December 2021 according to § 246, section 2 of the German Commercial Code:

Euro thsd.	
Fair value of plan assets	68,604
Provisions for pensions	-53,812
Total	**14,792**
Income	7,712
Expenses	-1,294
Total	**6,418**

The acquisition cost of the total plan assets amounted to Euro 32,004,452.

Liabilities

Subscribed capital

The share capital as at 31 December 2021 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 2021	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 2021		1,405,208,342
		1,405,924,151

Reserves for outstanding claims

The increase in the reserves for ceded reinsurance business results from a loss portfolio transfer that we carried out on 1 July 2021. Under this agreement, a larger portion of the loss reserves for property and casualty business was retroceded to General Reinsurance Corporation.

Other provisions

			2021	2020
		Euro	Euro	Euro
I.	Provisions for pensions and similar obligations		302,275,882	271,260,291
II.	Tax provisions		228,670,567	209,330,095
III.	Sundry provisions			
a)	Provisions for currency translation gains	85,889,556	85,889,556	86,758,197
b)	Services which have been received but for which accounts have not yet been settled	2,478,653		2,577,030
c)	Miscellaneous	116,860,443		133,339,860
			205,228,652	222,675,087
			736,175,101	**703,265,472**

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 28,166,246 (previous year: Euro 13,917,941).

As at 31 December 2021 there were no liabilities with a maturity of more than five years (previous year: Euro 0).

As at 31 December 2021 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	16,350,494	
	less deferred tax liabilities established thereon	0	
			16,350,494
2.	Fair value of assets netted in accordance with § 246 section 2 German Commercial Code	72,065,215	
	Less acquisition costs of such assets	32,004,452	
			40,060,763
3.	Deferred tax assets in *accordance with § 253 section 6 German Commercial Code		515,854,417
4.	Difference in pension obligation between 7- and 10-year average interest rate in accordance with § 253 section 6 German Commercial Code		34,142,994
	Non-distributable amount as at 31 December 2021		**606,408,668**
	Available capital		3,005,442,721
	Less non-distributable amount		606,408,666
	Amount available for distribution as at 31 December 2021		**2,399,034,055**

*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

In addition to the ongoing Covid-19 pandemic, natural catastrophe losses contributed significantly to a negative development compared to the previous year. The burden from major losses and natural catastrophes was significantly higher than in the previous year.

The loss portfolio transfer agreed with General Reinsurance Corporation (GRC) by means of a retrocession agreement for a large portion of our property and casualty reinsurance reserves led to a large change in the reinsurers' share of the reserve for outstanding claims as well as, on a comparable scale, in the reinsurers' share of claims payments as at 1 July 2021.

Change in the other underwriting reserves net of reinsurance

	2021 Euro	2020 Euro
a) Net actuarial reserves for life and health policies	-66,705,349	40,662,587
b) Sundry net underwriting reserves	-3,630,448	21,520,544
	-70,335,797	**62,183,131**

Minus signs indicate contributions to the reserves.

Insurance business expenditure net of reinsurance

	2021 Euro	2020 Euro
a) Gross insurance business expenditure	1,084,028,405	1,020,957,252
b) Less: commission and profit commission on reinsured business	116,393,353	100,969,995
	967,635,052	**919,987,257**

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

		2021 Euro	2020 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 26,394,485 (previous year: Euro 25,803,808)		
aa)	Income from real estate, rights to real estate and buildings	2,110,130	2,124,491
bb)	Income from other investments	225,436,351	198,664,053
		227,546,480	200,788,544
c)	Write-ups on investments	2,142,780	14,538,059
d)	Income from the disposals of investments	220,624,788	5,885,031
		451,492,577	**222,390,163**

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

Investment expenses

		2021 Euro	2020 Euro
a)	Expenses for the administration of investments, interest expenditure and other investment expenses	5,150,108	4,851,618
b)	Write-downs on investments	35,684,784	47,713,485
c)	Losses from the disposal of investments	42,195,191	7,689,351
		83,030,083	**60,254,454**

Sundry income

Sundry income mainly relates to income from exchange rate gains of Euro 72,362,037 (previous year: Euro 30,647,048). The interest income from tax includes a loss of Euro 6,780,574 from the reduction of interest receivable posted in previous years (previous year: income of Euro 9,334,575).

Sundry expenditure

Sundry expenditure mainly comprises exchange rate losses of Euro 35,890,590 (previous year: Euro 79,748,467). Contributions to interest on pension reserves amounted to Euro 27,463,112 (previous year: Euro 15,552,207). Allowances and write-offs on receivables accounted for Euro 12,133,177 (previous year: Euro 11,091,784). The interest expenses on tax provision include a gain of Euro 15.414.038 from the adjustment of the rate applied to tax provisions (previous year: loss of Euro 31,830,108).

Tax on income and profit

The profit before taxes was reduced by Euro 50,647,636 (previous year: Euro 56,606,173 due to tax on income. Deferred taxes accounted for income of Euro 49,057,299 (previous year: Euro 59,219,549).

Details on the Individual Classes of Reinsurance

		2021 Euro	2020 Euro
Premium income Gross written premiums	Life insurance	2,093,132,541	1,766,028,993
	Health insurance	824,166,850	792,751,659
	General third party liability insurance	169,910,160	192,561,094
	Accident insurance	16,254,779	16,334,709
	Motor insurance	565,637,662	613,785,277
	Marine insurance	55,564,617	65,521,617
	Property insurance	707,878,434	682,793,332
	Engineering insurance	73,739,535	59,493,631
	Sundry classes of insurance	19,655,566	24,204,036
	Total	**4,525,940,144**	**4,213,474,348**

		2021 Euro	2020 Euro
Net earned premiums	Life insurance	1,991,619,757	1,703,869,848
	Health insurance	861,573,685	803,906,101
	General third party liability insurance	127,620,871	147,852,174
	Accident insurance	12,686,264	12,995,873
	Motor insurance	436,392,424	468,032,859
	Marine insurance	35,313,059	45,924,242
	Property insurance	533,760,741	511,187,448
	Engineering insurance	43,781,445	40,106,328
	Sundry classes of insurance	15,512,703	18,920,550
	Total	**4,058,260,949**	**3,752,795,423**

		2021 Euro	2020 Euro
Subtotal before change in the equalization reserve and similar reserves net of reinsurance	Life insurance	-21,242,813	81,538,119
	Health insurance	88,469,242	57,052,525
	General third party liability insurance	8,221,463	-1,020,720
	Accident insurance	986,871	-4,886,917
	Motor insurance	-73,727,520	17,586,437
	Marine insurance	1,603,246	-1,012,140
	Property insurance	-156,390,848	-138,998,485
	Engineering insurance	6,419,581	13,572,000
	Sundry classes of insurance	-422,900	-8,934,828
	Total	**-146,083,678**	**14,895,991**

		2021	2020
		Euro	Euro
Underwriting result after change in the equalization reserve and similar reserves net of reinsurance	Life insurance	-21,242,813	81,538,119
	Health insurance	88,469,242	57,052,525
	General third party liability insurance	32,183,048	30,691,195
	Accident insurance	216,205	-3,466,243
	Motor insurance	-47,215,682	7,591,356
	Marine insurance	8,502,810	1,677,789
	Property insurance	-91,284,603	-38,074,802
	Engineering insurance	16,896,346	20,048,406
	Sundry classes of insurance	2,508,484	-21,559,742
	Total	**-10,966,963**	**135,498,603**

		2021	2020
		%	%
Combined ratio *) before change in the equalization reserve and similar reserves net of reinsurance	Life insurance	101.1	95.2
	Health insurance	89.7	92.9
	General third party liability insurance	93.6	100.7
	Accident insurance	92.2	137.6
	Motor insurance	116.9	96.2
	Marine insurance	95.5	102.2
	Property insurance	129.3	127.2
	Engineering insurance	85.3	66.2
	Sundry classes of insurance	102.7	147.2
	Total	**103.6**	**99.6**

*) Underwriting result in relation to earned premium

		2021	2020
		Euro	Euro
Underwriting reserves net of reinsurance total underwriting reserves	Life insurance	3,909,286,498	3,440,525,555
	Health insurance	368,311,351	366,428,474
	General third party liability insurance	388,901,626	1,431,783,533
	Accident insurance	19,109,216	77,191,275
	Motor insurance	964,383,031	3,496,192,292
	Marine insurance	64,324,535	124,949,300
	Property insurance	881,311,153	1,207,704,761
	Engineering insurance	69,115,835	194,299,820
	Sundry classes of insurance	124,325,448	226,607,854
	Total	**6,789,068,693**	**10,565,682,864**

		2021 Euro	2020 Euro
Reserves for outstanding claims net of reinsurance	Life insurance	3,657,371,562	3,208,832,378
	Health insurance	181,392,165	169,536,995
	General third party liability insurance	222,400,473	1,234,052,053
	Accident insurance	16,665,448	75,904,744
	Motor insurance	582,008,015	3,052,157,627
	Marine insurance	38,399,361	91,648,442
	Property insurance	601,985,633	861,247,252
	Engineering insurance	43,287,933	139,247,484
	Sundry classes of insurance	20,254,981	117,648,368
	Total	**5,363,765,571**	**8,950,275,343**

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.

		2021 Euro	2020 Euro
Equalization reserve and similar reserves	General third party liability insurance	138,513,756	162,475,339
	Accident insurance	1,622,908	852,242
	Motor insurance	255,733,273	282,245,111
	Marine insurance	13,038,168	19,937,732
	Property insurance	205,652,286	270,758,531
	Engineering insurance	3,683,176	14,159,941
	Sundry classes of insurance	98,193,510	101,124,896
	Total	**716,437,077**	**851,553,792**

General Information

Employees

In 2021 the company employed an average of 626 staff (previous year: 616), including 240 working for our branch offices abroad (previous year: 221). Furthermore, an average of 128 staff (previous year: 138) 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

	2021 Euro	2020 Euro
1. Salaries and wages	80,770,590	100,994,234
2. Statutory social security contributions and expenses for benefits	13,492,318	12,015,140
3. Expenses for retirement benefits	37,838,599	23,456,284
	132,101,507	**136,465,658**

The total remuneration granted to members of the Executive Board in 2021 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 1,698,173 (previous year: Euro 3,368,463). This amount is broken down as follows: Euro 1,234,806 was paid for fixed salary and intra-group allocations and variable compensation amounted to Euro 463,366, 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 67,079.

The income from decreasing the pension reserve for active members of the Executive Board amounted to Euro 295,572 (previous year: income of Euro 3,310,835). 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 1,932,891 (previous year: Euro 1,781,969) were made to former members of the Executive Board or their dependents in the 2021 business year. The provisions for pensions payable to such persons as at 31 December 2021 totaled Euro 40,117,392 (previous year: Euro 37,392,282).

Fixed remuneration paid to the members of the Supervisory Board totaled Euro 42,335 (previous year: Euro 41,873).

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 categoryin 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 1,418,000 (previous year: Euro 1,390,000) was expensed for audit fees in the business year. No expenditure was incurred in 2021 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 2021 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 2021, other financial liabilities from leasing agreements amounted to Euro 11,948,059 (previous year: Euro 9,880,987).

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.

Since 1 January 2017 our parent company 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. During 2020, we entered into a stop loss arrangement with General Re Life Corporation, a fellow subsidiary with respect to some of our life/health business.

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	1,135,889	163,896
	General Reinsurance Life Australia Ltd., Sydney	100	132,393,949	-5,162,571
	General Reinsurance Africa Ltd., Cape Town	100	64,504,923	-107,232,698
	General Reinsurance Beirut S.A.L. (Off-Shore), Beirut	100	855,430	129,672
	Gen Re Servicios México S.A., Mexico City	100	1,105,516	97,223
	Gen Re Support Services Mumbai Private Ltd.[2)] *	100	179,138	-2,466

	Name and registered office	Share %	Shareholders' equity[1)] Euro	Business year result[1)] Euro
Participations	Triton Gesellschaft für Beteiligungen mbH, Luxemburg[2)]	19	5,014,237	-147,699
	Nürnberger Beteiligungs-Aktiengesellschaft, Nürnberg	3	716,242,751	46,011,585

[1)] Figures taken from last available Annual Report

[2)] In liquidation

[*)] Different fiscal year (31 March 2021)

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
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
Global Marketing & Client Communications

Andrew Michael D'Arcy
Sevenoaks, Kent/UK

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, 4 March 2022

The Executive Board

Digitally signed by Charles Said Shamieh
Date: 2022-03-24 19:46:47-04:00

Charles S. Shamieh

Digitally signed by Andrew MICHAEL D'Arcy
Date: 2022-03-29 10:59:15+01:00

Andrew Michael D'Arcy

Digitally signed by Michael PATRICK O'Dea
Date: 2022-03-24 21:04:49Z

Michael O'Dea

Digitally signed by Ulrich Pasdika
Date: 2022-03-25 22:25:04+01:00

Ulrich Pasdika

Digitally signed by Frank ANDREAS Schmid
Date: 2022-03-24 15:48:32-04:00

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 2021, and the statement of profit and loss for the financial year from 1 January to 31 December 2021, 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 2021. In accordance with the German legal requirements, we have not audited the content of the non-financial report pursuant to Sections 289b to 289e German Commercial Code (HGB) included in section "Corporate Social 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" 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 2021 and of its financial performance for the financial year from 1 January to 31 December 2021 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 referred to above and the disclosures concerning the quota for women.

Pursuant to Section 322 (3) sentence 1 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 2021. 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 9,205 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 us-es 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 comprisesthe

- the report of the supervisory board,
- the separate non-financial report pursuant to Sections 289b to 289e HGB to be made available probably after the date of the Independent Auditor's Report referred to in the "Corporate Social Responsibility Report" section of the management 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,
- 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 legal 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 supervisory board on 23 March 2021. We were engaged by the supervisory board on 23 March 2021. 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 Holger Höhndorf.

Düsseldorf/Germany, 4 March 2022

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Holger Höhndorf Digitally signed by Holger Höhndorf Date: 2022-03-24 21:02:48+01:00

PETER VOß Digitally signed by PETER VOß Date: 2022-03-24 20:37:10+01:00

Signed:	Signed:
Holger Höhndorf	Peter Voß
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

TRANSLATION
– German version prevails –

Supervisory Board Report

Dear Sir or Madam,

In the course of 2021, the Supervisory Board held five meetings which took the form of videoconferences on account of the pandemic.

At the meetings the Supervisory Board was informed in a detailed and timely manner by the Executive Board about the performance of the company's business, the results of individual business units and the current underwriting policy. The impacts of the coronavirus pandemic on the company's various business units were explored at length. The Supervisory Board further considered developments on financial markets, the investment strategy, the investment policy (Master Investment Guidelines) and capital management measures within the Group. At the September meeting the Executive Board reported in depth on the implications for the company's loss expenditure of the windstorm and flood events recorded in Europe in June and July.

The Executive Board fully satisfied its disclosure and reporting duties to the Supervisory Board and in this regard presented, in particular, the interim and annual results as well as the investment planning. The Supervisory Board was promptly and directly involved in all business transactions of major importance. Outside the meetings, too, the Executive Board informed the Supervisory Board in a timely and comprehensive manner about major developments at the company. Furthermore, regular discussions took place between the Chairman of the Supervisory Board and the Chairman of the Executive Board, especially on topics such as capital management, the restructuring of the International P&C sector, the business performance against the backdrop of losses relating to Covid-19 and the natural disasters experienced in Europe in 2021.

The key function holders informed the Supervisory Board in writing and verbally about major activities. The Actuarial function reported at length to the Supervisory Board at two meetings on the development of the reserves as well as the underlying assumptions and measurement methods. The Internal Audit function reported on the outcome of the audits from 2020 as well as the audit concentrations planned for 2021. The Risk Management function informed the Supervisory Board about major activities as well as about changes in the risk profile compared to the previous year. The Supervisory Board deliberated at length on the company's risk strategy, especially the handling of cyber risks. The Supervisory Board received detailed information about the coverage ratios in relation to the Solvency Capital Requirement (SCR) of General Reinsurance AG on a solo 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, about legal and regulatory developments, audits that had been conducted and cooperation with the relevant authorities.

In the course of the year under review the Supervisory Board repeatedly considered the repercussions of the coronavirus pandemic on the work situation at the worldwide offices of General Reinsurance AG as well as the steps taken to protect the employees. In addition, Human Resources informed the Supervisory Board about the activities of the working group "Future of Work" and the negotiations with the Works Council around the voluntary company agreement on "Mobile Working".

This year, as in previous years, the responsible member of the Executive Board reported regularly to the Supervisory Board on measures to further strengthen the company's IT security and IT strategy. Another topic considered was the company's sustainability strategy as well as future reporting requirements in relation to ESG. The Rules of Procedure for the Executive Board were also reviewed and updated.

The system of remuneration for the Executive Board and the contracts of individual members of the Executive Board were revised. The Supervisory Board discussed the individual performance reviews and the individual targets of the members of the Executive Board for the 2021 business year and determined the amounts of remuneration for the Executive Board as well as the bonus payments for individual Board members. The Supervisory Board reviewed and confirmed the fit and proper assessment of the Executive Board and examined the self-assessment of the members of the Supervisory Board with respect to their expertise. The Supervisory Board as a whole is equipped with the specialist knowledge needed to adequately monitor the work of the Executive Board and actively support the company's development. In June 2021 and early 2022 the members of the Supervisory Board participated in internal advanced training measures on the topics of corporate sanctions law as well as accounting and auditing in accordance with the German Commercial Code (HGB).

Committees

During the reporting period the Supervisory Board set up a Remuneration Committee and an Audit Committee and approved corresponding rules of procedure. The Remuneration Committee met twice in the period under review and prepared the resolutions of the full Supervisory Board on matters relating to the Executive Board. On 10 March 2022 the Audit Committee considered at length the annual financial statement of General Reinsurance AG, the Executive Board Report, the audit report of the independent auditor and the proposal by the Executive Board for the appropriation of the disposable profit for the 2021 business 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 extensively. In addition, the Audit Committee held discussions with the responsible member of the Executive Board, the CFO of the Company and the Internal Audit Manager.

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

The annual financial statement 2021 of General Reinsurance AG submitted by the Executive Board and the Executive Board Report, including the accounting methods, were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, and given an unqualified audit opinion. The documentation pertaining to the annual financial statements and the audit reports of the independent auditor were made available to the Supervisory Board without delay.

At its meeting on 23 March 2022 the Supervisory Board was informed extensively about the preliminary review of the annual financial statement and of 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 or the risk management system. Once the financial statement and the Executive Board Report had also been considered in detail by the full Supervisory Board, the Supervisory Board adopted the annual financial statement and 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 approved the recommendation to be put to the General Meeting by the Executive Board.

The Executive Board's report on relations with affiliated companies was audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, and certified as follows:

"Based on our audit and assessment in accordance with professional standards, we confirm that the actual disclosures in the report are correct and that the compensation rendered for the legal transactions stated in the report was made at the then prevailing market conditions (arm's length)."

The Supervisory Board examined the Executive Board's report on relations with affiliated companies and the report by 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 2022 business year.

Word of Thanks

The Supervisory Board thanks the Executive Board and employees of General Reinsurance AG, who again showed sustained commitment, flexibility, and prudence in this second year of the coronavirus pandemic and thereby played their part in very largely mitigating the impacts of the pandemic on the company and to successfully support the company's business development in a challenging environment.

Cologne, 23 March 2022

Digitally signed by MANFRED WILLIBALD OTTO SEITZ
Date: 2022-03-30 18:07:15+02:00

Manfred Seitz
(Chairman of the Supervisory Board)

Digitally signed by Stephen Andrew Michael
Date: 2022-03-28 10:57:43+01:00

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

Digitally signed by Sandra Lynn Bell
Date: 2022-03-25 10:53:47-04:00

Sandra Bell

Digitally signed by Andrew RANDALL Gifford
Date: 2022-03-24 22:12:51-04:00

Andrew Gifford

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Rafael Lorsbach

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Thomas Mosakowski

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