2019 Single Solvency and Financial Condition Report (SFCR) General Reinsurance AG Group

A Berkshire Hathaway Company

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Summary

The Solvency and Financial Condition Report (SFCR) presents information on the business and performance, the governance system, the risk profile, the valuation according to Solvency II and capital management of General Reinsurance AG (GRAG) and GRAG Group which includes GRAG as well as General Reinsurance Life Australia Ltd. (GRLA) and General Reinsurance South Africa Ltd. (GRSA). As the overall risk profile of GRAG Group does not substantially differentiate from the risk profile of the parent company GRAG, we are allowed by the German Federal Financial Supervisory Authority (BaFin) to prepare and publish a "Single" SFCR, hereinafter referred to as SFCR. However, we have provided separate information for GRAG Solo and GRAG Group with additional explanations which unless otherwise stated generally apply to both Solo and Group.

The Solvency II balance sheets have been subject to an independent external audit by Deloitte GmbH, Wirtschaftsprüfungsgesellschaft who issued an unqualified auditor's opinion.

Solvency II key figures for the year 2019 including comparative data to 2018 of GRAG Solo and GRAG Group are summarized in the table below:

Key figures	GRAG Solo		GRAG Group	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Solvency II balance sheet				
Assets	14,708,750	13,211,441	15,141,292	13,522,572
Technical provisions	7,951,232	6,776,418	8,342,676	7,060,033
Other Liabilities	1,208,696	1,351,007	1,249,795	1,378,524
Excess of assets over liabilities	5,548,822	5,084,015	5,548,822	5,084,015
Eligible own funds	**5,548,822**	**5,084,015**	**5,548,822**	**5,084,015**
thereof Tier 1	5,548,822	5,084,015	5,548,822	5,084,015
Capital requirements				
SCR	3,053,583	2,456,925	3,200,592	2,644,099
MCR	1,374,112	1,105,616	1,470,779	1,207,805
Coverage Ratio				
SCR	181.7%	206.9%	173.4%	192.3%
MCR	403.8%	459.8%	377.3%	420.9%

Business and Performance

The table below provides details on the main business performance figures for GRAG Solo based on the German Commercial Code (HGB) respectively for GRAG Group based on the United States Accepted Accounting Principles (US GAAP).

Business Performance	GRAG Solo HGB		GRAG Group US GAAP	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Underwriting result	**359,047**	**359,122**	**305,319**	**337,064**
Property/Casualty	178,090	190,050	162,420	181,460
Life/Health	180,956	169,072	142,899	155,604
Investment result	**251,519**	**-128,135**	**592,876**	**-561,288**
Net income after tax	**354,005**	**-71,123**	**742,726**	**-396,356**
Shareholders' equity	**2,707,442**	**2,353,437**	**4,230,465**	**3,483,959**

The underwriting result of GRAG and the entire Group has slightly decreased compared to the previous year.

Global insured losses due to natural disasters were much lower in 2019 than in the previous year, with the main events being Hurricane Dorian in North America and the two typhoons Faxai and Hagibis in Japan. In 2018, the P/C results benefited markedly from positive run-off of a number of individual claim events, including WTC. In addition, our L/H results were negatively impacted by additional reserve requirements for our Australian business.

In the year under review we recorded positive total investment income in comparison to the previous year. Last year the loss for GRAG Solo was driven by substantial write-downs in our equity portfolio whereas the investment result for GRAG Group was mainly impacted by net losses from the equity portfolio due to a new treatment of unrealized losses in accordance with accounting standard ASU 2016-01 requiring them to be recorded in the income statement.

There is a notable increase in our shareholder's equity for both GRAG Solo and GRAG Group in 2019. Last year, the increase was lower due to the above-mentioned losses in the equity portfolio and a dividend distribution.

For further details on our business performance we refer to chapter A. We would like to point out that the information of chapter A is disclosed in the Annual Report 2019 of GRAG.

System of Governance

Compared to the prior year there were no major changes in the system of governance to be reported and it remains appropriate in view of our risk profile. The organizational and operational structures are set up to support GRAG Group's strategic objectives, whilst retaining the flexibility to rapidly adapt to potential changes in the strategy, operations or the business. We are committed to an integrated approach to risk management which forms the basis of a company-wide understanding of all risks that impact the organization and ensures that conscious risk management is part of the daily decision-making processes of each member of our staff. Processes are implemented to ensure appropriate allocation and segregation of responsibilities. Clear reporting lines ensure the prompt transmission of information. We recognize the importance of a strong governance framework and have adopted the "Three Lines of Defense" model that aims to ensure that the risks within the Company are managed effectively and that appropriate processes are in place for decision making and the monitoring thereof.

Our system of governance is further outlined in chapter B.

Risk Profile

Our core business revolves around the assessment and acceptance of risk and as such we have defined the risks we actively seek and those that we want to minimize. Key risks refer to underwriting risks in Life, Health and Non-Life (in the report also referred to as Property/Casualty) as well as to market risks in respect of our investment portfolio.

Overall the risk profile is similar to that of 2018 and remains focused on our key risks. As shown in the table above our solvency ratio declined in the year under review which is due to the increase in the SCR. This is mainly attributed to higher charges related primarily to Life/Health underwriting risks driven by a decline in interest rates and higher business volumes. Market risk also increased as a result of the higher market value of our equity portfolio as well as the application of the linear increase in the transitional measures. Overall, we continue to consider ourselves sufficiently capitalized. Market conditions remained generally unchanged from the previous year in most lines of business and regions. A number of important international Property/Casualty reinsurance markets saw continuing pressure on terms and conditions.

In regard to the market risk, we invest to generate competitive returns over time, while managing liquidity needs and investment risk accordingly. Our fixed income portfolio structure is composed of high quality and highly liquid investments. With the continued low interest rate environment, equities are an important asset class. We continue to allocate a significant portion of our budgeted capital to investments in equity securities. We expect to hold equity investments for long periods of time and accept that this can create short-term volatility.

Both in terms of financial strength and the sophistication of our management systems, we remain adequately positioned to successfully pursue our business strategy. We consider our capital resources sufficient and appropriately structured to meet our business needs over the short- and longer-term horizon. We have effective controls and risk management processes in place.

We neither make use of the matching and volatility adjustment nor the transitional arrangements on risk-free interest rates and technical provisions. Overall there is nothing to report on any non-compliance with the MCR or SCR over the reporting period.

Further information on the risk profile can be found in chapter C.

Valuation for Solvency Purposes

We apply the Solvency II principles for asset recognition and valuation which are based on the "going concern" and "fair value" principles.

As mentioned above the statutory financial statement of GRAG is prepared in accordance with HGB which is not based on current market values but rather the lower of cost or market value for our investment portfolio. Our Group statutory reporting is prepared in accordance with US GAAP which is similar to Solvency II based on current market values for the majority of the invested assets, however, there are differences in the valuation of the underwriting provisions. Any differences between HGB respectively and US GAAP and Solvency II are recorded in the reconciliation reserve within the own funds.

Both GRAG and GRAG Group's financial years are from 1 January to 31 December. The SFCR has been prepared by using information at the balance sheet date 31 December 2019 and includes 1 January 2020 renewal data that was available as at 31 December 2019.

For details on the valuation for solvency purposes and the difference to statutory accounting please refer to chapter D.

Capital Management

We define capital management as the planning, management and monitoring of our capitalization levels in order to ensure that the regulatory requirements as well as the internal strategic capital objectives are met at any time. With reference to the table on the previous page both SCRs are above the requirements of 100% stipulated by the supervisory authority. However, we have set an early warning threshold of 160%. In the case that the SCR falls below this threshold we will consider initiating appropriate management actions. It is important for GRAG Group to maintain sufficient own funds to cover the SCR and MCR with an appropriate buffer.

We remain comfortable with our current financial and solvency position and continue to assess the ultimate impacts that the COVID-19 pandemic may have on our business, financials and associates.

For further information on capital management we refer to chapter E.

Update on Impacts of COVID-19

Since January 2020 the COVID-19 virus continue to spread around the world. As the potential losses resulting from COVID-19 have not been included in our Solvency II Balance Sheet for the year ending 2019, we consider it important to provide an overall summary of our initial assessment of potential exposures and the anticipated impact on our business. It is important to note that this is subject to much uncertainty at present given the fact that the pandemic is still developing across the world at the time of preparing this report. However, we are monitoring the situation closely and will continue to assess and make updates, as necessary.

The anticipated increase in mortality rates resulting from the spread of the virus is not expected to have a significant impact on our life business given the anticipated age profile of deaths from this event. While we will see an increase in claims, we do not believe that these will be material in the context our book of business. Similarly, critical illness covers are not anticipated to be adversely impacted because such policies tend to only respond to diagnoses of named diseases and conditions.

Disability business is an important part of our portfolio in countries such as Germany, the UK, South Africa and Australia. Although there are certain mitigating factors such as waiting periods before claims are paid out, we do see losses arising from secondary impacts, such as mental illness and the inevitable increase in unemployment rates, which are heavily correlated with disability claims.

Medical expenses business is written across many of our Asian offices. We believe that this business also has certain mitigating factors that will reduce the incidence of losses, such as high deductibles, the reduction in elective surgeries and the actions of governments, such as the Chinese government's decision to meet all hospital costs in China.

Lastly, we do expect to see a marked increase in losses arising from credit life business, which is mainly written in Europe. As is the case with disability business, an increase in unemployment will adversely impact the level of claims in this segment. However, losses are again not expected to be material to our overall underwriting performance.

The impact on our P/C business is more challenging to estimate. We do not write significant premiums in a number of lines that are expected to be most impacted by the virus such as Travel and Contingency. Business Interruption claims are also anticipated to increase, although much will depend on the terms and conditions of policies as well as the impact of any government-led initiatives. Further, it is too early to assess the impact on more long-tail lines such as workers' compensation, D&O and E&O.

In making this statement, it is very important to recognize that the outbreak is still at a relatively early stage. The (re)insurance industry (companies, regulators, rating agencies, etc.) is in the process of gathering and analyzing information to understand better the impacts arising out of COVID-19 on different levels, including social, economic and political. This is a very complex and demanding process and it may take some considerable time to determine the overall financial impact with any degree of certainty. We continue to monitor developments closely.

The market volatility seen in equity markets worldwide has also impacted our equity portfolio. As of 31 March, the market value of our portfolio declined by 25%. While the decline in market values directly impacts our Own Funds, we do not see any liquidity stress in our portfolio due to the short duration and quality of our bond portfolio, as well as our cash equivalent balances. As a result, we would not be forced to sell our equity holdings. Our fixed income portfolio has only recorded a slight decline since year-end.

The COVID-19 pandemic has not only impacted our underwriting and investment results, but also our day to day operations. We have successfully deployed our Business Continuity Management plans in our offices around the world, enabling us to continue to service our clients and fulfill our regulatory obligations. Given the ongoing and rapidly changing developments and recent governmental decisions regarding the restriction of movement, we also clearly focused on safeguarding our people. We are continuously monitoring developments in the countries in which we operate to ensure that our plans remain flexible and can adapt to new requirements.

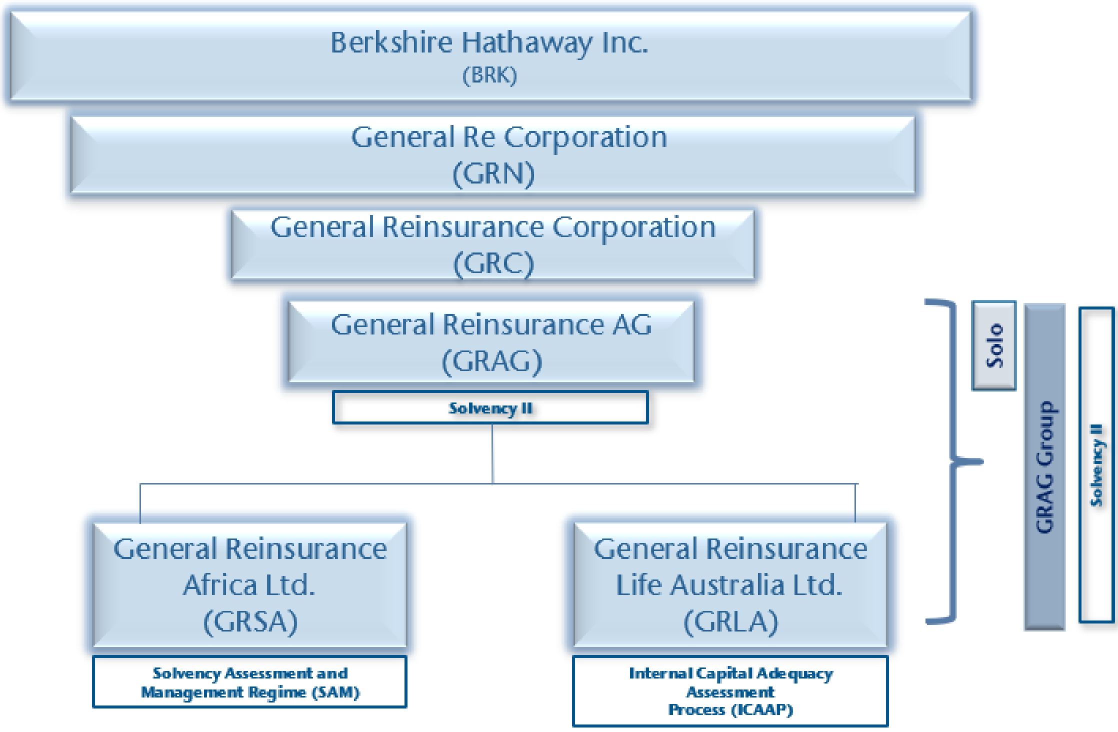
As the outbreak of the COVID-19 pandemic continues to develop, we have implemented appropriate processes to closely monitor any changes to our risk profile and our capital base taking into account the possible exposures and market developments. While our solvency position remains strong, we are evaluating different options to ensure that we continue to maintain our strong capital resources to meet our business needs over the short- and longer-term horizon.

A. Business and Performance

A.1 Business

A.1.1 General Information

GRAG Group belongs to one of the world's leading reinsurance groups and is owned by GRC which in turn is owned by General Re Corporation (GRN), a holding company wholly owned by Berkshire Hathaway Inc. (BRK).



GRAG is the parent company within the GRAG Group which includes the wholly owned (100%) subsidiaries General Reinsurance Africa Ltd. (GRSA) and General Reinsurance Life Australia Ltd. (GRLA).

GRAG Group transacts Life/Health (L/H) reinsurance business worldwide with the exception of the United States (US). In addition to traditional reinsurance products we offer a comprehensive range of services, including actuarial advice, product development, underwriting and claims management as well as software offerings in individual life insurance. Property/Casualty (P/C) business activities are conducted in all major markets apart from the US, Canada, Japan, New Zealand and Australia.

GRSA is a limited liability company incorporated in South Africa. The principal activities of GRSA involve the reinsurance of life and non-life insurance risks, such as those associated with death, disability, health, property and liability. The company's range of products is offered to the sub-Saharan Africa market; the company is regulated by the Prudential Authority (PA) of South Africa.

GRLA conducts life reinsurance business in Australia under its Australian Prudential Regulation Authority (APRA) license and in its New Zealand branch business in New Zealand and the Pacific region under licenses from APRA and the Reserve Bank of New Zealand (RBNZ).

Company information is disclosed below.

Company Information	
Company name and address	General Reinsurance AG Theodor-Heuss-Ring 11 50668 Cologne Germany
Responsible supervisor (solo and group)	Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) Graurheindorfer Str. 108 53117 Bonn Germany Postfach 1253 53002 Bonn Phone: 0228 / 4108 - 0 Fax: 0228 / 4108 - 1550 E-Mail: poststelle@bafin.de De- Mail: poststelle@bafin.de-mail.de
External auditor	Deloitte GmbH Wirtschaftsprüfungsgesellschaft Schwannstraße 6 40476 Düsseldorf Germany
Direct parent company	General Reinsurance Corporation, Stamford, Connecticut, USA, 100% holding of the voting share capital.
Ultimate parent company	Berkshire Hathaway Inc, Omaha, Nebraska, USA.
Responsible supervisor for (re)insurance (BRK)	The Nebraska Department of Insurance PO Box 82089 Lincoln, Nebraska 68501 - 2089 USA
External auditor	Deloitte & Touche LLP First National Tower 1601 Dodge Street, Ste. 3100 Omaha, NE 68102-1649 USA
Distributions to shareholders	For the business year 2019 no dividend was distributed to shareholders
Number of employees	General Reinsurance Group: 725 General Reinsurance AG: 613

A.1.2 Information on Branches, Representative Offices and Subsidiaries

As outlined below GRAG Group is represented worldwide by branches, representative offices and subsidiaries.

Name of Branch	Location
General Reinsurance AG Vienna Branch	Vienna, Austria
General Reinsurance AG Shanghai Branch	Shanghai, China
General Reinsurance AG Hong Kong Branch	Hong Kong, China
General Reinsurance Copenhagen Branch Filial af General Reinsurance AG Tyskland	Copenhagen, Denmark
General Reinsurance-Succursale Paris	Paris, France
General Reinsurance - Rappresentanza Generale Per l'Italia della General Reinsurance AG	Milan, Italy
General Reinsurance AG Tokyo Branch	Tokio, Japan
General Reinsurance AG Beirut Branch	Beirut, Lebanon
General Reinsurance Labuan Branch	Labuan, Malaysia
General Reinsurance Seoul Branch	Seoul, South Korea
General Reinsurance AG Singapore Branch	Singapore, Singapore
General Reinsurance AG Sucursal en España	Madrid, Spain
General Reinsurance AG Taiwan Branch	Taipeh, Taiwan
General Reinsurance London Branch	London, United
General Reinsurance AG India Branch	Mumbai, India
Name of Representative Office	**Location**
General Reinsurance AG Beijing Representative Office	Beijing, China
General Reinsurance AG Oficina de Representación en Mexico	Mexiko City, Mexiko
General Reinsurance AG Moscow Representative Office	Moscow, Russia
General Reinsurance AG Oficina de Representación en Argentina	Buenos Aires, Argentina

Name of subsidiary	Type of company	Source of income	Location	Holding
General Reinsurance Life Australia Ltd.	Life reinsurance company	Underwriting and investment	Sydney, Australia	100% holding of the voting share capital
General Reinsurance Africa Ltd.	Life and property casualty reinsurance company	Underwriting and investment	Cape Town, South Africa	100% holding of the voting share capital
General Reinsurance AG Escritório de Representação no Brasil Ltda.	Service company providing non-life marketing services	Service fee	São Paulo, Brazil	100% holding of the voting share capital
Gen Re Beirut s.a.l. offshore	Service company providing underwriting and administrative services	Service fee	Beirut, Lebanon	100% holding of the voting share capital
General Reinsurance México S.A.	Service company providing underwriting and administrative services	Service fee	Mexico City, Mexico	100% holding of the voting share capital
Gen Re Support Services Mumbai Private Limited	Service company providing life and non-life marketing services	Service fee	Mumbai, India	100% holding of the voting share capital

We consider GRLA and GRSA as our material subsidiaries. Business conducted out of our reinsurance subsidiaries adhere the same business philosophy and strategy as that of the parent company, which is to only write business that will generate an underwriting profit.

In 2019, the Group reported total net earned premiums under US GAAP of Euro 3,726,309 thds (2018; Euro 3,057,033 thds) which are broken down as follows:

- GRAG, Euro 3,386,455 thds (90.9%), 2018: Euro 2,730,953 thds (89.3%),
- GRLA, Euro 144,457 thds (3.9%), 2018: Euro 155,466 thds (5.1%),
- GRSA, Euro 195,398 thds (5.2%), 2018: Euro 170,613 thds (5.6%).

The remaining subsidiary companies of the Group provide marketing and accounting/administrative services to other affiliated companies and branches, to enable them to conduct reinsurance business in their respective locations. They are not considered material and have been excluded from group supervision following BaFin approval.

There are no differences between the scope of the Group used for the consolidated financial statement and the scope of the Group that was used in preparation of the Solvency II balance sheet.

A.1.3 Significant intra-group Transactions

There are several transactions within the group entities which include service fees for shared administrative expenses, personnel and underwriting services, as well as retrocession agreements.

All business relations with related parties are concluded at arm's length conditions according to the transfer pricing guidelines and service agreements across the Group. These regulate the principles of inter-company services settlement as well as the distinction between chargeable services and stewardship expenses. The guideline defines the process and requirements of pricing, invoicing and documentation and thus contributes to an improved transparency, corporate-wide consistency and compliance. The agreed remuneration is generally accounted for on a full cost basis plus profit margin.

With effect from 1 January 2017, GRAG entered into a 20% quota share agreement with its parent, General Reinsurance Corporation. This covers all property and casualty business written by GRAG, its branches and subsidiaries.

Since 1 April 2020, we have been writing Japanese non-life business, which was previously written by GRC. As this business generally includes natural catastrophe covers, we have concluded an additional retrocession agreement with GRC to mitigate the resulting risk.

In the third quarter of 2017, our subsidiary GRLA wrote a very large block of business which involves substantial financing. 90% of the main financing transaction within this business is retroceded to our US sister company General Re Life Corporation (GRL).

A.1.4 Significant Business or other Events over the Reporting Period

The overall situation in the international **life/health** insurance markets has not changed significantly compared to 2018. The continuing period of low interest rates in many regions makes it difficult for life insurers to offer attractive products with long-term financial guarantees and to meet the return requirements for existing portfolios. Given the state of financial markets, most life insurers continue to focus their new business activities on protection-type products and saving products which offer only low or even no financial guarantees. The economic environment came under increasing stress for a number of reasons, including global trade disputes. This will likely result in a reduction in disposable incomes, although it is difficult to say whether any impacts on new business were already felt in 2019.

As a reinsurer focusing on biometric risks, our business and our results are impacted to only a minor extent by the prevailing low interest rate environment. Our growth is generated in large part by assisting our clients with product development and innovation in the area of biometric risks.

In view of the challenges facing most primary markets, Gen Re's service capabilities and financial strength constitute key competitive advantages.

As in the previous year, developments in key markets were again rather varied in the year under review, resulting in a challenging environment overall for our business. Growth was achieved in various segments and markets and was particularly notable in China and the Middle East. Nevertheless, other markets (Malaysia, Central America, UK) also played a significant part in our growth.

We continue to concentrate first and foremost on the development of new products in the area of disability insurance in general, and more specifically on innovative forms of occupational disability and critical illness covers as well as long-term care insurance. Our expertise in the development of essential disability covers is particularly appreciated by our clients and led to substantial new business in this segment. Against the backdrop of very intense price competition over traditional products, we help our clients to diversify their portfolios and reduce reliance on long-term interest rate guarantees.

Our expertise and our extensive range of quality services in the areas of product design and pricing, underwriting systems and claims management are highly sought-after and consistently open up attractive new business opportunities.

The digital transformation remains an important challenge for the insurance industry. We are seeing insurance companies of all sizes starting to integrate new digital components into their value chain. Most of the innovative ideas are still focused on property/casualty insurance so far, but life insurance applications are gaining ground.

Our consultancy offerings in relation to digitalization have met with considerable interest among our clients. This not only encompasses areas such as underwriting and claims management systems, but also extends to aspects of product design and innovative approaches to risk selection as well as customer retention. We have introduced promising InsurTech start-ups to our clients and are jointly exploring opportunities for cooperative ventures.

For quite a while now, we have been testing the possibilities of a streamlined underwriting process. In this context we have now developed a prototype application which has generated lively interest among our clients, not only in Germany but also internationally.

In Asia the life/health insurance industry continues to enjoy robust growth despite the impact of the US-China trade dispute. Especially in the area of health and illness covers we are seeing vigorous activity. Increasing consumer awareness of the importance of life and health insurance coverage offers us consistent growth opportunities in selected markets, including for example in China, India and Vietnam.

Online distribution of life/health insurance products continues to grow in importance in China. Other Asian markets are similarly seeing remarkable developments in online distribution, albeit with limited market shares to date. The trend is increasingly towards generating more synergies between various distribution channels, including online sales. The use of Artificial Intelligence and data analytics to increase market share and improve customer satisfaction remains a hot topic. We work on these topics with various partners and offer solutions to our Asian clients.

We continue to actively explore the latest developments in Decision Analytics, Predictive Modelling and Behavioral Economics as well as their application for the benefit of our clients and hence also for our own continuing success in an extremely challenging environment.

In regard to the COVID-19 pandemic, for life/health, we currently believe that our business volumes should not suffer greatly. It is fair to say that we do not expect much growth, if any, as the production of new business is likely to slow down significantly. However, existing premium volumes should remain relatively stable and we do anticipate some new business opportunities as a result of heightened awareness of the importance of insurance products. In this respect, we are also reviewing our underwriting guidelines and protocols, as well as our terms and conditions in response to our evaluation of new potential exposures arising from the pandemic.

Referring to **property/casualty** reinsurance markets competition remains fierce due to continued high levels of available capacity. Rates were generally stable in 2019 despite the margin pressure experienced by the reinsurance market. Nevertheless, in most territories we were able to increase our volume of written premium whilst maintaining our underwriting standards. We have continued to increase our shares with key clients internationally, enabling us to grow our business without materially altering our risk profile. The strongest growth derived from specific client relationships in the UK and Italy as well as from our multinational client base.

Due to our consistent risk-based underwriting approach, our commitment to direct business as well as our service quality and financial strength, we continued to benefit from a high client retention rate. This enabled us to preserve the quality of our portfolio with technically adequate pricing.

We vigorously stepped up our activities in the Dutch market in the 2019 business year. We were able to write new business across all lines, with particularly appreciable premium growth being achieved in the motor and property insurance segments through several participations in significant proportional and non-proportional programs. Our goal is to further expand our business relationships in this market.

Over the last decade Latin America has made impressive strides in economic development, although the recent social unrest in Chile as well as economic and political instability in Argentina, Brazil and Venezuela highlight the continued challenges that this region faces in making long-term and sustainable progress. It is our assumption that insurance markets will continue to play a pivotal role in the region’s development. We therefore expect business opportunities to improve over time and are ready to act on them.

In 2019 we enjoyed further success in acquiring new business and clients, albeit at a muted pace that reflects market competition and the challenges discussed above. The loss experience was impacted in 2019 by large property losses as well as exposure to the Chilean riots. This was partially offset by the favorable development of prior-year reserves.

Turning to Asia, we saw a noticeable increase in opportunities in this region as a result of our marketing efforts and continued close engagement with key target clients. We generated growth in most major countries of this region. However, it must be emphasized that both the primary and reinsurance markets remain extremely competitive, although the landscape may change given the impact of the COVID-19 pandemic. We are nevertheless still optimistic that further attractive business opportunities will open up in view of continuing market growth, both in terms of premium volume and the number of insurance companies.

As a result of the COVID-19 pandemic we have yet to see any discernible trends in rates or in terms and conditions. We are therefore unable to determine the potential impact on our property/casualty business with any degree of confidence. We do believe that business opportunities will arise as a result of our financial strength and stability, as well as the expertise we are able to bring to our clients in helping them deal with the exposures arising from the pandemic.

International capital markets continued to be influenced by central bank monetary policy. Most notably, the expansionary monetary policy in the euro area remained in place in the form of negative interest rates and quantitative easing resumed in November 2019. While equity markets showed significant gains overall in 2019, fears over escalating trade tensions dampened sentiment. Interest rates remained close to 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 the savings components of life insurance.

Current regulatory trends require companies to continuously re-examine the effectiveness of their governance and oversight. We are seeing a number of new or proposed regulations and associated increasing regulatory complexity in areas such solvency regulations, accounting standards, data protection legislation and information security requirements, all of which challenging to deal with, particularly in consideration of our global footprint. We continue to monitor the potential impacts that other international solvency regimes may have on the corporate group as a whole.

Following Brexit at the end of January 2020 and potential implications, we continue to monitor developments and decisions being made that affect the operation and regulation of (re)insurance markets. We have contingency plans in place to deal with any eventualities. We do not expect our business model in the UK to be seriously affected.

Given the significantly disruptive impact of the COVID-19 pandemic, it is important to note that this is subject to much uncertainty at present considering that the pandemic is still developing across the world at the time of preparing this report. As already stated above, it is still too early to make any definitive assessment of the impact of the pandemic on the incidence of losses and associated claims payments.

A.2 Underwriting Performance

A.2.1 Overall Underwriting Performance 2019

Our underwriting performance is shown in the table below. Considering that GRAG Solo represents the major part of the business and that there is only a minimal difference between GRAG Group and GRAG Solo, our explanations refer to both GRAG and GRAG Group. However, we would like to point out that the figures for GRAG Solo are based on HGB whereas GRAG Group figures are prepared in accordance with US GAAP. For further information on the overall performance of GRAG Solo we refer to the Annual Report 2019 of GRAG which is available on our website.

Underwriting Performance	GRAG Solo HGB		GRAG Group US GAAP	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Property/Casualty				
Gross written premium	1,725,411	1,365,792	1,706,378	1,369,167
Net earned premium	1,300,930	1,009,979	1,240,500	985,927
Underwriting result*	178,090	190,050	162,420	181,460
Life/Health				
Gross written premium	2,313,495	1,900,909	2,805,636	2,404,010
Net earned premium	2,195,484	1,785,954	2,485,809	2,071,106
Underwriting result*	180,956	169,072	142,899	155,603
Total				
Gross written premium	4,038,906	3,266,700	4,512,014	3,773,177
Net earned premium	3,496,415	2,795,933	3,726,309	3,057,033
Underwriting result*	359,047	359,122	305,319	337,064

*Underwriting result for US GAAP incl. other expenses

The total net earned premium of GRAG Group grew by 21.9% from Euro 3,057,033 thds in the previous year to Euro 3,726,309 thds in 2019, an increase consistent with the expanded risk appetite noted in last year's report. We benefited from major growth opportunities in various areas, most notably in health business in Asia as well as in casualty lines in Europe and Israel, while premium in life and in property lines also increased. This is the result both of securing new clients and expanding our existing relationships.

The net earned premium in the **Property/Casualty** business strongly by 25.8% from Euro 985,927 thds in 2018 to Euro 1,240,500 thds in 2019. Our performance in property and casualty reinsurance was very good, to a large extent due to the favorable development of the loss reserves noted above. A significant proportion of our portfolio is long-tail business which produces initial underwriting losses followed by investment income earned on the reserves in the future. Following an underwriting result of Euro 181,460 thds in 2018, the year under review produced a profit of Euro 162,420 thds.

Life/health business increased by 20.0% (2019: Euro 2,485,809 thds, previous year: Euro 2,071,106 thds) and closed with another excellent underwriting result (2019: Euro 142,899 thds, 2018 year: Euro 155,603 thds). Virtually all areas of business played a part in this pleasing performance.

In the following section we provide more details on the underwriting performance by line of business and regions.

A.2.2 Underwriting Performance 2019 by Line of Business and Geographical Area

We usually split our business into two business segments which is life/health and property/casualty reinsurance encompassing liability, accident and motor, fire and property, marine, engineering and sundry classes of reinsurance.

In the following tables, we provide you with information on the underwriting performance of GRAG Solo (HGB) and GRAG Group (US GAAP) classified in accordance with the Solvency II lines of business compared to the previous year. Explanations refer to GRAG Group figures.

Underwriting Performance per Solvency II LoB	Gross Written Premium		Net Earned Premium		Underwriting Result	
GRAG Solo - HGB	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Non-Life						
Income protection	14,397	12,662	11,543	9,939	904	-2,958
Motor vehicle liability	300,108	288,256	229,743	195,671	20,920	6,209
Other motor	261,167	125,920	180,458	84,939	-4,163	-3,339
Marine, aviation and transport	24,399	26,182	18,553	20,170	3,246	11,249
Fire and other damage to property	430,066	350,910	324,003	267,600	-1,050	31,256
General liability	111,127	84,650	85,358	62,439	16,592	20,783
Credit and suretyship	1,361	1,775	1,435	1,273	3,320	-248
Non-proportional health	45,652	32,457	44,427	30,868	4,650	1,566
Non-proportional casualty	241,394	208,044	177,971	155,028	30,571	28,560
Non-proportional marine, aviation and transport	20,450	18,105	15,570	14,163	7,257	24,960
Non-proportional property	275,290	216,829	211,870	167,889	95,845	72,011
Total Non-Life	**1,725,411**	**1,365,792**	**1,300,930**	**1,009,979**	**178,090**	**190,050**
Life/Health						
Life	1,270,329	1,131,687	1,226,752	1,102,491	67,703	104,549
Health	1,043,166	769,221	968,732	683,463	113,254	64,523
Total Life/Health	**2,313,495**	**1,900,909**	**2,195,484**	**1,785,954**	**180,956**	**169,072**
Total	**4,038,906**	**3,266,700**	**3,496,415**	**2,795,933**	**359,047**	**359,122**

Underwriting Performance per Solvency II LoB	Gross Written Premium		Net Earned Premium		Underwriting Result	
GRAG Goup - US GAAP	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Non-Life						
Income protection	14,396	12,677	11,553	9,915	844	-3,031
Motor vehicle liability	294,500	290,435	221,181	186,699	20,211	5,775
Other motor	255,830	130,173	144,014	80,011	-2,022	-2,338
Marine, aviation and transport	24,370	25,986	18,100	20,095	3,058	11,141
Fire and other damage to property	428,503	355,170	318,036	267,671	-2,220	32,350
General liability	110,188	84,322	83,150	60,254	15,249	20,407
Credit and suretyship	1,388	1,828	1,317	1,165	3,275	-195
Non-proportional health	45,013	29,688	43,611	28,113	4,137	796
Non-proportional casualty	238,341	209,792	174,346	155,844	27,090	28,424
Non-proportional marine, aviation and transport	20,325	17,603	15,456	13,820	7,005	23,833
Non-proportional property	273,524	211,492	209,737	162,342	93,015	67,222
Total Non-Life*	**1,706,378**	**1,369,167**	**1,240,500**	**985,927**	**162,420**	**181,460**
Life/Health						
Life	1,580,335	1,451,558	1,401,759	1,277,968	105,394	110,010
Health	1,225,301	952,453	1,084,050	793,137	46,335	49,283
Total Life/Health*	**2,805,636**	**2,404,010**	**2,485,809**	**2,071,106**	**142,899**	**155,603**
Total*	**4,512,014**	**3,773,177**	**3,726,309**	**3,057,033**	**305,319**	**337,064**

*Total underwriting result incl. other expenses

Non-Life

Gross written premium non-life business increased by 24.6% to Euro 1,706,378 thds (2018: Euro 1,369,167 thds).

In line with gross written premium our non-life net earned premium also grew strongly by 25.8% from Euro 985,927 thds in 2018 to Euro 1,240,500 thds in 2019. As in the previous year, we retroceded 20% of this portfolio to our parent company, General Reinsurance Corporation.

We also benefited from an improvement in our expense ratio due to the growth in business as well as undiminished rigorous cost discipline. In 2019 we achieved an underwriting result of Euro 162,420 thds (2018: Euro 181,460 thds).

On average, we recorded a slight improvement in the pricing strength of the portfolios renewed in 2019. Our catastrophe exposures rose in the year under review, consistent with our overall premium growth as we maintained a balanced portfolio.

Details on the largest lines of business based on premium volume are as follows:

Our gross premium income in **motor vehicle liability, other motor and non-proportional casualty reinsurance** increased by 25.1%, driven mainly by new business in the UK and Italy and resulting in an underwriting profit of Euro 45,279 thds (2018: Euro 31,861 thds). A large part of our business originates from non-proportional motor reinsurance markets with very long payment patterns.

The establishment of undiscounted reserves for the nominal value of claims leads to underwriting losses; however, future investment income earned over time covers these losses as well as our profit margins. The improved combined ratio in 2019 was attributable to a favorable development of loss reserves established in prior years.

Primary property markets remained highly competitive. Nevertheless, our premium income in **fire and other damage to property** increased by 20.6% to Euro 428,503 thds (2018: Euro 355,170 thds) and in **non-proportional property reinsurance** by 29.3% to Euro 273,524 thds (2018: Euro 211,492 thds). Underlying rates on commercial as well as industrial insurance business have increased materially in many territories, leading to more profitable proportional reinsurance opportunities. Similarly, the persistently poor large loss experience has prompted many clients to embark on remediation projects aimed at improving risk selection and reducing exposures to larger risks or insureds that attach less importance to risk management. This in turn has created opportunities for us to grow our property facultative reinsurance business in some markets. Major property and catastrophe losses were below expectations for the year, which helped to produce another year of strong underwriting profit for this segment.

Our premium from **general liability** increased by 30.7% to reach Euro 110,188 thds. This class closed with an underwriting gain of Euro 15,249 thds (2018: Euro 20,407 thds). As in motor insurance, this profit was due to the favorable development of reserves set aside for losses from prior years.

Life/Health

Our life and health reinsurance business recorded another very pleasing development in 2019, along with an overall favorable claims experience. At Euro 142,899 thds, the underwriting result came in slightly below the level of the previous year (Euro 155,603 thds). The risk experience for mortality and morbidity was favorable overall, even though in disability we observed negative developments in some markets.

Gross written premiums increased by 16.7% to Euro 2,805,636 thds (2018: Euro 2,404,010 thds). Net earned premium in life and health insurance increased by 20.0% in the year under review to Euro 2,485,809 thds (2018: Euro 2,071,106 thds).

As in the previous year, developments in key markets were again rather varied in the year under review, resulting in a challenging environment overall for our business as described below**.** Growth was achieved in various segments and markets and was particularly notable in China and the Middle East. Nevertheless, other markets (Malaysia, Central America, UK) also played a significant part in our growth.

Unadjusted for currency effects, gross premium income in **life reinsurance** increased from Euro 1,451,558 thds in the previous year to Euro 1,580,335 thds in 2019. The year under review closed with a very pleasing underwriting profit of Euro 105,394 thds (2018: Euro 110,010 thds).

In **health reinsurance** our gross premium income increased to Euro 1,225,301 thds (2018: Euro 952,453 thds). Mainly thanks to our product development services, we again benefited from growth opportunities in some Asian markets, especially China. We generated an underwriting profit of Euro 46,335 thds. (2018: Euro 49,283 thds.)

The tables below show the underwriting performance by geographical area in comparison to the previous year.

Underwriting Performance by Geographical Area GRAG Solo - HGB	Gross Written Premium 2019 €'000	Net Earned Premium 2019 €'000	Underwriting Result 2019 €'000
Germany	516,844	415,567	96,469
Great Britain	403,597	280,333	11,499
Italy	120,589	84,883	10,148
Israel	114,642	80,523	-2,749
Russia	89,049	65,580	1,960
Spain	57,523	45,135	11,758
Remainder	423,168	328,910	49,006
Total Non-Life	**1,725,411**	**1,300,930**	**178,090**
China	666,428	606,785	28,571
Great Britain	285,228	279,830	20,451
Germany	218,609	209,063	46,989
Taiwan	78,728	78,815	13,093
Hong Kong	75,280	75,684	12,779
France	67,998	58,937	10,229
Remainder	921,224	886,370	48,844
Total Life/Health	**2,313,495**	**2,195,484**	**180,956**
Total	**4,038,906**	**3,496,415**	**359,047**

Underwriting Performance by Geographical Area GRAG Solo - HGB	Gross Written Premium 2018 €'000	Net Earned Premium 2018 €'000	Underwriting Result 2018 €'000
Germany	495,542	391,126	116,446
Great Britain	276,525	179,033	43,954
Italy	89,660	64,203	-9,686
Israel	70,013	45,883	-979
Russia	48,947	32,362	2,554
Spain	48,337	37,406	7,870
Remainder	336,767	259,965	29,890
Total Non-Life	**1,365,792**	**1,009,979**	**190,050**
China	456,526	379,214	8,106
Germany	229,051	228,682	25,725
Great Britain	200,817	194,423	31,013
Barbados	82,205	79,965	3,998
France	81,370	71,986	9,868
Hong Kong	75,736	75,393	12,001
Remainder	775,203	756,291	78,361
Total Life/Health	**1,900,909**	**1,785,954**	**169,072**
Total	**3,266,700**	**2,795,933**	**359,122**

Underwriting Performance by Geographical Area GRAG Group - US GAAP	Gross Written Premium 2019 €'000	Net Earned Premium 2019 €'000	Underwriting Result 2019 €'000
Germany	516,648	412,173	91,409
Great Britain	395,832	264,500	10,817
Italy	120,545	55,978	12,030
Israel	110,291	75,645	-3,447
Russia	85,527	61,910	3,177
Spain	57,463	44,787	11,334
Remainder	420,071	325,508	37,099
Total Non-Life*	**1,706,378**	**1,240,500**	**162,420**
China	667,895	608,190	31,236
Australia	350,560	151,242	-62,212
Great Britain	278,335	273,035	18,499
South Africa	197,464	195,780	-1,279
Germany	192,005	182,207	44,276
Taiwan	76,332	76,459	13,095
Remainder	1,043,045	998,896	99,285
Total Life/Health*	**2,805,636**	**2,485,809**	**142,899**
Total*	**4,512,014**	**3,726,309**	**305,319**

*Total underwriting result incl. other expenses

Underwriting Performance by Geographical Area GRAG Group - US GAAP	Gross Written Premium 2018 €'000	Net Earned Premium 2018 €'000	Underwriting Result 2018 €'000
Germany	495,217	389,954	114,579
Great Britain	286,925	176,015	43,101
Italy	89,583	62,701	-10,857
Israel	69,805	42,999	-1,204
Russia	51,642	28,333	2,269
Spain	48,308	37,179	7,757
Remainder	327,688	248,746	25,815
Total Non-Life*	**1,369,167**	**985,927**	**181,460**
China	454,983	378,006	6,908
Australia	376,189	160,910	-4,836
Great Britain	233,193	232,821	25,112
Germany	175,416	168,002	32,652
South Africa	172,404	170,874	1,942
Barbados	83,001	80,757	3,685
Remainder	908,824	879,736	90,141
Total Life/Health*	**2,404,010**	**2,071,106**	**155,603**
Total*	**3,773,177**	**3,057,033**	**337,064**

*Total underwriting result incl. other expenses

Non-Life by Geographical Area

In most **European markets**, the impact of losses from natural catastrophe events on **our clients** was comparatively modest in 2019.

Despite continuing economic instabilities and geopolitical uncertainties, vigorous competition and abundant capacity prevailed. In the aftermath of the heavy losses caused by natural catastrophes in the US in the previous two years, we saw some stabilizing effects on both rates and conditions in the European insurance and reinsurance markets in 2019.

The international non-life developed well in 2019 and the segment will continue to pursue a profit-oriented underwriting policy.

Thanks to strong client loyalty and some success in acquiring new accounts, our business in **Germany** again developed positively overall in 2019.

Our premium from liability business showed a slight decrease compared to last 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 in above-average claims inflation continued in 2019, driven by price increases for spare parts but offset by decreasing claims frequency. After the exceptionally low hailstorm losses in the previous year the loss experience normalized again in 2019. Nevertheless, the result of our motor business improved on 2018 due to the positive run-off of losses from prior years.

Some important segments of the primary property insurance market remained fiercely competitive at inadequate pricing levels. Commercial and, most notably, industrial fire insurance are still suffering from inadequate pricing, but there are signs of market hardening.

Losses from natural catastrophes were mainly due to Windstorm Eberhard in March and were in line with our average expectations. In comparison to the previous year, the loss burden of major fire claims decreased somewhat, but the profitability of German property insurance business is still a challenge.

Our premium volume in the engineering insurance classes in Germany remained stable compared to last year. Our result was not impacted by any sizeable losses.

In 2019 the German marine insurance market produced another positive result. Since the few large market losses that occurred this year did not materially affect our business, the results from our book of German marine business were again positive in 2019.

The **UK motor market** continued to offer us new opportunities as a result of the capital-intensive and volatile nature of the business, which is highly sensitive to changes in the so-called Ogden discount rate. By means of the Ogden tables the UK government prescribes actuarial parameters for, among other things, the discount rate to be used in calculating lump-sum settlements for personal injury claims. Since the much-anticipated increase in the discount rate in 2019 turned out to be lower than expected, this is likely to exert upward pressure on insurance and reinsurance rates in 2020. The extent to which we maintain this portfolio for 2020 will depend on the adequacy of those rates. Furthermore, we have seen substantial growth in our Italian book, driven by opportunities to support key clients' motor insurance portfolios.

Russia is playing an increasingly important part in our international property/casualty business. Robust economic growth has been generated since the severe financial crisis of 2014, and this has been especially true of the insurance industry. We are very well positioned thanks to our strong local market presence.

Our primary focus remains on the motor own damage and property insurance lines, and in recent years we have written a significant premium volume with a growing number of clients. We continued to increase our shares with key clients during 2019.

Life/Health by Geographical Area

In **Asia** the life and health insurance industry continues to enjoy robust growth despite the impact of the US-China trade dispute. Especially in the area of health and illness covers we are seeing vigorous activity. Increasing consumer awareness of the importance of life and health insurance coverage offers us consistent growth opportunities in selected markets, including for example in China. However, we are also seeing adverse claims experiences in some portfolios. In such cases we work closely with our clients to address the issues by analyzing the causes and improving the risk management policy and processes as well as by modifying the sales and marketing strategies, where necessary.

In **Australia** the company wrote a large block of business in 2017 which involved a substantial financing component. Ninety percent of the main financing transaction within this business was retroceded to our US sister company GRL. This portfolio is now in run-off as such the premium declined in 2019. In the year under review the company substantially increased its reserves, primarily in order to take account of the decline in interest rates but also in response to lower reactivations among recipients of disability pensions.

Our **German** business once again performed very satisfactorily, and we were successful in identifying growth opportunities which were basically generated by assisting our clients with product development and innovation in the area of biometric risks.

Our portfolio in the **United Kingdom** and **Ireland** has continued to grow at a stronger pace than the average market growth. We retained our relationships with all our existing clients and were successful in adding some new clients. These new business relationships have been established in a mix of existing business segments, new product lines and InsurTechs. Our Protection Pulse study tracking sales in the UK market showed year-on-year market growth of 6% in products for protection against biometric risks. We remain confident that this will open up new opportunities for us going forward.

As far as the potential implications of Brexit are concerned, we have contingency plans in place to deal with any eventualities. We do not expect our business model in the UK to be seriously affected.

Overall, our life and health reinsurance business recorded another thoroughly pleasing development in 2019, along with favorable claims experience. The underwriting result came in at the same level of the previous year. As a whole the risk experience for mortality, disability and morbidity was favorable.

A.3 Investment Performance

A.3.1 Overall Investment Performance and by Relevant Asset Class

The table below shows the split of investment income by asset class for GRAG Solo and GRAG Group compared to the previous year. For further details on the investment volume we refer to Chapter D.1.

Investment Performance	GRAG Solo HGB 2019 €'000	GRAG Solo HGB 2018 €'000	GRAG Group US GAAP 2019 €'000	GRAG Group US GAAP 2018 €'000
Income from holdings in related undertakings, including participations	1,071	1,079	0	0
Income from equities - listed	102,478	99,603	102,547	99,808
Income from goverment bonds	44,975	41,074	79,703	68,333
Income from corporate bonds	19,032	20,468	9,913	15,156
Income from collective investments undertakings	0	0	-1,284	-874
Income from deposits other than cash equivalents	-56	326	276	255
Income from other investments	2,127	2,097	2,129	2,266
Income from loans and mortgages	24,240	24,240	24,240	24,240
Investment expenses	-4,663	-4,500	-5,502	-5,209
Interest on reinsurance deposits	55,237	54,476	1,165	1,067
Less income from technical interest	-51,156	-50,990	0	0
Current investment income	**193,288**	**187,873**	**213,188**	**205,042**
Gains/(losses) on investments	-32,441	23,121	379,689	-766,329
Write-ups/(depreciation) on investments	90,672	-339,129	0	0
Total investment income	**251,519**	**-128,134**	**592,876**	**-561,288**

Under both accounting principles US GAAP and HGB we recorded a gain in our total investment income compared to last year. For GRAG Group (US GAAP) the investment income increased to Euro 592,876 thds which was mainly driven by net gains of Euro 379,689 thds as a result from the good market performance. The investment income for GRAG Solo (HGB) resulted in a gain of Euro 251,519 thds, largely impacted by the write-ups on one equity security.

Interest rates were again extremely low. In 2019 the dividend income was higher as the current equity securities increased their distribution to the shareholders due to the strong economic environment. Income from the Group's equity portfolio amounted to Euro 102,547 thds (GRAG Solo Euro 102,478 thds). On group level we generated a return of 1.2% in our bond portfolio and a dividend yield of 5.2% in our equity portfolio.

The COVID-19 pandemic has led to even greater uncertainty as to interest rate levels. We expect that interest rates will stay at a very low level. The dividend income will likely be reduced due to potential cuts in distributions to shareholders given the deteriorating global economic outlook.

A.3.2 Information on Gains and Losses Recognized Directly in Equity

The table below provides information on GRAG Group's gains and losses recognized directly in equity.

Reconciliation of Shareholder's Equity	GRAG Group US GAAP 2019 €'000	GRAG Group US GAAP 2018 €'000
Ordinary share capital	55,000	55,000
Share premium account	866,174	866,174
Retained earnings	3,555,205	2,812,487
Gains / losses recognized directly in equity	-245,914	-249,702
- Currency translation	-187,100	-216,878
- Unrealized appreciation of investments	27,179	20,683
- Pension deficit	-85,993	-53,507
Total	**4,230,465**	**3,483,959**

In accordance with the German Commercial Code (HGB) GRAG solo does not record any gains or losses directly in shareholder's equity.

A.3.3 Information on Investments in Securitization

GRAG Group does not hold or trade in any investments in tradable securities or other financial instruments based on repackaged loans.

A.4 Performance of Other Activities

Our main business activity refers to reinsurance and therefore we do not have any other significant business activities. The tables below show an analysis of the other income/expenses of GRAG Solo and GRAG Group in comparison to the previous year:

Other Income / Other expenses	GRAG Solo HGB 2019 €'000	GRAG Solo HGB 2018 €'000
Other Income		
Release of bad debt provision	3,331	1,326
Foreign exchange rate gains	30,365	21,187
Income from discounting other reserves	3,780	9,045
Income from charging services rendered	2,439	2,366
Income from interest on taxes	9,157	178
Sundry other income	2,262	2,301
Total other income	**51,333**	**36,404**
Other Expenses		
Foreign exchange rate losses	13,753	23,332
Bad debt expense on accounts receivable	3,279	1,050
Expenses from interest on taxes	837	52,603
Interest expenses from discount accretion of other provisions	10,060	91
Interest on pension reserves	28,346	25,484
Audit fees and other year-end closure expenses	2,328	2,362
Expenses from charging services rendered	2,317	2,248
Sundry other expenses	8,407	5,096
Total other expenses	**69,328**	**112,266**
Total other income/other expenses (-)	**-17,995**	**-75,863**

Other Income / Other expenses	GRAG Group US GAAP 2019 €'000	GRAG Group US GAAP 2018 €'000
Other Income		
Foreign exchange gain	2,151	11,795
Rental income	53	49
Gain on sale of fixed assets	12	0
Runoff-other margin	1,037	171
Other interest	347	199
Sundry other income	1,698	1,798
Total other income	**5,299**	**14,012**
Other Expenses		
Foreign exchange loss	13,055	8,549
External services	22	13
Bad debt - receivable	3,106	-89
Loss on sale of fixed assets	9	-3
Taxes	2,373	8,857
Other interest	121	315
Sundry other expenses	2,663	2,984
Total other expenses	**21,350**	**20,626**
Total other income/other expenses (-)	**-16,051**	**-6,614**

Significant Leasing Agreements

GRAG Group does not have significant operational or financial leasing arrangements.

A.5 Any Other Information

There are no further disclosures to be reported.

B. System of Governance

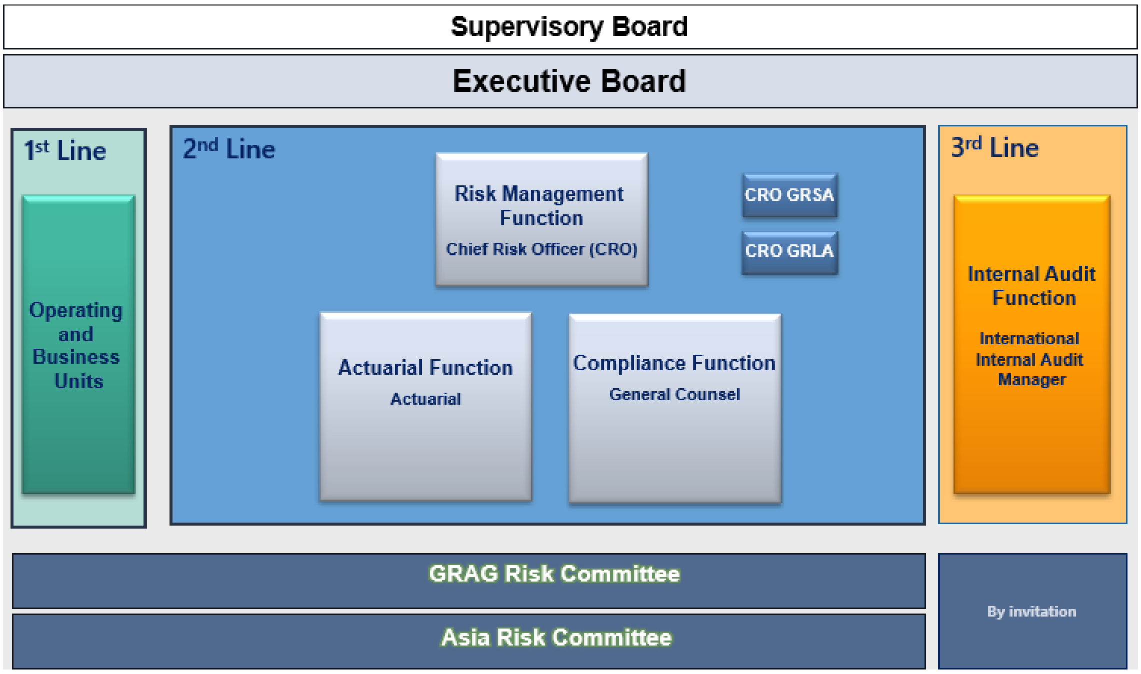
B.1 General Information on the System of Governance

B.1.1 Overview of the System of Governance and the Internal Organizational Structure

The system of governance and the organizational and operational structures are set up to support GRAG Group's strategic objectives, whilst retaining the flexibility to rapidly adapt to potential changes in the strategy, operations or the business. GRAG as parent company is considered the entity responsible for fulfilling the governance requirements at group level and to report to the German Group supervisor BaFin. For details on the recognition and valuation of assets and liabilities, the consolidation steps and method applied we refer to chapter D.

It is ensured that GRAG's Board has appropriate interaction with the Boards of all entities within the Group. Adequate internal governance requirements are set across the Group appropriate to the structure, business and risks of the Group and the related entities. Clear areas of responsibilities and reporting lines have been defined among all entities to support the Group's governance and internal control system as well as an effective risk management process. The governance responsibilities, strategies and policies established at each individual entity are consistent with group strategies and policies.

We have adopted the "Three Lines of Defense" model for GRAG and the entire Group as outlined below.



The adequacy and efficiency of the system of governance is regularly assessed and reviewed in due consideration of the nature, scale and complexity of the risks inherent in the business. As to that the Board is supported by the RMF. In addition, the Internal Audit Function reviews the effectiveness of the internal control system and other elements of the system of governance.

For the period under review there were no major changes in the system of governance to be reported and the system of governance was considered appropriate by the Board.

B.1.2 Information on Responsibilities, Reporting Lines and Allocation of Functions

Administrative, Management and Supervisory Body

The **Administrative, Management and Supervisory Body (AMSB)** is committed to maintaining an appropriate system of governance, which includes an adequate and effective risk management system. The AMSB is represented by **the Board** and the **Supervisory Board** who are strictly separated from each other; a member of one Board cannot simultaneously be a member of the other Board.

The **Supervisory Board** appoints the members of the Board, monitors their activities and has unrestricted right to information. The Supervisory Board is engaged in the financial statement review, accounting matters, in particular the adequacy of the reserves, risk management and the internal controls system as well as all other audit relevant matters. The Supervisory Board meets at least two times a year.

The Board is responsible for the management of the Group and represents GRAG Group in business undertakings with third parties. In addition to an individual set of responsibilities all members of the Board are ultimately accountable for the system of governance, the business and risk strategy including the risk appetite and tolerance framework for material risks as well as the risk management framework and the internal control system. The Board assesses strategic decisions evaluating whether the strategy is appropriate given the current business and market conditions.

The Board has unrestricted access to information and proactively interacts and consults with the Supervisory Board, senior management, key function holders and with the Boards of Group subsidiaries on all matters. Further the Board ensures that the appropriateness and effectiveness of the system of governance is regularly reviewed in due consideration of GRAG Group's risk profile and initiate changes where applicable.

Any significant decision that could have a material impact on GRAG and/or the Group involves at least two members of the Board. Board decisions are appropriately documented.

It is ensured that the Board members are "fit and proper" and possess appropriate qualification, experience and knowledge in due consideration of their particular duties.

Key Functions

GRAG established the four key functions, Risk Management Function (RMF), Compliance Function (CF), Actuarial Function (AF), and Internal Audit Function (IAF); no additional key functions were identified. Individual policies have been set up in order to clearly set out the responsibilities, objectives, processes and reporting procedures as well as interfaces with other departments. All key functions are free from influences that may comprise the function's ability to undertake its duties in an objective and fair manner. They are working independently from each other and have unrestricted access to information as well as direct reporting lines to the Board.

For further details on the individual functions please refer to chapter B.3.2 (RMF), chapter B.4.2 (CF), chapter B.5 (IAF) and chapter B.6 (AF). The fit and proper requirements applying to key function holders are fully addressed and further outlined in chapter B.2.

Risk Committees

GRAG Risk Committee

The GRAG Risk Committee (RC) ensures that the corporate risk management framework is implemented at the operating level. The RC is represented by Risk Officers (ROs) of GRAG's main business and service units within the organization. They perform a unit specific oversight and control function and provide expert input to the RC. They have a reporting obligation to the Chief Risk Officer (CRO) regarding risk management matters. The RC has full access to all information relevant for risk management purposes within the organization and is challenged and supported by the Risk Management Team (RMT).

The respective CRO's of both subsidiaries GRLA and GRSA have a regular reporting obligation to GRAG's CRO in the course of the quarterly risk reporting procedure which includes ad hoc reporting as well. Further, they are responsible for implementing the risk management framework and processing the annual risk assessment at the legal entity level. To the extent that any conflict ever arises between GRAG's RMF and local regulations, local regulations prevail.

Asia Risk Committee

Headed by GRAG's Chief Risk Officer the Asia Risk Committee assists GRAG's RMF and ultimately the Board of GRAG in fulfilling its oversight for the risk management and compliance framework. The committee acts as a forum for discussion of local risk management matters; including the monitoring of local solvency requirements and facilitating communication across the Group. The members in their respective roles execute the risk strategy, implement the corporate risk management framework at the operating levels and ensure that a consistent methodology is applied when identifying, assessing, and analyzing risks to the Asian region which cover China, Japan, Korea, Taiwan, Hong Kong, Singapore and India. Members of the Asia Risk Committee have a reporting obligation to the GRAG CRO and the GRAG CF regarding all risk management and compliance matters.

Principal Officers/Compliance Officers

We have assigned the role of Principal Officer (PO) and where required by local regulations Compliance Officers (CO) for each country where we have associates located. Their responsibilities include local compliance (regulation, tax, financial reporting), liaising with local regulators, compliance with the GRAG Group's policies and escalation to the parent company of any issue presenting regulatory, reputational and/or financial exposure. They also complete a quarterly questionnaire to contribute to GRAG Group's quarterly risk reporting. In addition, regular PO calls with the RMF and CF are conducted to facilitate communication and coordination.

Policy Framework

We have established a policy framework to define GRAG Group's approach to risk management for direct reinsurance underwriting, investments and reserving. In addition, operational policies applicable to all employees have been deployed. Each policy clearly sets out the relevant responsibilities, objectives, processes and reporting procedures; they are subject to a regular review. The policies are available to all staff through our GRAG risk management portal which is maintained in the Microsoft SharePoint application. In order to achieve a consistent approach, policies shall apply to all companies within the Group as far as not contradictory to local requirements and procedures.

B.1.3 Remuneration Policy and Practices

GRAG Group adopted the Gen Re Compensation Policy which has been developed in order to ensure that remuneration practices are aligned with our business strategy and consider long-term business performance.

In addition, it is designed to have appropriate measures in place aiming to

- Avoid conflict of interest
- Promote sound and effective risk management
- Prevent risk-taking that exceeds GRAG Group's risk tolerance limits.

We strive to pay competitive compensation, which aligns with our long-term interests of earning an underwriting profit. Our corporate compensation plan consists of **base salary, benefits** and **profit-sharing plan.**

The **base salary** is based on a variety of internal and external factors. Primary internal factors include job responsibility, internal salary relativity and individual performance. External factors consider local labor market, industry surveys and statistics on employee loyalty. These factors assist us in assessing the external competitiveness and establishing annual salary increase budgets. Salaries are reviewed each year for all associates.

The **profit-sharing plan** is directly linked to our primary goal of earning an underwriting profit. All associates, including the members of the Board participate in the same plan. It is designed to create the right influences to ensure adequate pricing and reserving over time, and the appropriate management of risk. Given that our business is a mix of short tail property business and longer-tail casualty and mortality business, having a single, global pool across all business lines helps to balance potential volatility in a given year and eliminates the ability for any single business unit or legal entity to self-determine the Combined Ratio outcome. It is a long-term and deferred incentive plan because it reflects the adequacy of pricing and reserving over a long period of time.

The bonus payment is determined in due consideration of the total underwriting result and that of the respective business unit as well as the individual performance. With reference to the individual performance the bonus is contingent on the achievement of certain defined goals as well as how the employee fulfils his or her role and contributes to the success of his or her area of responsibility.

In addition, we offer competitive local **benefits** in the jurisdictions where we operate. External or market factors used in determining our local benefit plans include industry surveys and benchmarking as well as legislative or regulatory requirements. In Germany for example, we offered all employees who joined the company until 31 December 2015 a company pension scheme in the form of a defined benefit plan. For employees who joined the company after this date, we have a defined contribution scheme.

The members of the Board receive a fixed annual base salary and a bonus payment in line with the profit-sharing plan as set out above. In addition, they receive other compensation in the form of non-cash and fringe benefits, such as the use of a company car and insurance coverage. Further, we have a pension plan for Board members in the form of a defined benefit plan. The Board members do not receive compensation for serving on the supervisory and management committees of group companies.

Supervisory Board members are entitled to a fixed remuneration pursuant to our Articles of Association. They do neither receive a variable remuneration nor a company pension.

Details on the remuneration received by the AMSB of GRAG can be extracted from GRAG’s Annual Report, page 52.

B.1.4 Transactions with Shareholders and Persons with Significant Influence

There were no material transactions with shareholders or persons who exercise a significant influence to be disclosed.

B.2 Fit and Proper Requirements

For all of those who direct our operations or hold a key function it is obligatory to be at any time personally reliable and to have the appropriate skills, knowledge, competences and professional experience. Hence, there are certain fit and proper requirements which apply to all members of the Board, the Supervisory Board, the four key function holders in accordance with Solvency II, POs or General Representatives of our subsidiaries and offices located in the European Union. The requirements for professional qualification need to be fulfilled in accordance with the principle of proportionality. The processes and procedures necessary to meet these requirements are laid down in a Fit and Proper Policy.

The members of the Board of Executive Directors shall collectively possess appropriate qualification, experience and knowledge about at least:

- Insurance and financial markets,
- Business strategy and business model,
- System of governance,
- Financial and actuarial analysis,
- Regulatory framework and requirements.

The members of the Supervisory Board must have the knowledge to adequately control and monitor the activities of the Board and to actively accompany the development of GRAG. This requires that the members of the Supervisory Board are able to understand GRAG’s business activities and risks, are sufficiently familiar with the relevant laws and supervisory regulations and that at least one member of the Supervisory Board has expertise of accounting or the auditing of financial statements.

Prior to the appointment of Key Function Holders and POs or General Representatives of offices located in the European Union we consider

- Whether they possess the appropriate experience and professional qualifications to execute their responsibilities. These include
  - Appropriate academic qualification,
  - Relevant professional experience,
  - Knowledge of the insurance and reinsurance business,
  - Leadership experience,
  - Knowledge of regulatory requirements,
  - English language skills.
- Whether they demonstrated the appropriate competence and integrity in fulfilling occupational, managerial or professional responsibilities previously, and their conduct in their current roles.

The fit and proper assessment of key function holders is mainly facilitated by the annual appraisal process. This includes arranging for further professional training as necessary in order to meet changing or increasing requirements of the particular position's responsibilities. In addition, situations shall be avoided in which personal or professional interest may conflict or appear to conflict with our best interest.

Therefore, we have implemented the following processes:

- Annual conflict of interest questionnaire with follow up by the legal department for any responses which may lead to a conflict,
- Regular screening against applicable trade sanctions lists,
- Duty to report any changes to circumstances which may impact their fitness and propriety.

B.3 Risk Management System including the Own Risk and Solvency Assessment (ORSA)

B.3.1 Risk Governance

We are committed to an integrated approach to risk management which forms the basis of a company-wide understanding of all risks that impact the organization and ensures that conscious risk management is part of the daily decision-making processes of each and every member of our staff. We meet this challenge by means of a **decentralized risk management system** embedded in a company-wide control framework, overseen and facilitated by our Risk Management Function.

The Board is responsible for ensuring the effectiveness of the company's risk management system, setting the risk strategy, the risk appetite and overall tolerance limits as well as the operational implementation of the risk assessment process.

B.3.2 Risk Management Function

One of the key roles is the RMF which is composed of the CRO assuming the role of the key function holder and the RMT supported by the RCs. The main responsibility is the maintenance and further development of GRAG Group's risk management system on behalf of the Board.

The RMF has unrestricted access to all information required for its work. In turn, all business units are obliged to inform the RMF of any facts relevant for the performance of its duties; this applies to other key functions as well. The RMF regularly communicates and closely collaborates with the AF, CF and IAF, while maintaining the appropriate level of independence.

The RMF reports directly to the Board on a regular, at least quarterly, and ad-hoc basis if deemed necessary and participates in Board meetings as appropriate. A more frequent reporting has been established with the Board member designated to oversee the entire risk management on his behalf.

The roles and responsibilities of the RMF include but are not limited to:

- Promote the operational execution and further enhancement of the risk management system;
- Initiate and coordinate the Own Risk and Solvency Assessment (ORSA) process and the documentation thereof;
- Review, challenge and approve the results of the Underwriting Specific Parameter (USP) calculation and the methodologies applied by actuarial before inclusion of the results in the SCR calculation;
- Assess and monitor the appropriateness of the Company's risk management system and its risk profile on an ongoing basis;
- Regularly report to the Board and the Supervisory Board on risk management matters as well as supervisors as appropriate;
- Consult the Board on the implications to the Company's risk profile associated with strategic decisions, new business, mergers and acquisitions, major projects and (de-)investments;
- Challenge the staff involved in risk management matters and increase their risk awareness;
- Monitor compliance with regulatory standards.

Regular communication channels ensure that all members of the RMF are up to date on recent and future risk related activities as well as internal (e.g. organizational changes) and external developments/requirements (e.g. regulatory changes).

B.3.3 Risk Strategy

The risk strategy defines the Group's general approach to risk management, specifying all relevant risks to be addressed based on GRAG Group's business strategy, providing details on how risks are measured, managed and controlled and setting our risk appetite as well as our risk tolerance framework.

B.3.4 Risk Management Process

For the purposes of risk management, we broadly define risk as the threat of potential events negatively impacting GRAG Group's ability to achieve its business goals. Risk may affect our ability to survive, successfully compete within the industry, maintain our financial strength and reputation, or maintain the overall quality of our products, services and people. Our risk management approach aims to support GRAG Group's business strategy by limiting risks to acceptable levels. Our corporate-wide risk management process comprises the following elements:

- Risk identification,
- Risk measurement,
- Risk monitoring,
- Risk response;
- Risk reporting.

The risk management process is applied globally and includes all legal entities and branches. A key element of this process is our risk universe which has been developed to promote a consistent approach and to enable effective aggregation of the risks of all functional units using common definitions.

We categorize risks into insurance, market, operational and strategic risks, thereby covering all risks to which we are or might be exposed to (see chart below).

Regular risk reporting routines as well as ad-hoc risk reporting ensure continuous monitoring of our risk profile and to provide the Board with information, namely

- on GRAG Group's risk profile and how this has changed over time.
- to determine whether the risk exposure is managed in accordance with the risk appetite and tolerance framework set by the Board.
- to ac in a timely manner to mitigate unacceptable exposures to risk.

The Supervisory Board is also regularly informed on important risk management matters by the CRO.

B.3.5 Description of the Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment (ORSA) is an integral part of the ongoing risk management process in order to identify, assess, monitor, manage and report the risks GRAG Group faces or may face over the business planning period. The results of the ORSA process facilitate strategic decisions with consideration to GRAG Group's risk appetite and the amount of capital needed. As such, the ORSA is a key tool in ensuring that the entire Group has a level of solvency that is consistent with our business strategy.

GRAG Group is subject to the group supervision and in accordance with the BaFin's approval we are preparing a "Single ORSA" which includes GRAG Solo and GRAG Group in due consideration that the Group's risk profile does not substantially differentiate from the risk profile of GRAG Solo. Information on the GRAG Group's risk profile can be obtained from Chapter C.

The ORSA process and the ORSA report is conducted once a year which is considered adequate with due regard to Group's risk profile which is defined by our core business underwriting and investments. At the discretion of the Board, an ad-hoc ORSA may be run.

The ORSA process and report are coordinated and prepared by the RMF with input from the Ros and subsidiaries. The Board is actively involved in the individual sub-processes which are outlined in the ORSA Cycle down below. Regular and non-regular (ad-hoc) risk reporting procedures facilitate the continuous monitoring of our risk profile.

Following is a brief overview of the ORSA sub-processes.

The **Business Strategy** is owned by the Board and defines our strategic goals and objectives. The business strategy is reviewed at least once a year and considers results from the ORSA process of the previous year.

Based on the business strategy, the **Risk Strategy** is updated summarizing the overall risk profile, how risks are measured, managed and controlled and providing details on GRAG Group's risk appetite and tolerance framework in due consideration of the outputs of the previous ORSA process

The **Risk Assessment** is a group-wide annual process and forms the basis for determining the Group's risk profile. It includes the identification and evaluation of all risks the Group is exposed to and covers quantifiable and non-quantifiable risks. Risks are assessed for the potential residual impact on our balance sheet and their likelihood; the design and operating effectiveness of controls are also considered. Chapter C provides information on the Group's risk profile, in particular on material risks.

The **Regulatory Capital Requirements** are determined by applying the standard formula (SF) approach as set out in the Solvency II Directive. Based on the calculations we conclude whether sufficient capital, in both quantity and quality, is available to meet the demands of our regulators and clients with respect to the level of solvency required.

As part of our assessment of the appropriateness of the SF, we also analyze if any material risks are not fully included in the SF. As a consequence of the analysis, we include spread/default risk for European Government Bonds in our own evaluation of market risks. Any other risk not included in the SF is either not material to GRAG Group, implicitly covered by the SF in other risk categories or its correlation to other risks is not quantifiable in a reliable manner. For these reasons, we consider it more adequate to address these risks by an appropriate governance framework, i.e. by appropriate processes and controls instead of providing additional capital for these risks.

With regard to the extrapolation of risk-free-rates, we have no indication that the methods used to determine the risk-free rates provided by EIOPA are inappropriate.

Stress testing with its sensitivity, stress, scenario and reverse stress testing has the main objective to verify the robustness of our capital. Stress tests are based on the results of the risk assessment as well as the regulatory capital requirements. They focus on material risks in order to provide appropriate information on GRAG Group's ability:

- to continue its business under adverse conditions,
- to comply with regulatory requirements on a continuous basis, and
- to establish appropriate management actions if required.

Stress tests and scenarios are also used as basis for determining the Overall Solvency Needs (see next paragraph but one) and when setting the risk appetite and tolerances in the course of the risk strategy update for the next ORSA cycle.

In the scope of the **Forward-Looking Assessment** we assess the Group's ability to meet capital targets over the business planning period of three years by projecting the economic balance sheet, own funds and the solvency ratio along with a number of relevant scenarios.

We have established an **Own Capital Assessment Process** to determine our own view on capital adequacy resulting in the **Overall Solvency Needs (OSN).** The OSN considers all material risks which are basically associated with our core business underwriting and investments. For these we apply a scenario-based approach and look at losses from a combination of individual stresses for our material risks and add up the results thereof without any diversification to establish our OSN. Our main objective is to have sufficient capital in order to support the loss scenarios and to be able to maintain regulatory compliance with the capital requirements according to the standard formula.

The results from the ORSA process allow the Board to obtain an appropriate understanding of GRAG Group's risk profile, to compare the risk profile to agreed risk appetites and to integrate the results into decision-making. The ORSA process and its results are documented in the **"Record of Each ORSA"** serving as audit trail and evidence of the outcomes of the ORSA process as well as documentation regarding the assumptions and input parameters used.

B.4 Internal Control System

B.4.1 Elements of the Internal Control System

The internal control system (ICS) is a key component of our system of governance. The ICS supports the effective and efficient performance of our business operations appropriate to the risk profile and in line with company objectives. It ensures that we comply with all applicable laws, regulatory requirements and internal standards.

We promote the importance of internal controls, by ensuring that all staff, in executing their duties, clearly understands their responsibilities, to ensure compliance and adherence to our internal control framework. Control activities have been implemented throughout the organization, across all levels, functions and main processes. Controls are proportionate to the implications of each individual process and designed to ensure that appropriate measures are taken in order to manage and mitigate risks that could affect our ability to achieve objectives. Control activities include, but are not limited to, approvals, authorizations, verifications, reviews of operating performance and segregation of duties. Related processes and controls are documented in detail and are subject to regular testing and review.

The Gen Re Group has adopted the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Framework as the Company's Internal Control Framework, including policies, processes and information systems. Compliance with Sarbanes-Oxley section 404 is assessed annually through Internal Control Testing (ICT). The adequacy and effectiveness of the internal control system is regularly and independently evaluated by IA. Identified issues are to be reported to the Board.

B.4.2 Compliance Function

The Compliance Function (CF) forms part of the legal department and the responsibility for this key function is assumed by GRAG's General Counsel. The CF is responsible for maintaining a framework whereby the entire Group demonstrates compliance with applicable legal and regulatory requirements facilitated by the regular compliance risk assessment as well as the quarterly risk reporting procedure.

The CF provides the Board with analysis, recommendations and information on legal, regulatory and compliance-related matters. Main tasks of the CF involve:

- Monitoring of changes in the legal environment and evaluate its impact on GRAG Group and its business.
- Communication of regulatory updates to relevant staff.
- Training of staff on relevant compliance matters.
- Counselling of the applicable Boards on compliance matters.
- Close collaboration with other departments and key functions such as IAF, RMF and the legal department to achieve resource efficiency.
- Inform management on current compliance issues in a timely manner and advise on effective remediation measures.

- Preparation of a compliance report for the AMSB at least annually.
- An independent review and evaluation if compliance issues/concerns within the organization are being appropriately evaluated, investigated and resolved.
- Counsel management and staff on adequate regulatory controls within their business/ service Units and monitor the execution and documentation thereof.
- Compliance Risk Assessment at least every other year.
- Set up and ensure execution of the compliance plan.
- Maintenance of a central inventory of material outsourcing agreements.

Overall, we consider the following topics of particular importance and as such as key areas of the CF:

- Supervisory regulation
    - Solvency II compliance and its related policies and procedures
    - Insurance supervisory regulations applicable
- Anti-money laundering
- Antitrust / competition law
- Anti-bribery and corruption
- Anti-fraud
- Trade restrictions and embargoes
- Insider trading
- Conflict of interest
- Data privacy
- Corporate law and governance.

However, as deemed necessary we select additional topics on a risk-based approach.

The framework of the CF is outlined in the Compliance Function policy which is available to all staff in the GRAG Risk Management Portal in SharePoint and provides guidance on the objectives, roles and responsibilities, processes and procedures as well as applicable reporting lines. The policy applies to GRAG, including its branch locations, representative offices, and all subsidiaries, as long as it is not contradictory to local laws and regulations. The policy is subject to a regular review and update in line with the standards set out in the GRAG Documentation Policy and was last updated in July 2019. The policy owner is responsible to monitor relevant changes in the regulatory landscape or processes in order to ensure that the policy is kept up to date.

The CF has unrestricted access to all relevant information required to perform its duties. POs and where required by local regulations COs have been appointed for each branch and representative office to assist the CF in discharging its responsibilities. Since May 2019 all local Compliance Officers report directly to the GRAG CF. The CF regularly communicates and closely collaborates in particular with the RMF and IA, while maintaining the appropriate level of independence.

The CF meets with the Chairman of the Board and with the Board Member responsible for Legal and Compliance on a regular basis and ad hoc as deemed necessary to report on relevant compliance matters and to obtain the information necessary to perform its duties. The reporting to the Board also includes the annual Compliance Function Report providing a summary of the activities performed and their status as well as compliance issues during the year.

In addition, the CF prepares a risk-based compliance plan for the coming year.

B.5 Internal Audit Function

The role of the Internal Audit Function (IAF) is assumed by the international internal audit manager, supported by the internal audit department. The IAF is an independent function established to examine and evaluate the functioning, effectiveness and efficiency of the internal control system and all other elements of the system of governance; ultimately, they assist the Board and senior management in the effective discharge of their control and compliance responsibilities and provide them with analysis, appraisals, recommendations and information.

The internal Audit Policy outlines the overall aim, governance, audit roles and the audit process at GRAG and the entire Group. The policy is subject to an annual review and supplemented by the Internal Audit Charter and the Internal Audit Procedures Manual. Updates of the policy are distributed to the IA Team and other stakeholders as appropriate. During the reporting period there were no significant changes to the policy.

The audit process is comprised of:

- Audit plan
- Audit preparation and audit planning memorandum
- Risk and control matrix formulation
- Audit fieldwork
- Audit observation table and audit report
- Follow-up.

Internal Audit is an integral part of the internal control framework and performs operational, financial and IT audits focusing on the structure, controls, procedures and processes associated with underwriting, investments and the operations supporting these businesses. Internal Audit also performs compliance audits to review the organization's adherence to a regulatory framework or guidance, such as Solvency II requirements.

Internal Audit also conducts special reviews as requested by Management such as specific fraud investigations following a fraud indication. On request and in addition to auditing activities, Internal Audit also advises Management on questions related to the internal control system.

IA has full, free and unrestricted access to all activities, records, property and personnel. IA regularly communicates and closely collaborates with the RMF and CF while maintaining the appropriate level of independence. The annual audit plan which summarizes all audit topics for the upcoming year, is approved by the Board and distributed to all stakeholders. The annual audit plan can be subject to change on an ad-hoc basis, when deemed necessary. The final Audit Report in respect of each audit, which contains the findings of the audit work, recommendations and management responses, is distributed to all relevant stakeholders. All open observations are regularly followed up to ensure that the management actions as agreed in the audit report are implemented.

B.6 Actuarial Function

The Actuarial Function (AF) is assumed by CAS ensuring that appropriate methods and parameters are applied in the P/C and L/H International reserve setting process, including the review of technical provisions (TPs). Further, the AF is responsible for establishing actuarial models for regulatory reporting. The AF and the actuarial reserving units are independent from the underwriting/pricing business units, with direct reporting lines to the Board.

The AF submits an annual actuarial function report to the Board and the other key functions providing details on the appropriateness of underlying methodologies, models and assumptions used in the calculation of TPs. The AF is part of our RC and regularly reports to the RMF

The tasks of the AF include in particular:

- Coordinate and validate the calculation of the TPs
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of TPs
- Assess the sufficiency and quality of the data used in the calculation of TPs and contribute to data quality improvement as appropriate
- Compare best estimates against experience
- Inform the Board about the reliability and adequacy of the calculation of TPs
- Express an opinion on the underwriting policies
- Express an opinion on the adequacy of the retrocession policies
- Contribute to the effective implementation of the risk management system
- Support the RMF in terms of the USP calculation for the P/C premium and reserve risk
- Produce further annual reports such as the validation report for L/H or the USP report for P/C.

B.7 Outsourcing

The main rationale for outsourcing is to provide effective support and services in certain operational areas where we can benefit from the expertise and experience of third-party providers. However, outsourcing could result in significant risks if not properly identified and adequately managed: the service might be outsourced but the risk cannot. Therefore, we have reviewed and further enhanced our outsourcing governance framework to ensure that outsourcing contracts comply with legal and regulatory requirements and that adequate measures for the effective oversight and management of outsourcing arrangements are in place.

As regards to IT, we have been outsourcing IT services and infrastructure services to GRC located in the US and external providers since 1997. Referring to asset management our investment portfolio is managed by NEAM in Dublin, Ireland. Prior to entering into these outsourcing arrangements, we have performed an examination of the service providers to ensure that they obtain the ability, capacity and any authorization required by law to fulfil their duties.

For both outsourcing arrangements we have appointed relationship manager who are responsible to ensure the maintenance of an effective day-to-day service which include oversight of onsite staff from the service companies and regular review meetings to discuss the service performance against key performance indicators (KPIs) and compliance with the service level agreements (SLAs). This also involves an effective business continuity plan in the event of a disaster. The relationship manager regularly provides the RMF with the status of the outsourcing arrangement in the course of the quarterly risk reporting procedure.

B.8 Any Other Information

Organizational Changes

Mr. Andrew Michael D'Arcy was appointed to the Executive Board with effect from 1 May 2019.

Effective 31 July 2020 our longstanding Chairman of the Executive Board Dr. Winfried Heinen will retire. At the Supervisory Board meeting in February 2020 the Supervisory Board appointed Charles S. Shamieh to assume the role as Chairman of the Executive Board with effect of 1 August 2020.

In addition, Ulrich Pasdika was appointed to the GRAG Executive Board at the Supervisory Board Meeting on 28 April 2020 to assume responsibility for the Life/Health business in Continental Europe, MENA and Latin America effective 1 August 2020. The responsibility for the remaining international Life/Health markets will rest with Charles S. Shamieh as of that date.

COVID-19

The COVID-19 virus has not only impacted our underwriting and investment results as outlined above. It also has had an impact on our day to day operations. We have successfully deployed our Business Continuity Management (BCM) plans in our offices around the world, enabling us to continue service our clients and fulfill our regulatory obligations. Given the ongoing and rapidly changing developments and recent governmental decisions regarding the restriction of movement, we also clearly focused on safeguarding our people. We are continuously monitoring developments in the countries in which we operate to ensure that our plans remain flexible and can adapt to new requirements.

C. Risk Profile

We are in the business of assuming risk and as such we have defined the risks we actively seek and those that we want to minimize. For those risks we consider "material" a risk appetite and tolerance framework has been established by the Board as part of the risk strategy which is aligned with group goals and the business strategy.

The following table shows the split of the individual risk charges per risk module based on the standard formula in comparison to the previous year:

Solvency II Capital Requirements	GRAG Solo 2019 €'000	GRAG Solo 2018 €'000	GRAG Group 2019 €'000	GRAG Group 2018 €'000
Eligible own funds	5,548,822	5,084,015	5,548,822	5,084,015
SCR	**3,053,583**	**2,456,925**	**3,200,592**	**2,644,099**
Surplus capital	2,495,239	2,627,090	2,348,229	2,439,917
MCR	**1,374,112**	**1,105,616**	**1,470,779**	**1,207,805**
Solvency ratio	**181.7%**	**206.9%**	**173.4%**	**192.3%**
Risk modules				
Underwriting risk Life	1,898,484	1,620,316	2,024,359	1,755,350
Underwriting risk Health	923,103	728,256	990,677	831,389
Underwriting risk Non-Life	1,122,454	1,070,065	1,122,980	1,070,065
Market risk	1,664,727	1,405,997	1,723,613	1,458,744
Counterparty default risk	32,360	70,810	39,749	74,157
Diversification	-2,069,481	-1,815,726	-2,156,955	-1,922,115
Operational risk	158,298	137,880	161,651	138,842
Loss-absorbing capacity for deferred taxes	-676,362	-760,673	-705,482	-762,334
SCR	**3,053,583**	**2,456,925**	**3,200,592**	**2,644,099**

GRAG, the parent company, is the main risk carrier within the Group. The main difference between the Group and the Solo risk profile refers to the additional risk charges for Life/Health business of GRLA and GRSA. In terms of the market risk, the impact of GRAG's subsidiaries is comparably small as the subsidiaries do not have any equities and only invest in government or government guaranteed securities and to a limited extent in supranational securities in the currencies that generally match the liability exposure. Overall the Group-SCR increased from Euro 2,644,099 thds to Euro 3,200,592 thds (+Euro 556,493 thds) mainly driven by insurance and market risk as further outlined below.

Insurance risk

The main reasons for the increase of the underwriting risk Life (+ Euro 269,009 thds) and the underwriting risk Health (+ Euro 159,288 thds) are the decline in interest rates and the increase of business volume. We have also seen an increase in underwriting risk Non-Life due to growth from successful renewals and new business. This is partially offset by a decrease in risk factors as part of the 2018 review of the standard formula (+ Euro 52,914 thds).

Market risk

There are two reasons for the change in market risk. On the one hand the equity risk charge increased because of higher market values and the higher capital charges due to the application of the transitional measures (+ Euro 144,429 thds). In addition, currency risk increased from Euro 1,027,898 thds to Euro 1,221,576 thds (+ Euro 193,678 thds) As a consequence of the changes in equity and currency risk, the diversification within the market risk module also improved slightly (- Euro 90,070 thds).

All other risks did not differ significantly from last year's level.

Overall, we consider our capital position adequate to profitably grow our business, supporting our clients with our expertise and capital strength.

In the following we provide details to those risks that could impact our risk profile.

C.1 Underwriting Risk

In this section we cover both Life/Health and Property/Casualty risks which are considered our main risks. The risks included in this category are:

- Pricing and underwriting risk (non-nat cat),
- Natural catastrophe risk (nat-cat),
- Terrorism risk,
- War risk,
- Pandemic risk,
- Cyber risk,
- Reserving risk.

As within the standard formula, the focus of underwriting risk can be split into our current or future underwriting activities, which include pricing and underwriting risk, and those risks that result from prior underwriting periods, reserving risk. We also place special attention on natural catastrophe and pandemic risks due to their potential to impact the risk profile.

Pricing and underwriting risk is the risk that actual claims amounts exceed expected claims amounts as established in the underwriting process before inception of treaty. We have established a well-defined underwriting process with integrated controls based on a second head principle and a clear referral process, with authorization levels which are specified in the underwriting guidelines. Centrally developed pricing tools are globally applied; centrally approved pricing parameters and benchmarks for all major markets and lines of business ensure the consistency of pricing.

The **natural catastrophe risk** is the risk of loss resulting from natural catastrophe on the in-force book of business. For Property/Casualty treaty business GRAG Group prefers to write natural catastrophe risk in developed markets where covered perils and exposures are known.

The natural catastrophe exposure is regularly monitored, analyzed and reported to senior management including the RMF and the Board to ensure that peak exposures are well understood. We have a risk tolerance framework in place that is linked to capacities representing maximum admissible sums of limits per country. The determination of capacities ensures that the natural catastrophe risk is managed within risk appetite /risk tolerance.

With regard to natural catastrophe exposure in Life/Health we determine our earthquake exposure based on a scenario approach. We apply event limits in our non-proportional business. For proportional business, we estimate our exposure based on an earthquake scenario that leads to a certain number of fatalities in per country. Referring to other perils (e.g. windstorm) we assume that additional claims from such an event will be small given our portfolio.

Terrorism risk is the risk of loss resulting from terrorism events on the in-force book of business. We generally do not actively seek terrorism risk, but we do actively manage and control this risk given the accumulation potential that it represents.

War risk is the risk of loss resulting from war events on the in-force book of business. For most of our Property/Casualty business war is a standard exclusion. In accordance with our underwriting guidelines minor exposures may be accepted in marine, aviation and personal accident lines (e.g. passive war risk in personal accident).

For L/H business we distinguish between proportional business and non-proportional Cat-XL business. While non-proportional Cat-XL is not exposed to war, we assume exposure from proportional business. This exposure is evaluated and monitored based on scenarios for traditional war or missile attacks.

Pandemic risk is the risk from pandemic events, most evident by the current COVID-19 outbreak. Regarding Life/Health pandemic risk we consider different scenarios such as evaluating the impact of a world-wide flu infection using stressed mortality assumptions.

For managing this risk, we rely on control activities that are subject to annual internal control testing. For Life/Health pandemic risk we refer to the underwriting policy and guidelines, the system of personal underwriting authorities and referral as well as underwriting reviews.

As noted earlier in this report, we are evaluating our exposures from the COVID-19 pandemic. Our work to date has not identified any material deficiency in our approach to managing pandemic risk. However, we are monitoring developments carefully and reviewing our underwriting guidelines, internal controls and also our terms and conditions to ensure that they remain appropriate in the light of the information being obtained.

Cyber risk refers to the losses from cyber-attacks or threats covered by our insurance contracts and 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 risk can be caused by third party actions as well as human or technical failure. The rapidly changing nature of cyber risks make this one of the most challenging exposures to assess, price, monitor and aggregate from an underwriting perspective. Sources of cyber exposure are not fully known and therefore create further potential for unplanned losses.

We continue to refine our risk appetite, risk management procedures and accumulation control for managing cyber risks. As part of this process, we regularly monitor current exposures from policies that explicitly cover cyber risk.

With respect to potential non-affirmative or so-called “silent cyber” exposures we aim to apply exclusion clauses when possible. To improve our understanding of this area, we are evaluating those lines of business in which accumulations could occur, and how these could be controlled by the application of policy wording exclusions and/or limits.

We continue to apply a conservative approach to writing cyber risk, i.e. we focus on existing books of business, small and medium-sized companies who purchase relatively small limits.

Reserving risk is the risk of additional reserve needs for the ultimate settlement of claims that exceed the initial expectation or recent reserve bookings. In the estimation process reasonable assumptions, techniques and judgments are used in accordance with best actuarial standards of practice, including reconciliations, checks and a thorough review process. The reserving risk is controlled by monitoring the underlying business, intensive reviews, segregation of duties and the four eyes principle in the reserving process.

C.2 Market Risk

We invest to generate competitive returns over time, while managing liquidity needs and investment risk accordingly. Our fixed income portfolio is composed of high quality and highly liquid investments. The shorter duration of the fixed income portfolio ensures that substantial liquidity is available to meet all obligations under normal conditions, as well as in a stress situation.

With the continued low interest rate environment, equity markets have performed favorably in recent years. We have allocated a significant portion of our budgeted capital to investments in equity securities while this can create capital volatility, we expect to hold equity investments for long periods of time. We have decided that only the parent company GRAG can purchase equities. The subsidiaries only invest in fixed income securities.

The following individual risks are included under market risk:

- **Interest** rate risk arising from value sensitivity to changes in term structures or interest rate volatility.
- **Equity** risk arising from volatility in market prices, which could negatively impact the value of our equity holdings.
- **Currency** risk arising from changes in the level or volatility of currency exchange rates or inadequate currency matching.
- **Credit spread** risk arising from changes in market prices following a change in the credit spread above the risk-free interest rate curve or following a rating downgrade (excluding retro credit risk).
- **Counterparty default risk** arising from counterparty default, banking failure or downgrading on credit-based investments including settlement risk (accounts receivables); including retro credit risk, broker or cover holder risk but excluding intragroup exposures
- **Concentration risk** which arises from losses/volatility resulting from concentration of investment exposure in a specific instrument, issuer or financial market.
- **Liquidity risk** arising from lack of market liquidity preventing quick or effective liquidation of positions or portfolios, and limited access to funds.

Under the Prudent Person Principle Policy all investment activities have to be appropriate and the risks associated with the invested assets have to be considered. Our **Corporate Investment Policy** is designed to ensure that the assets are appropriate for the liabilities and the risk profile of GRAG. The output of the Policy is the **GRAG Master Investment Guidelines (MIG)** of GRAG Group. The MIG define the criteria such as duration targets, credit quality requirements and concentration limits for the different investment risks and asset classes. These criteria are concrete and measurable. Both the Policy and MIG are reviewed by the Board and Supervisory Board on an annual basis.

Market risk is managed and measured in accordance with:

- clear guidelines for existing asset classes and for investment activities in permitted asset classes which are approved by the Management and Supervisory Board;
- defined limits for total aggregate exposure including single issuance limits, as well as suitable limits per asset class and rating category;
- a special duration target for the portfolio;
- a **Currency Matching Policy** to ensure that the company properly manages its foreign currency exposure;
- Central approval of investment activities or guideline changes by the management and Supervisory Board.

Assets invested in Accordance with the Prudent Person Principle (PPP)

We have a prudent approach to investment risk, generally prioritizing credit quality in the selection of individual investments and avoiding complex instruments. Our main priority is to have a portfolio which is composed of investment grade and liquid assets as these assets can be quickly converted into cash with minimal impact to the price received in an established market. We have a "buy and hold" strategy and therefore manage the total investments to have adequate fixed income investments available to meet the liquidity requirements of our business operations at all times.

Our investment strategy is designed to achieve the following objectives:

- Generate levels of investment income commensurate with agreed risk parameters and managing investment risk accordingly.
- Maintain an appropriate level of liquidity to satisfy the cash requirements of current and future operations.
- Meet insurance regulatory requirements with respect to investments under various insurance laws and regulatory admissibility levels.
- All investments (and reinvestments) will be made in the currency of our cash contributions unless otherwise specifically directed.

Targets and limits are set according to the GRAG Master Investment Guidelines and are reviewed at least annually. In accordance with our "buy and hold" strategy and strong capitalization we do not have any automatic triggering targets which would result in the sale of any asset class.

C.3 Credit Risk

Credit spread risk resulting from our investment portfolio is included under market risk. The remaining credit or counterparty default risk arises from a default of cedants, retrocessionnaires and brokers or banking failure. Our exposure is comparably small as it is shown in the table on page 41.

The outstanding receivables are regularly collated on a group-wide basis, necessary provisions are calculated for overdue receivables in accordance with uniform group-wide standards, and the results are reported to management.

Targets and measures for dealing with overdue receivables are agreed with the business units, and their implementation is regularly monitored.

The retrocession arrangements of GRAG Group with GRC and GRL only slightly impact our credit risk due to the strong capitalization, which is also confirmed by external rating agencies.

C.4 Liquidity Risk

Liquidity risk associated with our investment portfolio is the risk arising from lack of market liquidity preventing quick or effective liquidation of positions or portfolios is included market risk.

We keep a liquidity margin based on a combination of historical working capital and the past significant short-term cash requirements following a natural catastrophe. We monitor our cash inflows from investments per currency on a weekly basis.

We also consider the implications that investments with sale restrictions and required deposits have on our liquidity. The average duration of our fixed income assets is generally shorter than the duration of the liabilities which provides adequate liquidity to fund liabilities.

In the case of an extraordinarily large payment, we can generate funds very quickly due to the highly liquid nature of our fixed income portfolio. We therefore consider the composition of the assets in terms of their nature, duration and liquidity appropriate to meet the undertaking's obligations as they fall due.

Expected Profits in Future Premium (EPIFP)

The EPIFP takes into consideration the expected future cash inflows from premium less the associated expected cash outflows such as commissions, management expenses and future expected losses. The amounts shown in the table below have been discounted using the rates provided by EIOPA.

EPIFP	GRAG Solo		GRAG Group	
	2019 in €'000	2018 in €'000	2019 in €'000	2018 in €'000
Total Non-Life	486	343	486	343
Total Life/Health	3,307,117	3,026,468	3,529,288	3,212,532
Total EPIFP	**3,307,603**	**3,026,812**	**3,529,774**	**3,212,875**

C.5 Operational Risk

Operational risk is defined as the potential loss resulting from inadequate internal processes, human and technical failure, fraud and/or external events. All operational risks are reviewed, analyzed and assessed on a regular basis in order to ensure that they remain effective and appropriate.

They are managed and controlled by

- appropriate policies, processes and procedures,
- regular measures to identify and evaluate potential new operational risks,
- effective quarterly/annual monitoring and reporting procedures;
- internal controls including separation of functions, four eyes principle, plausibility checks, avoidance of conflict of interests; and
- appropriate testing and documentation.

The operational risks and the related controls are evaluated in the scope of our annual operational risk assessment which is applied globally and is an integral part of GRAG Group's ORSA process. Due to the nature of operational risk and the lack of appropriate historical data, expert judgements are used to assess these risks. Therefore, risk scenarios have been developed to aid the risk evaluation and facilitate further risk discussions.

We do not have an appetite for financial losses arising from the failure of internal processes, particularly when such losses could translate into

- a negative impact on the company's reputation;
- an ineffective execution of an appropriate strategy; or
- a breach of applicable laws and regulations.

On the other hand, we acknowledge that it is impossible to fully eliminate operational risks, therefore we accept operational risk as a by-product of our business. We ensure that operational risks are properly measured, managed and controlled through our internal control system, our annual operational risk assessment as well as our risk culture which assigns clear responsibilities for all areas of operations and the associated risk to the respective managers (risk owner), in order to limit and mitigate the operational risks.

Our objective is to continuously improve our risk awareness and operational risk culture which is also supported by the Internal Audit Function who assists the Board and senior management by independently reviewing application and effectiveness of operational risk management procedures.

C.6 Other Material Risks

In addition to underwriting and market risks, we consider strategic risks within our risk assessment, in particular the strategy and the emerging risks material as well as some operational risks such as cyber security and legal and regulatory compliance risk. Like operational risks, strategic risks are subject to regular assessment which is facilitated by qualitative discussions with a view to increasing risk awareness and ensuring that effective controls are in place to minimize the exposure. As these risks are difficult to quantify, we apply a conservative approach when assessing these risks. We continue to monitor and manage these risks consistently within the entire Group.

In the following we provide more details on the strategic risks as well as the cyber security and legal and regulatory compliance risk:

Strategy risk is defined as the risk of loss from implementing an inappropriate business strategy or poor execution of appropriate strategy (incl. IT) and also includes ineffective project or change management Strategy risk is critical to the growth and performance of our business and considers the organization's response to untapped opportunities. Risks/opportunities include but are not limited to the following: consumer demand shortfall, competitor pressure, product issues, loss of key customers, R & D, changing technology, industry downturn and but also substandard execution of decisions or inadequate resource allocation. The Board owns our strategy and regularly reviews and challenges current strategic decisions, evaluating whether the strategy is appropriate given the dynamic business environment and in due consideration what risks could affect our long-term positioning and performance.

The **reputational risk** is defined as any risk to GRAG Group's reputation possibly damaging shareholder value. The reputational risk could lead to negative publicity, loss of revenue, litigation, loss of clients, regulatory concerns, etc. Drivers might include inappropriate client / transaction pre-qualification, inappropriate tax structures, etc. This relates to stakeholders including existing and potential client relationships, investors, suppliers and supervisors. We consider the reputational risk a by-product of operational, regulatory or strategic risk which could manifest itself through weaknesses or failures in our internal control environment.

In order to minimize our exposure to this risk we have implemented a comprehensive governance framework, process documentation and through GRAG Group's worldwide Code of Conduct, which clearly sets out our view on corporate integrity and value management, our associates are required to maintain the highest degree of integrity towards each other, GRAG, the entire Group and our business partners. Regular training initiatives are carried out for all employees to ensure awareness of regulatory and legal compliance and for dealing with conflicts of interest. All these procedures promote preserving our image and credibility and minimizing our exposure to reputational risks.

Emerging risk is defined as the risk of loss resulting from a newly developing or changing (political, economic, social, technological, legal, regulatory, tax, environmental, etc.) situation that could have critical impacts on the Group, but which may not be fully understood, are difficult to quantify and might not even be considered in contract terms and conditions, pricing, reserving, operations or capital setting. These exposures could have material global impact on GRAG, the entire Gen Re Group and/or our clients. We identify and evaluate emerging issues in the scope of the risk assessment as part of the group wide annual ORSA Process. Developments are quarterly monitored by our risk reporting procedure. In addition, a global Emerging Risk Working Group has been established to facilitate the identification and assessment of the most relevant emerging risks for the company to help in the management of this risk.

Group or intra-group risk is defined as the failure of an affiliated company to meet financial commitments which can lead to restricted growth, increased costs and/or additional regulatory scrutiny and may have an impact on the Group's solvency or liquidity. These risks involve reputational risks, risks stemming from intra-group transactions, concentrations across the Group, and interdependencies between risks arising from conducting business through different entities and in different jurisdictions as well as risks from third-country entities.

There exist guarantees in favor of the clients of GRLA and GRSA to the effect that GRAG shall be liable for the commitments arising out of existing reinsurance treaties in case the individual subsidiaries are unable to meet their commitments. However, we actively manage our subsidiaries and we continuously monitor the liquidity at each location. If GRAG Group would need additional capital, our parent company GRC ensures capital resources.

In addition, the Group is faced with a heightened regulatory environment and increasing demands from our subsidiaries and branches worldwide. As a result, we have to operate efficiently and effectively to comply with applicable principles, rules and standards. The regulatory requirements are steadily monitored by our network of Principal and Compliance Officers supported by the legal department and the CF. In consideration of our processes and monitoring procedures implemented we consider the group risk remote.

While there are regulatory requirements for our subsidiaries and non-European branches to adhere to local capital requirements, this does not result in significant restrictions on our group capital.

Cyber security risk is defined as loss from cyber-attack or threat resulting from unauthorized access to or release of business critical or sensitive applications, data or infrastructure systems. We maintain and enforce several policies, procedures and controls to protect our information system and the non-public information stored on those information systems from unauthorized access, use or other malicious acts. In addition, activities such as penetration tests and security audits are performed on a regular basis. The global IT Cyber Security Committee has been established in order to maintain and further enhance the company's IT Cyber Security Framework and to assist the risk functions in regularly monitoring and assessing IT cyber security risks.

The **legal and regulatory compliance risk** is defined as the loss from breach of legal and regulatory requirements. As a globally active reinsurance group we interact with various regulatory bodies throughout the world and hence the legal and regulatory compliance risk is omnipresent. We do not have no appetite for regulatory breaches. For this purpose, we have implemented a governance framework including the Compliance Function (please refer to chapter B.4.2) who in cooperation with the local Principal Officers and Compliance Officers is responsible for demonstrating compliance with applicable legal and regulatory requirements worldwide. Quarterly monitoring and reporting routines as well as the regular compliance risk assessments have been implemented to identify and mitigate any potential legal and/or regulatory compliance risks in our international organization.

We continue to further expand the knowledge and awareness of regulatory and compliance requirements throughout the company by mandatory compliance trainings to ensure that we stay abreast of these developments around the world.

C.7 Any Other Information

C.7.1 Risk Concentration

This section covers risk concentration between risk categories. The Group has a well-diversified underwriting portfolio and thus do not have any other material risk concentrations. GRAG Group transacts L/H and P/C reinsurance business worldwide. While our volumes may vary, we currently do not anticipate a change in our risk profile resulting in material concentration of risks over our planning horizon.

Significant Risk Concentration at the Group Level

Regarding underwriting our subsidiaries follow the same guidelines, policies and procedures as the parent company GRAG. They represent the Group in geographic regions which the parent company does not service. Therefore, they do not add additional concentration but additional geographic diversification on the group level.

Referring to investment risk, the size of the subsidiaries' investment portfolios is considerably smaller compared to the parent. The investment guidelines of the subsidiaries stipulate that they only invest in government or government guaranteed securities and to a limited extent in supranational securities in the local currencies that generally match the liability exposure. Thus, we do not have any additional risk concentration at the Group level.

C.7.2 Risk Mitigations Techniques

Under Solvency II the definition of risk mitigating techniques for underwriting refers to the purchase of retrocession agreements. We are generally a gross for net underwriter, however we do consider opportunistic retrocession purchases to optimize our risk and capital position.

Within our Property/Casualty portfolio we mitigate underwriting risk through a set of integrated controls based on a two head principle and a well-defined referral process with authorization levels which are determined in the underwriting guidelines. Globally applied pricing tools with centrally approved pricing parameters and benchmarks for all major markets and lines of business ensure the consistency of pricing.

Similar to Property/Casualty, the Life/Health underwriting risk is managed and mitigated by underwriting controls and guidelines, a system of personal underwriting authorities, referral and underwriting reviews. Pricing models are established based on our pricing methodology. Any transaction that does not meet minimum pricing criteria as set out in the pricing methodology requires approval by a referral underwriter in Cologne.

GRAG entered into a retrocession arrangement with the parent Company GRC. Hence, 20% of all non-life business written is retroceded from 1 January 2017. While this reduces our non-life risk, the motivation for the retrocession is to mitigate the US trade sanctions risk and protect Gen Re employees who are US citizens.

In the third quarter of 2017 our Australian subsidiary wrote a very large block of business which involves a substantial financing component of which 90% is retroceded to our US sister company GRL.

As at 1 April 2020, we entered into a retrocession agreement with GRC to minimize the potential risk from natural catastrophe covers that could result from the Japanese non-life business we have written since 1 April 2020.

The overall effectiveness of our mitigation techniques is confirmed by our underwriting performance. We monitor our processes regularly with detailed reporting of our results and status of our portfolios.

C.7.3 Stress and Scenario Testing

As part of the ORSA process we perform stress tests as of the valuation date and if relevant over a multi-year time horizon.

Stress tests cover at least:

- Individual stress tests assessing the impact of a single event;
- Scenario analysis focusing on the impact of a combination of events;
- Sensitivity analysis aiming to test model results to changes in key input parameter of the model;
- Reverse stress tests identifying those stress and scenarios that could threaten the Group’s viability.

The principles set out below apply to all stress tests for GRAG and GRAG Group:

- Stress tests are based on the Group’s main risk drivers, i.e. insurance risks and market risks. Parameter stress tests reflect the risks the Group is exposed to going forward.
- Stress tests are to be applied to
    - The Solvency II Own Funds (incl. technical provisions where applicable),
    - The SCR derived from the standard formula.
- In addition to the stress tests based on the actual portfolio, additional stress tests are calculated taking into account the full use of the risk tolerances.
- Stress tests, where appropriate, take into account varying levels of severity, different risk measures (such as VaR and Tail Value at Risk (TVaR)) and valuation basis.
- Generic stress tests may be applied, in particular for a scenario calculation which combines several single stresses.

Within our 2019 ORSA process we have identified the most relevant stresses for GRAG Group. Their after-tax results on our own funds, the solvency capital requirement and the solvency ratio are shown in the table below:

Scenario	Own Funds		Solvency Capital Requirement		Solvency Ratio	
	after scenario €'000	∆ to year-end 2019 €'000	after scenario €'000	∆ to year-end 2019 €'000	after scenario in %	∆ to year-end 2019 in %
Non-Life Underwriting Risk*						
- European windstorm scenario	5,224,022	-324,800	3,200,592	0	163.2%	-10.1%
- Flood Germany scenario	5,322,582	-226,240	3,200,592	0	166.3%	-7.1%
- Earthquake Germany scenario	5,466,502	-82,320	3,200,592	0	170.8%	-2.6%
- Hail Germany scenario	5,388,102	-160,720	3,200,592	0	168.3%	-5.0%
Life-Health Underwriting Risk						
- Pandemic scenario	4,820,820	-728,002	3,200,592	0	150.6%	-22.7%
Market Risk						
- Equity crash scenario	4,231,800	-1,317,022	3,011,916	-188,676	140.5%	-32.9%
Combined Event						
- Combination of European Windstrom, Equity Crash, Pandemic scenario	3,178,999	-2,369,823	3,011,693	-188,899	105.6%	-67.8%

*based on an Occurence VaR 99.5%

The most material perils for our P/C business are European Windstorm, Flood Germany, Earthquake Germany and Hail Germany. In all stresses, the SCR was assumed to be constant, i.e. we do not consider our exposure reduced nor do we reduce our SCR even after a severe natural catastrophe event. For the scenarios we assumed a natural catastrophe according to our internal models with a return period of 200 years which would be up for immediate payment without any impact on technical provisions.

The most relevant catastrophes for L/H business are pandemics, as a pandemic would incur a large number of fatalities in countries with a high insurance penetration. We considered the SII pandemic, which corresponds to an additional insured lives mortality of 1.5 per 1,000 in one year. We assumed that our portfolio would not change fundamentally as a consequence of the pandemic and that claims would be paid immediately. Thus, both the required capital and the technical provisions would remain unchanged. At the time of this report, we have not identified any new factors or information arising from the outbreak of the COVID-19 pandemic that would change our assessment.

With respect to market risk the most material stress for our solvency positions is an equity stress. We assumed an equity stress of 50% in the scenario above. In the case of a severe market crash, the Group would lose substantial financial resources as a result of unrealized losses. Nonetheless, we would still be able to meet our regulatory capital requirements following such an extreme event. The impact on our equity portfolio arising from the market volatility experienced in the wake of the outbreak of the COVID-19 pandemic was less than the equity stress scenario noted above. However, we are closely monitoring the impact on our Solvency Ratio and this remains strong.

According to our reverse stress test analysis we would need to suffer a loss of Euro 2,348,229 thds to reduce our solvency ratio on group level to the regulatory requirement of 100%. Considering a combined scenario with a European windstorm, a pandemic event and an equity crash our capital position would remain well above this level even without any management actions.

Even if we fell below the SCR, we would still have capital above the minimum capital requirement (MCR), and thus be able to take the appropriate management actions. In addition, we could rely on parental support if more remote scenarios were to occur.

D. Valuation for Solvency Purposes

Please note that unless otherwise stated the information provided apply to GRAG Group as well as GRAG Solo.

D.1 Assets

The Group applies the Solvency II principles for asset recognition and valuation, which are based on the going concern principle and individual asset valuations using the "fair value" principles. Unless otherwise required by Solvency II regulations, the recognition of assets and their valuation is based on international accounting standards (IAS), as endorsed by the European Commission.

In determining the value of assets, we follow the Solvency II valuation hierarchy.

- Mark-to-market approach (default method): We use quoted market prices in active markets for the valuation of assets. Solvency II follows the IFRS principles for active markets.
- Marking-to-market approach: If quoted prices for assets are not available, quoted market prices in active markets for similar assets are used making any necessary adjustment in order to reflect observable differences.
- Mark-to-model approach (alternative technique): Where the use of quoted market prices for the same or similar assets is not available, we would apply alternative valuation methodologies. As far as possible, the alternative valuation methods are based on the use of observable market data.

We assume an active market exists unless one or more of the following market conditions apply:

- High volatility in prices;
- Low level of transactions;
- Extensive price spread between purchase and sale prices;
- Low trade volume.

In selected rare cases only, and when deemed appropriate considering the materiality of the balance sheet item, a simplified approach has been adopted.

The consolidated financial statement of GRAG Group has been prepared in accordance with US GAAP and includes the balance sheets of GRAG and its subsidiaries GRSA and GRLA. Inter-company accounts and transactions have been eliminated. Group figures are disclosed in the column indicated with GRAG Group.

The financial statement of GRAG stand-alone has been prepared in accordance with HGB which is shown in the columns indicated with Solo.

Assets and liabilities were translated at the following exchange rates as of the end of the reporting period:

Subsidiary	Exchange rate to Euro as of 31 December 2019
General Reinsurance Africa Ltd., Cape Town/South Africa	0.063356
General Reinsurance Life Australia Ltd, Sydney/Australia	0.624002

The Group Solvency II balance sheet has been prepared following the consolidation method which is considered the default method and is referred to as method 1 in accordance with Art. 230 of the Solvency II Directive.

It should be noted that our subsidiaries GRLA and GRSA are incorporated outside the European Economic Area (EEA) and as such they are not subject to Solvency II regulation on a stand-alone basis. Therefore, we have established a Solvency II Accounting Manual focusing on the recognition and valuation of assets and liabilities in order to ensure a consistent approach for all entities within the GRAG Group. Based on this the parent company GRAG as well as the subsidiaries GRLA and GRSA each prepare Solvency II balance sheets on a solo level, starting with the US GAAP financial statement. Reclassifications and valuation adjustments may be necessary to arrive at the Solvency II balance sheet. The SII technical provisions are calculated by the parent company GRAG based on cash flows provided by the local actuarial function (or chief actuary) for each entity in scope. The individual Solvency II balance sheets of the group entities are consolidated considering the elimination of inter-company transactions.

For valuation and reporting purposes the asset categories have been aggregated in compliance with the SII balance sheet template.

Please note that rounding differences can occur in the following tables.

The table below contains all assets as at 31 December 2019 according to Solvency II valuation principles compared with HGB (GRAG Solo) and US GAAP (GRAG Group). For the particular QRT S.02.01.02, please refer to the appendix.

Assets as at 31 December 2019	Note	GRAG Solo Solvency II €' 000	 HGB €' 000	GRAG Group Solvency II €' 000	 US GAAP €' 000
Deferred acquisition cost	1	0	0	0	193,944
Intangible assets	2	0	3,298	0	3,298
Deferred tax assets	3	68,368	407,578	89,991	140,815
Pension benefit surplus	4	2,616	15,222	2,616	2,616
Property, plant & equipment held for own use	5	34,996	14,783	35,219	15,007
Investments (other than assets held for index-linked and unit-linked contracts)		**10,835,250**	**9,872,080**	**11,436,022**	**11,438,939**
Holdings in related undertakings, including participations	6	313,159	142,217	3,486	26,233
Equities - listed	7	2,634,043	1,871,889	2,634,043	2,609,937
Bonds	**8**	**7,472,951**	**7,377,464**	**8,383,396**	**8,311,175**
Government bonds		3,523,036	4,200,528	4,433,482	5,124,890
Corporate bonds		3,949,914	3,176,936	3,949,914	3,186,285
Collective investments undertakings	9	402,062	403,769	402,062	397,544
Deposits other than cash equivalents	10	12,995	12,801	12,995	12,801
Other investments	11	39	63,939	39	81,249
Loans and mortgages	12	711,552	634,800	711,552	634,800
Reinsurance recoverables from	**13**	**444,667**	**613,808**	**84,805**	**863,986**
Non-Life excluding Health		380,096	505,528	380,096	533,548
Health similar to Non-Life		4,643	5,823	4,643	5,913
Health similar to Life		11,796	13,850	72,611	13,645
Life excluding Health and index-linked and unit-linked		48,132	88,607	-372,545	310,881
Deposits to cedants	**14**	**2,116,802**	**1,663,430**	**2,087,055**	**121,564**
Non-Life		135,224	141,538	105,477	107,112
Life/Health		1,981,578	1,521,892	1,981,578	14,452
Insurance and intermediaries receivables	15	31,769	1,118,827	37,997	1,134,075
Reinsurance receivables	16	0	23,821	0	23,821
Receivables (trade, not insurance)	17	91,972	94,687	92,846	90,556
Cash and cash equivalents	18	359,079	359,074	550,757	552,253
Any other assets, not elsewhere shown	19	11,680	513	12,432	12,436
Total Assets		**14,708,750**	**14,821,921**	**15,141,292**	**15,228,110**

In the following the differences between the basis, methods and assumptions used for asset valuation for Solvency II purposes in comparison to HGB and US GAAP are described for each asset class:

Note 1 – Deferred Acquisition Cost

Assets	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Deferred acquisition cost	0	0	0	193,944

Under Solvency II and HGB, deferred acquisition costs are not recognized.

Under US GAAP, acquisition costs, which principally consist of commission expenses incurred at contract issuance, are deferred and amortized over the contract period in which the related premiums are earned, generally one year (ASC 944-30). Deferred acquisition costs are reviewed to determine that they do not exceed recoverable amounts, after considering investment income.

Note 2 – Intangible Assets

Assets	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Intangible assets	0	3,298	0	3,298

Under Solvency II, the valuation of intangible assets needs to meet the criteria that intangible assets can be sold separately and a market value for such assets can be determined. As neither of these conditions could be met, we have not recognized these assets in the Solvency II balance sheet.

Under US GAAP, costs incurred to develop, maintain, or restore intangible assets are recognized as an expense when incurred, in accordance with ASC 350-30. Exceptions include costs associated with computer software intended to be sold or computer software for internal use. Intangible assets are measured at historical cost (less accumulated amortization and impairments); revaluation of intangible assets (other than for impairments) is not permitted.

Under HGB, intangible assets are valued at cost of acquisition, less accumulated ordinary and extraordinary depreciation HGB § 341b (1) in conjunction with § 253 para. 1, 3 and 5 and § 255 para. 1.

The intangible assets presented under US GAAP and HGB, relate primarily to capitalized software in connection with the implementation of a new life/health administration system.

Note 3 – Deferred Tax Assets

Deferred Taxes	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Deferred tax assets (DTA) (+)	68,368	407,578	89,991	140,815
Deferred tax liability (DTL) (-)	-501,976	0	-530,435	-12,958
Total deferred taxes	**-433,608**	**407,578**	**-440,444**	**127,857**

For Solvency II deferred taxes are recognized in accordance with IFRS for temporary differences and unused tax losses. For permanent differences, e.g. from tax exempt mark to market valuation of equities, no deferred taxes have been recognized. The methodology and the conception for the calculation of deferred taxes follow IAS 12 (Income Taxes).

Under US GAAP, deferred taxes are recognized and valuated in accordance with ASC 740. In essence, the fundamental methodology and conception of deferred taxes under US GAAP corresponds to IFRS.

For the calculation of deferred taxes company specific tax rates which have been enacted at the reporting date are applied. The German tax rate used for Solvency II is 32,45% and equals to the rate used for statutory (HGB) and US GAAP purposes. Foreign tax rates are considered for deferred taxes related to temporary differences regarding local tax/local GAAP to HGB. A weighted average tax rate of 30% is used to calculate deferred taxes on technical provisions for Solvency II purposes.

Foreign tax rates are considered for the calculation of deferred taxes of foreign subsidiaries. The foreign tax rates amount to 28% for GRSA and 30% for GRLA.

Deferred taxes on temporary differences between the values of assets and liabilities according to HGB, US GAAP and the respective Solvency II values as at 31 December 2019 mainly result from the following positions:

Overview deferred taxes	GRAG Solo DTA (+) and DTL (-) €'000	GRAG Group DTA (+) and DTL (-) €'000
Deferred taxes on temporary differences between HGB values and tax base	407,578	n/a
Deferred taxes on temporary differences between US GAAP values and tax base	n/a	127,857
Investments due to Solvency II revaluations	-53,754	-29,622
Technical provisions due to Solvency II revaluations		
- Life	-454,823	-464,159
- Non-life	-376,109	-83,875
Total - technical provisions	-830,932	-548,035
Other Solvency II revaluations	43,500	9,356
Total deferred taxes for Solvency II - DTA (+)/ DTL (-)	**-433,608**	**-440,444**
- thereof DTA (+)	68,368	89,991
- thereof DTL (-)	-501,976	-530,435

The maturity bands are as follows:

Maturity bands	GRAG Solo		GRAG Group	
	Deferred tax assets (DTA) (+)	Deferred tax liability (DTL) (-)	Deferred tax assets (DTA) (+)	Deferred tax liability (DTL) (-)
Maturity band < 1 year	1,252	-28,159	14,059	-28,159
Maturity band 1-5 years	56,755	-32,135	65,570	-32,135
Maturity band > 5 years	10,361	-441,682	10,361	-470,141
Total deferred taxes	**68,368**	**-501,976**	**89,990**	**-530,435**

As far as DTA and DTL relate to different taxable entities netting was not applicable.

DTL on investments mainly results from mark to market valuation.

DTL on technical provision result from revaluation of technical provisions for Solvency II purposes described in chapter D.2.

Deferred tax assets and liabilities stemming from subsidiaries are only set up if the preconditions of IAS 12.39 (deferred tax liabilities) or IAS 12.44 (deferred tax assets) are met. At 31 December 2019 for taxable differences amounting to Euro 9,812 thds (tax base) for GRAG solo, the preconditions for recognition of deferred tax liabilities (referred above), had not been met. Due to the consolidation of the financial statements this difference does not exist for GRAG Group. For GRAG Group the preconditions for recognition of deferred tax liabilities/assets (referred above) for taxable/deductible differences from the currency translation of subsidiaries, had not been met at 31 December 2019.

The recoverability of the net deferred tax assets is considered in the light of planning projections which cover future taxable profits (other than profits arising from the reversal of existing taxable temporary differences). The planning cycle for tax recoverability testing of the Company consist of 5 years. For deductible temporary differences net deferred tax assets in the amount of Euro 17,367 thds for GRAG solo and for GRAG Group have not been posted.

For tax losses carried forward, deferred tax assets are recognized as far as their future usability is supported by planning projections, taking into account any legal or regulatory requirements on the time limits relating to the carry-forward. In particular, the tax losses carried forward taken into account can be utilized within the country specific limited period of time.

At 31 December 2019 deferred tax assets on tax losses carried forward, amounting to Euro 301 thds for GRAG Solo and amounting to Euro 1,782 thds for GRAG Group were booked (gross amount before offset against DTL).

Tax losses carried forward with corresponding DTA	GRAG Solo		GRAG Group		
Country	Tax losses carried forward €'000	DTA €'000	Tax losses carried forward	DTA	Expiry Limit
Denmark	0	0	0	0	unlimited carry-foward
United Kingdom	1,770	301	1,770	301	unlimited carry-foward
Korea	0	0	0	0	10 year carry-forward
New Zealand	-	-	5,290	1,481	unlimited carry-foward
South Africa	-	-	0	0	unlimited carry-foward
Total tax losses carried forward	**1,770**	**301**	**7,060**	**1,782**	

Deferred tax assets in the amount of Euro 3,323 thds for GRAG solo and in the amount of Euro 12,839 thds for GRAG Group are not posted since it is expected that underlying tax losses carried forward are not usable in the future.

Note 4 – Pension Benefit Surplus

Assets	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Pension benefit surplus	2,616	15,222	2,616	2,616

GRAG's UK branch has a pension plan funded by GRAG whose assets are held in trust funds.

The pensions benefit surplus represents the excess of the fair value of the plan assets and associated life insurance contracts over the defined benefit obligations.

The Solvency II value was derived in accordance with EIOPA's final relevant level 3 guidelines on valuation which refers to IAS 19 (as a proxy for consistent measurement principles for employee benefits).

The pension liabilities have been netted with the plan assets in the HGB balance sheet according to HGB § 246 para. 2 sentence 3.

The table below shows the amounts which were netted in the balance sheet:

	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Fair value of plan assets	60,081	60,081	60,081	60,081
Pension fund	57,465	44,859	57,465	57,465
Total	**2,616**	**15,222**	**2,616**	**2,616**

The plan assets are as follows:

Portfolio	Valuation amount €' 000	Percentage of total plan assets %
Government bonds	11,956	19.9%
Corporate bonds	3,073	5.1%
Equities	11,746	19.5%
Other investments	33,478	55.7%
Cash and cash equivalents	-171	-0.3%
Total plan assets	**60,081**	**100.0%**

For further details relating to the benefit obligations please refer to chapter D.3 – note 2 Pension Benefit Obligation.

Note 5 – Property, Plant & Equipment held for Own Use

Assets	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Property, plant	28,300	8,087	28,300	8,087
Equipment	6,696	6,696	6,919	6,919
Property, plant & equipment held for own use	**34,996**	**14,783**	**35,219**	**15,007**

Property

The only property, currently owner-occupied by GRAG Group, is the office building located in Cologne Germany.

The Solvency II value is derived using a mark-to-model approach in accordance with IAS 16 (fair value model). We perform an external assessment of the current market value every three years. The last external valuation assessment was performed in 2019. In addition, at each valuation date, it is assessed whether there are any material indicators or market developments that may impact the market value, such as macroeconomic conditions, interest rate levels, or rent levels.

For the valuation, a discounted cash flow approach has been used, based on a two-stage financial mathematical model to determine the cash value of the future yield of the property, which is viewed as its present value. Market transactions as well as comparable rentals for similar properties have also been considered where available.

In our valuation, we have considered a remaining period of usage of the property of 21 years.

We have considered a fictional lease agreement scenario for the property, using the following main parameters/assumptions:

- Market value in Euro per sq. m: 2,263
- Gross multiplier on market rent: 13.76
- Net yield on market rent in %: 6.08

Under US GAAP, we have valued the asset using the principle of historical cost within the meaning of ASC 360. Depreciation was applied using the linear method, based on the asset's expected useful life. Under US GAAP, the revaluation of the asset to fair value is not permitted which is the main driver for the difference between SII and US GAAP value. Due to the favorable location of the building and the increasing rental costs over the period since the property was purchased, the market value is significantly higher than the depreciated book value under US GAAP.

Under HGB we have valued this asset using the principle of historical cost within the meaning of HGB § 341b in conjunction with § 253 para. 1 and § 255 para. 1, 3 and 5, less scheduled depreciation. Depreciation was applied using the linear method, based on the asset's period of economic use.

In cases where the market value is significantly below book value, an unscheduled depreciation is considered. No unscheduled depreciation was necessary for the reporting year 2019.

As under HGB write-ups of the value are restricted to the level of acquisition costs, any increases in the market value for the real estate in Cologne are not reflected in the HGB values. This restriction is the main driver for the difference between SII and HGB value. Due to the favorable location of the building and the increasing rental costs over the period since the property was purchased, the market value is significantly higher than the depreciated book value under HGB.

Equipment

The equipment mainly comprises office furniture and fixtures.

Under Solvency II equipment is valued based on market values. As the market valuation cannot readily be determined, we have adopted the US GAAP valuation principles, based on the assumption that the US GAAP book values are not materially different from market values.

Under US GAAP, we have valued equipment using the principle of historical cost in accordance with ASC 360.

Under HGB we have valued equipment based on the acquisition costs within the meaning of HGB § 341b in conjunction with § 255 para. 1, 3 and 5, less scheduled depreciation.

Depreciation was applied for HGB as well as US GAAP by using the linear method, based on the asset's period of economic use.

Note 6 – Holdings in related Undertakings, including Participations

Assets	GRAG Solo Solvency II € ' 000	GRAG Solo HGB € ' 000	GRAG Group Solvency II € ' 000	GRAG Group US GAAP € ' 000
Holdings in related undertakings	312,104	117,235	0	0
Other participations	1,056	24,983	0	26,233
Holdings in related undertakings, including participations	**313,159**	**142,217**	**3,486**	**26,233**

Holdings in related undertakings relate to the two wholly owned reinsurance subsidiaries and other subsidiaries which represent ancillary service undertakings (please also refer to the table below):

a) Wholly owned subsidiaries

- General Reinsurance Africa Limited, Cape Town, (GRSA)
- General Reinsurance Life Australia Ltd, Sydney, (GRLA)

b) Ancillary service undertakings

- Gen Re Beirut s.a.l. off-Shore, Beirut
- General Reinsurance AG - Escritório de Representacao No Brasil Ltda., São Paulo
- General Reinsurance México S.A., Mexico City
- Gen Re Support Services Mumbai Private Limited (in run-off)

We have listed the Solvency II values in comparison to HGB in the table below.

Holdings in related undertakings	Share	Solvency II Market value € ' 000	HGB Book Value € ' 000
GRSA	100%	192,692	2,762
GRLA	100%	116,981	113,267
Other subsidiaries*	-	2,431	1,205
Total		**312,104**	**117,235**

*Ancillary service undertakings

As no active market with quoted prices exists for the **wholly owned subsidiaries**, we have adopted the Solvency II adjusted equity method under the Solvency II requirements. The valuation is based on the excess of assets over liabilities, in accordance with Art. 75 of Solvency II Directive (EU Directive 2009/138/EC) subsequently referred to as SII Directive.

Under HGB, shares in affiliated companies and investments are valued at acquisition cost. According to HGB § 341b para. 1, in conjunction with § 253 para. 3 sentence 3 unscheduled depreciation to the lower carrying value is only recognized when a permanent impairment is expected (lower of cost or market principle). If the conditions for the lower valuation do no longer apply, the asset is written up to the maximum historical cost (HGB § 341b para. 2 sentence 1 in conjunction with § 253 para. 5 sentence 1).

Material valuation differences between HGB and Solvency II arise, as HGB limits write-ups to the amount of the original acquisition cost, whereas for Solvency II, these valuation gains are fully reflected.

For GRAG Group reporting the investment in subsidiaries in respect of GRSA and GRLA are eliminated within the consolidated financial statement.

Due to the size of the **other subsidiaries (ancillary service undertakings)** relative to the total amount of participations, these have been excluded from group supervision following BaFin approval but are still reported for Solvency II purposes.

Other Participations

These include the following limited participations:

- Triton Gesellschaft für Beteiligungen mbH, Luxembourg
- ARGE FJA KR BU-System, München

For materiality considerations, we follow the same approach as for the ancillary service undertakings. They have been excluded from group supervision following BaFin approval due to their immateriality in comparison to the participations but are reported for Solvency II purposes. Furthermore, Nürnberger Beteiligungs-AG, Nürnberg, which is shown as a participation in HGB and US GAAP, is included in equities for Solvency II reporting purposes.

Note 7 – Equities, listed

Assets	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Equities - listed	2,634,043	1,871,889	2,634,043	2,609,937

GRAG Group only holds listed equities, which are recognized at fair value in accordance with Art. 75 SII Directive, excluding any deduction for transaction costs that would be incurred on disposal. The Group applies monthly market values (quoted prices from active markets), obtained from independent pricing service vendors such as ICE BofAML Index (Intercontinental Exchange Bank of America – Merrill Lynch Index), Bloomberg, Reuters and S&P and reported by our investment manager, NEAM. The Solvency II market values fully reflect dividends paid but exclude any dividend accruals. In 2019, there were no significant changes to the valuation models used.

Under US GAAP (ASC 320) the appropriate classification of investments in fixed maturity and equity securities is determined at the acquisition date and re-evaluated at each balance sheet date:

- Held-to-maturity investments are carried at amortized cost, reflecting the ability and intent to hold the securities to maturity.
- Trading investments are securities acquired with the intent to sell in the near term and are carried at fair value.
- All other securities are classified as available-for-sale and are carried at fair value with net unrealized gains or losses reported as a component of accumulated other comprehensive income.

At 31 December 2019 the Group equity investments were classified as available-for-sale and valued with at fair value. There are no valuation differences between Solvency II and US GAAP, however, an amount of Euro 24.106 thds is shown under participations in US GAAP but included in equities for Solvency II reporting purposes.

Under HGB, common equities are recognized at cost less unscheduled depreciation.

- For common equities allocated as fixed assets (Anlagevermögen), the moderate lower of cost or market principle in accordance with HGB § 341b para. 2 in conjunction with § 253 para. 3 and 5 applies.
- Common equities allocated as current assets (Umlaufvermögen), are recognized at the strict lower of cost or market principle in accordance with HGB § 341b para. 2 in conjunction with § 253 para. 4. If the conditions for impairment no longer apply, the value is written up to a maximum of the acquisition cost (HGB § 341b para. 2 sentence 1 in conjunction with § 253 para. 5 sentence 1).
- Accruals are recognized in a separate HGB balance sheet position.

At 31 December 2019, GRAG equities were all allocated as fixed assets (Anlagevermögen). In the previous year a large decrease of the market value of one equity holding resulted in a write-down to the market value in HGB. In 2019 this equity showed a positive development leading to a write-up under the requirements of HGB.

Additional differences between Solvency II and HGB equity values arise as HGB does not allow individual equity valuations which are higher than their respective acquisition costs, and also applies a different treatment for accrued dividends. The equity markets performed extraordinary well last year. That had a positive impact on the market values of our listed equities which increased significantly.

Note 8 – Bonds

Assets	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Government bonds	3,523,036	4,200,528	4,433,482	5,124,890
Corporate bonds	3,949,914	3,176,936	3,949,914	3,186,285
Bonds	**7,472,951**	**7,377,464**	**8,383,396**	**8,311,175**

Our bonds portfolio consists entirely of government and corporate bonds, invested in listed bonds.

In accordance with Art. 75 of the SII directive, bonds are recognized in the balance sheet at fair value. The Group applies monthly market values (quoted prices from active markets), obtained from independent pricing service vendors such as BofAML Index (Intercontinental Exchange Bank of America – Merrill Lynch Index), Bloomberg, Reuters and S&P and reported by our investment manager, NEAM. The Solvency II market values fully reflect interest paid and any interest accruals. In 2019, there were no significant changes to the valuation models used.

Please refer to note 7 above for details on the US GAAP classification and valuation methods of investments in fixed maturity and equity securities.

At 31 December 2019, all of the Group investments in fixed maturity securities were classified as available-for-sale and valued at fair value.

The difference between Solvency II and US GAAP values is primarily driven by the fact that under Solvency II, the market values of bonds include the associated accrued interest, whilst under US GAAP the accrued interest is reported under the “Other Investments” category as reported in Note 11 below.

Under HGB, bearer bonds and other fixed-income securities, which are classified as bonds are recognized and valued at acquisition cost less unscheduled depreciation (HGB § 253 para. 1 sentence 1). Accruals are recognized in a separate HGB balance sheet category.

The majority of our bonds are allocated to fixed assets (Anlagevermögen) and hence, the moderate lower of cost or market principle in accordance with HGB § 341b para. 2 in conjunction with § 253 para. 3 and 5 is applied.

A minority of bonds are allocated to current assets (Umlaufvermögen) and are recognized at the strict lower of cost or market principle in accordance with HGB § 341b para. 2 and in conjunction with § 253 para. 4. If the conditions for impairment no longer apply, the value is written up to a maximum of the acquisition cost (HGB § 341b para. 2 sentence 1 in conjunction with § 253 para. 5 sentence 1).

The difference between US GAAP and HGB can be attributed to increased market values driven by the current low interest rates. Under HGB, the recognition of these gains is not permitted.

For Solvency II purposes debt instruments of Kreditanstalt für Wiederaufbau (KfW), Landwirtschaftliche Rentenbank and FMS Wertmanagement which are not issued in Euro have been reclassified with an amount of Euro 742,582 thds from government bonds to corporate bonds.

Note 9 – Collective Investments Undertakings

Assets	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Collective investments undertakings	402,062	403,769	402,062	397,544

GRAG Group is invested in a single fixed income fund which is 100% held by the Company. The fund consists only of sovereign and corporate bonds and also holds a small portion of cash.

The difference between the SII and US GAAP valuation is primarily driven by two facts. Under Solvency II, the market values of bonds include the associated accrued interest, whilst under US GAAP the accrued interest is reported under the “Other Investments” category as reported in note 11 below. In addition, the cash item within the fund with a total value of around Euro 137 thds is shown under US GAAP in the “Cash and Cash Equivalents” category as reported in note 18 below.

Under HGB, we classified this fund to the fixed assets category (Anlagevermögen), recognizing and valuing these investments at acquisition cost less unscheduled depreciation (HGB § 253 para. 1 sentence 1) following the moderate lower of cost or market principle, in accordance with HGB § 341b para. 2 in conjunction with § 253 para. 3 and 5.

The difference between the SII and HGB valuations resulted from the lower bond prices within the fund. This effect can be attributed to the small increase of the short-dated interest rates at year-end. Under HGB, the recognition of unrealized gains and losses is not permitted.

Note 10 – Deposits other than Cash Equivalents

Assets	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Deposits other than cash equivalents	12,995	12,801	12,995	12,801

Under Solvency II, HGB and US GAAP deposits with credit institutions are valued at nominal amounts, which correspond to their fair value in accordance with Art. 75 SII Directive and US GAAP.

The deviation between Solvency II, HGB and US GAAP result from the different treatment of accrued accruals.

Note 11 – Other Investments

Assets	GRAG Solo Solvency II € '000	GRAG Solo HGB € '000	GRAG Group Solvency II € '000	GRAG Group US GAAP € '000
Other investments	39	63,939	39	81,249

The amount presented under Solvency II purely relates to the investment in two limited partnerships which are in liquidation.

Under US GAAP (ASC 235), these assets comprise of the investment in the limited partnerships referred above, and the accrued interests on bonds and cash. The limited partnerships are valued at cost. Considering their materiality level, the Group has chosen to use the same valuation approach for Solvency II. Therefore, there are no valuation differences between Solvency II and US GAAP for the Limited Partnerships.

The difference reported is wholly related to the inclusion of accrued interests on bonds and cash under US GAAP as well as HGB.

Note 12 – Loans and Mortgages

Assets	GRAG Solo Solvency II € '000	GRAG Solo HGB € '000	GRAG Group Solvency II € '000	GRAG Group US GAAP € '000
Loans and mortgages to individuals	0	0	0	0
Other loans and mortgages	711,552	634,800	711,552	634,800
Loans and mortgages	**711,552**	**634,800**	**711,552**	**634,800**

Under US GAAP (ASC 944-310) we have valued loans and mortgages using the principle of historical cost plus or less an amortization of the difference between acquisition costs and redemption amount.

For HGB the measurement of these assets follows the same approach within the meaning of HGB § 341b para. 1 in conjunction with HGB § 341c para. 3.

As at year-end, no loans and mortgages to individuals were issued.

The valuation differences between Solvency II and US GAAP/HGB results from the difference between amortized cost and the Solvency II market value which is calculated by a Discounted Cash Flow Model using the EIOPA risk free interest curve (without volatility adjustment). In addition, a spread is considered for the credit risk, which is derived from an appropriate index provider.

Note 13 – Reinsurance Recoverables

Assets	GRAG Solo Solvency II €' 000	GRAG Solo HGB €' 000	GRAG Group Solvency II €' 000	GRAG Group US GAAP €' 000
Non-Life excluding Health	380,096	505,528	380,096	533,548
Health similar to Non-Life	4,643	5,823	4,643	5,913
Health similar to Life	11,796	13,850	72,611	13,645
Life excluding Health and index-linked and unit-linked	48,132	88,607	-372,545	310,881
Reinsurance recoverables	**444,667**	**613,808**	**84,805**	**863,986**

Under US GAAP (ASC 944-310), reinsurance recoverables are valued at their nominal values, net of individual flat-rate value adjustments for Property/Casualty, and at their present value for Life/Health.

Under HGB, reinsurance recoverables are valued at their nominal values, net of individual flat-rate value adjustments, according to HGB § 341b para. 2 sentence 1 in conjunction with § 253 para. 1.

Please refer to section D.2 of this report, for details on the SII valuation of reinsurance recoverables.

Note 14 – Deposits to Cedants

Assets	GRAG Solo Solvency II €' 000	GRAG Solo HGB €' 000	GRAG Group Solvency II €' 000	GRAG Group US GAAP €' 000
Non-Life	135,224	141,538	105,477	107,112
Life/Health	1,981,578	1,521,892	1,981,578	14,452
Deposits to cedants	**2,116,802**	**1,663,430**	**2,087,055**	**121,564**

Under Solvency II, the deposits are valued based on their expected future cash flows discounted by the corresponding discount curves.

For US GAAP the deposits are netted with reserves in accordance with ASC 944, except for Life/Health deposits located in the Netherlands, which we were prohibited from doing so and for all Non-Life deposits. Under HGB, the deposits from reinsurers are recognized at their redemption amount (HGB § 314b para. 2 sentence 2 in conjunction with § 253 para. 1).

Note 15 – Insurance and Intermediaries Receivables

Assets	GRAG Solo Solvency II €' 000	GRAG Solo HGB €' 000	GRAG Group Solvency II €' 000	GRAG Group US GAAP €' 000
Insurance and intermediaries receivables	31,769	1,118,827	37,997	1,134,075

This position includes all receivables from incoming business.

Under US GAAP, insurance and intermediaries receivables are valued and recognized at their corresponding nominal values in accordance with ASC 944-310.

Receivables which are overdue greater than 180 days are valued at 50% of the original value. For receivables which are overdue greater than 360 days a bad debt reserve of 100% is provided.

Under HGB, insurance and intermediaries receivables are valued and recognized at their corresponding nominal values, net of individual flat-rate value adjustments, according to HGB § 341b para. 2 sentence 1 in conjunction with HGB § 253 para. 1.

For Solvency II purposes, only receivables which are overdue are shown in this position. All other receivables are considered future cash flows and have been reclassified to technical provisions.

Note 16 – Reinsurance Receivables

Assets	GRAG Solo		GRAG Group	
	Solvency II	HGB	Solvency II	US GAAP
	€' 000	€' 000	€' 000	€' 000
Reinsurance receivables	0	23,821	0	23,821

This position includes all receivables from ceded reinsurance. The valuation principles applied for Solvency II, HGB and US GAAP are the same as described in note 15 – Insurance and Intermediaries Receivables.

Note 17 – Receivables (Trade, not Insurance)

Assets	GRAG Solo		GRAG Group	
	Solvency II	HGB	Solvency II	US GAAP
	€' 000	€' 000	€' 000	€' 000
Receivables (trade, not insurance)	91,972	94,687	92,846	90,556

Under Solvency II, GRAG Group values receivables (trade, not insurance) of short-term duration (up to 12 months) based on their nominal value as fair value. For longer term receivables, the fair value is calculated as the present value of future cash flow. Individual and flat-rate value adjustments are made in line with the accounting treatment under US GAAP. Under US GAAP, receivables from reinsurers are valued and recognized at their corresponding nominal values in accordance with ASC 944-310.

Under HGB, receivables (trade, not insurance) are valued and recognized at their corresponding nominal values, net of individual flat-rate value adjustments, according to HGB § 341b para. 2 sentence 1 in conjunction with HGB § 253 para. 1.

In addition, in accordance with our internal provisioning policy, receivables which are overdue greater than 180 days are valued at 50% of the original value. Receivables which are overdue greater than 360 days are written down 100%.

Current tax assets are measured at the amount expected to be recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period (IAS 12.46).

Long term receivables include tax receivables and security deposits (Euro 66,332 thds). These long-term receivables are discounted under Solvency II, which is the reason for the valuation difference of Euro -2,715 thds between the Solvency II and US GAAP values.

In addition, a reclassification of tax receivables/payables (Euro 4,309 thds) has been considered. Under US GAAP the interest receivables on taxes are netted against the tax payables which are shown under "provisions other than technical provisions" and payables (trade, not insurance). For Solvency II purposes we show the value on a gross basis.

Note 18 – Cash and Cash Equivalents

Assets	GRAG Solo		GRAG Group	
	Solvency II	HGB	Solvency II	US GAAP
	€' 000	€' 000	€' 000	€' 000
Cash and cash equivalents	359,079	359,074	550,757	552,253

Under Solvency II, HGB and US GAAP (ASC 305), these are valued at their nominal value.

Note 19 – Any Other Assets, not elsewhere shown

Assets	GRAG Solo		GRAG Group	
	Solvency II	HGB	Solvency II	US GAAP
	€' 000	€' 000	€' 000	€' 000
Any other assets, not elsewhere shown	11,680	513	12,432	12,436

Under HGB, this item mainly comprises deferred items. Both under US GAAP and Solvency II we follow the new US GAAP presentation on the leasing of assets (ASC 842), so that these are also shown in this item at Euro 11,919 thds.

Other Disclosures

There have been no material changes made to the recognition and valuation basis and on estimations during the period.

D.2 Technical Provisions

This section provides details about GRAG Group's technical provisions (TPs). As a reinsurance undertaking, we assume both Life/Health (L/H) and Property/Casualty (P/C) risks.

The following table presents an overview of GRAG's and GRAG Group's TPs as at 31 December 2019.

Gross Technical Provisions as at 31 December 2019	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Technical Provisions - Non-Life	**5,408,825**	**7,203,259**	**5,418,582**	**6,422,107**
Technical Provisions - Non-Life (excl. Health)	5,275,232	7,097,312	5,284,989	6,316,168
TP calculated as a whole		7,097,312		6,316,168
Best Estimate	5,065,198		5,074,956	
Premium Provision	112,193		121,951	
Claims Provision	4,953,005		4,953,005	
Risk Margin	210,034		210,034	
Technical Provisions - Health (NSLT, similar to Non-Life)	133,593	105,947	133,593	105,939
TP calculated as a whole		105,947		105,939
Best Estimate	99,521		99,521	
Premium Provision	-7,874		-7,874	
Claims Provision	107,395		107,395	
Risk Margin	34,072		34,072	
Technical Provisions - Life (excl. index-linked / unit-linked)	**2,542,407**	**3,709,002**	**2,924,093**	**3,313,685**
Technical Provisions - Health (SLT, similar to Life)	1,174,131	1,536,310	1,852,303	987,198
TP calculated as a whole		1,536,310		987,198
Best Estimate	640,313		1,291,398	
Risk Margin	533,818		560,905	
Technical Provisions - Life (excl. Health)	1,368,276	2,172,692	1,071,790	2,326,486
TP calculated as a whole		2,172,692		2,326,486
Best Estimate	105,477		-237,104	
Risk Margin	1,262,800		1,308,894	
Other Technical Provisions		**91,440**		**93,443**
Total Gross Technical Provisions - Life and Non-Life	**7,951,232**	**11,003,701**	**8,342,676**	**9,829,235**

The risk margin (RM) included in the TPs relates to both L/H and P/C risks. The RM is allocated to L/H and P/C on a pro-rate basis in proportion to the quantum of the SCR relating to L/H and P/C underwriting risk.

Information relating to the technical provisions is provided below in two sections, Life/Health and Property/Casualty as well as a third section providing details on assumptions applicable to both.

D.2.1 Life/Health

Overview of the Technical Provisions for Life/Health

The following table provides an overview of the GRAG Group's best estimate and risk margin for each line of business as at 31 December 2019.

	Best Estimate Gross € '000	Risk Margin € '000	Technical Provisions € '000	Reinsurance Recoverables € '000
Life	-237,104	1,308,894	1,071,790	-372,545
Health SLT	1,291,398	560,905	1,852,303	72,611
Total	**1,054,294**	**1,869,799**	**2,924,093**	**-299,934**

For reconciliation purposes we would like to note that under HGB and US GAAP, the Life/Health business comprises more than just the business shown in the Solvency II lines of business of "Life" and "Health SLT". The Solvency II line of business "Health Non-SLT" comprises business written in Life/Health (non-proportional health business) and Property/Casualty (personal accident business). The technical provisions for "Health Non-SLT" amount to Euro 133,593 thds.

Health Non-SLT	€ '000
Best estimate	**99,521**
Thereof	
Non-proportional health business	26,902
PA business (non-life)	72,619
Risk margin	34,072
Technical provisions	**133,593**

Details on the assumptions used for the valuation of the technical provisions are provided further down below. The technical provisions for "Health Non-SLT" are further discussed in Chapter D.2.2 "Property/Casualty".

The main part of the consolidated technical provisions of the GRAG Group for "Life" and "Health SLT" is associated with the GRAG. They also comprise the business of GRLA and of GRSA. The breakdown of the best estimate and risk margins for the lines of business "Life" and "Health SLT" can be found in the following table.

	Best Estimate Gross € '000	Risk Margin € '000	Technical Provisions € '000	Reinsurance Recoverables € '000
GRAG	745,790	1,796,617	2,542,407	59,928
GRLA	135,601	41,823	177,424	-374,755
GRSA	157,917	31,358	189,275	-93
Intercompany transactions	14,986	0	14,986	14,986
Total	**1,054,294**	**1,869,799**	**2,924,093**	**-299,934**

GRLA mainly covers mortality, disability and trauma/critical illness. The disability benefits are either lump sum benefits or regular payments over the time of disablement. These regular payments give rise for the reserves for claims in payment under US GAAP and form the main part of the technical provisions under Solvency II.

The business of GRSA is comprised to 30% of group business which is short term business covering mortality and morbidity. The majority of the technical provisions are in relation to regular payments on disability claims.

Description of the Level of Uncertainty associated with the Value of Technical Provisions (TPs)

The shocks prescribed by the Solvency II Standard Formula can already be regarded as a sensitivity test of the best estimate TPs. The shocks represent the variation of one parameter in the set of assumptions. The impact of a shock is the difference between the shocked cash flows and the best estimate cash flows. However, only the increase in the liability is measured at the level of the homogenous risk classes. Correlation effects on a higher level are not taken into account.

The following shocks are considered:

Risk	Description
Mortality	Increase of 15% in the mortality rates
Longevity	Decrease of 20% in the mortality rates
Disability (income protection)	Increase of 35% in the disability and morbidity rates in the first year, of 25% in the following years as well as a decrease of 20% in the recovery rates
Disability (increase of medical expenses)	Increase of 5% in the amount of medical payments and of 1 % to the inflation rate
Disability (decrease of medical expenses)	Decrease of 5 % in the amount of medical payments and of 1% from the inflation rate
Lapse up	Increase of 50% in the lapse rates
Lapse down	Decrease of 50% in the lapse rates, but not more than 20 % absolutely
Lapse mass	Lapse rate of 40% in the first year
Expenses	Increase of 10% in the amount of expenses and of 1% to the inflation rate
Cat (life)	Additive increase of 0.15% to the mortality rates in the first year

The table below sets out the best estimate as well as the impact of the particular shock scenarios.

	€ '000
Best estimate	**1,054,294**
Thereof Life	-237,104
Thereof Health SLT	1,291,398
Impact of shocks:	
Mortality	833,669
Longevity	92,017
Disability	1,217,028
Lapse down	49,629
Lapse mass	1,100,606
Lapse up	590,885
Expenses	146,170
Cat (life)	1,075,568

The table should be interpreted in the following way: The best estimate TPs for “Life” and “Health SLT” is Euro 1,054,294 thds.

If the mortality assumption is increased by 15%, i.e. to 115% of the best estimate assumption, the best estimate TPs increase by Euro 833,669 thds to Euro 1,887,963 thds. As noted before, this is a rather conservative proxy for the impact of the shock as only increases in liabilities are taken into account; offsets are not allowed for.

Disability and mortality are the main risks in our business. For this reason, the corresponding shocks have the greatest impact on the best estimate. This includes the catastrophe risk (life) which might stem from extreme events like a pandemic.

The greatest impact of the three lapse shocks has the mass lapse risk since it causes a reduction of profitable future business.

Due to the sufficient amount of the Solvency ratio, the above-mentioned shock scenarios are absorbed within the GRAG Group’s Own Funds.

Solvency II requires a projection of future cash flows, which include bound new business up to the contract boundary. There is uncertainty in the estimation of the new business volumes as well as uncertainty in the actuarial assumptions on the lapses, respectively decline rate of the portfolio in force at the valuation date.

GRAG Group estimates the expected premium volume for 2020 per reinsurance contract as part of its financial planning process. If GRAG Group’s gross premium volume 2020 was 1% higher (lower) than expected, the gross best estimate would decrease (increase) by Euro 35,304 thds. An increase in premium volume implies an increase of the future profits, which in turn reduces the best estimate. The 1% change in premium volume correlates to a 1% increase of the present value of future profits. In recent years, actual gross premium income exceeded expected premium income by 1% to 2%.

The largest area of growth is in the China Branch, which writes big blocks of new Health business. This rapid expansion makes forecasting more challenging, although a large proportion of this business is short-term which reduces the impact on the best estimate. While the premium of the Chinese Health business rose by more than 50%, the best estimate only increased from Euro 102,895 thds last year to Euro 104,135 thds in our valuation as of 31 December 2019.

Material Differences between Bases, Methods and Main Assumptions Used for the Valuation for Solvency II Purposes and in Financial Statements for Material Lines of Business

1. Differences between Solvency II and HGB for GRAG Solo

For the Solvency II lines of business “Life” and “Health SLT“ the material valuation differences between the Solvency II technical provisions and reserves according to HGB for GRAG Solo are:

i. A risk margin is included in the Solvency II technical provisions, but not in the statutory reserves. The risk margin amounts to Euro 1,796,617 thds;

ii. Under Solvency II, the best estimate liability (BEL) is calculated using best estimate assumptions, as detailed in the section on actuarial methodologies and assumptions, and using discount curves as provided by EIOPA, whereas for statutory purposes, statutory assumptions and local statutory discount rates are used;

iii. Solvency II is a gross premium valuation. All future premiums and future claims up to the contract boundary are considered for the determination of the best estimate liability. Therefore, the Solvency II BEL is different from statutory reserves by the discounted margin of future business.

The latter point is particularly important for GRAG Solo, as it has a significant portfolio of reinsurance contracts with guaranteed terms. The financial impact of the above-mentioned valuation differences ii. and iii. amounts to Euro 3,035,902 thds. This includes the reinsurance, insurance and intermediaries receivables and payables not overdue (Euro 167,523 thds net) that are disclosed in the best estimate, but not in the statutory reserves.

The following table provides an overview of the main drivers and their effect resulting in different values. The Solvency II technical provisions are shown for Life and Health SLT business. For reconciliation purposes, the table includes amounts relating to non-proportional health reinsurance business, which is included under Solvency II in the line of business “Health NSLT”. For details on this line of business, see chapter D.2.2 Property/Casualty.

	Life/Health SLT € '000	Health Non-SLT *) € '000	Total € '000
Statutory reserves, gross	3,799,669	30,311	3,829,980
Thereof reserve for profit commission, gross	90,667	58	90,725
Thereof all other reserves, gross	3,709,002	30,253	3,739,255
Statutory DAC (Life), net	-17,977	0	-17,977
Subtotal statutory	**3,781,692**	**30,311**	**3,812,004**
PV margin of future business and change in assumptions	3,035,902		
Best estimate	745,790		
Risk margin	1,796,617		
Technical provisions	**2,542,407**		

*) non proportional health reinsurance business only, excl. PA business written by P/C.

The value of gross reserves under HGB is Euro 3,829,980 thds for its Life/Health reinsurance business. Under modified coinsurance treaties, some of the reserves are deposited back with the cedants. These deposits amount to Euro 1,521,892 thds (gross) for the Life/Health business and are an asset in GRAG’s balance sheet. No investment risk is associated with the deposits. The cedant reimburses an amount equal to the contractually agreed discount rate to GRAG.

2. Difference between Solvency II and US GAAP for GRAG Group

For the Solvency II lines of business “Life” and “Health SLT“ the material valuation differences between the Solvency II technical provisions and reserves according to US GAAP for GRAG Group are:

i. A risk margin is included in the Solvency II technical provisions, but not in the US GAAP reserves. The risk margin amounts to Euro 1,869,799 thds.

ii. Under Solvency II, the best estimate is calculated using best estimate assumptions and the discount curves provided by EIOPA, whereas for US GAAP purposes, US GAAP assumptions and discount rates are used.

iii. Solvency II is a gross premium valuation. All future premiums and future claims up to the contract boundary are considered for the determination of the best estimate. Therefore, the Solvency II BEL is different from US GAAP reserves by the discounted margin of future business.

The latter point is particularly important for GRAG Group, as it has a significant portfolio of reinsurance contracts with guaranteed terms.

The financial impact of the above-mentioned valuation differences ii. and iii. amounts to Euro 3,760,534 thds. This includes the reinsurance, insurance and intermediaries receivables and payables not overdue (Euro 140,451 thds net) which are disclosed in the best estimate, but not in the US GAAP reserves.

Under modified coinsurance treaties, some of the reserves are deposited back with the cedants. These deposits amount to Euro 1,521,892 thds (gross) for the Life/Health business and are netted against the reserves in the US GAAP balance. For Solvency II, these cash deposits are disclosed on the asset side.

The following table provides an overview of the main drivers and their effect resulting in different values. The Solvency II technical provisions are shown for "Life" and "Health SLT" business. For reconciliation purposes, the table includes amounts relating to non-proportional health reinsurance business, which is included under Solvency II in the line of business "Health Non-SLT". For details on this line of business, see Chapter D.2.2 Property/Casualty.

	Life/Health SLT € '000	Health Non-SLT *) € '000	Total € '000
US GAAP reserves - gross	3,406,354	29,318	3,435,672
Thereof reserve for profit commission, gross	92,670	58	92,728
Thereof all other reserves, gross	3,313,685	29,259	3,342,944
US GAAP deposits - gross	-14,452	0	-14,452
Deferred acquisition costs - gross	-97,823	0	-97,823
Subtotal US GAAP	**3,294,079**	**29,318**	**3,323,397**
Statutory deposits - gross	1,520,749	1,143	1,521,892
Subtotal	**4,814,828**	**30,461**	**4,845,290**
PV margin of future business and change in assumptions	3,760,534		
Best estimate	1,054,294		
Risk margin	1,869,799		
Technical provisions	**2,924,093**		

*) non-proportional health reinsurance business only, excl. PA business written by P/C.

Recoverables from Reinsurance Contracts and Special Purpose Vehicles (SPV)

As a generally "gross for net" underwriter (see Section C.7.2) we only accept inwards reinsurance business of sufficient quality which meets our underwriting standards and where we are confident that premiums adequately reflect the underlying exposures. Retrocession is used for various reasons but limited to a small section of our business.

GRAG Group's retroceded premium for 2019 amounted to Euro 242,945 thds representing 9.3% of the overall Life/Health premium (based on US GAAP).

The recoverables from reinsurance contracts under Solvency II for "Life" and "Health SLT" amount to Euro -299,934 thds. The negative amount is explained by the retrocession of profitable business, thus creating a liability against the retrocessionaires.

Recoverables from Reinsurance Contracts	€'000
Life	-372,545
Health SLT	72,611
Total	**-299,934**

In 2017 GRLA signed a larger transaction with a cedant in Australia. The business in force under this transaction is internally retroceded on a 90% quota share basis to General Re Life Corporation. Ultimately this business remains within the Gen Re, but in the Solvency II balance sheet for GRAG Group, the retrocession shows up as recoverables from reinsurance contracts. In this respect, this quota share retrocession of a single large treaty is not in contradiction to the preceding paragraph.

Counterparty default adjustments were considered in the calculation of the reinsurance recoverables. They amount to Euro 1,293 thds.

The GRAG Group does not have any Special Purpose Vehicles.

Actuarial Methodologies and Assumptions used in the Calculation of the Technical Provisions, and details of Simplifications and Justification of Chosen Methods.

Methodology

The cash-flow projection used for the best estimate is calculated on main treaty level in the valuation tool AXIS, using two different modelling variants that differ in the granularity of the input data and of the assumptions: Portfolio models and Seriatim models.

The majority of the treaties are modelled as Portfolio models. These models are based upon aggregated information from the accounting system (such as premiums, claims etc.). The Seriatim models are based on individual policy data and project cash flows per reinsured policy or person.

Statutory reserves which are not modelled by Seriatim models are assumed to be on a best estimate basis. These reserves are released into cash flows through Portfolio models.

Portfolio models are based on loss ratios and commission ratios which are applied to the projected premium to derive the individual cash outflow components: claims and commissions. The projection of the premiums is based on assumptions on the decline rate of the premium volume.

For a wide range of our reinsurance business the planning, monitoring and control cycle focuses on these ratios. Also pricing activities and pricing guidelines operate on such key ratios, ultimately on the combined ratio. This justifies and shows the appropriateness of Portfolio models in these business areas.

Seriatim models are more detailed. Cash flows are modelled using information per reinsured policy, respectively per reinsured person. The actuarial model combines the policy information with data from the reinsurance treaty on premium rates and with assumptions on mortality, morbidity and lapses.

The expenses used for the cash flow projections are derived from the actual expenses of the Life/Health business in the most recent financial years.

All input data for the actuarial model is checked for appropriateness and quality; this applies especially to all the policy data, assumptions and key-ratio factors.

The actuarial models project cash flows with the following components for incoming and out-going business:

- Premiums,
- Acquisition commission,
- Renewal commission,
- Claims,
- Technical interest,
- Profit commission, and
- Expenses.

The technical interest is an element of the reinsurance accounts and paid by the cedant under modified coinsurance treaties. The technical interest is not investment income but an amount equal to the contractual agreed discount rate for reserves deposited back with the cedant.

The profit commission is defined by contractual terms of the reinsurance treaty. It is a function of the profit emerging under a reinsurance treaty. Its quantum is not dependent on management decisions.

The actuarial models generate cash flow projections in the currency of the respective reinsurance treaty. Besides the best estimate scenario, shock scenarios according to the Solvency II standard model are generated.

These cash flows are loaded into GRAG's Solvency II data mart. From there the cash flows are taken to RiskIntegrityTM[1], where the technical provisions and solvency capital requirements are calculated. The calculation and data-transfer process is highly automatized.

The subsidiaries GRLA and GRSA generate cash flows for their local IFRS reporting and their local Solvency regimes „ICAAP“ (Internal Capital Adequacy Assessment Process) and „SAM“ (Solvency Assessment and Management). They use AXIS, Prophet and Mo.net as valuation tools as well as spreadsheet models. The cash flows aggregated to a line of business level are incorporated into the Group balance sheet.

For GRAG Group the technical provisions are consolidated on a gross basis. Retrocessions from the subsidiaries to GRAG are eliminated from the reinsurance recoverables of the subsidiaries and from GRAG's technical provisions. There are no retrocessions from GRAG to the subsidiaries.

Assumptions

The assumptions underlying the cash flow projections encompass mortality and morbidity rates, lapse/persistency rates, termination rates etc. The assumptions are considered best estimate and are reviewed annually and adjusted when necessary.

For the Seriatim models the assumptions are approved by the responsible account managers.

For Portfolio models the key ratios (loss ratios, commission ratios etc.) are taken from the financial reporting and planning system. The planning is the basis for the financial reporting and control and monitoring cycle. The actual development of the business is measured against this benchmark. To this extent, the financial planning reflects the best estimate assumptions for the underlying business.

[1] RiskIntegrityTM is software used by GRAG to calculate the solvency capital required following SII requirements and support Pillar 3 reporting requirements.

There are more than 3,000 Portfolio models covering the incoming and outgoing Life/Health business. The assumptions may vary for all these models.

The decline rate applicable to the in-force premium was derived from the companies own experience in the respective markets. If applicable, assumptions about implicit growth in premium rates due to the aging of the portfolio are made. Also, if applicable, assumptions about changes in premium volumes relating to changes in the underlying sum at risk are made. Where data was incomplete or insufficient, expert judgment was used to set up appropriate assumptions.

For Seriatim models assumptions on mortality, morbidity, lapses etc. are used. GRAG is subject to US GAAP reporting. US GAAP reporting requires also best estimate assumptions (for loss recognition testing of the historically locked-in-assumptions). Where Seriatim models are used for US GAAP valuation purposes, the same set of best estimate assumptions are used for US GAAP and Solvency II.

The information from pricing a piece of business indicates best estimate assumptions; at the point the business is written. Where experience data is available, the ratio of actual to expected rates are analyzed when deemed necessary.

If there are significant changes the best estimate assumptions are revised accordingly. Also, expert judgment is used to verify the assumptions made.

There are Seriatim models for 75 different cedant companies, but each model may have several sub models for which separate assumptions apply. These sub models may reflect gender, smoking status, underwriting periods or different products.

The non-economic assumptions for the models of GRLA and GRSA are consistent to the assumptions for their local IFRS reporting.

Material Changes in Assumptions made in the Calculation of the Technical Provisions

The following table provides an overview of the best estimate (net) for each line of business as at 31 December 2019 and 31 December 2018. The changes may be subdivided into four categories:

1. The increase due to new exchange rates and discount rates amounts to Euro 75,486 thds.
2. The change in deposits leads to a decrease of the best estimate of Euro 43,469 thds.
3. The change in reinsurance, insurance and intermediaries receivables and payables not overdue reduces the best estimate by Euro 6,172 thds.
4. Other changes increase the best estimate by Euro 131,623 thds. The main drivers increasing the best estimate are changes in assumptions and higher liabilities from new business. On the other hand, the enhancement of the projection models reduces the best estimate. (By enhancing the detail of policy data and refining the assumptions there are now Seriatim models for more reinsurance treaties.)

	Life € '000	Health SLT € '000	Health Non-SLT *) € '000	Total € '000
Best estimate 2018 (net)	**83,624**	**1,119,118**	**20,921**	**1,223,663**
Change due to currency rates and discount rates	-19,093	93,870	709	75,486
Change in deposits	-51,383	7,321	592	-43,469
Change in reinsurance, insurance and intermediaries receivables and payables not overdue	-7,762	2,249	-659	-6,172
Other changes	130,055	-3,770	5,339	131,623
Best estimate 2019 (net)	**135,441**	**1,218,788**	**26,902**	**1,381,130**

*) non proportional health reinsurance business only, excl. PA business written by P/C.

The development of the risk margin is described in chapter D.2.3. Compared to the previous year, the underlying SCR changes are mainly due to the new discount rates and the increase of business volume. The increase of business volume leads to a higher impact of the CAT mortality shock and a higher SCR in this scenario. Additionally, the refinement of the projection models leads to a higher SCR in the disability income shock scenario.

D.2.2 Property/Casualty

Overview of the Technical Provisions for Property/Casualty

In the following table we provide an overview of GRAG Group's best estimate liabilities (BEL) and risk margin for each line of business.

Solvency II Lines of Business Reinsurance	Premium Provision Gross €'000	Claims Provision Gross €'000	Total Best Estimate Gross €'000	Risk Margin €'000	Total Technical Provision Gross €'000	Recov. after CPD Adjustment Retro €'000	Total Technical Provision Net €'000
Income protection	402	40,168	40,571	12,319	52,889	-3,093	49,796
Motor vehicle liability	36,252	481,879	518,131	19,922	538,053	-52,597	485,456
Other motor	-5,215	62,937	57,722	2,290	60,012	-20,794	39,218
Marine, aviation and transport	1,942	46,205	48,147	1,854	50,001	-5,419	44,583
Fire and other damage to property	-3,452	429,069	425,617	16,376	441,993	-64,768	377,225
General liability	3,830	265,703	269,533	10,665	280,198	-33,568	246,630
Credit and suretyship	878	41,263	42,141	1,887	44,028	-295	43,733
Non-proportional property	5,571	432,224	437,794	17,152	454,946	-59,723	395,223
Non-proportional casualty	80,698	3,129,157	3,209,855	137,252	3,347,107	-135,639	3,211,468
Non-proportional marine, aviation and transport	1,446	64,569	66,015	2,638	68,652	-7,295	61,357
Non-proportional health	-8,276	67,226	58,950	21,753	80,704	-1,550	79,154
Total Non-Life	**114,077**	**5,060,400**	**5,174,477**	**244,106**	**5,418,582**	**-384,739**	**5,033,844**

Description of the Level of Uncertainty associated with the Value of Technical Provisions

For the calculation of the Technical Provisions, reasonable assumptions, techniques and judgments are used in accordance with actuarial standards of practice, including reconciliations, checks and a thorough review process.

However, the estimation of time and amount of liabilities will be subject to forecast error, which can be potentially large. This is because the resolution of claims is subject to the outcome of events that are unknown or yet to occur. Future loss trends regarding bodily injuries, judicial or legislative outcomes, the general economic environment, client claims settlement practices, reporting lags or timing risks as well as changes in mortality, health or nursing care can impact the run-off performance significantly.

The level of uncertainty associated with the TP's is driven by the Line of Business' intrinsic risk, the duration of the treaties and underlying policies and the geographical area where the risks are underwritten. Technical Provisions are sensitive against changes in the set of best estimate assumptions. This applies to both components of the Technical Provisions, the Best Estimate Liabilities and the Risk Margin. The Risk Margin however is a function of all SCRs: L/H as well as P/C. The corresponding correlation effects have to be considered.

We conducted some sensitivity tests of the P/C Best Estimate Liabilities (BEL) and the results fall within a reasonable range of potential loss deviations from the best estimate

Material Differences between Bases, Methods and Main Assumptions Used for the Valuation for Solvency II Purposes and in Financial Statements for Material Lines of Business

The material methodological differences between Solvency II net technical provisions as at 31 December 2019 and corresponding net reserves for the Group according to US GAAP and for GRAG Solo according to HGB are outlined below.

i. Unallocated loss adjustment reserves (ULAE) for US GAAP purposes of Euro 74,976 thds respectively equalization reserve for HGB of Euro 972,156 thds.

ii. The US GAAP reserves include a net unearned premium reserve of Euro 383,036 thds. The HGB reserves include a net unearned premium reserve of Euro 294,124 thds.

iii. Under Solvency II, best estimate liabilities are calculated as present values whereas for US GAAP and HGB purposes the reserves are nominal values. Using the interest rate curves as provided by EIOPA, the net claims discounting effect amounts to Euro 636,502 thds.

iv. For US GAAP and HGB purposes, claims reserves are only set for outstanding claims (i.e. incurred claims). Under Solvency II, future premiums and future claims up to the contract boundary are considered for the determination of the premium provision. Therefore, Solvency II BELs are different from US GAAP and HGB reserves by the present value of cash flows from future business, as well as all account receivables and payables not overdue, totaling Euro 171,208 thds for GRAG Group or Euro 180,965 thds for GRAG Solo, respectively (the difference stems from consolidated intragroup accounts receivables).

v. Solvency II TPs further include claims expenses amounting to Euro 166,477 thds.

vi. Some other minor differences sum up to Euro 6,337 thds for GRAG Group and Euro 5,344 thds for GRAG Solo (for instance a provision for the expected loss due to counterparty default in Solvency II or evaluation differences in the L/H piece of the NP health (NSLT) business).

vii. A risk margin is included in the Solvency II TPs and not part of the US GAAP respectively HGB reserves which amounts to Euro 244,106 thds.

The following table provides an overview of the main drivers as described above for GRAG Solo and GRAG Group:

Reconciliation of P/C Reserves to SII Technical Provisions	GRAG Solo €'000	GRAG Group €'000
Net Statutory Reserves*	**6,691,908**	**5,882,646**
Equalization Reserve	-972,156	n/a
Unallocated Loss Adjustment Expenses	n/a	-74,976
Unearned Premium Reserve	-294,124	-383,036
Claims Discounting	-636,502	-636,502
Premium Provision & Receivables/Payables not overdue	-180,965	-171,208
Claims Expenses	166,477	166,477
Other	5,344	6,337
Net Best Estimate Liabilities	**4,779,981**	**4,789,738**
Risk Margin	244,106	244,106
Net Technical Provisions	**5,024,087**	**5,033,844**

*For GRAG Solo based on HGB
For GRAG Group based on US GAAP

Recoverables from Reinsurance Contracts and Special Purposes Vehicles

The methodology to calculate the retro recoverables is the same as the methodology to calculate the gross best estimate, see section on actuarial methodologies and assumptions below. Since underwriting year 2017 we have an internal retrocession to our US parent GRC. The GRAG retro recoverables amount to Euro 384,739 thds. GRAG Group does not have any SPVs.

Actuarial Methodologies and Assumptions used in the Calculation of the Technical Provisions, and Details of Simplifications and Justification of Chosen Methods.

Claims Provisions

The BELs are calculated using standard deterministic actuarial methodologies, based on the projection of run-off triangles, usually constructed on aggregate basis (predominantly Bornhuetter-Ferguson but also Chain-Ladder etc.). For the more recent underwriting years, where no triangle history is available yet, we apply expected loss ratio methods, also incorporating most recent information received from underwriters, the general market, benchmarks or claims reports where available. Our actuarial forecast process also consists of peer reviews and retrospective back-testing in our loss development review.

Premium Provisions

Future premiums and commissions are derived from our Solvency II forecast process, based on the written and bound premium. As the majority of premium is earned in the first year the discounting effect is negligible. Hence, we only discount the future losses originating from this premium, applying the rates prescribed by EIOPA.

The future expected losses as well as all claims cash-flows are derived from the actual payment history by actuarial forecast segment i.e. by reinsurance form, line of business and region/market.

Expenses

We split management expenses into “short-term” and “long-term” expenses to allocate them accordingly between gross premium provisions (short-term) and gross claims provisions (long-term). The latest available management expenses are used as benchmark for the current year. Expenses for future financial years are then projected using these uniform ratios over time, thus the expenses mirror the future premium or reserve related cash flows over the whole runoff period.

Material Changes in Assumptions made in the Calculation of the Technical Provisions

The following table shows the development of the net BELs of GRAG Group during the last year:

	Claims Provision € '000	Premium Provision € '000	Total € '000
Best Estimate 2018 (net)	**4,199,545**	**72,119**	**4,271,664**
Change due to currency rates	92,497	1,096	93,593
Change due to discount rates	328,314	8,777	337,092
Change due to experience or assumptions	82,380	5,010	87,389
Best Estimate 2019 (net)	**4,702,735**	**87,002**	**4,789,738**

The changes of Euro 518,074 thds can be subdivided into three categories:

1. The change in currency exchange rates cause a Euro 93,593 thds increase in TPs.

2. New discount rates increase the TPs by Euro 337,092 thds.

3. The changes relating to actual loss experience or changes in actuarial assumptions represent an increase of Euro 87,389 thds. This is largely attributable to the continuing premium growth in the last year. There were no material changes in actuarial assumptions as our general approaches remained unchanged.

The development of the risk margin is described in the following chapter D.2.3.

D.2.3 Further Assumptions applicable to both Life/Health and Property/Casualty

Risk Margin

The calculation of the risk margin (RM) is based on the cost of capital (CoC) method.

In line with Solvency II regulations market risk and loss absorbing capacity for deferred taxes are not accounted for in the calculation of the SCR for RM. The SCR is calculated at a legal entity level. We therefore account for diversification between life and non-life, but not between legal entities. For GRAG Group as a composite entity the respective Life, Health and P/C modules are projected separately to determine the SCR for all future years of the run-off of Technical Provisions (TPs).

To determine the SCR for risk margin for each projection year, the individual modules and sub-modules are aggregated based on the square root formula and the correlation matrix provided by the standard formula.

For the whole portfolio the risk margin is allocated to the lines of business so that it adequately reflects the contributions of the lines of business to the SCR over the lifetime of the whole portfolio. No additional split of the risk margin between claims and premium provision is required.

Risk Margin Calculation for GRSA and GRLA

For the calculation of the risk margin for our subsidiaries GRLA and GRSA we use the simplified method 2. The simplification classified as method 2 of the hierarchical structure of the technical specification provided by EIOPA is based on the assumption that the future SCRs are proportional to the best estimate liability for the relevant year. Here the proportionality factor is given by the ratio of the present SCR to the present best estimate liability.

Change in Risk Margin

In 2019 GRAG Group's Risk Margin increased by Euro 448,698 thds from Euro 1,665,207 thds to Euro 2,113,905 thds. The main reasons for this are the change in discount rates and the growth of the SCR for the Life and the Health module.

Matching adjustment

A matching adjustment was not used.

Volatility adjustment

A volatility adjustment was not used.

Transitional risk-free interest rate-term structure

The transitional risk-free interest rate-term structure was not applied.

Transitional deduction

The transitional deduction was not applied.

D.3 Other Liabilities

The table below contains all relevant other liabilities as at 31 December 2019 according to Solvency II valuation principles compared with HGB (GRAG Solo) and US GAAP (GRAG Group). For the particular QRT S.02.01.02, please refer to the appendix.

Other Liabilities as at 31 December 2019	Note	GRAG Solo		GRAG Group	
		Solvency II €'000	HGB €' 000	Solvency II €'000	US GAAP €'000
Provisions other than technical provisions	1	296,122	341,296	299,371	267,722
Pension benefit obligations	2	363,997	258,782	364,117	364,117
Deposits from reinsurers	**3**	**27,824**	**27,180**	**27,824**	**2,011**
Non-Life		1,063	1,066	1,063	1,065
Life/Health		26,761	26,114	26,761	945
Deferred tax liabilities	4	501,976	0	530,435	12,958
Insurance and intermediaries payables	5	0	320,723	64	324,194
Reinsurance payables	6	0	155,186	0	169,425
Payables (trade, not insurance)	7	7,232	7,232	16,439	16,439
Any other liabilities, not elsewhere shown	8	11,545	378	11,545	11,545
Total Other Liabilities		**1,208,696**	**1,110,778**	**1,249,795**	**1,168,411**

The differences between the basis, methods and assumptions used for liability valuation for Solvency II purposes, and those used in the HGB and US GAAP financial statements are outlined below:

Note 1 – Provisions other than Technical Provisions

Other liabilities	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Provisions other than technical provisions	296,122	341,296	299,371	267,722

Under Solvency II and in accordance with IAS 37, the valuation is based on the best estimate for settling the current obligations, taking into consideration the risks and uncertainties that exist. Provisions with a maturity of less than one year are valued at nominal value, whilst provisions with a maturity of more than one year are discounted, to reflect the risk and the timing in the settlement of the obligation.

Under US GAAP and in accordance with ASC 450, we do not to discount provisions.

Under HGB, provisions are valued based on a fulfillment amount, in accordance with HGB § 253 para. 1 sentence 2 taking into account future price and cost increases. Provisions with a maturity of longer than one year are discounted at the corresponding monthly interest rates of the past seven years, published by the German Central Bank.

For discounting purposes and considering materiality levels, we use the same interest rates for Solvency II as for HGB.

Current tax liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates that have been enacted or substantively enacted by the end of the reporting period (IAS 12.46).

For US GAAP the Group does not discount tax liabilities, whereas for Solvency II, the Group discounts these liabilities. Moreover, provisions for interests on taxes are valued based on a fulfillment amount for HGB and Solvency II, taking into account future price and cost increases, whereas for US GAAP provisions for interests on taxes are only considered up to the year-end of the current financial year. Under US GAAP the receivables for interests on taxes are netted against the tax payables which are shown under “provisions other than technical provisions” category. For Solvency II purposes we report the values on a gross basis, with the tax receivables as well as the receivables for interests on taxes being reported under “Receivables (trade, not insurance)” category.

The difference between the Solvency II and the US GAAP is primarily driven by the different treatment of Current tax liabilities as well as provisions for interests on tax between US GAAP and Solvency II as explained above. The difference between Solvency II and HGB relates to the currency reserve contained within HGB but not permitted under Solvency II.

Material Provisions other than Technical Provisions

The table below outlines the material provisions under Solvency II; uncertainties in terms of the amount or timing of the outflows of economic benefits were taken into account in the valuation.

Nature of Obligation	Duration of Economic Benefit	€' 000
Tax provision	up to 9 years	193,042
Interest on taxes	up to 9 years	69,709

Uncertainties in terms of the amount or timing of the outflows of economic benefits were taken into account in the valuation.

Note 2 – Pension Benefit Obligations

Other liabilities	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Pension benefit obligations	363,997	258,782	364,117	364,117

The pensions benefit obligations cover provisions for accrued pensions rights and current pension’s obligations.

For Solvency II purposes the we recognize and value pension benefit obligations in accordance with IAS 19 as amended in 2011, which is considered to be consistent with Solvency II requirements.

The actuarial value is determined using the projected unit credit method, allowing for estimated future salary increases, benefits and medical costs.

The discount rate used to calculate the Solvency II value reflects the current market conditions at the balance sheet date. It is derived using corporate bonds with a rating of AA or higher which are consistent with the currency and maturity of the liabilities in relation to the portfolio

Under US GAAP, the same valuation approach is used, in accordance with ASC 715 and therefore no valuation differences exist between Solvency II and US GAAP.

Under HGB, we have used the provisions for pension obligations according to HGB § 253 para. 1 and 2 applying the Klaus Heubeck 2018 G mortality tables for Germany and corresponding mortality tables for foreign pension liabilities.

The discount rate used is a 10-year-average historical rate, which is determined based on the rates published by the German Central bank by 31 October 2019 in accordance with HGB § 253 para. 2 and extrapolating these rates to 31 December 2019 using the method prescribed by the German regulation of the discounting of provisions (Rückstellungsabzinsungsverordnung).

Under HGB, a remaining period of 15 years is assumed for the future increase for salaries and pensions.

In accordance with the approach described above the following assumptions for the financial year 2019 were applied:

	Solvency II	HGB	US GAAP
Discount rate	0.8% *	2.7%	0.8% *
Future increase of salaries	2.5% **	2.5%	2.5% **
Future increase of pensions	1.75%	1.75%	1.75%
Biometric basis for calculation for Germany	Klaus Heubeck 2018 G mortality tables	Klaus Heubeck 2018 G mortality tables	Klaus Heubeck 2018 G mortality tables

* For the pension fund in UK a discount rate of 2.7% is applied.

** For the pension fund in UK a future increase of salaries of 2.4% is assumed.

Note 3 – Deposits from Reinsurers

Other liabilities	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Non-Life	1,063	1,066	1,063	1,065
Life/Health	26,761	26,114	26,761	945
Deposits from reinsurers	**27,824**	**27,180**	**27,824**	**2,011**

Under Solvency, the deposits are valued based on their expected future cash flows discounted using the corresponding discount curves.

For US GAAP deposits are netted with reserves in accordance with ASC 944, except for Life/Health deposits located in the Netherlands, which we were prohibited from doing so and for all non-life deposits.

Under HGB, the deposits from reinsurers are recognized at their redemption amount (HGB § 314b para. 2 sentence 2 in conjunction with § 253 para.1).

Note 4 – Deferred Tax Liabilities

Deferred Taxes	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Deferred tax assets (DTA) (+)	68,368	407,578	89,991	140,815
Deferred tax liability (DTL) (-)	-501,976	0	-530,435	-12,958
Total deferred taxes	**-433,608**	**407,578**	**-440,444**	**127,857**

For explanation of valuation differences, please refer to chapter D.1 Assets, note 3 – Deferred Tax Assets.

Note 5 – Insurance and Intermediaries Payables

Other liabilities	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Insurance and intermediaries payables	0	320,723	64	324,194

This position includes payables from incoming business.

Under US GAAP, the valuation is in accordance with ASC 944. All payables are considered to be of short-term nature (up to 12 months). Therefore, GRAG uses the nominal amount as fair value.

Under HGB, insurance and intermediaries receivables have to be valued in accordance with the regulations applicable to HGB § 341b para. 2 sentence 1 in conjunction with § 253 para. 1 based on the corresponding repayment amounts.

For Solvency II purposes, only amounts payable which are considered overdue are shown in this balance. All other amounts are reclassified to best estimate liabilities within Technical Provisions. For GRAG Solo, no balances are considered overdue, which is why the Solvency II value is zero. For GRAG Group, an amount of Euro 64 thds attributable to our South African Subsidiary is shown in this position.

Note 6 – Reinsurance Payables

Other liabilities	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Reinsurance payables	0	155,186	0	169,425

This position includes all payables from ceded reinsurance. The valuation principles applied for US GAAP, HGB and Solvency II are the same as described in note 5 – Insurance and Intermediaries Payables.

Note 7 – Payables (Trade, not Insurance)

Other liabilities	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Payables (trade, not insurance)	7,232	7,232	16,439	16,439

Under Solvency II, payables (trade, not insurance) with duration of up to 12 months are recognized at their nominal value. The fair values of balances payable over a longer term (greater than 12 months) are determined using present value method. Individual and flat-rate value adjustments are performed in line with the accounting treatment under US GAAP.

Under US GAAP these payables are recognized at their fair value in accordance with ASC 944. Flat-rate adjustments are applied based on individual analysis and experiences of the last few years, similar to the individual value adjustments made to balances receivable. As all payables (trade, not insurance) are of a short-term nature (up to 12 months) the Group uses the nominal value as fair value.

Under HGB, payables (trade, not insurance) are recognized at their future amount payable in accordance with HGB § 341b para. 2 sentence 1 in conjunction with § 253 para.1. Flat-rate adjustments are applied based on individual analysis and experiences of the last few years similar to the individual value adjustments made to balances receivable. As all payables are short-term (up to 12 months) GRAG uses the nominal value as fair value. Therefore, no difference arises.

Under HGB, payables (trade, not insurance) are recognized at their future amount payable in accordance with HGB § 341b para. 2 sentence 1 in conjunction with § 253 para.1. Flat-rate adjustments are performed based on individual surveys and experiences of the last few years similar to the individual value adjustments made to the asset-side.

As all payables are short-term (up to 12 months) GRAG uses the nominal value as fair value. Therefore, no difference arises between the Solvency II, HGB and US-GAAP values.

Note 8 – Any other Liabilities, not elsewhere shown

Other liabilities	GRAG Solo		GRAG Group	
	Solvency II €' 000	HGB €' 000	Solvency II €' 000	US GAAP €' 000
Any other liabilities, not elsewhere shown	11,545	378	11,545	11,545

Under HGB, this balance contains deferred items only. Under US GAAP and Solvency II, this position additionally includes lease liabilities amounting to EUR 11,167 thds following the new US GAAP standard on leases (ASC 842), which we have also adopted for Solvency II.

D.4 Alternative Methods for Valuation

Wherever possible we have used market values in accordance with (article 75 of the SII Directive. Where quoted prices from active markets are not available, the fair value hierarchy as outlined in article 10 DA was applied.

In some circumstances where the determination of the market value is considered highly difficult to establish in comparison to the level of materiality (proportionality) of the balance sheet item, GRAG Group has used the US GAAP financial statement valuations, where the conditions as laid down in article 9 DA apply. The valuation approach applied for Solvency II is described in chapter D.1 to D.3.

D.5 Any Other Information

For the valuation of assets, the Group is generally applying the mark to market approach, with the exception of:

Properties (see chapter D.1, note 5 – Property, Plant and Equipment) where the valuation approach used is mark to model.

Reinsurance recoverables (see chapter D.1, note 13 – Reinsurance Recoverables respectively chapter D.2 technical provisions).

For the valuation of technical provisions and other liabilities, GRAG Group is applying a mark to model approach (see relevant chapters D.2 and D.3).

E. Capital Management

E.1 Own Funds

E.1.1 Management of Own Funds

Our capital management policy sets the framework for the correct classification of all own funds items into tiers taking into account applicable capital and distribution rules. In addition, it ensures that adequate processes are implemented and adhered to. We define capital management as the planning, management and monitoring of the capitalization respectively our own funds to ensure that the regulatory requirements as well as the internal strategic capital objectives are met at any time.

The Solvency Ratio stipulated by the supervisory authority in accordance with Solvency II is stipulated at 100%. However, we have set internal strategic capital objectives regarding our capital adequacy in order to achieve a sustainable long-term increase of the financial position and financial strength. As such capital management is integrated into the planning and steering process. We differentiate between a one-year bottom-up detailed financial plan and a 3-year medium-term capital plan which is in alignment with our ORSA forward look time horizon. The planned eligible own funds are compared with the expected solvency capital requirements to ensure compliance with the regulatory solvency capital requirements.

The achievement of our capital management objectives is ensured through:

- The integration of capital management in the planning and control process facilitates a direct link to the Group's own risk and solvency assessment.
- The limit system and risk reporting procedures implemented continuously monitor for changes in the risk profile and the amount of already consumed eligible own funds.

Part of the capital management process consists of analyzing all components of the eligible own funds according to their quality criteria ('tiering'), any duration or constraints of their availability, future planned dividends and contractual interest payments.

E.1.2 Structure, Amount and Quality of Own Funds

Our capital structure consists of the following Solvency II own funds (OF) categories, which are not subject to any conditions:

1. Ordinary share capital
2. Share premium account related to ordinary share capital (paid-in capital)
3. Reconciliation reserve.

The reconciliation reserve consists of current and prior retained earnings within the Group, items directly booked to equity based on US GAAP accounting requirements and any valuation adjustments which are the difference between the economic balance sheet and those of the US GAAP balance sheet. Referring to GRAG Solo the reconciliation reserve includes current and prior earnings retained based on HGB and any valuation differences between HGB and Solvency II.

The Group Own Funds have been calculated based on the Solvency II Group Balance Sheet, which has been prepared in accordance with the consolidation method (default method/method 1); all intra-group transactions have been eliminated.

The entire own fund items of GRAG and GRAG Group are classified as unrestricted tier 1 which is considered the highest quality of capital in terms of “loss absorbing capacity”. We do not hold any subordinated debt capital. There are no items that need to be approved as basic or ancillary own funds items. In addition, the availability or transferability of the own funds are not affected by any deductions or restrictions.

The details of the eligible Own Funds for GRAG and GRAG Group at 31 December 2019 in comparison to the prior year are disclosed in the table below:

Own Funds	GRAG Solo			GRAG Group		
	2019 €'000	2018 €'000	Change €'000	2019 €'000	2018 €'000	Change €'000
Total assets	**14,708,750**	**13,211,441**	**1,497,309**	**15,141,292**	**13,522,572**	**1,618,720**
- Total liabilities	9,159,928	8,127,425	1,032,503	9,592,471	8,438,557	1,153,913
- Own shares	0	0	0	0	0	0
- Participation in financial and credit institutions	0	0	0	0	0	0
- Foreseeable dividends	0	0	0	0	0	0
- Ring-fenced funds	0	0	0	0	0	0
Basic own funds	**5,548,822**	**5,084,015**	**464,806**	**5,548,822**	**5,084,015**	**464,806**
thereof						
Ordinary share capital (gross of own shares)	55,000	55,000	0	55,000	55,000	0
Share premium account related to ordinary share capital	866,174	866,174	0	866,174	866,174	0
Surplus fund	0	0	0	0	0	0
Reconciliation reserve	4,627,648	4,162,842	464,806	4,627,648	4,162,842	464,806
thereof						
Retained earnings	1,786,268	1,432,263	354,005	3,432,906	2,690,189	742,718
Adjustment due to revaluation differences	2,841,380	2,730,579	110,801	1,316,646	1,598,345	-281,699
Foreseeable dividend	0	0	0	0	0	0
+ Subordinated liabilities	0	0	0	0	0	0
+ Additional own funds	0	0	0	0	0	0
Eligible Own Funds	**5,548,822**	**5,084,015**	**464,806**	**5,548,822**	**5,084,015**	**464,806**

Overall the structure of the OF did not change in comparison to the prior year.

Differences in Equity	GRAG Solo			GRAG Group		
	2019 €'000	2018 €'000	Change €'000	2019 €'000	2018 €'000	Change €'000
Shareholder's equity*	**2,707,442**	**2,353,437**	**354,005**	**4,230,465**	**3,483,959**	**746,506**
Adjustments						
Investments	1,006,385	638,277	368,108	63,024	44,226	18,798
Life/Health	1,068,835	1,146,115	-77,280	1,088,825	1,158,503	-69,678
Property/Casualty	798,107	929,742	-131,636	189,848	404,992	-215,143
Other	-31,947	16,445	-48,391	-23,340	-7,664	-15,676
Dividend	0	0	0	0	0	0
Total adjustments	**2,841,380**	**2,730,579**	**110,801**	**1,318,357**	**1,600,056**	**-281,699**
SII Own Funds	**5,548,822**	**5,084,015**	**464,806**	**5,548,822**	**5,084,015**	**464,806**

*GRAG Solo based on HGB
GRAG Group based on US GAAP

For details on the key differences please refer to chapter D.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

We use the standard formula for the calculation of the minimum capital requirement (MCR) and SCR. The table below outlines GRAG Group's SCR and MCR broken down into the individual entities and split by risk modules at 31 December 2019 in comparison to the previous year:

Solvency II Capital Requirements	GRAG Solo 2019 €'000	GRAG Solo 2018 €'000	GRSA* 2019 €'000	GRSA* 2018 €'000	GRLA* 2019 €'000	GRLA* 2018 €'000	GRAG Group 2019 €'000	GRAG Group 2018 €'000
Eligible own funds	5,548,822	5,084,015	127,364	146,724	158,095	116,981	5,548,822	5,084,015
SCR	**3,053,583**	**2,456,925**	**267,929**	**226,054**	**82,258**	**141,892**	**3,200,592**	**2,644,099**
Surplus capital	2,495,239	2,627,090	-140,565	-79,331	75,836	-24,911	2,348,229	2,439,917
MCR	**1,374,112**	**1,105,616**	**77,029**	**57,334**	**19,638**	**44,855**	**1,470,779**	**1,207,805**
Solvency ratio	**181.7%**	**206.9%**	**47.5%**	**64.9%**	**192.2%**	**82.4%**	**173.4%**	**192.3%**
Risk modules								
Underwriting risk Life	1,898,484	1,620,316	85,741	75,176	45,110	66,627	2,024,359	1,755,350
Underwriting risk Health	923,103	728,256	47,337	36,145	27,761	75,570	990,677	831,389
Underwriting risk Non-Life	1,122,454	1,070,065	0	0	0	0	1,122,980	1,070,065
Market risk	1,664,727	1,405,997	278,711	226,012	18,025	24,225	1,723,613	1,458,744
Counterparty default risk	32,360	70,810	16,638	10,240	4,838	1,671	39,749	74,157
Diversification	-2,069,481	-1,815,726	-94,437	-75,893	-27,494	-45,136	-2,156,955	-1,922,115
Operational risk	158,298	137,880	7,843	6,846	14,019	20,244	161,651	138,842
Loss-absorbing capacity for deferred taxes	-676,362	-760,673	-73,904	-52,472	0	-1,310	-705,482	-762,334
SCR	**3,053,583**	**2,456,925**	**267,929**	**226,054**	**82,258**	**141,892**	**3,200,592**	**2,644,099**

* Application of the Standard Formula following SII even though not part of the EEA.

In determining the risk modules, we have not made use of simplifications. However, in terms of the non-life premium and reserve risk we applied USPs in accordance with article 218 level II in due consideration that this better reflects our risk profile. The USP's were approved by the Bafin in November 2015. In addition, EIOPA introduced transitional measures to ensure a smooth conversion to the SII regime. We make use of the transitional measure for the equity risk which will increase linearly over a period of seven years. Based on article 308(b) section 13, of the SII Directive, we recognize that the SCR will increase over the transitional period ending 1 January 2023.

Regarding GRSA and GRLA it should be noted that these companies are not within the EEA and as such not subject to Solvency II regulation on a stand-alone basis. However, as outlined in chapter D the subsidiaries provide input for the Solvency II Group reporting. The calculation of the Group SCR follows the same approach as for GRAG stand-alone but based on consolidated data considering the elimination of intercompany transactions.

GRSA as well as GRLA have adequate capital to meet their local regulatory requirements. For capital management purposes we consider it efficient to concentrate the surplus capital within the parent company GRAG and provide parental support when needed.

As GRAG Group is classified as non-composite we follow the regulatory requirements for non-composite undertakings for the calculation of the MCR.

We would like to point out that the amounts disclosed for the SCR and MCR are considered preliminary and are subject to supervisory assessment by the BaFin.

E.3 Use of the Duration-Based Equity Risk Sub-Module in the Calculation of the Solvency Capital Requirement

We do not use the duration-based equity risk sub-module in the calculation of the SCR. It should be noted that Germany did not make use of the option to allow the duration-based equity risk sub-modules.

E.4 Difference between the Standard Formula and Any Internal Model Used

We apply the standard formula and do not use an internal model to calculate the SCR. We have obtained regulatory approval to use USPs in the calculation of premium and reserve risk. These are reviewed and updated each year, where appropriate.

E.5 Non-Compliance with the MCR and SCR

There was no breach of the SCR and hence the MCR over the reporting period. By reference to the SCR and MCR, the Solvency II OF substantially exceeded the capital requirements. By these measures, we remain in a satisfactory capital position.

E.6 Any Other Information

For the reporting period 31 December 2019, there is no other information to be disclosed.

Abbreviations

AF	Actuarial function
AMSB	Administrative, management and supervisory body
APRA	Australian Prudential Regulation Authority
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht
BCM	Business Continuity Management
BEL	Best estimate liability
BofAML Index	Bank of America – Merrill Lynch Index
BRK	Berkshire Hathaway Inc.
CF	Compliance Function
CO	Compliance Officer
CoC	Cost of capital
CRO	Chief Risk Officer
DTA	Deferred tax assets
DTL	Deferred tax liabilities
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
EPIFP	Expected profits included in future premium
Gen Re	General Reinsurance
GRAG	General Reinsurance AG
GRC	General Reinsurance Corporation
GRL	General Re Life Corporation
GRLA	General Reinsurance Life Australia Ltd, Sydney
GRN	General Re Corporation
GRSA	General Reinsurance Africa Limited, Capetown
IAF	Internal audit function
IAS	International accounting standard
ICAAP	Internal capital adequacy assessment process
ICS	Internal control system
ICT	Internal control testing
IFRS	International financial reporting standard
KPI	Key performance indicator
L/H	Life/Health
MCR	Minimum capital requirement
MENA	Middle East & North Africa
MIG	Master investment guidelines
Nat cat	Natural catastrophe
NEAM	New England Asset Management Ltd.

Non-SLT	Similar to non-life
NSLT	Similar to non-life
OF	Own funds
ORSA	Own Risk and Solvency Assessment
OSN	Overall solvency needs
P/C	Property/Casualty
PA	Prudential Authority (South Africa)
PO	Principal Officer
PPP	Prudent person principle
ORSA	Own Risk and Solvency Assessment
OSN	Overall Solvency Needs
QRT	Quantitative Reporting Template
RBNZ	Reserve Bank of New Zealand
RC	Risk committee
RM	Risk margin
RMF	Risk Management Function
RMT	Risk management team
RO	Risk Officer
SAM	Solvency assessment and management
SCR	Solvency capital requirement
SF	Standard formula
SFCR	Solvency and Financial Condition Report
SII	Solvency II
SLA	Service level agreement
SLT	Similar to life
SPV	Special purpose vehicle
TPs	Technical provisions
TVaR	Tail value at risk
ULAE	Unallocated loss adjustment reserves
US GAAP	United States Generally Accepted Accounting Principles
USP	Undertaking specific parameter
VaR	Value at risk

Appendix – Quantitative Reporting Templates

Please note the following:
All values are stated in thousand Euros.
Rounding differences can occur in the following tables.
GRAG Group does not make use of transitional arrangements, volatility and matching adjustments and as such we do not disclose QRT S.22.01.21 "Impact of long term guarantees and transitional measures".

S.02.01.02_Solo – QRT Balance sheet as at 31. December 2019

Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0
Deferred tax assets	R0040	68,368
Pension benefit surplus	R0050	2,616
Property, plant & equipment held for own use	R0060	34,996
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	10,835,249
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	313,159
Equities	R0100	2,634,043
Equities - listed	R0110	2,634,043
Equities - unlisted	R0120	0
Bonds	R0130	7,472,951
Government Bonds	R0140	3,523,036
Corporate Bonds	R0150	3,949,914
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	402,062
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	12,995
Other investments	R0210	39
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	711,552
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	711,552
Reinsurance recoverables from:	R0270	444,667
Non-life and health similar to non-life	R0280	384,739
Non-life excluding health	R0290	380,096
Health similar to non-life	R0300	4,643
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	59,928
Health similar to life	R0320	11,796
Life excluding health and index-linked and unit-linked	R0330	48,132
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	2,116,802
Insurance and intermediaries receivables	R0360	31,769
Reinsurance receivables	R0370	0
Receivables (trade, not insurance)	R0380	91,972
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	359,079
Any other assets, not elsewhere shown	R0420	11,680
Total assets	R0500	14,708,750

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	5,408,825
Technical provisions – non-life (excluding health)	R0520	5,275,232
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	5,065,198
Risk margin	R0550	210,034
Technical provisions - health (similar to non-life)	R0560	133,593
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	99,521
Risk margin	R0590	34,072
Technical provisions - life (excluding index-linked and unit-linked)	R0600	2,542,408
Technical provisions - health (similar to life)	R0610	1,174,131
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	640,313
Risk margin	R0640	533,818
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	1,368,277
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	105,477
Risk margin	R0680	1,262,800
Technical provisions – index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	296,122
Pension benefit obligations	R0760	363,997
Deposits from reinsurers	R0770	27,824
Deferred tax liabilities	R0780	501,976
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	0
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	7,232
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	11,545
Total liabilities	R0900	9,159,929
Excess of assets over liabilities	R1000	5,548,821

S.05.01.02_Solo – QRT Premiums, Claims and Expenses by Line of Business as at 31. December 2019

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Premiums written										
Gross - Direct Business	**R0110**									
Gross - Proportional reinsurance accepted	**R0120**		14,397		300,108	261,167	24,399	430,066	111,127	1,361
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**		2,824		59,295	51,623	5,711	88,204	21,938	211
Net	**R0200**		11,573		240,813	209,544	18,688	341,863	89,189	1,149
Premiums earned										
Gross - Direct Business	**R0210**									
Gross - Proportional reinsurance accepted	**R0220**		14,358		285,442	223,985	24,119	406,874	106,142	1,652
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**		2,815		55,699	43,527	5,566	82,871	20,784	217
Net	**R0300**		11,543		229,743	180,458	18,553	324,003	85,358	1,435
Claims incurred										
Gross - Direct Business	**R0310**									
Gross - Proportional reinsurance accepted	**R0320**		6,908		202,942	115,361	15,286	269,084	45,454	-2,579
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**		1,739		45,427	24,743	5,730	57,852	13,206	308
Net	**R0400**		5,169		157,515	90,618	9,556	211,232	32,249	-2,886
Changes in other technical provisions										
Gross - Direct Business	**R0410**									
Gross - Proportional reinsurance accepted	**R0420**									
Gross - Non- proportional reinsurance accepted	**R0430**									
Reinsurers'share	**R0440**									
Net	**R0500**		0		0	0	0	0	0	0
Expenses incurred	**R0550**		5,471	0	51,309	94,003	5,752	113,820	36,517	1,002
Other expenses	**R1200**									
Total expenses	**R1300**									

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of Business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110								
Gross - Proportional reinsurance accepted	R0120								1,142,624
Gross - Non-proportional reinsurance accepted	R0130				45,652	241,394	20,450	275,290	582,787
Reinsurers' share	R0140				1,436	50,230	3,992	53,732	339,195
Net	R0200				44,216	191,165	16,459	221,558	1,386,217
Premiums earned									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								1,062,572
Gross - Non-proportional reinsurance accepted	R0230				45,869	224,139	19,348	262,651	552,007
Reinsurers' share	R0240				1,443	46,168	3,778	50,782	313,649
Net	R0300				44,427	177,971	15,570	211,870	1,300,931
Claims incurred									
Gross - Direct Business	R0310								
Gross - Proportional reinsurance accepted	R0320								652,456
Gross - Non-proportional reinsurance accepted	R0330				37,150	186,400	7,904	115,214	346,668
Reinsurers' share	R0340				580	66,484	2,556	31,136	249,760
Net	R0400				36,569	119,916	5,348	84,078	749,364
Changes in other technical provisions									
Gross - Direct Business	R0410								
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers'share	R0440								
Net	R0500				0	0	0	0	0
Expenses incurred	R0550	0	0	0	3,207	27,484	2,966	31,947	373,476
Other expenses	R1200								0
Total expenses	R1300								373,476

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410							1,043,166	1,270,329	2,313,495
Reinsurers' share	R1420							9,524	33,290	42,814
Net	R1500							1,033,642	1,237,039	2,270,681
Premiums earned										
Gross	R1510							978,293	1,256,011	2,234,304
Reinsurers' share	R1520							9,561	29,259	38,819
Net	R1600							968,732	1,226,752	2,195,484
Claims incurred										
Gross	R1610							602,797	900,914	1,503,711
Reinsurers' share	R1620							-778	17,604	16,826
Net	R1700							603,575	883,310	1,486,886
Changes in other technical provisions										
Gross	R1710									
Reinsurers' share	R1720									
Net	R1800									
Expenses incurred	R1900							251,904	275,739	527,642
Other expenses	R2500									
Total expenses	R2600									527,642

S.05.02.01_Solo – QRT Premiums, Claims and Expenses by Country as at 31. December 2019

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		IL	IT	RU	ES	GB	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	413,287	104,617	108,184	83,326	40,414	204,214	954,042
Gross - Non-proportional reinsurance accepted	R0130	103,557	10,025	12,405	5,723	17,109	199,383	348,201
Reinsurers' share	R0140	102,278	22,274	24,061	17,717	11,102	80,484	257,915
Net	R0200	414,566	92,368	96,528	71,332	46,421	323,113	1,044,328
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	409,798	91,224	93,832	76,731	39,165	169,966	880,716
Gross - Non-proportional reinsurance accepted	R0230	106,179	8,339	12,245	4,618	17,015	179,358	327,753
Reinsurers' share	R0240	100,410	19,041	21,193	15,768	11,044	68,992	236,448
Net	R0300	415,567	80,523	84,883	65,580	45,135	280,333	972,021
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	240,712	68,956	23,128	42,519	23,129	132,176	530,619
Gross - Non-proportional reinsurance accepted	R0330	30,535	4,877	9,443	-71	5,279	158,787	208,851
Reinsurers' share	R0340	69,302	15,515	12,932	11,533	8,660	70,463	188,404
Net	R0400	201,945	58,319	19,639	30,915	19,748	220,500	551,065
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	117,153	24,953	55,096	32,705	13,630	48,334	291,871
Other expenses	R1200							0
Total expenses	R1300							291,871

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R0010		CN	FR	HK	TW	GB	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	218,609	666,428	67,998	75,280	78,728	285,228	1,392,271
Reinsurers' share	R1420	7,562		9,084		0	508	17,154
Net	R1500	211,047	666,428	58,914	75,280	78,728	284,720	1,375,117
Premiums earned								
Gross	R1510	216,680	606,785	68,056	75,684	78,815	280,505	1,326,526
Reinsurers' share	R1520	7,617		9,120		0	675	17,411
Net	R1600	209,063	606,785	58,937	75,684	78,815	279,830	1,309,114
Claims incurred								
Gross	R1610	109,214	430,716	25,121	49,798	35,525	241,586	891,961
Reinsurers' share	R1620	2,738	0	506	0	0	191	3,436
Net	R1700	106,476	430,716	24,615	49,798	35,525	241,395	888,525
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900	55,599	147,497	24,092	13,108	30,197	17,984	288,477
Other expenses	R2500							0
Total expenses	R2600							288,477

S.12.01.02_Solo – QRT Premiums, Life and Health SLT Technical Provisions as at 31. December 2019

			Index-linked and unit-linked insurance			Other life insurance					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**
Technical provisions calculated as a whole	**R0010**										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	**R0030**									105,477	105,477
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**									48,132	48,132
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	0		0	0		0	0	0	57,345	57,345
Risk Margin	**R0100**									1,262,800	1,262,800
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	**R0110**										
Best estimate	**R0120**										
Risk margin	**R0130**										
Technical provisions - total	**R0200**	0	0			0			0	1,368,277	1,368,277

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	**R0030**					640,313	640,313
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**					11,796	11,796
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**		0	0	0	628,517	628,517
Risk Margin	**R0100**					533,818	533,818
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	**R0110**						
Best estimate	**R0120**						
Risk margin	**R0130**						
Technical provisions - total	**R0200**	0			0	1,174,131	1,174,131

S.17.01.02_Solo – QRT Premiums, Non-Life Technical Provisions as at 31. December 2019

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060		402		36,250	-5,215	1,783	-7,759	3,788	878
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		133		7,007	8,006	-180	-5,666	1,426	350
Net Best Estimate of Premium Provisions	R0150	0	269	0	29,243	-13,221	1,963	-2,093	2,362	528
Claims provisions										
Gross	R0160		40,168		481,879	62,937	46,205	429,069	265,703	41,263
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		2,960		45,590	12,788	5,599	70,434	32,141	-56
Net Best Estimate of Claims Provisions	R0250	0	37,208	0	436,289	50,149	40,606	358,635	233,562	41,319
Total Best estimate - gross	R0260		40,571		518,129	57,722	47,988	421,309	269,491	42,141
Total Best estimate - net	R0270	0	37,477	0	465,532	36,928	42,569	356,542	235,924	41,847
Risk margin	R0280		12,319		19,922	2,290	1,854	16,376	10,665	1,887
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									
Technical provisions - total										
Technical provisions - total	R0320	0	52,890	0	538,051	60,012	49,842	437,685	280,156	44,028
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	3,093	0	52,597	20,794	5,419	64,768	33,567	294
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	49,796	0	485,454	39,218	44,423	372,918	246,589	43,734

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	R0060				-8,276	80,472	1,394	603	104,320
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140				30	12,346	491	3,132	27,075
Net Best Estimate of Premium Provisions	R0150	0	0	0	-8,306	68,126	903	-2,529	77,245
Claims provisions									
Gross	R0160				67,226	3,129,157	64,569	432,224	5,060,400
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240				1,520	123,293	6,804	56,591	357,664
Net Best Estimate of Claims Provisions	R0250	0	0	0	65,706	3,005,864	57,765	375,633	4,702,736
Total Best estimate - gross	R0260				58,950	3,209,629	65,963	432,826	5,164,720
Total Best estimate - net	R0270	0	0	0	57,400	3,073,990	58,668	373,104	4,779,981
Risk margin	R0280				21,753	137,252	2,638	17,152	244,106
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								
Technical provisions - total									
Technical provisions - total	R0320	0	0	0	80,703	3,346,881	68,601	449,978	5,408,826
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	1,550	135,639	7,295	59,723	384,739
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	79,153	3,211,242	61,306	390,256	5,024,087

S.19.01.21_Solo – QRT Premiums, Non-Life Insurance Claims as at 31. December 2019

Accident year / Underwriting year	Z0020	2

Gross Claims Paid (non-cumulative)
(absoluter Betrag)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											68,053	R0100	68,053	365,384
N-9	R0160	93,055	253,532	67,603	24,828	15,290	13,101	8,288	6,223	3,897	4,068		R0160	4,068	489,884
N-8	R0170	82,091	222,609	51,127	32,641	13,201	9,295	6,771	10,212	5,392			R0170	5,392	433,339
N-7	R0180	77,405	198,893	54,836	29,243	13,561	14,349	14,588	15,000				R0180	15,000	417,875
N-6	R0190	151,970	356,873	112,219	39,421	23,014	22,111	18,535					R0190	18,535	724,142
N-5	R0200	68,095	251,652	78,616	25,765	21,543	12,703						R0200	12,703	458,374
N-4	R0210	102,246	255,428	80,195	38,005	20,666							R0210	20,666	496,539
N-3	R0220	85,883	213,111	89,004	33,282								R0220	33,282	421,279
N-2	R0230	79,666	253,578	124,955									R0230	124,955	458,199
N-1	R0240	116,554	328,250										R0240	328,250	444,804
N	R0250	103,994											R0250	103,994	103,994
												Total	R0260	734,898	4,813,815

Bester Schätzwert (brutto) für nicht abgezinste Schadenrückstellungen
(absoluter Betrag)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Vor	R0100											2,191,359	R0100	1,899,797
N-9	R0160							219,302	183,557	168,544	146,727		R0160	123,592
N-8	R0170						185,385	175,365	159,489	145,221			R0170	127,459
N-7	R0180					346,189	267,072	239,322	221,508				R0180	184,978
N-6	R0190				407,644	316,427	271,896	232,603					R0190	198,814
N-5	R0200			494,626	442,456	391,291	345,920						R0200	290,245
N-4	R0210		604,589	496,184	401,856	339,817							R0210	288,695
N-3	R0220	679,708	481,559	360,205	275,007								R0220	243,096
N-2	R0230	753,440	596,126	437,026									R0230	396,332
N-1	R0240	581,074	795,224										R0240	738,218
N	R0250	616,117											R0250	569,175
												Total	R0260	5,060,400

S.23.01.01_Solo – QRT Premiums, Own Funds as at 31. December 2019

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	55,000	55,000			
Share premium account related to ordinary share capital	R0030	866,174	866,174			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	4,627,647	4,627,647			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	5,548,821	5,548,821	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400				0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	5,548,821	5,548,821	0	0	0
Total available own funds to meet the MCR	**R0510**	5,548,821	5,548,821	0	0	
Total eligible own funds to meet the SCR	**R0540**	5,548,821	5,548,821	0	0	0
Total eligible own funds to meet the MCR	**R0550**	5,548,821	5,548,821	0	0	
SCR	**R0580**	3,053,583				
MCR	**R0600**	1,374,112				
Ratio of Eligible own funds to SCR	**R0620**	182%				
Ratio of Eligible own funds to MCR	**R0640**	404%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	5,548,821	
Own shares (held directly and indirectly)	**R0710**	0	
Foreseeable dividends, distributions and charges	**R0720**	0	
Other basic own fund items	**R0730**	921,174	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**		
Reconciliation reserve	**R0760**	4,627,647	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	3,307,117	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	486	
Total Expected profits included in future premiums (EPIFP)	**R0790**	3,307,603	

S.25.01.21_Solo – QRT Premiums, Solvency Capital Requirement - for Undertakings on Standard Formula as at 31. December 2019

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	1,664,727		
Counterparty default risk	R0020	32,360		
Life underwriting risk	R0030	1,898,484	None	
Health underwriting risk	R0040	923,103	None	
Non-life underwriting risk	R0050	1,122,454	Standard deviation for non-life gross premium risk, Standard deviation for non-life reserve risk	
Diversification	R0060	-2,069,481		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	3,571,647		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	158,298
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-676,362
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	3,053,583
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	3,053,583
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01_Solo – QRT Premiums, Minimum Capital Requirement - Only Life or only Non-Life Insurance or Reinsurance Activity as at 31. December 2019

		C0010
MCRNL Result	R0010	934,022

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030	37,478	11,573
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	465,429	240,813
Other motor insurance and proportional reinsurance	R0060	36,901	209,544
Marine, aviation and transport insurance and proportional reinsurance	R0070	42,393	18,688
Fire and other damage to property insurance and proportional reinsurance	R0080	356,780	341,863
General liability insurance and proportional reinsurance	R0090	235,946	89,189
Credit and suretyship insurance and proportional reinsurance	R0100	41,847	1,149
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140	57,435	44,821
Non-proportional casualty reinsurance	R0150	3,072,670	191,165
Non-proportional marine, aviation and transport reinsurance	R0160	58,630	16,459
Non-proportional property reinsurance	R0170	372,547	221,558

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	920,155

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	685,862	
Total capital at risk for all life (re)insurance obligations	R0250		1,293,931,880

Overall MCR calculation

		C0070
Linear MCR	R0300	1,854,178
SCR	R0310	3,053,583
MCR cap	R0320	1,374,112
MCR floor	R0330	763,396
Combined MCR	R0340	1,374,112
Absolute floor of the MCR	R0350	3,600
		C0070
Minimum Capital Requirement	R0400	1,374,112

S.02.01.02_GROUP – QRT Balance Sheet as at 31. December 2019

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	0
Deferred tax assets	R0040	89,991
Pension benefit surplus	R0050	2,616
Property, plant & equipment held for own use	R0060	35,219
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	11,436,021
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	3,486
Equities	R0100	2,634,043
Equities - listed	R0110	2,634,043
Equities - unlisted	R0120	0
Bonds	R0130	8,383,396
Government Bonds	R0140	4,433,482
Corporate Bonds	R0150	3,949,914
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	402,062
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	12,995
Other investments	R0210	39
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	711,552
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	711,552
Reinsurance recoverables from:	R0270	84,805
Non-life and health similar to non-life	R0280	384,739
Non-life excluding health	R0290	380,096
Health similar to non-life	R0300	4,643
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-299,934
Health similar to life	R0320	72,611
Life excluding health and index-linked and unit-linked	R0330	-372,545
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	2,087,055
Insurance and intermediaries receivables	R0360	37,997
Reinsurance receivables	R0370	0
Receivables (trade, not insurance)	R0380	92,846
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	550,757
Any other assets, not elsewhere shown	R0420	12,432
Total assets	R0500	15,141,291

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	5,418,583
Technical provisions – non-life (excluding health)	R0520	5,284,990
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	5,074,956
Risk margin	R0550	210,034
Technical provisions - health (similar to non-life)	R0560	133,593
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	99,521
Risk margin	R0590	34,072
Technical provisions - life (excluding index-linked and unit-linked)	R0600	2,924,093
Technical provisions - health (similar to life)	R0610	1,852,303
TP calculated as a whole	R0620	
Best Estimate	R0630	1,291,398
Risk margin	R0640	560,905
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	1,071,790
TP calculated as a whole	R0660	
Best Estimate	R0670	-237,104
Risk margin	R0680	1,308,894
Technical provisions – index-linked and unit-linked	R0690	0
TP calculated as a whole	R0700	
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	299,371
Pension benefit obligations	R0760	364,117
Deposits from reinsurers	R0770	27,824
Deferred tax liabilities	R0780	530,435
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	64
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	16,439
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	11,545
Total liabilities	R0900	9,592,471
Excess of assets over liabilities	R1000	5,548,820

S.05.01.02_GROUP – QRT Premiums, Claims and Expenses by Line of Business as at 31. December 2019

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of Business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**																	
Gross - Proportional reinsurance accepted	**R0120**		14,396		294,500	255,830	24,370	428,503	110,188	1,388								1,129,176
Gross - Non-proportional reinsurance accepted	**R0130**													45,013	238,341	20,325	273,524	577,202
Reinsurers' share	**R0140**		2,824		59,295	51,623	5,710	88,230	21,938	211				1,436	50,230	3,992	53,732	339,220
Net	**R0200**		11,572		235,205	204,207	18,660	340,274	88,250	1,177				43,577	188,111	16,333	219,792	1,367,158
Premiums earned																		
Gross - Direct Business	**R0210**																	
Gross - Proportional reinsurance accepted	**R0220**		14,372		275,517	178,958	23,556	398,873	103,492	1,476								
Gross - Non-proportional reinsurance accepted	**R0230**													45,053	220,421	19,232	260,424	545,130
Reinsurers' share	**R0240**		2,819		54,336	34,944	5,456	80,836	20,343	159				1,442	46,074	3,776	50,686	300,873
Net	**R0300**		11,553		221,181	144,014	18,100	318,036	83,150	1,317				43,611	174,346	15,456	209,737	1,240,500
Claims incurred																		
Gross - Direct Business	**R0310**																	
Gross - Proportional reinsurance accepted	**R0320**		6,914		200,583	113,402	15,319	268,989	45,901	-2,552								
Gross - Non-proportional reinsurance accepted	**R0330**													36,604	185,398	7,810	114,318	344,130
Reinsurers' share	**R0340**		1,749		45,621	24,834	5,758	58,066	13,336	305				586	67,535	2,574	31,460	251,825
Net	**R0400**		5,165		154,961	88,567	9,561	210,923	32,565	-2,857				36,018	117,863	5,236	82,859	740,860
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non-proportional reinsurance accepted	**R0430**													0	0	0	0	0
Reinsurers'share	**R0440**																	
Net	**R0500**		0		0	0	0	0	0	0				0	0	0	0	0
Expenses incurred	**R0550**		5,544		46,008	57,469	5,481	109,333	35,337	899				3,456	29,393	3,216	33,864	329,999
Other expenses	**R1200**																	7,222
Total expenses	**R1300**																	337,221

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**							1,225,301	1,580,335	2,805,636
Reinsurers' share	**R1420**							75,981	166,358	242,339
Net	**R1500**							1,149,320	1,413,977	2,563,297
Premiums earned										
Gross	**R1510**							1,160,068	1,563,956	2,724,024
Reinsurers' share	**R1520**							76,018	162,197	238,215
Net	**R1600**							1,084,050	1,401,759	2,485,809
Claims incurred										
Gross	**R1610**							877,970	1,105,495	1,983,465
Reinsurers' share	**R1620**							93,931	88,595	182,525
Net	**R1700**							784,040	1,016,900	1,800,940
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**							0	0	0
Expenses incurred	**R1900**							253,675	279,465	533,140
Other expenses	**R2500**									8,830
Total expenses	**R2600**									541,970

S.05.02.01_GROUP – QRT Premiums, Claims and Expenses by Country as at 31. December 2019

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		IL	IT	RU	ES	GB	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	**R0110**							
Gross - Proportional reinsurance accepted	**R0120**	413,103	100,554	108,141	80,089	40,410	200,054	942,352
Gross - Non-proportional reinsurance accepted	**R0130**	103,545	9,737	12,404	5,438	17,053	195,778	343,955
Reinsurers' share	**R0140**	102,938	22,085	24,495	17,342	11,126	79,983	257,969
Net	**R0200**	413,710	88,207	96,051	68,186	46,337	315,849	1,028,338
Premiums earned								
Gross - Direct Business	**R0210**							
Gross - Proportional reinsurance accepted	**R0220**	408,735	85,710	57,890	72,679	38,489	155,312	818,815
Gross - Non-proportional reinsurance accepted	**R0230**	106,321	8,189	12,227	4,338	17,012	174,786	322,874
Reinsurers' share	**R0240**	102,884	18,255	14,139	15,106	10,715	65,598	226,696
Net	**R0300**	412,173	75,645	55,978	61,910	44,787	264,500	914,993
Claims incurred								
Gross - Direct Business	**R0310**							
Gross - Proportional reinsurance accepted	**R0320**	240,326	67,893	23,013	41,222	23,183	130,365	526,002
Gross - Non-proportional reinsurance accepted	**R0330**	30,664	4,891	9,442	-56	5,352	156,122	206,416
Reinsurers' share	**R0340**	69,382	15,653	13,224	13,040	8,413	72,432	192,143
Net	**R0400**	201,608	57,132	19,231	28,126	20,122	214,055	540,275
Changes in other technical provisions								
Gross - Direct Business	**R0410**							
Gross - Proportional reinsurance accepted	**R0420**							
Gross - Non- proportional reinsurance accepted	**R0430**	0						0
Reinsurers' share	**R0440**							
Net	**R0500**	0	0	0	0	0	0	0
Expenses incurred	**R0550**	119,155	21,960	24,717	30,607	13,330	39,628	249,397
Other expenses	**R1200**							570
Total expenses	**R1300**							249,968

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400		AU	CN	ZA	TW	GB	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	**R1410**	192,005	350,560	667,895	197,464	76,332	278,335	1,762,591
Reinsurers' share	**R1420**	7,471	199,432	0	308	0	508	207,719
Net	**R1500**	184,534	151,128	667,895	197,156	76,332	277,826	1,554,872
Premiums earned								
Gross	**R1510**	189,636	350,674	608,190	196,088	76,459	273,710	1,694,757
Reinsurers' share	**R1520**	7,429	199,432	0	308	0	675	207,844
Net	**R1600**	182,207	151,242	608,190	195,780	76,459	273,035	1,486,913
Claims incurred								
Gross	**R1610**	81,390	387,169	431,872	186,664	34,341	237,470	1,358,905
Reinsurers' share	**R1620**	2,440	166,088	0	77	0	184	168,789
Net	**R1700**	78,950	221,080	431,872	186,587	34,341	237,286	1,190,116
Changes in other technical provisions								
Gross	**R1710**							
Reinsurers' share	**R1720**							
Net	**R1800**	0	0	0	0	0	0	0
Expenses incurred	**R1900**	58,982	-7,626	145,083	10,472	29,023	17,250	253,183
Other expenses	**R2500**							1,339
Total expenses	**R2600**							254,522

S.23.01.22_GROUP- QRT Own Funds as at 31. December 2019

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	55,000	55,000			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share	R0030	866,174	866,174			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	4,627,646	4,627,646			
Subordinated liabilities	R0140					
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160					
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270	0	0	0	0	0
Total deductions	R0280	0	0	0	0	0
Total basic own funds after deductions	R0290	5,548,820	5,548,820	0	0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - Total	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and a combination of method net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	5,548,820	5,548,820	0	0	0
Total available own funds to meet the minimum consolidated group SCR	R0530	5,548,820	5,548,820	0	0	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	5,548,820	5,548,820	0	0	0
Total-eligible own funds to meet the minimum consolidated group SCR	R0570	5,548,820	5,548,820	0	0	
Minimum consolidated Group SCR	R0610	1,470,779				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	377.27%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	5,548,820	5,548,820	0	0	0
Group SCR	R0680	3,200,592				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	173.37%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	5,548,820
Own shares (included as assets on the balance sheet)	**R0710**	0
Forseeable dividends, distributions and charges	**R0720**	0
Other basic own fund items	**R0730**	921,174
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Other non available own funds	**R0750**	
Reconciliation reserve before deduction for participations in other financial sector	**R0760**	4,627,646
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	3,529,288
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	486
Total EPIFP	**R0790**	3,529,774

S.25.01.22_GROUP – QRT Solvency Capital Requirement - for Groups on Standard Formula as at 31. December 2019

		Gross solvency capital requirement	USP	Simplifications
		C0110	C080	C090
Market risk	R0010	1,723,613		None
Counterparty default risk	R0020	39,749		
Life underwriting risk	R0030	2,024,359	None	None
Health underwriting risk	R0040	990,677	None	None
Non-life underwriting risk	R0050	1,122,980	Standard deviation for non-life gross premium risk, standard deviation for non-life reserve risk	None
Diversification	R0060	-2,156,955		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	3,744,423		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	161,651
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-705,482
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	3,200,592
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	3,200,592
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	1,470,779
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530	0
Capital requirement for non-controlled participation requirements	R0540	0
Capital requirement for residual undertakings	R0550	0
Overall SCR		
SCR for undertakings included via D and A	R0560	
Solvency capital requirement	R0570	3,200,592

S.32.01.22_GROUP – QRT Undertakings in the Scope of the Group as at 31. December 2019

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
AU	LEI/254900FBQZ1HZJGI 4B49	LEI	General Reinsurance Life Australia Ltd.	3	Aktiengesellschaftt	2	Australian Prudential Regulation Authority (APRA)
ZA	LEI/378900B024DCA3D4 9F94	LEI	General Reinsurance Africa Ltd	3	Aktiengesellschaftt	2	Financial Services Board (FSB)
DE	LEI/391200QTD6VW5OO K0Z35	LEI	General Reinsurance AG	3	Aktiengesellschaftt	2	BaFin

(cont)

Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100%	100%	100%	0%	1	100%	1		1
100%	100%	100%	0%	1	100%	1		1
100%	0%	100%	0%	1	0%	1		1

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