2020 Single Solvency and Financial Condition Report (SFCR) General Reinsurance AG Group

A Berkshire Hathaway Company

Contents

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 permitted 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, which issued an unqualified auditor's opinion.

Solvency II key figures for the year 2020 including comparative data to 2019 of GRAG Solo and GRAG Group are summarized in the table below:

	GRAG Solo HGB		GRAG Group US GAAP	
Key figures	**2020 €'000**	**2019 €'000**	**2020 €'000**	**2019 €'000**
Solvency II balance sheet				
Assets	15,475,450	14,708,750	16,113,581	15,141,292
Technical provisions	8,833,996	7,951,232	9,239,967	8,342,676
Other Liabilities	1,217,765	1,208,696	1,449,925	1,249,795
Excess of assets over liabilities	5,423,689	5,548,822	5,423,689	5,548,822
Eligible own funds	**5,423,689**	**5,548,822**	**5,423,689**	**5,548,822**
thereof Tier 1	5,423,689	5,548,822	5,423,689	5,548,822
Capital requirements				
SCR	3,084,450	3,053,583	3,204,207	3,200,592
MCR	1,388,003	1,374,112	1,465,897	1,470,779
Coverage Ratio				
SCR	175.8%	181.7%	169.3%	173.4%
MCR	390.8%	403.8%	370.0%	377.3%

Business and Performance

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

	GRAG Solo HGB		GRAG Group US GAAP	
Business Performance	**2020 €'000**	**2019 €'000**	**2020 €'000**	**2019 €'000**
Underwriting result	14,987	359,047	-50,117	305,319
Property/Casualty	-111,535	178,090	-118,164	162,420
Life/Health	126,521	180,956	68,047	142,899
Investment result	116,888	251,519	81,725	592,876
Net income after tax	92,930	354,005	-14,619	742,726
Shareholder's equity	2,800,372	2,707,442	4,186,758	4,230,465

In common with the rest of the industry, our business and performance in 2020 was significantly impacted by the Covid-19 pandemic. Our underwriting results were weaker than last year as a result of losses from the pandemic. Investment income also suffered from the weaker state of the economy. Premium growth was lower than in 2019 as we continued to see marked competition in most lines and geographies.

Global insured losses from natural disasters were higher compared to more recent years. We incurred losses due to the storms Gloria in January and Sabine/Ciara in February as well as a number of large individual losses. However, regarding our own portfolio and apart from Covid-19, losses from catastrophic events as well as large individual losses were in line with expectations overall.

Our investment result closed with a profit, albeit a materially lower one than in the previous year. Referring to GRAG Solo, this was mainly driven by write-downs in our equity portfolio under German Accounting Standards whereas the investment result for GRAG Group was impacted by unrealized losses due to negative developments of the stock market at the beginning of the year related to Covid-19.

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 2020 of GRAG.

System of Governance

The organization underwent restructuring in the areas of Global IT and International P/C. This restructuring did not result in major changes in the system of governance and it remains appropriate in view of our risk profile compared to the prior year. We consider our organizational and operational structures to be appropriately 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 2019 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 a reduction in Own Funds and a slightly higher SCR. The increase in the SCR is mainly driven by a decline in the overall insurance and market risk, which was offset by a reduction in the loss absorbing capacity of deferred taxes. Overall, we continue to consider ourselves sufficiently capitalized.

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 also maintain an appropriate capital management plan to ensure that our capital resources are sufficient and appropriately structured to meet business needs over the short- and longer-term horizon. We have effective controls and risk management processes in place, including appropriately defined risk tolerances and risk limits.

We neither make use of the matching and volatility adjustment nor of 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, 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 in that it is based on current market values for the majority of the invested assets, although 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 as of the balance sheet date 31 December 2020 and including 1 January 2021 renewal data that was available as of 31 December 2020.

For details on the valuation for solvency purposes and the difference to statutory accounting, we 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%, as stipulated by the supervisory authority. We established an early warning threshold of 160%. In the event 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 will continue to monitor closely the potential impact that the Covid-19 pandemic could have on our business, financial position and associates as it continues to develop.

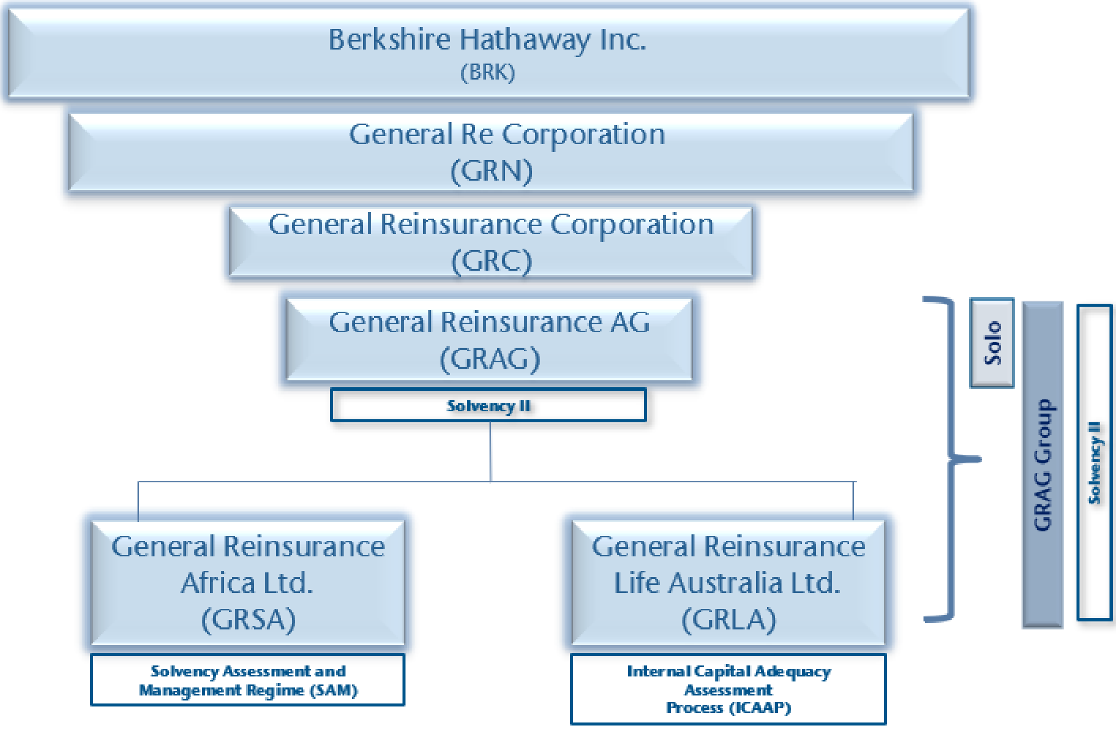
For further information on capital management we refer to chapter E.

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)	Address of the Bundesanstalt für Finanzdienstleistungsaufsicht Graurheindorfer Str. 108 53117 Bonn Germany alternatively: Postfach 1253 53002 Bonn Contact details: Phone: ++49 228 / 4108 - 0 Fax:++49 228 / 4108 – 1550 E-Mail: poststelle@bafin.de or 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.
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 2020 no dividend was distributed to shareholders
Number of employees	General Reinsurance Group: 839 General Reinsurance AG: 620

A.1.2 Information on Branches, Representative Offices and Subsidiaries

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

Branches
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 Labuan Branch (Life/Health) – 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 Kingdom
General Reinsurance AG India Branch – Mumbai, India

Representative Offices
General Reinsurance AG Beijing Representative Office - Beijing, China
General Reinsurance AG Oficina de Representación en Mexico - Mexico City, Mexico
General Reinsurance AG Moscow Representative Office - Moscow - Russia
General Reinsurance AG Oficina de Representación en Argentina - Buenos Aires, Argentina

Subsidiaries*

General Reinsurance Life Australia Ltd. – Sydney, Australia
Type of company: Life reinsurance company
Source of income: Underwriting and investment

General Reinsurance Africa Ltd. – Cape Town, South Africa
Type of company: Life and property casualty reinsurance company
Source of income: Underwriting and investment

General Reinsurance AG Escritório de Representação no Brasil Ltda.- São Paulo, Brazil
Type of company: Service company providing non-life marketing services
Source of income: Service fee

Gen Re Beirut s.a.l. offshore – Beirut, Lebanon
Type of company: Service company providing underwriting and administrative services
Source of income: Service fee

Gen Re Servicios México S.A. – Mexico City, Mexico
Type of company: Service company providing underwriting and administrative services
Source of income: Service fee

Gen Re Support Services Mumbai Private Limited – Mumbai, India
Type of company: Service company providing life and non-life marketing services
Source of income: Service fee

*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 is expected to generate an underwriting profit.

In 2020, the Group reported total net earned premiums under US GAAP of Euro 4,101,770 thds (2019: Euro 3,726,309 thds) which are broken down as follows:

- GRAG, Euro 3,777,985 thds (92.1%), 2019: Euro 3,386,455 thds (90.9%),
- GRLA, Euro 151,509 thds (3.7%), 2019: Euro 144,457 thds (3.9%),
- GRSA, Euro 172,275 thds (4.2%), 2019: Euro 195,398 thds (5.2%).

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 risk thereof.

Effective 1 July 2020, we entered into a stop loss agreement for our L/H business with our US sister company General Re Life Corporation (GRL) in 2020 in order to protect GRAG against mortality 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 GRL.

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

The pandemic had a material impact on the insurance industry and particularly on our **property/casualty** business during 2020. While the ultimate amount of losses remains uncertain, the repercussions of pandemic exposures as well as persistently lower investment returns and industry-wide poor underwriting profitability resulted in an increased focus on rates, terms and conditions through most of 2020.

Typically, more than 75% of GRAG property/casualty business is negotiated in the fourth quarter of the year, with contracts incepting on 1 January of the following year. This means that the majority of business covered in 2020 was written under the fiercely competitive conditions that prevailed up to the end of the first quarter in 2020.

In recent years we have been able to increase our volume of written premium while maintaining our underwriting standards. This has been achieved by working closely with key clients to increase our shares, enabling us to grow our business without materially altering our risk profile. At the time of the 1 January 2020 renewals we saw fewer attractive growth opportunities given the competitive conditions. As a result, our written premium remained broadly stable when compared to 2019.

During the renewals in the second, third, and fourth quarters of 2020 we observed a modest improvement in terms and conditions and in premium rates. Our direct business model enables us to enjoy a close relationship with our clients, giving us the opportunity to work with them to manage the risks that their businesses face through underwriting measures, exclusions, and systematic selection. This has proven particularly helpful through the pandemic in 2020. The direct relationship with our clients along with modest improvements in market conditions made it possible to retain most of our portfolio that came up for renewal through 2020.

While significant reserves were released for losses from prior years for a number of regions, most notably Germany, this was more than offset by unfavorable development in other areas. Most areas of the business were materially affected by potential losses from pandemic-related exposures, hence impacting our overall result. The ultimate total loss to be expected from this event remains very uncertain as our clients have so far only paid out a small portion of the relevant claims.

Overall, the majority of the year was dominated by the insurance industry's response to the pandemic. While the ultimate total anticipated loss expenditure still remains uncertain, this event is likely to be sufficiently significant to cause insurers and reinsurers alike to reflect on the adequacy and clarity of their terms and conditions and the appropriateness of the premiums charged for the risk transferred. Working closely with our clients in all territories to find a basis on which we can support their local business has been a key task for us this year, one which we are pleased to report that we have been able to achieve with the successful renewal of most treaties at adequate rates and terms.

Outside of Germany, our continental European book of business was broadly stable. We have continued to increase our participations with **multinational** clients based in Europe as we engage closely with them and build sustainable relationships. Our business with multinational clients is broadly spread over all lines of business with a weighting toward property insurance. In the course of 2020 we were able to further broaden our business relationships with these clients without materially increasing our catastrophe exposure. We have recently developed expertise in agricultural reinsurance, a move which has been extremely well received by our clients in many territories and we expect this to be an area of continued growth for us in future.

Our **Latin American business** also continues to increase in importance with further growth recorded in a number of markets. We have a broad spectrum of business across many lines and clients, spanning both treaty and facultative reinsurance, with a local presence in Mexico and Brazil. Our expertise and broad experience enable us to support our clients well and continue to grow our business with a sustainable level of profitability.

In **Asia,** we began to write Japanese business with natural catastrophe exposure in April 2020. Reinsurance rates improved in 2020 following significant catastrophe losses in the Japanese market from Typhoon Jebi in 2018 and Typhoons Hagabis and Faxai in 2019. We expect additional opportunities will open up for us in this market in 2021 following further natural disasters in 2020. We also continue to see opportunities for growth through our local operations in India, Singapore and China.

Our business in **Africa** is written through our subsidiary. During 2020, our African business generated an underwriting loss as reserves were established in respect of potential losses arising from pandemic exposure.

At the end of 2020, GRAG entered into an agreement with another Group company, Faraday MGA Ltd. (Faraday), to create a facility through which Faraday will underwrite certain business that meets our appetite. Faraday provides capacity through broker distribution channels, which enables us to expand our participation in certain attractively priced market segments by offering capacity to clients through brokers. However, we remain convinced that we can add significant value to our customers through long-term and stable direct relationships, and Gen Re will therefore continue to conduct its business primarily as a direct partner.

The development of international **life/health** insurance markets in 2020 was dominated by the Covid-19 pandemic. Protracted low interest rates in many countries and elevated capital markets volatility posed additional challenges for life and health insurers.

Due to the pandemic, economic output in most markets declined during the year, resulting in increased unemployment. In some countries, furlough schemes softened the impact of the pandemic on the labor market. The drop in disposable incomes associated with the decline in economic output led to substantially lower new business in many countries. In markets where single premium business accounts for a large proportion of retirement provision products, we observed a decrease in the total written premium. New business declined in other segments, too, such as credit life.

Our focus in life and health reinsurance is on the coverage of biometric risks. Even though general risk awareness may have been heightened by the pandemic and biometric covers were less affected by the decline in new business than savings products, we recorded a decrease in new business in various markets in 2020. On the other hand, some very pleasing new business opportunities opened-up as a consequence of the collaboration with our clients in product development and especially in connection with innovations in the field of biometric risks.

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

The Covid-19 pandemic had implications not only for new business volumes but also gave rise to an elevated claims experience. It should be noted that, so far, the pandemic has resulted in fewer additional death benefits in our cedants' insurance portfolios. The effects of the pandemic on occupational disability insurance, which plays an important role in some markets, are difficult to assess accurately at this moment in time. The impact of direct physical consequences associated with coronavirus infections is expected to be rather minor. An increased volume of claims could, however, result from the considerable psychological and financial pressure caused by measures taken in response to the pandemic. Surveys conducted by insurers indicate elevated levels of mental stress in both the working and non-working population. It remains to be seen whether this will lead to significantly increased claims for occupational disability benefits.

Not least due to the Covid-19 pandemic, digital transformation and the pace of innovation have gained considerable momentum.

In cooperation with a number of companies in the insurtech market, we further expanded our expertise in this area. We offer our clients comprehensive advice on related future-oriented topics and provide fresh impetus for innovative and efficient digital processes in the field of biometric risk. Noteworthy here are novel approaches in underwriting, optimized processes in claims management as well as various activities intended to support and motivate policyholders for the sake of their health.

Globally, East Asian economies were the first to be significantly affected by the Covid-19 outbreak. Due to restrictions placed on physical contacts and movement, sales of life and health insurance policies in **Asia** dropped sharply in the first six months, especially in the mature markets, which rely more on agency and bancassurance channels. However, life and health insurance companies in Asia were quick to make increasing use of digital processes in operations and sales so as to adapt to the new environment. As some Asian countries were quick to succeed in bringing the epidemic under control, sales of new business bounced back.

Online distribution of life and health policies outperformed other sales channels during this period. In some emerging markets, consumer awareness of the need for life and health coverage has increased considerably due to the pandemic, contributing to the growth of protection product sales.

Our sub-Saharan business in **Africa** and **Australia** is written by subsidiary companies. GRLA recorded an underwriting loss in 2020, which was largely due to poor claims experience in its disability business and the strengthening of the corresponding reserves.

Financial markets were also affected by the pandemic and experienced significant volatility during 2020. The year began with a high degree of optimism. With interest rates considered stable and geopolitical trade tensions easing, the outlook for global economic activity in 2020 looked upbeat.

Capital markets took little notice of an announcement by the World Health Organization (WHO) on New Year's Eve to the effect that a mysterious pneumonia was sickening dozens of people in China, nor of subsequent reports of cases right across Asia. It took almost another month and widespread infection throughout Europe for markets to come to the realization that they were facing a global crisis of potentially epic proportions. As volatility soared, equities sold off aggressively, with safe-haven assets, including selected short-dated government bonds, and gold benefitting.

During the first quarter governments around the world set about imposing restrictions on physical contacts, thereby hampering economic activity. The economic consequences of these containment measures were immediate and far-reaching, leading to significant volatility in global capital markets.

As it became clear that the Covid-19 outbreak was a potent threat to economic stability, central banks acted swiftly by cutting interest rates and upscaling quantitative easing (QE) programs. The European Central Bank (ECB) set up a Pandemic Emergency Purchase Programme (PEPP) which supplemented the existing ECB asset-purchase schemes. In the US, the Fed cut rates to near-zero and the Bank of England cut its base rate to 0.10%, a historic low, and massively increased the scale of its QE program. The moves by the ECB, the Fed and the Bank of England were mirrored elsewhere as other central banks dramatically cutting rates and, in some cases, starting QE programs of their own.

Interest rates languished close to their all-time lows, with repercussions for the insurance industry on both sides of the balance sheet. The implications of the low interest rate environment for General Reinsurance AG are mitigated to a large extent by our policy of reserving for long-tail casualty business on a nominal basis and by our focus on biometric risks rather than life insurance products with savings components.

Regulatory trends continue to be challenging and require insurers to regularly re-examine the effectiveness of governance and oversight. We face a number of new or proposed regulations and associated increasing regulatory complexity in areas such as solvency requirements, accounting standards, data protection laws and information security requirements, all of which pose challenges against the background 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.

The end of the year finally saw the post-Brexit trade deal between the UK and the EU. The EU-UK Trade and Cooperation Agreement (TCA) has been applied provisionally since 1 January 2020 when the Brexit transition period ended, providing for trade in goods and reduced mutual market access in services. It also includes arrangements for cooperation in a range of policy areas, transitional conditions around access to common fisheries, and the UK's continued participation in some EU programs. The TCA awaits ratification by the European Parliament and the Council of the European Union before it formally comes into effect. It remains to be seen whether the deal will achieve its objectives of easing bureaucracy and retaining frictionless trade. However, we are convinced that our newly implemented processes satisfy all relevant regulatory and data privacy rules.

A.2 Underwriting Performance

A.2.1 Overall Underwriting Performance 2020

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 2020 of GRAG which is available on our website.

	GRAG Solo HGB		GRAG Group US GAAP	
Underwriting performance	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Property/Casualty				
Gross written premium	1,685,042	1,725,411	1,734,025	1,706,378
Net earned premium	1,275,390	1,300,930	1,274,305	1,240,500
Underwriting result*	-111,535	178,090	-118,164	162,420
Life/Health				
Gross written premium	2,528,448	2,313,495	3,067,939	2,805,636
Net earned premium	2,477,421	2,195,484	2,827,464	2,485,809
Underwriting result*	126,521	180,956	68,047	142,899
Total				
Gross written premium	4,213,490	4,038,906	4,801,964	4,512,014
Net earned premium	3,752,811	3,496,415	4,101,770	3,726,309
Underwriting result*	14,987	359,047	-50,117	305,319

*Underwriting result for US GAAP incl. other expenses

Our total net earned premium grew by 10.1% from Euro 3,726,309 thds in the previous year to Euro 4,101,770 thds. Life/Health business increased by 13.7% to Euro 2,827,464 thds (2019: Euro 2,485,809 thds). Property/Casualty business increased slightly by 1.6% from Euro 1,240,500 thds in 2019 to Euro 1,274,305 thds in 2020. As in previous years, we retroceded 20% of this portfolio to our parent company, General Reinsurance Corporation (GRC).

We benefited from major growth opportunities in various Life/Health markets, most notably again in Asia, while the net earned premium of our property/casualty business on balance remained roughly at the level of the previous year.

Despite the impacts of the Covid-19 pandemic, Life/Health reinsurance closed with another satisfactory underwriting result of Euro 68,049 thds (2019: Euro 142.899 thds). Overall, the risk experience for mortality and morbidity was satisfactory.

Our business performance in property/casualty reinsurance was heavily impacted by the losses due to Covid-19. Other losses – both catastrophe losses as well as individual risk losses – were broadly in line with expectations. The development of loss reserves established in prior years was positive, as noted above. Following an underwriting profit of Euro 162,420 thds in 2019, the year under review produced a loss of Euro 118,164 thds.

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

A.2.2 Underwriting Performance 2020 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. Our commentary below refers to GRAG Group figures.

Underwriting Performance per Solvency II LoB GRAG Solo - HGB	Gross Written Premium 2020 €'000	Gross Written Premium 2019 €'000	Net Earned Premium 2020 €'000	Net Earned Premium 2019 €'000	Underwriting Result 2020 €'000	Underwriting Result 2019 €'000
Non-Life						
Income protection	12,072	14,397	9,638	11,543	693	904
Motor vehicle liability	238,612	300,108	190,008	229,743	14,861	20,920
Other motor	211,963	261,167	152,900	180,458	1,725	-4,163
Marine, aviation and transport	47,158	24,399	29,944	18,553	4,484	3,246
Fire and other damage to property	459,905	430,066	339,924	324,003	-34,788	-1,050
General liability	98,915	111,127	73,717	85,358	-7,489	16,592
Credit and suretyship	1,666	1,361	1,499	1,435	9,546	3,320
NP health/accident	33,846	45,652	33,138	44,427	6,577	4,650
NP casualty	250,548	241,394	194,770	177,971	-26,915	30,571
NP marine, aviation and transport	21,638	20,450	17,892	15,570	-339	7,257
NP property	308,717	275,290	231,961	211,870	-79,890	95,845
Total Non-Life	**1,685,042**	**1,725,411**	**1,275,390**	**1,300,930**	**-111,535**	**178,090**
Life/Health						
Life	1,340,553	1,270,329	1,286,042	1,226,752	39,041	67,703
Health	1,187,895	1,043,166	1,191,379	968,732	87,480	113,254
Total Life/Health	**2,528,448**	**2,313,495**	**2,477,421**	**2,195,484**	**126,521**	**180,956**
Total	**4,213,490**	**4,038,906**	**3,752,811**	**3,496,415**	**14,987**	**359,047**

Underwriting Performance per Solvency II LoB GRAG Group - US GAAP	Gross Written Premium 2020 €'000	Gross Written Premium 2019 €'000	Net Earned Premium 2020 €'000	Net Earned Premium 2019 €'000	Underwriting Result 2020 €'000	Underwriting Result 2019 €'000
Non-Life						
Income protection	12,151	14,396	9,665	11,553	635	844
Motor vehicle liability	243,263	294,500	191,668	221,181	13,247	20,211
Other motor	224,058	255,830	144,618	144,014	4,510	-2,022
Marine, aviation and transport	49,371	24,370	29,169	18,100	4,637	3,058
Fire and other damage to property	467,874	428,503	336,483	318,036	-33,628	-2,220
General liability	100,857	110,188	74,059	83,150	-9,705	15,249
Credit and suretyship	1,657	1,388	1,533	1,317	10,940	3,275
NP health/accident	33,977	45,013	33,261	43,611	7,320	4,137
NP casualty	260,939	238,341	199,212	174,346	-29,595	27,090
NP marine, aviation and transport	22,975	20,325	18,726	15,456	-905	7,005
NP property	316,905	273,524	235,910	209,737	-89,154	93,015
Total Non-Life	**1,734,025**	**1,706,378**	**1,274,305**	**1,240,500**	**-118,164**	**162,420**
Life/Health						
Life	1,686,856	1,580,335	1,505,186	1,401,759	12,761	105,394
Health	1,381,083	1,225,301	1,322,278	1,084,050	47,053	46,335
Total Life/Health	**3,067,939**	**2,805,636**	**2,827,464**	**2,485,809**	**68,047**	**142,899**
Total	**4,801,964**	**4,512,014**	**4,101,770**	**3,726,309**	**-50,117**	**305,319**

*Total underwriting result incl. other expenses

Non-Life

Gross written premium in property/casualty business increased slightly by 1.6% to Euro 1,734,025 thds (2019: Euro 1,706,378 thds).

While reserves were released for losses from prior years for a number of regions, most notably Germany, this was more than offset by unfavorable development in other areas. Most areas of the business were materially affected by potential losses from pandemic-related exposures, hence impacting our overall result. The ultimate total loss to be expected from this event remains very uncertain as our clients have so far only paid out a small portion of the relevant claims.

Excluding pandemic-related losses, the underlying risk experience was in line with expectations as the adverse effects of some large losses in Europe and North America, to which we are exposed through European cedents, were offset by a lower-than-expected level of natural catastrophe losses in Europe. An underwriting loss of Euro 118,164 thds was recorded for 2020 (2019: profit of Euro 162,420 thds).

On average, we recorded a material improvement in the pricing strength of the portfolios renewed in 2020 as we focused on ensuring an adequate return from the risk that we assumed. Our catastrophe exposures remained largely stable in 2020, although we now also have exposure to Japanese natural catastrophe events after starting to write Japanese business for the account of GRAG from 1 April 2020 onwards.

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** decreased in 2020 by 7.7% to Euro 728,260 thds (2019: Euro 788,671 thds), driven mainly by a reduction in our exposure to both proportional and non-proportional business in the UK. Given sustained low investment returns and against the backdrop of developments with adverse profit implications, such as rising care expenses, we saw fewer opportunities to write business at adequate rates in the UK.

The underwriting loss amounted to Euro 11,838 thds (2019: profit of Euro 45,279 thds) which was also driven by a less favorable development of prior-year reserves compared to 2019. In addition, non-proportional casualty reinsurance was also impacted by potential losses from pandemic-related exposures.

Primary markets in property insurance remained competitive in 2020. Nevertheless, the improvement in primary rates that began in late 2018 and continued through 2019 gained momentum over the past 12 months. We take the view that primary business is now closer to rate adequacy in some regions. Underlying rates on commercial as well as industrial insurance business have continued to increase materially, leading to more profitable proportional reinsurance conditions.

Similarly, the actions taken by many insurers in 2018 and 2019 to correct the persistently poor large-loss experience were sustained in 2020. As a result, we saw an opportunity to grow our property business in 2020. Our premium income in **fire and other damage to property** increased by 9.2% to Euro 467,874 thds (2019: Euro 428,503 thds) and in **non-proportional property** reinsurance by 15.9% to Euro 316,905 thds (2019: Euro 273,524 thds). These market dynamics have also created opportunities for us to grow our property facultative reinsurance business in some markets.

We recorded a loss of Euro 122,782 thds in our property portfolio in 2020 (2019: gain of Euro 90,795 thds). This portfolio saw a poor experience emerge on non-proportional property business and was also impacted by potential losses from pandemic-related exposures.

Our premium from **general liability** decreased, after a strong growth in the previous year, by 8.5% (2019: increase of 30.7%) to Euro 100,857 thds (2019: 110,188 thds). This class closed with an underwriting loss of Euro 9,705 thds (2019: gain of Euro 15,249 thds).

Life/Health

Despite the Covid-19 pandemic our Life/Health reinsurance business delivered a satisfying performance in 2020, combined with an overall favorable claims experience. At Euro 68,047 thds, the underwriting result came in below the previous year's level of Euro 142,899 thds, particularly due to the reserves we established for Covid-19. We adjusted our underwriting policy by introducing tighter terms and conditions to control pandemic risk exposure. We also adjusted our reserves for disability business in certain markets due to adverse development in the claims experience as well as for declining interest rates.

Gross written premiums increased by 9.3% to Euro 3,067,939 thds (2019: Euro 2,805,636 thds). Net earned premium in Life/Health insurance grew by 13.7% in the year under review to Euro 2,827,464 thds (2019: Euro 2,485,809 thds). Adjusted for exchange rate effects, gross written premiums grew by 13.7%.

As in the previous year, developments in key markets again varied widely in the year under review, although the environment for our business – as described below – was challenging overall. Growth was generated in various segments and markets, most notably in particular in East and Southeast Asia such as China, Malaysia and India, certain European markets including France and the UK, the Middle East with Saudi Arabia, as well as Central America.

Unadjusted for exchange rate effects, gross premium income in life reinsurance grew from Euro 1,580,335 thds in the previous year to Euro 1,686,856 thds in 2020. The year under review closed with an underwriting profit of Euro 12,761 thds (2019: Euro 105,394 thds).

In health reinsurance our gross premium increased to Euro 1,381,083 thds (2019: Euro 1,225,301 thds). We again benefited from growth opportunities in some Asian markets, especially China. We generated an underwriting profit of Euro 47,053 thds (2019: Euro 46,335 thds).

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

Underwriting Performance by Geo-graphical Area GRAG Solo HGB	Gross Written Premium 2020 €'000	Net Earned Premium 2020 €'000	Under-writing Result 2020 €'000
Germany	536,266	404,503	28,891
Great Britain	321,900	256,897	-44,577
Israel	109,530	74,880	-2,623
Italy	105,717	73,056	379
Russia	56,897	41,312	5,017
Switzerland	55,668	36,052	-40,541
Remainder	499,064	388,691	-58,081
Total Non-Life	**1,685,042**	**1,275,390**	**-111,535**
China	691,301	694,501	35,996
Great Britain	295,467	298,312	24,639
France	226,481	218,147	17,625
Germany	214,754	208,749	42,720
Taiwan	83,459	82,721	13,576
Hong Kong	73,657	73,766	-3,713
Remainder	943,329	901,227	-4,321
Total Life/Health	**2,528,448**	**2,477,421**	**126,521**
Total	**4,213,490**	**3,752,811**	**14,987**

Underwriting Performance by Geo-graphical Area GRAG Solo HGB	Gross Written Premium 2019 €'000	Net Earned Premium 2019 €'000	Under-writing 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 Geo-graphical Area GRAG Group US GAAP	Gross Written Premium 2020 €'000	Net Earned Premium 2020 €'000	Under-writing Result 2020 €'000
Germany	537,689	403,963	26,133
Great Britain	339,287	267,498	-48,764
Israel	113,475	74,229	-3,406
Italy	105,953	57,106	8,441
Russia	67,011	48,639	-283
Switzerland	59,063	35,220	-44,071
Remainder	511,547	387,651	-56,215
Total Non-Life*	**1,734,025**	**1,274,305**	**-118,164**
China	700,815	704,104	37,499
Australia	343,845	158,787	-53,127
Great Britain	301,209	304,119	23,894
France	226,261	217,786	16,188
Germany	193,741	186,200	39,953
South Africa	173,641	172,603	-29,551
Remainder	1,128,425	1,083,867	33,192
Total Life/Health*	**3,067,939**	**2,827,464**	**68,047**
Total*	**4,801,964**	**4,101,770**	**-50,117**

*Total underwriting result incl. other expenses

Underwriting Performance by Geo-graphical Area GRAG Group US GAAP	Gross Written Premium 2019 €'000	Net Earned Premium 2019 €'000	Under-writing 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

Non-Life by Geographical Area

As a result of strong client loyalty and success in acquiring new accounts, our business in **Germany** again developed favorably overall in 2020.

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

Our premium volume in the German motor insurance market remained close to stable. The trend in above-average claims inflation continued in 2020. This effect was offset by a lower claims frequency attributable to less driving due to the Covid-19 pandemic.

Some important segments of the primary property insurance market remained fiercely competitive at continued inadequate pricing levels. Progress is being made in commercial and, most notably, industrial fire insurance, and there are signs of further market hardening.

Losses from natural catastrophes were mainly due to storm Sabine in February and were in line with our expectations. In comparison to the previous year, the burden of major fire claims decreased somewhat, but the profitability of German property insurance business is still a challenge, in particular due to additional losses incurred from business closures during the Covid-19 pandemic.

Our premium volume in the engineering insurance classes in Germany showed a slight decrease compared to last year. Our result was not impacted by any sizeable losses.

In 2020, the German marine insurance market was affected by the Covid-19 pandemic, mainly in connection with event cancellation losses.

In most other **European markets**, the impact of losses from natural catastrophe events on our clients was comparatively modest in 2020. The volume of large individual property claims in the market remains high and tends to impact deals with aggregate deductible structures disproportionately.

The motor insurance market in the **United Kingdom**, which had been a source of sizeable growth in recent years, yielded fewer opportunities for growth in 2020. The rate adequacy of UK motor reinsurance 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 long-awaited increase in the discount rate in 2019 turned out to be lower than expected, material improvements in insurance and reinsurance rates were anticipated in 2020. While reinsurance rates did rise, we believe that the increase seen was not sufficient to achieve rate adequacy in the longer term and we reduced our participation in this class as a result. Although we reduced our premium volume overall in the UK market, we were able to increase shares in non-motor business and expand our participation in some London Market specialty lines, which are seeing an improved rate environment.

Life/Health by Geographical Area

Our **Asian** Life/Health business again delivered solid growth in 2020. Demand for Life/Health insurance products continues to grow strongly in China, where we wrote a number of large reinsurance treaties. After a drop around the middle of the year, the sales of new Life/Health insurance policies in India recovered strongly towards the end of 2020, with business from new clients also contributing to our growth in Asia. Covid-19-related claims did not have a significant effect on our portfolio. Health insurance saw a slight improvement in claim ratios as insureds tended to avoid hospitalizations and surgeries during the pandemic. However, our profitability was adversely impacted by some late reporting of claims incurred in previous years.

The **Australian** premium volume remained at a stable, however similar to the previous year, GRLA recorded an underwriting loss in 2020 largely due to a poor claims experience in its disability business and the strengthening of the corresponding reserves. In 2019 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 portfolio in the **UK and Ireland** again delivered good growth against the backdrop of an insurance market negatively impacted by the Covid-19 pandemic. We maintained our profitability, despite paying additional mortality and morbidity claims due to Covid-19. We booked broad growth across all our portfolios, group and individual, mortality, morbidity, and longevity. We keep adding both traditional and "challenger" brands to our client portfolio.

In **France** we were able to act on opportunities in the reinsurance market and substantially increased our premium there.

The **German** life insurance sector was similarly impacted by the effects of the Covid-19 pandemic in multiple ways in 2020. The challenges associated with physical distancing requirements and the extensive changeover to mobile working were mastered very well across the board, and operational business activities were maintained.

Our premium volume in **Africa** decreased compared to the previous year, mainly due to a non-renewed large contract (individual life business) and exchange rate effects. GRSA generated an underwriting loss in 2020, mainly because of higher incurred losses and increased reserves as a result of the Covid-19 pandemic. Results were also negatively impacted by several other factors, notably more large claims than expected and an increase in PHI reserves related to interest rate changes.

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.

	GRAG Solo HGB		GRAG Group US GAAP	
Investment Performance	**2020 €'000**	**2019 €'000**	**2020 €'000**	**2019 €'000**
Income from holdings in related undertakings, including participations	1,179	1,071	0	0
Income from equities - listed	69,745	102,478	71,654	102,547
Income from government bonds	41,337	44,975	71,214	79,703
Income from corporate bonds	13,010	19,032	5,301	9,913
Income from collective investments undertakings	0	0	-1,490	-1,284
Income from deposits other than cash equivalents	385	-56	378	276
Income from other investments	2,068	2,127	1,419	2,129
Income from loans and mortgages	24,240	24,240	24,240	24,240
Investment expenses	-4,931	-4,663	-5,797	-5,502
Interest on reinsurance deposits	49,925	55,237	941	1,165
Less income from technical interest	-45,089	-51,156	0	0
Current investment income	**151,868**	**193,288**	**167,860**	**213,188**
Gains/(losses) on investments	-1,804	-32,441	-86,136	379,689
Write-ups/(depreciation) on investments	-33,175	90,672	0	0
Total investment income	**116,888**	**251,519**	**81,725**	**592,876**

According to both US GAAP and HGB accounting principles, our total investment result was lower than in the previous year. For the GRAG Group (US GAAP), the investment income decreased to Euro 81,725 thds., mainly due to the poor performance of our equity portfolio. The investment income for GRAG Solo (HGB) amounted to a profit of Euro 116,888 thds.; the decline in profit is primarily based on a write-down of an equity position.

The interest rate level was still low by historical standards. In 2020, we saw lower dividend payments as the existing equity positions reduced their payout to shareholders due to the weak economic environment. The dividend income of the group amounted to Euro 71,654 thds (GRAG Solo Euro 69,745 thds). At group level, we achieved a return of 0.9% on our bond portfolio and a dividend yield of 3.8% on our equity portfolio.

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	2020 €'000	2019 €'000
Ordinary share capital	55,000	55,000
Share premium account	866,174	866,174
Retained earnings	3,531,165	3,555,205
Gains / losses recognized directly in equity	-265,581	-245,914
- Currency translation	-222,343	-187,100
- Unrealized appreciation of investments	42,112	27,179
- Pension deficit	-85,350	-85,993
Total	**4,186,758**	**4,230,465**

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	**2020 €'000**	**2019 €'000**
Other Income		
Release of bad debt provision	1,366	3,331
Foreign exchange rate gains	30,647	30,365
Income from discounting other reserves	7,957	3,780
Income from charging services rendered	1,704	2,439
Income from interest on taxes	9,335	9,157
Sundry other income	846	2,262
Total other income	**51,854**	**51,333**
Other Expenses		
Foreign exchange rate losses	79,748	13,753
Bad debt expense on accounts receivable	6,143	3,279
Expenses from interest on taxes	31,830	837
Interest expenses from discount accretion of other provisions	5,996	10,060
Interest on pension reserves	15,552	28,346
Audit fees and other year-end closure expenses	2,204	2,328
Expenses from charging services rendered	1,619	2,317
Sundry other expenses	8,887	8,407
Total other expenses	**151,980**	**69,328**
Total other income/other expenses (-)	**-100,126**	**-17,995**

Other Income / Other Expenses GRAG Group - US GAAP	2020 €'000	2019 €'000
Other Income		
Foreign exchange gain	36,642	2,151
Rental income	15	53
Gain on sale of fixed assets	0	12
Runoff-other margin	902	1,037
Other interest	118	347
Sundry other income	496	1,698
Total other income	**38,173**	**5,299**
Other Expenses		
Foreign exchange loss	10,503	13,055
External services	-20	22
Bad debt - receivable	11,136	3,106
Loss on sale of fixed assets	167	9
Taxes	3,107	2,373
Other interest	248	121
Sundry other expenses	1,169	2,663
Total other expenses	**26,310**	**21,350**
Total other income/other expenses (-)	**11,863**	**-16,051**

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

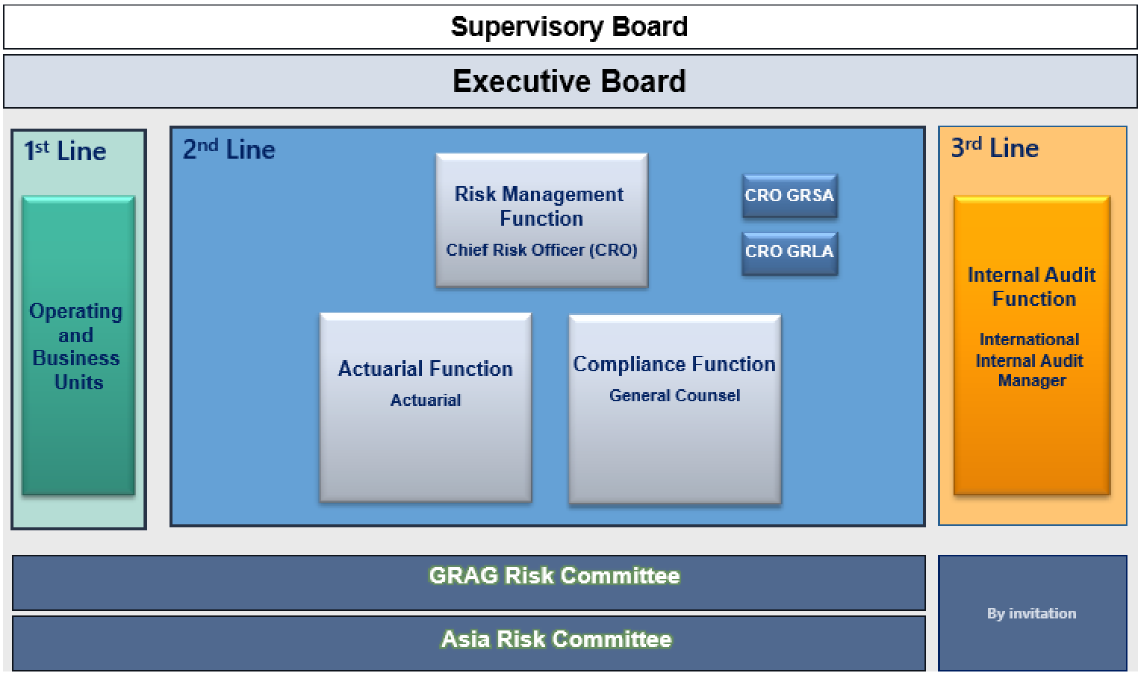
B.1 General Information on the System of Governance

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 and the RMF. 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 RMF.

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 focusing on local legal and regulatory compliance topics to facilitate communication and coordination with GRAG to contribute to GRAG Group's quarterly risk reporting which is further strengthened through regular PO calls with the RMF and CF.

Policy Framework

We have established a policy framework to define GRAG Group's approach to risk management. 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 58.

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 Executive 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 Executive Board 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.

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 , negative interest rates and currency stresses on the risk margin in our own evaluation of market risks.

For our own assessment of non-life catastrophe risk, we allow for dependencies between proportional and non-proportional business and include pandemic risk .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 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 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.

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 reviewed by the policy owner on a regular basis in line with the standards set out in the GRAG Documentation Policy.

The CF has unrestricted access to all relevant information required to perform its duties. The CF regularly reports to the Board and where deemed necessary meets with individual Board Members to address and discuss compliances matters.

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. All local Compliance Officers report directly to the GRAG CF. The CF communicates regularly with the RMF and IAF and works closely with these functions while maintaining an appropriate level of independence.

The CF prepares an annual Compliance Function Report providing the Board with an overview of the activities performed, their status as well as compliance issues that become apparent 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:

- Annual Internal Audit plan;
- Audit preparation and audit planning notification;
- 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 internal audit plan which summarizes all audit topics for the upcoming year, is approved by the Board and distributed to all stakeholders. The annual internal 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 reserve setting process, including the review of technical provisions (TPs). Further, the AF is responsible for establishing actuarial models for regulatory reporting. The AF is independent from the underwriting/pricing business units, with a direct reporting line to the Board.

The AF submits an annual actuarial function report to the Board 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 communicates and closely collaborates with all key functions.

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;
- Perform 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 increase operational efficiency by providing effective support and services in those 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.

We have implemented an outsourcing governance framework in order to ensure that outsourcing contracts comply with legal, regulatory and operational requirements and adequate measures for the effective oversight and management of outsourcing arrangements are in place. In our outsourcing policy we define roles and responsibilities in the outsourcing, risk analysis and due diligence process as well as guidance on contractual arrangements, monitoring and reporting routines.

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

Effective 31 July 2020 Dr. Winfried Heinen retired as Chairman of the Executive Board of GRAG and Head of International Life/Health. Charles S. Shamieh was appointed Chairman of the Executive Board with effect of 1 August 2020. Under his leadership three regional business segments have been established within Life/Health which are 1) Asia, 2) Continental Europe, Latin America and Middle East and North Africa (MENA), and 3) Australia and New Zealand, Canada and Caribbean, sub-Saharan Africa, UK and Ireland.

With the realignment of the Life/Health organization Mr. Ulrich Pasdika was elected as new member of the Executive Board effective 1 August 2020 being responsible for Europe, Latin America and MENA business.

In August 2020, Chief Information and Operations Officer John Connors announced his departure from Gen Re. Dr. Frank Schmid was subsequently appointed as Chief Technology Officer (CTO) and also elected as a member of the Executive Board effective 24 September 2020 as the responsible Board member for IT, in recognition of the increasing and evolving challenges in the area of IT.

Our Global IT and International P&C units both carried out major restructuring initiatives which resulted in a number of redundancies. The reorientation of IT is designed to transform how we use technology and data and how we position ourselves for the future in order to remain relevant, agile and competitive in a challenging environment. The changes in our international P&C business will allow us to be more client-focused, improve underwriting performance and efficiency and enhance our profit opportunities in the long term

Covid-19

The pandemic has not only impacted our underwriting and investment results as described in Chapter A but also had a major impact on the way we work together and conduct our business. We have successfully deployed our Business Continuity Management (BCM) plans and our employees have adapted very well to working from home and using technology to stay connected with each other and with our clients.

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 2020 €'000	GRAG Solo 2019 €'000	GRAG Group 2020 €'000	GRAG Group 2019 €'000
Eligible own funds	5,423,689	5,548,822	5,423,689	5,548,822
SCR	**3,084,450**	**3,053,583**	**3,204,207**	**3,200,592**
Surplus capital	2,339,238	2,495,239	2,219,482	2,348,229
MCR	**1,388,003**	**1,374,112**	**1,465,897**	**1,470,779**
Solvency ratio	**175.8%**	**181.7%**	**169.3%**	**173.4%**
Risk moduls				
Underwriting risk Life	1,488,456	1,898,484	1,577,741	2,024,359
Underwriting risk Health	1,185,796	923,103	1,248,387	990,677
Underwriting risk Non-Life	1,144,636	1,122,454	1,142,629	1,122,980
Market risk	1,633,566	1,664,727	1,696,253	1,723,613
Counterparty default risk	37,114	32,360	43,311	39,749
Diversification	-2,065,266	-2,069,481	-2,140,305	-2,156,955
Operational risk	179,202	158,298	180,211	161,651
Loss absorbing capacity of deferred taxes	-519,054	-676,362	-544,019	-705,482
SCR	**3,084,450**	**3,053,583**	**3,204,207**	**3,200,592**

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

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 slightly from Euro 3,200,592 thds to Euro 3,204,207 thds (+ Euro 3,615 thds) mainly driven by insurance and market risk as further outlined below.

Insurance risk

There was a substantial decrease in the Life underwriting risk (- Euro 446,618 thds) as a result of a newly established Stop Loss retrocession arrangement with our sister company GRL, US. This decline was off-set by an increase in the Health underwriting risk (+ Euro 257,710 thds) which is mainly attributable to new business and updates to the cash flow models. Overall the continued decline in interest rates increased both the Life and Heath SCR by approximately Euro 140,886 thds. We have also seen a small increase in underwriting risk Non-Life due to growth from the prior years which is off-set by a decline in the Non-Life cat charges.

Market risk

Market risk also declined slightly by Euro 27,360 thds, the main drivers being a decline in Spread, Concentration and Currency risks. Spread risk reduced as a result of lower market values in the relevant portfolios while the concentration risk also reduced as the total portfolio grew during the year. In addition currency risk slightly dropped as the net long currency position was reduced due to an increase in technical provisions arising from the application of lower discount rates.

The **Loss Absorbing Capacity** of deferred taxes reduced by Euro 161,463 thds as a result of two factors. First, the decline in discount rates increased technical provisions and lowered the amount of deferred tax liabilities in the Solvency SII Balance Sheet. As a consequence, a lower deferred tax asset were recognized through the netting of deferred tax liabilities. The second factor is the changes to the SII Directive which require a more restrictive recoverability testing.

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 risks and other risks that might lead to large accumulations such as pandemic, terrorism, cyber and war risks.

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 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.

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.

Pandemic risk is the risk from events such as swine flu, avian flu, pestilence and most evident by the Covid-19. 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, underwriting authorities and referral as well as underwriting reviews.

For Property/Casualty business we aim to reduce our pandemic exposure through restrictive policy wordings and exclusions. Following the Covid-19 pandemic we further strengthened our wordings and exclusions for most of our markets and products.

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. Cyber risks continue to be one of the most challenging exposures to assess, price, monitor and aggregate from an underwriting perspective.

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. We continue to refine our evaluation of those lines of business in which accumulations could occur and to develop appropriate scenarios to evaluate possible loss exposures.

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 inadequate reserves for the ultimate settlement of claims due to unanticipated changes or due to inappropriate reserve modelling. 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, claims reviews with clients, 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. The Master Investment Guidelines (MIG) of GRAG Group define the risk limits for the different investment risks and asset classes and include GRAG's investment policy. Both the MIG including our policy are reviewed by the 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 Executive 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 currency exposure;
- Central approval of investment activities or guideline changes by the Executive 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 42.

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.

	GRAG Solo		GRAG Group	
	2020	2019	2020	2019
EPIFP	**€'000**	**€'000**	**€'000**	**€'000**
Total Non-Life	11,830	486	11,830	486
Total Life/Health	3,639,130	3,307,117	3,845,102	3,529,288
Total EPIFP	**3,650,960**	**3,307,603**	**3,856,932**	**3,529,774**

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, 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 IT, 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 and the operational risks which we consider to be most important for the entire Group:

Strategy risk is defined as the risk of loss from implementing an inappropriate business strategy or IT strategy 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 monitored regularly as part of our risk reporting procedure. The 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.

The **IT risk** is defined as loss resulting from non-compliance with applicable governance and security policies, insufficient IT infrastructure and/or ineffective physical security over IT assets and data centers, as well as inappropriate environmental controls, job scheduling and processing, data backup and restore capabilities, system monitoring and capacity management.

The IT Framework provides a set of guiding principles and supporting practices for the effective management of IT risks aligned with the corporate Risk Management Framework. This includes setting the appropriate strategy to govern all aspects of the IT landscape and infrastructure, i.e. hardware, software, as well as the future developments and projects to continually support the business needs. External threats to our IT environment are included under cyber security risk below.

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.

In response to the extensive "working from home" environment driven by Covid-19, which is an ongoing cyber risk consideration, we have further strengthened our framework by implementing policies to mitigate security risks associated with remote working and launching additional cyber security awareness programs to respond to threats which include but are not limited to simulated phishing emails, external banners, and role-based training.

Overall, this risk will continue to be an operational priority for the foreseeable future given the continuously evolving cyber security landscape.

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 assessment 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 does 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.

We have the following material retrocession arrangements in place:

With our parent company GRC we retrocede 20% of all non-life business written 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.

Since 1 April 2020 we have been retroceding the majority of our Japanese non-life business to GRC (total retrocession 90%) to mitigate potential risk from natural catastrophe covers.

Effective 1 July 2020, we entered into a stop loss agreement for our L/H business with our US sister company GRL in 2020 in order to protect GRAG against mortality risk.

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 GRL.

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 2020 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 after scenario €'000	Own Funds Δ to year-end 2020 €'000	Solvency Capital Requirement after scenario €'000	Solvency Capital Requirement Δ to year-end 2020 €'000	Solvency Ratio after scenario in %	Solvency Ratio Δ to year-end 2020 in %
Non-Life Underwriting Risk*						
- European windstorm scenario	5,143,829	-279,860	3,204,207	0	160.5%	-8.7%
- Flood Germany scenario	5,209,830	-213,858	3,204,207	0	162.6%	-6.7%
- Earthquake Germany scenario	5,341,162	-82,527	3,204,207	0	166.7%	-2.6%
- Hail Germany scenario	5,266,945	-156,744	3,204,207	0	164.4%	-4.9%
Life-Health Underwriting Risk						
- Pandemic scenario	5,312,902	-110,787	3,204,207	0	165.8%	-3.5%
Market Risk						
- Equity crash scenario	4,159,100	-1,264,588	3,008,666	-195,541	138.2%	-31.0%
Combined Event						
- Combination of European Windstorm, Equity Crash, Pandemic scenario	3,768,454	-1,655,235	3,008,666	-195,541	125.3%	-44.0%

*based on an Occurrence 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. We do, however, consider recoverables from our stop loss agreement for L/H, therefore the impact of a pandemic is small for GRAG in comparison to the prior year.

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. We consider a 50% equity shock reasonably conservative. This assessment was confirmed by the market volatility experienced in the wake of the outbreak of the Covid-19 pandemic which was less than the equity stress scenario noted above and most of the initial losses were recovered during the year.

According to our reverse stress test analysis we would need to suffer a loss of Euro 2,219,482 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/Country	Exchange rate to Euro as of 31 December 2020
General Reinsurance Africa Ltd., Cape Town/South Africa	0.056178
General Reinsurance Life Australia Ltd, Sydney/Australia	0.621145

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 2020 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 2020	Note	GRAG Solo Solvency II €'000	GRAG Solo HGB €'000	GRAG Group Solvency II €'000	GRAG Group US GAAP €'000
Deferred acquisition cost	1	0	0	0	225,337
Intangible assets	2	0	10,513	0	10,513
Deferred tax assets	3	128,181	466,797	130,151	230,576
Pension benefit surplus	4	0	11,867	0	0
Property, plant & equipment held for own use	5	35,058	21,421	35,237	21,600
Investments (other than assets held for index-linked and unit-linked contracts)		**11,210,051**	**10,290,716**	**11,867,439**	**11,864,483**
Holdings in related undertakings, including participations	6	334,903	143,046	2,939	27,786
Equities - listed	7	2,529,177	1,832,926	2,529,177	2,503,464
Bonds	**8**	**7,933,197**	**7,836,802**	**8,922,550**	**8,746,482**
Government bonds		4,942,542	5,279,909	5,931,894	6,180,610
Corporate bonds		2,990,656	2,556,893	2,990,656	2,565,871
Collective investments undertakings	9	399,714	403,769	399,714	395,887
Deposits other than cash equivalents	10	13,039	12,477	13,039	115,413
Other investments	11	21	61,696	21	75,452
Loans and mortgages	**12**	**704,571**	**634,800**	**704,571**	**634,800**
Reinsurance recoverables from	**13**	**541,656**	**766,420**	**330,899**	**1,084,051**
Non-Life excluding Health		516,471	653,332	516,471	689,304
Health similar to Non-Life		7,044	8,013	7,044	8,143
Health similar to Life		6,817	12,706	125,000	12,476
Life excluding Health and index-linked and unit-linked		11,324	92,368	-317,616	374,129
Deposits to cedants	**14**	**2,277,099**	**1,702,869**	**2,197,796**	**136,915**
Non-Life		203,668	207,994	124,364	123,537
Life/Health		2,073,431	1,494,874	2,073,431	13,378
Insurance and intermediaries receivables	15	30,329	994,844	39,392	1,083,572
Reinsurance receivables	16	0	14,155	0	14,155
Receivables (trade, not insurance)	17	165,013	167,174	167,461	154,940
Cash and cash equivalents	18	373,873	373,868	631,017	638,751
Any other assets, not elsewhere shown	19	9,618	425	9,618	9,618
Total Assets		**15,475,450**	**15,455,867**	**16,113,581**	**16,109,311**

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Deferred Acquisition Cost	0	0	0	225,337

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Intangible assets	0	10,513	0	10,513

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Deferred tax assets (DTA) (+)	128,181	466,797	130,151	230,576
Deferred tax liability (DTL) (-)	-453,955	0	-483,222	-14,712
Total deferred taxes	**-325,774**	**466,797**	**-353,071**	**215,864**

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 2020 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	466,797	n/a
Deferred taxes on temporary differences between US GAAP values and tax base	n/a	215,864
Investments due to Solvency II revaluations	-48,465	-25,260
Technical provisions due to Solvency II revaluations		
- Life	-510,959	-540,965
- Non-life	-244,339	7,930
Total - technical provisions	-755,298	-533,034
Other Solvency II revaluations	11,192	-10,640
Total deferred taxes for Solvency II DTA (+)/ DTL (-)	**-325,774**	**-353,071**
- thereof DTA (+)	**128,181**	**130,151**
- thereof DTL (-)	**-453,955**	**-483,222**

The maturity bands are as follows:

	GRAG Solo		GRAG Group	
Maturity bands	**Deferred tax assets (DTA) (+) €'000**	**Deferred tax liability (DTL) (-) €'000**	**Deferred tax assets (DTA) (+) €'000**	**Deferred tax liability (DTL) (-) €'000**
Maturity band < 1 year	84,514	-11,158	85,822	-17,192
Maturity band 1-5 years	39,821	-24,905	40,483	-38,656
Maturity band > 5 years	3,846	-417,893	3,846	-427,375
Total deferred taxes	**128,181**	**-453,955**	**130,151**	**-483,222**

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 2020 for taxable differences amounting to Euro 10,901 thds (tax base) for GRAG solo, the preconditions for recognition of deferred tax liabilities (referred above), had not been met. 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 2020.

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. Planning projections to recognize future taxable profits are consistent with US GAAP and HGB reporting. With regard to temporary differences with Solvency II valuation principles, and the calculation of the risk margin a recoverable net deferred tax asset of Euro 107,957 thds has been recognized based on the assumption, that a potential reversal of the risk margin will then create additional taxable income in the future. For deductible temporary differences net deferred tax assets in the amount of Euro 35,164 thds which all refer to GRAG Solo 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 2020 deferred tax assets on tax losses carried forward, amounting to Euro 14,904 thds for GRAG Solo and amounting to Euro 15,136 thds for GRAG Group were booked (gross amount before offset against DTL).

Tax losses carried forward with corresponding DTA per country	GRAG Solo Tax losses carried forward €'000	DTA €'000	GRAG Group Tax losses carried forward €'000	DTA €'000	Expiry Limit
Germany	26,583	8,277	26,583	8,277	unlimited carry-forward
Denmark	10,407	2,290	10,407	2,290	unlimited carry-forward
United Kingdom	17,252	3,278	17,252	3,278	unlimited carry-forward
Korea	4,815	1,059	4,815	1,059	10 year carry-forward
New Zealand	0	0	830	233	unlimited carry-forward
Total tax losses carried forward	**59,058**	**14,904**	**59,888**	**15,136**	

Whilst there are no unrecognized deferred tax assets for GRAG Solo at 31 December 2020, deferred tax assets in the amount of Euro 9,748 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

	GRAG Solo Solvency II €'000	HGB €'000	GRAG Group Solvency II €'000	US GAAP €'000
Pension benefit plus	0	11,867	0	0

GRAG's UK branch has a pension plan funded by GRAG whose assets are held in trust funds. A pensions benefit surplus represents the excess of the fair value of the plan assets and associated life insurance contracts over the defined benefit obligations. Since the fair value of the plan assets was lower than the pension benefit obligations in the year under review, the corresponding amounts are shown as liabilities (see chapter D.3, Note 2).

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	57,685	57,685	57,685	57,685
Pension fund liability	65,271	45,818	65,271	65,271
Total	**-7,586**	**11,867**	**-7,586**	**-7,586**
Thereof shown under pension benefit obligations (chapter D.3, note 2)	-7,586	0	-7,586	-7,586
Total	**0**	**11,867**	**0**	**0**

The plan assets are as follows:

Portfolio	Valuation amount €'000	of total plan assets %
Government bonds	12,298	21.3%
Corporate bonds	3,126	5.4%
Equities	10,954	19.0%
Other investments	31,251	54.2%
Cash and cash equivalents	56	0.1%
Total plan assets	**57,685**	**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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Property, plant	28,300	14,662	28,300	14,662
Equipment	6,758	6,758	6,937	6,937
Property, plant & equipment held for own use	**35,058**	**21,421**	**35,237**	**21,600**

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 2020.

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.

The amount shown under HGB and US GAAP includes the capitalization of renovation costs in respect of the modernization of the office building. These measures are already considered in the higher market value derived from the external assessment and are, therefore, also included under Solvency II.

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Holdings in related undertakings	333,901	117,235	0	0
Other participations	1,002	25,811	2,939	27,786
Holdings in related undertakings, including participations	**334,903**	**143,046**	**2,939**	**27,786**

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. offshore, Beirut
- General Reinsurance AG - Escritório de Representacao No Brasil Ltda., São Paulo
- Gen Re Servicios México S.A., Mexico City
- Gen Re Support Services Mumbai Private Limited (in liquidation)

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 (in liquidation);
- ARGE FJA KR BU-System, München (in liquidation).

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Equities - listed	2,529,177	1,832,926	2,529,177	2,503,464

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 2020, 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 2020 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 25,713 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 2020, GRAG equities were all allocated as fixed assets (Anlagevermögen). In 2020, one share recorded a negative development, so that we had to make a write-down according to HGB at the end of the year. In another equity position, the market value recovered, so that we were able to ascribe a recovery in value under the 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. After initial turbulences due to the Covid-19 pandemic, the stock markets developed exceptionally well as the year progressed, with the result that the market values of our listed shares rose again and in some cases exceeded their acquisition costs.

Note 8 – Bonds

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Government bonds	4,942,542	5,279,909	5,931,894	6,180,610
Corporate bonds	2,990,656	2,556,893	2,990,656	2,565,871
Bonds	**7,933,197**	**7,836,802**	**8,922,550**	**8,746,482**

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 2020, 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 2020, 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 due to the persistently low level of 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 406,934 thds from government bonds to corporate bonds.

Note 9 – Collective Investments Undertakings

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Collective investments undertakings	399,714	403,769	399,714	395,887

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 159 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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Deposits other than cash equivalents	13,039	12,477	13,039	115,413

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Other investments	21	61,696	21	75,452

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Loans and mortgages to individuals	0	0	0	0
Other loans and mortgages	704,571	634,800	704,571	634,800
Loans and mortgages	**704,571**	**634,800**	**704,571**	**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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Non-Life excluding Health	516,471	653,332	516,471	689,304
Health similar to Non-Life	7,044	8,013	7,044	8,143
Health similar to Life	6,817	12,706	125,000	12,476
Life excluding Health and index-linked and unit-linked	11,324	92,368	-317,616	374,129
Reinsurance recoverables	**541,656**	**766,420**	**330,899**	**1,084,051**

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Non-life	203,668	207,994	124,364	123,537
Life/Health	2,073,431	1,494,874	2,073,431	13,378
Deposits to cedants	**2,277,099**	**1,702,869**	**2,197,796**	**136,915**

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Insurance and intermediaries receivables	30,329	994,844	39,392	1,083,572

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Reinsurance receivables	0	14,155	0	14,155

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)

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Receivables (trade, not insurance)	165,013	167,174	167,461	154,940

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 68,645 thds). These long-term receivables are discounted under Solvency II, which is the reason for the valuation difference of Euro - 2,161 thds between the Solvency II and US GAAP values.

In addition, a reclassification of tax receivables/payables (Euro 13,805 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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Cash and cash equivalents	373,873	373,868	631,017	638,751

Under Solvency II, HGB and US GAAP (ASC 305), these are valued at their nominal value. The difference between the Solvency II and the US GAAP value is mostly attributable to short-term investment from our South African Subsidiary, which are reclassified to government bonds for Solvency II reporting purposes.

Note 19 – Any Other Assets, not elsewhere shown

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Any other assets, not elsewhere shown	9,618	425	9,618	9,618

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 9,193 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 2020.

	GRAG Solo		GRAG Group	
Gross Technical Provisions as at 31 December 2020	**Solvency II €'000**	**HGB €'000**	**Solvency II €'000**	**US GAAP €'000**
Technical Provisions - Non-Life	**6,135,059**	**7,440,198**	**6,113,603**	**6,814,328**
Technical Provisions - Non-Life (excl. Health)	6,004,354	7,336,653	5,982,899	6,710,313
TP calculated as a whole		7,336,653		6,710,313
Best Estimate	5,758,611		5,737,155	
Premium Provision	142,486		121,031	
Claims Provision	5,616,125		5,616,125	
Risk Margin	245,743		245,743	
Technical Provisions - Health (NSLT, similar to Non-Life)	130,705	103,545	130,705	104,015
TP calculated as a whole		103,545		104,015
Best Estimate	100,048		100,048	
Premium Provision	-4,560		-4,560	
Claims Provision	104,609		104,609	
Risk Margin	30,657		30,657	
Technical Provisions - Life (excl. index-linked / unit-linked)	**2,698,937**	**3,826,103**	**3,126,363**	**3,589,805**
Technical Provisions - Health (SLT, similar to Life)	1,303,688	1,610,732	2,030,239	1,053,636
TP calculated as a whole		1,610,732		1,053,636
Best Estimate	638,822		1,342,051	
Risk Margin	664,866		688,189	
Technical Provisions - Life (excl. Health)	1,395,249	2,215,371	1,096,124	2,536,169
TP calculated as a whole		2,215,371		2,536,169
Best Estimate	126,099		-207,820	
Risk Margin	1,269,150		1,303,944	
Other Technical Provisions		**65,802**		**65,059**
Total Gross Technical Provisions - Life and Non-Life	**8,833,996**	**11,332,102**	**9,239,967**	**10,469,191**

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 2020.

	Best Estimate Gross €'000	Risk Margin €'000	Technical Provisions €'000	Reinsurance Recoverables €'000
Life	-207,820	1,303,944	1,096,124	-317,616
Health SLT	1,342,051	688,189	2,030,239	125,000
Total	**1,134,231**	**1,992,133**	**3,126,363**	**-192,616**

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 130,705 thds.

Health Non-SLT	€'000
Best estimate	**100,048**
Thereof	
Non-proportional health business	18,668
PA business (non-life)	81,380
Risk margin	30,657
Technical provisions	**130,705**

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	764,922	1,934,016	2,698,937	18,141
GRLA	221,184	38,455	259,639	-193,835
GRSA	167,693	19,662	187,356	2,646
Intercompany transactions	-19,569	0	-19,569	-19,569
Total	**1,134,231**	**1,992,133**	**3,126,363**	**-192,616**

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 23% 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	**1,134,231**
Thereof Life	-207,820
Thereof Health SLT	1,342,051
Impact of shocks:	
Mortality	936,706
Longevity	141,869
Disability	1,617,233
Lapse down	66,212
Lapse mass	1,154,010
Lapse up	584,369
Expenses	171,464
Cat (life)	163,458

The table should be interpreted in the following way: The best estimate TPs for "Life" and "Health SLT" is Euro 1,134,231 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 936,706 thds to Euro 2,070,937 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.

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 2021 per reinsurance contract as part of its financial planning process. If GRAG Group's gross premium volume 2021 was 1% higher (lower) than expected, the gross best estimate would decrease (increase) by Euro 38,474 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%.

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 1,934,016 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 value of profit margins on 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 3,109,532 thds. This includes the reinsurance, insurance and intermediaries receivables and payables not overdue (Euro 17,035 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	3,890,907	21,122	3,912,029
Thereof reserve for profit commission, gross	64,804	88	64,892
Thereof all other reserves, gross	3,826,103	21,033	3,847,136
Statutory DAC (Life), net	-16,454	0	-16,454
Subtotal statutory	**3,874,453**	**21,122**	**3,895,575**
PV margin of future business and change in assumptions	3,109,532		
Best estimate	764,922		
Risk margin	1,934,016		
Technical provisions	**2,698,937**		

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

The value of gross reserves under HGB is Euro 3,912,029 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 1,469,956 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 1,992,133 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 value of profit margins on 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 3,896,921 thds. This includes the reinsurance, insurance and intermediaries receivables and payables not overdue (Euro 132,486 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 1,494,874 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	3,654,581	20,451	3,675,031
Thereof reserve for profit commission, gross	64,776	88	64,864
Thereof all other reserves, gross	3,589,805	20,362	3,610,167
US GAAP deposits - gross	-13,378	0	-13,378
Deferred acquisition costs - gross	-104,104	0	-104,104
Subtotal US GAAP	**3,537,098**	**20,451**	**3,557,549**
Statutory deposits - gross	1,494,053	821	1,494,874
Subtotal	**5,031,152**	**21,272**	**5,052,424**
PV margin of future business and change in assumptions	3,896,921		
Best estimate	1,134,231		
Risk margin	1,992,133		
Technical provisions	**3,126,363**		

*) 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. External retrocession has been accepted for various reasons but only to limited extent.

GRAG Group's retroceded premium for 2020 amounted to Euro 251,041 thds representing 8.8% 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 -192,616 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	-317,616
Health SLT	125,000
Total	**-192,616**

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 1,429 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 using 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 financial impact of Covid-19 was modelled separately and the resulting cashflow estimates were included in the calculation of technical provisions.

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. In past years, expenses have been projected as unit cost per reinsurance contract over its entire duration. For the current valuation, the future expenses are modelled with reference to the volume of projected premiums and claims cashflows.

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. The Stop Loss Agreement with GRL covering GRAG's mortality business has been taken into account in the modelling as well.

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.

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.

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

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 81 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 2020 and 31 December 2019. The changes may be subdivided into four categories:

1. The increase due to new exchange rates and discount rates amounts to Euro 6,596 thds.
2. The change in deposits leads to a decrease of the best estimate of Euro 51,134 thds.
3. The change in reinsurance, insurance and intermediaries receivables and payables not overdue reduces the best estimate by Euro 86 thds.
4. Other changes increase the best estimate by Euro 9,007 thds. The main drivers increasing the best estimate are changes in assumptions, higher liabilities from new business, and the effects from the Covid-19 pandemic. There have also been enhancements of the projection models, which have reduced 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 2019 (net)	**135,441**	**1,218,788**	**26,902**	**1,381,130**
Change due to currency rates and discount rates	-8,387	16,023	-1,039	6,596
Change in deposits	**-62,685**	**11,871**	**-320**	**-51,134**
Change in reinsurance, insurance and intermediaries receivables and payables not overdue	2,700	-4,740	1,954	-86
Other changes	42,727	-24,891	-8,829	9,007
Best estimate 2020 (net)	**109,797**	**1,217,050**	**18,668**	**1,345,515**

*) 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 internal retrocession (Stop Loss Agreement with GRL), updates of actuarial assumptions and the increase of business volumes. The new retrocession structure significantly reduces the impact on the CAT mortality shock within the SCR calculation, whereas the update of actuarial assumptions leads to a higher SCR in the disability income shock scenario. The decrease due to changes in fx rates is offset by the increase due to changes in discount rates.

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	38	40,093	40,131	11,479	51,610	-3,510	48,101
Motor vehicle liability	30,430	526,663	557,093	22,515	579,608	-62,939	516,668
Other motor	-2,357	76,410	74,053	2,924	76,977	-22,045	54,932
Marine, aviation and transport	4,532	45,919	50,452	1,905	52,356	-8,334	44,022
Fire and other damage to property	21,392	527,379	548,771	21,302	570,073	-88,243	481,830
General liability	8,983	287,434	296,417	12,424	308,841	-29,386	279,455
Credit and suretyship	1,229	46,376	47,605	1,557	49,162	-14,211	34,951
NP property	-7,152	671,276	664,124	27,028	691,152	-107,523	583,629
NP casualty	63,389	3,372,686	3,436,075	153,477	3,589,553	-175,792	3,413,761
NP marine, aviation and transport	584	61,981	62,565	2,612	65,177	-7,998	57,179
NP health/accident	-4,599	64,516	59,917	19,177	79,094	-3,534	75,560
Total Non-Life	**116,470**	**5,720,733**	**5,837,203**	**276,400**	**6,113,603**	**-523,515**	**5,590,089**

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 2020 and corresponding net reserves for the Group according to US GAAP and for GRAG Solo according to HGB are outlined below.

i. We established unallocated loss adjustment reserves (ULAE) for US GAAP purposes of Euro 78,113 thds respectively equalization reserves for HGB of Euro 851,554 thds.

ii. The US GAAP reserves include a net unearned premium reserve of Euro 446,500 thds. The HGB reserves include a net unearned premium reserve of Euro 334,360 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 305,209 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 114,640 thds for GRAG Group or Euro 93,185 thds for GRAG Solo, respectively (the difference stems from consolidated intragroup accounts receivables).

v. Solvency II TPs further include claims expenses amounting to Euro 136,870 thds.

vi. Some other minor differences sum up to Euro 4,399 thds for GRAG Group and Euro 3,728 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 276,400 thds.

Reconciliation of P/C Reserves to SII Technical Provisions	GRAG Solo €'000	GRAG Group €'000
Net Statutory Reserves*	**6,778,853**	**6,116,881**
Equalization Reserve	-851,554	n/a
Unallocated Loss Adjustment Expenses	0	-78,113
Unearned Premium Reserve	-334,360	-446,500
Claims Discounting	-305,209	-305,209
Premium Provision & Receivables/Payables not overdue	-93,185	-114,640
Claims Expenses	136,870	136,870
Other	3,728	4,399
Net Best Estimate Liabilities	**5,335,144**	**5,313,689**
Risk Margin	276,400	276,400
Net Technical Provisions	**5,611,544**	**5,590,089**

*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 the section on actuarial methodologies and assumptions below. Since underwriting year 2017 we have internal retrocessions to our US parent GRC. The GRAG retro recoverables amount to Euro 523,515 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 2019 (net)	**4,702,735**	**87,002**	**4,789,738**
Change due to currency rates	-150,874	-3,439	-154,313
Change due to discount rates	353,207	4,836	358,044
Change due to experience or assumptions	316,738	3,482	320,220
Best Estimate 2020 (net)	**5,221,807**	**91,882**	**5,313,689**

The changes of Euro 523,951 thds can be subdivided into three categories:

1. The change in currency exchange rates cause a Euro 154,313 thds decrease in TPs.

2. Reduced discount rates increase the TPs by Euro 358,044 thds.

3. The changes relating to actual loss experience or changes in actuarial assumptions represent an increase of Euro 320,220 thds. This is attributable to the increased premium levels compared to previous years and our loss experience during 2020, for instance, as it relates to the Covid-19 pandemic. 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 2020 GRAG Group's Risk Margin increased by Euro 154,627 thds from Euro 2,113,905 thds to Euro 2,268,532 thds. The main reasons for this are the change in discount rates and the growth of the SCR for 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 2020 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.

		GRAG Solo		GRAG Group	
Other Liabilities as at 31 December 2020	**Note**	**Solvency II €'000**	**HGB €'000**	**Solvency II €'000**	**US GAAP €'000**
Provisions other than technical provisions	1	345,247	432,005	345,632	295,034
Pension benefit obligations	2	369,974	271,260	370,052	370,052
Deposits from reinsurers	3	26,388	25,879	219,365	193,998
Non-Life		971	961	971	961
Life/Health		25,418	24,918	218,394	193,037
Deferred tax liabilities	4	453,955	0	483,222	14,712
Insurance and intermediaries payables	5	0	393,467	186	397,316
Reinsurance payables	6	0	187,774	0	150,781
Payables (trade, not insurance)	7	12,640	12,640	21,909	21,909
Any other liabilities, not elsewhere shown	8	9,561	368	9,561	9,560
Total Other Liabilities		**1,217,765**	**1,323,393**	**1,449,925**	**1,453,362**

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	**HGB €'000**	**Solvency II €'000**	**US GAAP €'000**
Provisions other than technical provisions	345,247	432,005	345,632	295,034

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.

	Duration of Economic Benefit	€'000
Tax provision	up to 9 years	209,330
Interest on taxes	up to 9 years	100,427

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Pension benefit obligations	369,974	271,260	370,051	370,051

The pensions benefit obligations cover provisions for accrued pensions rights and current pension's obligations. The amounts shown in the table above include the pension fund liabilities in excess of the plan assets of our UK branch (Euro 7,586 thds - see also chapter D.1, note 4).

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 2020 in accordance with HGB § 253 para. 2 and extrapolating these rates to 31 December 2020 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 2020 were applied:

	Solvency II	HGB	US GAAP
Discount rate*	0.69%	2.30%	0.69%
Future increase of salaries**	2.25%	2.25%	2.25%
Future increase of pensions	1.50%	1.50%	1.50%
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 1.4% is applied
** For the pension fund in UK a future increase of salaries of 2.6% is applied

Note 3 – Deposits from Reinsurers

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Non-Life	971	961	971	961
Life/Health	25,418	24,918	218,394	193,037
Deposits from reinsurers	**26,388**	**25,879**	**219,365**	**193,998**

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Deferred tax assets (DTA) (+)	128,181	466,797	130,151	230,576
Deferred tax liability (DTL) (-)	-453,955	0	-483,222	-14,712
Total deferred taxes	**-325,774**	**466,797**	**-353,071**	**215,864**

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

Note 5 – Insurance and Intermediaries Payables

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Insurance and intermediaries payables	0	393,467	186	397,316

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 186 thds attributable to our South African Subsidiary is shown in this position.

Note 6 – Reinsurance Payables

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Reinsurance payables	0	187,774	0	150,781

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)

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Payables (trade, not insurance)	12,640	12,640	21,909	21,909

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Any other liabilities, not elsewhere shown	9,561	368	9,561	9,560

Under HGB, this balance contains deferred items only. Under US GAAP and Solvency II, this position additionally includes lease liabilities amounting to EUR 9,193 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. 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 following:

- 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 2020 in comparison to the prior year are disclosed in the table below:

	GRAG Solo			GRAG Group		
	2020 €'000	2019 €'000	Change €'000	2020 €'000	2019 €'000	Change €'000
Total assets	**15,475,450**	**14,708,750**	**766,700**	**16,113,581**	**15,141,292**	**972,288**
Total liabilities	10,051,761	9,159,928	891,833	10,689,892	9,592,471	1,097,421
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	**5,423,689**	**5,548,822**	**-125,133**	**5,423,689**	**5,548,822**	**-125,133**
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	4,502,515	4,627,648	-125,133	4,502,515	4,627,648	-125,133
thereof						
Retained earnings	1,879,199	1,786,268	92,930	3,408,866	3,432,906	-24,040
Adjustment due to revaluation differences	2,623,316	2,841,380	-218,063	1,235,220	1,316,646	-81,426
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	**5,423,689**	**5,548,822**	**-125,133**	**5,423,689**	**5,548,822**	**-125,133**

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

	GRAG Solo			GRAG Group		
Differences in Equity	**2020 €'000**	**2019 €'000**	**Change €'000**	**2020 €'000**	**2019 €'000**	**Change €'000**
Shareholder's equity*	**2,800,372**	**2,707,442**	**92,930**	**4,186,758**	**4,230,465**	**-43,707**
Adjustments						
Investments	954,284	1,006,385	-52,101	53,469	63,024	-9,555
Life/Health	1,193,307	1,068,835	124,472	1,267,248	1,088,825	178,423
Property/Casualty	500,574	798,107	-297,533	-24,540	189,848	-214,388
Other	-24,849	-31,947	7,098	-59,246	-23,340	-35,906
Dividend	**0**	**0**	**0**	**0**	**0**	**0**
Total adjustments	**2,623,316**	**2,841,380**	**-218,063**	**1,236,931**	**1,318,357**	**-81,426**
SII Own Funds	**5,423,689**	**5,548,822**	**-125,133**	**5,423,689**	**5,548,822**	**-125,133**

*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 2020 in comparison to the previous year:

Solvency II		GRAG		GRSA		GRLA		GRAG Group
Capital Requirements	2020	2019	2020	2019	2020	2019	2020	2019
Non-Life	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Eligible own funds	5,423,689	5,548,822	113,609	127,364	139,528	158,095	5,423,689	5,548,822
SCR	3,084,450	3,053,583	249,535	267,929	84,866	82,258	3,204,207	3,200,592
Surplus capital	2,339,238	2,495,239	-135,926	-140,565	54,662	75,836	2,219,482	2,348,229
MCR	1,388,003	1,374,112	56,409	77,029	21,485	19,638	1,465,897	1,470,779
Solvency ratio	175.8%	181.7%	45.5%	47.5%	164.4%	192.2%	169.3%	173.4%
Risk modules								
Underwriting risk Life	1,488,456	1,898,484	52,828	85,741	46,015	45,110	1,577,741	2,024,359
Underwriting risk Health	1,185,796	923,103	33,941	47,337	31,517	27,761	1,248,387	990,677
Underwriting risk Non-Life	1,144,636	1,122,454	0	0	0	0	1,142,629	1,122,980
Market risk	1,633,566	1,664,727	271,873	278,711	16,047	18,025	1,696,253	1,723,613
Counterparty default risk	37,114	32,360	9,976	16,638	6,458	4,838	43,311	39,749
Diversification	-2,065,266	-2,069,481	-64,582	-94,437	-28,908	-27,494	-2,140,305	-2,156,955
Operational risk	179,202	158,298	6,907	7,843	13,737	14,019	180,211	161,651
Loss absorbing capacity of deferred taxes	-519,054	-676,362	-61,408	-73,904	0	0	-544,019	-705,482
SCR	**3,084,450**	**3,053,583**	**249,535**	**267,929**	**84,866**	**82,258**	**3,204,207**	**3,200,592**

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

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.

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/GSPs in accordance with article 218 level II in due consideration that this better reflects our risk profile. The USP's/GSPs 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 from 2016 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.

The SCR includes the loss absorbing capacity of deferred taxes recognizing that additional deferred tax assets (DTA) will be created in case of a SCR shock event. For 2020, the loss absorbing capacity of deferred taxes for the Group amounts to Euro -544,019 thds of which, prior to diversification, GRAG contributed Euro -519,054 thds and GRSA Euro -61,408 thds. For GRLA no additional deferred tax assets were established. As noted in Chapter D.2 regarding the projection of future taxable profits, we use a planning horizon of five years.

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/GSPs 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 2020, there is no other information to be disclosed.

Abbreviations

AF	Actuarial Function
AML	Anti-Money-Laundering
AMSB	Administrative, Management and Supervisory Body
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht
BSCR	Basic Solvency Capital Requirement
BEL	Best Estimate Liability
BRK	Berkshire Hathaway Inc.
CAS	Corporate Actuarial Services
CCAG	Cloud Collaborative Audit Group
CF	Compliance Function
CFT	Counter Finance Terrorism
CO	Compliance Officer
CoC	Cost of Capital
CFO	Chief Financial Officer
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPOT	Gen Re Compliance Management Platform
CR	Combined Ratio
CRO	Chief Risk Officer
CSP	Cloud Service Provider
CTO	Chief Technology Officer
DA	Delegated Acts
D&O	Directors & Officers
DTA	Deferred tax assets
DTL	Deferred tax liabilities
DVO	Durchführungsverordnung
ECB	European Central Bank
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority

E&O	Error & Omission
EPIFP	Expected Profits in Future Premium
ESG	Environmental, Social and Governance
EU	European Union
EUC	End User Computing
Faraday	Faraday MGA Ltd.
FEB	Financial Examination Bureau
GDPR	General Data Protection Regulation
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
GSP	Group Specific Parameter
GTO	Global Technology and Operations
HGB	German Commercial Code
IA	Internal Audit
IAF	Internal Audit Function
IAS	International Accounting Standard
IASB	International Accounting Standard Board
ICS	Internal Control System
ICT	Internal Control Testing
IDD	Insurance Distribution Directive
IDW	Institute of Public Auditors in Germany, Incorporated Association
IFRS	International Financial Reporting Standard
KPI	Key Performance Indicator
L/H	Life/Health
LoB	Line of Business

LoC	Letter of Credit
LoD	Line of Defense
MCR	Minimum Capital Requirement
MIFID	Markets in Financial Instruments Directive
MIG	Master Investment Guidelines
NEAM	New England Asset Management Inc.
NIST	National Institute of Standards and Technology
NSLT	Non Similar to Life Techniques
OF	Own Funds
ORSA	Own Risk and Solvency Assessment
OSN	Overall Solvency Needs
PA	Personal accident
P/C	Property/Casualty
PEPP	Pandemic Emergency Purchase Program
PO	Principal Officer
PPP	Prudent Person Principle
QRT	Quantitative Reporting Template
RC	Risk Committee
RM	Risk Margin
RMF	Risk Management Function
RMT	Risk Management Team
RO	Risk Officer
RSR	Regulatory Supervisory Report
SII	Solvency II
SCR	Solvency Capital Requirement
SLA	Service Level Agreement
SLT	Similar to Life Techniques
SOX	Sarbanes Oxley Act.
SF	Standard Formula

SPVs	Special Purpose Vehicles
TLTRO III	3rd Series of Targeted Long Term Refinancing Operations
TPs	Technical Provisions
TvaR	Tail Value at Risk
UK	United Kingdom
US	United States
US GAAP	United States Generally Accepted Accounting Principles
USPs	Undertaking Specific Parameters
VAIT	Supervisory Requirements for IT in Insurance Undertakings
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 2020

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	128,181
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	35,058
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	11,210,051
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	334,903
Equities	**R0100**	2,529,177
Equities - listed	**R0110**	2,529,177
Equities - unlisted	**R0120**	0
Bonds	**R0130**	7,933,197
Government Bonds	**R0140**	4,942,542
Corporate Bonds	**R0150**	2,990,656
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	399,714
Derivatives	**R0190**	0
Deposits other than cash equivalents	**R0200**	13,039
Other investments	**R0210**	21
Assets held for index-linked and unit-linked contracts	**R0220**	0
Loans and mortgages	**R0230**	704,571
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	704,571
Reinsurance recoverables from:	**R0270**	541,656
Non-life and health similar to non-life	**R0280**	523,515
Non-life excluding health	**R0290**	516,471
Health similar to non-life	**R0300**	7,044
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	18,141
Health similar to life	**R0320**	6,817
Life excluding health and index-linked and unit-linked	**R0330**	11,324
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	2,277,099
Insurance and intermediaries receivables	**R0360**	30,329
Reinsurance receivables	**R0370**	0
Receivables (trade, not insurance)	**R0380**	165,013
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**	373,873
Any other assets, not elsewhere shown	**R0420**	9,618
Total assets	**R0500**	15,475,449

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	6,135,059
Technical provisions – non-life (excluding health)	**R0520**	6,004,354
Technical provisions calculated as a whole	**R0530**	0
Best Estimate	**R0540**	5,758,611
Risk margin	**R0550**	245,743
Technical provisions - health (similar to non-life)	**R0560**	130,705
Technical provisions calculated as a whole	**R0570**	0
Best Estimate	**R0580**	100,048
Risk margin	**R0590**	30,657
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	2,698,937
Technical provisions - health (similar to life)	**R0610**	1,303,688
Technical provisions calculated as a whole	**R0620**	0
Best Estimate	**R0630**	638,822
Risk margin	**R0640**	664,866
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	1,395,249
Technical provisions calculated as a whole	**R0660**	0
Best Estimate	**R0670**	126,099
Risk margin	**R0680**	1,269,150
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**	345,247
Pension benefit obligations	**R0760**	369,974
Deposits from reinsurers	**R0770**	26,388
Deferred tax liabilities	**R0780**	453,955
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**	12,640
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**	9,561
Total liabilities	**R0900**	10,051,761
Excess of assets over liabilities	**R1000**	5,423,688

S.05.01.02_Solo – QRT Premiums, Claims and Expenses by Line of Business as at 31 December 2020

		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**		12,072		238,612	211,963	47,158	459,905	98,915	1,666
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**		2,427		48,413	42,552	13,673	99,553	20,313	287
Net	**R0200**		9,645		190,199	169,411	33,485	360,352	78,603	1,379
Premiums earned										
Gross - Direct Business	**R0210**									
Gross - Proportional reinsurance accepted	**R0220**		12,068		239,324	193,433	40,786	432,641	92,991	1,785
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**		2,431		49,316	40,533	10,842	92,717	19,275	285
Net	**R0300**		9,638		190,008	152,900	29,944	339,924	73,717	1,499
Claims incurred										
Gross - Direct Business	**R0310**									
Gross - Proportional reinsurance accepted	**R0320**		5,223		170,782	97,162	22,050	325,001	48,312	24,014
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**		1,209		34,311	20,169	7,682	67,188	-400	32,783
Net	**R0400**		4,014		136,471	76,993	14,368	257,813	48,712	-8,769
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**		4,931	0	38,676	74,183	11,092	116,899	32,494	723
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								1,070,292
Gross - Non-proportional reinsurance accepted	R0130				33,846	250,548	21,638	308,717	614,750
Reinsurers' share	R0140				979	50,431	3,962	62,741	345,330
Net	R0200				32,867	200,117	17,677	245,976	1,339,711
Premiums earned									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								1,013,028
Gross - Non-proportional reinsurance accepted	R0230				34,113	244,853	22,120	291,894	592,980
Reinsurers' share	R0240				975	50,083	4,228	59,933	330,619
Net	R0300				33,138	194,770	17,892	231,961	1,275,391
Claims incurred									
Gross - Direct Business	R0310								
Gross - Proportional reinsurance accepted	R0320								692,543
Gross - Non-proportional reinsurance accepted	R0330				24,929	232,393	17,562	348,513	623,396
Reinsurers' share	R0340				2,067	37,919	2,784	73,992	279,704
Net	R0400				22,862	194,474	14,778	274,521	1,036,237
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	3,698	27,211	3,452	37,330	350,689
Other expenses	R1200								0
Total expenses	R1300								350,689

		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**							1,187,895	1,340,553	2,528,448
Reinsurers' share	**R1420**							7,556	56,588	64,144
Net	**R1500**							1,180,339	1,283,965	2,464,304
Premiums earned										
Gross	**R1510**							1,199,009	1,341,279	2,540,288
Reinsurers' share	**R1520**							7,630	55,237	62,867
Net	**R1600**							1,191,379	1,286,042	2,477,421
Claims incurred										
Gross	**R1610**							802,759	1,020,397	1,823,156
Reinsurers' share	**R1620**							957	29,291	30,248
Net	**R1700**							801,802	991,106	1,792,907
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**							302,097	255,896	557,993
Other expenses	**R2500**									
Total expenses	**R2600**									557,993

S.05.02.01_Solo – QRT Premiums, Claims and Expenses by Country as at 31 December 2020

		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	CH	GB	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	426.708	99.500	90.187	52.530	9.905	140.071	818.900
Gross - Non-proportional reinsurance accepted	R0130	109.558	10.030	15.530	4.367	45.763	181.829	367.077
Reinsurers' share	R0140	133.262	21.787	23.838	6.955	10.733	65.322	261.896
Net	R0200	403.004	87.743	81.878	49.942	44.935	256.578	924.081
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	416.859	84.907	76.650	47.814	7.546	146.616	780.390
Gross - Non-proportional reinsurance accepted	R0230	110.208	9.192	14.619	5.144	37.135	178.662	354.961
Reinsurers' share	R0240	122.564	19.220	18.213	11.646	8.629	68.381	248.652
Net	R0300	404.503	74.880	73.056	41.312	36.052	256.897	886.699
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	265.727	63.055	19.909	17.486	4.755	127.021	497.953
Gross - Non-proportional reinsurance accepted	R0330	88.112	5.727	14.431	5.334	82.764	183.480	379.847
Reinsurers' share	R0340	86.813	13.416	10.311	5.535	17.338	49.366	182.779
Net	R0400	267.026	55.366	24.029	17.284	70.181	261.134	695.020
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	108.585	22.137	48.648	19.010	6.413	40.339	245.132
Other expenses	R1200							0
Total expenses	R1300							245.132

		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	214.754	691.301	226.481	73.657	83.459	295.467	1.585.119
Reinsurers' share	R1420	7.322		8.121		0	160	15.603
Net	R1500	207.431	691.301	218.360	73.657	83.459	295.307	1.569.516
Premiums earned								
Gross	R1510	216.204	694.501	226.334	73.766	82.721	298.470	1.591.996
Reinsurers' share	R1520	7.456		8.187		0	159	15.801
Net	R1600	208.749	694.501	218.147	73.766	82.721	298.312	1.576.195
Claims incurred								
Gross	R1610	106.432	475.767	151.615	65.350	35.997	257.175	1.092.336
Reinsurers' share	R1620	3.828	0	7.080	0	0	35	10.943
Net	R1700	102.604	475.767	144.535	65.350	35.997	257.140	1.081.393
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900	63.425	182.738	55.987	12.128	33.149	16.532	363.959
Other expenses	R2500							0
Total expenses	R2600							363.959

S.12.01.02_Solo – QRT Life and Health SLT Technical Provisions as at 31 December 2020

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			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)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		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**									126,099	126,099
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**									11,324	11,324
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	0		0	0		0	0	0	114,775	114,775
Risk Margin	**R0100**									1,269,150	1,269,150
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	1,395,249	1,395,249

		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**					638,822	638,822
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**					6,817	6,817
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**		0	0	0	632,005	632,005
Risk Margin	**R0100**					664,866	664,866
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	1,303,688	1,303,688

S.17.01.02_Solo – QRT Non-Life Technical Provisions as at 31 December 2020

		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**		38		30,430	-2,357	4,532	34,205	8,983	1,229
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**		-14		5,741	6,610	2,135	5,043	1,006	293
Net Best Estimate of Premium Provisions	**R0150**	0	52	0	24,689	-8,967	2,397	29,162	7,977	936
Claims provisions										
Gross	**R0160**		40,093		526,663	76,410	45,919	527,379	287,434	46,376
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**		3,524		57,198	15,435	6,199	83,200	28,379	13,918
Net Best Estimate of Claims Provisions	**R0250**	0	36,569	0	469,465	60,975	39,720	444,179	259,055	32,458
Total Best estimate - gross	**R0260**		40,131		557,093	74,053	50,452	561,584	296,417	47,605
Total Best estimate - net	**R0270**	0	36,621	0	494,154	52,008	42,117	473,341	267,032	33,394
Risk margin	**R0280**		11,479		22,515	2,924	1,905	21,302	12,424	1,557
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	51,610	0	579,608	76,977	52,357	582,886	308,841	49,162
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	0	3,510	0	62,939	22,045	8,334	88,243	29,385	14,211
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	0	48,100	0	516,669	54,932	44,022	494,643	279,456	34,951

		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				-4,599	63,389	584	1,491	137,925
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140				109	3,358	484	-177	24,588
Net Best Estimate of Premium Provisions	R0150	0	0	0	-4,708	60,031	100	1,668	113,337
Claims provisions									
Gross	R0160				64,516	3,372,686	61,981	671,276	5,720,733
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240				3,425	172,434	7,514	107,700	498,927
Net Best Estimate of Claims Provisions	R0250	0	0	0	61,091	3,200,252	54,467	563,576	5,221,807
Total Best estimate - gross	R0260				59,917	3,436,075	62,565	672,767	5,858,659
Total Best estimate - net	R0270	0	0	0	56,383	3,260,283	54,567	565,244	5,335,144
Risk margin	R0280				19,177	153,477	2,612	27,028	276,400
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	79,094	3,589,552	65,177	699,795	6,135,059
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	3,534	175,792	7,998	107,523	523,515
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	75,560	3,413,760	57,179	592,272	5,611,544

S.19.01.21_Solo – QRT Non-Life Insurance Claims as at 31 December 2020

Accident year / Underwriting year	Z0020	2

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

Development year

	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											94,814		R0100	94,814	452,333
N-9	R0160	82,006	220,668	50,362	32,245	13,132	9,026	6,642	9,882	5,320	7,037			R0160	7,037	436,320
N-8	R0170	77,247	196,531	53,703	28,504	13,272	13,860	14,171	14,436	4,801				R0170	4,801	416,525
N-7	R0180	151,930	355,729	110,279	38,960	22,629	21,298	17,934	15,362					R0180	15,362	734,122
N-6	R0190	67,695	245,471	72,701	25,333	20,798	12,057	26,671						R0190	26,671	470,727
N-5	R0200	101,810	251,266	78,112	36,866	20,049	20,422							R0200	20,422	508,526
N-4	R0210	85,500	208,517	86,221	32,513	19,467								R0210	19,467	432,218
N-3	R0220	78,014	247,457	118,684	60,835									R0220	60,835	504,991
N-2	R0230	115,670	317,899	156,489										R0230	156,489	590,058
N-1	R0240	101,348	306,305											R0240	306,305	407,653
N	R0250	106,434												R0250	106,434	106,434
													Total	R0260	818,638	5,059,907

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

	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											2,194,707		R0100	2,045,391
N-9	R0160							171,437	156,368	142,394	123,834			R0160	115,139
N-8	R0170						257,706	231,147	214,155	206,044				R0170	187,351
N-7	R0180					306,975	263,882	225,865	182,806					R0180	168,971
N-6	R0190				423,304	373,956	330,713	280,528						R0190	255,095
N-5	R0200			476,293	384,586	324,582	279,642							R0200	257,099
N-4	R0210		465,459	347,179	265,192	214,564								R0210	201,114
N-3	R0220	732,993	572,451	419,730	315,636									R0220	298,649
N-2	R0230	573,087	758,433	560,566										R0230	538,708
N-1	R0240	605,533	884,533											R0240	859,304
N	R0250	810,038												R0250	793,914
													Total	R0260	5,720,733

S.23.01.01_Solo – QRT Own Funds as at 31 December 2020

		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	4,502,514	4,502,514			
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	5,423,688	5,423,688	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**	5,423,688	5,423,688	0	0	0
Total available own funds to meet the MCR	**R0510**	5,423,688	5,423,688	0	0	
Total eligible own funds to meet the SCR	**R0540**	5,423,688	5,423,688	0	0	0
Total eligible own funds to meet the MCR	**R0550**	5,423,688	5,423,688	0	0	
SCR	**R0580**	3,084,450				
MCR	**R0600**	1,388,003				
Ratio of Eligible own funds to SCR	**R0620**	176%				
Ratio of Eligible own funds to MCR	**R0640**	391%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	5,423,688	
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**	4,502,514	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	3,639,130	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	11,830	
Total Expected profits included in future premiums (EPIFP)	**R0790**	3,650,960	

S.25.01.21_Solo – QRT Solvency Capital Requirement - for Undertakings on Standard Formula as at 31 December 2020

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	1,633,566		
Counterparty default risk	R0020	37,114		
Life underwriting risk	R0030	1,488,456	None	
Health underwriting risk	R0040	1,185,796	None	
Non-life underwriting risk	R0050	1,144,636	Standard deviation for non-life gross premium risk, Standard deviation for non-life reserve risk	
Diversification	R0060	-2,065,266		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	3,424,303		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	179,202
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-519,054
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	3,084,450
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	3,084,450
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	

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	**R0590**	1

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	**R0640**	-519,054
LAC DT justified by reversion of deferred tax liabilities	**R0650**	-237,198
LAC DT justified by reference to probable future taxable profit	**R0660**	-281,856
LAC DT justified by carry back, current year	**R0670**	0
LAC DT justified by carry back, future years	**R0680**	0
Maximum LAC DT	**R0690**	-959,763

S.28.01.01_Solo – QRT Minimum Capital Requirement - Only Life or only Non-Life Insurance or Reinsurance Activity as at 31 December 2020

		C0010
MCRNL Result	R0010	1,017,670

		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	36,621	9,645
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	494,154	190,199
Other motor insurance and proportional reinsurance	R0060	52,008	169,411
Marine, aviation and transport insurance and proportional reinsurance	R0070	42,118	33,485
Fire and other damage to property insurance and proportional reinsurance	R0080	473,341	360,352
General liability insurance and proportional reinsurance	R0090	267,032	78,603
Credit and suretyship insurance and proportional reinsurance	R0100	33,395	1,379
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	56,383	32,867
Non-proportional casualty reinsurance	R0150	3,260,283	200,117
Non-proportional marine, aviation and transport reinsurance	R0160	54,567	17,677
Non-proportional property reinsurance	R0170	565,244	245,976

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	921,643

		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	746,781	
Total capital at risk for all life (re)insurance obligations	R0250		1,294,229,523

Overall MCR calculation

		C0070
Linear MCR	R0300	1,939,313
SCR	R0310	3,084,450
MCR cap	R0320	1,388,003
MCR floor	R0330	771,113
Combined MCR	R0340	1,388,003
Absolute floor of the MCR	R0350	3,600
		C0070
Minimum Capital Requirement	R0400	1,388,003

S.02.01.02_GROUP – QRT Balance Sheet as at 31. December 2020

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	0
Deferred tax assets	R0040	130,151
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	35,237
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	11,867,440
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	2,939
Equities	R0100	2,529,177
Equities - listed	R0110	2,529,177
Equities - unlisted	R0120	0
Bonds	R0130	8,922,550
Government Bonds	R0140	5,931,894
Corporate Bonds	R0150	2,990,656
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	399,714
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	13,039
Other investments	R0210	21
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	704,571
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	704,571
Reinsurance recoverables from:	R0270	330,899
Non-life and health similar to non-life	R0280	523,515
Non-life excluding health	R0290	516,471
Health similar to non-life	R0300	7,044
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-192,616
Health similar to life	R0320	125,000
Life excluding health and index-linked and unit-linked	R0330	-317,616
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	2,197,796
Insurance and intermediaries receivables	R0360	39,392
Reinsurance receivables	R0370	0
Receivables (trade, not insurance)	R0380	167,461
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	631,017
Any other assets, not elsewhere shown	R0420	9,618
Total assets	R0500	16,113,582

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	6,113,603
Technical provisions – non-life (excluding health)	R0520	5,982,898
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	5,737,155
Risk margin	R0550	245,743
Technical provisions - health (similar to non-life)	R0560	130,705
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	100,048
Risk margin	R0590	30,657
Technical provisions - life (excluding index-linked and unit-linked)	R0600	3,126,364
Technical provisions - health (similar to life)	R0610	2,030,240
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	1,342,051
Risk margin	R0640	688,189
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	1,096,124
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	-207,820
Risk margin	R0680	1,303,944
Technical provisions – index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	345,632
Pension benefit obligations	R0760	370,051
Deposits from reinsurers	R0770	219,365
Deferred tax liabilities	R0780	483,222
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	186
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	21,909
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	9,561
Total liabilities	R0900	10,689,893
Excess of assets over liabilities	R1000	5,423,689

S.05.01.02_ GROUP – QRT Premiums, Claims and Expenses by Line of Business as at 31. December 2020

		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		12,151		243,263	224,058	49,371	467,874	100,857	1,657								1,099,230
Gross - Non-proportional reinsurance accepted	R0130													33,977	260,939	22,975	316,905	634,795
Reinsurers' share	R0140		2,427		48,413	42,552	14,090	100,034	20,320	287				979	50,432	3,965	62,834	346,332
Net	R0200		9,724		194,850	181,506	35,281	367,840	80,537	1,370				32,998	210,507	19,010	254,071	1,387,694
Premiums earned																		
Gross - Direct Business	R0210																	
Gross - Proportional reinsurance accepted	R0220		12,091		241,137	181,780	39,472	427,463	93,130	1,817								996,889
Gross - Non-proportional reinsurance accepted	R0230													34,236	249,357	22,955	295,803	602,351
Reinsurers' share	R0240		2,426		49,469	37,161	10,303	90,980	19,071	283				975	50,145	4,229	59,893	324,935
Net	R0300		9,665		191,668	144,618	29,169	336,483	74,059	1,533				33,261	199,212	18,726	235,910	1,274,304
Claims incurred																		
Gross - Direct Business	R0310																	
Gross - Proportional reinsurance accepted	R0320		5,264		173,775	100,554	22,753	327,530	49,835	24,494								704,205
Gross - Non-proportional reinsurance accepted	R0330													24,725	237,293	18,659	359,737	640,414
Reinsurers' share	R0340		1,214		34,390	20,212	7,831	67,540	-1,895	34,715				2,098	38,416	2,806	74,843	282,168
Net	R0400		4,051		139,385	80,342	14,922	259,990	51,730	-10,221				22,627	198,877	15,853	284,894	1,062,450
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				0	0	0	0	0
Expenses incurred	R0550		4,980		39,036	59,766	9,610	110,121	32,034	814				3,314	29,930	3,778	40,170	333,553
Other expenses	R1200																	-3,534
Total expenses	R1300																	330,019

		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**							1,381,083	1,686,856	3,067,939
Reinsurers' share	**R1420**							69,295	181,490	250,786
Net	**R1500**							1,311,787	1,505,366	2,817,154
Premiums earned										
Gross	**R1510**							1,391,647	1,685,057	3,076,703
Reinsurers' share	**R1520**							69,369	179,870	249,239
Net	**R1600**							1,322,278	1,505,186	2,827,464
Claims incurred										
Gross	**R1610**							1,046,895	1,342,810	2,389,705
Reinsurers' share	**R1620**							82,449	114,989	197,438
Net	**R1700**							964,445	1,227,822	2,192,267
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**							0	0	0
Expenses incurred	**R1900**							310,780	264,603	575,383
Other expenses	**R2500**									-8,233
Total expenses	**R2600**									567,150

S.05.02.01_ GROUP – QRT Premiums, Claims and Expenses by Country as at 31. December 2020

		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	CH	GB	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	428,020	103,011	90,422	62,166	10,561	144,919	839,098
Gross - Non-proportional reinsurance accepted	R0130	109,670	10,463	15,531	4,846	48,502	194,368	383,380
Reinsurers' share	R0140	131,944	22,061	23,228	7,581	10,856	66,294	261,964
Net	R0200	405,745	91,414	82,725	59,430	48,207	272,993	960,515
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	414,559	83,618	56,534	55,428	5,526	152,374	768,040
Gross - Non-proportional reinsurance accepted	R0230	110,288	9,377	14,596	5,623	38,110	184,395	362,389
Reinsurers' share	R0240	120,885	18,766	14,024	12,412	8,416	69,271	243,774
Net	R0300	403,963	74,229	57,106	48,639	35,220	267,498	886,655
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	266,569	65,293	20,021	19,999	4,942	131,741	508,565
Gross - Non-proportional reinsurance accepted	R0330	88,937	5,925	14,460	5,782	88,422	188,947	392,471
Reinsurers' share	R0340	86,539	13,779	10,346	6,218	17,930	49,593	184,404
Net	R0400	268,967	57,439	24,135	19,563	75,434	271,095	716,633
Changes in other technical provisions					0			
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	108,863	20,196	24,529	29,359	3,857	45,167	231,972
Other expenses	R1200							5,725
Total expenses	R1300							237,697

		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	FR	ZA	GB	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	193,741	343,845	700,815	226,261	173,641	301,209	1,939,514
Reinsurers' share	R1420	7,233	185,148	0	8,262	77	160	200,880
Net	R1500	186,508	158,698	700,815	218,000	173,564	301,049	1,738,634
Premiums earned								
Gross	R1510	193,483	343,935	704,104	226,114	172,680	304,277	1,944,593
Reinsurers' share	R1520	7,283	185,148	0	8,329	77	159	200,995
Net	R1600	186,200	158,787	704,104	217,786	172,603	304,119	1,743,598
Claims incurred								
Gross	R1610	82,728	387,783	482,998	154,341	186,184	261,947	1,555,980
Reinsurers' share	R1620	3,546	166,439	0	7,155	-38	27	177,129
Net	R1700	79,181	221,344	482,998	147,185	186,222	261,920	1,378,851
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800	0	0	0	0	0	0	0
Expenses incurred	R1900	67,066	-9,430	183,607	54,412	15,931	18,305	329,891
Other expenses	R2500							2,303
Total expenses	R2600							332,194

S.23.01.22_ GROUP – QRT Own Funds as at 31. December 2020

		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	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	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	4,502,515	4,502,515			
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	5,423,689	5,423,689	0	0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricte	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					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
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	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	5,423,689	5,423,689	0	0	0
Total available own funds to meet the minimum consolidated group SCR	R0530	5,423,689	5,423,689	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	5,423,689	5,423,689	0	0	0
Total eligible own funds to meet the minimum consolidated group SCR	R0570	5,423,689	5,423,689	0	0	
Minimum consolidated Group SCR	R0610	1,465,897				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	369.99%				
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	5,423,689	5,423,689	0	0	0
Group SCR	R0680	3,204,207				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	169.27%				

		Total	Tier 1 - unrestricted	Tier 1 - restricte	Tier 2	Tier 3
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	**R0700**	5,423,689				
Own shares (included as assets on the balance	**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	**R0760**	4,502,515				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	3,845,102				
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	11,830				
Total EPIFP	**R0790**	3,856,932				

S.25.01.22_ GROUP – QRT Solvency Capital Requirement - for Groups on Standard Formula as at 31. December 2020

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	1,696,253		None
Counterparty default risk	R0020	43,311		
Life underwriting risk	R0030	1,577,741	None	None
Health underwriting risk	R0040	1,248,387	None	None
Non-life underwriting risk	R0050	1,142,629	Standard deviation for non-life gross premium risk, standard deviation for non-life reserve risk	None
Diversification	R0060	-2,140,305		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	3,568,015		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	180,211
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-544,019
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	3,204,207
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	3,204,207
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	1,465,897
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	0
Solvency capital requirement	R0570	3,204,207

S.32.01.22_ GROUP – Undertakings in the Scope of the Group as at 31. December 2020

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	(cont)
AU	LEI/254900FBQZ1HZJGI4 B49	LEI	General Reinsurance Life Australia Ltd.	3	Aktiengesellschaftt	2	Australian Prudential Regulation Authority (APRA)	
ZA	LEI/378900B024DCA3D49 F94	LEI	General Reinsurance Africa Ltd	3	Aktiengesellschaftt	2	Financial Services Board (FSB)	
DE	LEI/391200QTD6VW5OO K0Z35	LEI	General Reinsurance AG	3	Aktiengesellschaftt	2	BaFin	

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%		100%			0%	1		1

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General Reinsurance AG
Theodor-Heuss-Ring 11
50668 Cologne

genre.com