2022 Single Solvency and Financial Condition Report (SFCR) General Reinsurance AG Group

A Berkshire Hathaway Company

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 differentiate substantially 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 2022 including comparative data to 2021 of GRAG Solo and GRAG Group are summarized in the table below:

Key figures	GRAG Solo 2022 €'000	GRAG Solo 2021 €'000	GRAG Group 2022 €'000	GRAG Group 2021 €'000
Solvency II balance sheet				
Assets	14,927,192	16,485,750	15,867,085	17,397,727
Technical provisions	7,237,127	9,506,462	7,878,683	10,167,509
Other liabilities	1,331,314	1,222,249	1,629,652	1,473,179
Excess of assets over liabilities	6,358,751	5,757,039	6,358,750	5,757,039
Eligible own funds	**6,358,751**	**5,757,039**	**6,358,751**	**5,757,039**
thereof Tier 1	6,358,751	5,757,039	6,358,751	5,757,039
Capital requirements				
Solvency capital requirement (SCR)	2,813,443	3,212,427	3,023,742	3,401,369
Minimum capital requirement (MCR)	1,266,050	1,445,592	1,355,247	1,526,317
Coverage ratio				
Solvency capital requirement (SCR)	226.0%	179.2%	210.3%	169.3%
Minimum capital requirement (MCR)	502.3%	398.2%	469.2%	377.2%

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).

Business Performance	GRAG Solo HGB 2022 €'000	GRAG Solo HGB 2021 €'000	GRAG Group US GAAP 2022 €'000	GRAG Group US GAAP 2021 €'000
Underwriting result	64,473	-146,084	50,782	-280,881
Property/Casualty	-144,866	-200,354	-138,684	-159,975
Life/Health	209,339	54,270	189,466	-120,906
Investment result	81,611	323,509	-141,289	670,717
Net income after tax	165,311	260,786	-160,228	403,651
Shareholder's equity	3,226,469	3,061,159	4,528,430	4,629,735

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

Our financial performance in 2022 was driven by the positive underwriting result. The claims experience associated with the COVID-19 pandemic had little impact, while losses from natural catastrophes were considerably lower than in 2021. As the excess mortality associated with the COVID-19 pandemic had only a minor impact, the underwriting result in life/health was significantly higher than in the previous year. Our result in property/casualty reinsurance was again impacted by claims from catastrophe events. Excluding such losses, the result in most lines of business was in line with expectations.

The considerably changed macroeconomic environment triggered the heaviest losses across financial markets since the global financial crisis. Rising inflation prompted major central banks to tighten monetary policy by engaging in a series of interest rates hikes. These increases in central bank policy rates resulted in materially negative total returns on fixed-income investments and also had an adverse impact on stock market valuations.

Investment income was significantly down on the previous year due to unrealized losses from the impact of interest rate increases around the world. For GRAG Solo, we generated a positive investment result, however this was significantly lower than in the previous year. This was due to the fact that, in contrast to the previous year, we recorded realized losses on disposals and higher write-downs on our HGB equity portfolio as a result of developments in international financial markets. From a Group perspective, we recorded a loss mainly caused by unrealized losses on equities, which are required to be recognized in the income statement under US GAAP.

As a result of this investment result, net income after taxes for GRAG Solo and GRAG Group deteriorated compared to 2021.

In terms of shareholder's equity, there was a notable increase for GRAG Solo whilst shareholder's equity for GRAG Group slightly decreased in 2022.

For further details on our business performance, we refer to chapter A. We would like to point out that the information in chapter A is disclosed in the Annual Report 2022 of GRAG.

System of Governance

Compared to the prior year, there were no major changes in the system of governance to be reported and it remains appropriate in view of our risk profile. The organizational and operational structures are 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 manage as well as 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 2021 and remains focused on our core business of underwriting and the management of our investment portfolio. As shown in the table above, our solvency ratio increased notably from 179.2% previously to 226.0% in the year under review for GRAG Solo and from 169.3% in 2021 to 210.3% in 2022 for GRAG Group. Own funds increased from Euro 5,757,039 thsd to Euro 6,358,751 thsd in 2022. We continue to consider ourselves sufficiently capitalized.

The insurance risk was influenced by a slight increase in the Life underwriting risk charge which is mainly driven by an increase in the expected duration of our mortality business and an increase to our Life Cat risk charge. This increase was offset by the decline in the health underwriting risk charge which was largely a result of the change in discount rates in comparison to the prior year. The Non-Life underwriting risk increased due to higher business volume. Market risk decreased slightly, with an increase in currency risk being more than offset by a decrease in the equity risk. The equity risk decrease is a result of lower market values of our portfolio following the market volatility caused by the Russia-Ukraine conflict and the increased interest rates.

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 horizons. We have effective controls and risk management processes in place, including appropriately defined risk tolerances and risk limits. In particular, we will continue to closely monitor the potential impact of current geopolitical uncertainties on our operating and business models along with our financial position.

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 fiscal years run from 1 January to 31 December. The SFCR has been prepared by using information as of the balance sheet date 31 December 2022 and including 1 January 2023 renewal data that was available as of 31 December 2022.

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.

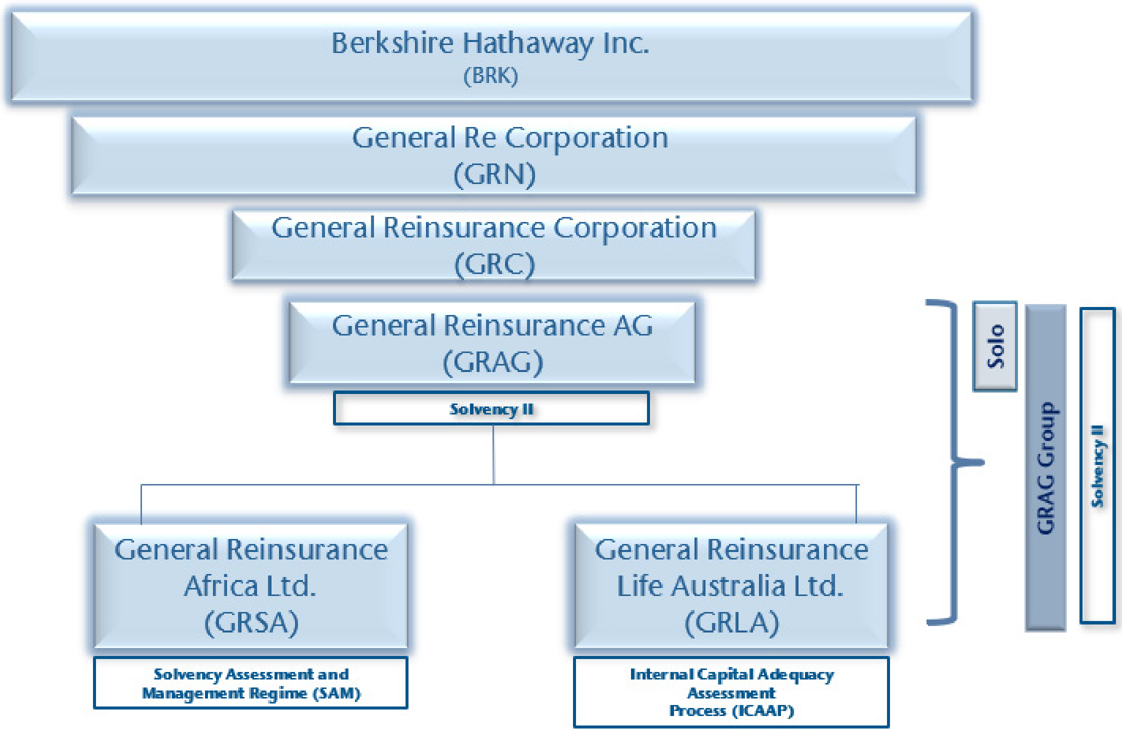
For further information on capital management we refer to chapter E.

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 2022 no dividend was distributed to shareholders.
Number of employees	General Reinsurance Group: 880 General Reinsurance AG: 663

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
General Reinsurance AG (DIFC Branch) - Dubai, United Arab Emirates

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 (in liquidation)
Type of company: Service company providing life and non-life marketing services

*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 2022, the Group reported total net earned premiums under US GAAP of Euro 4,197,762 thsd (2021: Euro - 582,279 thsd) which are broken down as follows:

- GRAG, Euro 3,814,120 thsd (90.9%), 2021: Euro -899,885 thsd (154.5%);
- GRLA, Euro 227,584 thsd (5.4%), 2021: Euro 173,492 thsd (29.8%);
- GRSA, Euro 156,942 thsd (3.7%), 2021: Euro 144,113 thsd (24.7%).

In 2021, the negative premium resulted from the cession of premiums under the loss portfolio transfer (LPT) that we executed for a large part of our property and casualty reserves with our parent company. In order to make the premium comparable, we have eliminated the effect of the LPT from the prior year in the following section A.2. Excluding the LPT, the 2022 net earned premium declined slightly. Please refer to chapter A.2 for further details.

Net earned premiums of GRLA increased in comparison to the previous year which is predominantly due to business with new clients. In addition, GRLA was able to effect premium increases in several smaller treaties.

The increase of GRSA's net earned premiums in comparison to the previous year is primarily due to rate increases. Pricing assumptions are regularly updated based on any changes observed with pandemics and other emerging risks.

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 (GRC). This covers all P/C business written by GRAG, its branches and subsidiaries. The primary reason for this retrocession is to reduce the risk associated with differences between trade sanctions of the US and the EU. This resulted in a slight improvement in our solvency ratio.

As of 1 October 2018, GRAG retrocedes 50% of Indian life and health business to its sister company General Re Life Corporation (GRL) and GRAG retrocedes 50% of its Indian property and casualty reinsurance business incepting on or after 1 April 2019, to GRC.

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

Effective 1 July 2020, we entered into a stop loss agreement with our US sister company GRL to protect mortality exposure within our L/H business.

Effective 1 April 2021, a quota share retrocession agreement was executed between GRL and GRAG for the Canadian business of GRL.

In the third quarter 2021, GRAG entered into a loss portfolio transfer (LPT) with GRC, our parent company, transferring approximately 90% of our non-life reserves from prior underwriting years.

A property/casualty stop loss retrocession arrangement incepting on January 1, 2022, has been established with our parent company. Not only does this manage the tail risk effectively, particularly from catastrophe exposures, it also has a beneficial effect on our solvency ratio by reducing the capital requirements for catastrophe exposure under Solvency II.

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. In 2020 the retrocession agreement was amended to provide for the collateralization of reserves by GRL as agreed with the local regulatory authority in Australia.

Effective 1 January 2021, a quota share retrocession agreement was entered into between GRSA and GRL covering 100% of the mortality, critical illness, and lump sum disability business, in addition to the current GRAG proportional surplus retrocession agreement.

Effective 1 July 2021, the P/C insurance business of GRSA was retroceded to both GRC (80%) and GRAG (20%) on a quota share basis. Effective 1 January 2022, the P/C retrocession share changed to GRC (75%) and GRAG (25%) on a quota share basis. This change in the retrocession structure has been agreed with the Prudential Authority. Whilst the GRC retro only covered treaty business in 2021, it also covers facultative business from 2022.

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

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

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

The frequency and amount of catastrophe losses that occurred in the course of 2022 had a material impact on our own results and those of the market. Towards the end of the year there were clear signs that many participants in our markets are reassessing their exposures and risk appetite in the light of natural catastrophe accumulations and inflation against the backdrop of rising interest rates. We expect this dynamic to create conditions for more adequate rates in 2023 with the potential to grow our business.

Excluding catastrophe losses, the result in most lines of business was as expected.

On the whole, we recorded a material improvement in the pricing strength of the portfolios renewed in 2022 as we continued to focus on ensuring an adequate return from the risk that we assumed. Our catastrophe exposures decreased considerably in 2022, as we reduced our exposure to business that no longer met our profitability requirements and moved further away from lower attaching layers.

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

Our focus in life and health reinsurance is on the coverage of biometric risks. Despite the challenging environment, we continue to see great potential here in many countries in view of demographic and economic developments, the pressure on social security systems and the fact that coverage is often still inadequate. Beyond pricing and product design, lean and simple processes and the customer experience play an important role for life and health insurers in this business segment.

Owing to our expertise and range of services in the field of biometric risks, we continue to be well positioned as a partner to our clients in the international life and health insurance markets and are also developing new markets that open up attractive business opportunities for us. Along with our expertise and service, the financial strength of Gen Re gives us a further decisive competitive advantage relative to our reinsurance peers.

Due to our prudent underwriting approach in the pandemic environment and the trend toward lower reinsurance cessions by primary insurers in China, our premium income from life and health business declined year-on-year. The claims experience improved significantly compared to the previous year because the excess mortality associated with the COVID-19 pandemic had little impact on our business during the period under review.

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

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

The rise in inflation to a 40-year high prompted the United States Federal Reserve to raise its benchmark federal-funds rate seven times through the course of the year, from a range of 0.00% - 0.25% at the beginning of the year to a range of 4.25% - 4.50% by year-end. Other leading central banks around the world, such as the European Central Bank, the Bank of England, and even the Bank of Japan also increased their interest rates.

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

Regulatory trends continue to be challenging and require insurers to regularly monitor 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, accounting standards, data protection and information security, all of which pose challenges, particularly in consideration of our global footprint. We continue to monitor the potential impacts that other international solvency regimes may have on the corporate group as a whole.

A.2 Underwriting Performance

A.2.1 Overall Underwriting Performance 2022

Our underwriting performance is shown in the table below. Considering that GRAG Solo represents the bulk 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. Explanations below refer to GRAG Group. For further information on the overall performance of GRAG Solo we refer to the Annual Report 2022 of GRAG which is available on our website.

	GRAG Solo HGB		GRAG Group US GAAP	
Underwriting performance	**2022 €'000**	**2021 €'000**	**2022 €'000**	**2021 €'000**
Property/Casualty				
Gross written premium	1,537,145	1,630,178	1,589,624	1,603,168
Net earned premium	1,175,474	1,226,404	1,184,955	1,238,994
Underwriting result*	-144,866	-200,354	-138,684	-159,975
Life/Health				
Gross written premium	2,650,114	2,895,762	3,338,764	3,366,187
Net earned premium	2,595,454	2,831,857	3,012,806	3,035,642
Underwriting result*	209,339	54,270	189,466	-120,906
Total				
Gross written premium	4,187,260	4,525,940	4,928,388	4,969,354
Net earned premium	3,770,928	4,058,261	4,197,762	4,274,636
Underwriting result*	64,473	-146,084	50,782	-280,881

*Underwriting result for US GAAP incl. other expenses

Our total group net earned premium decreased by 1.8% from Euro 4,274,636 thsd in the previous year to Euro 4,197,762 thsd. Net earned premium in life/health business fell by 0.8% (2022: Euro 3,012,806 thsd, previous year: Euro 3,035,642 thsd), largely in Asia. The decline in premiums was more pronounced in Euros than in original currency due to the impact of exchange rates. Net earned premium in property/casualty business decreased by 4.4% from Euro 1,238,994 thsd in 2021 to Euro 1,184,955 thsd in 2022. As in previous years, we retroceded 20% of this portfolio to our parent company, General Reinsurance Corporation.

As the excess mortality associated with the COVID-19 pandemic had only a minor impact, the underwriting result in life/health was significantly higher than in the previous year (2022: gain of Euro 189,466 thsd, previous year: loss of Euro 120,906 thsd).

Our result in property/casualty reinsurance was again impacted by claims from catastrophe events. Excluding such losses, the result in most lines of business was in line with expectations. Following an underwriting loss of Euro 159,975 thsd in 2021, the year under review produced a loss of Euro 138,684 thsd.

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

A.2.2 Underwriting Performance 2022 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 2022 €'000	Gross Written Premium 2021 €'000	Net Earned Premium 2022 €'000	Net Earned Premium 2021 €'000	Underwriting Result 2022 €'000	Underwriting Result 2021 €'000
Non-Life						
Income protection	13,144	12,531	9,988	9,736	-918	807
Motor vehicle liability	113,881	240,008	130,979	187,951	-27,899	7,877
Other motor	43,539	178,912	64,042	134,954	-15,911	4,483
Marine, aviation, and transport	32,635	41,604	22,368	25,067	-3,078	6,775
Fire and other damage to property	654,128	512,422	451,794	383,960	-40,864	-83,528
General liability	111,660	80,476	75,022	63,990	-7,795	8,641
Credit and suretyship	2,918	1,274	1,783	1,002	675	927
NP health/accident	24,206	24,755	26,908	23,937	9,022	13,386
NP casualty	186,407	220,743	150,896	167,279	-39,729	-73,650
NP marine, aviation, and transport	18,274	17,944	13,027	12,567	-13,047	-3,664
NP property	336,353	299,510	228,668	215,961	-5,321	-82,407
Total Non-Life	**1,537,145**	**1,630,178**	**1,175,474**	**1,226,404**	**-144,866**	**-200,354**
Life/Health						
Life	1,537,148	1,782,246	1,458,895	1,675,004	76,142	-101,392
Health	1,112,967	1,113,516	1,136,560	1,156,853	133,197	155,662
Total Life/Health	**2,650,114**	**2,895,762**	**2,595,454**	**2,831,857**	**209,339**	**54,270**
Total	**4,187,260**	**4,525,940**	**3,770,928**	**4,058,261**	**64,473**	**-146,084**

Underwriting Performance per Solvency II LoB GRAG Group - US GAAP	Gross Written Premium 2022 €'000	Gross Written Premium 2021 €'000	Net Earned Premium 2022 €'000	Net Earned Premium 2021 €'000	Underwriting Result 2022 €'000	Underwriting Result 2021 €'000
Non-Life						
Income protection	13,192	12,361	10,084	9,436	-902	1,057
Motor vehicle liability	112,388	233,861	141,942	187,090	-31,463	11,690
Other motor	61,774	176,429	65,790	153,479	-15,142	1,426
Marine, aviation, and transport	32,441	40,124	21,865	24,622	-2,518	7,077
Fire and other damage to property	675,581	506,799	446,062	384,078	-40,819	-83,413
General liability	113,113	79,142	72,314	65,032	-6,458	10,732
Credit and suretyship	2,913	1,282	1,605	1,475	531	1,005
NP health/accident	24,308	24,282	27,111	23,474	8,454	13,256
NP casualty	189,151	215,515	153,236	164,925	-38,137	-29,455
NP marine, aviation, and transport	18,076	17,522	13,194	12,225	-12,334	-3,133
NP property	346,687	295,852	231,753	213,158	3,519	-79,186
Total Non-Life*	**1,589,624**	**1,603,168**	**1,184,955**	**1,238,994**	**-138,684**	**-159,975**
Life/Health						
Life	1,975,594	2,095,665	1,698,140	1,796,918	156,076	-96,171
Health	1,363,171	1,270,521	1,314,667	1,238,724	44,549	-7,681
Total Life/Health*	**3,338,764**	**3,366,187**	**3,012,806**	**3,035,642**	**189,466**	**-120,906**
Total*	**4,928,388**	**4,969,354**	**4,197,762**	**4,274,636**	**50,782**	**-280,881**

*Total underwriting result incl. other expenses

Non-Life

Gross written premium in property and casualty business decreased by 0.8% to Euro 1,589,624 thsd (2021: Euro 1,603,168 thsd).

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

Excluding catastrophe losses, the result in most lines of business was within the bounds of expectations. An underwriting loss of Euro 138,684 thsd was recorded for 2022 (2021: loss of Euro 159,975 thsd).

On the whole, we recorded a material improvement in the pricing strength of the portfolios renewed in 2022 as we continued to focus on ensuring an adequate return from the risk that we assumed. Our catastrophe exposures decreased considerably in 2022, as we reduced our exposure to business that no longer met our profitability requirements and moved further away from lower attaching programs.

We took further action throughout 2022 to reduce our exposure to inadequately priced business. In 2022 this action was particularly focused on motor business where inflationary effects on damage claim amounts and trends in bodily injury claims costs, particularly in Israel, have caused us to reduce our exposure to this line. Overall, our motor premium decreased by 41.9%, while our general liability premium increased by 42.9%. In addition, the premium decline was partially offset by an increase in property premium of 33.3%.

Life/Health

Due to our prudent underwriting approach in the pandemic environment and the trend toward lower reinsurance cessions by primary insurers in China, our premium income from life and health business declined year-on-year. The claims experience improved significantly compared to the previous year because the excess mortality associated with the COVID-19 pandemic had little impact on our business during the period under review. This meant that the underwriting result at Euro 189,466 thsd, was above the previous year's level (Euro -120,906 thsd).

Gross written premiums decreased by 0.8% to Euro 3,338,764 thsd (2021: Euro 3,366,187 thsd). The decline in premiums, such as in China, was partially offset by growth in other Asian markets, Australia, the United Kingdom and Continental Europe. Net earned premium in life and health insurance also decreased by 0.8% in the year under review to Euro 3,012,806 thsd (previous year: Euro 3,035,642 thsd).

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 2022 €'000**	**Net Earned Premium 2022 €'000**	**Under-writing Result 2022 €'000**	**Underwriting Performance by Geo-graphical Area GRAG Solo HGB**	**Gross Written Premium 2021 €'000**	**Net Earned Premium 2021 €'000**	**Under-writing Result 2021 €'000**
Germany	640,701	475,344	-12,708	Germany	552,312	429,722	-120,446
Great Britain	158,975	146,605	-23,926	Great Britain	268,518	206,240	-100,342
Italy	94,095	62,520	-2,190	Israel	124,930	94,731	-8,145
Spain	60,092	42,455	3,661	Italy	107,251	72,878	-1,101
France	57,071	35,029	-21,143	Spain	57,574	42,200	-18,122
USA	54,228	31,356	-17,775	Netherlands	47,538	36,982	3,734
Remainder	471,983	382,164	-70,785	Remainder	472,055	343,652	44,069
Total Non-Life	**1,537,145**	**1,175,474**	**-144,866**	**Total Non-Life**	**1,630,178**	**1,226,404**	**-200,354**
China	581,469	615,788	42,687	China	785,279	816,729	93,623
Great Britain	385,996	389,021	16,556	Great Britain	362,803	360,632	21,407
France	250,832	243,827	-7,530	Germany	236,395	227,833	44,564
Germany	232,386	223,973	55,824	Malaysia	228,557	230,285	12,913
Malaysia	139,833	139,588	6,838	France	207,571	199,165	13,159
Taiwan	100,138	99,044	18,511	Taiwan	99,895	96,738	16,831
Remainder	959,460	884,216	76,453	Remainder	975,261	900,474	-148,226
Total Life/Health	**2,650,114**	**2,595,454**	**209,339**	**Total Life/Health**	**2,895,762**	**2,831,857**	**54,270**
Total	**4,187,260**	**3,770,928**	**64,473**	**Total**	**4,525,940**	**4,058,261**	**-146,084**

Underwriting Performance by Geo-graphical Area GRAG Group US GAAP	Gross Written Premium 2022 €'000	Net Earned Premium 2022 €'000	Under-writing Result 2022 €'000
Germany	640,904	472,613	-11,893
Great Britain	164,173	158,463	-24,234
Italy	94,135	50,905	-1,566
Spain	60,185	43,277	3,659
France	57,115	34,288	-21,778
USA	55,011	27,947	-15,730
Remainder	518,101	397,461	-67,142
Total Non-Life*	**1,589,624**	**1,184,955**	**-138,684**
China	606,385	642,043	57,629
Australia	435,102	237,106	-9,041
Great Britain	397,508	400,575	23,864
France	250,629	243,462	-5,681
South Africa	231,623	156,355	-15,957
Germany	211,853	203,149	55,087
Remainder	1,205,665	1,130,116	83,564
Total Life/Health*	**3,338,764**	**3,012,806**	**189,466**
Total*	**4,928,388**	**4,197,762**	**50,782**

*Total underwriting result incl. other expenses

Underwriting Performance by Geo-graphical Area GRAG Group US GAAP	Gross Written Premium 2021 €'000	Net Earned Premium 2021 €'000	Under-writing Result 2021 €'000
Germany	551,761	431,114	-134,382
Great Britain	260,914	205,335	-107,224
Israel	115,688	88,095	-9,897
Italy	107,112	57,120	-29,165
Spain	57,329	41,960	-16,991
Netherlands	47,519	37,058	3,721
Remainder	462,846	378,312	133,964
Total Non-Life*	**1,603,168**	**1,238,994**	**-159,975**
China	743,537	774,057	99,819
Australia	375,131	181,152	-5,741
Great Britain	358,941	356,721	19,535
Malaysia	223,793	225,602	15,883
South Africa	216,375	144,415	-141,208
Germany	208,787	199,566	51,135
Remainder	1,239,622	1,154,129	-160,329
Total Life/Health*	**3,366,187**	**3,035,642**	**-120,906**
Total*	**4,969,354**	**4,274,636**	**-280,881**

*Total underwriting result incl. other expenses

Non-Life by Geographical Area

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

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

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

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

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

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

Life/Health by Geographical Area

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

We were able to increase our premium volume in **Australia** mainly due to new group business (lump sum business and disability insurance). In addition, we were able to attain premium increases in several smaller treaties.

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

In terms of South Africa, the higher premiums are due to the increase in premium rates as we regularly update our pricing assumptions based on any observed changes and other emerging risks.

The war in Ukraine, the rapid rise in energy prices and high inflation have unsettled consumers in **Germany**. The return to significantly higher interest rates has mitigated the pressure on interest rate guarantees in the portfolios of life insurers but has also led to changes in the long-term investment decisions of insurance customers, which has affected single-premium business. With regular premiums stable, new business in German life insurance is below the level of the previous year due to the decline in single premiums. Life insurers are adapting their product portfolios to the changed conditions, with guarantees remaining lower than for traditional savings and retirement products. Due to the broad base of existing client relations, as well as some new ones, further long-term growth opportunities are opening up in Germany. With stable premium income, we achieved another pleasing result in 2022.

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

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

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

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	**2022 €'000**	**2021 €'000**	**2022 €'000**	**2021 €'000**
Income from holdings in related undertakings, including participations	1,179	1,179	0	0
Income from equities - listed	105,994	85,865	106,877	85,846
Income from government bonds	21,032	48,754	66,341	51,673
Income from corporate bonds	3,541	13,007	2,581	3,883
Income from collective investments undertakings	0	0	-1,383	-2,099
Income from deposits other than cash equivalents	13,742	3,088	14,490	3,124
Income from other investments	3,332	2,071	4,909	-799
Income from loans and mortgages	16,787	22,917	16,787	22,917
Investment expenses	-4,623	-5,111	-5,739	-6,031
Interest on reinsurance deposits	50,024	51,805	3,161	1,815
Less income from technical interest	-43,001	-44,954	0	0
Current investment income	**168,007**	**178,621**	**208,023**	**160,328**
Gains (losses) on investments	-2,881	178,430	-349,312	510,389
Write-ups (depreciation) on investments	-83,515	-33,542	0	0
Total investment income	**81,611**	**323,509**	**-141,289**	**670,717**

Under both US GAAP and HGB accounting principles, our total investment result was lower than in the previous year. For the GRAG Group (US GAAP) and GRAG Solo (HGB), the investment income decreased to Euro -141,289 thsd (Group) and Euro 81,611 thsd (Solo). The decrease at GRAG Solo is mainly due to write-offs in our equity portfolio as required under HGB. The GRAG Group results are reported under US GAAP, which requires the recognition of unrealized losses from our equity portfolio in the income statement.

In 2022, we saw higher dividend payments. This was mainly due to higher dividends on our existing equity positions due to favorable 2021 results. The dividend income of the group amounted to Euro 106,877 thsd (GRAG Solo Euro 105,994 thsd). During the year interest rates were raised significantly by global central banks to fight inflation. At a group level, we achieved a return of 2.3% on our bond portfolio and a dividend yield of 5.6% 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	2022 €'000	2021 €'000
Ordinary share capital	55,000	55,000
Share premium account	866,174	866,174
Retained earnings	3,895,986	3,961,165
Gains / losses recognized directly in equity	-288,731	-252,604
- Currency translation	-246,180	-190,241
- Unrealized appreciation of investments	-51,172	6,511
- Pension deficit	8,621	-68,874
Total	**4,528,430**	**4,629,735**

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	**2022 €'000**	**2021 €'000**
Other Income		
Release of bad debt provision	5,267	2,551
Foreign exchange rate gains	86,031	72,362
Income from discounting other reserves	5,758	2,730
Income from charging services rendered	2,828	2,147
Income from interest on taxes	3,211	-6,781
Sundry other income	3,573	1,841
Total other income	**106,668**	**74,851**
Other Expenses		
Foreign exchange rate losses	79,816	35,891
Bad debt expense on accounts receivable	11,925	11,503
Expenses from interest on taxes	-31,574	-15,414
Interest expenses from discount accretion of other provisions	5,589	5,060
Interest on pension reserves	10,907	27,463
Audit fees and other year-end closure expenses	2,475	2,269
Expenses from charging services rendered	2,687	2,040
Sundry other expenses	6,309	6,061
Total other expenses	**88,135**	**74,873**
Total other income/other expenses (-)	**18,533**	**-22**

Other Income / Other Expenses GRAG Group - US GAAP	2022 €'000	2021 €'000
Other Income		
Foreign exchange gain	0	0
Rental income	16	0
Runoff-other margin	-464	898
Other interest	84	247
Sundry other income	1,085	1,420
Total other income	**594**	**2,566**
Other Expenses		
Foreign exchange loss	5,962	18,897
External services	0	126
Bad debt - receivable	6,675	9,629
Loss on sale of fixed assets	0	0
Taxes	1,712	1,278
Other interest	0	0
Sundry other expenses	818	719
Total other expenses	**15,167**	**30,649**
Total other income/other expenses (-)	**-14,573**	**-28,083**

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

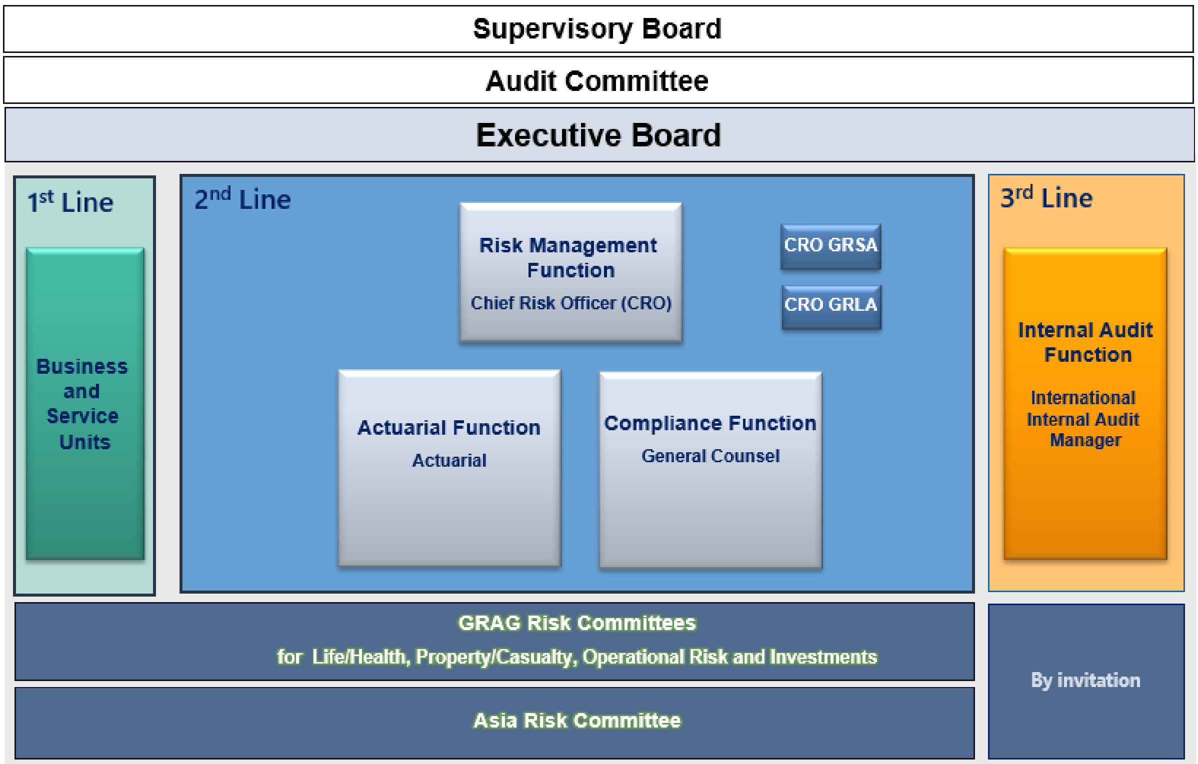
B.1 General Information on the System of Governance

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 has formed the following committees to perform its duties: the Remuneration Committee and the Audit Committee. 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 initiates 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 qualifications, 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 Committees

The purpose of the Risk Committees (RCs) is to support the RMF in its responsibility to assist the Board of GRAG in the implementation and development of the Company's risk management system. The RCs assist the RMF in implementing the risk strategy and the corporate risk management framework at the operating levels. The RCs ensure that all relevant risks are addressed, and that information is shared between the RMF, the business and service units. As shown in the chart above we have established four RCs:

- Two **Underwriting Risk Committees, one for Life/Health International** and **Property/Casualty International**. Members include business representatives, such as Regional Chief Underwriters, Regional Chief Actuaries and representatives from Claims, Pricing and Actuarial.
- An **Investment Risk Committee,** which is comprised of members from GRAG Finance, Risk Management and Board representatives as well as members from our asset manager New England Asset Management Inc. (NEAM).
- An **Operational Risk Committee** which is composed of various service unit heads and provides an open forum for discussion to promote risk awareness and to address any operational risk matters as well as the corresponding remedial measures.

The RCs are headed by the GRAG CRO. The RCs meet at least on a quarterly basis to support the quarterly risk reporting procedure of GRAG and on an ad-hoc basis if necessary. Cross discipline risk discussions and training sessions on risk management topics are held as appropriate.

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, supported by operational policies applicable to all employees. Each policy clearly sets out the relevant responsibilities, objectives, processes and reporting procedures; they are subject to a regular review. The policies are available world-wide 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 and the "Principles Document for In-Scope GRAG Remuneration", which have been developed in order to ensure that remuneration practices are aligned with our business strategy and consider long-term business performance and comply with local requirements.

In addition, they are 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.

For Board members and key function holders the “Principles Document for In-Scope GRAG Remuneration” provides specific parameters with respect to incentive compensation, as required under German regulatory requirements.

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 55.

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.

If the composition of the Supervisory Board changes, its chairman will ensure that the collective experience of the Board remains appropriate to properly discharge its responsibilities.

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 employee. 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 and service 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 act 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. We consider an open risk communication of highest priority and hence all employees are encouraged to address any risk related matters directly to the RMF.

B.3.5 Description of the Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment (ORSA) is a key process of GRAG's risk management framework and 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 an important tool for ensuring that the entire Group has a solvency level that is commensurate 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 taking into account the Group's risk profile which is defined by the actively assumed insurance risk and actively managed market risk as part of our business and risk strategy. Sustainability risks with their environmental, social and governance factors are considered in scope of the risks assessment where relevant. 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 Risk Committee members and subsidiaries. The Board is actively involved in the individual sub-processes which are outlined in the ORSA Cycle depicted 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 **ORSA Report** 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, Senior Managers and the operational units 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 evaluating 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 hence 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 and via the newly introduced LegalNet, a single point of access to the legal and compliance information, as well as corporate policies and procedures. It 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 have a reporting line 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 the Internal Audit Policy required some changes, which were approved by the Board of GRAG.

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 and to the Gen Re Corporate Chief Actuary.

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 Underwriting Risk Committees 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;
- Assess the uncertainties in the calculation of TP;
- 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;
- Take account of sustainability risks in its evaluation of the appropriateness of the TPs;
- 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, as well as assess and express an opinion for any material retrocession arrangement;
- Contribute to the effective implementation and further development of the risk management system;

Produce annual reports such as the Actuarial Function Report, 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.

The operationalization of our outsourcing policy which defines roles and responsibilities in the outsourcing, risk analysis and due diligence process as well as guidance on contractual arrangements, monitoring and reporting routines, is embedded in the Global Vendor Governance Process. Based on the vendor governance framework we ensure that where relevant, engagements of third-party services providers are identified as outsourcing arrangements and the applicable legal and regulatory requirements are adhered to. This includes that service contracts comply with legal, regulatory and operational requirements and measures for the effective oversight and management of outsourcing arrangements are in place.

The Global Vendor Governance Process is based on the compliance management tool CPOT which also includes a framework for the risk assessment of material outsourcings.

We outsource the management our investment portfolio to our affiliate NEAM Ltd. in Dublin, Ireland. Regarding IT, we have been outsourcing IT services and infrastructure services to GRC, our parent company, and external providers since 1997.

The competent Supervisory Authorities had been notified or approval had been obtained in accordance with regulatory requirements. All material outsourcing arrangements are subject to the established regular review process.

For the outsourcing arrangements of asset management, we have appointed a relationship manager who is responsible to ensure the maintenance of an effective day-to-day service. The role of the IT intra-group outsourcing relationship manager has been replaced by the newly established GRAG Technical Service Agreement (TSA) Outsourcing Steering Committee. This committee reviews and monitors the performance of the IT Services outsourced to General Reinsurance Corporation (GRC) and GRC’s adherence to the provisions of the relevant outsourcing agreement. Oversight of onsite staff from the external service companies and regular review meetings to discuss the service performance against key performance indicators (KPIs) and compliance with the service level agreements (SLAs) are elements of the regular outsourcing monitoring process. This also involves an effective business continuity plan (BCP) in the event of a disaster. The RMF is appropriately involved in the monitoring process and provided with the status of the outsourcing arrangements in the course of the quarterly risk reporting procedure.

B.8 Any Other Information

New Ways of Working

The pandemic did not only impact our underwriting results but also had a major impact on the way we work together and conduct our business. Depending on the location, we have put in place various models of flexible, mobile working practices to enable local management to find the best solutions for our employees and clients. As a modern employer, an appropriate balance between professional requirements and private needs is important for us over the long term to ensure high employee satisfaction as well as to find new talented people for GRAG and GRAG Group and integrate them.

Sustainability

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

Diversity, Equity, and Inclusion (DE&I)

The success of our company is founded on the expertise, experience and dedication of our people. In terms of DE&I (diversity, equity and inclusion) as part of the social factor of ESG, we launched various Employee Research Groups (ERGs) to cover the following topics: Multicultural Professionals and Allies, Professional Women and Allies, LGBTQ Professionals and Allies, Working Parents and Allies.

In 2022 we created a very important new role for the company, the Global Diversity Equity and Inclusion (DEI) Officer, who helps us to move forward with shaping a more diverse, equitable and inclusive work environment at GRAG. The purpose of their role is to foster a culture that encourages collaboration, flexibility, and fairness so as to enable all employees to contribute to their full potential. The Global DEI Officer works with the leaders of the ERGs to learn more about the needs of these employees and develop more effective and successful inclusion and integration strategies. Furthermore, we offer online courses on an ongoing basis covering a suite of DEI topics, for example, to help employees understand and reduce their own inbuilt unconscious biases. We also support managers so that they can act as inclusive leaders and promote inclusion in their teams and throughout the organization.

Corporate Social Responsibility Reporting

GRAG prepares a Corporate Social Responsibility (CSR) report guided by UN Global Compact reporting standards. This was published in the Financial Information section of our website (www.genre.com) in April 2023.

Operational Resilience

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

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 2022 €'000	GRAG Solo 2021 €'000	GRAG Group 2022 €'000	GRAG Group 2021 €'000
Eligible own funds	6,358,751	5,757,039	6,358,751	5,757,039
Solvency capital requirement (SCR)	**2,813,443**	**3,212,427**	**3,023,742**	**3,401,369**
Surplus capital	3,545,307	2,544,612	3,335,009	2,355,670
Minimum capital requirement (MCR)	**1,266,050**	**1,445,592**	**1,355,247**	**1,526,317**
Solvency ratio	**226.0%**	**179.2%**	**210.3%**	**169.3%**
Risk modules				
Underwriting risk Life	1,734,962	1,688,209	1,854,876	1,787,659
Underwriting risk Health	1,098,469	1,187,105	1,194,973	1,262,329
Underwriting risk Non-Life	527,308	462,342	526,262	460,428
Market risk	2,101,034	2,199,110	2,152,128	2,240,972
Counterparty default risk	132,698	140,383	137,652	150,268
Diversification	-1,878,625	-1,879,534	-1,969,362	-1,955,250
Operational risk	155,979	191,675	181,490	194,243
Loss absorbing capacity for deferred taxes	-1,058,383	-776,864	-1,054,277	-739,281
Solvency capital requirement (SCR)	**2,813,443**	**3,212,427**	**3,023,742**	**3,401,369**

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

Overall, the SCR decreased from Euro 3,401,369 thsd to Euro 3,023,742 thsd (Euro -377,627 thsd). This decrease is due to the increase in interest rates that led to lower equity values as well as reducing technical provisions which in turn resulted in lower risk charges. The most material impact, however, is the increase in the Loss Absorbing Capacity for deferred taxes as explained below.

Insurance risk

There was a slight increase in the Life underwriting risk charge (Euro +67,216 thsd) which is mainly driven by an increase in the expected duration of our mortality business and an increase to our Life Cat risk charge following a restructuring of our Stop Loss retrocession arrangement. This increase was off-set by the decline in the Health underwriting risk charge (Euro -67,357 thsd) which was largely a result of the change in discount rates in comparison to prior year. The Non-Life underwriting risk increased by Euro 65,834 thsd which is due to the increase in business volume.

Market risk

Market risk decreased slightly by Euro 88,843 thsd, with the increase in currency risk being more than offset by a decrease in the equity risk. The equity risk decrease is a result of lower market values of our portfolio of Euro -325,961 thsd following the market volatility caused by the Russia-Ukraine conflict and the increased interest rates. The currency risk continues to be the largest individual risk charge. The increase is mainly due to the higher discount rates which reduced the value of discounted technical provisions and increased the extent of our currency mismatch compared to the market value of assets.

The counterparty default charge remained stable at a relatively low level of Euro 137,652 thsd.

The Loss Absorbing Capacity (LAC) for deferred tax assets increased substantially by Euro 314,996 thsd. The rise in interest rates resulted in lower technical provisions, including the risk margins which created higher deferred tax liabilities in the solvency balance sheet of GRAG and its subsidiaries. These deferred tax liabilities, which under certain conditions can be used in the LAC recoverability testing, allowed us to recognize higher deferred tax assets.

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 and reserving risk. We also place special attention to 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 aggregate claims may exceed the priced amounts per treaty. In this context, we differentiate between:

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

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

The **natural catastrophe risk** is the risk of loss resulting from natural catastrophe on the in-force book of business. It not only considers the impact on frequency and / or severity of specific natural catastrophe events due to climate change trends but also other factors that drive our exposure such as inflation, as we prefer to look at different measures and confidence levels to ensure we understand the risk inherent in our portfolio. 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. Our exposure to terrorism is limited predominantly by way of exclusionary language at the reinsurance level.

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 for non-proportional Cat-XL war is a standard exclusion and only waived if systematically priced for, we assume exposure from proportional business as we cannot always exclude it. In cooperation with the Group Legal team, our LH business units have commenced a more detailed review of our LH contract wordings and tail risk exposures in the event of war, terror, or nuclear events.

Pandemic risk is the risk from events such as corona virus, Ebola, swine flu, avian flu, and pestilence. Regarding Life/Health pandemic risk we consider different scenarios to evaluate the impact of a world-wide pandemic event.

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. As part of our underwriting strategy, we exclude pandemic risk from non-proportional Cat XL covers and apply a pandemic risk charge for proportional mortality business to reflect the additional risk.

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. While we have generally been successful in implementing these changes there are still selected markets and lines of business where we cannot fully mitigate this risk. Therefore, we apply a scenario approach to assess the residual risk.

Cyber risk refers to the losses from both affirmative and non-affirmative cyber exposures covered by our insurance contracts and resulting in damage, disruption, unauthorized access to, or release of, business-critical or sensitive applications, data, or infrastructure systems, or physical property. 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 develop 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 within our traditional products we aim to apply exclusion clauses when possible, to limit such exposure to property damage losses that may arise from cyber-attacks. As we have successfully implemented such exclusion in our portfolio, we consider the impact from silent cyber accumulations on our solvency positions to be manageable. Nevertheless, 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, and generally provide small limits.

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

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 and economic factors such as inflation, 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 aforementioned risks also take into account ESG or sustainability risks, e.g., the decline in asset value due to changing consumer preferences, or litigation of unsustainable asset classes, or reputational impact from non-compliance, or inadequate reporting disclosures. These risks depend on the type of investment and the underlying industry segment. Sustainability risks are primarily considered relevant for equity risk, credit spread risk, concentration risk and liquidity risk. 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 and our investment 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;
- an Asset Liability Management Policy to ensure that the company can meet all liquidity needs in any foreign currency and to meet local capital requirements, which sometimes require assets to be held in the local currency.

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.

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 a banking failure. However, as shown in the table on page 42 (referred to as counterparty default risk), our exposure is comparably small compared to the underwriting and market risk.

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 with our parent company GRC have a relatively low impact on our credit risk due to the strong capital position as demonstrated by the high-level credit rating assigned by several rating agencies and the robust solvency ratio according to U.S. Risk Based Capital requirements. Furthermore, as part of the BRK group - one of the best capitalized groups in the world - GRC would benefit from additional parental support by BRK if necessary. Therefore, we consider the likelihood of a default of GRC extremely remote, which is also reflected in the comparably low credit risk.

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 prepare a liquidity forecast on a quarterly basis, taking into account the available capital at the end of the last quarter and the predicted payments for the coming quarter, including cash flows from assets. A liquidity buffer is also added, which is primarily intended for obligations that we cannot estimate in detail.

Payment obligations to our clients are communicated by the business units regularly. Based on this payment information and the current balances of the bank accounts, we can reliably monitor the liquidity of the major currencies over a certain period.

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.

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.

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	
	2022	2021	2022	2021
EPIFP	€'000	€'000	€'000	€'000
Total Non-Life	77,046	25,156	77,046	25,156
Total Life/Health	4,061,492	3,985,095	4,258,880	4,154,728
Total EPIFP	**4,138,538**	**4,010,251**	**4,335,926**	**4,179,884**

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 promptly detect any deficiencies in policies, processes, and controls as well as to propose and implement corrective actions.

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.

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, the reputational 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. 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. This also includes all aspects from ESG risks. 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, inability to attract new hires, loss of existing employees, etc. Drivers vary and include but are not limited to inappropriate client / transaction pre-qualification, inappropriate tax structures, data breach of client's information, lack of response/actions referring to sustainability and ESG risks such as climate change, labor law requirements, corporate diversity, anticorruption measures and compliance/adequacy of reporting disclosures. Overall, we consider the reputational risk a byproduct of our operations 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 materially impact GRAG, the entire Gen Re Group and/or our clients. We identify and evaluate emerging risks in the scope of our risk assessment as part of the group wide annual ORSA Process. Developments are monitored quarterly as part of our risk reporting procedure.

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

Guarantees exist 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. We actively manage our subsidiaries with limits in place on a subsidiary level, and we regularly monitor the liquidity and local capital requirement at each location. If GRAG Group needs 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 view 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, which is aligned with the corporate Risk Management 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 in damage, disruption, or unauthorized access to or release of business critical or sensitive applications, data or infrastructure systems or physical property. This also includes the impact of system outage on business operations and the costs to recover and restore systems. We have numerous security controls in place to address the Company’s cyber risks. In addition, 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.

Cyber security awareness programs which include but are not limited to simulated phishing emails, external banners, and role-based training have been launched to increase risk awareness.

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 and aim to minimize this risk. Therefore, 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 training 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. We have some risk concentration with our parent and sister companies GRL and GRC due to our retrocession activities outlined in Chapter A.1.3. However, in view of the strong capitalization of Gen Re and the Berkshire Hathaway Group, we consider this concentration risk remote and well managed.

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 effect from 1 January 2017, GRAG entered into a 20% quota share agreement with its parent, General Reinsurance Corporation (GRC). This covers all P/C business written by GRAG, its branches and subsidiaries. The primary reason for this retrocession is to reduce the risk associated with differences between trade sanctions of the United States and the EU. This resulted in a slight improvement in our solvency ratio.

As of 1 October 2018, GRAG retrocedes 50% of Indian life and health business to its sister company General Re Life Corporation (GRL) and GRAG retrocedes 50% of its Indian property and casualty reinsurance business incepting on or after 1 April 2019, to GRC.

Since 1 April 2020, we have been writing Japanese non-life business in our Singapore branch, which was previously written by GRC. As this business generally includes natural catastrophe covers, we have concluded an additional retrocession agreement with GRC retroceding the majority of our Japanese non-life business (total retrocession 90%) to mitigate the risk thereof.

Effective 1 July 2020, we entered into a Stop Loss Agreement with our U.S. sister company GRL to protect the mortality exposure within our L/H business.

In the third quarter 2021, GRAG entered into a Loss Portfolio Transfer (LPT) with GRC, our parent company, transferring approximately 90% of our non-life reserves from prior underwriting years.

A property/casualty stop loss retrocession arrangement incepting on January 1, 2022, has been established with our parent company. Not only does this effectively manage the tail risk, particularly from catastrophe exposures, it also has a beneficial effect on our solvency ratio by reducing the capital requirements for catastrophe exposure under Solvency II.

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. In 2020 the retrocession agreement was amended to provide for the collateralization of reserves by GRL as agreed with the local regulatory authority in Australia.

Effective 1 January 2021, a quota share retrocession agreement was entered into between GRSA and GRL covering 100% of the mortality, critical illness, and lump sum disability business, in addition to the current GRAG proportional surplus retrocession agreement.

Effective 1 July 2021, the P/C insurance business of GRSA was retroceded to both GRC (80%) and GRAG (20%) on a quota share basis. Effective 1 January 2022, the P/C retrocession share changed to GRC (75%) and GRAG (25%) on a quota share basis. This change in the retrocession structure has been agreed with the Prudential Authority. Whilst the GRC retro only covered treaty business in 2021, it also covers facultative business from 2022.

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 2022 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:

	Own Funds		Solvency Capital Requirement		Solvency Ratio	
Scenario	**after scenario €'000**	**Δ to year-end 2022 €'000**	**after scenario €'000**	**Δ to year-end 2022 €'000**	**after scenario in %**	**Δ to year-end 2022 in %**
Non-Life Underwriting Risk*						
- European windstorm scenario	6,262,374	-96,376	3,023,742	0	207.1%	-3.2%
- Flood Germany scenario	6,262,374	-96,376	3,023,742	0	207.1%	-3.2%
- Earthquake Germany scenario	6,262,374	-96,376	3,023,742	0	207.1%	-3.2%
- Hail Germany scenario	6,262,374	-96,376	3,023,742	0	207.1%	-3.2%
Life-Health Underwriting Risk						
- Pandemic scenario	6,072,028	-286,722	3,023,742	0	200.8%	-9.5%
Market Risk						
- Equity crash scenario	5,040,711	-1,318,040	2,828,911	-194,831	178.2%	-32.1%
Combined Event						
- Combination of European Windstorm, Equity Crash, Pandemic scenario	4,657,613	-1,701,138	2,828,911	-194,831	164.6%	-45.7%

*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. Due to the stop loss agreement with our parent company GRC, the losses before taxes are capped at the stop loss priority in all four scenarios.

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 scenario, 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 consider recoverables from our stop loss agreement for L/H, therefore the impact of a pandemic on a net basis is small for GRAG Group.

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 as well as the Russia – Ukraine conflict which both were less than the equity stress scenario noted above.

According to our reverse stress test analysis we would need to suffer a loss of Euro 2,355,670 thsd 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.

In addition to the stress scenarios described above we have also considered the impact of climate change on our insurance and markets risks. For insurance risks, we consider increasing frequency and severity of natural catastrophes due to climate change to have the most material impact (physical risk). For our market risks, we consider a disorderly transition to a carbon-neutral economy to be the major risk (transition risk). It is currently hard to reliably quantify these physical and transitional risks but based on our natural catastrophe scenarios and our 50% equity stress scenario, we are confident that we would still be able to fulfill the solvency regulatory requirements.

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 ratio to Euro as at 31 December 2022
General Reinsurance Africa Ltd., Cape Town/South Africa	0.054881
General Reinsurance Life Australia Ltd., Sydney/Australia	0.633902

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 of 31 December 2022 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 2022	**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	244,251
Intangible assets	2	0	20,532	0	20,532
Deferred tax assets	3	56,240	439,024	93,114	258,523
Pension benefit surplus	4	14,070	0	14,070	14,070
Property, plant & equipment held for own use	5	60,240	32,880	60,438	33,077
Investments (other than assets held for index-linked and unit-linked contracts)		**7,934,102**	**7,127,830**	**8,977,382**	**8,977,764**
Holdings in related undertakings, including participations	6	268,768	201,155	3,974	27,769
Equities - listed	7	2,636,079	1,834,421	2,636,079	2,609,473
Bonds	**8**	**3,854,608**	**3,878,404**	**5,162,682**	**5,133,941**
Government bonds		3,797,548	3,832,222	5,105,622	5,086,927
Corporate bonds		57,060	46,182	57,060	47,014
Collective investments undertakings	9	387,604	403,769	387,604	386,030
Deposits other than cash equivalents	10	787,027	781,668	787,027	784,373
Other investments	11	16	28,413	16	36,178
Loans and mortgages	**12**	**336,967**	**334,800**	**336,967**	**334,800**
Loans and mortgages to individuals		336,967	334,800	336,967	334,800
Reinsurance recoverables from	**13**	**3,693,396**	**5,208,974**	**3,537,197**	**5,817,659**
Non-Life excluding Health		3,739,197	5,047,173	3,760,037	5,204,129
Health similar to Non-Life		44,310	58,466	44,310	59,209
Health similar to Life		-23,794	8,548	69,635	8,377
Life excluding Health and index-linked and unit-linked		-66,316	94,786	-336,785	545,944
Deposits to cedants	**14**	**1,902,979**	**1,959,158**	**1,825,780**	**176,699**
Non-Life		216,088	244,516	138,889	160,327
Life/Health		1,686,891	1,714,642	1,686,891	16,371
Insurance and intermediaries receivables	15	71,858	997,702	72,379	1,112,705
Reinsurance receivables	16	0	130,261	0	212,550
Receivables (trade, not insurance)	17	243,294	245,493	247,570	239,395
Cash and cash equivalents	18	603,900	603,900	692,043	692,265
Any other assets, not elsewhere shown	19	10,145	553	10,145	10,145
Total Assets		**14,927,192**	**17,101,105**	**15,867,085**	**18,144,436**

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	244,251

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	20,532	0	20,532

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) (+)	56,240	439,024	93,114	258,523
Deferred tax liability (DTL) (-)	-621,190	0	-621,190	7,541
Total deferred taxes	**-564,950**	**439,024**	**-528,077**	**266,064**

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 32.45% is used to calculate deferred taxes on technical provisions for Solvency II purposes (prior year 32.45%).

Foreign tax rates are considered for the calculation of deferred taxes of foreign subsidiaries. The foreign tax rates amount to 27% 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 of 31 December 2022 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	439,024	n/a
Deferred taxes on temporary differences between US GAAP values and tax base	n/a	266,064
Investments due to Solvency II revaluations	-2,549	-8,533
Technical provisions due to Solvency II revaluations		
- Life	-725,375	-749,654
- Non-life	-279,710	-98,562
Total - technical provisions	-1,005,086	-848,217
Other Solvency II revaluations	3,660	62,609
Total deferred taxes for Solvency II DTA (+)/ DTL (-)	**-564,950**	**-528,077**
- thereof DTA (+)	**56,240**	**93,114**
- thereof DTL (-)	**-621,190**	**-621,190**

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	21,018	-17,852	33,852	-17,852
Maturity band 1-5 years	32,919	-41,013	56,958	-41,013
Maturity band > 5 years	2,303	-562,326	2,303	-562,326
Total deferred taxes	**56,240**	**-621,190**	**93,114**	**-621,190**

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. On 31 December 2022 for taxable differences amounting to Euro 4,774 thsd (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 on 31 December 2022.

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 consists 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 185,909 thsd has been recognized based on the assumption, that a potential release of the risk margin will then create additional taxable income in the future. As all net deferred tax assets for deductible temporary differences are posted, no valuation allowances needed to be considered.

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.

On 31 December 2022 deferred tax assets on tax losses carried forward, amounting to Euro 83,344 thsd all referring to GRAG Solo were booked (gross amount before offset against DTL).

Tax losses carried forward with corresponding DTA per country	GRAG Solo Tax losses carried forward €'000	GRAG Solo DTA €'000	GRAG Group Tax losses carried forward €'000	GRAG Group DTA €'000	Expiry Limit
Germany	109,352	29,921	109,352	29,921	unlimited carry-forward
Denmark	8,732	1,921	8,732	1,921	unlimited carry-forward
United Kingdom	206,011	51,503	206,011	51,503	unlimited carry-forward
Total tax losses carried forward	**324,095**	**83,344**	**324,095**	**83,344**	

On 31 December 2022 there are no unrecognized deferred tax assets for GRAG solo since it is expected that the underlying tax losses carried forward will be usable in the future. For GRAG Group there are unrecognized deferred tax assets of Euro 15,103 thsd which 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	GRAG Solo HGB €'000	GRAG Group Solvency II €'000	GRAG Group US GAAP €'000
Pension benefit surplus	14,070	0	14,070	14,070

As a consequence of the development of interest rates, we are showing a pension benefit surplus under Solvency II. The amount includes a share for GRAG's UK branch, which has a pension plan funded by GRAG whose assets are held in trust funds. A pension benefit surplus represents the excess of the fair value of the plan assets and associated life insurance contracts over the defined benefit obligations.

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

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

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

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Fair value of plan assets	42,655	42,655	42,655	42,655
Pension fund liability	28,585	42,655	28,585	28,585
Total	**14,070**	**0**	**14,070**	**14,070**
Thereof shown under pension benefit obligations (chapter D.3, note 2)	0	0	0	0
Total	**14,070**	**0**	**14,070**	**14,070**

The plan assets are as follows:

Portfolio	Valuation amount €'000	of total plan assets %
Government bonds	8,977	21.0%
Equities	0	0.0%
Other investments	33,677	79.0%
Cash and cash equivalents	0	0.0%
Total plan assets	**42,655**	**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	53,700	26,340	53,700	26,340
Equipment	6,540	6,540	6,738	6,738
Property, plant & equipment held for own use	**60,240**	**32,880**	**60,438**	**33,077**

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 2022. 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 40 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: 4,270
- Gross multiplier on market rent: 21.83
- Net yield on market rent in %: 3.89

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 2022.

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	268,675	174,549	0	0
Other participations	92	26,606	3,974	3,974
Holdings in related undertakings, including participations	**268,768**	**201,155**	**3,974**	**3,974**

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%	106,823	60,077
GRLA	100%	157,971	113,267
Other subsidiaries*	-	3,882	1,205
Total		**268,675**	**174,549**

*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

The Other Participations include the following limited participation:

- Triton Gesellschaft für Beteiligungen mbH, Luxembourg (in liquidation).

Triton made a repayment in 2022, which significantly reduced the value attached to the Other Participation. For materiality considerations, we follow the same approach as for the ancillary service undertakings. It has been excluded from group supervision following BaFin approval due to their immateriality in comparison to the participation but is 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	2,636,079	1,834,421	2,636,079	2,609,473

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 2022, 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.

On 31 December 2022 the Group equity investments were classified as available-for-sale and valued at fair value. There are no valuation differences between Solvency II and US GAAP, however, an amount of Euro 26,698 thsd 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.

On 31 December 2022, GRAG equities were all allocated as fixed assets (Anlagevermögen). In 2022, 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 2021 was marked by the recovery after the COVID-19 pandemic induced market volatility, the stock markets were again subject to strong fluctuations in 2022 due to the emerging Russia-Ukraine conflict and still ongoing supply bottlenecks in the wake of the pandemic. The resulting global inflationary pressures and subsequent increase in interest rates created additional volatility in the markets.

Note 8 – Bonds

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Government bonds	3,797,548	3,832,222	5,105,622	5,086,927
Corporate bonds	57,060	46,182	57,060	47,014
Bonds	**3,854,608**	**3,878,404**	**5,162,682**	**5,133,941**

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 2022, 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.

On 31 December 2022 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).

During the year, the increase in key interest rates to control inflation had a major impact on market values, which fell in the wake of the higher interest rate environment. Under HGB, unrealized gains and losses are not recognized if they are considered to be temporary, which means that values are higher than under Solvency II. Under HGB, the recognition of these gains is not permitted. 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 9,496 thsd 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	387,604	403,769	387,604	386,030

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 111 thsd 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 increase of the interest rates in the course of the year. 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	787,027	781,668	787,027	784,373

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	16	28,413	16	36,178

The amount presented under Solvency II purely relates to the investment in one limited partnership which is in liquidation.

Under US GAAP (ASC 235), these assets comprise of the investment in the limited partnerships referred to above, and the accrued interests on bonds and cash. The limited partnership is valued at cost. Considering the 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 Limited Partnerships.

The difference reported is entirely 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	336,967	334,800	336,967	334,800
Loans and mortgages	**336,967**	**334,800**	**336,967**	**334,800**

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 “Other loans and mortgages” consist of a private loan to an affiliated company. 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	3,739,197	5,047,173	3,760,037	5,204,129
Health similar to Non-Life	44,310	58,466	44,310	59,209
Health similar to Life	-23,794	8,548	69,635	8,377
Life excluding Health and index-linked and unit-linked	-66,316	94,786	-336,785	545,944
Reinsurance recoverables	**3,693,396**	**5,208,974**	**3,537,197**	**5,817,659**

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	216,088	244,516	138,889	160,327
Life/Health	1,686,891	1,714,642	1,686,891	16,371
Deposits to cedants	**1,902,979**	**1,959,158**	**1,825,780**	**176,699**

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	71,858	997,702	72,379	1,112,705

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	130,261	0	212,550

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)	243,294	245,493	247,570	239,395

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 94,768 thsd). These long-term receivables are discounted under Solvency II, which is the reason for the valuation difference of Euro -2,198 thsd between the Solvency II and US GAAP values.

In addition, a reclassification of tax receivables/payables (Euro 10,374 thsd) 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	603,900	603,900	692,043	692,265

Under Solvency II, HGB and US GAAP (ASC 305), these are valued at their nominal value. There are no or only minor valuation differences.

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	10,145	553	10,145	10,145

Under HGB, this item mainly comprises deferred items. Both under US GAAP and Solvency II we follow the US GAAP presentation on the leasing of assets (ASC 842), so that these are also shown in this item at Euro 9,906 thsd.

Other Disclosures

There have been no material changes made to the recognition and valuation basis and to 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 2022.

Gross Technical Provisions as at 31 December 2021	GRAG Solo Solvency II €'000	GRAG Solo HGB €'000	GRAG Group Solvency II €'000	GRAG Group US GAAP €'000
Technical Provisions - Non-Life	**5,270,249**	**7,992,347**	**5,294,841**	**7,682,690**
Technical Provisions - Non-Life (excl. Health)	5,178,026	7,899,653	5,202,618	7,588,807
TP calculated as a whole		7,899,653		7,588,807
Best Estimate	5,096,206		5,120,090	
Premium Provision	-18,173		-17,404	
Claims Provision	5,114,380		5,137,493	
Risk Margin	81,819		82,528	
Technical Provisions - Health (NSLT, similar to Non-Life)	92,223	92,694	92,223	93,882
TP calculated as a whole		92,694		93,882
Best Estimate	83,348		83,348	
Premium Provision	-5,773		-5,773	
Claims Provision	89,121		89,121	
Risk Margin	8,875		8,875	
Technical Provisions - Life (excl. index-linked / unit-linked)	**1,966,878**	**4,327,035**	**2,583,842**	**4,194,058**
Technical Provisions - Health (SLT, similar to Life)	809,117	1,469,884	1,545,767	951,665
TP calculated as a whole		1,469,884		951,665
Best Estimate	192,020		886,133	
Risk Margin	617,098		659,634	
Technical Provisions - Life (excl. Health)	1,157,761	2,857,150	1,038,075	3,242,393
TP calculated as a whole		2,857,150		3,242,393
Best Estimate	-60,397		-220,435	
Risk Margin	1,218,158		1,258,510	
Other Technical Provisions		**87,528**		**89,218**
Total Gross Technical Provisions - Life and Non-Life	**7,237,127**	**12,406,909**	**7,878,683**	**11,965,966**

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 2022.

	Best Estimate Gross €'000	Risk Margin €'000	Technical Provisions €'000	Reinsurance Recoverables €'000
Life	-220,435	1,258,510	1,038,075	-336,785
Health SLT	886,133	659,634	1,545,767	69,635
Total	**665,698**	**1,918,144**	**2,583,842**	**-267,150**

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 92,223 thsd.

Health Non-SLT	€'000
Best estimate	**83,348**
Thereof	
Non-proportional health business	17,043
PA business (non-life)	66,305
Risk margin	8,875
Technical provisions	**92,223**

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	131,623	1,835,256	1,966,878	-90,110
GRLA	339,283	60,952	400,235	-150,987
GRSA	179,084	21,936	201,020	-41,761
Intercompany transactions	15,708	0	15,708	15,708
Total	**665,698**	**1,918,144**	**2,583,842**	**-267,150**

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 subject to policy terms. These regular payments give rise to liabilities under US GAAP and form the main part of the technical provisions under Solvency II.

The business of GRSA is comprised to 26% 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 termination 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	**665,698**
Thereof Life	-220,435
Thereof Health SLT	886,133
Impact of shocks:	
Mortality	1,100,397
Longevity	79,627
Disability	1,625,182
Lapse down	75,494
Lapse mass	1,175,106
Lapse up	579,739
Expenses	189,661
Cat (life)	414,373

The table should be interpreted in the following way: The best estimate TPs for “Life” and “Health SLT” is Euro 665,698 thsd.

If the mortality assumption is increased by 15%, i.e., to 115% of the best estimate assumption, the best estimate TPs increase by Euro 1,100,397 thsd to Euro 1,766,096 thsd. 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 2023 per reinsurance contract as part of its financial planning process. If GRAG Group’s gross premium volume 2023 was 1% higher (lower) than expected, the gross best estimate would decrease (increase) by Euro 42,526 thsd. 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. Excluding special effects from short-term business, the actual gross premium income in recent years exceeded the expected premium income by 1% to 3%.

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 1,835,256 thsd.

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 4,253,472 thsd. This includes the reinsurance, insurance and intermediaries receivables and payables not overdue (Euro 20,312 thsd 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	4,411,948	10,517	4,422,465
Thereof reserve for profit commission, gross	84,913	47	84,960
Thereof all other reserves, gross	4,327,035	10,471	4,337,505
Statutory DAC (Life), net	-26,853	0	-26,853
Subtotal statutory	**4,385,095**	**10,517**	**4,395,612**
PV margin of future business and change in assumptions	4,253,472		
Best estimate	131,623		
Risk margin	1,835,256		
Technical provisions	**1,966,878**		

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

The value of gross reserves under HGB is Euro 4,422,465 thsd 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 1,714,642 thsd (gross) for the Life/Health business and are an asset on 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 1,918,144 thsd.

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 5,199,011 thsd. This includes the reinsurance, insurance and intermediaries receivables and payables not overdue (Euro 65,281 thsd 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 1,714,642 thsd (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	4,280,662	10,376	4,291,038
Thereof reserve for profit commission, gross	86,604	47	86,650
Thereof all other reserves, gross	4,194,058	10,329	4,204,388
US GAAP deposits - gross	16,371	0	16,371
Deferred acquisition costs - gross	-146,637	0	-146,637
Subtotal US GAAP	**4,150,397**	**10,376**	**4,160,773**
Statutory deposits - gross	1,714,313	329	1,714,642
Subtotal	**5,864,709**	**10,705**	**5,875,414**
PV margin of future business and change in assumptions	5,199,011		
Best estimate	665,698		
Risk margin	1,918,144		
Technical provisions	**2,583,842**		

*) 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 purchased for various reasons but only to limited extent.

GRAG Group's retroceded premium for 2022 amounted to Euro 355,541 thsd representing 11.8% 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 -267,150 thsd. The negative amount is explained by the retrocession of profitable business, thus creating a liability balance with the retrocessionaires.

Recoverables from Reinsurance Contracts	€'000
Life	-336,785
Health SLT	69,635
Total	**-267,150**

Counterparty default adjustments were considered in the calculation of the reinsurance recoverables. They amount to Euro 196 thsd.

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. They are modelled with reference to the volume of projected premiums and claims cashflows. Future expense inflation is taken into account in the projection.

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 are highly automatized.

The subsidiaries GRLA and GRSA generate cash flow projections 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 homogeneous risk groups are incorporated into the valuation for 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 business retroceded to General Re Life Corporation under the Stop Loss Agreement covering large parts of GRAG's mortality business, the Quota Share Agreement covering GRSA's short term business, and the Quota Share Agreement covering 90% of the business in force of a large GRLA cedant have been taken into account in the modelling as well. Ultimately these pieces of business remain within Gen Re, but in the Solvency II balance sheet for GRAG Group, the retrocession shows up as recoverables from reinsurance contracts.

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 4,000 Portfolio models covering the incoming and outgoing Life/Health business. The assumptions may vary for all these models.

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

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

For Seriatim models assumptions on mortality, morbidity, lapses etc. are used. GRAG is subject to US GAAP reporting. US GAAP reporting requires also best estimate assumptions. 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 is 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 90 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 with 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 2022 and 31 December2021. The changes may be subdivided into four categories:

1. The decrease due to new exchange rates and discount rates amounts to Euro 124,530 thsd.
2. The change in deposits leads to a reduction of the best estimate of Euro 69,808 thsd.
3. The change in reinsurance, insurance and intermediaries receivables and payables not overdue decreases the best estimate by Euro 111,064 thsd.
4. Other changes reduce the best estimate by Euro 381,111 thsd. The main drivers are the changes in the underlying business, the enhancement of the projection models (by enhancing the detail of policy data and refining the assumptions there are now Seriatim models for more reinsurance treaties), changes in assumptions, and higher liabilities from new business.

	Life €'000	Health SLT €'000	Health Non-SLT*) €'000	Total €'000
Best estimate 2021 (net)	**478,342**	**1,135,133**	**22,928**	**1,636,403**
Change due to currency rates and discount rates	23,402	-148,271	339	-124,530
Change in deposits	-114,778	45,404	-434	-69,808
Change in reinsurance, insurance and intermediaries receivables and payables not overdue	-39,918	-70,230	-915	-111,064
Other changes	-230,698	-145,538	-4,875	-381,111
Best estimate 2022 (net)	**116,350**	**816,498**	**17,043**	**949,891**

*) 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 adjusted internal retrocession (Stop Loss Agreement with GRL), updates of actuarial assumptions, new discount rates, and the increase of business volumes.

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	-1,104	37,527	36,423	2,749	39,173	-24,330	14,843
Motor vehicle liability	1,347	524,269	525,616	6,700	532,316	-414,494	117,822
Other motor	22,287	110,752	133,040	1,185	134,225	-113,380	20,845
Marine, aviation, and transport	841	56,794	57,635	1,076	58,712	-39,086	19,625
Fire and other damage to property	-4,515	740,304	735,789	24,780	760,569	-334,983	425,587
General liability	-3,146	263,418	260,272	3,530	263,803	-201,623	62,180
Credit and suretyship	404	40,100	40,503	437	40,941	-33,251	7,690
NP property	-23,159	793,092	769,933	23,394	793,327	-381,441	411,886
NP casualty	-11,603	2,534,267	2,522,663	19,256	2,541,919	-2,203,214	338,705
NP marine, aviation, and transport	141	74,497	74,638	2,168	76,806	-38,566	38,240
NP health/accident	-4,669	51,594	46,925	6,126	53,050	-19,980	33,070
Total Non-Life	**-23,177**	**5,226,614**	**5,203,438**	**91,403**	**5,294,841**	**-3,804,347**	**1,490,494**

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 of 31 December 2022 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 26,575 thsd respectively equalization reserves for HGB of Euro 584,083 thsd.

ii. The US GAAP reserves include a net unearned premium reserve of Euro 358,817 thsd. The HGB reserves include a net unearned premium reserve of Euro 268,532 thsd.

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 335,291 thsd.

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 368,738 thsd for GRAG Group or Euro 371,781 thsd for GRAG Solo, respectively (the difference stems from consolidated intragroup accounts receivables).

v. Solvency II TPs further include claims expenses amounting to Euro 55,668 thsd.

vi. Some other minor differences sum up to Euro 13,492 thsd for GRAG Group and Euro 13,359 thsd 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 91,403 thsd for GRAG Group and Euro 90,694 thsd for GRAG Solo (the difference stems from our subsidiary GRSA).

The following table provides an overview of the main drivers as described above:

Reconciliation of P/C Reserves to SII Technical Provisions	GRAG Solo €'000	GRAG Group €'000
Net statutory reserves*	**2,886,708**	**2,419,351**
Equalization reserve	-584,083	n/a
Unallocated loss adjustment expenses	n/a	-26,575
Unearned premium reserve	-268,532	-358,817
Claims discounting	-335,291	-335,291
Premium provision & receivables/payables not overdue	-371,781	-368,738
Claims expenses	55,668	55,668
Other	13,359	13,492
Net best estimate liabilities	**1,396,048**	**1,399,091**
Risk margin	90,694	91,403
Net technical provisions	**1,486,742**	**1,490,494**

*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. We have internal quota share retrocessions to our US parent GRC for business written since 1 Janaury 2017. In 2021 GRAG transferred the majority of its prior year loss reserves to GRC in a loss portfolio transfer (LPT) which increased the retro reserves materially. The GRAG Group retro recoverables amount to Euro 3,804,347 thsd. 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. 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), adjusted for inflation. 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 2021 (net)	**1,126,849**	**50,519**	**1,177,368**
Change due to currency rates	-29,730	-2,610	-32,340
Change due to discount rates	-230,452	-3,528	-233,980
Change due to experience or assumptions	464,150	23,893	488,043
Best estimate 2022 (net)	**1,330,817**	**68,274**	**1,399,091**

The changes of Euro 221,723 thsd can be subdivided into three categories:

1. The change in currency exchange rates causes a Euro 32,340 thsd decrease in TPs.
2. New discount rates decrease the TPs by Euro 233,980 thsd.
3. The changes relating to actual loss experience or changes in actuarial assumptions represent an increase of Euro 488,043 thsd. Apart from our actual loss experience and premium changes in 2022 this is mainly due to the reduced impact of the LPT as the 2021 and 2022 underwriting years are not protected by this retrocession. 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 2022 GRAG Group's Risk Margin decreased by Euro 488,295 thsd from Euro 2,497,842 thsd to Euro 2,009,547 thsd. The main reason for this is the change in fx rates and in discount rates.

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 2022 according to Solvency II valuation principles compared with HGB (GRAG Solo) and US GAAP (GRAG Group). For the particular QRT S.02.01.02, we refer to the appendix.

		GRAG Solo		GRAG Group	
Other Liabilities as at 31 December 2022	**Note**	**Solvency II €'000**	**HGB €'000**	**Solvency II €'000**	**US GAAP €'000**
Provisions other than technical provisions	1	390,824	516,676	394,852	377,383
Pension benefit obligations	2	258,085	351,171	258,163	258,163
Deposits from reinsurers	3	21,585	22,114	308,248	290,614
Non-Life		728	790	25,408	29,010
Life/Health		20,857	21,324	282,840	261,605
Deferred tax liabilities	4	621,190	0	621,190	-7,541
Insurance and intermediaries payables	5	0	440,988	0	444,500
Reinsurance payables	6	0	106,739	0	239,721
Payables (trade, not insurance)	7	29,687	29,687	37,256	37,256
Any other liabilities, not elsewhere shown	8	9,942	350	9,942	9,944
Total Other Liabilities		**1,331,314**	**1,467,727**	**1,629,652**	**1,650,040**

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	390,824	516,676	394,852	377,383

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 Solvency II and US GAAP is primarily driven by discounting effects and 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 8 years	294,292
Interest on taxes	up to 8 years	55,831

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	258,085	351,171	258,163	258,163

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

For Solvency II purposes 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 2022 in accordance with HGB § 253 para. 2 and extrapolating these rates to 31 December 2022 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 fiscal year 2022 were applied:

	Solvency II	HGB	US GAAP
Discount rate*	1.03%	1.87%	1.03%
Future increase of salaries**	2.50%	2.50%	2.50%
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 1.6% is applied

** For the pension fund in UK a future increase of salaries of 3.3% is applied

Note 3 – Deposits from Reinsurers

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Non-Life	728	790	25,408	29,010
Life/Health	20,857	21,324	282,840	261,605
Deposits from reinsurers	**21,585**	**22,114**	**308,248**	**290,614**

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) (+)	56,240	439,024	93,114	258,523
Deferred tax liability (DTL) (-)	-621,190	0	-621,190	7,541
Total deferred taxes	**-564,950**	**439,024**	**-528,077**	**266,064**

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	440,988	0	444,500

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 have to be shown in this balance. All other amounts are reclassified to best estimate liabilities within Technical Provisions.

Note 6 – Reinsurance Payables

	GRAG Solo		GRAG Group	
	Solvency II €'000	HGB €'000	Solvency II €'000	US GAAP €'000
Reinsurance payables	0	106,739	0	239,721

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)	29,687	29,687	37,256	37,256

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 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	9,942	350	9,942	9,944

Under HGB, this balance contains deferred items only. Under US GAAP and Solvency II, this position additionally includes lease liabilities amounting to Euro 9,906 thsd following the 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 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 2022 in comparison to the prior year are disclosed in the table below:

	GRAG Solo			GRAG Group		
	2022 €'000	2021 €'000	Change €'000	2022 €'000	2021 €'000	Change €'000
Total assets	**14,927,192**	**16,485,750**	**-1,558,558**	**15,867,085**	**17,397,727**	**-1,530,642**
Total liabilities	8,568,441	10,728,711	-2,160,270	9,508,335	11,640,689	-2,132,354
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	**6,358,751**	**5,757,039**	**601,712**	**6,358,751**	**5,757,039**	**601,712**
thereof			0			0
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	5,437,577	4,835,865	601,712	5,437,577	4,835,865	601,712
thereof			0			0
Retained earnings	2,305,295	2,139,985	165,311	3,773,688	3,838,867	-65,179
Adjustment due to revaluation differences	3,132,281	2,695,880	436,401	1,828,610	1,125,593	703,017
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	**6,358,751**	**5,757,039**	**601,712**	**6,358,751**	**5,757,039**	**601,712**

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

	GRAG Solo			GRAG Group		
Differences in Equity	**2022 €'000**	**2021 €'000**	**Change €'000**	**2022 €'000**	**2021 €'000**	**Change €'000**
Shareholder's equity*	**3,226,469**	**3,061,159**	**165,311**	**4,528,430**	**4,629,735**	**-101,305**
Adjustments						
Investments	833,250	1,088,915	-255,665	20,501	30,576	-10,075
Life/Health	1,505,161	1,140,410	364,751	1,570,524	1,152,258	418,266
Property/Casualty	582,255	426,341	155,914	206,507	-43,911	250,418
Other	211,616	40,215	171,401	32,789	-11,619	44,408
• Dividend	**0**	**0**	**0**	**0**	**0**	**0**
Total adjustments	**3,132,281**	**2,695,880**	**436,401**	**1,830,321**	**1,127,304**	**703,017**
SII Own Funds	**6,358,751**	**5,757,039**	**601,712**	**6,358,751**	**5,757,039**	**601,712**

*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 2022 in comparison to the previous year:

	GRAG Solo		GRSA*		GRLA*		GRAG Group	
Solvency II Capital Requirements	**2022 €'000**	**2021 €'000**	**2022 €'000**	**2021 €'000**	**2022 €'000**	**2021 €'000**	**2022 €'000**	**2021 €'000**
Eligible own funds	6,358,751	5,757,039	77,239	72,872	116,723	132,394	6,358,751	5,757,039
SCR	2,813,443	3,212,427	306,025	321,381	102,365	130,324	3,023,742	3,401,369
Surplus capital	3,545,307	2,544,612	-228,786	-248,509	14,358	2,070	3,335,009	2,355,670
MCR	1,266,050	1,445,592	69,313	65,843	19,885	14,882	1,355,247	1,526,317
Solvency ratio	226.0%	179.2%	25.2%	22.7%	114.0%	101.6%	210.3%	169.3%
Risk modules								
Underwriting risk Life	1,734,962	1,688,209	52,949	56,641	76,076	54,473	1,854,876	1,787,659
Underwriting risk Health	1,098,469	1,187,105	43,525	46,409	70,450	76,134	1,194,973	1,262,329
Underwriting risk Non-Life	527,308	462,342	2,744	1,745	0	0	526,262	460,428
Market risk	2,101,034	2,199,110	280,272	284,932	26,558	25,940	2,152,128	2,240,972
Counterparty default risk	132,698	140,383	14,995	30,792	1,748	1,112	137,652	150,268
Diversification	-1,878,625	-1,879,534	-76,044	-89,202	-47,411	-42,366	-1,969,362	-1,955,250
Operational risk	155,979	191,675	10,142	9,593	17,348	15,031	181,490	194,243
Loss-absorbing capacity for deferred taxes	-1,058,383	-776,864	-22,559	-19,529	-42,403	0	-1,054,277	-739,281
SCR	**2,813,443**	**3,212,427**	**306,025**	**321,381**	**102,365**	**130,324**	**3,023,742**	**3,401,369**

* 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 for deferred taxes recognizing that additional deferred tax assets (DTA) will be created in case of a SCR shock event. For 2022, the loss-absorbing capacity for deferred taxes for the Group amounts to Euro 1,054,277 thsd of which, prior to diversification, GRAG contributed Euro 1,058,383 thsd, GRLA Euro 42,403 thsd and GRSA Euro 22,559 thsd. As noted in Chapter D.1 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 2022, there is no other information to be disclosed.

Abbreviations

AF	Actuarial Function
AML	Anti-Money-Laundering
AMSB	Administrative, Management and Supervisory Body
APRA	Australian Prudential Regulation Authority
ASU	Accounting Standards Update
BaFin	Federal Financial Supervisory Authority
BCM	Business Continuity Management
BSCR	Basic Solvency Capital Requirement
BEL	Best Estimate Liability
BRK	Berkshire Hathaway Inc.
CAS	Corporate Actuarial Services
CCAG	Cloud Collaborative Audit Group
CBIRC	China Banking and Insurance Regulatory Commission
CF	Compliance Function
CFT	Counter Finance Terrorism (Terrorismusfinanzierung)
CI	Critical Illness
CISA	Cyber Security and Infrastructure Security Agency
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
DA	Delegated Acts
DE&I	Diversity, Equity & Inclusion

DFSA	Dubai Financial Services Authority
DIFC	Dubai International Financial Center
D&O	Directors & Officers
DTA	Deferred tax assets
DTL	Deferred tax liabilities
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
EUDA	End User Developed Application
Faraday	Faraday MGA Ltd.
FEB	Financial Examination Bureau
FS-ISAC	Financial Services Information Sharing and Analysis Center
GDP	Gross Domestic Product
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
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
IDII	Individual Disability Income Insurance
IDW	Institute of Public Auditors in Germany, Incorporated Association
IFRS	International Financial Reporting Standard
KPI	Key Performance Indicator
LDTI	Long Duration Targeted Improvements
LGBTQ	Lesbian, Gay, Bisexual, Transgender and Queer
L/H	Life/Health
LHSM	Life Health System Migration
LoB	Line of Business
LoD	Line of Defense
LPT	Loss Portfolio Transfer
LS	Lump sume
LUCA	Life Underwriting and Claims Administration
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
NWMA	Net Worth Maintenance Agreement
OF	Own Funds
OFAC	Office of Foreign Assets Control
ORSA	Own Risk and Solvency Assessment
OSN	Overall Solvency Needs
PA	Personal accident
PCAOB	Public Company Accounting Oversight Board

P/C	Property/Casualty
PO	Principal Officer
PPP	Prudent Person Principle
QRT	Quantitative Reporting Template
RBC	Risk Based Capital
RC	Risk Committee
RM	Risk Margin
RMF	Risk Management Function
RMF	Risk Management Framework
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
TPs	Technical Provisions
TvaR	Tail Value at Risk
UK	United Kingdom
US	United States
USA	United Stated of America
US GAAP	United States Generally Accepted Accounting Principles
USPs	Undertaking Specific Parameters (Unternehmensspezifische Parameter)
VAIT	Supervisory Requirements for IT in Insurance Undertakings
VAE	Vereinigte Arabische Emirate
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 2022

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	56,240
Pension benefit surplus	**R0050**	14,070
Property, plant & equipment held for own use	**R0060**	60,240
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	7,934,102
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	268,768
Equities	**R0100**	2,636,079
Equities - listed	**R0110**	2,636,079
Equities - unlisted	**R0120**	0
Bonds	**R0130**	3,854,608
Government Bonds	**R0140**	3,797,548
Corporate Bonds	**R0150**	57,060
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	387,604
Derivatives	**R0190**	0
Deposits other than cash equivalents	**R0200**	787,027
Other investments	**R0210**	16
Assets held for index-linked and unit-linked contracts	**R0220**	0
Loans and mortgages	**R0230**	336,967
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	336,967
Reinsurance recoverables from:	**R0270**	3,693,396
Non-life and health similar to non-life	**R0280**	3,783,506
Non-life excluding health	**R0290**	3,739,197
Health similar to non-life	**R0300**	44,310
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	-90,110
Health similar to life	**R0320**	-23,794
Life excluding health and index-linked and unit-linked	**R0330**	-66,316
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	1,902,979
Insurance and intermediaries receivables	**R0360**	71,858
Reinsurance receivables	**R0370**	0
Receivables (trade, not insurance)	**R0380**	243,295
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**	603,900
Any other assets, not elsewhere shown	**R0420**	10,145
Total assets	**R0500**	14,927,192

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	5,270,249
Technical provisions – non-life (excluding health)	R0520	5,178,026
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	5,096,206
Risk margin	R0550	81,819
Technical provisions - health (similar to non-life)	R0560	92,223
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	83,348
Risk margin	R0590	8,875
Technical provisions - life (excluding index-linked and unit-linked)	R0600	1,966,878
Technical provisions - health (similar to life)	R0610	809,117
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	192,020
Risk margin	R0640	617,098
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	1,157,761
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	-60,397
Risk margin	R0680	1,218,158
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	390,824
Pension benefit obligations	R0760	258,085
Deposits from reinsurers	R0770	21,585
Deferred tax liabilities	R0780	621,190
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	29,688
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	9,942
Total liabilities	R0900	8,568,441
Excess of assets over liabilities	R1000	6,358,751

S.05.01.02_Solo – QRT Premiums, Claims and Expenses by Line of Business as at 31 December 2022

		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**		13,144		113,881	43,539	32,635	654,128	111,660	2,918
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**		3,136		19,620	-3,209	9,155	160,686	27,035	896
Net	**R0200**		10,008		94,260	46,748	23,480	493,443	84,625	2,022
Premiums earned										
Gross - Direct Business	**R0210**									
Gross - Proportional reinsurance accepted	**R0220**		13,129		167,532	87,590	32,959	606,726	102,927	2,927
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**		3,141		36,553	23,549	10,591	154,932	27,904	1,145
Net	**R0300**		9,988		130,979	64,042	22,368	451,794	75,022	1,783
Claims incurred										
Gross - Direct Business	**R0310**									
Gross - Proportional reinsurance accepted	**R0320**		6,153		148,541	69,617	17,670	377,133	36,136	-8,103
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**		251		13,995	14,788	524	39,115	-11,204	-8,538
Net	**R0400**		5,902		134,546	54,829	17,145	338,018	47,339	435
Changes in other technical provisions										
Gross - Direct Business	**R0410**									
Gross - Proportional reinsurance accepted	**R0420**									
Gross - Non- proportional reinsurance accepted	**R0430**									
Reinsurers'share	**R0440**									
Net	**R0500**		0		0	0	0	0	0	0
Expenses incurred	**R0550**		5,005	0	24,333	25,123	8,301	154,640	35,478	673
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								971,905
Gross - Non-proportional reinsurance accepted	R0130				24,206	186,407	18,274	336,353	565,241
Reinsurers' share	R0140				903	43,076	5,782	98,904	365,984
Net	R0200				23,302	143,331	12,492	237,450	1,171,161
Premiums earned									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								1,013,790
Gross - Non-proportional reinsurance accepted	R0230				27,827	199,075	18,982	326,182	572,065
Reinsurers' share	R0240				919	48,179	5,954	97,515	410,382
Net	R0300				26,908	150,896	13,027	228,668	1,175,475
Claims incurred									
Gross - Direct Business	R0310								
Gross - Proportional reinsurance accepted	R0320								647,146
Gross - Non-proportional reinsurance accepted	R0330				14,323	144,040	26,381	170,730	355,474
Reinsurers' share	R0340				-2,222	-21,085	3,184	-15,257	13,550
Net	R0400				16,546	165,125	23,197	185,988	989,070
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	1,339	25,500	2,877	48,001	331,269
Other expenses	R1200								0
Total expenses	R1300								331,269

		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**							1,112,967	1,537,148	2,650,114
Reinsurers' share	**R1420**							6,276	75,880	82,156
Net	**R1500**							1,106,691	1,461,268	2,567,958
Premiums earned										
Gross	**R1510**							1,142,898	1,538,965	2,681,863
Reinsurers' share	**R1520**							6,338	80,070	86,409
Net	**R1600**							1,136,560	1,458,895	2,595,454
Claims incurred										
Gross	**R1610**							645,458	1,117,999	1,763,457
Reinsurers' share	**R1620**							-490	16,975	16,486
Net	**R1700**							645,948	1,101,024	1,746,971
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**							357,416	281,728	639,144
Other expenses	**R2500**									
Total expenses	**R2600**									639,144

S.05.02.01_Solo – QRT Premiums, Claims and Expenses by Country as at 31 December 2022

		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		FR	IT	IT	GB	US	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	**R0110**							
Gross - Proportional reinsurance accepted	**R0120**	510,381,240	13,907,756	81,614,449	81,614,449	37,706,693	46,880,422	727,065,309
Gross - Non-proportional reinsurance accepted	**R0130**	130,320,057	43,163,548	12,480,383	12,480,383	121,267,905	7,347,289	338,096,767
Reinsurers' share	**R0140**	154,800,277	14,431,741	22,645,355	22,645,355	41,969,967	12,170,240	261,683,517
Net	**R0200**	485,901,020	42,639,563	71,449,477	71,449,477	117,004,631	42,057,471	803,478,559
Premiums earned								
Gross - Direct Business	**R0210**							
Gross - Proportional reinsurance accepted	**R0220**	501,541,023	10,427,930	76,431,333	76,431,333	64,805,156	36,760,758	724,021,248
Gross - Non-proportional reinsurance accepted	**R0230**	128,991,421	37,837,787	12,507,793	12,507,793	135,085,979	6,896,423	343,675,487
Reinsurers' share	**R0240**	155,188,034	13,237,015	26,419,308	26,419,308	53,285,930	12,300,806	274,387,354
Net	**R0300**	475,344,410	35,028,702	62,519,818	62,519,818	146,605,204	31,356,375	793,309,381
Claims incurred								
Gross - Direct Business	**R0310**							
Gross - Proportional reinsurance accepted	**R0320**	274,315,639	2,349,307	24,338,990	24,338,990	31,024,313	36,747,535	384,634,426
Gross - Non-proportional reinsurance accepted	**R0330**	102,140,155	44,633,306	-3,373,747	-3,373,747	113,260,874	10,446,795	263,355,861
Reinsurers' share	**R0340**	24,766,483	-1,481,043	-8,223,378	-8,223,378	-4,403,287	10,557,733	6,009,977
Net	**R0400**	351,689,311	48,463,656	29,188,621	29,188,621	148,688,474	36,636,597	641,980,310
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**	136,363,442	7,707,662	35,520,980	35,520,980	21,842,689	12,494,366	225,409,806
Other expenses	**R1200**							0
Total expenses	**R1300**							225,409,806

		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	MY	TW	GB	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	**R1410**	232,385,543	581,469,096	250,832,089	139,833,497	100,138,131	385,995,883	1,690,654,238
Reinsurers' share	**R1420**	7,937,886		6,466,666	0	0	132,200	14,536,752
Net	**R1500**	224,447,657	581,469,096	244,365,422	139,833,497	100,138,131	385,863,684	1,676,117,486
Premiums earned								
Gross	**R1510**	231,954,114	615,787,609	250,355,267	139,587,597	99,043,741	389,142,132	1,725,870,461
Reinsurers' share	**R1520**	7,981,597		6,528,688	0	0	121,600	14,631,885
Net	**R1600**	223,972,517	615,787,609	243,826,579	139,587,597	99,043,741	389,020,532	1,711,238,576
Claims incurred								
Gross	**R1610**	87,755,265	366,759,424	169,905,496	128,913,930	34,016,185	341,734,793	1,129,085,095
Reinsurers' share	**R1620**	1,914,756	0	-278,218	0	0	52,113	1,688,651
Net	**R1700**	85,840,509	366,759,424	170,183,714	128,913,930	34,016,185	341,682,681	1,127,396,444
Changes in other technical provisions								
Gross	**R1710**							
Reinsurers' share	**R1720**							
Net	**R1800**							
Expenses incurred	**R1900**	82,307,619	206,340,794	81,173,303	3,835,597	46,516,844	30,782,136	450,956,293
Other expenses	**R2500**							0
Total expenses	**R2600**							450,956,293

S.12.01.02_Solo – QRT Life and Health SLT Technical Provisions as at 31 December 2022

		Insurance with profit participation	Index-linked and unit-linked insurance	Index-linked and unit-linked insurance: Contracts without options and guarantees	Index-linked and unit-linked insurance: Contracts with options or guarantees	Other life insurance	Other life insurance: Contracts without options and guarantees	Other life insurance: Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**
Technical provisions calculated as a whole	**R0010**										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	**R0030**									-60,397	-60,397
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**									-66,316	-66,316
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	0		0	0		0	0	0	5,919	5,919
Risk Margin	**R0100**									1,218,158	1,218,158
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	1,157,761	1,157,761

		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**					192,020	192,020
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**					-23,794	-23,794
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**		0	0	0	215,814	215,814
Risk Margin	**R0100**					617,098	617,098
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	809,118	809,118

S.17.01.02_Solo – QRT Non-Life Technical Provisions as at 31 December 2022

		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**		-1,104		1,347	22,287	841	-5,285	-3,146	404
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**		-972		-4,599	-57,127	1,077	-21,628	-1,130	252
Net Best Estimate of Premium Provisions	**R0150**	0	-132	0	5,946	79,414	-236	16,343	-2,016	152
Claims provisions										
Gross	**R0160**		37,527		524,269	110,752	55,995	723,964	263,365	40,100
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**		25,301		419,092	170,507	37,907	341,070	202,794	32,999
Net Best Estimate of Claims Provisions	**R0250**	0	12,226	0	105,177	-59,755	18,088	382,894	60,571	7,101
Total Best estimate - gross	**R0260**		36,423		525,617	133,040	56,836	718,680	260,219	40,503
Total Best estimate - net	**R0270**	0	12,094	0	111,123	19,659	17,852	399,237	58,555	7,253
Risk margin	**R0280**		2,749		6,700	1,185	1,076	24,072	3,530	437
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	39,172	0	532,317	134,225	57,912	742,752	263,749	40,940
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	0	24,329	0	414,493	113,380	38,984	319,442	201,664	33,251
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	0	14,843	0	117,823	20,844	18,928	423,309	62,085	7,690

		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				-4,669	-11,603	141	-23,159	-23,946
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140				-67	-4,778	130	1,977	-86,865
Net Best Estimate of Premium Provisions	R0150	0	0	0	-4,602	-6,825	11	-25,136	62,919
Claims provisions									
Gross	R0160				51,594	2,534,127	74,006	787,801	5,203,500
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240				20,048	2,207,933	38,055	374,664	3,870,371
Net Best Estimate of Claims Provisions	R0250	0	0	0	31,546	326,194	35,951	413,137	1,333,130
Total Best estimate - gross	R0260				46,925	2,522,524	74,147	764,642	5,179,554
Total Best estimate - net	R0270	0	0	0	26,944	319,369	35,962	388,001	1,396,049
Risk margin	R0280				6,126	19,256	2,168	23,394	90,694
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	53,051	2,541,780	76,315	788,036	5,270,248
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	19,981	2,203,155	38,185	376,641	3,783,506
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	33,070	338,625	38,130	411,395	1,486,743

S.19.01.21_Solo – QRT Non-Life Insurance Claims as at 31 December 2022

Gross Claims Paid (non-cumulative)
(absolute amount)

	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											47,421	R0100	47,421	559,434
N-9	R0160	152,000	356,095	111,024	39,124	22,837	21,765	18,252	15,604	8,073	3,652		R0160	3,652	748,425
N-8	R0170	68,057	248,939	76,024	25,594	21,221	12,387	27,547	9,998	7,690			R0170	7,690	497,458
N-7	R0180	102,349	253,248	78,549	37,297	20,469	20,899	17,941	11,450				R0180	11,450	542,203
N-6	R0190	85,775	211,140	87,923	33,065	19,790	11,792	7,239					R0190	7,239	456,724
N-5	R0200	80,006	251,309	123,502	63,908	29,874	16,445						R0200	16,445	565,042
N-4	R0210	116,523	323,834	162,746	72,824	53,822							R0210	53,822	729,750
N-3	R0220	104,071	314,811	182,594	90,277								R0220	90,277	691,752
N-2	R0230	110,529	286,142	191,071									R0230	191,071	587,742
N-1	R0240	103,945	437,256										R0240	437,256	541,202
N	R0250	78,268											R0250	78,268	78,268
												Total	R0260	944,591	5,998,000

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	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
Prior	R0100											2,461,308	R0100	1,639,412
N-9	R0160	0	0	508,268	401,967	312,540	268,549	229,660	185,546	170,948	152,843		R0160	96,640
N-8	R0170	0	551,529	485,196	433,479	383,226	338,892	286,770	261,516	256,510			R0170	145,650
N-7	R0180	722,878	594,656	487,522	394,171	333,118	285,946	266,163	250,281				R0180	149,794
N-6	R0190	674,228	474,935	355,028	271,345	218,861	199,487	174,854					R0190	116,523
N-5	R0200	748,418	590,304	432,831	325,013	276,557	247,588						R0200	171,574
N-4	R0210	581,020	783,447	578,127	477,882	364,909							R0210	277,436
N-3	R0220	617,713	924,641	737,327	576,599								R0220	465,775
N-2	R0230	818,245	1,096,506	850,516									R0230	714,004
N-1	R0240	760,758	1,072,993										R0240	929,157
N	R0250	583,385											R0250	497,533
												Total	R0260	5,203,500

S.23.01.01_Solo – QRT Own Funds as at 31 December 2022

		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	5,437,577	5,437,577			
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	6,358,751	6,358,751	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**	6,358,751	6,358,751	0	0	0
Total available own funds to meet the MCR	**R0510**	6,358,751	6,358,751	0	0	
Total eligible own funds to meet the SCR	**R0540**	6,358,751	6,358,751	0	0	0
Total eligible own funds to meet the MCR	**R0550**	6,358,751	6,358,751	0	0	
SCR	**R0580**	2,813,443				
MCR	**R0600**	1,266,049				
Ratio of Eligible own funds to SCR	**R0620**	226%				
Ratio of Eligible own funds to MCR	**R0640**	502%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	6,358,751
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**	5,437,577
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	4,061,492
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	77,046
Total Expected profits included in future premiums (EPIFP)	**R0790**	4,138,538

S.25.01.21_Solo – QRT Solvency Capital Requirement - for Undertakings on Standard Formula as at 31 December 2022

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0120**
Market risk	**R0010**	2,101,034		
Counterparty default risk	**R0020**	132,698		
Life underwriting risk	**R0030**	1,734,962	None	
Health underwriting risk	**R0040**	1,098,469	None	
Non-life underwriting risk	**R0050**	527,308	Standard deviation for non-life gross premium risk, Standard deviation for non-life reserve risk	
Diversification	**R0060**	-1,878,625		
Intangible asset risk	**R0070**	0		
Basic Solvency Capital Requirement	**R0100**	3,715,847		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	155,979
Loss-absorbing capacity of technical provisions	**R0140**	0
Loss-absorbing capacity of deferred taxes	**R0150**	-1,058,383
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**	2,813,443
Capital add-on already set	**R0210**	0
Solvency capital requirement	**R0220**	2,813,443
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**	

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	-1,058,383
LAC DT justified by reversion of deferred tax liabilities	R0650	-647,727
LAC DT justified by reference to probable future taxable profit	R0660	-410,656
LAC DT justified by carry back, current year	R0670	0
LAC DT justified by carry back, future years	R0680	0
Maximum LAC DT	R0690	-1,109,670

S.28.01.01_Solo – QRT Minimum Capital Requirement - Only Life or only Non-Life Insurance or Reinsurance Activity as at 31 December 2022

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	**R0010**	333,520

		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**	12,094	10,008
Workers' compensation insurance and proportional reinsurance	**R0040**		
Motor vehicle liability insurance and proportional reinsurance	**R0050**	111,123	94,260
Other motor insurance and proportional reinsurance	**R0060**	19,659	46,748
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	17,851	23,480
Fire and other damage to property insurance and proportional reinsurance	**R0080**	399,237	493,443
General liability insurance and proportional reinsurance	**R0090**	58,555	84,625
Credit and suretyship insurance and proportional reinsurance	**R0100**	7,253	2,022
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**	26,944	23,302
Non-proportional casualty reinsurance	**R0150**	319,369	143,331
Non-proportional marine, aviation and transport reinsurance	**R0160**	35,961	12,492
Non-proportional property reinsurance	**R0170**	388,001	237,450

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	1,563,480

		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	221,733	
Total capital at risk for all life (re)insurance obligations	R0250		2,226,890,741

Overall MCR calculation

		C0070
Linear MCR	R0300	1,897,000
SCR	R0310	2,813,443
MCR cap	R0320	1,266,049
MCR floor	R0330	703,361
Combined MCR	R0340	1,266,049
Absolute floor of the MCR	R0350	3,600
		C0070
Minimum Capital Requirement	R0400	1,266,049

S.02.01.02_GROUP – QRT Balance Sheet as at 31 December 2022

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	0
Deferred tax assets	R0040	93,114
Pension benefit surplus	R0050	14,070
Property, plant & equipment held for own use	R0060	60,438
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	8,977,382
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	3,974
Equities	R0100	2,636,079
Equities - listed	R0110	2,636,079
Equities - unlisted	R0120	0
Bonds	R0130	5,162,682
Government Bonds	R0140	5,105,622
Corporate Bonds	R0150	57,060
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	387,604
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	787,027
Other investments	R0210	16
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	336,967
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	336,967
Reinsurance recoverables from:	R0270	3,537,197
Non-life and health similar to non-life	R0280	3,804,347
Non-life excluding health	R0290	3,760,037
Health similar to non-life	R0300	44,310
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-267,150
Health similar to life	R0320	69,635
Life excluding health and index-linked and unit-linked	R0330	-336,785
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	1,825,780
Insurance and intermediaries receivables	R0360	72,379
Reinsurance receivables	R0370	0
Receivables (trade, not insurance)	R0380	247,570
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	692,043
Any other assets, not elsewhere shown	R0420	10,145
Total assets	R0500	15,867,085

Liabilities		Solvency II value C0010
Technical provisions – non-life	R0510	5,294,841
Technical provisions – non-life (excluding health)	R0520	5,202,618
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	5,120,090
Risk margin	R0550	82,528
Technical provisions - health (similar to non-life)	R0560	92,223
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	83,348
Risk margin	R0590	8,875
Technical provisions - life (excluding index-linked and unit-linked)	R0600	2,583,842
Technical provisions - health (similar to life)	R0610	1,545,767
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	886,133
Risk margin	R0640	659,634
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	1,038,075
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	-220,435
Risk margin	R0680	1,258,510
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	394,852
Pension benefit obligations	R0760	258,163
Deposits from reinsurers	R0770	308,248
Deferred tax liabilities	R0780	621,190
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	37,256
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	9,942
Total liabilities	R0900	9,508,334
Excess of assets over liabilities	R1000	6,358,751

S.05.01.02_ GROUP – QRT Premiums, Claims and Expenses by Line of Business as at 31 December 2022

		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	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**		13,192		112,388	61,774	32,441	675,581	113,113	2,913								1,011,402
Gross - Non-proportional reinsurance accepted	**R0130**													24,308	189,151	18,076	346,687	578,221
Reinsurers' share	**R0140**		3,123		19,548	-2,768	9,528	176,760	27,228	881				903	42,965	5,831	105,343	389,343
Net	**R0200**		10,068		92,840	64,542	22,913	498,821	85,885	2,032				23,404	146,186	12,245	241,344	1,200,280
Premiums earned																		
Gross - Direct Business	**R0210**																	
Gross - Proportional reinsurance accepted	**R0220**		13,234		183,019	103,556	33,393	608,433	100,606	2,876								1,045,117
Gross - Non-proportional reinsurance accepted	**R0230**													28,030	201,470	19,278	334,165	582,944
Reinsurers' share	**R0240**		3,150		41,077	37,766	11,528	162,371	28,292	1,271				920	48,234	6,084	102,412	443,106
Net	**R0300**		10,084		141,942	65,790	21,865	446,062	72,314	1,605				27,111	153,236	13,194	231,753	1,184,956
Claims incurred																		
Gross - Direct Business	**R0310**																	
Gross - Proportional reinsurance accepted	**R0320**		6,218		151,419	70,327	18,190	400,026	36,527	-8,646								674,060
Gross - Non-proportional reinsurance accepted	**R0330**													15,053	147,033	27,143	176,619	365,848
Reinsurers' share	**R0340**		215		12,155	14,473	1,272	54,074	-11,511	-9,270				-2,354	-23,455	4,042	-12,060	27,582
Net	**R0400**		6,004		139,264	55,853	16,917	345,952	48,038	624				17,407	170,487	23,102	188,679	1,012,327
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**		4,983		34,141	25,079	7,466	140,929	30,735	450				1,249	20,885	2,426	39,555	307,898
Other expenses	**R1200**																	3,414
Total expenses	**R1300**																	311,312

		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	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health	Health reinsurance	Life reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**							1,363,171	1,975,594	3,338,764
Reinsurers' share	**R1420**							79,074	276,320	355,394
Net	**R1500**							1,284,097	1,699,274	2,983,370
Premiums earned										
Gross	**R1510**							1,393,803	1,977,863	3,371,666
Reinsurers' share	**R1520**							79,136	279,724	358,860
Net	**R1600**							1,314,667	1,698,140	3,012,806
Claims incurred										
Gross	**R1610**							891,441	1,469,734	2,361,175
Reinsurers' share	**R1620**							51,948	139,771	191,719
Net	**R1700**							839,492	1,329,964	2,169,456
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**							0	0	0
Expenses incurred	**R1900**							430,626	212,100	642,726
Other expenses	**R2500**									11,159
Total expenses	**R2600**									653,885

S.05.02.01_ GROUP – QRT Premiums, Claims and Expenses by Country as at 31 December 2022

		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		FR	IT	ES	GB	US	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	510,613	13,908	81,643	36,609	38,403	47,532	728,708
Gross - Non-proportional reinsurance accepted	R0130	130,291	43,207	12,492	23,576	125,771	7,478	342,815
Reinsurers' share	R0140	154,808	13,577	22,641	13,827	39,801	12,170	256,824
Net	R0200	486,096	43,538	71,494	46,359	124,372	42,840	814,699
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	498,582	9,258	69,720	34,089	75,630	33,243	720,522
Gross - Non-proportional reinsurance accepted	R0230	128,831	37,801	12,506	22,452	138,874	7,004	347,468
Reinsurers' share	R0240	154,800	12,770	31,320	13,264	56,041	12,301	280,495
Net	R0300	472,613	34,288	50,905	43,277	158,463	27,947	787,494
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	274,028	1,960	24,309	15,786	32,333	38,068	386,484
Gross - Non-proportional reinsurance accepted	R0330	101,919	44,884	-3,578	-4,275	116,948	10,822	266,719
Reinsurers' share	R0340	22,656	-1,807	-8,676	-15,777	-4,945	10,558	-2,008
Net	R0400	353,290	48,651	29,407	27,288	154,226	38,331	655,212
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	131,216	7,415	23,064	12,330	28,471	5,346	207,841
Other expenses	R1200							296
Total expenses	R1300							208,137

		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	211,853	435,102	606,385	250,629	231,623	397,508	2,133,099
Reinsurers' share	R1420	7,920	197,812	0	6,627	74,383	132	286,874
Net	R1500	203,932	237,290	606,385	244,002	157,240	397,376	1,846,225
Premiums earned								
Gross	R1510	211,063	434,918	642,043	250,151	230,738	400,697	2,169,609
Reinsurers' share	R1520	7,914	197,812	0	6,689	74,383	122	286,919
Net	R1600	203,149	237,106	642,043	243,462	156,355	400,575	1,882,690
Claims incurred								
Gross	R1610	70,132	349,267	383,944	174,198	208,716	357,245	1,543,502
Reinsurers' share	R1620	1,738	128,728	0	-255	46,632	43	176,886
Net	R1700	68,395	220,539	383,944	174,453	162,084	357,201	1,366,616
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900	79,667	25,608	200,470	74,690	10,228	19,509	410,172
Other expenses	R2500							2,914
Total expenses	R2600							413,086

S.23.01.22_ GROUP – QRT Own Funds as at 31 December 2022

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	55,000	55,000			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share 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					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	5,437,577	5,437,577			
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					

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
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	6,358,751	6,358,751	0	0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
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 level	R0380					
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - Total	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
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	6,358,751	6,358,751	0	0	0
Total available own funds to meet the minimum consolidated group SCR	R0530	6,358,751	6,358,751	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	6,358,751	6,358,751	0	0	0
Total eligible own funds to meet the minimum consolidated group SCR	R0570	6,358,751	6,358,751	0	0	
Minimum consolidated Group SCR	R0610	1,355,247				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	469.19%				
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	6,358,751	6,358,751	0	0	0
Group SCR	R0680	3,023,742				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	210.29%				

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	**R0700**	6,358,751				
Own shares (included as assets on the balance sheet)	**R0710**	0				
Forseeable dividends, distributions and charges	**R0720**	0				
Other basic own fund items	**R0730**	921,174				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**					
Other non available own funds	**R0750**					
Reconciliation reserve before deduction for participations in other financial sector	**R0760**	5,437,577				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	4,258,880				
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	77,046				
Total EPIFP	**R0790**	4,335,926				

S.25.01.22_ GROUP – QRT Solvency Capital Requirement - for Groups on Standard Formula as at 31 December 2022

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	2,152,128		None
Counterparty default risk	R0020	137,652		
Life underwriting risk	R0030	1,854,876	None	None
Health underwriting risk	R0040	1,194,973	None	None
Non-life underwriting risk	R0050	526,262	Standard deviation for non-life gross premium risk, standard deviation for non-life reserve risk	None
Diversification	R0060	-1,969,362		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	3,896,529		

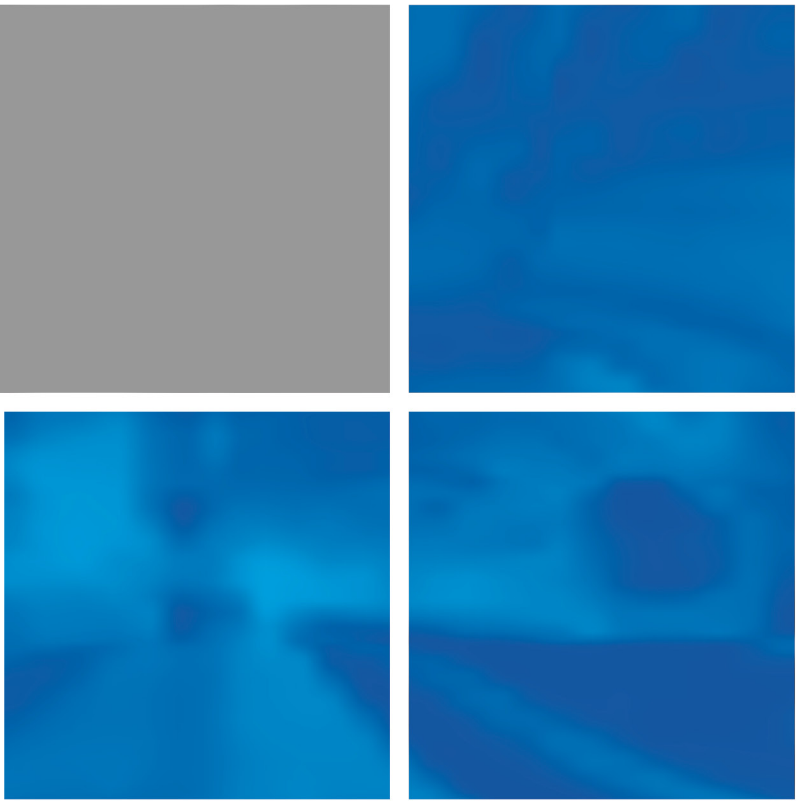
Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	181,490
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-1,054,277
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	3,023,742
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	3,023,742
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	1,355,247
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	3,023,742

S.32.01.22_ GROUP – Undertakings in the Scope of the Group as at 31 December 2022

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
DE	LEI/391200QTD6VW5OOK0Z35	LEI	General Reinsurance AG	3	Aktiengesellschaftt	2	BaFin
AU	LEI/254900FBQZ1HZJGI4B49	LEI	General Reinsurance Life Australia Ltd.	3	Aktiengesellschaftt	2	Australian Prudential Regulation Authority (APRA)
ZA	LEI/378900B024DCA3D49F94	LEI	General Reinsurance Africa Ltd	3	Aktiengesellschaftt	2	Financial Services Board (FSB)

(cont)

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



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