Genossenschaftliche FinanzGruppe
Volksbanken Raiffeisenbanken

R+V Versicherung AG

Annual Report 2022

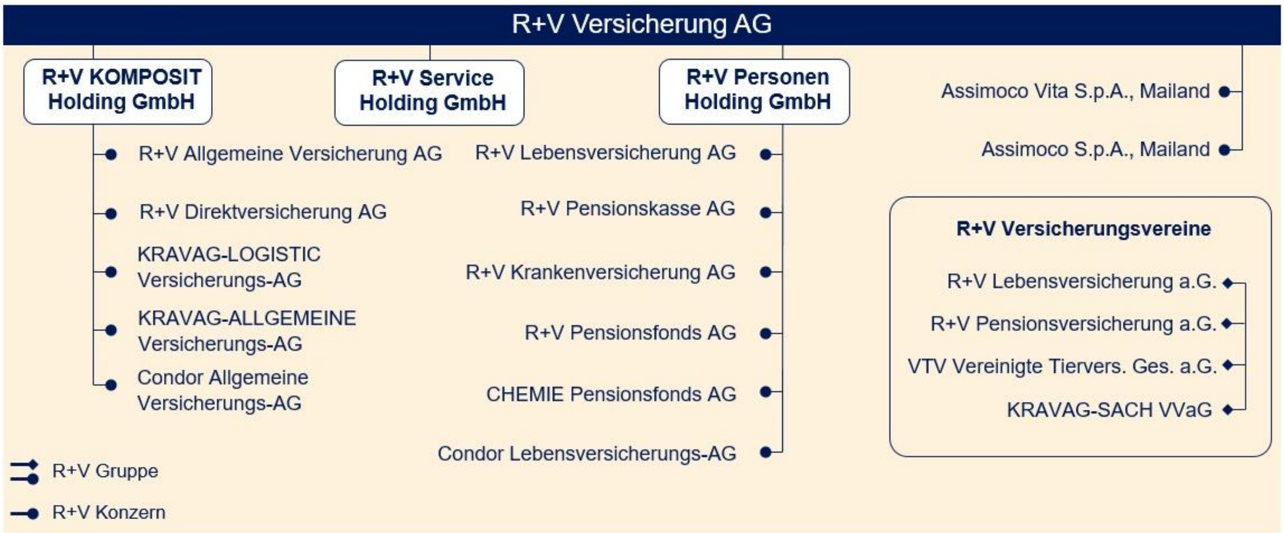
Du bist nicht allein.

R+V Versicherung AG

Annual Report 2022

Presented at the annual general meeting
on 1 June 2023

R+V Group – simplified presentation



Figures for the fiscal year

	R+V Versicherung AG	
in million Euro	**2022**	**2021**
Gross premiums written	3,513	3,537
Gross expenditure on claims for the fiscal year	2,413	3,195
Current income from capital investments	369	265
Capital investments	9,712	9,197
Employees as at 31 December (number)	899	843
Gross premiums written		
Direct domestic insurers in the R+V Group (HGB)	15,587	16,203
R+V Consolidated Group (IFRS)	18,667	19,184
Annual result - R+V Consolidated Group (IFRS) 713	-246	713
Capital investments - R+V Consolidated Group (IFRS)	108,773	131,429

Contents

For reasons of calculation, rounding differences may occur from the mathematically exact values (monetary units, percentages).

In principle, the female and male form is used in the annual report. For better readability, the masculine form is used in some parts of the text. However, the information always refers to members of all genders.

Management Report

Business and general conditions

Business activity

R+V Versicherung AG is the parent company of the R+V Group. It directly or indirectly holds a majority stake in the primary insurance companies of the R+V Group.

R+V Versicherung AG is the central reinsurer of R+V's primary insurance companies. It also operates independently on the international reinsurance market. It conducts reinsurance business worldwide in all non-life lines. The interests in Southern Africa are represented by the branch office in South Africa.

Organisational and legal structure

The majority of R+V Versicherung AG is owned by DZ BANK AG Deutsche Zentral-Genossenschaftsbank (DZ BANK AG), Frankfurt am Main. Further shares are held by other cooperative associations and institutions. The Board of Managing Directors of R+V Versicherung AG is responsible for the entire insurance business within the DZ BANK Group.

A profit and loss transfer agreement exists between R+V Versicherung AG and DZ BANK AG for the period from 1 January 2022 to 31 December 2026. The agreement shall be extended by one year at a time if it is not terminated by one of the contracting parties no later than six months prior to expiry; however, the agreement shall run until the end of 31 December 2031 at the longest.

The Annual General Meeting of R+V Versicherung AG resolved an Authorised Capital on 19 May 2022. It authorises the Board of Management, with the approval of the Supervisory Board, to increase the share capital of R+V Versicherung AG by issuing new registered no-par value shares with restricted transferability against cash contributions once or several times, excluding subscription rights for fractional amounts, by a total nominal amount of up to 66.5 million Euro, which corresponds to a total issue amount of approximately 750 million Euro. The authorised capital can be used until 30 April 2027.

The Annual General Meeting of R+V Versicherung AG also authorised the Board of Management to issue registered profit-sharing bonds in the total amount of 77.0 million Euro until 31 December 2026, excluding share-holders' statutory subscription rights.

In the financial year, the Executive Board, with the consent of the Supervisory Board, utilised a first tranche of the authorised capital to carry out a capital increase against cash contributions, excluding subscription rights for fractional amounts, with a total issue amount (including premium) of 247,478,760.00 Euro. Of this, 22,013,766.23 million Euro was accounted for by the increase in share capital, and 225,464,993.77 Euro was added to the capital reserve.

In connection with the profit and loss transfer agreement, a tax allocation agreement exists between DZ BANK AG and R+V Versicherung AG, according to which a fictitious tax assessment of the subsidiary R+V Versicherung AG is made on the basis of the applicable laws and guidelines. The tax allocation agreement places R+V Versicherung AG in the same position as if it were independently subject to tax.

The subsidiaries of R+V Versicherung AG, R+V KOMPOSIT Holding GmbH and R+V Personen Holding GmbH, bundle the participations in the subsidiaries of the property and accident insurance business and the life and health insurance business. In addition, the subsidiaries for the provision of services are combined under R+V Service Holding GmbH.

The members of the Board of Management of the R+V companies are sometimes the same person. The R+V Group is managed as a single company.

The uniform management of the R+V Group is also reflected in the extensive internal spin-off agreements concluded between the companies.

Shareholdings

The shares in R+V Versicherung AG were held directly or indirectly by the following shareholders on the balance sheet date:

- DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
- Bayerische Raiffeisen-Beteiligungs-AG, Beilngries
- GBK Holding GmbH & Co. KG, Kassel
- Beteiligungs-AG der bayerischen Volksbanken, Pöcking
- Norddeutsche Genossenschaftliche Beteiligungs-AG, Hannover
- KRAVAG-SACH Versicherung des Deutschen Kraftverkehrs VaG, Hamburg
- 469 Volksbanks and Raiffeisenbank from all regions of Germany
- 5 Shares in free float

Relationships with affiliated companies

Due to the profit and loss transfer agreement concluded with DZ BANK AG, there is no obligation to prepare a dependent company report pursuant to Section 316 AktG (Aktiengesetz [German Stock Corporation Act]).

Corporate Governance Statement

Through implementation of the Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector, the Supervisory Board and Executive Board of R+V Versicherung AG, as a company subject to codetermination, set corresponding targets for the proportion of women in 2017 with a deadline for target achievement of 30 June 2022. The following table shows the target achievement as well as the new targets set in 2022 with a deadline for target achievement of 30 June 2027.

Proportion of women

in %	Fixed target until 30 June 2022	Current share as at 30 June 2022	Fixed target until 30 June 2027
Supervisory Board	25.00	18.75	25.00
Board of Directors	12.50	25.00	25.00
First management level below the Executive Board	16.67	7.69	23.08
Second management level below the Executive Board	15.00	21.62	27.03

Non-financial reporting

Personnel report

The number of employees at R+V Versicherung AG increased by 56 to 899 compared to 843 employees in the previous year. The average length of service was around 10 years.

Sustainability report

The annual R+V Sustainability Report provides an overview of all sustainability activities. The report complies with the guidelines for sustainability reporting of the Global Reporting Initiative and thus meets globally recognised transparency standards. The complete R+V Sustainability Report is available online on the R+V homepage at:

www.nachhaltigkeitsbericht.ruv.de.

Non-financial reporting according to the CSR Directive Implementation Act

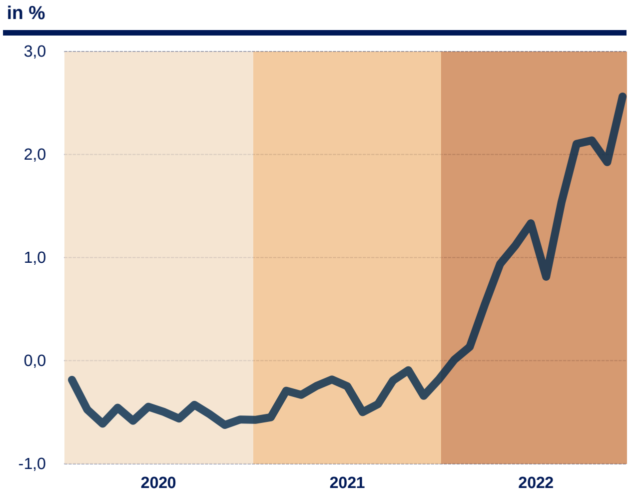
R+V Versicherung AG is included in the non-financial group report of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, and is therefore exempt from issuing its own non-financial statement. The non-financial Group report is part of the Sustainability Report of the DZ BANK Group and is available in German on the following website: www.dzbank.de/berichte.

Overall economic development

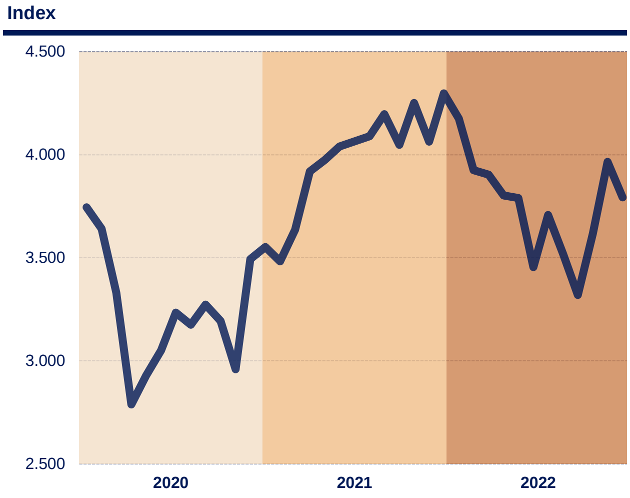
The economic development in 2022 was impacted by the war in Ukraine and a strong increase in inflation worldwide. The economic upswing driven by the expansive economic policy in the wake of the Corona pandemic continued in Germany in the first quarter of 2022. High private and government demand combined with global supply bottlenecks had a strong inflationary effect. With the outbreak of war at the end of February, raw materials, energy sources and food became more expensive and increased the inflationary pressure even more. This placed a significant burden on companies and households.

From the second quarter of the year onwards, stagflationary tendencies became apparent. In addition, the war in Ukraine turned more entrenched. Industrial production and consumption were slowed down, the foreign trade balance

Yield on Bunds - 10 years to maturity



Development of the Euro Stoxx 50 share index



became negative at times and construction activity declined significantly. Wages began to rise in a very stable labour market. Historically high inflation reached a temporary peak in the USA in the summer, while inflation in the Euro area and Germany only began to show downward trends at the end of the year. Despite the extremely challenging circumstances, Germany was able to record real gross domestic product growth of 1.8% according to the Federal Statistical Office. After adjustment of the consumer price statistics, the inflation rate averaged 6.9% for the year.

Development on the capital markets

In response to the sharp rise in inflation, central banks around the world raised interest rates and stopped buying securities. A global turnaround in interest rates began. The European Central Bank (ECB) raised the key interest rate in four steps from 0% to 2.5% in the reporting year. The US Federal Reserve (Fed) raised interest rates in seven steps from 0.25% to 4.5%. As a result, interest rates on the bond markets rose sharply in both the Euro area and the USA. The restrictive monetary policy measures, the uncertainties of the war in Ukraine as well as the worsening economic outlook caused price declines and high price fluctuations on the global stock markets.

The interest rate on ten-year federal bonds rose from negative territory by 2.7 percentage points and was 2.6% at the end of 2022. The risk premiums (spreads) of Pfandbriefe, corporate and bank bonds were quoted higher at the end of the year. The German DAX share index, which also takes dividend payments into account in addition to market development (performance index), fell by 12.3% by the end of the year compared to the previous year and was quoted at 13,923 points. The Euro Stoxx 50 share index (price index), which is decisive for the Eurozone, fell by 11.7% compared to the previous year and was quoted at 3,793 points at the end of the year.

Situation of the insurance industry

In 2022, the German insurance industry achieved a premium volume almost at the previous year's level - despite difficult overall economic conditions. As the German Insurance Association (GDV) announced at its annual media conference, German insurers collected a total of 224.3 billion Euro, 7.7% less than in the previous year.

Development of the reinsurance markets

The reinsurance markets were also affected by the war in Ukraine and its global economic repercussions. The direct claims burdens for international insurers and reinsurers made claims in individual affected lines more expensive. Losses occurred primarily in the credit and bonds segments as well as in the aviation segment. The indirect burdens resulting from the increase in claims inflation were often reflected in increases in the claims reserves.

In 2022, weather-related natural disasters kept climate change in the public consciousness. In this context, insurance and reinsurance companies continued to lead by example. By dealing with the financial consequences, and acting as shapers in sustainability initiatives and as knowledge carriers, the companies helped to address current and emerging issues.

Insured losses from natural catastrophes in the first half of 2022 were below the previous year's value, but at the same time also remained around 20% above the 10-year average. In February, Northern Europe experienced a series of hurricane-like storm events in quick succession. Storms Ylenia, Zeynep and Antonia caused insured losses of around USD 4.3 billion, especially in Germany, the Netherlands and the UK, most of which was absorbed by reinsurance companies. In eastern Australia, floods in February and March led to claims burdens of around USD 3.9 billion.

Although the number of severe hurricanes remained at a moderate level in the second half of the year, the financial impact made the season the third most expensive in history. The dominant natural disaster event in the second half of the year was the devastating Hurricane Ian, which hit the US state of Florida in particular as a storm of the second-highest category at the end of September. Heavy damage was also caused by widespread flooding in the areas around the cities of Fort Myers and Naples. With a total of about 140 fatalities and insured losses of around 60 billion US dollars, Ian represented the second most expensive hurricane loss in history after Katrina in 2005. A large part of the burden was borne by insurers and reinsurers as well as capital market-oriented providers.

According to preliminary industry estimates, both economic and corresponding insured losses from natural catastrophe events for the year as a whole were above the average of the past ten years and below those of the previous year.

Due to the loss-ridden previous years, the growing understanding of the effects of climate change and the increased inflation caused by the war in Ukraine, price increases and improvements in contract conditions were achieved across the board in the 2022 renewal rounds.

Development of individual countries and regions

In **Germany**, the year started with another series of storms. Ylenia, Zeynep and Antonia caused the third largest winter storm damage since 2002 between 16 and 21 February. The Russian war of aggression in Ukraine and the inflation trend had a considerable impact on the German insurance industry. For example, the construction cost index rose by around 15%, which is likely to lead to price increases in the future, for example in residential building insurance. Premiums in motor insurance were raised at the end of the year. Both increased costs for repairs and services as well as disrupted supply chains and increased spare parts prices were responsible for this. In the area of reinsurance, a clear hardening of the market became apparent at last at the annual meeting in Baden-Baden. In the course of the final two months of 2022, price increases were realised in property reinsurance that had not been seen on this scale for years. Claims-free covers were also affected by this development. Many reinsurance programmes had to be adjusted in terms of structure and conditions, as lower priorities could no longer be placed.

The year 2022 was dominated in the **UK** insurance market by discussions on claims taxes and original rate developments. In motor insurance, increases in repair costs of more than 10% were observed. These were driven by price increases for spare parts and labour costs, but also in the energy sector. In the settlement of bodily injury claims, inflation had an impact, especially due to rising care costs. Declining claims frequencies had a counteracting effect. In the second half of the year, insurers began to process the effects of the claims taxation in their balance sheets, and as a result slightly increased the original rates. However, these increases could not keep up with inflation. The non-life insurance sector was also characterised by inflation rates of over 10%. Storms Eunice and Franklin in the first quarter as well as several fire events due to the heat wave in the summer led to a slightly above-average property loss year.

In the **USA**, the year 2022 was again affected by an increased frequency of natural disasters. There were 18 events with a loss volume of more than one billion US dollars. While the first quarter was quiet, the second quarter was affected by a high intensity of loss events, especially in the Mid-west. Here, hailstorms as well as tornadoes and a far-reaching derecho (an extended, straight-line and long-lived storm front) caused severe property damage. At the end of September, Hurricane Ian was the largest single event. The state of Florida in particular was affected. A final major event followed around Christmas time with Winter Storm Elliott, which affected large parts of the country. A central theme of 2022, as in the other insurance and reinsurance markets, was inflation and its im-pact on reinsurance contracts and companies. In the year-end renewal round, there was a reduction in capacity as several competitors had withdrawn from the market entirely or in part, resulting in a shortage of supply, especially in the natural catastrophe segment. This situation was exacerbated by price increases in the retro market. In view of scarce capacities and losses incurred, high price increases in all segments were achieved in the contract negotiations.

In April 2022, a flood occurred in **South Afrika** that will go down in the country's history as one of the costliest natural disaster events to date. Heavy rainfall in the Kwa-Zulu-Natal region cost the lives of more than 450 people. The total economic loss from the floods and flash floods is currently estimated at USD 3.5 billion, with insured losses likely to exceed the billion-dollar threshold. De-spite the socio-economic challenges, the South African economy showed resilience and achieved unexpected growth of 1.6% in the third quarter, which was in line with the level before the start of the Corona pandemic. Like most countries, South Africa was also affected by high inflation, with inflation rates between 3 and 6% not unusual for the country. The increase was mainly due to increases in fuel costs and food. Consolidation pressure in the market increased last year. Several mergers and acquisitions took place during 2022.

After the **Italian** economy grew by more than 6% in the previous year, this growth flattened out to around 3% in 2022. The inflation rate was around 11% at the end of the year. The non-life insurance market continued its growth course and reached a plus of almost 6%. The measures already introduced during the pandemic to stimulate the economy continued to have a positive effect in this context. The market for motor liability insurance, on the other hand, recorded a decline in premiums. In part, this development was due to the decline in new vehicle registrations. In the course of the inflation-related increase in claims costs, insurers began to raise prices for motor third party liability insurance. This interrupted the trend towards falling prices that had been ongoing since 2012. The year 2022 was also marked by a high frequency of weather events. However, there were only isolated effects on the reinsurance programmes. Due to the global burden of extraordinary loss events and inflation, significant improvements in prices and conditions were achieved, especially at the end of the year.

Business performance of R+V Versicherung AG

The following explanations of the course of business and the net assets, financial position and earnings position up to 31 December 2022 take into account the currently known findings in connection with the development of inflation. For R+V Versicherung AG, the war in Ukraine does not have any direct material impact on underwriting. The effects of the war in Ukraine have been included in the valuation of the capital investments. The total investment in the countries Russian Federation, Belarus and Ukraine was completely terminated in the course of the business year.

The assumptions taken into account in the 2022 annual financial statements are based on the valuation factors and findings on the balance sheet date and are characterised by considerable uncertainties, particularly with regard to further future developments.

Business performance at a glance

For R+V Versicherung AG, the key financial performance indicators for the 2022 financial year are gross premiums written, gross expenses for insurance claims in the financial year, gross operating expenses, the capital investment result and the result before profit transfer. The development of these and other key figures is explained in more detail below.

Gross premiums written

in million Euro	2022	2021	Change
broken down by main classes of insurance			
Life	25.1	25.8	-2.7%
Accident	35.9	37.3	-3.8%
Liability	42.9	36.3	18.3%
Motor	1,293.4	1,495.5	-13.5%
Fire	923.2	937.1	-1.5%
Marine and aviation	233.7	221.6	5.5%
Other	959.3	783.0	22.5%
	3,513.5	**3,536.6**	**-0.7%**

Gross premiums written

In **accident insurance**, general accident insurance continues to be the dominant individual line within the insurance class, with a premium share of 95.0%. In addition, the insurance class includes motor accident insurance. At 94.9%, the majority of the business is with cedants outside R+V. The continuation of the more selective underwriting policy in third-party business, which was started in 2021, again led to a declining development in the financial year.

In addition to general **liability insurance** the liability insurance class also includes pharmaceutical and nuclear plant liability insurance and is predominantly underwritten with cedants outside R+V. The increase in premiums written is mainly due to general liability insurance. 30.9 million Euro or 81.0% is attributable to foreign business.

Motor insurance accounts for 36.8% of gross premiums written and is written worldwide. 35.7% of the premium volume in the class comes from R+V companies, which recorded growth of 1.2% in the domestic market. In foreign business with cedants outside R+V, the premium development was also essentially characterised by the implementation of the more restrictive underwriting policy: The focus on profitability of the contracts led to a total premium decline of 21.8%, especially in the markets of Great Britain and Italy.

As before, 99.1% of the premium volume in **fire insurance** came from cedants outside R+V. 799.7 million Euro or 86.6% is attributable to foreign business.

In **marine and aviation insurance**, aviation insurance recorded a 21.1% increase in gross premiums written to 149.5 million Euro (2021: 123.5 million Euro). In marine business, gross premiums written amounted to 84.2 million Euro, compared to 98.1 million Euro in the previous year. The most important markets for the transport business were South Korea, Belgium and Germany. In the aviation business, business in the USA continues to dominate.

The **other insurance lines** include health, legal, comprehensive home contents and home-owners' insurance, other non-life insurance, other insurance and credit and bonds insurance. Other non-life insurance includes burglary and theft, engineering, water damage, glass, storm, hail, livestock and nuclear plant property insurance. Other insurance includes the classes of all risks and fidelity guarantee as well as motor vehicle warranty. The increase in premiums mainly results from the lines of credit and bonds insurance, storm and comprehensive home-owners insurance.

Gross expenses for insurance claims for the financial year

Claims expenses for the financial year

in million Euro	2022	2021	Change
broken down by main classes of insurance			
Life	21.5	23.5	-8.5%
Accident	23.1	29.5	-21.6%
Liability	25.2	24.8	1.7%
Motor	1,040.4	1,202.8	-13.5%
Fire	606.6	893.7	-32.1%
Marine and aviation	100.6	91.8	9.6%
Other	595.6	928.7	-35.9%
	2,413.0	**3,194.7**	**-24.5%**

In **accident insurance**, the gross loss ratio on the balance sheet was 61.1% (2021: 68.6%). The claims experience is mainly characterised by third-party business. The declining premium development led to a significant reduction in the claims expenses for the financial year.

In **liability insurance**, the claims experience resulted mainly from third-party business. The claims expenses for the financial year increased by 1.7% compared to the previous year. Together with the run-off result of the loss reserves taken over from the previous year, this resulted in a gross loss ratio of 87.4% (2021: 84.5%).

In **motor insurance**, the claims expenses for the financial year decreased in line with the decline in premiums written due to the more selective underwriting policy. The claims ratio for the financial year was 80.0% (2021: 79.4%). In conjunction with the run-off result of the loss reserves taken over from the previous year, the gross loss ratio in the balance sheet was 81.6% (2021: 80.9%).

In **fire insurance**, the claims expenditure for the financial year fell by 32.1% compared to the previous year, which was characterised in particular by various severe weather events in Germany and the USA. The gross loss ratio on the balance sheet was 70.3% (2021: 96.4%).

In **marine and aviation insurance**, the claims expenditure for the financial year in the aviation class followed the premium development and increased compared to the previous year. In marine insurance, the claims experience also followed the premium development and recorded a decrease compared to the previous year. In conjunction with the run-off result of the reserves taken over from the previous year, the gross claims ratio was 69.3% (2021: 67.4%).

The claims experience in the **other insurance classes** was mainly affected by the classes of comprehensive homeowners' insurance, credit and bonds insurance and windstorm. The comprehensive homeowners' insurance line showed a decline in claims expenses for the financial year, after the previous year had been impacted by the natural hazard claims burden in the group business as a result of the severe weather events. The gross loss ratio on the balance sheet improved to 38.1% (2021: 669.5%). Credit and bonds insurance recorded an in-crease in the financial year loss expenses. In conjunction with a decline in the run-off result, the balance sheet gross loss ratio for credit and bonds insurance was 41.3% (2021: 26.3%). With a gross loss ratio on the balance sheet of 100.1% after 139.8%, the claims experience in windstorm insurance developed positively, after various windstorm events in the USA in particular had had a negative impact in the previous year.

Gross operating expenses

Gross operating expenses decreased by - 4.6% compared to the previous year and amounted to 840.9 million Euro (2021: 881.3 million Euro). The gross expense ratio was 23.8% (2021: 24.7%).

The gross combined ratio improved from 117.5% in the previous year to 97.7%, and the gross combined ratio for the entire non-life segment was 97.8% (2021: 117.7%).

Underwriting result for own account

Underwriting result for own account

in million Euro	2022	2021	Change
broken down by main classes of insurance			
Life	4.2	4.9	-14.2%
Accident	0.7	3.6	-79.6%
Liability	-1.5	1.2	-226.1%
Motor	34.2	20.3	68.3%
Fire	-85.1	-96.8	-12.0%
Marine and aviation	-11.2	5.0	-324.1%
Other	-97.0	10.0	-1069.6%
	-155.6	**-51.7**	**200.7%**

After an allocation to the equalisation provision and similar provisions of 141.1 million Euro (2021: 137.9 million Euro), the technical result for own account was - 155.6 million Euro (2021: - 51.7 million Euro).

In the other insurance lines, the result was mainly due to the storm lines with - 74.2 million Euro (2021: - 10.7 million Euro) and credit/ bonds with - 18.9 million Euro (2021: - 2.7 million Euro).

Non-technical result

The non-technical result, which consists of the capital investment result and the other result, amounted to 275.3 million Euro (2021: 214.8 million Euro).

Result from ordinary activities

The financial year closed with a profit on ordinary activities of 119.7 million Euro (2021: 163.0 million Euro).

Earnings position

in million Euro	2022 Total gross	Thereof group gross	Thereof third-party gross	2021 Total gross	Thereof group gross	Thereof third-party gross
Premiums written	3,513.5	555.4	2,958.1	3,536.6	516.2	3,020.4
Domestic	815.8	546.6	269.2	754.8	506.7	248.1
Foreign	2,697.7	8.8	2,688.9	2,781.8	9.5	2,772.3
Losses	2,605.3	442.6	2,162.8	3,304.6	932.0	2,372.6
Domestic	632.7	436.6	196.1	1,189.9	926.6	263.3
Foreign	1,972.7	6.0	1,966.7	2,114.7	5.5	2,109.3
Costs	840.9	87.6	753.3	881.3	88.2	793.1
Domestic	153.3	86.5	66.8	155.0	86.7	68.3
Foreign	687.6	1.1	686.5	726.3	1.5	724.7
Results before equalisation provision	79.6	25.4	54.2	-627.6	-505.9	-121.7
Domestic	28.5	22.6	5.9	-586.2	-508.0	-78.2
Foreign	51.1	2.8	48.3	-41.5	2.0	-43.5

Premium income

Adjusted for the foreign currency effect, the gross premium decline was - 1.3%. The share of non-proportional reinsurance in gross premium income was 29.7% (2021: 27.8%).

The domestic group business achieved gross premiums written of 546.6 million Euro, above the previous year's level (2021: 506.7 million Euro). The increase resulted in particular from the homeowners' comprehensive insurance and the motor lines of business.

In third-party business, gross premiums written from domestic cedants increased from 248.1 million Euro to 269.2 million Euro. This development is mainly due to fire insurance and other non-life insurance. The insurance class of credit and bonds insurance in particular developed in the opposite direction.

At 2,697.7 million Euro, foreign business accounted for 76.8% (2021: 78.7%) of total premiums written. The decrease of -84.0 million Euro is mainly due to contracts with cedants in Great Britain and South Africa.

Overall, gross premiums written decreased by - 0.7% to 3,513.5 million Euro (2021: 3,536.6 million Euro). Net premiums written followed this trend (3,356.8 million Euro after 3,444.3 million Euro, - 2.5%). The retention rate was 95.5% (2021: 97.4 %).

Insurance benefit

The gross claims ratio for the financial year was 68.4% (2021: 89.7%) for the total business. The gross loss ratio on the balance sheet was 73.9% after 92.8% in the previous year. After taking retrocessions into account, the balance sheet net claims ratio was 75.7% (2021: 72.1%).

In the non-life segment, the gross claims ratio for the financial year was 68.3% after 89.7% in the previous year; the gross claims ratio on the balance sheet was 74.0% after 93.0% in the previous year.

For the Group business, the gross claims ratio for the financial year in the non-life segment was 74.8%, compared to 190.8% in the previous year; the gross claims ratio on the balance sheet was 81.0% (2021: 186.8%). After taking retrocessions into account, the balance sheet net claims ratio was 87.3% (2021: 58.2%).

In third-party business, the fiscal year loss ratio in the non-life segment was 67.1%, compared to 73.3% in the previous year; the gross loss ratio on the balance sheet was 72.8% (2021: 77.8%).

The gross major loss burden (losses greater than 3.0 million Euro) in third-party business was 691.6 million Euro as at 31 December 2022, corresponding to 19.7% (2021: 19.1%) of gross premiums written.

Operating expenses

Gross operating expenses decreased by - 4.6% compared to the previous year and amounted to 840.9 million Euro (2021: 881.3 million Euro). In relation to the gross earned premiums, the gross expense ratio was 23.8% (2021: 24.7%).

The gross combined ratio improved from 117.5% in the previous year to 97.7%, and the gross combined ratio for the non-life segment was 97.8% (2021: 117.7%).

Underwriting result

The gross technical result amounted to 79.6 million Euro (2021: - 627.6 million Euro). Including retrocession, the net technical result before changes in equalisation provisions and similar provisions was - 14.5 million Euro (2021: 86.1 million Euro).

141.1 million Euro was allocated to the equalisation provision and similar provisions (2021: 137.9 million Euro).

The technical result for own account then amounted to - 155.6 million Euro (2021: - 51.7 million Euro).

Result from capital investments

R+V Versicherung AG generated ordinary income of 368.8 million Euro from its capital investments. Less ordinary expenses of 21.7 million Euro and taking into account scheduled real estate depreciation of 64.5 thousand, the ordinary result was 347.1 million Euro (2021: 244.3 million Euro).

There were write-downs of 13.8 million Euro on the capital investments of R+V Versicherung AG. Write-ups of 23.2 million Euro were made due to reversals of impairment losses. R+V Versicherung AG achieved capital gains of 7.2 million Euro from the sale of assets, which were offset by capital losses of 0.4 million Euro. The balance of write-ups and write-downs and the gains and losses on disposals resulted in an extraordinary result of 16.1 million Euro (2021: 6.6 million Euro).

The net result from capital investments as the difference between the ordinary and extraordinary result thus amounted to 363.2 million Euro for the 2022 financial year, compared to 251.0 million Euro in the previous year. The net interest rate was 3.8% (2021: 2.9 %).

Other result

Other income amounted to 72.5 million Euro in the financial year (2021: 67.5 million Euro). A significant component was service and interest income as well as exchange rate gains from foreign currencies. The increase compared to the previous year is due in particular to higher income from services.

Other expenses of 164.6 million Euro (2021: 109.5 million Euro) mainly comprised operating costs, which are offset by income from recharges to Group companies, interest and consulting expenses, exchange rate losses from foreign currencies, and association and member-ship fees. The development in 2022 was characterised in particular by higher general costs as well as write-offs of receivables and higher exchange rate losses due to the reporting date.

Extraordinary result

There were no extraordinary income and expenses for the reporting year.

Overall result

The result from ordinary activities was 119.7 million Euro (2021: 163.0 million Euro). Taking into account a total tax expense (including allocations) of 84.1 million Euro (2021: 87.2 million Euro), the profit transfer agreement concluded with DZ BANK resulted in a profit transfer of 36.4 million Euro (2021: 75.8 million Euro).

Financial position

Capital structure

In the financial year, the Executive Board, using the Authorised Capital and with the consent of the Supervisory Board, resolved a capital increase against cash contributions with a total issue amount of 247.5 million Euro by issuing new registered no-par value shares. As a result of the capital increase, the subscribed capital rose to 374.2 million Euro (2021: 352.2 million Euro) and the capital reserves to 1,858.4 million Euro (2021: 1,632.9 million Euro).

The equity of R+V Versicherung AG thus amounted to 2,397.3 million Euro as at the balance sheet date (2021: 2,149.8 million Euro).

The guarantee funds increased by 511.0 million Euro to 9,726.8 million Euro, so that the guarantee funds ratio amounted to 289.8% (2021: 267.6%). The equity ratio in relation to net premiums written was 71.4% (2021: 62.4%).

Guarantee funds

in million Euro	2022	2021
Share capital	374.2	352.2
Capital reserves	1,858.4	1,632.9
Retained earnings	164.7	164.7
Net retained profits	-	-
Shareholders´ equity	**2,397.3**	**2,149.8**
Unearned premium reserves	162.0	173.9
Actuarial reserves	16.6	17.6
Provisions for outstanding claims	6,096.8	5,960.0
Provisions for premium funds	4.9	5.6
Equalisation provision and similar provisions	1,045.3	904.2
Other technical provisions	3.9	4.7
Total technical provisions	7,329.5	7,066.0
Guarantee funds	**9,726.8**	**9,215.8**

Net worth

Capital investment portfolio

The capital investments of R+V Versicherung AG increased by 514.5 million Euro or 5.6% in the 2022 financial year. The book value of the capital investments (excluding deposits retained on assumed reinsurance) thus amounted to 9,711.7 million Euro as at 31 December 2022. R+V Versicherung AG invested the funds available for new investments primarily in bonds in the past financial year. In doing so, it diversified primarily into government and financial bonds. In order to reduce the default risk, attention was paid to a good credit rating of the issuers. In addition, funds were allocated to bond and mixed special funds. Furthermore, the company has made alternative equity and debt investments. Furthermore, time deposits were held in the portfolio as of the reporting date. The calculated equity ratio at market value was 2.2% as at 31 December 2022 (2021: 2.7%).

The reserve ratio in relation to the total capital investments as at 31 December 2022 was 18.1% (2021: 32.0%) and was dominated by the investment position. Against the backdrop of the sharp rise in interest rates in 2022, the hidden liabilities increased to 733.8 million Euro (2021: 33.7 million Euro) in application of the valuation rule pursuant to Section 341b (2) HGB for securities held as fixed assets.

Technical provisions

Gross technical provisions decreased by 0.6% to 7,707.0 million Euro (2021: 7,750.4 million Euro). After deduction of the shares attributable to retrocessionaires, the net technical provisions amounted to Euro 7,329.5 million Euro (2021: 7,066.0 million Euro). In relation to the premium written for own account, this corresponded to a ratio of 218.4% (2021: 205.2%).

The net provisions for outstanding claims correspond to 55.1% (2021: 56.0%) of the balance sheet total. Their volume increased by 2.3% to 6,096.8 million Euro (2021: 5,960.0 million Euro).

Opportunity and risk report

Risk management system

The objective of risk management at R+V Versicherung AG is to ensure that the obligations arising from the insurance policies can be fulfilled on a permanent basis for the entire business activity, in particular solvency and long-term risk- bearing capacity, the formation of sufficient technical provisions, capital investment in appropriate assets, compliance with commercial principles including proper business organisation and compliance with the other financial principles of business operations.

Risks arise from adverse developments for the net assets, financial position or earnings position and consist of the danger of future losses.

The risk management process in accordance with ORSA (Own Risk and Solvency Assessment) includes the identification, analysis and assessment, control and monitoring as well as reporting and communication of risks. Participations are also included in the risk management of R+V Versicherung AG.

The risk inventory, which takes place once a year, aims to identify risks and assess their materiality. The results of the risk inventory are recorded in the risk profile. The main risks are presented in this opportunity and risk report and measures to limit them are explained.

The economic risk-bearing capacity is assessed annually. The regulatory risk-bearing capacity and all material risks are assessed quarterly by the Risk Commission. This also includes the review of bindingly defined key figures and threshold values. If a defined index value is exceeded, measures are to be reviewed and initiated if necessary. In the event of significant changes in risks, reports are to be submitted to the Board of Management. The risk-relevant corporate information is made available to the responsible supervisory committees on a quarterly basis as well as on an ad hoc basis as needed.

Governance structure

Risk management at R+V Versicherung AG is an integral part of the corporate management and governance structure. It is based on three interconnected so-called lines of defence embedded in the control and monitoring system in the form of Operational Risk Management, Risk Monitoring and Internal Audit.

Risk management (1st line of defence) is the operational implementation of the risk strategy in the risk-bearing business units. The operative business units make decisions on the conscious assumption or avoidance of risks. In doing so, they have to observe the given framework conditions and risk limits.

Risk monitoring tasks (2nd line of defence) are carried out at R+V by the key functions risk management function (referred to in the VAG as independent risk controlling function), compliance function and actuarial function. In the sense of a consistent risk management system, there is a close exchange between the aforementioned functions.

R+V's risk management function supports the Board of Management and the other functions in the operation of the risk management system and monitors both it and the risk profile. At R+V, the risk management function consists of overall risk management at the central level and departmental risk management at the decentralised level. It is responsible for identifying, analysing and evaluating risks as part of the risk management process in accordance with ORSA. This includes the early detection, complete recording and internal monitoring of all material risks. In doing so, the risk management function sets basic guidelines for the risk assessment methods to be applied. In addition, the risk management function reports risks to the Risk Commission, the Board of Management and the Supervisory Board. The holder of the risk management function reports directly to the Board of Management.

The primary task of the compliance function is to monitor compliance with external requirements. It also checks whether the internal procedures are adequate to ensure compliance with the external requirements. In addition, it advises the Board of Management on compliance with the laws and administrative regulations applicable to the operation of the insurance business, assesses the potential impact of changes in the legal environment for the company and identifies and assesses the risk associated with the violation of legal requirements (compliance risk). Due to the over-arching organisation of the business processes, the compliance function is performed across the company by a central compliance office in cooperation with decentralised compliance offices of the R+V Versicherung AG Board of Management departments. The quarterly compliance conference is the central coordination and reporting body of the compliance function. The activities of the central and decentralised compliance units are reported and coordinated there and relevant incidents are dealt with. The compliance conference is also where information is exchanged and interaction with the other key functions takes place. In the event of particularly serious violations, ad hoc reports are made to the central compliance unit. The holder of the compliance function reports directly to the Board of Management and is organisationally assigned directly to the Chairman of the Board of Management of R+V Versicherung AG.

The actuarial function is primarily entrusted with control tasks with regard to the proper formation of technical provisions in the solvency statement. Specifically, it coordinates the calculation of technical provisions and ensures the appropriateness of the assumptions, methods and models underlying the calculation. It also assesses the quality of the data and information technology systems used in the calculation of technical provisions. At least once a year, the actuarial function reports in writing to the Executive Board. In addition, the actuarial function issues an opinion on the general underwriting and acceptance policy and the adequacy of reinsurance arrangements. The assessment of the adequacy of the technical provisions and the opinion on the general underwriting and acceptance policy also include an assessment with regard to sustainability risks. In organisational terms, the actuarial function at R+V is located at company level.

The key function of auditing (3rd line of defence) at R+V is carried out by the Group audit department. This audits compliance with the regulations of the risk management system and their effectiveness. The Group audit department is a function that is independent of the operative business divisions and organisationally autonomous. It reports to the Board of Management and is organisationally directly assigned to the Chairman of the Board of management of R+V Versicherung AG. Measures are agreed upon to remedy any deficits that are identified and are followed up by the Group audit department.

Risk strategy

The principles of risk management are based on the risk strategy of R+V Versicherung AG, which is adopted and updated annually and is closely linked to the business strategy. The strategic risk objectives of R+V Versicherung AG provide for the conscious and calculated assumption of risks within the framework of the defined risk appetite in order to be able to exploit earnings opportunities. All significant risks of R+V Versicherung AG are the subject of the risk strategy.

The objective of risk management is to ensure a broad risk balance across all lines of business and a worldwide territorial diversification as well as portfolio optimisation according to income and risk aspects.

The risk strategy for capital investments aims to ensure a high degree of stability in the contributions to the balance sheet result from capital investments by using diversification effects. Compliance with the risk policy objectives is also taken into account in the strategic asset allocation.

Asset liability management (ALM) at R+V is therefore an integral part of corporate management and serves to ensure profitability and financial stability as well as the ability to meet the insurance obligations entered into at all times. The aim is to match the liquidity, return and risk characteristics of the capital investments with the liquidity needs, financing requirements and risk character of the technical liabilities.

Opportunity management

R+V Versicherung AG sees profitability impulses in the individual reinsurance markets. In this context, a differentiated market development is carried out with a view to a balanced and profitable portfolio.

In the past, R+V Versicherung AG was able to exploit growth potential and expand its market position. In the coming years, the reinsurance segment is expected to contribute to an increase in results, taking into account the current macroeconomic framework conditions, appropriate portfolio management and further positive price developments on the reinsurance markets.

Due to the business model and the existing risk-bearing capacity, R+V is able to take advantage of opportunities in capital investment, especially from investments with a long-er time horizon and higher return potential, largely independent of short-term capital market fluctuations. R+V reduces risks from potential adverse capital market developments through broad diversification.

In order to position itself in the competitive environment and to assess its long-term financial strength, R+V Versicherung AG undergoes an annual interactive process to assess its financial strength (financial strength rating) by the rating agency S&P Global Ratings (S&P). In accordance with its publicly available methodology, the analyst firm takes into account the close integration of R+V Versicherung AG into the DZ BANK Group and, on a higher level, into the entire Volksbanken Raiffeisenbanken Cooperative Financial Network (Genossenschaftliche FinanzGruppe). As a result of this connection with the Cooperative Financial Network, S&P assigns a network rating that has a direct impact on the financial strength rating of R+V Versicherung AG.

S&P last confirmed the financial strength rating for R+V Versicherung AG at the A+ rating level in May 2022 and also left the outlook at stable. Due to the connection within the Cooperative Financial Network, the S&P financial strength rating for R+V Versicherung AG automatically follows the network rating in the sense of the method described.

Risk-bearing capacity

The risk-bearing capacity is represented by the ratio of own funds to the risks resulting from the business activity. The regulatory risk-bearing capacity is determined using the standard formula according to Solvency II. The risk capital requirement (SCR: Solvency Capital Requirement) is calculated as value-at-risk with a confidence level of 99.5%. The Quantification of the overall solvency needs (OSN) as part of the economic risk-bearing capacity is generally performed according to the risk types for the standard Solvency II formula. Risk diversification, which is an essential aspect of an insurance company's business model, is taken into account in the calculations.

The appropriateness of the risk quantification procedure is reviewed annually and, if necessary, on an ad hoc basis by Risk Management.

In the 2022 financial year, R+V Versicherung AG fulfilled the regulatory solvency requirements according to Solvency II. The capital market scenarios applied within the frame-work of internal planning show that the regulatory risk-bearing capacity of R+V Versicherung AG will be above the legal requirements as of 31 December 2023.

The analysis of the economic risk-bearing capacity also shows that the own funds of R+V Versicherung AG exceed the total solvency requirement as at 31 December 2022.

Regulatory and macroeconomic risk factors

R+V is exposed to possible changes in the regulatory framework. In principle, the subject of regulation can be standards under supervisory law, commercial law, capital market law, stock corporation law and tax law.

In addition, R+V is subject to a number of macroeconomic risk factors that can have a negative impact on growth and the economy.

This relates to a possible further escalation of the war in Ukraine and a resulting energy shortage, a further rise in interest rates beyond the expected level, and the risk that increased inflation could lead to a phase of stagflation. Other macroeconomic risk factors include international trade conflicts, the vulnerability of international supply chains, economic divergences in the euro area, corrections in the real estate markets and geopolitical tensions.

Sustainability risks

Sustainability risks can represent risk factors for existing risk types and are taken into account in these. Sustainability risks are defined as events or conditions from the areas of climate and environment, social or corporate governance (ESG risks: Environment, Social, Governance), the occurrence of which could have an actual or potential negative impact on the value of the investment or on the value of the liability as well as on the reputation.

R+V does not consider sustainability risks to be a separate type of risk.

From a climate and environmental perspective, both physical and transitory risks are significant. Physical climate and environmental risks can be acute events such as the in-creased occurrence of natural disasters or negative effects due to permanent climate change.

Transitory risks can arise in the context of the shift to a lower-carbon and more environmentally sustainable economy. They are often associated with changes in legislation and consumer behaviour.

Damage caused by climate change and the transformation to a low-emission economy can have significant negative consequences for the real economy and the financial system.

Physical climate risks are of particular importance for the catastrophe risk, which is a manifestation of the non-life underwriting risk. In particular, the actual claims burden from the amount and frequency of claims in a year can exceed the expected burden.

Furthermore, physical climate risks that occur as environmental events can trigger operational risks caused by buildings being unusable or IT infrastructure failing.

Transitory climate risks can primarily be reflected in R+V's market risk with possible negative changes in the market values of capital investments or the default probabilities of counterparties.

Social risks can arise from inadequate standards for the protection of employees' fundamental rights or for their inclusion, as well as from inappropriate customer practices. These include violations of labour law, occupational health and safety standards. Furthermore, social risks can be caused by abusive business practices towards customers, especially if this leads to a change in customer and demand behaviour in the long term.

Corporate governance risks arise, for example, from inadequate or non-transparent governance structures or insufficient measures to combat money laundering and all forms of corruption.

Social risks and corporate governance risks can have a negative impact on R+V's reputation.

Underwriting risk

The underwriting risk is the risk that, due to chance, error or change, the actual expenditure for claims and benefits deviates from the expected expenditure.

For R+V Versicherung AG, it essentially consists of the premium and reserve risk as well as the non-life catastrophe risk. The premium risk records the negative deviation of the underwriting result from the expectation for future obligations. The reserve risk arises from the uncertainty of predicting the settlement of claims that have already occurred.

R+V counters the premium and reserve risk by continuously monitoring the economic and political situation and managing the risk in accordance with its strategic orientation, taking into account risk-based pricing. Risk management is carried out through a profit-oriented underwriting policy. Risks are assumed within binding underwriting guidelines and limits, which limit liabilities in both the individual loss and accumulation loss areas. In recent years, cyber and pandemic exclusions have been included in the policy terms and conditions. When underwriting risks, R+V takes into account the economic cost of capital. Compliance with these requirements is monitored.

The main underwriting risks in the assumed reinsurance portfolio lie in the catastrophe and long-tail risks (for example in credit and bonds reinsurance), the reserve risk and, in addition, in serious changes in the basic trends of the primary markets.

Due to the advancing digitalisation, the significance of cyber risks within insurance technology is growing. There is a risk that cyber risks are not or only incompletely mentioned as a cause of loss in the insurance conditions or are not explicitly included or excluded (silent cyber risk). Through regular review and the use of exclusion clauses, the cyber risk could be greatly reduced.

The actual and potential exposure from the amount and frequency of natural disaster losses is recorded and assessed using standard market software and additionally through our own verifications. The possible risk concentrations from natural disaster risks in the portfolio are continuously monitored.

Limits are used for the central control and limitation of accumulation risks from individual natural hazards. One instrument for risk management is the systematic accumulation control of the approved limits for natural disaster risks. The modelled exposures were within the approved limits.

Risk mitigation measures include, among other things, the management of retention and retrocession, taking into account the risk-bearing capacity and the effective retrocession costs. Minimum requirements regarding the creditworthiness of the retrocessionaires apply. Several retrocession contracts exist for the assumed reinsurance business to cover peak risks from natural disasters in Europe, the United States and other exposed regions of the world. Permanent monitoring of loss developments enables the derivation of preventive measures to achieve a sufficient reserve level. The monitoring of the reserve position is carried out, among other things, through the annual preparation of a reserve appraisal.

In the financial year, R+V Versicherung AG imposed extensive underwriting restrictions with regard to Russian and Ukrainian counterparties for the credit insurance policies attributable to the reinsurance business. In the reporting period, claims notifications were registered on a minor scale for the above-mentioned counterparties. The war in Ukraine did not lead to any significant increase in the non-life underwriting risk, which reflects the risks from credit insurance.

Market risk

Market risk is the risk arising from fluctuations in the level or volatility of market prices for the assets, liabilities and financial instruments that affect the value of the company's assets and liabilities. It reflects the structural mismatch between assets and liabilities, particularly with regard to their maturity.

The market risk is made up of the sub-categories interest rate, spread, equity, currency, real estate and concentration risk. Participation risks are the subject of the equity risk.

Capital investment risks are managed within the guidelines set by the European Insurance and Occupational Pensions Authority (EIOPA), the provisions of the German Insurance Supervision Act (VAG), the regulatory circulars and the internal investment guidelines. Compliance with the internal regulations in the risk management guideline for investment risk as well as the other regulatory investment principles and regulations is ensured at R+V Versicherung AG through investment management, internal control procedures, a perspective investment policy and other organisational measures. In this context, the management of risks includes both economic and balance sheet aspects. At the organisational level, R+V Versicherung AG counters investment risks through a functional separation of investment, settlement and controlling.

As a matter of principle, R+V Versicherung AG counters capital investment risks by observing the principle of the greatest possible security and profitability while ensuring liquidity at all times in order to guarantee the quality of the portfolio. By mixing and spreading the capital investments, the investment policy of R+V Versicherung AG is intended to take account of the goal of risk reduction.

In addition to diversification across maturities, issuers, countries, counterparties and asset classes, limits are used to limit risks.

At R+V Versicherung AG, ALM studies are carried out. With the help of stress tests and scenario analyses, the necessary amount of hedging funds to maintain solvency is continuously reviewed. In particular, the effects of a further rise in interest rates and volatile capital markets are examined.

R+V Versicherung AG uses derivative instruments to manage market risks.

When managing interest rate risks, R+V Versicherung AG pays attention to a mix and spread of capital investments combined with duration management that takes the structure of the obligations into account and balanced risk-taking in selected asset classes. In addition, the acquisition of advance purchases serves to stabilise the investment and manage interest rate and duration developments.

In the spread risk, default risks and migration risks are also considered. The credit spread is the interest rate difference between a risky and a risk-free bond investment. When managing spread risks, R+V Versicherung AG pays particular attention to a high credit rating of the investments, whereby the majority of the bond portfolios are invested in the investment grade range. The use of external credit risk assessments and the company's own expert ratings, which are in some cases stricter than the credit ratings available on the market, further reduces risks.

The capital markets are significantly affected by the outbreak of war in Ukraine as well as by inflation fears. The resulting rise in interest rates and the widening of risk premiums for bonds are leading to a considerable decline in the market values of the capital investments. Such negative market value developments can result in temporary or, if disposal is necessary, permanent burdens on earnings.

Participation risks arise for R+V Versicherung AG in particular through strategic participations in life insurance companies of the R+V Group.

The capital investment portfolio is regularly assessed using sustainability indicators, including ESG scores obtained from external data providers. Assessments of climate risks, controversies and normative violations, such as the UN Global Compact, are used for this purpose. The goal of "climate neutrality by 2050" has been set for the capital investment. This includes already defined CO2 targets for the asset classes corporate bonds and equities as well as the specification of concrete targets for other asset classes as soon as this is possible. To mitigate ESG risks, engagement processes can be undertaken with individual issuers.

Default risks consist of a possible deterioration in the economic circumstances of issuers or debtors and the resulting risk of partial or total default on receivables or impairments due to creditworthiness. The capital investments of R+V Versicherung AG generally have a high credit rating and a solid collateralisation structure. In the dominant sectors of the public sector and the financial sector, these are in particular receivables in the form of government bonds and legally secured German and European Pfandbriefe.

Equity risks are reduced through diversification in various equity asset classes and regions.

At R+V Versicherung AG, shares are used as part of a long-term investment strategy to ensure that obligations to cedants can be met. There is no claim to achieve profits from short-term fluctuations through realisations. Due to the broadly diversified capital investment portfolio, the risk of having to sell shares at an unfavourable time is reduced.

As part of its function as the parent company of the R+V Group, R+V Versicherung AG directly or indirectly holds the majority of shares in the companies of the R+V Group as strategic participations. These participations account for the vast majority of the capital investment portfolio. The market risk from these participations is shown in the risk calculation as part of the equity risk. In order to limit the risks from these participations, the acquisition, portfolio and basic orientation of the participations are consciously controlled taking into account all framework conditions.

Currency risks result from exchange rate fluctuations either from capital investments held in foreign currencies or when there is a currency imbalance between the underwriting liabilities and the capital investments. They are controlled through systematic currency management. The reinsurance portfolios are almost completely covered in matching currencies.

Property risks can result from negative changes in the value of directly or indirectly held real estate. These can result from a deterioration in the specific characteristics of the property or general changes in market value (for example in the context of a real estate crisis). Real estate risks are reduced through diversification into different locations and forms of use.

Concentration risks are reduced at R+V Versicherung AG by mixing and spreading the capital investments. This is particularly evident from the broad issuer base in the portfolio.

Special aspects of the loan portfolio

R+V Versicherung AG invests primarily in issuers or debtors with a good to very good credit rating. R+V generally uses approved external ratings for credit rating purposes; in addition, internal expert ratings are carried out to check the plausibility of the external ratings in accordance with the requirements of the EU Regulation on Credit Rating Agencies (CRA III). R+V has defined the external rating as the maximum, even if its own assessments come to a better result.

Counterparty risks are limited by investing in fixed-income securities with a high credit rating. In the strategic asset allocation, the non-investment grade share is limited to a maximum of 5 %. Of the investments in fixed-income securities, 90.6 % (2021: 90.3 %) had a rating according to the S&P system of equal to or better than "A", 73.6 % (2021: 73.7 %) of equal to or better than "AA". The capital investments of R+V Versicherung AG had neither interest nor capital losses from securities in the past financial year.

R+V Versicherung AG reviews the credit portfolios with regard to crisis developments. Identified risks are monitored, analysed and managed with the help of reporting and discussion in R+V's decision-making bodies. Portfolio adjustments are made if necessary.

Investments in government bonds of peripheral euro countries amounted to €21.1 million as at 31 December 2022 (€35.8 million in 2021). As in the previous year, these are exclusively Spanish government bonds.

Loan portfolios in the countries directly affected by the war in Ukraine, Russia, Ukraine and Belarus, did not exist as at 31 December 2022.

Counterparty default risk

Counterparty default risk takes into account possible losses resulting from an unexpected default or deterioration in the creditworthiness of counterparties and debtors of insurance and reinsurance companies during the following twelve months. It covers risk-mitigating contracts such as reinsurance agreements, securitisations and derivatives as well as receivables from intermediaries and all other credit risks insofar as they are not otherwise taken into account in the risk measurement.

At R+V Versicherung AG, such risks exist in particular for counterparties of derivative financial instruments and for reinsurance counterparties.

Transactions with derivative financial instruments are governed by internal guidelines. These include, in particular, volume and counterparty limits. The various risks are monitored and presented transparently as part of the reporting system. Details on derivative financial instruments are explained in the notes.

In order to assess counterparty and issuer risks, R+V Versicherung AG uses the assessments of international rating agencies as support, which are supplemented by its own creditworthiness analyses. Compliance with the limits is continuously monitored for the significant counterparties. The utilisation of the limits and compliance with the investment guidelines is monitored.

The default risk for the settlement receivables from the assumed and ceded reinsurance business is limited by the constant monitoring of ratings and the other sources of information available on the market.

Operational risk

Operational risk refers to the risk of losses due to inadequate or failed internal processes or from employee- and system-related or external incidents. Legal risks are included here.

R+V uses scenario-based risk self-assessments (RSA) and risk indicators for the management and controlling of operational risks. Within the scope of the RSA, operational risks are assessed with regard to their probability of occurrence and their loss amount. In exceptional cases, qualitative assessments can be used.

Risk indicators enable early statements on trends and accumulations in risk development and allow weaknesses in business processes to be identified. Based on predefined threshold values, risk situations are signalled by means of traffic light logic.

To support the management of operational risk, all of R+V's business processes are structured in accordance with the guidelines for the powers and authorities of the employees of R+V companies. Further guidelines, in particular acceptance and underwriting guidelines, exist for the areas not regulated in this guideline.

The internal control system (ICS) is an important instrument for limiting operational risks. The risk of undesirable developments and fraudulent actions is countered by regulations and controls in the specialised departments and the review of the application and effectiveness of the ICS by the Group audit department.

In order to mitigate legal risks, the relevant case law is monitored and analysed in order to identify the need for action in good time and to implement concrete measures. Legal disputes arising from the processing of claims and benefits are taken into account in the technical provisions and are therefore not part of the operational risk.

Within the framework of the IT risk strategy, ensuring stable, secure and economic operation of the information and communication infrastructures and the application systems is elementary. This is achieved through a risk-based IT provider approach, systematic protection needs assessments, adequate security concepts based on defined IT security standards as well as emergency concepts.

Quality assurance in the IT area is carried out using best practice approaches. In a daily conference, the current topics are dealt with and assigned to processing. In monthly conferences, measures are taken with regard to compliance with service level agreements (e.g. system availability) with the participation of the IT management.

Physical and logical protection measures serve to ensure the security of data and applications and to maintain ongoing operations. A particular risk would be the partial or total failure of data processing systems. R+V has taken precautions with two separate data centre locations with data and system mirroring, special access security, fire protection precautions and secured power supply via emergency pow-er generators. A defined restart procedure for disaster situations is tested for effectiveness through exercises. Data backups take place in different buildings with highly secured rooms. In addition, data is mirrored to a tape robot in an outsourced and remote location.

Cyber risks are identified, assessed, documented and systematically assigned for processing via various IT security management procedures. Processing status and risk treatment are tracked and reported centrally on a monthly basis.

To protect against possible outsourcing risks, outsourcing is categorised in a structured manner, potential risk factors are identified as part of the risk analysis, risk mitigation requirements are derived, including standard contents to be contractually agreed, and emergency management is integrated.

To ensure business continuity, R+V has a business continuity management system (BCM system), which also includes emergency and crisis management. The BCM is intended to ensure that business operations can be maintained in the event of an emergency or crisis. For this purpose, the (time-)critical business processes with the required resources are recorded and the necessary documentation, such as business continuation plans, are created and reviewed. Separate organisational structures also exist for dealing with emergencies and crises, such as the R+V crisis team / situation centre and the individual emergency teams of the departments and locations.

For the safe and efficient implementation of projects, R+V has installed an Investment Commission, which prepares decision papers for approval as well as the monitoring of major projects. After project approval, the project managers of all major projects report to the Investment Commission. This links the projects to independent and close project controlling.

Other material risks

Liquidity risk

Liquidity risk is the risk that insurance companies are unable to realise investments and other assets to meet their financial obligations as they fall due.

The liquidity of the R+V companies is managed centrally. As part of the multi-year planning, an integrated simulation is carried out for the development of the portfolio and performance in the capital investment area as well as for the development of cash flows. The basis of the control is the forecast development of all significant cash flows from the underwriting business, capital investments and general administration. In the case of new investments, the fulfilment of the regulatory liquidity requirements is continuously checked.

Sensitivity analyses of key actuarial parameters are used to check on a monthly basis whether sufficient liquidity can be ensured under crisis market conditions. Thresholds are defined for this purpose and compliance with them is checked. The results presented within the framework of monthly reporting show the ability of R+V Versicherung AG to meet the obligations entered into at all times.

Risk concentrations

Risk concentrations in the broader sense are accumulations of individual risks that can be realised together with a significantly increased probability due to high interdependencies or related cause-effect relationships. The interdependencies and the relatedness of the interdependencies sometimes only become apparent in stress situations.

The investment behaviour of R+V Versicherung AG is geared towards avoiding risk concentrations in the portfolio and achieving an optimisation of the risk profile through extensive diversification of the investments. Compliance with the quantitative limits specified by the internal regulations in the risk management guideline for the investment risk in accordance with the principle of appropriate mix and spread contributes to this.

R+V counters risk concentrations in the assumed reinsurance business through a balanced portfolio with a worldwide territorial diversification of lines and customer groups.

Strategic risk

Strategic risk arises from strategic business decisions or from the fact that these are not adapted to a changed economic environment.

Changes in the legal and regulatory framework as well as changes in the market and competition are subject to constant monitoring so that opportunities and risks can be responded to in good time. R+V continuously analyses and forecasts national and global circumstances that influence business-relevant parameters.

Reputational risk

Reputational risk refers to the risk of loss resulting from possible damage to the reputation of the company or the entire industry as a result of negative public perception (for example, among customers, business partners, shareholders, authorities, media).

Reputational risks occur as independent risks (primary reputational risk) or they arise as a direct or indirect consequence of other types of risk, such as operational risk in particular (secondary reputational risk).

Reputational risks can result from maintaining a business relationship with a company that may be exposed to a sustainability risk. The omission of sufficiently sustainable activities in the external and internal perception, which results in a loss of trust among the relevant stakeholders, can also lead to a reputational risk.

R+V's corporate communications are coordinated centrally in order to counter any misrepresentation of facts. Media coverage of the insurance industry in general and R+V in particular is monitored and analysed on an ongoing basis across all departments.

Risk situation

The current regulatory requirements (Solvency II) are met. The current risk situation is within the company's risk-bearing capacity.

From today's perspective, no further developments are discernible beyond the risks described in this report that could have a sustained adverse effect on the net assets, financial position and earnings position of R+V Versicherung AG.

Forecast report

Caveat on forward-looking statements

The assessment and explanation of the expected development with its significant opportunities and risks is made to the best of our knowledge and belief, based on the knowledge available today about industry prospects, future economic, political conditions, and development trends, as well as their significant influencing factors. These prospects, framework conditions, and trends may, of course, change in the future without this being fore-seeable at this point in time.

Overall, the actual development of R+V Versicherung AG may therefore deviate significantly from the forecasts. The estimates are based primarily on planning, forecasts and expectations. The assumptions taken into account are based on the valuation factors and findings as at the balance sheet date and are characterised by considerable uncertainties, particularly with regard to further future developments. Thus, the following assessment of the development of R+V Versicherung AG reflects imperfect assumptions and subjective views for which no liability can be assumed.

Overall economic development

With a restrictive course, the central banks want to slow down the economic dynamics and thus the high inflation. Against the background of the war in Ukraine and other geopolitical risks, further economic development is characterised by a high degree of uncertainty. A global recession cannot be ruled out. In its autumn annual report, the German Council of Economic Experts forecasts a change in real gross domestic product in 2023 of - 0.2% in Germany and of 0.3% in the Euro area. The inflation rate is expected to fall to 7.4% in both Germany and the Euro area. Updated expert forecasts paint an improved economic picture for 2023. Inflation is expected to normalise in the following years.

Development on the capital markets

The development on the capital markets in 2023 is likely to continue to be shaped in particular by inflationary developments. The central banks have announced a further restrictive monetary policy until inflation falls significantly and permanently. Until then, it will have a restraining effect on the economy. This, in turn, will weigh on the capital markets. Overall, however, the interest rate peak should be reached in 2023, so that the spread and stock markets could recover with the decline in inflation and economic burdens.

In R+V's capital investment strategy, the high proportion of fixed-income securities with strong credit ratings ensures that underwriting obligations can be met at all times. Opportunities on the interest rate and credit markets are to be exploited on the condition of continued high quality of securities, broad diversification and strong risk control, especially through investments in government and corporate bonds. In addition, investments in shares and real estate are to be expanded. The basis of the capital investment activity remains a long-term investment strategy, combined with integrated risk management.

Development on the reinsurance markets

The improvement in prices and conditions for reinsurance covers will continue in 2023. The impact of climate change on natural catastrophe events in recent years has made it clear that both events with high return periods and increased frequency losses are not yet sufficiently reflected in the agreements between primary insurers and their reinsurance partners. In addition, there are catch-up effects on the price side - on the one hand, for the claims burdens from the Covid 19 pandemic that occurred in the past and, on the other hand, for claims increases in 2022 as a result of in-creased inflation.

For both insurers and reinsurers, we expect the ongoing geopolitical uncertainties, the economic challenges fuelled by Russia's war of aggression on Ukraine, and persistently volatile capital markets to maintain the pressure to generate positive underwriting results.

Currently, international reinsurers have free access to local primary insurance markets in the majority of countries. It cannot be ruled out that national legal systems and sanction mechanisms will in future formulate tighter conditions under which international reinsurers are permitted to reinsure national primary insurers.

Notwithstanding the volatile and uncertain market environment, the rating agencies predominantly certify stable future prospects for the industry.

"WIR@R+V" strategy implemented in 2021 consists of the three core elements of growth, innovation and profitability, WIR for short, and takes into account the more difficult environmental factors. The strategy focuses on four goals: Customer satisfaction, increasing earning power, shaping growth, and maintaining capital strength. The goal is to continue the successfully initiated transformation process and to sustainably secure and increase R+V's performance and competitiveness. The strategy brings growth and earnings into a new balance, combined with a change in underwriting and investment behaviour. Sustainability is an integral part of the new strategy.

Taking into account the influencing factors described and in line with this strategy, R+V Versicherung AG plans to continue and intensify the activities to increase the underwriting results in the inwards reinsurance business field in 2023. The core processes of underwriting, pricing and claims management will continue to be adapted to market conditions in order to be able to offer customers the desired high level of service.

R+V Versicherung AG expects strong premium growth for the 2023 financial year. The underwriting result before equalisation provision is expected to be significantly higher than the figure for the financial year, in which the strained overall economic situation in particular had a negative impact. Based on the planning calculation, a significant gross improvement in the combined ratio is expected compared to the previous year. This expectation is based on the assumption that no major claims will occur outside the expected value. Based on the planning, we expect a significantly lower capital investment result, which in 2022 was positively influenced by dividend income from subsidiaries and write-ups on shares in affiliated companies, among other things. A significant improvement is expected for the other result. Against the background of congruent coverage, no currency result is planned. However, this could influence the net in-come of R+V Versicherung AG. Overall, including the change in the equalisation provision and the non-technical result, a profit transfer significantly above that of the financial year is expected for 2023.

Thanks to

The Board of Management would like to expressly thank the employees of the R+V Group for their commitment in this financial year, which was once again marked by challenges, and expresses its appreciation for this.

The Executive Board would like to thank the Executive Staff Representative Committee and the Works Council for their trusting cooperation.

We would like to express our special thanks to our business partners and customers for the trust they have placed in us.

Wiesbaden, 3. March 2023

The Board of Directors

Annex to the Management Report pursuant to Section 22 (4) Entgelttransparenzgesetz [Remuneration Transparency Act]

Report on equality and equal pay for female, male and diverse employees

R+V fundamentally strives for a balanced personnel structure with a balanced gender ratio among its employees. Therefore, an essential building block is the career development of women.

The measures taken so far focus on the fields of action of identifying and developing high-potential female employees, increasing visibility and improving the compatibility of work and family. As further support, R+V will offer its employees day care for children between the ages of 0 and three in the future. R+V introduced corresponding measures and for-mats such as seminars, workshops, networking events, webinars for career orientation and advice as well as the mentoring programme for high-potential women. Here, the mentors pass on knowledge and experience, arrange contacts and provide an insight into their everyday working lives. The mentees exchange experiences and network with each other.

The programme for high potentials in particular served as an entry point to the first management level. The mentoring programme, which as an individual offer has the greatest impact on increasing the proportion of women in management positions, contributed to the development of the next management level. Against this background, the programme will be relaunched in 2023 and adapted to the specific needs.

As an employer, R+V ensures that employees with comparable jobs are paid comparably, regardless of gender, while at the same time ensuring that individual performance and work results are reflected in employees' salaries.

The remuneration of office staff is generally based on the current version of the collective wage agreement (MTV) and the collective salary agreement for the private insurance industry, which provides the same remuneration for comparable activities, which provides for the same remuneration for comparable activities. In the non-tariff area, in addition to the activity and qualification, other criteria such as labour market, performance and work result-related criteria are taken into account. In addition, there are further regulations, in particular company agreements, which regulate, among other things, fringe benefits and the variable remuneration system. Salary increases and bonuses are controlled and regularly re-viewed by the Executive Board, as is the determination and target achievement of variable remuneration for employees and managers.

The activities in the salaried field service are divided into functions. For each of these functions there are central guidelines for the calculation of income. In principle, a standard basic salary is paid throughout the function, plus commissions for each sales success. The amount of the actual income is therefore determined by the individual performance.

The works council is involved both in the conclusion of company agreements and the introduction of salary systems as well as the individual contractual implementation for individual employees. In this way, R+V as an employer, together with the employee representatives, ensures an appropriate, transparent remuneration policy geared towards sustainable development.

Composition of the staff

2022	Thereof female	Thereof male	Total
Average number of employees	420	465	885
of which: employed full-time	278	416	694
of which: part-time	142	49	191

Composition of the staff

2016	Thereof female	Thereof male	Total
Average number of employees	272	250	522
of which: employed full-time	189	239	428
of which: part-time	83	11	94

Active branches of insurance

In the fiscal year the company was active in the following branches of domestic and foreign reinsurance:

Life

Health

Accident

Liability

Motor

Aviation

Legal

Fire and allied perils

Burglary and theft

Water damage

Storm

Comprehensive home contents

Comprehensive home-owners

Glass

Hail

Livestock

Engineering

Marine including marine technology and valuables

Credit and bonds

Business interruption

Other

2022 Annual Financial Statements

Balance sheet

as at 31. Dezember 2022

Assets

in Euro				2022	2021
A. Capital investments					
I. Land, land rights and buildings including buildings on third-party land			3,124,989.17		3,189,534.17
II. Capital investments in affiliated companies and shareholdings					
1. Shares in affiliated companies		2,915,839,224.87			2,628,826,127.24
2. Loans to affiliated companies		274,638,929.12			147,505,693.75
3. Shareholdings		376,245.81	3,190,854,399.80		376,245.81
III. Other capital investments					
1. Stocks, shares or shares in investment funds and other variable interest securities		1,146,459,489.84			1,062,590,840.39
2. Bearer bonds and other fixed-interest securities		4,076,855,750.62			3,926,896,122.96
3. Other loans					
a) Registered bonds	511,535,897.88				506,614,033.65
b) Bonded debt receivables and loans	112,374,168.25	623,910,066.13			139,618,531.54
4. Deposits at banks		445,221,336.15			634,675,993.10
5. Other capital investments		225,228,398.29	6,517,675,041.03		146,817,894.91
IV. Deposits with ceding insurers			428,123,635.95		563,195,199.37
				10,139,778,065.95	**9,760,306,216.89**

in Euro				2022	2021
B. Receivables					
I. Settlement receivables from reinsurance business			420,872,599.19		374,634,411.88
Thereof due to: Affiliated companies	8,842,632.29 €	(PY: 4,563,798 €)			
II. Other receivables			209,810,994.34		263,890,099.06
Thereof due to: Affiliated companies	136,443,677.22 €	(PY: 184,080,867 €)			
				630,683,593.53	**638,524,510.94**
C. Other assets					
I. Property, plant, equipment and inventories			2,575,370.83		2,206,415.83
II. Cash at banks, cheques and cash in hand			182,915,252.64		200,492,073.00
III. Other assets			58,177,787.97		2,433,696.45
				243,668,411.44	**205,132,185.28**
D. Accruals and deferred income					
I. Accrued interest and rents			47,119,454.36		42,292,346.41
II. Other accruals			544,240.37		535,027.35
				47,663,694.73	**42,827,373.76**
Total assets				**11,061,793,765.65**	**10,646,790,286.87**

Liabilities

in Euro			2022	2021
A. Shareholders' equity				
I. Called-up capital				
Subscribed capital	374,234,025.97			352,220,259.74
minus uncalled outstanding investments	-	374,234,025.97		-
II. Capital reserves		1,858,352,354.03		1,632,887,360.26
Thereof reserves in accordance with Section 9 (2) sentence 5 VAG (Versicherungsaufsichtsgesetz [Insurance Supervision Act]): - € (PY: - €)				
III. Retained earnings				
Other retained earnings		164,666,337.05		164,666,337.05
			2,397,252,717.05	**2,149,773,957.05**
B. Technical provisions				
I. Unearned premium reserves				
1. Gross	153,264,933.27			164,398,156.47
2. Deducted thereof: share of retrocession business	-8,747,523.79	162,012,457.06		-9,477,536.64
II. Actuarial reserves				
1. Gross	33,438,566.49			35,682,315.08
2. Deducted thereof: share of retrocession business	16,803,914.88	16,634,651.61		18,041,787.32
III. Provision for outstanding claims				
1. Gross	6,466,217,129.50			6,635,803,104.91
2. Deducted thereof: share of retrocession business	369,400,105.78	6,096,817,023.72		675,836,469.99
IV. Provisions for performance based and non-performance based premium funds				
1. Gross	4,887,740.75			5,615,575.75
2. Deducted thereof: share of retrocession business	-	4,887,740.75		-
V. Equalisation provision and similar provisions		1,045,267,726.00		904,191,949.00
VI. Other technical provisions				
1. Gross	3,923,231.99			4,693,406.62
2. Deducted thereof: share of retrocession business	-	3,923,231.99		-
			7,329,542,831.13	**7,065,983,787.16**

in Euro						2022	2021
C.	**Other provisions**						
I.	Provisions for pensions and similar obligations				11,665,405.41		6,845,462.08
II.	Tax provisions				22,278,879.18		19,240,026.77
III.	Other provisions				86,648,190.48		88,116,350.86
						120,592,475.07	**114,201,839.71**
D.	**Deposit liabilities received from reinsurers**					**17,368,035.22**	**18,788,476.33**
E.	**Other liabilities**						
I.	Settlement liabilities from reinsurance business				912,392,622.17		662,597,544.53
	Thereof due to:						
	Affiliated companies	358,192,542.48 €	(PY: 41,959,236 €)				
	Associated companies	847,553.01 €	(PY: 29,498 €)				
II.	Bonds				36,374,458.86		31,351,108.77
III.	Other liabilities				248,270,626.15		604,093,573.32
	Thereof:						
	from taxes	15,978,682.44 €	(PY: 5,848,787 €)				
	social security	8,476.15 €	(PY: 8,830 €)				
	due to:						
	Affiliated companies	220,087,264.64 €	(PY: 591,769,966 €)				
						1,197,037,707.18	**1,298,042,226.62**
Total liabilities						**11,061,793,765.65**	**10,646,790,286.87**

Income statement

for the period 1 January to 31 December 2022

Income statement

in Euro			2022	2021
I. Technical account				
1. Premiums earned for own account				
a) Gross premiums written	3,513,482,425.20			3,536,565,343.04
b) Reinsurance premiums ceded	156,652,767.57	3,356,829,657.63		92,279,580.89
c) Change in gross unearned premium reserve	13,859,734.92			25,677,552.38
d) Change in gross unearned premium reserve - reinsurers' share	-733,611.90	14,593,346.82		9,847,289.10
			3,371,423,004.45	**3,460,116,025.43**
2. Technical interest income for own account			**1,057,479.03**	**823,879.54**
3. Other technical earnings for own account			**-**	**-**
4. Expenditure for insurance claims for own account				
a) Payments for claims				
aa) Gross	2,722,917,341.76			2,274,763,302.12
bb) Reinsurers' share	359,509,661.22	2,363,407,680.54		146,942,170.10
b) Change in provision for outstanding claims				
aa) Gross	-117,570,662.45			1,029,852,916.13
bb) Reinsurers' share	-306,455,388.25	188,884,725.80		663,489,925.55
			2,552,292,406.34	**2,494,184,122.60**
5. Change in other technical net provisions				
a) Net actuarial reserves		715,059.28		2,003,275.88
b) Other technical net provisions		764,495.54		-2,415,195.52
			1,479,554.82	**-411,919.64**
6. Expenditure on performance-based and non-performance based premium funds for own account			**3,394,627.99**	**4,672,097.16**
7. Expenditure on insurance operations for own account				
a) Gross expenditure on insurance operations		840,912,181.56		881,274,101.75
b) Deducted thereof: reinsurance commissions and profit participations received on retrocession		10,679,311.10		8,432,357.44
			830,232,870.46	**872,841,744.31**
8. Other technical expenses for own account			**2,554,681.97**	**2,714,164.26**
9. Subtotal			**-14,514,548.46**	**86,115,857.00**
10. Change to equalisation provision and similar provisions			**-141,075,777.00**	**-137,853,080.00**
11. Technical result for own account			**-155,590,325.46**	**-51,737,223.00**

in Euro				2022	2021
II. Non-technical account					
1. Income on capital investments					
a) Income from holdings		62,178,703.46			4,341,151.62
Thereof from affiliated companies:					
62,174,695.76 € (PY: 4,337,144 €)					
b) Income from other capital investments					
Thereof from affiliated companies:					
6,795,723.08 € (PY: 2,092,622 €)					
aa) Income from land, land rights and buildings including buildings on third-party land	741,795.90				725,383.38
bb) Income from other capital investments	139,977,701.01	140,719,496.91			111,562,573.55
c) Income from write-ups		23,160,543.77			1,774,196.68
d) Realised gains on capital investments		7,159,158.49			8,025,530.65
e) Income from profit pooling, profit and loss transfer agreements and partial profit and loss transfer agreements		171,869,457.72			155,746,930.42
			405,087,360.35		282,175,766.30
2. Expenditure for capital investments					
a) Expenditure for management of capital investments, interest expenditure and other expenditure on capital investments		21,650,185.67			18,420,310.09
b) Depreciation on capital investments		13,832,130.11			3,235,593.47
c) Realised losses on capital investments		420,572.89			5,668.18
d) Expenses from losses absorbed		-	35,902,888.67		2,240,401.92
			369,184,471.68		258,273,792.64
3. Technical interest income			-1,762,409.81		-1,605,241.51
				367,422,061.87	**256,668,551.13**
4. Other income			72,464,093.82		67,548,185.79
5. Other expenditure			164,606,842.29		109,458,654.89
				-92,142,748.47	**-41,910,469.10**
6. Non-technical result				**275,279,313.40**	**214,758,082.03**
7. Result of ordinary business activities				**119,688,987.94**	**163,020,859.03**

in Euro			2022	2021
8.	Taxes on income and earnings	83,186,477.51		86,817,258.76
	Thereof: Allocation within consolidated entity 77,033,401.81 € (PY: 84,162,120 €)			
9.	Other taxes	77,195.68		382,144.18
			83,263,673.19	**87,199,402.94**
10.	Profits transferred due to profit pooling, a profit and loss transfer agreement or a partial profit and loss transfer agreement		**-36,425,314.75**	**-75,821,456.09**
11.	**Annual net income/loss**		**-**	**-**

Notes

Accounting and valuation methods

The 2022 annual financial statements of R+V Versicherung AG were prepared in accordance with the provisions of the German Commercial Code (HGB), in conjunction with the Ordinance on Accounting for Insurance Companies (RechVersV) and other relevant statutory provisions and legal ordinances.

Land, land rights and buildings, including buildings on third-party land, were recognised at acquisition or production cost less depreciation, taking into account the lower of cost or market principle in the event of permanent impairment. Scheduled depreciation was carried out on a straight-line basis. Write-ups were made in accordance with Section 253 (5) sentence 1 HGB; however, at most to the acquisition and production costs reduced by scheduled depreciation.

Shares in affiliated companies and participations as well as other capital investments were reported at acquisition cost, reduced by depreciation in the event of a probable permanent reduction in value. If the reasons for a write-down made in the past no longer existed, write-ups were made to the fair value up to a maximum of the acquisition value in accordance with Section 253 (5) sentence 1 HGB.

Within the item Other capital investments, collateral from bilaterally collateralised OTC derivatives is reported.

Loans to affiliated companies were valued according to their affiliation to the items listed below.

Units or shares in investment funds denominated in Euro, which are allocated to fixed assets in accordance with Section 341b (2) sentence 1 HGB, were recognised at the lower fair value on the closing date in accordance with Section 253 (3) sentence 5 HGB if there was a permanent impairment in value. Otherwise, they are recognised at cost. In the case of special securities funds, the sustainable value was determined on the basis of the assets contained. Bearer bonds were recognised at the redemption amount or at the higher market value if the debtor had a good credit rating. If the debtor's credit rating was in the non-investment grade range, the market value was applied. If the calculated earnings per share value of the individual shares was above the market value, the shares were recognised at this earnings value, but at a maximum of 120% of the market value on the reporting date. If the EPS value was below the market value, the market value was applied. Write-downs were made to the sustainable value or the higher share value of the capital management company.

Shares denominated in foreign currency and shares or units in investment funds, which are allocated to fixed assets in accordance with Section 341 b (2) sentence 1 HGB, were written down to market value in accordance with the option under Section 253 (3) sentence 6 HGB.

Bearer bonds and other fixed-interest securities, which are classified as fixed assets in accordance with Section 341 b (2) sentence 1 HGB, were recognised at amortised cost. In the event of permanent impairment pursuant to Section 253 (3) sentence 5 HGB, they were written down to fair value. The amortisation of a difference between the amortised cost and the repayment amount was carried out using the effective interest method.

If the reasons for a write-down made in the past in fixed and current assets no longer existed, write-ups to fair value up to a maximum of amortised cost were made in accordance with Section 253 (5) sentence 1 HGB.

Other loans were recognised at amortised cost unless individual value adjustments had to be made. The amortisation of a difference between the acquisition costs and the repayment amount was carried out using the effective interest method.

Deposits with credit institutions were recognised at the repayment amount. Negative interest on deposits was netted against income.

Deposits retained on assumed reinsurance and accounts receivable on reinsurance business were recognised at their nominal amounts. Doubtful receivables were individually adjusted or written off.

All other receivables were recognised at nominal value.

Assets that are not accessible to all remaining, creditors and serve exclusively to fulfil retirement benefit obligations or comparable obligations due in the long term were valued at their fair value in accordance with Section 253 (1) HGB, then offset against the corresponding liabilities. The interest portion of the change in the asset is balanced with the interest portion of the change in the corresponding liability.

Office furniture and equipment was valued at acquisition cost, which is depreciated on a straight-line basis over the normal useful life. Additions and disposals in the financial year were depreciated pro rata temporis. Low-value assets up to 250 Euro (net) were written off immediately. Assets with an acquisition cost of between 250 Euro and

1,000 Euro (net) were placed in a collective item that is depreciated over five years, beginning with the year in which it was created.

Negative interest on current balances with credit institutions was reported under other expenses.

R+V Versicherung AG is a subsidiary of DZ BANK AG for income tax purposes. As the income tax consequences result from different accounting for the parent company under commercial law and tax law, the valuation differences between the commercial balance sheet and the tax balance sheet at R+V Versicherung AG as at 31 December 2022 are taken into account in the formation of deferred taxes at DZ BANK AG, provided that accounting is carried out there. Therefore, no deferred taxes will be reported at R+V Versicherung AG as at 31 December 2022.

The other assets were recognised at nominal amounts. Necessary value adjustments were made and deducted from assets.

The technical provisions (unearned premium reserve, actuarial reserves, provisions for outstanding claims and other technical provisions) were generally recognised according to the tasks of the ceding companies.

If no tasks were available, the provisions were estimated on the basis of the contractual conditions and the course of business to date. Appropriate increases were made in the case of cedants' loss reserves that experience had shown to be too low. Correspondingly, adequate provisions were also made for expected future claims burdens. In the event of deviating assessments of the legal and contractual bases in individual cases, a best possible individual assessment of the reservation is made by means of comprehensive internal processes. The reinsurers' shares in the provisions were determined according to the contractual agreements.

The equalisation provision and similar provisions (nuclear plants, pharmaceutical risks) were determined in accordance with Section 341 h HGB in conjunction with Section 29 and 30 RechVersV (Verordnung über die Rechnungslegung von Versicherungsunternehmen [Insurance Accounting Directive]).

Deposits retained on ceded business and accounts payable on reinsurance business were recognised at the settlement amounts.

Provisions for pensions and similar obligations were measured using the projected unit credit method (PUC method) in conjunction with Section 253 (1) HGB based on the 2018 G guideline tables by Klaus Heubeck. Future developments and trends were taken into account. The provision for pensions was discounted on the basis of the average market interest rate of the last ten years published by the Deutsche Bundesbank for October 2022 with an assumed remaining term of 15 years. The interest rate was extrapolated to the end of the year.

The parameters used were:

Salary dynamics:	2.50 %
Pension dynamics:	2.30 %
Fluctuation:	0.00 %
Interest rate:	1.80 %

The employer-financed pension commitments are partly offset by reinsurance policies pledged as collateral. These fall under the scope of application of IDW RH FAB 1.021 and were valued for the first time as at 31 December 2022 according to the liability primacy in connection with the actuarial reserve method.

Pension commitments in return for salary waivers and lifetime working accounts are largely balanced with congruent reinsurance policies pledged as collateral. Their value therefore corresponds to the fair value of the assets in accordance with Section 253 (1) HGB.

Tax provisions and other provisions are recognised in accordance with 253 of the German Commercial Code (HGB) at the settlement amount deemed necessary by prudent business judgment and discounted if the term of the provisions is more than one year. The respective interest rate was extrapolated to the end of the year on the basis of the average interest rate of the last seven years published by the Bundesbank for October 2022.

The valuation of provisions for anniversaries and for retirement benefits not relating to pensions included in other provisions was carried out according to the projected unit credit method (PUC method) in conjunction with Section 253 (1) HGB based on the 2018 G mortality tables by Klaus Heubeck. Future developments and trends were taken into account. Discounting was based on the average market interest rate of the last seven years published by the Deutsche Bundesbank for October 2022 with an assumed remaining term of 15 years. The interest rate was extrapolated to the end of the year and was 1.46%.

The other liabilities were recognised at the settlement amount. Collateral from bilaterally collateralised OTC derivatives was reported under other liabilities.

All items in foreign currencies were converted into Euro.

The items listed under Assets A. Capital investments I. to III. have been converted into Euro at the at the spot rate of 31 December 2022. The average spot exchange rate at the time of the cash flow was used as the basis for the translation of income and expenses from capital investments.

In the case of forward exchange transactions, pending profits were recognised in profit or loss in the financial year.

All other items in the balance sheet and income statement, i.e. in particular the actuarial items, were calculated at the spot rates of 28 December 2022, in order to accelerate the work on the financial statements.

Exchange rate gains and losses within the same currency were netted.

List of shareholdings

A. II. 1. Shares in affiliated companies

Name of company and registered office	Shares in capital in %	Currency	Fiscal year	Shareholders' equity	Result
Insurance companies					
Assimoco S.p.A., Mailand	68.9	EUR	2021	263,907,646	27,243,617
Assimoco Vita S.p.A., Mailand	82.1	EUR	2021	213,020,237	26,314,544
CHEMIE Pensionsfonds AG, Wiesbaden	100.0	EUR	2022	31,817,843	300,000
Condor Allgemeine Versicherungs-AG, Hamburg	100.0	EUR	2022	41,761,661	1)
Condor Lebensversicherung AG, Hamburg	95.0	EUR	2022	51,742,466	1)
KRAVAG-ALLGEMEINE Versicherungs-AG, Hamburg	100.0	EUR	2022	74,115,465	3,208,673
KRAVAG-LOGISTIC Versicherungs-AG, Hamburg	51.0	EUR	2022	255,479,678	6,959,255
R+V Allgemeine Versicherung AG, Wiesbaden	95.0	EUR	2022	1,024,175,013	1)
R+V Direktversicherung AG, Wiesbaden	100.0	EUR	2022	13,320,000	1)
R+V Krankenversicherung AG, Wiesbaden	100.0	EUR	2022	168,485,231	25,000,000
R+V Lebensversicherung AG, Wiesbaden	100.0	EUR	2022	1,206,932,924	1)
R+V Pensionsfonds AG, Wiesbaden	100.0	EUR	2022	38,803,166	1,630,000
R+V Pensionskasse AG, Wiesbaden	100.0	EUR	2022	107,478,238	-6,555,000
Service, holding and real estate companies					
Aufbau und Handelsgesellschaft mbH, Stuttgart	94.9	EUR	2021	525,138	1)
BWG Baugesellschaft Württembergischer Genossenschaften mbH, Stuttgart	94.8	EUR	2021	9,965,213	1)
carexpert Kfz-Sachverständigen GmbH, Mainz	60.0	EUR	2022	1,392,428	-107,208
CI CONDOR Immobilien GmbH, Hamburg	100.0	EUR	2022	20,100,000	1)
compertis Beratungsgesellschaft für betriebliches Vorsorgemanagement mbH, Wiesbaden	100.0	EUR	2022	2,344,594	-668,460
COMPLINA GmbH, Wiesbaden	100.0	EUR	2022	1,741,353	-876,918
Condor Dienstleistungs-GmbH, Hamburg	100.0	EUR	2022	575,704	65,483
easymize GmbH, Wiesbaden 2)	100.0	EUR	2022	179,104	60,737
Englische Strasse 5 GmbH, Wiesbaden	90.0	EUR	2021	15,358,542	498,293

1) A profit and loss transfer agreement exists.
2) Change of name according to commercial register entry of 24 May 2022 (formerly: fragWILHELM GmbH)

A. II. 1. Shares in affiliated companies

Name of company and registered office	Shares in capital in %	Currency	Fiscal year	Shareholders' equity	Result
Fischer Privatkunden Makler GmbH, Herrenberg	90.0	EUR	2021	29,197	1,545
GWG 1. Wohn GmbH & Co. KG, Stuttgart	100.0	EUR	2021	2,000,000	1,292,148
GWG 2. Wohn GmbH & Co. KG, Stuttgart	100.0	EUR	2021	3,000,000	563,000
GWG 3. Wohn GmbH & Co. KG, Stuttgart	100.0	EUR	2021	7,000,000	1,638,530
GWG 4. Wohn GmbH & Co. KG, Stuttgart	100.0	EUR	2021	9,000,000	1,369,013
GWG Beteiligungsgesellschaft mbH, Stuttgart	100.0	EUR	2021	29,456	732
GWG Gesellschaft für Wohnungs- und Gewerbebau Baden-Württemberg AG, Stuttgart	91.6	EUR	2021	375,106,002	15,585,385
GWG Hausbau GmbH, Stuttgart	94.5	EUR	2021	2,750,000	1)
GWG ImmoInvest GmbH, Stuttgart	94.9	EUR	2021	12,262,859	1,101,160
GWG Wohnpark Sendling GmbH, Stuttgart	94.0	EUR	2021	4,027,500	1)
HumanProtect Consulting GmbH, Köln	100.0	EUR	2021	483,522	79,163
INFINDO Development GmbH, Wiesbaden	100.0	EUR	2021	2,028,311	-151,755
KRAVAG Umweltschutz und Sicherheitstechnik GmbH (KUSS), Hamburg	100.0	EUR	2022	429,541	-156,521
MIRADOR Development GmbH, Wiesbaden	100.0	EUR	2021	3,550,263	-169,819
MSU Management-, Service- und Unternehmens-beratung GmbH, Landau	60.0	EUR	2021	925,135	105,916
PASCON GmbH, Wiesbaden	100.0	EUR	2022	45,429	3,084
Pension Consult Beratungsgesellschaft für Altersvorsorge mbH, Wiesbaden	100.0	EUR	2022	889,342	74,529
R+V AIFM S.à.r.l., Luxemburg	100.0	EUR	2021	1,003,891	183,048
R+V Dienstleistungs-GmbH, Wiesbaden	100.0	EUR	2022	715,529	21,157
R+V INTERNATIONAL BUSINESS SERVICES Ltd., Dublin 2)	100.0	EUR	2017	1,347,091	114,943
R+V KOMPOSIT Holding GmbH, Wiesbaden	100.0	EUR	2022	2,074,732,550	1)
R+V Mannheim P2 GmbH, Wiesbaden	94.0	EUR	2021	57,195,793	1,708,398
R+V Personen Holding GmbH, Wiesbaden	100.0	EUR	2022	1,230,426,334	105,903,494

1) A profit and loss transfer agreement exists.
2) Company in liquidation.

A. II. 1. Shares in affiliated companies

Name of company and registered office	Shares in capital in %	Currency	Fiscal year	Shareholders' equity	Result
R+V Rechtsschutz-Schadenregulierungs-GmbH, Wiesbaden	100.0	EUR	2022	393,306	116,064
R+V Service Center GmbH, Wiesbaden	100.0	EUR	2022	2,869,375	1)
R+V Service Holding GmbH, Wiesbaden	100.0	EUR	2022	204,236,250	1)
R+V Treuhand GmbH, Wiesbaden	100.0	EUR	2022	160,614	99,335
RC II S.à.r.L., Munsbach	90.0	EUR	2021	8,981,640	123,744
RUV Agenturberatungs GmbH, Wiesbaden	100.0	EUR	2022	362,190	100,430
RV AIP S.C.S. SICAV-SIF, Luxemburg	100.0	EUR	2022	9,725	-50
RV AIP S.C.S. SICAV-SIF - RV TF Acquisition Financing, Luxemburg	98.7	EUR	2022	267,376,938	8,019,010
RV AIP S.C.S. SICAV-SIF - RV TF 2 Infra Debt, Luxemburg	97.6	EUR	2022	571,707,809	12,949,905
RV AIP S.C.S. SICAV-SIF - TF 3 Primaries, Luxemburg	99.3	EUR	2022	28,139,156	-2,244,066
RV AIP S.C.S. SICAV-SIF - TF 4 Secondaries, Luxemburg	99.3	EUR	2022	30,291,955	24,647
RV AIP S.C.S. SICAV-SIF - TF 5 Co- Investments, Luxemburg	99.3	EUR	2022	82,245,135	-575,313
RV AIP S.C.S. SICAV-SIF - RV TF 6 Infra Debt II, Luxemburg	98.4	EUR	2022	257,079,291	4,902,325
RV AIP S.C.S. SICAV-SIF – RV TF 7 Private Equity, Luxemburg	99.0	EUR	2022	69,512,656	-1,418,035
RV Securitisation I S.à.r.l., Senningerberg	100.0	EUR	2022	12,000	-
RVL Grundstücks GmbH & Co. KG, Frankfurt am Main	100.0	EUR	2022	393,009,850	-13,750
RVL Grundstücksverwaltung GmbH, Wiesbaden	100.0	EUR	2022	23,500	-1,500
Sprint Italia S.r.l., Bolzano	51.0	EUR	2021	260,750	-55,873
Sprint Sanierung GmbH, Köln	100.0	EUR	2021	26,754,280	1,371,854
TeamBank AG, Nürnberg	0.0	EUR	2021	539,699,475	1)
UMB Unternehmens-Managementberatungs GmbH, Wiesbaden	100.0	EUR	2022	5,798,273	2,044,943
Unterstützungskasse der Condor Versicherungs-gesellschaften GmbH, Hamburg	100.0	EUR	2022	26,076	-
VR GbR, Frankfurt am Main	41.2	EUR	2021	229,211,901	84,244,277
VR Makler GmbH, Hannover	100.0	EUR	2021	134,947	-1,982,742
WBS Wohnwirtschaftliche Baubetreuungs- und Servicegesellschaft mbH, Stuttgart	94.9	EUR	2021	23,877,687	3,894,152

1) A profit and loss transfer agreement exists.

A. II. 3. Shareholdings

Name of company and registered office	Shares in capital in %	Currency	Fiscal year	Shareholders' equity	Result
ASSICONF S.r.L., Turin	20.0	EUR	2021	91,223	1,597
ASSICRA Servizi Assicurativi Banche di Credito Cooperativo Abruzzo e Molise S.r.L., Pescara	25.0	EUR	2021	612,053	47,462
assistance partner GmbH & Co. KG, München	5.0	EUR	2021	1,248,189	248,189
BAU + HAUS Management GmbH, Wiesbaden	50.0	EUR	2021	8,817,607	1,158,553
bbv-Service Versicherungsmakler GmbH, München	25.2	EUR	2021	2,397,764	406,941
Consorzio Caes Italia S.C.S., Mailand	86.2	EUR	2021	364,477	107,294
DI Rathaus Center Pankow Nr. 35 KG, Düren	3.9	EUR	2020	30,037,441	2,389,948
EXTREMUS Versicherungs-Aktiengesellschaft, Köln	5.0	EUR	2021	63,465,526	-753,922
Golding Mezzanine SICAV III i.L., Luxemburg	1.3	EUR	2021	23,181,364	4,256,307
Golding Mezzanine SICAV IV Teilfonds 2 i.L., Luxemburg	50.0	EUR	2021	1,449,214	126,579
Grand Hotel Heiligendamm GmbH & Co. Kommanditgesellschaft, Vettweiß-Disternich [1)]	1.9	EUR	-	-	-
KLAAS MESSTECHNIK GmbH, Seelze	15.4	EUR	2021	61,037	19,672
Partners Group Global Mezzanine 2007 SICAR, Luxemburg	2.2	EUR	2021	3,728,000	-1,229,000
Protektor Lebensversicherungs-AG, Berlin	5.3	EUR	2021	7,854,249	1,524
R+V Kureck Immobilien GmbH Grundstücksverwaltung Braunschweig, Wiesbaden	50.0	EUR	2021	6,743,164	-66,719
Schroder Property Services B.V. S.à.r.l., Senningerberg	30.0	EUR	2021	310,014	-35,037
Teko - Technisches Kontor für Versicherungen Gesellschaft mit beschränkter Haftung, Düsseldorf	10.0	EUR	2021	145,047	34,321
Trustlog GmbH, Hamburg	50.0	EUR	2021	6,874,918	-2,235,895
Versicherungs-Vermittlungsgesellschaft des Sächsischen Landesbauernverbandes mbH, Dresden	50.0	EUR	2021	214,786	2,134
Versicherungs-Vermittlungsgesellschaft mbH des Bauernverbandes Mecklenburg-Vorpommern e.V. (VVB), Neubrandenburg	50.0	EUR	2021	281,815	51,448
Versicherungs-Vermittlungsgesellschaft mbH des Landesbauernverbandes Sachsen-Anhalt e.V. (VVB), Magdeburg	50.0	EUR	2021	73,793	3,660
VR-NetWorld GmbH, Bonn	6.7	EUR	2021	6,761,953	777,359
VVB Versicherungs-Vermittlungsgesellschaft mbH des Landesbauernverbandes Brandenburg, Teltow	50.0	EUR	2021	33,952	3,801

1) New acquisition. No current business figures are available.

Notes on the balance sheet - assets

Development of asset items A. I. to III in fiscal year 2021 [1)]

	Values for previous year Thou. Euro	%	Additions Thou. Euro
A. Capital investments			
A. I. Land, land rights and buildings including buildings on third-party land	3,190	0.0	0
A. II. Capital investments in affiliated companies and shareholdings			
1. Shares in affiliated companies	2,628,826	28.6	263,884
2. Loans to affiliated companies	147,506	1.6	133,521
3. Shareholdings	376	0.0	0
4. Total A. II.	2,776,708	30.2	397,405
A. III. Other capital investments			
1. Stocks, shares or shares in investment funds and other variable interest securities	1,062,591	11.6	95,832
2. Bearer bonds and other fixed-interest securities	3,926,896	42.7	753,773
3. Other loans			
a) Registered bonds	506,614	5.5	61,482
b) Bonded debt receivables and loans	139,619	1.5	60
4. Deposits at banks	634,676	6.9	0
5. Other capital investments	146,818	1.6	92,823
6. Total A. III.	6,417,213	69.8	1,003,968
Total A.	**9,197,111**	**100.0**	**1,401,373**
Total	**9,197,111**		**1,401,373**

1) Discrepancies in totals are due to rounding
2) thereof currency write ups: 45,076 thousand Euro
3) thereof currency depreciation: 104,054 thousand Euro

Transfers Thou. Euro	Disposals Thou. Euro	Write-ups[2)] Thou. Euro	Depreciation[3)] Thou. Euro	Thou. Euro	Values for current fiscal year %
0	0	0	65	3,125	0.0
0	0	23,129	0	2,915,839	30.0
0	0	859	7,247	274,639	2.8
0	0	0	0	376	0.0
0	0	23,988	7,247	3,190,854	32.9
0	263	1,300	13,000	1,146,459	11.8
0	555,014	35,025	83,823	4,076,856	42.0
0	58,960	2,401	0	511,536	5.3
0	28,371	1,067	0	112,374	1.2
0	177,809	1,173	12,818	445,221	4.6
0	16,762	3,283	934	225,228	2.3
0	837,180	44,248	110,575	6,517,675	67.1
0	**837,180**	**68,236**	**117,886**	**9,711,654**	**100.0**
0	**837,180**	**68,236**	**117,886**	**9,711,654**	

A. Capital investments

in thousand Euro			2022
	Book value	Fair value	Reserve
I. Land, land rights and buildings including buildings on third-party land	3,125	12,594	9,469
II. Capital investments in affiliated companies and shareholdings			
1. Shares in affiliated companies	2,915,839	5,573,022	2,657,183
2. Loans to affiliated companies	274,639	252,878	-21,761
3. Shareholdings	376	376	0
III. Other capital investments			
1. Stocks, shares or shares in investment funds and other variable interest securities	1,146,459	1,027,437	-119,022
2. Bearer bonds and other fixed-interest securities	4,076,856	3,494,609	-582,247
3. Other loans			
a) Registered bonds	511,536	398,810	-112,726
b) Bonded debt receivables and loans	112,374	98,755	-13,619
4. Deposits at banks	445,221	444,796	-425
5. Other capital investments	225,228	239,806	14,578
IV. Deposits with ceding insurers	428,124	428,124	0
	10,139,778	**11,971,208**	**1,831,429**

The market prices or redemption prices from the last trading day were generally used to determine the fair values of listed securities. In the case of pension securities without regular price supply via stock exchanges, a synthetic market value determination was carried out using the discounted cash flow method or model-based prices from specialised data providers.

The fair values of the other loans were determined using the discounted cash flow method, taking into account the remaining term to maturity and creditworthiness-specific risk premiums.

The fair values for shares in affiliated companies, participations and other capital investments were determined using the net income formula according to IDW S1 in conjunction with IDW RS HFA 10, or the net asset value was used. In addition, approximations based on expert estimates were used for a few items.

The structured products were valued using recognised financial mathematical methods. A shifted Libor market model was used for this purpose. Incoming valuation parameters are money market/swap interest rate curves, issuer- and risk class-specific credit spreads, volatilities and correlations for CMS swap rates and, if applicable, spot exchange rates.

The market value of the asset-backed securities products (ABS) was determined by Value & Risk Valuation Services GmbH and was based on two main sources of information. On the one hand, there is the business data or the data on the deposited collateral, which represent the master data of the products and thus allow qualitative statements about the respective transaction. On the other hand, there are the forecast repayments from which the cash flows of the transactions are derived and which thus form the quantitative background for the valuation.

The property was revalued as of 31 December 2022. The standard ground value, on which the valuation was based, was updated in the 2022 financial year. Insofar as other valuations were used, these complied with the provisions of Section 56 RechVersV.

In accordance with Section 341 b (2) HGB, 5,247.6 million Euro of capital investments are allocated to fixed assets. Based on the prices as at 31 December 2022, this included positive valuation reserves of 31.1 million Euro and negative valuation reserves of 733.8 million Euro.

The item A. III. Other capital investments includes shares in foreign limited partnerships in the amount of 222.8 million Euro under 5. other capital investments.

The valuation reserves of the total capital investments amounted to 1,831.4 million Euro, which corresponds to a reserve ratio of 18.1%.

A. Capital investments - Information on financial instruments which are reported at more than their fair value

in thousand Euro		2022
Type	**Book value**	**Fair value**
Shares in affiliated companies [1]	16,965	15,264
Loans to affiliated companies [2]	222,159	200,284
Stocks, shares or shares in investment funds and other variable interest securities [3]	122,551	102,377
Bearer bonds and other fixed-interest securities [4]	3,998,858	3,415,513
Registered bonds [5]	411,088	295,482
Bonded debt receivables and loans [6]	78,865	63,634
Deposits at banks [7]	371,581	371,096
Other capital investments [1]	53,572	52,642

[1] Due to expected company profits, the impairments are not permanent but dependent on market price changes.
[2] The lower fair value relates to loans, which are expected to show a temporary impairment as a result of their credit rating.
[3] Due to the existing creditworthiness of the issuers and expected company profits, the impairments are not permanent but dependent on market price changes.
[4] Due to the existing creditworthiness of the issuers, the impairments are not permanent but dependent on market price changes.
[5] The lower fair value relates to registered bonds, which are expected to show a temporary impairment as a result of their credit rating.
[6] The lower fair value relates to bonded debt receivables and loans, which are expected to show a temporary impairment as a result of their credit rating.
[7] Due to the existing creditworthiness of the borrowers and short residual terms, the impairments are not permanent but dependent on market price changes.

A. Capital investments - Information on derivative financial instruments

in thousand Euro				2022
Type	**Nominal volume**	**Book value**	**Positive fair value**	**Negative fair value**
Interest-related business				
Futures/forward purchases registered certificates [1]	5,000	-	-	713
Futures/forward purchases bearer bonds [2]	40,850	-	-	12,284
Currency-related business				
Forward exchange transactions [3]	458,063	2,150	5,089	2,939

[1] Futures/forward purchases on registered certificates are valued based on the discounted cash flow method. The interest rate curve and the issuer and risk category-specific credit spread (covered, uncovered, subordinated) are the valuation parameters for this purpose.
[2] Futures/forward purchases on bearer bonds are valued based on the discounted cash flow method. The spot rate and the interest rate curve are the valuation parameters for this purpose.
[3] The valuation of the forward exchange contracts corresponds to the discounted “delta” between the agreed forward rate and the forward rate as at the valuation date. The forward exchange rate is measured using the mark-to-market method. The reported book value corresponds to the capitalised positive market values (reported under Assets C. III. Other assets) less provisions for contingent losses formed Liabilities C. III. Other provisions. The absolute value shown represents an asset-side gap as at 31 December 2022.

A. III. Other capital investments - stocks, shares or shares in investment funds

in thousand Euro				2022
Fund type	**Market value**	**Difference between market value/book value**	**Distribution for the fiscal year**	**Omitted non-scheduled depreciation**
Equity fund	69,364	4,837	821	-353
Pension fund	95,763	-11,495	2,946	-11,495
Mixed fund	624,345	-113,472	21,251	-116,967
	789,472	**-120,130**	**25,019**	**-128,815**

The securities funds are predominantly European or international in orientation and are invested primarily in securities.

The investment principle of Section 215 (1) VAG on security is always observed.

Regarding two equity funds and four bond funds in the investment portfolio, a write-down to the sustainable value was made as interim value.

In the case of one bond fund and one mixed fund in the fixed assets, depreciation was waived because it was a temporary reduction in value. This was proven on the basis of the sustainable values, which were higher than the book values.

C. III. Other assets

Other assets include 53.0 million Euro of trust capital deposited as collateral for the underwriting liabilities of the South African branch.

D. II. Other accruals

in Euro	2022
Expenditure relating to subsequent fiscal years	
Status as at 31 December	**544,240.37**

Notes on the balance sheet - liabilities

A. I. Called-up capital

in Euro	2022
The subscribed capital is divided into 14,408,010 no-par value shares (registered shares with restricted transferability).	
Balance carried forward to January 1	352,220,259.74
Capital increase against cash contribution	22,013,766.23
Status as at 31 December	**374,234,025.97**

The subscribed capital increased by 22.0 million Euro to 374.2 million Euro compared to 31 December 2021, as a result of the issuing of 847,530 new registered shares with restricted transferability.

There is authorised capital of up to a nominal 66.5 million Euro, which can be used until 30 April 2027. After partial utilisation, the authorised capital still amounts to 44.5 million Euro.

DZ BANK AG has notified pursuant to Sections 21 (2), 20 (4) AktG that it holds a majority interest in R+V Versicherung AG.

A. II. Capital reserves

in Euro	2022
Balance carried forward to January 1	1,632,887,360.26
Premium from the capital increase	225,464,993.77
Status as at 31 December	**1,858,352,354.03**

The capital reserve has increased by 225.5 million Euro to 1,858.4 million Euro compared to the status as at 31 December 2021.

A. III. Retained earnings

in Euro	2022
Other retained earnings	
Status as at 31 December	**164,666,337.05**

Retained earnings are unchanged compared to 31 December 2021.

C. I. Provisions for pensions and similar obligations

in Euro	2022
Settlement amount	25,588,072.00
Offsettable reinsurance assets (claims from life insurance policies)	13,922,666.59
Status as at 31 December	**11,665,405.41**

The discounting of provisions for pensions at the average market interest rate of the last ten years compared to discounting at a rate of the last seven years, a difference amounting to 1,124,918.00 Euro.

C. III. Other provisions

in Euro		2022
Holiday/flexi-time credits		3,085,000.00
Working life		-
Provision	9,193,386.15	
Offsettable reinsurance assets (claims from life insurance policies)	9,193,386.15	
Capital investment area		3,288,590.10
Annual financial statements		1,242,998.00
Storage of business records		680,328.00
Trade association		26,000.00
Personnel costs		11,327,095.00
Anniversaries		4,848,065.00
Other provisions		62,150,114.38
Status as at 31 December		**86,648,190.48**

Other provisions mainly relate to risk allocations in connection with various tax risk positions of still open assessment periods.

E. Other liabilities

in Euro	2022
Liabilities with a remaining term of more than five years	
Bonds	11,200,160.00
Status as at 31 December	**11,200,160.00**

There were no liabilities secured by liens or similar rights.

Notes on the profit and loss account

I. 1. A) Gross premiums written

in Euro	2022	2021
Property and casualty, health and accident insurance	3,488,375,758.27	3,510,770,063.94
Life insurance	25,106,666.93	25,795,279.10
Status as at 31 December	**3,513,482,425.20**	**3,536,565,343.04**

I. 2. Technical interest income for own account

in Euro	2022	2021
Status as at 31 December	**1,057,479.03**	**823,879.54**

This is deposit interest from the collateral provided to the previous insurers in the amount of the actuarial reserve and the annuity actuarial reserve.

The shares of the reinsurers were determined according to the contractual agreements and deducted accordingly.

I. 4. Expenditure for insurance claims for own account

in Euro	2022	2021
Status as at 31 December	**2,552,292,406.34**	**2,494,184,122.60**

The run-off of the provisions for outstanding claims taken over from the previous financial year resulted in a gross loss of 192.3 million Euro before subsequent premium payments. The gross lossoriginates mainly with the aviation/space, engineering, fire, and credit/bond lines of business.

II. 2. Depreciation on capital investments

in Euro	2022	2021
b) Depreciation on capital investments		
Scheduled depreciation	64,545.00	67,412.00
Non-scheduled depreciation in accordance with Section 253 (3) sentence 5 HGB	13,225,083.85	3,168,181.47
Non-scheduled depreciation in accordance with Section 253 (3) sentence 6 HGB	542,501.26	-
Status as at 31 December	**13,832,130.11**	**3,235,593.47**

II. 4. Other income

in Euro	2022	2021
Income on services provided	44,204,728.65	35,062,844.95
Other interest income	8,288,637.80	9,176,838.17
Income from liability insurance	4,130,175.46	2,145,025.28
Other income	15,840,551.91	21,163,477.39
Status as at 31 December	**72,464,093.82**	**67,548,185.79**

Other income includes exchange rate gains of 12.9 million Euro as at the balance sheet date.

II. 5. Other expenditure

in Euro	2022	2021
Expenditure on services provided	41,887,077.53	33,091,256.52
Expenditure that affects the company as a whole	50,449,962.69	41,056,846.15
Interest transferred to provisions	696,443.10	601,587.68
Interest to be offset from offsettable assets	-734,493.10	-598,451.23
Expenditure from outsourcing pension provisions	1,593,283.05	820,783.64
Other interest expenditure	5,168,606.82	4,624,838.95
Other expenditure	65,545,962.20	29,861,793.18
Status as at 31 December	**164,606,842.29**	**109,458,654.89**

Other expenses include exchange rate losses of 36.1 million Euro as at the balance sheet date.

Other notes

Supervisory Board of R+V Versicherung AG

Dr. Cornelius Riese
– Chairman –
Co-Chairman of the Board of Managing Directors of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main

Ulrich Birkenstock
– Vice-Chairman –
Chairman of the General Works Council of R+V Allgemeine Versicherung AG, branch office Koblenz, Koblenz

Uwe Abel
Chairman of the Management Board of Mainzer Volksbank eG, Mainz

Thomas Bertels
Chairman of the General Works Council of R+V Service Center GmbH, Münster

Joachim Blank
(In-house) lawyer, Head of the Group Law Department of R+V Versicherung AG, Wiesbaden
(with effect from 1 December 2022)

Henning Deneke-Jöhrens
Chairman of the Management Board of Volksbank eG, Hildesheim

Marion Fricker
Chairwoman of the Works Council of R+V Allgemeine Versicherung AG, Stuttgart branch office, Stuttgart
(with effect from 22 January 2022)

Ansgar Gerdes
Member of the Works Council of R+V Allgemeine Versicherung AG, VH-Betrieb Hamburg, Hamburg

Matthias Hümpfner
Chairman of the Board of Volksbank pur eG, Karlsruhe
(with effect from 19 May 2022)

Engelbert Knöpfle
Head of the South-East sales division of R+V Allgemeine Versicherung AG, München
(until 30 November 2022)

Marija Kolak
President of the Federal Association of German Volksbanken and Raiffeisenbanken e.V., Berlin

Klaus Krömer
Member of the Management Board of Emsländischen Volksbank eG, Lingen (Ems)

Dirk Schiweck
Chairman of the Internal Works Council and Member of the General Works Council of R+V Versicherung AG, Wiesbaden head office, Wiesbaden

Armin Schmidt
Financial services secretary of the ver.di trade union, Wiesbaden district, Wiesbaden

Sigrid Schneider
Chairwoman of the Works Council of R+V Allgemeine Versicherung AG, Dresden branch office, Dresden
(until 21 January 2022)

Michael Speth
Member of the Management Board of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main

Martina Trümner
Lawyer (Of Counsel) for Münch Law Firm, Berlin

Rainer Wiederer
Spokesman of the Management Board of Volksbank Raiffeisenbank Würzburg eG, Würzburg

Jürgen Zachmann
Chairman of the Management Board of Volksbank Pforzheim eG, Pforzheim
(until 19 May 2022)

Board of Management of R+V Versicherung AG

Dr. Norbert Rollinger
– Chairman –

Claudia Andersch

Dr. Klaus Endres

Jens Hasselbächer

Dr. Christoph Lamby

Tillmann Lukosch

Dr. Edgar Martin
(until 31 March 2022)

Julia Merkel

Marc René Michallet

Personnel expenditure

in Euro	2022	2021
1. Wages and salaries	80,150,723.26	73,931,768.52
2. Social security deductions and expenditure on other benefits	11,479,061.38	10,453,307.73
3. Expenditure on pension provision	12,921,116.27	8,601,925.28
Total expenditure	**104,550,900.91**	**92,987,001.53**

Remuneration of the Executive Board and the Supervisory Board

The total remuneration of the members of the Executive Board amounted to 9,872,668.00 Euro (2021: 9,187,326.00 Euro).

872,727.00 Euro was paid to former members of the Executive Board and their surviving dependents (2021: 859,260.00 Euro). Contributions of 3,862,358.73 Euro (2021: 3,849,965.85 Euro) were paid to Versorgungskasse genossenschaftlich orientierter Unternehmen e.V. for members of the Executive Board in 2022 as part of the outsourcing of pension obligations. For former members of the Executive Board and their surviving dependents, 472,229.25 Euro (2021: 386,829.37 Euro) were paid to Versorgungskasse genossenschaftlich orientierter Unternehmen e.V. and 358,996.67 Euro (2021: 169,301.70 Euro) to R+V Pensionsfonds AG.

There is a provision of 14,386,518.00 Euro (2021: 11,548,283.00 Euro) for current pensions and entitlements to pensions of former members of the Executive Board and their surviving dependents. In addition, obligations for this group of persons of 409,218.00 Euro (2021: 613,827.00 Euro) were not recognised in the balance sheet in application of Article 67 (1) EGHGB.

393,810.96 Euro was spent on the Supervisory Board in the financial year (2021: 317,083.01 Euro). Amounts subject to disclosure pursuant to Section 285 No. 9c HGB were not recorded in the financial year.

Staffing Level

In the 2022 financial year, R+V Versicherung AG had an average of 885 (2021: 823) employees working exclusively in the back office.

Related party disclosures

In the reporting period, no transactions within the meaning of Section 285 No. 21 HGB were conducted with related parties.

Auditor's fees and services

The following fees were recorded as expenditure (net) in the fiscal year:

in Euro	2022
Audit services	1,311,009.79
Other certification services	12,950.00
Total expenditure	**1,323,959.79**

The auditor of R+V Versicherung AG is Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungsgesellschaft.

In addition to the audit of the financial statements, the audit firm has performed other approved services for the company. The other assurance services are mainly the performance of agreed-upon procedures. The other assurance services mainly relate to the performance of agreed-upon assurance procedures in connection with key figures on remuneration systems and in the context of the reporting system of the South African branch.

Information on contingent liabilities and other financial obligations

On the reporting date the following contingent liabilities arose from contracts concluded and memberships in accordance with Section 251 HGB and other financial obligations in accordance with Section 285 No. 3a HGB:

in Euro	Details concerning amount	Thereof due to affiliated companies	Risks	Benefits
1. Letters of Credit	728,162,143.89	4,254,426.65	The guarantees can be used if payment obligations to cedents are not met.	Bank guarantees were used to provide collateral for technical liabilities so that business can be conducted in foreign markets.
2. Supplementary payment obligations	211,876,147.17	74,320,300.00	There is an obligation to pay. No influence on the time of the claim is possible. There is a risk that the shareholding will fall in value in the mean-time.	No increase in reported capital investments as long as this is not paid out. Liquidity benefits arise from non-payment that can be used for a capital investment with better interest yield, if applicable.
3. Letters of comfort				
a)	19,900,000.00	19,900,000.00	Utilisation possible at any time. There is no reported current value upon utilisation.	Better credit procurement possibilities for a borrowing company within the R+V consolidated group with low probability of occurrence for the patron.
b)	80,000,000.00	0.00	Utilisation possible at any time. There is no reported current value upon utilisation.	Enabling a strategic partnership of a company within the R+V Group with a low probability of occurrence for the patron.
4. Put options from multi-tranches Remaining term > 1 year	237,000,000.00	60,000,000.00	Outflow of liquidity. Opportunity costs are incurred due to the low interest rate and an issuer risk.	Higher coupon of underlying asset.
5. Blocked deposit	644,681,902.44	17,841,187.20	Outflow of liquidity. Opportunity costs are incurred due to the low interest rate.	Investments were blocked in separate deposit accounts in favour of cedents.
6. Liabilities from pending transactions	64,580,099.27	39,850,000.00	Opportunity costs due to low interest rate; counterparty risk and issuer risk.	Compensation for liquidity fluctuations during the course of the fiscal year and avoiding of market disturbances with high investment requirements.
7. Amount of liability	5,000.00	0.00	No increase in balance sheet capital investments on recourse. There is no reported current value for the liability total.	Increase in liable shareholders' equity at cooperative companies, low probability of occurrence through deposit guarantee funds.
8. Original stock loan	16,066,266.75	0.00	There is an obligation to pay. No influence on the time of the claim is possible. There is a risk that the security will fall in value in the mean-time.	Interest and redemption claims.
9. Investment obligations	2,629.90	0.00	Budget overrun due to higher costs leads to increased cash outflow	Compliance with planning objectives
Total	**2,002,274,189.42**	**216,165,913.85**		

Based on past experience and the knowledge gained in the past financial year up to the time of preparation of the annual financial statements, a claim under the contingent liabilities pursuant to Section 251 HGB is to be classified as unlikely.

There were no other financial obligations to associated companies.

Information on the identity of the company and the consolidated financial statements

R+V Versicherung AG, with its registered office in Wiesbaden and its business address at Raiffeisenplatz 1, 65189 Wiesbaden, is registered with the Local Court of Wiesbaden under HRB 7934.

R+V Versicherung AG prepares consolidated financial statements in accordance with IFRS. These are published in the company register.

The consolidated financial statements of R+V Versicherung AG are included as a sub-group in the superordinate consolidated financial statements of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main. These are published in the company register.

Supplementary report

No events of particular significance occurred after the end of the financial year.

Wiesbaden, 3 March 2023

The Board of Directors

Dr. Rollinger	Andersch	Dr. Endres
Hasselbächer	Dr. Lamby	Lukosch
Merkel	Michallet	

Independent Auditor's Report

To R+V VERSICHERUNG AG, Wiesbaden

Report on the Audit of the Annual Financial Statements and of the Management Report

Audit Opinions

We have audited the annual financial statements of R+V VERSICHERUNG AG, Wiesbaden, which comprise the balance sheet as at December 31, 2022, and the statement of profit and loss for the financial year from January 1 to December 31, 2022, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of R+V VERSICHERUNG AG for the financial year from January 1 to December 31, 2022. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

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

- The accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2022 and of its financial performance for the financial year from January 1 to December 31, 2022 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

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

Key Audit Matters in the Audit of the Annual Financial Statements

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

In our view, the matters of most significance in our audit were as follows:

❶ **Measurement of investments**

❷ **Measurement of the partial loss provisions for known and unknown claims contained in the gross provisions for outstanding claims in the property-casualty business**

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ Measurement of investments

① In the Company's annual financial statements investments amounting to EUR 10,139.8 million (91.7% of total assets) are reported in the balance sheet. The individual investments are measured in accordance with German commercial law at the lower of cost and fair value.

Pursuant to § 341b Abs. 2 Satz 1 HGB, certain investments held by insurance undertakings that are intended to serve the business on a permanent basis may be measured in accordance with the provisions applicable to fixed assets. In this case, the carrying amounts of assets are only written down to their lower fair value if impairment is expected to be permanent (less strict principle of lower of cost or market value), and impairment losses that are merely temporary are carried forward to subsequent periods as hidden liabilities. Determining that investments are intended to serve the business on a permanent basis presupposes the intention and ability to hold them permanently. The market price of the respective investment – if available – is used for the purpose of determining the fair value.

Investments that are not measured on the basis of stock exchange prices or other market prices (e.g. land, land rights and buildings, including buildings on third-party land, unlisted equity investments, registered bonds and promissory note loan receivables and loans) are associated with increased risk regarding measurement due to the necessity of using model-based calculations. The executive directors are required to exercise judgment and make estimates and assumptions in this context, including with respect to the possible effects of changes in interest rates on the measurement of investments. Minor changes to those assumptions or to the methods used may have a material impact on the measurement of investments

Due to the material significance of the amounts of the investments for the assets, liabilities and financial performance of the Company, the extent of hidden liabilities carried forward in application of the less strict principle of lower of cost or market value, and the scope for judgment on the part of the executive directors and the associated uncertainties in the estimations made, the measurement of investments was of particular significance in the context of our audit.

② Given the significance of investments for the Company's overall business, as part of our audit we assessed the assumptions made by the executive directors and the models used by the Company together with our internal specialists for investments. Thereby, we based our assessment on our valuation expertise with regard to investments, and our industry expertise and experience, among other things. In addition, we evaluated the design and effectiveness of the controls established by the Company for the purpose of measuring investments and recording the earnings from investments. On that basis, we carried out additional analytical audit procedures and tests of details relating to the measurement of investments. In this context, we also assessed the executive directors' assessment as to the impact of changes in interest rates on the measurement of investments. Among other things, we also examined the underlying amounts recorded and their recoverability on the basis of the documentation made available, and we evaluated the consistent application of the measurement methods and the allocation of amounts to the correct periods. With respect to the assessment of hidden liabilities, we examined the extent to which the requirement for intention and ability to hold the investments permanently was met, and the extent to which impairment was not permanent. Furthermore, we assessed the work of experts (including the measurement parameters used and the assumptions made) used by the executive directors to measure the investments, in particular structured financial instruments collateralized by debt claims.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of measuring the investments are substantiated and sufficiently documented.

③ The Company's disclosures relating to investments are contained in the sections "Accounting policies" and "Investments" of the notes to the financial statements. Risk disclosures can be found in the "Market risk" section of the opportunities and risk report, which is part of the Company's management report.

❷ Measurement of the partial loss provisions for known and unknown claims contained in the gross provisions for outstanding claims in the property-casualty business

① In the Company's annual financial statements a gross provision for outstanding claims (referred to as "gross claims provisions") amounting to EUR 6,466.2 million (58.5% of total assets) is reported under the "Technical provisions" balance sheet item. The gross claims provisions are broken down into a variety of partial claims provisions. The provisions for known and unknown claims relate to a material portion of the gross claims provisions.

Insurance companies are required to recognize claims provisions to the extent necessary in accordance with prudent business judgment to ensure that they can meet their obligations from insurance contracts on a long-term basis. Defining assumptions for the purpose of measuring the claims provisions requires the Company's executive directors, in addition to complying with the requirements of commercial and regulatory law, to make estimates of future events and to apply appropriate measurement methods. This also includes the expected impact of higher inflation rates on the recognition of the claims provisions in the lines of business concerned. The methods used to determine the amount of the claims provisions and the calculation parameters are based on judgments and assumptions made by the executive directors. Minor changes to those assumptions or to the methods used may have a material impact on the measurement of the claims provisions.

Due to the material significance of the amounts of these provisions for the assets, liabilities and financial performance of the Company, the complexity of the applicable requirements and the underlying methods as well as the scope for judgment on the part of the executive directors and the associated uncertainties in the estimations made, the measurement of the provisions for known and unknown claims was of particular significance in the context of our audit.

② Given the significance of the provisions for known and unknown claims for the Company's overall business, as part of our audit we assessed the assumptions made by the executive directors and the methods used by the Company together with our internal actuaries. Thereby, we based our assessment on our industry expertise and experience, among other things, and considered recognized methods. We also evaluated the design and effectiveness of the controls established by the Company for the purpose of calculating and recording claims provisions. On that basis, we carried out additional analytical audit procedures and tests of details relating to the measurement of the provisions for known and unknown claims. Therewith, we assessed the results of the Company's calculations of the amount of the provisions with reference to the applicable legal requirements and evaluated the consistent application of the measurement methods and the allocation of amounts to the correct periods. In this context, we also assessed the executive directors' assessment as to the impact of higher inflation rates on the overall business and the lines of business concerned.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of measuring the provisions for known and unknown claims are substantiated and sufficiently documented.

③ The Company's disclosures relating to gross claims provisions are contained in the section "Accounting Policies" of the notes to the financial statements. Risk disclosures can be found in the "Underwriting risk" section of the opportunities and risk report, which is part of the Company's management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the statement on corporate governance pursuant to § 289f Abs. 4 HGB included in the section "Corporate Governance Statement" of the management report (disclosures on the proportion of women)
- the section "Sustainability Report" of the management report

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report.

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

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

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears tob e materially misstated.

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

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

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

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

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

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

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

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

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

Other legal and regulatory requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on May 19, 2022. We were engaged by the supervisory board on October 21, 2022. We have been the auditor of R+V VERSICHERUNG AG, Wiesbaden, without interruption since financial year 2021.

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

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Florian Möller.

Frankfurt am Main, March 15 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Florian Möller	Sandro Trischmann
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

This English Annual Report is a translation of the original German text; the German version takes precedence in case of any discrepancies.

Report of the Supervisory Board of R+V Versicherung AG

The economic development in 2022 was marked by the war in Ukraine and a strong increase in inflation worldwide. This placed a significant burden on companies and households. The restrictive monetary policy measures of the central banks, the uncertainties of the war as well as a deteriorating economic outlook caused price declines and high price fluctuations on the global stock markets. De-spite the extremely challenging circumstances, according to initial calculations by the Federal Statistical Office, real gross domestic product in Germany grew by 1.8%. According to initial projections, the inflation rate averaged 7.9% for the year.

The German insurance industry achieved a premium volume in 2022 at almost the previous year's level - despite these difficult macroeconomic conditions. As the German Insurance Association (GDV) announced at its annual media conference, German insurers collected a total of 224.3 billion Euro (- 0.7%).

The Supervisory Board has taken the general economic conditions in 2022 into account in its work.

Supervisory Board and Committees

To fulfil its duties, the Supervisory Board has formed an Audit Committee, a Personnel Committee, and a Mediation Committee.

The Supervisory Board and its committees continuously monitored and advised the Executive Board's management of the business in accordance with the statutory provisions and the Articles of Association and decided on the transactions submitted that required their approval. The monitoring activities of the Supervisory Board and the Audit Committee also related in particular to the effective-ness of the risk management system as well as the internal control system and the internal audit system.

If required, internal information events are held for the are held for the members of the Supervisory Board on topics of legal issues relating to Supervisory Board activities, underwriting, capital investments, accounting for insurance groups and risk management.

Cooperation with the Board of Directors

The Board of Management reported regularly, promptly and comprehensively to the Supervisory Board in writing and orally on the situation and development of R+V Versicherung AG. This was done in the Supervisory Board and committee meetings as well as through quarterly written reports from the Board of Management. The Supervisory Board was regularly informed in detail by the Executive Board about the course of business and the risk situation with the economic and regulatory risk-bearing capacity of R+V Versicherung AG and the R+V Group. In addition, the Executive Board reported to the Supervisory Board on the risk strategy and the risk management system.

The Supervisory Board discussed the aforementioned topics with the Executive Board, advised the Executive Board and monitored its management. In doing so, the Supervisory Board dealt intensively with the regulatory framework conditions. The Supervisory Board was always involved in decisions of fundamental importance and in transactions requiring approval.

In addition, the Chairman of the Executive Board discussed important decisions and significant business developments with the Chairman of the Supervisory Board in advance, also outside the meetings.

Meetings of the Supervisory Board and its Committeesc

Four meetings of the Supervisory Board were held in the 2022 financial year, with the Supervisory Board convening on 28 March 2022, 19 May 2022, 7 September 2022 and 17 November 2022. In addition, meetings of the Audit Committee were held on 17 March 2022 and of the Personnel Committee on 9 March 2022 and on 17 November 2022. At the meetings, the Supervisory Board and the committees received and discussed oral and written reports from the Executive Board.

Resolutions were passed by written resolution in four cases by the Supervisory Board and in one case by the Audit Committee.

Deliberations in the Supervisory Board and the Committees

In the course of its activities, the Supervisory Board discussed in detail the economic situation of R+V Versicherung AG and the R+V Group, corporate planning, and prospects as well as key financial figures. The focal points of the discussions were the business development of the three segments of life and health insurance, property and accident insurance and active reinsurance. In this context, the Supervisory Board dealt intensively with the effects of the difficult economic environment caused by Russia's war against Ukraine, the COVID 19 pandemic, supply chain problems, the energy crisis and high inflation. This included the effects on premium, claims and production development, capital investments, the result situation and the measures taken to control costs.

In property and accident insurance, the Supervisory Board considered the premium development in the individual insurance lines, the claims development and the combined ratio. In this context, the Supervisory Board discussed NatCat claims, the further developed composite strategy, and the corporate and product development measures, in addition to the premium erosion in motor insurance. With regard to life and health insurance, the Supervisory Board discussed the development of surplus participation in addition to the effects of the difficult economic conditions on the development of new business in the individual business fields. The Supervisory Board also concerned itself with the realignment of the product portfolio to strengthen biometric business, unit-linked products, and products with new guarantees. In addition, the Supervisory Board deliberated on the planned new portfolio management system, the development of additional interest provisions, and the effects of the merger of R+V Luxembourg Lebensversicherung S.A. into R+V Lebensversicherung AG. With regard to inwards reinsurance, the Supervisory Board discussed the business development and the claims burden, in particular due to the considerable natural hazard losses, the reinsurance within the framework of the renewal round and the effects of the inflation trend.

The Supervisory Board debated the development of the underwriting results, the market valuation effects influencing the IFRS consolidated result and equity as well as the HGB result of R+V Versicherung AG. In connection with capital investments, the Supervisory Board discussed the burdens on the capital investment result caused by the rapid rise in interest rates, the decline in the share ratio and the application of Section 341 (2) HGB. Furthermore, the Supervisory Board dealt with the IT strategy as well as the investments in IT and consulting, the sustainability strategy and sustainable insurance products, the development of costs and the tax expense. The Supervisory Board also concerned itself with the "WIR@R+V Growth Innovation Profitability" strategy, which included return-oriented profitable growth, the positioning of sales, and customer orientation. The Supervisory Board further dealt with the human resources strategy with regard to the return of employees from the home office to the implemented "New Normal" work model, the company's remuneration systems and human resources initiatives and measures. The Supervisory Board also considered the measures of the "Together" mission implemented on the occasion of the 100th anniversary of R+V. With regard to foreign activities, the Supervisory Board deliberated the further development of the Assimoco Group in Italy.

In connection with Executive Board matters, the Supervisory Board dealt with the determination of the variable Executive Board remuneration for the 2021 financial year, as well as the determination of the payment conditions of the shares of the variable remuneration of the Executive Board members from the 2018 financial year to be paid out with a time delay. The Supervisory Board further determined the gender quota to be achieved for the proportion of women on the Executive Board in the period from 1 July 2022 to 30 June 2027 and handled the reappointment of two members of the Executive Board.

In connection with Supervisory Board matters, the Supervisory Board submitted all necessary resolution proposals to the Annual General Meeting. This included the creation of an Authorised Capital with exclusion of subscription rights for fractional amounts through a corresponding amendment to the Articles of Association and the approval of the conclusion of a profit transfer agreement between R+V Versicherung AG and DZ BANK AG Deutsche Zentral-Genossenschaftsbank. It also included an authorisation of the Board of Directors to issue registered profit-sharing bonds under exclusion of the shareholders' statutory subscription rights in the context of employee participation, the new determination of the remuneration of the Supervisory Board, the appointment of the auditor for the annual financial statements 2022 and the consolidated financial statements 2022 as well as the re-elections and the election of new members to the Supervisory Board. In accordance with the provisions of the Articles of Association, the Supervisory Board also resolved on the distribution of the Supervisory Board remuneration newly deter-mined by the Annual General Meeting and gave its consent to the transfer of registered shares. The Supervisory Board further approved the partial utilisation of the authorised capital by the Executive Board through a cash capital increase and the measures necessary in this context. In addition, the Supervisory Board approved a participation of R+V KOMPOSIT Holding GmbH in a capital increase of R+V Allgemeine Versicherung AG as well as the change in the participation in R+V Pensionsfonds AG through a share acquisition of R+V Personen Holding GmbH. Furthermore, following the resignation of the respective Supervisory Board mandate by one employee representative, the Supervisory Board elected one employee representative each to the Audit Committee and the Personnel and Mediation Committees as new members. The Supervisory Board also re-elected the former Chairman of the Supervisory Board and a former member of the Audit Committee after the re-election of two Supervisory Board members whose mandates ended by rotation at the Annual General Meeting. The Supervisory Board also determined the gender quota to be achieved for the proportion of women on the Supervisory Board in the period from 1 July 2022 to 30 June 2027, discussed the most significant audit matters agreed with the auditor and dealt with the necessary self-evaluation along with the preparation of a development plan.

The Audit Committee dealt with the preliminary audit of the annual financial statements of R+V Versicherung AG and the R+V Group, the explanation of the course of busi-ness in a multi-year comparison, the auditor's report and the focal points of the audit, the regulatory reporting of the Solvency II key functions (risk management function, actuarial function, compliance function and audit function), the mandating of the auditor with non-audit services and the preparation of the appointment of the auditor for the 2022 financial year. The Audit Committee submitted resolution proposals to the Supervisory Board for the approval of the annual financial statements of R+V Versicherung AG and the R+V Group for the 2021 financial year and for the appointment of the auditor for the 2022 financial year. The Audit Committee also decided on an amendment to the guidelines for the appointment of the auditor for non-audit services from 2023 onwards. In addition, the audit committee enacted guidelines of the audit committee for monitoring the quality of the audit, and assessed the quality of the auditor on the basis of these guidelines.

In connection with Executive Board matters, the Personnel Committee submitted resolution proposals to the Supervisory Board on the determination of the variable remuneration of the Executive Board members for the 2021 financial year in accordance with target achievement as well as on the determination of the payments of the portions of the variable remuneration of the Executive Board members for the 2018 financial year to be paid out with a time delay. The Personnel Committee then dealt with the status of the Executive Board members' target achievement in the 2022 financial year and the agreement of the targets for the variable remuneration of the Executive Board members for the 2023 financial year. In addition, the Personnel Committee submitted resolution proposals to the Supervisory Board for the reappointment of two members of the Executive Board and the determination of the gender quota for the proportion of women on the Executive Board for the period from 1 July 2022 to 30 June 2027.

The Mediation Committee did not have to become active in accordance with the provisions of co-determination law.

Cooperation with the auditor

The Supervisory Board and the Audit Committee selected the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, appointed by the Annual General Meeting, in compliance with the legal requirements. The Supervisory Board and the Audit Committee continuously monitored the independence and audit quality of the auditor.

The auditor found the annual financial statements of R+V Versicherung AG, including the accounting, and the management report of R+V Versicherung AG as well as the consolidated financial statements and the Group management report for the financial year 2022, which were submitted by the Board of Management, to be in compliance with the statutory regulations. The auditor issued an unqualified audit opinion in each case. The audit reports were received by the members of the Supervisory Board and were discussed and deliberated on in detail at the meeting on 24 March 2023. The Supervisory Board agrees with the results of the audit by the auditor.

Approval of the annual financial statements

The Audit Committee and the Supervisory Board have thoroughly examined the annual financial statements and the management report as well as the consolidated financial statements and the Group management report for the 2022 financial year.

The representatives of the auditor attended both the meeting of the audit committee on 15 March 2023 and the meeting of the supervisory board on 24 March 2023 to report on the main audit findings. The audit report of the auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, was available. The auditor issued an unqualified audit opinion. The annual financial statements, the management report, the consolidated financial statements, and the Group management report, the respective audit reports as well as the particularly significant audit matters (valuation of capital investments, provisions for outstanding claims) and the annual report of the Group audit were discussed. The representatives of the auditor were available to the members of the Committee and the Supervisory Board for additional explanations. The Chairman of the Audit Committee informed the Supervisory Board comprehensively about the Committee's deliberations.

Changes in the Executive Board

The mandate of Dr. Edgar Martin as a member of the Executive Board ended by rotation due to his retirement with effect from the end of 31 March 2022.

The mandate of Mr. Jens Hasselbächer as a member of the Executive Board expires by rotation with effect from the end of 31 March 2023. At its meeting on 19 May 2022, the Supervisory Board reappointed Mr. Hasselbächer for a five-year appointment period, namely until the end of 31 March 2028, effective 1 April 2023.

The mandate of Mr. Tillmann Lukosch as a member of the Executive Board expires by rotation with effect from the end of 31 May 2023. At its meeting on 7 September 2022, the Supervisory Board reappointed Mr. Lukosch for a five-year appointment period, namely until the end of 31 May 2028, with effect from 1 June 2023.

Changes in the Supervisory Board and the Committees

Ms Sigrid Schneider resigned from her mandate as employee representative on the Supervisory Board with effect from the end of 21 January 2022. Ms. Schneider's mandate as a member of the Audit Committee ended effectively on the same date. With effect from 22 January 2022, the substitute member elected by the employees, Ms. Marion Fricker, succeeded her as a member of the Supervisory Board. The Supervisory Board elected Mr. Schiweck to succeed Ms. Schneider as a member of the Audit Committee by circular resolution on 14 February 2022.

Mr. Knöpfle resigned from his mandate as member of the Supervisory Board exercised as employee representative with effect from the end of 30 November 2022. Mr. Knöpfle's mandate as a member of the Personnel and Mediation Committees ended with effect from the same date. With effect from 1 December 2022, the substitute member elected by the employees, Mr. Joachim Blank, joined the Supervisory Board. At its meeting on 17 November 2022, the Supervisory Board elected Mr. Blank as a member of the Personnel and Mediation Committees with effect from 1 December 2022 to succeed Mr. Knöpfle.

The mandates of Dr. Riese as a member and Chairman of the Supervisory Board and as a member and Chairman of the Personnel Committee and the Mediation Committee ended by rotation with effect from the end of the Annual General Meeting on 19 May 2022. The Annual General Meeting reelected Dr. Riese as a member of the Supervisory Board as a shareholder representative effective im-mediately. At its meeting on 19 May 2022, the Supervisory Board re-elected Dr. Riese as Chairman of the Supervisory Board, which resulted in him once again becoming a member of the Personnel Committee - as before - in accordance with Section 9 (2) of the Rules of Procedure of the Supervisory Board and a member of the Mediation Committee in accordance with Section 27 (3) MitbestG (Mitbestimmungsgesetz [Codetermination Act]). The Su-pervisory Board re-elected Dr. Riese as Chairman of the Personnel Committee and as Chairman of the Mediation Committee during its meeting on 19 May 2022.

Mr. Abel's mandates as a member of the Supervisory Board and as a member of the Audit Committee ended by rotation with effect from the end of the Annual General Meeting on 19 May 2022. The Annual General Meeting re-elected Mr. Abel as a member of the Supervisory Board as a shareholder representative. The Supervisory Board re-elected Mr. Abel as a member of the Audit Committee in its meeting on 19 May 2022.

The mandates of Mr. Zachmann as a member of the Supervisory Board and as a member of the Personnel Committee ended due to his resignation following his retirement, with effect from the end of the Annual General Meeting on 19 May 2022. The Annual General Meeting elected Mr. Matthias Hümpfner to the Supervisory Board as a shareholder representative in succession to Mr. Zachmann. In its meeting on 19 May 2022, the Supervisory Board elected Mr. Krömer to the Personnel Committee as a member in succession to Mr. Zachmann.

Thanks to the Board of Directors and staff

The Supervisory Board would like to thank the Board of Management and all employees of the R+V Group for their work in 2022.

Wiesbaden, 24 March 2023

The Supervisory Board

Dr. Riese Chairman	Birkenstock Vice Chairman	Abel
Bertels	Blank	Deneke-Jöhrens
Fricker	Gerdes	Hümpfner
Kolak	Krömer	Schiweck
Schmidt	Speth	Trümner
Wiederer		

Glossary

Accumulation

Accumulation describes several risks insured or reinsured by the same insurance company that could be affected by one loss event simultaneously.

Actuarial reserves

Technical provisions calculated according to actuarial methods which provides the future cover for the policyholder in terms of life insurance, health insurance and accident insurance. It corresponds to the difference of cash-value of the future liabilities minus the cash value of future premiums.

Aktuary, Deutsche Aktuarvereinigung e.V. (DAV [German Association of Actuaries])

Actuaries are qualified mathematical experts. They are organized into national and international professional bodies such as the German Actuary Association.

Additional interest reserve

The increase in actuarial reserves due to the interest rate environment are combined together in the additional interest reserves. In the new portfolio this is calculated according to Section 5 DeckRV (Deckungsrückstellungsverordnung [Actuarial Reserve Ordinance]) and in the old portfolio according to one of the business plans approved by the Federal Financial Supervisory Authority (BaFin).

Affiliated companies

The parent company (group controlling company) and all subsidiaries. Subsidiaries are companies over which the parent company can exert a dominant influence on business policy (control principle). This is possible, for example, if the group parent holds the majority of voting rights either directly or indirectly or has the right to appoint or dismiss the majority of the members of company bodies (Board of Management, Supervisory Board) or if there is a contract of domination.

Assumed business

A transaction concluded between two insurance companies. It is synonymous with the forwarding of part of the loss distribution assumed from the policy holders from the direct insurance company to a reinsurance company.

Black Formula 76

The Black Formula 76 is a mathematical model used to value interest options, which was published by Fischer Black in 1976.

Black-Scholes model

The Black-Scholes model is a mathematical model used to value financial options, which was published by Fischer Black and Myron Scholes in 1973.

Cancellation rate

The cancellation rate is the volume-weighted proportion of cancelled contracts to recently concluded contracts or existing contracts. Insofar as payable premiums develop in property and accident insurance, which can still be dropped due to an end or reduction in insurance risk, cancellation reserves were developed for this scenario.

Combined Ratio

Percentage relationship of the total of expenditure for insurance claims plus expenditure on insurance operations to earned premiums – all net. This is equivalent to the total of the loss and expense ratio. This is an important indicator when considering the profitability of a policy, a subportfolio or a complete insurance portfolio. If this figure exceeds 100%, it results in a technical loss for the transaction in question.

Commission

Reimbursement paid by the insurance company to representatives, brokers or other intermediaries for their costs relating to the conclusion and administration of insurance policies.

Composite insurer

Insurance companies which unlike single branch companies (such as life insurance companies) run several lines of insurance.

Deposit receivables and liabilities

Security payments to cover actuarial liabilities between direct insurers and reinsurers. In this case the retaining company reports deposit liabilities and the ceding company reports deposit receivables.

Derivative financial instrument

Financial instrument whose value rises or falls if a basic variable (a certain interest rate, security price, exchange rate or price index etc.) changes. Derivatives include futures, forwards, swaps and options in particular.

Direct business

Transactions concluded directly between the insurance company and the policy holders. In contrast to → assumed business.

Discounted cash flow method (DCF)

The Discounted cash flow method builds on the mathematical concept of discounting future cash flows for calculating capital value.

Duration

The duration describes the average term of an interest-sensitive capital investment or of a portfolio. It is a risk measurement for their sensitivity with respect to interest rate changes.

Equalisation provision

Provision to compensate for fluctuations in the course of a claim. In years with relatively low or relatively high claims, funds are allocated to or withdrawn from the equalisation provision.

Equity ratio

Shareholders' equity in relation to net premium.

Excess insurance

Excess insurance is a total increase of an existing pecuniary damage liability insurance policy. High risks require higher insurance amounts.

Expenditure for insurance claims for own account

Total of claims paid and the provisions for losses occurring in the fiscal year supplemented by the settlement result, each after deduction of own reinsurance deductions.

Expenditure on insurance operations (net)

Commission as well as personnel and operating expenditure for the closing and the ongoing administration of insurance policies, net of commission and profit shares, repaid by reinsurers.

Expense ratio gross

Expenditure on insurance operations in relation to the earned premiums – all gross.

Expense ratio net

Expenditure on insurance operations in relation to earned premiums – all net.

Fair value

The fair value of a capital investment normally refers to its market value. If the value cannot be calculated directly, one must make do with the value at which the asset would be traded between knowledgeable, willing and independent parties.

Fiscal year loss ratio gross

Loss expenditure for the fiscal year in relation to the earned premiums – all gross.

Fiscal year loss ratio net

Loss expenditure for the fiscal year in relation to the earned premiums – all net.

For own account

The respective technical items or the ratio after deduction of the business ceded to reinsurers → Gross/Net.

Gross/Net

In gross or net accounts the technical items are shown before or after deduction of the proportion that is ceded to reinsurers. Instead of “net” the description “for own account” is also used.

Guaranteed funds

The total of shareholders' equity, technical provisions and the equalisation provision. This is the maximum amount available to offset liabilities.

Hedging transaction

To hedge against (exchange rate) fluctuations special financial contracts are used, particularly derivative financial instruments. Hedging transactions thus balance the underlying transaction risks which could occur in the event of an unfavourable rate or price development.

Hull-White model

The Hull-White model is a mathematical model used to value interest derivatives, which was published by John C. Hull and Alan White.

IFRS – International Financial Reporting Standards

International accounting standards that should ensure internationally comparable financial reporting and publicity.

Libor market model

The Libor market model is a mathematical model (yield curve model) used to evaluate interest rate derivatives and complex interest-bearing products. It is based on the work undertaken by Brace, Gatarek and Musiela.

Loss ratio

Percentage ratio of the expenditure on claims to earned premiums.

Net

→ Gross/Net

Net return on capital investments

Total earnings less total expenditure for capital investments in relation to the mean asset value of the capital investments as at 01 January and 31 December of the respective fiscal year.

Net return - three year average

Total earnings less total expenditure for capital investments in relation to the mean asset value of the capital investments as at 01 January and 31 December of the respective fiscal year, calculated over a period of three years.

New portfolio

Insurance companies have been organising all their insurance contracts into old and new portfolios since the insurance industry was deregulated in 1994. The new portfolio comprises contracts concluded since the deregulation.

Old portfolio

Insurance companies have been organising all their insurance contracts into old and new portfolios since the insurance industry was deregulated in 1994. The old portfolio comprises the contracts closed prior to deregulation.

Portfolio(s)

a) All risks assumed in total or in a sub-segment (e.g. insurance class, country); b) Group of capital investments structured in accordance with certain criteria.

Premium

The premium is the price paid for the insurance cover provided by the insurer. It can be paid in an ongoing manner or as a one off premium. “Written premiums” are understood to mean all premium income that was due during the fiscal year. The proportion of premium income that is considered for insurance cover in the fiscal year is described as “earned premiums”.

Production

Production is classified as the new customers' monthly premium rate and the higher monthly premium rate for contracts of pre-existing customers for adding more tariffs, supplementary insurance and tariff change, including any risk premiums.

Provision for outstanding claims

Provision for the liabilities arising from insurance claims which had already occurred on the balance sheet date but which had not been reported or could not be fully processed.

Provision for premium funds

Provision for obligations for premium funds to policy holders not yet due as at the balance sheet date which is separated by → composite insurers into performance based and non-performance based; the approach is the result of supervisory or contractual regulations.

PUC method

The Projected Unit Credit method is an actuarial valuation procedure for obligations arising from company pension plan.

Rating

Standardised assessment of the creditworthiness of debt securities and companies by specialised, independent rating agencies.

Reinsurer

Insurance company that assumes the risks of other insurance companies and does not itself have any direct contractual relations with the policy holder.

Reported loss ratio gross

Expenditure on insurance claims in relation to earned premiums (all gross).

Reported loss ratio net

Expenditure on insurance claims in relation to earned premiums (all net).

Reserve ratio

The reserve ratio is calculated to a reporting date from capital investments at → fair values in relation to the capital investments at book values.

Retention

The part of the assumed risks that the insurer does not cede to reinsurers i.e. shows → net. (Retention rate: percentage of the retention of the gross premiums written).

Road transport cooperatives

Economic organisations of the road transport industry which provide services for the transportation of people and goods. This includes, for example, consulting and insurance services.

Rolling average return (according to association formula)

Current gross earnings less expenditure on administration of capital investments less scheduled depreciation in relation to the mean asset value of the capital investments as at 01 January and 31 December of the respective fiscal year.

Security assets

The portion of an insurance company's assets which serve to secure the claims of the policy holders. In order to secure the claims of the insured in case of insolvency, security assets are assets separated from the others within an insurance company, access to which is forbidden to other creditors.

Settlement result

The settlement result shows how the loss provisions have changed over the course of time through payments made and by reassessment of the expected final loss on the respective reporting date.

Shifted Libor market model

The Shifted Libor market model is a development of the → Libor Market model, which is used to depict negative interest rates.

Solvency

Capital resources of an insurance company.

Stress test

Stress tests are a special type of scenario analysis. Their aim is to give a quantitative statement about the loss potential of → portfolios in the event of extreme market fluctuations.

Structured products

In a structured product a → derivative financial instrument (e.g. an option) is combined with a non-derivative instrument (e.g. a bond).

Tax deferral (active/passive deferred taxes)

In a single-entity financial statement, tax deferral is possible if there are differences between the tax valuation of assets and liabilities in the commercial and tax balance sheets. By considering deferred taxes, future tax burdens (passive deferred taxes) or reliefs (active deferred taxes) are mapped in the commercial balance sheet.

Technical provisions

Uncertain liabilities that are directly connected with the insurance business. Their formation ensures that obligations from insurance policies can be met permanently.

Technical result

Balance of earnings and expenditure that are attributable to the insurance business.

Underwriting capacity

On the one hand, determining factors in underwriting capacity include the volume and structural features (insurance branches, private clients, commercial or industrial business) of the insurance portfolio, and on the other hand, they include the provision of shareholders' equity and reinsurance protection.

Unearned premium reserves

The proportion of premiums received in the fiscal year that are due in the time after the reporting date are shown as unearned premium reserves under technical provisions.

Valuation reserves

The difference between the book value and the → fair value of a capital investment.

Volksbanken Raiffeisenbanken cooperative financial network

A network of mutual central and special institutes within the framework of a comprehensive all-finance concept. The partner companies of R+V Versicherung include: DZ BANK AG, Bausparkasse Schwäbisch Hall, Union Investment, VR Leasing.

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