Annual Report 2023
Great Lakes Insurance SE

Key figures

Great Lakes Insurance SE (pursuant to the German Commercial Code [HGB])

		2023	Previous year
Gross written premium	€'000	5,190,497	6,197,190
Earned premiums for own account	€'000	1,040,795	997,643
Loss ratio (gross)	%	54.4	64.2
Loss ratio (net)	%	52.4	59.9
Equity	€'000	550,641	449,018

Our presentation currency is the euro (€). Unless otherwise specified, amounts are rounded to thousands of euros. As a result, there may be minor deviations in totals and percentages. Figures in brackets refer to the previous year. Expenses, outflows and losses are shown using the minus sign; income, inflows and gains are shown without a plus or minus sign.

Table of contents

Report of the Supervisory Board

In the 2023 financial year, the Supervisory Board regularly monitored and advised management in accordance with the tasks and duties incumbent upon it by law and under the Articles of Association. To this end, we held two regular and one extraordinary Supervisory Board meetings and obtained quarterly reports from the Board of Management on the Company's business and its expected progress. We were also involved in all decisions of fundamental importance. In addition, the Board of Management kept us fully informed on all key Company matters, and on events that might have had an appreciable effect on its business.

No inspection measures in accordance with Section 111(2) sentence 1 of the German Stock Corporation Act (AktG) were required in the past financial year.

The Board of Management regularly informed the Supervisory Board of the performance of the insurance business for own account and the effects of major risks in the industry and speciality segment.

The Board of Management also reported in-depth on a project that the Company first launched in 2022 following an audit conducted by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – BaFin). The objective of the project is to establish a forward-looking business organisation that will ensure that the Company can continue to meet all of its legal and business requirements in a sustainable and regulatory-compliant manner. In light of this new business organization, the Supervisory Board approved the reorganization of the Board of Management, the addition of a new member of the Board of Management and a reorganization of Board of Management responsibilities.

Brexit continued to shape business decisions in the past year, in particular those concerning the transfer of business to the subsidiary in the United Kingdom, which commenced its insurance operations at the beginning of 2023.

The Board of Management also regularly updated the Supervisory Board on the integration of the Company in Munich Re's Global Specialty Insurance (GSI) field of business.

At the end of the Company's Annual General Meeting on 24 April 2023, Ms. Hasse stepped down from the Supervisory Board by mutual consent. Ms. Hasse had chaired the Supervisory Board for a number of years. We would like to thank her for her service. Mr. Michael Kerner was appointed to the Supervisory Board for the remainder of her term of office. Mr. Kerner also assumed the role of Chair of the Supervisory Board at that time.

EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, duly audited the 2023 annual financial statements and management report prepared by the Board of Management, and issued an unqualified auditor's opinion.

The annual financial statements, the management report and the auditor's report were submitted in due time to every member of the Supervisory Board. After conducting our own review, we discussed these documents at the meeting of the Supervisory Board on 22 April 2024 to adopt the financial statements, which was also attended by the auditors. We were also presented with the key findings of the report explaining the actuarial certification. Again, we did not have any objections or additional comments in this regard.

The Supervisory Board approved the annual financial statements for the 2023 financial year. The annual financial statements were thus adopted. Having carefully weighed all relevant aspects, the Supervisory Board followed the proposal of the Board of Management for appropriation of the net retained profits.

At the meeting to adopt the financial statements on 22 April 2024, the Supervisory Board furthermore resolved to recommend to the Annual General Meeting that it elect EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, as the Company's auditor for the 2024 financial year.

We wish to thank the Board of Management and all employees for their hard work, commitment and achievements in the past financial year.

Munich, 22 April 2024

For the Supervisory Board

Management report

Basic information about the Company

Great Lakes Insurance SE ("Great Lakes" or "the Company") is a wholly owned subsidiary of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (Munich Re), a reinsurer and risk carrier with a global presence. The Company is authorised by the German Federal Financial Supervisory Authority (BaFin) to transact primary insurance and reinsurance business in the Member States of the European Union and the other signatory states to the Agreement on the European Economic Area (EEA Agreement). The authorisation from BaFin is also valid worldwide (subject to any legal requirements imposed by local jurisdictions) and extends to all classes of non-life insurance including non-substitutive health insurance. Great Lakes Insurance SE offers insurance solutions in niche markets and is an integral part of Munich Re's Global Specialty Insurance (GSI) field of business. In addition, the Company supports a number of companies in the ERGO Group in selected international and national primary insurance solutions by providing specialised resources and capacities. Great Lakes primarily operates on the basis of three different business models: The Company writes a significant proportion of its premium volume via coinsurance or managing general agents (MGAs), agents who are authorised signatories (also referred to as underwriting agents). The MGAs are authorised to assess risks, calculate premiums, issue policies and to handle collections, disbursements and claims settlement on behalf of Great Lakes. Great Lakes serves private, corporate and industrial clients with this business model. Furthermore, the Company itself underwrites, as either a primary insurer or reinsurer, large commercial and industrial risks, primarily in the general liability, other property and engineering classes. Great Lakes primarily serves industrial clients with this business model. In addition, the Company writes a number of Munich Re intra-Group reinsurance contracts worldwide. Using this business model, the Company contributes to efficiently managing the risk capital of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München. Great Lakes Insurance SE writes primary insurance and reinsurance business at its branches in the United Kingdom (London), Switzerland (Cham), Italy (Milan), Ireland (Dublin) and Australia (Sydney). It is also authorised to write surplus lines business in a number of US states.

The Company cedes significant portions of its business to reinsurers within Munich Re, primarily to Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München.

Great Lakes Insurance SE is included in the consolidated financial statements of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (Munich Re). The Company's UK branch gives it a substantial presence in the London market. In order to maintain business operations after the United Kingdom's withdrawal from the European Union (Brexit), an application was filed to have the existing branch authorised as a "third-country branch" in the United Kingdom, which was subsequently approved by the competent regulators in 2022. Brexit also necessitated the establishment of a subsidiary in the United Kingdom, primarily to write personal lines business, which we did in 2022. The new subsidiary, Great Lakes Insurance UK Limited, is a wholly owned subsidiary of the Company. The competent UK regulators issued the requisite licences back in 2022. Great Lakes Insurance UK Limited was provided with the requisite capital for the first time in financial year 2022 and received a further capital injection at the end of this financial year. It successfully commenced its insurance operations at the start of the 2023 financial year.

As part of the Munich Re Group, one of the Company's defined goals is to conserve resources and minimise the environmental impact of its business operations. In order to bring our business activities in line with the EU's environmental, social and governance (ESG) requirements going forward, Great Lakes worked closely with Munich Re and other advisers and launched a project in 2022 that will make these considerations a permanent feature not only in the Company's reporting but also throughout the Company as a whole. We firmly believe that these aspects will become increasingly important factors for ensuring our success in the market and for making a positive contribution to the world in which we live.

On 25 January 2017, the Company entered into a control agreement with MunichFinancialGroup GmbH, a wholly owned subsidiary of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München, with its registered office in Munich (Local Court [Amtsgericht] in Munich, HRB 124792), as controlling company. This was approved by resolution of the Annual General Meeting on 24 February 2017. Approval was granted by the supervisory authority. The entry was made in the commercial register on 12 April 2017. Great Lakes Insurance SE is furthermore included in the consolidated value-added tax (USt) group of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft.

Report on economic position

Macroeconomic environment

Global economic growth faltered somewhat in 2023. This was due primarily to high inflation and restrictive monetary policies. Europe in particular lost a good deal of momentum. By contrast, the US economy remained surprisingly robust and

China posted stronger year-on-year economic growth after removing the last of the pandemic-related restrictions. While inflation rates declined in the wake of lower energy prices, the annual average remained well above the long-term median in many countries.

Capital markets

In light of persistently high rates of inflation, key central banks further tightened their monetary policy in 2023. The Federal Reserve in the United States raised its key rate by 100 basis points during the year, brining the corridor to between 5.25–5.5% in December 2023. It also further reduced its securities holdings. The European Central Bank lifted its interest rate on the main refinancing operations from 2.5% to 4.5% and also began reducing its securities holdings, a product of the asset purchasing programme it began in 2014. Yields on ten-year government bonds in the United States and Germany rose to a multi-year high in 2023. However, yields began to recede in the fourth quarter as expectations began to rise that central banks would soon begin to cut interest rates. By the end of December, yields on bonds in the United States were roughly on par with the level recorded at the beginning of the year, while yields in Germany were slightly below that level.

Yields on ten-year government bonds

%	31.12.2023	Previous year
USA	3.9	3.9
Germany	2	2.6
UK	3.6	3.7

In the reporting year, volatility on the international financial markets was lower overall than in the previous year. Only a brief spike in volatility was recorded in March as the US banking sector was hit by turbulence. In the course of the year, important equity indices like the US Dow Jones Industrial Average and the EURO STOXX 50 made significant gains.

On the currency markets, fluctuations were also less pronounced in 2023 than in the previous year. Compared to the Japanese yen, which had lost considerable ground to the euro, the US and Canadian dollars had depreciated only slightly against the euro by the end of December 2023. By contrast, the pound sterling had appreciated against the euro. However, for all the aforementioned currencies, the annual average exchange rates against the euro were lower in 2023 than in 2022. At €0.92, the average value of the US dollar in the reporting year was slightly lower than in the previous year (€0.95).

Insurance industry

According to current projections, the premium income of the German insurance industry experienced only weak growth in 2023. Premium income growth in property-casualty insurance was higher than the long-term average. Premiums in life business, on the other hand, were down owing to a further slump in single-premium business.

Overall, the trend toward higher prices continued in the renewal rounds for property-casualty reinsurance contracts. However, this trend varied significantly among regions and classes of business – depending on claims experience, loss expectations and the individual market situation.

Important tools of corporate management

The aim of Munich Re's entrepreneurial thinking and activity is to analyse risks from every conceivable angle and to assess and diversify them, creating lasting value for shareholders, clients, and staff in relation to the risks assumed. This is the aim of our active capital management and the consistent application of value and risk-based management systems.

The framework for any business activity is our risk strategy, from which we derive various limitations and reporting thresholds. A key element is our economic capital resources, which we determine in accordance with the Solvency II supervisory regime. We observe a range of important additional conditions. These include national accounting regulations, tax aspects, liquidity requirements, supervisory parameters, and rating agency requirements.

Our value-based management is characterised by the following aspects:

- Risk capital, i.e. the capital required to cover the risks, is the basis of our value- and risk-based management. The capital requirement corresponds to the solvency capital requirement under Solvency II, as determined on the basis of our certified internal risk model.

- Consequently, business activities are assessed not only according to their earnings potential, but also relative to the extent of the risks assumed. Only the risk-return relationship reveals how beneficial an activity is.

- With value-based corporate management tools, we ensure an economic valuation and the comparability of alternative initiatives.

Contrasting aspects have to be evaluated when selecting suitable target figures. On the one hand, the often-complex economic environment should be reflected as realistically as possible in order to emphasise added value as the Group's overriding guiding principle. On the other hand, targets should be straightforward and understandable for investors, staff, and the public.

The key corporate management tools are economic earnings and the German GAAP (HGB) results. Together with the other corporate management tools, they are our most important financial key performance indicators. Economic earnings are the change in eligible own funds under Solvency II, adjusted for components that do not provide any economic value added, such as capital measures and changes in regulatory restrictions.

Gross premiums written, another performance indicator, includes the total premium income that fell due in the financial year of a given reporting period. Increases in gross premiums written are the prime indicator of corporate growth. However, increases in this performance metric are not an immediate objective for our Company because we do not always target premium growth directly in connection with the profitability of the business we write.

We continue to consider the underwriting result and the combined ratio to be performance metrics. Both reflect the immediate contribution primary insurance and reinsurance operations make to the economic earnings and the HGB result and separates the investment result and primary insurance/reinsurance business in particular.

Business performance and results of operations

In financial year 2023, claims expenditures in relation to earned premiums for own account were lower than in the previous year. By contrast, there was an increase in operating expenses in relation to earned premiums for own account. The decline in claims expenditure was due primarily to the decrease in major claims compared to the premium volume but also the improved processing of basic losses for previous years. The claims expenditure for own account for natural catastrophes such as the cyclones in the United States and New Zealand, flooding in Europe and wildfires in Hawaii were down year on year and in relation to earned premiums. The expenditures after ceded reinsurance from major claims events, such as explosions or fires at insured industrial plants, were also lower year on year. Major-loss expenditures for liability risks were also down in the financial year. The claims expenditure after reinsurance in connection with with the war in Ukraine were below €1m in the financial year. This related in particular to event cancellation and credit insurance policies.

Gross premiums amounted to €5,190,497 thousand (6,197,190 thousand) in calendar year 2023, down 16.2% year on year. The decline, primarily in the motor insurance line of business, was due primarily to the loss of major portfolios of personal lines business in the United Kingdom. Due to regulatory requirements, these have been written by our UK subsidiary since the beginning of the financial year. In financial year 2023, our subsidiary reported gross premiums equivalent to €1,320,937 thousand. In addition to the increase in premiums in motor insurance, Great Lakes Insurance SE also recorded an increase in premiums in other lines of business. Thanks to the Company's longstanding business relations with agents in Italy and the United States, the number of clients increased. Further opportunities in the business with credit risks were also leveraged. In addition, gross premiums from intra-Group reinsurance contracts also increased through new contractual relationships. In total, currency translation effects had a negative impact of roughly 4.6% on gross premium income, due primarily to premiums denominated in US dollars, Japanese yen and Chinese yuan renminbi. On average over the 2023 calendar year, the US dollar – the dominant currency for the gross premiums in our portfolio – lost some 2.6% in value against the euro compared to the 2022 calendar year (USD depreciated). On average over the 2023 calendar year, the Chinese yuan renminbi – the second dominant currency for the gross premiums in our portfolio – was down some 7.6% in value against the euro compared to the 2022 calendar year (CNY depreciated). The gross premium volume amounted to 55.7% (65.3%) and resulted primarily from premiums in the direct insurance business. Of the gross premium income, 44.3% (34.7%) is attributable to the assumed reinsurance business. The decrease in the share of direct insurance business resulted primarily from the aforementioned decline in business volume with agents in the United Kingdom. The number of insurance policies is given on page 39 of this report.

In the 2023 financial year, Great Lakes Insurance SE's gross premiums earned were primarily attributable to its headquarters at €3,260,554 thousand (3,108,452 thousand) and its London branch at €1,536,194 thousand (2,494,812 thousand). Thus, while the share attributable to headquarters increased to 60.3% (50.7%), the share attributable to the London branch declined to 28.4% (40.7%) due to the transfer of the personal lines business to Great Lakes Insurance Limited. A further €448,756 thousand (361,477 thousand) was attributable to our growing Italian branch. As in the previous year, this encouraging performance was down to strong growth in the motor insurance segment and in the business with credit risks. In the 2023 calendar year, the branch in Switzerland reported a decrease in gross premiums earned to €39,023 thousand (43,454 thousand) due to a decline in the business with local agents. In calendar year 2023, the Australian branch also reported a decrease in gross premiums earned to €94,971 thousand (115,477 thousand) from the business with a local agent in agricultural insurance. After implementing a new local organisation, the Ireland branch reported an increase in gross premiums earned to €24,528 thousand (1,461 thousand) in calendar year 2023 from the business with credit risks. Since 2023, the majority of the worldwide business with credit risks has been bundled at the Ireland branch.

We cede the majority of our premium income to affiliated reinsurance companies within Munich Re. Earned premiums for own account amounted to €1,040,795 thousand (997,643 thousand) in the 2023 financial year. The increase was due to the growth in the Company's primary insurance and reinsurance business with major commercial and industrial risks and particularly from the growth in an intra-Group agent's business with clients in the United States.

Claims expenditures before deduction of the ceded share amounted to €2,938,846 thousand (3,932,755 thousand), corresponding to a gross loss ratio of 54.4% (64.2%). Claims expenditures after deduction of the ceded share amounted to €545,766 thousand (597,924 thousand), corresponding to an improvement in the net loss ratio to 52.4% (59.9%). Our operating expenses for own account amounted to €291,417 thousand (271,071 thousand), corresponding to an expense ratio of 28.0% (27.2%). The rise was due primarily to the increase in retained business with an MGA. Higher commissions are paid to business partners in this line of business than in the business with industry clients.

Overall, our net combined ratio thus improved year on year to 80.4% (87.1%). The lower net loss ratio is due primarily to expenses for major claims events, which remained decreased level year on year, and a decline in expenses for basic losses. The gross combined ratio amounted to 77.7% (92.1%). The decline in the gross combined ratio is due mainly to the year-on-year decrease in claims expenditure from natural catastrophes, primarily from storm events in the United States.

We recognised the claims equalisation provision and similar provisions as required in accordance with the German Commercial Code (HGB). In compliance with the legal requirements, we used the loss ratios from the tables published in the annual reports of the Federal Financial Supervisory Authority (BaFin) to populate the underlying observation period used to calculate the claims equalisation provision.

As at 31 December 2023, claims equalisation provisions amounted to €167,108 thousand (75,898 thousand).

The underwriting result for own account after claims equalisation amounted to €110,866 thousand (74,551 thousand) in the 2023 financial year.

The investment result, not including interest on deposits retained, was €73,626 thousand (–120,612 thousand). In the 2023 calendar year, the result was marked by gains due to the reversal of write-downs on investments stemming from interest rate cuts on the capital markets, primarily in US dollars and pounds sterling.

Overall, the operating result before tax amounted to €164,115 thousand (–45,032 thousand) and the net income for the year before the appropriation of net retained profits amounted to €101,623 thousand (previous year: net loss for the year before loss assumption: €68,513 thousand). As at the date of preparing the management report, Great Lakes Insurance SE's economic position remains positive.

At €5.2bn, the gross premium assumptions are below the volume of €5.4bn budgeted for financial year 2023.

The classes and types of insurance business transacted in the 2023 financial year – both in direct insurance operations and assumed reinsurance business – are listed on page 22 of this report.

Business performance in the classes of business
Direct insurance and assumed reinsurance business

This section details the business performance in the material classes of business and types of insurance transacted in direct insurance operations and assumed reinsurance business. For the sake of clarity, we do not separately report classes of business and types of insurance that account for less than 5% of the overall insurance business on the basis of gross premium. The disclosures relate exclusively to the full 2023 financial year and are presented separately for the direct insurance and assumed reinsurance business.

Liability insurance

In the 2023 calendar year, liability insurance (including aviation liability insurance) generated gross premiums of €817,543 thousand (1,080,208 thousand). The decline in business volume is due primarily to the lower risk appetite in the business with industrial and cyber risks (Facultative & Corporate) and the loss of major portfolios of private lines business in the United Kingdom. Due to regulatory requirements, these have been written by our UK subsidiary since the beginning of the financial year. In total, we recorded a very encouraging loss ratio (gross) of 56.3% (71.6%), with gross claims incurred in the amount of €495,771 thousand (740,835 thousand). This was due primarily to the year-on-year decline in major-loss expenditures and the improved processing of basic loss provisions for previous years. The retained business also performed very well in the reporting period. After an increase of €81,448 thousand in the claims equalisation provision, the underwriting result for own account after claims equalisation improved to €32,545 thousand (18,910 thousand) in the 2023 calendar year.

Liability insurance

		2023	Previous year
Direct insurance and assumed reinsurance business			
Gross written premium	€'000	817,543	1,080,208
Loss ratio (gross)	%	56.3	71.6
Underwriting result for own account after claims equalisation	€'000	32,545	18,910
Direct insurance business			
Gross written premium	€'000	525,855	726,316
Loss ratio (gross)	%	51.7	78.6
Underwriting result for own account after claims equalisation	€'000	30,389	16,376
Assumed reinsurance business			
Gross written premium	€'000	291,688	353,892
Loss ratio (gross)	%	65.6	56.3
Underwriting result for own account after claims equalisation	€'000	2,156	2,534

Motor insurance, comprising motor third-party liability and other motor insurance

Motor insurance generated gross premiums amounting to €947,563 thousand (1,438,617 thousand) in this calendar year. The significant year-on-year decrease is due almost entirely to the decline in the personal lines business written in the United Kingdom that is now operated by our subsidiary in London. We expanded the business through our agency business in Italy and the increase in the intra-Group reinsurance business, in particular at the Munich Re branches in South Korea and India. Gross claims expenditures totalled €844,180 thousand (1,159,234 thousand) and led to a slightly higher (gross) loss ratio of 77.9% (76.2%). The underwriting result for own account after claims equalisation improved to €6,012 thousand (4,956 thousand).

Motor insurance

		2023	Previous year
Direct insurance and assumed reinsurance business			
Gross written premium	€'000	947,563	1,438,617
Loss ratio (gross)	%	77.9	76.2
Underwriting result for own account after claims equalisation	€'000	6,012	4,956
Direct insurance business			
Gross written premium	€'000	580,531	1,106,601
Loss ratio (gross)	%	82.3	78.1
Underwriting result for own account after claims equalisation	€'000	5,424	4,688
Assumed reinsurance business			
Gross written premium	€'000	367,032	332,016
Loss ratio (gross)	%	68.1	69.6
Underwriting result for own account after claims equalisation	€'000	588	267

Fire and property insurance

Fire and property insurance generated gross premiums of €2,125,629 thousand in this calendar year. This represents an increase of 5% against the prior-year figure (€2,015,000 thousand), which was attributable to the intra-Group reinsurance business. In total, the Company reported an encouraging (gross) loss ratio of 39.8% (58.9%) on claims expenditures of €825,097 thousand (1,120,403 thousand). This was due primarily to the significant decrease in major-loss expenditures as compared to the previous year, which had been very much impacted by Hurricane Ian in the United States. The underwriting result for own account after claims equalisation amounted to €9,585 thousand (17,070 thousand). The decrease was attributable to higher major-loss expenditures for own account, due in particular to the wildfires in Hawaii and the cyclones in the United States.

Fire and property insurance

		2023	Previous year
Direct insurance and assumed reinsurance business			
Gross written premium	€'000	2,125,629	2,015,000
Loss ratio (gross)	%	39.8	58.9
Underwriting result for own account after claims equalisation	€'000	9,585	17,070
Direct insurance business			
Gross written premium	€'000	779,159	796,008
Loss ratio (gross)	%	39.8	95.0
Underwriting result for own account after claims equalisation	€'000	20,913	12,186
Assumed reinsurance business			
Gross written premium	€'000	1,346,470	1,218,993
Loss ratio (gross)	%	39.8	36.9
Underwriting result for own account after claims equalisation	€'000	-11,328	4,884

Credit insurance

The Company leveraged further growth opportunities in the credit insurance business during calendar year 2023, increasing gross premiums by 30% to €262,626 thousand (201,463 thousand). Thus, the credit insurance business now makes up 5% of the total gross volume. The business is almost fully ceded to our reinsurer, Munich Re. The (gross) loss ratio improved to 66.7% (79.9%), reflecting the very encouraging claims experience seen in this class of business. The underwriting result for own account after claims equalisation amounted to €1,072 thousand (5,273 thousand).

Credit insurance

		2023	Previous year
Direct insurance and assumed reinsurance business			
Gross written premium	€'000	262,626	201,463
Loss ratio (gross)	%	66.7	79.9
Underwriting result for own account after claims equalisation	€'000	1,072	5,273
Direct insurance business			
Gross written premium	€'000	231,190	156,129
Loss ratio (gross)	%	54.8	65.2
Underwriting result for own account after claims equalisation	€'000	1,051	5,067
Assumed reinsurance business			
Gross written premium	€'000	31,435	45,334
Loss ratio (gross)	%	121.1	105.4
Underwriting result for own account after claims equalisation	€'000	21	206

Other property insurance

In calendar year 2023, gross premiums of €642,737 thousand (946,006 thousand) were generated in other property insurance. The year-on-year decline is also due to the fact that the personal lines business portfolios in the United Kingdom are now written by our subsidiary. Here, the Company recorded an improvement in the loss ratio (gross) to 52.0% (60.8%) on claims expenditure of €356,260 thousand (563,413 thousand). The year-on-year increase was once again due primarily to a positive development in claims for major events in the financial year. In the retained business, the major-loss expenditure was also below expectations. In addition, provisions for prior years were reversed. Overall, the underwriting result for own account after claims equalisation amounted to €60,794 thousand, significantly below the prior-year figure of €28,573 thousand.

Other property insurance

		2023	Previous year
Direct insurance and assumed reinsurance business			
Gross written premium	€'000	642,737	946,006
Loss ratio (gross)	%	52.0	60.8
Underwriting result for own account after claims equalisation	€'000	60,794	28,573
Direct insurance business			
Gross written premium	€'000	525,743	847,358
Loss ratio (gross)	%	58.2	59.3
Underwriting result for own account after claims equalisation	€'000	36,763	16,760
Assumed reinsurance business			
Gross written premium	€'000	116,419	98,648
Loss ratio (gross)	%	23.5	73.5
Underwriting result for own account after claims equalisation	€'000	24,031	11,812

Net assets
Investment portfolio

As at 31 December 2023, our investment portfolio excluding deposits retained amounted to €2,683,656 thousand (2,214,854 thousand).

Investments in affiliated companies relate to our licensed insurance subsidiary in the United Kingdom, Great Lakes Insurance UK Limited. Great Lakes Insurance UK Limited received a further capital injection from the Company amounting to

GBP 70m via a bank contribution in the course of this financial year. The Company holds 100% of the shares in the subsidiary. In addition, the Company granted the subsidiary a subordinated loan of GBP 90m during the financial year (loans to affiliated companies) for the purpose of providing the requisite capital under Solvency II.

Otherwise, the majority of investments are in fixed-interest securities issued by entities with good to very good credit ratings. Our risk management activities include closely observing our investments, enabling us to promptly sell assets or take other corrective action where necessary. Our investments fulfil our strict requirements for sustainable investment. We believe that these requirements will have a beneficial long-term impact on our risk exposure and earnings. The management of our investments is outsourced to our parent company, Munich Re, in accordance with a service agreement. On behalf of Munich Re, our asset managers, MEAG MUNICH ERGO Asset Management GmbH and MEAG New York Corporation (both "MEAG"), which both belong to the Munich Re Group, process our investments together with Munich Re's specialist departments in line with our instructions and the legal requirements. Also on behalf of Munich Re, an external asset manager manages a smaller portion of the investments, namely the fixed-interest securities of our UK branch. Since financial year 2021, Great Lakes Insurance SE has held an interest and thus participated in the Group's cash pool, which is managed by MEAG Cash Management GmbH in Munich. The receivables from MEAG Cash Management GmbH under deposits to the cash pool are reported under other investments. Details of the investments and their performance can be found in the notes to the annual financial statements on page 31 of this annual report.

Investments

	31.12.2023	Previous year	Change
	€'000	€'000	%
I. Investments in affiliated companies and participating interests			
1. Shares in affiliated companies	340,547	260,101	30.9%
2. Loans to affiliated companies	103,860	0	100.0%
II. Other investments			
1. Bearer bonds and other fixed-interest securities	2,112,538	1,764,983	19.7%
2. Deposits with banks	103,559	165,070	-37.3%
3. Other investments	23,153	24,700	-6.3%
Total	**2,683,656**	**2,214,854**	**21.2%**

Valuation reserves

The fair values of the investments are reported on page 31 of this annual report. A valuation reserve is the difference between the fair value and the carrying amount of an investment. Fair values are snapshots which reflect the market situation at a given point in time. Rather than develop steadily, they are subject to significant fluctuations. As at 31 December 2023, the valuation reserves amounted to €24,689 thousand (25,002 thousand).

Receivables

Receivables primarily comprise receivables from direct insurance operations. As at 31 December 2023, these amounted to €1,870,563 thousand (2,362,058 thousand) and were mainly attributable to receivables from policyholders for existing insurance policies that had not yet been accounted for with the customers or intermediaries as at the balance sheet date. Accounts receivable on reinsurance business amounted to €833,916 thousand (720,263 thousand).

Financial position
Capital structure

As at 31 December 2023, equity amounted to €550,641 thousand (449,018 thousand). Issued capital remained unchanged at €131,777 thousand, as did the capital reserve at €40,000 Tsd. € thousand; revenue reserves amounted to €13,178 thousand (13,178 thousand) and net retained profits as at 31 December 2023 amounted to €365,687 thousand (264,063 thousand).

Our insurance business has a significant influence on the structure of our balance sheet: the technical provisions accounted for 34.3% (29.9%) of total equity and liabilities with an average duration of approximately two to three years. Further material items on the equity and liabilities side of the balance sheet are equity at 8.0% (6.5%), and current liabilities (less than 1 year) to intermediaries at 13.1% (17.1%) and to our reinsurers at 18.5% (24.3%).[1] The liabilities are primarily denominated in US dollars, Chinese yuan renminbi, pounds sterling and euros.

As an international (re)insurance undertaking, some of our financial resources are subject to restrictions on disposal. For instance, the supervisory authorities in some countries require local branches or foreign primary insurers to retain certain investments locally to cover insurance obligations, including in special trust accounts.

Great Lakes Insurance SE's financial strength is rated A+ (Superior) by the rating agency A.M. Best. Standard & Poor's has given the Company's financial strength the second-highest rating of AA- (low default risk).

Material funding activities and operations

The Board of Management discussed the ORSA results in financial year 2023. The results of the capital management and the solvency assessment revealed the solvency ratios that were considerably above 100% during the planning period. Growth expectations and the associated rise in the solvency capital requirement mean that the solvency ratio for the planning years is slightly below the target set by the Board of Management, but still well above what the Board of Management considers to be the critical thresholds. At the beginning of the 2021 financial year, the supervisory authority already recognised as Tier 2 capital under Solvency II the ancillary own funds of €100,000 thousand provided by the parent company at the end of 2020. The Company was able to conduct further corporate actions at the UK subsidiary as planned this financial year without itself having to resort to further capital measures.

Liquidity

Detailed liquidity planning ensures that we are able to meet our due payment obligations at all times and without restriction. Great Lakes Insurance SE generates significant liquidity from its premium income, from regular investment income and from investments that mature. We attach great importance to the credit rating and fungibility of our investments. Current liabilities to intermediaries or reinsurers are always maturity matched with premium receivables. The liquidity requirement for the providing the capital for the UK subsidiary was covered by the sale of fixed-interest securities and a cash deposit agreement in place with one of Great Lakes Insurance SE's reinsurers.

Overall assessment of the economic position

Great Lakes Insurance SE generated an operating profit before tax of €164,115 thousand in the 2023 financial year (previous year: loss of -45,032 thousand). After tax, the net profit for financial year 2023 before the appropriation of net retained profits amounted to €101,623 thousand (previous year: net loss of €68,514 thousand).

The underwriting result for own account (prior to the change in the claims equalisation provision) increased significantly by €74,126 thousand year on year. We significantly reduced, among other things, the expenditures stemming from the destructive wildfires in Hawaii with the help of our extensive reinsurance programme. In financial year 2023, there were no noteworthy claims expenditures for COVID-19 after reinsurance. Due to the low claims expenditure for own account, the claims equalisation provision was increased significantly by €91,211 thousand in financial year 2023 (53,400 thousand). This increase was due primarily to the very encouraging claims development for liability insurance.

The net profit for this financial year is attributable primarily the non-technical result in addition to the positive underwriting result for own account. The investment result is positive on account of the high reversals of write-downs on fixed-interest securities due to declining interest rates. These profits were diminished only slightly be the negative effects from exchange rate developments.

Due to the control agreement with MunichFinancialGroup GmbH, Munich, a loss was partially assumed in the prior year pursuant to Section 302 of the Stock Corporation Act by Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München in connection with the cumulative assumption of debt.

Overall, Great Lakes Insurance SE has a sound economic foundation and is well prepared to face future challenges in order to continue being able at all times to promptly service its liabilities arising from insurance business. Great Lakes Insurance SE's solvency ratio as at 31 December 2023 was well above the level required by law.

[1] The percentages relate to total equity and liabilities in the amount of €6,855,823 thousand.

Risk report

Risk management objectives

The objective of risk management at Great Lakes Insurance SE is to ensure that the Company is able to meet its obligations to policyholders at all times, whilst creating sustainable value for our shareholder and protecting the Company's reputation and that of Munich Re. For this purpose, risk management employs strategies, methods and processes to identify, analyse, assess, control and monitor short and long-term risks to the Company's ability to operate as a going concern, and to enable mitigation actions to be taken in a timely manner. A particular aim is to safeguard the Company's financial strength in order to meet our obligations to our policyholders and business partners and to maintain shareholder values in the long term. Successful implementation of the risk strategy and risk appetite framework plays a key role in our Company's success and is in the interest of all stakeholders.

Organisational structure of risk management

Risk management at Great Lakes Insurance SE follows the three-lines-of-defence model. This ensures an effective separation of duties between the functions that take risks (first line) and the functions that perform independent risk controls (second and third lines). The business units act as the first line of defence and are responsible for identifying, assessing and executing risk decisions within the Company's defined risk appetite and risk tolerances. The independent risk management function, together with the compliance and actuarial functions form the second line of defence. The risk management function in particular is responsible for implementing an effective risk management system that ensures that our operations and risk decisions are undertaken in line with the Company's defined risk strategy, and that the overall risks of the Company are monitored and reported to management and stakeholders. The third line of defence is the internal audit function, which ensures that the processes required to guarantee effective control are functional.

Risk management is a core key function at Great Lakes Insurance SE. In accordance with Solvency II, at the head of the risk management organisation is the risk management key function holder, reporting directly to the member of the Board of Management responsible for risk management, compliance and legal. The compliance key function holder also reports directly to the same member of the Board of Management, while the actuarial key function holder reports to the Chief Financial Officer (CFO). The functions are held by different people.

The Risk and Capital Committee, which meets quarterly, reports to the risk management function. The Committee includes senior members from the risk management function, the the member of the Board of Management responsible for risk management, compliance and legal, and a representative of risk management from Munich Re as permanent members. Members of the Board of Management and the managers at subordinate levels are invited as guests. The primary objective of the committee is to assist the Board of Management in fulfilling its responsibility for the oversight of the Company's risk management system, especially with regard to setting the risk strategy, risk reporting and controls, and capital management.

In addition, a key function meeting is held on a quarterly basis. Representatives of the independent risk management function, the compliance function, the actuarial function and the internal audit function take part. This ensures the independence of the key function.

Risk strategy

The Company's risk strategy is derived from its business objectives and defines where, how and to what extent the Company is prepared to incur risks. This includes identifying exposed risk areas, prioritising them on the basis of risk criteria and defining an appropriate risk tolerance in line with the Company's strategy and objectives. The Board of Management approves the risk strategy on an annual basis, supported by the independent risk management function. In addition, it is discussed with the Company's Supervisory Board.

Implementing the risk strategy

The risk strategy is implemented and integrated across all of the Company's business operations, with the independent risk management function undertaking a monitoring and reporting role on a regular basis. Our implementation of risk management at the operational level covers the identification, analysis and assessment of all material risks. If risk capacity shortages or conflicts with the defined risk tolerances arise, escalation and decision-making processes are followed and reported via the risk management process. These processes ensure that the interests of the business are reconciled, monitored, and where necessary actively managed with risk based considerations.

Risk reporting

The Company's risk reporting goes beyond just meeting statutory requirements. It also ensures internal transparency for management (internal risk report, ORSA) and provides public information as part of our publications (annual financial statements, solvency and financial condition report). The quarterly internal risk reporting provides the Board of Management and senior management with updates on the overall risk position of the Company covering evaluations on material risk areas and events. The Board of Management can also be promptly notified of any significant change in the risk situation on an ad hoc basis.

Significant risks

Material risks are those that could have a long-term adverse effect on the Company's assets, financial situation, profitability and its ongoing operational structure. Based on the degree to which capital requirements reflect the significance of these risks under the internal model, these primarily comprise underwriting risks as well as credit risks resulting from exposures to our reinsurers. Operational risk, including conduct and outsourcing risks, are identified as a further significant risk for the Company. Market risk, which arises primarily from interest rate and currency fluctuations, represents a relatively minor share of risk for the Company. We differentiate between the following risk categories:

Underwriting risk

We define underwriting risk as the risk of insurance profitability being lower than expected. Premium, reserve and accumulation risks are significant components of underwriting risk. Premium risk denotes the risk that premiums collected are insufficient to cover our future contractual obligations. Reserve risk is the risk of the current claims reserves being insufficient to cover all eligible claims. The risk of accumulation losses stems from an accumulation of individual losses resulting via a single risk event. These can be natural catastrophes or man-made events.

A large part of the technical result is mitigated by proportional and non-proportional reinsurance programmes. This reduces the volatility of the underwriting result for own account. Every year, the Company conducts analyses with the aim of optimising the structure of the reinsurance programme. We further manage underwriting risk, to ensure that we meet our obligations in the long term, by means of suitable underwriting and reserving guidelines supported by regular risk analyses and risk reporting tailored to the respective risk types. We implement independent monitoring processes to continually review underwriting performance, and when necessary apply mitigation measures.

Risks from our investments and other assets

The Company pursues a prudent investment strategy and take into consideration returns, reliability and credit ratings. Liquidity and diversity are also monitored and managed. The investment strategy generally coincides with the structure of our insurance obligations, in particular as this relates to maturity and currency.

Market risk

The Company defines market risk as the risk of financial losses resulting from price changes in the capital markets. This includes general interest rate risk, specific interest rate risk, currency risk, bond market risk and inflation risk. The general interest rate risk covers changes in basic yield curves, whereas the specific interest rate risk models changes in credit risk spreads. Appropriate limit and early-warning systems in asset-liability management are used to manage market risks. This enables the Company to satisfy its liabilities under insurance policies at all times, irrespective of market conditions such as exchange and interest rates. The Company generally has a low market-risk appetite. As a consequence, it values optimising risk diversification over maximising returns. The Company's investments currently comprise of fixed-interest and money market securities (government bonds, corporate bonds and cash), and therefore are primarily exposed to foreign-exchange, inflation, and interest-rate risks. The Company's current investment mandate also permits investment in equities and infrastructure assets within predefined limits.

The general and specific interest-rate risk was stable during the financial year. In addition to the euro, the US dollar and pound sterling are the dominant currencies in the insurance business and thereby also the investment portfolio. Overall, the currency risk was stable during the financial year.

Credit risk

Credit risk describes potential losses stemming from a full or partial default on the part of a counterparty. It also includes potential losses due to a change in the credit standing of a counterparty. Investments but also reinsurers give rise to credit risks. Further credit risks arise from debts owed by policyholders and agents. The Company controls its investment credit risk by selecting issuers of suitable quality, and by regularly monitoring counterparty limits. Credit risk is primarily managed via the limits (which depend on the credit quality) and early-warning mechanisms (triggers) determined as part of the risk strategy.

The majority of reinsurance recoveries are from companies of the Munich Re Group, which have a credit rating of AA-. Representatives from Munich Re (Group) risk management regularly provide updates via the Company's Risk and Capital Committee regarding solvency and financial strength. For Great Lakes Insurance SE, no receivables from reinsurers were past due or impaired as at 31 December 2023. Receivables from the insurance business mainly arise from premium receivables from policyholders and intermediaries. This counterparty risk is managed by carefully selecting and verifying our intermediaries, as well as by means of corresponding policies for payment transactions. In addition, for the majority of our business we pass the counterparty risk on to reinsurers.

As at 31 December 2023, the investments had a duration of approximately 2–3 years. The corresponding technical provisions for own account also had a duration of 2–3 years.

Liquidity risk

Liquidity risk is defined as the risk of a company being unable to meet its financial obligations as they fall due. A substantial portion of investments is placed in liquid instruments in order to also be able to meet unforeseeable payment obligations at any time. Asset liability management enables us to actively manage volatility by coordinating future cash flows from investments, premiums and obligations. Liquidity is forecast and monitored on a regular basis as part of detailed liquidity planning,

Operational risks

The Company defines operational risk as the risk of losses resulting from inadequate or failed internal processes, incidents caused by the actions of personnel or system malfunctions, or external events. This includes criminal acts committed by employees or third parties, infringements of antitrust law, business interruptions, inaccurate processing of transactions, non-compliance with reporting obligations, and disagreements with business partners.

Operational risks are managed via the Company's operational risks control system (ORCS), complemented by the results of scenario analyses. These scenario analyses, used to quantify operational risks, are also reflected in the Company's internal capital model. Appropriate measures, up to and including larger projects, are also used to correct identified process weaknesses or errors. In addition, the Company has a framework that generally follows the standardised procedure within Munich Re for identifying and managing business continuity and security risks for people, property and information (cyber risk).

The Company's unique delegated authority business model relies on significant outsourcings to both entities within Munich Re, and to external third-party service providers, such as Managing General Agents (MGAs) and claims- and policy-related administrators. For this reason, the Company can be exposed to most material outsourcing and conduct risks.

Outsourcing risk

Outsourcing risk is defined as the risk of economic loss or other adverse impacts to Great Lakes resulting from the failure to adequately implement, monitor and control the performance of third-party providers who are delegated to perform one of more of Great Lakes' functions. The Company uses stringent due diligence processes in selecting external service providers, ongoing regular reviews, on-site visits and independent audits to manage this risk. The Company's risk management function receives regular reports from the business that assess this risk by means of quantitative thresholds and expert judgement. The individual risk assessments are then aggregated and provided to the Board of Management in the quarterly risk reporting.

Other risks

Strategic risk is defined as the risk of making incorrect business decisions, implementing decisions poorly, or being unable to adapt to changes in the business operating environment, relative to the Company's defined strategic objectives. Existing and new potential for success creates strategic risks, which is managed by carrying out risk analyses for significant strategic issues and regularly monitoring the implementation of measures deemed necessary. The Company's strategy is regularly reviewed and explained to management using the Company's Own Risk and Solvency Assessment (ORSA) process.

The system for early identification of risks also encompasses emerging risks. These new or developing risks arise due to changes in areas such as regulation, the socio-political environment, the natural environment, science and technology. These may have effects on the Company's portfolio that have not yet been captured or identified. Within the risk management system, potential emerging risks are reviewed annually with the risk owners.

The Company also manages compliance (including regulatory), legal, and tax risks. Regulation has been growing in scale and complexity for some time now, a fact that requires enhanced efforts and is increasingly and permanently tying up resources. The Company's international branches and wide fields of business mean that it is not just exposed to regulations at the European level, but also outside of Europe. Overall, however, the Company considers itself well positioned to face these challenges.

Internal capital model
As part of the overall Group internal model of Munich Re, Great Lakes Insurance SE uses a solo-entity internal model to determine its solvency capital requirements under Solvency II. The use of the internal model was approved by the responsible supervisory authority (BaFin) and college of supervisors in September 2016. The internal model is also a main quantitative tool employed by the risk management function to assess the material risk areas of the Company.

Overview of the risk position
The Company has stable capital adequacy and an investment portfolio with a high credit rating. The Company significantly exceeds the regulatory solvency capital requirements. We have not applied to use transitional measures. In addition, the cover for underwriting liabilities provided by our security assets is higher than that stipulated by the regulatory requirements, in terms of both the carrying amounts and market values.

The SCR is the amount of eligible own funds that must be available, with a given risk appetite, to cover unexpected losses in the following year. The SCR corresponds to the value at risk of the economic profit and loss distribution over a one-year time horizon with a confidence level of 99.5%. This metric thus equates to the economic loss that, given underlying exposures, will be statistically exceeded in no more than one year in every 200. In 2023, the Company calculated its SCR using its approved internal model and its own funds in accordance with the Solvency II requirements.

Following BaFin's on-site audit in 2022, the Company launched a project that same year, the objective of which was to establish a forward-looking business organisation that will ensure that the Company can continue to meet all of its legal and business requirements in a sustainable and regulatory-compliant manner. This project was implemented in 2023 as planned.

As of 31 December 2023, Great Lakes Insurance SE does not avail itself of any of the transitional provisions permitted under Solvency II. In conclusion, at no time was there any risk to the ability of Great Lakes Insurance SE to continue as a going concern or to the interests of our policyholders and other business partners. On the basis of current information, we are not aware of any developments at the present time that could result in any such risk to the continued existence of the Company. We are also currently not aware of any developments that could have a lasting adverse effect on the Company's net assets, financial solvency position and results of operations. Overall, Great Lakes Insurance SE's risk situation is stable.

Opportunities report

Great Lakes Insurance SE's business model combines primary insurance and reinsurance under one roof. As part of the Munich Re Group's reinsurance field of business, we have opened up profitable growth areas with our primary insurance business, underwriting large single risks and cooperating with existing and new agents in the commercial and personal lines segments. Our integrated business model, strong capital base, drive to innovate, clear customer focus and deep industry knowledge ensure that we are well placed to benefit from constantly evolving markets and changes in customer needs, while generating profitable growth by developing bespoke solutions for our customers. We consider ourselves well prepared to seize emergent opportunities and potential for the benefit of our Company.

We assume that global economic growth in 2024 will be sluggish. Restrictive monetary policies, high prices and geopolitical uncertainties will continue to stifle economic growth. We expect that inflation will continue to decline but for the annual average in 2024 in many countries to remain well above the targets set by key central banks. Our high degree of diversification and our strong capitalisation mitigate the risks we face, and will open up additional business opportunities for us provided the macroeconomic parameters that are especially relevant to us improve. Stronger economic growth in combination with rapidly falling inflation rates tends to have a positive impact on the demand for insurance cover and triggers higher premium volume in most classes of insurance. In addition, the coronavirus pandemic has caused many primary insurance clients to recognise that they need increased risk protection.

Against the backdrop of higher inflation and moderately rising global capacity in 2023, we continue to expect stable price development in international property insurance, with numerous opportunities for profitable growth, especially in our industrial insurance portfolios.

Digitalisation is increasingly transforming the markets, and the continuous changes in customer behaviour are demanding greater flexibility in providing access, coverage and solutions, as well as the underlying internal structures. Therefore, pressing ahead with the digital transformation remains one of our strategic priorities.

We are continually adjusting our internal structures and processes to reduce complexity and costs, while at the same time seizing the opportunities that digital transformation offers. Our aim is to automate as much as possible across the entire value chain and across all business units. We want to deliver what our clients and we ourselves expect in terms of quality, speed and security, while continuing to increase efficiency. We leverage the opportunities afforded by remote and mobile working arrangements to retain current staff members and attract new talent.

Our global investments are managed by the experts at Munich Re and MEAG. The volatility on the capital markets is challenging our asset management to achieve returns with manageable risks. We only leverage higher-yield bonds if the risks can be kept within reasonable bounds. On this basis, our investment colleagues are continually expanding their competence in the assessment of these risks, in order to be able to seize alternative investment opportunities in bonds that are also being increasingly traded in illiquid markets.

Sustainable ecological and social action is becoming increasingly important for insurers. Our many different activities in this context and our high and reliable ESG standards give us the opportunity to be perceived as an attractive partner for clients and staff, and to address societal expectations.

We expect climate change to lead to an increase in weather-related natural catastrophes in the long term – despite the global efforts being made. This growing loss potential will result in greater demand for primary insurance and reinsurance products. In collaboration with the MR Group, our expertise in natural catastrophe risks enables us to calculate competitive prices for traditional insurance products and to develop and offer new solutions for our customers. We see considerable business potential in the transition to a climate-neutral economy. We anticipate a sharp increase in investment in renewable energy in an effort to meet the net-zero goal by 2050. We possess leading engineering and risk assessment expertise and we have innovative risk-transfer concepts ready for this investment surge.

We work with our clients in a number of ways to expand the limits of what can be insured and to offer new and expanded risk coverage. For instance, we have also included cyber risks in our portfolio, offering our clients various coverage concepts for risks and losses caused by defective product software or cyber attacks and services ranging from preventative measures through to recovering lost data.

Outlook

We assess and outline the Company's expected development to the best of our knowledge, taking into consideration the material risks and opportunities. We also take into account knowledge currently available about the outlook for the industry as well as the economic and political environment. Nevertheless, the Company's actual development and its earnings may deviate materially from the forecasts.

In connection with Munich Re's Brexit strategy, the Company has assumed a key role as risk carrier in the United Kingdom for the insurance business in Munich Re's reinsurance and ERGO segments. The necessary formation of a new subsidiary in the United Kingdom was completed back in 2022. Great Lakes Insurance UK Limited fully commenced its insurance operations in 2023. Consequently, the new company's primary insurance business, which it conducts in the United Kingdom primarily with agents, already led to a corresponding decline in premium income at our UK branch in this financial year. This decline in business volume, which was due to regulatory requirements, will also impact the branch's premium income in 2024, albeit to a significantly lesser extent.

Furthermore, the Company is planning continuous growth in its credit business through the expansion of the branch in Dublin, Ireland, which began in 2022, with its own team of specialists and administration capacities.

Any forecasts continue to be overshadowed by uncertainty: the further course of the war in Ukraine and the developments in the Middle East are unpredictable, macroeconomic developments will remain fragile and the volatility on the financial markets will remain high. For the Company, this continues to entail risks stemming from a possible widening of credit risk spreads and potential defaults on bonds. Added to that is the further potential for losses due to changes in interest rates.

Despite these uncertainties, we expect business volume to increase in 2024. The decreases stemming from the ongoing transfer of the personal lines business with agents in the United Kingdom to the new subsidiary will be more than offset by growth in other fields of business. Against this background and assuming that exchange rates in 2024 remain at the same level as in financial year 2023, Great Lakes Insurance SE projects that it will realise gross premiums of approximately €5.4bn in 2024. We expect an own-account combined ratio of around 95% of net earned premiums before increases in the claims equalisation provision. An accurate forecast is not possible, partly due to the obvious fluctuations in the incidence of major losses and natural catastrophes. The unexpectedly low expenses for own account from basic losses and the nominal losses from natural catastrophes and single major loss events are also the reason for the loss ratio being lower than forecast and for the encouraging underwriting result for financial year 2023.

In addition, in light of the fact that interest rates are rising overall, Great Lakes Insurance SE's return on investment will likely improve. However, rising interest rates, particularly with regard to the US dollar, can also lead to further write-downs on fixed-interest securities. As things stand at present, we expect to generate a post-tax profit under German GAAP (HGB) in the low tens of millions in 2024, after taxes and allocations to the claims equalisation provision.

Overall, in 2024 we are expecting – given average claims figures – an underwriting result for own account, prior to increases in the claims equalisation provision, of approximately €49m and a result after tax of approximately €29m.

In 2024, our reinsurance programme will once again protect us against further potential material claims expenditure in connection with the war in Ukraine. The expected higher inflation is factored into the pricing and reserving processes and is thus taken into account in the ongoing business processes.

Classes of business and types of insurance transacted in the 2023 financial year

Direct insurance business

Personal accident insurance (excluding accident insurance with premium refund)
Health insurance
Liability insurance
Motor third-party liability insurance
Other motor insurance
Fire insurance
Householders’ comprehensive insurance
Homeowners’ comprehensive insurance
Other property insurance
Marine insurance
Aviation insurance
Credit insurance
Bond insurance
Legal protection insurance
Assistance insurance
Other classes of business

Assumed reinsurance business

Personal accident insurance (excluding accident insurance with premium refund)
Health insurance
Liability insurance
Motor third-party liability insurance
Other motor insurance
Fire insurance
Householders’ comprehensive insurance
Homeowners’ comprehensive insurance
Other property insurance
Marine insurance
Aviation insurance
Credit insurance
Bond insurance
Legal protection insurance
Assistance insurance
Other classes of business

Annual financial statements as at 31 December 2023

Balance sheet as at 31 December 2023

Assets

				Previous year
	€'000	€'000	€'000	€'000
A. Investments				
I. Investments in affiliated companies and long-term equity investments				
1. Shares in affiliated companies	340,547			260,101
2. Loans to affiliated companies	103,860			0
		444,407		260,101
II. Other investments				
1. Bearer bonds and other fixed-interest securities	2,112,538			1,764,983
2. Deposits with banks	103,559			165,070
3. Other investments	23,153			24,700
		2,239,249		1,954,753
III. Deposits retained on assumed reinsurance business		1,172,685		1,319,342
			3,856,341	**3,534,196**
B. Receivables				
I. Receivables from direct insurance operations with:				
1. policyholders	1,341,845			1,837,637
2. intermediaries	528,718			524,421
		1,870,563		2,362,058
II. Accounts receivable on reinsurance business		833,916		720,263
Thereof - affiliated companies: €609,532 thousand (429,492 thousand)				
III. Other receivables		48,375		79,883
Thereof - affiliated companies: €4,768 thousand (46,230 thousand)				
			2,752,854	**3,162,204**
C. Other assets				
I. Cash at bank, cheques and cash in hand		236,845		249,954
			236,845	**249,954**
D. Prepaid expenses and deferred income				
I. Deferred interest and rent		9,760		6,826
II. Other prepaid expenses		22		5
			9,782	**6,831**
Total assets			**6,855,823**	**6,953,185**

Equity and liabilities

				Previous year
	€'000	€'000	€'000	€'000
A. Equity				
I. Issued capital		131,777		131,777
II. Capital reserves		40,000		40,000
III. Revenue reserves				
Legal reserve		13,178		13,178
IV. Net retained profits		365,687		264,063
			550,641	**449,018**
B. Technical provisions				
I. Unearned premiums				
1. Gross amount	1,503,999			1,737,432
2. Thereof less: ceded reinsurance business	999,497			1,233,743
		504,502		503,689
II. Provisions for claims outstanding				
1. Gross amount	9,072,201			9,258,028
2. Thereof less: ceded reinsurance business	7,413,059			7,763,977
		1,659,142		1,494,051
III. Claims equalisation provision and similar provisions		167,108		75,898
IV. Other technical provisions				
1. Gross amount	37,827			44,829
2. Thereof less: ceded reinsurance business	18,751			36,488
		19,076		8,340
			2,349,828	**2,081,977**
C. Other provisions				
I. Pension provisions		330		224
II. Provisions for tax		63,908		15,333
III. Miscellaneous provisions		8,633		8,132
			72,871	**23,688**
D. Deposits retained on ceded business			**1,617,152**	**1,479,640**
E. Other liabilities				
I. Liabilities from direct insurance operations to				
1. policyholders	18,097			15,123
2. intermediaries	898,924			1,189,384
		917,021		1,204,507
II. Accounts payable on reinsurance business		1,324,965		1,691,558
Thereof to - affiliated companies: €1,257,469 thousand (1,613,948 thousand)				
III. Miscellaneous liabilities		23,342		22,796
Thereof to - affiliated companies: €307 thousand (0 thousand) Thereof from taxes: €745 thousand (7,981 thousand) Thereof for social security: €3 thousand (3 thousand)				
			2,265,329	**2,918,861**
Total equity and liabilities			**6,855,823**	**6,953,185**

Responsible actuary’s report

On the basis of the documents relating to the portfolio as presented to me, I have reviewed the calculation of the annuity claims provision as at 31 December 2023.

It is hereby confirmed that the provision for future policy benefits in the amount of €129,143 thousand reported under item B. II on the equity and liabilities side of the balance sheet was calculated with due regard to Section 341f and Section 341g of the German Commercial Code (HGB) and the regulation issued on the basis of Section 88(3) of the Insurance Supervision Act (VAG).

Munich, 22 March 2024

Responsible actuary

Dr. Alexander Itigin

Income statement for the 2023 financial year

Item

						Previous year
			€'000	€'000	€'000	€'000
I.	Technical account					
1	**Earned premiums for own account**					
	a)	Gross written premium	5,190,497			6,197,190
	b)	Outward reinsurance premiums	-4,141,777			-5,147,557
				1,048,720		1,049,633
	c)	Change in gross unearned premiums	213,528			-72,057
	d)	Change in ceded share of gross unearned premiums	-221,453			20,067
				-7,925		-51,990
					1,040,795	**997,643**
2	**Other technical income for own account**				**35**	**1**
3	**Claims incurred for own account**					
	a)	Claims paid				
		a) Gross amount	-2,987,041			-2,860,455
		b) Ceded share	2,634,923			2,541,074
				-352,119		-319,381
	b)	Change in provision for claims outstanding				
		a) Gross amount	48,195			-1,072,300
		b) Ceded share	-241,843			793,756
				-193,648		-278,543
					-545,766	**-597,924**
4	**Change in other technical provisions for own account**					
	a)	Other net technical provisions		317		-244
					317	**-244**
5	**Operating expenses for own account**					
	a)	Gross operating expenses		-1,258,486		-1,710,034
	b)	less: commission received on ceded business		967,069		1,438,962
					-291,417	**-271,071**
6	**Other underwriting expenses for own account**				**-1,887**	**-454**
	Thereof: ceded share			2,938		1,991
7	**Subtotal**				**202,076**	**127,951**
8	**Change in claims equalisation provision and similar provisions**				**-91,211**	**-53,400**
9	**Underwriting result for own account**				**110,866**	**74,551**

						Previous year
			€'000	€'000	€'000	€'000
II.	**Non-technical account**					
1	**Investment income**					
	a)	Income from other investments	63,200			43,380
		Thereof: affiliated companies: €649 thousand (0 thousand)				
	b)	Income from reversals of write-downs	32,439			
	c)	Gains on the disposal of investments	4,911			2,031
				100,550		45,410
2	**Investment expenses**					
	a)	Expenses for the management of investments, interest paid and other expenses for investments	-4,185			-2,912
	b)	Write-downs of investments	-292			-125,565
	c)	Losses on the disposal of investments	-2,178			-16,796
				-6,655		-145,273
					93,895	**-99,863**
3	**Other income**				**84,061**	**144,675**
4	**Other expenses**				**-124,707**	**-164,395**
5	**Operating result before tax**				**164,115**	**-45,032**
6	**Taxes on income**				**-60,576**	**-19,116**
7	**Other taxes**				**-1,915**	**-4,365**
8	**Income from loss absorption**				**0**	**42,545**
9	**Profit or loss for the financial year**				**101,623**	**-25,968**

Notes to the annual financial statements

General information

Great Lakes Insurance SE has had its registered office in Munich since 30 December 2016 (entered into the commercial register of the local court [*Amtsgericht*] in Munich under HRB 230378).

Accounting policies

Basis of preparation

The annual financial statements of Great Lakes Insurance SE have been prepared in accordance with the German Commercial Code (HGB), the German Stock Corporation Act (AktG), the German Insurance Accounting Regulation (RechVersV) and the German Insurance Supervision Act (VAG).

The structure and content of the management report complies with the requirements of the Commercial Code and is based on German Accounting Standard (GAS) 20.

The figures and totals shown are rounded in accordance with standard commercial practice.

To the extent that items in the balance sheet and income statement have not yet been settled as at the closing date, estimates are provided for the relevant items.

No income from technical interest pursuant to Section 38 of the Insurance Accounting Regulation was accrued.

Investments

Investments in affiliated companies and long-term equity investments are recognised at cost or the lower fair value if any impairment is expected to be permanent.

Bearer bonds and other fixed-interest securities are carried at the lower of cost or quoted/market value as at the balance sheet date, in accordance with Section 341b(2) in conjunction with Section 253(1), (4) and (5) of the Commercial Code.

Receivables

Receivables are generally carried at their nominal value, less any repayments and specific valuation allowances.

Other assets

Deposits with banks are carried at their nominal value.

Deferred taxes

For the calculation of deferred taxes across all tax jurisdictions, temporary differences and carry-forwards are assessed overall. We exercised the option provided for in Section 274(1) sentence 2 of the Commercial Code. An excess of deferred tax assets beyond the netting amount is not recognised.
The Company's deductible temporary differences exceeded taxable temporary differences by €269,424 thousand (210,915 thousand). The deductible temporary differences result from the measurement of intangible assets, investments and technical provisions. The existing taxable temporary differences are of lesser significance.
The rounded deferred tax rate applicable in Germany is 33.0%. It is made up of the corporate tax rate (including solidarity surcharge) of 15.8% and the trade tax rate of 17.2%. The applicable tax rate at the material permanent establishment in the United Kingdom was 25.0%.

The Organisation for Economic Co-operation and Development (OECD) has published model rules on Pillar Two – Global Minimum Tax. In Germany, these regulations enter into effect as at 1 January 2024 in the German Minimum Tax Act (MinStG). The application of the Minimum Tax Act did not have any tax effects on the Company in 2023. The Company has applied the mandatory exemption under Section 274(3) nos. 1 and 2 of the Commercial Code and has therefore not recognised deferred tax assets and liabilities in connection with Pillar Two. At most, a non-material additional tax expenditure is expected in subsequent years.

There are no tax accounting influences.

Offsetting of assets and liabilities

Assets are offset against the corresponding liabilities for pension commitments pursuant to Section 246(2) of the Commercial Code, since pursuant to a pledge agreement these assets are inaccessible to other creditors.

Technical provisions

The technical provisions have been calculated in accordance with the requirements of German commercial law. In all cases, we have taken into account the necessity of ensuring that our obligations can always be met.

Unearned premiums

In direct insurance business, unearned premiums are generally calculated pro rata temporis based on when the premiums are due. In accordance with tax law, 85% of the agents' commission and other fees is recognised as non-transferable income. In assumed reinsurance business, unearned premiums are generally calculated based on the ceding insurer's statements, including amounts arising from clean-cut agreements or under the fractional system. For parts of assumed reinsurance business based on underwriting years, standard commercial approximation and simplification procedures are applied for a maximum observation period of three years. We determined the ceded share of unearned premiums based on the calculation methods for direct insurance business or assumed reinsurance business. The measurement basis is calculated by deducting 92.5% of reinsurance commission from the reinsurance premiums.

Provisions for claims outstanding

The provision for claims outstanding includes the following items:

– Provisions for known claims (excluding annuity claims)
– Annuity claims provision
– IBNR reserve
– Provisions for claims settlement expenses

The provision for known claims outstanding (excluding annuity claims) for direct insurance business is essentially calculated on an individual basis for each claim. The provision for assumed reinsurance business generally corresponds to the ceding insurer's statements. Provisions were also recognised for claims that are known, but whose extent has turned out to be greater than originally foreseen. The amount of the provision is adequate to cover future payments under claims incurred during the financial year and prior years. It takes into account claims incurred and known as at the reporting date.

The annuity claims provision was calculated in accordance with recognised actuarial methods in consideration of Sections 341f and 341g of the Commercial Code. The annuity claims provisions are fully ceded to reinsurers.

An IBNR reserve was recognised to likewise take into consideration claims incurred but not reported (IBNR) to the Company as at the balance sheet date. The IBNR reserve was recognised on a flat-rate basis using actuarial methods based on historical data from prior years.

The provisions for loss adjustments were calculated separately for internal and external loss adjustment expenses, in accordance with Section 341g(1) sentence 2 of the Commercial Code. We calculate the provisions for internal adjustment expenses as a lump sum as per the circular from the Federal Minister of Finance (BMF) dated 22 February 1973.

Receivables from recoveries, salvage and claims-sharing agreements were taken into account in the provisions for claims outstanding, in accordance with Section 26(2) of the Insurance Accounting Regulation.

Claims equalisation provision and similar provisions

To the extent required and permitted by German commercial law, the "Claims equalisation provision and similar provisions" line item includes provisions to mitigate fluctuations in claims experience in future years. The claims equalisation provision and similar provisions are recognised in accordance with Section 341h of the Commercial Code in conjunction with Sections 29 and 30 of the Insurance Accounting Regulation. The claims equalisation provision is recognised in accordance with the annex to Section 29 of the Insurance Accounting Regulation.

Other technical provisions

We recognise other technical provisions based on our expected future requirements. This item includes provisions for future performance-based commission payments. A provision for anticipated losses is calculated on the basis of the claims and expenses expected in each class of business and the amount of unearned premiums as at the reporting date. No net investment income is included.

The ceded share of technical provisions is calculated using the calculation methods for direct insurance business and assumed reinsurance business. The ceded share of the IBNR reserve was calculated in line with the percentages set out in the reinsurance treaties.

Other provisions

The provision for anniversaries is calculated pursuant to the projected unit credit method in application of the modified Heubeck 2018 G tables using an actuarial interest rate of 1.76% (1.45%) and salary trend of 3.0% (3.0%). The pension provision is recognised at the fair value of the pension liability claim and is offset against the corresponding plan assets, since these pension liability claims are pledged and thus inaccessible to other creditors.

All other provisions are recognised in accordance with the required settlement amount, based on reasonable and prudent commercial judgement. For discounting, we use maturity-matched discount rates published by the Bundesbank, pursuant to Section 253(2) of the Commercial Code.

Liabilities

Deposits retained on ceded reinsurance, accounts payable on reinsurance business, liabilities from direct insurance operations and other liabilities are carried at their settlement amounts.

Foreign currency translation and hedging relationships for currency risks

All business transactions are generally recognised in the original currencies and reported using the applicable day's exchange rate in euros. The foreign currency amounts are re-translated for the balance sheet at year-end exchange rates.

Foreign currency liabilities are grouped together with the assets matching them per currency in hedging relationships, in accordance with Section 254 of the Commercial Code (portfolio hedges), the items allocated to the hedging relationships being primarily non-current assets, provisions and non-current liabilities. Translation is generally performed independently of the restrictions of the historical-cost and realisation principle.

If there is an excess of assets over liabilities in a particular currency, this is examined to see whether or not it is long-term. Long-term excesses of assets over liabilities are grouped together with currency forward transactions in separate hedging relationships, pursuant to Section 254 of the German Commercial Code, and are also generally translated independently of the restrictions of the historical-cost and realisation principle.

The effective part of the hedging relationships is accounted for using the gross hedge presentation method. Short-term excesses of assets over liabilities and (short-term and long-term) excesses of liabilities over assets are generally translated immediately through profit or loss. The remaining assets and liabilities outside the above-mentioned hedging relationships per currency have a residual term of less than one year and are therefore recognised in accordance with Section 256a of the Commercial Code. The same applies to provisions, whose residual term is, however, immaterial for non-compliance with the historical-cost or realisation principle.

Gains and losses resulting from currency translation are recognised in the income statement under other income or other expenses.

A. Investments

Changes in asset items

Asset items

€'000	Carrying amount previous year	Foreign ex-change effects	Additions	Disposals	Reversals of write-downs	Write-downs	Carrying amount 31.12.2022
A. I Investments in affiliated companies and long-term equity investments							
1. Shares in affiliated companies	260,101	0	80,445	0	0	0	340,546
2. Loans to affiliated companies	0	430	103,430	0	0	0	103,860
II. Other investments							
1. Bearer bonds and other fixed-interest securities	1,764,983	-33,705	1,500,520	-1,151,407	32,438	-291	2,112,538
2. Deposits with banks	165,070	-5	2,295,974	-2,357,480	0	0	103,559
3. Other investments	24,700	0	458,652	-460,200	0	0	23,152
Total	**2,214,854**	**-33,280**	**4,439,021**	**-3,969,087**	**32,438**	**-291**	[illegible]

The statement of changes in assets and investments is shown at year-end exchange rates (31 December 2023).

Assets with a market value of €48,989 thousand (46,731 thousand) are furnished as collateral for liabilities, primarily under trust fund obligations from insurance business in the United States.

Fair value of investments

Investments – Valuation reserves

€'000	Carrying amount 31.12.2023	Fair value 31.12.2023	Valuation reserves 31.12.2023
A. I. Investments in affiliated companies and long-term equity investments			
1. Shares in affiliated companies	340,546	347,563	7,017
2. Loans to affiliated companies	103,860	104,592	732
II. Other investments			
1. Bearer bonds and other fixed-interest securities	2,112,538	2,129,478	16,940
2. Deposits with banks	103,559	103,559	0
3. Other investments	23,152	23,152	0
Total	**2,683,655**	**2,708,344**	**24,689**

As at 31 December 2023, no investments were categorised as long-term.

B. III. Other receivables

Other receivables includes tax receivables amounting to €19,292 thousand (18,293 thousand).

C. Other assets

Balances at domestic and foreign banks are reported under this item.

D. Prepaid expenses and deferred income

This item includes deferred interest income from fixed-interest securities, mainly from bearer bonds.

Notes to the balance sheet – Equity and liabilities

A. Equity

I. Issued capital

Share capital amounts to €131,776,704 and is divided into 11,400,000 no-par value shares. Each share represents a notional share of €11.56 of share capital.

II. Capital reserves

The capital reserve remained unchanged as against financial year 2020, at €40,000 thousand.

III. Revenue reserves

The revenue reserve amounted to €13,178 thousand (13,178 thousand). The legal reserve is fully funded in accordance with the legal requirements.

IV. Net retained profits

'000 €	31.12.2023	Previous year
Net loss/net income for the year	101,623	-25,968
Profit brought forward from previous year	264,063	290,032
Total	**365,687**	**264,063**

The net retained profits of €365,687 thousand (264,063 thousand) result from the net profit for financial year 2023 and the profit brought forward from the period prior to relocating the registered office of Great Lakes from London to Munich.

Proposal for appropriation of profit

The Board of Management proposes that all of the net profit for financial year 2023 amounting to €101,623 thousand be distributed to the shareholder and that the remaining net retained profits of €264,063 thousand be carried forward.

B. Technical provisions

€'000	Total gross technical provisions		Thereof: Gross provision for claims outstanding		Thereof: Claims equalisation provision and similar provisions	
	31.12.2023	Previous year	31.12.2023	Previous year	31.12.2023	Previous year
Direct insurance business						
Personal accident and health insurance, of which:	72,341	140,630	52,568	109,628		
Personal accident insurance	30,155	29,823	10,523	20,248		
Health insurance	42,186	110,807	42,045	89,380		
Liability insurance	2,427,468	2,342,124	2,141,407	2,055,154	84,327	14,616
Motor third-party liability insurance	2,158,064	2,361,428	1,993,352	2,063,005	2,375	128
Other motor insurance	372,988	415,138	292,577	310,393	18,069	20,940
Fire and property insurance, thereof:	1,378,483	1,561,766	1,044,581	1,244,071	33,928	29,866
Fire insurance	656,790	943,366	523,298	791,463	1,551	1,139
Homeowners' comprehensive insurance	204,829	129,281	93,397	69,919	32,377	28,727
Other property insurance	481,672	428,667	397,750	349,416		
Marine and aviation insurance	254,360	131,432	218,860	103,289		
Credit and bond insurance	230,930	159,360	218,124	146,053	421	558
Legal protection insurance	15,365	19,036	13,903	18,303		
Assistance insurance	14,592	7,607	2,888	2,382		
Other classes of business	740,018	864,865	646,363	721,699	8,010	4,886
Total	**7,664,608**	**8,003,386**	**6,624,623**	**6,773,977**	**147,130**	**70,994**
Assumed reinsurance business						
Total	**3,116,527**	**3,112,799**	**2,447,577**	**2,484,051**	**19,979**	**4,903**
Overall insurance business	**10,781,135**	**11,116,185**	**9,072,201**	**9,258,028**	**167,108**	**75,897**

C. Other provisions

A settlement amount totalling €1,765 thousand from provisions for retirement benefit obligations was offset by plan assets with a total fair value of €1,436 thousand. The netting at the level of individual plans did not lead to any excess of plan assets over pension liability and gave rise to a provision for post-employment benefits amounting to €330 thousand. The cost of the plan assets was just under €1,436 thousand. The gains from these assets amounted to

€47 thousand in the financial year. The interest expense for the provisions for post-employment benefits and similar non-current
obligations totalled €18 thousand.

Netted expenses and gains from the defined benefit obligation and the offsetting plan assets

€'000	31.12.2023
Expenses from the discounting of retirement benefit obligations	-22
Gains from the change in the discount rate for retirement benefit obligations	4
Income from plan assets to be netted with liabilities for pension commitments	47
Net income from pension commitments	**29**
Expenses from the discounting of partial retirement obligations	-10
Gains from the change in the discount rate for partial retirement obligations	7
Expenses from assets to be set off against partial retirement obligations	-3
Net expenses for semi-retirement commitments	**-6**

With regard to the partial retirement obligations, a settlement amount of €904 thousand was offset by plan assets of €672 thousand.

The provision for anniversary benefits amounted to €919 thousand.

Nearly every employee received pension commitments for themselves and their surviving dependants, which Great Lakes Insurance SE must cover itself.

III. Miscellaneous provisions

€'000	31.12.2023	Previous year
Salary obligations	4,645	3,201
Other	2,006	2,310
Invoices outstanding	1,063	1,800
Anniversary benefits	919	821
Total	**8,633**	**8,132**

D. Liabilities

Due dates

€'000	Up to 1 year	Over 1 year and up to 5 years	Over 5 years
E. Other liabilities			
I. Liabilities from direct insurance operations to:			
1. policyholders	18,097	0	0
2. intermediaries	894,413	3,989	523
	912,510	3,989	523
II. Accounts payable on reinsurance business	1,266,615	58,350	0
Thereof: affiliated companies: €1,257,469 thousand (1,613,948 thousand)			
III. Miscellaneous liabilities	23,343	0	0
Thereof to - affiliated companies: €307 thousand (0 thousand) Thereof from taxes: €745 thousand (7,981 thousand) Thereof for social security: €3 thousand (3 thousand)			
Total	**2,202,468**	**62,339**	**523**

E. Hedging relationships

Hedging relationship	Hedged items	Hedging instruments	Type of risks	Amount of risks hedged
Portfolio hedge	Foreign currency liabilities	Foreign currency assets	Exchange rate risks	Currency result from hedged foreign-currency liabilities Recognition of effective change in the fair value of hedged items and hedging instruments in the balance sheet and income statement based on gross hedge presentation method
	The following hedging relationships – the largest in terms of volume – were recognised as at the balance sheet date: - Pounds sterling: €2,863m (3,304m) - US dollars: €4,423m (4,004m) - Chinese yuan: €19,007m (2,426m) The gross reserves are essentially covered by the net reserves.			Recognition of effective change in the fair value of hedged items and hedging instruments in the balance sheet and income statement based on gross hedge presentation method

Notes to the income statement

I. Technical account

I.1 Earned premiums for own account

€'000	Gross premiums written		Gross premiums earned		Earned premiums for own account	
	2023	Previous year	2023	Previous year	2023	Previous year
Direct insurance business						
Personal accident and health insurance, of which:	82,587	252,116	105,384	242,224	1,099	-318
Personal accident insurance	47,748	49,586	48,766	45,286	95	-148
Health insurance	34,838	202,531	56,618	196,938	1,004	-170
Liability insurance	525,855	726,316	588,903	707,402	215,224	240,080
Motor third-party liability insurance	420,770	836,020	560,716	894,473	4,998	2,199
Other motor insurance	159,760	270,581	188,062	277,125	40,766	58,127
Fire and property insurance, thereof:	779,159	796,008	772,001	720,956	502,685	435,467
Fire insurance	326,481	409,669	347,991	396,540	246,899	281,374
Homeowners' comprehensive insurance	209,613	84,908	163,215	52,999	131,620	44,993
Other property insurance	232,786	222,359	227,970	212,214	123,420	110,040
Marine and aviation insurance	140,823	128,264	133,359	127,418	3,130	8,675
Credit and bond insurance	231,190	156,129	232,117	150,457	592	536
Legal protection insurance	6,809	4,505	6,715	4,532	-8	104
Assistance insurance	28,426	27,176	28,166	24,288	-74	-137
Other classes of business	525,743	847,358	564,214	832,531	155,907	150,335
Total	**2,901,121**	**4,044,473**	**3,179,638**	**3,981,406**	**924,318**	**895,068**
Assumed reinsurance business						
Total	**2,289,376**	**2,152,718**	**2,224,963**	**2,143,727**	**116,478**	**102,575**
Overall insurance business	**5,190,497**	**6,197,191**	**5,404,601**	**6,125,133**	**1,040,795**	**997,643**

I.2 Gross written premiums by origin

€'000	2023	Previous year
Direct insurance business		
Germany	176,528	167,446
Other Member States of the European Union and other signatory states to the Agreement on the European Economic Area (EEA)	675,379	642,623
Third countries	2,049,214	3,234,403
Total	**2,901,121**	**4,044,472**

I.3. Claims incurred for own account

Claims incurred for own account are reduced by the gain on reversing the provision brought forward from the previous financial year. The gain was within an appropriate range.

Gross claims incurred

€'000	2023	Previous year
Direct insurance business		
Personal accident and health insurance, of which:	**-32,336**	**-48,331**
Personal accident insurance	7,675	41,518
Health insurance	-40,011	-89,849
Liability insurance	-304,642	-556,221
Motor third-party liability insurance	-455,543	-733,950
Other motor insurance	-160,862	-181,415
Fire and property insurance, thereof:	**-307,536**	**-684,637**
Fire insurance	50,559	-476,100
Homeowners' comprehensive insurance	-120,417	-42,465
Other property insurance	-205,012	-120,942
Marine and aviation insurance	-182,662	-44,935
Credit and bond insurance	-127,271	-98,114
Legal protection insurance	3,011	16,120
Assistance insurance	-3,715	668
Other classes of business	-327,744	-493,797
Total	[illegible]	[illegible]
Assumed reinsurance business		
Total	**-1,039,546**	**-1,108,143**
Overall insurance business	[illegible]	[illegible]

Gross operating expenses

€'000	2023	Previous year
Direct insurance business		
Personal accident and health insurance, of which:	-25,689	-116,166
Personal accident insurance	-18,946	-7,167
Health insurance	-6,744	-108,999
Liability insurance	-79,797	-140,558
Motor third-party liability insurance	-207,712	-329,253
Other motor insurance	-60,467	-98,213
Fire and property insurance, thereof:	-222,312	-225,348
Fire insurance	-94,575	-124,209
Homeowners' comprehensive insurance	-63,802	-28,425
Other property insurance	-58,235	-47,866
Marine and aviation insurance	-26,492	-25,832
Credit and bond insurance	-9,169	-2,833
Legal protection insurance	-3,151	-5,725
Assistance insurance	-10,412	-3,192
Other classes of business	-97,207	-238,766
Total	**-742,408**	**-1,185,886**
Assumed reinsurance business		
Total	**-516,078**	**-524,148**
Overall insurance business	**-1,258,486**	**-1,710,034**

Of the total gross operating expenses, €1,207,941 thousand (1,667,334 thousand) was attributable to acquisition costs and €50,545 thousand (42,700 thousand) to management expenses.

I.9. Underwriting result for own account

€'000	2023	Previous year
Direct insurance business		
Personal accident and health insurance, of which:	858	311
Personal accident insurance	-476	602
Health insurance	1,334	-291
Liability insurance	30,389	16,376
Motor third-party liability insurance	8,654	9,833
Other motor insurance	-3,230	-5,145
Fire and property insurance, thereof:	20,913	12,186
Fire insurance	72,128	26,590
Homeowners' comprehensive insurance	-29,332	-15,339
Other property insurance	-23,287	1,195
Marine and aviation insurance	-55	-1,253
Credit and bond insurance	1,051	5,067
Legal protection insurance	-1	39
Assistance insurance	271	310
Other classes of business	36,763	16,760
Total	**95,614**	**54,484**
Assumed reinsurance business		
Total	**15,252**	**20,067**
Overall insurance business	**110,866**	**74,551**

Reinsurance balance*

€'000	2023	Previous year
Direct insurance business		
Personal accident and health insurance, of which:	-46,496	-77,384
Personal accident insurance	-37,971	-79,035
Health insurance	-8,525	1,651
Liability insurance	-104,444	20,584
Motor third-party liability insurance	113,440	178,692
Other motor insurance	26,982	9,458
Fire and property insurance, thereof:	-214,244	230,277
Fire insurance	-228,455	230,629
Homeowners' comprehensive insurance	-4,678	31,279
Other property insurance	11,941	-42,209
Marine and aviation insurance	75,608	-57,824
Credit and bond insurance	-94,753	-44,393
Legal protection insurance	-6,576	-14,889
Assistance insurance	-13,768	-21,454
Other classes of business	-97,859	-81,723
Total	**-362,112**	**141,344**
Assumed reinsurance business		
Total	**-639,000**	**-493,421**
Overall insurance business	**-1,001,111**	**-352,077**

* = to the benefit of the reinsurers

The reinsurance balance is calculated on the basis of the reinsurers' earned premiums and the ceded share of gross expenses for claims incurred and gross operating expenses.

Non-technical account

Other income and expenses primarily comprise currency translation gains of €77,782 thousand (143,153 thousand) and currency translation losses of –€84,882 (–130,848 thousand). Our business model means that a large volume of the technical provisions before reinsurance are denominated in foreign currencies. The corresponding items are reduced to a significantly lower level after reinsurance. This results in high currency translation gains and losses that offset each other. Our branches in Italy and Australia hold the majority of their assets in the respective local currencies. The material currencies for our portfolio are the pound sterling, the Australian dollar and the US dollar.

In the 2023 financial year, a tax expense of €25,617 thousand (previous year: expense of 20,234 thousand) arose in the Germany tax jurisdiction; a tax expense of €33,079 thousand (income of 2,645 thousand) was generated at the permanent establishment in the UK and an expense of €1,826 thousand (expense of 950 thousand) at the permanent establishment in Italy.

Other information

Number of primary insurance policies with terms of at least one year

Number	2023	Previous year
Direct insurance business		
Personal accident and health insurance, of which:	890,833	2,607,993
Personal accident insurance	890,566	1,669,351
Health insurance	267	938,642
Liability insurance	286,209	1,395,463
Motor third-party liability insurance	1,658,882	6,613,355
Other motor insurance	1,105,921	4,886,688
Fire and property insurance, thereof:	153,610	383,194
Fire insurance	18,628	86,758
Homeowners' comprehensive insurance	59,298	89,870
Other property insurance	100,259	159,397
Marine and aviation insurance	12,416	24,924
Credit and bond insurance	9,529	48,866
Legal protection insurance	256,597	212,521
Assistance insurance	579,538	300,010
Other classes of business	1,093,370	3,740,208
Total	**6,046,905**	**20,213,222**

Contingent liabilities and other financial commitments
There were no contingent liabilities. There were no other financial commitments in financial year 2023.

Off-balance sheet transactions
There are no further off-balance sheet transactions.

Events after the balance sheet date
No transactions of material significance occurred after the end of the financial year.

Average headcount during the year
In the 2023 financial year, we employed an average of 47 (40) staff at the Company’s registered office. All employees are office-based staff.

Commissions and other payments to insurance agents, personnel expenses

€'000	31.12.2023	Previous year
Commissions of any type to insurance agents within the meaning of Section 92 of the Commercial Code for direct insurance operations	677,512	1,117,304
Other payments to insurance agents within the meaning of Section 92 of the Commercial Code	27,020	32,494
Wages and salaries	11,729	8,340
Social security contributions and employee assistance	1,881	2,503
Expenses for employees’ pensions	501	346
Total	**718,642**	**1,160,987**

Remuneration report
The total remuneration of the Board of Management of Great Lakes Insurance SE amounted to €1,907 thousand (1,610 thousand). No expenses were incurred for the Supervisory Board of Great Lakes Insurance SE in 2023. The members of the Supervisory Board and Board of Management did not receive any cash advances or loans in the year under review. Please see page 42 for an overview of the members of the Supervisory Board and the Board of Management. This constitutes part of the notes to the annual financial statements.

Since financial year 2019, Great Lakes Insurance SE has set up long-term incentive plans, each with a term of 4 years. These remuneration components replace the expired medium-term incentive plans. The first plan set up for 2019 covered a shorter assessment period, from 1 July 2019 to 31 December 2019. The amount of the bonus is determined by the total shareholder return (TSR) of Munich Re shares compared to a defined peer group. In addition, ESG targets are included in the 2023 plan. In the fifth year after plan commencement, participants are entitled to a bonus payment. As at 31 December 2023, the provision amounted to €1,433 thousand (1,010 thousand).

Auditors' fees

In exercise of the exemption, the disclosures on auditors' fees are made pursuant to Section 285 no. 17 of the Commercial Code in the consolidated financial statements of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München.

Group affiliation

Great Lakes Insurance SE is a wholly owned subsidiary of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München. The disclosure pursuant to Section 20(4) of the Stock Corporation Act has been made.

The annual financial statements of our Company are included in the consolidated financial statements of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München, Munich, prepared in accordance with the International Financial Reporting Standards (IFRSs) as at 31 December 2023 (simultaneously the smallest and the largest group of consolidated companies). The conditions for exempting the Company from consolidated reporting requirements are therefore fulfilled.

The consolidated financial statements and management report of Munich Re were submitted to the electronic Federal Gazette and published there. They are also available on the website of Munich Re.

List of shareholdings as at 31 December 2023 in accordance with Section 285 no. 11 of the Commercial Code

The disclosures on equity and the net income/net loss for the financial year are taken from the most recently available annual financial statements prepared in accordance with local GAAP.

Great Lakes Insurance SE (pursuant to the German Commercial Code [HGB])

Name of company and location of registered office	Shareholding (%)	Equity (€'000)	Net income/loss for the year (€'000)
Great Lakes Insurance UK Limited, London	100	257,204	-1,829

Governing bodies

Supervisory Board

Michael Kerner
Chair of the Supervisory Board, member of the Board of Management of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München responsible for the Global Specialty Insurance (GSI) field of business (since 24 April 2023)

Ralph Ronnenberg
Deputy Chair of the Supervisory Board, Head of Reinsurance Controlling at Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München

Dr. Carsten Prussog
Head of Europe and Latin America 1 (UK, Ireland, Netherlands, Nordic and Baltics) at Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München

Claudia Hasse
Chair of the Supervisory Board, Head of Europe and Latin America 3 (Germany & Special Services) at Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (until 24 April 2023)

Board of Management

Christoph Carus
Chief Executive Officer

Dr. Stefan Pasternak

Dr. Tobias Klauß

Stéphane Deutscher

Drawn up and released for publication, Munich, 22 March 2024.
The Board of Management

Reproduction of the auditor's report

We issued the following auditor's report on the annual financial statements and the management report:

"Independent auditor's report

To Great Lakes Insurance SE, Munich

Report on the audit of the annual financial statements and of the management report

Opinions

We have audited the annual financial statements of Great Lakes Insurance SE, Munich, which comprise the balance sheet as at 31 December 2023, and the income statement for the fiscal year from 1 January 2023 to 31 December 2023, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Great Lakes Insurance SE for the fiscal year from 1 January 2023 to 31 December 2023.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to insurance companies and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the fiscal year from 1 January 2023 to 31 December 2023 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.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [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 Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 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 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 fiscal year from 1 January 2023 to 31 December 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

Measurement of the gross provision for outstanding claims

Reasons why the matter was determined to be a key audit matter

The gross provision for outstanding claims includes provisions for known and unknown claims. Its measurement is governed by the requirements of Section 341g of the German Commercial Code (HGB).

The valuation of the gross partial loss reserve for known insurance claims (known claims) in direct business is generally carried out individually for each claim and is based on the knowledge and information at the reporting date as well as the Company's experience from similar claims. In assumed business, the valuation of the partial loss reserve for known claims is carried out according to the advices of the cedants or, if better knowledge is available, by management itself. The provisions are estimated if no advices from cedants were available at the time of preparing the Company's financial statements. The estimation is then successively released based on the figures from the cedants' actual cost settlement. The difference between the estimate and the actual cost settlement results in an adjustment effect that is recognised in profit or loss.

The partial loss provision for unknown claims is calculated on the basis of experience using actuarial and statistical methods. In this context, past experience is used as a basis for making assumptions about premiums and ultimate loss ratios, as well as the time frames, factors, speed of claims settlement, and inflation of claims.

Major losses are measured separately in calculating the gross provision for outstanding claims.

Determining the gross provision for outstanding claims is subject to uncertainty and judgement, as the provision is largely based on estimates and assumptions. There is therefore a risk that the gross provision for outstanding claims is insufficient overall. Uncertainties in estimation arise in particular from the occurrence, amount, and speed of settlement of major claims; long-term claims development and special loss scenarios.

We have therefore determined the measurement of the gross provision for outstanding claims to be a key audit matter. In addition, the provision for outstanding claims is a significant liability item in the balance sheet.

Auditor's response

As part of our audit, we gained an understanding of the process of determining the gross provision for outstanding claims. We also tested the effectiveness of the controls implemented for ensuring the completeness and accuracy of the recognition and measurement of claims.

We also assessed the appropriateness of the actuarial techniques and methods utilised in the valuation of the partial loss provisions for known and unknown claims, as well as the derivation and transparency of key assumptions used, including loss ratios and assumptions with regard to claims settlement. In addition, we verified all the estimates for this reporting year, and made inquiries in cases of significant discrepancies.

We also examined whether the gross provision for outstanding claims in previous years had been adequately calculated in order to cover the claims actually incurred overall and to evaluate the quality of past estimates ("targets vs. actuals"). In this context, we analysed on the basis of the run-off results whether the gross provision for outstanding claims was adequate.

On the basis of a randomly selected sample of individual known claims, including major losses, for various classes and types of insurance, we used the claims files to determine whether the provisions recognised were adequate, taking into account the information and findings available as at the end of the reporting period.

To assess whether the gross provision for outstanding claims was sufficient, we generated our own loss projections for the largest classes and types of insurance on the basis of actuarial methods. We calculated a best estimate and defined an appropriate range based on statistical probabilities, and then compared our figures with management's calculations; taking this as a basis, we assessed the measurement of the gross provision in terms of its overall sufficiency.

We assessed the assumptions for the further development of the consumer price, construction cost, salary increase and healthcare cost indices and their impact on the overall portfolio and assessed portfolio-specific inflation assumptions using a randomly selected sample.

We engaged our own specialists with knowledge of actuarial science in our audit.

Our audit has not led to any reservations relating to the measurement of the gross provision for outstanding claims.

Reference to related disclosures
The disclosures on the accounting policies used for the gross provision for outstanding claims can be found in the section entitled "Recognition and measurement" of the notes to the financial statements. Disclosures on the composition of the gross provision for outstanding claims for the classes and types of insurance can be found in the section entitled "Notes to the balance sheet – Equity and liabilities/Technical provisions".

Other information
The Supervisory Board is responsible for the report of the Supervisory Board. In all other respects, the executive directors are responsible for the other information. The other information comprises other parts of the annual report of which we received a version before issuing this auditor's report, in particular:

- Key figures
- Report of the Supervisory Board

but not the annual financial statements, the disclosures in the management report covered by our audit, or our auditor's report.

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

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

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 applicable to insurance companies, 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 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 Sec. 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 scepticism throughout the audit. We also:

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

- Obtain an understanding of internal controls 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 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 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 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements 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 Art. 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 24 April 2023. We were engaged by the Chair of the Supervisory Board on 6 November 2023. We have been the auditor of Great Lakes Insurance SE without interruption since fiscal year 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Supervisory Board pursuant to Art. 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 Dr. Thomas Kagermeier. "

Munich, 9 April 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dr. Ott	Dr. Kagermeier
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Imprint

Great Lakes Insurance SE
Königinstrasse 107
80802 Munich, Germany

Tel.: +49 (0)89 244455270
Fax: +49 (0)89 244455271

www.glise.com