

## Notes to Consolidated Financial Statements (Continued)

### (20) Fair value measurements (Continued)

Investments in equity securities in the preceding table include our investments in certain preferred and common stock warrants that do not have readily determinable market values as defined under GAAP. These investments are subject to contractual restrictions on transferability and contain provisions that currently prevent us from economically hedging our investments. We applied discounted cash flow techniques in valuing the preferred stock and we made assumptions regarding the expected duration of the investment and the effects of subordination in liquidation. In valuing the common stock warrants, we used a warrant valuation model. While most of the inputs to the model are observable, we made assumptions regarding the expected duration and volatility of the warrants.

### (21) Common stock

Changes in Berkshire's issued, treasury and outstanding common stock during the three years ending December 31, 2022 are shown in the table below. In addition to our common stock, 1,000,000 shares of preferred stock are authorized, but none are issued.

	Class A, \$5 Par Value (1,650,000 shares authorized)			Class B, \$0.0033 Par Value (3,225,000,000 shares authorized)		
	Issued	Treasury	Outstanding	Issued	Treasury	Outstanding
Balance December 31, 2019	719,307	(17,337)	701,970	1,408,183,852	(23,702,319)	1,384,481,533
Conversions of Class A to Class B common stock	(40,784)	—	(40,784)	61,176,000	—	61,176,000
Treasury stock acquired	—	(17,255)	(17,255)	—	(95,614,062)	(95,614,062)
Balance December 31, 2020	678,523	(34,592)	643,931	1,469,359,852	(119,316,381)	1,350,043,471
Conversions of Class A to Class B common stock	(12,622)	—	(12,622)	18,933,000	—	18,933,000
Treasury stock acquired	—	(14,196)	(14,196)	—	(78,501,968)	(78,501,968)
Balance December 31, 2021	665,901	(48,788)	617,113	1,488,292,852	(197,818,349)	1,290,474,503
Conversions of Class A to Class B common stock	(14,451)	—	(14,451)	21,676,500	—	21,676,500
Treasury stock acquired	—	(11,098)	(11,098)	—	(9,896,927)	(9,896,927)
Balance December 31, 2022	<u>651,450</u>	<u>(59,886)</u>	<u>591,564</u>	<u>1,509,969,352</u>	<u>(207,715,276)</u>	<u>1,302,254,076</u>

Each Class A common share is entitled to one vote per share. Class B common stock possesses dividend and distribution rights equal to one-fifteen-hundredth (1/1,500) of such rights of Class A common stock. Each Class B common share possesses voting rights equal to one-ten-thousandth (1/10,000) of the voting rights of a Class A share. Unless otherwise required under Delaware General Corporation Law, Class A and Class B common shares vote as a single class. Each share of Class A common stock is convertible, at the option of the holder, into 1,500 shares of Class B common stock. Class B common stock is not convertible into Class A common stock. On an equivalent Class A common stock basis, there were 1,459,733 shares outstanding as of December 31, 2022 and 1,477,429 shares outstanding as of December 31, 2021.

Since we have two classes of common stock, we provide earnings per share data on the Consolidated Statements of Earnings for average equivalent Class A shares outstanding and average equivalent Class B shares outstanding. Class B shares are economically equivalent to one-fifteen-hundredth (1/1,500) of a Class A share. Average equivalent Class A shares outstanding represents average Class A shares outstanding plus one-fifteen-hundredth (1/1,500) of the average Class B shares outstanding. Average equivalent Class B shares outstanding represents average Class B shares outstanding plus 1,500 times average Class A shares outstanding.

Berkshire's common stock repurchase program, as amended, permits Berkshire to repurchase shares any time that Warren Buffett, Berkshire's Chairman of the Board and Chief Executive Officer, and Charlie Munger, Vice Chairman of the Board, believe that the repurchase price is below Berkshire's intrinsic value, conservatively determined. The program continues to allow share repurchases in the open market or through privately negotiated transactions and does not specify a maximum number of shares to be repurchased. However, repurchases will not be made if they would reduce the total value of Berkshire's consolidated cash, cash equivalents and U.S. Treasury Bill holdings below \$30 billion. The repurchase program does not obligate Berkshire to repurchase any specific dollar amount or number of Class A or Class B shares and there is no expiration date to the program.

Notes to Consolidated Financial Statements (Continued)

(22) Revenues from contracts with customers

We recognize revenue when a good or service is transferred to a customer. A good or service is transferred when or as the customer obtains control of that good or service. Revenues are based on the consideration we expect to receive in connection with our promises to deliver goods and services to our customers. The following tables summarize customer contract revenues disaggregated by reportable segment and the source of the revenue for each of the three years ended December 31, 2022 (in millions). Other revenues, which are not considered to be revenues from contracts with customers under GAAP, are primarily insurance premiums earned, interest, dividend and other investment income and leasing revenues.

	Manufacturing	McLane	Service and Retailing	BNSF	Berkshire Hathaway Energy	Insurance, Corporate and other	Total
<b>2022</b>							
Manufactured products:							
Industrial and commercial products	\$ 24,566	\$ —	\$ 199	\$ —	\$ —	\$ —	\$ 24,765
Building products	22,762	—	—	—	—	—	22,762
Consumer products	19,912	—	—	—	—	—	19,912
Grocery and convenience store distribution	—	32,599	—	—	—	—	32,599
Food and beverage distribution	—	19,388	—	—	—	—	19,388
Auto sales	—	—	10,486	—	—	—	10,486
Other retail and wholesale distribution	3,195	—	16,931	—	—	—	20,126
Service	1,199	1,103	4,439	25,742	4,933	—	37,416
Electricity and natural gas	—	—	—	—	20,317	—	20,317
Total	71,634	53,090	32,055	25,742	25,250	—	207,771
Other revenues	4,016	119	6,154	60	1,097	82,872	94,318
	<u>\$ 75,650</u>	<u>\$ 53,209</u>	<u>\$ 38,209</u>	<u>\$ 25,802</u>	<u>\$ 26,347</u>	<u>\$ 82,872</u>	<u>\$302,089</u>
<b>2021</b>							
Manufactured products:							
Industrial and commercial products	\$ 22,184	\$ —	\$ 159	\$ —	\$ —	\$ —	\$ 22,343
Building products	19,604	—	—	—	—	—	19,604
Consumer products	18,540	—	—	—	—	—	18,540
Grocery and convenience store distribution	—	31,245	—	—	—	—	31,245
Food and beverage distribution	—	17,332	—	—	—	—	17,332
Auto sales	—	—	9,966	—	—	—	9,966
Other retail and wholesale distribution	2,997	—	15,898	—	—	—	18,895
Service	1,486	751	4,123	23,120	5,583	—	35,063
Electricity and natural gas	—	—	—	—	18,264	—	18,264
Total	64,811	49,328	30,146	23,120	23,847	—	191,252
Other revenues	3,766	122	4,601	57	1,205	75,200	84,951
	<u>\$ 68,577</u>	<u>\$ 49,450</u>	<u>\$ 34,747</u>	<u>\$ 23,177</u>	<u>\$ 25,052</u>	<u>\$ 75,200</u>	<u>\$276,203</u>
<b>2020</b>							
Manufactured products:							
Industrial and commercial products	\$ 20,772	\$ —	\$ 192	\$ —	\$ —	\$ —	\$ 20,964
Building products	15,943	—	—	—	—	—	15,943
Consumer products	14,757	—	—	—	—	—	14,757
Grocery and convenience store distribution	—	30,795	—	—	—	—	30,795
Food and beverage distribution	—	15,368	—	—	—	—	15,368
Auto sales	—	—	8,258	—	—	—	8,258
Other retail and wholesale distribution	2,452	—	12,470	—	—	—	14,922
Service	1,456	584	3,332	20,693	4,595	—	30,660
Electricity and natural gas	—	—	—	—	15,066	—	15,066
Total	55,380	46,747	24,252	20,693	19,661	—	166,733
Other revenues	3,598	93	3,859	57	1,422	69,817	78,846
	<u>\$ 58,978</u>	<u>\$ 46,840</u>	<u>\$ 28,111</u>	<u>\$ 20,750</u>	<u>\$ 21,083</u>	<u>\$ 69,817</u>	<u>\$245,579</u>

**Notes to Consolidated Financial Statements (Continued)**

**(22) Revenues from contracts with customers (Continued)**

A summary of the transaction price allocated to the significant unsatisfied remaining performance obligations relating to contracts with expected durations in excess of one year as of December 31, 2022 and the timing of when the performance obligations are expected to be satisfied follows (in millions).

	Less than 12 months	Greater than 12 months	Total
Electricity and natural gas	\$ 3,514	\$ 20,619	\$ 24,133
Other sales and service contracts	1,856	3,176	5,032

**(23) Pension plans**

Certain of our subsidiaries sponsor defined benefit pension plans. Benefits under the plans are generally based on years of service and compensation or fixed benefit rates. Plan sponsors may make contributions to the plans to meet regulatory requirements and may also make discretionary contributions. The components of our net periodic pension expense for each of the three years ending December 31, 2022 follow (in millions).

	2022	2021	2020
Service cost	\$ 181	\$ 257	\$ 235
Interest cost	482	410	510
Expected return on plan assets	(975)	(1,008)	(955)
Amortization of actuarial losses and other	156	203	171
Net periodic pension expense	<u>\$ (156)</u>	<u>\$ (138)</u>	<u>\$ (39)</u>

The projected benefit obligation (“PBO”) is the actuarial present value of benefits earned based upon service and compensation prior to the valuation date and, if applicable, includes assumptions regarding future compensation levels. Benefit obligations under qualified U.S. defined benefit pension plans are funded through assets held in trusts. Pension obligations under certain non-U.S. plans and non-qualified U.S. plans are unfunded and the aggregate PBOs of such plans were \$1.1 billion and \$1.4 billion as of December 31, 2022 and 2021, respectively. The cost of certain BHE pension plans are expected to be recoverable through the regulated rate making process.

The funded status reflected in the Consolidated Balance Sheet at year end 2022 and 2021 and reconciliations of the changes in PBOs and plan assets related to BHE’s pension plans and all other pension plans for each of the two years ending December 31, 2022 follow (in millions).

	2022			2021		
	BHE	Other	Total	BHE	Other	Total
<b>Benefit obligations</b>						
PBO beginning of year	\$ 4,780	\$ 14,012	\$ 18,792	\$ 5,282	\$ 15,147	\$ 20,429
Service cost	36	145	181	46	211	257
Interest cost	118	364	482	109	301	410
Benefits paid	(250)	(585)	(835)	(214)	(795)	(1,009)
Settlements paid	(164)	(678)	(842)	(185)	(22)	(207)
Business acquisition	—	58	58	—	—	—
Actuarial gains and other	(1,305)	(3,793)	(5,098)	(258)	(830)	(1,088)
PBO end of year	<u>\$ 3,215</u>	<u>\$ 9,523</u>	<u>\$ 12,738</u>	<u>\$ 4,780</u>	<u>\$ 14,012</u>	<u>\$ 18,792</u>
<b>Plan assets</b>						
Plan assets beginning of year	\$ 5,158	\$ 13,462	\$ 18,620	\$ 5,158	\$ 12,780	\$ 17,938
Employer contributions	29	133	162	41	124	165
Benefits paid	(250)	(585)	(835)	(214)	(795)	(1,009)
Settlements paid	(164)	(678)	(842)	(185)	(22)	(207)
Business acquisition	—	51	51	—	—	—
Actual return on plan assets	(1,162)	(2,971)	(4,133)	382	1,401	1,783
Foreign currency translation and other	(235)	(196)	(431)	(24)	(26)	(50)
Plan assets end of year	<u>\$ 3,376</u>	<u>\$ 9,216</u>	<u>\$ 12,592</u>	<u>\$ 5,158</u>	<u>\$ 13,462</u>	<u>\$ 18,620</u>
Funded status – net (asset) liability	<u>\$ (161)</u>	<u>\$ 307</u>	<u>\$ 146</u>	<u>\$ (378)</u>	<u>\$ 550</u>	<u>\$ 172</u>

**Notes to Consolidated Financial Statements (Continued)**

**(23) Pension plans (Continued)**

The funded status reflected in assets was \$1,510 million and in liabilities was \$1,656 million at December 31, 2022. The funded status included in assets was \$1,954 million and in liabilities was \$2,126 million at December 31, 2021.

The accumulated benefit obligation (“ABO”) is the actuarial present value of benefits earned based on service and compensation prior to the valuation date. The ABO was \$12.2 billion at December 31, 2022 and \$17.9 billion at December 31, 2021. Information for plans with PBOs and ABOs in excess of plan assets as of December 31, 2022 and 2021 follows (in millions).

	2022	2021
PBOs	\$ 6,422	\$ 9,643
Plan assets	4,766	7,518
ABOs	5,594	9,111
Plan assets	4,234	7,429

Weighted average assumptions used in determining PBOs and net periodic pension expense follow.

	2022	2021	2020
Discount rate applicable to PBOs	5.2%	2.7%	2.3%
Expected long-term rate of return on plan assets	5.9	6.1	6.2
Rate of compensation increase	2.5	2.6	2.6
Discount rate applicable to net periodic pension expense	2.9	2.4	3.1

Pension benefit payments expected over the next ten years are as follows (in millions): in 2023 – \$1,259; in 2024 – \$902; in 2025 – \$896; in 2026 – \$894; in 2027 – \$900; and in 2028 to 2032 – \$4,438. Sponsoring subsidiaries expect to contribute \$176 million to the plans in 2023.

Fair value measurements of plan assets as of December 31, 2022 and 2021 follow (in millions).

	Fair Value				Investments carried at net asset value
	Total	Level 1	Level 2	Level 3	
<b>December 31, 2022</b>					
Cash and cash equivalents	\$ 602	\$ 523	\$ 79	\$ —	\$ —
Equity securities	7,673	7,112	321	240	—
Fixed maturity securities	2,152	1,328	824	—	—
Investment funds and other	2,165	198	394	42	1,531
	<u>\$ 12,592</u>	<u>\$ 9,161</u>	<u>\$ 1,618</u>	<u>\$ 282</u>	<u>\$ 1,531</u>
<b>December 31, 2021</b>					
Cash and cash equivalents	\$ 992	\$ 901	\$ 91	\$ —	\$ —
Equity securities	11,343	10,358	660	325	—
Fixed maturity securities	3,422	2,226	1,168	28	—
Investment funds and other	2,863	180	361	57	2,265
	<u>\$ 18,620</u>	<u>\$ 13,665</u>	<u>\$ 2,280</u>	<u>\$ 410</u>	<u>\$ 2,265</u>

See Note 20 for a discussion of the three levels of fair value measurements. Plan assets are generally invested with the long-term objective of producing earnings to adequately cover expected benefit obligations, while assuming a prudent level of risk. Allocations may change due to changing market conditions and investment opportunities. The expected rates of return on plan assets reflect subjective assessments of expected long-term investment returns. Generally, past investment returns are not given significant consideration when establishing assumptions for expected long-term rates of return on plan assets. Actual experience will differ from the assumed rates of return.

## Notes to Consolidated Financial Statements (Continued)

### (23) Pension plans (Continued)

A reconciliation of the pre-tax accumulated other comprehensive income (loss) related to defined benefit pension plans for each of the two years ending December 31, 2022 follows (in millions).

	2022	2021
Balance beginning of year	\$ (485)	\$ (2,251)
Amount included in net periodic pension expense	123	170
Actuarial gains (losses) and other	(376)	1,596
Balance end of year	<u>\$ (738)</u>	<u>\$ (485)</u>

Several of our subsidiaries also sponsor defined contribution retirement plans, such as 401(k) or profit-sharing plans. Employee contributions are subject to regulatory limitations and the specific plan provisions. Several plans provide for employer matching contributions up to levels specified in the plans and provide for additional discretionary contributions as determined by management. Our defined contribution plan expense was approximately \$0.8 billion in 2022, \$1.0 billion in 2021 and \$1.4 billion in 2020.

### (24) Accumulated other comprehensive income

A summary of the net changes in after-tax accumulated other comprehensive income attributable to Berkshire Hathaway shareholders for each of the three years ending December 31, 2022 follows (in millions).

	Unrealized gains (losses) on investments	Foreign currency translation	Defined benefit pension plans	Other	Total
Balance December 31, 2019	\$ 481	\$ (4,346)	\$ (1,369)	\$ (9)	\$ (5,243)
Other comprehensive income	78	1,264	(385)	(52)	905
Reclassifications into net earnings	(23)	—	109	9	95
Balance December 31, 2020	536	(3,082)	(1,645)	(52)	(4,243)
Other comprehensive income	(123)	(1,021)	1,163	80	99
Reclassifications into net earnings	(44)	11	135	15	117
Balance December 31, 2021	369	(4,092)	(347)	43	(4,027)
Other comprehensive income	(991)	(2,045)	(298)	283	(3,051)
Reclassifications into net earnings	435	(3)	93	(38)	487
Balance December 31, 2022	<u>\$ (187)</u>	<u>\$ (6,140)</u>	<u>\$ (552)</u>	<u>\$ 288</u>	<u>\$ (6,591)</u>

## Notes to Consolidated Financial Statements (Continued)

### (25) Business segment data

Our operating businesses include a large and diverse group of insurance, manufacturing, service and retailing businesses. We organize our reportable business segments in a manner that reflects how management views those business activities. Certain businesses are grouped together for segment reporting based upon similar products or product lines, marketing, selling and distribution characteristics, even though those business units are operated under separate local management.

The tabular information that follows shows data of reportable segments reconciled to amounts reflected in our Consolidated Financial Statements. Intersegment transactions are not eliminated from segment results when management considers those transactions in assessing the results of the respective segments. Furthermore, our management does not consider investment and derivative gains/losses, impairments or amortization of certain business acquisition accounting adjustments related to Berkshire's business acquisitions or certain other corporate income and expense items in assessing the financial performance of operating units. Collectively, these items are included in reconciliations of segment amounts to consolidated amounts.

Berkshire's operating segments are as follows.

<b>Business Identity</b>	<b>Business Activity</b>
Insurance:	
GEICO	Underwriting private passenger automobile insurance mainly by direct response methods
Berkshire Hathaway Primary Group	Underwriting multiple lines of property and casualty insurance policies for primarily commercial accounts
Berkshire Hathaway Reinsurance Group	Underwriting excess-of-loss, quota-share and facultative reinsurance worldwide
Railroad ("BNSF")	Operation of one of the largest railroad systems in North America through Burlington Northern Santa Fe LLC
Utilities and energy ("BHE")	Regulated electric and gas utility, including power generation and distribution activities and real estate brokerage activities through Berkshire Hathaway Energy Company and affiliates
Manufacturing	Manufacturers of numerous products including industrial, consumer and building products, including home building and related financial services
McLane Company ("McLane")	Wholesale distribution of groceries and non-food items
Service and retailing	Providers of numerous services including shared aircraft ownership programs, aviation pilot training, electronic components distribution, various retailing businesses, including automobile dealerships and trailer and furniture leasing

Notes to Consolidated Financial Statements (Continued)

(25) Business segment data (Continued)

A disaggregation of our consolidated data for each of the three most recent years is presented as follows (in millions).

	Revenues			Earnings (loss) before income taxes		
	2022	2021	2020	2022	2021	2020
<b>Operating Businesses</b>						
Insurance:						
Underwriting:						
GEICO	\$ 38,984	\$ 37,706	\$ 35,093	\$ (1,880)	\$ 1,259	\$ 3,428
Berkshire Hathaway Primary Group	13,746	11,575	9,615	393	607	110
Berkshire Hathaway Reinsurance Group	21,915	20,197	18,693	1,389	(930)	(2,700)
Insurance underwriting	74,645	69,478	63,401	(98)	936	838
Investment income	7,734	5,662	5,960	7,724	5,649	5,949
Total insurance	82,379	75,140	69,361	7,626	6,585	6,787
BNSF	25,888	23,282	20,869	7,708	7,861	6,792
BHE	26,393	25,096	21,100	3,146	3,293	2,548
Manufacturing	75,781	68,730	59,079	11,177	9,841	8,010
McLane	53,209	49,450	46,840	271	230	251
Service and retailing	38,303	34,832	28,178	4,771	4,481	2,628
	301,953	276,530	245,427	34,699	32,291	27,016
<b>Reconciliation to consolidated amount</b>						
Investment and derivative gains (losses)	—	—	—	(67,899)	78,542	40,746
Interest expense, not allocated to segments	—	—	—	(420)	(455)	(483)
Equity method investments	—	—	—	1,863	886	657
Goodwill and intangible asset impairments	—	—	—	—	—	(10,671)
Corporate, eliminations and other	136	(327)	152	1,181	422	(1,572)
	<u>\$ 302,089</u>	<u>\$ 276,203</u>	<u>\$ 245,579</u>	<u>\$ (30,576)</u>	<u>\$ 111,686</u>	<u>\$ 55,693</u>
	Interest expense			Income tax expense (benefit)		
	2022	2021	2020	2022	2021	2020
<b>Operating Businesses</b>						
Insurance	\$ —	\$ —	\$ —	\$ 1,231	\$ 1,050	\$ 1,089
BNSF	1,025	1,032	1,037	1,763	1,871	1,631
BHE	2,140	2,054	1,941	(1,629)	(1,153)	(996)
Manufacturing	739	704	737	2,403	2,193	1,795
McLane	—	—	—	66	61	71
Service and retailing	42	38	61	1,131	1,086	669
	3,946	3,828	3,776	4,965	5,108	4,259
<b>Reconciliation to consolidated amount</b>						
Investment and derivative gains (losses)	—	—	—	(14,166)	16,025	8,855
Interest expense, not allocated to segments	420	455	483	(88)	(96)	(102)
Equity method investments	—	—	—	334	82	43
Corporate, eliminations and other	(14)	(111)	(176)	437	(240)	(615)
	<u>\$ 4,352</u>	<u>\$ 4,172</u>	<u>\$ 4,083</u>	<u>\$ (8,518)</u>	<u>\$ 20,879</u>	<u>\$ 12,440</u>

Notes to Consolidated Financial Statements (Continued)

(25) Business segment data (Continued)

	Capital expenditures			Depreciation of tangible assets		
	2022	2021	2020	2022	2021	2020
<b>Operating Businesses</b>						
Insurance	\$ 82	\$ 62	\$ 50	\$ 69	\$ 72	\$ 74
BNSF	3,532	2,910	3,063	2,479	2,406	2,423
BHE	7,505	6,611	6,765	3,702	3,584	3,376
Manufacturing	2,477	2,100	2,133	2,021	2,037	2,026
McLane	93	106	98	176	189	204
Service and retailing	1,775	1,487	903	1,219	1,177	1,216
	<u>\$ 15,464</u>	<u>\$ 13,276</u>	<u>\$ 13,012</u>	<u>\$ 9,666</u>	<u>\$ 9,465</u>	<u>\$ 9,319</u>
	Goodwill at year-end			Identifiable assets at year-end		
	2022	2021	2020	2022	2021	2020
<b>Operating Businesses</b>						
Insurance	\$ 16,548	\$ 15,181	\$ 15,224	\$ 459,904	\$ 482,813	\$ 399,169
BNSF	14,852	14,852	14,851	77,752	76,586	73,809
BHE	11,745	11,906	11,763	118,114	113,447	109,880
Manufacturing	28,460	25,463	25,512	113,578	107,231	104,318
McLane	232	232	232	7,049	6,841	6,771
Service and retailing	6,282	6,241	6,152	31,291	28,221	26,173
	<u>\$ 78,119</u>	<u>\$ 73,875</u>	<u>\$ 73,734</u>	<u>807,688</u>	<u>815,139</u>	<u>720,120</u>
<b>Reconciliation to consolidated amount</b>						
Corporate and other				62,645	69,770	79,875
Goodwill				78,119	73,875	73,734
				<u>\$ 948,452</u>	<u>\$ 958,784</u>	<u>\$ 873,729</u>

Property/casualty and life/health insurance premiums written and earned are summarized below (in millions).

	Property/Casualty			Life/Health		
	2022	2021	2020	2022	2021	2020
<b>Premiums Written:</b>						
Direct	\$ 56,700	\$ 53,829	\$ 47,838	\$ 582	\$ 649	\$ 510
Assumed	15,143	12,461	11,533	5,235	5,685	5,960
Ceded	(1,155)	(1,015)	(898)	(37)	(40)	(42)
	<u>\$ 70,688</u>	<u>\$ 65,275</u>	<u>\$ 58,473</u>	<u>\$ 5,780</u>	<u>\$ 6,294</u>	<u>\$ 6,428</u>
<b>Premiums Earned:</b>						
Direct	\$ 55,879	\$ 52,139	\$ 46,418	\$ 582	\$ 649	\$ 510
Assumed	14,184	12,072	11,449	5,332	5,713	5,973
Ceded	(1,293)	(1,054)	(907)	(39)	(41)	(42)
	<u>\$ 68,770</u>	<u>\$ 63,157</u>	<u>\$ 56,960</u>	<u>\$ 5,875</u>	<u>\$ 6,321</u>	<u>\$ 6,441</u>

Insurance premiums written by geographic region (based upon the domicile of the insured or reinsured) are summarized below (in millions).

	Property/Casualty			Life/Health		
	2022	2021	2020	2022	2021	2020
United States	\$ 59,648	\$ 55,451	\$ 50,250	\$ 2,120	\$ 2,161	\$ 2,820
Western Europe	4,901	4,613	3,751	1,235	1,298	1,120
Asia Pacific	4,699	3,822	3,410	1,704	2,030	1,652
All other	1,440	1,389	1,062	721	805	836
	<u>\$ 70,688</u>	<u>\$ 65,275</u>	<u>\$ 58,473</u>	<u>\$ 5,780</u>	<u>\$ 6,294</u>	<u>\$ 6,428</u>

## Notes to Consolidated Financial Statements (Continued)

### (25) Business segment data (Continued)

Consolidated sales, service and leasing revenues were \$165.0 billion in 2022, \$151.0 billion in 2021 and \$132.3 billion in 2020. Sales, service and leasing revenues attributable to the United States were 86% in 2022, 85% in 2021 and 86% in 2020 of such amounts. The remainder of sales, service and leasing revenues were primarily in Europe, Canada and the Asia Pacific region. Railroad, utilities and energy revenues were \$52.1 billion in 2022, \$48.2 billion in 2021 and \$41.8 billion in 2020. In each of the three years, approximately 96% of such revenues were attributable to the United States. At December 31, 2022, approximately 90% of our consolidated net property, plant and equipment and equipment held for lease was located in the United States with the remainder primarily in Canada and the United Kingdom.

### (26) Contingencies and Commitments

We are parties in a variety of legal actions that routinely arise out of the normal course of business, including legal actions seeking to establish liability directly through insurance contracts or indirectly through reinsurance contracts issued by Berkshire subsidiaries. Plaintiffs occasionally seek punitive or exemplary damages. We do not believe that such normal and routine litigation will have a material effect on our financial condition or results of operations. Berkshire and certain of its subsidiaries are also involved in other kinds of legal actions, some of which assert or may assert claims or seek to impose fines and penalties. We currently believe that any liability that may arise as a result of other pending legal actions will not have a material effect on our consolidated financial condition or results of operations.

Our subsidiaries regularly make commitments in the ordinary course of business for the future purchase of goods and services used in their businesses, which are not yet reflected in our Consolidated Financial Statements. The most significant of our long-term commitments relate to our railroad, utilities and energy businesses, our shared aircraft ownership and leasing business and certain raw materials purchase commitments. As of December 31, 2022, estimated future payments under those arrangements were as follows: \$12 billion in 2023, \$5 billion in 2024, \$3 billion in 2025, \$2 billion in 2026, \$2 billion in 2027 and \$18 billion after 2027.

Since October 2017, we have owned a 38.6% interest in Pilot, headquartered in Knoxville, Tennessee. Pilot is the largest operator of travel centers in North America (primarily under the names Pilot or Flying J) with more than 650 travel center locations across 44 U.S. states and six Canadian provinces. Pilot also has over 150 retail locations in the U.S. and Canada where it sells diesel fuel through various arrangements with third party travel centers. Through December 31, 2022, we accounted for our investment in Pilot under the equity method and the carrying value of our investment was \$3.2 billion as of December 31, 2022. On January 31, 2023, we acquired an additional 41.4% interest for approximately \$8.2 billion. This amount is based on a contractual agreement that is dependent on Pilot's earnings for 2022 and its net debt at the end of 2022, and is subject to post-closing adjustments following the completion of Pilot's independent public accountant's audit of its 2022 financial statements. We obtained control of Pilot for financial reporting purposes on January 31, 2023 and, consequently, we will discontinue the use of the equity method and include Pilot's financial statements in our Consolidated Financial Statements at that date.

In applying the acquisition method of accounting, we are required to remeasure our previously held 38.6% interest in Pilot to fair value as of January 31, 2023. The excess of the fair value of that interest over the carrying value under the equity method will be recorded as a remeasurement gain.

Given the proximity of the acquisition date of the additional Pilot interest to the date these Consolidated Financial Statements are issued, it was impracticable to provide an initial estimate of the fair values of identifiable assets acquired, liabilities assumed and residual goodwill or proforma information. We expect to provide such disclosures in our Consolidated Financial Statements beginning with our interim report for the quarterly period ending March 31, 2023.

We may be obligated to acquire certain noncontrolling interests in less-than-wholly-owned subsidiaries in the future, pursuant to the terms of agreements with the noncontrolling shareholders for cash or other assets. The timing and the amount of any future payments that might be required to such noncontrolling shareholders are contingent on future actions of the noncontrolling owners and the value of the interest being acquired.

In June 2022, BHE acquired the BHE common stock held by Gregory Abel, Berkshire's Vice Chairman - non-insurance operations, for \$870 million. The purchase was pursuant to the terms of a shareholder agreement between Berkshire, BHE and BHE's noncontrolling shareholders. Berkshire recorded a charge of \$362 million to capital in excess of par value for the excess of the consideration paid over the carrying value of the acquired noncontrolling interest.

## Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

### Item 9A. Controls and Procedures

At the end of the period covered by this Annual Report on Form 10-K, the Corporation carried out an evaluation, under the supervision and with the participation of the Corporation's management, including the Chairman (Chief Executive Officer) and the Senior Vice President (Chief Financial Officer), of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the Chairman (Chief Executive Officer) and the Senior Vice President (Chief Financial Officer) concluded that the Corporation's disclosure controls and procedures are effective in timely alerting them to material information relating to the Corporation (including its consolidated subsidiaries) required to be included in the Corporation's periodic SEC filings. The report called for by Item 308(a) of Regulation S-K is incorporated herein by reference to Management's Report on Internal Control Over Financial Reporting, included on page K-66 of this report. The attestation report called for by Item 308(b) of Regulation S-K is incorporated herein by reference to the Report of Independent Registered Public Accounting Firm, included on page K-67 of this report. There has been no change in the Corporation's internal control over financial reporting during the quarter ended December 31, 2022 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

### Item 9B. Other Information

None

## Part III

Except for the information set forth under the caption "Executive Officers of the Registrant" in Part I hereof, information required by this Part (Items 10, 11, 12, 13 and 14) is incorporated by reference from the Registrant's definitive proxy statement, filed pursuant to Regulation 14A, for the Annual Meeting of Shareholders of the Registrant to be held on May 6, 2023, which will involve the election of directors.

## Part IV

### Item 15. Exhibits and Financial Statement Schedules

#### (a)1. Financial Statements

The following Consolidated Financial Statements, as well as the Report of Independent Registered Public Accounting Firm, are included in Part II Item 8 of this report:

	<u>PAGE</u>
Report of Independent Registered Public Accounting Firm (PCAOB ID No. 34) . . . . .	K-67
Consolidated Balance Sheets—	
December 31, 2022 and December 31, 2021 . . . . .	K-70
Consolidated Statements of Earnings—	
Years Ended December 31, 2022, December 31, 2021, and December 31, 2020 . . . . .	K-72
Consolidated Statements of Comprehensive Income—	
Years Ended December 31, 2022, December 31, 2021, and December 31, 2020 . . . . .	K-73
Consolidated Statements of Changes in Shareholders' Equity—	
Years Ended December 31, 2022, December 31, 2021, and December 31, 2020 . . . . .	K-73
Consolidated Statements of Cash Flows—	
Years Ended December 31, 2022, December 31, 2021, and December 31, 2020 . . . . .	K-74
Notes to Consolidated Financial Statements . . . . .	K-75
2. Financial Statement Schedule	
Report of Independent Registered Public Accounting Firm . . . . .	K-115
Schedule I—Parent Company Condensed Financial Information	
Balance Sheets as of December 31, 2022 and 2021, Statements of Earnings and Comprehensive Income and Cash Flows for the years ended December 31, 2022, December 31, 2021, and December 31, 2020 and Note to Condensed Financial Information . . . . .	K-116

Other schedules are omitted because they are not required, information therein is not applicable, or is reflected in the Consolidated Financial Statements or notes thereto.

#### (b) Exhibits

See the "Exhibit Index" at page K-118.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of  
Berkshire Hathaway Inc.  
Omaha, Nebraska

### **Opinion on the Financial Statement Schedule**

We have audited the consolidated financial statements of Berkshire Hathaway Inc. and subsidiaries (the “Company”) as of December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, and the Company’s internal control over financial reporting as of December 31, 2022, and have issued our report thereon dated February 25, 2023; such consolidated financial statements and reports are included elsewhere in this Form 10-K. Our audits also included the financial statement schedule of the Company listed in the Index at Item 15. This financial statement schedule is the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statement schedule based on our audits. In our opinion, such financial statement schedules, when considered in relation to the financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Deloitte & Touche LLP  
Omaha, Nebraska  
February 25, 2023

**BERKSHIRE HATHAWAY INC. (Parent Company)**  
**Condensed Financial Information**  
**(Dollars in millions)**  
**Schedule I**  
**Balance Sheets**

	December 31,	
	2022	2021
<b>Assets:</b>		
Cash and cash equivalents	\$ 2,777	\$ 18,797
Short-term investments in U.S. Treasury Bills	17,628	9,681
Investments in and advances to consolidated subsidiaries	462,030	486,862
Investment in The Kraft Heinz Company	12,937	13,112
Other assets	12	140
	<u>\$ 495,384</u>	<u>\$ 528,592</u>
<b>Liabilities and Shareholders' Equity:</b>		
Accounts payable, accrued interest and other liabilities	\$ 355	\$ 237
Income taxes, principally deferred	1,276	747
Notes payable and other borrowings	21,393	21,409
	<u>23,024</u>	<u>22,393</u>
Berkshire Hathaway shareholders' equity	472,360	506,199
	<u>\$ 495,384</u>	<u>\$ 528,592</u>

**Statements of Earnings and Comprehensive Income**

	Year ended December 31,		
	2022	2021	2020
<b>Income items:</b>			
From consolidated subsidiaries:			
Dividends and distributions	\$ 15,724	\$ 13,462	\$ 26,110
Undistributed earnings (losses)	(39,639)	74,819	17,402
	<u>(23,915)</u>	<u>88,281</u>	<u>43,512</u>
Investment gains (losses)	(34)	35	(24)
Equity in earnings of The Kraft Heinz Company	628	269	95
Other income	413	73	328
	<u>(22,908)</u>	<u>88,658</u>	<u>43,911</u>
<b>Cost and expense items:</b>			
General and administrative	131	136	194
Interest expense	513	444	489
Foreign exchange (gains) losses on non-U.S. Dollar denominated debt	(1,401)	(1,281)	970
Income tax expense (benefit)	668	(436)	(263)
	<u>(89)</u>	<u>(1,137)</u>	<u>1,390</u>
Net earnings (loss) attributable to Berkshire Hathaway shareholders	(22,819)	89,795	42,521
Other comprehensive income attributable to Berkshire Hathaway shareholders	(2,564)	216	1,000
Comprehensive income attributable to Berkshire Hathaway shareholders	<u>\$ (25,383)</u>	<u>\$ 90,011</u>	<u>\$ 43,521</u>

*See Note to Condensed Financial Information*

**BERKSHIRE HATHAWAY INC. (Parent Company)**  
**Condensed Financial Information**  
(Dollars in millions)  
**Schedule I (continued)**  
**Statements of Cash Flows**

	Year ended December 31,		
	2022	2021	2020
Cash flows from operating activities:			
Net earnings (loss) attributable to Berkshire Hathaway shareholders	\$ (22,819)	\$ 89,795	\$ 42,521
Adjustments to reconcile net earnings (loss) to operating cash flows:			
Investment (gains) losses	34	(35)	24
Undistributed (earnings) losses of consolidated subsidiaries	39,639	(74,819)	(17,402)
Non-cash dividends from subsidiaries	(7,220)	(2,126)	(8,296)
Income taxes payable	661	(389)	(72)
Other	(1,833)	(1,038)	1,100
Net cash flows from operating activities	<u>8,462</u>	<u>11,388</u>	<u>17,875</u>
Cash flows from investing activities:			
Investments in and advances to consolidated subsidiaries, net	(11,852)	(174)	(1,947)
Purchases of U.S. Treasury Bills	(44,187)	(34,988)	(54,715)
Sales and maturities of U.S. Treasury Bills	37,915	57,296	59,035
Other	128	—	11
Net cash flows from investing activities	<u>(17,996)</u>	<u>22,134</u>	<u>2,384</u>
Cash flows from financing activities:			
Proceeds from borrowings	1,970	2,174	2,923
Repayments of borrowings	(602)	(2,167)	(1,151)
Acquisition of treasury stock	(7,854)	(27,061)	(24,706)
Net cash flows from financing activities	<u>(6,486)</u>	<u>(27,054)</u>	<u>(22,934)</u>
Increase (decrease) in cash and cash equivalents	(16,020)	6,468	(2,675)
Cash and cash equivalents at beginning of year	18,797	12,329	15,004
Cash and cash equivalents at end of year	<u>\$ 2,777</u>	<u>\$ 18,797</u>	<u>\$ 12,329</u>
Other cash flow information:			
Income taxes paid	\$ 2,259	\$ 3,403	\$ 3,391
Interest paid	332	377	359

**Note to Condensed Financial Information**

Berkshire currently owns 26.6% of the outstanding shares of The Kraft Heinz Company (“Kraft Heinz”) common stock, which is accounted for pursuant to the equity method. See Note 5 to the Consolidated Financial Statements. On October 19, 2022, Berkshire acquired all of the outstanding common stock of Alleghany Corporation for \$11.5 billion. See Note 2 to the Consolidated Financial Statements.

In January 2022, the Parent Company issued ¥128.5 billion (approximately \$1.1 billion) of senior notes with maturity dates ranging from 2027 to 2052 and a weighted average interest rate of 0.5%. In December 2022, the Parent Company also issued ¥115.0 billion (approximately \$840 million) of senior notes with maturity dates ranging from 2025 to 2052 and a weighted average interest rate of 1.1%. As of December 31, 2022, the Parent Company’s non-U.S. Dollar denominated borrowings included €6.9 billion and ¥1,029 billion par value senior notes. The gains and losses from the periodic remeasurement of these non-U.S. Dollar denominated notes due to changes in foreign currency exchange rates are included in earnings. In the first two months of 2023, Berkshire repaid \$1.1 billion of maturing senior notes. An additional \$3.2 billion of Berkshire senior notes mature in March and April of 2023.

Parent Company debt maturities over the next five years are as follows: 2023—\$4.3 billion; 2024—\$1.9 billion; 2025—\$2.0 billion; 2026—\$3.2 billion and 2027—\$2.1 billion. The Parent Company guarantees certain debt of subsidiaries, which aggregated approximately \$21.7 billion at December 31, 2022 and was primarily debt issued by Berkshire Hathaway Finance Corporation. Such guarantees are an absolute, unconditional and irrevocable guarantee for the full and prompt payment when due of all present and future payment obligations. The Parent Company has also provided guarantees in connection with certain retroactive reinsurance contracts issued by subsidiaries. The amounts of subsidiary payments under these contracts, if any, is contingent upon the outcome of future events.

## EXHIBIT INDEX

<u>Exhibit No.</u>	
2(i)	Agreement and Plan of Merger dated as of June 19, 1998 between Berkshire and General Re Corporation. Incorporated by reference to Annex I to Registration Statement No. 333-61129 filed on Form S-4.
2(ii)	Agreement and Plan of Merger dated as of November 2, 2009 by and among Berkshire, R Acquisition Company, LLC and BNSF. Incorporated by reference to Annex A to Registration Statement No. 333-163343 on Form S-4.
2(iii)	Agreement and Plan of Merger dated August 8, 2015, by and among Berkshire, NW Merger Sub Inc. and Precision Castparts Corporation (“PCC”) Incorporated by reference to Exhibit 2.1 to PCC’s Current Report on Form 8-K filed on August 10, 2015 (SEC File No. 001-10348)
3(i)	Restated Certificate of Incorporation Incorporated by reference to Exhibit 3(i) to Form 10-K filed on March 2, 2015.
3(ii)	By-Laws Incorporated by reference to Exhibit 3(ii) to Form 8-K filed on May 4, 2022.
4.1	Indenture, dated as of December 22, 2003, between Berkshire Hathaway Finance Corporation, Berkshire Hathaway Inc. and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), as trustee. Incorporated by reference to Exhibit 4.1 on Form S-4 of Berkshire Hathaway Finance Corporation and Berkshire Hathaway Inc. filed on February 4, 2004. SEC File No. 333-112486
4.2	Indenture, dated as of February 1, 2010, among Berkshire Hathaway Inc., Berkshire Hathaway Finance Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee. Incorporated by reference to Exhibit 4.1 to Berkshire’s Registration Statement on Form S-3 filed on February 1, 2010. SEC File No. 333-164611
4.3	Indenture, dated as of January 26, 2016, by and among Berkshire Hathaway Inc., Berkshire Hathaway Finance Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee. Incorporated by reference to Exhibit 4.1 to Berkshire’s Registration Statement on Form S-3 filed on January 26, 2016. SEC File No. 333-209122
4.4	Indenture, dated as of December 1, 1995, between BNSF and The First National Bank of Chicago, as trustee. Incorporated by reference to Exhibit 4 on Form S-3 of BNSF filed on February 8, 1999.
4.5	Indenture, dated as of October 4, 2002, by and between MidAmerican Energy Holdings Company and The Bank of New York, Trustee. Incorporated by reference to Exhibit 4.1 to the Berkshire Hathaway Energy Company Registration Statement No. 333-101699 dated December 6, 2002.
4.6	Indenture, dated as of January 28, 2022, by and among Berkshire Hathaway Inc., as an issuer and a guarantor of the debt securities issued by Berkshire Hathaway Finance Corporation, Berkshire Hathaway Finance Corporation, as an issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee. Incorporated by reference to Exhibit 4.1 to Berkshire’s Registration Statement on Form S-3 filed on January 28, 2022. SEC File No 333-262384.
	<b>Other instruments defining the rights of holders of long-term debt of Registrant and its subsidiaries are not being filed since the total amount of securities authorized by all other such instruments does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis as of December 31, 2022. The Registrant hereby agrees to furnish to the Commission upon request a copy of any such debt instrument to which it is a party.</b>
10.1	Equity Commitment Letter of Berkshire Hathaway Inc. with Hawk Acquisition Holding Corporation dated February 13, 2013. Incorporated by reference to Exhibit 10.1 on Form 8-K of Berkshire Hathaway Inc. filed on February 14, 2013.
14	Code of Ethics Berkshire’s Code of Business Conduct and Ethics is posted on its Internet website at <a href="http://www.berkshirehathaway.com">www.berkshirehathaway.com</a>
21	Subsidiaries of Registrant
23	Consent of Independent Registered Public Accounting Firm

**Exhibit No.**

- 31.1 Rule 13a—14(a)/15d-14(a) Certification
- 31.2 Rule 13a—14(a)/15d-14(a) Certification
- 32.1 Section 1350 Certification
- 32.2 Section 1350 Certification
- 95 Mine Safety Disclosures
- 101 The following financial information from Berkshire Hathaway Inc.'s Annual Report on Form 10-K for the year ended December 31, 2022, formatted in iXBRL (Inline Extensible Business Reporting Language) includes: (i) the Cover Page (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Earnings, (iv) the Consolidated Statements of Comprehensive Income, (v) the Consolidated Statements of Changes in Shareholders' Equity, (vi) the Consolidated Statements of Cash Flows, and (vii) the Notes to Consolidated Financial Statements and Schedule I, tagged in summary and detail.
- 104 Cover Page Interactive Data File (formatted as iXBRL and contained in Exhibit 101)

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BERKSHIRE HATHAWAY INC.

Date: February 25, 2023

/S/ MARC D. HAMBURG

**Marc D. Hamburg**  
Senior Vice President and  
Principal Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<p>/S/ <u>WARREN E. BUFFETT</u> <b>Warren E. Buffett</b></p>	<p>Chairman of the Board of Directors—Chief Executive Officer</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>GREGORY E. ABEL</u> <b>Gregory E. Abel</b></p>	<p>Director—Vice Chairman—Non-Insurance Operations</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>HOWARD G. BUFFETT</u> <b>Howard G. Buffett</b></p>	<p>Director</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>SUSAN A. BUFFETT</u> <b>Susan A. Buffett</b></p>	<p>Director</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>STEPHEN B. BURKE</u> <b>Stephen B. Burke</b></p>	<p>Director</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>KENNETH I. CHENAULT</u> <b>Kenneth I. Chenault</b></p>	<p>Director</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>CHRISTOPHER C. DAVIS</u> <b>Christopher C. Davis</b></p>	<p>Director</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>SUSAN L. DECKER</u> <b>Susan L. Decker</b></p>	<p>Director</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>CHARLOTTE GUYMAN</u> <b>Charlotte Guyman</b></p>	<p>Director</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>AJIT JAIN</u> <b>Ajit Jain</b></p>	<p>Director—Vice Chairman—Insurance Operations</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>CHARLES T. MUNGER</u> <b>Charles T. Munger</b></p>	<p>Director—Vice Chairman</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>THOMAS S. MURPHY, JR.</u> <b>Thomas S. Murphy, Jr.</b></p>	<p>Director</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>RONALD L. OLSON</u> <b>Ronald L. Olson</b></p>	<p>Director</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>WALLACE R. WEITZ</u> <b>Wallace R. Weitz</b></p>	<p>Director</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>MERYL B. WITMER</u> <b>Meryl B. Witmer</b></p>	<p>Director</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>MARC D. HAMBURG</u> <b>Marc D. Hamburg</b></p>	<p>Senior Vice President—Principal Financial Officer</p>	<p>February 25, 2023 Date</p>
<p>/S/ <u>DANIEL J. JAKSICH</u> <b>Daniel J. Jaksich</b></p>	<p>Vice President—Principal Accounting Officer</p>	<p>February 25, 2023 Date</p>

**BERKSHIRE HATHAWAY INC.  
SHAREHOLDER EVENT INFORMATION**

**SHAREHOLDER MEETING SCHEDULE – SATURDAY, MAY 6**  
CHI Health Center

7:00am	Doors Open
8:30am	Movie
9:15am	Q & A Session
Noon	Lunch Break
1:00pm	Shareholder Q & A Session
3:30pm	Recess
4:30pm	Annual Shareholders Meeting

Details: Becky Quick, of CNBC will review questions that shareholders have submitted by e-mail and select those she believes will have the widest interest. Questions can be submitted to Becky at [berkshirequestions@cnbc.com](mailto:berkshirequestions@cnbc.com). We will have a drawing at 8:15 am at each of the 11 microphone locations for those shareholders wishing to ask questions themselves. At the meeting, Warren will alternate the questions asked by Becky and the shareholders in attendance.

At the morning session, Warren as well as Charlie, Greg and Ajit will be available to answer questions. At the afternoon session, Warren and Charlie will be available to answer questions.

The Berkshire Q & A Session will be broadcast on CNBC and webcast in English and Mandarin on CNBC.com beginning at 8:45 am central time. Visit [www.cnbc.com/brklive](http://www.cnbc.com/brklive).

**OTHER SHAREHOLDER EVENTS INFORMATION**

Friday, May 5

**Berkshire Bazaar of Bargains (Shareholder Shopping Day)-CHI Health Center** Noon – 5pm

Details: An extended afternoon of shopping for our shareholders.

**Borsheims Shareholder-Only Shopping Night** 6:00pm – 8:00pm

Saturday, May 6

**NFM’s Berkshire Picnic** 5:30pm – 8:00pm

Details: NFM will be hosting a Berkshire Picnic at the Omaha store with food and live entertainment.

Sunday, May 7

**Berkshire Hathaway “Invest in Yourself” 5K presented by Brooks** 8:00am – 11:00am

Details: Brooks and Berkshire Hathaway are bringing the Run Happy spirit to the Annual Shareholders Meeting by again hosting the “Invest in Yourself” 5K fun run and walk. The event will be held in downtown Omaha. Run, jog, or walk to the starting line by registering at [www.investinyourself5k.com](http://www.investinyourself5k.com).

**Borsheims Shareholder-Only Shopping Day** 11:00am – 4:00pm

**NFM Shareholder Discount Period**

Wednesday, April 26 through Tuesday, May 9

(Discounts also available in Dallas/Fort Worth, Kansas City and Des Moines Stores.)

Store Hours:

Sunday – Friday: 11am – 8pm | Saturday: 10am – 8pm

**Borsheims Shareholder Discount Period**

Saturday, April 29 through Sunday, May 14

Store Hours:

Monday – Friday\*: 10am – 6pm

Saturday\*\*: 10am – 5:00pm | Sunday\*\*\*Closed

\* *Shareholder-Only Shopping Night, Friday, May 5 / 6 – 8pm*

\*\* *Shareholder Shopping Day, Saturday, May 6 / 10am – 5:00pm*

\*\*\* *Shareholder-Only Shopping Day Sunday, May 7 / 11am – 4pm*

**Books for Shareholders**

The Bookworm will be back with a selection of books. Shareholders receive a 20% discount. The books selected for sale at the Berkshire annual meeting are available year round at [www.bookwormomaha.com](http://www.bookwormomaha.com). Shareholders with credentials also receive the 20% shareholder discount Friday, May 5 through Monday, May 8, at The Bookworm, 90th and Center Street.

**BERKSHIRE HATHAWAY INC.**  
**PROPERTY/CASUALTY INSURANCE\***

Our property/casualty (“P/C”) insurance business has been the engine propelling Berkshire’s growth since 1967, the year we acquired National Indemnity and its sister company, National Fire & Marine, for \$8.6 million. Today, National Indemnity is the largest P/C company in the world as measured by net worth. Insurance is a business of promises, and Berkshire’s ability to honor its commitments is unmatched.

One reason we were attracted to the P/C business was the industry’s business model: P/C insurers receive premiums upfront and pay claims later. In extreme cases, such as claims arising from exposure to asbestos, or severe workplace accidents, payments can stretch over many decades.

This collect-now, pay-later model leaves P/C companies holding large sums – money we call “float” – that will eventually go to others. Meanwhile, insurers get to invest this float for their own benefit. Though individual policies and claims come and go, the amount of float an insurer holds usually remains fairly stable in relation to premium volume. Consequently, as our business grows, so does our float. And *how* it has grown, as the following table shows:

<u>Year</u>	<u>Float (in millions)</u>
1970	\$ 39
1980	237
1990	1,632
2000	27,871
2010	65,832
2020	138,503
2021	146,701
2022	164,109

We may in time experience a decline in float. If so, the decline will be *very* gradual – at the outside no more than 3% in any year. The nature of our insurance contracts is such that we can *never* be subject to immediate or near-term demands for sums that are of significance to our cash resources. That structure is by design and is a key component in the unequaled financial strength of our insurance companies. That strength will *never* be compromised.

If our premiums exceed the total of our expenses and eventual losses, our insurance operation registers an underwriting profit that adds to the investment income the float produces. When such a profit is earned, we enjoy the use of free money – and, better yet, *get paid* for holding it.

For the P/C industry as a whole, the financial value of float is now far less than it was for many years. That’s because the standard investment strategy for almost all P/C companies is heavily – and *properly* – skewed toward high-grade bonds. Changes in interest rates therefore matter enormously to these companies, and during the last decade the bond market has offered pathetically low rates.

Consequently, insurers suffered, as year by year they were forced – by maturities or issuer-call provisions – to recycle their “old” investment portfolios into new holdings providing much lower yields. Where once these insurers could safely earn 5 cents or 6 cents on each dollar of float, they now take in only 2 cents or 3 cents.

Some insurers may try to mitigate their loss of revenue by buying lower-quality bonds or non-liquid “alternative” investments promising higher yields. But those are dangerous games and activities that most institutions are ill-equipped to play.

Berkshire’s situation is more favorable than that of insurers in general. Most important, our unrivaled mountain of capital, abundance of cash and a huge and diverse stream of non-insurance earnings allow us far more investment flexibility than is generally available to other companies in the industry. The many choices open to us are always advantageous – and sometimes have presented us with major opportunities.

Our P/C companies have meanwhile had an excellent underwriting record. Berkshire has now operated at an underwriting profit for 18 of the last 20 years, the exceptions being 2017 and 2022. In 2017 our pre-tax loss was a whopping \$3.2 billion. In 2022 the loss was minimal. For the entire 20-year span, our pre-tax gain totaled \$29.2 billion.

That record is no accident: Disciplined risk evaluation is the daily focus of our insurance managers, who know that the rewards of float can be drowned by poor underwriting results. All insurers give that message lip service. At Berkshire it is a religion, Old Testament style.

As I have repeatedly done in the past, I will emphasize now that happy outcomes in insurance are far from a sure thing: Danger always lurks.

Mistakes in assessing insurance risks can be huge and can take many years – even decades – to surface and ripen. (Think asbestos.) A major catastrophe that will dwarf hurricanes Katrina and Ian *will* occur – perhaps tomorrow, perhaps many decades from now. “The Big One” may come from a traditional source, such as wind or earthquake, or it may be a total surprise involving, say, a cyber attack having disastrous consequences beyond anything insurers now contemplate. When such a mega-catastrophe strikes, Berkshire will get its share of the losses and they will be big – *very* big. Unlike many other insurers, however, handling the loss will not come close to straining our resources, and we will be eager to *add* to our business the next day.

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\* Reproduced from Berkshire Hathaway Inc. 2019 Annual Report and updated through 2022

**BERKSHIRE HATHAWAY INC.  
OPERATING COMPANIES**

<u>INSURANCE:</u>	<u>Employees</u>	<u>RAILROAD, UTILITIES AND ENERGY:</u>	<u>Employees</u>
GEICO .....	38,285	<b>BNSF:</b> .....	
Berkshire Hathaway Reinsurance Group .....	658	BNSF Railway .....	36,250
General Re .....	2,101	BNSF Logistics .....	575
Berkshire Hathaway Homestate Companies .....	1,157	<b>Berkshire Hathaway Energy Company:</b> .....	
Berkshire Hathaway Specialty .....	1,427	Corporate Office .....	32
Berkshire Hathaway GUARD Insurance Companies .....	1,082	PacifiCorp .....	4,815
MedPro Group Inc. ....	1,201	MidAmerican Energy .....	3,411
MLMIC Insurance Companies .....	247	NV Energy .....	2,427
National Indemnity Primary Group .....	1,263	Northern Powergrid .....	2,604
United States Liability Insurance Companies .....	1,089	BHE Pipeline Group .....	2,723
Alleghany <sup>(1)</sup> .....	1,399	BHE Transmission .....	748
Central States Indemnity .....	21	BHE Renewables .....	379
	49,930	MidAmerican Energy Services .....	61
		HomeServices of America .....	6,757
			60,782
 <u>MANUFACTURING:</u>		 <u>SERVICE AND RETAILING:</u>	
Acme .....	1,890	Affordable Housing Partners, Inc. ....	28
Alleghany <sup>(1)</sup> .....	6,417	Alleghany <sup>(1)</sup> .....	3,052
Benjamin Moore .....	2,026	Ben Bridge Jeweler .....	425
Brooks Sports .....	1,253	Berkshire Hathaway Automotive .....	9,802
Clayton Homes .....	20,229	Borsheims .....	142
CTB .....	2,637	Business Wire .....	417
Duracell .....	3,082	Charter Brokerage .....	165
Fechheimer .....	395	CORT .....	2,198
Forest River .....	12,994	Dairy Queen .....	507
Fruit of the Loom .....	27,095	Detlev Louis .....	1,438
Garan .....	2,654	FlightSafety .....	4,442
H. H. Brown Shoe Group .....	1,189	Helzberg Diamonds .....	1,575
IMC International Metalworking Companies .....	13,286	Jordan's Furniture .....	1,047
Johns Manville .....	8,044	McLane Company .....	27,554
Larson-Juhl .....	837	Nebraska Furniture Mart .....	4,446
LiquidPower Specialty Products, Inc. ....	447	NetJets .....	7,402
Lubrizon .....	8,292	Oriental Trading .....	1,296
Marmon <sup>(2)</sup> .....	24,175	Pampered Chef .....	320
MiTek Inc. ....	5,974	R.C. Willey Home Furnishings .....	2,308
Precision Castparts .....	23,164	See's Candies .....	2,660
Richline Group .....	2,247	Star Furniture .....	337
Scott Fetzer Companies .....	1,765	TTL, Inc. ....	8,896
Shaw Industries .....	20,784	WPLG, Inc. ....	212
	190,876	XTRA .....	368
			81,037
		Berkshire Hathaway Corporate Office .....	26
			382,651

<sup>(1)</sup> Alleghany Corporation (“Alleghany”) is a holding company with insurance, manufacturing and service businesses.

<sup>(2)</sup> Marmon Holding, Inc. (“Marmon”) is a holding company that conducts operations through more than 100 manufacturing and service businesses organized into 11 business groups.

**BERKSHIRE HATHAWAY INC.  
STOCK TRANSFER AGENT**

EQ Shareowner Services (“EQ”), a division of Equiniti Trust Company., P. O. Box 64854, St. Paul, MN 55164-0854 serves as Transfer Agent and Registrar for the Company’s common stock. Correspondence may be directed to EQ at the address indicated or at [www.shareowneronline.com](http://www.shareowneronline.com). Telephone inquiries should be directed to the Shareowner Relations Department at 1-877-602-7411 between 7:00 A.M. and 7:00 P.M. Central Time. Certificates for re-issue or transfer should be directed to the Transfer Department at the address indicated.

Berkshire has two classes of common stock designated Class A common stock and Class B common stock. Each share of Class A common stock is convertible, at the option of the holder, into 1,500 shares of Class B common stock. Shares of Class B common stock are not convertible into shares of Class A common stock.

Registered owner’s holding Berkshire stock in certificate form or through EQ’s direct registration system, may contact EQ directly for instructions regarding changes in registration, including shareowner’s mailing address or conversion of Class A shares to Class B shares. Correspondence may be directed to EQ at the address indicated above or at [www.shareowneronline.com](http://www.shareowneronline.com). Telephone inquiries should be directed to the Shareowner Relations Department at 1-877-602-7411 between 7:00 A.M. and 7:00 P.M. Central Time. Certificates for re-issue or transfer should be directed to the Transfer Department at the address indicated above. Shareowners can also view account information at the EQ website [www.shareowneronline.com](http://www.shareowneronline.com).

If a shareowner has lost or misplaced stock certificates, he or she should contact EQ to arrange for replacements. Transfer agent’s, including EQ, will require the shareowner to provide an indemnification bond based on the value of the share certificate being replaced. Shareholders are encouraged to contact EQ periodically to verify the mailing address of record to assure that Company communications are delivered. We encourage you to vote on shareholder proposals contained in our annual proxy solicitation. Contact with EQ is established automatically through the voting process.

Shareholders of record wishing to convert Class A common stock into Class B common stock may contact EQ in writing. Along with the underlying stock certificate, shareholders should provide EQ with specific written instructions regarding the number of shares to be converted and the manner in which the Class B shares are to be registered. We recommend that you use certified or registered mail addressed to EQ Shareowner Services, 1110 Centre Pointe Curve, Suite 101, Mendota Heights, MN 55120 when delivering the stock certificates and written instructions.

Owners holding Berkshire common stock in street name (in a bank, broker or other nominee account) should contact the bank, broker or nominee for changes in registration. If Class A shares are held in “street name,” shareholders wishing to convert all or a portion of their holding to Class B should contact their broker or bank nominee. It will be necessary for the nominee to make the request for conversion.





## BERKSHIRE HATHAWAY INC.

### DIRECTORS

**WARREN E. BUFFETT,**  
*Chairman and CEO of Berkshire*

**CHARLES T. MUNGER,**  
*Vice Chairman of Berkshire*

**GREGORY E. ABEL,**  
*Vice Chairman of Berkshire - Non-Insurance Operations*

**AJIT JAIN,**  
*Vice Chairman of Berkshire - Insurance Operations*

**HOWARD G. BUFFETT,**  
*Chairman and Chief Executive Officer of the Howard G. Buffett Foundation, a charitable foundation that directs funding for humanitarian and conservation related issues.*

**SUSAN A. BUFFETT,**  
*Chairman of The Susan Thompson Buffett Foundation and of The Sherwood Foundation, each of which is a grant-making foundation.*

**STEPHEN B. BURKE,**  
*Former Chairman and CEO of NBCUniversal, a media and entertainment company.*

**KENNETH I. CHENAULT,**  
*Chairman and Managing Director of General Catalyst, a venture capital firm and Former Chairman and CEO of American Express Company.*

**CHRISTOPHER C. DAVIS,**  
*Chairman of Davis Advisors, an investment management firm.*

**SUSAN L. DECKER,**  
*Founder and CEO of RaftR, a community-building and insights platform.*

**CHARLOTTE GUYMAN,**  
*Independent Director of two start-up entities, Landings Holdings and Evercase.*

**THOMAS S. MURPHY, JR.,**  
*Partner, Crestview Partners, a private equity firm.*

**RONALD L. OLSON,**  
*Partner of the law firm of Munger, Tolles & Olson LLP.*

**WALLACE R. WEITZ,**  
*Co-Chair of Board of Weitz Investment Management, an investment management firm.*

**MERYL B. WITMER,**  
*Managing member of the General Partner of Eagle Capital Partners L.P., an investment partnership.*

### OFFICERS

**WARREN E. BUFFETT,** *Chairman and CEO*

**CHARLES T. MUNGER,** *Vice Chairman*

**GREGORY E. ABEL,** *Vice Chairman - Non-Insurance Operations*

**AJIT JAIN,** *Vice Chairman - Insurance Operations*

**MARC D. HAMBURG,** *Senior Vice President and CFO*

**DANIEL J. JAKSICH,** *Vice President, Controller*

**MARK D. MILLARD,** *Vice President*

**JO ELLEN RIECK,** *Vice President*

**KERBY S. HAM,** *Treasurer*

**REBECCA K. AMICK,** *Director of Internal Auditing*

Letters from Annual Reports (1977 through 2022), quarterly reports, press releases and other information about Berkshire may be obtained on the Internet at [www.berkshirehathaway.com](http://www.berkshirehathaway.com).

**BERKSHIRE HATHAWAY INC.**

*Executive Offices — 3555 Farnam Street, Omaha, Nebraska 68131*