

The Complete Financial History of Berkshire Hathaway

A Chronological Analysis of
Warren Buffett and Charlie Munger's
Conglomerate Masterpiece

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Table 1.2: Berkshire Fine Spinning Associates and Hathaway Manufacturing Company, select data, 1945–1955

| | 1955 | 1954 | 1953 | 1952 | 1951 | 1950 | 1949 | 1948 | 1947 | 1946 | 1945 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Berkshire Fine Spinning Associates | | | | | | | | | | | |
| Revenues (<i>\$ thousands</i>) | \$60,987 | | | | \$60,987 | \$63,466 | \$50,912 | \$69,890 | \$68,445 | \$42,861 | \$36,043 |
| Net income | 3,141 | | | | 3,141 | 4,099 | 3,570 | 14,358 | 12,842 | 5,690 | 1,814 |
| Equity | 45,193 | | | | 45,193 | 44,262 | 41,691 | 42,530 | 32,444 | 19,187 | 15,294 |
| <i>Key Ratios</i> | | | | | | | | | | | |
| Revenue growth | (3.9%) | | | | (3.9%) | 24.7% | (27.2%) | 2.1% | 59.7% | 18.9% | 13.7% |
| Revenues / avg. equity capital | \$1.40 | | | | \$1.40 | \$1.48 | \$1.31 | \$2.23 | \$3.07 | \$2.49 | \$2.40 |
| Return on revenues (net margin) | 5.2% | | | | 5.2% | 6.5% | 7.0% | 20.5% | 18.8% | 13.3% | 5.0% |
| Return on average equity | 7.0% | | | | 7.0% | 9.5% | 8.5% | 38.3% | 49.7% | 33.0% | 12.1% |
| Hathaway Manufacturing Company | | | | | | | | | | | |
| Revenues (<i>\$ thousands</i>) | \$21,227 | \$27,463 | \$19,749 | \$30,862 | \$26,158 | \$22,446 | \$27,288 | \$20,538 | \$14,997 | \$11,622 | |
| Net income | (373) | 482 | (80) | 1,836 | 1,702 | 1,312 | 2,858 | 1,949 | 952 | 328 | |
| Equity | 11,012 | 11,490 | 11,608 | 10,968 | 9,732 | 8,629 | 7,892 | 5,597 | 3,867 | 3,166 | |
| <i>Key Ratios</i> | | | | | | | | | | | |
| Revenue growth | (22.7%) | 39.1% | (36.0%) | 18.0% | 16.5% | (17.7%) | 32.9% | 36.9% | 29.0% | (3.5%) | |
| Revenues / equity capital | \$1.89 | \$2.38 | \$1.75 | \$2.98 | \$2.85 | \$2.72 | \$4.05 | \$4.34 | \$4.27 | \$3.67 | |
| Return on revenues (net margin) | (1.8%) | 1.8% | (0.4%) | 6.0% | 6.5% | 5.8% | 10.5% | 9.5% | 6.3% | 2.8% | |
| Return on average equity | (3.3%) | 4.2% | (0.7%) | 17.7% | 18.5% | 15.9% | 42.4% | 41.2% | 27.1% | 10.7% | |

Table 1.3: Berkshire Fine Spinning Associates and Hathaway Manufacturing Company, select data, 1934–1944

| | 1944 | 1943 | 1942 | 1941 | 1940 | 1939 | 1938 | 1937 | 1936 | 1935 | 1934 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Berkshire Fine Spinning Associates | | | | | | | | | | | |
| Revenues (<i>\$ thousands</i>) | \$31,696 | \$38,679 | \$37,772 | \$28,747 | \$18,163 | \$18,442 | \$14,351 | \$19,389 | \$18,951 | \$16,031 | \$16,335 |
| Net income | 1,602 | 1,724 | 1,907 | 1,852 | 592 | 284 | (517) | 1,418 | 73 | (1,228) | 209 |
| Equity | 14,766 | 14,638 | 14,311 | 14,035 | 13,173 | 13,098 | 13,094 | 13,611 | 13,629 | 12,635 | 13,825 |
| <i>Key Ratios</i> | | | | | | | | | | | |
| Revenue growth | (18.1%) | 2.4% | 31.4% | 58.3% | (1.5%) | 28.5% | (26.0%) | 2.3% | 18.2% | (1.9%) | |
| Revenues / avg. equity capital | \$2.16 | \$2.67 | \$2.67 | \$2.11 | \$1.38 | \$1.41 | \$1.07 | \$1.42 | \$1.44 | \$1.21 | |
| Return on revenues (net margin) | 5.1% | 4.5% | 5.0% | 6.4% | 3.3% | 1.5% | (3.6%) | 7.3% | 0.4% | (7.7%) | |
| Return on average equity | 10.9% | 11.9% | 13.5% | 13.6% | 4.5% | 2.2% | (3.9%) | 10.4% | 0.6% | (9.3%) | |
| Hathaway Manufacturing Company | | | | | | | | | | | |
| Revenues (<i>\$ thousands</i>) | \$12,045 | \$12,409 | \$11,949 | \$7,796 | \$7,329 | \$7,307 | \$3,889 | \$8,470 | \$6,985 | Unknown | \$3,937 |
| Net income | 278 | 250 | 378 | 259 | 246 | 230 | (19) | 177 | 253 | (0) | 54 |
| Equity | 2,988 | 2,766 | 2,572 | 2,356 | 2,350 | 2,219 | 2,059 | 2,193 | 2,118 | 1,953 | 2,072 |
| <i>Key Ratios</i> | | | | | | | | | | | |
| Revenue growth | (2.9%) | 3.8% | 53.3% | 6.4% | 0.3% | 87.9% | (54.1%) | 21.3% | | | |
| Revenues / equity capital | \$4.19 | \$4.65 | \$4.85 | \$3.31 | \$3.21 | \$3.42 | \$1.83 | \$3.93 | \$3.43 | | |
| Return on revenues (net margin) | 2.3% | 2.0% | 3.2% | 3.3% | 3.4% | 3.1% | (0.5%) | 2.1% | 3.6% | | |
| Return on average equity | 9.7% | 9.4% | 15.4% | 11.0% | 10.8% | 10.8% | (0.9%) | 8.2% | 12.4% | 0.0% | |

Table 1.4: Berkshire Fine Spinning Associates and Hathaway Manufacturing Company, pro forma combined, select data, 1945–1955

| | 1955 | 1954 | 1953 | 1952 | 1951 | 1950 | 1949 | 1948 | 1947 | 1946 | 1945 |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Revenues (\$ thousands) | \$65,498 | \$66,929 | \$86,414 | \$68,293 | \$91,849 | \$89,625 | \$73,358 | \$97,177 | \$88,982 | \$57,858 | \$47,665 |
| Net income | 301 | 660 | 2,921 | 99 | 6,175 | 7,008 | 5,031 | 17,722 | 16,193 | 6,868 | 2,142 |
| Equity | 51,400 | 53,354 | 55,153 | 54,990 | 57,524 | 55,359 | 51,670 | 51,756 | 38,868 | 24,878 | 18,459 |
| <i>Key Ratios</i> | | | | | | | | | | | |
| Revenue growth | (2.1%) | (22.5%) | 26.5% | (25.6%) | 2.5% | 22.2% | (24.5%) | 9.2% | 53.8% | 21.4% | 9.0% |
| Revenues / equity capital | \$1.27 | \$1.25 | \$1.57 | \$1.24 | \$1.60 | \$1.62 | \$1.42 | \$1.88 | \$2.29 | \$2.33 | \$2.58 |
| Return on revenues (net margin) | 0.5% | 1.0% | 3.4% | 0.1% | 6.7% | 7.8% | 6.9% | 18.2% | 18.2% | 11.9% | 4.5% |
| Return on average equity | 0.6% | 1.2% | 5.3% | 0.2% | 10.9% | 13.1% | 9.7% | 39.1% | 50.8% | 31.7% | 11.8% |

Table 1.5: Berkshire Fine Spinning Associates and Hathaway Manufacturing Company, pro forma combined, select data, 1934–1944

| | 1944 | 1943 | 1942 | 1941 | 1940 | 1939 | 1938 | 1937 | 1936 | 1935 | 1934 |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|----------|
| Revenues (\$ thousands) | \$43,740 | \$51,088 | \$49,721 | \$36,543 | \$25,492 | \$25,749 | \$18,240 | \$27,859 | \$25,936 | | \$20,272 |
| Net income | 1,880 | 1,974 | 2,286 | 2,111 | 838 | 514 | (536) | 1,595 | 326 | (1,229) | 263 |
| Equity | 17,754 | 17,404 | 16,883 | 16,390 | 15,523 | 15,317 | 15,153 | 15,804 | 15,747 | 14,588 | 15,897 |
| <i>Key Ratios</i> | | | | | | | | | | | |
| Revenue growth | (14.4%) | 2.7% | 36.1% | 43.4% | (1.0%) | 41.2% | (34.5%) | 7.4% | | | |
| Revenues / equity capital | \$2.46 | \$2.94 | \$2.94 | \$2.23 | \$1.64 | \$1.68 | \$1.20 | \$1.76 | | | |
| Return on revenues (net margin) | 4.3% | 3.9% | 4.6% | 5.8% | 3.3% | 2.0% | (2.9%) | 5.7% | | | |
| Return on average equity | 10.7% | 11.5% | 13.7% | 13.2% | 5.4% | 3.4% | (3.5%) | 10.1% | 2.2% | (8.1%) | |

Table 2.8: Berkshire Hathaway, Inc. consolidated balance sheets, year-end 1954–1964

| | 10/03/64 | 09/28/63 | 09/29/62 | 09/30/61 | 10/01/60 | 10/03/59 | 09/27/58 | 09/30/57 | 09/30/56 | 09/30/55 | 09/30/54 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <i>(\$ thousands)</i> | | | | | | | | | | | |
| <i>Current assets</i> | | | | | | | | | | | |
| Cash | \$920 | \$660 | \$1,445 | \$939 | \$1,535 | \$1,987 | \$2,473 | \$2,003 | \$2,554 | \$4,169 | \$4,977 |
| Marketable securities | 0 | 0 | 0 | 0 | 3,248 | 4,464 | 0 | 163 | 482 | 4,333 | 2,963 |
| Accounts receivable, net | 7,451 | 7,670 | 7,052 | 6,852 | 7,645 | 7,070 | 7,184 | 8,051 | 7,136 | 4,343 | 3,200 |
| Inventories | 11,689 | 18,011 | 19,281 | 20,880 | 14,920 | 15,655 | 22,411 | 24,066 | 30,842 | 22,977 | 27,669 |
| Other current assets | 191 | 237 | 321 | 275 | 495 | 433 | 0 | 875 | 0 | 1,000 | 394 |
| Total current assets | 20,250 | 26,579 | 28,099 | 28,947 | 27,843 | 29,608 | 32,068 | 35,157 | 41,015 | 36,822 | 39,202 |
| Property, plant, and equipment, net | 7,571 | 12,825 | 15,913 | 16,232 | 14,389 | 12,842 | 15,021 | 16,806 | 17,131 | 16,655 | 17,249 |
| Other assets | 65 | 43 | 77 | 100 | 162 | 211 | 939 | 1,696 | 1,812 | 1,722 | 1,778 |
| Total assets | \$27,887 | \$39,448 | \$44,089 | \$45,279 | \$42,394 | \$42,661 | \$48,028 | \$53,659 | \$59,958 | \$55,200 | \$58,230 |
| <i>Current liabilities</i> | | | | | | | | | | | |
| Notes payable | \$2,500 | \$5,400 | \$6,900 | \$4,150 | \$0 | \$0 | \$4,500 | \$3,350 | \$4,300 | \$0 | \$878 |
| Accounts payable | 2,097 | 2,415 | 3,316 | 3,371 | 2,583 | 2,424 | 2,267 | 3,836 | 2,185 | 2,334 | 2,296 |
| Accruals & other | 1,152 | 1,353 | 1,409 | 1,582 | 1,830 | 1,325 | 1,333 | 1,569 | 3,104 | 1,466 | 1,702 |
| Total current liabilities | 5,748 | 9,169 | 11,625 | 9,103 | 4,412 | 3,749 | 8,100 | 8,756 | 9,589 | 3,800 | 4,875 |
| Long-term liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Shares outstanding (000's)</i> | 1,138 | 1,607 | 1,607 | 1,607 | 1,626 | 1,936 | 2,106 | 2,106 | 2,246 | 2,295 | 2,295 |
| Total stockholders' equity | 22,139 | 30,279 | 32,464 | 36,176 | 37,982 | 38,912 | 39,928 | 44,903 | 50,370 | 51,400 | 53,354 |
| Total liabilities and stockholders' equity | \$27,887 | \$39,448 | \$44,089 | \$45,279 | \$42,394 | \$42,661 | \$48,028 | \$53,659 | \$59,958 | \$55,200 | \$58,230 |

Note: Amounts are rounded from actual dollars which may cause totals to differ slightly.

Sources: Berkshire Hathaway Annual Reports, 1954–1964.

Table 2.9: Berkshire Hathaway, Inc. consolidated income statements, 1954–1964

| | 10/03/64 | 09/28/63 | 09/29/62 | 09/30/61 | 10/01/60 | 10/03/59 | 09/27/58 | 09/30/57 | 09/30/56 | 09/30/55 | 09/30/54 |
|-----------------------------------|----------|----------|-----------|----------|----------|----------|-----------|-----------|----------|----------|-----------------|
| Net revenues | \$49,983 | \$50,591 | \$53,259 | \$47,722 | \$62,609 | \$69,512 | \$61,956 | \$66,098 | \$68,043 | \$65,498 | \$66,929 |
| Expenses (excluding depreciation) | 48,354 | 49,419 | 53,373 | 46,145 | 56,274 | 66,369 | 64,409 | 68,241 | 64,517 | 63,370 | 65,370 |
| Depreciation | 1,101 | 1,717 | 1,905 | 2,129 | 1,713 | 1,637 | 1,941 | 1,971 | 1,896 | 1,799 | <i>See note</i> |
| Operating profit / (loss) | 528 | (545) | (2,019) | (551) | 4,622 | 1,506 | (4,394) | (4,114) | 1,630 | 329 | 1,559 |
| Other income / (expense) | (352) | (140) | (132) | 86 | 2 | (184) | (582) | (14) | 160 | 384 | (172) |
| Pre-tax income | 176 | (685) | (2,151) | (465) | 4,624 | 1,322 | (4,975) | (4,128) | 1,790 | 713 | 1,386 |
| Provision for taxes / (refund) | 0 | 0 | 0 | (72) | 0 | 0 | 0 | (870) | 867 | 412 | 726 |
| Net income / (loss) | \$176 | (\$685) | (\$2,151) | (\$393) | \$4,624 | \$1,322 | (\$4,975) | (\$3,258) | \$923 | \$301 | \$660 |

Notes: Amounts are rounded from actual dollars which may cause totals to differ slightly. 1954: Depreciation included in expenses in line above.

Sources: Berkshire Hathaway Annual Reports, 1954–1964.

Table 2.10: Berkshire Hathaway, Inc. consolidated reconciliation of shareholders' equity, 1955–1964

| | 10/03/64 | 09/28/63 | 09/29/62 | 09/30/61 | 10/01/60 | 10/03/59 | 09/27/58 | 09/30/57 | 09/30/56 | 09/30/55 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Prior year-end equity | \$30,279 | \$32,464 | \$36,176 | \$37,982 | \$38,912 | \$39,928 | \$44,903 | \$50,370 | \$51,400 | \$53,354 |
| Current year net income / (loss) | 176 | (685) | (2,151) | (393) | 4,624 | 1,322 | (4,975) | (3,258) | 923 | 301 |
| Current year dividends | 0 | 0 | (161) | (1,206) | (1,715) | (464) | 0 | (1,108) | (2,276) | (2,245) |
| Change in common | 0 | (3,436) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (3) |
| Change in paid in capital | 0 | (2,738) | 0 | 0 | 0 | 0 | 0 | 2 | 887 | (7) |
| Treasury stock | (5,316) | 7,766 | 0 | (208) | (3,838) | (1,874) | 0 | (1,267) | (579) | 0 |
| Revenue agent net asset adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 | 0 |
| Reduction in provision for prior years' taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 165 | 0 | 0 |
| Estimated loss on properties to be sold | (3,000) | (1,500) | (1,400) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Retirement of treasury stock | 0 | (1,592) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Equity | \$22,139 | \$30,279 | \$32,464 | \$36,176 | \$37,982 | \$38,912 | \$39,928 | \$44,903 | \$50,370 | \$51,400 |

Note: Amounts are rounded from actual dollars which may cause totals to differ slightly.

Sources: Berkshire Hathaway Annual Reports, 1954–1964.

Table 2.11: Berkshire Hathaway, Inc. selected data and ratios, 1954–1964

| | <u>10/03/64</u> | <u>09/28/63</u> | <u>09/29/62</u> | <u>09/30/61</u> | <u>10/01/60</u> | <u>10/03/59</u> | <u>09/27/58</u> | <u>09/30/57</u> | <u>09/30/56</u> | <u>09/30/55</u> | <u>09/30/54</u> |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Working capital (<i>\$ thousands</i>) | \$14,502 | \$17,411 | \$16,474 | \$19,844 | \$23,430 | \$25,859 | \$23,968 | \$26,401 | \$31,427 | \$33,022 | \$34,327 |
| Current ratio | 3.52:1 | 2.90:1 | 2.42:1 | 3.18:1 | 6.31:1 | 7.90:1 | 3.96:1 | 4.02:1 | 4.28:1 | 9.69:1 | 8.04:1 |
| Operating margin | 1.06% | (1.08%) | (3.79%) | (1.15%) | 7.38% | 2.17% | (7.09%) | (6.22%) | 2.39% | 0.50% | |
| Net margin | 0.35% | (1.35%) | (4.04%) | (0.82%) | 7.39% | 1.90% | (8.03%) | (4.93%) | 1.36% | 0.46% | |
| Average invested capital ¹ (<i>\$ thousands</i>) | \$30,159 | \$37,521 | \$39,845 | \$39,154 | \$38,447 | \$41,670 | \$46,341 | \$51,462 | \$53,035 | \$52,816 | |
| Revenues / avg. invested capital | \$1.66 | \$1.35 | \$1.34 | \$1.22 | \$1.63 | \$1.67 | \$1.34 | \$1.28 | \$1.28 | \$1.24 | |
| Avg. invested capital / rev. (inverse of above) | \$0.60 | \$0.74 | \$0.75 | \$0.82 | \$0.61 | \$0.60 | \$0.75 | \$0.78 | \$0.78 | \$0.81 | |
| Debt-to-equity ratio | 11.29% | 17.83% | 21.25% | 11.47% | 0.00% | 0.00% | 11.27% | 7.46% | 8.54% | 0.00% | 1.65% |
| Return on avg. invested capital | 0.58% | (1.83%) | (5.40%) | (1.00%) | 12.03% | 3.17% | (10.74%) | (6.33%) | 1.74% | 0.57% | |
| Return on average equity | 0.67% | (2.18%) | (6.27%) | (1.06%) | 12.03% | 3.35% | (11.73%) | (6.84%) | 1.81% | 0.59% | |
| Book value per share | \$19.46 | \$18.84 | \$20.20 | \$22.51 | \$23.37 | \$20.10 | \$18.96 | \$21.32 | \$22.43 | \$22.40 | \$23.25 |

Footnote:

1. Average invested capital calculated based on the average of the sum of the prior and current year's equity and debt capital.

Sources: Berkshire Hathaway Annual Reports, 1955–1964, and author calculations.

Table 3.12: Insurance Group, select information 1969–1974

| | 1974 | 1973 | 1972 | 1971 | 1970 | 1969 | 1968 |
|---|-----------|----------|----------|----------|----------|----------|----------|
| <i>(\$ thousands)</i> | | | | | | | |
| Premiums written | | | | | | | |
| Specialized auto and general liability | \$36,738 | \$28,617 | \$35,354 | \$47,794 | \$37,820 | \$26,034 | \$22,620 |
| Reinsurance | 12,204 | 10,184 | 11,436 | 14,953 | 7,017 | 2,742 | |
| Urban Auto ¹ | 6,613 | 6,571 | 6,874 | 2,040 | | | |
| Home State companies | 5,442 | 5,000 | 4,286 | 1,668 | 249 | | |
| Premiums written | 60,997 | 50,372 | 57,950 | 66,455 | 45,086 | 28,776 | 22,620 |
| <i>Underwriting gain/(loss)</i> | | | | | | | |
| Specialized auto and general liability | (1,939) | 4,409 | 4,329 | | | | |
| Reinsurance | (2,068) | 353 | 561 | | | | |
| Urban Auto | (2,183) | (878) | 62 | | | | |
| Home State companies | (702) | (565) | (667) | | | | |
| Underwriting gain/(loss) | (\$6,892) | \$3,319 | \$4,285 | \$1,409 | (\$330) | (\$153) | \$568 |
| Combined ratio (statutory) | 111.1% | 95.3% | 93.7% | 95.1% | 96.6% | 96.2% | 97.5% |
| Footnote: | | | | | | | |
| 1. Urban Auto from September 30, 1971, the date of acquisition. The full year results for the entity acquired were \$7,669. | | | | | | | |

Source: Berkshire Hathaway Annual Reports 1973, 1974.

Table 3.15: Berkshire Hathaway consolidated balance sheets, 1964–1974

| | 12/28/74 | 12/29/73 | 12/30/72 | 12/31/71 | 12/31/70 | 01/03/70 | 12/28/68 | 12/30/67 | 10/01/66 | 10/02/65 | 10/03/64 |
|---|-----------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <i>(\$ thousands)</i> | | | | | | | | | | | |
| <i>Current assets</i> | | | | | | | | | | | |
| Cash | \$4,231 | \$2,886 | \$4,998 | \$962 | \$1,352 | \$1,793 | \$1,606 | \$835 | \$629 | \$776 | \$920 |
| Bonds | 82,639 | 74,474 | 88,148 | | | | | | | | |
| Preferred stock | 2,855 | 2,298 | 2,942 | | | | | | | | |
| Common stock | 50,670 | 49,757 | 17,412 | | | | | | | | |
| Total marketable securities | 136,164 | 126,530 | 108,503 | 0 | 0 | 294 | 5,421 | 3,825 | 5,446 | 2,900 | 0 |
| Accounts receivable, net, textiles | 4,378 | 5,148 | 4,055 | 5,100 | 3,916 | 6,397 | 7,563 | 7,572 | 8,114 | 7,423 | 7,451 |
| Accounts receivable, net, other | 13,513 | 8,908 | 8,799 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inventories, textiles | 6,000 | 7,137 | 6,827 | 6,031 | 8,472 | 9,270 | 12,333 | 11,586 | 12,239 | 10,277 | 11,689 |
| Property, plant & equipment, net textiles | 2,333 | 2,063 | 1,966 | 2,209 | 2,494 | 3,014 | 3,863 | 5,640 | 6,307 | 6,617 | 7,571 |
| Property, plant & equipment, net, non-textile | 1,581 | 1,605 | 1,674 | | | | | | | | |
| Investment in bank subsidiary | 22,417 | 21,003 | 20,473 | 20,117 | 19,878 | 18,868 | | | | | |
| Investment in insurance subsidiaries | | | | 33,502 | 19,065 | 15,315 | 12,755 | 10,259 | | | |
| Common stock of Blue Chip Stamps | 16,924 | 13,717 | 11,287 | | | | | | | | |
| Investment in other subsidiaries | 1,187 | 1,334 | 1,259 | 1,259 | 1,261 | 1,261 | 0 | 0 | 0 | 0 | 0 |
| Deferred insurance premium acquisition costs | 4,400 | 5,240 | 5,624 | | | | | | | | |
| Other assets | 3,087 | 561 | 645 | 110 | 200 | 345 | 200 | 224 | 162 | 230 | 256 |
| Total assets | \$216,214 | \$196,132 | \$176,110 | \$69,290 | \$56,637 | \$56,557 | \$43,740 | \$39,941 | \$32,896 | \$28,222 | \$27,887 |

Continued...

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| | | | | | | | | | | |
|--|-----------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|
| <i>Current liabilities</i> | | | | | | | | | | |
| Losses and loss adjustment expenses | \$72,761 | \$61,676 | \$60,275 | | | | | | | |
| Unearned premiums | 21,705 | 21,282 | 23,839 | | | | | | | |
| Funds held under reinsurance treaties | 2,857 | 1,318 | 958 | | | | | | | |
| Amounts due for purchase of securities | 294 | 460 | 674 | | | | | | | |
| Accounts payable & accrued expenses | 4,435 | 4,727 | 4,384 | 3,305 | 2,015 | 3,804 | 4,257 | 5,434 | 2,979 | 3,260 |
| Income taxes, current | 164 | 262 | 3,576 | 174 | 248 | 1,443 | 637 | 323 | 423 | 442 |
| Income taxes, deferred | 3,044 | 3,297 | 3,214 | | | | | | | 365 |
| Current portion of long-term debt | 0 | 0 | 0 | 0 | 1,500 | 1,500 | 0 | 0 | 0 | 0 |
| 7.50% debentures due 1987 | 556 | 599 | 641 | 641 | 641 | 641 | 641 | 641 | 0 | 0 |
| Notes payable to banks | 0 | 0 | 9,000 | 9,000 | 3,750 | 5,250 | 2,000 | 2,000 | 0 | 2,500 |
| 8.00% senior notes due 1993 | 20,000 | 20,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8.00% promissory note due 1988 | 1,274 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total financial debt | 21,830 | 20,599 | 9,641 | 9,641 | 5,891 | 7,391 | 2,641 | 2,641 | 0 | 2,500 |
| Other | 924 | 1,356 | 1,253 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total liabilities | 128,015 | 114,976 | 107,815 | 13,121 | 8,154 | 12,638 | 7,535 | 8,398 | 3,401 | 3,702 |
| <i>Shares outstanding (000's)</i> | 980 | 980 | 980 | 980 | 980 | 980 | 985 | 985 | 1,018 | 1,138 |
| Total stockholders' equity | 88,199 | 81,155 | 68,295 | 56,169 | 48,483 | 43,918 | 36,205 | 31,543 | 29,495 | 24,520 |
| Total liabilities and stockholders' equity | \$216,214 | \$196,132 | \$176,110 | \$69,290 | \$56,637 | \$56,557 | \$43,740 | \$39,941 | \$32,896 | \$28,222 |

Sources: Berkshire Hathaway Annual Reports 1964-1974.

Table 3.16: Berkshire Hathaway consolidated income statements, 1964–1974

| | <u>12/28/74</u> | <u>12/29/73</u> | <u>12/30/72</u> | <u>12/31/71</u> | <u>12/31/70</u> | <u>01/03/70</u> | <u>12/28/68</u> | <u>09/30/67</u> | <u>10/01/66</u> | <u>10/02/65</u> | <u>10/03/64</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Insurance premiums earned | \$60,574 | \$52,929 | \$59,627 | | | | | | | | |
| Insurance losses and loss adjustment expenses | 47,120 | 32,836 | 36,987 | | | | | | | | |
| Insurance underwriting expenses | 20,346 | 16,774 | 18,356 | | | | | | | | |
| Net underwriting gain/(loss), insurance | (6,892) | 3,319 | 4,284 | | | | | | | | |
| Insurance investment income (excl. gain/loss) | 7,880 | 7,283 | 6,644 | | | | | | | | |
| Textile revenues | 32,592 | 33,411 | 27,742 | 26,011 | 24,569 | 40,427 | 46,002 | 39,056 | 49,372 | 49,301 | 49,983 |
| Operating profit/(loss), textiles | 2,660 | 2,837 | 1,697 | 233 | 107 | 1,455 | 1,567 | 56 | 4,849 | 4,687 | 528 |
| Realized investment gains, net of tax | (1,340) | 930 | 929 | 745 | 58 | 3,718 | 2,174 | 100 | 0 | 0 | 0 |
| Equity in earnings of insurance subsidiaries | | | | 5,222 | 2,052 | 2,278 | 1,789 | 792 | | | |
| Equity in earnings of Banking Subsidiary | 4,093 | 2,782 | 2,700 | 2,167 | 2,614 | 1,537 | 0 | 0 | 0 | 0 | 0 |
| Equity in earnings of Blue Chip Stamps | 1,052 | 1,008 | 111 | | | | | | | | |
| Net interest, taxes, and other expense | (409) | (5,298) | (4,239) | (681) | (266) | (1,035) | (868) | 160 | (2,086) | (2,407) | (352) |
| Net income | \$7,043 | \$12,860 | \$12,126 | \$7,686 | \$4,565 | \$7,953 | \$4,662 | \$1,107 | \$2,763 | \$2,279 | \$176 |

Sources: Berkshire Hathaway Annual Reports 1964–1974.

Table 3.17: Berkshire Hathaway consolidated reconciliation of shareholders' equity, 1964-1974

| | <u>12/28/74</u> | <u>12/29/73</u> | <u>12/30/72</u> | <u>12/31/71</u> | <u>12/31/70</u> | <u>01/03/70</u> | <u>12/28/68</u> | <u>12/30/67</u> | <u>10/01/66</u> | <u>10/02/65</u> | <u>10/03/64</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Prior year equity | \$81,155 | \$68,295 | \$56,169 | \$48,483 | \$43,918 | \$36,205 | \$31,543 | \$29,495 | \$24,520 | \$22,139 | \$30,279 |
| Current year net income/(loss) | 7,043 | 12,860 | 12,126 | 7,686 | 4,565 | 7,953 | 4,662 | 1,107 | 2,763 | 2,279 | 176 |
| Current year dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (102) | 0 | 0 | 0 |
| Change in common | 0 | (190) | 0 | 0 | 0 | 0 | 0 | 0 | (601) | (2,348) | 0 |
| Change in paid in capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Treasury stock | 0 | 817 | 0 | 0 | (0) | (240) | 0 | (577) | 1,638 | 3,678 | (5,316) |
| Reduction in provision for prior years' taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 226 | 0 | 0 | 0 |
| Estimated loss on properties to be sold | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (300) | (3,000) |
| Retirement of treasury stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,037) | (2,968) | 0 |
| Credit from charge equivalent to federal income tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,212 | 2,040 | 0 |
| Net earnings - 3 months ending 12/30/67 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,393 | 0 | 0 | 0 |
| Excess of cost over par value of treasury stock | 0 | (627) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending equity | \$88,199 | \$81,155 | \$68,295 | \$56,169 | \$48,483 | \$43,918 | \$36,205 | \$31,543 | \$29,495 | \$24,520 | \$22,139 |

Sources: Berkshire Hathaway Annual Reports 1964-1974.

Table 3.18: Berkshire Hathaway, select data and ratios, 1964–1974

| | 12/28/74 | 12/29/73 | 12/30/72 | 12/31/71 | 12/31/70 | 01/03/70 | 12/28/68 | 12/30/67 | 10/01/66 | 10/02/65 | 10/03/64 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Return on average equity | 8.32% | 17.21% | 19.49% | 14.69% | 9.88% | 19.85% | 13.76% | 3.63% | 10.23% | 9.77% | 0.79% |
| Operating earnings (\$ thousands) | \$8,384 | \$11,931 | \$11,198 | \$6,941 | \$4,508 | \$4,235 | \$2,488 | \$1,007 | \$2,763 | \$2,279 | \$176 |
| Stockholders' equity per share | \$90.04 | \$82.85 | \$69.72 | \$57.34 | \$49.49 | \$44.83 | \$36.74 | \$32.01 | \$28.99 | \$24.10 | \$19.46 |
| Change in textile revenues | (2.5%) | 20.4% | 6.7% | 5.9% | (39.2%) | (12.1%) | 17.8% | (20.9%) | 0.1% | (1.4%) | 0.0% |
| Change in textile operating income | (6.2%) | 67.2% | 627.3% | 117.5% | (92.6%) | (7.1%) | 2722.2% | (98.9%) | 3.5% | 788.2% | NM |
| Receivables to textile revenues | 13.4% | 15.4% | 14.6% | 19.6% | 15.9% | 15.8% | 16.4% | 19.4% | 16.4% | 15.1% | 14.9% |
| Inventories to textile revenues | 18.4% | 21.4% | 24.6% | 23.2% | 34.5% | 22.9% | 26.8% | 29.7% | 24.8% | 20.8% | 23.4% |
| Textile working capital ¹ (\$ thousands) | \$7,646 | | \$7,646 | \$7,825 | \$10,373 | \$11,862 | \$15,640 | \$13,724 | \$17,375 | \$14,440 | \$16,257 |
| Textile "core" working capital to revenues | 27.6% | | 27.6% | 30.1% | 42.2% | 29.3% | 34.0% | 35.1% | 35.2% | 29.3% | 32.5% |

Footnote:

1: Accounts receivables plus inventory less accounts payable.

Sources: Berkshire Hathaway Annual Reports 1964–1974.

Table 3.19: Berkshire Hathaway Insurance Group balance sheets, 1967–1974

| | <u>12/28/74</u> | <u>12/29/73</u> | <u>12/30/72</u> | <u>12/31/71</u> | <u>12/31/70</u> | <u>01/03/70</u> | <u>12/28/68</u> | <u>12/30/67</u> |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <i>(\$ thousands)</i> | | | | | | | | |
| Cash | \$10,652 | \$2,866 | \$3,044 | \$4,563 | \$812 | \$788 | \$598 | |
| Bonds, at amortized cost | 71,531 | 74,474 | 88,148 | 84,079 | 51,609 | 31,835 | 30,201 | |
| Preferred stocks | 2,855 | 2,298 | 2,942 | 999 | 1,041 | 1,647 | 33 | |
| Common stocks | 50,670 | 49,757 | 17,412 | 11,676 | 10,254 | 8,607 | 9,151 | |
| Total cash & investments | 135,708 | 129,395 | 111,547 | 101,317 | 63,717 | 42,876 | 39,982 | |
| Investment in Blue Chip Stamps | 14,371 | 13,717 | 11,287 | 4,128 | 0 | | | |
| Property, plant and equipment, net | 1,581 | 1,605 | 1,674 | 1,313 | 1,191 | 1,191 | | |
| Other assets | 20,679 | 13,121 | 14,976 | 16,556 | 9,338 | 6,344 | | |
| Total assets | 172,338 | 157,839 | 139,484 | 123,314 | 74,246 | 50,412 | 44,692 | |
| Losses and loss adjustment expenses | 72,761 | 61,676 | 60,275 | 52,991 | 29,759 | | | |
| Unearned premiums | 21,705 | 21,282 | 23,839 | 25,516 | 17,483 | | | |
| Other liabilities | 7,641 | 7,179 | 9,789 | 9,564 | 7,170 | | | |
| Total liabilities | 102,107 | 90,137 | 93,903 | 88,071 | 54,412 | | | |
| Stockholders' equity | 70,231 | 67,702 | 45,581 | 35,243 | 19,834 | 13,338 | 13,453 | 9,524 |
| Total liabilities and stockholders' equity | \$172,338 | \$157,839 | \$139,484 | \$123,314 | \$74,246 | \$50,412 | \$44,692 | |
| Average float (rounded) | \$79,100 | \$73,300 | \$69,500 | \$52,500 | \$32,400 | \$23,400 | \$19,900 | \$17,300 |

Sources: Berkshire Hathaway Annual Reports 1968–1974 and 1992 (float data).

Table 3.20: Berkshire Hathaway Insurance Group income statements, 1968–1974

| | <u>12/28/74</u> | <u>12/29/73</u> | <u>12/30/72</u> | <u>12/31/71</u> | <u>12/31/70</u> | <u>01/03/70</u> | <u>12/28/68</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <i>(\$ thousands)</i> | | | | | | | |
| Premiums written, net | \$60,997 | \$50,372 | \$57,950 | \$66,456 | \$45,086 | \$28,776 | \$22,620 |
| Premiums earned | 60,574 | 52,929 | 59,627 | 60,867 | 39,173 | 25,258 | 22,617 |
| Losses and loss expenses incurred | 47,120 | 32,836 | 36,987 | 40,783 | 26,858 | 16,361 | 14,798 |
| Underwriting expenses | 20,346 | 16,774 | 18,356 | 18,675 | 12,645 | 9,050 | 7,251 |
| Total losses and expenses | 67,466 | 49,610 | 55,343 | 59,458 | 39,503 | 25,411 | 22,049 |
| Pre-tax underwriting gain/(loss) | (6,892) | 3,319 | 4,284 | 1,409 | (330) | (153) | 568 |
| Pre-tax net investment income | 7,880 | 7,283 | 6,644 | 4,974 | 2,870 | 2,025 | 1,612 |
| Realized gain/(loss) on investments, net of tax | (1,340) | 930 | 929 | 719 | (301) | 282 | 707 |
| Equity in earnings of Blue Chip Stamps | 792 | 1,008 | 111 | 0 | 0 | 0 | 0 |
| Net income | \$2,529 | \$9,871 | \$8,984 | \$5,944 | \$1,806 | \$2,115 | \$2,497 |

Sources: Berkshire Hathaway Annual Reports 1969–1974.

Table 3.21: Berkshire Hathaway Insurance Group reconciliation of stockholders' equity, 1967–1974

| | <u>12/28/74</u> | <u>12/29/73</u> | <u>12/30/72</u> | <u>12/31/71</u> | <u>12/31/70</u> | <u>01/03/70</u> | <u>12/28/68</u> | <u>12/30/67</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| (\$ thousands) | | | | | | | | |
| Beginning stockholders' equity | \$67,702 | \$45,581 | \$35,243 | \$19,834 | \$13,338 | \$13,453 | \$9,524 | |
| Contribution from parent | 0 | 9,750 | 1,500 | 0 | 0 | 0 | 0 | |
| Excess of proceeds over par value of capital stock issued | 0 | 1,000 | 500 | 6,000 | 1,500 | 0 | 0 | |
| Net income | 2,529 | 9,871 | 8,984 | 5,944 | 1,806 | 2,115 | 2,497 | |
| Change in common stock - National Indemnity Company | 0 | 1,500 | 0 | 1,500 | 500 | 0 | 0 | |
| Change in common stock - National Fire & Marine | 0 | 0 | 500 | 1,000 | 0 | 500 | 0 | |
| Excess of market value over cost on stocks | 0 | 0 | (1,146) | 965 | 1,373 | (2,538) | 1,833 | |
| Increase in beginning unassigned surplus | 0 | 0 | 0 | 0 | 1,317 | 0 | 0 | |
| Decrease in liability for unauthorized reinsurance | 0 | 0 | 0 | 0 | 0 | 32 | 13 | |
| Change in excess reserves | 0 | 0 | 0 | 0 | 0 | 331 | 200 | |
| Increase in non-admitted assets | 0 | 0 | 0 | 0 | 0 | (55) | (13) | |
| Stock dividend | 0 | 0 | 0 | 0 | 0 | (500) | (600) | |
| Ending stockholders' equity | \$70,231 | \$67,702 | \$45,581 | \$35,243 | \$19,834 | \$13,338 | \$13,453 | \$9,524 |

Sources: Berkshire Hathaway Annual Reports 1969–1974.

Table 3.22: Berkshire Hathaway Insurance Group key ratios and figures, 1968–1974

| | <u>12/28/74</u> | <u>12/29/73</u> | <u>12/30/72</u> | <u>12/31/71</u> | <u>12/31/70</u> | <u>01/03/70</u> | <u>12/28/68</u> |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net premiums written to average equity | 88% | 89% | 143% | 241% | 272% | 215% | 197% |
| Loss ratio | 77.8% | 62.0% | 62.0% | 67.0% | 68.6% | 64.8% | 65.4% |
| Expense ratio | 33.4% | 33.3% | 31.7% | 28.1% | 28.0% | 31.4% | 32.1% |
| Combined ratio | 111.1% | 95.3% | 93.7% | 95.1% | 96.6% | 96.2% | 97.5% |
| Return on average equity | 3.7% | 17.4% | 22.2% | 21.6% | 10.9% | 15.8% | |
| Growth in premiums written, net | 21.1% | (13.1%) | (12.8%) | 47.4% | 56.7% | 27.2% | |
| Growth in premiums earned | 14.4% | (11.2%) | (2.0%) | 55.4% | 55.1% | 11.7% | |

Sources: Berkshire Hathaway Annual Reports 1969–1974.

Table 3.23: Illinois National Bank & Trust Co. of Rockford, balance sheets, 1968–1974

| | 1974 | 1973 | 1972 | 1971 | 1970 | 1969 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| <i>(\$ thousands)</i> | | | | | | |
| Cash and due from banks | \$21,544 | \$26,684 | \$22,111 | \$17,833 | \$15,157 | \$19,918 |
| US Government Bonds | 10,615 | 11,355 | 10,615 | 12,633 | 15,129 | 11,228 |
| Obligations of states and political subdivisions | 45,858 | 47,713 | 50,163 | 42,884 | 36,627 | 36,005 |
| Other securities | 3,846 | 3,358 | 7,779 | 5,865 | 210 | 210 |
| Subtotal investments | 60,319 | 62,426 | 68,556 | 61,382 | 51,966 | 47,443 |
| Federal funds sold | 5,000 | | | | | |
| Loans | 70,854 | 66,022 | 59,618 | 54,032 | 50,841 | 47,963 |
| Bank premises and equipment | 1,009 | 1,117 | 1,361 | 1,523 | 1,624 | 1,825 |
| Accrued interest receivable and other assets | 2,857 | 2,156 | 1,750 | 1,252 | 1,739 | 1,040 |
| Total assets | 161,581 | 158,404 | 153,397 | 136,021 | 121,326 | 118,189 |
| Demand deposits | 53,178 | 55,716 | 55,130 | 51,208 | 52,478 | 58,237 |
| Time deposits | 85,519 | 81,450 | 77,558 | 64,640 | 49,095 | 41,317 |
| Total deposits | 138,697 | 137,166 | 132,688 | 115,848 | 101,573 | 99,555 |
| Accrued taxes and other expenses | 1,005 | 835 | 887 | 814 | 679 | 638 |
| Total liabilities | 139,702 | 138,002 | 133,575 | 116,662 | 102,252 | 100,193 |
| Reserve for loan losses | 1,251 | 1,164 | 1,025 | 855 | 860 | 800 |
| Total capital accounts | 20,628 | 19,239 | 18,797 | 18,505 | 18,213 | 17,196 |
| Total liabilities and capital | \$161,581 | \$158,404 | \$153,397 | \$136,021 | \$121,326 | \$118,189 |

Sources: Berkshire Hathaway Annual Reports 1969–1974.

Table 3.24: Illinois National Bank & Trust Co. of Rockford, income statements, 1968–1974

| | <u>1974</u> | <u>1973</u> | <u>1972</u> | <u>1971</u> | <u>1970</u> | <u>1969</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Interest and fees on loans | \$6,608 | \$5,316 | \$4,134 | \$4,006 | \$4,130 | \$3,820 |
| Income on federal funds sold | 361 | 237 | 110 | 109 | 317 | 392 |
| Interest and dividends on: | | | | | | |
| United States government obligations | 942 | 632 | 598 | 708 | 569 | 1,003 |
| Obligations of states and political subdivisions | 2,798 | 2,796 | 2,677 | 2,094 | 1,717 | 1,155 |
| Other Securities | 284 | 343 | 524 | 228 | 13 | 0 |
| Trust department | 434 | 451 | 385 | 336 | 280 | 343 |
| Service charges on deposit accounts | 139 | 130 | 127 | 137 | 152 | 220 |
| Other | 560 | 500 | 411 | 307 | 354 | 248 |
| Total operating income | 12,126 | 10,403 | 8,968 | 7,925 | 7,531 | 7,181 |
| <i>Operating expenses:</i> | | | | | | |
| Salaries | 1,552 | 1,503 | 1,367 | 1,352 | 1,298 | 1,159 |
| Pensions, profit sharing, and other employee benefits | 247 | 263 | 239 | 138 | 151 | 114 |
| Interest on deposits | 4,954 | 4,295 | 3,419 | 2,733 | 2,029 | 1,695 |
| Interest on federal funds purchased | 14 | 55 | 3 | 2 | 4 | 13 |
| Net occupancy expense of bank premises | 257 | 418 | 314 | 359 | 358 | 302 |
| Equipment rentals, depreciation, and maintenance | 248 | 253 | 264 | 289 | 272 | 260 |
| Provision for loan losses | 19 | 16 | 37 | 36 | 52 | 62 |
| Other | 592 | 767 | 645 | 681 | 661 | 558 |
| Total operating expenses | 7,884 | 7,570 | 6,288 | 5,588 | 4,826 | 4,161 |
| <i>Continued...</i> | | | | | | |

... Continued from prior page.

| | | | | | | |
|---|---------|---------|---------|---------|---------|---------|
| Income before income taxes and securities gains / losses | 4,242 | 2,833 | 2,680 | 2,337 | 2,705 | 3,020 |
| <i>Applicable income taxes:</i> | | | | | | |
| Current | | | 1 | 121 | 454 | 1,061 |
| Deferred | | | (2) | (12) | 30 | (22) |
| Total applicable income taxes | 220 | 61 | (0) | 109 | 484 | 1,039 |
| Income before securities gains or (losses) | 4,022 | 2,772 | 2,680 | 2,228 | 2,221 | 1,981 |
| Securities gains or (losses) | 175 | 67 | 156 | 35 | 367 | (789) |
| Applicable income taxes | (7) | (34) | (72) | (9) | (179) | 417 |
| Securities gains or (losses) net of applicable income taxes | 168 | 33 | 84 | 26 | 189 | (372) |
| Gain on sale of real estate, net of taxes | 0 | 43 | | | | |
| Net income | \$4,190 | \$2,848 | \$2,764 | \$2,254 | \$2,410 | \$1,608 |

Sources: Berkshire Hathaway Annual Reports 1969–1974.

Table 3.25: Illinois National Bank & Trust Co. of Rockford, key ratios and figures, 1969–1974

| | <u>1974</u> | <u>1973</u> | <u>1972</u> | <u>1971</u> | <u>1970</u> | <u>1969</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Average loans (<i>\$ thousands</i>) | \$68,438 | \$62,820 | \$56,825 | \$52,436 | \$49,402 | \$47,479 |
| Average assets (<i>\$ thousands</i>) | \$159,993 | \$155,901 | \$144,709 | \$128,674 | \$119,758 | \$117,749 |
| Average total deposits (<i>\$ thousands</i>) | \$137,932 | \$134,927 | \$124,268 | \$108,711 | \$100,564 | \$99,320 |
| Average equity (<i>\$ thousands</i>) | \$19,933 | \$19,018 | \$18,651 | \$18,359 | \$17,704 | \$17,018 |
| Average loans to average assets | 42.8% | 40.3% | 39.3% | 40.8% | 41.3% | 40.3% |
| Average assets to average equity | 8.03 | 8.20 | 7.76 | 7.01 | 6.76 | 6.92 |
| Average capital ratio | 12.5% | 12.2% | 12.9% | 14.3% | 14.8% | 14.5% |
| Pre-tax operating return on average assets | 2.51% | 1.78% | 1.85% | 1.73% | 1.85% | 1.68% |
| Pre-tax operating return on average deposits | 2.92% | 2.05% | 2.16% | 2.05% | 2.21% | 1.99% |
| Pre-tax operating income / average equity | 21.3% | 14.9% | 14.4% | 12.7% | 15.3% | 17.7% |
| After-tax operating income / average equity | 20.2% | 14.6% | 14.4% | 12.1% | 12.5% | 11.6% |
| Efficiency ratio | 41% | 53% | 52% | 55% | 51% | 45% |
| Interest income / average assets | 6.87% | 5.98% | 5.56% | 5.55% | 5.63% | 5.41% |
| Interest expense / average deposits | 3.60% | 3.22% | 2.75% | 2.52% | 2.02% | 1.72% |
| Net interest margin | 3.27% | 2.76% | 2.80% | 3.04% | 3.61% | 3.69% |
| Average loans to average deposits | 49.6% | 46.6% | 45.7% | 48.2% | 49.1% | 47.8% |
| Provision for loan losses / avg. loans | 0.03% | 0.03% | 0.06% | 0.07% | 0.10% | 0.13% |

Sources: Berkshire Hathaway Annual Reports 1969–1974.

Table 4.2: Berkshire Hathaway earnings¹

| | 1984 | 1983 | 1982 | 1981 | 1980 | 1979 | 1978 | 1977 | 1976 | 1975 | 1974 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------|---------|---------|
| (\$ thousands) | | | | | | | | | | | |
| Insurance Group: | | | | | | | | | | | |
| Underwriting | | (\$33,872) | (\$21,558) | \$1,478 | \$6,737 | \$3,741 | \$3,000 | \$5,802 | | | |
| Net investment income | 68,903 | 43,810 | 41,620 | 38,823 | 30,927 | 24,216 | 19,691 | 12,804 | | | |
| Buffalo News | 27,328 | 16,547 | (724) | (725) | (1,655) | (2,744) | (1,637) | 389 | | | |
| Nebraska Furniture Mart ² | 11,609 | 3,049 | | | | | | | | | |
| See & Candies | 26,644 | 24,526 | 14,235 | 12,493 | 9,223 | 7,598 | 7,013 | 6,598 | | | |
| Associated Retail Stores | (1,072) | 697 | 914 | 1,763 | 2,440 | 2,775 | 2,757 | 2,775 | | | |
| Blue Chip Stamps - parent ³ | (1,843) | (1,876) | 2,492 | 2,171 | 4,588 | 1,425 | 1,198 | 566 | | | |
| Mutual Savings and Loan | 1,166 | (467) | (2) | 766 | 2,775 | 4,751 | 4,638 | 2,747 | | | |
| Precision Steel | 3,278 | 2,102 | 493 | 1,648 | 1,352 | 1,480 | | | | | |
| Textiles | 418 | (100) | (1,545) | (2,669) | (508) | 1,723 | 2,916 | (620) | | | |
| Wesco Financial - parent | 7,831 | 4,844 | 2,937 | 2,145 | 1,392 | 1,098 | 777 | 813 | | | |
| Illinois National Bank ⁴ | | | | | 5,200 | 5,614 | 4,710 | 3,706 | | | |
| Amortization of goodwill ⁵ | (1,434) | (563) | 90 | | | | | | | | |
| Interest on debt | (14,097) | (13,844) | (12,977) | (12,649) | (9,390) | (5,860) | (4,546) | (4,255) | | | |
| Shareholder-designated contributions | (3,179) | (3,066) | (891) | | | | | | | | |
| Other | 4,529 | 9,623 | 2,658 | 1,992 | 1,308 | 996 | 438 | 102 | | | |
| Operating earnings, pre-tax | 82,021 | 51,410 | 27,742 | 47,236 | 54,389 | 46,813 | 40,955 | 31,427 | | | |
| Special GEICO distribution | | 19,575 | | | | | | | | | |
| Special General Foods distribution | 7,896 | | | | | | | | | | |
| Sales of securities and unusual sales of assets | 101,376 | 65,089 | 21,875 | 33,150 | 15,757 | 9,614 | 13,395 | 10,807 | | | |
| Total earnings - all entities (pre-tax) | 191,293 | 136,074 | 49,617 | 80,386 | 70,146 | 56,427 | 54,350 | 42,234 | | | |
| Income tax and minority interest | (42,397) | (23,908) | (3,243) | (17,782) | (17,024) | (13,610) | (15,108) | (11,841) | | | |
| Total earnings - all entities (after tax) ⁷ | \$148,896 | \$112,166 | \$46,374 | \$62,604 | \$53,122 | \$42,817 | \$39,242 | \$30,393 | \$24,966 | \$6,121 | \$8,163 |

Notes:

1. This table presents Berkshire Hathaway's share of earnings, as adjusted for Berkshire's ownership interest in each company.
2. 1983 figures are those for October through December.
3. 1982 and 1983 are not comparable; major assets were transferred in the mid-year 1983 merger of Blue Chip Stamps.
4. The Illinois National Bank was divested as of December 31, 1980.
5. Amortization of goodwill is included in Other for years prior to 1982.
6. Buffett began including a table entitled Sources of Earnings in his 1978 Chairman's letter, which included a comparison to 1977. Since comparable data was not available for these years, I left them blank.
7. The figures for 1974-1976 were taken from the 1978 report, which differ slightly from the amounts reported in these years.

Sources: Berkshire Hathaway Annual Reports 1978-1984.

Table 4.19: Blue Chip Stamps' investment and equity in earnings of Wesco Financial Corporation

| <i>Ownership (# shares)</i> | <i>Fiscal year—end:</i> | | | | | | |
|--|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>12/30/1978</u> | <u>12/31/1977</u> | <u>01/01/1977</u> | <u>02/28/1976</u> | <u>03/01/1975</u> | <u>03/02/1974</u> | <u>03/03/1973</u> |
| Beginning balance | 5,703,087 | 1,840,863 | 1,527,299 | 1,527,299 | 1,058,042 | 518,860 | 0 |
| Purchases | 0 | 180,498 | 313,564 | 0 | 469,257 | 539,182 | 518,860 |
| 3:1 stock split | 0 | 3,681,726 | 0 | 0 | 0 | 0 | 0 |
| Ending balance | 5,703,087 | 5,703,087 | 1,840,863 | 1,527,299 | 1,527,299 | 1,058,042 | 518,860 |
| Ownership amount | 80.1% | 80.1% | 77.6% | 64.4% | 64.4% | 44.6% | 21.9% |
| <i>Ownership (\$ thousands)</i> | | | | | | | |
| Beginning balance | \$43,892 | \$38,661 | \$28,588 | \$26,307 | \$17,446 | \$8,099 | \$0 |
| Purchases | 0 | 1,208 | 6,306 | 0 | 7,025 | 8,125 | 8,099 |
| Interim period adjustment ¹ | 0 | 0 | 185 | 0 | 0 | 0 | 0 |
| Equity in earnings ² | 7,417 | 5,715 | 4,459 | 3,092 | 2,189 | 1,455 | 0 |
| Other ³ | 0 | 0 | 116 | 76 | 457 | 218 | 0 |
| Distributions | (1,939) | (1,692) | (993) | (887) | (810) | (451) | 0 |
| Ending balance | \$49,370 | \$43,892 | \$38,661 | \$28,588 | \$26,307 | \$17,446 | \$8,099 |

Footnotes:

1. Blue Chip Stamps changed its fiscal year from approximately February 28 to approximately December 31.

2. Net of tax on undistributed portion.

3. Amortization of excess of equity in net assets over cost.

Sources: Blue Chip Stamps Annual Reports 1973–1978.

Table 4.43: Berkshire Hathaway consolidated balance sheets, 1974-1984

| | Restated | | Original | | | | | Restated | | Original | | | | |
|---|-----------|-----------|-----------|---------|---------|----------|----------|----------|---------|----------|---------|------|------|------|
| | 1984 | 1983 | 1982 | 1981 | 1980 | 1979 | 1978 | 1977 | 1976 | 1975 | 1974 | 1974 | 1973 | 1972 |
| (\$ thousands) | | | | | | | | | | | | | | |
| <i>Current assets</i> | | | | | | | | | | | | | | |
| Cash | \$3,682 | \$6,161 | \$7,762 | \$7,232 | \$9,993 | \$14,924 | \$13,001 | \$13,996 | \$3,437 | \$6,045 | \$4,231 | | | |
| Bonds, at amortized cost | 303,928 | 208,245 | 189,330 | 206,078 | 187,802 | 185,564 | 157,651 | 132,929 | 104,705 | 94,936 | 82,639 | | | |
| Marketable equity securities (including preferred) | 1,235,903 | 1,232,150 | 979,024 | 641,269 | 525,947 | 411,358 | 283,185 | 163,294 | | | | | | |
| Preferred stock | | | | | | | | | | | | | | |
| Common stock | | | | | | | | | | | | | | |
| Invested cash, U.S. Treasury bills and other short-term investments, at cost which approximates market | 170,039 | 75,343 | 58,765 | 63,529 | 50,546 | 18,172 | 61,056 | 35,730 | 22,287 | 2,558 | 2,855 | | | |
| Total investments, other than affiliates | 1,709,870 | 1,515,738 | 1,227,119 | 910,876 | 764,295 | 615,094 | 501,892 | 331,953 | 180,100 | 136,836 | 136,164 | | | |
| <i>Investments in affiliates:</i> | | | | | | | | | | | | | | |
| The Illinois National Bank & Trust Co. of Rockford | | | | | | 28,785 | 27,146 | 25,839 | | | | | | |
| Wesco Financial Corporation Investment in Mutual Savings and Loan Association | 32,927 | 27,004 | 23,758 | 68,874 | 63,040 | 56,750 | 49,370 | 43,892 | | | | | | |
| Other unconsolidated subsidiaries | | | | | | 1,187 | 1,477 | 1,627 | | | | | | |
| Total investments in affiliates | 32,927 | 27,004 | 23,758 | 68,874 | 64,227 | 86,912 | 77,993 | 71,358 | | | | | | |
| Accounts receivable from customers, agents and others | 88,489 | 72,813 | 113,770 | 49,901 | 49,861 | 52,231 | 45,283 | 38,009 | | | | | | |
| Inventories | | | | | | | | | | | | | | |
| Accounts receivable, net - textiles | 41,332 | 37,516 | 26,039 | 22,120 | 23,802 | 25,704 | 23,029 | 23,776 | | | | | | |
| Accounts receivable, net - other | | | | | | | | | 8,102 | 6,567 | 4,378 | | | |
| Inventories - textiles | | | | | | | | | 15,628 | 13,143 | 13,513 | | | |
| Inventories - other | | | | | | | | | 8,976 | 8,136 | 6,000 | | | |
| <i>Continued...</i> | | | | | | | | | 242 | 326 | 0 | | | |

| ... | <i>Continued from prior page</i> | | | | | | | | | | | | |
|---|----------------------------------|-------------|------------------|------------------|-------------|-------------|-----------|-----------|------------------|------------------|-----------|-----------|-----------|
| | 1984 | 1983 | Restated 1982 | Original 1982 | 1981 | 1980 | 1979 | 1978 | Restated 1977 | Original 1977 | 1976 | 1975 | 1974 |
| (\$ thousands) | | | | | | | | | | | | | |
| Accounts payable, accrued expenses, and other | 73,346 | 58,094 | 50,552 | 48,340 | 51,915 | 43,462 | 38,792 | 33,983 | 35,466 | 17,216 | | | |
| Income taxes - current | 11,432 | 8,511 | 22,007 | 21,868 | 13,759 | 7,919 | 10,411 | 10,768 | 6,492 | 1,524 | 3,346 | 179 | 164 |
| Income taxes - deferred | 177,907 | 194,462 | 149,987 | 149,987 | 87,089 | 63,329 | 52,079 | 36,034 | 7,793 | 6,588 | 4,677 | 2,519 | 3,044 |
| Notes payable to bank | | | | | | | | | 2,000 | 2,000 | 464 | 506 | 556 |
| 7.50% debentures due 1987 | | | | | | | | | | 4,343 | | | |
| Promissory notes and debentures | | | | | | | | | | 20,000 | 20,000 | 20,000 | 20,000 |
| 8.00% senior notes due 1993 | | | | | | | | | | 4,522 | 3,602 | 1,274 | |
| Sundry installment promissory notes | | | | | | | | | | | | | |
| Term loan payable to bank | | | | | | | | 13,500 | 13,500 | | | | |
| Senior notes payable | | | | | | | | 27,000 | 27,000 | | | | |
| Other notes and debentures payable | | | | | | | | 16,571 | 14,604 | | | | |
| Long-term debt | 127,104 | 128,984 | 169,947 | 137,581 | 97,768 | 104,344 | 55,099 | 57,071 | 55,104 | 26,343 | 24,987 | 24,108 | 21,830 |
| Total financial debt | 127,104 | 128,984 | 169,947 | 137,581 | 97,768 | 104,344 | 55,099 | 57,071 | 55,104 | 26,343 | 24,987 | 24,108 | 21,830 |
| Minority shareholders' interest | 22,299 | 17,990 | 101,177 | 88,234 | 70,416 | 59,851 | 52,097 | 48,520 | 47,926 | 0 | 968 | 1,258 | 924 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 237,452 | 167,748 | 132,851 | 128,015 |
| Total liabilities | 763,442 | 737,199 | 805,801 | 758,141 | 638,448 | 615,367 | 547,303 | 503,446 | 417,579 | | | | |
| Shares Issued | 1,375 | 1,375 | 1,214 | 1,214 | 1,214 | 1,214 | 1,214 | 1,214 | 1,214 | 980 | 980 | 980 | 980 |
| Less: Treasury Shares | (228) | (228) | (228) | (228) | (228) | (228) | (187) | (187) | (184) | (9) | (7) | 0 | 0 |
| Shares outstanding (000's) | 1,147 | 1,147 | 987 | 987 | 987 | 986 | 1,027 | 1,027 | 1,031 | 971 | 973 | 980 | 980 |
| Total stockholders' equity | 1,271,761 | 1,119,193 | 727,483 | 727,483 | 519,463 | 395,214 | 344,962 | 254,166 | 154,564 | 141,788 | 115,293 | 92,890 | 88,199 |
| Total liabilities and stockholders' equity | \$2,035,203 | \$1,856,392 | \$1,533,284 | \$1,485,624 | \$1,157,911 | \$1,010,581 | \$892,265 | \$757,612 | \$572,143 | \$379,241 | \$283,041 | \$225,741 | \$216,214 |

Note: The year 1977 was restated due to the merger with Diversified Retailing; 1983 was restated due to the merger with Blue Chip Stamps. Buffett's distraste for the presentation of Berkshire's consolidated financial statements is only compounded by trying to show them over multiple years.

Sources: Berkshire Hathaway Annual Reports, 1975–1984.

Table 4.44: Berkshire Hathaway consolidated statements of income

| | Restated | | Original | | | | | | | Restated | | Original | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|
| | 1984 | 1983 | 1982 | 1982 | 1981 | 1980 | 1979 | 1978 | 1977 | 1977 | 1976 | 1975 | 1974 |
| (\$ thousands) | | | | | | | | | | | | | |
| Insurance premiums earned | \$140,242 | \$152,480 | \$152,945 | \$152,945 | \$159,013 | \$185,187 | \$181,949 | \$186,073 | \$143,087 | \$136,890 | \$80,780 | \$58,336 | \$60,574 |
| Net sales and operating revenues of manufacturing, merchandising and service operations | 500,219 | 381,674 | 306,564 | 267,622 | 263,374 | 259,200 | 247,952 | 235,576 | 203,752 | | | | |
| Net sales of manufactured products | | | | | | | | | | 48,189 | 47,174 | 32,833 | 32,592 |
| Interest and dividend income | 84,161 | 85,903 | 58,003 | 52,416 | 49,189 | 38,966 | 30,440 | 24,293 | 16,796 | 12,549 | 10,820 | 8,918 | 8,030 |
| Real estate income | | | | 6,408 | 7,120 | 8,804 | 8,784 | 7,417 | | 288 | 294 | 287 | 286 |
| Equity in earnings excluding realized investment gain of Wesco Financial Corporation | 4,557 | 3,669 | 3,960 | | | | | | | | | | |
| Equity in earnings excluding realized investment gain of Mutual Savings and Loan Association | | | | | | | | | | | | | |
| Total revenues | 729,179 | 623,726 | 521,472 | 479,391 | 478,696 | 492,157 | 469,125 | 453,359 | 363,635 | 197,917 | 139,068 | 100,375 | 101,482 |
| Insurance losses and loss adjustment expenses | 141,550 | 134,109 | 121,996 | 121,996 | 103,417 | 118,230 | 120,337 | 132,263 | 96,869 | 91,585 | 55,376 | 47,238 | 47,120 |
| Cost of products and services sold | 296,770 | 214,362 | 177,508 | 146,081 | 155,661 | 160,261 | 158,710 | 151,521 | 130,647 | | | | |
| Cost of textile products sold | | | | | | | | | | 43,736 | 41,573 | 28,234 | 27,429 |
| Cost of manufactured products sold | 46,752 | 52,243 | 52,508 | 52,508 | 54,119 | 60,219 | 57,870 | 50,810 | 40,417 | 39,122 | 24,694 | 21,745 | 20,346 |
| Insurance underwriting expenses | 138,875 | 122,023 | 110,021 | 104,109 | 93,756 | 84,188 | 79,839 | 71,172 | 60,698 | 5,869 | 4,949 | 4,192 | 3,641 |
| Selling, administrative and other expenses | | | | | | | | | | 2,075 | 2,028 | 1,845 | 1,718 |
| Interest expense | 14,734 | 15,104 | 14,995 | 11,828 | 11,486 | 9,185 | 5,729 | 5,058 | 4,789 | | | | |
| Interest expense and financing costs | | | | | | | | | | | | | |
| Total expenses | 638,681 | 537,841 | 477,028 | 436,522 | 418,439 | 432,083 | 422,485 | 410,824 | 333,420 | 182,387 | 128,622 | 103,255 | 100,254 |

Continued...

...Continued from prior page

| | 1984 | 1983 | Restated 1982 | Original 1982 | 1981 | 1980 | 1979 | 1978 | Restated 1977 | Original 1977 | 1976 | 1975 | 1974 |
|--|-----------|-----------|------------------|------------------|----------|----------|----------|----------|------------------|------------------|----------|---------|---------|
| Equity in net earnings of Blue Chip Stamps | 70,201 | 68,195 | 31,497 | 31,497 | 39,723 | 38,484 | 30,961 | 25,742 | 23,472 | 21,904 | 16,073 | 6,714 | 8,384 |
| Wesco Financial Corp. | | | | | | | | | 2,683 | | | | |
| Earnings before realized investment gains (losses) | | | | | | | | | | | | | |
| Realized investment gains (losses) | | | | | | | | | 13,310 | 6,870 | 9,962 | (2,888) | (1,908) |
| Applicable income tax (expense) credit | | | | | | | | | (4,448) | (2,050) | (3,200) | 866 | 568 |
| Applicable minority interest | | | | | | | | | (1,941) | | | | |
| Net realized investment gains (losses) | | | | | | 4,731 | 4,960 | 4,242 | 6,921 | 4,820 | 6,762 | (2,022) | (1,340) |
| Equity in earnings before securities losses of unconsolidated banking subsidiary, divested as of Dec. 31, 1980 | | | | | | | | | | | | | |
| Earnings before realized investment gains | 70,201 | 68,195 | 31,497 | 31,497 | 39,723 | 43,215 | 35,921 | 29,984 | | | | | |
| Realized investment gains, continuing operations | 78,694 | 45,298 | 14,877 | 14,877 | 22,881 | 10,790 | 6,896 | 9,258 | | | | | |
| Equity in securities losses of unconsolidated banking subsidiary | | | | | | (883) | | | | | | | |
| Net earnings | \$148,895 | \$113,493 | \$46,374 | \$46,374 | \$62,604 | \$53,122 | \$42,817 | \$39,242 | \$30,393 | \$26,724 | \$22,835 | \$4,692 | \$7,043 |

Note: The year 1977 was restated due to the merger with Diversified Retailing; 1983 was restated due to the merger with Blue Chip Stamps. Buffett's distraste for the presentation of Berkshire's consolidated financial statements is only compounded by trying to show them over multiple years.

Sources: Berkshire Hathaway Annual Reports, 1974-1984.

Table 4.45: Berkshire Hathaway consolidated reconciliation of shareholders' equity, 1974–1984

| | Restated | | | | Original | | | | Restated | | | | Original | | | |
|---|-------------|-------------|-----------|-----------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|------|
| | 1984 | 1983 | 1982 | 1982 | 1984 | 1983 | 1982 | 1982 | 1979 | 1978 | 1977 | 1978 | 1977 | 1976 | 1975 | 1974 |
| Prior year equity | \$1,119,193 | \$727,483 | \$519,463 | \$519,463 | \$1,119,193 | \$727,483 | \$519,463 | \$254,166 | \$154,564 | \$115,293 | \$115,293 | \$92,890 | \$88,199 | \$88,199 | \$81,155 | |
| Current year net income / (loss) | 148,895 | 113,493 | 46,374 | 46,374 | 148,895 | 113,493 | 46,374 | 42,817 | 39,242 | 30,393 | 30,393 | 22,835 | 4,692 | 4,692 | 7,043 | |
| Change in common capital | | 805 | | | | 805 | | | | 1,173 | | | | | | |
| Change in paid in treasury stock | | 153,860 | | | | 153,860 | | | | 3,517 | | | | | | |
| Change in treasury stock due to restatement with Diversified Retailing | | (280) | | | | (280) | | | (574) | (1,476) | (229) | (432) | | | | |
| Change in retained earnings due to restatement with Diversified Retailing | | | | | | | | | | (9,389) | | | | | | |
| Change in equity due to accounting change, marketable securities | | | | | | | | | 60,934 | | | | | | | |
| Change in unrealized appreciation of securities, net of tax | 3,673 | 123,832 | 161,646 | 161,646 | 3,673 | 123,832 | 161,646 | 47,979 | | | | | | | | |
| Ending Equity | \$1,271,761 | \$1,119,193 | \$727,483 | \$727,483 | \$1,271,761 | \$1,119,193 | \$727,483 | \$344,962 | \$254,166 | \$154,564 | \$141,788 | \$115,293 | \$92,890 | \$88,199 | \$88,199 | |

Sources: Berkshire Hathaway Annual Reports, 1974–1984.

Table 4.46: Berkshire Hathaway Insurance Group balance sheets, 1974–1984

| | 1984 | 1983 | 1982 | 1981 | 1980 | 1979 | Restated | | Restated | | 1977 | 1976 | 1975 | 1974 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|----------|----------|
| | | | | | | | 1978 | 1977 | 1978 | 1977 | \$ | \$ | \$ | \$ |
| Cash and Treasuries | | | | | | | \$45,638 | \$26,695 | \$45,638 | \$26,695 | \$23,167 | \$17,585 | \$15,914 | \$10,652 |
| Cash, Treasuries, and other short-term investments | | | | | \$30,950 | \$12,182 | \$45,638 | | | | | | | |
| Bonds, at amortized cost | | | | | 187,802 | 185,564 | 157,651 | | | | 127,324 | 89,216 | 78,761 | 71,531 |
| Marketable equity securities, at cost | \$793,569 | \$793,569 | \$793,569 | \$536,748 | 424,530 | 336,680 | 220,929 | | | | | | | |
| Marketable equity securities, at market | | | | | | | | | | | | | | |
| Preferred stocks | | | | | | | | | | | 23,232 | 22,287 | 2,558 | 2,855 |
| Common stocks | | | | | | | | | | | 86,657 | 53,108 | 39,341 | 50,670 |
| Total cash and investments | | 643,282 | 534,426 | 424,218 | | | 337,055 | 267,731 | 337,055 | 267,731 | 260,381 | 182,196 | 136,574 | 135,708 |
| Investment in Blue Chip Stamps | | | | | 32,272 | 35,355 | 31,442 | | 31,442 | 26,862 | 21,679 | 17,740 | 15,401 | 14,371 |
| Property, plant and equipment, net | | | | | 3,388 | 3,383 | 2,757 | | 2,757 | 2,164 | 2,164 | 1,636 | 1,526 | 1,581 |
| Other assets | | | | | 50,731 | 50,257 | 46,011 | | 46,011 | 36,487 | 29,008 | 22,812 | 20,558 | 20,679 |
| Total assets | | | | | 729,673 | 623,421 | 504,428 | | 417,265 | 333,244 | 313,231 | 224,384 | 174,059 | 172,338 |
| Identifiable assets at year-end (from footnotes) | 1,615,274 | 1,322,160 | 1,059,670 | 825,635 | 693,859 | 585,103 | 470,023 | | 470,023 | 377,954 | 377,954 | 261,752 | 164,443 | |
| Losses and loss adjustment expenses | | | | | 199,128 | 197,698 | 180,870 | | 180,870 | 139,461 | 133,592 | 85,152 | 73,033 | 72,761 |
| Unearned premiums | | | | | 73,281 | 73,604 | 69,368 | | 69,368 | 57,128 | 52,191 | 36,737 | 22,344 | 21,705 |
| Other liabilities | | | | | 78,951 | 69,272 | 50,025 | | 23,876 | 18,157 | 17,579 | 14,033 | 7,734 | 7,641 |
| Total Liabilities | | | | | 351,360 | 340,574 | 300,263 | | 274,114 | 214,746 | 203,361 | 135,922 | 103,111 | 102,107 |
| Shareholders' equity | | | | | \$378,313 | \$282,847 | \$204,165 | | \$143,151 | \$118,498 | \$109,870 | \$88,463 | \$70,947 | \$70,231 |
| Average float (rounded) | \$253,200 | \$231,300 | \$220,600 | \$228,400 | \$237,000 | \$227,300 | \$190,400 | | \$190,400 | \$139,000 | \$139,000 | \$102,600 | \$87,600 | \$79,100 |

Sources: Berkshire Hathaway Annual Reports, 1974–1984; 1992 (float data).

Table 4.47: Berkshire Hathaway Insurance Group statements of income, 1974–1984

| | Restated | | | | | | | | | | Restated | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|-----------|----------|----------|----------|
| | 1984 | 1983 | 1982 | 1981 | 1980 | 1979 | 1978 | 1977 | 1976 | 1975 | 1974 | 1977 | 1974 | | |
| Premiums written, net | \$133,558 | \$149,849 | \$149,091 | \$148,000 | \$184,864 | \$186,185 | \$198,313 | \$198,313 | \$94,773 | \$58,975 | \$60,997 | \$151,083 | \$94,773 | \$58,975 | \$60,997 |
| Premiums earned | 140,242 | 152,480 | 152,945 | 159,013 | 185,187 | 181,950 | 186,073 | 186,073 | 80,780 | 58,336 | 60,374 | 136,890 | 80,780 | 58,336 | 60,374 |
| Losses and loss expenses incurred | 141,550 | 134,109 | 121,996 | 103,416 | 118,230 | 120,338 | 132,263 | 132,263 | 55,376 | 47,238 | 47,120 | 91,585 | 55,376 | 47,238 | 47,120 |
| Underwriting expenses | 46,752 | 52,243 | 52,508 | 54,119 | 60,219 | 57,870 | 50,809 | 50,809 | 24,694 | 21,745 | 20,346 | 39,122 | 24,694 | 21,745 | 20,346 |
| Total losses and expenses | 188,302 | 186,352 | 174,504 | 157,535 | 178,449 | 178,208 | 183,072 | 183,072 | 80,071 | 68,983 | 67,466 | 130,707 | 80,071 | 68,983 | 67,466 |
| Pre-tax underwriting gain / (loss) | (48,060) | (33,872) | (21,559) | 1,478 | 6,738 | 3,742 | 3,001 | 3,001 | 709 | (10,647) | (6,892) | 6,184 | 709 | (10,647) | (6,892) |
| Pre-tax net investment income | 68,903 | 43,810 | 41,620 | 38,823 | 30,939 | 24,224 | 19,705 | 19,705 | 10,438 | 8,441 | 7,880 | 12,282 | 10,438 | 8,441 | 7,880 |
| Operating profit before taxes, continuing operations | 20,843 | 9,938 | 20,061 | 40,301 | 37,677 | 27,966 | 22,706 | 22,706 | 11,147 | (2,206) | 988 | 18,465 | 11,147 | (2,206) | 988 |
| Realized gain (loss) on investments, net of tax | | | | 10,588 | 6,241 | 8,873 | 8,873 | 8,873 | 7,043 | (2,022) | (1,340) | 4,820 | 7,043 | (2,022) | (1,340) |
| Equity in earnings of Blue Chip Stamps | | | | 4,488 | 3,960 | 3,230 | 3,230 | 3,230 | 1,637 | 1,141 | 792 | 3,134 | 1,637 | 1,141 | 792 |
| Net Income | | | | \$47,899 | \$32,763 | \$30,128 | \$30,128 | \$30,128 | \$18,515 | \$716 | \$2,529 | \$23,407 | \$18,515 | \$716 | \$2,529 |

Sources: Berkshire Hathaway Annual Reports, 1974–1984.

Table 4.48: Berkshire Hathaway Insurance Group select ratios, 1974–1984

| (\$ thousands) | 1984 | 1983 | 1982 | 1981 | 1980 | 1979 | Restated | | Restated | | | | |
|--|---------|--------|--------|---------|--------|--------|----------|--------|----------|--------|--------|--------|--------|
| | | | | | | | 1978 | 1977 | 1978 | 1977 | 1977 | 1976 | 1975 |
| Net premiums written to average equity | | | | | 55.9% | 76.5% | 122.9% | 151.6% | 153.4% | 152.4% | 118.9% | 83.5% | 86.9% |
| Loss ratio | 100.9% | 88.0% | 79.8% | 65.0% | 63.8% | 66.1% | 71.1% | 71.1% | 67.7% | 66.9% | 68.6% | 81.0% | 77.8% |
| Expense ratio | 35.0% | 34.9% | 35.2% | 36.6% | 32.6% | 31.1% | 25.6% | 25.6% | 25.5% | 25.9% | 26.1% | 36.9% | 33.4% |
| Combined ratio | 135.9% | 122.8% | 115.0% | 101.6% | 96.4% | 97.2% | 96.7% | 96.7% | 93.2% | 92.8% | 94.6% | 117.8% | 111.1% |
| Return on average equity | | | | | 14.5% | 13.5% | 18.7% | 23.0% | 21.6% | 23.6% | 23.2% | 1.0% | 3.6% |
| Growth in premiums written, net | (10.9%) | 0.5% | 0.7% | (19.9%) | (0.7%) | (6.1%) | 25.0% | 25.0% | 67.5% | 59.4% | 60.7% | (3.3%) | 21.1% |
| Growth in premiums earned | (8.0%) | (0.3%) | (3.8%) | (14.1%) | 1.8% | (2.2%) | 30.0% | 30.0% | 77.1% | 69.5% | 38.5% | (3.7%) | 14.4% |

Sources: Berkshire Hathaway Annual Reports, 1974–1984, and author's calculations.

Table 4.49: Insurance Group select information, 1974–1984

| | <u>1984</u> | <u>1983</u> | <u>1982</u> | <u>1981</u> | <u>1980</u> | <u>1979</u> | <u>1978</u> | <u>1977</u> | <u>1976</u> | <u>1975</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Premiums written, net | \$133,558 | \$149,849 | \$149,091 | \$148,000 | \$184,864 | \$186,185 | \$198,313 | \$158,704 | \$94,773 | \$58,975 |
| <i>Premiums earned</i> | | | | | | | | | | |
| Specialized auto and general liability | 64,003 | 68,148 | 69,026 | 73,177 | 88,404 | 90,646 | 96,126 | 80,690 | 50,778 | 38,513 |
| Workers' Compensation | 22,665 | 18,849 | 15,951 | 18,193 | 19,890 | 19,350 | 29,893 | 18,916 | 5,815 | 3,632 |
| Reinsurance | 16,066 | 26,889 | 27,408 | 29,446 | 33,804 | 30,864 | 30,160 | 24,100 | 17,220 | 12,407 |
| Home State multiple lines | 32,598 | 35,328 | 37,552 | 38,197 | 43,089 | 41,089 | 29,894 | 19,382 | 11,058 | 6,670 |
| Structured settlements and portfolio reinsurance | 4,910 | 3,266 | 3,008 | | | | | | | |
| | 140,242 | 152,480 | 152,945 | 159,013 | 185,187 | 181,949 | 186,073 | 143,088 | 84,871 | 61,222 |
| Investment income | 69,291 | 44,249 | 41,791 | 39,019 | 31,111 | 24,407 | 19,944 | 13,061 | 10,975 | 8,806 |
| Insurance segment revenues | 209,533 | 196,729 | 194,736 | 198,032 | 216,298 | 206,356 | 206,017 | 156,149 | 95,846 | 70,028 |
| <i>Underwriting gain (loss), pre-tax</i> | | | | | | | | | | |
| Specialized auto and general liability | (16,049) | (14,880) | (12,647) | 3,020 | 7,395 | 7,845 | 11,543 | 7,800 | 4,768 | (7,450) |
| Workers' Compensation* | (12,560) | (1,091) | 2,658 | 2,822 | 4,870 | 5,130 | (3,944) | (1,644) | (1,093) | (342) |
| Reinsurance | (12,703) | (8,387) | (7,524) | (3,720) | (233) | (4,338) | (2,443) | (1,251) | (2,879) | (2,651) |
| Home State multiple lines | (4,101) | (8,834) | (3,949) | (644) | (5,294) | (4,895) | (2,155) | 896 | (548) | (907) |
| Structured settlements and portfolio reinsurance | (2,647) | (680) | (96) | | | | | | | |
| | (48,060) | (33,872) | (21,558) | 1,478 | 6,738 | 3,742 | 3,001 | 5,801 | 248 | (11,350) |
| Net investment income | 68,903 | 43,810 | 41,620 | 38,823 | 30,939 | 24,224 | 19,705 | 12,805 | 10,841 | 8,723 |
| Insurance segment operating profit (loss) before taxes | \$20,843 | \$9,938 | \$20,062 | \$40,301 | \$37,677 | \$27,966 | \$22,706 | \$18,606 | \$11,089 | (\$2,627) |
| Combined ratio (statutory) | 135.9% | 122.8% | 115.0% | 101.6% | 96.4% | 97.2% | 96.7% | 93.2% | 94.6% | 117.8% |

Notes:

Workers' Compensation coverage written by Home State is not broken out per the footnote to the financial statements.

The data in this table was taken from the summary of segment results section of the Annual Report and differs in some cases with figures listed in earlier reporting periods.

Sources: Berkshire Hathaway Annual Reports, 1979, 1982, 1984.

Table 4.50: The Illinois National Bank & Trust Co. of Rockford consolidated balance sheets, 1968–1979

| | 1979 | 1978 | 1977 | 1976 | 1975 | 1974 | 1973 | 1972 | 1971 | 1970 | 1969 | 1968 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| (\$ thousands) | | | | | | | | | | | | |
| Cash and due from banks | \$27,602 | \$20,232 | \$20,973 | \$10,868 | \$18,797 | \$21,544 | \$26,684 | \$22,111 | \$17,833 | \$15,157 | \$19,918 | \$23,244 |
| US Government Bonds | 42,938 | 42,938 | 42,120 | 30,499 | 39,758 | 10,615 | 11,355 | 10,615 | 12,633 | 15,129 | 11,228 | 26,922 |
| Obligations of states and political subdivisions | 63,577 | 58,696 | 58,696 | 54,002 | 46,959 | 45,858 | 47,713 | 50,163 | 42,884 | 36,627 | 36,005 | 17,803 |
| Other securities | 5,394 | 6,054 | 6,054 | 6,629 | 4,053 | 3,846 | 3,358 | 7,779 | 5,865 | 210 | 210 | 210 |
| Federal Reserve Bank stock | 300 | 300 | 300 | 300 | 300 | | | | | | | |
| Federal funds sold | 3,000 | 7,000 | 7,000 | 32,000 | | 5,000 | | | | | | |
| Investments | 104,103 | 115,209 | 114,169 | 123,430 | 91,071 | 65,319 | 62,426 | 68,556 | 61,382 | 51,966 | 47,443 | 44,936 |
| Loans, gross | 84,377 | 76,122 | 62,268 | 56,188 | 58,081 | 70,134 | 66,022 | 59,618 | 54,032 | 50,841 | 47,963 | 46,995 |
| Reserve for loan losses | | | | | | (1,164) | (1,025) | (855) | (860) | (860) | (800) | (599) |
| Loans, net | 84,377 | 76,122 | 62,268 | 56,188 | 58,081 | 70,134 | 64,859 | 58,593 | 53,177 | 49,980 | 47,163 | 46,396 |
| Bank premises and equipment | 1,820 | 1,106 | 1,022 | 896 | 967 | 1,009 | 1,117 | 1,361 | 1,523 | 1,624 | 1,825 | 1,237 |
| Accrued interest receivable and other assets | 3,097 | 3,146 | 2,720 | 2,010 | 2,555 | 2,857 | 2,156 | 1,750 | 1,252 | 1,739 | 1,040 | 896 |
| Total assets | 220,999 | 215,815 | 201,152 | 193,393 | 171,471 | 160,861 | 157,241 | 152,372 | 135,167 | 120,466 | 117,389 | 116,709 |
| Demand deposits | 58,133 | 56,978 | 56,978 | 54,875 | 53,478 | 53,178 | 55,716 | 55,130 | 51,208 | 52,478 | 58,237 | 57,677 |
| Time deposits | 127,002 | 117,890 | 117,890 | 113,462 | 93,501 | 85,519 | 81,450 | 77,558 | 64,640 | 49,095 | 41,317 | 41,408 |
| Total deposits | 187,223 | 185,134 | 174,868 | 168,337 | 146,979 | 138,697 | 137,166 | 132,688 | 115,848 | 101,573 | 99,555 | 99,085 |
| Borrowed funds ¹ | 3,367 | 2,357 | | | 1,000 | | | | | | | |
| Accrued taxes and other expenses | 2,821 | 2,413 | 1,717 | 1,628 | 1,411 | 1,223 | 835 | 887 | 814 | 679 | 638 | 783 |
| Total liabilities | 193,411 | 189,904 | 176,585 | 169,965 | 149,390 | 139,920 | 138,002 | 133,575 | 116,662 | 102,252 | 100,193 | 99,869 |
| Total capital accounts | 27,588 | 25,910 | 24,567 | 23,428 | 22,081 | 20,942 | 19,239 | 18,797 | 18,505 | 18,213 | 17,196 | 16,841 |
| Total liabilities and capital | \$220,999 | \$215,815 | \$201,152 | \$193,393 | \$171,471 | \$160,861 | \$157,241 | \$152,372 | \$135,167 | \$120,466 | \$117,389 | \$116,709 |

Footnote: 1. Amount in 1975 consists of Fed Funds.

Note: Prior to 1974 loans were presented on a gross basis as an asset, with the loss reserve presented separately as a liability. I have adjusted these years to conform to the subsequent presentation, therefore, the total assets figure differs from that presented in the financial statements.

Sources: Berkshire Hathaway Annual Reports, 1968–1979.

Table 4.51: The Illinois National Bank & Trust Co. of Rockford consolidated statements of income, 1968–1979

| | 1979 | 1978 | 1977 | 1976 | 1975 | 1974 | 1973 | 1972 | 1971 | 1970 | 1969 | 1968 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| (\$ thousands) | | | | | | | | | | | | |
| Interest and fees on loans | \$6,480 | \$5,480 | \$5,093 | \$5,712 | \$6,608 | \$5,316 | \$4,134 | \$4,006 | \$4,130 | \$3,820 | \$3,431 | \$3,431 |
| Income on federal funds sold | 298 | 288 | 225 | 214 | 361 | 237 | 110 | 109 | 317 | 392 | 320 | 320 |
| Interest and dividends on: | | | | | | | | | | | | |
| United States government obligations and agencies | 3,270 | 2,271 | 2,491 | 1,615 | 942 | 632 | 598 | 708 | 569 | 1,003 | 1,420 | 1,420 |
| Obligations of states and political subdivisions | 4,032 | 3,848 | 3,255 | 2,853 | 2,798 | 2,796 | 2,677 | 2,094 | 1,717 | 1,155 | 532 | 532 |
| Time deposits with other banks | | | | 204 | | | | | | | | |
| Federal Reserve Bank stock | 18 | 18 | 18 | 18 | | | | | | | | |
| Other Securities | 484 | 577 | 501 | 253 | 284 | 343 | 524 | 228 | 13 | | | |
| Total interest income | 18,196 | 14,582 | 12,481 | 11,583 | 10,868 | 10,993 | 9,324 | 8,044 | 7,145 | 6,745 | 6,371 | 5,702 |
| Interest on deposits | 7,387 | 6,600 | 5,880 | 5,191 | 4,954 | 4,295 | 3,419 | 2,733 | 2,029 | 1,695 | 1,493 | 1,493 |
| Interest on federal funds purchased | 2 | 2 | 4 | 4 | 14 | 55 | 3 | 2 | 4 | 13 | 3 | 3 |
| Interest on borrowed funds | 36 | | | | | | | | | | | |
| Interest expense | 9,605 | 7,425 | 6,602 | 5,884 | 5,195 | 4,968 | 4,351 | 3,422 | 2,734 | 2,032 | 1,707 | 1,496 |
| Net interest income | 8,591 | 7,157 | 5,879 | 5,700 | 5,673 | 6,024 | 4,973 | 4,622 | 4,410 | 4,713 | 4,663 | 4,206 |
| Provision for loan losses | 108 | 60 | 16 | 12 | 12 | 19 | 16 | 37 | 36 | 52 | 62 | 66 |
| Net interest income after provision for loan losses | 8,483 | 7,097 | 5,863 | 5,688 | 5,662 | 6,005 | 4,957 | 4,585 | 4,375 | 4,661 | 4,602 | 4,141 |
| Trust department | 710 | 637 | 547 | 503 | 434 | 451 | 385 | 336 | 280 | 343 | 339 | 339 |
| Service charges on deposit accounts | 76 | 116 | 149 | 134 | 139 | 130 | 127 | 137 | 152 | 220 | 220 | 199 |
| Other | 376 | 577 | 635 | 583 | 560 | 500 | 411 | 307 | 354 | 248 | 248 | 250 |
| Other income | 1,208 | 1,162 | 1,330 | 1,220 | 1,133 | 1,080 | 924 | 780 | 786 | 811 | 789 | 789 |
| Salaries | | 1,676 | 1,643 | 1,552 | 1,503 | 1,367 | 1,352 | 1,298 | 1,298 | 1,159 | 1,073 | 1,073 |
| Pensions, profit sharing, and other employee benefits | | 349 | 293 | 247 | 263 | 239 | 138 | 151 | 114 | 114 | 137 | 137 |
| Salaries and employee benefits | | 2,025 | 1,936 | 1,798 | 1,766 | 1,605 | 1,489 | 1,450 | 1,273 | 1,210 | 1,210 | 1,210 |
| Net occupancy expense of bank premises | 311 | 269 | 259 | 247 | 257 | 248 | 253 | 264 | 289 | 272 | 260 | 235 |
| Equipment rentals, depreciation, and maintenance | 212 | 215 | 233 | 246 | 248 | 253 | 264 | 289 | 272 | 260 | 235 | 235 |
| Other | 739 | 812 | 838 | 766 | 592 | 767 | 645 | 681 | 661 | 558 | 497 | 497 |
| Total non-interest expense | 3,944 | 3,436 | 3,393 | 3,355 | 3,195 | 2,896 | 3,204 | 2,829 | 2,818 | 2,742 | 2,392 | 2,267 |
| Earnings before income taxes and securities gains (losses) | 5,747 | 4,822 | 3,800 | 3,663 | 3,686 | 4,242 | 2,833 | 2,680 | 2,337 | 2,705 | 3,020 | 2,662 |
| Income taxes | 601 | 459 | 429 | 108 | 172 | 220 | 61 | 0 | 109 | 484 | 1,039 | 1,110 |
| Earnings before securities gains (losses) | 5,146 | 4,363 | 3,371 | 3,555 | 3,514 | 4,022 | 2,772 | 2,680 | 2,228 | 2,221 | 1,981 | 1,551 |
| Securities gains or (losses) net of applicable income taxes ¹ | (68) | (20) | 269 | 292 | 52 | 168 | 34 | 84 | 26 | 189 | (372) | 110 |
| Net income ² | \$5,078 | \$4,343 | \$3,640 | \$3,847 | \$3,567 | \$4,190 | \$2,806 | \$2,764 | \$2,254 | \$2,410 | \$1,608 | \$1,661 |

Footnotes: 1. 1973: Included is \$43 gain on sale of real estate, net of tax. 2. 1970: Net income is presented before a \$633 tax benefit from parent.

Sources: Berkshire Hathaway Annual Reports, 1968–1979.

Table 4.52: The Illinois National Bank & Trust Co. of Rockford select data and ratios, 1968–1979

| (\$ thousands) | 1979 | 1978 | 1977 | 1976 | 1975 | 1974 | 1973 | 1972 | 1971 | 1970 | 1969 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Average loans | \$80,249 | \$69,195 | \$59,228 | \$57,135 | \$64,107 | \$70,134 | \$61,726 | \$55,885 | \$51,579 | \$48,572 | \$46,780 |
| Average assets | \$218,407 | \$208,483 | \$197,272 | \$182,432 | \$166,166 | \$160,861 | \$154,806 | \$143,770 | \$127,816 | \$118,927 | \$117,049 |
| Average total deposits | \$186,179 | \$180,001 | \$171,603 | \$157,658 | \$142,838 | \$138,697 | \$134,927 | \$124,268 | \$108,711 | \$100,564 | \$99,320 |
| Average equity | \$26,749 | \$25,239 | \$23,998 | \$22,754 | \$21,511 | \$20,942 | \$19,018 | \$18,651 | \$18,359 | \$17,704 | \$17,018 |
| Average loans to average assets | 36.7% | 33.2% | 30.0% | 31.3% | 38.6% | 43.6% | 39.9% | 38.9% | 40.4% | 40.8% | 40.0% |
| Average loans to average deposits | 43.1% | 38.4% | 34.5% | 36.2% | 44.9% | 50.6% | 45.7% | 45.0% | 47.4% | 48.3% | 47.1% |
| Average capital ratio | 12.2% | 12.1% | 12.2% | 12.5% | 12.9% | 13.0% | 12.3% | 13.0% | 14.4% | 14.9% | 14.5% |
| Pre-tax operating return on average assets | 2.63% | 2.31% | 1.93% | 2.01% | 2.22% | 2.64% | 1.83% | 1.86% | 1.83% | 2.27% | 2.58% |
| Pre-tax operating return on average deposits | 3.09% | 2.68% | 2.21% | 2.32% | 2.58% | 3.06% | 2.10% | 2.16% | 2.15% | 2.69% | 3.04% |
| Pre-tax operating income / average equity | 21.5% | 19.1% | 15.8% | 16.1% | 17.1% | 20.3% | 14.9% | 14.4% | 12.7% | 15.3% | 17.7% |
| After-tax operating income / average equity | 19.2% | 17.3% | 14.0% | 15.6% | 16.3% | 19.2% | 14.6% | 14.4% | 12.1% | 12.5% | 11.6% |
| Efficiency ratio ¹ | 40% | 41% | 47% | 48% | 46% | 40% | 53% | 51% | 54% | 50% | 44% |
| Interest income / average assets | 8.33% | 6.99% | 6.33% | 6.35% | 6.54% | 6.83% | 6.02% | 5.59% | 5.59% | 5.67% | 5.44% |
| Interest expense / average deposits ² | 5.08% | 4.10% | 3.85% | 3.72% | 3.62% | 3.58% | 3.22% | 2.75% | 2.52% | 2.02% | 1.72% |
| Net interest margin | 3.25% | 2.90% | 2.48% | 2.63% | 2.92% | 3.25% | 2.80% | 2.84% | 3.07% | 3.65% | 3.72% |
| Provision for loan losses / avg. loans | 0.13% | 0.09% | 0.03% | 0.02% | 0.02% | 0.03% | 0.03% | 0.07% | 0.07% | 0.11% | 0.13% |
| After-tax operating return on average assets | 2.36% | 2.09% | 1.71% | 1.95% | 2.11% | 2.50% | 1.79% | 1.86% | 1.74% | 1.87% | 1.69% |

Footnotes:

1. Efficiency ratio is the ratio of non-interest expense divided by the sum of net interest income and non-interest income.
2. Average deposits includes borrowed funds in the years applicable.

Sources: Berkshire Hathaway Annual Reports 1968–1979.

| | | | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <i>...Continued from prior page</i> | | | | | | | | | | | |
| Sales of securities and unusual sales of assets | 91,332 | 546,422 | 89,937 | 192,478 | 33,989 | 223,810 | 131,671 | 27,319 | 216,242 | 468,903 | 104,699 |
| Decline in value of USAir Preferred Stock | (268,500) | | | | | | | | | | |
| Total earnings - all entities (pre-tax) | 662,197 | 1,189,718 | 550,617 | 592,986 | 516,466 | 617,224 | 550,121 | 308,238 | 412,099 | 613,356 | 200,549 |
| Income tax and minority interest ⁶ | (167,399) | (501,597) | (143,332) | (153,078) | (122,373) | (169,747) | (150,851) | (73,686) | (129,738) | (177,541) | (51,653) |
| Total earnings - all entities (after tax) | \$494,798 | \$688,121 | \$407,285 | \$439,908 | \$394,093 | \$447,477 | \$399,270 | \$234,552 | \$282,361 | \$435,815 | \$148,896 |

Footnotes:

1. Fechheimer was acquired on June 3, 1986.
2. H.H. Brown acquired July 1, 1991; includes Lowell and Dexter beginning in 1993. Dexter acquired on November 7, 1993.
3. Includes Wesco-Parent, Mutual Savings and Loan, and Precision Steel.
4. Excludes interest expense of Scott Fetzer Financial Group; includes prepayment penalties.
5. Other includes Associated Retail, Textiles, and Blue Chip Stamps-Parent.
6. Imputed from the difference between the reported pre-tax and after-tax earnings figures.

Note: This table presents the company-level pre-tax operating earnings for each company. The presentation in the discussion of the prior decade used Berkshire's share of pre-tax earnings. Readers comparing the year 1984 as presented in this table with the presentation from the prior decade will notice a difference in the earnings for entities in which Berkshire did not have 100% ownership.

Sources: Berkshire Hathaway Annual Reports 1985–1994 and author's calculations.

Table 5.41: Berkshire Hathaway, select parent-level financial information

| (\$ thousands, except per share data) | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 | 1986 | 1985 |
|---|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| <i>Revenues:</i> | | | | | | | | | | |
| Sales and service revenues | \$2,351,918 | \$1,962,862 | \$1,774,436 | \$1,651,134 | \$1,580,074 | \$1,526,459 | \$1,407,642 | \$1,326,829 | \$1,219,252 | \$504,872 |
| Insurance premiums earned | 923,180 | 650,726 | 664,293 | 776,413 | 591,540 | 394,279 | 584,235 | 824,895 | 823,884 | 317,059 |
| Interest and dividend income | 426,094 | 354,028 | 364,895 | 347,293 | 317,095 | 331,452 | 314,251 | 237,319 | 181,992 | 144,722 |
| Income from investment in Salomon, Inc | 30,058 | 63,000 | 63,000 | 63,000 | 63,000 | 0 | 0 | 0 | 0 | 0 |
| Income from finance businesses | 24,885 | 22,226 | 20,696 | 19,475 | 13,498 | 0 | 0 | 0 | 0 | 0 |
| Sundry | 91,332 | 546,422 | 89,937 | 192,478 | 33,989 | 7,892 | 27,094 | 13,901 | 6,316 | 1,930 |
| Realized investment gain | \$3,847,467 | \$3,599,264 | \$2,977,257 | \$3,049,793 | \$2,599,196 | \$2,483,892 | \$2,431,782 | \$2,431,782 | \$2,452,208 | \$1,463,638 |
| Total revenues | \$433,659 | \$402,403 | \$347,726 | \$315,753 | \$370,745 | \$299,902 | \$313,441 | \$214,746 | \$131,464 | \$92,948 |
| <i>Earnings:</i> | | | | | | | | | | |
| Before realized investment gain and cumulative effect of accounting change ¹ | 61,139 | 356,702 | 59,559 | 124,155 | 23,348 | 147,575 | 85,829 | 19,806 | 150,897 | 342,867 |
| Realized investment gain | | | | | | | | | | |
| Cumulative effect of change in accounting for income taxes | 0 | (70,984) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net earnings | \$494,798 | \$688,121 | \$407,285 | \$439,908 | \$394,093 | \$447,477 | \$399,270 | \$234,552 | \$282,361 | \$435,815 |
| <i>Year-end data:</i> | | | | | | | | | | |
| Total assets | \$21,338,182 | \$19,520,469 | \$17,131,998 | \$14,461,902 | \$10,670,423 | \$9,459,594 | \$6,816,848 | \$5,863,235 | \$4,931,354 | \$3,480,789 |
| Borrowings under investment agreements and other debt ² | 810,719 | 972,389 | 1,154,697 | 1,100,464 | 1,082,265 | 1,007,516 | 480,009 | 289,886 | 260,170 | 117,879 |
| Shareholders' equity | 11,874,882 | 10,428,374 | 8,896,331 | 7,379,918 | 5,287,454 | 4,925,126 | 3,410,108 | 2,841,659 | 2,377,797 | 1,885,330 |
| Common shares outstanding (000's) | 1,178 | 1,178 | 1,149 | 1,146 | 1,146 | 1,146 | 1,146 | 1,147 | 1,147 | 1,147 |
| Shareholders' equity per outstanding share | 10,083 | 8,854 | 7,745 | 6,437 | 4,612 | 4,296 | 2,975 | 2,477 | 2,073 | 1,644 |

Footnotes:

1. 1994: Includes \$172,579 USAir write-down (\$146.52/sh). 1993: Includes \$75,348 charge due to the change in federal income tax rate.
2. Excludes borrowings of finance businesses.

Note: Data taken from 1994 (1990–1994) and 1989 (1985–1989) Annual Reports to maintain consistency with the reporting for each five-year period. Slight differences exist for any particular year depending on the report year.

Sources: Berkshire Hathaway Annual Reports 1989, 1994.

Table 5.42: Berkshire Hathaway consolidated reconciliation of shareholders' equity, 1985–1994

| | <u>1994</u> | <u>1993</u> | <u>1992</u> | <u>1991</u> | <u>1990</u> | <u>1989</u> | <u>1988</u> | <u>1987</u> | <u>1986</u> | <u>1985</u> |
|---|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Prior Year Equity | \$10,428,374 | \$8,896,331 | \$7,379,918 | \$5,287,454 | \$4,925,126 | \$3,410,108 | \$2,841,659 | \$2,377,797 | \$1,885,330 | \$1,271,761 |
| Current Year Net Income / (Loss) | 494,798 | 688,121 | 407,285 | 439,908 | 394,093 | 447,477 | 399,270 | 234,552 | 282,361 | 435,815 |
| Change in Common ¹ | | 20 | 11 | | | | | | | |
| Change in Paid In Capital ² | | 473,810 | 24,887 | | | | | | | |
| Treasury Stock ³ | | 4,659 | | | | 0 | (1,355) | | | |
| Cumulative effect of adoption on 12/31/93 of SFAS 115 | | 171,775 | | | | | | | | |
| Change in unrealized appreciation of securities, net of tax | 951,710 | 193,658 | 1,084,230 | 1,652,556 | (31,765) | 1,067,541 | 170,534 | 229,310 | 210,106 | 177,754 |
| Ending Equity | \$11,874,882 | \$10,428,374 | \$8,896,331 | \$7,379,918 | \$5,287,454 | \$4,925,126 | \$3,410,108 | \$2,841,659 | \$2,377,797 | \$1,885,330 |

Footnotes:

- 1992: 2,162 shares issued upon conversion of Zero Coupon Convertible Subordinated Notes.
- 1993: 3,944 shares issued in conversion of Zero Coupon notes.
- 1992: \$24,887 from conversion of Zero Coupon notes.
- 1993: \$45,457 from conversion of Zero Coupon notes; \$428,353 in connection with 25,203 shares issued for Dexter Shoe acquisition.
- 1988: Value of Berkshire stock received in connection with termination of pension plans.
- 1993: Issued from Treasury in connection with Dexter Shoe acquisition.

Sources: Berkshire Hathaway Annual Reports 1985–1994.

Table 5.43: Insurance Group, select information

| | 1994 | | 1993 | | 1992 | | 1991 | | 1990 | |
|--|-----------------|---------|-----------------|---------|------------------|---------|------------------|---------|-----------------|---------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Primary Group | | | | | | | | | | |
| Premiums written | \$225.7 | | \$208.4 | | \$132.4 | | \$135.5 | | \$139.1 | |
| Premiums earned | 234.8 | 100.0% | 208.3 | 100.0% | 152.8 | 100.0% | 141.0 | 100.0% | 154.0 | 100.0% |
| Losses and loss expenses | 88.4 | 37.6% | 99.8 | 47.9% | 98.0 | 64.1% | 95.2 | 67.5% | 102.0 | 66.2% |
| Underwriting expenses | 98.1 | 41.8% | 95.8 | 46.0% | 46.8 | 30.6% | 48.3 | 34.3% | 51.5 | 33.4% |
| Total losses and expenses | 186.5 | 79.4% | 195.6 | 93.9% | 144.8 | 94.8% | 143.5 | 101.8% | 153.5 | 99.7% |
| Underwriting gain/(loss) - pre-tax | 48.3 | | 12.7 | | 8.0 | | (2.5) | | 0.5 | |
| <i>Unfavorable (favorable) loss development included in losses and loss expenses</i> | (53.9) | (23.0%) | (41.7) | (20.0%) | (36.4) | (23.8%) | (23.8) | (16.9%) | (18.3) | (11.9%) |
| Statutory combined ratio | | 81.1% | | 93.9% | | 99.5% | | 103.2% | | 103.3% |
| Reinsurance Group | | | | | | | | | | |
| Premiums written | \$689.8 | | \$528.7 | | \$607.2 | | \$667.0 | | \$435.2 | |
| Premiums earned | 688.4 | 100.0% | 442.4 | 100.0% | 511.5 | 100.0% | 635.4 | 100.0% | 437.5 | 100.0% |
| Losses and loss expenses | 476.9 | 69.3% | 350.9 | 79.3% | 589.7 | 115.3% | 731.9 | 115.2% | 432.2 | 98.8% |
| Underwriting expenses | 130.8 | 19.0% | 74.2 | 16.8% | 38.8 | 7.6% | 20.6 | 3.2% | 32.5 | 7.4% |
| Total losses and expenses | 607.7 | 88.3% | 425.1 | 96.1% | 628.5 | 122.9% | 752.5 | 118.4% | 464.7 | 106.2% |
| Underwriting gain/(loss) - pre-tax | 80.7 | | 17.3 | | (117.0) | | (117.1) | | (27.2) | |
| <i>Unfavorable (favorable) loss development included in losses and loss expenses</i> | 37.0 | 14.1% | 0.0 | 0.0% | 0.0 | 0.0% | (30.0) | (4.7%) | 0.0 | 0.0% |
| Statutory combined ratio | | 88.2% | | 93.4% | | 121.7% | | 118.3% | | 106.3% |
| Structured settlements and portfolio reinsurance | | | | | | | | | | |
| Underwriting gain/(loss) - pre-tax | <i>In above</i> | | <i>In above</i> | | <i>In above</i> | | <i>In above</i> | | <i>In above</i> | |
| Total Insurance Group underwriting gain/(loss) pre-tax | \$129.0 | | \$30.0 | | (\$109.0) | | (\$119.6) | | (\$26.7) | |
| Insurance Group overall statutory combined ratio | | 86.1% | | 92.2% | | 115.1% | | 115.1% | | 104.9% |

1. Totals may not add due to rounding.

2. The loss and expense ratios are shown as they were reported in the Annual Reports, which is on a GAAP basis. The GAAP basis ratios are calculated with underwriting expenses divided by earned premiums. This contrasts to the statutory basis calculation, where the ratio uses written premiums. In both the GAAP and statutory calculations, losses and loss adjustment expenses are divided by earned premiums.

3. In 1990, Berkshire began including structured settlements and portfolio reinsurance with reinsurance.

Sources: Berkshire Hathaway Annual Reports 1985–1994 and author's calculations.

Table 5.44: Insurance Group, select information

| | 1989 | | 1988 | | 1987 | | 1986 | | 1985 | | 1984 | |
|--|-----------------|---------|-----------------|---------|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Primary Group | | | | | | | | | | | | |
| Premiums written | \$169.7 | | \$218.8 | | \$412.7 | | \$594.6 | | \$269.1 | | \$118.1 | |
| Premiums earned | 188.9 | 100.0% | 292.3 | 100.0% | 441.6 | 100.0% | 463.1 | 100.0% | 184.3 | 100.0% | 119.3 | 100.0% |
| Losses and loss expenses | 125.9 | 66.6% | 196.2 | 67.1% | 338.6 | 76.7% | 347.5 | 75.0% | 140.0 | 76.0% | 110.5 | 92.6% |
| Underwriting expenses | 58.8 | 31.1% | 78.7 | 26.9% | 105.8 | 24.0% | 112.1 | 24.2% | 52.5 | 28.5% | 41.6 | 34.9% |
| Total losses and expenses | 184.7 | 97.8% | 274.8 | 94.0% | 444.4 | 100.6% | 459.6 | 99.2% | 192.5 | 104.4% | 152.1 | 127.5% |
| Underwriting gain/(loss) - pre-tax | 4.2 | | 17.5 | | (2.7) | | 3.5 | | (8.1) | | (32.9) | |
| <i>Unfavorable (favorable) loss development included in losses and loss expenses</i> | (20.0) | (10.6%) | (29.1) | (10.0%) | (9.4) | (2.1%) | 16.0 | 3.5% | 0.1 | 0.0% | 8.1 | 6.8% |
| Statutory combined ratio | | 101.3% | | 103.1% | | 102.3% | | 93.9% | | 95.5% | | 127.9% |
| Reinsurance Group | | | | | | | | | | | | |
| Premiums written | \$66.0 | | \$203.3 | | \$328.0 | | \$398.4 | | \$178.5 | | \$10.5 | |
| Premiums earned | 146.8 | 100.0% | 229.3 | 100.0% | 372.8 | 100.0% | 344.4 | 100.0% | 82.9 | 100.0% | 16.1 | 100.0% |
| Losses and loss expenses | 109.4 | 74.5% | 170.5 | 74.3% | 287.6 | 77.2% | 282.6 | 82.0% | 85.7 | 103.4% | 23.7 | 147.6% |
| Underwriting expenses | 48.6 | 33.1% | 73.3 | 32.0% | 112.9 | 30.3% | 111.2 | 32.3% | 27.2 | 32.8% | 4.9 | 30.5% |
| Total losses and expenses | 158.0 | 107.6% | 243.8 | 106.3% | 400.5 | 107.4% | 393.7 | 114.3% | 112.9 | 136.2% | 28.6 | 178.2% |
| Underwriting gain/(loss) - pre-tax | (11.2) | | (14.5) | | (27.7) | | (49.4) | | (30.0) | | (12.6) | |
| <i>Unfavorable (favorable) loss development included in losses and loss expenses</i> | 0.2 | 0.1% | 0.0 | 0.0% | 4.5 | 1.2% | 21.0 | 6.1% | 19.4 | 23.5% | 9.7 | 60.2% |
| Statutory combined ratio | | 148.2% | | 110.4% | | 111.6% | | 110.0% | | 118.6% | | 194.2% |
| Structured settlements and portfolio reinsurance | | | | | | | | | | | | |
| Underwriting gain/(loss) - pre-tax | (17.4) | | (14.1) | | (25.0) | | (10.0) | | (6.1) | | (2.6) | |
| Total Insurance Group underwriting gain/(loss) pre-tax | (\$24.4) | | (\$11.1) | | (\$55.4) | | (\$55.8) | | (\$44.2) | | (\$48.1) | |
| Insurance Group overall statutory combined ratio | | 115.4% | | 107.4% | | 109.3% | | 101.8% | | 104.7% | | 135.9% |

1. Totals may not add due to rounding.
2. The loss and expense ratios are shown as they were reported in the Annual Reports, which is on a GAAP basis. The GAAP basis ratios are calculated with underwriting expenses divided by earned premiums. This contrasts to the statutory basis calculation, where the ratio uses written premiums. In both the GAAP and statutory calculations, losses and loss adjustment expenses are divided by earned premiums.
3. In 1990, Berkshire began including structured settlements and portfolio reinsurance with reinsurance.

Sources: Berkshire Hathaway Annual Reports 1985–1994 and author's calculations.

Table 5.45: Insurance Group, income statements, 1986–1994

| | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 | 1986 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| <i>(\$ millions)</i> | | | | | | | | | |
| Premiums written | \$915.5 | \$737.1 | \$739.6 | \$802.5 | \$574.3 | \$296.1 | \$484.7 | \$751.3 | \$1,009.4 |
| Premiums earned | \$923.2 | \$650.7 | \$664.3 | \$776.4 | \$591.5 | \$394.3 | \$584.2 | \$824.9 | \$823.9 |
| Losses and loss expenses | 564.3 | 450.7 | 687.6 | 827.2 | 534.2 | 309.4 | 437.7 | 661.1 | 655.8 |
| Underwriting expenses | 229.0 | 169.1 | 85.7 | 68.8 | 83.9 | 109.3 | 157.6 | 219.2 | 224.0 |
| Total losses and expenses | 793.3 | 619.8 | 773.3 | 896.0 | 618.1 | 418.7 | 595.3 | 880.3 | 879.7 |
| Underwriting gain (loss) pre-tax | 129.9 | 30.9 | (109.0) | (119.6) | (26.6) | (24.4) | (11.1) | (55.4) | (55.8) |
| Net investment income | 419.4 | 375.4 | 355.1 | 331.8 | 327.0 | 243.9 | 231.2 | 152.5 | 107.1 |
| Realized investment gain | 92.0 | 555.9 | 52.6 | 110.8 | 15.8 | 220.6 | 127.9 | 26.3 | 147.5 |
| Other than temporary decline in value of investment in USAir Group, Inc. Preferred Stock | (261.0) | | | | | | | | |
| Earnings before income taxes | 380.3 | 962.2 | 298.7 | 323.0 | 316.2 | 440.1 | 348.0 | 123.4 | 198.8 |
| Income tax expense (benefit) | 51.7 | 254.4 | 25.4 | 38.4 | 34.1 | 88.9 | 63.7 | (13.2) | (16.6) |
| | 328.6 | 707.8 | 273.3 | 284.6 | 282.1 | 351.2 | 284.3 | 136.6 | 215.4 |
| Minority interest | 4.3 | 4.1 | 2.6 | 2.8 | 3.0 | 4.0 | 3.6 | 1.9 | 1.3 |
| Net earnings | \$324.3 | \$703.7 | \$270.7 | \$281.8 | \$279.1 | \$347.2 | \$280.7 | \$134.7 | \$214.1 |
| Net investment income detail: | | | | | | | | | |
| Dividends | \$362.4 | \$306.7 | \$287.5 | \$244.7 | \$244.7 | \$149.9 | \$86.0 | \$31.2 | \$16.8 |
| Interest | 92.2 | 77.9 | 74.0 | 98.7 | 91.2 | 100.8 | 145.9 | 121.8 | 90.0 |
| Equity in net loss of Salomon, Inc. | (31.7) | | | | | | | | |
| Investment expenses | (3.5) | (9.2) | (6.4) | (11.6) | (8.9) | (6.8) | (0.7) | (0.5) | 0.4 |
| Total net investment income | \$419.4 | \$375.4 | \$355.1 | \$331.8 | \$327.0 | \$243.9 | \$231.2 | \$152.5 | \$107.1 |

Sources: Berkshire Hathaway Annual Reports 1988–1994.

...continued from prior page.

| | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 |
|---|------------|------------|------------|------------|-----------|-----------|-----------|-----------|
| Washington Post | | | 396.9 | 336.0 | 342.1 | 486.4 | 364.1 | 323.1 |
| Other | 3,890.4 | 2,873.6 | 86.9 | 91.9 | 232.9 | 63.1 | 498.6 | 215.1 |
| <i>Preferred Stocks:</i> | | | | | | | | |
| American Express Company | | | 290.5 | 247.5 | | | | |
| First Empire State Corp. | | | 68.0 | 50.0 | | | | |
| Other | | | 53.2 | 31.1 | 72.6 | 23.5 | 8.6 | 4.4 |
| Total investments | 17,605.1 | 14,324.5 | 13,368.3 | 10,974.7 | 8,176.0 | 7,733.2 | 5,106.3 | 4,197.4 |
| Cash and cash equivalents | 90.3 | 1,368.0 | 471.2 | 458.5 | 115.6 | 45.4 | 121.6 | 109.1 |
| Deferred costs | 468.2 | 490.6 | 529.2 | 552.5 | 364.2 | 15.0 | 45.5 | 57.2 |
| Receivables | | | 188.1 | 414.1 | 222.2 | 71.0 | 139.7 | 131.2 |
| Other | 301.9 | 290.4 | 8.0 | 2.8 | 2.3 | 2.3 | 3.3 | 24.6 |
| | \$18,465.5 | \$16,473.5 | \$14,564.8 | \$12,402.6 | \$8,880.3 | \$7,866.9 | \$5,416.3 | \$4,519.7 |
| Liabilities | | | | | | | | |
| Losses and loss adjustment expenses | \$3,430.0 | \$3,155.9 | \$2,978.5 | \$2,849.1 | \$2,050.3 | \$1,436.3 | \$1,407.2 | \$1,260.4 |
| Unearned premiums | 307.2 | 315.8 | 227.8 | 152.5 | 126.4 | 143.6 | 241.8 | 341.3 |
| Funds held under reinsurance assumed | 307.3 | 215.8 | | | | | | |
| Accounts payable, accruals and other | 255.0 | 233.6 | 379.9 | 222.1 | 226.0 | 201.0 | 85.4 | 55.7 |
| Income taxes, principally deferred | 3,209.3 | 2,944.5 | 2,476.3 | 1,908.2 | 1,099.0 | 1,136.2 | 565.3 | 471.9 |
| | 7,508.8 | 6,865.6 | 6,062.5 | 5,131.9 | 3,501.7 | 2,917.1 | 2,299.7 | 2,129.4 |
| Equity | | | | | | | | |
| Minority shareholders' | 136.5 | 124.9 | 70.4 | 56.5 | 39.8 | 35.2 | 25.0 | 21.2 |
| Berkshire shareholders' | 10,820.2 | 9,483.0 | 8,431.9 | 7,214.2 | 5,338.8 | 4,914.6 | 3,091.7 | 2,369.1 |
| | 10,956.7 | 9,607.9 | 8,502.3 | 7,270.7 | 5,378.6 | 4,949.8 | 3,116.6 | 2,390.2 |
| | \$18,465.5 | \$16,473.5 | \$14,564.8 | \$12,402.6 | \$8,880.3 | \$7,866.9 | \$5,416.3 | \$4,519.7 |
| Footnote: | | | | | | | | |
| 1. Fixed maturities at market in 1994 and amortized cost prior. | | | | | | | | |

Sources: Berkshire Hathaway Annual Reports 1988-1994.

Table 5.47: Insurance Group, key ratios and figures, 1986–1994

| <i>Ratios and key figures</i> | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 | 1986 |
|--|-------|--------|---------|--------|--------|---------|---------|---------|--------|
| Loss ratio | 61.1% | 69.3% | 103.5% | 106.5% | 90.3% | 78.5% | 74.9% | 80.1% | 79.6% |
| Expense ratio (against written premiums) | 25.0% | 22.9% | 11.6% | 8.6% | 14.6% | 36.9% | 32.5% | 29.2% | 22.2% |
| Combined ratio (statutory) | 86.1% | 92.2% | 115.1% | 115.1% | 104.9% | 115.4% | 107.4% | 109.3% | 101.8% |
| Change in premiums written | 24.2% | (0.3%) | (7.8%) | 39.7% | 94.0% | (38.9%) | (35.5%) | (25.6%) | |
| Change in premiums earned | 41.9% | (2.0%) | (14.4%) | 31.3% | 50.0% | (32.5%) | (29.2%) | 0.1% | |
| Premiums written / average equity | 8.9% | 8.1% | 9.4% | 12.7% | 11.1% | 7.3% | 17.6% | | |

Sources: Berkshire Hathaway Annual Reports 1988–1994.

Table 5.48: Manufacturing, Publishing, and Retailing Businesses: Balance sheets, 1987–1994

| <i>(\$ millions)</i> | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 |
|--------------------------------------|-----------|---------|---------|---------|---------|---------|---------|---------|
| <i>Assets</i> | | | | | | | | |
| Cash and cash equivalents | \$77.0 | \$90.4 | \$62.7 | \$67.3 | \$28.9 | \$25.2 | \$43.4 | \$36.2 |
| Accounts receivable | 308.8 | 275.9 | 230.9 | 211.3 | 184.0 | 175.6 | 150.4 | 142.0 |
| Inventories | 398.2 | 351.0 | 253.7 | 227.0 | 174.1 | 165.7 | 133.8 | 122.5 |
| Properties and equipment | 219.6 | 195.9 | 163.9 | 154.7 | 149.1 | 141.9 | 130.4 | 130.6 |
| Other | 29.8 | 36.1 | 29.9 | 18.7 | 19.7 | 18.4 | 15.7 | 22.0 |
| Total assets | \$1,033.4 | \$949.3 | \$741.1 | \$679.0 | \$555.8 | \$526.8 | \$473.6 | \$453.2 |
| <i>Liabilities</i> | | | | | | | | |
| Accounts payable, accruals and other | \$293.4 | \$257.2 | \$223.3 | \$211.2 | \$198.0 | \$214.2 | \$179.3 | \$193.6 |
| Income taxes | 30.5 | 38.5 | 40.6 | 37.0 | 38.4 | 37.9 | 47.7 | 52.3 |
| Term debt and other borrowings | 21.7 | 24.7 | 28.1 | 40.9 | 36.1 | 38.0 | 37.7 | 38.8 |
| Total liabilities | 345.6 | 320.4 | 292.0 | 289.1 | 272.5 | 290.1 | 264.7 | 284.7 |
| Equity | | | | | | | | |
| Minority shareholders' equity | 40.1 | 35.8 | 33.2 | 31.1 | 28.2 | 25.2 | 19.0 | 14.5 |
| Berkshire shareholders' equity | 647.7 | 593.1 | 415.9 | 358.8 | 255.1 | 211.5 | 189.8 | 154.1 |
| Total equity | 687.8 | 628.9 | 449.1 | 389.9 | 283.3 | 236.7 | 208.8 | 168.5 |
| Total liabilities and equity | \$1,033.4 | \$949.3 | \$741.1 | \$679.0 | \$555.8 | \$526.8 | \$473.6 | \$453.2 |

Footnote:

1. Fixed maturities at market in 1994 and amortized cost prior.

Sources: Berkshire Hathaway Annual Reports 1988–1994.

Table 5.49: Manufacturing, Publishing, and Retailing Businesses: Income statements, 1986–1994

| (\$ millions) | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 | 1986 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <i>Revenues:</i> | | | | | | | | | |
| Sales and service revenues | \$2,352.0 | \$1,962.9 | \$1,774.4 | \$1,651.1 | \$1,580.1 | \$1,526.4 | \$1,407.6 | \$1,326.8 | \$1,219.3 |
| Interest income | 9.0 | 8.0 | 7.5 | 8.5 | 6.7 | 8.4 | 6.7 | 6.8 | 7.9 |
| Sundry income | 2,361.0 | 1,970.9 | 1,781.9 | 1,661.7 | 1,588.2 | 1,537.4 | 1,416.8 | 1,334.3 | 1,228.0 |
| <i>Costs and expenses:</i> | | | | | | | | | |
| Costs of products and services sold | 1,442.9 | 1,172.5 | 1,043.6 | 933.7 | 865.6 | 838.7 | 747.8 | 699.7 | 641.9 |
| Selling, general and administrative expenses | 578.5 | 522.2 | 481.5 | 508.6 | 499.3 | 487.7 | 461.8 | 446.0 | 413.1 |
| Interest on debt | 3.7 | 3.7 | 4.6 | 4.9 | 6.5 | 6.2 | 4.9 | 6.7 | 6.1 |
| Earnings from operations before income taxes | 2,025.1 | 1,698.4 | 1,529.7 | 1,447.2 | 1,371.4 | 1,332.6 | 1,214.5 | 1,152.4 | 1,061.1 |
| Income tax expense | 335.9 | 272.5 | 252.2 | 214.5 | 216.8 | 204.8 | 202.3 | 181.9 | 167.0 |
| | 122.3 | 103.7 | 97.4 | 82.3 | 83.9 | 78.9 | 76.2 | 79.6 | 83.2 |
| Minority interest | 213.6 | 168.8 | 154.8 | 132.2 | 132.9 | 125.9 | 126.1 | 102.3 | 83.8 |
| Net earnings | 4.9 | 4.5 | 4.2 | 4.6 | 5.4 | 5.0 | 4.4 | 3.5 | 3.0 |
| | \$208.7 | \$164.3 | \$150.6 | \$127.6 | \$127.5 | \$120.9 | \$121.7 | \$98.8 | \$80.8 |

Sources: Berkshire Hathaway Annual Reports 1988–1994.

Table 5.50: Manufacturing, Publishing, and Retailing Businesses: Key ratios and figures, 1986–1994

| | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 | 1986 |
|---|-------|-------|-------|--------|-------|-------|--------|-------|-------|
| Change in revenues | 19.8% | 10.6% | 7.2% | 4.6% | 3.3% | 8.5% | 6.2% | 8.7% | |
| Change in pre-tax profit (operating income) | 23.3% | 8.0% | 17.6% | (1.1%) | 5.9% | 1.2% | 11.2% | 8.9% | |
| Gross margin | 38.7% | 40.3% | 41.2% | 43.4% | 45.2% | 45.1% | 46.9% | 47.3% | 47.4% |
| Pre-tax margin | 14.2% | 13.8% | 14.2% | 12.9% | 13.7% | 14.3% | 14.3% | 13.6% | 13.6% |
| Return on invested capital (avg.) pre-tax | 49.3% | 48.2% | 55.6% | 57.2% | 73.0% | 78.6% | 89.2% | | |
| Return on invested capital (avg.) after-tax | 31.3% | 29.9% | 34.1% | 35.2% | 44.7% | 48.3% | 55.6% | | |
| Return on average equity - pre-tax | 51.0% | 50.6% | 60.1% | 63.7% | 83.4% | 91.9% | 107.2% | | |
| Return on average equity - after tax | 32.4% | 31.3% | 36.9% | 39.3% | 51.1% | 56.5% | 66.8% | | |
| Debt/equity | 3.2% | 3.9% | 6.3% | 10.5% | 12.7% | 16.1% | 18.1% | 23.0% | |

Sources: Berkshire Hathaway Annual Reports 1988–1994; and author's calculations.

Table 5.51: Finance Businesses: Balance sheets, 1987–1994

| (\$ millions) | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| <i>Assets</i> | | | | | | | | |
| Cash and cash equivalents | \$16.0 | \$37.0 | \$64.4 | \$32.7 | \$72.9 | \$40.0 | \$63.2 | \$77.0 |
| Fixed maturity investments ¹ | 538.9 | 667.1 | 68.9 | 143.7 | 58.2 | 48.0 | 78.5 | 130.9 |
| Equity investments | | | 71.7 | 71.7 | 108.5 | 108.5 | 108.6 | 33.7 |
| Collateralized loans receivable | | | 101.9 | 100.9 | 107.4 | 153.8 | 137.0 | 139.4 |
| Installment and other receivables | 173.2 | 179.8 | 181.1 | 177.7 | 169.7 | 173.2 | 152.8 | 164.7 |
| Deferred tax assets | 6.2 | 4.2 | | | | | | |
| Other | 1.5 | 1.6 | 31.2 | 36.2 | 32.3 | 30.1 | 27.9 | 12.3 |
| | \$735.8 | \$889.7 | \$519.2 | \$562.9 | \$549.0 | \$553.6 | \$568.0 | \$558.1 |
| <i>Liabilities</i> | | | | | | | | |
| Borrowings under investment agreements and other debt | \$601.6 | \$772.7 | | | | | | |
| Savings accounts | | | \$250.9 | \$289.0 | \$286.4 | \$293.1 | \$288.5 | \$287.1 |
| Accounts payable, accruals, and other | 31.5 | 52.1 | 27.8 | 26.2 | 22.2 | 18.4 | 32.8 | 12.7 |
| Annuity reserves | 41.0 | 5.4 | | | | | | |
| Term debt and other borrowings | | | 145.1 | 154.6 | 157.1 | 159.6 | 150.2 | 157.7 |
| Income taxes | | | 0.7 | 1.5 | 1.3 | 1.5 | 1.8 | 2.8 |
| | 674.1 | 830.2 | 424.5 | 471.3 | 467.0 | 472.6 | 473.3 | 460.4 |
| <i>Equity</i> | | | | | | | | |
| Minority shareholders' | | | 12.5 | 11.8 | 10.1 | 9.7 | 9.9 | 11.3 |
| Berkshire shareholders' | 61.7 | 59.5 | 82.2 | 79.8 | 71.9 | 71.3 | 84.8 | 86.5 |
| Total | 61.7 | 59.5 | 94.7 | 91.6 | 82.0 | 81.0 | 94.7 | 97.7 |
| | \$735.8 | \$889.7 | \$519.2 | \$562.9 | \$549.0 | \$553.6 | \$568.0 | \$558.1 |
| Footnote: | | | | | | | | |
| 1. Equity securities at market; at cost prior to 1993. | | | | | | | | |
| Sources: Berkshire Hathaway Annual Reports 1988–1994. | | | | | | | | |

Table 5.52: Finance Businesses: Income statements, 1986–1994

| (\$ millions) | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 | 1986 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <i>Revenues</i> | | | | | | | | | |
| Interest and fees on loans and financed receivables | \$37.8 | \$43.6 | \$49.7 | \$53.2 | \$51.9 | \$49.4 | \$50.2 | \$47.9 | \$40.8 |
| Interest and dividends on investment securities | 35.4 | 21.0 | 16.4 | 18.3 | 18.3 | 19.2 | 20.9 | 22.7 | 19.6 |
| Annuity premiums earned | 36.0 | 5.6 | | | | | | | |
| Sundry income | 109.2 | 70.2 | 66.1 | 72.8 | 70.5 | 68.9 | 71.7 | 72.3 | 62.9 |
| <i>Expenses</i> | | | | | | | | | |
| Interest on savings accounts | | | | 18.3 | 22.0 | 21.5 | 20.8 | 20.9 | 22.4 |
| Interest on debt | | | | 14.3 | 14.3 | 13.9 | 14.1 | 15.1 | 9.2 |
| Interest expense | 35.5 | 25.2 | 25.9 | 32.6 | 36.3 | 35.4 | 34.9 | 36.0 | 31.6 |
| Annuity benefits and underwriting expenses | 37.7 | 5.6 | | | | | | | |
| General and administrative ¹ | 13.9 | 16.2 | 20.4 | 20.7 | 20.7 | 20.8 | 23.3 | 29.5 | 20.5 |
| Earnings from operations before income taxes | 87.1 | 47.0 | 46.3 | 53.3 | 57.0 | 56.2 | 58.2 | 65.5 | 52.1 |
| Income tax expense | 22.1 | 23.2 | 19.8 | 19.5 | 13.5 | 12.7 | 13.5 | 6.8 | 10.8 |
| Minority interest | 7.5 | 7.7 | 6.4 | 4.6 | 1.7 | 1.2 | 2.0 | 0.5 | 1.2 |
| Earnings before investment gain | 14.6 | 15.5 | 13.4 | 14.9 | 11.8 | 11.5 | 11.5 | 6.3 | 9.5 |
| Realized gain on divestment of preferred | 0 | 0.8 | 0.7 | 0.9 | 0.8 | 0.8 | 1.0 | 0.4 | 0.4 |
| Net earnings | 14.6 | 14.7 | 12.7 | 14.0 | 11.0 | 10.7 | 10.5 | 5.9 | 9.1 |
| | \$14.6 | \$14.7 | \$12.7 | \$18.5 | \$11.0 | \$10.7 | \$10.5 | \$5.9 | \$9.1 |

Footnote:

1. Includes \$3.6 write-off of prepaid FSLIC insurance premiums in 1987.

Sources: Berkshire Hathaway Annual Reports 1988–1994.

Table 5.53: Finance Businesses: Key ratios, 1986–1994

| | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total assets / total equity | 11.9 | 15.0 | 6.3 | 7.1 | 7.6 | 7.8 | 6.7 | 6.5 |
| Capital ratio (inverse of above) | 8.4% | 6.7% | 15.8% | 14.2% | 13.1% | 12.9% | 14.9% | 15.5% |
| Return on average assets (after tax) | 1.80% | 2.20% | 2.48% | 2.68% | 2.14% | 2.05% | 2.04% | |
| Return on average equity (after tax) | 24.1% | 21.9% | 16.5% | 19.6% | 16.5% | 14.7% | 13.4% | |

Sources: Berkshire Hathaway Annual Reports 1988–1994 and author's calculations.

Table 5.54: Non-operating activities: Balance sheets, 1987–1994

| (\$ millions) | <u>1994</u> | <u>1993</u> | <u>1992</u> | <u>1991</u> | <u>1990</u> | <u>1989</u> | <u>1988</u> | <u>1987</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Assets</i> | | | | | | | | |
| Cash and cash equivalents | \$106.2 | \$358.9 | \$595.3 | \$205.6 | \$29.9 | \$96.0 | \$38.5 | \$10.5 |
| Investments: | | | | | | | | |
| Fixed maturities: | | | | | | | | |
| Bonds | 286.8 | 0 | 127.1 | 211.2 | 326.9 | 75.0 | 2.3 | 10.6 |
| Preferred stocks | 75.8 | 81.0 | 81.0 | 81.0 | 81.0 | 81.0 | 50.0 | 50.0 |
| Equity securities | 113.0 | 232.5 | 38.1 | 38.1 | 20.1 | 11.5 | 28.3 | 11.5 |
| Unamortized goodwill and property account adjustments | 520.4 | 541.8 | 277.7 | 257.2 | 210.1 | 220.0 | 201.3 | 210.3 |
| Deferred tax assets | 8.0 | 7.7 | | | | | | |
| Other | 186.3 | 174.9 | 28.5 | 47.9 | 40.8 | 73.7 | 63.6 | 63.8 |
| | \$1,296.5 | \$1,396.8 | \$1,147.7 | \$841.0 | \$708.8 | \$557.2 | \$384.1 | \$356.7 |
| <i>Liabilities</i> | | | | | | | | |
| Accounts payable, accruals, and other | \$62.2 | \$62.8 | \$16.5 | \$34.5 | \$33.8 | \$31.6 | \$28.1 | \$18.2 |
| Income taxes | 67.3 | 59.4 | 10.5 | (3.3) | (7.8) | (24.7) | 7.6 | 2.8 |
| Borrowings under investment agreements and other debt | 799.0 | 960.2 | 1,141.0 | 1,065.0 | 1,046.2 | 809.9 | 292.1 | 93.4 |
| | 928.5 | 1,082.4 | 1,168.0 | 1,096.2 | 1,072.2 | 816.8 | 327.8 | 114.4 |
| <i>Equity</i> | | | | | | | | |
| Minority shareholders' | 22.7 | 21.6 | 13.4 | 17.7 | 15.0 | 12.7 | 12.6 | 10.3 |
| Berkshire shareholders' equity | 345.3 | 292.8 | (33.7) | (272.9) | (378.4) | (272.3) | 43.7 | 232.0 |
| Total equity | 368.0 | 314.4 | (20.3) | (255.2) | (363.4) | (259.6) | 56.3 | 242.3 |
| | \$1,296.5 | \$1,396.8 | \$1,147.7 | \$841.0 | \$708.8 | \$557.2 | \$384.1 | \$356.7 |

Sources: Berkshire Hathaway Annual Reports 1988–1994.

Table 5.55: Non-operating activities: Income statements, 1986–1994

| | <u>1994</u> | <u>1993</u> | <u>1992</u> | <u>1991</u> | <u>1990</u> | <u>1989</u> | <u>1988</u> | <u>1987</u> | <u>1986</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>(\$ millions)</i> | | | | | | | | | |
| <i>Revenues</i> | | | | | | | | | |
| Interest and dividend income | \$31.1 | \$24.3 | \$58.9 | \$60.1 | \$41.1 | \$7.2 | \$7.4 | \$7.0 | \$6.1 |
| Realized investment gain (loss) | (0.7) | (9.4) | 37.3 | 69.5 | 18.2 | 3.8 | 0 | 0 | 0 |
| Sundry income | 0 | 0 | 0 | 4.4 | 2.0 | 5.5 | 28.5 | 14.8 | 6.9 |
| | 30.4 | 14.9 | 96.2 | 134.0 | 61.3 | 16.5 | 35.9 | 21.8 | 13.0 |
| <i>Expenses</i> | | | | | | | | | |
| Corporate administration | 5.0 | 4.9 | 4.2 | 5.6 | 4.1 | 3.4 | 3.8 | 3.4 | 2.7 |
| Shareholder-designated contributions | 10.4 | 9.4 | 7.6 | 6.8 | 5.8 | 5.9 | 5.0 | 4.9 | 4.0 |
| Amortization of goodwill and property account adjustments | 22.5 | 17.1 | 12.0 | 10.0 | 9.5 | 9.4 | 9.6 | 8.4 | 12.6 |
| Interest on debt | 59.4 | 54.0 | 94.5 | 84.5 | 71.3 | 37.3 | 30.7 | 4.9 | 18.5 |
| Other (income) expense | 1.7 | (2.3) | (2.0) | 0.9 | 0.6 | 0.9 | 0.5 | 1.8 | 2.9 |
| Other than temporary decline in value of investment in USAir Group, Inc. Preferred Stock | 7.5 | | | | | | | | |
| | 106.5 | 83.1 | 116.3 | 107.8 | 91.3 | 56.9 | 49.6 | 23.4 | 40.7 |
| Loss before income taxes | (76.1) | (68.2) | (20.1) | 26.2 | (30.0) | (40.4) | (13.7) | (1.6) | (27.7) |
| Income tax expense (benefit) ¹ | (22.8) | 125.8 | 8.9 | 12.7 | (7.6) | (9.8) | (1.2) | 2.6 | (6.5) |
| Minority interest | (53.3) | (194.0) | (29.0) | 13.5 | (22.4) | (30.6) | (12.5) | (4.2) | (21.2) |
| Net loss | (0.5) | 0.6 | (2.3) | 1.5 | 1.1 | 0.6 | 1.1 | 0.7 | 0.4 |
| | (\$52.8) | (\$194.6) | (\$26.7) | \$12.0 | (\$23.5) | (\$31.2) | (\$13.6) | (\$4.9) | (\$21.6) |
| <i>Footnote:</i> | | | | | | | | | |
| 1. Includes prepayment penalty of \$5.355 in 1986 relating to called 12.75% debentures. | | | | | | | | | |

Sources: Berkshire Hathaway Annual Reports 1988–1994.

Table 6.2: Berkshire Hathaway earnings

| | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|---|-------|-------|-----------|-----------|-----------|-----------|-------|-------|-------|------|-------------------------------------|
| <i>(\$ millions)</i> | | | | | | | | | | | |
| Insurance Group: | | | | | | | | | | | |
| Underwriting - General Re | \$3 | \$145 | (\$1,393) | (\$3,671) | (\$1,254) | (\$1,184) | | | | | |
| Underwriting - Berkshire Hathaway Reinsurance Group | 417 | 1,047 | 534 | (647) | (162) | (256) | | | | | |
| Underwriting - Super-Cat | | | | | | | 154 | 283 | 167 | | |
| Underwriting - Other Reinsurance | | | | | | | (175) | (155) | (175) | | |
| Underwriting - Reinsurance ¹ | 420 | 1,192 | (859) | (4,318) | (1,416) | (1,440) | (21) | 128 | (8) | | |
| | | | | | | | | | | | <i>Not detailed in presentation</i> |
| Underwriting - GEICO | 970 | 452 | 416 | 221 | (224) | 24 | 269 | 281 | 171 | | |
| Underwriting - Other Primary | 161 | 74 | 32 | 30 | 25 | 22 | 17 | 53 | 59 | | |
| Total Underwriting | 1,551 | 1,718 | (411) | (4,067) | (1,615) | (1,394) | 265 | 462 | 222 | 21 | 130 |
| Net Investment Income | 2,824 | 3,223 | 3,050 | 2,824 | 2,773 | 2,482 | 974 | 882 | 726 | 502 | 419 |
| Apparel ² | 325 | 289 | 229 | (33) | | | | | | | |
| Building Products ³ | 643 | 559 | 516 | 461 | 34 | | | | | | |
| Finance and Financial Products Businesses | 584 | 619 | 1,016 | 519 | 530 | 125 | 205 | 28 | 23 | 21 | 22 |
| Flight Services ⁴ | 191 | 72 | 225 | 186 | 213 | 225 | 181 | 140 | 3 | | |
| McLane Company | 228 | 150 | | | | | | | | | |
| MidAmerican Energy ⁵ | 237 | 429 | 613 | 565 | 197 | | | | | | |
| Home Furnishings ⁶ | | | | | | 79 | 72 | 57 | 44 | 30 | 17 |
| Jewelry ⁷ | | | | | | 51 | 39 | 32 | 28 | 34 | |
| Retail Operations ⁸ | 163 | 165 | 166 | 175 | 175 | 130 | 111 | 89 | 72 | 64 | 17 |
| Shaw Industries ⁹ | 466 | 436 | 424 | 292 | | | | | | | |
| <i>Continued...</i> | | | | | | | | | | | |

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| | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> | <u>1996</u> | <u>1995</u> | <u>1994</u> |
|--|--|----------------|----------------|--------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|
| | <i>Consolidated back into Scott Fetzer</i> | | | | | | | | | | |
| Kirby | | | 129 | 129 | 122 | 147 | 137 | 119 | 122 | 93 | 107 |
| World Book | | | | | | | | | 59 | 50 | 42 |
| Scott Fetzer Manufacturing Group | | | | | | | | | 13 | 9 | 25 |
| Scott Fetzer (excluding finance operation) ¹⁰ | | | | | | | | | 51 | 34 | 40 |
| Buffalo News | | | | | | 55 | 53 | 56 | 50 | 47 | 54 |
| Shoe Group | | | | | | 17 | 33 | 49 | 62 | 58 | 86 |
| International Dairy Queen | | | | | | 56 | 58 | | | | |
| See's Candies | | | | | | 74 | 62 | 59 | 52 | 50 | 48 |
| Other Businesses - original presentation | | | 256 | 212 | 221 | | | | | | |
| Other Businesses ¹¹ | 465 | 486 | 385 | 341 | 343 | 349 | 343 | 283 | 286 | 249 | 294 |
| Purchase-price premium charges ¹² | | (177) | (119) | (726) | (881) | (739) | (123) | (101) | (76) | (27) | (23) |
| Interest expense ¹³ | (92) | (94) | (86) | (92) | (92) | (109) | (100) | (107) | (94) | (56) | (60) |
| Shareholder-designated contributions ¹⁴ | | | (17) | (17) | (17) | (17) | (17) | (15) | (13) | (12) | (10) |
| Other ¹⁵ | (138) | 24 | 19 | 25 | 39 | 33 | 60 | 60 | 73 | 54 | 50 |
| Operating earnings - pre-tax | 7,447 | 7,899 | 6,010 | 453 | 1,699 | 1,085 | 1,899 | 1,721 | 1,221 | 815 | 839 |
| Sales of securities and unusual sales of assets | 3,489 | 4,121 | 603 | 1,320 | 3,955 | 1,365 | 2,415 | 1,106 | 2,485 | 194 | 91 |
| Decline in Value of USAir Preferred Stock | | | | | | | | | | | (269) |
| Total Earnings - all entities (pre-tax) | 10,936 | 12,020 | 6,613 | 1,773 | 5,654 | 2,450 | 4,314 | 2,827 | 3,706 | 1,009 | 662 |
| Income tax and minority interest ¹⁶ | (3,628) | (3,869) | (2,327) | (978) | (2,326) | (893) | (1,484) | (926) | (1,217) | (284) | (167) |
| Total Earnings - all entities (after tax) | \$7,308 | \$8,151 | \$4,286 | \$795 | \$3,328 | \$1,557 | \$2,830 | \$1,901 | \$2,489 | \$725 | \$495 |

Continued...

...Continued from prior page

Footnotes:

1. Underwriting - Reinsurance: In 1999 the presentation was changed to combine Super Cat and Other Reinsurance into one category. The data above is from the notes to the financial statements from 2000.
2. Apparel: Includes Fruit of the Loom from April 30, 2002 and Garan from September 4, 2002. Also included, beginning in 2002, is the H.H. Brown Shoe Group, now containing Dexter, and Fechheimer.
3. Building Products: Includes Acme Brick from August 1, 2000; Benjamin Moore from December 18, 2000; Johns Manville from February 27, 2001; and MiTek from July 31, 2001.
4. Flight Services: FlightSafety acquired on December 23, 1996. Beginning in 1998 includes Executive Jet (acquired August 7, 1998).
5. MidAmerican Energy: MidAmerican Energy 76% owned through 2001; 80% owned thereafter. Figures from 2003 and 2004 come from the 2004 presentation, and are not comparable to those of prior years. Prior to 2003, the Sources of Reported Earnings table included Berkshire's share of MidAmerican's net income plus the interest income Berkshire earned from lending to MidAmerican. Berkshire's equity in the earnings of MidAmerican were \$429 million in 2003, \$359 million in 2002, and \$134 million in 2001.
6. Home Furnishings: Includes RC Willey beginning June 29, 1995; Star Furniture from July 1, 1997.
7. Jewelry: Includes Helzberg's beginning April 30, 1995. Jewelry was included in Other in prior years.
8. Retail Operations: Beginning in 2000, Home Furnishings and Jewelry were combined into Retail Operations.
9. Shaw Industries: Shaw Industries acquired on January 8, 2001.
10. Scott Fetzer (excluding finance operation): Prior to 1997, Kirby and World Book were segregated from other Scott Fetzer businesses.
11. Other Businesses: Beginning in 2000, The Buffalo News, the Shoe Group, International Dairy Queen, and See's were combined into Other Businesses. That presentation also re-allocated \$8 million from Other to this category for 1999 (shown above in the original 1999 presentation). CTB and Pamper Chef are included in this category beginning with their acquisitions in 2002. Beginning in 2003 Scott Fetzer began being included in this category.
12. Purchase-price price premium charges: Beginning in 2002, accounting rules changed such that goodwill was no longer amortized. In 2004, these charges were included in the Other category.
13. Interest expense: Excludes interest expense of Finance Businesses.
14. Shareholder-designated contributions: Shareholder-designated contributions were discontinued in 2003.
15. Other: Beginning in 1997, Fechheimer included in Other category. Beginning in 2001, it is included in the Other Businesses category. Other category includes General Re for 10 days in 1998. Other category in 2004 includes amortization charges.
16. Income tax and minority interest: Imputed from the difference between the reported pre-tax and after-tax earnings figures.

Note: In 2003, the Chairman's letter stopped containing the Sources of Reported Earnings table. For the years 2003 and 2004 I have used pre-tax data from the Operating Businesses segment of the 2004 Annual Report. Most categories are comparable to Buffett's tables; however, a major difference is the reporting of earnings from MidAmerican. I have used the figures Buffett presented up to 2002, and the figures from the aforementioned table in the Annual Report for years 2003 and 2004. Thus, the data from 2000–2002, and 2003–2004 are not comparable.

Sources: Berkshire Hathaway Annual Reports 1995–2004.

Table 6.40: Berkshire Hathaway—select parent-level financial information

| | 2004 | 2002 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|
| <i>(\$ millions, except per share data)</i> | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| Insurance premiums earned | \$21,085 | \$21,493 | \$19,182 | \$17,905 | \$19,343 | \$14,306 | \$5,481 | \$4,761 | \$4,118 | \$957 |
| Sales and service revenues | 43,222 | 32,098 | 16,958 | 14,507 | 7,000 | 5,918 | 4,675 | 3,615 | 3,095 | 2,756 |
| Interest, dividend, and other investment income | 2,816 | 3,098 | 2,943 | 2,765 | 2,685 | 2,314 | 1,049 | 916 | 778 | 629 |
| Interest and other revenues of finance and financial products businesses | 3,763 | 3,041 | 2,234 | 1,928 | 1,322 | 1,25 | 212 | 32 | 25 | 27 |
| Investment gains ^{1,4,5} | 3,496 | 4,129 | 918 | 1,488 | 4,499 | 1,365 | 2,415 | 1,106 | 2,484 | 194 |
| Total revenues | \$74,382 | \$63,859 | \$42,235 | \$38,593 | \$34,849 | \$24,028 | \$13,832 | \$10,430 | \$10,500 | \$4,563 |
| Earnings: | | | | | | | | | | |
| Net earnings ^{1,2,3} | \$7,308 | \$8,151 | \$4,286 | \$795 | \$3,328 | \$1,557 | \$2,830 | \$1,901 | \$2,489 | \$795 |
| Net earnings per share ^{2,3} | \$4,753 | \$5,309 | \$2,795 | \$521 | \$2,185 | \$1,025 | \$2,262 | \$1,542 | \$2,065 | \$670 |
| Year-end data⁶: | | | | | | | | | | |
| Total assets | \$188,874 | \$180,559 | \$169,544 | \$162,752 | \$135,792 | \$131,416 | \$122,237 | \$56,111 | \$43,409 | \$28,711 |
| Borrowings under investment agreements and other debt (excluding finance businesses) | | | | | | \$2,465 | \$2,385 | \$2,267 | \$1,944 | \$1,062 |
| Notes payable and other borrowings of insurance and other non-finance businesses | 3,450 | 4,182 | 4,775 | 3,455 | 2,611 | | | | | |
| Notes payable and other borrowings of finance businesses | 5,387 | 4,937 | 4,513 | 9,049 | 2,168 | | | | | |
| Shareholders' equity | 85,900 | 77,596 | 64,037 | 57,950 | 61,724 | 57,761 | 57,403 | 31,455 | 23,427 | 16,739 |
| Common shares outstanding, in thousands ⁷ | 1,539 | 1,537 | 1,535 | 1,528 | 1,526 | 1,521 | 1,519 | 1,234 | 1,232 | 1,194 |
| Shareholders' equity per outstanding share | \$55,824 | \$50,498 | \$41,727 | \$37,920 | \$40,442 | \$37,987 | \$37,801 | \$25,488 | \$19,011 | \$14,025 |

Footnotes:

1. After-tax investment gains were as follows:
2. Includes pre-tax underwriting loss of \$2.4 billion (\$1.5 billion after-tax; \$982 after-tax per A-share) in connection with the September 11, 2001 terrorist attack.
3. Beginning in 2002 goodwill was no longer amortized. Amortization charges after-tax relating to goodwill were \$636 million (\$416 per share) and \$548 million (\$360 per share) in 2001 and 2000, respectively.
4. 1997 capital gain includes \$678 million pre-tax (\$427 million after-tax) from the acquisition of Salomon, Inc. by Travelers Group, Inc.
5. 1996 capital gain includes \$2.2 billion pre-tax (\$1.4 billion after-tax) from the acquisition of Capital Cities/ABC, Inc. by The Walt Disney Company.
6. Year-end data for 1998 includes General Re, acquired on December 21, 1998.
7. Class A-equivalent shares.

Note: Data was taken from the 2004 (2000–2004) and 1999 (1995–1999) Annual Reports to maintain consistency with the reporting for each five-year period. Slight differences exist for any particular year depending on the report year.

Sources: Berkshire Hathaway Annual Reports 1999, 2004.

Table 6.41: Reconciliation of shareholders' equity

| | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Prior year equity ¹ | \$77,596 | \$64,037 | \$57,950 | \$61,724 | \$57,761 | \$57,403 | \$31,455 | \$23,426 | \$16,739 | \$11,652 | \$10,140 |
| Current year net income/(loss) | 7,308 | 8,151 | 4,286 | 795 | 3,328 | 1,557 | 2,830 | 1,902 | 2,489 | 795 | 553 |
| Change in common - issue 517,500 "B" shares | | | | | | | | | | | |
| Change in paid-in capital ² | 117 | 123 | 421 | 83 | 315 | 88 | 22,803 | 73 | 565 | 346 | |
| Treasury stock ² | | | | | | | 3 | | 708 | 3 | |
| Other ³ | | | | | | | | | | | |
| Change in unrealized appreciation of securities, net of tax ⁴ | 674 | 5,141 | 1,416 | (4,579) | 428 | (1,382) | 381 | 6,054 | 2,923 | 3,944 | 958 |
| Change in comprehensive income ⁵ | 205 | 144 | (36) | (73) | (108) | 95 | (69) | | | | |
| Ending equity | \$85,900 | \$77,596 | \$64,037 | \$57,950 | \$61,724 | \$57,761 | \$57,403 | \$31,455 | \$23,426 | \$16,739 | \$11,652 |

Shares outstanding at end of period

Class A 1,268,783 1,282,979 1,311,186 1,323,410 1,343,904 1,341,663 1,349,535 1,197,888 1,206,120 1,193,512 1,177,750

Class B 8,099,175 7,609,543 6,704,117 6,144,222 5,469,786 5,366,955 5,070,379 1,087,156 783,755

Total Class A-equivalent shares 1,538,756 1,536,630 1,534,657 1,528,217 1,526,230 1,520,562 1,518,548 1,234,127 1,232,245 1,193,512 1,177,750

Footnotes:

1. The beginning 1994 (ending 1993) shareholders' equity is \$288.3 million lower due to the restatement of the financials associated with the 1996 GEICO merger.

2. 1995: 15,762 shares issued in connection with acquisition of Helzberg Diamond Shops and RC Willey Home Furnishings.

1996: 17,728 "A" shares and 112,655 "B" shares issued in connection with acquisition of FlightSafety.

1997: 1,866 "A" shares and 165 "B" shares issued in connection with acquisition of Star Furniture.

1998: 272,200 "A" share-equivalents issued in connection with the General Re acquisition. Remaining 12,221 A-equivalent shares attributable to the stock portion of the International Dairy Queen and Executive Jet acquisitions. Also note that in 1998 Berkshire eliminated/retired its outstanding Treasury stock.

1999: \$88 million attributable to the exercise of stock options in connection with acquisitions.

2000: \$224 million or 3,572 A-shares issued in connection with the acquisitions of USIC and Ben Bridge. Remainder or \$91 million related to the exercise of options in connection with acquisitions and SQUARZ warrant premiums.

2001: \$83 million additional paid-in capital relating to the exercise of stock options in connection with acquisitions and SQUARZ warrant premiums.

2002: 4,505 A-shares and 7,063 B-shares issued in connection with unspecified acquisitions (\$324 million); \$97 million attributable to the exercise of options related to acquisitions and SQUARZ warrant premiums.

2003: \$123 million attributable to the exercise of stock options in connection with acquisitions and SQUARZ warrant premiums.

2004: \$117 million attributable to the exercise of stock options in connection with acquisitions and SQUARZ warrant premiums.

3. Other category included in the 1997 financial statements but not specified. Certain lines contain data that round to zero.

4. In 1998 and 1999, only the gross amounts for unrealized appreciation of investments and reclassification adjustment for appreciation included in net earnings are presented. The figures included for 1998 and 1999 use an estimated tax rate of 36%.

5. Includes foreign currency translation, transactions relating to pension plans, other, and amounts applicable to income taxes.

Sources: Berkshire Hathaway Annual Reports, 1996-2004, and author's calculations.

Table 6.42: Berkshire Hathaway Insurance Group balance sheets, 1994–2000

| (\$ millions) | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Assets | | | | | | | |
| <i>Investments</i> | | | | | | | |
| Fixed maturities at market ¹ | \$32,381 | \$30,217 | \$21,216 | \$10,028 | \$5,462 | \$1,369 | \$2,482 |
| Equity securities at market: | | | | | | | |
| American Express Company | 8,147 | 8,218 | 5,067 | 4,315 | 2,732 | 2,001 | 794 |
| Capital Cities/ABC, Inc. | | | 13,368 | 13,306 | 10,500 | 2,406 | 1,662 |
| The Coca-Cola Company | 12,159 | 11,622 | 1,489 | 2,083 | 1,680 | 7,407 | 5,138 |
| The Walt Disney Company | 0 | | 3,885 | 2,683 | 1,773 | 1,044 | 644 |
| Freddie Mac | 146 | 2,803 | | | | 2,393 | 1,678 |
| GEICO ² | | | | | | 505 | |
| McDonalds Corporation | 3,468 | 3,954 | 4,590 | 4,821 | 3,732 | 2,502 | 1,797 |
| The Gillette Company | 2,964 | 2,316 | 2,466 | 2,208 | 1,917 | 1,427 | 958 |
| Wells Fargo & Company | 12,008 | 10,256 | 8,629 | 6,526 | 3,862 | 2,363 | 2,452 |
| Other | 71,273 | 69,386 | 60,710 | 45,969 | 33,014 | 23,416 | 17,605 |
| Cash and cash equivalents | 4,700 | 2,981 | 13,081 | 516 | 514 | 2,329 | 90 |
| Deferred costs | 3,508 | 2,309 | 1,226 | 608 | 438 | 411 | 468 |
| Other | 12,808 | 9,490 | 7,745 | 1,287 | 1,022 | 315 | 302 |
| | <u>\$92,289</u> | <u>\$84,166</u> | <u>\$82,762</u> | <u>\$48,380</u> | <u>\$34,987</u> | <u>\$26,470</u> | <u>\$18,466</u> |
| Liabilities | | | | | | | |
| Losses and loss adjustment expenses | \$33,022 | \$26,802 | \$23,012 | \$6,851 | \$6,274 | \$3,699 | \$3,430 |
| Unearned premiums | 3,885 | 3,718 | 3,324 | 1,274 | 1,184 | 374 | 307 |
| Funds held under reinsurance assumed | | | | 397 | 450 | 379 | 307 |
| Accounts payable, accruals and other | 6,986 | 6,537 | 6,419 | 1,256 | 802 | 239 | 255 |
| Policyholder liabilities and other accruals | 9,729 | 9,430 | 11,432 | 10,372 | 6,612 | 5,483 | 3,209 |
| Income taxes, principally deferred | 53,622 | 46,487 | 44,187 | 20,150 | 15,321 | 10,174 | 7,509 |
| Equity | | | | | | | |
| Minority shareholders ¹ | 1,157 | 1,337 | 1,554 | 359 | 258 | 196 | 137 |
| Berkshire shareholders ¹ | 37,510 | 36,342 | 37,021 | 27,871 | 19,408 | 16,100 | 10,820 |
| | 38,667 | 37,679 | 38,575 | 28,230 | 19,666 | 16,296 | 10,957 |
| | <u>\$92,289</u> | <u>\$84,166</u> | <u>\$82,762</u> | <u>\$48,380</u> | <u>\$34,987</u> | <u>\$26,470</u> | <u>\$18,466</u> |

Footnotes:

1. Includes Salomon, Inc.

2. In 1996 GEICO became a wholly-owned subsidiary of Berkshire Hathaway.

Note: Berkshire discontinued this presentation after 2000.

Sources: Berkshire Hathaway Annual Reports 1994–2000.

Table 6.43: Berkshire Hathaway Insurance Group income statements, 1994–2000

| | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|--|----------|----------|---------|---------|---------|---------|-------|
| Premiums written | \$19,662 | \$14,667 | \$5,476 | \$4,852 | \$4,105 | \$1,024 | \$916 |
| Premiums earned | \$19,343 | \$14,306 | \$5,300 | \$4,761 | \$4,118 | \$958 | \$923 |
| Losses and loss expenses | 17,326 | 12,518 | 3,904 | 3,420 | 3,090 | 612 | 564 |
| Underwriting expenses | 3,602 | 3,182 | 1,131 | 880 | 806 | 325 | 229 |
| Total losses and expenses | 20,928 | 15,700 | 5,035 | 4,300 | 3,896 | 937 | 793 |
| Underwriting gain (loss) pre-tax | (1,585) | (1,394) | 265 | 461 | 222 | 21 | 130 |
| Net investment income | 2,811 | 2,488 | 974 | 882 | 726 | 502 | 419 |
| Realized investment gain | 3,920 | 1,364 | 2,462 | 1,059 | 2,290 | 181 | 92 |
| Other than temporary decline in value of investment in USAir Group, Inc. Preferred Stock | | | | | | | (261) |
| Earnings before income taxes | 5,146 | 2,458 | 3,701 | 2,403 | 3,238 | 703 | 380 |
| Income tax expense (benefit) | 1,604 | 672 | 1,186 | 705 | 1,007 | 149 | 52 |
| | 3,542 | 1,786 | 2,515 | 1,698 | 2,232 | 554 | 329 |
| Minority interest | 230 | 35 | 17 | 15 | 8 | 8 | 4 |
| Net earnings | \$3,312 | \$1,751 | \$2,498 | \$1,683 | \$2,224 | \$547 | \$324 |
| Net investment income detail: | | | | | | | |
| Dividends | \$493 | \$476 | \$363 | \$458 | \$418 | \$385 | \$362 |
| Interest | 2,340 | 2,030 | 621 | 431 | 322 | 100 | 92 |
| Equity in net income(loss) of Salomon, Inc. | (22) | (18) | (10) | (6) | (14) | (1) | (4) |
| Investment expenses | | | | | | | |
| Total net investment income | \$2,811 | \$2,488 | \$974 | \$882 | \$726 | \$502 | \$419 |

Sources: Berkshire Hathaway Annual Reports 1994–2000.

Table 6.44: Berkshire Hathaway Insurance Group key ratios and figures, 1994–2000

| | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|--|--------|--------|-------|-------|--------|-------|-------|
| Loss ratio | 89.6% | 87.5% | 73.7% | 71.8% | 75.0% | 63.9% | 61.1% |
| Expense ratio (against written premiums) | 18.3% | 21.7% | 20.7% | 18.1% | 19.6% | 31.7% | 25.0% |
| Combined ratio (statutory) | 107.9% | 109.2% | 94.3% | 90.0% | 94.7% | 95.6% | 86.1% |
| GAAP combined ratio | 108.2% | 109.7% | 95.0% | 90.3% | 94.6% | 97.9% | 85.9% |
| Change in premiums written | 34.1% | 167.8% | 12.9% | 18.2% | 300.8% | 11.9% | 24.2% |
| Change in premiums earned | 35.2% | 169.9% | 11.3% | 15.6% | 330.1% | 3.7% | 41.9% |
| Premiums written / average equity | 51.5% | 38.5% | 16.4% | 20.3% | 22.8% | 7.5% | 8.4% |

Sources: Berkshire Hathaway Annual Reports 1994–2000 and author's calculations.

Note: The following table was broken up into multiple sections and spans several pages

Table 6.45: Berkshire Hathaway—insurance underwriting detail

| | 2004 | | 2003 | | 2002 | | 2001 | | 2000 | |
|---|---------|--------|---------|--------|-----------|--------|-----------|--------|-----------|--------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| GEICO Corporation | | | | | | | | | | |
| Premiums written | \$9,212 | 100.0% | \$8,081 | 100.0% | \$6,963 | 100.0% | \$6,176 | 100.0% | \$5,778 | 100.0% |
| Premiums earned | 8,915 | 100.0% | 7,784 | 100.0% | 6,670 | 100.0% | 6,060 | 100.0% | 5,610 | 100.0% |
| Losses and loss expenses | 6,360 | 71.3% | 5,955 | 76.5% | 5,137 | 77.0% | 4,842 | 79.9% | 4,809 | 85.7% |
| Underwriting expenses | 1,585 | 17.8% | 1,377 | 17.7% | 1,117 | 16.7% | 997 | 16.5% | 1,025 | 18.3% |
| Total losses and expenses | 7,945 | 89.1% | 7,332 | 94.2% | 6,254 | 93.8% | 5,839 | 96.4% | 5,834 | 104.0% |
| Underwriting gain (loss) - pre-tax | \$970 | | \$452 | | \$416 | | \$221 | | (\$224) | |
| Statutory combined ratio | 88.5% | | 93.5% | | 93.1% | | 96.0% | | 103.5% | |
| General Re | | | | | | | | | | |
| Premiums written: | | | | | | | | | | |
| North American property/casualty | \$2,747 | | \$3,440 | | \$3,975 | | \$4,172 | | \$3,517 | |
| International property/casualty | 2,091 | | 2,742 | | 2,647 | | 2,553 | | 3,036 | |
| Life/health | 2,022 | | 1,839 | | 1,899 | | 2,005 | | 2,263 | |
| Total Gen Re premiums written | \$6,860 | | \$8,021 | | \$8,521 | | \$8,730 | | \$8,816 | |
| Premiums earned: | | | | | | | | | | |
| North American property/casualty | \$3,012 | | \$3,551 | | \$3,967 | | \$3,968 | | \$3,389 | |
| International property/casualty | 2,218 | | 2,847 | | 2,647 | | 2,397 | | 3,046 | |
| Life/health | 2,015 | | 1,847 | | 1,886 | | 1,988 | | 2,261 | |
| Total Gen Re premiums earned | \$7,245 | | \$8,245 | | \$8,500 | | \$8,355 | | \$8,696 | |
| Underwriting gain (loss) pre-tax: | | | | | | | | | | |
| North American property/casualty | \$11 | 99.6% | \$67 | 98.1% | (\$1,019) | 125.7% | (\$2,843) | 171.6% | (\$656) | 119.4% |
| International property/casualty | (93) | 104.2% | 20 | 99.3% | (319) | 112.1% | (746) | 131.1% | (518) | 117.0% |
| Life/health | 85 | 95.8% | 58 | 96.9% | (55) | 102.9% | (82) | 104.1% | (80) | 103.5% |
| Total Gen Re underwriting gain (loss) - pre-tax | \$3 | 100.0% | \$145 | 98.2% | (\$1,393) | 116.4% | (\$3,671) | 143.9% | (\$1,254) | 114.4% |

Note: GAAP combined ratio shown in %.

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| | 2004 | | 2003 | | 2002 | | 2001 | | 2000 | |
|---|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Berkshire Hathaway Reinsurance Group | | | | | | | | | | |
| (\$ millions) | | | | | | | | | | |
| Premiums earned: | | | | | | | | | | |
| Catastrophe and individual risk | \$1,462 | | \$1,330 | | \$1,283 | | \$553 | | \$321 | |
| Retroactive reinsurance | 188 | | 526 | | 407 | | 1,993 | | 3,944 | |
| Quota share | | | | | 1,289 | | 220 | | 22 | |
| Other | 2,064 | | 2,574 | | 321 | | 225 | | 425 | |
| Total BHRG premiums earned | \$3,714 | | \$4,430 | | \$3,300 | | \$2,991 | | \$4,712 | |
| Underwriting gain (loss) pre-tax: | | | | | | | | | | |
| Catastrophe and individual risk | \$385 | 73.7% | \$1,108 | 16.7% | \$1,006 | 21.6% | (\$150) | 127.1% | \$196 | 38.9% |
| Retroactive reinsurance | (412) | 319.1% | (387) | 173.6% | (446) | 209.6% | (371) | 118.6% | (191) | 104.8% |
| Quota share | | | | | (86) | 106.7% | (57) | 125.9% | (3) | 113.6% |
| Other | 444 | 78.5% | 326 | 87.3% | 60 | 81.3% | (69) | 130.7% | (164) | 138.6% |
| Total BHRG underwriting gain (loss) - pre-tax | \$417 | 88.8% | \$1,047 | 76.4% | \$534 | 83.8% | (\$647) | 121.6% | (\$162) | 103.4% |
| Note: GAAP combined ratio shown in %. | | | | | | | | | | |
| BHRG - Combined | | | | | | | | | | |
| Premiums written | | | | | | | | | | |
| Premiums earned | 3,714 | 100.0% | 4,430 | 100.0% | 3,300 | 100.0% | 2,991 | 100.0% | 4,712 | 100.0% |
| Losses and loss expenses | | | | | | | | | | |
| Underwriting expenses | | | | | | | | | | |
| Total losses and expenses | 3,297 | 88.8% | 3,383 | 76.4% | 2,766 | 83.8% | 3,638 | 121.6% | 4,874 | 103.4% |
| Underwriting gain (loss) - pre-tax | \$417 | | \$1,047 | | \$534 | | (\$647) | | (\$162) | |
| Berkshire Hathaway Primary Group | | | | | | | | | | |
| (\$ millions) | | | | | | | | | | |
| Premiums written | | | | | | | | | | |
| Premiums earned ¹ | 1,211 | 100.0% | 1,034 | 100.0% | 712 | 100.0% | 501 | 100.0% | 325 | 100.0% |
| Losses and loss expenses | | | | | | | | | | |
| Underwriting expenses | | | | | | | | | | |
| Total losses and expenses | 1,050 | 86.7% | 960 | 92.8% | 680 | 95.5% | 471 | 94.0% | 300 | 92.3% |
| Underwriting gain (loss) - pre-tax | \$161 | | \$74 | | \$32 | | \$30 | | \$25 | |
| Aggregate adverse (favorable) loss development ² | \$419 | 2.0% | \$480 | 2.2% | \$1,540 | 8.0% | \$1,165 | 6.5% | \$211 | 1.1% |

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| | 1999 | | 1998 | | 1997 | | 1996 | | 1995 | | 1994 | |
|---|-----------|--------|---------|--------|---------|--------|---------|--------|---------|--------|--------|---|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| GEICO Corporation | | | | | | | | | | | | |
| Premiums written | \$4,953 | | \$4,182 | | \$3,588 | | \$3,122 | | \$2,856 | | | |
| Premiums earned | 4,757 | 100.0% | 4,033 | 100.0% | 3,482 | 100.0% | 3,092 | 100.0% | 2,787 | 100.0% | | |
| Losses and loss expenses | 3,815 | 80.2% | 2,978 | 73.8% | 2,630 | 75.5% | 2,434 | 78.7% | 2,254 | 80.9% | | |
| Underwriting expenses | 918 | 19.3% | 786 | 19.5% | 571 | 16.4% | 487 | 15.8% | 441 | 15.8% | | |
| Total losses and expenses | 4,733 | 99.5% | 3,764 | 93.3% | 3,201 | 91.9% | 2,921 | 94.5% | 2,695 | 96.7% | | |
| Underwriting gain (loss) - pre-tax | \$24 | | \$269 | | \$281 | | \$171 | | \$92 | | | |
| Statutory combined ratio | 98.7% | | 92.6% | | 91.5% | | 94.3% | | 96.3% | | | |
| General Re | | | | | | | | | | | | |
| (\$ millions) | | | | | | | | | | | | |
| Premiums written: | | | | | | | | | | | | |
| North American property/casualty | \$2,801 | | \$2,707 | | | | | | | | | |
| International property/casualty | 2,506 | | 2,072 | | | | | | | | | |
| Life/health | 1,736 | | 1,305 | | | | | | | | | |
| Total Gen Re premiums written | \$7,043 | | \$6,084 | | | | | | | | | |
| Premiums earned: | | | | | | | | | | | | |
| North American property/casualty | \$2,837 | | \$2,708 | | | | | | | | | |
| International property/casualty | 2,343 | | 2,095 | | | | | | | | | |
| Life/health | 1,725 | | 1,292 | | | | | | | | | |
| Total Gen Re premiums earned | \$6,905 | | \$6,095 | | | | | | | | | |
| Underwriting gain (loss) pre-tax: | | | | | | | | | | | | |
| North American property/casualty | (\$584) | 120.6% | \$21 | 99.2% | | | | | | | | |
| International property/casualty | (473) | 120.2% | (101) | 104.8% | | | | | | | | |
| Life/health | (127) | 107.4% | (290) | 122.4% | | | | | | | | |
| Total Gen Re underwriting gain (loss) - pre-tax | (\$1,184) | 117.1% | (\$370) | 106.1% | | | | | | | | |

Note: GAAP combined ratio shown in %.

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| | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|---|---------|--------|---------|--------|---------|--------|
| | Amount | Amount | Amount | Amount | Amount | Amount |
| | % | % | % | % | % | % |
| Berkshire Hathaway Reinsurance Group | | | | | | |
| (\$ millions) | | | | | | |
| Premiums earned: | \$880 | | | | | |
| Catastrophe and individual risk | 1,507 | | | | | |
| Retroactive reinsurance | | | | | | |
| Quota share | | | | | | |
| Other | | | | | | |
| Total BHRG premiums earned | \$2,387 | | | | | |
| Underwriting gain (loss) pre-tax: | | | | | | |
| Catastrophe and individual risk | (\$159) | 118.1% | | | | |
| Retroactive reinsurance | (97) | 106.4% | | | | |
| Quota share | | | | | | |
| Other | | | | | | |
| Total BHRG underwriting gain (loss) - pre-tax | (\$256) | 110.7% | | | | |
| <i>Note: GAAP combined ratio shown in %.</i> | | | | | | |
| BHRG - Combined | | | | | | |
| Premiums written | \$2,410 | \$986 | \$955 | \$715 | \$777 | \$690 |
| Premiums earned | 2,382 | 939 | 967 | 758 | 718 | 688 |
| Losses and loss expenses | 2,573 | 108.0% | 765 | 81.5% | 676 | 69.9% |
| Underwriting expenses | 65 | 2.7% | 195 | 20.8% | 163 | 16.9% |
| Total losses and expenses | 2,638 | 110.7% | 960 | 102.2% | 839 | 86.8% |
| Underwriting gain (loss) - pre-tax | (\$256) | (\$21) | \$128 | (\$8) | 739 | 102.9% |
| | | | | | (\$21) | \$81 |
| Berkshire Hathaway Primary Group | | | | | | |
| (\$ millions) | | | | | | |
| Premiums written | 262 | 100.0% | 328 | 100.0% | 309 | 247 |
| Premiums earned ¹ | | | | | | |
| Losses and loss expenses | 114 | 36.5% | 92 | 34.2% | 90 | 37.5% |
| Underwriting expenses | 146 | 46.6% | 119 | 44.2% | 109 | 45.6% |
| Total losses and expenses | 240 | 91.6% | 311 | 94.8% | 260 | 83.1% |
| Underwriting gain (loss) - pre-tax | \$22 | \$17 | \$53 | \$59 | \$41 | \$48 |
| Aggregate adverse (favorable) loss development ² | (\$192) | (1.3%) | (\$195) | (1.7%) | (\$131) | (2.8%) |
| | | | | (\$90) | (2.2%) | \$56 |
| | | | | | | 1.5% |
| | | | | | | 6.5% |

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Footnotes:

1. Beginning in August 2000, the Berkshire Hathaway Primary Group included the results of the United States Investment Corporation (“USIC”).
2. Per the notes to the financial statements. Percentage is the ratio of loss development to earned premiums.
3. The results for 2000 at General Re include five quarters. In 2000 General Re International and Global Life/Health changed its reporting from a one-quarter lag.

Notes:

1. Unless otherwise stated, the ratios presented are on a GAAP basis. Statutory ratios were either unavailable or incalculable.
2. 1995: There is an inconsistency in the financial statements with respect to consolidated pre-tax underwriting income. The financial statements report the same \$19.6 million consolidated pre-tax gain; however, Buffett’s table reports a figure of \$20.5 million. It is possible this is due to Buffett having removed Structured Settlement losses.
3. 1996: The consolidated underwriting gain amounts to \$221.4 million in this table, and in the notes to the financial statements. However, Buffett’s Sources of Reported Earnings table, and the non-GAAP financials at the end of the annual report, list a figure of \$222.1 million.
4. In 1996 Berkshire stopped reporting loss development in each business line.
5. 2000: BHRG: The figure for earned premiums in the 2000 annual report is \$4,705. In the 2002 presentation it is listed as \$4,712. Likewise, the pre-tax underwriting loss, as originally presented, was \$175. This changed to a loss of \$162 in the 2002 presentation. I have used the 2002 figures and adjusted the losses and loss expenses, which were not detailed in the 2002 presentation, by the difference (reasoning it is more likely the loss estimate was off vs. the expenses, which should have been known).
- 2000: General Re: The results presented here for 2000 include 15 months. Berkshire subsequently corrected for this. The narrative contains results for the 12-month period.

Sources: Berkshire Hathaway Annual Reports 1995–2004 and author’s calculations.

Table 6.46: Berkshire Hathaway—insurance underwriting overview

| (\$ millions) | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|---|---------|---------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|--------|
| GEICO Corporation | | | | | | | | | | | |
| Premiums written | \$9,212 | \$8,081 | \$6,963 | \$6,176 | \$5,778 | \$4,953 | \$4,182 | \$3,588 | \$3,122 | \$2,856 | |
| Premiums earned | 8,915 | 7,784 | 6,670 | 6,060 | 5,610 | 4,757 | 4,033 | 3,482 | 3,092 | 2,787 | |
| Underwriting gain/(loss) - pre-tax | \$970 | \$452 | \$416 | \$221 | (\$224) | \$24 | \$269 | \$281 | \$171 | \$92 | |
| General Re | | | | | | | | | | | |
| Premiums written | \$6,860 | \$8,021 | \$8,521 | \$8,730 | \$8,696 | \$7,043 | \$6,084 | | | | |
| Premiums earned | 7,245 | 8,245 | 8,500 | 8,353 | 8,696 | 6,905 | 6,095 | | | | |
| Underwriting gain/(loss) - pre-tax | \$3 | \$145 | (\$1,393) | (\$3,671) | (\$1,254) | (\$1,184) | (\$370) | | | | |
| Berkshire Hathaway Reinsurance Group | | | | | | | | | | | |
| Premiums written | | | | \$3,254 | \$4,724 | \$2,410 | \$986 | \$955 | \$715 | \$777 | \$690 |
| Premiums earned | 3,714 | 4,430 | 3,300 | 2,991 | 4,712 | 2,382 | 939 | 967 | 758 | 718 | 688 |
| Underwriting gain/(loss) - pre-tax | \$417 | \$1,047 | \$534 | (\$647) | (\$162) | (\$256) | (\$21) | \$128 | (\$8) | (\$21) | \$81 |
| Berkshire Hathaway Primary Group | | | | | | | | | | | |
| Premiums written | | | | | | | | \$309 | \$268 | \$247 | \$226 |
| Premiums earned ¹ | \$1,211 | \$1,034 | \$712 | \$501 | \$325 | \$262 | \$328 | 313 | 268 | 240 | 235 |
| Underwriting gain/(loss) - pre-tax | \$161 | \$74 | \$32 | \$30 | \$25 | \$22 | \$17 | \$53 | \$59 | \$41 | \$48 |
| Total underwriting gain/(loss) ² | \$1,551 | \$1,718 | (\$411) | (\$4,067) | (\$1,615) | (\$1,394) | \$265 | \$462 | \$222 | \$21 | \$130 |
| Year-end average float - total | 45,157 | 42,722 | 38,366 | 31,690 | 26,585 | 24,026 | 15,070 | 7,093 | 6,702 | 3,607 | 3,057 |
| Cost of float | (3.4%) | (4.0%) | 1.1% | 12.8% | 6.1% | 5.8% | (1.8%) | (6.5%) | (3.3%) | (0.6%) | (4.3%) |
| Aggregate adverse (favorable) loss development ³ | \$419 | \$480 | \$1,540 | \$1,165 | \$211 | (\$192) | (\$195) | (\$131) | (\$90) | \$56 | \$60 |

Footnotes:

1. Beginning in August 2000, the Berkshire Hathaway Primary Group included the results of the United States Investment Corporation ("USIC").
2. 1998: Total does not include General Re (only owned for 10 days).

Notes:

1. In 1996 Berkshire stopped reporting loss development in each business line.
 2. The results for 2000 at General Re include five quarters. In 2000 General Re International and Global Life/Health changed its reporting from a one-quarter lag.
- Sources: Berkshire Hathaway Annual Reports 1995–2004 and author's calculations.

Table 6.48: Berkshire Hathaway property and casualty loss development

| (\$ millions) | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|--|----------|----------|----------|----------|----------|----------|----------|---------|---------|---------|---------|
| Net unpaid losses net of discounts/deferred charges end of year ¹ | \$40,087 | \$39,709 | \$37,769 | \$34,373 | \$27,278 | \$22,751 | \$20,077 | \$5,883 | \$5,473 | \$5,045 | \$2,625 |
| Liability re-estimated: | | | | | | | | | | | |
| 1 year later | | 40,618 | 39,206 | 36,289 | 28,569 | 22,239 | 19,663 | 5,673 | 5,324 | 4,936 | 2,662 |
| 2 years later | | | 40,663 | 38,069 | 30,667 | 22,829 | 18,132 | 5,540 | 5,220 | 4,901 | 2,707 |
| 3 years later | | | | 40,023 | 32,156 | 24,079 | 18,464 | 5,386 | 5,093 | 4,859 | 2,690 |
| 4 years later | | | | | 33,532 | 25,158 | 19,750 | 5,293 | 4,973 | 4,795 | 2,696 |
| 5 years later | | | | | | 26,894 | 20,581 | 5,304 | 4,906 | 4,707 | 2,658 |
| 6 years later | | | | | | | 21,172 | 5,246 | 4,920 | 4,647 | 2,622 |
| 7 years later | | | | | | | | 5,311 | 4,891 | 4,673 | 2,600 |
| 8 years later | | | | | | | | | 4,958 | 4,660 | 2,617 |
| 9 years later | | | | | | | | | | 4,728 | 2,662 |
| 10 years later | | | | | | | | | | | |
| Cumulative deficiency (redundancy) | 909 | 2,894 | 2,894 | 5,650 | 6,254 | 4,143 | 1,095 | (572) | (515) | (317) | 37 |
| Cumulative foreign exchange effect | (490) | (1,485) | | (1,909) | (1,827) | (869) | (550) | 0 | 0 | 0 | 0 |
| Net deficiency (redundancy) | 419 | 1,409 | 3,741 | 3,741 | 4,427 | 3,274 | 545 | (572) | (515) | (317) | 37 |
| Cumulative payments: | | | | | | | | | | | |
| 1 year later | 8,828 | 8,092 | 8,092 | 6,653 | 5,352 | 5,825 | 4,509 | 1,811 | 1,385 | 1,166 | 210 |
| 2 years later | | 14,262 | 14,262 | 11,396 | 8,744 | 8,289 | 7,596 | 2,463 | 2,379 | 1,912 | 436 |
| 3 years later | | | | 16,378 | 11,625 | 9,889 | 9,384 | 3,330 | 2,891 | 2,732 | 775 |
| 4 years later | | | | | 15,608 | 11,513 | 10,436 | 3,507 | 3,372 | 3,129 | 1,309 |
| 5 years later | | | | | | 13,840 | 11,421 | 3,598 | 3,465 | 3,310 | 1,460 |
| 6 years later | | | | | | | 12,221 | 3,694 | 3,518 | 3,357 | 1,591 |
| 7 years later | | | | | | | | 3,752 | 3,586 | 3,388 | 1,624 |
| 8 years later | | | | | | | | | 3,635 | 3,449 | 1,639 |
| 9 years later | | | | | | | | | | 3,491 | 1,686 |
| 10 years later | | | | | | | | | | | 1,716 |
| Net deficiency (redundancy) above accretion | 419 | 1,409 | 3,741 | 3,741 | 4,427 | 3,274 | 545 | (572) | (515) | (317) | 37 |
| Deficiency from deferred charge amortization and discount accretion | 332 | 333 | 334 | 334 | 335 | 336 | 337 | 338 | 339 | 340 | 341 |
| (Redundancy) deficiency before deferred charge amortization and discount accretion | 87 | 1,076 | 3,407 | 3,407 | 4,092 | 2,938 | 208 | (910) | (854) | (657) | (304) |

Footnote:

1. The full loss development table in the 10K report starts with gross unpaid losses and includes such items as reserve discounts, ceded reserves, and deferred charges. I've chosen to begin the table here due to space limitations.

Source: Berkshire Hathaway 10K filing, 2004.

Table 6.49: Manufacturing, Publishing, and Retailing businesses—balance sheets, 1994–2000

| (\$ millions) | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | | | |
| Cash and cash equivalents | \$400 | \$370 | \$281 | \$103 | \$61 | \$125 | \$77 |
| Accounts receivable | 1,226 | 923 | 823 | 624 | 563 | 455 | 309 |
| Inventories | 1,215 | 806 | 727 | 599 | 579 | 556 | 398 |
| Investments in MidAmerican Energy | 1,719 | | | | | | |
| Properties and equipment | 2,250 | 1,509 | 1,190 | 892 | 863 | 286 | 220 |
| Other | 921 | 388 | 331 | 156 | 98 | 34 | 30 |
| Total assets | \$7,731 | \$3,996 | \$3,352 | \$2,375 | \$2,164 | \$1,455 | \$1,033 |
| Liabilities | | | | | | | |
| Accounts payable, accruals and other | \$1,674 | \$908 | \$761 | \$532 | \$523 | \$398 | \$293 |
| Income taxes | 187 | 196 | 166 | 157 | 127 | 20 | 31 |
| Term debt and other borrowings | 1,213 | 740 | 442 | 217 | 193 | 151 | 22 |
| Total liabilities | 3,074 | 1,844 | 1,369 | 906 | 844 | 569 | 346 |
| Equity | | | | | | | |
| Minority shareholders' | 59 | 75 | 75 | 52 | 52 | 40 | 40 |
| Berkshire shareholders' | 4,598 | 2,077 | 1,908 | 1,417 | 1,269 | 847 | 648 |
| Total equity | 4,657 | 2,152 | 1,983 | 1,470 | 1,321 | 886 | 688 |
| Total liabilities and equity | \$7,731 | \$3,996 | \$3,352 | \$2,375 | \$2,164 | \$1,455 | \$1,033 |

Notes:

1. Berkshire discontinued this presentation after 2000.

2. Includes: Dexter as of Nov. 7, 1993; Helzberg's Diamond Shops as of Apr. 30, 1995; R.C. Willey Home Furnishings as of Jun. 29, 1995; FlightSafety as of Dec. 23, 1996; Star Furniture as of Jul. 1, 1997; International Dairy Queen as of Jan. 7, 1998; Executive Jet as of Aug. 7, 1998; Jordan's Furniture as of Nov. 13, 1999; CORT Business Services as of Feb. 18, 2000; MidAmerican Energy as of Mar. 14, 2000; Ben Bridge Jeweler as of Jul. 3, 2000; Acme Building Brands and Justin Brands as of Aug. 1, 2000; Benjamin Moore as of Dec. 18, 2000.

Sources: Berkshire Hathaway Annual Reports, 1994–2000.

Table 6.50: Manufacturing, Publishing, and Retailing businesses—income statements, 1994–2000

| | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|--|---------|---------|---------|---------|---------|---------|---------|
| <i>(\$ millions)</i> | | | | | | | |
| Revenues: | | | | | | | |
| Sales and service revenues | \$7,326 | \$5,918 | \$4,675 | \$3,578 | \$3,062 | \$2,756 | \$2,352 |
| Income from MidAmerican Energy | 197 | | | | | | |
| Interest income ¹ | 18 | 11 | 8 | 45 | 39 | 25 | 9 |
| Sundry income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | \$7,541 | \$5,929 | \$4,683 | \$3,622 | \$3,101 | \$2,781 | \$2,361 |
| Costs and expenses: | | | | | | | |
| Costs of products and services sold | \$4,893 | \$4,061 | \$3,010 | \$2,179 | \$1,876 | \$1,698 | \$1,443 |
| Selling, general and administrative expenses | 1,657 | 1,126 | 1,014 | 899 | 832 | 741 | 579 |
| Interest on debt | 85 | 31 | 19 | 20 | 15 | 9 | 4 |
| | 6,635 | 5,218 | 4,043 | 3,098 | 2,723 | 2,449 | 2,025 |
| Earnings from operations before income taxes | 906 | 711 | 640 | 524 | 378 | 332 | 336 |
| Income tax expense | 334 | 267 | 234 | 200 | 138 | 126 | 122 |
| | 572 | 444 | 406 | 325 | 239 | 206 | 214 |
| Minority interest | 21 | 5 | 5 | 6 | 5 | 5 | 5 |
| Net earnings | \$551 | \$439 | \$401 | \$319 | \$234 | \$201 | \$209 |

Footnote:

1. It appears some interest income was included in Sales and Service revenues prior to 1998 and Berkshire changed the presentation going forward.

Sources: Berkshire Hathaway Annual Reports, 1994–2000.

Table 6.51: Manufacturing, Publishing, and Retailing businesses—ratios and key figures, 1994–2000

| | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|---|-------|-------|-------|-------|-------|--------|-------|
| Change in revenues | 27.2% | 26.6% | 29.3% | 16.8% | 11.5% | 17.8% | 19.8% |
| Change in pre-tax profit (operating income) | 27.4% | 11.1% | 22.0% | 38.9% | 13.7% | (1.1%) | 23.3% |
| Gross margin | 33.2% | 31.4% | 35.6% | 39.1% | 38.7% | 38.4% | 38.7% |
| Pre-tax margin | 12.0% | 12.0% | 13.7% | 14.5% | 12.2% | 11.9% | 14.2% |
| Return on invested capital (avg.) - pre-tax | 20.7% | 26.7% | 31.1% | 32.8% | 29.6% | 38.0% | 49.3% |
| Return on invested capital (avg.) - after-tax | 13.1% | 16.7% | 19.8% | 20.3% | 18.8% | 23.6% | 31.3% |
| Return on average equity - pre-tax | 26.6% | 34.4% | 37.1% | 37.6% | 34.2% | 42.2% | 51.0% |
| Return on average equity - after tax | 16.8% | 21.5% | 23.5% | 23.3% | 21.7% | 26.1% | 32.4% |
| Debt/equity | 26% | 34% | 22% | 15% | 15% | 17% | 3% |

Sources: Berkshire Hathaway Annual Reports 1994–2000; and author's calculations.

Table 6.52: Manufacturing, Service, and Retailing Operations—balance sheets, 2003–2004

| (\$ millions) | 2004 | 2003 |
|---------------------------------|-----------------|-----------------|
| <i>Assets</i> | | |
| Cash and equivalents | \$899 | \$1,250 |
| Accounts and notes receivable | 3,074 | 2,796 |
| Inventory | 3,842 | 3,656 |
| Other current assets | 254 | 262 |
| Total current assets | 8,069 | 7,964 |
| Goodwill and other intangibles | 8,362 | 8,351 |
| Fixed assets | 6,161 | 5,898 |
| Other assets | 1,044 | 1,054 |
| | \$23,636 | \$23,267 |
| <i>Liabilities and Equity</i> | | |
| Notes payable | \$1,143 | \$1,593 |
| Other current liabilities | 4,685 | 4,300 |
| Total current liabilities | 5,828 | 5,893 |
| Deferred taxes | 248 | 105 |
| Term debt and other liabilities | 1,965 | 1,890 |
| Equity | 15,595 | 15,379 |
| | \$23,636 | \$23,267 |

Sources: Berkshire Hathaway Annual Reports, 2003, 2004.

Table 6.53: Manufacturing, Service, and Retailing Operations— income statements, 2002–2004

| (\$ millions) | 2004 | 2003 | 2002 |
|---|----------------|----------------|----------------|
| Revenues | \$44,142 | \$32,106 | \$16,970 |
| Operating expenses | 41,604 | 29,885 | 14,921 |
| (Including depreciation) | 676 | 605 | 477 |
| Interest expense (net) | 57 | 64 | 108 |
| Pre-tax income | 2,481 | 2,157 | 1,941 |
| Income taxes | 941 | 813 | 743 |
| Net income | \$1,540 | \$1,344 | \$1,198 |
| <i>Pre-tax earnings breakdown:</i> | | | |
| Building Products | \$643 | \$559 | \$516 |
| Shaw Industries | 466 | 436 | 424 |
| Apparel & Footwear | 325 | 289 | 229 |
| Retail Operations | 215 | 224 | 219 |
| Flight Services | 191 | 72 | 225 |
| McLane ¹ | 228 | 150 | |
| Other businesses | 413 | 427 | 328 |
| | \$2,481 | \$2,157 | \$1,941 |
| Footnote: | | | |
| 1. Includes McLane starting May 23, 2003. | | | |

Sources: Berkshire Hathaway Annual Reports, 2003, 2004.

Table 6.54: Manufacturing, Service, and Retailing Operations—ratios and key figures, 2003–2004

| | 2004 | 2003 |
|---------------------------------------|-------|-------|
| Return on avg. equity after-tax | 9.9% | |
| Return on avg. tang. equity after-tax | 21.6% | |
| Notes payable/equity | 7.3% | 10.4% |
| Total assets/total equity | 1.52 | 1.51 |

Sources: Berkshire Hathaway Annual Reports 2003, 2004; and author's calculations.

Table 6.55: Finance Businesses—balance sheets, 1994–2000

| (\$ millions) | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|---|----------|----------|----------|---------|---------|-------|-------|
| Assets | | | | | | | |
| Cash and cash equivalents | \$341 | \$623 | \$907 | \$56 | \$11 | \$41 | \$16 |
| Fixed maturity investments: | | | | 971 | 742 | 529 | 539 |
| Held to maturity, at cost | 1,826 | 2,002 | 1,227 | | | | |
| Trading, at fair value | 5,327 | 11,277 | 5,219 | | | | |
| Available for sale, at fair value | 880 | 999 | 743 | | | | |
| Trading account assets | 5,429 | 5,881 | 6,234 | | | | |
| Securities purchased under agreements to resell | 680 | 1,171 | 1,083 | | | | |
| Installment and other receivables | | | | 226 | 228 | 196 | 173 |
| Deferred tax assets | | | | 18 | 23 | 14 | 6 |
| Other | 2,346 | 2,276 | 1,576 | | | 1 | 2 |
| | \$16,829 | \$24,229 | \$16,989 | \$1,271 | \$1,004 | \$781 | \$736 |
| Liabilities | | | | | | | |
| Annuity reserves and policyholder liabilities | \$868 | \$843 | \$816 | \$697 | \$435 | \$117 | \$41 |
| Securities sold under agreements to repurchase | 3,386 | 10,216 | 4,065 | | | | |
| Securities sold but not yet purchased | 715 | 1,174 | 1,181 | | | | |
| Trading account liabilities | 4,974 | 5,930 | 5,834 | | | | |
| Notes payable and other borrowings | 2,116 | 1,998 | 1,503 | 326 | 381 | 524 | 602 |
| Accounts payable, accruals, and other | 3,004 | 2,304 | 2,428 | 126 | 124 | 77 | 32 |
| | 15,063 | 22,465 | 15,827 | 1,149 | 940 | 717 | 674 |
| Equity | | | | | | | |
| Berkshire shareholders | 1,766 | 1,764 | 1,162 | 122 | 64 | 64 | 62 |
| | \$16,829 | \$24,229 | \$16,989 | \$1,271 | \$1,004 | \$781 | \$736 |

Note:

1. Berkshire discontinued this presentation after 2000.

Sources: Berkshire Hathaway Annual Reports 1994–2000; and author's calculations.

Table 6.56: Finance Businesses—income statements, 1994–2000

| | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> | <u>1996</u> | <u>1995</u> | <u>1994</u> |
|---|----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <i>(\$ millions)</i> | | | | | | | |
| Revenues: | | | | | | | |
| Annuity premiums earned | \$0 | \$0 | \$95 | \$248 | \$260 | \$75 | \$36 |
| Interest and fees on loans and financed receivables | | | | 38 | 39 | 38 | 38 |
| Interest and dividends on investment securities | | | | 75 | 55 | 44 | 35 |
| Interest income | 910 | 740 | | | | | |
| Other revenues | 595 | 247 | 293 | | | | |
| | <u>\$1,505</u> | <u>\$987</u> | <u>\$388</u> | <u>\$360</u> | <u>\$353</u> | <u>\$157</u> | <u>\$109</u> |
| Expenses: | | | | | | | |
| Interest expense | \$798 | \$596 | \$27 | \$24 | \$33 | \$39 | \$36 |
| Annuity benefits and underwriting expenses | 55 | 54 | 146 | 287 | 277 | 81 | 38 |
| General and administrative | 123 | 87 | 16 | 21 | 21 | 17 | 14 |
| | <u>976</u> | <u>737</u> | <u>189</u> | <u>332</u> | <u>330</u> | <u>136</u> | <u>87</u> |
| Earnings from operations before income taxes | 529 | 250 | 199 | 28 | 23 | 21 | 22 |
| Income tax expense | 187 | 32 | 70 | 10 | 8 | 8 | 8 |
| Net earnings | <u>\$342</u> | <u>\$218</u> | <u>\$129</u> | <u>\$18</u> | <u>\$15</u> | <u>\$13</u> | <u>\$15</u> |

Sources: Berkshire Hathaway Annual Reports 1994–2000; and author's calculations.

Table 6.57: Finance Businesses—ratios, 1994–2000

| | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> | <u>1996</u> | <u>1995</u> | <u>1994</u> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total assets/total equity | 9.5 | 13.7 | 14.6 | 10.4 | 15.7 | 12.2 | 11.9 |
| Capital ratio (inverse of above) | 10.5% | 7.3% | 6.8% | 9.6% | 6.4% | 8.2% | 8.4% |
| Return on average assets (after tax) | 1.67% | 1.06% | 1.41% | 1.58% | 1.67% | 1.66% | 1.80% |
| Return on average equity (after tax) | 19.4% | 14.9% | 20.1% | 19.4% | 23.3% | 20.1% | 24.1% |

Sources: Berkshire Hathaway Annual Reports 1994–2000; and author's calculations.

Table 6.58: Non-operating activities—balance sheets, 1994–2000

| | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> | <u>1996</u> | <u>1995</u> | <u>1994</u> |
|---|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|
| <i>(\$ millions)</i> | | | | | | | |
| Assets | | | | | | | |
| Cash and cash equivalents | \$163 | \$484 | \$220 | \$383 | \$765 | \$250 | \$106 |
| Investments: | | | | | | | |
| Fixed maturities: | 184 | 2 | 30 | | | | |
| Bonds | | | | 206 | 943 | 8 | 287 |
| Preferred stocks | | | | 64 | 42 | 47 | 76 |
| Equity securities | 365 | 339 | 267 | 307 | 199 | 187 | 113 |
| Unamortized goodwill and property account adjustments | 18,831 | 18,489 | 18,613 | 3,099 | 3,150 | 748 | 520 |
| Deferred tax assets | 62 | 80 | 130 | 136 | 31 | 2 | 8 |
| Other | 69 | 50 | 128 | 105 | 259 | 57 | 186 |
| | <u>\$19,674</u> | <u>\$19,444</u> | <u>\$19,388</u> | <u>\$4,298</u> | <u>\$5,388</u> | <u>\$1,299</u> | <u>\$1,297</u> |
| Liabilities | | | | | | | |
| Accounts payable, accruals, and other | \$163 | \$76 | \$40 | \$39 | \$816 | \$51 | \$62 |
| Income taxes | 236 | 86 | 158 | 152 | 143 | 94 | 67 |
| Borrowings under investment agreements and other debt | 1,372 | 1,693 | 1,863 | 2,016 | 1,718 | 919 | 799 |
| | <u>1,771</u> | <u>1,855</u> | <u>2,061</u> | <u>2,208</u> | <u>2,677</u> | <u>1,064</u> | <u>929</u> |
| Equity | | | | | | | |
| Minority shareholders' | 53 | 11 | 15 | 45 | 25 | 29 | 23 |
| Berkshire shareholders' equity | 17,850 | 17,578 | 17,312 | 2,045 | 2,686 | 207 | 345 |
| | <u>17,903</u> | <u>17,589</u> | <u>17,327</u> | <u>2,090</u> | <u>2,711</u> | <u>235</u> | <u>368</u> |
| | <u>\$19,674</u> | <u>\$19,444</u> | <u>\$19,388</u> | <u>\$4,298</u> | <u>\$5,388</u> | <u>\$1,299</u> | <u>\$1,297</u> |

Sources: Berkshire Hathaway Annual Reports 1994–2000; and author's calculations.

Table 6.59: Non-operating activities—income statements, 1994–2000

| | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> | <u>1996</u> | <u>1995</u> | <u>1994</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>(\$ millions)</i> | | | | | | | |
| Revenues: | | | | | | | |
| Interest and dividend income | \$35 | \$39 | \$63 | \$41 | \$55 | \$38 | \$31 |
| Realized investment gain (loss) | 35 | 1 | 40 | 53 | 195 | 13 | (1) |
| | 70 | 40 | 103 | 94 | 249 | 51 | 30 |
| Expenses: | | | | | | | |
| Corporate administration | 6 | 6 | 6 | 7 | 5 | 5 | 5 |
| Shareholder-designated contributions | 17 | 17 | 17 | 15 | 13 | 12 | 10 |
| Amortization of goodwill and property account adjustments | 876 | 739 | 210 | 105 | 76 | 27 | 23 |
| Interest on debt | 98 | 106 | 96 | 101 | 91 | 55 | 59 |
| Other (income) expense | | | | (7) | (3) | (1) | 2 |
| Other than temporary decline in value of investment in USAir Group, Inc. Preferred Stock | | | | | | | 8 |
| | 997 | 868 | 329 | 222 | 182 | 98 | 107 |
| Loss before income taxes | (927) | (828) | (226) | (128) | 67 | (47) | (76) |
| Income tax expense (benefit) | (55) | (119) | (33) | (17) | 44 | (13) | (23) |
| | (872) | (709) | (193) | (111) | 23 | (34) | (53) |
| Minority interest | 5 | 1 | 5 | 8 | 8 | 1 | (1) |
| Net loss | (\$877) | (\$710) | (\$198) | (\$119) | \$16 | (\$35) | (\$53) |

Sources: Berkshire Hathaway Annual Reports 1994–2000; and author's calculations.

Table 7.2: Berkshire Hathaway pre-tax earnings

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|
| <i>(\$ millions)</i> | | | | | | | | | | | |
| Insurance Group: | | | | | | | | | | | |
| Underwriting: | | | | | | | | | | | |
| GEICO | \$1,159 | \$1,127 | \$680 | \$576 | \$1,117 | \$649 | \$916 | \$1,113 | \$1,314 | \$1,221 | \$970 |
| General Re | 277 | 283 | 355 | 144 | 452 | 477 | 342 | 555 | 526 | (334) | 3 |
| Berkshire Hathaway Reinsurance Group ¹ | 606 | 1,294 | 304 | (714) | 176 | 250 | 1,324 | 1,427 | 1,658 | (1,069) | 417 |
| Berkshire Hathaway Primary Group | 626 | 385 | 286 | 242 | 268 | 84 | 210 | 279 | 340 | 235 | 161 |
| Investment income | 4,357 | 4,713 | 4,454 | 4,725 | 5,145 | 5,459 | 4,722 | 4,758 | 4,316 | 3,480 | 2,824 |
| Total Insurance Group | 7,025 | 7,802 | 6,079 | 4,973 | 7,158 | 6,919 | 7,514 | 8,132 | 8,154 | 3,533 | 4,375 |
| BNSF ² | 6,169 | 5,928 | 5,377 | 4,741 | 3,611 | | | | | | |
| Berkshire Hathaway Energy ³ | 2,711 | 1,806 | 1,644 | 1,659 | 1,539 | 1,528 | 2,963 | 1,774 | 1,476 | 523 | 237 |
| Manufacturing, service and retailing ⁴ | 6,792 | 6,160 | 5,586 | 5,037 | 4,274 | 2,058 | 4,023 | 3,947 | 3,526 | 2,623 | 2,481 |
| Finance and financial products | 1,839 | 1,564 | 1,393 | 774 | 689 | 653 | 787 | 1,006 | 1,157 | 822 | 584 |
| Unallocated interest expense | (313) | (303) | (271) | (221) | (208) | (101) | (35) | (52) | (76) | (72) | (92) |
| Eliminations and other | (199) | (834) | (997) | (819) | (358) | (292) | (217) | (155) | (94) | (132) | (138) |
| Subtotal - pre-tax operating earnings | 24,024 | 22,123 | 18,811 | 16,144 | 16,705 | 10,765 | 15,035 | 14,652 | 14,143 | 7,297 | 7,447 |
| Investment and derivatives gains/losses | 4,081 | 6,673 | 3,425 | (830) | 2,346 | 787 | (7,461) | 5,509 | 2,635 | 5,494 | 3,489 |
| Total pre-tax earnings | 28,105 | 28,796 | 22,236 | 15,314 | 19,051 | 11,552 | 7,574 | 20,161 | 16,778 | 12,791 | 10,936 |
| Income taxes and minority interests | 8,233 | 9,320 | 7,412 | 5,060 | 6,084 | 3,497 | 2,580 | 6,948 | 5,763 | 4,263 | 3,628 |
| Net income | \$19,872 | \$19,476 | \$14,824 | \$10,254 | \$12,967 | \$8,055 | \$4,994 | \$13,213 | \$11,015 | \$8,528 | \$7,308 |

Footnotes:

1. 2009: The attentive reader will notice BHRG underwriting profit of \$250 million in this table contrasts with that of the \$349 million figure presented elsewhere. In 2010, Berkshire moved the life and annuity business from finance and financial products under BHRG.
2. BNSF beginning February 12, 2010.
3. In 2014 MidAmerican changed its name to Berkshire Hathaway Energy. Amounts in 2004–2006 were classified as equity in earnings of MidAmerican.
4. In 2014 Marmon's leasing operations began to be included in Finance and financial products. This table uses data from 2014 which adjusts 2012 and 2013 for the new presentation.

Sources: Berkshire Hathaway Annual Reports 2006, 2008, 2011, 2014.

Table 7.3: Berkshire Hathaway after-tax earnings

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| (\$ millions) | | | | | | | | | | | |
| Insurance - underwriting | \$1,692 | \$1,995 | \$1,046 | \$154 | \$1,301 | \$949 | \$1,739 | \$2,184 | \$2,485 | \$27 | \$1,008 |
| Insurance - investment income | 3,542 | 3,708 | 3,397 | 3,555 | 3,860 | 4,271 | 3,610 | 3,510 | 3,120 | 2,412 | 2,045 |
| Railroad ¹ | 3,869 | 3,793 | 3,372 | 2,972 | 2,235 | | | | | | |
| Utilities and energy ² | 1,882 | 1,470 | 1,323 | 1,204 | 1,131 | 1,071 | 1,704 | 1,114 | 885 | 523 | 237 |
| Manufacturing, service and retailing ³ | 4,468 | 3,877 | 3,357 | 3,039 | 2,462 | 1,113 | 2,283 | 2,353 | 2,131 | 1,646 | 1,540 |
| Finance and financial products ⁴ | 1,243 | 1,008 | 899 | 516 | 441 | 411 | 469 | 632 | 732 | 514 | 373 |
| Other | (145) | (712) | (797) | (665) | (337) | (246) | (166) | (159) | (47) | (124) | (154) |
| Operating earnings | 16,551 | 15,139 | 12,597 | 10,775 | 11,093 | 7,569 | 9,639 | 9,634 | 9,306 | 4,998 | 5,049 |
| Investment and derivative gains/losses | 3,321 | 4,337 | 2,227 | (521) | 1,874 | 486 | (4,645) | 3,579 | 1,709 | 3,530 | 2,259 |
| Net earnings attributable BRK shareholders | \$19,872 | \$19,476 | \$14,824 | \$10,254 | \$12,967 | \$8,055 | \$4,994 | \$13,213 | \$11,015 | \$8,528 | \$7,308 |
| Common shares outstanding at year-end ⁵ | 1,643 | 1,644 | 1,643 | 1,651 | 1,648 | 1,552 | 1,549 | 1,548 | 1,543 | 1,541 | 1,539 |

Footnotes:

1. 2010: Includes earnings of BNSF from February 12.
2. In 2014, MidAmerican changed its name to Berkshire Hathaway Energy. Amounts in 2004–2006 were classified as equity in earnings of MidAmerican.
3. 2011: Includes earnings of Lubrizol from September 16.
4. In 2014, Marmon's leasing operations began to be included in Finance and financial products. This table uses data from 2014 which adjusts 2012 and 2013 for the new presentation.
5. A-share equivalent, in thousands.

Sources: Berkshire Hathaway Annual Reports 2006–2014.

Table 7.44: Reconciliation of shareholders' equity

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---------------|---------------|---------------|---------------|---------------|-------------|------------|------------|------------|-----------|-----------|
| Prior year equity | \$221,890 | \$187,647 | \$164,850 | \$157,318 | \$131,102 | \$109,267 | \$120,733 | \$108,419 | \$91,484 | \$85,900 | \$77,596 |
| Current year net income/(loss) | 19,872 | 19,476 | 14,824 | 10,254 | 12,967 | 8,055 | 4,994 | 13,213 | 11,015 | 8,528 | 7,308 |
| Issuance of shares ¹ | 118 | 92 | 118 | 355 | 11,096 | 172 | 181 | 430 | 123 | 131 | 117 |
| Treasury stock ² | (400) | | (1,296) | (67) | | | | | | | |
| Transactions with non-controlling interests ³ | (17) | (1,871) | (695) | (5) | (636) | (121) | | | | | |
| Adoption of equity method ⁴ | | | | | | | 626 | | | | |
| Adoption of new accounting pronouncements | | | | | | | | 28 | 180 | | |
| Change in unrealized appreciation of securities, net of tax | 1,585 | 14,829 | 9,647 | (2,144) | 2,838 | 13,143 | (14,503) | (1,920) | 4,962 | (2,717) | 674 |
| Change in comprehensive income - other ⁵ | (2,878) | 1,717 | 199 | (861) | (49) | 586 | (2,764) | 563 | 655 | (358) | 205 |
| Ending equity | \$240,170 | \$221,890 | \$187,647 | \$164,850 | \$157,318 | \$131,102 | \$109,267 | \$120,733 | \$108,419 | \$91,484 | \$85,900 |
| Shares outstanding at end of period: | | | | | | | | | | | |
| Class A | 826,339 | 859,043 | 894,955 | 938,244 | 947,460 | 1,055,281 | 1,059,001 | 1,081,024 | 1,117,568 | 1,260,920 | 1,268,783 |
| Class B | 1,224,855,488 | 1,177,366,608 | 1,121,985,472 | 1,068,843,376 | 1,050,990,468 | 744,701,300 | 14,706,996 | 14,000,080 | 12,752,431 | 8,394,083 | 8,099,175 |
| Total Class A-equivalent shares | 1,642,909 | 1,643,954 | 1,642,945 | 1,650,806 | 1,648,120 | 1,551,749 | 1,549,234 | 1,547,693 | 1,542,649 | 1,540,723 | 1,538,756 |

Footnotes:

1. With the exception of BNSF in 2010, the issuance of shares primarily relates to exercises under the SQUARZ notes and issuances related to prior acquisitions. Approximately \$10.6 billion in 2010 is related to the BNSF acquisition.
2. The 2011 and 2012 treasury stock transactions were direct purchases. The 2014 transaction was connected to the Graham Holdings tax-free exchange, which included 2,107 Class A and 1,278 Class B shares.
3. Reductions in equity related to the acquisition of non-controlling interests; the excess of consideration paid over the previously recorded balance sheet carrying amount.
4. 2008: Berkshire adopted the equity method for its BNSF shares, which represented 20.7% of the company.
5. Includes foreign currency translation, transactions relating to pension plans, other, and amounts applicable to income taxes.

Sources: Berkshire Hathaway Annual Reports 2004–2014 and author's calculations.

Table 7.45: Berkshire Hathaway—select parent-level financial information

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>(\$ millions, except per share data)</i> | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| Insurance premiums earned ¹ | \$41,253 | \$36,684 | \$34,545 | \$32,075 | \$30,749 | \$27,884 | \$25,525 | \$31,783 | \$23,964 | \$21,997 |
| Sales and service revenues | 97,097 | 92,993 | 81,447 | 71,226 | 65,942 | 62,555 | 65,854 | 58,243 | 51,803 | 46,138 |
| Railroad, utilities and energy revenues ² | 40,690 | 34,757 | 32,582 | 30,839 | 26,364 | 11,443 | 13,971 | 12,628 | 10,644 | |
| Interest, dividend, and other investment income ³ | 5,026 | 4,934 | 4,532 | 4,788 | 5,213 | 5,245 | 4,966 | 4,979 | 4,382 | 3,487 |
| Finance and financial products sales and service revenues and dividend and interest income | 6,526 | 6,109 | 5,932 | 5,590 | 5,571 | 4,579 | 4,931 | 5,103 | 5,111 | 4,633 |
| Investment gains | 4,081 | 6,673 | 3,425 | (830) | 2,346 | 787 | (7,461) | 5,509 | 2,635 | 5,408 |
| Total revenues | \$194,673 | \$182,150 | \$162,463 | \$143,688 | \$136,185 | \$112,493 | \$107,786 | \$118,245 | \$98,539 | \$81,663 |
| Earnings: | | | | | | | | | | |
| Net earnings attributable to Berkshire Hathaway ⁴ | \$19,872 | \$19,476 | \$14,824 | \$10,254 | \$12,967 | \$8,055 | \$4,994 | \$13,213 | \$11,015 | \$8,528 |
| Net earnings per A-share | \$12,092 | \$11,850 | \$8,977 | \$6,215 | \$7,928 | \$5,193 | \$3,224 | \$8,548 | \$7,144 | \$5,538 |
| Year-end data: | | | | | | | | | | |
| Total assets | \$526,186 | \$484,931 | \$427,452 | \$392,647 | \$372,229 | \$297,119 | \$267,399 | \$273,160 | \$248,437 | \$198,325 |
| Notes payable and other borrowings: | | | | | | | | | | |
| Insurance and other non-finance businesses ⁵ | 11,894 | 12,440 | 12,988 | 13,179 | 11,803 | 3,719 | 4,349 | 2,680 | 3,698 | 3,583 |
| Railroad, utilities and energy businesses ² | 55,579 | 46,655 | 36,156 | 32,580 | 31,626 | 19,579 | 19,145 | 19,002 | 16,946 | |
| Finance and financial products businesses | 12,736 | 13,129 | 13,592 | 14,625 | 15,145 | 14,611 | 13,388 | 12,144 | 11,961 | 10,868 |
| Shareholders' equity | 240,170 | 221,890 | 187,647 | 164,850 | 157,318 | 131,102 | 109,267 | 120,733 | 108,419 | 91,484 |
| Common shares outstanding, in thousands (A sh.) | 1,643 | 1,644 | 1,643 | 1,651 | 1,648 | 1,552 | 1,549 | 1,548 | 1,543 | 1,541 |
| Shareholders' equity per outstanding share | \$146,186 | \$134,973 | \$114,214 | \$99,860 | \$95,453 | \$84,487 | \$70,530 | \$78,008 | \$70,281 | \$59,377 |
| <i>Continued...</i> | | | | | | | | | | |

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Footnotes:

1. Insurance premiums earned in 2007 included \$7.1 billion from a single reinsurance transaction with Equitas.
2. On February 9, 2006 Berkshire converted its non-voting preferred stock of MidAmerican to common stock, providing it with an 83.4% voting interest. MidAmerican began being consolidated in 2006 (it was previously carried using the equity method).
On February 12, 2010, BNSF became a wholly-owned subsidiary and began to be consolidated. Between December 31, 2008 and February 12, 2010 it was accounted for based on the equity method.
3. After-tax investment gains were as follows:

| | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|-------|-----------|---------|---------|---------|
| | \$3,321 | \$4,337 | \$2,227 | (\$521) | \$1,874 | \$486 | (\$4,645) | \$3,579 | \$1,709 | \$3,530 |
|--|---------|---------|---------|---------|---------|-------|-----------|---------|---------|---------|
4. 2005: Includes pre-tax underwriting loss of \$3.4 billion (\$2.2 billion after-tax) attributable to Hurricanes Katrina, Rita, and Wilma.
5. The 2005–09 presentation used “Insurance and other non-finance businesses” and the 2010–14 presentation used “Insurance and other businesses”.

Note: Data taken from 2014 (2010–2014) and 2009 (2005–2009) annual reports to maintain consistency with the reporting for each five-year period. Slight differences exist for any particular year depending on the report year.

Sources: Berkshire Hathaway Annual Reports 2009, 2014.

Note: The following table was broken up into multiple sections and spans several pages

Table 7.46: Berkshire Hathaway—Insurance Underwriting

| | 2014 | | 2013 | | 2012 | | 2011 | | 2010 | |
|---|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| <i>(\$ millions)</i> | | | | | | | | | | |
| GEICO | | | | | | | | | | |
| Premiums written | \$20,962 | | \$19,083 | | \$17,129 | | \$15,664 | | \$14,494 | |
| Premiums earned | 20,496 | 100.0% | 18,572 | 100.0% | 16,740 | 100.0% | 15,363 | 100.0% | 14,283 | 100.0% |
| Losses and loss expenses | 15,924 | 77.7% | 14,255 | 76.8% | 12,700 | 75.9% | 12,013 | 78.2% | 10,631 | 74.4% |
| Underwriting expenses | 3,413 | 16.7% | 3,190 | 17.2% | 3,360 | 20.1% | 2,774 | 18.1% | 2,535 | 17.7% |
| Total losses and expenses | 19,337 | 94.3% | 17,445 | 93.9% | 16,060 | 95.9% | 14,787 | 96.3% | 13,166 | 92.2% |
| Underwriting gain (loss) - pre-tax | \$1,159 | 5.7% | \$1,127 | 6.1% | \$680 | 4.1% | \$576 | 3.7% | \$1,117 | 7.8% |
| General Re | | | | | | | | | | |
| Premiums written: | | | | | | | | | | |
| North American property/casualty | | | | | | | | | | |
| International property/casualty | | | | | | | | | | |
| Property/casualty | 3,257 | | 2,972 | | 2,982 | | 2,910 | | 2,923 | |
| Life/health | 3,161 | | 2,991 | | 3,002 | | 2,909 | | 2,709 | |
| Total Gen Re premiums written | \$6,418 | | \$5,963 | | \$5,984 | | \$5,819 | | \$5,632 | |
| Premiums earned: | | | | | | | | | | |
| North American property/casualty | | | | | | | | | | |
| International property/casualty | | | | | | | | | | |
| Property/casualty | 3,103 | | 3,007 | | 2,904 | | 2,941 | | 2,979 | |
| Life/health | 3,161 | | 2,977 | | 2,966 | | 2,875 | | 2,714 | |
| Total Gen Re premiums earned | \$6,264 | | \$5,984 | | \$5,870 | | \$5,816 | | \$5,693 | |
| Underwriting gain (loss) pre-tax: | | | | | | | | | | |
| North American property/casualty | | | | | | | | | | |
| International property/casualty | | | | | | | | | | |
| Property/casualty | 170 | 94.5% | 148 | 95.1% | 399 | 86.3% | 7 | 99.8% | 289 | 90.3% |
| Life/health | 107 | 96.6% | 135 | 95.5% | (44) | 101.5% | 137 | 95.2% | 163 | 94.0% |
| Total Gen Re underwriting gain (loss) - pre-tax | \$277 | 95.6% | \$283 | 95.3% | \$355 | 94.0% | \$144 | 97.5% | \$452 | 92.1% |

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| | 2014 | | 2013 | | 2012 | | 2011 | | 2010 | |
|---|-----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Berkshire Hathaway Reinsurance Group | | | | | | | | | | |
| Premiums earned: | | | | | | | | | | |
| Catastrophe and individual risk | | | \$801 | | \$816 | | \$751 | | \$623 | |
| Property/casualty | \$4,064 | | | | | | | | | |
| Retroactive reinsurance | 3,371 | | 328 | | 717 | | 2,011 | | 2,621 | |
| Other multi-line | | | 4,348 | | 5,306 | | 4,224 | | 3,459 | |
| Life and annuity | 2,681 | | 3,309 | | 2,833 | | 2,161 | | 2,373 | |
| Total BHRG premiums earned | \$10,116 | | \$8,786 | | \$9,672 | | \$9,147 | | \$9,076 | |
| Underwriting gain (loss) pre-tax: | | | | | | | | | | |
| Catastrophe and individual risk | | | \$581 | 27.5% | \$400 | 51.0% | (\$321) | 142.7% | \$260 | 58.3% |
| Property/casualty | \$1,684 | 58.6% | | | | | | | | |
| Retroactive reinsurance | (905) | 126.8% | (321) | 197.9% | (201) | 128.0% | 645 | 67.9% | (90) | 103.4% |
| Other multi-line | | | 655 | 84.9% | 295 | 94.4% | (338) | 108.0% | 203 | 94.1% |
| Life and annuity ¹ | (173) | 106.5% | 379 | 88.5% | (190) | 106.7% | (700) | 132.4% | (197) | 108.3% |
| Total BHRG underwriting gain (loss) - pre-tax | \$606 | 94.0% | \$1,294 | 85.3% | \$304 | 96.9% | (\$714) | 107.8% | \$176 | 98.1% |
| Berkshire Hathaway Primary Group | | | | | | | | | | |
| Premiums earned ² | \$4,377 | 100.0% | \$3,342 | 100.0% | \$2,263 | 100.0% | \$1,749 | 100.0% | \$1,697 | 100.0% |
| Total losses and expenses | 3,751 | 85.7% | 2,957 | 88.5% | 1,977 | 87.4% | 1,507 | 86.2% | 1,429 | 84.2% |
| Underwriting gain (loss) - pre-tax | \$626 | 14.3% | \$385 | 11.5% | \$286 | 12.6% | \$242 | 13.8% | \$268 | 15.8% |
| Total premiums earned | \$41,253 | | \$36,684 | | \$34,545 | | \$32,075 | | \$30,749 | |
| Total underwriting gain/(loss) pre-tax | 2,668 | | 3,089 | | 1,625 | | 248 | | 2,013 | |
| Average float | 80,581 | | 75,183 | | 71,848 | | 68,202 | | 63,872 | |
| Cost of float | (3.3%) | | (4.1%) | | (2.3%) | | (0.4%) | | (3.2%) | |
| Aggregate adverse (favorable) loss development ³ | (\$1,365) | | (\$1,752) | | (\$2,126) | | (\$2,202) | | (\$2,270) | |

Footnotes:

1. The \$250 million pre-tax underwriting gain presented for BHRG in 2009 is the updated 2010 figure. The original amount was \$349 million. In 2010, Berkshire moved the life and annuity business to BHRG from Finance and Financial Products.
2. 2010-2014: Earned premium figure for the Primary Group is calculated based on the total known earned premiums and the known other segment data. Footnotes disclose rounded figures.
3. Per the notes to the financial statements. Percentage is the ratio of loss development to earned premiums.

Note: Primary Group: Data on written premiums, losses and loss expenses, and underwriting expenses were not disclosed.

Sources: Berkshire Hathaway Annual Reports, 2004-2014, and author's calculations.

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| (\$ millions) | 2009 | | 2008 | | 2007 | | 2006 | | 2005 | | 2004 | |
|---|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|---------|--------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| GEICO | | | | | | | | | | | | |
| Premiums written | \$13,758 | 100.0% | \$12,741 | 100.0% | \$11,931 | 100.0% | \$11,303 | 100.0% | \$10,285 | 100.0% | \$9,212 | 100.0% |
| Premiums earned | 13,576 | 77.0% | 12,479 | 74.8% | 11,806 | 72.2% | 11,055 | 70.1% | 10,101 | 70.6% | 8,915 | 71.3% |
| Losses and loss expenses | 10,457 | 18.2% | 9,332 | 17.9% | 8,523 | 18.4% | 7,749 | 18.0% | 7,128 | 17.3% | 6,360 | 17.8% |
| Underwriting expenses | 2,470 | 95.2% | 2,231 | 92.7% | 2,170 | 90.6% | 1,992 | 88.1% | 1,752 | 87.9% | 1,585 | 89.1% |
| Total losses and expenses | 12,927 | 4.8% | 11,563 | 7.3% | 10,693 | 9.4% | 9,741 | 11.9% | 8,880 | 12.1% | 7,945 | 10.9% |
| Underwriting gain (loss) - pre-tax | \$649 | | \$916 | | \$1,113 | | \$1,314 | | \$1,221 | | \$970 | |
| General Re | | | | | | | | | | | | |
| Premiums written: | | | | | | | | | | | | |
| North American property/casualty | | | | | | | \$1,731 | | \$1,988 | | \$2,747 | |
| International property/casualty | | | | | | | 1,850 | | 1,864 | | 2,091 | |
| Property/casualty | 3,091 | | 3,383 | | 3,478 | | 2,368 | | 2,303 | | 2,022 | |
| Life/health | 2,630 | | 2,588 | | 2,479 | | \$5,949 | | \$6,155 | | \$6,860 | |
| Total Gen Re premiums written | \$5,721 | | \$5,971 | | \$5,957 | | | | | | | |
| Premiums earned: | | | | | | | | | | | | |
| North American property/casualty | | | | | | | \$1,799 | | \$2,201 | | \$3,012 | |
| International property/casualty | | | | | | | 1,912 | | 1,939 | | 2,218 | |
| Property/casualty | 3,203 | | 3,434 | | 3,614 | | 2,364 | | 2,295 | | 2,015 | |
| Life/health | 2,626 | | 2,580 | | 2,462 | | \$6,075 | | \$6,435 | | \$7,245 | |
| Total Gen Re premiums earned | \$5,829 | | \$6,014 | | \$6,076 | | | | | | | |
| Underwriting gain (loss) pre-tax: | | | | | | | | | | | | |
| North American property/casualty | | | | | | | \$127 | 92.9% | (\$307) | 113.9% | \$11 | 99.6% |
| International property/casualty | | | | | | | 246 | 87.1% | (138) | 107.1% | (93) | 104.2% |
| Property/casualty | 300 | 90.6% | 163 | 95.3% | 475 | 86.9% | 153 | 93.5% | 111 | 95.2% | 85 | 95.8% |
| Life/health | 177 | 93.3% | 179 | 93.1% | 80 | 96.8% | \$526 | 91.3% | (\$334) | 105.2% | \$3 | 100.0% |
| Total Gen Re underwriting gain (loss) - pre-tax | \$477 | 91.8% | \$342 | 94.3% | \$555 | 90.9% | | | | | | |

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| | 2009 | | 2008 | | 2007 | | 2006 | | 2005 | | 2004 | |
|---|----------|--------|-----------|--------|-----------|--------|----------|--------|-----------|--------|----------|--------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Berkshire Hathaway Reinsurance Group | | | | | | | | | | | | |
| Premiums earned: | | | | | | | | | | | | |
| Catastrophe and individual risk | \$823 | | \$955 | | \$1,577 | | \$2,196 | | \$1,663 | | \$1,462 | |
| Property/casualty | 1,989 | | 204 | | 7,708 | | 146 | | 10 | | 188 | |
| Retroactive reinsurance | 3,894 | | 3,923 | | 2,617 | | 2,634 | | 2,290 | | 2,064 | |
| Other multi-line | | | | | | | | | | | | |
| Life and annuity | | | | | | | | | | | | |
| Total BHRG premiums earned | \$6,706 | | \$5,082 | | \$11,902 | | \$4,976 | | \$3,963 | | \$3,714 | |
| Underwriting gain (loss) pre-tax: | | | | | | | | | | | | |
| Catastrophe and individual risk | \$782 | 5.0% | \$776 | 18.7% | \$1,477 | 6.3% | \$1,588 | 27.7% | \$(1,178) | 170.8% | \$385 | 73.7% |
| Property/casualty | (448) | 122.5% | (414) | 302.9% | (375) | 104.9% | (173) | 218.5% | (214) | NM | (412) | 319.1% |
| Retroactive reinsurance | 15 | 99.6% | 962 | 75.5% | 325 | 87.6% | 243 | 90.8% | 323 | 85.9% | 444 | 78.5% |
| Other multi-line | (99) | n/a | | | | | | | | | | |
| Life and annuity ¹ | \$250 | 96.3% | \$1,324 | 73.9% | \$1,427 | 88.0% | \$1,658 | 66.7% | \$(1,069) | 127.0% | \$417 | 88.8% |
| Total BHRG underwriting gain (loss) - pre-tax | | | | | | | | | | | | |
| Berkshire Hathaway Primary Group | | | | | | | | | | | | |
| Premiums earned ² | \$1,773 | 100.0% | \$1,950 | 100.0% | \$1,999 | 100.0% | \$1,858 | 100.0% | \$1,498 | 100.0% | \$1,211 | 100.0% |
| Total losses and expenses | 1,689 | 95.3% | 1,740 | 89.2% | 1,720 | 86.0% | 1,518 | 81.7% | 1,263 | 84.3% | 1,050 | 86.7% |
| Underwriting gain (loss) - pre-tax | \$84 | 4.7% | \$210 | 10.8% | \$279 | 14.0% | \$340 | 18.3% | \$235 | 15.7% | \$161 | 13.3% |
| Total premiums earned | \$27,884 | | \$25,525 | | \$31,783 | | \$23,964 | | \$21,997 | | \$21,085 | |
| Total underwriting gain/(loss) pre-tax | 1,460 | | 2,792 | | 3,374 | | 3,838 | | 53 | | 1,551 | |
| Average float | 60,200 | | 58,593 | | 54,793 | | 50,087 | | 47,691 | | 45,157 | |
| Cost of float | (2.6%) | | (4.8%) | | (6.2%) | | (7.7%) | | (0.1%) | | (3.4%) | |
| Aggregate adverse (favorable) loss development ³ | (\$905) | | (\$1,140) | | (\$1,478) | | (\$612) | | (\$357) | | \$419 | |

Footnotes:

- The \$250 million pre-tax underwriting gain presented for BHRG in 2009 is the updated 2010 figure. The original amount was \$349 million. In 2010, Berkshire moved the life and annuity business to BHRG from Finance and Financial Products.
- 2010-2014: Earned premium figure for the Primary Group is calculated based on the total known earned premiums and the known other segment data. Footnotes disclose rounded figures.
- Per the notes to the financial statements, Percentage is the ratio of loss development to earned premiums.

Note: Primary Group: Data on written premiums, losses and loss expenses, and underwriting expenses were not disclosed.

Sources: Berkshire Hathaway Annual Reports, 2004-2014, and author's calculations.

Table 7.47: Berkshire Hathaway—Insurance Underwriting

| (\$ millions) | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|----------|-----------|----------|
| GEICO | | | | | | | | | | | |
| Premiums written | \$20,962 | \$19,083 | \$17,129 | \$15,664 | \$14,494 | \$13,758 | \$12,741 | \$11,931 | \$11,303 | \$10,285 | \$9,212 |
| Premiums earned | 20,496 | 18,572 | 16,740 | 15,363 | 14,283 | 13,576 | 12,479 | 11,806 | 11,055 | 10,101 | 8,915 |
| Underwriting gain/(loss) - pre-tax | \$1,159 | \$1,127 | \$680 | \$576 | \$1,117 | \$649 | \$916 | \$1,113 | \$1,314 | \$1,221 | \$970 |
| General Re | | | | | | | | | | | |
| Premiums written | \$6,418 | \$5,963 | \$5,984 | \$5,819 | \$5,632 | \$5,721 | \$5,971 | \$5,957 | \$5,949 | \$6,155 | \$6,860 |
| Premiums earned | 6,264 | 5,984 | 5,870 | 5,816 | 5,693 | 5,829 | 6,014 | 6,076 | 6,075 | 6,435 | 7,245 |
| Underwriting gain/(loss) - pre-tax | \$277 | \$283 | \$355 | \$144 | \$452 | \$477 | \$342 | \$555 | \$526 | (\$334) | \$3 |
| Berkshire Hathaway Reinsurance Group | | | | | | | | | | | |
| Premiums earned | \$10,116 | \$8,786 | \$9,672 | \$9,147 | \$9,076 | \$6,706 | \$5,082 | \$11,902 | \$4,976 | \$3,963 | \$3,714 |
| Underwriting gain/(loss) - pre-tax ¹ | \$606 | \$1,294 | \$304 | (\$714) | \$176 | \$250 | \$1,324 | \$1,427 | \$1,658 | (\$1,069) | \$417 |
| Berkshire Hathaway Primary Group | | | | | | | | | | | |
| Premiums earned ² | \$4,377 | \$3,342 | \$2,263 | \$1,749 | \$1,697 | \$1,773 | \$1,950 | \$1,999 | \$1,858 | \$1,498 | \$1,211 |
| Underwriting gain/(loss) - pre-tax | \$626 | \$385 | \$286 | \$242 | \$268 | \$84 | \$210 | \$279 | \$340 | \$235 | \$161 |
| Total premiums earned | \$41,253 | \$36,684 | \$34,545 | \$32,075 | \$30,749 | \$27,884 | \$25,525 | \$31,783 | \$23,964 | \$21,997 | \$21,085 |
| Total underwriting gain/(loss) - pre-tax | 2,668 | 3,089 | 1,625 | 248 | 2,013 | 1,460 | 2,792 | 3,374 | 3,838 | 53 | 1,551 |
| Average float | 80,581 | 75,183 | 71,848 | 68,202 | 63,872 | 60,200 | 58,593 | 54,793 | 50,087 | 47,691 | 45,157 |
| Cost of float | (3.3%) | (4.1%) | (2.3%) | (0.4%) | (3.2%) | (2.6%) | (4.8%) | (6.2%) | (7.7%) | (0.1%) | (3.4%) |
| Aggregate adverse (favorable) loss development ² | (\$1,365) | (\$1,752) | (\$2,126) | (\$2,202) | (\$2,270) | (\$905) | (\$1,140) | (\$1,478) | (\$612) | (\$357) | \$419 |
| Discount accretion and amortization charges included above | \$128 | \$186 | \$381 | \$342 | \$356 | \$602 | \$550 | \$315 | \$459 | \$386 | \$538 |
| Footnotes: | | | | | | | | | | | |
| 1. The \$250 million pre-tax underwriting gain presented for BHRG in 2009 is the updated 2010 figure. The original amount was \$349 million. In 2010, Berkshire moved the life and annuity business to BHRG from Finance and Financial Products. | | | | | | | | | | | |
| 2. Per the notes to the financial statements. Percentage is the ratio of loss development to earned premiums. | | | | | | | | | | | |

Note: Berkshire Hathaway Primary Group and BHRG written premiums were not detailed.

Sources: Berkshire Hathaway Annual Reports 2004–2014 and author's calculations.

Table 7.49: Berkshire Hathaway property and casualty loss development

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| (\$ millions) | | | | | | | | | | | |
| Net unpaid losses net of discounts/deferred charges end of year ¹ | \$60,589 | \$57,452 | \$57,216 | \$56,727 | \$53,530 | \$52,537 | \$49,487 | \$48,876 | \$42,779 | \$42,834 | \$40,087 |
| Liability re-estimated: | | | | | | | | | | | |
| 1 year later | | 55,421 | 55,557 | 54,787 | 51,228 | 49,955 | 48,836 | 47,288 | 41,811 | 42,723 | 39,002 |
| 2 years later | | | 53,961 | 53,600 | 49,960 | 47,636 | 47,293 | 46,916 | 40,456 | 42,468 | 39,456 |
| 3 years later | | | | 52,526 | 49,143 | 46,793 | 45,675 | 45,902 | 40,350 | 41,645 | 39,608 |
| 4 years later | | | | | 48,262 | 46,099 | 45,337 | 44,665 | 39,198 | 41,676 | 38,971 |
| 5 years later | | | | | | 45,630 | 44,914 | 44,618 | 38,003 | 40,884 | 39,317 |
| 6 years later | | | | | | | 44,659 | 44,406 | 37,946 | 39,888 | 38,804 |
| 7 years later | | | | | | | | 44,355 | 37,631 | 40,088 | 38,060 |
| 8 years later | | | | | | | | | 37,796 | 39,796 | 38,280 |
| 9 years later | | | | | | | | | | 39,472 | 38,189 |
| 10 years later | | | | | | | | | | | 37,943 |
| Cumulative deficiency (redundancy) | (2,031) | (3,255) | (4,201) | (4,828) | (5,268) | (6,907) | (4,828) | (4,521) | (5,587) | (3,362) | (2,144) |
| Cumulative foreign exchange effect | 666 | 461 | 280 | 361 | 590 | 381 | 961 | 540 | 85 | 618 | |
| Net deficiency (redundancy) | (1,365) | (2,794) | (3,921) | (4,907) | (4,907) | (6,317) | (4,447) | (3,560) | (5,047) | (3,277) | (1,526) |
| Cumulative payments: | | | | | | | | | | | |
| 1 year later | 11,381 | 10,978 | 10,628 | 8,854 | 8,854 | 9,191 | 8,315 | 8,486 | 8,865 | 9,345 | 7,793 |
| 2 years later | | 17,827 | 17,260 | 14,593 | 14,265 | 13,999 | 13,394 | 13,581 | 15,228 | 15,228 | 12,666 |
| 3 years later | | | 21,747 | 18,300 | 17,952 | 16,900 | 17,557 | 16,634 | 18,689 | 18,689 | 16,463 |
| 4 years later | | | | 22,008 | 20,307 | 19,478 | 19,608 | 19,724 | 20,890 | 20,890 | 18,921 |
| 5 years later | | | | | 22,896 | 21,786 | 21,660 | 21,660 | 21,143 | 23,507 | 20,650 |
| 6 years later | | | | | | 23,339 | 23,595 | 22,678 | 24,935 | 22,865 | 22,865 |
| 7 years later | | | | | | | 24,807 | 23,892 | 26,266 | 26,266 | 24,232 |
| 8 years later | | | | | | | | 24,807 | 24,831 | 26,928 | 25,430 |
| 9 years later | | | | | | | | | 28,031 | 26,624 | 26,917 |
| 10 years later | | | | | | | | | | | 26,917 |
| Net deficiency (redundancy) above accretion | (1,365) | (2,794) | (3,921) | (4,907) | (4,907) | (6,317) | (4,447) | (3,560) | (5,047) | (3,277) | (1,526) |
| Deficiency from deferred charge amortization and discount accretion | 128 | 306 | 645 | 989 | 989 | 1,698 | 1,806 | 1,970 | 2,157 | 2,591 | 2,726 |
| (Redundancy) deficiency before deferred charge amortization and discount accretion | (1,493) | (3,100) | (4,566) | (5,896) | (5,896) | (8,015) | (6,253) | (5,530) | (7,204) | (5,868) | (4,252) |

Footnote:

1. The full loss development table in the 10K report starts with gross unpaid losses and includes such items as reserve discounts, ceded reserves, and deferred charges. I've chosen to begin the table here due to space limitations.

Source: Berkshire Hathaway 10K filing, 2014.

Table 7-50: Regulated, Capital-Intensive Businesses

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Berkshire Hathaway Energy (formerly known as MidAmerican Energy) | | | | | | | | | | |
| UK utilities | \$527 | \$362 | \$429 | \$469 | \$333 | \$248 | \$339 | \$337 | \$338 | \$308 |
| Iowa utility | 298 | 230 | 236 | 279 | 279 | 285 | 425 | 412 | 348 | 288 |
| Nevada utility | 549 | | | | | | | | | |
| PacifiCorp (primarily Oregon and Utah) | 1,010 | 982 | 737 | 771 | 783 | 788 | 703 | 692 | 356 | |
| Gas Pipelines (Northern Natural and Kern River) | 379 | 385 | 383 | 388 | 378 | 457 | 595 | 473 | 376 | 309 |
| HomeServices | 139 | 139 | 82 | 39 | 42 | 43 | (45) | 42 | 74 | 148 |
| Other (net) | 236 | 4 | 91 | 36 | 47 | 25 | 186 | 130 | 226 | 115 |
| Operating earnings before corporate interest and taxes | 3,138 | 2,102 | 1,958 | 1,982 | 1,862 | 1,846 | 2,203 | 2,086 | 1,718 | 1,168 |
| Constellation Energy ¹ | | | | | | | 1,092 | | | |
| Interest | 427 | 296 | 314 | 336 | 353 | 376 | 443 | 420 | 395 | 357 |
| Income taxes | 616 | 170 | 172 | 315 | 271 | 313 | 1,002 | 477 | 407 | 248 |
| Net earnings | \$2,095 | \$1,636 | \$1,472 | \$1,331 | \$1,238 | \$1,157 | \$1,850 | \$1,189 | \$916 | \$563 |
| Net earnings applicable to Berkshire ² | \$1,882 | \$1,470 | \$1,323 | \$1,204 | \$1,131 | \$1,071 | \$1,704 | \$1,114 | \$885 | \$523 |
| Burlington Northern Santa Fe (BNSF) | | | | | | | | | | |
| Revenues | \$23,239 | \$22,014 | \$20,835 | \$19,548 | \$16,850 | \$14,016 | \$18,018 | \$15,802 | \$14,985 | \$12,987 |
| Operating expenses (including depreciation) | 16,237 | 15,357 | 14,835 | 14,247 | 12,355 | 10,762 | 14,106 | 12,316 | 11,508 | 10,102 |
| Operating earnings before interest and taxes | 7,002 | 6,657 | 6,000 | 5,301 | 4,495 | 3,254 | 3,912 | 3,486 | 3,477 | 2,885 |
| Interest (net) | 833 | 729 | 623 | 560 | 507 | 613 | 533 | 511 | 485 | 437 |
| Income taxes | 2,300 | 2,135 | 2,005 | 1,769 | 1,529 | 920 | 1,253 | 1,128 | 1,105 | 917 |
| Net earnings | \$3,869 | \$3,793 | \$3,372 | \$2,972 | \$2,459 | \$1,721 | \$2,126 | \$1,847 | \$1,887 | \$1,531 |

Footnotes:

1. Constellation Energy consists of a \$175 million breakup fee and \$917 million profit on investment.
2. Earnings applicable to Berkshire consist of its share of net earnings plus after tax interest income from debt owed to Berkshire from MidAmerican.

Notes:

1. BNSF owned from February 12, 2010. Historical data provided for reference.
 2. PacifiCorp owned from March 21, 2006.
- Sources: Berkshire Hathaway Annual Reports 2006, 2008, 2010, 2012, 2014; BNSF Annual Report 2006; BNSF 10K 2009.

Table 7.51: Manufacturing, Service, and Retailing businesses—balance sheets, 2004–2014

| (\$ millions) | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <i>Assets</i> | | | | | | | | | | | |
| Cash and equivalents | \$5,765 | \$6,625 | \$5,338 | \$4,241 | \$2,673 | \$3,018 | \$2,497 | \$2,080 | \$1,543 | \$1,004 | \$899 |
| Accounts and notes receivable | 8,264 | 7,749 | 7,382 | 6,584 | 5,396 | 5,066 | 5,047 | 4,488 | 3,793 | 3,287 | 3,074 |
| Inventory | 10,236 | 9,945 | 9,675 | 8,975 | 7,101 | 6,147 | 7,500 | 5,793 | 5,257 | 4,143 | 3,842 |
| Other current assets | 1,117 | 716 | 734 | 631 | 550 | 625 | 752 | 470 | 363 | 342 | 254 |
| Total current assets | \$25,382 | \$25,035 | \$23,129 | \$20,431 | \$15,720 | \$14,856 | \$15,796 | \$12,831 | \$10,956 | \$8,776 | \$8,069 |
| Goodwill and other intangibles | 28,107 | 25,617 | 26,017 | 24,755 | 16,976 | 16,499 | 16,515 | 14,201 | 13,314 | 9,260 | 8,362 |
| Fixed assets | 13,806 | 19,389 | 18,871 | 17,866 | 15,421 | 15,374 | 16,338 | 9,605 | 8,934 | 7,148 | 6,161 |
| Other assets | 3,793 | 4,274 | 3,416 | 3,661 | 3,029 | 2,070 | 1,248 | 1,685 | 1,168 | 1,021 | 1,044 |
| | \$71,088 | \$74,315 | \$71,433 | \$66,713 | \$51,146 | \$48,799 | \$49,897 | \$38,322 | \$34,372 | \$26,205 | \$23,636 |
| <i>Liabilities and Equity</i> | | | | | | | | | | | |
| Notes payable | \$965 | \$1,615 | \$1,454 | \$1,611 | \$1,805 | \$1,842 | \$2,212 | \$1,278 | \$1,468 | \$1,469 | \$1,143 |
| Other current liabilities | 9,734 | 8,965 | 8,527 | 15,124 | 8,169 | 7,414 | 8,087 | 7,652 | 6,635 | 5,371 | 4,685 |
| Total current liabilities | 10,699 | 10,580 | 9,981 | 16,735 | 9,974 | 9,256 | 10,299 | 8,930 | 8,103 | 6,840 | 5,828 |
| Deferred taxes | 3,801 | 5,184 | 4,907 | 4,661 | 3,001 | 2,834 | 2,786 | 828 | 540 | 338 | 248 |
| Term debt and other liabilities | 4,269 | 4,405 | 5,826 | 6,214 | 6,621 | 6,240 | 6,033 | 3,079 | 3,014 | 2,188 | 1,965 |
| Non-controlling interests | 492 | 456 | 2,062 | 2,410 | | | | | | | |
| Equity | 51,827 | 53,690 | 48,657 | 36,693 | 31,550 | 30,469 | 30,779 | 25,485 | 22,715 | 16,839 | 15,595 |
| | \$71,088 | \$74,315 | \$71,433 | \$66,713 | \$51,146 | \$48,799 | \$49,897 | \$38,322 | \$34,372 | \$26,205 | \$23,636 |

Note: In 2014 Marmon's leasing operations began to be included in the Finance and Financial Products sector. The 2014 Annual Report provided a restatement of 2012 and 2013 for comparative purposes. This presentation contains the original presentations.

Sources: Berkshire Hathaway Annual Reports 2004–2014.

Table 7.52: Manufacturing, Service, and Retailing businesses—income statements, 2004–2014

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Revenues | \$97,689 | \$95,291 | \$83,255 | \$72,406 | \$66,610 | \$61,665 | \$66,099 | \$59,100 | \$52,660 | \$46,896 | \$44,142 |
| Operating expenses (Including depreciation) | 90,788 | 88,414 | 76,978 | 67,239 | 62,225 | 59,509 | 61,937 | 55,026 | 49,002 | 44,190 | 41,604 |
| Interest expense (net) | 109 | 135 | 146 | 130 | 111 | 98 | 139 | 127 | 132 | 83 | 57 |
| Pre-tax income ¹ | 6,792 | 6,742 | 6,131 | 5,037 | 4,274 | 2,058 | 4,023 | 3,947 | 3,526 | 2,623 | 2,481 |
| Income taxes and non-controlling interests | 2,324 | 2,512 | 2,432 | 1,998 | 1,812 | 945 | 1,740 | 1,594 | 1,395 | 977 | 941 |
| Net income | \$4,468 | \$4,230 | \$3,699 | \$3,039 | \$2,462 | \$1,113 | \$2,283 | \$2,353 | \$2,131 | \$1,646 | \$1,540 |
| Footnote: Excludes purchase-accounting adjustments. | | | | | | | | | | | |

Sources: Berkshire Hathaway Annual Reports 2004–2014.

Table 7.53: Manufacturing, Service, and Retailing businesses—ratios and key figures, 2004–2014

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Tangible capital | \$28,954 | \$34,093 | \$29,920 | \$19,763 | \$23,000 | \$22,052 | \$22,509 | \$15,641 | \$13,883 | \$11,236 | \$10,341 |
| Revenues/average tangible capital | \$3.10 | \$2.98 | \$3.35 | \$3.39 | \$2.96 | \$2.77 | \$3.47 | \$4.00 | \$4.19 | \$4.35 | \$4.27 |
| EBIT margin | 7.1% | 7.2% | 7.5% | 7.1% | 6.6% | 3.5% | 6.3% | 6.9% | 6.9% | 5.8% | 5.7% |
| Pre-tax return on tangible capital | 21.9% | 21.5% | 25.3% | 24.2% | 19.5% | 9.7% | 21.8% | 27.6% | 29.1% | 25.1% | 24.5% |
| Return on average equity - after-tax | 8.5% | 8.3% | 8.7% | 8.9% | 7.9% | 3.6% | 8.1% | 9.8% | 10.8% | 10.1% | 9.9% |
| Return on average tangible equity after-tax | 17.3% | 16.7% | 21.4% | 22.9% | 17.3% | 7.9% | 17.9% | 22.8% | 25.1% | 22.2% | 21.6% |
| Net debt (cash) | (\$531) | (\$605) | \$1,942 | \$3,584 | \$5,753 | \$5,064 | \$5,748 | \$2,277 | \$2,939 | \$2,653 | \$2,209 |
| Notes payable/equity | 10.1% | 11.2% | 15.0% | 21.3% | 26.7% | 26.5% | 26.8% | 17.1% | 19.7% | 21.7% | 19.9% |
| Total assets/total equity | 1.37 | 1.38 | 1.47 | 1.82 | 1.62 | 1.60 | 1.62 | 1.50 | 1.51 | 1.56 | 1.52 |

Sources: Berkshire Hathaway Annual Reports 2004–2014 and author's calculations.

Table 7.54: Finance and Financial Products businesses—select earnings data

| (\$ millions) | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---------|-------|-------|-------|-------|-------|-------|---------|---------|-------|-------|
| Net investment income | \$296 | \$324 | \$410 | \$440 | | \$278 | \$330 | \$272 | \$274 | \$200 | \$264 |
| Gen Re Securities ¹ | | | | | | | | | (5) | (104) | (44) |
| Life and annuity operation ² | | | | | | 116 | 23 | (60) | 29 | 11 | (57) |
| Value Capital ³ | | | | | | | | | 6 | (33) | 30 |
| Berkadia | 122 | 80 | 35 | 25 | | | | | | | 1 |
| Leasing operations | | | | | | | | | | | |
| CORT ⁴ | 36 | 40 | 42 | 29 | | | | | | | |
| XTRA ⁴ | 147 | 125 | 106 | 126 | | | | | | | |
| Marmon - Containers and Cranes ⁴ | 238 | | | | | | | | | | |
| Marmon - Railcars ⁴ | 442 | | | | | | | | | | |
| Leasing operations - subtotal ⁴ | 863 | 165 | 148 | 155 | 53 | 14 | 87 | 111 | 182 | 173 | 92 |
| Manufactured housing finance (Clayton) | | | | | | | | | | | |
| Other ⁵ | 558 | 416 | 255 | 154 | 176 | 187 | 206 | 526 | 513 | 416 | 220 |
| Pre-tax earnings | \$1,839 | \$985 | \$848 | \$774 | \$689 | \$781 | \$787 | \$1,006 | \$1,157 | \$822 | \$584 |

Footnotes:

1. Gen Re Securities ceased in 2006. Cumulative pre-tax loss since 2002 was \$409 million on 23,218 contracts.
2. Beginning in 2010 the life and annuity operation was moved to Berkshire Hathaway Reinsurance Group.
3. Investment in Value Capital ceased in 2006.
4. In 2014 results included Marmon's leasing operations. The report that year included a restatement of the prior two years for comparative purposes. Data here are the original presentation. The restated total pre-tax income for 2013 and 2012 was \$1,564 million and \$1,393 million, respectively.
5. Included in Other are fees paid to Berkshire from Clayton and NeJets for use of its credit.

Notes: Beginning in 2010 Berkshire stopped producing this table in the Chairman's letter. In 2012 data again began to be presented in the letter. Amounts for Leasing and Clayton in 2010 are from the footnotes and are included for continuity.

Sources: Berkshire Hathaway Annual Reports 2004–2014 and author's calculations.

Table 7.55: Berkshire Hathaway deferred tax analysis

| <i>(\\$ millions)</i> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>Total</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Earnings before income taxes | \$28,105 | \$28,796 | \$22,236 | \$15,314 | \$19,051 | \$11,552 | \$7,574 | \$20,161 | \$16,778 | \$12,791 | \$182,358 |
| Current taxes | 3,302 | 5,168 | 4,711 | 2,897 | 3,668 | 1,619 | 3,811 | 5,708 | 5,030 | 2,057 | 37,971 |
| Deferred taxes | 4,633 | 3,783 | 2,213 | 1,671 | 1,939 | 1,919 | (1,833) | 886 | 475 | 2,102 | 17,788 |
| Total taxes as reported | 7,935 | 8,951 | 6,924 | 4,568 | 5,607 | 3,538 | 1,978 | 6,594 | 5,505 | 4,159 | 55,759 |
| Cash paid for tax during period | 4,014 | 5,401 | 4,695 | 2,885 | 3,547 | 2,032 | 3,530 | 5,895 | 4,959 | 2,695 | 39,653 |
| Current rate | 11.7% | 17.9% | 21.2% | 18.9% | 19.3% | 14.0% | 50.3% | 28.3% | 30.0% | 16.1% | 20.8% |
| Deferred rate | 16.5% | 13.1% | 10.0% | 10.9% | 10.2% | 16.6% | (24.2%) | 4.4% | 2.8% | 16.4% | 9.8% |
| Headline tax rate | 28.2% | 31.1% | 31.1% | 29.8% | 29.4% | 30.6% | 26.1% | 32.7% | 32.8% | 32.5% | 30.6% |
| Current as % total | 41.6% | 57.7% | 68.0% | 63.4% | 65.4% | 45.8% | 192.7% | 86.6% | 91.4% | 49.5% | 68.1% |
| Deferred as % total | 58.4% | 42.3% | 32.0% | 36.6% | 34.6% | 54.2% | (92.7%) | 13.4% | 8.6% | 50.5% | 31.9% |
| Total tax | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cash tax as % EBIT | 14.3% | 18.8% | 21.1% | 18.8% | 18.6% | 17.6% | 46.6% | 29.2% | 29.6% | 21.1% | 21.7% |

Sources: Berkshire Hathaway Annual Reports 2005, 2008, 2011, 2014; and author's calculations.

Table 9.2: Berkshire Hathaway pre-tax earnings

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| Insurance Group: | | | | | | |
| Underwriting: | | | | | | |
| GEICO | \$1,506 | \$2,449 | (\$310) | \$462 | \$460 | \$1,159 |
| General Re | <i>Consolidated with BHFG</i> | | | 190 | 132 | 277 |
| Berkshire Hathaway Reinsurance Group | (1,472) | (1,109) | (3,648) | 822 | 421 | 606 |
| Berkshire Hathaway Primary Group | 383 | 670 | 719 | 657 | 824 | 626 |
| Total underwriting | 417 | 2,010 | (3,239) | 2,131 | 1,837 | 2,668 |
| Investment income | 6,600 | 5,503 | 4,902 | 4,482 | 4,550 | 4,357 |
| Total Insurance Group | 7,017 | 7,513 | 1,663 | 6,613 | 6,387 | 7,025 |
| BNSF | 7,250 | 6,863 | 6,328 | 5,693 | 6,775 | 6,169 |
| Berkshire Hathaway Energy ¹ | 2,618 | 2,472 | 2,584 | 2,973 | 2,851 | 2,711 |
| Manufacturing, service and retailing (MSR) ² | 12,365 | 12,308 | 9,243 | 8,462 | 7,115 | 6,792 |
| Finance and financial products ³ | <i>Consolidated with MSR</i> | | 2,058 | 2,130 | 2,086 | 1,839 |
| Unallocated interest expense | (416) | (458) | (1,494) | (230) | (374) | (313) |
| Equity method investments ⁴ | 1,176 | (2,167) | 2,938 | 1,103 | 730 | 694 |
| Corporate, eliminations and other | 79 | (75) | (1,610) | (1,381) | (971) | (893) |
| Subtotal - pre-tax operating earnings | 30,089 | 26,456 | 21,710 | 25,363 | 24,599 | 24,024 |
| Investment and derivatives gains/losses | 72,607 | (22,455) | 2,128 | 8,304 | 10,347 | 4,081 |
| Total pre-tax earnings | 102,696 | 4,001 | 23,838 | 33,667 | 34,946 | 28,105 |
| Income taxes and minority interests ⁵ | 21,279 | (20) | (21,102) | 9,593 | 10,863 | 8,233 |
| Net income | \$81,417 | \$4,021 | \$44,940 | \$24,074 | \$24,083 | \$19,872 |

Footnotes:

1. In 2014, MidAmerican changed its name to Berkshire Hathaway Energy.
2. In 2014, Marmon's leasing operations were rolled into Finance and financial products.
3. In 2018, the Finance and financial products businesses were consolidated with the MSR businesses.
4. 2018: Includes intangible asset impairment from Kraft Heinz.
5. 2017: Includes \$28.2 billion benefit from the Tax Cuts and Jobs Act of 2017.

Sources: Berkshire Hathaway Annual Reports 2014, 2016, 2017, 2019.

Table 9.3: Berkshire Hathaway after-tax earnings

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|------------------------------|-------------|-------------|-------------|-------------|-------------|
| (\$ millions) | | | | | | |
| Insurance - underwriting | \$325 | \$1,566 | (\$2,219) | \$1,370 | \$1,162 | \$1,692 |
| Insurance - investment income | 5,530 | 4,554 | 3,917 | 3,636 | 3,725 | 3,542 |
| Railroad | 5,481 | 5,219 | 3,959 | 3,569 | 4,248 | 3,869 |
| Utilities and energy | 2,840 | 2,621 | 2,083 | 2,287 | 2,132 | 1,882 |
| Manufacturing, service and retailing (MSR) | 9,372 | 9,364 | 6,208 | 5,631 | 4,683 | 4,468 |
| Finance and financial products ¹ | <i>Consolidated with MSR</i> | | 1,335 | 1,427 | 1,378 | 1,243 |
| Other ² | 424 | (1,566) | (826) | (343) | 30 | (145) |
| Operating earnings | 23,972 | 21,758 | 14,457 | 17,577 | 17,358 | 16,551 |
| Investment and derivative gains/losses | 57,445 | (17,737) | 1,377 | 6,497 | 6,725 | 3,321 |
| Tax Cuts and Jobs Act of 2017 | | | 29,106 | | | |
| Net earnings attributable BRK shareholders | \$81,417 | \$4,021 | \$44,940 | \$24,074 | \$24,083 | \$19,872 |
| Common shares outstanding at year-end ³ | 1,625 | 1,641 | 1,645 | 1,644 | 1,643 | 1,643 |

Footnotes:

1. Beginning in 2018, the Finance and Financial Products businesses were consolidated with the Manufacturing, Service, and Retailing businesses.
2. Includes \$2.7 billion after-tax intangible asset impairment charge from Kraft Heinz.
3. A-share equivalent, in thousands.

Sources: Berkshire Hathaway Annual Reports 2014–2019.

Table 9.29: Berkshire Hathaway—select parent-level financial information

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| <i>(\$ millions, except per share data)</i> | | | | | |
| Revenues: | | | | | |
| Insurance premiums earned | \$61,078 | \$57,418 | \$60,597 | \$45,881 | \$41,294 |
| Sales and service revenues | 134,989 | 133,336 | 130,243 | 123,053 | 110,811 |
| Leasing revenue | 5,856 | 5,732 | 2,552 | 2,553 | 1,546 |
| Railroad, utilities and energy revenues | 43,453 | 43,673 | 40,005 | 37,447 | 39,923 |
| Interest, dividend, and other investment income | 9,240 | 7,678 | 6,536 | 6,180 | 6,867 |
| Total revenues | \$254,616 | \$247,837 | \$239,933 | \$215,114 | \$200,441 |
| Investment and derivative gains/(losses)¹ | | | | | |
| | \$72,607 | (\$22,455) | \$2,128 | \$8,304 | \$10,347 |
| Earnings: | | | | | |
| Net earnings attributable to Berkshire Hathaway ² | \$81,417 | \$4,021 | \$44,940 | \$24,074 | \$24,083 |
| Net earnings per share | \$49,828 | \$2,446 | \$27,326 | \$14,645 | \$14,656 |
| Year-end data: | | | | | |
| Total assets | \$817,729 | \$707,794 | \$702,095 | \$620,854 | \$552,257 |
| Notes payable and other borrowings: | | | | | |
| Insurance and other non-finance businesses | 37,590 | 34,975 | 40,409 | 42,559 | 26,550 |
| Railroad, utilities and energy businesses | 65,778 | 62,515 | 62,178 | 59,085 | 57,739 |
| Shareholders' equity | 424,791 | 348,703 | 348,296 | 282,070 | 254,619 |
| Common shares outstanding, in thousands (A-share equivalent) | 1,625 | 1,641 | 1,645 | 1,644 | 1,643 |
| Shareholders' equity per outstanding share (A-share equivalent) | \$261,417 | \$212,503 | \$211,750 | \$171,542 | \$154,935 |
| Footnotes: | | | | | |
| 1. After-tax investment gains were as follows: | | | | | |
| 2. Beginning in 2018, investment gains/losses include the changes in fair values of equity securities during the period. Net earnings in 2017 includes a one-time net benefit of \$29.1 billion attributable to the enactment of the Tax Cuts and Jobs Act of 2017. | | | | | |

Note: Data taken from the 2019 Annual Report to maintain consistency. Slight differences exist for any particular year depending on the report year.
Sources: Berkshire Hathaway Annual Report, 2019.

Table 9.30: Berkshire Hathaway—Insurance Underwriting

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---|-------------|-------------|-------------|-------------|-------------|
| <i>(\$ millions)</i> | | | | | | |
| GEICO | | | | | | |
| Premiums earned | \$35,572 | \$33,363 | \$29,441 | \$25,483 | \$22,718 | \$20,496 |
| Underwriting gain/(loss) - pre-tax | 1,506 | 2,449 | (310) | 462 | 460 | 1,159 |
| General Re | | | | | | |
| Premiums earned | | | | | \$5,637 | \$6,264 |
| Underwriting gain/(loss) - pre-tax | | | | | 190 | 277 |
| | <i>Consolidated with Berkshire Hathaway Reinsurance Group</i> | | | | | |
| Berkshire Hathaway Reinsurance Group | | | | | | |
| Property/casualty | \$9,911 | \$8,928 | \$7,552 | \$7,218 | | |
| Retroactive reinsurance | 684 | 517 | 10,755 | 1,254 | | |
| Life/health | 4,883 | 5,343 | 4,808 | 4,587 | | |
| Periodic payment annuity | 863 | 1,156 | 898 | 1,082 | | |
| Premiums earned | 16,341 | 15,944 | 24,013 | 14,141 | \$8,504 | \$10,116 |
| Property/casualty | 16 | (207) | (1,595) | 895 | | |
| Retroactive reinsurance | (1,265) | (778) | (1,330) | (60) | | |
| Life/health | 326 | 216 | (52) | 305 | | |
| Periodic payment annuity | (549) | (340) | (671) | (128) | | |
| Underwriting gain/(loss) - pre-tax | (1,472) | (1,109) | (3,648) | 1,012 | 822 | 421 |
| Berkshire Hathaway Primary Group | | | | | | |
| Premiums earned | \$9,165 | \$8,111 | \$7,143 | \$6,257 | \$6,257 | \$4,377 |
| Underwriting gain/(loss) - pre-tax | 383 | 670 | 719 | 657 | 657 | 626 |
| Total premiums earned | \$61,078 | \$57,418 | \$60,597 | \$45,881 | \$41,294 | \$41,253 |
| Total underwriting gain/(loss) - pre-tax | 417 | 2,010 | (3,239) | 2,131 | 1,837 | 2,668 |
| Average float | 126,078 | 118,616 | 103,039 | 89,650 | 89,650 | 80,581 |
| Cost of float | (0.3%) | (1.7%) | 3.1% | (2.4%) | (2.4%) | (3.3%) |

Note: The year 2016 is included twice to show the presentation before and after consolidating General Re into Berkshire Hathaway Reinsurance Group.

Sources: Berkshire Hathaway Annual Reports 2016, 2017, 2019; and author's calculations.

Table 9.31: Berkshire Hathaway Insurance Group float, select data and information

| Year | Year-end Float (\$ millions) | | | | | Total | Avg. Float | Float Cost | Year-end Float (% Growth) | | | | | |
|------|------------------------------|----------------|-----------|---------------|---------------|-------|----------------|------------|---------------------------|----------------|-----------|---------------|--------|------------|
| | GEICO | General Reins. | BH Reins. | Other Primary | Other Primary | | | | GEICO | General Reins. | BH Reins. | Other Primary | Total | Avg. Float |
| 1994 | | | | | | | 3,057 (4.2%) | | | | | | | 16.5% |
| 1995 | | | | | | | 3,607 (0.6%) | | | | | | | 18.0% |
| 1996 | | | | | | | 6,702 (3.3%) | | | | | | | 85.8% |
| 1997 | 2,917 | | 4,014 | 455 | 7,386 | | 7,093 (6.5%) | | | | | | | 5.8% |
| 1998 | 3,125 | 14,909 | 4,305 | 415 | 22,754 | | 15,070 (1.8%) | | | | | | 208.1% | 112.5% |
| 1999 | 3,444 | 15,166 | 6,285 | 403 | 25,298 | | 24,026 (5.8%) | | | | | | 11.2% | 59.4% |
| 2000 | 3,943 | 15,525 | 7,805 | 598 | 27,871 | | 26,585 (6.1%) | | | | | | 10.2% | 10.6% |
| 2001 | 4,251 | 19,310 | 11,262 | 685 | 35,508 | | 31,690 (12.8%) | | | | | | 27.4% | 19.2% |
| 2002 | 4,678 | 22,207 | 13,396 | 943 | 41,224 | | 38,366 (1.1%) | | | | | | 16.1% | 21.1% |
| 2003 | 5,287 | 23,654 | 13,948 | 1,331 | 44,220 | | 42,722 (4.0%) | | | | | | 7.3% | 11.4% |
| 2004 | 5,960 | 23,120 | 15,278 | 1,736 | 46,094 | | 45,157 (3.4%) | | | | | | 4.2% | 5.7% |
| 2005 | 6,692 | 22,920 | 16,233 | 3,442 | 49,287 | | 47,691 (0.1%) | | | | | | 6.9% | 5.6% |
| 2006 | 7,171 | 22,827 | 16,860 | 4,029 | 50,887 | | 50,087 (7.7%) | | | | | | 3.2% | 5.0% |
| 2007 | 7,768 | 23,009 | 23,692 | 4,229 | 58,698 | | 54,793 (6.2%) | | | | | | 15.3% | 9.4% |
| 2008 | 8,454 | 21,074 | 24,221 | 4,739 | 58,488 | | 58,593 (4.8%) | | | | | | (0.4%) | 6.9% |
| 2009 | 9,613 | 21,014 | 26,223 | 5,061 | 61,911 | | 60,200 (2.6%) | | | | | | 5.9% | 2.7% |
| 2010 | 10,272 | 20,049 | 30,370 | 5,141 | 65,832 | | 63,872 (3.2%) | | | | | | 6.3% | 6.1% |
| 2011 | 11,169 | 19,714 | 33,728 | 5,960 | 70,571 | | 68,202 (0.4%) | | | | | | 7.2% | 6.8% |
| 2012 | 11,578 | 20,128 | 34,821 | 6,598 | 73,125 | | 71,848 (2.3%) | | | | | | 3.6% | 5.3% |
| 2013 | 12,566 | 20,013 | 37,231 | 7,430 | 77,240 | | 75,183 (4.1%) | | | | | | 5.6% | 4.6% |
| 2014 | 13,569 | 19,280 | 42,454 | 8,618 | 83,921 | | 80,581 (3.3%) | | | | | | 8.6% | 7.2% |
| 2015 | 15,148 | 18,560 | 44,108 | 9,906 | 87,722 | | 85,822 (2.1%) | | | | | | 4.5% | 6.5% |
| 2016 | 17,148 | 17,699 | 45,081 | 11,649 | 91,577 | | 89,650 (2.4%) | | | | | | 4.4% | 4.5% |
| 2017 | | | | | 114,500 | | 103,039 (3.1%) | | | | | | 25.0% | 14.9% |
| 2018 | | | | | 122,732 | | 118,616 (1.7%) | | | | | | 7.2% | 15.1% |
| 2019 | | | | | 129,423 | | 126,078 (0.3%) | | | | | | 5.5% | 6.3% |

Detail no longer provided

Detail no longer provided

Sources: Berkshire Hathaway Annual Reports and author's calculations.

Table 9.32: Manufacturing, Service, and Retailing businesses—pre-tax earnings

| <i>(\$ millions)</i> | 2019 | 2018 | 2017 Restated | 2017 Original | 2016 | 2015 | 2014 |
|--|---------|---------|------------------|------------------|---------|---------|---------|
| Industrial products | \$5,635 | \$5,822 | \$5,065 | \$4,367 | \$4,209 | \$2,994 | \$3,159 |
| Building products | 2,636 | 2,336 | 2,147 | 1,382 | 1,178 | 1,167 | 896 |
| Consumer products | 1,251 | 1,208 | 1,112 | 1,112 | 824 | 732 | 756 |
| Subtotal - manufacturing | 9,522 | 9,366 | 8,324 | 6,861 | 6,211 | 4,893 | 4,811 |
| Service | 1,681 | 1,836 | 1,519 | 1,298 | 1,161 | 1,156 | 1,202 |
| Retailing | 874 | 860 | 785 | 785 | 659 | 564 | 344 |
| McLane | 288 | 246 | 299 | 299 | 431 | 502 | 435 |
| Subtotal - service and retailing | 2,843 | 2,942 | 2,603 | 2,382 | 2,251 | 2,222 | 1,981 |
| Total pre-tax earnings | 12,365 | 12,308 | 10,927 | 9,243 | 8,462 | 7,115 | 6,792 |
| Income taxes and non-controlling interests | (2,993) | (2,944) | (3,645) | (3,035) | (2,831) | (2,432) | (2,324) |
| Earnings after tax | \$9,372 | \$9,364 | \$7,282 | \$6,208 | \$5,631 | \$4,683 | \$4,468 |

Note: In 2018, the Finance and Financial Products businesses were consolidated into the MSR businesses.

Sources: Berkshire Hathaway Annual Reports 2015–2019 and author's calculations.

Table 9.33: Manufacturing, Service, and Retailing businesses—balance sheets, 2004–2016

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---------------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <i>(\$ millions)</i> | | | | | | | | | | | | | |
| <i>Assets</i> | | | | | | | | | | | | | |
| Cash and equivalents | \$8,073 | \$6,807 | \$5,765 | \$6,625 | \$5,338 | \$4,241 | \$2,673 | \$3,018 | \$2,497 | \$2,080 | \$1,543 | \$1,004 | \$899 |
| Accounts and notes receivable | 11,183 | 8,886 | 8,264 | 7,749 | 7,382 | 6,584 | 5,396 | 5,066 | 5,047 | 4,488 | 3,793 | 3,287 | 3,074 |
| Inventory | 15,727 | 11,916 | 10,236 | 9,945 | 9,675 | 8,975 | 7,101 | 6,147 | 7,500 | 5,793 | 5,257 | 4,143 | 3,842 |
| Other current assets | 1,039 | 970 | 1,117 | 716 | 734 | 631 | 550 | 625 | 752 | 470 | 363 | 342 | 254 |
| Total current assets | \$36,022 | \$28,579 | \$25,382 | \$25,035 | \$23,129 | \$20,431 | \$15,720 | \$14,856 | \$15,796 | \$12,831 | \$10,956 | \$8,776 | \$8,069 |
| Goodwill and other intangibles | 71,473 | 30,289 | 28,107 | 25,617 | 26,017 | 24,755 | 16,976 | 16,499 | 16,515 | 14,201 | 13,314 | 9,260 | 8,362 |
| Fixed assets | 18,915 | 15,161 | 13,806 | 19,389 | 18,871 | 17,866 | 15,421 | 15,374 | 16,338 | 9,605 | 8,934 | 7,148 | 6,161 |
| Other assets | 3,183 | 4,445 | 3,793 | 4,274 | 3,416 | 3,661 | 3,029 | 2,070 | 1,248 | 1,685 | 1,168 | 1,021 | 1,044 |
| | \$129,593 | \$78,474 | \$71,088 | \$74,315 | \$71,433 | \$66,713 | \$51,146 | \$48,799 | \$49,897 | \$38,322 | \$34,372 | \$26,205 | \$23,636 |
| <i>Liabilities and Equity</i> | | | | | | | | | | | | | |
| Notes payable | \$2,054 | \$2,135 | \$965 | \$1,615 | \$1,454 | \$1,611 | \$1,805 | \$1,842 | \$2,212 | \$1,278 | \$1,468 | \$1,469 | \$1,143 |
| Other current liabilities | 12,464 | 10,565 | 9,734 | 8,965 | 8,527 | 15,124 | 8,169 | 7,414 | 8,087 | 7,652 | 6,635 | 5,371 | 4,685 |
| Total current liabilities | 14,518 | 12,700 | 10,699 | 10,580 | 9,981 | 16,735 | 9,974 | 9,256 | 10,299 | 8,930 | 8,103 | 6,840 | 5,828 |
| Deferred taxes | 12,044 | 3,649 | 3,801 | 5,184 | 4,907 | 4,661 | 3,001 | 2,834 | 2,786 | 828 | 540 | 338 | 248 |
| Term debt and other liabilities | 10,943 | 4,767 | 4,269 | 4,405 | 5,826 | 6,214 | 6,621 | 6,240 | 6,033 | 3,079 | 3,014 | 2,188 | 1,965 |
| Non-controlling interests | 579 | 521 | 492 | 456 | 2,062 | 2,410 | | | | | | | |
| Equity | 91,509 | 56,837 | 51,827 | 53,690 | 48,657 | 36,693 | 31,550 | 30,469 | 30,779 | 25,485 | 22,715 | 16,839 | 15,595 |
| | \$129,593 | \$78,474 | \$71,088 | \$74,315 | \$71,433 | \$66,713 | \$51,146 | \$48,799 | \$49,897 | \$38,322 | \$34,372 | \$26,205 | \$23,636 |

Notes:

Berkshire stopped reporting this data after 2016.

In 2014, Marmon's leasing operations began to be included in the Finance and Financial Products sector. The 2014 Annual Report provided a restatement of 2012 and 2013 for comparative purposes. This table contains the original presentations.

Sources: Berkshire Hathaway Annual Reports 2004–2016.

Table 9.34: Manufacturing, Service, and Retailing businesses—income statements, 2004–2016

| (\$ millions) | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Revenues | \$120,059 | \$107,825 | \$97,689 | \$95,291 | \$83,255 | \$72,406 | \$66,610 | \$61,665 | \$66,099 | \$59,100 | \$52,660 | \$46,896 | \$44,142 |
| Operating expenses (Including depreciation) | 111,383 | 100,607 | 90,788 | 88,414 | 76,978 | 67,239 | 62,225 | 59,509 | 61,937 | 55,026 | 49,002 | 44,190 | 41,604 |
| Interest expense (net) | 214 | 103 | 109 | 135 | 146 | 130 | 111 | 98 | 139 | 127 | 132 | 83 | 57 |
| Pre-tax income ¹ | 8,462 | 7,115 | 6,792 | 6,742 | 6,131 | 5,037 | 4,274 | 2,058 | 4,023 | 3,947 | 3,526 | 2,623 | 2,481 |
| Income taxes and non-controlling interests | 2,831 | 2,432 | 2,324 | 2,512 | 2,432 | 1,998 | 1,812 | 945 | 1,740 | 1,594 | 1,395 | 977 | 941 |
| Net income | \$5,631 | \$4,683 | \$4,468 | \$4,230 | \$3,699 | \$3,039 | \$2,462 | \$1,113 | \$2,283 | \$2,353 | \$2,131 | \$1,646 | \$1,540 |

Footnote: Excludes purchase-accounting adjustments.

Sources: Berkshire Hathaway Annual Reports 2004–2016 and author's calculations.

Table 9.35: Manufacturing, Service, and Retailing businesses—ratios and key figures, 2004–2016

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Tangible capital | \$33,033 | \$33,450 | \$28,954 | \$34,093 | \$29,920 | \$19,763 | \$23,000 | \$22,052 | \$22,509 | \$15,641 | \$13,883 | \$11,236 | \$10,341 |
| Revenues/avg. tang. capital | \$3.61 | \$3.46 | \$3.10 | \$2.98 | \$3.35 | \$3.39 | \$2.96 | \$2.77 | \$3.47 | \$4.00 | \$4.19 | \$4.35 | \$4.27 |
| Pre-tax margin | 7.0% | 6.6% | 7.0% | 7.1% | 7.4% | 7.0% | 6.4% | 3.3% | 6.1% | 6.7% | 6.7% | 5.6% | 5.6% |
| Pre-tax return on tangible capital | 25.5% | 22.8% | 21.5% | 21.1% | 24.7% | 23.6% | 19.0% | 9.2% | 21.1% | 26.7% | 28.1% | 24.3% | 24.0% |
| Return on average equity - after-tax | 7.6% | 8.6% | 8.5% | 8.3% | 8.7% | 8.9% | 7.9% | 3.6% | 8.1% | 9.8% | 10.8% | 10.1% | 9.9% |
| Return on average tangible equity after-tax | 24.2% | 18.6% | 17.3% | 16.7% | 21.4% | 22.9% | 17.3% | 7.9% | 17.9% | 22.8% | 25.1% | 22.2% | 21.6% |
| Net debt (cash) | \$4,924 | \$95 | (\$531) | (\$605) | \$1,942 | \$3,584 | \$5,753 | \$5,064 | \$5,748 | \$2,277 | \$2,939 | \$2,653 | \$2,209 |
| Notes payable/equity | 14.2% | 12.1% | 10.1% | 11.2% | 15.0% | 21.3% | 26.7% | 26.5% | 26.8% | 17.1% | 19.7% | 21.7% | 19.9% |
| Total assets/total equity | 1.42 | 1.38 | 1.37 | 1.38 | 1.47 | 1.82 | 1.62 | 1.60 | 1.62 | 1.50 | 1.51 | 1.56 | 1.52 |

Sources: Berkshire Hathaway Annual Reports 2004–2016 and author's calculations.

Table 9.37: Reconciliation of shareholders' equity

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <i>(\$ millions)</i> | | | | | | |
| Prior year equity | \$348,703 | \$348,296 | \$283,001 | \$255,550 | \$240,170 | \$221,890 |
| Current year net income/(loss) ¹ | 81,417 | 4,021 | 44,940 | 24,074 | 24,083 | 19,872 |
| Issuance of shares ² | 21 | 59 | 76 | 119 | 53 | 118 |
| Treasury stock ³ | (5,016) | (1,346) | | | | (400) |
| Transactions with non-controlling interests ⁴ | (70) | (46) | (63) | (58) | (6) | (17) |
| Adoption of new accounting pronouncements ⁵ | | (70) | (931) | 0 | | |
| Change in unrealized appreciation of securities, net of tax | 111 | (354) | 18,975 | 4,579 | (7,022) | 1,585 |
| Change in comprehensive income - other ⁶ | (375) | (1,857) | 2,298 | (1,263) | (1,728) | (2,878) |
| Ending equity | \$424,791 | \$348,703 | \$348,296 | \$283,001 | \$255,550 | \$240,170 |
| Shares outstanding at end of period | | | | | | |
| Class A | 701,970 | 729,316 | 751,075 | 776,378 | 808,422 | 826,339 |
| Class B | 1,384,481,533 | 1,367,420,074 | 1,340,656,987 | 1,301,914,165 | 1,252,456,836 | 1,224,855,488 |
| Total Class A-equivalent shares | 1,624,958 | 1,640,929 | 1,644,846 | 1,644,321 | 1,643,393 | 1,642,909 |

Footnotes:

- 2017: Includes a one-time gain from a reduction in the US Corporate income tax rate from 35% to 21%. 2018: Beginning in 2018, unrealized gains and losses on equity securities are included in net income.
- The issuance of shares primarily relates to prior acquisitions.
- The 2014 transaction was connected to the Graham Holdings tax-free exchange, which included 2,107 Class A shares and 1,278 Class B shares.
- Reductions in equity related to the acquisition of non-controlling interests; the excess of consideration paid over the previously recorded balance sheet carrying amount.
- 2017: Related to Berkshire discontinuing the practice of discounting workers' compensation claim liabilities assumed under reinsurance contracts. Equity for the prior years was restated for 2014–2016 in the financial statements.
- 2018: Related to adoption of ASC 606 related to revenue recognition (affected fractional ownership interests).
- Includes foreign currency translation, transactions relating to pension plans, OCI related to non-controlling interests, other, and amounts applicable to income taxes.

Sources: Berkshire Hathaway Annual Reports 2014–2019 and author's calculations.

Table 9.38: Berkshire Hathaway deferred tax analysis

| <i>(\$ millions)</i> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>Total</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Earnings before income taxes | \$102,696 | \$4,001 | \$23,838 | \$33,667 | \$34,946 | \$28,105 | \$28,796 | \$22,236 | \$15,314 | \$19,051 | \$312,650 |
| Current taxes | 5,818 | 5,176 | 3,299 | 6,565 | 5,426 | 3,302 | 5,168 | 4,711 | 2,897 | 3,668 | \$46,030 |
| Deferred taxes ¹ | 15,086 | (5,497) | 3,386 | 2,675 | 5,106 | 4,633 | 3,783 | 2,213 | 1,671 | 1,939 | \$34,995 |
| Total taxes as reported | 20,904 | (321) | 6,685 | 9,240 | 10,532 | 7,935 | 8,951 | 6,924 | 4,568 | 5,607 | 81,025 |
| Cash paid for tax during period | 5,415 | 4,354 | 3,286 | 4,719 | 4,535 | 4,014 | 5,401 | 4,695 | 2,885 | 3,547 | \$42,851 |
| Current rate | 5.7% | 129.4% | 13.8% | 19.5% | 15.5% | 11.7% | 17.9% | 21.2% | 18.9% | 19.3% | 14.7% |
| Deferred rate | 14.7% | (137.4%) | 14.2% | 7.9% | 14.6% | 16.5% | 13.1% | 10.0% | 10.9% | 10.2% | 11.2% |
| Headline tax rate | 20.4% | (8.0%) | 28.0% | 27.4% | 30.1% | 28.2% | 31.1% | 31.1% | 29.8% | 29.4% | 25.9% |
| Current as % total | 27.8% | (1612.5%) | 49.3% | 71.0% | 51.5% | 41.6% | 57.7% | 68.0% | 63.4% | 65.4% | 56.8% |
| Deferred as % total | 72.2% | 1712.5% | 50.7% | 29.0% | 48.5% | 58.4% | 42.3% | 32.0% | 36.6% | 34.6% | 43.2% |
| Total tax | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cash tax as % EBIT | 5.3% | 108.8% | 13.8% | 14.0% | 13.0% | 14.3% | 18.8% | 21.1% | 18.8% | 18.6% | 13.7% |

Footnote:

1. 2017: Excludes (adds back) the \$28,200 one-time gain associated with the Tax Cuts and Jobs Act of 2017.

Sources: Berkshire Hathaway Annual Reports 2011, 2014, 2016, 2019; and author's calculations.