

Financial Statements

AIG Europe S.A. Luxemburg
Zweigniederlassung Opfikon

31.12.2021





Income Statement for the year ended 31. December 2021

Ref.	CHF	2021	2020	Variance
1	Gross premium written	132'623'639	120'998'746	+11'624'893
2	Premiums ceded to reinsurers	-57'789'440	-62'015'714	+4'226'274
3	Net premiums written (1+2)	74'834'199	58'983'032	+15'851'167
4	Change in unearned premium reserves	-4'839'066	-1'131'715	-3'707'351
5	Change in reinsurers' share of unearned premium reserves	7'213'116	-13'047'763	+20'260'879
6	Net premiums earned (3+4+5)	77'208'249	44'803'563	+32'404'686
7	Other insurance income	234'629	1'625'876	-1'391'246
8	Total technical income (6+7)	77'442'878	46'429'429	+31'013'450
9	Gross claims and claim expenses paid	-39'614'697	-60'008'019	+20'393'322
10	Reinsurer's share of claims and claim expenses	8'614'072	51'217'695	-42'603'623
11	Change in technical provisions	-55'962'249	-36'441'809	-19'520'441
12	Change in reinsurers' share of technical provisions	25'721'215	-203'831	+25'925'046
14	Net claims and claim expenses incurred (9+10+11+12+13)	-61'241'660	-45'435'964	-15'805'696
15	Acquisition costs and administrative expenses	-33'601'764	-30'451'836	-3'149'928
16	Reinsurers' share of acquisition costs and administrative expenses	5'357'990	13'318'635	-7'960'645
17	Net acquisition costs and administrative expenses (15+16)	-28'243'774	-17'133'201	-11'110'574
18	Other technical expenses own business	-	-	-
19	Total technical expenses (14+17+18)	-89'485'434	-62'569'164	-26'916'270
20	Income from Investments	14'651'776	4'816'385	+9'835'392
21	Expenses from investments	-3'474'997	-9'334'259	+5'859'262
22	Net income from investments (20+21)	11'176'779	-4'517'874	+15'694'653
23	Capital and interest gains from unit-linked business (only life insurer)	-	-	-
24	Other financial income	-	-	-
25	Other financial expenses	-1'295'869	-2'037'296	+741'427
26	Operating result (8+14+17+18+22+23+24+25)	-2'161'646	-22'694'906	+20'533'260
27	Interest expenses from interest-bearing liabilities	-	-	-
28	Other income	-	-	-
29	Other expenses	-	-	-
30	Extraordinary income/expenses	-	-	-
31	Profit/loss before tax (26+27+28+29+30)	-2'161'646	-22'694'906	+20'533'260
32	Income tax expense	-115'590	-75'012	-40'578
33	Profit/loss (31+32)	-2'277'235	-22'769'918	+20'492'682

Glatfberg, 29 April 2022


T. Zanner, Generalbevollmächtigter


G. Hahn, Head of Finance



Balance Sheet at 31.12.2021

Ref. AVO FINMA	Assets CHF	31.12.2021	31.12.2020
1.1	Investments	454'451'765	374'484'666
1.1.3	Fixed-income securities	454'451'765	374'484'666
1.5	Cash and cash equivalents	32'568'519	72'828'261
1.6	Reinsurers' share of technical provisions	102'474'175	70'039'808
1.7	Property and equipment	69'105	107'782
1.9	Intangible assets (Software)	23'564	43'772
1.10	Insurance receivables	43'449'292	42'869'698
1.11	Other receivables	4'735'845	5'510'343
1.14	Accrued income and prepaid expenses	1'629'564	1'593'195
	Total Assets	639'401'829	567'477'523

Ref. AVO FINMA	Liabilities CHF	31.12.2021	31.12.2020
2.1	Technical provisions	383'714'619	323'895'499
2.2	Insurance payables	37'463'179	20'715'089
2.8	Other liabilities	87'902'612	90'816'367
2.9	Accrued Expenses and deferred income	5'601'514	6'327'243
	Total Liabilities	514'681'924	441'754'199
2.17	Liaison account	124'719'905	125'723'324
	Total Liaison account	124'719'905	125'723'324
	Total Liabilities	639'401'829	567'477'523

Glatbrugg, 29. April 2022


T. Zanner, Generalbevollmächtigter


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Notes

Breakdown and explanations relating to items on the balance sheet and the in income statement

The 2021 annual financial statements of AIG Europe S.A Luxembourg, Branch Opfikon, domiciled in Glattbrugg, Switzerland, have been prepared in accordance with the Swiss accounting and financial reporting legislation entered into force on 1 January 2013 based on partial revisions of the Swiss Code of Obligations (CO) (Art. 957-963b CO).

Apart from the Swiss Code of Obligations, the Company has to adhere to the Insurance Supervisory Ordinance-FINMA (AVO-FINMA) based on article 111b of the Ordinance on the Supervision of Private Insurance Companies (AVO), that entered into force on 15 December 2015.

The AVO-FINMA contains specific guidance for presentation of the balance sheet, the income statement and the notes of insurance companies and overrides the general guidance of the CO.

Time period

The 2021 financial year covers the accounting period from 1 January 2021 to 31 December 2021.

The prior year period covers 1 January 2020 to 31 December 2020.

Valuation principles

Uniform valuation principles were applied. Assets and liabilities except for technical provisions are valued individually and stated at their nominal value.

Capital investments/property and equipment:

- Property and equipment are stated at cost less accumulated depreciation and impairment losses. The straight-line depreciation method is used for these line items. If there are indications of items being overvalued, the book values are tested for impairment and written down if necessary.
- Fixed-interest securities are valued using the amortized cost method. Unrealized FX differences are booked through the P&L.

Intangible assets:

Internally generated intangible assets are only recognized if they satisfy all of the following conditions on the date of recognition:

- The internally generated intangible asset is identifiable and is under the control of the branch
- The internally generated intangible asset will yield a measurable benefit for the branch over more than one year
- The expenses incurred in creating the internally generated intangible asset can be recognized and measured separately
- It is likely that the resources required to complete and market the intangible asset or use it internally are available or will be made available

Technical provisions

Technical provisions are reflecting insurance related liabilities which consist of several components. Case reserves are based on single claims assessments, whereas all other technical reserves (IBNR, Equalization Reserves, UEPR) are calculated by the actuarial team who are applying recognized mathematical methods. These are in accordance with the Business Plan filed with the regulator FINMA and are covered in the separate Actuaries' report.

Glattbrugg, 29. April 2022



T. Zanner, Generalbevollmächtigter



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Disclosures

Breakdown and explanations relating to items on the balance sheet and the in income statement

Insurance receivables

CHF	31.12.2021	31.12.2020
Receivables from policyholders	21'731'112	30'253'976
Receivables from insurance companies	21'718'180	12'615'722
Receivables from agents and brokers	0	0
Total	43'449'292	42'869'698

Accrued income and prepaid expenses

CHF	31.12.2021	31.12.2020
Accrued income	1'521'377	1'557'506
Prepaid expenses	108'187	35'689
Total	1'629'564	1'593'195

Technical provisions	Technical provisions (gross)		Reinsurers share		Net Technical provisions	
	2021	2020	2021	2020	2021	2020
Unearned premium reserve	45'264'081	40'425'015	15'807'720	8'608'249	29'456'361	31'816'766
Loss reserves	337'635'418	282'609'025	86'666'455	61'431'558	250'968'963	221'177'467
Other technical provisions	815'120	861'459	0	0	815'120	861'459
Total	383'714'619	323'895'499	102'474'175	70'039'808	281'240'444	253'855'692

Insurance payables

CHF	31.12.2021	31.12.2020
Liabilities to policyholders	163'311	0
Liabilities to insurance companies	33'754'337	15'363'037
Liabilities to agents and brokers	3'545'531	5'352'052
Total	37'463'179	20'715'089

Accrued expenses and deferred income

CHF	31.12.2021	31.12.2020
Accrued expenses	1'474'857	2'060'384
Deferred income	4'126'657	4'266'859
Total	5'601'514	6'327'243

Changes in liaison account for Branch companies

CHF	Liaison account
As at 31 Dec 2019	181'132'616
Net result of the year	-22'769'918
Unrealized FX impact	
Other, Offset of the value from the terminated reinsurance contract in December 2020	-32'639'374
As at 31 Dec 2020	125'723'324
Net result of the year	-2'277'235
Unrealized FX impact	
Other, Offset of the value from the terminated reinsurance contract in December 2021	1'273'817
As at 31 Dec 2021	124'719'906

Receivables from and liabilities to third and related parties

CHF	Management Bodies			Total
	Third Party	Intercompany	31.12.2021	
Receivables	27'223'264	20'961'873	0	48'185'137
Payables	99'232'688	26'133'103	0	125'365'791

CHF	Management Bodies			Total
	Third Party	Intercompany	31.12.2020	
Receivables	29'471'155	18'908'886	0	48'380'041
Payables	100'429'339	11'102'117	0	111'531'457



Change in technical provisions

CHF	Tech. provisions (gross)		2021	Reinsurers share 2020	Net Technical provisions	
	2021	2020			2021	2020
Change in loss reserves	-56'008'589	-36'509'018	25'721'215	-203'831	-30'287'374	-36'712'849
Change in other tech. prov.	46'339	67'209			46'339	67'209
Change in actuarial reserves					0	0
Change in provisions for					0	0
Chg. in prov. for surplus funds					0	0
Total	-55'962'249	-36'441'809	25'721'215	-203'831	-30'241'035	-36'645'640

Audit fees

CHF	2021	2020
Audit services	200'481	175'719
Non related audit services	0	0
Total	200'481	175'719

Income from investments

CHF	Income	Unrealized gains	Realized gains	Total 2021
Real Estate	0	0	0	0
Participations	0	0	0	0
Fixed-interest securities	11'325'513	0	3'326'263	14'651'776
Loans	0	0	0	0
Mortgage loans	0	0	0	0
Shares	0	0	0	0
Other investments	0	0	0	0
Total	11'325'513	0	3'326'263	14'651'776

CHF	Income	Unrealized gains	Realized gains	Total 2020
Real Estate	0	0	0	0
Participations	0	0	0	0
Fixed-interest securities	4'773'870	0	42'514	4'816'384
Loans	0	0	0	0
Mortgage loans	0	0	0	0
Shares	0	0	0	0
Other investments	0	0	0	0
Total	4'773'870	0	42'514	4'816'385

Expenses from investments

CHF	Expenses	Unrealized losses	Realized losses	Total 2021
Real Estate	0	0	0	0
Participations	0	0	0	0
Fixed-interest securities	-239'349	-675'216	-2'560'432	-3'474'997
Loans	0	0	0	0
Mortgage loans	0	0	0	0
Shares	0	0	0	0
Other investments	0	0	0	0
Total	-239'349	-675'216	-2'560'432	-3'474'997

CHF	Expenses	Unrealized losses	Realized losses	Total 2020
Real Estate	0	0	0	0
Participations	0	0	0	0
Fixed-interest securities	-154'982	-7'208'308	-1'948'420	-9'311'709
Loans	0	0	0	0
Mortgage loans	0	0	0	0
Shares	0	0	0	0
Other investments	-22'550	0	0	-22'550
Total	-177'531	-7'208'308	-1'948'420	-9'334'259

Personnel expenses and average FTE

Personnel expenses for fiscal year amount to CHF:	in 2021	7'331'203
	in 2020	7'905'952

The annual average number of full-time equivalents for the reporting year was 44.2.

Depreciation of equipment and amortization of intangible assets

CHF	2021	2020
Property and equipment	18'961	98'906
Intangible assets (Software)	19'515	19'516
Total	38'476	118'422



Others notes

Net release of hidden reserves		
CHF	31.12.2021	31.12.2020
Net amount released from hidden reserves	0	0
Total	0	0

Total amount of collateral provided for third-party liabilities		
CHF	31.12.2021	31.12.2020
Guarantees	0	0
Liens	0	0
Total	0	0

Total amount of assets pledged to secure own liabilities, as well as assets with retention of title		
CHF	31.12.2021	31.12.2020
Book value of restricted assets	100'362	100'352
Assets pledged to secure open derivative transaction	0	0
Other collateral assignments	0	0
Assets under reservation of ownership	0	0
Total	100'362	100'352

Residual amount of lease obligations		
CHF	31.12.2021	31.12.2020
Less than 1 year	363'636	417'910
1 to 5 years	483'154	824'766
More than 5 years	0	0
Total	846'790	1'242'676

Contingent liabilities

The branch has no contingent liabilities.

Liabilities to pension schemes

The branch shows a favourable balance to the pension provider (CHF):

in 2021	91'404
in 2020	35'689

Extraordinary Expense

There are no extraordinary expenses to reported for the year 2021.

Events after the reporting date

After the reporting date of 31 December 2021 till the approval of these financial statements, there are no adjusting events reflected in the financial statements or events that are materially significant for disclosure in these financial statements.

Due to the COVID-19 pandemic, AIG had almost completely switched its business operations to working from home in March 2020. Fortunately, this can be done well and with great efficiency in the insurance business with corporate clients. Work-from-home has continued to be in place throughout they year 2021, and it has continued to be in place sind the beginning of 2022 as well. In the insurance business, the effects of the pandemic have been rather minor. They are most likely to show up in the travel insurance business; the very low travel activity since the outbreak of the pandemic is making itself felt.

Glatbrugg, 29 April 2022


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