

AIG Europe S.A., Luxemburg,  
Opfikon Branch  
Glattbrugg

Report of the independent auditor  
to the General Manager

on the financial statements 2023



# Report of the independent auditor

## to the General Manager of AIG Europe S.A., Luxemburg, Opfikon Branch Glattbrugg

### Report on the audit of the financial statements

#### Opinion

As an audit firm under state supervision, we have audited the financial statements of AIG Europe S.A., Luxemburg, Opfikon Branch (the company), which comprise the balance sheet as at 31 December 2023, the income statement for the financial year then ended, and the notes to the financial statements, including a summary of significant accounting policies - pursuant to Art. 28 (2) of the Insurance Supervision Act (ISA) and with reference to the supplementary information for audit reporting of insurance companies in Annex 19 to FINMA Circular 13/3 concerning the "Preparation and audit of the financial statements of branches of foreign insurance companies" of 4 November 2020 (Annex 19 to FINMA Circular 13/3).

In our opinion, the accompanying financial statements of AIG Europe S.A., Luxemburg, Opfikon Branch comply in all material respects with the financial reporting provisions of Annex 19 to FINMA Circular 13/3.

#### Basis for opinion

We conducted our audit in accordance with the Swiss Standards on Auditing (SA-CH) as well as the framework for the audit of financial statements as set out in section 3.2 of Annex 19 to FINMA Circular 13/3. Our responsibilities under those provisions and standards are further described in the "Independent Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The General Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

#### General Manager's responsibilities for the financial statements

The General Manager is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Annex 19 to FINMA Circular 13/3 and for such internal control as the General Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Manager is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern, and using the going concern basis of accounting unless the General Manager either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Independent auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA-CH and Annex 19 to FINMA Circular 13/3 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

PricewaterhouseCoopers AG



Nebojsa Baraticic  
Licensed audit expert  
Lead auditor



Severin Merkle  
Licensed audit expert

Zurich, 26 April 2024

Enclosure:

- Financial statements of AIG Europe S.A., Luxembourg, Opfikon Branch consisting of the income statement, the balance sheet as at 31 December 2023 and the notes

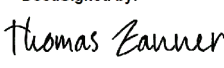
## Income Statement for the year ended 31. December 2023


AIG Europe S.A., Luxembourg, Opfikon Branch

Ref.	CHF	2023	2022	Variance
1	Gross premiums written	146,057,475	135,911,819	+10,145,656
2	Premiums ceded to reinsurers	-64,346,549	-61,143,016	-3,203,533
<b>3</b>	<b>Net premiums written (1+2)</b>	<b>81,710,926</b>	<b>74,768,803</b>	<b>+6,942,124</b>
4	Change in unearned premium reserves	-4,327,549	-3,244,409	-1,083,140
5	Change in reinsurers' share of unearned premium reserves	4,275,919	8,175,762	-3,899,844
<b>6</b>	<b>Net premiums earned (3+4+5)</b>	<b>81,659,296</b>	<b>79,700,156</b>	<b>+1,959,140</b>
7	Other insurance income	1,479,448	1,577,019	-97,571
<b>8</b>	<b>Total technical income (6+7)</b>	<b>83,138,743</b>	<b>81,277,175</b>	<b>+1,861,569</b>
9	Gross claims and claim expenses paid	-37,254,768	-35,462,175	-1,792,593
10	Reinsurer's share of claims and claim expenses	18,617,020	8,886,154	+9,730,866
11	Change in technical provisions	-20,288,177	-37,182,693	+16,894,516
12	Change in reinsurers' share of technical provisions	-7,846,699	-5,435,280	-13,281,979
<b>14</b>	<b>Net claims and claim expenses incurred (9+10+11+12+13)</b>	<b>-46,772,623</b>	<b>-58,323,434</b>	<b>+11,550,811</b>
15	Acquisition costs and administrative expenses	-41,002,684	-38,517,593	-2,485,090
16	Reinsurers' share of acquisition costs and administrative expenses	10,420,739	11,227,936	-807,197
<b>17</b>	<b>Net acquisition costs and administrative expenses (15+16)</b>	<b>-30,581,945</b>	<b>-27,289,657</b>	<b>-3,292,288</b>
18	Other technical expenses own business	-	-	-
<b>19</b>	<b>Total technical expenses (14+17+18)</b>	<b>-77,354,568</b>	<b>-85,613,091</b>	<b>+8,258,523</b>
20	Income from investments	27,741,032	10,027,402	+17,713,630
21	Expenses from investments	-26,468,907	-5,124,178	-21,344,729
<b>22</b>	<b>Net Income from Investments (20+21)</b>	<b>1,272,125</b>	<b>4,903,224</b>	<b>-3,631,099</b>
23	Capital and interest gains from unit-linked business (only life insurer)	-	-	-
24	Other financial income	-	-	-
25	Other financial expenses	-	-	-
<b>26</b>	<b>Operating result (8+14+17+18+22+23+24+25)</b>	<b>7,056,301</b>	<b>567,307</b>	<b>+6,488,993</b>
27	Interest expenses from interest-bearing liabilities	-	-	-
28	Other income	-	-	-
29	Other expenses	-	-	-
30	Extraordinary income/expenses	-	-	-
<b>31</b>	<b>Profit/loss before tax (26+27+28+29+30)</b>	<b>7,056,301</b>	<b>567,307</b>	<b>+6,488,993</b>
32	Income tax expense	-1,356,381	-209,759	-1,146,622
<b>33</b>	<b>Profit/loss (31+32)</b>	<b>5,699,920</b>	<b>357,548</b>	<b>+5,342,371</b>

Glattbrugg, 26. April 2024

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 T. Banner  
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 General Manager Switzerland

  
 M. Abegg  
 Head of Client & Broker Engagement Switzerland

## Balance Sheet at 31.12.2023

AIG Europe S.A., Luxembourg, Opfikon Branch

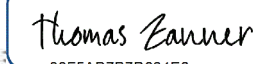
Ref. AVO FINMA	Assets CHF	12/31/2023	12/31/2022
1.1	Investments	498,021,115	485,054,731
1.1.3	Fixed-income securities	498,021,115	485,054,731
1.5	Cash and cash equivalents	22,862,799	25,739,062
1.6	Reinsurers' share of technical provisions	108,345,135	115,265,490
1.7	Property and equipment	60,442	44,673
1.9	Intangible assets (Software)	184,612	172,151
1.10	Insurance receivables	50,671,219	52,242,166
1.11	Other receivables	8,167,394	13,003,978
1.14	Accrued income and prepaid expenses	2,959,125	2,228,992
	<b>Total Assets</b>	<b>691,271,840</b>	<b>693,751,244</b>

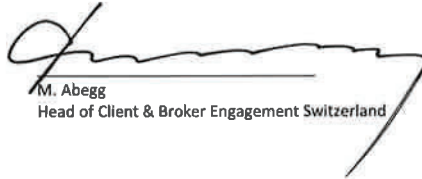
  

Ref. AVO FINMA	Liabilities CHF	12/31/2023	12/31/2022
2.1	Technical provisions	433,590,295	418,346,572
2.2	Insurance payables	38,258,785	37,983,078
2.8	Other liabilities	53,975,253	61,476,402
2.9	Accrued Expenses and deferred income	6,270,557	5,076,454
	<b>Total Liabilities</b>	<b>532,094,891</b>	<b>522,882,505</b>
2.17	Liaison account	159,176,950	170,868,738
	<b>Total Liaison account</b>	<b>159,176,950</b>	<b>170,868,738</b>
	<b>Total Liabilities</b>	<b>691,271,840</b>	<b>693,751,244</b>

Glattbrugg, 26. April 2024

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General Manager Switzerland

  
M. Abegg  
Head of Client & Broker Engagement Switzerland

## Notes

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

The 2023 annual financial statements of AIG Europe S.A Luxembourg, Opfikon Branch, domiciled at 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 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 2023 financial year covers the accounting period from 1 January 2023 to 31 December 2023.

The prior year period covers 1 January 2022 to 31 December 2022.

### **Valuation principles**

Uniform valuation principles have been 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.

Intangible assets:

Internally generated intangible assets are only recognised 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 recognised and measured separately

Other financial interest / expenses:

According to the Swiss Code of Obligations (CO) to the principle of caution (Art. 958c CO) FX gains are to be shown in the income statement only after they have been realised. In the past we have eliminated gross unrealised FX gains from the income statement, we have now modified the approach to only eliminate net unrealised FX gains.

### **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, Equalisation Reserves, UEPR) are calculated by the actuarial team who are applying recognised mathematical methods. These are in accordance with the Business Plan filed with the regulator FINMA and are covered in the separate Actuaries' report.

## Disclosures

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

### Insurance receivables

CHF	12/31/2023	12/31/2022
Receivables from policyholders	20,777,861	25,791,921
Receivables from insurance companies	29,893,358	26,450,246
Receivables from agents and brokers	0	0
<b>Total</b>	<b>50,671,219</b>	<b>52,242,166</b>

### Accrued income and prepaid expenses

CHF	12/31/2023	12/31/2022
Accrued income	2,844,176	2,123,349
Prepaid expenses	114,949	105,643
<b>Total</b>	<b>2,959,125</b>	<b>2,228,992</b>

Technical provisions	Technical provisions (gross)		Reinsurers' share		Net Technical provisions	
	2023	2022	2023	2022	2023	2022
Unearned premium reserve	52,638,480	48,714,336	28,749,908	24,398,932	23,888,573	24,315,404
Loss reserves	380,246,541	368,868,409	79,595,227	90,866,558	300,651,314	278,001,851
Other technical provisions	705,274	763,827	0	0	705,274	763,827
<b>Total</b>	<b>433,590,295</b>	<b>418,346,572</b>	<b>108,345,135</b>	<b>115,265,490</b>	<b>325,245,161</b>	<b>303,081,081</b>

### Insurance payables

CHF	12/31/2023	12/31/2022
Liabilities to policyholders	40	877,717
Liabilities to insurance companies	30,454,842	31,185,015
Liabilities to agents and brokers	7,803,903	5,920,347
<b>Total</b>	<b>38,258,785</b>	<b>37,983,079</b>

### Accrued expenses and deferred income

CHF	12/31/2023	12/31/2022
Accrued expenses	2,142,463	2,132,692
Deferred income	4,128,095	2,943,762
<b>Total</b>	<b>6,270,557</b>	<b>5,076,454</b>

### Changes in liaison account for Branch companies

CHF	Liaison account
<b>As at 31 Dec 2021</b>	<b>124,719,906</b>
Net result of the year	357,548
Cash transfer for the reinsurance contract terminated in December 2020	44,438,871
Other	1,352,413
<b>As at 31 Dec 2022</b>	<b>170,868,738</b>
Net result of the year	5,699,920
Change in Other Reserves	-732,146
Change in Intra-Branch short-term loan	-19,869,535
Change in Intra-Branch long-term loan	3,209,973
<b>As at 31 Dec 2023</b>	<b>159,176,949</b>

### Receivables from and liabilities to third and related parties

CHF	Third Party	Intercompany	Mgmt. Bodies	Total
Receivables	38,787,737	20,050,876	0	<b>58,838,613</b>
Payables	60,988,049	31,245,989	0	<b>92,234,038</b>
<b>Total</b>				
CHF	Third Party	Intercompany	Mgmt. Bodies	Total
Receivables	27,223,264	20,961,873	0	<b>65,276,589</b>
Payables	99,232,688	26,133,103	0	<b>99,459,480</b>

**Change in technical provisions**

CHF	Tech. provisions (gross)		Reinsurers' share		Net Technical provisions	
	2023	2022	2023	2022	2023	2022
Change in loss reserves	-20,346,730	-37,233,985	-7,846,699	5,435,280	-28,193,429	-31,798,705
Change in other tech. prov.	58,553	51,292			58,553	51,292
Change in actuarial reserves					0	0
Change in provisions for policyholder					0	0
Chg. in prov. for surplus funds					0	0
<b>Total</b>	<b>-20,288,177</b>	<b>-37,182,693</b>	<b>-7,846,699</b>	<b>5,435,280</b>	<b>-28,134,876</b>	<b>-31,747,413</b>

**Audit fees**

CHF	2023	2022
Audit services	192,081	153,109
Non related audit services	0	0
<b>Total</b>	<b>192,081</b>	<b>153,109</b>

**Income from investments**

CHF	Income	Unrealised gains	Realised gains	Total 2023
Real Estate		0	0	0
Participations		0	0	0
Fixed-interest securities	5,971,831	0	0	5,971,831
Loans		0	0	0
Mortgage loans		0	0	0
Shares		0	0	0
Notional Interest Income (NII) allocation	21,769,201	0	0	21,769,201
<b>Total</b>	<b>27,741,032</b>	<b>0</b>	<b>0</b>	<b>27,741,032</b>

CHF	Income	Unrealised gains	Realised gains	Total 2022
Real Estate	0	0	0	0
Participations	0	0	0	0
Fixed-interest securities	6,495,460	503,247	3,028,694	10,027,402
Loans	0	0	0	0
Mortgage loans	0	0	0	0
Shares	0	0	0	0
Notional Interest Income (NII) allocation	0	0	0	0
<b>Total</b>	<b>6,495,460</b>	<b>503,247</b>	<b>3,028,694</b>	<b>10,027,402</b>

The income from investments in the amount of 27.7MM CHF includes an allocation of Notional Investment Income (NII) by the European parent company AIG Europe S.A. Luxembourg in the amount of 21.8 MM CHF, expenses related to this position were not recorded.

**Expenses from investments**

CHF	Expenses	Unrealised losses	Realised losses	Total 2023
Real Estate	0	0	0	0
Participations	0	0	0	0
Fixed-interest securities	-216,036	-21,710,165	-4,542,706	-26,468,907
Loans	0	0	0	0
Mortgage loans	0	0	0	0
Shares	0	0	0	0
Other investments	0	0	0	0
<b>Total</b>	<b>-216,036</b>	<b>-21,710,165</b>	<b>-4,542,706</b>	<b>-26,468,907</b>

CHF	Expenses	Unrealised losses	Realised losses	Total 2022
Real Estate	0	0	0	0
Participations	0	0	0	0
Fixed-interest securities	-145,719	-3,447,748	-1,492,407	-5,085,874
Loans	0	0	0	0
Mortgage loans	0	0	0	0
Shares	0	0	0	0
Other investments	-38,304	0	0	-38,304
<b>Total</b>	<b>-184,023</b>	<b>-3,447,748</b>	<b>-1,492,407</b>	<b>-5,124,178</b>

**Personnel expenses and average FTE**

Personnel expenses for fiscal year amount to CHF:

in 2023	11,848,891
in 2022	10,540,218

The annual average number of employees for the reporting year was 62.

**Depreciation of equipment and amortisation of intangible assets**

CHF	2023	2022
Property and equipment	13,338	41,139
Intangible assets (Software)	48,660	25,311
<b>Total</b>	<b>61,998</b>	<b>66,450</b>





## Others notes

### Net release of hidden reserves

CHF	12/31/2023	12/31/2022
Net amount released from hidden reserves	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### Total amount of collateral provided for third-party liabilities

CHF	12/31/2023	12/31/2022
Guarantees	0	0
Liens	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### Total amount of assets pledged to secure own liabilities, as well as assets with retention of title

CHF	12/31/2023	12/31/2022
Book value of restricted assets	100,502	100,372
Assets pledged to secure open derivative transaction	0	0
Other collateral assignments	0	0
Assets under reservation of ownership	0	0
<b>Total</b>	<b>100,502</b>	<b>100,372</b>

### Residual amount of lease obligations

CHF	12/31/2023	12/31/2022
Less than 1 year	416,868	389,609
1 to 5 years	1,809,228	114,246
More than 5 years	0	0
<b>Total</b>	<b>2,226,096</b>	<b>503,855</b>

### Contingent liabilities

The branch has no contingent liabilities.

### Liabilities to pension schemes

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

in 2023	161,848
in 2022	53,544

### Extraordinary Expense

There are no extraordinary expenses to be reported for the year 2023.

### Events after the reporting date

AIG Europe S.A. Luxembourg, Opfikon Branch, is not aware of subsequent events after 31 December 2023.

Glattbrugg, 26 April 2024

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Thomas Zanner

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General Manager Switzerland

M. Abegg

Head of Client & Broker Engagement Switzerland