

AIG UK Limited

5 THINGS YOU SHOULD KNOW ABOUT AIG UK

22 April 2009



1 Robust Financials

- AIG UK's capital and reserves of £1.1bn, are almost five times its estimated FSA minimum capital requirement.
- A cautious investment approach with **invested assets of £2.8bn** as at 30 November 2008, of which **18.2% is in cash and time deposits**, and **81.3% is in fixed income securities (of which 97% are investment grade)**.
- Strong insurer financial strength ratings, which have recently been reaffirmed: **S&P = A+, Moody's = A1 and Fitch = AA-**.

2 2008 claims payments of £1 billion

In 2008 AIG UK paid, on average, c. £20m a week to policyholders.

3 UK Insurance Company/UK Regulated

- AIG UK is regulated in the UK by the FSA.
- **Assets held for regulatory purposes are ring fenced and cannot be pledged against any liabilities incurred by its parent, AIG, Inc..**
- Dividend payments to AIG, Inc., or other material transactions, have to be approved by the Board (which includes three independent non-executive directors) and the FSA.

4 Performing Strongly

- 2008 profit before tax was £324m and gross written premiums were £2.3bn. In 2007 it was the fifth biggest insurance company in the UK.
- The 2008 combined ratio of 91.9% is the **eighth consecutive year of underwriting profit**, a record few major UK insurers can claim.
- Retention levels for corporate clients remain high at over 90%.
- Employee turnover rates are broadly consistent with 2007 and 2008 and we continue to recruit capable people.

Source: Unaudited 2008 Statutory Accounts excluding the accounting impact of the Part VII transfer and associated restructuring in December 2007. Financial year ends 30 November.

5 To be part of a Strong New Global Insurance Group

AIG announced its intention to form a General Insurance holding company called AIU Holdings Inc. on 2 March 2009. The new entity includes AIG's Commercial Insurance Group based in the US, its Foreign General insurance companies around the world, and its Private Client Group. These companies are well-capitalised businesses with substantial liquidity and collectively wrote net premiums of approximately \$36bn in 2008. AIU Holdings Inc. will be one of the largest global general insurance groups with over 40m customers and operations spanning over 130 countries and jurisdictions.

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AIG UK Limited. Registered address: The AIG Building, 58 Fenchurch Street, London, EC3M 4AB. Registered in England: company number 1486260.

Robust Financials

Paid £1 billion in claims in 2008

UK Insurance Company/UK Regulated

Performing Strongly

To be part of a Strong New Global Insurance Group

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