

AIG, Inc.

## 2Q22 Earnings Review

The conversation continues with this quarter on the intersection of rate, exposure growth and loss trend.

| CORE

In an inflationary environment, we are trying to get a better angle on the relationship between rate, exposure and loss trend. We were struck by AIG's characterization that its 6% loss trend (upsized from 5.5% last quarter) looks more like 4% when taking into account 2 points of exposure growth. Other P/C insurers include inflation exposed growth within pricing; additive to pure rate (for AIG pure rate was down to 7% in 2Q from 8% in 1Q). While the avenue to get to pricing vs. loss trend is different, the end result (spread between the two) looks the same. There is elegance in simplification, the way AIG describes it is easy enough to understand and thoughtful. However, an unintended consequence is possibly dilution of the underlying loss trend. All investors may hear is, net loss trend is 4%, not bad. In contrast, higher loss trend (without the exposure offset) bodes better with pricing agendas to brokers/insureds to extend hard market cycle.

**PCG Portfolio Update in Response to Catastrophe Developments, Inflation and Higher Reinsurance Costs:** AIG's high net worth property homeowners product to be offered on a non-admitted basis in catastrophe prone states including CA. AIG will utilize a hybrid model - some states may offer both admitted and non-admitted solutions, other states exclusively non-admitted. We think that these accounts will not roll over easily to Lexington. A broker has to prove that three admitted writers declined the risk. We can see take up by competition within the admitted market with exceptions. CA is a displaced market, we can see a more likely migration of risk to E&S. Likewise, AIG tends to offer large limits, not every insurer has the same latitude. AIG is also exploring the use of third party capital to optimize PCG, a business that remains core to AIG. We recognize AIG is already doing that to a degree with Syndicate 2019, managed by Talbot.

AIG participated in the ULSG industry reserve study and in doing so does not anticipate to take significant adjustments. AIG feels good about its assumptions, and its liabilities are less weighted towards ULSG exposure (\$3bn statutory reserves, though we think net amount at risk is a better comparison point).

**Asset allocation updates:** AIG aspires for its investment portfolio to be less volatile. As such it has reduced capital intensive assets to 8.5% from 10.5% of its portfolio. In 2Q, AIG sold \$3.2bn of RMBS and ABS securities. Likewise, AIG sold lower yielding, longer durated corporate bonds in favor of higher yielding, shorter durated assets with a floating rate bias.

Corebridge IPO delayed, next window is September according to management. In the meantime, AIG updated its expense cutting guide at Corebridge to \$400mn over 3 years from \$200-\$300mn.

---

Barclays Capital Inc. and/or one of its affiliates does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

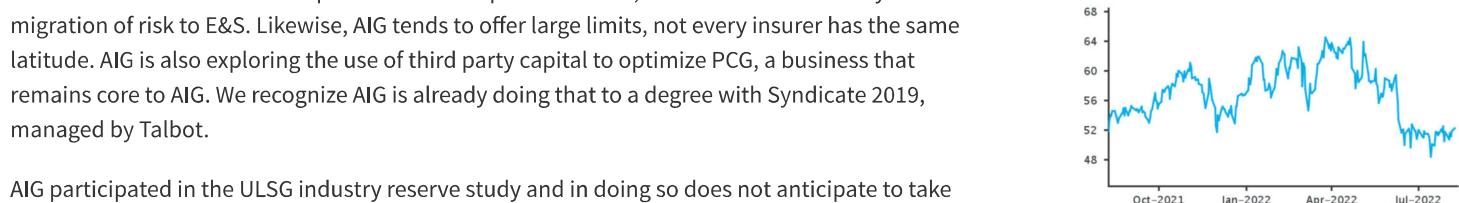
Please see analyst certifications and important disclosures beginning on page 9 .

Completed: 09-Aug-22, 23:37 GMT Released: 10-Aug-22, 00:05 GMT Restricted - External

AIG	<b>EQUAL WEIGHT</b>
	Unchanged
U.S. Insurance/Non-Life	<b>POSITIVE</b>
	Unchanged
Price Target	<b>USD 56.00</b>
	Unchanged
Price (09-Aug-22)	<b>USD 53.55</b>
Potential Upside/Downside	+4.6%
Market Cap (USD mn)	<b>40720</b>
Shares Outstanding (mn)	<b>760.42</b>
Free Float (%)	<b>99.78</b>
52 Wk Avg Daily Volume (mn)	<b>4.9</b>
Dividend Yield (%)	<b>2.39</b>
Return on Equity TTM (%)	<b>16.57</b>
Current BVPS (USD)	<b>69.29</b>

Source: Bloomberg

Price Performance	<b>Exchange-NYSE</b>
52 Week range	<b>USD 65.73-48.40</b>



Source: IDC  
[Link to Barclays Live for interactive charting](#)

---

### U.S. Insurance/Non-Life

**Tracy Benguigui**

+1 212 526 1561  
 tracy.benguigui@barclays.com  
 BCI, US

**AIG: Quarterly and Annual EPS (USD)**

<b>FY Dec</b>	<b>2021</b>	<b>2022</b>			<b>2023</b>			<b>Change y/y</b>	
	<b>Actual</b>	<b>Old</b>	<b>New</b>	<b>Cons</b>	<b>Old</b>	<b>New</b>	<b>Cons</b>	<b>2022</b>	<b>2023</b>
Q1	1.05A	1.30A	1.30A	1.30A	1.60E	1.54E	1.52E	24%	18%
Q2	1.52A	1.10E	1.19A	1.19A	1.61E	1.53E	1.63E	-22%	29%
Q3	0.97A	1.17E	1.07E	1.05E	1.48E	1.48E	1.49E	10%	38%
Q4	1.58A	1.42E	1.37E	1.42E	1.67E	1.57E	1.65E	-13%	15%
Year	5.12A	4.99E	4.96E	4.94E	6.36E	6.12E	6.35E	-3%	23%
P/E	10.5		10.8			8.8			

Consensus numbers are from Bloomberg received on 09-Aug-2022; 12:50 GMT

Source: Barclays Research

<b>U.S. Insurance/Non-Life</b>						<b>POSITIVE</b>
<b>AIG, Inc. (AIG)</b>						<b>EQUAL WEIGHT</b>
<b>Income statement (\$mn)</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>CAGR</b>	Price (09-Aug-2022) USD 53.55
Net premiums earned	25,057	26,362	27,445	28,590	4.5%	Price Target USD 56.00
Net investment income (NII)	N/A	N/A	N/A	N/A	N/A	<b>Why EQUAL WEIGHT?</b>
Underwriting income	1,055	1,998	1,912	1,887	21.4%	We view AIG as a wait-and-see proposition as it goes down the complex path of deconsolidation as well as ongoing initiatives to achieve expense savings objectives.
Operating income	4,430	4,001	4,521	4,343	-0.7%	
Net income	9,359	9,005	4,521	4,343	-22.6%	
Effective tax rate (%)	19.4	22.0	22.0	22.0	4.3%	
Combined ratio (%)	95.8	92.4	93.0	93.4	-0.8%	
Combined ratio (ex cats & py development) (%)	90.9	89.0	88.4	88.8	-0.8%	
<b>Per share data (\$)</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>CAGR</b>	<b>Upside case</b> USD 62.00
EPS (adj)	5.12	4.96	6.12	6.35	7.4%	Eventual successful deconsolidation that yields a fair market value resulting in a rerating of AIG RemainCo. Our upside case assumes ~10x our '23 EPS estimate.
EPS (reported)	10.73	10.90	6.12	6.35	-16.0%	
DPS	1.28	1.28	1.28	1.28	0.0%	
BVPS	79.97	60.25	66.62	73.10	-2.9%	
BVPS (ex AOCI)	71.80	84.64	93.81	101.91	12.4%	
<b>Balance sheet and capital return (\$mn)</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>CAGR</b>	<b>Downside case</b> USD 48.00
Total investments	93,914	82,513	72,105	62,280	-12.8%	Adverse reserve development accompanying expansion of underwriting risk appetite too fast too soon. Our downside case assumes ~7.8x our '23 EPS estimate.
Common shareholders' equity (ex AOCI)	58,784	61,268	60,922	62,462	2.0%	
Share buybacks	2,643	5,602	4,000	2,000	-8.9%	
Dividends paid	1,094	993	879	808	-9.6%	
<b>Balance sheet and capital return metrics</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>Average</b>	<b>Upside/Downside scenarios</b>
Debt leverage (%)	22.8	29.4	29.6	28.9	27.7	Price History Prior 12 months High 65.73
Financial leverage (%)	24.6	31.7	31.8	31.1	29.8	Price Target Next 12 months Upside 62.00
Total capital return as a % of op. earnings	84.3	164.8	107.9	64.7	105.4	
<b>Valuation metrics</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	<b>Average</b>	
P/BV (ex AOCI) (x)	0.75	0.63	0.57	0.53	0.62	
P/E (adj) (x)	10.5	10.8	8.8	8.4	9.6	
Dividend yield (%)	2.4	2.4	2.4	2.4	2.4	
ROE (%)	6.7	7.3	10.4	9.9	8.6	

Note: FY End Dec

Source: Company data, Bloomberg, Barclays Research



## Pricing moderation in 2Q

Global Commercial pricing dropped to +7% in 2Q22 vs. +9% in 1Q22, +10% in 4Q21, +12% in 3Q21, +13% in 2Q21, +15% in 1Q21 and +15% in 4Q20. Digging into the segment contributions, International Commercial pricing fell sequentially to +7% from +10%, and NA Commercial pricing declined q/q to +7% from +8% .

**FIGURE 1. AIG Pricing commentary by quarter**

AIG	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Global Commercial	+15%	+13%	+12%	+10%	+9%	7%
Global Commercial ex WC					+10%	
NA Commercial	+15%	+13%	+11%	+11%	+8%	7%
Financial Lines	+24%		>+15%	+15%	+12%	
Cyber*					+85%	52%
Excess Casualty	+31%	+20%	>+15%	+14%		10%
Lexington				+11%	+13%	18%
Lexington - Property		+15%				17%
Lexington - Casualty	+36%	+19%				
NA Retail Property				13%	+14%	
Intl Commercial	+14%	+13%	+13%	+9%	+10%	7%
UK	+23%		+21%	+12%		
EMEA				+18%	+14%	10%
Commercial Property	+19%	+18%			+14%	10%
Financial Lines	+20%	+21%	+24%	+18%	+21%	11%
Cyber*	+41%	+40%			+60%	47%
Global Energy	+26%	+16%	+14%	+11%		
APAC ex Japan	+13%				+10%	

\*Cyber rates are included in financial lines, NA and International respectively.

Source: Barclays Research, Company Data.

### Prior-Year Reserve Development

AIG's reserves releases were staggered amongst older accident years, with the largest contribution coming from 2012 and prior. (AY20 slight adverse). LOBs callouts: WC and primary casualty. On a gross basis, BRK was a recipient of favorable reserve development under its ADC terms, in the amount of \$213mn (based on 80% cede). AIG released \$373mn of non-ADC reserves in the quarter plus it recognized a \$42mn amortization to arrive at its net favorable PYD of \$202mn in 2Q22. On a gross basis (had the ADC not been in place), AIG released even higher than typical reserves in the quarter.

AIG reviewed 15% of its NA reserves in 2Q. AIG saw early indications of higher favorable PYD within loss sensitive WC and U.S. primary FL, but chooses to be prudent. Next quarter AIG will review 75% of its total pre-ADC reserves.

### 2Q Highlights

AIG earned a combined ratio < 90% for the first time since 2007, though we recognize lower catastrophe losses and higher than typical favorable PYD played a piece. Also underwriting gains outpaced NII. Fifth consecutive quarter with global commercial accident year combined ratio, ex cats (AYCR) <90%. NA Commercial AYLR improved 3.7 pts y/y but on a sequential basis it deteriorated by 70 bps to 63.3% from 62.6%. Results remain strong, we just think 1Q22 may be the trough. GI NPW growth was flat y/y, with a drag mostly seen in international personal lines.

Top line impacted by warranty products and re-underwriting efforts in PCG including intentional non-renewals. However, on a FX constant basis GI NPW growth was 4.5%.

Similar to peers, AIG benefited from better mortality experience in the quarter and market-related headwinds. We anticipate questions to be raised on its earnings call related to the health of its ULSG reserves.

### **Key Results**

**EPS Beat:** AIG's 2Q22 Operating EPS of \$1.19 was above our \$1.10 estimate and \$1.09 consensus Street estimate. The beat primarily reflects better-than-expected GI underwriting gains - mostly from higher favorable PYD and lower catastrophe losses, better than expected buybacks, somewhat offset by lower L&R earnings vs our estimates.

Underlying combined ratio of 88.5% vs. our estimated 88.7%.

BVPS (common) fell to \$58.16 in 2Q22, from to \$69.30 in 1Q22, mostly due to negative marks.

**VII:** Pre-tax alternative returns were \$36mn (pre-tax) worse than AIG. Likewise, its FV change on fixed maturity securities of \$171mn is worse than AIG expected. We did not model below trend VII.

**Cat losses:** \$120mn (net of reinsurance) vs. our \$297mn estimate.

### **Capital Management:**

Parent liquidity was strong at \$5.6bn at the end of the quarter, down from \$9.1bn as of March 31, 2022. \$1.7bn of buybacks completed (vs. our \$1bn estimate) and AIG completed additional debt tendering in the quarter.

## **Yield Enhancements from Rising Interest Rates**

Asset duration: GI 4.0 years and L&R 8.4 years. We are assuming annual asset portfolio turnover rates of 12.5% and 6%, respectively. Moving forward, new money yield is ~130 bps higher than the current GI portfolio and 75 bps higher in L&R. Furthermore, for every 100 bps parallel shift in the yield curve (we assume normal steep shape), NII increases by \$500mn (\$200mn in GI and \$300mn in L&R).

## **Valuation**

Our Equal Weight rating and \$56 price target are based on a 50/50 weighted average of 9.0x our 2023 EPS estimate of \$6.12 (down from \$6.36) and 0.6x our 2023 book value per share (ex-AOCI) estimate of \$93.81 (up from \$86.69). Our target multiples for AIG are below the P/C insurance group given we expect lower ROEs, especially for GI standalone.

## 2Q Variance Analysis

FIGURE 2. 2Q22 Variance Analysis

<b>Financial Summary</b> <b>(in \$ mn, expect per share data)</b>		<b>Q/Q</b>		<b>Y/Y</b>		<b>Barclays Est.</b>	
		<b>2Q22A</b>	<b>1Q22</b>	<b>% Change</b>	<b>2Q21</b>	<b>% Change</b>	<b>2Q22E</b>
Adjusted pre-tax income (loss)	\$1,359	\$1,514	-10%	\$1,708	-20%	\$1,272	7%
General Insurance	\$1,257	\$1,211	4%	\$1,194	5%	\$986	27%
Life and Retirement	\$563	\$724	-22%	\$1,124	-50%	\$730	-23%
Other Ops	(\$461)	(\$421)	-10%	(\$610)	24%	(\$445)	-4%
NII APTI Basis	\$2,504	\$2,998	-16.5%	\$3,182	-21.3%	\$2,633	-4.9%
Adjusted Net Income	\$979	\$1,074	-9%	\$1,331	-26%	\$885	11%
Adjusted EPS	\$1.19	\$1.30	-8%	\$1.52	-22%	\$1.10	8%
Adjusted return on common equity	7.0%	7.6%	(63 bps)	10.5%	(349 bps)	6.3%	70 bps
Repurchases	\$1,699	\$1,403	21%	\$230	639%	\$1,000	70%
Wgt. Avg. Diluted Shares Outstanding	843.3	826.0	2%	872.9	-3%	801.1	5%
Adjusted book value per common share	\$72.23	\$70.72	2%	\$60.07	20%	\$71.82	1%
Book value per common share	\$58.16	\$69.31	-16%	\$76.73	-24%	\$69.23	-16%
<b>General Insurance</b> <b>(in \$ mn, expect per share data)</b>		<b>Q/Q</b>		<b>Y/Y</b>		<b>Barclays Est.</b>	
Net premiums written	\$6,866	\$6,633	4%	\$6,860	0%	\$6,887	0%
Underwriting gains (loss)	\$799	\$446	79%	\$463	73%	\$469	70%
Adjusted pre-tax income	\$1,257	\$1,211	4%	\$1,194	5%	\$986	27%
<b>Underwriting ratios</b>							
Loss ratio	56.2%	60.9%	(465 bps)	61.3%	(507 bps)	62.8%	(662 bps)
Cat losses & reinstatement premiums	1.9%	4.4%	(252 bps)	2.1%	(24 bps)	4.5%	(260 bps)
PYD	(2.9%)	(1.0%)	(187 bps)	(0.7%)	(220 bps)	(0.2%)	(268 bps)
Underlying Loss ratio	57.3%	57.5%	(27 bps)	59.9%	(263 bps)	58.6%	(133 bps)
Expense ratio	31.3%	32.0%	(73 bps)	31.2%	1 bps	30.1%	115 bps
Combined ratio	87.5%	92.9%	(538 bps)	92.5%	(496 bps)	93.0%	(547 bps)
Underlying combined ratio	88.5%	89.5%	(100 bps)	91.1%	(263 bps)	88.7%	(18 bps)
<b>General Insurance - North America</b> <b>(in \$ mn, expect per share data)</b>		<b>Q/Q</b>		<b>Y/Y</b>		<b>Barclays Est.</b>	
Net premiums written	\$3,401	\$3,151	8%	\$3,156	8%	\$3,162	8%
Commercial	\$2,918	\$2,952	-1%	\$2,655	10%	\$2,761	6%
Personal	\$483	\$199	143%	\$501	-4%	\$401	21%
<b>Underwriting gain (loss)</b>							
Commercial	\$406	\$256	59%	\$169	-140%	\$224	82%
Personal	\$416	\$267	56%	\$162	-157%	\$236	76%
(\$10)	(\$11)	-9%	\$7	243%	(\$12)	17%	
<b>Underwriting ratios - North America Commercial</b>							
Combined ratio	83.7%	88.8%	(509 bps)	93.0%	(935 bps)	91.2%	(750 bps)
Underlying combined ratio	88.2%	88.1%	14 bps	91.2%	(298 bps)	86.7%	155 bps
<b>Underwriting ratios - North America Personal</b>							
Combined ratio	102.3%	102.7%	(30 bps)	98.1%	425 bps	103.0%	(65 bps)
Underlying combined ratio	99.8%	105.3%	(554 bps)	100.1%	(35 bps)	96.0%	376 bps
<b>General Insurance - International</b> <b>(in \$ mn, expect per share data)</b>		<b>Q/Q</b>		<b>Y/Y</b>		<b>Barclays Est.</b>	
Net premiums written	\$3,465	\$3,482	0%	\$3,704	-6%	\$3,725	-7%
Commercial	\$2,037	\$2,085	-2%	\$2,062	-1%	\$2,165	-6%
Personal	\$1,428	\$1,397	2%	\$1,642	-13%	\$1,560	-8%

<b>Underwriting gain (loss)</b>	\$393	\$190	107%	\$294	34%	\$245	60%
Commercial	\$349	\$125	-179%	\$218	60%	\$208	68%
Personal	\$44	\$65	-32%	\$76	-42%	\$37	19%
<b>Underwriting ratios - Intl Commercial</b>							
Combined ratio	82.4%	93.6%	(1124 bps)	88.7%	(630 bps)	89.8%	(741 bps)
Underlying combined ratio	81.4%	83.5%	(216 bps)	86.8%	(547 bps)	85.3%	(393 bps)
<b>Underwriting ratios - Intl Personal</b>							
Combined ratio	96.9%	95.7%	125 bps	95.2%	172 bps	97.6%	(67 bps)
Underlying combined ratio	95.2%	95.1%	7 bps	94.0%	120 bps	94.7%	50 bps

Life and Retirement (in \$ mn, expect per share data)	Q/Q			Y/Y		Barclays Est.	
	2Q22A	1Q22	% Change	2Q21	% Change	2Q22E	% Var.
Adjusted pre-tax income	\$563	\$724	-22%	\$941	-40%	\$730	-23%
Premiums and fees	\$1,862	\$1,603	16%	\$1,383	35%	\$2,118	-12%
Net flows	\$80	\$55	-45%	(\$1,467)	105%	(\$525)	115%
NII APTI basis	\$1,989	\$2,129	-7%	\$2,353	-15%	\$1,977	1%

Source: Barclays Research, Company Data.

## Model Summary

FIGURE 3. Model Summary

Summary (\$ in mn except per share data)	2019	2020	2021	2022E	2023E	2024E
<b>Operating Income by Segment</b>						
General Insurance	\$3,533	\$1,901	\$4,359	\$4,233	\$3,749	\$3,678
Life and Retirement						
Individual Retirement	\$1,977	\$1,938	\$1,939	\$1,383	\$1,874	\$1,948
Group Retirement	\$937	\$1,013	\$1,284	\$935	\$1,186	\$1,216
Life Insurance	\$331	\$142	\$106	\$287	\$482	\$481
Institutional Markets	\$308	\$438	\$582	\$499	\$696	\$631
Other Operations	(\$1,616)	(\$2,429)	(\$2,350)	(\$1,704)	(\$1,608)	(\$1,608)
<b>Total Operating Earnings</b>						
Pre-Tax	\$5,470	\$3,003	\$5,920	\$5,632	\$6,379	\$6,154
After-Tax	\$4,078	\$2,201	\$4,430	\$4,001	\$4,521	\$4,343
<b>Operating EPS</b>						
	\$4.58	\$2.52	\$5.12	\$4.96	\$6.12	\$6.35
<b>General Insurance</b>						
Net premiums written	\$25,092	\$22,959	\$25,890	\$26,459	\$27,486	\$28,675
Net earned premiums	\$26,438	\$23,662	\$25,057	\$26,362	\$27,445	\$28,590
Combined Ratio	99.7%	104.3%	95.8%	92.4%	93.0%	93.4%
Combined ratio ex cats, prior yr dev. & chg in disc.	96.0%	94.1%	90.9%	89.0%	88.4%	88.8%
<b>General Insurance - NA commercial</b>						
Net premiums written	\$8,854	\$8,635	\$10,226	\$11,132	\$11,689	\$12,273
Net earned premiums	\$9,600	\$8,516	\$9,451	\$10,321	\$10,615	\$10,918
Combined Ratio	102.3%	110.1%	103.6%	90.2%	92.2%	92.5%
Combined ratio ex cats, prior yr dev. & chg in disc.	97.6%	95.0%	90.9%	87.6%	86.7%	86.9%
<b>General Insurance - NA Personal</b>						
Net premiums written	\$3,249	\$1,149	\$1,507	\$1,480	\$1,510	\$1,540
Net earned premiums	\$3,253	\$1,786	\$1,538	\$1,644	\$1,652	\$1,660
Combined Ratio	100.1%	124.6%	80.8%	103.5%	102.4%	102.4%
Combined ratio ex cats, prior yr dev. & chg in disc.	94.7%	103.7%	99.6%	99.8%	95.6%	95.6%
<b>General Insurance - International Commercial</b>						
Net premiums written	\$6,203	\$6,874	\$8,030	\$8,338	\$8,768	\$9,219
Net earned premiums	\$6,364	\$6,927	\$7,746	\$8,011	\$8,612	\$9,258
Combined Ratio	99.5%	100.4%	92.9%	89.1%	89.7%	89.8%
Combined ratio ex cats, prior yr dev. & chg in disc.	95.1%	90.0%	86.9%	83.6%	85.2%	85.3%
<b>General Insurance - International Personal</b>						
Net premiums written	\$6,786	\$6,301	\$6,127	\$5,508	\$5,519	\$5,642
Net earned premiums	\$7,221	\$6,433	\$6,322	\$6,386	\$6,567	\$6,754
Combined Ratio	96.1%	95.3%	91.3%	97.4%	96.4%	97.6%
Combined ratio ex cats, prior yr dev. & chg in disc.	95.2%	93.7%	93.7%	95.4%	93.7%	94.9%
<b>Net Investment Income by Segment</b>						
General Insurance	\$3,444	\$2,925	\$3,304	\$2,234	\$1,837	\$1,598
Life and Retirement	\$8,733	\$8,881	\$9,521	\$8,154	\$8,461	\$8,712
Corporate	\$2,598	\$1,087	\$1,112	\$712	\$552	\$552
Total NII before eliminations	\$14,775	\$12,893	\$13,937	\$11,100	\$10,850	\$10,862
Book value per share, ex AOCI	\$69.20	\$60.78	\$71.80	\$84.64	\$93.81	\$101.91
Operating ROE, ex AOCI and DTA	8.3%	4.4%	8.4%	7.2%	8.3%	7.8%
Share Buybacks	\$0	\$500	\$2,643	\$5,602	\$4,000	\$2,000

Source: Barclays Research, Company Data.

**Analyst(s) Certification(s):**

I, Tracy Benguigui, hereby certify (1) that the views expressed in this research report accurately reflect my personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

**Important Disclosures:**

Barclays Research is produced by the Investment Bank of Barclays Bank PLC and its affiliates (collectively and each individually, "Barclays"). All authors contributing to this research report are Research Analysts unless otherwise indicated. The publication date at the top of the report reflects the local time where the report was produced and may differ from the release date provided in GMT.

**Availability of Disclosures:**

Where any companies are the subject of this research report, for current important disclosures regarding those companies please refer to <https://publicresearch.barclays.com> or alternatively send a written request to: Barclays Research Compliance, 745 Seventh Avenue, 13th Floor, New York, NY 10019 or call +1-212-526-1072.

The analysts responsible for preparing this research report have received compensation based upon various factors including the firm's total revenues, a portion of which is generated by investment banking activities, the profitability and revenues of the Markets business and the potential interest of the firm's investing clients in research with respect to the asset class covered by the analyst.

Analysts regularly conduct site visits to view the material operations of covered companies, but Barclays policy prohibits them from accepting payment or reimbursement by any covered company of their travel expenses for such visits.

Barclays Research Department produces various types of research including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of Barclays Research may differ from those contained in other types of Barclays Research, whether as a result of differing time horizons, methodologies, or otherwise.

In order to access Barclays Statement regarding Research Dissemination Policies and Procedures, please refer to

<https://publicresearch.barcap.com/S/RD.htm>. In order to access Barclays Research Conflict Management Policy Statement, please refer to:

<https://publicresearch.barcap.com/S/CM.htm>.

**Primary Stocks (Ticker, Date, Price)**

**AIG, Inc.** (AIG, 09-Aug-2022, USD 53.55), Equal Weight/Positive, A/CD/CE/D/E/J/K/L/M/N

Unless otherwise indicated, prices are sourced from Bloomberg and reflect the closing price in the relevant trading market, which may not be the last available closing price at the time of publication.

**Disclosure Legend:**

**A:** Barclays Bank PLC and/or an affiliate has been lead manager or co-lead manager of a publicly disclosed offer of securities of the issuer in the previous 12 months.

**B:** An employee or non-executive director of Barclays PLC is a director of this issuer.

**CD:** Barclays Bank PLC and/or an affiliate is a market-maker in debt securities issued by this issuer.

**CE:** Barclays Bank PLC and/or an affiliate is a market-maker in equity securities issued by this issuer.

**CH:** Barclays Bank PLC and/or its group companies makes, or will make, a market in the securities (as defined under paragraph 16.2 (k) of the HK SFC Code of Conduct) in respect of this issuer.

**D:** Barclays Bank PLC and/or an affiliate has received compensation for investment banking services from this issuer in the past 12 months.

**E:** Barclays Bank PLC and/or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer within the next 3 months.

**FA:** Barclays Bank PLC and/or an affiliate beneficially owns 1% or more of a class of equity securities of this issuer, as calculated in accordance with US regulations.

**FB:** Barclays Bank PLC and/or an affiliate beneficially owns a long position of more than 0.5% of a class of equity securities of this issuer, as calculated in accordance with EU regulations.

**FC:** Barclays Bank PLC and/or an affiliate beneficially owns a short position of more than 0.5% of a class of equity securities of this issuer, as calculated in accordance with EU regulations.

**FD:** Barclays Bank PLC and/or an affiliate beneficially owns 1% or more of a class of equity securities of this issuer, as calculated in accordance with South Korean regulations.

**FE:** Barclays Bank PLC and/or its group companies has financial interests in relation to this issuer and such interests aggregate to an amount equal to or more than 1% of this issuer's market capitalization, as calculated in accordance with HK regulations.

**GD:** One of the Research Analysts on the fundamental credit coverage team (and/or a member of his or her household) has a long position in the common equity securities of this issuer.

**GE:** One of the Research Analysts on the fundamental equity coverage team (and/or a member of his or her household) has a long position in the common equity securities of this issuer.

**H:** This issuer beneficially owns more than 5% of any class of common equity securities of Barclays PLC.

**I:** Barclays Bank PLC and/or an affiliate is party to an agreement with this issuer for the provision of financial services to Barclays Bank PLC and/or an affiliate.

**J:** Barclays Bank PLC and/or an affiliate is a liquidity provider and/or trades regularly in the securities of this issuer and/or in any related derivatives.

**K:** Barclays Bank PLC and/or an affiliate has received non-investment banking related compensation (including compensation for brokerage services, if applicable) from this issuer within the past 12 months.

**L:** This issuer is, or during the past 12 months has been, an investment banking client of Barclays Bank PLC and/or an affiliate.

**M:** This issuer is, or during the past 12 months has been, a non-investment banking client (securities related services) of Barclays Bank PLC and/or an affiliate.

**N:** This issuer is, or during the past 12 months has been, a non-investment banking client (non-securities related services) of Barclays Bank PLC and/or an affiliate.

**O:** Not in use.

**P:** A partner, director or officer of Barclays Capital Canada Inc. has, during the preceding 12 months, provided services to the subject company for remuneration, other than normal course investment advisory or trade execution services.

**Q:** Barclays Bank PLC and/or an affiliate is a Corporate Broker to this issuer.

**R:** Barclays Capital Canada Inc. and/or an affiliate has received compensation for investment banking services from this issuer in the past 12 months.

**S:** This issuer is a Corporate Broker to Barclays PLC.

**T:** Barclays Bank PLC and/or an affiliate is providing equity advisory services to this issuer.

**U:** The equity securities of this Canadian issuer include subordinate voting restricted shares.

**V:** The equity securities of this Canadian issuer include non-voting restricted shares.

#### **Risk Disclosure(s)**

Master limited partnerships (MLPs) are pass-through entities structured as publicly listed partnerships. For tax purposes, distributions to MLP unit holders may be treated as a return of principal. Investors should consult their own tax advisors before investing in MLP units.

#### **Disclosure(s) regarding Information Sources**

Copyright © (2022) Sustainalytics. Sustainalytics retains ownership and all intellectual property rights in its proprietary information and data that may be included in this report. Any Sustainalytics' information and data included herein may not be copied or redistributed, is intended for informational purposes only, does not constitute investment advice and is not warranted to be complete, timely and accurate. Sustainalytics' information and data is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>

Bloomberg® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively “Bloomberg”) and the Bloomberg Indices are trademarks of Bloomberg. Bloomberg or Bloomberg’s licensors own all proprietary rights in the Bloomberg Indices. Bloomberg does not approve or endorse this material, or guarantee the accuracy or completeness of any information herein, or make any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, Bloomberg shall have no liability or responsibility for injury or damages arising in connection therewith.

#### **Guide to the Barclays Fundamental Equity Research Rating System:**

Our coverage analysts use a relative rating system in which they rate stocks as Overweight, Equal Weight or Underweight (see definitions below) relative to other companies covered by the analyst or a team of analysts that are deemed to be in the same industry (the “industry coverage universe”).

In addition to the stock rating, we provide industry views which rate the outlook for the industry coverage universe as Positive, Neutral or Negative (see definitions below). A rating system using terms such as buy, hold and sell is not the equivalent of our rating system. Investors should carefully read the entire research report including the definitions of all ratings and not infer its contents from ratings alone.

#### **Stock Rating**

**Overweight** - The stock is expected to outperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

**Equal Weight** - The stock is expected to perform in line with the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

**Underweight** - The stock is expected to underperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

**Rating Suspended** - The rating and target price have been suspended temporarily due to market events that made coverage impracticable or to comply with applicable regulations and/or firm policies in certain circumstances including where the Investment Bank of Barclays Bank PLC is acting in an advisory capacity in a merger or strategic transaction involving the company.

#### **Industry View**

**Positive** - industry coverage universe fundamentals/valuations are improving.

**Neutral** - industry coverage universe fundamentals/valuations are steady, neither improving nor deteriorating.

**Negative** - industry coverage universe fundamentals/valuations are deteriorating.

Below is the list of companies that constitute the “industry coverage universe”:

#### **U.S. Insurance/Non-Life**

AIG, Inc. (AIG)	Allstate Corp. (ALL)	Arch Capital Group Ltd. (ACGL)
Chubb Limited (CB)	James River Group Holdings (JVRV)	Lemonade Inc (LMND)
Palomar Holdings, Inc. (PLMR)	Progressive Corp. (PGR)	Root Inc. (ROOT)
Ryan Specialty Group Holdings (RYAN)	The Hartford Financial Services Group, Inc. (HIG)	The Travelers Companies, Inc. (TRV)

**Distribution of Ratings:**

Barclays Equity Research has 1706 companies under coverage.

50% have been assigned an Overweight rating which, for purposes of mandatory regulatory disclosures, is classified as a Buy rating; 51% of companies with this rating are investment banking clients of the Firm; 71% of the issuers with this rating have received financial services from the Firm.

34% have been assigned an Equal Weight rating which, for purposes of mandatory regulatory disclosures, is classified as a Hold rating; 42% of companies with this rating are investment banking clients of the Firm; 69% of the issuers with this rating have received financial services from the Firm.

14% have been assigned an Underweight rating which, for purposes of mandatory regulatory disclosures, is classified as a Sell rating; 30% of companies with this rating are investment banking clients of the Firm; 62% of the issuers with this rating have received financial services from the Firm.

**Guide to the Barclays Research Price Target:**

Each analyst has a single price target on the stocks that they cover. The price target represents that analyst's expectation of where the stock will trade in the next 12 months. Upside/downside scenarios, where provided, represent potential upside/potential downside to each analyst's price target over the same 12-month period.

**Top Picks:**

Barclays Equity Research's "Top Picks" represent the single best alpha-generating investment idea within each industry (as defined by the relevant "industry coverage universe"), taken from among the Overweight-rated stocks within that industry. While analysts may highlight other Overweight-rated stocks in their published research in addition to their Top Pick, there can only be one "Top Pick" for each industry. To view the current list of Top Picks, go to the Top Picks page on Barclays Live (<https://live.barcap.com/go/keyword/TopPicks>).

To see a list of companies that comprise a particular industry coverage universe, please go to <https://publicresearch.barclays.com>.

**Types of investment recommendations produced by Barclays Equity Research:**

In addition to any ratings assigned under Barclays' formal rating systems, this publication may contain investment recommendations in the form of trade ideas, thematic screens, scorecards or portfolio recommendations that have been produced by analysts within Equity Research. Any such investment recommendations shall remain open until they are subsequently amended, rebalanced or closed in a future research report.

Barclays may also re-distribute equity research reports produced by third-party research providers that contain recommendations that differ from and/or conflict with those published by Barclays' Equity Research Department.

**Disclosure of other investment recommendations produced by Barclays Equity Research:**

Barclays Equity Research may have published other investment recommendations in respect of the same securities/instruments recommended in this research report during the preceding 12 months. To view all investment recommendations published by Barclays Equity Research in the preceding 12 months please refer to <https://live.barcap.com/go/research/Recommendations>.

**Legal entities involved in producing Barclays Research:**

Barclays Bank PLC (Barclays, UK)

Barclays Capital Inc. (BCI, US)

Barclays Bank Ireland PLC, Frankfurt Branch (BBI, Frankfurt)

Barclays Bank Ireland PLC, Paris Branch (BBI, Paris)

Barclays Bank Ireland PLC, Milan Branch (BBI, Milan)

Barclays Securities Japan Limited (BSJL, Japan)

Barclays Bank PLC, Hong Kong Branch (Barclays Bank, Hong Kong)

Barclays Capital Canada Inc. (BCCI, Canada)

Barclays Bank Mexico, S.A. (BBMX, Mexico)

Barclays Capital Casa de Bolsa, S.A. de C.V. (BCCB, Mexico)

Barclays Securities (India) Private Limited (BSIPL, India)

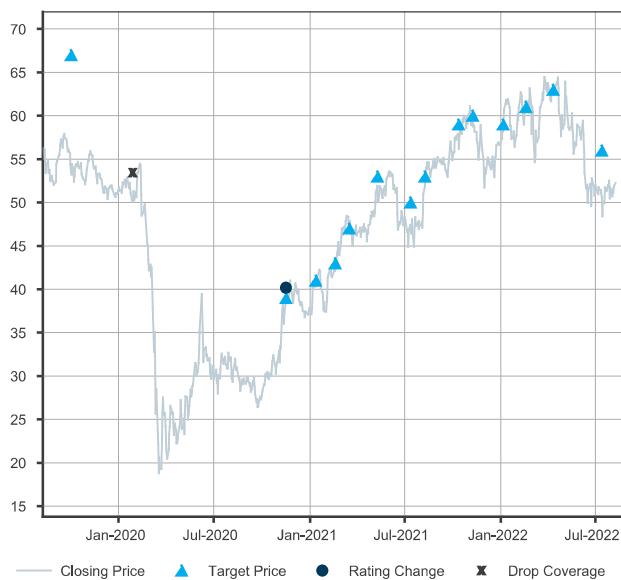
Barclays Bank PLC, India Branch (Barclays Bank, India)

Barclays Bank PLC, Singapore Branch (Barclays Bank, Singapore)

Barclays Bank PLC, DIFC Branch (Barclays Bank, DIFC)

**AIG, Inc. (AIG / AIG)**Stock Rating: **EQUAL WEIGHT**Industry View: **POSITIVE****USD 53.55** (09-Aug-2022)**Rating and Price Target Chart - USD (as of 09-Aug-2022)**

Currency=USD



Source: IDC, Barclays Research

[Link to Barclays Live for interactive charting](#)

Publication Date	Closing Price*	Rating	Adjusted Price Target
13-Jul-2022	51.12		56.00
11-Apr-2022	63.14		63.00
18-Feb-2022	61.38		61.00
05-Jan-2022	59.00		59.00
08-Nov-2021	59.16		60.00
12-Oct-2021	57.40		59.00
09-Aug-2021	51.85		53.00
12-Jul-2021	47.44		50.00
10-May-2021	51.92		53.00
17-Mar-2021	47.67		47.00
18-Feb-2021	42.11		43.00
12-Jan-2021	41.00		41.00
16-Nov-2020	38.49	Equal Weight	39.00
22-Jan-2020	52.26	Coverage Dropped	
02-Oct-2019	53.47		67.00

On 09-Aug-2019, prior to any intra-day change that may have been published, the rating for this security was Overweight, and the adjusted price target was 65.00.

Source: Bloomberg, Barclays Research

\*This is the closing price referenced in the publication, which may not be the last available closing price at the time of publication.

Historical stock prices and price targets may have been adjusted for stock splits and dividends.

**A:** Barclays Bank PLC and/or an affiliate has been lead manager or co-lead manager of a publicly disclosed offer of securities of AIG, Inc. in the previous 12 months.

**CD:** Barclays Bank PLC and/or an affiliate is a market-maker in debt securities issued by AIG, Inc..

**CE:** Barclays Bank PLC and/or an affiliate is a market-maker in equity securities issued by AIG, Inc..

**D:** Barclays Bank PLC and/or an affiliate has received compensation for investment banking services from AIG, Inc. in the past 12 months.

**E:** Barclays Bank PLC and/or an affiliate expects to receive or intends to seek compensation for investment banking services from AIG, Inc. within the next 3 months.

**J:** Barclays Bank PLC and/or an affiliate is a liquidity provider and/or trades regularly in the securities by AIG, Inc. and/or in any related derivatives.

**K:** Barclays Bank PLC and/or an affiliate has received non-investment banking related compensation (including compensation for brokerage services, if applicable) from AIG, Inc. within the past 12 months.

**L:** AIG, Inc. is, or during the past 12 months has been, an investment banking client of Barclays Bank PLC and/or an affiliate.

**M:** AIG, Inc. is, or during the past 12 months has been, a non-investment banking client (securities related services) of Barclays Bank PLC and/or an affiliate.

**N:** AIG, Inc. is, or during the past 12 months has been, a non-investment banking client (non-securities related services) of Barclays Bank PLC and/or an affiliate.

**Valuation Methodology:** Our Equal Weight rating and \$56 price target are based on a 50/50 weighted average of 9.0x our 2023 EPS estimate of \$6.12 and 0.6x our 2023 book value per share (ex-AOCI) estimate of \$93.81. Our target multiples for AIG are below the P/C insurance group given we expect lower ROEs, especially for GI standalone.

**Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target:** Potential calls on capital to complete a separation. Expansion of underwriting risk appetite too fast too soon and/or over exuberance at hardening pricing that falter AIG's resolve to walk away from business that does not meet risk return hurdles. Unexpected adverse reserve development which would not only impair earnings or capital but undermine the creditability of its underwriting remediation actions to date. Ultimately we think a smaller capital base post separation may temper AIG's ability to compete at the upper end of the market where we see less trading partners.

**Disclaimer:**

This publication has been produced by Barclays Research Department in the Investment Bank of Barclays Bank PLC and/or one or more of its affiliates (collectively and each individually, "Barclays").

It has been prepared for institutional investors and not for retail investors. It has been distributed by one or more Barclays affiliated legal entities listed below or by an independent and non-affiliated third-party entity (as may be communicated to you by such third-party entity in its communications with you). It is provided for information purposes only, and Barclays makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this publication. To the extent that this publication states on the front page that it is intended for institutional investors and is not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors under U.S. FINRA Rule 2242, it is an "institutional debt research report" and distribution to retail investors is strictly prohibited. Barclays also distributes such institutional debt research reports to various issuers, media, regulatory and academic organisations for their own internal informational news gathering, regulatory or academic purposes and not for the purpose of making investment decisions regarding any debt securities. Media organisations are prohibited from re-publishing any opinion or recommendation concerning a debt issuer or debt security contained in any Barclays institutional debt research report. Any such recipients that do not want to continue receiving Barclays institutional debt research reports should contact [debtresearch@barclays.com](mailto:debtresearch@barclays.com). Clients that are subscribed to receive equity research reports, will not receive certain cross asset research reports co-authored by equity and FICC research analysts that are distributed as "institutional debt research reports" unless they have agreed to accept such reports. Eligible clients may get access to such cross asset reports by contacting [debtresearch@barclays.com](mailto:debtresearch@barclays.com). Barclays will not treat unauthorized recipients of this report as its clients and accepts no liability for use by them of the contents which may not be suitable for their personal use. Prices shown are indicative and Barclays is not offering to buy or sell or soliciting offers to buy or sell any financial instrument.

Without limiting any of the foregoing and to the extent permitted by law, in no event shall Barclays, nor any affiliate, nor any of their respective officers, directors, partners, or employees have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this publication or its contents.

Other than disclosures relating to Barclays, the information contained in this publication has been obtained from sources that Barclays Research believes to be reliable, but Barclays does not represent or warrant that it is accurate or complete. Barclays is not responsible for, and makes no warranties whatsoever as to, the information or opinions contained in any written, electronic, audio or video presentations of third parties that are accessible via a direct hyperlink in this publication or via a hyperlink to a third-party web site ('Third-Party Content'). Any such Third-Party Content has not been adopted or endorsed by Barclays, does not represent the views or opinions of Barclays, and is not incorporated by reference into this publication. Third-Party Content is provided for information purposes only and Barclays has not independently verified its accuracy or completeness.

The views in this publication are solely and exclusively those of the authoring analyst(s) and are subject to change, and Barclays Research has no obligation to update its opinions or the information in this publication. Unless otherwise disclosed herein, the analysts who authored this report have not received any compensation from the subject companies in the past 12 months. If this publication contains recommendations, they are general recommendations that were prepared independently of any other interests, including those of Barclays and/or its affiliates, and/or the subject companies. This publication does not contain personal investment recommendations or investment advice or take into account the individual financial circumstances or investment objectives of the clients who receive it. Barclays is not a fiduciary to any recipient of this publication. The securities and other investments discussed herein may not be suitable for all investors and may not be available for purchase in all jurisdictions. The United States

imposed sanctions on certain Chinese companies (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/chinese-military-companies-sanctions>), which may restrict U.S. persons from purchasing securities issued by those companies. Investors must independently evaluate the merits and risks of the investments discussed herein, including any sanctions restrictions that may apply, consult any independent advisors they believe necessary, and exercise independent judgment with regard to any investment decision. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results. The information provided does not constitute a financial benchmark and should not be used as a submission or contribution of input data for the purposes of determining a financial benchmark.

**Third Party Distribution:** Any views expressed in this communication are solely those of Barclays and have not been adopted or endorsed by any third party distributor.

**United Kingdom:** This document is being distributed (1) only by or with the approval of an authorised person (Barclays Bank PLC) or (2) to, and is directed at (a) persons in the United Kingdom having professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (b) high net worth companies, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (c) other persons to whom it may otherwise lawfully be communicated (all such persons being "Relevant Persons"). Any investment or investment activity to which this communication relates is only available to and will only be engaged in with Relevant Persons. Any other persons who receive this communication should not rely on or act upon it. Barclays Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the London Stock Exchange.

**European Economic Area ("EEA"):** This material is being distributed to any "Authorised User" located in a Restricted EEA Country by Barclays Bank Ireland PLC. The Restricted EEA Countries are Austria, Bulgaria, Estonia, Finland, Hungary, Iceland, Liechtenstein, Lithuania, Luxembourg, Malta, Portugal, Romania, Slovakia and Slovenia. For any other "Authorised User" located in a country of the European Economic Area, this material is being distributed by Barclays Bank PLC. Barclays Bank Ireland PLC is a bank authorised by the Central Bank of Ireland whose registered office is at 1 Molesworth Street, Dublin 2, Ireland. Barclays Bank PLC is not registered in France with the Autorité des marchés financiers or the Autorité de contrôle prudentiel. Authorised User means each individual associated with the Client who is notified by the Client to Barclays and authorised to use the Research Services. The Restricted EEA Countries will be amended if required.

**Finland:** Notwithstanding Finland's status as a Restricted EEA Country, Research Services may also be provided by Barclays Bank PLC where permitted by the terms of its cross-border license.

**Americas:** The Investment Bank of Barclays Bank PLC undertakes U.S. securities business in the name of its wholly owned subsidiary Barclays Capital Inc., a FINRA and SIPC member. Barclays Capital Inc., a U.S. registered broker/dealer, is distributing this material in the United States and, in connection therewith accepts responsibility for its contents. Any U.S. person wishing to effect a transaction in any security discussed herein should do so only by contacting a representative of Barclays Capital Inc. in the U.S. at 745 Seventh Avenue, New York, New York 10019.

Non-U.S. persons should contact and execute transactions through a Barclays Bank PLC branch or affiliate in their home jurisdiction unless local regulations permit otherwise.

This material is distributed in Canada by Barclays Capital Canada Inc., a registered investment dealer, a Dealer Member of IIROC ([www.iroc.ca](http://www.iroc.ca)), and a Member of the Canadian Investor Protection Fund (CIPF).

This material is distributed in Mexico by Barclays Bank Mexico, S.A. and/or Barclays Capital Casa de Bolsa, S.A. de C.V. This material is distributed in the Cayman Islands and in the Bahamas by Barclays Capital Inc., which it is not licensed or registered to conduct and does not conduct business in, from or within those jurisdictions and has not filed this material with any regulatory body in those jurisdictions.

**Japan:** This material is being distributed to institutional investors in Japan by Barclays Securities Japan Limited. Barclays Securities Japan Limited is a joint-stock company incorporated in Japan with registered office of 6-10-1 Roppongi, Minato-ku, Tokyo 106-6131, Japan. It is a subsidiary of Barclays Bank PLC and a registered financial instruments firm regulated by the Financial Services Agency of Japan. Registered Number: Kanto Zaimukyokuchō (kinsho) No. 143.

**Asia Pacific (excluding Japan):** Barclays Bank PLC, Hong Kong Branch is distributing this material in Hong Kong as an authorised institution regulated by the Hong Kong Monetary Authority. Registered Office: 41/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

All Indian securities-related research and other equity research produced by Barclays' Investment Bank are distributed in India by Barclays Securities (India) Private Limited (BSIPL). BSIPL is a company incorporated under the Companies Act, 1956 having CIN U67120MH2006PTC161063. BSIPL is registered and regulated by the Securities and Exchange Board of India (SEBI) as a Research Analyst: INH000001519; Portfolio Manager INP000002585; Stock Broker INZ000269539 (member of NSE and BSE); Depository Participant with the National Securities & Depositories Limited (NSDL): DP ID: IN-DP-NSDL-299-2008; Investment Adviser: INA000000391. BSIPL is also registered as a Mutual Fund Advisor having AMFI ARN No. 53308. The registered office of BSIPL is at 208, Ceejay House, Shivasagar Estate, Dr. A. Besant Road, Worli, Mumbai – 400 018, India. Telephone No: +91 22 67196363. Fax number: +91 22 67196399. Any other reports produced by Barclays' Investment Bank are distributed in India by Barclays Bank PLC, India Branch, an associate of BSIPL in India that is registered with Reserve Bank of India (RBI) as a Banking Company under the provisions of The Banking Regulation Act, 1949 (Regn No BOM43) and registered with SEBI as Merchant Banker (Regn No INM000002129) and also as Banker to the Issue (Regn No INB100000950). Barclays Investments and Loans (India) Limited, registered with RBI as Non Banking Financial Company (Regn No RBI CoR-07-00258), and Barclays Wealth Trustees (India) Private Limited, registered with Registrar of Companies (CIN U93000MH2008PTC188438), are associates of BSIPL in India that are not authorised to distribute any reports produced by Barclays' Investment Bank.

This material is distributed in Singapore by the Singapore Branch of Barclays Bank PLC, a bank licensed in Singapore by the Monetary Authority of Singapore. For matters in connection with this material, recipients in Singapore may contact the Singapore branch of Barclays Bank PLC, whose registered address is 10 Marina Boulevard, #23-01 Marina Bay Financial Centre Tower 2, Singapore 018983.

This material, where distributed to persons in Australia, is produced or provided by Barclays Bank PLC.

This communication is directed at persons who are a "Wholesale Client" as defined by the Australian Corporations Act 2001.

Please note that the Australian Securities and Investments Commission (ASIC) has provided certain exemptions to Barclays Bank PLC (BBPLC) under paragraph 911A(2)(l) of the Corporations Act 2001 from the requirement to hold an Australian financial services licence (AFSL) in respect of financial services provided to Australian Wholesale Clients, on the basis that BBPLC is authorised by the Prudential Regulation Authority of the United Kingdom (PRA) and regulated by the Financial Conduct Authority (FCA) of the United Kingdom and the PRA under United Kingdom laws. The United Kingdom has laws which differ from Australian laws. To the extent that this communication involves the provision of financial services by BBPLC to Australian Wholesale Clients, BBPLC relies on the relevant exemption from the requirement to hold an AFSL. Accordingly, BBPLC does not hold an AFSL.

This communication may be distributed to you by either: (i) Barclays Bank PLC directly or (ii) Barrenjoey Markets Pty Limited (ACN 636 976 059, "Barrenjoey"), the holder of Australian Financial Services Licence (AFSL) 521800, a non-affiliated third party distributor, where clearly identified to you by Barrenjoey. Barrenjoey is not an agent of Barclays Bank PLC.

This material, where distributed in New Zealand, is produced or provided by Barclays Bank PLC. Barclays Bank PLC is not registered, filed with or approved by any New Zealand regulatory authority. This material is not provided under or in accordance with the Financial Markets Conduct Act of 2013 ("FMCA"), and is not a disclosure document or "financial advice" under the FMCA. This material is distributed to you by either: (i) Barclays Bank PLC directly or (ii) Barrenjoey Markets Pty Limited ("Barrenjoey"), a non-affiliated third party distributor, where clearly identified to you by Barrenjoey. Barrenjoey is not an agent of Barclays Bank PLC. This material may only be distributed to "wholesale investors" that meet the "investment business", "investment activity", "large", or "government agency" criteria specified in Schedule 1 of the FMCA.

**Middle East:** Nothing herein should be considered investment advice as defined in the Israeli Regulation of Investment Advisory, Investment Marketing and Portfolio Management Law, 1995 ("Advisory Law"). This document is being made to eligible clients (as defined under the Advisory Law) only. Barclays Israeli branch previously held an investment marketing license with the Israel Securities Authority but it cancelled such license on 30/11/2014 as it solely provides its services to eligible clients pursuant to available exemptions under the Advisory Law, therefore a license with the Israel Securities Authority is not required. Accordingly, Barclays does not maintain an insurance coverage pursuant to the Advisory Law.

This material is distributed in the United Arab Emirates (including the Dubai International Financial Centre) and Qatar by Barclays Bank PLC. Barclays Bank PLC in the Dubai International Financial Centre (Registered No. 0060) is regulated by the Dubai Financial Services Authority (DFSA). Principal place of business in the Dubai International Financial Centre: The Gate Village, Building 4, Level 4, PO Box 506504, Dubai, United Arab Emirates. Barclays Bank PLC-DIFC Branch, may only undertake the financial services activities that fall within the scope of its existing DFSA licence. Related financial products or services are only available to Professional Clients, as defined by the Dubai Financial Services Authority. Barclays Bank PLC in the UAE is regulated by the Central Bank of the UAE and is licensed to conduct business activities as a branch of a commercial bank incorporated outside the UAE in Dubai (Licence No.: 13/1844/2008, Registered Office: Building No. 6, Burj Dubai Business Hub, Sheikh Zayed Road, Dubai City) and Abu Dhabi (Licence No.: 13/952/2008, Registered Office: Al Jazira Towers, Hamdan Street, PO Box 2734, Abu Dhabi). This material does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase, any securities or investment products in the UAE (including the Dubai International Financial Centre) and accordingly should not be construed as such. Furthermore, this information is being made available on the basis that the recipient acknowledges and understands that the entities and securities to which it may relate have not been approved, licensed by or registered with the UAE Central Bank, the Dubai Financial Services Authority or any other relevant licensing authority or governmental agency in the UAE. The content of this report has not been approved by or filed with the UAE Central Bank or Dubai Financial Services Authority. Barclays Bank PLC in the Qatar Financial Centre (Registered No. 00018) is authorised by the Qatar Financial Centre Regulatory Authority (QFCRA). Barclays Bank PLC-QFC Branch may only undertake the regulated activities that fall within the scope of its existing QFCRA licence. Principal place of business in Qatar: Qatar Financial Centre, Office 1002, 10th Floor, QFC Tower, Diplomatic Area, West Bay, PO Box 15891, Doha, Qatar. Related financial products or services are only available to Business Customers as defined by the Qatar Financial Centre Regulatory Authority.

**Russia:** This material is not intended for investors who are not Qualified Investors according to the laws of the Russian Federation as it might contain information about or description of the features of financial instruments not admitted for public offering and/or circulation in the Russian Federation and thus not eligible for non-Qualified Investors. If you are not a Qualified Investor according to the laws of the Russian Federation, please dispose of any copy of this material in your possession.

**IRS Circular 230 Prepared Materials Disclaimer:** Barclays does not provide tax advice and nothing contained herein should be construed to be tax advice. Please be advised that any discussion of U.S. tax matters contained herein (including any attachments) (i) is not intended or written to be used, and cannot be used, by you for the purpose of avoiding U.S. tax-related penalties; and (ii) was written to support the promotion or marketing of the transactions or other matters addressed herein. Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

© Copyright Barclays Bank PLC (2022). All rights reserved. No part of this publication may be reproduced or redistributed in any manner without the prior written permission of Barclays. Barclays Bank PLC is registered in England No. 1026167. Registered office 1 Churchill Place, London, E14 5HP. Additional information regarding this publication will be furnished upon request.