



AIG in Africa



Bring on tomorrow

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In corporate boardrooms across the world more and more business leaders are actively talking about Africa and at AIG we've been actively engaging with Africa for over 50 years.

Our long standing commitment to Africa dates back to the establishment of our first operation in Uganda in 1961, quickly followed by South Africa in 1962.

Today AIG has four operations in Africa – Egypt, Kenya South Africa and Uganda and transacts business across the continent in a further 49 countries.

Africa is a vast continent with a wide range of insurance economies at differing stages of development and regulated in different ways, however if there is one thing that is important to AIG, it is the importance of being local and the need to understand the differences of doing business in the various countries.

Challenges such as political and social unrest are ever present but if you tread carefully with your eyes wide open, success can follow.

"Subira Huvuta Heri" – Swahili proverb which translates to "Patience brings Success"

Key Facts

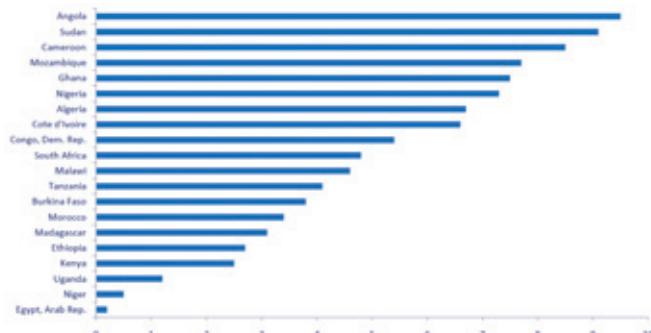


- 54 countries
- \$1.8 trillion GDP in 2011
- English and French widely spoken across 37 countries
- More than 52 cities with a population in excess of 1 million
- The continent has the largest land mass of uncultivated arable land
- 11 countries among the top ten global resource countries in at least one major mineral
- Oil and gas production has increased more rapidly than in any other region
- Creation of trade blocs amongst the African countries, cooperation across political, economic and social fields, aim to establish a monetary union and harmonization of fiscal and regulatory policies
- Business friendly climates and macroeconomic policies to encourage foreign investment, partnerships with foreign investors

Economic Indicators

Growth in Urban Population

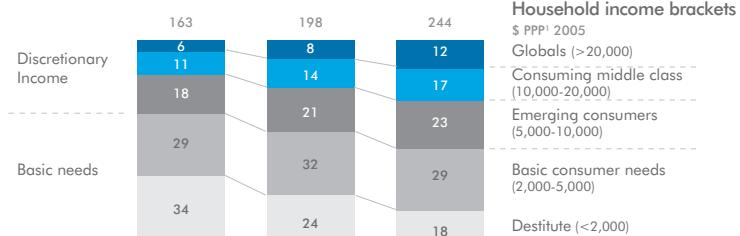
Percentage points difference, 2000-2010



- Rapid urbanization
- 52 cities across the continent each have more than 1 million people and this is projected to grow to 50% of the total African population moving to cities by 2030

Share of households in each income bracket

% millions of households



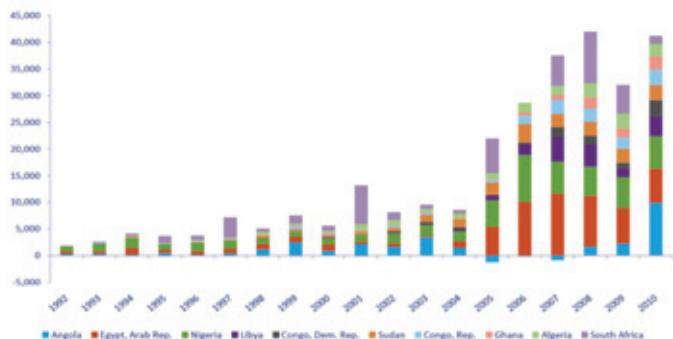
1 Purchasing power parity adjusts for price differences in identical goods across countries to reflect differences in purchasing power in each country.

Source: Canback Global Income Distribution Database (C-GIDD), McKinsey Global Institute

- By 2020 more than half of African households will have discretionary spending power
- Number of households with discretionary income projected to rise by 50% reaching 128 million by 2020; with top 20 cities having combined spending power of \$1.3 trillion

Top 10 FDI Net Receivers

Current USD



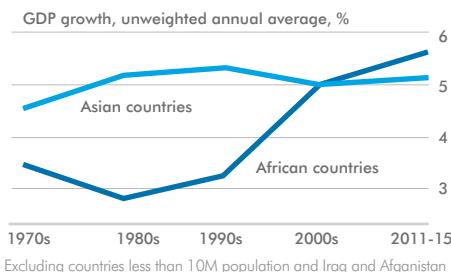
- Outperformance of African economies
- World Bank ease of doing business report highlighted Africa as a continent that is making strides toward becoming a business friendly regulatory environment
- Consumer facing sectors (banking, telecoms etc) are experiencing growth of two to three times faster than those in countries belonging to the OECD
- Africa's \$107 billion financial services industry will be worth \$517 billion by 2020, growing 15% annually

World's 10 fastest growing economies

Annual average GDP growth %

	2001-2010	2011-2015	
Angola	11.1	China	9.5
China	10.5	India	8.2
Myanmar	10.3	Ethiopia	8.1
Nigeria	8.9	Mozambique	7.7
Ethiopia	8.4	Tanzania	7.2
Kazakhstan	8.2	Vietnam	7.2
Chad	7.9	Congo	7.0
Mozambique	7.9	Ghana	7.0
Cambodia	7.7	Zambia	6.9
Rwanda	7.6	Nigeria	6.8

Source: The Economist, IMF



- China invested \$44bn in the last five years in the sub-Saharan countries and \$52 billion in North Africa and the Middle East. Sino-African bilateral trade topped \$115 billion in 2011, and continues to grow at a rate of 44% each year
- FDI to Africa projected to rise to \$150 billion by 2015, domestic resources being mobilized at a faster rate to accommodate demand, in particular from China and India

African Regulatory Changes

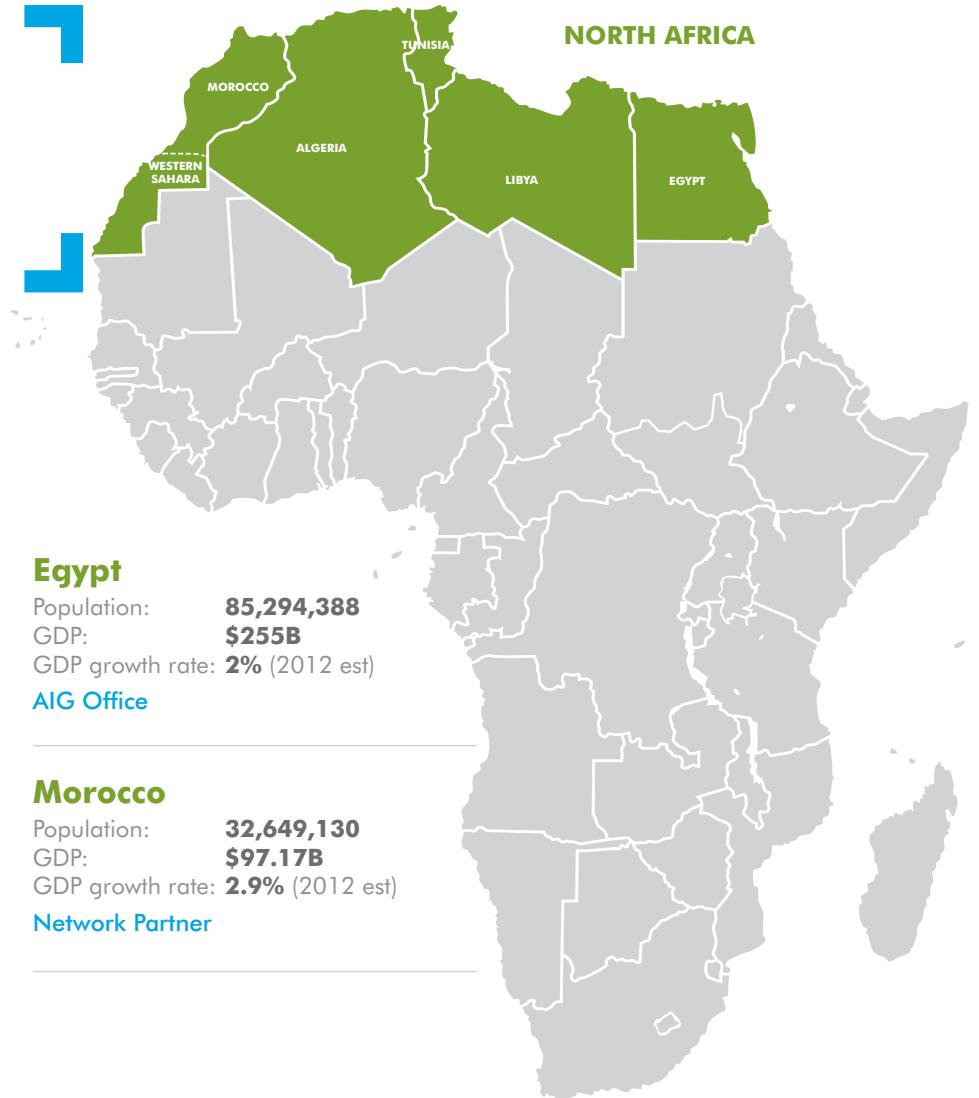
CIMA As of October 1, 2011, the insurance law that governs in 14 countries in Africa has been amended to include a "cash before cover" requirement.

Nigeria Effective January 1, 2013, Nigerian insurance policies may only be issued once the entire corresponding premium has been collected

Ethiopia The Federal Government of Ethiopia has implemented a new "No Premium, No Cover" rule, by which insurance policies issued without full collection of the premium, are considered void.

Kenya A compulsory 18% cession of all treaty reinsurance has been extended until December 31, 2015

North Africa at a glance



Algeria

Population: **38,087,812**
GDP: **\$206.5B**
GDP growth rate: **2.6%** (2012 est)

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Libya

Population: **6,002,347**
GDP: **\$85.11B**
GDP growth rate: **121.9%** (2012 est)

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Tunisia

Population: **10,835,873**
GDP: **\$44.7B**
GDP growth rate: **2.7%** (2012 est)

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Egypt

Population: **85,294,388**
GDP: **\$255B**
GDP growth rate: **2%** (2012 est)

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Morocco

Population: **32,649,130**
GDP: **\$97.17B**
GDP growth rate: **2.9%** (2012 est)

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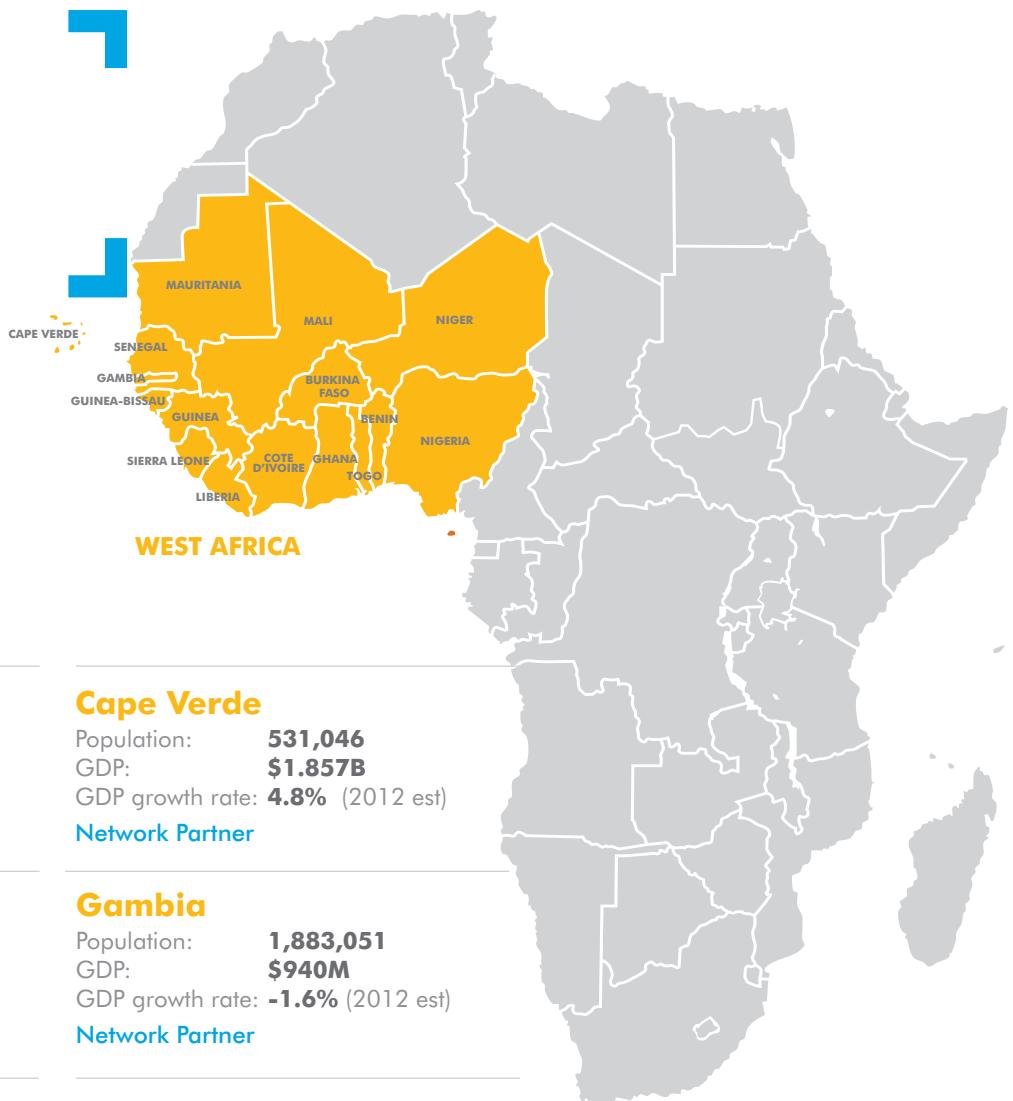


AIG in Egypt

Established in 2000, AIG is one of the leading foreign insurers in Egypt with a 4% market share, providing the full range of consumer and commercial lines insurance. Distribution is mainly through Agency, Bank partners as well as international brokers. AIG has a staff of 131 in Egypt, led by Country Manager Michael Jensen (Michael.jensen@aig.com), with a Head office in Giza, Cairo and 6 branches across the country. Despite the challenging market situation, AIG saw an 8% growth in its business in 2012 over the previous year.

In 2012 AIG was awarded "Insurer of the Year" by one of Egypt's leading business publications. This award was in recognition of AIG's outstanding service and commitment to its customers at the time of the Arab Spring uprising earlier in 2011.

West Africa at a glance



Benin

Population: **9,877,292**
 GDP: **\$7.541B**
 GDP growth rate: **3.5%** (2012 est)

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Burkina Faso

Population: **17,812,961**
 GDP: **\$10.27B**
 GDP growth rate: **7%** (2012 est)

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Côte d'Ivoire

Population: **22,400,835**
 GDP: **\$1.857B**
 GDP growth rate: **8.1%** (2012 est)

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Ghana

Population: **25,199,609**
 GDP: **\$40.12B**
 GDP growth rate: **8.2%** (2012 est)

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Guinea-Bissau

Population: **1,660,870**
 GDP: **\$884M**
 GDP growth rate: **-2.8%** (2012 est)

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Mauritania

Population: **3,437,610**
 GDP: **\$4.096B**
 GDP growth rate: **5.3%** (2012 est)

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Senegal

Population: **13,300,410**
 GDP: **\$13.95B**
 GDP growth rate: **3.7%** (2012 est)

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Cape Verde

Population: **531,046**
 GDP: **\$1.857B**
 GDP growth rate: **4.8%** (2012 est)

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Gambia

Population: **1,883,051**
 GDP: **\$940M**
 GDP growth rate: **-1.6%** (2012 est)

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Guinea

Population: **11,176,026**
 GDP: **\$5.744B**
 GDP growth rate: **4.8%** (2012 est)

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Liberia

Population: **3,989,703**
 GDP: **\$1.767B**
 GDP growth rate: **9%** (2012 est)

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Mali

Population: **15,968,882**
 GDP: **\$9.603B**
 GDP growth rate: **-4.5%** (2012 est)

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Niger

Population: **6,899,327**
 GDP: **\$6.556B**
 GDP growth rate: **14.5%** (2012 est)

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Nigeria

Population: **174,507,539**
 GDP: **\$272.6B**
 GDP growth rate: **7.1%** (2012 est)

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Sierra Leone

Population: **5,612,685**
 GDP: **\$3.824B**
 GDP growth rate: **21.3%** (2012 est)

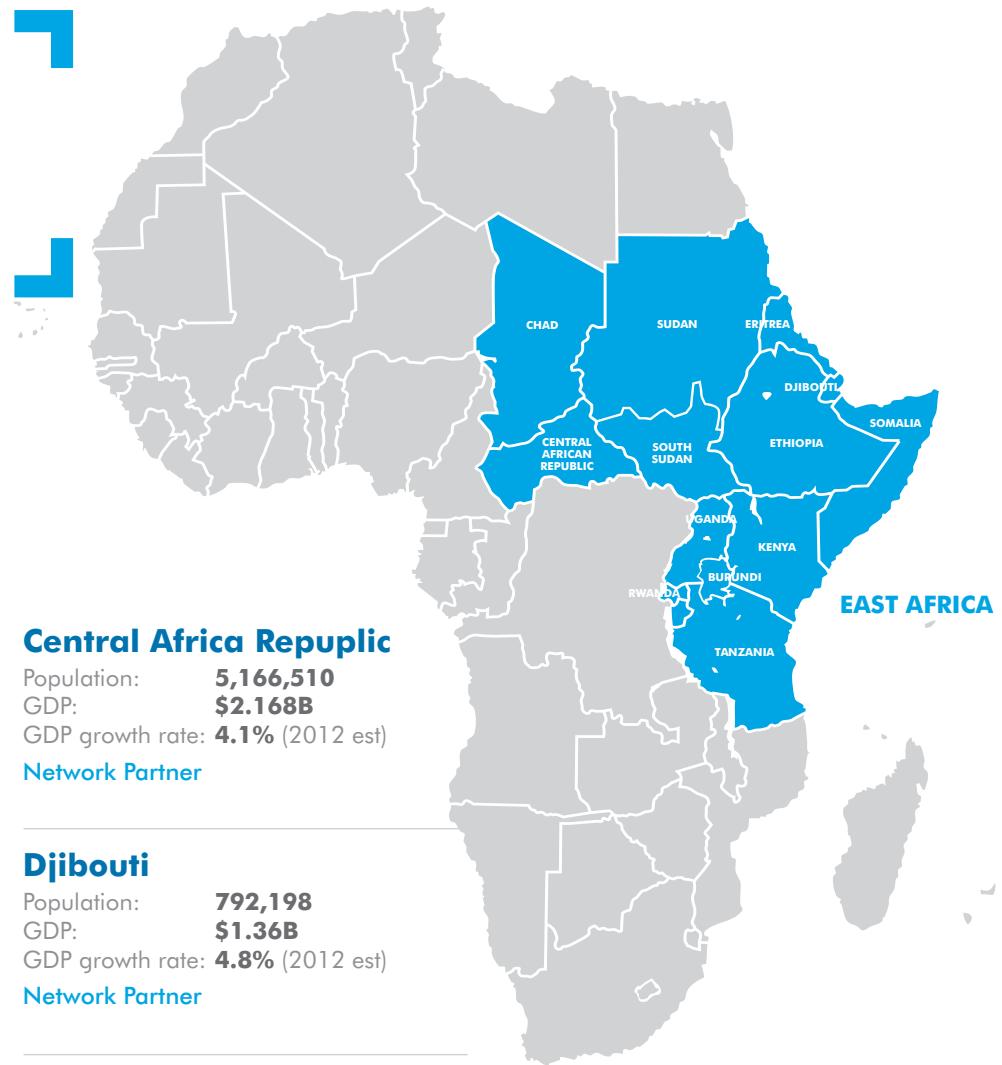
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Togo

Population: **7,154,237**
 GDP: **\$3.624B**
 GDP growth rate: **5%** (2012 est)

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East Africa at a glance



Burundi

Population: **10,888,321**
GDP: **\$2.53B**
GDP growth rate: **4.2%** (2012 est)

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Chad

Population: **11,193,452**
GDP: **\$9.723B**
GDP growth rate: **7.3%** (2012 est)

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Eritrea

Population: **6,233,682**
GDP: **\$3.108B**
GDP growth rate: **7.5%** (2012 est)

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Central Africa Repuplic

Population: **5,166,510**
GDP: **\$2.168B**
GDP growth rate: **4.1%** (2012 est)

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Djibouti

Population: **792,198**
GDP: **\$1.36B**
GDP growth rate: **4.8%** (2012 est)

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Ethiopia

Population: **93,877,025**
GDP: **\$41.89B**
GDP growth rate: **7%** (2012 est)

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The AIG team in Nairobi

AIG in Kenya

AIG is Kenya's leading foreign insurer and plays a significant part in the development of the local insurance industry. Established in 1967, today AIG in Kenya has just under 80 employees and with a Head office in Nairobi and a branch office in Mombasa, offers an extensive range of insurance solutions for both the consumer and corporate sector through brokers, bank partners and a large network of dedicated agents. Led by Japh Olende (japh.olende@aig.com), Managing Director AIG Kenya and Head of East Africa, AIG's business in Kenya has shown strong profitable growth over the last few years, including growth of over 14% in 2012.

AIG also plays a strong thought leadership role within the insurance market in key areas such as global best practice, product innovation and the importance of strong corporate governance.



AIG Uganda, Head Office

AIG in Uganda

AIG established a presence in Uganda in 1961, and today from its head office in Kampala, offers a range of insurances for consumer and corporate clients through a network of agents as well as brokers. As Uganda's only international insurer and one of the market leaders, AIG plays a key role in the local insurance market, insuring a significant number of Uganda's leading businesses. Led by Managing Director, Anna Othieno (anna.othieno@aig.com), AIG has 50 employees and a branch in Mbarara, as well as an agency office in Kampala. 2012 saw strong growth of 10% for the company.

In Q1 2013, AIG's business in Uganda was grouped with AIG's business in Kenya under a broader East Africa business region, led by Japh Olende. This new structure will allow AIG to focus on the development of insurance across the wider East Africa region to key markets such as Tanzania and Ethiopia.

Kenya

Population: **44,037,656**
GDP: **\$41.84B**
GDP growth rate: **5.1%** (2012 est)

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Somalia

Population: **10,251,568**
GDP: **\$2.372B**
GDP growth rate: **2.6%** (2012 est)

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South Sudan

Population: **11,090,104**
GDP: **\$11.45B**
GDP growth rate: **-55%** (2012 est)

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Rwanda

Population: **12,012,589**
GDP: **\$6.95B**
GDP growth rate: **7.7%** (2012 est)

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Tanzania

Population: **48,261,942**
GDP: **27.98B**
GDP growth rate: **6.5%** (2012 est)

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Sudan

Population: **34,847,910**
GDP: **\$51.58B**
GDP growth rate: **-11.2%** (2012 est)

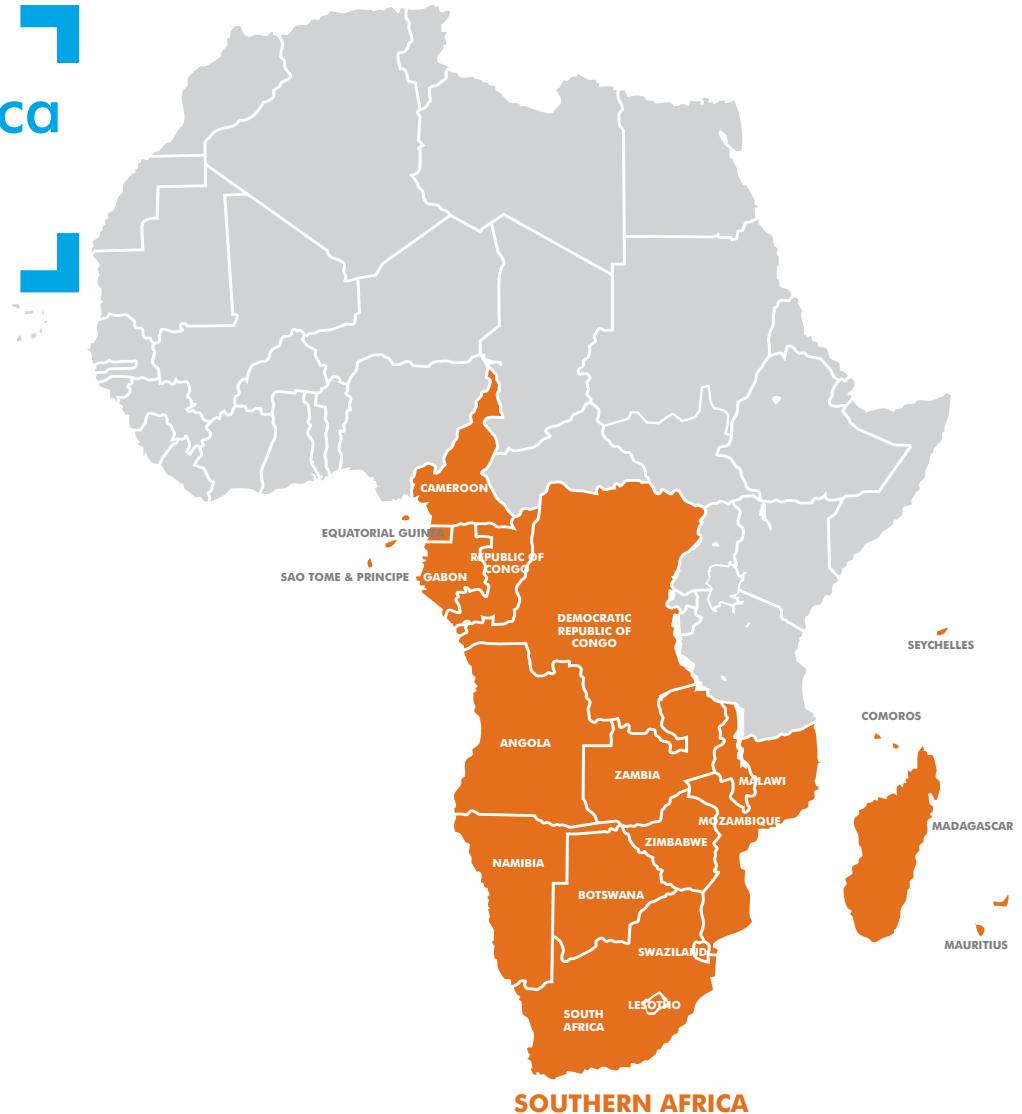
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Uganda

Population: **34,758,809**
GDP: **\$20.46B**
GDP growth rate: **4.2%** (2012 est)

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Southern Africa at a glance



Angola

Population: **22,599,098**
GDP: **\$10.05B**
GDP growth rate: **1.9%** (2012 est)

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Botswana

Population: **2,127,825**
GDP: **\$14.98B**
GDP growth rate: **7.7%** (2012 est)

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Democratic Republic of the Congo

Population: **75,507,308**
GDP: **\$17.7B**
GDP growth rate: **7.1%** (2012 est)

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Lesotho

Population: **1,936,181**
GDP: **\$2.62B**
GDP growth rate: **4.3%** (2012 est)

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Cameroun

Population: **1,322,238**
GDP: **\$11.93B**
GDP growth rate: **3.4%** (2012 est)

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Equatorial Guinea

Population: **704,001**
GDP: **\$20.65B**
GDP growth rate: **5.7%** (2012 est)

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Madagascar

Population: **22,599,098**
GDP: **\$10.05B**
GDP growth rate: **1.9%** (2012 est)

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Comoros

Population: **752,288**
GDP: **\$595M**
GDP growth rate: **2.5%** (2012 est)

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Gabon

Population: **1,640,286**
GDP: **\$16.8B**
GDP growth rate: **6.1%** (2012 est)

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Malawi

Population: **16,777,547**
GDP: **\$4.49B**
GDP growth rate: **4.3%** (2012 est)

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Mauritius

Population: **1,322,238**
GDP: **\$11.93B**
GDP growth rate: **3.4%** (2012 est)

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Republic of Congo

Population: **4,492,689**
GDP: **\$13.74B**
GDP growth rate: **4.9%** (2012 est)

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South Africa

Population: **48,601,098**
GDP: **\$390.9B**
GDP growth rate: **2.6%** (2012 est)

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Mozambique

Population: **24,096,669**
GDP: **\$14.64B**
GDP growth rate: **7.5%** (2012 est)

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Sao Tome & Principe

Population: **186,817**
GDP: **\$261M**
GDP growth rate: **4.5%** (2012 est)

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Namibia

Population: **2,182,852**
GDP: **\$12.15B**
GDP growth rate: **4.6%** (2012 est)

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Seychelles

Population: **90,846**
GDP: **\$971M**
GDP growth rate: **3%** (2012 est)

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Swaziland

Population: **1,403,362**
GDP: **\$3.651B**
GDP growth rate: **2.9%** (2012 est)

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Zambia

Population: **14,222,233**
GDP: **\$20.68B**
GDP growth rate: **6.5%** (2012 est)

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Zimbabwe

Population: **13,182,908**
GDP: **\$10.8B**
GDP growth rate: **5%** (2012 est)

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AIG in South Africa

AIG's leading business in Africa, with just under 400 employees and one of the leading international insurers in South Africa. AIG offers one of the most complete ranges of insurance products within the market serving both the consumer and corporate sectors. Business mix is approximately 43% consumer business and 57% Commercial business. AIG also has a life license in South Africa which currently supports its Accident & Health proposition to the consumer market.

For consumer business, AIG leads with Accident & Health products, travel insurance as well as motor, home insurance, distributing these products through all channels including Brokers, Banks, travel agents, and the broad market.

A comprehensive range of commercial insurance solutions and risk management advice are provided for corporate clients including Casualty,

Property, Energy, Marine, Financial Lines, Combined and Aviation lines of business. These are offered through extensive broker networks of both Tier 1 and Tier 2 brokers.

New products launched in 2012 include Aviation and Cyber Insurance. Planned new products for 2013/2014 include Trade Credit Insurance.

Led by Managing Director, Wayne Abraham (wayne.abraham@aig.com) AIG has a strong branch and office network with a head office in Johannesburg and 4 branches in Cape Town, Durban, Port Elizabeth and Pretoria. In addition there are 3 satellite offices in East London, Nelspruit and Pietermaritzburg. For 2013 / 2014 a further 2 satellite offices are planned in George and in Bloemfontein.

Business growth for the company is strong, with an overall growth of 8.5% across the business in 2012 led mainly by the commercial lines business

which saw growth of over 18%.

Both AIG South Africa and AIG Life South Africa are rated AAA (zaf) (stable) by Fitch. The local solvency margin for AIG South Africa is 68% compared to a statutory requirement of 15%.

AIG celebrated its 50th anniversary in South Africa in 2012, and can trace its foundation in the country to the provision of insurance for the Gariep Dam project, when AIG established a team to insure and provide risk management for the 8 year project. The dam opened in 1971 and is South Africa's largest reservoir.



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