

## Brazil's Unibanco and AIG End 11 Year Partnership

Contributed by Newsroom  
Thursday, 27 November 2008

Brazilian Bank Unibanco - União de Bancos Brasileiros S.A. and American International Group, Inc. (AIG) have entered into an agreement to repurchase their crossholdings in Unibanco AIG Seguros S.A. ("UASEG") and AIG Brasil Companhia de Seguros ("AIG Brasil").

Under the terms of the accord, Unibanco will purchase the shareholding in UASEG held by certain of AIG's subsidiaries, and an AIG subsidiary will purchase Unibanco's shares in AIG Brasil. Unibanco AIG Seguros S.A.'s name will be changed to Unibanco Seguros S.A. ("Uniseg").

Headquartered in the US, AIG is the world's largest insurance corporation. The company suffered a crisis of liquidity two months ago. The United States Federal Reserve ended up loaning money to AIG to prevent the insurer's collapse. The Fed made available US\$ 85 billion for the institution.

During the 11-year partnership, UASEG has increased its market share from 1% to 8%. The company introduced products such as Extended Warranty, Environmental Liability and Directors and Officers Liability into the Brazilian market and it became a leading company in corporate insurance and is among the top four companies in the overall Brazilian market.

Following completion of the agreement, Unibanco will assume full control of Uniseg. AIG will continue to bring its insurance products and services to the Brazilian market through AIG Brasil, while continuing to work with Uniseg in many business opportunities, namely in reinsurance and corporate insurance.

"With the support of both partners, UASEG developed into one of the most profitable and successful insurance companies in the Brazilian market. The change allows both shareholders to pursue individual objectives while continuing to explore opportunities together," said José Rudge, Uniseg's Chief Executive Officer.

"AIG has been operating in the Brazilian market for over 60 years and looks forward to continuing to be an attractive provider of insurance products and services in both Brazil and Latin America. This change achieves important benefits for both AIG and Unibanco. It enables AIG to establish an independent position in the Brazilian insurance market, and, at the same time, to maintain a business relationship with Uniseg," said Hamilton Da Silva, Chief Executive Officer of AIG Latin America.

"AIG will continue to coordinate with Uniseg to provide normal services to our multinational clients as part of our international network," said Gustavo Covacevich, President, Group Management Division, Senior AIG Life Executive for Brazil.

There is no impact to Uniseg's clients, brokers and business partners and there will be no discontinuity in its services and insurance coverages. All the 1,600 employees and client portfolio should remain with Uniseg.

Unibanco and its subsidiaries provide financial products and services to individual and corporate customers in Brazil. It operates in six main segments: retail, wholesale, treasury, insurance and pensions, wealth management and investment banking.

As of September 30, 2008, the company operated approximately 5,700 free-standing ATMs and 965 full-service branches. The company was founded in 1924 and is headquartered in São Paulo, Brazil. Unibanco's shares are listed on the São Paulo Stock Exchange and on the New York Stock Exchange.

AIG, a world leader in insurance and financial services, is the leading international insurance organization with operations in more than 130 countries and jurisdictions.

AIG insurance companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer.

In addition, AIG companies are leading providers of retirement services, financial services and asset management around the world. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Ireland and Tokyo.