

Exploring New International Growth Markets for Takaful

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KEY FACTS: AIU Holdings

AIG's Global General Insurance Businesses including AIG Takaful Enaya

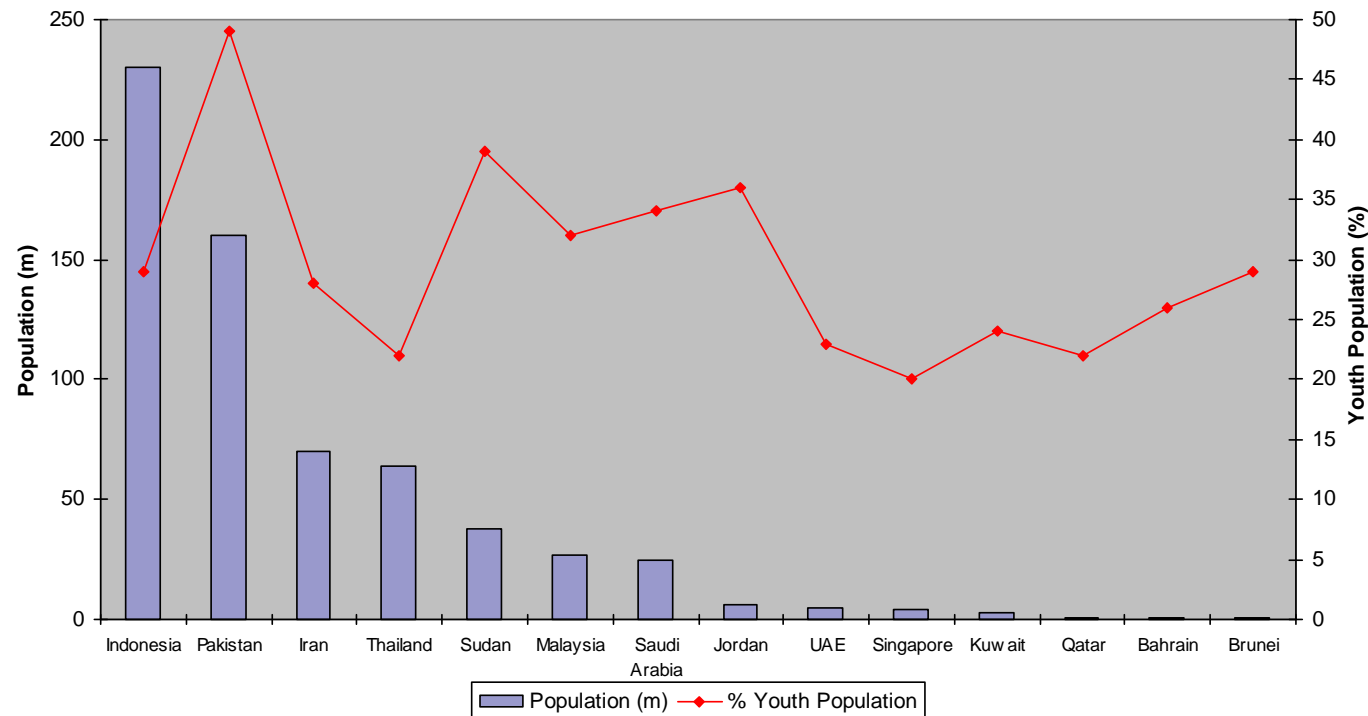
- Financial Strength
 - Combined **revenues** of the companies that will constitute AIU Holdings **exceeded \$40 billion** at the end of 2008. **This will make AIU Holdings one of the world's largest general insurance operations.**
- Global Strength
 - AIU Holdings will have **operations in over 130 countries and jurisdictions.**
- The Strength of Our Franchise
 - Well capitalised businesses with substantial liquidity. **None of these businesses required any capital funding through AIG's agreement with the US government.**
- The Strength of Our Products
 - AIU Holdings will **deliver over 500 insurance products and services**, and will continue the culture of relentless product innovation.
- The Strength of Our Client Base
 - AIU Holdings will have **over 40 million commercial and individual customers worldwide.**
- The Strength of Our People
 - AIU Holdings is founded on a successful worldwide **80 year underwriting history**. It will employ some **44,000 staff**.

Takaful: A Growth Story

- Focus - primarily Middle East and South East Asia
 - Favourable Demographics
 - Takaful 'friendly environment'
 - Under penetrated market in general offering growth potential
- Projected to outpace conventional insurance growth rate for the near future
- In excess of 135 Takaful operators
 - Majority concentrated in the Middle East, Sub Continent and South East Asia
 - Predominantly domestic/regional operators
- Growth potential in the region remains
 - Driven by increasing penetration and GDP growth
 - Youthful demographics
 - Increasing awareness and demand for shariah compliant insurance products

Existing Takaful Markets

- Demographic fundamentals infer significant future demand in many existing Takaful markets

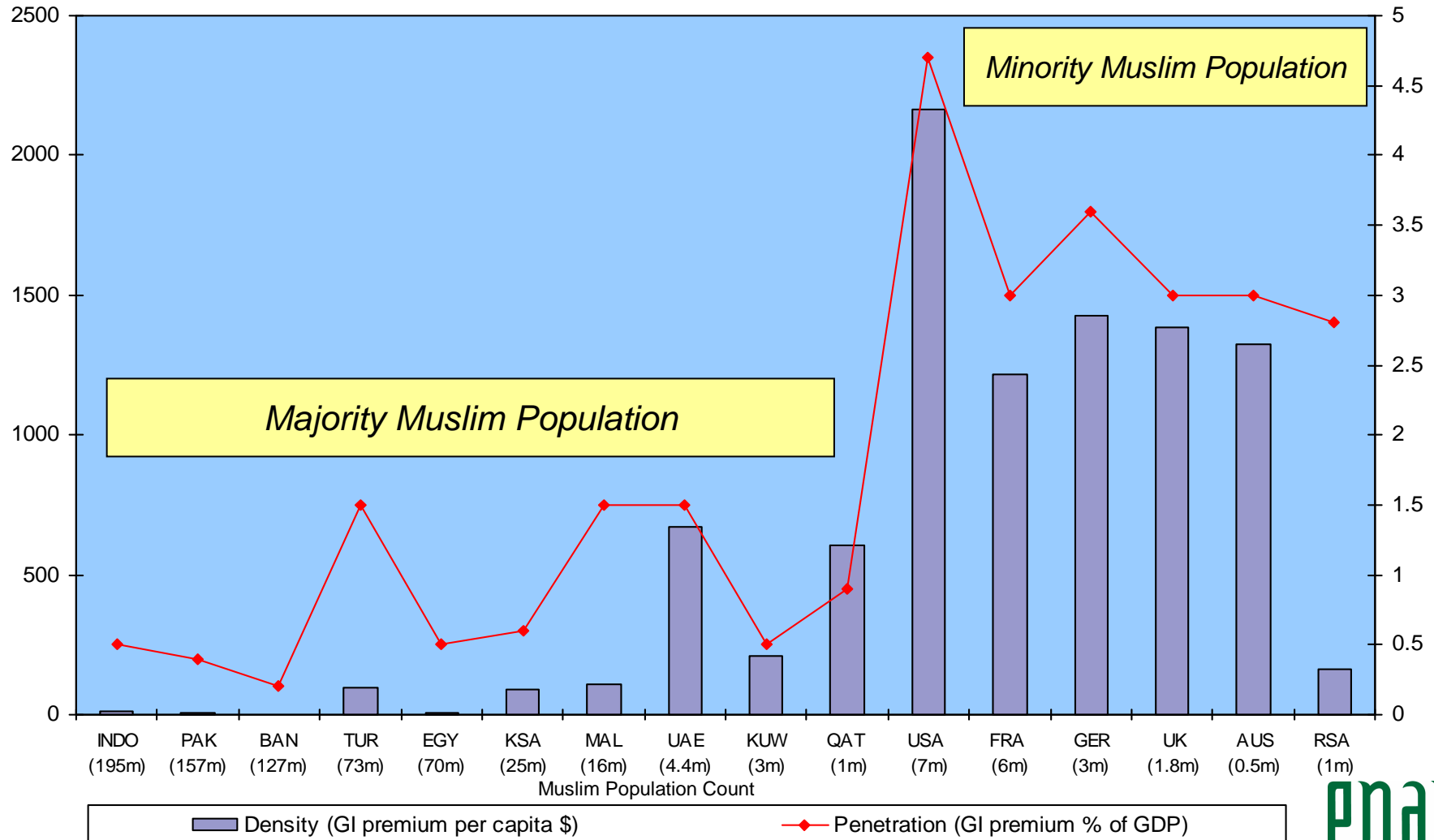


- Question: Should we only be focusing on Islamic jurisdictions or large Muslim populations to grow Takaful?

Potential International Opportunities

- There are 'pockets' of Muslim communities outside of the traditional MENA, Sub Continent and South East Asia Footprint.
- Large minority populations include
 - Europe 50m
 - Western Europe - 11m
 - Russia - 23m
 - CEE/CIS - 17m
 - North America - 7m
- What Makes these pockets attractive?

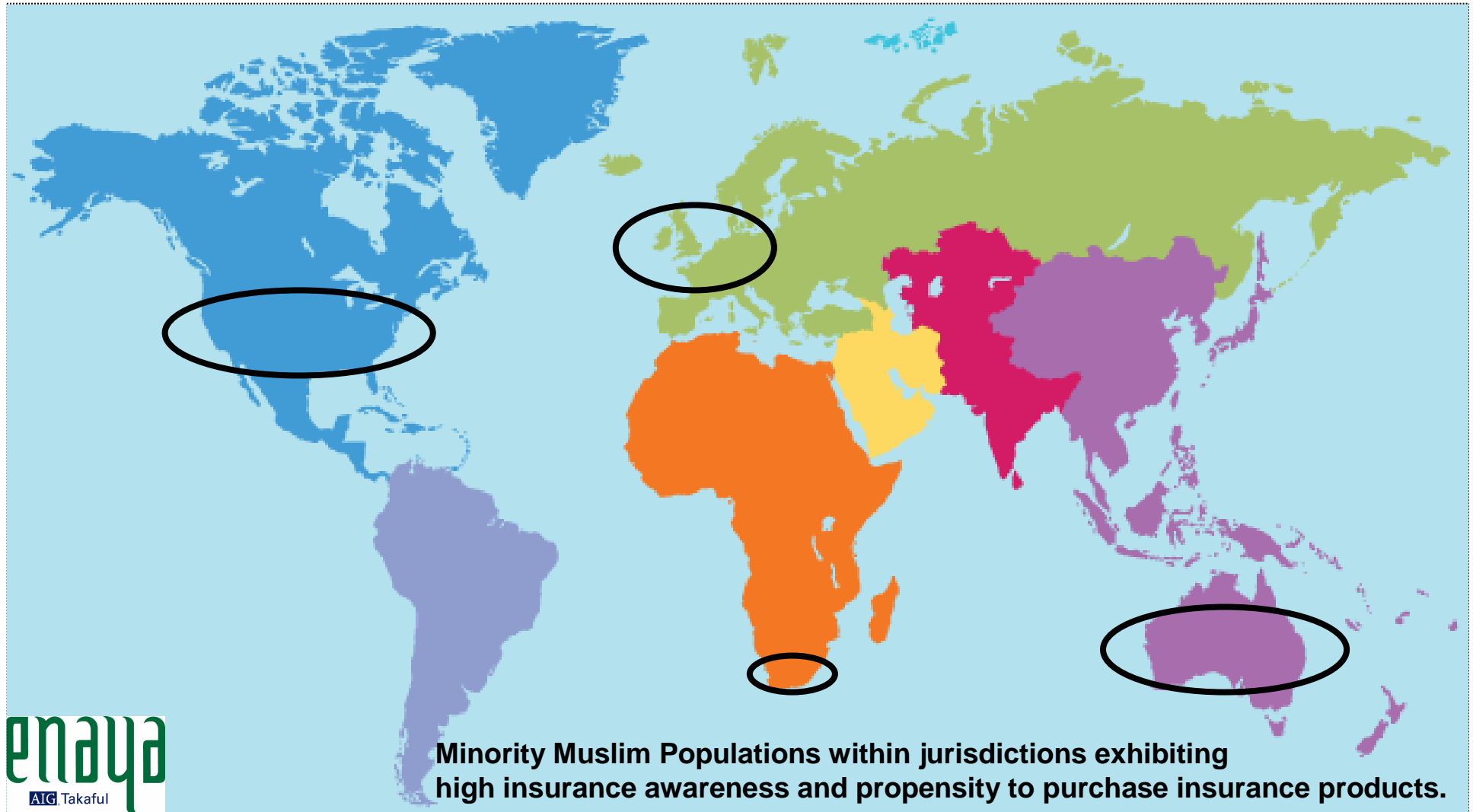
'Western' markets have minority Muslim populations but the insurance demographics are stronger



International Expansion

- Muslim 'communities' with high disposable income
- Muslim 'communities' in countries with high awareness and insurance spend
- Takaful Regulatory Frameworks – does it matter?
 - Jurisdictions with Takaful Regulatory Framework
 - Malaysia, Bahrain, Saudi Arabia, Pakistan
 - Jurisdictions with Takaful potential/operations and no Takaful regulatory framework
 - UK, France, Germany, Belgium, The Netherlands, South Africa, USA, Egypt, Kuwait, Indonesia, UAE

Local Partners to Develop Takaful Opportunities



Success Factors

- Addressing Continuing Business Challenges
 - Human Resources, Product Development, Distribution, ReTakaful, Governance & Risk

- Developing Takaful Internationally
 - International exposure
 - Ability to leverage conventional expertise and knowledge of the market place and to offer international coverage worldwide
 - On the ground resources
 - Takafulization and turn key solutions, Servicing capabilities, Distribution channels

Questions?

- What factors should we take into consideration when setting up Takaful operations in the 'developed' countries?
- Takaful market opportunities - Western Europe, North America, Middle East, Sub Continent, South East Asia or all of the above?
- How should regulators treat Takaful companies in a conventional operating environment?
- Offering to non-Muslims? How can operators spread their scope of influence beyond purchasing based on religious beliefs?
- Who can better leverage the international markets for Takaful today - local/regional operators expanding westward or MNCs or both?