



THE CARLYLE GROUP

Press Release

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AIG and The Carlyle Group Announce Strategic Partnership with DSA Re

- Carlyle to acquire 19.9% of DSA Re from AIG and enter into a strategic asset management relationship with DSA Re
- Carlyle and AIG will partner to position DSA Re as a platform to provide solutions for insurance liabilities globally

NEW YORK, August 1, 2018 - American International Group, Inc. (NYSE: AIG) and The Carlyle Group (NASDAQ: CG) announced today a strategic partnership to build DSA Re into a standalone provider of reinsurance, claims handling, and run-off management solutions for long-dated, complex risks to the global insurance industry.

DSA Re currently reinsures \$36 billion of AIG's Legacy Life and Annuity and General Insurance liabilities. DSA Re's diversified risk portfolio, strong claims operation, and efficient administration capabilities provide the foundation for a platform that can be scaled over time. Utilizing Carlyle's expertise in separating and standing up companies, AIG and Carlyle plan to build DSA Re into a platform that complements DSA Re's financial strength with its strategically differentiated capabilities.

As part of the transaction, Carlyle will acquire a 19.9% stake in DSA Re and enter into a strategic asset management relationship whereby DSA Re and AIG will, in aggregate, allocate \$6 billion of assets into various Carlyle managed strategies across corporate private equity, real assets, and private credit.

Brian Duperreault, AIG's President and Chief Executive Officer, said, "AIG launched DSA Re to help us efficiently manage our legacy liabilities, honor our policy obligations and maximize financial flexibility. This partnership with Carlyle meets these objectives



while allowing AIG to free up capital and participate in the build-out and growth of the business. We look forward to working closely with Carlyle to position DSA Re for long-term success.”

Kewsong Lee, Carlyle’s Co-Chief Executive Officer, stated, “This strategic partnership extends Carlyle’s investment capabilities into the \$15 trillion global insurance industry. Carlyle is excited to deliver our global investment platform across a variety of asset classes to DSA Re, and will work to generate attractive returns for the DSA Re portfolio for many years to come. We have a terrific partner in AIG, and will work closely together to help DSA Re become independent and positioned for growth over time.”

James Bracken, Chief Executive Officer of AIG Legacy and DSA Re, added, “DSA Re’s experienced team, capabilities, diversified risk portfolio and strong capital position, along with Carlyle’s investment expertise and success in building strong franchises, provide a foundation to build a competitive provider of tailored run-off solutions.”

Brian Schreiber, Managing Director and Co-Head of Carlyle Global Financial Services Partners, further noted, “We see tremendous opportunities for Carlyle and DSA Re as insurers look to improve investment yields and drive higher returns on capital. Our partnership will help DSA Re effectively serve this growing market by offering reinsurance solutions to the insurance industry globally across all lines of business.”

The transaction is expected to close in approximately 60 days, subject to required regulatory approvals and other customary closing conditions.

AIG established DSA Re in February 2018 as a Bermuda-based, composite reinsurer of its Legacy insurance portfolio, consolidating its non-core insurance lines under a specialized team with expertise in run-off, while continuing to ensure it meets its obligations to policyholders.

Goldman Sachs & Co. LLC was the financial advisor and Sidley Austin LLP was the legal advisor to AIG for this minority interest equity sale.

Citi was the financial advisor and Debevoise & Plimpton LLP was the legal advisor to The Carlyle Group.

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About AIG

American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today AIG member companies provide a wide range of property



casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance www.twitter.com/AIGinsurance | LinkedIn: www.linkedin.com/company/aig. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.

About The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$201 billion of assets under management across 324 investment vehicles as of March 31, 2018. Carlyle's purpose is to invest wisely and create value on behalf of its investors, many of whom are public pensions. Carlyle invests across four segments – Corporate Private Equity, Real Assets, Global Credit and Investment Solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, real estate, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,575 people in 31 offices across six continents. www.carlyle.com

AIG Forward-Looking Statements

Certain statements in this press release constitute forward-looking statements. These statements are not historical facts but instead represent only AIG's belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG's control. It is possible that actual results will differ, possibly materially, from the anticipated results indicated in these statements. Factors that could cause actual results



to differ, possibly materially, from those in the forward-looking statements are discussed throughout AIG's periodic filings with the SEC pursuant to the Securities Exchange Act of 1934.

Carlyle Forward-Looking Statement

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, statements related to Carlyle's future expectations and other non-historical statements. Such forward-looking statements are subject to various risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements including, but not limited to, those described under "Risk Factors" in Carlyle's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC, as such factors may be updated from time to time in Carlyle's periodic filings. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in Carlyle's filings with the SEC. Carlyle undertakes no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law. This release does not constitute an offer for any Carlyle fund.