

## AIG Targets 8% Debt in Buyback Plan for More Than \$1 Billion

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(Bloomberg) -- American International Group Inc., the largest commercial insurer in the U.S. and Canada, has offered to buy back more than \$1 billion of its bonds as the company targets debt issued when interest rates were higher.

The insurer is redeeming notes in currencies such as the dollar, the yen and the Swiss franc, New York-based AIG said Tuesday in a statement. An offer for securities including \$1.2 billion of 8.175 percent junior subordinated debentures expires April 13, subject to extension. Those bonds were issued near the depths of the financial crisis.

AIG has been repurchasing stock, expanding through acquisitions and redeeming old debt after returning to profitability and repaying a taxpayer bailout that started in 2008. Debt-reduction efforts last year cut annual interest expenses by about \$250 million, the company said in a Feb. 13 conference call.

"AIG's leverage metrics are now on par with higher rated peers" Fitch Ratings said in a statement on March 2. The firm raised its outlook on the insurer to positive, citing "improvement in AIG's capital position and debt servicing capabilities over the past several years."

Barclays Plc, Bank of America Corp. and Goldman Sachs Group Inc. are working for AIG on the debt repurchases.

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