American International Group, Inc.

Conference Call Presentation
First Quarter 2016

May 3, 2016

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Progress On Financial Targets

Objective	FY 2016 Target	1Q16	Selected Actions
Reduce Operating Expenses	~$700mm; 6% Reduction in Net GOE	$2.6B	▪ Decline of $140 million, or 5% YoY on a constant dollar basis ▪ Primarily driven by staff reductions and benefits rationalization
Increase Normalized ROE	8.4 - 8.9%	8.9%	▪ Improvement of 110 bps YoY ▪ Active capital management, GOE reductions and Personal Insurance underwriting drove improvement ▪ 50 basis points benefit from lower effective tax rate
Grow Book Value per Common Share, ex. AOCI & DTA[1]	14 - 16%	$59.05	▪ Decline of 0.4% in 1Q16 reflects market volatility, including net realized capital losses
Return Capital to Shareholders	$25B through 2017	$4.0B	▪ Total of $4.0B returned to shareholders in 1Q16 ▪ Includes $3.5B of share repurchases, $173 mm of warrant repurchases and $363 mm of dividends paid to shareholders ▪ Additional $870 mm of share repurchases through May 2, 2016
Improve Property Casualty AYLR[2]	~62	64.5	▪ 1.7 pts of improvement from FY'15. Up 0.1 pts YoY – Executed reinsurance agreements – Remediating and re-pricing U.S. Casualty business

1) Adjusted for dividend growth.
2) Target represents fourth quarter exit run rate.

AIG Consolidated Operating Financial Highlights

1Q16 Operating Results Reflect Improved Underwriting and Expense Management, Offset by Market Volatility on Investments

($ in Millions, Except per Share Amounts)	1Q15	1Q16	Inc. / (Dec.)
Operating revenues	**$14,590**	**$12,737**	**(13%)**
Pre-tax operating income (loss):			
Commercial Insurance:			
Property Casualty	1,170	720	(38%)
Mortgage Guaranty	145	163	12%
Institutional Markets	147	6	(96%)
Total Commercial Insurance	**1,462**	**889**	**(39%)**
Consumer Insurance:			
Retirement	800	461	(42%)
Life	171	105	(39%)
Personal Insurance	(26)	222	N/M
Total Consumer Insurance	**945**	**788**	**(17%)**
Total Insurance Operations	**2,407**	**1,677**	**(30%)**
Corporate and Other[1]	120	(723)	N/M
Total Pre-tax operating income	**$2,527**	**$954**	**(62%)**
After-tax operating income attributable to AIG	**$1,691**	**$773**	**(54%)**
After-tax operating income attributable to AIG per diluted share	**$1.22**	**$0.65**	**(47%)**
Return On Equity:			
ROE – After-tax operating income – ex. AOCI & DTA	**8.4%**	**4.5%**	
Normalized ROE – After-tax operating income, ex. AOCI and DTA	**7.8%**	**8.9%**	
Book Value Per Common Share (BVPS):	**4Q15**	**1Q16**	**Inc. / (Dec.)**
BVPS	**$75.10**	**$78.28**	**4%**
BVPS – ex. AOCI & DTA	**$58.94**	**$58.52**	**(1%)**
BVPS – ex. AOCI & DTA, including dividend growth	**$59.26**	**$59.05**	**-**

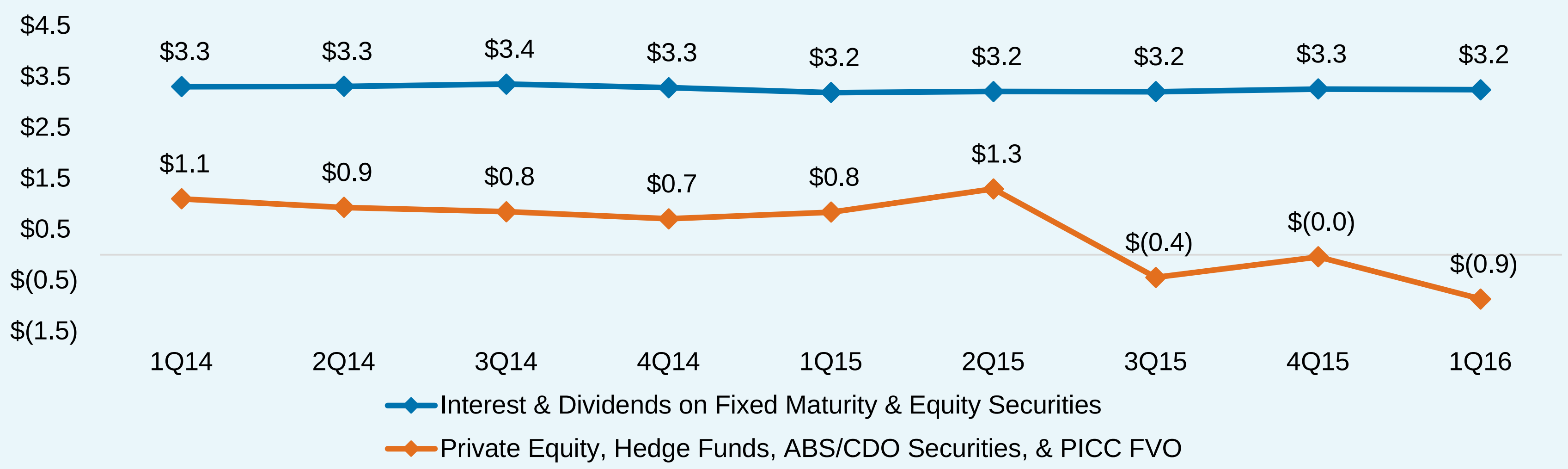
1) Includes consolidations and eliminations.

1Q16 Operating Earnings Impacted by Market Volatility

Quarterly Market Volatility, Particularly Since 2Q15 (Loss of $0.48/share in 1Q16)

($ in Billions)

Investment Operating Income



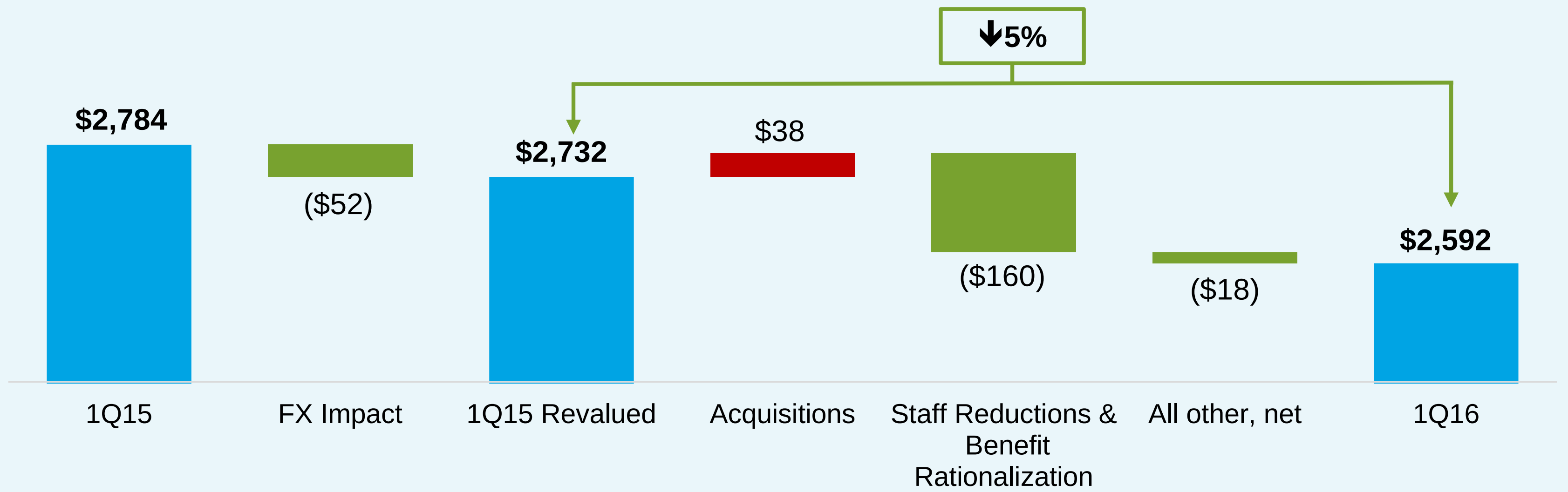
- AIG's interest and dividends on its core investment portfolio generates stable investment income of over $3 billion per quarter.
- The other assets represent only 8% of AIG's $342.8 billion of total invested assets at March 31, 2016, but they create a disproportionate amount of the income statement volatility because of differences in accounting treatment.
- We are executing on our plan to reallocate roughly 50% of our hedge fund portfolio, which will contribute about $2 billion to our $25 billion capital return goal through 2017, primarily from the allocation to lower capital charge assets.

General Operating Expense Reductions

Targeting $1.4B of Net GOE Reductions in 2016 and 2017

($ in Millions)

1Q15 vs. 1Q16

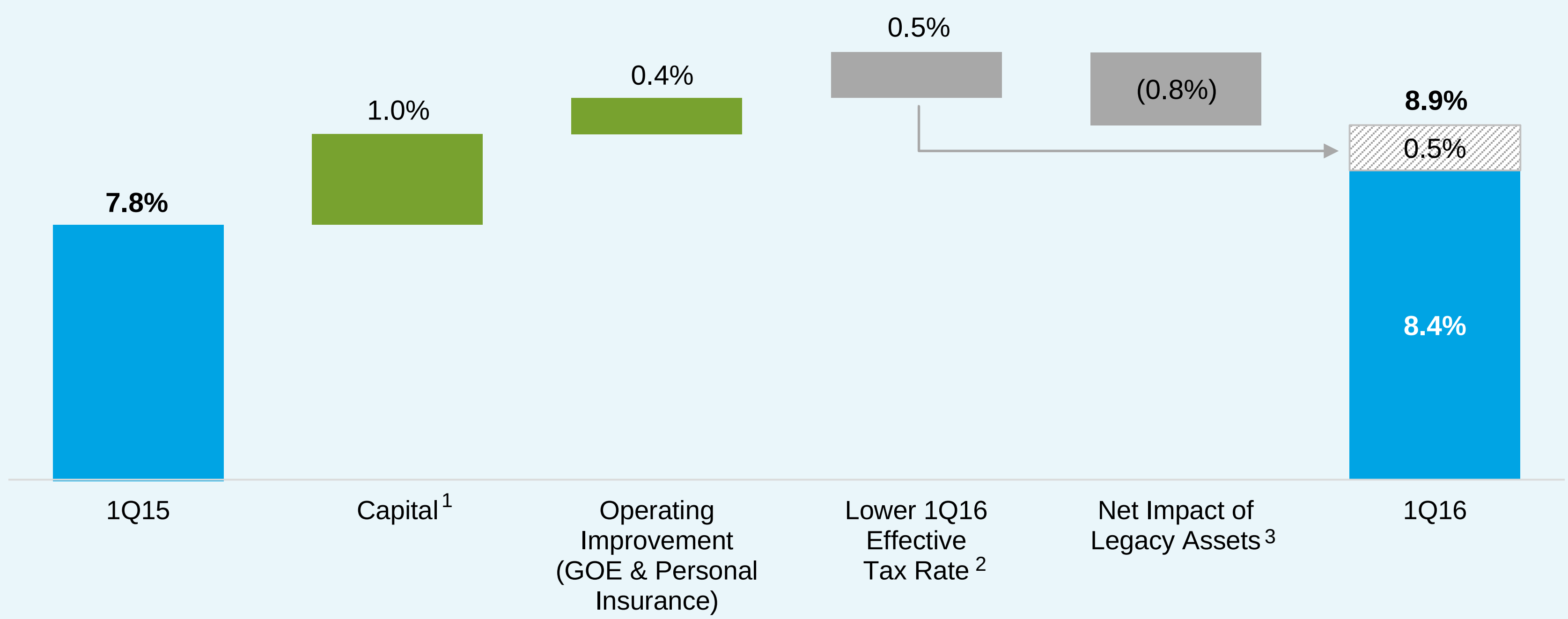


- Recorded an additional restructuring charge of $188 million in 1Q16, which is largely related to actions previously announced.
- Net GOE reductions in 1Q16 were primarily driven by staff reductions and rationalized employee benefits.

Improvement in Normalized Return On Equity

Active Capital Management, Underwriting Improvement and Expense Management Drives ROE Expansion

Normalized Return On Equity

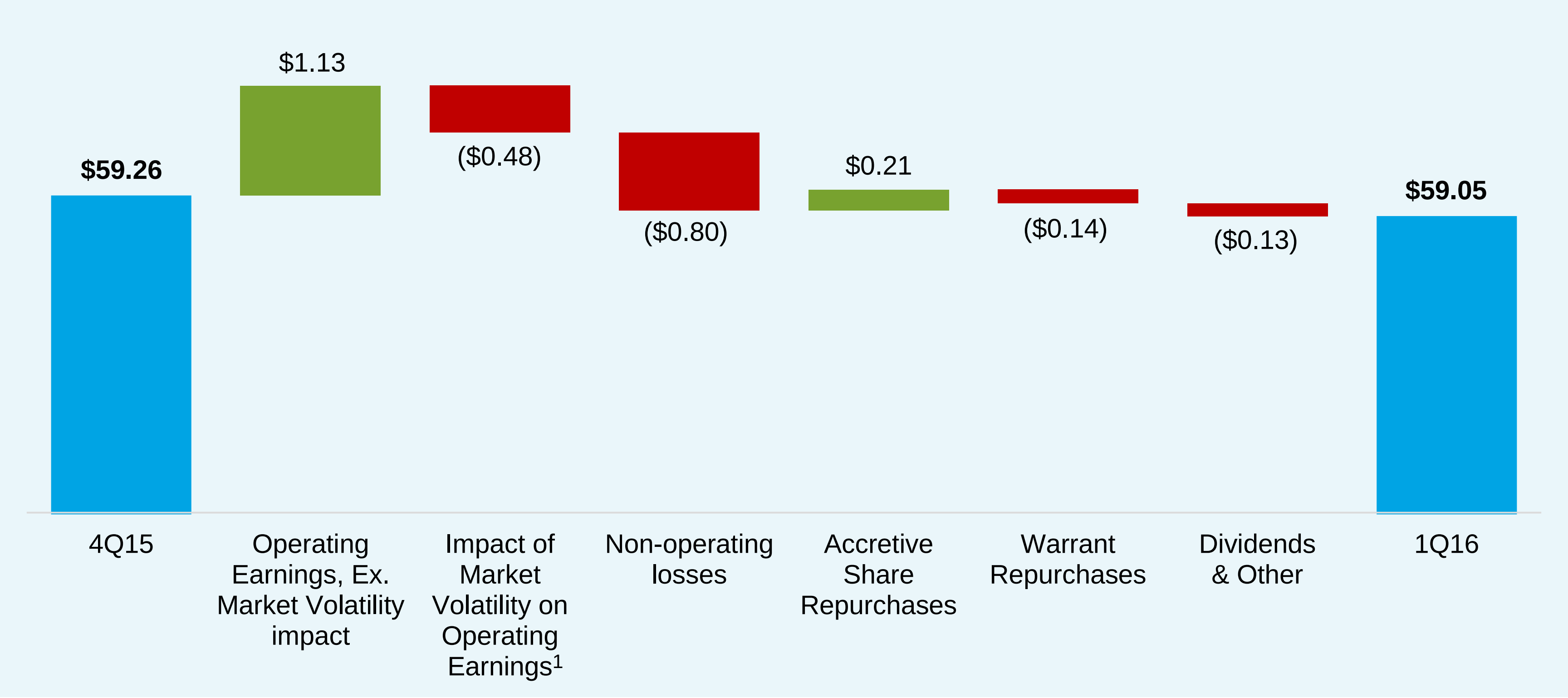


1) Largely driven by share & warrant repurchases and dividends.
2) 1Q16 operating effective tax rate includes the impact of the favorable resolution of certain tax audit items.
3) Net of associated capital return.

Book Value Per Share

Book Value Per Share Growth in 1Q16 Impacted by Market Volatility

Book Value Per Common Share, ex. AOCI & DTA incl. Dividend Growth – 4Q15 vs. 1Q16

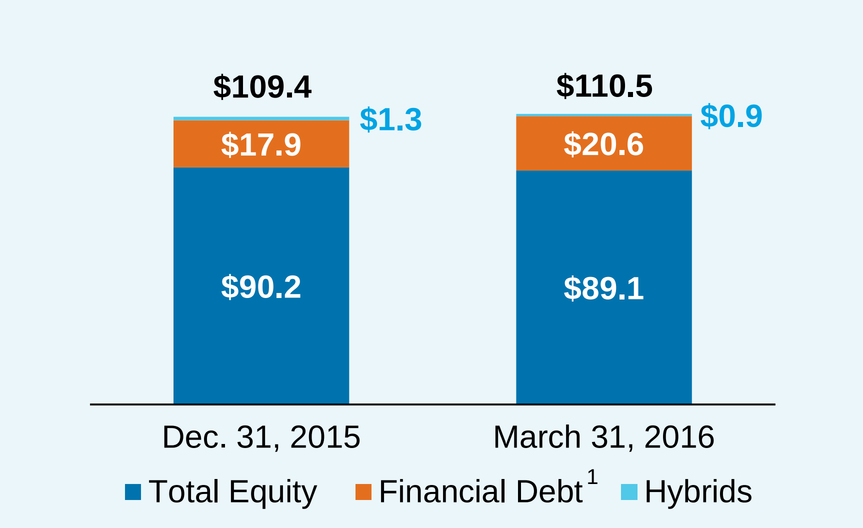


1) Includes negative market volatility on investments, including private equity, hedge funds, ABS CDO securities, derivatives, and holdings in PICC.

Strong Capital Position

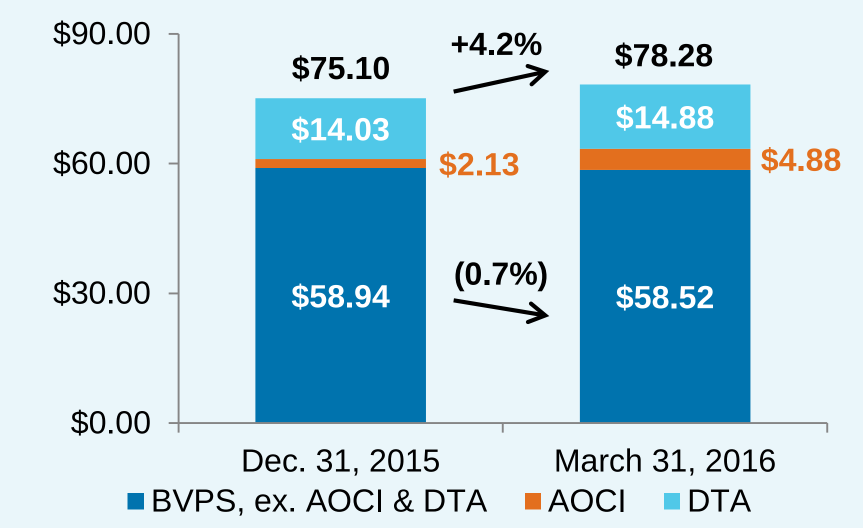
Active Debt and Equity Capital Management in 1Q16

Capital Structure ($ in Billions)



Ratios ($ in Billions)	Dec. 31 2015	March 31, 2016
Hybrids / Total capital	1.2%	0.8%
Financial debt / Total capital	16.3%	18.6%
Total debt / Total capital	17.5%	19.4%
1Q16 Liability Management Activity:		
Debt issuances (Notional)		$3.0
Purchase Price of Debt Tendered		$0.8

Book Value Per Common Share

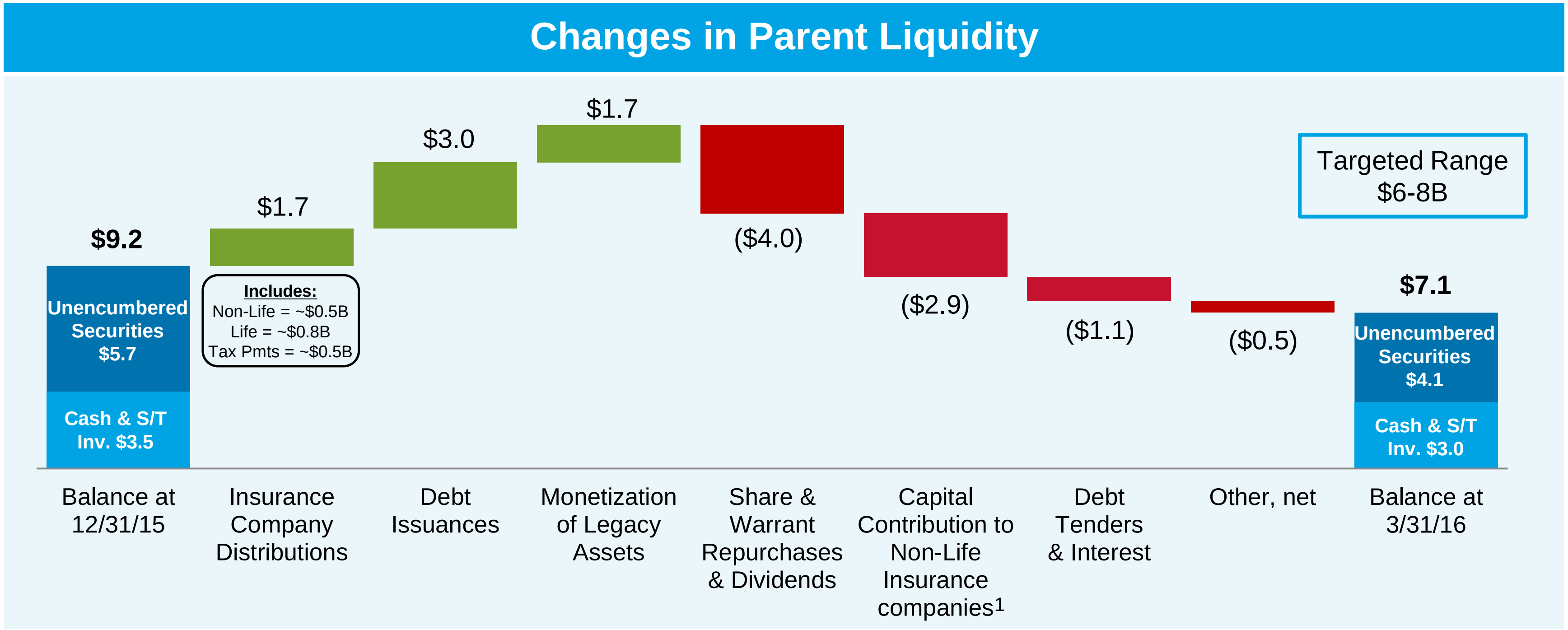


Capital Returned to Shareholders ($ in millions)	March 31, 2016
Share repurchases	$3,486
Warrant repurchases	173
Dividends paid	363
Total	$4,022
Post 1Q16 Activity:	
Add'l share repurchases (Through May 2, 2016)	$870

1) Includes AIG notes, bonds, loans and mortgages payable, and AIG Life Holdings, Inc. (AIGLH) notes and bonds payable, and junior subordinated debt.

Parent Liquidity

($ in Billions)



- Parent Liquidity at March 31, 2016 of $7.1 billion is within our target range of $6-8 billion.
- Monetized $1.7 billion of legacy assets in 1Q16 ($3.8 billion over last two quarters), which partially funded capital return to shareholders.

1) On January 25, 2016, approximately $2.9B of capital was contributed to Non-Life Insurance Companies as a result of the 4Q15 reserve strengthening.

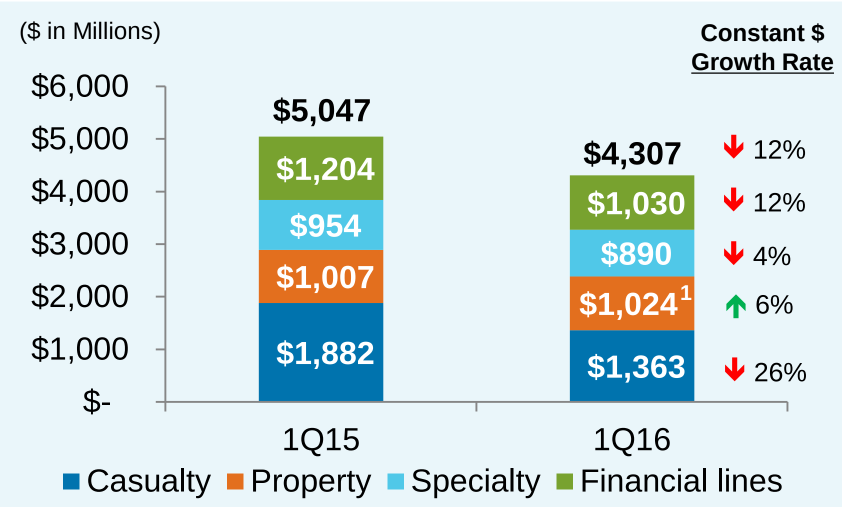
Commercial Insurance

Commercial Insurance – Property Casualty Financial Highlights

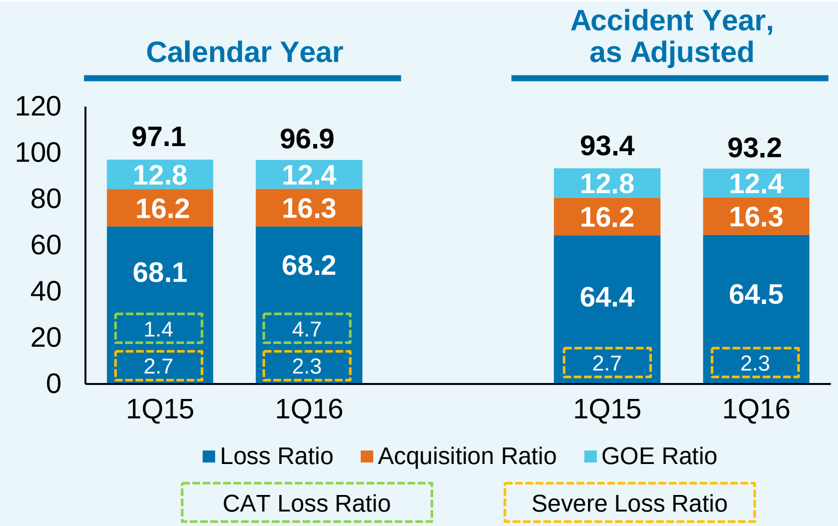
($ in Millions)	1Q15	1Q16
Net premiums written	$5,047	$4,307
Net premiums earned	4,931	4,701
Underwriting income	145	143
Net investment income	1,025	577
Pre-tax operating income	$1,170	$720

- NPW, excluding the effects of FX, decreased 12% YoY (down 15% on a reported basis), from the Swiss Re Group reinsurance transaction, portfolio optimization and exits, and the impact of the renewal of a multi-year multinational policy in Financial lines in 1Q15, partially offset by growth in targeted lines of business.
- Rates in the U.S. increased 0.7% in 1Q16 YoY (-0.7% globally).
- The accident year loss ratio, as adjusted, increased 0.1 pts YoY driven by higher attritional losses in Property and higher loss emergence in U.S. programs in Specialty, partially offset by the improvement in Financial Lines, as well as lower severe losses.
- The GOE ratio improved YoY due to lower employee-related costs.
- NII declined YoY primarily due to lower income on alternative investments from negative performance in hedge funds.

Net Premiums Written



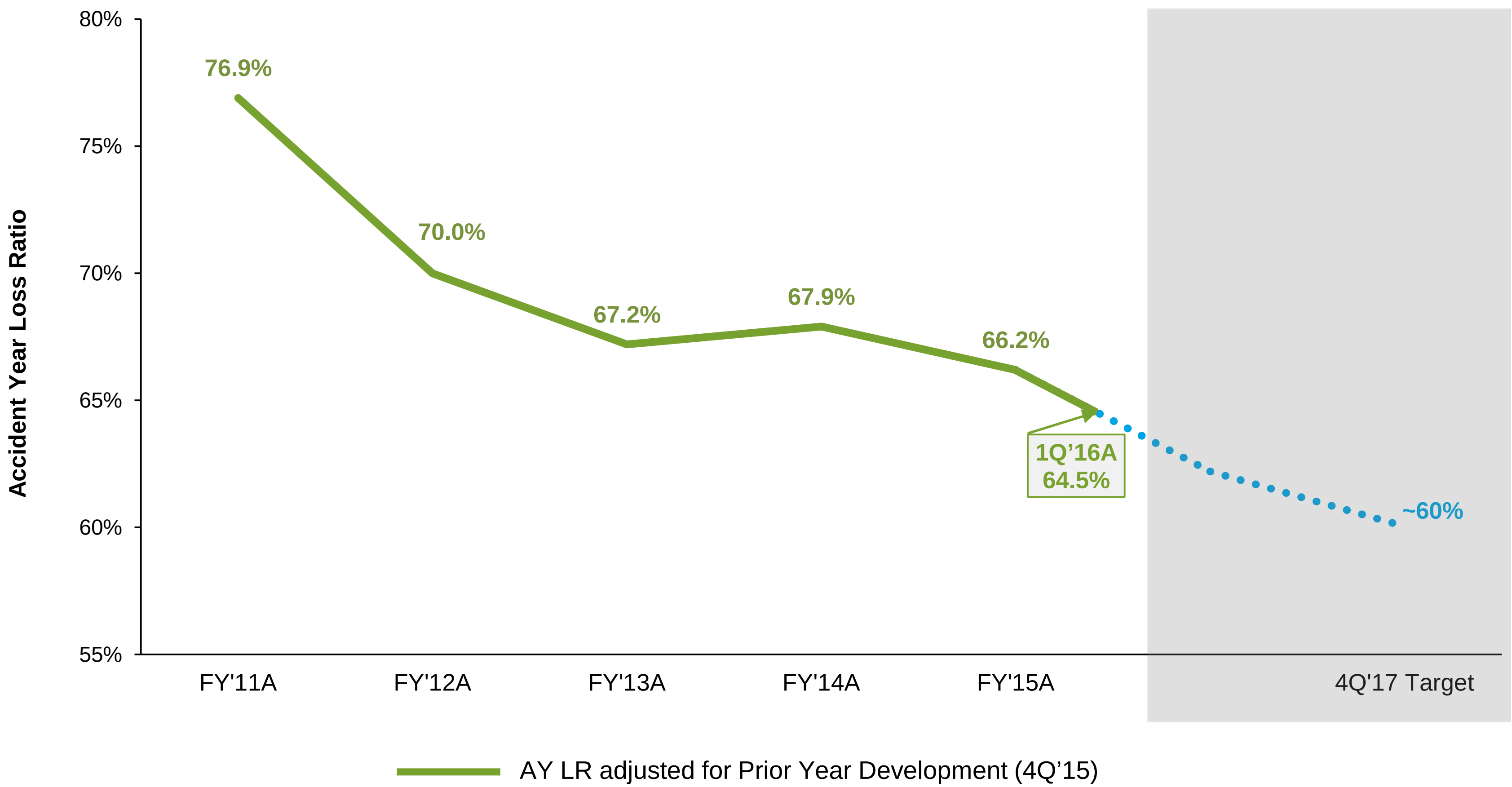
Combined Ratios



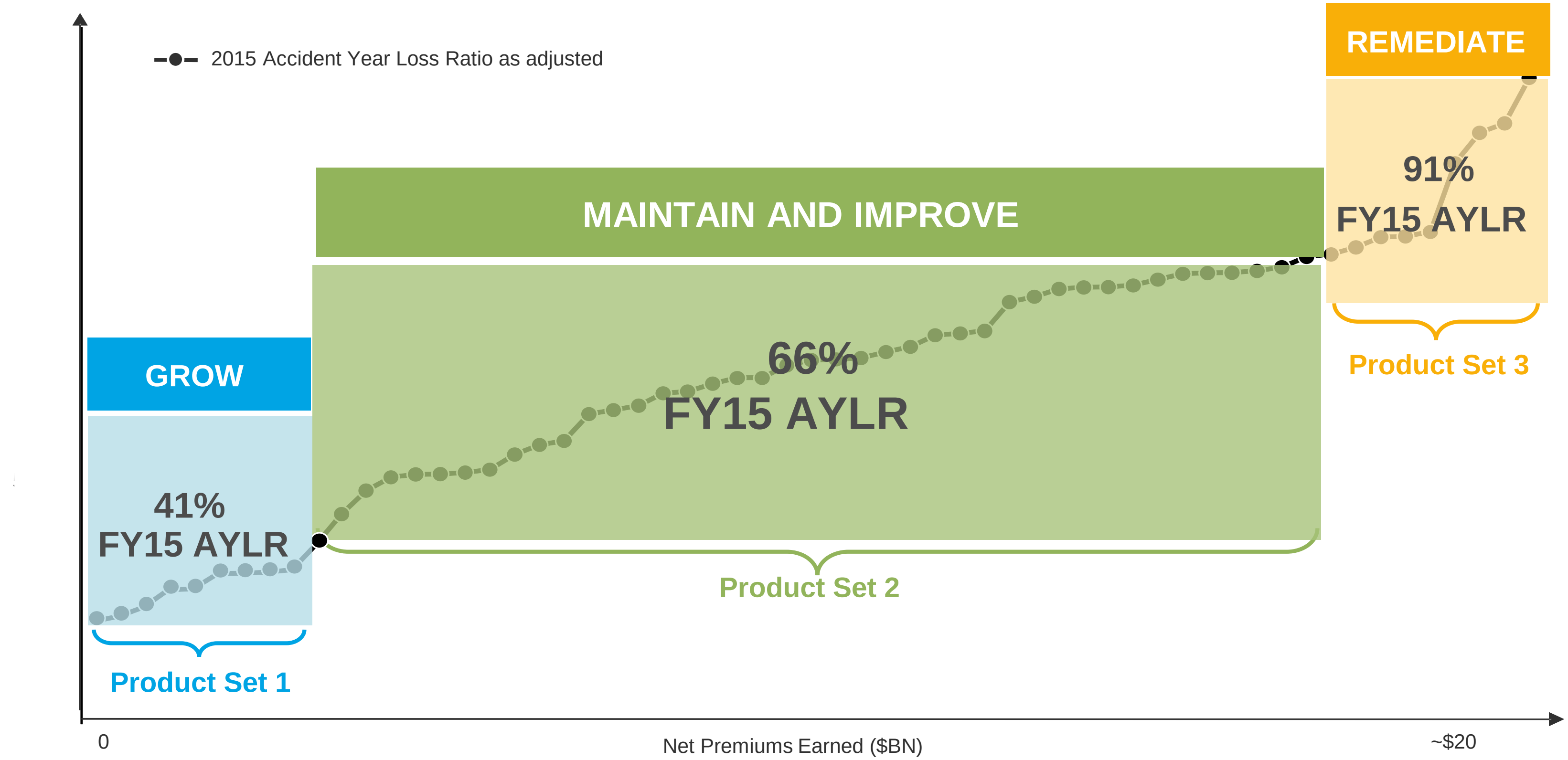
1) Property NPW in 1Q16 reflects changes to our catastrophe reinsurance program to retain more favorable risks.

Continued Improvement in Commercial Insurance Accident Year Loss Ratio

Total Commercial Accident Year Loss Ratio Adjusted For Prior Year Development



Commercial Insurance – Property Casualty 1Q16 vs. FY 2015 Accident Year Loss Ratio Dispersion[1]



FY15	15% 41%	35% 59%	35% 73%	15% 91%	**% of $20.1BN NPE** **AY LR**
1Q16	13% 48%	46% 59%	32% 68%	9% 86%	**% of $4.3BN NPW** **AY LR**

1) The comparison is based on the same product set definition as FY15.

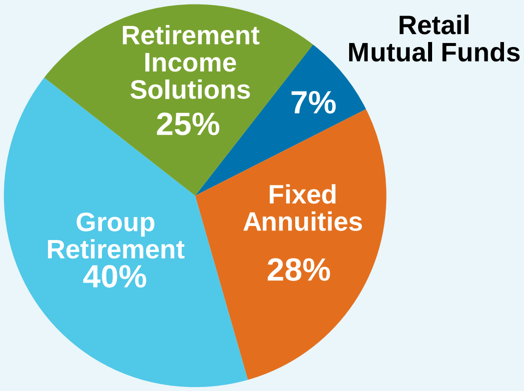
Consumer Insurance

Consumer Insurance – Retirement Financial Highlights

($ in Millions)	1Q15	1Q16
Premiums and deposits[1]	$5,509	$6,853
Premiums	46	54
Policy fees	264	259
Net investment income	1,570	1,309
Advisory fee and other income	508	492
Total operating revenues	2,388	2,114
Benefits and expenses	1,588	1,653
Pre-tax operating income	$800	$461

- Premiums and deposits increased 24%, driven by increased sales of Fixed Annuities, Retail Mutual Funds and Group Retirement and Index Annuity products.
- The decline in pre-tax operating income was largely driven by lower income on alternative investments from negative performance in hedge funds and higher DAC amortization.

Assets Under Management
March 31, 2016 – $228.6 Billion

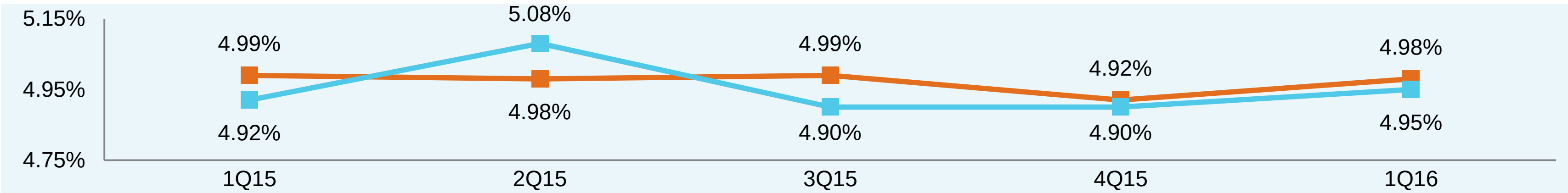


- Retirement assets under management of $228.6 billion at March 31, 2016 increased by $2.0 billion compared to March 31, 2015, primarily due to positive net flows across all businesses and an increase in unrealized gains.

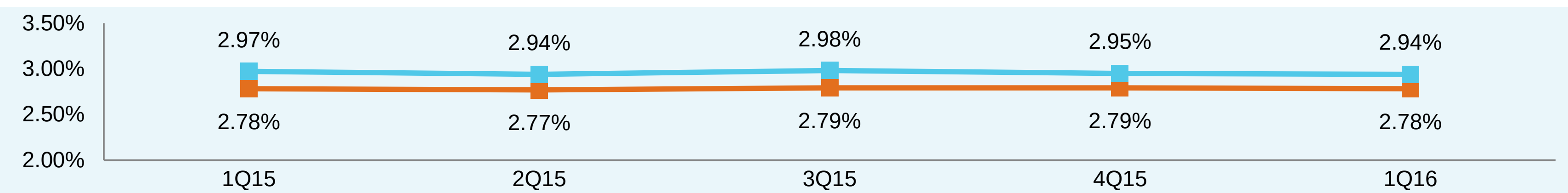
1) Excludes activity related to closed blocks of fixed and variable annuities.

Consumer Insurance –
Retirement – Base Yields and Spreads

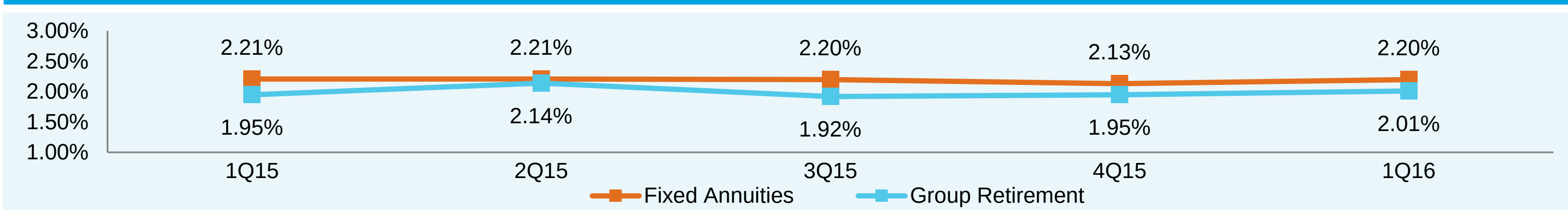
Base Yields[1]



Cost of Funds[2]



Base Net Investment Spreads[1]



- The trend in base yields reflects the reinvestment of cash flows at yields lower than the overall portfolio rate. Quarterly variances in base yields and investment spreads are also impacted by bond accretion and commercial mortgage loan prepayment income.

1) Annualized return on base portfolio.

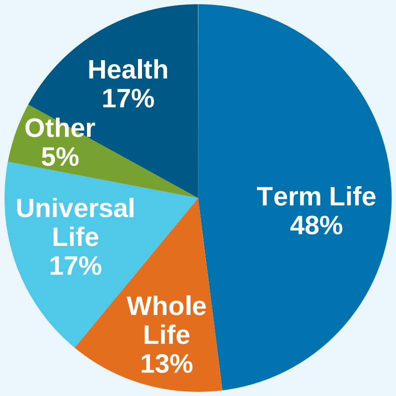
2) Excludes the amortization of sales inducement assets.

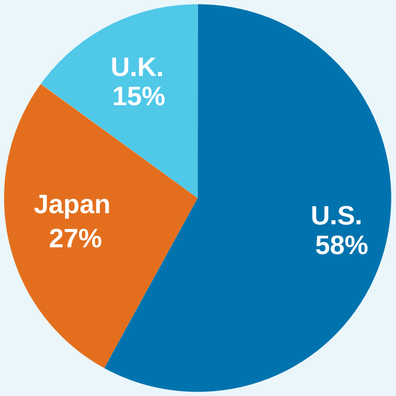
Consumer Insurance – Life Financial Highlights

($ in Millions)	1Q15	1Q16
Premiums and deposits	$1,223	$1,251
Premiums	708	736
Policy fees	363	378
Net investment income	542	468
Other income[1]	-	15
Total operating revenues	1,613	1,597
Benefits and expenses	1,442	1,492
Pre-tax operating income	$171	$105

- Excluding the effect of FX, Life premiums and deposits increased 4% YoY (2% on a reported basis) primarily due to growth in International Life and Health.
- Pre-tax operating income decreased primarily due to net investment income, which reflects lower income on alternative investments from negative performance in hedge funds.
- Benefits and expenses increases reflect higher international benefits and expenses, as Laya Healthcare acquisition results were reported beginning in the second quarter of 2015, and acquisition expenses.
- Estimated reserves for incurred but not reported death claims (IBNR) related to enhanced claims practices were reduced by $25 million in the quarter.

1Q16 New Business Sales
$115 Million





- Life insurance new product sales continue to reflect the balance and diversification of new business from a geographic and product portfolio perspective.
- New business sales in the U.S. are from universal and term life. Japan sales consist of whole life, health and savings products. U.K. sales are primarily term life.
- Life insurance in force increased 3% from a year ago, due to growth in the U.S. and U.K.

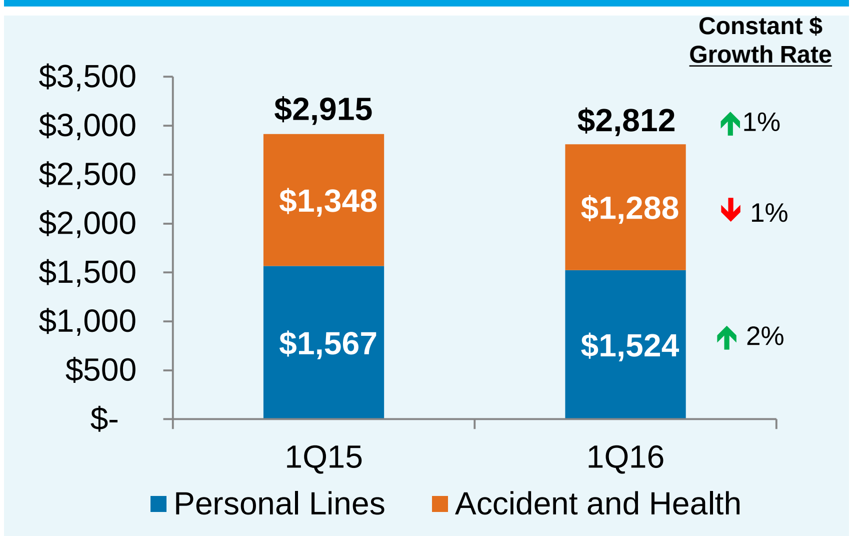
1) Other income primarily related to commission and profit sharing revenues received by Laya Healthcare from the distribution of insurance products.

Consumer Insurance – Personal Insurance Financial Highlights

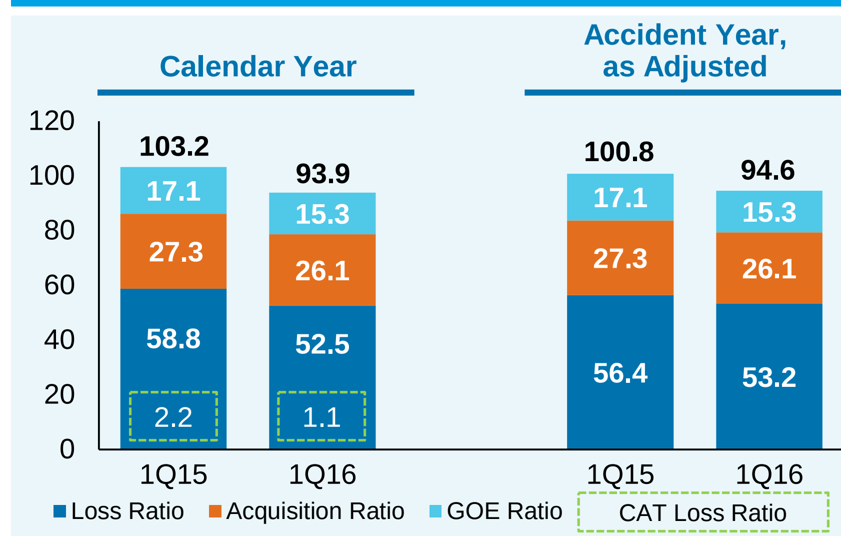
($ in Millions)	1Q15	1Q16
Net premiums written	$2,915	$2,812
Net premiums earned	2,799	2,770
Underwriting income (loss)	(89)	171
Net investment income	63	51
Pre-tax operating income (loss)	($26)	$222

- Personal Insurance NPW, excluding the effects of FX, increased 1% (down 4% on a reported basis) driven by growth in personal property partially offset by a decrease in warranty services programs.
- The improvement in underwriting income reflects lower accident year losses in U.S. Property, favorable PYD, reduced CATs and lower expenses.
- The expense ratio declined YoY driven by strategic expense reduction initiatives and refocused direct marketing activities.
- The decline in net investment income was driven by lower income on alternative investments from negative performance in hedge funds.

Net Premiums Written ($ in Millions)



Combined Ratios



Q&A

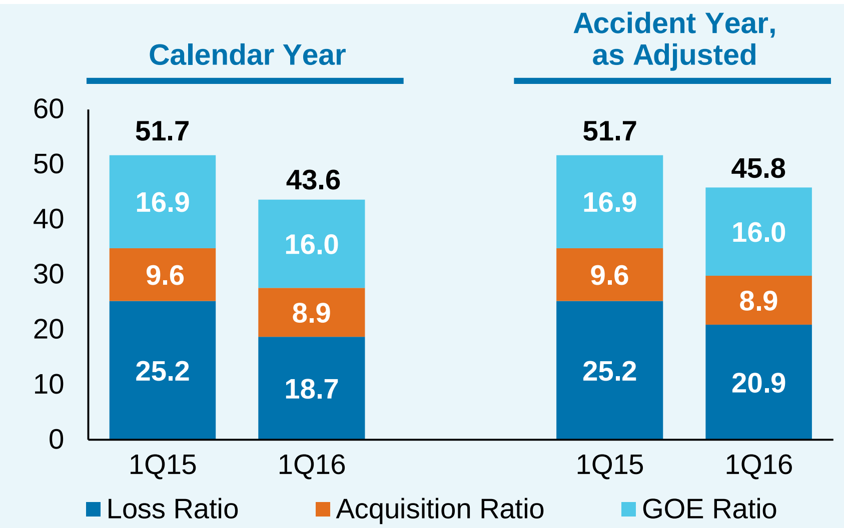
Appendix

Commercial Insurance – Mortgage Guaranty Financial Highlights

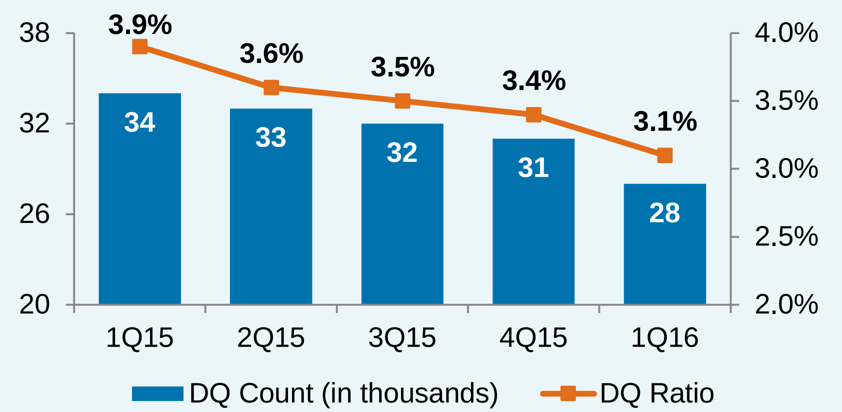
($ in Millions)	1Q15	1Q16
New insurance written[1]	$10,542	$8,827
Net premiums written	258	231
Net premiums earned	230	225
Underwriting income	111	127
Net investment income	34	36
Pre-tax operating income	$145	$163

- Pre-tax operating income growth reflects improved loss experience from lower new delinquencies and a higher cure rate.
- Delinquency rate of 3.1% is the lowest level since 2Q 2006.
- As of March 31, 2016, Mortgage Guaranty held estimated available assets of $3.3 billion compared to estimated required assets of $3.0 billion under the Private Mortgage Insurer Eligibility Requirements.

Combined Ratios



Primary Delinquency Trend[1]



- Delinquencies continue to decrease as the volume of new delinquencies declines and cure rates improve.

1) Domestic First-lien only, based on the principal amount of loans insured.

Non-GAAP Reconciliations

Glossary of Non-GAAP Financial Measures

AIG

We use the following operating performance measures because we believe they enhance the understanding of the underlying profitability of continuing operations and trends of our business segments. We believe they also allow for more meaningful comparisons with our insurance competitors. When we use these measures, reconciliations to the most comparable GAAP measure are provided on a consolidated basis.

- **Operating revenue** excludes Net realized capital gains (losses), income from non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes).
- **Book Value Per Common Share Excluding Accumulated Other Comprehensive Income (AOCI), Book Value Per Common Share Excluding AOCI and Deferred Tax Assets (DTA) and Book Value Per Common Share Excluding AOCI and DTA and Including Dividend Growth** are used to show the amount of our net worth on a per-share basis. We believe these measures are useful to investors because they eliminate the effect of non-cash items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. Deferred tax assets represent U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts for interim periods are estimates based on projections of full year attribute utilization. Book Value Per Common Share Excluding AOCI is derived by dividing Total AIG shareholders' equity, excluding AOCI, by Total common shares outstanding. Book Value Per Common Share Excluding AOCI and DTA is derived by dividing Total AIG shareholders' equity, excluding AOCI and DTA, by Total common shares outstanding. Book Value Per Common Share Excluding AOCI and DTA and including dividend growth is derived by dividing Total AIG shareholders' equity, excluding AOCI and DTA, and including growth in dividends to shareholders, by Total common shares outstanding.
- **After-tax operating income attributable to AIG** is derived by excluding the following items from net income attributable to AIG:
  - deferred income tax valuation allowance releases and charges;
  - changes in fair value of securities used to hedge guaranteed living benefits;
  - changes in benefit reserves and deferred policy acquisition costs (DAC), value of business acquired (VOBA), and sales inducement assets (SIA) related to net realized capital gains and losses;
  - other income and expense — net, related to Corporate and Other run-off insurance lines;
  - loss on extinguishment of debt;
  - net realized capital gains and losses;
  - non-qualifying derivative hedging activities, excluding net realized capital gains and losses;
  - income or loss from discontinued operations;
  - income and loss from divested businesses, including:
    - gain on the sale of International Lease Finance Corporation (ILFC); and
    - certain post-acquisition transaction expenses incurred by AerCap Holdings N.V. (AerCap) in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and related tax effects;
  - legacy tax adjustments primarily related to certain changes in uncertain tax positions and other tax adjustments;
  - non-operating litigation reserves and settlements;
  - reserve development related to non-operating run-off insurance business; and
  - restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization.
- **Return on Equity – After-tax Operating Income Excluding AOCI and Return on Equity – After-tax Operating Income Excluding AOCI and DTA** are used to show the rate of return on shareholders' equity. We believe these measures are useful to investors because they eliminate the effect of non-cash items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. Deferred tax assets represent U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts for interim periods are estimates based on projections of full year attribute utilization. Return on Equity – After-tax Operating Income Excluding AOCI is derived by dividing actual or annualized after-tax operating income attributable to AIG by average AIG shareholders' equity, excluding average AOCI. Return on Equity – After-tax Operating Income Excluding AOCI and DTA is derived by dividing actual or annualized after-tax operating income attributable to AIG, by average AIG shareholders' equity, excluding average AOCI and DTA.

Glossary of Non-GAAP Financial Measures (continued)

AIG

- **Normalized Return on Equity, Excluding AOCI and DTA** further adjusts Return on Equity – After-tax Operating Income, excluding AOCI and DTA for the effects of certain volatile or market related items. Normalized Return on Equity, Excluding AOCI and DTA is derived by excluding the following tax adjusted effects from Return on Equity – After-tax Operating Income, Excluding AOCI and DTA:
  - Catastrophe losses compared to expectations
  - Alternative investment returns compared to expectations
  - DIB/GCM returns compared to expectations
  - Fair value changes on PICC investments
  - Update of actuarial assumptions
  - Net reserve discount change
  - Life insurance IBNR death claim charge
  - Prior year loss reserve development
- **General operating expenses, operating basis,** is derived by making the following adjustments to general operating and other expenses: include (i) loss adjustment expenses, reported as policyholder benefits and losses incurred and (ii) certain investment and other expenses reported as net investment income, and exclude (i) advisory fee expenses, (ii) non-deferrable insurance commissions, (iii) direct marketing and acquisition expenses, net of deferrals, (iv) non-operating litigation reserves and (v) other expense related to a retroactive reinsurance agreement. We also derive General operating expense savings on a gross basis, which represents changes during the period in General operating expenses, operating basis, before the effect of additional investments made during the period. We use general operating expenses, operating basis, because we believe it provides a more meaningful indication of our ordinary course of business operating costs.

Commercial Insurance: Property Casualty and Mortgage Guaranty; Consumer Insurance: Personal Insurance

- **Pre-tax operating income:** includes both underwriting income and loss and net investment income, but excludes net realized capital gains and losses, other income and expense — net, and non-operating litigation reserves and settlements. Underwriting income and loss is derived by reducing net premiums earned by losses and loss adjustment expenses incurred, acquisition expenses and general operating expenses.
- **Ratios:** We, along with most property and casualty insurance companies, use the loss ratio, the expense ratio and the combined ratio as measures of underwriting performance. These ratios are relative measurements that describe, for every $100 of net premiums earned, the amount of losses and loss adjustment expenses, and the amount of other underwriting expenses that would be incurred. A combined ratio of less than 100 indicates underwriting income and a combined ratio of over 100 indicates an underwriting loss. The underwriting environment varies across countries and products, as does the degree of litigation activity, all of which affect such ratios. In addition, investment returns, local taxes, cost of capital, regulation, product type and competition can have an effect on pricing and consequently on profitability as reflected in underwriting income and associated ratios.
- **Accident year loss and combined ratios, as adjusted:** both the accident year loss and combined ratios, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. Natural catastrophe losses are generally weather or seismic events having a net impact in excess of $10 million each. Catastrophes also include certain man-made events, such as terrorism and civil disorders that meet the $10 million threshold.

Glossary of Non-GAAP Financial Measures (continued)

Commercial Insurance: Institutional Markets; Consumer Insurance: Retirement and Life

- **Pre-tax operating income** is derived by excluding the following items from pre-tax income:
  - changes in fair value of securities used to hedge guaranteed living benefits;
  - net realized capital gains and losses;
  - changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains and losses;
  - non-operating litigation reserves and settlements
- **Premiums and deposits:** includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts and mutual funds.

Corporate and Other

- **Pre-tax operating income and loss** is derived by excluding the following items from pre-tax income and loss:
  - loss on extinguishment of debt
  - net realized capital gains and losses
  - changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains and losses
  - income and loss from divested businesses, including Aircraft Leasing
  - net gain or loss on sale of divested businesses, including:
    - gain on the sale of ILFC and
    - certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and our share of AerCap's income taxes
  - non-operating litigation reserves and settlements
  - reserve development related to non-operating run-off insurance business
  - restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization.

Results from discontinued operations are excluded from all of these measures.

Acronyms

- **YTD** – Year-to-date
- **YoY –** Year-over-year
- **NPW –** Net premiums written
- **FX –** Foreign exchange
- **AOCI –** Accumulated other comprehensive income

Note: Amounts presented in billions may not foot due to rounding.

- **DTA –** Deferred tax assets
- **PYD –** Prior year loss reserve development
- **NII** – Net investment income
- **GOE** – General operating expenses, operating basis
- **AYLR** – Accident year loss ratio, as adjusted
- **Normalized ROE** – Consolidated Normalized ROE, Ex. AOCI & DTA

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Non-GAAP Reconciliation – Premiums and Deposits, Operating Revenues, and General Operating Expenses

	Retirement		Life	
Premiums and Deposits ($ in Millions)	**1Q15**	**1Q16**	**1Q15**	**1Q16**
Premiums and Deposits	$5,509	$6,853	$1,223	$1,251
Deposits	(5,637)	(6,801)	(378)	(364)
Other	174	2	(137)	(151)
Premiums	$46	$54	$708	$736

Total Operating Revenues (In Millions)	1Q15	1Q16
Total operating revenues	**$14,590**	**$12,737**
Reconciling Items:		
Changes in fair value of securities used to hedge guaranteed living benefits	44	133
Net realized capital gains (loss)	1,341	(1,106)
Income from divested businesses	(15)	-
Non-operating litigation settlements	15	34
Other	-	(19)
Total revenues	**$15,975**	**$11,779**

($ in Millions)	1Q15	1Q16
Total General operating expenses, Operating basis	**$2,784**	**$2,592**
Loss adjustment expenses, reported as policyholder benefits and losses incurred	(423)	(341)
Advisory fee expenses	332	317
Non-deferrable insurance commissions	128	122
Direct marketing and acquisition expenses, net of deferrals	140	144
Investment expenses reported as net investment income	(20)	(15)
Total general operating and other expenses included in pre-tax operating income	**2,941**	**2,819**
Restructuring and other costs	-	188
Other expense related to retroactive reinsurance agreement	-	(7)
Non-operating litigation reserves	8	3
Total general operating and other expenses, GAAP basis	**$2,949**	**$3,003**

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Non-GAAP Reconciliation –
Pre-tax and After-tax Operating Income

Pre-tax and After-tax Operating Income (In Millions, Except Per Share Data)	1Q15	1Q16
Pre-tax income (loss) from continuing operations	$3,776	($214)
Adjustments to arrive at Pre-tax operating income:		
Changes in fair value of securities used to hedge guaranteed living benefits	(44)	(133)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	54	(40)
Loss on extinguishment of debt	68	83
Net realized capital (gains) losses	(1,341)	1,106
Loss from divested businesses	21	2
Non-operating litigation reserves and settlements	(7)	(31)
Other (income) expense - net	-	(7)
Restructuring and other costs	-	188
Pre-tax operating income	**$2,527**	**$954**
Net income (loss) attributable to AIG	**$2,468**	**($183)**
Adjustments to arrive at After-tax operating income (amounts net of tax):		
Uncertain tax positions and other tax adjustments	(42)	205
Deferred income tax valuation allowance (releases) charges	93	(37)
Changes in fair value of securities used to hedge guaranteed living benefits	(29)	(86)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	35	(26)
Loss on extinguishment of debt	44	54
Net realized capital (gains) losses	(874)	701
(Income) loss from discontinued operations	(1)	47
(Income) loss from divested businesses	2	1
Non-operating litigation reserves and settlements	(5)	(20)
Other (income) expense - net	-	(5)
Restructuring and other costs	-	122
After-tax operating income	**$1,691**	**$773**
After-tax operating income per diluted share	**$1.22**	**$0.65**

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Non-GAAP Reconciliation – Impact of Market Volatility on Book Value Per Common Share and After-tax Operating Income Per Diluted Share

Reconciliation of Market Volatility & Net Realized Capital Losses to Net Income ($ in millions, except per share amounts)	March 31, 2016 Pre-tax income	After-tax income (a)	BVPS[1] Impact (a) ÷ (b)
Market volatility on investments:			
Private equity	$114	$74	$0.06
Hedge funds	(537)	(349)	(0.29)
PICC Group and PICC Property & Casualty	(103)	(67)	(0.06)
DIB & GCM	(341)	(222)	(0.19)
Total market volatility on investments	(867)	(564)	(0.48)
Non-operating losses	(1,168)	(956)	(0.80)
Operating Earnings, excluding Market Volatility	1,821	1,337	1.13
Total	**($214)**	**($183)**	**($0.15)**

Total common shares outstanding at December 31, 2015 (b) **1,193.9**

Reconciliation of Market Volatility Impact to Operating Earnings ($ in millions, except per share amounts)	1Q16 Pre-tax	After-tax (a)	EPS Impact (a) ÷ (b)
Market volatility on investments:			
Private equity	$114	$74	$0.06
Hedge funds	(537)	(349)	(0.29)
PICC Group and PICC Property & Casualty	(103)	(67)	(0.06)
DIB & GCM	(341)	(222)	(0.19)
Total market volatility on investments	(867)	(564)	(0.48)
Other operating earnings	1,821	1,337	1.13
Total operating earnings	**$954**	**$773**	**$0.65**

Weighted average shares outstanding - diluted for operating EPS (b) **1,186.1**

1) Excludes AOCI and DTA and includes dividend growth.

Non-GAAP Reconciliation – Book Value Per Common Share and Return On Equity

Book Value Per Common Share ($ in Millions, Except Per Share Data)	Dec. 31, 2015	March 31, 2015	March 31, 2016
Total AIG shareholders' equity (a)	$89,658	$107,979	$88,518
Less: Accumulated other comprehensive income (AOCI)	(2,537)	(10,657)	(5,525)
Total AIG shareholders' equity, excluding AOCI (b)	87,121	97,322	82,993
Less: Deferred tax assets (DTA)*	(16,751)	(15,566)	(16,825)
Total AIG shareholders' equity, excluding AOCI and DTA (c)	$70,370	$81,756	$66,168
Total common shares outstanding (d)	**1,193.9**	**1,347.1**	**1,130.7**
Book value per common share (a÷d)	$75.10	$80.16	$78.28
Book value per common share, excluding AOCI (b÷d)	$72.97	$72.25	$73.40
Book value per common share, excluding AOCI and DTA (c÷d)	$58.94	$60.69	$58.52
Add: Book Value per common share impact from dividend growth	$0.32	-	$0.53
Book value per common share, excluding AOCI and DTA and including dividend growth	$59.26	$60.69	$59.05

Return On Equity (ROE) Computations ($ in Millions)	1Q15	1Q16
Actual or annualized net income (loss) attributable to AIG (a)	$9,872	($732)
Actual or annualized after-tax operating income (loss) (b)	$6,764	$3,092
Average AIG shareholders' equity (c)	107,439	89,088
Less: Average AOCI	(10,637)	(4,031)
Average AIG shareholders' equity, excluding average AOCI (d)	96,802	85,057
Less: Average DTA	(15,862)	(16,788)
Average AIG shareholders' equity, excluding average AOCI and DTA (e)	**$80,940**	**$68,269**
ROE (a÷c)	9.2%	(0.8%)
ROE – after-tax operating income, excluding AOCI (b÷d)	7.0%	3.6%
ROE – after-tax operating income, excluding AOCI and DTA (b÷e)	8.4%	4.5%

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* Represents U.S. tax attributes related to net operating loss carryforwards and foreign tax credits.

Non-GAAP Reconciliation – Accident Year Combined Ratio, as Adjusted

	Property Casualty		Mortgage Guaranty		Personal Insurance	
Accident Year Combined Ratio, As Adjusted	**1Q15**	**1Q16**	**1Q15**	**1Q16**	**1Q15**	**1Q16**
Loss ratio	68.1	68.2	25.2	18.7	58.8	52.5
Catastrophe losses and reinstatement premiums	(1.4)	(4.7)	0.0	0.0	(2.2)	(1.1)
Prior year development net of premium adjustments	(0.4)	0.4	0.0	2.2	(0.2)	1.8
Net reserve discount benefit (change)	(1.9)	0.6	0.0	0.0	0.0	0.0
Accident year loss ratio, as adjusted	64.4	64.5	25.2	20.9	56.4	53.2
Acquisition ratio	16.2	16.3	9.6	8.9	27.3	26.1
General operating expense ratio	12.8	12.4	16.9	16.0	17.1	15.3
Expense ratio	29.0	28.7	26.5	24.9	44.4	41.4
Combined ratio	97.1	96.9	51.7	43.6	103.2	93.9
Catastrophe losses and reinstatement premiums	(1.4)	(4.7)	0.0	0.0	(2.2)	(1.1)
Prior year development net of premium adjustments	(0.4)	0.4	0.0	2.2	(0.2)	1.8
Net reserve discount benefit (charge)	(1.9)	0.6	0.0	0.0	0.0	0.0
Accident year combined ratio, as adjusted	93.4	93.2	51.7	45.8	100.8	94.6

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Non-GAAP Reconciliation – Normalized ROE, Ex. AOCI & DTA[1]

	1Q15			1Q16		
	Pre-tax	After-tax	ROE	Pre-tax	After-tax	ROE
ROE – After-tax operating income (loss), ex. AOCI & DTA	**$2,527**	**$1,691**	**8.4%**	**$954**	**$773**	**4.5%**
Adjustments to arrive at Normalized ROE, ex. AOCI & DTA:						
Catastrophe losses above (below) expectations	(113)	(74)	(0.4%)	23	15	0.1%
(Better) worse than expected alternative returns	(141)	(92)	(0.4%)	714	464	2.7%
(Better) worse than expected DIB & GCM returns	(60)	(39)	(0.2%)	395	257	1.5%
Fair value changes on PICC investments	(54)	(35)	(0.2%)	103	67	0.4%
Update of actuarial assumptions[2]	-	-	-	-	-	0.0%
Net reserve discount change	165	107	0.5%	(10)	(7)	0.0%
Life insurance – IBNR death claims	-	-	-	(25)	(16)	(0.1%)
Unfavorable (favorable) prior year loss reserve development	35	23	0.1%	(60)	(39)	(0.2%)
Normalized ROE, ex. AOCI & DTA	**$2,359**	**$1,581**	**7.8%**	**$2,094**	**$1,514**	**8.9%**

Note: Normalizing adjustments are tax effected using a 35% tax rate and computed based on average normalized shareholders' equity, excluding AOCI and DTA, for the respective period.

1) Represents U.S. tax attributes related to net operating loss carryforwards and foreign tax credits.

2) Represents the effect on Life and Retirement results from the review and update of certain assumptions used to amortize DAC and related items for interest-rate sensitive products, including life and annuity spreads, mortality rates, surrender rates and variable annuity growth rates. The update of actuarial assumptions also included adjustments to reserves for universal life with secondary guarantees, group benefit claim reserves and loss recognition for certain discontinued long-term care products.

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