



American International Group, Inc.

First Quarter 2013 Results
Conference Call Presentation

May 3, 2013

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First Quarter 2013 Key Themes

Highlights:	Noteworthy Items
<p style="text-align: center;">Liquidity and Capital</p>	<ul style="list-style-type: none"> ▪ Parent liquidity of \$15.0 billion ▪ Dividends and loan repayments of \$1.3 billion from AIG Life and Retirement ▪ \$2.1 billion in parent company liability management (\$1.1 billion hybrid call and \$1.0 billion in tender offers; annual interest savings of approximately \$165 million)
<p style="text-align: center;">AIG Property Casualty</p>	<ul style="list-style-type: none"> ▪ Operating income growth driven by improved underwriting and strong investment returns ▪ Accident year loss ratio, as adjusted, of 63.2 continues to improve ▪ Positive rate change, with Global Commercial rates up 4.2% (+7.4% in U.S.) ▪ NPW growth of 4% excluding the impact of reinsurance agreements and foreign exchange ▪ Modest CAT losses of \$41 million and favorable prior year development of \$52 million ▪ Expenses reflect business mix shift and investments in people, processes, and technology
<p style="text-align: center;">Mortgage Guaranty</p>	<ul style="list-style-type: none"> ▪ Earnings reflects new business growth (47% of earned premiums generated since 2009) ▪ Growth in new insurance written (up 63%* from 1Q12) with consistently high quality risks ▪ Delinquency ratio declined 90 bps from 4Q12 to 7.9%
<p style="text-align: center;">AIG Life and Retirement</p>	<ul style="list-style-type: none"> ▪ Strong equity markets drive improved investment returns and favorable impact on fee-based businesses ▪ Continued active spread management improves earnings ▪ Variable annuity deposits up 31% from 1Q12 ▪ Continued impact of low interest rates on base yields and fixed annuity sales



* Domestic first-lien

Financial Highlights

(\$ in millions, except per share amounts)	First Quarter		
	2012	2013	Inc. (Dec.)
Revenues	\$17,497	\$15,888	(9%)
Net income attributable to AIG	3,208	2,206	(31%)
After-tax operating income attributable to AIG	\$3,046	\$1,982	(35%)
Diluted earnings per common share:			
Income from continuing operations	\$1.68	\$1.43	(15%)
Income from discontinued operations	\$0.03	\$0.06	100%
After-tax operating income attributable to AIG	\$1.62	\$1.34	(17%)
Book value per common share	\$57.68	\$67.41	17%
Book value per common share - Ex. AOCI	\$53.11	\$59.39	12%
ROE – After-tax operating income⁽¹⁾	12.8%	9.2%	



1) Computed as Annualized After-tax operating income divided by Average AIG Shareholders' equity, excluding AOCI.

After-tax Operating Income

Operating results benefit from strong investment returns and modest catastrophe losses.

(\$ in millions, except per share amounts)	First Quarter	
	2012	2013
Insurance operations		
AIG Property Casualty	\$1,043	\$1,589
AIG Life and Retirement	1,311	1,394
Mortgage Guaranty (reported in Other)	8	41
Total Insurance Operations	2,362	3,024
Direct Investment Book	(156)	329
Global Capital Markets	92	227
Change in fair value of AIA (including realized gain)	1,795	-
Change in fair value of Maiden Lane III	1,252	-
Interest expense	(381)	(397)
Corporate expenses and other	(252)	(322)
Pre-tax operating income attributable to AIG	4,712	2,861
Income tax expense	(1,425)	(854)
Noncontrolling interest – Treasury	(208)	-
Other noncontrolling interest	(33)	(25)
After-tax operating income attributable to AIG	\$3,046	\$1,982
After-tax operating income per diluted common share	\$1.62	\$1.34

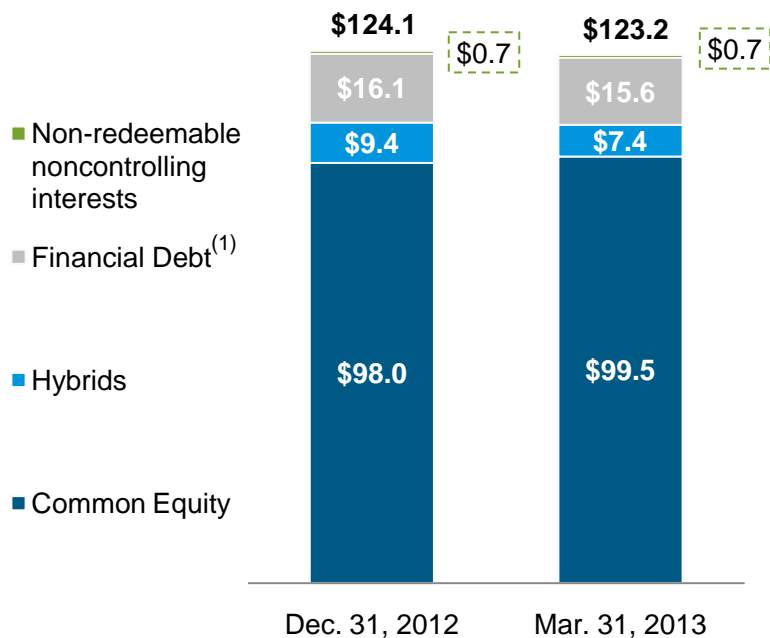


Strong Capital Position

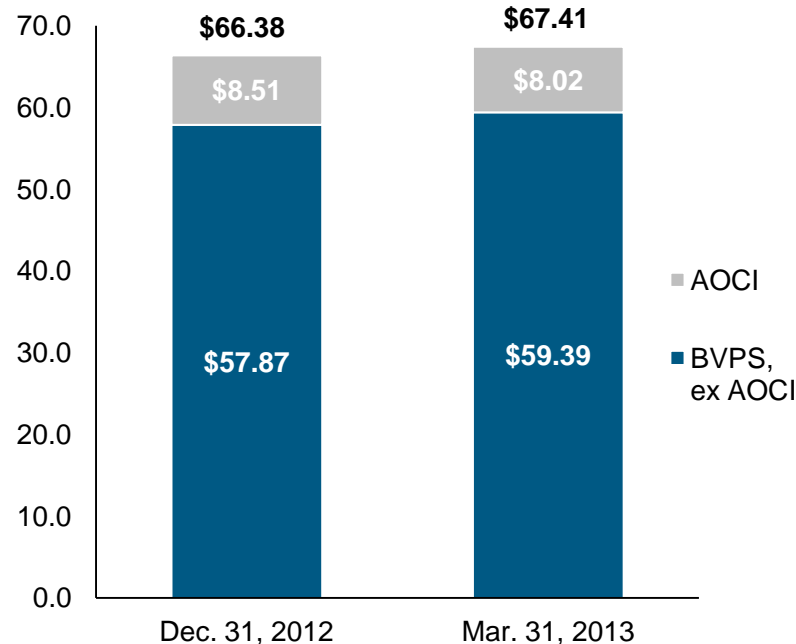
Outstanding borrowings reflect first quarter hybrid call and tender offers.

Capital Structure

(\$ in billions, except per share data)



Book Value Per Share



Leverage Ratios:

Financial Debt + Hybrids / Capitalization

2012

20.5%

2013

18.7%

Financial Debt / Capitalization

12.9%

12.7%

Risk Based Capital Ratios⁽²⁾

December 31,

2011

2012

AIG Property Casualty

430%

443%

AIG Life and Retirement

520%

532%



1) Includes AIG Loans, Mortgages, Notes and Bonds Payable, AIGLH Notes and Bonds Payable, and Liabilities connected to the trust preferred stock.

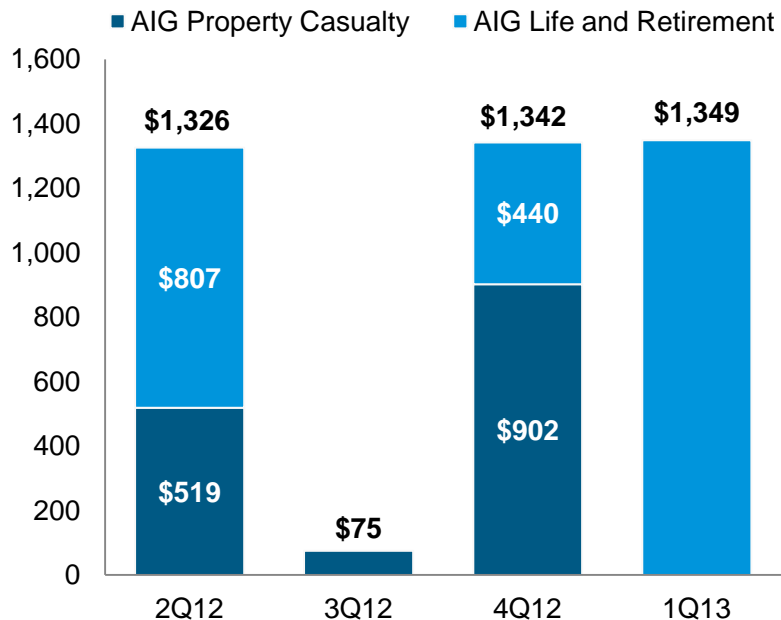
2) The inclusion of fleet RBC measures is intended solely for the information of investors and is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.

Financial Flexibility – A Source of Strength

Parent liquidity balance reflects subsidiary distributions and liability management actions during the quarter.

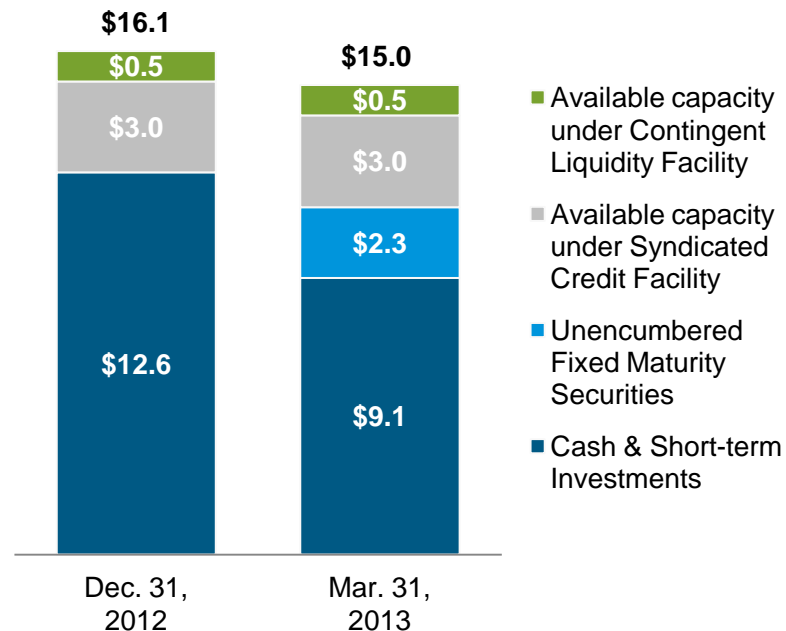
Insurance Company Distributions

(\$ in millions)



Parent Liquidity

(\$ in billions)



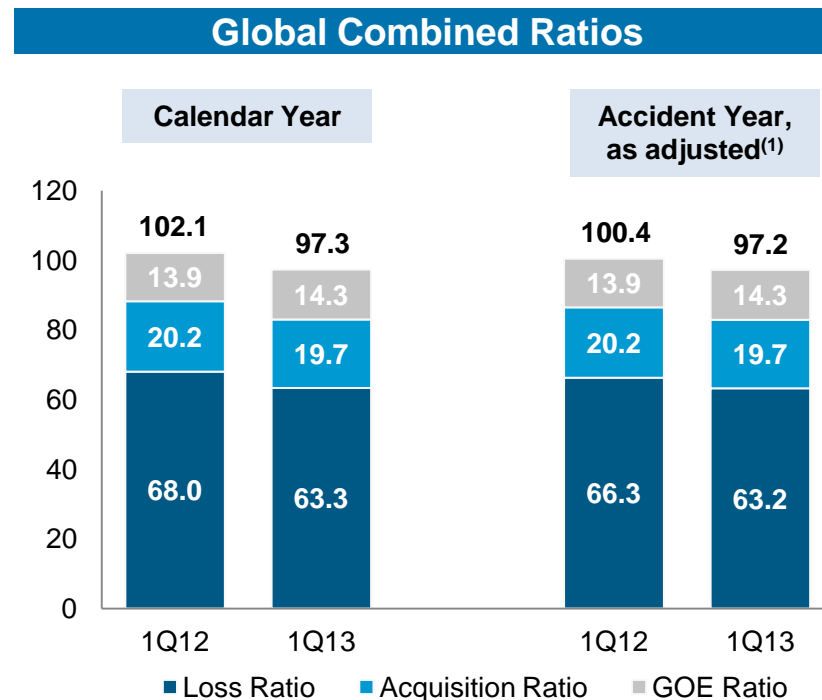
- Annual distributions expected to be \$4 – 5 billion.
- Parent liquidity of \$15.0 billion, includes \$5.5 billion allocated toward future maturities of liabilities and contingent liquidity stress needs of the Direct Investment book and Global Capital Markets as of March 31, 2013.
- Unencumbered securities consist of publicly traded intermediate-term investment grade rated fixed maturity securities. Fixed maturity securities consist of U.S. government and government sponsored entities securities, U.S. agency mortgage-backed securities, and corporate and municipal bonds.



AIG Property Casualty – Financial Results

Operating results demonstrate continued execution of strategic initiatives.

(\$ in millions)	1Q12	1Q13
Net premiums written	\$8,820	\$8,437
Net premiums earned	8,688	8,558
Underwriting income (loss)	(180)	231
Net investment income	1,223	1,358
Operating income	\$1,043	\$1,589



- The accident year loss ratio, as adjusted, continued to improve, as a result of the shift to higher value business, enhanced risk selection tools, and improved pricing.
- The decline in net premiums written reflects the impact of recognizing ceded premiums written under excess of loss reinsurance agreements at contract inception rather than ratably over the contract period, the timing of a catastrophe bond issued in 1Q13 and the negative effect of foreign exchange, which was largely driven by the strengthening of the U.S dollar against the Yen. NPW growth was 4% excluding these items.
- Net investment income benefited from strong alternative returns and gains on fair value option securities.



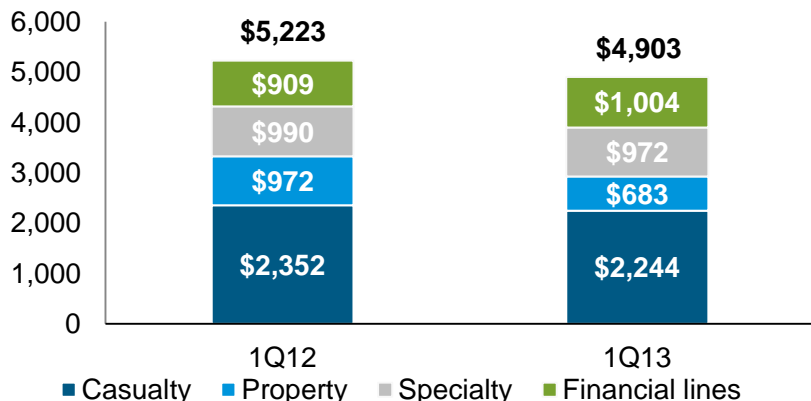
1) Combined ratio and loss ratio presented excluding catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments and the impact of reserve discounting.

Commercial Insurance – Underwriting Results

Commercial results reflect business mix shift, enhanced risk selection, and price increases.

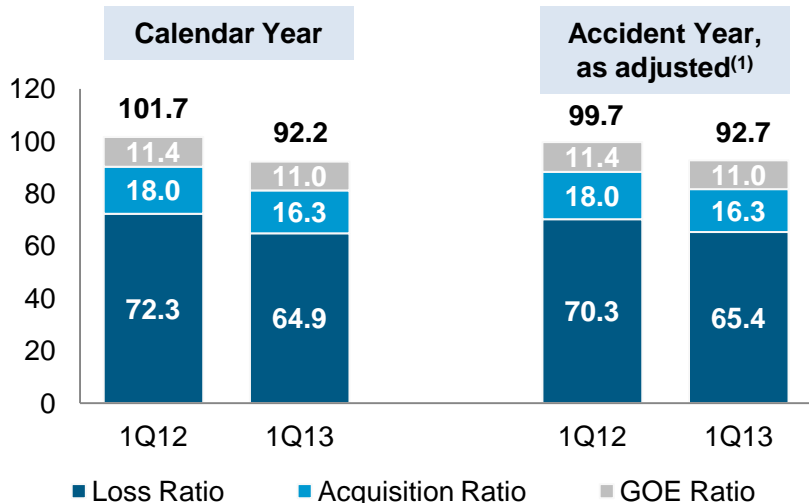
Net Premiums Written

(\$ in millions)

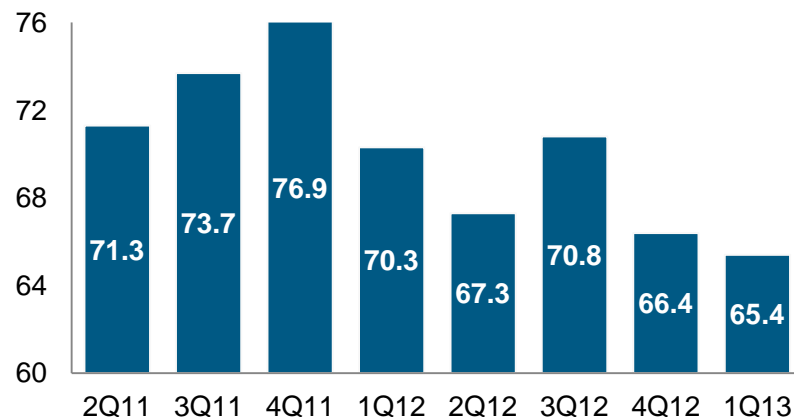


- Commercial Insurance continued to focus on growing higher value, profitable lines of business and geographies.
- Commercial Insurance rates increased +4.2% (+7.4% for the U.S.), led by U.S. Property at +8.9% and U.S. Workers' Compensation at +8.3%.
- Commercial NPW grew 3.8% excluding the negative effect of recognizing ceded premiums written under excess of loss reinsurance agreements at contract inception and the timing of a catastrophe bond issued in 1Q13. These items impacted NPW for the Property line of business.

Combined Ratios



Accident Year Loss Ratio, as adjusted⁽¹⁾



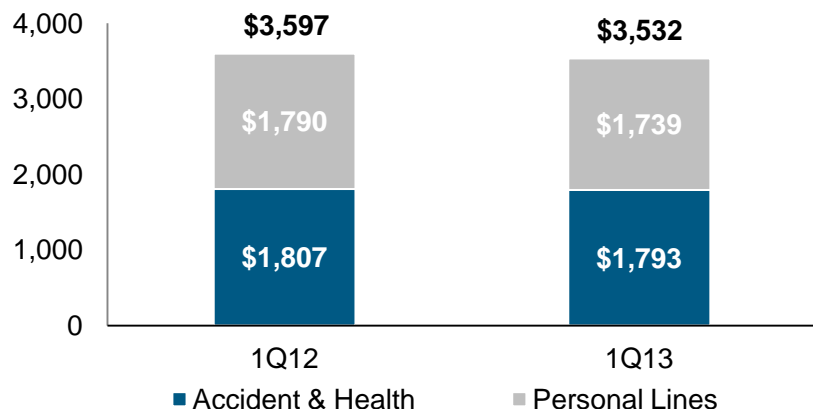
1) Combined ratio and loss ratio presented excluding catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments and the impact of reserve discounting.

Consumer Insurance – Underwriting Results

Consumer continues to implement global growth strategies across multiple distribution channels.

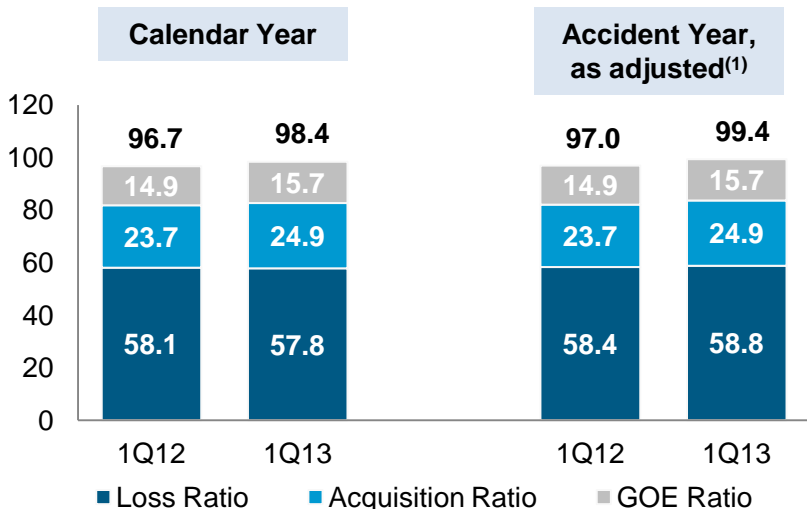
Net Premiums Written

(\$ in millions)

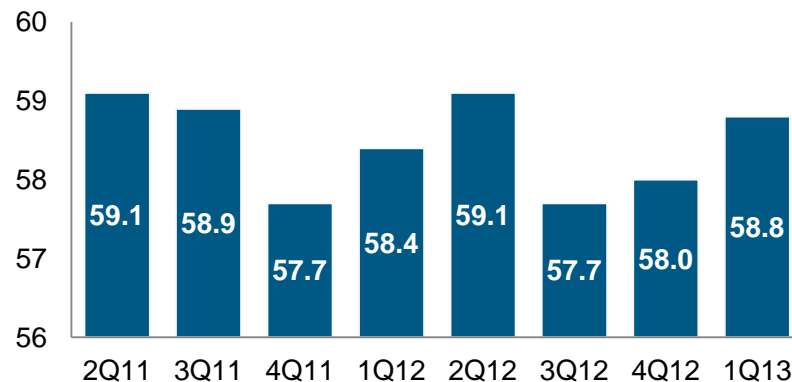


- Consumer Insurance represented 42% of total AIG Property Casualty NPW in 1Q13.
- Consumer Insurance NPW grew by 4.2% from the year ago quarter excluding reinsurance agreements and foreign exchange.
- Direct Marketing was 16% of Consumer NPW in 1Q13.

Combined Ratios



Accident Year Loss Ratio, as adjusted⁽¹⁾



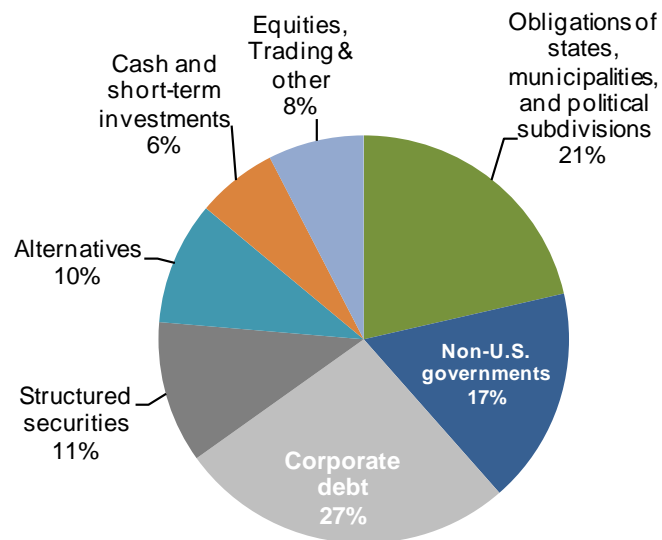
1) Combined ratio and loss ratio presented excluding catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments and the impact of reserve discounting.

AIG Property Casualty – Investments

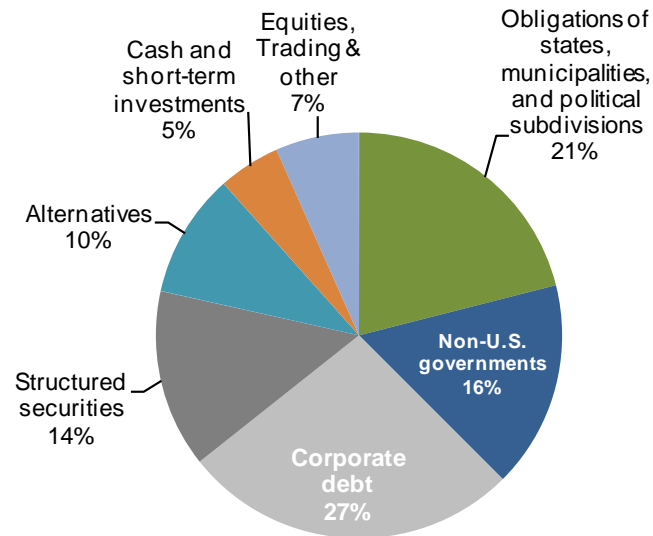
Returns driven by strong alternative investment income and gains on fair value option securities.

Net investment income: (\$ in millions)	First Quarter		
	2012	2013	Inc./(Dec.)
Interest and dividends	\$ 990	\$ 936	(5%)
Alternative investments	130	258	98%
Other, net ⁽¹⁾	103	164	59%
Net investment income	\$ 1,223	\$ 1,358	11%
Yield	3.90%	4.18%	

December 31, 2012
Invested Assets - \$131.4 billion⁽²⁾



March 31, 2013
Invested Assets - \$128.8 billion⁽²⁾



1) Includes income/loss from mutual funds, real estate, equity method investments and mark-to-market gains and losses, net of investment expenses.
2) Includes intercompany invested assets that are eliminated in consolidation.

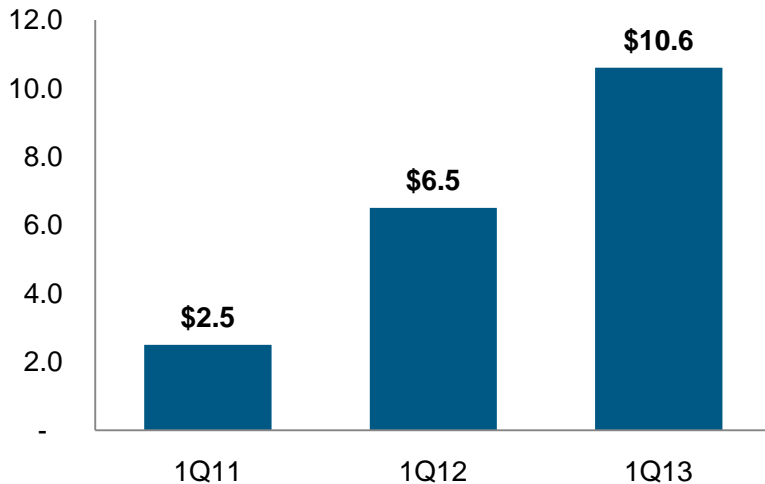
Mortgage Guaranty – Improving Trends

1Q13 operating income of \$41 million reflects growing portion of premium from high quality business written since 2009 and declining losses from run-off of legacy exposure.

New Insurance Written (NIW)⁽¹⁾

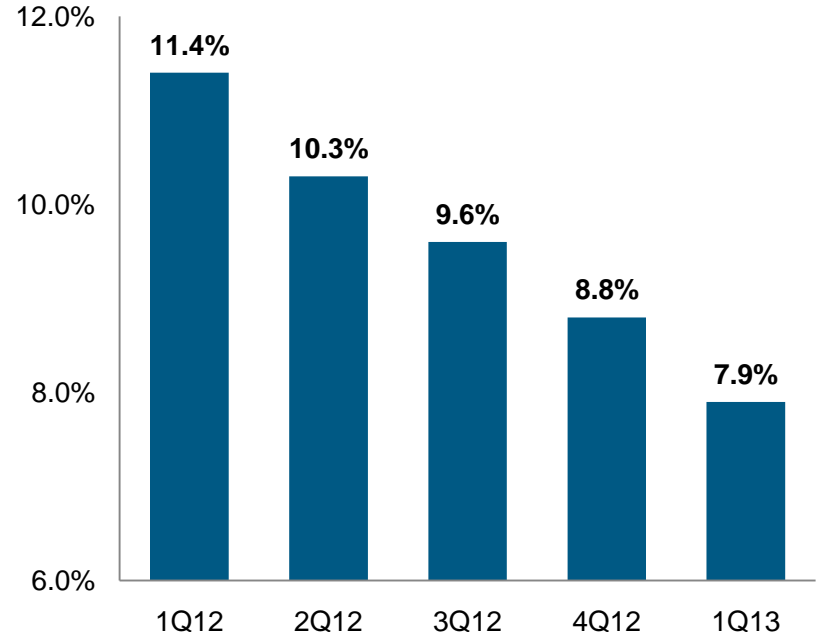
(\$ in billions)

Growth in New insurance written reflects consistently high quality risks.



Vintage Year	Average	
	FICO Score	LTV Ratio
2011	757	91
2012	758	91
1Q13	757	90

Primary Delinquency (DQ) Ratio (%)



(in 000s)	1Q12	2Q12	3Q12	4Q12	1Q13
DQ Count	78	71	67	63	57



¹⁾ New insurance written – original principal balance of loans (First-lien).

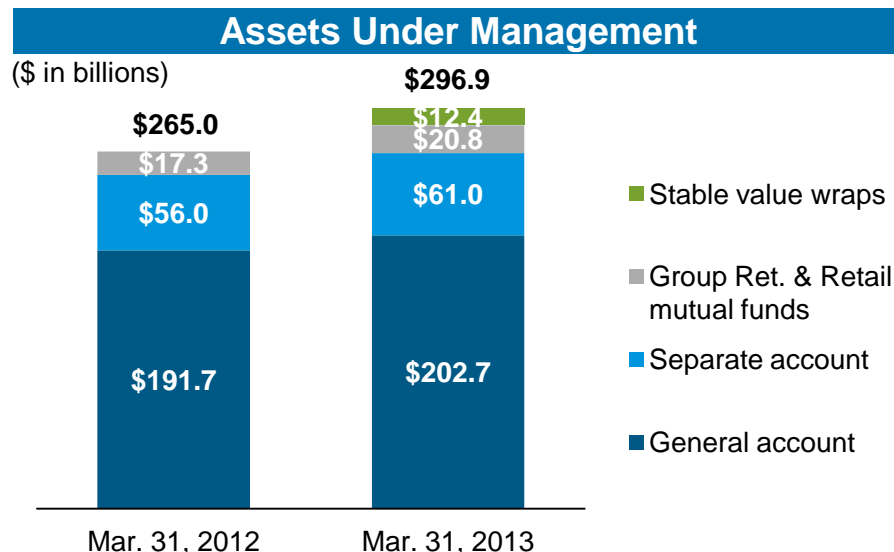


AIG Life and Retirement – Financial Results

Results reflect active management of net investment spreads and strong alternative investment income.

(\$ in millions)	1Q12	1Q13
Premiums and deposits	\$5,560	\$5,580
Premiums	614	620
Policy fees	584	615
Net investment income	2,885	2,877
Advisory fee and other income	304	393
Total revenues⁽¹⁾	4,387	4,505
Benefits and expenses	3,076	3,111
Operating income	\$1,311	\$1,394

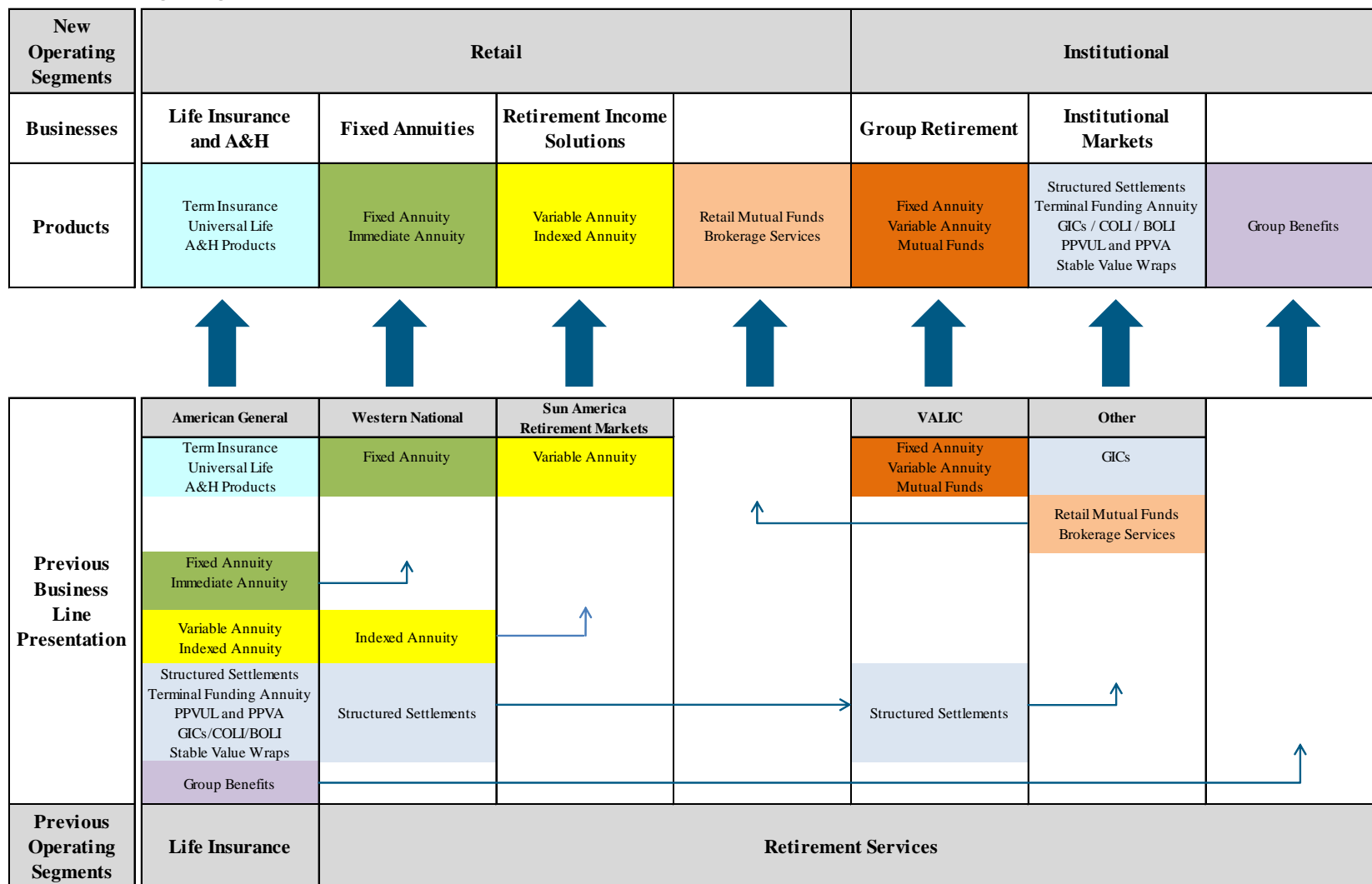
- Operating income in 1Q13 reflects strong alternative investment income, active net investment spread management and growth in assets under management.
- The year-ago quarter included a \$246 million fair value gain on Maiden Lane II.
- Total AUM of \$296.9 billion increased 12% from a year ago due to strong fixed income and equity markets and the novation of stable value wrap business from Global Capital Markets. Further novations are expected for the remainder of 2013.
- Net outflows in 1Q13 of \$244 million improved from net outflows of \$1.0 billion in 4Q12 reflecting improved net flows for all lines of business.
- Variable annuity deposits increased 31% from 1Q12 to \$1.4 billion.



1) Excluding net realized capital gains (losses).

AIG Life and Retirement – Revised Segment Structure

The chart below shows the products under the previous operating segments and their mapping to the new operating segments.

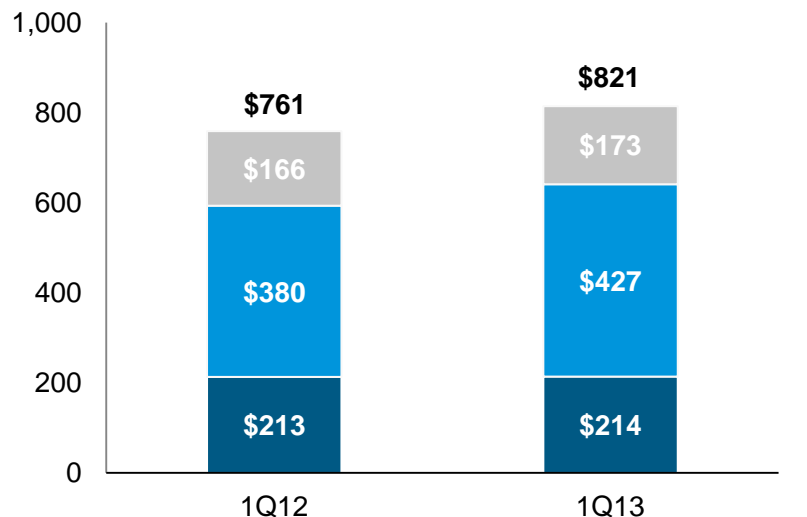


Definitions: Guaranteed Investment Contracts (GICs), Corporate-Owned Life Insurance (COLI), Bank-Owned Life Insurance (BOLI), Private Placement Variable Life and Annuities (PPVUL & PPVA).

AIG Life and Retirement – Retail & Institutional Results

Retail Operating Income*

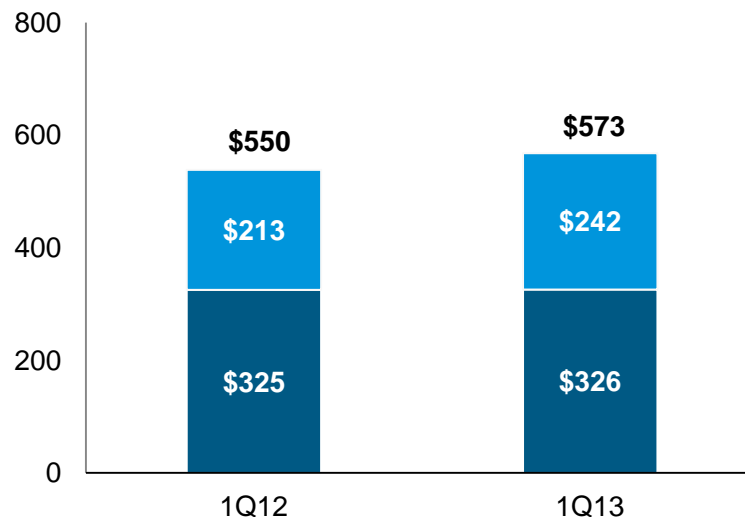
(\$ in millions)



■ Life Insurance and A&H ■ Fixed Annuities ■ Ret. Inc. Solutions

Institutional Operating Income*

(\$ in millions)



■ Group Retirement ■ Institutional Markets

- Retail operating income in 1Q13 benefitted from higher returns on alternative investments and mark to market securities, active spread management and the favorable impact of the equity markets on the variable annuity business.
- Institutional operating income in 1Q13 also benefitted from active spread management and strong investment returns.
- 1Q12 results from Retail and Institutional included fair value gains on Maiden Lane II of \$153 million and \$93 million, respectively.



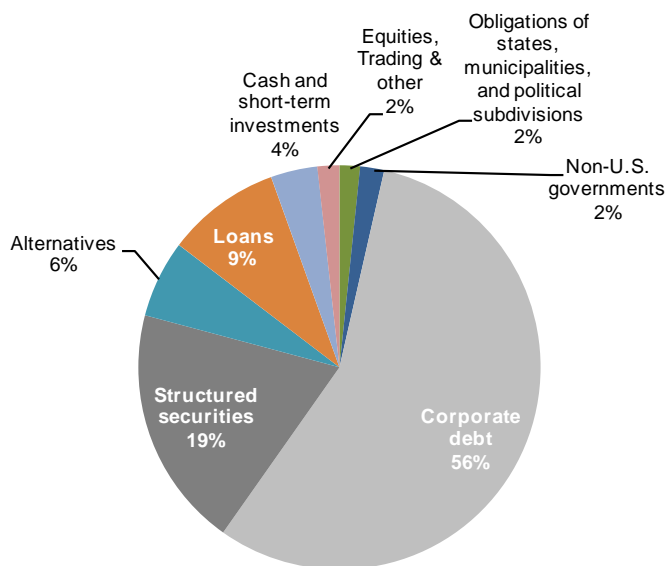
* Operating income is not separately presented for Brokerage services and retail mutual funds included in the Retail operating segment and Group benefits included in the Institutional operating segment.

AIG Life and Retirement – Investments

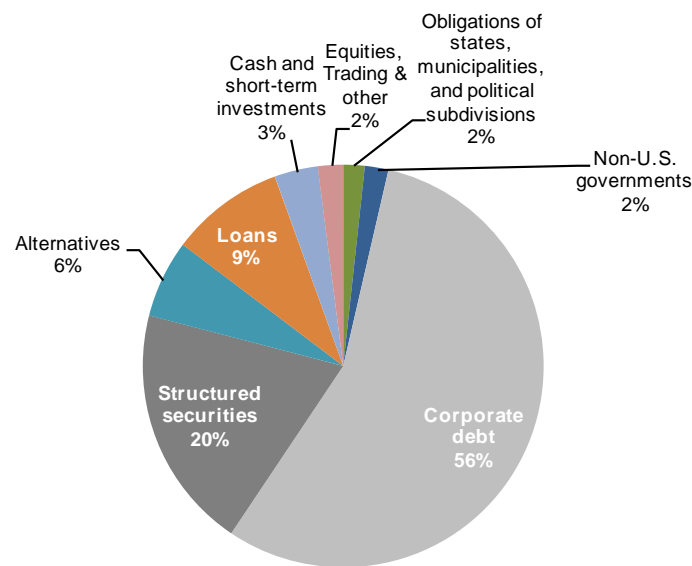
Investment performance driven by strong alternative investment returns.

Net investment income: (\$ in millions)	First Quarter		
	2012	2013	Inc./.(Dec.)
Interest and dividends	\$ 2,385	\$ 2,307	(3%)
Alternative investments	282	489	73%
Change in fair value of Maiden Lane II	246	-	NM
Call and tender income	12	51	325%
Other, net ⁽¹⁾	(40)	30	NM
Net investment income	\$ 2,885	\$ 2,877	-
Base Yield⁽²⁾	5.50%	5.30%	
Total Yield⁽³⁾	6.51%	6.38%	

December 31, 2012
Invested Assets - \$205.3 billion⁽⁴⁾



March 31, 2013
Invested Assets - \$204.1 billion⁽⁴⁾



1) Includes income/loss from mutual funds, real estate, equity method investments and mark-to-market gains and losses, net of investment expenses.

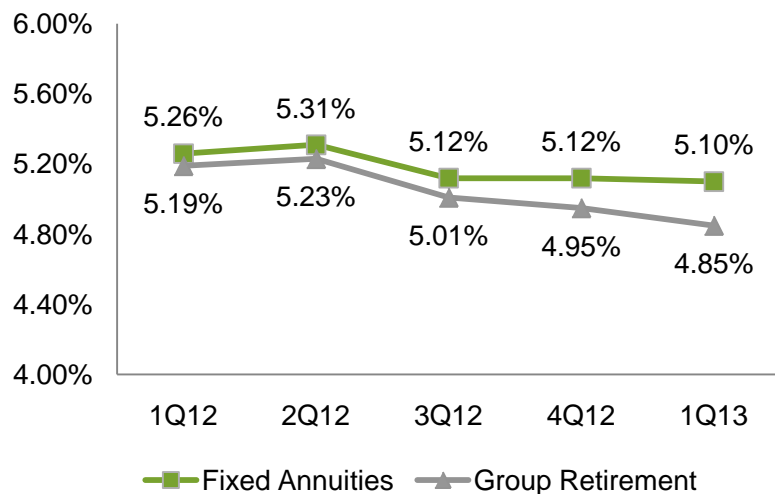
2) Includes the investment return on surplus other than alternative investment or yield enhancement activities. Quarterly results are annualized.

3) Represents the base yields and the incremental effect to base yield on investments in hedge funds, private equity funds, gains on Maiden Lane II (in 2012) and income from calls and prepayment fees. Quarterly results are annualized.

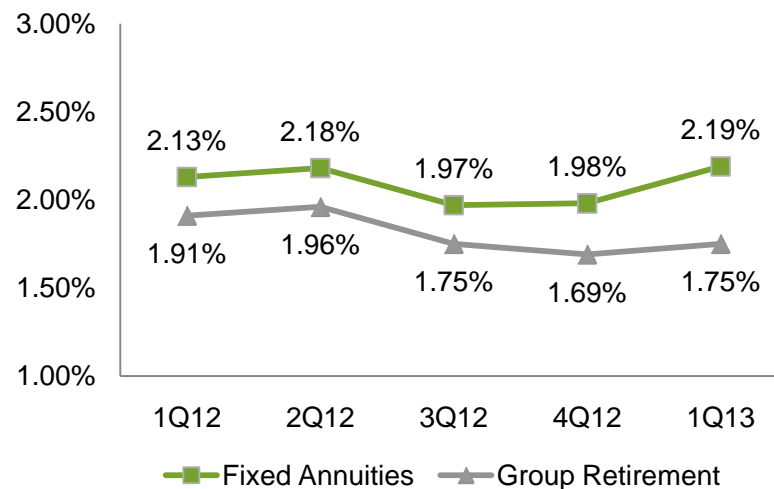
4) Includes intercompany invested assets that are eliminated in consolidation.

AIG Life and Retirement – Base Yields and Spreads

Base Yields⁽¹⁾



Base Net Investment Spreads⁽¹⁾



- Base yields are impacted by the current interest rate environment.
- Continued disciplined spread management allowed net spreads to remain stable.
- At March 31, 2013, a total of 73% of fixed annuity and universal life account values are at contractual minimum guaranteed crediting rates vs. 61% at December 31, 2012.



¹⁾ Includes the investment return on surplus other than alternative investment or yield enhancement activities.

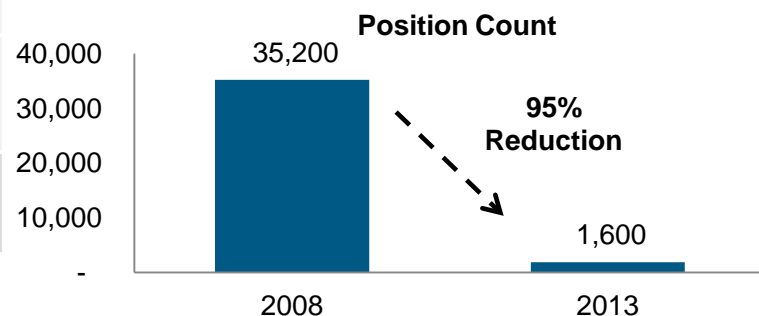
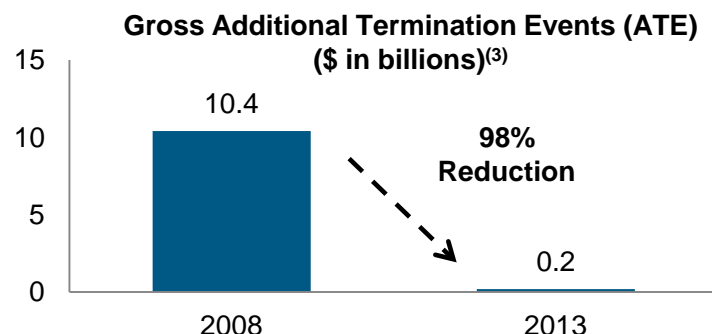
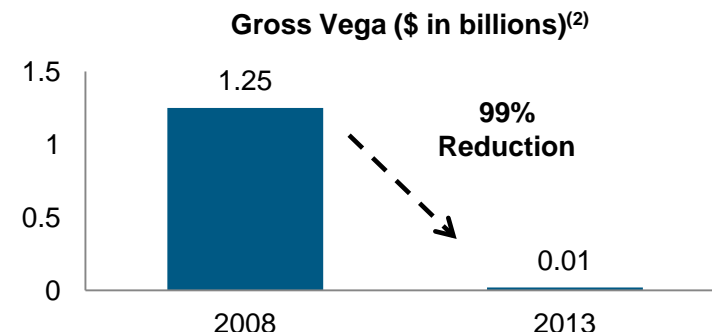
Q&A

Appendix

Legacy AIGFP: What We've Accomplished

AIG will continue to de-risk the legacy AIGFP portfolio while ensuring the firm retains the maximum economic benefit possible.

Net Notional Exposures (\$ in billions)					
Derivatives Book	Dec. 31, 2008 ⁽¹⁾	Dec. 31, 2012	Mar. 31, 2013	% Reduction	
				2008 – 2013	2012 – 2013
Market Derivatives	~1,450	101	98	93%	3%
Multi-sector CDS	~13	4	4	69%	0%
Corporate Arbitrage	~52	12	12	77%	0%
Regulatory Capital CDS	~245	0	0	>99%	0%
Stable Value Wraps	~40	10	8	80%	20%
Total Legacy Derivatives⁽⁴⁾	~\$1,800	\$127	\$122	93%	4%



1) 2008 net notional amounts are approximate.

2) The Gross Vega is calculated as the sum of all the individual positions' absolute vegas as if each position is not hedged. Although AIGFP's books are almost completely hedged on a net Vega basis, the Gross Vega measure helps monitor how well the volatility risk is being eliminated. The interest rate option vega denotes the change in value due to a 0.1% increase in normal volatility. For other derivatives (i.e., Equity, Commodity and FX option), vega denotes the change in value due to a 1% increase in lognormal volatility.

3) Gross ATE measures the impact of a three-notch downgrade. 2008 Gross ATE includes \$1.3 billion attributable to GICs.

4) Excludes \$15.4 billion and \$16.5 billion of intercompany derivatives in 2013 and 2012, respectively.

Legacy AIGFP Derivatives: Largely Wound Down

Actively managing the portfolio for maximum profit contribution and with limited risk.

Type	Estimated Average Life	Description
Market Derivatives	5.5 years	AIG Derisking Activities and Portfolio Hedging - ~\$73 billion: <ul style="list-style-type: none"> Bulk of risk related to interest rates, foreign exchange and equities has been hedged Derivatives primarily facilitate hedging of the assets and liabilities of the DIB program as well as affiliate companies' ordinary course risk management activity
	8.1 years	3rd Party Client Trades - ~\$25 billion: <ul style="list-style-type: none"> Aggregate Value at Risk on Market Derivatives is effectively zero at a 95% confidence level Third-party trades primarily intermediated and represent ~\$25 billion of total remaining notional Bulk of remaining trades expected to remain until maturity as they have been intermediated to preserve economic value or provide attractive funding
Stable Value Wraps	5.2 years	<ul style="list-style-type: none"> No material realized losses even through market stress of 2008 Since the fourth quarter 2012, Stable Value Wraps with a notional value of \$10 billion were novated to AIG Life & Retirement and further novations are expected during the remainder of 2013
Multi-sector CDS	5.9 years	<ul style="list-style-type: none"> \$936 million profit contribution since 12/31/08 Managed to retain significant future upside <ul style="list-style-type: none"> Where economics are compelling will continue to unwind trades
Corporate Arbitrage	2.9 years	<ul style="list-style-type: none"> \$1.92 billion profit contribution since 12/31/08 Vast majority of notional has been intermediated to preserve economics while eliminating contingent liquidity Third-party credit review confirms no expected losses even in stress scenarios
Regulatory Capital CDS	0.9 years	<ul style="list-style-type: none"> \$251 million profit contribution since 12/31/08 on termination of related mezzanine and hedges Less than \$30 million in total notional remains. Expected to terminate or completely amortize within one year



