Dear AIG Shareholder,

2019 was a year of significant momentum for Brian Duperreault and his leadership team continued to execute against AIG’s strategy to deliver long-term value for you, our shareholders. Many of our notable achievements in the past two years have begun to positively impact our financial results, and they are taking decisive actions to position the company for the future.

Our Board of Directors continues to provide oversight of this journey, and you can find more detail about our Board of Directors and the work our company is doing on page 4 of the Annual Report. In our 2019 Annual Report on Form 10-K, we provided our shareholders with comprehensive financial results and other measures of our performance, including key metrics such as Adjusted Net Income, Adjusted ROCE, and other non-GAAP financial measures. Adjusted Net Income is defined on page 8 of the Annual Report on Form 10-K and reconciled on page 69 of the Annual Report on Form 10-K. Adjusted ROCE is defined on page 8 of the Annual Report on Form 10-K and reconciled on page 69 of the Annual Report on Form 10-K. Additional details of the non-GAAP financial measures reconciled to GAAP measures are included on pages 351 and 352, respectively, of this Annual Report.

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Looking ahead, the Board remains confident in AIG’s future and diligently focuses on building value for you over the long term.

Sincerely,

Brian Duperreault
Chief Executive Officer

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AIG’s people remain our greatest strength and we benefit from their many unique perspectives. Continual efforts to enhance performance within AIG’s businesses, and a focus on further strengthening our balance sheet to support growth. This includes more efficiently managing Legacy liabilities and reducing leverage, and also evaluating opportunities to return capital to shareholders. Significant milestones in this area in the form of turnaround efforts that delivered in financial results, we are also focused on ensuring a commitment to operational excellence specific to the earlier outlined framework. This program is critical to establishing the performance necessary to position ourselves for the delivery of long-term sustainable growth in capital value and long-term capital value will into the future. We expect to invest approximately $1.3 billion over the next three years to deliver $2.4 billion in our run-rate expenses savings by year-end 2022.

I asked Peter Zaffino to lead this important program last year, and he began by recruiting a team of senior leaders with deep transformation expertise and a proven track record of success. Much like our early work toward the turnaround of General Insurance, the risk appetite for clients and distribution partners, and also community leaders who are driven by increased uncertainty, dramatic interest rate actions and continued stock market volatility. The foundational work we continue to build on has strengthened our ability to navigate and lead through the complications brought by the coronavirus pandemic. I hope that all the communities in which we work and live remain safe and healthy as we cross this unprecedented landscape together.

Our Communities and Colleagues: Committed to making a difference

As we continue to work toward achieving underwriting and operational excellence while efficiently managing capital. There is still much work to be done, but we have a clear path toward becoming an industry leader and the top performer we aim to be.

Overview of 2019 Performance

The improvements to our financial results were driven by contributions from across the company. Several enterprise-level highlights include:

- Net income attributable to AIG common shareholders from $26.6 billion in 2018 to $3.3 billion profit in 2019
- Return on common equity (ROCE) and adjusted ROCE increased from 0.9% and 2.1%, respectively, in 2018 to 5.9% and 12.3%, respectively.
- Return capital in the form of more than $1 billion in dividends to our common shareholders.
- Net investment income was $14.6 billion, an increase of $2.1 billion over 2018.

Looking ahead, the Board remains confident in AIG’s future and diligently focuses on building value for you over the long term.

General Insurance: Delivered on commitment to underwriting profitability following significant, foundational actions

The most notable improvement in our financial results in 2019 was the return to underwriting profitability in General Insurance. As described on page 43 of the Annual Report on Form 10-K, we identified three key actions to help manage business risks and support growth. These include more efficiently managing Legacy liabilities and reducing leverage, and also evaluating opportunities to return capital to shareholders.

A significant milestone in this area was the agreement reached in November 2019 to sell a majority interest in Fiducia Group Holdings, LLC, which is expected to close in mid-2020, subject to regulatory approval.

AIG 200: Instituting a commitment to operational excellence

As we begin to see the results of our turnaround efforts reflected in financial results, we are also focused on instituting a commitment to operational excellence specific to the earlier outlined framework. This program is critical to establishing the performance necessary to position ourselves for the delivery of sustainable, long-term value will into the future. We expect to invest approximately $1.3 billion over the next three years to deliver $2.4 billion in our run-rate expenses savings by year-end 2022.

I asked Peter Zaffino to lead this important program last year, and he began by recruiting a team of senior leaders with deep transformation expertise and a proven track record of success. Much like our early work toward the turnaround of General Insurance, the risk appetite for clients and distribution partners, and also community leaders who are driven by increased uncertainty, dramatic interest rate actions and continued stock market volatility. The foundational work we continue to build on has strengthened our ability to navigate and lead through the complications brought by the coronavirus pandemic. I hope that all the communities in which we work and live remain safe and healthy as we cross this unprecedented landscape together.

Coronavirus Pandemic: Supporting colleagues and other stakeholders

Looking ahead to 2020, I want to address the coronavirus pandemic and its global impact on our communities. At AIG, we put protections in place to safely support our stakeholders while our business continuity plans designed to ensure that we can continue to serve our clients, policyholders, distribution partners and other stakeholders with significant interruption.

Over the past two years, we have made important strides to improve operating performance, and we are better positioned to navigate an environment driven by increased uncertainty, dramatic interest rate actions and continued stock market volatility. The foundational work we continue to build on has strengthened our ability to navigate and lead through the complications brought by the coronavirus pandemic. I hope that all the communities in which we work and live remain safe and healthy as we cross this unprecedented landscape together.

Conclusion: On track to achieve goal of being a top-performing company

In 2019, we made significant progress on our goals of becoming a top-performing company and improving operational and financial performance. We continue to make meaningful progress on our goal of becoming a top-performing company and improving operational and financial performance. We continue to make meaningful progress on our goal of becoming a top-performing company and improving operational and financial performance.

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* These are non-GAAP financial measures. Reconciliations to the most comparable GAAP measures are included on pages 351 and 352, respectively, of this Annual Report.