American International Group, Inc.

Conference Call Presentation
Second Quarter 2015

August 4, 2015

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Second Quarter 2015 Highlights

Stable Underwriting and Accelerating Capital Management

Operating Highlights

After-tax operating income of $1.9B ($1.39 per share)

- Improvement in accident year combined ratio, as adjusted, for Property Casualty & Mortgage Insurance YoY
- Continued base investment income pressure on Life & Retirement operating segments
- Book value per share, ex. AOCI and DTA, of $62.22 grew 7% from year-end 2014 and 10% YoY
- Normalized ROE, ex. AOCI and DTA, of 7.3% in 1H15

Active Capital Management

YTD total share repurchases of $4.7B through end of July 2015

- Repurchased approximately $2.3B of shares in 2Q15 (additional $965mm repurchased through the end of July 2015)
- Additional share repurchase authorization of $5.0B on August 3, 2015; ($6.3B total available under the authorizations at August 3, 2015)
- 124% increase in quarterly dividend to $0.28/sh.

Balance Sheet & Liquidity

Parent liquidity of $13.6B at June 30, 2015

- Parent liquidity reflects cash proceeds of $4.6B from non-core asset monetizations in 2Q15
- Distributions from insurance subsidiaries to AIG Parent of $2.1B in 2Q15

AIG Consolidated Operating Financial Highlights

($ in Millions, Except per Share Amounts)	2Q14	2Q15	Inc. / Dec.
Operating revenues	**$15,419**	**$15,635**	**1%**
Pre-tax operating income (loss):			
Commercial Insurance:			
Property Casualty	1,245	1,192	(4%)
Mortgage Guaranty	210	157	(25%)
Institutional Markets	170	151	(11%)
Total Commercial Insurance	**1,625**	**1,500**	**(8%)**
Consumer Insurance:			
Retirement	764	804	5%
Life	215	149	(31%)
Personal Insurance	140	70	(50%)
Total Consumer Insurance	**1,119**	**1,023**	**(9%)**
Total Insurance Operations	**2,744**	**2,523**	**(8%)**
Corporate and Other[1]	(51)	345	N/M
Total Pre-tax operating income	**$2,693**	**$2,868**	**6%**
After-tax operating income attributable to AIG	**$1,796**	**$1,893**	**5%**
After-tax operating income attributable to AIG per common share	**$1.23**	**$1.39**	**13%**
Return On Equity:			
ROE – After-tax operating income – ex. AOCI & DTA	**9.1%**	**9.3%**	
Book Value Per Common Share:			
Book value per common share	**$75.71**	**$79.74**	**5%**
Book value per common share – ex. AOCI & DTA	**$56.53**	**$62.22**	**10%**

1) Includes consolidations and eliminations.

Corporate and Other Operations

($ in Millions)	2Q14	2Q15
Pre-tax operating income (loss):		
Corporate and Other Operations:		
Equity in pre-tax operating earnings of AerCap	$53	$127
Fair value of PICC investments	-	170
Income from other assets, net[1]	17	509
Corporate general operating expenses	(306)	(268)
Interest expense	(327)	(278)
Direct Investment book[1]	313	-
Global Capital Markets[1]	245	-
Runoff insurance lines	(53)	110
Consolidation, elimination, and other adjustments	7	(25)
Total Corporate and Other	**($51)**	**$345**

1) As a result of the progress of the wind down and de-risking activities of the Direct Investment book (DIB) and the derivative portfolio of AIG Financial Products Corp. and related subsidiaries included within Global Capital Markets (GCM), AIG has discontinued separate reporting of the DIB and GCM. Their results are reported within Income from other assets, net, beginning with the first quarter of 2015. This reporting aligns with the manner in which AIG manages its financial resources. Prior periods are presented in the historical format for informational purposes. AIG borrowings supported by assets continue to be managed as such with assets allocated to support the timely repayment of those liabilities. Assets previously held in the DIB and GCM that are otherwise not required to meet the obligations and capital requirements of the DIB and GCM have been made available to AIG Parent. In conjunction with the change made to DIB/GCM, management also made the following presentation changes within the Corporate and Other segment to better align with how management reviews the Corporate operations. The results of “Other businesses, net” and investments held by AIG Parent, net of intercompany eliminations are now also shown as part of “Income from other assets, net.” Prior periods have been revised to conform to the current period presentation.

Progress on Financial Targets

($ in Millions, Except per Share Amounts)

Progress on Financial Targets			
Annual Targets Through 2017	**2015 Target**	**YTD June 30, 2015**	**Commentary**
10+% Growth in Book Value Per Share, ex. AOCI and DTA	$64.05	$62.22	▪ Growth of 7% since year-end 2014 was driven by net earnings and accretion from share repurchases.
~50+ bps Increase in Normalized ROE, ex. AOCI and DTA	7.9%	7.3%	▪ Second half Property Casualty underwriting performance and expense management are integral levers towards achieving target. Timing of AerCap sale a headwind for full year 2015 normalized ROE.
3–5% Reduction in Net Expenses[1]	$350 - $600	↓$205 from 1H14	▪ Net expenses declined 3.5% from 1H14.

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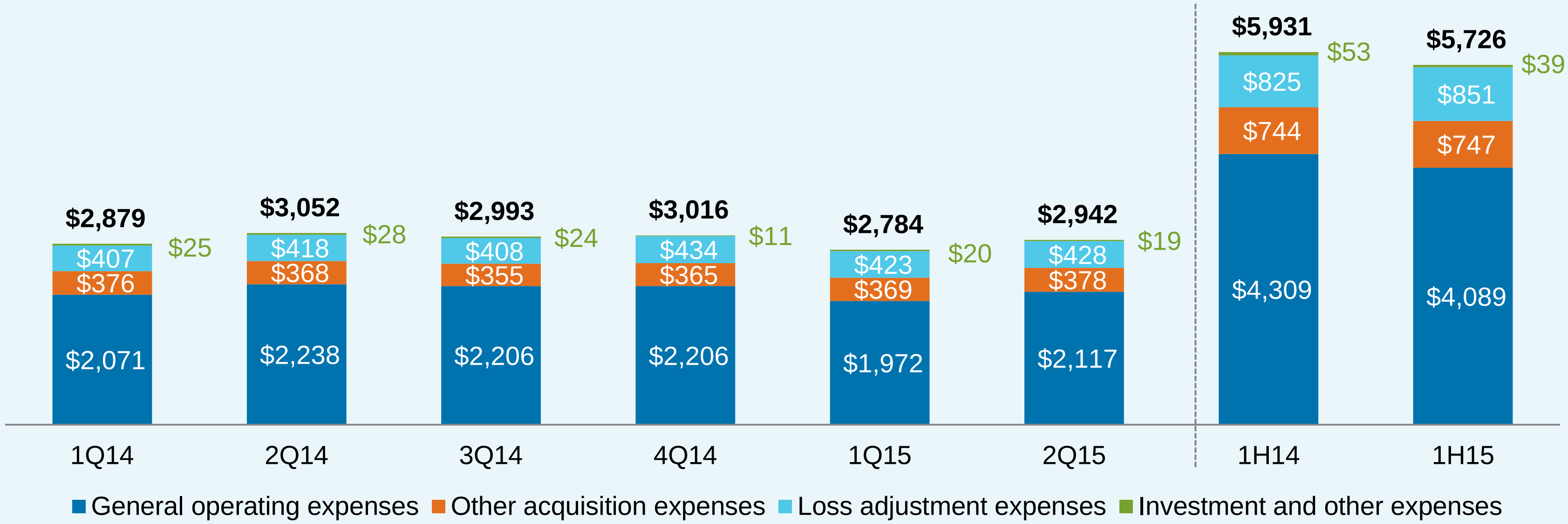
1) General operating expenses, operating basis (see non-GAAP measures in appendix).

General Operating Expenses

Targeting 3-5% of Annual Reduction Through 2017

General Operating Expenses, Operating Basis ($ in Millions)



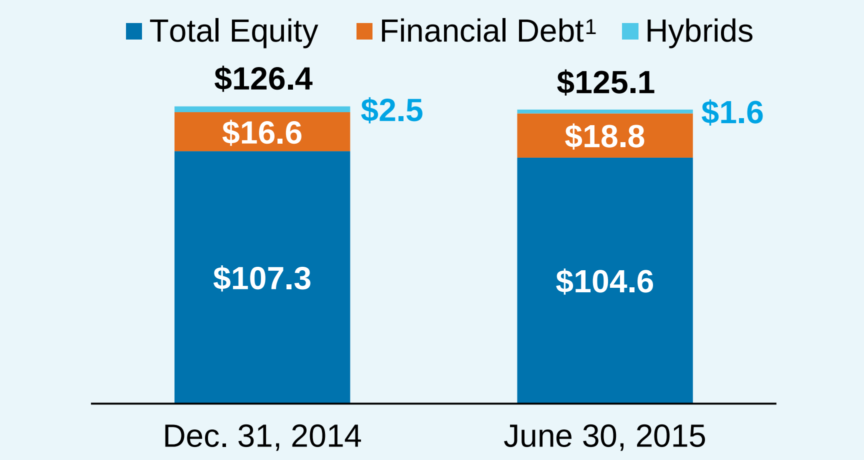
- General operating expenses, operating basis, declined 3.6% in 2Q15 and 3.5% in 1H15, compared to the corresponding periods in 2014.
- We manage our expenses on a gross basis – before allocation to loss adjustment expenses, other acquisition expenses and investment and other expenses – as it provides a more meaningful indication of our fixed operating costs.

Note: General operating expenses, operating basis (see non-GAAP measures in appendix).

Strong Capital Position

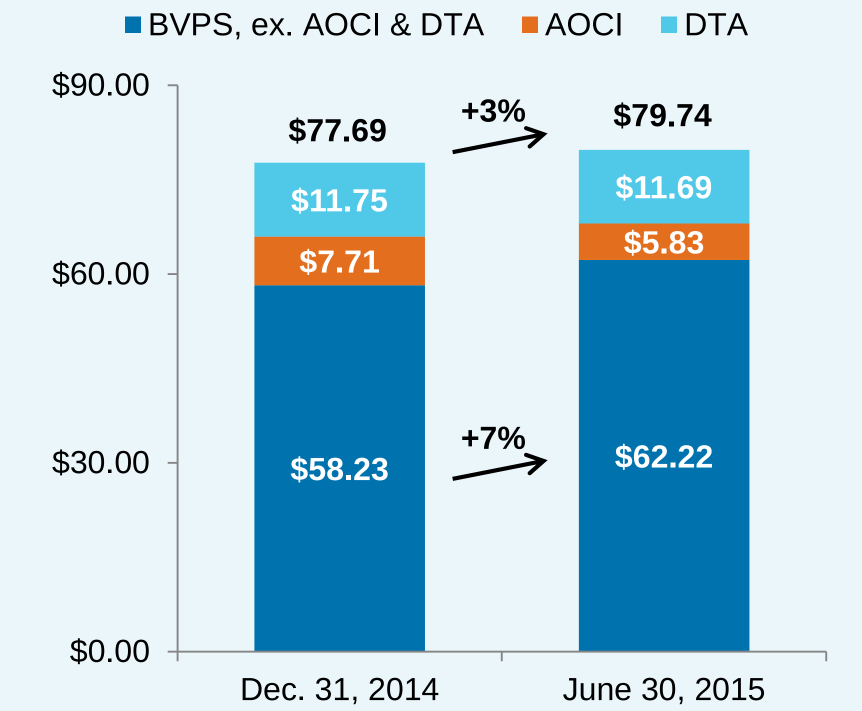
($ in Billions, Except per Share Amounts)

Capital Structure



Ratios:	Dec. 31 2014	June 30 2015	Pro Forma June 30 2015[2]
Hybrids / Total capital	1.9%	1.3%	1.1%
Financial debt / Total capital	13.2%	15.0%	14.9%
Total debt / Total capital	15.1%	16.3%	16.0%

Book Value Per Share



Liability Management Activity:

- In April 2015, repurchased in cash tender offers approximately $937mm aggregate principal amount of AIG Parent debt. In July 2015, repurchased in cash tender offers approximately $3.4B aggregate principal amount of AIG Parent debt.
- In July 2015, issued $1.25B aggregate principal amount of 3.750% Notes due 2025, $500mm aggregate principal amount of 4.700% Notes due 2035 and $750mm aggregate principal amount of 4.800% Notes due 2045. In addition, in July 2015, issued $290mm aggregate principal amount of 4.90% Callable Notes due 2045.

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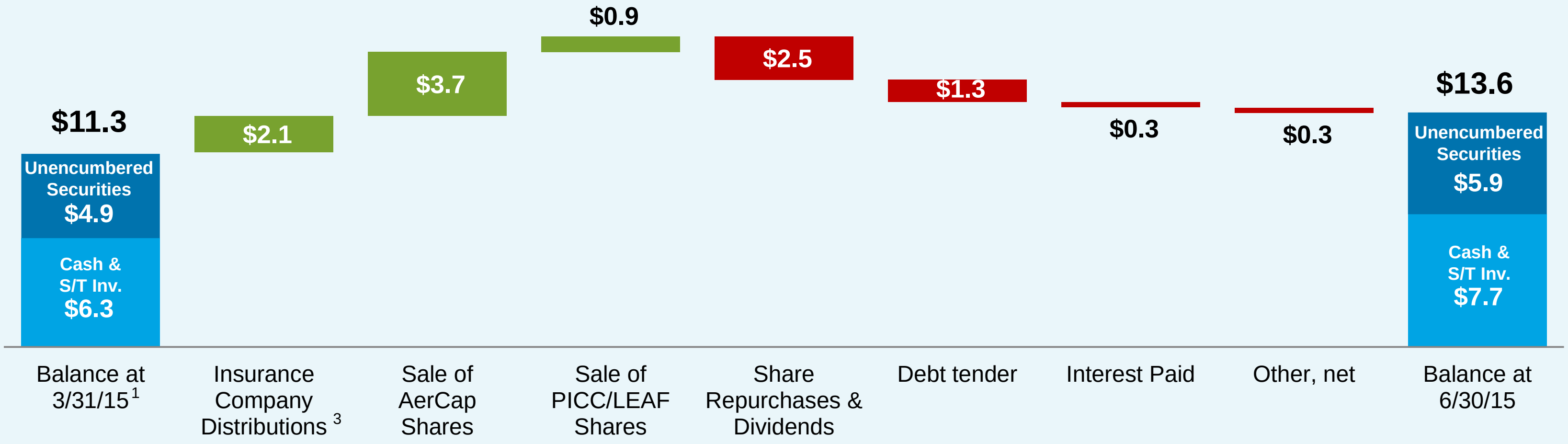
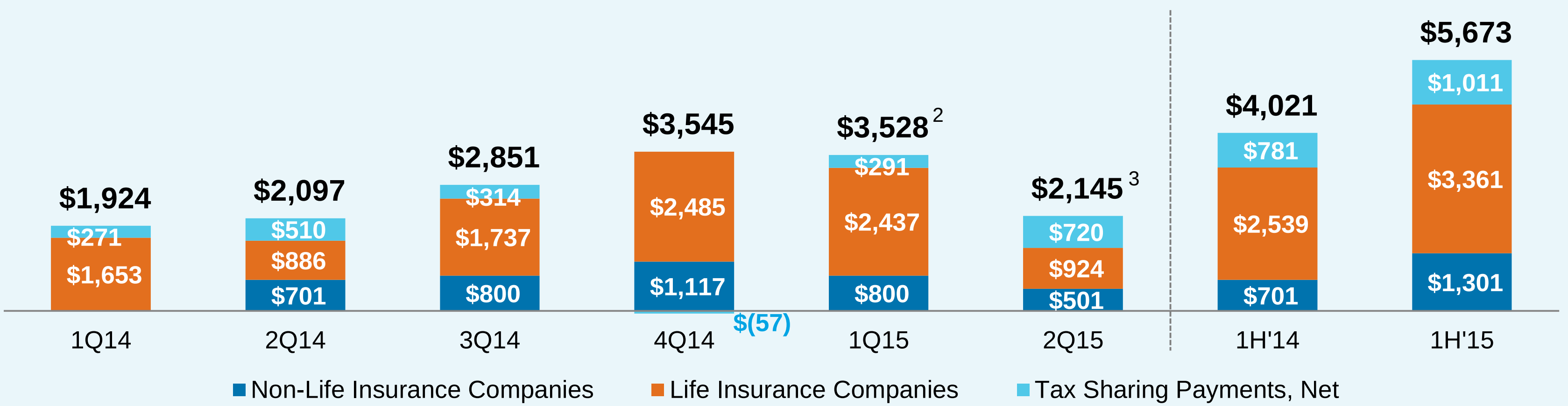
1) Includes AIG notes, bonds, loans and mortgages payable, and AIG Life Holdings, Inc. (AIGLH) notes and bonds payable, and junior subordinated debt.
2) Adjusted to reflect July 2015 repurchase and issuance activity noted above.

Parent Liquidity – A Source of Strength

Changes in Parent Liquidity ($ in Billions)



Insurance Company Distributions ($ in Millions)



1) Parent liquidity at 3/31/2015 was revised to include liquidity associated with the DIB and GCM. See Note 1 on page 5 for additional information.
2) 1Q15 includes $2.8B of dividends that were declared in 4Q14.
3) Excludes other non-cash dividends of $299mm from Non-Life Insurance Companies, which are not reported in Parent liquidity.

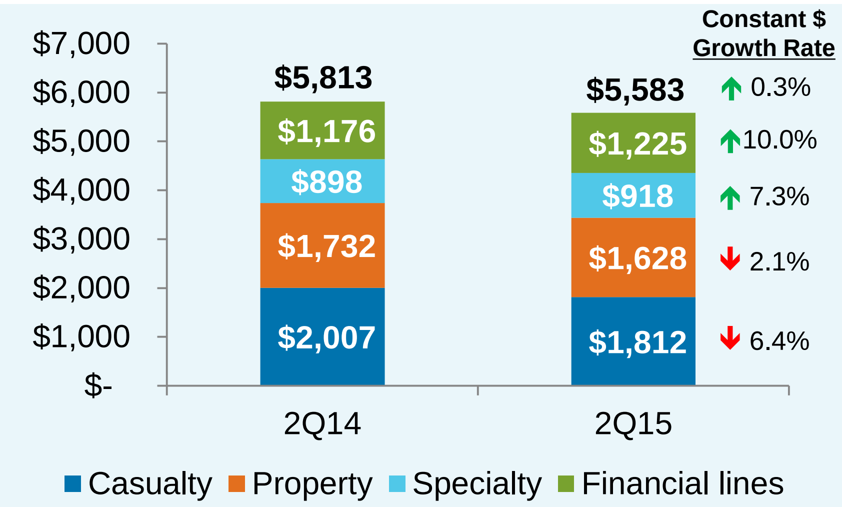
Commercial Insurance

Commercial Insurance – Property Casualty Financial Highlights

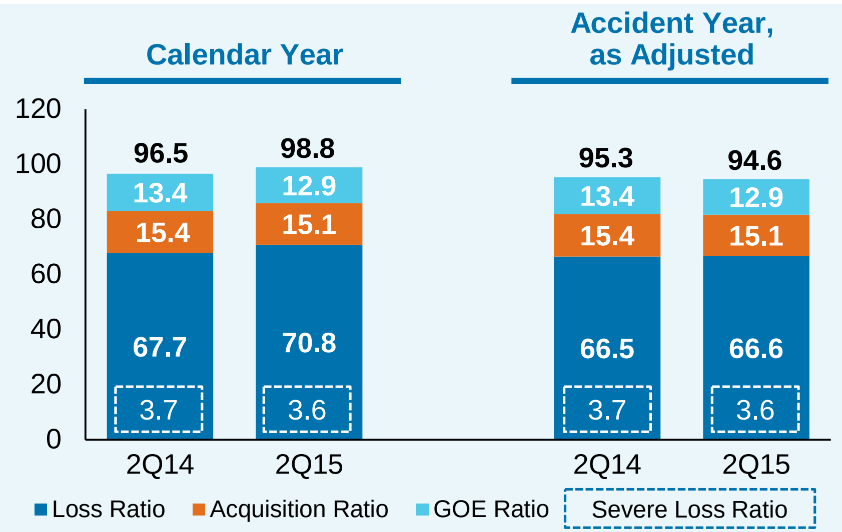
($ in Millions)	2Q14	2Q15
Net premiums written	$5,813	$5,583
Net premiums earned	5,269	5,102
Underwriting income	183	61
Net investment income	1,062	1,131
Pre-tax operating income	$1,245	$1,192

- NPW, excluding the effects of FX, increased modestly YoY (down 4.0% on a reported basis) reflecting growth in Financial lines and Specialty, offset by continued pricing discipline in the E&S property market and optimization of the Casualty portfolio in the U.S.
- Overall rates declined slightly YoY, excluding U.S. Property, which declined 5.3%. Continued rate improvement was seen in U.S. Specialty at +1.6% and U.S. Financial lines at +0.4%.
- The accident year loss ratio, as adjusted, increased slightly YoY driven by higher severe losses in Specialty and increased losses in Commercial Auto Liability, partially offset by improved loss experience in Property.
- The accident year combined ratio, as adjusted, improved 0.7 points YoY largely driven by a reduction in GOE.

Net Premiums Written ($ in Millions)



Combined Ratios

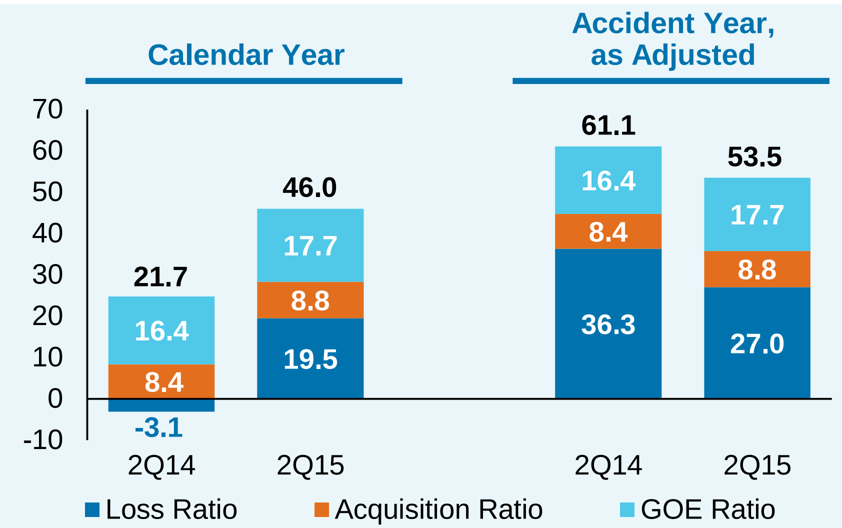


Commercial Insurance – Mortgage Guaranty Financial Highlights

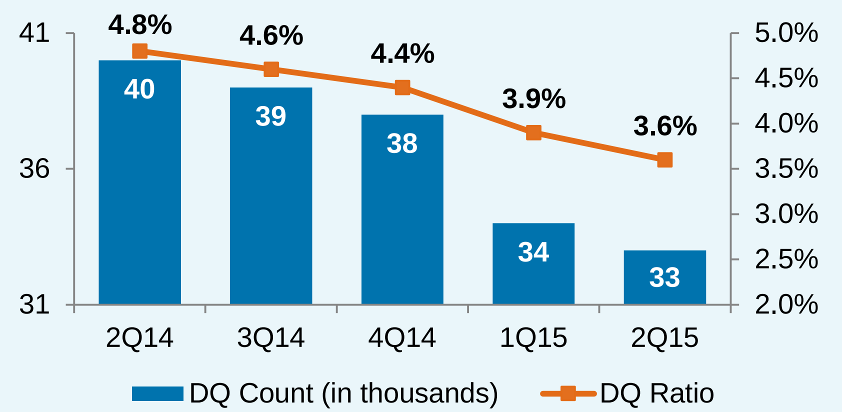
($ in Millions)	2Q14	2Q15
New insurance written[1]	$11,057	$15,190
Net premiums written	249	277
Net premiums earned	226	226
Underwriting income	177	122
Net investment income	33	35
Pre-tax operating income	$210	$157

- New insurance written grew $4.1B YoY, primarily from refinance activity as a result of a reduction in mortgage interest rates and improvements in existing home sales.
- Pre-tax operating income decreased YoY due to a decline in favorable PYD in first-lien business to $17mm in 2Q15 versus $89mm in 2Q14.
- Excluding the effects of PYD, pre-tax operating income increased $19mm, or 16%, YoY due primarily to a decline in accident year losses from lower delinquency rates and higher cure rates.

Combined Ratios



Primary Delinquency Trend[1]



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

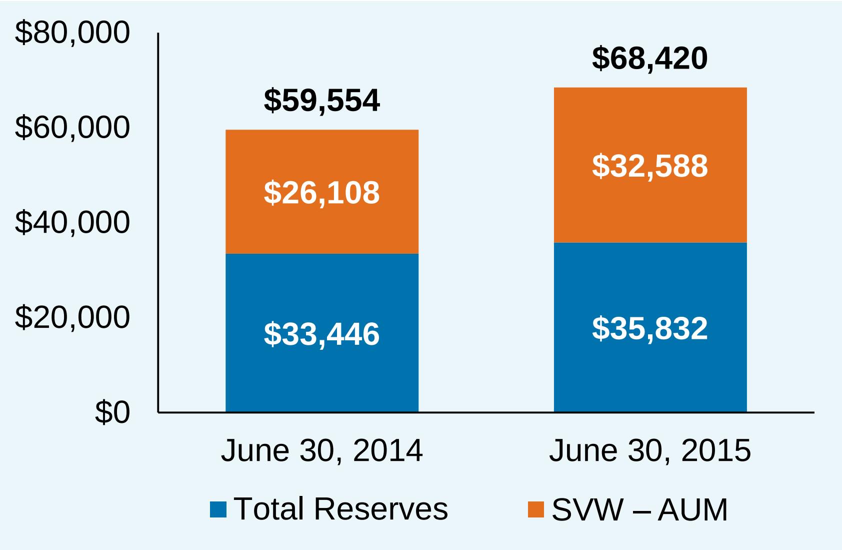
1) Domestic First-lien only, based on the principal amount of loans insured.

Commercial Insurance – Institutional Markets Financial Highlights

($ in Millions)

	2Q14	2Q15
Premiums and deposits	$195	$680
Premiums	161	643
Policy fees	45	50
Net investment income	501	479
Total operating revenues	707	1,172
Benefits and expenses	537	1,021
Pre-tax operating income	$170	$151

Reserves & Stable Value Wrap AUM



- The increase in premiums and benefits and expenses is due to a large terminal funding annuity issued in 2Q15.
- The decline in pre-tax operating income from 2Q14 reflects lower yield enhancements from bond call/tender income, partially offset by higher returns on alternative investments.

- The increase in reserves and stable value wrap AUM from 2Q14 reflects growth in new business and contracts transferred from Global Capital Markets.

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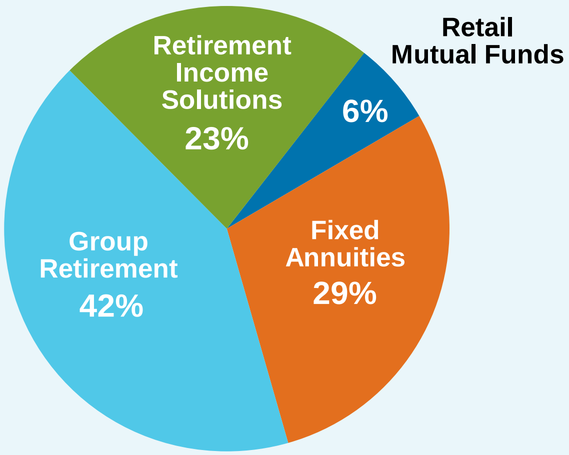
Consumer Insurance

Consumer Insurance – Retirement Financial Highlights

($ in Millions)	2Q14	2Q15
Premiums and deposits[1]	$6,167	$6,070
Premiums	97	44
Policy fees	248	277
Net investment income	1,563	1,618
Advisory fee and other income	502	526
Total operating revenues	2,410	2,465
Benefits and expenses	1,646	1,661
Pre-tax operating income	$764	$804

Assets Under Management
June 30, 2015 – $224.9 Billion



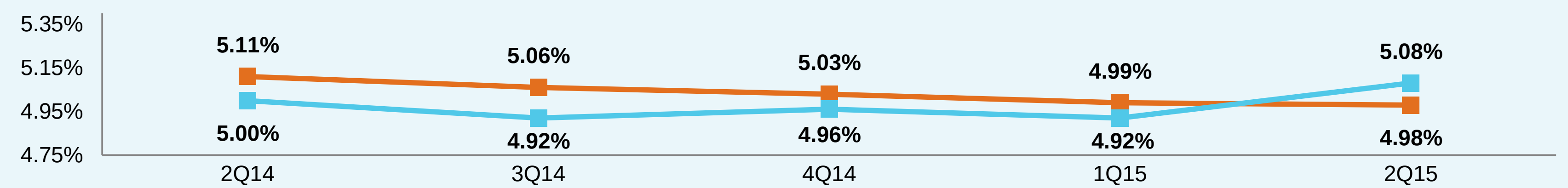
- Premiums and deposits declined 2%, due to declines in Fixed Annuities, which continue to be affected by the low interest rate environment, and lower deposits in Group Retirement. These declines were partially offset by an increase in Retail Mutual Funds and an increase in Retirement Income Solutions driven by strong sales of index annuities.
- Policy fees and advisory fee income increased as a result of positive net flows and favorable separate account performance.
- Net investment income increased as a result of strong alternative investment performance, partially offset by lower base portfolio income from lower reinvestment rates and lower average assets resulting from dividend payments to AIG Parent.

- Retirement assets under management of $225B at June 30, 2015 decreased $2B from June 30, 2014. Strong net flows in Retirement Income Solutions and separate account investment performance were offset by net outflows in Fixed Annuities and Group Retirement and the decrease in fair value of fixed maturity assets due to the increase in interest rates in 2Q15.

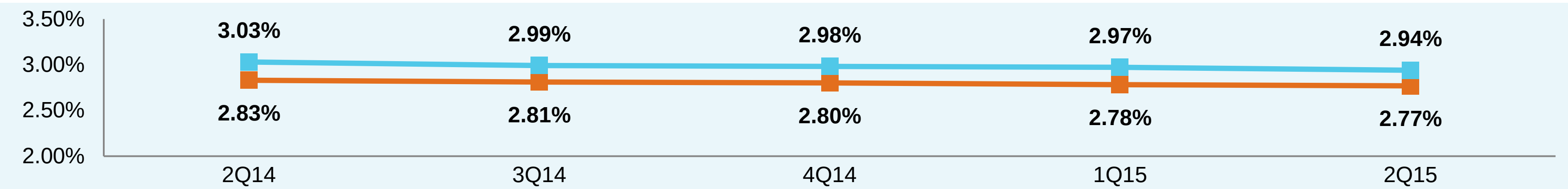
1) Excludes activity related to closed blocks of fixed and variable annuities.

Consumer Insurance –
Retirement – Base Yields and Spreads

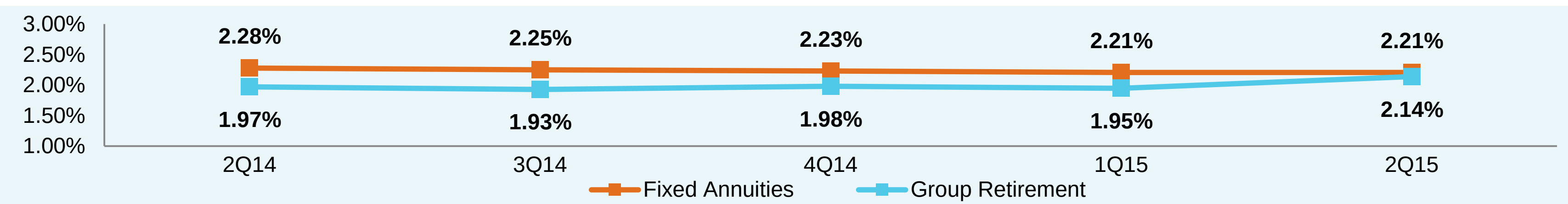
Base Yields[1]



Cost of Funds[2]



Base Net Investment Spreads[1]



- Trend in base yields reflects the reinvestment of cash flows at yields lower than the overall portfolio rate. The increase in Group Retirement base yield and net investment spread in 2Q15 was due to additional accretion income, which added 14 bps.
- Management remains focused on actions to reduce the cost of funds in order to support base spreads. In the second quarter, cost of funds continued to benefit from active management of crediting rates, disciplined new business pricing and the run-off of older business with crediting rates generally higher than the overall cost of funds.

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1) Annualized return on base portfolio.

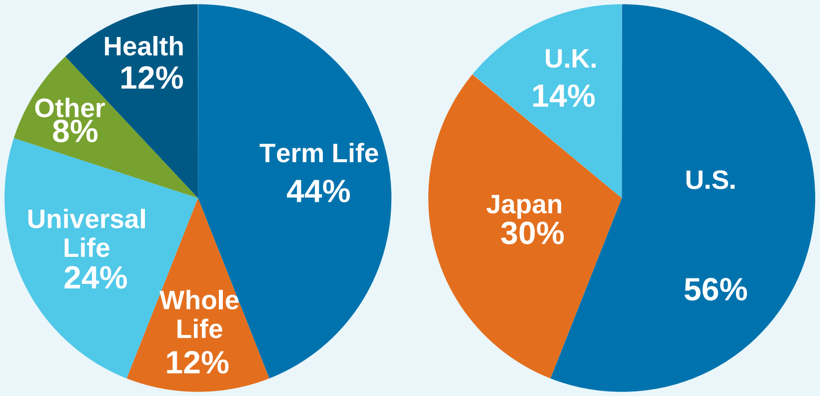
2) Excludes the amortization of sales inducement assets.

Consumer Insurance – Life Financial Highlights

($ in Millions)	2Q14	2Q15
Premiums and deposits	$1,207	$1,249
Premiums	676	702
Policy fees	353	362
Net investment income	531	551
Other income[1]	-	17
Total operating revenues	1,560	1,632
Benefits and expenses	1,345	1,483
Pre-tax operating income	$215	$149

- Excluding the effect of FX, Life premiums and deposits increased 6% YoY (3% on a reported basis) primarily due to growth in Japan and the acquisition of AIG Life Limited.
- Net investment income reflected higher returns on alternative investments.
- The decline in pre-tax operating income primarily reflected mortality experience, which was within pricing expectations but less favorable than 2Q14.
- General operating expenses increased compared to 2Q14, primarily due to international growth, including acquisitions.

2Q15 New Business Sales
$110 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 10% from a year ago, primarily due to the acquisition of AIG Life Limited.

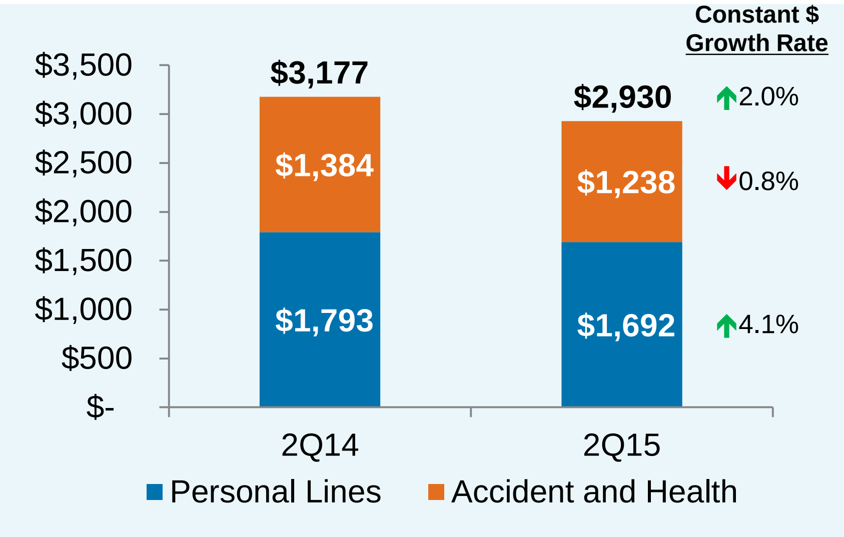
1) Other income primarily related to commission and profit sharing revenues received by Laya Healthcare from the distribution of insurance products.

Consumer Insurance – Personal Insurance Financial Highlights

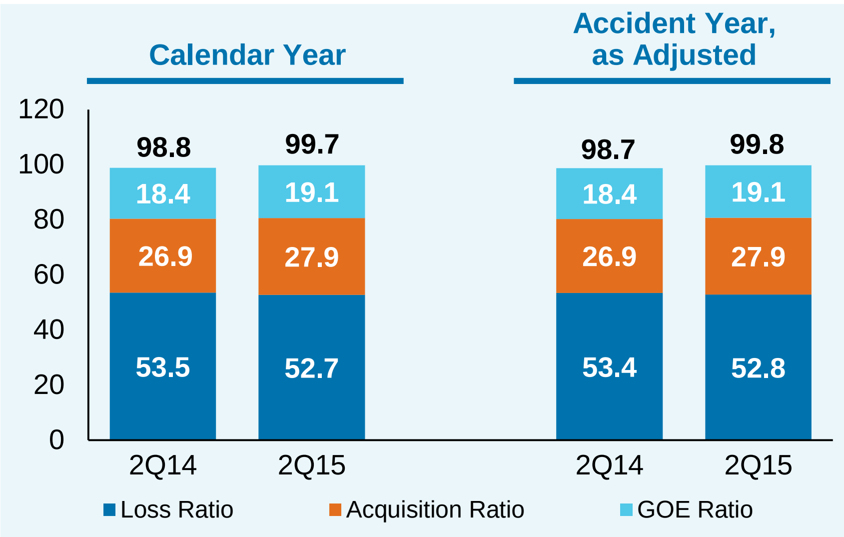
($ in Millions)	2Q14	2Q15
Net premiums written	$3,177	$2,930
Net premiums earned	3,026	2,806
Underwriting income	37	7
Net investment income	103	63
Pre-tax operating income	$140	$70

- Personal Insurance NPW, excluding the effects of FX, increased 2% (down 8% on a reported basis) driven by growth in the Auto and Property businesses, partially offset by declines in U.S. warranty service programs.
- The decrease in underwriting income reflected increased accident year loss ratios in Auto and Property, partially offset by improvements in A&H in both the loss ratio and acquisition ratio.
- The accident year loss ratio, as adjusted, decreased primarily due to improved performance in a warranty retail program, which was partially offset by an increase in the acquisition ratio due to a related profit sharing arrangement. Excluding the warranty retail program, the loss ratio increased due to the higher Auto and Property losses.
- The decline in net investment income reflected lower investment yields and lower allocated investment income.

Net Premiums Written ($ in Millions)



Combined Ratios



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Q&A

Appendix – Non-GAAP Reconciliations

Glossary of Non-GAAP Financial Measures

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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), Aircraft leasing revenues, income from legal settlements (included in Other income for GAAP purposes) and changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense (included in Net investment income for GAAP purposes).
- **Book Value Per Share Excluding Accumulated Other Comprehensive Income (AOCI)** and **Book Value Per Share Excluding AOCI and Deferred Tax Assets (DTA)** 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 are estimates based on projections of full year attribute utilization. Book Value Per Share Excluding AOCI is derived by dividing Total AIG shareholders' equity, excluding AOCI, by Total common shares outstanding. Book Value Per Share Excluding AOCI and DTA is derived by dividing Total AIG shareholders' equity, excluding AOCI and DTA, 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 fixed maturity securities designated to hedge living benefit liabilities (net of interest expense);
  - 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; and
  - legal reserves and settlements related to legacy crisis matters, which include favorable and unfavorable settlements related to events leading up to and resulting from our September 2008 liquidity crisis and legal fees incurred as the plaintiff in connection with such legal matters.
- **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 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.

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Glossary of Non-GAAP Financial Measures (continued)

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- **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
  - DAC unlockings
  - 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) legal reserves related to legacy crisis matters and (v) other expense related to a retroactive reinsurance agreement. 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 legal settlements related to legacy crisis matters described above. 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. Catastrophe losses are generally weather or seismic events having a net impact in excess of $10 million each.

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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 values of fixed maturity securities designated to hedge living benefit liabilities (net of interest expense);
  - net realized capital gains and losses;
  - changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains and losses;
  - legal settlements related to legacy crisis matters described above.
- **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
  - Certain legal reserves (settlements) related to legacy crisis matters described above

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

Acronyms

- **YTD** – Year-to-date
- **YoY –** Year-over-year
- **NPW –** Net premiums written
- **AUM –** Assets under management
- **FX –** Foreign exchange
- **AOCI –** Accumulated other comprehensive income
- **DTA –** Deferred tax assets
- **PYD –** Prior year loss reserve development

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

Premiums and Deposits ($ in Millions)	Institutional Markets 2Q14	Institutional Markets 2Q15	Retirement 2Q14	Retirement 2Q15	Life 2Q14	Life 2Q15
Premiums and Deposits	$195	$680	$6,167	$6,070	$1,207	$1,249
Deposits	(29)	(26)	(6,132)	(6,046)	(383)	(380)
Other	(5)	(11)	62	20	(148)	(167)
Premiums	$161	$643	$97	$44	$676	$702

Total Operating Revenues (In Millions)	2Q14	2Q15
Total operating revenues	**$15,419**	**$15,635**
Reconciling Items:		
Changes in fair values of fixed maturity securities designated to living benefit liabilities, net of interest expense	54	(87)
Net realized capital gains (losses)	162	126
Income from divested businesses	489	(33)
Legal settlements related to legacy crisis matters	12	76
Other	-	(18)
Total revenues	**$16,136**	**$15,699**

General operating expenses, Operating basis ($ in Millions)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	1H14	1H15
Total general operating expenses, Operating basis	**$2,879**	**$3,052**	**$2,993**	**$3,016**	**$2,784**	**$2,942**	**$5,931**	**$5,726**
Loss adjustment expenses, reported as policyholder benefits and losses incurred	(407)	(418)	(408)	(434)	(423)	(428)	(825)	(851)
Advisory fee expenses	311	337	338	329	332	341	648	673
Non-deferrable insurance commissions	127	119	130	146	128	126	246	254
Direct marketing and acquisition expenses, net of deferrals	116	146	105	203	140	101	262	241
Investment expenses reported as net investment income	(25)	(28)	(24)	(11)	(20)	(19)	(53)	(39)
Total general operating and other expenses included in pre-tax operating income	**3,001**	**3,208**	**3,134**	**3,249**	**2,941**	**3,063**	**6,209**	**6,004**
Legal reserves related to legacy crisis matters	23	506	17	-	8	27	529	35
Total general operating and other expenses, GAAP basis	**$3,024**	**$3,714**	**$3,151**	**$3,249**	**$2,949**	**$3,090**	**$6,738**	**$6,039**

AIG

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

Pre-tax and After-tax Operating Income (In Millions, Except Per Share Data)	2Q14	2Q15
Pre-tax income from continuing operations	$4,480	$2,552
Adjustments to arrive at Pre-tax operating income:		
Changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	(54)	87
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	52	28
Loss on extinguishment of debt	34	342
Net realized capital (gains) losses	(162)	(126)
(Income) loss from divested businesses	(2,151)	34
Legal settlements related to legacy crisis matters	(12)	(76)
Legal reserves related to legacy crisis matters	506	27
Pre-tax operating income	**$2,693**	**$2,868**
Net income attributable to AIG	**$3,073**	**$1,800**
Adjustments to arrive at After-tax operating income (amounts net of tax):		
Uncertain tax positions and other tax adjustments	39	(49)
Deferred income tax valuation allowance releases	(75)	(40)
Changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	(35)	57
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	35	18
Loss on extinguishment of debt	22	222
Net realized capital (gains) losses	(155)	(79)
(Income) loss from discontinued businesses	(30)	(16)
(Income) loss from divested businesses	(1,399)	11
Legal reserves (settlements) related to legacy crisis matters	321	(31)
After-tax operating income	**$1,796**	**$1,893**
After-tax operating income per diluted share	**$1.23**	**$1.39**

AIG

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

Book Value Per Common Share ($ in Millions, Except Per Share Data)	Dec. 31, 2014	June 30, 2014	June 30, 2015
Total AIG shareholders' equity (a)	$106,898	$108,161	$104,258
Less: Accumulated other comprehensive income (AOCI)	(10,617)	(11,511)	(7,620)
Total AIG shareholders' equity, excluding AOCI (b)	96,281	96,650	96,638
Less: Deferred tax assets (DTA)*	(16,158)	(15,899)	(15,290)
Total AIG shareholders' equity, excluding AOCI and DTA (c)	$80,123	$80,751	$81,348
Total common shares outstanding (d)	**1,375.9**	**1,428.6**	**1,307.5**
Book value per share (a÷d)	$77.69	$75.71	$79.74
Book value per share, excluding AOCI (b÷d)	$69.98	$67.65	$73.91
Book value per share, excluding AOCI and DTA (c÷d)	$58.23	$56.53	$62.22

Return On Equity (ROE) Computations ($ in Millions)	2Q14	2Q15
Actual or annualized net income attributable to AIG (a)	$12,292	$7,200
Actual or annualized after-tax operating income (b)	$7,184	$7,572
Average AIG shareholders' equity (c)	105,997	106,119
Less: Average AOCI	(10,298)	(9,139)
Average AIG shareholders' equity, excluding average AOCI (d)	95,699	96,980
Less: Average DTA	(16,709)	(15,428)
Average AIG shareholders' equity, excluding average AOCI and DTA (e)	**$78,990**	**$81,552**
ROE (a÷c)	11.6%	6.8%
ROE – after-tax operating income, excluding AOCI (b÷d)	7.5%	7.8%
ROE – after-tax operating income, excluding AOCI and DTA (b÷e)	9.1%	9.3%

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

	Property Casualty		Mortgage Guaranty		Personal Insurance	
Accident Year Combined Ratio, As Adjusted	**2Q14**	**2Q15**	**2Q14**	**2Q15**	**2Q14**	**2Q15**
Loss ratio	67.7	70.8	(3.1)	19.5	53.5	52.7
Catastrophe losses and reinstatement premiums	(2.3)	(4.1)	N/M	N/M	(0.6)	(0.5)
Prior year development net of premium adjustments	0.7	(5.3)	39.4	7.5	0.5	0.6
Net reserve discount benefit (change)	0.4	5.2	N/M	N/M	N/M	N/M
Accident year loss ratio, as adjusted	66.5	66.6	36.3	27.0	53.4	52.8
Acquisition ratio	15.4	15.1	8.4	8.8	26.9	27.9
General operating expense ratio	13.4	12.9	16.4	17.7	18.4	19.1
Expense ratio	28.8	28.0	24.8	26.5	45.3	47.0
Combined ratio	96.5	98.8	21.7	46.0	98.8	99.7
Catastrophe losses and reinstatement premiums	(2.3)	(4.1)	N/M	N/M	(0.6)	(0.5)
Prior year development net of premium adjustments	0.7	(5.3)	39.4	7.5	0.5	0.6
Net reserve discount benefit (charge)	0.4	5.2	N/M	N/M	N/M	N/M
Accident year combined ratio, as adjusted	95.3	94.6	61.1	53.5	98.7	99.8

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Non-GAAP Reconciliation – Normalized ROE, Ex. AOCI & DTA*

	1H'15			2Q15		
	Pre-tax	**After-tax**	**ROE**	**Pre-tax**	**After-tax**	**ROE**
As reported	**$5,395**	**$3,584**	**8.8%**	**$2,868**	**$1,893**	**9.3%**
Adjustments to arrive at Normalized ROE, ex. AOCI & DTA:						
Catastrophe losses below expectations	(153)	(99)	(0.2%)	(39)	(25)	(0.1%)
Better than expected alternative returns	(320)	(208)	(0.5%)	(179)	(116)	(0.6%)
Better than expected DIB & GCM returns	(372)	(242)	(0.6%)	(312)	(203)	(1.0%)
Fair value changes on PICC investments	(278)	(181)	(0.4%)	(224)	(146)	(0.7%)
Net reserve discount charge	(235)	(153)	(0.4%)	(400)	(260)	(1.3%)
Unfavorable prior year loss reserve development	365	237	0.6%	329	214	1.1%
Normalized ROE, ex. AOCI & DTA	**$4,402**	**$2,938**	**7.3%**	**$2,043**	**$1,357**	**6.7%**

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

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