American International Group, Inc.

Conference Call Presentation
Second Quarter 2016

August 3, 2016

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Progress On Financial Targets

Objective	FY 2016 Target	YTD June 30, 2016	Selected 2Q Actions
Reduce GOE, Operating Basis	6% Reduction (~$700mm)	11%[1] ($637mm)	▪ The expense decline in 2Q16 reflected our actions to reduce employee-related expenses and professional fees
Increase Normalized ROE	8.4 - 8.9%	8.8%	▪ Normalized ROE benefited from improved Property Casualty accident year loss ratio, as adjusted, reduced GOE, operating basis, and active capital management
Grow Book Value per Common Share, ex. AOCI & DTA[2]	14 - 16%	4%	▪ BVPS, ex. AOCI & DTA, including dividend growth, of $61.78 increased 5% for 2Q16 reflecting net earnings and accretive share repurchases
Return Capital to Shareholders	$25B through 2017	$7.2B	▪ Share repurchases, warrant repurchases, and dividends paid totaled $3.2 billion in 2Q16 ▪ As of August 2, 2016, YTD share repurchases were $6.9 billion
Improve Property Casualty AYLR, As Adjusted	~62[2]	62.4[3]	▪ Continued execution of our strategy to enhance risk selection ▪ Strong progress in remediating and re-pricing the U.S. Casualty business ▪ Execution of reinsurance agreements

1) On a constant dollar basis.
2) Adjusted for dividend growth.
3) Represents quarter-end exit run rate.

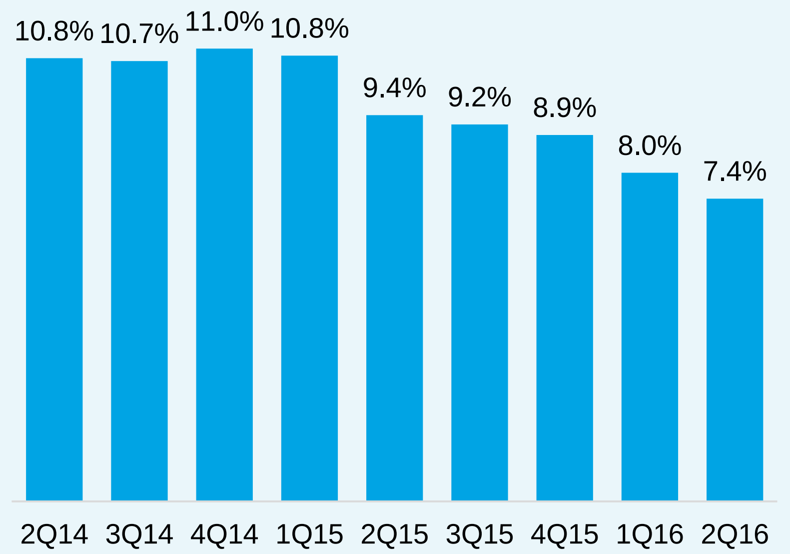
AIG Consolidated Operating Financial Highlights

($ in Millions, Except per Share Amounts)	2Q15	2Q16	Inc. / (Dec.)
Operating revenues	**$15,635**	**$13,569**	**(13%)**
Pre-tax operating income (loss):			
Commercial Insurance:			
Property Casualty	1,192	791	(34%)
Mortgage Guaranty	157	187	19%
Institutional Markets	151	110	(27%)
Total Commercial Insurance	**1,500**	**1,088**	**(27%)**
Consumer Insurance:			
Retirement	804	741	(8%)
Life	149	184	23%
Personal Insurance	70	179	156%
Total Consumer Insurance	**1,023**	**1,104**	**8%**
Total Insurance Operations	**2,523**	**2,192**	**(13%)**
Corporate and Other[1]	345	(572)	N/M
Total Pre-tax operating income	**$2,868**	**$1,620**	**(44%)**
After-tax operating income attributable to AIG	**$1,893**	**$1,113**	**(41%)**
After-tax operating income attributable to AIG per diluted share	**$1.39**	**$0.98**	**(29%)**
Return On Equity:			
ROE – After-tax operating income – ex. AOCI & DTA	**9.3%**	**6.7%**	
Normalized ROE	**6.7%**	**8.8%**	
Book Value Per Common Share (BVPS):	**Dec. 31, 2015**	**June 30, 2016**	
BVPS	**$75.10**	**$83.08**	**11%**
BVPS – ex. AOCI & DTA	**$58.94**	**$61.03**	**4%**
BVPS – ex. AOCI & DTA, including dividend growth	**$59.26**	**$61.78**	**4%**

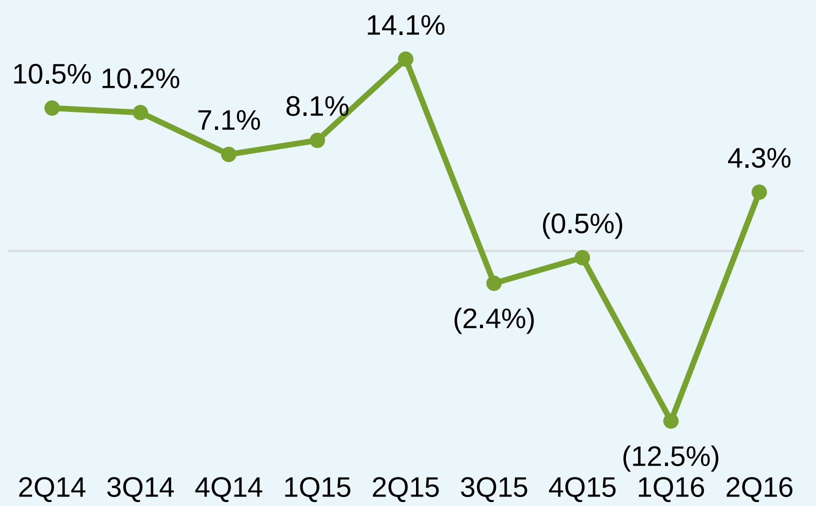
1) Includes consolidations and eliminations.

Reducing Exposure to Market Sensitive Assets

Market Sensitive Assets as a % of Total Invested Assets*



Annualized Return on Market Sensitive Assets



- As part of our on-going de-risking and divestiture of legacy assets, AIG has reduced its overall exposure from assets that are recorded at fair value through earnings by over 40% (or $19B) since 2010.
- The decline has come primarily from the wind down of the Legacy DIB/GCM portfolio as well as other non-core legacy investments (e.g. AerCap and PICC shares).
- While the nature of these investments results in quarterly volatility, we expect our actions to result in a higher quality and a more sustainable source of earnings.
- During the six months ended June 30, 2016 we reduced our hedge fund portfolio by $1.4 billion as a result of redemptions received during the period consistent with our planned reduction of exposure to that asset class. We remain on track to meet our targeted reductions by the end of 2017.

* As of quarter-end.

Impact of Low Interest Rate Environment

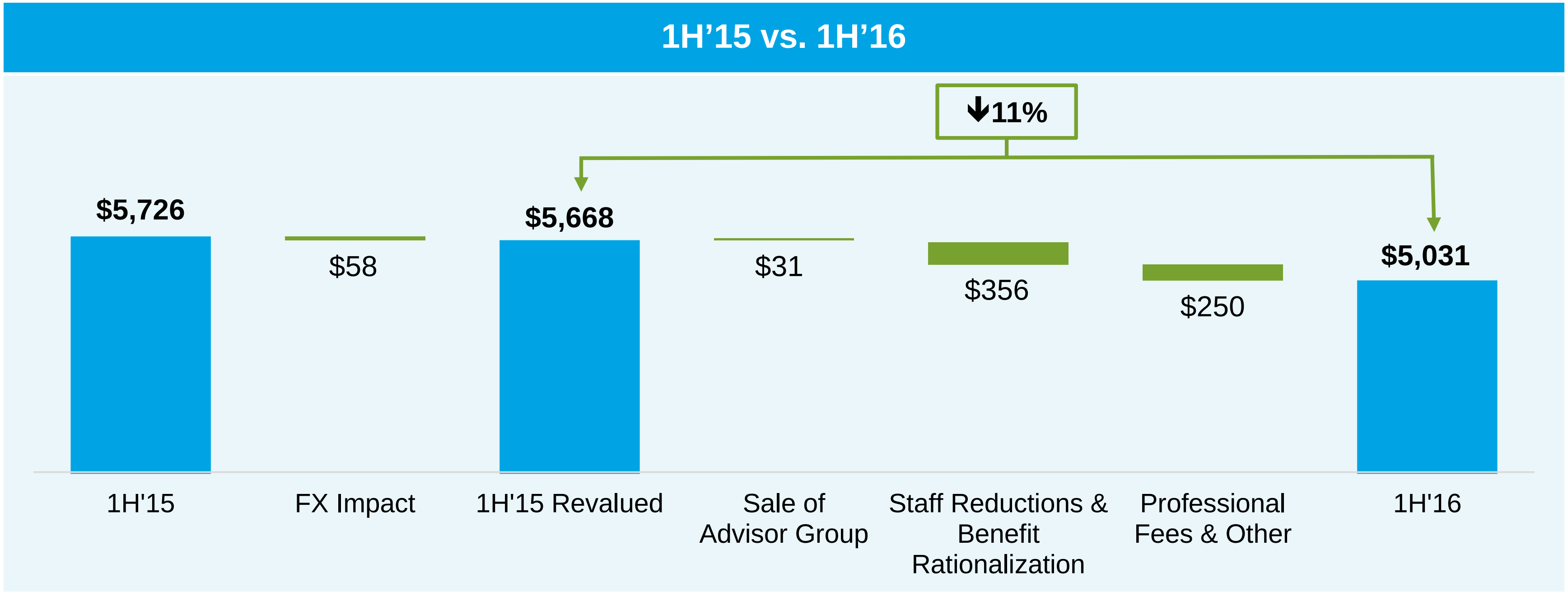
Business Impacted	Considerations for Inforce ALM	Key Actions for New Business
Long-tail Casualty	▪ Assets generally longer than liabilities so limited impact	▪ Continued focus on pricing, risk selection and rate
Variable Annuities	▪ Interest rate risk on living benefits fully hedged	▪ Manageable risk due to strong pricing, product discipline and risk management ▪ Focus on maintaining VoNB margins and expense management while volumes likely decline
Fixed Annuities	▪ Disciplined ALM matching, impact is 2-4 basis points per quarter on net spreads ▪ 72% of the book is at guaranteed minimum rates	
Life	▪ Potential ALM mismatch on the long-end of the curve due to limited investable assets	▪ Limited new origination in Whole Life and UL in current environment
Legacy Structured Settlements	▪ Potential ALM mismatch on the long-end of the curve due to limited investable assets ▪ Historical gains harvesting	▪ N/A

100 bps reduction in interest rates[1,2]	Remainder of 2016	FY 2017
Normalized Pre-tax Operating Income	< ($100) mm	($250 - $350) mm
Normalized ROE	< (10) bps	(25 – 35) bps

1) Estimates are based on a 100 bps reduction of the 10-year U.S. Treasury yield from the January 26th plan of 2.6% to 1.6% in 2017.
2) Amounts presented do not include the potential impact from changes in actuarial assumptions (e.g., DAC unlocking) or change in Workers' Compensation discount as they are not included in the computation of Normalized ROE.

Improvement in General Operating Expenses, Operating Basis

($ in Millions)

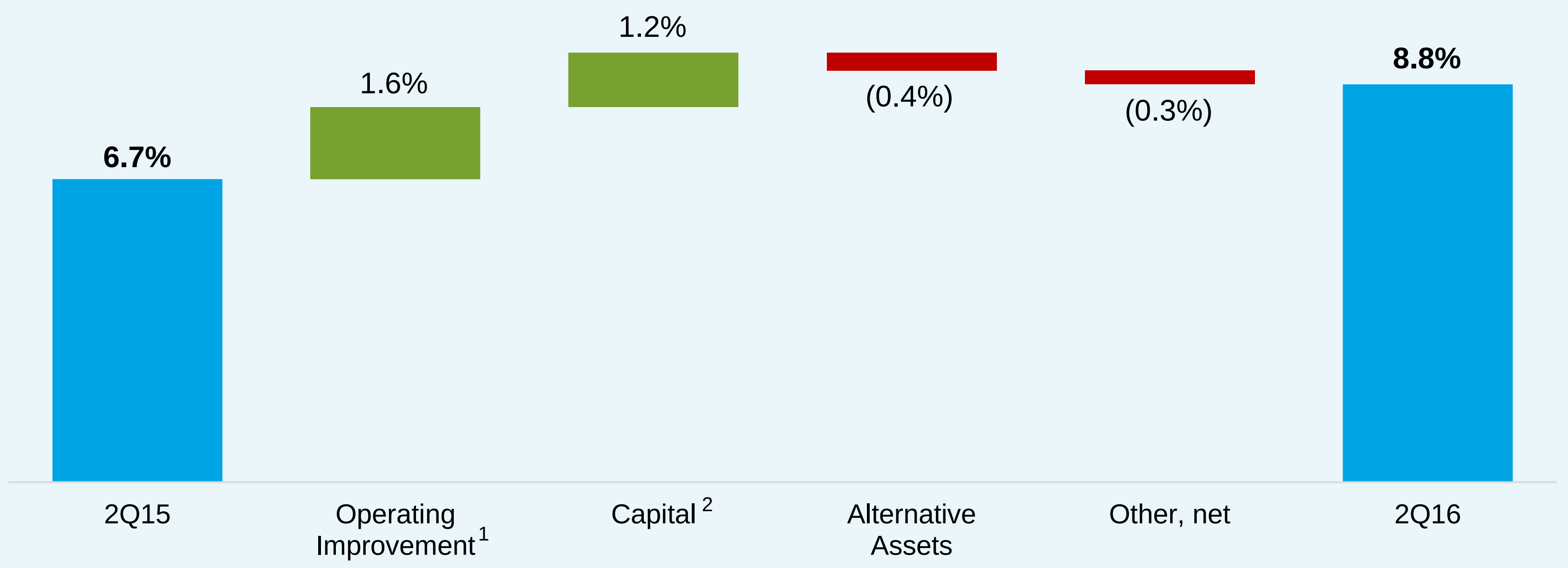


- GOE, operating basis, reductions in 1H’16 were primarily driven by staff reductions, rationalized employee benefits, and professional fee reductions.
- The second half 2016 expense comparisons are expected to slow due to the second half 2015 actions taken.

Normalized Return On Equity Expansion

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

Normalized Return On Equity

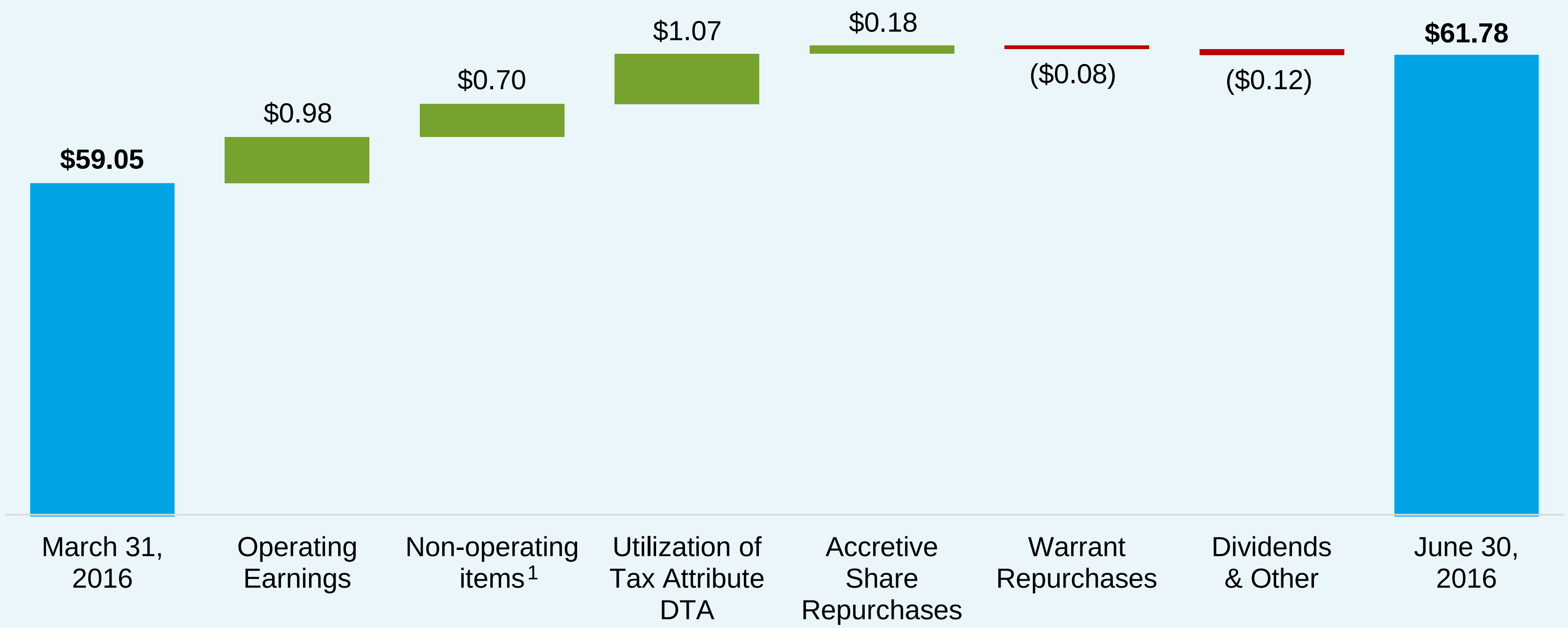


1) Primarily represents GOE, operating basis, reductions and improved Property Casualty accident year loss ratio, as adjusted.
2) Largely driven by share and warrant repurchases and dividends.

Book Value Per Share, Ex. AOCI & DTA, Including Dividend Growth

Growth of 5% in 2Q16 (4% in 1H'16)

Book Value Per Common Share, ex. AOCI & DTA, including Dividend Growth



1) Primarily represents net realized capital gains.

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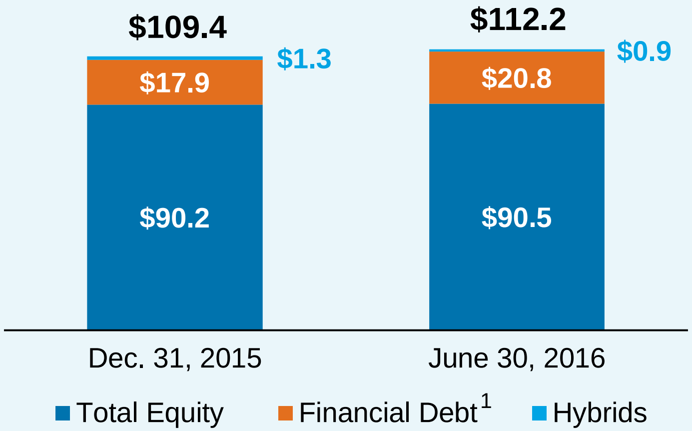
Strong Capital Position

Capital Structure ($ in Billions)



Ratios:	Dec. 31, 2015	June 30, 2016
Hybrids / Total capital	1.2%	0.8%
Financial debt / Total capital	16.3%	18.6%
Total Hybrids & Financial debt / Total capital	17.5%	19.4%

Capital Return ($ in Millions)

	2Q16	1H'16
Share repurchases	$2,762	$6,248
Warrant repurchases	90	263
Dividends paid	350	713
Total	$3,202	$7,224

Risk Based Capital Ratios[2]

Year-end	Domestic Life Insurance Companies	Domestic Non-Life Insurance Companies
2014	534% (CAL)	432% (ACL)
2015	502% (CAL)	403%[3] (ACL)

Credit Ratings[4]

	S&P	Moody's	Fitch	A.M. Best
AIG – Senior Debt	A-	Baa1	BBB+	NR
AIG Non-Life – FSR	A+	A2	A	A
AIG Life – FSR	A+	A2	A+	A

- Additional $698 million of share repurchases through August 2, 2016.

1) Includes AIG notes, bonds, loans and mortgages payable, and AIG Life Holdings, Inc. (AIGLH) notes and bonds payable, and junior subordinated debt.
2) The inclusion of 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. ACL is defined as Authorized Control Level and CAL is defined as Company Action Level. RBC ratio for Domestic Life Insurance Companies excludes holding company, AGC Life Insurance Company.
3) Reflects $2.9B capital contribution to Non-Life Insurance Companies on January 25, 2016 as a result of the 4Q15 reserve strengthening.
4) As of the date of this presentation, all ratings have stable outlooks, except for S&P ratings on AIG, Inc., which have a negative outlook. For Non-Life Insurance Companies FSR and Life Insurance Companies FSR, ratings only reflect those of the core insurance companies.

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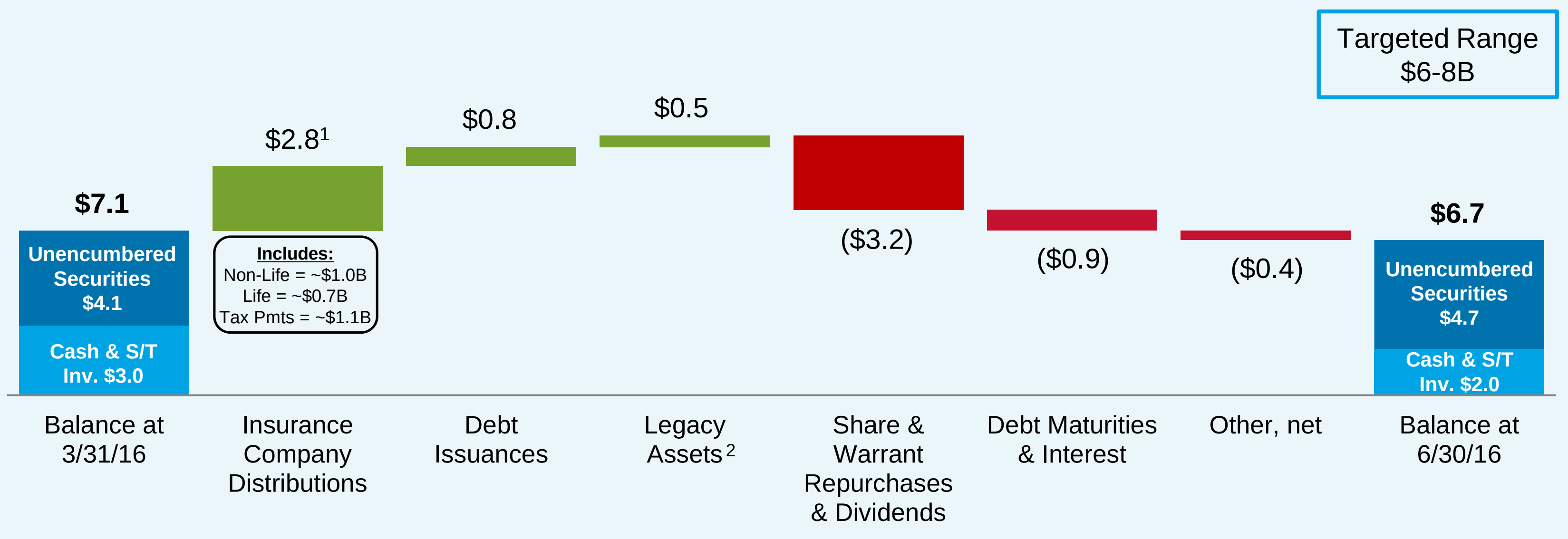
Parent Liquidity

($ in Billions)

Changes in Parent Liquidity



- Parent Liquidity at June 30, 2016 of $6.7 billion is within our target range of $6-8 billion.
- Proceeds from legacy assets of $0.5 billion in 2Q16 ($4.3 billion over last three quarters), which partially funded capital return to shareholders.

1) Includes distributions from Non-Life companies of $448 million from the sale of shares in PICC Property and Casualty Company Limited and distributions from Life companies of $315 million from the sale of AIG Advisor Group.
2) Includes $440 million of proceeds from the sale of PICC Group shares to the Non-Life companies.

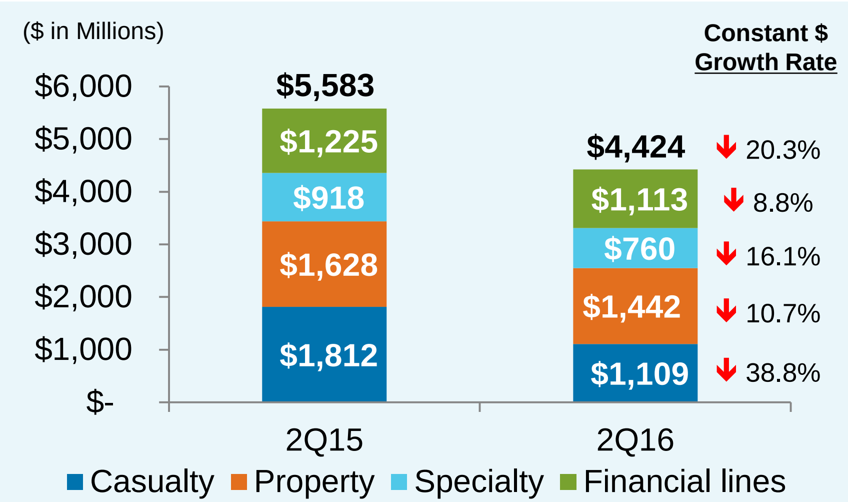
Commercial Insurance

Commercial Insurance – Property Casualty Financial Highlights

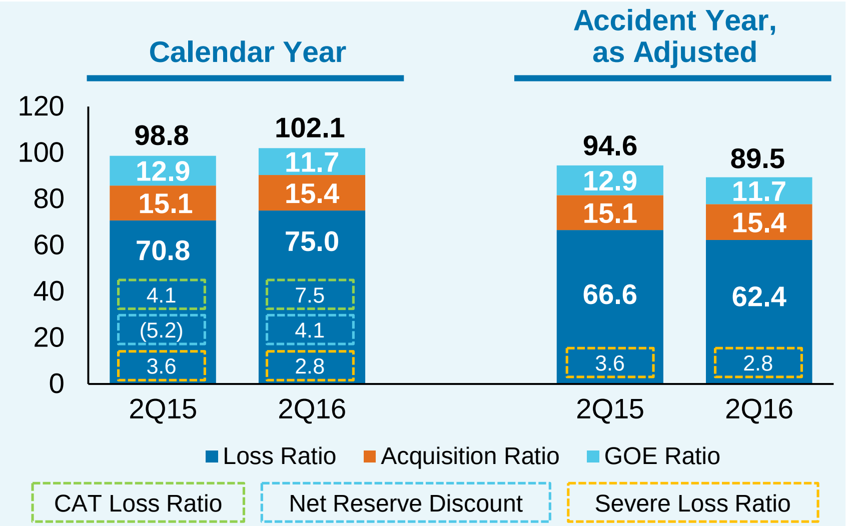
($ in Millions)	2Q15	2Q16
Net premiums written	$5,583	$4,424
Net premiums earned	5,102	4,649
Underwriting income (loss)	61	(100)
Net investment income	1,131	891
Pre-tax operating income	$1,192	$791

- The accident year loss ratio, as adjusted, improved by 4.2 pts YoY reflecting our strategic actions and lower severe losses.
- The underwriting loss in 2Q16 was primarily driven by higher catastrophe losses and net reserve discount.
- The decline in NPW (ex. FX) of 20% was primarily driven by:
  - Reinsurance, portfolio exits and market headwinds from lower rates ~10%
  - Risk Selection ~10%
- The GOE ratio improved YoY due to lower employee-related expenses and expense savings initiatives.
- NII declined YoY primarily due to declines in alternative investment income and lower fair value earnings on PICC holdings.

Net Premiums Written

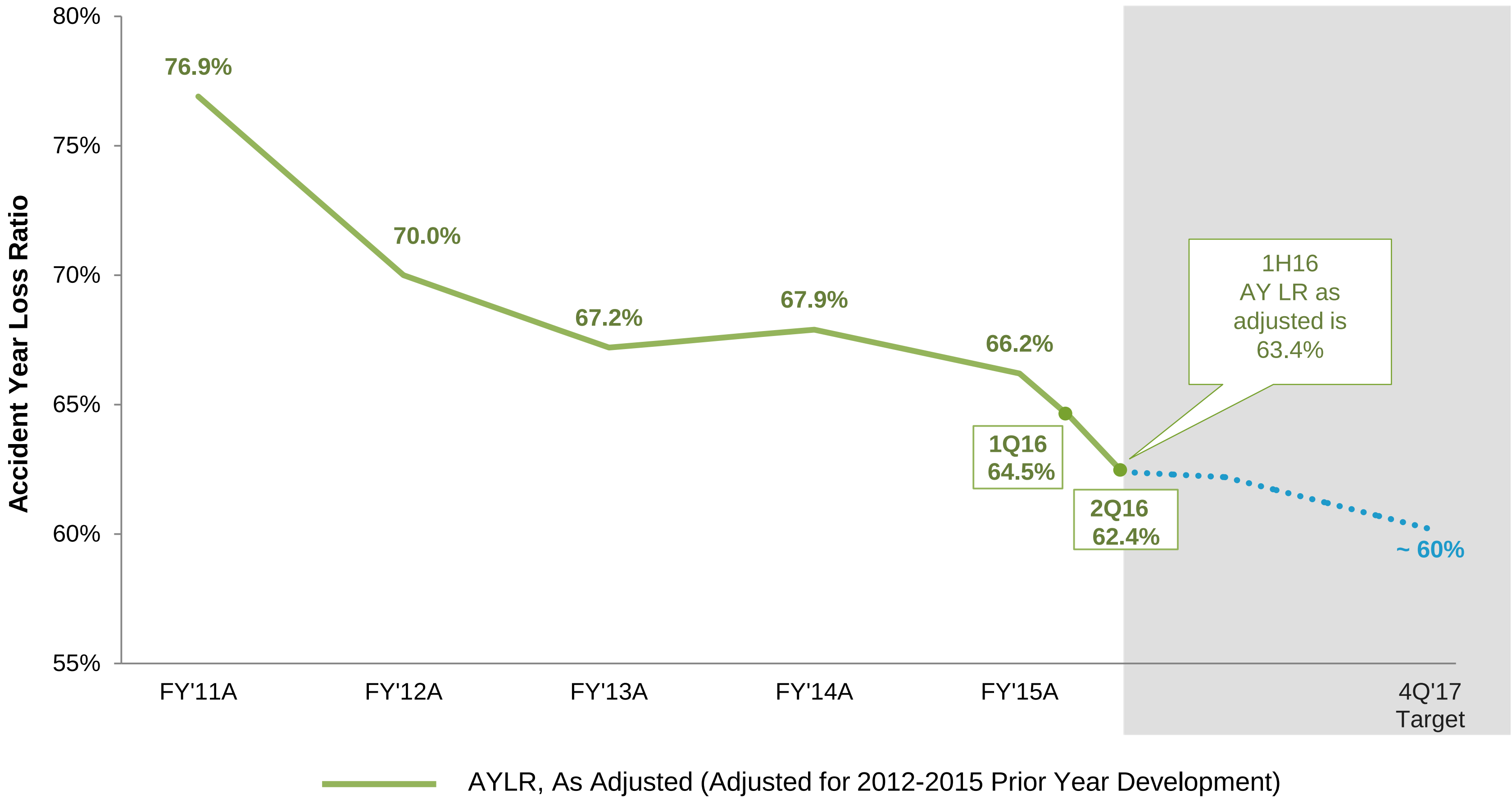


Combined Ratios

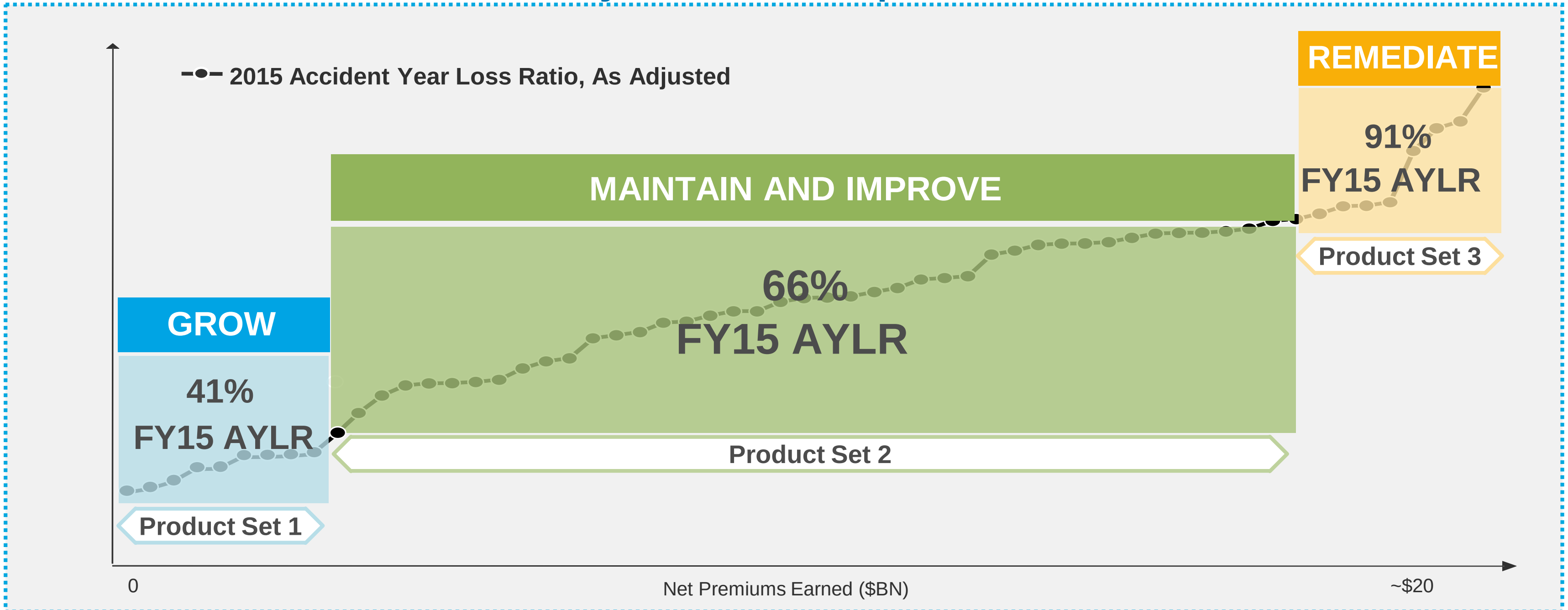


Continued Improvement in Commercial Insurance Property Casualty Accident Year Loss Ratio, As Adjusted

Commercial Insurance Property Casualty Accident Year Loss Ratio, As Adjusted, (Adjusted For 2012-2015 Prior Year Development)



Commercial Insurance – Property Casualty Accident Year Loss Ratio, As Adjusted, Dispersion[1]



Period	Product Set #1	Product Set #2A	Product Set #2B	Product Set #3	
FY15	15%	35%	35%	15%	$20.1BN NPE
	41%	59%	73%	91%	AY LR
2Q16	18%	44%	29%	9%	$4.4BN NPW
	51%	57%	66%	81%	AY LR
1H16	15%	45%	31%	9%	$8.7BN NPW
	50%	58%	67%	84%	AY LR

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

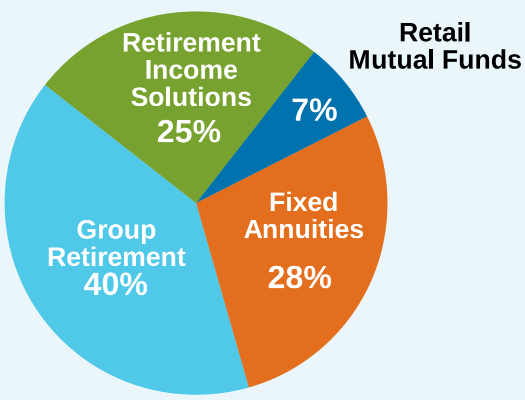
Consumer Insurance

Consumer Insurance – Retirement Financial Highlights

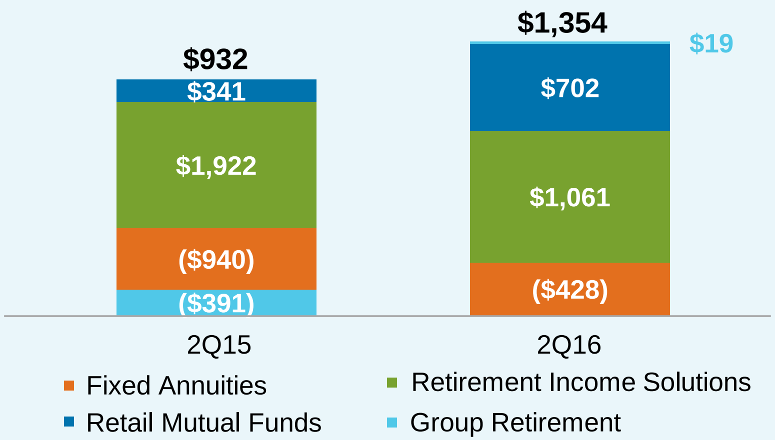
($ in Millions)	2Q15	2Q16
Premiums and deposits[1]	$6,070	$6,431
Premiums	44	52
Policy fees	277	272
Net investment income	1,618	1,567
Advisory fee and other income	526	318
Total operating revenues	2,465	2,209
Benefits and expenses	1,661	1,468
Pre-tax operating income	$804	$741

- Increases in premiums and deposits and in net flows were primarily due to higher sales in Fixed Annuities, Retail Mutual Funds and Group Retirement. Lower surrenders in Group Retirement also contributed to the improvement in net flows.
- Pre-tax operating income decreased primarily due to lower net investment income, partially offset by lower employee-related expenses.
- Net investment income decreased primarily due to lower income on alternative investments and lower base yields.
- Declines in advisory fee income, advisory fee expense and general operating expenses reflect the sale of AIG Advisor Group in May 2016.
- Assets under management grew 4% YoY reflecting positive net flows and an increase in unrealized gains.

Assets Under Management
June 30, 2016 – $234.1 Billion



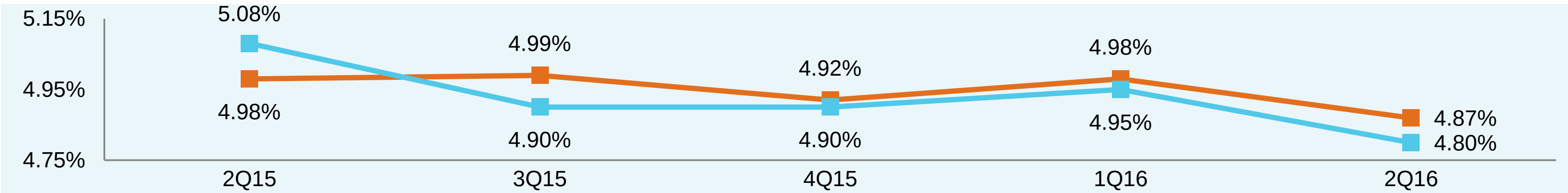
Net Flows



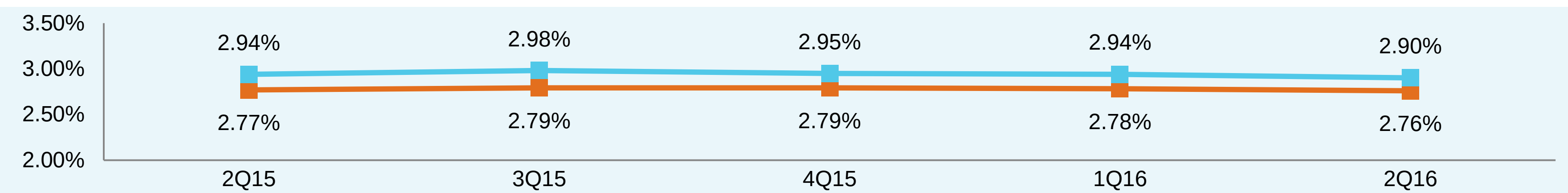
1) Excludes activity related to closed blocks of fixed and variable annuities.

Consumer Insurance – Retirement – Base Yields and Spreads

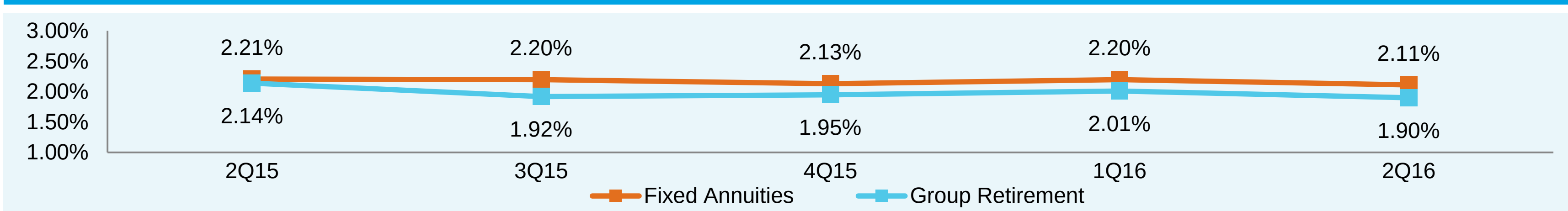
Base Yields[1]



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.

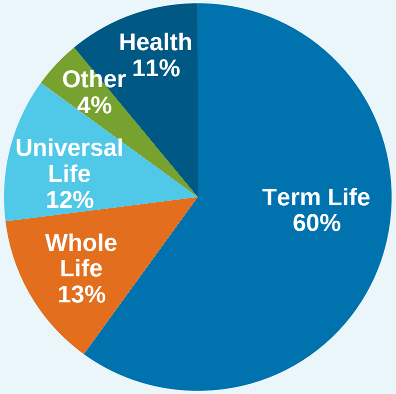
2) Excludes the amortization of sales inducement assets.

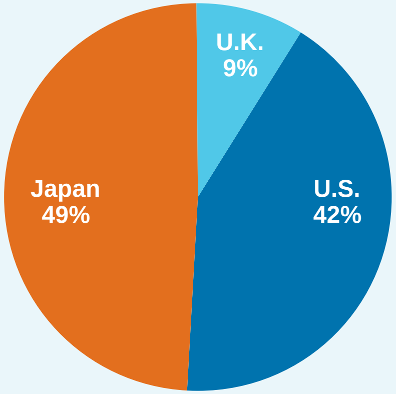
Consumer Insurance – Life Financial Highlights

($ in Millions)	2Q15	2Q16
Premiums and deposits	$1,249	$1,317
Premiums	702	762
Policy fees	362	371
Net investment income	551	542
Other income[1]	17	15
Total operating revenues	1,632	1,690
Benefits and expenses	1,483	1,506
Pre-tax operating income	$149	$184

- Life premiums and deposits increased 5% YoY, both excluding the effect of FX and on a reported basis, primarily due to growth in International Life and Health.
- Pre-tax operating income increased primarily due to more favorable mortality experience and lower domestic general operating expenses, partially offset by lower net investment income.
- Net investment income decreased primarily due to lower income on alternative investments.

2Q16 New Business Sales
$162 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 term and universal life. Japan sales consist of term, health and savings products. U.K. sales are primarily term life.
- Life insurance in force increased 2% from a year ago.

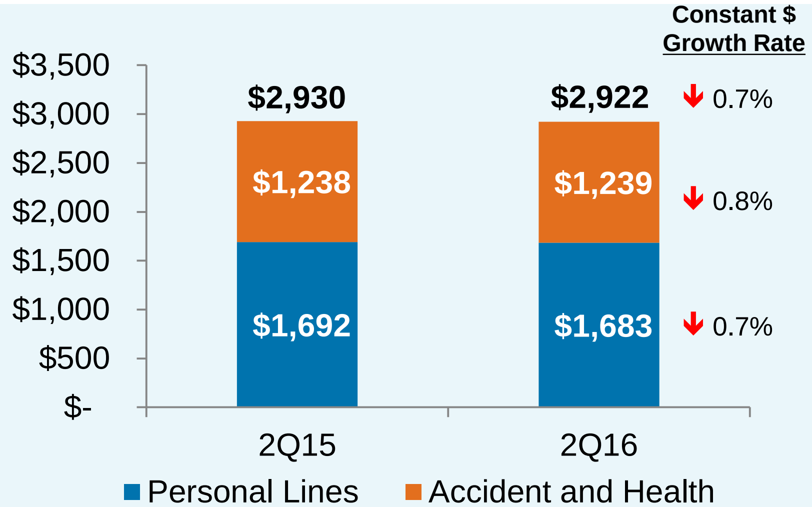
1) Other income primarily related to commission and profit sharing revenues received by Laya Healthcare from the distribution of insurance products.

Consumer Insurance – Personal Insurance Financial Highlights

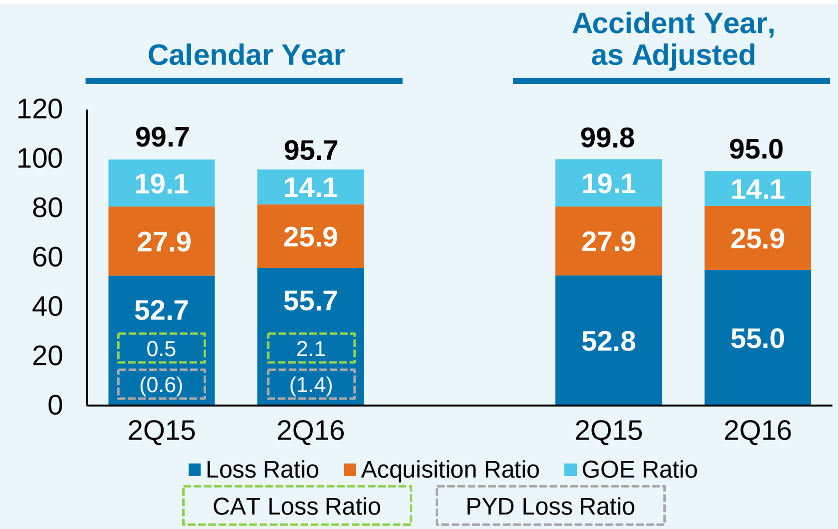
($ in Millions)	2Q15	2Q16
Net premiums written	$2,930	$2,922
Net premiums earned	2,806	2,862
Underwriting income	7	126
Net investment income	63	53
Pre-tax operating income	$70	$179

- Improvement in underwriting income reflects:
  - Strategic actions to reduce expenses, including refocused direct marketing activities;
  - Increase in net favorable prior year loss reserve development;
  - Partially offset by higher catastrophe losses and current year accident losses including a single large loss event.

Net Premiums Written ($ in Millions)



Combined Ratios



Q&A

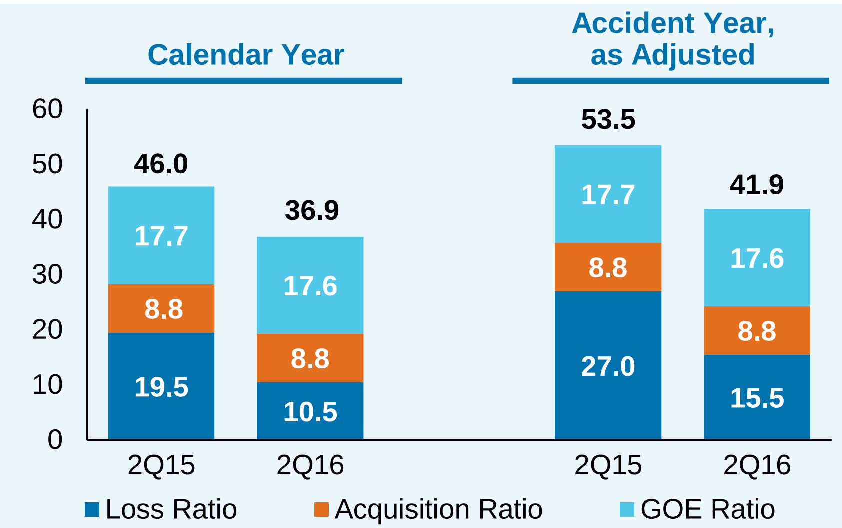
Appendix

Commercial Insurance – Mortgage Guaranty Financial Highlights

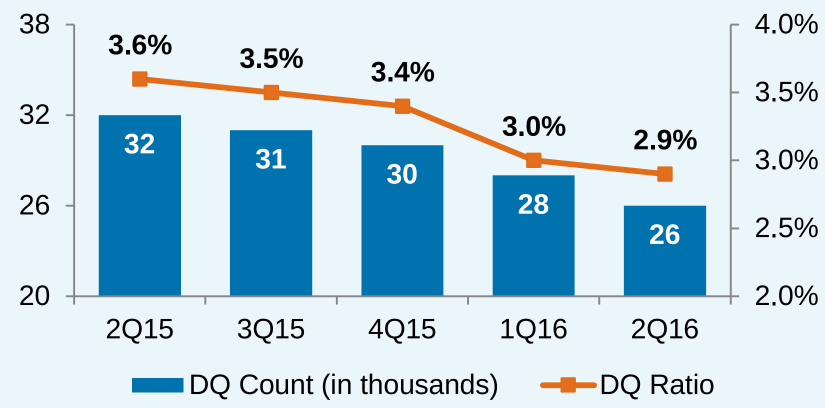
($ in Millions)	2Q15	2Q16
New insurance written[1]	$15,190	$12,985
Net premiums written	277	244
Net premiums earned	226	239
Underwriting income	122	151
Net investment income	35	36
Pre-tax operating income	$157	$187

- Pre-tax operating income growth reflects improved loss experience from lower new delinquencies and lower ultimate frequency as well as higher net premiums earned due to growth of insurance in force.
- Delinquency rate of 2.9% is the lowest level since 2Q 2005.
- As of June 30, 2016, Mortgage Guaranty held estimated available assets of $3.3 billion compared to minimum required assets of $2.9 billion under the Private Mortgage Insurer Eligibility Requirements.

Combined Ratios



Primary Delinquency Trend[1,2]



- 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.

2) In the second quarter of 2016, Mortgage Guaranty's number of delinquent loans and primary delinquency ratio were revised to remove modified pool policies and reflect primary first-lien only policies. Prior periods have been revised to conform to the current period presentation.

Non-GAAP Reconciliations

Glossary of Non-GAAP Financial Measures

AIG

We use certain of our operating performance measures, as discussed beginning in the next paragraph below, to define our forward-looking financial targets; as described on page 3. Our financial targets are provided based on management's estimates. The most directly comparable GAAP financial targets would be heavily dependent upon results that are beyond management's controls and the outcome of these items could be significantly different than management's estimates. Therefore, we do not provide quantitative reconciliations for these financial targets as we cannot predict with accuracy future actual events (e.g., catastrophe losses) and impacts from changes in macro economic market conditions, including the interest rate environment (e.g. estimate for DIB & GCM returns, fair value changes on PICC Investments, net reserve discount change and returns on alternative investments).

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 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. These measures also eliminate the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Book Value Per Common Share. 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 quarterly dividends above $0.125 per share 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. These items generally fall into one or more of the following broad categories: legacy matters having no relevance to our current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that we believe to be common to the industry. For example, certain ratios and other metrics described below:
  - 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.

AIG

Glossary of Non-GAAP Financial Measures

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- **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 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. These measures also eliminate the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Return on Equity. 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.
- **Normalized Return on Equity, Excluding AOCI and DTA** (Normalized ROE) further adjusts Return on Equity – After-tax Operating Income, excluding AOCI and DTA for the effects of certain volatile or market related items. We believe this measure is useful to investors because it presents the trends in our consolidated return on equity without the impact of certain items that can experience volatility in our short-term results. 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:
  - the difference between actual and expected catastrophe losses;
  - the difference between actual and expected alternative investment returns;
  - the difference between actual and expected Direct Investment Book (DIB) and Global Capital Markets (GCM) returns;
  - Fair value changes on PICC investments;
  - Update of actuarial assumptions;
  - Net reserve discount change;
  - Life insurance incurred but not reported (IBNR) death claim charge; and
  - 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. Our ratios are calculated using the relevant information calculated under GAAP, and thus may not be comparable to similar ratios calculated for regulatory reporting purposes. 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. We believe the as adjusted ratios are meaningful measures of our underwriting results on an on-going basis as they exclude catastrophes and the impact of reserve discounting which are outside of management's control. We also exclude prior year development to provide transparency related to current accident year results.
- **Accident year loss ratio, as adjusted (Adjusted for 2012-2015 Prior Year Development)** further adjusts the Accident Year Loss Ratio, as adjusted to include the impact of the prior year reserve development recorded during 2012-2015 into each respective accident year.

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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 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; and
  - 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; and
  - 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

Premiums and Deposits ($ in Millions)	Retirement		Life	
	2Q15	2Q16	2Q15	2Q16
Premiums and Deposits	$6,070	$6,431	$1,249	$1,317
Deposits	(6,046)	(6,377)	(380)	(372)
Other	20	(2)	(167)	(183)
Premiums	$44	$52	$702	$762

Total Operating Revenues (In Millions)	2Q15	2Q16
Total operating revenues	**$15,635**	**$13,569**
Reconciling Items:		
Changes in fair value of securities used to hedge guaranteed living benefits	(87)	120
Net realized capital gains	126	1,042
Income from divested businesses	(33)	0
Non-operating litigation settlements	76	7
Other	(18)	(14)
Total revenues	**$15,699**	**$14,724**

General operating expenses, Operating basis ($ in Millions)	2Q15	2Q16
Total General operating expenses, Operating basis	**$2,942**	**$2,439**
Loss adjustment expenses, reported as policyholder benefits and losses incurred	(428)	(350)
Advisory fee expenses	341	173
Non-deferrable insurance commissions	126	121
Direct marketing and acquisition expenses, net of deferrals	101	133
Investment expenses reported as net investment income	(19)	(15)
Total general operating and other expenses included in pre-tax operating income	**3,063**	**2,501**
Restructuring and other costs	-	90
Other expense related to retroactive reinsurance agreement	-	(5)
Non-operating litigation reserves	27	-
Total general operating and other expenses, GAAP basis	**$3,090**	**$2,586**

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

Reconciliations of Pre-tax and After-tax Operating Income ($ in millions)	2Q15 Pre-tax	2Q15 Tax Effect	2Q15 After-tax	2Q16 Pre-tax	2Q16 Tax Effect	2Q16 After-tax
Operating income, excluding noncontrolling interests	$2,868	$985	$1,883	$1,620	$503	$1,117
Noncontrolling interest	-	-	10	-	-	(4)
Operating income, net of noncontrolling interests	$2,868	$985	$1,893	$1,620	$503	$1,113
Adjustments:						
Uncertain tax positions and other tax adjustments	-	(49)	49	-	(63)	63
Deferred income tax valuation allowance releases (charges)	-	(40)	40	-	35	(35)
Changes in fair value of securities used to hedge guaranteed living benefits	(87)	(30)	(57)	120	42	78
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(28)	(10)	(18)	(64)	(22)	(42)
Other (income) expense - net	-	-	-	5	2	3
Loss on extinguishment of debt	(342)	(120)	(222)	(7)	(2)	(5)
Net realized capital gains	126	46	80	1,042	380	662
Noncontrolling interest on net realized capital gains	-	-	(1)	-	-	(7)
Income (loss) from discontinued operations	-	-	16	-	-	(10)
Income (loss) from divested businesses	(34)	(23)	(11)	225	79	146
Non-operating litigation reserves and settlements	49	18	31	7	2	5
Restructuring and other costs	-	-	-	(90)	(32)	(58)
Pre-tax income/net income attributable to AIG	**$2,552**	**$777**	**$1,800**	**$2,858**	**$924**	**$1,913**

AIG

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, 2016	June 30, 2016
Total AIG shareholders' equity (a)	$89,658	$88,518	$89,946
Less: Accumulated other comprehensive income (AOCI)	(2,537)	(5,525)	(8,259)
Total AIG shareholders' equity, excluding AOCI (b)	87,121	82,993	81,687
Less: Deferred tax assets (DTA)*	(16,751)	(16,825)	(15,614)
Total AIG shareholders' equity, excluding AOCI and DTA (c)	$70,370	$66,168	$66,073
Add: Cumulative quarterly common stock dividends above $0.125 per share	378	599	814
Total AIG shareholders' equity, excluding AOCI and DTA, including dividend growth (d)	$70,748	$66,767	$66,887
Total common shares outstanding (e)	**1,193.9**	**1,130.7**	**1,082.7**
Book value per share (a÷e)	$75.10	$78.28	$83.08
Book value per share, excluding AOCI (b÷e)	$72.97	$73.40	$75.45
Book value per share, excluding AOCI and DTA (c÷e)	$58.94	$58.52	$61.03
Book value per share, excluding AOCI and DTA and including dividend growth (d÷e)	$59.26	$59.05	$61.78

Return On Equity (ROE) Computations ($ in Millions)	Period ended	
	2Q15	2Q16
Actual or annualized net income attributable to AIG (a)	$7,200	$7,652
Actual or annualized after-tax operating income (b)	$7,572	$4,452
Average AIG shareholders' equity (c)	106,119	89,232
Less: Average AOCI	(9,139)	(6,892)
Average AIG shareholders' equity, excluding average AOCI (d)	96,980	82,340
Less: Average DTA	(15,428)	(16,220)
Average AIG shareholders' equity, excluding average AOCI and DTA (e)	**$81,552**	**$66,120**
ROE (a÷c)	6.8%	8.6%
ROE – after-tax operating income, excluding AOCI (b÷d)	7.8%	5.4%
ROE – after-tax operating income, excluding AOCI and DTA (b÷e)	9.3%	6.7%

AIG

* 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	**2Q15**	**1Q16**	**2Q16**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**1H'16**	**2Q15**	**2Q16**	**2Q15**	**2Q16**
Loss ratio	70.8	68.2	75.0	84.1	80.5	71.9	71.6	86.2	71.6	19.5	10.5	52.7	55.7
Catastrophe losses and reinstatement premiums	(4.1)	(4.7)	(7.5)	(11.9)	(10.9)	(3.4)	(2.9)	(2.9)	(6.1)	N/M	N/M	(0.5)	(2.1)
Prior year development net of premium adjustments	(5.3)	0.4	(1.0)	1.9	(1.2)	(1.5)	(2.8)	(17.5)	(0.3)	7.5	5.0	0.6	1.4
Net reserve discount benefit (charge)	5.2	0.6	(4.1)	0.2	0.5	(1.6)	(0.3)	0.4	(1.8)	N/M	N/M	N/M	N/M
Accident year loss ratio, as adjusted	66.6	64.5	62.4	74.3	68.9	65.4	65.6	66.2	63.4	27.0	15.5	52.8	55.0
Acquisition ratio	15.1	16.3	15.4	14.6	16.6	16.1	15.7	16.1	15.9	8.8	8.8	27.9	25.9
General operating expense ratio	12.9	12.4	11.7	9.8	13.8	13.6	12.9	12.7	12.1	17.7	17.6	19.1	14.1
Expense ratio	28.0	28.7	27.1	24.4	30.4	29.7	28.6	28.8	28.0	26.5	26.4	47.0	40.0
Combined ratio	98.8	96.9	102.1	108.5	110.9	101.6	100.2	115.0	99.6	46.0	36.9	99.7	95.7
Catastrophe losses and reinstatement premiums	(4.1)	(4.7)	(7.5)	(11.9)	(10.9)	(3.4)	(2.9)	(2.9)	(6.1)	N/M	N/M	(0.5)	(2.1)
Prior year development net of premium adjustments	(5.3)	0.4	(1.0)	1.9	(1.2)	(1.5)	(2.8)	(17.5)	(0.3)	7.5	5.0	0.6	1.4
Net reserve discount benefit (charge)	5.2	0.6	(4.1)	0.2	0.5	(1.6)	(0.3)	0.4	(1.8)	N/M	N/M	N/M	N/M
Accident year combined ratio, as adjusted	94.6	93.2	89.5	98.7	99.3	95.1	94.2	95.0	91.4	53.5	41.9	99.8	95.0

Property Casualty Accident Year Loss Ratio, As Adjusted (incl. 2012-2015 PYD)	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Accident year loss ratio, as adjusted (above)	74.3	68.9	65.4	65.6	66.2
Effect of 2012-2015 Prior Year Development By Accident Year	2.6	1.1	1.8	2.3	0.0
Accident year loss ratio, as adjusted (incl. 2012-2015 PYD)	76.9	70.0	67.2	67.9	66.2

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

	2Q15				2Q16			
	Pre-tax	Tax Effect	After-tax	ROE	Pre-tax	Tax Effect	After-tax	ROE
ROE – After-tax operating income (loss), ex. AOCI & DTA	$2,868	$985	$1,893	9.3%	$1,620	$503	$1,113	6.7%
Adjustments to arrive at Normalized ROE, ex. AOCI & DTA:								
Catastrophe losses above (below) expectations	(39)	(14)	(25)	(0.1%)	160	56	104	0.6%
(Better) worse than expected alternative returns	(179)	(63)	(116)	(0.6%)	5	1	4	0.0%
(Better) worse than expected DIB & GCM returns	(312)	(109)	(203)	(1.0%)	(42)	(14)	(28)	(0.1%)
Fair value changes on PICC investments	(224)	(78)	(146)	(0.7%)	85	30	55	0.3%
Net reserve discount change	(400)	(140)	(260)	(1.3%)	300	105	195	1.2%
Unfavorable prior year loss reserve development	329	115	214	1.1%	29	10	19	0.1%
Normalized ROE, ex. AOCI & DTA	**$2,043**	**$696**	**$1,357**	**6.7%**	**$2,157**	**$691**	**$1,462**	**8.8%**

	1H'15				1H'16			
	Pre-tax	Tax Effect	After-tax	ROE	Pre-tax	Tax Effect	After-tax	ROE
ROE – After-tax operating income (loss), ex. AOCI & DTA	$5,395	$1,810	$3,584	8.8%	$2,574	$686	$1,886	5.6%
Adjustments to arrive at Normalized ROE, ex. AOCI & DTA:								
Catastrophe losses above (below) expectations	(153)	(54)	(99)	(0.2%)	183	64	119	0.3%
(Better) worse than expected alternative returns	(320)	(112)	(208)	(0.5%)	719	251	468	1.4%
(Better) worse than expected DIB & GCM returns	(372)	(130)	(242)	(0.6%)	353	124	229	0.7%
Fair value changes on PICC investments	(278)	(97)	(181)	(0.4%)	188	66	122	0.4%
Net reserve discount change	(235)	(82)	(153)	(0.4%)	290	102	188	0.6%
Life insurance – IBNR death claims	-	-	-	0.0%	(25)	(9)	(16)	(0.1%)
Unfavorable (favorable) prior year loss reserve development	365	128	237	0.6%	(31)	(11)	(20)	(0.1%)
Normalized ROE, ex. AOCI & DTA	**$4,402**	**$1,463**	**$2,938**	**7.3%**	**$4,251**	**$1,273**	**$2,976**	**8.8%**

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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.

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