American International Group, Inc.

Conference Call Presentation
Fourth Quarter 2015

February 12, 2016

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Fourth Quarter 2015 Highlights

Continued Execution on Strategic Actions and Return of Capital

Financial Overview	***Normalized ROE, Ex. AOCI & DTA of 6.7%; After-tax operating loss of $1.3B ($1.10 per diluted share)*** – Reserve strengthening of $3.6B pre-tax on $58.3B of net reserves at 9/30/15, responding quickly to new information – Net GOE decline of ~6% in 4Q15 and 3% for full year[1]; targeting additional $1.4B of net GOE reduction by 2017 – Net investment income decline of $0.8 billion reflects negative alternative investment returns and lower returns from fair value option securities – Commercial P&C accident year loss ratio, as adjusted, of 66.4 impacted by YoY increase of 2.1 pts. from severe losses – Improvement in Retirement net flows of $2.8B
Capital & Liquidity	– Repurchased approximately $3.2B of shares in 4Q15 (additional $2.5B repurchased through February 11th) – New share repurchase authorization of $5.0B; reaffirming our commitment to $25B of capital return through the end of 2017 – Increased quarterly dividend 14% to $0.32 per share – Parent liquidity of $9.2B at December 31, 2015
Strategic Actions	– Announced future modular business units to provide greater transparency on operating performance and greater accountability – Monetized $2.1B of Legacy Portfolio assets in 4Q15, which partially funded share repurchases; on track to release $9.0B of Legacy Portfolio capital by end of 2017 – Announced the sale of AIG Advisor Group, which is expected to close in 2Q16, subject to regulatory approval, and announced planned IPO of up to 19.9% of UGC subject to GSE and regulatory approval

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Note: Comparisons are to 4Q14 unless otherwise noted.

1) On a constant dollar basis.

2016 and 2017 Financial Targets

($ in Millions, Except Per Share Amounts)

Annual Targets Through 2017	2015 Actual	2016 Target	2017 Target	Selected Actions
Reduction in Net GOE	$350[1]	~$700	~$700	▪ Continue to consolidate activities and de-layer ▪ Increase utilization of shared services and outsourcing ▪ Move to a more variable cost structure ▪ Continue to move operations to lower-cost locations ▪ Further increase automation
Normalized ROE, ex. AOCI and DTA[2]	6.8%	8.4% - 8.9%	~9%	▪ Net GOE reductions ▪ Commercial P&C underwriting improvement ▪ Continue return of capital, including monetization of Legacy Portfolio
10+% Growth in Book Value Per Common Share, ex. AOCI and DTA and Including Dividend Growth	2%	14% - 16%	12% - 14%	▪ Earnings growth ▪ Accretion from share repurchases ▪ 2015 BVPS growth impacted by reserve strengthening and weaker investment returns
Commercial Insurance – Property Casualty Accident Year Loss Ratio, As Adjusted[3]	66.2	~62	~60	▪ Expand current utilization of reinsurance and other risk mitigating strategies to further enhance capital efficiencies ▪ Refine focus on client segmentation ▪ Accelerate micro-segmentation to improve the quality of remaining risks ▪ Exit or remediate targeted sub-segments of underperforming portfolios ▪ Narrow geographic footprint while continuing to maintain and improve multinational capabilities

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1) On a constant dollar basis.
2) Also targeting an Operating Portfolio ROE in the ranges of 9.3% - 9.7% in 2016 and 10.3% - 10.7% in 2017.
3) Targets for 2016 and 2017 represent fourth quarter exit run rates.

AIG Consolidated Operating Financial Highlights

4Q15 Results Reflect Reserve Strengthening & Weaker Alternative Investment Performance

($ in Millions, Except per Share Amounts)	4Q14	4Q15	Inc. / (Dec.)
Operating revenues	**$15,006**	**$14,187**	**(5%)**
Pre-tax operating income (loss):			
Commercial Insurance:			
Property Casualty	935	(2,338)	N/M
Mortgage Guaranty	171	180	5%
Institutional Markets	118	33	(72%)
Total Commercial Insurance	**1,224**	**(2,125)**	**N/M**
Consumer Insurance:			
Retirement	722	600	(17%)
Life	80	185	131%
Personal Insurance	121	(32)	N/M
Total Consumer Insurance	**923**	**753**	**(18%)**
Total Insurance Operations	**2,147**	**(1,372)**	**N/M**
Corporate and Other[1]	(407)	(816)	100%
Total Pre-tax operating income (loss)	**$1,740**	**($2,188)**	**N/M**
After-tax operating income (loss) attributable to AIG	**$1,371**	**($1,348)**	**N/M**
After-tax operating income (loss) attributable to AIG per common share	**$0.97**	**($1.10)**	**N/M**
Return On Equity:			
ROE – After-tax operating income – ex. AOCI & DTA	**6.8%**	**(7.3%)**	
Normalized ROE – After-tax operating income, ex. AOCI and DTA	**8.2%**	**6.7%**	
Book Value Per Common Share (BVPS):			
BVPS	**$77.69**	**$75.10**	**(3%)**
BVPS – ex. AOCI & DTA	**$58.23**	**$58.94**	**1%**
BVPS – ex. AOCI & DTA, including dividend growth	**$58.23**	**$59.26**	**2%**

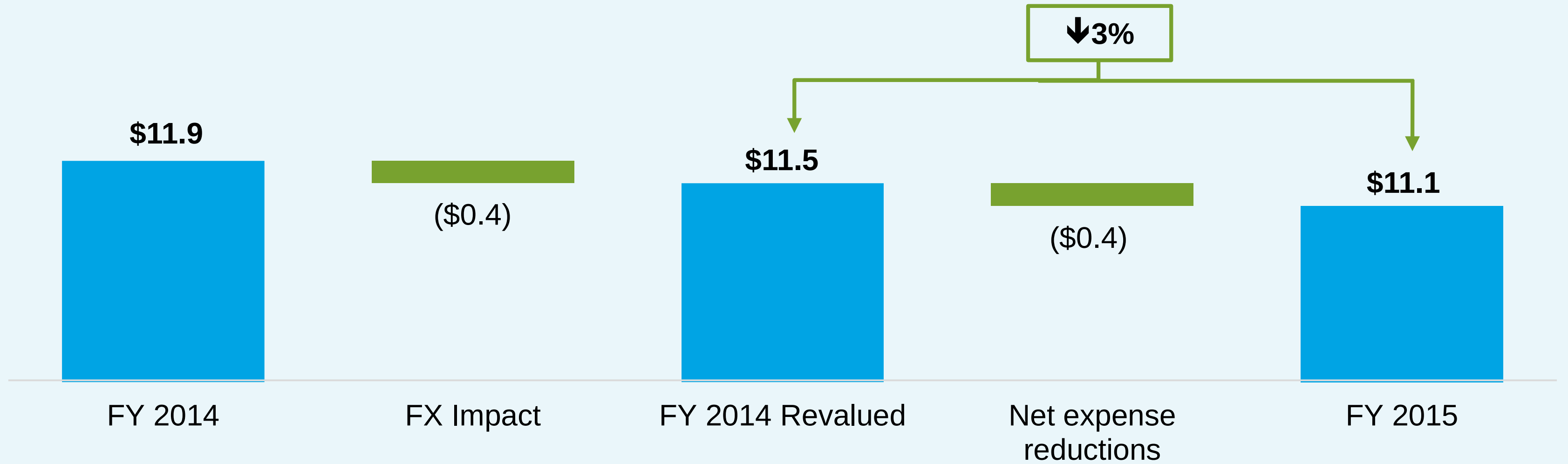
1) Includes consolidations and eliminations.

General Operating Expense Reductions

Reduced Net GOE by ~3% For The Full Year[1]. Targeting Additional $1.4B of Net GOE Reductions by 2017.

($ in Billions)

FY 2014 vs. FY 2015



- Recorded an additional restructuring charge of $222 million in 4Q15, which includes $123 million related to actions previously announced and $99 million of new actions, primarily related to additional severance.

Selected Actions:

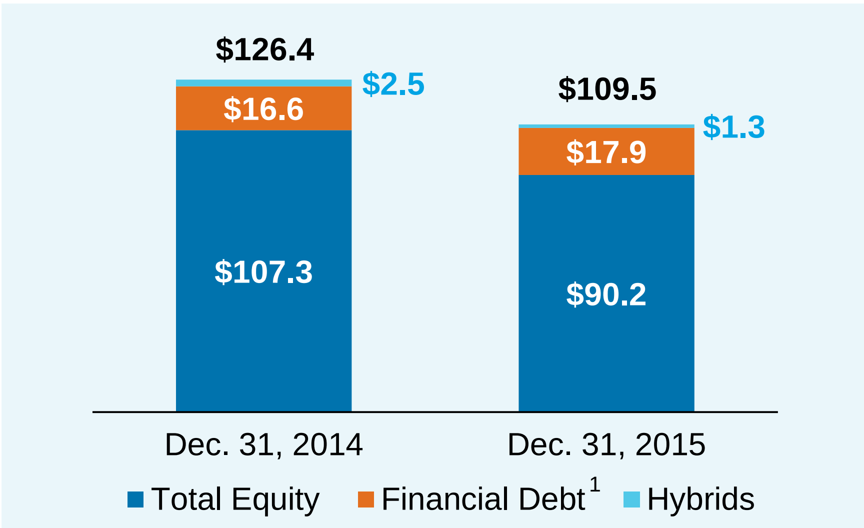
- Reduced staff by approximately 300 of top 1,400 employees resulting in approximately $250M of annual run rate savings in 2016.
- Further staff reductions planned in 2016 are expected to generate at least $250M in additional run rate savings.
- Froze the pension plan, resulting in approximately $100M in annual savings.

1) On a constant dollar basis.

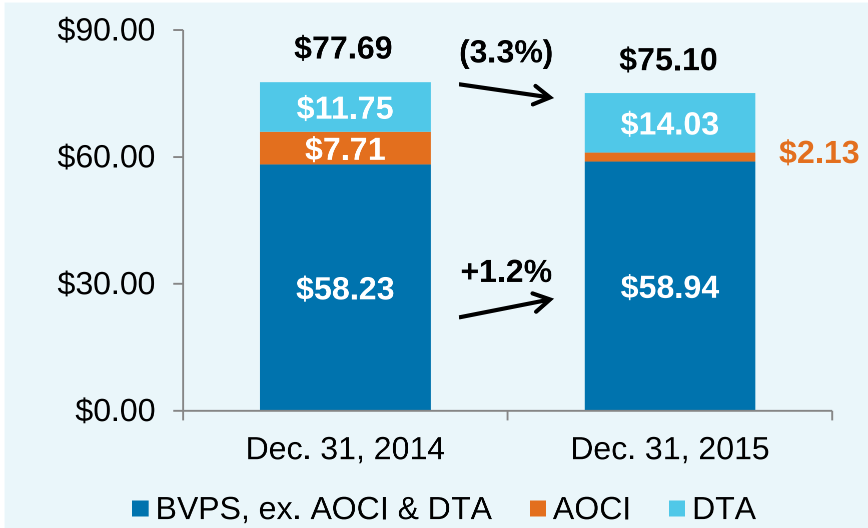
Strong Capital Position

($ in Billions, Except per Share Amounts)

Capital Structure



Book Value Per Common Share



Ratios:	Dec. 31 2014	Dec. 31 2015
Hybrids / Total capital	1.9%	1.2%
Financial debt / Total capital	13.2%	16.4%
Total debt / Total capital	15.1%	17.6%

Risk Based Capital Ratios[2]

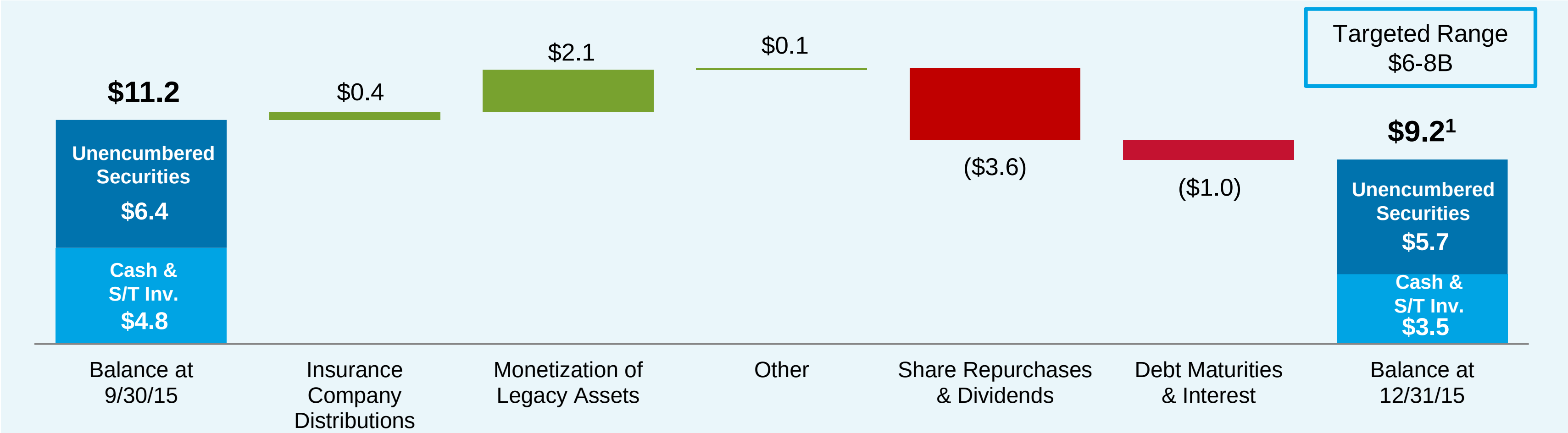
Year-end	Domestic Life Insurance Companies	Domestic Non-Life Insurance Companies
2014	534% (CAL)	432% (ACL)
2015E	~480% (CAL)	~406%[3] (ACL)

We continue to project strong RBC ratios in our target range for our Life and Non-Life businesses

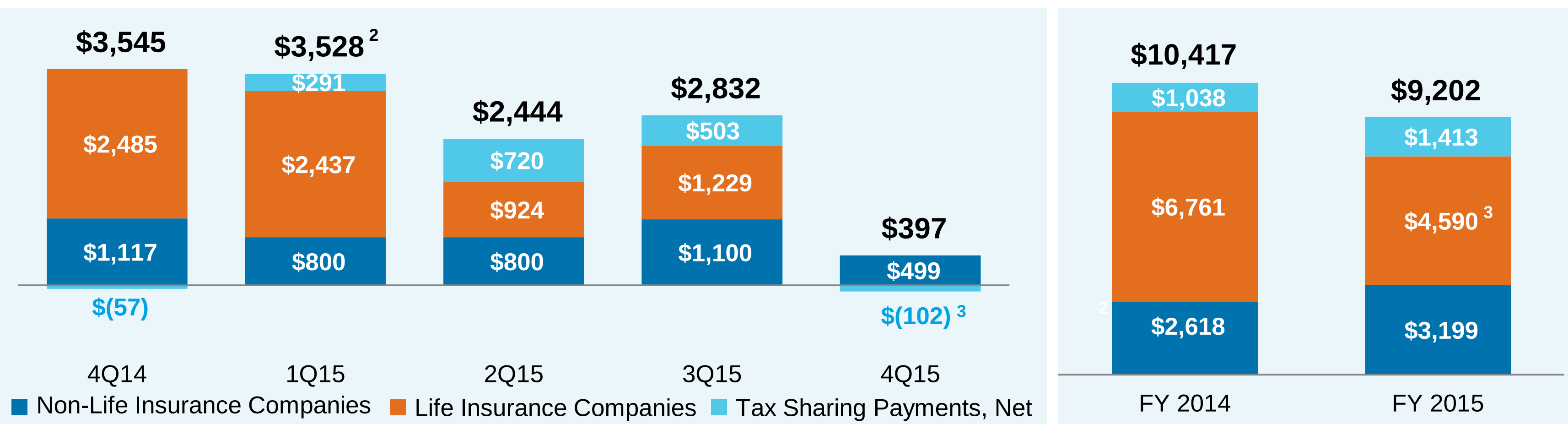
1) Includes AIG notes, bonds, loans and mortgages payable, and AIG Life Holdings, Inc. (AIGLH) notes and bonds payable, and junior subordinated debt.
2) The inclusion of RBC measures is intended solely for the information of investors and is not intended for the purpose of ranking any insurance company 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. Amounts for 2015 are estimated.
3) Reflects $2.9B capital contribution to Non-Life Insurance Companies on January 25, 2016 as a result of the 4Q15 reserve strengthening.

Parent Liquidity – A Source of Strength

Changes in Parent Liquidity ($ in Billions)



Insurance Company Distributions ($ in Millions)

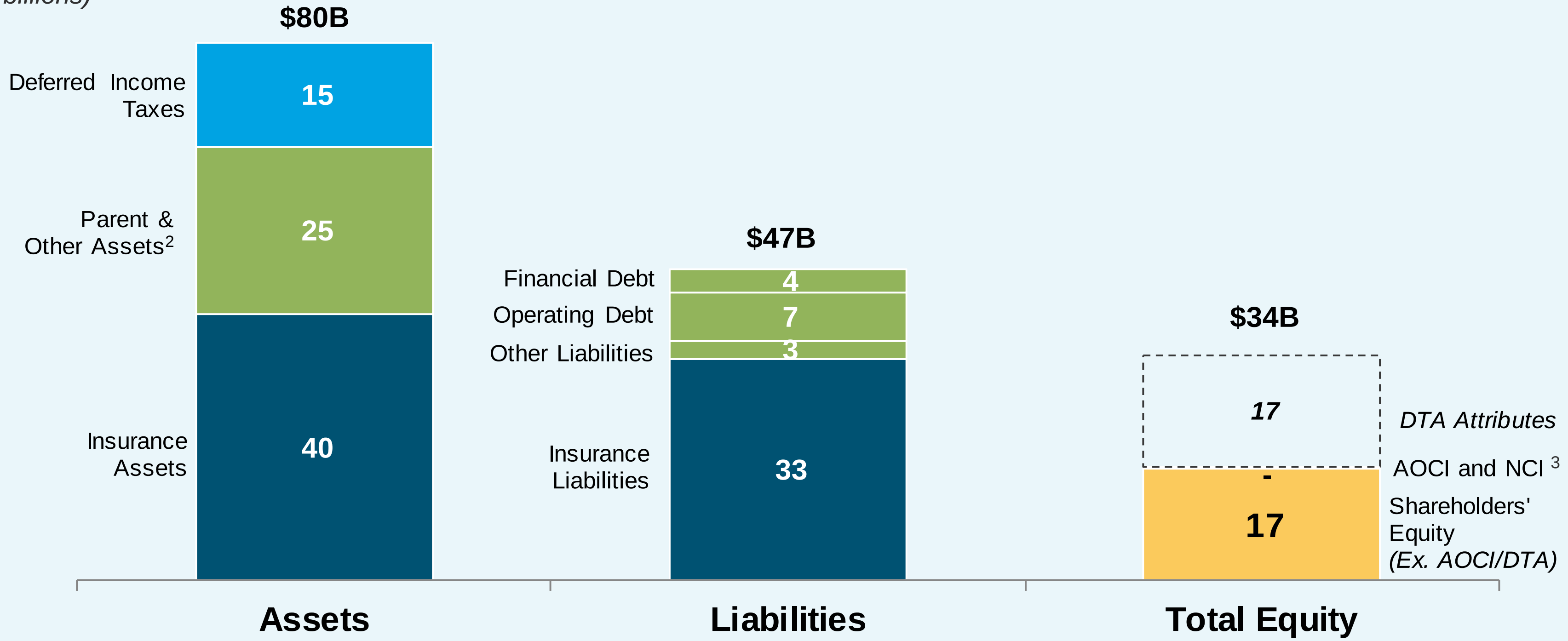


1) On January 25, 2016, $2.9B of capital was contributed to Non-Life Insurance Companies as a result of the 4Q15 reserve strengthening.
2) 1Q15 includes $2.8B of dividends that were paid in the quarter but declared in 4Q14.
3) Presented net of $818 million of tax payments to the Life Insurance Companies, which were returned in the form of dividends.

Legacy Portfolio

Pro Forma Legacy Estimated Balance Sheet as of December 31, 2015[1]

($ in billions)



- The Legacy Portfolio reflects the allocation of a portion of Parent financial debt and associated interest expense to the Operating Portfolio
- Corporate GOE is also allocated to the Operating Portfolio
- We estimate the Legacy Portfolio to retain approximately $0.2B of Parent Interest Expense and approximately $0.2B of Corporate GOE for the year ended December 31, 2015

1) The Legacy Portfolio balance sheet is a non-GAAP financial measure that reflects the push down of a portion of parent debt to the Operating Portfolio. Represents preliminary estimates based on current attribution of businesses to Operating and Legacy Portfolios together with current assumption of internal leverage which could change over time.
2) Other assets includes Global Real Estate, Life Settlements, Former DIB/GCM, Parent cash, short-term investments and unencumbered securities, and other Parent assets.
3) Includes Non-redeemable non-controlling interests (NCI) of $0.2B.

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Deferred Tax Assets

Diversified Operating Platform Allows For Utilization of Valuable Tax Attributes

		As of 12/31/14		As of 12/31/15		
($ in Billions)	**Type**	**Gross Attributes**	**Deferred Tax Asset**	**Gross Attributes**	**Deferred Tax Asset**	**Utilization/Expiration**
Net Operating Loss Carryforwards	**Non-Life & Life**	$29.4	$10.3	$32.6	$11.4	▪ Utilize against Non-Life Insurance Companies, Corporate & Other and up to 35% of Life Insurance Companies income ▪ 2028 – 2031 expiration ▪ Net operating loss carryforwards increased in 2015 as a result of current year taxable losses of Non-Life companies, primarily attributable to the reserve strengthening during 2015
Foreign Tax Credits	**General**		$5.9		$5.3	▪ Utilize against tax liability on remaining Life Insurance Companies income ▪ 2016–2023 expiration ▪ Foreign tax credit carryforwards were utilized in 2015, primarily as a result of Life Insurance Companies income
Subtotal – U.S. Tax Attributes			**16.2**		**16.7**	
Other Deferred Tax Assets/(Liabilities)[1]			2.5		3.3	
Net Deferred Tax Assets			**$18.7**		**$20.0**	

1) General Business Credits of $0.3B and $0.4B for 2014 and 2015, respectively, are included in Other DTA/(L). Balance at 12/31/15 is net of a $1.2B valuation allowance related to unrealized losses on available for sale securities.

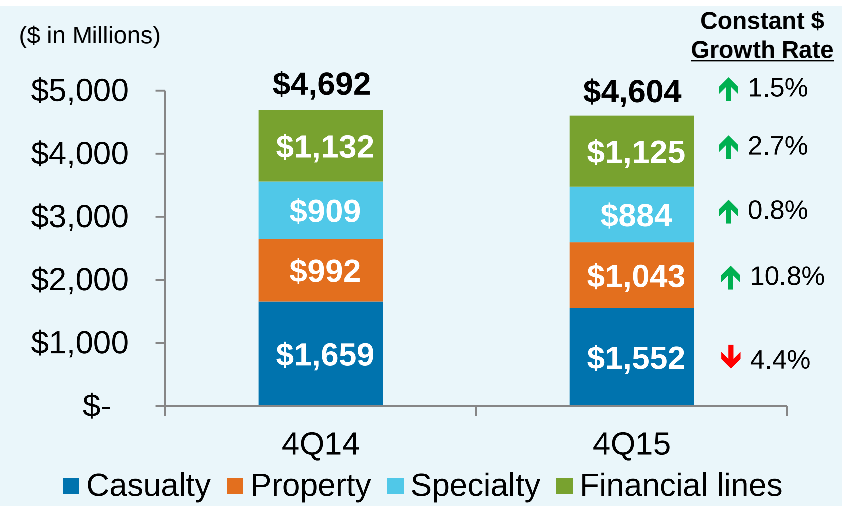
Commercial Insurance

Commercial Insurance – Property Casualty Financial Highlights

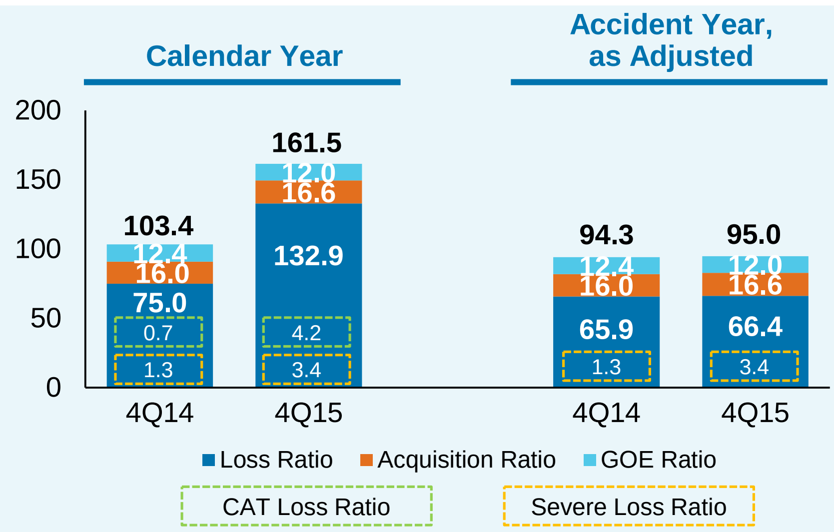
($ in Millions)	4Q14	4Q15
Net premiums written	$4,692	$4,604
Net premiums earned	5,207	4,991
Underwriting loss	(173)	(3,068)
Net investment income	1,108	730
Pre-tax operating income (loss)	$935	($2,338)

- NPW, excluding the effects of FX, increased 1.5% YoY (down 1.9% on a reported basis), primarily from growth in new businesses and higher renewal in certain classes of business in all lines except for U.S. Casualty.
- Rates in the U.S. declined 0.2% in 4Q15 YoY (-0.8% globally).
- The accident year loss ratio, as adjusted, increased 0.5 pts YoY reflecting a 2.1 pt. increase from higher severe losses and increased U.S. Commercial Auto and Financial Lines current year losses that more than offset an improvement in Specialty and lower attritional losses in Property.
- The 4Q15 calendar year combined ratio reflects a $3.0B reserve strengthening (60.9 pt. impact).
- The acquisition ratio increase reflected higher commission expenses in certain classes of business in Property.
- The GOE ratio improved YoY due to lower employee related costs and general cost containment measures.
- NII declined YoY primarily due to weaker alternative investment income and lower income from fair value option securities.

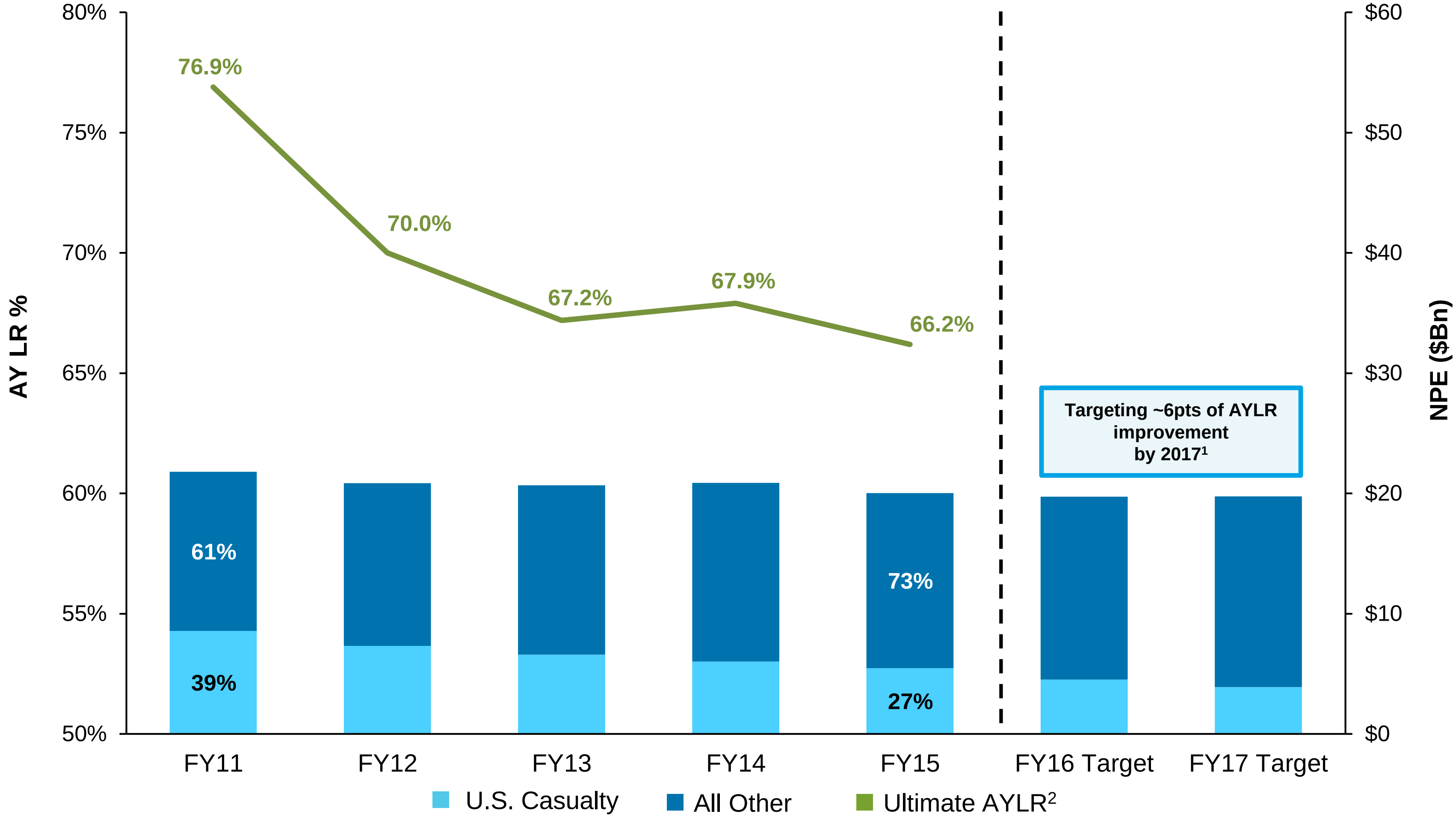
Net Premiums Written



Combined Ratios

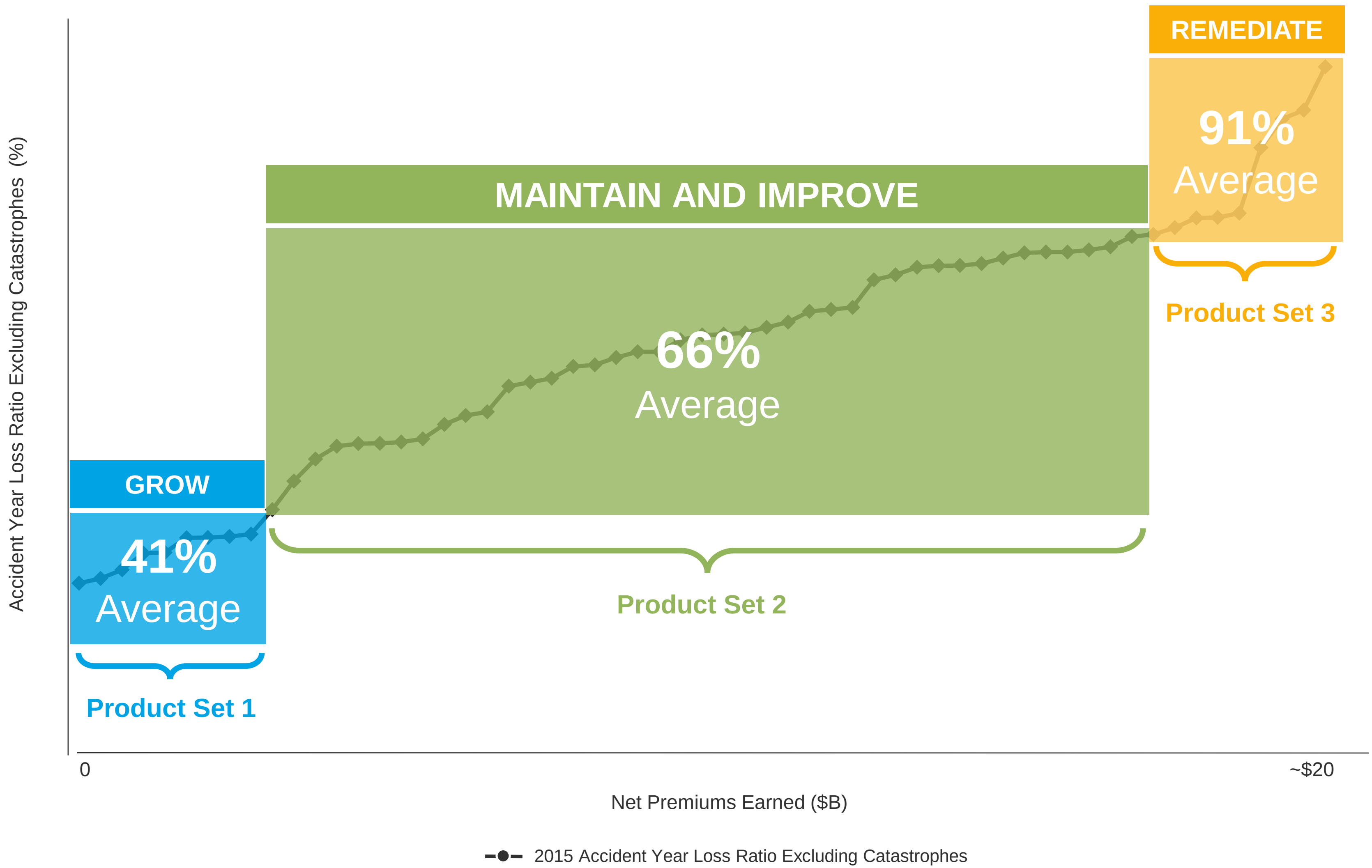


Commercial Insurance – Property Casualty Accident Year Loss Ratio Trend



1) On a fourth quarter exit run rate basis.
2) Accident year loss ratio adjusted for prior year development represents reported accident year loss ratios adjusted to exclude catastrophe losses and reflect prior year development in the appropriate accident year.

Commercial Property Casualty 2015 Accident Year Loss Ratio Dispersion



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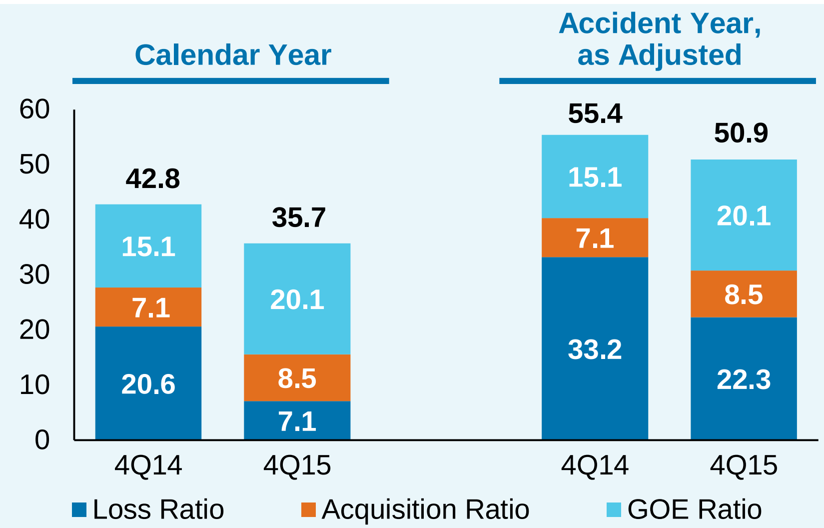
Commercial Insurance – Mortgage Guaranty Financial Highlights

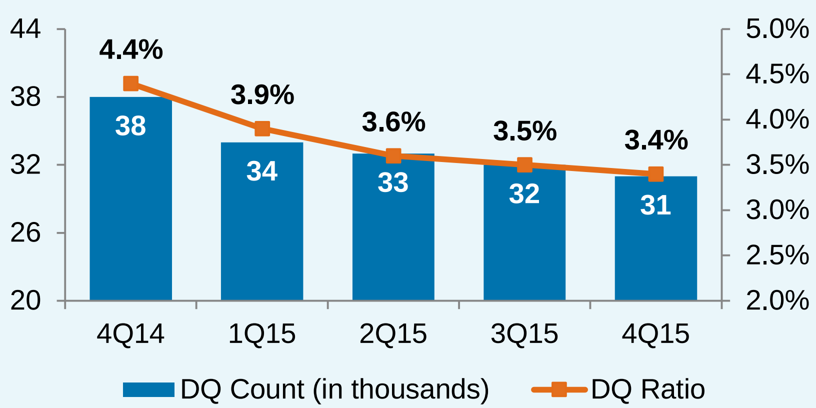
($ in Millions)	4Q14	4Q15
New insurance written[1]	$10,733	$10,627
Net premiums written	273	241
Net premiums earned	238	224
Underwriting income	136	144
Net investment income	35	36
Pre-tax operating income	$171	$180

- Pre-tax operating income growth reflects improved loss experience from lower new delinquencies and a higher cure rate.
- Delinquency rate of 3.4% is the lowest level since 3Q 2006.
- As of December 31, 2015, Mortgage Guaranty held estimated available assets of $3.6 billion compared to estimated required assets of $3.0 billion under the Private Mortgage Insurer Eligibility Requirements.

Combined Ratios



Primary Delinquency Trend[1]



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

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

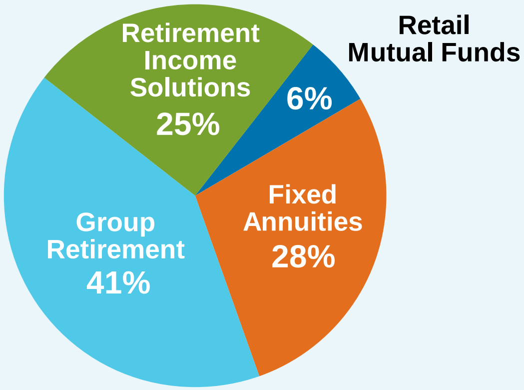
Consumer Insurance

Consumer Insurance – Retirement Financial Highlights

($ in Millions)	4Q14	4Q15
Premiums and deposits[1]	$5,990	$7,037
Premiums	66	41
Policy fees	259	270
Net investment income	1,581	1,418
Advisory fee and other income	511	513
Total operating revenues	2,417	2,242
Benefits and expenses	1,695	1,642
Pre-tax operating income	$722	$600

- Premiums and deposits increased 17%, driven by increased sales of Retail Mutual Funds, Index Annuities, Fixed Annuities and Group Retirement products.
- The decline in pre-tax operating income reflects a $159 million decline in alternative investment income and lower base portfolio income from lower reinvestment rates, partially offset by reductions in GOE.

Assets Under Management
December 31, 2015 – $223.8 Billion



- Retirement assets under management of $224B at December 31, 2015, essentially unchanged from December 31, 2014, which primarily reflected positive net flows offset by decreases in both unrealized appreciation of invested assets and market value of separate accounts.

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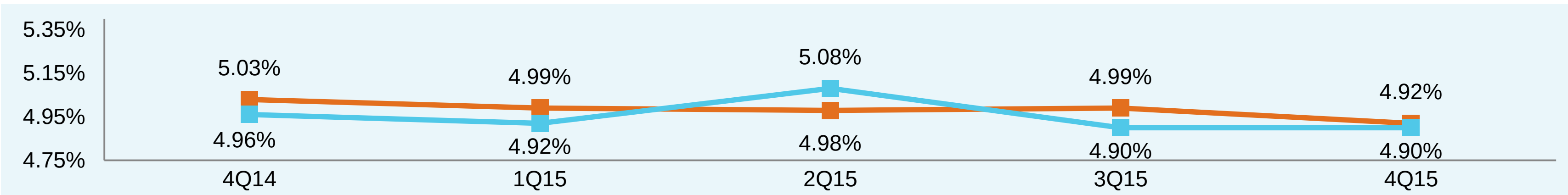
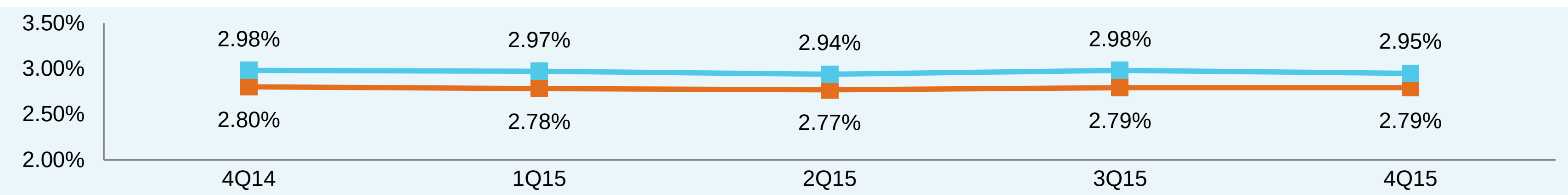
1) Excludes activity related to closed blocks of fixed and variable annuities.

Consumer Insurance – Retirement – Base Yields and Spreads

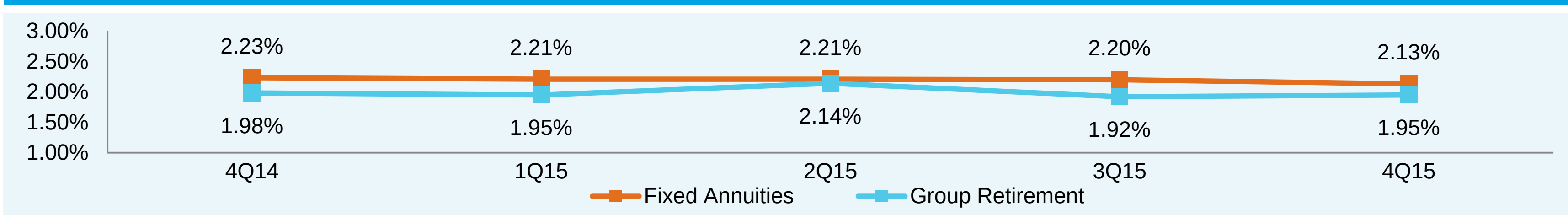
Base Yields[1]



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 base yield and investment spread in 2Q15 for Group Retirement and in 3Q15 for Fixed Annuities included additional accretion and loan prepayment interest income.

1) Annualized return on base portfolio.

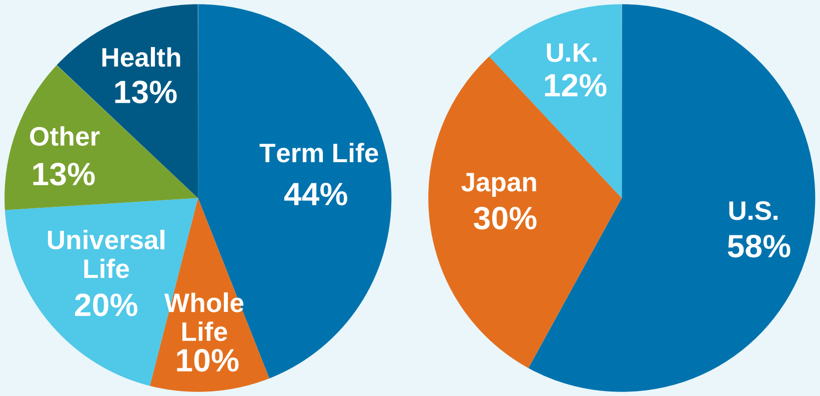
2) Excludes the amortization of sales inducement assets.

Consumer Insurance – Life Financial Highlights

($ in Millions)	4Q14	4Q15
Premiums and deposits	$1,249	$1,279
Premiums	675	674
Policy fees	365	368
Net investment income	536	511
Other income[1]	-	17
Total operating revenues	1,576	1,570
Benefits and expenses	1,496	1,385
Pre-tax operating income	$80	$185
Noteworthy Items:		
IBNR liability (increases) / releases	($104)	$20

- Excluding the effect of FX, Life premiums and deposits increased 5% YoY (2% on a reported basis) primarily due to the acquisition of AIG Life Limited and growth in Japan.
- Net investment income primarily reflects lower returns on alternative investments.
- Benefits and expenses in 4Q14 included an increase in estimated reserves for incurred but not reported death claims (IBNR) for a legacy block of small policies, related to enhanced claim practices pursuant to the resolution of a multi-state audit and market conduct examination.

4Q15 New Business Sales
$129 Million



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

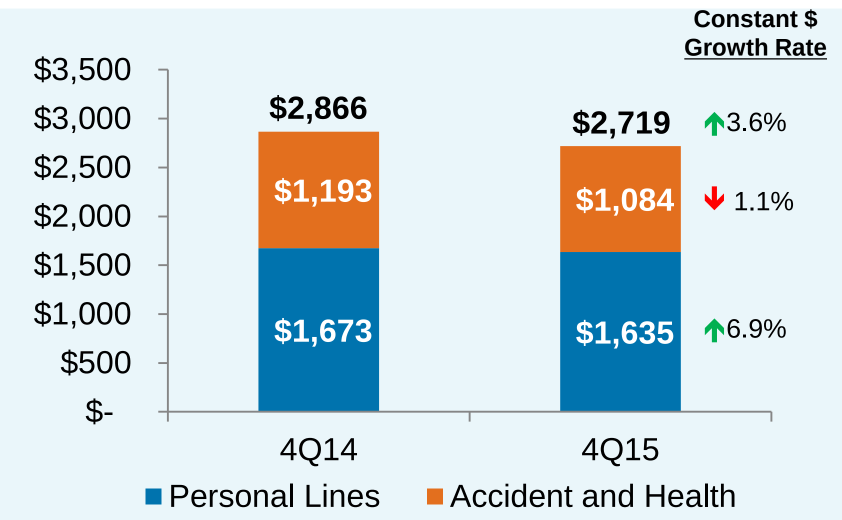
1) Other income primarily related to commission and profit sharing revenues received by Laya Healthcare from the distribution of insurance products.

Consumer Insurance – Personal Insurance Financial Highlights

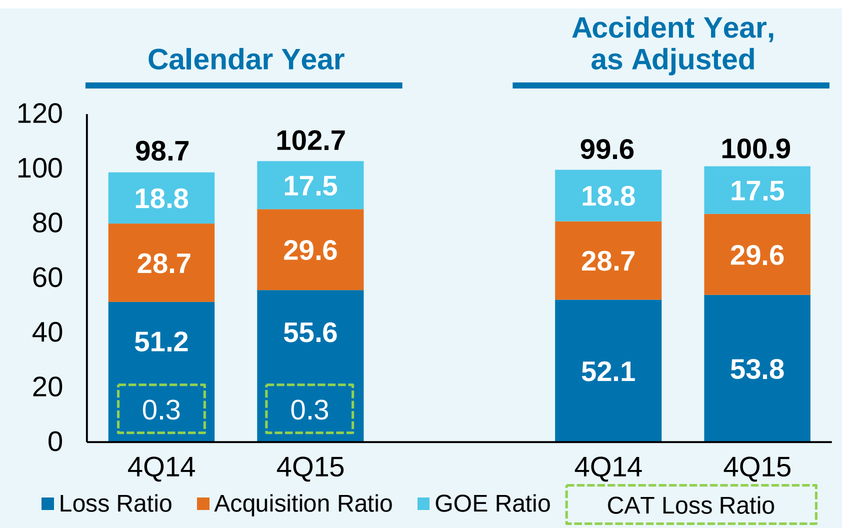
($ in Millions)	4Q14	4Q15
Net premiums written	$2,866	$2,719
Net premiums earned	2,926	2,734
Underwriting income (loss)	39	(74)
Net investment income	82	42
Pre-tax operating income (loss)	$121	($32)

- Personal Insurance NPW, excluding the effects of FX, increased 3.6% (down 5.1% on a reported basis) driven by growth in personal property and automobile business in Japan and the U.S., partially offset by a decrease in warranty services programs and A&H.
- The decline in underwriting income primarily reflects unfavorable PYD together with higher losses in A&H and Auto, partially offset by lower expenses.
- Excluding the effects of FX, the increase in acquisition expense was almost entirely offset by a reduction in GOE, which primarily reflected lower strategic investment expenditures together with an ongoing focus on cost efficiency.
- The decline in net investment income was driven by lower interest income, lower returns on alternative investments, lower allocation of NII and FX.

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 non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair values of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes).

- **Book Value Per Common Share Excluding Accumulated Other Comprehensive Income (AOCI), Book Value Per Common Share Excluding AOCI and Deferred Tax Assets (DTA) and Book Value Per Common Share Excluding AOCI and DTA and Including Dividend Growth** are used to show the amount of our net worth on a per-share basis. We believe these measures are useful to investors because they eliminate the effect of non-cash items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. Deferred tax assets represent U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts for interim periods are estimates based on projections of full year attribute utilization. Book Value Per Common Share Excluding AOCI is derived by dividing Total AIG shareholders' equity, excluding AOCI, by Total common shares outstanding. Book Value Per Common Share Excluding AOCI and DTA is derived by dividing Total AIG shareholders' equity, excluding AOCI and DTA, by Total common shares outstanding. Book Value Per Common Share Excluding AOCI and DTA and including dividend growth is derived by dividing Total AIG shareholders' equity, excluding AOCI and DTA, and including growth in dividends to shareholders, by Total common shares outstanding.

- **After-tax operating income attributable to AIG** is derived by excluding the following items from net income attributable to AIG:
  - deferred income tax valuation allowance releases and charges;
  - Changes in fair values of securities used to hedge guaranteed living benefits;
  - changes in benefit reserves and deferred policy acquisition costs (DAC), value of business acquired (VOBA), and sales inducement assets (SIA) related to net realized capital gains and losses;
  - other income and expense — net, related to Corporate and Other run-off insurance lines;
  - loss on extinguishment of debt;
  - net realized capital gains and losses;
  - non-qualifying derivative hedging activities, excluding net realized capital gains and losses;
  - income or loss from discontinued operations;
  - income and loss from divested businesses, including:
    - gain on the sale of International Lease Finance Corporation (ILFC); and
    - certain post-acquisition transaction expenses incurred by AerCap Holdings N.V. (AerCap) in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and related tax effects;
  - legacy tax adjustments primarily related to certain changes in uncertain tax positions and other tax adjustments;
  - non-operating litigation reserves and settlements;
  - reserve development related to non-operating run-off insurance business; and
  - restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization.

- **Return on Equity – After-tax Operating Income Excluding AOCI and Return on Equity – After-tax Operating Income Excluding AOCI and DTA** are used to show the rate of return on shareholders' equity. We believe these measures are useful to investors because they eliminate the effect of non-cash items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. Deferred tax assets represent U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts for interim periods are estimates based on projections of full year attribute utilization. Return on Equity – After-tax Operating Income Excluding AOCI is derived by dividing actual or annualized after-tax operating income attributable to AIG by average AIG shareholders' equity, excluding average AOCI. Return on Equity – After-tax Operating Income Excluding AOCI and DTA is derived by dividing actual or annualized after-tax operating income attributable to AIG, by average AIG shareholders' equity, excluding average AOCI and DTA.

Glossary of Non-GAAP Financial Measures (continued)

AIG

- **Normalized Return on Equity, Excluding AOCI and DTA** further adjusts Return on Equity – After-tax Operating Income, excluding AOCI and DTA for the effects of certain volatile or market related items. Normalized Return on Equity, Excluding AOCI and DTA is derived by excluding the following tax adjusted effects from Return on Equity – After-tax Operating Income, Excluding AOCI and DTA:
  - Catastrophe losses compared to expectations
  - Alternative investment returns compared to expectations
  - DIB/GCM returns compared to expectations
  - Fair value changes on PICC investments
  - Update of actuarial assumptions
  - Net reserve discount change
  - Life insurance IBNR death claim charge
  - Prior year loss reserve development
- **General operating expenses, operating basis,** is derived by making the following adjustments to general operating and other expenses: include (i) loss adjustment expenses, reported as policyholder benefits and losses incurred and (ii) certain investment and other expenses reported as net investment income, and exclude (i) advisory fee expenses, (ii) non-deferrable insurance commissions, (iii) direct marketing and acquisition expenses, net of deferrals, (iv) non-operating litigation reserves and (v) other expense related to a retroactive reinsurance agreement. We use general operating expenses, operating basis, because we believe it provides a more meaningful indication of our ordinary course of business operating costs.
- **Total AIG Shareholders' Equity, Excluding AOCI and DTA – Legacy Portfolio** further adjusts AIG shareholders' equity excluding AOCI and DTA for the transfer of equity associated with certain run-off businesses and the attribution to the operating businesses of a portion of Corporate GOE, Parent debt and the related interest expense. The objective of the Legacy Portfolio is to maximize value and release capital of certain run-off non-strategic assets. We believe this measure allows for more transparency into the progress on improving the ROE of our Operating Portfolio. The current attribution of businesses to Operating and Legacy Portfolios is based on estimates including an assumption of the level of internal leverage which could change over time.

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

- **Pre-tax operating income:** includes both underwriting income and loss and net investment income, but excludes net realized capital gains and losses, other income and expense — net and non-operating litigation reserves and settlements. Underwriting income and loss is derived by reducing net premiums earned by losses and loss adjustment expenses incurred, acquisition expenses and general operating expenses.
- **Ratios:** We, along with most property and casualty insurance companies, use the loss ratio, the expense ratio and the combined ratio as measures of underwriting performance. These ratios are relative measurements that describe, for every $100 of net premiums earned, the amount of losses and loss adjustment expenses, and the amount of other underwriting expenses that would be incurred. A combined ratio of less than 100 indicates underwriting income and a combined ratio of over 100 indicates an underwriting loss. The underwriting environment varies across countries and products, as does the degree of litigation activity, all of which affect such ratios. In addition, investment returns, local taxes, cost of capital, regulation, product type and competition can have an effect on pricing and consequently on profitability as reflected in underwriting income and associated ratios.
- **Accident year loss and combined ratios, as adjusted:** both the accident year loss and combined ratios, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. Catastrophe losses are generally weather or seismic events having a net impact in excess of $10 million each.
- **Ultimate accident year loss ratio adjusted for prior year development:** represents initially reported accident year loss ratios adjusted to exclude catastrophe losses and reflect prior year development in the appropriate accident year. The 4Q15 ratio reflects development for the full year including our fourth quarter strengthening.

AIG

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 securities used to hedge guaranteed living benefits;
  - net realized capital gains and losses;
  - changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains and losses;
  - non-operating litigation reserves and settlements
- **Premiums and deposits:** includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts and mutual funds.

Corporate and Other

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

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

Acronyms

- **YTD** – Year-to-date
- **YoY –** Year-over-year
- **NPW –** Net premiums written
- **FX –** Foreign exchange
- **AOCI –** Accumulated other comprehensive income
- **DTA –** Deferred tax assets
- **PYD –** Prior year loss reserve development
- **NII** – Net investment income
- **GOE** – General operating expenses, operating basis

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

AIG

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

	Retirement		Life	
Premiums and Deposits ($ in Millions)	**4Q14**	**4Q15**	**4Q14**	**4Q15**
Premiums and Deposits	$5,990	$7,037	$1,249	$1,279
Deposits	(5,952)	(6,853)	(403)	(413)
Other	28	(143)	(171)	(192)
Premiums	$66	$41	$675	$674

Total Operating Revenues (In Millions)	**4Q14**	**4Q15**
Total operating revenues	**$15,006**	**$14,187**
Reconciling Items:		
Changes in fair values of securities used to hedge guaranteed living benefits	98	(4)
Net realized capital gains (losses)	193	(349)
Non-operating litigation settlements	113	3
Other	-	(6)
Total revenues	**$15,410**	**$13,831**

($ in Millions)	4Q14	4Q15	FY 2014	FY 2015
Total general operating expenses, Operating basis	**$3,016**	**$2,740**	**$11,940**	**$11,141**
Loss adjustment expenses, reported as policyholder benefits and losses incurred	(434)	(392)	(1,667)	(1,632)
Advisory fee expenses	329	337	1,315	1,349
Non-deferrable insurance commissions	146	127	522	504
Direct marketing and acquisition expenses, net of deferrals	203	218	570	659
Investment expenses reported as net investment income	(11)	(20)	(88)	(76)
Total general operating and other expenses included in pre-tax operating income	**3,249**	**3,010**	**12,592**	**11,945**
Restructuring and other costs	-	222	-	496
Other expense related to retroactive reinsurance agreement	-	233	-	233
Non-operating litigation reserves	-	7	546	12
Total general operating and other expenses, GAAP basis	**$3,249**	**$3,472**	**$13,138**	**$12,686**

AIG

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

Pre-tax and After-tax Operating Income (In Millions, Except Per Share Data)	4Q14	4Q15
Pre-tax income (loss) from continuing operations	$729	($2,932)
Adjustments to arrive at Pre-tax operating income:		
Changes in fair values of securities used to hedge guaranteed living benefits	(98)	4
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	127	(69)
Loss on extinguishment of debt	1,268	-
Net realized capital (gains) losses	(193)	349
Loss from divested businesses	20	1
Non-operating litigation reserves and settlements	(113)	4
Other (income) expense - net	-	233
Restructuring and other costs	-	222
Pre-tax operating income (loss)	**$1,740**	**($2,188)**
Net income (loss) attributable to AIG	**$655**	**($1,841)**
Adjustments to arrive at After-tax operating income (amounts net of tax):		
Uncertain tax positions and other tax adjustments	73	(30)
Deferred income tax valuation allowance (releases) charges	(20)	49
Changes in fair values of securities used to hedge guaranteed living benefits	(64)	3
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	82	(45)
Loss on extinguishment of debt	824	-
Net realized capital (gains) losses	(105)	215
(Income) loss from discontinued operations	35	-
(Income) loss from divested businesses	(9)	2
Non-operating litigation reserves and settlements	(100)	3
Other (income) expense - net	-	151
Restructuring and other costs	-	145
After-tax operating income (loss)	**$1,371**	**($1,348)**
After-tax operating income (loss) per diluted share	**$0.97**	**($1.10)**

AIG

Non-GAAP Reconciliation of Operating and Legacy Portfolio Shareholders' Equity, Ex. AOCI and DTA

Reconciliation of AIG Shareholders' Equity, Ex. AOCI and DTA: ($ in Millions) As of December 31, 2015	**Life Insurance Companies**	**Non-Life Insurance Companies**	**Total Life and Non-Life Insurance Companies**	**Corporate and Other**	**AIG Inc.**
Total AIG shareholders' equity	$32.1	$44.7	$76.7	$12.9	**$89.7**
Less: Accumulated other comprehensive income (AOCI)	(1.7)	(1.2)	(2.9)	0.4	**(2.5)**
Total AIG shareholders' equity, excluding AOCI	30.4	43.4	73.8	13.3	**87.1**
Less: Deferred tax assets (DTA)[1]	-	-	-	(16.8)	**(16.8)**
Total AIG shareholders' equity, excluding AOCI and DTA	**$30.4**	**$43.4**	**$73.8**	**($3.4)**	**$70.4**

Reconciliation to Core and Legacy Portfolio Shareholders' Equity, Ex. AOCI and DTA:	**Core Portfolio**	**Legacy Portfolio**	**AIG Inc.**
Total AIG shareholders' equity, excluding AOCI and DTA	$73.8	($3.4)	**$70.4**
Transfer equity of legacy portfolio[2]	(4.6)	4.6	**-**
Push down of Parent debt[3]	(15.6)	15.6	**-**
Total AIG shareholders' equity, excluding AOCI and DTA	**$53.6**	**$16.8**	**$70.4**

1) Represents U.S. tax attributes related to net operating loss carryforwards and foreign tax credits.
2) Represents transfer of the equity associated with discontinued/run-off businesses (primarily Life Insurance Companies run-off portfolios and pre-2012 structured settlements) to the legacy portfolio.
3) Represents the allocation of financial debt to the Operating Portfolio at leverage of 20% for Non-Life Insurance Companies and 25% for Life Insurance Companies (calculated as Financial Debt + Hybrid Debt / Total Capital) by transferring in a portion of parent financial debt.

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, 2014	Dec. 31, 2015
Total AIG shareholders' equity (a)	$106,898	$89,658
Less: Accumulated other comprehensive income (AOCI)	(10,617)	(2,537)
Total AIG shareholders' equity, excluding AOCI (b)	96,281	87,121
Less: Deferred tax assets (DTA)*	(16,158)	(16,751)
Total AIG shareholders' equity, excluding AOCI and DTA (c)	$80,123	$70,370
Total common shares outstanding (d)	**1,375.9**	**1,193.9**
Book value per common share (a÷d)	$77.69	$75.10
Book value per common share, excluding AOCI (b÷d)	$69.98	$72.97
Book value per common share, excluding AOCI and DTA (c÷d)	$58.23	$58.94
Add: Book Value per common share impact from dividend growth	-	$0.32
Book value per common share, excluding AOCI and DTA and including dividend growth	$58.23	$59.26

Return On Equity (ROE) Computations ($ in Millions)	4Q14	4Q15
Actual or annualized net income (loss) attributable to AIG (a)	$2,620	($7,364)
Actual or annualized after-tax operating income (loss) (b)	$5,484	($5,392)
Average AIG shareholders' equity (c)	107,740	94,329
Less: Average AOCI	(10,974)	(4,547)
Average AIG shareholders' equity, excluding average AOCI (d)	96,766	89,782
Less: Average DTA	(15,920)	(16,002)
Average AIG shareholders' equity, excluding average AOCI and DTA (e)	**$80,846**	**$73,780**
ROE (a÷c)	2.4%	(7.8%)
ROE – after-tax operating income, excluding AOCI (b÷d)	5.7%	(6.0%)
ROE – after-tax operating income, excluding AOCI and DTA (b÷e)	6.8%	(7.3%)

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	**4Q14**	**4Q15**	**4Q14**	**4Q15**	**4Q14**	**4Q15**
Loss ratio	75.0	132.9	20.6	7.1	51.2	55.6
Catastrophe losses and reinstatement premiums	(0.7)	(4.2)	0.0	0.0	(0.3)	(0.3)
Prior year development net of premium adjustments	(4.0)	(60.9)	12.6	15.2	1.2	(1.5)
Net reserve discount benefit (change)	(4.4)	(1.4)	0.0	0.0	0.0	0.0
Accident year loss ratio, as adjusted	65.9	66.4	33.2	22.3	52.1	53.8
Acquisition ratio	16.0	16.6	7.1	8.5	28.7	29.6
General operating expense ratio	12.4	12.0	15.1	20.1	18.8	17.5
Expense ratio	28.4	28.6	22.2	28.6	47.5	47.1
Combined ratio	103.4	161.5	42.8	35.7	98.7	102.7
Catastrophe losses and reinstatement premiums	(0.7)	(4.2)	0.0	0.0	(0.3)	(0.3)
Prior year development net of premium adjustments	(4.0)	(60.9)	12.6	15.2	1.2	(1.5)
Net reserve discount benefit (charge)	(4.4)	(1.4)	0.0	0.0	0.0	0.0
Accident year combined ratio, as adjusted	94.3	95.0	55.4	50.9	99.6	100.9

AIG

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

	Full Year 2015			4Q15		
	Pre-tax	After-tax	ROE	Pre-tax	After-tax	ROE
ROE – After-tax operating income (loss), ex. AOCI & DTA	**$4,055**	**$2,927**	**3.7%**	**($2,188)**	**($1,348)**	**(7.3%)**
Adjustments to arrive at Normalized ROE, ex. AOCI & DTA:						
Catastrophe losses below expectations	(799)	(519)	(0.7%)	(134)	(87)	(0.4%)
Worse than expected alternative returns	667	434	0.6%	529	344	1.9%
Better than expected DIB & GCM returns	(121)	(80)	(0.1%)	(3)	(3)	-
Fair value changes on PICC investments	(40)	(26)	-	(19)	(12)	(0.1%)
Update of actuarial assumptions[2]	6	4	-	(11)	(7)	-
Net reserve discount charge	(71)	(47)	(0.1%)	86	56	0.3%
Life insurance – IBNR	(20)	(13)	-	(20)	(13)	(0.1%)
Unfavorable prior year loss reserve development	4,138	2,690	3.4%	3,583	2,329	12.4%
Normalized ROE, ex. AOCI & DTA	**$7,815**	**$5,370**	**6.8%**	**$1,823**	**$1,259**	**6.7%**

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

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

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

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