American International Group, Inc.

Selected Slides: AIG Goal Update

October 18, 2016

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AIG Announces Actions to Create a Leaner, More Profitable and Focused Insurer

2016-2017 Board Approved Actions

Strategic Actions	• Return at least $25 bn of capital to shareholders • Pursue an active divestiture program, including the announced agreement to sell 100% of UGC to Arch Capital Group Ltd. and the completed sale of AIG Advisor Group, while preserving the value of deferred tax assets • Could consider separation of even larger modular business units of the Commercial and Consumer segments over time with deferred tax asset (DTA) utilization, contingent on improvements in the credit risk profile and operating performance
Organizational Changes	• Reorganizing operating model into “modular”, self-contained business units to enhance transparency and accountability, driving performance improvement and strategic flexibility over time • Introduce new Legacy Portfolio, including the 24% capital allocated, to enhance transparency and highlight the progress to over 10% Normalized ROE(1) by 2017 for Operating Portfolio
Operating Improvements	• Reduce firmwide general operating expenses, operating basis, on a gross basis(1) by $1.6 bn • Improve Commercial P&C accident year loss ratio, as adjusted(1), by 6 points to ~60% by 4Q17(2)

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Notes:
(1) Non-GAAP financial measure. See appendix.
(2) Target represents fourth quarter exit run rate.

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[3]	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

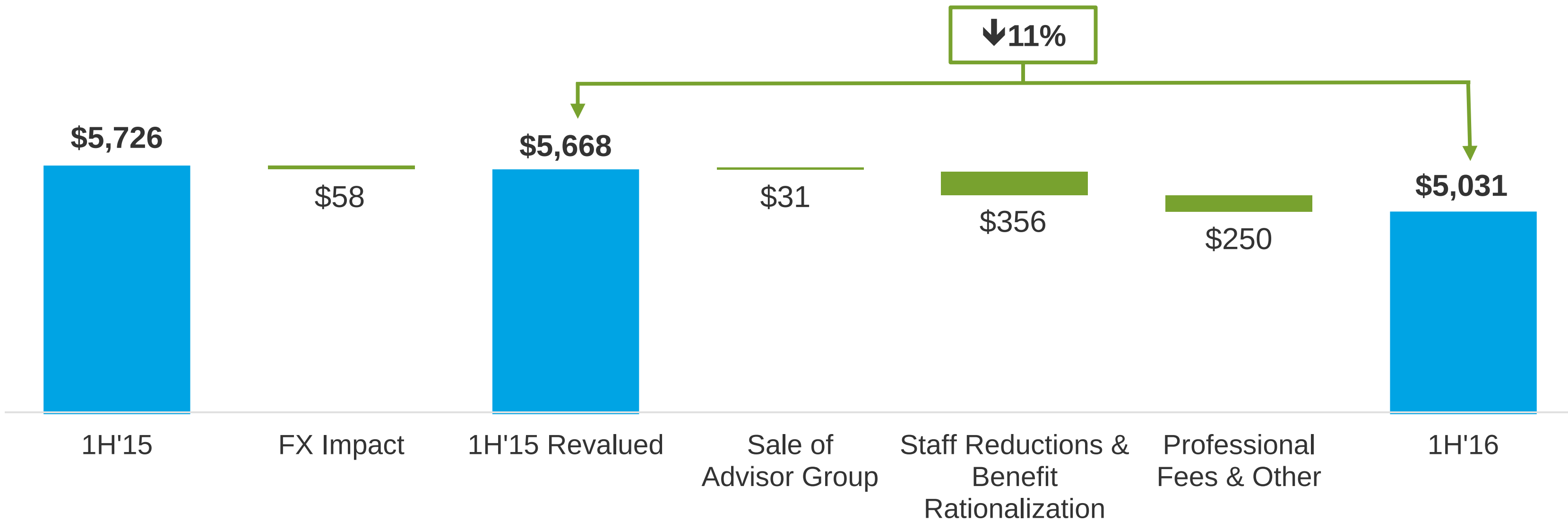
1) On a constant dollar basis.
2) Adjusted for dividend growth.
3) Represents quarter-end exit run rate.

General Operating Expense, Operating Basis, Reductions

Targeting $1.6B of Gross GOE, Operating Basis, Reductions or $1.4B of Net GOE Reductions, Operating Basis, by 2017 from GOE, Operating Basis, of $11.1B for full year 2015

($ in Millions)

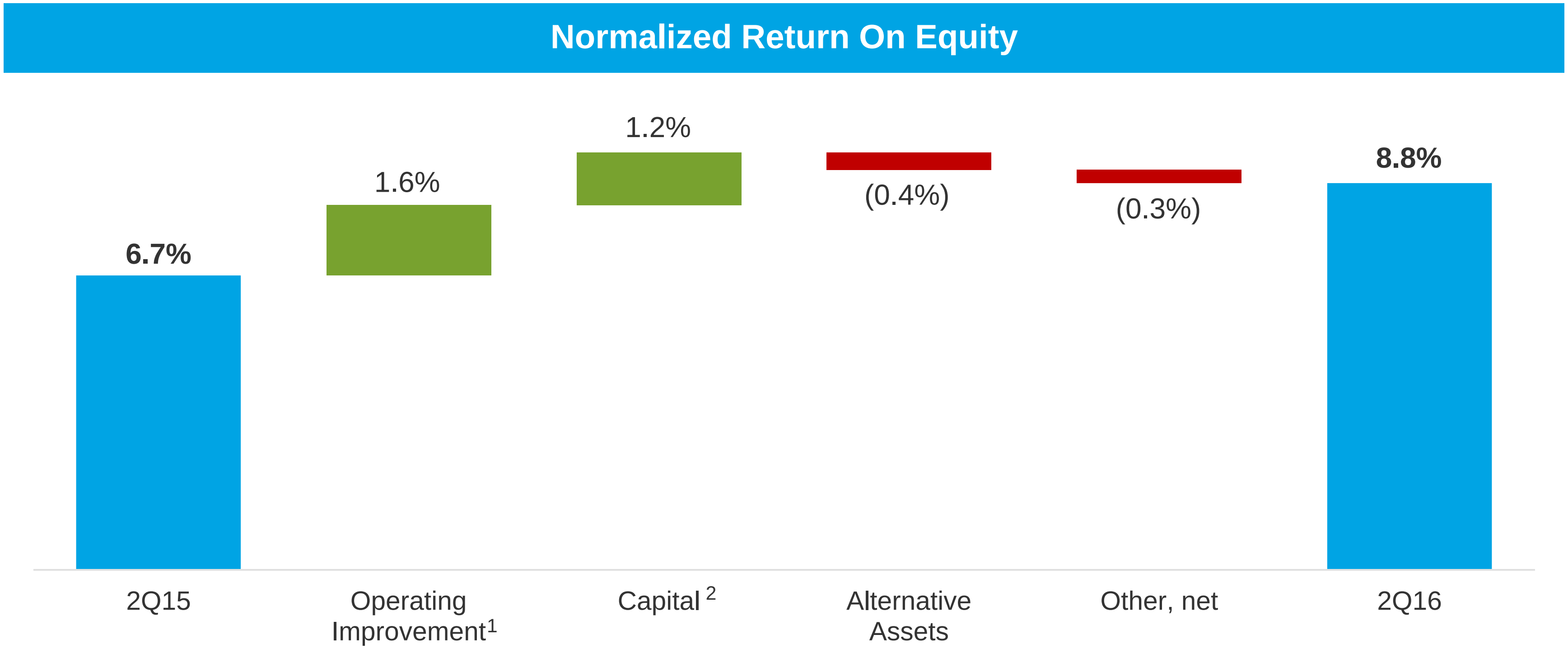
1H’15 vs. 1H’16



- 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

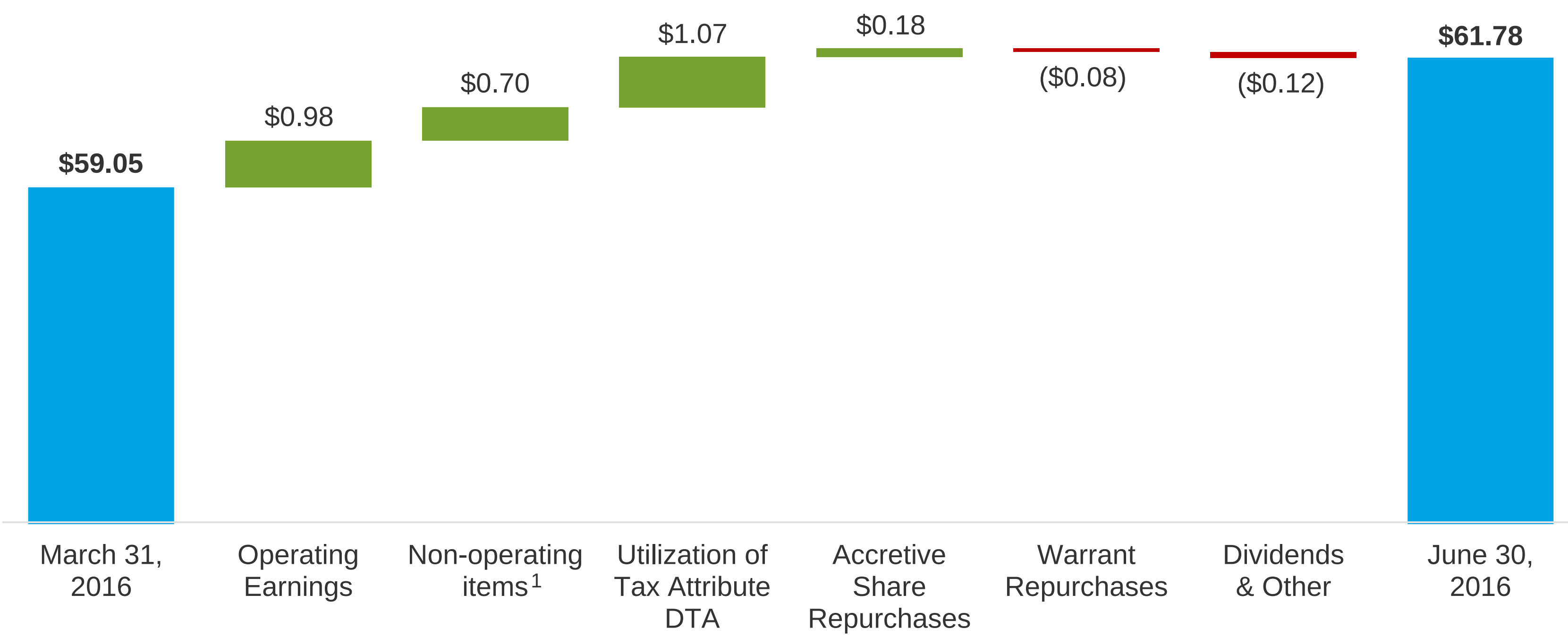


1) Primarily represents GOE, operating basis, reductions and improved Property Casualty accident year loss ratio, as adjusted.
2) Largely driven by share and warrant repurchases and dividends.

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

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

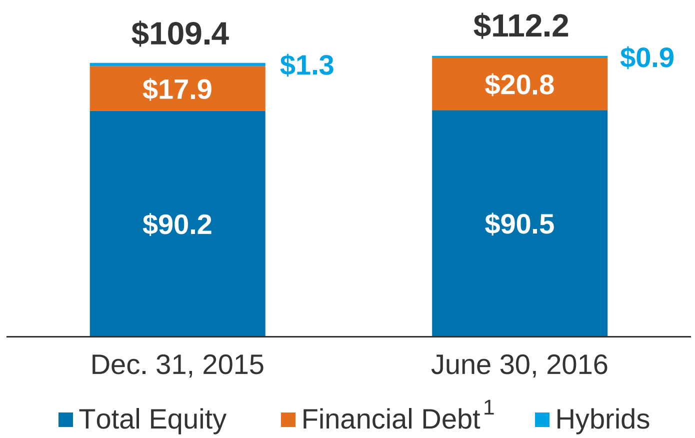
Book Value Per Common Share, ex. AOCI & DTA, including Dividend Growth



1) Primarily represents net realized capital gains.

Strong Capital Position

Capital Structure ($ in Billions)



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)

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%

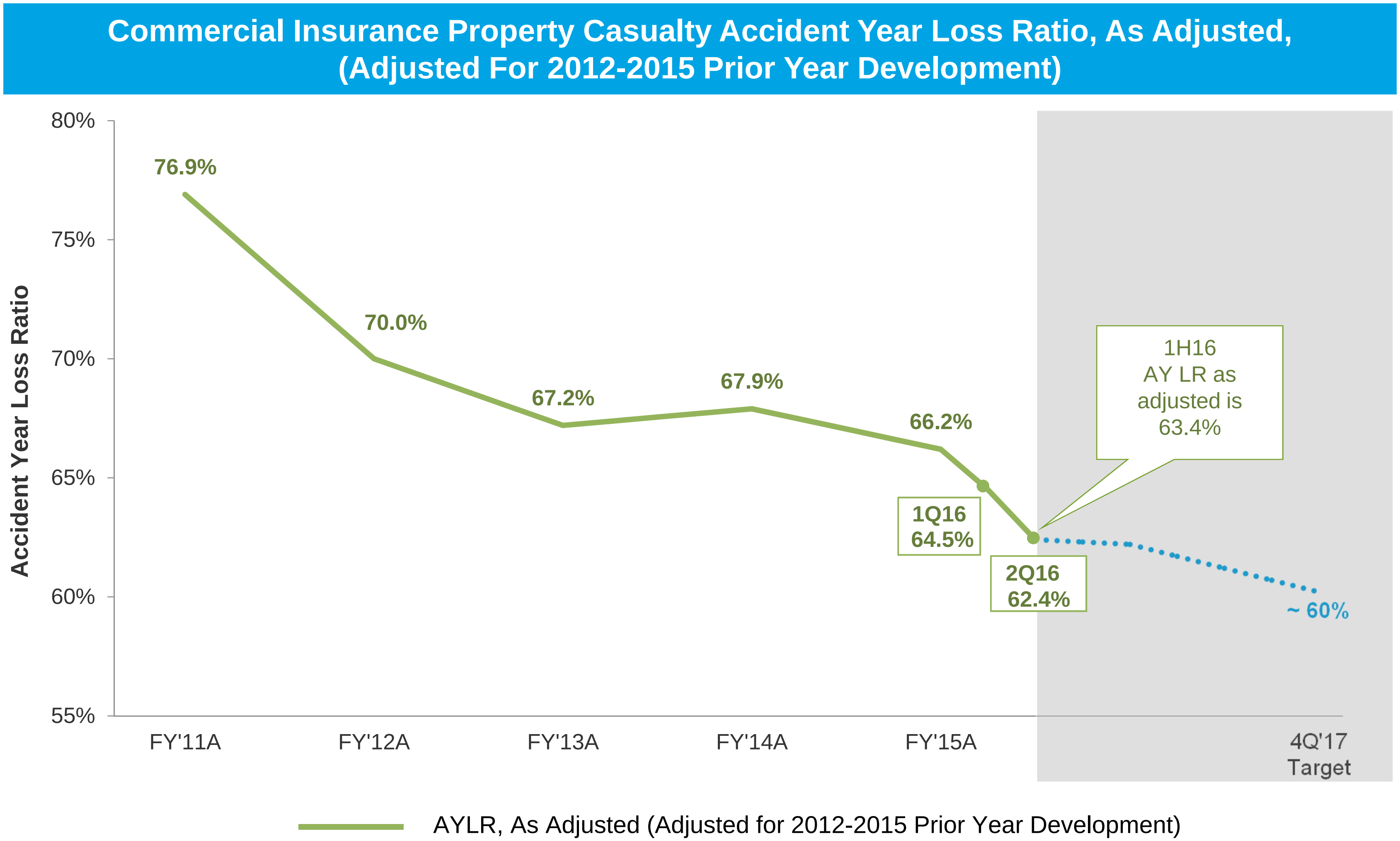
Credit Ratings[4]

	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

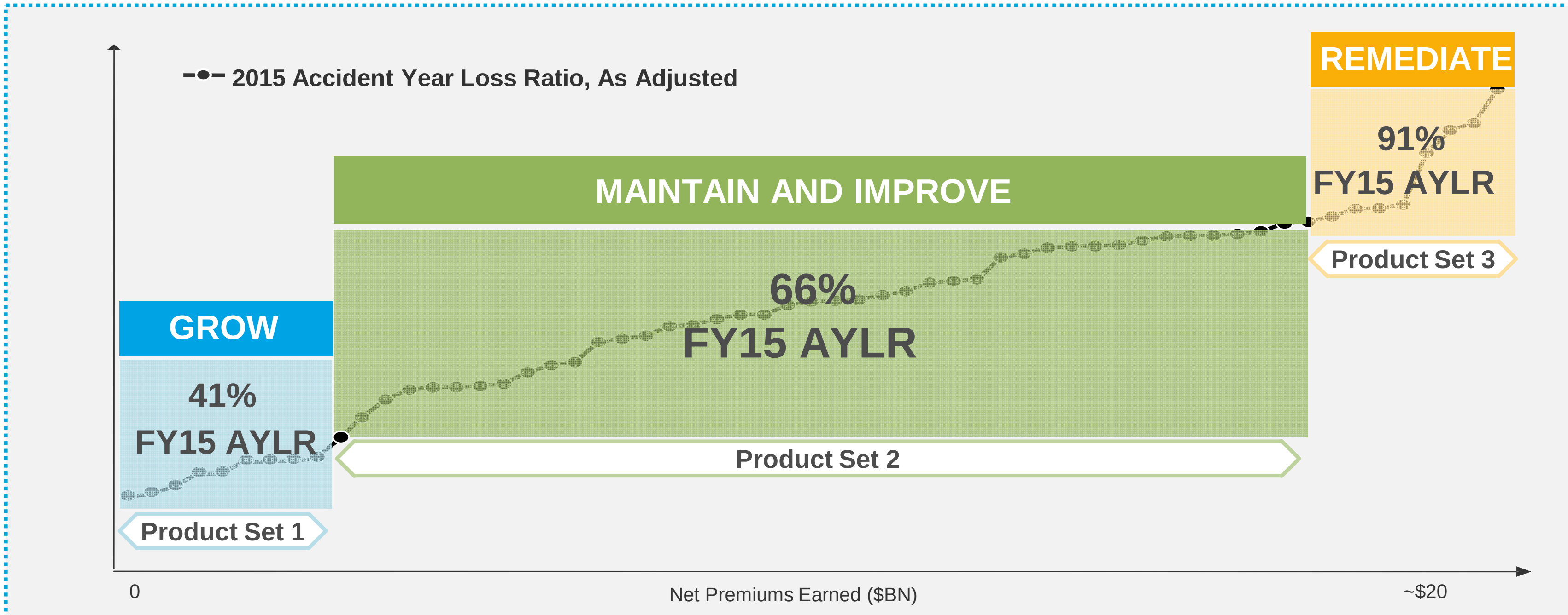
- Additional $698 million of share repurchases through August 2, 2016.

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.

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



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	NPE share	15%	35%	35%	15%	$20.1BN NPE
	AY LR	41%	59%	73%	91%	AY LR
2Q16	NPW share	18%	44%	29%	9%	$4.4BN NPW
	AY LR	51%	57%	66%	81%	AY LR
1H16	NPW share	15%	45%	31%	9%	$8.7BN NPW
	AY LR	50%	58%	67%	84%	AY LR

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

Organizational Transparency

Modular operating model and new Legacy Portfolio to enhance transparency and accountability

New Legacy Portfolio to consist of non-strategic assets, including tax attribute DTA, businesses and products AIG intends to exit and select low returning legacy insurance products

	Operating Portfolio	Legacy Portfolio (1)
Objectives	Operating ROE improvement across modular, focused business units	Value-maximization and capital release from monetizing or running off non-strategic assets
Business / Assets	▪ 9 modular business units within Commercial and Consumer initially ▪ Commercial – Liability and Financial Lines – Property and Special Risks – U.S. Commercial – Europe Commercial ▪ Consumer – U.S. Individual Retirement – U.S. Group Retirement – Life, Health and Disability – Personal Insurance (P&C) – Japan	▪ Tax attributes (DTA) ▪ Discontinued / run-off businesses and businesses AIG intends to exit – Advisor Group – P&C run-off portfolios (2) – Life run-off portfolios ▪ Pre-2012 Structured Settlements ▪ Non-strategic legacy assets – Life settlements – ML III equity – PICC stake held by Parent – Former DIB/GCM – Legacy GRE portfolio
Adj. Equity (3):	$54 bn	$17 bn (ex. AOCI & DTA) $34 bn (ex. AOCI & incl. DTA)
2015 Normalized ROE(4):	~7.5% (after-tax) ~11.5% (pre-tax)	~5% (ex. AOCI & DTA) ~3% (ex. AOCI & incl. DTA)

Notes: (1) Legacy Portfolio assets may evolve over time. (2) Could include select U.S. Casualty and Specialty products. (3) Shareholders' Equity excluding AOCI and DTA and adjusted for leverage as of December 31, 2015; non-GAAP financial measure. (4) Normalized ROE excluding AOCI & DTA, a non-GAAP financial measure, adjusted for allocation of Corporate GOE and pushdown of parent debt; estimate for full year 2015. 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.

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Glossary of Non-GAAP Financial Measures and Non-GAAP Reconciliations

Glossary of Non-GAAP Financial Measures

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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 pages 3, 4, 5 and 9. 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 control 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.

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.

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
- **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

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

Non-GAAP Reconciliations

General operating expenses, Operating basis ($ in Millions)	FY 2014	FY 2015	1H'15	1H'16
Total General operating expenses, Operating basis	**$11,940**	**$11,141**	**$5,726**	**$5,031**
Loss adjustment expenses, reported as policyholder benefits and losses incurred	(1,667)	(1,632)	(851)	(691)
Advisory fee expenses	1,315	1,349	673	490
Non-deferrable insurance commissions	522	504	254	243
Direct marketing and acquisition expenses, net of deferrals	570	659	241	277
Investment expenses reported as net investment income	(88)	(76)	(39)	(30)
Total general operating and other expenses included in pre-tax operating income	**12,592**	**11,945**	**6,004**	**5,320**
Restructuring and other costs	-	496	-	278
Other expense related to retroactive reinsurance agreement	-	233	-	(12)
Non-operating litigation reserves	546	12	35	3
Total general operating and other expenses, GAAP basis	**$13,138**	**$12,686**	**$6,039**	**$5,589**

Reconciliation of AIG Shareholders' Equity, Ex. AOCI and DTA: ($ in Billions) 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 Operating and Legacy Portfolio Shareholders' Equity, Ex. AOCI and DTA:	Operating 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 adjusted 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.

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**

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%

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* 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]

($ in millions)	2Q15 Pre-tax	2Q15 Tax Effect	2Q15 After-tax	2Q15 ROE	2Q16 Pre-tax	2Q16 Tax Effect	2Q16 After-tax	2Q16 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%**
Average AIG Shareholders' equity				**$106,119**				**$89,232**
Less: Average AOCI				9,139				6,892
Less: Average DTA				15,428				16,220
Effect of normalization on equity				(269)				175
Normalized Average AIG Shareholders' equity, excluding average AOCI and DTA				**$81,283**				**$66,295**

($ in millions)	1H'15 Pre-tax	1H'15 Tax Effect	1H'15 After-tax	1H'15 ROE	1H'16 Pre-tax	1H'16 Tax Effect	1H'16 After-tax	1H'16 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%**
Average AIG Shareholders' equity				**$106,378**				**$89,374**
Less: Average AOCI				9,631				5,440
Less: Average DTA				15,671				16,397
Effect of normalization on equity				(179)				116
Normalized Average AIG Shareholders' equity, excluding average AOCI and DTA				**$80,897**				**$67,653**

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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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