



AIG



Conference Call Presentation

First Quarter 2018

MAY 3, 2018

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AIG is not under any obligation (and expressly disclaims any obligation) to update or alter any projections, goals, assumptions or other statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise. This document and the remarks made orally may also contain certain non-GAAP financial measures. The reconciliation of such measures to the most comparable GAAP measures in accordance with Regulation G is included in the First Quarter 2018 Financial Supplement available in the Investor Information section of AIG’s corporate website, www.aig.com, as well as in the Appendix to this presentation.

Note: Amounts presented may not foot due to rounding.

First Quarter 2018 Key Themes

Consolidated

Progress towards delivering sustainable, profitable growth

- 1Q18 Adjusted After-Tax Income (AATI) of \$963M (\$1.04/share)
- Adjusted Book Value Per Share growth of 2.5% to \$56.10 from YE'17; 1.3% growth excluding the impact from cumulative effect of changes in accounting principles
- Continued focus on expense discipline

General Insurance

Higher CAT losses, stable reserves and AYLR, As Adjusted

- 1Q18 pre-tax catastrophe losses of \$376M, largely from California mudslides and U.S. winter storms
- Reported AYLR, as adjusted, in line with FY 2017; improved portfolio mix offset by higher severe losses, attritional losses and changes to our reinsurance program
- Increase in expense ratio largely driven by changes in our reinsurance program and portfolio mix
- Net favorable PYD of \$108M in 1Q18; Claims trends better than expected

Life and Retirement

Solid Adjusted Pre-Tax Income (APTI) with Assets Under Administration and Management (AUA/M) at historical highs

- Adjusted ROE of 14.3%; APTI benefited from \$54M in non-recurring payments on structured securities
- AUA/M at historical highs in Individual Retirement, Group Retirement and Institutional Markets due in part to strong equity market performance; Driving growth in fee income
- Net flows remain challenged in Individual Retirement and Group Retirement
- Life sales benefiting from operational enhancements and narrowed focus

Capital & Other

Continued balance sheet strength and prudent capital management

- Maintained strong capital ratios and AIG Parent liquidity
- AIG Parent liquidity of \$8.5B at March 31, 2018
- Repurchased shares and warrants totaling \$300 million
- On track for closing of Validus acquisition by mid-2018

Consolidated Operating Financial Highlights

(\$ in millions, except per share amounts)	1Q17	1Q18
Adjusted Pre-tax Income (Loss):		
General Insurance		
North America	\$828	\$320
International	233	190
Total General Insurance	1,061	510
Life and Retirement		
Individual Retirement	539	499
Group Retirement	243	282
Life Insurance	54	52
Institutional Markets	62	59
Total Life and Retirement	898	892
Other Operations ¹	(260)	(331)
Total Core	1,699	1,071
Legacy Portfolio	342	145
Total adjusted pre-tax income	\$2,041	\$1,216
Adjusted after-tax income	\$1,367	\$963
Adjusted after-tax income per diluted share	\$1.36	\$1.04
Net income attributable to AIG	\$1,185	\$938
Adjusted Return On Equity:		
Consolidated	9.6%	7.7%
Core	10.2%	8.6%
General Insurance	8.7%	5.1%
Life and Retirement	11.7%	14.3%
Legacy Portfolio	7.6%	4.6%
Book Value Per Common Share (BVPS):	Dec. 31, 2017	Mar. 31, 2018
BVPS	\$72.49	\$69.95
BVPS, excluding AOCI	\$66.41	\$67.48
Adjusted BVPS ²	\$54.74	\$56.10



1) Includes consolidation, eliminations and other adjustments.

2) Book value per common share, ex. AOCI and DTA.

Noteworthy Items

(\$ in millions)	1Q17	1Q18
Revenue Items:		
Better than expected alternative returns ¹	\$185	\$103
Investment securities accounted for using the fair value option (excludes alternatives):		
- Fixed maturity securities ² carrying value as of March 31	11,807	10,913
- Fixed maturity securities ² investment income	311	124
- Equity securities carrying value as of March 31	500	1,725
- Equity securities investment income (loss)	26	(31)
Better than expected DIB and GCM returns ³	45	37
Expense Items:		
(Better) worse than expected catastrophe losses	(109)	109
Net (favorable) unfavorable prior year loss reserve development, net of reinsurance	10	(110)

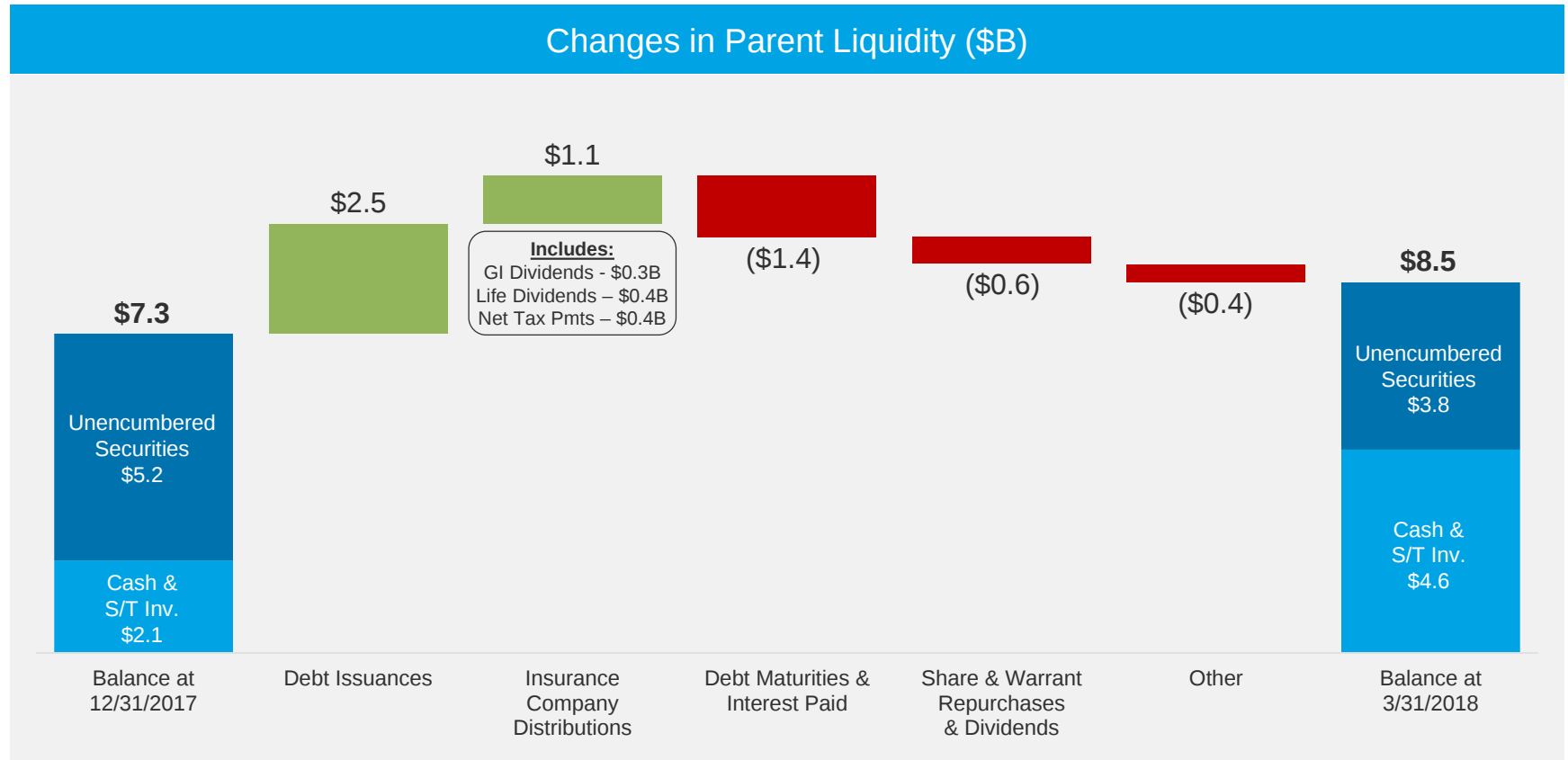


1) The expected rate of return on alternative investments used was 8% for all periods presented.

2) Excludes assets and related income for hedges of variable annuity living benefits.

3) Fair value changes for FVO securities within the Direct Investment Book (DIB) and Global Capital Markets (GCM) portfolios are also included within fixed maturity securities above.

Parent Liquidity





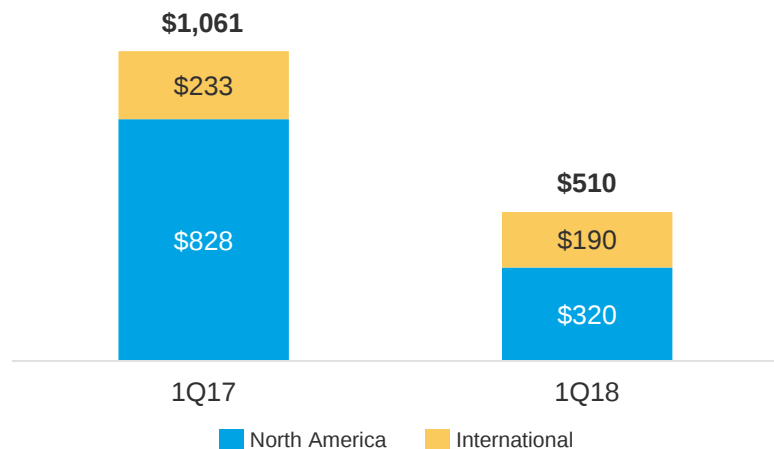
General Insurance

Peter Zaffino

Chief Executive Officer of General Insurance

General Insurance

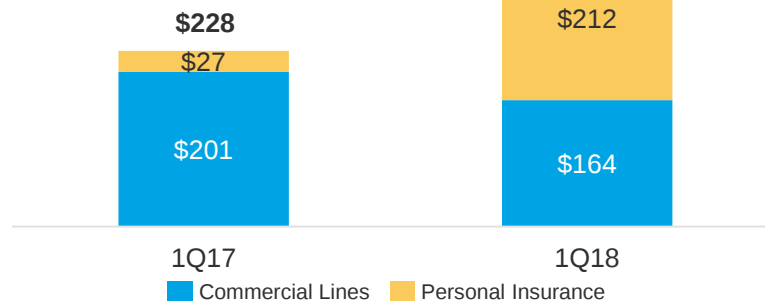
Adjusted Pre-Tax Income (\$M)



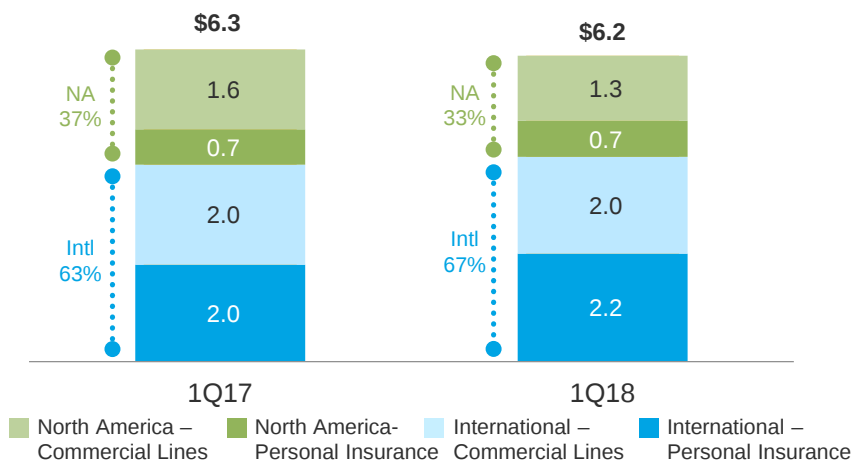
Catastrophe Losses (\$M)

Noteworthy 1Q18 Losses:

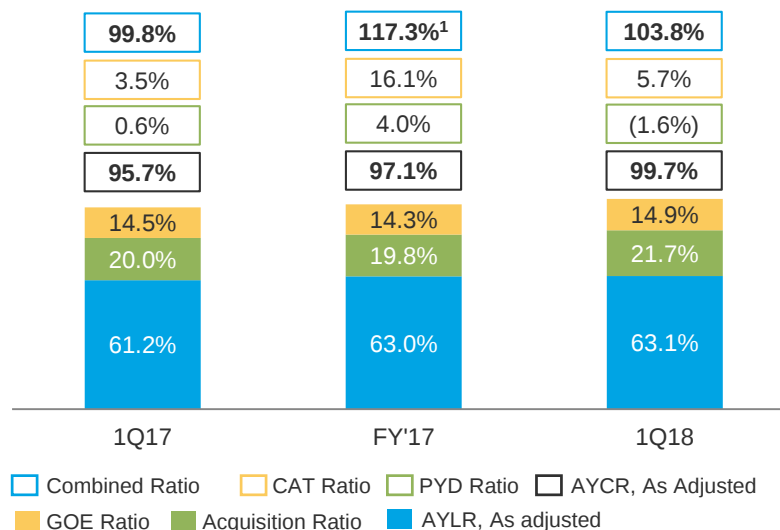
CA Mudslides: \$171M
U.S. Winter Storms: \$122M



Net Premiums Written (\$B)



Combined Ratios



1) AYLR, as adjusted, includes an adjustment for ceded premium under reinsurance contract.

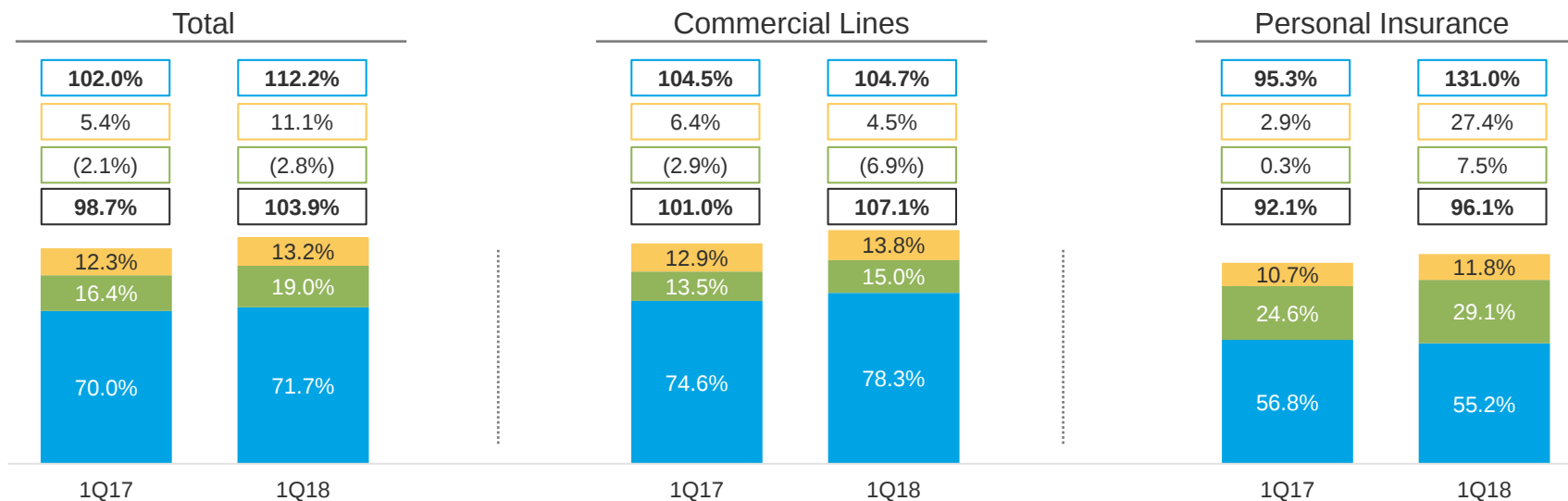
General Insurance – North America

(\$ in millions)	1Q17	1Q18
Net premiums written	\$2,323	\$2,039
Commercial Lines	1,611	1,314
Personal Insurance	712	725
Net premiums earned	\$2,949	\$2,692
Commercial Lines	2,172	1,918
Personal Insurance	777	774
Underwriting loss	(\$63)	(\$328)
Commercial Lines	(100)	(89)
Personal Insurance	37	(239)
Net investment income	\$891	\$648
Adjusted pre-tax income (loss)	\$828	\$320

Key Takeaways:

- Net premiums written decreased by 12%, largely driven by changes in our reinsurance program and the strategic portfolio actions in U.S. Casualty and Property.
- Higher AYLR, as adjusted, reflects the impact of higher ceded premiums related to the changes in our reinsurance program, which was partially offset by a favorable change in the portfolio mix. Also, 1Q17 did not include the increase in the 2H'17 loss estimates. The AYLR, as adjusted, would have been flat versus 1Q17 after including these increased loss estimates.
- CAT losses primarily driven by CA Mudslides and U.S. winter storms.
- Net favorable PYD of \$78M primarily driven by property and special risks and ADC deferred gain amortization.
- Higher acquisition ratio driven by changes in our reinsurance program and changes in the portfolio mix.
- GOE ratio higher vs 1Q17 as the decline in earned premium was not matched by a similar decline in GOE.

Combined Ratios



■ Combined Ratio
 ■ CAT Ratio
 ■ PYD Ratio
 ■ AYCR, As adjusted
 ■ GOE Ratio
 ■ Acquisition Ratio
 ■ AYLR, As adjusted

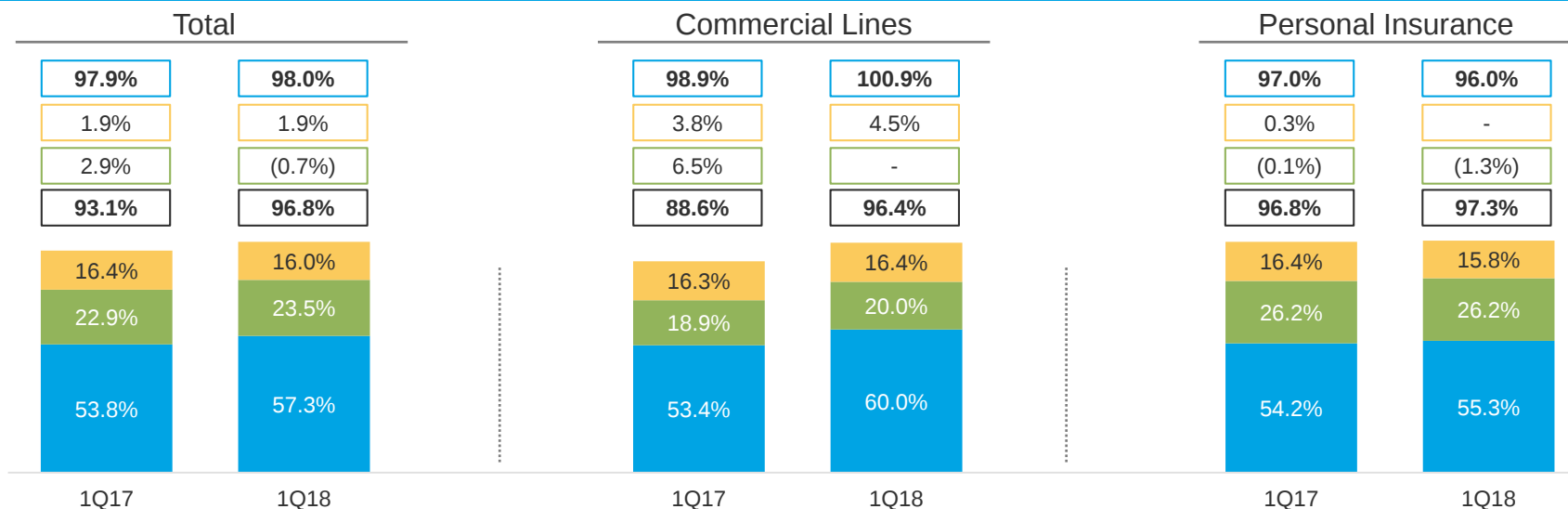
General Insurance – International

(\$ in millions)	1Q17	1Q18
Net premiums written	\$3,974	\$4,132
Commercial Lines	2,018	1,955
Personal Insurance	1,956	2,177
Net premiums earned	\$3,540	\$3,991
Commercial Lines	1,597	1,722
Personal Insurance	1,943	2,269
Underwriting income	\$75	\$77
Commercial Lines	18	(14)
Personal Insurance	57	91
Net investment income	\$158	\$113
Adjusted pre-tax income	\$233	\$190

Key Takeaways:

- NPW declined 10% YoY, excluding FX and ~\$300M of additional premium recognized in 1Q18 from a 2 month acceleration of Fuji's fiscal reporting period following the Japan merger. The decline in NPW reflects our risk selection strategy in Europe, higher ceded premiums related to changes in our reinsurance program and lower production in Japan.
- AYLR, as adjusted, driven by higher severe losses and higher ceded premiums related to the changes in our reinsurance program.
- 1Q18 International CAT losses of \$77M primarily related to the Papua New Guinea Earthquake.
- Net favorable PYD of \$30M primarily from Personal Insurance.

Combined Ratios



■ Combined Ratio
 ■ CAT Ratio
 ■ PYD Ratio
 ■ AYCR, As adjusted
 ■ GOE Ratio
 ■ Acquisition Ratio
 ■ AYLR, As adjusted

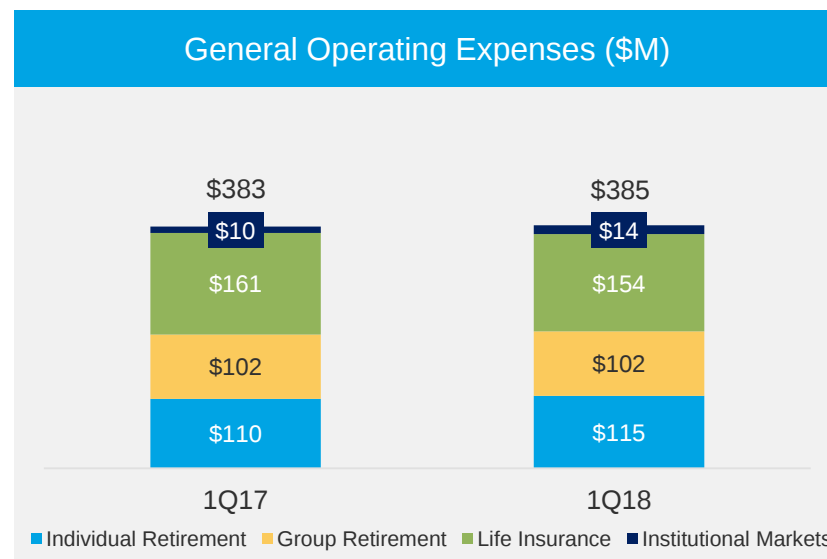
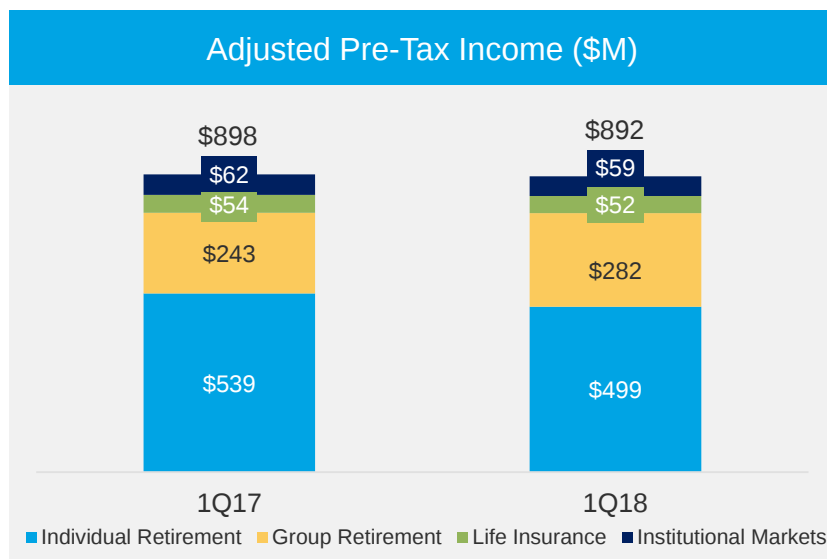
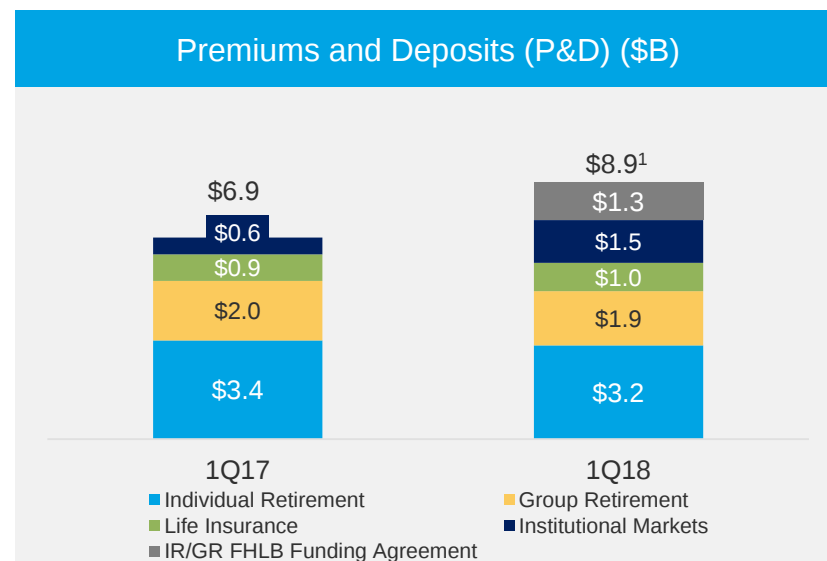
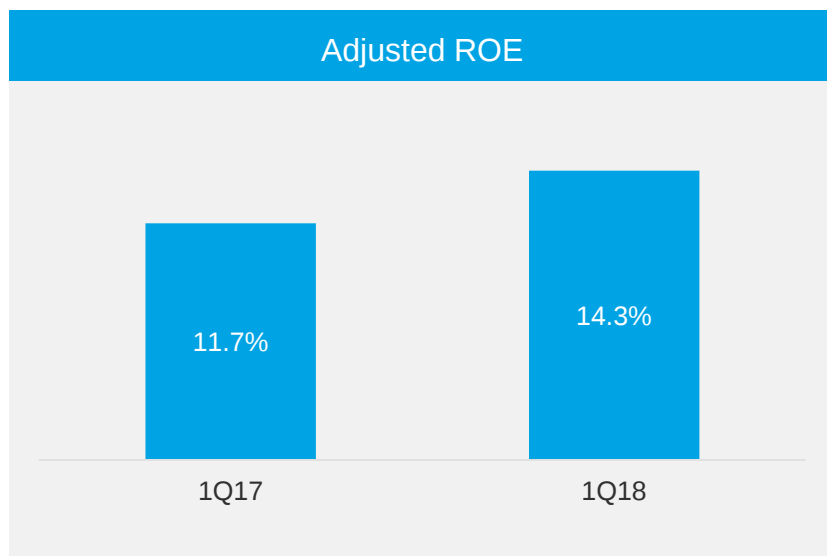


Life and Retirement

Kevin Hogan

Chief Executive Officer of Life and Retirement

Life and Retirement – Select Metrics



1) In 1Q18, several large FHLB funding agreements were issued within Institutional Markets, Individual Retirement, and Group Retirement totaling \$2.7 billion. The deposits from these agreements were excluded from the net flows of Individual Retirement (\$1.1 billion) and Group Retirement (\$0.2 billion), as net flows from these funding agreements are not considered part of the metric to measure core recurring performance.

Life and Retirement – Individual Retirement

(\$ in millions)	1Q17	1Q18
Premiums and deposits	\$3,382	\$4,358
Premiums	28	12
Policy fees	185	204
Net investment income	1,007	984
Advisory fee and other income	153	161
Total adjusted revenues	1,373	1,361
Benefits, losses and expenses	834	862
Adjusted pre-tax income	\$539	\$499

Key Takeaways

- Higher AUA driven by equity market performance and positive Index Annuity net flows in 1Q18.
- Net Flows were negative for 1Q18 due to higher variable annuity surrenders and withdrawals, which reflect the growth in account values, as well as lower premiums and deposits, reflecting the regulatory uncertainties and disruption in the industry.
- Adjusted pre-tax income for 1Q18 reflects higher fee income and advisory fee income from higher AUA offset by lower call/tender income, fair value income on bonds, and base spread compression.
- Continued active spread management with expected compression from the run-off of higher yielding assets and lower reinvestment yields. Fixed annuities benefited from unexpected accretion income in 1Q17.

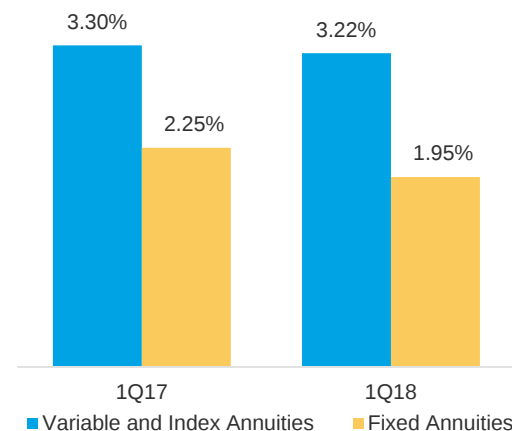
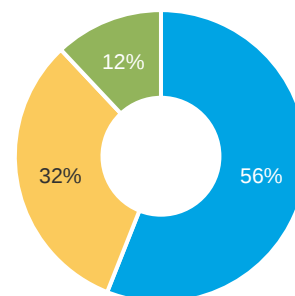
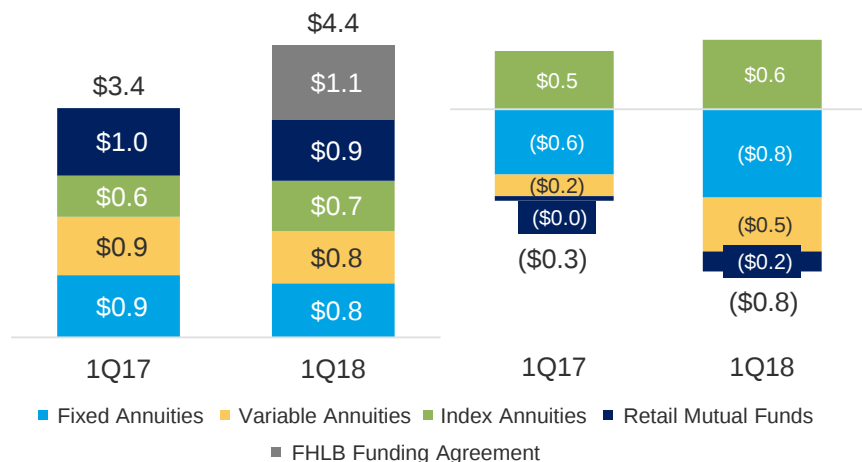
Premiums and Deposits (\$B)

Net Flows (\$B)

Assets Under Administration

Base Net Investment Spread

As of Mar. 31, 2018 = \$148.1B



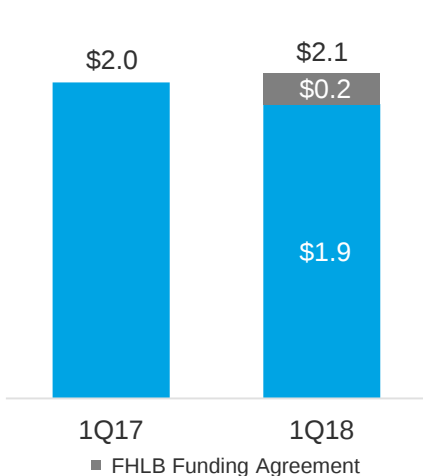
Life and Retirement – Group Retirement

(\$ in millions)	1Q17	1Q18
Premiums and deposits	\$2,040	\$2,072
Premiums	9	6
Policy fees	99	112
Net investment income	555	582
Advisory fee and other income	55	61
Total adjusted revenues	718	761
Benefits, losses and expenses	475	479
Adjusted pre-tax income	\$243	\$282

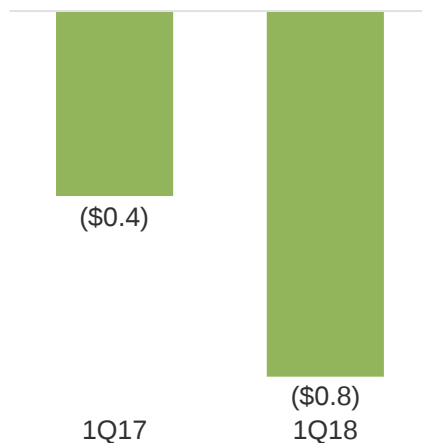
Key Takeaways

- 1Q18 net flows declined from prior year and continue to be negative, primarily due to timing of group acquisitions and an increase in surrenders.
- Adjusted pre-tax income for 1Q18 reflects higher yield enhancements, alternative investment returns, and fee income, partially offset by lower call/tender income, fair value income on bonds, and base spread compression.
- Continued active spread management with expected compression from the run-off of higher yielding assets and lower reinvestment yields.

Premiums and Deposits (\$B)

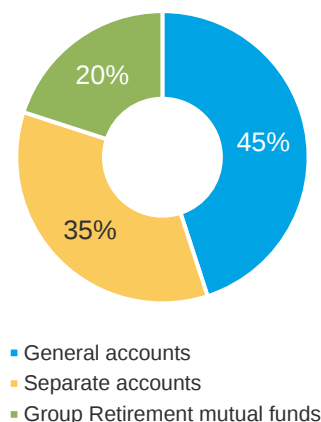


Net Flows (\$B)

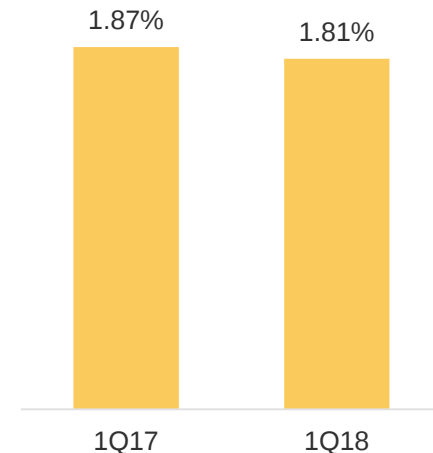


Assets Under Administration

As of Mar. 31, 2018 = \$102.0B



Base Net Investment Spread



Life and Retirement – Life Insurance

(\$ in millions)	1Q17	1Q18
Premiums and deposits	\$910	\$969
Premiums	384	379
Policy fees	360	377
Net investment income	260	293
Advisory fee and other income ¹	9	12
Total adjusted revenues	1,013	1,061
Benefits, losses and expenses	959	1,009
Adjusted pre-tax income (loss)	\$54	\$52

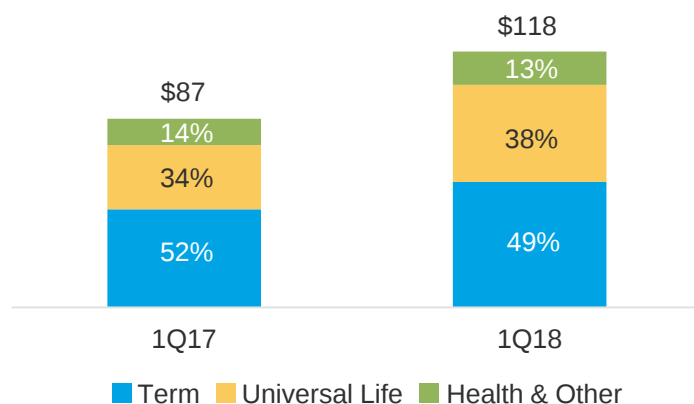
Key Takeaways

- Strong new business sales growth, particularly Universal Life.
- Platform modernization, distribution simplification, and narrowed product focus supporting growth.
- Adjusted pre-tax income for 1Q18 reflects higher alternative investment income, growth in U.S. business and improved International results.
- 1Q18 mortality is within pricing expectations and consistent with prior year.
- Policy benefits increased due to aging of the policyholder population base.

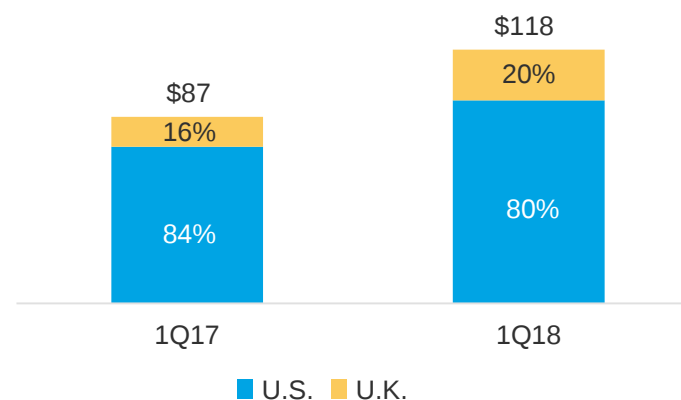
New Business Sales

(\$ in millions)

By Product



By Geography

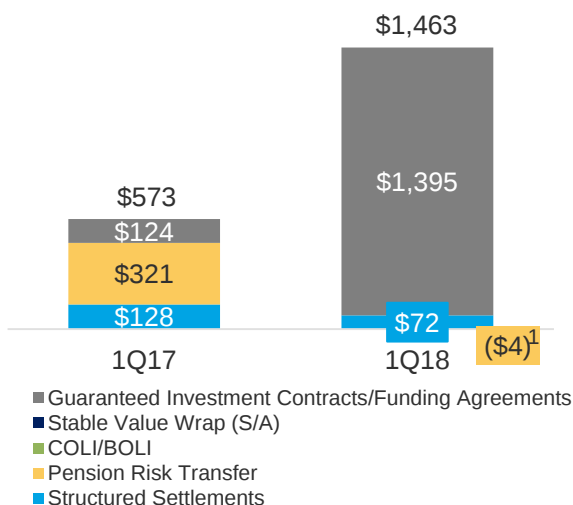


1) Other income primarily related to commission and profit sharing revenues received by Laya Healthcare from the distribution of insurance products.

Life and Retirement – Institutional Markets

(\$ in millions)	1Q17	1Q18
Premiums and deposits	\$573	\$1,463
Premiums	415	49
Policy fees	44	41
Net investment income	140	187
Total adjusted revenues	599	277
Benefits, losses and expenses	537	218
Adjusted pre-tax income	\$62	\$59

Premiums and Deposits (\$M)

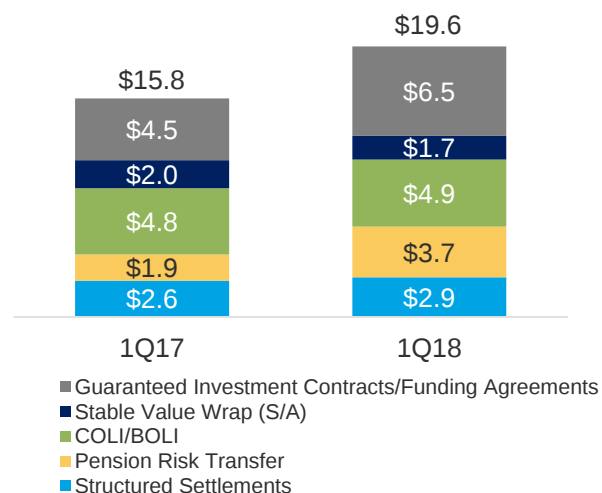


1) Pension Risk Transfer reported premiums reflect a (\$4M) adjustment related to prior year, as no new sales were reported in 1Q18.

Key Takeaways

- Large increase in premiums and deposits driven by FHLB Funding Agreements in 1Q18.
- Growth of in force business reflects execution of opportunistic transactions over the last 12 months.
- Continued expense discipline with only modest investment needed to support growth.

Reserves by Line of Business (\$B)





Q&A and Closing Remarks

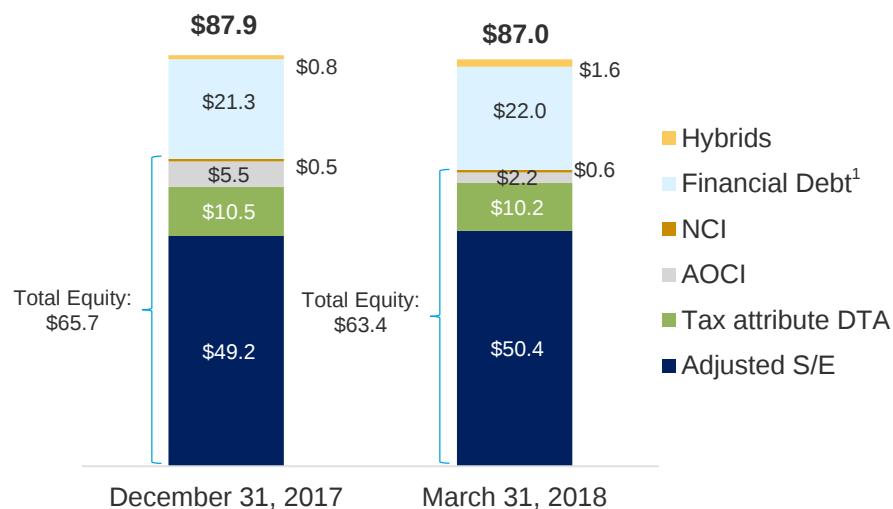




Appendix

Strong Capital Position

Capital Structure (\$B)



Capital Return (\$M)

	FY'17	1Q18
Share repurchases	\$6,275	\$298
Warrant repurchases	3	2
Dividends declared	1,172	289
Total	\$7,450	\$589

Risk Based Capital Ratios²

Year-end	Life and Retirement Companies	General Insurance Companies
2016	509% (CAL)	411% (ACL)
2017	480% (CAL)	409% (ACL)

Credit Ratings³

	S&P	Moody's	Fitch	A.M. Best
AIG – Senior Debt	BBB+	Baa1	BBB+	NR
General Insurance – FSR	A+	A2	A	A
Life and Retirement – FSR	A+	A2	A+	A

Ratios:

	Dec 31, 2017	Mar 31, 2018
Hybrids / Total capital	1.0%	1.8%
Financial debt / Total capital	24.3%	25.3%
Total Hybrids & Financial debt / Total capital	25.3%	27.1%

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 and Retirement companies excludes holding company, AGC Life Insurance Company.

3) As of the date of this presentation, Moody's and A.M. Best have Stable outlooks; S&P and Fitch have Negative outlooks. For General Insurance companies FSR and Life and Retirement companies FSR, ratings only reflect those of the core insurance companies.



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

Glossary of Non-GAAP Financial Measures

Glossary of Non-GAAP

Throughout this presentation, we present our financial condition and results of operations in the way we believe will be most meaningful and representative of our business results. Some of the measurements we use are “Non-GAAP financial measures” under Securities and Exchange Commission rules and regulations. GAAP is the acronym for generally accepted accounting principles in the United States. The non-GAAP financial measures we present may not be comparable to similarly-named measures reported by other companies. The reconciliations of such measures to the most comparable GAAP measures in accordance with Regulation G are included within the relevant tables or in the First Quarter 2018 Financial Supplement available in the Investor Information section of AIG’s website, www.aig.com.

We may use certain non-GAAP operating performance measures as forward-looking financial targets or projections. These financial targets or projections are provided based on management’s estimates. The most directly comparable GAAP financial targets or projections 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 or projections 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, net reserve discount change and returns on alternative investments).

- **Book Value per Common Share, Excluding Accumulated Other Comprehensive Income (AOCI) and Book Value per Common Share, Excluding AOCI and Deferred Tax Assets (DTA) (Adjusted Book Value per Common Share)** 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 these book value per common share metrics. Book value per common share, excluding AOCI, is derived by dividing Total AIG Shareholders’ equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG shareholders’ equity, excluding AOCI and DTA (**Adjusted Shareholders’ Equity**), by total common shares outstanding.
- **AIG Return on Equity – Adjusted After-tax Income Excluding AOCI and DTA (Adjusted Return on Equity)** is used to show the rate of return on shareholders’ equity. We believe this measure is useful to investors because it eliminates 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. This measure also eliminates 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 Adjusted Return on Equity. Adjusted Return on Equity is derived by dividing actual or annualized adjusted after-tax income attributable to AIG by average Adjusted Shareholders’ Equity.
- **Core, General Insurance, Life and Retirement and Legacy Adjusted Attributed Equity** is an attribution of total AIG Adjusted Shareholders’ Equity to these segments based on our internal capital model, which incorporates the segments’ respective risk profiles. Adjusted attributed equity represents our best estimates based on current facts and circumstances and will change over time.
- **Core, General Insurance, Life and Retirement and Legacy Return on Equity – Adjusted After-tax Income (Adjusted Return on Attributed Equity)** is used to show the rate of return on Adjusted Attributed Equity. Adjusted Return on Attributed Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Attributed Equity.
- **Adjusted After-tax Income Attributable to Core, General Insurance, Life and Retirement and Legacy** is derived by subtracting attributed interest expense and income tax expense from APTI. Attributed debt and the related interest expense is calculated based on our internal capital model. Tax expense or benefit is calculated based on an internal attribution methodology that considers among other things the taxing jurisdiction in which the segments conduct business, as well as the deductibility of expenses in those jurisdictions.
- **Adjusted Revenues** exclude 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). Adjusted revenues is a GAAP measure for our operating segments.

Glossary of Non-GAAP Financial Measures

Glossary of Non-GAAP

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.

- **Adjusted Pre-tax Income (APTI)** is derived by excluding the items set forth below from income from continuing operations before income tax. This definition is consistent across our segments. 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. APTI is a GAAP measure for our segments. Excluded items include the following:
 - 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;
 - loss (gain) on extinguishment of debt;
 - all net realized capital gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication. Earned income on such economic hedges is reclassified from net realized capital gains and losses to specific APTI line items based on the economic risk being hedged (e.g. net investment income and interest credited to policyholder account balances);
 - income or loss from discontinued operations;
 - pension expense related to a one-time lump sum payment to former employees;
 - income and loss from divested businesses;
 - non-operating litigation reserves and settlements;
 - restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization;
 - the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain; and
 - net loss reserve discount benefit (charge).
- **Adjusted After-tax Income attributable to AIG (AATI)** is derived by excluding the tax effected adjusted pre-tax income (APTI) adjustments described above and the following tax items from net income attributable to AIG:
 - deferred income tax valuation allowance releases and charges;
 - changes in uncertain tax positions and other tax items related to legacy matters having no relevance to our current businesses or operating performance; and
 - net tax charge related to the enactment of the Tax Cuts and Jobs Act (Tax Act).
- **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 (which for General Insurance excludes net loss reserve discount), 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 segment 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.

Glossary of Non-GAAP Financial Measures

Glossary of Non-GAAP

- **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. We believe the as adjusted ratios are meaningful measures of our underwriting results on an ongoing 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.

Underwriting ratios are computed as follows:

- a) Loss ratio = Loss and loss adjustment expenses incurred ÷ Net premiums earned (NPE)
- b) Acquisition ratio = Total acquisition expenses ÷ NPE
- c) General operating expense ratio = General operating expenses ÷ NPE
- d) Expense ratio = Acquisition ratio + General operating expense ratio
- e) Combined ratio = Loss ratio + Expense ratio
- f) Accident year loss ratio, as adjusted (AYLR) = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/- Reinstatement premiums (RIPs) related to catastrophes +/- RIPs related to prior year catastrophes + (Additional) returned premium related to PYD on loss sensitive business + Adjustment for ceded premiums under reinsurance contracts related to prior accident years]
- g) Accident year combined ratio, as adjusted = AYLR + Expense ratio
- h) Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE +/- RIPs related to catastrophes] – Loss ratio
- i) Prior year development net of (additional) return premium related to PYD on loss sensitive business = [Loss and loss adjustment expenses incurred – Prior year loss reserve development unfavorable (favorable) (PYD), net of reinsurance] ÷ [NPE +/- RIPs related to prior year catastrophes + (Additional) returned premium related to PYD on loss sensitive business] – Loss ratio

- **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, Federal Home Loan Bank (FHLB) funding agreements and mutual funds.

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

Non-GAAP Reconciliations

Adjusted Pre-tax and After-tax Income - Consolidated

(in millions)

Pre-tax income from continuing operations

Adjustments to arrive at Adjusted pre-tax income

Changes in fair value of securities used to hedge guaranteed living benefits	
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	
Loss (gain) on extinguishment of debt	
Net realized capital (gains) losses (a)	
(Income) loss from divested businesses	
Non-operating litigation reserves and settlements	
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	
Net loss reserve discount (benefit) charge	
Restructuring and other costs	

Adjusted pre-tax income

Net income attributable to AIG

Adjustments to arrive at Adjusted after-tax income (amounts net of tax, at U.S. statutory tax rate for each respective period, except where noted):

Changes in uncertain tax positions and other tax adjustments	
Deferred income tax valuation allowance (releases) charges	
Changes in fair value of securities used to hedge guaranteed living benefits	
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	
Loss (gain) on extinguishment of debt	
Net realized capital (gains) losses (a)(b)	
(Income) loss from discontinued operations and divested businesses (b)	
Non-operating litigation reserves and settlements	
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	
Net loss reserve discount (benefit) charge	
Restructuring and other costs	

Adjusted after-tax income

Weighted average diluted shares outstanding

Income per common share attributable to AIG (diluted)

Adjusted after-tax income per common share attributable to AIG (diluted)

Quarterly	
1Q17	1Q18
\$ 1,727	\$ 1,227
(11)	77
(53)	31
(1)	4
115	19
100	(8)
(6)	13
14	34
(25)	(205)
181	24
\$ 2,041	\$ 1,216
\$ 1,185	\$ 938
(50)	(4)
(13)	30
(7)	61
(34)	25
(1)	3
73	21
106	(5)
(4)	10
10	27
(16)	(162)
118	19
\$ 1,367	\$ 963
1,005.3	925.3
\$ 1.18	\$ 1.01
1.36	1.04

(a) Includes all net realized capital gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication.

(b) Includes the impact of non-U.S. tax rates which differ from the applicable U.S. statutory tax rate and tax only adjustments.



Non-GAAP Reconciliations

Book Value Per Share and Return on Equity

(in millions, except per share data)

Book Value Per Share

Total AIG shareholders' equity (a)
Less: Accumulated other comprehensive income (AOCI)
Total AIG shareholders' equity, excluding AOCI (b)
Less: Deferred tax assets (DTA)*
Total adjusted shareholders' equity (c)
Less:
Cumulative effect of change in accounting principle, net of tax reported in:
Total AIG shareholders' equity
AOCI
Total adjusted AIG shareholders' equity, excluding cumulative effect of change in accounting principle, net of tax
Total common shares outstanding (d)
Book value per common share (a÷d)
Book value per common share, excluding AOCI (b÷d)
Adjusted book value per common share (c÷d)
Adjusted book value per common share, excluding the impact from cumulative effect of change in accounting principle, net of tax

	4Q17	1Q18
\$	65,171	\$ 62,792
	5,465	2,220
	59,706	60,572
	10,492	10,214
	49,214	50,358
	-	(8)
	-	576
\$	49,214	\$ 49,790
	899.0	897.7
\$	72.49	\$ 69.95
	66.41	67.48
	54.74	56.10
	54.74	55.47

(in millions)

Return On Equity (ROE) Computations

Actual or Annualized net income attributable to AIG (a)
Actual or Annualized adjusted after-tax income attributable to AIG (b)
Average AIG Shareholders' equity (c)
Less: Average AOCI
Less: Average DTA
Average adjusted shareholders' equity (d)
ROE (a÷c)
Adjusted return on equity (b÷d)

Quarterly	
1Q17	1Q18
\$ 4.740	\$ 3.752
\$ 5.468	\$ 3.852
\$ 75,185	\$ 63,982
3,506	3,843
14,678	10,353
\$ 57,001	\$ 49,786
6.3%	5.9%
9.6%	7.7%

* Represents deferred tax assets only related to U.S. net operating loss and foreign tax credit carryforwards on a U.S. GAAP basis and excludes other balance sheet deferred tax assets and liabilities.

Non-GAAP Reconciliations

Return on Equity

General Insurance

(in millions)

	Quarterly	
	1Q17	1Q18
Adjusted pre-tax income	\$ 1,061	\$ 510
Interest expense on attributed financial debt	128	124
Adjusted pre-tax income including attributed interest expense	933	386
Income tax expense	329	89
Adjusted after-tax income (a)	\$ 604	\$ 297
Ending adjusted attributed equity	25,517	23,887
Average adjusted attributed equity (b)	27,803	23,410
Adjusted return on attributed equity (a÷b)	<u>8.7 %</u>	<u>5.1 %</u>

Core

(in millions)

	Quarterly	
	1Q17	1Q18
Adjusted pre-tax income	\$ 1,699	\$ 1,071
Interest expense (benefit) on attributed financial debt	(43)	(10)
Adjusted pre-tax income including attributed interest expenses	1,742	1,081
Income tax expense	556	214
Adjusted after-tax income (a)	\$ 1,186	\$ 867
Ending adjusted attributed equity	45,226	41,112
Average adjusted attributed equity (b)	46,438	40,522
Adjusted return on attributed equity (a÷b)	<u>10.2 %</u>	<u>8.6 %</u>

Life and Retirement

(in millions)

	Quarterly	
	1Q17	1Q18
Adjusted pre-tax income	\$ 898	\$ 892
Interest expense on attributed financial debt	6	16
Adjusted pre-tax income including attributed interest expense	892	876
Income tax expense	290	174
Adjusted after-tax income (a)	\$ 602	\$ 702
Ending adjusted attributed equity	\$ 20,716	\$ 19,931
Average adjusted attributed equity (b)	20,632	19,699
Adjusted return on attributed equity (a÷b)	<u>11.7 %</u>	<u>14.3 %</u>

Legacy

(in millions)

	Quarterly	
	1Q17	1Q18
Adjusted pre-tax income	\$ 342	\$ 145
Interest expense on attributed financial debt	43	10
Adjusted pre-tax income including attributed interest expense	299	135
Income tax expense	97	29
Adjusted after-tax income (a)	\$ 202	\$ 106
Ending adjusted attributed equity	10,477	\$ 9,246
Average adjusted attributed equity (b)	10,563	9,265
Adjusted return on attributed equity (a÷b)	<u>7.6 %</u>	<u>4.6 %</u>

Non-GAAP Reconciliations

Accident Year Loss Ratio, as adjusted, and Accident Year Combined Ratio, as adjusted

General Insurance

	Quarterly		FY'17
	1Q17	1Q18	
Loss ratio	65.3	67.2	83.2
Catastrophe losses and reinstatement premiums	(3.5)	(5.7)	(16.1)
Prior year development	(0.6)	1.6	(4.0)
Adjustment for ceded premium under reinsurance contract	-	-	(0.1)
Accident year loss ratio, as adjusted	61.2	63.1	63.0
Acquisition ratio	20.0	21.7	19.8
General operating expense ratio	14.5	14.9	14.3
Expense ratio	34.5	36.6	34.1
Combined ratio	99.8	103.8	117.3
Accident year combined ratio, as adjusted	95.7	99.7	97.1

General Insurance - North America

	Quarterly	
	1Q17	1Q18
Loss ratio	73.3	80.0
Catastrophe losses and reinstatement premiums	(5.4)	(11.1)
Prior year development	2.1	2.8
Accident year loss ratio, as adjusted	70.0	71.7
Acquisition ratio	16.4	19.0
General operating expense ratio	12.3	13.2
Expense ratio	28.7	32.2
Combined ratio	102.0	112.2
Accident year combined ratio, as adjusted	98.7	103.9

General Insurance - North America - Commercial Lines

	Quarterly	
	1Q17	1Q18
Loss ratio	78.1	75.9
Catastrophe losses and reinstatement premiums	(6.4)	(4.5)
Prior year development	2.9	6.9
Accident year loss ratio, as adjusted	74.6	78.3
Acquisition ratio	13.5	15.0
General operating expense ratio	12.9	13.8
Expense ratio	26.4	28.8
Combined ratio	104.5	104.7
Accident year combined ratio, as adjusted	101.0	107.1

General Insurance - North America - Personal Insurance

	Quarterly	
	1Q17	1Q18
Loss ratio	60.0	90.1
Catastrophe losses and reinstatement premiums	(2.9)	(27.4)
Prior year development	(0.3)	(7.5)
Accident year loss ratio, as adjusted	56.8	55.2
Acquisition ratio	24.6	29.1
General operating expense ratio	10.7	11.8
Expense ratio	35.3	40.9
Combined ratio	95.3	131.0
Accident year combined ratio, as adjusted	92.1	96.1

Non-GAAP Reconciliations

Accident Year Loss Ratio, as adjusted, and Accident Year Combined Ratio, as adjusted

General Insurance - International

	Quarterly	
	1Q17	1Q18
Loss ratio	58.6	58.5
Catastrophe losses and reinstatement premiums	(1.9)	(1.9)
Prior year development	(2.9)	0.7
Accident year loss ratio, as adjusted	53.8	57.3
Acquisition ratio	22.9	23.5
General operating expense ratio	16.4	16.0
Expense ratio	39.3	39.5
Combined ratio	97.9	98.0
Accident year combined ratio, as adjusted	93.1	96.8

General Insurance - International -

Commercial Lines

	Quarterly	
	1Q17	1Q18
Loss ratio	63.7	64.5
Catastrophe losses and reinstatement premiums	(3.8)	(4.5)
Prior year development	(6.5)	-
Accident year loss ratio, as adjusted	53.4	60.0
Acquisition ratio	18.9	20.0
General operating expense ratio	16.3	16.4
Expense ratio	35.2	36.4
Combined ratio	98.9	100.9
Accident year combined ratio, as adjusted	88.6	96.4

General Insurance - International -

Personal Insurance

	Quarterly	
	1Q17	1Q18
Loss ratio	54.4	54.0
Catastrophe losses and reinstatement premiums	(0.3)	-
Prior year development	0.1	1.3
Accident year loss ratio, as adjusted	54.2	55.3
Acquisition ratio	26.2	26.2
General operating expense ratio	16.4	15.8
Expense ratio	42.6	42.0
Combined ratio	97.0	96.0
Accident year combined ratio, as adjusted	96.8	97.3

Non-GAAP Reconciliations

Net Premiums Written – Change in Constant Dollar, excluding Fuji Merger Impact

	Quarterly		Percentage Change in	
	1Q17	1Q18	U.S. dollars	Original Currency
<u>General Insurance - International</u>				
New Premiums Written	\$ 3,974	\$ 4,132	4 %	(3) %
Less: Fuji merger impact	\$ (300)	n/a	n/a	(7)
Net premiums written, excluding Fuji merger impact				(10) %

Non-GAAP Reconciliations

Premiums to Premiums and Deposits*

(in millions)

	Quarterly	
	1Q17	1Q18
Individual Retirement:		
Premiums	\$ 28	\$ 12
Deposits	3,357	4,347
Other	(3)	(1)
Premiums and deposits	\$ 3,382	\$ 4,358
Individual Retirement (Fixed Annuities):		
Premiums	\$ 29	\$ 13
Deposits	892	786
Other	(4)	(2)
Premiums and deposits	\$ 917	\$ 797
Individual Retirement (Variable Annuities):		
Premiums	\$ (1)	\$ (1)
Deposits	862	1,921
Other	1	1
Premiums and deposits	\$ 862	\$ 1,921
Individual Retirement (Index Annuities):		
Premiums	\$ -	\$ -
Deposits	606	739
Other	-	-
Premiums and deposits	\$ 606	\$ 739
Individual Retirement (Retail Mutual Funds):		
Premiums	\$ -	\$ -
Deposits	997	901
Other	-	-
Premiums and deposits	\$ 997	\$ 901
Group Retirement:		
Premiums	\$ 9	\$ 6
Deposits	2,031	2,066
Other	-	-
Premiums and deposits	\$ 2,040	\$ 2,072
Life Insurance:		
Premiums	\$ 384	\$ 379
Deposits	368	412
Other	158	178
Premiums and deposits	\$ 910	\$ 969
Institutional Markets:		
Premiums	\$ 415	\$ 49
Deposits	150	1,408
Other	8	6
Premiums and deposits	\$ 573	\$ 1,463
Total Life and Retirement:		
Premiums	\$ 836	\$ 446
Deposits	5,906	8,233
Other	163	183
Premiums and deposits	\$ 6,905	\$ 8,862

* 1Q18 includes deposits in Individual Retirement (\$1.1 billion), Group Retirement (\$0.2 billion) and Institutional Markets (\$1.4 billion) of FHLB funding agreements.