



# First Quarter 2021 Financial Results Presentation

May 7, 2021

# Cautionary Statement Regarding Forward-Looking Information, Comment on Regulation G and Other Information

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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.

On October 26, 2020, AIG announced its intention to separate the Life and Retirement business from AIG. This document and the remarks made within this presentation are not an offer to sell, or a solicitation of an offer to buy any securities.

This document and the remarks made orally may also contain certain financial measures not calculated in accordance with generally accepted accounting principles (non-GAAP). The reconciliation of such measures to the most comparable GAAP measures in accordance with Regulation G is included in the earnings release and First Quarter 2021 Financial Supplement available in the Investor Information section of AIG’s corporate website, [www.aig.com](http://www.aig.com), as well as in the Appendix to this presentation.

Note: Amounts presented may not foot due to rounding.



# 1Q21 APTI reflects continued improvement in General Insurance accident year, as adjusted\*, underwriting profitability and strong Life and Retirement APTI

## 1Q21 Financial Results

- Adjusted after-tax income attributable to AIG common shareholders (AATI)\* of \$923M (\$1.05/diluted share) and adjusted pre-tax income (APTI)\* of \$1.3B reflecting:
  - A 69% increase in General Insurance APTI reflecting a 92.4 accident year combined ratio (AYCR), as adjusted\*, which improved 3.1 pts driven by Global Commercial Lines and International Personal Insurance, and 7.3 pts of catastrophe losses, net of reinsurance (CATs), or \$422M, primarily from winter storms
  - A 57% increase in Life and Retirement APTI due to higher net investment income (NII), APTI basis, which contributed to increased APTI in Individual and Group Retirement and Institutional Markets; Life Insurance was impacted by elevated mortality primarily from COVID-19, and
  - An increase of 18% in NII, APTI basis\*, to \$3.2B compared to 1Q20; excluding the impact of Fortitude Group Holdings, LLC (Fortitude) in 1Q20, NII, APTI basis, increased 24%, or \$611M, reflecting higher private equity returns and positive hedge fund income
- Net income attributable to AIG common shareholders of \$3.9B (\$4.41/diluted share) reflecting \$923M of AATI and \$2.4B of net realized capital gains related to the Fortitude embedded derivative
- Return on common equity (ROCE) and Adjusted ROCE\* were 24.2% and 7.4%, respectively, on an annualized basis for 1Q21
- Book value per common share was \$72.37, a decrease of 5.3% from December 31, 2020, due to the impact of higher interest rates on accumulated other comprehensive income (AOCI) during 1Q21; Adjusted book value per common share\* was \$58.69, an increase of 2.9% from December 31, 2020

## General Insurance

- Net premiums written (NPW) increased by 9% from 1Q20 driven by 25% growth in Global Commercial Lines (22% on a constant dollar basis)
- AYCR, as adjusted, of 92.4, a 3.1 pt improvement from 1Q20; the 59.2 accident year loss ratio (AYLR), as adjusted\* and 33.2 expense ratio improved 1.6 pts and 1.5 pts, respectively
  - Commercial Lines continued to show strong improvement in both North America (NA) (AYCR, as adjusted, down 3.7 pts) and International (AYCR, as adjusted, down 4.9 pts) due to improved business mix along with rate increases
  - International Personal Insurance AYCR, as adjusted, was down 1.5 pts due to improved attritional losses and expense discipline
  - NA Personal Insurance AYCR, as adjusted, increased 7.9 pts to 105.9 compared to the prior year quarter due to the impact of COVID-19, most notably on the Travel business, and changes in business mix driven by the combined impact of the creation of Syndicate 2019 and cessions placed on AIG's Private Client Group (PCG) business, which occurred in 2Q20

## Life and Retirement

- 1Q21 APTI of \$941M and annualized return on adjusted segment common equity\* of 14.2% both reflect the impact of favorable capital markets conditions on NII, APTI basis, Variable Annuity deferred acquisition cost (DAC) and sales inducement assets (SIA) amortization, net of fee income and changes in reserves, partially offset by elevated mortality in Life Insurance, principally due to COVID-19
- On October 26, 2020, AIG announced its intention to separate the Life and Retirement business from AIG. Refer to page 10 for further discussion on the announced separation

## Capital Management

- \$7.9B AIG Parent liquidity at March 31, 2021, down from \$10.5B at December 31, 2020, principally due to debt repayment, share repurchases and shareholder dividends
- Total debt and preferred stock leverage of 28.4%; excluding AOCI, adjusted for the cumulative unrealized gains and losses related to Fortitude's funds withheld assets, total debt and preferred stock leverage was 29.7% at March 31, 2021
- Repurchased \$362M of AIG Common Stock (~8M shares); as of May 6, 2021, \$1.1B remained under the share repurchase authorization



\* Refers to financial measure not calculated in accordance with generally accepted accounting principles (Non-GAAP); definitions and abbreviations of Non-GAAP measures and reconciliations to their closest GAAP measures can be found in this presentation under the heading Glossary of Non-GAAP Financial Measures and Non-GAAP Reconciliations.

# APTI of \$1.3B reflects higher NII, APTI basis, continued improvement in Commercial Lines AYCR, as adjusted, and strong Life and Retirement results

(\$M, except per common share amounts)	1Q20	1Q21	Variances
<b>Adjusted Pre-tax Income (Loss):</b>			
General Insurance	\$501	\$845	\$344
Life and Retirement	601	941	340
Other Operations <sup>1</sup>	(922)	(530)	392
<b>Total adjusted pre-tax income</b>	<b>\$180</b>	<b>1,256</b>	<b>\$1,076</b>
<b>AATI attributable to AIG common shareholders</b>	<b>\$105</b>	<b>923</b>	<b>818</b>
<b>AATI* per diluted share attributable to AIG common shareholders</b>	<b>\$0.12</b>	<b>\$1.05</b>	<b>\$0.93</b>
<b>Net income attributable to AIG common shareholders</b>	<b>\$1,742</b>	<b>\$3,869</b>	<b>\$2,127</b>
<b>Consolidated adjusted ROCE</b>	<b>0.8%</b>	<b>7.4%</b>	<b>6.6 pts</b>
<b>General Insurance Underwriting Ratios:</b>			<b>B/(W)</b>
Loss ratio	66.8%	65.6%	1.2 pts
<i>Less: impact on loss ratio</i>			
Catastrophe losses and reinstatement premiums	(6.9%)	(7.3%)	(0.4) pts
Prior year development	0.9%	0.9%	0.0 pts
<b>Accident year loss ratio, as adjusted</b>	<b>60.8%</b>	<b>59.2%</b>	<b>1.6 pts</b>
Expense ratio	34.7%	33.2%	1.5 pts
<b>Combined ratio</b>	<b>101.5%</b>	<b>98.8%</b>	<b>2.7 pts</b>
<b>Accident year combined ratio, as adjusted</b>	<b>95.5%</b>	<b>92.4%</b>	<b>3.1 pts</b>

## Key Takeaways

- General Insurance APTI increased by \$344M primarily due to a \$160M increase in underwriting income, reflecting an improved AYCR, as adjusted, of 3.1 pts and a \$184M increase in NII, APTI basis, from higher alternative investment income
- Life and Retirement APTI increased \$340M reflecting higher NII, APTI basis, across all businesses, driven by private equity returns, which are reported on a one quarter lag, and call and tender income and fair value option (FVO) bond income due to lower interest rates and tighter credit spreads. Group Retirement and Individual Retirement APTI benefited from lower Variable Annuity DAC/SIA amortization, net of fee income and changes in reserves, partially offset by base spread compression. Life Insurance had an adjusted pre-tax loss (APTL) of \$40M reflecting elevated mortality principally due to COVID-19
- Other Operations APTL was \$530M, including \$176M of reductions from consolidation and eliminations, compared to APTL of \$922M, including \$87M of reductions from consolidation and eliminations, in the prior year quarter. The increase in consolidation and eliminations APTL reflects the impact of consolidated investment entities (CIE). Before consolidation and eliminations, the decrease in APTL primarily reflects the impact of Fortitude, which was sold and deconsolidated in 2Q20, and had an APTL of \$317M in 1Q20



1) Other Operations is primarily comprised of corporate, our institutional asset management business and consolidation and eliminations.

# 1Q20 and 1Q21 noteworthy items

(\$M, except per share amounts)	1Q20 – Income / (Loss)			1Q21 – Income / (Loss)		
	Pre-tax	After-tax <sup>1</sup>	EPS – diluted <sup>2</sup>	Pre-tax	After-tax <sup>1</sup>	EPS – diluted <sup>2</sup>
CATs excluding General Insurance COVID-19 <sup>3</sup>	(\$147)	(\$116)	(\$0.13)	(\$441)	(\$348)	(\$0.40)
General Insurance COVID-19 CATs	(272)	(215)	(\$0.24)	-	-	-
Favorable prior year development (PYD) <sup>4</sup>	60	47	0.05	37	29	0.03
<b>Investment performance:</b>						
Better/(worse) than expected alternative investment returns – consolidated <sup>5,6</sup>	(186)	(147)	(0.17)	451	356	0.41
(Worse) than expected fair value changes on fixed maturity securities – other accounted under FVO <sup>5</sup>	(321)	(254)	(0.29)	(67)	(53)	(0.06)
<b>Total noteworthy items – APTI basis</b>	<b>(\$866)</b>	<b>(\$684)</b>	<b>(\$0.78)</b>	<b>(\$20)</b>	<b>(\$16)</b>	<b>(\$0.02)</b>

1) Computed using a U.S. statutory tax rate of 21%.

2) Computed using weighted average diluted shares on an operating basis, which is provided on page 6 of the 1Q21 Financial Supplement.

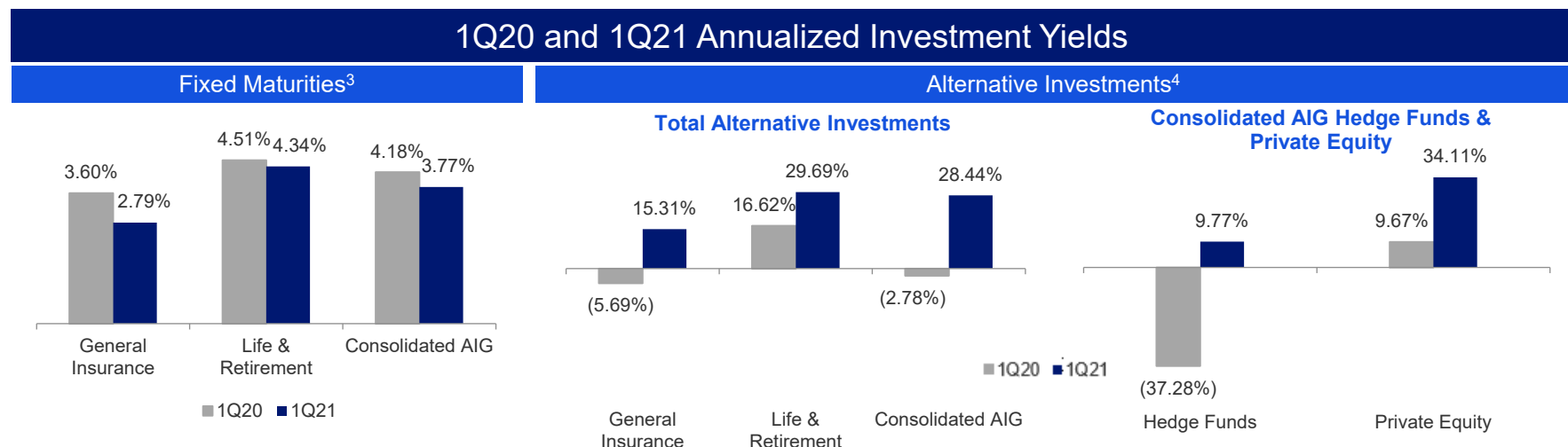
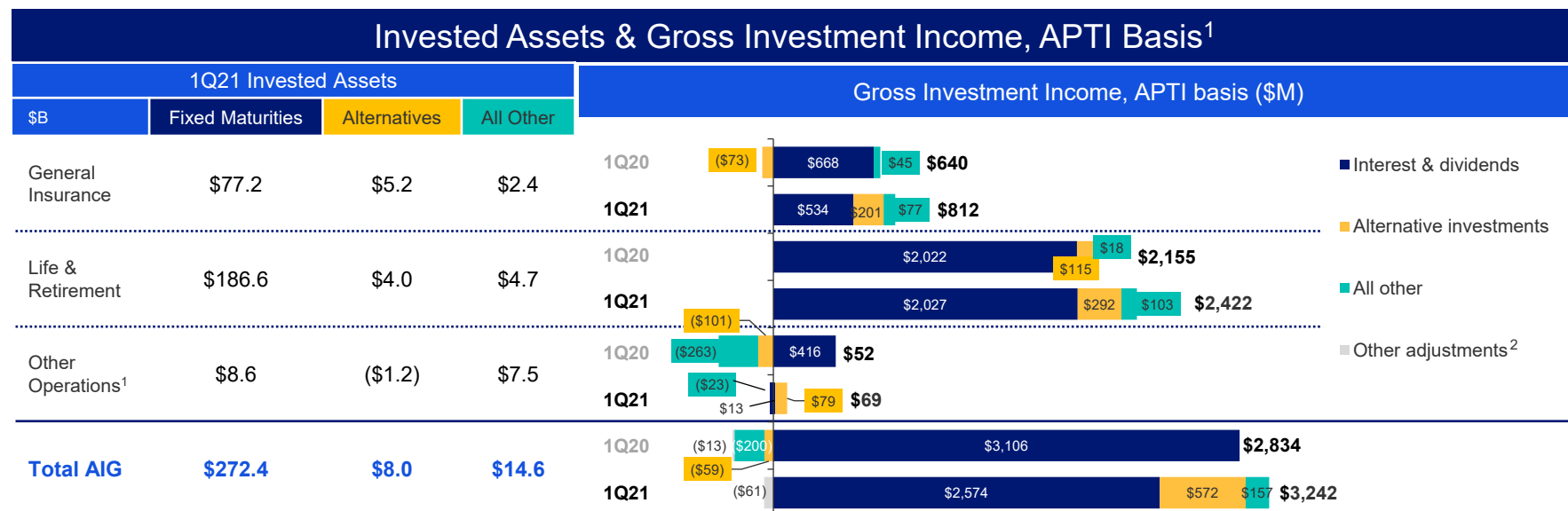
3) 1Q21 includes \$422M of CATs in General Insurance and \$19M of CATs in Other Operations related to Blackboard, pre-tax.

4) 1Q21 includes \$56M of favorable PYD in General Insurance and \$19M of unfavorable PYD in Other Operations primarily related to Blackboard, pre-tax.

5) The annualized expected rate of return for both 1Q20 and 1Q21 is 6% for alternative investments and 4% for FVO fixed maturity securities, respectively.

6) Presented on a consolidated AIG basis, which consists of GI, L&R and Other Operations, including consolidation and eliminations.

# Gross investment income (GII), APTI basis<sup>1\*</sup>, increased \$408M reflecting improved private equity and hedge fund investment returns



\* Refers to financial measure not calculated in accordance with generally accepted accounting principles (Non-GAAP); definitions and abbreviations of Non-GAAP measures and reconciliations to their closest GAAP measures can be found in this presentation under the heading Glossary of Non-GAAP Financial Measures and Non-GAAP Reconciliations.

1) 1Q20 includes GII and NII of \$119M related to investment income on Fortitude assets. Excluding Fortitude, 1Q20 GII, APTI basis, is \$2,715 and NII, APTI basis, is \$2,580.

2) Other adjustments include net realized capital gains related to economic hedges and other.

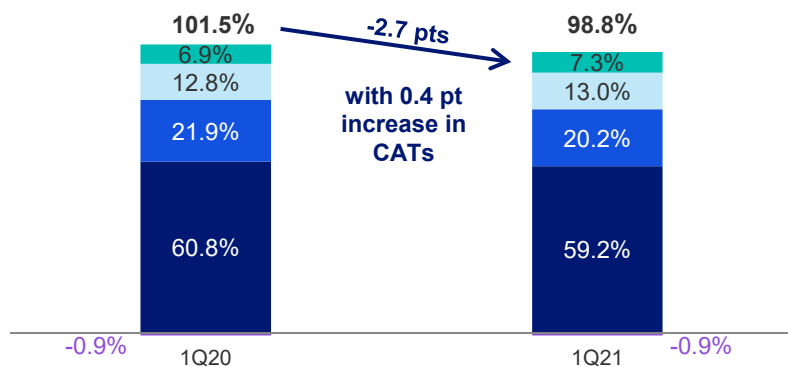
3) Interest and dividends include amounts related to commercial mortgage loan prepayments and call and tender income; Life and Retirement annualized yields include yield on collateral related to hedging program.

4) Alternative investment income includes income on hedge funds, private equity funds and affordable housing partnerships.

General Insurance: 3.1 pts better AYCR, as adjusted; Global Commercial Lines NPW grew 25% (22% on a constant dollar basis)

(\$M)	1Q20	1Q21
Net premiums written	\$5,921	\$6,479
Net premiums earned	\$6,079	\$5,866
Loss and loss adjustment expense	4,059	3,848
Acquisition expenses	1,331	1,184
General operating expenses	776	761
Underwriting income (loss)	(\$87)	\$73
Net investment income	\$588	\$772
Adjusted pre-tax income	\$501	\$845
Note: Impact of CATs <sup>1</sup> , pre-tax	(\$419)	(\$422)

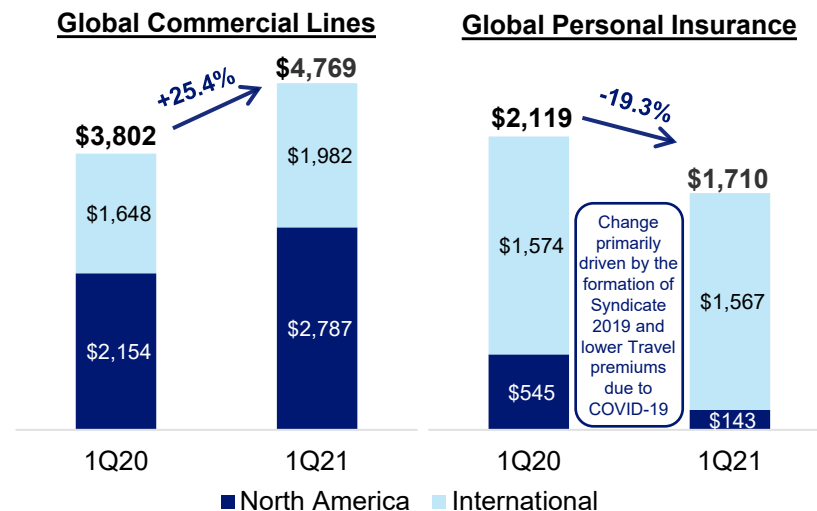
### Calendar Year Combined Ratios (CYCR)



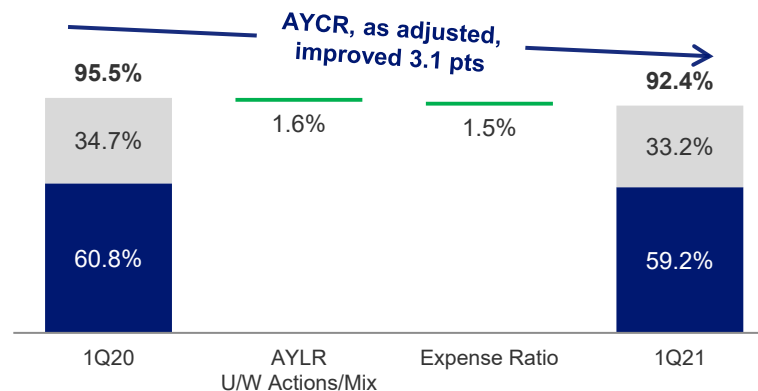
■ AYLR, As Adj. ■ Acq. Ratio ■ GOE Ratio ■ PYD Ratio ■ CAT Ratio

1) 1Q20 includes Non-COVID-19 CATs of \$147M and COVID-19 CATs of \$272M, pre-tax.

### Net Premiums Written (NPW) (\$M)



### Accident Year Combined Ratios (excl. CATs) walk



■ AYLR, As Adj. ■ Expense Ratio



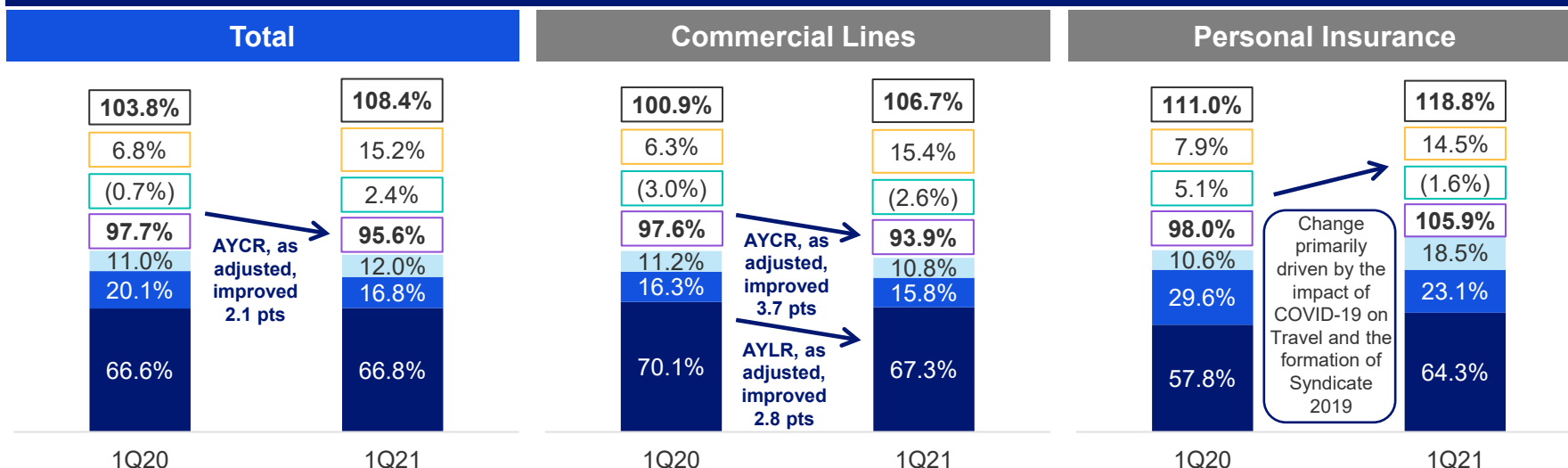
# General Insurance: 3.7 pt improvement in North America Commercial Lines AYCR, as adjusted; Personal Insurance impacted by Travel and Syndicate 2019

(\$M)	1Q20	1Q21
<b>Net premiums written</b>	<b>\$2,699</b>	<b>\$2,930</b>
Commercial Lines	2,154	2,787
Personal Insurance	545	143
<b>Net premiums earned</b>	<b>\$2,731</b>	<b>\$2,388</b>
Commercial Lines	1,957	2,037
Personal Insurance	774	351
<b>Underwriting loss</b>	<b>(\$103)</b>	<b>(\$202)</b>
Commercial Lines	(18)	(136)
Personal Insurance	(85)	(66)
<b>Note: Impact of CATs, pre-tax</b>	<b>(\$185)</b>	<b>(\$361)</b>

## Key Takeaways:

- NA Commercial Lines NPW grew 29% over 1Q20 reflecting continued strong rate increases across most lines, improved retention and higher new business volumes. NA Personal Insurance NPW decreased 74% reflecting the combined impact of the creation of Syndicate 2019 and cessions placed on the PCG business, which occurred in 2Q20, and the impact of COVID-19 on Travel premiums
- NA Commercial Lines AYCR, as adjusted, improved 3.7 pts reflecting improved business mix along with rate increases
- NA Personal Insurance AYCR, as adjusted, increased 7.9 pts due to the impact of COVID-19 most notably on the Travel business and the change in business mix driven by changes to PCG business as described above. The GOE ratio was impacted negatively by the reduction in net premiums earned, offset slightly by a lower acquisition ratio
- CATs of \$361M primarily related to winter storms
- Favorable PYD of \$58M with \$53M in Commercial Lines and \$5M in Personal Insurance; PYD includes \$52M of favorable amortization from the ADC

## North America Combined Ratios





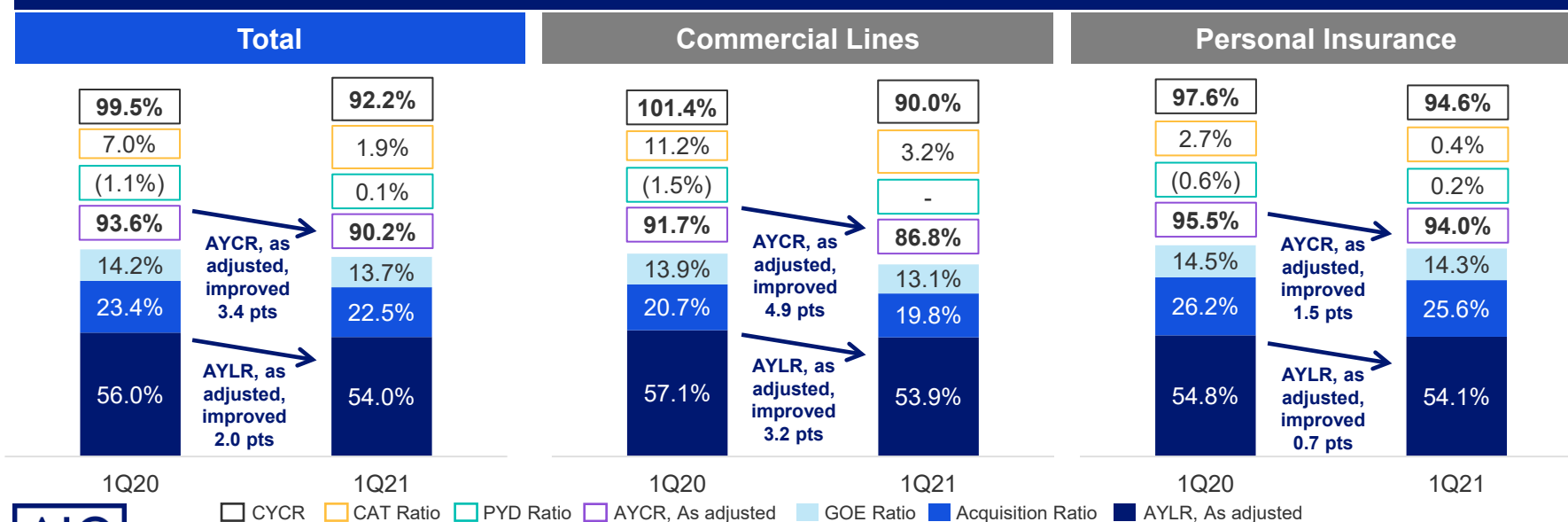
# General Insurance: Strong 3.4 pt improvement in International AYCR, as adjusted, due to improved business mix along with rate increases

(\$M)	1Q20	1Q21
<b>Net premiums written</b>	<b>\$3,222</b>	<b>\$3,549</b>
Commercial Lines	1,648	1,982
Personal Insurance	1,574	1,567
<b>Net premiums earned</b>	<b>\$3,348</b>	<b>\$3,478</b>
Commercial Lines	1,701	1,854
Personal Insurance	1,647	1,624
<b>Underwriting income</b>	<b>\$16</b>	<b>\$275</b>
Commercial Lines	(24)	186
Personal Insurance	40	89
<b>Note: Impact of CATs, pre-tax</b>	<b>(\$234)</b>	<b>(\$61)</b>

## Key Takeaways:

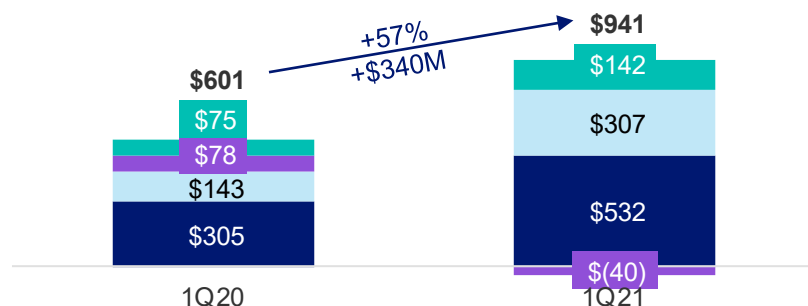
- International Commercial Lines NPW grew 20% (13% on a constant dollar basis) over 1Q20 reflecting strong rate increases and improved retention across most lines. International Personal Insurance NPW was flat (down 6% on a constant dollar basis) compared to the prior year quarter, primarily due to the impact of COVID-19 across most lines
- International Commercial Lines AYCR, as adjusted, improved 4.9 pts due to enhanced risk selection along with rate increases, supported by expense discipline
- International Personal Insurance AYCR, as adjusted, improved 1.5 pts reflecting improved attritional losses and expense discipline
- CATs of \$61M primarily related to U.S. winter storms
- Unfavorable PYD of \$2M with \$4M favorable PYD in Commercial Lines offset by \$6M unfavorable PYD in Personal Insurance

## International Combined Ratios

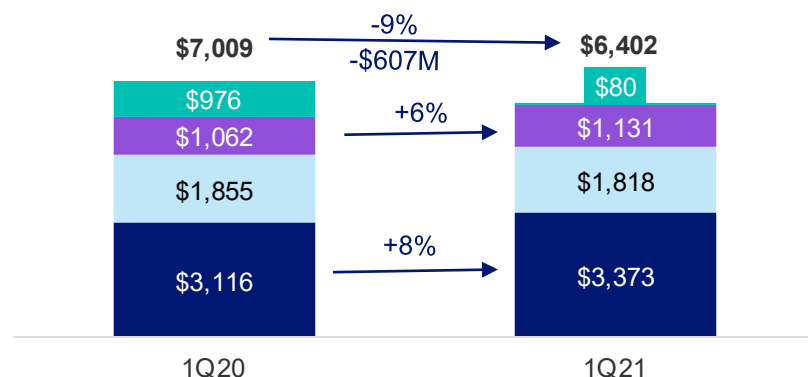


Life and Retirement<sup>\*\*</sup>: 57% increase in APTI driven by favorable capital markets conditions resulting in higher NII and lower DAC/SIA amortization, partially offset by base net investment spread compression and elevated mortality

### Adjusted Pre-Tax Income (\$M)



### Premiums and Deposits (\$M)



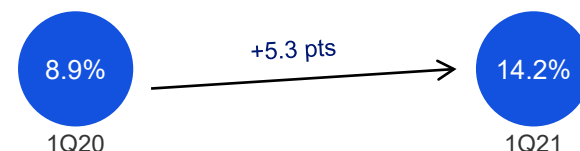
■ Individual Retirement  
■ Life Insurance

■ Group Retirement  
■ Institutional Markets

### Key Takeaways

- 1Q21 APTI growth reflects business and investment portfolio strength and diversification as:
  - Favorable equity market returns resulted in higher private equity returns, which are reported on a one quarter lag, and lower Variable Annuity DAC/SIA amortization, net of fee income and changes in reserves, and
  - Lower interest rates and tighter credit spreads drove higher call and tender income and FVO bond income; partially offset by
  - Base net investment spread compression, and
  - Elevated mortality in Life Insurance principally due to COVID-19
- 1Q21 premiums and deposits decreased 9%, as the prior year quarter had higher PRT<sup>1</sup> and GIC<sup>2</sup> activity; partially offsetting the decrease were improved Variable Annuity sales

### Return on adjusted segment common equity (annualized)



### Noteworthy Items (\$M)

	1Q20	1Q21	Variance
Return on alternative investments	\$ 115	\$ 292	\$ 177
Other yield enhancements	\$ 8	\$ 193	\$ 185
Includes:			
Fair value changes on Fixed Maturity Securities - Other accounted under FVO	\$ (53)	\$ 12	\$ 65
All other yield enhancements	\$ 61	\$ 181	\$ 120

<sup>\*\*</sup>Note: On October 26, 2020, AIG announced its intention to separate its Life and Retirement business from AIG. Any separation transaction will be subject to the satisfaction of various conditions and approvals, including approval by the AIG Board of Directors, receipt of insurance and other required regulatory approvals, and satisfaction of any applicable requirements of the Securities and Exchange Commission. While we currently believe an initial public offering represents an optimal path, no assurance can be given regarding the form that a separation transaction may take or the specific terms or timing thereof, or that a separation will in fact occur.

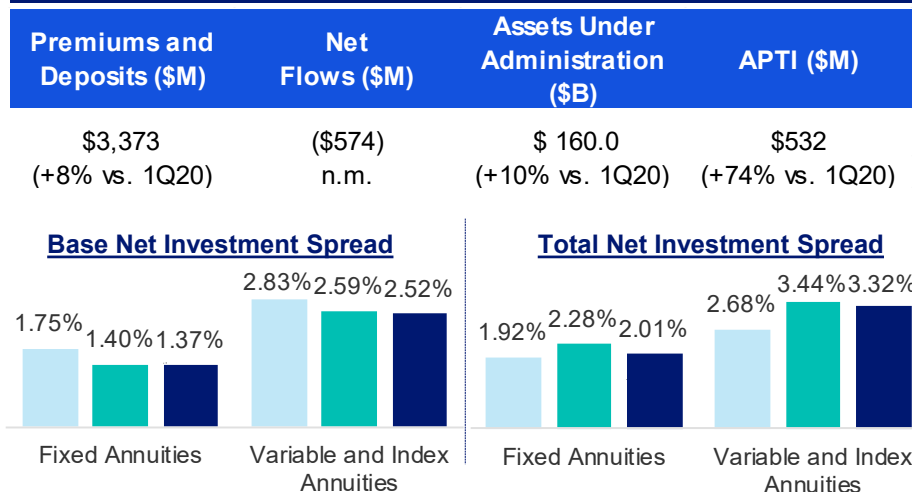
1) PRT is defined as Pension Risk Transfer.

2) GIC is defined as Guaranteed Investment Contracts.



Life and Retirement: Individual and Group Retirement APTI up 74% and 115%, respectively, driven by favorable capital markets conditions, partially offset by base net investment spread compression

## Individual Retirement<sup>1</sup>



### 1Q21 vs 1Q20 APTI reflects

#### Favorable impacts from:

- Equity markets, resulting in higher fee income and lower DAC/SIA amortization
- Higher alternative investment income from strong private equity returns
- Lower interest rates and tighter credit spreads in 1Q21 drove higher call and tender income and FVO bond income

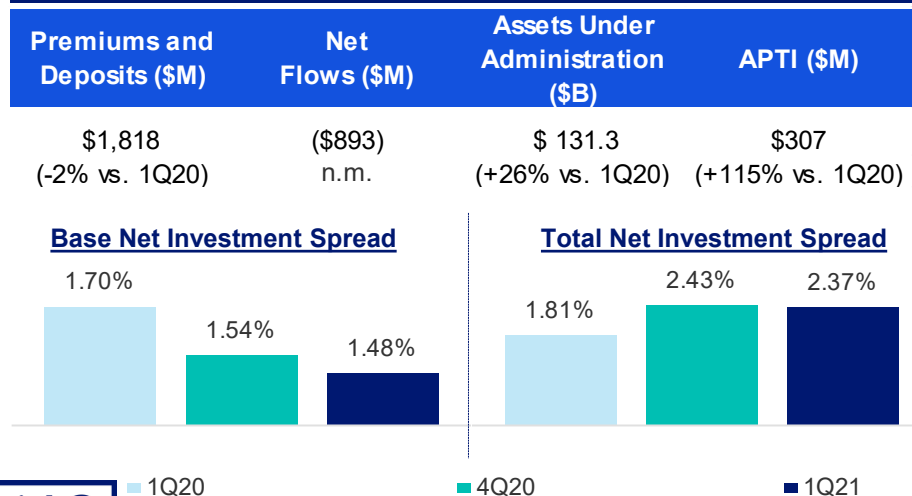
#### Unfavorable impacts from:

- Base net investment spread compression

### Other Key Metrics

- Net flows improved significantly driven by lower Retail Mutual Fund (RMF) outflows. Excluding RMF net flows were positive at \$50M and favorable to 1Q20 at (\$84M). Sales continued to recover from broad industry sales disruptions
- Assets under administration rose 10% due to strong equity market performance over the last twelve months

## Group Retirement



### 1Q21 vs 1Q20 APTI reflects

#### Favorable impacts from:

- Equity markets, resulting in higher fee income and lower DAC/SIA amortization
- Higher alternative investment income from strong private equity returns
- Lower interest rates and tighter credit spreads in 1Q21 drove higher call and tender income and FVO bond income
- Lower GOE

#### Unfavorable impacts from:

- Base net investment spread compression

### Other Key Metrics

- Net flows were adversely impacted by higher group surrenders in 1Q21
- Assets under administration rose 26% driven primarily by strong equity market performance over the last twelve months



1Q20

4Q20

1Q21

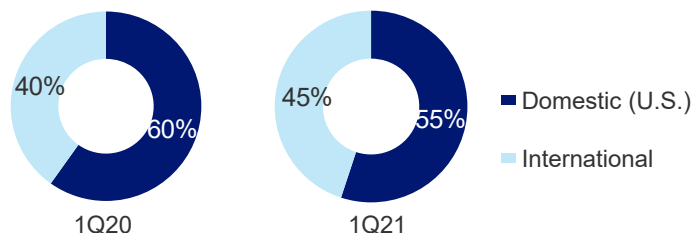
1) Includes Retail Mutual Funds.

# Life and Retirement: Life Insurance and Institutional Markets APTI reflects higher NII from favorable capital markets conditions; Life Insurance impacted by elevated mortality

## Life Insurance

New Business Sales (\$M)	Premiums and Deposits (\$M)	APTI (\$M)
\$109 (-11% vs. 1Q20)	\$1,131 (+6% vs. 1Q20)	(\$40) (-151% vs. 1Q20)

### New Business Sales Mix



### 1Q21 vs 1Q20 APTI reflects

#### Favorable impacts from:

- Equity markets resulting in higher alternative investment income from strong private equity returns
- Lower interest rates and tighter credit spreads in 1Q21 drove higher call and tender income and FVO bond income

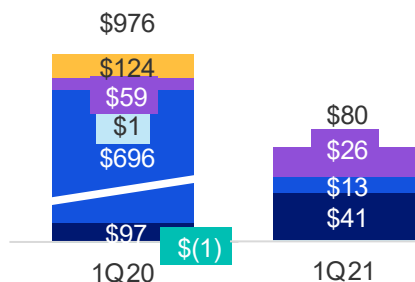
#### Unfavorable impacts from:

- Elevated mortality principally due to COVID-19

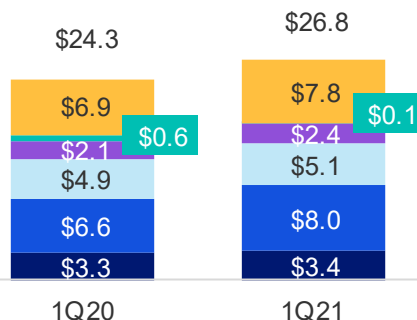
## Institutional Markets

APTI (\$M) \$142 (+89% vs. 1Q20)

### Premiums and Deposits (\$M)



### GAAP Reserves (\$B)



### 1Q21 vs 1Q20 APTI reflects

#### Favorable impacts from:

- Equity markets resulting in higher alternative investment income driven by strong private equity returns
- Lower interest rates and tighter credit spreads in 1Q21 drove higher call and tender income and FVO bond income

#### Other Key Metrics

- Premiums and deposits decreased primarily due to high PRT and GIC activity in the prior year quarter
- Reserves grew, notably in PRT and GIC businesses



■ SS ■ PRT ■ COLI/BOLI ■ HNW ■ SVW ■ GIC

**Definitions:** SS = Structured Settlements | PRT = Pension Risk Transfer | COLI/BOLI = Corporate and Bank-owned life insurance | HNW = High Net Worth | SVW = Stable Value Wrap | GIC = Guaranteed Investment Contracts.

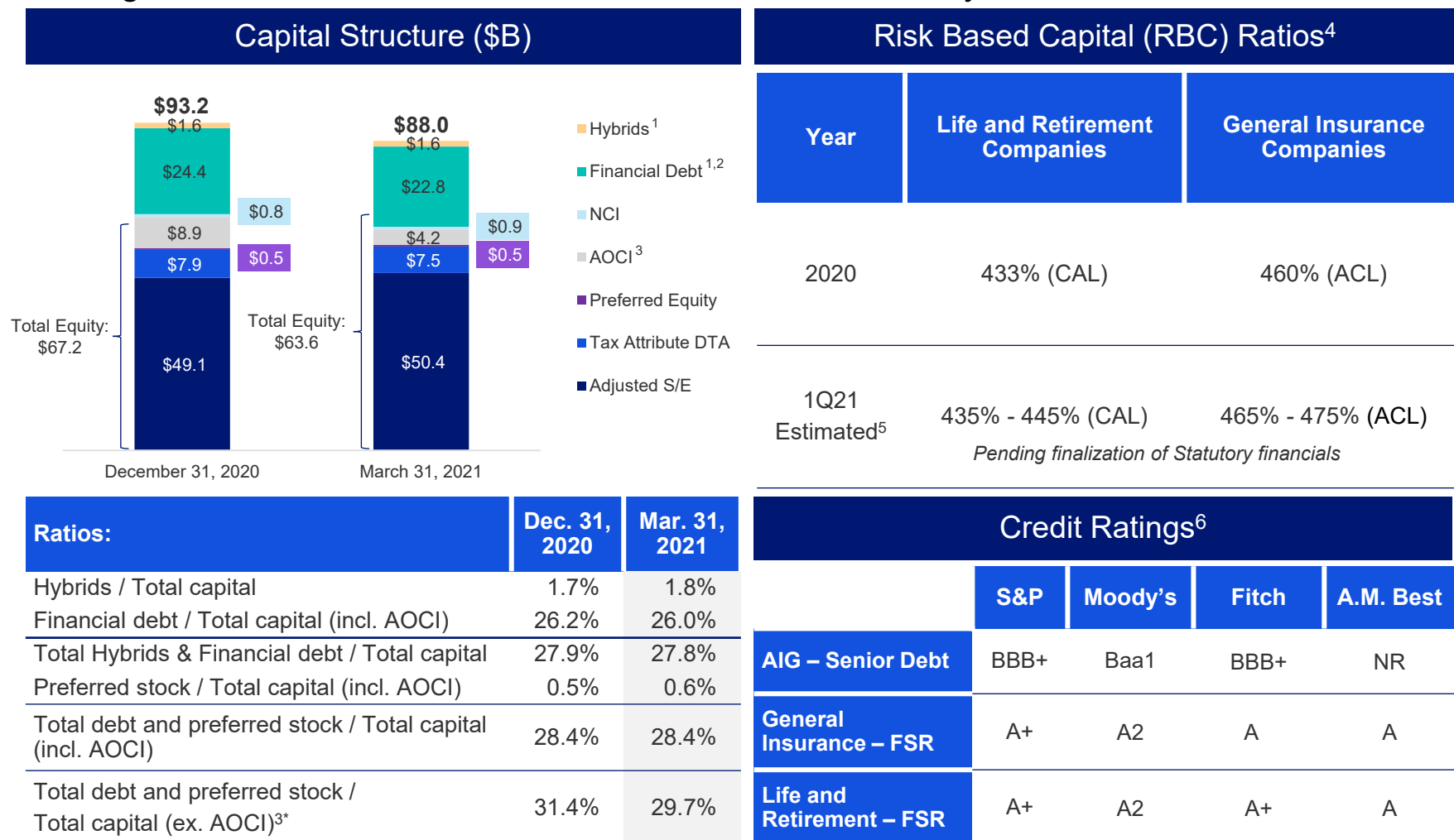
## Other Operations: APTL decreased principally due to the impact of Fortitude in 1Q20 which was deconsolidated in 2Q20

(\$M)	1Q20	1Q21
Corporate and Other	(\$879)	(\$552)
Asset Management	44	198
<b>Adjusted pre-tax loss before consolidation and eliminations</b>	<b>(\$835)</b>	<b>(\$354)</b>
Consolidation and eliminations:		
Consolidation and eliminations – Consolidated investment entities	(104)	(175)
Consolidation and eliminations – Other	17	(1)
Total Consolidation and eliminations	(87)	(176)
<b>Adjusted pre-tax loss</b>	<b>(\$922)</b>	<b>(\$530)</b>

### Key Takeaways:

- 1Q21 APTL was \$530M, including \$176M of reductions from consolidation and eliminations, compared to APTL of \$922M, including \$87M of reductions from consolidation and eliminations, in the prior year quarter; the increase in consolidation and eliminations APTL reflects the elimination of net investment income recorded principally on internal funds or securitizations, on consolidated investment entities, that are included in net income but eliminated in consolidated AATI through consolidation and eliminations within Other Operations
- Before consolidation and eliminations, the decrease in APTL primarily reflects the impact of Fortitude, which was sold and deconsolidated in 2Q20 and had an APTL of \$317M in 1Q20

# Financial flexibility remains robust with strong balance sheet; Total debt & preferred stock leverage of 28.4%; \$1.5B senior notes redeemed in February 2021



\* Refers to financial measure not calculated in accordance with generally accepted accounting principles (Non-GAAP); definitions and abbreviations of Non-GAAP measures and reconciliations to their closest GAAP measures can be found in this presentation under the heading Glossary of Non-GAAP Financial Measures and Non-GAAP Reconciliations.

1) Hybrids and financial debt values include changes in foreign exchange.

2) Includes AIG notes, bonds, loans and mortgages payable, AIG Life Holdings, Inc. (AIGLH) notes and bonds payable and junior subordinated debt, and Validus notes and bonds payable.

3) December 31, 2020, AOCI is computed as GAAP AOCI of \$13.5B excluding \$4.7B of cumulative unrealized gains and losses related to Fortitude Re funds withheld assets; March 31, 2021 AOCI is computed as GAAP AOCI of \$6.5B excluding \$2.2B of cumulative unrealized gains and losses related to Fortitude Re funds withheld assets.

4) 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.

5) Preliminary range subject to change with completion of statutory closing process.

6) As of the date of this presentation: S&P Outlook: CreditWatch Negative, with the exception of the Life Insurance Companies, which is CreditWatch Developing; Moody's Outlook: Stable, with the exception of AIG Sr. Debt, On review for downgrade; Fitch Outlook: Stable, Non-Life and Life Companies; Rating Watch Negative, AIG Sr. Debt; A.M. Best Outlook: Stable. For General Insurance companies FSR and Life and Retirement companies FSR, ratings only reflect those of the core insurance companies.



## AIG 200: Continued execution of global, multi-year initiative to achieve transformational change and \$1B of GOE savings; Achieved run rate savings of ~\$500M to date

General Insurance	1	The <b>Standard Commercial Underwriting Platform</b> will modernize global underwriting capabilities by simplifying processes and tools to create a contemporary data architecture
	2	Transform <b>Japan business</b> into a next-generation digital insurance company with the ability to offer “anywhere, anytime, any device” experience
	3	Improve decision-making in <b>Private Client Group</b> through modernizing legacy technology and moving to digitized workloads
Shared Services	4	Create <b>AIG Global Operations</b> , a multifunctional, fully integrated operating model with digitally enabled end-to-end process and increased scope and scale
Information Technology	5	Transform <b>IT operating model</b>
	6	Build a modern, scalable and secure <b>technology foundation</b> to improve operational stability and enable faster business technology deployment
Finance	7	Transform <b>Finance operating model</b>
	8	Modernize infrastructure through technology solutions and simplify <b>finance and actuarial processes</b> , while materially improving <b>analytics capabilities</b>
Procurement	9	Create a highly efficient <b>global procurement and sourcing organization</b> to leverage our purchasing power, maximize value, minimize risk, and support sustained profitable growth
Real Estate	10	<b>Optimize portfolio</b> to ensure it is cost effective, resilient and reflective of global footprint

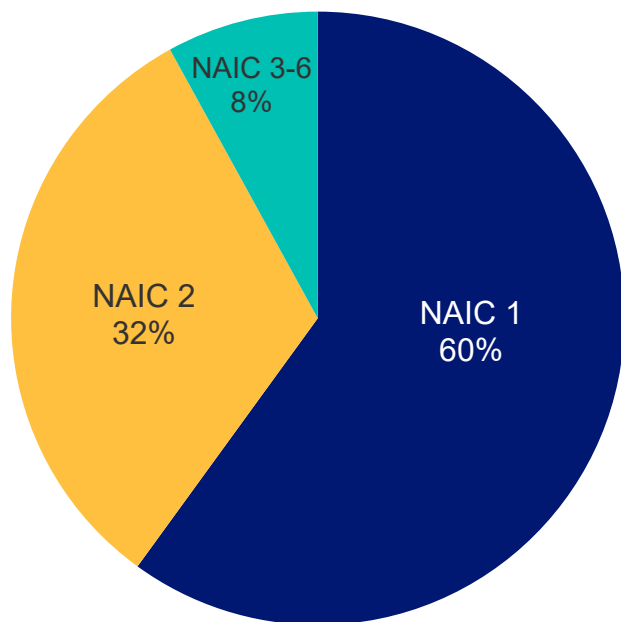
AIG 200 Costs to Achieve and GOE Benefits						
	2020 Actual	1Q21 Actual	Targets		Total	Comments
(\$M)			2021E	2022E		
<b>Investment / Costs to Achieve</b>						
Capitalized assets, not in APTI initially	~\$80	~\$10	\$200	\$120	<b>\$400</b>	Amortized / depreciated in GOE / APTI when IT or capital asset placed into service <sup>1</sup>
Restructuring and Other charges, offset by Gain on Sale, in Net Income	~\$150	~\$50	\$300	\$450	<b>\$900</b>	Modest impact to APTI; primarily related to professional, IT and other restructuring fees, offset by gain on sale on divested entities
<b>Total investment</b>	<b>~\$230</b>	<b>~\$60</b>	<b>\$500</b>	<b>\$570</b>	<b>\$1,300</b>	
<b>Run-rate net GOE savings, cumulative<sup>1</sup></b>	<b>~\$400</b>	<b>~\$500</b>	<b>\$650</b>	<b>\$1,000</b>		Estimated exit run-rate savings will emerge over a period of time, which began in 2020, as a result of actions taken in the AIG 200 program
<b>Annual net benefit to APTI</b>	<b>~\$175M</b>	<b>~\$75</b>				Estimated annual APTI benefit as a result of actions taken in the AIG 200 program



<sup>1</sup>) Targets assume estimated amortization / depreciation related to the capitalized assets of ~\$10M-\$15M and ~\$25M-\$30M for 2021 and 2022, respectively. Targets assume that the unamortized balance will be expensed at ~\$50M per year from 2023-2027 and the remainder will trail off in the periods thereafter.

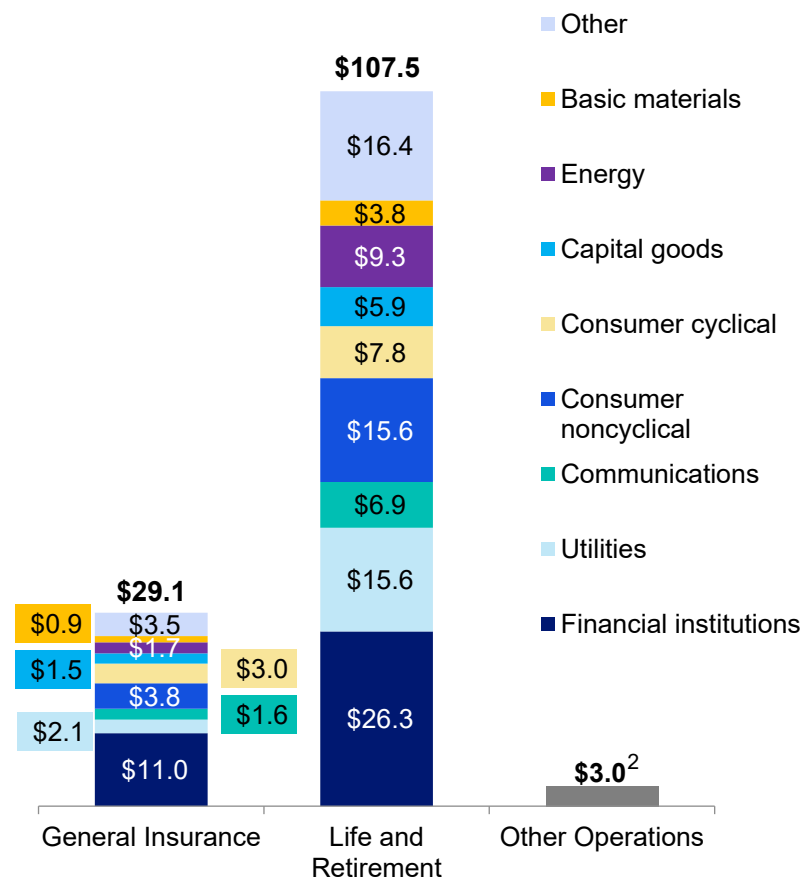
AIG's corporate debt investment portfolio is well diversified by industry sector;  
credit quality remains strong

**Fixed Maturity Securities by NAIC Designation**  
March 31, 2021 – \$234.5B<sup>1</sup>



**Fair value of total Fixed Maturity securities decreased 3.2% since December 31, 2020**

**Corporate Debt by Industry Sector**  
March 31, 2021 – \$139.3B<sup>1</sup>



Note: Amounts shown for segments are before consolidation and eliminations.

1) Asset balances exclude Fortitude Re Funds Withheld Assets.

2) Other Operations by industry sector breakout is not shown due to scale.



## 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 2021 Financial Supplement available in the Investor Information section of AIG’s website, [www.aig.com](http://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. 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.

▪ **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;
- changes in the fair value of equity securities;
- net investment income on Fortitude Re funds withheld assets held by AIG in support of Fortitude Re’s reinsurance obligations to AIG post deconsolidation of Fortitude Re (Fortitude Re funds withheld assets);
- following deconsolidation of Fortitude Re, net realized capital gains and losses on Fortitude Re funds withheld assets;
- 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;
- net loss reserve discount benefit (charge);
- 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;
- integration and transaction costs associated with acquiring or divesting businesses;
- losses from the impairment of goodwill; and
- non-recurring costs associated with the implementation of non-ordinary course legal or regulatory changes or changes to accounting principles.

▪ **Adjusted After-tax Income attributable to AIG Common Shareholders (AATI)** is derived by excluding the tax effected adjusted pre-tax income (APTI) adjustments described above, dividends on preferred stock, 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);

and by excluding the net realized capital gains (losses) and other charges from noncontrolling interests.

# Glossary of Non-GAAP Financial Measures

## Glossary of Non-GAAP

- **Book Value per Common Share, Excluding Accumulated Other Comprehensive Income (AOCI) adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets and Deferred Tax Assets (DTA) (Adjusted Book Value per Common Share)** is used to show the amount of our net worth on a per-common share basis after eliminating items that can fluctuate significantly from period to period including changes in fair value of AIG's 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. In addition, we adjust for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets since these fair value movements are economically transferred to Fortitude Re. 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. Adjusted Book Value per Common Share is derived by dividing Total AIG common shareholders' equity, excluding AOCI adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets, and DTA (**Adjusted Common Shareholders' Equity**), by total common shares outstanding.
- **Book Value per Common Share, Excluding Goodwill, Value of Business Acquired (VOBA), Value of Distribution Channel Acquired (VODA), Other Intangible Assets, AOCI adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets, and Deferred Tax Assets (DTA) (Adjusted Tangible Book Value per Common Share)** is used to provide more accurate measure of the realizable value of shareholder on a per-common share basis. Adjusted Tangible Book Value per Common Share is derived by dividing Total AIG common shareholders' equity, excluding intangible assets, AOCI adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets, and DTA (**Adjusted Tangible Common Shareholders' Equity**), by total common shares outstanding.
- **AIG Return on Common Equity (ROCE) – Adjusted After-tax Income Excluding AOCI adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets and DTA (Adjusted Return on Common Equity)** is used to show the rate of return on common 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. In addition, we adjust for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets since these fair value movements are economically transferred to Fortitude Re. 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 Common Equity. Adjusted Return on Common Equity is derived by dividing actual or annualized adjusted after-tax income attributable to AIG common shareholders by average Adjusted Common Shareholders' Equity.
- **General Insurance and Life and Retirement Adjusted Segment Common Equity** is based on segment equity adjusted for the attribution of debt and preferred stock (Segment Common Equity) and is consistent with AIG's Adjusted Common Shareholders' Equity definition.
- **General Insurance and Life and Retirement Return on Adjusted Segment Common Equity – Adjusted After-tax Income (Return on Adjusted Segment Common Equity)** is used to show the rate of return on Adjusted Segment Common Equity. Return on Adjusted Segment Common Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Segment Common Equity.
- **Adjusted After-tax Income Attributable to General Insurance and Life and Retirement** is derived by subtracting attributed interest expense, income tax expense and attributed dividends on preferred stock from APTI. Attributed debt and the related interest expense and dividends on preferred stock are calculated based on our internal allocation 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.

# Glossary of Non-GAAP Financial Measures

## Glossary of Non-GAAP

- **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 segments.
- **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.
- **Accident year loss and accident year combined ratios, as adjusted:** both the accident year loss and accident year 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 on AIG in excess of \$10 million each and man-made catastrophe losses, such as terrorism and civil disorders that exceed the \$10 million threshold. We believe that 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) Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE +/- CYRIPs] – Loss ratio
  - g) Accident year loss ratio, as adjusted (AYLR) = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/- Reinstatement premiums related to catastrophes (CYRIPs) +/- RIPs related to prior year catastrophes (PYRIPs) + (Additional) returned premium related to PYD on loss sensitive business ((AP)RP) + Adjustment for ceded premiums under reinsurance contracts related to prior accident years]
  - h) Accident year combined ratio, as adjusted = AYLR + Expense ratio
  - i) Prior year development net of (additional) return premium related to PYD on loss sensitive business = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/- CYRIPs +/- PYRIPs + (AP)RP] – Loss ratio – CAT 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 (loss)

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)	
Changes in the fair value of equity securities	
Loss (gain) on extinguishment of debt	
Net investment income on Fortitude Re funds withheld assets	
Net realized capital gains on Fortitude Re funds withheld assets	
Net realized capital gains on Fortitude Re funds withheld embedded derivative	
Net realized capital gains (a)	
(Income) loss from divested businesses	
Non-operating litigation reserves and settlements	
Favorable prior year development and related amortization changes ceded under retroactive reinsurance agreements	
Net loss reserve discount (benefit) charge	
Integration and transaction costs associated with acquiring or divesting businesses	
Restructuring and other costs	
Non-recurring costs related to regulatory or accounting changes	
<b>Adjusted pre-tax income</b>	

Quarterly	
1Q20	1Q21
\$ 2,558	\$ 4,728
7	(22)
538	203
191	(22)
17	(8)
-	(486)
-	(173)
-	(2,382)
(3,494)	(627)
216	(7)
(6)	-
(8)	(19)
56	(32)
2	9
90	74
13	20
<b>\$ 180</b>	<b>\$ 1,256</b>

(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 and net realized gains and losses on Fortitude Re funds withheld assets.

# Non-GAAP Reconciliations

## Adjusted Pre-tax and After-tax Income - Consolidated

(in millions)

### After-tax net income, including noncontrolling interests

Noncontrolling interests (income) loss

### Net income attributable to AIG

Dividends on preferred stock

### Net income attributable to AIG common shareholders

### Adjustments to arrive at Adjusted after-tax income (loss) (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 (a)

Deferred income tax valuation allowance charges (b)

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)

Changes in the fair value of equity securities

Loss (gain) on extinguishment of debt

Net investment income on Fortitude Re funds withheld assets

Net realized capital gains on Fortitude Re funds withheld assets

Net realized capital gains on Fortitude Re funds withheld embedded derivative

Net realized capital gains (c)(d)

(Income) loss from discontinued operations and divested businesses (d)

Non-operating litigation reserves and settlements

Favorable prior year development and related amortization

changes ceded under retroactive reinsurance agreements

Net loss reserve discount (benefit) charge

Integration and transaction costs associated with acquiring or divesting businesses

Restructuring and other costs

Non-recurring costs related to regulatory or accounting changes

Noncontrolling interests primarily related to net realized capital gains

(losses) of Fortitude Holdings' standalone results (e)

### Adjusted after-tax income attributable to AIG common shareholders

### Weighted average diluted shares outstanding

### Income (loss) per common share attributable to AIG common shareholders (diluted)

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

		Quarterly	
		1Q20	1Q21
\$	1,654	\$	3,930
	95		(54)
\$	1,749	\$	3,876
	7		7
\$	1,742	\$	3,869
	5		(901)
	283		686
	5		(17)
	425		160
	151		(17)
	13		(6)
	-		(384)
	-		(137)
	-		(1,883)
	(2,729)		(482)
	171		(6)
	(5)		-
	(6)		(15)
	44		(25)
	2		7
	71		58
	10		16
	(77)		-
\$	105	\$	923
	878.9		876.3
\$	1.98	\$	4.41
	0.12		1.05

(a) Three months ended March 31, 2021 includes the recent completion of audit activity by the IRS.

(b) Three months ended March 31, 2021 includes an increase in the valuation allowance against a portion of certain tax attribute carryforwards of AIG's U.S. federal consolidated income tax group, as well as net valuation allowance release in certain foreign jurisdictions.

(c) 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 and net realized gains and losses on Fortitude Re funds withheld assets.

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

(e) Prior to June 2, 2020, noncontrolling interests was primarily due to the 19.9 percent investment in Fortitude by an affiliate of The Carlyle Group L.P. (Carlyle), which occurred in the fourth quarter of 2018. Carlyle was allocated 19.9 percent of Fortitude Holdings' standalone financial results through the June 2, 2020 closing date of the Majority Interest Fortitude Sale. Fortitude Holdings' results were mostly eliminated in AIG's consolidated income from continuing operations given that its results arose from intercompany transactions. Noncontrolling interests was calculated based on the standalone financial results of Fortitude Holdings. The most significant component of Fortitude Holdings' standalone results was the change in fair value of the embedded derivatives which changes with movements in interest rates and credit spreads, and which was recorded in net realized capital gains and losses of Fortitude Holdings. In accordance with AIG's adjusted after-tax income definition, realized capital gains and losses are excluded from noncontrolling interests. Subsequent to the Majority Interest Fortitude Sale, AIG owns 3.5 percent of Fortitude Holdings and no longer consolidates Fortitude Holdings in its financial statements as of such date. The minority interest in Fortitude Holdings is carried at cost within AIG's Other invested assets, which was \$100 million as of March 31, 2021.



# Non-GAAP Reconciliations

## Book Value Per Common Share

(in millions, except per common share data)

### Book Value Per Common Share

Total AIG shareholders' equity
Less: Preferred equity
Total AIG common shareholders' equity (a)
Less: Accumulated other comprehensive income (AOCI)
Add: Cumulative unrealized gains and losses related to Fortitude Re Funds Withheld Assets
Less: Deferred tax assets (DTA)*
Total adjusted common shareholders' equity (b)
Total common shares outstanding (c)
Book value per common share (a÷c)
Adjusted book value per common share (b÷c)

March 31,		December 31,
2020	2021	2020
\$ 60,173	\$ 62,679	\$ 66,362
485	485	485
59,688	62,194	65,877
(994)	6,466	13,511
-	2,246	4,657
8,535	7,539	7,907
\$ 52,147	\$ 50,435	\$ 49,116
861.3	859.4	861.6
\$ 69.30	\$ 72.37	\$ 76.46
60.55	58.69	57.01

(in millions, except per common share data)

### Tangible Book Value Per Common Share

Total AIG common shareholders' equity (a)
Less Intangible Assets:
Goodwill
Value of business acquired
Value of distribution channel acquired
Other intangibles
Total intangibles assets
Less: Accumulated other comprehensive income (AOCI)
Add: Cumulative unrealized gains and losses related to Fortitude Re Funds Withheld Assets
Less: Deferred tax assets (DTA)*
Total adjusted tangible common shareholders' equity (b)
Total common shares outstanding (c)
Adjusted tangible book value per common share (b÷c)

March 31,		December 31,
2020	2021	2020
\$ 59,688	\$ 62,194	\$ 65,877
3,989	4,079	4,074
297	123	126
526	487	497
329	309	319
5,141	4,998	5,016
(994)	6,466	13,511
-	2,246	4,657
8,535	7,539	7,907
\$ 47,006	\$ 45,437	\$ 44,100
861.3	859.4	861.6
\$ 54.58	\$ 52.87	\$ 51.18



\* 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 Common Equity

(in millions)

### Return On Common Equity Computations

Actual or Annualized net income attributable to AIG common shareholders (a)

Actual or Annualized adjusted after-tax income attributable to AIG common shareholders (b)

Average AIG Common Shareholders' equity (c)

Less: Average AOCI

Add: Average cumulative unrealized gains and losses related to Fortitude Re funds withheld assets

Less: Average DTA\*

**Average adjusted common shareholders' equity (d)**

ROCE (a÷c)

Adjusted return on common equity (b÷d)

Quarterly	
1Q20	1Q21
\$ 6,968	\$ 15,476
\$ 420	\$ 3,692
\$ 62,439	\$ 64,036
1,994	9,989
-	3,452
8,756	7,723
\$ 51,689	\$ 49,776
11.2%	24.2%
0.8%	7.4%

### General Insurance

(in millions)

#### Adjusted pre-tax income

Interest expense on attributed financial debt

#### Adjusted pre-tax income including attributed interest expense

Income tax expense

#### Adjusted after-tax income

Dividends declared on preferred stock

#### Adjusted after-tax income attributable to common shareholders (a)

Ending adjusted segment common equity

Average adjusted segment common equity (b)

Return on adjusted segment common equity (a÷b)

Total segment shareholder's equity

Less: Preferred equity

Total segment common equity

Less: AOCI

Add: Cumulative unrealized gains and losses related to Fortitude Re funds withheld assets

Total adjusted segment common equity

Quarterly	
1Q20	1Q21
\$ 501	\$ 845
146	145
355	700
85	161
\$ 270	\$ 539
3	3
\$ 267	\$ 536
\$ 24,934	\$ 25,265
24,997	25,155
4.3 %	8.5 %
\$ 24,417	\$ 26,039
192	196
24,225	25,843
(709)	728
-	150
\$ 24,934	\$ 25,265

### Life and Retirement

(in millions)

#### Adjusted pre-tax income

Interest expense on attributed financial debt

#### Adjusted pre-tax income including attributed interest expense

Income tax expense

#### Adjusted after-tax income

Dividends declared on preferred stock

#### Adjusted after-tax income attributable to common shareholders (a)

Ending adjusted segment common equity

Average adjusted segment common equity (b)

Return on adjusted segment common equity (a÷b)

Total segment shareholder's equity

Less: Preferred equity

Total segment common equity

Less: AOCI

Add: Cumulative unrealized gains and losses related to Fortitude Re funds withheld assets

Total adjusted segment common equity

Quarterly	
1Q20	1Q21
\$ 601	\$ 941
75	70
526	871
101	172
\$ 425	\$ 699
2	2
\$ 423	\$ 697
\$ 20,148	\$ 20,226
18,974	19,699
8.9 %	14.2 %
\$ 22,809	\$ 26,568
134	136
22,675	26,432
2,527	8,366
-	2,160
\$ 20,148	\$ 20,226



\* 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

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

### General Insurance

	Quarterly	
	1Q20	1Q21
Loss ratio	66.8	65.6
Catastrophe losses and reinstatement premiums	(6.9)	(7.3)
Prior year development	0.9	0.9
Accident year loss ratio, as adjusted	60.8	59.2
Acquisition ratio	21.9	20.2
General operating expense ratio	12.8	13.0
Expense ratio	34.7	33.2
Combined ratio	101.5	98.8
Accident year combined ratio, as adjusted	95.5	92.4

### General Insurance - North America

	Quarterly	
	1Q20	1Q21
Loss ratio	72.7	79.6
Catastrophe losses and reinstatement premiums	(6.8)	(15.2)
Prior year development	0.7	2.4
Accident year loss ratio, as adjusted	66.6	66.8
Acquisition ratio	20.1	16.8
General operating expense ratio	11.0	12.0
Expense ratio	31.1	28.8
Combined ratio	103.8	108.4
Accident year combined ratio, as adjusted	97.7	95.6

### General Insurance - North America - Commercial Lines

	Quarterly	
	1Q20	1Q21
Loss ratio	73.4	80.1
Catastrophe losses and reinstatement premiums	(6.3)	(15.4)
Prior year development	3.0	2.6
Accident year loss ratio, as adjusted	70.1	67.3
Acquisition ratio	16.3	15.8
General operating expense ratio	11.2	10.8
Expense ratio	27.5	26.6
Combined ratio	100.9	106.7
Accident year combined ratio, as adjusted	97.6	93.9

### General Insurance - North America - Personal Insurance

	Quarterly	
	1Q20	1Q21
Loss ratio	70.8	77.2
Catastrophe losses and reinstatement premiums	(7.9)	(14.5)
Prior year development	(5.1)	1.6
Accident year loss ratio, as adjusted	57.8	64.3
Acquisition ratio	29.6	23.1
General operating expense ratio	10.6	18.5
Expense ratio	40.2	41.6
Combined ratio	111.0	118.8
Accident year combined ratio, as adjusted	98.0	105.9

# Non-GAAP Reconciliations

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

### General Insurance - International

	Quarterly	
	1Q20	1Q21
Loss ratio	61.9	56.0
Catastrophe losses and reinstatement premiums	(7.0)	(1.9)
Prior year development	1.1	(0.1)
Accident year loss ratio, as adjusted	56.0	54.0
Acquisition ratio	23.4	22.5
General operating expense ratio	14.2	13.7
Expense ratio	37.6	36.2
Combined ratio	99.5	92.2
Accident year combined ratio, as adjusted	93.6	90.2

### General Insurance - International - Commercial Lines

	Quarterly	
	1Q20	1Q21
Loss ratio	66.8	57.1
Catastrophe losses and reinstatement premiums	(11.2)	(3.2)
Prior year development	1.5	-
Accident year loss ratio, as adjusted	57.1	53.9
Acquisition ratio	20.7	19.8
General operating expense ratio	13.9	13.1
Expense ratio	34.6	32.9
Combined ratio	101.4	90.0
Accident year combined ratio, as adjusted	91.7	86.8

### General Insurance - International - Personal Insurance

	Quarterly	
	1Q20	1Q21
Loss ratio	56.9	54.7
Catastrophe losses and reinstatement premiums	(2.7)	(0.4)
Prior year development	0.6	(0.2)
Accident year loss ratio, as adjusted	54.8	54.1
Acquisition ratio	26.2	25.6
General operating expense ratio	14.5	14.3
Expense ratio	40.7	39.9
Combined ratio	97.6	94.6
Accident year combined ratio, as adjusted	95.5	94.0

### General Insurance - Global Commercial Lines

	Quarterly	
	1Q20	1Q21
Loss ratio	70.4	69.1
Catastrophe losses and reinstatement premiums	(8.6)	(9.6)
Prior year development	2.3	1.3
Accident year loss ratio, as adjusted	64.1	60.8
Acquisition ratio	18.3	17.7
General operating expense ratio	12.4	11.9
Expense ratio	30.7	29.6
Combined ratio	101.1	98.7
Accident year combined ratio, as adjusted	94.8	90.4

## General Operating Expenses – Change in Constant Dollar

### General Insurance

Foreign exchange effect on general operating expenses:

Change in general operating expenses

Increase (decrease) in original currency

Foreign exchange effect

Increase (decrease) as reported in U.S. dollars

1Q21
(4) %
2
(2) %



# Non-GAAP Reconciliations

## Net Premiums Written – Change in Constant Dollar

### General Insurance

Foreign exchange effect on worldwide premiums:

#### Change in net premiums written

Increase (decrease) in original currency

Foreign exchange effect

**Increase (decrease) as reported in U.S. dollars**

Increase (decrease) in original currency

Impact of PCG and Travel

**Increase (decrease) in original currency adjusted for  
PCG and Travel**

### Global - Commercial Lines

1Q21
22.0 %
3.4
25.4 %

### Global - Personal Insurance

1Q21
(22.7) %
3.4
(19.3) %
(22.7) %
21.1
(1.6) %

### International - Commercial Lines

1Q21
13.1 %
7.2
20.3 %

### International - Personal Insurance

1Q21
(6.0) %
5.6
(0.4) %

## Reconciliation of Net Investment Income

(in millions)

### Net investment income per Consolidated Statements of Operations

Changes in fair value of securities used to hedge guaranteed living benefits

Changes in the fair value of equity securities

Net investment income on Fortitude Re funds withheld assets

Net realized capital gains (losses) related to economic hedges and other

### Total Net investment income - APTI Basis

Add: Investment expenses

Add: Consolidation and eliminations

### AIG investment income, APTI basis

Consolidation and eliminations

Net realized capital (gains) losses related to economic hedges and other

### Gross investment income, APTI basis

Less: Impact of Fortitude Re prior to deconsolidation

### Gross investment income, APTI basis, excluding the impact of

Fortitude Re for all periods, including periods prior to deconsolidation

### Total Net investment income - APTI Basis

Less: Impact of Fortitude Re prior to deconsolidation

### Total Net investment income - APTI Basis, excluding the impact of

Fortitude Re for all periods, including periods prior to deconsolidation

### Quarterly

	1Q20	1Q21
\$	2,508	\$ 3,657
	(13)	(19)
	191	(22)
	-	(486)
	13	61
\$	<u>2,699</u>	<u>\$ 3,191</u>
	148	112
	145	183
\$	<u>2,992</u>	<u>\$ 3,486</u>
	(145)	(183)
	(13)	(61)
\$	<u>2,834</u>	<u>\$ 3,242</u>
	(119)	-
\$	<u>2,715</u>	<u>\$ 3,242</u>
\$	2,699	\$ 3,191
	(119)	-
\$	<u>2,580</u>	<u>\$ 3,191</u>

# Non-GAAP Reconciliations

## Premiums

(in millions)

	Quarterly	
	1Q20	1Q21
<b>Individual Retirement:</b>		
Premiums	\$ 41	\$ 25
Deposits	3,079	3,349
Other	(4)	(1)
<b>Premiums and deposits</b>	<b>\$ 3,116</b>	<b>\$ 3,373</b>
<b>Individual Retirement (Fixed Annuities):</b>		
Premiums	\$ 41	\$ 25
Deposits	616	615
Other	(10)	(2)
<b>Premiums and deposits</b>	<b>\$ 647</b>	<b>\$ 638</b>
<b>Individual Retirement (Variable Annuities):</b>		
Premiums	\$ -	\$ -
Deposits	853	1,197
Other	6	1
<b>Premiums and deposits</b>	<b>\$ 859</b>	<b>\$ 1,198</b>
<b>Individual Retirement (Index Annuities):</b>		
Premiums	\$ -	\$ -
Deposits	1,346	1,388
Other	-	-
<b>Premiums and deposits</b>	<b>\$ 1,346</b>	<b>\$ 1,388</b>
<b>Individual Retirement (Retail Mutual Funds):</b>		
Premiums	\$ -	\$ -
Deposits	264	149
Other	-	-
<b>Premiums and deposits</b>	<b>\$ 264</b>	<b>\$ 149</b>
<b>Group Retirement:</b>		
Premiums	\$ 6	\$ 4
Deposits	1,849	1,814
Other	-	-
<b>Premiums and deposits</b>	<b>\$ 1,855</b>	<b>\$ 1,818</b>
<b>Life Insurance:</b>		
Premiums	\$ 463	\$ 532
Deposits	403	397
Other	196	202
<b>Premiums and deposits</b>	<b>\$ 1,062</b>	<b>\$ 1,131</b>
<b>Institutional Markets:</b>		
Premiums	\$ 757	\$ 39
Deposits	211	34
Other	8	7
<b>Premiums and deposits</b>	<b>\$ 976</b>	<b>\$ 80</b>
<b>Total Life and Retirement:</b>		
Premiums	\$ 1,267	\$ 600
Deposits	5,542	5,594
Other	200	208
<b>Premiums and deposits</b>	<b>\$ 7,009</b>	<b>\$ 6,402</b>