Third Quarter 2019
Financial Results Presentation

November 1, 2019

Cautionary Statement Regarding Forward-Looking Information

This document and the remarks made within this presentation may include, and officers and representatives of American International Group, Inc. (AIG) may from time to time make and discuss, projections, goals, assumptions and statements that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions and statements are not historical facts but instead represent only a belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG’s control. These projections, goals, assumptions and statements include statements preceded by, followed by or including words such as “will,” “believe,” “anticipate,” “expect,” “intend,” “plan,” “focused on achieving,” “view,” “target,” “goal” or “estimate.” These projections, goals, assumptions and statements may relate to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, anticipated organizational, business or regulatory changes, anticipated sales, monetization and/or acquisitions of businesses or assets, or successful integration of acquired businesses, management succession and retention plans, exposure to risk, trends in operations and financial results.

It is possible that AIG’s actual results and financial condition will differ, possibly materially, from the results and financial condition indicated in these projections, goals, assumptions and statements. Factors that could cause AIG’s actual results to differ, possibly materially, from those in the specific projections, goals, assumptions and statements include: changes in market and industry conditions; the occurrence of catastrophic events, both natural and man-made; AIG’s ability to successfully reorganize its businesses and execute on its initiatives to improve its underwriting capabilities and reinsurance programs, as well as improve profitability, without negatively impacting client relationships or its competitive position; AIG’s ability to successfully dispose of, monetize and/or acquire businesses or assets or successfully integrate acquired businesses; changes in judgments concerning potential cost saving opportunities; actions by credit rating agencies; changes in judgments concerning insurance underwriting and insurance liabilities; the impact of potential information technology, cybersecurity or data security breaches, including as a result of cyber-attacks or security vulnerabilities; disruptions in the availability of AIG’s electronic data systems or those of third parties; the effectiveness of AIG’s strategies to recruit and retain key personnel and its ability to implement effective succession plans; the requirements, which may change from time to time, of the global regulatory framework to which AIG is subject; negative impacts on customers, business partners and other stakeholders; AIG’s ability to successfully manage Legacy portfolios; significant legal, regulatory or governmental proceedings; concentrations in AIG’s investment portfolios; changes in judgments concerning the recognition of deferred tax assets and goodwill impairment; and such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019 (which will be filed with the Securities and Exchange Commission), Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019, Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, and Part II, Item 7. MD&A and Part I, Item 1A. Risk Factors in AIG’s Annual Report on Form 10-K for the year ended December 31, 2018. 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 earnings release and Third Quarter 2019 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.

Third Quarter 2019: Lower Catastrophe Losses, Stable Net Investment Income, and Improved General Insurance Results

Consolidated	**3Q19 AATI* of $505M** ▪ Adjusted after-tax EPS* of $0.56, improved $0.90 over 3Q18 reflecting significantly lower catastrophe losses and improved General Insurance accident year (AY) underwriting results ▪ Adjusted Book Value Per Share* of $57.60, up approximately 5% from $54.95 at year-end ▪ Adjusted return on common equity (ROCE)* of 4.1% for 3Q19; 8.6% for 9M'19
General Insurance	**Continued successful execution on underwriting, reinsurance, and expense efficiency strategies contributed to 350 basis points improvement in AYCR, as adjusted*, to 95.9% in 3Q19** ▪ AYLR, as adjusted*, improved 2.1 points from 3Q18 to 61.5% ▪ GOE ratio improved by 1.7 points from 3Q18, reflecting continued expense discipline ▪ 3Q19 catastrophe losses (CATs) of $497M (7.5 points), net of reinsurance, including $254M from Typhoon Faxai and $135M from Hurricane Dorian ▪ Underwriting discipline continues with NPW, excluding FX, down slightly (3% including FX) from 3Q18; rate increases and terms and conditions continue to firm
Life and Retirement	**APTI reflects solid in-force results and higher impact of annual actuarial assumption update** ▪ APTI declined by 9% from 3Q18 primarily due to annual actuarial assumption update, which reduced APTI by $143M in 3Q19 versus $98M in 3Q18; excluding the annual actuarial assumption, APTI was down 3% due to elevated mortality and lower alternative investment returns ▪ Adjusted ROCE of 10.1%; approximately 12.5% excluding the impact of annual actuarial assumption update ▪ Premiums and deposits* growth in Individual Retirement and Institutional Markets ▪ Continued focus on spread management in the low interest rate environment
Investment Income	**NII totaled $3.4B in 3Q19 and $11.0B YTD, up 0.4% and 14%, respectively from the prior year periods** ▪ 3Q19 NII was essentially flat with 3Q18 as higher interest and dividends and other investment income were offset by lower alternative investment returns ▪ Alternative investment income of $115M, or annualized 5%, was below 8% yield assumption; 9M'19 basis of 13% annualized versus 10% in 9M'18
Capital & Liquidity	**Continued balance sheet strength and prudent capital management** ▪ AIG Parent liquidity of $7.2B at Sept. 30, 2019 after repayment of $1.0B in debt and $286M in dividends on common stock and preferred stock ▪ Total debt & preferred stock to Total capital ratio of 26.1% (27.9% ex. AOCI) down from 29.3% (28.8% ex. AOCI) at year-end 2018

AIG

* 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.

Consolidated Operating Financial Highlights

($ in millions, except per common share amounts)	3Q18	3Q19	Variances
Adjusted Pre-tax Income (Loss):			
General Insurance			
North America	($160)	$435	$595
International	(665)	72	737
Total General Insurance	**(825)**	**507**	**1,332**
Life and Retirement			
Individual Retirement	393	387	(6)
Group Retirement	242	203	(39)
Life Insurance	16	(7)	(23)
Institutional Markets	62	63	1
Total Life and Retirement	**713**	**646**	**(67)**
Other Operations[1]	(388)	(500)	(112)
Total Core	**(500)**	**653**	**1,153**
Legacy Portfolio	84	93	9
Total adjusted pre-tax income (loss)	**($416)**	**$746**	**$1,162**
Adjusted after-tax income (loss) attributable to AIG common shareholders	**($301)**	**$505**	**$806**
Adjusted after-tax income (loss) per diluted share attributable to AIG common shareholders	**($0.34)**	**$0.56**	**$0.90**
Net income (loss) attributable to AIG common shareholders	**($1,259)**	**$648**	**$1,907**
Adjusted Return On Common Equity:			
Consolidated	**(2.4%)**	**4.1%**	
Core	**(3.6%)**	**4.4%**	
General Insurance	**(11.9%)**	**4.3%**	
Life and Retirement	**11.2%**	**10.1%**	
Legacy Portfolio	**2.9%**	**4.4%**	
Book Value Per Common Share (BVPS):	**12/31/2018**	**9/30/2019**	
BVPS	**$65.04**	**$74.85**	**15%**
BVPS, excluding AOCI	**$66.67**	**$68.40**	**3%**
Adjusted BVPS[2]	**$54.95**	**$57.60**	**5%**

1) Includes corporate GOE not allocated to segments, interest and other expenses as well as consolidation, eliminations and other adjustments.
2) Book value per common share, ex. AOCI and DTA.

3Q19 Noteworthy Items in AATI

	3Q19 – Income / (Loss)		
($ in millions)	**Pre-tax**	**After-tax[4]**	**EPS (diluted)**
Catastrophe losses, net of reinsurance[1]	($511)	($404)	($0.45)
Unfavorable prior year loss reserve development, net of reinsurance & return premium related to prior year development on loss sensitive business	(3)	(2)	(0.00)
Annual actuarial assumption update in Life and Retirement & Legacy[2]	(173)	(137)	(0.15)
Investment Performance:			
Worse than expected alternative investment returns[3]	(43)	(34)	(0.04)
Better than expected fair value changes on Fixed Maturity Securities - Other accounted under fair value option[3]	8	6	0.01
Total noteworthy items in AATI	**($722)**	**($570)**	**($0.64)**

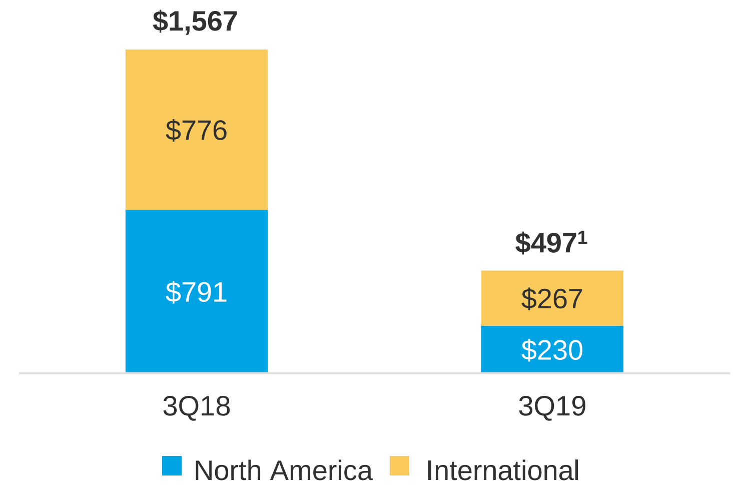
AIG

1) Includes ($497M) and ($14M), pre-tax, from General Insurance and Legacy General Insurance Run-off Lines, respectively.
2) Includes ($143M) and ($30M), pre-tax, from Life and Retirement and Legacy Life and Retirement Run-off Lines, respectively.
3) The annualized expected rate of return is 8% for alternative investments and 6% for fair value option fixed maturity securities for all periods presented.
4) Computed using a U.S. statutory effective tax rate of 21%.

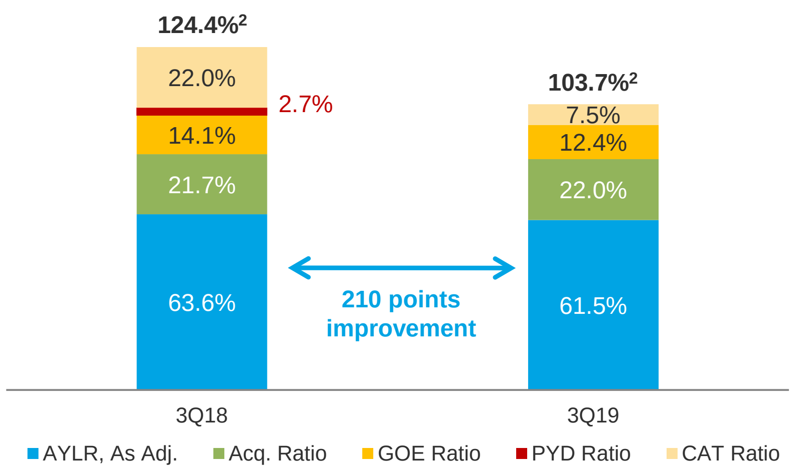
General Insurance – Select Metrics

($ in millions)	3Q18	3Q19
Net premiums written	**$6,835**	**$6,648**
Net premiums earned	**$7,081**	**$6,659**
Loss and loss adjustment expense	6,276	4,618
Acquisition expenses	1,536	1,462
General operating expenses	995	828
Underwriting loss	**($1,726)**	**($249)**
Net investment income	**$901**	**$756**
Adjusted pre-tax income (loss)	**($825)**	**$507**

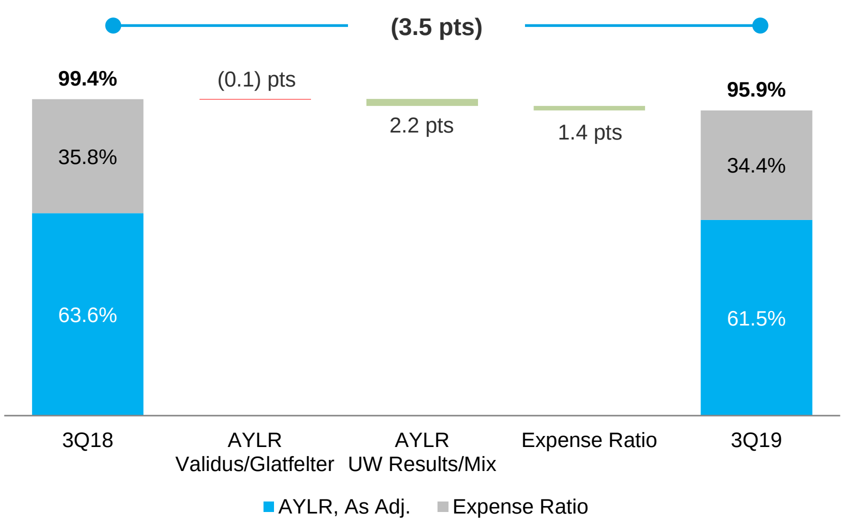
Catastrophe Losses, Net of Reinsurance ($M)



Calendar Year Combined Ratios



Accident Year Combined Ratios (excl. CATs) walk



1) Includes $254M from Typhoon Faxai and $135M from Hurricane Dorian.
2) Calendar year combined ratio includes adjustments for ceded premium under reinsurance contracts and other in 3Q18 and 3Q19.

General Insurance: North America Accident Year Results Improving Including Lower CATs

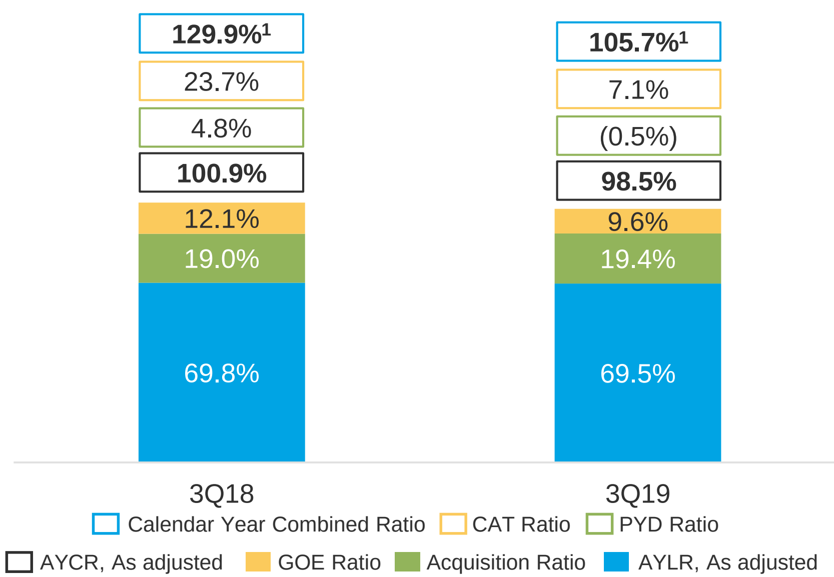
($ in millions)	3Q18	3Q19
Net premiums written	**$3,164**	**$3,404**
Commercial Lines	2,229	2,502
Personal Insurance	935	902
Net premiums earned	**$3,302**	**$3,258**
Commercial Lines	2,425	2,435
Personal Insurance	877	823
Underwriting loss	**($987)**	**($185)**
Commercial Lines	(609)	(123)
Personal Insurance	(378)	(62)
Net investment income	**$827**	**$620**
Adjusted pre-tax income (loss)	**($160)**	**$435**

Key Takeaways:

- NPW increased 8% due to the acquisition of Glatfelter and growth at Validus, partially offset by underwriting and reinsurance actions that reduced exposures, increased prices and impacted business mix
- AYCR, as adjusted, decreased 2.4 pts due to the favorable impact from our underwriting actions, changes in business mix, strong results from Glatfelter, improved loss performance across a number of lines, and changes in reinsurance
- Acquisition ratio slightly increased driven by changes in business mix
- GOE declined, driven by continued discipline on direct and controllable expenses

Underwriting Ratios:	3Q18	3Q19	B / (W)
Commercial Lines			
AY combined ratio, as adjusted	102.2%	99.4%	2.8 pts
Catastrophe losses and reinstatement premiums	21.6%	6.4%	15.2 pts
Prior year development	0.6%	(1.6%)	2.2 pts
Combined ratio[1]	**125.1%**	**105.0%**	**20.1 pts**
Personal Insurance			
AY combined ratio, as adjusted	96.5%	95.5%	1.0 pts
Catastrophe losses and reinstatement premiums	29.7%	9.0%	20.7 pts
Prior year development	16.9%	3.0%	13.9 pts
Combined ratio[1]	**143.1%**	**107.6%**	**35.5 pts**

North America Combined Ratio



AIG

1) Calendar year combined ratio includes adjustments for ceded premium under reinsurance contracts and other in 3Q18 and 3Q19.

General Insurance: International Underwriting Results Reflect Lower CATs and Better AYLR, As Adjusted

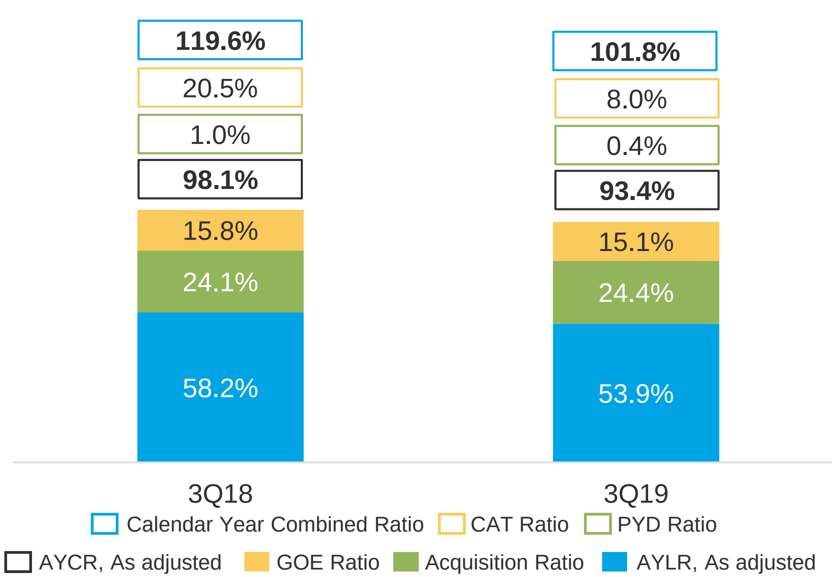
($ in millions)	3Q18	3Q19
Net premiums written	**$3,671**	**$3,244**
Commercial Lines	1,810	1,528
Personal Insurance	1,861	1,716
Net premiums earned	**$3,779**	**$3,401**
Commercial Lines	1,826	1,578
Personal Insurance	1,953	1,823
Underwriting income (loss)	**($739)**	**($64)**
Commercial Lines	(423)	(65)
Personal Insurance	(316)	1
Net investment income	**$74**	**$136**
Adjusted pre-tax income (loss)	**($665)**	**$72**

Key Takeaways:

- NPW decreased primarily due to underwriting actions taken to strengthen the portfolio and maintain pricing discipline
- AYCR, as adjusted, decreased 4.7 pts due to change in mix of business and improved Commercial Property performance
- Acquisition ratio slightly increased driven by changes in business mix
- GOE declined, driven by continued expense discipline

Underwriting Ratios:	3Q18	3Q19	B / (W)
Commercial Lines			
AY combined ratio, as adjusted	99.0%	94.0%	5.0 pts
Catastrophe losses and reinstatement premiums	20.6%	8.0%	12.6 pts
Prior year development	3.6%	2.1%	1.5 pts
Combined ratio	**123.2%**	**104.1%**	**19.1 pts**
Personal Insurance			
AY combined ratio, as adjusted	97.2%	93.0%	4.2 pts
Catastrophe losses and reinstatement premiums	20.5%	8.0%	12.5 pts
Prior year development	(1.5%)	(1.1%)	(0.4) pts
Combined ratio	**116.2%**	**99.9%**	**16.3 pts**

International Combined Ratio



3Q19 Prior Year Favorable Reserve Development of $4 Million

	General Insurance		Legacy		Total		% of Reserves	
($ in millions) **Prior year development by accident year:**	**3Q18**	**3Q19**	**3Q18**	**3Q19**	**3Q18**	**3Q19**	**3Q18**	**3Q19**
2018	$ -	$ 89	$ -	$ -	$ -	$ 89	NM[1]	0.2%
2017	(9)	48	-	-	(9)	48	NM	0.1%
2016	69	16	4	-	73	16	0.1%	NM
2015	(48)	(25)	(11)	(1)	(59)	(26)	(0.1%)	(0.1%)
2014	(26)	(42)	(2)	1	(28)	(41)	(0.1%)	(0.1%)
2013	(7)	14	-	(1)	(7)	13	NM	NM
2012	34	(16)	(3)	-	31	(16)	0.1%	NM
2011	20	(19)	(2)	3	18	(16)	NM	NM
2010	(9)	(6)	2	14	(7)	8	NM	NM
2009 and prior	148	(62)	10	(17)	158	(79)	0.3%	(0.2%)
Total prior year unfavorable (favorable) development*	**$ 172**	**$ (3)**	**$ (2)**	**$ (1)**	**$ 170**	**$ (4)**	**0.3%**	**NM**
Other Noteworthy Items:								
Amortization attributed to deferred gain at inception of ADC (included in PYD above)	$ (57)	$ (58)						

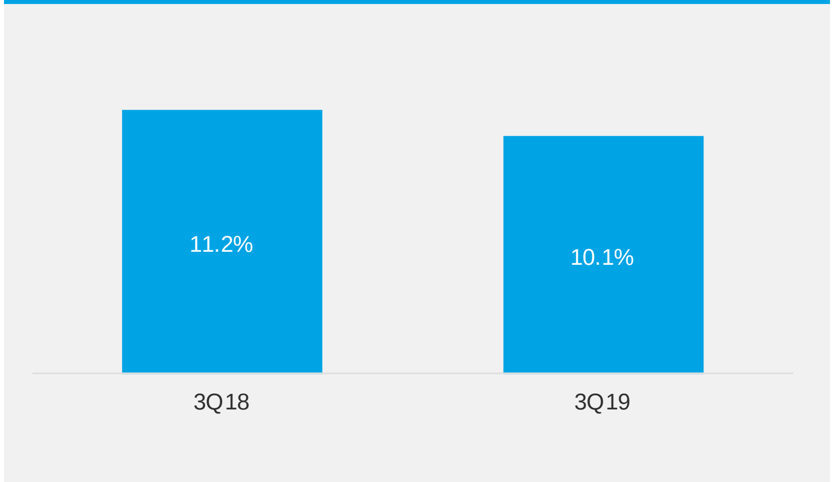
Key Takeaways

- Unfavorable development largely reflected adjustments from specific programs or policies due to recent claims experience
- $129M of favorable reserve development was ceded in 3Q19 for AY 2015 & prior reserves covered by the ADC treaty; $8.0B of limit remains with 20% AIG participation
- Amortization of deferred gain was $58M in 3Q19, essentially flat with 3Q18 at $57M

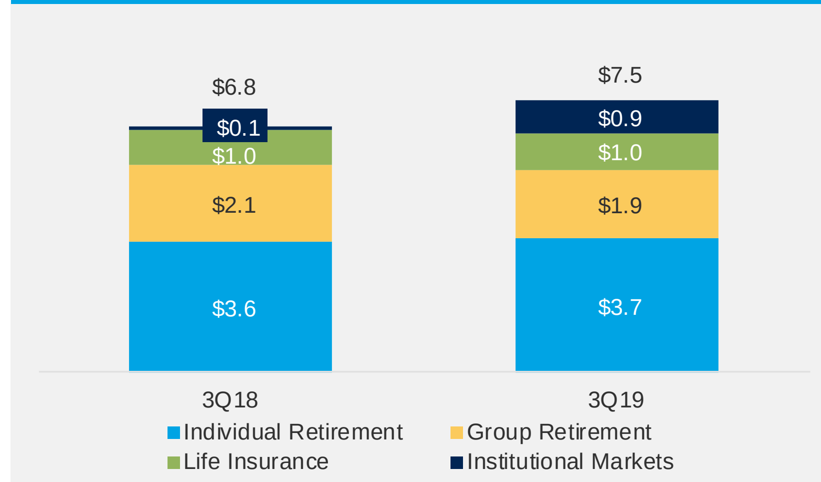
* Consistent with our definition of APTI, prior year development excludes the portion of (favorable)/unfavorable prior year reserve development for which we have ceded the risk under the NICO reinsurance agreements of $(129) million and $722 million for 3Q19 and 3Q18, respectively, and related changes in amortization of the deferred gain of $(71) million and $118 million for those same periods.
1) NM = Not meaningful

Life and Retirement – Select Metrics

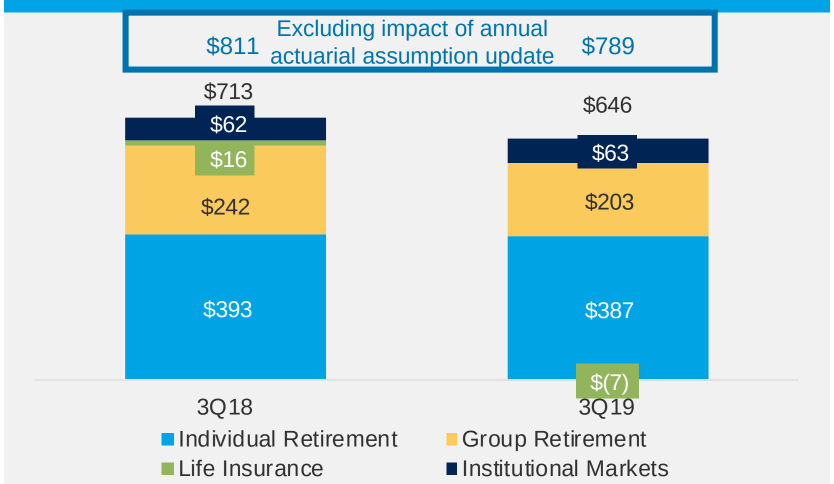
Adjusted Return on Common Equity



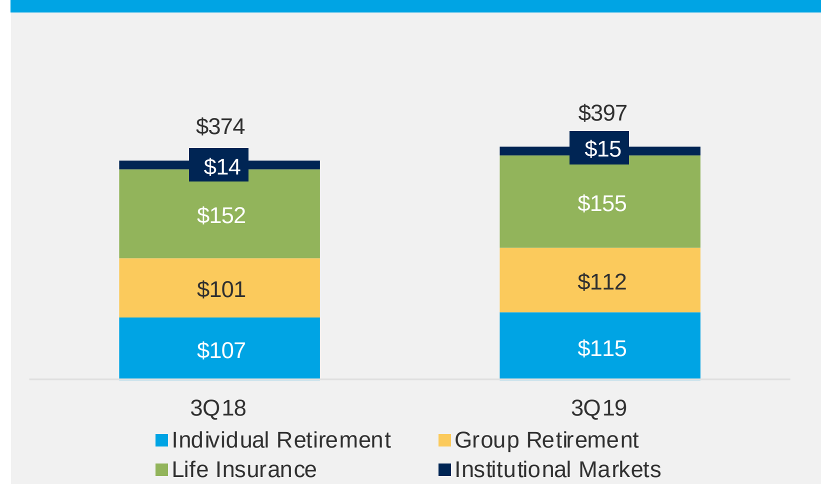
Premiums and Deposits ($B)



Adjusted Pre-Tax Income[1] ($M)



General Operating Expenses ($M)



1) Includes the impact from the annual actuarial assumption update of ($98M) and ($143M) at 3Q18 and 3Q19, respectively.

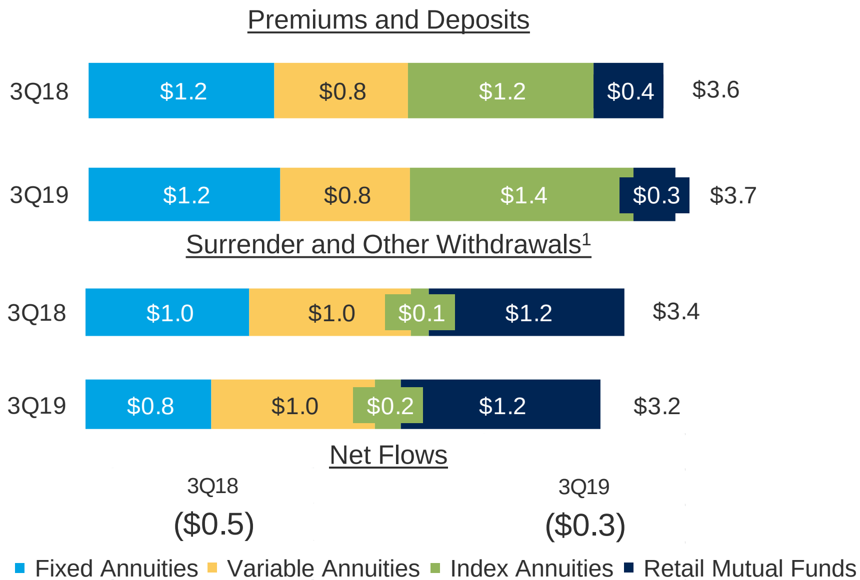
L&R Individual Retirement: Positive Net Flows for Annuity Business, AUA Growth and Manageable Spread Compression

($ in millions)	3Q18	3Q19
Premiums and deposits	$3,616	$3,692
Premiums	9	38
Policy fees	204	204
Net investment income	956	1,021
Advisory fee and other income	166	153
Total adjusted revenues	1,335	1,416
Benefits, losses and expenses	942	1,029
Adjusted pre-tax income (APTI)	**$393**	**$387**
Annual actuarial assumption update	**($52)**	**($63)**
APTI, excluding annual actuarial assumption update	**$445**	**$450**

Key Takeaways

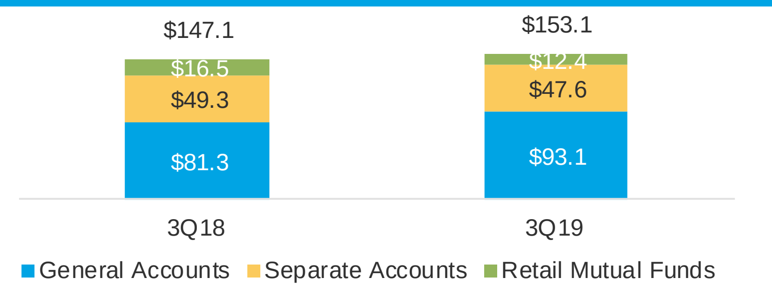
- Positive net flows excluding Retail Mutual Funds primarily driven by strong index annuity sales compared to 3Q18
- Growth in assets under administration driven by strong equity market performance in the first half of 2019 and higher annuity net flows, partially offset by net redemptions in Retail Mutual Funds
- Continued spread compression as a result of higher yielding assets rolling off the large in-force portfolio

Net Flows ($B)

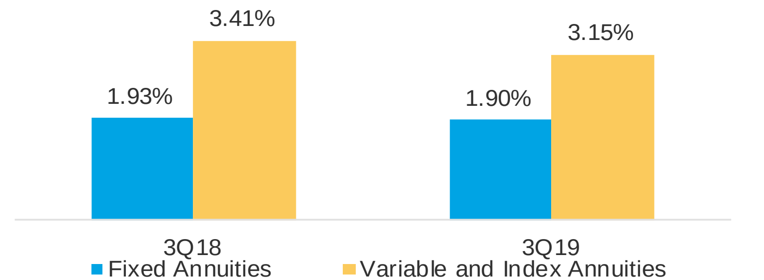


1) Excludes death and other contract benefits

Assets Under Administration ($B)



Base Net Investment Spread



L&R Group Retirement: AUA Growth, Active Spread Management and Investments in Business Platform

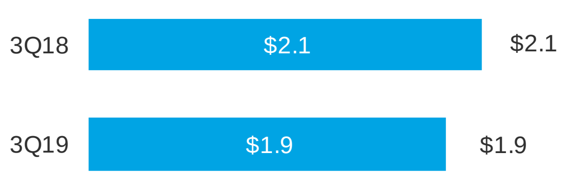
($ in millions)	3Q18	3Q19
Premiums and deposits	$2,116	$1,924
Premiums	9	5
Policy fees	115	111
Net investment income	531	544
Advisory fee and other income	63	66
Total adjusted revenues	718	726
Benefits, losses and expenses	476	523
Adjusted pre-tax income (APTI)	**$242**	**$203**
Annual actuarial assumption update	**$17**	**($17)**
APTI, excluding annual actuarial assumption update	**$225**	**$220**

Key Takeaways

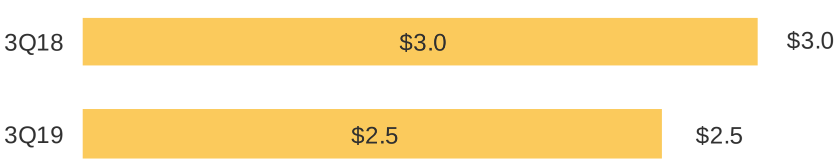
- Adjusted pre-tax income decreased largely due to the impact of annual actuarial assumption update ($34M) and investments made in operating platforms within the business
- Net flows improved from 3Q18 primarily as a result of lower group plan surrenders, partially offset by lower individual product deposits
- Growth of assets under administration driven by solid market performance during the first half of 2019
- Continue to focus on active spread management in the current low interest rate environment, with modest compression in 3Q19

Net Flows ($B)

Premiums and Deposits



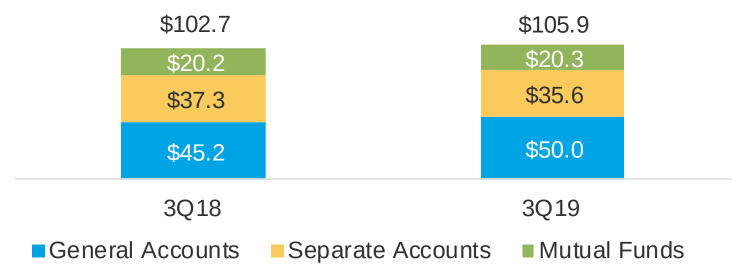
Surrender and Other Withdrawals[1]



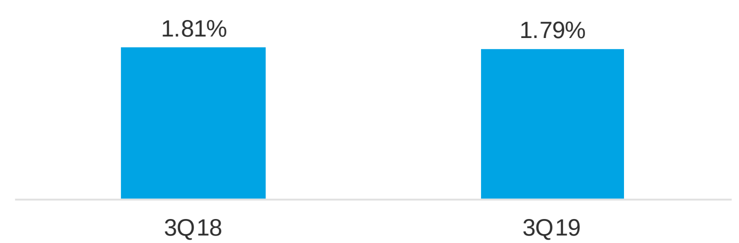
Net Flows

3Q18	3Q19
($1.0)	($0.8)

Assets Under Administration ($B)



Base Net Investment Spread



1) Excludes death and other contract benefits

L&R Life Insurance: Strong International Sales and Mortality Trends Within Overall Pricing Assumptions Despite Higher Levels in the Quarter

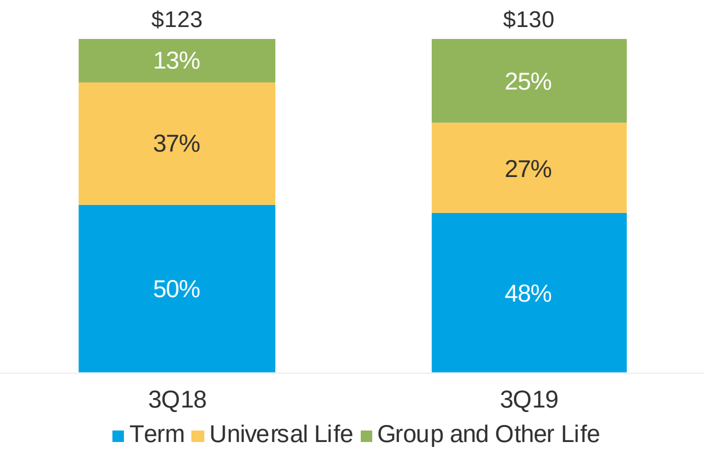
($ in millions)	3Q18	3Q19
Premiums and deposits	$978	$1,012
Premiums	379	394
Policy fees	141	348
Net investment income	275	289
Advisory fee and other income[1]	14	6
Total adjusted revenues	809	1,037
Benefits, losses and expenses	793	1,044
Adjusted pre-tax income (loss) (APTI)	**$16**	**($7)**
Annual actuarial assumption update	**($63)**	**($63)**
APTI, excluding annual actuarial assumption update	**$79**	**$56**

Key Takeaways

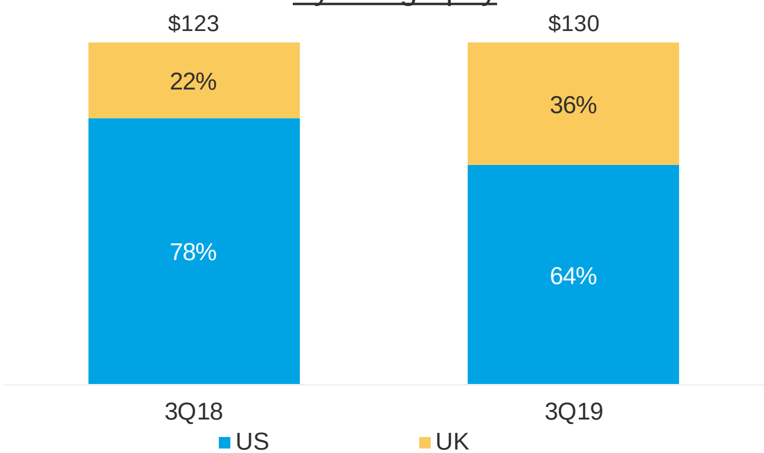
- Adjusted pre-tax income decreased primarily as a result of elevated mortality, offset by higher investment income from a growing asset base
- Growth in premiums and deposits reflects strong international life sales
- Including 3Q19, mortality trends remain within overall pricing assumptions
- Annual actuarial assumption update impacted policy fees negatively $238M in 3Q18 compared to $32M in 3Q19. In addition, benefits, losses and expenses were impacted by the annual actuarial assumption update, negatively in 3Q19 $31M compared to positively in 3Q18 $175M

New Business Sales ($M)

By Product[2]



By Geography



1) Includes other income primarily related to commission and profit sharing revenues received by Laya Healthcare from the distribution of insurance products.
2) Universal Life includes single premium and unscheduled deposits as of 2019 (formerly included with Group and Other Life). 3Q18 figure was restated to align with current presentation method.

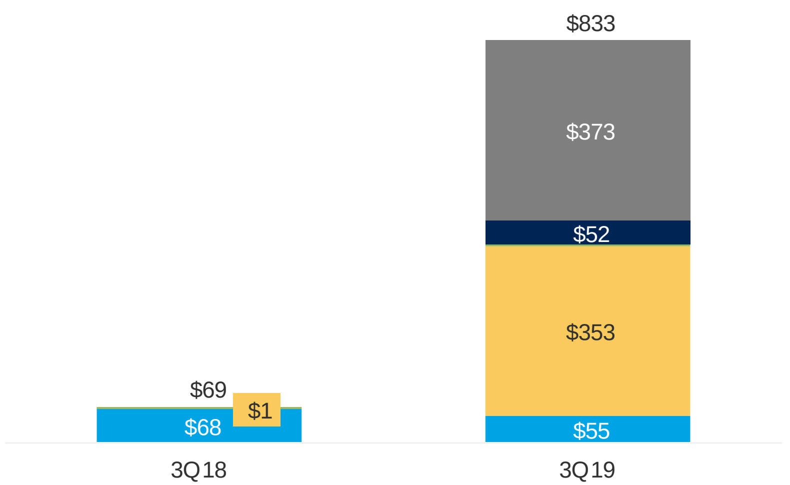
L&R Institutional Markets: Executed Opportunistic Transactions at Attractive Returns

($ in millions)	3Q18	3Q19
Premiums and deposits	$69	$833
Premiums	46	389
Policy fees	40	40
Net investment income	198	224
Advisory fee and other income	0	1
Total adjusted revenues	284	654
Benefits, losses and expenses	222	591
Adjusted pre-tax income (APTI)	**$62**	**$63**
Annual actuarial assumption update	**$0**	**$0**
APTI, excluding annual actuarial assumption update	**$62**	**$63**

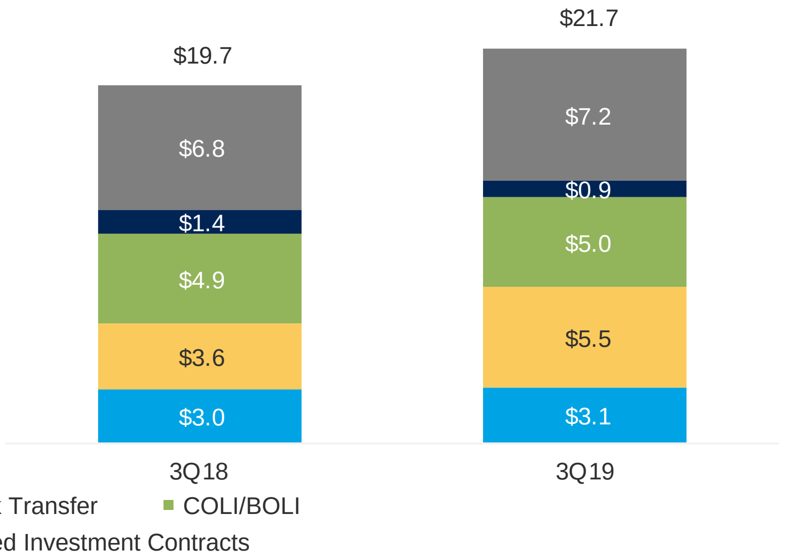
Key Takeaways

- Premiums and deposits increased from 3Q18 due to Pension Risk Transfer and Guaranteed Investment Contract transactions in 3Q19, with a continued focus on maintaining pricing discipline
- Net investment income was favorably impacted by an increasing asset base driven by growth of in-force business from 3Q18

Premiums and Deposits ($M)



GAAP Reserves by Line of Business ($B)



Legacy

($ in millions)	3Q18	3Q19
General Insurance run-off lines	($37)	$27
Life and Retirement run-off lines	68	16
Legacy Investments	53	50
Adjusted pre-tax income	**$84**	**$93**
Noteworthy Items (pre-tax):		
Catastrophe losses, net of reinsurance in General Insurance	**($57)**	**($14)**
Annual actuarial assumption update charge in Life and Retirement	**($5)**	**($30)**

Key Takeaways

- General Insurance run-off lines APTI increase from 3Q18 reflects lower catastrophe losses from Japan compared to the prior year period
- Life and Retirement run-off lines APTI decline from 3Q18 reflects a higher impact from the annual actuarial assumption update and lower base portfolio and alternative investment returns
- Legacy Investments APTI decline from 3Q18 reflects the continued decrease in net assets of the Legacy Investments Portfolio

Other Operations

($ in millions)	3Q18	3Q19
Parent and Other:		
Corporate general operating expenses	($182)	($244)
Interest expense	(289)	(306)
All other income (expense), net	54	96
Total Parent and Other	**($417)**	**($454)**
Consolidation, eliminations and other adjustments	29	(46)
Adjusted pre-tax loss	**($388)**	**($500)**

Key Takeaways

- Other operations adjusted pre-tax loss increased from the prior year quarter primarily due to increased corporate general operating expenses and higher interest expense in part due to consolidated non-recourse debt and Global Real Estate investments.

AIG

Investments

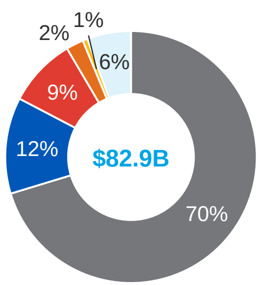
($ in millions, unless otherwise indicated)

Net Investment Income

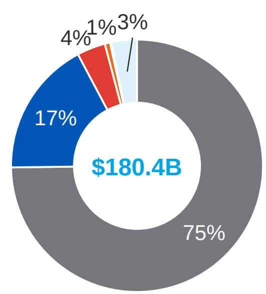
	Nine Months		Third Quarter	
	2018	2019	2018	2019
General Insurance	$2,319	$2,678	$901	$756
Life and Retirement	6,001	6,390	1,960	2,078
Legacy	1,798	1,792	610	614
Other Operations	2	278	9	91
Consolidations and Eliminations	(205)	(210)	(42)	(64)
Total Net Investment Income - APTI Basis[1]	**$9,915**	**$10,928**	**$3,438**	**$3,475**
Add: Changes in Fair Value of Securities Used to Hedge Guaranteed Living Benefits	(127)	213	(14)	24
Add: Changes in the Fair Value of Equity Securities	-	6	-	(51)
Subtract: Net Realized Capital Gains Related to Economic Hedges and Other	66	115	28	40
Net Investment Income per Consolidated Statements of Operations	**$9,722**	**$11,032**	**$3,396**	**$3,408**

Invested Assets[3][4]

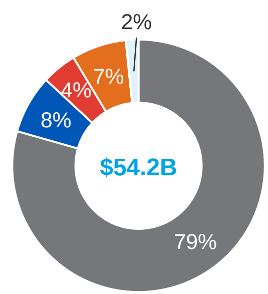
General Insurance



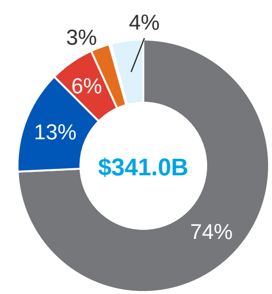
Life and Retirement



Legacy



Total AIG[2]



- Fixed Maturity Securities – AFS, at fair value[5]
- Mortgage and other loans receivable
- Other Invested Assets[6]
- Fixed Maturity Securities – Other, at fair value[4][7]
- Other common and preferred stock, at fair value
- Short-term Investments

Source: AIG 3Q19 financial supplement.

(1) For 4Q18 and prior periods, our non-insurance subsidiaries recorded investment income in other income. Beginning 1Q19, investment income represents amounts recorded in net investment income by our insurance and non-insurance subsidiaries. (2) Includes Other Operations and consolidations and eliminations (not shown). (3) Based on carrying value as of September 30, 2019. (4) Includes the carrying value of securities used to hedge guaranteed living benefits. (5) As of September 30, 2019, our Fixed Maturity securities – AFS portfolio was approximately 80% fixed rate and 20% variable rate. (6) Other Invested Assets include hedge funds / private equity, real estate investments, long-term time deposits, private common stock and affordable housing partnerships. Hedge funds / private equity include investments accounted for under the equity method of accounting, where changes in our share of the net asset values are recorded through investment income or investments where we have elected the fair value option for which changes in the fair value are reported through investment income. (7) Fixed Maturity Securities – Other are securities for which we have elected the fair value option. Changes in the fair value of these securities are reported through net investment income, which can result in significant fluctuation in the total return. As of September 30, 2019, our Fixed Maturity Securities – Other portfolio of $8.3B was approximately 28% fixed rate and 72% variable rate.

AIG

Net Investment Income by Segment

3Q19 Net Investment Income					
	APTI Basis				
($ in millions)	General Insurance	Life & Retirement	Other	Legacy	Total
Interest and dividends	$ 679	$ 1,974	$ 31	$ 517	$ 3,202
Alternative investments	76	45	25	33	179
Other investment income (loss)	54	138	24	82	298
Total investment income	**$ 809**	**$ 2,158**	**$ 80**	**$ 632**	**$ 3,679**
Investment Expenses					(135)
Consolidations and Eliminations					(69)
Total net investment income					**$ 3,475**

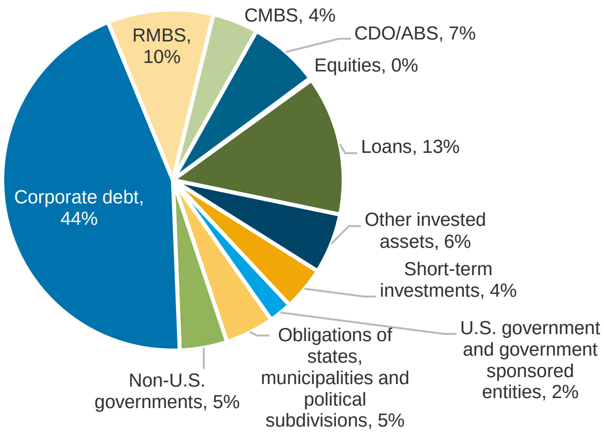
9M'19 Net Investment Income					
	APTI Basis				
($ in millions)	General Insurance	Life & Retirement	Other	Legacy	Total
Interest and dividends	$ 2,162	$ 5,867	$ 153	$ 1,513	$ 9,695
Alternative investments	573	304	83	114	1,074
Other investment income (loss)	93	442	12	217	764
Total investment income	**$ 2,828**	**$ 6,613**	**$ 248**	**$ 1,844**	**$ 11,533**
Investment Expenses					(381)
Consolidations and Eliminations					(224)
Total net investment income					**$ 10,928**

AIG

Invested Assets Portfolio Composition

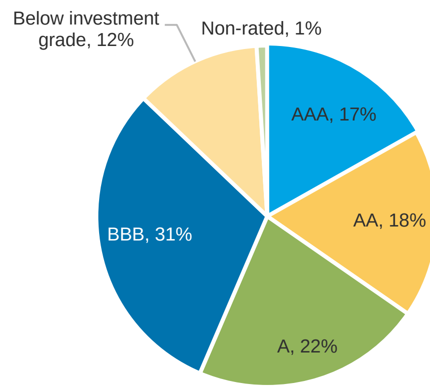
Total Invested Assets as of September 30, 2019 - $341.0 billion

Total Portfolio Composition

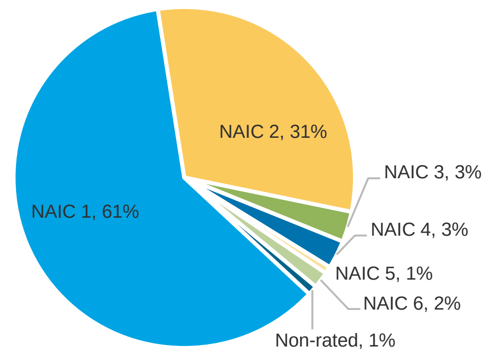


Bond Portfolio - $261.5 billion

By Agency Credit Rating

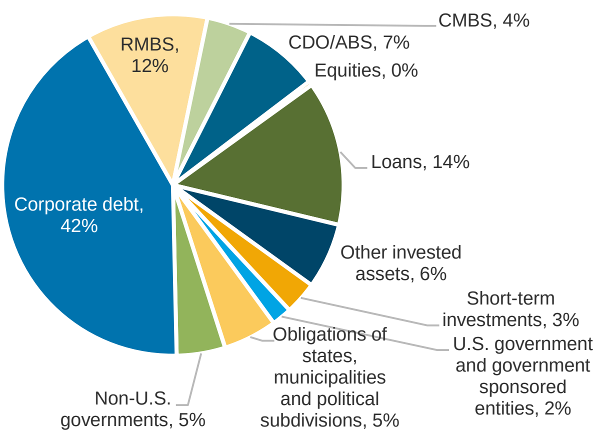


By NAIC Ratings



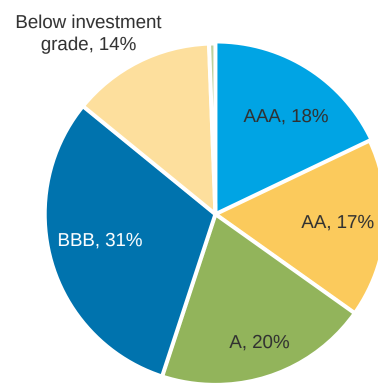
Total Invested Assets as of December 31, 2018 - $314.2 billion

Total Portfolio Composition

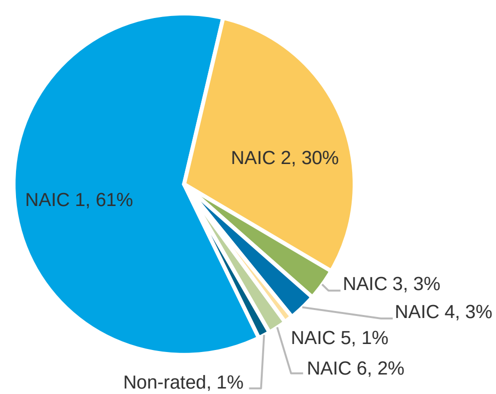


Bond Portfolio - $240.8 billion

By Agency Credit Rating



By NAIC Ratings

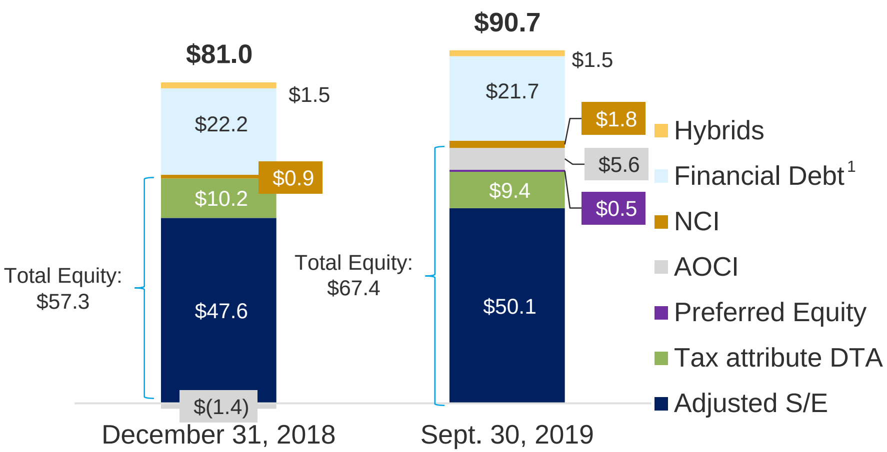


AIG

Capital Position Remains Strong; $1B Debt Repaid in 3Q19

Parent liquidity remains strong at $7.2B at 9/30/2019

Capital Structure ($B)



Ratios:	Dec. 31, 2018	Sept. 30, 2019
Hybrids / Total capital	1.9%	1.7%
Financial debt / Total capital	27.4%	23.9%
Total Hybrids & Financial debt / Total capital	29.3%	25.6%
Preferred stock / Total capital	-	0.5%
Total debt and preferred stock / Total capital	29.3%	26.1%
Total debt and preferred stock / Total capital (ex. AOCI)	28.8%	27.9%

Risk Based Capital (RBC) Ratios[2]

Year-end	Life and Retirement Companies	General Insurance Companies
2017	480% (CAL)	409% (ACL)
2018	389% (CAL)	394% (ACL)

Credit Ratings[3]

	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

1) 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.
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. 2018 RBC ratio for Life and Retirement reflects the impact of tax reform.
3) As of the date of this presentation, S&P, Moody's, and A.M. Best have Stable outlooks; Fitch has Negative outlooks, with the exception of Life and Retirement, which is Stable. For General Insurance companies FSR and Life and Retirement companies FSR, ratings only reflect those of the core insurance companies.

AIG

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 Third Quarter 2019 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-common 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 Common Shareholders' equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG common shareholders' equity, excluding AOCI and DTA (**Adjusted Common Shareholders' Equity**), by total common shares outstanding.
- **AIG Return on Common Equity (ROCE) – Adjusted After-tax Income Excluding AOCI 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. 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.
- **Core, General Insurance, Life and Retirement and Legacy Adjusted Attributed Common Equity** is an attribution of total AIG Adjusted Common Shareholders' Equity to these segments based on our internal capital model, which incorporates the segments' respective risk profiles. Adjusted attributed common 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 Common Equity – Adjusted After-tax Income (Adjusted Return on Attributed Common Equity)** is used to show the rate of return on Adjusted Attributed Common Equity. Adjusted Return on Attributed Common Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Attributed Common Equity.
- **Adjusted After-tax Income Attributable to Core, General Insurance, Life and Retirement and Legacy** 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 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;
  - changes in the fair value of equity securities;
  - 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 acquired businesses;
  - losses from the impairment of goodwill; and
  - non-recurring external 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) from noncontrolling interests.

- **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.

AIG

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. Natural and man-made catastrophe losses are generally weather or seismic events having a net impact on AIG in excess of $10 million each and also include certain man-made events, 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) 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]

  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 +/(-) CYRIPs] – Loss 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.

AIG

Non-GAAP Reconciliations

Adjusted Pre-tax and After-tax Income - Consolidated

(in millions)	Quarterly 3Q18	Quarterly 3Q19
Pre-tax income (loss) from continuing operations	$ (1,527)	$ 1,260
Adjustments to arrive at Adjusted pre-tax income (loss)		
Changes in fair value of securities used to hedge guaranteed living benefits	14	(12)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(76)	65
Changes in the fair value of equity securities	-	51
Loss on extinguishment of debt	1	-
Net realized capital (gains) losses (a)	524	(881)
(Income) loss from divested businesses	(2)	9
Non-operating litigation reserves and settlements	5	5
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	605	(59)
Net loss reserve discount (benefit) charge	(86)	235
Integration and transaction costs associated with acquired businesses	91	3
Restructuring and other costs	35	67
Professional fees related to regulatory or accounting changes	-	3
Adjusted pre-tax income (loss)	**$ (416)**	**$ 746**
After-tax net income (loss), including noncontrolling interests	**$ (1,259)**	**$ 973**
Noncontrolling interests (income) loss	-	(317)
Net income (loss) attributable to AIG	**$ (1,259)**	**$ 656**
Dividends on preferred stock	-	8
Net income (loss) attributable to AIG common shareholders	**$ (1,259)**	**$ 648**
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	54	8
Deferred income tax valuation allowance (releases) charges	5	(9)
Changes in fair value of securities used to hedge guaranteed living benefits	11	(10)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(60)	52
Changes in the fair value of equity securities	-	40
Loss on extinguishment of debt	1	-
Net realized capital (gains) losses (a)(b)	397	(705)
Loss from discontinued operations and divested businesses (b)	38	7
Non-operating litigation reserves and settlements	3	4
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	477	(46)
Net loss reserve discount (benefit) charge	(68)	185
Integration and transaction costs associated with acquired businesses	72	3
Restructuring and other costs	29	53
Professional fees related to regulatory or accounting changes	-	2
Noncontrolling interests primarily related to net realized capital gains (losses) of Fortitude Holdings' standalone results (c)	(1)	273
Adjusted after-tax income (loss) attributable to AIG common shareholders	**$ (301)**	**$ 505**
Weighted average diluted shares outstanding (d)	895.2	895.8
Income (loss) per common share attributable to AIG common shareholders (diluted)	$ (1.41)	$ 0.72
Adjusted after-tax income (loss) per common share attributable to AIG common shareholders (diluted)	(0.34)	0.56

(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.
(c) Noncontrolling interests is primarily due to the 19.9 percent investment in Fortitude Group Holdings, LLC (Fortitude Holdings) by an affiliate of The Carlyle Group L.P. (Carlyle), which occurred in the fourth quarter of 2018. Carlyle is allocated 19.9 percent of Fortitude Holdings' standalone financial results. Fortitude Holdings' results are mostly eliminated in AIG's consolidated income from continuing operations given that its results arise from intercompany transactions. Noncontrolling interests is calculated based on the standalone financial results of Fortitude Holdings. The most significant component of Fortitude Holdings' standalone results concerns gains related to the change in fair value of embedded derivatives, which moved materially in the quarter due to lower rates and tightening credit spreads, and which are 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.
(d) Because we reported a net loss attributable to AIG common shareholders and an adjusted after-tax loss attributable to AIG common shareholders for the three months ended September 30, 2018, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts.

AIG

Non-GAAP Reconciliations

Book Value Per Common Share and Return on Common Equity

(in millions, except per common share data)

Book Value Per Common Share	**4Q18**	**2Q19**	**3Q19**
Total AIG shareholders' equity	$ 56,361	$ 64,539	$ 65,603
Less: Preferred equity	-	485	485
Total AIG common shareholders' equity (a)	56,361	64,054	65,118
Less: Accumulated other comprehensive income (AOCI)	(1,413)	4,991	5,615
Total AIG common shareholders' equity, excluding AOCI (b)	57,774	59,063	59,503
Less: Deferred tax assets (DTA)*	10,153	9,577	9,393
Total adjusted common shareholders' equity (c)	47,621	49,486	50,110
Total common shares outstanding (d)	866.6	869.9	869.9
Book value per common share (a÷d)	$ 65.04	$ 73.63	$ 74.85
Book value per common share, excluding AOCI (b÷d)	66.67	67.90	68.40
Adjusted book value per common share (c÷d)	54.95	56.89	57.60

(in millions)

	Quarterly		Nine Months Ended September 30,	
Return On Common Equity (ROCE) Computations	**3Q18**	**3Q19**	**2018**	**2019**
Actual or Annualized net income (loss) attributable to AIG common shareholders (a)	$ (5,036)	$ 2,592	$ 821	$ 3,205
Actual or Annualized adjusted after-tax income attributable to AIG common shareholders (b)	$ (1,204)	$ 2,020	$ 2,164	$ 4,220
Average AIG Common Shareholders' equity (c)	$ 59,886	$ 64,586	$ 61,934	$ 61,459
Less: Average AOCI	(153)	5,303	1,845	2,831
Less: Average DTA	9,903	9,485	10,128	9,762
Average adjusted common shareholders' equity (d)	$ 50,136	$ 49,798	$ 49,961	$ 48,866
ROCE (a÷c)	(8.4%)	4.0%	1.3%	5.2%
Adjusted return on common equity (b÷d)	(2.4%)	4.1%	4.3%	8.6%

* 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.

AIG

Non-GAAP Reconciliations

Return on Common Equity

General Insurance
(in millions)

	Quarterly 3Q18	3Q19
Adjusted pre-tax income (loss)	**$ (825)**	**$ 507**
Interest expense on attributed financial debt	141	147
Adjusted pre-tax income (loss) including attributed interest expense	(966)	360
Income tax expense (benefit)	(206)	86
Adjusted after-tax income (loss)	**$ (760)**	**$ 274**
Dividends declared on preferred stock	-	5
Adjusted after-tax income (loss) attributable to common shareholders (a)	**$ (760)**	**$ 269**
Ending adjusted attributed common equity	$ 26,910	$ 25,076
Average adjusted attributed common equity (b)	25,528	25,179
Adjusted return on attributed common equity (a÷b)	(11.9) %	4.3 %

Life and Retirement
(in millions)

	Quarterly 3Q18	3Q19	Nine Months Ended September 30, 2018	2019
Adjusted pre-tax income	**$ 713**	**$ 646**	**$ 2,567**	**$ 2,619**
Interest expense on attributed financial debt	30	45	76	126
Adjusted pre-tax income including attributed interest expense	683	601	2,491	2,493
Income tax expense	134	117	494	494
Adjusted after-tax income	**$ 549**	**$ 484**	**$ 1,997**	**$ 1,999**
Dividends declared on preferred stock	-	3	-	6
Adjusted after-tax income attributable to common shareholders (a)	**$ 549**	**$ 481**	**$ 1,997**	**$ 1,993**
Ending adjusted attributed common equity	$ 19,254	$ 19,235	$ 19,254	$ 19,235
Average adjusted attributed common equity (b)	19,613	19,028	19,656	19,008
Adjusted return on attributed common equity (a÷b)	11.2 %	10.1 %	13.5 %	14.0 %
Annual actuarial assumption update, net of tax	$ (79)	$ (115)	$ (79)	$ (115)
Adjusted return on attributed common equity, excluding annual actuarial assumption update, net of tax	12.8 %	12.5 %	14.1 %	14.8 %
Initial public offering gain, net of tax				$ 111
Adjusted return on attributed common equity, excluding annual actuarial assumption update and initial public offering gain, net of tax				14.0 %

Core
(in millions)

	Quarterly 3Q18	3Q19
Adjusted pre-tax income (loss)	**$ (500)**	**$ 653**
Interest expense on attributed financial debt	-	-
Adjusted pre-tax income (loss) including attributed interest expense	(500)	653
Income tax expense (benefit)	(134)	170
Adjusted after-tax income (loss)	**$ (366)**	**$ 483**
Dividends declared on preferred stock	-	8
Adjusted after-tax income (loss) attributable to common shareholders (a)	**$ (366)**	**$ 475**
Ending adjusted attributed common equity	$ 40,358	$ 43,335
Average adjusted attributed common equity (b)	41,097	43,015
Adjusted return on attributed common equity (a÷b)	(3.6) %	4.4 %

Legacy
(in millions)

	Quarterly 3Q18	3Q19
Adjusted pre-tax income	**$ 84**	**$ 93**
Interest expense on attributed financial debt	-	-
Adjusted pre-tax income including attributed interest expense	**84**	**93**
Income tax expense	18	19
Adjusted after-tax income attributable to common shareholders (a)	**$ 66**	**$ 74**
Ending adjusted attributed common equity	$ 8,811	$ 6,775
Average adjusted attributed common equity (b)	9,039	6,784
Adjusted return on attributed common equity (a÷b)	2.9 %	4.4 %

AIG

Non-GAAP Reconciliations

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

General Insurance

	Quarterly	
	3Q18	3Q19
Loss ratio	88.6	69.3
Catastrophe losses and reinstatement premiums	(22.0)	(7.5)
Prior year development	(2.7)	-
Adjustments for ceded premium under reinsurance contracts and other	(0.3)	(0.3)
Accident year loss ratio, as adjusted	63.6	61.5
Acquisition ratio	21.7	22.0
General operating expense ratio	14.1	12.4
Expense ratio	35.8	34.4
Combined ratio	124.4	103.7
Accident year combined ratio, as adjusted	99.4	95.9

General Insurance - North America

	Quarterly	
	3Q18	3Q19
Loss ratio	98.8	76.7
Catastrophe losses and reinstatement premiums	(23.7)	(7.1)
Prior year development	(4.8)	0.5
Adjustments for ceded premium under reinsurance contracts and other	(0.5)	(0.6)
Accident year loss ratio, as adjusted	69.8	69.5
Acquisition ratio	19.0	19.4
General operating expense ratio	12.1	9.6
Expense ratio	31.1	29.0
Combined ratio	129.9	105.7
Accident year combined ratio, as adjusted	100.9	98.5

General Insurance - North America - Commercial Lines

	Quarterly	
	3Q18	3Q19
Loss ratio	98.5	80.9
Catastrophe losses and reinstatement premiums	(21.6)	(6.4)
Prior year development	(0.6)	1.6
Adjustments for ceded premium under reinsurance contracts and other	(0.7)	(0.8)
Accident year loss ratio, as adjusted	75.6	75.3
Acquisition ratio	13.9	14.3
General operating expense ratio	12.7	9.8
Expense ratio	26.6	24.1
Combined ratio	125.1	105.0
Accident year combined ratio, as adjusted	102.2	99.4

General Insurance - North America - Personal Insurance

	Quarterly	
	3Q18	3Q19
Loss ratio	99.8	64.2
Catastrophe losses and reinstatement premiums	(29.7)	(9.0)
Prior year development	(16.9)	(3.0)
Adjustments for ceded premium under reinsurance contract	-	(0.1)
Accident year loss ratio, as adjusted	53.2	52.1
Acquisition ratio	32.8	34.3
General operating expense ratio	10.5	9.1
Expense ratio	43.3	43.4
Combined ratio	143.1	107.6
Accident year combined ratio, as adjusted	96.5	95.5

AIG

Non-GAAP Reconciliations

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

General Insurance - International

	Quarterly	
	3Q18	3Q19
Loss ratio	79.7	62.3
Catastrophe losses and reinstatement premiums	(20.5)	(8.0)
Prior year development	(1.0)	(0.4)
Accident year loss ratio, as adjusted	58.2	53.9
Acquisition ratio	24.1	24.4
General operating expense ratio	15.8	15.1
Expense ratio	39.9	39.5
Combined ratio	119.6	101.8
Accident year combined ratio, as adjusted	98.1	93.4

General Insurance - International - Commercial Lines

	Quarterly	
	3Q18	3Q19
Loss ratio	87.6	67.9
Catastrophe losses and reinstatement premiums	(20.6)	(8.0)
Prior year development	(3.6)	(2.1)
Accident year loss ratio, as adjusted	63.4	57.8
Acquisition ratio	20.8	22.1
General operating expense ratio	14.8	14.1
Expense ratio	35.6	36.2
Combined ratio	123.2	104.1
Accident year combined ratio, as adjusted	99.0	94.0

General Insurance - International - Personal Insurance

	Quarterly	
	3Q18	3Q19
Loss ratio	72.4	57.4
Catastrophe losses and reinstatement premiums	(20.5)	(8.0)
Prior year development	1.5	1.1
Accident year loss ratio, as adjusted	53.4	50.5
Acquisition ratio	27.2	26.4
General operating expense ratio	16.6	16.1
Expense ratio	43.8	42.5
Combined ratio	116.2	99.9
Accident year combined ratio, as adjusted	97.2	93.0

Net Premiums Written – Change in Constant Dollar

	General Insurance	International
	3Q19	3Q19
Foreign exchange effect on worldwide premiums:		
Change in net premiums written		
Increase (decrease) in original currency	(2.0) %	(10.6) %
Foreign exchange effect	(0.8)	(1.0)
Increase (decrease) as reported in U.S. dollars	(2.8) %	(11.6) %

Non-GAAP Reconciliations
Premiums

(in millions)

	Quarterly	
Individual Retirement:	**3Q18**	**3Q19**
Premiums	$ 9	$ 38
Deposits	3,609	3,656
Other	(2)	(2)
Premiums and deposits	**$ 3,616**	**$ 3,692**
Individual Retirement (Fixed Annuities):		
Premiums	$ 10	$ 19
Deposits	1,158	1,187
Other	(3)	(3)
Premiums and deposits	**$ 1,165**	**$ 1,203**
Individual Retirement (Variable Annuities):		
Premiums	$ (1)	$ 19
Deposits	838	800
Other	1	1
Premiums and deposits	**$ 838**	**$ 820**
Individual Retirement (Index Annuities):		
Premiums	$ -	$ -
Deposits	1,171	1,400
Other	-	-
Premiums and deposits	**$ 1,171**	**$ 1,400**
Individual Retirement (Retail Mutual Funds):		
Premiums	$ -	$ -
Deposits	441	269
Other	-	-
Premiums and deposits	**$ 441**	**$ 269**
Group Retirement:		
Premiums	$ 9	$ 5
Deposits	2,107	1,919
Other	-	-
Premiums and deposits	**$ 2,116**	**$ 1,924**
Life Insurance:		
Premiums	$ 379	$ 394
Deposits	410	404
Other	189	214
Premiums and deposits	**$ 978**	**$ 1,012**
Institutional Markets:		
Premiums	$ 46	$ 389
Deposits	17	437
Other	6	7
Premiums and deposits	**$ 69**	**$ 833**
Total Life and Retirement:		
Premiums	$ 443	$ 826
Deposits	6,143	6,416
Other	193	219
Premiums and deposits	**$ 6,779**	**$ 7,461**

AIG