

2015 年 12 月期 年次決算短信

会社名 アメリカン・インターナショナル・グループ・インク
 決算期 本決算：年 1 回 (12 月)
 中間決算：四半期毎
 問い合わせ先 東京都港区元赤坂一丁目 2 番 7 号 赤坂 K タワー
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1. 本国における決算発表日 2016 年 2 月 11 日

2. 定時株主総会開催日 未定

3. 業績 (注 1：下記の数字は 2015 年 12 月 31 日現在の会計方法に従い算出したものである。)

	年次決算		
	当年度 (2015 年)	前年度 (2014 年)	増減率 (%)
売上高又は営業収入	58,327 百万ドル	64,406 百万ドル	△9.4
純利益 (税引後)	2,196 百万ドル	7,529 百万ドル	△70.8
1 株当たり純利益 (注 2)	1.65 ドル	5.20 ドル	△68.3

	第 4 四半期 (10 月～12 月の 3 ヶ月間)		
	当期	前年同期	増減率 (%)
売上高又は営業収入	13,831 百万ドル	15,410 百万ドル	△10.2
純利益 (税引後)	△1,841 百万ドル	655 百万ドル	-
1 株当たり純利益 (注 2)	△1.50 ドル	0.46 ドル	-

	配当金の推移 (注 3)		
	当年度 (2015 年)	前年度 (2014 年)	備考
第 1 四半期	0.125 ドル	0.125 ドル	
第 2 四半期	0.125 ドル	0.125 ドル	
第 3 四半期	0.28 ドル	0.125 ドル	
第 4 四半期	0.28 ドル	0.125 ドル	
合計	0.810 ドル	0.50 ドル	

(注 2) 1 株当たり純利益は、希薄化後である。

(注 3) 配当金は、各四半期に設定された基準日に基づき記載されている。

4. 概況・特記事項・その他

上記 3. の各数値は、会社の 2016 年 2 月 11 日付けプレス・リリースおよび Quarterly Financial Supplement Fourth Quarter 2015 から抜粋したものである。当該プレス・リリースおよび Quarterly Financial Supplement Fourth Quarter 2015 を添付する。



Press Release
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AIG REPORTS FOURTH QUARTER 2015 AFTER-TAX OPERATING LOSS OF \$1.3 BILLION OR \$1.10 PER DILUTED SHARE

NEW YORK, February 11, 2016 – American International Group, Inc. (NYSE: AIG) today reported an after-tax operating loss of \$1.3 billion, or \$1.10 per diluted share, for the fourth quarter of 2015, compared to after-tax operating income of \$1.4 billion, or \$0.97 per diluted share, in the prior-year quarter. Full year 2015 after-tax operating income was \$2.9 billion, or \$2.19 per diluted share, compared to \$6.6 billion, or \$4.58 per diluted share, for full year 2014. The fourth quarter operating loss was primarily due to adverse prior year loss reserve development, and lower returns on alternative investments.

On a reported basis, AIG recognized a net loss of \$1.8 billion, or \$1.50 per diluted share, for the fourth quarter of 2015, compared to net income of \$655 million, or \$0.46 per diluted share, for the prior-year quarter. Full year 2015 net income attributable to AIG was \$2.2 billion, or \$1.65 per diluted share, compared to \$7.5 billion, or \$5.20 per diluted share, for full year 2014. The fourth quarter net loss was primarily due to the items mentioned above, as well as realized capital losses and restructuring costs.

“At the beginning of 2015, we embarked on a three-year plan to transform AIG,” said Peter D. Hancock, AIG President and Chief Executive Officer. “Over the past year, we have been implementing our strategy and made significant progress towards our objectives. During the fourth quarter, we streamlined our management structure to accelerate decision-making and strengthen accountability. Our recent strategy update detailed the next chapter of our transformation into a leaner, more profitable and focused insurer.

“I’m confident that our actions in 2015 positioned us to achieve the goals we’ve set for the next two years. Our general operating expenses, operating basis (GOE), decreased 6 percent during the fourth quarter and 3 percent during the year compared to the prior-year periods, both excluding the impact of foreign exchange, and we plan to reduce gross GOE by another \$1.6 billion by the end of 2017.

“In 2015, we returned almost \$12 billion of capital to shareholders in the form of share repurchases and dividends, and through February 11, 2016 we repurchased another \$2.5 billion of outstanding AIG common shares. In addition, the Board of Directors today authorized the repurchase of an additional \$5.0 billion of AIG common shares and increased the quarterly dividend by 14 percent to \$0.32 per share. Together, these capital actions are a strong start towards our goal of returning at least \$25 billion to shareholders by 2017.



“We’re working to become our clients’ most valued insurer and have a clear plan to maximize shareholder value that balances the interests of all of our stakeholders, including shareholders, debt holders, rating agencies, customers, employees, and regulators,” Mr. Hancock concluded.

Strategic Actions:

- Returned \$11.7 billion to shareholders in 2015, in the form of share repurchases and dividends. Additional repurchases of approximately \$2.5 billion through February 11, 2016
- On February 11, 2016, AIG’s Board of Directors authorized the repurchase of additional shares of AIG Common Stock with an aggregate purchase price of up to \$5.0 billion, bringing AIG’s remaining share repurchase authorization to approximately \$5.8 billion
- On February 11, 2016, AIG’s Board of Directors declared a 14 percent increase in the quarterly dividend to \$0.32 per share
- Announced the sale of AIG Advisor Group in January 2016, which is expected to close in the second quarter of 2016
- Announced planned IPO of up to 19.9 percent of United Guaranty Corporation, subject to regulatory approval and the approval of the Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac,” and together with Fannie Mae, the “GSEs”), as a first step towards a full separation
- Monetized approximately \$2.1 billion of Legacy assets, including 184 million ordinary H shares of PICC Property & Casualty Company Limited (PICC P&C) during the fourth quarter of 2015
- Announced agreement to sell operations in four Central American countries during the fourth quarter of 2015
- Recorded pre-tax non-operating restructuring costs of \$222 million in the fourth quarter, which includes \$123 million related to previously announced actions and \$99 million of new actions

Operating Highlights:

- GOE decreased 6 percent during the fourth quarter and 3 percent during full year 2015 compared to the prior-year periods, both excluding the impact of foreign exchange
- Consolidated Normalized ROE, excluding AOCI and DTA, was 6.7 percent for the fourth quarter and 6.8 percent for full year 2015
- AIG Parent liquidity was \$9.2 billion at December 31, 2015, down from \$11.2 billion at September 30, 2015, reflecting ongoing capital management activities



Organizational Changes:

- Announced plans to create separate Operating and Legacy Portfolios to provide greater transparency and highlight ROE progress of the Operating Portfolio; additional disclosures expected by the end of 2016

During the fourth quarter of 2015, AIG strengthened Non-Life Insurance Companies' loss reserves by \$3.6 billion pre-tax, which represents 6 percent of AIG's total net loss reserves. Of the \$3.6 billion strengthening, \$1.3 billion related to accident years 2004 and prior, and the remaining \$2.3 billion resulted in an increase of approximately 0.7 points, on average, for the 2005 through 2014 accident year loss ratios. Three classes comprise approximately 90 percent of the total charge: U.S. & Canada casualty (\$2.2 billion), U.S. & Canada financial lines (\$566 million), and run-off lines (\$541 million). AIG has contributed \$2.9 billion of capital to maintain statutory surplus within target levels of financial strength for its Non-Life Insurance Companies.

AFTER-TAX OPERATING INCOME

	Three Months Ended			Full-Year Ended	
	December 31,		Change %	December 31,	
	2015	2014		2015	2014
<i>(\$ in millions, except per share amounts)</i>					
Pre-tax operating income (loss)					
Insurance Operations					
Commercial Insurance					
Property Casualty	\$ (2,338)	\$ 935	NM	\$ 593	\$ 4,248
Mortgage Guaranty	180	171	5	644	592
Institutional Markets	33	118	(72)	415	670
Total Commercial Insurance	(2,125)	1,224	NM	1,652	5,510
Consumer Insurance					
Retirement	600	722	(17)	2,839	3,495
Life	185	80	131	465	580
Personal Insurance	(32)	121	NM	74	399
Total Consumer Insurance	753	923	(18)	3,378	4,474
Total Insurance Operations	(1,372)	2,147	NM	5,030	9,984
Corporate and Other	(804)	(418)	(92)	(883)	(379)
Consolidations, eliminations and other adjustments	(12)	11	NM	(92)	(31)
Pre-tax operating income (loss)	(2,188)	1,740	NM	4,055	9,574
Income tax expense	843	(369)	NM	(1,131)	(2,959)
Net income (loss) attributable to noncontrolling interests	(3)	0	NM	3	15
After-tax operating income (loss)	\$ (1,348)	\$ 1,371	NM	\$ 2,927	\$ 6,630
After-tax operating income (loss) per diluted common share	(1.10)	0.97	NM	2.19	4.58
Effective tax rate on Pre-tax operating income	38.5%	21.2%	82	28.0%	30.9%

All operating segment comparisons that follow are to the fourth quarter of 2014 unless otherwise noted.



COMMERCIAL INSURANCE

Commercial Insurance reported a pre-tax operating loss of \$2.1 billion compared to pre-tax operating income of \$1.2 billion in the prior-year quarter, primarily driven by the previously announced \$3.0 billion charge for adverse prior year loss reserve development in Property Casualty and lower net investment income in Property Casualty and Institutional Markets, as a result of lower returns on alternative investments. The increase in Mortgage Guaranty pre-tax operating income was due to higher underwriting income.

During the fourth quarter, AIG increased global commercial property limits to \$2.5 billion per occurrence from \$1.5 billion, in response to increased demand for capacity and services from clients managing complex global risks and increasing property values. This increase was the result of recent investments in engineering and analytical capabilities, which in turn allowed AIG to secure meaningful support from a panel of long-standing reinsurers.

PROPERTY CASUALTY

(\$ in millions)	Three Months Ended		
	December 31,		
	2015	2014	Change
Net premiums written	\$ 4,604	\$ 4,692	(2) %
Net premiums earned	4,991	5,207	(4)
Underwriting (loss)	(3,068)	(173)	NM
Net investment income	730	1,108	(34)
Pre-tax operating income (loss)	\$ (2,338)	\$ 935	NM
Underwriting ratios:			
Loss ratio	132.9	75.0	57.9 pts
Acquisition ratio	16.6	16.0	0.6
General operating expense ratio	12.0	12.4	(0.4)
Combined ratio	161.5	103.4	58.1
Accident year loss ratio, as adjusted	66.4	65.9	0.5
Accident year combined ratio, as adjusted	95.0	94.3	0.7
Catastrophe-related losses	\$ 213	\$ 35	NM %
Severe losses	172	66	161
Prior year loss reserve development unfavorable, net of reinsurance and premium adjustments	3,036	227	NM
Net reserve discount charge (benefit)	68	229	(70)

Property Casualty reported a pre-tax operating loss of \$2.3 billion compared to pre-tax operating income of \$935 million in the prior-year quarter, primarily due to higher net adverse loss reserve development, and, to a lesser extent, lower net investment income. The increase in the accident year loss ratio, as adjusted, reflected a 2.1 point increase due to higher severe losses and an increase in current accident year losses in U.S. Commercial Automobile Liability and Financial Lines, which was partially offset by an improvement in Specialty and lower attritional losses in Property.

The increase in the acquisition ratio reflected higher commission expenses in certain classes of business in Property, partially offset by lower amortization of previously deferred costs. The general operating expense ratio benefited from lower employee-related costs from actions taken throughout



2015 and recent actions to streamline our management structure and general cost containment measures, partially offset by expenses of NSM Insurance Group, which was acquired in the second quarter of 2015, and investment in infrastructure, automation and shared services.

The increase in the loss ratio was due to the higher net adverse prior year loss reserve development and reflected loss reserve strengthening of \$3.0 billion recorded in the fourth quarter of 2015, compared to \$175 million in the prior-year quarter. This reserve strengthening was primarily in the long-tail classes of business, particularly U.S. Excess and Primary Casualty and Financial lines, reflecting adverse development on prior accident years, particularly in accident years 2010 and prior. Partially offsetting the increased prior year adverse development was discount amortization that was \$161 million less than that of the prior-year quarter.

Net premiums written decreased 2 percent, primarily due to the strengthening of the U.S. dollar against the Euro, British Pound, and Japanese Yen (the Major Currencies). Excluding the effects of foreign exchange, net premiums written increased 2 percent. This increase was primarily due to growth in new businesses and higher renewal in certain classes of businesses in all lines except for U.S. Casualty.

MORTGAGE GUARANTY

	Three Months Ended		
	December 31,		
(\$ in millions)	2015	2014	Change
Net premiums written	\$ 241	\$ 273	(12) %
Net premiums earned	224	238	(6)
Underwriting income	144	136	6
Net investment income	36	35	3
Pre-tax operating income	\$ 180	\$ 171	5
Underwriting ratios:			
Loss ratio	7.1	20.6	(13.5) pts
Acquisition ratio	8.5	7.1	1.4
General operating expense ratio	20.1	15.1	5.0
Combined ratio	35.7	42.8	(7.1)
Accident year loss ratio, as adjusted	22.3	33.2	(10.9)
Accident year combined ratio, as adjusted	50.9	55.4	(4.5)
Prior year loss reserve development (favorable)	\$ (34)	\$ (30)	13 %
New insurance written, domestic first-lien	\$ 10,627	\$ 10,733	(1)
Primary Delinquency Ratio	3.4%	4.4%	(23)
<i>Select Balance Sheet & other data:</i>			
Shareholders' equity (at period end)	\$ 3,404	\$ 3,070	11
First-lien insurance in force	\$ 187,186	\$ 167,180	12
In force count	929,298	867,120	7

Mortgage Guaranty is primarily composed of the operations of United Guaranty Corporation (UGC). As of December 31, 2015, Mortgage Guaranty had estimated available assets of \$3.6 billion compared to estimated required assets of \$3.0 billion under the Private Mortgage Insurer Eligibility Requirements (PMIERS).

Mortgage Guaranty's pre-tax operating income increased 5 percent to \$180 million. The prior-year



quarter included a one-time benefit from a legal settlement of \$24 million; excluding the effect of this benefit, pre-tax operating income increased 22 percent primarily due to the decline in accident year losses from lower delinquency rates and higher cure rates. The slight increase in the acquisition ratio was due to the aforementioned one-time benefit in the prior-year quarter. The increase in the general operating expense ratio was primarily due to an increase in technology-related expenses.

Domestic first-lien new insurance written decreased slightly by 1 percent. Results in the prior-year included an increase in mortgage originations, primarily from refinancing activity driven by a decrease in mortgage interest rates. New business written in the current quarter had an average FICO score of 749 and an average loan-to-value ratio of 92 percent, compared to an average FICO score of 750 and an average loan-to-value ratio of 92 percent in the prior-year quarter.

INSTITUTIONAL MARKETS

<i>(\$ in millions)</i>	Three Months Ended		
	December 31,		
	2015	2014	Change
Operating revenues:			
Premiums	\$ 726	\$ 64	NM %
Policy fees	51	49	4
Net investment income	367	435	(16)
Total operating revenues	1,144	548	109
Benefits and expenses	1,111	430	158
Pre-tax operating income	\$ 33	\$ 118	(72)
Premiums and deposits	797	615	30

Institutional Markets pre-tax operating income decreased 72 percent to \$33 million, primarily due to lower net investment income driven by lower returns on alternative investments in hedge funds, partially offset by higher yield enhancements from bond call and tender income compared to the prior-year quarter. The increases in premiums and benefits and expenses compared to the prior-year quarter were primarily due to higher premiums received and future policy benefit reserves established from the sale of terminal funding annuities.

CONSUMER INSURANCE

Consumer Insurance pre-tax operating income decreased 18 percent to \$753 million, which reflected lower net investment income driven by lower returns on alternative investments in hedge funds, primarily in Retirement, and a decline in underwriting income in Personal Insurance, mainly due to less favorable net prior year loss reserve development.

Growth in Japan drove increases in both Life premiums and deposits and Personal Insurance net premiums written compared to the prior-year quarter, excluding the effects of foreign exchange.

Retirement premiums and deposits and net flows increased compared to the prior-year quarter, primarily due to growth in sales of mutual funds and index annuities, lower surrenders in Group Retirement and higher sales of Fixed Annuities due to higher market interest rates.

**RETIREMENT**

(\$ in millions)	Three Months Ended		
	December 31,		
	2015	2014	Change
Operating revenues:			
Premiums	\$ 41	\$ 66	(38) %
Policy fees	270	259	4
Net investment income	1,418	1,581	(10)
Advisory fee and other income	513	511	0
Total operating revenues	2,242	2,417	(7)
Benefits and expenses	1,642	1,695	(3)
Pre-tax operating income	\$ 600	\$ 722	(17)
Premiums and deposits ⁽¹⁾	7,037	5,990	17

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

Retirement pre-tax operating income decreased 17 percent to \$600 million, primarily due to lower net investment income from lower returns on alternative investments in hedge funds, partially offset by growth in variable annuity fee income. Premiums and deposits increased 17 percent to \$7.0 billion due primarily to growth in sales of index annuities and mutual funds, as well as improved Fixed Annuities sales due to increases in market interest rates compared to the prior-year quarter.

LIFE

(\$ in millions)	Three Months Ended		
	December 31,		
	2015	2014	Change
Operating revenues:			
Premiums	\$ 674	\$ 675	- %
Policy fees	368	365	1
Net investment income	511	536	(5)
Other income	17	-	NM
Total operating revenues	1,570	1,576	-
Benefits and expenses	1,385	1,496	(7)
Pre-tax operating income	\$ 185	\$ 80	131
Premiums and deposits	1,279	1,249	2
Gross life insurance in force, end of period	1,032,402	1,000,703	3

Life pre-tax operating income increased to \$185 million compared to \$80 million in the prior-year quarter, primarily due to a \$104 million charge in the fourth quarter of 2014 to increase reserves for incurred but not reported death claims for a legacy block of small policies, related to enhanced claims practices. The increase was partially offset by lower net investment income, primarily from lower returns of alternative investments in hedge funds. Excluding the effects of foreign exchange, premiums and deposits increased 5 percent compared to the prior-year quarter, principally driven by growth in Japan and the acquisition of AIG Life Limited.

**PERSONAL INSURANCE**

<i>(\$ in millions)</i>	Three Months Ended			
	December 31,			
	2015	2014	Change	
Net premiums written	\$ 2,719	\$ 2,866	(5)	%
Net premiums earned	2,734	2,926	(7)	
Underwriting income (loss)	(74)	39	NM	
Net investment income	42	82	(49)	
Pre-tax operating income (loss)	\$ (32)	\$ 121	NM	
Underwriting ratios:				
Loss ratio	55.6	51.2	4.4	pts
Acquisition ratio	29.6	28.7	0.9	
General operating expense ratio	17.5	18.8	(1.3)	
Combined ratio	102.7	98.7	4.0	
Accident year loss ratio, as adjusted	53.8	52.1	1.7	
Accident year combined ratio, as adjusted	100.9	99.6	1.3	
Catastrophe-related losses	\$ 10	\$ 8	25	%
Severe losses	-	13	NM	
Prior year loss reserve development (favorable)				
unfavorable, net of reinsurance and premium adjustments	40	(35)	NM	

Personal Insurance reported a pre-tax operating loss of \$32 million compared to pre-tax operating income of \$121 million in the prior-year quarter, primarily due to a decline in underwriting results and a decrease in net investment income. The combined ratio increased due to increases in the loss ratio and acquisition ratio, partially offset by a decrease in the general operating expense ratio. Net investment income decreased, driven by lower interest income and lower returns of alternative investments in hedge funds.

The increase in the loss ratio was primarily attributable to net adverse prior year loss reserve development, compared to favorable development in the prior-year quarter. The accident year loss ratio, as adjusted, increased to a lesser extent, reflecting higher losses in Accident and Health and automobile businesses, partially offset by improved performance in personal property and warranty service programs.

The increase in the acquisition ratio reflected higher acquisition costs, partially offset by lower direct marketing expenses. The decrease in the general operating expense ratio primarily reflected lower strategic expenditures, together with an ongoing focus on cost efficiency.

Net premiums written decreased primarily due to the strengthening of the U.S. dollar against the Major Currencies. Excluding the effects of foreign exchange, net premiums written increased by approximately 4 percent, as the business continued to grow through multiple products and distribution channels. Increases were primarily driven by growth in personal property and automobile businesses in both Japan and the U.S., partially offset by a decrease in warranty service programs and Accident and Health businesses.



CORPORATE AND OTHER

(\$ in millions)	Three Months Ended		
	December 31,		
	2015	2014	Change
Pre-tax operating income (loss):			
Equity in pre-tax operating earnings of AerCap	\$ -	\$ 185	NM %
Fair value of PICC investments	11	67	(84)
Income from other assets, net ⁽¹⁾	294	110	167
Corporate general operating expenses	(332)	(288)	(15)
Interest expense	(252)	(271)	7
Direct Investment book ⁽¹⁾	-	174	NM
Global Capital Markets ⁽¹⁾	-	27	NM
Run-off insurance lines	(525)	(422)	(24)
Consolidation and elimination	-	-	NM
Pre-tax operating loss	\$ (804)	\$ (418)	(92)

(1) As a result of the progress of the wind-down and de-risking activities of the Direct Investment book (DIB) and the derivative portfolio of AIG Financial Products Corp. and related subsidiaries included within Global Capital Markets (GCM), AIG has discontinued separate reporting of the DIB and GCM. Their results are reported within Income from other assets, net, beginning with the first quarter of 2015. This reporting aligns with the manner in which AIG manages its financial resources. Prior periods are presented in historical format for informational purposes.

Corporate and Other pre-tax operating loss increased, primarily due to lower income on assets for which the fair value option was elected, including part of our holdings in People's Insurance Company (Group) of China Limited (PICC Group) and PICC P&C, the absence of equity in pre-tax operating earnings of AerCap Holdings N.V. (AerCap), and increased losses from run-off insurance lines.

Run-off insurance lines pre-tax operating loss increased primarily due to higher net adverse prior year loss reserve development reflecting the loss reserve strengthening in classes of business with long reporting tails and transfers to Run-off insurance lines of certain environmental liability, healthcare, casualty and specialty coverages that are no longer offered by Commercial Insurance.

CONFERENCE CALL

AIG will host a conference call tomorrow, Friday, February 12, 2016, at 8:00 a.m. ET to review these results. The call is open to the public and can be accessed via a live listen-only webcast at www.aig.com. A replay will be available after the call at the same location.

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Additional supplementary financial data is available in the Investor Information section at www.aig.com.

The conference call (including the conference call presentation material), the earnings release and the financial supplement may include, and officers and representatives of AIG may from time to time make, 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



AIG's 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 address, among other things, AIG's: exposures to subprime mortgages, monoline insurers, the residential and commercial real estate markets, state and municipal bond issuers, sovereign bond issuers, the energy sector and currency exchange rates; exposure to European governments and European financial institutions; strategy for risk management; restructuring of business operations; generation of deployable capital; anticipated business or asset divestitures or monetizations; anticipated organizational and business changes; strategies to increase return on equity and earnings per share; strategies to grow net investment income, efficiently manage capital, grow book value per common share, and reduce expenses; anticipated restructuring charges and annual cost savings; strategies for customer retention, growth, product development, market position, financial results and reserves; and subsidiaries' revenues and combined ratios. 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 conditions; negative impact on customers, business partners and other stakeholders; the occurrence of catastrophic events, both natural and man-made; significant legal proceedings; the timing and applicable requirements of any new regulatory framework to which AIG is subject as a nonbank systemically important financial institution and as a global systemically important insurer; concentrations in AIG's investment portfolios; actions by credit rating agencies; judgments concerning casualty insurance underwriting and insurance liabilities; AIG's ability to successfully manage run-off insurance portfolios; AIG's ability to successfully reduce costs and expenses and make business and organizational changes without negatively impacting client relationships or AIG's competitive position; AIG's ability to successfully dispose of or monetize, businesses or assets; judgments concerning the recognition of deferred tax assets; judgments concerning estimated restructuring charges and estimated cost savings; and such other factors discussed in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and Part II, Item 1A. Risk Factors in AIG's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, Part I, Item 2. MD&A in AIG's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, Part I, Item 2. MD&A in AIG's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 and Part I, Item 1A. Risk Factors, Part II, Item 7. MD&A in AIG's Annual Report on Form 10-K for the year ended December 31, 2014, 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, 2015 (which will be filed with the Securities and Exchange Commission). 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.

Nothing in this press release or in any oral statements made in connection with this press release is intended to constitute, nor shall it be deemed to constitute, an offer of any securities for sale or the solicitation of an offer to purchase any securities in any jurisdiction.

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COMMENT ON REGULATION G

Throughout this press release, including the financial highlights, AIG presents its financial condition and results of operations in the way it believes will be most meaningful and representative of its business results. Some of the measurements AIG uses are “non-GAAP financial measures” under Securities and Exchange Commission rules and regulations. GAAP is the acronym for “accounting principles generally accepted in the United States.” The non-GAAP financial measures AIG presents 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 Fourth Quarter 2015 Financial Supplement available in the Investor Information section of AIG’s website, www.aig.com.

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

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

Normalized Return on Equity, Excluding AOCI and DTA further adjusts Return on Equity – After-tax Operating Income, Excluding AOCI and DTA for the effects of certain volatile or market-related items. Normalized Return on Equity, Excluding AOCI and DTA is derived by excluding the following tax adjusted effects from Return on Equity – After-tax Operating Income, Excluding AOCI and DTA: the difference between actual and expected (i) catastrophe losses, (ii) alternative investment returns, and (iii) Direct Investment Book (DIB) and Global Capital Markets (GCM) returns; fair value changes on PICC investments; update of actuarial assumptions, net of reserve discount change; Life insurance IBNR death claim charge and prior year loss reserve development.



AIG uses the following operating performance measures because it believes they enhance the understanding of the underlying profitability of continuing operations and trends of AIG's business segments. AIG believes they also allow for more meaningful comparisons with AIG's insurance competitors. When AIG uses these measures, reconciliations to the most comparable GAAP measure are provided on a consolidated basis.

After-tax operating income attributable to AIG is derived by excluding the following items from net income attributable to AIG: income or loss from discontinued operations; income and loss from divested businesses (including gain on the sale of International Lease Finance Corporation (ILFC) and certain post-acquisition transaction expenses incurred by AerCap Holdings N.V. (AerCap) in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and related tax effects); legacy tax adjustments primarily related to certain changes in uncertain tax positions and other tax adjustments; non-operating litigation reserves and settlements; reserve development related to non-operating run-off insurance business; restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify AIG's organization; deferred income tax valuation allowance releases and charges; changes in fair value of securities used to hedge guaranteed living benefits; changes in benefit reserves and deferred policy acquisition costs (DAC), value of business acquired (VOBA), and sales inducement assets (SIA) related to net realized capital gains and losses; other income and expense — net, related to Corporate and Other runoff insurance lines; loss on extinguishment of debt; net realized capital gains and losses; and non-qualifying derivative hedging activities, excluding net realized capital gains and losses. See page 15 for the reconciliation of Net income attributable to AIG to After-tax operating income attributable to AIG.

Operating revenue excludes Net realized capital gains (losses), Aircraft leasing revenues, income from non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes).

General operating expenses, operating basis, is derived by making the following adjustments to general operating and other expenses: include (i) loss adjustment expenses, reported as policyholder benefits and losses incurred and (ii) certain investment and other expenses reported as net investment income, and exclude (i) advisory fee expenses, (ii) non-deferrable insurance commissions, (iii) direct marketing and acquisition expenses, net of deferrals, (iv) non-operating litigation reserves and (v) other expense related to a retroactive reinsurance agreement. AIG uses general operating expenses, operating basis, because it believes it provides a more meaningful indication of its ordinary course of business operating costs.

AIG uses the following operating performance measures within its Commercial Insurance and Consumer Insurance reportable segments as well as Corporate and Other.

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

Pre-tax operating income: includes both underwriting income and loss and net investment income,



but excludes net realized capital gains and losses, other income and expense — net, and non-operating litigation reserves and settlements. Underwriting income and loss is derived by reducing net premiums earned by losses and loss adjustment expenses incurred, acquisition expenses and general operating expenses.

Ratios: AIG, along with most property and casualty insurance companies, uses the loss ratio, the expense ratio and the combined ratio as measures of underwriting performance. These ratios are relative measurements that describe, for every \$100 of net premiums earned, the amount of losses and loss adjustment expenses, and the amount of other underwriting expenses that would be incurred. A combined ratio of less than 100 indicates underwriting income and a combined ratio of over 100 indicates an underwriting loss. The underwriting environment varies across countries and products, as does the degree of litigation activity, all of which affect such ratios. In addition, investment returns, local taxes, cost of capital, regulation, product type and competition can have an effect on pricing and consequently on profitability as reflected in underwriting income and associated ratios.

Accident year loss and combined ratios, as adjusted: both the accident year loss and combined ratios, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. Catastrophe losses are generally weather or seismic events having a net impact in excess of \$10 million each.

Commercial Insurance: Institutional Markets; Consumer Insurance: Retirement and Life

Pre-tax operating income is derived by excluding the following items from pre-tax income: changes in fair values of securities used to hedge guaranteed living benefits; net realized capital gains and losses; changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains and losses; and non-operating litigation reserves and settlements.

Premiums and deposits includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts and mutual funds.

Corporate and Other

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

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



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American International Group, Inc. (AIG) is a leading global insurance organization serving customers in more than 100 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: <http://www.linkedin.com/company/aig>.

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.

American International Group, Inc.
Selected Financial Data and Non-GAAP Reconciliation
(\$ in millions, except per share data)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2015	2014	% Inc. (Dec.)	2015	2014	% Inc. (Dec.)
Reconciliations of Pre-tax and After-tax Operating Income (Loss):						
Pre-tax income (loss) from continuing operations	\$ (2,932)	\$ 729	NM%	\$ 3,281	\$ 10,501	(68.8)%
Adjustments to arrive at Pre-tax operating income:						
Changes in fair value of securities used to hedge guaranteed living benefits	4	(98)	NM	43	(260)	NM
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(69)	127	NM	15	217	(93.1)
Loss on extinguishment of debt	-	1,268	NM	756	2,282	(66.9)
Net realized capital (gains) losses	349	(193)	NM	(776)	(739)	(5.0)
(Income) loss from divested businesses	1	20	(95.0)	59	(2,169)	NM
Non-operating litigation reserves and settlements	4	(113)	NM	(82)	(258)	68.2
Other (income) expense - net	233	-	NM	233	-	NM
Reserve development related to non-operating run-off insurance business	-	-	NM	30	-	NM
Restructuring and other costs	222	-	NM	496	-	NM
Pre-tax operating income (loss)	<u>\$ (2,188)</u>	<u>\$ 1,740</u>	NM	<u>\$ 4,055</u>	<u>\$ 9,574</u>	(57.6)
Net income (loss) attributable to AIG	\$ (1,841)	\$ 655	NM	\$ 2,196	\$ 7,529	(70.8)
Adjustments to arrive at after-tax operating income (amounts net of tax):						
Uncertain tax positions and other tax adjustments	(30)	73	NM	112	59	89.8
Deferred income tax valuation allowance (releases) charges	49	(20)	NM	110	(181)	NM
Changes in fair value of securities used to hedge guaranteed living benefits	3	(64)	NM	28	(169)	NM
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(45)	82	NM	10	141	(92.9)
Loss on extinguishment of debt	-	824	NM	491	1,483	(66.9)
Net realized capital (gains) losses	215	(105)	NM	(476)	(470)	(1.3)
Loss from discontinued operations	-	35	NM	-	50	NM
(Income) loss from divested businesses	2	(9)	NM	16	(1,462)	NM
Non-operating litigation reserves and settlements	3	(100)	NM	(53)	(350)	84.9
Other (income) expense - net	151	-	NM	151	-	NM
Reserve development related to non-operating run-off insurance business	-	-	NM	20	-	NM
Restructuring and other costs	145	-	NM	322	-	NM
After-tax operating income (loss) attributable to AIG	<u>\$ (1,348)</u>	<u>\$ 1,371</u>	NM	<u>\$ 2,927</u>	<u>\$ 6,630</u>	(55.9)
Income (loss) per common share:						
Basic						
Income (loss) from continuing operations	\$ (1.50)	\$ 0.50	NM	\$ 1.69	\$ 5.31	(68.2)
Loss from discontinued operations	-	(0.03)	NM	-	(0.04)	NM
Net income (loss) attributable to AIG	<u>\$ (1.50)</u>	<u>\$ 0.47</u>	NM	<u>\$ 1.69</u>	<u>\$ 5.27</u>	(67.9)
Diluted						
Income (loss) from continuing operations	\$ (1.50)	\$ 0.49	NM	\$ 1.65	\$ 5.24	(68.5)
Loss from discontinued operations	-	(0.03)	NM	-	(0.04)	NM
Net income (loss) attributable to AIG	<u>\$ (1.50)</u>	<u>\$ 0.46</u>	NM	<u>\$ 1.65</u>	<u>\$ 5.20</u>	(68.3)
After-tax operating income attributable to AIG per diluted share (a)	\$ (1.10)	\$ 0.97	NM%	\$ 2.19	\$ 4.58	(52.2)
Weighted average shares outstanding:						
Basic	1,226.9	1,391.8		1,299.8	1,428.0	
Diluted (b)	1,226.9	1,412.2		1,334.5	1,447.6	
Return on equity (c)	(7.8)%	2.4 %		2.2 %	7.1 %	
Return on equity - after-tax operating income, excluding AOCI (d)	(6.0)%	5.7 %		3.1 %	6.9 %	
Return on equity - after-tax operating income, excluding AOCI and DTA (e)	(7.3)%	6.8 %		3.7 %	8.4 %	
As of period end:						
Book value per common share (f)				\$ 75.10	\$ 77.69	(3.3)
Book value per common share excluding accumulated other comprehensive income (g)				\$ 72.97	\$ 69.98	4.3
Book value per common share excluding accumulated other comprehensive income and DTA (h)				\$ 58.94	\$ 58.23	1.2 %
Total common shares outstanding (in millions)				1,193.9	1,375.9	

Financial highlights - notes

- (a) For the quarter ended December 31, 2015, because we reported a net loss, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts.
- (b) Diluted shares in the diluted EPS calculation represent basic shares for the three-months ended December 31, 2015 due to the net loss in that period.
- (c) Computed as Annualized net income (loss) attributable to AIG divided by average AIG shareholders' equity. Equity includes AOCI and DTA.
- (d) Computed as Annualized after-tax operating income attributable to AIG divided by average AIG shareholders' equity, excluding AOCI. Equity includes DTA.
- (e) Computed as Annualized after-tax operating income attributable to AIG divided by average AIG shareholders' equity, excluding AOCI and DTA.
- (f) Represents total AIG shareholders' equity divided by common shares outstanding.
- (g) Represents total AIG shareholders' equity, excluding AOCI, divided by common shares outstanding.
- (h) Represents total AIG shareholders' equity, excluding AOCI and DTA, divided by common shares outstanding.

American International Group, Inc.
Selected Financial Data and Non-GAAP Reconciliation (continued)
(\$ in millions)

Reconciliations of General Operating Expenses, Operating basis to General Operating and Other Expenses, GAAP basis

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2015	2014	% Inc. (Dec.)	2015	2014	% Inc. (Dec.)
Total general operating expenses, Operating basis	\$ 2,740	\$ 3,016	(9.2)%	\$ 11,141	\$ 11,940	(6.7)%
Loss adjustment expenses, reported as policyholder benefits and losses incurred	(392)	(434)	9.7	(1,632)	(1,667)	2.1
Advisory fee expenses	337	329	2.4	1,349	1,315	2.6
Non-deferrable insurance commissions	127	146	(13.0)	504	522	(3.4)
Direct marketing and acquisition expenses, net of deferrals	218	203	7.4	659	570	15.6
Investment expenses reported as net investment income and other	(20)	(11)	(81.8)	(76)	(88)	13.6
Total general operating and other expenses included in pre-tax operating income	3,010	3,249	(7.4)	11,945	12,592	(5.1)
Restructuring and other costs	222	-	NM	496	-	NM
Other expense related to retroactive reinsurance agreement	233	-	NM	233	-	NM
Non-operating litigation reserves	7	-	NM	12	546	(97.8)
Total general operating and other expenses, GAAP basis	\$ 3,472	\$ 3,249	6.9 %	\$ 12,686	\$ 13,138	(3.4)%

Reconciliations of Normalized and After-tax Operating Income Return on Equity, Excluding AOCI and DTA

	Three Months Ended December 31, 2015	Twelve Months Ended December 31, 2015
Return on equity - after-tax operating income, excluding AOCI and DTA	(7.3)%	3.7 %
Adjustments to arrive at Normalized Return on Equity, Excluding AOCI and DTA:		
Catastrophe losses below expectations	(0.4)	(0.7)
Worse than expected alternative returns	1.9	0.6
(Better) worse than expected DIB & GCM returns	-	(0.1)
Fair value changes on PICC investments	(0.1)	-
Net reserve discount charge	0.3	(0.1)
Life Insurance - IBNR death claims	(0.1)	-
Unfavorable prior year loss reserve development	12.4	3.4
Normalized Return on Equity, excluding AOCI and DTA	6.7 %	6.8 %



American International Group, Inc.

Quarterly Financial Supplement
Fourth Quarter 2015

All financial information in this document is unaudited. This report should be read in conjunction with AIG's Annual Report on Form 10-K for the year ended December 31, 2015, which will be filed with the Securities and Exchange Commission.

American International Group, Inc. Quarterly Financial Supplement

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American International Group, Inc.
Cautionary Statement Regarding Forward-Looking Information

This Financial Supplement may include, and officers and representatives of American International Group, Inc. (AIG) may from time to time make, 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 AIG’s 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 address, among other things, AIG’s: exposures to subprime mortgages, monoline insurers, the residential and commercial real estate markets, state and municipal bond issuers, sovereign bond issuers, the energy sector and currency exchange rates; exposure to European governments and European financial institutions; strategy for risk management; sales of businesses; restructuring of business operations; generation of deployable capital; strategies to increase return on equity and earnings per share; strategies to grow net investment income, efficiently manage capital, grow book value per share, and reduce expenses; anticipated restructuring charges and annual cost savings; anticipated business or asset divestitures or monetizations; anticipated organizational and business changes; strategies for customer retention, growth, product development, market position, financial results and reserves; and subsidiaries’ revenues and combined ratios.

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 conditions;
- negative impacts on customers, business partners and other stakeholders;
- the occurrence of catastrophic events, both natural and man-made;
- significant legal proceedings;
- the timing and applicable requirements of any new regulatory framework to which AIG is subject as a nonbank systemically important financial institution and as a global systemically important insurer;
- concentrations in AIG’s investment portfolios;
- actions by credit rating agencies;
- judgments concerning casualty insurance underwriting and insurance liabilities;
- our ability to successfully manage run-off insurance portfolios;
- our ability to successfully reduce costs and expenses and make business and organizational changes without negatively impacting client relationships or our competitive position;
- our ability to successfully dispose of, or monetize, businesses or assets;
- judgments concerning the recognition of deferred tax assets;
- judgments concerning estimated restructuring charges and estimated cost savings; and
- such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and Part II, Item 1A. Risk Factors in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015, 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, 2014 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, 2015 (which will be filed with the Securities and Exchange Commission).

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.

American International Group, Inc. Non-GAAP Financial Measures

Throughout this Financial Supplement, 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 “accounting principles generally accepted in the United States.” The non-GAAP financial measures we present may not be comparable to similarly-named measures reported by other companies.

Book Value Per Common Share Excluding Accumulated Other Comprehensive Income (AOCI) and Book Value Per Common Share Excluding AOCI and Deferred Tax Assets (DTA) are used to show the amount of our net worth on a per-share basis. We believe these measures are useful to investors because they eliminate the effect of non-cash items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. Deferred tax assets represent U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts for interim periods are estimates based on projections of full-year attribute utilization. Book Value Per Common Share Excluding AOCI is derived by dividing Total AIG shareholders’ equity, excluding AOCI, by Total common shares outstanding. Book Value Per Common Share Excluding AOCI and DTA is derived by dividing Total AIG shareholders’ equity, excluding AOCI and DTA, by Total common shares outstanding. The reconciliation to book value per common share, the most comparable GAAP measure, is presented on page 7 herein.

Return on Equity – After-tax Operating Income Excluding AOCI and Return on Equity – After-tax Operating Income Excluding AOCI and DTA are used to show the rate of return on shareholders’ equity. We believe these measures are useful to investors because they eliminate the effect of non-cash items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. Deferred tax assets represent U.S. tax attributes related to net operating loss carry forwards and foreign tax credits. Amounts for interim periods are estimates based on projections of full-year attribute utilization. Return on Equity – After-tax Operating Income Excluding AOCI is derived by dividing actual or annualized after-tax operating income attributable to AIG by average AIG shareholders’ equity, excluding average AOCI. Return on Equity – After-tax Operating Income Excluding AOCI and DTA is derived by dividing actual or annualized after-tax operating income attributable to AIG by average AIG shareholders’ equity, excluding average AOCI and DTA. The reconciliation to return on equity, the most comparable GAAP measure, is presented on page 7 herein.

Normalized Return on Equity, Excluding AOCI and DTA further adjusts Return on Equity – After-tax Operating Income, excluding AOCI and DTA for the effects of certain volatile or market related items. Normalized Return on Equity, Excluding AOCI and DTA is derived by excluding the following tax adjusted effects from Return on Equity – After-tax Operating Income, Excluding AOCI and DTA: the difference between actual and expected (i) catastrophe losses, (ii) alternative investment returns, and (iii) Direct Investment book (DIB) and Global Capital Markets (GCM) returns; fair value changes on PICC investments; update of actuarial assumptions, net reserve discount change; Life insurance IBNR death claim charge and prior year loss reserve development. The reconciliation to Return on Equity – After-tax Operating Income Excluding AOCI and DTA, is presented on page 15 herein.

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.

After-tax operating income attributable to AIG is derived by excluding the following items from net income attributable to AIG:

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

Operating revenue excludes Net realized capital gains (losses), Aircraft leasing revenues, income from non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes).

American International Group, Inc.
Non-GAAP Financial Measures (continued)

General operating expenses, operating basis, is derived by making the following adjustments to general operating and other expenses: include (i) loss adjustment expenses, reported as policyholder benefits and losses incurred and (ii) certain investment and other expenses reported as net investment income, and exclude (i) advisory fee expenses, (ii) non-deferrable insurance commissions, (iii) direct marketing and acquisition expenses, net of deferrals, (iv) non-operating litigation reserves and (v) other expense related to a retroactive reinsurance agreement. We use general operating expenses, operating basis, because we believe it provides a more meaningful indication of our ordinary course of business operating costs.

We use the following operating performance measures within our Commercial Insurance and Consumer Insurance reportable segments as well as Corporate and Other.

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

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

Commercial Insurance: Institutional Markets; Consumer Insurance: Retirement and Life

- **Pre-tax operating income** is derived by excluding the following items from pre-tax income:
 - changes in fair value of securities used to hedge guaranteed living benefits
 - net realized capital gains and losses
 - changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains and losses
 - non-operating litigation reserves and settlements
- **Premiums and deposits:** includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts and mutual funds.

Corporate and Other — Pre-tax operating income and loss is derived by excluding the following items from pre-tax income and loss:

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

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



American International Group, Inc.
Consolidated Statement of Operations

Consolidated Results

(in millions)	Quarterly					Twelve Months Ended	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Revenues:							
Premiums	\$ 9,426	\$ 8,862	\$ 9,545	\$ 8,822	\$ 9,208	\$ 36,655	\$ 37,254
Policy fees	689	701	688	677	667	2,755	2,615
Net investment income:							
Interest and dividends	3,257	3,204	3,208	3,187	3,283	12,856	13,246
Alternative investments	5	88	694	689	516	1,476	2,624
Other investment income (1)	47	47	41	114	291	249	726
Investment expenses	(126)	(133)	(117)	(152)	(119)	(528)	(517)
Total net investment income	3,183	3,206	3,826	3,838	3,971	14,053	16,079
Net realized capital gains (losses) (page 55)	(349)	(342)	126	1,341	193	776	739
Aircraft leasing revenue (2)	-	-	-	-	-	-	1,602
Other income	882	395	1,514	1,297	1,371	4,088	6,117
Total revenues	13,831	12,822	15,699	15,975	15,410	58,327	64,406
Benefits, claims and expenses:							
Policyholder benefits and losses incurred	10,758	6,936	7,100	6,551	7,510	31,345	28,281
Interest credited to policyholder account balances	973	881	942	935	968	3,731	3,768
Amortization of deferred policy acquisition costs	1,255	1,275	1,356	1,350	1,341	5,236	5,330
General operating and other expenses (page 9)	3,472	3,175	3,090	2,949	3,249	12,686	13,138
Interest expense	304	321	316	340	346	1,281	1,718
Loss on extinguishment of debt	-	346	342	68	1,268	756	2,282
Aircraft leasing expenses (2)	-	-	-	-	-	-	1,585
Net (gain) loss on sale of divested businesses	1	3	1	6	(1)	11	(2,197)
Total benefits, claims and expenses	16,763	12,937	13,147	12,199	14,681	55,046	53,905
Income (loss) from continuing operations before income tax expense	(2,932)	(115)	2,552	3,776	729	3,281	10,501
Income tax (benefit) expense	(1,083)	65	777	1,300	19	1,059	2,927
Income (loss) from continuing operations	(1,849)	(180)	1,775	2,476	710	2,222	7,574
Income (loss) from discontinued operations, net of income tax expense (benefit)	-	(17)	16	1	(35)	-	(50)
Net income (loss)	(1,849)	(197)	1,791	2,477	675	2,222	7,524
Net income (loss) from continuing operations attributable to noncontrolling interests	(8)	34	(9)	9	20	26	(5)
Net income (loss) attributable to AIG	\$ (1,841)	\$ (231)	\$ 1,800	\$ 2,468	\$ 655	\$ 2,196	\$ 7,529
Effective tax rates	36.9%	N/M	30.4%	34.4%	2.6%	32.3%	27.9%

See Page 5 for the related earnings per share computations and Pages 15 to 17 for Accompanying Notes.



American International Group, Inc.
Earnings Per Share Computations

Consolidated Results

(in millions, except share data)	Quarterly					Twelve Months Ended December 31,	
GAAP Basis:	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Numerator for EPS:							
Income (loss) from continuing operations	\$ (1,849)	\$ (180)	\$ 1,775	\$ 2,476	\$ 710	\$ 2,222	\$ 7,574
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	(8)	34	(9)	9	20	26	(5)
Income (loss) attributable to AIG common shareholders from continuing operations	(1,841)	(214)	1,784	2,467	690	2,196	7,579
Income (loss) from discontinued operations, net of income tax expense	-	(17)	16	1	(35)	-	(50)
Net income (loss) attributable to AIG common shareholders	\$ (1,841)	\$ (231)	\$ 1,800	\$ 2,468	\$ 655	\$ 2,196	\$ 7,529
Denominator for EPS:							
Weighted average shares outstanding - basic	1,226,880,632	1,279,072,748	1,329,157,366	1,365,951,690	1,391,790,420	1,299,825,350	1,427,959,799
Dilutive shares	-	-	36,233,065	20,311,859	20,372,036	34,639,533	19,593,853
Weighted average shares outstanding - diluted (3)	1,226,880,632	1,279,072,748	1,365,390,431	1,386,263,549	1,412,162,456	1,334,464,883	1,447,553,652
Income per common share attributable to AIG:							
Basic:							
Income (loss) from continuing operations	\$ (1.50)	\$ (0.17)	\$ 1.34	\$ 1.81	\$ 0.50	\$ 1.69	\$ 5.31
Income (loss) from discontinued operations	-	(0.01)	0.01	-	(0.03)	-	(0.04)
Net income (loss) attributable to AIG	\$ (1.50)	\$ (0.18)	\$ 1.35	\$ 1.81	\$ 0.47	\$ 1.69	\$ 5.27
Diluted:							
Income (loss) from continuing operations	\$ (1.50)	\$ (0.17)	\$ 1.31	\$ 1.78	\$ 0.49	\$ 1.65	\$ 5.24
Income (loss) from discontinued operations	-	(0.01)	0.01	-	(0.03)	-	(0.04)
Net income (loss) attributable to AIG	\$ (1.50)	\$ (0.18)	\$ 1.32	\$ 1.78	\$ 0.46	\$ 1.65	\$ 5.20

See Page 6 for the related operating earnings per share and Pages 15 to 17 for Accompanying Notes.



American International Group, Inc.
Reconciliations of Pre-tax and After-tax Operating Income

Consolidated Results

(in millions, except share data)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Pre-tax income (loss) from continuing operations	\$ (2,932)	\$ (115)	\$ 2,552	\$ 3,776	\$ 729	\$ 3,281	\$ 10,501
Adjustments to arrive at Pre-tax operating income (loss)							
Changes in fair value of securities used to hedge guaranteed living benefits	4	(4)	87	(44)	(98)	43	(260)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(69)	2	28	54	127	15	217
Loss on extinguishment of debt	-	346	342	68	1,268	756	2,282
Net realized capital (gains) losses	349	342	(126)	(1,341)	(193)	(776)	(739)
(Income) loss from divested businesses (4)	1	3	34	21	20	59	(2,169)
Non-operating litigation reserves and settlements	4	(30)	(49)	(7)	(113)	(82)	(258)
Other (income) expense - net	233	-	-	-	-	233	-
Reserve development related to non-operating run-off insurance business	-	30	-	-	-	30	-
Restructuring and other costs (5)	222	274	-	-	-	496	-
Pre-tax operating income (loss)	\$ (2,188)	\$ 848	\$ 2,868	\$ 2,527	\$ 1,740	\$ 4,055	\$ 9,574
Net income (loss) attributable to AIG	\$ (1,841)	\$ (231)	\$ 1,800	\$ 2,468	\$ 655	\$ 2,196	\$ 7,529
Adjustments to arrive at After-tax operating income (loss)							
(amounts net of tax):							
Uncertain tax positions and other tax adjustments	(30)	233	(49)	(42)	73	112	59
Deferred income tax valuation allowance (releases) charges (6)	49	8	(40)	93	(20)	110	(181)
Changes in fair value of securities used to hedge guaranteed living benefits	3	(3)	57	(29)	(64)	28	(169)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(45)	2	18	35	82	10	141
Loss on extinguishment of debt	-	225	222	44	824	491	1,483
Net realized capital (gains) losses	215	262	(79)	(874)	(105)	(476)	(470)
(Income) loss from discontinued operations	-	17	(16)	(1)	35	-	50
(Income) loss from divested businesses (4)	2	1	11	2	(9)	16	(1,462)
Non-operating litigation reserves and settlements	3	(20)	(31)	(5)	(100)	(53)	(350)
Other (income) expense - net	151	-	-	-	-	151	-
Reserve development related to non-operating run-off insurance business	-	20	-	-	-	20	-
Restructuring and other costs (5)	145	177	-	-	-	322	-
After-tax operating income (loss)	\$ (1,348)	\$ 691	\$ 1,893	\$ 1,691	\$ 1,371	\$ 2,927	\$ 6,630
After-tax operating income (loss) per diluted share (3)	\$ (1.10)	\$ 0.52	\$ 1.39	\$ 1.22	\$ 0.97	\$ 2.19	\$ 4.58
Calculation of Effective tax rates:							
Pre-tax operating income (loss)	\$ (2,188)	\$ 848	\$ 2,868	\$ 2,527	\$ 1,740	\$ 4,055	\$ 9,574
Income tax benefit (expense)	843	(164)	(985)	(825)	(369)	(1,131)	(2,959)
Net income (loss) attributable to non-controlling interest	(3)	7	10	(11)	-	3	15
After-tax operating income (loss)	\$ (1,348)	\$ 691	\$ 1,893	\$ 1,691	\$ 1,371	\$ 2,927	\$ 6,630
Effective tax rates on pre-tax operating income (loss)	38.5%	19.3%	34.3%	32.6%	21.2%	28.0%	30.9%

See Accompanying Notes on Pages 15 to 17.



American International Group, Inc.
Return On Equity and Per Share Data

Consolidated Results

(in millions, except per share data)

Common Equity and Book Value Per Share Computations:

	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
<i>(as of period end)</i>							
Total AIG shareholders' equity (a)	\$ 89,658	\$ 98,999	\$ 104,258	\$ 107,979	\$ 106,898	\$ 89,658	\$ 106,898
Less: Accumulated other comprehensive income (AOCI)	2,537	6,557	7,620	10,657	10,617	2,537	10,617
Total AIG Shareholders' equity, excluding AOCI (b)	87,121	92,442	96,638	97,322	96,281	87,121	96,281
Less: Deferred tax assets (DTA)*	16,751	15,252	15,290	15,566	16,158	16,751	16,158
Total AIG Shareholders' equity, excluding AOCI and DTA (c)	\$ 70,370	\$ 77,190	\$ 81,348	\$ 81,756	\$ 80,123	\$ 70,370	\$ 80,123
Total common shares outstanding (d)	1,193.9	1,246.8	1,307.5	1,347.1	1,375.9	1,193.9	1,375.9
Book Value Per Share (a÷d)	\$ 75.10	\$ 79.40	\$ 79.74	\$ 80.16	\$ 77.69	\$ 75.10	\$ 77.69
Book Value Per Share, excluding AOCI (b÷d)	72.97	74.14	73.91	72.25	69.98	72.97	69.98
Book Value Per Share, excluding AOCI and DTA (c÷d)	\$ 58.94	\$ 61.91	\$ 62.22	\$ 60.69	\$ 58.23	\$ 58.94	\$ 58.23
Return On Equity (ROE) Computations:							
Actual or Annualized net income (loss) attributable to AIG (a)	\$ (7,364)	\$ (924)	\$ 7,200	\$ 9,872	\$ 2,620	\$ 2,196	\$ 7,529
Actual or Annualized after-tax operating income (loss) attributable to AIG (b)	\$ (5,392)	\$ 2,764	\$ 7,572	\$ 6,764	\$ 5,484	\$ 2,927	\$ 6,630
Average AIG Shareholders' equity (c)	\$ 94,329	\$ 101,629	\$ 106,119	\$ 107,439	\$ 107,740	\$ 101,558	\$ 105,589
Less: Average AOCI	4,547	7,089	9,139	10,637	10,974	7,598	9,781
Average AIG Shareholders' equity, excluding average AOCI (d)	89,782	94,540	96,980	96,802	96,766	93,960	95,808
Less: Average DTA	16,002	15,271	15,428	15,862	15,920	15,803	16,611
Average AIG Shareholders' equity, excluding average AOCI and DTA (e)	\$ 73,780	\$ 79,269	\$ 81,552	\$ 80,940	\$ 80,846	\$ 78,157	\$ 79,197
ROE (a÷c)	(7.8%)	(0.9%)	6.8%	9.2%	2.4%	2.2%	7.1%
ROE - after-tax operating income, excluding AOCI (b÷d)	(6.0%)	2.9%	7.8%	7.0%	5.7%	3.1%	6.9%
ROE - after-tax operating income, excluding AOCI and DTA (b÷e)	(7.3%)	3.5%	9.3%	8.4%	6.8%	3.7%	8.4%
Normalized ROE - after-tax operating income, excluding AOCI and DTA (7)	6.7%	5.9%	6.7%	7.8%	8.2%	6.8%	7.4%
Common Stock Repurchase:							
Aggregate repurchase of common stock	\$ 3,218	\$ 3,730	\$ 2,345	\$ 1,398	\$ 1,500	\$ 10,691	\$ 4,903
Total number of common shares repurchased**	52.9	61.0	39.7	28.9	27.9	182.5	88.2
Average price paid per share of common stock	\$ 60.83	\$ 61.15	\$ 59.15	\$ 55.14	\$ 54.48	\$ 58.62	\$ 55.60
Dividends Declared Per Common Share	\$ 0.280	\$ 0.280	\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.810	\$ 0.500
Total Dividends Declared	\$ 341	\$ 352	\$ 165	\$ 170	\$ 173	\$ 1,028	\$ 712

* Represents U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts are estimates based on projections of full year attribute utilization.

** 1Q15 and the twelve months ended December 31, 2015 include, and 4Q14 and the twelve months ended December 31, 2014 exclude, approximately 3.5 million shares of AIG Common Stock received in January 2015 upon the settlement of an ASR agreement executed in the fourth quarter of 2014.

See Accompanying Notes on Pages 15 to 17.



American International Group, Inc.
Selected Segment Data

Consolidated Results - Operating basis

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Total operating revenues: (8)							
Commercial Insurance							
Property Casualty	\$ 5,721	\$ 5,715	\$ 6,233	\$ 5,956	\$ 6,315	\$ 23,625	\$ 25,183
Mortgage Guaranty	260	266	261	264	273	1,051	1,042
Institutional Markets	1,144	578	1,172	624	548	3,518	2,576
Total Commercial Insurance	7,125	6,559	7,666	6,844	7,136	28,194	28,801
Consumer Insurance							
Retirement	2,242	2,203	2,465	2,388	2,417	9,298	9,784
Life	1,570	1,578	1,632	1,613	1,576	6,393	6,321
Personal Insurance	2,776	2,871	2,869	2,862	3,008	11,378	12,364
Total Consumer Insurance	6,588	6,652	6,966	6,863	7,001	27,069	28,469
Corporate and Other	631	109	1,119	1,042	988	2,901	4,206
Consolidation, eliminations and other adjustments	(157)	(141)	(116)	(159)	(119)	(573)	(475)
Total operating revenues	<u>\$ 14,187</u>	<u>\$ 13,179</u>	<u>\$ 15,635</u>	<u>\$ 14,590</u>	<u>\$ 15,006</u>	<u>\$ 57,591</u>	<u>\$ 61,001</u>
Total pre-tax operating income (loss):							
Commercial Insurance							
Property Casualty	\$ (2,338)	\$ 569	\$ 1,192	\$ 1,170	\$ 935	\$ 593	\$ 4,248
Mortgage Guaranty	180	162	157	145	171	644	592
Institutional Markets	33	84	151	147	118	415	670
Total Commercial Insurance	(2,125)	815	1,500	1,462	1,224	1,652	5,510
Consumer Insurance							
Retirement	600	635	804	800	722	2,839	3,495
Life	185	(40)	149	171	80	465	580
Personal Insurance	(32)	62	70	(26)	121	74	399
Total Consumer Insurance	753	657	1,023	945	923	3,378	4,474
Corporate and Other	(804)	(613)	372	162	(418)	(883)	(379)
Consolidation, eliminations and other adjustments	(12)	(11)	(27)	(42)	11	(92)	(31)
Total pre-tax operating income (loss)	<u>\$ (2,188)</u>	<u>\$ 848</u>	<u>\$ 2,868</u>	<u>\$ 2,527</u>	<u>\$ 1,740</u>	<u>\$ 4,055</u>	<u>\$ 9,574</u>

See Accompanying Notes on Pages 15 to 17.



American International Group, Inc.
General Operating and Other Expenses

Consolidated Results

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
General operating expenses							
Commercial Insurance							
Property Casualty (9)	\$ 598	\$ 657	\$ 658	\$ 629	\$ 644	\$ 2,542	\$ 2,697
Mortgage Guaranty	45	42	40	39	36	166	156
Institutional Markets	20	19	20	18	19	77	66
Total Commercial Insurance	663	718	718	686	699	2,785	2,919
Consumer Insurance							
Retirement	246	262	262	244	279	1,014	980
Life (10)	239	248	250	231	229	968	885
Personal Insurance	479	503	535	478	550	1,995	2,220
Total Consumer Insurance	964	1,013	1,047	953	1,058	3,977	4,085
Corporate and Other	468	300	443	433	532	1,644	1,989
Consolidation, eliminations and other adjustments	(139)	(133)	(91)	(100)	(83)	(463)	(272)
Total general operating expenses	1,956	1,898	2,117	1,972	2,206	7,943	8,721
Other acquisition expenses							
Commercial Insurance							
Property Casualty	191	190	203	187	190	771	789
Mortgage Guaranty	11	12	13	15	11	51	49
Institutional Markets	8	9	8	7	5	32	30
Total Commercial Insurance	210	211	224	209	206	854	868
Consumer Insurance							
Personal Insurance	162	160	154	160	159	636	596
Total Consumer Insurance	162	160	154	160	159	636	596
Total other acquisition expenses	372	371	378	369	365	1,490	1,464
Loss adjustment expenses							
Commercial Insurance - Property Casualty	257	272	313	304	314	1,146	1,217
Consumer Insurance - Personal Insurance	135	117	115	119	120	486	450
Total loss adjustment expenses	392	389	428	423	434	1,632	1,667
Investment and other expenses	20	17	19	20	11	76	88
Total general operating expenses, operating basis (11)	2,740	2,675	2,942	2,784	3,016	11,141	11,940
Reconciliation to general operating and other expenses, GAAP basis							
Loss adjustment expenses, reported as policyholder benefits and losses incurred	(392)	(389)	(428)	(423)	(434)	(1,632)	(1,667)
Advisory fee expenses	337	339	341	332	329	1,349	1,315
Non-deferrable insurance commissions	127	123	126	128	146	504	522
Direct marketing and acquisition expenses, net of deferrals	218	200	101	140	203	659	570
Investment expenses reported as net investment income and other	(20)	(17)	(19)	(20)	(11)	(76)	(88)
Total general operating and other expenses included in pre-tax operating income	3,010	2,931	3,063	2,941	3,249	11,945	12,592
Restructuring and other costs (5)	222	274	-	-	-	496	-
Other expense related to retroactive reinsurance agreement	233	-	-	-	-	233	-
Non-operating litigation reserves	7	(30)	27	8	-	12	546
Total general operating and other expenses, GAAP basis	\$ 3,472	\$ 3,175	\$ 3,090	\$ 2,949	\$ 3,249	\$ 12,686	\$ 13,138

See Accompanying Notes on Pages 15 to 17.



American International Group, Inc.
Consolidated Balance Sheets

Consolidated Results

(in millions)	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014
Assets:					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 248,245	\$ 252,954	\$ 255,066	\$ 260,822	\$ 259,859
Other bond securities, at fair value	16,782	16,822	16,598	19,013	19,712
Equity securities					
Common and preferred stock available for sale, at fair value	2,915	3,792	4,755	3,766	4,395
Other common and preferred stock, at fair value	921	1,066	1,323	1,100	1,049
Mortgage and other loans receivable, net of allowance	29,565	28,236	27,143	25,313	24,990
Other invested assets (page 53)	29,794	31,123	29,829	34,838	34,518
Short-term investments	10,132	12,408	13,865	11,961	11,243
Total investments	338,354	346,401	348,579	356,813	355,766
Cash	1,629	1,569	1,937	1,823	1,758
Accrued investment income	2,623	2,696	2,632	2,726	2,712
Premiums and other receivables, net of allowance	11,451	12,078	13,258	13,450	12,031
Reinsurance assets, net of allowance	20,413	20,542	21,361	22,208	21,959
Deferred income taxes	20,394	19,511	18,665	18,010	19,339
Deferred policy acquisition costs	11,115	10,537	10,270	9,708	9,827
Other assets	11,390	11,515	11,150	13,824	12,153
Separate account assets, at fair value	79,574	77,136	82,135	82,139	80,036
Total assets	\$ 496,943	\$ 501,985	\$ 509,987	\$ 520,701	\$ 515,581
Liabilities:					
Liability for unpaid losses and loss adjustment expenses	\$ 74,942	\$ 71,436	\$ 72,939	\$ 74,490	\$ 77,260
Unearned premiums	21,318	22,686	22,786	22,437	21,324
Future policy benefits for life and accident and health insurance contracts	43,585	42,991	42,787	43,244	42,749
Policyholder contract deposits	127,588	126,641	124,480	124,935	124,613
Other policyholder funds	4,212	4,192	4,378	4,415	4,669
Other liabilities	26,164	26,565	25,480	28,675	26,441
Long-term debt (page 14)	29,350	30,719	30,360	31,999	31,217
Separate account liabilities	79,574	77,136	82,135	82,139	80,036
Total liabilities	406,733	402,366	405,345	412,334	408,309
AIG shareholders' equity:					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(30,098)	(26,881)	(23,165)	(20,820)	(19,218)
Additional paid-in capital	81,510	81,435	81,330	81,303	80,958
Retained earnings	30,943	33,122	33,707	32,073	29,775
Accumulated other comprehensive income	2,537	6,557	7,620	10,657	10,617
Total AIG shareholders' equity	89,658	98,999	104,258	107,979	106,898
Non-redeemable noncontrolling interests	552	620	384	388	374
Total equity	90,210	99,619	104,642	108,367	107,272
Total liabilities and equity	\$ 496,943	\$ 501,985	\$ 509,987	\$ 520,701	\$ 515,581

See Accompanying Notes on Pages 15 to 17.



**American International Group, Inc.
Consolidating Balance Sheet**

Consolidated Results

	December 31, 2015 (15)			AIG Inc.
	Life Insurance Companies (12)	Non-Life Insurance Companies (13)	Corporate and Other (14)	
(in millions)				
Assets:				
Investments:				
Fixed maturity securities				
Bonds available for sale, at fair value	\$ 157,150	\$ 84,849	\$ 6,246	\$ 248,245
Other bond securities, at fair value	3,589	1,463	11,730	16,782
Equity securities				
Common and preferred stock available for sale, at fair value	144	2,821	(50)	2,915
Other common and preferred stock, at fair value	-	355	566	921
Mortgage and other loans receivable, net of allowance	23,979	8,278	(2,692)	29,565
Other invested assets (page 53)	12,398	10,571	6,825	29,794
Short-term investments	2,877	3,189	4,066	10,132
Total investments	200,137	111,526	26,691	338,354
Cash	557	1,011	61	1,629
Accrued investment income	1,755	807	61	2,623
Premiums and other receivables, net of allowance	1,830	5,642	3,979	11,451
Reinsurance assets, net of allowance	2,171	16,408	1,834	20,413
Deferred income taxes	-	5,044	15,350	20,394
Deferred policy acquisition costs	8,467	2,631	17	11,115
Other assets	3,018	7,299	1,073	11,390
Separate account assets, at fair value	79,564	-	10	79,574
Total assets	\$ 297,499	\$ 150,368	\$ 49,076	\$ 496,943
Liabilities:				
Liability for unpaid losses and loss adjustment expenses	\$ -	\$ 68,649	\$ 6,293	\$ 74,942
Unearned premiums	-	20,961	357	21,318
Future policy benefits for life and accident and health insurance contracts	42,893	564	128	43,585
Policyholder contract deposits	127,704	-	(116)	127,588
Other policyholder funds	2,624	1,579	9	4,212
Other liabilities	9,751	13,215	3,198	26,164
Long-term debt (page 14) (16)	2,654	609	26,087	29,350
Separate account liabilities	79,564	-	10	79,574
Total liabilities	265,190	105,577	35,966	406,733
AIG shareholders' equity:				
Accumulated other comprehensive income (loss)	1,686	1,240	(389)	2,537
Other AIG shareholders' equity	30,382	43,414	13,325	87,121
Total AIG shareholders' equity	32,068	44,654	12,936	89,658
Non-redeemable noncontrolling interests	241	137	174	552
Total equity	32,309	44,791	13,110	90,210
Total liabilities and equity	\$ 297,499	\$ 150,368	\$ 49,076	\$ 496,943

See Accompanying Notes on Pages 15 to 17.



American International Group, Inc.
Consolidating Balance Sheet

Consolidated Results

	December 31, 2014 (15)			
	Life Insurance Companies (12)	Non-Life Insurance Companies (13)	Corporate and Other (14)	AIG Inc.
(in millions)				
Assets:				
Investments:				
Fixed maturity securities				
Bonds available for sale, at fair value	\$ 164,527	\$ 92,942	\$ 2,390	\$ 259,859
Other bond securities, at fair value	2,785	1,733	15,194	19,712
Equity securities				
Common and preferred stock available for sale, at fair value	150	4,241	4	4,395
Other common and preferred stock, at fair value	-	495	554	1,049
Mortgage and other loans receivable, net of allowance	20,874	6,686	(2,570)	24,990
Other invested assets (page 53)	11,916	10,372	12,230	34,518
Short-term investments	2,131	4,154	4,958	11,243
Total investments	<u>202,383</u>	<u>120,623</u>	<u>32,760</u>	<u>355,766</u>
Cash	451	1,191	116	1,758
Accrued investment income	1,781	907	24	2,712
Premiums and other receivables, net of allowance	1,810	9,970	251	12,031
Reinsurance assets, net of allowance	1,921	20,025	13	21,959
Deferred income taxes	-	4,040	15,299	19,339
Deferred policy acquisition costs	7,258	2,551	18	9,827
Other assets	5,666	4,992	1,495	12,153
Separate account assets, at fair value	80,025	-	11	80,036
Total assets	<u>\$ 301,295</u>	<u>\$ 164,299</u>	<u>\$ 49,987</u>	<u>\$ 515,581</u>
Liabilities:				
Liability for unpaid losses and loss adjustment expenses	\$ -	\$ 77,260	\$ -	\$ 77,260
Unearned premiums	-	21,325	(1)	21,324
Future policy benefits for life and accident and health insurance contracts	42,004	579	166	42,749
Policyholder contract deposits	124,716	-	(103)	124,613
Other policyholder funds	2,656	2,003	10	4,669
Other liabilities	12,792	12,057	1,592	26,441
Long-term debt (page 14) (16)	1,574	136	29,507	31,217
Separate account liabilities	80,025	-	11	80,036
Total liabilities	<u>263,767</u>	<u>113,360</u>	<u>31,182</u>	<u>408,309</u>
AIG shareholders' equity:				
Accumulated other comprehensive income (loss)	6,545	3,951	121	10,617
Other AIG shareholders' equity	30,980	46,918	18,383	96,281
Total AIG shareholders' equity	<u>37,525</u>	<u>50,869</u>	<u>18,504</u>	<u>106,898</u>
Non-redeemable noncontrolling interests	<u>3</u>	<u>70</u>	<u>301</u>	<u>374</u>
Total equity	<u>37,528</u>	<u>50,939</u>	<u>18,805</u>	<u>107,272</u>
Total liabilities and equity	<u>\$ 301,295</u>	<u>\$ 164,299</u>	<u>\$ 49,987</u>	<u>\$ 515,581</u>

See Accompanying Notes on Page 15 to 17.



American International Group, Inc.
Reconciliation of Statutory Surplus to GAAP Equity

Consolidated Results

(in millions)	As of December 31, 2015		As of December 31, 2014 (17)	
	Life Insurance Companies (12)	Non-Life Insurance Companies (13)	Life Insurance Companies (12)	Non-Life Insurance Companies (13)
Statutory surplus (22) (23)	\$ 8,709	\$ 35,823	\$ 10,316	\$ 39,804
Deferred policy acquisition costs, sales inducements and value of business acquired	9,048	1,916	7,729	1,855
Net unrealized gains on fixed maturity securities	4,746	3,297	10,745	3,881
Statutory non-admitted assets	5,913	1,645	5,171	1,916
Other (24)	3,893	2,110	3,567	3,483
GAAP Equity	\$ 32,309	\$ 44,791	\$ 37,528	\$ 50,939

See Accompanying Notes on Pages 15 to 17.

**American International Group, Inc.
Debt and Capital**

Consolidated Results

(in millions)	Debt and Hybrid Capital		Interest Expense			
	December 31, 2015	December 31, 2014	Three Months Ended		Twelve Months Ended	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Financial debt:						
AIG notes and bonds payable	\$ 17,136	\$ 15,570	\$ 202	\$ 205	\$ 849	\$ 795
AIG subordinated debt	-	250	-	1	4	6
AIG Japan Holdings Kabushiki Kaisha	106	-	1	-	1	-
AIG Life Holdings, Inc. notes and bonds payable	284	284	5	5	20	21
AIG Life Holdings, Inc. junior subordinated debt	422	536	8	15	37	74
Total	17,948	16,640	216	226	911	896
Operating debt:						
MIP notes payable	1,372	2,870	13	31	70	218
Series AIGFP matched notes and bonds payable	34	34	-	12	-	143
Other AIG borrowings supported by assets (18)	3,670	5,466	-	-	-	-
Other subsidiaries	2	58	-	2	2	3
Borrowings of consolidated investments (15) (19)	4,987	3,683	52	30	178	121
Total	10,065	12,111	65	75	250	485
Hybrid - debt securities:						
Junior subordinated debt (20)	1,337	2,466	23	45	120	337
Total (21)	\$ 29,350	\$ 31,217	\$ 304	\$ 346	\$ 1,281	\$ 1,718
AIG capitalization:						
Total equity	\$ 90,210	\$ 107,272				
Hybrid - debt securities (20)	1,337	2,466				
Total equity and hybrid capital	91,547	109,738				
Financial debt	17,948	16,640				
Total capital	\$ 109,495	\$ 126,378				
Ratios:						
Hybrid - debt securities / Total capital	1.2%	1.9%				
Financial debt / Total capital	16.4%	13.2%				
Total debt / Total capital	17.6%	15.1%				

See Accompanying Notes on Page 15 to 17.



American International Group, Inc.
Notes

Consolidated Results

- (1) Includes changes in market value of investments accounted for under the fair value option (including PICC Property & Casualty Company Limited (PICC P&C) held by Non-Life Insurance Companies), real estate income and income (loss) from equity method investments.
- (2) The twelve months ended December 31, 2014 include the results of ILFC, which was sold on May 14, 2014.
- (3) For the quarters ended December 31, 2015 and September 30, 2015, because we reported a net loss, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. In the quarter ended September 30, 2015, we reported after-tax operating income, and the calculation of After-tax operating income per diluted share includes dilutive shares of 40,356,170. However, in the quarter ended December 31, 2015, we reported an after-tax operating loss; therefore, all common stock equivalents are anti-dilutive and are excluded from the calculation diluted per share amounts.
- (4) The twelve months ended December 31, 2014 include the gain on sale of ILFC. 2Q15, 1Q15 and the 2014 periods also include certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and our share of AerCap's income taxes.
- (5) Beginning in the third quarter of 2015, we launched broad initiatives designed to reduce operating expenses, improve efficiency and simplify our organization. These costs include employee severance and one-time termination benefits, modernization of our information technology platforms, and costs associated with consolidation of legal entities and exiting lower return lines of business.
- (6) Excludes valuation allowance (charge) releases of \$(1.2) billion and \$(49) million in 4Q15 and 4Q14, respectively, recorded in AOCI.
- (7) The reconciliation of Normalized ROE - after-tax operating income, excluding AOCI and DTA is as follows:

<i>(in millions)</i>	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
After-tax operating income (loss) as reported	\$ (1,348)	\$ 691	\$ 1,893	\$ 1,691	\$ 1,371	\$ 2,927	\$ 6,630
Adjustments to arrive at Normalized after-tax operating income (loss), excluding AOCI and DTA:							
Catastrophe losses below expectations	(87)	(333)	(25)	(74)	(207)	(519)	(534)
(Better) worse than expected alternative returns	344	298	(116)	(92)	46	434	(221)
(Better) worse than expected DIB & GCM returns	(3)	165	(203)	(39)	(34)	(80)	(610)
Fair value changes on PICC investments	(12)	167	(146)	(35)	(137)	(26)	(107)
Update of actuarial assumptions	(7)	11	-	-	(4)	4	(83)
Net reserve discount charge	56	50	(260)	107	369	(47)	311
Life Insurance - IBNR death claims	(13)	-	-	-	68	(13)	68
Unfavorable prior year loss reserve development	2,329	124	214	23	193	2,690	389
Normalized after-tax operating income (loss), excluding AOCI and DTA	\$ 1,259	\$ 1,173	\$ 1,357	\$ 1,581	\$ 1,665	\$ 5,370	\$ 5,843
Normalized Average AIG Shareholders' equity, excluding average AOCI and DTA	\$ 75,029	\$ 78,973	\$ 81,283	\$ 80,939	\$ 80,846	\$ 78,550	\$ 79,197
ROE - after-tax operating income (loss), excluding AOCI and DTA (page 7)	(7.3%)	3.5%	9.3%	8.4%	6.8%	3.7%	8.4%
Impact of Normalizations	14.0%	2.4%	(2.6%)	(0.6%)	1.4%	3.1%	(1.0%)
Normalized ROE - after-tax operating income (loss), excluding AOCI and DTA	6.7%	5.9%	6.7%	7.8%	8.2%	6.8%	7.4%

**Normalizing adjustments are tax affected using a 35% tax rate and computed based on average shareholders' equity, excluding AOCI and DTA, for the respective periods.*

American International Group, Inc.
Notes (continued)

Consolidated Results

- (8) Operating revenues exclude Net realized capital gains (losses), Aircraft leasing revenues, income from non-operating litigation reserve and settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to guaranteed living benefits (included in Net investment income for GAAP purposes). The reconciliation to GAAP is as follows:

<i>(in millions)</i>	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Total operating revenues	\$ 14,187	\$ 13,179	\$ 15,635	\$ 14,590	\$ 15,006	\$ 57,591	\$ 61,001
Reconciling items:							
Changes in fair value of securities used to hedge guaranteed living benefits	(4)	4	(87)	44	98	(43)	260
Net realized capital gains (loss)	(349)	(342)	126	1,341	193	776	739
Income from divested businesses	-	-	(33)	(15)	-	(48)	1,602
Non-operating litigation settlements	3	-	76	15	113	94	804
Other	(6)	(19)	(18)	-	-	(43)	-
Total revenues	\$ 13,831	\$ 12,822	\$ 15,699	\$ 15,975	\$ 15,410	\$ 58,327	\$ 64,406

- (9) Includes general operating expenses from NSM Insurance Group, which was acquired on March 31, 2015. Also refer to Note (11).
- (10) Includes general operating expenses from AIG Life Limited (formerly Ageas Protect Limited), which was acquired on December 31, 2014, and general operating expenses from Laya Healthcare, which was acquired on March 31, 2015. Also refer to Note (11).
- (11) Includes unallocated loss adjustment expenses, certain investment expenses and certain acquisition expenses (including the portion deferred for GAAP reporting). Excludes charges for non-operating litigation reserves, restructuring and other costs, and other expense related to a retroactive reinsurance agreement. For the year ended December 31, 2015, approximately \$145 million of expenses related to newly consolidated acquisitions in 2015 was included in general operating expenses, operating basis.
- (12) The Life Insurance Companies conduct business primarily through American General Life Insurance Company, The Variable Annuity Life Insurance Company, The United States Life Insurance Company in the City of New York, AIG Fuji Life Insurance Company Limited (Fuji Life) and AIG Life Limited.
- (13) The Non-Life Insurance Companies include property casualty and mortgage guaranty companies that conduct their business primarily through the following major operating companies: National Union Fire Insurance Company of Pittsburgh, Pa.; American Home Assurance Company; Lexington Insurance Company; Fuji Fire and Marine Insurance Company Limited; American Home Assurance Company, Ltd.; AIG Asia Pacific Insurance, Pte, Ltd.; AIG Europe Limited; and United Guaranty Residential Insurance Company. For the year ended December 31, 2015, Eaglestone Reinsurance Company (Eaglestone), a reinsurer of run-off lines of business from affiliates within Non-Life Insurance Companies, was transferred from the Non-Life Insurance Companies to Corporate and Other. See more details on Eaglestone in Note (14) below.
- (14) Includes AIG Parent, other assets and investments held by AIG Parent, AIG Life Holdings, Inc. (a non-operating holding company), and consolidations, eliminations and other adjustments. As discussed in Note (13), Eaglestone was transferred to Corporate and Other in the fourth quarter of 2015. For the year ended December 31, 2015, the total amount of assets, liabilities and equity for Eaglestone was \$8.6 billion, \$7.1 billion and \$1.5 billion, respectively.
- (15) As of December 31, 2015, includes debt of consolidated investment vehicles related to real estate investments of \$2.4 billion, affordable housing partnership investments and securitizations of \$2.2 billion, and other securitization vehicles and investments of \$359 million. As of December 31, 2014, includes debt of consolidated investment vehicles related to real estate investments of \$2.1 billion, affordable housing partnership investments and securitizations of \$853 million, and other securitization vehicles and investments of \$728 million.
- (16) The Life Insurance Companies' balance consists primarily of third-party debt related to other subsidiaries and consolidated investments in affordable housing partnerships.
- (17) December 31, 2014 amounts reflect final statutory filings.
- (18) Borrowings are carried at fair value with fair value adjustments reported in Other income on the Consolidated Statement of Operations. Contractual interest payments amounted to \$46 million and \$78 million for the three-month periods ended December 31, 2015 and 2014, respectively, and \$176 million and \$256 million for the twelve-month periods ended December 31, 2015 and 2014, respectively.
- (19) Includes the effect of consolidating previously unconsolidated partnerships.
- (20) The junior subordinated debentures receive partial equity treatment from a major rating agency under its current policies but are recorded as long-term borrowings on the Consolidated Balance Sheets.

American International Group, Inc.
Notes (continued)

Consolidated Results

- (21) ILFC was sold on May 14, 2014. The twelve months ended December 31, 2014 excludes ILFC's interest expense, which is reflected within Aircraft leasing expense on the Consolidated Statement of Operations.
- (22) Non-Life Insurance Companies Statutory Surplus includes \$2.75 billion of capital contributions from AIG Parent received in January 2016.
- (23) December 31, 2015 excluded Eaglestone. The statutory surplus of Eaglestone at December 31, 2015 was \$1.9 billion, which included \$150 million of capital contribution received from AIG Parent in January 2016.
- (24) Other includes GAAP equity of non insurance companies.

American International Group, Inc.
Operating Results

Commercial Insurance

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Revenues:							
Premiums	\$ 5,941	\$ 5,352	\$ 5,971	\$ 5,257	\$ 5,509	\$ 22,521	\$ 22,221
Policy fees	51	49	50	49	49	199	187
Net investment income	1,133	1,158	1,645	1,538	1,578	5,474	6,393
Total operating revenues	7,125	6,559	7,666	6,844	7,136	28,194	28,801
Benefits and expenses:							
Policyholder benefits and losses incurred	7,630	4,071	4,549	3,767	4,255	20,017	16,575
Interest credited to policyholder account balances	102	102	102	102	102	408	410
Amortization of deferred policy acquisition costs	573	580	593	596	612	2,342	2,512
General operating and other expenses*	945	991	922	917	943	3,775	3,794
Total benefits and expenses	9,250	5,744	6,166	5,382	5,912	26,542	23,291
Pre-tax operating income (loss)	\$ (2,125)	\$ 815	\$ 1,500	\$ 1,462	\$ 1,224	\$ 1,652	\$ 5,510

* Includes general operating expenses, commissions and other acquisition expenses.

See Accompanying Notes on Pages 27 to 28.

American International Group, Inc.
Operating Statistics

Commercial Insurance - Property Casualty

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Net premiums written	\$ 4,604	\$ 5,202	\$ 5,583	\$ 5,047	\$ 4,692	\$ 20,436	\$ 21,020
Net premiums earned	\$ 4,991	\$ 5,005	\$ 5,102	\$ 4,931	\$ 5,207	\$ 20,029	\$ 20,885
Losses and loss adjustment expenses incurred	6,634	3,666	3,614	3,360	3,904	17,274	14,956
Acquisition expenses:							
Amortization of deferred policy acquisition costs	564	571	586	588	604	2,309	2,486
Other acquisition expenses	263	252	183	209	228	907	796
Total acquisition expenses	827	823	769	797	832	3,216	3,282
General operating expenses	598	657	658	629	644	2,542	2,697
Underwriting income (loss)	(3,068)	(141)	61	145	(173)	(3,003)	(50)
Net investment income (loss):							
Interest and dividends	830	866	856	837	830	3,389	3,338
Alternative investments (1)	(40)	(55)	216	243	111	364	700
Other investment income (2)	(29)	(61)	96	(6)	189	-	400
Investment expenses	(31)	(40)	(37)	(49)	(22)	(157)	(140)
Total net investment income	730	710	1,131	1,025	1,108	3,596	4,298
Pre-tax operating income	\$ (2,338)	\$ 569	\$ 1,192	\$ 1,170	\$ 935	\$ 593	\$ 4,248
Underwriting ratios: (9)							
Loss ratio	132.9	73.2	70.8	68.1	75.0	86.2	71.6
Catastrophe losses and reinstatement premiums	(4.2)	(1.7)	(4.1)	(1.4)	(0.7)	(2.9)	(2.9)
Prior year development net of premium adjustments	(60.9)	(3.6)	(5.3)	(0.4)	(4.0)	(17.5)	(2.8)
Net reserve discount	(1.4)	(0.8)	5.2	(1.9)	(4.4)	0.4	(0.3)
Accident year loss ratio, as adjusted	66.4	67.1	66.6	64.4	65.9	66.2	65.6
Acquisition ratio	16.6	16.4	15.1	16.2	16.0	16.1	15.7
General operating expense ratio	12.0	13.1	12.9	12.8	12.4	12.7	12.9
Expense ratio	28.6	29.5	28.0	29.0	28.4	28.8	28.6
Combined ratio	161.5	102.7	98.8	97.1	103.4	115.0	100.2
Catastrophe losses and reinstatement premiums	(4.2)	(1.7)	(4.1)	(1.4)	(0.7)	(2.9)	(2.9)
Prior year development net of premium adjustments	(60.9)	(3.6)	(5.3)	(0.4)	(4.0)	(17.5)	(2.8)
Net reserve discount	(1.4)	(0.8)	5.2	(1.9)	(4.4)	0.4	(0.3)
Accident year combined ratio, as adjusted	95.0	96.6	94.6	93.4	94.3	95.0	94.2
Noteworthy items (pre-tax):							
Catastrophe-related losses (3)	\$ 213	\$ 88	\$ 209	\$ 71	\$ 35	\$ 581	\$ 600
Reinstatement premiums related to catastrophes	-	-	-	-	-	-	2
Reinstatement premiums related to prior year catastrophes	-	2	-	(7)	(2)	(5)	(2)
Severe losses (4)	172	209	184	134	66	699	592
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	3,040	156	267	17	175	3,480	655
(Additional) returned premium related to prior year development	(4)	30	12	11	52	49	(105)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	3,036	186	279	28	227	3,529	550
Net reserve discount (benefit) charge	68	41	(270)	93	229	(68)	71
Net loss and loss expense reserve by line of business (at end of period):							
Casualty	32,620	31,228	31,753	32,658	33,065	32,620	33,065
Financial Lines	9,265	8,935	9,216	9,275	9,538	9,265	9,538
Specialty	5,197	5,685	5,861	5,750	5,786	5,197	5,786
Property	4,013	3,739	3,692	3,693	4,079	4,013	4,079
Total	\$ 51,095	\$ 49,587	\$ 50,522	\$ 51,376	\$ 52,468	\$ 51,095	\$ 52,468

See Accompanying Notes on Pages 27 to 28.



American International Group, Inc.
Net Premiums Written by Line of Business and Region

Commercial Insurance - Property Casualty

(in millions)	Quarterly					Twelve Months Ended	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
By Line of Business:							
Casualty	\$ 1,552	\$ 1,711	\$ 1,812	\$ 1,882	\$ 1,659	\$ 6,957	\$ 7,649
Property	1,043	1,482	1,628	1,007	992	5,160	5,136
Specialty	884	897	918	954	909	3,653	3,714
Financial lines	1,125	1,112	1,225	1,204	1,132	4,666	4,521
Total net premiums written	\$ 4,604	\$ 5,202	\$ 5,583	\$ 5,047	\$ 4,692	\$ 20,436	\$ 21,020
By Region:							
Americas	\$ 3,206	\$ 3,525	\$ 3,892	\$ 2,949	\$ 3,251	\$ 13,572	\$ 13,799
EMEA	923	1,158	1,231	1,616	962	4,928	5,192
Asia Pacific	475	519	460	482	479	1,936	2,029
Total net premiums written	\$ 4,604	\$ 5,202	\$ 5,583	\$ 5,047	\$ 4,692	\$ 20,436	\$ 21,020
Foreign exchange effect on worldwide premiums:							
Change in net premiums written							
Increase (decrease) in original currency over prior-year period (5)	1.5 %	(1.0) %	0.3 %	5.9 %	(2.2) %	1.6 %	1.1 %
Foreign exchange effect	(3.4)	(4.6)	(4.3)	(5.1)	(1.1)	(4.4)	(0.4)
Increase (decrease) as reported in U.S. dollars	(1.9) %	(5.6) %	(4.0) %	0.8 %	(3.3) %	(2.8) %	0.7 %

See Accompanying Notes on Pages 27 to 28.

American International Group, Inc.
Operating Statistics

Commercial Insurance - Property Casualty North America

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
	\$	\$	\$	\$	\$	\$	\$
Net premiums written	3,073	3,367	3,742	2,828	3,087	13,010	13,219
Net premiums earned	3,212	3,202	3,258	3,197	3,308	12,869	13,332
Losses and loss adjustment expenses incurred	5,199	2,592	2,519	2,482	2,790	12,792	10,482
Acquisition expenses:							
Amortization of deferred policy acquisition costs	313	314	320	325	334	1,272	1,393
Other acquisition expenses	153	158	71	120	130	502	442
Total acquisition expenses	466	472	391	445	464	1,774	1,835
General operating expenses	287	329	335	296	322	1,247	1,328
Underwriting income (loss)	(2,740)	(191)	13	(26)	(268)	(2,944)	(313)
Net investment income(loss):							
Interest and dividends	717	751	728	719	702	2,915	2,823
Alternative investments (1)	(19)	(63)	214	237	107	369	688
Other investment income (2)	(29)	(72)	82	(12)	176	(31)	333
Investment expenses	(24)	(29)	(24)	(38)	(10)	(115)	(102)
Total net investment income	645	587	1,000	906	975	3,138	3,742
Pre-tax operating income	(2,095)	396	1,013	880	707	194	3,429
Underwriting ratios: (9)							
Loss ratio	161.9	80.9	77.3	77.6	84.3	99.4	78.6
Catastrophe losses and reinstatement premiums	(3.3)	(0.4)	(4.9)	(2.2)	(0.8)	(2.7)	(3.3)
Prior year development net of premium adjustments	(86.3)	(8.7)	(9.1)	(2.1)	(8.3)	(26.6)	(4.9)
Net reserve discount	(2.1)	(1.2)	8.2	(2.9)	(6.8)	0.6	(0.6)
Accident year loss ratio, as adjusted	70.2	70.6	71.5	70.4	68.4	70.7	69.8
Acquisition ratio	14.5	14.7	12.0	13.9	14.0	13.8	13.8
General operating expense ratio	8.9	10.3	10.3	9.3	9.7	9.7	10.0
Expense ratio	23.4	25.0	22.3	23.2	23.7	23.5	23.8
Combined ratio	185.3	105.9	99.6	100.8	108.0	122.9	102.4
Catastrophe losses and reinstatement premiums	(3.3)	(0.4)	(4.9)	(2.2)	(0.8)	(2.7)	(3.3)
Prior year development net of premium adjustments	(86.3)	(8.7)	(9.1)	(2.1)	(8.3)	(26.6)	(4.9)
Net reserve discount	(2.1)	(1.2)	8.2	(2.9)	(6.8)	0.6	(0.6)
Accident year combined ratio, as adjusted	93.6	95.6	93.8	93.6	92.1	94.2	93.6
Noteworthy items (pre-tax):							
Catastrophe-related losses (3)	104	15	160	70	27	349	439
Reinstatement premiums related to prior year catastrophes	-	-	-	(7)	-	(7)	1
Severe losses (4)	23	53	79	87	(1)	242	169
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	2,775	255	290	66	235	3,386	733
(Additional) returned premium related to prior year development	(4)	30	12	11	52	49	(105)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	2,771	285	302	77	287	3,435	628
Net reserve discount (benefit) charge	68	41	(270)	93	229	(68)	71

See Accompanying Notes on Pages 27 to 28.



American International Group, Inc.
Operating Statistics

Commercial Insurance - Property Casualty International

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Net premiums written	\$ 1,531	\$ 1,835	\$ 1,841	\$ 2,219	\$ 1,605	\$ 7,426	\$ 7,801
Net premiums earned	\$ 1,779	\$ 1,803	\$ 1,844	\$ 1,734	\$ 1,899	\$ 7,160	\$ 7,553
Losses and loss adjustment expenses incurred	1,435	1,074	1,095	878	1,114	4,482	4,474
Acquisition expenses:							
Amortization of deferred policy acquisition costs	251	257	266	263	270	1,037	1,093
Other acquisition expenses	110	94	112	89	98	405	354
Total acquisition expenses	361	351	378	352	368	1,442	1,447
General operating expenses	311	328	323	333	322	1,295	1,369
Underwriting income (loss)	(328)	50	48	171	95	(59)	263
Net investment income:							
Interest and dividends	113	115	128	118	128	474	515
Alternative investments (1)	(21)	8	2	6	4	(5)	12
Other investment income (2)	-	11	14	6	13	31	67
Investment expenses	(7)	(11)	(13)	(11)	(12)	(42)	(38)
Total net investment income	85	123	131	119	133	458	556
Pre-tax operating income	\$ (243)	\$ 173	\$ 179	\$ 290	\$ 228	\$ 399	\$ 819
Underwriting ratios: (9)							
Loss ratio	80.7	59.6	59.4	50.6	58.7	62.6	59.2
Catastrophe losses and reinstatement premiums	(6.2)	(4.1)	(2.7)	-	(0.5)	(3.2)	(2.1)
Prior year development net of premium adjustments	(14.9)	5.4	1.3	2.8	3.3	(1.4)	1.0
Accident year loss ratio, as adjusted	59.6	60.9	58.0	53.4	61.5	58.0	58.1
Acquisition ratio	20.3	19.5	20.5	20.3	19.4	20.1	19.2
General operating expense ratio	17.5	18.2	17.5	19.2	17.0	18.1	18.1
Expense ratio	37.8	37.7	38.0	39.5	36.4	38.2	37.3
Combined ratio	118.5	97.3	97.4	90.1	95.1	100.8	96.5
Catastrophe losses and reinstatement premiums	(6.2)	(4.1)	(2.7)	-	(0.5)	(3.2)	(2.1)
Prior year development net of premium adjustments	(14.9)	5.4	1.3	2.8	3.3	(1.4)	1.0
Accident year combined ratio, as adjusted	97.4	98.6	96.0	92.9	97.9	96.2	95.4
Noteworthy items (pre-tax):							
Catastrophe-related losses (3)	\$ 109	\$ 73	\$ 49	\$ 1	\$ 8	\$ 232	\$ 161
Reinstatement premiums related to catastrophes	-	-	-	-	-	-	2
Reinstatement premiums related to prior year catastrophes	-	2	-	-	(2)	2	(3)
Severe losses (4)	149	156	105	47	67	457	423
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	\$ 265	\$ (99)	\$ (23)	\$ (49)	\$ (60)	\$ 94	\$ (78)

See Accompanying Notes on Pages 27 to 28.

American International Group, Inc.
Operating Statistics

Commercial Insurance - Mortgage Guaranty

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
	\$	\$	\$	\$	\$	\$	\$
Net premiums written	241	274	277	258	273	1,050	1,024
Net premiums earned	224	232	226	230	238	912	904
Losses and loss adjustment expenses incurred	16	42	44	58	49	160	223
Acquisition expenses:							
Amortization of deferred policy acquisition costs	8	8	7	7	6	30	22
Other acquisition expenses	11	12	13	15	11	51	49
Total acquisition expenses	19	20	20	22	17	81	71
General operating expenses	45	42	40	39	36	166	156
Underwriting income	144	128	122	111	136	505	454
Net investment income	36	34	35	34	35	139	138
Pre-tax operating income	180	162	157	145	171	644	592
Underwriting ratios: (9)							
Loss ratio	7.1	18.1	19.5	25.2	20.6	17.5	24.7
Prior year loss development	15.2	7.8	7.5	-	12.6	7.6	11.5
Accident year loss ratio, as adjusted	22.3	25.9	27.0	25.2	33.2	25.1	36.2
Acquisition ratio	8.5	8.6	8.8	9.6	7.1	8.9	7.8
General operating expense ratio	20.1	18.1	17.7	16.9	15.1	18.2	17.3
Expense ratio	28.6	26.7	26.5	26.5	22.2	27.1	25.1
Combined ratio	35.7	44.8	46.0	51.7	42.8	44.6	49.8
Prior year loss development	15.2	7.8	7.5	-	12.6	7.6	11.5
Accident year combined ratio, as adjusted	50.9	52.6	53.5	51.7	55.4	52.2	61.3
Noteworthy Items (pre-tax):							
Prior year loss reserve development (favorable) unfavorable	(34)	(18)	(17)	-	(30)	(69)	(104)
New insurance written	10,778	14,760	15,323	10,854	11,023	51,715	42,844
Net loss and loss expense reserve (at period end)	713	814	873	922	977	713	977
Shareholders' equity (at period end)	3,404	3,386	3,247	3,178	3,070	3,404	3,070
Shareholders' equity, excluding AOCI (at period end)	3,400	3,356	3,222	3,100	3,011	3,400	3,011
Domestic first liens:							
Number of primary paid claims	1,723	2,276	1,998	2,454	2,818	8,451	11,601
Gross paid claims	\$ 91	\$ 99	\$ 90	\$ 110	\$ 124	\$ 390	\$ 509

See Accompanying Notes on Pages 27 to 28.



American International Group, Inc.
Operating Statistics

Commercial Insurance - Mortgage Guaranty Domestic First-Lien, Delinquencies and Gross Risk in Force by Vintage

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
First-lien new insurance written	\$ 10,627	\$ 14,483	\$ 15,190	\$ 10,542	\$ 10,733	\$ 50,842	\$ 42,038
First-lien persistency (twelve months)	81.6%	81.9%	82.2%	82.3%	84.1%	81.6%	84.1%
First-lien insurance in force	\$ 187,186	\$ 184,031	\$ 178,498	\$ 169,880	\$ 167,180	\$ 187,186	\$ 167,180
Total first-lien risk in force - net of reinsurance and stop loss	\$ 47,442	\$ 46,559	\$ 45,022	\$ 42,839	\$ 42,106	\$ 47,442	\$ 42,106
Number of ending primary delinquent loans	31,285	31,908	32,648	34,372	38,357	31,285	38,357
In force count	929,298	907,360	899,621	877,076	867,120	929,298	867,120
Delinquency data:							
Primary delinquency ratio	3.4%	3.5%	3.6%	3.9%	4.4%	3.4%	4.4%
Aging of primary delinquent inventory:							
3 or fewer payments missed	36.0%	34.6%	31.5%	29.7%	32.9%	36.0%	32.9%
4-11 payments missed	25.9%	24.8%	25.9%	27.9%	26.5%	25.9%	26.5%
12-23 payments missed	15.4%	16.1%	16.8%	16.4%	15.6%	15.4%	15.6%
24-35 payments missed	7.4%	8.0%	8.5%	8.8%	8.7%	7.4%	8.7%
More than 35 payments missed	15.3%	16.5%	17.3%	17.2%	16.3%	15.3%	16.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gross Risk in Force by Vintage year:							
2006 and prior	8%	8%	9%	9%	10%	8%	10%
2007	7%	7%	7%	8%	8%	7%	8%
2008	3%	4%	4%	4%	5%	3%	5%
2009	1%	1%	1%	2%	2%	1%	2%
2010	1%	1%	2%	2%	2%	1%	2%
2011	4%	4%	5%	5%	6%	4%	6%
2012	12%	13%	15%	16%	17%	12%	17%
2013	19%	20%	22%	25%	26%	19%	26%
2014	20%	21%	22%	24%	24%	20%	24%
2015	25%	21%	13%	5%	0%	25%	0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

See Accompanying Notes on Pages 27 to 28.



American International Group, Inc.
Operating Statistics

Commercial Insurance - Institutional Markets

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
	\$	\$	\$	\$	\$	\$	\$
Premiums and deposits (10)	797	159	680	146	615	1,782	3,797
Revenues:							
Premiums	726	115	643	96	64	1,580	432
Policy fees	51	49	50	49	49	199	187
Net investment income:							
Base portfolio (6)	367	363	358	354	353	1,442	1,435
Alternative investments (1)	(19)	39	117	120	77	257	463
Other enhancements (7)	19	12	4	5	5	40	59
Total net investment income	367	414	479	479	435	1,739	1,957
Total operating revenues	1,144	578	1,172	624	548	3,518	2,576
Benefits and expenses:							
Policyholder benefits and losses incurred	980	363	891	349	302	2,583	1,396
Interest credited to policyholder account balances	102	102	102	102	102	408	410
Acquisition expenses:							
Amortization of deferred policy acquisition costs	1	1	-	1	2	3	4
Other acquisition expenses	8	9	8	7	5	32	30
Total acquisition expenses	9	10	8	8	7	35	34
General operating expenses	20	19	20	18	19	77	66
Total benefits and expenses	1,111	494	1,021	477	430	3,103	1,906
Pre-tax operating income	\$ 33	\$ 84	\$ 151	\$ 147	\$ 118	\$ 415	\$ 670
General and separate account reserves:							
Future policyholder benefits	19,598	19,221	19,219	19,723	19,343	19,598	19,343
Policyholder contract deposits	9,628	9,780	9,712	9,802	9,854	9,628	9,854
Separate account reserves	6,592	6,682	6,901	6,978	6,932	6,592	6,932
Total general and separate account reserves	\$ 35,818	\$ 35,683	\$ 35,832	\$ 36,503	\$ 36,129	\$ 35,818	\$ 36,129

See Accompanying Notes on Pages 27 to 28.

American International Group, Inc.
Operating Statistics

Commercial Insurance - Institutional Markets

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Reserve rollforward:							
Balance at beginning of period, gross	\$ 35,400	\$ 35,523	\$ 35,120	\$ 35,080	\$ 34,765	\$ 35,080	\$ 32,100
Premiums and deposits	797	159	680	146	615	1,782	3,797
Surrenders and withdrawals	(285)	(133)	(227)	(29)	(338)	(674)	(766)
Death and other contract benefits	(435)	(396)	(418)	(379)	(413)	(1,628)	(1,530)
Subtotal	77	(370)	35	(262)	(136)	(520)	1,501
Change in fair value of underlying assets and reserve accretion, net of policy fees	219	206	299	258	297	982	1,130
Cost of funds	102	102	102	102	102	408	410
Other reserve changes (including loss recognition)	25	(61)	(33)	(58)	52	(127)	(61)
Balance at end of period	35,823	35,400	35,523	35,120	35,080	35,823	35,080
Reserves related to unrealized investment appreciation	-	288	314	1,388	1,054	-	1,054
Reinsurance ceded	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Total insurance reserves	\$ 35,818	\$ 35,683	\$ 35,832	\$ 36,503	\$ 36,129	\$ 35,818	\$ 36,129
Reserves by line of business:							
Structured settlements	\$ 18,774	\$ 18,850	\$ 18,843	\$ 19,701	\$ 19,343	\$ 18,774	\$ 19,343
Terminal funding annuities	3,984	3,437	3,460	3,108	3,090	3,984	3,090
Corporate and bank-owned life insurance	4,715	4,734	4,814	4,810	4,816	4,715	4,816
High net worth products	2,186	2,259	2,367	2,359	2,312	2,186	2,312
Guaranteed investments contracts	3,918	4,151	4,073	4,179	4,247	3,918	4,247
Stable value wrap - separate account liability	2,241	2,252	2,275	2,346	2,321	2,241	2,321
Total insurance reserves	\$ 35,818	\$ 35,683	\$ 35,832	\$ 36,503	\$ 36,129	\$ 35,818	\$ 36,129
Stable value wraps (401k and bank-owned life insurance) - Assets under management (8)	\$ 35,298	\$ 32,430	\$ 32,588	\$ 32,422	\$ 32,320	\$ 35,298	\$ 32,320

See Accompanying Notes on Pages 27 to 28.



Commercial Insurance

Basis of Presentation

Commercial Insurance manages its business in three operating segments - Property Casualty, Mortgage Guaranty and Institutional Markets - and operates in three major geographic areas: the Americas (which includes the United States, Canada, Latin America, the Caribbean and Bermuda), Asia Pacific (which includes Japan and other Asia Pacific nations, including China, Korea, Singapore, Vietnam, Thailand, Australia and Indonesia), and EMEA (which includes the United Kingdom, Continental Europe, the Russian Federation, India, the Middle East and Africa). Commercial Insurance products for large and small businesses are primarily distributed through a network of independent retail and wholesale brokers, and through an independent agency network in the Asia Pacific and EMEA regions. Major lines of business include Casualty, Property, Specialty and Financial Lines.

Net investment income is attributed to the operating segments of Commercial Insurance and Consumer Insurance based on internal models consistent with the nature of the underlying businesses.

For Commercial Insurance - Property Casualty, we estimate investable funds based primarily on loss reserves, unearned premiums and a capital allocation for each operating segment. The net investment income allocation is calculated based on the estimated investable funds and risk-free yields (plus a liquidity premium) consistent with the approximate duration of the liabilities, and excludes net investment income associated with the run-off insurance lines reported in Corporate and Other. The remaining excess is attributed to Commercial Insurance - Property Casualty and Consumer Insurance - Personal Insurance based on the relative net investment income previously allocated.

For Commercial Insurance - Institutional Markets, net investment income is attributed based on invested assets from segregated product line portfolios. The fundamental investment strategy for these operating segments is to maintain primarily a diversified, high quality portfolio of fixed maturity securities and, as is practicable, to match established duration targets based on characteristics of the underlying liabilities. Invested assets in excess of liabilities are allocated to product lines based on internal capital estimates.

Net investment income for Commercial Insurance - Mortgage Guaranty is attributed based on legal entity invested assets.

Notes

- (1) Alternative investment income includes income on hedge funds, private equity funds and affordable housing partnerships and is reported on a lag basis. Hedge funds are generally on a one-month lag, while private equity funds are generally on a one-quarter lag.
- (2) Other investment income is comprised principally of real estate income, changes in market value of investments accounted for under the fair value option, and income (loss) from equity method investments.
- (3) Catastrophes (CATs) are generally weather or seismic events having a net impact on AIG in excess of \$10 million each.
- (4) Severe losses are defined as non-catastrophic individual first-party losses and surety losses greater than \$10 million, net of related reinsurance and salvage and subrogation.
- (5) Computed using a constant exchange rate for each period.
- (6) Base portfolio investment income includes interest, dividends and foreclosed real estate income, net of investment expenses.
- (7) Net investment income-other enhancements include call and tender income, changes in market value of investments accounted for under the fair value option, interest received on defaulted investments and other miscellaneous investment income, including income of certain partnership entities that are required to be consolidated.
- (8) Comprises the notional value of (i) new stable value wrap contracts and (ii) stable value wrap contracts novated from AIG Global Capital Markets and rewritten as group annuity contracts. Excludes the portion of stable value wraps included in Total insurance reserves.

American International Group, Inc.
Notes (continued)

Commercial Insurance

(9) Underwriting ratios are computed as follows:

- a. Loss ratio = Loss and loss adjustment expenses incurred ÷ Net premiums earned (NPE)
- b. Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE + Reinstatement premiums (RIPs) related to catastrophes] – Loss ratio
- c. Prior year development net of premium adjustments = [Loss and loss adjustment expenses incurred – Prior year loss reserve development (favorable) unfavorable (PYD), net of reinsurance] ÷ [NPE + RIPs related to prior year catastrophes + (Additional) returned premium related to prior year development] – Loss ratio
- d. Net reserve discount = -1*[Net reserve discount (benefit) charge ÷ NPE] (Note: any rounding will go into this line since Accident year loss ratio, as adjusted is calculated independently.)
- e. Accident year loss ratio, as adjusted = [Loss and loss adjustment expenses incurred – CATs – PYD – Net reserve discount (benefit) charge] ÷ [NPE + RIPs related to catastrophes + RIPs related to prior year catastrophes + (Additional) returned premium related to PYD]
- f. Acquisition ratio = Total acquisition expenses ÷ NPE
- g. General operating expense ratio = General operating expenses ÷ NPE
- h. Expense ratio = Acquisition ratio + General operating expenses ratio
- i. Combined ratio = Loss ratio + Expense ratio
- j. Accident year combined ratio = Accident year loss ratio, as adjusted + Expense ratio

(10) Premiums and deposits is a non-GAAP financial measure.

The following table presents a reconciliation of Institutional Markets premiums and deposits to GAAP premiums:

<i>(in millions)</i>	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Premiums and deposits	\$ 797	\$ 159	\$ 680	\$ 146	\$ 615	\$ 1,782	\$ 3,797
Deposits	(65)	(33)	(26)	(45)	(547)	(169)	(3,344)
Other	(6)	(11)	(11)	(5)	(4)	(33)	(21)
Premiums	\$ 726	\$ 115	\$ 643	\$ 96	\$ 64	\$ 1,580	\$ 432

American International Group, Inc.
Operating Results

Consumer Insurance

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Revenues:							
Premiums	\$ 3,449	\$ 3,531	\$ 3,552	\$ 3,553	\$ 3,667	\$ 14,085	\$ 14,936
Policy fees	638	653	639	627	624	2,557	2,453
Net investment income	1,971	1,944	2,232	2,175	2,199	8,322	9,082
Other income	530	524	543	508	511	2,105	1,998
Total operating revenues	6,588	6,652	6,966	6,863	7,001	27,069	28,469
Benefits and expenses:							
Policyholder benefits and losses incurred	2,494	2,741	2,561	2,679	2,630	10,475	10,796
Interest credited to policyholder account balances	857	789	837	833	865	3,316	3,353
Amortization of deferred policy acquisition cost	741	694	737	715	726	2,887	2,759
General operating and other expenses*	1,743	1,771	1,808	1,691	1,857	7,013	7,087
Total benefits and expenses	5,835	5,995	5,943	5,918	6,078	23,691	23,995
Pre-tax operating income (1)	\$ 753	\$ 657	\$ 1,023	\$ 945	\$ 923	\$ 3,378	\$ 4,474

* Includes general operating expenses, non-deferrable commissions, other acquisition expenses and advisory fees and other expenses.

See Accompanying Notes on Pages 45 to 47.

American International Group, Inc.
Operating Results

Consumer Insurance - Retirement

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Premiums and deposits (2)	\$ 7,053	\$ 6,639	\$ 6,083	\$ 5,522	\$ 6,003	\$ 25,297	\$ 24,077
Revenues:							
Premiums	\$ 41	\$ 37	\$ 44	\$ 46	\$ 66	\$ 168	\$ 287
Policy fees	270	261	277	264	259	1,072	1,010
Net investment income:							
Base portfolio (3)	1,342	1,348	1,360	1,351	1,378	5,401	5,623
Alternative investments (4)	(34)	(3)	214	165	125	342	667
Other enhancements (5)	110	51	44	54	78	259	199
Total net investment income	1,418	1,396	1,618	1,570	1,581	6,002	6,489
Advisory fee and other income	513	509	526	508	511	2,056	1,998
Total operating revenues	2,242	2,203	2,465	2,388	2,417	9,298	9,784
Benefits and expenses:							
Policyholder benefits and losses incurred	105	198	116	92	127	511	537
Interest credited to policyholder account balances	734	665	715	709	738	2,823	2,846
Amortization of deferred policy acquisition costs	148	32	158	142	149	480	346
Non deferrable insurance commissions	72	72	69	69	73	282	265
Advisory fee expenses	337	339	341	332	329	1,349	1,315
General operating expenses	246	262	262	244	279	1,014	980
Total benefits and expenses	1,642	1,568	1,661	1,588	1,695	6,459	6,289
Pre-tax operating income (1)	\$ 600	\$ 635	\$ 804	\$ 800	\$ 722	\$ 2,839	\$ 3,495
Assets under management:							
General accounts	\$ 123,734	\$ 123,848	\$ 122,169	\$ 124,460	\$ 124,755	\$ 123,734	\$ 124,755
Separate accounts	72,314	69,807	74,523	74,434	72,381	72,314	72,381
Group retirement and retail mutual funds	27,735	26,679	28,207	27,706	27,052	27,735	27,052
Total assets under management	\$ 223,783	\$ 220,334	\$ 224,899	\$ 226,600	\$ 224,188	\$ 223,783	\$ 224,188

See Accompanying Notes on Pages 45 to 47.



American International Group, Inc.
Net Flows

Consumer Insurance - Retirement

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Investment Products Net Flows:							
Premiums and deposits: (2)							
Fixed Annuities	\$ 1,247	\$ 1,121	\$ 650	\$ 684	\$ 865	\$ 3,702	\$ 3,578
Retirement Income Solutions	2,677	2,758	2,936	2,457	2,695	10,828	10,325
Retail Mutual Funds	1,169	843	922	857	721	3,791	3,377
Group Retirement	1,944	1,903	1,562	1,511	1,709	6,920	6,743
Total premiums and deposits	7,037	6,625	6,070	5,509	5,990	25,241	24,023
Surrenders and withdrawals:							
Fixed Annuities	(892)	(842)	(946)	(883)	(1,059)	(3,563)	(3,646)
Retirement Income Solutions	(759)	(771)	(823)	(751)	(781)	(3,104)	(3,106)
Retail Mutual Funds	(819)	(651)	(581)	(714)	(800)	(2,765)	(3,378)
Group Retirement	(2,246)	(2,428)	(1,819)	(2,012)	(3,839)	(8,505)	(10,003)
Total surrenders and withdrawals	(4,716)	(4,692)	(4,169)	(4,360)	(6,479)	(17,937)	(20,133)
Death and other contract benefits:							
Fixed Annuities	(520)	(616)	(644)	(547)	(547)	(2,327)	(2,245)
Retirement Income Solutions	(179)	(163)	(191)	(181)	(174)	(714)	(653)
Group Retirement	(138)	(139)	(134)	(139)	(133)	(550)	(537)
Total death and other contract benefits	(837)	(918)	(969)	(867)	(854)	(3,591)	(3,435)
Net flows: (6)							
Fixed Annuities	(165)	(337)	(940)	(746)	(741)	(2,188)	(2,313)
Retirement Income Solutions	1,739	1,824	1,922	1,525	1,740	7,010	6,566
Retail Mutual Funds	350	192	341	143	(79)	1,026	(1)
Group Retirement	(440)	(664)	(391)	(640)	(2,263)	(2,135)	(3,797)
Total net flows	\$ 1,484	\$ 1,015	\$ 932	\$ 282	\$ (1,343)	\$ 3,713	\$ 455

See Accompanying Notes on Pages 45 to 47.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Fixed Annuities)

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Premiums and deposits (2)	\$ 1,259	\$ 1,132	\$ 661	\$ 695	\$ 875	\$ 3,747	\$ 3,623
Revenues:							
Premiums	\$ 36	\$ 34	\$ 43	\$ 41	\$ 61	\$ 154	\$ 253
Policy fees	5	(5)	5	4	5	9	21
Net investment income:							
Base portfolio (3)	702	718	723	733	755	2,876	3,116
Alternative investments (4)	(21)	1	103	84	60	167	330
Other enhancements (5)	55	24	24	30	50	133	120
Total net investment income	736	743	850	847	865	3,176	3,566
Total operating revenues	777	772	898	892	931	3,339	3,840
Benefits and expenses:							
Policyholder benefits and losses incurred	74	76	78	64	90	292	386
Interest credited to policyholder account balances	397	351	391	386	407	1,525	1,553
Amortization of deferred policy acquisition costs	82	36	72	70	76	260	159
Non deferrable insurance commissions	5	5	5	5	7	20	26
General operating expenses	37	42	38	40	43	157	154
Total benefits and expenses	595	510	584	565	623	2,254	2,278
Pre-tax operating income (1)	\$ 182	\$ 262	\$ 314	\$ 327	\$ 308	\$ 1,085	\$ 1,562
General and separate account reserves:							
Future policyholder benefits	\$ 2,869	\$ 2,893	\$ 2,935	\$ 3,070	\$ 3,054	\$ 2,869	\$ 3,054
Policyholder contract deposits and separate account reserves	52,151	52,076	52,080	52,718	53,138	52,151	53,138
Total general and separate account reserves	\$ 55,020	\$ 54,969	\$ 55,015	\$ 55,788	\$ 56,192	\$ 55,020	\$ 56,192

See Accompanying Notes on Pages 45 to 47.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Fixed Annuities)

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Net investment spreads: (a)							
Base yield (7)	4.92%	4.99%	4.98%	4.99%	5.03%	4.97%	5.11%
Alternative investments (8)	(0.25)%	(0.22)%	0.36%	0.22%	0.14%	0.03%	0.25%
Other enhancements (9)	0.27%	0.05%	0.09%	0.12%	0.27%	0.13%	0.13%
Total yield	4.94%	4.82%	5.43%	5.33%	5.44%	5.13%	5.49%
Cost of funds (b)	2.79%	2.79%	2.77%	2.78%	2.80%	2.78%	2.82%
Net spread rate, as reported	2.15%	2.03%	2.66%	2.55%	2.64%	2.35%	2.67%
Base net investment spread (c)	2.13%	2.20%	2.21%	2.21%	2.23%	2.19%	2.29%
Surrender rates (10)	7.1%	6.5%	7.2%	6.7%	8.0%	6.9%	7.0%
DAC rollforward:							
Balance at beginning of period	\$ 935	\$ 869	\$ 723	\$ 817	\$ 855	\$ 817	\$ 1,017
Deferrals	30	27	15	16	20	88	86
Operating amortization	(82)	(36)	(72)	(70)	(77)	(260)	(159)
Change from realized gains (losses)	4	-	(2)	2	2	4	(36)
Change from unrealized gains (losses)	224	75	205	(42)	17	462	(91)
Balance at end of period	\$ 1,111	\$ 935	\$ 869	\$ 723	\$ 817	\$ 1,111	\$ 817
Reserve rollforward:							
Balance at beginning of period, gross	\$ 55,317	\$ 55,370	\$ 56,013	\$ 56,445	\$ 56,877	\$ 56,445	\$ 57,531
Premiums and deposits	1,259	1,132	661	695	875	3,747	3,623
Surrenders and withdrawals	(982)	(900)	(1,000)	(933)	(1,125)	(3,815)	(3,942)
Death and other contract benefits	(605)	(690)	(710)	(600)	(601)	(2,605)	(2,473)
Subtotal	(328)	(458)	(1,049)	(838)	(851)	(2,673)	(2,792)
Change in fair value of underlying assets and reserve accretion, net of policy fees	5	25	47	30	28	107	146
Cost of funds (b)	362	364	361	356	373	1,443	1,508
Other reserve changes (including loss recognition)	25	16	(2)	20	18	59	52
Balance at end of period	55,381	55,317	55,370	56,013	56,445	55,381	56,445
Reserves related to unrealized investment appreciation	-	15	9	139	100	-	100
Reinsurance ceded	(361)	(363)	(364)	(364)	(353)	(361)	(353)
Total insurance reserves	\$ 55,020	\$ 54,969	\$ 55,015	\$ 55,788	\$ 56,192	\$ 55,020	\$ 56,192

(a) Excludes immediate annuities.

(b) Excludes the amortization of sales inducement assets.

(c) Excludes impact of alternative investments and other enhancements.

See Accompanying Notes on Pages 45 to 47.



American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Retirement Income Solutions)

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Premiums and deposits (2)							
Variable Annuities	\$ 1,814	\$ 1,964	\$ 2,224	\$ 2,010	\$ 2,259	\$ 8,012	\$ 9,081
Index Annuities	867	797	714	449	439	2,827	1,253
Total Premiums and deposits	\$ 2,681	\$ 2,761	\$ 2,938	\$ 2,459	\$ 2,698	\$ 10,839	\$ 10,334
Revenues:							
Premiums	\$ (1)	\$ (2)	\$ (2)	\$ (3)	\$ (2)	\$ (8)	\$ (10)
Policy fees	167	166	168	158	154	659	580
Net investment income:							
Base portfolio (3)	151	138	127	117	109	533	423
Alternative investments (4)	(6)	(2)	41	27	20	60	111
Other enhancements (5)	9	8	5	4	5	26	10
Total net investment income	154	144	173	148	134	619	544
Advisory fee and other income	69	66	64	63	66	262	229
Total operating revenues	389	374	403	366	352	1,532	1,343
Benefits and expenses:							
Policyholder benefits and losses incurred	23	103	21	15	20	162	57
Interest credited to policyholder account balances	53	37	46	45	43	181	157
Amortization of deferred policy acquisition costs	51	8	61	50	51	170	156
Non deferrable insurance commissions	45	53	46	47	47	191	162
Advisory fee expenses	4	4	2	4	3	14	11
General operating expenses	61	63	68	58	63	250	216
Total benefits and expenses	237	268	244	219	227	968	759
Pre-tax operating income (1)	\$ 152	\$ 106	\$ 159	\$ 147	\$ 125	\$ 564	\$ 584
General and separate account reserves:							
Policyholder contract deposits and future policy benefits	\$ 14,561	\$ 13,771	\$ 11,784	\$ 11,424	\$ 10,567	\$ 14,561	\$ 10,567
Separate account reserves	40,746	39,043	40,896	40,365	38,944	40,746	38,944
Total general and separate account reserves	\$ 55,307	\$ 52,814	\$ 52,680	\$ 51,789	\$ 49,511	\$ 55,307	\$ 49,511

See Accompanying Notes on Pages 45 to 47.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Retirement Income Solutions)

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Net investment spreads:							
Base yield (7)	4.74%	4.76%	4.76%	4.75%	4.68%	4.75%	4.98%
Alternative investments (8)	(0.55)%	(0.50)%	0.90%	0.53%	0.32%	0.04%	0.65%
Other enhancements (9)	0.04%	0.04%	0.06%	0.04%	0.05%	0.04%	(0.02)%
Total yield	4.23%	4.30%	5.72%	5.32%	5.05%	4.83%	5.61%
Cost of funds (a)	1.48%	1.56%	1.65%	1.82%	1.74%	1.62%	1.81%
Net spread rate, as reported	2.75%	2.74%	4.07%	3.50%	3.31%	3.21%	3.80%
Base net investment spread (b)	3.26%	3.20%	3.11%	2.93%	2.94%	3.13%	3.17%
Surrender rates (10)	5.7%	6.0%	6.4%	6.0%	6.6%	6.0%	7.1%
DAC rollforward:							
Balance at beginning of period	\$ 1,911	\$ 1,728	\$ 1,545	\$ 1,529	\$ 1,433	\$ 1,529	\$ 1,174
Deferrals	169	170	177	144	154	660	580
Operating amortization	(51)	(8)	(61)	(50)	(51)	(170)	(156)
Change from realized gains (losses)	58	(9)	(25)	(37)	(4)	(13)	(10)
Change from unrealized gains (losses)	55	30	92	(41)	(3)	136	(59)
Balance at end of period	\$ 2,142	\$ 1,911	\$ 1,728	\$ 1,545	\$ 1,529	\$ 2,142	\$ 1,529
Reserve rollforward:							
Balance at beginning of period, gross	\$ 52,814	\$ 52,680	\$ 51,788	\$ 49,511	\$ 46,810	\$ 49,511	\$ 40,748
Premiums and deposits	2,681	2,761	2,938	2,459	2,698	10,839	10,334
Surrenders and withdrawals	(770)	(787)	(841)	(766)	(799)	(3,164)	(3,182)
Death and other contract benefits	(186)	(168)	(197)	(188)	(181)	(739)	(680)
Subtotal	1,725	1,806	1,900	1,505	1,718	6,936	6,472
Change in fair value of underlying assets and reserve accretion, net of policy fees	706	(1,713)	(1,037)	705	943	(1,339)	2,121
Cost of funds (a)	46	44	42	43	39	175	142
Other reserve changes	16	(3)	(13)	24	1	24	28
Balance at end of period	55,307	52,814	52,680	51,788	49,511	55,307	49,511
Reinsurance ceded	-	-	-	1	-	-	-
Total insurance reserves	\$ 55,307	\$ 52,814	\$ 52,680	\$ 51,789	\$ 49,511	\$ 55,307	\$ 49,511

(a) Excludes the amortization of sales inducement assets.

(b) Excludes impact of alternative investments and other enhancements.

See Accompanying Notes on Pages 45 to 47.



American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Group Retirement)

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Premiums and deposits (2)	\$ 1,944	\$ 1,903	\$ 1,562	\$ 1,511	\$ 1,709	\$ 6,920	\$ 6,743
Revenues:							
Premiums	\$ 6	\$ 5	\$ 3	\$ 8	\$ 7	\$ 22	\$ 44
Policy fees	97	99	103	101	100	400	405
Net investment income:							
Base portfolio (3)	489	492	511	500	514	1,992	2,084
Alternative investments (4)	(7)	(2)	70	54	44	115	226
Other enhancements (5)	46	19	15	20	24	100	69
Total net investment income	528	509	596	574	582	2,207	2,379
Advisory fee and other income	55	54	55	55	55	219	207
Total operating revenues	686	667	757	738	744	2,848	3,035
Benefits and expenses:							
Policyholder benefits and losses incurred	8	19	17	13	17	57	94
Interest credited to policyholder account balances	284	277	278	278	288	1,117	1,136
Amortization of deferred policy acquisition costs	15	(12)	25	22	20	50	31
Non deferrable insurance commissions	22	14	18	17	21	71	78
Advisory fee expenses	22	22	13	16	16	73	56
General operating expenses	94	89	90	90	113	363	374
Total benefits and expenses	445	409	441	436	475	1,731	1,769
Pre-tax operating income (1)	\$ 241	\$ 258	\$ 316	\$ 302	\$ 269	\$ 1,117	\$ 1,266
General and separate account reserves:							
Future policy benefits	\$ 473	\$ 479	\$ 478	\$ 483	\$ 484	\$ 473	\$ 484
Policyholder contract deposits	37,901	37,669	37,540	37,677	37,734	37,901	37,734
Separate account reserves	31,536	30,733	33,593	34,034	33,401	31,536	33,401
Total general and separate account reserves	69,910	68,881	71,611	72,194	71,619	69,910	71,619
Group Retirement mutual funds	14,523	14,008	15,138	14,900	14,557	14,523	14,557
Total reserves and Group Retirement mutual funds	\$ 84,433	\$ 82,889	\$ 86,749	\$ 87,094	\$ 86,176	\$ 84,433	\$ 86,176

See Accompanying Notes on Pages 45 to 47.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Group Retirement)

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Net investment spreads:							
Base yield (7)	4.90%	4.90%	5.08%	4.92%	4.96%	4.95%	5.00%
Alternative investments (8)	(0.29)%	(0.25)%	0.42%	0.26%	0.17%	0.03%	0.28%
Other enhancements (9)	0.31%	0.05%	0.06%	0.13%	0.15%	0.14%	0.08%
Total yield	4.92%	4.70%	5.56%	5.31%	5.28%	5.12%	5.36%
Cost of funds (a)	2.95%	2.98%	2.94%	2.97%	2.98%	2.96%	3.00%
Net spread rate, as reported	1.97%	1.72%	2.62%	2.34%	2.30%	2.16%	2.36%
Base net investment spread (b)	1.95%	1.92%	2.14%	1.95%	1.98%	1.99%	2.00%
Surrender rates (10)	10.7%	11.4%	8.4%	9.3%	17.8%	10.0%	11.6%
DAC rollforward:							
Balance at beginning of period	\$ 970	\$ 885	\$ 813	\$ 839	\$ 845	\$ 839	\$ 900
Deferrals	25	23	15	15	17	78	66
Operating amortization	(15)	12	(25)	(22)	(20)	(50)	(31)
Change from realized gains (losses)	1	-	-	1	1	2	(5)
Change from unrealized gains (losses)	26	50	82	(20)	(4)	138	(91)
Balance at end of period	\$ 1,007	\$ 970	\$ 885	\$ 813	\$ 839	\$ 1,007	\$ 839
Reserve rollforward:							
Balance at beginning of period, gross	\$ 82,889	\$ 86,749	\$ 87,094	\$ 86,176	\$ 86,606	\$ 86,176	\$ 85,597
Premiums and deposits	1,944	1,903	1,562	1,511	1,709	6,920	6,743
Surrenders and withdrawals	(2,247)	(2,427)	(1,819)	(2,012)	(3,839)	(8,505)	(10,003)
Death and other contract benefits	(138)	(139)	(134)	(139)	(133)	(550)	(537)
Subtotal	(441)	(663)	(391)	(640)	(2,263)	(2,135)	(3,797)
Change in fair value of underlying assets and reserve accretion, net of policy fees	1,706	(3,477)	(227)	1,284	1,551	(714)	3,245
Cost of funds	279	280	273	274	282	1,106	1,131
Total reserves and Group Retirement mutual funds	\$ 84,433	\$ 82,889	\$ 86,749	\$ 87,094	\$ 86,176	\$ 84,433	\$ 86,176

(a) Excludes the amortization of sales inducement assets.

(b) Excludes the impact of alternative investments and other enhancements.

See Accompanying Notes on Pages 45 to 47.



American International Group, Inc. Variable Annuity Guaranteed Benefits (11)

Consumer Insurance - Retirement

(in millions)

Account value by benefit type (a)

Guaranteed Minimum Death Benefits (GMDB) only (b)
Guaranteed Minimum Income Benefits (GMIB) (c)
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)

Liability by benefit type (a)

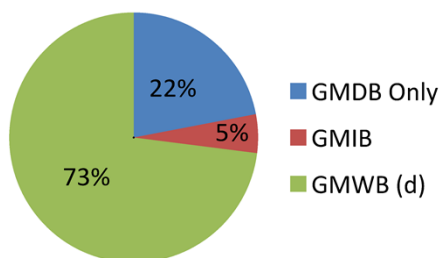
Guaranteed Minimum Death Benefits (GMDB) (b)
Guaranteed Minimum Income Benefits (GMIB) (c)
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)

	Quarterly				
	4Q15	3Q15	2Q15	1Q15	4Q14
\$	62,468	\$ 61,405	\$ 64,672	\$ 65,144	\$ 64,386
	2,443	2,429	2,647	2,759	2,799
	37,951	36,487	37,435	36,559	35,043
\$	464	\$ 471	\$ 397	\$ 393	\$ 401
	27	27	16	17	23
	1,234	1,398	456	1,184	957

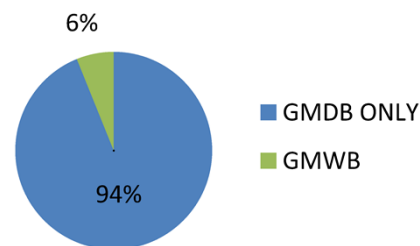
- (a) Excludes assumed reinsurance business.
- (b) A guaranteed minimum death benefit is an amount paid from a variable annuity upon the death of the owner. This benefit protects beneficiaries from market volatility and may be different than the account value. Each of these benefits may be subject to a maximum amount based on age of owner or dollar amount. "Guaranteed Minimum Death Benefits only" signifies that no other guarantees are present. Contracts with a guaranteed living benefit also have a guaranteed minimum death benefit.
- (c) A guaranteed minimum income benefit establishes a minimum amount available to be annuitized regardless of actual performance in the product. The benefit is not available until a set number of years after contract issue.
- (d) A guaranteed minimum withdrawal benefit creates a guaranteed income stream which, within certain parameters, may continue for the life of the annuitant even if the entire contract value has been reduced to zero. The fair value of GMWB embedded derivatives is based on actuarial and capital market assumptions related to projected cash flows of rider fees and claims over the expected lives of the contracts. Also includes guaranteed minimum accumulation benefits (GMAB), which ensures a return of premium invested at the end of 10 years, based on premiums invested in a defined period. The liability for GMAB at December 31, 2015 was \$6 million.

Retirement Income Solutions

Group Retirement



Type of Benefit	Account Value (\$B)
GMDB Only	10.4
GMIB	2.4
GMWB (d)	34.5
Total	47.3



Type of Benefit	Account Value (\$B)
GMDB ONLY	52.1
GMWB	3.4
Total	55.5

See Accompanying Notes on Pages 45 to 47.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Life

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Premiums and deposits (2)	\$ 1,279	\$ 1,223	\$ 1,249	\$ 1,223	\$ 1,249	\$ 4,974	\$ 4,806
Revenues:							
Premiums	\$ 674	\$ 675	\$ 702	\$ 708	\$ 675	\$ 2,759	\$ 2,679
Policy fees	368	392	362	363	365	1,485	1,443
Net investment income:							
Base portfolio (3)	497	484	482	481	488	1,944	1,968
Alternative investments (4)	(5)	-	62	44	38	101	193
Other enhancements (5)	19	12	7	17	10	55	38
Total net investment income	511	496	551	542	536	2,100	2,199
Other income (12)	17	15	17	-	-	49	-
Total operating revenues	1,570	1,578	1,632	1,613	1,576	6,393	6,321
Benefits and expenses:							
Policyholder benefits and losses incurred	868	1,037	965	942	1,005	3,812	3,771
Interest credited to policyholder account balances	123	124	122	124	127	493	507
Amortization of deferred policy acquisition costs	100	158	89	86	63	433	321
Non deferrable insurance commissions	55	51	57	59	72	222	257
General operating expenses	239	248	250	231	229	968	885
Total benefits and expenses	1,385	1,618	1,483	1,442	1,496	5,928	5,741
Pre-tax operating income (loss) (1)	\$ 185	\$ (40)	\$ 149	\$ 171	\$ 80	\$ 465	\$ 580
Gross life insurance in force, end of period:							
Domestic Life	\$ 929,401	\$ 920,665	\$ 916,307	\$ 910,413	\$ 906,232	\$ 929,401	\$ 906,232
International Life	103,001	100,484	100,325	92,609	94,471	103,001	94,471
Total	\$ 1,032,402	\$ 1,021,149	\$ 1,016,632	\$ 1,003,022	\$ 1,000,703	\$ 1,032,402	\$ 1,000,703

See Accompanying Notes on Pages 45 to 47.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Life

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Life and A&H CPPE sales: (13)							
Term	\$ 57	\$ 48	\$ 48	\$ 43	\$ 31	\$ 196	\$ 117
Whole Life	12	13	13	11	15	49	108
Universal life	26	25	26	23	30	100	116
Other life	16	5	7	30	5	58	17
Single premium and unscheduled deposits	1	3	3	3	3	10	13
A&H	17	16	13	12	23	58	90
Total	\$ 129	\$ 110	\$ 110	\$ 122	\$ 107	\$ 471	\$ 461
Life and A&H sales by distribution channel:							
Retail - Independent	\$ 103	\$ 87	\$ 84	\$ 102	\$ 84	\$ 376	\$ 357
Retail - Affiliated (Career and AIG Direct)	26	23	26	20	23	95	104
Total	\$ 129	\$ 110	\$ 110	\$ 122	\$ 107	\$ 471	\$ 461
Life and A&H sales by region:							
Domestic Life	\$ 75	\$ 66	\$ 62	\$ 55	\$ 64	\$ 258	\$ 247
International Life	54	44	48	67	43	213	214
Total	\$ 129	\$ 110	\$ 110	\$ 122	\$ 107	\$ 471	\$ 461
Surrender/lapse rates: (14)							
Domestic Life:							
Independent distribution	5.7%	5.2%	5.0%	4.8%	4.7%	5.2%	4.9%
Career distribution	7.2%	7.5%	7.1%	7.5%	7.5%	7.3%	8.0%
International Life	3.0%	2.9%	2.9%	2.9%	3.0%	2.9%	3.3%
DAC/VOBA rollforward:							
Balance at beginning of period	\$ 4,055	\$ 4,152	\$ 4,032	\$ 4,051	\$ 3,712	\$ 4,051	\$ 3,805
Deferrals	123	119	109	104	96	455	375
Operating amortization	(100)	(158)	(89)	(86)	(63)	(433)	(321)
Change from realized gains (losses)	3	7	(3)	-	-	7	-
Change from unrealized gains (losses)	79	(52)	92	(7)	(11)	112	(119)
Other changes	24	-	-	-	336	24	336
Foreign exchange translation	(1)	(13)	11	(30)	(19)	(33)	(25)
Balance at end of period	\$ 4,183	\$ 4,055	\$ 4,152	\$ 4,032	\$ 4,051	\$ 4,183	\$ 4,051
Reserve rollforward:							
Balance at beginning of period, gross	\$ 33,839	\$ 33,640	\$ 33,482	\$ 33,536	\$ 33,418	\$ 33,536	\$ 32,810
Premiums and deposits	1,279	1,223	1,249	1,223	1,249	4,974	4,806
Surrenders and withdrawals	(184)	(189)	(164)	(222)	(215)	(759)	(853)
Death and other contract benefits	(190)	(257)	(260)	(247)	(204)	(954)	(812)
Subtotal	905	777	825	754	830	3,261	3,141
Change in fair value of underlying assets and reserve accretion, net of policy fees	(208)	(266)	(186)	(142)	(161)	(802)	(691)
Cost of funds	123	124	122	124	129	493	507
Other reserve changes	(549)	(364)	(610)	(496)	(409)	(2,019)	(1,863)
Foreign exchange translation	60	(72)	7	(294)	(271)	(299)	(368)
Balance at end of period	34,170	33,839	33,640	33,482	33,536	34,170	33,536
Reinsurance ceded	(1,395)	(1,429)	(1,444)	(1,440)	(1,315)	(1,395)	(1,315)
Total insurance reserves	\$ 32,775	\$ 32,410	\$ 32,196	\$ 32,042	\$ 32,221	\$ 32,775	\$ 32,221
Domestic Life	29,176	29,037	28,899	28,879	28,761	29,176	28,761
International Life	3,599	3,373	3,297	3,163	3,460	3,599	3,460
Total insurance reserves	\$ 32,775	\$ 32,410	\$ 32,196	\$ 32,042	\$ 32,221	\$ 32,775	\$ 32,221

See Accompanying Notes on Pages 45 to 47.



American International Group, Inc.
Operating Statistics

Consumer Insurance - Personal Insurance

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Net premiums written	\$ 2,719	\$ 3,016	\$ 2,930	\$ 2,915	\$ 2,866	\$ 11,580	\$ 12,412
Net premiums earned	\$ 2,734	\$ 2,819	\$ 2,806	\$ 2,799	\$ 2,926	\$ 11,158	\$ 11,970
Losses and loss adjustment expenses incurred	1,521	1,506	1,480	1,645	1,498	6,152	6,488
Acquisition expenses:							
Amortization of deferred policy acquisition costs	493	504	490	487	514	1,974	2,092
Other acquisition expenses	315	296	294	278	325	1,183	1,165
Total acquisition expenses	808	800	784	765	839	3,157	3,257
General operating expenses	479	503	535	478	550	1,995	2,220
Underwriting income (loss)	(74)	10	7	(89)	39	(146)	5
Net investment income(loss):							
Interest and dividends	52	55	55	56	70	218	335
Alternative investments	(7)	-	7	9	5	9	37
Other investment income	-	1	5	2	11	8	40
Investment expenses	(3)	(4)	(4)	(4)	(4)	(15)	(18)
Total net investment income	42	52	63	63	82	220	394
Pre-tax operating income (loss)	\$ (32)	\$ 62	\$ 70	\$ (26)	\$ 121	\$ 74	\$ 399
Underwriting ratios: (18)							
Loss ratio	55.6	53.4	52.7	58.8	51.2	55.1	54.2
Catastrophe losses and reinstatement premiums	(0.3)	(2.0)	(0.5)	(2.2)	(0.3)	(1.3)	(1.1)
Prior year development net of premium adjustments	(1.5)	1.6	0.6	(0.2)	1.2	0.2	0.7
Accident year loss ratio, as adjusted	53.8	53.0	52.8	56.4	52.1	54.0	53.8
Acquisition ratio	29.6	28.4	27.9	27.3	28.7	28.3	27.2
General operating expense ratio	17.5	17.8	19.1	17.1	18.8	17.9	18.5
Expense ratio	47.1	46.2	47.0	44.4	47.5	46.2	45.7
Combined ratio	102.7	99.6	99.7	103.2	98.7	101.3	99.9
Catastrophe losses and reinstatement premiums	(0.3)	(2.0)	(0.5)	(2.2)	(0.3)	(1.3)	(1.1)
Prior year development net of premium adjustments	(1.5)	1.6	0.6	(0.2)	1.2	0.2	0.7
Accident year combined ratio, as adjusted	100.9	99.2	99.8	100.8	99.6	100.2	99.5
Noteworthy items (pre-tax):							
Catastrophe-related losses (15)	\$ 10	\$ 58	\$ 16	\$ 61	\$ 8	\$ 145	\$ 126
Severe losses (16)	-	-	-	12	13	12	54
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	40	(46)	(17)	4	(35)	(19)	(77)
Net loss and loss expense reserve by line of business (at period end):							
Personal Lines	2,661	2,814	2,816	2,836	2,763	2,661	2,763
Accident and Health	1,662	1,600	1,667	1,669	1,878	1,662	1,878
Total	\$ 4,323	\$ 4,414	\$ 4,483	\$ 4,505	\$ 4,641	\$ 4,323	\$ 4,641

See Accompanying Notes on Pages 45 to 47.



American International Group, Inc.
Net Premiums Written by Line of Business and Region

Consumer Insurance - Personal Insurance

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
By Line of Business:							
Personal Lines	\$ 1,635	\$ 1,696	\$ 1,692	\$ 1,567	\$ 1,673	\$ 6,590	\$ 6,971
Accident and Health	1,084	1,320	1,238	1,348	1,193	4,990	5,441
Total net premiums written	\$ 2,719	\$ 3,016	\$ 2,930	\$ 2,915	\$ 2,866	\$ 11,580	\$ 12,412
By Region:							
Americas	\$ 904	\$ 1,047	\$ 947	\$ 912	\$ 905	\$ 3,810	\$ 3,824
EMEA	391	446	444	573	456	1,854	2,072
Asia Pacific	1,424	1,523	1,539	1,430	1,505	5,916	6,516
Total net premiums written	\$ 2,719	\$ 3,016	\$ 2,930	\$ 2,915	\$ 2,866	\$ 11,580	\$ 12,412
Foreign exchange effect on worldwide premiums:							
Change in net premiums written							
Increase (decrease) in original currency over prior-year period (17)	3.6 %	3.5 %	2.0 %	1.4 %	1.7 %	2.6 %	1.7 %
Foreign exchange effect	(8.7)	(10.4)	(9.8)	(8.2)	(4.9)	(9.3)	(4.0)
Increase (decrease) as reported in U.S. dollars	(5.1) %	(6.9) %	(7.8) %	(6.8) %	(3.2) %	(6.7) %	(2.3) %

See Accompanying Notes on Pages 45 to 47.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Personal Insurance North America

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Net premiums written	\$ 749	\$ 874	\$ 800	\$ 772	\$ 749	\$ 3,195	\$ 3,242
Net premiums earned	\$ 783	\$ 795	\$ 799	\$ 780	\$ 776	\$ 3,157	\$ 3,224
Losses and loss adjustment expenses incurred	429	393	405	546	434	1,773	1,934
Acquisition expenses:							
Amortization of deferred policy acquisition costs	109	116	105	101	109	431	448
Other acquisition expenses	108	102	105	95	90	410	245
Total acquisition expenses	217	218	210	196	199	841	693
General operating expenses	86	107	121	88	120	402	466
Underwriting income (loss)	51	77	63	(50)	23	141	131
Net investment income:							
Interest and dividends	20	21	20	21	26	82	137
Alternative investments	(1)	(2)	6	7	4	10	34
Other investment income	-	(2)	3	-	6	1	14
Investment expenses	(1)	(1)	(1)	(1)	-	(4)	(5)
Total net investment income	18	16	28	27	36	89	180
Pre-tax operating income	\$ 69	\$ 93	\$ 91	\$ (23)	\$ 59	\$ 230	\$ 311
Underwriting ratios: (18)							
Loss ratio	54.8	49.4	50.7	70.0	55.9	56.2	60.0
Catastrophe losses and reinstatement premiums	(0.6)	(0.6)	(2.0)	(7.8)	-	(2.8)	(1.6)
Prior year development net of premium adjustments	(1.1)	4.0	3.0	2.3	3.1	2.1	1.6
Accident year loss ratio, as adjusted	53.1	52.8	51.7	64.5	59.0	55.5	60.0
Acquisition ratio	27.7	27.4	26.3	25.1	25.6	26.6	21.5
General operating expense ratio	11.0	13.5	15.1	11.3	15.5	12.7	14.5
Expense ratio	38.7	40.9	41.4	36.4	41.1	39.3	36.0
Combined ratio	93.5	90.3	92.1	106.4	97.0	95.5	96.0
Catastrophe losses and reinstatement premiums	(0.6)	(0.6)	(2.0)	(7.8)	-	(2.8)	(1.6)
Prior year development net of premium adjustments	(1.1)	4.0	3.0	2.3	3.1	2.1	1.6
Accident year combined ratio, as adjusted	91.8	93.7	93.1	100.9	100.1	94.8	96.0
Noteworthy items (pre-tax):							
Catastrophe-related losses (15)	\$ 5	\$ 5	\$ 16	\$ 61	\$ -	\$ 87	\$ 52
Severe losses (16)	-	-	-	12	13	12	50
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	\$ 8	\$ (32)	\$ (24)	\$ (18)	\$ (24)	\$ (66)	\$ (52)

See Accompanying Notes on Pages 45 to 47.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Personal Insurance International

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
	\$	\$	\$	\$	\$	\$	\$
Net premiums written	1,970	2,142	2,130	2,143	2,117	8,385	9,170
Net premiums earned	1,951	2,024	2,007	2,019	2,150	8,001	8,746
Losses and loss adjustment expenses incurred	1,092	1,113	1,075	1,099	1,064	4,379	4,554
Acquisition expenses:							
Amortization of deferred policy acquisition costs	384	388	385	386	405	1,543	1,644
Other acquisition expenses	207	194	189	183	235	773	920
Total acquisition expenses	591	582	574	569	640	2,316	2,564
General operating expenses	393	396	414	390	430	1,593	1,754
Underwriting income (loss)	(125)	(67)	(56)	(39)	16	(287)	(126)
Net investment income:							
Interest and dividends	32	34	35	35	44	136	198
Alternative investments	(6)	2	1	2	1	(1)	3
Other investment income	-	3	2	2	5	7	26
Investment expenses	(2)	(3)	(3)	(3)	(4)	(11)	(13)
Total net investment income	24	36	35	36	46	131	214
Pre-tax operating income (loss)	(101)	(31)	(21)	(3)	62	(156)	88
Underwriting ratios: (18)							
Loss ratio	56.0	55.0	53.6	54.4	49.5	54.7	52.1
Catastrophe losses and reinstatement premiums	(0.3)	(2.6)	-	-	(0.4)	(0.7)	(0.9)
Prior year development net of premium adjustments	(1.6)	0.7	(0.4)	(1.1)	0.5	(0.6)	0.3
Accident year loss ratio, as adjusted	54.1	53.1	53.2	53.3	49.6	53.4	51.5
Acquisition ratio	30.3	28.8	28.6	28.2	29.8	28.9	29.3
General operating expense ratio	20.1	19.6	20.6	19.3	20.0	19.9	20.1
Expense ratio	50.4	48.4	49.2	47.5	49.8	48.8	49.4
Combined ratio	106.4	103.4	102.8	101.9	99.3	103.5	101.5
Catastrophe losses and reinstatement premiums	(0.3)	(2.6)	-	-	(0.4)	(0.7)	(0.9)
Prior year development net of premium adjustments	(1.6)	0.7	(0.4)	(1.1)	0.5	(0.6)	0.3
Accident year combined ratio, as adjusted	104.5	101.5	102.4	100.8	99.4	102.2	100.9
Noteworthy items (pre-tax):							
Catastrophe-related losses (15)	5	53	-	-	8	58	74
Severe losses (16)	-	-	-	-	-	-	4
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	32	(14)	7	22	(11)	47	(25)

See Accompanying Notes on Pages 45 to 47.

Consumer Insurance

Basis of Presentation:

Consumer Insurance presents its results in the following operating segments:

Retirement: product lines include Fixed Annuities, with products including deferred fixed annuities and immediate annuities; Retirement Income Solutions, with products including variable and index annuities; Group Retirement, with products including retirement plans, annuity and investment products for employees of education, healthcare and other sponsoring companies; and Retail Mutual Funds and Advisory Services.

Life: includes the following product lines: Traditional Life, Universal Life, International Life, Accident & Health (A&H), Endowments and Group Benefits of the Life Insurance Companies.

Personal Insurance: Personal Insurance - North America and Personal Insurance - International include the following product lines: Automobile, Property, Warranty Service Programs, and A&H and Group Benefits of the Non-Life Insurance Companies.

Selected operating statistics are provided for the Fixed Annuities, Retirement Income Solutions, and Group Retirement product lines in the Retirement operating segment, as well as the Personal Insurance - North America and Personal Insurance - International in the Personal Insurance operating segment. Operating statistics are not separately presented for Advisory Services and Retail Mutual Funds, which are included in the Retirement operating segment.

Consumer Insurance operations are conducted through the Life Insurance Companies as well as the Non-Life Insurance Companies.

Consumer Insurance operates in three major geographic areas: the Americas (which includes the United States, Canada, Latin America, the Caribbean and Bermuda), Asia Pacific (which includes Japan, China, Korea, Singapore, Vietnam, Thailand, Australia, Indonesia and other Asia Pacific nations), and EMEA (which includes the United Kingdom, Ireland, Continental Europe, the Russian Federation, India, the Middle East and Africa).

Consumer Insurance products are distributed primarily to individual consumers or groups of consumers through strategic relationships with banks, broker-dealers, insurance agents and independent marketing organizations, as well as through affiliated distribution channels, direct marketing and the internet.

Net investment income is attributed to the operating segments of Commercial Insurance and Consumer Insurance based on internal models consistent with the nature of the underlying businesses.

For Consumer Insurance - Personal Insurance, we estimate investable funds based primarily on loss reserves, unearned premiums and a capital allocation for each operating segment. The net investment income allocation is calculated based on the estimated investable funds and risk-free yields (plus a liquidity premium) consistent with the approximate duration of the liabilities, and excludes net investment income associated with the run-off insurance lines reported in Corporate and Other. The remaining income on excess surplus is allocated to Commercial Insurance - Property Casualty and Consumer Insurance - Personal Insurance based on the relative net investment income previously allocated.

For Consumer Insurance - Retirement and Consumer Insurance - Life, net investment income is attributed based on invested assets from segregated product line portfolios. The fundamental investment strategy for these operating segments is to maintain primarily a diversified, high quality portfolio of fixed maturity securities and, as is practicable, to match established duration targets based on characteristics of the underlying liabilities. Invested assets in excess of liabilities are allocated to product lines based on internal capital estimates.

American International Group, Inc.
Notes (continued)

Consumer Insurance

Notes

- (1) Consumer pre-tax operating income and AIG consolidated pre-tax income in 4Q15, 3Q15, 4Q14 and 3Q14 included the net effect of adjustments to reflect the review and update of certain assumptions used to amortize DAC and related items for interest-sensitive products, including life and annuity spreads, mortality rates, surrender rates and variable annuity growth rates. The update of actuarial assumptions also included adjustments to reserves for universal life with secondary guarantees, group benefit claim reserves, loss recognition for certain long-term care products, and adjustments to the valuation of variable annuity GMWB features that are accounted for as embedded derivatives. Changes in the fair value of such embedded derivatives are recorded in net realized capital gains (losses) and, together with related DAC adjustments, are excluded from pre-tax operating income. In the aggregate, the net effect of adjustments to reflect the review and update of actuarial assumptions increased (decreased) pre-tax operating income as follows:

<i>(in millions)</i>	Life				Fixed Annuities		Retirement Income Solutions				Group Retirement		Total Consumer			
	4Q15	3Q15	4Q14	3Q14	3Q15	3Q14	4Q15	3Q15	4Q14	3Q14	3Q15	3Q14	4Q15	3Q15	4Q14	3Q14
Policy fees	\$ -	\$ 21	\$ -	\$ 27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21	\$ -	\$ 27
Interest credited to policyholder account balances	-	-	-	-	47	74	-	19	(3)	5	8	14	-	74	(3)	93
Amortization of deferred policy acquisition costs	-	(48)	16	(13)	45	122	-	42	(2)	10	40	47	-	79	14	166
Policyholder benefits and claims incurred	11	(130)	-	(149)	-	-	-	(61)	(5)	(1)	-	(15)	11	(191)	(5)	(165)
Pre-tax operating income (loss)	\$ 11	\$ (157)	\$ 16	\$ (135)	\$ 92	\$ 196	\$ -	\$ -	\$ (10)	\$ 14	\$ 48	\$ 46	\$ 11	\$ (17)	\$ 6	\$ 121
Changes in DAC related to net realized capital gains (losses)	-	-	-	-	-	-	(10)	21	(17)	5	-	-	(10)	21	(17)	5
Net realized capital gains (losses)	-	-	-	-	-	-	37	(113)	83	(32)	74	-	37	(39)	83	(32)
Increase (decrease) to pre-tax income (loss)	\$ 11	\$ (157)	\$ 16	\$ (135)	\$ 92	\$ 196	\$ 27	\$ (92)	\$ 56	\$ (13)	\$ 122	\$ 46	\$ 38	\$ (35)	\$ 72	\$ 94

- (2) Premiums and deposits is a non-GAAP financial measure.

The following table presents a reconciliation of Retirement premiums and deposits to GAAP premiums:

<i>(in millions)</i>	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Premiums and deposits*	\$ 7,037	\$ 6,625	\$ 6,070	\$ 5,509	\$ 5,990	\$ 25,241	\$ 24,023
Deposits	(6,853)	(6,542)	(6,046)	(5,637)	(5,952)	(25,078)	(23,903)
Other	(143)	(46)	20	174	28	5	167
Premiums	\$ 41	\$ 37	\$ 44	\$ 46	\$ 66	\$ 168	\$ 287

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

The following table presents a reconciliation of Life premiums and deposits to GAAP premiums:

<i>(in millions)</i>	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Premiums and deposits	\$ 1,279	\$ 1,223	\$ 1,249	\$ 1,223	\$ 1,249	\$ 4,974	\$ 4,806
Deposits	(413)	(369)	(380)	(378)	(403)	(1,540)	(1,532)
Other	(192)	(179)	(167)	(137)	(171)	(675)	(595)
Premiums	\$ 674	\$ 675	\$ 702	\$ 708	\$ 675	\$ 2,759	\$ 2,679

American International Group, Inc.
Notes (continued)

Consumer Insurance

- (3) Base portfolio investment income includes interest, dividends and foreclosed real estate income, net of investment expenses.
- (4) Alternative investment income includes income on hedge funds, private equity funds and affordable housing partnerships, and is reported on a lag basis. Hedge funds are generally on a one-month lag, while private equity funds are generally on a one-quarter lag.
- (5) Net investment income-other enhancements include call and tender income, changes in market value of investments accounted for under the fair value option, interest received on defaulted investments (other than foreclosed real estate) and other miscellaneous investment income, including income of certain partnership entities that are required to be consolidated.
- (6) Net flows are provided for Fixed Annuities, Retirement Income Solutions, Retail Mutual Funds and Group Retirement. Annuity net flows represent premiums and deposits less death, surrender and other withdrawal benefits. Net flows related to mutual funds represent deposits less withdrawals. Life Insurance, Advisory Services, Group Benefits and Personal Insurance are not included in net flows. Net flows exclude activity related to closed blocks of fixed and variable annuities.
- (7) Includes return on base portfolio. Quarterly results are annualized.
- (8) Includes incremental effect on base yield of alternative investments. Quarterly results are annualized.
- (9) Includes incremental effect on base yield of other enhancements. Quarterly results are annualized.
- (10) Annuity surrender rates represent actual or annualized surrenders and withdrawals as a percentage of average account value.
- (11) Consumer Insurance uses reinsurance and hedging to mitigate risks related to guaranteed benefits in individual annuity contracts. Certain GMDB benefits written before 2004 are reinsured. The majority of GMIB benefits, which are no longer offered, are reinsured. GMWB liabilities and GMAB liabilities (GMAB is no longer offered) are included in Consumer Insurance hedging program. The hedging program is focused on mitigating economic risk fluctuations, including additional protection against large market movements (i.e., tail-risk protection). The program manages equity market risk (delta), interest rate risk (rho) and volatility risk (vega) within specified levels. The hedge portfolio is regularly rebalanced to maintain delta and rho neutrality and to maintain vega within exposure limits established by Consumer Insurance and AIG Enterprise Risk Management. In addition, product features such as rider fees indexed to an equity market volatility index, required minimum allocations to fixed accounts and the utilization of volatility control funds reduce the overall net vega exposure.
- (12) Life- Other income is primarily related to Laya Healthcare commission and profit sharing revenues received from insurers for distribution of their products. We acquired Laya Healthcare on March 31, 2015.
- (13) Life and A&H sales are shown on a continuous payment premium equivalent (CPPE) basis. Life insurance sales include periodic premiums from new business expected to be collected over a one-year period and 10 percent of unscheduled and single premiums from new and existing policyholders. Sales of A&H insurance represent annualized first-year premium from new policies.
- (14) Life insurance lapse rates are reported on a 90-day lag basis to include grace period processing. International lapse rates represent Fuji Life (Japan).
- (15) Catastrophe-related losses (CATs) are generally weather or seismic events having a net impact on AIG in excess of \$10 million each.
- (16) Severe losses are defined as non-catastrophic individual first party losses greater than \$10 million, net of related reinsurance and salvage and subrogation.
- (17) Computed using a constant exchange rate for each period.
- (18) Underwriting ratios are computed as follows:
 - a) Loss ratio = Losses and loss adjustment expenses incurred ÷ Net premiums earned (NPE)
 - b) CATs and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE + Reinstatement premiums (RIPs) related to catastrophes] – Loss ratio
 - c) Prior year development net of premium adjustments = [Loss and loss adjustment expenses incurred – Prior year loss reserve development (favorable) unfavorable (PYD), net of reinsurance] ÷ [NPE + RIPs related to prior year catastrophes + (Additional) returned premium related to prior year development] – Loss ratio
 - d) Net reserve discount = -1*[Net reserve discount (benefit) charge ÷ NPE] (Note: any rounding will go into this line since Accident year loss ratio, as adjusted is calculated independently.)
 - e) Accident year loss ratio, as adjusted = [Loss and loss adjustment expenses incurred – CATs – PYD – Net reserve discount (benefit) charge] ÷ [NPE + RIPs related to catastrophes + RIPs related to prior year catastrophes + (Additional) returned premium related to PYD]
 - f) Acquisition ratio = Total acquisition expenses ÷ NPE
 - g) General operating expense ratio = General operating expenses ÷ NPE
 - h) Expense ratio = Acquisition ratio + General operating expenses ratio
 - i) Combined ratio = Loss ratio + Expense ratio
 - j) Accident year combined ratio = Accident year loss ratio, as adjusted + Expense ratio

American International Group, Inc.
Operating Results

Corporate and Other

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Revenues:							
Premiums	\$ 38	\$ 10	\$ 24	\$ 17	\$ 21	\$ 89	\$ 78
Net investment income	172	170	111	164	181	617	700
Other income (loss)	421	(71)	984	861	786	2,195	3,428
Total operating revenues	631	109	1,119	1,042	988	2,901	4,206
Benefits and expenses:							
Policyholder benefits and losses incurred	658	102	(28)	95	510	827	791
General operating expenses (1)	468	300	443	433	532	1,644	1,989
Interest expense	309	320	332	352	364	1,313	1,805
Total benefits and expenses	1,435	722	747	880	1,406	3,784	4,585
Pre-tax operating income (loss)	\$ (804)	\$ (613)	\$ 372	\$ 162	\$ (418)	\$ (883)	\$ (379)

See Accompanying Notes on Page 51.

American International Group, Inc.
Operating Results

Corporate and Other

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Pre-tax operating income (loss):							
Equity in pre-tax operating earnings of AerCap (2)	\$ -	\$ -	\$ 127	\$ 128	\$ 185	\$ 255	\$ 434
Fair value of PICC investments (3)	11	(195)	170	47	67	33	37
Income from other assets, net (4)	294	15	509	564	110	1,382	373
Corporate general operating expenses (1)	(332)	(133)	(268)	(252)	(288)	(985)	(1,146)
Interest expense (5)	(252)	(266)	(278)	(305)	(271)	(1,101)	(1,233)
Direct Investment book (5)	-	-	-	-	174	-	1,241
Global Capital Markets (5)	-	-	-	-	27	-	359
Run-off insurance lines (page 50) (6)	(525)	(54)	110	(19)	(422)	(488)	(445)
Consolidation and elimination	-	20	2	(1)	-	21	1
Pre-tax operating income (loss)	\$ (804)	\$ (613)	\$ 372	\$ 162	\$ (418)	\$ (883)	\$ (379)

See Accompanying Notes on Page 51.

American International Group, Inc.
Operating Statistics

Corporate and Other - Run-off Insurance Lines

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Property Casualty run-off business:							
Net premiums earned	\$ 37	\$ 8	\$ 23	\$ 15	\$ 19	\$ 83	\$ 66
Losses and loss adjustment expenses incurred	623	118	(30)	93	514	804	748
General operating expenses	2	-	-	(1)	1	1	3
Underwriting income (loss)	(588)	(110)	53	(77)	(496)	(722)	(685)
Net investment income	59	59	58	58	58	234	231
Property Casualty run-off businesses	(529)	(51)	111	(19)	(438)	(488)	(454)
Life insurance run-off businesses, net	4	(3)	(1)	-	16	-	9
Pre-tax operating income (loss)	\$ (525)	\$ (54)	\$ 110	\$ (19)	\$ (422)	\$ (488)	\$ (445)
Noteworthy items (pre-tax):							
Property Casualty run-off business:							
Catastrophe-related losses	\$ -	\$ 5	\$ -	\$ -	\$ -	\$ 5	\$ -
Prior year loss reserve development (favorable) unfavorable, net of reinsurance (7)	541	69	84	3	135	697	229
Net reserve discount (benefit) charge	18	37	(130)	72	339	(3)	407
Net loss and loss expense reserve (at period end) (8)	4,472	3,475	3,215	3,340	3,526	4,472	3,526
Future policy benefits for life and A&H contracts (at period end)	\$ 1,228	\$ 1,288	\$ 1,299	\$ 1,324	\$ 1,346	\$ 1,228	\$ 1,346

See Accompanying Notes on Page 51.

Corporate and Other

- (1) The three months ended September 30, 2015 and the twelve months ended December 31, 2015 include a \$175 million pre-tax pension curtailment gain related to freezing of the AIG Retirement Plan, the Non-Qualified Retirement Income Plan and the Supplemental Executive Retirement Plan.
- (2) Represents AIG's share of AerCap's pre-tax operating income through the June 2015 date of sale of a majority of our ordinary shares of AerCap, which excludes certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights asset over the remaining lease term as compared to the remaining economic life of the aircraft and our share of AerCap's income taxes.
- (3) During 3Q14, Consumer Insurance sold its investment in PICC Group to AIG Parent. During 1Q15, Commercial Insurance sold a portion of its investment in PICC P&C to AIG Parent. Refer to page 56 for additional information on AIG's PICC holdings.
- (4) Consists of the results of investments held by AIG Parent to support various corporate needs as well as the remaining positions of AIG Financial Products Corp. and related subsidiaries (collectively, AIGFP), life settlements, real estate, equipment leasing and lending and other secured lending investments held by AIG Parent and certain subsidiaries.
- (5) As a result of the progress of the wind down and de-risking activities of the Direct Investment book (DIB) and the derivative portfolio of AIGFP included within Global Capital Markets (GCM), AIG has discontinued separate reporting of the DIB and GCM. Their results are reported within Income from other assets, net, beginning with the first quarter of 2015. This reporting aligns with the manner in which AIG manages its financial resources. Prior periods are presented in historical format for informational purposes. Interest expense for 4Q15, 3Q15, 2Q15 and 1Q15 includes \$13 million, \$13 million, \$15 million and \$29 million, respectively, of interest expense previously reported in DIB results.
- (6) Property Casualty run-off insurance lines consists primarily of excess workers' compensation, asbestos and legacy environmental (1986 and prior); certain environmental liability, certain healthcare coverage, certain casualty and specialty coverages, and long-duration business in Japan. U.S. Life Insurance run-off insurance lines include American Security Life Insurance Company Limited, AIG Life Insurance Company (Switzerland) Ltd. and a reinsurance transaction of American International Reinsurance Company, Ltd. During the third and fourth quarters of 2015, certain environmental liability, healthcare, casualty and specialty coverages that are no longer offered by Commercial - Property Casualty were transferred to run-off Property Casualty insurance lines.
- (7) The three and twelve months ended December 31, 2015 included \$311 million and \$384 million, respectively, of net adverse prior year loss reserve development associated with certain environmental liability, healthcare, casualty and specialty coverages previously reported in Commercial - Property Casualty and excluded \$30 million of non-operating net adverse prior year loss reserve development.
- (8) In the third and fourth quarters of 2015, \$311 million and \$915 million, respectively, of loss reserves for certain environmental liability, healthcare, casualty and specialty coverages, previously reported in Commercial Casualty and Specialty lines of business, were transferred to run-off insurance lines.

American International Group, Inc.

Investments - Cash and Investments

(in millions)	December 31, 2015 (3)			
	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other (2)	AIG Inc.
Bonds available for sale, at fair value:				
U.S. government and government sponsored entities	\$ 765	\$ 614	\$ 465	\$ 1,844
Obligations of states, municipalities and political subdivisions	5,462	20,658	1,203	27,323
Non-U.S. governments	7,355	10,537	303	18,195
Corporate debt	99,821	32,673	3,494	135,988
Mortgage-backed, asset-backed and collateralized:				
RMBS	22,643	10,459	3,125	36,227
CMBS	10,248	3,105	218	13,571
CDO/ABS	10,856	6,803	(2,562)	15,097
Total mortgage-backed, asset-backed and collateralized	43,747	20,367	781	64,895
Total bonds available for sale, at fair value	157,150	84,849	6,246	248,245
Other bond securities, at fair value	3,589	1,463	11,730	16,782
Equity securities available for sale, at fair value	144	2,821	(50)	2,915
Other equity securities trading, at fair value	-	355	566	921
Mortgage and other loans receivable, net of allowance	23,979	8,278	(2,692)	29,565
Other invested assets	12,398	10,571	6,825	29,794
Cash and short-term investments	3,434	4,200	4,127	11,761
Total cash and investments	\$ 200,694	\$ 112,537	\$ 26,752	\$ 339,983

(in millions)	December 31, 2014 (3)			
	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other (2)	AIG Inc.
Bonds available for sale, at fair value:				
U.S. government and government sponsored entities	\$ 794	\$ 1,812	\$ 386	\$ 2,992
Obligations of states, municipalities and political subdivisions	5,249	22,014	396	27,659
Non-U.S. governments	7,475	13,301	319	21,095
Corporate debt	107,048	35,349	2,036	144,433
Mortgage-backed, asset-backed and collateralized:				
RMBS	23,389	11,801	2,330	37,520
CMBS	10,042	2,712	131	12,885
CDO/ABS	10,530	5,953	(3,208)	13,275
Total mortgage-backed, asset-backed and collateralized	43,961	20,466	(747)	63,680
Total bonds available for sale, at fair value	164,527	92,942	2,390	259,859
Other bond securities, at fair value	2,785	1,733	15,194	19,712
Equity securities available for sale, at fair value	150	4,241	4	4,395
Other equity securities trading, at fair value	-	495	554	1,049
Mortgage and other loans receivable, net of allowance	20,874	6,686	(2,570)	24,990
Other invested assets	11,916	10,372	12,230	34,518
Cash and short-term investments	2,582	5,345	5,074	13,001
Total cash and investments	\$ 202,834	\$ 121,814	\$ 32,876	\$ 357,524

See Accompanying Notes on Page 57.



American International Group, Inc

Investments - Other Invested Assets

(in millions)	December 31, 2015 (3)			
	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other (2)	AIG Inc.
Alternative investments (7)	\$ 9,356	\$ 8,852	\$ (58)	\$ 18,150
Investments in life settlements	-	-	3,606	3,606
Investment real estate (4)	2,977	847	2,755	6,579
Aircraft assets	-	-	477	477
All other investments (5)	65	872	45	982
	<u>\$ 12,398</u>	<u>\$ 10,571</u>	<u>\$ 6,825</u>	<u>\$ 29,794</u>

(in millions)	December 31, 2014 (3)			
	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other (2)	AIG Inc.
Alternative investments (7)	\$ 11,012	\$ 8,249	\$ 395	\$ 19,656
Investments in life settlements	-	-	3,753	3,753
Investment real estate	840	446	2,326	3,612
Aircraft assets	-	-	651	651
Investment in AerCap (6)	-	-	4,972	4,972
All other investments (5)	64	1,677	133	1,874
	<u>\$ 11,916</u>	<u>\$ 10,372</u>	<u>\$ 12,230</u>	<u>\$ 34,518</u>

See Accompanying Notes on Page 57.

American International Group, Inc.

Investments - Returns On Private Equity and Hedge Funds

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Investment income (8)							
Private equity	\$ 23	\$ 229	\$ 291	\$ 278	\$ 206	\$ 821	\$ 1,064
Hedge funds	(220)	(324)	272	246	86	(26)	757
Total	\$ (197)	\$ (95)	\$ 563	\$ 524	\$ 292	\$ 795	\$ 1,821
Average investment assets							
Private equity	\$ 6,822	\$ 7,088	\$ 7,177	\$ 7,252	\$ 7,449	\$ 7,158	\$ 7,613
Hedge funds	11,048	11,263	11,127	10,853	10,664	10,991	10,365
Total	\$ 17,870	\$ 18,351	\$ 18,304	\$ 18,105	\$ 18,113	\$ 18,149	\$ 17,978
Annualized yields on carrying value							
Private equity	1.35 %	12.92 %	16.22 %	15.33 %	11.06 %	11.47 %	13.98 %
Hedge funds	(7.97)	(11.51)	9.78	9.08	3.23	(0.24)	7.30
Total	(4.41)%	(2.07)%	12.30 %	11.58 %	6.44 %	4.38 %	10.13 %
Average investment assets							
Life Insurance Companies	\$ 9,224	\$ 9,941	\$ 10,051	\$ 9,917	\$ 9,937	\$ 9,814	\$ 9,958
Non-Life Insurance Companies	8,646	8,410	8,253	8,188	8,176	8,335	8,020
Total	\$ 17,870	\$ 18,351	\$ 18,304	\$ 18,105	\$ 18,113	\$ 18,149	\$ 17,978

See Accompanying Notes on Page 57.

American International Group, Inc.

Investments - Net Realized Capital Gains (Losses)

(in millions)	Quarterly					Twelve Months Ended	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Life Insurance Companies							
Bonds available for sale	\$ (62)	\$ (18)	\$ 63	\$ (8)	\$ 35	\$ (25)	\$ 263
Stocks available for sale	-	(1)	3	1	2	3	6
Other transactions	(109)	2	(50)	104	11	(53)	101
Other than temporary impairments	(66)	(146)	(55)	(83)	(51)	(350)	(162)
Foreign exchange transactions	(49)	(7)	(13)	(22)	18	(91)	90
Derivative instruments (9)	(174)	47	346	171	(127)	390	(395)
Total pre-tax net realized capital gains (losses)	(460)	(123)	294	163	(112)	(126)	(97)
Non-Life Insurance Companies							
Bonds available for sale	20	4	60	38	58	122	234
Stocks available for sale	325	3	19	663	17	1,010	105
Other transactions	6	(6)	(15)	429	(2)	414	-
Other than temporary impairments	(38)	(125)	(30)	(45)	(32)	(238)	(85)
Foreign exchange transactions	150	3	131	66	21	350	97
Derivative instruments	-	(18)	(37)	98	21	43	96
Total pre-tax net realized capital gains (losses)	463	(139)	128	1,249	83	1,701	447
Corporate and Other							
Bonds available for sale	(14)	(2)	12	1	29	(3)	88
Stocks available for sale	179	14	(1)	(173)	-	19	-
Other transactions (10)	(532)	(62)	(155)	(48)	(80)	(797)	(232)
Other than temporary impairments	(2)	(2)	(79)	-	-	(83)	-
Foreign exchange transactions	11	(12)	(52)	210	230	157	411
Derivative instruments	6	(16)	(21)	(61)	43	(92)	122
Total pre-tax net realized capital gains (losses)	(352)	(80)	(296)	(71)	222	(799)	389
Total AIG							
Bonds available for sale	(56)	(16)	135	31	122	94	585
Stocks available for sale	504	16	21	491	19	1,032	111
Other transactions (10)	(635)	(66)	(220)	485	(71)	(436)	(131)
Other than temporary impairments	(106)	(273)	(164)	(128)	(83)	(671)	(247)
Foreign exchange transactions	112	(16)	66	254	269	416	598
Derivative instruments	(168)	13	288	208	(63)	341	(177)
Total pre-tax net realized capital gains (losses)	\$ (349)	\$ (342)	\$ 126	\$ 1,341	\$ 193	\$ 776	\$ 739
Total net realized gains (losses), net of tax	\$ (215)	\$ (262)	\$ 79	\$ 874	\$ 105	\$ 476	\$ 470

See Accompanying Notes on Page 57.



American International Group, Inc.

Investments in People's Insurance Company of China (PICC)

(in millions)

PICC Fair Value Option Assets

PICC Group (Ticker: 1339.HK)

Corporate and Other

	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Period end:							
Number of shares held	1,113	1,113	1,113	1,113	1,113	1,113	1,113
Fair Value	\$ 546	\$ 542	\$ 712	\$ 566	\$ 521	\$ 546	\$ 521
Activity for period:							
Net investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	4	(170)	147	45	67	26	37
Dividend income	-	2	-	-	-	2	-

PICC Property & Casualty (Ticker: 2328.HK)

Non-Life Insurance Companies

Corporate and Other

	Quarterly					Twelve Months Ended December 31,		Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Period end:														
Number of shares held	178	178	178	178	255	178	255	-	76	76	76	-	-	-
Fair Value	\$ 355	\$ 346	\$ 406	\$ 352	\$ 495	\$ 355	\$ 495	\$ -	\$ 148	\$ 174	\$ 151	\$ -	\$ -	\$ -
Activity for period:														
Net investment income	\$ 8	\$ (60)	\$ 54	\$ 7	\$ 143	\$ 9	\$ 181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-	-	7	(25)	23	2	-	7	-
Dividend income	-	8	-	-	-	8	3	-	3	-	-	-	3	-

(in millions)

PICC Available For Sale Assets

PICC Property & Casualty (Ticker: 2328.HK)

Non-Life Insurance Companies

Corporate and Other

	Quarterly					Twelve Months Ended December 31,		Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Period end:														
Number of shares held	673	849	849	849	1,213	673	1,213	-	108	108	108	-	-	-
Fair Value	\$ 1,339	\$ 1,650	\$ 1,935	\$ 1,678	\$ 2,359	\$ 1,339	\$ 2,359	\$ -	\$ 210	\$ 246	\$ 213	\$ -	\$ -	\$ -
Dividend income	-	38	-	-	-	38	31	-	5	-	-	-	5	-
Balance sheet activity:														
Other comprehensive income	\$ 31	\$ (285)	\$ 257	\$ 22	\$ 209	\$ 25	\$ 560	\$ -	\$ (36)	\$ 33	\$ 9	\$ -	\$ 6	\$ -

Consolidated Results

- (1) Includes Mortgage Guaranty.
- (2) Includes consolidations, eliminations and other adjustments.
- (3) At December 31, 2015, includes assets backed by debt of consolidated investment vehicles related to real estate investments of \$2.4 billion, affordable housing partnership investments and securitizations of \$2.2 billion, and other securitization vehicles and investments of \$359 million. At December 31, 2014, includes debt of consolidated investment vehicles related to real estate investments of \$2.1 billion, affordable housing partnership investments and securitizations of \$853 million, and other securitization vehicles and investments of \$728 million.
- (4) Includes the effect of consolidating previously unconsolidated partnerships.
- (5) Consists primarily of direct private equity investments.
- (6) In June 2015, we sold 86.9 million ordinary shares of AerCap by means of an underwritten public offering of 71.2 million ordinary shares and a private sale of 15.7 million ordinary shares to AerCap. We received cash proceeds of approximately \$3.7 billion, reflecting proceeds of approximately \$3.4 billion from the underwritten offering and cash proceeds of \$250 million from the private sale of shares to AerCap. We recognized a \$463 million loss on the sale of the ordinary shares of AerCap. In connection with the closing of the private sale of shares to AerCap, we also received \$500 million of 6.50% fixed-to-floating rate junior subordinated notes issued by AerCap Global Aviation Trust and guaranteed by AerCap and certain of its subsidiaries. These notes, included in Bonds available for sale, mature in 2045 and are callable beginning in 2025. In 2Q15, we recorded an other-than-temporary impairment of \$78 million on our 10.7 million remaining shares of AerCap. We accounted for our interest in AerCap using the equity method of accounting through the date of the June 2015 sale, and as available for sale thereafter. In 3Q15, we sold our remaining shares in AerCap by means of an underwritten public offering and received proceeds of approximately \$500 million.
- (7) Alternative investments include hedge funds, private equity funds and other investment partnerships, including affordable housing partnerships.
- (8) Hedge funds are generally reported on a one-month lag, while private equity funds are generally reported on a one-quarter lag.
- (9) Includes changes in the fair value of embedded derivatives and a portion of associated fees for variable annuity living benefit features (primarily GMWB) and changes in fair value of hedging instruments purchased to fund the liabilities.
- (10) Includes impairments on investments in life settlements. Refer to Note (6) for additional information on the sale of ordinary shares of AerCap.

American International Group, Inc.

Supplemental Property Casualty Information*

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q15	3Q15	2Q15	1Q15	4Q14	2015	2014
Net premiums written	\$ 7,328	\$ 8,218	\$ 8,512	\$ 7,962	\$ 7,558	\$ 32,020	\$ 33,432
Net premiums earned	\$ 7,762	\$ 7,832	\$ 7,931	\$ 7,745	\$ 8,152	31,270	32,921
Loss and loss adjustment expenses incurred	8,778	5,290	5,064	5,098	5,916	24,230	22,192
Acquisition expenses	1,635	1,623	1,553	1,562	1,671	6,373	6,539
General operating expenses	1,079	1,160	1,193	1,106	1,195	4,538	4,920
Underwriting income (loss)	(3,730)	(241)	121	(21)	(630)	(3,871)	(730)
Net investment income	831	821	1,252	1,146	1,248	4,050	4,923
Pre-tax operating income	\$ (2,899)	\$ 580	\$ 1,373	\$ 1,125	\$ 618	\$ 179	\$ 4,193
Underwriting ratios:							
Loss ratio	113.1	67.5	63.9	65.8	72.6	77.5	67.4
Catastrophe losses and reinstatement premiums	(2.9)	(1.9)	(2.9)	(1.7)	(0.6)	(2.4)	(2.2)
Prior year development net of premium adjustments	(46.6)	(2.5)	(4.3)	(0.3)	(3.7)	(13.3)	(2.2)
Net reserve discount	(1.1)	(1.0)	5.1	(2.2)	(7.0)	0.2	(1.5)
Accident year loss ratio, as adjusted	62.5	62.1	61.8	61.6	61.3	62.0	61.5
Acquisition ratio	21.1	20.7	19.6	20.2	20.5	20.4	19.9
General operating expense ratio	13.9	14.8	15.0	14.3	14.7	14.5	14.9
Expense ratio	35.0	35.5	34.6	34.5	35.2	34.9	34.8
Combined ratio	148.1	103.0	98.5	100.3	107.8	112.4	102.2
Catastrophe losses and reinstatement premiums	(2.9)	(1.9)	(2.9)	(1.7)	(0.6)	(2.4)	(2.2)
Prior year development net of premium adjustments	(46.6)	(2.5)	(4.3)	(0.3)	(3.7)	(13.3)	(2.2)
Net reserve discount	(1.1)	(1.0)	5.1	(2.2)	(7.0)	0.2	(1.5)
Accident year combined ratio, as adjusted	97.5	97.6	96.4	96.1	96.5	96.9	96.3
Noteworthy items (pre-tax):							
Catastrophe-related losses	\$ 223	\$ 151	\$ 225	\$ 132	\$ 43	\$ 731	\$ 726
Reinstatement premiums related to catastrophes	-	-	-	-	-	-	2
Reinstatement premiums related to prior year catastrophes	-	2	-	(7)	(2)	(5)	(2)
Severe losses	172	209	184	146	79	711	646
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	3,621	179	334	24	275	4,158	807
(Additional) returned premium related to prior year development	(4)	30	12	11	52	49	(105)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	3,617	209	346	35	327	4,207	702
Net reserve discount (benefit) charge	86	78	(400)	165	568	(71)	478
Net loss and loss expense reserve (at period end)	\$ 59,890	\$ 57,476	\$ 58,220	\$ 59,221	\$ 60,635	\$ 59,890	\$ 60,635

* Represents the aggregate operating results of Commercial Insurance - Property Casualty, Consumer Insurance - Personal Insurance, and Property Casualty run-off businesses reported in Corporate and Other.



American International Group, Inc. Acronyms

A&H	Accident and Health Insurance
ABS	Asset-Backed Securities
AOCI	Accumulated Other Comprehensive Income
CPPE	Continuous Payment Premium Equivalent
CDO	Collateralized Debt Obligations
CMBS	Commercial Mortgage-Backed Securities
DAC	Deferred Acquisition Costs
DTA	Deferred Tax Assets
GAAP	Accounting principles generally accepted in the United States of America
GMAB	Guaranteed Minimum Accumulation Benefits
GMDB	Guaranteed Minimum Death Benefits
GMIB	Guaranteed Minimum Income Benefits
GMWB	Guaranteed Minimum Withdrawal Benefits
RMBS	Residential Mortgage-Backed Securities
ROE	Return on Equity
SIA	Sales Inducement Assets
VOBA	Value of Business Acquired