

## 2016 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 2017 年 2 月 14 日

2. 定時株主総会開催日 未定

3. 業績 (注 1：下記の数字は 2016 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 (2016 年)	前年度 (2015 年)	増減率 (%)
売上高又は営業収入	52,367 百万ドル	58,327 百万ドル	△10.2
純利益 (税引後)	△849 百万ドル	2,196 百万ドル	-
1 株当たり純利益 (注 2)	△0.78 ドル	1.65 ドル	-

	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	13,010 百万ドル	13,831 百万ドル	△5.9
純利益 (税引後)	△3,041 百万ドル	△1,841 百万ドル	-
1 株当たり純利益 (注 2)	△2.96 ドル	△1.50 ドル	-

	配当金の推移 (注 3)		
	当年度 (2016 年)	前年度 (2015 年)	備考
第 1 四半期	0.32 ドル	0.125 ドル	
第 2 四半期	0.32 ドル	0.125 ドル	
第 3 四半期	0.32 ドル	0.28 ドル	
第 4 四半期	0.32 ドル	0.28 ドル	
合計	1.28 ドル	0.810 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 2017 年 2 月 14 日付けプレス・リリースおよび Quarterly Financial Supplement Fourth Quarter 2016 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 2016 を添付する。



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**AIG REPORTS FOURTH QUARTER 2016 RESULTS**

**TRANSFORMATIVE ACTIONS TAKEN DURING 2016**

NEW YORK, February 14, 2017 – American International Group, Inc. (NYSE: AIG) today announced results for the quarter and fiscal year ended December 31, 2016.

"We took decisive actions in 2016 to dramatically reduce uncertainty and deliver higher quality, more sustainable earnings in the future," said Peter D. Hancock, AIG President and Chief Executive Officer. "The comprehensive adverse reserve development cover significantly reduces the risk of further reserve additions in some of the most volatile lines, and we responded definitively to emerging severity trends that we believe are materially impacting the overall U.S. Casualty market. Going forward, we expect to see the results from our improved underwriting platform, reduced expense base, and the strong improvement in our business mix. We remain committed to continuing to execute our clearly defined transformation plan, as well as achieving our financial goals, including the return of the remainder of the \$25 billion to shareholders we announced in January of last year subject to regulatory and rating agency considerations and future profitability improvements."

**FOURTH QUARTER AND FULL YEAR FINANCIAL SUMMARY\***

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
<i>(\$ in millions, except per share amounts)</i>				
Net income (loss)	\$ (3,041)	\$ (1,841)	\$ (849)	\$ 2,196
Net Income (loss) per diluted share (a)	\$ (2.96)	\$ (1.50)	\$ (0.78)	\$ 1.65
After-tax operating income (loss)	\$ (2,787)	\$ (1,318)	\$ 406	\$ 2,872
After-tax operating income (loss) per diluted share (a)	\$ (2.72)	\$ (1.07)	\$ 0.36	\$ 2.15
ROE	(14.7)%	(7.8)%	(1.0)%	2.2 %
Normalized ROE	4.8 %	6.6 %	7.5 %	6.9 %

\*Refer to the Comments on Regulation G and the tables that follow for a discussion of non-GAAP financial measures and the reconciliations of the non-GAAP financial measures to GAAP measures.

(a) - For periods reporting a loss, basic average common shares outstanding are used to calculate net income (loss) per diluted share.



The Operating Portfolio is now referred to as Core to provide clarity and distinguish the name of this portfolio from the operating income metric, which is used across the businesses.

All comparisons are against either fourth quarter or full year 2015, unless otherwise indicated.

Refer to the AIG Fourth Quarter 2016 Financial Supplement and our modular disclosures, which are posted on AIG's website in the Investor Information section for further information.

## FINANCIAL HIGHLIGHTS

*Transforming Reinsurance Strategy* – During the first quarter of 2017, AIG entered into an adverse development reinsurance agreement with National Indemnity Company, a Berkshire Hathaway subsidiary. The agreement retroactively covers the majority of U.S. long tail lines reserves for accident years 2015 and prior. Please refer to our press release regarding this agreement: <http://phx.corporate-ir.net/phoenix.zhtml?c=76115&p=irol-newsArticle&ID=2238739>

*Substantial Strengthening of Reserves* – The fourth quarter included a \$5.6 billion or (\$3.56) per share impact from prior year adverse reserve development. Total full-year 2016 adverse development on subject lines of \$5.3 billion is included under, and will be 80%, or \$4.2 billion, covered by the adverse development reinsurance agreement with National Indemnity Company. This agreement covers roughly half of total Commercial Insurance loss reserves at the company and should generate a deferred pre-tax gain before discounting of approximately \$2.6 billion in the first quarter of 2017.

*Expense Reduction Ahead of Target* – For the full-year, general operating and other expenses (GOE) declined \$1.7 billion, or 13.4% to \$11.0 billion from the prior year. On a constant dollar basis and excluding AIG Advisor Group, which was sold in 2016, operating GOE was down 9.7%.

*Definitive Progress on Sculpting the Portfolio* – AIG completed or announced over 10 transactions which in the aggregate will generate approximately \$10 billion of liquidity, most of which was received in 2016. Included in that amount was the sale of United Guaranty Corporation to Arch Capital Group Ltd. that closed on December 31, 2016.

*Capital and Liquidity Plan Actions* – For the full-year 2016, AIG returned a total of \$13.1 billion of capital to shareholders. AIG repurchased 47.5 million common shares for \$3.0 billion and 2.4 million warrants for \$46.0 million during the fourth quarter. Through February 14, 2017, AIG has repurchased an additional 18.4 million common shares for \$1.2 billion. On February 14, 2017, AIG's Board of Directors authorized an additional increase to its previous repurchase authorization of AIG Common Stock of \$3.5 billion, resulting in an aggregate remaining authorization of approximately \$4.7 billion. The company continues to maintain strong capital and liquidity ratios at year-end to meet the expectations of key stakeholders including clients and rating agencies.

*Improving Transparency Through Module Disclosure* – AIG presented its new modular segmentation designed to provide greater transparency into each business and greater accountability across the firm to increase focus on profitability.



**CORE**

**Commercial Insurance Highlights** – In 2016, the Commercial Insurance business demonstrated clear underwriting conviction to improve its overall mix of business and utilize more rigorous pricing tools in U.S. casualty lines, which has been the primary driver of recent adverse development. Our experience in U.S. Casualty reflects aggregate exposures that have accumulated over AIG’s decades of underwriting long-tail business. The net premiums written associated with those lines have declined approximately 39% since the end of 2015, and the adverse development reinsurance agreement covers the majority of the U.S. Casualty reserves.

- Commercial Insurance net premiums written decreased by 20.2% in the fourth quarter as a result of strategic portfolio actions and premiums ceded under the previously announced Swiss Re quota share transaction. For the full-year 2016, net premiums written declined 17.9% driven by the strategic remediation of certain underperforming casualty lines as well as greater use of reinsurance.
- The loss ratio was 211.5 in the quarter and included 125.2 points attributable to prior-year adverse reserve development and 8.1 points attributable to catastrophe losses. The accident year loss ratio, as adjusted, was 78.2, and included a 10.8 point increase arising from the impact of the reserve studies on premiums earned in the first three quarters of 2016. The full-year 2016 loss ratio was 104.0 which included 30.8 points of adverse reserve development. The accident year loss ratio, as adjusted, for 2016 following the fourth quarter reserve strengthening was 66.7, representing a 4.1 point improvement compared to the 2015 ratio inclusive of the impact of the 2016 reserve strengthening on 2015 results.
- The expense ratio was 30.1 in the fourth quarter, flat compared to the prior year quarter as improvements in general operating expenses and ceding commissions received from reinsurers were offset by the strategic decline in premiums. For the full-year 2016, the expense ratio improved by 0.9 points driven by lower general operating expenses and higher ceding commissions received from reinsurers.

<b>Commercial Insurance</b> \$ in millions	Three Months Ended December 31, 2016				
	Net Premiums Written	Loss Ratio	Expense Ratio	Combined Ratio	PTOI
Liability and Financial Lines	\$2,160	312.0	26.7	338.7	\$(4,981)
Property and Special Risks	\$1,542	77.0	34.7	111.7	\$(42)
<b>Total Commercial Insurance</b>	<b>\$3,702</b>	<b>211.5</b>	<b>30.1</b>	<b>241.6</b>	<b>\$(5,023)</b>
	Three Months Ended December 31, 2015				
	Net Premiums Written	Loss Ratio	Expense Ratio	Combined Ratio	PTOI
Liability and Financial Lines	\$2,808	174.6	28.5	203.1	\$(2,479)
Property and Special Risks	\$1,831	69.8	32.7	102.5	\$53
<b>Total Commercial Insurance</b>	<b>\$4,639</b>	<b>133.1</b>	<b>30.2</b>	<b>163.3</b>	<b>\$(2,426)</b>

**Consumer Insurance Highlights** – In 2016, the Consumer Insurance business made significant strategic progress by narrowing its focus and enhancing operating performance. Consumer



Insurance executed the sale of AIG Advisor Group and announced agreements to sell Fuji Life as well as certain businesses in Latin America and Europe. In Japan, our largest market outside the U.S., the business continued its improvement in overall underwriting results and took significant actions to prepare for the legal entity merger. The announcement on February 13, 2017, setting the merger completion date of January 1, 2018 and pre-merger operations status to commence April 1, 2017, was a major milestone for the transformation of the business in Japan. The Personal Insurance business continued to see strong growth in the high-net worth space as well as improved profitability across all business lines. Group Retirement generated improved net flows due in part to investments in its client-focused technology platform, and AIG remained a top tier writer across Individual Retirement annuity product lines.

- Pre-tax operating income increased 55.8% in the fourth quarter, driven by significantly improved underwriting results in Personal Insurance and higher income from alternative investments in hedge funds across all Consumer Insurance operating segments.
- In Individual Retirement, net flows for retail mutual funds and index annuities were positive in the fourth quarter, and sales of index annuities have slowed but continue to outpace the industry. Net flows for fixed annuities continued to be negative, reflecting disciplined pricing in the low interest rate environment. Variable annuity industry sales were negatively affected by a strategic decision to scale back living benefits in the low interest rate environment and uncertainty regarding the new Department of Labor fiduciary rule.
- In Group Retirement, premiums were unchanged but premiums and deposits were up 5.8% in the fourth quarter while net flows were negative in the quarter primarily due to modestly higher seasonal surrenders. Spread compression year-over-year was due to reinvestment in the current low interest rate environment, but was more than offset by higher income from alternative investments.
- In Life Insurance, lower general operating expenses and higher income from alternative investments were more than offset by reserve increases, related in part to administrative system conversions, resulting in a pre-tax operating loss in the quarter.
- Personal Insurance had a strong quarter reflecting improved current accident year loss and expense ratio performance, together with favorable prior year loss reserve development, partially offset by higher catastrophe losses.

Consumer Insurance	Three Months Ended December 31, 2016				
	Operating Revenue	Premiums & Fees	Investment Income	Benefits & Expenses	PTOI
<i>\$ in millions</i>					
Individual Retirement	\$1,376	\$215	\$1,010	\$834	\$542
Group Retirement	\$716	\$104	\$558	\$455	\$261
Life Insurance	\$956	\$679	\$263	\$966	\$(10)
	Net Premiums Written	Loss Ratio	Expense Ratio	Combined Ratio	PTOI
Personal Insurance	\$2,810	52.7	44.2	96.9	\$176
	Operating Revenue	Premiums & Fees	Investment Income	Benefits & Expenses	PTOI
<b>Total Consumer Insurance</b>	<b>\$6,017</b>	<b>\$3,880</b>	<b>\$1,918</b>	<b>\$5,048</b>	<b>\$969</b>



	Three Months Ended December 31, 2015				
	Operating Revenue	Premiums & Fees	Investment Income	Benefits & Expenses	PTOI
Individual Retirement	\$1,570	\$206	\$904	\$1,173	\$397
Group Retirement	\$679	\$104	\$520	\$451	\$228
Life Insurance	\$923	\$658	\$248	\$899	\$24
	Net Premiums Written	Loss Ratio	Expense Ratio	Combined Ratio	PTOI
Personal Insurance	\$2,729	55.4	47.7	103.1	\$(27)
	Operating Revenue	Premiums & Fees	Investment Income	Benefits & Expenses	PTOI
<b>Total Consumer Insurance</b>	<b>\$5,978</b>	<b>\$3,713</b>	<b>\$1,733</b>	<b>\$5,356</b>	<b>\$622</b>

**LEGACY & OTHER**

**Legacy Segment Highlights** – In 2016, the Legacy segment monetized an additional \$3.9 billion of assets resulting in a total of \$7.1 billion of its goal to reach \$9.0 billion of capital return by the end of 2017. Legacy attributed equity as a percentage of AIG adjusted shareholders’ equity decreased from 24% as of year-end 2015 to 18% as of year-end 2016.

- During the quarter, an AIG sponsored Fund (the Korea Fund) completed the sale of commercial real estate in South Korea for total consideration of \$2.5 billion and reported a pre-tax gain of \$1.1 billion included in Other income, of which \$464 million was attributable to AIG’s controlling interest. Legacy also sold approximately 30% of the face value of its life settlement portfolio, reducing the company’s risk profile.
- During the year, AIG closed the majority of its life reinsurance transactions and, subject to regulatory and rating agency considerations remains on track to deliver on the associated capital return target by the end of 2017.

**CONFERENCE CALL**

AIG will host a conference call tomorrow, Wednesday, February 15, 2017, 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 in the Investor Relations section of [www.aig.com](http://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 Relations section at [www.aig.com](http://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; generation of deployable capital; actual and anticipated sales of businesses or asset divestitures or monetizations; restructuring of business operations, including anticipated restructuring charges and annual cost savings; 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 organizational and business changes; strategies for customer retention, growth, product development, market position, financial results and reserves; and segments’ 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; AIG’s ability to successfully manage legacy 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) in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, Part I, Item 2. MD&A and Part II, Item 1A. Risk Factors in AIG’s Quarterly Report on Form 10-Q for the quarterly periods ended June 30, 2016 and March 31, 2016, 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 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, 2016 (which will be filed with the SEC). 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.

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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 2016 Financial Supplement available in the Investor Information section of AIG’s website, [www.aig.com](http://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) (Adjusted Book Value per Common Share) and Adjusted Book Value per Common Share Including Dividend Growth** 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 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. These measures also eliminate the asymmetrical impact resulting from changes in fair value of AIG’s available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. AIG excludes deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in these book value per common share metrics. Book value per common share excluding AOCI, is derived by dividing Total AIG Shareholders’ equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG shareholders’ equity, excluding AOCI and DTA (**Adjusted Shareholders’ Equity**), by total common shares outstanding. Adjusted Book Value per Common Share including dividend growth is derived by dividing Adjusted Shareholders’ Equity including growth in quarterly dividends above \$0.125 per share to shareholders, by total common shares outstanding.

**AIG Return on Equity – After-tax Operating Income Excluding AOCI and DTA (Adjusted Return on Equity)** is used to show the rate of return on shareholders’ equity. AIG believes this measure is useful to investors because it eliminates items that can fluctuate significantly from period to period, including changes in fair value of AIG’s available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. This measure also eliminates the asymmetrical impact resulting from changes in fair value of AIG’s available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. AIG excludes deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Adjusted Return on Equity. Adjusted Return on Equity is derived by dividing actual or annualized after-tax operating income attributable to AIG by average Adjusted Shareholders’ Equity.





**AIG Normalized Return on Equity** further adjusts Adjusted Return on Equity for the effects of certain volatile or market related items. AIG believes this measure is useful to investors because it presents the trends in AIG's consolidated return on equity without the impact of certain items that can experience volatility in AIG's short-term results. Normalized Return on Equity is derived by excluding the following tax adjusted effects from Adjusted Return on Equity: 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; Life insurance incurred but not reported (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 (ATOI)** is derived by excluding the tax affected PTOI adjustments described and the following tax items from net income attributable to AIG:

- deferred income tax valuation allowance releases and charges; and
- uncertain tax positions and other tax items related to legacy matters having no relevance to our current businesses or operating performance.

See page 12 for the reconciliation of Net income attributable to AIG to After-tax Operating Income Attributable to AIG.

**Operating Revenues** exclude Net realized capital gains (losses), income from non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes). Operating revenues are a GAAP measure for our operating segments.

**General Operating Expenses, Operating Basis (Operating GOE)**, is derived by making the following adjustments to general operating and other expenses: include (i) certain 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 an asbestos retroactive reinsurance agreement. AIG uses general operating expenses, operating basis, because AIG believes it provides a more meaningful indication of AIG's ordinary course of business operating costs, regardless of within which financial statement line item these expenses are reported externally within AIG's segment results. The majority of these expenses are employee-related costs. For example, other acquisition and loss adjustment expenses primarily represent employee-related costs in the underwriting and claims functions, respectively. Excluded from this measure are non-operating expenses (such as restructuring costs and litigation reserves), direct marketing expenses, insurance company assessments and non-deferrable commissions. AIG also excludes the



impact of foreign exchange and the expenses of AIG Advisor Group, which has been divested, when measuring period-over-period fluctuations in General Operating Expenses, Operating basis.

AIG uses the following operating performance measures because AIG 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.

**Pre-tax Operating Income (PTOI)** is derived by excluding the following items from income from continuing operations before income tax. This definition is consistent across AIG's modules (including geography). These items generally fall into one or more of the following broad categories: legacy matters having no relevance to AIG's current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that AIG believes to be common to the industry. PTOI is a GAAP measure for our operating segments.

- 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 Legacy Portfolio run-off insurance lines;
- loss (gain) 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;
- net loss reserve discount benefit (charge);
- pension expense related to a one-time lump sum payment to former employees;
- income and loss from divested businesses;
- non-operating litigation reserves and settlements;
- reserve development related to non-operating run-off insurance business; and
- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization.

**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 (which for Commercial Insurance excludes net loss reserve discount), and the amount of other underwriting expenses that would be incurred. A combined ratio of less than 100 indicates underwriting income and a combined ratio of over 100 indicates an underwriting loss. AIG's ratios are calculated using the relevant segment information calculated under GAAP, and thus may not be comparable to similar ratios calculated for regulatory reporting purposes. The underwriting environment varies across countries and products, as does the degree of litigation activity, all of which affect such ratios. In addition, investment returns, local taxes, cost of capital,



regulation, product type and competition can have an effect on pricing and consequently on profitability as reflected in underwriting income and associated ratios.

**Accident year loss and combined ratios, as adjusted:** both the accident year loss and combined ratios, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. Natural catastrophe losses are generally weather or seismic events having a net impact in excess of \$10 million each. Catastrophes also include certain man-made events, such as terrorism and civil disorders that meet the \$10 million threshold. AIG believes the as adjusted ratios are meaningful measures of AIG's underwriting results on an on-going basis as they exclude catastrophes and the impact of reserve discounting which are outside of management's control. AIG also exclude prior year development to provide transparency related to current accident year results.

Underwriting ratios are computed as follows:

- Loss ratio = Loss and loss adjustment expenses incurred ÷ Net premiums earned (NPE)
- Acquisition ratio = Total acquisition expenses ÷ NPE
- General operating expense ratio = General operating expenses ÷ NPE
- Expense ratio = Acquisition ratio + General operating expense ratio
- Combined ratio = Loss ratio + Expense ratio
- Accident year loss ratio, as adjusted (AYLR) = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/-(-) Reinstatement premiums (RIPs) related to catastrophes +/-(-) RIPs related to prior year catastrophes + (Additional) returned premium related to PYD]
- Accident year combined ratio = AYLR + Expense ratio
- Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE +/-(-) RIPs related to catastrophes] – Loss ratio
- Prior year development net of premium adjustments = [Loss and loss adjustment expenses incurred – Prior year loss reserve development unfavorable (favorable) (PYD), net of reinsurance] ÷ [NPE +/-(-) RIPs related to prior year catastrophes + (Additional) returned premium related to prior year development] – Loss ratio

**Accident year loss ratio, as adjusted (Adjusted for Prior Year Development)** further adjusts the Accident Year Loss Ratio, as adjusted to include the impact of the prior year reserve development into each respective accident year.

**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.

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. Founded in 1919, today we provide a wide range of property casualty insurance, life insurance,



**FOR IMMEDIATE RELEASE**

retirement products, and other financial services to customers in more than 80 countries and jurisdictions. Our diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. 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](http://www.aig.com) and [www.aig.com/strategyupdate](http://www.aig.com/strategyupdate) | YouTube: [www.youtube.com/aig](http://www.youtube.com/aig) | Twitter: @AIGinsurance | LinkedIn: <http://www.linkedin.com/company/aig>. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

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](http://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)

**Reconciliations of Pre-tax and After-tax Operating Income (Loss)**

	Three Months Ended December 31,					
	2016			2015		
	Pre-tax	Tax Effect	After-tax	Pre-tax	Tax Effect	After-tax
<b>Pre-tax income (loss)/net income (loss), including noncontrolling interests</b>	\$ (3,455)	\$ (985)	\$ (2,485)	\$ (2,932)	\$ (1,083)	\$ (1,838)
Noncontrolling interest	-	-	(556)	-	-	(3)
<b>Pre-tax income (loss)/net income (loss) attributable to AIG</b>	<u>(3,455)</u>	<u>(985)</u>	<u>(3,041)</u>	<u>(2,932)</u>	<u>(1,083)</u>	<u>(1,841)</u>
<b>Adjustments:</b>						
Uncertain tax positions and other tax adjustments	-	247	(247)	-	30	(30)
Deferred income tax valuation allowance charges	-	(87)	87	-	(49)	49
Changes in fair value of securities used to hedge guaranteed living benefits	150	53	97	4	1	3
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(286)	(100)	(186)	(69)	(24)	(45)
Other (income) expense - net	(27)	(10)	(17)	233	82	151
Loss on extinguishment of debt	(2)	-	(2)	-	-	-
Net realized capital losses	1,115	344	771	349	123	226
Noncontrolling interest on net realized capital losses	-	-	(21)	-	-	(11)
Loss from discontinued operations	-	-	36	-	-	-
(Income) loss from divested businesses	(194)	(186)	(8)	1	(1)	2
Non-operating litigation reserves and settlements	2	1	1	4	1	3
Reserve development related to non-operating run-off insurance business	-	-	-	-	-	-
Net loss reserve discount benefit (charge)	(750)	(263)	(487)	86	56	30
Pension expense related to a one-time lump sum payment to former employees	147	51	96	-	-	-
Restructuring and other costs	206	72	134	222	77	145
<b>Pre-tax operating loss/After-tax operating loss</b>	<u>\$ (3,094)</u>	<u>\$ (863)</u>	<u>\$ (2,787)</u>	<u>\$ (2,102)</u>	<u>\$ (787)</u>	<u>\$ (1,318)</u>

	Twelve Months Ended December 31,					
	2016			2015		
	Pre-tax	Tax Effect	After-tax	Pre-tax	Tax Effect	After-tax
<b>Pre-tax income (loss)/net income (loss), including noncontrolling interests</b>	\$ (74)	\$ 185	\$ (288)	\$ 3,281	\$ 1,059	\$ 2,193
Noncontrolling interest	-	-	(561)	-	-	3
<b>Pre-tax income (loss)/net income (loss) attributable to AIG</b>	<u>(74)</u>	<u>185</u>	<u>(849)</u>	<u>3,281</u>	<u>1,059</u>	<u>2,196</u>
<b>Adjustments:</b>						
Uncertain tax positions and other tax adjustments	-	63	(63)	-	(112)	112
Deferred income tax valuation allowance charges	-	(83)	83	-	(110)	110
Changes in fair value of securities used to hedge guaranteed living benefits	(120)	(42)	(78)	43	15	28
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(195)	(68)	(127)	15	5	10
Other (income) expense - net	(42)	(15)	(27)	233	82	151
Loss on extinguishment of debt	74	26	48	756	265	491
Net realized capital (gains) losses	1,944	561	1,383	(776)	(271)	(505)
Noncontrolling interest on net realized capital (gains) losses	-	-	(61)	-	-	29
Loss from discontinued operations	-	-	90	-	-	-
(Income) loss from divested businesses	(545)	(309)	(236)	59	43	16
Non-operating litigation reserves and settlements	(41)	(14)	(27)	(82)	(29)	(53)
Reserve development related to non-operating run-off insurance business	-	-	-	30	10	20
Net loss reserve discount benefit (charge)	(427)	(150)	(277)	(71)	(16)	(55)
Pension expense related to a one-time lump sum payment to former employees	147	51	96	-	-	-
Restructuring and other costs	694	243	451	496	174	322
<b>Pre-tax operating income/After-tax operating income</b>	<u>\$ 1,415</u>	<u>\$ 448</u>	<u>\$ 406</u>	<u>\$ 3,984</u>	<u>\$ 1,115</u>	<u>\$ 2,872</u>

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

**Summary of Key Financial Metrics**

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2016	2015	% Inc. (Dec.)	2016	2015	% Inc. (Dec.)
<b><u>Income (loss) per common share:</u></b>						
<i>Basic</i>						
Income (loss) from continuing operations	\$ (2.93)	\$ (1.50)	(95.3)%	\$ (0.70)	\$ 1.69	NM%
Loss from discontinued operations	(0.03)	-	NM	(0.08)	-	NM
<b>Net income (loss) attributable to AIG</b>	<b>\$ (2.96)</b>	<b>\$ (1.50)</b>	<b>(97.3)</b>	<b>\$ (0.78)</b>	<b>\$ 1.69</b>	<b>NM</b>
<i>Diluted</i>						
Income (loss) from continuing operations	\$ (2.93)	\$ (1.50)	(95.3)	\$ (0.70)	\$ 1.65	NM
Loss from discontinued operations	(0.03)	-	NM	(0.08)	-	NM
<b>Net income (loss) attributable to AIG</b>	<b>\$ (2.96)</b>	<b>\$ (1.50)</b>	<b>(97.3)</b>	<b>\$ (0.78)</b>	<b>\$ 1.65</b>	<b>NM</b>
<b>After-tax operating income attributable to AIG per diluted share (a)</b>	<b>\$ (2.72)</b>	<b>\$ (1.07)</b>	<b>(154.2)%</b>	<b>\$ 0.36</b>	<b>\$ 2.15</b>	<b>(83.3)%</b>
<b>Weighted average shares outstanding:</b>						
Basic	1,023.9	1,226.9		1,091.1	1,299.8	
Diluted (a)(b)	1,023.9	1,226.9		1,091.1	1,334.5	
<b>Return on equity (c)</b>	(14.7)%	(7.8)%		(1.0)%	2.2 %	
<b>Adjusted return on equity (d)</b>	(18.2)%	(7.1)%		0.6 %	3.7 %	

<u>As of period end:</u>	December 31, 2016	September 30, 2016	December 31, 2015
<b>Total AIG shareholders' equity</b>	\$ 76,300	\$ 88,663	\$ 89,658
Accumulated other comprehensive income	3,230	9,057	2,537
<b>Total AIG shareholders' equity, excluding AOCI</b>	<b>73,070</b>	<b>79,606</b>	<b>87,121</b>
Deferred tax assets	14,770	15,567	16,751
<b>Total adjusted AIG shareholders' equity</b>	<b>58,300</b>	<b>64,039</b>	<b>70,370</b>
Add: Cumulative quarterly common stock dividends above \$0.125 per share	1,216	1,020	378
<b>Total adjusted AIG shareholders' equity, including dividend growth</b>	<b>\$ 59,516</b>	<b>\$ 65,059</b>	<b>\$ 70,748</b>

<u>As of period end:</u>	December 31, 2016	September 30, 2016	% Inc. (Dec.)	December 31, 2015	% Inc. (Dec.)
<b>Book value per common share (e)</b>	\$ 76.66	\$ 85.02	(9.8)%	\$ 75.10	2.1 %
<b>Book value per common share excluding AOCI (f)</b>	\$ 73.41	\$ 76.33	(3.8)	\$ 72.97	0.6
<b>Adjusted book value per common share (g)</b>	\$ 58.57	\$ 61.41	(4.6)	\$ 58.94	(0.6)
<b>Adjusted book value per common share, including dividend growth (h)</b>	\$ 59.79	\$ 62.39	(4.2)%	\$ 59.26	0.9 %
<b>Total common shares outstanding</b>	995.3	1,042.9		1,193.9	

**Financial highlights - notes**

(a) For the quarters ended December 31, 2016 and 2015, because we reported net losses and after-tax operating losses, and for the twelve months ended December 31, 2016, 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. We reported an after-tax income for the year ended December 31, 2016; therefore, we reported earnings per share on diluted basis. For the year ended December 31, 2016, the weighted average outstanding shares - diluted includes 30,326,772 dilutive shares.

(b) Diluted shares in the diluted EPS calculation represent basic shares for the three-months ended December 31, 2016 and 2015 and twelve months ended December 31, 2016 due to the net losses in those periods.

(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 Adjusted Shareholders' Equity.

(e) Represents total AIG shareholders' equity divided by Total common shares outstanding.

(f) Represents total AIG shareholders' equity, excluding AOCI, divided by Total common shares outstanding.

(g) Represents Adjusted Shareholders' Equity, divided by Total common shares outstanding.

(h) Represents Adjusted Shareholders' Equity, and including growth in quarterly dividends above \$0.125 per share to shareholders, divided by Total common shares outstanding.

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

**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,		
	2016	2015	% Inc. (Dec.)	2016	2015	% Inc. (Dec.)
<b>General operating and other expenses, GAAP basis</b>	\$ 2,864	\$ 3,472	(17.5)%	\$ 10,989	\$ 12,686	(13.4)%
Restructuring and other costs	(206)	(222)	7.2	(694)	(496)	(39.9)
Other expense related to retroactive reinsurance agreement	10	(233)	NM	18	(233)	NM
Pension expense related to a one-time lump sum payment to former employees	(147)	-	NM	(147)	-	NM
Non-operating litigation reserves	(2)	(7)	71.4	(3)	(12)	75.0
<b>Total general operating and other expenses included in pre-tax operating income</b>	2,519	3,010	(16.3)	10,163	11,945	(14.9)
Loss adjustment expenses, reported as policyholder benefits and losses incurred	314	392	(19.9)	1,345	1,632	(17.6)
Advisory fee expenses	(79)	(337)	76.6	(645)	(1,349)	52.2
Non-deferrable insurance commissions	(117)	(127)	7.9	(467)	(504)	7.3
Direct marketing and acquisition expenses, net of deferrals	(172)	(218)	21.1	(501)	(659)	24.0
Investment expenses reported as net investment income and other	12	20	(40.0)	57	76	(25.0)
<b>Total general operating expenses, operating basis</b>	\$ 2,477	\$ 2,740	(9.6)%	\$ 9,952	\$ 11,141	(10.7)%

**Reconciliations of General Operating Expenses, Operating basis, Excluding Foreign Exchange and General Operating Expenses of AIG Advisor Group to General Operating and Other Expenses, GAAP basis**

	Twelve Months Ended December 31,		
	2016	2015	% Inc. (Dec.)
<b>General operating and other expenses, GAAP basis</b>	\$ 10,989	\$ 12,686	(13.4)%
Restructuring and other costs	(694)	(496)	(39.9)
Other expense related to retroactive reinsurance agreement	18	(233)	NM
Pension expense related to a one-time lump sum payment to former employees	(147)	-	NM
Non-operating litigation reserves	(3)	(12)	75.0
<b>Total general operating and other expenses included in pre-tax operating income</b>	10,163	11,945	(14.9)
Loss adjustment expenses, reported as policyholder benefits and losses incurred	1,345	1,632	(17.6)
Advisory fee expenses	(645)	(1,349)	52.2
Non-deferrable insurance commissions	(467)	(504)	7.3
Direct marketing and acquisition expenses, net of deferrals	(501)	(659)	24.0
Investment expenses reported as net investment income and other	57	76	(25.0)
<b>Total general operating expenses, operating basis</b>	9,952	11,141	(10.7)
Less: FX impact	-	(15)	NM
Less: GOE of Advisor Group	68	206	(67.0)
<b>Total general operating expenses, Operating basis, Ex. FX &amp; GOE of AIG Advisor Group</b>	\$ 9,884	\$ 10,950	(9.7)%

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

**Reconciliations of Normalized and Adjusted Return on Equity**

	Three Months Ended December 31, 2016				Three Months Ended December 31, 2015			
	Tax				Tax			
	Pre-tax	Effect	After-tax	ROE	Pre-tax	Effect	After-tax	ROE
<i>Return on Equity</i>			\$ (3,041)	(14.7)%			\$ (1,841)	(7.8)%
<i>Adjusted Return on equity (a)</i>	\$ (3,094)	\$ (863)	\$ (2,787)	(18.2)%	\$ (2,102)	\$ (787)	\$ (1,318)	(7.1)%
<i>Adjustments to arrive at Normalized Return on Equity:</i>								
Catastrophe losses above (below) expectations	(2)	(1)	(1)	-	(159)	(56)	(103)	(0.6)
(Better) worse than expected alternative returns	(103)	(36)	(67)	(0.4)	529	185	344	1.9
(Better) worse than expected DIB & GCM returns	(75)	(26)	(49)	(0.3)	(5)	(2)	(3)	-
Fair value changes on PICC investments	11	4	7	-	(18)	(6)	(12)	(0.1)
Update of actuarial assumptions	-	-	-	-	(11)	(4)	(7)	-
Life Insurance - IBNR death claims	-	-	-	-	(20)	(7)	(13)	(0.1)
Unfavorable (favorable) prior year loss reserve development	5,588	1,956	3,632	23.7	3,583	1,254	2,329	12.6
<b>Normalized Return on Equity</b>	<u>\$ 2,325</u>	<u>\$ 1,034</u>	<u>\$ 735</u>	<u>4.8 %</u>	<u>\$ 1,797</u>	<u>\$ 577</u>	<u>\$ 1,217</u>	<u>6.6 %</u>
<b>Average AIG Shareholders' equity</b>			\$ 82,482				\$ 94,329	
Less: Average AOCI			6,144				4,547	
Less: Average DTA			15,169				16,002	
<b>Average adjusted shareholders' equity</b>			<u>\$ 61,169</u>				<u>\$ 73,780</u>	
	Twelve Months Ended December 31, 2016				Twelve Months Ended December 31, 2015			
	Tax				Tax			
	Pre-tax	Effect	After-tax	ROE	Pre-tax	Effect	After-tax	ROE
<i>Return on Equity</i>			\$ (849)	(1.0)%			\$ 2,196	2.2 %
<i>Adjusted Return on equity (a)</i>	\$ 1,415	\$ 448	\$ 406	0.6 %	\$ 3,984	\$ 1,115	\$ 2,872	3.7 %
<i>Adjustments to arrive at Normalized Return on Equity:</i>								
Catastrophe losses above (below) expectations	(220)	(77)	(143)	(0.2)	(800)	(280)	(520)	(0.7)
(Better) worse than expected alternative returns	548	192	356	0.5	668	234	434	0.6
(Better) worse than expected DIB & GCM returns	172	60	112	0.2	(123)	(43)	(80)	(0.1)
Fair value changes on PICC investments	151	53	98	0.2	(40)	(14)	(26)	-
Update of actuarial assumptions	385	135	250	0.4	6	2	4	-
Life Insurance - IBNR death claims	(25)	(9)	(16)	-	(20)	(7)	(13)	-
Unfavorable (favorable) prior year loss reserve development	5,818	2,036	3,782	5.8	4,138	1,448	2,690	3.4
<b>Normalized Return on Equity</b>	<u>\$ 8,244</u>	<u>\$ 2,838</u>	<u>\$ 4,845</u>	<u>7.5 %</u>	<u>\$ 7,813</u>	<u>\$ 2,455</u>	<u>\$ 5,361</u>	<u>6.9 %</u>
<b>Average AIG Shareholders' equity</b>			\$ 86,617				\$ 101,558	
Less: Average AOCI			5,722				7,598	
Less: Average DTA			15,905				15,803	
<b>Average adjusted shareholders' equity</b>			<u>\$ 64,990</u>				<u>\$ 78,157</u>	

(a) After-tax operating income excludes Net income (loss) attributable to non-controlling interest of \$556 million and \$3 million for the three months ended December 31, 2016 and 2015, respectively. After-tax operating income also excludes Net income (loss) attributable to non-controlling interest of \$561 million and \$(3) million for the twelve months ended December 31, 2016 and 2015, respectively.



**American International Group, Inc.**  
**Selected Financial Data and Non-GAAP Reconciliation (continued)**

**Reconciliations of Accident Year Loss Ratio, as Adjusted and Combined Ratio, as Adjusted**

	<b>Three Months Ended</b>	
	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b><u>Commercial Insurance - Liability and Financial Lines</u></b>		
Loss ratio	312.0	174.6
Catastrophe losses and reinstatement premiums	-	(0.1)
Prior year development net of premium adjustments	(220.6)	(103.9)
<b>Accident year loss ratio, as adjusted</b>	<b>91.4</b>	<b>70.6</b>
Combined ratio	338.7	203.1
Catastrophe losses and reinstatement premiums	-	(0.1)
Prior year development net of premium adjustments	(220.6)	(103.9)
<b>Accident year combined ratio, as adjusted</b>	<b>118.1</b>	<b>99.1</b>
<b><u>Commercial Insurance - Property and Special Risks</u></b>		
Loss ratio	77.0	69.8
Catastrophe losses and reinstatement premiums	(18.9)	(10.8)
Prior year development net of premium adjustments	2.4	(0.9)
<b>Accident year loss ratio, as adjusted</b>	<b>60.5</b>	<b>58.1</b>
Combined ratio	111.7	102.5
Catastrophe losses and reinstatement premiums	(18.9)	(10.8)
Prior year development net of premium adjustments	2.4	(0.9)
<b>Accident year combined ratio, as adjusted</b>	<b>95.2</b>	<b>90.8</b>
<b><u>Total Commercial Insurance</u></b>		
Loss ratio	211.5	133.1
Catastrophe losses and reinstatement premiums	(8.1)	(4.3)
Prior year development net of premium adjustments	(125.2)	(63.2)
<b>Accident year loss ratio, as adjusted</b>	<b>78.2</b>	<b>65.6</b>
Combined ratio	241.6	163.3
Catastrophe losses and reinstatement premiums	(8.1)	(4.3)
Prior year development net of premium adjustments	(125.2)	(63.2)
<b>Accident year combined ratio, as adjusted</b>	<b>108.3</b>	<b>95.8</b>
<b><u>Consumer Insurance - Personal Insurance</u></b>		
Loss ratio	52.7	55.4
Catastrophe losses and reinstatement premiums	(1.6)	(0.3)
Prior year development net of premium adjustments	0.6	(1.5)
<b>Accident year loss ratio, as adjusted</b>	<b>51.7</b>	<b>53.6</b>
Combined ratio	96.9	103.1
Catastrophe losses and reinstatement premiums	(1.6)	(0.3)
Prior year development net of premium adjustments	0.6	(1.5)
<b>Accident year combined ratio, as adjusted</b>	<b>95.9</b>	<b>101.3</b>

**American International Group, Inc.**  
**Selected Financial Data and Non-GAAP Reconciliation (continued)**

**Reconciliations of Accident Year Loss Ratio, as Adjusted and Accident Year Loss Ratio, as Adjusted (incl. PYD)**

	<b>Twelve Months Ended</b>	
	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b><u>Total Commercial Insurance</u></b>		
Loss ratio	104.0	84.5
Catastrophe losses and reinstatement premiums	(6.5)	(3.0)
Prior year development net of premium adjustments	(30.8)	(16.8)
<b>Accident year loss ratio, as adjusted</b>	<b>66.7</b>	<b>64.7</b>
<b><u>Commercial Insurance Accident Year Loss Ratio, as Adjusted (incl. PYD)</u></b>		
Accident year loss ratio, as adjusted	66.7	64.7
Effect of 2016 Prior Year Development By Accident Year on 2015	66.7	6.1
<b>Accident year loss ratio, as adjusted (incl. PYD)</b>	<b>66.7</b>	<b>70.8</b>

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

**Reconciliations of Premiums and Deposits**

	Three Months Ended December 31,	
	2016	2015
<b><u>Consumer Insurance - Individual Retirement:</u></b>		
Premiums	\$ 34	\$ 34
Deposits	3,044	5,077
Other	-	(2)
<b>Total premiums and deposits</b>	<b>\$ 3,078</b>	<b>\$ 5,109</b>
<b><u>Consumer Insurance - Individual Retirement (Fixed Annuities):</u></b>		
Premiums	\$ 36	\$ 35
Deposits	512	1,228
Other	(2)	(4)
<b>Total premiums and deposits</b>	<b>\$ 546</b>	<b>\$ 1,259</b>
<b><u>Consumer Insurance - Individual Retirement (Variable Annuities):</u></b>		
Premiums	\$ (1)	\$ (2)
Deposits	923	1,814
Other	1	2
<b>Total premiums and deposits</b>	<b>\$ 923</b>	<b>\$ 1,814</b>
<b><u>Consumer Insurance - Individual Retirement (Index Annuities):</u></b>		
Premiums	\$ (1)	\$ -
Deposits	687	867
Other	1	-
<b>Total premiums and deposits</b>	<b>\$ 687</b>	<b>\$ 867</b>
<b><u>Consumer Insurance - Individual Retirement (Retail Mutual Funds):</u></b>		
Premiums	\$ -	\$ -
Deposits	1,061	1,169
Other	-	-
<b>Total premiums and deposits</b>	<b>\$ 1,061</b>	<b>\$ 1,169</b>
<b><u>Consumer Insurance - Group Retirement:</u></b>		
Premiums	\$ 6	\$ 6
Deposits	2,050	1,938
Other	-	-
<b>Total premiums and deposits</b>	<b>\$ 2,056</b>	<b>\$ 1,944</b>
<b><u>Consumer Insurance - Life Insurance:</u></b>		
Premiums	\$ 339	\$ 315
Deposits	369	388
Other	203	176
<b>Total premiums and deposits</b>	<b>\$ 911</b>	<b>\$ 879</b>
<b><u>Consumer Insurance:</u></b>		
Premiums	\$ 380	\$ 355
Deposits	5,463	7,403
Other	202	174
<b>Total premiums and deposits</b>	<b>\$ 6,045</b>	<b>\$ 7,932</b>
<b><u>Legacy Life Insurance Run-off Lines:</u></b>		
Premiums	\$ 118	\$ 134
Deposits	27	47
Other	14	9
<b>Total premiums and deposits</b>	<b>\$ 159</b>	<b>\$ 190</b>

A large, white, three-dimensional AIG logo is mounted on the facade of a modern building. The logo is set within a dark rectangular frame. The background of the entire image is a blue-tinted photograph of a building entrance with glass doors and a revolving door.

# Quarterly Financial Supplement

## Fourth Quarter 2016

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, 2016 which will be filed with the Securities and Exchange Commission.

**American International Group, Inc.**  
**Quarterly Financial Supplement**  
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**Table of Contents**

**Page(s)**

**Consolidated Results**

Cautionary Statement Regarding Forward-Looking Information .....	2
Non-GAAP Financial Measures .....	3-5
Overview .....	6
Reconciliation of Historical Segment Results .....	7
Executive Summary .....	8-21
Consolidated Financial Highlights .....	22-23
Consolidated Statement of Operations .....	24
Selected Results of Operations Data by Segment .....	25-28
Consolidated Balance Sheets .....	29
Debt and Capital .....	30
Consolidated Notes .....	31

**Segment Results**

**Core**

<i>Commercial Insurance</i> .....	32
Liability and Financial Lines .....	33
Property and Special Risks .....	34
Notes .....	35
<i>Consumer Insurance</i> .....	36
Individual Retirement .....	37-40
Group Retirement .....	41-43
Life Insurance .....	44-45
Personal Insurance .....	46
Notes .....	47
<i>Other Operations</i> .....	48

**Legacy Portfolio**

Legacy Portfolio Operating Results .....	49
Property and Casualty Run-off Insurance Lines .....	50
Life Insurance Run-off Lines .....	51

**Selected Geographic Operating Results**

Selected Results of Operations Data by Geography .....	52
United States .....	53
Europe .....	54
Japan .....	55

**Investments** ..... 56-58

**Loss Reserves** ..... 59-61

**Supplemental Details** ..... 62



## 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; actual and anticipated sales of businesses or asset divestitures or monetizations; restructuring of business operations, including anticipated restructuring charges and annual cost savings; generation of deployable capital; strategies to increase return on equity and earnings per common share; strategies to grow net investment income, efficiently manage capital, grow book value per common share, and reduce expenses; anticipated organizational and business changes; strategies for customer retention, growth, product development, market position, financial results and reserves; and segments’ 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;
- AIG’s ability to successfully manage Legacy portfolios;
- AIG’s ability to successfully reduce costs and expenses and make business and organizational changes without negatively impacting client relationships or its 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) in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, Part I, Item 2. MD&A and Part II, Item 1A. Risk Factors in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, Part I, Item 2. MD&A and Part II, Item 1A. Risk Factors in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, 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 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, 2016 (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) (Adjusted Book Value per Common Share) and Adjusted Book Value per Common Share Including Dividend Growth** are used to show the amount of our net worth on a per-share basis. We believe these measures are useful to investors because they eliminate items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. These measures also eliminate the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in these book value per common share metrics. Book value per common share excluding AOCI, is derived by dividing Total AIG Shareholders’ equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG shareholders’ equity, excluding AOCI and DTA (**Adjusted Shareholders’ Equity**), by total common shares outstanding. Adjusted Book Value per Common Share including dividend growth is derived by dividing Adjusted Shareholders’ Equity including growth in quarterly dividends above \$0.125 per share to shareholders, by total common shares outstanding. The reconciliation to book value per common share, the most comparable GAAP measure, is presented on page 64 herein.

**AIG Return on Equity – After-tax Operating Income Excluding AOCI and DTA (Adjusted Return on Equity)** is used to show the rate of return on shareholders’ equity. We believe this measure is useful to investors because it eliminates items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. This measure also eliminates the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Adjusted Return on Equity. Adjusted Return on Equity is derived by dividing actual or annualized after-tax operating income attributable to AIG by average Adjusted Shareholders’ Equity. The reconciliation to return on equity, the most comparable GAAP measure, is presented on page 64 herein.

**AIG Normalized Return on Equity** further adjusts Adjusted Return on Equity for the effects of certain volatile or market related items. We believe this measure is useful to investors because it presents the trends in our consolidated return on equity without the impact of certain items that can experience volatility in our short-term results. Normalized Return on Equity is derived by excluding the following tax adjusted effects from Adjusted Return on Equity: 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; Life insurance incurred but not reported (IBNR) death claim charge; and prior year loss reserve development. The reconciliation to return on equity, the most comparable GAAP measure, is presented on page 64 herein.

**Core, Legacy Portfolio and Geography Attributed Equity** is an attribution of total AIG Adjusted Shareholders’ Equity to each of our modules within Core, Legacy Portfolio and geographies based on our internal capital model, which incorporates the respective risk profiles. Attributed equity represents our best estimates based on current facts and circumstances and will change over time.

**Core, Legacy Portfolio and Geography Return on Equity – After-tax Operating Income (Adjusted Return on Attributed Equity)** is used to show the rate of return on attributed equity. Return on Attributed Equity is derived by dividing actual or annualized After-tax Operating Income by Average Attributed Equity. The reconciliations to Adjusted Return on Equity are presented on pages 66-73 herein.

**Core, Legacy Portfolio and Geography Normalized Return on Attributed Equity (Normalized Return on Attributed Equity)** further adjusts Adjusted Return on Attributed Equity for the effects of certain volatile or market-related items. We believe this measure is useful to investors because it presents the trends in our Return on Attributed Equity without the impact of certain items that can experience volatility in our short-term results. Normalized Return on Attributed Equity is derived by excluding the following tax adjusted effects from Return on Attributed Equity: the difference between actual and expected (i) catastrophe losses, (ii) alternative investment returns, and (iii) DIB and GCM returns; fair value changes on PICC investments; update of actuarial assumptions; Life insurance IBNR death claim charge; and prior year loss reserve development. The reconciliations to Normalized Return on Equity are presented on pages 66-73 herein.

**After-tax Operating Income Attributable to Core, Legacy Portfolio and Geography** is derived by subtracting attributed interest expense and income tax expense from pre-tax operating income. Attributed debt and the related interest expense is calculated based on our internal capital model. Tax expense or benefit is calculated based on an internal attribution methodology that considers among other things the taxing jurisdiction in which the operating segments and geographies conduct business, as well as the deductibility of expenses in those jurisdictions. The reconciliations from Pre-Tax operating income to After-tax operating income attributed to Core, Legacy Portfolio and Geography are presented on pages 66-73 herein. Attributed debt is included on page 76 herein.

**Normalized After-tax Operating Income Attributable to Core, Legacy Portfolio and Geography** further adjusts After-tax Operating Income attributable to Core, Legacy Portfolio and Geography for the effects of certain volatile or market related items. We believe this measure is useful to investors because it presents the trends in after tax operating income without the impact of certain items that can experience volatility in our short-term results. Normalized After-tax Operating Income attributable to Core, Legacy Portfolio and Geography is derived by excluding the following tax adjusted effects from After-tax Operating Income: the difference between actual and expected (i) catastrophe losses, (ii) alternative investment returns, and (iii) DIB and GCM returns; fair value changes on PICC investments; update of actuarial assumptions; Life insurance IBNR death claim charge; and prior year loss reserve development. The reconciliations from Pre-Tax operating income to Normalized After-tax operating income attributed to Core, Legacy Portfolio and Geography are presented on page 66-73 herein. Attributed debt is included on pages 76 herein.

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

**Operating Revenues** exclude Net realized capital gains (losses), income from non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes). Operating revenues are a GAAP measure for our operating segments.

**General Operating Expenses, Operating Basis (Operating GOE)**, is derived by making the following adjustments to general operating and other expenses: include (i) certain 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 an asbestos 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, regardless of within which financial statement line item these expenses are reported externally within our segment results. The majority of these expenses are employee-related costs. For example, other acquisition and loss adjustment expenses primarily represent employee-related costs in the underwriting and claims functions, respectively. Excluded from this measure are non-operating expenses (such as restructuring costs and litigation reserves), direct marketing expenses, insurance company assessments and non-deferrable commissions. The reconciliation to general operating and other expenses, GAAP basis is included on page 77 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.

**Pre-tax Operating Income (PTOI)** is derived by excluding the following items from income from continuing operations before income tax. This definition is consistent across our modules (including geography). These items generally fall into one or more of the following broad categories: legacy matters having no relevance to our current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that we believe to be common to the industry. PTOI is a GAAP measure for our operating segments.

- 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 Legacy Portfolio run-off insurance lines;
- loss (gain) 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;
- net loss reserve discount benefit (charge);
- pension expense related to a one-time lump sum payment to former employees;
- income and loss from divested businesses;
- non-operating litigation reserves and settlements;
- reserve development related to non-operating run-off insurance business; and
- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization.

**After-tax Operating Income attributable to AIG (ATOI)** is derived by excluding the tax effected PTOI adjustments described above and the following tax items from net income attributable to AIG:

- deferred income tax valuation allowance releases and charges; and
- uncertain tax positions and other tax items related to legacy matters having no relevance to our current businesses or operating performance

**Ratios:** We, along with most property and casualty insurance companies, use the loss ratio, the expense ratio and the combined ratio as measures of underwriting performance. These ratios are relative measurements that describe, for every \$100 of net premiums earned, the amount of losses and loss adjustment expenses (which for Commercial Insurance excludes net loss reserve discount), and the amount of other underwriting expenses that would be incurred. A combined ratio of less than 100 indicates underwriting income and a combined ratio of over 100 indicates an underwriting loss. Our ratios are calculated using the relevant segment information calculated under GAAP, and thus may not be comparable to similar ratios calculated for regulatory reporting purposes. The underwriting environment varies across countries and products, as does the degree of litigation activity, all of which affect such ratios. In addition, investment returns, local taxes, cost of capital, regulation, product type and competition can have an effect on pricing and consequently on profitability as reflected in underwriting income and associated ratios.



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

**Accident year loss and combined ratios, as adjusted:** both the accident year loss and combined ratios, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. Natural catastrophe losses are generally weather or seismic events having a net impact in excess of \$10 million each. Catastrophes also include certain man-made events, such as terrorism and civil disorders that meet the \$10 million threshold. We believe the as adjusted ratios are meaningful measures of our underwriting results on an on-going basis as they exclude catastrophes and the impact of reserve discounting which are outside of management's control. We also exclude prior year development to provide transparency related to current accident year results.

Underwriting ratios are computed as follows:

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

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

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

# American International Group, Inc.

## Overview

### Operating Segments

To align our financial reporting with the manner in which AIG's chief operating decision makers review the businesses to assess performance and make decisions about resources to be allocated, we have organized Commercial Insurance and Consumer Insurance into the following "modular" Core business units:

	Core							
	Commercial		Consumer					
Modules	Liability and Financial Lines	Property and Special Risks	Individual Retirement	Group Retirement	Life Insurance	Personal Insurance	Other Operations	Legacy Portfolio
Products/ Services	<ul style="list-style-type: none"> <li>• Primary Casualty</li> <li>• Excess Casualty</li> <li>• Environmental</li> <li>• Management Liability</li> <li>• Professional Indemnity</li> <li>• M&amp;A</li> <li>• Cyber</li> </ul>	<ul style="list-style-type: none"> <li>• Large Limit Property</li> <li>• Energy and Engineered Risks</li> <li>• Excess &amp; Surplus Programs</li> <li>• Marine</li> <li>• Aerospace</li> <li>• Credit Lines</li> <li>• Portfolio Solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Variable Annuities</li> <li>• Index Annuities</li> <li>• Fixed Annuities</li> <li>• Retail Mutual Funds</li> </ul>	<ul style="list-style-type: none"> <li>• Group Retirement Plans</li> <li>• Individual Annuities</li> <li>• Advisory Services</li> <li>• Financial Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Term</li> <li>• Universal Life</li> <li>• Health</li> <li>• Disability</li> </ul>	<ul style="list-style-type: none"> <li>• Auto</li> <li>• Property</li> <li>• Personal Accident</li> <li>• Travel</li> <li>• Warranty &amp; Service</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional Markets</li> <li>• United Guaranty</li> <li>• Fuji Life</li> <li>• Corporate Expenses</li> <li>• Debt and Equity Not Attributed to Modules</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-2012 Payout Annuities</li> <li>• Run-Off Life Insurance Lines</li> <li>• Run-Off Property and Casualty Insurance Lines</li> <li>• Legacy Assets including DIB/GCM, Real Estate, and Life Settlements</li> </ul>

### Geography

We also review and assess the performance of our most significant legal entity insurance businesses across three key geographic areas: United States, Europe and Japan. United States includes the following major property and casualty and life insurance companies: National Union Fire Insurance Company of Pittsburgh, Pa., Lexington Insurance Company, American Home Assurance Company, American General Life Company, The Variable Annuity Life Insurance Company, and The United States Life Insurance Company in the City of New York. Europe consists of AIG Europe Limited and its branches, which are property and casualty companies. Japan includes the following major property and casualty insurance companies: Fuji Fire and Marine Insurance Company, AIUI Japan and American Home Assurance, Ltd. Other geography includes AIG Fuji Life Insurance Company, Ltd., United Guaranty Residential Insurance Company and AIG Asia Pacific Insurance, Pte, Ltd. Legacy Portfolio includes Eaglestone Reinsurance Company.

Throughout this Financial Supplement, we use the following terms:

**Natural catastrophe losses (CATs)** are generally weather or seismic events having a net impact on AIG in excess of \$10 million each. Catastrophes also include certain man-made events, such as terrorism and civil disorders that meet the \$10 million threshold.

**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.

**Alternative investment income** includes income on hedge funds, private equity funds and affordable housing partnerships. Hedge funds for which we elected the fair value option are recorded as of the balance sheet date. Other hedge funds are generally reported on a one-month lag, while private equity funds are generally reported on a one-quarter lag.

Prior periods have been revised to conform to the new presentation. The following presents a reconciliation from our Pre-tax operating income (PTOI) as reported previously, to PTOI as revised to reflect our new "modular" business units:

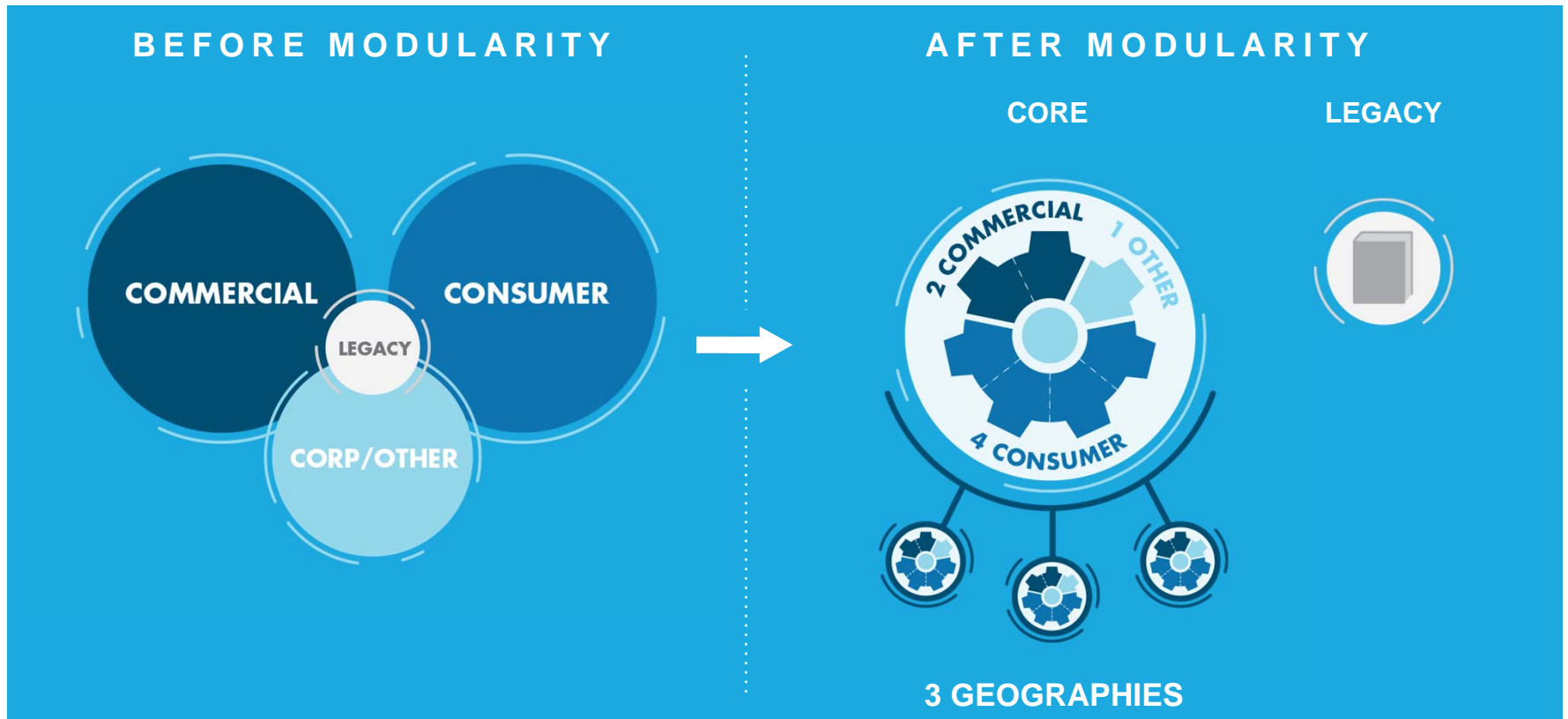
## American International Group, Inc. Reconciliation of Historical Segment Results

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Commercial Insurance</b>							
Pre-tax operating income - As previously reported	\$ (4,372)	\$ 729	\$ 827	\$ 750	\$ (2,311)	\$ (2,066)	\$ 679
Transfer to Legacy	14	5	(4)	2	(78)	17	268
Net investment income attribution	(27)	(24)	(35)	(24)	(34)	(110)	(175)
Corporate expense attribution	(42)	(41)	(39)	(34)	(63)	(156)	(202)
Net reserve discount reported in non-operating	(589)	17	191	(26)	68	(407)	(68)
All other	(7)	(1)	1	(6)	(8)	(13)	63
<b>Pre-tax operating income - as revised</b>	<b>(5,023)</b>	<b>685</b>	<b>941</b>	<b>662</b>	<b>(2,426)</b>	<b>(2,735)</b>	<b>565</b>
<b>Retirement</b>							
Pre-tax operating income - As previously reported	779	1,108	741	461	600	3,089	2,839
Transfer to Legacy	(5)	(13)	(11)	5	1	(24)	(38)
Net investment income attribution	46	49	54	41	44	190	184
Corporate expense attribution	(13)	(13)	(11)	(11)	(19)	(48)	(70)
All other	(3)	3	(3)	(3)	(1)	(6)	(3)
<b>Pre-tax operating income - as revised</b>	<b>803</b>	<b>1,134</b>	<b>770</b>	<b>493</b>	<b>625</b>	<b>3,200</b>	<b>2,912</b>
<b>Life Insurance</b>							
Pre-tax operating income - As previously reported	105	98	184	105	185	492	465
Transfer to Legacy	(52)	(95)	(105)	(53)	(101)	(305)	(281)
Net investment income attribution	(46)	(47)	(50)	(46)	(49)	(189)	(194)
Corporate expense attribution	(6)	(4)	(3)	(3)	(5)	(16)	(20)
All other	(11)	(6)	-	(2)	(6)	(19)	(21)
<b>Pre-tax operating income - as revised</b>	<b>(10)</b>	<b>(54)</b>	<b>26</b>	<b>1</b>	<b>24</b>	<b>(37)</b>	<b>(51)</b>
<b>Personal Insurance</b>							
Pre-tax operating income - As previously reported	200	178	179	222	(32)	779	74
Net investment income attribution	11	6	13	9	19	39	105
Corporate expense attribution	(26)	(26)	(24)	(21)	(36)	(97)	(114)
All other	(9)	(10)	(16)	-	22	(35)	3
<b>Pre-tax operating income - as revised</b>	<b>176</b>	<b>148</b>	<b>152</b>	<b>210</b>	<b>(27)</b>	<b>686</b>	<b>68</b>
<b>Other Operations</b>							
Pre-tax operating income - As previously reported	935	(522)	(289)	(600)	(628)	(476)	74
Consolidations and eliminations - as previously reported	11	21	(22)	16	(2)	26	(76)
Transfer to Legacy	(1,058)	202	(106)	247	337	(715)	(1,147)
Net investment income attribution	-	(2)	7	2	4	7	17
Corporate expense attribution	103	102	107	89	157	401	534
Net reserve discount reported in non-operating	(162)	15	109	17	18	(21)	(3)
All other	30	14	18	10	(9)	72	(42)
<b>Pre-tax operating income - as revised</b>	<b>(141)</b>	<b>(170)</b>	<b>(176)</b>	<b>(219)</b>	<b>(123)</b>	<b>(706)</b>	<b>(643)</b>
<b>Legacy Portfolio</b>							
Pre-tax operating income - As previously reported	-	-	-	-	-	-	-
Transfer from other Businesses	1,101	(99)	226	(201)	(159)	1,027	1,198
Net investment income attribution	16	18	11	18	16	63	63
Corporate expense attribution	(16)	(18)	(30)	(20)	(34)	(84)	(128)
All other	-	-	-	1	2	1	-
<b>Pre-tax operating income - as revised</b>	<b>1,101</b>	<b>(99)</b>	<b>207</b>	<b>(202)</b>	<b>(175)</b>	<b>1,007</b>	<b>1,133</b>
<b>Total AIG</b>							
Pre-tax operating income - As previously reported	(2,343)	1,612	1,620	954	(2,188)	1,843	4,055
Transfer to Legacy	-	-	-	-	-	-	-
Net investment income attribution	-	-	-	-	-	-	-
Corporate expense attribution	-	-	-	-	-	-	-
Net reserve discount reported in non-operating	(751)	32	300	(9)	86	(428)	(71)
All other	-	-	-	-	-	-	-
<b>Pre-tax operating income - as revised</b>	<b>(3,094)</b>	<b>1,644</b>	<b>1,920</b>	<b>945</b>	<b>(2,102)</b>	<b>1,415</b>	<b>3,984</b>

## American International Group, Inc. Modularity Overview

Our new modular management framework gives our stakeholders greater **transparency** into our Core businesses, **empowers** our leaders to make decisions for better business performance, and increases **efficiency** so we can focus more on **profitability**.



**American International Group, Inc.**  
**What is different?**

Migration to Modularity

		Prior Segmentation		
		Commercial	Consumer	Corporate & Other / Consolidations & Eliminations
Commercial	Property and Special Risks	●		
	Liability and Financial Lines	●		
Consumer	Individual Retirement		●	
	Group Retirement		●	
	Life Insurance		●	●
	Personal Insurance		●	
Other	Other Operations	●	●	●
Legacy	Property and Casualty Run-Off Insurance Lines	●		●
	Life Insurance Run-off Lines		●	●
	Legacy Assets			●



**American International Group, Inc.**  
**What is different?**

This table summarizes the changes in and additions to definitions from previous disclosures.

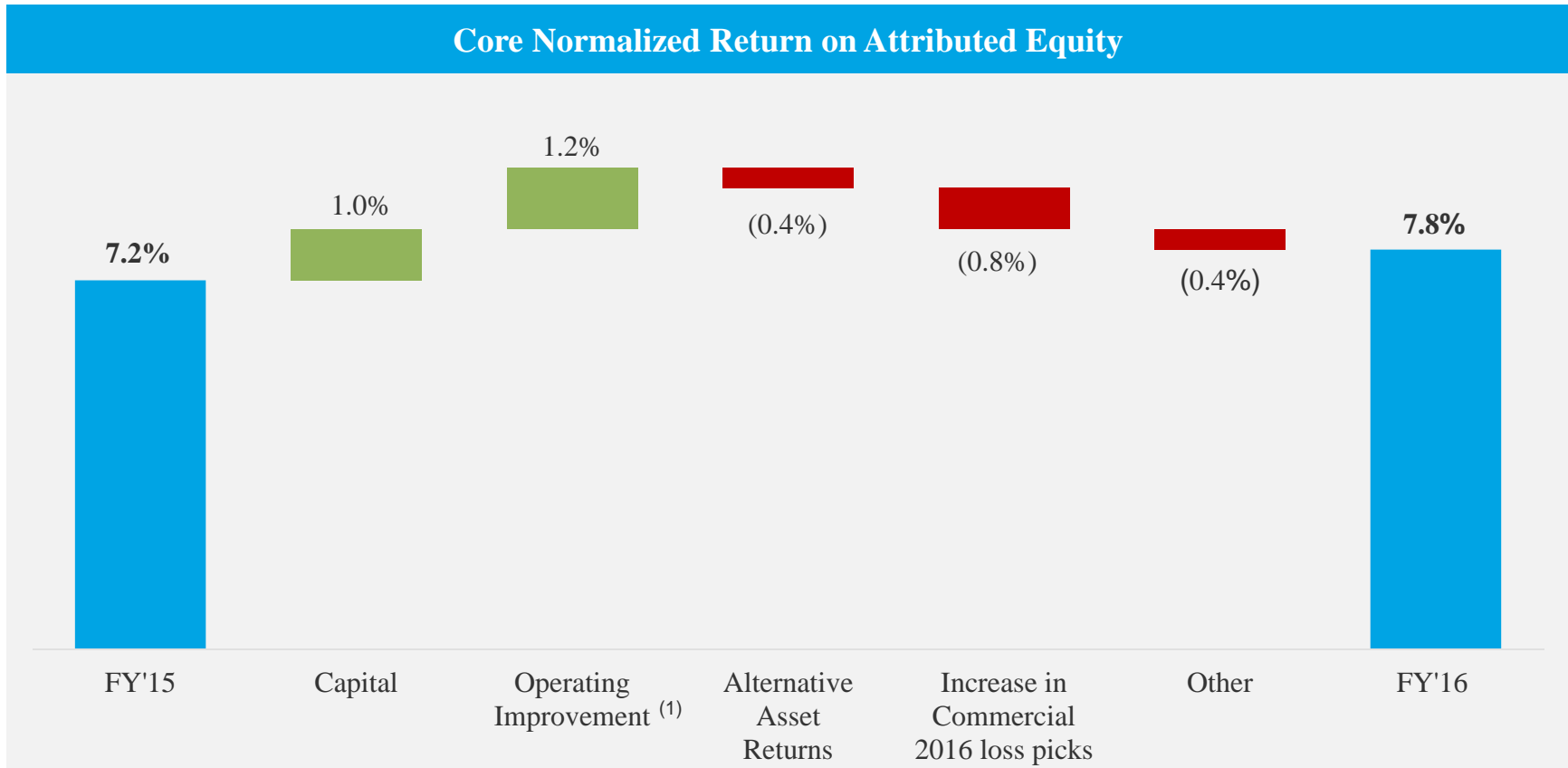
Changes to Modules and New Definitions	
<b>New Geography disclosures</b>	<ul style="list-style-type: none"> <li>▪ U.S. includes U.S. based property and casualty companies, U.S. based life, health and retirement services companies as well as service companies serving the U.S. operations. Europe includes AIG Europe Ltd. (AEL) which writes property and casualty business. Japan includes the property and casualty business written by AIUI – Japan, Fuji Fire and Marine and American Home Assurance – Japan. Other includes businesses in other operations.</li> </ul>
<b>Attributed Equity</b>	<ul style="list-style-type: none"> <li>▪ Attributed Equity, based on Economic Capital, is determined consistent with risk assessment of underlying businesses. Difference between Economic Capital and other binding capital constraints ('Frictional Capital') is deemed to be funded by debt.</li> </ul>

Changes to Existing Definitions	
<b>Pre-Tax Operating Income (PTOI)</b>	<ul style="list-style-type: none"> <li>▪ Loss reserve discount effects in U.S. Commercial Insurance and Legacy are now excluded from Operating Income.</li> <li>▪ Module expenses now include attributable direct and indirect expenses (other than corporate expenses), resulting in an increased percentage of total AIG expenses attributed to core segments.</li> </ul>
<b>Module After-Tax Operating Income (ATOI)</b>	<ul style="list-style-type: none"> <li>▪ Module PTOI adjusted for attribution of debt capital interest expense to segments, and net of income taxes. Cost of attributed debt is based on AIG's total average debt cost.</li> </ul>
<b>Normalized ATOI</b>	<ul style="list-style-type: none"> <li>▪ Expected catastrophe losses used for normalization now use a simple average with no adjustment for seasonality in expected losses.</li> </ul>
<b>Normalized Return on Attributed Equity (ROE)</b>	<ul style="list-style-type: none"> <li>▪ Equity is no longer normalized for the effect of earnings normalizations during the current calendar year for the purposes of calculating Normalized ROE.</li> </ul>





American International Group, Inc.  
 Core Normalized Return on Attributed Equity Expansion



1) Primarily driven by reduced operating GOE.





**American International Group, Inc.**  
**Core: Summary of Key Metrics and Performance Drivers**

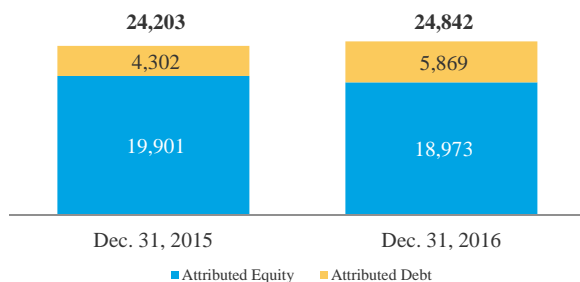
Modules	Normalized ATOI \$MM		Average Attributed Equity \$MM		Normalized Return on Attributed Equity %		Attributed Debt \$MM		Key Drivers
	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	Dec. 31 2015	Dec. 31 2016	
Liability and Financial Lines	2,140	1,712	21,281	19,504	10.1	8.8	4,302	5,869	<ul style="list-style-type: none"> <li>- Net Premiums Written</li> <li>- AY Loss Ratio</li> <li>- Expense Ratio</li> <li>- PY Development</li> <li>- Catastrophe and Severe Losses</li> <li>- Net Investment Income</li> </ul>
Property and Special Risks	158	(20)	8,226	8,758	1.9	(0.2)	2,968	3,084	
<b>Total Commercial</b>	<b>2,298</b>	<b>1,692</b>	<b>29,507</b>	<b>28,262</b>	<b>7.8</b>	<b>6.0</b>	<b>7,270</b>	<b>8,953</b>	
Individual Retirement	1,211	1,305	11,464	11,287	10.6	11.6	1,250	-	<ul style="list-style-type: none"> <li>- Premiums and Deposits</li> <li>- Base Yields</li> <li>- Assets Under Management</li> <li>- Net Investment Spread</li> <li>- DAC Unlocking</li> </ul>
Group Retirement	746	717	6,577	6,166	11.3	11.6	681	-	
Life Insurance	137	45	2,876	2,654	4.8	1.7	738	516	<ul style="list-style-type: none"> <li>- Sales volumes</li> <li>- GOE</li> <li>- Life Insurance in Force</li> </ul>
Personal Insurance	(98)	287	2,927	2,821	(3.3)	10.2	2,098	2,206	<ul style="list-style-type: none"> <li>- Net Premiums Written</li> <li>- AY Loss Ratio</li> <li>- Expense Ratio</li> <li>- Catastrophe Losses</li> </ul>
<b>Total Consumer</b>	<b>1,996</b>	<b>2,354</b>	<b>23,844</b>	<b>22,928</b>	<b>8.4</b>	<b>10.3</b>	<b>4,767</b>	<b>2,722</b>	
Other Operations	(25)	(34)	5,561	129	NM	NM	5,256	5,827	<ul style="list-style-type: none"> <li>- Parent Liquidity</li> <li>- DTA utilization</li> <li>- Capital return to shareholders</li> <li>- Proceeds from dispositions</li> </ul>
<b>Total Core</b>	<b>4,269</b>	<b>4,012</b>	<b>58,912</b>	<b>51,319</b>	<b>7.2</b>	<b>7.8</b>	<b>17,293</b>	<b>17,502</b>	

Avg. Equity = 5 quarter average of attributed AIG Shareholder's Equity excluding AOCI and DTA

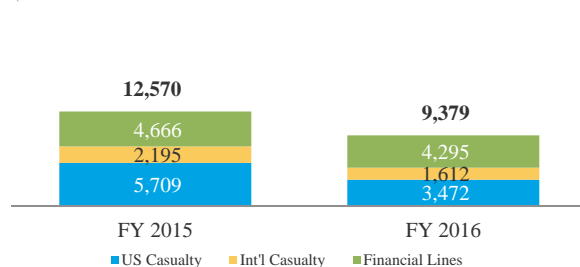


## American International Group, Inc. Commercial - Liability and Financial Lines

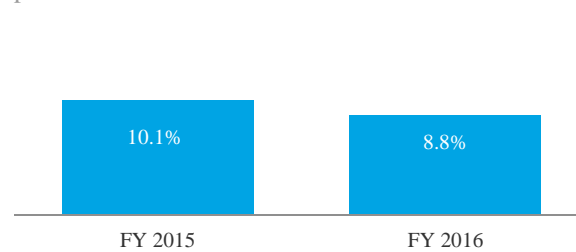
### Attributed Capital \$MM



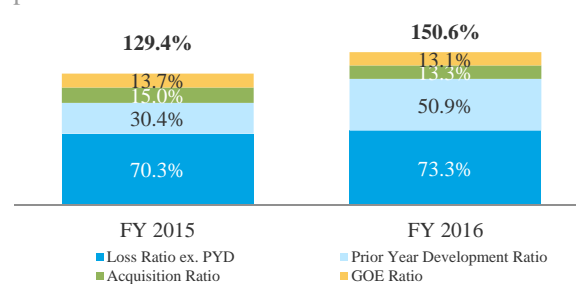
### Net Premiums Written \$MM



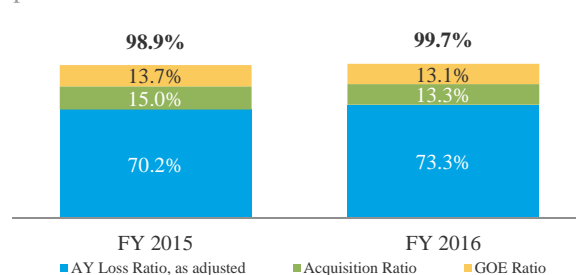
### Normalized Return on Attributed Equity percent



### Combined Ratio percent



### AY Combined Ratio, as adjusted percent



### Module Products

- Primary Casualty
- Excess Casualty
- Environmental
- Management Liability
- Professional Indemnity
- M&A
- Cyber

### Key Takeaways

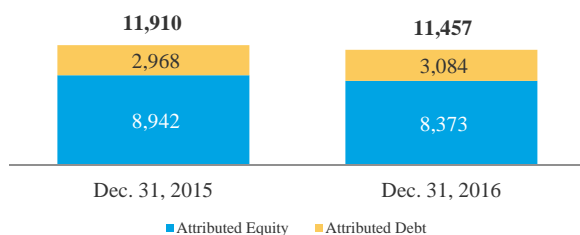
- Reduction in equity reflect de-risking of the business, and slight increase in total capital based on other constraints resulting in higher debt allocation
- Lower premiums written reflect the impact of quota share with Swiss Re and other reinsurance transactions, exit from certain insurance lines, focus on risk selection and change in fx rates
- Reduced expense ratio partially offsets the higher 2016 loss picks



See Liability and Financial Lines Operating Results on Page 33 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Commercial - Property and Special Risks**

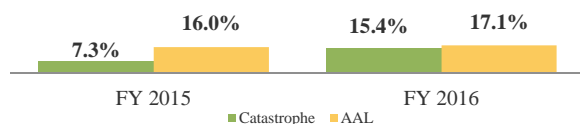
**Attributed Capital**  
 \$MM



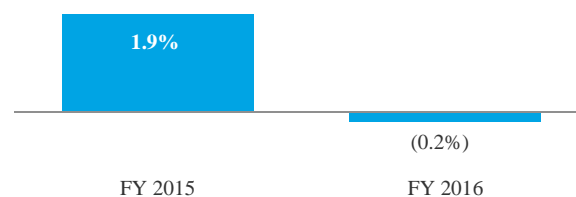
**Net Premiums Written**  
 \$MM



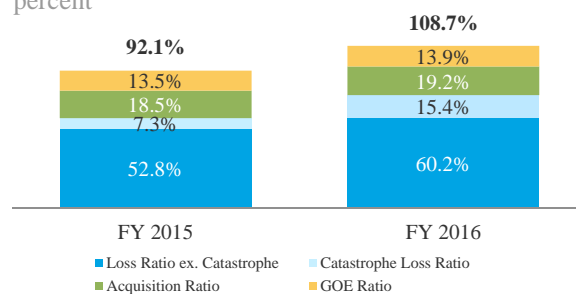
**Average Annual Loss (AAL) and Catastrophe Loss Ratios**  
 percent



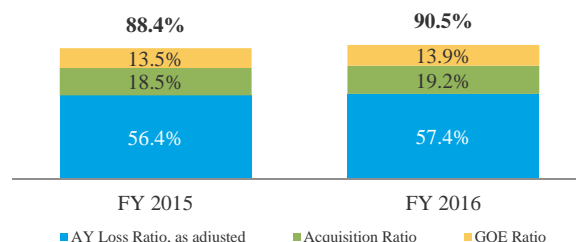
**Normalized Return on Attributed Equity**  
 percent



**Combined Ratio**  
 percent



**AY Combined Ratio, as adjusted**  
 percent



**Module Products**

- Large Limit Property
- Energy and Engineered Risks
- Excess & Surplus
- Programs
- Marine
- Aerospace
- Credit Lines

**Key Takeaways**

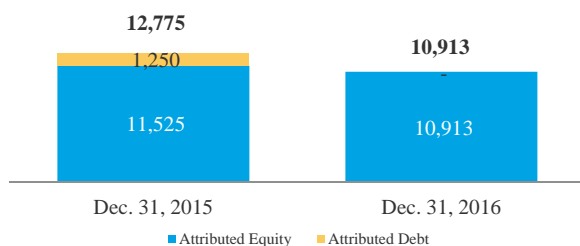
- Multi-year effort to reshape the Property book through growing the more profitable segments (Large Limit and Middle Market) as well as shrinking other less profitable parts (Primarily Excess and Surplus Property lines)
- Higher Combined Ratio and lower ROE due to higher losses related to US Programs, Property attritional losses and higher expense ratio



See Property and Special Risks Operating Results on Page 34 and reconciliations of Non-GAAP financial measures beginning on Page 62.

## American International Group, Inc. Consumer- Individual Retirement

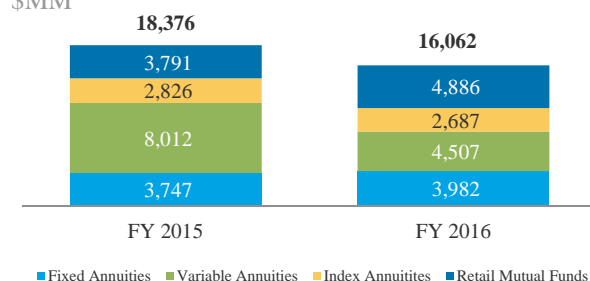
### Attributed Capital \$MM



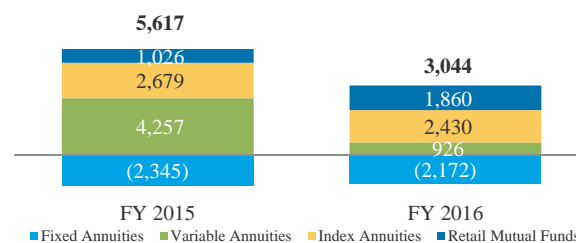
### Normalized Return on Attributed Equity percent



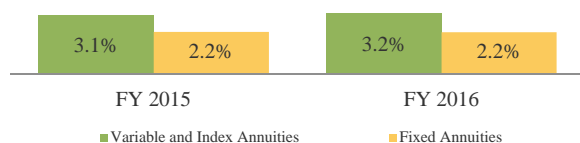
### Premiums and Deposits \$MM



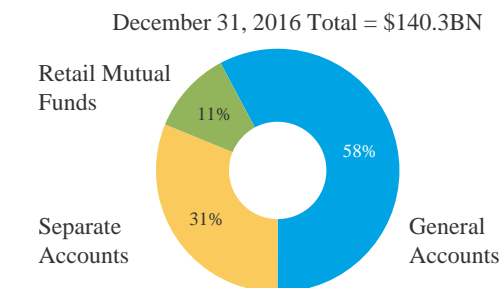
### Net Flows \$MM



### Base Net Investment Spread percent



### Assets Under Administration \$BN



### Module Products

- Variable Annuities
- Fixed Annuities
- Index Annuities
- Retail Mutual Funds

### Key Takeaways

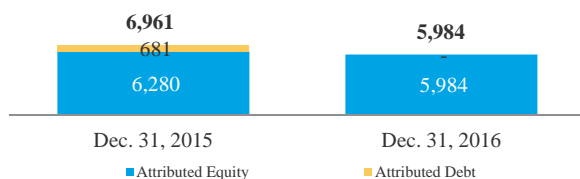
- Attractive ROE facilitated by broad product range and disciplined pricing
- Economic capital is binding constraint at year end 2016, resulting in no attributed debt
- Early 2016 equity market volatility impacted Variable Annuity (VA) sales adversely, partly offset by higher Fixed Annuity (FA) sales as customers gravitated to the security provided by fixed income returns
- Department of Labor (DOL) Fiduciary Rule implementation uncertainty primarily impacting VA sales



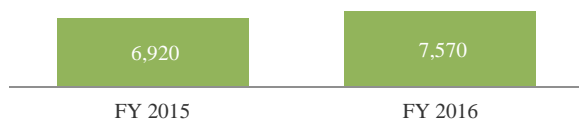
See Individual Retirement Operating Results on Page 37-40 and reconciliations of Non-GAAP financial measures beginning on Page 62.

## American International Group, Inc. Consumer- Group Retirement

### Attributed Capital \$MM



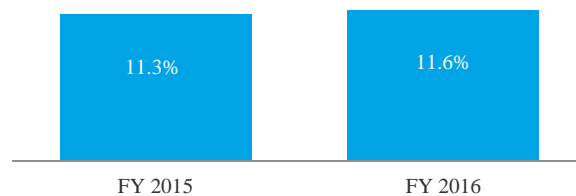
### Premiums and Deposits \$MM



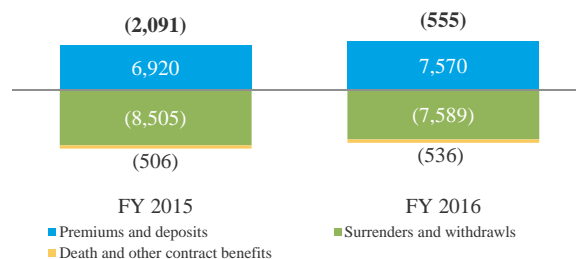
### Base Net Investment Spread percent



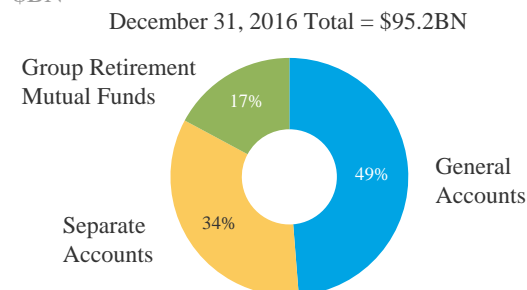
### Normalized Return on Attributed Equity percent



### Net Flows \$MM



### Assets Under Administration \$BN



### Module Products

- Group Retirement Plans
- Individual Annuities
- Advisory Services
- Financial Planning

### Key Takeaways

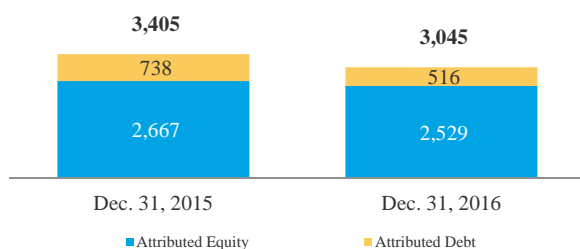
- Strong position in target markets driven by trusted advisor service model
- Recent investments in plan sponsor service and participant experience including new digital platform are driving higher group acquisitions, lower surrenders and lower net outflows
- Loss of large plans drove net outflows in 2015, but account values remained steady
- Portfolio spread compression provides significant headwinds to returns expansion
- Economic capital is binding constraint at year end 2016, resulting in no attributed debt



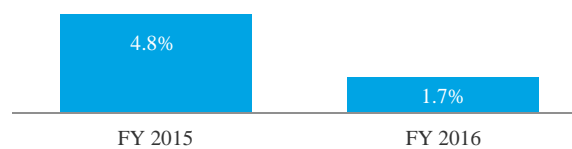
See Group Retirement Operating Results on Page 41-42 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Consumer - Life Insurance**

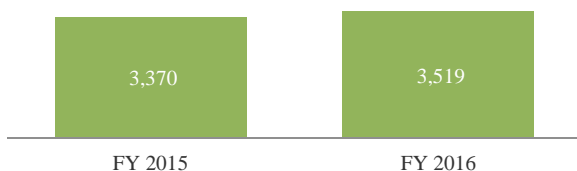
**Attributed Capital**  
 \$MM



**Normalized Return on Attributed Equity**  
 percent



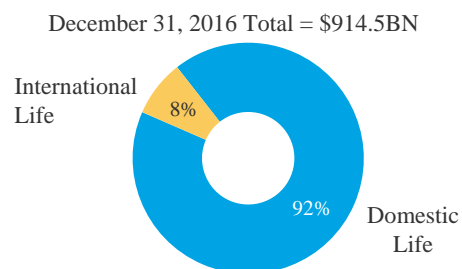
**Premiums and Deposits**  
 \$MM



**Surrender/Lapse Rate**  
 percent



**Gross Life Insurance In Force**  
 \$BN



**Module Products**

- Term Life
- Universal Life
- Health
- Disability

**Key Takeaways**

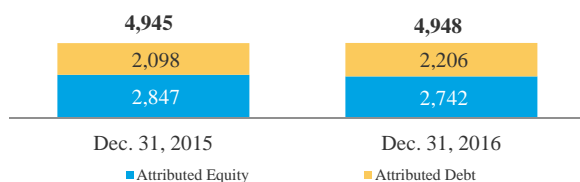
- ROE reflects multi-year restructuring underway including administrative platform consolidation, distribution simplification, and narrowed product focus
- Continued growth in new business sales, primarily in Term insurance
- International business development pressures result from growing to scale



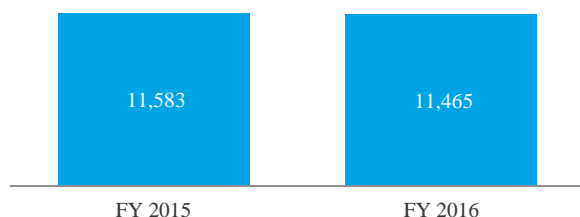
See Life Insurance Operating Results on Page 44-45 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Consumer - Personal Insurance**

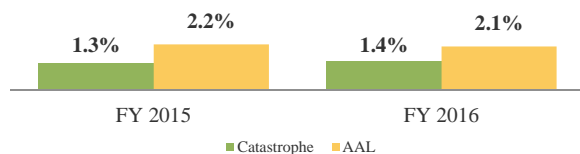
**Attributed Capital**  
 \$MM



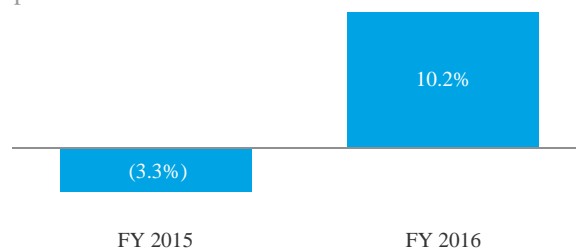
**Net Premiums Written**  
 \$MM



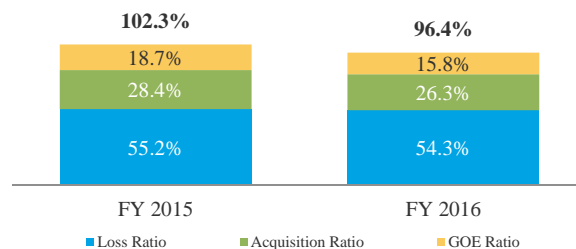
**AAL and Catastrophe Ratios**  
 percent



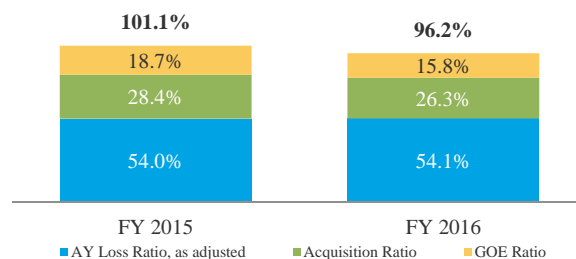
**Normalized Return on Attributed Equity**  
 percent



**Combined Ratio**  
 percent



**AY Combined Ratio, as adjusted**  
 percent



**Module Products**

- Auto
- Property
- Personal Accident
- Travel
- Warranty & Service

**Key Takeaways**

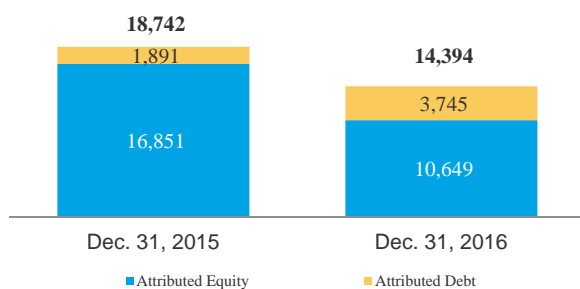
- Significant ROE improvement resulting from strategic repositioning including narrowed geographic focus and target market segmentation
- AY Combined Ratio and 2016 ROE improvements as a result of expense efficiency initiatives and reduced direct marketing expenses as we refocused our activities
- Attributed equity reflects short tail with low reserve volatility and stable cash flows



See Personal Insurance Operating Results on Page 46 and reconciliations of Non-GAAP financial measures beginning on Page 62.

## American International Group, Inc. Legacy Portfolio

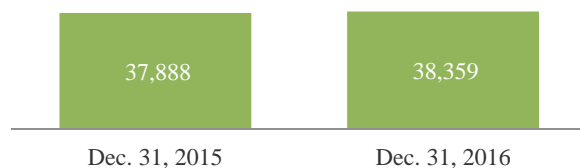
### Attributed Capital \$MM



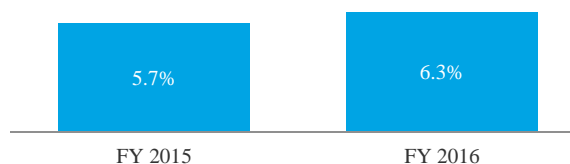
### Legacy Investments, net of related debt \$MM



### Legacy Life Insurance Run-off Reserves \$MM



### Normalized Return on Attributed Equity percent



### Legacy Property and Casualty Run-Off Insurance Reserves \$MM



### Module Products

- Legacy Property and Casualty Run-off
- Legacy Life Run-off
- Legacy Investments

### Key Takeaways

- Legacy investments decreased as a result of significant dispositions in 2015 and 2016
- Legacy Property Casualty Reserves decreased as the business continues to run off, partially offset by PYD
- Legacy Life Insurance Reserves increased due to significant loss recognition in the third quarter of 2016
- Cumulatively released \$7.1 B liquidity to Parent since Sept., 30, 2015



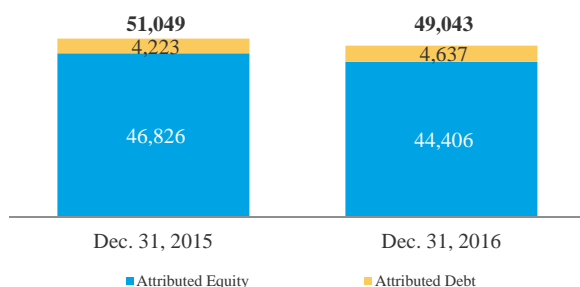
See Legacy Portfolio Operating Results on Page 49 and reconciliations of Non-GAAP financial measures beginning on Page 62.



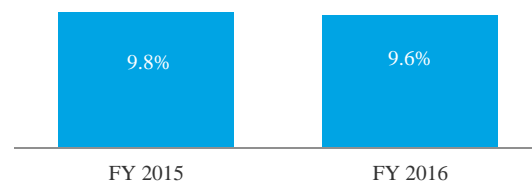
**American International Group, Inc.**  
**Geography Modules - United States, Europe and Japan**

**United States Attributed Capital**

\$MM

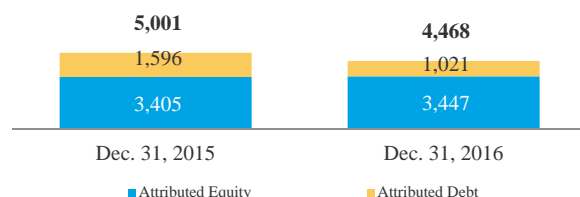


**United States Normalized Return on Attributed Equity**  
percent

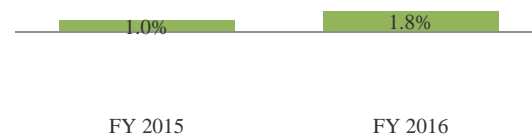


**Europe Attributed Capital**

\$MM

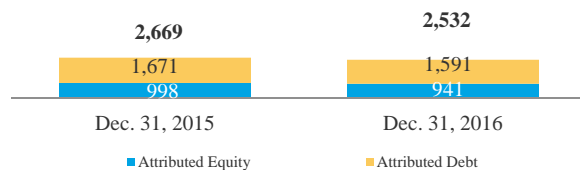


**Europe Normalized Return on Attributed Equity**  
percent

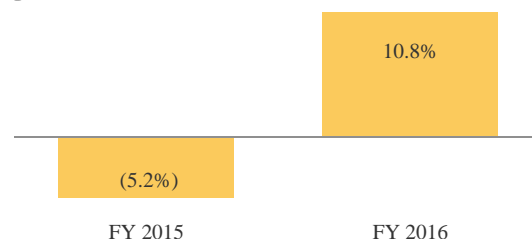


**Japan Attributed Capital**

\$MM



**Japan Normalized Return on Attributed Equity**  
percent



**United States Key Takeaways**

- United States includes US based property and casualty companies, US based life, health and retirement services companies as well as service companies serving the US operations.
- GOE improvements have offset the impact of higher losses and portfolio optimization

**Europe Key Takeaways**

- ROE driven by loss experience in Global Property, D&O, Europe Excess Casualty and UK Primary Casualty
- ROE improvement from 2015 to 2016 driven by portfolio optimization initiatives, growing high margin lines while actively reducing exposure to lower margin lines

**Japan Key Takeaways**

- Improved ROE reflects reduced acquisition costs, improved loss ratio, and reduced expenses net of investments made in preparing for legal entity merger
- ROE reflects the lower equity required on net risk retained as measured by the economic capital model



See Results of Operations Data by Geography on Page 52 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Consolidated Financial Highlights**

(in millions, except per share data)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations Data (attributable to AIG)</b>							
Net income (loss)	\$ (3,041)	\$ 462	\$ 1,913	\$ (183)	\$ (1,841)	\$ (849)	\$ 2,196
Net income (loss) per share:							
Basic	\$ (2.96)	\$ 0.43	\$ 1.72	\$ (0.16)	\$ (1.50)	\$ (0.78)	\$ 1.69
Diluted (1)	\$ (2.96)	\$ 0.42	\$ 1.68	\$ (0.16)	\$ (1.50)	\$ (0.78)	\$ 1.65
Weighted average shares outstanding:							
Basic	1,023.9	1,071.3	1,113.6	1,156.5	1,226.9	1,091.1	1,299.8
Diluted (1)	1,023.9	1,102.4	1,140.0	1,156.5	1,226.9	1,091.1	1,334.5
Effective tax rate	28.5 %	41.2 %	32.3 %	27.1 %	36.9 %	NM	32.3 %
After-tax operating income (loss)	\$ (2,787)	\$ 1,115	\$ 1,313	\$ 765	\$ (1,318)	\$ 406	\$ 2,872
After-tax operating income (loss) per diluted share	\$ (2.72)	\$ 1.01	\$ 1.15	\$ 0.64	\$ (1.07)	\$ 0.36	\$ 2.15
Weighted average diluted shares - operating (1)	1,023.9	1,102.4	1,140.0	1,186.1	1,226.9	1,121.4	1,334.5
Operating effective tax rate	27.9 %	32.0 %	31.4 %	19.3 %	37.4 %	31.7 %	28.0 %
General operating and other expenses	\$ 2,864	\$ 2,536	\$ 2,586	\$ 3,003	\$ 3,472	\$ 10,989	\$ 12,686
General operating expenses, operating basis	2,477	2,444	2,439	2,592	2,740	9,952	11,141
<b>Selected Balance Sheet data, at period end</b>							
Total assets	\$ 498,264	\$ 514,568	\$ 510,349	\$ 502,777	\$ 496,842	\$ 498,264	\$ 496,842
Long-term debt	30,912	32,277	33,329	31,952	29,249	30,912	29,249
AIG shareholders' equity	76,300	88,663	89,946	88,518	89,658	76,300	89,658
Adjusted Shareholders' Equity	58,300	64,039	66,073	66,168	70,370	58,300	70,370
<b>Return On Equity (ROE, attributable to AIG)</b>							
ROE	(14.7)%	2.1 %	8.6 %	(0.8)%	(7.8)%	(1.0)%	2.2 %
Adjusted return on attributed equity - Core (a)	(22.9)%	9.0 %	9.6 %	6.8 %	(8.0)%	0.8 %	3.8 %
Adjusted return on attributed equity - Legacy Portfolio (a)	4.5 %	(1.8)%	2.4 %	(3.2)%	(4.4)%	0.2 %	3.1 %
Normalized return on equity	4.8 %	8.1 %	8.3 %	8.3 %	6.6 %	7.5 %	6.9 %
Normalized return on attributed equity - Core (a)	3.8 %	8.1 %	10.1 %	9.0 %	7.6 %	7.8 %	7.2 %
Normalized return on attributed equity - Legacy Portfolio (a)	10.2 %	8.1 %	2.4 %	5.8 %	3.3 %	6.3 %	5.7 %

(a) Refer to pages 25, 26, and 27 for components of calculation.

See Accompanying Notes on Page 31 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Consolidated Financial Highlights**

(in millions, except per share data)

**AIG Capitalization**

	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31, 2016	2015
Total equity	\$ 76,858	\$ 89,165	\$ 90,537	\$ 89,081	\$ 90,210	\$ 76,858	\$ 90,210
Hybrid debt securities (7)	843	861	861	876	1,327	843	1,327
Total equity and hybrid debt	77,701	90,026	91,398	89,957	91,537	77,701	91,537
Financial debt (7)	20,404	20,841	20,821	20,585	17,857	20,404	17,857
<b>Total capital</b>	<b>\$ 98,105</b>	<b>\$ 110,867</b>	<b>\$ 112,219</b>	<b>\$ 110,542</b>	<b>\$ 109,394</b>	<b>\$ 98,105</b>	<b>\$ 109,394</b>

**Leverage Ratios**

Hybrid debt securities / Total capital	0.9 %	0.8 %	0.8 %	0.8 %	1.2 %	0.9 %	1.2 %
Financial debt / Total capital	20.8	18.8	18.6	18.6	16.3	20.8	16.3
<b>Total hybrids and financial debt / Total capital</b>	<b>21.7 %</b>	<b>19.6 %</b>	<b>19.4 %</b>	<b>19.4 %</b>	<b>17.5 %</b>	<b>21.7 %</b>	<b>17.5 %</b>

**Common Stock Repurchases**

Aggregate repurchase of common stock	\$ 2,954	\$ 2,258	\$ 2,762	\$ 3,486	\$ 3,218	\$ 11,460	\$ 10,691
Number of common shares repurchased (2)	47.5	39.8	50.1	63.2	52.9	200.6	182.5
Average price paid per share of common stock	\$ 62.10	\$ 56.67	\$ 55.19	\$ 55.17	\$ 60.83	\$ 57.12	\$ 58.62
Aggregate repurchases of warrants	\$ 46	\$ -	\$ 90	\$ 173	\$ -	\$ 309	\$ -
Number of warrants repurchased	2.4	-	5.0	10.0	-	17.4	-

**Dividends**

Dividends declared per common share	\$ 0.320	\$ 0.320	\$ 0.320	\$ 0.320	\$ 0.280	\$ 1.280	\$ 0.810
Total dividends declared	\$ 321	\$ 338	\$ 350	\$ 363	\$ 341	\$ 1,372	\$ 1,028

**Share Data (attributable to AIG, at period end)**

Common shares outstanding	995.3	1,042.9	1,082.7	1,130.7	1,193.9	995.3	1,193.9
Closing share price	\$ 65.31	\$ 59.34	\$ 52.89	\$ 54.05	\$ 61.97	\$ 65.31	\$ 61.97
Book value per common share	76.66	85.02	83.08	78.28	75.10	76.66	75.10
Book value per common share, excluding AOCI	73.41	76.33	75.45	73.40	72.97	73.41	72.97
Adjusted book value per common share	58.57	61.41	61.03	58.52	58.94	58.57	58.94
Adjusted book value per common share, including dividend growth	59.79	62.39	61.78	59.05	59.26	59.79	59.26

See Accompanying Notes on Page 31 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Consolidated Statement of Operations**

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Revenues:</b>							
Premiums	\$ 8,255	\$ 8,581	\$ 8,751	\$ 8,806	\$ 9,426	\$ 34,393	\$ 36,655
Policy fees	703	646	696	687	689	2,732	2,755
Net investment income:							
Interest and dividends	3,202	3,213	3,242	3,243	3,257	12,900	12,856
Alternative investments	384	365	310	(366)	(106)	693	1,120
Other investment income	115	320	240	250	158	925	605
Investment expenses	(115)	(115)	(109)	(114)	(126)	(453)	(528)
Total net investment income	3,586	3,783	3,683	3,013	3,183	14,065	14,053
Net realized capital gains (losses)	(1,115)	(765)	1,042	(1,106)	(349)	(1,944)	776
Other income (3)	1,581	609	552	379	882	3,121	4,088
Total revenues	13,010	12,854	14,724	11,779	13,831	52,367	58,327
<b>Benefits, losses and expenses</b>							
Policyholder benefits and losses incurred	11,689	7,489	6,872	6,387	10,758	32,437	31,345
Interest credited to policyholder account balances	907	887	961	950	973	3,705	3,731
Amortization of deferred policy acquisition costs	896	1,018	1,345	1,262	1,255	4,521	5,236
General operating and other expenses	2,864	2,536	2,586	3,003	3,472	10,989	12,686
Interest expense	305	329	320	306	304	1,260	1,281
(Gain) loss on extinguishment of debt	(2)	(14)	7	83	-	74	756
Net (gain) loss on sale of divested businesses (4)	(194)	(128)	(225)	2	1	(545)	11
Total benefits, losses and expenses	16,465	12,117	11,866	11,993	16,763	52,441	55,046
<b>Income (loss) from continuing operations before income taxes</b>	(3,455)	737	2,858	(214)	(2,932)	(74)	3,281
<b>Income tax (benefit) expense</b>	(985)	304	924	(58)	(1,083)	185	1,059
<b>Income (loss) from continuing operations</b>	(2,470)	433	1,934	(156)	(1,849)	(259)	2,222
<b>Income (loss) from discontinued operations, net of income taxes</b>	(36)	3	(10)	(47)	-	(90)	-
<b>Net income (loss)</b>	(2,506)	436	1,924	(203)	(1,849)	(349)	2,222
<b>Net income (loss) attributable to noncontrolling interests (3)</b>	535	(26)	11	(20)	(8)	500	26
<b>Net income (loss) attributable to AIG</b>	\$ (3,041)	\$ 462	\$ 1,913	\$ (183)	\$ (1,841)	\$ (849)	\$ 2,196

See Accompanying Notes on Page 31.



**American International Group, Inc.**  
**Selected Results of Operations Data by Segment**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31,	2015
<b>Pre-Tax Operating Income (Loss)</b>							
<b>Commercial Insurance</b>							
Liability and Financial Lines	\$ (4,981)	\$ 948	\$ 815	\$ 569	\$ (2,479)	\$ (2,649)	\$ (661)
Property and Special Risks	(42)	(263)	126	93	53	(86)	1,226
Total Commercial Insurance	(5,023)	685	941	662	(2,426)	(2,735)	565
<b>Consumer Insurance</b>							
Individual Retirement	542	920	505	302	397	2,269	1,812
Group Retirement	261	214	265	191	228	931	1,100
Life Insurance	(10)	(54)	26	1	24	(37)	(51)
Personal Insurance	176	148	152	210	(27)	686	68
Total Consumer Insurance	969	1,228	948	704	622	3,849	2,929
Other Operations	(183)	(164)	(162)	(239)	(122)	(748)	(567)
Consolidation, eliminations and other adjustments	42	(6)	(14)	20	(1)	42	(76)
<b>Total Core</b>	(4,195)	1,743	1,713	1,147	(1,927)	408	2,851
<b>Legacy Portfolio</b>	1,101	(99)	207	(202)	(175)	1,007	1,133
<b>Total pre-tax operating income (loss)</b>	\$ (3,094)	\$ 1,644	\$ 1,920	\$ 945	\$ (2,102)	\$ 1,415	\$ 3,984
<b>After-Tax Operating Income (loss)</b>							
<b>Commercial Insurance</b>							
Liability and Financial Lines	\$ (3,520)	\$ 679	\$ 528	\$ 374	\$ (1,628)	\$ (1,939)	\$ (383)
Property and Special Risks	(56)	(192)	64	45	14	(139)	737
Total Commercial Insurance	(3,576)	487	592	419	(1,614)	(2,078)	354
<b>Consumer Insurance</b>							
Individual Retirement	363	596	328	202	257	1,489	1,176
Group Retirement	183	153	179	146	156	661	731
Life Insurance	(13)	(25)	12	(2)	5	(28)	39
Personal Insurance	102	79	83	121	(35)	385	(43)
Total Consumer Insurance	635	803	602	467	383	2,507	1,903
Other Operations	56	(114)	34	5	106	(19)	8
<b>Total Core</b>	(2,885)	1,176	1,228	891	(1,125)	410	2,265
<b>Legacy Portfolio (5)</b>	121	(58)	89	(128)	(190)	24	604
<b>Net (income) loss attributable to NCI excluding income from Korea Fund</b>	(23)	(3)	(4)	2	(3)	(28)	3
<b>Total after-tax operating income</b>	\$ (2,787)	\$ 1,115	\$ 1,313	\$ 765	\$ (1,318)	\$ 406	\$ 2,872

See Accompanying Notes on Page 31 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Selected Results of Operations Data by Segment**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Normalized After-Tax Operating Income (Loss)</b>							
<b>Commercial Insurance</b>							
Liability and Financial Lines	\$ (82)	\$ 645	\$ 622	\$ 527	\$ 478	\$ 1,712	\$ 2,140
Property and Special Risks	(73)	(40)	65	28	(4)	(20)	158
Total Commercial Insurance	<b>(155)</b>	<b>605</b>	<b>687</b>	<b>555</b>	<b>474</b>	<b>1,692</b>	<b>2,298</b>
<b>Consumer Insurance</b>							
Individual Retirement	345	346	311	303	325	1,305	1,211
Group Retirement	174	178	170	195	188	717	746
Life Insurance	(16)	33	7	21	21	45	137
Personal Insurance	85	41	76	85	(24)	287	(98)
Total Consumer Insurance	<b>588</b>	<b>598</b>	<b>564</b>	<b>604</b>	<b>510</b>	<b>2,354</b>	<b>1,996</b>
Other Operations	47	(142)	45	16	94	(34)	(25)
<b>Total Core</b>	<b>480</b>	<b>1,061</b>	<b>1,296</b>	<b>1,175</b>	<b>1,078</b>	<b>4,012</b>	<b>4,269</b>
Legacy Portfolio (5)	278	263	88	232	142	861	1,089
Net (income) loss attributable to NCI, excluding income from Korea Fund	(23)	(3)	(4)	2	(3)	(28)	3
<b>Total normalized after-tax operating income (loss)</b>	<b>\$ 735</b>	<b>\$ 1,321</b>	<b>\$ 1,380</b>	<b>\$ 1,409</b>	<b>\$ 1,217</b>	<b>\$ 4,845</b>	<b>\$ 5,361</b>
<b>Average Adjusted Shareholders' Equity attributed by module</b>							
<b>Commercial Insurance</b>							
Liability and Financial Lines	\$ 18,805	\$ 19,365	\$ 20,005	\$ 19,909	\$ 20,685	\$ 19,504	\$ 21,281
Property and Special Risks	8,494	8,796	8,930	8,913	8,473	8,758	8,226
Total Commercial Insurance	27,299	28,161	28,935	28,822	29,158	28,262	29,507
<b>Consumer Insurance</b>							
Individual Retirement	11,059	11,330	11,397	11,432	11,521	11,287	11,464
Group Retirement	6,064	6,193	6,210	6,229	6,486	6,166	6,577
Life Insurance	2,570	2,676	2,733	2,696	2,820	2,654	2,876
Personal Insurance	2,739	2,828	2,889	2,853	2,904	2,821	2,927
Total Consumer Insurance	22,432	23,027	23,229	23,210	23,731	22,928	23,844
Other Operations	571	954	(928)	298	3,718	129	5,561
<b>Total Core</b>	<b>50,302</b>	<b>52,142</b>	<b>51,236</b>	<b>52,330</b>	<b>56,607</b>	<b>51,319</b>	<b>58,912</b>
Legacy Portfolio	10,867	12,914	14,884	15,939	17,173	13,671	19,245
<b>Total average adjusted shareholders' equity</b>	<b>\$ 61,169</b>	<b>\$ 65,056</b>	<b>\$ 66,120</b>	<b>\$ 68,269</b>	<b>\$ 73,780</b>	<b>\$ 64,990</b>	<b>\$ 78,157</b>

See Accompanying Notes on Page 31 and reconciliations of Non-GAAP financial measures beginning on Page 62.



**American International Group, Inc.**  
**Selected Results of Operations Data by Segment**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Adjusted Return on Attributed Equity</b>							
<b>Commercial Insurance</b>							
Liability and Financial Lines	(74.9)%	14.0 %	10.6 %	7.5 %	(31.5)%	(9.9)%	(1.8)%
Property and Special Risks	(2.6)	(8.7)	2.9	2.0	0.7	(1.6)	9.0
Total Commercial Insurance	(52.4)	6.9	8.2	5.8	(22.1)	(7.4)	1.2
<b>Consumer Insurance</b>							
Individual Retirement	13.1	21.0	11.5	7.1	8.9	13.2	10.3
Group Retirement	12.1	9.9	11.5	9.4	9.6	10.7	11.1
Life Insurance	(2.0)	(3.7)	1.8	(0.3)	0.7	(1.1)	1.4
Personal Insurance	14.9	11.2	11.5	17.0	(4.8)	13.6	(1.5)
Total Consumer Insurance	11.3	<b>13.9</b>	<b>10.4</b>	<b>8.0</b>	<b>6.5</b>	10.9	<b>8.0</b>
Other Operations	NM	NM	NM	NM	NM	NM	NM
<b>Total Core</b>	<b>(22.9)</b>	<b>9.0</b>	<b>9.6</b>	<b>6.8</b>	<b>(8.0)</b>	<b>0.8</b>	<b>3.8</b>
<b>Legacy Portfolio</b>	4.5	(1.8)	2.4	(3.2)	(4.4)	0.2	3.1
<b>Total adjusted return on attributed equity</b>	<b>(18.2)%</b>	<b>6.9 %</b>	<b>7.9 %</b>	<b>4.5 %</b>	<b>(7.1)%</b>	<b>0.6 %</b>	<b>3.7 %</b>
<b>Normalized Return on Attributed Equity</b>							
<b>Commercial Insurance</b>							
Liability and Financial Lines	(1.7)%	13.3 %	12.4 %	10.6 %	9.2 %	8.8 %	10.1 %
Property and Special Risks	(3.4)	(1.8)	2.9	1.3	(0.2)	(0.2)	1.9
Total Commercial Insurance	(2.3)	8.6	9.5	7.7	6.5	6.0	7.8
<b>Consumer Insurance</b>							
Individual Retirement	12.5	12.2	10.9	10.6	11.3	11.6	10.6
Group Retirement	11.5	11.5	11.0	12.5	11.6	11.6	11.3
Life Insurance	(2.5)	4.9	1.0	3.1	3.0	1.7	4.8
Personal Insurance	12.4	5.8	10.5	11.9	(3.3)	10.2	(3.3)
Total Consumer Insurance	10.5	10.4	9.7	10.4	8.6	10.3	8.4
Other Operations	NM	NM	NM	NM	NM	NM	NM
<b>Total Core</b>	<b>3.8</b>	8.1	10.1	9.0	7.6	<b>7.8</b>	7.2
<b>Legacy Portfolio (5)</b>	10.2	8.1	2.4	5.8	3.3	6.3	5.7
<b>Total normalized return on attributed equity</b>	<b>4.8 %</b>	<b>8.1 %</b>	<b>8.3 %</b>	<b>8.3 %</b>	<b>6.6 %</b>	<b>7.5 %</b>	<b>6.9 %</b>

See Accompanying Notes on Page 31 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Selected Results of Operations Data by Segment – General Operating Expenses**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>General Operating Expenses, Operating Basis</b>							
<b>Commercial Insurance</b>							
Liability and Financial Lines	\$ 337	\$ 345	\$ 332	\$ 370	\$ 385	\$ 1,384	\$ 1,623
Property and Special Risks	281	247	258	260	268	1,046	1,060
Total Commercial Insurance	618	592	590	630	653	2,430	2,683
<b>Consumer Insurance</b>							
Individual Retirement	120	112	140	166	161	538	688
Group Retirement	100	99	93	94	102	386	394
Life Insurance	167	155	174	184	179	680	714
Personal Insurance	488	431	443	443	503	1,805	2,084
Total Consumer Insurance	875	797	850	887	945	3,409	3,880
Other Operations	341	350	301	358	330	1,350	1,125
Consolidations, eliminations, and other	(107)	(77)	(102)	(74)	(109)	(360)	(270)
<b>Total Core</b>	1,727	1,662	1,639	1,801	1,819	6,829	7,418
<b>Legacy Portfolio</b>	131	111	135	129	156	506	608
<b>Total general operating expenses</b>	<b>1,858</b>	<b>1,773</b>	<b>1,774</b>	<b>1,930</b>	<b>1,975</b>	<b>7,335</b>	<b>8,026</b>
<b>Other acquisition expenses</b>							
Commercial Insurance							
Liability and Financial Lines	81	96	89	95	100	361	439
Property and Special Risks	73	75	73	76	92	297	332
Total Commercial Insurance	154	171	162	171	192	658	771
Consumer Insurance - Personal Insurance	139	145	138	135	161	557	636
<b>Total other acquisition expenses</b>	293	316	300	306	353	1,215	1,407
<b>Loss adjustment expenses</b>							
Commercial Insurance							
Liability and Financial Lines	157	175	187	189	210	708	937
Property and Special Risks	46	58	48	48	47	200	208
Total Commercial Insurance	203	233	235	237	257	908	1,145
Consumer Insurance - Personal Insurance	111	107	115	104	135	437	487
<b>Total loss adjustment expenses</b>	314	340	350	341	392	1,345	1,632
<b>Investment and other expenses</b>	12	15	15	15	20	57	76
<b>Total general operating expenses, operating basis</b>	<b>\$ 2,477</b>	<b>\$ 2,444</b>	<b>\$ 2,439</b>	<b>\$ 2,592</b>	<b>\$ 2,740</b>	<b>\$ 9,952</b>	<b>\$ 11,141</b>



**American International Group, Inc.**  
**Consolidated Balance Sheets**

(in millions)	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
<b>Assets</b>					
<b>Investments:</b>					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 241,537	\$ 260,649	\$ 262,089	\$ 253,785	\$ 248,245
Other bond securities, at fair value	13,998	14,772	15,335	15,344	16,782
Equity securities					
Common and preferred stock available for sale, at fair value	2,078	1,544	1,642	2,770	2,915
Other common and preferred stock, at fair value	482	498	661	877	921
Mortgage and other loans receivable, net of allowance	33,240	32,413	31,261	30,676	29,565
Other invested assets	24,538	25,747	27,345	28,480	29,794
Short-term investments	12,302	10,745	12,334	10,914	10,132
<b>Total investments</b>	<b>328,175</b>	<b>346,368</b>	<b>350,667</b>	<b>342,846</b>	<b>338,354</b>
Cash	1,868	2,498	1,784	1,499	1,629
Accrued investment income	2,495	2,608	2,590	2,657	2,623
Premiums and other receivables, net of allowance	10,465	11,606	12,078	12,414	11,451
Reinsurance assets, net of allowance	21,901	21,706	21,441	21,332	20,413
Deferred income taxes	21,332	18,412	18,542	20,116	20,394
Deferred policy acquisition costs	11,042	10,537	10,487	10,800	11,115
Other assets	10,815	11,546	12,188	11,581	11,289
Separate account assets, at fair value	82,972	82,626	80,572	79,532	79,574
Assets held for sale (6)	7,199	6,661	-	-	-
<b>Total assets</b>	<b>\$ 498,264</b>	<b>\$ 514,568</b>	<b>\$ 510,349</b>	<b>\$ 502,777</b>	<b>\$ 496,842</b>
<b>Liabilities</b>					
Liability for unpaid losses and loss adjustment expenses	\$ 77,077	\$ 72,487	\$ 74,143	\$ 73,946	\$ 74,942
Unearned premiums	19,634	21,047	22,165	22,060	21,318
Future policy benefits for life and accident and health insurance contracts	42,204	47,848	45,982	44,573	43,585
Policyholder contract deposits	132,216	132,808	131,936	130,007	127,588
Other policyholder funds	3,989	4,418	4,292	4,203	4,212
Other liabilities	26,296	27,983	27,393	27,423	26,164
Long-term debt	30,912	32,277	33,329	31,952	29,249
Separate account liabilities	82,972	82,626	80,572	79,532	79,574
Liabilities held for sale (6)	6,106	3,909	-	-	-
<b>Total liabilities</b>	<b>421,406</b>	<b>425,403</b>	<b>419,812</b>	<b>413,696</b>	<b>406,632</b>
<b>AIG shareholders' equity</b>					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(41,471)	(38,518)	(36,262)	(33,584)	(30,098)
Additional paid-in capital	81,064	81,281	81,232	81,415	81,510
Retained earnings	28,711	32,077	31,951	30,396	30,943
Accumulated other comprehensive income	3,230	9,057	8,259	5,525	2,537
<b>Total AIG shareholders' equity</b>	<b>76,300</b>	<b>88,663</b>	<b>89,946</b>	<b>88,518</b>	<b>89,658</b>
<b>Non-redeemable noncontrolling interests</b>	<b>558</b>	<b>502</b>	<b>591</b>	<b>563</b>	<b>552</b>
<b>Total equity</b>	<b>76,858</b>	<b>89,165</b>	<b>90,537</b>	<b>89,081</b>	<b>90,210</b>
<b>Total liabilities and equity</b>	<b>\$ 498,264</b>	<b>\$ 514,568</b>	<b>\$ 510,349</b>	<b>\$ 502,777</b>	<b>\$ 496,842</b>

See Accompanying Notes on Page 31.



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

(in millions)	<b>Debt and Hybrid Capital</b>		<b>Interest Expense</b>			
	<b>December 31,</b>	<b>December 31,</b>	<b>Three Months Ended December 31,</b>		<b>Twelve Months Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Financial Debt</b>						
AIG notes and bonds payable	\$ 19,432	\$ 17,047	\$ 216	\$ 202	\$ 864	\$ 849
AIG subordinated debt	-	-	-	-	-	4
AIG Japan Holdings Kabushiki Kaisha	330	106	-	1	1	1
AIG Life Holdings, Inc. notes and bonds payable	281	284	5	5	20	20
AIG Life Holdings, Inc. junior subordinated debt	361	420	7	8	31	37
<b>Total</b>	<b>20,404</b>	<b>17,857</b>	<b>228</b>	<b>216</b>	<b>916</b>	<b>911</b>
<b>Operating Debt</b>						
MIP notes payable	1,099	1,372	11	13	50	70
Series AIGFP matched notes and bonds payable	32	34	-	-	1	-
Other AIG borrowings supported by assets	3,428	3,670	-	-	-	-
Other subsidiaries	735	2	4	-	8	2
Borrowings of consolidated investments	4,371	4,987	47	52	217	178
<b>Total</b>	<b>9,665</b>	<b>10,065</b>	<b>62</b>	<b>65</b>	<b>276</b>	<b>250</b>
<b>Hybrid - Debt Securities (7)</b>						
Junior subordinated debt (8)	843	1,327	15	23	68	120
<b>Total</b>	<b>\$ 30,912</b>	<b>\$ 29,249</b>	<b>\$ 305</b>	<b>\$ 304</b>	<b>\$ 1,260</b>	<b>\$ 1,281</b>
<b>AIG Capitalization</b>						
Total equity	\$ 76,858	\$ 90,210				
Hybrid - debt securities (7) (8)	843	1,327				
<b>Total equity and hybrid capital</b>	<b>77,701</b>	<b>91,537</b>				
Financial debt	20,404	17,857				
<b>Total capital</b>	<b>\$ 98,105</b>	<b>\$ 109,394</b>				
<b>Ratios</b>						
Hybrid - debt securities / Total capital	0.9 %	1.2 %				
Financial debt / Total capital	20.8	16.3				
Total debt / Total capital	21.7 %	17.5 %				

See Accompanying Notes on Page 31.

- (1) For the quarters ended December 31, 2016, March 31, 2016 and December 31, 2015, because we reported a net loss and, in the quarters ended December 31, 2016 and 2015, an after-tax operating loss, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. We reported an after-tax income for the year ended December 31, 2016; therefore, we reported earnings per share on diluted basis. For the year ended December 31, 2016, the weighted average outstanding shares - diluted includes 30,326,772 dilutive shares.
- (2) 2015 includes approximately 3.5 million shares of AIG Common Stock received in January 2015 upon the settlement of an accelerated stock repurchase agreement executed in the fourth quarter of 2014.
- (3) 4Q16 primarily represents gain on the sales of AIG's non-controlling interest in an AIG sponsored Fund (Korea Fund).
- (4) 4Q16 includes the sales of United Guaranty Corporation, Fuji Life, Ascot Corporate, AIG Taiwan Insurance Co., Ltd and certain entities and operations being sold to Fairfax Financial Holdings, Ltd (Fairfax). 3Q16 included the sale of NSM Insurance Group. 2Q16 included the sale of AIG Advisor Group. The twelve months ended December 31, 2015 included certain post-acquisition transaction expenses related to AerCap.
- (5) Legacy portfolio excludes income from non-controlling interest related to the Korea Fund transaction.
- (6) Assets and liabilities held for sale are comprised of Fuji Life and certain entities and operations being sold to Fairfax.
- (7) Hybrid debt securities and financial debt are attributed to our operating modules and Legacy Portfolio, as well as to the three key geographic modules. See details of attributed debt by segment and geography on Page 76.
- (8) 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 Condensed Consolidated Balance Sheets

**American International Group, Inc.**  
**Commercial Insurance Operating Results**

(in millions)

**Results of Operations**

	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
Net premiums written	\$ 3,702	\$ 4,354	\$ 4,497	\$ 4,375	\$ 4,639	\$ 16,928	\$ 20,616
Net premiums earned	\$ 4,192	\$ 4,475	\$ 4,688	\$ 4,745	\$ 4,931	\$ 18,100	\$ 19,715
Losses and loss adjustment expenses incurred	8,870	3,455	3,287	3,216	6,564	18,828	16,660
Acquisition expenses:							
Amortization of deferred policy acquisition costs	473	514	527	535	613	2,049	2,349
Other acquisition expenses	172	170	199	255	223	796	879
Total acquisition expenses	645	684	726	790	836	2,845	3,228
General operating expenses	618	592	590	630	653	2,430	2,683
Underwriting income (loss)	(5,941)	(256)	85	109	(3,122)	(6,003)	(2,856)
Net investment income (loss):							
Interest and dividends	775	790	814	776	790	3,155	3,220
Alternative investments	157	185	128	(139)	(35)	331	349
Other investment income (loss) (1)	8	(6)	(62)	(54)	(29)	(114)	2
Investment expenses	(22)	(28)	(24)	(30)	(30)	(104)	(150)
Total net investment income	918	941	856	553	696	3,268	3,421
<b>Pre-tax operating income (loss)</b>	<b>\$ (5,023)</b>	<b>\$ 685</b>	<b>\$ 941</b>	<b>\$ 662</b>	<b>\$ (2,426)</b>	<b>\$ (2,735)</b>	<b>\$ 565</b>

**Underwriting Ratios**

Loss ratio*	211.5	77.3	70.2	67.8	133.1	104.0	84.5
Acquisition ratio	15.4	15.3	15.5	16.6	17.0	15.7	16.4
General operating expense ratio	14.7	13.2	12.6	13.3	13.2	13.4	13.6
Expense ratio	30.1	28.5	28.1	29.9	30.2	29.1	30.0
Combined ratio	241.6	105.8	98.3	97.7	163.3	133.1	114.5
Accident year loss ratio, as adjusted	78.2	64.7	61.7	63.5	65.6	66.7	64.7
Accident year combined ratio, as adjusted	108.3	93.2	89.8	93.4	95.8	95.8	94.7
Excluded from accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:							
Catastrophe losses and reinstatement premiums	8.1	5.6	7.5	4.6	4.3	6.5	3.0
Prior year development net of premium adjustments	125.2	7.0	1.0	(0.3)	63.2	30.8	16.8

**Noteworthy Items (pre-tax)**

Catastrophe-related losses	\$ 338	\$ 252	\$ 353	\$ 222	\$ 213	\$ 1,165	\$ 581
Reinstatement premiums related to catastrophes	1	-	-	-	-	1	-
Reinstatement premiums related to prior year catastrophes	-	-	(11)	(10)	-	(21)	(5)
Severe losses	72	95	129	109	172	405	699
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance (Additional) returned premium related to prior year development	5,240	317	36	(16)	3,118	5,577	3,293
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	16	(11)	22	6	(4)	33	49
Net liability for unpaid losses and loss adjustment expenses (at period end)	5,256	306	58	(10)	3,114	5,610	3,342
	51,540	47,585	48,686	48,900	49,658	51,540	49,658

\* Consistent with our definition of PTOI, excludes loss reserve discount.

*S*See Accompanying Notes on Page 35 and reconciliations of Non-GAAP financial measures beginning on Page 62.



**American International Group, Inc.**  
**Commercial - Liability and Financial Lines Operating Results**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations</b>							
Net premiums written	\$ 2,160	\$ 2,389	\$ 2,321	\$ 2,509	\$ 2,808	\$ 9,379	\$ 12,570
U.S. Casualty	776	941	830	925	1,337	3,472	5,709
International Casualty	309	379	377	547	348	1,612	2,195
Financial Lines	1,075	1,069	1,114	1,037	1,123	4,295	4,666
Total net premiums written	\$ 2,160	\$ 2,389	\$ 2,321	\$ 2,509	\$ 2,808	\$ 9,379	\$ 12,570
Net premiums earned	\$ 2,400	\$ 2,610	\$ 2,726	\$ 2,834	\$ 2,980	\$ 10,570	\$ 11,866
Losses and loss adjustment expenses incurred	7,491	1,768	1,920	1,955	5,202	13,134	11,946
Acquisition expenses:							
Amortization of deferred policy acquisition costs	236	242	304	316	379	1,098	1,439
Other acquisition expenses	69	76	57	101	86	303	337
Total acquisition expenses	305	318	361	417	465	1,401	1,776
General operating expenses	337	345	332	370	385	1,384	1,623
Underwriting income (loss)	(5,733)	179	113	92	(3,072)	(5,349)	(3,479)
Net investment income (loss):							
Interest and dividends	648	659	668	635	661	2,610	2,665
Alternative investments	112	132	93	(97)	(24)	240	261
Other investment income (loss) (1)	7	(3)	(42)	(38)	(20)	(76)	12
Investment expenses	(15)	(19)	(17)	(23)	(24)	(74)	(120)
Total net investment income	752	769	702	477	593	2,700	2,818
<b>Pre-tax operating income (loss)</b>	<b>\$ (4,981)</b>	<b>\$ 948</b>	<b>\$ 815</b>	<b>\$ 569</b>	<b>\$ (2,479)</b>	<b>\$ (2,649)</b>	<b>\$ (661)</b>
<b>Underwriting Ratios</b>							
Loss ratio*	312.0	67.7	70.4	69.0	174.6	124.2	100.7
Acquisition ratio	12.7	12.2	13.2	14.7	15.6	13.3	15.0
General operating expense ratio	14.0	13.2	12.2	13.1	12.9	13.1	13.7
Expense ratio	26.7	25.4	25.4	27.8	28.5	26.4	28.7
Combined ratio	338.7	93.1	95.8	96.8	203.1	150.6	129.4
Accident year loss ratio, as adjusted	91.4	68.0	67.1	68.9	70.6	73.3	70.2
Accident year combined ratio, as adjusted	118.1	93.4	92.5	96.7	99.1	99.7	98.9
Excluded from accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:							
Catastrophe losses and reinstatement premiums	-	0.2	-	-	0.1	-	0.1
Prior year development net of premium adjustments	220.6	(0.5)	3.3	0.1	103.9	50.9	30.4
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses	\$ -	\$ 4	\$ -	\$ -	\$ 3	\$ 4	\$ 8
Reinstatement premiums related to prior year catastrophes	-	1	-	-	-	1	-
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	5,283	(5)	76	(2)	3,099	5,352	3,578
(Additional) returned premium related to prior year development	16	(11)	22	6	(4)	33	49
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	5,299	(16)	98	4	3,095	5,385	3,627
Net liability for unpaid losses and loss adjustment expenses (at period end)	44,209	39,977	40,968	41,452	42,280	44,209	42,280

\* Consistent with our definition of PTOI, excludes loss reserve discount.

See Accompanying Notes on Page 35 and reconciliations of Non-GAAP financial measures beginning on Page 62.



**American International Group, Inc.**  
**Commercial - Property and Special Risks Operating Results**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations</b>							
Net premiums written	\$ 1,542	\$ 1,965	\$ 2,176	\$ 1,866	\$ 1,831	\$ 7,549	\$ 8,046
Property	802	1,151	1,288	1,033	967	4,274	4,353
Special Risks	740	814	888	833	864	3,275	3,693
Total net premiums written	\$ 1,542	\$ 1,965	\$ 2,176	\$ 1,866	\$ 1,831	\$ 7,549	\$ 8,046
Net premiums earned	\$ 1,792	\$ 1,865	\$ 1,962	\$ 1,911	\$ 1,951	\$ 7,530	\$ 7,849
Losses and loss adjustment expenses incurred	1,379	1,687	1,367	1,261	1,362	5,694	4,714
Acquisition expenses:							
Amortization of deferred policy acquisition costs	237	272	223	219	234	951	910
Other acquisition expenses	103	94	142	154	137	493	542
Total acquisition expenses	340	366	365	373	371	1,444	1,452
General operating expenses	281	247	258	260	268	1,046	1,060
Underwriting income (loss)	(208)	(435)	(28)	17	(50)	(654)	623
Net investment income (loss):							
Interest and dividends	127	131	146	141	129	545	555
Alternative investments	45	53	35	(42)	(11)	91	88
Other investment income (loss) (1)	1	(3)	(20)	(16)	(9)	(38)	(10)
Investment expenses	(7)	(9)	(7)	(7)	(6)	(30)	(30)
Total net investment income	166	172	154	76	103	568	603
<b>Pre-tax operating income (loss) (2)</b>	<b>\$ (42)</b>	<b>\$ (263)</b>	<b>\$ 126</b>	<b>\$ 93</b>	<b>\$ 53</b>	<b>\$ (86)</b>	<b>\$ 1,226</b>
<b>Underwriting Ratios</b>							
Loss ratio	77.0	90.5	69.7	66.0	69.8	75.6	60.1
Acquisition ratio	19.0	19.6	18.6	19.5	19.0	19.2	18.5
General operating expense ratio	15.7	13.2	13.1	13.6	13.7	13.9	13.5
Expense ratio	34.7	32.8	31.7	33.1	32.7	33.1	32.0
Combined ratio, GAAP basis	111.7	123.3	101.4	99.1	102.5	108.7	92.1
Accident year loss ratio, as adjusted	60.5	59.9	54.0	55.4	58.1	57.4	56.4
Accident year combined ratio, as adjusted	95.2	92.7	85.7	88.5	90.8	90.5	88.4
Excluded from accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:							
Catastrophe losses and reinstatement premiums	18.9	13.3	18.0	11.6	10.8	15.4	7.3
Prior year development net of premium adjustments	(2.4)	17.3	(2.3)	(1.0)	0.9	2.8	(3.6)
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses	\$ 338	\$ 248	\$ 353	\$ 222	\$ 210	\$ 1,161	\$ 573
Reinstatement premiums related to catastrophes	1	-	-	-	-	1	-
Reinstatement premiums related to prior year catastrophes	-	(1)	(11)	(10)	-	(22)	(5)
Severe losses	72	95	129	109	172	405	699
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(43)	322	(40)	(14)	19	225	(285)
Net liability for unpaid losses and loss adjustment expenses (at period end)	7,331	7,608	7,718	7,448	7,378	7,331	7,378

See Accompanying Notes on Page 35 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Commercial Insurance Notes**

- (1) 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.
- (2) In 2Q15, a United Guaranty subsidiary (UGC) and certain of our property casualty companies entered into a 50 percent quota share arrangement whereby the United Guaranty subsidiary (1) ceded 50 percent of the risk relating to policies written in 2014 that were current as of January 1, 2015 and (2) ceded 50 percent of the risk relating to all policies written in 2015 and 2016, each in exchange for a 30 percent ceding commission and reimbursements of 50 percent of the losses and loss adjustment expenses incurred on covered policies. Beginning in 3Q16, the effects of these intercompany reinsurance arrangements are included in the results of Commercial Insurance and Other Operations for all periods presented. Previously, these arrangements were eliminated for purposes of segment reporting.

	Quarterly					Year Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Impact of UGC reinsurance treaty in Commercial</b>							
Accident year loss ratio, as adjusted - before UGC reinsurance treaty	79.3	65.5	62.4	64.1	66.1	67.5	65.1
Impact of UGC reinsurance treaty	(1.1)	(0.8)	(0.7)	(0.6)	(0.5)	(0.8)	(0.4)
<b>Accident year loss ratio, as adjusted - as reported - Commercial</b>	<b>78.2</b>	<b>64.7</b>	<b>61.7</b>	<b>63.5</b>	<b>65.6</b>	<b>66.7</b>	<b>64.7</b>
Pre-tax operating income (loss) - before UGC reinsurance treaty	\$ (5,063)	\$ 645	\$ 905	\$ 632	\$ (2,453)	\$ (2,881)	\$ 479
Impact of UGC reinsurance treaty*	40	40	36	30	27	146	86
<b>Pre-tax operating income (loss) - as reported - Commercial</b>	<b>\$ (5,023)</b>	<b>\$ 685</b>	<b>\$ 941</b>	<b>\$ 662</b>	<b>\$ (2,426)</b>	<b>\$ (2,735)</b>	<b>\$ 565</b>
<b>Impact of UGC reinsurance treaty in PSR</b>							
Accident year loss ratio, as adjusted - before UGC reinsurance treaty	62.5	61.8	55.4	56.6	59.3	59.0	57.3
Impact of UGC reinsurance treaty	(2.0)	(1.9)	(1.4)	(1.2)	(1.2)	(1.6)	(0.9)
<b>Accident year loss ratio, as adjusted - as reported - PSR</b>	<b>60.5</b>	<b>59.9</b>	<b>54.0</b>	<b>55.4</b>	<b>58.1</b>	<b>57.4</b>	<b>56.4</b>
Pre-tax operating income (loss) - before UGC reinsurance treaty	\$ (82)	\$ (303)	\$ 90	\$ 63	\$ 26	\$ (232)	\$ 1,140
Impact of UGC reinsurance treaty*	40	40	36	30	27	146	86
<b>Pre-tax operating income (loss) - as reported - PSR</b>	<b>\$ (42)</b>	<b>\$ (263)</b>	<b>\$ 126</b>	<b>\$ 93</b>	<b>\$ 53</b>	<b>\$ (86)</b>	<b>\$ 1,226</b>

\* PSR and United Guaranty each use models that are consistent with their core underlying business to defer and amortize ceding commissions related to the intercompany reinsurance agreement.

**American International Group, Inc.**  
**Consumer Insurance Operating Results**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31,	December 31,
<b>Results of Operations</b>						2016	2015
<b>Revenues:</b>							
Premiums	\$ 3,261	\$ 3,313	\$ 3,272	\$ 3,169	\$ 3,100	\$ 13,015	\$ 12,620
Policy fees	619	573	616	603	613	2,411	2,450
Net investment income	1,918	1,903	1,912	1,612	1,733	7,345	7,356
Advisory fee and other income	219	220	332	507	532	1,278	2,104
<b>Total operating revenues</b>	<b>6,017</b>	<b>6,009</b>	<b>6,132</b>	<b>5,891</b>	<b>5,978</b>	<b>24,049</b>	<b>24,530</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	2,157	2,367	2,236	2,098	2,105	8,858	8,760
Interest credited to policyholder account balances	807	755	823	820	830	3,205	3,207
Amortization of deferred policy acquisition costs	752	455	757	717	704	2,681	2,762
Non deferrable insurance commissions	119	116	119	112	115	466	440
Advisory fee expenses	79	76	173	317	338	645	1,350
General operating expenses*	1,134	1,012	1,076	1,123	1,264	4,345	5,082
<b>Total benefits, losses and expenses</b>	<b>5,048</b>	<b>4,781</b>	<b>5,184</b>	<b>5,187</b>	<b>5,356</b>	<b>20,200</b>	<b>21,601</b>
<b>Pre-tax operating income (1)</b>	<b>\$ 969</b>	<b>\$ 1,228</b>	<b>\$ 948</b>	<b>\$ 704</b>	<b>\$ 622</b>	<b>\$ 3,849</b>	<b>\$ 2,929</b>

\* General operating expenses include other acquisition expenses.

See Accompanying Notes on Page 47 and reconciliations of Non-GAAP financial measures beginning on Page 62.



**American International Group, Inc.**  
**Consumer Insurance - Individual Retirement Operating Results**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations</b>							
<b>Premiums and deposits</b>	\$ 3,078	\$ 3,363	\$ 4,611	\$ 5,010	\$ 5,109	\$ 16,062	\$ 18,376
<b>Revenues:</b>							
Premiums	\$ 34	\$ 37	\$ 45	\$ 47	\$ 34	\$ 163	\$ 137
Policy fees	181	183	178	167	172	709	670
Net investment income (loss):							
Base portfolio (2)	873	887	876	895	859	3,531	3,424
Alternative investments	65	67	86	(87)	(19)	131	223
Other enhancements (3)	72	55	58	31	64	216	158
Total net investment income	1,010	1,009	1,020	839	904	3,878	3,805
Advisory fee and other income	151	151	266	440	460	1,008	1,838
Total operating revenues	<b>1,376</b>	<b>1,380</b>	<b>1,509</b>	<b>1,493</b>	<b>1,570</b>	<b>5,758</b>	<b>6,450</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	40	(20)	71	82	64	173	328
Interest credited to policyholder account balances	425	370	446	443	449	1,684	1,702
Amortization of deferred policy acquisition costs	133	(119)	136	148	134	298	431
Non deferrable insurance commissions	60	59	55	52	50	226	212
Advisory fee expenses	56	58	156	300	315	570	1,277
General operating expenses	120	112	140	166	161	538	688
Total benefits, losses and expenses	<b>834</b>	<b>460</b>	<b>1,004</b>	<b>1,191</b>	<b>1,173</b>	<b>3,489</b>	<b>4,638</b>
<b>Pre-tax operating income</b>	<b>\$ 542</b>	<b>\$ 920</b>	<b>\$ 505</b>	<b>\$ 302</b>	<b>\$ 397</b>	<b>\$ 2,269</b>	<b>\$ 1,812</b>
<b>Noteworthy Items (pre-tax)</b>							
Actuarial assumption update income (loss)	\$ -	\$ 369	\$ -	\$ -	\$ -	\$ 369	\$ 92

See Accompanying Notes on Page 47 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Consumer Insurance - Individual Retirement (Variable and Index Annuities) Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Assets under management:</b>							
General accounts	\$ 22,503	\$ 22,982	\$ 22,406	\$ 20,679	\$ 19,488	\$ 22,503	\$ 19,488
Separate accounts	43,463	43,247	41,890	41,085	40,746	43,463	40,746
<b>Total assets under management</b>	<b>\$ 65,966</b>	<b>\$ 66,229</b>	<b>\$ 64,296</b>	<b>\$ 61,764</b>	<b>\$ 60,234</b>	<b>\$ 65,966</b>	<b>\$ 60,234</b>
<b>Net investment spreads:</b>							
Total yield	5.13 %	5.04 %	5.11 %	3.61 %	4.10 %	4.74 %	4.84 %
Less: Alternative investments (5)	(0.35)	(0.36)	(0.46)	1.26	0.61	-	(0.10)
Less: Other enhancements (6)	(0.27)	(0.24)	(0.11)	0.12	-	(0.13)	(0.02)
<b>Base yield (7)</b>	<b>4.51</b>	<b>4.44</b>	<b>4.54</b>	<b>4.99</b>	<b>4.71</b>	<b>4.61</b>	<b>4.72</b>
Cost of funds (a)	1.28	1.42	1.54	1.56	1.48	1.44	1.62
<b>Base net investment spread</b>	<b>3.23 %</b>	<b>3.02 %</b>	<b>3.00 %</b>	<b>3.43 %</b>	<b>3.23 %</b>	<b>3.17 %</b>	<b>3.10 %</b>
<b>DAC rollforward:</b>							
Balance at beginning of period	\$ 2,099	\$ 2,080	\$ 2,142	\$ 2,142	\$ 1,911	\$ 2,142	\$ 1,530
Deferrals	93	107	124	121	170	445	661
Operating amortization	(60)	(56)	(57)	(68)	(52)	(241)	(170)
Change from realized gains (losses)	267	(8)	(30)	32	57	261	(14)
Change from unrealized gains (losses)	134	(24)	(99)	(85)	56	(74)	135
<b>Balance at end of period</b>	<b>\$ 2,533</b>	<b>\$ 2,099</b>	<b>\$ 2,080</b>	<b>\$ 2,142</b>	<b>\$ 2,142</b>	<b>\$ 2,533</b>	<b>\$ 2,142</b>
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 61,332	\$ 59,369	\$ 57,205	\$ 55,307	\$ 52,814	\$ 55,307	\$ 49,511
Premiums and deposits	1,471	1,703	1,980	2,040	2,681	7,194	10,838
Surrenders and withdrawals	(864)	(779)	(720)	(669)	(770)	(3,032)	(3,164)
Death and other contract benefits	(197)	(206)	(213)	(190)	(185)	(806)	(739)
Subtotal	61,742	60,087	58,252	56,488	54,540	58,663	56,446
Change in fair value of underlying assets and reserve accretion, net of policy fees	(900)	1,254	1,106	540	681	2,000	(1,393)
Cost of funds (a)	49	52	53	50	46	204	175
Other reserve changes	135	(61)	(42)	127	40	159	79
Balance at end of period	61,026	61,332	59,369	57,205	55,307	61,026	55,307
Reinsurance ceded	(43)	(20)	-	-	-	(43)	-
<b>Total insurance reserves</b>	<b>\$ 60,983</b>	<b>\$ 61,312</b>	<b>\$ 59,369</b>	<b>\$ 57,205</b>	<b>\$ 55,307</b>	<b>\$ 60,983</b>	<b>\$ 55,307</b>

(a) Excludes the amortization of sales inducement assets.  
See Accompanying Notes on Page 47.

**American International Group, Inc.**  
**Consumer Insurance - Individual Retirement (Fixed Annuities) Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Assets under management:</b>							
General accounts	\$ 58,212	\$ 60,775	\$ 61,668	\$ 61,088	\$ 59,703	\$ 58,212	\$ 59,703
Separate accounts	31	31	31	31	32	31	32
<b>Total assets under management</b>	<b>\$ 58,243</b>	<b>\$ 60,806</b>	<b>\$ 61,699</b>	<b>\$ 61,119</b>	<b>\$ 59,735</b>	<b>\$ 58,243</b>	<b>\$ 59,735</b>
<b>Net investment spreads:</b>							
Total yield	5.27 %	5.21 %	5.24 %	4.62 %	4.99 %	5.08 %	5.15 %
Less: Alternative investments (5)	(0.15)	(0.12)	(0.17)	0.44	0.22	0.01	(0.03)
Less: Other enhancements (6)	(0.26)	(0.14)	(0.18)	(0.06)	(0.27)	(0.16)	(0.14)
<b>Base yield (7)</b>	<b>4.86</b>	<b>4.95</b>	<b>4.89</b>	<b>5.00</b>	<b>4.94</b>	<b>4.93</b>	<b>4.98</b>
Cost of funds (a)	2.69	2.74	2.76	2.78	2.79	2.74	2.78
<b>Base net investment spread (b)</b>	<b>2.17 %</b>	<b>2.21 %</b>	<b>2.13 %</b>	<b>2.22 %</b>	<b>2.15 %</b>	<b>2.19 %</b>	<b>2.20 %</b>
<b>DAC rollforward:</b>							
Balance at beginning of period	\$ 766	\$ 720	\$ 931	\$ 1,111	\$ 934	\$ 1,111	\$ 817
Deferrals	12	14	29	39	30	94	90
Operating amortization	(73)	175	(79)	(80)	(82)	(57)	(261)
Change from realized gains (losses)	(1)	-	1	12	3	12	3
Change from unrealized gains (losses)	363	(143)	(162)	(151)	226	(93)	462
<b>Balance at end of period</b>	<b>\$ 1,067</b>	<b>\$ 766</b>	<b>\$ 720</b>	<b>\$ 931</b>	<b>\$ 1,111</b>	<b>\$ 1,067</b>	<b>\$ 1,111</b>
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 52,910	\$ 53,433	\$ 53,498	\$ 52,955	\$ 52,844	\$ 52,955	\$ 53,825
Premiums and deposits	546	570	1,221	1,645	1,259	3,982	3,747
Surrenders and withdrawals	(970)	(946)	(1,103)	(950)	(977)	(3,969)	(3,813)
Death and other contract benefits	(508)	(527)	(594)	(556)	(525)	(2,185)	(2,277)
Subtotal	51,978	52,530	53,022	53,094	52,601	50,783	51,482
Change in fair value of underlying assets and reserve accretion, net of policy fees	6	68	49	34	(18)	157	15
Cost of funds (a)	345	355	356	354	361	1,410	1,438
Other reserve changes	(44)	(43)	6	16	11	(65)	20
Balance at end of period	52,285	52,910	53,433	53,498	52,955	52,285	52,955
Reinsurance ceded	(328)	(332)	(333)	(334)	(336)	(328)	(336)
<b>Total insurance reserves</b>	<b>\$ 51,957</b>	<b>\$ 52,578</b>	<b>\$ 53,100</b>	<b>\$ 53,164</b>	<b>\$ 52,619</b>	<b>\$ 51,957</b>	<b>\$ 52,619</b>

(a) Excludes the amortization of deferred sales inducements.

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

See Accompanying Notes on Page 47.

**American International Group, Inc.**  
**Consumer Insurance - Individual Retirement Investment Products Net Flows**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Premiums and deposits:</b>							
Fixed Annuities	\$ 546	\$ 570	\$ 1,221	\$ 1,645	\$ 1,259	\$ 3,982	\$ 3,747
Variable Annuities	923	1,092	1,225	1,267	1,814	4,507	8,012
Index Annuities	548	611	755	773	867	2,687	2,826
Retail Mutual Funds	1,061	1,090	1,410	1,325	1,169	4,886	3,791
<b>Total premiums and deposits</b>	<b>3,078</b>	<b>3,363</b>	<b>4,611</b>	<b>5,010</b>	<b>5,109</b>	<b>16,062</b>	<b>18,376</b>
<b>Surrenders and withdrawals:</b>							
Fixed Annuities	(970)	(946)	(1,103)	(950)	(977)	(3,969)	(3,813)
Variable Annuities	(796)	(723)	(669)	(623)	(731)	(2,811)	(3,039)
Index Annuities	(68)	(56)	(51)	(46)	(39)	(221)	(125)
Retail Mutual Funds	(860)	(676)	(707)	(783)	(819)	(3,026)	(2,765)
<b>Total surrenders and withdrawals</b>	<b>(2,694)</b>	<b>(2,401)</b>	<b>(2,530)</b>	<b>(2,402)</b>	<b>(2,566)</b>	<b>(10,027)</b>	<b>(9,742)</b>
<b>Death and other contract benefits:</b>							
Fixed Annuities	(508)	(527)	(594)	(556)	(525)	(2,185)	(2,277)
Variable Annuities	(189)	(198)	(200)	(183)	(180)	(770)	(716)
Index Annuities	(8)	(8)	(13)	(7)	(5)	(36)	(23)
<b>Total death and other contract benefits</b>	<b>(705)</b>	<b>(733)</b>	<b>(807)</b>	<b>(746)</b>	<b>(710)</b>	<b>(2,991)</b>	<b>(3,016)</b>
<b>Net flows (4):</b>							
Fixed Annuities	(932)	(903)	(476)	139	(244)	(2,172)	(2,345)
Variable Annuities	(61)	170	356	461	902	926	4,257
Index Annuities	471	547	691	721	823	2,430	2,679
Retail Mutual Funds	202	414	702	542	350	1,860	1,026
<b>Total net flows</b>	<b>\$ (320)</b>	<b>\$ 228</b>	<b>\$ 1,273</b>	<b>\$ 1,863</b>	<b>\$ 1,831</b>	<b>\$ 3,044</b>	<b>\$ 5,617</b>
<b>Surrender rates (8):</b>							
<b>Fixed Annuities</b>	<b>7.4%</b>	<b>7.2%</b>	<b>8.3%</b>	<b>7.2%</b>	<b>7.4%</b>	<b>7.6%</b>	<b>7.2%</b>
<b>Variable and Index Annuities</b>	<b>5.7%</b>	<b>5.2%</b>	<b>4.9%</b>	<b>4.8%</b>	<b>5.7%</b>	<b>5.2%</b>	<b>6.0%</b>

See Accompanying Notes on Page 47 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Consumer Insurance - Group Retirement Operating Results**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations</b>							
<b>Premiums and deposits</b>	\$ 2,056	\$ 1,821	\$ 1,837	\$ 1,856	\$ 1,944	\$ 7,570	\$ 6,920
<b>Revenues:</b>							
Premiums	\$ 6	\$ 9	\$ 5	\$ 7	\$ 6	\$ 27	\$ 22
Policy fees	98	99	95	91	98	383	401
Net investment income (loss):							
Base portfolio (2)	485	493	488	496	491	1,962	1,992
Alternative investments	33	33	42	(42)	(7)	66	110
Other enhancements (3)	40	28	25	25	36	118	90
Total net investment income	558	554	555	479	520	2,146	2,192
Advisory fee and other income	54	55	52	52	55	213	219
<b>Total operating revenues</b>	<b>716</b>	<b>717</b>	<b>707</b>	<b>629</b>	<b>679</b>	<b>2,769</b>	<b>2,834</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	(3)	14	10	7	5	28	33
Interest credited to policyholder account balances	286	289	281	279	283	1,135	1,113
Amortization of deferred policy acquisition costs	23	63	22	21	16	129	50
Non deferrable insurance commissions	26	20	19	20	22	85	71
Advisory fee expenses	23	18	17	17	23	75	73
General operating expenses	100	99	93	94	102	386	394
<b>Total benefits, losses and expenses</b>	<b>455</b>	<b>503</b>	<b>442</b>	<b>438</b>	<b>451</b>	<b>1,838</b>	<b>1,734</b>
<b>Pre-tax operating income (loss)</b>	<b>\$ 261</b>	<b>\$ 214</b>	<b>\$ 265</b>	<b>\$ 191</b>	<b>\$ 228</b>	<b>\$ 931</b>	<b>\$ 1,100</b>
<b>Noteworthy items (pre-tax)</b>							
Actuarial assumption update income (loss)	\$ -	\$ (47)	\$ -	\$ -	\$ -	\$ (47)	\$ 48

See Accompanying Notes on Page 47 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Consumer Insurance - Group Retirement Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Assets under administration:</b>							
General accounts	\$ 46,385	\$ 47,563	\$ 46,913	\$ 45,488	\$ 44,923	\$ 46,385	\$ 44,923
Separate accounts	32,470	32,307	31,464	31,309	31,536	32,470	31,536
Group Retirement mutual funds	16,310	16,206	15,420	14,919	14,523	16,310	14,523
<b>Total assets under administration</b>	<b>\$ 95,165</b>	<b>\$ 96,076</b>	<b>\$ 93,797</b>	<b>\$ 91,716</b>	<b>\$ 90,982</b>	<b>\$ 95,165</b>	<b>\$ 90,982</b>
<b>Net investment spreads:</b>							
Total yield	5.04 %	5.01 %	5.13 %	4.45 %	4.84 %	4.91 %	5.10 %
Less: Alternative investments (5)	(0.19)	(0.16)	(0.23)	0.58	0.28	-	(0.03)
Less: Other enhancements (6)	(0.25)	(0.14)	(0.09)	(0.09)	(0.21)	(0.15)	(0.11)
<b>Base yield (7)</b>	<b>4.60</b>	<b>4.71</b>	<b>4.81</b>	<b>4.94</b>	<b>4.91</b>	<b>4.76</b>	<b>4.96</b>
Cost of funds (a)	2.85	2.86	2.91	2.94	2.93	2.89	2.95
<b>Base net investment spread</b>	<b>1.75 %</b>	<b>1.85 %</b>	<b>1.90 %</b>	<b>2.00 %</b>	<b>1.98 %</b>	<b>1.87 %</b>	<b>2.01 %</b>
<b>Net flows:</b>							
Premiums and deposits	\$ 2,056	\$ 1,821	\$ 1,837	\$ 1,856	\$ 1,944	\$ 7,570	\$ 6,920
Surrenders and withdrawals	(2,448)	(1,796)	(1,668)	(1,677)	(2,247)	(7,589)	(8,505)
Death and other contract benefits	(141)	(122)	(140)	(133)	(127)	(536)	(506)
<b>Total net flows</b>	<b>\$ (533)</b>	<b>\$ (97)</b>	<b>\$ 29</b>	<b>\$ 46</b>	<b>\$ (430)</b>	<b>\$ (555)</b>	<b>\$ (2,091)</b>
<b>Surrender rates (8)</b>	<b>11.1%</b>	<b>8.3%</b>	<b>7.8%</b>	<b>7.9%</b>	<b>10.8%</b>	<b>8.8%</b>	<b>10.0%</b>
<b>DAC rollforward:</b>							
Balance at beginning of period	\$ 843	\$ 903	\$ 951	\$ 1,009	\$ 972	\$ 1,009	\$ 839
Deferrals	23	20	18	19	26	80	79
Operating amortization	(23)	(63)	(22)	(21)	(16)	(129)	(50)
Change from realized gains (losses)	6	(8)	(1)	3	1	-	2
Change from unrealized gains (losses)	82	(9)	(43)	(59)	26	(29)	139
<b>Balance at end of period</b>	<b>\$ 931</b>	<b>\$ 843</b>	<b>\$ 903</b>	<b>\$ 951</b>	<b>\$ 1,009</b>	<b>\$ 931</b>	<b>\$ 1,009</b>
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 88,200	\$ 85,943	\$ 84,695	\$ 84,145	\$ 82,594	\$ 84,145	\$ 85,861
Premiums and deposits	2,056	1,821	1,837	1,856	1,944	7,570	6,920
Surrenders and withdrawals	(2,448)	(1,796)	(1,668)	(1,677)	(2,247)	(7,589)	(8,505)
Death and other contract benefits	(141)	(122)	(140)	(133)	(127)	(536)	(506)
Subtotal	87,667	85,846	84,724	84,191	82,164	83,590	83,770
Change in fair value of underlying assets and reserve accretion, net of policy fees	676	2,074	943	230	1,702	3,923	(731)
Cost of funds (a)	279	280	276	274	279	1,109	1,106
<b>Total insurance reserves and Group Retirement mutual funds</b>	<b>\$ 88,622</b>	<b>\$ 88,200</b>	<b>\$ 85,943</b>	<b>\$ 84,695</b>	<b>\$ 84,145</b>	<b>\$ 88,622</b>	<b>\$ 84,145</b>

(a) Excludes the amortization of sales inducement assets.

See Accompanying Notes on Page 47 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Consumer Insurance - Individual and Group Retirement Variable Annuity Guaranteed Benefits (9)**

(in millions)

	Quarterly				
	4Q16	3Q16	2Q16	1Q16	4Q15
<b>Account value by benefit type (a)</b>					
Guaranteed Minimum Death Benefits (GMDB) only (b)	\$ 64,029	\$ 63,836	\$ 60,438	\$ 62,224	\$ 62,468
Guaranteed Minimum Income Benefits (GMIB) (c)	2,316	2,358	2,342	2,367	2,443
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	40,557	40,367	39,202	38,433	37,951
<b>Liability by benefit type (a)</b>					
Guaranteed Minimum Death Benefits (GMDB) (b)	\$ 392	\$ 393	\$ 461	\$ 462	\$ 464
Guaranteed Minimum Income Benefits (GMIB) (c)	10	11	25	26	27
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	1,777	2,793	2,710	2,097	1,234

- (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. This benefit 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 in the contract. Contracts with a guaranteed living benefit also have a guaranteed minimum death benefit, but a policyholder can generally only receive payout from one guaranteed feature, i.e. the features are mutually exclusive.
- (c) A guaranteed minimum income benefit guarantees a minimum level of periodic income payments upon annuitization.
- (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.

The following table presents the net increase (decrease) to consolidated pre-tax income from changes in the fair value of the GMWB embedded derivatives and related hedges:

(in millions)

	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31, 2016	December 31, 2015
Change in fair value of embedded derivatives, excluding NPA spread	\$ 1,454	\$ 82	\$ (467)	\$ (913)	\$ 304	\$ 156	\$ (435)
Change in fair value of variable annuity hedging portfolio:							
Fixed maturity securities	(150)	17	120	133	(4)	120	(43)
Interest rate derivative contracts	(1,605)	27	534	850	(120)	(194)	343
Equity derivative contracts	(269)	(350)	(163)	(137)	(325)	(919)	(86)
Change in fair value of variable annuity hedging portfolio	(2,024)	(306)	491	846	(449)	(993)	214
Change in fair value of embedded derivatives, excluding NPA, net of hedging portfolio	(570)	(224)	24	(67)	(106)	(837)	(221)
Change in fair value of embedded derivatives due to non performance adjustment	(341)	(68)	(32)	155	(83)	(286)	498
Net Impact on pre-tax income	\$ (911)	\$ (292)	\$ (8)	\$ 88	\$ (189)	\$ (1,123)	\$ 277

See Accompanying Notes on Page 47.



**American International Group, Inc.**  
**Consumer Insurance – Life Insurance Operating Results**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31, 2016	December 31, 2015
<b>Results of Operations</b>							
<b>Premiums and deposits</b>	\$ 911	\$ 880	\$ 879	\$ 849	\$ 879	\$ 3,519	\$ 3,370
<b>Revenues:</b>							
Premiums	\$ 339	\$ 349	\$ 360	\$ 359	\$ 315	\$ 1,407	\$ 1,311
Policy fees	340	291	343	345	343	1,319	1,379
Net investment income (loss):							
Base portfolio (2)	234	235	235	242	242	946	948
Alternative investments	16	15	21	(20)	(4)	32	53
Other enhancements (3)	13	17	15	12	10	57	33
Total net investment income	263	267	271	234	248	1,035	1,034
Advisory fee and other income (10)	14	14	14	15	17	57	47
<b>Total operating revenues</b>	<b>956</b>	<b>921</b>	<b>988</b>	<b>953</b>	<b>923</b>	<b>3,818</b>	<b>3,771</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	601	730	564	557	514	2,452	2,248
Interest credited to policyholder account balances	96	96	96	98	98	386	392
Amortization of deferred policy acquisition costs	69	(43)	83	73	65	182	311
Non deferrable insurance commissions	33	37	45	40	43	155	157
General operating expenses	167	155	174	184	179	680	714
<b>Total benefits, losses and expenses</b>	<b>966</b>	<b>975</b>	<b>962</b>	<b>952</b>	<b>899</b>	<b>3,855</b>	<b>3,822</b>
<b>Pre-tax operating income (loss)</b>	<b>\$ (10)</b>	<b>\$ (54)</b>	<b>\$ 26</b>	<b>\$ 1</b>	<b>\$ 24</b>	<b>\$ (37)</b>	<b>\$ (51)</b>
<b>Noteworthy items (pre-tax)</b>							
Actuarial assumption update income (loss)	\$ -	\$ (92)	\$ -	\$ -	\$ -	\$ (92)	\$ (118)
Pre-tax operating income (loss) Domestic Life	\$ -	\$ (43)	\$ 39	\$ 11	\$ 31	\$ 7	\$ (19)
Pre-tax operating income (loss) International Life	\$ (10)	\$ (11)	\$ (13)	\$ (10)	\$ (7)	\$ (44)	\$ (32)

See Accompanying Notes on Page 47 and reconciliations of Non-GAAP financial measures beginning on Page 62.



**American International Group, Inc.**  
**Consumer Insurance – Life Insurance Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Gross life insurance in force, end of period:</b>							
Domestic Life	\$ 842,021	\$ 836,476	\$ 839,622	\$ 838,551	\$ 838,604	\$ 842,021	\$ 838,604
International Life	72,478	73,735	73,311	76,950	75,598	72,478	75,598
<b>Total</b>	<b>\$ 914,499</b>	<b>\$ 910,211</b>	<b>\$ 912,933</b>	<b>\$ 915,501</b>	<b>\$ 914,202</b>	<b>\$ 914,499</b>	<b>\$ 914,202</b>
<b>Life and A&amp;H CPPE sales (11):</b>							
Term	\$ 47	\$ 48	\$ 49	\$ 49	\$ 49	\$ 193	\$ 167
Universal life	30	18	18	18	26	84	99
Other life	1	1	-	-	2	2	3
Single premium and unscheduled deposits	1	2	2	1	2	6	8
A&H	7	6	9	14	11	36	33
<b>Total</b>	<b>\$ 86</b>	<b>\$ 75</b>	<b>\$ 78</b>	<b>\$ 82</b>	<b>\$ 90</b>	<b>\$ 321</b>	<b>\$ 310</b>
<b>Surrender/lapse rates (12):</b>							
Domestic Life:							
Independent distribution	5.30 %	6.74 %	7.16 %	5.91 %	5.64 %	6.27 %	5.30 %
Career distribution	7.32 %	7.65 %	7.21 %	7.45 %	7.79 %	7.41 %	8.05 %
<b>DAC/VOBA rollforward:</b>							
Balance at beginning of period	\$ 2,868	\$ 2,754	\$ 2,845	\$ 2,888	\$ 2,785	\$ 2,888	\$ 2,743
Deferrals	110	104	86	100	101	400	370
Operating amortization	(69)	43	(83)	(73)	(65)	(182)	(311)
Change from realized gains (losses)	(1)	(1)	3	2	3	3	7
Change from unrealized gains (losses)	117	(27)	(79)	(67)	70	(56)	90
Foreign exchange translation	(12)	(5)	(18)	(5)	(6)	(40)	(11)
<b>Balance at end of period</b>	<b>\$ 3,013</b>	<b>\$ 2,868</b>	<b>\$ 2,754</b>	<b>\$ 2,845</b>	<b>\$ 2,888</b>	<b>\$ 3,013</b>	<b>\$ 2,888</b>
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 18,306	\$ 18,050	\$ 18,103	\$ 18,006	\$ 17,879	\$ 18,006	\$ 17,464
Premiums and deposits	869	841	851	830	877	3,391	3,353
Surrenders and withdrawals	(169)	(149)	(171)	(161)	(94)	(650)	(440)
Death and other contract benefits	(128)	(144)	(121)	(129)	(128)	(522)	(577)
Subtotal	18,878	18,598	18,662	18,546	18,534	20,225	19,800
Change in fair value of underlying assets and reserve accretion, net of policy fees	(263)	(204)	(299)	(267)	(230)	(1,033)	(1,026)
Cost of funds	96	96	97	97	99	386	394
Other reserve changes	(300)	(178)	(388)	(267)	(391)	(1,133)	(1,152)
Foreign exchange translation	(14)	(6)	(22)	(6)	(6)	(48)	(10)
Balance at end of period	18,397	18,306	18,050	18,103	18,006	18,397	18,006
Reinsurance ceded	(1,085)	(1,079)	(1,086)	(1,114)	(1,121)	(1,085)	(1,121)
<b>Total insurance reserves</b>	<b>\$ 17,312</b>	<b>\$ 17,227</b>	<b>\$ 16,964</b>	<b>\$ 16,989</b>	<b>\$ 16,885</b>	<b>\$ 17,312</b>	<b>\$ 16,885</b>
Domestic Life	17,179	17,109	16,867	16,903	16,818	17,179	16,818
International Life	133	118	97	86	67	133	67
<b>Total insurance reserves</b>	<b>\$ 17,312</b>	<b>\$ 17,227</b>	<b>\$ 16,964</b>	<b>\$ 16,989</b>	<b>\$ 16,885</b>	<b>\$ 17,312</b>	<b>\$ 16,885</b>

See Accompanying Notes on Page 47.



**American International Group, Inc.**  
**Consumer Insurance - Personal Insurance Operating Results**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations</b>							
Net premiums written	\$ 2,810	\$ 2,922	\$ 2,924	\$ 2,809	\$ 2,729	\$ 11,465	\$ 11,583
Net premiums earned	\$ 2,882	\$ 2,918	\$ 2,862	\$ 2,756	\$ 2,745	\$ 11,418	\$ 11,150
Losses and loss adjustment expenses incurred	1,519	1,643	1,591	1,452	1,522	6,205	6,151
Acquisition expenses:							
Amortization of deferred policy acquisition costs	527	554	516	475	489	2,072	1,970
Other acquisition expenses	259	215	226	236	319	936	1,202
Total acquisition expenses	786	769	742	711	808	3,008	3,172
General operating expenses	488	431	443	443	503	1,805	2,084
Underwriting income (loss)	89	75	86	150	(88)	400	(257)
Net investment income	87	73	66	60	61	286	325
<b>Pre-tax operating income (loss)</b>	<b>\$ 176</b>	<b>\$ 148</b>	<b>\$ 152</b>	<b>\$ 210</b>	<b>\$ (27)</b>	<b>\$ 686</b>	<b>\$ 68</b>
<b>Underwriting Ratios</b>							
Loss ratio	52.7	56.3	55.6	52.7	55.4	54.3	55.2
Acquisition ratio	27.3	26.4	25.9	25.8	29.4	26.3	28.4
General operating expense ratio	16.9	14.8	15.5	16.1	18.3	15.8	18.7
Expense ratio	44.2	41.2	41.4	41.9	47.7	42.1	47.1
Combined ratio	96.9	97.5	97.0	94.6	103.1	96.4	102.3
Accident year loss ratio, as adjusted (13)	51.7	56.5	54.9	53.4	53.6	54.1	54.0
Accident year combined ratio, as adjusted	95.9	97.7	96.3	95.3	101.3	96.2	101.1
Excluded from accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:							
Catastrophe losses and reinstatement premiums	1.6	0.9	2.1	1.1	0.3	1.4	1.3
Prior year development net of premium adjustments	(0.6)	(1.1)	(1.4)	(1.8)	1.5	(1.2)	(0.1)
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses	\$ 45	\$ 27	\$ 59	\$ 29	\$ 10	\$ 160	\$ 145
Severe losses	12	-	16	-	-	28	12
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(15)	(33)	(39)	(48)	41	(135)	(18)
Net liability for unpaid losses and loss adjustment expenses (at period end)	4,400	4,806	4,586	4,379	4,323	4,400	4,323

See Accompanying Notes on Page 47 and reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Consumer Insurance Notes**

- (1) Consumer Insurance Pre-tax operating income in 4Q16, 3Q16, 4Q15 and 3Q15 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, fees and separate account long-term asset growth rates. The update of actuarial assumptions also included adjustments to reserves for universal life with secondary guarantees and, in the 2015 periods only, group benefit claim reserves. Consolidated pre-tax income in these periods also included adjustments to the valuation of variable annuity GMWB features that are accounted for as embedded derivatives, primarily due to updated assumptions for surrenders, mortality, risk margins and utilization of withdrawal benefits. 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 for Consumer Insurance products increased (decreased) pre-tax operating income and pre-tax income as follows:

	Life Insurance		Individual Retirement - Fixed Annuities		Individual Retirement - Variable and Fixed Annuities			Group Retirement		Total Consumer		
	3Q16	3Q15	3Q16	3Q15	3Q16	4Q15	3Q15	3Q16	3Q15	3Q16	4Q15	3Q15
<i>(in millions)</i>												
Policy fees	\$ (47)	\$ 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (47)	\$ -	\$ 21
Interest credited to policyholder account balances	-	-	79	47	(10)	-	19	(4)	8	65	-	74
Amortization of deferred policy acquisition costs	105	(48)	251	45	1	-	42	(43)	40	314	-	79
Policyholder benefits and claims incurred	(150)	(91)	-	-	48	-	(61)	-	-	(102)	-	(152)
<b>Pre-tax operating income (loss)</b>	<b>\$ (92)</b>	<b>\$ (118)</b>	<b>\$ 330</b>	<b>\$ 92</b>	<b>\$ 39</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (47)</b>	<b>\$ 48</b>	<b>\$ 230</b>	<b>\$ -</b>	<b>\$ 22</b>
Changes in DAC related to net realized capital gains (losses)	-	-	-	-	15	(10)	21	(2)	-	13	(10)	21
Net realized capital gains (losses)	-	-	-	-	(13)	37	(113)	(43)	74	(56)	37	(39)
<b>Increase (decrease) to pre-tax income (loss)</b>	<b>\$ (92)</b>	<b>\$ (118)</b>	<b>\$ 330</b>	<b>\$ 92</b>	<b>\$ 41</b>	<b>\$ 27</b>	<b>\$ (92)</b>	<b>\$ (92)</b>	<b>\$ 122</b>	<b>\$ 187</b>	<b>\$ 27</b>	<b>\$ 4</b>

- (2) Base portfolio investment income includes interest, dividends and foreclosed real estate income, net of investment expenses.
- (3) Net investment income - other enhancements includes 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.
- (4) Net flows are provided for Individual Retirement 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.
- (5) Includes incremental effect on base yield of alternative investments. Quarterly results are annualized.
- (6) Includes incremental effect on base yield of other enhancements. Quarterly results are annualized.
- (7) Includes return on base portfolio. Quarterly results are annualized.
- (8) Annuity surrender rates represent actual or annualized surrenders and withdrawals as a percentage of average annuity reserves and Group Retirement mutual funds.
- (9) Consumer Insurance uses reinsurance, product design and hedging to mitigate risks related to guaranteed benefits in individual annuity contracts. See Enterprise Risk Management – Life Insurance Companies Key Insurance Risks – Variable Annuity Risk Management and Hedging Program in our Annual Report on Form 10-K for the year ended December 31, 2015 for discussion of our risk management product design and hedging strategies for these products.
- (10) Life Insurance - 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.
- (11) Life Insurance 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.
- (12) Life insurance lapse rates are reported on a 90-day lag basis to include grace period processing.
- (13) The 2Q16 accident year loss ratio, as adjusted, includes a single large loss event which totaled \$33 million, of which \$16 million was related to first party losses (meeting the definition of severe losses) and \$17 million was related to third party losses, impacting the personal property business in the U.S.

**American International Group, Inc.  
Other Operations Operating Results**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31, 2016	2015
<b>Results of Operations</b>							
<b>Revenues:</b>							
Premiums	\$ 657	\$ 619	\$ 685	\$ 665	\$ 1,149	\$ 2,626	\$ 3,321
Policy fees	46	44	45	44	44	179	173
Net investment income	206	197	196	171	176	770	706
Other income (loss)	94	143	88	118	148	443	450
Total operating revenues	1,003	1,003	1,014	998	1,517	4,018	4,650
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	491	460	519	527	967	1,997	2,633
Interest credited to policyholder account balances	61	59	61	63	62	244	246
Acquisition expenses:							
Amortization of deferred policy acquisition costs	22	21	19	14	14	76	49
Other acquisition expenses	28	29	27	32	28	116	134
Total acquisition expenses	50	50	46	46	42	192	183
General operating expenses*	341	350	301	358	330	1,350	1,125
Interest expense	243	248	249	243	238	983	1,030
Total benefits, losses and expenses	1,186	1,167	1,176	1,237	1,639	4,766	5,217
<b>Pre-tax operating income (loss) before consolidation and eliminations</b>	<b>(183)</b>	<b>(164)</b>	<b>(162)</b>	<b>(239)</b>	<b>(122)</b>	<b>(748)</b>	<b>(567)</b>
Consolidation, eliminations and other adjustments	42	(6)	(14)	20	(1)	42	(76)
<b>Pre-tax operating income (loss)</b>	<b>\$ (141)</b>	<b>\$ (170)</b>	<b>\$ (176)</b>	<b>\$ (219)</b>	<b>\$ (123)</b>	<b>\$ (706)</b>	<b>\$ (643)</b>
<b>Pre-tax operating income (loss) by activities</b>							
Mortgage Guaranty**	\$ 121	\$ 130	\$ 145	\$ 126	\$ 143	\$ 522	\$ 537
Institutional Markets	73	69	74	47	67	263	259
Fuji Life***	11	7	1	(5)	(6)	14	(33)
Parent and Other:							
Corporate general operating expenses	(152)	(167)	(156)	(191)	(150)	(666)	(411)
Interest expense	(243)	(248)	(249)	(243)	(238)	(983)	(1,030)
Other income (expense), net	7	45	23	27	62	102	111
Total Parent and Other	(388)	(370)	(382)	(407)	(326)	(1,547)	(1,330)
Consolidation, eliminations and other adjustments	42	(6)	(14)	20	(1)	42	(76)
<b>Pre-tax operating income (loss)</b>	<b>\$ (141)</b>	<b>\$ (170)</b>	<b>\$ (176)</b>	<b>\$ (219)</b>	<b>\$ (123)</b>	<b>\$ (706)</b>	<b>\$ (643)</b>

\* Twelve months ended December 31, 2015 included 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.

\*\* Mortgage Guaranty was sold on December 31, 2016.

\*\*\* On November 14, 2016, we entered into an agreement to sell Fuji Life to FWD Group. Fuji Life is classified as "Held for Sale" on our balance sheet as of December 31, 2016.

*See reconciliations of Non-GAAP financial measures beginning on Page 62.*

**American International Group, Inc.**  
**Legacy Portfolio Operating Results**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations</b>							
<b>Revenues:</b>							
Premiums	\$ 148	\$ 180	\$ 114	\$ 232	\$ 245	\$ 674	\$ 1,037
Policy Fees	39	29	35	39	32	142	133
Net investment income	760	810	694	649	672	2,913	2,928
Other income (loss)	1,300	293	167	(239)	234	1,521	1,673
Total operating revenues	2,247	1,312	1,010	681	1,183	5,250	5,771
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	890	1,137	498	559	1,027	3,084	3,337
Interest credited to policyholder account balances	56	73	74	64	66	267	267
Acquisition expenses:							
Amortization of deferred policy acquisition costs	26	21	23	38	27	108	102
Other acquisition expenses	3	3	4	(2)	4	8	16
Total acquisition expenses	29	24	27	36	31	116	118
Non deferrable insurance commissions	1	1	2	6	8	10	28
General operating expenses	131	111	135	129	156	506	608
Interest expense	39	65	67	89	70	260	280
Total benefits, losses and expenses	1,146	1,411	803	883	1,358	4,243	4,638
<b>Pre-tax operating income (loss)</b>	<b>\$ 1,101</b>	<b>\$ (99)</b>	<b>\$ 207</b>	<b>\$ (202)</b>	<b>\$ (175)</b>	<b>\$ 1,007</b>	<b>\$ 1,133</b>
<b>Pre-tax operating income (loss) by type</b>							
Property and casualty run-off insurance lines	\$ (331)	\$ 68	\$ (35)	\$ 61	\$ (423)	\$ (237)	\$ (709)
Life insurance run-off lines	132	(510)	148	6	72	(224)	468
Legacy investments	1,300	343	94	(269)	176	1,468	1,374
<b>Pre-tax operating income (loss)</b>	<b>\$ 1,101</b>	<b>\$ (99)</b>	<b>\$ 207</b>	<b>\$ (202)</b>	<b>\$ (175)</b>	<b>\$ 1,007</b>	<b>\$ 1,133</b>
<b>Selected Balance Sheet Data</b>							
Legacy investments, net of related debt	\$ 6,733	\$ 7,081	\$ 8,135	\$ 8,409	\$ 10,194	\$ 6,733	\$ 10,194
Legacy property and casualty run-off insurance reserves*	6,871	7,023	7,145	7,235	7,330	6,871	7,330
Legacy life run-off insurance reserves	38,359	39,974	38,932	38,234	37,888	38,359	37,888
Attributed equity	10,649	11,086	14,742	15,026	16,851	10,649	16,851

\* Includes a portion of reserves related to certain long-duration business in Japan, which is recorded in other policyholder funds on our Consolidated Balance Sheets.

See reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Legacy Property and Casualty Run-off Insurance Lines**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations</b>							
Net premiums earned	\$ 30	\$ 54	\$ (18)	\$ 91	\$ 111	\$ 157	\$ 471
Losses and loss adjustment expenses incurred	436	61	91	112	593	700	1,429
Total acquisition expenses	3	3	4	(2)	4	8	16
General operating expenses	4	4	6	7	11	21	39
Underwriting income (loss)	(413)	(14)	(119)	(26)	(497)	(572)	(1,013)
Net investment income	82	82	84	87	74	335	304
<b>Pre-tax operating income (loss)</b>	<b>\$ (331)</b>	<b>\$ 68</b>	<b>\$ (35)</b>	<b>\$ 61</b>	<b>\$ (423)</b>	<b>\$ (237)</b>	<b>\$ (709)</b>
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses	\$ -	\$ 3	\$ 2	\$ -	\$ -	\$ 5	\$ 5
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	371	6	22	3	463	402	884
Net liability for unpaid losses and loss adjustment expenses (at period end)*	\$ 6,871	\$ 7,023	\$ 7,145	\$ 7,235	\$ 7,330	\$ 6,871	\$ 7,330

\* Includes a portion of reserves related to certain long-duration business in Japan, which is recorded in Other policyholder funds on our Consolidated Balance Sheets.

See reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.  
Legacy Life Insurance Run-off Lines**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations</b>							
<b>Premiums and deposits</b>	\$ 159	\$ 167	\$ 162	\$ 178	\$ 190	\$ 666	\$ 743
<b>Revenues:</b>							
Premiums	\$ 118	\$ 126	\$ 132	\$ 141	\$ 134	\$ 517	\$ 566
Policy fees	39	29	35	39	32	142	133
Net investment income:							
Base portfolio	455	459	455	471	477	1,840	1,903
Alternative investments	86	55	53	(60)	(29)	134	272
Other enhancements	34	43	30	23	43	130	108
Total net investment income	575	557	538	434	491	2,104	2,283
Other income	-	1	-	-	1	1	2
<b>Total operating revenues</b>	<b>732</b>	<b>713</b>	<b>705</b>	<b>614</b>	<b>658</b>	<b>2,764</b>	<b>2,984</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	454	1,076	407	447	434	2,384	1,908
Interest credited to policyholder account balances	56	73	74	64	66	267	267
Amortization of deferred policy acquisition costs	26	21	23	38	27	108	102
Non deferrable insurance commissions	1	1	2	6	8	10	28
General operating expenses	63	52	51	53	51	219	211
<b>Total benefits, losses and expenses</b>	<b>600</b>	<b>1,223</b>	<b>557</b>	<b>608</b>	<b>586</b>	<b>2,988</b>	<b>2,516</b>
<b>Pre-tax operating income (loss)</b>	<b>\$ 132</b>	<b>\$ (510)</b>	<b>\$ 148</b>	<b>\$ 6</b>	<b>\$ 72</b>	<b>\$ (224)</b>	<b>\$ 468</b>
<b>Noteworthy items (pre-tax)</b>							
Future policy benefits for life and A&H contracts (at period end)	\$ 30,442	\$ 32,016	\$ 30,927	\$ 30,222	\$ 29,624	\$ 30,442	\$ 29,624
Policyholder contract deposits	5,923	5,947	6,034	6,076	6,150	5,923	6,150
Separate account reserves	1,994	2,011	1,971	1,936	2,114	1,994	2,114
Total general and separate account reserves	38,359	39,974	38,932	38,234	37,888	38,359	37,888

See reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Selected Results of Operations Data by Geography**

(in millions)

	Quarterly					Twelve Months End December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Pre-Tax Operating Income (Loss)</b>							
United States	\$ (3,598)	\$ 1,832	\$ 1,788	\$ 1,160	\$ (1,460)	\$ 1,182	\$ 3,781
Europe	(382)	66	106	205	(110)	(5)	35
Japan	92	36	74	54	(3)	256	3
Other	(307)	(191)	(255)	(272)	(354)	(1,025)	(968)
<b>Total Core</b>	<b>(4,195)</b>	<b>1,743</b>	<b>1,713</b>	<b>1,147</b>	<b>(1,927)</b>	<b>408</b>	<b>2,851</b>
Legacy Portfolio	1,101	(99)	207	(202)	(175)	1,007	1,133
<b>Total pre-tax operating income</b>	<b>\$ (3,094)</b>	<b>\$ 1,644</b>	<b>\$ 1,920</b>	<b>\$ 945</b>	<b>\$ (2,102)</b>	<b>\$ 1,415</b>	<b>\$ 3,984</b>
<b>Normalized After-Tax Operating Income</b>							
United States	\$ 729	\$ 1,265	\$ 1,225	\$ 1,179	\$ 1,153	\$ 4,398	\$ 4,685
Europe	(111)	16	54	101	82	60	36
Japan	10	28	67	4	(19)	109	(49)
Other	(148)	(248)	(50)	(109)	(138)	(555)	(403)
<b>Total Core</b>	<b>480</b>	<b>1,061</b>	<b>1,296</b>	<b>1,175</b>	<b>1,078</b>	<b>4,012</b>	<b>4,269</b>
Legacy Portfolio*	278	263	88	232	142	861	1,089
Net income (loss) from NCI excluding income related to Korea Fund	(23)	(3)	(4)	2	(3)	(28)	3
<b>Total normalized after-tax operating income</b>	<b>\$ 735</b>	<b>\$ 1,321</b>	<b>\$ 1,380</b>	<b>\$ 1,409</b>	<b>\$ 1,217</b>	<b>\$ 4,845</b>	<b>\$ 5,361</b>
<b>Total Average Attributed Equity</b>							
United States	\$ 44,510	\$ 45,915	\$ 47,091	\$ 46,896	\$ 47,272	\$ 46,005	\$ 47,711
Europe	3,429	3,362	3,216	3,261	3,595	3,339	3,607
Japan	950	1,030	1,077	1,026	983	1,010	950
Other	1,413	1,835	(148)	1,147	4,757	965	6,644
<b>Total Core</b>	<b>50,302</b>	<b>52,142</b>	<b>51,236</b>	<b>52,330</b>	<b>56,607</b>	<b>51,319</b>	<b>58,912</b>
Legacy Portfolio	10,867	12,914	14,884	15,939	17,173	13,671	\$ 19,245
<b>Total average attributed equity</b>	<b>\$ 61,169</b>	<b>\$ 65,056</b>	<b>\$ 66,120</b>	<b>\$ 68,269</b>	<b>\$ 73,780</b>	<b>\$ 64,990</b>	<b>\$ 78,157</b>
<b>Normalized Return on Attributed Equity</b>							
United States	6.6 %	11.0 %	10.4 %	10.1 %	9.8 %	9.6 %	9.8 %
Europe	(12.9)	1.9	6.7	12.4	9.1	1.8	1.0
Japan	4.2	10.9	24.9	1.6	(7.7)	10.8	(5.2)
Other	NM	NM	NM	NM	NM	NM	NM
<b>Total Core</b>	<b>3.8</b>	<b>8.1</b>	<b>10.1</b>	<b>9.0</b>	<b>7.6</b>	<b>7.8</b>	<b>7.2</b>
Legacy Portfolio	10.2	8.1	2.4	5.8	3.3	6.3	5.7
<b>Normalized return on equity</b>	<b>4.8 %</b>	<b>8.1 %</b>	<b>8.3 %</b>	<b>8.3 %</b>	<b>6.6 %</b>	<b>7.5 %</b>	<b>6.9 %</b>

\* Legacy portfolio excludes income from non-controlling interest related to the Korea Fund transaction.

See reconciliations of Non-GAAP financial measures beginning on Page 62.



**American International Group, Inc.**  
**Operating Results - United States**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31,	
<u>Results of Operations</u>						2016	2015
<b>Revenues:</b>							
Premiums	\$ 4,572	\$ 4,711	\$ 5,017	\$ 5,131	\$ 5,665	\$ 19,431	\$ 21,348
Policy fees	664	618	660	648	657	2,590	2,622
Net investment income	2,839	2,846	2,764	2,128	2,426	10,577	10,617
Advisory fee and other income	196	250	377	517	538	1,340	2,066
<b>Total operating revenues</b>	<b>8,271</b>	<b>8,425</b>	<b>8,818</b>	<b>8,424</b>	<b>9,286</b>	<b>33,938</b>	<b>36,653</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	8,877	4,030	3,869	3,884	7,228	20,660	19,409
Interest credited to policyholder account balances	868	814	883	884	905	3,449	3,459
Amortization of deferred policy acquisition costs	841	592	929	903	945	3,265	3,581
Other acquisition expenses	349	267	317	382	371	1,315	1,395
Advisory fee expenses	78	76	174	317	338	645	1,350
General operating expenses	856	814	858	894	959	3,422	3,678
<b>Total benefits, losses and expenses</b>	<b>11,869</b>	<b>6,593</b>	<b>7,030</b>	<b>7,264</b>	<b>10,746</b>	<b>32,756</b>	<b>32,872</b>
<b>Pre-tax operating income (loss)</b>	<b>\$ (3,598)</b>	<b>\$ 1,832</b>	<b>\$ 1,788</b>	<b>\$ 1,160</b>	<b>\$ (1,460)</b>	<b>\$ 1,182</b>	<b>\$ 3,781</b>
<b><u>Noteworthy Items (pre-tax)</u></b>							
Catastrophe-related losses	\$ 336	\$ 240	\$ 267	\$ 216	\$ 104	\$ 1,059	\$ 515
Severe losses	22	54	102	33	21	211	272
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	4,827	286	54	57	2,958	5,224	3,205

See Non-GAAP financial measures notes on page 62.

**American International Group, Inc.**  
**Operating Results - Europe**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31,	December 31,
<u>Results of Operations</u>						2016	2015
<b>Revenues:</b>							
Premiums	\$ 1,252	\$ 1,278	\$ 1,339	\$ 1,281	\$ 1,319	\$ 5,150	\$ 5,241
Net investment income	65	69	75	71	68	280	276
<b>Total operating revenues</b>	<b>1,317</b>	<b>1,347</b>	<b>1,414</b>	<b>1,352</b>	<b>1,387</b>	<b>5,430</b>	<b>5,517</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	1,317	838	820	729	1,067	3,704	3,529
Amortization of deferred policy acquisition costs	210	223	204	192	198	829	784
Other acquisition expenses	65	45	71	64	69	245	273
General operating expenses	107	175	213	162	163	657	896
<b>Total benefits, losses and expenses</b>	<b>1,699</b>	<b>1,281</b>	<b>1,308</b>	<b>1,147</b>	<b>1,497</b>	<b>5,435</b>	<b>5,482</b>
<b>Pre-tax operating income (loss)</b>	<b>\$ (382)</b>	<b>\$ 66</b>	<b>\$ 106</b>	<b>\$ 205</b>	<b>\$ (110)</b>	<b>\$ (5)</b>	<b>\$ 35</b>
<b><u>Noteworthy items (pre-tax)</u></b>							
Catastrophe-related losses	\$ 5	\$ -	\$ 50	\$ 30	\$ 59	\$ 85	\$ 79
Severe losses	62	36	22	71	57	191	317
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	345	20	(7)	(22)	198	336	165

See reconciliations of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Operating Results - Japan**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31,	2015
<b>Results of Operations</b>							
<b>Revenues:</b>							
Premiums	\$ 923	\$ 906	\$ 849	\$ 820	\$ 804	\$ 3,498	\$ 3,234
Net investment income	32	9	5	22	12	68	80
<b>Total operating revenues</b>	<b>955</b>	<b>915</b>	<b>854</b>	<b>842</b>	<b>816</b>	<b>3,566</b>	<b>3,314</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	482	523	481	441	482	1,927	1,846
Amortization of deferred policy acquisition costs	44	45	44	39	51	172	184
Other acquisition expenses	99	108	71	106	102	384	503
General operating expenses	238	203	184	202	184	827	778
<b>Total benefits, losses and expenses</b>	<b>863</b>	<b>879</b>	<b>780</b>	<b>788</b>	<b>819</b>	<b>3,310</b>	<b>3,311</b>
<b>Pre-tax operating income (loss)</b>	<b>\$ 92</b>	<b>\$ 36</b>	<b>\$ 74</b>	<b>\$ 54</b>	<b>\$ (3)</b>	<b>\$ 256</b>	<b>\$ 3</b>
<b>Noteworthy items (pre-tax)</b>							
Catastrophe-related losses	\$ (8)	\$ 27	\$ 41	\$ 2	\$ 2	\$ 62	\$ 42
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(11)	(6)	(10)	(24)	4	(51)	-

See reconciliation of Non-GAAP financial measures beginning on Page 62.

**American International Group, Inc.**  
**Investments Portfolio Results by Asset Category and Annualized Yields**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Fixed Maturity Securities- AFS, ending carry value</b>							
Yield (a)	4.75%	4.69%	4.70%	4.70%	4.80%	4.72%	4.77%
Investment income (b)	\$ 2,862	\$ 2,850	\$ 2,857	\$ 2,836	\$ 2,899	\$ 11,405	\$ 11,576
Net realized capital gains (losses)	(15)	66	32	(562)	(151)	(479)	(331)
Ending carrying value	241,537	260,649	262,089	253,785	248,245	241,537	248,245
<b>Fixed Maturity Securities- Other (c)</b>							
Total Return (a)	-4.95%	9.82%	6.31%	3.79%	2.08%	3.84%	3.18%
Investment income (loss) (b)	\$ (178)	\$ 369	\$ 242	\$ 152	\$ 87	\$ 585	\$ 565
Ending carrying value	13,998	14,772	15,335	15,344	16,782	13,998	16,782
<b>Equity Securities- AFS, ending carry value</b>							
Yield (a)	3.96%	2.33%	4.04%	1.63%	2.29%	2.91%	4.68%
Investment income (loss) (b)	\$ 14	\$ 7	\$ 13	\$ 6	\$ 9	\$ 40	\$ 87
Net realized capital gains (losses)	6	50	973	21	499	1,050	866
Ending carrying value	2,078	1,544	1,642	2,770	2,915	2,078	2,915
<b>Equity Securities- Other, ending carry value (c)(d)</b>							
Investment income (b)	\$ (16)	\$ 48	\$ (77)	\$ (104)	\$ 22	\$ (149)	\$ 50
Ending carrying value	482	498	661	877	921	482	921
<b>Loans</b>							
Yield (a)	4.74%	4.81%	4.92%	5.25%	5.28%	4.93%	5.42%
Investment income (b)	\$ 389	\$ 383	\$ 381	\$ 395	\$ 382	\$ 1,548	\$ 1,467
Net realized capital gains (losses)	2	11	(30)	36	(102)	19	(60)
Ending carrying value	33,240	32,413	31,261	30,676	29,565	33,240	29,565
<b>Short-term Investments</b>							
Yield (a)	0.33%	0.40%	0.52%	0.55%	0.39%	0.45%	0.43%
Investment income (b)	\$ 9	\$ 11	\$ 15	\$ 15	\$ 11	\$ 50	\$ 51
Ending carrying value	12,302	10,745	12,334	10,914	10,132	12,302	10,132

(a) Yields/Total Return are calculated using quarterly annualized investment income divided by average quarterly asset amortized cost for the interim periods. For the twelve-month periods, yields/total return are calculated using the actual income for the period divided by the average quarterly asset amortized cost throughout the period.

(b) Investment Income includes amounts recorded in net investment income by our insurance subsidiaries and amounts recorded in other income by our non-insurance subsidiaries.

(c) Fixed Maturity Securities – Other and Equity Securities – Other are securities where we have elected the fair value option. Changes in the fair value for these securities are reported through investment income which can result in significant fluctuations in the total return.

(d) Due to the limited number of securities in the Equity Securities – Other section and that these securities are accounted for under the fair value option, fluctuations in value distort the annualized yield and therefore a yield is not presented.

**American International Group, Inc.**  
**Investments Portfolio Results by Asset Category and Annualized Yields**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Other invested assets - Hedge Funds/Private Equity (c)</b>							
Yield (a)	10.10%	10.25%	7.31%	(10.66%)	(4.22%)	3.55%	5.45%
Investment income (b)	\$ 314	\$ 336	\$ 258	\$ (415)	\$ (176)	\$ 493	\$ 936
Net realized capital gains (losses)	(11)	8	-	22	(14)	19	(87)
Ending carrying value	12,754	13,609	14,338	15,759	17,450	12,754	17,450
<b>Other invested assets - Real Estate investments</b>							
Yield (a)	71.30%	7.26%	5.99%	8.08%	4.30%	22.75%	6.55%
Investment income (b) (e)	\$ 1,194	\$ 126	\$ 108	\$ 138	\$ 71	\$ 1,566	\$ 340
Net realized capital gains (losses)	43	15	27	1	78	86	(2)
Ending carrying value	6,900	6,494	7,340	7,088	6,579	6,900	6,579
<b>Other invested assets - All other (d)</b>							
Investment income (b)	\$ 179	\$ 197	\$ 149	\$ 185	\$ 197	\$ 710	\$ 848
Net realized capital gains (losses)	(336)	(115)	(120)	(51)	(421)	(622)	(374)
Ending carrying value	4,884	5,644	5,667	5,633	5,765	4,884	5,765
<b>Total Other Invested Assets</b>	<b>\$ 24,538</b>	<b>\$ 25,747</b>	<b>\$ 27,345</b>	<b>\$ 28,480</b>	<b>\$ 29,794</b>	<b>\$ 24,538</b>	<b>\$ 29,794</b>
<b>Total AIG</b>							
<b>Total Investments</b>	<b>\$ 328,175</b>	<b>\$ 346,368</b>	<b>\$ 350,667</b>	<b>\$ 342,846</b>	<b>\$ 338,354</b>	<b>\$ 328,175</b>	<b>\$ 338,354</b>
<b>Total Investment Expenses</b>	<b>\$ 115</b>	<b>\$ 115</b>	<b>\$ 109</b>	<b>\$ 114</b>	<b>\$ 126</b>	<b>\$ 453</b>	<b>\$ 528</b>
<b>Total Investment Income (b)</b>	<b>\$ 4,768</b>	<b>\$ 4,327</b>	<b>\$ 3,946</b>	<b>\$ 3,208</b>	<b>\$ 3,502</b>	<b>\$ 16,249</b>	<b>\$ 15,920</b>

(a) Yields are calculated using quarterly annualized investment income divided by the average quarterly asset amortized cost for the interim periods. For the twelve-month period, yields are calculated using the actual income for the period divided by average quarterly asset amortized cost/cost throughout the period.

(b) Investment Income includes amounts recorded in net investment income by our insurance subsidiaries and amounts recorded in other income by our non-insurance subsidiaries.

(c) Other Invested Assets - Hedge Funds/Private Equity includes investments accounted for under the equity method of accounting, where changes in our share of the net asset values are recorded through investment income or investments where we have elected the fair value option, where changes in the fair value are reported through investment income.

(d) Other Invested Assets - All Other includes life settlements, long term time deposits, private common stock, affordable housing partnerships and aircraft assets. Due to the mix of investments included within this line item and their varied performance, annualized yield is not meaningful and therefore is not presented. The total carrying value for these is less than 2% of total investments.

(e) Includes approximately \$514 million of income at 4Q16 that is not attributable to AIG and is recorded as a non-controlling interest.

**American International Group, Inc.**  
**Investments - Net Realized Capital Gains (Losses)**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
Sales of fixed maturity securities	\$ 104	\$ 135	\$ 124	\$ (362)	\$ (56)	\$ 1	\$ 94
Sales of equity securities	6	53	974	24	504	1,057	1,032
<b>Other-than-temporary impairments:</b>							
Severity	-	(10)	(3)	(2)	(1)	(15)	(13)
Change in intent	(11)	(2)	(4)	(29)	(40)	(46)	(233)
Foreign currency declines	(4)	(7)	(1)	(6)	(20)	(18)	(57)
Issuer-specific credit events	(130)	(77)	(95)	(131)	(34)	(433)	(348)
Adverse projected cash flows	-	(6)	(5)	(36)	(11)	(47)	(20)
Total other-than-temporary impairments	(145)	(102)	(108)	(204)	(106)	(559)	(671)
Provision for loan losses	2	8	(30)	30	(101)	10	(58)
Foreign exchange transactions	(29)	(639)	(38)	(520)	112	(1,226)	416
Derivatives and hedge accounting*	(804)	(226)	170	(84)	(168)	(944)	341
Impairments on investments in life settlements	(68)	(80)	(92)	(157)	(340)	(397)	(540)
Other**	(181)	86	42	167	(194)	114	162
<b>Total net realized capital gains (losses)</b>	<b>\$ (1,115)</b>	<b>\$ (765)</b>	<b>\$ 1,042</b>	<b>\$ (1,106)</b>	<b>\$ (349)</b>	<b>\$ (1,944)</b>	<b>\$ 776</b>

\* 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 hedge the liabilities.

\*\* 4Q16 includes a \$253 million loss on sale of a portion of our Life Settlements Portfolio, 1Q16 included a \$107 million purchase price adjustment on the sale of Class B shares of Prudential Financial, Inc. and 4Q15 included a loss related to affordable housing partnerships.

**American International Group, Inc.**  
**Prior Year Development by Segment and Accident Year**

(in millions)

**Commercial Insurance**

**Liability and Financial Lines:**

U.S. Workers' compensation
U.S. Excess casualty
U.S. Financial lines
U.S. Other Casualty
Europe Casualty and Financial Lines
All other product lines, net - LFL
<b>Total Liability and Financial Lines</b>

**Property and Special Risks:**

U.S. and Europe
All other product lines, net - PSR
<b>Total Property and Special Risks</b>
<b>Total Commercial Insurance</b>

**Consumer Personal Insurance:**

U.S., Europe and Japan
All other product lines, net - PI
<b>Total Consumer Personal Insurance</b>

**Legacy Portfolio - Run-Off Property and Casualty Insurance Lines:**

U.S. Long Tail Insurance lines
All other product lines, net - Legacy Portfolio
<b>Total Legacy Portfolio Run-Off Property and Casualty Insurance Lines</b>

**Other Operations**

**Total prior year unfavorable (favorable) development**

*The above table represents product lines and not geography modules.*

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
\$ 1,820	\$ -	\$ 100	\$ -	\$ 191	\$ 1,920	\$ 234	
1,058	-	-	-	1,260	1,058	1,374	
316	(6)	(2)	(2)	493	306	502	
1,600	(6)	(32)	1	867	1,563	1,196	
342	1	10	2	159	355	139	
147	6	-	(3)	129	150	133	
<b>5,283</b>	<b>(5)</b>	<b>76</b>	<b>(2)</b>	<b>3,099</b>	<b>5,352</b>	<b>3,578</b>	
-	350	6	46	7	402	(128)	
(43)	(28)	(46)	(60)	12	(177)	(157)	
(43)	322	(40)	(14)	19	225	(285)	
<b>5,240</b>	<b>317</b>	<b>36</b>	<b>(16)</b>	<b>3,118</b>	<b>5,577</b>	<b>3,293</b>	
(14)	(25)	(41)	(34)	30	(114)	(47)	
(1)	(8)	2	(14)	11	(21)	29	
<b>(15)</b>	<b>(33)</b>	<b>(39)</b>	<b>(48)</b>	<b>41</b>	<b>(135)</b>	<b>(18)</b>	
368	6	13	3	461	390	864	
3	-	9	-	2	12	20	
<b>371</b>	<b>6</b>	<b>22</b>	<b>3</b>	<b>463</b>	<b>402</b>	<b>884</b>	
(22)	(16)	(13)	(5)	(34)	(56)	(69)	
<b>\$ 5,574</b>	<b>\$ 274</b>	<b>\$ 6</b>	<b>\$ (66)</b>	<b>\$ 3,588</b>	<b>\$ 5,788</b>	<b>\$ 4,090</b>	

(in millions)

Prior accident year development by accident year:

**Accident Year**

2015
2014
2013
2012
2011
2010
2009
2008
2007
2006
2005
2004 and prior
<b>Total prior year unfavorable (favorable) development</b>

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
\$ 1,284	\$ 78	\$ (69)	\$ (65)	\$ -	\$ 1,228	\$ -	
724	122	(25)	(43)	488	778	394	
434	36	(19)	(7)	304	444	391	
387	(1)	51	18	419	455	484	
186	11	(9)	26	273	214	291	
239	13	7	(4)	235	255	273	
334	27	19	5	197	385	183	
170	(20)	35	4	160	189	231	
288	1	7	-	77	296	45	
239	(3)	1	1	82	238	103	
234	(1)	16	6	85	255	90	
1,055	11	(8)	(7)	1,268	1,051	1,605	
<b>\$ 5,574</b>	<b>\$ 274</b>	<b>\$ 6</b>	<b>\$ (66)</b>	<b>\$ 3,588</b>	<b>\$ 5,788</b>	<b>\$ 4,090</b>	

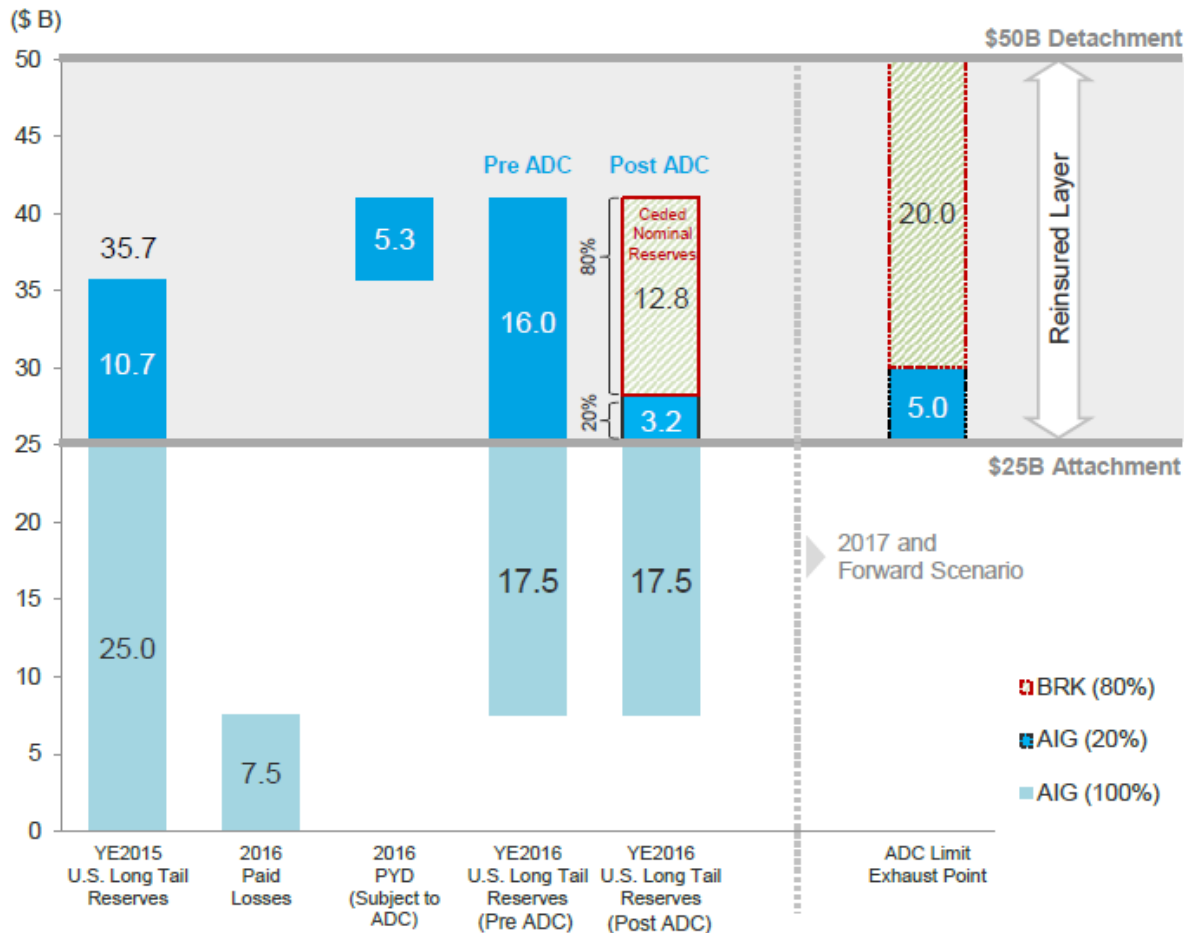


## American International Group, Inc. Adverse Development Cover

Losses above the attachment point are shared 80%/20% between BRK and AIG\*

In 2017 and forward, the maximum losses over the current reserves before the ADC limit is exhausted is \$9B (the difference between the \$25B Reinsured Layer and \$16B carried nominal reserve above Attachment), and will be shared \$7.2B/\$1.8B between BRK and AIG\*

### 80% Coverage in Excess of \$25B



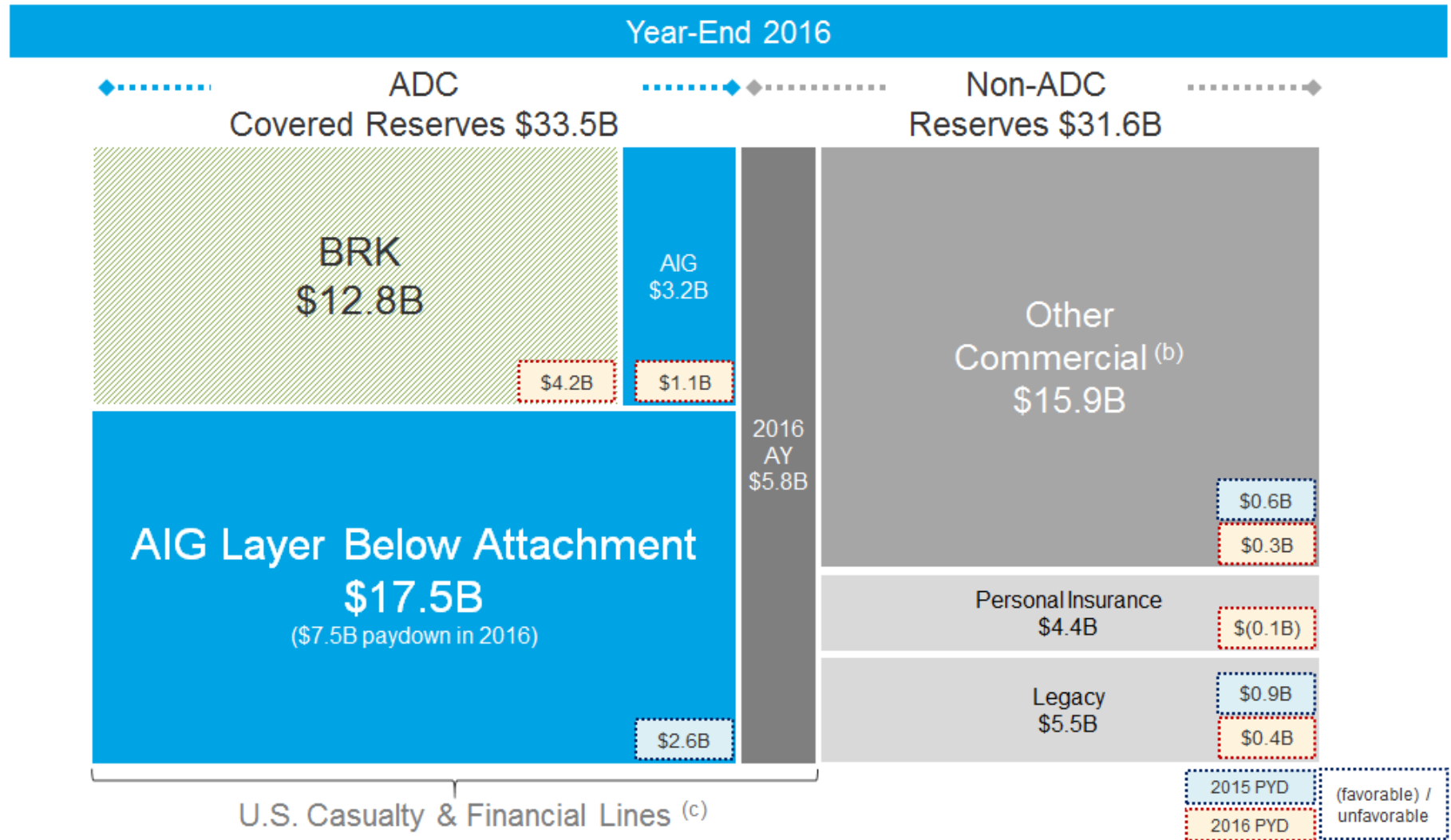
Nominal Subject Reserves at YE15	\$35.7B
(-) Attachment Point	25.0
(+) 9M'16 Prior Year Development	0.5
(+) 4Q'16 Prior Year Development	4.8
= Reserve Above Attachment at YE16	16.0
80%	
= Ceded Nominal Reserves at YE16	12.8
(-) Consideration with Accrued Interest	10.2
= Pre-tax Deferred Gain before Workers' Compensation Discounting	2.6
(-) WC Discount in the Ceded Reserves	1.5
= Pre-tax Deferred Gain after Workers' Compensation Discounting	1.1

\*The gain at inception and in any subsequent period is deferred and amortized over the estimated reinsurance recovery period of paid losses using an effective interest rate method. All reserve charges arising from the covered reserves will continue to reduce AIG's net income dollar-for-dollar.



**American International Group, Inc.**  
**Transformation of Reserve Risk**

ADC fundamentally transforms AIG's reserve risk profile by economically eliminating 80% of the reserve risk from some of the most volatile components of our Commercial reserves up to the limit specified in the ADC Agreement <sup>(a)</sup>.



Note: Total reserves are presented on a nominal basis before Workers' Compensation discount.

a) The gain at inception and in any subsequent period is deferred and amortized over the estimated reinsurance recovery period of paid losses using an effective interest rate method. All reserve charges arising from the covered reserves will continue to reduce AIG's net income dollar-for-dollar.

b) Other commercial lines consist of Property & Special Risks and International Liability & Financial Lines.

c) Including Casualty component of the Program business.

**American International Group, Inc.**  
**Supplemental Details Table of Contents**

<u>Table of Contents</u>	<b>Page(s)</b>
Earning Per Share Computations.....	63
Reconciliation of Book Value Per Share and Return on Equity.....	64
Reconciliation of Pre-tax and After Tax Operating Income.....	65
Reconciliation of PTOI, ATOI and Normalized ATOI .....	66-73
Reconciliation of Accident Year Loss Ratio, as adjusted, and Accident Year Combined Ratio, as adjusted .....	74-75
Attributed Debt .....	76
General Operating and Other Expenses.....	77
Premiums .....	78
Supplemental Property Casualty Information.....	79-80

**American International Group, Inc.**  
**Earnings Per Share Computations**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31,	December 31,
<b>GAAP Basis:</b>						2016	2015
<b>Numerator for EPS:</b>							
Income (loss) from continuing operations	\$ (2,470)	\$ 433	\$ 1,934	\$ (156)	\$ (1,849)	\$ (259)	\$ 2,222
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	535	(26)	11	(20)	(8)	500	26
Income (loss) attributable to AIG common shareholders from continuing operations	(3,005)	459	1,923	(136)	(1,841)	(759)	2,196
Income (loss) from discontinued operations, net of income tax expense	(36)	3	(10)	(47)	-	(90)	-
Net income (loss) attributable to AIG common shareholders	\$ (3,041)	\$ 462	\$ 1,913	\$ (183)	\$ (1,841)	\$ (849)	\$ 2,196
<b>Denominator for EPS:</b>							
Weighted average shares outstanding - basic	1,023.9	1,071.3	1,113.6	1,156.5	1,226.9	1,091.1	1,299.8
Dilutive shares*	-	31.1	26.4	-	-	-	34.7
Weighted average shares outstanding - diluted*	1,023.9	1,102.4	1,140.0	1,156.5	1,226.9	1,091.1	1,334.5
<b>Income per common share attributable to AIG:</b>							
Basic:							
Income (loss) from continuing operations	\$ (2.93)	\$ 0.43	\$ 1.73	\$ (0.12)	\$ (1.50)	\$ (0.70)	\$ 1.69
Income (loss) from discontinued operations	(0.03)	-	(0.01)	(0.04)	-	(0.08)	-
Net income (loss) attributable to AIG	\$ (2.96)	\$ 0.43	\$ 1.72	\$ (0.16)	\$ (1.50)	\$ (0.78)	\$ 1.69
Diluted*:							
Income (loss) from continuing operations	\$ (2.93)	\$ 0.42	\$ 1.69	\$ (0.12)	\$ (1.50)	\$ (0.70)	\$ 1.65
Income (loss) from discontinued operations	(0.03)	-	(0.01)	(0.04)	-	(0.08)	-
Net income (loss) attributable to AIG	\$ (2.96)	\$ 0.42	\$ 1.68	\$ (0.16)	\$ (1.50)	\$ (0.78)	\$ 1.65

\* For the quarters where 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.

**American International Group, Inc.**  
**Reconciliation of Book Value Per Share and Return On Equity**

(in millions, except per share data)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Book Value Per Share</b>							
Total AIG shareholders' equity (a)	\$ 76,300	\$ 88,663	\$ 89,946	\$ 88,518	\$ 89,658	\$ 76,300	\$ 89,658
Less: Accumulated other comprehensive income (AOCI)	3,230	9,057	8,259	5,525	2,537	3,230	2,537
Total AIG shareholders' equity, excluding AOCI (b)	73,070	79,606	81,687	82,993	87,121	73,070	87,121
Less: Deferred tax assets (DTA)	14,770	15,567	15,614	16,825	16,751	14,770	16,751
Total adjusted shareholders' equity (c)	58,300	64,039	66,073	66,168	70,370	58,300	70,370
Add: Cumulative quarterly common stock dividends above \$0.125 per share	1,216	1,020	814	599	378	1,216	378
Total adjusted shareholders' equity, including dividend growth (d)	\$ 59,516	\$ 65,059	\$ 66,887	\$ 66,767	\$ 70,748	\$ 59,516	\$ 70,748
Total common shares outstanding (e)	995.3	1,042.9	1,082.7	1,130.7	1,193.9	995.3	1,193.9
Book value per common share (a÷e)	\$ 76.66	\$ 85.02	\$ 83.08	\$ 78.28	\$ 75.10	\$ 76.66	\$ 75.10
Book value per common share, excluding AOCI (b÷e)	73.41	76.33	75.45	73.40	72.97	73.41	72.97
Adjusted book value per common share (c÷e)	58.57	61.41	61.03	58.52	58.94	58.57	58.94
Adjusted book value per common share, including dividend growth (d÷e)	59.79	62.39	61.78	59.05	59.26	59.79	59.26
<b>Return On Equity (ROE) Computations</b>							
Actual or Annualized net income (loss) attributable to AIG (a)	\$ (12,164)	\$ 1,848	\$ 7,652	\$ (732)	\$ (7,364)	\$ (849)	\$ 2,196
Actual or Annualized after-tax operating income (loss) attributable to AIG (b)	\$ (11,148)	\$ 4,460	\$ 5,252	\$ 3,060	\$ (5,272)	\$ 406	\$ 2,872
Average AIG Shareholders' equity (c)	\$ 82,482	\$ 89,305	\$ 89,232	\$ 89,088	\$ 94,329	\$ 86,617	\$ 101,558
Less: Average AOCI	6,144	8,658	6,892	4,031	4,547	5,722	7,598
Less: Average DTA	15,169	15,591	16,220	16,788	16,002	15,905	15,803
<b>Average adjusted shareholders' equity (d)</b>	<b>61,169</b>	<b>65,056</b>	<b>66,120</b>	<b>68,269</b>	<b>73,780</b>	<b>64,990</b>	<b>78,157</b>
ROE (a÷c)	(14.7%)	2.1%	8.6%	(0.8%)	(7.8%)	(1.0%)	2.2%
<b>After-tax operating income (loss) as reported (e)</b>	<b>\$ (2,787)</b>	<b>\$ 1,115</b>	<b>\$ 1,313</b>	<b>\$ 765</b>	<b>\$ (1,318)</b>	<b>\$ 406</b>	<b>\$ 2,872</b>
<b>Adjustments to arrive at Normalized after-tax operating income (loss):</b>							
Catastrophe losses above (below) expectations	(1)	(70)	17	(89)	(103)	(143)	(520)
(Better) worse than expected alternative returns (1)	(67)	(45)	4	464	344	356	434
(Better) worse than expected DIB & GCM returns	(49)	(68)	(28)	257	(3)	112	(80)
Fair value changes on PICC investments	7	(31)	55	67	(12)	98	(26)
Update of actuarial assumptions	-	250	-	-	(7)	250	4
Life Insurance - IBNR death claims	-	-	-	(16)	(13)	(16)	(13)
Unfavorable (favorable) prior year loss reserve development	3,632	170	19	(39)	2,329	3,782	2,690
<b>Normalized after-tax operating income (loss) (f)</b>	<b>\$ 735</b>	<b>\$ 1,321</b>	<b>\$ 1,380</b>	<b>\$ 1,409</b>	<b>\$ 1,217</b>	<b>\$ 4,845</b>	<b>\$ 5,361</b>
Adjusted return on equity (e÷d)	-18.2%	6.9%	7.9%	4.5%	-7.1%	0.6%	3.7%
<b>Normalized return on equity (f÷d)</b>	<b>4.8%</b>	<b>8.1%</b>	<b>8.3%</b>	<b>8.3%</b>	<b>6.6%</b>	<b>7.5%</b>	<b>6.9%</b>

(1) The expected rate of return on alternative investments used was 8% and 9% for all periods presented in 2016 and 2015, respectively.

**American International Group, Inc.**  
**Reconciliation of Pre-tax and After-tax Operating Income - Consolidated**

(in millions)	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Pre-tax income (loss) from continuing operations</b>	\$ (3,455)	\$ 737	\$ 2,858	\$ (214)	\$ (2,932)	\$ (74)	\$ 3,281
<b>Adjustments to arrive at Pre-tax operating income (loss)</b>							
Changes in fair value of securities used to hedge guaranteed living benefits	150	(17)	(120)	(133)	4	(120)	43
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(286)	67	64	(40)	(69)	(195)	15
Loss (gain) on extinguishment of debt	(2)	(14)	7	83	-	74	756
Net realized capital (gains) losses	1,115	765	(1,042)	1,106	349	1,944	(776)
(Income) loss from divested businesses	(194)	(128)	(225)	2	1	(545)	59
Non-operating litigation reserves and settlements	2	(5)	(7)	(31)	4	(41)	(82)
Other (income) expense - net	(27)	(3)	(5)	(7)	233	(42)	233
Reserve development related to non-operating run-off insurance business	-	-	-	-	-	-	30
Net loss reserve discount benefit (charge)	(750)	32	300	(9)	86	(427)	(71)
Pension expense related to a one-time lump sum payment to former employees	147	-	-	-	-	147	-
Restructuring and other costs	206	210	90	188	222	694	496
<b>Pre-tax operating income (loss)</b>	<u>\$ (3,094)</u>	<u>\$ 1,644</u>	<u>\$ 1,920</u>	<u>\$ 945</u>	<u>\$ (2,102)</u>	<u>\$ 1,415</u>	<u>\$ 3,984</u>
<b>Net income (loss) attributable to AIG</b>	\$ (3,041)	\$ 462	\$ 1,913	\$ (183)	\$ (1,841)	\$ (849)	\$ 2,196
<b>Adjustments to arrive at After-tax operating income (loss)</b>							
<b>(amounts net of tax, at a rate of 35%, except where noted):</b>							
Uncertain tax positions and other tax adjustments(a)	(247)	42	(63)	205	(30)	(63)	112
Deferred income tax valuation allowance (releases) charges(a)	87	(2)	35	(37)	49	83	110
Changes in fair value of securities used to hedge guaranteed living benefits	97	(11)	(78)	(86)	3	(78)	28
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(186)	43	42	(26)	(45)	(127)	10
Loss (gain) on extinguishment of debt	(2)	(9)	5	54	-	48	491
Net realized capital (gains) losses (b)	750	526	(655)	701	215	1,322	(476)
(Income) loss from discontinued operations(a)	36	(3)	10	47	-	90	-
(Income) loss from divested businesses (c)	(8)	(83)	(146)	1	2	(236)	16
Non-operating litigation reserves and settlements	1	(3)	(5)	(20)	3	(27)	(53)
Other (income) expense - net	(17)	(2)	(3)	(5)	151	(27)	151
Reserve development related to non-operating run-off insurance business	-	-	-	-	-	-	20
Net loss reserve discount benefit (charge)	(487)	18	200	(8)	30	(277)	(55)
Pension expense related to a one-time lump sum payment to former employees	96	-	-	-	-	96	-
Restructuring and other costs	134	137	58	122	145	451	322
<b>After-tax operating income (loss)</b>	<u>\$ (2,787)</u>	<u>\$ 1,115</u>	<u>\$ 1,313</u>	<u>\$ 765</u>	<u>\$ (1,318)</u>	<u>\$ 406</u>	<u>\$ 2,872</u>
<b>Calculation of Effective Tax Rates</b>							
Pre-tax operating income (loss)	\$ (3,094)	\$ 1,644	\$ 1,920	\$ 945	\$ (2,102)	\$ 1,415	\$ 3,984
Income tax benefit (expense)	863	(526)	(603)	(182)	787	(448)	(1,115)
Net income (loss) attributable to noncontrolling interest	(556)	(3)	(4)	2	(3)	(561)	3
After-tax operating income (loss)	<u>\$ (2,787)</u>	<u>\$ 1,115</u>	<u>\$ 1,313</u>	<u>\$ 765</u>	<u>\$ (1,318)</u>	<u>\$ 406</u>	<u>\$ 2,872</u>
Effective tax rates on pre-tax operating income (loss)	<u>27.9%</u>	<u>32.0%</u>	<u>31.4%</u>	<u>19.3%</u>	<u>37.4%</u>	<u>31.7%</u>	<u>28.0%</u>

(a) Includes impact of tax only adjustments

(b) The tax effect includes the impact of non-U.S. tax rates lower than 35% applied to foreign exchange (gains) or losses attributable to those jurisdictions where foreign earnings are considered to be indefinitely reinvested.

(c) The tax effect included the impact of non-U.S. tax rates lower than 35% applied to (income) or losses on dispositions by foreign affiliates whose tax bases in divested subsidiaries differed from U.S. GAAP carrying values.



**American International Group, Inc.**  
**Reconciliation of PTOI, ATOI and Normalized ATOI\***

**Total Commercial Insurance**

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Pre-tax operating income (loss)</b>	\$ (5,023)	\$ 685	\$ 941	\$ 662	\$ (2,426)	\$ (2,735)	\$ 565
Interest expense on attributed financial debt	100	91	84	88	80	363	302
<b>Operating income (loss) before taxes:</b>	(5,123)	594	857	574	(2,506)	(3,098)	263
Income tax expense (benefit)	(1,547)	107	265	155	(892)	(1,020)	(91)
<b>After-tax operating income (loss) (a)</b>	\$ (3,576)	\$ 487	\$ 592	\$ 419	\$ (1,614)	\$ (2,078)	\$ 354
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
Catastrophe losses above (below) expectations	10	(47)	18	(67)	(69)	(86)	(447)
(Better) worse than expected alternative returns	(3)	(23)	14	192	138	180	224
Fair value changes on PICC investments	(1)	(11)	25	17	(5)	30	(5)
Unfavorable (favorable) prior year loss reserve development	3,415	199	38	(6)	2,024	3,646	2,172
<b>Normalized after-tax operating income (b)</b>	\$ (155)	\$ 605	\$ 687	\$ 555	\$ 474	\$ 1,692	\$ 2,298
<b>Ending attributed equity</b>	27,346	27,251	29,070	28,799	28,843	27,346	28,843
<b>Average attributed equity (c)</b>	27,299	28,161	28,935	28,822	29,158	28,262	29,507
<b>Adjusted return on attributed equity (a÷c)</b>	(52.4) %	6.9 %	8.2 %	5.8 %	(22.1) %	(7.4) %	1.2 %
<b>Normalized return on attributed equity (b÷c)</b>	(2.3) %	8.6 %	9.5 %	7.7 %	6.5 %	6.0 %	7.8 %

**Commercial Insurance - Liability and Financial Lines**

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Pre-tax operating income (loss)</b>	\$ (4,981)	\$ 948	\$ 815	\$ 569	\$ (2,479)	\$ (2,649)	\$ (661)
Interest expense on attributed financial debt	63	55	50	52	49	220	189
<b>Operating income (loss) before taxes:</b>	(5,044)	893	765	517	(2,528)	(2,869)	(850)
Income tax expense (benefit)	(1,524)	214	237	143	(900)	(930)	(467)
<b>After-tax operating income (loss) (a)</b>	(3,520)	679	528	374	(1,628)	(1,939)	(383)
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
Catastrophe losses above (below) expectations	(2)	1	(2)	(2)	(1)	(5)	(3)
(Better) worse than expected alternative returns	(2)	(17)	14	140	99	135	172
Fair value changes on PICC investments	(1)	(8)	18	12	(4)	21	(4)
Unfavorable (favorable) prior year loss reserve development	3,443	(10)	64	3	2,012	3,500	2,358
<b>Normalized after-tax operating income (b)</b>	\$ (82)	\$ 645	\$ 622	\$ 527	\$ 478	\$ 1,712	\$ 2,140
<b>Ending attributed equity</b>	18,973	18,636	20,094	19,916	19,901	18,973	19,901
<b>Average attributed equity (c)</b>	18,805	19,365	20,005	19,909	20,685	19,504	21,281
<b>Adjusted return on attributed equity (a÷c)</b>	(74.9) %	14.0 %	10.6 %	7.5 %	(31.5) %	(9.9) %	(1.8) %
<b>Normalized return on attributed equity (b÷c)</b>	(1.7) %	13.3 %	12.4 %	10.6 %	9.2 %	8.8 %	10.1 %

\* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

**American International Group, Inc.**  
**Reconciliation of PTOI, ATOI and Normalized ATOI\***

**Commercial Insurance - Property and Special Risks**

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Pre-tax operating income (loss)</b>	\$ (42)	\$ (263)	\$ 126	\$ 93	\$ 53	\$ (86)	\$ 1,226
Interest expense on attributed financial debt	37	36	34	36	31	143	113
<b>Operating income (loss) before taxes:</b>	(79)	(299)	92	57	22	(229)	1,113
Income tax expense (benefit)	(23)	(107)	28	12	8	(90)	376
<b>After-tax operating income (loss) (a)</b>	(56)	(192)	64	45	14	(139)	737
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
Catastrophe losses above (below) expectations	12	(48)	20	(65)	(68)	(81)	(444)
(Better) worse than expected alternative returns	(1)	(6)	-	52	39	45	52
Fair value changes on PICC investments	-	(3)	7	5	(1)	9	(1)
Unfavorable (favorable) prior year loss reserve development	(28)	209	(26)	(9)	12	146	(186)
<b>Normalized after-tax operating income (b)</b>	\$ (73)	\$ (40)	\$ 65	\$ 28	\$ (4)	\$ (20)	\$ 158
<b>Ending attributed equity</b>	\$ 8,373	\$ 8,615	\$ 8,976	\$ 8,883	\$ 8,942	\$ 8,373	\$ 8,942
<b>Average attributed equity (c)</b>	8,494	8,796	8,930	8,913	8,473	8,758	8,226
<b>Adjusted return on attributed equity (a÷c)</b>	(2.6) %	(8.7) %	2.9 %	2.0 %	0.7 %	(1.6) %	9.0 %
<b>Normalized return on attributed equity (b÷c)</b>	(3.4) %	(1.8) %	2.9 %	1.3 %	(0.2) %	(0.2) %	1.9 %

**Total Consumer Insurance**

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Pre-tax operating income (loss)</b>	\$ 969	\$ 1,228	\$ 948	\$ 704	\$ 622	\$ 3,849	\$ 2,929
Interest expense on attributed financial debt	30	42	54	56	56	182	236
<b>Operating income (loss) before taxes:</b>	939	1,186	894	648	566	3,667	2,693
Income tax expense (benefit)	304	383	292	181	183	1,160	790
<b>After-tax operating income (loss) (a)</b>	635	803	602	467	383	2,507	1,903
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
(Better) worse than expected alternative returns	(28)	(11)	(15)	187	133	133	184
Update of actuarial assumptions	-	(150)	-	-	-	(150)	(15)
Catastrophe losses above (below) expectations	(8)	(22)	-	(20)	(33)	(50)	(65)
Fair value changes on PICC investments	-	(1)	2	1	-	2	-
Unfavorable (favorable) prior year loss reserve development	(11)	(21)	(25)	(31)	27	(88)	(11)
<b>Normalized after-tax operating income (b)</b>	\$ 588	\$ 598	\$ 564	\$ 604	\$ 510	\$ 2,354	\$ 1,996
<b>Ending attributed equity</b>	\$ 22,168	\$ 22,696	\$ 23,357	\$ 23,100	\$ 23,319	\$ 22,168	\$ 23,319
<b>Average attributed equity (c)</b>	22,432	23,027	23,229	23,210	23,731	22,928	23,844
<b>Adjusted return on attributed equity (a÷c)</b>	11.3 %	13.9 %	10.4 %	8.0 %	6.5 %	10.9 %	8.0 %
<b>Normalized return on attributed equity (b÷c)</b>	10.5 %	10.4 %	9.7 %	10.4 %	8.6 %	10.3 %	8.4 %

\* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

**American International Group, Inc.**  
**Reconciliation of PTOI, ATOI and Normalized ATOI\***

**Consumer Insurance - Individual Retirement**

(in millions)

	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31,	December 31,
						2016	2015
<b>Pre-tax operating income</b>	\$ 542	\$ 920	\$ 505	\$ 302	\$ 397	\$ 2,269	\$ 1,812
Interest expense on attributed financial debt	-	7	15	15	15	37	61
<b>Operating income (loss) before taxes:</b>	542	913	490	287	382	2,232	1,751
Income tax expense (benefit)	179	317	162	85	125	743	575
<b>After-tax operating income (a)</b>	<b>363</b>	<b>596</b>	<b>328</b>	<b>202</b>	<b>257</b>	<b>1,489</b>	<b>1,176</b>
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
(Better) worse than expected alternative returns	(18)	(10)	(17)	101	68	56	95
Update of actuarial assumptions	-	(240)	-	-	-	(240)	(60)
<b>Normalized after-tax operating income (b)</b>	<b>\$ 345</b>	<b>\$ 346</b>	<b>\$ 311</b>	<b>\$ 303</b>	<b>\$ 325</b>	<b>\$ 1,305</b>	<b>\$ 1,211</b>
<b>Ending attributed equity</b>	<b>\$ 10,913</b>	<b>\$ 11,205</b>	<b>\$ 11,455</b>	<b>\$ 11,338</b>	<b>\$ 11,525</b>	<b>\$ 10,913</b>	<b>\$ 11,525</b>
<b>Average attributed equity (c)</b>	<b>11,059</b>	<b>11,330</b>	<b>11,397</b>	<b>11,432</b>	<b>11,521</b>	<b>11,287</b>	<b>11,464</b>
<b>Adjusted return on attributed equity (a÷c)</b>	<b>13.1 %</b>	<b>21.0 %</b>	<b>11.5 %</b>	<b>7.1 %</b>	<b>8.9 %</b>	<b>13.2 %</b>	<b>10.3 %</b>
<b>Normalized return on attributed equity (b÷c)</b>	<b>12.5 %</b>	<b>12.2 %</b>	<b>10.9 %</b>	<b>10.6 %</b>	<b>11.3 %</b>	<b>11.6 %</b>	<b>10.6 %</b>

**Consumer Insurance - Group Retirement**

(in millions)

	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31,	December 31,
						2016	2015
<b>Pre-tax operating income (loss)</b>	\$ 261	\$ 214	\$ 265	\$ 191	\$ 228	\$ 931	\$ 1,100
Interest expense on attributed financial debt	-	4	8	8	8	20	35
<b>Operating income (loss) before taxes:</b>	261	210	257	183	220	911	1,065
Income tax expense (benefit)	78	57	78	37	64	250	334
<b>After-tax operating income (a)</b>	<b>183</b>	<b>153</b>	<b>179</b>	<b>146</b>	<b>156</b>	<b>661</b>	<b>731</b>
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
(Better) worse than expected alternative returns	(9)	(5)	(9)	49	32	26	46
Update of actuarial assumptions	-	30	-	-	-	30	(31)
<b>Normalized after-tax operating income (b)</b>	<b>\$ 174</b>	<b>\$ 178</b>	<b>\$ 170</b>	<b>\$ 195</b>	<b>\$ 188</b>	<b>\$ 717</b>	<b>\$ 746</b>
<b>Ending attributed equity</b>	<b>5,984</b>	<b>6,144</b>	<b>6,242</b>	<b>6,178</b>	<b>6,280</b>	<b>5,984</b>	<b>6,280</b>
<b>Average attributed equity (c)</b>	<b>6,064</b>	<b>6,193</b>	<b>6,210</b>	<b>6,229</b>	<b>6,486</b>	<b>6,166</b>	<b>6,577</b>
<b>Adjusted return on attributed equity (a÷c)</b>	<b>12.1 %</b>	<b>9.9 %</b>	<b>11.5 %</b>	<b>9.4 %</b>	<b>9.6 %</b>	<b>10.7 %</b>	<b>11.1 %</b>
<b>Normalized return on attributed equity (b÷c)</b>	<b>11.5 %</b>	<b>11.5 %</b>	<b>11.0 %</b>	<b>12.5 %</b>	<b>11.6 %</b>	<b>11.6 %</b>	<b>11.3 %</b>

\* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.



**American International Group, Inc.**  
**Reconciliation of PTOI, ATOI and Normalized ATOI\***

**Consumer Insurance - Life Insurance**

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Pre-tax operating income (loss)</b>	(10)	(54)	26	1	24	(37)	(51)
Interest expense on attributed financial debt	6	8	8	9	8	31	31
<b>Operating income (loss) before taxes:</b>	(16)	(62)	18	(8)	16	(68)	(82)
Income tax expense (benefit)	(3)	(37)	6	(6)	11	(40)	(121)
<b>After-tax operating income (loss) (a)</b>	\$ (13)	\$ (25)	\$ 12	\$ (2)	\$ 5	\$ (28)	\$ 39
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
(Better) worse than expected alternative returns	(3)	(2)	(5)	23	16	13	22
Update of actuarial assumptions	-	60	-	-	-	60	76
<b>Normalized after-tax operating income (b)</b>	\$ (16)	\$ 33	\$ 7	\$ 21	\$ 21	\$ 45	\$ 137
<b>Ending attributed equity</b>	2,529	2,610	2,741	2,724	2,667	2,529	2,667
<b>Average Attributed equity (c)</b>	2,570	2,676	2,733	2,696	2,820	2,654	2,876
<b>Adjusted return on attributed equity (a÷c)</b>	(2.0) %	(3.7) %	1.8 %	(0.3) %	0.7 %	(1.1) %	1.4 %
<b>Normalized return on attributed equity (b÷c)</b>	(2.5) %	4.9 %	1.0 %	3.1 %	3.0 %	1.7 %	4.8 %

**Consumer Insurance - Personal Insurance**

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Pre-tax operating income (loss)</b>	\$ 176	\$ 148	\$ 152	\$ 210	\$ (27)	\$ 686	\$ 68
Interest expense on attributed financial debt	24	23	23	24	25	94	109
<b>Operating income (loss) before taxes:</b>	152	125	129	186	(52)	592	(41)
Income tax expense (benefit)	50	46	46	65	(17)	207	2
<b>After-tax operating income (loss) (a)</b>	\$ 102	\$ 79	\$ 83	\$ 121	\$ (35)	\$ 385	\$ (43)
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
Catastrophe losses above (below) expectations	(8)	(22)	-	(20)	(33)	(50)	(65)
(Better) worse than expected alternative returns	2	6	16	14	17	38	21
Fair value changes on PICC investments	-	(1)	2	1	-	2	-
Unfavorable (favorable) prior year loss reserve development	(11)	(21)	(25)	(31)	27	(88)	(11)
<b>Normalized after-tax operating income (b)</b>	\$ 85	\$ 41	\$ 76	\$ 85	\$ (24)	\$ 287	\$ (98)
<b>Ending attributed equity</b>	2,742	2,736	2,919	2,859	2,847	2,742	2,847
<b>Average attributed equity (c)</b>	2,739	2,828	2,889	2,853	2,904	2,821	2,927
<b>Adjusted return on attributed equity (a÷c)</b>	14.9 %	11.2 %	11.5 %	17.0 %	(4.8) %	13.6 %	(1.5) %
<b>Normalized return on attributed equity (b÷c)</b>	12.4 %	5.8 %	10.5 %	11.9 %	(3.3) %	10.2 %	(3.3) %

\* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

**American International Group, Inc.**  
**Reconciliation of PTOI, ATOI and Normalized ATOI\***

**Other Operations (including consolidations and eliminations)**

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Pre-tax operating income (loss)</b>	\$ (141)	\$ (170)	\$ (176)	\$ (219)	\$ (123)	\$ (706)	\$ (643)
Interest expense (benefit) on attributed financial debt	(175)	(165)	(160)	(167)	(175)	(667)	(752)
<b>Operating income (loss) before taxes:</b>	34	(5)	(16)	(52)	52	(39)	109
Income tax expense (benefit)	(22)	109	(50)	(57)	(54)	(20)	101
<b>After-tax operating income (loss) (a)</b>	<b>56</b>	<b>(114)</b>	<b>34</b>	<b>5</b>	<b>106</b>	<b>(19)</b>	<b>8</b>
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
(Better) worse than expected alternative returns	(6)	1	11	13	12	19	16
(Better) worse than expected DIB & GCM returns	2	1	1	2	(1)	6	(5)
Fair value changes on PICC investments	9	(19)	7	-	-	(3)	1
Update of actuarial assumptions	-	1	-	-	-	1	-
Unfavorable (favorable) prior year loss reserve development	(14)	(12)	(8)	(4)	(23)	(38)	(45)
<b>Normalized after-tax operating income (loss) (b)</b>	<b>\$ 47</b>	<b>\$ (142)</b>	<b>\$ 45</b>	<b>\$ 16</b>	<b>\$ 94</b>	<b>\$ (34)</b>	<b>\$ (25)</b>

**Total Core**

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Pre-tax operating income (loss)</b>	\$ (4,195)	\$ 1,743	\$ 1,713	\$ 1,147	\$ (1,927)	\$ 408	\$ 2,851
Interest expense (benefit) on attributed financial debt	(45)	(32)	(22)	(23)	(39)	(122)	(214)
<b>Operating income (loss) before taxes:</b>	(4,150)	1,775	1,735	1,170	(1,888)	530	3,065
Income tax expense (benefit)	(1,265)	599	507	279	(763)	120	800
<b>After-tax operating income (loss) (a)</b>	<b>(2,885)</b>	<b>1,176</b>	<b>1,228</b>	<b>891</b>	<b>(1,125)</b>	<b>410</b>	<b>2,265</b>
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
Catastrophe losses above (below) expectations	2	(69)	18	(87)	(102)	(136)	(512)
(Better) worse than expected alternative returns	(37)	(33)	10	392	283	332	424
(Better) worse than expected DIB & GCM returns	2	1	1	2	(1)	6	(5)
Fair value changes on PICC investments	8	(31)	34	18	(5)	29	(4)
Update of actuarial assumptions	-	(149)	-	-	-	(149)	(15)
Unfavorable (favorable) prior year loss reserve development	3,390	166	5	(41)	2,028	3,520	2,116
<b>Normalized after-tax operating income (b)</b>	<b>\$ 480</b>	<b>\$ 1,061</b>	<b>\$ 1,296</b>	<b>\$ 1,175</b>	<b>\$ 1,078</b>	<b>\$ 4,012</b>	<b>\$ 4,269</b>
<b>Ending attributed equity</b>	<b>47,651</b>	<b>52,953</b>	<b>51,331</b>	<b>51,141</b>	<b>53,519</b>	<b>47,651</b>	<b>53,519</b>
<b>Average attributed equity (c)</b>	<b>50,302</b>	<b>52,142</b>	<b>51,236</b>	<b>52,330</b>	<b>56,607</b>	<b>51,319</b>	<b>58,912</b>
<b>Adjusted return on attributed equity (a÷c)</b>	<b>(22.9) %</b>	<b>9.0 %</b>	<b>9.6 %</b>	<b>6.8 %</b>	<b>(8.0) %</b>	<b>0.8 %</b>	<b>3.8 %</b>
<b>Normalized return on attributed equity (b÷c)</b>	<b>3.8 %</b>	<b>8.1 %</b>	<b>10.1 %</b>	<b>9.0 %</b>	<b>7.6 %</b>	<b>7.8 %</b>	<b>7.2 %</b>

\* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

**American International Group, Inc.**  
**Reconciliation of PTOI, ATOI and Normalized ATOI\***

Legacy Portfolio

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Pre-tax operating income (loss)</b>	\$ 1,101	\$ (99)	\$ 207	\$ (202)	\$ (175)	\$ 1,007	\$ 1,133
Interest expense on attributed financial debt	43	32	22	23	39	120	214
<b>Operating income (loss) before taxes:</b>	1,058	(131)	185	(225)	(214)	887	919
Income tax expense (benefit)	404	(73)	96	(97)	(24)	330	315
After-tax Non-controlling interest (income) loss on Korea Fund	(533)	-	-	-	-	(533)	-
<b>After-tax operating income (loss) (a)</b>	<b>121</b>	<b>(58)</b>	<b>89</b>	<b>(128)</b>	<b>(190)</b>	<b>24</b>	<b>604</b>
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
Catastrophe losses above (below) expectations	(3)	(1)	(1)	(2)	(1)	(7)	(8)
(Better) worse than expected alternative returns	(30)	(12)	(6)	72	61	24	10
(Better) worse than expected DIB & GCM returns	(50)	(69)	(29)	255	(2)	107	(75)
Fair value changes on PICC investments	(1)	-	21	49	(7)	69	(22)
Update of actuarial assumptions	-	399	-	-	(7)	399	19
Life Insurance - IBNR death claims	-	-	-	(16)	(13)	(16)	(13)
Unfavorable (favorable) prior year loss reserve development	241	4	14	2	301	261	574
<b>Normalized after-tax operating income (b)</b>	<b>\$ 278</b>	<b>\$ 263</b>	<b>\$ 88</b>	<b>\$ 232</b>	<b>\$ 142</b>	<b>\$ 861</b>	<b>\$ 1,089</b>
<b>Ending attributed equity</b>	<b>10,649</b>	<b>11,086</b>	<b>14,742</b>	<b>15,026</b>	<b>16,851</b>	<b>10,649</b>	<b>16,851</b>
<b>Average attributed equity (c)</b>	<b>10,867</b>	<b>12,914</b>	<b>14,884</b>	<b>15,939</b>	<b>17,173</b>	<b>13,671</b>	<b>19,245</b>
<b>Adjusted return on attributed equity (a÷c)</b>	<b>4.5 %</b>	<b>(1.8) %</b>	<b>2.4 %</b>	<b>(3.2) %</b>	<b>(4.4) %</b>	<b>0.2 %</b>	<b>3.1 %</b>
<b>Normalized return on attributed equity (b÷c)</b>	<b>10.2 %</b>	<b>8.1 %</b>	<b>2.4 %</b>	<b>5.8 %</b>	<b>3.3 %</b>	<b>6.3 %</b>	<b>5.7 %</b>

\* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

**American International Group, Inc.**  
**Reconciliation of PTOI, ATOI and Normalized ATOI by Geography\***

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations - United States</b>							
<b>Pre-tax operating income (loss)</b>	\$ (3,598)	\$ 1,832	\$ 1,788	\$ 1,160	\$ (1,460)	\$ 1,182	\$ 3,781
Interest expense on attributed financial debt	48	47	49	51	45	195	166
<b>Operating income (loss) before taxes:</b>	(3,646)	1,785	1,739	1,109	(1,505)	987	3,615
Income tax expense (benefit)	(1,239)	475	538	309	(605)	83	990
<b>After-tax operating income (loss) (a)</b>	\$ (2,407)	\$ 1,310	\$ 1,201	\$ 800	\$ (900)	\$ 904	\$ 2,625
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
Catastrophe losses above (below) expectations	35	(29)	(10)	(44)	(116)	(48)	(395)
(Better) worse than expected alternative returns	(37)	(41)	(26)	369	251	265	391
Fair value changes on PICC investments	-	(12)	25	17	(5)	30	(5)
Update of actuarial assumptions	-	(149)	-	-	-	(149)	(15)
Unfavorable (favorable) prior year loss reserve development	3,138	186	35	37	1,923	3,396	2,084
<b>Normalized after-tax operating income (loss) (b)</b>	\$ 729	\$ 1,265	\$ 1,225	\$ 1,179	\$ 1,153	\$ 4,398	\$ 4,685
<b>Ending attributed equity</b>	44,406	44,613	47,216	46,965	46,826	44,406	46,826
<b>Average attributed equity (c)</b>	44,510	45,915	47,091	46,896	47,272	46,005	47,711
<b>Adjusted return on attributed equity (a÷c)</b>	(21.6) %	11.4 %	10.2 %	6.8 %	(7.6) %	2.0 %	5.5 %
<b>Normalized return on attributed equity (b÷c)</b>	6.6 %	11.0 %	10.4 %	10.1 %	9.8 %	9.6 %	9.8 %

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations - Europe</b>							
<b>Pre-tax operating income (loss)</b>	\$ (382)	\$ 66	\$ 106	\$ 205	\$ (110)	\$ (5)	\$ 35
Interest expense on attributed financial debt	13	16	19	19	17	67	63
<b>Operating income (loss) before taxes:</b>	(395)	50	87	186	(127)	(72)	(28)
Income tax expense (benefit)	(95)	9	25	53	(80)	(8)	(62)
<b>After-tax operating income (loss) (a)</b>	\$ (300)	\$ 41	\$ 62	\$ 133	\$ (47)	\$ (64)	\$ 34
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
Catastrophe losses above (below) expectations	(35)	(38)	(5)	(18)	(1)	(96)	(107)
(Better) worse than expected alternative returns	-	-	2	-	1	2	1
Unfavorable (favorable) prior year loss reserve development	224	13	(5)	(14)	129	218	108
<b>Normalized after-tax operating income (loss) (b)</b>	\$ (111)	\$ 16	\$ 54	\$ 101	\$ 82	\$ 60	\$ 36
<b>Ending attributed equity</b>	3,447	3,410	3,314	3,117	3,405	3,447	3,405
<b>Average attributed equity (c)</b>	3,429	3,362	3,216	3,261	3,595	3,339	3,607
<b>Adjusted return on attributed equity (a÷c)</b>	(35.0) %	4.9 %	7.7 %	16.3 %	(5.2) %	(1.9) %	0.9 %
<b>Normalized return on attributed equity (b÷c)</b>	(12.9) %	1.9 %	6.7 %	12.4 %	9.1 %	1.8 %	1.0 %

\* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

**American International Group, Inc.**  
**Reconciliation of PTOI, ATOI and Normalized ATOI by Geography\***

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations - Japan</b>							
<b>Pre-tax operating income (loss)</b>	\$ 92	\$ 36	\$ 74	\$ 54	\$ (3)	\$ 256	\$ 3
Interest expense on attributed financial debt	17	17	17	19	19	70	84
<b>Operating income (loss) before taxes:</b>	75	19	57	35	(22)	186	(81)
Income tax expense (benefit)	48	8	22	12	5	90	(13)
<b>After-tax operating income (losses) (a)</b>	\$ 27	\$ 11	\$ 35	\$ 23	\$ (27)	\$ 96	\$ (68)
<b>Adjustments to arrive at normalized after-tax operating income (loss):</b>							
Catastrophe losses above (below) expectations	(14)	11	20	(5)	(4)	12	10
(Better) worse than expected alternative returns	3	10	19	2	9	34	8
Unfavorable (favorable) prior year loss reserve development	(6)	(4)	(7)	(16)	3	(33)	1
<b>Normalized after-tax operating income (loss) (b)</b>	\$ 10	\$ 28	\$ 67	\$ 4	\$ (19)	\$ 109	\$ (49)
<b>Ending attributed equity</b>	941	959	1,100	1,054	998	941	998
<b>Average attributed equity (c)</b>	950	1,030	1,077	1,026	983	1,010	950
<b>Adjusted return on attributed equity (a÷c)</b>	11.4 %	4.3 %	13.0 %	9.0 %	(11.0) %	9.5 %	(7.2) %
<b>Normalized return on attributed equity (b÷c)</b>	4.2 %	10.9 %	24.9 %	1.6 %	(7.7) %	10.8 %	(5.2) %

\* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

**American International Group, Inc.**  
**Reconciliation of Accident Year Loss Ratio, as adjusted, and Accident Year Combined Ratio, as adjusted**

**Total Commercial Insurance**

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
Loss ratio	211.5	77.3	70.2	67.8	133.1	104.0	84.5
Catastrophe losses and reinstatement premiums	(8.1)	(5.6)	(7.5)	(4.6)	(4.3)	(6.5)	(3.0)
Prior year development net of premium adjustments	(125.2)	(7.0)	(1.0)	0.3	(63.2)	(30.8)	(16.8)
<b>Accident year loss ratio, as adjusted</b>	<b>78.2</b>	<b>64.7</b>	<b>61.7</b>	<b>63.5</b>	<b>65.6</b>	<b>66.7</b>	<b>64.7</b>
Combined ratio	241.6	105.8	98.3	97.7	163.3	133.1	114.5
Catastrophe losses and reinstatement premiums	(8.1)	(5.6)	(7.5)	(4.6)	(4.3)	(6.5)	(3.0)
Prior year development net of premium adjustments	(125.2)	(7.0)	(1.0)	0.3	(63.2)	(30.8)	(16.8)
<b>Accident year combined ratio, as adjusted</b>	<b>108.3</b>	<b>93.2</b>	<b>89.8</b>	<b>93.4</b>	<b>95.8</b>	<b>95.8</b>	<b>94.7</b>

**Commercial Insurance - Liability and Financial Lines**

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
Loss ratio	312.0	67.7	70.4	69.0	174.6	124.2	100.7
Catastrophe losses and reinstatement premiums	-	(0.2)	-	-	(0.1)	-	(0.1)
Prior year development net of premium adjustments	(220.6)	0.5	(3.3)	(0.1)	(103.9)	(50.9)	(30.4)
<b>Accident year loss ratio, as adjusted</b>	<b>91.4</b>	<b>68.0</b>	<b>67.1</b>	<b>68.9</b>	<b>70.6</b>	<b>73.3</b>	<b>70.2</b>
Combined ratio	338.7	93.1	95.8	96.8	203.1	150.6	129.4
Catastrophe losses and reinstatement premiums	-	(0.2)	-	-	(0.1)	-	(0.1)
Prior year development net of premium adjustments	(220.6)	0.5	(3.3)	(0.1)	(103.9)	(50.9)	(30.4)
<b>Accident year combined ratio, as adjusted</b>	<b>118.1</b>	<b>93.4</b>	<b>92.5</b>	<b>96.7</b>	<b>99.1</b>	<b>99.7</b>	<b>98.9</b>

**Commercial Insurance - Property and Special Risks**

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
Loss ratio, GAAP basis	77.0	90.5	69.7	66.0	69.8	75.6	60.1
Catastrophe losses and reinstatement premiums	(18.9)	(13.3)	(18.0)	(11.6)	(10.8)	(15.4)	(7.3)
Prior year development net of premium adjustments	2.4	(17.3)	2.3	1.0	(0.9)	(2.8)	3.6
<b>Accident year loss ratio, as adjusted</b>	<b>60.5</b>	<b>59.9</b>	<b>54.0</b>	<b>55.4</b>	<b>58.1</b>	<b>57.4</b>	<b>56.4</b>
Combined ratio, GAAP basis	111.7	123.3	101.4	99.1	102.5	108.7	92.1
Catastrophe losses and reinstatement premiums	(18.9)	(13.3)	(18.0)	(11.6)	(10.8)	(15.4)	(7.3)
Prior year development net of premium adjustments	2.4	(17.3)	2.3	1.0	(0.9)	(2.8)	3.6
<b>Accident year combined ratio, as adjusted</b>	<b>95.2</b>	<b>92.7</b>	<b>85.7</b>	<b>88.5</b>	<b>90.8</b>	<b>90.5</b>	<b>88.4</b>

American International Group, Inc.

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

Consumer Personal Insurance

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
Loss ratio, GAAP basis	52.7	56.3	55.6	52.7	55.4	54.3	55.2
Catastrophe losses and reinstatement premiums	(1.6)	(0.9)	(2.1)	(1.1)	(0.3)	(1.4)	(1.3)
Prior year development net of premium adjustments	0.6	1.1	1.4	1.8	(1.5)	1.2	0.1
<b>Accident year loss ratio, as adjusted</b>	<b>51.7</b>	<b>56.5</b>	<b>54.9</b>	<b>53.4</b>	<b>53.6</b>	<b>54.1</b>	<b>54.0</b>
Combined ratio, GAAP basis	96.9	97.5	97.0	94.6	103.1	96.4	102.3
Catastrophe losses and reinstatement premiums	(1.6)	(0.9)	(2.1)	(1.1)	(0.3)	(1.4)	(1.3)
Prior year development net of premium adjustments	0.6	1.1	1.4	1.8	(1.5)	1.2	0.1
<b>Accident year combined ratio, as adjusted</b>	<b>95.9</b>	<b>97.7</b>	<b>96.3</b>	<b>95.3</b>	<b>101.3</b>	<b>96.2</b>	<b>101.1</b>

**American International Group, Inc.**  
**Attributed Debt and Leverage Ratios by Segment and Geography**

(in millions)	Quarterly					Leverage Ratio as of December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b><u>Attributed Debt by Segment</u></b>							
<b>Commercial Insurance</b>							
Liability and Financial Lines	\$ 5,869	\$ 5,231	\$ 4,302	\$ 4,302	\$ 4,302	23.6%	17.8%
Property and Special Risks	3,084	3,392	2,968	2,968	2,968	26.9%	24.9%
Total Commercial Insurance	8,953	8,623	7,270	7,270	7,270	24.7%	20.1%
<b>Consumer Insurance</b>							
Individual Retirement	\$ -	\$ -	\$ 1,250	\$ 1,250	\$ 1,250	0.0%	9.8%
Group Retirement	-	-	681	681	681	0.0%	9.8%
Life Insurance	516	551	738	738	738	16.9%	21.7%
Personal Insurance	2,206	2,467	2,098	2,098	2,098	44.6%	42.4%
Total Consumer Insurance	2,722	3,018	4,767	4,767	4,767	10.9%	17.0%
Other Operations	5,827	6,324	7,754	7,533	5,256	NM	NM
<b>Total Core</b>	17,502	17,965	19,791	19,570	17,293	26.9%	24.4%
<b>Legacy Portfolio</b>	3,745	3,737	1,891	1,891	1,891	26.0%	10.1%
<b>Total Attributed Debt</b>	\$ 21,247	\$ 21,702	\$ 21,682	\$ 21,461	\$ 19,184	26.7%	21.4%
<b><u>Attributed Debt by Geography</u></b>							
United States	\$ 4,637	\$ 3,740	\$ 4,223	\$ 4,223	\$ 4,223	9.5%	8.3%
Europe	1,021	1,209	1,596	1,596	1,596	22.9%	31.9%
Japan	1,591	2,056	1,671	1,671	1,671	62.8%	62.6%
Other	10,253	10,960	12,301	12,080	9,803	NM	NM
<b>Total Core</b>	17,502	17,965	19,791	19,570	17,293	26.9%	24.4%
<b>Legacy Portfolio</b>	3,745	3,737	1,891	1,891	1,891	26.0%	10.1%
<b>Total Attributed Debt</b>	\$ 21,247	\$ 21,702	\$ 21,682	\$ 21,461	\$ 19,184	26.7%	21.4%
<b><u>Consolidated Debt Attributed</u></b>							
Total Financial debt	\$ 20,404	\$ 20,841	\$ 20,821	\$ 20,585	\$ 17,857		
Hybrid debt securities - junior subordinated debt	843	861	861	876	1,327		
<b>Total Debt Attributed</b>	\$ 21,247	\$ 21,702	\$ 21,682	\$ 21,461	\$ 19,184		

\*Attribution of debt and equity is performed on an annual basis unless recalibration is needed. Attributed Debt and equity are based on our internal capital model. Attributed equity is based on the segment's risk profile, whereas debt is attributed on "frictional" capital requirements beyond internal capital.



**American International Group, Inc.**  
**Non-GAAP Reconciliation - General Operating and Other Expenses**

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>General operating and other expenses, GAAP basis</b>	\$ 2,864	\$ 2,536	\$ 2,586	\$ 3,003	\$ 3,472	\$ 10,989	\$ 12,686
Restructuring and other costs	(206)	(210)	(90)	(188)	(222)	(694)	(496)
Other expense related to retroactive reinsurance agreement	10	(4)	5	7	(233)	18	(233)
Pension expense related to a one-time lump sum payment to former employees	(147)	-	-	-	-	(147)	-
Non-operating litigation reserves	(2)	2	-	(3)	(7)	(3)	(12)
<b>Total general operating and other expenses included in pre-tax operating income</b>	<b>2,519</b>	<b>2,324</b>	<b>2,501</b>	<b>2,819</b>	<b>3,010</b>	<b>10,163</b>	<b>11,945</b>
Loss adjustment expenses, reported as policyholder benefits and losses incurred	314	340	350	341	392	1,345	1,632
Advisory fee expenses	(79)	(76)	(173)	(317)	(337)	(645)	(1,349)
Non-deferrable insurance commissions	(117)	(107)	(121)	(122)	(127)	(467)	(504)
Direct marketing and acquisition expenses, net of deferrals	(172)	(52)	(133)	(144)	(218)	(501)	(659)
Investment expenses reported as net investment income and other	12	15	15	15	20	57	76
<b>Total general operating expenses, operating basis</b>	<b>\$ 2,477</b>	<b>\$ 2,444</b>	<b>\$ 2,439</b>	<b>\$ 2,592</b>	<b>\$ 2,740</b>	<b>\$ 9,952</b>	<b>\$ 11,141</b>

**American International Group, Inc.**  
**Non-GAAP Reconciliations - Premiums**

<i>(in millions)</i>	Quarterly					Twelve Months Ended	
	4Q16	3Q16	2Q16	1Q16	4Q15	December 31,	December 31,
						2016	2015
<b>Consumer Insurance:</b>							
Premiums and deposits	\$ 6,045	\$ 6,064	\$ 7,327	\$ 7,715	\$ 7,932	\$ 27,151	\$ 28,666
Deposits	(5,463)	(5,495)	(6,748)	(7,154)	(7,403)	(24,860)	(26,587)
Other	(202)	(174)	(169)	(148)	(174)	(693)	(610)
<b>Premiums</b>	<b>\$ 380</b>	<b>\$ 395</b>	<b>\$ 410</b>	<b>\$ 413</b>	<b>\$ 355</b>	<b>\$ 1,598</b>	<b>\$ 1,469</b>
<b>Consumer Insurance - Individual Retirement:</b>							
Premiums and deposits	\$ 3,078	\$ 3,363	\$ 4,611	\$ 5,010	\$ 5,109	\$ 16,062	\$ 18,376
Deposits	(3,044)	(3,328)	(4,563)	(4,963)	(5,077)	(15,898)	(18,238)
Other	-	2	(3)	-	2	(1)	(3)
<b>Premiums</b>	<b>\$ 34</b>	<b>\$ 37</b>	<b>\$ 45</b>	<b>\$ 47</b>	<b>\$ 34</b>	<b>\$ 163</b>	<b>\$ 137</b>
<b>Consumer Insurance - Individual Retirement (Fixed Annuities):</b>							
Premiums and deposits	\$ 546	\$ 570	\$ 1,221	\$ 1,645	\$ 1,259	\$ 3,982	\$ 3,747
Deposits	(512)	(535)	(1,174)	(1,599)	(1,228)	(3,820)	(3,609)
Other	2	3	-	2	4	7	6
<b>Premiums</b>	<b>\$ 36</b>	<b>\$ 38</b>	<b>\$ 47</b>	<b>\$ 48</b>	<b>\$ 35</b>	<b>\$ 169</b>	<b>\$ 144</b>
<b>Consumer Insurance - Individual Retirement (Variable Annuities):</b>							
Premiums and deposits	\$ 923	\$ 1,092	\$ 1,225	\$ 1,267	\$ 1,814	\$ 4,507	\$ 8,012
Deposits	(923)	(1,092)	(1,225)	(1,267)	(1,814)	(4,507)	(8,012)
Other	(1)	(2)	(2)	(2)	(2)	(7)	(7)
<b>Premiums</b>	<b>\$ (1)</b>	<b>\$ (2)</b>	<b>\$ (2)</b>	<b>\$ (2)</b>	<b>\$ (2)</b>	<b>\$ (7)</b>	<b>\$ (7)</b>
<b>Consumer Insurance - Individual Retirement (Index Annuities):</b>							
Premiums and deposits	\$ 548	\$ 611	\$ 755	\$ 773	\$ 867	\$ 2,687	\$ 2,826
Deposits	(548)	(611)	(755)	(773)	(867)	(2,687)	(2,826)
Other	-	-	-	-	-	-	(1)
<b>Premiums</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1)</b>
<b>Consumer Insurance - Individual Retirement (Retail Mutual Funds):</b>							
Premiums and deposits	\$ 1,061	\$ 1,090	\$ 1,410	\$ 1,325	\$ 1,169	\$ 4,886	\$ 3,791
Deposits	(1,061)	(1,090)	(1,410)	(1,325)	(1,169)	(4,886)	(3,791)
Other	-	-	-	-	-	-	-
<b>Premiums</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Consumer Insurance - Group Retirement:</b>							
Premiums and deposits	\$ 2,056	\$ 1,821	\$ 1,837	\$ 1,856	\$ 1,944	\$ 7,570	\$ 6,920
Deposits	(2,050)	(1,812)	(1,832)	(1,849)	(1,938)	(7,543)	(6,899)
Other	-	-	-	-	-	-	1
<b>Premiums</b>	<b>\$ 6</b>	<b>\$ 9</b>	<b>\$ 5</b>	<b>\$ 7</b>	<b>\$ 6</b>	<b>\$ 27</b>	<b>\$ 22</b>
<b>Consumer Insurance - Life Insurance:</b>							
Premiums and deposits	\$ 911	\$ 880	\$ 879	\$ 849	\$ 879	\$ 3,519	\$ 3,370
Deposits	(369)	(355)	(353)	(342)	(388)	(1,419)	(1,451)
Other	(203)	(176)	(166)	(148)	(176)	(693)	(608)
<b>Premiums</b>	<b>\$ 339</b>	<b>\$ 349</b>	<b>\$ 360</b>	<b>\$ 359</b>	<b>\$ 315</b>	<b>\$ 1,407</b>	<b>\$ 1,311</b>
<b>Legacy Life Insurance Run-off Lines:</b>							
Premiums and deposits	\$ 159	\$ 167	\$ 162	\$ 178	\$ 190	\$ 666	\$ 743
Deposits	(27)	(32)	(22)	(35)	(47)	(116)	(136)
Other	(14)	(9)	(8)	(2)	(9)	(33)	(41)
<b>Premiums</b>	<b>\$ 118</b>	<b>\$ 126</b>	<b>\$ 132</b>	<b>\$ 141</b>	<b>\$ 134</b>	<b>\$ 517</b>	<b>\$ 566</b>

**American International Group, Inc.**  
**Supplemental Property Casualty Information\***

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Results of Operations</b>							
Net premiums written	\$ 6,510	\$ 7,278	\$ 7,422	\$ 7,204	\$ 7,391	\$ 28,414	\$ 32,398
Net premiums earned	\$ 7,104	\$ 7,447	\$ 7,532	\$ 7,592	\$ 7,787	\$ 29,675	\$ 31,336
Loss and loss adjustment expenses incurred	10,825	5,159	4,969	4,780	8,679	25,733	24,240
Acquisition expenses	1,434	1,456	1,472	1,499	1,648	5,861	6,416
General operating expenses	1,110	1,027	1,039	1,080	1,167	4,256	4,806
Underwriting income (loss)	(6,265)	(195)	52	233	(3,707)	(6,175)	(4,126)
Net investment income (loss):							
Interest and dividends	894	907	945	899	907	3,645	3,706
Alternative investments	167	188	116	(148)	(46)	323	371
Other investment income	52	34	(27)	(16)	4	43	143
Investment expenses	(26)	(33)	(28)	(35)	(34)	(122)	(170)
Total net investment income	1,087	1,096	1,006	700	831	3,889	4,050
<b>Pre-tax operating income (loss)</b>	<b>\$ (5,178)</b>	<b>\$ 901</b>	<b>\$ 1,058</b>	<b>\$ 933</b>	<b>\$ (2,876)</b>	<b>\$ (2,286)</b>	<b>\$ (76)</b>
<b>Underwriting Ratios</b>							
Loss ratio**	152.4	69.3	66.0	62.9	111.5	86.7	77.4
Loss ratio, GAAP Basis	141.8	69.7	70.0	62.8	112.6	85.3	77.1
Catastrophe losses and reinstatement premiums	(5.4)	(3.8)	(5.5)	(3.3)	(2.9)	(4.5)	(2.3)
Prior year development net of premium adjustments	(78.9)	(3.8)	(0.4)	0.9	(46.5)	(19.7)	(13.4)
Net reserve discount benefit (charge)	10.6	(0.4)	(4.0)	0.1	(1.1)	1.4	0.3
Accident year loss ratio, as adjusted	68.1	61.7	60.1	60.5	62.1	62.5	61.7
Acquisition ratio	20.2	19.6	19.5	19.7	21.2	19.8	20.5
General operating expense ratio	15.6	13.8	13.8	14.2	15.0	14.3	15.3
Expense ratio	35.8	33.4	33.3	33.9	36.2	34.1	35.8
Combined ratio, excluding net reserve discount	188.2	102.7	99.3	96.8	147.7	120.8	113.2
Combined ratio, GAAP basis	177.6	103.1	103.3	96.7	148.8	119.4	112.9
Catastrophe losses and reinstatement premiums	(5.4)	(3.8)	(5.5)	(3.3)	(2.9)	(4.5)	(2.3)
Prior year development net of premium adjustments	(78.9)	(3.8)	(0.4)	0.9	(46.5)	(19.7)	(13.4)
Net reserve discount benefit (charge)	10.6	(0.4)	(4.0)	0.1	(1.1)	1.4	0.3
Accident year combined ratio, as adjusted	103.9	95.1	93.4	94.4	98.3	96.6	97.5
Excluded from accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:							
Catastrophe losses and reinstatement premiums	5.4	3.8	5.5	3.3	2.9	4.5	2.3
Prior year development net of premium adjustments	78.9	3.8	0.4	(0.9)	46.5	19.7	13.4
Net reserve discount	(10.6)	0.4	4.0	(0.1)	1.1	(1.4)	(0.3)

\* Represents the aggregate operating results of Commercial Insurance - Property and Special Risks, Liability and Financial Lines, Consumer Insurance - Personal Insurance, and Property Casualty Run-off businesses reported in Legacy.

\*\* Consistent with our definition of PTOI, excludes loss reserve discount.

**American International Group, Inc.**  
**Supplemental Property Casualty Information Continued\***

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q16	3Q16	2Q16	1Q16	4Q15	2016	2015
<b>Foreign Exchange Effect on Worldwide Premiums</b>							
<b>Change in net premiums written - Liability and Financial Lines</b>							
Increase (decrease) in original currency	(22)%	(23)%	(29)%	(23)%	- %	(25)%	4 %
Foreign exchange effect	(1)	(1)	-	(2)	(4)	-	(5)
Increase (decrease) as reported in U.S. dollars	(23)%	(24)%	(29)%	(25)%	(4)%	(25)%	(1)%
<b>Change in net premiums written - Property and Special Risks</b>							
Increase (decrease) in original currency	(15)%	(6)%	(11)%	20 %	13 %	(4)%	6 %
Foreign exchange effect	(1)	(1)	-	(6)	(5)	(2)	(6)
Increase (decrease) as reported in U.S. dollars	(16)%	(7)%	(11)%	14 %	8 %	(6)%	- %
<b>Change in net premiums written - Personal Insurance</b>							
Increase (decrease) in original currency	(1)%	(5)%	(1)%	1 %	4 %	(2)%	3 %
Foreign exchange effect	4	2	-	(4)	(9)	1	(10)
Increase (decrease) as reported in U.S. dollars	3 %	(3)%	(1)%	(3)%	(5)%	(1)%	(7)%
<b>Noteworthy Items (pre-tax):</b>							
Catastrophe-related losses	\$ 383	\$ 282	\$ 414	\$ 251	\$ 223	\$ 1,330	\$ 731
Reinstatement premiums related to catastrophes	1	-	-	-	-	1	-
Reinstatement premiums related to prior year catastrophes	-	-	(11)	(10)	-	(21)	(5)
Severe losses	84	95	145	109	172	433	711
<b>Prior year development:</b>							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	5,596	290	19	(61)	3,622	5,844	4,159
(Additional) returned premium related to prior year development	16	(11)	22	6	(4)	33	49
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	\$ 5,612	\$ 279	\$ 41	\$ (55)	\$ 3,618	\$ 5,877	\$ 4,208
<b>Net reserve discount (benefit) charge</b>							
Liability and Financial Lines	\$ (589)	\$ 17	\$ 191	\$ (26)	\$ 68	\$ (407)	\$ (68)
Legacy Property and Casualty Run-off Insurance Reserves	(162)	15	109	17	18	(21)	(3)
<b>Total net reserve discount (benefit) charge</b>	\$ (751)	\$ 32	\$ 300	\$ (9)	\$ 86	\$ (428)	\$ (71)
<b>Net liability for unpaid losses and loss adjustment expenses (at period end)</b>							
	\$ 62,811	\$ 59,414	\$ 60,417	\$ 60,514	\$ 61,311	\$ 62,811	\$ 61,311

\* Represents the aggregate operating results of Commercial Insurance - Property and Special Risks, Liability and Financial Lines, Consumer Insurance - Personal Insurance, and Property Casualty Run-off businesses reported in Legacy.



# Bring on tomorrow

American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today we provide a wide range of property casualty insurance, life insurance, retirement products and other financial services to customers in more than 80 countries and jurisdictions. Our diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. 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](http://www.aig.com) and [www.aig.com/strategyupdate](http://www.aig.com/strategyupdate) | YouTube: [www.youtube.com/aig](http://www.youtube.com/aig) | Twitter: @AIGinsurance | LinkedIn: <http://www.linkedin.com/company/aig>. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this presentation.

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