

2016 年第 1 四半期（1 月～3 月） 決 算 短 信

会社名 アメリカン・インターナショナル・グループ・インク
 決算期 本決算：年 1 回（12 月）
 中間決算：四半期毎
 問い合わせ先 東京都港区元赤坂一丁目 2 番 7 号 赤坂 K タワー
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1. 本国における決算発表日 2016 年 5 月 2 日

2. 業績（注 1：下記の数字は 2016 年 3 月 31 日現在の会計方法に従い算出したものである。）

	第 1 四半期（1 月～3 月の 3 ヶ月間）		
	当年度（2016 年）	前年度（2015 年）	増減率
売上高又は営業収入	11,779 百万ドル	15,975 百万ドル	△26.3%
純利益（税引後）	△183 百万ドル	2,468 百万ドル	-
1 株当たり純利益（注 2）	△0.16 ドル	1.78 ドル	-

	今期累計額		
	当期	前年同期	増減率
売上高又は営業収入			
純利益（税引後）			
1 株当たり純利益（注 2）			

	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		0.125 ドル	
第 3 四半期		0.28 ドル	
第 4 四半期		0.28 ドル	
合計		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。

3. 概況・特記事項・その他

上記 2. の各数値は、会社の 2016 年 5 月 2 日付けプレス・リリースおよび Quarterly Financial Supplement First 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 First Quarter 2016 を添付する。

AIG Reports First Quarter 2016 After-Tax Operating Income of \$773 Million or \$0.65 Per Diluted Share

May 2, 2016 4:16 PM ET

Net loss of \$183 million, or \$0.16 per diluted share, on a reported basis for the first quarter of 2016

First Quarter 2016 Highlights:

- Normalized ROE increased by 110 basis points to 8.9% from the first quarter of 2015, and includes a benefit of 50 basis points due to the lower effective tax rate
- GOE reduction of 5% from the first quarter of 2015, excluding the impact of foreign exchange
- Commercial Property Casualty accident year loss ratio, as adjusted, of 64.5, 1.7 points lower than full-year 2015 and 0.1 point higher than the prior-year quarter
- Strong growth in Personal Insurance underwriting results
- Returned \$4.0 billion to shareholders

NEW YORK--(BUSINESS WIRE)--May 2, 2016-- American International Group, Inc. (NYSE: AIG) today reported after-tax operating income of \$773 million, or \$0.65 per diluted share, for the first quarter of 2016, compared to \$1.7 billion, or \$1.22 per diluted share, in the prior-year quarter, reflecting the negative impact of market volatility on investments that totaled \$0.48 per diluted share.

On a reported basis, AIG recognized a net loss of \$183 million, or \$0.16 per diluted share, for the first quarter of 2016, compared to net income of \$2.5 billion, or \$1.78 per diluted share, in the prior-year quarter, reflecting the impact of market volatility on the items mentioned above, as well as net realized capital losses, restructuring costs, and other items.

“Although our first quarter results were impacted by market volatility on investments, the underlying operating results demonstrate progress on our strategic objectives,” said Peter D. Hancock, AIG President and Chief Executive Officer. “We’ve made some ambitious commitments through 2017, and our first quarter operating results show that we’re executing on our plan. We returned \$4.0 billion of capital to shareholders during the quarter, and repurchased an additional \$870 million of our common stock through May 2, 2016. Expenses declined 5% year-over-year, excluding the impact of foreign exchange, as we continued to drive for efficiency and narrow our focus on the products, geographies and demographics that provide the greatest opportunities for profitability.

“Our goal is for AIG to become our client’s most valued insurer, and that means developing tailored insurance solutions that combine our risk expertise, insights from data science, the power of technology, and best-in-class service from our talented employees, to protect our 90 million clients around the world. While part of our current strategy is to streamline our business, we’re still making targeted investments in our future, including our recently announced plans to form a joint venture with Hamilton Insurance Group and Two Sigma to develop insurance solutions informed by data and technology for the small to medium-sized enterprise market.

“By transforming AIG into a leaner, more profitable and focused insurer, we can leverage our risk expertise, scale and scope to provide value for our clients, and generate returns for our shareholders. Our strategy for today will position us to achieve our vision for tomorrow.”

Capital, Liquidity & Other Highlights:

- In the first quarter of 2016, AIG repurchased \$3.5 billion of shares of its common stock and \$173 million of warrants to purchase shares of its common stock, and paid \$363 million in shareholder dividends. From the end of the first quarter through May 2, 2016, AIG repurchased an additional \$870 million of its common stock
- On May 2, 2016, AIG’s Board of Directors declared a quarterly dividend of \$0.32 per share
- During the first quarter of 2016, AIG repurchased, through a cash tender offer, approximately \$0.7 billion aggregate principal amount of certain debt issued or guaranteed by AIG for an aggregate purchase price of approximately \$0.8

billion

- In the first quarter of 2016, AIG issued \$1.5 billion aggregate principal amount of 3.300% Notes due 2021 and \$1.5 billion aggregate principal amount of 3.900% Notes due 2026
- AIG Parent liquidity was \$7.1 billion at March 31, 2016
- On April 30, 2016, AIG priced the sale of 740 million shares of PICC Property and Casualty Company Limited (PICC P&C) by means of a placing to institutional investors and, subject to customary closing conditions, will receive gross proceeds of \$1.25 billion
- AIG filed a registration statement on Form S-1 for a planned IPO of up to 19.9% of United Guaranty Corp., subject to regulatory approval and the approval of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, as a first step towards a full separation
- For the first quarter of 2016, AIG's tax rate was 27.1% on a reported basis, and 19.2% on an operating basis, reflecting the favorable resolution of certain tax audit items in the quarter
- AIG recorded pre-tax non-operating restructuring costs of \$188 million in the first quarter of 2016, which are primarily related to previously announced actions

AFTER-TAX OPERATING INCOME

	Three Months Ended		
	March 31,		
	2016	2015	Change
<i>(\$ in millions, except per share amounts)</i>			
Pre-tax operating income (loss)			
Insurance Operations			
Commercial Insurance			
Property Casualty	\$ 720	\$ 1,170	(38)%
Mortgage Guaranty	163	145	12
Institutional Markets	6	147	(96)
Total Commercial Insurance	889	1,462	(39)
Consumer Insurance			
Retirement	461	800	(42)
Life	105	171	(39)
Personal Insurance	222	(26)	NM
Total Consumer Insurance	788	945	(17)
Total Insurance Operations	1,677	2,407	(30)
Corporate and Other	(733)	162	NM
Consolidations, eliminations and other adjustments	10	(42)	NM
Pre-tax operating income (loss)	954	2,527	(62)
Income tax expense	(183)	(825)	78
Net income (loss) attributable to noncontrolling interests	2	(11)	NM
After-tax operating income (loss)	\$ 773	\$ 1,691	(54)
After-tax operating income (loss) per diluted common share	0.65	1.22	(47)
Effective tax rate on Pre-tax operating income	19.2 %	32.6 %	(41)

All operating segment comparisons that follow are to the first quarter of 2015 unless otherwise noted.

COMMERCIAL INSURANCE

PROPERTY CASUALTY

	Three Months Ended		
	March 31,		
(\$ in millions)	2016	2015	Change
Net premiums written	\$ 4,307	\$ 5,047	(15)%
Net premiums earned	4,701	4,931	(5)
Underwriting income	143	145	(1)
Net investment income	577	1,025	(44)
Pre-tax operating income	\$ 720	\$ 1,170	(38)
Underwriting ratios:			
Loss ratio	68.2	68.1	0.1 pts
Catastrophe losses and reinstatement premiums	(4.7)	(1.4)	(3.3)
Prior year development net of premium adjustments	0.4	(0.4)	0.8
Net reserve discount benefit (charge)	0.6	(1.9)	2.5
Accident year loss ratio, as adjusted	64.5	64.4	0.1
Acquisition ratio	16.3	16.2	0.1
General operating expense ratio	12.4	12.8	(0.4)
Combined ratio	96.9	97.1	(0.2)
Catastrophe losses and reinstatement premiums	(4.7)	(1.4)	(3.3)
Prior year development net of premium adjustments	0.4	(0.4)	0.8
Net reserve discount benefit (charge)	0.6	(1.9)	2.5
Accident year combined ratio, as adjusted	93.2	93.4	(0.2)
Catastrophe-related losses	\$ 222	\$ 71	213 %
Severe losses	109	134	(19)
Prior year loss reserve development (favorable)			
unfavorable, net of reinsurance and premium adjustments	(10)	28	NM
Net reserve discount charge (benefit)	(26)	93	NM

During the first quarter of 2016, AIG entered into a two-year reinsurance arrangement with the Swiss Re Group, under which a proportional share of our new and renewal U.S. Casualty portfolio is being ceded. This arrangement will reduce the impact of the U.S. Casualty loss ratio on our overall loss ratio, in accordance with our strategic plan.

Property Casualty pre-tax operating income declined to \$720 million, primarily due to lower net investment income (reflecting lower income on alternative investments). The accident year loss ratio, as adjusted, increased slightly primarily due to higher current accident year loss ratios, as adjusted, in certain lines of business in Casualty and Specialty, particularly in the U.S., and higher attritional losses in Property. These increases were largely offset by an improvement in Financial lines and lower severe losses in Property. Compared to full year 2015, the accident year loss ratio, as adjusted, decreased 1.7 points, reflecting an improvement in Financial lines, lower severe loss ratios in Property and Specialty, particularly in the U.S., partially offset by an increase in attritional losses in Property, particularly in EMEA.

The general operating expense ratio benefited from lower employee-related costs resulting from ongoing actions to streamline our management structure and general cost containment measures.

The loss ratio increased slightly due to higher catastrophe losses and an increase in the accident year loss ratio, as adjusted.

These increases were largely offset by net favorable prior year loss reserve development and a net loss reserve discount benefit in the first quarter of 2016, compared to net adverse prior year loss reserve development and net loss reserve discount charge in the prior-year quarter.

Net premiums written decreased 15%, or 12% excluding the impact of foreign exchange. Growth in EMEA Financial lines and Casualty was more than offset by the effect of the reinsurance arrangement with the Swiss Re Group discussed above and the continued execution of our strategy to optimize our product portfolio in the U.S. Casualty business. Additionally, net premiums written in the first quarter of 2015 benefited from a renewal of a multi-year policy in U.S. Financial lines.

MORTGAGE GUARANTY

	Three Months Ended		
	March 31,		
<i>(\$ in millions)</i>	2016	2015	Change
Net premiums written	\$ 231	\$ 258	(10)%
Net premiums earned	225	230	(2)
Underwriting income	127	111	14
Net investment income	36	34	6
Pre-tax operating income	\$ 163	\$ 145	12
Underwriting ratios:			
Loss ratio	18.7	25.2	(6.5) pts
Acquisition ratio	8.9	9.6	(0.7)
General operating expense ratio	16.0	16.9	(0.9)
Combined ratio	43.6	51.7	(8.1)
Accident year loss ratio, as adjusted	20.9	25.2	(4.3)
Accident year combined ratio, as adjusted	45.8	51.7	(5.9)
Prior year loss reserve development (favorable)	\$(5)	\$-	NM %
New insurance written, domestic first-lien	\$ 8,827	\$ 10,542	(16)
Primary delinquency ratio	3.1 %	3.9 %	(21)
<i>Select Balance Sheet & other data:</i>			
Shareholders' equity (at period end)	\$ 3,275	\$ 3,178	3
First-lien insurance in force	\$ 187,016	\$ 169,880	10
In-force count	923,412	872,978	6

Mortgage Guaranty is primarily composed of the operations of United Guaranty Corporation. As of March 31, 2016, Mortgage Guaranty had estimated available assets under the Private Mortgage Insurer Eligibility Requirements of \$3.3 billion compared to estimated required assets of \$3.0 billion.

Mortgage Guaranty's pre-tax operating income increased to \$163 million, primarily due to the decline in incurred losses from lower delinquency rates and higher cure rates. The acquisition ratio benefited from lower expenses related to sales activities supporting new insurance written. The general operating expense ratio decreased, primarily due to lower employee costs.

Domestic first-lien new insurance written decreased 16% to \$8.8 billion, largely due to strong refinancing activity in early 2015. New business written in the first quarter of 2016 had an average FICO score of 746 and an average loan-to-value ratio of 92%, compared to an average FICO score of 752 and an average loan-to-value ratio of 91% in the prior-year quarter.

INSTITUTIONAL MARKETS

Three Months Ended

	March 31,		
(\$ in millions)	2016	2015	Change
Operating revenues:			
Premiums	\$ 235	\$ 96	145 %
Policy fees	51	49	4
Net investment income	333	479	(30)
Total operating revenues	619	624	(1)
Benefits and expenses	613	477	29
Pre-tax operating income	\$ 6	\$ 147	(96)
Premiums and deposits	304	146	108

Institutional Markets pre-tax operating income declined to \$6 million, primarily due to lower income on alternative investments. The decrease in alternative investment income was partially offset by an increase in base net investment income compared to the prior-year quarter, due in part to commercial mortgage loan prepayment income and growth in average base invested assets. The increases in premiums and benefits and expenses were primarily due to higher premiums received and future policy benefit reserves established from the sale of terminal funding annuities and structured settlements.

CONSUMER INSURANCE

RETIREMENT

Three Months Ended

	March 31,		
(\$ in millions)	2016	2015	Change
Operating revenues:			
Premiums	\$ 54	\$ 46	17 %
Policy fees	259	264	(2)
Net investment income	1,309	1,570	(17)
Advisory fee and other income	492	508	(3)
Total operating revenues	2,114	2,388	(11)
Benefits and expenses	1,653	1,588	4
Pre-tax operating income	\$ 461	\$ 800	(42)
Premiums and deposits ⁽¹⁾	6,853	5,509	24

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

Retirement pre-tax operating income declined to \$461 million, primarily due to lower net investment income (reflecting lower income on alternative investments from negative performance in hedge funds) and higher DAC amortization. Premiums and deposits grew to \$6.9 billion, primarily due to higher sales in Fixed Annuities, Retail Mutual Funds and Group Retirement. The growth in Fixed Annuities sales and lower Group Retirement surrenders were the primary drivers of the improvement in net flows of \$1.7 billion. All lines of business delivered positive net flows during the first quarter of

2016.

LIFE

Three Months Ended

<i>(\$ in millions)</i>	March 31,	2016	2015	Change
Operating revenues:				
Premiums	\$736	\$708	4	%
Policy fees	378	363	4	
Net investment income	468	542	(14)
Other income	15	-	NM	
Total operating revenues	1,597	1,613	(1)
Benefits and expenses	1,492	1,442	3	
Pre-tax operating income	\$105	\$171	(39)
Premiums and deposits	1,251	1,223	2	
Gross life insurance in force, end of period	1,033,301	1,003,022	3	

Life pre-tax operating income declined to \$105 million, primarily due to lower net investment income (reflecting lower income on alternative investments from negative performance in hedge funds) and higher DAC amortization. Pre-tax operating income in the first quarter of 2016 benefited from a \$25 million reduction in the reserve for IBNR death claims related to enhanced claims practices. Premiums and deposits grew 4%, excluding the effect of foreign exchange, principally driven by growth in international life and health.

PERSONAL INSURANCE

Three Months Ended

<i>(\$ in millions)</i>	March 31,	2016	2015	Change
Net premiums written	\$2,812	\$2,915	(4)%
Net premiums earned	2,770	2,799	(1)
Underwriting income (loss)	171	(89)	NM
Net investment income	51	63	(19)
Pre-tax operating income (loss)	\$222	\$(26)	NM
Underwriting ratios:				
Loss ratio	52.5	58.8	(6.3) pts
Catastrophe losses and reinstatement premiums	(1.1)	(2.2) 1.1
Prior year development net of premium adjustments	1.8	(0.2)	2.0
Accident year loss ratio, as adjusted	53.2	56.4	(3.2)
Acquisition ratio	26.1	27.3	(1.2)
General operating expense ratio	15.3	17.1	(1.8)
Combined ratio	93.9	103.2	(9.3)
Catastrophe losses and reinstatement premiums	(1.1)	(2.2) 1.1
Prior year development net of premium adjustments	1.8	(0.2)	2.0

Accident year combined ratio, as adjusted	94.6	100.8	(6.2)
Catastrophe-related losses	\$ 29	\$ 61	(52)%
Severe losses	-	12	NM
Prior year loss reserve development (favorable)			
unfavorable, net of reinsurance and premium adjustments	(48)	4	NM

Personal Insurance pre-tax operating income grew to \$222 million, compared to a loss in the prior-year quarter, due to improved underwriting results, partially offset by lower net investment income (reflecting lower income on alternative investments from negative performance in hedge funds). The combined ratio decreased, reflecting improvements in the loss ratio and expense ratio.

The improvement in the accident year loss ratio, as adjusted, was driven by lower accident year losses primarily in the U.S. personal property business. In addition, the loss ratio benefited from net favorable prior year loss reserve development and lower catastrophe losses.

The improvement in the acquisition ratio reflected lower acquisition costs primarily in the direct marketing expenses as we refocus our activities. The decrease in the general operating expense ratio primarily reflected lower employee-related expenses arising from organizational realignment activities together with lower strategic investment expenditures.

Net premiums written, excluding the effects of foreign exchange, increased approximately 1% driven by growth in personal property, partially offset by a decrease in warranty service programs.

CORPORATE AND OTHER

	Three Months Ended		
	March 31,		
(\$ in millions)	2016	2015	Change
Pre-tax operating income (loss):			
Equity in pre-tax operating earnings of AerCap	\$ -	\$ 128	NM %
Fair value of PICC investments	(75)	47	NM
Income from other assets, net	(138)	564	NM
Corporate general operating expenses	(294)	(252)	(17)
Interest expense	(257)	(305)	16
Run-off insurance lines	31	(19)	NM
Consolidation and elimination	-	(1)	NM
Pre-tax operating income (loss)	\$ (733)	\$ 162	NM

Corporate and Other reported a pre-tax operating loss of \$733 million compared to pre-tax operating income of \$162 million in the prior-year quarter, primarily due to fair value losses on assets for which the fair value option was elected, including ABS CDOs and part of our holdings in People's Insurance Company (Group) of China Limited (PICC Group), and the absence of equity earnings from shares in AerCap Holdings N.V. (AerCap), which was divested. These items were partially offset by lower interest expense from ongoing liability management activities.

CONFERENCE CALL

AIG will host a conference call tomorrow, Tuesday, May 3, 2016, at 8:00 a.m. ET to review these results. The call is open to the public and can be accessed via a live listen-only webcast at www.aig.com. A replay will be available after the call at

the same location.

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

The conference call (including the conference call presentation material), the earnings release and the financial supplement may include, and officers and representatives of AIG may from time to time make, projections, goals, assumptions and statements that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions and statements are not historical facts but instead represent only AIG’s belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG’s control. These projections, goals, assumptions and statements include statements preceded by, followed by or including words such as “will,” “believe,” “anticipate,” “expect,” “intend,” “plan,” “focused on achieving,” “view,” “target,” “goal” or “estimate.” These projections, goals, assumptions and statements may address, among other things, AIG’s: exposures to subprime mortgages, monoline insurers, the residential and commercial real estate markets, state and municipal bond issuers, sovereign bond issuers, the energy sector and currency exchange rates; exposure to European governments and European financial institutions; strategy for risk management; sales of businesses; restructuring of business operations; generation of deployable capital; anticipated business or asset divestitures or monetizations; anticipated organizational and business changes; strategies to increase return on equity and earnings per common share; strategies to grow net investment income, efficiently manage capital, grow book value per share, and reduce expenses; anticipated restructuring charges and annual cost savings; strategies for customer retention, growth, product development, market position, financial results and reserves; and subsidiaries’ revenues and combined ratios. It is possible that AIG’s actual results and financial condition will differ, possibly materially, from the results and financial condition indicated in these projections, goals, assumptions and statements. Factors that could cause AIG’s actual results to differ, possibly materially, from those in the specific projections, goals, assumptions and statements include: changes in market conditions; negative impacts on customers, business partners and other stakeholders; the occurrence of catastrophic events, both natural and man-made; significant legal proceedings; the timing and applicable requirements of any new regulatory framework to which AIG is subject as a nonbank systemically important financial institution and as a global systemically important insurer; concentrations in AIG’s investment portfolios; actions by credit rating agencies; judgments concerning casualty insurance underwriting and insurance liabilities; AIG’s ability to successfully manage run-off insurance portfolios; AIG’s ability to successfully reduce costs and expenses and make business and organizational changes without negatively impacting client relationships or AIG’s competitive position; AIG’s ability to successfully dispose of or monetize, businesses or assets; judgments concerning the recognition of deferred tax assets; judgments concerning estimated restructuring charges and estimated cost savings; and such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and Part II, Item 1A. Risk Factors in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 and Part II, Item 7. MD&A and Part I, Item 1A. Risk Factors in AIG’s Annual Report on Form 10-K for the year ended December 31, 2015. AIG is not under any obligation (and expressly disclaims any obligation) to update or alter any projections, goals, assumptions, or other statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise.

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

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 First Quarter 2016 Financial Supplement available in the Investor Information section

of AIG's website, www.aig.com.

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

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

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

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

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

attributable to AIG.

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

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

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

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

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

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

Accident year loss and combined ratios, as adjusted: both the accident year loss and combined ratios, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. 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.

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

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

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

Corporate and Other

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

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

American International Group, Inc. (AIG) is a leading global insurance organization serving customers in more than 100 countries and jurisdictions. Founded in 1919, today we provide a wide range of property casualty insurance, life insurance, retirement products, mortgage insurance and other financial services to customers in more than 100 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 and www.aig.com/strategyupdate | YouTube: 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. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.

American International Group, Inc.

Selected Financial Data and Non-GAAP Reconciliation

(\$ in millions, except per share data)

	Three Months Ended March 31,		
	2016	2015	% Inc. (Dec.)
Reconciliations of Pre-tax and After-tax Operating Income (Loss):			
<i>Pre-tax income (loss) from continuing operations</i>	\$ (214)	\$ 3,776	NM %
<i>Adjustments to arrive at Pre-tax operating income:</i>			
Changes in fair value of securities used to hedge guaranteed living benefits	(133)	(44)	(202.3)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(40)	54	NM
Loss on extinguishment of debt	83	68	22.1
Net realized capital (gains) losses	1,106	(1,341)	NM
Loss from divested businesses	2	21	(90.5)

Non-operating litigation reserves and settlements	(31)	(7)	(342.9)
Other (income) expense - net	(7)	-	NM
Restructuring and other costs	188	-	NM
Pre-tax operating income (loss)	\$954	\$2,527	(62.2)
Net income (loss) attributable to AIG	\$(183)	\$2,468	NM
Adjustments to arrive at after-tax operating income (amounts net of tax):			
Uncertain tax positions and other tax adjustments	205	(42)	NM
Deferred income tax valuation allowance (releases) charges	(37)	93	NM
Changes in fair value of securities used to hedge guaranteed living benefits	(86)	(29)	(196.6)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(26)	35	NM
Loss on extinguishment of debt	54	44	22.7
Net realized capital (gains) losses	701	(874)	NM
(Income) loss from discontinued operations	47	(1)	NM
Loss from divested businesses	1	2	(50.0)
Non-operating litigation reserves and settlements	(20)	(5)	(300.0)
Other (income) expense - net	(5)	-	NM
Restructuring and other costs	122	-	NM
After-tax operating income (loss) attributable to AIG	\$773	\$1,691	(54.3)
Income (loss) per common share:			
Basic			
Income (loss) from continuing operations	\$(0.12)	\$1.81	NM
Loss from discontinued operations	(0.04)	-	NM
Net income (loss) attributable to AIG	\$(0.16)	\$1.81	NM
Diluted			
Income (loss) from continuing operations	\$(0.12)	\$1.78	NM
Loss from discontinued operations	(0.04)	-	NM
Net income (loss) attributable to AIG	\$(0.16)	\$1.78	NM
After-tax operating income attributable to AIG per diluted share (a)	\$0.65	\$1.22	(46.7)
Weighted average shares outstanding:			
Basic	1,156.5	1,366.0	
Diluted (b)	1,156.5	1,386.3	
Return on equity (c)	(0.8)%	9.2 %	
Return on equity - after-tax operating income, excluding AOCI (d)	3.6 %	7.0 %	
Return on equity - after-tax operating income, excluding AOCI and DTA (e)	4.5 %	8.4 %	
As of period end:			
Book value per common share (f)	\$78.28	\$80.16	(2.3)
Book value per common share excluding accumulated other comprehensive income (g)	\$73.40	\$72.25	1.6

Book value per common share excluding accumulated other comprehensive income and DTA (h)	\$58.52	\$60.69	(3.6)%
Total common shares outstanding	1,130.7	1,347.1	

Financial highlights - notes

(a) For the quarter ended March 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. However, because we reported after-tax operating income, the calculation of after-tax operating income per diluted share includes 29,585,064 dilutive shares.

(b) Diluted shares in the diluted EPS calculation represent basic shares for the three-months ended March 31, 2016 due to the net loss in that period.

(c) Computed as Annualized net income (loss) attributable to AIG divided by average AIG shareholders' equity. Equity includes AOCI and DTA.

(d) Computed as Annualized after-tax operating income attributable to AIG divided by average AIG shareholders' equity, excluding AOCI. Equity includes DTA.

(e) Computed as Annualized after-tax operating income attributable to AIG divided by average AIG shareholders' equity, excluding AOCI and DTA.

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

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

(h) Represents total AIG shareholders' equity, excluding AOCI and DTA, divided by common shares outstanding.

American International Group, Inc.

Selected Financial Data and Non-GAAP Reconciliation (continued)

(\$ in millions, except per share amounts)

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

	Three Months Ended March 31,		
	2016	2015	% Inc. (Dec.)
Total general operating expenses, Operating basis	\$ 2,592	\$ 2,784	(6.9)%
Loss adjustment expenses, reported as policyholder benefits and losses incurred	(341)	(423)	19.4
Advisory fee expenses	317	332	(4.5)
Non-deferrable insurance commissions	122	128	(4.7)
Direct marketing and acquisition expenses, net of deferrals	144	140	2.9
Investment expenses reported as net investment income and other	(15)	(20)	25.0
Total general operating and other expenses included in pre-tax operating income	2,819	2,941	(4.1)
Restructuring and other costs	188	-	NM
Other expense related to retroactive reinsurance agreement	(7)	-	NM
Non-operating litigation reserves	3	8	(62.5)
Total general operating and other expenses, GAAP basis	\$ 3,003	\$ 2,949	1.8 %

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

	Three Months Ended March 31, 2016			Three Months Ended March 31, 2015		
	Pre-tax	After-tax	ROE	Pre-tax	After-tax	ROE
Return on equity - after-tax operating income, excluding AOCI and DTA	\$ 954	\$ 773	4.5 %	\$ 2,527	\$ 1,691	8.4 %
Adjustments to arrive at Normalized Return on Equity, Excluding AOCI and DTA:						
Catastrophe losses above (below) expectations	23	15	0.1	(113)	(74)	(0.4)
(Better) worse than expected alternative returns	714	464	2.7	(141)	(92)	(0.4)
(Better) worse than expected DIB & GCM returns	395	257	1.5	(60)	(39)	(0.2)
Fair value changes on PICC investments	103	67	0.4	(54)	(35)	(0.2)
Net reserve discount change	(10)	(7)	-	165	107	0.5
Life Insurance - IBNR death claims	(25)	(16)	(0.1)	-	-	-
Unfavorable (favorable) prior year loss reserve development	(60)	(39)	(0.2)	35	23	0.1
Normalized Return on Equity, excluding AOCI and DTA	\$ 2,094	\$ 1,514	8.9 %	\$ 2,359	\$ 1,581	7.8 %

Impact of Market Volatility on After-tax Operating Income Per Diluted Share

	Three Months Ended March 31, 2016		
	Pre-tax operating income (loss)	After-tax operating income (loss) (a)	After-tax Operating Income (Loss) Per Diluted Share (a) / (b)
Private Equity	\$ 114	\$ 74	\$ 0.06
Hedge Funds	(537)	(349)	(0.29)
PICC Group and PICC Property & Casualty	(103)	(67)	(0.06)
DIB & GCM	(341)	(222)	(0.19)
Market volatility on investments	(867)	(564)	(0.48)
Other operating earnings	1,821	1,337	1.13
Total	\$ 954	\$ 773	\$ 0.65

Weighted average shares outstanding - diluted for operating EPS (b) **1,186.1**

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Source: American International Group, Inc.

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American International Group, Inc.

Quarterly Financial Supplement
First Quarter 2016

All financial information in this document is unaudited. This report should be read in conjunction with AIG's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, filed with the Securities and Exchange Commission.

American International Group, Inc.

Quarterly Financial Supplement

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

This Financial Supplement may include, and officers and representatives of American International Group, Inc. (AIG) may from time to time make, projections, goals, assumptions and statements that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions and statements are not historical facts but instead represent only AIG’s belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG’s control. These projections, goals, assumptions and statements include statements preceded by, followed by or including words such as “will,” “believe,” “anticipate,” “expect,” “intend,” “plan,” “focused on achieving,” “view,” “target,” “goal” or “estimate.” These projections, goals, assumptions and statements may address, among other things, AIG’s: exposures to subprime mortgages, monoline insurers, the residential and commercial real estate markets, state and municipal bond issuers, sovereign bond issuers, the energy sector and currency exchange rates; exposure to European governments and European financial institutions; strategy for risk management; sales of businesses; restructuring of business operations; generation of deployable capital; strategies to increase return on equity and earnings per common share; strategies to grow net investment income, efficiently manage capital, grow book value per share, and reduce expenses; anticipated restructuring charges and annual cost savings; anticipated business or asset divestitures or monetizations; anticipated organizational and business changes; strategies for customer retention, growth, product development, market position, financial results and reserves; and subsidiaries’ revenues and combined ratios.

It is possible that AIG’s actual results and financial condition will differ, possibly materially, from the results and financial condition indicated in these projections, goals, assumptions and statements. Factors that could cause AIG’s actual results to differ, possibly materially, from those in the specific projections, goals, assumptions and statements include:

- changes in market conditions;
- negative impacts on customers, business partners and other stakeholders;
- the occurrence of catastrophic events, both natural and man-made;
- significant legal proceedings;
- the timing and applicable requirements of any new regulatory framework to which AIG is subject as a nonbank systemically important financial institution and as a global systemically important insurer;
- concentrations in AIG’s investment portfolios;
- actions by credit rating agencies;
- judgments concerning casualty insurance underwriting and insurance liabilities;
- our ability to successfully manage run-off insurance portfolios;
- our ability to successfully reduce costs and expenses and make business and organizational changes without negatively impacting client relationships or our competitive position;
- our ability to successfully dispose of, or monetize, businesses or assets;
- judgments concerning the recognition of deferred tax assets;
- judgments concerning estimated restructuring charges and estimated cost savings; and
- such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and Part II, Item 1A. Risk Factors in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, and Part II, Item 7. MD&A and Part I, Item 1A. Risk Factors in AIG’s Annual Report on Form 10-K for the year ended December 31, 2015.

AIG is not under any obligation (and expressly disclaims any obligation) to update or alter any projections, goals, assumptions or other statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise.

American International Group, Inc.

Non-GAAP Financial Measures

Throughout this Financial Supplement, we present our financial condition and results of operations in the way we believe will be most meaningful and representative of our business results. Some of the measurements we use are “non-GAAP financial measures” under Securities and Exchange Commission rules and regulations. GAAP is the acronym for “accounting principles generally accepted in the United States.” The non-GAAP financial measures we present may not be comparable to similarly-named measures reported by other companies.

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

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

Normalized Return on Equity, Excluding AOCI and DTA further adjusts Return on Equity – After-tax Operating Income, excluding AOCI and DTA for the effects of certain volatile or market related items. Normalized Return on Equity, Excluding AOCI and DTA is derived by excluding the following tax adjusted effects from Return on Equity – After-tax Operating Income, Excluding AOCI and DTA: the difference between actual and expected (i) catastrophe losses, (ii) alternative investment returns, and (iii) Direct Investment book (DIB) and Global Capital Markets (GCM) returns; fair value changes on PICC investments; update of actuarial assumptions, net reserve discount change; Life insurance IBNR death claim charge and prior year loss reserve development. The reconciliation to Return on Equity – After-tax Operating Income Excluding AOCI and DTA, is presented on page 14 herein.

We use the following operating performance measures because we believe they enhance the understanding of the underlying profitability of continuing operations and trends of our business segments. We believe they also allow for more meaningful comparisons with our insurance competitors. When we use these measures, reconciliations to the most comparable GAAP measure are provided on a consolidated basis.

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

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

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

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

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

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

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

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

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

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

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

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

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



American International Group, Inc.
Consolidated Statement of Operations

Consolidated Results

(in millions)

Revenues:

Premiums
Policy fees
Net investment income:
Interest and dividends
Alternative investments (1)
Other investment income (1)
Investment expenses
Total net investment income
Net realized capital gains (losses) (page 53)
Other income
Total revenues

Benefits, claims and expenses:

Policyholder benefits and losses incurred
Interest credited to policyholder account balances
Amortization of deferred policy acquisition costs
General operating and other expenses (page 9)
Interest expense
Loss on extinguishment of debt
Net loss on sale of divested businesses
Total benefits, claims and expenses

Income (loss) from continuing operations before income tax expense (benefit)

Income tax (benefit) expense

Income (loss) from continuing operations

Income (loss) from discontinued operations, net of income tax expense (benefit)

Net income (loss)

Net income (loss) from continuing operations attributable to noncontrolling interests

Net income (loss) attributable to AIG

Effective tax rates

Quarterly				
1Q16	4Q15	3Q15	2Q15	1Q15
\$ 8,806	\$ 9,426	\$ 8,862	\$ 9,545	\$ 8,822
687	689	701	688	677
3,243	3,257	3,204	3,208	3,187
(366)	(106)	(18)	658	586
250	158	153	77	217
(114)	(126)	(133)	(117)	(152)
3,013	3,183	3,206	3,826	3,838
(1,106)	(349)	(342)	126	1,341
379	882	395	1,514	1,297
11,779	13,831	12,822	15,699	15,975
6,387	10,758	6,936	7,100	6,551
950	973	881	942	935
1,262	1,255	1,275	1,356	1,350
3,003	3,472	3,175	3,090	2,949
306	304	321	316	340
83	-	346	342	68
2	1	3	1	6
11,993	16,763	12,937	13,147	12,199
(214)	(2,932)	(115)	2,552	3,776
(58)	(1,083)	65	777	1,300
(156)	(1,849)	(180)	1,775	2,476
(47)	-	(17)	16	1
(203)	(1,849)	(197)	1,791	2,477
(20)	(8)	34	(9)	9
\$ (183)	\$ (1,841)	\$ (231)	\$ 1,800	\$ 2,468
27.1%	36.9%	N/M	30.4%	34.4%

See Page 5 for the related earnings per share computations and Pages 14 to 15 for Accompanying Notes.



American International Group, Inc.
Earnings Per Share Computations

Consolidated Results

(in millions, except share data)

GAAP Basis:

Numerator for EPS:

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Income (loss) from continuing operations	\$ (156)	\$ (1,849)	\$ (180)	\$ 1,775	\$ 2,476
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	(20)	(8)	34	(9)	9
Income (loss) attributable to AIG common shareholders from continuing operations	(136)	(1,841)	(214)	1,784	2,467
Income (loss) from discontinued operations, net of income tax expense	(47)	-	(17)	16	1
Net income (loss) attributable to AIG common shareholders	\$ (183)	\$ (1,841)	\$ (231)	\$ 1,800	\$ 2,468

Denominator for EPS:

Weighted average shares outstanding - basic	1,156,548,459	1,226,880,632	1,279,072,748	1,329,157,366	1,365,951,690
Dilutive shares	-	-	-	36,233,065	20,311,859
Weighted average shares outstanding - diluted (2)	1,156,548,459	1,226,880,632	1,279,072,748	1,365,390,431	1,386,263,549

Income per common share attributable to AIG:

Basic:

Income (loss) from continuing operations	\$ (0.12)	\$ (1.50)	\$ (0.17)	\$ 1.34	\$ 1.81
Income (loss) from discontinued operations	(0.04)	-	(0.01)	0.01	-
Net income (loss) attributable to AIG	\$ (0.16)	\$ (1.50)	\$ (0.18)	\$ 1.35	\$ 1.81

Diluted:

Income (loss) from continuing operations	\$ (0.12)	\$ (1.50)	\$ (0.17)	\$ 1.31	\$ 1.78
Income (loss) from discontinued operations	(0.04)	-	(0.01)	0.01	-
Net income (loss) attributable to AIG	\$ (0.16)	\$ (1.50)	\$ (0.18)	\$ 1.32	\$ 1.78

See Page 6 for the related operating earnings per share and Pages 14 to 15 for Accompanying Notes.

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

Consolidated Results

(in millions, except share data)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Pre-tax income (loss) from continuing operations	\$ (214)	\$ (2,932)	\$ (115)	\$ 2,552	\$ 3,776
Adjustments to arrive at Pre-tax operating income (loss)					
Changes in fair value of securities used to hedge guaranteed living benefits	(133)	4	(4)	87	(44)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(40)	(69)	2	28	54
Loss on extinguishment of debt	83	-	346	342	68
Net realized capital (gains) losses	1,106	349	342	(126)	(1,341)
(Income) loss from divested businesses (3)	2	1	3	34	21
Non-operating litigation reserves and settlements	(31)	4	(30)	(49)	(7)
Other (income) expense - net	(7)	233	-	-	-
Reserve development related to non-operating run-off insurance business	-	-	30	-	-
Restructuring and other costs (4)	188	222	274	-	-
Pre-tax operating income (loss)	\$ 954	\$ (2,188)	\$ 848	\$ 2,868	\$ 2,527
Net income (loss) attributable to AIG	\$ (183)	\$ (1,841)	\$ (231)	\$ 1,800	\$ 2,468
Adjustments to arrive at After-tax operating income (loss)					
(amounts net of tax):					
Uncertain tax positions and other tax adjustments	205	(30)	233	(49)	(42)
Deferred income tax valuation allowance (releases) charges (5)	(37)	49	8	(40)	93
Changes in fair value of securities used to hedge guaranteed living benefits	(86)	3	(3)	57	(29)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(26)	(45)	2	18	35
Loss on extinguishment of debt	54	-	225	222	44
Net realized capital (gains) losses	701	215	262	(79)	(874)
(Income) loss from discontinued operations	47	-	17	(16)	(1)
(Income) loss from divested businesses (3)	1	2	1	11	2
Non-operating litigation reserves and settlements	(20)	3	(20)	(31)	(5)
Other (income) expense - net	(5)	151	-	-	-
Reserve development related to non-operating run-off insurance business	-	-	20	-	-
Restructuring and other costs (4)	122	145	177	-	-
After-tax operating income (loss)	\$ 773	\$ (1,348)	\$ 691	\$ 1,893	\$ 1,691
Weighted average shares outstanding - diluted for operating EPS	1,186,133,523	1,226,880,632	1,319,428,918	1,365,390,431	1,386,263,549
After-tax operating income (loss) per diluted share (2)	\$ 0.65	\$ (1.10)	\$ 0.52	\$ 1.39	\$ 1.22
Calculation of Effective tax rates:					
Pre-tax operating income (loss)	\$ 954	\$ (2,188)	\$ 848	\$ 2,868	\$ 2,527
Income tax benefit (expense)	(183)	843	(164)	(985)	(825)
Net income (loss) attributable to non-controlling interest	2	(3)	7	10	(11)
After-tax operating income (loss)	\$ 773	\$ (1,348)	\$ 691	\$ 1,893	\$ 1,691
Effective tax rates on pre-tax operating income (loss)	19.2%	38.5%	19.3%	34.3%	32.6%

See Accompanying Notes on Pages 14 to 15.

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

Consolidated Results

(in millions, except per share data)

Common Equity and Book Value Per Share Computations:

(as of period end)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Total AIG shareholders' equity (a)	\$ 88,518	\$ 89,658	\$ 98,999	\$ 104,258	\$ 107,979
Less: Accumulated other comprehensive income (AOCI)	5,525	2,537	6,557	7,620	10,657
Total AIG Shareholders' equity, excluding AOCI (b)	82,993	87,121	92,442	96,638	97,322
Less: Deferred tax assets (DTA)*	16,825	16,751	15,252	15,290	15,566
Total AIG Shareholders' equity, excluding AOCI and DTA (c)	\$ 66,168	\$ 70,370	\$ 77,190	\$ 81,348	\$ 81,756
Total common shares outstanding (d)	1,130.7	1,193.9	1,246.8	1,307.5	1,347.1
Book Value Per Share (a÷d)	\$ 78.28	\$ 75.10	\$ 79.40	\$ 79.74	\$ 80.16
Book Value Per Share, excluding AOCI (b÷d)	73.40	72.97	74.14	73.91	72.25
Book Value Per Share, excluding AOCI and DTA (c÷d)	\$ 58.52	\$ 58.94	\$ 61.91	\$ 62.22	\$ 60.69

Return On Equity (ROE) Computations:

Actual or Annualized net income (loss) attributable to AIG (a)	\$ (732)	\$ (7,364)	\$ (924)	\$ 7,200	\$ 9,872
Actual or Annualized after-tax operating income (loss) attributable to AIG (b)	\$ 3,092	\$ (5,392)	\$ 2,764	\$ 7,572	\$ 6,764
Average AIG Shareholders' equity (c)	\$ 89,088	\$ 94,329	\$ 101,629	\$ 106,119	\$ 107,439
Less: Average AOCI	4,031	4,547	7,089	9,139	10,637
Average AIG Shareholders' equity, excluding average AOCI (d)	85,057	89,782	94,540	96,980	96,802
Less: Average DTA	16,788	16,002	15,271	15,428	15,862
Average AIG Shareholders' equity, excluding average AOCI and DTA (e)	\$ 68,269	\$ 73,780	\$ 79,269	\$ 81,552	\$ 80,940
ROE (a÷c)	(0.8%)	(7.8%)	(0.9%)	6.8%	9.2%
ROE - after-tax operating income, excluding AOCI (b÷d)	3.6%	(6.0%)	2.9%	7.8%	7.0%
ROE - after-tax operating income, excluding AOCI and DTA (b÷e)	4.5%	(7.3%)	3.5%	9.3%	8.4%
Normalized ROE - after-tax operating income, excluding AOCI and DTA (6)	8.9%	6.7%	5.9%	6.7%	7.8%

Common Stock Repurchase:

Aggregate repurchase of common stock	\$ 3,486	\$ 3,218	\$ 3,730	\$ 2,345	\$ 1,398
Total number of common shares repurchased**	63.2	52.9	61.0	39.7	28.9
Average price paid per share of common stock	\$ 55.17	\$ 60.83	\$ 61.15	\$ 59.15	\$ 55.14
Aggregate repurchase of warrants	173	-	-	-	-
Total number of warrants repurchased	10.0	-	-	-	-

Dividends:

Dividends Declared Per Common Share	\$ 0.320	\$ 0.280	\$ 0.280	\$ 0.125	\$ 0.125
Total Dividends Declared	\$ 363	\$ 341	\$ 352	\$ 165	\$ 170

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

** 1Q15 includes approximately 3.5 million shares of AIG Common Stock received in January 2015 upon the settlement of an ASR agreement executed in the fourth quarter of 2014.

See Accompanying Notes on Pages 14 to 15.



American International Group, Inc.
Selected Segment Data

Consolidated Results - Operating basis

(in millions)

Total operating revenues: (7)

Commercial Insurance

Property Casualty
Mortgage Guaranty
Institutional Markets
Total Commercial Insurance

Consumer Insurance

Retirement
Life
Personal Insurance
Total Consumer Insurance
Corporate and Other
Consolidation, eliminations and other adjustments
Total operating revenues

Total pre-tax operating income (loss):

Commercial Insurance

Property Casualty
Mortgage Guaranty
Institutional Markets
Total Commercial Insurance

Consumer Insurance

Retirement
Life
Personal Insurance
Total Consumer Insurance
Corporate and Other
Consolidation, eliminations and other adjustments
Total pre-tax operating income (loss)

See Accompanying Notes on Pages 14 to 15.

Quarterly				
1Q16	4Q15	3Q15	2Q15	1Q15
\$ 5,278	\$ 5,721	\$ 5,715	\$ 6,233	\$ 5,956
261	260	266	261	264
619	1,144	578	1,172	624
6,158	7,125	6,559	7,666	6,844
2,114	2,242	2,203	2,465	2,388
1,597	1,570	1,578	1,632	1,613
2,821	2,776	2,871	2,869	2,862
6,532	6,588	6,652	6,966	6,863
206	631	109	1,119	1,042
(159)	(157)	(141)	(116)	(159)
\$ 12,737	\$ 14,187	\$ 13,179	\$ 15,635	\$ 14,590
\$ 720	\$ (2,338)	\$ 569	\$ 1,192	\$ 1,170
163	180	162	157	145
6	33	84	151	147
889	(2,125)	815	1,500	1,462
461	600	635	804	800
105	185	(40)	149	171
222	(32)	62	70	(26)
788	753	657	1,023	945
(733)	(804)	(613)	372	162
10	(12)	(11)	(27)	(42)
\$ 954	\$ (2,188)	\$ 848	\$ 2,868	\$ 2,527

American International Group, Inc.
General Operating and Other Expenses

Consolidated Results

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
General operating expenses					
Commercial Insurance					
Property Casualty	\$ 585	\$ 598	\$ 657	\$ 658	\$ 629
Mortgage Guaranty	36	45	42	40	39
Institutional Markets	19	20	19	20	18
Total Commercial Insurance	640	663	718	718	686
Consumer Insurance					
Retirement	248	246	262	262	244
Life (8)	258	239	248	250	231
Personal Insurance	423	479	503	535	478
Total Consumer Insurance	929	964	1,013	1,047	953
Corporate and Other	467	468	300	443	433
Consolidation, eliminations and other adjustments	(119)	(139)	(133)	(91)	(100)
Total general operating expenses	1,917	1,956	1,898	2,117	1,972
Other acquisition expenses					
Commercial Insurance					
Property Casualty	171	191	190	203	187
Mortgage Guaranty	13	11	12	13	15
Institutional Markets	-	8	9	8	7
Total Commercial Insurance	184	210	211	224	209
Consumer Insurance					
Personal Insurance	135	162	160	154	160
Total Consumer Insurance	135	162	160	154	160
Total other acquisition expenses	319	372	371	378	369
Loss adjustment expenses					
Commercial Insurance - Property Casualty	237	257	272	313	304
Consumer Insurance - Personal Insurance	104	135	117	115	119
Total loss adjustment expenses	341	392	389	428	423
Investment and other expenses	15	20	17	19	20
Total general operating expenses, operating basis (9)	2,592	2,740	2,675	2,942	2,784
Reconciliation to general operating and other expenses, GAAP basis					
Loss adjustment expenses, reported as policyholder benefits and losses incurred	(341)	(392)	(389)	(428)	(423)
Advisory fee expenses	317	337	339	341	332
Non-deferrable insurance commissions	122	127	123	126	128
Direct marketing and acquisition expenses, net of deferrals	144	218	200	101	140
Investment expenses reported as net investment income and other	(15)	(20)	(17)	(19)	(20)
Total general operating and other expenses included in pre-tax operating income	2,819	3,010	2,931	3,063	2,941
Restructuring and other costs (4)	188	222	274	-	-
Other expense related to retroactive reinsurance agreement	(7)	233	-	-	-
Non-operating litigation reserves	3	7	(30)	27	8
Total general operating and other expenses, GAAP basis	\$ 3,003	\$ 3,472	\$ 3,175	\$ 3,090	\$ 2,949

See Accompanying Notes on Pages 14 to 15.



American International Group, Inc.
Condensed Consolidated Balance Sheets

Consolidated Results

(in millions)	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Assets:					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 253,785	\$ 248,245	\$ 252,954	\$ 255,066	\$ 260,822
Other bond securities, at fair value	15,344	16,782	16,822	16,598	19,013
Equity securities					
Common and preferred stock available for sale, at fair value	2,770	2,915	3,792	4,755	3,766
Other common and preferred stock, at fair value	877	921	1,066	1,323	1,100
Mortgage and other loans receivable, net of allowance	30,676	29,565	28,236	27,143	25,313
Other invested assets (page 51)	28,480	29,794	31,123	29,829	34,838
Short-term investments	10,914	10,132	12,408	13,865	11,961
Total investments	342,846	338,354	346,401	348,579	356,813
Cash	1,499	1,629	1,569	1,937	1,823
Accrued investment income	2,657	2,623	2,696	2,632	2,726
Premiums and other receivables, net of allowance	12,414	11,451	12,078	13,258	13,450
Reinsurance assets, net of allowance	21,332	20,413	20,542	21,361	22,208
Deferred income taxes	20,116	20,394	19,511	18,665	18,010
Deferred policy acquisition costs	10,800	11,115	10,537	10,270	9,708
Other assets	11,581	11,289	11,413	11,060	13,728
Separate account assets, at fair value	79,532	79,574	77,136	82,135	82,139
Total assets	<u>\$ 502,777</u>	<u>\$ 496,842</u>	<u>\$ 501,883</u>	<u>\$ 509,897</u>	<u>\$ 520,605</u>
Liabilities:					
Liability for unpaid losses and loss adjustment expenses	\$ 73,946	\$ 74,942	\$ 71,436	\$ 72,939	\$ 74,490
Unearned premiums	22,060	21,318	22,686	22,786	22,437
Future policy benefits for life and accident and health insurance contracts	44,573	43,585	42,991	42,787	43,244
Policyholder contract deposits	130,007	127,588	126,641	124,480	124,935
Other policyholder funds	4,203	4,212	4,192	4,378	4,415
Other liabilities	27,423	26,164	26,565	25,480	28,675
Long-term debt (page 13)	31,952	29,249	30,617	30,270	31,903
Separate account liabilities	79,532	79,574	77,136	82,135	82,139
Total liabilities	413,696	406,632	402,264	405,255	412,238
AIG shareholders' equity:					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(33,584)	(30,098)	(26,881)	(23,165)	(20,820)
Additional paid-in capital	81,415	81,510	81,435	81,330	81,303
Retained earnings	30,396	30,943	33,122	33,707	32,073
Accumulated other comprehensive income	5,525	2,537	6,557	7,620	10,657
Total AIG shareholders' equity	88,518	89,658	98,999	104,258	107,979
Non-redeemable noncontrolling interests	563	552	620	384	388
Total equity	89,081	90,210	99,619	104,642	108,367
Total liabilities and equity	<u>\$ 502,777</u>	<u>\$ 496,842</u>	<u>\$ 501,883</u>	<u>\$ 509,897</u>	<u>\$ 520,605</u>

See Accompanying Notes on Pages 14 to 15.



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

Consolidated Results

	March 31, 2016 (13)			
	Life Insurance Companies (10)	Non-Life Insurance Companies (11)	Corporate and Other (12)	AIG Inc.
(in millions)				
Assets:				
Investments:				
Fixed maturity securities				
Bonds available for sale, at fair value	\$ 162,463	\$ 87,061	\$ 4,261	\$ 253,785
Other bond securities, at fair value	3,729	1,316	10,299	15,344
Equity securities				
Common and preferred stock available for sale, at fair value	143	2,671	(44)	2,770
Other common and preferred stock, at fair value	-	342	535	877
Mortgage and other loans receivable, net of allowance	24,395	8,669	(2,388)	30,676
Other invested assets (page 51)	11,805	10,088	6,587	28,480
Short-term investments	3,361	3,487	4,066	10,914
Total investments	<u>205,896</u>	<u>113,634</u>	<u>23,316</u>	<u>342,846</u>
Cash	434	974	91	1,499
Accrued investment income	1,803	806	48	2,657
Premiums and other receivables, net of allowance	1,899	6,681	3,834	12,414
Reinsurance assets, net of allowance	2,227	17,300	1,805	21,332
Deferred income taxes	-	4,747	15,369	20,116
Deferred policy acquisition costs	8,159	2,624	17	10,800
Other assets	3,815	7,861	(95)	11,581
Separate account assets, at fair value	79,522	-	10	79,532
Total assets	<u>\$ 303,755</u>	<u>\$ 154,627</u>	<u>\$ 44,395</u>	<u>\$ 502,777</u>
Liabilities:				
Liability for unpaid losses and loss adjustment expenses	\$ -	\$ 67,832	\$ 6,114	\$ 73,946
Unearned premiums	56	21,671	333	22,060
Future policy benefits for life and accident and health insurance contracts	43,833	612	128	44,573
Policyholder contract deposits	130,170	-	(163)	130,007
Other policyholder funds	2,701	1,493	9	4,203
Other liabilities	10,361	14,236	2,826	27,423
Long-term debt (page 13) (14)	2,667	687	28,598	31,952
Separate account liabilities	79,522	-	10	79,532
Total liabilities	<u>269,310</u>	<u>106,531</u>	<u>37,855</u>	<u>413,696</u>
AIG shareholders' equity:				
Accumulated other comprehensive income (loss) (15)	5,840	1,878	(2,193)	5,525
Other AIG shareholders' equity	28,339	46,099	8,555	82,993
Total AIG shareholders' equity	<u>34,179</u>	<u>47,977</u>	<u>6,362</u>	<u>88,518</u>
Non-redeemable noncontrolling interests	<u>266</u>	<u>119</u>	<u>178</u>	<u>563</u>
Total equity	<u>34,445</u>	<u>48,096</u>	<u>6,540</u>	<u>89,081</u>
Total liabilities and equity	<u>\$ 303,755</u>	<u>\$ 154,627</u>	<u>\$ 44,395</u>	<u>\$ 502,777</u>

See Accompanying Notes on Pages 14 to 15.

American International Group, Inc.
Condensed Consolidating Balance Sheet

Consolidated Results

	December 31, 2015 (13)			
(in millions)	Life Insurance Companies (10)	Non-Life Insurance Companies (11)	Corporate and Other (12)	AIG Inc.
Assets:				
Investments:				
Fixed maturity securities				
Bonds available for sale, at fair value	\$ 157,150	\$ 84,849	\$ 6,246	\$ 248,245
Other bond securities, at fair value	3,589	1,463	11,730	16,782
Equity securities				
Common and preferred stock available for sale, at fair value	144	2,821	(50)	2,915
Other common and preferred stock, at fair value	-	355	566	921
Mortgage and other loans receivable, net of allowance	23,979	8,278	(2,692)	29,565
Other invested assets (page 51)	12,398	10,571	6,825	29,794
Short-term investments	2,877	3,189	4,066	10,132
Total investments	<u>200,137</u>	<u>111,526</u>	<u>26,691</u>	<u>338,354</u>
Cash	557	1,011	61	1,629
Accrued investment income	1,755	807	61	2,623
Premiums and other receivables, net of allowance	1,830	5,642	3,979	11,451
Reinsurance assets, net of allowance	2,171	16,408	1,834	20,413
Deferred income taxes	-	5,044	15,350	20,394
Deferred policy acquisition costs	8,467	2,631	17	11,115
Other assets	3,018	7,299	972	11,289
Separate account assets, at fair value	79,564	-	10	79,574
Total assets	<u>\$ 297,499</u>	<u>\$ 150,368</u>	<u>\$ 48,975</u>	<u>\$ 496,842</u>
Liabilities:				
Liability for unpaid losses and loss adjustment expenses	\$ -	\$ 68,649	\$ 6,293	\$ 74,942
Unearned premiums	-	20,961	357	21,318
Future policy benefits for life and accident and health insurance contracts	42,893	564	128	43,585
Policyholder contract deposits	127,704	-	(116)	127,588
Other policyholder funds	2,624	1,579	9	4,212
Other liabilities	9,751	13,215	3,198	26,164
Long-term debt (page 13) (14)	2,654	609	25,986	29,249
Separate account liabilities	79,564	-	10	79,574
Total liabilities	<u>265,190</u>	<u>105,577</u>	<u>35,865</u>	<u>406,632</u>
AIG shareholders' equity:				
Accumulated other comprehensive income (loss)	1,686	1,240	(389)	2,537
Other AIG shareholders' equity	30,382	43,414	13,325	87,121
Total AIG shareholders' equity	<u>32,068</u>	<u>44,654</u>	<u>12,936</u>	<u>89,658</u>
Non-redeemable noncontrolling interests	<u>241</u>	<u>137</u>	<u>174</u>	<u>552</u>
Total equity	<u>32,309</u>	<u>44,791</u>	<u>13,110</u>	<u>90,210</u>
Total liabilities and equity	<u>\$ 297,499</u>	<u>\$ 150,368</u>	<u>\$ 48,975</u>	<u>\$ 496,842</u>

See Accompanying Notes on Pages 14 to 15.

American International Group, Inc.
Debt and Capital

Consolidated Results

(in millions)	Debt and Hybrid Capital			Interest Expense	
	March 31,	March 31,	December 31,	Three Months Ended	
	2016	2015	2015	March 31, 2016	March 31, 2015
Financial debt:					
AIG notes and bonds payable	\$ 19,792	\$ 17,668	\$ 17,047	\$ 208	\$ 215
AIG subordinated debt	-	250	-	-	2
AIG Japan Holdings Kabushiki Kaisha	115		106	-	-
AIG Life Holdings, Inc. notes and bonds payable	281	284	284	5	5
AIG Life Holdings, Inc. junior subordinated debt	397	533	420	8	11
Total	20,585	18,735	17,857	221	233
Operating debt:					
MIP notes payable	1,434	1,711	1,372	13	29
Series AIGFP matched notes and bonds payable	38	38	34	-	-
Other AIG borrowings supported by assets (16)	3,902	4,844	3,670	-	-
Other subsidiaries	2	41	2	-	1
Borrowings of consolidated investments (13) (17)	5,115	4,151	4,987	49	34
Total	10,491	10,785	10,065	62	64
Hybrid - debt securities:					
Junior subordinated debt (18)	876	2,383	1,327	23	43
Total	\$ 31,952	\$ 31,903	\$ 29,249	\$ 306	\$ 340
AIG capitalization:					
Total equity	\$ 89,081	\$ 108,367	\$ 90,210		
Hybrid - debt securities (18)	876	2,383	1,327		
Total equity and hybrid capital	89,957	110,750	91,537		
Financial debt	20,585	18,735	17,857		
Total capital	\$ 110,542	\$ 129,485	\$ 109,394		
Ratios:					
Hybrid - debt securities / Total capital	0.8%	1.8%	1.2%		
Financial debt / Total capital	18.6%	14.5%	16.3%		
Total debt / Total capital	19.4%	16.3%	17.5%		

See Accompanying Notes on Pages 14 to 15.

American International Group, Inc.
Notes

Consolidated Results

- (1) Beginning in 1Q16, the presentation of income on alternative investments has been refined to include only income from 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 quarter lag. Other investment income primarily includes changes in market value of investments accounted for under the fair value option (including PICC Property & Casualty Company Limited (PICC P&C) held by Non-Life Insurance Companies), real estate income, life settlement, and income (loss) from equity method investments. Prior period disclosures have been reclassified to conform to this presentation.
- (2) For the quarters ended March 31, 2016, December 31, 2015 and September 30, 2015, because we reported a net loss and, in the quarter ended December 31, 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.
- (3) 2Q15 and 1Q15 also include certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and our share of AerCap's income taxes.
- (4) Beginning in the third quarter of 2015, we launched broad initiatives designed to reduce operating expenses, improve efficiency and simplify our organization. These costs include employee severance and one-time termination benefits, modernization of our information technology platforms, and costs associated with consolidation of legal entities and exiting lower return lines of business.
- (5) Excludes a valuation allowance (release) charge of \$(800) million and \$1.2 billion in 1Q16 and 4Q15, respectively, recorded in AOCI.
- (6) The reconciliation of Normalized ROE - after-tax operating income, excluding AOCI and DTA is as follows:

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
<i>(in millions)</i>					
After-tax operating income (loss) as reported	\$ 773	\$ (1,348)	\$ 691	\$ 1,893	\$ 1,691
Adjustments to arrive at Normalized after-tax operating income (loss), excluding AOCI and DTA:					
Catastrophe losses below expectations	15	(87)	(333)	(25)	(74)
(Better) worse than expected alternative returns	464	344	298	(116)	(92)
(Better) worse than expected DIB & GCM returns	257	(3)	165	(203)	(39)
Fair value changes on PICC investments	67	(12)	167	(146)	(35)
Update of actuarial assumptions	-	(7)	11	-	-
Net reserve discount charge	(7)	56	50	(260)	107
Life Insurance - IBNR death claims	(16)	(13)	-	-	-
Unfavorable prior year loss reserve development	(39)	2,329	124	214	23
Normalized after-tax operating income (loss), excluding AOCI and DTA	\$ 1,514	\$ 1,259	\$ 1,173	\$ 1,357	\$ 1,581
Normalized Average AIG Shareholders' equity, excluding average AOCI and DTA	\$ 68,269	\$ 75,029	\$ 78,973	\$ 81,283	\$ 80,939
ROE - after-tax operating income (loss), excluding AOCI and DTA (page 7)	4.5%	(7.3%)	3.5%	9.3%	8.4%
Impact of Normalizations	4.4%	14.0%	2.4%	(2.6%)	(0.6%)
Normalized ROE - after-tax operating income (loss), excluding AOCI and DTA	8.9%	6.7%	5.9%	6.7%	7.8%

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

American International Group, Inc.
Notes (continued)

Consolidated Results

- (7) Operating revenue excludes 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). The reconciliation to GAAP is as follows:

<i>(in millions)</i>	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Total operating revenues	\$ 12,737	\$ 14,187	\$ 13,179	\$ 15,635	\$ 14,590
Reconciling items:					
Changes in fair value of securities used to hedge guaranteed living benefits	133	(4)	4	(87)	44
Net realized capital gains (loss)	(1,106)	(349)	(342)	126	1,341
Income from divested businesses	-	-	-	(33)	(15)
Non-operating litigation settlements	34	3	-	76	15
Other	(19)	(6)	(19)	(18)	-
Total revenues	\$ 11,779	\$ 13,831	\$ 12,822	\$ 15,699	\$ 15,975

- (8) Includes general operating expenses from AIG Life Limited (formerly Ageas Protect Limited), which was acquired on December 31, 2014, and general operating expenses from Laya Healthcare, which was acquired on March 31, 2015. Also refer to Note (9).
- (9) Includes unallocated loss adjustment expenses, certain investment expenses and certain acquisition expenses (including the portion deferred for GAAP reporting). Excludes charges for non-operating litigation reserves, restructuring and other costs, and other expense related to a retroactive reinsurance agreement.
- (10) The Life Insurance Companies conduct business primarily through American General Life Insurance Company, The Variable Annuity Life Insurance Company, The United States Life Insurance Company in the City of New York, AIG Fuji Life Insurance Company Limited (Fuji Life) and AIG Life Limited.
- (11) The Non-Life Insurance Companies include property casualty and mortgage guaranty companies that conduct their business primarily through the following major operating companies: National Union Fire Insurance Company of Pittsburgh, Pa.; American Home Assurance Company; Lexington Insurance Company; Fuji Fire and Marine Insurance Company Limited; American Home Assurance Company, Ltd.; AIG Asia Pacific Insurance, Pte, Ltd.; AIG Europe Limited; and United Guaranty Residential Insurance Company. For the year ended December 31, 2015, Eaglestone Reinsurance Company (Eaglestone), a reinsurer of run-off lines of business from affiliates within Non-Life Insurance Companies, was transferred from the Non-Life Insurance Companies to Corporate and Other.
- (12) Includes AIG Parent, other assets and investments held by AIG Parent, AIG Life Holdings, Inc. (a non-operating holding company), Eaglestone, and consolidations, eliminations and other adjustments.
- (13) As of March 31, 2016, includes debt of consolidated investment vehicles related to real estate investments of \$2.5 billion, affordable housing partnership investments and securitizations of \$2.3 billion and other securitization vehicles and investments of \$273 million. As of December 31, 2015, includes debt of consolidated investment vehicles related to real estate investments of \$2.4 billion, affordable housing partnership investments and securitizations of \$2.2 billion, and other securitization vehicles and investments of \$359 million.
- (14) The Life Insurance Companies' balance consists primarily of third-party debt related to other subsidiaries and consolidated investments in affordable housing partnerships.
- (15) Beginning in 1Q16, a \$1.8 billion deferred tax asset valuation allowance released to accumulated other comprehensive income (AOCI), which was previously reported in the Corporate & Other segment has been reclassified to Life Insurance Companies consistent with the reporting of the related gains on investments.
- (16) Borrowings are carried at fair value with fair value adjustments reported in Other income on the Consolidated Statement of Operations. Contractual interest payments amounted to \$27 million and \$13 million for the three-month periods ended March 31, 2016 and 2015, respectively.
- (17) Includes the effect of consolidating previously unconsolidated partnerships.
- (18) 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.
Operating Results

Commercial Insurance

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Revenues:					
Premiums	\$ 5,161	\$ 5,941	\$ 5,352	\$ 5,971	\$ 5,257
Policy fees	51	51	49	50	49
Net investment income	946	1,133	1,158	1,645	1,538
Total operating revenues	6,158	7,125	6,559	7,666	6,844
Benefits and expenses:					
Policyholder benefits and losses incurred	3,731	7,630	4,071	4,549	3,767
Interest credited to policyholder account balances	101	102	102	102	102
Amortization of deferred policy acquisition costs	542	573	580	593	596
General operating and other expenses*	895	945	991	922	917
Total benefits and expenses	5,269	9,250	5,744	6,166	5,382
Pre-tax operating income (loss)	\$ 889	\$ (2,125)	\$ 815	\$ 1,500	\$ 1,462

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

See Accompanying Notes on Pages 25 to 26.

American International Group, Inc.
Operating Statistics

Commercial Insurance - Property Casualty

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Net premiums written	\$ 4,307	\$ 4,604	\$ 5,202	\$ 5,583	\$ 5,047
Net premiums earned	\$ 4,701	\$ 4,991	\$ 5,005	\$ 5,102	\$ 4,931
Losses and loss adjustment expenses incurred	3,208	6,634	3,666	3,614	3,360
Acquisition expenses:					
Amortization of deferred policy acquisition costs	534	564	571	586	588
Other acquisition expenses	231	263	252	183	209
Total acquisition expenses	765	827	823	769	797
General operating expenses	585	598	657	658	629
Underwriting income (loss)	143	(3,068)	(141)	61	145
Net investment income (loss):					
Interest and dividends	811	830	866	856	837
Alternative investments (1)	(136)	(40)	(55)	216	243
Other investment income (2)	(69)	(29)	(61)	96	(6)
Investment expenses	(29)	(31)	(40)	(37)	(49)
Total net investment income	577	730	710	1,131	1,025
Pre-tax operating income (loss)	\$ 720	\$ (2,338)	\$ 569	\$ 1,192	\$ 1,170
Underwriting ratios: (9)					
Loss ratio	68.2	132.9	73.2	70.8	68.1
Catastrophe losses and reinstatement premiums	(4.7)	(4.2)	(1.7)	(4.1)	(1.4)
Prior year development net of premium adjustments	0.4	(60.9)	(3.6)	(5.3)	(0.4)
Net reserve discount benefit (charge)	0.6	(1.4)	(0.8)	5.2	(1.9)
Accident year loss ratio, as adjusted	64.5	66.4	67.1	66.6	64.4
Acquisition ratio	16.3	16.6	16.4	15.1	16.2
General operating expense ratio	12.4	12.0	13.1	12.9	12.8
Expense ratio	28.7	28.6	29.5	28.0	29.0
Combined ratio	96.9	161.5	102.7	98.8	97.1
Catastrophe losses and reinstatement premiums	(4.7)	(4.2)	(1.7)	(4.1)	(1.4)
Prior year development net of premium adjustments	0.4	(60.9)	(3.6)	(5.3)	(0.4)
Net reserve discount benefit (charge)	0.6	(1.4)	(0.8)	5.2	(1.9)
Accident year combined ratio, as adjusted	93.2	95.0	96.6	94.6	93.4
Noteworthy items (pre-tax):					
Catastrophe-related losses (3)	\$ 222	\$ 213	\$ 88	\$ 209	\$ 71
Reinstatement premiums related to catastrophes	-	-	-	-	-
Reinstatement premiums related to prior year catastrophes	(10)	-	2	-	(7)
Severe losses (4)	109	172	209	184	134
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(16)	3,040	156	267	17
(Additional) returned premium related to prior year development	6	(4)	30	12	11
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(10)	3,036	186	279	28
Net reserve discount (benefit) charge	(26)	68	41	(270)	93
Net loss and loss expense reserve by line of business (at end of period):					
Casualty	31,207	32,620	31,228	31,753	32,658
Financial Lines	9,206	9,265	8,935	9,216	9,275
Specialty	4,711	5,197	5,685	5,861	5,750
Property	3,938	4,013	3,739	3,692	3,693
Total	\$ 49,062	\$ 51,095	\$ 49,587	\$ 50,522	\$ 51,376

See Accompanying Notes on Pages 25 to 26.



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

Commercial Insurance - Property Casualty

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
By Line of Business:					
Casualty	\$ 1,363	\$ 1,552	\$ 1,711	\$ 1,812	\$ 1,882
Property	1,024	1,043	1,482	1,628	1,007
Specialty	890	884	897	918	954
Financial lines	1,030	1,125	1,112	1,225	1,204
Total net premiums written	\$ 4,307	\$ 4,604	\$ 5,202	\$ 5,583	\$ 5,047
By Region:					
Americas	\$ 2,323	\$ 3,206	\$ 3,525	\$ 3,892	\$ 2,949
EMEA	1,559	923	1,158	1,231	1,616
Asia Pacific	425	475	519	460	482
Total net premiums written	\$ 4,307	\$ 4,604	\$ 5,202	\$ 5,583	\$ 5,047
Foreign exchange effect on worldwide premiums:					
Change in net premiums written					
Increase (decrease) in original currency over prior-year period (5)	(12.0) %	1.5	(1.0) %	0.3 %	5.9
Foreign exchange effect	(2.7)	(3.4)	(4.6)	(4.3)	(5.1)
Increase (decrease) as reported in U.S. dollars	(14.7) %	(1.9)	(5.6) %	(4.0) %	0.8

See Accompanying Notes on Pages 25 to 26.

American International Group, Inc.
Operating Statistics

Commercial Insurance - Property Casualty North America

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Net premiums written	\$ 2,205	\$ 3,073	\$ 3,367	\$ 3,742	\$ 2,828
Net premiums earned	\$ 3,004	\$ 3,212	\$ 3,202	\$ 3,258	\$ 3,197
Losses and loss adjustment expenses incurred	2,253	5,199	2,592	2,519	2,482
Acquisition expenses:					
Amortization of deferred policy acquisition costs	282	313	314	320	325
Other acquisition expenses	139	153	158	71	120
Total acquisition expenses	421	466	472	391	445
General operating expenses	285	287	329	335	296
Underwriting income (loss)	45	(2,740)	(191)	13	(26)
Net investment income (loss):					
Interest and dividends	703	717	751	728	719
Alternative investments (1)	(134)	(19)	(63)	214	237
Other investment income (2)	(76)	(29)	(72)	82	(12)
Investment expenses	(27)	(24)	(29)	(24)	(38)
Total net investment income	466	645	587	1,000	906
Pre-tax operating income (loss)	\$ 511	\$ (2,095)	\$ 396	\$ 1,013	\$ 880
Underwriting ratios: (9)					
Loss ratio	75.0	161.9	80.9	77.3	77.6
Catastrophe losses and reinstatement premiums	(6.1)	(3.3)	(0.4)	(4.9)	(2.2)
Prior year development net of premium adjustments	(2.0)	(86.3)	(8.7)	(9.1)	(2.1)
Net reserve discount benefit (charge)	0.9	(2.1)	(1.2)	8.2	(2.9)
Accident year loss ratio, as adjusted	67.8	70.2	70.6	71.5	70.4
Acquisition ratio	14.0	14.5	14.7	12.0	13.9
General operating expense ratio	9.5	8.9	10.3	10.3	9.3
Expense ratio	23.5	23.4	25.0	22.3	23.2
Combined ratio	98.5	185.3	105.9	99.6	100.8
Catastrophe losses and reinstatement premiums	(6.1)	(3.3)	(0.4)	(4.9)	(2.2)
Prior year development net of premium adjustments	(2.0)	(86.3)	(8.7)	(9.1)	(2.1)
Net reserve discount benefit (charge)	0.9	(2.1)	(1.2)	8.2	(2.9)
Accident year combined ratio, as adjusted	91.3	93.6	95.6	93.8	93.6
Noteworthy items (pre-tax):					
Catastrophe-related losses (3)	\$ 184	\$ 104	\$ 15	\$ 160	\$ 70
Reinstatement premiums related to prior year catastrophes	(10)	-	-	-	(7)
Severe losses (4)	-	23	53	79	87
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	61	2,775	255	290	66
(Additional) returned premium related to prior year development	6	(4)	30	12	11
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	67	2,771	285	302	77
Net reserve discount (benefit) charge	\$ (26)	\$ 68	\$ 41	\$ (270)	\$ 93

See Accompanying Notes on Pages 25 to 26.



American International Group, Inc.
Operating Statistics

Commercial Insurance - Property Casualty International

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Net premiums written	\$ 2,102	\$ 1,531	\$ 1,835	\$ 1,841	\$ 2,219
Net premiums earned	\$ 1,697	\$ 1,779	\$ 1,803	\$ 1,844	\$ 1,734
Losses and loss adjustment expenses incurred	955	1,435	1,074	1,095	878
Acquisition expenses:					
Amortization of deferred policy acquisition costs	252	251	257	266	263
Other acquisition expenses	92	110	94	112	89
Total acquisition expenses	344	361	351	378	352
General operating expenses	300	311	328	323	333
Underwriting income (loss)	98	(328)	50	48	171
Net investment income:					
Interest and dividends	108	113	115	128	118
Alternative investments (1)	(2)	(21)	8	2	6
Other investment income (2)	7	-	11	14	6
Investment expenses	(2)	(7)	(11)	(13)	(11)
Total net investment income	111	85	123	131	119
Pre-tax operating income (loss)	\$ 209	\$ (243)	\$ 173	\$ 179	\$ 290
Underwriting ratios: (9)					
Loss ratio	56.3	80.7	59.6	59.4	50.6
Catastrophe losses and reinstatement premiums	(2.3)	(6.2)	(4.1)	(2.7)	-
Prior year development net of premium adjustments	4.6	(14.9)	5.4	1.3	2.8
Accident year loss ratio, as adjusted	58.6	59.6	60.9	58.0	53.4
Acquisition ratio	20.3	20.3	19.5	20.5	20.3
General operating expense ratio	17.7	17.5	18.2	17.5	19.2
Expense ratio	38.0	37.8	37.7	38.0	39.5
Combined ratio	94.3	118.5	97.3	97.4	90.1
Catastrophe losses and reinstatement premiums	(2.3)	(6.2)	(4.1)	(2.7)	-
Prior year development net of premium adjustments	4.6	(14.9)	5.4	1.3	2.8
Accident year combined ratio, as adjusted	96.6	97.4	98.6	96.0	92.9
Noteworthy items (pre-tax):					
Catastrophe-related losses (3)	\$ 38	\$ 109	\$ 73	\$ 49	\$ 1
Reinstatement premiums related to catastrophes	-	-	-	-	-
Reinstatement premiums related to prior year catastrophes	-	-	2	-	-
Severe losses (4)	109	149	156	105	47
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	\$ (77)	\$ 265	\$ (99)	\$ (23)	\$ (49)

See Accompanying Notes on Pages 25 to 26.

American International Group, Inc.
Operating Statistics

Commercial Insurance - Mortgage Guaranty

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Net premiums written	\$ 231	\$ 241	\$ 274	\$ 277	\$ 258
Net premiums earned	\$ 225	\$ 224	\$ 232	\$ 226	\$ 230
Losses and loss adjustment expenses incurred	42	16	42	44	58
Acquisition expenses:					
Amortization of deferred policy acquisition costs	7	8	8	7	7
Other acquisition expenses	13	11	12	13	15
Total acquisition expenses	20	19	20	20	22
General operating expenses	36	45	42	40	39
Underwriting income	127	144	128	122	111
Net investment income	36	36	34	35	34
Pre-tax operating income	\$ 163	\$ 180	\$ 162	\$ 157	\$ 145
Underwriting ratios: (9)					
Loss ratio	18.7	7.1	18.1	19.5	25.2
Prior year loss development	2.2	15.2	7.8	7.5	-
Accident year loss ratio, as adjusted	20.9	22.3	25.9	27.0	25.2
Acquisition ratio	8.9	8.5	8.6	8.8	9.6
General operating expense ratio	16.0	20.1	18.1	17.7	16.9
Expense ratio	24.9	28.6	26.7	26.5	26.5
Combined ratio	43.6	35.7	44.8	46.0	51.7
Prior year loss development	2.2	15.2	7.8	7.5	-
Accident year combined ratio, as adjusted	45.8	50.9	52.6	53.5	51.7
Noteworthy Items (pre-tax):					
Prior year loss reserve development (favorable) unfavorable	\$ (5)	\$ (34)	\$ (18)	\$ (17)	\$ -
New insurance written	8,970	10,778	14,760	15,323	10,854
Net loss and loss expense reserve (at period end)	667	713	814	873	922
Shareholders' equity (at period end)	3,275	3,404	3,386	3,247	3,178
Shareholders' equity, excluding AOCI (at period end)	3,218	3,400	3,356	3,222	3,100
Domestic first liens:					
Number of paid claims	1,744	1,723	2,276	1,998	2,454
Gross paid claims	\$ 92	\$ 91	\$ 99	\$ 90	\$ 110

See Accompanying Notes on Pages 25 to 26.

American International Group, Inc.
Operating Statistics

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

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
First-lien new insurance written	\$ 8,827	\$ 10,627	\$ 14,483	\$ 15,190	\$ 10,542
First-lien persistency (twelve months)	82.8%	81.6%	81.9%	82.2%	82.3%
First-lien insurance in force	\$ 187,016	\$ 187,186	\$ 184,031	\$ 178,498	\$ 169,880
Total first-lien risk in force - net of third-party reinsurance and stop loss	\$ 47,498	\$ 47,442	\$ 46,559	\$ 45,022	\$ 42,839
Number of ending delinquent loans	28,415	31,285	31,908	32,648	34,372
In force count	923,412	921,937	900,341	893,991	872,978
Delinquency data:					
Primary delinquency ratio	3.1%	3.4%	3.5%	3.6%	3.9%
Aging of primary delinquent inventory:					
3 or fewer payments missed	34.0%	36.0%	34.6%	31.5%	29.7%
4-11 payments missed	27.8%	25.9%	24.8%	25.9%	27.9%
12-23 payments missed	15.5%	15.4%	16.1%	16.8%	16.4%
24-35 payments missed	7.2%	7.4%	8.0%	8.5%	8.8%
More than 35 payments missed	15.5%	15.3%	16.5%	17.3%	17.2%
	100.0%	100.0%	100.0%	100.0%	100.0%
Gross Risk in Force by Vintage year:					
2007 and prior	13%	15%	15%	16%	17%
2008	3%	3%	4%	4%	4%
2009	1%	1%	1%	1%	2%
2010	1%	1%	1%	2%	2%
2011	4%	4%	4%	5%	5%
2012	12%	12%	13%	15%	16%
2013	18%	19%	20%	22%	25%
2014	19%	20%	21%	22%	24%
2015	26%	25%	21%	13%	5%
2016	3%	0%	0%	0%	0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

See Accompanying Notes on Pages 25 to 26.

American International Group, Inc.
Operating Statistics

Commercial Insurance - Institutional Markets

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Premiums and deposits (10)	\$ 304	\$ 797	\$ 159	\$ 680	\$ 146
Revenues:					
Premiums	\$ 235	\$ 726	\$ 115	\$ 643	\$ 96
Policy fees	51	51	49	50	49
Net investment income:					
Base portfolio (6)	377	367	363	358	354
Alternative investments (1)	(53)	(19)	39	117	120
Other enhancements (7)	9	19	12	4	5
Total net investment income	333	367	414	479	479
Total operating revenues	619	1,144	578	1,172	624
Benefits and expenses:					
Policyholder benefits and losses incurred	481	980	363	891	349
Interest credited to policyholder account balances	101	102	102	102	102
Acquisition expenses:					
Amortization of deferred policy acquisition costs	1	1	1	-	1
Other acquisition expenses	11	8	9	8	7
Total acquisition expenses	12	9	10	8	8
General operating expenses	19	20	19	20	18
Total benefits and expenses	613	1,111	494	1,021	477
Pre-tax operating income	\$ 6	\$ 33	\$ 84	\$ 151	\$ 147
General and separate account reserves:					
Future policyholder benefits	\$ 20,411	\$ 19,598	\$ 19,221	\$ 19,219	\$ 19,723
Policyholder contract deposits	9,597	9,628	9,780	9,712	9,802
Separate account reserves	6,457	6,592	6,682	6,901	6,978
Total general and separate account reserves	\$ 36,465	\$ 35,818	\$ 35,683	\$ 35,832	\$ 36,503

See Accompanying Notes on Pages 25 to 26.

American International Group, Inc.
Operating Statistics

Commercial Insurance - Institutional Markets

(in millions)

Reserve rollforward:

Balance at beginning of period, gross
Premiums and deposits (10)
Surrenders and withdrawals
Death and other contract benefits
Subtotal
Change in fair value of underlying assets and reserve accretion, net of policy fees
Cost of funds
Other reserve changes (including loss recognition)
Balance at end of period
Reserves related to unrealized investment appreciation
Reinsurance ceded

Total insurance reserves

Reserves by line of business:

Structured settlements
Terminal funding annuities
Corporate and bank-owned life insurance
High net worth products
Guaranteed investments contracts
Stable value wrap - separate account liability

Total insurance reserves

Stable value wraps (401k and bank-owned life insurance) - Assets under management (8)

1Q16	Quarterly			
	4Q15	3Q15	2Q15	1Q15
\$ 35,823	\$ 35,400	\$ 35,523	\$ 35,120	\$ 35,080
304	797	159	680	146
(177)	(285)	(133)	(227)	(29)
(381)	(435)	(396)	(418)	(379)
(254)	77	(370)	35	(262)
238	219	206	299	258
101	102	102	102	102
(93)	25	(61)	(33)	(58)
35,815	35,823	35,400	35,523	35,120
655	-	288	314	1,388
(5)	(5)	(5)	(5)	(5)
\$ 36,465	\$ 35,818	\$ 35,683	\$ 35,832	\$ 36,503
\$ 19,418	\$ 18,774	\$ 18,850	\$ 18,843	\$ 19,701
4,089	3,984	3,437	3,460	3,108
4,735	4,715	4,734	4,814	4,810
2,014	2,186	2,259	2,367	2,359
3,930	3,918	4,151	4,073	4,179
2,279	2,241	2,252	2,275	2,346
\$ 36,465	\$ 35,818	\$ 35,683	\$ 35,832	\$ 36,503
\$ 36,244	\$ 35,298	\$ 32,430	\$ 32,588	\$ 32,422

See Accompanying Notes on Pages 25 to 26.

Commercial Insurance

Basis of Presentation

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

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

For Commercial Insurance - Property Casualty, we estimate investable funds based primarily on loss reserves and unearned premiums. The net investment income allocation is calculated based on these estimated investable funds consistent with the approximate duration of the liabilities and a capital allocation for each operating segment.

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

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

Notes

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

American International Group, Inc.
Notes (continued)

Commercial Insurance

(9) Underwriting ratios are computed as follows:

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

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

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

<i>(in millions)</i>	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Premiums and deposits	\$ 304	\$ 797	\$ 159	\$ 680	\$ 146
Deposits	(61)	(65)	(33)	(26)	(45)
Other	(8)	(6)	(11)	(11)	(5)
Premiums	\$ 235	\$ 726	\$ 115	\$ 643	\$ 96

American International Group, Inc.
Operating Results

Consumer Insurance

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Revenues:					
Premiums	\$ 3,560	\$ 3,449	\$ 3,531	\$ 3,552	\$ 3,553
Policy fees	637	638	653	639	627
Net investment income	1,828	1,971	1,944	2,232	2,175
Other income	507	530	524	543	508
Total operating revenues	6,532	6,588	6,652	6,966	6,863
Benefits and expenses:					
Policyholder benefits and losses incurred	2,520	2,494	2,741	2,561	2,679
Interest credited to policyholder account balances	845	857	789	837	833
Amortization of deferred policy acquisition cost	769	741	694	737	715
General operating and other expenses*	1,610	1,743	1,771	1,808	1,691
Total benefits and expenses	5,744	5,835	5,995	5,943	5,918
Pre-tax operating income (1)	\$ 788	\$ 753	\$ 657	\$ 1,023	\$ 945

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

See Accompanying Notes on Pages 43 to 45.

American International Group, Inc.
Operating Results

Consumer Insurance - Retirement

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Premiums and deposits (2)	\$ 6,866	\$ 7,053	\$ 6,639	\$ 6,083	\$ 5,522
Revenues:					
Premiums	\$ 54	\$ 41	\$ 37	\$ 44	\$ 46
Policy fees	259	270	261	277	264
Net investment income:					
Base portfolio (3)	1,383	1,342	1,348	1,360	1,351
Alternative investments (4)	(131)	(34)	(3)	214	165
Other enhancements (5)	57	110	51	44	54
Total net investment income	1,309	1,418	1,396	1,618	1,570
Advisory fee and other income	492	513	509	526	508
Total operating revenues	2,114	2,242	2,203	2,465	2,388
Benefits and expenses:					
Policyholder benefits and losses incurred	124	105	198	116	92
Interest credited to policyholder account balances	723	734	665	715	709
Amortization of deferred policy acquisition costs	169	148	32	158	142
Non deferrable insurance commissions	72	72	72	69	69
Advisory fee expenses	317	337	339	341	332
General operating expenses	248	246	262	262	244
Total benefits and expenses	1,653	1,642	1,568	1,661	1,588
Pre-tax operating income (1)	\$ 461	\$ 600	\$ 635	\$ 804	\$ 800
Assets under management:					
General accounts	\$ 126,786	\$ 123,734	\$ 123,848	\$ 122,169	\$ 124,460
Separate accounts	72,425	72,314	69,807	74,523	74,434
Group retirement and retail mutual funds	29,437	27,735	26,679	28,207	27,706
Total assets under management	<u>\$ 228,648</u>	<u>\$ 223,783</u>	<u>\$ 220,334</u>	<u>\$ 224,899</u>	<u>\$ 226,600</u>

See Accompanying Notes on Pages 43 to 45.

American International Group, Inc.
Net Flows

Consumer Insurance - Retirement

(in millions)

Investment Products Net Flows:

Premiums and deposits: (2)

Fixed Annuities
Retirement Income Solutions
Retail Mutual Funds
Group Retirement

Total premiums and deposits

Surrenders and withdrawals:

Fixed Annuities
Retirement Income Solutions
Retail Mutual Funds
Group Retirement

Total surrenders and withdrawals

Death and other contract benefits:

Fixed Annuities
Retirement Income Solutions
Group Retirement

Total death and other contract benefits

Net flows: (6)

Fixed Annuities
Retirement Income Solutions
Retail Mutual Funds
Group Retirement

Total net flows

1Q16	Quarterly			
	4Q15	3Q15	2Q15	1Q15
\$ 1,634	\$ 1,247	\$ 1,121	\$ 650	\$ 684
2,038	2,677	2,758	2,936	2,457
1,325	1,169	843	922	857
1,856	1,944	1,903	1,562	1,511
6,853	7,037	6,625	6,070	5,509
(903)	(892)	(842)	(946)	(883)
(659)	(759)	(771)	(823)	(751)
(782)	(819)	(651)	(581)	(714)
(1,677)	(2,246)	(2,428)	(1,819)	(2,012)
(4,021)	(4,716)	(4,692)	(4,169)	(4,360)
(572)	(520)	(616)	(644)	(547)
(182)	(179)	(163)	(191)	(181)
(144)	(138)	(139)	(134)	(139)
(898)	(837)	(918)	(969)	(867)
159	(165)	(337)	(940)	(746)
1,197	1,739	1,824	1,922	1,525
543	350	192	341	143
35	(440)	(664)	(391)	(640)
\$ 1,934	\$ 1,484	\$ 1,015	\$ 932	\$ 282

See Accompanying Notes on Pages 43 to 45.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Fixed Annuities)

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Premiums and deposits (2)	\$ 1,645	\$ 1,259	\$ 1,132	\$ 661	\$ 695
Revenues:					
Premiums	\$ 49	\$ 36	\$ 34	\$ 43	\$ 41
Policy fees	4	5	(5)	5	4
Net investment income:					
Base portfolio (3)	708	702	718	723	733
Alternative investments (4)	(56)	(21)	1	103	84
Other enhancements (5)	27	55	24	24	30
Total net investment income	679	736	743	850	847
Total operating revenues	732	777	772	898	892
Benefits and expenses:					
Policyholder benefits and losses incurred	86	74	76	78	64
Interest credited to policyholder account balances	386	397	351	391	386
Amortization of deferred policy acquisition costs	80	82	36	72	70
Non deferrable insurance commissions	5	5	5	5	5
General operating expenses	43	37	42	38	40
Total benefits and expenses	600	595	510	584	565
Pre-tax operating income (1)	\$ 132	\$ 182	\$ 262	\$ 314	\$ 327
General and separate account reserves:					
Future policyholder benefits	\$ 2,896	\$ 2,869	\$ 2,893	\$ 2,935	\$ 3,070
Policyholder contract deposits and separate account reserves	52,608	52,151	52,076	52,080	52,718
Total general and separate account reserves	\$ 55,504	\$ 55,020	\$ 54,969	\$ 55,015	\$ 55,788

See Accompanying Notes on Pages 43 to 45.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Fixed Annuities)

(in millions)

Net investment spreads: (a)

Base yield (7)

Alternative investments (8)

Other enhancements (9)

Total yield

Cost of funds (b)

Net spread rate, as reported

Base net investment spread (c)

Surrender rates (10)

DAC rollforward:

Balance at beginning of period

Deferrals

Operating amortization

Change from realized gains (losses)

Change from unrealized gains (losses)

Balance at end of period

Reserve rollforward:

Balance at beginning of period, gross

Premiums and deposits

Surrenders and withdrawals

Death and other contract benefits

Subtotal

Change in fair value of underlying assets and reserve accretion,
net of policy fees

Cost of funds (b)

Other reserve changes (including loss recognition)

Balance at end of period

Reserves related to unrealized investment appreciation

Reinsurance ceded

Total insurance reserves

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
	4.98%	4.92%	4.99%	4.98%	4.99%
	(0.51)%	(0.25)%	(0.22)%	0.36%	0.22%
	0.05%	0.27%	0.05%	0.09%	0.12%
	4.52%	4.94%	4.82%	5.43%	5.33%
	2.78%	2.79%	2.79%	2.77%	2.78%
	1.74%	2.15%	2.03%	2.66%	2.55%
	2.20%	2.13%	2.20%	2.21%	2.21%
	6.9%	7.1%	6.5%	7.2%	6.7%
	\$ 1,111	\$ 935	\$ 869	\$ 723	\$ 817
	39	30	27	15	16
	(80)	(82)	(36)	(72)	(70)
	12	4	-	(2)	2
	(151)	224	75	205	(42)
	\$ 931	\$ 1,111	\$ 935	\$ 869	\$ 723
	\$ 55,381	\$ 55,317	\$ 55,370	\$ 56,013	\$ 56,445
	1,645	1,259	1,132	661	695
	(950)	(982)	(900)	(1,000)	(933)
	(630)	(605)	(690)	(710)	(600)
	65	(328)	(458)	(1,049)	(838)
	56	5	25	47	30
	355	362	364	361	356
	(14)	25	16	(2)	20
	55,843	55,381	55,317	55,370	56,013
	21	-	15	9	139
	(360)	(361)	(363)	(364)	(364)
	\$ 55,504	\$ 55,020	\$ 54,969	\$ 55,015	\$ 55,788

(a) Excludes immediate annuities.

(b) Excludes the amortization of sales inducement assets.

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

See Accompanying Notes on Pages 43 to 45.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Retirement Income Solutions)

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Premiums and deposits (2)					
Variable Annuities	\$ 1,267	\$ 1,814	\$ 1,964	\$ 2,224	\$ 2,010
Index Annuities	773	867	797	714	449
Total Premiums and deposits	\$ 2,040	\$ 2,681	\$ 2,761	\$ 2,938	\$ 2,459
Revenues:					
Premiums	\$ (2)	\$ (1)	\$ (2)	\$ (2)	\$ (3)
Policy fees	163	167	166	168	158
Net investment income:					
Base portfolio (3)	178	151	138	127	117
Alternative investments (4)	(32)	(6)	(2)	41	27
Other enhancements (5)	5	9	8	5	4
Total net investment income	151	154	144	173	148
Advisory fee and other income	66	69	66	64	63
Total operating revenues	378	389	374	403	366
Benefits and expenses:					
Policyholder benefits and losses incurred	28	23	103	21	15
Interest credited to policyholder account balances	58	53	37	46	45
Amortization of deferred policy acquisition costs	68	51	8	61	50
Non deferrable insurance commissions	47	45	53	46	47
Advisory fee expenses	5	4	4	2	4
General operating expenses	63	61	63	68	58
Total benefits and expenses	269	237	268	244	219
Pre-tax operating income (1)	\$ 109	\$ 152	\$ 106	\$ 159	\$ 147
General and separate account reserves:					
Policyholder contract deposits and future policy benefits	\$ 16,120	\$ 14,561	\$ 13,771	\$ 11,784	\$ 11,424
Separate account reserves	41,085	40,746	39,043	40,896	40,365
Total general and separate account reserves	\$ 57,205	\$ 55,307	\$ 52,814	\$ 52,680	\$ 51,789

See Accompanying Notes on Pages 43 to 45.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Retirement Income Solutions)

(in millions)

Net investment spreads:

Base yield (7)
Alternative investments (8)
Other enhancements (9)
Total yield
Cost of funds (a)
Net spread rate, as reported

Base net investment spread (b)

Surrender rates (10)

DAC rollforward:

Balance at beginning of period
Deferrals
Operating amortization
Change from realized gains (losses)
Change from unrealized gains (losses)
Balance at end of period

Reserve rollforward:

Balance at beginning of period, gross
Premiums and deposits
Surrenders and withdrawals
Death and other contract benefits
Subtotal
Change in fair value of underlying assets and reserve accretion, net
of policy fees
Cost of funds (a)
Other reserve changes
Balance at end of period
Reinsurance ceded
Total insurance reserves

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
	5.07%	4.74%	4.76%	4.76%	4.75%
	(1.16)%	(0.55)%	(0.50)%	0.90%	0.53%
	(0.10)%	0.04%	0.04%	0.06%	0.04%
	3.81%	4.23%	4.30%	5.72%	5.32%
	1.56%	1.48%	1.56%	1.65%	1.82%
	2.25%	2.75%	2.74%	4.07%	3.50%
	3.51%	3.26%	3.20%	3.11%	2.93%
	4.8%	5.7%	6.0%	6.4%	6.0%
\$	2,142	\$ 1,911	\$ 1,728	\$ 1,545	\$ 1,529
	121	169	170	177	144
	(68)	(51)	(8)	(61)	(50)
	32	58	(9)	(25)	(37)
	(85)	55	30	92	(41)
\$	2,142	\$ 2,142	\$ 1,911	\$ 1,728	\$ 1,545
\$	55,307	\$ 52,814	\$ 52,680	\$ 51,788	\$ 49,511
	2,040	2,681	2,761	2,938	2,459
	(669)	(770)	(787)	(841)	(766)
	(189)	(186)	(168)	(197)	(188)
	1,182	1,725	1,806	1,900	1,505
	540	706	(1,713)	(1,037)	705
	50	46	44	42	43
	126	16	(3)	(13)	24
	57,205	55,307	52,814	52,680	51,788
	-	-	-	-	1
\$	57,205	\$ 55,307	\$ 52,814	\$ 52,680	\$ 51,789

(a) Excludes the amortization of sales inducement assets.

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

See Accompanying Notes on Pages 43 to 45.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Group Retirement)

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Premiums and deposits (2)	\$ 1,856	\$ 1,944	\$ 1,903	\$ 1,562	\$ 1,511
Revenues:					
Premiums	\$ 7	\$ 6	\$ 5	\$ 3	\$ 8
Policy fees	91	97	99	103	101
Net investment income:					
Base portfolio (3)	497	489	492	511	500
Alternative investments (4)	(43)	(7)	(2)	70	54
Other enhancements (5)	25	46	19	15	20
Total net investment income	479	528	509	596	574
Advisory fee and other income	52	55	54	55	55
Total operating revenues	629	686	667	757	738
Benefits and expenses:					
Policyholder benefits and losses incurred	10	8	19	17	13
Interest credited to policyholder account balances	279	284	277	278	278
Amortization of deferred policy acquisition costs	21	15	(12)	25	22
Non deferrable insurance commissions	20	22	14	18	17
Advisory fee expenses	17	22	22	13	16
General operating expenses	88	94	89	90	90
Total benefits and expenses	435	445	409	441	436
Pre-tax operating income (1)	\$ 194	\$ 241	\$ 258	\$ 316	\$ 302
General and separate account reserves:					
Future policy benefits	\$ 472	\$ 473	\$ 479	\$ 478	\$ 483
Policyholder contract deposits	38,276	37,901	37,669	37,540	37,677
Separate account reserves	31,309	31,536	30,733	33,593	34,034
Total general and separate account reserves	70,057	69,910	68,881	71,611	72,194
Group Retirement mutual funds	14,919	14,523	14,008	15,138	14,900
Total reserves and Group Retirement mutual funds	\$ 84,976	\$ 84,433	\$ 82,889	\$ 86,749	\$ 87,094

See Accompanying Notes on Pages 43 to 45.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Group Retirement)

(in millions)

Net investment spreads:

Base yield (7)
Alternative investments (8)
Other enhancements (9)
Total yield
Cost of funds (a)
Net spread rate, as reported

Base net investment spread (b)

Surrender rates (10)

DAC rollforward:

Balance at beginning of period
Deferrals
Operating amortization
Change from realized gains (losses)
Change from unrealized gains (losses)

Balance at end of period

Reserve rollforward:

Balance at beginning of period, gross
Premiums and deposits
Surrenders and withdrawals
Death and other contract benefits
Subtotal
Change in fair value of underlying assets and reserve accretion, net of policy fees
Cost of funds

Total reserves and Group Retirement mutual funds

Quarterly				
1Q16	4Q15	3Q15	2Q15	1Q15
4.95%	4.90%	4.90%	5.08%	4.92%
(0.59)%	(0.29)%	(0.25)%	0.42%	0.26%
0.09%	0.31%	0.05%	0.06%	0.13%
4.45%	4.92%	4.70%	5.56%	5.31%
2.94%	2.95%	2.98%	2.94%	2.97%
1.51%	1.97%	1.72%	2.62%	2.34%
2.01%	1.95%	1.92%	2.14%	1.95%
7.9%	10.7%	11.4%	8.4%	9.3%
\$ 1,007	\$ 970	\$ 885	\$ 813	\$ 839
19	25	23	15	15
(21)	(15)	12	(25)	(22)
3	1	-	-	1
(59)	26	50	82	(20)
\$ 949	\$ 1,007	\$ 970	\$ 885	\$ 813
\$ 84,433	\$ 82,889	\$ 86,749	\$ 87,094	\$ 86,176
1,856	1,944	1,903	1,562	1,511
(1,677)	(2,247)	(2,427)	(1,819)	(2,012)
(144)	(138)	(139)	(134)	(139)
35	(441)	(663)	(391)	(640)
234	1,706	(3,477)	(227)	1,284
274	279	280	273	274
\$ 84,976	\$ 84,433	\$ 82,889	\$ 86,749	\$ 87,094

(a) Excludes the amortization of sales inducement assets.

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

See Accompanying Notes on Pages 43 to 45.

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

Consumer Insurance - Retirement

(in millions)

Account value by benefit type (a)

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

Liability by benefit type (a)

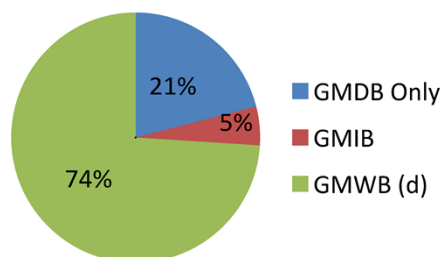
Guaranteed Minimum Death Benefits (GMDB) (b)
 Guaranteed Minimum Income Benefits (GMIB) (c)
 Guaranteed Minimum Withdrawal Benefits (GMWB) (d)

1Q16	Quarterly			
	4Q15	3Q15	2Q15	1Q15
\$ 62,224	\$ 62,468	\$ 61,405	\$ 64,672	\$ 65,144
2,367	2,443	2,429	2,647	2,759
38,433	37,951	36,487	37,435	36,559
\$ 462	\$ 464	\$ 471	\$ 397	\$ 393
26	27	27	16	17
2,097	1,234	1,398	456	1,184

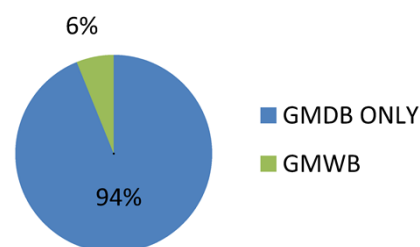
- (a) Excludes assumed reinsurance business.
- (b) A guaranteed minimum death benefit is an amount paid from a variable annuity upon the death of the owner. This benefit protects beneficiaries from market volatility and may be different than the account value. Each of these benefits may be subject to a maximum amount based on age of owner or dollar amount. "Guaranteed Minimum Death Benefits only" signifies that no other guarantees are present. Contracts with a guaranteed living benefit also have a guaranteed minimum death benefit.
- (c) A guaranteed minimum income benefit establishes a minimum amount available to be annuitized regardless of actual performance in the product. The benefit is not available until a set number of years after contract issue.
- (d) A guaranteed minimum withdrawal benefit creates a guaranteed income stream which, within certain parameters, may continue for the life of the annuitant even if the entire contract value has been reduced to zero. The fair value of GMWB embedded derivatives is based on actuarial and capital market assumptions related to projected cash flows of rider fees and claims over the expected lives of the contracts. Also includes guaranteed minimum accumulation benefits (GMAB), which ensures a return of premium invested at the end of 10 years, based on premiums invested in a defined period. The liability for GMAB at March 31, 2016 was \$9 million.

Retirement Income Solutions

Group Retirement



Type of Benefit	Account Value (\$B)
GMDB Only	10.2
GMIB	2.4
GMWB (d)	35.1
Total	47.7



Type of Benefit	Account Value (\$B)
GMDB ONLY	52.0
GMWB	3.4
Total	55.4

See Accompanying Notes on Pages 43 to 45.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Life

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Premiums and deposits (2)	\$ 1,251	\$ 1,279	\$ 1,223	\$ 1,249	\$ 1,223
Revenues:					
Premiums	\$ 736	\$ 674	\$ 675	\$ 702	\$ 708
Policy fees	378	368	392	362	363
Net investment income:					
Base portfolio (3)	484	497	484	482	481
Alternative investments (4)	(36)	(5)	-	62	44
Other enhancements (5)	20	19	12	7	17
Total net investment income	468	511	496	551	542
Other income (12)	15	17	15	17	-
Total operating revenues	1,597	1,570	1,578	1,632	1,613
Benefits and expenses:					
Policyholder benefits and losses incurred	942	868	1,037	965	942
Interest credited to policyholder account balances	122	123	124	122	124
Amortization of deferred policy acquisition costs	120	100	158	89	86
Non deferrable insurance commissions	50	55	51	57	59
General operating expenses	258	239	248	250	231
Total benefits and expenses	1,492	1,385	1,618	1,483	1,442
Pre-tax operating income (loss) (1)	\$ 105	\$ 185	\$ (40)	\$ 149	\$ 171
Gross life insurance in force, end of period:					
Domestic Life	\$ 928,485	\$ 929,401	\$ 920,665	\$ 916,307	\$ 910,413
International Life	104,816	103,001	100,484	100,325	92,609
Total	\$ 1,033,301	\$ 1,032,402	\$ 1,021,149	\$ 1,016,632	\$ 1,003,022

See Accompanying Notes on Pages 43 to 45.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Life

(in millions)

Life and A&H CPPE sales: (13)

Term
Whole Life
Universal life
Other life
Single premium and unscheduled deposits
A&H

Total

Life and A&H sales by distribution channel:

Retail - Independent
Retail - Affiliated (Career and AIG Direct)

Total

Life and A&H sales by region:

Domestic Life
International Life

Total

Surrender/lapse rates: (14)

Domestic Life:
Independent distribution
Career distribution
International Life

DAC/VOBA rollforward:

Balance at beginning of period
Deferrals
Operating amortization
Change from realized gains (losses)
Change from unrealized gains (losses)
Other changes
Foreign exchange translation

Balance at end of period

Reserve rollforward:

Balance at beginning of period, gross
Premiums and deposits
Surrenders and withdrawals
Death and other contract benefits
Subtotal
Change in fair value of underlying assets and reserve accretion, net of policy fees
Cost of funds
Other reserve changes
Foreign exchange translation
Balance at end of period
Reinsurance ceded

Total insurance reserves

Domestic Life
International Life

Total insurance reserves

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
\$	55	\$ 57	\$ 48	\$ 48	\$ 43
	15	12	13	13	11
	18	26	25	26	23
	6	16	5	7	30
	1	1	3	3	3
	20	17	16	13	12
\$ 115	\$ 129	\$ 110	\$ 110	\$ 122	
\$	96	\$ 103	\$ 87	\$ 84	\$ 102
	19	26	23	26	20
\$ 115	\$ 129	\$ 110	\$ 110	\$ 122	
\$	67	\$ 75	\$ 66	\$ 62	\$ 55
	48	54	44	48	67
\$ 115	\$ 129	\$ 110	\$ 110	\$ 122	
5.7%	5.7%	5.2%	5.0%	4.8%	
7.0%	7.2%	7.5%	7.1%	7.5%	
2.8%	3.0%	2.9%	2.9%	2.9%	
\$	4,183	\$ 4,055	\$ 4,152	\$ 4,032	\$ 4,051
	133	123	119	109	104
	(120)	(100)	(158)	(89)	(86)
	2	3	7	(3)	-
	(82)	79	(52)	92	(7)
	-	24	-	-	-
	(5)	(1)	(13)	11	(30)
\$ 4,111	\$ 4,183	\$ 4,055	\$ 4,152	\$ 4,032	
\$	34,170	\$ 33,839	\$ 33,640	\$ 33,482	\$ 33,536
	1,236	1,279	1,223	1,249	1,223
	(227)	(184)	(189)	(164)	(222)
	(258)	(190)	(257)	(260)	(247)
	751	905	777	825	754
	(178)	(208)	(266)	(186)	(142)
	122	123	124	122	124
	(462)	(549)	(364)	(610)	(496)
	(10)	60	(72)	7	(294)
	34,393	34,170	33,839	33,640	33,482
	(1,401)	(1,395)	(1,429)	(1,444)	(1,440)
\$ 32,992	\$ 32,775	\$ 32,410	\$ 32,196	\$ 32,042	
	29,240	29,176	29,037	28,899	28,879
	3,752	3,599	3,373	3,297	3,163
\$ 32,992	\$ 32,775	\$ 32,410	\$ 32,196	\$ 32,042	

See Accompanying Notes on Pages 43 to 45.



American International Group, Inc.
Operating Statistics

Consumer Insurance - Personal Insurance

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Net premiums written	\$ 2,812	\$ 2,719	\$ 3,016	\$ 2,930	\$ 2,915
Net premiums earned	\$ 2,770	\$ 2,734	\$ 2,819	\$ 2,806	\$ 2,799
Losses and loss adjustment expenses incurred	1,454	1,521	1,506	1,480	1,645
Acquisition expenses:					
Amortization of deferred policy acquisition costs	480	493	504	490	487
Other acquisition expenses	242	315	296	294	278
Total acquisition expenses	722	808	800	784	765
General operating expenses	423	479	503	535	478
Underwriting income (loss)	171	(74)	10	7	(89)
Net investment income (loss):					
Interest and dividends	65	52	55	55	56
Alternative investments	(12)	(7)	-	7	9
Other investment income	2	-	1	5	2
Investment expenses	(4)	(3)	(4)	(4)	(4)
Total net investment income	51	42	52	63	63
Pre-tax operating income (loss)	\$ 222	\$ (32)	\$ 62	\$ 70	\$ (26)
Underwriting ratios: (18)					
Loss ratio	52.5	55.6	53.4	52.7	58.8
Catastrophe losses and reinstatement premiums	(1.1)	(0.3)	(2.0)	(0.5)	(2.2)
Prior year development net of premium adjustments	1.8	(1.5)	1.6	0.6	(0.2)
Accident year loss ratio, as adjusted	53.2	53.8	53.0	52.8	56.4
Acquisition ratio	26.1	29.6	28.4	27.9	27.3
General operating expense ratio	15.3	17.5	17.8	19.1	17.1
Expense ratio	41.4	47.1	46.2	47.0	44.4
Combined ratio	93.9	102.7	99.6	99.7	103.2
Catastrophe losses and reinstatement premiums	(1.1)	(0.3)	(2.0)	(0.5)	(2.2)
Prior year development net of premium adjustments	1.8	(1.5)	1.6	0.6	(0.2)
Accident year combined ratio, as adjusted	94.6	100.9	99.2	99.8	100.8
Noteworthy items (pre-tax):					
Catastrophe-related losses (15)	\$ 29	\$ 10	\$ 58	\$ 16	\$ 61
Severe losses (16)	-	-	-	-	12
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(48)	40	(46)	(17)	4
Net loss and loss expense reserve by line of business (at period end):					
Personal Lines	2,732	2,661	2,814	2,816	2,836
Accident and Health	1,647	1,662	1,600	1,667	1,669
Total	\$ 4,379	\$ 4,323	\$ 4,414	\$ 4,483	\$ 4,505

See Accompanying Notes on Pages 43 to 45.

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

Consumer Insurance - Personal Insurance

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
By Line of Business:					
Personal Lines	\$ 1,524	1,635	\$ 1,696	\$ 1,692	\$ 1,567
Accident and Health	1,288	1,084	1,320	1,238	1,348
Total net premiums written	\$ 2,812	2,719	\$ 3,016	\$ 2,930	\$ 2,915
By Region:					
Americas	\$ 952	904	\$ 1,047	\$ 947	\$ 912
EMEA	532	391	446	444	573
Asia Pacific	1,328	1,424	1,523	1,539	1,430
Total net premiums written	\$ 2,812	2,719	\$ 3,016	\$ 2,930	\$ 2,915
Foreign exchange effect on worldwide premiums:					
Change in net premiums written					
Increase (decrease) in original currency over prior-year period (17)	0.8 %	3.6 %	3.5 %	2.0 %	1.4 %
Foreign exchange effect	(4.3)	(8.7)	(10.4)	(9.8)	(8.2)
Increase (decrease) as reported in U.S. dollars	(3.5) %	(5.1) %	(6.9) %	(7.8) %	(6.8) %

See Accompanying Notes on Pages 43 to 45.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Personal Insurance North America

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Net premiums written	\$ 823	\$ 749	\$ 874	\$ 800	\$ 772
Net premiums earned	\$ 805	\$ 783	\$ 795	\$ 799	\$ 780
Losses and loss adjustment expenses incurred	441	429	393	405	546
Acquisition expenses:					
Amortization of deferred policy acquisition costs	110	109	116	105	101
Other acquisition expenses	89	108	102	105	95
Total acquisition expenses	199	217	218	210	196
General operating expenses	97	86	107	121	88
Underwriting income (loss)	68	51	77	63	(50)
Net investment income:					
Interest and dividends	30	20	21	20	21
Alternative investments	(10)	(1)	(2)	6	7
Other investment income	(5)	-	(2)	3	-
Investment expenses	(2)	(1)	(1)	(1)	(1)
Total net investment income	13	18	16	28	27
Pre-tax operating income	\$ 81	\$ 69	\$ 93	\$ 91	\$ (23)
Underwriting ratios: (18)					
Loss ratio	54.8	54.8	49.4	50.7	70.0
Catastrophe losses and reinstatement premiums	(2.8)	(0.6)	(0.6)	(2.0)	(7.8)
Prior year development net of premium adjustments	0.7	(1.1)	4.0	3.0	2.3
Accident year loss ratio, as adjusted	52.7	53.1	52.8	51.7	64.5
Acquisition ratio	24.7	27.7	27.4	26.3	25.1
General operating expense ratio	12.0	11.0	13.5	15.1	11.3
Expense ratio	36.7	38.7	40.9	41.4	36.4
Combined ratio	91.5	93.5	90.3	92.1	106.4
Catastrophe losses and reinstatement premiums	(2.8)	(0.6)	(0.6)	(2.0)	(7.8)
Prior year development net of premium adjustments	0.7	(1.1)	4.0	3.0	2.3
Accident year combined ratio, as adjusted	89.4	91.8	93.7	93.1	100.9
Noteworthy items (pre-tax):					
Catastrophe-related losses (15)	\$ 22	\$ 5	\$ 5	\$ 16	\$ 61
Severe losses (16)	-	-	-	-	12
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	\$ (5)	\$ 8	\$ (32)	\$ (24)	\$ (18)

See Accompanying Notes on Pages 43 to 45.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Personal Insurance International

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Net premiums written	\$ 1,989	\$ 1,970	\$ 2,142	\$ 2,130	\$ 2,143
Net premiums earned	\$ 1,965	\$ 1,951	\$ 2,024	\$ 2,007	\$ 2,019
Losses and loss adjustment expenses incurred	1,013	1,092	1,113	1,075	1,099
Acquisition expenses:					
Amortization of deferred policy acquisition costs	370	384	388	385	386
Other acquisition expenses	153	207	194	189	183
Total acquisition expenses	523	591	582	574	569
General operating expenses	326	393	396	414	390
Underwriting income (loss)	103	(125)	(67)	(56)	(39)
Net investment income:					
Interest and dividends	35	32	34	35	35
Alternative investments	(2)	(6)	2	1	2
Other investment income	7	-	3	2	2
Investment expenses	(2)	(2)	(3)	(3)	(3)
Total net investment income	38	24	36	35	36
Pre-tax operating income (loss)	\$ 141	\$ (101)	\$ (31)	\$ (21)	\$ (3)
Underwriting ratios: (18)					
Loss ratio	51.6	56.0	55.0	53.6	54.4
Catastrophe losses and reinstatement premiums	(0.4)	(0.3)	(2.6)	-	-
Prior year development net of premium adjustments	2.2	(1.6)	0.7	(0.4)	(1.1)
Accident year loss ratio, as adjusted	53.4	54.1	53.1	53.2	53.3
Acquisition ratio	26.6	30.3	28.8	28.6	28.2
General operating expense ratio	16.6	20.1	19.6	20.6	19.3
Expense ratio	43.2	50.4	48.4	49.2	47.5
Combined ratio	94.8	106.4	103.4	102.8	101.9
Catastrophe losses and reinstatement premiums	(0.4)	(0.3)	(2.6)	-	-
Prior year development net of premium adjustments	2.2	(1.6)	0.7	(0.4)	(1.1)
Accident year combined ratio, as adjusted	96.6	104.5	101.5	102.4	100.8
Noteworthy items (pre-tax):					
Catastrophe-related losses (15)	\$ 7	\$ 5	\$ 53	\$ -	\$ -
Severe losses (16)	-	-	-	-	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	\$ (43)	\$ 32	\$ (14)	\$ 7	\$ 22

See Accompanying Notes on Pages 43 to 45.

Consumer Insurance

Basis of Presentation:

Consumer Insurance presents its results in the following operating segments:

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

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

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

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

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

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

Consumer Insurance products are distributed primarily to individual consumers or groups of consumers through a diverse, multi-channel distribution network that includes broker-dealers, agencies and independent marketing organizations, banks, brokers, partnerships, travel agents, affiliated agents and financial advisors, and direct-to-consumer platforms.

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

For Consumer Insurance - Personal Insurance, we estimate investable funds based primarily on loss reserves and unearned premiums. The net investment income allocation is calculated based on these estimated investable funds consistent with the approximate duration of the liabilities and a capital allocation for each operating segment.

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

American International Group, Inc.
Notes (continued)

Consumer Insurance

Notes

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

	Life		Fixed Annuities	Retirement Income Solutions		Group Retirement	Total Consumer	
	4Q15	3Q15	3Q15	4Q15	3Q15	3Q15	4Q15	3Q15
<i>(in millions)</i>								
Policy fees	\$ -	\$ 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21
Interest credited to policyholder account balances	-	-	47	-	19	8	-	74
Amortization of deferred policy acquisition costs	-	(48)	45	-	42	40	-	79
Policyholder benefits and claims incurred	11	(130)	-	-	(61)	-	11	(191)
Pre-tax operating income (loss)	\$ 11	\$ (157)	\$ 92	\$ -	\$ -	\$ 48	\$ 11	\$ (17)
Changes in DAC related to net realized capital gains (losses)	-	-	-	(10)	21	-	(10)	21
Net realized capital gains (losses)	-	-	-	37	(113)	74	37	(39)
Increase (decrease) to pre-tax income (loss)	\$ 11	\$ (157)	\$ 92	\$ 27	\$ (92)	\$ 122	\$ 38	\$ (35)

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

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

<i>(in millions)</i>	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Premiums and deposits*	\$ 6,853	\$ 7,037	\$ 6,625	\$ 6,070	\$ 5,509
Deposits	(6,801)	(6,853)	(6,542)	(6,046)	(5,637)
Other	2	(143)	(46)	20	174
Premiums	\$ 54	\$ 41	\$ 37	\$ 44	\$ 46

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

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

<i>(in millions)</i>	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Premiums and deposits	\$ 1,251	\$ 1,279	\$ 1,223	\$ 1,249	\$ 1,223
Deposits	(364)	(413)	(369)	(380)	(378)
Other	(151)	(192)	(179)	(167)	(137)
Premiums	\$ 736	\$ 674	\$ 675	\$ 702	\$ 708

American International Group, Inc.
Notes (continued)

Consumer Insurance

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

American International Group, Inc.
Operating Results

Corporate and Other

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Revenues:					
Premiums	\$ 90	\$ 38	\$ 10	\$ 24	\$ 17
Net investment income	211	172	170	111	164
Other income (loss)	(95)	421	(71)	984	861
Total operating revenues	206	631	109	1,119	1,042
Benefits and expenses:					
Policyholder benefits and losses incurred	138	658	102	(28)	95
General operating expenses (1)	467	468	300	443	433
Interest expense	334	309	320	332	352
Total benefits and expenses	939	1,435	722	747	880
Pre-tax operating income (loss)	\$ (733)	\$ (804)	\$ (613)	\$ 372	\$ 162

See Accompanying Notes on Page 49.

American International Group, Inc.
Operating Results

Corporate and Other

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Pre-tax operating income (loss):					
Equity in pre-tax operating earnings of AerCap (2)	\$ -	\$ -	\$ -	\$ 127	\$ 128
Fair value of PICC investments (3)	(75)	11	(195)	170	47
Income from other assets, net (4)	(138)	294	15	509	564
Corporate general operating expenses (1)	(294)	(332)	(133)	(268)	(252)
Interest expense (5)	(257)	(252)	(266)	(278)	(305)
Run-off insurance lines (page 48) (6)	31	(525)	(54)	110	(19)
Consolidation and eliminations	-	-	20	2	(1)
Pre-tax operating income (loss)	\$ (733)	\$ (804)	\$ (613)	\$ 372	\$ 162

See Accompanying Notes on Page 49.

American International Group, Inc.
Operating Statistics

Corporate and Other - Run-off Insurance Lines

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Property Casualty run-off business:					
Net premiums earned	\$ 89	\$ 37	\$ 8	\$ 23	\$ 15
Losses and loss adjustment expenses incurred	126	623	118	(30)	93
General operating expenses	3	2	-	-	(1)
Underwriting income (loss)	(40)	(588)	(110)	53	(77)
Net investment income	73	59	59	58	58
Property Casualty run-off businesses	33	(529)	(51)	111	(19)
Life insurance run-off businesses, net	(2)	4	(3)	(1)	-
Pre-tax operating income (loss)	\$ 31	\$ (525)	\$ (54)	\$ 110	\$ (19)
Noteworthy items (pre-tax):					
Property Casualty run-off business:					
Catastrophe-related losses	\$ -	\$ -	\$ 5	\$ -	\$ -
Prior year loss reserve development (favorable) unfavorable, net of reinsurance (7)	3	541	69	84	3
Net reserve discount (benefit) charge	17	18	37	(130)	72
Net loss and loss expense reserve (at period end) (8)	5,626	4,472	3,475	3,215	3,340
Future policy benefits for life and A&H contracts (at period end)	\$ 1,268	\$ 1,228	\$ 1,288	\$ 1,299	\$ 1,324

See Accompanying Notes on Page 49.

Corporate and Other

- (1) The three months ended September 30, 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.
- (2) Represents AIG's share of AerCap's pre-tax operating income through the June 2015 date of sale of a majority of our ordinary shares of AerCap, which excludes certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights asset over the remaining lease term as compared to the remaining economic life of the aircraft and our share of AerCap's income taxes.
- (3) During 1Q15, Commercial Insurance sold a portion of its investment in PICC P&C to AIG Parent. Refer to page 54 for additional information on AIG's PICC holdings.
- (4) Consists of the results of investments held by AIG Parent to support various corporate needs as well as the remaining positions of AIG Financial Products Corp. and related subsidiaries (collectively, AIGFP), life settlements, real estate, equipment leasing and lending and other secured lending investments held by AIG Parent and certain subsidiaries.
- (5) As a result of the progress of the wind down and de-risking activities of the Direct Investment book (DIB) and the derivative portfolio of AIGFP included within Global Capital Markets (GCM), AIG has discontinued separate reporting of the DIB and GCM. Their results are reported within Income from other assets, net, beginning with the first quarter of 2015. This reporting aligns with the manner in which AIG manages its financial resources. Interest expense for 1Q16, 4Q15, 3Q15, 2Q15 and 1Q15 included \$13 million, \$13 million, \$13 million, \$15 million and \$29 million, respectively, of interest expense previously reported in DIB results.
- (6) Property Casualty run-off insurance lines consists primarily of excess workers' compensation, asbestos and legacy environmental (1986 and prior); certain environmental liability, certain healthcare coverage, certain casualty and specialty coverages, and long-duration business in Japan. U.S. Life Insurance run-off insurance lines include American Security Life Insurance Company Limited, AIG Life Insurance Company (Switzerland) Ltd. and a reinsurance transaction of American International Reinsurance Company, Ltd. During the third and fourth quarters of 2015, certain environmental liability, healthcare, casualty and specialty coverages that are no longer offered by Commercial - Property Casualty were transferred to run-off Property Casualty insurance lines.
- (7) The three months ended December 31, 2015 included \$311 million of net adverse prior year loss reserve development associated with certain environmental liability, healthcare, casualty and specialty coverages previously reported in Commercial - Property Casualty and excluded \$30 million of non-operating net adverse prior year loss reserve development.
- (8) In 1Q16, 4Q15, and 3Q15, \$1.3 billion, \$0.9 billion and \$0.3 billion, respectively, of loss reserves for certain environmental liability, casualty, healthcare, and specialty coverages, previously reported in Commercial Casualty and Specialty lines of business, were transferred to Other run-off insurance lines.

American International Group, Inc.

Investments - Cash and Investments

(in millions)	March 31, 2016 (3)			
	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other (2)	AIG Inc.
Bonds available for sale, at fair value:				
U.S. government and government sponsored entities	\$ 797	\$ 570	\$ 674	\$ 2,041
Obligations of states, municipalities and political subdivisions	5,808	20,909	1,041	27,758
Non-U.S. governments	7,858	10,570	187	18,615
Corporate debt	101,988	33,759	3,201	138,948
Mortgage-backed, asset-backed and collateralized:				
RMBS	23,653	11,010	1,559	36,222
CMBS	11,007	3,174	256	14,437
CDO/ABS	11,352	7,069	(2,657)	15,764
Total mortgage-backed, asset-backed and collateralized	46,012	21,253	(842)	66,423
Total bonds available for sale, at fair value	162,463	87,061	4,261	253,785
Other bond securities, at fair value	3,729	1,316	10,299	15,344
Equity securities available for sale, at fair value	143	2,671	(44)	2,770
Other equity securities trading, at fair value	-	342	535	877
Mortgage and other loans receivable, net of allowance	24,395	8,669	(2,388)	30,676
Other invested assets	11,805	10,088	6,587	28,480
Cash and short-term investments	3,795	4,461	4,157	12,413
Total cash and investments	\$ 206,330	\$ 114,608	\$ 23,407	\$ 344,345

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

See Accompanying Notes on Page 55.

American International Group, Inc

Investments - Other Invested Assets

(in millions)	March 31, 2016 (3)			
	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other (2)	AIG Inc.
Alternative investments (6)	\$ 8,303	\$ 8,178	\$ (64)	\$ 16,417
Investments in life settlements	-	-	3,537	3,537
Investment real estate (4)	3,409	1,067	2,612	7,088
Aircraft assets	-	-	467	467
All other investments (5)	93	843	35	971
	<u>\$ 11,805</u>	<u>\$ 10,088</u>	<u>\$ 6,587</u>	<u>\$ 28,480</u>

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

See Accompanying Notes on Page 55.

American International Group, Inc.

Investments - Returns On Private Equity and Hedge Funds

(in millions)	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Investment income (7) (8)					
Private equity	\$ 114	\$ 23	\$ 229	\$ 291	\$ 278
Hedge funds	(537)	(220)	(324)	272	246
Total	\$ (423)	\$ (197)	\$ (95)	\$ 563	\$ 524
Average invested assets					
Private equity	\$ 6,553	\$ 6,822	\$ 7,088	\$ 7,177	\$ 7,252
Hedge funds	10,143	11,048	11,263	11,127	10,853
Total	\$ 16,696	\$ 17,870	\$ 18,351	\$ 18,304	\$ 18,105
Annualized yields on carrying value					
Private equity	6.96 %	1.35 %	12.92 %	16.22 %	15.33 %
Hedge funds	(21.18)	(7.97)	(11.51)	9.78	9.08
Total	(10.13)%	(4.41)%	(2.07)%	12.30 %	11.58 %
Average invested assets					
Life Insurance Companies	\$ 8,177	\$ 9,224	\$ 9,941	\$ 10,051	\$ 9,917
Non-Life Insurance Companies	8,519	8,646	8,410	8,253	8,188
Total	\$ 16,696	\$ 17,870	\$ 18,351	\$ 18,304	\$ 18,105

Average Invested Assets by Accounting Method (8)

	March 31, 2016						
	Life Insurance Companies			Non-Life Insurance Companies			Total
	Equity Method	Fair Value Option	Other	Equity Method	Fair Value Option	Other	
Private Equity Funds (7)	\$ 1,404	\$ 122	\$ 895	\$ 2,297	\$ 332	\$ 1,503	\$ 6,553
Hedge Funds (7)	2,399	2,617	739	2,151	2,098	139	10,143
Total	\$ 3,803	\$ 2,739	\$ 1,634	\$ 4,448	\$ 2,430	\$ 1,642	\$ 16,696

See Accompanying Notes on Page 55.

Investments - Net Realized Capital Gains (Losses)

(in millions)

Life Insurance Companies

	1Q16	4Q15	3Q15	2Q15	1Q15
Bonds available for sale	\$ (385)	\$ (62)	\$ (18)	\$ 63	\$ (8)
Stocks available for sale	-	-	(1)	3	1
Other transactions	101	(109)	2	(50)	104
Other than temporary impairments	(142)	(66)	(146)	(55)	(83)
Foreign exchange transactions	37	(49)	(7)	(13)	(22)
Derivative instruments (9)	(111)	(174)	47	346	171
Total pre-tax net realized capital gains (losses)	(500)	(460)	(123)	294	163

Non-Life Insurance Companies

Bonds available for sale	(28)	20	4	60	38
Stocks available for sale	23	325	3	19	663
Other transactions	103	6	(6)	(15)	429
Other than temporary impairments	(62)	(38)	(125)	(30)	(45)
Foreign exchange transactions (10)	(459)	150	3	131	66
Derivative instruments	16	-	(18)	(37)	98
Total pre-tax net realized capital gains (losses)	(407)	463	(139)	128	1,249

Corporate and Other

Bonds available for sale	51	(14)	(2)	12	1
Stocks available for sale	1	179	14	(1)	(173)
Other transactions (11)	(164)	(532)	(62)	(155)	(48)
Other than temporary impairments	-	(2)	(2)	(79)	-
Foreign exchange transactions	(98)	11	(12)	(52)	210
Derivative instruments	11	6	(16)	(21)	(61)
Total pre-tax net realized capital gains (losses)	(199)	(352)	(80)	(296)	(71)

Total AIG

Bonds available for sale	(362)	(56)	(16)	135	31
Stocks available for sale	24	504	16	21	491
Other transactions (11)	40	(635)	(66)	(220)	485
Other than temporary impairments	(204)	(106)	(273)	(164)	(128)
Foreign exchange transactions	(520)	112	(16)	66	254
Derivative instruments	(84)	(168)	13	288	208
Total pre-tax net realized capital gains (losses)	\$ (1,106)	\$ (349)	\$ (342)	\$ 126	\$ 1,341

Total net realized gains (losses), net of tax

\$ (701)	\$ (215)	\$ (262)	\$ 79	\$ 874
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See Accompanying Notes on Page 55.

American International Group, Inc.

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

(in millions)

PICC Fair Value Option Assets

PICC Group (Ticker: 1339.HK)

Corporate and Other

Quarterly

Period end:	1Q16	4Q15	3Q15	2Q15	1Q15
Number of shares held	1,113	1,113	1,113	1,113	1,113
Fair Value	\$ 471	\$ 546	\$ 542	\$ 712	\$ 566
Activity for period:					
Net investment income	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	(75)	4	(170)	147	45
Dividend income	-	-	2	-	-

PICC Property & Casualty (Ticker: 2328.HK)

Non-Life Insurance Companies

Quarterly

Period end:	1Q16	4Q15	3Q15	2Q15	1Q15
Number of shares held	178	178	178	178	178
Fair Value	\$ 327	\$ 355	\$ 346	\$ 406	\$ 352
Activity for period:					
Net investment income	\$ (28)	\$ 8	\$ (60)	\$ 54	\$ 7
Other income	-	-	-	-	-
Dividend income	-	-	8	-	-

Corporate and Other

Quarterly

Period end:	1Q16	4Q15	3Q15	2Q15	1Q15
Number of shares held	-	-	76	76	76
Fair Value	\$ -	\$ -	\$ 148	\$ 174	\$ 151
Activity for period:					
Net investment income	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	7	(25)	23	2
Dividend income	-	-	3	-	-

(in millions)

PICC Available For Sale Assets

PICC Property & Casualty (Ticker: 2328.HK)

Non-Life Insurance Companies

Quarterly

Period end:	1Q16	4Q15	3Q15	2Q15	1Q15
Number of shares held	673	673	849	849	849
Fair Value	\$ 1,233	\$ 1,339	\$ 1,650	\$ 1,935	\$ 1,678
Dividend income	-	-	38	-	-
Balance sheet activity:					
Other comprehensive income	\$ (105)	\$ 31	\$ (285)	\$ 257	\$ 22

Corporate and Other

Quarterly

Period end:	1Q16	4Q15	3Q15	2Q15	1Q15
Number of shares held	-	-	108	108	108
Fair Value	\$ -	\$ -	\$ 210	\$ 246	\$ 213
Dividend income	-	-	5	-	-
Balance sheet activity:					
Other comprehensive income	\$ -	\$ -	\$ (36)	\$ 33	\$ 9

Consolidated Results

- (1) Includes Mortgage Guaranty.
- (2) Includes consolidations, eliminations and other adjustments.
- (3) As of March 31, 2016, includes debt of consolidated investment vehicles related to real estate investments of \$2.5 billion, affordable housing partnership investments and securitizations of \$2.3 billion and other securitization vehicles and investments of \$273 million. At December 31, 2015, includes assets backed by debt of consolidated investment vehicles related to real estate investments of \$2.4 billion, affordable housing partnership investments and securitizations of \$2.2 billion, and other securitization vehicles and investments of \$359 million.
- (4) Includes the effect of consolidating previously unconsolidated partnerships.
- (5) Consists primarily of direct private equity investments.
- (6) Alternative investments include hedge funds, private equity funds and affordable housing partnerships.
- (7) 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 quarter lag.
- (8) Changes in the value of the underlying investments in hedge funds and private equity funds that are accounted for under the Equity Method or Fair Value Option are recorded in earnings. Changes in the value of the investments in similar funds included in Other are primarily recorded in accumulated other comprehensive income (AOCI).
- (9) Includes changes in the fair value of embedded derivatives and a portion of associated fees for variable annuity living benefit features (primarily GMWB) and changes in fair value of hedging instruments purchased to fund the liabilities.
- (10) 1Q16, 4Q15, 3Q15, 2Q15 and 1Q15 include \$(483) million, \$136 million, \$(48) million, \$34 million and \$121 million, respectively, of foreign exchange (losses) gains primarily due to a short term intercompany balance that was matched with available for sale investments in fixed maturity securities denominated in the same foreign currencies. Unrealized gains and losses on the available for sale investments were recorded in other comprehensive income resulting in an immaterial impact on our overall equity or book value per share from this arrangement.
- (11) Includes impairments on investments in life settlements.

American International Group, Inc.

Supplemental Property Casualty Information*

(in millions)

	Quarterly				
	1Q16	4Q15	3Q15	2Q15	1Q15
Net premiums written	\$ 7,139	\$ 7,328	\$ 8,218	\$ 8,512	\$ 7,962
Net premiums earned	\$ 7,560	\$ 7,762	\$ 7,832	\$ 7,931	\$ 7,745
Loss and loss adjustment expenses incurred	4,788	8,778	5,290	5,064	5,098
Acquisition expenses	1,487	1,635	1,623	1,553	1,562
General operating expenses	1,011	1,079	1,160	1,193	1,106
Underwriting income (loss)	274	(3,730)	(241)	121	(21)
Net investment income	701	831	821	1,252	1,146
Pre-tax operating income (loss)	\$ 975	\$ (2,899)	\$ 580	\$ 1,373	\$ 1,125
Underwriting ratios:					
Loss ratio	63.3	113.1	67.5	63.9	65.8
Catastrophe losses and reinstatement premiums	(3.3)	(2.9)	(1.9)	(2.9)	(1.7)
Prior year development net of premium adjustments	0.9	(46.6)	(2.5)	(4.3)	(0.3)
Net reserve discount	0.1	(1.1)	(1.0)	5.1	(2.2)
Accident year loss ratio, as adjusted	61.0	62.5	62.1	61.8	61.6
Acquisition ratio	19.7	21.1	20.7	19.6	20.2
General operating expense ratio	13.4	13.9	14.8	15.0	14.3
Expense ratio	33.1	35.0	35.5	34.6	34.5
Combined ratio	96.4	148.1	103.0	98.5	100.3
Catastrophe losses and reinstatement premiums	(3.3)	(2.9)	(1.9)	(2.9)	(1.7)
Prior year development net of premium adjustments	0.9	(46.6)	(2.5)	(4.3)	(0.3)
Net reserve discount	0.1	(1.1)	(1.0)	5.1	(2.2)
Accident year combined ratio, as adjusted	94.1	97.5	97.6	96.4	96.1
Noteworthy items (pre-tax):					
Catastrophe-related losses	\$ 251	\$ 223	\$ 151	\$ 225	\$ 132
Reinstatement premiums related to catastrophes	-	-	-	-	-
Reinstatement premiums related to prior year catastrophes	(10)	-	2	-	(7)
Severe losses	109	172	209	184	146
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(61)	3,621	179	334	24
(Additional) returned premium related to prior year development	6	(4)	30	12	11
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(55)	3,617	209	346	35
Net reserve discount (benefit) charge	(9)	86	78	(400)	165
Net loss and loss expense reserve (at period end)	\$ 59,067	\$ 59,890	\$ 57,476	\$ 58,220	\$ 59,221

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

American International Group, Inc.

Acronyms

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