



Life & Retirement Investor Meeting

JUNE 7, 2018



Cautionary Statement Regarding Forward Looking Information

This document and the remarks made within this presentation may include, and officers and representatives of American International Group, Inc. (AIG) may from time to time make and discuss, projections, goals, assumptions and statements that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions and statements are not historical facts but instead represent only a belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG’s control. These projections, goals, assumptions and statements include statements preceded by, followed by or including words such as “will,” “believe,” “anticipate,” “expect,” “intend,” “plan,” “focused on achieving,” “view,” “target,” “goal” or “estimate.” These projections, goals, assumptions and statements may relate to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, anticipated organizational, business or regulatory changes, anticipated sales, monetization and/or acquisitions of businesses or assets, management succession and retention plans, exposure to risk, trends in operations and financial results. It is possible that AIG’s actual results and financial condition will differ, possibly materially, from the results and financial condition indicated in these projections, goals, assumptions and statements. Factors that could cause AIG’s actual results to differ, possibly materially, from those in the specific projections, goals, assumptions and statements include: changes in market and industry conditions; negative impacts on customers, business partners and other stakeholders; the occurrence of catastrophic events, both natural and man-made; AIG’s ability to successfully reorganize its businesses, as well as improve profitability, without negatively impacting client relationships or its competitive position; AIG’s ability to successfully dispose of, monetize and/or acquire businesses or assets, including AIG’s ability to successfully consummate the purchase of Validus Holdings, Ltd.; changes in judgments concerning insurance underwriting and insurance liabilities; changes in judgments concerning potential cost saving opportunities; the impact of potential information technology, cybersecurity or data security breaches, including as a result of cyber-attacks or security vulnerabilities; disruptions in the availability of AIG’s electronic data systems or those of third parties; AIG’s ability to successfully manage Legacy portfolios; concentrations in AIG’s investment portfolios; actions by credit rating agencies; the requirements, which may change from time to time, of the global regulatory framework to which AIG is subject, including as a global systemically important insurer; significant legal, regulatory or governmental proceedings; changes in judgments concerning the recognition of deferred tax assets; and such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 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, 2017.

AIG is not under any obligation (and expressly disclaims any obligation) to update or alter any projections, goals, assumptions or other statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise. This document and the remarks made orally may also contain certain non-GAAP financial measures. The reconciliation of such measures to the most comparable GAAP measures in accordance with Regulation G is included in the Fourth Quarter 2017 Financial Supplement available in the Investor Information section of AIG’s corporate website, www.aig.com, as well as in the Appendix to this presentation.

Note: Amounts presented may not foot due to rounding.





Life & Retirement: Key messages

Large, diverse in-force portfolio positioned to generate stable earnings and cash flows

Organized to optimize capital efficiency and deploy capital to highest risk-adjusted return opportunities

Rigorous and holistic risk management approach

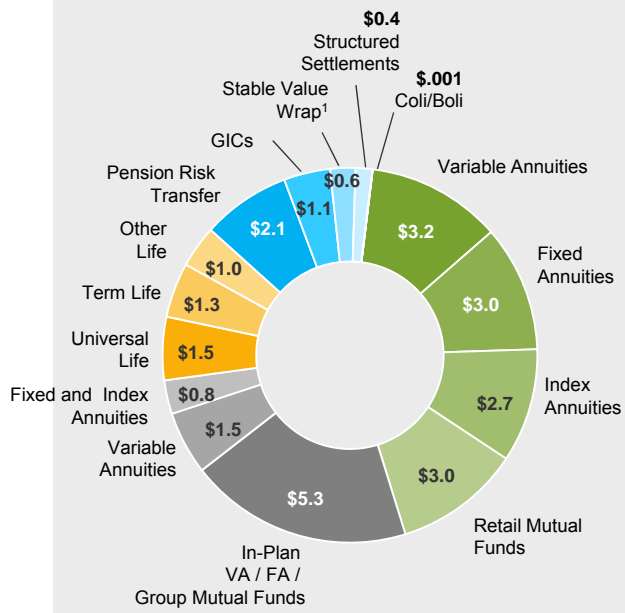
Well-positioned to meet growing needs in the U.S. and overseas

Prepared for selective expansion following extensive transformation



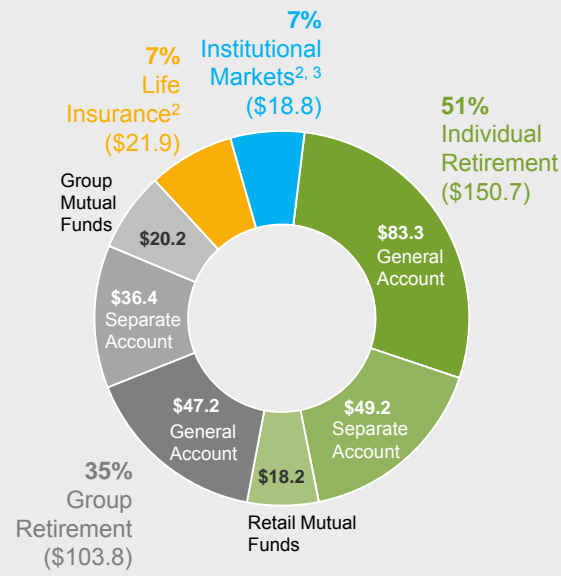
Life & Retirement: Large, diverse and profitable in-force portfolio

P&D by Product (\$B)



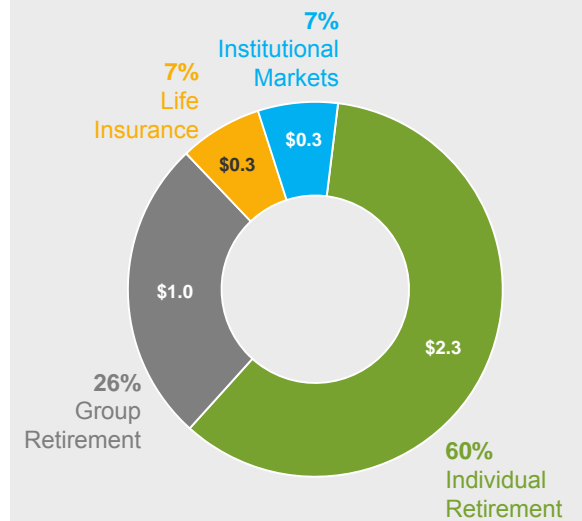
2017 = \$27.5B

AUM / AUA by Business (\$B)



As of 12/31/17 = \$295.2B

APTI by Business (\$B)



2017 = \$3.8B

■ Individual Retirement

■ Group Retirement

■ Life Insurance

■ Institutional Markets

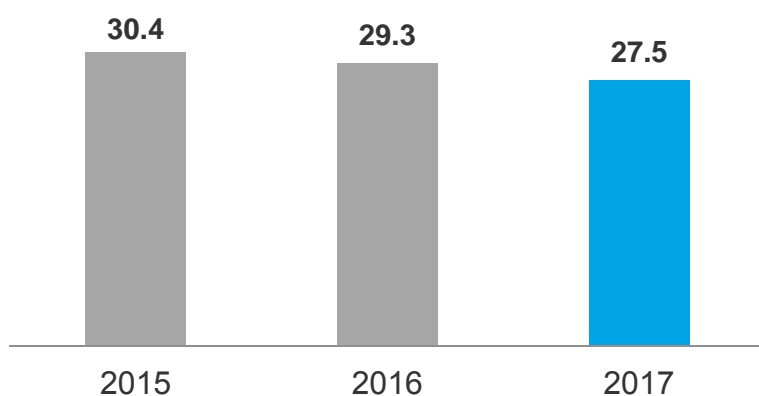


1 Represents Stable Value Wrap Separate Account liabilities
 2 Life Insurance and Institutional Markets includes small amounts of Separate Account assets
 3 Excludes \$37.6B Stable Value Wrap notional value

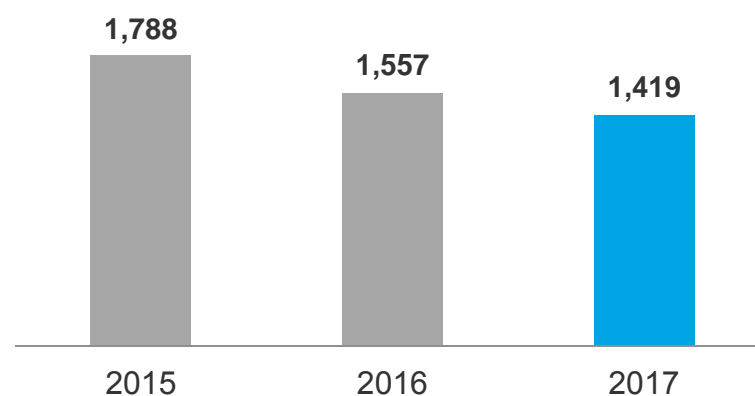


Life & Retirement: Consistent performance in a competitive environment

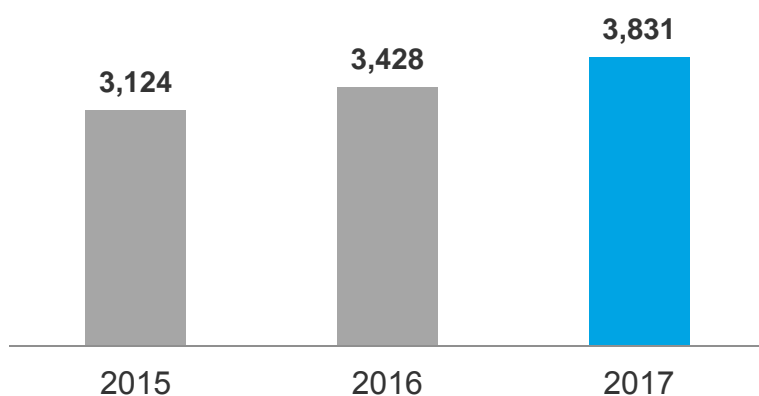
Premiums and Deposits (\$B)



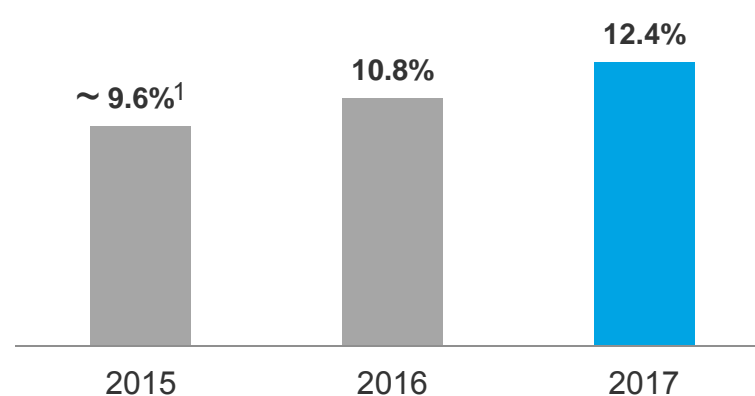
General Operating Expenses (\$M)



Adjusted Pre-Tax Income (\$M)



Adjusted Return on Equity



¹ Life & Retirement 2015 Adjusted Return on Equity is estimated given the 2017 resegmentation



Life & Retirement: Transformed organization to optimize capital efficiency

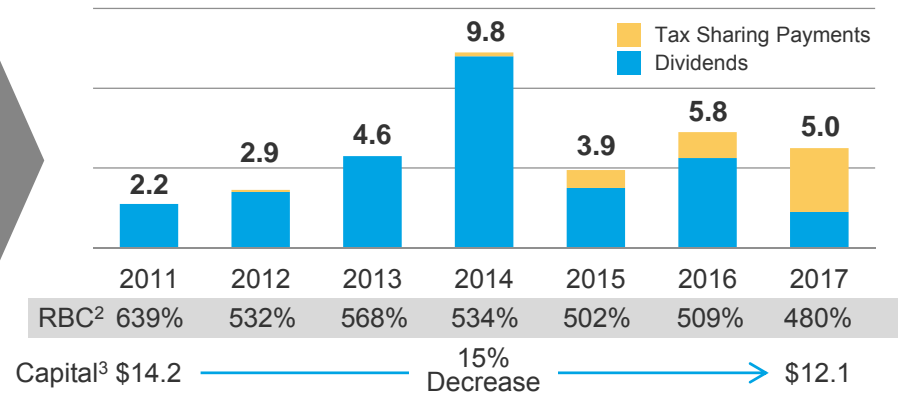
Restructuring actions began in 2012

Legal Entity Consolidation

- Number of operating companies reduced from 10 to 3 and regulatory jurisdictions from 7 to 2
- Enhanced capital efficiency and lowered costs associated with running multiple legal entities
- Decreased volatility in statutory balance sheets
- Diversification of business risks improved stress test results
- Simplified producer licensing process



Dividends and Tax Sharing Payments to Parent¹ (\$B)

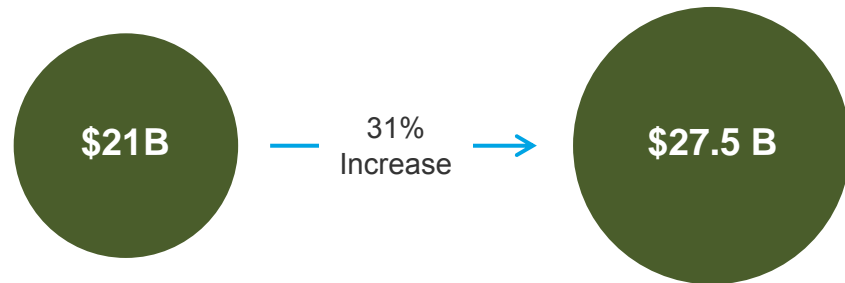


Formed AIG Financial Distributors

- United sales and strategic account professionals under common leadership
- Coordination of sales activities with strategic account managers and customized wholesaling models
- Broadened product penetration within strategic partner firms
- Primarily focused on independent distribution for retail sales (exits from Advisor Group and Life Career)
- Ability to deploy capital judiciously to most attractive opportunities



Change in Premiums and Deposits: Full Year 2012 vs. Full Year 2017



¹ Includes payments to Life holding company

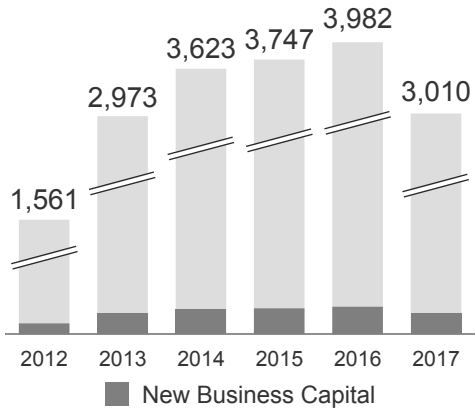
² The inclusion of RBC measure is intended solely for the information of investors and is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities. Represents year-end RBC ratio (CAL) for Domestic Life and Retirement companies excluding holding company, AGC Life Insurance Company. CAL is defined as Company Action Level

³ Total Capital & Surplus

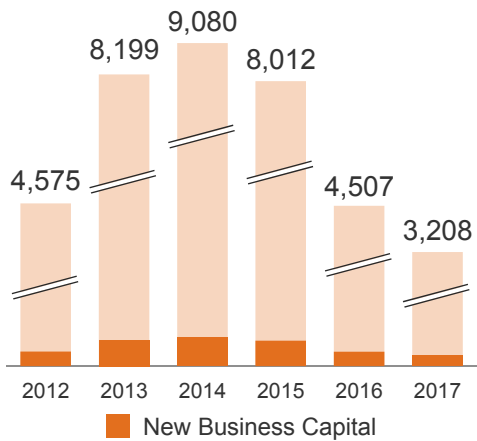
Life & Retirement: Capital deployed to most attractive new business opportunities



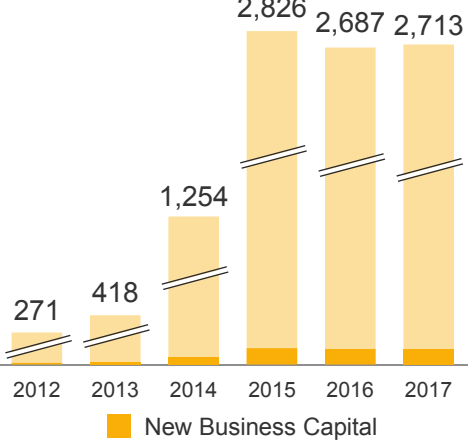
Fixed Annuities Sales (\$M)



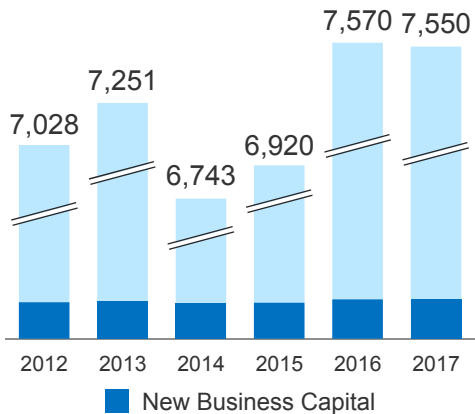
Variable Annuities Sales (\$M)



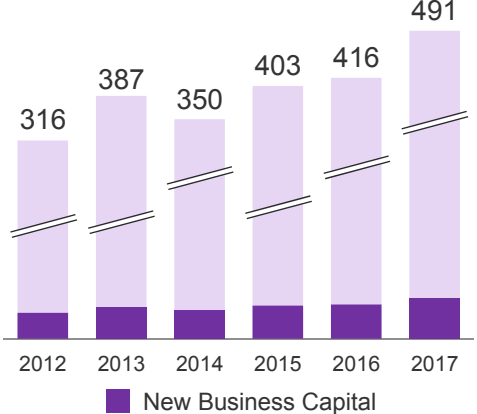
Index Annuities Sales (\$M)



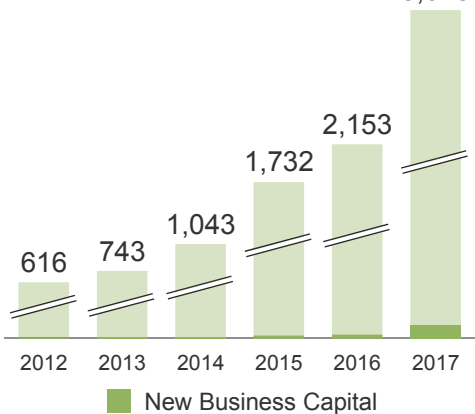
Group Retirement Sales (\$M)



Life Sales¹ (\$M)



Institutional Markets Sales² (\$M)



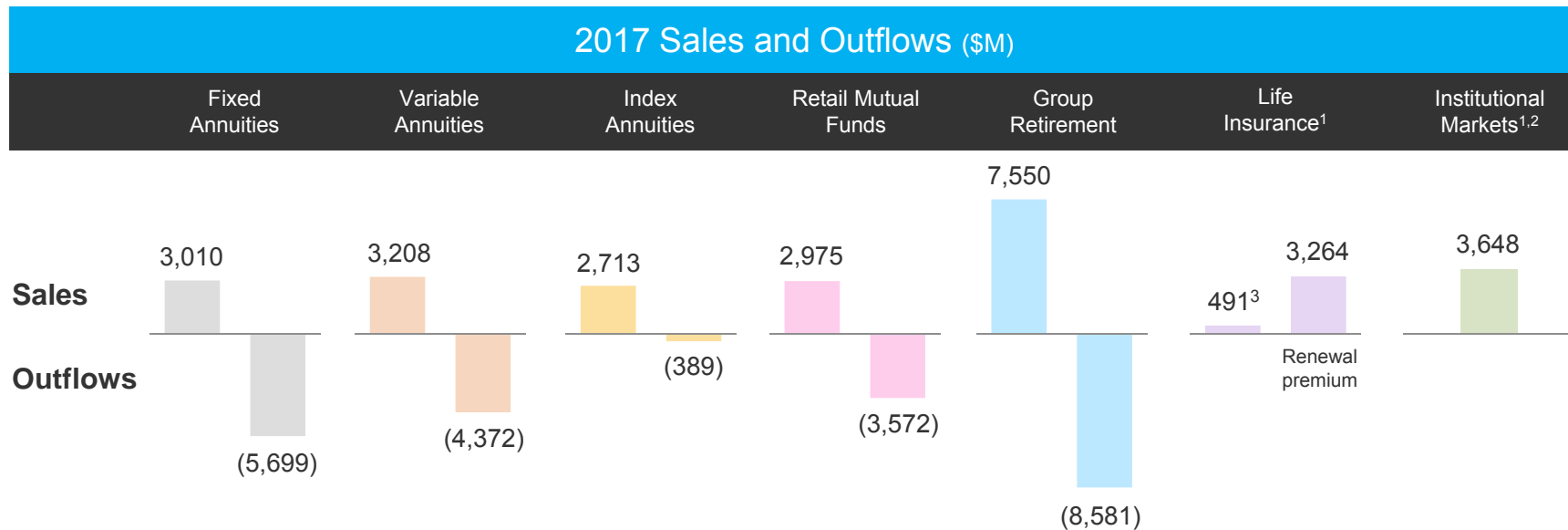
Note: Based on internal capital model, which is calibrated once a year or for material events and incorporates the diversified risk profiles of the businesses across AIG. Numbers are indicative

1 Life sales represent first year and single premiums and deposits

2 Excludes Stable Value Wrap sales



Life & Retirement: Flows for 2017 reflect discipline in challenging market conditions



- With competitive environment for Fixed Annuities and Variable Annuities in 2017, focused on growth in Index Annuities, Life Insurance and Institutional Markets while maintaining steady sales in Group Retirement. Positioned to deploy additional capital to Fixed Annuities and Variable Annuities as market conditions improve
- Outflows remained within historical ranges but reflect impact of higher account values due to equity market appreciation for Variable Annuities, Group Retirement and Retail Mutual Funds
- Financial impact of outflows vary based on product characteristics
 - Outflows for Fixed Annuities and Group Retirement include 3% or higher Guaranteed Minimum Interest Rate policies
 - Retail Mutual Funds outflows have a relatively small impact on overall earnings due to the comparatively small base of the business
- Group Retirement surrenders impacted by natural attrition of large groups due to some plan sponsors reducing the number of providers in their plans and M&A activity in the Healthcare market



1 Outflows not included for Life Insurance and Institutional Markets
 2 Excludes Stable Value Wrap
 3 Life sales represent first year and single premiums and deposits



Life & Retirement: Building blocks for net investment income

2016 (\$M)	2017 (\$M)		Current Expectations
		Other Yield Enhancements <ul style="list-style-type: none"> • Call and tender income • Commercial mortgage loan prepayments • Changes in market value of investments accounted for under the fair value option • Other miscellaneous investment income 	
\$476	\$584		Increases in the rate environment result in lower net investment income on fair value option bonds and call & tender income, all things being equal
		Alternative Investments <ul style="list-style-type: none"> • Equity partnerships • Hedge funds 	
\$253	\$322		Return of ~8% for Alternative Investments over the coming years
		Base Portfolio <ul style="list-style-type: none"> • Interest (including accretion income) • Dividends • Foreclosed real estate income • Net of investment expenses and non-qualifying (economic) hedges 	
\$6,893	\$6,910		Absent significant changes in the overall rate environment, expectation is that base net investment spreads will decline by approximately 0 to 2 basis points per quarter
		Total Net Investment Income	
\$7,622	\$7,816		New money invested in 1Q18 at an average yield of ~4%, which is ~75 basis points lower than the portfolio yield, reflecting the duration and quality of the in-force portfolio. We expect this gap to continue to close if rates rise

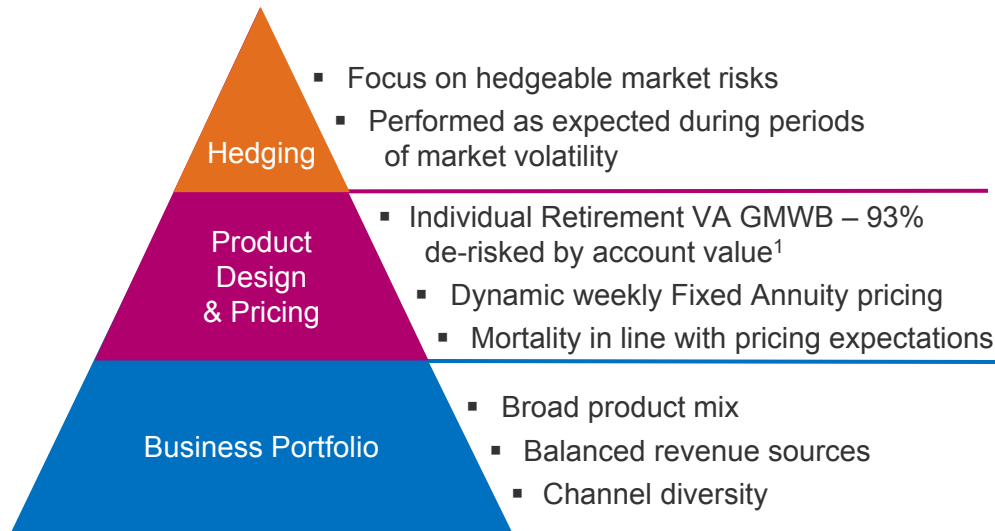
Volatile results reflect changing market conditions:
 2016 ¹ \$102M 2017 ¹ \$260M



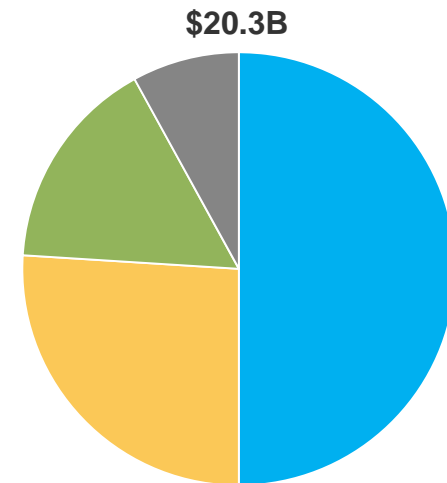
¹ Disclosed on page 22 of Quarterly Financial Supplement, Fourth Quarter 2017



Life & Retirement: Comprehensive risk management approach



Capital by Business as of 12/31/17²



- Individual Retirement
- Group Retirement
- Life Insurance
- Institutional Markets

Example Outcomes

- No variable annuity captive
- Long-term care reserves, which are part of the Legacy segment, were less than \$500M as of December 31, 2017
- Transactions-based pricing for Institutional Markets opportunities



¹ De-risked benefits represent products issued since 2010 with VIX index fees or volatility control funds and pre-2010 benefits with a revised fee structure
² Based on internal capital model, which is calibrated once a year or for material events and incorporates the diversified risk profiles of the businesses across AIG. Numbers are indicative



Life & Retirement: Well positioned to meet growing market needs

- Increasing need for guaranteed lifetime income solutions

- Growing not-for-profit defined contribution market

- Large unmet protection and retirement savings gap

- Improved funded status of pension plans



Life & Retirement: Broad leadership position

Held top 10 position across product lines and target markets for 2017

Annuities	#2 Fixed Annuity	#5 Variable Annuity	#6 Index Annuity	<ul style="list-style-type: none">Only provider to hold top 10 sales position in all 3 annuity segments#2 Total Annuity Sales
Not-for-Profit Defined Contribution	#2 K-12	#3 Higher Education	#4 Healthcare	<ul style="list-style-type: none">One of 6 providers to hold top 10 asset position in all 3 markets#5 Total Contributions
Life Insurance	#4 Term Life	#10 Universal Life	#1 Term Life Direct	<ul style="list-style-type: none">One of four providers to hold top 10 sales position in Term and Universal Life#6 Total Life Sales
Institutional Markets	#5 Stable Value Wrap	#6 Pension Risk Transfer	#6 Structured Settlements	<ul style="list-style-type: none">One of four providers to hold top 10 sales position in all 3 markets



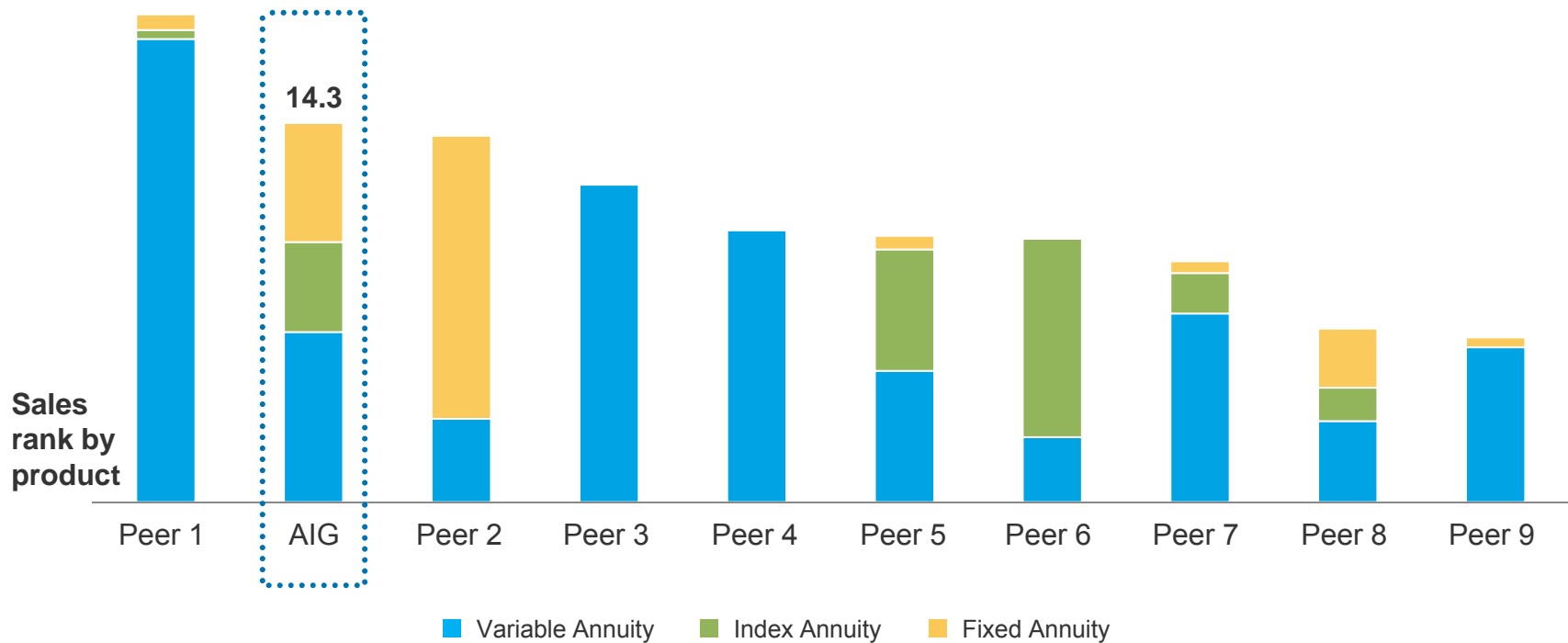
Source: LIMRA 4Q 2017 except where noted. Annuities include Employer Plan Sales. Fixed Annuity also includes immediate, structured settlement, and deferred income annuities. For Institutional Markets, Stable Value Wrap ranking represents notional value and source is Valerian Capital Group



Retirement: Industry leader across annuity lines

Well-positioned to meet growing lifetime income needs through multiple product types and respond to evolving regulatory environment

Top 10 Annuity Providers¹
2017 Sales by Product (\$B)



Sales are balanced across all three product lines



¹ Source: LIMRA 4Q 2017; including Employer Plan sales. Fixed Annuity also includes immediate, structured settlement, and deferred income annuities

Individual Retirement: Overview

Adjusted pre-tax income has remained strong due to a large, well-managed in-force annuity block despite the industry-wide decrease in new annuity sales and persistent low interest rate environment

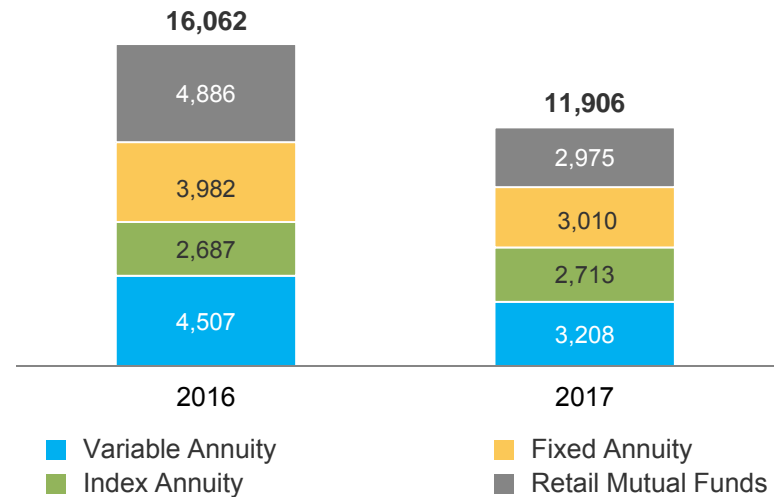
Key Messages

Significant contributor to L&R profitability and returns

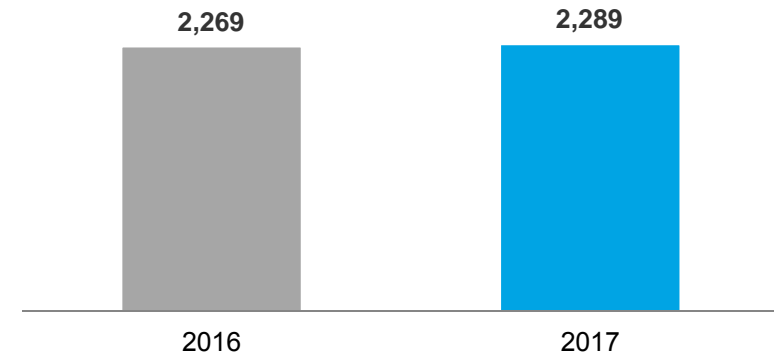
Balanced and diversified product mix and income sources

History of product innovation and leadership

Premiums and Deposits (\$M)



Adjusted Pre-Tax Income (\$M)





Group Retirement: Overview

Industry leader in the growing not-for-profit Defined Contribution plan market

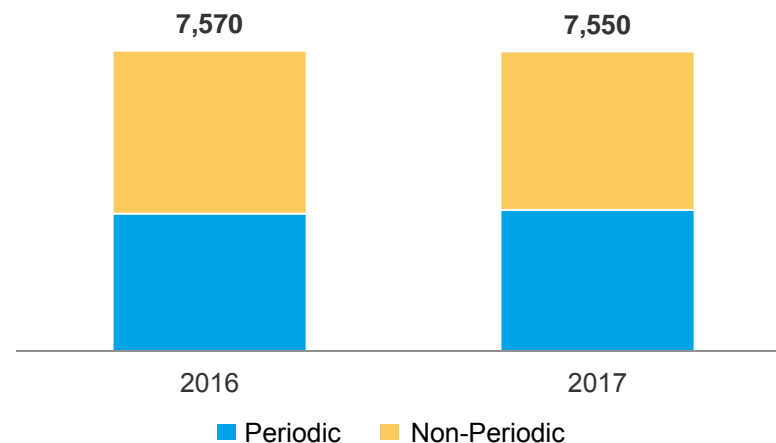
Key Messages

Long-term leader
in growing market¹

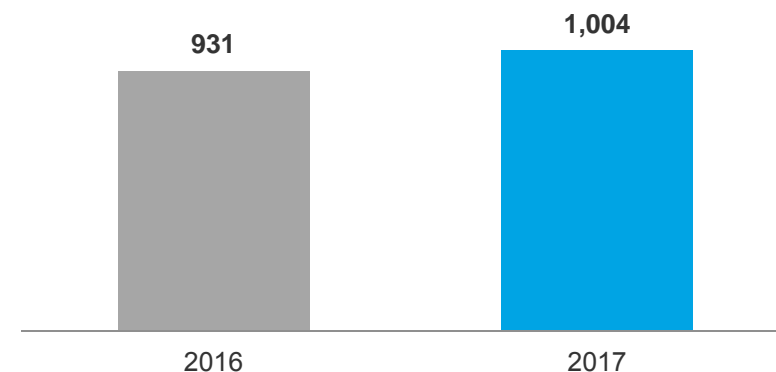
Enhancing digital and service
options to meet market needs

Steady periodic deposits and
strong group acquisitions

Premiums and Deposits (\$M)



Adjusted Pre-Tax Income (\$M)



¹ Cerulli Associates expects ~\$120B of total net inflows from 2016 to 2020 into the 403(b) market. By comparison, Cerulli Associates expects ~\$435B total net outflows from the 401(k) market for the same period



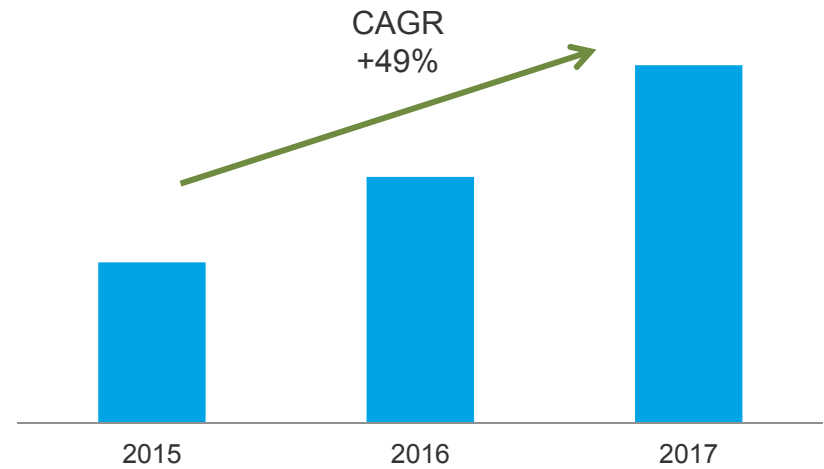
Group Retirement: Digital and service enhancements driving group acquisition growth

Differentiated model with combination “High-Touch / High-Tech” service

Investments in Technology & Service



New Group Acquisition Deposit Growth



Recognition for 2017

- 54 Best in Class Awards from PLANSPONSOR Magazine
 - Service Star Team Award for exemplary service from VALIC Financial Advisors
- Top quartile DALBAR ranking for Digital Platform
 - #2 for Mobile Website
 - #3 for Best-in-Class Plan Participant Home Page
- EverFi Financial Capability Innovation Award
 - Honored for FutureFIT, a web-based financial wellness experience

- Record New Group Acquisitions for 2017
- Confirmed New Group Acquisitions, expected to be funded in 2018, already near full year 2017 results
- Technology cited as key factor in retaining existing and winning new groups





Life Insurance: Overview

Progress on business transformation

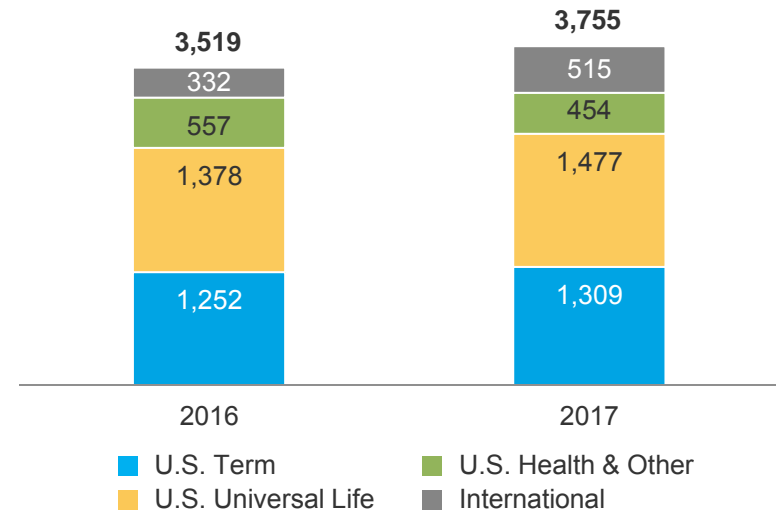
Key Messages

Sales have grown to expected levels

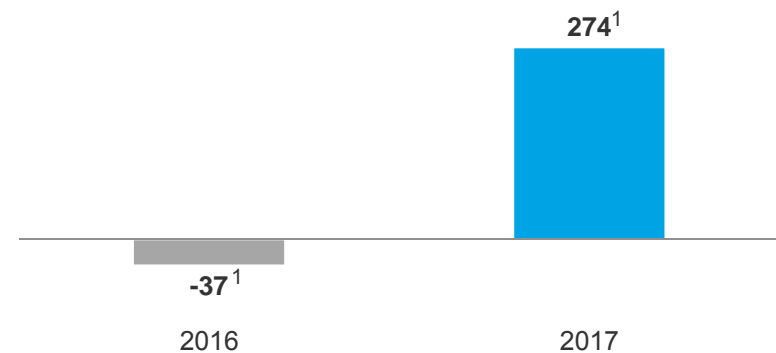
Focused operational strategy following Legacy separation

Early successes in international expansion

Premiums and Deposits (\$M)



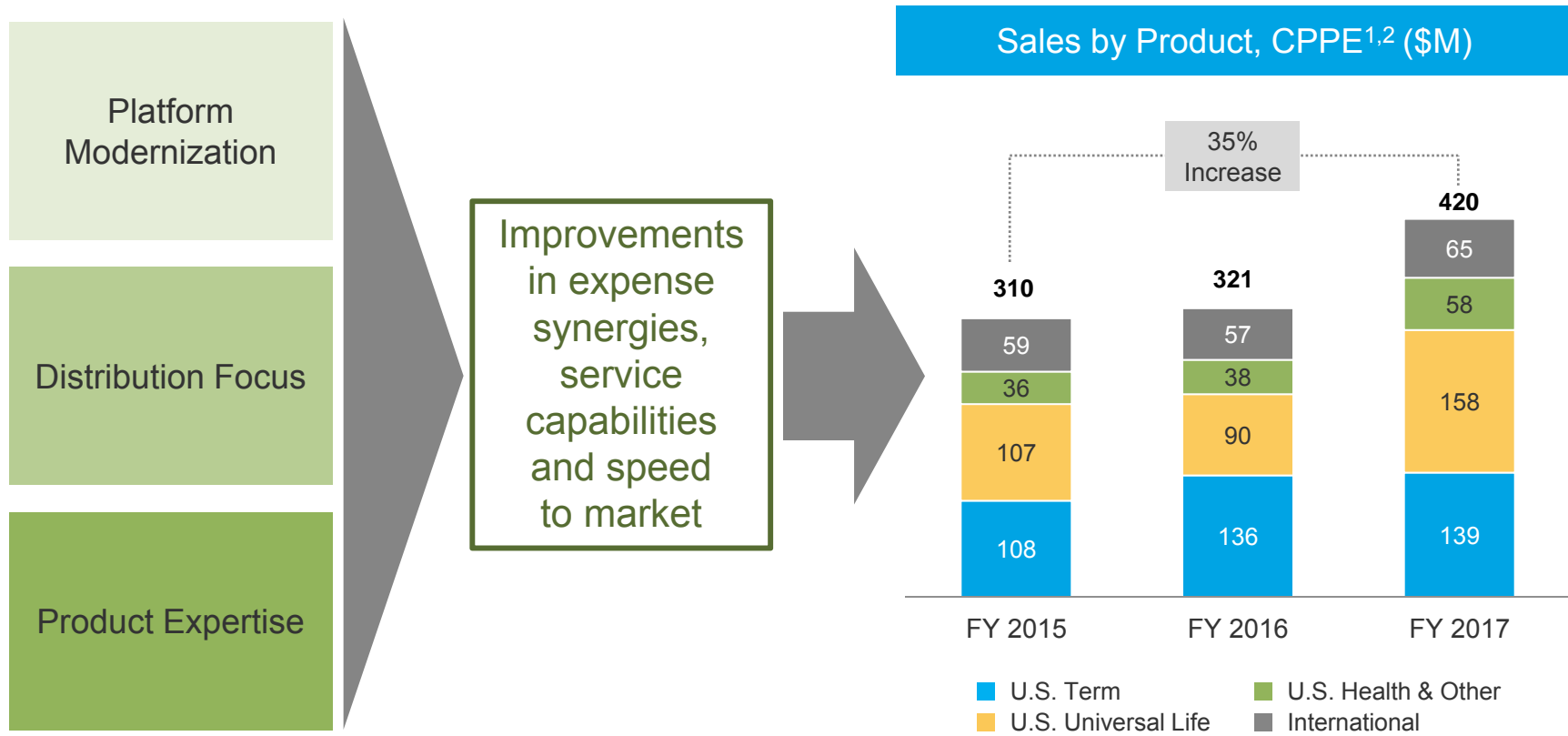
Adjusted Pre-Tax Income (\$M)



¹ Impact on APTI from update of actuarial assumptions (unlocking): \$92M unfavorable in 2016 and \$29M favorable in 2017



Life Insurance: Management actions driving results



1 CPPE – Continuous Paid Premium Equivalent, is the sum of 100% of periodic premiums, 10% of Single Premiums, and 10% of excess premiums
2 Sales exclude Legacy products



International Life: Selective international expansion demonstrating early success

Business	AIG UK Life			AIG Laya Healthcare		
Overview & Capabilities	<ul style="list-style-type: none"> Acquired December 31, 2014 Writer of life, critical illness, income protection and disability products Intermediary sold, modern platform delivering streamlined UW decisions in minutes on some covers 			<ul style="list-style-type: none"> Acquired March 31, 2015 Second largest health insurance provider in Ireland (currently operating as an MGA⁴) Customer focused, unique direct-to-customer offering 		
2017 Key Metric	\$243M GWP ²	\$65M New Business APE ³	489K Policies	\$691M GWP ^{2,5}	578K Members	268K Policies
Growth since acquisition ¹	19%	13%	15%	15%	10%	12%

1 Compound Annual Growth Rate
 2 GWP = gross written premium
 3 APE = annual premium equivalent
 4 MGA = Managing General Agency
 5 Administered by Laya and results accounted for as commissions profit share income





Institutional Markets: Overview

Opportunistically growing based on market conditions and ability to achieve targeted returns

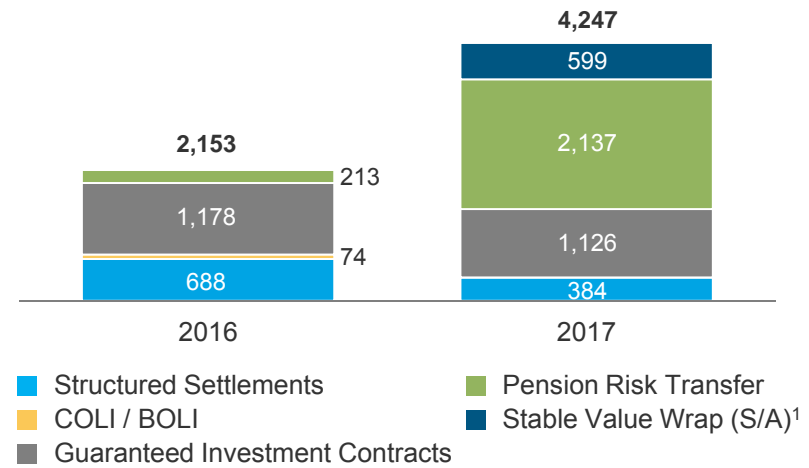
Key Messages

Attractive return business

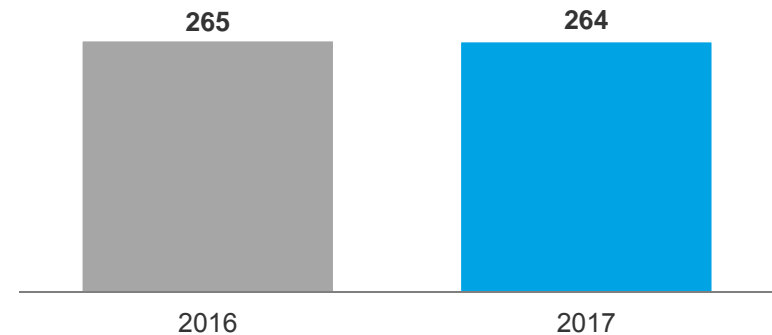
Long history of successfully providing customized solutions

Well-positioned to capitalize on market opportunities

Premium and Deposits (\$B)



Adjusted Pre-Tax Income (\$M)



¹ Represents Stable Value Wrap Separate Account liabilities



Institutional Markets: Well-positioned to participate in growing pension risk transfer market

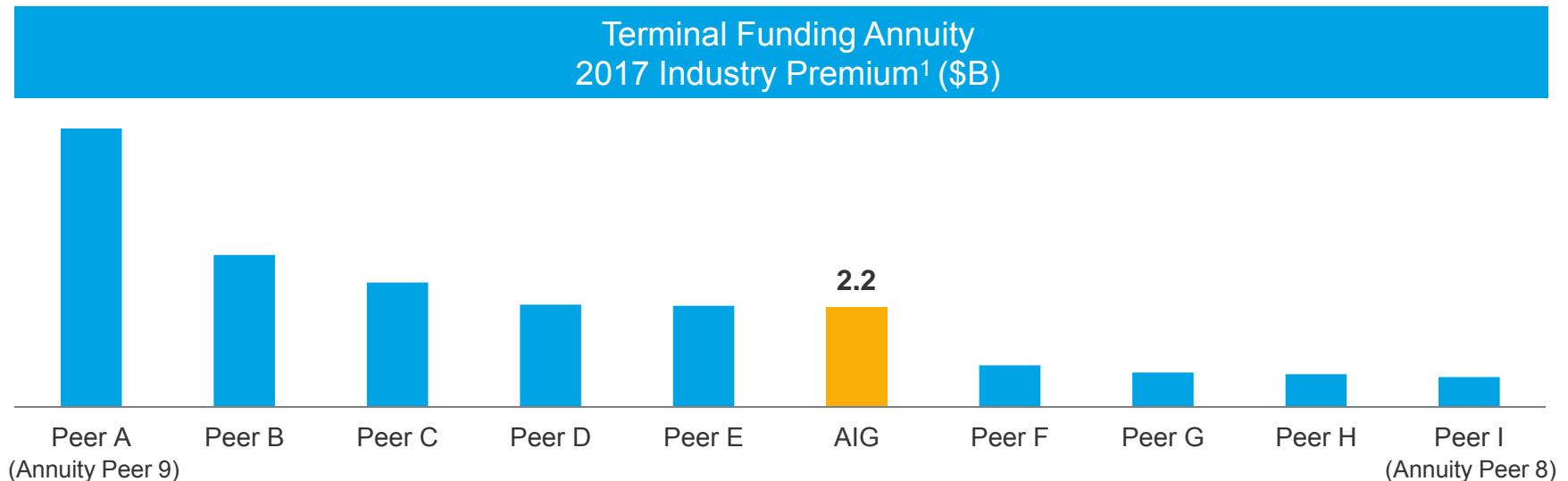
Investment expertise, established operational capabilities, prudent risk management, disciplined pricing and strong balance sheet

Portfolio Highlights (as of 12/31/2017)

- GAAP Reserves: ~\$3.7 B Core/ \$2.5 B Legacy
- ~145K participants being administered
 - 96K immediates
 - 49K deferred
- Average duration of liabilities is approximately 14 years

2017 Activity

- Active in Domestic pension risk transfer market with focus on larger transactions
- Completed 4 transactions totaling \$2.2B in premium
- Pipeline continues to be strong (\$10B+)



¹ Source: LIMRA 4Q 2017



Life & Retirement: Key messages

Large, diverse in-force portfolio positioned to generate stable earnings and cash flows

Organized to optimize capital efficiency and deploy capital to highest risk-adjusted return opportunities

Rigorous and holistic risk management approach

Well-positioned to meet growing needs in the U.S. and overseas

Prepared for selective expansion following extensive transformation



Q&A and Closing Remarks





Appendix





Glossary of Non-GAAP Financial Measures and Non-GAAP Reconciliations



Glossary of Non-GAAP Financial Measures

Glossary of Non-GAAP

Throughout this presentation, we present our financial condition and results of operations in the way we believe will be most meaningful and representative of our business results. Some of the measurements we use are “Non-GAAP financial measures” under Securities and Exchange Commission rules and regulations. GAAP is the acronym for generally accepted accounting principles in the United States. The non-GAAP financial measures we present may not be comparable to similarly-named measures reported by other companies. The reconciliations of such measures to the most comparable GAAP measures in accordance with Regulation G are included within the relevant tables or in the Fourth Quarter 2017 Financial Supplement available in the Investor Information section of AIG’s website, www.aig.com.

We may use certain non-GAAP operating performance measures as forward-looking financial targets or projections. These financial targets or projections are provided based on management’s estimates. The most directly comparable GAAP financial targets or projections would be heavily dependent upon results that are beyond management’s control and the outcome of these items could be significantly different than management’s estimates. Therefore, we do not provide quantitative reconciliations for these financial targets or projections as we cannot predict with accuracy future actual events (e.g., catastrophe losses) and impacts from changes in macro-economic market conditions, including the interest rate environment (e.g. estimate for DIB & GCM returns, net reserve discount change and returns on alternative investments).

- **Adjusted Attributed Equity** is an attribution of total AIG shareholders’ equity, excluding accumulated other comprehensive income (AOCI) and deferred tax assets (DTA), to our segments based on our internal capital model, which incorporates the segments’ respective risk profiles. Adjusted attributed equity represents our best estimates based on current facts and circumstances and will change over time.
- **Return on Equity – Adjusted After-tax Income (Adjusted Return on Attributed Equity)** is used to show the rate of return on Adjusted Attributed Equity. Adjusted Return on Attributed Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Attributed Equity.
- **Adjusted After-tax Income Attributable to Life and Retirement** is derived by subtracting attributed interest expense and income tax expense from adjusted pre-tax income. Attributed debt and the related interest expense is calculated based on our internal capital model. Tax expense or benefit is calculated based on an internal attribution methodology that considers among other things the taxing jurisdiction in which the segment conducts business, as well as the deductibility of expenses in those jurisdictions.
- **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.



Non-GAAP Reconciliations

Return on Equity

<u>Life and Retirement</u> (in millions)	Twelve Months Ended		
		December 31,	
	2015	2016	2017
Adjusted pre-tax income	\$ 3,124	\$ 3,428	\$ 3,831
Interest expense on attributed financial debt	133	92	23
Adjusted pre-tax income including attributed interest expense	2,991	3,336	3,808
Income tax expense	879	1,041	1,242
Adjusted after-tax income (a)	<u>\$ 2,112</u>	<u>\$ 2,295</u>	<u>\$ 2,566</u>
Ending adjusted attributed equity	\$ 21,590	\$ 20,547	\$ 20,304
Average adjusted attributed equity (b)	22,035	21,269	20,687
Adjusted return on attributed equity (a÷b)	<u>9.6 %</u>	<u>10.8 %</u>	<u>12.4 %</u>

Premiums

(in millions)	Twelve Months Ended	
	December 31,	
	2012	2015
Total Life and Retirement:		
Premiums	\$ 2,464	\$ 1,469
Deposits	17,898	28,321
Other	632	610
Premiums and deposits	<u>\$ 20,994</u>	<u>\$ 30,400</u>



Non-GAAP Reconciliations

Premiums *(continued)*

(in millions)	Twelve Months Ended	
	December 31,	
	2016	2017
Individual Retirement:		
Premiums	\$ 163	\$ 91
Deposits	15,898	11,819
Other	1	(4)
Premiums and deposits	\$ 16,062	\$ 11,906
Individual Retirement (Fixed Annuities):		
Premiums	\$ 170	\$ 96
Deposits	3,820	2,925
Other	(8)	(11)
Premiums and deposits	\$ 3,982	\$ 3,010
Individual Retirement (Variable Annuities):		
Premiums	\$ (7)	\$ (5)
Deposits	4,507	3,207
Other	7	6
Premiums and deposits	\$ 4,507	\$ 3,208
Individual Retirement (Index Annuities):		
Premiums	\$ -	\$ -
Deposits	2,687	2,713
Other	-	-
Premiums and deposits	\$ 2,687	\$ 2,713
Individual Retirement (Retail Mutual Funds):		
Premiums	\$ -	\$ -
Deposits	4,886	2,975
Other	-	-
Premiums and deposits	\$ 4,886	\$ 2,975
Group Retirement:		
Premiums	\$ 27	\$ 27
Deposits	7,543	7,523
Other	-	-
Premiums and deposits	\$ 7,570	\$ 7,550
Life Insurance:		
Premiums	\$ 1,407	\$ 1,530
Deposits	1,419	1,518
Other	693	707
Premiums and deposits	\$ 3,519	\$ 3,755
Institutional Markets:		
Premiums	\$ 691	\$ 2,398
Deposits	1,434	1,821
Other	28	28
Premiums and deposits	\$ 2,153	\$ 4,247
Total Life and Retirement:		
Premiums	\$ 2,288	\$ 4,046
Deposits	26,294	22,681
Other	722	731
Premiums and deposits	\$ 29,304	\$ 27,458





Life & Retirement Investor Meeting

JUNE 7, 2018