



# Third Quarter 2021

## Financial Results Presentation

November 5, 2021

# Cautionary Statement Regarding Forward-Looking Information, Comment on Regulation G and Other 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 statements include, but are not limited to, projections, goals and assumptions that 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 statements, including projections, goals and assumptions are often preceded by, followed by or include words such as “will,” “believe,” “anticipate,” “expect,” “intend,” “plan,” “focused on achieving,” “view,” “target,” “goal” or “estimate.” These statements may relate to future actions, future performance or results of current and anticipated services or products, sales efforts, expense reduction efforts, the outcome of contingencies such as legal proceedings, anticipated organizational, business or regulatory changes, the effect of natural catastrophes, including COVID-19, macroeconomic events, anticipated dispositions, monetization and/or acquisitions of businesses or assets, the successful integration of acquired businesses, management succession and retention plans, exposure to risk, trends in operations and AIG’s 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 statements, projections, goals and assumptions. Factors that could cause AIG’s actual results to differ, possibly materially include: AIG’s ability to successfully separate the Life and Retirement business and the impact any separation may have on AIG, its businesses, employees, contracts and customers; AIG’s ability to close the sale of its Affordable Housing portfolio to an affiliate of Blackstone Inc.; the occurrence of catastrophic events, both natural and man-made, including COVID-19, other pandemics, civil unrest and the effects of climate change; changes in market and industry conditions, including a prolonged global economic recovery, volatility in financial and capital markets, fluctuations in interest rates, inflationary pressures and disruptions to AIG’s operations driven by COVID-19 and responses thereto, including new or changed governmental policy and regulatory actions; AIG’s ability to effectively execute on the AIG 200 operational programs designed to modernize AIG’s operating infrastructure and enhance user and customer experiences, and AIG’s ability to achieve anticipated cost savings from AIG 200; the impact of potential information technology, cybersecurity or data security breaches, including as a result of cyber-attacks or security vulnerabilities, the likelihood of which may increase due to extended remote business operations as a result of COVID-19; availability and affordability of reinsurance; disruptions in the availability of AIG’s electronic data systems or those of third parties; the impact of COVID-19 generally, including with respect to AIG’s business, financial condition and results of operations; changes to the valuation of AIG’s investments; actions by rating agencies with respect to AIG’s credit and financial strength ratings as well as those of its businesses and subsidiaries; the effectiveness of AIG’s enterprise risk management policies and procedures, including with respect to business continuity and disaster recovery plans; changes in judgments concerning the recognition of deferred tax assets and the impairment of goodwill; AIG’s ability to successfully dispose of, monetize and/or acquire businesses or assets or successfully integrate acquired businesses; nonperformance or defaults by counterparties, including Fortitude Reinsurance Company Ltd. (Fortitude Re); the effectiveness of strategies to recruit and retain key personnel and to implement effective succession plans; changes in judgments concerning potential cost-saving opportunities; concentrations in AIG’s investment portfolios; changes to our sources of or access to liquidity; changes in judgments or assumptions concerning insurance underwriting and insurance liabilities; the requirements, which may change from time to time, of the global regulatory framework to which AIG is subject; significant legal, regulatory or governmental proceedings; and such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021 (which will be filed with the Securities and Exchange Commission), Part I, Item 2. MD&A of the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021, Part I, Item 2. MD&A of the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021, and Part I, Item 1A. Risk Factors and Part II, Item 7. MD&A of the 2020 Annual Report. 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.

On October 26, 2020, AIG announced its intention to separate the Life and Retirement business from AIG. This document and the remarks made within this presentation are not an offer to sell, or a solicitation of an offer to buy any securities. On July 14, 2021, AIG and Blackstone Inc. announced a relationship including three components: (1) Blackstone Inc. agreed to purchase a 9.9% equity stake in Life and Retirement for \$2.2B in cash, (2) an asset management relationship for a portion of Life and Retirement’s investment portfolio; and (3) the sale of certain Affordable Housing assets to Blackstone Real Estate Income Trust, Inc. for \$5.1B in cash. The first two components of the relationship with Blackstone Inc. closed on November 2, 2021.

This document and the remarks made orally may also contain certain financial measures not calculated in accordance with generally accepted accounting principles (non-GAAP). The reconciliation of such measures to the most comparable GAAP measures in accordance with Regulation G is included in the earnings release and Third Quarter 2021 Financial Supplement available in the Investor Information section of AIG’s corporate website, [www.aig.com](http://www.aig.com), as well as in the Appendix to this presentation.

Note: Amounts presented may not foot due to rounding.





# 3Q21 results reflect continuous improvement in General Insurance underwriting results and strong Life and Retirement results

## 3Q21 Financial Results

- Adjusted after-tax income attributable to AIG common shareholders (AATI)\* was \$837M, or \$0.97 per diluted common share, compared to \$708M, or \$0.81 per diluted common share, in 3Q20
- Net income attributable to AIG common shareholders was \$1.7B, or \$1.92 per diluted common share, compared to a net income of \$281M, or \$0.32 per diluted common share, in 3Q20; the increase was primarily due to net realized gains compared to losses in 3Q20 and overall strong General Insurance underwriting results, including lower catastrophe losses, net of reinsurance (CATs); these pre-tax increases were partially offset by Life and Retirement, which had higher Deferred Acquisition cost (DAC) amortization principally due to the impact of the annual assumption review which was partially offset by the gain from the sale of our retail mutual fund business and higher income tax expense primarily due to higher income from operations
- Return on common equity (ROCE) and Adjusted ROCE\* were 10.2% and 6.5%, respectively, on an annualized basis for 3Q21
- As of September 30, 2021, book value per common share was \$77.03, an increase of 0.7% from December 31, 2020. Adjusted book value per common share\* was \$61.80, an increase of 8.4% from December 31, 2020. Adjusted tangible book value per common share\* was \$55.89, an increase of 9.2% from December 31, 2020
- Total Net Investment Income (NII) on an adjusted pre-tax income (APTI) basis\* of \$3.3B, an increase of 2% compared to 3Q20 reflecting higher private equity income

## General Insurance

- General Insurance net premiums written (NPW) increased by 11% to \$6.6B from 3Q20 (10% on a constant dollar basis) driven by 17% growth in Global Commercial Lines (15% on a constant dollar basis)
- General Insurance APTI of \$811M; the combined ratio was 99.7, a 7.5 point improvement from 3Q20, primarily due to strong underwriting results across the portfolio, including lower CATs and reinstatement premiums
- General Insurance Accident Year Combined Ratio (AYCR), as adjusted\* was 90.5, a 2.8 point improvement from 3Q20 due to improved North America (NA) and International Commercial Lines and NA Personal Insurance underwriting results

## Life and Retirement

- Life and Retirement APTI of \$877M (down 13% from 3Q20) reflects higher net investment income and fee income, offset by impacts from the annual actuarial assumption update and unfavorable mortality
- Life and Retirement recorded a \$166M unfavorable impact, on an APTI basis, for the annual actuarial assumption update, an additional unfavorable impact of \$43M reflecting net realized losses and DAC related to guaranteed minimum withdrawal benefits on variable annuities, results in a net unfavorable impact of \$209M to pre-tax income compared to a net charge of \$9M in 3Q20
- Annualized return on adjusted segment common equity\* of 12.2%
- Separation of the Life and Retirement business from AIG continued, with the sale of a 9.9% equity stake for \$2.2 billion in cash recently completed and an IPO on track for 2022

## Capital Management

- \$5.3B AIG Parent liquidity at September 30, 2021, was down from \$7.2B at June 30, 2021, principally reflecting share repurchases and debt redemption completed in the quarter
- In 3Q21 AIG repurchased \$1.1B of common stock (~20M shares) and redeemed \$1.5B of debt
- Total debt and preferred stock leverage was 26.1% at September 30, 2021

\* Refers to financial measure not calculated in accordance with generally accepted accounting principles (Non-GAAP); definitions and abbreviations of Non-GAAP measures and reconciliations to their closest GAAP measures can be found in this presentation under the heading Glossary of Non-GAAP Financial Measures and Non-GAAP Reconciliations.



Copyright © 2021 by American International Group, Inc. All rights reserved. No part of this document may be reproduced, republished or reposted without the permission of AIG.

# APTI of \$1.1B improved, due to 2.8 points of improvement in AYCR, as adjusted and continued strong Life and Retirement results

- **General Insurance** APTI of \$811M reflects strong underwriting results; the combined ratio was 99.7, a 7.5 point improvement from 3Q20, primarily due to strong underwriting results across the portfolio, including lower CATs and reinstatement premiums
- **Life and Retirement** reported APTI of \$877M for 3Q21, compared to \$1.0B in 3Q20; 3Q21 included a \$166M unfavorable impact from the annual actuarial assumption update, unfavorable mortality, higher general operating expenses (GOE) and increases in deferred policy acquisition costs amortization and reserves primarily in Individual Retirement and Group Retirement, partially offset by higher fee income as well as strong alternative investment income across all segments; Life Insurance APTI of \$134M, up \$102M from \$32M in the 3Q20 primarily reflecting favorable impacts from the annual actuarial assumption update, partially offset by unfavorable mortality
- **Other Operations** adjusted pre-tax loss\* (APTL) was \$562M in 3Q21, including \$192M of reductions from consolidation and eliminations, compared to APTL of \$508M, including \$140M of reductions from consolidation and eliminations, in 3Q20; The increase in consolidation and eliminations reflects the impact of consolidated investment entities principally reflecting adjustments offsetting investment returns in the subsidiaries which are then eliminated in Other Operations

1) Other Operations is primarily comprised of corporate, our institutional asset management business and consolidation and eliminations.

\* Refers to financial measure not calculated in accordance with generally accepted accounting principles (Non-GAAP); definitions and abbreviations of Non-GAAP measures and reconciliations to their closest GAAP measures can be found in this presentation under the heading Glossary of Non-GAAP Financial Measures and Non-GAAP Reconciliations.



Copyright © 2021 by American International Group, Inc. All rights reserved. No part of this document may be reproduced, republished or reposted without the permission of AIG.

(\$M, except per common share amounts)	3Q20	3Q21	Variances
<b>Adjusted Pre-tax Income (Loss):</b>			
General Insurance	\$416	\$811	\$395
Life and Retirement	1,008	877	(131)
Other Operations <sup>1</sup>	(508)	(562)	(54)
<b>Total adjusted pre-tax income</b>	<b>\$916</b>	<b>\$1,126</b>	<b>\$210</b>
<b>AATI attributable to AIG common shareholders</b>	<b>\$708</b>	<b>\$837</b>	<b>\$129</b>
<b>AATI per diluted share attributable to AIG common shareholders</b>	<b>\$0.81</b>	<b>\$0.97</b>	<b>\$0.16</b>
<b>Net income (loss) attributable to AIG common shareholders</b>	<b>\$281</b>	<b>\$1,660</b>	<b>\$1,379</b>
<b>Book value per common share</b>	<b>\$73.86</b>	<b>\$77.03</b>	<b>4.3%</b>
<b>Adjusted book value per common share</b>	<b>\$56.78</b>	<b>\$61.80</b>	<b>8.8%</b>
<b>Adjusted tangible book value per common share</b>	<b>\$51.01</b>	<b>\$55.89</b>	<b>9.6%</b>
<b>Net income (loss) attributable to noncontrolling interests</b>	<b>\$11</b>	<b>\$70</b>	<b>\$59</b>
<b>Total adjusted return on common equity</b>	<b>5.8%</b>	<b>6.5%</b>	<b>0.7%</b>
<b>General Insurance Underwriting Ratios:</b>			
Loss ratio	74.6%	68.4%	6.2%
<i>Less: impact on loss ratio</i>			
Catastrophe losses and reinstatement premiums	(13.5%)	(9.7%)	3.8%
Prior year development (PYD)	(0.4%)	0.5%	0.9%
<b>Accident year loss ratio (AYLR), as adjusted</b>	<b>60.7%</b>	<b>59.2%</b>	<b>1.5%</b>
Expense ratio	32.6%	31.3%	1.3%
<b>Combined ratio</b>	<b>107.2%</b>	<b>99.7%</b>	<b>7.5%</b>
<b>Accident year combined ratio, as adjusted</b>	<b>93.3%</b>	<b>90.5%</b>	<b>2.8%</b>

# 3Q20 and 3Q21 noteworthy items

(\$M, except per share amounts)	3Q20			3Q21		
	Pre-tax	After-tax <sup>1</sup>	EPS – diluted <sup>2</sup>	Pre-tax	After-tax <sup>1</sup>	EPS – diluted <sup>2</sup>
CATs excluding General Insurance COVID-19 <sup>3</sup>	\$618	\$488	\$0.56	\$646	\$510	\$0.59
General Insurance COVID-19 CATs	185	146	0.17	-	-	-
Reinstatement premiums related to current year catastrophes	(2)	(2)	(0.00)	(10)	(8)	(0.01)
Favorable (unfavorable) PYD <sup>4</sup>	(13)	(10)	(0.01)	50	40	0.05
Annual Life and Retirement actuarial assumption	107	85	0.10	166	131	0.15
<b>Investment performance:</b>						
Better/(worse) than expected alternative investment returns – consolidated <sup>5,6</sup>	352	278	0.32	483	382	0.44
Better/(worse) than expected fair value changes on fixed maturity securities – other accounted under fair value option (FVO) <sup>5</sup>	132	104	0.12	(14)	(11)	(0.01)

1) Computed using a U.S. statutory tax rate of 21%.

2) Computed using weighted average diluted shares on an operating basis, which is provided on page 7 of the 3Q21 Financial Supplement.

3) 3Q21 includes \$628M of CATs, pre-tax in General Insurance and \$35M of CATs, pre-tax in Other Operations primarily related to Blackboard.

4) 3Q21 includes \$50M of favorable PYD, pre-tax in General Insurance.

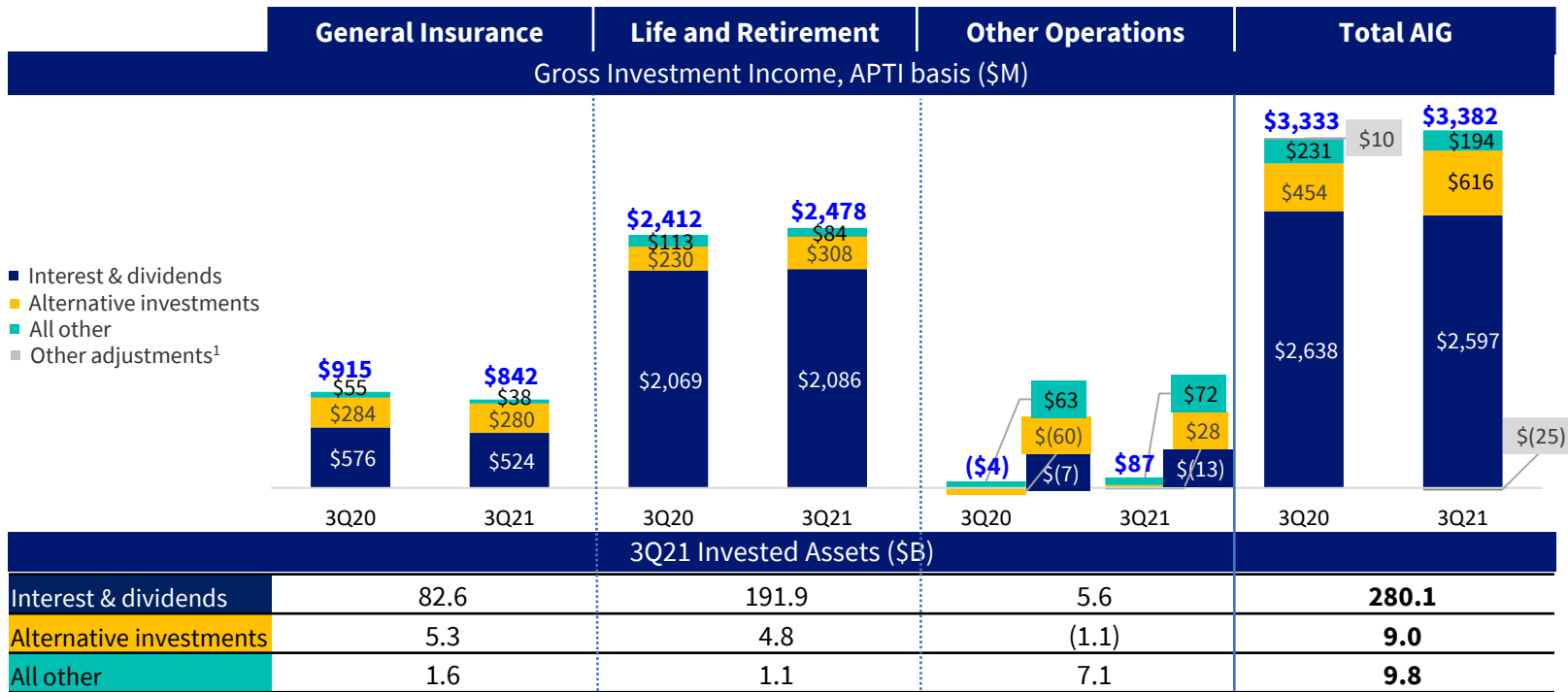
5) The annualized expected rate of return for both 3Q20 and 3Q21 is 6% for alternative investments and 4% for FVO fixed maturity securities, respectively, pre-tax.

6) Presented on a consolidated AIG basis, which consists of General Insurance, Life and Retirement and Other Operations, including consolidation and eliminations.

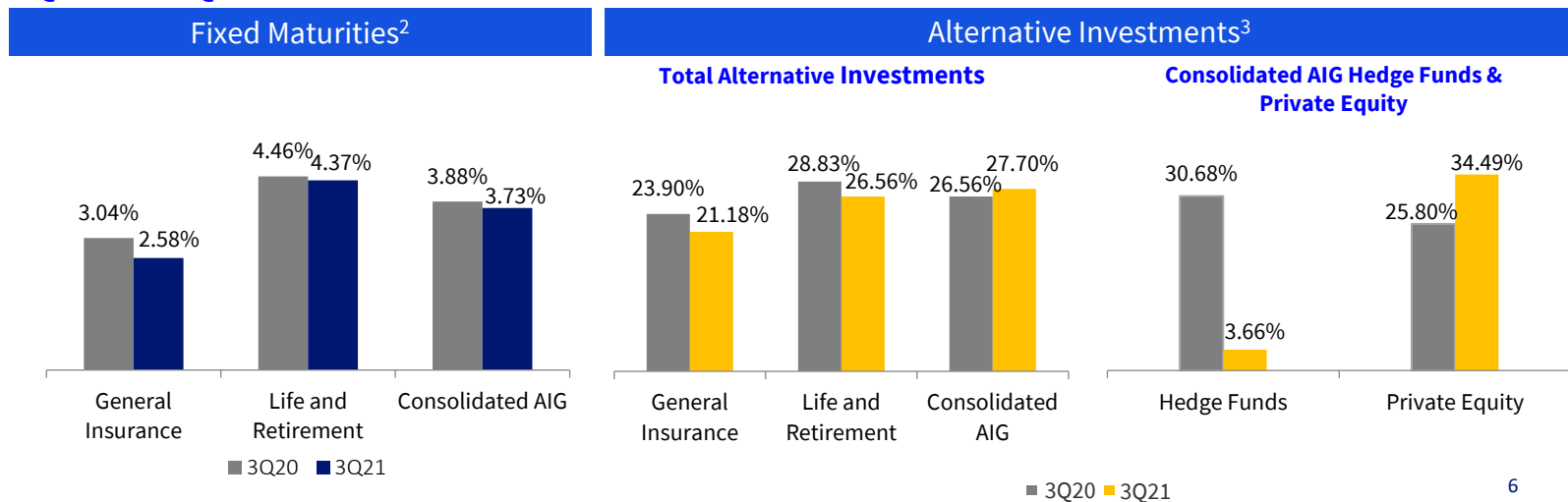


Gross investment income (GII),  
APTI basis\*, increased \$49M  
or 1%

### Invested Assets & Gross Investment Income, APTI Basis



### 3Q21 and 3Q20 Annualized Investment Yields



- 1) Other adjustments include net realized gains related to economic hedges and other.
- 2) Interest and dividends include amounts related to commercial mortgage loan prepayments and call and tender income; Life and Retirement annualized yields include yield on collateral related to hedging program.
- 3) Alternative investment income includes income on hedge funds, private equity funds and affordable housing partnerships.

\* Refers to financial measure not calculated in accordance with generally accepted accounting principles (Non-GAAP); definitions and abbreviations of Non-GAAP measures and reconciliations to their closest GAAP measures can be found in this presentation under the heading Glossary of Non-GAAP Financial Measures and Non-GAAP Reconciliations.

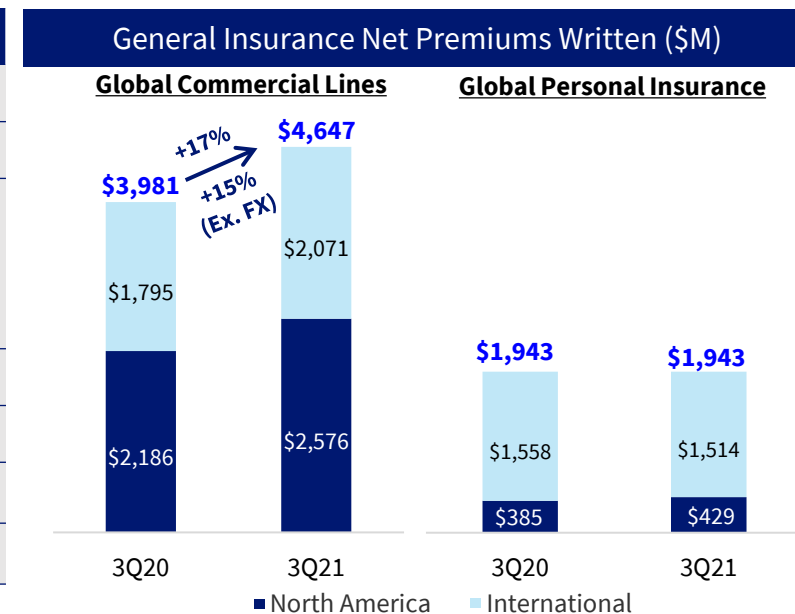


Copyright © 2021 by American International Group, Inc. All rights reserved.  
No part of this document may be reproduced, republished or reposted  
without the permission of AIG.

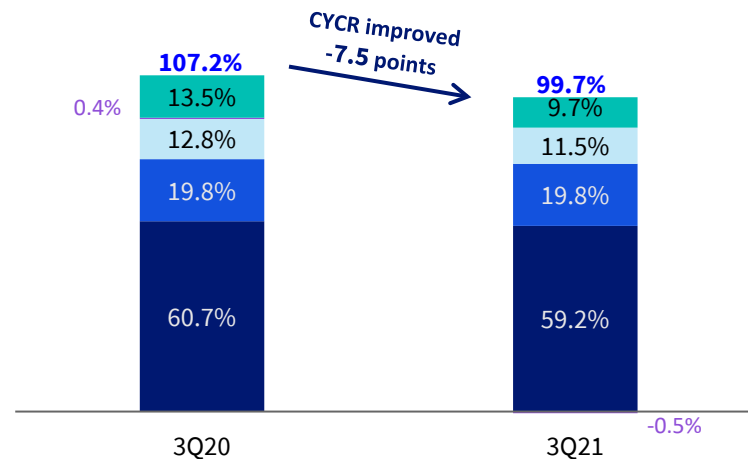
# General Insurance: Global Commercial Lines NPW grew 17%; AYCR, as adjusted improved by 2.8 points in 3Q21

- General Insurance AYCR, as adjusted was 90.5, a 2.8 point improvement from 3Q20 due to improved NA and International Commercial Lines and NA Personal Insurance underwriting
- General Insurance NPW increased by 11% to \$6.6B from 3Q20 (10% on a constant dollar basis)

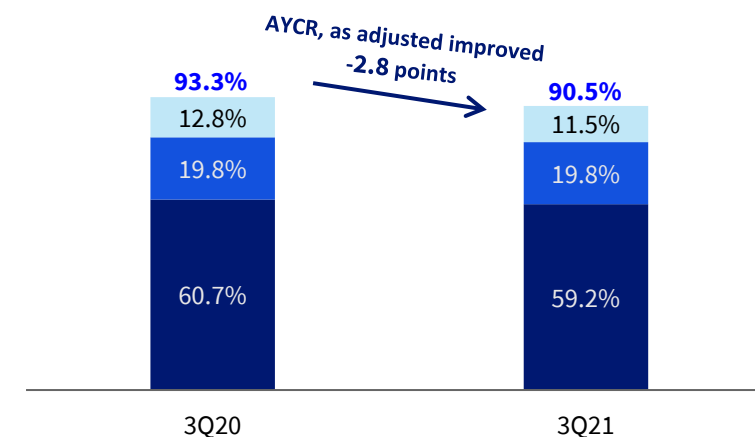
(\$M)	3Q20	3Q21
Net premiums written	\$5,924	\$6,590
Net premiums earned	\$5,853	\$6,423
Loss and loss adjustment expense	4,367	4,392
Acquisition expenses	1,157	1,272
General operating expenses	752	739
Underwriting income (loss)	(\$423)	\$20
Net investment income	\$839	\$791
Adjusted pre-tax income	\$416	\$811
Note: Impact of CATs, pre-tax	(\$790)	(\$628)



## Calendar Year Combined Ratios (CYCR)



## Accident Year Combined Ratio (AYCR), as adjusted



# General Insurance: North America NPW growth of 17% along with 5.7 points of AYCR, as adjusted improvement

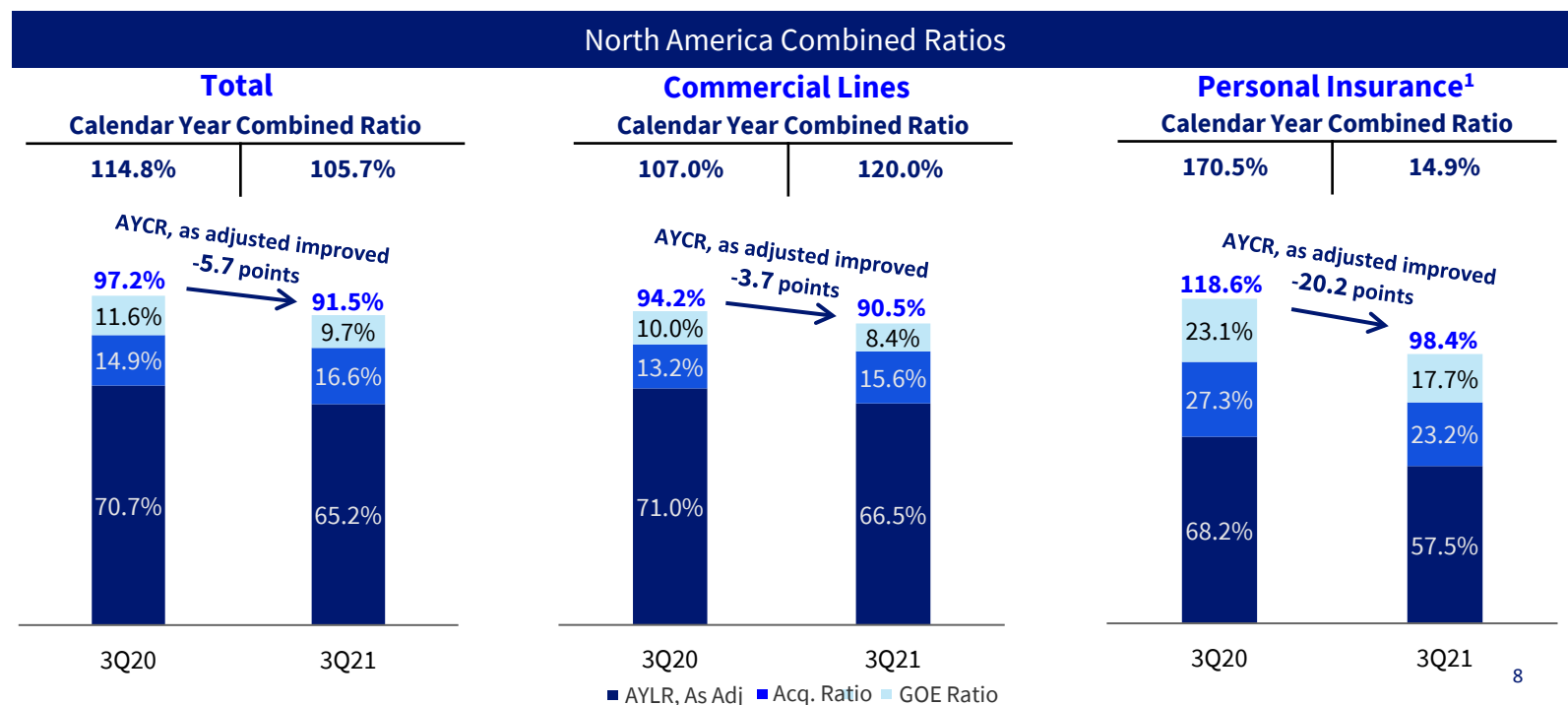
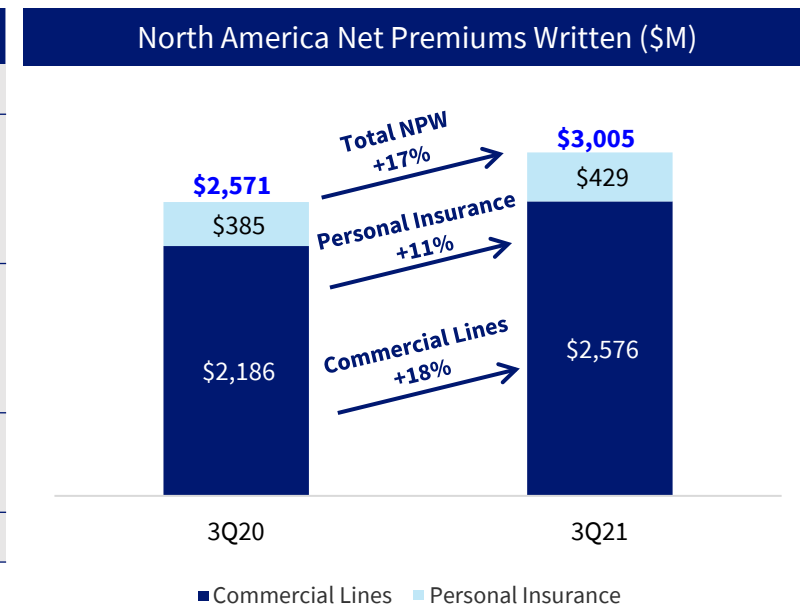
- **NA Commercial Lines NPW** grew 18% from 3Q20 reflecting strong rate improvement, higher renewal retentions and strong new business volumes as well as reductions in reinsurance cessions
- **NA Personal Insurance NPW** grew 11% from 3Q20 reflecting growth in Travel and Warranty business driven by a rebound in consumer spending, partially offset by lower Private Client Group (PCG) business driven by underwriting actions taken to improve our portfolio mix and rate adequacy
- **NA Commercial Lines AYCR**, as adjusted, improved 3.7 points to 90.5% reflecting changes in business mix along with strong rate improvement, focused risk selection and improved terms and conditions
- **NA Personal Insurance AYCR**, as adjusted, improved 20.2 points to 98.4% reflecting improved attritional PCG loss experience and a rebound in travel activity
- **CATs** of \$450M primarily related to Hurricane Ida vs. \$578M in 3Q20
- Favorable **PYD** of \$49M with favorable PYD of \$392M in Personal Insurance and unfavorable PYD of \$343M in Commercial Lines

1) Personal Insurance not drawn to scale.



Copyright © 2021 by American International Group, Inc. All rights reserved. No part of this document may be reproduced, republished or reposted without the permission of AIG.

(\$M)	3Q20	3Q21
<b>Net premiums written</b>	<b>\$2,571</b>	<b>\$3,005</b>
Commercial Lines	2,186	2,576
Personal Insurance	385	429
<b>Net premiums earned</b>	<b>\$2,494</b>	<b>\$2,907</b>
Commercial Lines	2,186	2,511
Personal Insurance	308	396
<b>Underwriting income (loss)</b>	<b>(\$370)</b>	<b>(\$166)</b>
Commercial Lines	(153)	(503)
Personal Insurance	(217)	337
<b>Note: Impact of CATs, pre-tax</b>	<b>(\$578)</b>	<b>(\$450)</b>

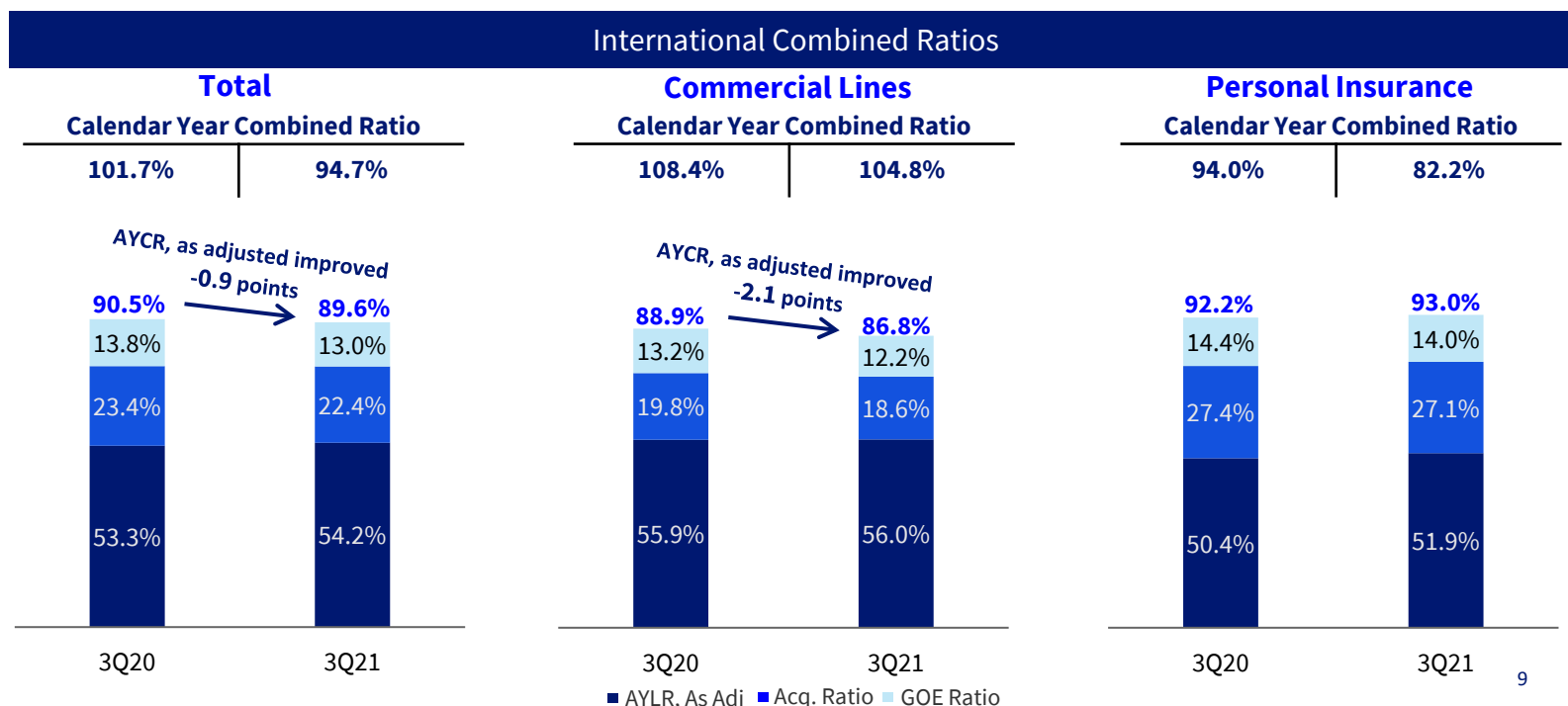
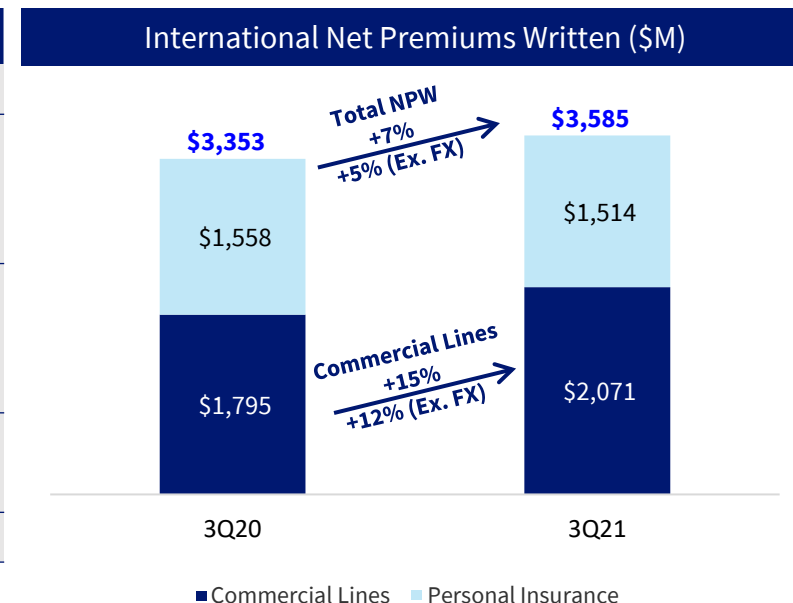




# General Insurance: Strong International Commercial Lines NPW growth of 15% along with 2.1 points of Commercial Lines AYCR, as adjusted improvement

- **International Commercial Lines NPW** grew 15% (12% on a constant dollar basis) compared to 3Q20, reflecting strong rate improvement, higher renewal retentions and strong new business production
- **International Personal Insurance NPW** decreased 3% (3% on a constant dollar basis) compared to 3Q20, reflecting underwriting actions taken to improve our portfolio mix and to maintain rate adequacy, partially offset by growth in Travel due to rebound in travel activity
- **International Commercial Lines AYCR, as adjusted**, improved 2.1 points primarily from expense discipline supported by enhanced risk selection and changes in business mix
- **International Personal Insurance AYCR, as adjusted**, deteriorated 0.8 points due to non-repeating COVID-19 related frequency benefits experienced in 3Q20, mitigated by expense discipline
- **CATs** of \$178M primarily related to UK & European flooding and Hurricane Ida; vs. \$212M in 3Q20
- Favorable **PYD** of \$1M with \$211M favorable PYD in Personal Insurance offset by \$210M unfavorable PYD in Commercial Lines

(\$M)	3Q20	3Q21
<b>Net premiums written</b>	<b>\$3,353</b>	<b>\$3,585</b>
Commercial Lines	1,795	2,071
Personal Insurance	1,558	1,514
<b>Net premiums earned</b>	<b>\$3,359</b>	<b>\$3,516</b>
Commercial Lines	1,770	1,943
Personal Insurance	1,589	1,573
<b>Underwriting income (loss)</b>	<b>(\$53)</b>	<b>\$186</b>
Commercial Lines	(148)	(94)
Personal Insurance	95	280
<b>Note: Impact of CATs, pre-tax</b>	<b>(\$212)</b>	<b>(\$178)</b>



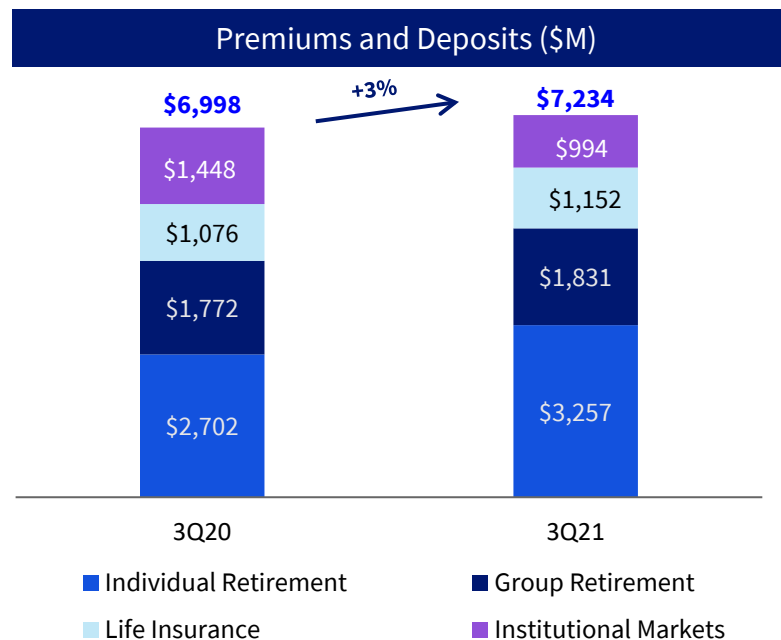
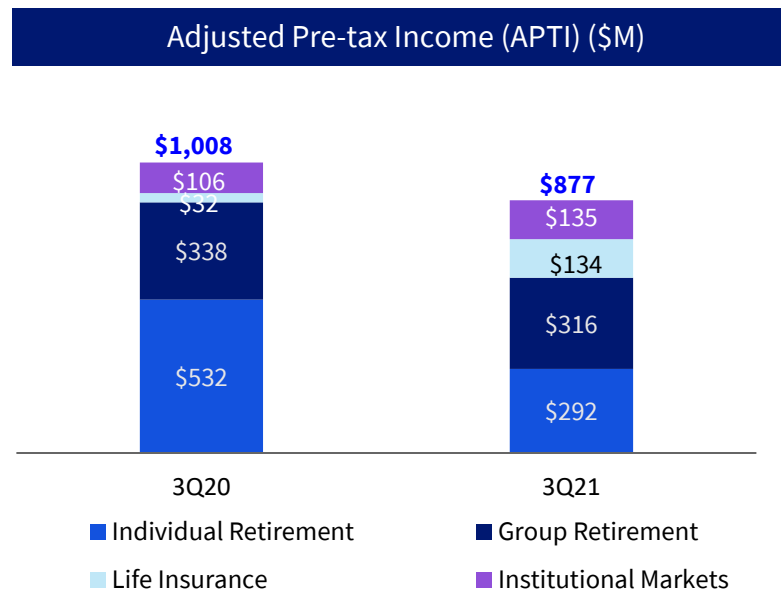
# Life and Retirement: Favorable net investment income and fee income, more than offset by unfavorable impact from annual actuarial assumption update and mortality

- **APTI** is lower primarily due to:
  - Unfavorable annual actuarial assumption update; and
  - Unfavorable mortality
  - These APTI decreases were partially offset by:
    - Higher alternative investment income and higher fee income; and
    - Higher call and tender income and commercial mortgage loan prepayments
- **Premiums and deposits** benefited from improved Index and Variable Annuity sales as well as higher pension risk transfer sales partially offset by lower guaranteed investment contracts issuance

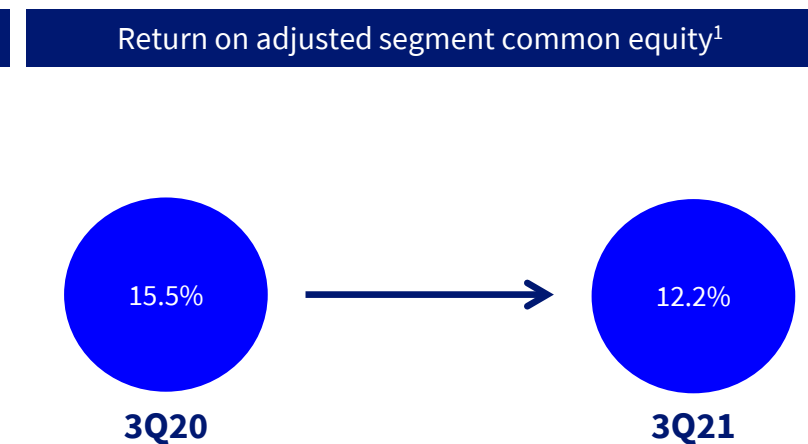
1) Return on adjusted segment common equity is on an annualized basis.



Copyright © 2021 by American International Group, Inc. All rights reserved. No part of this document may be reproduced, republished or reposted without the permission of AIG.



Noteworthy Items (\$M)	Noteworthy Items (\$M)		
	3Q20	3Q21	Variance
Annual actuarial assumption updates	(\$107)	(\$166)	(\$59)
Return on alternative investments	230	308	78
Other yield enhancements	223	248	25
Includes:			
Fair value changes on Fixed Maturity Securities- Other accounted under FVO	49	1	(48)
All other yield enhancements	174	247	73



Life and Retirement: Third consecutive quarter of net inflows in Individual Retirement<sup>1</sup>; Group Retirement net outflows were elevated due to higher surrenders

1) Three consecutive quarters of net inflows exclude net outflows associated with the Retail Mutual Fund business.

2) Includes Retail Mutual Funds.



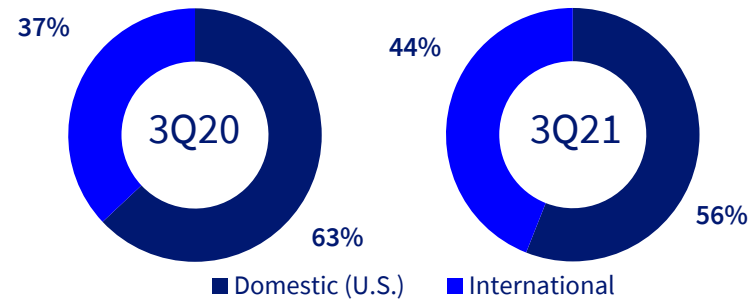
Copyright © 2021 by American International Group, Inc. All rights reserved. No part of this document may be reproduced, republished or reposted without the permission of AIG.



Life and Retirement: Life Insurance had favorable impact from annual actuarial assumption update, partially offset by unfavorable mortality; Institutional Markets had strong reserve growth

Life Insurance			<b>3Q21 vs 3Q20 APTI reflects</b> <b>Favorable impacts from:</b> ▪ Year-over-year change for annual actuarial assumption updates <b>Unfavorable impacts from:</b> ▪ Unfavorable COVID-19 mortality, albeit substantially lower than high water mark at 1Q21
New Business Sales (\$M)	Premiums and Deposits	APTI (\$M)	
\$111 (+16% vs. 3Q20)	\$1,152 (+7% vs. 3Q20)	\$134 n.m.	

**New Business Sales Mix**



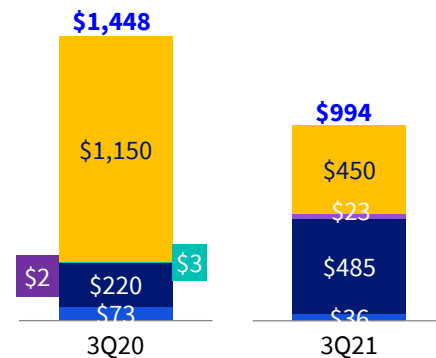
**Other Key Metrics**

**Favorable impacts from:**

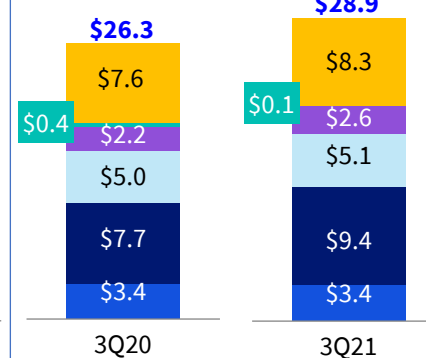
- Premiums and deposits continue to benefit from solid international life sales

Institutional Markets		<b>3Q21 vs 3Q20 APTI reflects</b> <b>Favorable impacts from:</b> ▪ Higher call and tender income ▪ Higher net investment income driven by reserve growth
APTI (\$M)		
\$135 (+27% vs. 3Q20)		

**Premiums and Deposits (\$M)**



**GAAP Reserves (\$B)**



**Other Key Metrics**

**Favorable impacts from:**

- Continued year-over-year reserve growth, notably in PRT and GIC businesses





# Life and Retirement: 3Q21 actuarial assumption update

- **Individual Retirement** primarily reflects DAC true-up arising from portfolio spread projections on our fixed annuity blocks of business
- **Group Retirement** mainly reflects DAC true-up arising from portfolio spread projections, offset by resetting of variable annuity reversion to the mean assumptions from stronger fund performance
- **Life Insurance** benefit largely reflects favorable refinements to unearned revenue reserve amortization, partially offset by DAC true up arising from portfolio spread projections
- **Net realized gain (loss)** charge reflects model methodology refinements on variable annuity blocks, assumption updates on Volatility Index-dependent rider fees, as well as surrender and mortality assumption updates based on 2021 experience studies

Annual Actuarial Assumption Review (\$M)	3Q21
Individual Retirement	(\$270)
Group Retirement	(2)
Life Insurance	106
Institutional Markets	-
<b>Adjusted pre-tax income</b>	<b>(\$166)</b>
Net realized gain (loss), net of Deferred acquisition cost (DAC)	(43)
<b>Pre-tax income</b>	<b>(\$209)</b>



## Other Operations: APTL increased due in-part to the impact of consolidated investment entities

- Other Operations APTL was \$562M in 3Q21, including \$192M of reductions from consolidation and eliminations, compared to APTL of \$508M, including \$140M of reductions from consolidation and eliminations, in 3Q20; The increase in consolidation and eliminations in APTL reflects the impact of consolidated investment entities principally reflecting adjustments offsetting investment returns in the subsidiaries which are then eliminated in Other Operations
- Before consolidation and eliminations, the increase in APTL reflects higher corporate GOE primarily driven by increases in performance-based employee compensation, partially offset by higher net investment income and lower corporate interest expense resulting from year-to-date debt redemption activity

(\$M)	3Q20	3Q21
Corporate and Other	(\$395)	(\$583)
Asset Management	27	213
<b>Adjusted pre-tax loss before consolidation and eliminations</b>	<b>(\$368)</b>	<b>(\$370)</b>
Consolidation and eliminations:		
Consolidation and eliminations – consolidated investment entities	(131)	(188)
Consolidation and eliminations – Other	(9)	(4)
Total Consolidation and eliminations	(140)	(192)
<b>Adjusted pre-tax loss</b>	<b>(\$508)</b>	<b>(\$562)</b>

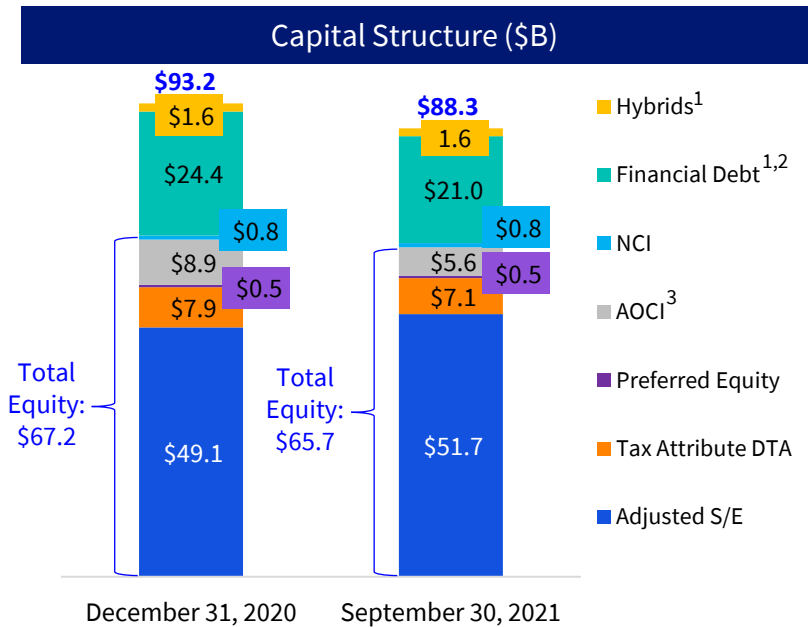
# Financial flexibility remains strong with reduced debt and \$5.3B of Parent liquidity at September 30, 2021

- Total debt & preferred stock leverage of 26.1%
- Net proceeds from the Blackstone transactions will result in additional liquidity of ~\$6.2B to AIG

- 1) Hybrids and financial debt values include changes in foreign exchange.
- 2) Includes AIG notes, bonds, loans and mortgages payable, AIG Life Holdings, Inc. (AIGLH) notes and bonds payable and junior subordinated debt, and Validus notes and bonds payable.
- 3) December 31, 2020, AOCI is computed as GAAP AOCI of \$13.5B excluding \$4.7B of cumulative unrealized gains and losses related to Fortitude Re funds withheld assets; September 30, 2021 AOCI is computed as GAAP AOCI of \$8.6B excluding \$3.0B of cumulative unrealized gains and losses related to Fortitude Re funds withheld assets.
- 4) The inclusion of RBC measures is intended solely for the information of investors and is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities. ACL is defined as Authorized Control Level and CAL is defined as Company Action Level. RBC ratio for Domestic Life and Retirement companies excludes holding company, AGC Life Insurance Company.
- 5) Preliminary range subject to change with completion of statutory closing process. Life and Retirement and General Insurance fleet RBC ratio expected to be negatively impacted by approximately 10 and 2 RBC points by year end, respectively due to the NAIC proposal to change bond and real estate RBC capital factors. This impact is not reflected in the estimate range shown above.
- 6) As of the date of this presentation: S&P Outlook: CreditWatch Negative, with the exception of the Life Insurance Companies, which is CreditWatch Developing; Moody's Outlook: Stable, with the exception of Life Insurance Companies, which is Negative; Fitch Outlook: Stable, Non-Life and Life Companies; Rating Watch Negative, AIG Sr. Debt; A.M. Best Outlook: Stable. For General Insurance companies FSR and Life and Retirement companies FSR, ratings only reflect those of the core insurance companies.



Copyright © 2021 by American International Group, Inc. All rights reserved. No part of this document may be reproduced, republished or reposted without the permission of AIG.



Capital Ratios		
Ratios:	Dec. 30, 2020	Sept. 30, 2021
Hybrids / Total capital	1.7%	1.8%
Financial debt / Total capital (incl. AOCI)	26.2%	23.8%
Total hybrids & Financial debt / Total capital	27.9%	25.6%
Preferred stock / Total capital (incl. AOCI)	0.5%	0.5%
Total debt & preferred stock / Total capital (incl. AOCI)	28.4%	26.1%
Total debt & preferred stock / Total capital (ex. AOCI) <sup>3*</sup>	31.4%	27.9%

Risk Based Capital (RBC) Ratios <sup>4</sup>		
Period	Life and Retirement Companies	General Insurance Companies
Year-end 2020	433% (CAL)	460% (ACL)
3Q21 Estimated <sup>5</sup>	440%- 450% (CAL)	450%- 460% (ACL)
Pending finalization of Statutory financials		

Credit Ratings <sup>6</sup>				
	S&P	Moody's	Fitch	A.M. Best
<b>AIG – Senior Debt</b>	BBB+	Baa2	BBB+	NR
<b>General Insurance – FSR</b>	A+	A2	A	A
<b>Life and Retirement – FSR</b>	A+	A2	A+	A

# AIG 200: Continued execution of global, multi-year initiative to achieve transformational change

- Estimated run-rate net general operating expense exit savings of \$1B by end of 2022
- Achieved run-rate savings of \$670M since program began in 2020

General Insurance	1	The <b>Standard Commercial Underwriting Platform</b> will modernize global underwriting capabilities by simplifying processes and tools to create a contemporary data architecture
	2	Transform <b>Japan business</b> into a next-generation digital insurance company with the ability to offer “anywhere, anytime, any device” experience
	3	Improve decision-making in <b>Private Client Group</b> through modernizing legacy technology and moving to digitized workloads
Shared Services	4	Create <b>AIG Global Operations</b> , a multifunctional, fully integrated operating model with digitally enabled end-to-end process and increased scope and scale
Information Technology	5	Transform <b>IT operating model</b>
	6	Build a modern, scalable and secure <b>technology foundation</b> to improve operational stability and enable faster business technology deployment
Finance	7	Transform <b>Finance operating model</b>
	8	Modernize infrastructure through technology solutions and simplify <b>finance and actuarial processes</b> , while materially improving <b>analytics capabilities</b>
Procurement	9	Create a highly efficient <b>global procurement and sourcing organization</b> to leverage our purchasing power, maximize value, minimize risk, and support sustained profitable growth
Real Estate	10	<b>Optimize portfolio</b> to ensure it is cost effective, resilient and reflective of global footprint

AIG 200 Costs to Achieve and GOE Benefits						
	2020-3Q21 Actual	3Q21 Actual	Targets			
(\$M)			2021E	2022E	Total	Comments
Investment / Costs to Achieve						
Capitalized assets, not in APTI initially	~\$185	~\$50	\$200	\$120	\$400	Amortized / depreciated in GOE / APTI when IT or capital asset placed into service <sup>1</sup>
Restructuring and Other charges, offset by Gain on Sale, in Net Income	~\$340	~\$60	\$300	\$450	\$900	Modest impact to APTI; primarily related to professional, IT and other restructuring fees, offset by gain on sale on divested entities
Total investment	~\$525	~\$110	\$500	\$570	\$1,300	
Run-rate net GOE savings, cumulative <sup>1</sup>	~\$660	~\$120	\$650	\$1,000		Estimated exit run-rate savings will emerge over a period of time, which began in 2020, as a result of actions taken in the AIG 200 program
Net benefit to APTI	~\$400	~\$105				Estimated APTI benefit as a result of actions taken in the AIG 200 program

1) Targets assume estimated amortization / depreciation related to the capitalized assets of ~\$10M-\$15M and ~\$25M-\$30M for 2021 and 2022, respectively. Targets assume that the unamortized balance will be expensed at ~\$50M per year from 2023-2027 and the remainder will trail off in the periods thereafter.







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

# Glossary of Non-GAAP Financial Measures

## Glossary of Non-GAAP

Throughout this presentation, we present our financial condition and results of operations in the way we believe will be most meaningful and representative of our business results. Some of the measurements we use are “Non-GAAP financial measures” under Securities and Exchange Commission rules and regulations. GAAP is the acronym for generally accepted accounting principles in the United States. The non-GAAP financial measures we present may not be comparable to similarly-named measures reported by other companies. The reconciliations of such measures to the most comparable GAAP measures in accordance with Regulation G are included within the relevant tables or in the Third Quarter 2021 Financial Supplement available in the Investor Information section of AIG’s website, [www.aig.com](http://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. net reserve discount change and returns on alternative investments).

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

- **Adjusted Pre-tax Income (APTI)** is derived by excluding the items set forth below from income from continuing operations before income tax. This definition is consistent across our segments. These items generally fall into one or more of the following broad categories: legacy matters having no relevance to our current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that we believe to be common to the industry. APTI is a GAAP measure for our segments. Excluded items include the following:
  - changes in fair value of securities used to hedge guaranteed living benefits;
  - changes in benefit reserves and deferred policy acquisition costs (DAC), value of business acquired (VOBA), and sales inducement assets (SIA) related to net realized gains and losses;
  - changes in the fair value of equity securities;
  - net investment income on Fortitude Re funds withheld assets held by AIG in support of Fortitude Re’s reinsurance obligations to AIG post deconsolidation of Fortitude Re (Fortitude Re funds withheld assets);
  - following deconsolidation of Fortitude Re, net realized gains and losses on Fortitude Re funds withheld assets;
  - loss (gain) on extinguishment of debt;
  - all net realized gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication. Earned income on such economic hedges is reclassified from net realized gains and losses to specific APTI line items based on the economic risk being hedged (e.g. net investment income and interest credited to policyholder account balances);
  - income or loss from discontinued operations;
  - net loss reserve discount benefit (charge);
  - pension expense related to a one-time lump sum payment to former employees;
  - income and loss from divestitures;
  - non-operating litigation reserves and settlements;
  - restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization;
  - the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain;
  - integration and transaction costs associated with acquiring or divesting businesses;
  - losses from the impairment of goodwill; and
  - non-recurring costs associated with the implementation of non-ordinary course legal or regulatory changes or changes to accounting principles.
- **Adjusted After-tax Income attributable to AIG Common Shareholders (AATI)** is derived by excluding the tax effected adjusted pre-tax income (APTI) adjustments described above, dividends on preferred stock, and the following tax items from net income attributable to AIG:
  - deferred income tax valuation allowance releases and charges;
  - changes in uncertain tax positions and other tax items related to legacy matters having no relevance to our current businesses or operating performance; and
  - net tax charge related to the enactment of the Tax Cuts and Jobs Act (Tax Act);
 and by excluding the net realized gains (losses) and other charges from noncontrolling interests.





# Glossary of Non-GAAP Financial Measures

## Glossary of Non-GAAP

- **Book Value per Common Share, Excluding Accumulated Other Comprehensive Income (Loss) (AOCI) adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets and Deferred Tax Assets (DTA) (Adjusted Book Value per Common Share)** is used to show the amount of our net worth on a per-common share basis after eliminating items that can fluctuate significantly from period to period including changes in fair value of AIG's available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. This measure also eliminates the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. In addition, we adjust for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets since these fair value movements are economically transferred to Fortitude Re. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in these book value per common share metrics. Adjusted Book Value per Common Share is derived by dividing Total AIG common shareholders' equity, excluding AOCI adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets, and DTA (**Adjusted Common Shareholders' Equity**), by total common shares outstanding.
- **Book Value per Common Share, Excluding Goodwill, Value of Business Acquired (VOBA), Value of Distribution Channel Acquired (VODA), Other Intangible Assets, AOCI adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets, and Deferred Tax Assets (DTA) (Adjusted Tangible Book Value per Common Share)** is used to provide more accurate measure of the realizable value of shareholder on a per-common share basis. Adjusted Tangible Book Value per Common Share is derived by dividing Total AIG common shareholders' equity, excluding intangible assets, AOCI adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets, and DTA (**Adjusted Tangible Common Shareholders' Equity**), by total common shares outstanding.
- **AIG Return on Common Equity (ROCE) – Adjusted After-tax Income Excluding AOCI adjusted for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets and DTA (Adjusted Return on Common Equity)** is used to show the rate of return on common shareholders' equity. We believe this measure is useful to investors because it eliminates items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. This measure also eliminates the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. In addition, we adjust for the cumulative unrealized gains and losses related to Fortitude Re funds withheld assets since these fair value movements are economically transferred to Fortitude Re. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Adjusted Return on Common Equity. Adjusted Return on Common Equity is derived by dividing actual or annualized adjusted after-tax income attributable to AIG common shareholders by average Adjusted Common Shareholders' Equity.
- **General Insurance and Life and Retirement Adjusted Segment Common Equity** is based on segment equity adjusted for the attribution of debt and preferred stock (Segment Common Equity) and is consistent with AIG's Adjusted Common Shareholders' Equity definition.
- **General Insurance and Life and Retirement Return on Adjusted Segment Common Equity – Adjusted After-tax Income (Return on Adjusted Segment Common Equity)** is used to show the rate of return on Adjusted Segment Common Equity. Return on Adjusted Segment Common Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Segment Common Equity.
- **Adjusted After-tax Income Attributable to General Insurance and Life and Retirement** is derived by subtracting attributed interest expense, income tax expense and attributed dividends on preferred stock from APTI. Attributed debt and the related interest expense and dividends on preferred stock are calculated based on our internal allocation model. Tax expense or benefit is calculated based on an internal attribution methodology that considers among other things the taxing jurisdiction in which the segments conduct business, as well as the deductibility of expenses in those jurisdictions.



# Glossary of Non-GAAP Financial Measures

## Glossary of Non-GAAP

- **Adjusted Revenues** exclude Net realized gains (losses), income from non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes). Adjusted revenues is a GAAP measure for our segments.
- **Ratios:** We, along with most property and casualty insurance companies, use the loss ratio, the expense ratio and the combined ratio as measures of underwriting performance. These ratios are relative measurements that describe, for every \$100 of net premiums earned, the amount of losses and loss adjustment expenses (which for General Insurance excludes net loss reserve discount), and the amount of other underwriting expenses that would be incurred. A combined ratio of less than 100 indicates underwriting income and a combined ratio of over 100 indicates an underwriting loss. Our ratios are calculated using the relevant segment information calculated under GAAP, and thus may not be comparable to similar ratios calculated for regulatory reporting purposes. The underwriting environment varies across countries and products, as does the degree of litigation activity, all of which affect such ratios. In addition, investment returns, local taxes, cost of capital, regulation, product type and competition can have an effect on pricing and consequently on profitability as reflected in underwriting income and associated ratios.
- **Accident year loss and accident year combined ratios, as adjusted:** both the accident year loss and accident year 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 on AIG in excess of \$10 million each and man-made catastrophe losses, such as terrorism and civil disorders that exceed the \$10 million threshold. We believe that as adjusted ratios are meaningful measures of our underwriting results on an ongoing basis as they exclude catastrophes and the impact of reserve discounting which are outside of management's control. We also exclude prior year development to provide transparency related to current accident year results.

Underwriting ratios are computed as follows:

- a) Loss ratio = Loss and loss adjustment expenses incurred ÷ Net premiums earned (NPE)
- b) Acquisition ratio = Total acquisition expenses ÷ NPE
- c) General operating expense ratio = General operating expenses ÷ NPE
- d) Expense ratio = Acquisition ratio + General operating expense ratio
- e) Combined ratio = Loss ratio + Expense ratio
- f) Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE +/- CYRIPs] – Loss ratio
- g) Accident year loss ratio, as adjusted (AYLR) = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/- Reinstatement premiums related to current year catastrophes (CYRIPs) +/- RIPs related to prior year catastrophes (PYRIPs) + (Additional) returned premium related to PYD on loss sensitive business ((AP)RP) + Adjustment for ceded premiums under reinsurance contracts related to prior accident years]
- h) Accident year combined ratio, as adjusted = AYLR + Expense ratio
- i) Prior year development net of (additional) return premium related to PYD on loss sensitive business = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/- CYRIPs +/- PYRIPs + (AP)RP] – Loss ratio – CAT ratio

- **Premiums and deposits:** includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts, Federal Home Loan Bank (FHLB) funding agreements and mutual funds.

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





# Non-GAAP Reconciliations- Adjusted Pre-tax and After-tax Income - Consolidated

(in millions)

## Pre-tax income from continuing operations

### Adjustments to arrive at Adjusted pre-tax income

Changes in fair value of securities used to hedge guaranteed living benefits	(15)	(26)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized gains (losses)	(78)	(9)
Changes in the fair value of equity securities	(119)	45
Loss (gain) on extinguishment of debt	(2)	51
Net investment income on Fortitude Re funds withheld assets	(458)	(495)
Net realized gains on Fortitude Re funds withheld assets	(32)	(190)
Net realized losses on Fortitude Re funds withheld embedded derivative	656	209
Net realized (gains) losses (a)	512	(652)
(Income) loss from divestitures	24	(102)
Non-operating litigation reserves and settlements	1	3
Favorable prior year development and related amortization changes ceded under retroactive reinsurance agreements	(30)	(115)
Net loss reserve discount (benefit) charge	(31)	72
Pension expense related to a one-time lump sum payment to former employees	-	27
Integration and transaction costs associated with acquiring or divesting businesses	1	11
Restructuring and other costs	100	104
Non-recurring costs related to regulatory or accounting changes	19	17

### Adjusted pre-tax income

Quarterly	
3Q20	3Q21
\$ 368	\$ 2,176
(15)	(26)
(78)	(9)
(119)	45
(2)	51
(458)	(495)
(32)	(190)
656	209
512	(652)
24	(102)
1	3
(30)	(115)
(31)	72
-	27
1	11
100	104
19	17
<b>\$ 916</b>	<b>\$ 1,126</b>

(a) Includes all net realized gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication and net realized gains and losses on Fortitude Re funds withheld assets.



# Non-GAAP Reconciliations- Adjusted Pre-tax and After-tax Income - Consolidated

(in millions)

## After-tax net income, including noncontrolling interests

Noncontrolling interests income

## Net income attributable to AIG

Dividends on preferred stock

## Net income attributable to AIG common shareholders

## Adjustments to arrive at Adjusted after-tax income (amounts net of tax, at U.S. statutory tax rate for each respective period, except where noted):

Changes in uncertain tax positions and other tax adjustments	(7)	(35)
Deferred income tax valuation allowance (releases) charges (a)	(8)	45
Changes in fair value of securities used to hedge guaranteed living benefits	(12)	(21)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized gains (losses)	(61)	(6)
Changes in the fair value of equity securities	(94)	38
Loss (gain) on extinguishment of debt	(1)	41
Net investment income on Fortitude Re funds withheld assets	(362)	(392)
Net realized gains on Fortitude Re funds withheld assets	(25)	(150)
Net realized losses on Fortitude Re funds withheld embedded derivative (c)	519	165
Net realized (gains) losses (b)(c)	423	(520)
(Income) loss from discontinued operations and divestitures (c)	5	(80)
Non-operating litigation reserves and settlements	1	3
Favorable prior year development and related amortization changes ceded under retroactive reinsurance agreements	(24)	(92)
Net loss reserve discount (benefit) charge	(25)	57
Pension expense related to a one-time lump sum payment to former employees	-	21
Integration and transaction costs associated with acquiring or divesting businesses	-	8
Restructuring and other costs	79	82
Non-recurring costs related to regulatory or accounting changes	15	13
Noncontrolling interests primarily related to net realized gains of Fortitude Holdings' standalone results (d)	4	-

## Adjusted after-tax income attributable to AIG common shareholders

## Weighted average diluted shares outstanding

## Income (loss) per common share attributable to AIG common shareholders (diluted)

## Adjusted after-tax income per common share attributable to AIG common shareholders (diluted)

Quarterly		
	3Q20	3Q21
\$	299	\$ 1,737
	(11)	(70)
\$	288	\$ 1,667
	7	7
\$	281	\$ 1,660
	(7)	(35)
	(8)	45
	(12)	(21)
	(61)	(6)
	(94)	38
	(1)	41
	(362)	(392)
	(25)	(150)
	519	165
	423	(520)
	5	(80)
	1	3
	(24)	(92)
	(25)	57
	-	21
	-	8
	79	82
	15	13
	4	-
\$	708	\$ 837
	873.1	864.0
\$	0.32	\$ 1.92
	0.81	0.97

(a) Three months ended September 30, 2021 includes an increase in the valuation allowance in certain foreign jurisdictions.

(b) Includes all net realized gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication and net realized gains and losses on Fortitude Re funds withheld assets.

(c) Includes the impact of non-U.S. tax rates which differ from the applicable U.S. statutory tax rate and tax-only adjustments.

(d) Prior to June 2, 2020, noncontrolling interests was primarily due to the 19.9 percent investment in Fortitude by an affiliate of The Carlyle Group L.P. (Carlyle), which occurred in the fourth quarter of 2018. Carlyle was allocated 19.9 percent of Fortitude Holdings' standalone financial results through the June 2, 2020 closing date of the Majority Interest Fortitude Sale. Fortitude Holdings' results were mostly eliminated in AIG's consolidated income from continuing operations given that its results arose from intercompany transactions. Noncontrolling interests was calculated based on the standalone financial results of Fortitude Holdings. The most significant component of Fortitude Holdings' standalone results was the change in fair value of the embedded derivatives which changes with movements in interest rates and credit spreads, and which was recorded in net realized gains and losses of Fortitude Holdings. In accordance with AIG's adjusted after-tax income definition, realized gains and losses are excluded from noncontrolling interests. Subsequent to the Majority Interest Fortitude Sale, AIG owns 3.5 percent of Fortitude Holdings and no longer consolidates Fortitude Holdings in its financial statements as of such date. The minority interest in Fortitude Holdings is carried at cost within AIG's Other invested assets, which was \$100 million as of September 30, 2021.



# Non-GAAP Reconciliations- Book Value Per Common Share and Return on Common Equity

## Book Value Per Common Share

(in millions, except per common share data)

### Book Value Per Common Share

	As of September 30,		December 31,
	2020	2021	2020
Total AIG shareholders' equity	\$ 64,108	\$ 64,863	\$ 66,362
Less: Preferred equity	485	485	485
Total AIG common shareholders' equity (a)	63,623	64,378	65,877
Less: Accumulated other comprehensive income (AOCI)	10,978	8,606	13,511
Add: Cumulative unrealized gains and losses related to Fortitude Re Funds Withheld Assets	4,392	2,966	4,657
Less: Deferred tax assets (DTA)*	8,123	7,083	7,907
Total adjusted common shareholders' equity (b)	\$ 48,914	\$ 51,655	\$ 49,116
Total common shares outstanding (c)	861.4	835.8	861.6
Book value per common share (a÷c)	\$ 73.86	\$ 77.03	\$ 76.46
Adjusted book value per common share (b÷c)	56.78	61.80	57.01

(in millions, except per common share data)

### Tangible Book Value Per Common Share

	As of September 30,		December 31,
	2020	2021	2020
Total AIG common shareholders' equity (a)	\$ 63,623	\$ 64,378	\$ 65,877
Less Intangible Assets:			
Goodwill	4,026	4,058	4,074
Value of business acquired	122	117	126
Value of distribution channel acquired	507	467	497
Other intangibles	322	302	319
Total intangibles assets	4,977	4,944	5,016
Less: Accumulated other comprehensive income (AOCI)	10,978	8,606	13,511
Add: Cumulative unrealized gains and losses related to Fortitude Re Funds Withheld Assets	4,392	2,966	4,657
Less: Deferred tax assets (DTA)*	8,123	7,083	7,907
Total adjusted tangible common shareholders' equity (b)	\$ 43,937	\$ 46,711	\$ 44,100
Total common shares outstanding (c)	861.4	835.8	861.6
Adjusted tangible book value per common share (b÷c)	51.01	55.89	51.18

## Return on Common Equity

(in millions)

### Return On Common Equity Computations

	Quarterly	
	3Q20	3Q21
Actual or Annualized net income attributable to AIG common shareholders (a)	\$ 1,124	\$ 6,640
Actual or Annualized adjusted after-tax income attributable to AIG common shareholders (b)	\$ 2,832	\$ 3,348
Average AIG Common Shareholders' equity (c)	\$ 62,686	\$ 64,988
Less: Average AOCI	10,074	9,408
Add: Average cumulative unrealized gains and losses related to Fortitude Re funds withheld assets	4,304	3,154
Less: Average DTA*	8,383	7,229
Average adjusted common shareholders' equity (d)	\$ 48,533	\$ 51,505
ROCE (a÷c)	1.8%	10.2%
Adjusted return on common equity (b÷d)	5.8%	6.5%

### Life and Retirement (in millions)

#### Adjusted pre-tax income

	3Q20	3Q21
Interest expense on attributed financial debt	\$ 1,008	\$ 877
Adjusted pre-tax income including attributed interest expense	72	75
Income tax expense	936	802
Adjusted after-tax income	189	160
Dividends declared on preferred stock	\$ 747	\$ 642
Adjusted after-tax income attributable to common shareholders (a)	2	2
	\$ 745	\$ 640

Ending adjusted segment common equity	\$ 19,421	\$ 21,235
Average adjusted segment common equity (b)	19,261	20,962
Return on adjusted segment common equity (a÷b)	15.5 %	12.2 %

Total segment shareholder's equity	\$ 27,937	\$ 29,131
Less: Preferred equity	129	143
Total segment common equity	27,808	28,988
Less: Accumulated other comprehensive income (AOCI)	12,425	10,577
Add: Cumulative unrealized gains and losses related to Fortitude Re funds withheld assets	4,038	2,824
Total adjusted segment common equity	\$ 19,421	\$ 21,235



# Non-GAAP Reconciliations- Accident Year Loss Ratio, as adjusted, and Accident Year Combined Ratio, as adjusted

## General Insurance

	Quarterly		
	2Q18	3Q20	3Q21
Loss ratio	65.7	74.6	68.4
Catastrophe losses and reinstatement premiums	(2.3)	(13.5)	(9.7)
Prior year development	0.8	(0.4)	0.5
Adjustments for ceded premium under reinsurance contracts and other	1.2	-	-
Accident year loss ratio, as adjusted	65.4	60.7	59.2
Acquisition ratio	21.1	19.8	19.8
General operating expense ratio	14.5	12.8	11.5
Expense ratio	35.6	32.6	31.3
Combined ratio	101.3	107.2	99.7
Accident year combined ratio, as adjusted	101.0	93.3	90.5

## General Insurance - North America -

### Commercial Lines

	Quarterly	
	3Q20	3Q21
Loss ratio	83.8	96.0
Catastrophe losses and reinstatement premiums	(19.1)	(15.2)
Prior year development	6.3	(14.3)
Accident year loss ratio, as adjusted	71.0	66.5
Acquisition ratio	13.2	15.6
General operating expense ratio	10.0	8.4
Expense ratio	23.2	24.0
Combined ratio	107.0	120.0
Accident year combined ratio, as adjusted	94.2	90.5

## General Insurance - North America

	Quarterly	
	3Q20	3Q21
Loss ratio	88.3	79.4
Catastrophe losses and reinstatement premiums	(23.1)	(15.2)
Prior year development	5.5	1.0
Accident year loss ratio, as adjusted	70.7	65.2
Acquisition ratio	14.9	16.6
General operating expense ratio	11.6	9.7
Expense ratio	26.5	26.3
Combined ratio	114.8	105.7
Accident year combined ratio, as adjusted	97.2	91.5

## General Insurance - North America -

### Personal Insurance

	Quarterly	
	3Q20	3Q21
Loss ratio	120.1	(26.0)
Catastrophe losses and reinstatement premiums	(51.3)	(15.2)
Prior year development	(0.6)	98.7
Accident year loss ratio, as adjusted	68.2	57.5
Acquisition ratio	27.3	23.2
General operating expense ratio	23.1	17.7
Expense ratio	50.4	40.9
Combined ratio	170.5	14.9
Accident year combined ratio, as adjusted	118.6	98.4





# Non-GAAP Reconciliations- Accident Year Loss Ratio, as adjusted, and Accident Year Combined Ratio, as adjusted

## General Insurance - International

	Quarterly	
	3Q20	3Q21
Loss ratio	64.5	59.3
Catastrophe losses and reinstatement premiums	(6.4)	(5.1)
Prior year development	(4.8)	-
Accident year loss ratio, as adjusted	53.3	54.2
Acquisition ratio	23.4	22.4
General operating expense ratio	13.8	13.0
Expense ratio	37.2	35.4
Combined ratio	101.7	94.7
Accident year combined ratio, as adjusted	90.5	89.6

## General Insurance - International - Personal Insurance

	Quarterly	
	3Q20	3Q21
Loss ratio	52.2	41.1
Catastrophe losses and reinstatement premiums	(4.8)	(2.6)
Prior year development	3.0	13.4
Accident year loss ratio, as adjusted	50.4	51.9
Acquisition ratio	27.4	27.1
General operating expense ratio	14.4	14.0
Expense ratio	41.8	41.1
Combined ratio	94.0	82.2
Accident year combined ratio, as adjusted	92.2	93.0

## General Insurance - International - Commercial Lines

	Quarterly	
	3Q20	3Q21
Loss ratio	75.4	74.0
Catastrophe losses and reinstatement premiums	(7.6)	(7.1)
Prior year development	(11.9)	(10.9)
Accident year loss ratio, as adjusted	55.9	56.0
Acquisition ratio	19.8	18.6
General operating expense ratio	13.2	12.2
Expense ratio	33.0	30.8
Combined ratio	108.4	104.8
Accident year combined ratio, as adjusted	88.9	86.8

## General Insurance - Global Commercial Lines

	Quarterly	
	3Q20	3Q21
Loss ratio	80.1	86.4
Catastrophe losses and reinstatement premiums	(14.0)	(11.7)
Prior year development	(1.8)	(12.8)
Accident year loss ratio, as adjusted	64.3	61.9
Acquisition ratio	16.1	16.9
General operating expense ratio	11.4	10.1
Expense ratio	27.5	27.0
Combined ratio	107.6	113.4
Accident year combined ratio, as adjusted	91.8	88.9



# Non-GAAP Reconciliations- Net Premiums Written – Change in Constant Dollar and Net Investment Income

## Net Premiums Written – Change in Constant Dollar

	General Insurance 3Q21	North America - Commercial Lines 3Q21	International 3Q21	International - Commercial Lines 3Q21	International - Personal Insurance 3Q21	Global - Commercial Lines 3Q21
<b>General Insurance</b>						
Foreign exchange effect on worldwide premiums:						
Change in net premiums written						
Increase (decrease) in original currency	10 %	18 %	5 %	12 %	(3) %	15 %
Foreign exchange effect	1	-	2	3	-	2
Increase (decrease) as reported in U.S. dollars	11 %	18 %	7 %	15 %	(3) %	17 %

## Reconciliation of Net Investment Income

(in millions)

### Net investment income per Consolidated Statements of Operations

Changes in fair value of securities used to hedge guaranteed living benefits

Changes in the fair value of equity securities

Net investment income on Fortitude Re funds withheld assets

Net realized gains (losses) related to economic hedges and other

### Total Net investment income - APTI Basis

Add: Investment expenses

### AIG investment income, APTI basis

Net realized (gains) losses related to economic hedges and other

### Gross investment income, APTI basis

Quarterly	
3Q20	3Q21
\$ 3,800	\$ 3,715
(15)	(14)
(119)	45
(458)	(495)
(10)	25
<b>\$ 3,198</b>	<b>\$ 3,276</b>
125	131
<b>\$ 3,323</b>	<b>\$ 3,407</b>
10	(25)
<b>\$ 3,333</b>	<b>\$ 3,382</b>



# Non-GAAP Reconciliations- Premiums

(in millions)

	Quarterly		Nine Months Ended	
	3Q20	3Q21	September 30, 2020	September 30, 2021
<b>Individual Retirement:</b>				
Premiums	\$ 35	\$ 66	\$ 114	\$ 123
Deposits	2,670	3,190	7,508	10,488
Other	(3)	1	(10)	(3)
<b>Premiums and deposits</b>	<b>\$ 2,702</b>	<b>\$ 3,257</b>	<b>\$ 7,612</b>	<b>\$ 10,608</b>
<b>Individual Retirement (Fixed Annuities):</b>				
Premiums	\$ 36	\$ 67	\$ 116	\$ 124
Deposits	914	567	1,892	2,091
Other	(8)	(1)	(32)	(6)
<b>Premiums and deposits</b>	<b>\$ 942</b>	<b>\$ 633</b>	<b>\$ 1,976</b>	<b>\$ 2,209</b>
<b>Individual Retirement (Variable Annuities):</b>				
Premiums	\$ (1)	\$ (1)	\$ (2)	\$ (1)
Deposits	666	1,196	2,051	3,820
Other	5	2	22	3
<b>Premiums and deposits</b>	<b>\$ 670</b>	<b>\$ 1,197</b>	<b>\$ 2,071</b>	<b>\$ 3,822</b>
<b>Individual Retirement (Index Annuities):</b>				
Premiums	\$ -	\$ -	\$ -	\$ -
Deposits	942	1,416	2,968	4,318
Other	-	-	-	-
<b>Premiums and deposits</b>	<b>\$ 942</b>	<b>\$ 1,416</b>	<b>\$ 2,968</b>	<b>\$ 4,318</b>
<b>Individual Retirement (Retail Mutual Funds):</b>				
Premiums	\$ -	\$ -	\$ -	\$ -
Deposits	148	11	597	259
Other	-	-	-	-
<b>Premiums and deposits</b>	<b>\$ 148</b>	<b>\$ 11</b>	<b>\$ 597</b>	<b>\$ 259</b>
<b>Group Retirement:</b>				
Premiums	\$ 5	\$ 7	\$ 14	\$ 15
Deposits	1,767	1,824	5,283	5,889
Other	-	-	-	-
<b>Premiums and deposits</b>	<b>\$ 1,772</b>	<b>\$ 1,831</b>	<b>\$ 5,297</b>	<b>\$ 5,904</b>
<b>Life Insurance:</b>				
Premiums	\$ 470	\$ 469	\$ 1,424	\$ 1,533
Deposits	394	403	1,218	1,209
Other	212	280	615	702
<b>Premiums and deposits</b>	<b>\$ 1,076</b>	<b>\$ 1,152</b>	<b>\$ 3,257</b>	<b>\$ 3,444</b>
<b>Institutional Markets:</b>				
Premiums	\$ 275	\$ 499	\$ 2,122	\$ 1,615
Deposits	1,167	488	1,417	1,081
Other	6	7	20	19
<b>Premiums and deposits</b>	<b>\$ 1,448</b>	<b>\$ 994</b>	<b>\$ 3,559</b>	<b>\$ 2,715</b>
<b>Total Life and Retirement:</b>				
Premiums	\$ 785	\$ 1,041	\$ 3,674	\$ 3,286
Deposits	5,998	5,905	15,426	18,667
Other	215	288	625	718
<b>Premiums and deposits</b>	<b>\$ 6,998</b>	<b>\$ 7,234</b>	<b>\$ 19,725</b>	<b>\$ 22,671</b>

