American International Group, Inc.

Resolution Plan

Public Section

December 31, 2015

AIG RESOLUTION PLAN – PUBLIC SECTION

A. INTRODUCTION

American International Group, Inc. ("AIG, Inc." and together with its subsidiaries and affiliates, "AIG" or the "Company") is a leading global insurance organization that offers insurance products and services that help businesses and individuals in over 100 countries and jurisdictions protect their assets, manage risks and provide for retirement security. AIG provides a diverse range of property and casualty insurance, life insurance, retirement products, mortgage insurance and related financial services to its customers.

Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") and the related joint implementing regulation ("Dodd-Frank Rule") issued by the Board of Governors of the Federal Reserve System ("FRB") and the Federal Deposit Insurance Corporation ("FDIC") require each nonbank financial company, designated as systemically important by the Financial Stability Oversight Council ("FSOC"), to submit to the FRB and the FDIC a plan for that organization's rapid and orderly resolution in the event of material financial distress or failure ("Resolution Plan" or the "Plan").

On July 8, 2013, the FSOC designated AIG as a nonbank systemically important financial institution ("SIFI") pursuant to the Dodd-Frank Act. The Dodd-Frank Act and the Dodd-Frank Rule require AIG to demonstrate how the Company could be resolved within a reasonable period of time without extraordinary government support and in a manner that substantially mitigates the risk that failure of the Company would have on the financial stability of the U.S. AIG has made recovery and resolution preparedness a company-wide priority and undertaken significant initiatives to reduce risk and focus on its insurance businesses. This is consistent with the expectations of the Board of Directors of AIG, Inc. and the Company's own risk management framework and culture. AIG also supports ongoing regulatory and industry efforts to create a more stable, financial environment.

AIG's Resolution Plan has been prepared under the Dodd-Frank Act and the Dodd-Frank Rule as well as under subsequent guidance received from the FRB and the FDIC. Unless otherwise indicated, the information in this Public Section is provided as of December 31, 2014.

B. SUMMARY OF CORE BUSINESS LINES AND MATERIAL ENTITIES

In the fourth quarter of 2014, AIG announced a modification to its operating structure creating two reportable segments: Commercial Insurance and Consumer Insurance, as well as a Corporate and Other Category. The Corporate and Other Category consists of businesses and items not allocated to AIG's reportable segments.

Operating Structure

Commercial Insurance is a leading provider of insurance products and services for commercial and institutional clients, which includes one of the world's most far-reaching property casualty networks, a leading mortgage guaranty insurer and an institutional retirement and savings business. Commercial Insurance offers a broad range of products to clients through a diversified, multichannel distribution network. Customers value Commercial Insurance's strong capital position, extensive risk management and claims experience, and its ability to be a market leader in critical lines of insurance business.

Consumer Insurance brings together a broad portfolio of retirement, life insurance and personal insurance products offered through multiple distribution networks. Consumer Insurance holds long-standing, market-leading positions in many of its U.S. product lines, and its global footprint allows the Company the opportunity to pursue international growth opportunities selectively in countries with attractive markets. With its strong capital position, customer-focused service, innovative product development capabilities and strong distribution relationships, Consumer Insurance is well positioned to provide clients with the products they need delivered through the channels they prefer.

Core Business Lines

Core Business Lines ("CBLs") are AIG's business lines and their associated operations, services, functions and support, the failure of which would result in a material loss of revenue, profit or franchise value for AIG. The CBLs consist of the operating segments under the reportable segments of Commercial Insurance and Consumer Insurance. Commercial Insurance has three operating segments: Property Casualty, Mortgage Guaranty and Institutional Markets. Consumer Insurance has three operating segments: Retirement, Life and Personal Insurance. These six operating segments constitute the six CBLs for AIG.

Material Entities

Material Entities ("MEs") are AIG's subsidiaries that are significant to a CBL's activities or Critical Operations (as defined below). AIG groups its insurance-related legal entities into two types: Non-Life Insurance MEs and Life Insurance MEs, and its non-insurance-related legal entities into two types: Holding Company MEs and Service Company MEs. For purposes of its Resolution Plan, AIG has identified 21 MEs. The table below identifies each of the 21 MEs, the relevant country of domicile for each ME and the type of ME.

MEs for the Resolution Plan

Material Entity	Short Name	Country of Domicile	Type
American International Group, Inc.	AIG, Inc.	U.S.	Holding Company
AIG Asset Management (U.S.), LLC	AMG US	U.S.	Service Company (Asset Management Advisor)
AIG Global Services, Inc.	AIGGS	U.S.	Service Company
AIG Markets, Inc.	AIG Markets	U.S.	Service Company (Derivatives Intermediary)
AIG Financial Products Corp.	AIG FP	U.S.	Service Company
AIG Life Holdings, Inc.	AIG Life Holdings	U.S.	Holding Company
American General Life Insurance Company	AGL	U.S.	Life Insurance Company
AGC Life Insurance Company	AGC Life	U.S.	Life Insurance Company
The United States Life Insurance Company in the City of New York	U.S. Life	U.S.	Life Insurance Company
The Variable Annuity Life Insurance Company	VALIC	U.S.	Life Insurance Company
United Guaranty Residential Insurance Company	UGRIC	U.S.	Non-Life Insurance Company
AIG Property Casualty, Inc.	AIG PC Inc.	U.S.	Holding Company
AIG PC Global Services, Inc.	AIG PC GS	U.S.	Service Company
AIG Claims, Inc.	AIG Claims	U.S.	Service Company
Lexington Insurance Company	Lexington	U.S.	Non-Life Insurance Company
American Home Assurance Company	American Home	U.S.	Non-Life Insurance Company
National Union Fire Insurance Company of Pittsburgh, Pa.	NUFIC	U.S.	Non-Life Insurance Company
AIG Asia Pacific Insurance Pte. Ltd.	AAPI	Singapore	Non-Life Insurance Company
AIG Europe Limited	AEL	U.K.	Non-Life Insurance Company

AIU Insurance Company, Ltd.	AIU	Japan	Non-Life Insurance Company
The Fuji Fire and Marine Insurance Company, Ltd.	FFM	Japan	Non-Life Insurance Company

The following chart maps AIG's MEs to its CBLs.

Mapping of MEs to CBLs

ME No.	Material Entity	Core Business Line					
		Property Casualty	Mortgage Guaranty	Institutional Markets	Retirement	Life	Personal Insurance
1	AIG, Inc.	X	X	X	X	X	X
2	AMG US	X	X	X	X	X	X
3	AIGGS	X	X	X	X	X	X
4	AIG Markets	X	X	X	X	X	X
5	AIG FP[1]	N/A	N/A	N/A	N/A	N/A	N/A
6	AIG Life Holdings			X	X	X	
7	AGL			X	X	X	
8	AGC Life					X	
9	U.S. Life			X	X	X	
10	VALIC			X	X		
11	UGRIC		X				
12	AIG PC Inc.	X				X	X
13	AIG PC GS	X					X
14	AIG Claims	X					X
15	Lexington	X					X
16	American Home	X					X
17	NUFIC	X					X
18	AAPI	X					X
19	AEL	X					X
20	AIU	X					X
21	FFM	X					X

[1] AIG FP is no longer engaged in any market-making activities. Its business and transaction portfolios have been wound down and any remaining legacy transactions are being managed consistent with AIG's risk management objectives.

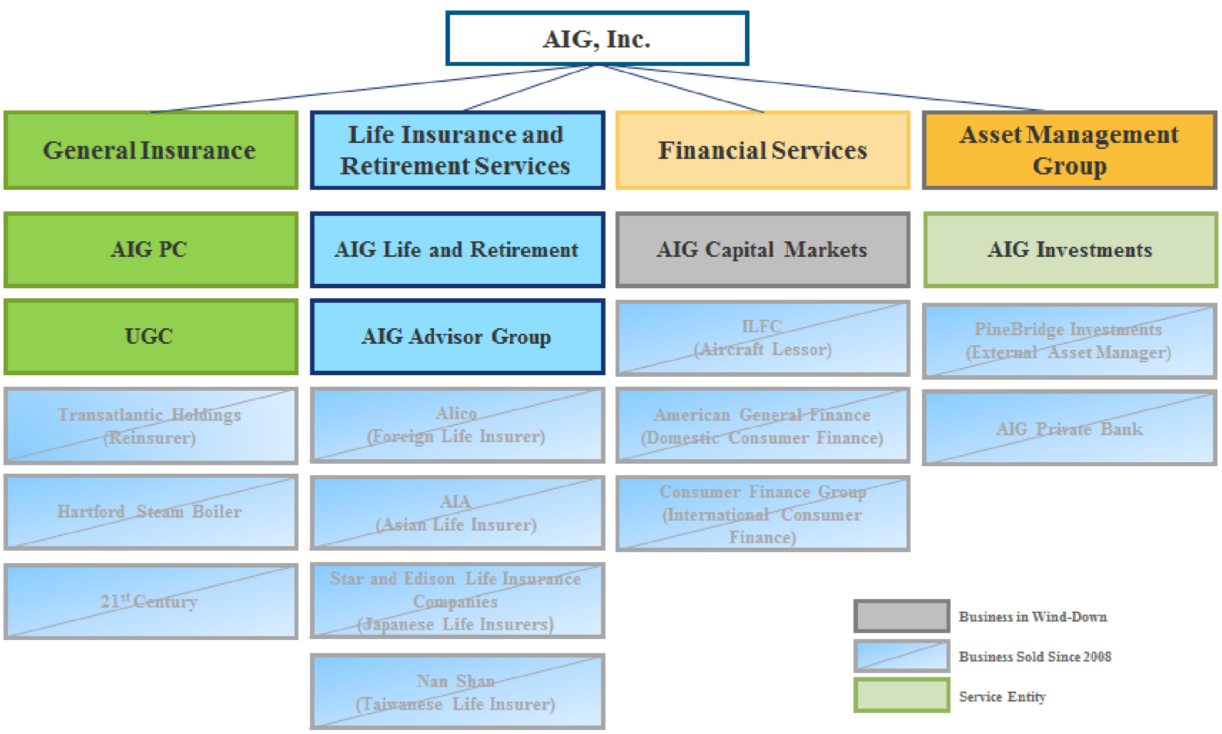
Critical Operations

AIG assessed its business operations as part of its Resolution Plan and did not identify any of its operations or functions as Critical Operations. In addition, the FRB and the FDIC have not determined that AIG conducts Critical Operations.

C. AIG'S ACTIONS TO IMPROVE ITS RESOLVABILITY

AIG is committed to improving its resolvability and resolution preparedness. Since 2008, AIG has simplified and de-risked its business and legal entity structure and demonstrated its ability to execute contingency and recovery actions. AIG has also developed capital, liquidity, recovery and resolution contingency plans that would enable it, in the event of a severe stress scenario, to effectively mitigate such scenario, and, if necessary, engage in a resolution that avoids causing systemic risk to the U.S. economy. As a result, AIG now is simpler, stronger and focused on its CBLs.

AIG Business Segments 2015 vs. 2008



AIG will continue to take appropriate steps to facilitate its orderly resolution, if necessary, including collaborating with regulators to better understand key drivers and concerns, integrating resolution planning into its business as usual processes, enhancing corporate governance and raising resolution awareness throughout the Company.

Balance Sheet and Legal Entity Transformation

Since 2008, AIG has substantially transformed and derisked its balance sheet by decreasing leverage, exiting non-insurance businesses and streamlining its legal entity structure, creating greater transparency and operating efficiencies as shown in the summary balance sheet below.[2]

[2] The financial information presented is provided on a comparative basis to demonstrate the impact of actions taken by AIG management to reduce AIG's risk exposure since 2007. Certain financial information has been reclassified to enhance comparability and therefore may differ from information previously disclosed in AIG's financial statements. This information has not been audited and the presentation may differ from generally accepted principles in the U.S.

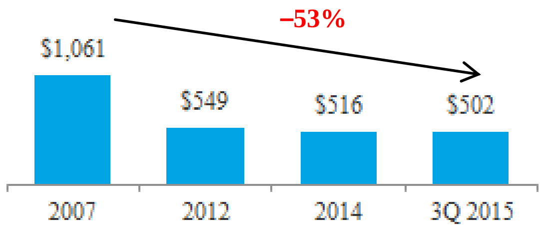
Balance Sheet Comparison 2007 vs. 2015

(in $ billions)	December 31, 2007	September 30, 2015	% Change
Cash and investments	$ 623.4	$ 347.7	(44%)
Financial services assets:			
Flight equipment primarily under operating leases, net of accumulated depreciation	41.9	-	(100%)
Certain legacy financial services assets (a)	98.9	1.9	(98%)
Securities purchased under agreements to resell, at contract value	21.0	3.0	(86%)
Securities lending invested collateral, at fair value	75.7	-	(100%)
Total cash and investments	**860.9**	**352.6**	**(59%)**
Insurance and reinsurance assets, net of allowance	41.5	32.6	(21%)
Other assets	79.5	40.0	(50%)
Separate and variable accounts	78.7	77.1	(2%)
Total assets	**1,060.6**	**502.3**	**(53%)**
Insurance liabilities	520.6	268.0	(49%)
Other liabilities	52.6	22.3	(58%)
Financial services liabilities:			
Securities sold under agreements to repurchase	8.3	0.9	(89%)
Financial services, securities, commodities and derivative transactions	35.9	2.4	(93%)
Long-term borrowings and commercial paper	176.0	30.7	(83%)
Separate and variable accounts	78.7	77.1	(2%)
Securities lending payable	82.0	1.0	(99%)
Total liabilities	**954.1**	**402.4**	**(58%)**
Total AIG shareholders' equity	**96.1**	**99.0**	**3%**
Noncontrolling interests	10.4	0.6	(94%)
Total equity	**106.5**	**99.9**	**(6%)**
Total liabilities and shareholders' equity	**$ 1,060.6**	**$ 502.3**	**(53%)**

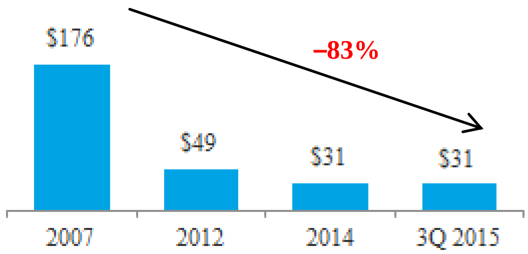
(a) Includes trading securities, spot commodities, unrealized gains in swaps, options and forward transactions, trade receivables and finance receivables.

In addition to the summary balance sheet, the following data points highlight individual aspects of AIG’s financial and business evolution.

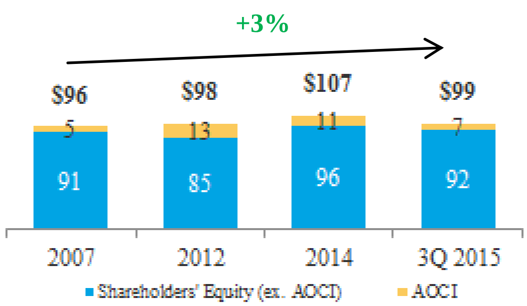
- **Total Assets:** Materially decreased AIG's total assets by 53% from $1,061bn to $502bn;



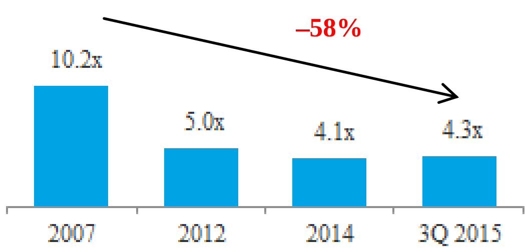
- **Total Debt:** Materially decreased AIG's total debt by 83% from $176bn to $31bn;



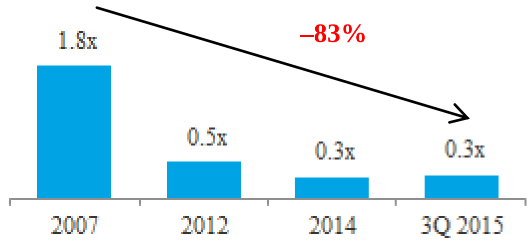
- **Shareholders' Equity:** Increased AIG's shareholders' equity by 3% to $99bn;



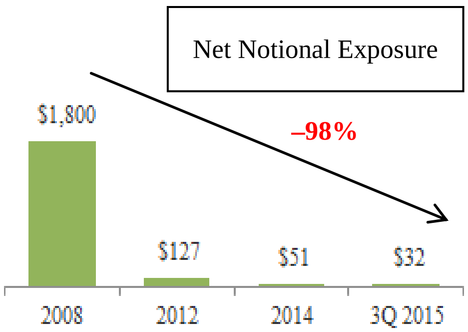
- **Asset to Equity Ratio:** Significantly reduced AIG's asset to equity ratio by 58% resulting in a decrease from 10.2x to 4.3x;

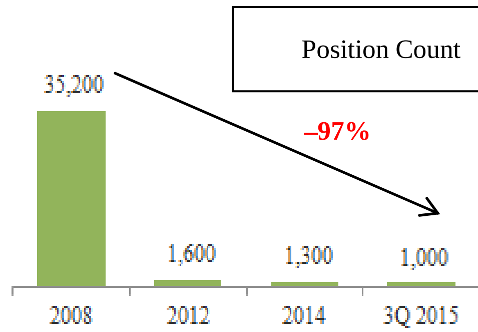


- **Debt to Equity Ratio:** Significantly reduced AIG's debt to equity ratio by 83% resulting in a decrease from 1.8x to 0.3x;

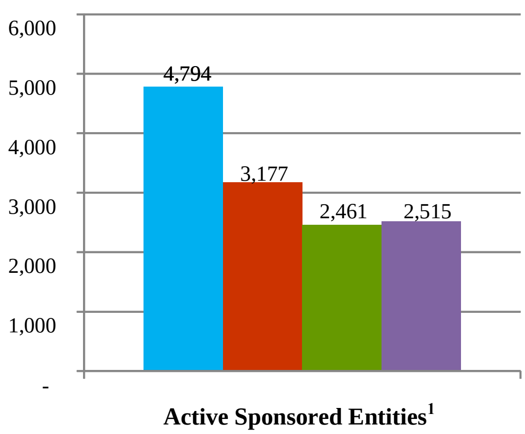


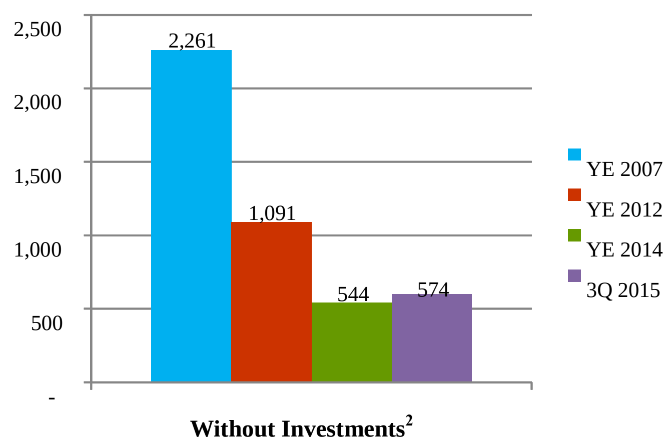
- **Legacy Derivative Portfolio:** Extensively reduced AIG FP's net notional exposure for total legacy derivatives by 98% and its position count by 97% with two of five product categories in the legacy book completely eliminated;





- **Legal Entity Simplification:** Substantively reduced AIG's total legal entity count by 48% and the number of operating legal entities by 75%;



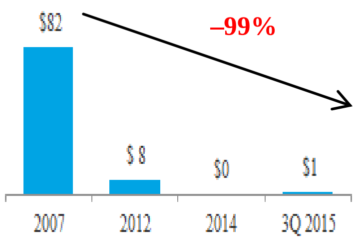


[1] Sponsored Entity is an entity that is (i) formed, incorporated, or acquired by AIG or any of its Subsidiaries and (ii) directly managed by AIG or any of its Subsidiaries; i.e., legal books and records are maintained by, or at the direction of, AIG Global Legal, Compliance, Regulatory & Government Affairs.

[2] Investment Vehicle Entity is a non-operating entity established for the sole purposes of facilitating a financial investment in an asset.

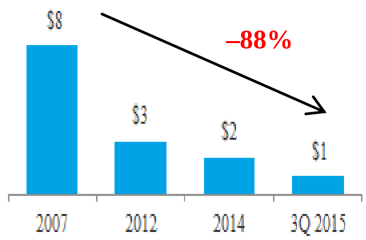
- **Short-Term Funding**: Considerably reduced AIG's reliance on short-term funding
    - Reduced securities lending payables by 99%;
    - Reduced securities sold under agreements to repurchase by 88%;
    - Eliminated commercial paper and extendible commercial notes;

Securities Lending Payable



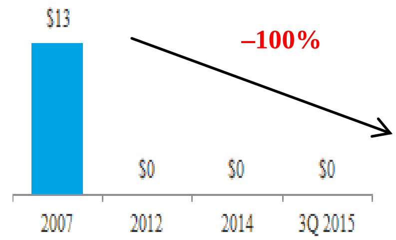
(in $ billions)

Securities Sold Under Repurchase Agreement



(in $ billions)

Commercial Paper and Extendible Notes



(in $ billions)

- **Divestitures**: Total divested subsidiaries, business lines, properties and other assets exceeded $90bn; and
- **Reinsurance Pool**: Simplified and restructured its U.S. reinsurance pool, eliminating a substantial portion of intercompany reinsurance transactions among the U.S. pool members.

The result of AIG's efforts is a streamlined legal entity organization with a simplified management, reporting and operational structure that supports AIG's global business operations and better facilitates an orderly resolution process. Planned initiatives will further simplify AIG's legal entity structure and increase its resolvability.

Enhanced Operational Capabilities

AIG has also undertaken a number of projects and activities aimed at enhancing its operational capabilities and resolvability, including:

- **Contingency Funding and Capital Plan ("CFCP") / Recovery Actions:** Improved CFCP and recovery actions, which will enhance the Company's ability to manage liquidity and capital during periods of stress as described in more detail below;
- **Management Information Systems ("MIS"):** Made significant investments in system architecture, shared services and data quality to support enterprise-wide decision making and reporting needs;

- **Collateral:** Created a centralized global oversight function for the management of collateral;
- **Property & Casualty Claims:** Developed and implemented a global claims technology platform to manage the claims lifecycle from first notice of loss to adjudication;
- **Capital Maintenance Agreements ("CMA"):** Terminated certain existing CMA arrangements between AIG, Inc. and its operating insurance entities to enhance financial flexibility; and
- **Communications:** Prepared a communications plan which outlines the timing and nature of communications with various stakeholders in the event of AIG's resolution.

Firm Resolution Planning and Management

AIG's resolution planning builds upon its business as usual risk management, its CFCP and the inventory of actions that the Company can take to recover in times of stress (the "Recovery Plan"). Together, these processes form a continuum that aims to protect the Company's liquidity and capital during periods of potentially escalating stress.

The CFCP describes steps that should be taken in stress environments to ensure that:

- Sources of liquidity are sufficient to fund operating expenses and meet financial commitments;
- Sources of capital are sufficient to absorb shocks/losses and meet minimum capital levels; and
- A path to recovery is considered in normal times and ahead of stress that facilitates AIG operating as a going concern.

The purpose of the Recovery Plan is to:

- Delineate the Company's governance and processes for managing through a period of severe stress, including financing, raising capital, divestiture and de-risking options; and
- Position the Company to return to viability without reliance on extraordinary government support.

D. OVERVIEW OF RESOLUTION STRATEGY

Resolution Scenario

AIG's Resolution Plan involves a hypothetical scenario based upon a severe economic shock, deeper than that of 2008, and prompts regulatory actions that decrease capital adequacy at the Life Insurance MEs and a simultaneous decrease in the effectiveness of AIG's equity-market hedging strategy ("Resolution Scenario" or "Scenario"). The Scenario also assumes the requirement for additional life loss reserves, a natural disaster risk specific to the Non-Life Insurance ME's (excluding Mortgage Guaranty) and other operational risk losses.

Description of the Resolution Strategy

In response to the Resolution Scenario, the Resolution Plan adopts a single strategy for the Company's resolution ("Resolution Strategy" or "Strategy"); however, the application of the Resolution Strategy differs depending on the type of ME affected under the Scenario. The Strategy describes how MEs could be resolved under economic conditions assumed in the Resolution Scenario under the resolution regimes applicable to the MEs. The Strategy is organized around the resolution of the MEs because the continuity of CBLs is dependent on the MEs in which they are conducted. Under the Strategy**:**

- The Non-Insurance MEs, including AIG, Inc., Holding Company MEs and Service Company MEs would generally be liquidated in an orderly manner under a chapter 11 plan in accordance with the U.S. Bankruptcy Code;
- The Life Insurance MEs would be placed into state receivership proceedings in their respective resolution regimes, and ultimately liquidated; and
- The Non-Life Insurance MEs would be sold or spun-off in initial public offerings ("IPOs") or large asset sales (potentially involving multiple MEs) executed outside of state or foreign equivalent receivership proceedings. Alternatively, the Non-Life Insurance MEs could be reorganized under AIG, Inc. and continue to operate as going concerns.

Benefits of the Resolution Strategy

AIG believes that the Resolution Strategy resolves the Company in a severe stress scenario without causing systemic stress to the financial stability of the U.S. and without the use of taxpayer funds. Moreover, the Strategy generally protects policyholders, maintains the competitiveness of the insurance market, safeguards the U.S. economy and maximizes value to the creditors and shareholders as described below.

- Policyholder Protection
  - Preserves the Non-Life Insurance MEs' underwriting capabilities, customer relationships and market reputation by operating outside of rehabilitation proceedings;
  - Minimizes losses to policyholders by supporting going concern sales;
  - Provides for the replacement of policies by, or transfer to, solvent insurers; and
  - Provides for support by domestic state insurance guaranty funds (and similar foreign structures) to the extent that assets of the Insurance MEs are ultimately insufficient to meet policyholder liabilities.
- Market Competition
  - Preserves competition in the insurance industry by keeping certain of AIG's insurance businesses viable.
- Economy
  - Preserves jobs and minimizes disruption to AIG's counterparties and the economy as a whole; and
  - Provides for the orderly resolution of each of the MEs.
- Value Maximization
  - Maximizes value for creditors (and potentially shareholders) of certain MEs.

E. DESCRIPTION OF CORE BUSINESS LINES AND MATERIAL LEGAL ENTITIES

<u>Core Business Lines</u>

AIG has designated six CBLs in its Resolution Plan as follows:

- Personal Insurance;
- Property Casualty;
- Life;
- Retirement;
- Institutional Markets; and
- Mortgage Guaranty.

Each CBL is discussed in greater detail below:

Personal Insurance

Personal Insurance products and services are distributed primarily through agents and brokers, as well as through direct marketing, partner organizations and the internet. A description of each product line is set forth below.

Personal Insurance Product Lines

Product Line	Description
Personal Lines	Automobile, personal property and warranty service programs. This product line also includes insurance for high-net-worth individuals, including umbrella, yacht and fine art insurance, and consumer specialty products, such as identity theft and credit card protection
Accident & Health ("A&H")	Personal accident, voluntary and sponsor-paid personal accident and supplemental health products for individuals, employees, associations and other organizations. This product line also includes a broad range of travel insurance products and services for leisure and business travelers

Property Casualty

Property Casualty's business provides insurance products and services to a range of businesses and organizations from large corporations and mid-sized companies to small businesses and non-profit organizations. Property Casualty also offers specialized underwriting for particular market segments and risks, such as the energy, construction, real estate and healthcare sectors. In addition, Property Casualty is a market leader in providing global programs to multinational companies. A description of each product line is set forth below.

Property Casualty Product Lines

Product Line	Description
Casualty	General liability, commercial automobile liability, workers' compensation, umbrella and excess casualty and healthcare liability. This product line also includes risk management and other customized structured insurance programs for large corporate customers and multinational companies
Property	Commercial global comprehensive property insurance and risk management solutions all-risk / specialized coverage for direct physical loss and resulting business interruption from natural and man-made disasters as well as products and services for the following market segments: (1) chemical; (2) construction; (3) mining and related industries; (4) oil and petrochemical; (5) oil rig; and (6) power generation
Specialty	Aerospace, environmental, political risk, trade credit, surety and marine insurance, and various insurance product offerings for small- and medium-sized enterprises

Financial Lines	Various forms of professional liability insurance, including management liability, professional indemnity, mergers and acquisitions, kidnap & ransom and fidelity risk

Life

Life offers a broad range of protection and mortality-based and A&H products to its customer base, which are distributed through a diverse network of channels, the majority of which are non-affiliated channels. A description of each product line is set forth below.

Life Product Lines

Product Line	Description
Term Life Insurance	Traditional life insurance product that provides coverage over a specific period of time only
Whole Life Insurance	Permanent insurance providing guaranteed death benefits, cash values, and fixed premiums over the insured's whole life
Universal Life Insurance	Includes Current Assumption and Guaranteed Universal Life
Variable Universal Life Insurance	Similar to Universal Life, but policyholder selects among different underlying investment options (e.g. mutual funds)
Indexed Universal Life Insurance	Similar to Variable Universal Life Insurance, but policyholder investment-oriented returns depend on the change in the underlying S&P index
A&H	Includes a variety of insurance products ranging from group life, health, disability, dental, vision, and critical illness insurance. The length of coverage is based on the product, and the premiums are either level or single
Group Benefits	Diverse set of group benefit products distributed through national consultants, producers, multi-line brokers and general agents to employees (both employer-paid and voluntary) and affinity groups such as professional associations and unions. Primary product offerings include life insurance, accidental death, disability income, dental, vision, and worksite universal life, critical illness and accident

Retirement

Retirement offers a broad range of products to its customer base, which are distributed through a diverse network of channels. A description of each product line is set forth below.

Retirement Product Lines

Product Line	Description
Group Retirement	Three main types of group retirement products: group variable, group mutual fund and rollovers. The group variable annuity offers three competitive fixed accounts and approximately 60 underlying mutual fund options. The group mutual fund offers an open architecture with over 8,000 non-proprietary funds and a stable value option. Rollover products are offered to participants upon separation from their respective plan
Fixed Annuities	Single and flexible premium deferred fixed annuities and single premium immediate and delayed-income annuities

Retirement Income Solutions	Variable annuities and fixed indexed annuities that provide asset accumulation and lifetime income through innovative design and hedging strategies
Advisory Services	Includes the operations of AIG Advisor Group, a large network of independent broker-dealers in the U.S. Brands include Royal Alliance, SagePoint Financial, FSC Securities and Woodbury Financial
Retail Mutual Funds	Includes both the mutual funds sold under the Sun America brand and related administration and servicing operations. The Retail Mutual Fund product line provides services for funds underlying annuity products sold through Retirement Income Solutions and Group Retirement

Institutional Markets

Institutional Markets provides domestic life and retirement products and services to institutional clients. Institutional Markets' products are generally marketed through financial advisors or intermediaries, including benefit consultants, independent marketing organizations, structured settlement brokers and broker-dealers and include the following product lines: structured settlements, terminal funding/pension buyouts, guaranteed investment contracts, high net worth private placements, corporate and bank-owned life insurance and stable value funds.

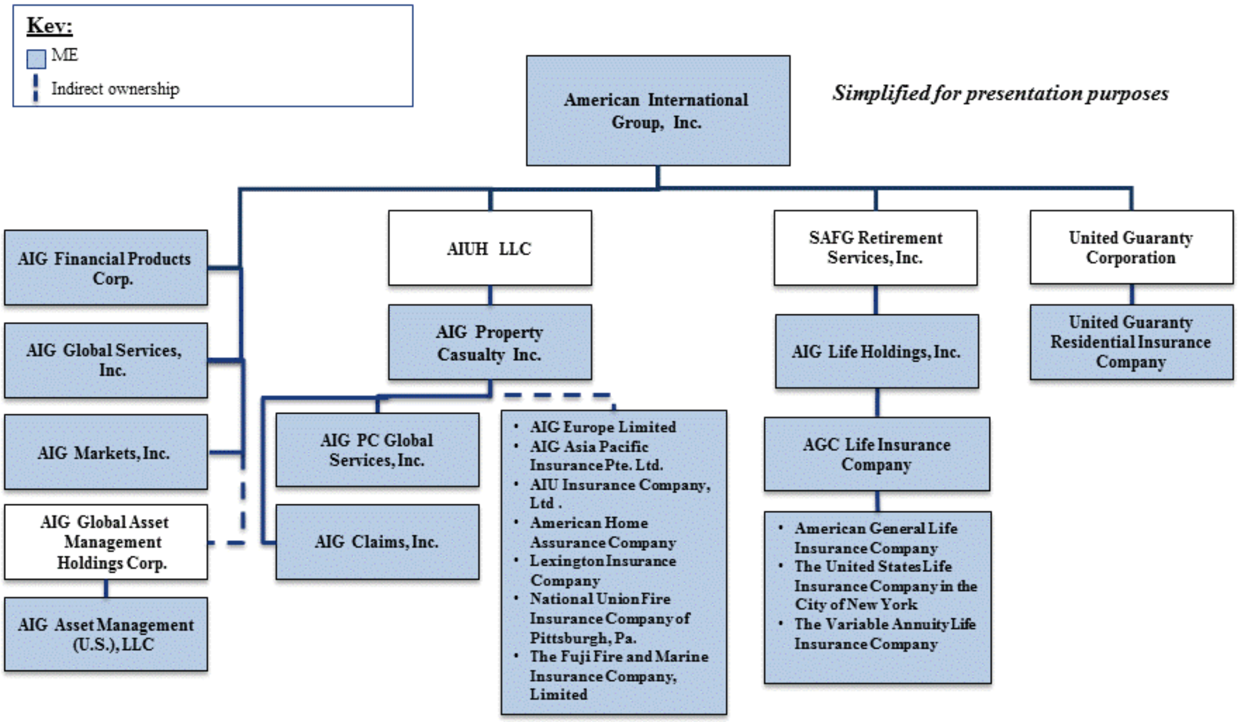
Mortgage Guaranty

Mortgage Guaranty provides private residential mortgage guaranty insurance that covers mortgage lenders in the U.S. and Puerto Rico for loss from defaults on high loan-to-value first-lien mortgages. This coverage allows mortgage lenders to remain competitive and enables individuals to purchase a house with a lower down payment. Mortgage Guaranty's products are distributed to a diverse network of financial institutions including national mortgage bankers, money center banks, regional mortgage lenders, credit unions, community banks, builder-owned mortgage lenders and internet-sourced lenders.

Material Entities

For the purposes of the Resolution Plan, AIG has identified 21 MEs. The following chart outlines the organizational structure of the MEs.

ME Organizational Chart



AIG, Inc.

Introduction:

AIG, Inc. is the publicly traded top-tier holding company of the MEs. AIG, Inc.'s common stock is publicly listed on the New York and Tokyo Stock Exchanges. AIG, Inc. provides capital and liquidity for its insurance and non-insurance operations and is the primary source for raising funds in the external bank and capital markets. AIG, Inc. employs much of the executive management of its operations. As of September 30, 2014, AIG, Inc. had total assets of $145.4bn, total liabilities of $36.8bn and total equity of $108.6bn.

Resolution Strategy:

AIG, Inc. would be resolved under chapter 11 of the U.S. Bankruptcy Code. Following the commencement of its chapter 11 case, AIG, Inc. would continue to provide corporate support services to the MEs for a transition period. The chapter 11 plan would likely establish a trust to effectuate AIG, Inc.'s liquidation after confirmation of the chapter 11 plan. AIG, Inc. would gradually wind down its operations and liquidate its assets unless the Non-Life Insurance MEs are reorganized under AIG, Inc.

AMG US

Introduction:

AMG US is an indirect wholly-owned non-insurance subsidiary of AIG, Inc. AMG US is an investment advisor registered under, and regulated by the Securities and Exchange Commission ("SEC") commonly referred to as a "Registered Investment Advisor" and provides investment management and advisory services to AIG, Inc. and its affiliates.

Resolution Strategy:

AMG US would be resolved under chapter 11 of the U.S. Bankruptcy Code. The chapter 11 plan would likely establish a trust to effectuate the liquidation of this ME after confirmation of the chapter 11 plan. Once the Life Insurance MEs enter receivership, the receivers would likely transition investment management services in-house or to third-party investment managers. AMG US would continue to support the Non-Life Insurance MEs' reorganization during their sale, IPO or reorganization. AMG US would only survive to the extent required to support the Non-Life Insurance MEs post-reorganization.

AIGGS

Introduction:

AIGGS is a direct wholly-owned non-insurance subsidiary of AIG, Inc. AIGGS and its subsidiaries provide IT infrastructure services (e.g., data processing, messaging and network connectivity) to AIG through its principal locations in the U.S., Malaysia, Japan and the U.K.

Resolution Strategy:

AIGGS would be resolved under chapter 11 of the U.S. Bankruptcy Code. The chapter 11 plan would likely establish a trust to effectuate the liquidation of this ME after confirmation of the chapter 11 plan. AIGGS would continue to provide services required by other MEs for a transition period until alternative service providers are found. AIGGS would gradually wind down its operations and liquidate its assets, although a less likely possibility is that AIGGS could maintain itself as an independent company to support the Life Insurance MEs in run-off and / or the Non-Life Insurance MEs if necessary.

AIG Markets

Introduction:

AIG Markets is a direct wholly-owned non-insurance subsidiary of AIG, Inc. AIG Markets provides asset and liability management and cash management services to AIG, Inc. and its affiliates. AIG Markets enters into derivatives transactions with third-party market counterparties on an intermediary basis as the market-facing entity for AIG. Derivatives transactions are executed at arm's length through market standard agreements with AIG affiliates and external third-parties.

Resolution Strategy:

AIG Markets would be resolved under chapter 11 of the U.S. Bankruptcy Code. The chapter 11 plan would likely establish a trust to effectuate the liquidation of this ME after confirmation of the chapter 11 plan. Once the Life Insurance MEs enter receivership, the receivers would likely transition asset-liability management and cash management services in-house or to third-party service providers. AIG Markets would wind down its operations and liquidate its assets, with the wind down potentially accelerated by the termination of Qualified Financial Contracts ("QFCs") by counterparties.

AIG FP

Introduction:

AIG FP is a direct wholly-owned non-insurance subsidiary of AIG, Inc. AIG FP is no longer engaged in any market-making activities. Its business and transaction portfolios have been wound down and any remaining legacy transactions are being managed consistent with AIG's risk management objectives. Since December 1, 2008, there has been a 98% reduction in the notional amount of AIG FP's derivative portfolio.

Resolution Strategy:

AIG FP would be resolved under chapter 11 of the U.S. Bankruptcy Code. The chapter 11 plan would likely establish a trust to effectuate the liquidation of this ME after confirmation of the chapter 11 plan. AIG FP's wind-down would likely be accelerated by the termination of QFCs by counterparties after AIG FP files its chapter 11 case, but AIG FP would likely have remaining assets that would be liquidated over time.

AIG Life Holdings

Introduction:

AIG Life Holdings is an indirect wholly-owned non-insurance subsidiary of AIG, Inc. AIG Life Holdings is the parent company of AGC Life, which in turn is the holding company primarily for the Life Insurance MEs. On a standalone basis, as of September 30, 2014, AIG Life Holdings had total assets of $39.4bn, total liabilities of $1.8bn, including $1.1bn in public debt that is guaranteed by AIG, Inc., and total equity of $37.5bn, which is almost completely represented by the value of its subsidiaries. AIG Life Holdings has been buying back its debt through AIG Inc.'s offers to purchase such outstanding debt. As of September 30, 2015, AIG Life Holdings' public debt outstanding was approximately $707mm.

Resolution Strategy:

AIG Life Holdings would be resolved under chapter 11 of the U.S. Bankruptcy Code. The chapter 11 plan would likely establish a trust to effectuate the liquidation of this ME after confirmation of the chapter 11 plan. As a holding company, AIG Life Holdings does not have significant business operations and would have little purpose once its subsidiary MEs enter into run-off. AIG Life Holdings would liquidate its non-ME assets and try to realize value from its Life Insurance ME subsidiaries.

AGC Life

Introduction:

AGC Life is an indirect wholly-owned insurance subsidiary of AIG, Inc. and a direct subsidiary of AIG Life Holdings. Since December 31, 2012, AGC Life has been the immediate parent company of AIG's Life Insurance MEs other operating insurance companies. In addition, AGC Life reinsures $5.3bn of XXX and AXXX reserves on AIG's term and universal life business. AGC Life's primary regulator is the Missouri Department of Insurance. On a standalone basis, as of September 30, 2014, AGC Life had total assets of $19.9bn and total revenue of $6.1bn.

Resolution Strategy:

AGC Life would be resolved under state insurance laws of Missouri which would require AGC Life to be placed into rehabilitation receivership by court order on petition of the Missouri state insurance commissioner. Upon entry into rehabilitation, the Missouri insurance commissioner would be appointed as receiver and would take possession of AGC Life's assets and assume the role of AGC Life's management. Once in rehabilitation, the receiver would handle and resolve claims on existing policies.

AGL

Introduction:

AGL is an indirect wholly-owned insurance subsidiary of AIG, Inc. and a direct subsidiary of AGC Life. AGL supports the following businesses and products: life insurance and A&H, fixed annuities and retirement income solutions and institutional market products and group benefits. AGL is licensed in 49 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. AGL's primary regulators are the Texas Department of Insurance ("TDI") and the SEC for variable annuity products. On a standalone basis, as of September 30, 2014, AGL had total assets of $161.3bn and total revenue of $16.2bn.

Resolution Strategy:

AGL would be resolved under state insurance laws of Texas which would require AGL to be placed into rehabilitation receivership by court order on petition of the Texas insurance commissioner. Upon entry into rehabilitation, the Texas insurance commissioner would be appointed as receiver and would take possession of AGL's assets and assume the role of AGL's management. Once in rehabilitation, the receiver would handle and resolve claims on existing policies. Existing business would remain in force until expiry, but new business would not be written. However, given the uncertainty of the timing and amounts of claim payments in settlement of recorded life and annuity reserve liabilities, it could be years before it was known whether liquidation is necessary. In addition, rehabilitation proceedings may potentially involve smaller sales of blocks of policies, infrastructure (including underwriting, internal distribution and risk management) and other assets.

U.S. Life

Introduction:

U.S. Life is an indirect wholly-owned insurance subsidiary of AIG, Inc. and a direct subsidiary of AGC Life. U.S. Life serves as the primary issuing insurer for products sold in New York, offering a broad portfolio of individual fixed and variable annuity and life products, and certain credit products. In addition, U.S. Life is licensed in all 50 states, the District of Columbia and the U.S.

Virgin Islands. Its primary regulators are the New York Department of Financial Services ("NYDFS") and the SEC for variable products. On a standalone basis, as of September 30, 2014, U.S. Life had total assets of $28.4bn and total revenue of $2.5bn.

Resolution Strategy:

U.S. Life would be resolved under state insurance laws of New York which would require U.S. Life to be placed into rehabilitation receivership by court order on petition of the New York state insurance commissioner. Upon entry into rehabilitation, the New York insurance commissioner would be appointed as receiver and would take possession of U.S. Life's assets and assume the role of U.S. Life's management. Once in rehabilitation, the receiver would handle and resolve claims on existing policies. Existing business would remain in force until expiry, but new business would not be written. However, given the uncertainty of the timing and amounts of claim payments in settlement of recorded life and annuity reserve liabilities, it could be years before it was known whether liquidation is necessary. In addition, rehabilitation proceedings may potentially involve smaller sales of blocks of policies, infrastructure (including underwriting, internal distribution and risk management) and other assets.

VALIC

Introduction:

VALIC is an indirect wholly-owned insurance subsidiary of AIG, Inc. and a direct subsidiary of AGC Life. VALIC is a 50-state licensed insurance company and a leading provider of annuities, investment products and compliance services for defined contribution retirement savings plans sponsored by education, not-for-profit and government organizations. VALIC is regulated by the TDI and the SEC for variable products. On a standalone basis, as of September 30, 2014, VALIC had total assets of $77.0bn and total revenue of $5.9bn

Resolution Strategy:

VALIC would be resolved under state insurance laws of Texas which would require VALIC to be placed into rehabilitation receivership by court order on petition of the Texas state insurance commissioner. Upon entry into rehabilitation, the Texas insurance commissioner would be appointed as receiver and would take possession of VALIC's assets and assume the role of VALIC's management. However, given the uncertainty of the timing and amounts of claim payments in settlement of recorded life and annuity reserve liabilities, it could be years before it was known whether liquidation is necessary. In addition, rehabilitation proceedings may potentially involve smaller sales of blocks of policies, infrastructure (including underwriting, internal distribution and risk management) and other assets.

AIG PC Inc.

Introduction:

AIG PC Inc. is an indirect wholly-owned non-insurance subsidiary of AIG, Inc., and it is the holding company primarily for the Non-Life Insurance MEs (excluding UGRIC) and certain Service Company MEs.

Resolution Strategy:

AIG PC Inc. would be resolved under chapter 11 of the Bankruptcy Code. The chapter 11 plan would likely establish a trust to effectuate the liquidation of this ME after confirmation of the chapter 11 plan. As a holding company, AIG PC Inc. does not have significant business operations and would have little purpose once its subsidiary MEs are sold. AIG PC Inc. would liquidate its non-ME assets and try to realize value from its Non-Life Insurance ME subsidiaries.

AIG Claims

Introduction:

AIG Claims is an indirect wholly-owned non-insurance subsidiary of AIG, Inc. and a wholly-owned direct subsidiary of AIG PC Inc. AIG Claims is a shared services company that provides claims adjusting services and other services to certain Non-Life Insurance MEs pursuant to claims service agreements with such companies. AIG Claims is regulated by the relevant state insurance departments and workers' compensation bureaus.

Resolution Strategy:

AIG Claims would be resolved under chapter 11 of the U.S. Bankruptcy Code. The chapter 11 plan would likely establish a trust to effectuate the liquidation of this ME after confirmation of the chapter 11 plan. AIG Claims would continue to provide transition services for the U.S. Non-Life Insurance MEs during the sale, IPO or reorganization of the Non-Life Insurance MEs. If sold, an acquirer may wind down, restructure or downsize AIG Claims.

AIG PC GS

Introduction:

AIG PC GS is an indirect wholly-owned non-insurance subsidiary of AIG, Inc., and a wholly-owned direct subsidiary of AIG PC Inc. AIG PC GS houses many of Commercial Insurance's support functions including finance, actuarial, legal and marketing.

Resolution Strategy:

AIG PC GS would be resolved under chapter 11 of the U.S. Bankruptcy Code. The chapter 11 plan would likely establish a trust to effectuate the liquidation of this ME after confirmation of the chapter 11 plan. AIG PC GS would continue to provide transition services for the Non-Life Insurance MEs during the sale, IPO or reorganization of the Non-Life Insurance MEs. If sold, an acquirer may wind down, restructure or downsize AIG PC GS.

Lexington

Introduction:

Lexington is an indirect wholly-owned insurance subsidiary of AIG, Inc. and of AIG PC Inc. Lexington is a leading surplus lines insurer, providing property, casualty and specialty coverage and programs for large entities, as well as an array of small to middle-market companies and industries. Lexington's primary regulator is the Delaware Department of Insurance. On a standalone basis, as of September 30, 2014, Lexington had total assets of $26.0bn and total revenue of $4.7bn.

Resolution Strategy:

The Strategy contemplates the sale or IPO as an operating entity or large asset sales (potentially involving multiple MEs) outside of receivership. A sale of Lexington would necessitate approval of the buyer and its business plan by the Delaware state insurance commissioner, which could require an administrative hearing in addition to the state court approval process. This process could take 6-12 months, although it is possible that a sale could be executed in a shorter period of time if the circumstances led the insurance commissioner to approve the sale on an expedited basis. Alternatively, Lexington (potentially together with the other Non-Life Insurance MEs) could be reorganized under AIG, Inc. and continue to operate as a going concern.

American Home

Introduction:

American Home is an indirect wholly-owned insurance subsidiary of AIG, Inc. and of AIG PC Inc. American Home's product lines includes casualty, property, specialty and financial lines as well as A&H and other personal product lines. American Home's primary regulator is the NYDFS, with various foreign branch operations subject to local regulation. On a standalone basis, as of September 30, 2014, American Home had total assets of $26.7bn and total revenue of $5.0bn.

Resolution Strategy:

The Strategy contemplates the sale or IPO as an operating entity or large asset sales (potentially involving multiple MEs) outside of receivership. A sale of American Home would necessitate approval of the buyer and its business plan by the New York state insurance commissioner, which could require an administrative hearing in addition to the state court approval process. This process could take 6-12 months, although it is possible that a sale could be executed in a shorter period of time if the circumstances led the insurance commissioner to approve the sale on an expedited basis. Alternatively, American Home (potentially together with the other Non-Life Insurance MEs) could be reorganized under AIG, Inc. and continue to operate as a going concern.

NUFIC

Introduction:

NUFIC is an indirect wholly-owned insurance subsidiary of AIG, Inc. and of AIG PC Inc. NUFIC's product lines include casualty, property, specialty and financial lines as well as A&H, personal property and casualty and travel lines. NUFIC's primary regulator is the Pennsylvania Insurance Department. On a standalone basis, as of September 30, 2014, NUFIC had total assets of $26.2bn and total revenue of $5.0bn.

Resolution Strategy:

The Strategy contemplates the sale or IPO as an operating entity or large asset sales (potentially involving multiple MEs) outside of receivership. A sale of NUFIC would necessitate approval of the buyer and its business plan by the Pennsylvania state insurance commissioner, which could require an administrative hearing in addition to the state court approval process. This process could take 6-12 months, although it is possible that a sale could be executed in a shorter period of time if the circumstances led the insurance commissioner to approve the sale on an expedited basis.

Alternatively, NUFIC (potentially together with the other Non-Life Insurance MEs) could be reorganized under AIG, Inc. and continue to operate as a going concern.

UGRIC

Introduction:

UGRIC is an indirect wholly-owned insurance subsidiary of AIG, Inc. and a direct majority-owned subsidiary of United Guaranty Corporation, the direct holding company for UGRIC and other Mortgage Guaranty operations. UGRIC provides first-lien mortgage guaranty insurance to mortgage lenders. Its primary regulator is the North Carolina Department of Insurance. On a standalone basis, as of September 30, 2014, UGRIC had total assets of $3.4bn and total revenue of $592mm.

Resolution Strategy:

The Strategy contemplates the sale or IPO as an operating entity or large asset sales outside of receivership. A sale of UGRIC would necessitate various regulatory approvals, including the approval of the North Carolina insurance commissioner. This process could take 6-12 months, although it is possible that a sale could be executed in a shorter period of time if the circumstances led the insurance commissioner to approve the sale on an expedited basis. Alternatively, UGRIC could be reorganized under AIG, Inc. and continue to operate as a going concern.

AAPI

Introduction:

Domiciled in Singapore, AAPI is an indirect wholly-owned insurance subsidiary of AIG, Inc. and of AIG PC Inc. AAPI's product lines include casualty, financial, property and specialty lines as well as personal lines products. AAPI is regulated by the Monetary Authority of Singapore. On a standalone basis, as of September 30, 2014, AAPI had total assets of SGD2.5bn and total revenue of SGD294mm.

Resolution Strategy:

The Strategy contemplates the sale or IPO as an operating entity or large asset sales (potentially involving multiple MEs) outside of receivership or foreign regulatory proceedings. A sale of AAPI would necessitate approval of the buyer and its business plan by the foreign representative. This process could take approximately 6-12 months, although it is possible that a sale could be executed in a shorter period of time if the circumstances led the foreign representative to approve the sale on an expedited basis. Alternatively, AAPI (potentially together with the other Non-Life Insurance MEs) could be reorganized under AIG, Inc. and continue to operate as a going concern.

AEL

Introduction:

AEL is an indirect wholly-owned insurance subsidiary of AIG, Inc. AEL is a pan-European insurance company with 27 branches and ten subsidiaries. Its product lines include property, casualty, specialty and financial lines as well as A&H and personal lines. AEL's primary regulators are the Financial Conduct Authority and the Prudential Regulatory Authority of the United Kingdom. On a standalone basis, as of November 30, 2014, AEL had total assets of GBP13.9bn and total revenue for the year ended November 30, 2014 of GBP4.7bn.

Resolution Strategy:

The Strategy contemplates the sale or IPO as an operating entity or large asset sales (potentially involving multiple MEs) outside of receivership or foreign regulatory proceedings. A sale of AEL would necessitate approval of the buyer and its business plan by the foreign representative. This process could take approximately 6-12 months, although it is possible that a sale could be executed in a shorter period of time if the circumstances led the foreign representative to approve the sale on an expedited basis. Alternatively, AEL (potentially together with the other Non-Life Insurance MEs) could be reorganized under AIG, Inc. and continue to operate as a going concern.

AIU

Introduction:

AIU is an indirect wholly-owned insurance subsidiary of AIG, Inc. and of AIG PC Inc. The majority of AIU's business is A&H and auto, although it also writes other products including personal and commercial property casualty. AIU's primary regulator is the Japan Financial Services Agency ("JFSA"). AIU is scheduled to merge with FFM in the second half of 2016 or later. On a standalone basis, as of September 30, 2014, AIU had total assets of JPY184.9bn and total revenue for the six months ended September 30, 2014 of JPY34.6bn.

Resolution Strategy:

The Strategy contemplates the sale or IPO as an operating entity or large asset sales (potentially involving multiple MEs) outside of receivership or foreign regulatory proceedings. A sale of AIU would necessitate approval of the buyer and its business plan by the foreign representative. This process could take approximately 6-12 months, although it is possible that a sale could be executed in a shorter period of time if the circumstances led the foreign representative to approve the sale on an expedited basis. Alternatively, AIU (potentially together with the other Non-Life Insurance MEs) could be reorganized under AIG, Inc. and continue to operate as a going concern.

FFM

Introduction:

FFM is an indirect insurance subsidiary of AIG, Inc. FFM's product lines include auto, fire, personal insurance, A&H, liability, marine and casualty insurance. FFM's primary regulator is the JFSA. FFM is scheduled to merge with AIU in the second half of 2016 or later. On a standalone basis, as of September 30, 2014, FFM had total assets of JPY872.2bn and total revenue for the six months ended September 30, 2014 of JPY153.0bn.

Resolution Strategy:

The Strategy contemplates the sale or IPO as an operating entity or large asset sales (potentially involving multiple MEs) outside of receivership or foreign regulatory proceedings. A sale of FFM would necessitate approval of the buyer and its business plan by the foreign representative. This process could take approximately 6-12 months, although it is possible that a sale could be executed in a shorter period of time if the circumstances led the foreign representative to approve the sale on an expedited basis. Alternatively, FFM (potentially together with the other Non-Life Insurance MEs) could be reorganized under AIG, Inc. and continue to operate as a going concern.

The following table summarizes the Resolution Strategy for each ME.

Resolution Strategy for MEs

Grouping	MEs	Process for Resolution of ME in the Resolution Strategy
Parent and Holding Company MEs	AIG, Inc., AIG Life Holdings, AIG PC Inc.	Orderly liquidation under chapter 11 of the U.S. Bankruptcy Code
Service Company MEs	AMG US, AIGGS, AIG Markets, AIG FP, AIG Claims, AIG PC GS	Orderly liquidation under chapter 11 of the U.S. Bankruptcy Code, with potential sales of certain Service Company MEs
Life Insurance MEs	AGL, AGC Life, U.S. Life, VALIC	Involuntary rehabilitation proceedings followed by eventual liquidation, with potential smaller sales of blocks of policies, infrastructure and other assets by each ME individually, or the ME itself
U.S. Non- Life Insurance MEs	Lexington, American Home, NUFIC, UGRIC	Sale, or IPO as an operating entity, or large asset sales (potentially involving multiple MEs) outside of receivership. Alternatively, the U.S. Non-Life MEs could be reorganized under AIG, Inc. and continue to operate as going concerns
Foreign Non-Life Insurance MEs	AAPI, AEL, AIU, FFM	Sale, or IPO as an operating entity, or large asset sales (potentially involving multiple MEs) outside of receivership or foreign regulatory proceedings. Alternatively, the foreign Non-Life MEs could be reorganized under AIG, Inc. and continue to operate as going concerns

F. SUMMARY FINANCIAL INFORMATION: ASSETS, LIABILTIES, CAPITAL AND FUNDING

AIG's Annual Report includes detailed financial reports. The following charts summarize AIG's consolidated balance sheet and income statement for the year ended December 31, 2014.

Consolidated Balance Sheet as of December 31, 2014

(in $ millions)	Amount
Assets	
Investments	
Fixed maturity securities	
Bonds available for sale, at fair value	$ 259,859
Other bond securities, at fair value	19,712
Equity securities	
Common and preferred stock available for sale, at fair value	4,395
Other common and preferred stock, at fair value	1,049
Mortgage and other loans receivable, net of allowance	24,990
Other invested assets	34,518
Short-term investments	11,243
Total investments	**355,766**
Cash	1,758
Accrued investment income	2,712
Premiums and other receivables, net of allowance	12,031
Reinsurance assets, net of allowance	21,959
Deferred income taxes	19,339
Deferred policy acquisition costs	9,827
Derivative assets, at fair value	1,604
Other assets	10,549
Separate account assets, at fair value	80,036
Total assets	**515,581**
Liabilities	
Liabilities for unpaid losses and loss adjustment expenses	77,260
Unearned premiums	21,324
Future policy benefits for life and accident and health insurance contracts	42,749
Policyholder contract deposits	124,613
Other policyholder funds	4,669
Derivative liabilities, at fair value	2,273
Other liabilities	24,168
Long-term debt	31,217
Separate account liabilities	80,036
Total liabilities	**408,309**
AIG shareholders' equity	
Common stock	4,766
Treasury stock	(19,218)
Additional paid-in capital	80,958
Retained earnings	29,775
Accumulated other comprehensive income	10,617
Total AIG shareholders' equity	**106,898**
Non-redeemable noncontrolling interests	**374**
Total equity	**107,272**
Total liabilities and equity	**$ 515,581**

Consolidated Statement of Income for the Year Ended December 31, 2014

(in $ millions)	Amount
Revenues	
Premiums	$ 37,254
Policy Fees	2,615
Net investment income	16,079
Net realized capital gains	739
Aircraft leasing revenue	1,602
Other income	6,117
Total revenues	**64,406**
Benefits, losses and expenses:	
Policyholder benefits and losses incurred	28,281
Interest credited to policyholder account balances	3,768
Amortization of deferred policy acquisition costs	5,330
General operating and other expenses	13,138
Interest expense	1,718
Net loss on extinguishment of debt	2,282
Aircraft leasing expenses	1,585
Net (loss) on sale of properties and divested businesses	(2,197)
Total benefits, losses and expenses	**53,905**
Income from continuing operations before income taxes	10,501
Income tax expense	2,927
Income from continuing operations	7,574
Income (loss) from discontinued operations, net of taxes	(50)
Net income	**$ 7,524**
Less: Net (loss) from continuing operations attributable to	
noncontrolling interests:	**(5)**
Net income attributable to AIG	**$ 7,529**

Liquidity

Liquidity refers to the ability to generate sufficient cash resources to meet payment obligations. The sources of liquidity that can be monetized in a short period of time at a reasonable cost are cash and unencumbered assets. AIG manages liquidity prudently through various risk committees, policies and procedures and a stress testing and liquidity framework established by its Enterprise Risk Management ("ERM") function. AIG's liquidity framework is designed to measure both the amount and composition of its liquidity to meet financial obligations in both normal and stressed markets.

As of December 31, 2014, AIG Parent had approximately $14.3bn in liquidity sources. AIG Parent's liquidity sources are held in the form of cash, short-term investments and publicly- traded, intermediate-term investment grade rated fixed maturity securities. Fixed maturity securities consist of U.S. government and government sponsored entity securities, U.S. agency mortgage-backed securities, corporate and municipal bonds and certain other highly-rated securities. AIG

Parent actively manages its assets and liabilities in terms of products, counterparties and duration. Based upon an assessment of its immediate and longer-term funding needs, AIG Parent purchases publicly traded, intermediate-term investment grade rated fixed maturity securities that can be readily monetized through sales or repurchase agreements. These securities allow AIG Parent to diversify sources of liquidity while reducing the cost of maintaining sufficient liquidity. AIG Parent's liquidity sources are monitored through the use of various internal liquidity risk measures. Its primary sources of liquidity are dividends, distributions, loans and other payments from subsidiaries, as well as credit and contingent liquidity facilities. Its primary uses of liquidity are for debt service, capital and liability management, operating expenses and subsidiary capital needs.

AIG Parent believes that it has sufficient liquidity and capital resources to satisfy its reasonably foreseeable future requirements and meet its obligations to policyholders, customers, creditors and debt-holders. The table below summarizes liquidity sources of AIG, Inc. as of December 31, 2014, as further described in AIG, Inc.'s 2014 Annual Report.

AIG Parent's Liquidity Sources (in $ millions)

Liquidity Source	Amount
Cash and short-term investments	$ 5,085
Unencumbered fixed maturity securities	4,727
Credit and contingent liquidity facilities)	4,500
Total	**$ 14,312**

<u>Capital</u>

Capital refers to the long-term financial resources available to support the operation of AIG's businesses, fund business growth and cover financial and operational needs that arise from adverse circumstances. AIG's primary source of ongoing capital generation is the profitability of its subsidiaries. AIG must comply with numerous constraints on its minimum capital positions. These constraints drive the requirements for capital adequacy for both AIG and the individual businesses and are based on internally-defined risk tolerances, regulatory requirements, rating agency and creditor expectations and business needs. Actual capital levels are monitored on a regular basis and, using ERM's stress testing methodology, AIG evaluates the capital impact of potential macroeconomic, financial and insurance stresses in relation to the relevant capital constraints of both the consolidated company and insurance subsidiaries.

The tables below show AIG's capitalization and ratios as of December 31, 2014.

AIG Capitalization (in $ millions)

AIG Capitalization	Amount
Total equity	$ 107,272
Hybrid – debt securities	2,466
Total equity and hybrid capital	109,738
Financial debt	16,640
Total capital	**$ 126,378**

AIG Debt and Hybrid Capital Ratios

Debt and Hybrid Capital Ratio	Ratio
Hybrid – debt securities / Total capital	1.9%
Financial debt / Total capital	13.2%
Total debt / Total capital	**15.1%**

G. DESCRIPTION OF DERIVATIVE AND HEDGING ACTIVITIES

AIG uses derivatives and other financial instruments as part of its risk management and operations framework. Specifically, certain AIG entities use derivatives to hedge interest rate, currency, equity, credit and other risks, including those embedded in insurance or other products sold by those entities to policyholders and other customers. These include entities acting on behalf of AIG's insurance, asset management, financial services and other businesses described in AIG, Inc.'s Annual Report to Stockholders. AIG no longer acts as a market-maker for derivatives contracts or engages in derivatives activities that materially contributed to concerns during the financial crisis. AIG has implemented procedures to ensure all hedging strategies, which utilize derivative transactions within AIG, are subject to a thorough vetting process. In addition, AIG closely monitors and evaluates its derivatives portfolio and exposure on a regular basis to ensure that it properly fulfills this risk-mitigation or market-standard investment purpose and does not impose any material risk to the financial strength of the organization.

AIG's derivatives activities are generally centralized in AIG's Global Capital Markets operations ("GCM"), specifically AIG Markets. The portfolio of AIG Markets consists primarily of interest rate and currency derivatives to mitigate risk, and also includes legacy credit derivatives that have been novated to this entity. Another GCM entity, AIG FP, has legacy derivatives to mitigate market risk in exposures (interest rates, currencies, credit, commodities and equities) arising from its transactions. GCM follows a policy of minimizing interest rate, currency, commodity, and equity risks associated with investment securities by entering into offsetting positions, thereby offsetting a significant portion of the unrealized appreciation and depreciation of the underlying investment securities.

AIG's businesses, other than GCM, also use derivatives and other instruments for risk management purposes. Interest rate derivatives (such as interest rate swaps) are used to manage interest rate risk associated with embedded derivatives contained in insurance contract liabilities, fixed maturity securities, outstanding medium and long-term notes as well as other interest rate sensitive assets and liabilities. Foreign exchange derivatives (principally foreign exchange forwards and options) are used to economically mitigate risk associated with non-U.S. dollar denominated debt, net capital exposures and foreign currency transactions. Equity derivatives are used to mitigate financial risk embedded in certain insurance liabilities. The derivatives are effective economic hedges of the exposures that they are meant to offset.

In addition to hedging activities, AIG also enters into derivatives instruments associated with investment operations, which include, among other things, credit default swaps and investments with embedded derivatives, such as equity-linked notes and convertible bonds. AIG invests in hybrid securities (such as credit-linked notes) with the intent of generating income. These investments are also regularly monitored and evaluated to ensure that they, individually and in the aggregate, do not pose any risk to the financial strength of the organization.

For additional information on AIG's derivatives hedging and investment activities, please see AIG's Annual Report and AIG's other public filings.

H. MEMBERSHIPS IN MATERIAL PAYMENT, CLEARING AND SETTLEMENT SYSTEMS

AIG is not a direct member of payment, clearing and settlement ("PCS") systems. Instead, AIG utilizes PCS systems through intermediaries, including banks and futures commission merchants ("FCMs"). For example, AIG Markets clears derivatives transactions through third-party FCMs. In addition, AIG Markets and AIG FP have identification numbers for and utilize the SWIFT system, which is a cooperative that provides a platform for the exchange of standardized financial messages between financial institutions and corporations.

I. DESCRIPTION OF WORLDWIDE OPERATIONS

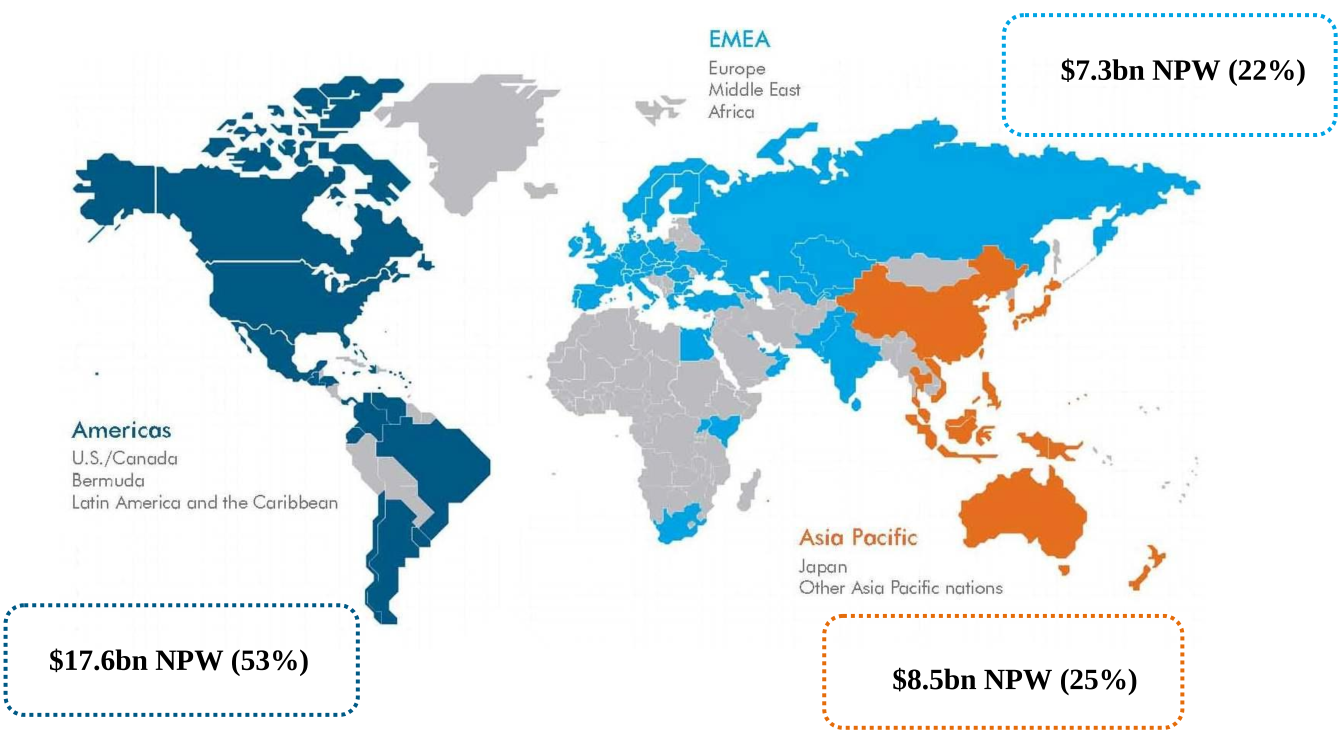
AIG's life insurance business has a substantial presence in the U.S. as well as in Japan. AIG's property and casualty business has an expansive global footprint and maintains a significant international presence in both developed markets and growth economy nations. As of December 31, 2014, AIG had approximately 65,000 employees worldwide.

AIG distributes its products and services in three major geographic regions:

- Americas: Includes the U.S., Canada, Central America, South America, the Caribbean and Bermuda.
- Asia Pacific: Includes Japan and other Asia Pacific nations, including China, Korea, Singapore, Vietnam, Thailand, Australia and Indonesia.
- EMEA (Europe, Middle East and Africa): Includes the United Kingdom, Continental Europe, Russia, India, the Middle East and Africa.

In 2014, for AIG Non-Life (excluding Mortgage Guaranty), the Americas accounted for 53% of net premiums written, Asia Pacific accounted for 25% of net premiums written and EMEA accounted for 22% of net premiums written.

AIG Non-Life Worldwide Net Premiums Written by Region for 2014



J. INTERCONNECTEDNESS OF MATERIAL ENTITIES

Some level of interconnectedness is inherent in a large global business, such as AIG. On a business as usual basis, these connections and dependencies help AIG to achieve economies of scale and scope, ensure efficient and sufficient capital allocation, allow clients to receive seamless service and help contribute to shareholder value. There are broadly three types of interconnections: (1) financial interconnections; (2) operational interconnections; and (3) external interconnections. By identifying these points of connectivity, the Company is better able to understand the relationships between MEs that will need to be maintained to continue business operations during resolution.

Financial Interconnections

There are a number of points of financial interconnectedness at AIG. Financial interconnections include items such as intercompany guarantees, intercompany loans, intercompany tax-sharing agreements, CMAs and other support agreements, reinsurance and QFCs. These arrangements are utilized by AIG to: (1) support the funding requirements of the business; (2) optimize group capital deployment within the organization; (3) offer comfort to policyholders, regulators and rating agencies; (4) provide credit support for higher financial strength ratings; (5) manage exposures and distribute risk appropriately; and (6) meet client or regulatory requirements.

Operational Interconnections

To conduct their business, the MEs rely on shared resources, including: MIS, services (*e.g.*, corporate control and support services), real estate, certain employees and other non-IT related intellectual property. AIG, Inc. and certain of the other non-insurance MEs, provide support and specialized services to each other, the Life Insurance MEs and Non-Life Insurance MEs. These services include general corporate support services, such as communications, human resources, legal and compliance, operations and systems, audit, administration, enterprise risk management and finance as well as more specific services related to insurance companies, such as claims services and investment management services. The primary services provided by the non-insurance MEs are summarized in the table below.

Primary Services Provided by Non-Insurance MEs

ME	Primary Services Provided	ME Users of Services
AIG, Inc.	• Executive Management and Strategic Guidance • Communication • Human Resources • Legal and Compliance • Operation and Systems • Audit • Administration • ERM • Finance	All MEs
AIGGS	• Technology Services • Shared Service Centers, including Call Centers, Processing, etc.	AIG Inc. Lexington NUFIC American Home AEL AIU FFM AAPI AIG PC GS AIG Claims AGC Life AGL U.S. Life VALIC AMG US AIG Markets AIG FP
AIG Markets	• Derivatives Transaction Services	AIG, Inc. Lexington NUFIC American Home AEL AIU FFM AAPI AGC Life AGL U.S. Life VALIC UGRIC

ME	Primary Services Provided	ME Users of Services
AMG US	• Investment Management Services	AIG, Inc. Lexington American Home NUFIC AIU FFM AGC Life AGL U.S. Life VALIC UGRIC
AIG Claims	• Claim Administration and Support, Claims Technology and Claims Adjusting Services (adjusting services for foreign MEs are for U.S.-based claims only)	Lexington American Home NUFIC AEL AIU FFM AAPI
AIG PC GS	• Corporate Services	All Non-Life MEs AIG Claims
	• Reinsurance Services	AEL

In addition, the Life Insurance MEs and Non-Life Insurance MEs provide certain services among themselves. Key among these are services provided by NUFIC to other U.S. Non-Life Insurance MEs related to a reinsurance pooling arrangement.

<u>External Interconnections</u>

External interconnections are those unaffiliated third-parties with which AIG has a significant relationship, including:

- Regulators
- Credit rating agencies
- Distribution channels
- Claims administration
- Vendors
- Customers
- Counterparties

K. MATERIAL SUPERVISORY AUTHORITIES

AIG is subject to regulation under U.S. federal and state laws and applicable law in other jurisdictions where it does business. AIG, Inc. has been designated as a nonbank SIFI by FSOC and as a result is subject to the supervision and regulation of the FRB. AMG US is a Registered Investment Advisor, subject to the supervision and regulation of the SEC. The U.S. Insurance MEs are subject to regulation and supervision in the states in which they are domiciled and in the other states in which they conduct business. The foreign Insurance MEs are subject to regulation and supervision in the jurisdictions in which they are domiciled and the other jurisdictions in which they operate. The regulators for the insurance MEs are set forth in the table below.

Regulators for Insurance MEs

Insurance Entity	Supervisory Authority
AGC Life	Missouri Department of Insurance
AGL	Texas Department of Insurance
American Home	New York State Department of Financial Services
Lexington	Delaware Department of Insurance
NUFIC	Pennsylvania Insurance Department
UGRIC	North Carolina Department of Insurance
U.S. Life	New York State Department of Financial Services
VALIC	Texas Department of Insurance
AAPI	Monetary Authority of Singapore
AEL	UK Financial Conduct Authority and the Prudential Regulatory Authority
AIU	Japan Financial Services Agency
FFM	Japan Financial Services Agency

Additional information is available in the “Regulation” section of AIG’s Annual Report.

L. EXECUTIVE OFFICERS

The executive officers of AIG, as of September 30, 2015, are presented in the table below:

Executive Officers

Name	Title
Peter D. Hancock	President and CEO
Douglas A. Dachille	EVP and Chief Investment Officer

Name	Title
William N. Dooley[3]	EVP
John Q. Doyle	EVP – Commercial
Philip Fasano	EVP – Chief Information Officer
David L. Herzog	EVP and Chief Financial Officer
Kevin T. Hogan	EVP – Consumer
Jeffrey J. Hurd	EVP – Human Resources and Administration
Ronald E. Martinez, Jr.	EVP – Claims and Operations
Thomas A. Russo	EVP and General Counsel
Siddhartha Sankaran	EVP and Chief Risk Officer

M. RESOLUTION PLANNING, CORPORATE GOVERNANCE STRUCTURE AND PROCESSES

AIG has developed a robust framework for contingency, recovery and resolution planning to ensure that all aspects of resolution planning, including development, review, approval and maintenance of the Plan receive appropriate attention by senior management and the AIG Board of Directors. The governance framework leverages established roles and responsibilities, directs the resources and personnel that AIG dedicates to resolution planning and incorporates enhancements specifically designed to address resolution planning. As a result, development, review, approval and maintenance activities of the Resolution Plan at AIG are fully integrated into its corporate governance structure.

As part of that framework, AIG created the Global Office of Recovery and Resolution Planning ("GORRP"), which is responsible for preparing, managing, coordinating, implementing, testing, integrating, updating and revising the Resolution Plan. GORRP works closely with the management teams of AIG's business units and key corporate functions to develop, manage, maintain and approve the Resolution Plan and serves as the central point for communications with regulatory bodies concerning the Plan.

GORRP acts under the direction and of the Recovery and Resolution Steering Committee (the "RRP Steering Committee"), which consists of AIG, Inc.'s Treasurer, Chief Financial Officer,

[3] Retiring from AIG effective December 31, 2015.

General Counsel and Chief Risk Officer. The RRP Steering Committee guides the strategic decisions in the resolution planning process and meets monthly with GORRP. As required by the Dodd-Frank Act, the Resolution Plan has been approved for submission by AIG's Board of Directors, upon the recommendation of the Risk and Capital Committee of AIG's Board of Directors. Outside legal counsel was engaged to provide legal advice on jurisdictional, bankruptcy and other issues and to review the overall resolution strategy.

As part of its ongoing effort to enhance its resolution planning capabilities, AIG, through GORRP and the RRP Steering Committee, has focused on educating the organization on the importance of the resolution planning process, embedding resolution activities into business as usual activities throughout the organization and making resolution a key component of the strategic decision making process.

N. MATERIAL MANAGEMENT INFORMATION SYSTEMS

MIS is defined as the internally developed and third-party systems, applications and infrastructure that enable AIG to conduct its operations, manage its data and generate reporting in a business as usual manner. AIG has undergone significant operational and governance enhancements, including continuous improvement of its MIS. These enhancements support AIG's day-to-day operations in a secure and effective manner, while also improving MIS capabilities for resolution planning.

AIG effectuates the management, oversight and governance through a robust MIS management structure that includes documented policies and procedures and firm wide standards. AIG's MIS is overseen by a Chief Information Officer, Chief Technology Officer, and regional, functional and business-specific Business Information Officers who work in close collaboration with functional and business unit leaders.

The business and functional owners of the key MIS provide a variety of services to businesses and functional areas across AIG in support of the MEs. In resolution, it is planned that MEs have continued access to the necessary key MIS and data to operate in the desired manner until the planned disposition of the entity is accomplished. AIG has also developed policies and procedures to govern its infrastructure and systems through management of people, processes and technology to meet its responsibilities to all stakeholders. These policies evaluate the impact of events that may adversely affect the ability of AIG to service customers, the value of AIG's assets and the overall ability of MIS to support AIG's businesses and operations.

AIG recognizes that the integrity of its MIS operations and governance is dependent, in part, on the planning it has made in preparation for unexpected events that could impact the Company or the ability of MIS to support AIG during those events. AIG's disaster recovery plans focus on critical business operation continuity. In case of a disaster, a recovery to a predefined level of performance is the goal. AIG's disaster recovery plans include technology incident response, mobilization and restoration of systems, data and user access to an alternate data center and the testing of these components to ensure plans are effective.

Through ongoing efforts, AIG is strengthening its MIS applications, systems and infrastructure to further enhance its ability to operate in an effective and efficient manner that also supports resolvability.

O. FORWARD LOOKING STATEMENTS / DISCLAIMERS

The Resolution Plan is based on a hypothetical scenario and a series of assumptions about future events and circumstances that do not necessarily reflect an event or events to which the Company is or may become subject. Accordingly, many of the statements and assessments in the Resolution Plan constitute forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements relate to AIG's future plans, objectives and resolution strategies (including its assumptions regarding the implementation of those strategies) and are subject to uncertainty and changes in circumstance. AIG has also described information about projects it has undertaken or is considering in connection with resolution planning. The statements made with respect to those projects and their effectiveness are forward-looking statements, based on current expectations. As a result, the timing of those projects may change, possibly materially, from what is currently expected. The Plan, which is summarized in this document, is not binding on any court or any other resolution authority, and in the event of AIG's resolution, the strategies implemented by the Company could differ, possibly materially, from the Resolution Strategy the Company has described in its Resolution Plan.