

The image shows the AIG logo on a building facade. The logo consists of the letters 'AIG' in a bold, sans-serif font, enclosed in a rectangular frame. The background is a blue-tinted photograph of a modern building entrance with glass doors and a revolving door.

American International Group, Inc.

Quarterly Financial Supplement
Fourth Quarter 2018

All financial information in this document is unaudited. This supplement should be read in conjunction with AIG's Annual Report on Form 10-K for the year ended December 31, 2018, which will be filed with the Securities and Exchange Commission.

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

This Financial Supplement may include, and officers and representatives of American International Group, Inc. (AIG) may from time to time make and discuss, projections, goals, assumptions and statements that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions and statements are not historical facts but instead represent only a belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG’s control. These projections, goals, assumptions and statements include statements preceded by, followed by or including words such as “will,” “believe,” “anticipate,” “expect,” “intend,” “plan,” “focused on achieving,” “view,” “target,” “goal” or “estimate.” These projections, goals, assumptions and statements may relate to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, anticipated organizational, business or regulatory changes, anticipated sales, monetization and/or acquisitions of businesses or assets, or successful integration of acquired businesses, management succession and retention plans, exposure to risk, trends in operations and financial results.

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

- changes in market and industry conditions;
- the occurrence of catastrophic events, both natural and man-made;
- AIG’s ability to successfully reorganize its businesses and execute on its initiatives to improve its underwriting capabilities and reinsurance programs, as well as improve profitability, without negatively impacting client relationships or its competitive position;
- AIG’s ability to successfully dispose of, monetize and/or acquire businesses or assets or successfully integrate acquired businesses;
- actions by credit rating agencies;
- changes in judgments concerning insurance underwriting and insurance liabilities;
- changes in judgments concerning potential cost saving opportunities;
- the impact of potential information technology, cybersecurity or data security breaches, including as a result of cyber-attacks or security vulnerabilities;
- disruptions in the availability of AIG’s electronic data systems or those of third parties;
- the effectiveness of AIG’s strategies to recruit and retain key personnel and its ability to implement effective succession plans;
- negative impacts on customers, business partners and other stakeholders;
- AIG’s ability to successfully manage Legacy portfolios;
- concentrations in AIG’s investment portfolios;
- 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;
- changes in judgments concerning the recognition of deferred tax assets and goodwill impairment; 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, 2018, Part I, Item 2. MD&A and Part II, Item 1A. Risk Factors in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018, Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018, Part II, Item 7. MD&A and Part I, Item 1A. Risk Factors in AIG’s Annual Report on Form 10-K for the year ended December 31, 2017 and Part II, Item 7. MD&A and Part I, Item 1A. Risk Factors in AIG’s Annual Report on Form 10-K for the year ended December 31, 2018 (which will be filed with the Securities and Exchange Commission).

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



American International Group, Inc. Non-GAAP Financial Measures

Throughout this Financial Supplement, we present our financial condition and results of operations in the way we believe will be most meaningful and representative of our business results. Some of the measurements we use are “Non-GAAP financial measures” under Securities and Exchange Commission rules and regulations. GAAP is the acronym for 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.

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 capital gains and losses;
- loss (gain) on extinguishment of debt;
- all net realized capital 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 capital 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;
- pension expense related to a one-time lump sum payment to former employees;
- income and loss from divested businesses;
- non-operating litigation reserves and settlements;
- 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;
- net loss reserve discount benefit (charge); and
- integration and transaction costs associated with acquired businesses.

Adjusted After-tax Income attributable to AIG (AATI) is derived by excluding the tax effected adjusted pre-tax income (APTI) adjustments described above 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).

Book Value per Common Share, Excluding Accumulated Other Comprehensive Income (AOCI) and Book Value per Common Share, Excluding AOCI and Deferred Tax Assets (DTA) (Adjusted Book Value per Common Share) are used to show the amount of our net worth on a per-share basis. We believe these measures are useful to investors because they eliminate items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. These measures also eliminate the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in these book value per common share metrics. Book value per common share, excluding AOCI, is derived by dividing Total AIG Shareholders’ equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG shareholders’ equity, excluding AOCI and DTA (**Adjusted Shareholders’ Equity**), by total common shares outstanding. The reconciliation to book value per common share, the most comparable GAAP measure, is presented on page 47 herein.

AIG Return on Equity – Adjusted After-tax Income Excluding AOCI and DTA (Adjusted Return on Equity) is used to show the rate of return on shareholders’ equity. We believe this measure is useful to investors because it eliminates items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. This measure also eliminates the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Adjusted Return on Equity. Adjusted Return on Equity is derived by dividing actual or annualized adjusted after-tax income attributable to AIG by average Adjusted Shareholders’ Equity. The reconciliation to return on equity, the most comparable GAAP measure, is presented on page 47 herein.

Core, General Insurance, Life and Retirement and Legacy Adjusted Attributed Equity is an attribution of total AIG Adjusted Shareholders’ Equity to these segments based on our internal capital model, which incorporates the segments’ respective risk profiles. Adjusted attributed equity represents our best estimates based on current facts and circumstances and will change over time.

Core, General Insurance, Life and Retirement and Legacy Return on Equity – Adjusted After-tax Income (Adjusted Return on Attributed Equity) is used to show the rate of return on Adjusted Attributed Equity. Adjusted Return on Attributed Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Attributed Equity. The reconciliations to Adjusted Return on Equity are presented on pages 13, 22, 36 and 49 herein.



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

Adjusted After-tax Income Attributable to Core, General Insurance, Life and Retirement and Legacy is derived by subtracting attributed interest expense and income tax expense from APTI. Attributed debt and the related interest expense is calculated based on our internal capital model. Tax expense or benefit is calculated based on an internal attribution methodology that considers among other things the taxing jurisdiction in which the segments conduct business, as well as the deductibility of expenses in those jurisdictions. The reconciliations from Adjusted pre-tax income to Adjusted after-tax income attributed to General Insurance, Life and Retirement, Core and Legacy are presented on pages 13, 22, 36 and 49 herein. Attributed debt is included on page 50 herein.

Adjusted Revenues exclude Net realized capital gains (losses), income from non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes). Adjusted revenues is a GAAP measure for our operating 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 combined ratios, as adjusted: both the accident year loss and combined ratios, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. 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) Accident year loss ratio, as adjusted (AYLR) = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/- Reinstatement premiums related to 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]
- g) Accident year combined ratio, as adjusted = AYLR + Expense ratio
- h) Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE +/-(-) CYRIPs] – Loss 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.

Key Terms - Throughout this Financial Supplement, we use the following terms:

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

Severe losses are defined as non-catastrophic individual first-party losses, surety and trade credit losses greater than \$10 million, net of related reinsurance and salvage and subrogation.

Alternative investment income includes income on hedge funds, private equity funds and affordable housing partnerships. Hedge funds for which we elected the fair value option are recorded as of the balance sheet date. Other hedge funds are generally reported on a one-month lag, while private equity funds are generally reported on a one-quarter lag. We use an 8% expected rate of return for the better (worse) than expected alternative investments line item for all periods presented herein.

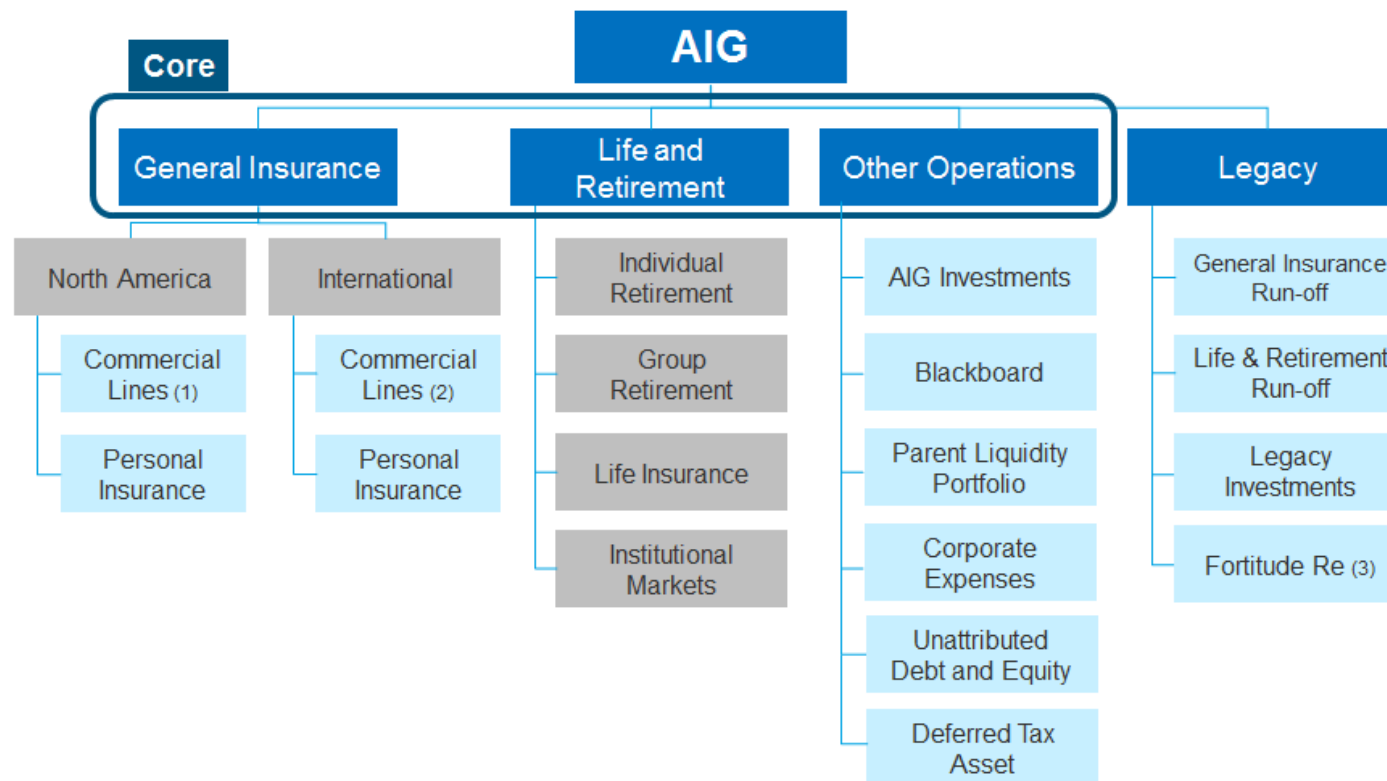


American International Group, Inc.

Overview

Segment Reporting

To align our financial reporting with the manner in which AIG's chief operating decision makers review the businesses to assess performance and make decisions about resources to be allocated, we organize our business units into General Insurance and Life and Retirement as follows:



General Insurance

Geography

North America primarily includes insurance businesses in the United States, Canada and Bermuda. International includes insurance businesses in Japan, the United Kingdom, Europe, the Asia Pacific region, Puerto Rico, Australia and the Middle East. Geography results are presented before consideration of internal reinsurance agreements.

Validus

On July 18, 2018, we completed our acquisition of Validus Holdings, Ltd. (Validus), a leading provider of reinsurance, primary insurance, and asset management services. The results of Validus following the date of acquisition are reported in our General Insurance segment beginning in 3Q18.

- (1) North America Commercial Lines includes Validus Re, Alpha Cat, Western World and Crop Risk Services.
- (2) International Commercial Lines includes Talbot Holdings Ltd.

Legacy

- (3) Fortitude Reinsurance Company, Ltd. (Fortitude Re), formerly known as DSA Reinsurance Company, Ltd., our Bermuda domiciled composite reinsurer, commenced operations in February 2018. See accompanying notes on page 12 for further discussion of Fortitude Re.

American International Group, Inc.
Consolidated Financial Highlights

	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
(in millions, except per share data)							
Results of Operations Data (attributable to AIG)							
Net income (loss)	\$ (622)	\$ (1,259)	\$ 937	\$ 938	\$ (6,660)	\$ (6)	\$ (6,084)
Net income (loss) per share:							
Basic	\$ (0.70)	\$ (1.41)	\$ 1.04	\$ 1.03	\$ (7.33)	\$ (0.01)	\$ (6.54)
Diluted (1)	\$ (0.70)	\$ (1.41)	\$ 1.02	\$ 1.01	\$ (7.33)	\$ (0.01)	\$ (6.54)
Weighted average shares outstanding:							
Basic	887.5	895.2	903.2	908.0	908.1	898.4	930.6
Diluted (1)	887.5	895.2	916.6	925.3	908.1	910.1	930.6
Effective tax rate	19.7 %	20.1 %	25.6 %	22.6 %	NM	59.9 %	NM
Adjusted after-tax income (loss)	\$ (559)	\$ (301)	\$ 961	\$ 963	\$ 526	\$ 1,064	\$ 2,231
Adjusted after-tax income (loss) per diluted share (1)	\$ (0.63)	\$ (0.34)	\$ 1.05	\$ 1.04	\$ 0.57	\$ 1.17	\$ 2.34
Weighted average diluted shares - operating (1)	887.5	895.2	916.6	925.3	928.3	910.1	953.0
Adjusted effective tax rate	18.5 %	27.9 %	25.1 %	20.0 %	38.9 %	23.0 %	28.7 %
Selected Balance Sheet data, at period end							
Total assets	\$ 491,984	\$ 504,860	\$ 496,829	\$ 499,143	\$ 498,301	\$ 491,984	\$ 498,301
Long-term debt	34,540	34,594	33,784	33,619	31,640	34,540	31,640
AIG shareholders' equity	56,361	58,586	61,186	62,792	65,171	56,361	65,171
Adjusted Shareholders' Equity	47,621	49,169	51,103	50,358	49,214	47,621	49,214
Adjusted Attributed Equity *							
General Insurance	\$ 25,066	\$ 26,910	\$ 24,146	\$ 23,887	\$ 25,244	\$ 25,066	\$ 25,244
Life and Retirement	19,695	19,254	19,972	19,931	20,304	19,695	20,304
Other Operations	(6,026)	(5,806)	(2,282)	(2,706)	(5,617)	(6,026)	(5,617)
Total Core	38,735	40,358	41,836	41,112	39,931	38,735	39,931
Legacy	8,886	8,811	9,267	9,246	9,283	8,886	9,283
Total AIG adjusted attributed equity	\$ 47,621	\$ 49,169	\$ 51,103	\$ 50,358	\$ 49,214	\$ 47,621	\$ 49,214
Return On Equity (ROE, attributable to AIG)							
ROE	(4.3)%	(8.4)%	6.0 %	5.9 %	(38.7)%	0.0 %	(8.4)%
Adjusted return on equity	(4.6)%	(2.4)%	7.6 %	7.7 %	4.2 %	2.1 %	4.1 %
Adjusted return on attributed equity - Core**	(4.3)%	(3.6)%	8.2 %	8.6 %	2.6 %	2.3 %	3.2 %
Adjusted return on attributed equity - General Insurance**	(11.8)%	(11.9)%	5.6 %	5.1 %	(1.6)%	(3.6)%	(3.3)%
Adjusted return on attributed equity - Life and Retirement**	9.8 %	11.2 %	15.0 %	14.3 %	10.2 %	12.6 %	12.4 %
Adjusted return on attributed equity - Legacy Portfolio**	(5.4)%	2.9 %	4.6 %	4.6 %	10.5 %	1.8 %	8.7 %

* Attribution of adjusted equity is performed on an annual basis unless recalibration is needed (refer to page 50). Adjusted attributed equity is based on our internal capital model and on the risk profile of each business.

** Refer to pages 13, 22, 36 and 49 for components of calculation.

See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Consolidated Financial Highlights

(in millions, except per share data)

	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	December 31, 2018	December 31, 2017
AIG Capitalization							
Total equity	\$ 57,309	\$ 59,177	\$ 61,797	\$ 63,357	\$ 65,708	\$ 57,309	\$ 65,708
Hybrid debt securities (2)	1,548	1,552	1,554	1,592	841	1,548	841
Total equity and hybrid debt	58,857	60,729	63,351	64,949	66,549	58,857	66,549
Financial debt (2)	22,186	22,768	21,886	22,043	21,315	22,186	21,315
Total capital	\$ 81,043	\$ 83,497	\$ 85,237	\$ 86,992	\$ 87,864	\$ 81,043	\$ 87,864
Leverage Ratios							
Hybrid debt securities / Total capital	1.9 %	1.9 %	1.8 %	1.8 %	1.0 %	1.9 %	1.0 %
Financial debt / Total capital	27.4	27.3	25.7	25.3	24.3	27.4	24.3
Total hybrids and financial debt / Total capital	29.3 %	29.2 %	27.5 %	27.1 %	25.3 %	29.3 %	25.3 %
Common Stock Repurchases							
Aggregate repurchase of common stock	\$ 745	\$ 348	\$ 348	\$ 298	\$ -	\$ 1,739	\$ 6,275
Number of common shares repurchased	18.0	6.6	6.5	5.4	-	36.5	99.7
Average price paid per share of common stock	\$ 41.22	\$ 53.05	\$ 53.47	\$ 55.41	\$ -	\$ 47.62	\$ 62.95
Aggregate repurchase of warrants	\$ 5	\$ 2	\$ 2	\$ 2	\$ -	\$ 11	\$ 3
Number of warrants repurchased	0.7	0.1	0.2	0.1	-	1.1	0.2
Dividends							
Dividends declared per common share	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 1.28	\$ 1.28
Total dividends declared	\$ 280	\$ 283	\$ 286	\$ 289	\$ 288	\$ 1,138	\$ 1,172
Share Data (attributable to AIG, at period end)							
Common shares outstanding	866.6	884.6	891.2	897.7	899.0	866.6	899.0
Closing share price	\$ 39.41	\$ 53.24	\$ 53.02	\$ 54.42	\$ 59.58	\$ 39.41	\$ 59.58
Book value per common share	65.04	66.23	68.65	69.95	72.49	65.04	72.49
Book value per common share, excluding AOCI	66.67	66.83	68.40	67.48	66.41	66.67	66.41
Adjusted book value per common share	54.95	55.58	57.34	56.10	54.74	54.95	54.74

See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Consolidated Financial Highlights

(in millions)

Adjusted Pre-Tax Income (Loss)

General Insurance

North America

International

Total General Insurance

Life and Retirement

Individual Retirement

Group Retirement

Life Insurance

Institutional Markets

Total Life and Retirement

Other Operations

Consolidation, eliminations and other adjustments

Total Core

Total Legacy Portfolio

Total adjusted pre-tax income (loss)

	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
North America	\$ (575)	\$ (160)	\$ 407	\$ 320	\$ 412	\$ (8)	\$ (232)
International	(147)	(665)	161	190	(399)	(461)	(581)
Total General Insurance	(722)	(825)	568	510	13	(469)	(813)
Individual Retirement	327	393	462	499	474	1,681	2,289
Group Retirement	159	242	250	282	246	933	1,004
Life Insurance	87	16	175	52	2	330	274
Institutional Markets	50	62	75	59	60	246	264
Total Life and Retirement	623	713	962	892	782	3,190	3,831
Other Operations	(451)	(417)	(374)	(342)	(366)	(1,584)	(1,405)
Consolidation, eliminations and other adjustments	31	29	(12)	11	-	59	75
Total Core	(519)	(500)	1,144	1,071	429	1,196	1,688
Total Legacy Portfolio	(150)	84	134	145	411	213	1,470
Total adjusted pre-tax income (loss)	\$ (669)	\$ (416)	\$ 1,278	\$ 1,216	\$ 840	\$ 1,409	\$ 3,158

Noteworthy Profit and Loss Data

Revenue Items:

Better (worse) than expected alternative returns

Better (worse) than expected DIB and GCM returns*

Better (worse) than expected fair value changes on Fixed Maturity Securities -

Other accounted under fair value option** (3)

Fair value changes on Equity Securities - Other

Expense Items:

Catastrophe losses, net of reinsurance

Prior year loss reserve development (favorable) unfavorable, net of reinsurance

Severe losses, net of reinsurance

Annual actuarial assumption update

	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Better (worse) than expected alternative returns	\$ (340)	\$ 117	\$ (48)	\$ 103	\$ 62	\$ (168)	\$ 465
Better (worse) than expected DIB and GCM returns*	(31)	15	(19)	37	234	2	463
Better (worse) than expected fair value changes on Fixed Maturity Securities - Other accounted under fair value option** (3)	50	(32)	(42)	(42)	306	(66)	671
Fair value changes on Equity Securities - Other	(143)	(13)	3	(31)	52	(184)	123
Catastrophe losses, net of reinsurance	\$ 798	\$ 1,624	\$ 150	\$ 376	\$ 766	\$ 2,948	\$ 4,190
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	365	170	(63)	(110)	76	362	978
Severe losses, net of reinsurance	95	153	293	135	51	676	476
Annual actuarial assumption update	105	103	-	-	-	208	(270)

* DIB refers to Direct Investment Book and GCM refers to Global Capital Markets.

** Includes the fair value changes on the DIB and GCM asset portfolios.

See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Consolidated Statement of Operations

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Revenues:							
Premiums	\$ 8,464	\$ 7,668	\$ 7,207	\$ 7,275	\$ 7,915	\$ 30,614	\$ 31,374
Policy fees	734	530	763	764	758	2,791	2,935
Net investment income:							
Interest and dividends	3,075	3,084	2,985	3,060	3,072	12,204	12,109
Alternative investments	(182)	329	171	337	301	655	1,475
Other investment income (loss)	(11)	98	35	(12)	221	110	1,115
Investment expenses	(128)	(115)	(126)	(124)	(130)	(493)	(520)
Total net investment income	2,754	3,396	3,065	3,261	3,464	12,476	14,179
Net realized capital gains (losses)	235	(511)	165	(19)	(274)	(130)	(1,380)
Other income	373	403	431	431	772	1,638	2,412
Total revenues	12,560	11,486	11,631	11,712	12,635	47,389	49,520
Benefits, losses and expenses							
Policyholder benefits and losses incurred	7,928	8,312	5,505	5,667	7,319	27,412	29,972
Interest credited to policyholder account balances	970	933	935	916	909	3,754	3,592
Amortization of deferred policy acquisition costs	1,573	1,118	1,337	1,358	1,153	5,386	4,288
General operating and other expenses	2,383	2,325	2,323	2,271	2,333	9,302	9,107
Interest expense	407	326	299	277	288	1,309	1,168
(Gain) loss on extinguishment of debt	(3)	1	5	4	(1)	7	(5)
Net (gain) loss on sale of divested businesses (4)	(3)	(2)	(25)	(8)	(241)	(38)	(68)
Total benefits, losses and expenses	13,255	13,013	10,379	10,485	11,760	47,132	48,054
Income (loss) from continuing operations before income taxes	(695)	(1,527)	1,252	1,227	875	257	1,466
Income tax (benefit) expense	(137)	(307)	321	277	7,544	154	7,526
Income (loss) from continuing operations	(558)	(1,220)	931	950	(6,669)	103	(6,060)
Income (loss) from discontinued operations, net of income taxes	(2)	(39)	-	(1)	(3)	(42)	4
Net income (loss)	(560)	(1,259)	931	949	(6,672)	61	(6,056)
Net income (loss) attributable to noncontrolling interests	62	-	(6)	11	(12)	67	28
Net income (loss) attributable to AIG	\$ (622)	\$ (1,259)	\$ 937	\$ 938	\$ (6,660)	\$ (6)	\$ (6,084)

See accompanying notes on page 12.



American International Group, Inc.
Consolidated Balance Sheets

(in millions)	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Assets					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 229,391	\$ 232,720	\$ 228,673	\$ 233,914	\$ 238,992
Other bond securities, at fair value	11,415	11,420	11,774	12,397	12,772
Equity securities					
Common and preferred stock available for sale, at fair value (5)	-	-	-	-	1,708
Other common and preferred stock, at fair value	1,253	1,443	1,675	1,725	589
Mortgage and other loans receivable, net of allowance	43,135	41,878	39,978	38,540	37,023
Other invested assets	19,341	19,739	20,648	21,183	20,822
Short-term investments	9,674	8,863	17,010	14,616	10,386
Total investments	314,209	316,063	319,758	322,375	322,292
Cash	2,873	2,741	2,135	2,103	2,362
Accrued investment income	2,389	2,524	2,449	2,390	2,356
Premiums and other receivables, net of allowance	11,011	12,238	10,860	11,107	10,248
Reinsurance assets, net of allowance	38,172	37,178	34,497	34,744	33,024
Deferred income taxes	15,221	15,088	14,753	14,558	14,033
Deferred policy acquisition costs (6)	12,694	12,683	11,997	11,631	10,994
Other assets (6)	13,568	13,300	9,634	9,646	10,194
Separate account assets, at fair value	81,847	93,045	90,746	90,589	92,798
Total assets	\$ 491,984	\$ 504,860	\$ 496,829	\$ 499,143	\$ 498,301
Liabilities					
Liability for unpaid losses and loss adjustment expenses	\$ 83,639	\$ 81,959	\$ 76,713	\$ 78,098	\$ 78,393
Unearned premiums	19,248	20,829	19,676	20,038	19,030
Future policy benefits for life and accident and health insurance contracts	44,935	44,374	44,608	44,895	45,432
Policyholder contract deposits	142,262	140,491	138,964	138,153	135,602
Other policyholder funds	3,568	3,738	3,482	3,473	3,648
Other liabilities	24,636	26,653	27,059	26,921	26,050
Long-term debt	34,540	34,594	33,784	33,619	31,640
Separate account liabilities	81,847	93,045	90,746	90,589	92,798
Total liabilities	434,675	445,683	435,032	435,786	432,593
AIG shareholders' equity					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(49,144)	(48,401)	(48,052)	(47,706)	(47,595)
Additional paid-in capital	81,268	81,008	80,924	80,841	81,078
Retained earnings	20,884	21,749	23,318	22,671	21,457
Accumulated other comprehensive income (loss)	(1,413)	(536)	230	2,220	5,465
Total AIG shareholders' equity	56,361	58,586	61,186	62,792	65,171
Non-redeemable noncontrolling interests	948	591	611	565	537
Total equity	57,309	59,177	61,797	63,357	65,708
Total liabilities and equity	\$ 491,984	\$ 504,860	\$ 496,829	\$ 499,143	\$ 498,301

See accompanying notes on page 12.



American International Group, Inc.
Segment Balance Sheets

December 31, 2018

(in millions)	General Insurance	Life & Retirement	Other Operations (7)	Total Core	Legacy Portfolio (8) (9)	AOCI and DTA*	AIG Inc.
Assets:							
Investments:							
Fixed maturity securities							
Bonds available for sale, at fair value	\$ 62,540	\$ 122,039	\$ 3,238	\$ 187,817	\$ 39,102	\$ 2,472	\$ 229,391
Other bond securities, at fair value	1,080	3,317	2,675	7,072	4,343	-	11,415
Equity securities							
Common and preferred stock available for sale, at fair value (5)	-	-	-	-	-	-	-
Other common and preferred stock, at fair value	1,104	87	39	1,230	23	-	1,253
Mortgage and other loans receivable, net of allowance	10,741	29,435	(831)	39,345	3,790	-	43,135
Other invested assets	8,244	6,095	2,438	16,777	2,564	-	19,341
Short-term investments	3,500	4,730	692	8,922	752	-	9,674
Total investments	87,209	165,703	8,251	261,163	50,574	2,472	314,209
Cash	2,062	359	159	2,580	293	-	2,873
Accrued investment income	770	1,863	(332)	2,301	88	-	2,389
Premiums and other receivables, net of allowance	11,088	968	(1,091)	10,965	46	-	11,011
Reinsurance assets, net of allowance	32,088	1,779	(80)	33,787	4,385	-	38,172
Deferred income taxes	3,415	2,604	(1,627)	4,392	751	10,078	15,221
Deferred policy acquisition costs (6)	2,889	9,133	-	12,022	672	-	12,694
Other assets (6)	13,339	2,689	(5,848)	10,180	5,647	(2,259)	13,568
Separate account assets, at fair value	-	79,960	-	79,960	1,887	-	81,847
Total assets	\$ 152,860	\$ 265,058	\$ (568)	\$ 417,350	\$ 64,343	\$ 10,291	\$ 491,984
Liabilities:							
Liability for unpaid losses and loss adjustment expenses	\$ 75,229	\$ -	\$ 177	\$ 75,406	\$ 8,233	\$ -	\$ 83,639
Unearned premiums	18,727	-	6	18,733	515	-	19,248
Future policy benefits for life and accident and health insurance contracts	956	14,739	(130)	15,565	29,370	-	44,935
Policyholder contract deposits	-	137,718	(107)	137,611	4,651	-	142,262
Other policyholder funds	-	295	-	295	3,273	-	3,568
Other liabilities	16,105	5,878	(3,889)	18,094	4,991	1,551	24,636
Long-term debt:							
Operating debt	3,203	3,618	1,524	8,345	2,461	-	10,806
Attributed debt	13,498	2,830	7,406	23,734	-	-	23,734
Total Long-term debt	16,701	6,448	8,930	32,079	2,461	-	34,540
Separate account liabilities	-	79,960	-	79,960	1,887	-	81,847
Total liabilities	127,718	245,038	4,987	377,743	55,381	1,551	434,675
AIG Shareholders' equity							
Adjusted attributed equity*	25,066	19,695	(6,026)	38,735	8,886	8,740	56,361
Non-redeemable noncontrolling interests	76	325	471	872	76	-	948
Total Equity	25,142	20,020	(5,555)	39,607	8,962	8,740	57,309
Total liabilities and equity	\$ 152,860	\$ 265,058	\$ (568)	\$ 417,350	\$ 64,343	\$ 10,291	\$ 491,984

* The segment balance sheets have been prepared consistent with our internal capital model and are based on Adjusted Attributed Equity (which excludes AOCI and DTA). See page 50 for further discussion.

See accompanying notes on page 12.



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

(in millions)	Debt and Hybrid Capital		Interest Expense			
	December 31, 2018	December 31, 2017	Three Months Ended December 31,		Twelve Months Ended December 31,	
			2018	2017	2018	2017
Financial Debt						
AIG notes and bonds payable	\$ 20,853	\$ 20,339	\$ 218	\$ 214	\$ 856	\$ 865
AIG Japan Holdings Kabushiki Kaisha	331	334	-	-	1	1
AIG Life Holdings, Inc. notes and bonds payable	282	281	5	5	20	20
AIG Life Holdings, Inc. junior subordinated debt	361	361	8	8	30	30
Validus notes and bonds payable	359	-	5	-	11	-
Validus junior subordinated debt (10)	-	-	5	-	13	-
Total	22,186	21,315	241	227	931	916
Operating Debt						
MIP notes payable	-	356	-	3	4	26
Series AIGFP matched notes and bonds payable	21	21	-	-	-	1
Other AIG borrowings supported by assets	2,213	2,888	-	-	-	-
Other subsidiaries	168	190	1	1	2	6
Borrowings of consolidated investments	8,404	6,029	142	45	290	168
Total	10,806	9,484	143	49	296	201
Hybrid - Debt Securities (2)						
Junior subordinated debt (11)	1,548	841	23	12	82	51
Total	\$ 34,540	\$ 31,640	\$ 407	\$ 288	\$ 1,309	\$ 1,168
AIG Capitalization						
Total equity	\$ 57,309	\$ 65,708				
Hybrid - debt securities (2) (11)	1,548	841				
Total equity and hybrid capital	58,857	66,549				
Financial debt	22,186	21,315				
Total capital	\$ 81,043	\$ 87,864				
Ratios						
Hybrid - debt securities / Total capital	1.9 %	1.0 %				
Financial debt / Total capital	27.4	24.3				
Total debt / Total capital	29.3 %	25.3 %				

See accompanying notes on page 12.

American International Group, Inc. Consolidated Notes

- (1) For the quarters ended December 31, 2018, September 30, 2018 and December 31, 2017, because we reported a net loss attributable to AIG common shareholders from continuing operations, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. For the quarters ended December 31, 2018 and September 30, 2018, we also reported an adjusted after-tax loss, and therefore, all common stock equivalents are anti-dilutive and are excluded from the calculation of diluted shares and diluted per share amounts.
- (2) Hybrid debt securities and financial debt are attributed to our reportable segments. See details of attributed debt on page 50.
- (3) Represents the impact of fair value changes included in APTI on the Fixed Maturity Securities – Other accounted under the fair value option, rather than their impact on the income from continuing operations before tax expense. We use a 6% expected rate of return to calculate the better (worse) than expected fair value changes on the Fixed Maturity Securities – Other line item for all periods presented.
- (4) 4Q17 included the sale of certain group benefits businesses, primarily medical stop loss.
- (5) As a result of the adoption of the Financial Instruments Recognition and Measurement Standard on January 1, 2018, equity securities are no longer classified and accounted for as available-for-sale securities. Investment income includes amounts recorded in net investment income by our insurance subsidiaries and amounts recorded in other income by our non-insurance subsidiaries.
- (6) As of December 31, 2018, Other assets includes \$4.1 billion of Goodwill and \$1.4 billion of other intangible assets primarily relating to the acquisitions of Validus, Glatfelter Insurance Group and Ellipse.
- (7) Other Operations includes inter segment eliminations for Core.
- (8) In February of 2018, we closed a series of affiliated reinsurance transactions impacting the Legacy Portfolio (the affiliated transactions). These affiliated transactions were designed to consolidate most of the Legacy Insurance Run-Off Lines into a single legal entity, Fortitude Re, a composite reinsurer domiciled in Bermuda, wholly owned by AIG. As of December 31, 2018, the affiliated transactions included the cession of approximately \$31 billion of reserves from the Legacy Life and Retirement Run-off Lines and approximately \$4 billion of reserves from the Legacy General Insurance Run-off Lines relating to business written by multiple AIG legal entities, which represented over 83 percent of the insurance reserves in the Legacy Portfolio as of December 31, 2018. We used \$2.6 billion of existing Legacy Portfolio cash and investment assets to capitalize Fortitude Re in order to enable it to assume insurance risk and other economic risk from our affiliated U.S. and Bermuda-domiciled insurance companies. These assets included approximately \$1.6 billion of capital release from Eaglestone Reinsurance Company, an affiliated entity, to AIG as a result of the commutation of certain property and casualty risks from other AIG subsidiaries which were subsequently ceded to Fortitude Re. We formed Fortitude Group Holdings, LLC (Fortitude Holdings) to act as a holding company for Fortitude Re. On November 13, 2018, we completed the sale of a 19.9 percent ownership interest in Fortitude Holdings to TC Group Cayman Investment Holdings, L.P. (TCG), an affiliate of The Carlyle Group L.P. (Carlyle) Fortitude Holdings owns 100 percent of the outstanding common shares of Fortitude Re and AIG has an 80.1 percent ownership interest in Fortitude Holdings. In connection with the sale, we agreed to certain investment commitment targets into various Carlyle strategies and to certain minimum investment management fee payments within 36 months following the closing. We also will be required to pay a proportionate amount of an agreed make-whole fee to the extent we fail to satisfy such investment commitment targets.
- (9) The affiliated reinsurance transactions executed in the first quarter of 2018 with Fortitude Re resulted in prepaid insurance assets on the ceding subsidiaries' balance sheets of approximately \$2.5 billion (after-tax). These assets have been eliminated in AIG's consolidated financial statements since the counterparties were wholly-owned. In the event of a sale of a controlling interest in Fortitude, our Legacy Portfolio may recognize a loss for the portion of the unamortized balance of these assets and related deferred acquisition costs of \$0.5 billion (after-tax) that are not recoverable, if any, in the period in which our interest in Fortitude becomes non-controlling. This loss would be incremental to any gain or loss recognized on the sale of our controlling interest in Fortitude.
- (10) On October 30, 2018, Validus Reinsurance, Ltd. redeemed its outstanding Floating Rate Deferrable Interest Junior Subordinated Notes due July 30, 2037 at a redemption price of 100 percent of the principal amount, plus accrued and unpaid interest, for a net amount of approximately \$90 million.
- (11) The junior subordinated debt securities receive partial equity treatment from a major rating agency under its current policies but are recorded as long-term borrowings in the Consolidated Balance Sheets.

American International Group, Inc.
General Insurance Results

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Results of Operations (1) (2)							
Gross premiums written	\$ 7,699	\$ 8,668	\$ 8,653	\$ 9,205	\$ 7,278	\$ 34,225	\$ 33,059
Ceded premiums written	(1,275)	(1,833)	(1,676)	(3,034)	(1,386)	(7,818)	(7,621)
Net premiums written	\$ 6,424	\$ 6,835	\$ 6,977	\$ 6,171	\$ 5,892	\$ 26,407	\$ 25,438
Net premiums earned	\$ 7,171	\$ 7,081	\$ 6,570	\$ 6,683	\$ 6,375	\$ 27,505	\$ 26,026
Losses and loss adjustment expenses incurred (3)	5,743	6,276	4,317	4,488	4,990	20,824	21,642
Acquisition expenses:							
Amortization of deferred policy acquisition costs	1,215	1,223	1,092	1,066	963	4,596	3,765
Other acquisition expenses	390	313	297	385	306	1,385	1,388
Total acquisition expenses	1,605	1,536	1,389	1,451	1,269	5,981	5,153
General operating expenses	894	995	953	995	962	3,837	3,712
Underwriting income (loss)	(1,071)	(1,726)	(89)	(251)	(846)	(3,137)	(4,481)
Net investment income (loss):							
Interest and dividends	672	697	632	660	680	2,661	2,770
Alternative investments	(180)	206	68	153	185	247	895
Other investment income (loss)	(109)	32	(5)	(21)	25	(103)	142
Investment expenses	(34)	(34)	(38)	(31)	(31)	(137)	(139)
Total net investment income	349	901	657	761	859	2,668	3,668
Adjusted pre-tax income (loss)	(722)	(825)	568	510	13	(469)	(813)
Interest expense on attributed financial debt	142	141	137	124	115	544	499
Adjusted pre-tax income (loss) including attributed interest expense	(864)	(966)	431	386	(102)	(1,013)	(1,312)
Income tax expense (benefit)	(100)	(206)	97	89	(2)	(120)	(446)
Adjusted after-tax income (loss) (a)	\$ (764)	\$ (760)	\$ 334	\$ 297	\$ (100)	\$ (893)	\$ (866)
Ending adjusted attributed equity	\$ 25,066	\$ 26,910	\$ 24,146	\$ 23,887	\$ 25,244	\$ 25,066	\$ 25,244
Average adjusted attributed equity (b)*	25,988	25,528	24,017	23,410	25,112	24,588	26,339
Adjusted return on attributed equity (a÷b)	(11.8)%	(11.9)%	5.6%	5.1%	(1.6)%	(3.6)%	(3.3)%
Underwriting Ratios							
Loss ratio (3)	80.1	88.6	65.7	67.2	78.3	75.7	83.2
Catastrophe losses and reinstatement premiums	(11.3)	(22.0)	(2.3)	(5.7)	(11.7)	(10.5)	(16.1)
Prior year development	(5.3)	(2.7)	0.8	1.6	(1.4)	(1.5)	(4.0)
Adjustments for ceded premium under reinsurance contracts and other	0.4	(0.3)	1.2	-	-	0.3	(0.1)
Accident year loss ratio, as adjusted	63.9	63.6	65.4	63.1	65.2	64.0	63.0
Acquisition ratio	22.4	21.7	21.1	21.7	19.9	21.7	19.8
General operating expense ratio	12.5	14.1	14.5	14.9	15.1	14.0	14.3
Expense ratio	34.9	35.8	35.6	36.6	35.0	35.7	34.1
Combined ratio (3)	115.0	124.4	101.3	103.8	113.3	111.4	117.3
Accident year combined ratio, as adjusted	98.8	99.4	101.0	99.7	100.2	99.7	97.1

* See accompanying notes to Adjusted Attributed Equity on page 50.

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
General Insurance Operating Statistics

(in millions)

Noteworthy Items (pre-tax)

	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Catastrophe-related losses, net of reinsurance	\$ 826	\$ 1,567	\$ 150	\$ 376	\$ 762	\$ 2,919	\$ 4,186
Reinstatement premiums related to catastrophes	(24)	(10)	-	-	(23)	(34)	(23)
Severe losses, net of reinsurance	95	153	293	135	51	676	476
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	363	172	(61)	(108)	80	366	999
(Additional) return premium related to prior year development on loss sensitive business	13	32	11	4	13	60	68
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	376	204	(50)	(104)	93	426	1,067
Reinstatement premiums related to prior year catastrophes	11	2	-	-	-	13	-
Other premium adjustments related to prior year	(46)	24	(115)	-	-	(137)	47
Better (worse) than expected alternative returns	(311)	67	(75)	8	35	(311)	264
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	6	45	(17)	26	24	60	144
Fair value changes on Equity Securities - Other	(108)	(30)	9	(46)	-	(175)	-
Net liability for unpaid losses and loss adjustment expenses (at period end)	47,543	48,177	44,605	46,032	46,669	47,543	46,669

Net Premiums Written by product line

	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
General Insurance:							
Property	\$ 691	\$ 901	\$ 989	\$ 175	\$ 696	\$ 2,756	\$ 3,330
Special Risks	970	911	660	734	646	3,275	2,761
Liability	1,006	1,204	1,165	1,339	847	4,714	4,239
Financial Lines	1,054	1,023	1,097	1,021	1,041	4,195	4,125
Total Commercial Lines	3,721	4,039	3,911	3,269	3,230	14,940	14,455
Personal Lines	1,441	1,537	1,712	1,558	1,501	6,248	6,243
Accident and Health	1,262	1,259	1,354	1,344	1,161	5,219	4,740
Total Personal Insurance	2,703	2,796	3,066	2,902	2,662	11,467	10,983
General Insurance net premiums written	\$ 6,424	\$ 6,835	\$ 6,977	\$ 6,171	\$ 5,892	\$ 26,407	\$ 25,438
Foreign exchange effect on worldwide premiums:							
Change in net premiums written							
Increase (decrease) in original currency (4)	10.3 %	4.5 %	2.2 %	(6.1) %	(9.0) %	2.5 %	(9.6) %
Foreign exchange effect	(1.2)	(0.6)	2.4	4.1	(0.5)	1.3	(0.8)
Increase (decrease) as reported in U.S. dollars	9.1 %	3.9 %	4.6 %	(2.0) %	(9.5) %	3.8 %	(10.4) %

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
General Insurance – North America Results

(in millions)

Results of Operations (2)

	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Net premiums written	\$ 2,944	\$ 3,164	\$ 3,236	\$ 2,039	\$ 2,583	\$ 11,383	\$ 10,973
Net premiums earned	\$ 3,428	\$ 3,302	\$ 2,892	\$ 2,692	\$ 2,727	\$ 12,314	\$ 11,455
Losses and loss adjustment expenses incurred (3)	3,244	3,264	2,115	2,153	2,264	10,776	11,646
Acquisition expenses:							
Amortization of deferred policy acquisition costs	537	534	430	358	335	1,859	1,305
Other acquisition expenses	167	92	102	154	83	515	485
Total acquisition expenses	704	626	532	512	418	2,374	1,790
General operating expenses	351	399	372	355	361	1,477	1,396
Underwriting income (loss)	(871)	(987)	(127)	(328)	(316)	(2,313)	(3,377)
Net investment income (loss):							
Interest and dividends	572	575	520	547	554	2,214	2,279
Alternative investments	(181)	206	68	151	185	244	869
Other investment income (loss)	(70)	68	(22)	(24)	14	(48)	99
Investment expenses	(25)	(22)	(32)	(26)	(25)	(105)	(102)
Total net investment income	296	827	534	648	728	2,305	3,145
Adjusted pre-tax income (loss)	\$ (575)	\$ (160)	\$ 407	\$ 320	\$ 412	\$ (8)	\$ (232)
Underwriting Ratios							
Loss ratio (3)	94.6	98.8	73.1	80.0	83.0	87.5	101.7
Catastrophe losses and reinstatement premiums	(19.6)	(23.7)	(3.7)	(11.1)	(24.5)	(15.1)	(28.7)
Prior year development	(10.0)	(4.8)	1.6	2.8	3.3	(3.1)	(3.6)
Adjustments for ceded premium under reinsurance contracts and other	0.9	(0.5)	3.0	-	-	0.8	(0.3)
Accident year loss ratio, as adjusted	65.9	69.8	74.0	71.7	61.8	70.1	69.1
Acquisition ratio	20.5	19.0	18.4	19.0	15.3	19.3	15.6
General operating expense ratio	10.2	12.1	12.9	13.2	13.2	12.0	12.2
Expense ratio	30.7	31.1	31.3	32.2	28.5	31.3	27.8
Combined ratio (3)	125.3	129.9	104.4	112.2	111.5	118.8	129.5
Accident year combined ratio, as adjusted	96.6	100.9	105.3	103.9	90.3	101.4	96.9
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 689	\$ 791	\$ 107	\$ 299	\$ 682	\$ 1,886	\$ 3,295
Reinstatement premiums related to catastrophes	(23)	(10)	-	-	(23)	(33)	(23)
Severe losses, net of reinsurance	16	88	160	36	(13)	300	203
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	326	134	(54)	(78)	(97)	328	371
(Additional) return premium related to prior year development on loss sensitive business	13	32	11	4	13	60	68
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	339	166	(43)	(74)	(84)	388	439
Reinstatement premiums related to prior year catastrophes	9	5	-	-	-	14	-
Other premium adjustments related to prior year	(46)	24	(115)	-	-	(137)	47

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
General Insurance – North America – Commercial Lines Operating Statistics

(in millions)

Results of Operations (2)

	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Net premiums written	\$ 2,161	\$ 2,229	\$ 2,321	\$ 1,314	\$ 1,808	\$ 8,025	\$ 7,849
Net premiums earned	\$ 2,594	\$ 2,425	\$ 2,069	\$ 1,918	\$ 1,998	\$ 9,006	\$ 8,366
Losses and loss adjustment expenses incurred (3)	2,427	2,389	1,616	1,456	1,477	7,888	9,226
Acquisition expenses:							
Amortization of deferred policy acquisition costs	319	294	206	186	198	1,005	836
Other acquisition expenses	110	44	59	101	36	314	178
Total acquisition expenses	429	338	265	287	234	1,319	1,014
General operating expenses	279	307	279	264	271	1,129	1,053
Underwriting income (loss)	\$ (541)	\$ (609)	\$ (91)	\$ (89)	\$ 16	\$ (1,330)	\$ (2,927)

Underwriting Ratios

Loss ratio (3)	93.6	98.5	78.1	75.9	73.9	87.6	110.3
Catastrophe losses and reinstatement premiums	(9.8)	(21.6)	(4.6)	(4.5)	(12.0)	(10.7)	(30.5)
Prior year development	(13.3)	(0.6)	4.2	6.9	4.9	(1.5)	(4.9)
Adjustments for ceded premium under reinsurance contracts and other	1.2	(0.7)	4.5	-	-	1.1	(0.4)
Accident year loss ratio, as adjusted	71.7	75.6	82.2	78.3	66.8	76.5	74.5
Acquisition ratio	16.5	13.9	12.8	15.0	11.7	14.6	12.1
General operating expense ratio	10.8	12.7	13.5	13.8	13.6	12.5	12.6
Expense ratio	27.3	26.6	26.3	28.8	25.3	27.1	24.7
Combined ratio (3)	120.9	125.1	104.4	104.7	99.2	114.7	135.0
Accident year combined ratio, as adjusted	99.0	102.2	108.5	107.1	92.1	103.6	99.2

Noteworthy Items (pre-tax)

Catastrophe-related losses, net of reinsurance	\$ 275	\$ 531	\$ 95	\$ 87	\$ 255	\$ 988	\$ 2,569
Reinstatement premiums related to catastrophes	(25)	(10)	-	-	(23)	(35)	(23)
Severe losses, net of reinsurance	16	76	143	36	(13)	271	175
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	326	(14)	(95)	(136)	(105)	81	357
(Additional) return premium related to prior year development on loss sensitive business	13	32	11	4	13	60	68
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	339	18	(84)	(132)	(92)	141	425
Reinstatement premiums related to prior year catastrophes	9	5	-	-	-	14	-
Other premium adjustments related to prior year	(46)	24	(115)	-	-	(137)	47

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
General Insurance – North America – Personal Insurance Operating Statistics

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Results of Operations							
Net premiums written	\$ 783	\$ 935	\$ 915	\$ 725	\$ 775	\$ 3,358	\$ 3,124
Net premiums earned	\$ 834	\$ 877	\$ 823	\$ 774	\$ 729	\$ 3,308	\$ 3,089
Losses and loss adjustment expenses incurred	817	875	499	697	787	2,888	2,420
Acquisition expenses:							
Amortization of deferred policy acquisition costs	218	240	224	172	137	854	469
Other acquisition expenses	57	48	43	53	47	201	307
Total acquisition expenses	275	288	267	225	184	1,055	776
General operating expenses	72	92	93	91	90	348	343
Underwriting income (loss)	\$ (330)	\$ (378)	\$ (36)	\$ (239)	\$ (332)	\$ (983)	\$ (450)
Underwriting Ratios							
Loss ratio	98.0	99.8	60.6	90.1	108.0	87.3	78.3
Catastrophe losses and reinstatement premiums	(49.8)	(29.7)	(1.4)	(27.4)	(58.6)	(27.2)	(23.5)
Prior year development	-	(16.9)	(5.0)	(7.5)	(1.1)	(7.4)	(0.4)
Accident year loss ratio, as adjusted	48.2	53.2	54.2	55.2	48.3	52.7	54.4
Acquisition ratio	33.0	32.8	32.4	29.1	25.2	31.9	25.1
General operating expense ratio	8.6	10.5	11.3	11.8	12.3	10.5	11.1
Expense ratio	41.6	43.3	43.7	40.9	37.5	42.4	36.2
Combined ratio	139.6	143.1	104.3	131.0	145.5	129.7	114.5
Accident year combined ratio, as adjusted	89.8	96.5	97.9	96.1	85.8	95.1	90.6
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 414	\$ 260	\$ 12	\$ 212	\$ 427	\$ 898	\$ 726
Reinstatement premiums related to catastrophes	2	-	-	-	-	2	-
Severe losses, net of reinsurance	-	12	17	-	-	29	28
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	-	148	41	58	8	247	14

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
General Insurance – International Results

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Results of Operations (1)							
Net premiums written	\$ 3,480	\$ 3,671	\$ 3,741	\$ 4,132	\$ 3,309	\$ 15,024	\$ 14,465
Net premiums earned	\$ 3,743	\$ 3,779	\$ 3,678	\$ 3,991	\$ 3,648	\$ 15,191	\$ 14,571
Losses and loss adjustment expenses incurred	2,499	3,012	2,202	2,335	2,726	10,048	9,996
Acquisition expenses:							
Amortization of deferred policy acquisition costs	678	689	662	708	628	2,737	2,460
Other acquisition expenses	223	221	195	231	223	870	903
Total acquisition expenses	901	910	857	939	851	3,607	3,363
General operating expenses	543	596	581	640	601	2,360	2,316
Underwriting income (loss)	(200)	(739)	38	77	(530)	(824)	(1,104)
Net investment income (loss):							
Interest and dividends	100	122	112	113	126	447	491
Alternative investments	1	-	-	2	-	3	26
Other investment income (loss)	(39)	(36)	17	3	11	(55)	43
Investment expenses	(9)	(12)	(6)	(5)	(6)	(32)	(37)
Total net investment income	53	74	123	113	131	363	523
Adjusted pre-tax income (loss)	\$ (147)	\$ (665)	\$ 161	\$ 190	\$ (399)	\$ (461)	\$ (581)
Underwriting Ratios							
Loss ratio	66.8	79.7	59.9	58.5	74.7	66.1	68.6
Catastrophe losses and reinstatement premiums	(3.7)	(20.5)	(1.2)	(1.9)	(2.2)	(6.8)	(6.1)
Prior year development	(1.0)	(1.0)	0.2	0.7	(4.8)	(0.2)	(4.3)
Accident year loss ratio, as adjusted	62.1	58.2	58.9	57.3	67.7	59.1	58.2
Acquisition ratio	24.1	24.1	23.3	23.5	23.3	23.7	23.1
General operating expense ratio	14.5	15.8	15.8	16.0	16.5	15.5	15.9
Expense ratio	38.6	39.9	39.1	39.5	39.8	39.2	39.0
Combined ratio	105.4	119.6	99.0	98.0	114.5	105.3	107.6
Accident year combined ratio, as adjusted	100.7	98.1	98.0	96.8	107.5	98.3	97.2
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 137	\$ 776	\$ 43	\$ 77	\$ 80	\$ 1,033	\$ 891
Reinstatement premiums related to catastrophes	(1)	-	-	-	-	(1)	-
Severe losses, net of reinsurance	79	65	133	99	64	376	273
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	37	38	(7)	(30)	177	38	628
Reinstatement premiums related to prior year catastrophes	2	(3)	-	-	-	(1)	-

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
General Insurance – International – Commercial Lines Operating Statistics

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Results of Operations							
Net premiums written	\$ 1,561	\$ 1,810	\$ 1,590	\$ 1,955	\$ 1,422	\$ 6,916	\$ 6,606
Net premiums earned	\$ 1,852	\$ 1,826	\$ 1,668	\$ 1,722	\$ 1,694	\$ 7,068	\$ 6,646
Losses and loss adjustment expenses incurred	1,490	1,599	1,138	1,110	1,660	5,337	5,813
Acquisition expenses:							
Amortization of deferred policy acquisition costs	284	297	248	263	251	1,092	930
Other acquisition expenses	83	82	92	81	87	338	345
Total acquisition expenses	367	379	340	344	338	1,430	1,275
General operating expenses	246	271	266	282	299	1,065	1,038
Underwriting income (loss)	\$ (251)	\$ (423)	\$ (76)	\$ (14)	\$ (603)	\$ (764)	\$ (1,480)
Underwriting Ratios							
Loss ratio	80.5	87.6	68.2	64.5	98.0	75.5	87.5
Catastrophe losses and reinstatement premiums	(7.2)	(20.6)	(1.6)	(4.5)	(2.7)	(8.7)	(12.5)
Prior year development	(4.1)	(3.6)	0.5	-	(11.4)	(1.8)	(9.8)
Accident year loss ratio, as adjusted	69.2	63.4	67.1	60.0	83.9	65.0	65.2
Acquisition ratio	19.8	20.8	20.4	20.0	20.0	20.2	19.2
General operating expense ratio	13.3	14.8	15.9	16.4	17.7	15.1	15.6
Expense ratio	33.1	35.6	36.3	36.4	37.7	35.3	34.8
Combined ratio	113.6	123.2	104.5	100.9	135.7	110.8	122.3
Accident year combined ratio, as adjusted	102.3	99.0	103.4	96.4	121.6	100.3	100.0
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 134	\$ 376	\$ 27	\$ 77	\$ 45	\$ 614	\$ 829
Reinstatement premiums related to catastrophes	(1)	-	-	-	-	(1)	-
Severe losses, net of reinsurance	79	65	133	99	64	376	273
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	74	68	(8)	(1)	193	133	653
Reinstatement premiums related to prior year catastrophes	2	(3)	-	-	-	(1)	-

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
General Insurance – International – Personal Insurance Operating Statistics

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Results of Operations							
Net premiums written	\$ 1,919	\$ 1,861	\$ 2,151	\$ 2,177	\$ 1,887	\$ 8,108	\$ 7,859
Net premiums earned	\$ 1,891	\$ 1,953	\$ 2,010	\$ 2,269	\$ 1,953	\$ 8,123	\$ 7,925
Losses and loss adjustment expenses incurred	1,009	1,413	1,064	1,225	1,066	4,711	4,183
Acquisition expenses:							
Amortization of deferred policy acquisition costs	394	392	414	445	376	1,645	1,530
Other acquisition expenses	140	139	103	150	136	532	558
Total acquisition expenses	534	531	517	595	512	2,177	2,088
General operating expenses	297	325	315	358	302	1,295	1,278
Underwriting income (loss)	\$ 51	\$ (316)	\$ 114	\$ 91	\$ 73	\$ (60)	\$ 376
Underwriting Ratios							
Loss ratio	53.4	72.4	52.9	54.0	54.6	58.0	52.8
Catastrophe losses and reinstatement premiums	(0.2)	(20.5)	(0.8)	-	(1.8)	(5.2)	(0.8)
Prior year development	2.0	1.5	-	1.3	0.8	1.2	0.3
Accident year loss ratio, as adjusted	55.2	53.4	52.1	55.3	53.6	54.0	52.3
Acquisition ratio	28.2	27.2	25.7	26.2	26.2	26.8	26.3
General operating expense ratio	15.7	16.6	15.7	15.8	15.5	15.9	16.1
Expense ratio	43.9	43.8	41.4	42.0	41.7	42.7	42.4
Combined ratio	97.3	116.2	94.3	96.0	96.3	100.7	95.2
Accident year combined ratio, as adjusted	99.1	97.2	93.5	97.3	95.3	96.7	94.7
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 3	\$ 400	\$ 16	\$ -	\$ 35	\$ 419	\$ 62
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(37)	(30)	1	(29)	(16)	(95)	(25)

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
General Insurance Notes

- (1) As a result of the merger of AIUI Japan and Fuji Fire and Marine Insurance Company (Fuji), Fuji's fiscal reporting period was conformed to that of AIUI Japan. The three-month period ended March 31, 2018 and the twelve-month period ended December 31, 2018 Results of Operations include two additional months of Net premiums written, Net premiums earned, Losses and loss adjustment expenses incurred, and Adjusted pre-tax income, of approximately \$300 million, \$300 million, \$200 million, and \$15 million, respectively.
- (2) Validus participates in the market for insurance-linked securities (ILS) primarily through AlphaCat Managers, Ltd (AlphaCat Manager). AlphaCat Manager is an asset manager primarily for third party investors and in connection with the issuance of ILS invests in AlphaCat funds which are considered variable interest entities (VIEs). ILS are financial instruments for which the values are determined based on insurance losses caused primarily by natural catastrophes such as major earthquakes and hurricanes. We report the investment in AlphaCat funds as Other Invested Assets. We recognized approximately \$(12) million and \$5 million of Net Investment Income (Loss), as well as \$5 million and \$6 million of Miscellaneous Income (reported as a component of Net Premiums Earned), respectively, in the three-month periods ended December 31, and September 30, 2018.
- (3) Consistent with our definition of APTI, excluded net loss reserve discount and 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.
- (4) Computed using current exchange rate for the corresponding periods in the prior year.

American International Group, Inc.
Life and Retirement Results

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Results of Operations							
Premiums and deposits:	\$ 8,166	\$ 6,779	\$ 7,399	\$ 8,862	\$ 7,965	\$ 31,206	\$ 27,458
Revenues:							
Premiums	\$ 1,213	\$ 443	\$ 490	\$ 446	\$ 1,397	\$ 2,592	\$ 4,046
Policy fees	704	500	731	734	726	2,669	2,798
Net investment income (loss):							
Base portfolio (2)	1,775	1,779	1,795	1,758	1,750	7,107	6,910
Alternative investments	61	72	75	136	55	344	322
Other yield enhancements (3)	85	109	125	152	198	471	584
Total net investment income	1,921	1,960	1,995	2,046	2,003	7,922	7,816
Advisory fee and other income	227	243	249	234	256	953	926
Total adjusted revenues	4,065	3,146	3,465	3,460	4,382	14,136	15,586
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	1,617	962	770	830	1,833	4,179	5,247
Interest credited to policyholder account balances	913	877	869	854	855	3,513	3,360
Amortization of deferred policy acquisition costs	269	(60)	225	246	285	680	743
Non deferrable insurance commissions	139	145	135	139	136	558	553
Advisory fee expenses	79	88	86	76	86	329	324
General operating expenses	388	374	378	385	373	1,525	1,419
Interest expense	37	47	40	38	32	162	109
Total benefits, losses and expenses	3,442	2,433	2,503	2,568	3,600	10,946	11,755
Adjusted pre-tax income (1)	623	713	962	892	782	3,190	3,831
Interest expense on attributed financial debt	31	30	30	16	6	107	23
Adjusted pre-tax income (loss) including attributed interest expense	592	683	932	876	776	3,083	3,808
Income tax expense	116	134	186	174	252	610	1,242
Adjusted after-tax income (loss) (a)	\$ 476	\$ 549	\$ 746	\$ 702	\$ 524	\$ 2,473	\$ 2,566
Ending adjusted attributed equity	\$ 19,695	\$ 19,254	\$ 19,972	\$ 19,931	\$ 20,304	\$ 19,695	\$ 20,304
Average adjusted attributed equity (b)*	19,475	19,613	19,952	19,699	20,644	19,664	20,687
Adjusted return on attributed equity (a÷b)	9.8 %	11.2 %	15.0 %	14.3 %	10.2 %	12.6 %	12.4 %
Noteworthy Items:							
Annual actuarial assumption update (1)	\$ -	\$ (98)	\$ -	\$ -	\$ -	\$ (98)	\$ 284
Better (worse) than expected alternative returns	21	31	31	95	12	178	131
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	(14)	25	29	18	81	58	260
Fair value changes on Equity Securities - Other	(16)	7	(5)	2	-	(12)	-

* See accompanying notes to Adjusted Attributed Equity on page 50.

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Life and Retirement – Individual Retirement Results

(in millions)	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Results of Operations							
Premiums and deposits	\$ 4,225	\$ 3,616	\$ 3,422	\$ 4,358	\$ 3,106	\$ 15,621	\$ 11,906
Revenues:							
Premiums	\$ 15	\$ 9	\$ 16	\$ 12	\$ 10	\$ 52	\$ 91
Policy fees	194	204	202	204	200	804	767
Net investment income (loss):							
Base portfolio (2)	849	865	878	852	876	3,444	3,502
Alternative investments	31	36	38	68	29	173	174
Other yield enhancements (3)	32	55	59	64	125	210	337
Total net investment income	912	956	975	984	1,030	3,827	4,013
Advisory fee and other income	155	166	173	161	175	655	643
Total adjusted revenues	1,276	1,335	1,366	1,361	1,415	5,338	5,514
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	77	52	85	47	73	261	161
Interest credited to policyholder account balances	432	420	415	412	423	1,679	1,616
Amortization of deferred policy acquisition costs	170	196	130	134	180	630	415
Non deferrable insurance commissions and other (13)	82	81	80	81	81	324	308
Advisory fee expenses	55	62	67	54	62	238	241
General operating expenses	114	107	107	115	105	443	426
Interest expense	19	24	20	19	17	82	58
Total benefits, losses and expenses	949	942	904	862	941	3,657	3,225
Adjusted pre-tax income (1)	\$ 327	\$ 393	\$ 462	\$ 499	\$ 474	\$ 1,681	\$ 2,289
Noteworthy Items (pre-tax)							
Annual actuarial assumption update (1)	\$ -	\$ (52)	\$ -	\$ -	\$ -	\$ (52)	\$ 242
Better (worse) than expected alternative returns	11	15	16	47	7	89	72

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
Life and Retirement – Individual Retirement (Variable and Index Annuities) Operating Statistics

(in millions)	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	December 31, 2018	December 31, 2017
Assets under management:							
General accounts	\$ 27,517	\$ 26,525	\$ 26,288	\$ 26,115	\$ 24,754	\$ 27,517	\$ 24,754
Separate accounts	43,660	49,288	47,980	48,000	49,188	43,660	49,188
Total assets under management	\$ 71,177	\$ 75,813	\$ 74,268	\$ 74,115	\$ 73,942	\$ 71,177	\$ 73,942
Net investment spreads:							
Total yield	4.49 %	4.85 %	4.81 %	4.71 %	5.70 %	4.71 %	5.32 %
Less: Alternative investments (5)	(0.13)	(0.16)	(0.17)	(0.39)	(0.11)	(0.21)	(0.25)
Less: Other yield enhancements (6)	0.15	(0.04)	0.02	0.15	(1.05)	0.07	(0.48)
Base yield (7)	4.51	4.65	4.66	4.47	4.54	4.57	4.59
Cost of funds (a)	1.29	1.24	1.17	1.25	1.23	1.24	1.26
Base net investment spread (b)	3.22 %	3.41 %	3.49 %	3.22 %	3.31 %	3.33 %	3.33 %
DAC rollforward:							
Balance at beginning of period	\$ 3,119	\$ 3,088	\$ 2,954	\$ 2,789	\$ 2,699	\$ 2,789	\$ 2,533
Deferrals	112	109	101	86	91	408	342
Operating amortization	(111)	(164)	(60)	(61)	(86)	(396)	(196)
Change from realized gains (losses)	(41)	69	7	(31)	106	4	298
Change from unrealized gains (losses)	42	17	86	171	(21)	316	(188)
Balance at end of period	\$ 3,121	\$ 3,119	\$ 3,088	\$ 2,954	\$ 2,789	\$ 3,121	\$ 2,789
Reserve rollforward:							
Balance at beginning of period, gross	\$ 72,535	\$ 70,260	\$ 69,660	\$ 69,550	\$ 67,050	\$ 69,550	\$ 61,026
Premiums and deposits	2,098	2,009	1,728	2,660	1,555	8,495	5,921
Surrenders and withdrawals	(1,153)	(1,129)	(1,096)	(1,120)	(1,069)	(4,498)	(3,912)
Death and other contract benefits	(247)	(239)	(248)	(254)	(221)	(988)	(849)
Subtotal	73,233	70,901	70,044	70,836	67,315	72,559	62,186
Change in fair value of underlying assets and reserve accretion, net of policy fees	(4,470)	1,604	205	(1,167)	2,118	(3,828)	7,137
Cost of funds (a)	68	62	55	57	54	242	208
Other reserve changes	(37)	(32)	(44)	(66)	63	(179)	19
Balance at end of period	68,794	72,535	70,260	69,660	69,550	68,794	69,550
Reinsurance ceded	(30)	(29)	(31)	(32)	(33)	(30)	(33)
Total insurance reserves	\$ 68,764	\$ 72,506	\$ 70,229	\$ 69,628	\$ 69,517	\$ 68,764	\$ 69,517

(a) Excludes the amortization of Sales Inducement Assets (SIA).

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

See accompanying notes on page 34.

American International Group, Inc.
Life and Retirement – Individual Retirement (Fixed Annuities) Operating Statistics

(in millions)	Quarterly					Twelve Months Ended	
						December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Assets under management:							
General accounts	\$ 54,521	\$ 54,725	\$ 54,783	\$ 56,663	\$ 58,442	\$ 54,521	\$ 58,442
Separate accounts	27	32	31	32	33	27	33
Total assets under management	\$ 54,548	\$ 54,757	\$ 54,814	\$ 56,695	\$ 58,475	\$ 54,548	\$ 58,475
Net investment spreads (a):							
Total yield	4.64 %	4.83 %	5.03 %	5.15 %	5.09 %	4.91 %	5.16 %
Less: Alternative investments (5)	(0.08)	(0.10)	(0.10)	(0.24)	(0.06)	(0.13)	(0.11)
Less: Other yield enhancements (6)	(0.06)	(0.16)	(0.21)	(0.31)	(0.29)	(0.18)	(0.25)
Base yield (7)	4.50	4.57	4.72	4.60	4.74	4.60	4.80
Cost of funds (b)	2.67	2.64	2.64	2.65	2.64	2.65	2.65
Base net investment spread (c)	1.83 %	1.93 %	2.08 %	1.95 %	2.10 %	1.95 %	2.15 %
DAC rollforward:							
Balance at beginning of period	\$ 1,057	\$ 1,062	\$ 1,007	\$ 884	\$ 896	\$ 884	\$ 1,067
Deferrals	45	30	28	19	19	122	68
Operating amortization	(59)	(32)	(70)	(73)	(94)	(234)	(219)
Change from realized gains (losses)	2	1	(1)	1	1	3	(4)
Change from unrealized gains (losses)	67	(4)	98	176	62	337	(28)
Balance at end of period	\$ 1,112	\$ 1,057	\$ 1,062	\$ 1,007	\$ 884	\$ 1,112	\$ 884
Reserve rollforward:							
Balance at beginning of period, gross	\$ 50,235	\$ 50,303	\$ 50,424	\$ 50,846	\$ 51,020	\$ 50,846	\$ 52,285
Premiums and deposits	1,678	1,165	1,125	797	868	4,765	3,010
Surrenders and withdrawals	(1,146)	(1,022)	(1,012)	(932)	(905)	(4,112)	(3,459)
Death and other contract benefits	(513)	(553)	(616)	(646)	(499)	(2,328)	(2,240)
Subtotal	50,254	49,893	49,921	50,065	50,484	49,171	49,596
Change in fair value of underlying assets and reserve accretion, net of policy fees	74	12	118	67	45	271	199
Cost of funds (b)	331	324	322	321	327	1,298	1,320
Other reserve changes	(44)	6	(58)	(29)	(10)	(125)	(269)
Balance at end of period	50,615	50,235	50,303	50,424	50,846	50,615	50,846
Reinsurance ceded	(288)	(290)	(291)	(292)	(289)	(288)	(289)
Total insurance reserves	\$ 50,327	\$ 49,945	\$ 50,012	\$ 50,132	\$ 50,557	\$ 50,327	\$ 50,557

(a) Excludes immediate annuities.

(b) Excludes the amortization of deferred SIAs.

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

See accompanying notes on page 34.



American International Group, Inc.
Life and Retirement – Individual Retirement Investment Products Net Flows

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Premiums and deposits:							
Fixed Annuities	\$ 1,678	\$ 1,165	\$ 1,125	\$ 797	\$ 868	\$ 4,765	\$ 3,010
Variable Annuities	715	838	771	773	769	3,097	3,208
Index Annuities	1,383	1,171	957	739	786	4,250	2,713
Retail Mutual Funds	449	442	569	901	683	2,361	2,975
Total premiums and deposits (4)	4,225	3,616	3,422	3,210	3,106	14,473	11,906
Surrenders and withdrawals:							
Fixed Annuities	(1,146)	(1,022)	(1,012)	(932)	(905)	(4,112)	(3,459)
Variable Annuities	(1,022)	(1,006)	(977)	(1,019)	(974)	(4,024)	(3,591)
Index Annuities	(131)	(123)	(119)	(101)	(95)	(474)	(321)
Retail Mutual Funds	(1,676)	(1,218)	(1,499)	(1,078)	(834)	(5,471)	(3,572)
Total surrenders and withdrawals	(3,975)	(3,369)	(3,607)	(3,130)	(2,808)	(14,081)	(10,943)
Death and other contract benefits:							
Fixed Annuities	(513)	(553)	(616)	(646)	(499)	(2,328)	(2,240)
Variable Annuities	(221)	(215)	(222)	(231)	(199)	(889)	(781)
Index Annuities	(26)	(24)	(26)	(23)	(22)	(99)	(68)
Total death and other contract benefits	(760)	(792)	(864)	(900)	(720)	(3,316)	(3,089)
Net flows (4):							
Fixed Annuities	19	(410)	(503)	(781)	(536)	(1,675)	(2,689)
Variable Annuities	(528)	(383)	(428)	(477)	(404)	(1,816)	(1,164)
Index Annuities	1,226	1,024	812	615	669	3,677	2,324
Retail Mutual Funds	(1,227)	(776)	(930)	(177)	(151)	(3,110)	(597)
Total net flows	\$ (510)	\$ (545)	\$ (1,049)	\$ (820)	\$ (422)	\$ (2,924)	\$ (2,126)
Surrender rates (8):							
Fixed Annuities	9.1%	8.2%	8.1%	7.4%	7.1%	8.2%	6.7%
Variable and Index Annuities	6.5%	6.3%	6.3%	6.4%	6.3%	6.5%	6.0%

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
Life and Retirement – Group Retirement Results

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Results of Operations							
Premiums and deposits	\$ 2,106	\$ 2,116	\$ 2,345	\$ 2,072	\$ 1,848	\$ 8,639	\$ 7,550
Revenues:							
Premiums	\$ 4	\$ 9	\$ 15	\$ 6	\$ 6	\$ 34	\$ 27
Policy fees	107	115	112	112	114	446	427
Net investment income (loss):							
Base portfolio (2)	473	478	483	485	483	1,919	1,913
Alternative investments	16	19	19	36	16	90	92
Other yield enhancements (3)	28	34	40	61	51	163	159
Total net investment income	517	531	542	582	550	2,172	2,164
Advisory fee and other income	54	63	61	61	62	239	230
Total adjusted revenues	682	718	730	761	732	2,891	2,848
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	22	25	22	16	38	85	74
Interest credited to policyholder account balances	296	275	276	275	270	1,122	1,115
Amortization of deferred policy acquisition costs	37	7	26	25	25	95	84
Non deferrable insurance commissions and other (13)	30	30	28	29	28	117	108
Advisory fee expenses	24	26	19	22	24	91	83
General operating expenses	105	101	98	102	92	406	348
Interest expense	9	12	11	10	9	42	32
Total benefits, losses and expenses	523	476	480	479	486	1,958	1,844
Adjusted pre-tax income (loss) (1)	\$ 159	\$ 242	\$ 250	\$ 282	\$ 246	\$ 933	\$ 1,004
Noteworthy items (pre-tax)							
Annual actuarial assumption update (1)	\$ -	\$ 17	\$ -	\$ -	\$ -	\$ 17	\$ 13
Better (worse) than expected alternative returns	5	8	8	25	5	46	40

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
Life and Retirement – Group Retirement Operating Statistics

(in millions)	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Assets under administration:							
General accounts	\$ 45,193	\$ 45,162	\$ 45,077	\$ 46,172	\$ 47,245	\$ 45,193	\$ 47,245
Separate accounts	32,209	37,284	36,325	35,847	36,419	32,209	36,419
Group Retirement mutual funds	17,941	20,214	20,065	19,952	20,160	17,941	20,160
Total assets under administration	\$ 95,343	\$ 102,660	\$ 101,467	\$ 101,971	\$ 103,824	\$ 95,343	\$ 103,824
Net investment spreads:							
Total yield	4.62 %	4.77 %	4.88 %	5.22 %	4.91 %	4.87 %	4.92 %
Less: Alternative investments (5)	(0.09)	(0.11)	(0.11)	(0.26)	(0.08)	(0.14)	(0.14)
Less: Other yield enhancements (6)	(0.12)	(0.17)	(0.21)	(0.43)	(0.34)	(0.23)	(0.25)
Base yield (7)	4.41	4.49	4.56	4.53	4.49	4.50	4.53
Cost of funds (a)	2.82	2.68	2.69	2.72	2.61	2.73	2.76
Base net investment spread (b)	1.59 %	1.81 %	1.87 %	1.81 %	1.88 %	1.77 %	1.77 %
Net flows: (4)							
Premiums and deposits	\$ 2,106	\$ 2,116	\$ 2,345	\$ 1,863	\$ 1,848	\$ 8,430	\$ 7,550
Surrenders and withdrawals	(2,590)	(2,957)	(2,638)	(2,467)	(2,156)	(10,652)	(8,019)
Death and other contract benefits	(144)	(145)	(166)	(151)	(145)	(606)	(562)
Total net flows	\$ (628)	\$ (986)	\$ (459)	\$ (755)	\$ (453)	\$ (2,828)	\$ (1,031)
Surrender rates (8)	10.9 %	12.0 %	10.9 %	10.2 %	9.0 %	11.3 %	8.6 %
DAC rollforward:							
Balance at beginning of period	\$ 1,033	\$ 998	\$ 980	\$ 928	\$ 919	\$ 928	\$ 931
Deferrals	27	23	19	17	25	86	80
Operating amortization	(37)	(7)	(26)	(25)	(25)	(95)	(84)
Change from realized gains (losses)	1	1	(1)	1	(4)	2	(5)
Change from unrealized gains (losses)	6	18	26	59	13	109	6
Balance at end of period	\$ 1,030	\$ 1,033	\$ 998	\$ 980	\$ 928	\$ 1,030	\$ 928
Reserve rollforward:							
Balance at beginning of period, gross	\$ 98,970	\$ 97,548	\$ 96,754	\$ 97,306	\$ 94,992	\$ 97,306	\$ 88,622
Premiums and deposits	2,106	2,116	2,345	2,072	1,848	8,639	7,550
Surrenders and withdrawals	(2,590)	(2,957)	(2,638)	(2,467)	(2,156)	(10,652)	(8,019)
Death and other contract benefits	(144)	(145)	(166)	(151)	(145)	(606)	(562)
Subtotal	98,342	96,562	96,295	96,760	94,539	94,687	87,591
Change in fair value of underlying assets and reserve accretion, net of policy fees	(6,947)	2,129	982	(270)	2,502	(4,106)	8,617
Cost of funds (a)	290	275	271	270	265	1,106	1,098
Other reserve changes	-	4	-	(6)	-	(2)	-
Total insurance reserves and Group Retirement mutual funds	\$ 91,685	\$ 98,970	\$ 97,548	\$ 96,754	\$ 97,306	\$ 91,685	\$ 97,306

(a) Excludes the amortization of SIAs.

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

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Life and Retirement – Individual and Group Retirement Variable Annuity Guaranteed Benefits (9)

(in millions)

	Quarterly				
	4Q18	3Q18	2Q18	1Q18	4Q17
Account value by benefit type (a)					
Guaranteed Minimum Death Benefits (GMDB) only (b)	\$ 63,071	\$ 69,364	\$ 68,232	\$ 67,822	\$ 68,608
Guaranteed Minimum Income Benefits (GMIB) (c)	2,024	2,339	2,317	2,338	2,419
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	40,753	45,150	44,113	44,267	45,289
Liability by benefit type (a)					
GMDB (b)	\$ 384	\$ 364	\$ 358	\$ 333	\$ 341
GMIB (c)	13	13	12	12	11
GMWB (d)	2,041	1,144	1,430	1,601	1,994

- (a) Excludes assumed reinsurance business.
(b) A guaranteed minimum death benefit is an amount paid from a variable annuity upon the death of the owner. This benefit protects beneficiaries from market volatility and may be different than the account value. This benefit may be subject to a maximum amount based on age of owner or dollar amount. "Guaranteed Minimum Death Benefits only" signifies that no other guarantees are present in the contract. Contracts with a guaranteed living benefit also have a guaranteed minimum death benefit, but a policyholder can generally only receive payout from one guaranteed feature, i.e. the features are generally mutually exclusive.
(c) A guaranteed minimum income benefit guarantees a minimum level of periodic income payments upon annuitization.
(d) A guaranteed minimum withdrawal benefit creates a guaranteed income stream which, within certain parameters, may continue for the life of the annuitant even if the entire contract value has been reduced to zero. The fair value of GMWB embedded derivatives is based on actuarial and capital market assumptions related to projected cash flows of rider fees and claims over the expected lives of the contracts.

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

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and non-performance risk adjustment (NPA)	\$ (1,721)	\$ 553	\$ 373	\$ 551	\$ 567	\$ (244)	\$ 1,423
Change in fair value of variable annuity hedging portfolio:							
Fixed maturity securities	(27)	(13)	(37)	(77)	29	(154)	146
Interest rate derivative contracts	377	(257)	(184)	(406)	(80)	(470)	(70)
Equity derivative contracts	724	(332)	(154)	74	(369)	312	(1,347)
Change in fair value of variable annuity hedging portfolio	1,074	(602)	(375)	(409)	(420)	(312)	(1,271)
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and NPA, net of hedging portfolio	(647)	(49)	(2)	142	147	(556)	152
Change in fair value of embedded derivatives due to NPA spread	384	(168)	100	72	(355)	388	(840)
Change in fair value of embedded derivatives due to change in NPA volume	542	(19)	(99)	(144)	(114)	280	(352)
Change in fair value of embedded derivatives due to update of actuarial assumptions	-	38	-	-	-	38	(188)
Total change due to update of actuarial assumptions and NPA	926	(149)	1	(72)	(469)	706	(1,380)
Net impact on pre-tax income (loss)	\$ 279	\$ (198)	\$ (1)	\$ 70	\$ (322)	\$ 150	\$ (1,228)

See accompanying notes on page 34.



American International Group, Inc.
Life and Retirement – Life Insurance Results

(in millions)	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	December 31,	December 31,
Results of Operations						2018	2017
Premiums and deposits	\$ 987	\$ 978	\$ 980	\$ 969	\$ 963	\$ 3,914	\$ 3,755
Revenues:							
Premiums	\$ 378	\$ 379	\$ 418	\$ 379	\$ 362	\$ 1,554	\$ 1,530
Policy fees	363	141	377	377	370	1,258	1,430
Net investment income (loss):							
Base portfolio (2)	262	252	255	253	242	1,022	947
Alternative investments	9	11	12	21	7	53	39
Other yield enhancements (3)	16	12	15	19	14	62	58
Total net investment income	287	275	282	293	263	1,137	1,044
Advisory fee and other income (10)	17	14	15	12	18	58	52
Total adjusted revenues	1,045	809	1,092	1,061	1,013	4,007	4,056
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	622	780	571	646	649	2,619	2,444
Interest credited to policyholder account balances	93	92	94	95	95	374	376
Amortization of deferred policy acquisition costs (14)	61	(265)	68	86	78	(50)	239
Non deferrable insurance commissions and other (13)	20	27	20	22	21	89	109
General operating expenses	156	152	158	154	164	620	601
Interest expense	6	7	6	6	4	25	13
Total benefits, losses and expenses	958	793	917	1,009	1,011	3,677	3,782
Adjusted pre-tax income (loss) (1)	\$ 87	\$ 16	\$ 175	\$ 52	\$ 2	\$ 330	\$ 274
Noteworthy items (pre-tax)							
Annual actuarial assumption update (1)	\$ -	\$ (63)	\$ -	\$ -	\$ -	\$ (63)	\$ 29
Better (worse) than expected alternative returns	3	5	5	15	1	28	16
Adjusted pre-tax income (loss) Domestic Life	88	10	172	57	12	327	252
Adjusted pre-tax income (loss) International Life	(1)	6	3	(5)	(10)	3	22

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
Life and Retirement – Life Insurance Operating Statistics

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Gross life insurance in force, end of period:							
Domestic Life	\$ 867,460	\$ 858,203	\$ 869,270	\$ 865,395	\$ 857,577	\$ 867,460	\$ 857,577
International Life	125,835	120,428	113,303	111,259	99,212	125,835	99,212
Total	\$ 993,295	\$ 978,631	\$ 982,573	\$ 976,654	\$ 956,789	\$ 993,295	\$ 956,789
Life and A&H CPPE sales (11):							
Term	\$ 59	\$ 62	\$ 63	\$ 58	\$ 54	\$ 242	\$ 204
Universal life	36	41	42	42	43	161	148
Other life	10	13	16	12	11	51	33
Single premium and unscheduled deposits	4	4	3	3	3	14	10
A&H	2	3	2	3	6	10	25
Total	\$ 111	\$ 123	\$ 126	\$ 118	\$ 117	\$ 478	\$ 420
Surrender/lapse rates (12):							
Domestic Life:							
Independent distribution	4.12 %	4.55 %	3.66 %	3.98 %	3.87 %	4.08 %	4.71 %
Career distribution	5.16 %	5.33 %	5.24 %	5.75 %	5.98 %	5.37 %	6.51 %
DAC/VOBA rollforward:							
Balance at beginning of period	\$ 3,746	\$ 3,331	\$ 3,224	\$ 3,009	\$ 3,012	\$ 3,009	\$ 3,013
Deferrals	129	140	147	127	137	543	474
Operating amortization	(61)	265	(68)	(86)	(78)	50	(239)
Change from realized gains (losses)	(4)	3	(5)	2	-	(4)	4
Change from unrealized gains (losses)	41	11	55	160	(39)	267	(269)
Foreign exchange translation	(8)	(4)	(22)	12	(23)	(22)	26
Balance at end of period	\$ 3,843	\$ 3,746	\$ 3,331	\$ 3,224	\$ 3,009	\$ 3,843	\$ 3,009
Reserve rollforward:							
Balance at beginning of period, gross	\$ 20,058	\$ 19,647	\$ 19,706	\$ 19,424	\$ 18,836	\$ 19,424	\$ 18,397
Premiums and deposits	896	887	892	884	884	3,559	3,484
Surrenders and withdrawals	(343)	(286)	(140)	(174)	(132)	(943)	(569)
Death and other contract benefits	(119)	(140)	(110)	(96)	(134)	(465)	(575)
Subtotal	20,492	20,108	20,348	20,038	19,454	21,575	20,737
Change in fair value of underlying assets and reserve accretion, net of policy fees	(353)	(229)	(295)	(247)	(214)	(1,124)	(889)
Cost of funds	93	92	94	95	95	374	376
Other reserve changes	(501)	93	(469)	(197)	85	(1,074)	(833)
Foreign exchange translation	(12)	(6)	(31)	17	4	(32)	33
Balance at end of period	19,719	20,058	19,647	19,706	19,424	19,719	19,424
Reinsurance ceded	(1,216)	(1,232)	(1,050)	(1,061)	(1,055)	(1,216)	(1,055)
Total insurance reserves	\$ 18,503	\$ 18,826	\$ 18,597	\$ 18,645	\$ 18,369	\$ 18,503	\$ 18,369
Domestic Life	18,174	18,514	18,322	18,377	18,134	18,174	18,134
International Life	329	312	275	268	235	329	235
Total insurance reserves	\$ 18,503	\$ 18,826	\$ 18,597	\$ 18,645	\$ 18,369	\$ 18,503	\$ 18,369

See accompanying notes on page 34.

American International Group, Inc.
Life and Retirement – Institutional Markets Results

(in millions)	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	December 31,	
Results of Operations						2018	2017
Premiums and deposits (15)	\$ 848	\$ 69	\$ 652	\$ 1,463	\$ 2,048	\$ 3,032	\$ 4,247
Revenues:							
Premiums	\$ 816	\$ 46	\$ 41	\$ 49	\$ 1,019	\$ 952	\$ 2,398
Policy fees	40	40	40	41	42	161	174
Net investment income:							
Base portfolio (2)	191	184	179	168	149	722	548
Alternative investments	5	6	6	11	3	28	17
Other yield enhancements (3)	9	8	11	8	8	36	30
Total net investment income	205	198	196	187	160	786	595
Advisory fee and other income	1	-	-	-	1	1	1
Total adjusted revenues	1,062	284	277	277	1,222	1,900	3,168
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	896	105	92	121	1,073	1,214	2,568
Interest credited to policyholder account balances	92	90	84	72	67	338	253
Amortization of deferred policy acquisition costs	1	2	1	1	2	5	5
Non deferrable insurance commissions	7	7	7	7	6	28	28
General operating expenses	13	14	15	14	12	56	44
Interest expense	3	4	3	3	2	13	6
Total benefits, losses and expenses	1,012	222	202	218	1,162	1,654	2,904
Adjusted pre-tax income	\$ 50	\$ 62	\$ 75	\$ 59	\$ 60	\$ 246	\$ 264
General and separate account reserves							
Future policyholder benefits	\$ 6,694	\$ 5,899	\$ 5,887	\$ 5,890	\$ 5,867	\$ 6,694	\$ 5,867
Policyholder contract deposits	9,685	10,079	10,016	9,653	8,267	9,685	8,267
Separate account reserves	3,417	3,681	3,748	4,033	4,443	3,417	4,443
Total general and separate account reserves	\$ 19,796	\$ 19,659	\$ 19,651	\$ 19,576	\$ 18,577	\$ 19,796	\$ 18,577
Noteworthy Items (pre-tax)							
Better (worse) than expected alternative returns	\$ 2	\$ 3	\$ 2	\$ 8	\$ (1)	\$ 15	\$ 3

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
Life and Retirement – Institutional Markets Operating Statistics

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Reserve rollforward:							
Balance at beginning of period, gross	\$ 19,702	\$ 19,694	\$ 19,579	\$ 18,580	\$ 16,991	\$ 18,580	\$ 15,384
Premiums and deposits (15)	848	69	652	1,463	2,048	3,032	4,247
Surrenders and withdrawals	(556)	(183)	(484)	(522)	(491)	(1,745)	(1,291)
Death and other contract benefits	(268)	(112)	(168)	(107)	(68)	(655)	(343)
Subtotal	19,726	19,468	19,579	19,414	18,480	19,212	17,997
Change in fair value of underlying assets and reserve accretion, net of policy fees	21	81	16	61	56	179	245
Cost of funds	92	90	84	72	67	338	253
Other reserve changes	-	63	15	32	(23)	110	85
Balance at end of period	19,839	19,702	19,694	19,579	18,580	19,839	18,580
Reinsurance ceded	(43)	(43)	(43)	(3)	(3)	(43)	(3)
Total insurance reserves	\$ 19,796	\$ 19,659	\$ 19,651	\$ 19,576	\$ 18,577	\$ 19,796	\$ 18,577
Reserves by line of business:							
Structured settlements	\$ 3,020	\$ 2,953	\$ 2,907	\$ 2,877	\$ 2,830	\$ 3,020	\$ 2,830
Pension risk transfer	4,363	3,608	3,634	3,659	3,671	4,363	3,671
Corporate and Bank-owned life insurance	4,823	4,895	4,863	4,856	4,889	4,823	4,889
Stable value wrap - separate account liability	1,181	1,376	1,458	1,734	2,097	1,181	2,097
Guaranteed investment contracts	6,409	6,827	6,789	6,450	5,090	6,409	5,090
Total insurance reserves	\$ 19,796	\$ 19,659	\$ 19,651	\$ 19,576	\$ 18,577	\$ 19,796	\$ 18,577
Premiums and deposits by line of business:							
Structured settlements	\$ 87	\$ 68	\$ 58	\$ 72	\$ 74	\$ 285	\$ 384
Pension risk transfer	761	1	43	(4)	974	801	2,137
Corporate and Bank-owned life insurance	-	-	-	-	1	-	1
Stable value wrap - separate account liability	-	-	-	-	599	-	599
Guaranteed investment contracts (15)	-	-	551	1,395	400	1,946	1,126
Total premiums and deposits	\$ 848	\$ 69	\$ 652	\$ 1,463	\$ 2,048	\$ 3,032	\$ 4,247
Stable value wraps (401k and bank-owned life insurance) - Assets under management (a)	\$ 37,834	\$ 36,855	\$ 36,740	\$ 36,638	\$ 37,616	\$ 37,834	\$ 37,616

(a) Comprises the notional value of stable value wrap contracts, excluding the portion included in Total insurance reserves.

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
Life and Retirement Notes

- (1) Life and Retirement Adjusted pre-tax income in 3Q17 and 3Q18 included the net effect of adjustments to reflect the annual review and update of certain assumptions used to amortize DAC and related items for interest-sensitive products, including life and annuity spreads, mortality rates, lapse rates, fees and separate account long-term asset growth rates. The update of actuarial assumptions also included adjustments to reserves for universal life with secondary guarantees. Consolidated pre-tax income in these periods also included adjustments to the valuation of variable annuity GMWB features that are accounted for as embedded derivatives, primarily due to updated assumptions for lapses, mortality, risk margins and utilization of withdrawal benefits. Changes in the fair value of such embedded derivatives are recorded in net realized capital gains (losses) and, together with related DAC adjustments, are excluded from APTI. In the aggregate, the net effect of adjustments to reflect the review and update of actuarial assumptions for Life and Retirement products increased (decreased) APTI and pre-tax income as follows:

<i>(in millions)</i>	Life Insurance		Individual Retirement - Fixed Annuities		Individual Retirement - Variable and Index Annuities		Group Retirement		Total Life and Retirement	
	3Q18	3Q17	3Q18	3Q17	3Q18	3Q17	3Q18	3Q17	3Q18	3Q17
Policy fees	\$ (238)	\$ (9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (238)	\$ (9)
Interest credited to policyholder account balances	-	-	9	36	(14)	11	5	2	-	49
Amortization of deferred policy acquisition costs	337	34	32	94	(78)	55	16	11	307	194
Policyholder benefits and claims incurred	(162)	4	(1)	-	-	46	(4)	-	(167)	50
Adjusted pre-tax income (loss)	\$ (63)	\$ 29	\$ 40	\$ 130	\$ (92)	\$ 112	\$ 17	\$ 13	\$ (98)	\$ 284
Changes in DAC related to net realized capital gains (losses)	-	-	-	-	33	43	2	1	35	44
Net realized capital gains (losses)	28	-	-	-	(87)	(208)	4	(38)	(55)	(246)
Increase (decrease) to pre-tax income (loss)	\$ (35)	\$ 29	\$ 40	\$ 130	\$ (146)	\$ (53)	\$ 23	\$ (24)	\$ (118)	\$ 82

- (2) Base portfolio investment income includes interest, dividends, and foreclosed real estate income, net of investment expenses and non-qualifying (economic) hedges.
- (3) Net investment income - other yield enhancements includes call and tender income, commercial mortgage loan prepayments, changes in market value of investments accounted for under the fair value option, interest received on defaulted investments (other than foreclosed real estate) and other miscellaneous investment income, including income of certain partnership entities that are required to be consolidated.
- (4) Net flows for Individual Retirement and Group Retirement. Annuity net flows represent premiums and deposits less death, surrender and other withdrawal benefits. Net flows related to mutual funds represent deposits less withdrawals. In 1Q18, two large FHLB funding agreements were issued within Individual Retirement and Group Retirement totaling \$1.3 billion. The deposits from these agreements were excluded from the net flows of Individual Retirement (\$1.1 billion) and Group Retirement (\$0.2 billion), as net flows from these funding agreements are not considered part of the metric to measure core recurring performance.
- (5) Includes incremental effect on base yield of alternative investments. Quarterly results are annualized.
- (6) Includes incremental effect on base yield of other yield enhancements. Quarterly results are annualized.
- (7) Includes return on base portfolio. Quarterly results are annualized.
- (8) Annuity surrender rates represent actual or annualized surrenders and other withdrawals as a percentage of average annuity reserves and Group Retirement mutual funds.
- (9) Life and Retirement uses reinsurance, product design and hedging to mitigate risks related to guaranteed benefits in individual annuity contracts. See Part II, Item 7. MD&A -Enterprise Risk Management – Insurance Risks – Life and Retirement Companies’ Key Risks – Variable Annuity Risk Management and Hedging Programs in our Annual Report on Form 10-K for the year ended December 31, 2018 for a discussion of our risk management related to these product features.
- (10) Life Insurance - Other income is primarily related to Laya Healthcare commission and profit sharing revenues received from insurers for distribution of their products.
- (11) Life Insurance sales are shown on a continuous payment premium equivalent (CPPE) basis. Life insurance sales include periodic premiums from new business expected to be collected over a one-year period and 10 percent of unscheduled and single premiums from new and existing policyholders. Sales of accident and health insurance represent annualized first-year premium from new policies.
- (12) Life insurance lapse rates are reported on a 90-day lag basis to include grace period processing.
- (13) Non deferrable insurance commissions and other includes risk charges related to statutory reinsurance that became effective in 2016 of certain life insurance reserves, which resulted in the release of statutory capital. The risk charges are allocated to the Life and Retirement segments on the basis of attributed equity, consistent with the benefit from the reduced capital requirement.
- (14) The year ended December 31, 2017 includes lower international DAC amortization in 2Q17 primarily due to new business and lapse assumptions.
- (15) 1Q18 includes deposits of \$1.4 billion of FHLB funding agreements. 2Q18 includes \$0.6 billion GIC issuance.

American International Group, Inc.
Other Operations Results

(in millions)	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Results of Operations							
Revenues:							
Premiums	\$ 10	\$ 10	\$ 13	\$ 6	\$ 4	\$ 39	\$ 726
Net investment income	43	9	(6)	(1)	-	45	53
Other income (loss)	129	116	162	145	182	552	634
Total adjusted revenues	182	135	169	150	186	636	1,413
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	15	12	6	6	5	39	603
Acquisition expenses:							
Amortization of deferred policy acquisition costs	4	3	2	1	(1)	10	(9)
Other acquisition expenses	1	-	(1)	1	-	1	19
Total acquisition expenses	5	3	1	2	(1)	11	10
General operating expenses	332	248	278	246	310	1,104	1,237
Interest expense	281	289	258	238	238	1,066	968
Total benefits, losses and expenses	633	552	543	492	552	2,220	2,818
Adjusted pre-tax income (loss) before consolidation and eliminations	(451)	(417)	(374)	(342)	(366)	(1,584)	(1,405)
Consolidation, eliminations and other adjustments	31	29	(12)	11	-	59	75
Adjusted pre-tax income (loss)	\$ (420)	\$ (388)	\$ (386)	\$ (331)	\$ (366)	\$ (1,525)	\$ (1,330)
Adjusted Pre-tax income (loss) by activities							
Fuji Life (a)	N/A	N/A	N/A	N/A	N/A	N/A	\$ 43
Parent and Other:							
Corporate general operating expenses	(207)	(182)	(184)	(153)	(206)	(726)	(769)
Interest expense	(281)	(289)	(258)	(238)	(239)	(1,066)	(968)
Other income (expense), net	37	54	68	49	79	208	289
Total Parent and Other	(451)	(417)	(374)	(342)	(366)	(1,584)	(1,448)
Consolidation, eliminations and other adjustments	31	29	(12)	11	-	59	75
Adjusted pre-tax income (loss)	\$ (420)	\$ (388)	\$ (386)	\$ (331)	\$ (366)	\$ (1,525)	\$ (1,330)
Interest expense on attributed financial debt	(173)	(171)	(167)	(150)	(152)	(661)	(681)
Adjusted pre-tax income (loss) including attributed interest expense	(247)	(217)	(219)	(181)	(214)	(864)	(649)
Income tax expense (benefit)	(109)	(62)	11	(49)	(50)	(209)	(330)
Adjusted after-tax income (loss)	\$ (138)	\$ (155)	\$ (230)	\$ (132)	\$ (164)	\$ (655)	\$ (319)
Noteworthy Items (pre-tax):							
Better (worse) than expected alternative returns	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
Better (worse) than expected DIB and GCM returns	-	-	-	-	1	-	7
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option (b)	99	9	42	46	69	196	302
Fair value changes on Equity Securities - Other	(14)	9	1	11	52	7	123
Parent Liquidity Portfolio Information:							
Earnings on Parent liquidity portfolio	\$ 20	\$ 29	\$ 41	\$ 31	\$ 33	\$ 121	\$ 140
Interest expense, net of portion allocated to segments	(108)	(118)	(90)	(88)	(86)	(404)	(286)
Net interest expense on Parent liquidity portfolio	\$ (88)	\$ (89)	\$ (49)	\$ (57)	\$ (53)	\$ (283)	\$ (146)

(a) Fuji Life was sold on April 30, 2017.

(b) Includes the fair value changes on the DIB and GCM asset portfolios.

See reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Legacy Portfolio Results

(in millions)

Results of Operations

Revenues:

	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Premiums	\$ 74	\$ 131	\$ 134	\$ 141	\$ 141	\$ 480	\$ 590
Policy Fees	28	30	32	30	32	120	137
Net investment income	527	610	623	565	634	2,325	2,776
Other income (loss)	(21)	43	(8)	100	349	114	888
Total adjusted revenues	608	814	781	836	1,156	3,039	4,391

Benefits, losses and expenses:

Policyholder benefits and losses incurred	553	545	453	506	528	2,057	1,998
Interest credited to policyholder account balances	57	57	63	59	60	236	241
Acquisition expenses:							
Amortization of deferred policy acquisition costs	43	25	19	18	6	105	76
Other acquisition expenses	(1)	1	-	1	-	1	-
Total acquisition expenses	42	26	19	19	6	106	76
Non deferrable insurance commissions	5	4	4	5	6	18	24
General operating expenses	94	91	100	94	126	379	460
Interest expense*	7	7	8	8	19	30	122
Total benefits, losses and expenses	758	730	647	691	745	2,826	2,921

Adjusted pre-tax income (loss)

Adjusted pre-tax income (loss) by type

General Insurance run-off lines	7	(37)	44	62	14	76	221
Life and Retirement run-off lines	(137)	68	58	28	98	17	406
Legacy investments	(20)	53	32	55	299	120	843

Adjusted pre-tax income (loss)

Interest expense on attributed financial debt	-	-	-	10	31	10	159
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Adjusted pre-tax income (loss) including attributed interest expense

Income tax expense (benefit)	(31)	18	27	29	129	43	440
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Adjusted after-tax income (loss) (a)

Ending adjusted attributed equity	\$ 8,886	\$ 8,811	\$ 9,267	\$ 9,246	\$ 9,283	\$ 8,886	\$ 9,283
Average adjusted attributed equity (b)**	8,849	9,039	9,257	9,265	9,582	9,099	10,040
Adjusted return on attributed equity (a÷b)	(5.4)%	2.9%	4.6%	4.6%	10.5%	1.8%	8.7%

* Includes inter-segment interest expenses.

** See accompanying notes to Adjusted Attributed Equity on page 50.



American International Group, Inc.
Legacy Portfolio Results (continued)

(in millions)

Noteworthy Items (pre-tax)

	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Catastrophe losses, net of reinsurance	\$ (28)	\$ 57	\$ -	\$ -	4	\$ 29	\$ 4
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	2	(2)	(2)	(2)	(4)	(4)	(21)
Annual actuarial assumption update*	(105)	(5)	-	-	-	(110)	(14)
Better (worse) than expected alternative returns	(49)	19	(4)	-	15	(34)	68
Better (worse) than expected DIB and GCM returns	(31)	15	(19)	37	233	2	456
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option**	109	41	63	34	298	247	655
Fair value changes on Equity Securities - Other	(5)	1	(2)	2	-	(4)	-
Selected Balance Sheet Data							
Legacy investments, net of related debt	\$ 2,529	\$ 2,512	\$ 2,834	\$ 2,779	\$ 3,670	\$ 2,529	\$ 3,670
Legacy General Insurance run-off reserves ***	5,498	5,738	5,806	5,926	6,178	5,498	6,178
Legacy Life and Retirement run-off reserves	36,614	36,929	37,348	37,793	38,608	36,614	38,608

* In addition to the third quarter annual assumption update, the life companies refined assumptions and models on the Legacy Life and Retirement Run-Off Lines during the fourth quarter resulting in loss recognition of \$105 million.

** Includes the fair value changes on DIB and GCM asset portfolios.

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

See reconciliations of Non-GAAP financial measures beginning on page 45.

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Results of Operations							
Net premiums earned	\$ (34)	\$ 24	\$ 21	\$ 18	\$ 21	\$ 29	\$ 107
Losses and loss adjustment expenses incurred*	(2)	103	34	17	70	152	192
Total acquisition expenses	-	3	1	3	2	7	6
General operating expenses	18	10	12	8	9	48	31
Underwriting income (loss)	(50)	(92)	(26)	(10)	(60)	(178)	(122)
Net investment income	57	55	70	72	74	254	343
Adjusted pre-tax income (loss)	\$ 7	\$ (37)	\$ 44	\$ 62	\$ 14	\$ 76	\$ 221
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ (28)	\$ 57	\$ -	\$ -	\$ 4	\$ 29	\$ 4
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	2	(2)	(2)	(2)	(4)	(4)	(21)
Net liability for unpaid losses and loss adjustment expenses (at period end)**	5,498	5,738	5,806	5,926	6,178	5,498	6,178

* Consistent with our definition of APTI, excludes net loss reserve discount and the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related amortization of the deferred gain.

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

See reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
Legacy Life and Retirement Run-off Lines

(in millions)	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	December 31, 2018	December 31, 2017
Results of Operations							
Premiums and deposits	\$ 145	\$ 205	\$ 153	\$ 225	\$ 156	\$ 728	\$ 620
Revenues:							
Premiums	\$ 107	\$ 107	\$ 115	\$ 122	\$ 120	\$ 451	\$ 483
Policy fees	28	30	32	30	32	120	137
Net investment income:							
Base portfolio	410	432	413	421	443	1,676	1,731
Alternative investments	(14)	61	37	47	64	131	258
Other yield enhancements	36	14	23	22	44	95	163
Total net investment income	432	507	473	490	551	1,902	2,152
Other income	-	-	1	-	2	1	3
Total adjusted revenues	567	644	621	642	705	2,474	2,775
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	555	441	427	482	458	1,905	1,806
Interest credited to policyholder account balances	57	57	63	59	60	236	241
Amortization of deferred policy acquisition costs	42	24	18	17	4	101	70
Non deferrable insurance commissions	5	4	4	5	6	18	24
General operating expenses	43	48	48	49	71	188	200
Interest expense	2	2	3	2	8	9	28
Total benefits, losses and expenses	704	576	563	614	607	2,457	2,369
Adjusted pre-tax income (loss)	\$ (137)	\$ 68	\$ 58	\$ 28	\$ 98	\$ 17	\$ 406
Noteworthy items (pre-tax)							
Future policy benefits for life and A&H contracts (at period end)	\$ 29,465	\$ 29,604	\$ 30,018	\$ 30,355	\$ 31,005	\$ 29,465	\$ 31,005
Policyholder contract deposits	5,262	5,321	5,399	5,483	5,624	5,262	5,624
Separate account reserves	1,887	2,004	1,931	1,955	1,979	1,887	1,979
Total general and separate account reserves	\$ 36,614	\$ 36,929	\$ 37,348	\$ 37,793	\$ 38,608	\$ 36,614	\$ 38,608
Annual actuarial assumption update	\$ (105)	\$ (5)	\$ -	\$ -	\$ -	\$ (110)	\$ (14)

See reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
Investments Portfolio Results

(in millions)

	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	December 31,	2017
						2018	
Fixed Maturity Securities- AFS, at fair value							
Yield (1)	4.49%	4.70%	4.54%	4.63%	4.67%	4.59%	4.60%
Investment income (2)	\$ 2,546	\$ 2,650	\$ 2,547	\$ 2,609	\$ 2,625	\$ 10,352	\$ 10,477
Net realized capital gains (losses)	(247)	(23)	(50)	(76)	20	(396)	209
Ending carrying value (3)	229,391	232,720	228,673	233,914	238,992	229,391	238,992
Amortized cost	225,780	228,047	223,080	225,352	225,461	225,780	225,461
Fixed Maturity Securities- Other, at fair value (4)							
Total Return (1)	8.01%	4.47%	4.39%	4.49%	17.16%	5.35%	11.79%
Investment income (loss) (2)	\$ 200	\$ 121	\$ 117	\$ 124	\$ 472	\$ 562	\$ 1,361
Ending carrying value (5) (6)	10,026	9,996	10,342	10,913	11,200	10,026	11,200
Equity Securities- AFS, at fair value							
Yield (1)	0.00%	0.00%	0.00%	0.00%	3.76%	0.00%	2.38%
Investment income (loss) (2)	\$ -	\$ -	\$ -	\$ -	\$ 12	\$ -	\$ 34
Net realized capital gains (losses)	-	-	-	16	1	16	77
Ending carrying value (7)	-	-	-	-	1,708	-	1,708
Equity Securities- Other, at fair value (4)							
Investment income (2)	\$ (143)	\$ (13)	\$ 3	\$ (31)	\$ 52	\$ (184)	\$ 123
Ending carrying value	1,254	1,443	1,675	1,725	589	1,254	589
Mortgage and other loans receivable							
Yield (1)	4.95%	4.46%	4.58%	4.79%	4.99%	4.69%	4.79%
Investment income (2)	\$ 526	\$ 456	\$ 449	\$ 452	\$ 456	\$ 1,883	\$ 1,673
Net realized capital gains (losses)	(40)	(99)	(28)	(24)	10	(191)	(44)
Ending carrying value	43,135	41,878	39,978	38,540	37,023	43,135	37,023
Other Invested Assets:							
Other invested assets - Hedge Funds/Private Equity (8)							
Yield (1)	-10.99%	12.48%	5.08%	11.51%	9.94%	5.01%	11.77%
Investment income (2)	\$ (245)	\$ 301	\$ 131	\$ 299	\$ 260	\$ 486	\$ 1,311
Net realized capital gains (losses)	24	(231)	-	-	(5)	(207)	39
Ending carrying value	8,528	9,221	10,030	10,642	10,764	8,528	10,764
Other invested assets - Real Estate investments							
Yield (1)	5.81%	4.33%	1.73%	1.67%	1.82%	3.42%	2.50%
Investment income (2)	\$ 129	\$ 96	\$ 38	\$ 35	\$ 36	\$ 298	\$ 184
Net realized capital gains (losses)	(4)	48	(54)	(6)	3	(16)	28
Ending carrying value	8,935	8,819	8,879	8,637	8,258	8,935	8,258
Other invested assets - All other (9)							
Investment income (2) (7)	\$ 64	\$ 17	\$ 43	\$ 54	\$ 73	\$ 178	\$ 477
Net realized capital gains (losses)	8	-	-	97	(14)	105	(519)
Ending carrying value	1,878	1,699	1,739	1,904	1,800	1,878	1,800
Other Invested Assets - Total	\$ 19,341	\$ 19,739	\$ 20,648	\$ 21,183	\$ 20,822	\$ 19,341	\$ 20,822
Short-term Investments							
Yield (1)	1.21%	0.77%	0.67%	0.91%	1.26%	0.89%	0.77%
Investment income (2)	\$ 28	\$ 25	\$ 27	\$ 28	\$ 32	\$ 108	\$ 86
Ending carrying value	9,674	8,863	17,010	14,616	10,386	9,674	10,386
Total AIG							
Total Investments (5)	\$ 312,821	\$ 314,639	\$ 318,326	\$ 320,891	\$ 320,720	\$ 312,821	\$ 320,720
Total Investment Expenses	\$ 128	\$ 115	\$ 126	\$ 120	\$ 123	\$ 489	\$ 492
Total Gross Investment Income (2)	\$ 3,105	\$ 3,653	\$ 3,355	\$ 3,570	\$ 4,018	\$ 13,683	\$ 15,726

See accompanying notes on page 41.



American International Group, Inc.
Investments Portfolio Results (Cont.)

(in millions)	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	December 31, 2018	December 31, 2017
Total Gross Investment Income - APTI basis	\$ 3,105	\$ 3,653	\$ 3,355	\$ 3,570	\$ 4,018	\$ 13,683	\$ 15,726
Investment expenses	128	115	126	120	123	489	492
Investment income from non-insurance subsidiaries reported in other income (10)	164	100	100	102	460	466	1,201
Total Insurance Company Net Investment Income	\$ 2,813	\$ 3,438	\$ 3,129	\$ 3,348	\$ 3,435	\$ 12,728	\$ 14,033
Breakdown by Segment:							
General Insurance	349	901	657	761	859	2,668	3,668
Life and Retirement	1,921	1,960	1,995	2,046	2,003	7,922	7,816
Legacy Portfolio	527	610	623	565	634	2,325	2,776
Other Operations	43	9	(6)	(1)	-	45	53
Consolidations and Eliminations (10)	(27)	(42)	(140)	(23)	(61)	(232)	(280)
Total Insurance Company Net Investment Income	\$ 2,813	\$ 3,438	\$ 3,129	\$ 3,348	\$ 3,435	\$ 12,728	\$ 14,033
Reconciliation to GAAP Net Investment Income:							
Add: Changes in fair value of securities used to hedge guaranteed living benefits (10)	(1)	(14)	(36)	(77)	29	(128)	146
Subtract: Net realized capital gains (losses) related to non-qualifying hedges	58	28	28	10	-	124	-
Net Investment Income per Consolidated Statement of Operations	\$ 2,754	\$ 3,396	\$ 3,065	\$ 3,261	\$ 3,464	\$ 12,476	\$ 14,179

Presentation Change to Investments Portfolio Results

In the second quarter of 2018, investment income presented in the Investment Portfolio Results has been changed to an APTI basis. In the third quarter of 2018, the ending carrying value for Fixed Maturity Securities - Other, at fair value has been changed to exclude the carrying value of securities used to hedge guaranteed living benefits. Prior periods presented have been revised to conform to the current period presentation. See Note 5 below.

Notes to Investments Portfolio Results

- (1) Yields/Total Return are calculated using quarterly annualized investment income divided by the average quarterly asset amortized cost for the interim periods.
- (2) Investment income includes amounts recorded in net investment income by our insurance subsidiaries and amounts recorded in other income by our non-insurance subsidiaries.
- (3) As of December 31, 2018, our Fixed Maturity securities - AFS portfolio was approximately 80% fixed rate and 20% variable rate.
- (4) Fixed Maturity Securities - Other are securities for which we elected the fair value option. For Fixed Maturity Securities - Other and Equity Securities - Other, changes in the fair value of these securities are reported through investment income, which can result in significant fluctuation in the total return.
- (5) Excludes the carrying value of securities used to hedge guaranteed living benefits.
- (6) As of December 31, 2018, our Fixed Maturity securities - Other portfolio was approximately 41% fixed rate and 59% variable rate.
- (7) Includes Arch convertible non-voting common-equivalent preferred shares, which were fully sold in 1Q18.
- (8) Other Invested Assets - Hedge Funds/Private Equity includes investments accounted for under the equity method of accounting, where changes in our share of the net asset values are recorded through investment income or investments where we have elected the fair value option, where changes in the fair value are reported through investment income.
- (9) Other Invested Assets - All Other includes long term time deposits, private common stock, affordable housing partnerships, aircraft assets, and our life settlement portfolio, of which we sold the remaining portion during 4Q17. Due to the mix of investments included within this line item and their varied performance, annualized yield is not meaningful and therefore is not presented.
- (10) 4Q18 includes an adjustment totaling \$17 million of \$9 million and \$8 million related to 3Q18 and 2Q18, respectively.

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

(in millions)	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	December 31, 2018	2017
Sales of fixed maturity securities	\$ (153)	\$ 11	\$ (13)	\$ 10	\$ 51	\$ (145)	\$ 425
Sales of equity securities	-	-	-	16	2	16	88
Other-than-temporary impairments:							
Severity	-	-	-	-	-	-	(2)
Change in intent	(35)	(3)	-	(49)	-	(87)	(9)
Foreign currency declines	(2)	(1)	(6)	(6)	-	(15)	(11)
Issuer-specific credit events	(55)	(30)	(30)	(32)	(37)	(147)	(234)
Adverse projected cash flows	(1)	(1)	-	-	-	(2)	(4)
Total other-than-temporary impairments	(93)	(35)	(36)	(87)	(37)	(251)	(260)
Provision for loan losses	(19)	(23)	(26)	(24)	6	(92)	(50)
Foreign exchange transactions	(27)	(21)	(187)	53	190	(182)	489
Variable annuity embedded derivatives, net of related hedges	306	(185)	36	147	(351)	304	(1,374)
All other derivatives and hedge accounting	189	(1)	375	(225)	(151)	338	(368)
Impairments on investments in life settlements	-	-	-	-	-	-	(360)
Loss on sale of private equity funds	(10)	(311)	-	-	-	(321)	-
Other*	42	54	16	91	16	203	30
Total net realized capital gains (losses)	\$ 235	\$ (511)	\$ 165	\$ (19)	\$ (274)	\$ (130)	\$ (1,380)

*2Q18 included a \$48 million gain on the sale of our investment in Castle Holdings' aircraft assets. In 4Q17, we sold the remaining portion of our Life Settlement Portfolio and included a loss on sale of \$11 million.

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
General Insurance							
North America							
Commercial Lines	\$ 326	\$ (14)	\$ (95)	\$ (136)	\$ (105)	\$ 81	\$ 357
Personal Insurance	-	148	41	58	8	247	14
Total North America	326	134	(54)	(78)	(97)	328	371
International							
Commercial Lines	74	68	(8)	(1)	193	133	653
Personal Insurance	(37)	(30)	1	(29)	(16)	(95)	(25)
Total International	37	38	(7)	(30)	177	38	628
Total General Insurance	363	172	(61)	(108)	80	366	999
Legacy Portfolio	2	(2)	(2)	(2)	(4)	(4)	(21)
Total prior year unfavorable (favorable) development*	\$ 365	\$ 170	\$ (63)	\$ (110)	\$ 76	\$ 362	\$ 978
(Additional) return premium related to prior year development on loss sensitive business	\$ 13	\$ 32	\$ 11	\$ 4	\$ 13	\$ 60	\$ 68

* Includes the amortization attributed to the deferred gain at inception from the National Indemnity Company (NICO) adverse development reinsurance agreements of \$57 million, \$57 million, \$57 million, \$62 million, and \$63 million for the three months ended December 31, September 30, June 30, and March 31, 2018, and December 31, 2017, respectively. Consistent with our definition of APTI, prior year development excludes the portion of (favorable)/unfavorable prior year reserve development for which we have ceded the risk under the NICO reinsurance agreements of \$122 million, \$722 million, \$(19) million, \$9 million, and \$72 million for the three months ended December 31, September 30, June 30, and March 31, 2018, and December 31, 2017, respectively, and related changes in amortization of the deferred gain of \$54 million, \$118 million, \$13 million, \$(23) million, and \$26 million for those same periods.

Prior year development by accident year:	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Accident Year							
2017	\$ 103	\$ (9)	\$ 39	\$ (17)	\$ -	\$ 116	\$ -
2016	202	73	(15)	(60)	76	200	820
2015	26	(59)	(36)	(4)	20	(73)	48
2014	19	(28)	(98)	(14)	(6)	(121)	(6)
2013	(46)	(7)	(27)	(3)	(54)	(83)	(99)
2012	5	31	(74)	(9)	36	(47)	(22)
2011	25	18	(23)	(8)	(19)	12	18
2010	(14)	(7)	(14)	(3)	8	(38)	16
2009	(25)	31	-	(1)	60	5	68
2008 and prior	70	127	185	9	(45)	391	135
Total prior year unfavorable (favorable) development*	\$ 365	\$ 170	\$ (63)	\$ (110)	\$ 76	\$ 362	\$ 978

* Increase in prior year development for 2017 and 2016 in the three-month period ended December 31, 2018 is primarily related to U.S. Financial Lines and International Financial Lines driven by increasing severity of claims. Increase in prior year development for 2008 and prior in the three-month period ended September 30, 2018, is primarily related to U.S. Excess Casualty lines driven by adverse activity on construction defects claims and multi-year construction projects that cover all contractors on the site, where we continue to observe significant loss activity. Increase in the three-month period ended June 30, 2018 is primarily related to pre-1986 environmental liability driven by increasing severity of claims from excess casualty policies.

American International Group, Inc. Adverse Development Cover

On January 20, 2017, we entered into an adverse development reinsurance agreement with NICO under which we transferred to NICO 80 percent of the reserve risk on substantially all of our U.S. Commercial long-tail exposures for accident years 2015 and prior.

The table below shows the calculation of the gain on the NICO adverse development reinsurance agreement showing the effect of discounting of loss reserves and amortization of the deferred gain. The deferred gain is amortized over the settlement period of the reinsured losses.

(in millions)	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	4Q18 Change
Gross Covered Losses						
Covered reserves before discount	\$ 23,033	\$ 24,102	\$ 24,374	\$ 25,700	\$ 26,654	\$ (1,069)
Inception to date losses paid	19,331	18,234	17,058	15,751	14,788	1,097
Attachment point	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	-
Covered losses above attachment point	\$ 17,364	\$ 17,336	\$ 16,432	\$ 16,451	\$ 16,442	\$ 28
Deferred Gain Development						
Covered losses above attachment ceded to NICO (80%)	\$ 13,891	\$ 13,869	\$ 13,146	\$ 13,161	\$ 13,153	\$ 22
Consideration paid including interest	(10,188)	(10,188)	(10,188)	(10,188)	(10,188)	-
Pre-tax deferred gain before discount and amortization	3,703	3,681	2,958	2,973	2,965	22
Discount on ceded losses	(1,719)	(1,693)	(1,647)	(1,667)	(1,539)	(26)
Pre-tax deferred gain before amortization	1,984	1,988	1,311	1,306	1,426	(4)
Inception to date amortization attributed to deferred gain at inception	(461)	(404)	(347)	(290)	(228)	(57)
Inception to date amortization attributed to changes in deferred gain*	(141)	(116)	(7)	(3)	(31)	(25)
Deferred gain liability reflected in AIG's balance sheet	\$ 1,382	\$ 1,468	\$ 957	\$ 1,013	\$ 1,167	\$ (86)

Prior Year Development, Net of Reinsurance and Deferred Gain Amortization

	Quarterly				
	4Q18	3Q18	2Q18	1Q18	4Q17
Unfavorable (favorable) prior year development on covered reserves before retroactive reinsurance and deferred gain amortization	\$ 28	\$ 904	\$ (19)	\$ 9	\$ 33
Prior year development ceded to NICO	(22)	(723)	15	(8)	(26)
Subtotal	6	181	(4)	1	7
Amortization attributed to deferred gain at inception	(57)	(57)	(57)	(62)	(63)
Unfavorable (favorable) prior year development on covered reserves, net of reinsurance and deferred gain amortization	(51)	124	(61)	(61)	(56)
Unfavorable (favorable) prior year development on non-covered reserves	416	46	(2)	(49)	132
Total unfavorable (favorable) prior year development, net of reinsurance and deferred gain amortization	\$ 365	\$ 170	\$ (63)	\$ (110)	\$ 76

* Excluded from our definition of APTI.

Selected Balance Sheet data for ADC

	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Reinsurance recoverable reported in Reinsurance assets, net of allowance	\$ 12,172	\$ 12,176	\$ 11,499	\$ 11,494	\$ 11,614
Ceded reserves reported in Liability for unpaid losses and loss adjustment expenses	12,172	12,176	11,499	11,494	11,614
Deferred gain reported in Other liabilities	1,382	1,468	957	1,013	1,167



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

(in millions)	Quarterly					Twelve Months Ended	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
GAAP Basis:							
Numerator for EPS:							
Income (loss) from continuing operations	\$ (558)	\$ (1,220)	\$ 931	\$ 950	\$ (6,669)	\$ 103	\$ (6,060)
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	62	-	(6)	11	(12)	67	28
Income (loss) attributable to AIG common shareholders from continuing operations	(620)	(1,220)	937	939	(6,657)	36	(6,088)
Income (loss) from discontinued operations, net of income tax expense	(2)	(39)	-	(1)	(3)	(42)	4
Net income (loss) attributable to AIG common shareholders	\$ (622)	\$ (1,259)	\$ 937	\$ 938	\$ (6,660)	\$ (6)	\$ (6,084)
Denominator for EPS:							
Weighted average shares outstanding - basic*	887.5	895.2	903.2	908.0	908.1	898.4	930.6
Dilutive shares**	-	-	13.4	17.3	-	11.7	-
Weighted average shares outstanding - diluted**	887.5	895.2	916.6	925.3	908.1	910.1	930.6
Income per common share attributable to AIG:							
Basic:							
Income (loss) from continuing operations	\$ (0.70)	\$ (1.37)	\$ 1.04	\$ 1.03	\$ (7.33)	\$ 0.04	\$ (6.54)
Income (loss) from discontinued operations	-	(0.04)	-	-	-	(0.05)	-
Net income (loss) attributable to AIG	\$ (0.70)	\$ (1.41)	\$ 1.04	\$ 1.03	\$ (7.33)	\$ (0.01)	\$ (6.54)
Diluted**:							
Income (loss) from continuing operations	\$ (0.70)	\$ (1.37)	\$ 1.02	\$ 1.01	\$ (7.33)	\$ 0.04	\$ (6.54)
Income (loss) from discontinued operations	-	(0.04)	-	-	-	(0.05)	-
Net income (loss) attributable to AIG	\$ (0.70)	\$ (1.41)	\$ 1.02	\$ 1.01	\$ (7.33)	\$ (0.01)	\$ (6.54)

* Includes vested shares under our share-based employee compensation plans.

** For the periods where we reported a net loss attributable to AIG common shareholders from continuing operations, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. The shares excluded from the diluted EPS calculation were 2,732,679 shares, 13,538,168 shares and 20,155,385 shares in 4Q18, 3Q18 and 4Q17, respectively. For the year ended December 31, 2017, the shares excluded from the calculation were 22,412,682 shares.

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

(in millions, except per share data)

	Quarterly					As of December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Book Value Per Share							
Total AIG shareholders' equity (a)	\$ 56,361	\$ 58,586	\$ 61,186	\$ 62,792	\$ 65,171	\$ 56,361	\$ 65,171
Less: Accumulated other comprehensive income (AOCI)	(1,413)	(536)	230	2,220	5,465	(1,413)	5,465
Total AIG shareholders' equity, excluding AOCI (b)	57,774	59,122	60,956	60,572	59,706	57,774	59,706
Less: Deferred tax assets (DTA)*	10,153	9,953	9,853	10,214	10,492	10,153	10,492
Total adjusted shareholders' equity (c)	47,621	49,169	51,103	50,358	49,214	47,621	49,214
Total common shares outstanding (d)	866.6	884.6	891.2	897.7	899.0	866.6	899.0
Book value per common share (a÷d)	\$ 65.04	\$ 66.23	\$ 68.65	\$ 69.95	\$ 72.49	\$ 65.04	\$ 72.49
Book value per common share, excluding AOCI (b÷d)	66.67	66.83	68.40	67.48	66.41	66.67	66.41
Adjusted book value per common share (c÷d)	54.95	55.58	57.34	56.10	54.74	54.95	54.74

	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Return On Equity (ROE) Computations							
Actual or Annualized net income (loss) attributable to AIG (a)	\$ (2,488)	\$ (5,036)	\$ 3,748	\$ 3,752	\$ (26,640)	\$ (6)	\$ (6,084)
Actual or Annualized adjusted after-tax income (loss) attributable to AIG (b)	\$ (2,236)	\$ (1,204)	\$ 3,844	\$ 3,852	\$ 2,104	\$ 1,064	\$ 2,231
Average AIG Shareholders' equity (c)	\$ 57,474	\$ 59,886	\$ 61,989	\$ 63,982	\$ 68,820	\$ 60,819	\$ 72,348
Less: Average AOCI	(975)	(153)	1,225	3,843	5,702	1,193	4,675
Less: Average DTA	10,053	9,903	10,034	10,353	12,695	10,133	13,806
Average adjusted shareholders' equity (d)	\$ 48,396	\$ 50,136	\$ 50,730	\$ 49,786	\$ 50,423	\$ 49,493	\$ 53,867
ROE (a÷c)	(4.3%)	(8.4%)	6.0%	5.9%	(38.7%)	0.0%	(8.4%)
Adjusted return on equity (b÷d)	(4.6%)	(2.4%)	7.6%	7.7%	4.2%	2.1%	4.1%

* Represents deferred tax assets only related to U.S. net operating loss and foreign tax credit carryforwards on a U.S. GAAP basis and excludes other balance sheet deferred tax assets and liabilities.

American International Group, Inc.
Reconciliation of Adjusted Pre-tax and After-tax Income – Consolidated

(in millions)	Quarterly					Twelve Months Ended	
						December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Pre-tax income (loss) from continuing operations	\$ (695)	\$ (1,527)	\$ 1,252	\$ 1,227	\$ 875	\$ 257	\$ 1,466
Adjustments to arrive at Adjusted pre-tax income (loss)							
Changes in fair value of securities used to hedge guaranteed living benefits	27	14	36	77	(29)	154	(146)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	40	(76)	(1)	31	(108)	(6)	(303)
Loss (gain) on extinguishment of debt	(3)	1	5	4	(1)	7	(5)
Net realized capital (gains) losses (a)	(195)	524	(155)	19	274	193	1,380
(Income) loss from divested businesses	(3)	(2)	(25)	(8)	(241)	(38)	(68)
Non-operating litigation reserves and settlements	(11)	5	12	13	(43)	19	(129)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	68	605	(32)	34	45	675	303
Net loss reserve discount (benefit) charge	(66)	(86)	(14)	(205)	(96)	(371)	187
Pension expense related to a one-time lump sum payment to former employees	-	-	-	-	10	-	60
Integration and transaction costs associated with acquired businesses	33	91	-	-	-	124	-
Restructuring and other costs	136	35	200	24	154	395	413
Adjusted pre-tax income (loss)	\$ (669)	\$ (416)	\$ 1,278	\$ 1,216	\$ 840	\$ 1,409	\$ 3,158
Net income (loss) attributable to AIG	\$ (622)	\$ (1,259)	\$ 937	\$ 938	\$ (6,660)	\$ (6)	\$ (6,084)
Adjustments to arrive at Adjusted after-tax income (loss) (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	(5)	54	3	(4)	461	48	488
Deferred income tax valuation allowance (releases) charges	(21)	5	7	30	66	21	43
Impact of Tax Act	-	-	-	-	6,687	-	6,687
Changes in fair value of securities used to hedge guaranteed living benefits	22	11	28	61	(19)	122	(95)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	33	(60)	(1)	25	(70)	(3)	(197)
Loss (gain) on extinguishment of debt	(2)	1	4	3	-	6	(3)
Net realized capital (gains) losses (a)(b)	(91)	396	(128)	21	170	198	881
(Income) loss from discontinued operations and divested businesses (b)	(1)	38	(20)	(5)	(156)	12	(31)
Non-operating litigation reserves and settlements	(8)	3	10	10	(28)	15	(84)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	54	477	(25)	27	30	533	197
Net loss reserve discount (benefit) charge	(51)	(68)	(11)	(162)	(60)	(292)	122
Pension expense related to a one-time lump sum payment to former employees	-	-	-	-	6	-	39
Integration and transaction costs associated with acquired businesses	26	72	-	-	-	98	-
Restructuring and other costs	107	29	157	19	99	312	268
Adjusted after-tax income (loss)	\$ (559)	\$ (301)	\$ 961	\$ 963	\$ 526	\$ 1,064	\$ 2,231
Calculation of Effective Tax Rates							
Adjusted pre-tax income (loss)	\$ (669)	\$ (416)	\$ 1,278	\$ 1,216	\$ 840	\$ 1,409	\$ 3,158
Income tax benefit (expense)	124	116	(321)	(243)	(327)	(324)	(906)
Noncontrolling interest	(14)	(1)	4	(10)	13	(21)	(21)
Adjusted after-tax income (loss)	\$ (559)	\$ (301)	\$ 961	\$ 963	\$ 526	\$ 1,064	\$ 2,231
Effective tax rates on adjusted pre-tax income (loss)	18.5%	27.9%	25.1%	20.0%	38.9%	23.0%	28.7%

(a) Includes all net realized capital 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.

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



American International Group, Inc.
Reconciliation of Adjusted Pre-tax and After-tax Income – Core

Total Core

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Adjusted pre-tax income (loss)	\$ (519)	\$ (500)	\$ 1,144	\$ 1,071	\$ 429	\$ 1,196	\$ 1,688
Interest expense (benefit) on attributed financial debt	-	-	-	(10)	(31)	(10)	(159)
Adjusted pre-tax income (loss) including attributed interest expenses:	(519)	(500)	1,144	1,081	460	1,206	1,847
Income tax expense (benefit)	(93)	(134)	294	214	198	281	466
Adjusted after-tax income (loss) (a)	\$ (426)	\$ (366)	\$ 850	\$ 867	\$ 262	\$ 925	\$ 1,381
Ending adjusted attributed equity	\$ 38,735	\$ 40,358	\$ 41,836	\$ 41,112	\$ 39,931	\$ 38,735	\$ 39,931
Average adjusted attributed equity (b)*	39,547	41,097	41,474	40,522	40,841	40,394	43,826
Adjusted return on attributed equity (a÷b)	(4.3) %	(3.6) %	8.2 %	8.6 %	2.6 %	2.3 %	3.2 %

* See accompanying notes to Adjusted Attributed Equity on page 50.

American International Group, Inc.
Attributed Debt and Adjusted Attributed Equity by Segment*

(in millions)

	Quarterly				
	4Q18	3Q18	2Q18	1Q18	4Q17
<u>Attributed Debt (a)</u>					
General Insurance	\$ 13,498	\$ 14,322	\$ 12,862	\$ 12,862	\$ 10,819
Life and Retirement	2,830	2,830	2,830	2,830	516
Other Operations	7,406	7,168	7,748	7,943	8,785
Total Core	23,734	24,320	23,440	23,635	20,120
Legacy	-	-	-	-	2,036
Total Attributed Debt	\$ 23,734	\$ 24,320	\$ 23,440	\$ 23,635	\$ 22,156
<u>Consolidated Attributed Debt</u>					
Total Financial debt	\$ 22,186	\$ 22,768	\$ 21,886	\$ 22,043	\$ 21,315
Hybrid debt securities - junior subordinated debt	1,548	1,552	1,554	1,592	841
Total Attributed Debt	\$ 23,734	\$ 24,320	\$ 23,440	\$ 23,635	\$ 22,156
<u>Adjusted Attributed Equity (b)</u>					
General Insurance	\$ 25,066	\$ 26,910	\$ 24,146	\$ 23,887	\$ 25,244
Life and Retirement	19,695	19,254	19,972	19,931	20,304
Other Operations	(6,026)	(5,806)	(2,282)	(2,706)	(5,617)
Total Core	38,735	40,358	41,836	41,112	39,931
Legacy	8,886	8,811	9,267	9,246	9,283
Total Adjusted Attributed Equity	\$ 47,621	\$ 49,169	\$ 51,103	\$ 50,358	\$ 49,214

* In accordance with our annual process, the opening balances (i.e. January 1, 2018) of attributed debt and attributed equity have been recalibrated based on our internal model.

(a) Attribution of debt is performed on an annual basis unless recalibration is needed. Attributed debt is based on our internal capital model. Attributed debt is attributed on "frictional" capital requirements beyond internal capital.

(b) Attribution of adjusted equity is performed on an annual basis unless recalibration is needed. Adjusted attributed equity is based on our internal capital model and on the model's risk profile of each business. The recalibrated adjusted attributed equity balances as of January 1, 2018 were \$22,933 million, \$19,467 million, \$(2,469) million and \$39,931 million for General Insurance, Life and Retirement, Other Operations and Core, respectively. There was no change for Legacy Portfolio. The calculation of average adjusted attributed equity for quarters subsequent to the recalibration is calculated using the recalibrated adjusted attributed equity as of January 1, 2018.

American International Group, Inc.
Non-GAAP Reconciliation – Premiums to Premiums and Deposits*

<i>(in millions)</i>	Quarterly					Twelve Months Ended December 31,	
	4Q18	3Q18	2Q18	1Q18	4Q17	2018	2017
Individual Retirement:							
Premiums	\$ 15	\$ 9	\$ 16	\$ 12	\$ 10	\$ 52	\$ 91
Deposits	4,213	3,609	3,408	4,347	3,096	15,577	11,819
Other	(3)	(2)	(2)	(1)	-	(8)	(4)
Premiums and deposits	\$ 4,225	\$ 3,616	\$ 3,422	\$ 4,358	\$ 3,106	\$ 15,621	\$ 11,906
Individual Retirement (Fixed Annuities):							
Premiums	\$ 16	\$ 10	\$ 17	\$ 13	\$ 14	\$ 56	\$ 96
Deposits	1,666	1,158	1,112	786	856	4,722	2,925
Other	(4)	(3)	(4)	(2)	(2)	(13)	(11)
Premiums and deposits	\$ 1,678	\$ 1,165	\$ 1,125	\$ 797	\$ 868	\$ 4,765	\$ 3,010
Individual Retirement (Variable Annuities):							
Premiums	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (4)	\$ (4)	\$ (5)
Deposits	715	838	771	1,921	771	4,245	3,207
Other	1	1	1	1	2	4	6
Premiums and deposits	\$ 715	\$ 838	\$ 771	\$ 1,921	\$ 769	\$ 4,245	\$ 3,208
Individual Retirement (Index Annuities):							
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	1,383	1,171	957	739	786	4,250	2,713
Other	-	-	-	-	-	-	-
Premiums and deposits	\$ 1,383	\$ 1,171	\$ 957	\$ 739	\$ 786	\$ 4,250	\$ 2,713
Individual Retirement (Retail Mutual Funds):							
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	449	441	570	901	683	2,361	2,975
Other	-	-	-	-	-	-	-
Premiums and deposits	\$ 449	\$ 441	\$ 570	\$ 901	\$ 683	\$ 2,361	\$ 2,975
Group Retirement:							
Premiums	\$ 4	\$ 9	\$ 15	\$ 6	\$ 6	\$ 34	\$ 27
Deposits	2,102	2,107	2,330	2,066	1,842	8,605	7,523
Other	-	-	-	-	-	-	-
Premiums and deposits	\$ 2,106	\$ 2,116	\$ 2,345	\$ 2,072	\$ 1,848	\$ 8,639	\$ 7,550
Life Insurance:							
Premiums	\$ 378	\$ 379	\$ 418	\$ 379	\$ 362	\$ 1,554	\$ 1,530
Deposits	417	410	410	412	398	1,649	1,518
Other	192	189	152	178	203	711	707
Premiums and deposits	\$ 987	\$ 978	\$ 980	\$ 969	\$ 963	\$ 3,914	\$ 3,755
Institutional Markets:							
Premiums	\$ 816	\$ 46	\$ 41	\$ 49	\$ 1,019	\$ 952	\$ 2,398
Deposits	25	17	565	1,408	1,022	2,015	1,821
Other	7	6	46	6	7	65	28
Premiums and deposits	\$ 848	\$ 69	\$ 652	\$ 1,463	\$ 2,048	\$ 3,032	\$ 4,247
Total Life and Retirement:							
Premiums	\$ 1,213	\$ 443	\$ 490	\$ 446	\$ 1,397	\$ 2,592	\$ 4,046
Deposits	6,757	6,143	6,713	8,233	6,358	27,846	22,681
Other	196	193	196	183	210	768	731
Premiums and deposits	\$ 8,166	\$ 6,779	\$ 7,399	\$ 8,862	\$ 7,965	\$ 31,206	\$ 27,458

* 1Q18 includes deposits in Individual Retirement (\$1.1 billion), Group Retirement (\$0.2 billion) and Institutional Markets (\$1.4 billion) of FHLB funding agreements.



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