

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 square border. The background is a blue-tinted photograph of a modern building entrance with glass doors and a person walking in the foreground.

American International Group, Inc.

Quarterly Financial Supplement
Fourth Quarter 2019

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, 2019, which will be filed with the Securities and Exchange Commission.

American International Group, Inc.
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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, and the effects of climate change;
- AIG’s ability to effectively execute on AIG 200 operational programs designed to achieve underwriting excellence, modernization of AIG’s operating infrastructure, enhanced user and customer experiences and unification of AIG;
- AIG’s ability to consummate the sale of its controlling interest in Fortitude Holdings and AIG’s ability to successfully manage Legacy Portfolios;
- changes in judgments concerning potential cost saving opportunities;
- actions by credit rating agencies;
- changes in judgments concerning insurance underwriting and insurance liabilities;
- 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 strategies to recruit and retain key personnel and to implement effective succession plans;
- 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;
- concentrations in AIG’s investment portfolios;
- changes to the valuation of AIG’s investments;
- AIG’s ability to successfully dispose of, monetize and/or acquire businesses or assets or successfully integrate acquired businesses;
- changes in judgments concerning the recognition of deferred tax assets and goodwill impairment; and
- such other factors discussed in Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and Part I, Item 1A. Risk Factors in AIG’s Annual Report on Form 10-K for the year ended December 31, 2019 (which will be filed with the Securities and Exchange Commission), Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019, Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019, Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, 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.

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;
- changes in the fair value of equity securities;
- 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;
- net loss reserve discount benefit (charge);
- 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;
- integration and transaction costs associated with acquired businesses;
- losses from the impairment of goodwill; and
- non-recurring external costs associated with the implementation of non-ordinary course legal or regulatory changes or changes to accounting principles.

Adjusted After-tax Income attributable to AIG common shareholders (AATI) is derived by excluding the tax effected adjusted pre-tax income (APTI) adjustments described above, dividends on preferred stock, and the following tax items from net income attributable to AIG:

- deferred income tax valuation allowance releases and charges;
 - changes in uncertain tax positions and other tax items related to legacy matters having no relevance to our current businesses or operating performance; and
 - net tax charge related to the enactment of the Tax Cuts and Jobs Act (Tax Act);
- and by excluding the net realized capital gains (losses) from noncontrolling interests.

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-common 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 Common Shareholders’ equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG common shareholders’ equity, excluding AOCI and DTA (**Adjusted Common Shareholders’ Equity**), by total common shares outstanding. The reconciliation to book value per common share, the most comparable GAAP measure, is presented on page 52 herein.

AIG Return on Common Equity (ROCE) – Adjusted After-tax Income Excluding AOCI and DTA (Adjusted Return on Common Equity) is used to show the rate of return on common shareholders’ equity. We believe this measure is useful to investors because it eliminates items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. This measure also eliminates the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Adjusted Return on Common Equity. Adjusted Return on Common Equity is derived by dividing actual or annualized adjusted after-tax income attributable to AIG common shareholders by average Adjusted Common Shareholders’ Equity. The reconciliation to return on common equity, the most comparable GAAP measure, is presented on page 52 herein.

Core, General Insurance, Life and Retirement and Legacy Adjusted Attributed Common Equity is an attribution of total AIG Adjusted Common Shareholders’ Equity to these segments based on our internal capital model, which incorporates the segments’ respective risk profiles. Adjusted attributed common 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 Common Equity – Adjusted After-tax Income (Adjusted Return on Attributed Common Equity) is used to show the rate of return on Adjusted Attributed Common Equity. Adjusted Return on Attributed Common Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Attributed Common Equity. The reconciliations to Adjusted Return on Common Equity are presented on pages 14, 24, 39 and 54 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, income tax expense and attributed dividends on preferred stock from APTI. Attributed debt and the related interest expense and dividends on preferred stock are calculated based on our internal 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 14, 24, 39 and 54 herein. Attributed debt is included on page 55 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 catastrophe losses are generally weather or seismic events having a net impact on AIG in excess of \$10 million each and man-made catastrophe losses, such as terrorism and civil disorders that exceed the \$10 million threshold.

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. 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.

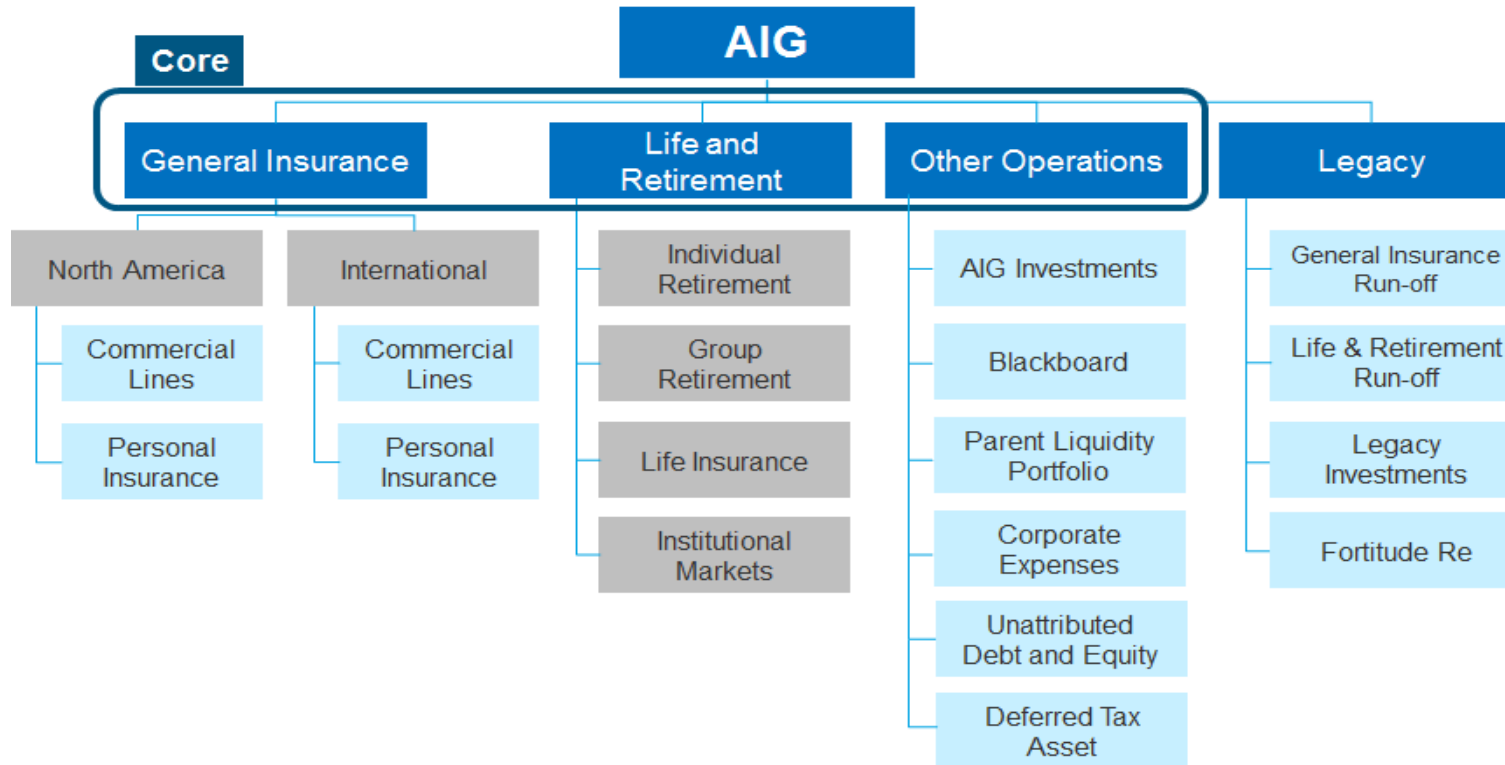


American International Group, Inc.

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 regional insurance businesses in Japan, the United Kingdom, Europe, Asia Pacific, Latin America and Caribbean, Middle East and Africa, and China. General Insurance underwriting results are presented before consideration of internal reinsurance transactions.

Legacy

Fortitude Re

On November 25, 2019, AIG entered into a membership interest purchase agreement with Fortitude Group Holdings, LLC (Fortitude Holdings), The Carlyle Group L.P (Carlyle), Carlyle FRL, an investment fund advised by an affiliate of Carlyle (Carlyle FRL), T&D United Capital Co., Ltd.(T&D) and T&D Holdings, Inc., pursuant to which, subject to the satisfaction or waiver of certain conditions set forth therein, Carlyle FRL will purchase from AIG a 51.6 percent ownership interest in Fortitude Holdings and T&D will purchase from AIG a 25 percent ownership interest in Fortitude Holdings (2019 Fortitude Sale). Upon closing of the 2019 Fortitude Sale, AIG will have a 3.5 percent ownership interest in Fortitude Holdings. We expect to contribute approximately \$1.45 billion of the proceeds of the 2019 Fortitude Sale to certain of our insurance company subsidiaries for a period of time following the closing of the transaction. There can be no guarantee that we will receive the required regulatory approvals or that closing conditions will be satisfied in order to consummate the 2019 Fortitude Sale.



American International Group, Inc.
Consolidated Financial Highlights

(in millions, except per share data)

	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations Data (attributable to AIG common shareholders)							
Net income (loss)	\$ 922	\$ 648	\$ 1,102	\$ 654	\$ (622)	\$ 3,326	\$ (6)
Net income (loss) per share:							
Basic	\$ 1.05	\$ 0.74	\$ 1.26	\$ 0.75	\$ (0.70)	\$ 3.79	\$ (0.01)
Diluted (1)	\$ 1.03	\$ 0.72	\$ 1.24	\$ 0.75	\$ (0.70)	\$ 3.74	\$ (0.01)
Weighted average shares outstanding:							
Basic	878.2	877.0	876.4	875.4	887.5	876.8	898.4
Diluted (1)	896.4	895.8	888.3	877.5	887.5	889.5	910.1
Effective tax rate	20.8 %	22.8 %	24.3 %	18.8 %	19.7 %	22.1 %	59.9 %
Adjusted after-tax income (loss)	\$ 919	\$ 505	\$ 1,272	\$ 1,388	\$ (559)	\$ 4,084	\$ 1,064
Adjusted after-tax income (loss) per diluted share (1)	\$ 1.03	\$ 0.56	\$ 1.43	\$ 1.58	\$ (0.63)	\$ 4.59	\$ 1.17
Weighted average diluted shares - operating (1)	896.4	895.8	888.3	877.5	887.5	889.5	910.1
Adjusted effective tax rate	19.3 %	25.3 %	21.8 %	22.9 %	18.5 %	22.1 %	23.0 %
Selected Balance Sheet data, at period end							
Total assets	\$ 525,064	\$ 525,122	\$ 522,269	\$ 512,922	\$ 491,984	\$ 525,064	\$ 491,984
Long-term debt	25,479	25,596	26,707	26,466	26,136	25,479	26,136
Debt of consolidated investment entities	9,871	9,666	9,584	9,310	8,404	9,871	8,404
Preferred equity	485	485	485	485	-	485	-
AIG common shareholders' equity	65,190	65,118	64,054	60,302	56,361	65,190	56,361
AIG shareholders' total equity	65,675	65,603	64,539	60,787	56,361	65,675	56,361
Adjusted common shareholders' equity	51,231	50,110	49,486	48,248	47,621	51,231	47,621
Adjusted Attributed Common Equity *							
General Insurance	\$ 25,142	\$ 25,076	\$ 25,282	\$ 24,826	\$ 25,066	\$ 25,142	\$ 25,066
Life and Retirement	19,513	19,235	18,820	18,280	19,695	19,513	19,695
Other Operations	(442)	(976)	(1,408)	(2,308)	(6,026)	(442)	(6,026)
Total Core	44,213	43,335	42,694	40,798	38,735	44,213	38,735
Legacy	7,018	6,775	6,792	7,450	8,886	7,018	8,886
Total AIG adjusted attributed common equity	\$ 51,231	\$ 50,110	\$ 49,486	\$ 48,248	\$ 47,621	\$ 51,231	\$ 47,621
Return On Common Equity (ROCE, attributable to AIG common shareholders)							
ROCE	5.7 %	4.0 %	7.1 %	4.5 %	(4.3)%	5.3 %	0.0%
Adjusted return on common equity	7.3 %	4.1 %	10.4 %	11.6 %	(4.6)%	8.3 %	2.1 %
Adjusted return on attributed common equity - Core**	7.6 %	4.4 %	11.6 %	13.4 %	(4.3)%	9.2 %	2.3 %
Adjusted return on attributed common equity - General Insurance**	7.3 %	4.3 %	10.3 %	14.0 %	(11.8)%	9.0 %	(3.6)%
Adjusted return on attributed common equity - Life and Retirement**	13.0 %	10.1 %	17.3 %	15.0 %	9.8 %	13.7 %	12.6 %
Adjusted return on attributed common equity - Legacy Portfolio**	8.1 %	4.4 %	5.2 %	4.4 %	(5.4)%	5.4 %	1.8 %

* Attribution of adjusted common equity is performed on an annual basis unless recalibration is needed (refer to page 55). Adjusted attributed common equity is based on our internal capital model and on the risk profile of each business.

** Refer to pages 14, 24, 39 and 54 for components of calculation.

See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 50.



American International Group, Inc.
Consolidated Financial Highlights

(in millions, except per share data)	Quarterly					Twelve Months Ended	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
AIG Capitalization							
Total equity	\$ 67,427	\$ 67,445	\$ 66,105	\$ 62,093	\$ 57,309	\$ 67,427	\$ 57,309
Hybrid - debt securities (2)	1,542	1,531	1,541	1,545	1,548	1,542	1,548
Total equity and hybrid debt	68,969	68,976	67,646	63,638	58,857	68,969	58,857
Financial debt (2)	21,807	21,706	22,795	22,765	22,186	21,807	22,186
Total capital	\$ 90,776	\$ 90,682	\$ 90,441	\$ 86,403	\$ 81,043	\$ 90,776	\$ 81,043
Ratios							
Hybrid - debt securities / Total capital	1.7 %	1.7 %	1.7 %	1.8 %	1.9 %	1.7 %	1.9 %
Financial debt / Total capital	24.0	23.9	25.2	26.3	27.4	24.0	27.4
Total debt / Total capital	25.7	25.6	26.9	28.1	29.3	25.7	29.3
Preferred stock / Total capital	0.5	0.5	0.5	0.6	0.0	0.5	0.0
Total debt and preferred stock / Total capital	26.2 %	26.1 %	27.4 %	28.7 %	29.3 %	26.2 %	29.3 %
Common Stock Repurchases							
Aggregate repurchase of common stock	\$ -	\$ -	\$ -	\$ -	\$ 745	\$ -	\$ 1,739
Number of common shares repurchased	-	-	-	-	18.0	-	36.5
Average price paid per share of common stock	\$ -	\$ -	\$ -	\$ -	\$ 41.22	\$ -	\$ 47.62
Aggregate repurchase of warrants	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 11
Number of warrants repurchased	-	-	-	-	0.7	-	1.1
Dividends							
Dividends declared per common share	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 1.28	\$ 1.28
Total dividends declared on common stock	\$ 279	\$ 278	\$ 279	\$ 278	\$ 280	\$ 1,114	\$ 1,138
Dividends declared per preferred share	\$ 365.63	\$ 365.63	\$ 369.70	\$ -	\$ -	\$ 1,100.96	\$ -
Total dividends declared on preferred stock	\$ 7	\$ 8	\$ 7	\$ -	\$ -	\$ 22	\$ -
Share Data (attributable to AIG, at period end)							
Common shares outstanding	870.0	869.9	869.9	869.7	866.6	870.0	866.6
Closing share price	\$ 51.33	\$ 55.70	\$ 53.28	\$ 43.06	\$ 39.41	\$ 51.33	\$ 39.41
Book value per common share	74.93	74.85	73.63	69.33	65.04	74.93	65.04
Book value per common share, excluding AOCI	69.20	68.40	67.90	66.89	66.67	69.20	66.67
Adjusted book value per common share	58.89	57.60	56.89	55.47	54.95	58.89	54.95

See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 50.



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,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
\$ 622	\$ 435	\$ 718	\$ 934	\$ (575)	\$ 2,709	\$ (8)	
156	72	262	334	(147)	824	(461)	
778	507	980	1,268	(722)	3,533	(469)	
501	387	588	508	327	1,984	1,681	
209	203	293	232	159	937	933	
51	(7)	86	116	87	246	330	
78	63	82	68	50	291	246	
839	646	1,049	924	623	3,458	3,190	
(453)	(454)	(415)	(387)	(451)	(1,709)	(1,584)	
(133)	(46)	(56)	(70)	31	(305)	59	
1,031	653	1,558	1,735	(519)	4,977	1,196	
177	93	119	112	(150)	501	213	
\$ 1,208	\$ 746	\$ 1,677	\$ 1,847	\$ (669)	\$ 5,478	\$ 1,409	

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)

Changes in the fair value of Equity Securities - Other (4)

Expense Items:

Catastrophe losses, net of reinsurance

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

Annual actuarial assumption update

	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
\$ 59	\$ (43)	\$ 199	\$ 236	\$ (340)	\$ 451	\$ (168)	
60	(9)	14	(5)	(31)	60	2	
29	8	(32)	15	50	20	(66)	
-	-	-	-	(143)	-	(184)	
\$ 413	\$ 511	\$ 174	\$ 175	\$ 798	\$ 1,273	\$ 2,948	
(153)	(4)	(63)	(74)	365	(294)	362	
-	173	-	-	105	173	208	

* DIB refers to Direct Investment Book and GCM refers to Global Capital Markets, primarily reflected in Legacy Portfolio.

** 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 50.



American International Group, Inc.
Consolidated Statements of Operations

(in millions)

	Quarterly					Twelve Months Ended	
	4Q19	3Q19	2Q19	1Q19	4Q18	December 31,	
						2019	2018
Revenues:							
Premiums	\$ 7,444	\$ 7,617	\$ 7,430	\$ 8,070	\$ 8,464	\$ 30,561	\$ 30,614
Policy fees	778	733	769	735	734	3,015	2,791
Net investment income:							
Interest and dividends	3,235	3,192	3,210	3,161	3,075	12,798	12,204
Alternative investments	209	115	345	419	(182)	1,088	655
Other investment income (loss) (14)	287	236	322	413	(11)	1,258	110
Investment expenses	(144)	(135)	(132)	(114)	(128)	(525)	(493)
Total net investment income	3,587	3,408	3,745	3,879	2,754	14,619	12,476
Net realized capital gains (losses)	(255)	929	404	(446)	235	632	(130)
Other income	261	227	213	218	373	919	1,638
Total revenues	11,815	12,914	12,561	12,456	12,560	49,746	47,389
Benefits, losses and expenses							
Policyholder benefits and losses incurred	6,029	6,892	5,802	6,679	7,928	25,402	27,412
Interest credited to policyholder account balances	959	966	967	940	970	3,832	3,754
Amortization of deferred policy acquisition costs	1,184	1,252	1,439	1,289	1,573	5,164	5,386
General operating and other expenses	2,157	2,187	2,140	2,053	2,383	8,537	9,302
Interest expense	360	348	360	349	407	1,417	1,309
(Gain) loss on extinguishment of debt	19	-	15	(2)	(3)	32	7
Net (gain) loss on sale of divested businesses	71	9	1	(6)	(3)	75	(38)
Total benefits, losses and expenses	10,779	11,654	10,724	11,302	13,255	44,459	47,132
Income (loss) from continuing operations before income taxes	1,036	1,260	1,837	1,154	(695)	5,287	257
Income tax (benefit) expense	216	287	446	217	(137)	1,166	154
Income (loss) from continuing operations	820	973	1,391	937	(558)	4,121	103
Income (loss) from discontinued operations, net of income taxes	49	-	(1)	-	(2)	48	(42)
Net income (loss)	869	973	1,390	937	(560)	4,169	61
Net income (loss) attributable to noncontrolling interests (5)	(60)	317	281	283	62	821	67
Net income (loss) attributable to AIG	929	656	1,109	654	(622)	3,348	(6)
Less: Dividends on preferred stock	7	8	7	-	-	22	-
Net income (loss) attributable to AIG common shareholders	\$ 922	\$ 648	\$ 1,102	\$ 654	\$ (622)	\$ 3,326	\$ (6)

See accompanying notes on page 12.



American International Group, Inc.
Consolidated Balance Sheets

(in millions)	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Assets					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 251,086	\$ 253,221	\$ 245,561	\$ 238,201	\$ 229,391
Other bond securities, at fair value	6,682	8,327	10,461	11,511	11,415
Equity securities					
Other common and preferred stock, at fair value	841	771	880	841	1,253
Mortgage and other loans receivable, net of allowance	46,984	45,075	43,556	43,834	43,135
Other invested assets	18,792	19,486	19,454	19,343	19,341
Short-term investments	13,230	14,113	15,016	11,133	9,674
Total investments	337,615	340,993	334,828	324,863	314,209
Cash	2,856	3,361	2,935	2,565	2,873
Accrued investment income	2,334	2,391	2,359	2,482	2,389
Premiums and other receivables, net of allowance	10,274	11,786	12,614	12,655	11,011
Reinsurance assets, net of allowance	37,977	39,483	40,520	40,558	38,172
Deferred income taxes	13,146	13,054	13,337	14,545	15,221
Deferred policy acquisition costs (6)	11,207	11,000	11,386	12,128	12,694
Other assets (6)	16,383	13,929	13,879	14,308	13,568
Separate account assets, at fair value	93,272	89,125	90,311	88,818	81,847
Total assets	\$ 525,064	\$ 525,122	\$ 522,269	\$ 512,922	\$ 491,984
Liabilities					
Liability for unpaid losses and loss adjustment expenses	\$ 78,328	\$ 79,883	\$ 81,057	\$ 82,496	\$ 83,639
Unearned premiums	18,269	19,959	20,621	20,812	19,248
Future policy benefits for life and accident and health insurance contracts	50,512	50,747	47,539	46,508	44,935
Policyholder contract deposits	151,869	151,964	148,521	145,380	142,262
Other policyholder funds	3,428	3,440	3,488	3,493	3,568
Other liabilities	26,609	27,297	28,336	27,546	24,636
Long-term debt	25,479	25,596	26,707	26,646	26,136
Debt of consolidated investment entities	9,871	9,666	9,584	9,130	8,404
Separate account liabilities	93,272	89,125	90,311	88,818	81,847
Total liabilities	457,637	457,677	456,164	450,829	434,675
AIG shareholders' equity					
Preferred stock (7)	485	485	485	485	-
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(48,987)	(48,989)	(48,991)	(48,999)	(49,144)
Additional paid-in capital	81,345	81,287	81,211	81,148	81,268
Retained earnings	23,084	22,439	22,077	21,259	20,884
Accumulated other comprehensive income (loss)	4,982	5,615	4,991	2,128	(1,413)
Total AIG shareholders' equity	65,675	65,603	64,539	60,787	56,361
Non-redeemable noncontrolling interests	1,752	1,842	1,566	1,306	948
Total equity	67,427	67,445	66,105	62,093	57,309
Total liabilities and equity	\$ 525,064	\$ 525,122	\$ 522,269	\$ 512,922	\$ 491,984

See accompanying notes on page 12.



American International Group, Inc.
Segment Balance Sheets

December 31, 2019

(in millions)	General Insurance	Life & Retirement	Other Operations (8)	Total Core	Legacy Portfolio (9) (10)	AOCI and DTA**	AIG Inc.
Assets:							
Investments:							
Fixed maturity securities							
Bonds available for sale, at fair value	\$ 58,931	\$ 135,450	\$ 6,363	\$ 200,744	\$ 40,005	\$ 10,337	\$ 251,086
Other bond securities, at fair value	1,320	637	1,241	3,198	3,484	-	6,682
Equity securities							
Other common and preferred stock, at fair value	487	322	23	832	9	-	841
Mortgage and other loans receivable, net of allowance	10,756	32,788	(669)	42,875	4,109	-	46,984
Other invested assets	7,180	6,625	2,546	16,351	2,441	-	18,792
Short-term investments	3,749	5,840	2,713	12,302	928	-	13,230
Total investments	82,423	181,662	12,217	276,302	50,976	10,337	337,615
Cash	2,162	232	154	2,548	308	-	2,856
Accrued investment income	689	1,905	(329)	2,265	69	-	2,334
Premiums and other receivables, net of allowance	9,304	635	(596)	9,343	931	-	10,274
Reinsurance assets, net of allowance	32,254	1,630	467	34,351	3,626	-	37,977
Deferred income taxes	2,949	3,609	(1,047)	5,511	63	7,572	13,146
Deferred policy acquisition costs (6)	2,639	7,901	9	10,549	658	-	11,207
Other assets (6)	13,207	3,647	(3,044)	13,810	4,843	(2,270)	16,383
Separate account assets, at fair value	-	91,222	-	91,222	2,050	-	93,272
Total assets	\$ 145,627	\$ 292,443	\$ 7,831	\$ 445,901	\$ 63,524	\$ 15,639	\$ 525,064
Liabilities:							
Liability for unpaid losses and loss adjustment expenses	\$ 70,092	\$ -	\$ 158	\$ 70,250	\$ 8,078	\$ -	\$ 78,328
Unearned premiums	18,022	-	10	18,032	237	-	18,269
Future policy benefits for life and accident and health insurance contracts	1,180	17,963	19	19,162	31,350	-	50,512
Policyholder contract deposits	-	147,545	(152)	147,393	4,476	-	151,869
Other policyholder funds	-	271	-	271	3,157	-	3,428
Other liabilities	14,094	7,617	(1,252)	20,459	4,470	1,680	26,609
Operating debt	658	439	(1,569)	(472)	2,602	-	2,130
Attributed debt	13,683	4,183	5,483	23,349	-	-	23,349
Long-term debt	14,341	4,622	3,914	22,877	2,602	-	25,479
Debt of consolidated investment entities	2,398	3,117	4,356	9,871	-	-	9,871
Separate account liabilities	-	91,222	-	91,222	2,050	-	93,272
Total liabilities	120,127	272,357	7,053	399,537	56,420	1,680	457,637
AIG Shareholders' equity							
Attributed preferred equity* (7)	282	196	-	478	7	-	485
Adjusted attributed common equity**	25,142	19,513	(442)	44,213	7,018	13,959	65,190
Non-redeemable noncontrolling interests	76	377	1,220	1,673	79	-	1,752
Total Equity	25,500	20,086	778	46,364	7,104	13,959	67,427
Total liabilities and equity	\$ 145,627	\$ 292,443	\$ 7,831	\$ 445,901	\$ 63,524	\$ 15,639	\$ 525,064

* The segment balance sheets have been prepared consistent with our internal capital model.

** The segment balance sheets have been prepared consistent with our internal capital model and are based on Adjusted Attributed Common Equity (which excludes AOCI and DTA). Adjustments to bonds available for sale, at fair value represents unrealized gains and losses on investments. See page 55 for further discussion.
See accompanying notes on page 12.



American International Group, Inc.
Debt and Capital

(in millions)	Debt and Hybrid Capital		Interest Expense/ Preferred Dividends			
	December 31,	December 31,	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018	2019	2018
Financial Debt						
AIG notes and bonds payable (11)	\$ 20,467	\$ 20,853	\$ 218	\$ 218	\$ 879	\$ 856
AIG Japan Holdings Kabushiki Kaisha	344	331	-	-	1	1
AIG Life Holdings, Inc. notes and bonds payable	282	282	5	5	20	20
AIG Life Holdings, Inc. junior subordinated debt	361	361	8	8	30	30
Validus notes and bonds payable	353	359	5	5	22	11
Validus junior subordinated debt	-	-	-	5	-	13
Total	21,807	22,186	236	241	952	931
Operating Debt						
MIP notes payable	-	-	-	-	-	4
Series AIGFP matched notes and bonds payable	21	21	1	-	1	-
Other AIG borrowings supported by assets	2,062	2,213	-	-	-	-
Other subsidiaries	47	168	1	1	3	2
Total	2,130	2,402	2	1	4	6
Hybrid - Debt Securities (2)						
Junior subordinated debt (12)	1,542	1,548	23	23	91	82
Total long-term debt	\$ 25,479	\$ 26,136	\$ 261	\$ 265	\$ 1,047	\$ 1,019
Debt of consolidated investment entities						
Debt of consolidated investment entities	\$ 9,871	\$ 8,404	\$ 99	\$ 142	\$ 370	\$ 290
Preferred Shares Issuance (7)						
Preferred stock	485	-	7	-	22	-
AIG Capitalization						
Total equity	\$ 67,427	\$ 57,309				
Hybrid - debt securities (2) (12)	1,542	1,548				
Total equity and hybrid capital	68,969	58,857				
Financial debt (2)	21,807	22,186				
Total capital	\$ 90,776	\$ 81,043				
Ratios						
Hybrid - debt securities / Total capital	1.7 %	1.9 %				
Financial debt / Total capital	24.0	27.4				
Total debt / Total capital	25.7	29.3				
Preferred stock / Total capital	0.5	-				
Total debt and preferred stock / Total capital	26.2 %	29.3 %				

See accompanying notes on page 12.



American International Group, Inc.
Consolidated Notes

- (1) For the fourth quarter of 2018, because we reported a net loss and an adjusted after-tax 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.
- (2) Hybrid - debt securities and financial debt are attributed to our reportable segments. See details of attributed debt on page 55.
- (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) Beginning in the first quarter of 2019, on a prospective basis, changes in the fair value of equity securities are excluded from APTI. The following table provides the changes in the fair value of equity securities for all periods presented (on a pre-tax basis):

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
General Insurance	\$ 51	\$ 9	\$ (12)	\$ 53	\$ (108)	\$ 101	\$ (175)
Life & Retirement	86	(34)	9	-	(16)	61	(12)
Other Operations	16	(21)	(11)	12	(14)	(4)	7
Total Core	153	(46)	(14)	65	(138)	158	(180)
Legacy	-	(5)	(8)	14	(5)	1	(4)
Changes in the fair value of Equity Securities	\$ 153	\$ (51)	\$ (22)	\$ 79	\$ (143)	\$ 159	\$ (184)

- (5) Noncontrolling interests is primarily due to the 19.9 percent investment in Fortitude Holdings by an affiliate of Carlyle, which occurred in the fourth quarter of 2018. Carlyle is allocated 19.9 percent of Fortitude Holdings' standalone financial results. Fortitude Holdings' results are mostly eliminated in AIG's consolidated income from continuing operations given that its results arise from intercompany transactions. Noncontrolling interests is calculated based on the standalone financial results of Fortitude Holdings. The most significant component of Fortitude Holdings' standalone results includes the change in fair value of the embedded derivatives, which moved materially due to lower rates and tightening credit spreads in 1Q19 through 3Q19, but reversed trend in 4Q19, and which are recorded in net realized capital gains and losses of Fortitude Holdings. In accordance with AIG's adjusted after-tax income definition, realized capital gains and losses are excluded from noncontrolling interests. Fortitude Holdings' summarized financial information (standalone results) is presented below:

(in millions)

	Quarterly						Twelve Months Ended December 31,			
	4Q19		3Q19		2Q19		1Q19		2019	
	Fortitude Holdings	AIG NCI	Fortitude Holdings	AIG NCI	Fortitude Holdings	AIG NCI	Fortitude Holdings	AIG NCI	Fortitude Holdings	AIG NCI
Revenues	\$ 571	\$ 114	\$ 617	\$ 123	\$ 565	\$ 112	\$ 606	\$ 121	\$ 2,359	\$ 470
Expenses	410	82	559	111	449	89	472	94	1,890	376
Adjusted pre-tax income	161	32	58	12	116	23	134	27	469	94
Taxes on APTI	34	7	12	2	24	5	28	6	98	20
Adjusted after-tax income	127	25	46	10	92	18	106	21	371	74
Net realized capital gains	(700)	(139)	1,744	347	1,599	318	1,573	313	4,216	839
Taxes on realized capital gains	(147)	(30)	367	74	336	69	330	66	886	179
Net realized capital gains - after-tax	(553)	(109)	1,377	273	1,263	249	1,243	247	3,330	660
Net income	\$ (426)	\$ (84)	\$ 1,423	\$ 283	\$ 1,355	\$ 267	\$ 1,349	\$ 268	\$ 3,701	\$ 734

- (6) As of December 31, 2019 and 2018, includes \$ \$4.1 billion of Goodwill, respectively, and other intangible assets of \$1.2 billion and \$1.4 billion, respectively, primarily relating to the acquisitions of Validus, Glatfelter Insurance Group and Ellipse.



American International Group, Inc.
Consolidated Notes (Cont.)

- (7) In March 2019, we issued 20,000 shares of Series A 5.85% Non-Cumulative Preferred Stock, with a par value of \$5.00 per share and a liquidation preference of \$25,000 per share, for net proceeds of \$485 million.
- (8) Other Operations includes inter segment eliminations for Core.
- (9) Fortitude Re was established during the first quarter of 2018 in connection with a series of affiliated reinsurance transactions related to our Legacy Portfolio. Those reinsurance transactions were designed to consolidate most of our Legacy Insurance Run-Off Lines into a single legal entity. As of December 31, 2019, the affiliated transactions included the cession of approximately \$30.2 billion of reserves from our Legacy Life and Retirement Run-Off Lines and approximately \$3.9 billion of reserves from our Legacy General Insurance Run-Off Lines related to business written by multiple wholly-owned AIG subsidiaries. Fortitude Re has approximately \$2.5 billion of total assets after elimination of intercompany balances, primarily managed by AIG, and is AIG's main run-off reinsurer with its own dedicated management team. In the second quarter of 2018, we formed 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 TCG, an affiliate of The Carlyle Group L.P. (2018 Fortitude Sale). Upon completion of the 2018 Fortitude Sale, Fortitude Holdings owned 100 percent of the outstanding common shares of Fortitude Re and AIG had an 80.1 percent ownership interest in Fortitude Holdings.
- (10) 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) and related deferred acquisition costs of \$0.5 billion (after-tax) at inception of the contract. The prepaid insurance assets have been eliminated in AIG's consolidated financial statements since the counterparties were wholly owned. Upon closing of the 2019 Fortitude Sale, we will recognize a loss for the portion of the unamortized balance of these assets that are not recoverable, if any, when we are no longer a controlling shareholder in Fortitude Holdings. As of December 31, 2019, the unamortized balances of the aforementioned prepaid insurance assets and related deferred acquisition costs were \$2.3 billion (after-tax) and \$0.4 billion (after-tax), respectively. This combined loss of \$2.7 billion would be incremental to any gain or loss recognized on the 2019 Fortitude Sale. The incremental gain or loss we will recognize on the 2019 Fortitude Sale would be impacted, perhaps significantly, by market conditions existing at that time.
- (11) In March 2019, we issued \$600 million aggregate principal amount of 4.250% Notes Due 2029.
- (12) 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.
- (13) Beginning in the first quarter of 2019, on a prospective basis, within Legacy and Other Operations, investment income from our non-insurance subsidiaries is reported in Net investment income instead of Other income to align reporting with General Insurance and Life and Retirement reporting segments. The following table reflects the impact of this reclassification (including intercompany eliminations) for all periods presented (on a pre-tax basis):

<i>(in millions)</i>	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Net investment income	\$ 226	\$ 121	\$ 184	\$ 116	\$ 160	\$ 647	\$ 694
Net realized capital gain (loss)	-	-	-	-	(2)	-	(11)
Other income	(226)	(121)	(184)	(116)	(158)	(647)	(683)

- (14) On February 27, 2019, we sold our remaining interest in People's Insurance Company (Group) of China Limited (PICC). The total fair value on the date of sale was \$511 million, however the purchase price reflected a discount to fair market value and we received proceeds of \$479 million. In the first quarter of 2019, we recorded \$31 million of net investment income related to the change in fair value of PICC through the date of sale.
- (15) The following table reflects the combined impact to Net investment income, on APTI basis, of the two presentation changes described in Note 4 and Note 13 above to provide pro forma results for prior periods:

<i>(in millions)</i>	Quarterly				Full Year
	4Q18	3Q18	2Q18	1Q18	2018
Net investment income	\$ 303	\$ 177	\$ 177	\$ 221	\$ 878
APTI	145	15	2	33	195



American International Group, Inc.
General Insurance Results

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations (1) (2)							
Gross premiums written	\$ 7,306	\$ 8,583	\$ 8,654	\$ 10,195	\$ 7,699	\$ 34,738	\$ 34,225
Ceded premiums written	(1,476)	(1,935)	(2,073)	(4,162)	(1,275)	(9,646)	(7,818)
Net premiums written	\$ 5,830	\$ 6,648	\$ 6,581	\$ 6,033	\$ 6,424	\$ 25,092	\$ 26,407
Net premiums earned	\$ 6,372	\$ 6,659	\$ 6,694	\$ 6,713	\$ 7,171	\$ 26,438	\$ 27,505
Losses and loss adjustment expenses incurred (3)	4,180	4,618	4,215	4,233	5,743	17,246	20,824
Acquisition expenses:							
Amortization of deferred policy acquisition costs	1,046	1,123	1,154	1,159	1,215	4,482	4,596
Other acquisition expenses	316	339	334	303	390	1,292	1,385
Total acquisition expenses	1,362	1,462	1,488	1,462	1,605	5,774	5,981
General operating expenses	818	828	844	839	894	3,329	3,837
Underwriting income (loss)	12	(249)	147	179	(1,071)	89	(3,137)
Net investment income (loss):							
Interest and dividends	680	679	715	768	672	2,842	2,661
Alternative investments	124	76	170	327	(180)	697	247
Other investment income (loss)	14	54	(6)	45	(109)	107	(103)
Investment expenses	(52)	(53)	(46)	(51)	(34)	(202)	(137)
Total net investment income	766	756	833	1,089	349	3,444	2,668
Adjusted pre-tax income (loss)	778	507	980	1,268	(722)	3,533	(469)
Interest expense on attributed financial debt	151	147	147	144	142	589	544
Adjusted pre-tax income (loss) including attributed interest expense	627	360	833	1,124	(864)	2,944	(1,013)
Income tax expense (benefit)	164	86	184	252	(100)	686	(120)
Adjusted after-tax income (loss)	\$ 463	\$ 274	\$ 649	\$ 872	\$ (764)	\$ 2,258	\$ (893)
Dividends declared on preferred stock	4	5	4	-	-	13	-
Adjusted after-tax income (loss) attributable to common shareholders (a)	\$ 459	\$ 269	\$ 645	\$ 872	\$ (764)	\$ 2,245	\$ (893)
Ending adjusted attributed common equity	\$ 25,142	\$ 25,076	\$ 25,282	\$ 24,826	\$ 25,066	\$ 25,142	\$ 25,066
Average adjusted attributed common equity (b)*	25,109	25,179	25,054	24,946	25,988	25,078	24,588
Adjusted return on attributed common equity (a÷b)	7.3 %	4.3 %	10.3 %	14.0 %	(11.8) %	9.0 %	(3.6) %
Underwriting Ratios							
Loss ratio (3)	65.6	69.3	63.0	63.1	80.1	65.2	75.7
Catastrophe losses and reinstatement premiums	(6.5)	(7.5)	(2.6)	(2.7)	(11.3)	(4.8)	(10.5)
Prior year development	2.2	-	0.9	1.0	(5.3)	1.1	(1.5)
Adjustments for ceded premium under reinsurance contracts and other	0.3	(0.3)	-	0.4	0.4	0.1	0.3
Accident year loss ratio, as adjusted	61.6	61.5	61.3	61.8	63.9	61.6	64.0
Acquisition ratio	21.4	22.0	22.2	21.8	22.4	21.8	21.7
General operating expense ratio	12.8	12.4	12.6	12.5	12.5	12.6	14.0
Expense ratio	34.2	34.4	34.8	34.3	34.9	34.4	35.7
Combined ratio (3)	99.8	103.7	97.8	97.4	115.0	99.6	111.4
Accident year combined ratio, as adjusted	95.8	95.9	96.1	96.1	98.8	96.0	99.7

* See accompanying notes to Adjusted Attributed Common Equity on page 55.

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 50.



American International Group, Inc.
General Insurance Operating Statistics

(in millions)

Noteworthy Items (pre-tax)

	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Catastrophe-related losses, net of reinsurance	\$ 411	\$ 497	\$ 174	\$ 175	\$ 826	\$ 1,257	\$ 2,919
Reinstatement premiums related to catastrophes	8	12	(5)	6	(24)	21	(34)
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(153)	(3)	(66)	(72)	363	(294)	366
(Additional) return premium related to prior year development on loss sensitive business	14	7	9	10	13	40	60
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(139)	4	(57)	(62)	376	(254)	426
Reinstatement premiums related to prior year catastrophes	5	(3)	(3)	(8)	11	(9)	13
Other premium adjustments related to prior year	(33)	26	-	(43)	(46)	(50)	(137)
Better (worse) than expected alternative returns	13	(42)	45	202	(311)	218	(311)
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	40	23	43	23	6	129	60
Changes in the fair value of Equity Securities - Other	-	-	-	-	(108)	-	(175)
Net liability for unpaid losses and loss adjustment expenses (at period end)	42,901	44,099	45,307	46,370	47,543	42,901	47,543

Net Premiums Written by product line

General Insurance:

	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Property	\$ 559	\$ 773	\$ 1,004	\$ 299	\$ 691	\$ 2,635	\$ 2,756
Special Risks	963	1,231	1,012	1,481	970	4,687	3,275
Liability	838	1,060	910	997	1,006	3,805	4,714
Financial Lines	1,008	967	954	1,001	1,054	3,930	4,195
Total Commercial Lines	3,368	4,031	3,880	3,778	3,721	15,057	14,940
Personal Lines	1,494	1,527	1,574	1,057	1,441	5,652	6,248
Accident and Health	968	1,090	1,127	1,198	1,262	4,383	5,219
Total Personal Insurance	2,462	2,617	2,701	2,255	2,703	10,035	11,467
General Insurance net premiums written	\$ 5,830	\$ 6,648	\$ 6,581	\$ 6,033	\$ 6,424	\$ 25,092	\$ 26,407
Foreign exchange effect on worldwide premiums:							
Change in net premiums written							
Increase (decrease) in original currency (4)	(9.0) %	(2.0) %	(3.7) %	0.1 %	10.3 %	(3.6) %	2.5 %
Foreign exchange effect	(0.2)	(0.8)	(2.0)	(2.4)	(1.2)	(1.4)	1.3
Increase (decrease) as reported in U.S. dollars	(9.2) %	(2.8) %	(5.7) %	(2.3) %	9.1 %	(5.0) %	3.8 %

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 50.



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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Prior year development by segment:							
North America							
Commercial Lines	\$ 35	\$ (42)	\$ (81)	\$ (69)	\$ 326	\$ (157)	\$ 81
Personal Insurance	(144)	25	20	9	-	(90)	247
Total North America	(109)	(17)	(61)	(60)	326	(247)	328
International							
Commercial Lines	17	34	(6)	41	74	86	133
Personal Insurance	(61)	(20)	1	(53)	(37)	(133)	(95)
Total International	(44)	14	(5)	(12)	37	(47)	38
Total General Insurance prior year unfavorable (favorable) development*	(153)	(3)	(66)	(72)	363	(294)	366
(Additional) return premium related to prior year development on loss sensitive business	\$ 14	\$ 7	\$ 9	\$ 10	\$ 13	\$ 40	\$ 60

* Includes the amortization attributed to the deferred gain at inception from the National Indemnity Company (NICO) adverse development reinsurance agreements of \$58 million, \$58 million, \$58 million, \$58 million and \$57 million for the three months ended December 31, September 30, June 30 and March 31, 2019, and December 31 2018, 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 \$(25) million, \$(129) million, \$(126) million, \$2 million and \$122 million for the three months ended December 31, September 30, June 30 and March 31, 2019, and December 31, 2018, respectively, and related changes in amortization of the deferred gain of \$31 million, \$(71) million, \$(2) million, \$28 million and \$54 million for those same periods. See page 49 for further discussion.

Accident Year	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
2018	\$ 165	\$ 89	\$ 84	\$ (78)	\$ -	\$ 260	\$ -
2017	(247)	48	30	5	102	(164)	72
2016	7	16	(19)	5	201	9	205
2015	(13)	(25)	(42)	50	25	(30)	(22)
2014	(16)	(42)	(28)	(17)	18	(103)	(40)
2013	18	14	(4)	-	(47)	28	(63)
2012	6	(16)	(24)	(11)	7	(45)	6
2011	(10)	(19)	(9)	(2)	26	(40)	26
2010	(30)	(6)	(9)	(2)	(15)	(47)	(31)
2009 and prior	(33)	(62)	(45)	(22)	46	(162)	213
Total General Insurance prior year unfavorable (favorable) development*	(153)	(3)	(66)	(72)	363	(294)	366

*Favorable prior year development during the three months ended December 31, 2019 is driven by approximately \$290 million of favorable development on 2017 CATs consisting of \$100 million related to Hurricanes and approximately \$190 million related to California Wildfire subrogation recoverables, North America Workers Compensation favorable development, and the Adverse Development Cover amortization offset by adverse development in US Financial Lines and in the run-off construction portfolio. Favorable prior year development during the three months ended September 30, 2019 is largely driven from the Adverse Development Cover amortization with additional favorable development from North America Workers Compensation, Europe Property and Special Risks and Europe and Japan Personal Insurance offset by net adverse prior year loss reserve development from North America Financial Lines and Europe Casualty and Financial Lines. Favorable prior year development during the three months ended June 30, 2019 is largely driven from the Adverse Development Cover amortization with additional favorable development from North America Commercial Lines partially offset by net adverse prior year loss reserve development from North America Personal Insurance. Favorable prior year development during the three months ended March 31, 2019 is largely driven from the Adverse Development Cover amortization with additional favorable development in Property, Specialty and International Personal lines partially offset by Excess Casualty.

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

(in millions)

Results of Operations (2)

	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Net premiums written	\$ 2,814	\$ 3,404	\$ 3,307	\$ 2,578	\$ 2,944	\$ 12,103	\$ 11,383
Net premiums earned	\$ 3,140	\$ 3,258	\$ 3,302	\$ 3,153	\$ 3,428	\$ 12,853	\$ 12,314
Losses and loss adjustment expenses incurred (3)	2,252	2,499	2,286	2,189	3,244	9,226	10,776
Acquisition expenses:							
Amortization of deferred policy acquisition costs	464	509	527	508	537	2,008	1,859
Other acquisition expenses	117	122	143	106	167	488	515
Total acquisition expenses	581	631	670	614	704	2,496	2,374
General operating expenses	326	313	351	361	351	1,351	1,477
Underwriting income (loss)	(19)	(185)	(5)	(11)	(871)	(220)	(2,313)
Net investment income (loss):							
Interest and dividends	560	562	625	624	572	2,371	2,214
Alternative investments	126	71	150	327	(181)	674	244
Other investment income (loss)	1	33	(12)	37	(70)	59	(48)
Investment expenses	(46)	(46)	(40)	(43)	(25)	(175)	(105)
Total net investment income	641	620	723	945	296	2,929	2,305
Adjusted pre-tax income (loss)	\$ 622	\$ 435	\$ 718	\$ 934	\$ (575)	\$ 2,709	\$ (8)
Underwriting Ratios							
Loss ratio (3)	71.7	76.7	69.2	69.4	94.6	71.8	87.5
Catastrophe losses and reinstatement premiums	(9.8)	(7.1)	(5.0)	(5.1)	(19.6)	(6.8)	(15.1)
Prior year development	3.1	0.5	1.7	1.8	(10.0)	1.8	(3.1)
Adjustments for ceded premium under reinsurance contracts and other	0.7	(0.6)	-	1.0	0.9	0.3	0.8
Accident year loss ratio, as adjusted	65.7	69.5	65.9	67.1	65.9	67.1	70.1
Acquisition ratio	18.5	19.4	20.3	19.5	20.5	19.4	19.3
General operating expense ratio	10.4	9.6	10.6	11.4	10.2	10.5	12.0
Expense ratio	28.9	29.0	30.9	30.9	30.7	29.9	31.3
Combined ratio (3)	100.6	105.7	100.1	100.3	125.3	101.7	118.8
Accident year combined ratio, as adjusted	94.6	98.5	96.8	98.0	96.6	97.0	101.4
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 313	\$ 230	\$ 170	\$ 158	\$ 689	\$ 871	\$ 1,886
Reinstatement premiums related to catastrophes	(9)	-	(5)	6	(23)	(8)	(33)
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(109)	(17)	(61)	(60)	326	(247)	328
(Additional) return premium related to prior year development on loss sensitive business	14	7	9	10	13	40	60
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(95)	(10)	(52)	(50)	339	(207)	388
Reinstatement premiums related to prior year catastrophes	5	(2)	(3)	(8)	9	(8)	14
Other premium adjustments related to prior year	(33)	26	-	(43)	(46)	(50)	(137)

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 50.



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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations (2)							
Net premiums written	\$ 1,990	\$ 2,502	\$ 2,364	\$ 1,998	\$ 2,161	\$ 8,854	\$ 8,025
Net premiums earned	\$ 2,333	\$ 2,435	\$ 2,457	\$ 2,375	\$ 2,594	\$ 9,600	\$ 9,006
Losses and loss adjustment expenses incurred (3)	1,883	1,971	1,838	1,680	2,427	7,372	7,888
Acquisition expenses:							
Amortization of deferred policy acquisition costs	259	276	289	301	319	1,125	1,005
Other acquisition expenses	48	73	89	60	110	270	314
Total acquisition expenses	307	349	378	361	429	1,395	1,319
General operating expenses	254	238	277	280	279	1,049	1,129
Underwriting income (loss)	\$ (111)	\$ (123)	\$ (36)	\$ 54	\$ (541)	\$ (216)	\$ (1,330)
Underwriting Ratios							
Loss ratio (3)	80.7	80.9	74.8	70.7	93.6	76.8	87.6
Catastrophe losses and reinstatement premiums	(8.0)	(6.4)	(5.4)	(5.1)	(9.8)	(6.2)	(10.7)
Prior year development	(2.1)	1.6	3.1	2.8	(13.3)	1.3	(1.5)
Adjustments for ceded premium under reinsurance contracts and other	0.7	(0.8)	-	1.0	1.2	0.3	1.1
Accident year loss ratio, as adjusted	71.3	75.3	72.5	69.4	71.7	72.2	76.5
Acquisition ratio	13.2	14.3	15.4	15.2	16.5	14.5	14.6
General operating expense ratio	10.9	9.8	11.3	11.8	10.8	10.9	12.5
Expense ratio	24.1	24.1	26.7	27.0	27.3	25.4	27.1
Combined ratio (3)	104.8	105.0	101.5	97.7	120.9	102.2	114.7
Accident year combined ratio, as adjusted	95.4	99.4	99.2	96.4	99.0	97.6	103.6
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 193	\$ 156	\$ 137	\$ 120	\$ 275	\$ 606	\$ 988
Reinstatement premiums related to catastrophes	(9)	-	(5)	4	(25)	(10)	(35)
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	35	(42)	(81)	(69)	326	(157)	81
(Additional) return premium related to prior year development on loss sensitive business	14	8	9	9	13	40	60
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	49	(34)	(72)	(60)	339	(117)	141
Reinstatement premiums related to prior year catastrophes	5	(2)	(3)	(8)	9	(8)	14
Other premium adjustments related to prior year	(23)	25	-	(32)	(46)	(30)	(137)

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 50.

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations							
Net premiums written	\$ 824	\$ 902	\$ 943	\$ 580	\$ 783	\$ 3,249	\$ 3,358
Net premiums earned	\$ 807	\$ 823	\$ 845	\$ 778	\$ 834	\$ 3,253	\$ 3,308
Losses and loss adjustment expenses incurred	369	528	448	509	817	1,854	2,888
Acquisition expenses:							
Amortization of deferred policy acquisition costs	205	233	238	207	218	883	854
Other acquisition expenses	69	49	54	46	57	218	201
Total acquisition expenses	274	282	292	253	275	1,101	1,055
General operating expenses	72	75	74	81	72	302	348
Underwriting income (loss)	\$ 92	\$ (62)	\$ 31	\$ (65)	\$ (330)	\$ (4)	\$ (983)
Underwriting Ratios							
Loss ratio	45.7	64.2	53.0	65.4	98.0	57.0	87.3
Catastrophe losses and reinstatement premiums	(14.8)	(9.0)	(3.9)	(5.0)	(49.8)	(8.2)	(27.2)
Prior year development	17.8	(3.0)	(2.4)	(1.2)	-	2.8	(7.4)
Adjustment for ceded premium under reinsurance contract	0.6	(0.1)	-	0.9	-	0.3	-
Accident year loss ratio, as adjusted	49.3	52.1	46.7	60.1	48.2	51.9	52.7
Acquisition ratio	34.0	34.3	34.6	32.5	33.0	33.8	31.9
General operating expense ratio	8.9	9.1	8.8	10.4	8.6	9.3	10.5
Expense ratio	42.9	43.4	43.4	42.9	41.6	43.1	42.4
Combined ratio	88.6	107.6	96.4	108.3	139.6	100.1	129.7
Accident year combined ratio, as adjusted	92.2	95.5	90.1	103.0	89.8	95.0	95.1
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 120	\$ 74	\$ 33	\$ 38	\$ 414	\$ 265	\$ 898
Reinstatement premiums related to catastrophes	-	-	-	2	2	2	2
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(144)	25	20	9	-	(90)	247
(Additional) return premium related to prior year development on loss sensitive business	-	(1)	-	1	-	-	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(144)	24	20	10	-	(90)	247
Other premium adjustments related to prior year	(10)	1	-	(11)	-	(20)	-

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 50.

American International Group, Inc.
General Insurance – International Results

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations (1)							
Net premiums written	\$ 3,016	\$ 3,244	\$ 3,274	\$ 3,455	\$ 3,480	\$ 12,989	\$ 15,024
Net premiums earned	\$ 3,232	\$ 3,401	\$ 3,392	\$ 3,560	\$ 3,743	\$ 13,585	\$ 15,191
Losses and loss adjustment expenses incurred	1,928	2,119	1,929	2,044	2,499	8,020	10,048
Acquisition expenses:							
Amortization of deferred policy acquisition costs	582	614	627	651	678	2,474	2,737
Other acquisition expenses	199	217	191	197	223	804	870
Total acquisition expenses	781	831	818	848	901	3,278	3,607
General operating expenses	492	515	493	478	543	1,978	2,360
Underwriting income (loss)	31	(64)	152	190	(200)	309	(824)
Net investment income (loss):							
Interest and dividends	120	117	90	144	100	471	447
Alternative investments	(2)	5	20	-	1	23	3
Other investment income (loss)	13	21	6	8	(39)	48	(55)
Investment expenses	(6)	(7)	(6)	(8)	(9)	(27)	(32)
Total net investment income	125	136	110	144	53	515	363
Adjusted pre-tax income (loss)	\$ 156	\$ 72	\$ 262	\$ 334	\$ (147)	\$ 824	\$ (461)
Underwriting Ratios							
Loss ratio	59.7	62.3	56.9	57.4	66.8	59.0	66.1
Catastrophe losses and reinstatement premiums	(3.4)	(8.0)	(0.1)	(0.5)	(3.7)	(2.9)	(6.8)
Prior year development	1.4	(0.4)	0.1	0.4	(1.0)	0.3	(0.2)
Accident year loss ratio, as adjusted	57.7	53.9	56.9	57.3	62.1	56.4	59.1
Acquisition ratio	24.2	24.4	24.1	23.8	24.1	24.1	23.7
General operating expense ratio	15.2	15.1	14.5	13.4	14.5	14.6	15.5
Expense ratio	39.4	39.5	38.6	37.2	38.6	38.7	39.2
Combined ratio	99.1	101.8	95.5	94.6	105.4	97.7	105.3
Accident year combined ratio, as adjusted	97.1	93.4	95.5	94.5	100.7	95.1	98.3
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 98	\$ 267	\$ 4	\$ 17	\$ 137	\$ 386	\$ 1,033
Reinstatement premiums related to catastrophes	17	12	-	-	(1)	29	(1)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(44)	14	(5)	(12)	37	(47)	38
Reinstatement premiums related to prior year catastrophes	-	(1)	-	-	2	(1)	(1)

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 50.



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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations							
Net premiums written	\$ 1,379	\$ 1,528	\$ 1,516	\$ 1,780	\$ 1,561	\$ 6,203	\$ 6,916
Net premiums earned	\$ 1,528	\$ 1,578	\$ 1,574	\$ 1,684	\$ 1,852	\$ 6,364	\$ 7,068
Losses and loss adjustment expenses incurred	1,000	1,072	968	1,061	1,490	4,101	5,337
Acquisition expenses:							
Amortization of deferred policy acquisition costs	250	255	266	255	284	1,026	1,092
Other acquisition expenses	83	94	66	70	83	313	338
Total acquisition expenses	333	349	332	325	367	1,339	1,430
General operating expenses	220	222	223	230	246	895	1,065
Underwriting income (loss)	\$ (25)	\$ (65)	\$ 51	\$ 68	\$ (251)	\$ 29	\$ (764)
Underwriting Ratios							
Loss ratio	65.4	67.9	61.5	63.0	80.5	64.4	75.5
Catastrophe losses and reinstatement premiums	(3.3)	(8.0)	(0.3)	(1.0)	(7.2)	(3.1)	(8.7)
Prior year development	(1.1)	(2.1)	0.4	(2.4)	(4.1)	(1.3)	(1.8)
Accident year loss ratio, as adjusted	61.0	57.8	61.6	59.6	69.2	60.0	65.0
Acquisition ratio	21.8	22.1	21.1	19.3	19.8	21.0	20.2
General operating expense ratio	14.4	14.1	14.2	13.7	13.3	14.1	15.1
Expense ratio	36.2	36.2	35.3	33.0	33.1	35.1	35.3
Combined ratio	101.6	104.1	96.8	96.0	113.6	99.5	110.8
Accident year combined ratio, as adjusted	97.2	94.0	96.9	92.6	102.3	95.1	100.3
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 47	\$ 124	\$ 4	\$ 17	\$ 134	\$ 192	\$ 614
Reinstatement premiums related to catastrophes	7	5	-	-	(1)	12	(1)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	17	34	(6)	41	74	86	133
Reinstatement premiums related to prior year catastrophes	-	(1)	-	-	2	(1)	(1)

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 50.

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations							
Net premiums written	\$ 1,637	\$ 1,716	\$ 1,758	\$ 1,675	\$ 1,919	\$ 6,786	\$ 8,108
Net premiums earned	\$ 1,704	\$ 1,823	\$ 1,818	\$ 1,876	\$ 1,891	\$ 7,221	\$ 8,123
Losses and loss adjustment expenses incurred	928	1,047	961	983	1,009	3,919	4,711
Acquisition expenses:							
Amortization of deferred policy acquisition costs	332	359	361	396	394	1,448	1,645
Other acquisition expenses	116	123	125	127	140	491	532
Total acquisition expenses	448	482	486	523	534	1,939	2,177
General operating expenses	272	293	270	248	297	1,083	1,295
Underwriting income (loss)	\$ 56	\$ 1	\$ 101	\$ 122	\$ 51	\$ 280	\$ (60)
Underwriting Ratios							
Loss ratio	54.5	57.4	52.9	52.4	53.4	54.3	58.0
Catastrophe losses and reinstatement premiums	(3.3)	(8.0)	-	-	(0.2)	(2.8)	(5.2)
Prior year development	3.5	1.1	(0.1)	2.8	2.0	1.8	1.2
Accident year loss ratio, as adjusted	54.7	50.5	52.8	55.2	55.2	53.3	54.0
Acquisition ratio	26.3	26.4	26.7	27.9	28.2	26.9	26.8
General operating expense ratio	16.0	16.1	14.9	13.2	15.7	15.0	15.9
Expense ratio	42.3	42.5	41.6	41.1	43.9	41.9	42.7
Combined ratio	96.8	99.9	94.5	93.5	97.3	96.2	100.7
Accident year combined ratio, as adjusted	97.0	93.0	94.4	96.3	99.1	95.2	96.7
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 51	\$ 143	\$ -	\$ -	\$ 3	\$ 194	\$ 419
Reinstatement premiums related to catastrophes	10	7	-	-	-	17	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(61)	(20)	1	(53)	(37)	(133)	(95)

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 50.

American International Group, Inc.
General Insurance Notes

- (1) As a result of the merger of AIU Insurance Company, Ltd. (AIUI Japan), and Fuji Fire and Marine Insurance Company (Fuji), Fuji's fiscal reporting period was conformed to that of AIUI Japan. 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) AIG participates in the market for insurance-linked securities (ILS) primarily through AlphaCat Managers, Ltd. (AlphaCat). AlphaCat is an asset manager of various funds, managed accounts and sidecars capitalized by third party investors and Validus. Total assets under management by AlphaCat is \$4.3 billion at December 31, 2019, of which \$4.2 billion relates to third party assets. ILS are financial instruments for which the values are determined based on insurance risk primarily related to natural catastrophes such as earthquakes and hurricanes. We report the investment in the vehicles managed by AlphaCat as Other Invested Assets. We recognized approximately \$1 million, \$8 million, \$(1) million, \$1 million, and \$(12) million of Net Investment Income (Loss), as well as \$8 million, \$8 million, \$8 million, \$8 million and \$5 million of Miscellaneous Income (reported as a component of Net Premiums Earned), respectively, in the three-month periods ended December 31, September 30, June 30 and March 31, 2019, and December 31, 2018, respectively.
- (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,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations							
Premiums and deposits:	\$ 7,060	\$ 7,461	\$ 7,212	\$ 8,356	\$ 8,166	\$ 30,089	\$ 31,206
Revenues:							
Premiums	\$ 947	\$ 826	\$ 598	\$ 1,229	\$ 1,213	\$ 3,600	\$ 2,592
Policy fees	748	703	735	707	704	2,893	2,669
Net investment income (loss):							
Base portfolio (1)	1,860	1,912	1,873	1,853	1,775	7,498	7,107
Alternative investments	97	46	193	66	61	402	344
Other yield enhancements (2)	114	120	204	123	85	561	471
Total net investment income	2,071	2,078	2,270	2,042	1,921	8,461	7,922
Advisory fee and other income	234	226	225	226	227	911	953
Total adjusted revenues	4,000	3,833	3,828	4,204	4,065	15,865	14,136
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	1,365	1,576	1,021	1,566	1,617	5,528	4,179
Interest credited to policyholder account balances	903	909	900	887	913	3,599	3,513
Amortization of deferred policy acquisition costs	208	42	200	200	269	650	680
Non deferrable insurance commissions	147	141	140	125	139	553	558
Advisory fee expenses	84	81	80	77	79	322	329
General operating expenses	416	397	399	385	388	1,597	1,525
Interest expense	38	41	39	40	37	158	162
Total benefits, losses and expenses	3,161	3,187	2,779	3,280	3,442	12,407	10,946
Adjusted pre-tax income (3)	839	646	1,049	924	623	3,458	3,190
Interest expense on attributed financial debt	47	45	44	37	31	173	107
Adjusted pre-tax income including attributed interest expense	792	601	1,005	887	592	3,285	3,083
Income tax expense	158	117	201	176	116	652	610
Adjusted after-tax income	\$ 634	\$ 484	\$ 804	\$ 711	\$ 476	\$ 2,633	\$ 2,473
Dividends declared on preferred stock	3	3	3	-	-	9	-
Adjusted after-tax income attributable to common shareholders (a)	\$ 631	\$ 481	\$ 801	\$ 711	\$ 476	\$ 2,624	\$ 2,473
Ending adjusted attributed common equity	\$ 19,513	\$ 19,235	\$ 18,820	\$ 18,280	\$ 19,695	\$ 19,513	\$ 19,695
Average adjusted attributed common equity (b)*	19,374	19,028	18,550	18,988	19,475	19,109	19,664
Adjusted return on attributed common equity (a÷b)	13.0 %	10.1 %	17.3 %	15.0 %	9.8 %	13.7 %	12.6 %
Noteworthy Items:							
Annual actuarial assumption update (3)	\$ -	\$ (143)	\$ -	\$ -	\$ -	\$ (143)	\$ (98)
Better (worse) than expected alternative returns	47	(1)	149	23	21	218	178
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	16	32	77	64	(14)	189	58
Changes in the fair value of Equity Securities - Other	-	-	-	-	(16)	-	(12)

* See accompanying notes to Adjusted Attributed Common Equity on page 55.

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 50.



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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations							
Premiums and deposits	\$ 3,156	\$ 3,692	\$ 3,865	\$ 4,186	\$ 4,225	\$ 14,899	\$ 15,621
Revenues:							
Premiums	\$ 39	\$ 38	\$ 16	\$ 11	\$ 15	\$ 104	\$ 52
Policy fees	209	204	205	193	194	811	804
Net investment income (loss):							
Base portfolio (1)	902	942	906	897	849	3,647	3,444
Alternative investments	47	22	92	32	31	193	173
Other yield enhancements (2)	70	57	96	70	32	293	210
Total net investment income	1,019	1,021	1,094	999	912	4,133	3,827
Advisory fee and other income	154	153	151	148	155	606	655
Total adjusted revenues	1,421	1,416	1,466	1,351	1,276	5,654	5,338
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	90	237	51	31	77	409	261
Interest credited to policyholder account balances	441	429	436	424	432	1,730	1,679
Amortization of deferred policy acquisition costs	115	95	119	120	170	449	630
Non deferrable insurance commissions and other (4)	85	78	78	77	82	318	324
Advisory fee expenses	54	55	56	54	55	219	238
General operating expenses	116	115	119	118	114	468	443
Interest expense	19	20	19	19	19	77	82
Total benefits, losses and expenses	920	1,029	878	843	949	3,670	3,657
Adjusted pre-tax income (3)	\$ 501	\$ 387	\$ 588	\$ 508	\$ 327	\$ 1,984	\$ 1,681
Noteworthy Items (pre-tax)							
Annual actuarial assumption update (3)	\$ -	\$ (63)	\$ -	\$ -	\$ -	\$ (63)	\$ (52)
Better than expected alternative returns	24	1	71	11	11	107	89

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 50.

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

(in millions)	Quarterly					Twelve Months Ended	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Assets under management:							
General accounts	\$ 35,062	\$ 34,491	\$ 32,145	\$ 29,176	\$ 27,517	\$ 35,062	\$ 27,517
Separate accounts	49,664	47,529	48,043	47,238	43,660	49,664	43,660
Total assets under management	\$ 84,726	\$ 82,020	\$ 80,188	\$ 76,414	\$ 71,177	\$ 84,726	\$ 71,177
Net investment spreads:							
Total yield	4.62 %	4.67 %	5.41 %	5.16 %	4.49 %	4.95 %	4.71 %
Less: Alternative investments (5)	(0.17)	(0.05)	(0.45)	(0.13)	(0.13)	(0.20)	(0.21)
Less: Other yield enhancements (6)	(0.31)	(0.09)	(0.49)	(0.48)	0.15	(0.34)	0.07
Base yield (7) (c)	4.14	4.53	4.47	4.55	4.51	4.41	4.57
Cost of funds (a)	1.31	1.38	1.39	1.36	1.29	1.36	1.24
Base net investment spread (b)	2.83 %	3.15 %	3.08 %	3.19 %	3.22 %	3.05 %	3.33 %
DAC rollforward:							
Balance at beginning of period	\$ 2,571	\$ 2,826	\$ 3,046	\$ 3,121	\$ 3,119	\$ 3,121	\$ 2,789
Deferrals	126	122	109	104	112	461	408
Operating amortization	(67)	(101)	(61)	(59)	(111)	(288)	(396)
Change from realized gains (losses)	97	(71)	(63)	84	(41)	47	4
Change from unrealized gains (losses)	65	(205)	(205)	(204)	42	(549)	316
Balance at end of period	\$ 2,792	\$ 2,571	\$ 2,826	\$ 3,046	\$ 3,121	\$ 2,792	\$ 3,121
Reserve rollforward:							
Balance at beginning of period, gross	\$ 78,631	\$ 76,809	\$ 73,990	\$ 68,794	\$ 72,535	\$ 68,794	\$ 69,550
Premiums and deposits	2,207	2,220	1,998	1,920	2,098	8,345	8,495
Surrenders and withdrawals	(1,297)	(1,196)	(1,207)	(1,069)	(1,153)	(4,769)	(4,498)
Death and other contract benefits	(231)	(261)	(243)	(245)	(247)	(980)	(988)
Subtotal	79,310	77,572	74,538	69,400	73,233	71,390	72,559
Change in fair value of underlying assets and reserve accretion, net of policy fees	2,069	712	2,103	4,439	(4,470)	9,323	(3,828)
Cost of funds (a)	87	87	81	74	68	329	242
Other reserve changes	7	260	87	77	(37)	431	(179)
Balance at end of period	81,473	78,631	76,809	73,990	68,794	81,473	68,794
Reinsurance ceded	(29)	(30)	(28)	(28)	(30)	(29)	(30)
Total insurance reserves	\$ 81,444	\$ 78,601	\$ 76,781	\$ 73,962	\$ 68,764	\$ 81,444	\$ 68,764

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

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

(c) Includes returns from base portfolio including accretion and income (loss) from certain other invested assets.

See accompanying notes on page 36.



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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Assets under management:							
General accounts	\$ 58,992	\$ 58,873	\$ 58,072	\$ 56,305	\$ 54,521	\$ 58,992	\$ 54,521
Separate accounts	30	29	30	29	27	30	27
Total assets under management	\$ 59,022	\$ 58,902	\$ 58,102	\$ 56,334	\$ 54,548	\$ 59,022	\$ 54,548
Net investment spreads (a):							
Total yield	4.68 %	4.75 %	5.14 %	4.82 %	4.64 %	4.84 %	4.91 %
Less: Alternative investments (5)	(0.14)	(0.04)	(0.35)	(0.08)	(0.08)	(0.15)	(0.13)
Less: Other yield enhancements (6)	(0.18)	(0.14)	(0.22)	(0.06)	(0.06)	(0.15)	(0.18)
Base yield (7) (d)	4.36	4.57	4.57	4.68	4.50	4.54	4.60
Cost of funds (b)	2.66	2.67	2.68	2.71	2.67	2.68	2.65
Base net investment spread (c)	1.70 %	1.90 %	1.89 %	1.97 %	1.83 %	1.86 %	1.95 %
DAC rollforward:							
Balance at beginning of period	\$ 504	\$ 526	\$ 788	\$ 1,112	\$ 1,057	\$ 1,112	\$ 884
Deferrals	21	39	45	48	45	153	122
Operating amortization	(48)	6	(58)	(61)	(59)	(161)	(234)
Change from realized gains (losses)	(1)	-	-	1	2	-	3
Change from unrealized gains (losses)	36	(67)	(249)	(312)	67	(592)	337
Balance at end of period	\$ 512	\$ 504	\$ 526	\$ 788	\$ 1,112	\$ 512	\$ 1,112
Reserve rollforward:							
Balance at beginning of period, gross	\$ 51,740	\$ 51,467	\$ 51,185	\$ 50,615	\$ 50,235	\$ 50,615	\$ 50,846
Premiums and deposits	754	1,203	1,502	1,821	1,678	5,280	4,765
Surrenders and withdrawals	(894)	(778)	(1,006)	(1,024)	(1,146)	(3,702)	(4,112)
Death and other contract benefits	(518)	(545)	(575)	(586)	(513)	(2,224)	(2,328)
Subtotal	51,082	51,347	51,106	50,826	50,254	49,969	49,171
Change in fair value of underlying assets and reserve accretion, net of policy fees	20	1	12	52	74	85	271
Cost of funds (b)	337	338	333	329	331	1,337	1,298
Other reserve changes	29	54	16	(22)	(44)	77	(125)
Balance at end of period	51,468	51,740	51,467	51,185	50,615	51,468	50,615
Reinsurance ceded	(279)	(282)	(287)	(288)	(288)	(279)	(288)
Total insurance reserves	\$ 51,189	\$ 51,458	\$ 51,180	\$ 50,897	\$ 50,327	\$ 51,189	\$ 50,327

(a) Excludes immediate annuities.

(b) Excludes the amortization of deferred SIAs.

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

(d) Includes returns from base portfolio including accretion and income (loss) from certain other invested assets.

See accompanying notes on page 36.



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

(in millions)	Quarterly					Twelve Months Ended	
	4Q19	3Q19	2Q19	1Q19	4Q18	December 31, 2019	2018
Premiums and deposits:							
Fixed Annuities	\$ 754	\$ 1,203	\$ 1,502	\$ 1,821	\$ 1,678	\$ 5,280	\$ 4,765
Variable Annuities	845	820	656	558	715	2,879	3,097
Index Annuities	1,362	1,400	1,342	1,362	1,383	5,466	4,250
Retail Mutual Funds	195	269	365	445	449	1,274	2,361
Total premiums and deposits (8)	3,156	3,692	3,865	4,186	4,225	14,899	14,473
Surrenders and withdrawals:							
Fixed Annuities	(894)	(778)	(1,006)	(1,024)	(1,146)	(3,702)	(4,112)
Variable Annuities	(1,100)	(1,032)	(1,042)	(918)	(1,022)	(4,092)	(4,024)
Index Annuities	(197)	(164)	(165)	(151)	(131)	(677)	(474)
Retail Mutual Funds	(1,179)	(1,242)	(1,140)	(1,129)	(1,676)	(4,690)	(5,471)
Total surrenders and withdrawals	(3,370)	(3,216)	(3,353)	(3,222)	(3,975)	(13,161)	(14,081)
Death and other contract benefits:							
Fixed Annuities	(518)	(545)	(575)	(586)	(513)	(2,224)	(2,328)
Variable Annuities	(201)	(223)	(208)	(216)	(221)	(848)	(889)
Index Annuities	(30)	(38)	(35)	(29)	(26)	(132)	(99)
Total death and other contract benefits	(749)	(806)	(818)	(831)	(760)	(3,204)	(3,316)
Net flows (8):							
Fixed Annuities	(658)	(120)	(79)	211	19	(646)	(1,675)
Variable Annuities	(456)	(435)	(594)	(576)	(528)	(2,061)	(1,816)
Index Annuities	1,135	1,198	1,142	1,182	1,226	4,657	3,677
Retail Mutual Funds	(984)	(973)	(775)	(684)	(1,227)	(3,416)	(3,110)
Total net flows	\$ (963)	\$ (330)	\$ (306)	\$ 133	\$ (510)	\$ (1,466)	\$ (2,924)
Surrender rates (9):							
Fixed Annuities	7.0%	6.1%	7.9%	8.1%	9.1%	7.3%	8.2%
Variable and Index Annuities	6.5%	6.2%	6.4%	6.0%	6.5%	6.4%	6.5%

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 50.

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations							
Premiums and deposits	\$ 2,312	\$ 1,924	\$ 2,047	\$ 2,063	\$ 2,106	\$ 8,346	\$ 8,639
Revenues:							
Premiums	\$ 2	\$ 5	\$ 5	\$ 4	\$ 4	\$ 16	\$ 34
Policy fees	112	111	106	100	107	429	446
Net investment income (loss):							
Base portfolio (1)	486	498	505	497	473	1,986	1,919
Alternative investments	28	12	54	18	16	112	90
Other yield enhancements (2)	23	34	59	26	28	142	163
Total net investment income	537	544	618	541	517	2,240	2,172
Advisory fee and other income	71	66	61	64	54	262	239
Total adjusted revenues	722	726	790	709	682	2,947	2,891
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	18	20	17	10	22	65	85
Interest credited to policyholder account balances	288	292	285	282	296	1,147	1,122
Amortization of deferred policy acquisition costs	16	31	22	12	37	81	95
Non deferrable insurance commissions and other (4)	29	30	27	28	30	114	117
Advisory fee expenses	30	26	24	23	24	103	91
General operating expenses	122	112	111	111	105	456	406
Interest expense	10	12	11	11	9	44	42
Total benefits, losses and expenses	513	523	497	477	523	2,010	1,958
Adjusted pre-tax income (3)	\$ 209	\$ 203	\$ 293	\$ 232	\$ 159	\$ 937	\$ 933
Noteworthy items (pre-tax)							
Annual actuarial assumption update (3)	\$ -	\$ (17)	\$ -	\$ -	\$ -	\$ (17)	\$ 17
Better than expected alternative returns	15	-	42	6	5	63	46

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 50.

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Assets under administration:							
General accounts	\$ 49,683	\$ 49,959	\$ 49,233	\$ 47,080	\$ 45,193	\$ 49,683	\$ 45,193
Separate accounts	37,782	35,659	36,232	35,542	32,209	37,782	32,209
Group Retirement mutual funds	21,672	20,307	20,375	19,474	17,941	21,672	17,941
Total assets under administration	\$ 109,137	\$ 105,925	\$ 105,840	\$ 102,096	\$ 95,343	\$ 109,137	\$ 95,343
Net investment spreads:							
Total yield	4.66 %	4.71 %	5.36 %	4.79 %	4.62 %	4.88 %	4.87 %
Less: Alternative investments (5)	(0.17)	(0.05)	(0.40)	(0.10)	(0.09)	(0.18)	(0.14)
Less: Other yield enhancements (6)	(0.08)	(0.15)	(0.36)	(0.10)	(0.12)	(0.17)	(0.23)
Base yield (7) (c)	4.41	4.51	4.60	4.59	4.41	4.53	4.50
Cost of funds (a)	2.69	2.72	2.72	2.76	2.82	2.72	2.73
Base net investment spread (b)	1.72 %	1.79 %	1.88 %	1.83 %	1.59 %	1.81 %	1.77 %
Net flows: (8)							
Premiums and deposits	\$ 2,312	\$ 1,924	\$ 2,047	\$ 2,063	\$ 2,106	\$ 8,346	\$ 8,430
Surrenders and withdrawals	(2,940)	(2,535)	(2,061)	(2,781)	(2,590)	(10,317)	(10,652)
Death and other contract benefits	(181)	(177)	(160)	(157)	(144)	(675)	(606)
Total net flows	\$ (809)	\$ (788)	\$ (174)	\$ (875)	\$ (628)	\$ (2,646)	\$ (2,828)
Surrender rates (9)	11.7 %	10.3 %	8.4 %	11.8 %	10.9 %	10.7 %	11.3 %
DAC rollforward:							
Balance at beginning of period	\$ 648	\$ 762	\$ 893	\$ 1,030	\$ 1,033	\$ 1,030	\$ 928
Deferrals	26	20	20	19	27	85	86
Operating amortization	(16)	(31)	(22)	(12)	(37)	(81)	(95)
Change from realized gains (losses)	-	-	-	-	1	-	2
Change from unrealized gains (losses)	26	(103)	(129)	(144)	6	(350)	109
Balance at end of period	\$ 684	\$ 648	\$ 762	\$ 893	\$ 1,030	\$ 684	\$ 1,030
Reserve rollforward:							
Balance at beginning of period, gross	\$ 98,624	\$ 98,923	\$ 96,906	\$ 91,685	\$ 98,970	\$ 91,685	\$ 97,306
Premiums and deposits	2,312	1,924	2,047	2,063	2,106	8,346	8,639
Surrenders and withdrawals	(2,940)	(2,535)	(2,061)	(2,781)	(2,590)	(10,317)	(10,652)
Death and other contract benefits	(181)	(177)	(160)	(157)	(144)	(675)	(606)
Subtotal	97,815	98,135	96,732	90,810	98,342	89,039	94,687
Change in fair value of underlying assets and reserve accretion, net of policy fees	4,000	213	1,919	5,807	(6,947)	11,939	(4,106)
Cost of funds (a)	284	286	280	278	290	1,128	1,106
Other reserve changes	(50)	(10)	(8)	11	-	(57)	(2)
Total insurance reserves and Group Retirement mutual funds	\$ 102,049	\$ 98,624	\$ 98,923	\$ 96,906	\$ 91,685	\$ 102,049	\$ 91,685

(a) Excludes the amortization of SIAs.

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

(c) Includes returns from base portfolio including accretion and income (loss) from certain other invested assets.

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 50.



American International Group, Inc.

Life and Retirement – Individual and Group Retirement Variable Annuity Guaranteed Benefits (10)

(in millions)

	Quarterly				
	4Q19	3Q19	2Q19	1Q19	4Q18
Account value by benefit type (a)					
Guaranteed Minimum Death Benefits (GMDB) only (b)	\$ 69,316	\$ 66,978	\$ 67,651	\$ 66,921	\$ 63,071
Guaranteed Minimum Income Benefits (GMIB) (c)	2,192	2,110	2,179	2,181	2,024
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	45,228	43,637	43,996	43,441	40,753
Liability by benefit type (a)					
GMDB (b)	\$ 380	\$ 383	\$ 351	\$ 357	\$ 384
GMIB (c)	12	12	12	12	13
GMWB (d)	2,567	3,263	2,659	2,120	2,041

(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,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and non-performance risk adjustment (NPA)	\$ 1,785	\$ (1,481)	\$ (675)	\$ 215	\$ (1,721)	\$ (156)	\$ (244)
Change in fair value of variable annuity hedging portfolio:							
Fixed maturity securities	7	15	76	96	(27)	194	(154)
Interest rate derivative contracts	(632)	826	542	293	377	1,029	(470)
Equity derivative contracts	(487)	(15)	(179)	(593)	724	(1,274)	312
Change in fair value of variable annuity hedging portfolio	(1,112)	826	439	(204)	1,074	(51)	(312)
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and NPA, net of hedging portfolio	673	(655)	(236)	11	(647)	(207)	(556)
Change in fair value of embedded derivatives due to NPA spread	(494)	306	37	(163)	384	(314)	388
Change in fair value of embedded derivatives due to change in NPA volume	(477)	457	235	(13)	542	202	280
Change in fair value of embedded derivatives due to update of actuarial assumptions	-	219	-	-	-	219	38
Total change due to update of actuarial assumptions and NPA	(971)	982	272	(176)	926	107	706
Net impact on pre-tax income (loss)	\$ (298)	\$ 327	\$ 36	\$ (165)	\$ 279	\$ (100)	\$ 150

See accompanying notes on page 36.



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

(in millions)	Quarterly					Twelve Months Ended	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations							
Premiums and deposits	\$ 1,047	\$ 1,012	\$ 1,032	\$ 995	\$ 987	\$ 4,086	\$ 3,914
Revenues:							
Premiums	\$ 405	\$ 394	\$ 425	\$ 395	\$ 378	\$ 1,619	\$ 1,554
Policy fees	386	348	381	373	363	1,488	1,258
Net investment income (loss):							
Base portfolio (1)	261	264	266	262	262	1,053	1,022
Alternative investments	15	9	32	11	9	67	53
Other yield enhancements (2)	12	16	37	18	16	83	62
Total net investment income	288	289	335	291	287	1,203	1,137
Other income (11)	9	6	13	14	17	42	58
Total adjusted revenues	1,088	1,037	1,154	1,073	1,045	4,352	4,007
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	675	848	731	638	622	2,892	2,619
Interest credited to policyholder account balances	92	93	92	92	93	369	374
Amortization of deferred policy acquisition costs	76	(86)	58	67	61	115	(50)
Non deferrable insurance commissions and other (4)	26	27	28	12	20	93	89
General operating expenses	162	155	153	141	156	611	620
Interest expense	6	7	6	7	6	26	25
Total benefits, losses and expenses	1,037	1,044	1,068	957	958	4,106	3,677
Adjusted pre-tax income (3)	\$ 51	\$ (7)	\$ 86	\$ 116	\$ 87	\$ 246	\$ 330
Noteworthy items (pre-tax)							
Annual actuarial assumption update (3)	\$ -	\$ (63)	\$ -	\$ -	\$ -	\$ (63)	\$ (63)
Better than expected alternative returns	7	-	25	4	3	36	28
Adjusted pre-tax income Domestic Life	49	5	84	96	88	234	327
Adjusted pre-tax income (loss) International Life	2	(12)	2	20	(1)	12	3

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 50.

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Gross life insurance in force, end of period:							
Domestic Life	\$ 920,942	\$ 909,389	\$ 896,193	\$ 881,286	\$ 867,460	\$ 920,942	\$ 867,460
International Life	167,304	147,807	144,384	138,915	125,835	167,304	125,835
Total	\$ 1,088,246	\$ 1,057,196	\$ 1,040,577	\$ 1,020,201	\$ 993,295	\$ 1,088,246	\$ 993,295
Life and A&H CPPE sales (12):							
Term	\$ 58	\$ 62	\$ 65	\$ 65	\$ 59	\$ 250	\$ 242
Universal life	34	33	31	29	36	127	161
Group and other life	15	33	36	28	10	112	51
Single premium and unscheduled deposits	3	2	3	3	4	11	14
A&H	-	-	-	-	2	-	10
Total	\$ 110	\$ 130	\$ 135	\$ 125	\$ 111	\$ 500	\$ 478
Surrender/lapse rates (13):							
Domestic Life:							
Independent distribution	4.63 %	4.69 %	4.17 %	4.21 %	4.12 %	4.43 %	4.08 %
Career distribution	4.62 %	4.69 %	4.51 %	5.01 %	5.16 %	4.71 %	5.37 %
DAC/VOBA rollforward (15):							
Balance at beginning of period	\$ 3,810	\$ 3,704	\$ 3,741	\$ 3,756	\$ 3,667	\$ 3,756	\$ 2,959
Deferrals	101	108	117	150	121	476	507
Operating amortization	(76)	86	(58)	(67)	(61)	(115)	50
Change from realized gains (losses)	(5)	6	(5)	8	(4)	4	(4)
Change from unrealized gains (losses)	24	(79)	(80)	(113)	41	(248)	267
Foreign exchange translation	37	(15)	(11)	7	(8)	18	(23)
Balance at end of period	\$ 3,891	\$ 3,810	\$ 3,704	\$ 3,741	\$ 3,756	\$ 3,891	\$ 3,756
Reserve rollforward:							
Balance at beginning of period, gross	\$ 22,024	\$ 20,699	\$ 20,211	\$ 19,719	\$ 20,058	\$ 19,719	\$ 19,424
Premiums and deposits	965	922	942	908	896	3,737	3,559
Surrenders and withdrawals	(126)	(157)	(119)	(173)	(343)	(575)	(943)
Death and other contract benefits	(139)	(121)	(121)	(143)	(119)	(524)	(465)
Subtotal	22,724	21,343	20,913	20,311	20,492	22,357	21,575
Change in fair value of underlying assets and reserve accretion, net of policy fees	(282)	(305)	(289)	(262)	(353)	(1,138)	(1,124)
Cost of funds	93	92	92	93	93	370	374
Other reserve changes	(497)	916	(4)	58	(501)	473	(1,074)
Foreign exchange translation	58	(22)	(13)	11	(12)	34	(32)
Balance at end of period	22,096	22,024	20,699	20,211	19,719	22,096	19,719
Reinsurance ceded	(1,150)	(1,122)	(1,223)	(1,238)	(1,216)	(1,150)	(1,216)
Total insurance reserves	\$ 20,946	\$ 20,902	\$ 19,476	\$ 18,973	\$ 18,503	\$ 20,946	\$ 18,503
Domestic Life	20,477	20,487	19,068	18,597	18,174	20,477	18,174
International Life	469	415	408	376	329	469	329
Total insurance reserves	\$ 20,946	\$ 20,902	\$ 19,476	\$ 18,973	\$ 18,503	\$ 20,946	\$ 18,503

See accompanying notes on page 36.



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

(in millions)	Quarterly					Twelve Months Ended	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations							
Premiums and deposits (14)	\$ 545	\$ 833	\$ 268	\$ 1,112	\$ 848	\$ 2,758	\$ 3,032
Revenues:							
Premiums	\$ 501	\$ 389	\$ 152	\$ 819	\$ 816	\$ 1,861	\$ 952
Policy fees	41	40	43	41	40	165	161
Net investment income:							
Base portfolio (1)	211	208	196	197	191	812	722
Alternative investments	7	3	15	5	5	30	28
Other yield enhancements (2)	9	13	12	9	9	43	36
Total net investment income	227	224	223	211	205	885	786
Other income	-	1	-	-	1	1	1
Total adjusted revenues	769	654	418	1,071	1,062	2,912	1,900
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	582	471	222	887	896	2,162	1,214
Interest credited to policyholder account balances	82	95	87	89	92	353	338
Amortization of deferred policy acquisition costs	1	2	1	1	1	5	5
Non deferrable insurance commissions	7	6	7	8	7	28	28
General operating expenses	16	15	16	15	13	62	56
Interest expense	3	2	3	3	3	11	13
Total benefits, losses and expenses	691	591	336	1,003	1,012	2,621	1,654
Adjusted pre-tax income	\$ 78	\$ 63	\$ 82	\$ 68	\$ 50	\$ 291	\$ 246
General and separate account reserves							
Future policyholder benefits	\$ 8,377	\$ 7,909	\$ 7,562	\$ 7,468	\$ 6,694	\$ 8,377	\$ 6,694
Policyholder contract deposits	10,198	10,652	10,149	9,997	9,685	10,198	9,685
Separate account reserves	2,970	3,153	3,266	3,325	3,417	2,970	3,417
Total general and separate account reserves	\$ 21,545	\$ 21,714	\$ 20,977	\$ 20,790	\$ 19,796	\$ 21,545	\$ 19,796
Noteworthy Items (pre-tax)							
Better than expected alternative returns	\$ 1	\$ (2)	\$ 11	\$ 2	\$ 2	\$ 12	\$ 15

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 50.

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

(in millions)	Quarterly					Twelve Months Ended	
	4Q19	3Q19	2Q19	1Q19	4Q18	December 31, 2019	2018
Reserve rollforward:							
Balance at beginning of period, gross	\$ 21,757	\$ 21,022	\$ 20,833	\$ 19,839	\$ 19,702	\$ 19,839	\$ 18,580
Premiums and deposits (14)	545	833	268	1,112	848	2,758	3,032
Surrenders and withdrawals	(330)	(187)	(150)	(246)	(556)	(913)	(1,745)
Death and other contract benefits	(624)	(154)	(166)	(158)	(268)	(1,102)	(655)
Subtotal	21,348	21,514	20,785	20,547	19,726	20,582	19,212
Change in fair value of underlying assets and reserve accretion, net of policy fees	160	118	122	205	21	605	179
Cost of funds	82	95	87	89	92	353	338
Other reserve changes	(2)	30	28	(8)	-	48	110
Balance at end of period	21,588	21,757	21,022	20,833	19,839	21,588	19,839
Reinsurance ceded	(43)	(43)	(45)	(43)	(43)	(43)	(43)
Total insurance reserves	\$ 21,545	\$ 21,714	\$ 20,977	\$ 20,790	\$ 19,796	\$ 21,545	\$ 19,796
Reserves by line of business:							
Structured settlements	\$ 3,234	\$ 3,164	\$ 3,135	\$ 3,112	\$ 3,020	\$ 3,234	\$ 3,020
Pension risk transfer	5,907	5,477	5,162	5,081	4,363	5,907	4,363
Corporate and Bank-owned life insurance	5,037	4,981	4,962	4,911	4,823	5,037	4,823
Stable value wrap	644	881	943	1,013	1,181	644	1,181
Guaranteed investment contracts	6,723	7,211	6,775	6,673	6,409	6,723	6,409
Total insurance reserves	\$ 21,545	\$ 21,714	\$ 20,977	\$ 20,790	\$ 19,796	\$ 21,545	\$ 19,796
Premiums and deposits by line of business:							
Structured settlements	\$ 94	\$ 55	\$ 58	\$ 116	\$ 87	\$ 323	\$ 285
Pension risk transfer	450	353	116	746	761	1,665	801
Stable value wrap	1	52	-	-	-	53	-
Guaranteed investment contracts (14)	-	373	94	250	-	717	1,946
Total premiums and deposits	\$ 545	\$ 833	\$ 268	\$ 1,112	\$ 848	\$ 2,758	\$ 3,032
Stable value wraps (401k and bank-owned life insurance) - Assets under management (a)	\$ 39,912	\$ 39,903	\$ 39,616	\$ 38,045	\$ 37,834	\$ 39,912	\$ 37,834

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

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 50.

American International Group, Inc.
Life and Retirement Notes

- (1) Net investment income (loss) - base portfolio includes interest, dividends, and foreclosed real estate income, net of investment expenses and non-qualifying (economic) hedges.
- (2) Net investment income (loss) - 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.
- (3) Life and Retirement Adjusted pre-tax income in 3Q19 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	
	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18
Policy fees	\$ (32)	\$ (238)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (32)	\$ (238)
Interest credited to policyholder account balances	-	-	25	9	(5)	(14)	(1)	5	19	-
Amortization of deferred policy acquisition costs	155	337	58	32	(6)	(78)	(4)	16	203	307
Policyholder benefits and claims incurred	(186)	(162)	(1)	(1)	(134)	-	(12)	(4)	(333)	(167)
Adjusted pre-tax income (loss)	\$ (63)	\$ (63)	\$ 82	\$ 40	\$ (145)	\$ (92)	\$ (17)	\$ 17	\$ (143)	\$ (98)
Changes in DAC related to net realized capital gains (losses)	7	-	-	-	(23)	33	(1)	2	(17)	35
Net realized capital gains (losses)	8	28	-	-	143	(87)	29	4	180	(55)
Increase (decrease) to pre-tax income (loss)	\$ (48)	\$ (35)	\$ 82	\$ 40	\$ (25)	\$ (146)	\$ 11	\$ 23	\$ 20	\$ (118)

- (4) 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 common equity, consistent with the benefit from the reduced capital requirement.
- (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 returns from base portfolio including accretion and income (loss) from certain other invested assets. Quarterly results are annualized.
- (8) 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. Two large FHLB funding agreements were issued within Individual Retirement and Group Retirement totaling \$1.3 billion in the twelve-month period ended December 31, 2018. 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.
- (9) Annuity surrender rates represent actual or annualized surrenders and other withdrawals as a percentage of average annuity reserves and Group Retirement mutual fund assets under administration.
- (10) 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, 2019 for a discussion of our risk management related to these product features.
- (11) Life Insurance - Other income is primarily related to Laya Healthcare commission and profit sharing revenues received from insurers for distribution of their products.
- (12) 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.
- (13) Life insurance lapse rates are reported on a 90-day lag basis to include grace period processing.
- (14) Twelve-month period ended December 31, 2018 includes deposits of \$1.4 billion from FHLB funding agreements.
- (15) In 4Q19, an adjustment of (\$121) million was made to reflect an intercompany elimination. Prior periods have been revised to conform with the current period presentation.

American International Group, Inc.
Other Operations Results

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations							
Revenues:							
Premiums	\$ 13	\$ 12	\$ 13	\$ 12	\$ 10	\$ 50	\$ 39
Net investment income (1)	92	91	96	91	43	370	45
Other income (1)	115	108	102	100	129	425	552
Total adjusted revenues	220	211	211	203	182	845	636
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	10	13	10	4	15	37	39
Acquisition expenses:	-	-	-	-	-	-	-
Amortization of deferred policy acquisition costs	4	4	4	4	4	16	10
Other acquisition expenses	-	1	-	1	1	2	1
Total acquisition expenses	4	5	4	5	5	18	11
General operating expenses	342	341	292	278	332	1,253	1,104
Interest expense							
Interest - Corporate	260	259	264	260	264	1,043	1,013
Interest - Other (2)	57	47	56	43	17	203	53
Total Interest expense	317	306	320	303	281	1,246	1,066
Total benefits, losses and expenses	673	665	626	590	633	2,554	2,220
Adjusted pre-tax loss before consolidation and eliminations	(453)	(454)	(415)	(387)	(451)	(1,709)	(1,584)
Consolidation, eliminations and other adjustments	(133)	(46)	(56)	(70)	31	(305)	59
Adjusted pre-tax loss	\$ (586)	\$ (500)	\$ (471)	\$ (457)	\$ (420)	\$ (2,014)	\$ (1,525)
Interest expense on attributed financial debt	(198)	(192)	(191)	(181)	(173)	(762)	(661)
Adjusted pre-tax loss including attributed interest expense	(388)	(308)	(280)	(276)	(247)	(1,252)	(864)
Income tax (benefit)	(126)	(33)	(45)	(28)	(109)	(232)	(209)
Adjusted after-tax loss attributable to common shareholders	\$ (262)	\$ (275)	\$ (235)	\$ (248)	\$ (138)	\$ (1,020)	\$ (655)
Noteworthy Items (pre-tax):							
Better (worse) than expected DIB and GCM returns	\$ (2)	\$ 1	\$ -	\$ -	\$ -	\$ (1)	\$ -
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	(8)	24	53	31	99	100	196
Changes in the fair value of Equity Securities - Other	-	-	-	-	(14)	-	7
Parent Liquidity Portfolio Information:							
Earnings on Parent liquidity portfolio	\$ 26	\$ 34	\$ 46	\$ 24	\$ 20	\$ 130	\$ 121
Interest expense, net of portion allocated to segments	(119)	(114)	(129)	(122)	(108)	(484)	(404)
Net interest expense on Parent liquidity portfolio	\$ (93)	\$ (80)	\$ (83)	\$ (98)	\$ (88)	\$ (354)	\$ (283)

See accompanying note on page 38 and reconciliations of Non-GAAP financial measures beginning on page 50.

American International Group, Inc.
Other Operations Notes

- (1) Beginning in the first quarter of 2019, on a prospective basis, within Other Operations, investment income from our non-insurance subsidiaries is reported in Net investment income instead of Other income to align reporting with General Insurance and Life and Retirement reporting segments. The following table reflects the impact of this reclassification for all prior periods (on a pre-tax basis):

<i>(in millions)</i>	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Net investment income	\$ 73	\$ 61	\$ 80	\$ 48	\$ 42	\$ 262	\$ 165
Other income	(73)	(61)	(80)	(48)	(42)	(262)	(165)

- (2) Interest expense-other primarily represents interest expense on consolidated investment entities of \$50 million, \$34 million, \$42 million, \$32 million and \$6 million, in the three-month period ended December 31, September 30, June 30, March 31, 2019 and the three-month period ended December 31, 2018, respectively, and costs of derivatives used to economically hedge foreign denominated debt of \$8 million, \$10 million, \$10 million, \$9 million and \$10 million, in the three-month period ended December 31, September 30, June 30, March 31, 2019 and the three-month ended December 31, 2018, respectively.

American International Group, Inc.
Legacy Portfolio Results

(in millions)

Results of Operations

Revenues:

	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Premiums	\$ 114	\$ 122	\$ 127	\$ 118	\$ 74	\$ 481	\$ 480
Policy Fees	30	30	32	30	28	122	120
Net investment income (1)	688	614	603	575	527	2,480	2,325
Other income (loss) (1)	(13)	(15)	(22)	(17)	(21)	(67)	114
Total adjusted revenues	819	751	740	706	608	3,016	3,039

Benefits, losses and expenses:

Policyholder benefits and losses incurred	487	516	474	432	553	1,909	2,057
Interest credited to policyholder account balances	52	53	54	54	57	213	236
Acquisition expenses:							
Amortization of deferred policy acquisition costs	17	19	14	18	43	68	105
Other acquisition expenses	2	(2)	-	3	(1)	3	1
Total acquisition expenses	19	17	14	21	42	71	106
Non deferrable insurance commissions	3	6	4	4	5	17	18
General operating expenses	76	62	70	78	94	286	379
Interest expense (2)	5	4	5	5	7	19	30
Total benefits, losses and expenses	642	658	621	594	758	2,515	2,826

Adjusted pre-tax income (loss)

Adjusted pre-tax income (loss) by type

General Insurance run-off lines	(8)	27	43	15	7	77	76
Life and Retirement run-off lines	103	16	38	87	(137)	244	17
Legacy investments	82	50	38	10	(20)	180	120

Adjusted pre-tax income (loss)

Interest expense on attributed financial debt

Adjusted pre-tax income (loss) including attributed interest expense

Income tax expense (benefit)	37	19	26	23	(31)	105	43
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Adjusted after-tax income (loss) attributable to common shareholders (a)

Ending adjusted attributed common equity	\$ 7,018	\$ 6,775	\$ 6,792	\$ 7,450	\$ 8,886	\$ 7,018	\$ 8,886
Average adjusted attributed common equity (b)*	6,897	6,784	7,121	8,168	8,849	7,384	9,099
Adjusted return on attributed common equity (a÷b)	8.1 %	4.4 %	5.2 %	4.4 %	(5.4)%	5.4 %	1.8 %

* See accompanying notes to Adjusted Attributed Common Equity on page 55.

See accompanying notes on page 43 and reconciliations of Non-GAAP financial measures beginning on page 50.



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

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Noteworthy Items (pre-tax)							
Catastrophe losses, net of reinsurance	\$ 2	\$ 14	\$ -	\$ -	(28)	\$ 16	\$ 29
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	-	(1)	3	(2)	2	-	(4)
Annual actuarial assumption update (3)	-	(30)	-	-	(105)	(30)	(110)
Better (worse) than expected alternative returns	(1)	-	5	11	(49)	15	(34)
Better (worse) than expected DIB and GCM returns	62	(10)	14	(5)	(31)	61	2
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option (4)	94	58	(63)	48	109	137	247
Changes in the fair value of Equity Securities - Other	-	-	-	-	(5)	-	(4)
Selected Balance Sheet Data							
Legacy investments, net of related debt	\$ 2,002	\$ 2,074	\$ 2,008	\$ 2,548	\$ 2,529	\$ 2,002	\$ 2,529
Legacy General Insurance run-off reserves (5)	5,409	5,624	5,498	5,432	5,498	5,409	5,498
Legacy Life and Retirement run-off reserves	38,728	39,441	38,010	37,262	36,614	38,728	36,614

See accompanying notes on page 43 and reconciliations of Non-GAAP financial measures beginning on page 50.

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations							
Net premiums earned	\$ 11	\$ 17	\$ 17	\$ 4	\$ (34)	\$ 49	\$ 29
Losses and loss adjustment expenses incurred (6)	53	33	25	15	(2)	126	152
Total acquisition expenses	-	1	-	3	-	4	7
General operating expenses	18	7	11	15	18	51	48
Underwriting loss	(60)	(24)	(19)	(29)	(50)	(132)	(178)
Net investment income	52	51	62	44	57	209	254
Adjusted pre-tax income (loss)	\$ (8)	\$ 27	\$ 43	\$ 15	\$ 7	\$ 77	\$ 76
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 2	\$ 14	\$ -	\$ -	\$ (28)	\$ 16	\$ 29
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	-	(1)	3	(2)	2	-	(4)
Net liability for unpaid losses and loss adjustment expenses (at period end) (5)	5,409	5,624	5,498	5,432	5,498	5,409	5,498

Prior year development by accident year:	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Accident Year							
2018	\$ (1)	\$ -	\$ 47	\$ 2	\$ -	\$ 48	\$ -
2017	-	-	(8)	-	1	(8)	44
2016	-	-	(4)	-	1	(4)	(5)
2015	-	(1)	5	-	1	4	(51)
2014	-	1	(9)	-	1	(8)	(81)
2013	-	(1)	(4)	-	1	(5)	(20)
2012	-	-	(10)	-	(2)	(10)	(53)
2011	-	3	5	-	(1)	8	(14)
2010	-	14	(10)	-	1	4	(7)
2009 and prior	1	(17)	(9)	(4)	(1)	(29)	183
Total Legacy General Insurance run-off prior year unfavorable (favorable) development	\$ -	\$ (1)	\$ 3	\$ (2)	\$ 2	\$ -	\$ (4)

See accompanying notes on page 43 and reconciliations of Non-GAAP financial measures beginning on page 50.

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

(in millions)	Quarterly					Twelve Months Ended	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Results of Operations							
Premiums and deposits	\$ 134	\$ 151	\$ 133	\$ 166	\$ 145	\$ 584	\$ 728
Revenues:							
Premiums	\$ 103	\$ 106	\$ 110	\$ 113	\$ 107	\$ 432	\$ 451
Policy fees	30	30	32	30	28	122	120
Net investment income:							
Base portfolio	405	404	414	406	410	1,629	1,676
Alternative investments	34	34	38	45	(14)	151	131
Other yield enhancements	80	43	20	35	36	178	95
Total net investment income	519	482	471	486	432	1,958	1,902
Other income	1	4	(4)	1	-	2	1
Total adjusted revenues	653	622	609	630	567	2,514	2,474
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	434	483	448	418	555	1,783	1,905
Interest credited to policyholder account balances	52	53	54	54	57	213	236
Amortization of deferred policy acquisition costs	17	18	14	18	42	67	101
Non deferrable insurance commissions	3	6	4	4	5	17	18
General operating expenses	43	44	51	47	43	185	188
Interest expense	1	2	-	2	2	5	9
Total benefits, losses and expenses	550	606	571	543	704	2,270	2,457
Adjusted pre-tax income (loss)	\$ 103	\$ 16	\$ 38	\$ 87	\$ (137)	\$ 244	\$ 17
Noteworthy items (pre-tax)							
Future policy benefits for life and A&H contracts (at period end)	\$ 31,646	\$ 32,367	\$ 30,867	\$ 30,090	\$ 29,465	\$ 31,646	\$ 29,465
Policyholder contract deposits	5,032	5,046	5,135	5,205	5,262	5,032	5,262
Separate account reserves	2,050	2,028	2,008	1,967	1,887	2,050	1,887
Total general and separate account reserves	\$ 38,728	\$ 39,441	\$ 38,010	\$ 37,262	\$ 36,614	\$ 38,728	\$ 36,614
Annual actuarial assumption update	\$ -	\$ (30)	\$ -	\$ -	\$ (105)	\$ (30)	\$ (110)

See reconciliations of Non-GAAP financial measures beginning on page 50.

American International Group, Inc.
Legacy Portfolio Notes

- (1) Beginning in the first quarter of 2019, on a prospective basis, within Legacy, investment income from our non-insurance subsidiaries is reported in Net investment income instead of Other income to align reporting with General Insurance and Life and Retirement reporting segments. The following table reflects the impact of this reclassification for all prior periods (on a pre-tax basis):

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Net investment income	\$ 79	\$ (2)	\$ 24	\$ 23	\$ (6)	\$ 124	\$ 163
Net realized capital gain (loss)	-	-	-	-	(2)	-	(11)
Other income	(79)	2	(24)	(23)	8	(124)	(152)

- (2) Includes inter-segment interest expenses.
- (3) 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 of 2018 resulting in loss recognition of \$105 million.
- (4) Includes the fair value changes on DIB and GCM asset portfolios.
- (5) Includes a portion of reserves related to certain long-duration business primarily in Japan, which is recorded in other policyholder funds on our Consolidated Balance Sheets.
- (6) 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.

American International Group, Inc.
Investments Portfolio Results

(in millions)

	Quarterly					Twelve Months Ended	
	4Q19	3Q19	2Q19	1Q19	4Q18	December 31,	
						2019	2018
Fixed Maturity Securities- AFS, at fair value							
Yield (1)	4.50%	4.53%	4.71%	4.57%	4.49%	4.58%	4.59%
Investment income (2)	\$ 2,624	\$ 2,623	\$ 2,701	\$ 2,594	\$ 2,546	\$ 10,542	\$ 10,352
Net realized capital gains (losses)	98	104	57	(114)	(247)	145	(396)
Ending carrying value (3)	251,086	253,221	245,561	238,201	229,391	251,086	229,391
Amortized cost	233,230	233,345	230,062	228,608	225,780	233,230	225,780
Fixed Maturity Securities- Other, at fair value (4)							
Total Return (1)	7.60%	6.21%	4.61%	6.61%	8.01%	6.27%	5.35%
Investment income (loss) (2)	\$ 142	\$ 137	\$ 110	\$ 166	\$ 200	\$ 555	\$ 562
Ending carrying value (5) (6)	6,682	8,327	8,919	10,060	10,026	6,682	10,026
Equity Securities- AFS, at fair value							
Net realized capital gains (losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16
Equity Securities- Other, at fair value (4)							
Investment income (2)	\$ -	\$ -	\$ -	\$ -	\$ (143)	\$ -	\$ (184)
Ending carrying value	-	-	-	-	1,254	-	1,254
Mortgage and other loans receivable							
Yield (1)	4.51%	4.47%	4.74%	4.58%	4.95%	4.56%	4.69%
Investment income (2)	\$ 519	\$ 495	\$ 518	\$ 498	\$ 526	\$ 2,030	\$ 1,883
Net realized capital gains (losses)	(12)	(25)	14	(32)	(40)	(55)	(191)
Ending carrying value	46,984	45,075	43,556	43,834	43,135	46,984	43,135
Other Invested Assets:							
Other invested assets - Hedge Funds/Private Equity (7)							
Yield (1)	5.19%	4.24%	16.36%	18.64%	(10.99)%	11.09%	5.01%
Investment income (2)	\$ 108	\$ 88	\$ 342	\$ 393	\$ (245)	\$ 931	\$ 486
Net realized capital gains (losses)	(11)	16	11	(1)	24	15	(207)
Ending carrying value	8,513	8,195	8,417	8,319	8,528	8,513	8,528
Other invested assets - Real Estate investments							
Yield (1)	3.43%	4.07%	2.68%	3.05%	5.81%	3.34%	3.42%
Investment income (2)	\$ 77	\$ 96	\$ 62	\$ 69	\$ 129	\$ 304	\$ 298
Net realized capital gains (losses)	109	69	64	(19)	(4)	223	(16)
Ending carrying value	8,491	9,491	9,287	9,204	8,935	8,491	8,935
Other invested assets - All other (8)							
Investment income (2)	\$ 25	\$ 56	\$ 18	\$ 41	\$ 64	\$ 140	\$ 178
Net realized capital gains (losses)	28	-	-	-	8	28	105
Ending carrying value	1,788	1,800	1,750	1,820	1,878	1,788	1,878
Other Invested Assets - Total	\$ 18,792	\$ 19,486	\$ 19,454	\$ 19,343	\$ 19,341	\$ 18,792	\$ 19,341
Short-term Investments							
Yield (1)	1.99%	2.07%	1.98%	1.85%	1.21%	2.03%	0.89%
Investment income (2)	\$ 68	\$ 75	\$ 64	\$ 48	\$ 28	\$ 255	\$ 108
Ending carrying value	13,230	14,113	15,016	11,133	9,674	13,230	9,674
Total AIG							
Total Investments (5)	\$ 336,774	\$ 340,222	\$ 332,506	\$ 322,571	\$ 312,821	\$ 336,774	\$ 312,821
Total Investment Expenses	\$ 144	\$ 135	\$ 132	\$ 114	\$ 128	\$ 525	\$ 489
Total Gross Investment Income (2)	\$ 3,563	\$ 3,570	\$ 3,815	\$ 3,809	\$ 3,105	\$ 14,757	\$ 13,683

See accompanying notes on page 48.



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

Reconciliation to GAAP Net Investment Income

(in millions)

	Quarterly					Twelve Months Ended	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Total Gross Investment Income - APTI basis	\$ 3,563	\$ 3,570	\$ 3,815	\$ 3,809	\$ 3,105	\$ 14,757	\$ 13,683
Subtract: Investment expenses	144	135	132	114	128	525	489
Subtract: Investment income from non-insurance subsidiaries reported in other income and other (9) (10)	(43)	(40)	(52)	(23)	164	(158)	466
Total Net Investment Income - APTI Basis (11)	\$ 3,462	\$ 3,475	\$ 3,735	\$ 3,718	\$ 2,813	\$ 14,390	\$ 12,728
Breakdown by Segment:							
General Insurance	766	756	833	1,089	349	3,444	2,668
Life and Retirement	2,071	2,078	2,270	2,042	1,921	8,461	7,922
Legacy Portfolio	688	614	603	575	527	2,480	2,325
Other Operations	92	91	96	91	43	370	45
Consolidations and Eliminations (9)	(155)	(64)	(67)	(79)	(27)	(365)	(232)
Total Net Investment Income - APTI Basis (11)	\$ 3,462	\$ 3,475	\$ 3,735	\$ 3,718	\$ 2,813	\$ 14,390	\$ 12,728
Reconciliation to GAAP Net Investment Income:							
Add: Changes in fair value of securities used to hedge guaranteed living benefits	15	24	84	105	(1)	228	(128)
Add: Changes in the fair value of equity securities	153	(51)	(22)	79	-	159	-
Subtract: Net realized capital gains related to economic hedges and other	43	40	52	23	58	158	124
Net Investment Income per Consolidated Statements of Operations	\$ 3,587	\$ 3,408	\$ 3,745	\$ 3,879	\$ 2,754	\$ 14,619	\$ 12,476

See accompanying notes on page 48.

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

Investment Income and Yield by Segment ¹
(in millions)

	Quarterly					Twelve Months Ended December 31,
	4Q19	3Q19	2Q19	1Q19	4Q18	2019
Interest and dividends ²						
General Insurance						
Investment income	\$ 680	\$ 679	\$ 715	\$ 768	\$ 673	\$ 2,842
Invested assets	73,193	73,027	74,684	76,214	76,510	73,193
Annualized yield	3.72%	3.68%	3.79%	4.02%	3.48%	3.80%
Life and Retirement						
Investment income	\$ 1,997	\$ 1,974	\$ 1,997	\$ 1,895	\$ 1,858	\$ 7,863
Invested assets	167,218	164,458	160,705	157,345	155,698	167,218
Annualized yield	4.82%	4.86%	5.02%	4.84%	4.84%	4.88%
Total AIG including Legacy Portfolio and Other Operations						
Investment income	\$ 3,287	\$ 3,180	\$ 3,265	\$ 3,194	\$ 3,038	\$ 12,926
Invested assets	293,444	292,533	288,634	283,575	278,589	293,444
Annualized yield	4.49%	4.38%	4.56%	4.55%	4.36%	4.50%
Alternative investment income (loss)						
General Insurance						
Investment income	\$ 124	\$ 76	\$ 170	\$ 327	\$ (180)	\$ 697
Invested assets	5,865	6,007	6,477	6,724	6,922	5,865
Annualized yield	8.34%	4.87%	10.30%	19.17%	-10.74%	10.89%
Life and Retirement						
Investment income	\$ 97	\$ 45	\$ 193	\$ 67	\$ 61	\$ 402
Invested assets	2,913	2,780	2,218	2,232	2,078	2,913
Annualized yield	13.63%	7.27%	34.69%	12.44%	12.11%	16.47%
Total AIG including Legacy Portfolio and Other Operations						
Investment income	\$ 288	\$ 179	\$ 423	\$ 473	\$ (139)	\$ 1,363
Invested assets	9,557	9,259	9,146	9,125	9,381	9,557
Annualized yield	12.26%	7.79%	18.57%	20.45%	-5.85%	14.68%
Other investment income (loss)						
General Insurance						
Investment income	\$ 14	\$ 54	\$ (6)	\$ 45	\$ (109)	\$ 107
Invested assets ³	3,122	3,680	2,986	3,125	3,506	3,122
Life and Retirement						
Investment income	\$ 67	\$ 138	\$ 156	\$ 147	\$ 69	\$ 508
Invested assets ³	4,671	5,265	7,667	7,768	7,421	4,671
Total AIG including Legacy Portfolio and Other Operations						
Investment income	\$ 186	\$ 315	\$ 246	\$ 244	\$ 69	\$ 991
Invested assets ³	16,758	19,325	21,649	22,570	22,628	16,758
Total AIG Investment Income, APTI basis	\$ 3,761	\$ 3,674	\$ 3,934	\$ 3,911	\$ 2,968	\$ 15,280
Investment expenses	144	135	132	114	128	525
Consolidations and eliminations	(155)	(64)	(67)	(79)	(27)	(365)
Total Net Investment Income - APTI Basis	\$ 3,462	\$ 3,475	\$ 3,735	\$ 3,718	\$ 2,813	\$ 14,390

¹ The invested assets presented herein differ from amounts presented on the segment balance sheets due to certain adjustments made for attributed equity.

² Interest and dividends includes the amounts below related to commercial mortgage loan prepayments and call and tender income:

	Quarterly					Twelve Months Ended December 31,
	4Q19	3Q19	2Q19	1Q19	4Q18	2019
General Insurance	\$ 10	\$ 14	\$ 9	\$ 2	\$ 4	\$ 35
Life and Retirement	94	64	84	19	49	261
Total Interest and dividends	\$ 104	\$ 78	\$ 93	\$ 21	\$ 53	\$ 296

³ Includes Fixed Maturity Securities - Other, Equity Securities - Other, long term time deposits, private common stock, and Real Estate investments.
See accompanying notes on page 48.



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

(in millions)	Quarterly					Twelve Months Ended	
	4Q19	3Q19	2Q19	1Q19	4Q18	December 31, 2019	2018
Sales of fixed maturity securities	\$ 136	\$ 128	\$ 87	\$ (31)	\$ (153)	\$ 320	\$ (145)
Sales of equity securities	-	-	-	-	-	-	16
Other-than-temporary impairments:							
Change in intent	-	-	-	(3)	(35)	(3)	(87)
Foreign currency declines	(3)	(6)	(3)	(6)	(2)	(18)	(15)
Issuer-specific credit events	(34)	(17)	(25)	(71)	(55)	(147)	(147)
Adverse projected cash flows	-	(1)	(2)	(3)	(1)	(6)	(2)
Total other-than-temporary impairments	(37)	(24)	(30)	(83)	(93)	(174)	(251)
Provision for loan losses	(11)	(25)	14	(24)	(19)	(46)	(92)
Foreign exchange transactions	469	(203)	(2)	(37)	(27)	227	(182)
Variable annuity embedded derivatives, net of related hedges	(304)	311	(40)	(261)	306	(294)	304
All other derivatives and hedge accounting	(623)	466	207	(72)	189	(22)	338
Loss on sale of private equity funds	-	-	-	-	(10)	-	(321)
Other*	115	276	168	62	42	621	203
Total net realized capital gains (losses)	\$ (255)	\$ 929	\$ 404	\$ (446)	\$ 235	\$ 632	\$ (130)

* In 2019, includes \$200 million from the sale and concurrent leaseback of our corporate headquarters and \$300 million as a result of sales in investment real estate properties. In 2018, primarily includes \$96 million and \$49 million of realized gains on the sale of shares of OneMain Holdings, Inc. and an investment in Castle Holdings LLC's aircraft assets, respectively.

American International Group, Inc. Investments Portfolio Results Notes

- (1) Yields/Total Return are calculated using quarterly annualized investment income divided by the average quarterly asset amortized cost for the interim periods.
- (2) For 4Q18 and prior periods, investment income includes amounts recorded in net investment income by our insurance subsidiaries and amounts recorded in other income by our non-insurance subsidiaries. Beginning 1Q19, investment income represents amounts recorded in net investment income by our insurance and non-insurance subsidiaries.
- (3) As of December 31, 2019, 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. Beginning 1Q19, changes in the fair value of equity securities are excluded from APTI.
- (5) Excludes the carrying value of securities used to hedge guaranteed living benefits.
- (6) As of December 31, 2019, our Fixed Maturity Securities - Other portfolio was approximately 31% fixed rate and 69% variable rate.
- (7) 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.
- (8) Other Invested Assets - All Other includes long term time deposits, private common stock, and affordable housing partnerships. 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.
- (9) 4Q18 includes an adjustment totaling \$17 million of which \$9 million and \$8 million related to 3Q18 and 2Q18, respectively.
- (10) Beginning 1Q19, on a prospective basis, we began reporting investment income from our non-insurance subsidiaries in Net Investment income in Other Operations. Therefore, starting 1Q19, this disclosure represents only the net realized capital (gains) related to economic hedges and other that is not included in Gross Investment Income - APTI.
- (11) For 4Q18 and prior periods, our non-insurance subsidiaries recorded investment income in other income. Beginning 1Q19, investment income represents amounts recorded in net investment income by our insurance and non-insurance subsidiaries.

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, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	4Q19 Change
Gross Covered Losses						
Covered reserves before discount	\$ 19,064	\$ 19,944	\$ 20,989	\$ 22,071	\$ 23,033	\$ (880)
Inception to date losses paid	22,954	22,103	21,220	20,295	19,331	851
Attachment point	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	-
Covered losses above attachment point	\$ 17,018	\$ 17,047	\$ 17,209	\$ 17,366	\$ 17,364	\$ (29)
Deferred Gain Development						
Covered losses above attachment ceded to NICO (80%)	\$ 13,614	\$ 13,638	\$ 13,767	\$ 13,893	\$ 13,891	\$ (24)
Consideration paid including interest	(10,188)	(10,188)	(10,188)	(10,188)	(10,188)	-
Pre-tax deferred gain before discount and amortization	3,426	3,450	3,579	3,705	3,703	(24)
Discount on ceded losses	(1,251)	(1,246)	(1,287)	(1,412)	(1,719)	(5)
Pre-tax deferred gain before amortization	2,175	2,204	2,292	2,293	1,984	(29)
Inception to date amortization attributed to deferred gain at inception	(693)	(635)	(577)	(519)	(461)	(58)
Inception to date amortization attributed to changes in deferred gain*	(101)	(76)	(153)	(161)	(141)	(25)
Deferred gain liability reflected in AIG's balance sheet	\$ 1,381	\$ 1,493	\$ 1,562	\$ 1,613	\$ 1,382	\$ (112)

Prior Year Development, Net of Reinsurance and Deferred Gain Amortization

	Quarterly				
	4Q19	3Q19	2Q19	1Q19	4Q18
Unfavorable (favorable) prior year development on covered reserves before retroactive reinsurance and deferred gain amortization	\$ (29)	\$ (162)	\$ (157)	\$ 2	\$ 28
Prior year development ceded to NICO	24	129	126	(2)	(22)
Subtotal	(5)	(33)	(31)	-	6
Amortization attributed to deferred gain at inception	(58)	(58)	(58)	(58)	(57)
Unfavorable (favorable) prior year development on covered reserves, net of reinsurance and deferred gain amortization	(63)	(91)	(89)	(58)	(51)
Unfavorable (favorable) prior year development on non-covered reserves	(90)	87	26	(16)	416
Total unfavorable (favorable) prior year development, net of reinsurance and deferred gain amortization	\$ (153)	\$ (4)	\$ (63)	\$ (74)	\$ 365

* Excluded from our definition of APTI.

Selected Balance Sheet data for ADC

	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Reinsurance recoverable reported in Reinsurance assets, net of allowance	\$ 12,363	\$ 12,392	\$ 12,480	\$ 12,481	\$ 12,172
Ceded reserves reported in Liability for unpaid losses and loss adjustment expenses	12,363	12,392	12,480	12,481	12,172
Deferred gain reported in Other liabilities	1,381	1,493	1,562	1,613	1,382



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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
GAAP Basis:							
Numerator for EPS:							
Income (loss) from continuing operations	\$ 820	\$ 973	\$ 1,391	\$ 937	\$ (558)	\$ 4,121	\$ 103
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	(60)	317	281	283	62	821	67
Less: Dividends declared on preferred stock	7	8	7	-	-	22	-
Income (loss) attributable to AIG common shareholders from continuing operations	873	648	1,103	654	(620)	3,278	36
Income (loss) from discontinued operations, net of income tax expense	49	-	(1)	-	(2)	48	(42)
Net income (loss) attributable to AIG common shareholders	\$ 922	\$ 648	\$ 1,102	\$ 654	\$ (622)	\$ 3,326	\$ (6)
Denominator for EPS:							
Weighted average common shares outstanding - basic*	878.2	877.0	876.4	875.4	887.5	876.8	898.4
Dilutive shares**	18.2	18.8	11.9	2.1	-	12.7	11.7
Weighted average common shares outstanding - diluted**	896.4	895.8	888.3	877.5	887.5	889.5	910.1
Income per common share attributable to AIG common shareholders:							
Basic:							
Income (loss) from continuing operations	\$ 0.99	\$ 0.74	\$ 1.26	\$ 0.75	\$ (0.70)	\$ 3.74	\$ 0.04
Income (loss) from discontinued operations	0.06	-	-	-	-	0.05	(0.05)
Net income (loss) attributable to AIG common shareholders	\$ 1.05	\$ 0.74	\$ 1.26	\$ 0.75	\$ (0.70)	\$ 3.79	\$ (0.01)
Diluted**:							
Income (loss) from continuing operations	\$ 0.97	\$ 0.72	\$ 1.24	\$ 0.75	\$ (0.70)	\$ 3.69	\$ 0.04
Income (loss) from discontinued operations	0.06	-	-	-	-	0.05	(0.05)
Net income (loss) attributable to AIG common shareholders	\$ 1.03	\$ 0.72	\$ 1.24	\$ 0.75	\$ (0.70)	\$ 3.74	\$ (0.01)

* 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 in 4Q18.

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

(in millions, except per common share data)

	Quarterly					As of December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Book Value Per Common Share							
Total AIG shareholders' equity	\$ 65,675	\$ 65,603	\$ 64,539	\$ 60,787	\$ 56,361	\$ 65,675	\$ 56,361
Less: Preferred equity	485	485	485	485	-	485	-
Total AIG common shareholders' equity (a)	65,190	65,118	64,054	60,302	56,361	65,190	56,361
Less: Accumulated other comprehensive income (AOCI)	4,982	5,615	4,991	2,128	(1,413)	4,982	(1,413)
Total AIG common shareholders' equity, excluding AOCI (b)	60,208	59,503	59,063	58,174	57,774	60,208	57,774
Less: Deferred tax assets (DTA)*	8,977	9,393	9,577	9,926	10,153	8,977	10,153
Total adjusted common shareholders' equity (c)	51,231	50,110	49,486	48,248	47,621	51,231	47,621
Total common shares outstanding (d)	870.0	869.9	869.9	869.7	866.6	870.0	866.6
Book value per common share (a÷d)	\$ 74.93	\$ 74.85	\$ 73.63	\$ 69.33	\$ 65.04	\$ 74.93	\$ 65.04
Book value per common share, excluding AOCI (b÷d)	69.20	68.40	67.90	66.89	66.67	69.20	66.67
Adjusted book value per common share (c÷d)	58.89	57.60	56.89	55.47	54.95	58.89	54.95

	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Return On Common Equity (ROCE) Computations							
Actual or Annualized net income (loss) attributable to AIG common shareholders (a)	\$ 3,688	\$ 2,592	\$ 4,408	\$ 2,616	\$ (2,488)	\$ 3,326	\$ (6)
Actual or Annualized adjusted after-tax income attributable to AIG common shareholders (b)	\$ 3,676	\$ 2,020	\$ 5,088	\$ 5,552	\$ (2,236)	\$ 4,084	\$ 1,064
Average AIG Common Shareholders' equity (c)	\$ 65,154	\$ 64,586	\$ 62,178	\$ 58,332	\$ 57,474	\$ 62,205	\$ 60,819
Less: Average AOCI	5,299	5,303	3,560	358	(975)	3,261	1,193
Less: Average DTA	9,185	9,485	9,752	10,040	10,053	9,605	10,133
Average adjusted common shareholders' equity (d)	\$ 50,670	\$ 49,798	\$ 48,866	\$ 47,934	\$ 48,396	\$ 49,339	\$ 49,493
ROCE (a÷c)	5.7%	4.0%	7.1%	4.5%	(4.3%)	5.3%	0.0%
Adjusted return on common equity (b÷d)	7.3%	4.1%	10.4%	11.6%	(4.6%)	8.3%	2.1%

* 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	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Pre-tax income (loss) from continuing operations	\$ 1,036	\$ 1,260	\$ 1,837	\$ 1,154	\$ (695)	\$ 5,287	\$ 257
Adjustments to arrive at Adjusted pre-tax income (loss)							
Changes in fair value of securities used to hedge guaranteed living benefits	(11)	(12)	(75)	(96)	27	(194)	154
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(95)	65	73	(99)	40	(56)	(6)
Changes in the fair value of equity securities	(152)	51	22	(79)	-	(158)	-
Loss (gain) on extinguishment of debt	19	-	15	(2)	(3)	32	7
Net realized capital (gains) losses (a)	310	(881)	(351)	474	(195)	(448)	193
(Income) loss from divested businesses	71	9	1	(6)	(3)	75	(38)
Non-operating litigation reserves and settlements	(8)	5	-	1	(11)	(2)	19
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(56)	(59)	(125)	(27)	68	(267)	675
Net loss reserve discount (benefit) charge	35	235	212	473	(66)	955	(371)
Integration and transaction costs associated with acquired businesses	8	3	6	7	33	24	124
Restructuring and other costs	44	67	60	47	136	218	395
Professional fees related to regulatory or accounting changes	7	3	2	-	-	12	-
Adjusted pre-tax income (loss)	\$ 1,208	\$ 746	\$ 1,677	\$ 1,847	\$ (669)	\$ 5,478	\$ 1,409
After-tax net income (loss), including noncontrolling interests	\$ 869	\$ 973	\$ 1,390	\$ 937	\$ (560)	\$ 4,169	\$ 61
Noncontrolling interests (income) loss	60	(317)	(281)	(283)	(62)	(821)	(67)
Net income (loss) attributable to AIG	\$ 929	\$ 656	\$ 1,109	\$ 654	\$ (622)	\$ 3,348	\$ (6)
Dividends on preferred stock	7	8	7	-	-	22	-
Net income (loss) attributable to AIG common shareholders	\$ 922	\$ 648	\$ 1,102	\$ 654	\$ (622)	\$ 3,326	\$ (6)
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	7	8	27	(12)	(5)	30	48
Deferred income tax valuation allowance (releases) charges	(3)	(9)	7	(38)	(21)	(43)	21
Changes in fair value of securities used to hedge guaranteed living benefits	(9)	(10)	(59)	(76)	22	(154)	122
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(75)	52	57	(78)	33	(44)	(3)
Changes in the fair value of equity securities	(120)	40	17	(62)	-	(125)	-
Loss (gain) on extinguishment of debt	15	-	11	(1)	(2)	25	6
Net realized capital (gains) losses (a)(b)	254	(705)	(265)	365	(139)	(351)	152
(Income) loss from discontinued operations and divested businesses (b)	14	7	2	(5)	(1)	18	12
Non-operating litigation reserves and settlements	(7)	4	1	-	(8)	(2)	15
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(45)	(46)	(98)	(22)	54	(211)	533
Net loss reserve discount (benefit) charge	28	185	167	374	(51)	754	(292)
Integration and transaction costs associated with acquired businesses	6	3	5	5	26	19	98
Restructuring and other costs	35	53	47	37	107	172	312
Professional fees related to regulatory or accounting changes	6	2	2	-	-	10	-
Noncontrolling interests primarily related to net realized capital gains (losses) of Fortitude Holdings' standalone results (c)	(109)	273	249	247	48	660	46
Adjusted after-tax income (loss) attributable to AIG common shareholders	\$ 919	\$ 505	\$ 1,272	\$ 1,388	\$ (559)	\$ 4,084	\$ 1,064
Calculation of Effective Tax Rates							
Adjusted pre-tax income (loss)	\$ 1,208	\$ 746	\$ 1,677	\$ 1,847	\$ (669)	\$ 5,478	\$ 1,409
Income tax benefit (expense)	(233)	(189)	(366)	(423)	124	(1,211)	(324)
Dividends on preferred stock	(7)	(8)	(7)	-	-	(22)	-
Noncontrolling interests	(49)	(44)	(32)	(36)	(14)	(161)	(21)
Adjusted after-tax income (loss) attributable to AIG common shareholders	\$ 919	\$ 505	\$ 1,272	\$ 1,388	\$ (559)	\$ 4,084	\$ 1,064
Effective tax rates on adjusted pre-tax income (loss)	19.3%	25.3%	21.8%	22.9%	18.5%	22.1%	23.0%

(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.

(c) See note (5) on page 12.



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

Total Core

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Adjusted pre-tax income (loss)	\$ 1,031	\$ 653	\$ 1,558	\$ 1,735	\$ (519)	\$ 4,977	\$ 1,196
Interest expense (benefit) on attributed financial debt	-	-	-	-	-	-	(10)
Adjusted pre-tax income (loss) including attributed interest expense	1,031	653	1,558	1,735	(519)	4,977	1,206
Income tax expense (benefit)	196	170	340	400	(93)	1,106	281
Adjusted after-tax income (loss)	\$ 835	\$ 483	\$ 1,218	\$ 1,335	\$ (426)	\$ 3,871	\$ 925
Dividends declared on preferred stock	7	8	7	-	-	22	-
Adjusted after-tax income (loss) attributable to common shareholders (a)	\$ 828	\$ 475	\$ 1,211	\$ 1,335	\$ (426)	\$ 3,849	\$ 925
Ending adjusted attributed common equity	\$ 44,213	\$ 43,335	\$ 42,694	\$ 40,798	\$ 38,735	\$ 44,213	\$ 38,735
Average adjusted attributed common equity (b)*	43,774	43,015	41,746	39,767	39,547	41,955	40,394
Adjusted return on attributed common equity (a÷b)	7.6 %	4.4 %	11.6 %	13.4 %	(4.3) %	9.2 %	2.3 %

* See accompanying notes to Adjusted Attributed Common Equity on page 55.

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

(in millions)

	Quarterly				
	4Q19	3Q19	2Q19	1Q19	4Q18
<u>Attributed Debt (a)</u>					
General Insurance	\$ 13,683	\$ 13,654	\$ 13,765	\$ 13,519	\$ 13,498
Life and Retirement	4,183	4,122	4,033	3,918	2,830
Other Operations	5,483	5,461	6,538	6,873	7,406
Total Core	<u>23,349</u>	<u>23,237</u>	<u>24,336</u>	<u>24,310</u>	<u>23,734</u>
Total Attributed Debt	\$ 23,349	\$ 23,237	\$ 24,336	\$ 24,310	\$ 23,734
<u>Consolidated Attributed Debt</u>					
Total Financial debt	\$ 21,807	\$ 21,706	\$ 22,795	\$ 22,765	\$ 22,186
Hybrid debt securities - junior subordinated debt	1,542	1,531	1,541	1,545	1,548
Total Attributed Debt	<u>\$ 23,349</u>	<u>\$ 23,237</u>	<u>\$ 24,336</u>	<u>\$ 24,310</u>	<u>\$ 23,734</u>
<u>Adjusted Attributed Common Equity (b)</u>					
General Insurance	\$ 25,142	\$ 25,076	\$ 25,282	\$ 24,826	\$ 25,066
Life and Retirement	19,513	19,235	18,820	18,280	19,695
Other Operations	(442)	(976)	(1,408)	(2,308)	(6,026)
Total Core	<u>44,213</u>	<u>43,335</u>	<u>42,694</u>	<u>40,798</u>	<u>38,735</u>
Legacy	<u>7,018</u>	<u>6,775</u>	<u>6,792</u>	<u>7,450</u>	<u>8,886</u>
Total Adjusted Attributed Common Equity	\$ 51,231	\$ 50,110	\$ 49,486	\$ 48,248	\$ 47,621

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

(a) Attribution of debt is performed on an annual basis unless recalibration is needed. Attributed debt is determined by management, informed by our internal capital model. Attributed debt is attributed on "frictional" capital requirements beyond attributed equity.

(b) Attribution of adjusted common equity is performed on an annual basis unless recalibration is needed. Adjusted attributed common equity is determined by management, informed by our internal capital model and on the model's risk profile of each business. The recalibrated adjusted attributed common 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. For 2018, the average adjusted attributed common equity is calculated using the recalibrated adjusted attributed common 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,	
	4Q19	3Q19	2Q19	1Q19	4Q18	2019	2018
Individual Retirement:							
Premiums	\$ 39	\$ 38	\$ 16	\$ 11	\$ 15	\$ 104	\$ 52
Deposits	3,121	3,656	3,852	4,175	4,213	14,804	15,577
Other	(4)	(2)	(3)	-	(3)	(9)	(8)
Premiums and deposits	\$ 3,156	\$ 3,692	\$ 3,865	\$ 4,186	\$ 4,225	\$ 14,899	\$ 15,621
Individual Retirement (Fixed Annuities):							
Premiums	\$ 33	\$ 19	\$ 16	\$ 12	\$ 16	\$ 80	\$ 56
Deposits	725	1,187	1,489	1,811	1,666	5,212	4,722
Other	(4)	(3)	(3)	(2)	(4)	(12)	(13)
Premiums and deposits	\$ 754	\$ 1,203	\$ 1,502	\$ 1,821	\$ 1,678	\$ 5,280	\$ 4,765
Individual Retirement (Variable Annuities):							
Premiums	\$ 6	\$ 19	\$ -	\$ (1)	\$ (1)	\$ 24	\$ (4)
Deposits	839	800	656	557	715	2,852	4,245
Other	-	1	-	2	1	3	4
Premiums and deposits	\$ 845	\$ 820	\$ 656	\$ 558	\$ 715	\$ 2,879	\$ 4,245
Individual Retirement (Index Annuities):							
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	1,362	1,400	1,342	1,362	1,383	5,466	4,250
Other	-	-	-	-	-	-	-
Premiums and deposits	\$ 1,362	\$ 1,400	\$ 1,342	\$ 1,362	\$ 1,383	\$ 5,466	\$ 4,250
Individual Retirement (Retail Mutual Funds):							
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	195	269	365	445	449	1,274	2,361
Other	-	-	-	-	-	-	-
Premiums and deposits	\$ 195	\$ 269	\$ 365	\$ 445	\$ 449	\$ 1,274	\$ 2,361
Group Retirement:							
Premiums	\$ 2	\$ 5	\$ 5	\$ 4	\$ 4	\$ 16	\$ 34
Deposits	2,310	1,919	2,042	2,059	2,102	8,330	8,605
Other	-	-	-	-	-	-	-
Premiums and deposits	\$ 2,312	\$ 1,924	\$ 2,047	\$ 2,063	\$ 2,106	\$ 8,346	\$ 8,639
Life Insurance:							
Premiums	\$ 405	\$ 394	\$ 425	\$ 395	\$ 378	\$ 1,619	\$ 1,554
Deposits	436	404	413	406	417	1,659	1,649
Other	206	214	194	194	192	808	711
Premiums and deposits	\$ 1,047	\$ 1,012	\$ 1,032	\$ 995	\$ 987	\$ 4,086	\$ 3,914
Institutional Markets:							
Premiums	\$ 501	\$ 389	\$ 152	\$ 819	\$ 816	\$ 1,861	\$ 952
Deposits	36	437	108	286	25	867	2,015
Other	8	7	8	7	7	30	65
Premiums and deposits	\$ 545	\$ 833	\$ 268	\$ 1,112	\$ 848	\$ 2,758	\$ 3,032
Total Life and Retirement:							
Premiums	\$ 947	\$ 826	\$ 598	\$ 1,229	\$ 1,213	\$ 3,600	\$ 2,592
Deposits	5,903	6,416	6,415	6,926	6,757	25,660	27,846
Other	210	219	199	201	196	829	768
Premiums and deposits	\$ 7,060	\$ 7,461	\$ 7,212	\$ 8,356	\$ 8,166	\$ 30,089	\$ 31,206

* The twelve-month period ended December 31, 2018 includes deposits in Individual Retirement (\$1.1 billion), Group Retirement (\$0.2 billion) and Institutional Markets (\$1.4 billion) of FHLB funding agreements.



American International Group, Inc. (AIG) is a leading global insurance organization. Building on 100 years of experience, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement solutions, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange.

Additional information about AIG can be found at www.aig.com | YouTube: www.youtube.com/aig | Twitter: [@AIGinsurance](https://twitter.com/AIGinsurance) www.twitter.com/AIGinsurance | LinkedIn: www.linkedin.com/company/aig. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

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